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PROCEEDINGS AND DEBATES OF THE 94th CONGRESS
FIRST SESSION

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, April 17, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Behold, how good and how pleasant it is for brethren to dwell together in unity.—Psalms 133: 1.

Almighty God, grant that we may meet the tasks of this day with a firm faith in Thy sustaining presence. Help us, we pray Thee, to develop within our minds nobler thoughts and within our hearts nobler feelings that in nobler ways we may seek to make our Nation a better nation.

Fill us with an ever-increasing desire to have our people enjoy the blessing of democracy and to learn to live together with liberty, justice, and good will for all.

Then may we share these blessings with others that we may build a finer world order where the nations may learn to live in peace with one another.

In the spirit of the Prince of Peace we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

A TRIBUTE TO "GENERAL JOE" BARTLETT

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, it is always a pleasure to see the deserving receive credit and recognition for outstanding effort and ability. Therefore, I know that my colleagues join me in congratulating the minority clerk of the House of Representatives, Joe Bartlett, on his confirmation to the rank of brigadier general in the U.S. Marine Corps Reserve.

I have watched "General Joe" progress during the 22 years I have been in this Congress. His service to the Members of the House goes back 34 years, when he came here as a page. Joe Bartlett is that rare combination of perseverance, talent, dedication, and genuine graciousness. He has devoted a career to jobs serving the Congress—and as an avocation to service in the Marine Corps Reserve. Obviously he has exercised the enthusiasm and thoroughness, and devotion to duty we have applauded over the years in Congress, to his service as a "gyrene" both actively, and in the Reserve organization.

The Marine Corps is to be commended for recognizing and promoting outstanding ability. We in the House share his satisfaction and pride as he trades his eagles in for stars on his epaulets.

THE PLIGHT OF AMERICAN NATIONALS IN SOUTH VIETNAM

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker and Members, again I would like to express my concern over the situation in South Vietnam as it applies to American nationals.

I received reports yesterday that there were two civilian-owned commercial aircraft on the ground in Saigon Monday. Those planes left Saigon Monday totally empty when they could have carried out some 300 to 400 American nationals. Then, 36 hours later, the company received an inquiry as to whether or not they would have planes available for the removal of furnishings and household goods.

Mr. Speaker, I would think that the first order of priority for our Ambassador over there is to utilize commercial airlines when they are leaving Saigon for safe parts by putting American nationals in those planes so we can get our people out without any further involvement.

SUBCOMMITTEE ON PRINTING TO CONDUCT HEARINGS ON REGULATIONS REGARDING PUBLIC ACCESS TO NIXON PRESIDENTIAL MATERIALS

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on Wednesday, March 19, 1975, the General Services Administration submitted to Congress regulations and an explanatory report regarding public access to the Nixon Presidential materials.

These regulations implement title I of the measure enacted in December 1974, which provides that the Government: First, retain custody of the Nixon Presidential material; and second, provide appropriate public access to them.

The act gives the Congress the authority to disapprove of these regulations by providing that the regulations take effect 90 legislative days after submission unless they are disapproved by either the House or the Senate.

Mr. Speaker, I announced earlier that the Subcommittee on Printing would hold public hearings in order to give Members of the House and members of the public an opportunity to comment on these regulations. These hearings have been scheduled for Wednesday, May 21, and Thursday, May 22, 1975. Anyone who wishes to testify should contact the Subcommittee on Printing of the House Administration Committee.

THE UNITED STATES SHOULD NOT REESTABLISH RELATIONS WITH CUBA

(Mr. PEPPER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, my distinguished colleague, the gentleman from Florida (Mr. CHAPPELL), and I are immediately introducing the following resolution, which is a concurrent resolution, expressing the sense of Congress that the embargo of Cuba not be lifted as long as Cuba is dominated by Castro and communism.

The resolution reads:

> *Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of Congress that the United States should not lift its embargo against Communist Cuba, nor that the United States should enter into normal and friendly relationships with Cuba as long as it is dominated by Castro and communism.

A resolution of comparable import is being introduced in the other body today by our colleague, Senator STONE, of Florida.

Recently this Congress refused to enter into the most-favored-nations relationship with the Soviet Union because of its mistreatment of its Jewish population. What crime in the category of man's inhumanity to man has not been committed by Castro against his fellow Cubans. Murder, torture, robbery, false imprisonment, and denial of any semblance of civil or political rights are the hallmarks of his foul regime. I believe, therefore, that our country should not enter into normal and friendly relations with such a character and such a country so long as it is so dominated.

I hope therefore that the Congress

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will so express itself through the approval of our concurrent resolution or a resolution of similar character.

PERMISSION FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO FILE REPORT ON HOUSE JOINT RESOLUTION 242

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service may have until midnight tonight to file a report on House Joint Resolution 242.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AT THE RATE IT IS GOING, CONGRESS WILL SPEND AMERICA INTO THE WORST INFLATION IN HISTORY

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have with me today a graphic demonstration of just what this Congress is doing to the American people. I am upset and concerned because at the rate we are going, this Congress is going to spend America into the worst inflation in history.

The figures are clear. The President had originally projected a budget deficit of $55.5 billion. We knocked that out of whack with the tax bill. And we just kept adding and adding. Yesterday, we passed a budget busting education bill to the tune of $7.8 billion, a full $1.148 billion over the budget.

Now we learn that the first quarter of 1975 has seen a precipitous drop in the GNP, and that can only make the deficit larger, by reducing revenue from taxation. So today, just a few months into the year, we can say that this Congress has already voted for a budget deficit of $60.7 billion.

The way things are going, it is clear that the fiscal year 1976 deficit is going to top $100 billion unless this Congress takes some drastic action, and soon.

The people know what is going on. I referred yesterday to the recent referenda in New Jersey, in which the people of that State turned thumbs down on 58 percent of the proposed local school budgets they were presented with. The people know what is going on. They are pleading with Government to hold the line and save the economy. But the Congress seems only to respond to the special interests such as the education lobby.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I congratulate my colleague who is on the Committee on Appropriations for bringing this major problem of deficit financing to the attention of the whole House. The majority is in fact bankrupting our Treasury.

THE NEW HAMPSHIRE SENATE CONTEST

(Mr. CLEVELAND asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. CLEVELAND. Mr. Speaker, I am amazed that four Democratic members of the Rules Committee of the other body, reviewing the challenge of Democrat John Durkin to the seating of Senator-elect Louis Wyman, should have yesterday voted to take away from Wyman 10 straight Republican ballots that had been properly counted for him in New Hampshire. These critically important votes belong to Mr. Wyman by settled New Hampshire law in a contest with an existing margin of two votes.

As even Durkin's counsel acknowledged before the committee, the ballots were and would have consistently been counted for Wyman in New Hampshire. On each the voter had voted a cross in the straight Republican circle with no marks on the Democratic side of the ballot. He had also voted a cross in every voting square except Mr. Wyman's. By operation of statute and court decision in New Hampshire for 60 years—as well as in other States having the straight ticket option—a vote in the straight ticket circle is a vote for every candidate under the circle and a vote in every box under the circle by operation of law.

Worse yet, similar ballots for Durkin in the original New Hampshire recount had not been challenged by Wyman because under settled New Hampshire law they were recognized as valid votes. These remain in the totals relied on by the Senate committee, counted for Durkin.

On April 9 in this RECORD I called for a new election in New Hampshire and surely this has now become a compelling necessity, unless we are to witness a legislative Watergate.

The SPEAKER. The Chair must ask the gentleman to desist and must call to the attention of the gentleman from New Hampshire that his remarks are in violation of the rules of the House and rules of comity. The Chair has been very lenient, but this goes far beyond the bounds.

It is not proper to criticize the actions of the other body, or any committee of the other body, in any matter relating to official duties.

Mr. CLEVELAND. Mr. Speaker, would it be in order for me to quote a Member of the other body who characterized this?

The SPEAKER. No, it would not be. The Chair was very lenient by letting the gentleman make his point, but the Chair is going to be strict in observing the rules of comity between the two bodies. Otherwise we cannot function as an independent, separate legislative body under the Constitution of the United States.

THE ABANDONED AND ORPHANED CHILDREN FROM CAMBODIA AND VIETNAM

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, while I support the orderly evacuation of adoptable abandoned and orphaned children from Cambodia and Vietnam, I am greatly concerned that every precaution be taken to assure that children are not separated illegally from their families still residing in these countries.

Recent news articles have indicated that some children, who may not have been legally given up for adoption, were herded onto an airplane and evacuated from Cambodia. While we, as Americans, might argue that these children will be better off in the United States, we must bear in mind that these children may have been unlawfully separated from their parents or guardians. When accomplishing the mass evacuation of children from orphanages and foster homes we must remember that, in many instances, parents who are unable to care for their children have placed them in the care of orphanages or foster homes with the intention of reclaiming their children as soon as they are able. One can only imagine the grief that a Vietnamese or Cambodian mother might face upon learning that her child had been evacuated to the United States, and that she might never see the child again. Of course, in most cases, the children are too young to resist being taken from their lawful parents and do not realize the impact of what is happening to them.

Lest we be branded as a nation of international kidnapers, and our humanitarian efforts go astray through hasty actions, we must recognize and respect the legal rights of the parents and guardians of these children. If the good which is being accomplished through the orphan airlifts is not to be overshadowed by impetuous deeds, every effort must be made to make certain that only legally adoptable children are evacuated to this country.

PROVIDING FOR CONSIDERATION OF H.R. 46, YOUTH CAMP SAFETY ACT

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 385 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 385

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 46) to provide for the development and implementation of programs for youth camp safety. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

CALL OF THE HOUSE

Mr. LONG of Maryland. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 125]

Adams
Andrews, N.C.
Ashley
Badillo
Brown, Calif.
Burke, Calif.
Burton,
  Phillip
Chisholm
Conyers
Dent
Diggs
Dodd
Drinan
Findley
Fithian
Flynt
Foley
Fraser
Fulton
Gibbons
Gude
Hawkins
Hébert
Hefner
Hightower
Holland
Jarman
Johnson, Colo.
Leggett
McKay
Macdonald
Mahon
Milford
Mills
Mitchell, Md.
Mollohan
Moss
Obey
O'Brien
O'Neill
Pepper
Peyser
Rees
Reuss
Richmond
Robinson
Rosenthal
Ruppe
Ryan
Scheuer
Shriver
Shuster
Sisk
Stanton,
  J. William
Steed
Stephens
Stokes
Symms
Taylor, N.C.
Teague
Treen
Udall
Wright
Yatron

The SPEAKER. On this rollcall 368 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO SIT DURING GENERAL DEBATE UNDER THE 5-MINUTE RULE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be allowed to sit today during general debate and under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 46, THE YOUTH CAMP SAFETY ACT

The SPEAKER. The gentleman from Georgia (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 385 provides for an open rule with 1 hour of debate on H.R. 46, a bill which would provide for the development and implementation of programs for youth camp safety. House Resolution 385 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

H.R. 46 would protect and safeguard the health and well-being of all youth attending day camps, residential camps, troop camps, travel and trip camps, and Federal recreational youth camps by providing for Federal standards for safe operation of such camps. In addition, the bill requires all camp operators to provide each camper safe and healthful conditions, facilities, and equipment which are free from recognized hazards which cause or are likely to cause death, serious illness, or serious physical harm. Another provision of this bill is that an office of youth camp safety would be established within the Department of Health, Education, and Welfare, and whose director will be appointed by the authorize $7.5 million in appropriations Secretary of HEW. This bill would also for fiscal year 1975 and each year thereafter in order to encourage States to implement youth camp safety standards.

An estimated 2,700 youngsters sustain serious injuries or incur serious illness and another 25 children die each summer at youth camps. However, only seven States have comprehensive laws dealing with youth camp safety. Clearly, the enactment of minimum Federal standards are an appropriate response to this situation.

Mr. Speaker, the Committee on Education and Labor reported this bill by a vote of 37 to 0 and I urge the adoption of House Resolution 385 in order that we may discuss, debate, and pass H.R. 46.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 385 makes in order for consideration the bill, H.R. 46, the Youth Camp Safety Act, under an open rule with 1 hour of general debate.

Mr. Speaker, this would seem to be a relatively noncontroversial bill, having as it does an attractive title, being reported as it was by a unanimous committee, and being supported as it is by several major camping and youth organizations.

However, I think a careful examination of the bill and report will reveal that there are some very major points of controversy involved here, and I, therefore, intend to use some of the time under the rule to discuss those points.

First, I think it should be noted that no hearings have been conducted on this bill in this Congress, despite the fact that over one-third of the committee is comprised of new members. It will be pointed out that 4 days of hearings on youth camp safety were conducted back in 1973. But it is not mentioned that the bill under consideration at that time, H.R. 1486, was substantially different from the present bill. Specifically, it did not create a semiautonomous director of youth camp safety in the Office of the Secretary of HEW, and it contained a much narrower definition of youth camps, being limited to residential or day camps on traditional campsites.

Second, I think it is most unfortunate that the committee report contains no discussion of what constitutional authority is being relied on to regulate all manner of organized youth activities. In response to a question in the Rules Committee, the gentleman from New Jersey (Mr. DANIELS), the author of this bill, cited the commerce clause, suggesting that camps serve youngsters coming from other States. I appreciate the fact that the commerce clause has been stretched pretty thin in recent years, and that this construction could perhaps have some validity in certain instances. But to my mind, nothing is more clearly within the police powers of the States to promote health, safety, and general welfare—and more removed from movements in interstate commerce—than youth camp safety regulations.

But even if we conceded the gentleman's point that camps could be regulated which serve out-of-State youngsters, this bill virtually defines youth camps as all manner of organized youth activities, for whatever purpose, which take place apart from the home or school with the exception of day care centers. Indeed, in its markup of the bill, the subcommittee explicitly added language to make clear that not just traditional campsites were involved, and I quote: "and shall also include any site or facility primarily designed for other purposes, such as, but not limited to, any school, playground, resort, wilderness area," et cetera. Under this definition, such local activities as community summer recreation programs, vacation Bible schools in churches, stay-at-home camps in local "Y" buildings and even Little League baseball would presumably fall under Federal regulation. I do not think anyone would disagree that such daytime activities can only serve local youngsters and could in no way be construed to fall under the authority of Congress to regulate interstate commerce.

Third, I would like to call Members' attention to the so-called inflationary impact statement in the report required by House rule. The original report simply read:

> It is the Committee's belief that H.R. 46 will have a minimal economic impact upon the Federal Budget.

And yet, the House rule requires a detailed analytical statement as to whether the bill will have an inflationary impact "on prices and costs in the operation of the national economy."

After the original report was filed, it was called to the chairman's attention that his inflationary impact statement couldn't pass the muster of the House rule. Consequently, the chairman filed a "Supplemental Report" House Report

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94–97, part 2, containing a new inflationary impact statement. This detailed, analytical statement states that enactment of H.R. 46 will have little inflationary impact on prices and costs in the operation of the national economy and, to the contrary, "will have a stimulative effect on the State level encouraging States to take an active and effective role in training personnel and providing technical assistance to youth camps." Lo and behold, we now have a new type of public service employment legislation. The committee should have added that new jobs would be created at the Federal level for additional bureaucrats and Federal inspectors.

Mr. Speaker, the committee's finding that this Youth Camp Safety Act will have little inflationary impact on prices and costs seems to directly contradict another portion of the original report. One of the arguments cited for nationwide Federal enforcement is that, without it, "States—which have drafted exemplary laws and are enforcing them, would be disadvantaged and not in a competitive economic position with States which choose not to conform." This would seem to imply that there is considerable cost involved for camp operators to implement tough safety standards. And yet the committee report contains no detailed analytical statement on the additional prices and costs involved at camps in States with strict standards.

I think parents should be entitled to know what this Federal regulation of youth camps will mean in terms of how much more it will cost to send ther kids to camps. I am not suggesting for a moment that camp safety should be sacrificed to such economic considerations. What I am suggesting is that we be more mindful of what Murray Weidenbaum has termed the "hidden tax" of government-mandated inflation through the regulations it promulgates. What we must address ourselves to in our inflation impact statements is the cost/benefit ratio stemming from the regulations we impose on the private sector and which it in turn passes onto the consumer of products and services.

This hidden tax is a form of regressive tax in that it places a higher relative burden on low income families than it does on high income families. If, as the HEW survey has found, the accident and fatality rate at youth camps is lower than in the same general youth population at large, are we not placing in greater jeopardy those youngsters who will not be able to attend camps due to these government-mandated price increases? This should be a serious consideration when we consider costs and benefits of regulations.

In conclusion, Mr. Speaker, I think H.R. 46 in its present form is of dubious constitutionality, necessity or advisability. While more can and must be done to improve youth camp safety, in the United States, I am not convinced that direct Federal regulation and enforcement is either necessary or desirable. At the appropriate time I intend to offer a substitute to H.R. 46 which would eliminate this Federal enforcement role while retaining Federal model camp safety standards and a grant program to assist States in implementing and enforcing their own youth camp safety programs. If, on the termination of my three year program, Congress determines there has not been an adequate response from the States and that the problem is of serious magnitude, we might then consider whether Federal intervention is necessary. But in the meantime, I think we should give States sufficient time and incentives to develop their own camp safety programs without the immediate threat of Federal preemption in 6 short months after the standards are promulgated.

I wonder how many youngsters may be deprived of an opportuntiy to go to a summer camp because in order to comply with the new detailed Federal regulations, most costs are inevitably going to go up?

Mr. McCOLLISTER. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am happy to yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Speaker, I thank the gentleman for yielding to me.

The gentleman has said that those costs, to which the gentleman objects, are going to make it more difficult for every Boy Scout council and similar organizations to meet their budgets, but I think there will be an even greater effect on the scout council's ability to recruit volunteers who, under the domination of either State or Federal inspectors, may have some liabilities attached to their efforts, thus making it even more difficult—and it is already extremely difficult in many instances—to attract volunteers to help support these organizations.

Mr. Speaker, I commend the gentleman from Illinois for his analysis and for his statement.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Nebraska for his support, because this is obviously not an easy position to take. There is nothing more popular than to bring out a bill with a title like "Youth Camp Safety," and for which one can send out letters and get endorsements from all over the country. But I read the other day, for example, that there are 600 people who are killed every year pursuing America's favorite pasttime, or at least one of them, playing golf, and who are killed on the golf courses. I fear it is only a question of time until we have to call on the Congress of the United States to come forward with Federal regulations and inspection personnel just to make sure that not too many people get hit in the head with golf balls.

I have figures—I do not have them with me, but they are somewhere at the desk—figures on the number of people who are killed in home accidents, and it is appalling, I think it is something like 25,000 people a year.

We do not happen to know how many people are involved in youth camp accidents because no hearings were held, but there was a report that was sent out in a survey that was made that indicated that one-third of the camps that were written to replied that something like 25 youngsters were involved in camp accidents or fatal accidents of one kind or another. Goodness knows that is something we would want to do something about, but at the same time I think we ought to put it in perspective of some of the other areas where Federal inspection and Federal intervention may be even more necessay. I suppose that more people are killed every year through falling down in their bathtubs than there are in youth camps, and yet I do not suppose we can get a bill out of the Committee on Education and Labor this year dealing with that particular problem.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding to me at this time, and I thank the gentleman for the presentation he has made. I would note that in my State of Minnesota that we lose a lot of people who go deer hunting each year. We lose more from heart attacks, and in other kinds of accidents, than we do from having them shoot one another. So I presume that after we pass this bill we can pass another bill regulating the weight of the deers so that we will not lose so many of our hunters in this manner.

What I really wanted to ask the gentleman from Illinois, Mr. Speaker, is it true that there were no hearings on this bill this year?

Mr. ANDERSON of Illinois. That is correct; there were no hearings in this Congress.

Mr. FRENZEL. The way the gentleman from Illinois describes the bill, and the way that I read it, it looks like a bill which has had no hearings.

Again I thank the gentleman for the presentation he has made.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I thank the gentleman for yielding. I just want to commend the gentleman for mentioning the fact that we have another bill where we have a glorified title that is really not descriptive of the bill itself. This points up the need for a change in the rules of the House. As I have pointed out many times before, we ought to adopt a system of identifying bills by number only, rather than using a glorified title, like Youth Camp Safety Act, so that Members will not be inclined to vote for a bill by title alone.

I would ask the gentleman how many Members would want to go home and say that they voted against a safety bill for the youth of this Nation?

I think it is important that we face up to the need for a change in the rules of the House to stop using these glorified titles, and go to a system of identifying bills by number alone.

Mr. ANDERSON of Illinois. I thank the gentleman.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. I thank the gentleman for yielding.

I should like to ask the gentleman if there were no hearings, then in fact we do not know whether the accidents are caused in camps by unsafe acts or unsafe conditions; do we?

Mr. ANDERSON of Illinois. That is basically true. The 92d Congress did not mandate that a study be made of this particular subject, and the committee is very critical—very critical—of the study that the Department of Health, Education, and Welfare subsequently made on the grounds that they simply sent out questionnaires and only about one-third of those, I think, who were asked responded. But the information is woefully inadequate. We do not have the kind of empirical data base that we ought to be working from, particularly when we are getting into an area that involves Federal pre-emption, and that, basically, is my concern.

I am going to propose a substitute, and I was going to get to that point in my remarks under the rules where I will advise the Members I am not trying to destroy an effort to promote youth camp safety. I am going to offer a substitute that would say, yes, go ahead; have a 3-year program; make $22.5 million available over that period of time to the States to give them the encouragement and incentive to draw up plans following a Federal model camp safety standard plan, and let them go ahead; and let us at the end of that time see how well we have done.

But to simply do as the committee has done, to authorize in open-ended fashion $7.5 million for an indefinite period of time. we are falling right back into the error of our old ways. It led to the Budget Reform Act of 1974 and our new Budget Committee, in the hope that somehow we were going to get a grip on ourselves. Unfortunately, I think this legislation flies completely in the face of everything we have tried to do to make this body, this Congress, more responsible in fiscal affairs.

It is not a lot of money, but there is an important principle involved, and it is the reason that I take the time of the House on a Thursday afternoon to suggest that a substitute will be offered which will provide some money to provide funds so that States can, without Federal regulation and Federal intervention, implement and enforce their own youth camp safety programs; and if, on the termination of that program, Congress determines that there has not been an adequate response and that the problem is of such serious magnitude that Federal intervention and pre-emption is necessary, let us make the decision at that time.

But I hope that when the substitute is offered, it will have the Members' serious consideration.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

I have similar misgivings about this intrusion upon what is normally considered to be the police power of the States, as the gentleman has expressed, even though I am a cosponsor of the original bill that was introduced. But let me just ask the gentleman a couple of questions.

The gentleman made fairly good points, I thought, about the fact that there are a lot of accidents in the home, on the golf course, and elsewhere, but I presume he does make a distinction between children and adults, who are more capable of taking care of themselves?

Mr. ANDERSON of Illinois. I think there is not anyone in this Chamber who wants to be depicted as a Scrooge, who is not concerned about children and the injuries that they suffer. That is the very reason why the charge that has been made—and I have before me a letter signed by the distinguished Chairman of the subcommittee that says:

> There will be attempts to weaken this important legislation through an amendment in the nature of a substitute offered by Mr. Anderson of Illinois. This will weaken the legislation and should be rejected.

I am not trying to weaken the legislation. I am trying to stand for a principle, that this does basically involve the police powers of the States, who historically, constitutionally, traditionally, and every other way, have been charged with the responsibility for maintaining public health and public safety in areas of local jurisdiction. So all I am suggesting is that before we launch an open-ended Federal program, with a whole new junior OSHA-type corps of inspectors, who are going to go out and inspect every one of the ten or fifteen thousand camps in the country, let us take a look at the problem. Let us do it sensibly, reasonably, and over a 3-year period of time make some money available to the States to implement programs of their own.

If that does not work, I will be the first to stand up in the well of this House 3 years from now and say, let us go the other route.

Mr. SEIBERLING. If the gentleman will yield further, I take it that he also agrees on the record that the States police power and tort law, which is the normal way of deterring people from being negligent, have not really met this problem in the way that it needs to be handled; is that correct?

Mr. ANDERSON of Illinois. I am sure many examples are going to be cited this afternoon by the chairman of the subcommittee and perhaps others of accidents that have occurred, and I happen to be familiar with the genesis of this legislation and the tragic accident that happened, I understand, a decade ago. So certainly improvements can be made.

Incidentally, I am indebted to the gentleman from New York (Mr. ROSENTHAL) for putting something into the RECORD a few days ago in support of this legislation that also at the same time makes a very important point and maybe it is worth repeating right now. These are from the remarks of the gentleman from New York (Mr. ROSENTHAL) on page 10311 under the heading "How to Select a Summer Camp":

> Parents need not wait until meaningful youth camp safety laws become a reality in order to make sure their children are under adequate supervision. Here are some helpful things they can do:
>
> Do not rely on brochures alone. There is no substitute for a personal inspection.
>
> Make sure the swimming area is unhindered by rocks or boating traffic, and that the water is clean . . .
>
> Camp vehicles and all camping equipment should be in good repair and driven only by licensed camp staffers.

The gentleman goes on to talk about a long list of things, including this:

> Whether you make a trip to the camp or not, talk to the people in charge . . .

And he mentions the director of the camp and counselors. I think any parent has that responsibility before he sends a child of tender years off to camp for a week or 10 days or 2 weeks or some other period. He must not rely on brochures but make a personal parental inspection.

But I am willing to have an effort on the part of the States to promulgate model codes that can be and will be implemented and enforced in the local jurisdictions throughout the country. I just do not see the necessity now of our rushing into any new Federal program that, as inevitably is going to happen, 6 months after the effective date called for in the legislation will see the establishment of a new bureaucracy.

Mr. SEIBERLING. I will study the gentleman's substitute with interest. I think we have a tough problem.

Mr. ANDERSON of Illinois. I thank the gentleman for his interest.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I would like to commend the gentleman from Illinois and say that I agree with his opposition to this bill. If this legislation becomes a precedent, then there is virtually no area into which the Federal Government cannot go in regulating our lives. The gentleman cited accidents on golf courses and in other pursuits. I would assume that since more people die in bed than in summer camps, perhaps if this precedent is enacted, this suggests we should have a Federal regulatory commission governing conduct in bedrooms so we can provide safety at any level. Certainly that will become no less a Federal concern. Perhaps we can legislate seatbelts for beds, bed belts or something like that, because once this area comes under Federal regulation we have got to follow that precedent to its illogical conclusion.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Mr.

UMI

Speaker, I challenge the statement made by the gentleman from Ohio. I do not think we should allow it to stand without challenge. There are private sector mechanisms supporting the need of greater safety. There are legal resources that are actively pursued today that would certainly discourage any camp administrator from harboring an unsafe camp situation.

I might mention another thing. I have not seen a screaming of requests for the Federal Government to subsidize an insurance program for children who go to these camps. I think that would be one indication. If the accident rate were so high that the insurance people in America would not insure the camps, that would be one measure we could be listening to. I have not heard that cry.

I commend the gentleman for his position. I have great reservations about this bill. I think many constituents would find their children could not go to the camps because we would have a junior OSHA on our hands and closing down camps not because of their bad records but because of what the Federal Government thinks they should be doing.

Mr. ANDERSON of Illinois. I think the gentleman has made a valuable contribution to the discussion. Once we get to the business of regulating by Federal standards the youth camps throughout the country, we will be into a big bureaucracy. We do not know how many camps there are. Some say there are 10,000 and some others say there may be as many as 15,000 but think of the infinite variety of regulations that are going to have to be drafted and adopted.

I do not know how we are going to regulate, as someone said 2 minutes earlier, the room temperatures in the cabins that may be located in one of the States in a more northern latitude or what we are going to get into with respect to how many screens there ought to be on every camp dormitory window.

I do not think we have begun to appreciate what is involved in this seemingly innocent involvement on the part of the Federal Government in what ought to be a local responsibility.

Mr. CONLAN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Arizona.

Mr. CONLAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, having listened to some of the points made in the discussion, I want to commend the gentleman from Illinois (Mr. Anderson). I think the gentleman has pointed out this is just the tip of the iceberg. This is really a blueprint for a socialist takeover of camping in the private sector.

Mr. Speaker, as a young boy I used to go to a number of camps. I have seen youth camps in East Germany and Czechoslovakia, too, and I can see a pattern developing here of having Federal inspectors emerging under this safety program telling the Christian churches what their camp conduct and programs shall be.

If we really want to light a bonfire with our constituents, just pass this and tell the Christian churches what they shall do with their youth camps and you will see something begin to develop politically that you might be reluctant to see developing.

I think the gentleman has persuaded me, even though his amendment is ameliorating, to vote against the whole bill.

Mr. ANDERSON of Illinois. Mr. Speaker, at the appropriate time a substitute will be offered.

In conclusion, I hope the Members will listen to the debate.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the the Anderson substitute to H.R. 46, the so-called Youth Camp Safety Act.

H.R. 46 provides for the direct Federal regulation of practically all organized youth activities outside of home or school, in those States which do not adopt a federally approved youth camp safety program. If enacted as reported by the committee, H.R. 46 will create a form of junior OSHA to harass and police youth camps and youth recreational activities.

H.R. 46 creates a new Office of Youth Camp Safety in the Office of the Secretary of Health, Education, and Welfare; this office is given authority to freely inspect, fine, and even close down youth camps which do not meet federally mandated standards.

Mr. Chairman, youth camp safety is a nice broad banner under which we all must congregate. No one wants our Nation's children injured or killed in camps, and there is persuasive evidence that some uniform safety standards are needed. I strongly support this overall goal, but I must also point out to my colleagues that we have, in the past, created bureaucratic monstrosities in pursuance of equally fine goals: OSHA in the name of workplace safety, FDA and the Consumer Product Safety Commission in the interest of the consumer, and the ICC and CAB for the traveling public. Time and time again, these regulatory bodies have demonstrated that their powers can be used to harass, coerce, and even strangle the very clients they are supposed to serve.

Now H.R. 46 proposes to do the same for youth camps. The bill's definition of "youth camp" is so broad that the new Office of Youth Camp Safety will have jurisdiction over organized hiking, cycling, sailing, and ski activities for young people; motorized transportation outings; vacation Bible schools; community summer recreation programs; and athletic clinics. In short, anything our young people wish to do as recreation in an organized fashion.

The looming specter of Federal safety inspections, possible fines, and last-minute closures of youth activities will clearly discourage organized youth activities and their sponsors.

The Anderson substitute strikes out the worst intrusive features of H.R. 46 by placing primary responsibility for youth camp safety where it properly belongs—with the States—and by providing a strict definition of youth camps which insures that safety regulations are applied where they are most needed. The Anderson substitute gives our children the necessary protection, while avoiding further massive Federal intervention in their lives. I urge support of the Anderson substitute.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Speaker, I know we are considering the rule but I take this time to ask the chairman of the subcommittee a question relative to the seven States which have passed camp safety legislation.

The report on page 5 mentions a statement by Dr. Oscar Sussman, who is director of the New Jersey youth camp safety program. He points out that seven States do have exemplary programs. Texas is one of the those seven States. Is it the position of the committee that where a State does have an exemplary youth camp safety law and where it is being enforced, is it the intent of the committee here that they would allow those States to operate their programs at the State level as long as they are enforced?

Mr. DOMINICK V. DANIELS. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. That is the purpose of the legislation. I might state to the gentleman in the well that it has come to the attention of our committee that seven States have comprehensive youth camp safety rules. Those States are New York, New Jersey, Connecticut, Colorado, California, Michigan, and Texas.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Speaker, then does the committee, is it the response of the chairman of the subcommittee and the gentleman from Texas that we are about to enact legislation to exempt certain States from the requirements of the law?

Mr. PICKLE. No; we are not doing that.

Mr. LANDRUM. The gentleman just said that we are going to let them operate freely under their own standards.

Mr. DOMINICK V. DANIELS. Mr. Speaker, if the gentleman will yield further, the purpose of this legislation is to encourage the States to adopt health and safety laws applicable to youth camps which are at least as effective as the minimum standards set by the Federal Government.

Mr. LANDRUM. Mr. Speaker, will the gentleman from Texas yield further?

Mr. PICKLE. I will yield briefly.

Mr. LANDRUM. Would that require the State of Texas to amend their laws to come in compliance with what the Federal standards are?

Mr. DOMINICK V. DANIELS. It would be up to the State, if its laws are inadequate and are not at least as effective as with the Federal law.

Mr. LANDRUM. Who is to say the law is adequate or inadequate?

Mr. DOMINICK V. DANIELS. That is up to the Director of Youth Camp Safety under this legislation.

Mr. LANDRUM. The Federal Government, then, would tell the State whether or not it was in compliance?

Mr. DOMINICK V. DANIELS. That is correct.

Mr. LANDRUM. And whether it needed an improvement?

Mr. DOMINICK V. DANIELS. That is correct.

Mr. PICKLE. Mr. Chairman, if I may have my time back, I recognize that it would be, I assume, up to the Director of the Youth Camp Safety program if these seven States were in compliance, but assuming they were, in effect, those States would be exempt.

My question to the gentleman is, Is it the intent of the committee that if these States have passed laws that are in compliance, they would be exempt?

Mr. DOMINICK V. DANIELS. I understand the seven States I have specified do have good youth camp safety laws. Those laws, if they are as effective and equal to the standards promulgated by the Director of the Youth Camp Safety as established in this bill, will be exempt.

Mr. PICKLE. I thank the gentleman for his reply.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Speaker, I wonder if the distinguished chairman of the subcommittee would answer a question about the bill. If we pass this act, do these camps then come under the Fair Labor Standards Act?

Mr. DOMINICK V. DANIELS. Mr. Speaker, if the gentleman will yield, I will say no, they do not come under the Fair Labor Standards Act at all.

Mr. FRENZEL. They do not?

Mr. DOMINICK V. DANIELS. No.

Mr. FRENZEL. If they are judged to be in interstate commerce, and so forth?

Mr. DOMINICK V. DANIELS. I did not hear the gentleman's last question.

Mr. FRENZEL. As I understood it, when the gentleman was basing some of his argument on the fact that kids were moving across State lines and there was interstate commerce, therefore the Federal Government should regulatie them. If the camps have a certain number of employees, would they not qualify to be covered under the Fair Labor Standards Act?

Mr. DOMINICK V. DANIELS. This act has nothing to do with the Fair Labor Standards Act.

Mr. FRENZEL. So that the gentleman is not going to ask the camps to pay overtime to their counsellors if they work the customary 20 hour days?

Mr. DOMINICK V. DANIELS. This legislation has nothing to do with the question the gentleman is now asking.

Mr. FRENZEL. It does not? So, the only thing this bill does is to require the camps to do any kind of paperwork and changing in their way of doing business that the Commission or that this Commissioner asks them to do?

Mr. DOMINICK V. DANIELS. If the gentleman will yield further, I will say that I do not want to mislead him, I am not saying that the camps will not be required to do a certain amount of paperwork.

The Director of Youth Camp Safety, in consultation with the leaders in the camping field, a number of whom will be on a 15-member advisory committee guiding the Director and Secretary of HEW concerning the promulgation of standards, undoubtedly will require, where there is a fatality, where someone is killed, where someone is drowned, or someone is seriously injured, or where there are accidents requiring hospitalization or a sickness or epidemic breaking out in camps, that there be reporting those instances.

I do not want to stand here and tell the gentleman that this may not be the case. We are interested in obtaining statistics. Up to this time, in spite of the fact that I have led the fight in this field for almost a decade, the statistics are very sparse, very few and far between. By what we have ascertained from the study that was authorized four years ago is an estimate that 25 children are killed per year. It is estimated that more than 2,000 children suffer serious illnesses and accidents. That is only an estimate. Those figures are not exact. It is my opinion—and I stress that it is my opinion—that the instances are far, far more numerous.

Mr. FRENZEL. I thank the gentleman. Is it also his opinion that ski clubs, which are organized in my area and take kids out for the day or for the weekend, would be covered under this bill?

Mr. DOMINICK V. DANIELS. A ski club, as I understand the word, meaning skiing, I would say no.

Mr. FRENZEL. Although it is organized to take young people? How about cycling groups?

Mr. DOMINICK V. DANIELS. If they are advertised as a camp or come within the meaning of a camp under the definition set forth in this legislation, they would.

Mr. FRENZEL. I thank the gentleman.

Mr. Speaker, I rise today in support of the amendment in the form of a substitute offered by the gentleman from Illinois (Mr. Anderson) to H.R. 46 the Federal Youth Camp Safety Act of 1975. In earlier years I have been a cosponsor of the youth camp safety bills which preceded H.R. 46. but this year I have reluctantly concluded that the committee's product, though well motivated is more likely to be counter-productive, in that it will probably force some relatively well run camps to close.

The need for improved regulation of safety programs for children in certified youth camps is obvious. This Congress should act to protect the young people who go each year to our camps, but I seriously question whether it is wise to extend Federal regulations to include organized hiking, cycling, sailing, and ski groups as well as community recreation programs and day camps throughout the country. This over-extension of regulation is only one of the problems with the committee bill. Others include: the establishment of an entirely new and semiautonomous office within HEW, the creation of yet another Federal advisory council and unlimited authorization authority for a program which acts as a disincentive for the very State programs which it claims to encourage. What is next? Fair labor standards for camp counselors who work on Sundays?

Of great importance, second only to the protection of children, is the question of where the authority for regulation properly lies. I believe that this responsibility properly rests with the individual States. Admittedly only seven of the States have yet to create workable programs. But the Anderson substitute should provide the incentive needed for each State to devise programs which apply specifically to its particular needs, not to those required by another of Washington's bureaucracies.

The committee bill authorizes $22.5 million. The substitute carries the same figure but clearly terminates funding after 3 years. This is certainly long enough for States to begin development of their own plans, but not long enough for a "semipermanant" Federal regulation system to be established. In fact, the planning grants will assist development as opposed to the committee bill which only begins after completion of the programs.

Under adequate State supervision it is likely that some established camps would be forced out of existence because of inadequate safety programs—if this is necessary I applaud it but the complex forms and filing systems to be required by the new bureaucracy may well close down some camps which simply do not have either the expertise or the staff resources to spend on Federal regulations. We have seen what our laws have done to many small enterprises and I would think that the Congress would have learned its lesson.

In short the committee bill simply extends Federal control too far. The Anderson substitute approach of a carrot is far superior to the weighty club which the committee bill hands to the Federal Government.

Mr. ANDERSON of Illinois. Mr. Speaker, I have no further requests for time.

Mr. YOUNG of Georgia. Mr. Speaker, I would like to point out that, while the gentleman said there were no hearings held in this particular Congress, there were hearings held in the 90th Congress, in both sessions of the 91st Congress, the 92d Congress, and in the 93d Congress. We also have, as recently as today, the New York Times calling for the passage of this act on camp safety.

Mr. Speaker, for 4 years before coming to this body I worked with the National

Council of Churches in their department of youth work, and one of my responsibilities was to supervise and coordinate the developing of camping standards of some 227 Protestant and Greek Orthodox denominations in this country. We also worked very closely with the American Camping Association. This was back in the late 1950's.

As far as the established camping apparatus of this Nation is concerned, camping safety is no problem. What this bill is really dealing with is the proliferation of camps which has come up in the last 2 or 3 years, where any two athletes in the State can get somebody to sponsor them as director of camps, so they can take 50 or 100 kids off for the summer, with little or no supervision of any organized or established body. We have letters of support from the Girl Scouts, from the PTA's, from the camping associations, and from the churches. These are the institutions that provide the camping opportunities for most of our young people. However, this burgeoning camp population that is growing up all over America, relatively unsupervised, does need the kind of guidance that this bill provides, and I urge the passage of this rule so that we might debate and pass H.R. 46.

Mr. MYERS of Pennsylvania. Mr. Speaker, will the gentleman yield for clarification?

Mr. YOUNG of Georgia. I yield to the gentleman from Pennsylvania.

Mr. MYERS of Pennsylvania. Is the gentleman indicating that this would apply to any high school football coach who, during the summer, decided to take some members of his football team out on the football field and practice, as a camp, which they now do?

Mr. YOUNG of Georgia. I am not qualified to speak to that. That was not the remark I made. What I was talking about was, perhaps, two professional athletes, or two professional athletes who have established some name for themselves, getting together with an independent financial operation and setting up a temporary camp situation that has no institutional relationship.

A school football team would come under the jurisdiction of athletic associations. There are very rigid qualifications for safety in interscholastic athletics, and I do not think they would come under this bill.

Mr. MYERS of Pennsylvania. If the gentleman will yield further, that is not the point. The point is that, even though they have very good safety standards, they would have to participate in filing and complying, in dealing with this bureaucracy which we are building. It appears this is the case: every high school football coach and basketball coach who takes their team out of the facilities of the school into some new facility, which are normally referred to as camping sessions, will have to comply, and they would probably have to comply with periodic reports. If this is a part of the program, I would certainly like to know it before we vote, and we ought to get some sort of consensus on it.

Mr. YOUNG of Georgia. No high school that I know anything about would take a group of kids to an unaccredited establishment.

Mr. MYERS of Pennsylvania. If the gentleman will yield further, that again is not the point. The point is that they will have to submit compliance forms and have investigators come in and investigate their facilities. If they do, in fact, have an accident, even though as you state the standards were good.

Mr. YOUNG of Georgia. Mr. Speaker, I think the legislation does not apply to that. The legislation applies to the camps and the camping sessions. A group using a camp on a temporary 1-week or 2-week basis, it seems to me, as I understand the legislation, would not be required to submit any forms, and that is the way a high school football team would handle it.

Also, there is no high school that I know about that can take students away for a camping experience without camping insurance, so there would not be any liability, I would not think, to the school because of the situation.

Mr. MYERS of Pennsylvania. Mr. Speaker, if the gentleman will yield further, will the gentleman respond to me on this further point?

Mr. YOUNG of Georgia. Mr. Speaker, may I suggest to the gentleman that he allow us to move the previous question on the resolution, and then he may conduct his debate with the sponsors of he legislation from the Committee on Education and Labor, who are far better informed concerning the details than I am.

Mr. MYERS of Pennsylvania. Certainly. Mr. Speaker, I thank the gentleman.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question of the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4111, SECURITIES REFORM ACT OF 1975

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 395 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 395

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4111) to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement, to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said substitute shall be read for amendment by titles instead of by sections. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final pasage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Missouri is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. BOLLING. Mr. Speaker, this bill was not granted a rule in the last Congress. I should say that this is essentially or somewhat the same bill which is made in order by this rule.

The matter was at that time violently controversial. This bill seems to be a good deal less controversial, although it is still somewhat controversial. There was relatively little complaint about the rule in the committee, and it was granted by a substantial vote.

Those Members who listened to the reading of the rule will know that it is an open rule with 1 hour of general debate. The committee amendment in the nature of a substitute is to be considered as an original bill for the purpose of amendment, and the substitute will be read for amendment by titles instead of by sections in order to expedite the matter.

Mr. Speaker, I am aware that there is still some controversy concerning the matter, but I am not aware of any great controversy. Therefore, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say that I agree with the remarks just made by the gentleman from Missouri (Mr. Bolling). I would like to point out that this legislation is strongly supported by the administration and by the Securities and Exchange Commission.

In fact, I have here a letter from the chairman of the Securities and Exchange Commission, Mr. Ray Garrett, Jr. I would just like to read one paragraph of his letter, dated April 11, 1975.

> H.R. 4111, we believe, will enable the Commission and the securities industry, working together, to reinforce the traditional strength and independence of our securities markets and the professionals who operate in them. This bill, as you may be aware, commands strong bipartisan support, as evidenced not only by the unanimous vote in favor of it in the House Committee on Interstate and Foreign Commerce on March 26, 1975, but by the strong support it has received from this Commission, the Treasury Department, the Justice Department and the Ford Administration.

Mr. Speaker, this rule provides for 1 hour of general debate for the consideration of H.R. 4111, the Securities Reform Act of 1975. In order to preserve the normal amending process, the rule makes the committee substitute in order as an original bill for the purpose of amendment. There is also a provision in the rule that the substitute will be read for amendment by titles instead of by sections. The rule provides that the bill will be open to all germane amendments. There are no waivers of points of order in the rule.

Mr. Speaker, the bill made in order by this rule, H.R. 4111 is similar in some ways to H.R. 5050, a bill which was considered last year in the Committee on Rules, but failed for want of a rule. This year, some of the more controversial provisions have been removed, and the bill was reported after a relatively noncontroversial hearing. The differences between H.R. 5050 and the bill before us today are summarized in the following paragraph from the committee report.

> At the beginning of this Congress, H.R. 4111 was introduced. The bill as introduced differed from H.R. 5050 in only two important respects. First, it eliminated Title I, which sought to remove or alter certain administrative controls which, over the years, the Executive Branch had imposed upon the Securities and Exchange Commission in the name of administrative efficiency. The Administration had strongly opposed these provisions and their deletion now permits the White House to wholly support the objectives of the bill. Second, this bill rewrote the provisions relating to the fiduciary obligations of money managers in choosing a broker after commission rates became unfixed. Substituted for the provision which was contained in H.R. 5050 is an evolved method for dealing with this question which was developed in joint discussions with the Senate and the Treasury Department. It has attracted near unanimous support from the securities industry.

Mr. Speaker, this bill includes authority for the SEC to permit the continuation of fixed rates beyond the May 1, 1975, termination date established in the bill. The Commission may permit a continuation of reinstitution of fixed rates until October 1, 1976. This provision was controversial in H.R. 5050, but since last year the SEC has completed an administrative proceeding and ordered an abolition of fixed commission rates on securities exchanges effective May 1, 1975.

H.R. 4111 requires an exchange to admit to membership—without necessitating the purchase of a "seat"—any registered broker or dealer who is able to meet requirements of operational capacity and financial responsibility and who is able to demonstrate through an appropriate examination process his competency to engage in the business. The bill does not define how present holders of seats would be compensated for their loss. Instead, the bill delays the open membership provisions, as they apply to existing exchanges, until January 1, 1978. The SEC and the exchanges are to work out a fair proposal and report to Congress by June 30, 1977. If they cannot work out agreements, then the SEC may order a further delay of 1 year or until January 1, 1979.

Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE YOUTH CAMP SAFETY ACT

Mr. DOMINICK V. DANIELS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 46) to provide for the development and implementation of programs for youth camp safety.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. Dominick V. Daniels).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 46), with Mr. Davis in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey (Mr. Dominick V. Daniels) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. Esch) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from New Jersey (Mr. Dominick V. Daniels).

Mr. DOMINICK V. DANIELS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act, to provide for the development and implementation of programs for youth camp safety.

This bill, H.R. 46, was reported on March 4 by the Manpower Subcommittee, which I chair, by a unanimous vote.

On March 11, the full Committee on Education and Labor reported the bill by a vote of 37 to 0. These votes are a true indication of the widespread bipartisan support for youth camp safety legislation.

I commend all my colleagues on the Education and Labor Committee for their unanimous support of this bill. I especially wish to thank the ranking minority member of the subcommittee, Mr. Marvin Esch, for his cooperation and hard work and efforts in the development of this legislation.

Mr. Chairman, the bill under consideration has a single purpose: The protection of our most precious resource—our children.

School vacation time will soon be upon us, so it is critical that we focus now on the safety of approximately 10 million youngsters who will soon be attending summer camps.

If these children are lucky, their summer camp experiences will be enjoyable, educational and enriching. This is certainly the hope of parents who send their children off to camp.

Unfortunately, summer camp vacations have ended in needless tragedy for many American children. The grim and massive record presented to the Education and Labor Committee over the last 7 years is a chronicle of negligence, the tragic and needless waste of young lives, and terrible unending sorrow for parents.

Consider the Mitch Kurman family of Westport, Conn., who sent their 15-year-old son off to a camp in New York State only to learn one August day that David was the victim of a canoeing accident that occurred on the wild rapids of a Maine river. The water was rough. The children had no life jackets. It took 3 days to find David Kurman's body in the wild water. Basic camp safety standards would have required that he be wearing a life jacket. There were no standards, there were no life jackets and David Kurman is dead.

Mitch Kurman is in the gallery today, hoping that his 10-year campaign for youth camp safety legislation will reach fruition in this Chamber this afternoon.

In California a camp operator rented an open flatbed tractor trailer truck to haul his campers on an outing. The driver took the vehicle on a high-speed California expressway. It literally somersaulted, killed five children and injured the remaining 62 campers and 8 counselors on the uncovered flatbed truck.

Near Allentown, Pa., seven New York youngsters were killed when their chartered bus went off the road in a rainstorm. The driver did not have a license and there was a question of mechanical failure with the vehicle as well.

These cases are not isolated incidents. They are grim reality—as real as the dead and injured from Southeast Asian battlefields. They portray the senseless snuffing out of lives of innocent children. They are all the more tragic because in most instances they could have been prevented.

Testimony before the committee revealed that parents in most instances are unable to personally inspect youth camps in distant locales, and must rely solely on fancy self-serving brochures or advertising sections of the daily newspapers. Testimony also pointed out that even when parents send their children to nearby camps and are therefore able to make an onsite inspection, they lack the expert knowledge of sanitation or hygiene or fire prevention techniques to make an accurate assessment of the safety of a particular camp.

The Youth Camp Safety Act is no panacea. It cannot suddenly imbue camp operators or counselors with commonsense. It cannot prevent natural disasters. But it does provide for minimum Federal standards which will furnish camp owners and operators guidelines to follow. This is not a punitive bill. It provides everyone with the tools to make children safe.

The pressing need for Federal involvement in the issue of the adequacy of youth camp safety laws is illustrated by the lack of regulation at the State level.

Only seven States have comprehensive youth camp safety laws. These States should be lauded for their concern and action to protect children attending camps within their jurisdictions. I speak of California, Colorado, Connecticut, Michigan, New Jersey, New York, and Texas. If the other 43 States were as responsive as these seven, we would not need to be here today.

The fact is otherwise, however. Thus: 43 States have no regulations applicable to camping personnel; 17 States have no regulations pertaining to program safety; 24 States have no regulations concerning personal health, medical aid and medical services; 43 States have no regulations applicable to out-of-camp trips and primitive outpost camps; and 35 States do not even regulate day camps.

In spite of the gross inadequacy of the study made by the Department of Health, Education, and Welfare in 1971, pursuant to Public Law 92–318, it showed, nonetheless, that a minimum of 25 children die each year, 1,448 children receive injuries and another 1,223 children incur serious illness at summer camps.

I want to point out that these are only estimates based on a questionnaire mailed to 7,861 camp operators which drew responses from about 3,500 camps comprising approximately one-third of all camp operations in the United States. There was no followup investigation. There was no effort to verify the data from the camp operators.

The Committee on Education and Labor firmly believes that the figures are grossly understated. Submarginal camp owners do not respond to questionnaires. If accurate records were required by law, the figures would be double and triple the amount reported.

Michigan's camp regulation experience is helpful in understanding how effective regulations can be in stopping needless deaths.

Until the passage of the comprehensive law in Michigan, the State averaged from two to four deaths by drowning. In 1959, six children drowned while attending summer camp. With the promulgation of standards in 1960, the figure dropped to zero. In 1963, there was one death. In 1973, none.

Clearly, prompt action by Congress is an important first step to insure the well-being of youngsters in summer camp.

The bill would establish in the Office of the Secretary of Health, Education, and Welfare an Office of Youth Camp Safety, headed by a director, appointed by the Secretary.

The director shall develop, with the approval of the HEW Secretary, and promulgate youth camp safety standards. The design and intent of this bill is to encourage the States to assume the responsibility for development and enforcement of their own comprehensive youth camp safety standards, so long as their regulations will be as effective in insuring safe operations of youth camps as the minimum national standards.

The bill also provides that the Director make personnel, who have the necessary expertise, available to the States to assist in developing State plans and in training State inspectors and other personnel associated with youth camps.

One thought remains paramount in the minds of the members of this committee as we deliberated on H.R. 46—the welfare of the more than 10 million children attending camps.

As a corollary to that goal, we also believe that camping is a worthwhile, rewarding experience and in no way wish to apply overly restrictive or arbitrary requirements so as to adversely affect the camping experience. We do not wish to make camping impossible. Only safe. The Youth Camp Safety Act is a procamping bill. It is aimed at expanding rather than curtailing the camping experience.

The committee believes strongly that our children, who are truly this country's future, have an absolute right to be safeguarded—whether they are learning how to swim in a Minnesota lake, or playing basketball at a New York City summer camp.

Mr. Chairman, this Congress and the American people have an enormous reservoir of sympathy and concern for other humans, wildlife and animals.

We have already introduced in this session literally hundreds of bills to protect domestic animals, wildlife, and aquatic life.

We have before us legislation to preserve and protect several species of desert pupfish and to establish the Desert Pupfish National Monument.

We have a bill to prohibit the intentional killing or injuring of porpoises, manatees, and other marine mammals.

We have a bill to prohibit the interstate shipment of dogs to be used as fight animals for sport, wagering, or entertainment.

Certainly, none of us is against animals—their protection, preservation, and humane treatment. But, I do think it appropriate to simultaneously direct our efforts toward the safety and health of our children.

The history of this country's humanitarian efforts reads like a litany to the charitable spirit of American citizens for oppressed people throughout the world. In this regard, the President addressed a historic joint session of Congress on April 10 concerning the state of the world.

Let me quote from his remarks:

> Fundamental decency requires that we do everything in our power to ease the misery and the pain of the monumental human crisis which has befallen the people of Vietnam . . . I hereby pledge that the United States will make a maximum humanitarian effort to help care for and feed these hopeless victims.

This is, indeed, a worthy effort for the American people; to give relief to the Vietnamese in their hour of need.

The President asked Congress for an appropriation of $250 million for such humanitarian aid.

Mr. Chairman, the Education and Labor Committee has tried for 7 years to have authorized an appropriation of $7.5 million for youth camp safety legislation. We are, in effect, asking for a meager 75 cents per child attending summer camp.

Let me repeat that figure—75 cents per child attending camp. It is my opinion—an opinion shared by the 119 other Members of this body who have joined me in cosponsoring H.R. 46—that 75 cents is a small amount, a small amount, indeed, to protect the safety, health and well-being of America's most precious resource—its young people.

I urge my distinguished colleagues to pass this long-overdue legislation. The loss of even one life at summer camp is a tragedy, a tragedy that we can avert by approving the Youth Camp Safety Act.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. PERKINS. Mr. Chairman, will the distinguished gentleman from New Jersey yield to me?

Mr. DOMINICK V. DANIELS. I will be happy to.

Mr. PERKINS. Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act, which was unanimously reported, 37 to 0, by the Education and Labor Committee on March 11.

I want to commend the chairman of the Manpower, Compensation and Health and Safety Subcommittee, Mr. Daniels, for his tireless efforts over the past 7 years in behalf of this much-needed legislation. He has worked in close cooperation with the minority members of the subcommittee, and the bill you have before you today represents the input of Members from both sides of the aisle. I commend my distinguished colleagues, Mr. Esch, Mr. Peyser, and Mr. Sarasin, for their strong support and assistance in the drafting of this bill. I can truly say that there will be few pieces of legislation that come before this body that have broader-based support or have been more carefully considered than H.R. 46.

I want to point out that the committee has looked at many other legislative suggestions in the course of its deliberations. The langauge similar to that which Mr. Anderson of Illinois will propose later in these proceedings has been reviewed by the committee, and it was rejected as being totally inadequate to protect the well-being of our children attending youth camps.

H.R. 46 is sponsored by 120 Members of the House and also has the support of the Boy Scouts, Girl Scouts, the Y Camps, the National Park and Recreation Association as well as the National Parent Teachers Association representing over 7.5 million members, and the National Safety Council.

Let me quote from a recent letter to me from Vincent L. Tofany, president of the National Safety Council.

> The National Safety Council is particularly pleased with the refinements in this piece of legislation (H.R. 46) that reflect recommendations proposed by the Council in its testimony on youth camp safety last year.
>
> Once again, I want to express the support of the National Safety Council for this bill. It is our hope that Congress will enact this piece of legislation in the current session.

The full text of the National Safety Council letter follows:

> National Safety Council,
> *Chicago, Ill., April 3, 1975.*
>
> Hon. Carl D. Perkins,
> *Chairman, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.*
>
> Dear Congressman Perkins: May I take this opportunity to congratulate the House Committee on Education and Labor for its recent action in favorably reporting on H.R. 46, the Youth Camp Safety Act. The National Safety Council is particularly pleased with the refinements in this piece of legislation that reflect recommendations proposed by the Council in its testimony on youth camp safety last year.
>
> Once again, I want to express the support of the National Safety Council for this bill. It is our hope that Congress will enact this piece of legislation in the current session.
>
> In order to implement the provisions of this Act in an efficient and effective manner, the National Safety Council urges that administrative procedures be established to achieve the coordination between the Department of Health, Education and Welfare and the Department of Labor in the promulgation and enforcement of the new health and safety standards for campers and the ongoing implementation of the Occupational Safety and Health Act as it pertains to camp employees.
>
> Our experience has taught us that in a joint Federal-State program such as provided in the Youth Camp Safety Act, it is imperative that adequate funding be authorized from the very outset. We urge Congress to not only authorize but appropriate the initial and long-range funding at a level sufficient to accomplish the intent of the legislation.
>
> Sincerely,
>
> Vincent L. Tofany.

Mr. PERKINS. The distinguished gentleman from New Jersey has over a period of years conducted hearings, in 1968, 1969, 1971, and 1974 on legislation similar to this most important legislation. There is nothing unusual about bringing a bill here with hearings recently conducted last year. It was done in the strip mining bill recently.

I do want to say that the gentleman from New Jersey has thoroughly explored the necessity for this legislation. The safety groups throughout the country are in favor of it, and today I have received a telegram from the president of the national PTA, Millie E. Herndon, who says:

> **Vote for Daniels Esch H.R. 46 Camp Safety** Bill. Anderson Substitute totally unacceptable to PTA.

I just want to point out the gentleman from New Jersey and his subcommittee have not brought something before this body without carefully thinking it through and without most thorough hearings in the matter, and it, in my judgment, will redound to the benefit of the youth of this country if we support the gentleman here today.

This legislation is long overdue, it should be passed and the substitute that is to be offered should be defeated.

Mr. DOMINICK V. DANIELS. I thank the distinguished chairman of the Committee on Education and Labor for his kind remarks.

Mrs. FENWICK. Will the gentleman yield?

Mr. DOMINICK V. DANIELS. I yield to the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I thank the gentleman from New Jersey for yielding and I would like to ask him a question.

How is it that nonprofit agencies have been included as well as profitmaking entities?

Mr. DOMINICK V. DANIELS. If one is operating a camp, profit or nonprofit, involving more than 10 children and it comes within the purview of a camp, that would be included because the life, safety, and health of the children are involved and their lives are just as important.

Mrs. FENWICK. Is it not true that what we are trying to protect the children against here is exploitation by profitmaking groups as described by the gentleman from Michigan earlier, groups who set themselves up and take people's money and are totally careless and indifferent to the welfare of the children? I notice in the bill that this would include any church group which might be headed by some father who has no qualifications or degree as a camp director and who is taking 11 children—his own 4 and 7 friends'—on an expedition. It seems to me to force the inclusion of the nonprofit is where we are running into difficulty here because nobody wants to see children exploited or to have parents fooled by having a great athlete at the head of an organization.

Mr. DOMINICK V. DANIELS. In response to the gentlewoman I will say our primary concern in this bill is the health and safety of the children regardless of whether they attend a profitmaking or nonprofitmaking camp. I must say however that church groups have endorsed this legislation.

Mr. ESCH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, two or three points have come up that I think bear discussion prior to our going into a more formalized review of the legislation.

The question has been raised as to whether or not an ad hoc group going out for an expedition in a station wagon on an informal basis would be covered by this legislation, and the answer is obviously no.

I think it is very important to point out that during the legislative history that was written on the floor during the consideration of the rule, there were several assumptions made that were somewhat inaccurate as to the present legislation. It should be emphasized that this legislation has had a long history of development over several years.

This legislation has been developed cooperatively between the legitimate camping organizations in this country and this legislative body, to the point now where those organizations that represent the responsible and respectable camping organizations in the country desire this legislation and have worked carefully on its development.

There should be two or three points made as to this legislation and why and what contributions have been made.

First of all, we have attempted to narrowly define and clearly define what we mean by a camp, so as to preclude the inclusion of many ad hoc camps that we have mentioned.

Second, and most important, the committee in its wisdom recognized the desirability of having local control. To the maximum extent possible, we should encourage the States to go into their own youth camp safety programs. This legislation does, indeed, encourage the implementation of State laws.

Parenthetically, perhaps the most effective State law and the model for this legislation has come from Michigan.

Now, in addition to that, the legislation suggests that rather than being punitive, and we all know there are some histories of legislation, especially in terms of the Occupational, Safety and Health Act, which is punitive in the sense that it would impose a fine if an inspector went out to a camp and found something that needed to be corrected.

In contrast to that, this legislation suggests that the inspector will go out and make a specific recommendation as to the correction of a safety area and then the camp operator will have an opportunity to make that correction of the deficiency. Thus, rather than be punitive in nature, it is corrective and supportive of the camp operators throughout the country.

The substitute to be offered by the gentleman from Illinois (Mr. Anderson) has one glaring fallacy and that is simply this. If we accept the gentleman's substitute when it is offered, there will be no guarantee that those States that do not enact legislation, that any attempt will be made to inspect or correct deficiencies in camps for the youth of our country.

So although the gentleman's intent may be worthy, the major deficiency of the gentleman's proposed substitute—and mark it well—is that there will be no guarantee of the protection of our children in the camps in those States which do not desire to develop youth camp safety legislation.

In contrast to that, the legislation before us today encourages, provides for staff consultant help, brings together those who are involved in the legitimate camping organizations, the Boy Scouts, the Girl Scouts, the American Camping Association, the various nonprofit associations that operate camps in our country, brings them together to work corporately on this one problem, and all of them are concerned.

Then we develop legislation, hopefully, in each State; but in those States that do not see fit to enact legislation, only in those States then will the Federal Government move in to protect the health and safety of the children.

So I would suggest to the Members of the Committee then that it is, indeed,

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time and past time that the legislation be implemented.

The specter of Federal inspectors coming out to each particular camp and issuing violation citations on the spot is an issue that could have been raised in the first legislation that came to this floor, but it is not an issue here today, because the legislation today is far from the legislation that was considered in previous Congresses.

So, I would urge in the course of the debate that follows and in the discussion of the amendments, that the Members bear in mind that this legislation has an evolutional, an evolutionary process to reach a point of maturation where, while not perfect by any means, and while not guaranteeing that there will not be a child killed or seriously injured, will go a long way toward gathering up and synthesizing the effort of all those involved in the camping industry to work toward one common goal, furthering an opportunity for our children in the country to have a camp and environment that is safe and that is healthy.

So, Mr. Chairman, I would urge the Members of the Committee to support the legislation.

Mr. Chairman, we have come a long way from 1971 in developing workable legislation to protect millions of youths who participate in camping activities across the Nation.

The legislation before us today, unlike the legislation considered 4 years ago, is a conciliatory approach to Federal involvement. The States are not only involved, but expected to operate a youth camp program of their own.

To prevent such an occurance, the bill provides for grants to the States to set up their own youth camp programs and provides technical assistance to help.

Thus far, only seven States have enacted youth camp safety laws. But it seems clear to me that if one State, such as Michigan, can pass an effective law, the other States should follow suit. States with strict laws are penalized when submarginal camp operators move into other States and thus compete on an unfair basis.

I believe a good example of what we are working to achieve in this legislation can be found in the law now on the books in Michigan. This law is a model of youth camp safety legislation. Rather than fining operators with a series of huge monetary penalties, Michigan employs a certification process. If a camp is certified, parents who send their children to a camp in Michigan, many of whom are from out of State, can be reasonably assured that their children will be properly cared for. The bill before us allows States to employ such a procedure, rather than using monetary penalties, if they so choose.

Further, if one looks at the Michigan law, one will see that its regulations represent everyday commonsense. It requires, for example, that lifeguards complete a water-saving instructors' course. Several States do not even require waterfront personnel to know how to swim. The results of the Michigan law speaks clearly for nationwide standards. In the first year of revised regulations, not a single youth drowned in Michigan waters while engaged in youth camp activities, whereas before there had been as many as six a summer.

I also believe that a look at Michigan's enforcement procedures is enlightening and exemplifies the kind of reasoned approach to Government involvement we are seeking in H.R. 46. Michigan's youth camp safety personnel not only consult with operators but with campers themselves and work closely, in a spirit of mutual cooperation, with camp operators to assure the protection for those engaged in youth camp activities.

Camp operators have no fear that by looking to the States for guidance and support that they will be penalized. We have made a similar provision in H.R. 46. It is only when an operator consistently refuses to provide the commonsense protection afforded by the State law that they may lose their certification or have civil penalties imposed.

As a result of this close-working approach, Michigan's camp operators have had few difficulties meeting the State's requirements, and I believe that conscientious camp operators, nationally, will have similar experience.

Even in the event that the Federal Government might have to become involved, H.R. 46 stipulates similar procedures for those operators who will be directly governed by Federal standards.

It seems ironic that it takes a large-scale tragedy such as the horrible overturning of a flatbed truck rented by a camp operator with 70 children on it on a Los Angeles freeway to prompt the California law.

It took a fire which claimed the lives of seven children in an old hotel which served as a resident camp and was without any fire protection whatsoever, to convince the Governor to sign a youth camp safety law in New York.

And it took the many drownings to prompt Michigan to revise its standards.

Why must we wait for similar occurences in all the 50 States before we have legislation on the national scale? Testimony before the subcommittee last year in New York State indicated that years spent in analyzing newspaper clippings of serious youth camp accidents in the State showed that 40 percent of the fatalities are on the waterfront; that about 30 percent concern transportation of children; and that 20 percent occur in trips out of camp, including the hazards of water, canoeing and swimming in unknown waters.

H.R. 46 attempts to provide for adequate youth camp safety regulations in these areas by requiring that the national model regulations be drafted by HEW in consultation with the experts in the organized camping field, and that the State plans also make provision for such consultation by these groups to provide for the regulations in the most hazardous areas.

Representatives of the Boy Scouts of America, the Girl Scouts of America, and the American Camping Association were particularly helpful to the subcommittee. The States of New York, Michigan, and New Jersey, I understand, also profited from consultations between the State enforcement agencies and the organized camping groups.

We also suggest that the organized camping groups should be utilized by the States in training inspectors, helping the camps come into compliance, et cetera, and have mandated technical assistance from HEW to the States and to the camps, if desired by the States and camp owners.

Further, in the area of providing on-site consultation with camp owners, at their request, for consultative services and assistance in bringing owners into compliance with the State regulations, goes a long way toward meeting the charges that the bill provides the possibility for too much Federal interference with the camps.

Further, in addition to consultation, camp owners in those States not enforcing their own laws are not penalized with first-instance citations. Instead, if serious violations are found, the owner is given a written notice only which describes the violation and action which must be taken within a reasonable period of time for abatement of the violation. Only if there is serious and willful violation are penalties prescribed, and these are permissive, not mandatory.

We have provided, as well, for ample opportunities for a hearing or for court test of the fairness of the Director's action in citing a camp, in those instances where the submarginal camps are found in violation of the laws.

I should point out that H.R. 46 cannot and does not cover every conceivable activity that children engage in. For one thing, it would not be enforceable. But more importantly, we only intend to cover those activities which cannot be reasonably protected by parents or legal guardians themselves. Nor do we intend to cover, as the committee report points out, "spontaneous and informal activities which occur from time to time such as hikes, neighborhood outings, and the like." Nor do we intend to cover after-school recreation or other such activities which are the responsibility of local school authorities.

Rather, we intend to cover youth camp activities as they are clearly understood, and these include waterfront activities, such as lifesaving, canoeing, skindiving, sailing and scubadiving. These also include archery, rifle range activities, horseback riding, hiking and mountain climbing, so long as these activities are under the auspices of an organized youth camp activity and youth camp operator. We do not intend to cover incidences where you or I might wish to take our children and our neighbor's children out on a hike or to a softball game, although I would hope we would follow the same commonsense precautions that we expect a youth camp operator to follow. Nor do we wish to cover regularly scheduled scout meetings that do not involve camping experience, or intellectual learning experiences or instruction in the arts and drama or conferences or forums or activities carried on in private homes under the guidance of a parent or legal guardian.

Surely, regulations can be promulgated along the lines of the Michigan law, which will further make this distinction clear.

The bill before us today is overdue. Millions of children across the country deserve the protection we have provided and at a cost which is minimal. In fact, this insurance policy averages out to but 75 cents per child for a whole year—less than the cost of a hamburger and a milkshake at a drive-in restaurant.

I would like to personally thank two members of our committee who have worked so hard for the passage of this important legislation: Congressman PETE PEYSER and Congressman RON SARASIN. They have, over the years, exhibited an ongoing concern and interest for developing the legislation before us today, and have worked hard to focus the attention of the Members of this House on the need for this legislation.

I would also like to take time to thank one citizen of the United States without whom it is unlikely that any protection for our children would be under consideration. This man is Mitch Kurman. Ten years ago, Mr. Kurman lost his son in a tragic and needless canoeing accident, and since that time he has waged a sometimes lonely fight to prevent similar tragedies from befalling other children who attend youth camps throughout the country. I think the bill before us today represents the kind of protection he would have wanted for his child. It will also provide the kind of protection which all of us who send our children to camp would wish for, and that is a reasonable assurance that when their children are away from home at a far distant youth camp, that child will return home safe and sound.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act, to protect the lives of more than 10 million children attending summer camps.

I want first to commend my distinguished colleague from New Jersey (Mr. DOMINICK V. DANIELS) for his diligent efforts in behalf of youth camp safety legislation. For many years he has been a leader in the fight to safeguard our young people, and I am hopeful that his work will see fruition in passage of H.R. 46 today.

The bill before you represents a bipartisan effort. It has support from Members of all sections of the country. It has widespread endorsement of organized camping groups and parents in every State in the Nation. But more importantly, the bill is a good one. H.R. 46 has, as its purpose, the welfare of this country's children, and it aims to insure that their lives will not be needlessly lost in accidents that could have been prevented.

The time for action is upon us. Hearings have been held over a 7-year period. The record shows that only seven States have passed laws to adequately protect children attending youth camps within their boundaries. I am indeed pleased to say that New Jersey is one of these pioneering States.

However, the fact that New Jersey protects its children in summer camps gives me little comfort when I know that in 43 other States our young people are not so well safeguarded.

The question before us today is relatively simple. Are we, or are we not, going to protect children in all camps in all 50 States? Surely, any efforts to weaken H.R. 46 or to substitute a meaningless bill must be defeated. To do any less than pass H.R. 46 is to neglect the youth of this Nation, to bypass the very hope of this country's future.

Mr. GAYDOS. Mr. Chairman, Chairman DANIELS has dealt quite thoroughly with the comprehensive nature of this legislation, so I will confine myself primarily to its urgent need.

Every summer, millions of parents send their children off to camp—and many do so almost blindly because they do not have enough information on which to base a wise decision.

The result all too often is a summer that should have been filled with healthful, happy activity turning into tragedy in the form of death, injury, or serious illness.

The sad fact is that only 7 States have comprehensive youth camp safety laws and only 28 States have some regulations dealing with youth camp safety.

In fact, a 1974 study by the Department of Health, Education, and Welfare turned up these appalling figures: 45 States have no regulations applicable to camping personnel; 17 States have no regulations pertaining to program safety; 24 States have no regulations concerning personal health, medical aid, and medical service; 45 States have no regulations applicable to out-of-camp trips and primitive outpost camps; 35 States do not regulate day camps.

I was shocked to learn how many did not require State drivers' licenses, flotation devices in boating areas, requirements as to the age of counselors, or adequate records of chlorination.

And another appalling point: The legislative chairman of the American Camping Association testified on May 15, 1974, that, of 8,000 member camps of ACA, only 4,000 were accredited, and that these were inspected on a voluntary basis.

Of the camps that were inspected, many did not have the equipment necessary to sanitize their dishwater, had garbage and rodents that were not handled in any positive way, had sleeping areas that did not have adequate firefighting equipment, were using well water that was not treated in any way and were poorly protected. Many used open dumps for solid waste disposal.

Where fire protection is concerned, 70 percent of the inspected camps did not mark the fire exits for their kitchens and the 20 percent which had kitchen fire extinguishers, had out-of-date equipment. What sort of fire protection is that?

Thirteen percent of the inspected kitchens were generally unsanitary. Not 2 or 3 percent, Mr. Chairman—13 percent.

Mr. Chairman, under H.R. 46, the percentage would be what it should be—zero percent.

The food situation in general at many of these camps strikes me as horrifying.

Over 25 percent—over one-quarter—did not have facilities for keeping food at proper temperatures; poisons were stored improperly in 18 percent; 20 percent did not sanitize their tableware; and 18 percent had inadequate dishwashing facilities.

Now, I am not going to be tyrannical about this. I know perfection is too much to require.

But I do think these incredible percentages could be brought down to a reasonable level.

I do not see why we must tolerate grease on food equipment, improper storage of garbage, or rats and insects getting into food our children are going to eat.

According to the study, fire protection "deficiencies" in dining areas "were the major problem." Although most of the camps had more than one exit, there were unmarked exits in 67 percent of the camps, and fire extinguishers were not available in 32 percent of the camps.

What are we going to do—wait for kids to die in a panic before this situation is corrected? Must we have a summer camp version of the Coconut Grove horror in Boston in 1942 in which approximately 500 men and women burned to death?

The HEW study was woefully inadequate on the subject of deaths, injuries, and serious illnesses during the 1972 year surveyed. The figures are probably far out of line with reality because the study was nothing more than a search for literature and a questionnaire mailed by the contractor who handled the job—for a tidy sum of $300,000—and a limited inspection of camps throughout the Nation.

The report showed 25 deaths, 1,223 "serious" illnesses, and 1,448 injuries. But these figures must be considered against the fact that while 7,861 camps were queried, only 3,343 bothered to respond.

We have had many hearings over the years on the subject of youth camp safety.

We have heard horrifying stories.

A California camp operator rented an open flatbed tractor trailer truck for a 1-day, 200-mile round trip to a beach. It overturned on an eight-lane expressway, killing 8 and injuring 62 children and 8 counselors.

Three Boy Scouts and the leader drowned after being warned not to go out on Yellowstone Lake.

A group of children were taken on a canoe trip in rough water without life jackets, and one child drowned.

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A counselor ignored a warning their craft was too small and fragile for Desolation Canyon of the Green River in Utah. A child drowned.

We have Federal laws to protect animals used in research and even to protect our wildlife.

But we have no Federal law to protect the millions of children who go off to summer camp every year and are at the mercy of unsafe and unsanitary conditions.

We have talked about this problem for years while more and more children are killed, injured, and taken ill.

The time for palaver is past.

It is time now to act.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, some of the opponents of this legislation have suggested that it constitutes an unconstitutional invasion by the Federal Government of the province of the States. It is suggested that these camps are in many instances essentially local in nature and that regulation should be left entirely to States and localities. My research indicates that Congress has ample power to enact this legislation under article I, section 8, clause 3 of the Constitution which gives it authority "to regulate commerce . . . among the several States." This power has been given the broadest interpretation by the Supreme Court from the time of Chief Justice John Marshall onward. Congress has authority to regulate, not only commerce itself, but all activities which affect commerce in any way. Moreover, it is not necessary that the volume of commerce affected be substantial. And the activities regulated need not themselves constitute interstate commerce so long as some effect on commerce can be found.

It is clear under these principles that the Youth Camp Safety Act is well within the reach of the commerce power. These camps customarily solicit the patronage of children from other States frequently by advertising in nationally distributed magazines. Moreover, they purchase goods and services which flow in interstate commerce. The safety practices of such camps affect the volume of patronage including out-of-State patrons and the volume of purchases in interstate commerce. They also affect the health and well being of citizens who move between States.

Such effects on interstate commerce have frequently been held to constitute a sufficient basis for exercise of Congress' power under the commerce clause. For example, the Supreme Court in *Heart of Atlanta Hotel* v. *U.S.* 379 U.S. 241 and *Katzenbach* v. *McClung* 379 U.S. 294 upheld the constitutionality of the public accommodations sections of the Civil Rights Act of 1964 as applied to a motel which provided accommodations to interstate travelers and a restaurant which, while not frequented by interstate travelers, purchased goods in interstate commerce. The basis of the regulation in the latter case was that the discriminatory practices of the restaurant could affect its volume of patronage and hence its purchases in commerce.

On the same rationale the court in *Danil* v. *Paul* 395 U.S. 298 upheld the application of the same Civil Rights Act to an amusement park because its snack bar purchased food which had moved in interstate commerce and offered to serve interstate travelers.

These cases illustrate the essential point that Congress possesses power not merely to regulate the commerce itself but to regulate all aspects of those activities which may affect commerce. Health and safety regulations are a major example in many fields of Federal regulations which touch commercial activity only indirectly. I need only mention such statutes as the Occupational Safety and Health Act and the Federal Highway Safety Act to illustrate the point.

In conclusion it is my judgment that H.R. 46 is well within the constitutional power of the Congress.

I include a brief memorandum relating to H.R. 46:

MEMORANDUM OF LAW

This is a brief memorandum supporting the constitutionality of H.R. 46, the Youth Camp Safety Act, as reported by the House Committee on Education and Labor, House Report 94–97.

The proposed Youth Camp Safety Act authorizes the director of youth camp safety to promulgate, subject to the approval of the Secretary of Health, Education, and Welfare, safety standards for youth camps. The proposed act provides that the States may develop plans for such regulations which, if approved by the director, will go into effect in those States. There is a provision for financially assisting those States which have approved plans. In enacting this bill Congress is exercising its authority under article I, section 8, clause 3 to "regulate commerce . . . among the several States." This clause has been interpreted in a very expansive manner and has long been recognized as the direct source of the most important powers which the Federal Government exercises in peacetime.

The term "commerce" has long been broadly defined. See E. G. *Gibbons* v. *Ogden*, 9 Wheat. (22 U.S.) 1 (1824). In *Hoke* v. *United States*, 227 U.S. 308 (1913), it was said that commerce among the States "consists of intercourse and traffic between their citizens," and this includes the transportation of persons and property. *Hoke* at 320. The power to regulate such commerce has been described as a "positive power," which, broadly speaking, is the power "to legislate concerning transactions which, reaching across State boundaries, affect people of more States than one . . ." *United States* v. *South-Eastern Underwriters Association*, 332 U.S. 533, 552 (1944). Thus, it is not confined to regulation of commerce among the States but extends "to those activities intrastate which so affect interstate commerce, or the exertion of the power of Congress over it, as to make regulation of them appropriate means to the attainment of a legitimate end, the effective execution of the general power to regulate interstate commerce." *United States* v. *Wrightwood Dairy Co.*, 315 U.S. 110, 119 (1942). The test, then, is the effect of the activity on commerce, *Id.* at 121, and the fact that the volume of commerce affected may be small is of no constitutional significance. *National Labor Relations Board* v. *Fainblatt*, 306 U.S. 601, 606 (1939). Moreover, many minor transactions, which singly have no apparent effect on commerce, may be viewed as a class and regulated for their cumulative effect on commerce. *Perez* v. *United States*, 402 U.S. 146 (1971).

It has long been held that the power which Congress exercises over interstate commerce is plenary and complete in itself, and may be exercised to its utmost extent. *Gibbons* v. *Ogden*, 9 Wheat. (22 U.S.) 1, 196 (195), (1824). Thus, where an activity has the requisite effect on interstate commerce, Congress has full authority to regulate that activity. Moreover, within its sphere of authority, Congress' powers are said to be the equivalent of the police power of the States. *Brooks* v. *United States*, 267 U.S. 432, 436–437 (1925), *Currin* v. *Wallace*, 306 U.S. 1, 11–12 (1939), and *United States* v. *Darby*, 312 U.S. 100, 114 (1941), which is the power to legislate with respect to public health, morals, welfare and safety.

Applying these various principles to the Youth Camp Safety Act, it may be argued that youth camps customarily solicit the patronage of campers from other States and/or customarily purchase goods, including food and safety equipment, and services from other States. The safety practices of such camps, taken as a class, affect the volume of patrons, including out-of-State patrons, and/or the volume of supply purchases, including out-of-State supplies. Thus, it may be said that the safety practices of youth camps affect interstate commerce. As Congress has authority to regulate not only commerce itself, but activities which affect commerce; as the volume of commerce affected is not constitutionally significant, and as Congress' authority over such activities is the equivalent to a State's police power, it may be concluded that Congress has the authority under the commerce power to regulate the safety practices of youth camps.

There is some support for this argument in the cases decided under the Civil Rights Act of 1964, 42 U.S.C. secs. 1971, 1975a–1975d, and 2000a–2000h–6. Title II of the act, 42 U.S.C. 2000a, in part, makes it unlawful for places of public accommodation affecting interstate commerce to discriminate against patrons on the basis of race, color, religion or national origin. Public accommodations include inns, hotels, motels, or other establishments which provide lodging to transient guests and restaurants, cafeterias, lunchrooms, lunch counters, soda fountains, or other facilities principally engaged in selling food for consumption on the premises. Inns, hotels, motels or other establishments providing lodging to transients were declared by the act to affect commerce, while restaurants, etc. were deemed to affect commerce if they served or offered to serve interstate travelers or a substantial portion of the food or other products that it sells have moved in interstate commerce.

In a case challenging the constitutionality of the transient accommodations provisions of the 1964 act, the court found that there was ample evidence before Congress to support the conclusion that racial discrimination in such accommodations impeded and discouraged interstate travel by blacks and thereby adversely affected interstate commerce. The court concluded that Congress had properly exercised its authority to regulate activities affecting interstate commerce. *Heart of Atlanta Motel* v. *United States* 379 U.S. 241 (1964). While it may be objected that the burden on interstate commerce in *Atlanta Motel* is direct and immediate and that the burden of safety practices in youth camps has neither a direct nor an immediate effect upon commerce, it has long been held that the burden need not be a direct one and this is apparent in the companion case to *Atlanta Motel*, *Kazenbach* v. *McClung*, 379 U.S. 294 (1964). McClung concerned the application of the Civil Rights Act of 1964 to a restaurant, a substantial portion of whose food had moved in interstate commerce. There was no claim that interstate travelers frequented the restaurant. Against the objection that there was no demonstrable connection between food purchased in interstate commerce and sold in a restaurant and the conclusion of Congress that discrimination in the restaurant would affect that commerce, the court found that there was ample evidence before Congress that racial discrimination adversely affected the patronage of restaurants which in turn adversely affected the purchase of food moving in interstate commerce. There was also an adverse effect on interstate travel and general business conditions.

In the case of *Daniel* v. *Paul*, 395 U.S. 298 (1969) the court upheld the application of the 1964 act to an amusement park, in part, because its snack bar purchased food which had moved in interstate commerce and offered to serve interstate travelers, thus bringing the whole establishment within the strictures of the act under 42 U.S.C. section 2000a(b)(4).

In the case of the Youth Camp Safety Act it may be argued, particularly with reference to the *McClung* case, that the safety practices of youth camps, taken as a class, affect interstate commerce because of their effect on their patronage, including out-of-State patrons, with a resulting effect on the purchase of supplies and services in commerce and because of their effect on the purchase of safety equipment in interstate commerce.

In *United States* v. *Darby*, 312 U.S. 100 (1941) the Fair Labor Standards Act, 29 U.S.C. Section 201 *et seq.*, setting minimum wages, was found to be a proper exercise of the commerce power because of the inhibiting effect of substandard wages on commerce.

A parallel can be drawn between the constitutionality of youth camp safety and the coverage of domestics under interstate commerce. In Wirtz v. Washeterias S.A., 304 F. Supp. 624 (D Canal Zone, 1968) and Shultz v. Union Bank of St. Petersburg, 297 F. Supp. 1274 (M.D. Fla. 1969), domestics and the equipment that they use in their work are in interstate commerce. For example, vacuum cleaners are produced in only six States, and laundry equipment is produced in only seven States, creating a tremendous flow in commerce of these items used daily by domestics. Also, it is common knowledge that every domestic handles such items as soap, wax, and other household cleaners which have moved in interstate commerce. In addition, employment of domestics in households frees time for the members of the household to themselves engage in activities in interstate commerce.

Furthermore, in Wickard v. Filburn, 317 U.S. 11 (1942), the Supreme Court held that wheat grown wholly for home consumption was constitutionally within the scope of Federal regulations of wheat production because, though never marketed interstate, it supplied the need of the growers which otherwise would be satisfied by his purchases in the open market.

In conclusion, it is my opinion that there is no question that these cases strongly support the constitutionality of the Youth Camp Safety Act.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act. This bill has a single and worthy purpose—the protection of the lives and the health of more than 10 million American youngsters who annually attend camps.

As a new Member of this distinguished body, I am indeed proud to add my voice to those who are likewise deeply concerned that far too many young lives are needlessly lost as a result of camping accidents and mishaps that could easily have been prevented with enforcement of safety and health regulations.

I want to take this opportunity to bring to my colleagues' attention the experience of my own State in the field of youth camp safety legislation. Michigan in 1960 adopted the Nation's first comprehensive youth camp safety plan and our State has been constantly working to update the plan to conform with changing conditions in camping.

Testimony before the Education and Labor Committee, revealed that in Michigan, from 1944 through 1958, the State averaged from two to four deaths by drowning annually among campers. In 1959, six children in youth camps drowned in our State. Spurred by this tragedy, the State developed a comprehensive plan for youth camp safety.

Since initiating our State plan, there has been a continued and noticeable improvement in the fatality statistics.

Passage of the substitute is a meaningless gesture. Every child who attends camp is entitled to the protection of youth camp safety regulations, and H.R. 46 will safeguard children who attend camps in those States which do not have effective regulations. To do any less is to support youth camp safety in name only.

I urge my colleagues to support H.R. 46. It is a bill that has been carefully considered by the Education and Labor Committee and it is a bill that is urgently needed.

Congress has legislated to protect our environment, to protect our wildlife, to conserve our resources. It is now time to protect our children attending summer camps and do it in all 50 States.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I urge support of this bill. My State of New Jersey has a comprehensive system of safety standards, but we have thousands of our young people who go to other States for the purpose of camping. This bill, thereof, is highly desirable. I wish to commend the gentleman from New Jersey (Mr. RODINO) for his work in this area.

Mr. Chairman, it is a pleasure to inform my fellow members of my very strong support of H.R. 46, the Youth Camp Safety Act, and to urge their support of this measure.

A great majority of the States do not have comprehensive guidelines and regulations addressing this most serious concern; the safety and welfare of our children. Each year, particularly during the summer months, millions of our youth travel to camps where they are left in the custodial care of the camp directors, staffs, and counselors.

Fortunately, my State, the State of New Jersey, has promulgated standards governing the safety of our children while they are in camp. However, this does not alleviate my concern for their welfare because many of the children in New Jersey go to camps which are located out of State and over which New Jersey has no jurisdiction. Therefore, it is essential that I support this act and urge passage regardless of the standards already in existence in my own and in my colleagues' respective States.

Now we have the opportunity to insure that wherever our children may gather to camp, we may rest assured that their safety will be of the utmost consideration and properly addressed. The Youth Camp Safety Act is a most responsible approach to safeguarding our children's welfare.

Mr. ESCH. Mr. Chairman, I yield 6 minutes to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Chairman, today we are considering legislation whose time has not only come, it is past due. We can no longer afford to close our eyes to the problems of youth camp safety. We must adopt this legislation before us today to give every parent and every child the assurance that reasonable minimum standards of safety and health are observed at camps throughout the Nation.

In years past, this legislation has not had the wholehearted support of major organized camping groups. It now commands such support and testimony before our subcommittee last year brought the unanimous endorsement by those groups which are most experienced in camping.

Mr. Alan Stolz, legislative chairman of the American Camping Association, endorsed the bill in testimony before our subcommittee last May. His organization represents 8,000 member camps and accredits 4,000 of that number, accommodating roughly 4 million children. These 4,000 accredited camps adhere to standards which exceed those set in this bill.

Mr. Stolz told us, however, that there are about 10,500 youth camps in the Nation, with those that are not accredited serving an estimated 6 million young campers. The parents of these campers generally have no way of knowing that the camps are unaccredited and possibly seriously deficient in health and safety precautions, he testified.

Mr. Stolz also affirmed that he was authorized to speak in favor of the bill on behalf of the Campfire Girls, USA; the National YWCA; the Methodist Church Camps; and the Association of Private Camps. Representatives of the Boy Scouts of America, the Girl Scouts of America, and the National Recreation and Parks Association also backed the legislation and all worked actively with the subcommittee in perfecting the bill.

The National Recreation and Parks Association, a private organization of 18,000 members made up of State parks' personnel and others, gave a strong endorsement to the bill. This organization had been given the responsibility by the Department of Health, Education, and

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Welfare of preparing an analysis of the effectiveness of State laws and regulations on youth camp safety.

Dr. Peter Verhoven, spokesman for the NRPA and a professional park and recreation educator, said the study found the State laws "grossly inadequate." I would like to quote a portion of his testimony:

> It has been stated several times before about the inadequacy of State laws and the lack of initiative in passing or enforcing camp safety regulations at the State level, and it is only six States where adequate regulations are enforced and there are fully 24 States that are without appropriate legislation at all. (It should be noted here that Texas has subsequently passed a camp safety law, becoming the seventh State to adopt such provisions.)
>
> The inspection agencies are frequently understaffed and we found that once inspections occur and violations are noted, the enforcement is unfortunately viewed as a long and costly process and, therefore, the results have unfortunately not been justified in terms of the expenditures of time and money.
>
> In essence, youth camp safety, we feel, is a form of consumer protection in that many parents of children are unable to visit a camp site and truly inspect it themselves, and it is fairly well known that certain brochures of camps are rather misleading and obviously try to portray themselves in the best, if not the truest, light and in that instance, we feel that voluntary programs are not the answer, the consequences are too critical.
>
> We believe there are several distinct advantages of Federal regulations for camp safety. First, the Federal government can provide a degree of uniformity in the basic standards of safety.
>
> Second, Federal legislation will have universal applicability and has a better chance for good enforcement.
>
> Third, the Federal Government is in the best position to draw on a wide range of expertise and other resources.
>
> Fourth, Congress can identify this as a priority and assist the States, which already have many financial burdens.

Dr. Verhoven is quoted at length because of my respect for his expertise and for his opinions in this area. I believe his report was the best of the material submitted from the HEW "study" of youth camp safety. Even that admittedly flawed and incomplete document contained ample evidence of why Federal action is needed in this field.

There are some who argue that this legislation is a powerful push for Federal control, but such control is clearly not the intent of the members of this subcommittee. The principal aim of H.R. 46 is to provide Federal financial incentives and technical assistance to the States to help them to draft plans for their own youth camp safety programs.

This bill provides for only Federal minimum standards to be established by HEW. In many instances, the Boy Scouts, the Girl Scouts, the American Camping Association and others require standards which are much higher.

The Federal minimum standards to be drafted and promulgated by the Department of Health, Education, and Welfare are only designed to provide a benchmark for the States in preparing their own programs to assure that camps within their boundaries provide a safe and healthy environment for the boys and girls entrusted to their care. Only those States choosing not to develop adequate State regulations and enforcement programs would be subject to Federal inspection and enforcement.

There are, I believe, ample reasons for the Federal Government to become involved in protecting the safety of children and youths who travel from State to State during the summer months for their camping experience. It must be kept in mind that camping is, to a great extent, an inter-State activity.

Connecticut parents, wishing to send a child to a Western State camp, cannot feasibly check personally on the facilities and program. They are probably dependent upon the camp's own brochure and possibly some local references. This is rather scant evidence on which to entrust the safety of one's children. Too often, according to the evidence accumulated by our subcommittee, health and safety conditions are not subject to any standards but the conscience of the camp operator.

Consider these statistics:

Only seven States have comprehensive laws dealing with youth camp safety.

Forty-five States have no regulations applicable to camping personnel.

Seventeen States have no regulations concerning personal health, medical aid and medical services.

Forty-five States have no regulations applicable to out-of town trips and primitive outpost camps.

Thirty-five States do not regulate day camps.

Those witnesses before our subcommittee who were directors of youth camp safety programs in States which have stringent laws were enthusiastically in support of this legislation. Only Connecticut, Michigan, New York, New Jersey, California, Colorado, and Texas have such laws.

Youth camp operators today are subject to a welter of regulations from various State agencies, such as licensing, health and sanitation, motor vehicles, environment and others. The adoption of H.R. 46 would promote the consolidation of these functions within the State and would, I believe, help reduce the bureaucratic burden under which many camps operate.

We do not contemplate, and this legislation does not call for, an army of Federal inspectors with guidelines 2 inches thick descending on the camps. In the first place, there is a limited sum authorized in the legislation—$7.5 million—which is to carry out the primary aim of the bill. This is to provide Federal monetary incentives, consultative services and technical assistance from HEW to help the States draft and begin to implement their own programs.

The committee clearly intends that the States undertake the enforcement of the regulations, not the Federal Government. Witnesses from organized camping groups testified that this Federal legislation was vitally necessary to prod the States to take the necessary action of drafting and enforcing their own youth camp safety standards.

At the outset, a Federal Director of Youth Camp Safety is to be appointed by the Secretary of Health, Education, and Welfare, acting in consultation with knowledgeable State officials and representatives of recognized camping groups. The Director would be responsible for promulgating model youth camp safety regulations to go into effect in 1 year. Representatives of the American Camping Association, the Boy Scouts, the Girl Scouts and others are currently meeting with HEW officials on these model regulations.

Only those States choosing not to establish their own safety regulations conforming to the minimum requirements would come directly under the Federal regulations, a matter of the State's choice. Camp programs in those States would come under the authority of the Federal Youth Camp Safety Director.

In order not to bring undue hardship to bear on the youth camp operator, we have designed the legislation so that in the first instance the camp may receive onsite consultation with HEW experts on how to bring his camp into compliance with the model regulations. A reasonable length of time will be given to bring the camp into compliance.

However, repeated or willful violations would be punishable by civil fines—a maximum of $500 for each day of violation and a $1,000 penalty for repeated or willful violation. There are, of course, provisions for hearings and court appeals if requested.

With similar legislation before it in 1971, Congress declined to take decisive action. Instead, the Department of Health, Education, and Welfare was directed to conduct a study of youth camps to determine the exact extent to which health and safety problems existed.

After the expenditure of $300,000 and several years work, HEW presented the Select Subcommittee on Labor with a report on June 14, 1974. This report provided us with little more factual information about conditions in youth camps than the subcommittee had in 1971.

The subcontractor to HEW, Century Research Corporation, chose a sample of 212 camps, mostly in the Northeast and Southern parts of the United States, excluding most of the rest of the country.

From their study of these 212 camps, the researchers intended to make extrapolations which they hoped would be applicable to the entire youth camp industry.

Something went wrong, however. We were told by Dr. Theodore Cooper, Deputy Assistant Secretary of Health, Education, and Welfare at the time, that "something went wrong with the data base" which they gave to Century Research, so that they could not extrapolate from the data with any accuracy.

Therefore, all they had to give to the subcommittee were the results of these onsite visits to 212 camps and what information they could glean from the responses to questionnaires mailed to several thousand camps. In addition, 80 percent of the 212 camps visited were ACA accredited, which means that they adhere to more rigid standards than we are proposing in this legislation. This could hardly be considered a representative sample, nor can the conclusion be applied to the vast majority of youth camps which are not ACA accredited.

In my talks with witnesses before our subcommittee and with several directors of youth camp safety around the country, I have been impressed by the fact that many of those organizations which depend upon volunteer help do not always provide qualified personnel or a safe environment. While many of these organizations are to be commended for providing a camping experience to innercity and less priviliged children, basic health and safety standards must be adhered to. H.R. 46 would help the States provide such assurances for the safety of all children.

Listening to these witnesses from the States which have stiff youth camp safety laws, such as Connecticut and New York, convinces me that such standards are necessary in every State and that the Federal Government has an obligation to encourage the States to draft such laws and to enforce them.

I am deeply concerned over the many newspaper clippings and reports I have seen—made available to me by Mitch and Betty Kurman of Westport, Conn.—indicating that there are too many deaths and too many serious and preventable accidents happening in this country because of bad judgment on the part of camp counselors and bad management of some camps.

Mr. and Mrs. Kurman lost their 15-year-old son in 1965 because, as Mitch Kurman has testified, of inexperience and bad judgment. A young counselor took a group of young boys in canoes into a turbulent river in Maine, a river strong and swift enough to be used by a paper mill for transporting logs, but too dangerous for even experienced canoists. Young Kurman was drowned.

Mitch and Betty Kurman have been two of the most conscientious citizens I have known. During the past 10 years, they have devoted untold time and energy working for State and Federal laws so that other parents would not lose their children in accidents which could, and should, be prevented. The most suitable memorial we could provide for young David Kurman would be the adoption of this law.

There are some people who ask why the Federal Government should get into regulating youth camp safety at all. The HEW study said that the low number of deaths reported by their survey indicated that the children were safer in the camps than on the city streets. This may very well be, but is no reason why there should not be adequate fire protection in the cabins, or why there should not be qualified personnel of sufficient maturity to work with these young people.

A common thread I have found running through the clippings and reports the Kurmans have sent to me has been the obvious bad judgment of camping personnel who took young campers into dangerous situations, often with tragic results. It is frequently clear that the underlying cause is lack of experience or knowledge on the part of the counselor.

While good judgment obviously cannot be legislated, standards requiring a certain level of qualification, knowledge and maturity can be, and should be. Standards for the physical facilities and equipment can also be set.

Camps should be required to have safe and sanitary water and food supplies; waterfront personnel should be properly trained and certified; camp vehicles and equipment should be subject to safety inspections; drivers of these vehicles should be properly qualified and licensed, and all personnel should receive precamp training.

Parts of the HEW report, briefly excerpted below, illustrate problem areas which need attention. HEW asked the 212 directors of the surveyed camps what "minimum" qualifications they had in hiring counselors. The results:

> Four out of 10 camps require their counselors and specialists to be 18 years of age or older.
>
> A third of the camps require counselors to be college students or graduates.
>
> Almost one third of the camps require previous counselor or camping experience or training.
>
> A quarter of the camps require experience related to their camp task, for example, teaching experience if he is to conduct a class.
>
> About 15 percent of the camps required a certification in first aid, or some other area.
>
> One quarter of the camps specified a number of personal qualities such as "responsible", "good moral character", "mature", and so forth.
>
> One out of six camps had a requirement for one week or more of pre-camp training.

I do not find these statistics to be reassuring, especially when you remember that these were onsite visits to mostly accredited camps, presumably among the best in the industry.

We have Federal laws which protect animals which are transported in interstate commerce: The Fish and Wildlife Service will spend upwards of $200 million in fiscal 1975 to provide a safe and healthful habitat for creatures of the wild; we legislate standards for the care and treatment of animals used for research or as pets. I believe that our committee feels that the Congress should be no less vigorous in protecting the life and limbs of our young people who travel from State to State to attend youth camps.

Many, hopefully most, youth camps are safe, healthy, and beneficial environments for our children. But the record shows that there are some who hire underage and unqualified personnel: who fudge on space requirements in cabins and fire safety standards; who do not provide qualified waterfront personnel or life-saving equipment, who use unsafe vehicles and unqualified operators; in short, who cut corners at the expense of safety for their young charges.

Unless parents actually travel to these camps to personally inspect the facilities and check the programs, they are currently dependent primarily upon the camp operator's own declarations as to the safety of his operation. They are also at the mercy of the willingness and financial ability of the operator to eliminate any hazards that do exist. H.R. 46 provides incentive for such improvements, for it establishes a positive means for consultative services so that camp owners can learn what they must do to be in compliance and how best to do it. Technical assistance would be available from both the States and HEW to facilitate compliance.

The States would be assisted in drafting sound camp safety legislation and in establishing enforcement programs. Aid would be both advisory and financial. Only those States not choosing to avail themselves of this assistance would come under the direct enforcement of the minimum standards by the Department of Health, Education, and Welfare.

This is a well thought-out, careful drafted bill which addresses a serious and too long ignored problem. The bill would present no threat to the conscientious, professional camp operator, as demonstrated by the backing of the American Camping Association, the Boy and Girl Scouts, the National YMCA, and the other major camp groups. It would take no authority away from the States, but would give them assistance and guidance in establishing camp safety programs.

It would assure parents and youngsters across the country that the youth camp they attend would be subject to reasonable minimum health and safety standards and it greatly lessens the chances of more tragedies such as befell my friends the Kurmans and many other parents. We should do no less.

Mr. ESCH. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I do appreciate the gentleman's courtesy in yielding.

Mr. Chairman, I take this time only to suggest that I think it is necessary to properly focus the debate on this bill. The issue is not who is for and who is against youth camp safety. Most of us, certainly, have had children who have attended camp, and as parents we do have concern about the health and wellbeing of our children when they are away from home.

But what are we doing here today? We ought to ask ourselves that simple, basic question. Are we voting for a very, very desirable objective? Admittedly, youth camp safety is that.

Are we voting for a very attractive and appealing title on a bill, as the gentleman from Ohio (Mr. LATTA) pointed out a few minutes ago?

Are we really facing up to the fact that what we are doing in the bill before us is legislating a Federal role in an area where I think the States are competent to act?.

Under the provisions of this legislation not only would the new Office of

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Youth Camp Safety and the Department of Health, Education, and Welfare have authority to freely inspect and define and even close down additional summer camps, but it could, under the bill's broad definition of youth camp safety, have jurisdiction over group hiking, sailing, skiing activities, vacation Bible school, and community summer recreation programs, and the list goes on and on. One can extend it almost indefinitely so that what we will be creating by this legislation is going to inevitably develop into another giant Federal bureaucracy.

Let me just point out very quickly what has happened under another very well-known Federal health and safety program. Back in 1972 under OSHA we only had three approved State plans, and yet at that time we had 456 Federal inspectors. Today with 25 States operating their own plans, I am told there are 1,100 Federal inspectors. In 1972 there were a total of 1,700 people working for OSHA with an average annual salary of $12,500. Today there are 2,100 people working for that organization with an average annual salary of $16,000.

My source for those figures is the Federal budget for fiscal 1976. I think it is worth pointing out to the few Members who are on the floor this afternoon that there is an opportunity, when the substitute is presented, to vote for a program that will give the States the financial incentive and encouragement that they may need to develop model standards for camp safety, but which says that after 3 years the program closes down. If the Congress at the end of that time thinks that the problem is still existing it can go ahead and legislate. But instead of just appropriating and authorizing an infinitum $7.5 million annually, we at least put a cutoff date of 3 years on the program. It seems to me at a time when we are arguing over the Federal deficit that it is going to be $75 billion, or $80 billion, or even up to $100 billion, that we ought to pay a little attention to the kind of spending programs we are taking on that would extend for an indefinite period of time.

Finally, Mr. Chairman, I want to say just a word, in conclusion.

I understand, and I would certainly pay tribute to the man who has led the crusade for Federal legislation in this area, because my substitute is certainly designed to meet that problem, but I understand that in the Consumer News for HEW that was published on the 15th of April, 1975, that there is the following item that April 17 is the deadline for comments on the Coast Guard proposal to require anybody operating a white-water canoe or kayak to wear approved personal flotation devices.

So that particular problem has been taken care of by regulations that have now been issued by the Coast Guard, and that would require safety devices to be carried by those operating white-water canoes and kayaks. So progress has been made in this effort, and I think it will continue to be made.

The gentleman from Michigan, my dear friend, whose motives and intentions are genuine and reasonable, says that the violence of the substitute is going to be that it does not provide for Federal preemption, and it does not provide that 6 months after these Federal standards are promulgated that the long arm of the Federal Government can reach out and begin to regulate every one of these 1,400 camps around the country.

I do not happen to think that the States are going to be that derelict in their responsibility, if we provide them with the money—and the gentleman from New Jersey said it is only 75 cents a child, and how could the President recommend $722 million for Southeast Asia and quarrel about some money for regulating youth camps? This is not an argument about money. The gentleman knows that.

The substitute proposal contains just as much money as his. It does provide for financial grants of assistance to the States over a 3-year period to give them the incentive to develop these model camp safety standards and to implement programs to do that, and I hope that when the time comes the substitute will be adopted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ESCH. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. I rise in support of this measure, H.R. 46, the Youth Camp Safety Act which I was pleased to cosponsor.

With 17 States lacking any safety regulations, with 24 States without any health regulations, and 35 States failing to undertake any regulation, it is obvious that the States have failed to act diligently and it is obvious that there is a need for setting national minimum safety standards in the thousands of youth camps across our Nation.

There is no convincing argument against providing reasonable safe and healthful camp facilities, free from hazards. This measure encourages the States to assume that important responsibility.

Accordingly, in the interest of health and safety of our youth, I ask my colleagues to approve this long needed safety measure.

Mr. GILMAN. I thank the gentleman for yielding, Mr. Chairman.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I yield 2 minutes to the gentleman from Nevada (Mr. Santini).

Mr. SANTINI. Mr. Chairman, I rise in support of the Youth Camp Safety Act, H.R. 46. The bill will safeguard the lives of more than 10 million youngsters annually attending camps. I personally have viewed some of the youth camp facilities in the Western United States, and they run the gamut from various paradises that perhaps would be equivalent to the Garden of Eden down to derelict and defunct camps that seem to be designed to test the measure of the particular children attending there to survive in caveman-like fashion. It is a serious problem.

The rhetoric—both the colloquy and the argumentative assertions on the floor this afternoon and in this well—establish the fact that they do not even know how many camps we have in this country, let alone the number of injuries. The tragic history demonstrates that there has been no assertive or affirmative action in this area.

We would create by the proposed amendment the anomalous situation in which a child in State "Y" could go to camp and be assured of relatively safe standards. The child in State "Z," under the distinguished gentleman from Illinois' proposal, would go to camp and be under a threat of serious bodily injury.

I think the proposition falls on its own weight. I would strongly urge my colleagues to support the legislation. There is already a tragic history of injury, of maiming, and death—victims of both regulatory neglect and political indifference.

Mr. ESCH. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. McKinney).

Mr. McKINNEY. Mr. Chairman, the issue before us today is not new for the House has dealt with youth camp safety in the past. I would hope, however, that at this time, we can bring to a close its legislative chapter and give H.R. 46 our overwhelming approval.

I cannot begin to tell you the number of times in the past several years I have heard the phrase, "How can anyone be against camp safety—but." In the long run, I suppose no one is against it but—and there is that word again—there certainly are a number of differing views on the subject.

Two years ago, this House was convinced—and I believe mistakenly—that we needed more information on this matter and, therefore, approved a federally funded, HEW-sponsored study. In my view, the study amendment swept aside the many hours of laborious investigation the Committee of Education and Labor had invested in this field. Frankly, I felt the members had done their job more than adequately, and most notably in the forefront was the work done by my colleague, Subcommittee Chairman Daniels.

Two years ago, the red flag of opposition was "more information"; today, it is "State responsibility." In the House, that is strong stuff and it is not easily dismissed; in fact, it is a principle I have supported many times. But the data provided us by the Education and Labor Committee and the findings of the so-called study make a clear case for Federal direction. Simply, the States are either unwilling or unable to assume this responsibility. I would say that since most State budgets are stretched beyond all limitations, the latter is most likely true.

The record, Mr. Chairman, is abominable: 45 States have no regulations applicable to camp personnel; 17 States have no regulations pertaining to program safety; 24 States have no regulations concerning personal health, first aid, and medical services; 45 States have no regulations applicable to out-of-camp trips and primitive outpost camping; and 35 States do not regulate day camping.

That is the record a parent has to choose from and without even minimum standards, it is impossible for a parent to determine where deficiencies exist. H.R. 46, I believe, will begin to correct some of these dangerous pitfalls and

significantly decrease the number of accidents—and deaths—which occur in our Nation's camps each year.

I must say, Mr. Chairman, I was especially distressed to learn that the bill was being opposed by the Department of Health, Education, and Welfare and that the Department was speaking in concert with the Office of Management and Budget. HEW tells us it is currently developing minimum safety standards and will provide technical assistance on request. I am very pleased to learn that, Mr. Chairman, but I fear that much akin to voluntary conservation, it just would not work. Additionally, in a letter to the committee, Secretary Weinberger—in stating his opposition—protested the creation of an Office of Youth Camp Safety within HEW asserting that the Division's Director would undermine his "administrative prerogatives." While I have great respect for the Secretary, I must say that the stated opposition of HEW makes it absolutely essential that the Director be given a semiautonomous role.

Last, Mr. Chairman, I would be remiss if I did not mention the part played in this matter by one of my constituents, Mitch Kurman, of Westport, Conn. Mitch, whose son died in a camping accident several years ago, has made this issue a personal crusade; he has, I believe, renewed the faith of many people that yes, in this Nation of ours, one man—one voice—can make a difference. He has spotlighted this problem across the Nation—in our State legislatures and here, in the Halls of Congress. It is my feeling that we owe him a debt of gratitude but as he will tell you, all he wants is a good camp safety bill.

We have a responsibility to every parent in this country to do just that. Mr. Chairman, I strongly support H.R. 46 and I urge its passage.

Mr. ESCH. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Chairman, I am still extremely nervous about this bill. Obviously, all of us want safe camps in this country. Yet it seems to me that we are here providing a new bureaucracy, a new advisory system, and a new way to impose the Federal will upon the States and upon unwilling consumers who probably do not want to pay the price.

We have heard a lot about the terrible safety conditions in camps, yet I will read from page 11 of the committee report. It is a letter from the Secretary of HEW to the chairman of the committee and it says:

> An HEW study concluded that severe injuries, illnesses and deaths occurred with lower frequency among youngsters while attending the camps studied than occurs among this age group in the national population.

I think we are seizing on an area which sounds pretty good, which makes us in Congress look like we are safety conscious. And yet we are devoting $7.5 million annually and a whole new bureaucracy to purposes our people have not sought.

I worry about the standards that are to be established. I worry about the effects on groups which I think we do not intend to cover, such as the camps I mentioned before—the bus groups, the skiers, and the cycling groups.

I think we are asking these camps to control things which probably they cannot control and which parents do not want them to control.

I remember, Mr. Chairman, we thought the seatbelt interlock system was a peachy-dandy system for safety. We could point to the high accident statistics as reasons why we needed to have the system. In a clearer, more sane moment, we decided that was counterproductive to its purpose, and so we voted it off of our automobiles.

We are, to make no mistake about it, laying extra cost on the parents who want to send their children to camp. We are laying extra costs on the camp operators. I believe this bill will in the long run cause fewer camps and fewer camping opportunities to be available to the children of this country. I think that is a dreadful mistake.

Mr. ESCH. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would want to point out and I do so with hesitation because I hesitate to refute the Secretary of HEW, but it should be pointed out that the previous gentleman has indicted that on the basis of the Health, Education, and Welfare study, after oversight hearings on that study, it was found the study was conducted and replies were received from the so-called legitimate camping organizations and camps throughout the country. There was no attempt whatsoever in the study to search out other than those camps which were known to exist and were part of an organized group.

So what I am pointing to here is that the population sample on which the study was made was completely unacceptable from the standpoint of having any reliance whatsoever place upon the results. It would be very easy to conduct a study of all the camps that have adequate safety standards in the country and then to point out that indeed we have no safety problems, and that is the essence of what that $300,000 boondoggle went for in that study.

I now yield 2 minutes to the gentleman from Minnesota, the distinguished ranking minority member of the Committee on Education and Labor.

Mr. QUIE. Mr. Chairman, I support H.R. 46. We worked on it for many years, as other speakers have indicated, and some of us had grave reservations about it and wanted to learn more, now we have come to the conclusion that this is a piece of legislation worthy of support.

As I understand the legislation, as we drafted it, there is the intention that the States will take care of the enforcement and the planning and the setting up of their standards, but it will be necessary that State standards meet the minimum Federal standards. There is no desire on the part of the committee that the Federal Government should assume responsibility if it is not necessary.

The only reason why they would is that the State refused to assume responsibility, then we need some kind of sanction and the best kind of sanction we can think of and the most acceptable was Federal inspection when a State refused.

There is one part in the colloquy that I heard earlier and I would like to discuss this with the chairman of the subcommittee, when he mentioned that some States would be exempt. It is my understanding, and I think this may be what he meant and did explain, that in the States that do meet the Federal requirements and standards, the Federal Government would cede to them.

Mr. DOMINICK V. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I will yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. Mr. Chairman, when I used the word "exempt," I may have used that word too loosely. As I pointed out in my colloquy, the Director with the advice and consent to an advisory council of leading experts on camps, plus the Secretary of Health, Education, and Welfare and the Secretary of Commerce, and the Secretary of Labor, shall decide on the nature of standards to be promulgated. The seven States I had mentioned: New York, New Jersey, California, Michigan, Connecticut, Colorado, and Texas, have strong and effective youth camp safety and health standards. If they meet the minimum qualifications set up by the director of youth camp safety, instead of using the word "exemption," it would be better to use the words "cede their jurisdiction."

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. ESCH. Mr. Chairman, I yield 1 additional minute to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I would hope all the States would set up programs that meet Federal standards, because the Federal Government would cede to them and that is the purpose of this legislation.

My next question to the chairman of the subcommittee is. Will these seven States, providing they do qualify, be able to receive Federal assistance the same as other States which subsequently will meet Federal standards?

Mr. DOMINICK V. DANIELS. Mr. Chairman, if the gentleman will yield, the answer to that question is definitely and affirmatively "Yes."

Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island (Mr. Beard).

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act of 1975. This legislation is the product of 7 years of bipartisan effort by the Education and Labor Committee, and I am pleased to have been associated with this effort.

Mr. Chairman, it is the purpose of H.R. 46 to protect and safeguard the health and well-being of youth attending day camps, residential camps, troop camps, travel camps, primitive outpost camps, and Federal recreational youth camps by providing for:

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Federal standards for safe operation of camps:

Financial and technical assistance to the States in order to encourage them to implement youth camp safety standards; and

Federal implementation of youth camp safety standards in States which do not implement such standards and in Federal recreational youth camps.

Section 4 specifically establishes in the Office of the Secretary of Health, Education, and Welfare an Office of Youth Camp Safety headed by a Director of Youth Camp Safety, appointed by the Secretary. The Director will develop, with the approval of the HEW Secretary, and promulgate youth camp safety standards.

The bill specifically mandates under section 5 that the Director consult with representatives of appropriate public and private organizations; and consider existing State regulations and standards as well as standards developed by private organizations on youth camp safety.

It is the committee's intention that the expertise of camping groups and organizations and the first-hand knowledge of camp owners and operators be utilized in the drafting of safety and health standards.

The particular insight into youth camp safety regulations gained in recent years by officials in the seven States having comprehensive youth camp safety codes should, moreover, be called upon to secure adoption of adequate and workable standards.

Further, H.R. 46 provides that the Director make suitable distinctions in standards as are necessary and appropriate in order to recognize the differences in conditions and operating among various camps. The committee believes that varying conditions such as geographic location and nature of the camp activities themselves should be taken into consideration in determining appropriate standards.

Section 6 of the bill would encourage the States to assume the responsibility for development and enforcement of their own comprehensive youth camp safety standards, so long as these regulations will be as effective in insuring safe operation of youth camps as the minimum national standards.

Section 6(f) would authorize HEW, at the request of the Director, to make expert personnel available to the States to assist in developing State plans and in training State inspectors and other personnel associated with youth camps.

Financial incentives in the form of grants to States having their own plans are provided under section 7. The committee hopes that availability of such funds will further encourage States to regulate camps within their own boundaries.

In an effort to assist youth camp operators, the bill authorizes the Director to provide consultative services and technical assistance to youth camps in States which do not have a State plan. To protect the rights of camp owners, no citations can be issued nor any civil penalties proposed on consultative visits. A notice of violation may be issued only if serious violation exists.

The bill mandates that reasonable periods for abatement of any violations must be given to camp operators and a citation or a civil penalty may be assessed only if the operator fails to comply with the specified time period.

Youth camp owners issued citations have opportunities for hearings and appeals according to section 554, title 5, United States Code, and through the U.S. Court of Appeals.

The committee further intends that the input of recognized and expert camping organizations be maximized through establishment of a 15-member advisory council which must include members of such groups as well as representatives from the Department of Labor, Interior, and Agriculture.

Mr. Chairman, it is the belief of this committee that youth camp operators are bound by the general duty to see that there are no conditions which would cause serious adverse effects on the life and health of youngsters attending youth camps.

Mr. BEARD of Rhode Island. Mr. Chairman, I rise in support of H.R. 46.

In this great country of ours OSHA regulates the standards for the health of workers in our industries; but in this area for our young people it is very loose. It is a disgrace that there are only 7 States out of the 50 States that have decent standards.

I wish I could turn the clock back 23 years ago. If I could and I had a gentleman here, like the gentleman from New Jersey (Mr. DOMINICK V. DANIELS), a young girl 8 years old, a young girl named Ann Beard, would be around today. That is my sister. She drowned because there was no proper supervision.

I think also for the future, for the present and in the future, for a young fellow sitting on the floor here, my son, we need standards. We need no substitute that is just going to leave it up to the discretion of the States. That is no good. We need standards that are going to guarantee every State to at least have the basic standards to qualify. There is not much more to say than that.

Think about our young people; $7.5 million is not going to break the States, when we have spent $150 billion on the war in Vietnam.

Mr. Chairman, I yield the balance of my time to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. Mr. Chairman, I offer my support to H.R. 46. I would like to join the gentleman from Rhode Island (Mr. BEARD) and other Congressman in support of this legislation. I think it is long overdue and it is a piddling amount of money, when here we can offer adequate standards to the young people of our country.

Mr. Chairman, today, we are considering a bill which I have cosponsored along with many other Members of Congress to establish regulations governing the operation of youth camps.

At present, only seven States have taken the initiative to develop comprehensive youth camp safety laws. According to testimony presented before the House Special Subcommittee on Labor, 45 States have no regulations applicable to camp personnel; 24 States have no regulations concerning personal health, first aid and medical services and 35 States do not regulate day camping. I am proud that among those States having comprehensive youth camp safety laws is my State of Connecticut, along with New York, California, Colorado, Michigan, Texas, and New Jersey.

The Youth Camp Safety Act, H.R. 46, provides the necessary financial and technical assistance to the States to provide adequate inspection and suitable health and safety for all children who attend youth camps. The act establishes an Office of Youth Camp Safety in the Office of the Secretary of Health, Education, and Welfare which would be required to promulgate safety standards for the operation of youth camps within 6 months of the bill's enactment. This legislation has been considered by Congress' each year since 1971 and it is time it was enacted. Congress should no longer avoid the responsibility of ensuring that these camps for children meet at least minimum safety standards. There are approximately 10 million children who attend camp each summer. It is time that each of these children receives the protection he needs.

Mr. Chairman, I urge the Members to give their full support to this much-needed legislation.

Thank you.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I rise in support of H.R. 46 as reported by the Committee on Education and Labor.

I would like to take this opportunity to commend my colleague from New Jersey (Mr. DANIELS) for initiating this much-needed piece of legislation.

Each year, 7½ to 10 million young people attend camps of one type or another. Often, they, and their parents, have no idea of the conditions that exist at these camps. H.R. 46 will provide the minimum standards necessary so that camp users, and their parents, can rest assured that conditions at the camp will be safe and healthy.

The few States that have implemented youth camp safety laws of their own have shown us that such laws can significantly reduce the number of deaths, serious accidents, and serious illnesses occurring in youth camps. Michigan passed such a law in 1960. In 1959, six drownings had occurred in that State, by 1963 there was only one, and in 1973 no drownings occurred in that State.

Perhaps the best feature of this bill is that it provides the incentives for the States to develop their own health and safety standards for youth camps while insuring that Federal minimum standards will be met. This bill also provides financial and technical assistance to those States which desire to enact their own laws and regulatory agencies.

Mr. Chairman, once again, I urge the immediate passage of H.R. 46, for the sake of our young people as well as ourselves.

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act, to protect the safety and health of more than 10 million youngsters attending youth camps and in opposition to the well-intentioned but poorly drafted substitute.

The Education and Labor Committee has been considering youth camp safety over a 7-year period. It is our unanimous conclusion as reflected in the 37 to 0 vote of the full committee on March 11, that H.R. 46 is an effective bill that will encourage the States to develop their own safety regulations. The bill provides that Federal youth camp safety standards will be applicable in those States which do not adopt plans which are as effective as the Federal regulations.

The question before the Members of this body is the welfare of youngsters attending camp. I firmly believe, and the Education and Labor Committee unanimously concurred, that the only adequate and effective way to protect children in all 50 States is to provide for Federal implementation of youth camp safety standards in States which cannot or will not act to protect youngsters attending camps within their jurisdiction.

The approach which will be offered in the nature of a substitute is totally unacceptable. It is inconceivable that this House of Representatives could mandate the safety of children in some States and neglect the well-being of children in other States.

I speak to my colleagues as a member of the Michigan delegation. I am proud to say that my State had the initial comprehensive youth camp safety plan. Children attending camps in Michigan can be assured that they are protected by a well-conceived and conscientiously administered plan, a plan that has resulted in substantial improvement of the safety records of youth camps.

I deeply regret that only six other States in this great Nation have acted in behalf of youngsters attending camps within their borders. Parents who send their offspring to camps in California, Colorado, New York, Connecticut, New Jersey, and Texas can be assured of the protection of comprehensive State laws concerning youth camp safety.

Mr. Chairman, the chairman of the Manpower, Compensation and Health and Safety Subcommittee, Mr. DANIELS, has personally urged the Governors of all 50 States to act in behalf of their children in camps. Hearings have been held by the subcommittee over a 7-year period. HEW has conducted a congressionally mandated study of youth camp safety and concluded that State laws are totally inadequate.

Surely, one would expect that after 7 years more than six States would have moved into the area of protecting their young people. If the record of the past 7 years continues, I estimate that it would take until the year 2018 to have comprehensive youth camp safety laws in all 50 States.

A vote for the substitute is a vote for the status quo which is clearly unacceptable to millions of parents who are looking to us today to protect their children.

In Michigan, in 1959, six children drowned while attending summer camp. In Michigan, in 1960, after promulgation of youth camp safety standards, there were no deaths by drownings. Let the record speak for itself.

Mr. ESCH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Chairman, I rise in support of this long overdue legislation, which I was happy to cosponsor with 119 of my colleagues.

The need for this legislation is clear. Only seven States presently have comprehensive youth camp safety laws. Only half the States have any regulations dealing with youth camp safety, according to a study released last year by HEW. This study also indicated that 25 children died at summer camps in 1972. Many of these deaths, as well as many injuries suffered by young campers, could have been prevented had decent health and safety standards been in effect.

H.R. 46 would encourage States to develop adequate laws on youth camp safety and health, and the Federal Government would provide financial and technical assistance. Only if the States choose not to set up regulations as effective as the minimum Federal standards would the Federal standards become effective.

Mr. Chairman, as another camping season approaches, we owe it to the 10 million children who attend summer camps to insure that senseless injuries and death based on inadequate regulations are cut to the barest minimum. The health and safety of our children is a national concern, and I do not believe that the $7.5 million price tag placed on this legislation is too high an expression of concern for our children.

Mr. ESCH. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I asked the question of exemption earlier about those seven States which had laws that would be comparable to Federal standards, and whether we use the word "exempt" or "cede" that authority to the State I still assume from the dialog that seven States for example, would not have to adopt these Federal standards after passage of this legislation. My State has a workable youth camp safety law, and I think should be exempt from the Federal standards, if adopted.

Mr. Chairman, I rise in opposition to this legislation primarily because I think this is a matter which ought to be left to the States. There ought to be some place, somewhere, where the Federal Government will not reach its long arm out into State affairs, and this should be one of those areas.

The regulation of youth camps, which exist in varied terrains and climates, are better regulated under the State police power. Camp regulations coming down from Washington will have little rhyme or reason on a national level, unless Congress appropriates large sums of money to staff HEW adequately. Adequate staffing would require many, many HEW people in the field in order to make geographic adjustments in the national regulations.

I feel that HEW study on youth camp safety recommends a better course. The Federal Government should serve as a camp safety watchdog, and assist the States in passing State youth camp safety laws.

For example, Texas has a good, strong law, with tough standards backed up by annual inspection and licensing procedures. The Texas law was written to correspond closely with the proposed Federal act. Others States should take this action, and I am disappointed that they have not done so.

The State route is the way to get good camps for our young people.

The Federal route will not meet all safety problems in the many different areas of the country; instead, the Federal regulations will lead to confusion and poor enforcement.

Mr. ESCH. Mr. Chairman, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I would like to ask a question of the sponsor of this legislation. It says, "Gives satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards."

How do we know what expenses will be mandated by the Federal director upon the States? What will they consider adequate standards? Will this be an added burden on the State budgets?

Mr. ESCH. Mr. Chairman, I would respond to the gentlewoman from New Jersey in the following way: Obviously, until the legislation is passed, we do not know the complete cost, but the best model is the Michigan law. We are operating in the neigborhood of $100,000 to $200,000, but with the assurance of a coordinated effort taking in all the other safety inspectors in the State by having them work on the problem of youth camp safety.

So, rather than overlaying a total inspection team, I would envision that States would follow the Michigan pattern. That is, to utilize the other State inspection agencies as a means of protecting those who attend our youth camps throughout the country.

Mrs. FENWICK. I thank the gentleman.

Mr. ESCH. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I would emphasize to the Members that as we approach the amendment process on this legislation, let us bear in mind, and the issue is now clear, that the only way we are going to protect the children of the country is to have national legislation. This national legislation has brought together the best of all worlds in that it provides a total encouragement for the States to conduct their own safety programs.

Moreover, and more importantly, it utilizes the total expertise of the total camp community of the country in a way that is constructive, in a way that is cooperative, in order to synthesize all that we know about camp safety and to bring to bear that information on the camps of our country.

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Mr. Chairman, it is interesting to note that the concerns expressed on the floor today do not come from those who operate the camps, the majority of the camps throughout the country, whether they be the Boy Scouts, the Girl Scouts, or the church organizations, or other nonprofit organizations. Indeed, the associations which sponsor them have had direct input on this legislation, and they want as well as anyone else to have this legislation passed because we do not want our camps, such as the Boy Scouts, Girl Scouts, and other camps such as this, to be competing with camps that are not providing for a safe environment for our children.

So, the important point is this:

Those who oppose the bill may oppose it on what they would consider legitimate philosophical grounds, in terms of relationship between the Federal and State Governments. But those who are working in the field want this legislation and recognize the need that the legislation is long overdue.

Mr. Chairman, I would urge the Members to support the legislation.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I yield 1½ minutes to the gentleman from Oklahoma (Mr. RISENHOOVER).

Mr. RISENHOOVER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act.

This legislation is the culmination of 7 years of bipartisan effort in this House—effort that has reflected a deep and growing concern about the unsafe and unhealthy conditions to which child campers are exposed every year.

Summer will soon be here, and vacation time will mark the beginning of camping season for 10 million American youngsters. Some children will go off to camp this summer, and will never return. We can expect that thousands of them will be injured, and many others will become seriously ill. These statistics are probably greatly underestimated. because of the lack of an adequate reporting system on camp accidents and illness. Can we really excuse these accidents and illnesses as being "fate" or a mere stroke of "bad luck" or should we instead examine the record compiled by the Education and Labor Committee and review the youth camp safety survey conducted by the Department of Health, Education, and Welfare?

Now I have always supported, and will always fight for, the sovereignty of the States in dealing with their own problems, provided the individual States have the resources and the demonstrated ability and desire to solve those problems.

And while I deplore the usual unreasonable, uncompromising, dictatorial attitude of the bureaucracy as it perverts the laws passed by Congress, I believe that vigorous oversight, in which I intend to participate, can keep this act a good one.

But the fact remains that after 7 years of urging, an examination of these records reveals evidence of negligence that can be no longer tolerated.

Only seven States have taken the initiative to develop a comprehensive youth camp safety program.

The human toll in young lives that have been needlessly wasted is shocking. We cannot permit any more American youngsters to pay this terrible price for congressional and State inaction. Someone must take the initiative, and I believe that responsibility properly lies within this Congress.

Mr. Chairman, I urge my colleagues to join with me in supporting the Daniels-Esch Youth Camp Safety Act, H.R. 46. Ten million American children deserve the protection this legislation will provide, and they need it soon.

Mr. BIAGGI. Mr. Chairman, I rise in enthusiastic support of H.R. 46 the Youth Camp Safety Act of 1975. Passage of this legislation will insure that the estimated 7 to 10 million youngsters attending summer youth camps are provided with improved safety standards.

I am proud to be an original cosponsor of H.R. 46 and wish to advise my colleagues that this legislation represents the culmination of some 8 years of legislative efforts by the Education and Labor Committee of which I have served for the past 6 years.

What this legislation in essence is saying is that the Federal Government will now assume greater responsibilities to insure that States adhere to minimum standards of health and safety in the 15,000 youth camps in the United States. This act provides for this in the following way: First, it establishes a new office in the Department of Health, Education, and Welfare, the Director of Youth Camp Safety. The Director would be responsible for promulgating minimum Federal standards mentioned above. The bill also provides for technical assistance to be given to States to implement their own plans.

The need for this legislation became apparent during the many hearings held in the committee. We discovered that a majority of the States in the Union are seriously lacking in standards governing basic activities in summer camps. These include 45 States which have no regulations governing camp personnel, and 24 States with no regulations concerning first aid and other needed medical services. These are serious deficiencies which cause great apprehension among parents, many of whom spend great sums of money sending their children to camp under the assumption that they will be receiving the best of care. This legislation is designed to protect them both as parents and consumers.

It must be understood that we are merely providing support and encouragement to those States who have failed to take the initiative in establishing minimum safety camp standards. We are hoping that this legislation will motivate the States into adopting plans to achieve these ends. It is not punitive legislation in any sense, if anything it is another example of seeking close cooperation between the State and Federal Governments in addressing ourselves to common needs and concerns. It should also be noted here that several States have drawn up exemplary plans establishing standards for camp safety and the expertises of the States will be called upon by the Youth Camp Safety Office at HEW.

Mr. Chairman, we are approaching passage of landmark legislation. Summer youth camps provide the youth of this Nation with unique opportunities to enjoy the beauties of nature. For many, particularly those living in our major cities, camp provides them with a real education about the wonders of nature. Yet we cannot close our eyes any longer to poor conditions which exist in many of these camps. The importance in getting both the State and Federal Government involved in correcting these deficiencies cannot be minimized. At this time I wish to salute my distinguished colleague on the committee, Mr. DOMINICK V. DANIELS of New Jersey for his untiring efforts on behalf of this legislation. I am convinced that this legislation will have great benefit to this Nation, and I urge its swift passage and enactment into law.

Mr. ALEXANDER. Mr. Chairman. I rise in support of H.R. 46, the Youth Camp Safety Act. Passage of this act will eliminate the double standard that exists in the youth camp industry today. Heretofore, responsible and conscientious youth camp directors and their operations have been forced to compete with youth camp firms that do not adhere to reasonable rules of camp safety.

The Youth Camp Safety Act will protect and safeguard the health and well-being of campers through Federal safety standards, technical and financial assistance to develop safety programs, and Federal enforcement in States without approved plans.

It is estimated that each summer parents send 10 million children to camp with the belief that their offspring will be protected by trained counselors and will live in safe and sanitary conditions. Yet only 5 States have regulations applicable to camp personnel; 24 States have no regulations concerning personal health, first aid, and medical services; and 35 States do not regulate day camping.

Moreover, a recent HEW survey on youth camp safety standards further illustrates the necessity for providing Federal monetary incentives, as well as technical help, in order to insure the safety of our Nation's young campers.

As the father of a 6-year-old myself who will have the opportunity to go to summer camp, I, too, want the assurance that the camp to which I am sending her has her safety and well-being in constant mind. I urge my colleagues to support this legislation.

Mr. PHILLIP BURTON. Mr. Chairman, I rise in strong support of H.R. 46, the Youth Camp Safety Act.

Our distinguished colleague from New Jersey (Mr. DOMINICK V. DANIELS) has devoted 7 years of his life to this cause. In this effort, he has been joined by the Committee on Education and Labor, and in the 94th Congress, by 120 cosponsors who agree on the compelling need for this legislation.

The record of needless and tragic deaths of children at camp should shock the sensibilities of every Member of this House.

This House has immersed itself in an ocean of compassion for endangered species, less fortunate peoples in distant lands, and, more recently, for the pathetic victims of a tragic war in Southeast Asia. In this ocean of compassion, can we spare not a drop for our own children? Are their little lives so cheap and so meaningless that this body will not spend 75 cents to protect the life of an American child?

Charity should begin at home, and responsibility should begin in this House.

I cannot ignore the shocking record of injury, illness, and death among children at camp. I cannot muster up much sympathy for camps that are so intent on profit that they ignore conditions that may extract a cruel human cost from an innocent chlid.

And, what of the States that have failed to act to correct these shocking conditions? Have they not had sufficient time to begin to draw up some sort of a plan? California did. Texas did. Colorado, Connecticut, New Jersey, New York, and Michigan did. What prompted them to act when other States would not? Could it be that those States perceived that they had a responsibility to young children who attend camps within their borders? Could it be that they recognized that most of the injuries and deaths could have been avoided if some basic safety regulations had been in effect? Could it be that these seven States decided that the time had come to look at the issue of States' responsibility instead of hiding behind a paper wall labeled "States' rights"?

Mr. Chairman, any attempt to weaken the Daniels youth camp safety bill, H.R. 46, must be rejected by this House. Fifty States have had the same opportunity to act to develop a comprehensive youth camp safety plan. Seven have acted, and 43 have not. Can we reasonably expect the adoption of any amendment to retain the "status quo" to propel these States into action? I think not. There is only one way to overcome this inertia—and that is the adoption of H.R. 46. The seven States that have acted to fulfill their State responsibility to young campers should be commended, not penalized by being made less competitive than their less responsible neighbors. Why should irresponsibility and neglect be rewarded? Is this the mark of a civilized society? I hardly think so.

Mr. Chairman, let us indicate a sense of responsibility to the 10 million children who attend camps in this country. I strongly urge the rejection of the Anderson substitute and the acceptance by this House of H.R. 46 as reported out by the Committee on Education and Labor.

Mr. Chairman, let us begin now to encourage the remaining States to adopt adequate plans to protect the health and lives of young campers. H.R. 46 will give these States the technical and financial assistance they need. It will also emphasize guidance and consultation, so that no State need fear Federal preemption unless they simply fail to act to meet this compelling need.

Mr. Chairman, the time has come to think of our own children and their right to a healthy and safe camping experience. H.R. 46 will help us to give that right to American youngsters, and I urge its adoption by this House.

Mr. CLEVELAND. Mr. Chairman, I intend to vote for H.R. 46, the Youth Camp Safety Act, because I support its objective of providing minimum health and safety standards to children at youth camps in all States.

At the same time, however, experience with other programs of this nature which have exceeded their legislative intent has given me reservations about the bill and for this reason I will vote for the Anderson substitute.

I will cast my vote for final passage, however, based on the assurances of the bill's authors that it is not intended to preempt the authority of States which have adopted adequate regulations and enforcement procedures. My own State of New Hampshire adopted the first regulations for camp health and safety in the Union in 1925 and today has broad camp safety standards. For this reason, I hope that regulations promulgated under this act will grant the States sufficient flexibility in adopting plans to meet their individual and regional requirements.

Unfortunately, years of experience with Federal programs and directives have demonstrated to me that even the most well-intentioned piece of legislation can be mismanaged by poorly selected personnel or implemented with overly specific and rigid guidelines. And it is that experience which prompts my actions today.

Mr. PEYSER. Mr. Chairman, I am extremely pleased that today, after many years of study and consideration by both House and Senate committees, we are finally going to pass a strong camp safety bill. Chairman DOMINICK V. DANIELS is to be commended on his tireless and relentless leadership that has resulted in the bill before us today. Also, the one-man campaign of Mr. Mitch Kurman of Westport, Conn., cannot be overlooked. He has turned the tragedy of his son's death into a crusade for safe summer camps, and the legislation before us today is to a great extent the fruit of his efforts.

It does not seem as if anyone disputes the lack of adequate safety laws with regard to summer camps. Clearly there has been very little State activity in this area, with the result being that many, many preventable accidents occur each summer. These are tragedies that easily could be avoided with just basic safety precautions.

Most parents are shocked when they find out, often too late, that there are no requirements such as that boats contain life preservers, that a qualified lifeguard be present at swimming areas, that a registered nurse be available at the camp, or that the camp allows a person as young as 14 to operate a truck around the camp grounds and to transport campers in the truck, or that the camp has no standards for camp counselors, and that many, many other such basic considerations are not required. The HEW survey made an incredible set of findings in this area. For example, of the 212 camps that they inspected onsight, they found:

Forty-four percent of the camps did not require State drivers licenses and did not check the driving records of their drivers;

Fifty-three percent of the camps did not require the use of floatation devices during boating activities;

Forty-five percent of the camps had no requirements with regard to the age of the counselors;

Fifty-seven percent of the swimming pools had no or inadequate records of chlorination;

Twenty percent did not have the necessary equipment to sanitize their dishwater;

Fifteen percent of the camps had garbage and rodent problems that they were handling inadequately;

Fifty-seven percent of the camps did not have adequate firefighting equipment in the sleeping areas; and

Twenty-one out of the 218 camps inspected had hazardous swimming areas.

These rather startling statistics are all the more horrible when one considers that these camps voluntarily allowed this inspection. These were camps that believed they had fully adequate safety features, and represented themselves as such. Out of the original 200 camps that HEW requested to inspect, 68 would not allow the inspection. One can only imagine what these statistics would have been if the inspections had not been voluntary.

Clearly, there is a real need for Federal leadership in this area. We cannot continue to go summer after summer and wait for the States to take the initiative. This can only lead to more tragedy. However, if we pass this legislation, then I believe that the States will pick up the ball and take it from there.

Some States have already acted, such as New York and New Jersey. And I am convinced that the other States will follow suit, because parents will become more safety conscious in selecting camps. Frankly, most parents just assume that commonsense safety laws are already in effect. They do not even think to ask if life preservers are provided in boats, it is just so obvious to them that they must be provided.

Almost all of those who are concerned about camping support this legislation. They do so because they recognize that minimum Federal standards are just that—the minimum safety standards for running a safe camp. Most of the organizations that run or sanction camps have very strict standards and would not be required to change their standards to meet the minimum level. However, the fact remains that there are unsafe camps—too many of them—and thus, this legislation is necessary if we are to protect our Nation's youth.

This is a pro-camping bill. It deserves the support of all the Members of this House. I would urge my colleagues to support this bill and vote down any weakening amendments.

Mr. MOFFETT. Mr. Chairman, I rise in support of the Youth Camp Safety Act introduced by my colleague from New Jersey. It would create a reasonable and

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effective program for safeguarding the well-being of our Nation's children.

At present, only seven States have sufficiently stringent camp regulations. I am pleased to note that my own State of Connecticut is one of these. But the figures show a clear need for Federal legislation. The States have repeatedly demonstrated their unwillingness or inability to provide sufficient protection.

But the figures on the number of State programs only show a part of the reality. Perhaps more important, and certainly more disconcerting, are the figures pertaining to deaths and injuries at youth camps. During the summer of 1973, 1,448 children were injured, and 25 more died. Another 1,223 became seriously ill. Moreover, these are only partial figures, since less than half the camps questioned by HEW managed to answer the survey.

To understand the problem fully, one has to go beyond figures and statistics altogether, and read the horror stories of actual incidents. Groups of children have been taken on white-water trips without life jackets—something even expert canoeists will shudder at. Children have been taken through rough water in fragile, homemade boats, resulting in drownings. Incredibly, one camp hired a flatbed truck to carry children on a 200-mile round trip. It overturned in the middle of an eight-lane freeway. Sixty-two children and eight counselors were injured; eight children were killed.

Mr. Chairman, I cannot believe that Congress does not see the need for this legislation. Parents and legislators have been trying for years to get this legislation through. Another summer, with another 25, or 30, or maybe 50 children killed, would be criminal—all the more so because we have the chance today to prevent it.

Mr. BRADEMAS. Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act, and I commend my colleagues on the Committee on Education and Labor for their unanimous support of this bill. My distinguished colleague from New Jersey (Mr. DOMINICK V. DANIELS) deserves special credit for his personal commitment to this legislation, which he has championed over a period of 7 years.

The bill before us today, H.R. 46, is the product of many years of effort by the members of the committee. It has been modified and refined to reflect the philosophies and concerns of Members on both sides of the aisle. More into the point, however, is that H.R. 46 is a necessary piece of legislation.

There are 10 million children who attend camps in this Nation. Yet only seven States have comprehensive plans designed to protect the health and safety of young campers. It is estimated that approximately 25 children die each year in summer camps and that approximately 1,448 children receive injuries while yet another 1,223 children incur serious illness. In my view, these figures represent just the tip of the iceberg.

During hearings conducted by Mr. DOMINICK V. DANIELS' subcommittee last year, Dr. Theodore Cooper, Deputy Assistant Secretary of Health, Education, and Welfare indicated that:

> No systematic reporting mechanism presently exists which provides reasonably complete information on the occurrence of severe injuries, illness and death associated with youth camps.

Mr. Chairman, I am convinced that when we establish the accident and illness reporting system provided by H.R. 46, we will discover that our estimates on the human toll for unsafe camping practices have been grossly underestimated. But H.R. 46 will do more than provide us with a better grasp of the seriousness of this situation—it will make possible positive steps to correct glaring deficiencies that endanger the health and lives of child campers through the adoption of reasonable and effective standards and a program of technical and financial assistance to the States to encourge them to implement youth camp safety standards. The emphasis of this legislation is on consultation and guidance. It is not punitive in its intent. On the contrary, the thrust of the legislation is to encourage the States to exercise their responsibility and fulfill their obligations to the young. If a State will not exercise this responsibility, the Federal Government will then take the initiative to protect the health and lives of these children.

Mr. Chairman, more than ample time has been available for the States that lack comprehensive programs to take some steps which demonstrate their concern for and commitment to the safety of children who attend camp within their borders. Since the enactment of Public Law 92–318 and its provision under title VI for assistance to the States to develop their own plans, only six States have taken this initiative.

Mr. Chairman, we are all familiar with the old adage that procrastination is the thief of time. However, in the case of youth camp safety, procrastination is also the thief of young and innocent lives. We cannot afford further delay—lives are at stake—lives that will be lost this summer unless we act today to correct this deplorable situation. Let us affirm our commitment to America's children, and their parents, by lending our support to H.R. 46, as unanimously reported by the Education and Labor Committee. America's children are our resources for the future—let us protect this priceless resource by adopting H.R. 46, the Youth Camp Safety Act.

Mr. ASHBROOK. Mr. Chairman, I have frequently warned my colleagues that there must be some limit on what the Federal Government can or ought to do. Washington, D.C., officials should not have their hands in every actual or apparent problem. Certain matters are better left to States and localities.

The 94th Congress, however, seems intent on federalizing the issues. The bill before us today would even have the Federal Government set youth camp safety standards. This is an area that traditionally has been and should remain a responsibility of State and local government.

There is the usual rhetoric in the committee report about how Congress is providing Federal incentives to the States to develop and implement their own standards. In reality, however, the legislation is coercive. States must draft their regulations and alter their laws to meet "Federal minimum standards." Federal standards would be enforced in States without an approved plan.

I see no reason to establish national standards for youth camps. The characteristics and corresponding safety needs of a camp will vary according to the geographical area in which it is located. Therefore each State is in the best position to determine what standards should apply.

We do not need another Federal bureaucracy looking over the shoulders of State and local officials. We do not need more Federal control and bureaucratic regulations. Youth camp safety should remain a State and local responsibility.

Following is the letter of HEW Secretary Casper Weinberger to the chairman of the Committee on Education and Labor in opposition to this bill:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
March 4, 1975.

Hon. CARL O. PERKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of February 7, 1975, for a report on H.R. 46, a bill "To provide for the development and implementation of programs for youth camp safety."

The bill would provide for the establishment of an Office of Youth Camp Safety in the Office of the Secretary that would be responsible for a permanent national regulatory program for development and implementation of Federal standards to control specified conditions in youth camps and in Federal Recreational Camps; for review and approval of State plans; and for grants to States having approved plans. The office would be headed by a Director appointed by the Secretary. States would be required to regulate all camps except travel camps and to report to the Director of the Office of Youth Camp Safety each year on instances of deaths, injury, and serious illness. Travel camps would be under Federal regulation. An Advisory Council on Youth Camp Safety, chaired by the Director, would also be established to advise and consult on policy matters relating to youth camp safety. The Director would also be responsible for enforcement of Youth Camp Safety in States without approved plans. Camps would be required to report annually to the Director, or the State Agency, on instances of deaths, injury and serious illness.

In addition, the Secretary at the request of the Director, would be authorized to make personnel from the Department available to States to assist in developing State plans and in training State inspectors and other personnel associated with youth camps. The bill would authorize to be appropriated $7.5 million for the fiscal year ending June 30, 1975 and for each fiscal year thereafter.

The Administration strongly opposes enactment of this bill for the following reasons:

Youth camp safety has been and should remain a State responsibility. The two areas in which the Federal Government could assume some responsibility are the development of model safety standards and the provision of technical assistance to States requesting such assistance. HEW is already taking action in both of these areas. We are developing model legislation and regulations for States based or existing knowledge with the assistance of camping organizations and other appropriate experts. We are also providing expanded consultative services to Federal and State agencies administering programs concerned with camping and to camping organizations.

Youth camp safety standards should be based on the specific circumstances of camping in the various geographic areas of the country; since characteristics of camps vary considerably from one area of the country to another. The only realistic focus for programs to make camping safer is one in which State governments work closely with county governments, camping organizations, and parent and youth groups at the community level.

Only State enforcement is feasible to deal with the diversity of youth camps that are transitory in both time and geographic location. No centralized program can ever develop or maintain reasonably accurate information on matters as basic as the existence and location of camps.

The magnitude of the problem has been greatly overstated. An HEW study concluded that severe injuries, illnesses and deaths occurred with lower frequency among youngsters while attending the camps studied than occurs among this age group in the national population.

The bill would authorize new unnecessary and inappropriate Federal expenditures at a time when budgetary restraint is urgently needed. In addition, the lack of any mandated significant cost-sharing under the grant program would add a further incentive toward transforming youth camp safety from a traditionally State role to a primarily Federal responsibility.

The establishment in law of yet another Advisory Council, the requirement for HEW to regulate recreation areas of other Federal agencies, and the authority for one House of the Congress to disapprove standards are also objectionable.

The bill would create an Office of Youth Camp Safety within the Office of the Secretary, Department of Health, Education, and Welfare. Moreover, the bill vests in the Director of this office, rather than the Secretary, broad and semi-autonomous operating powers. This arrangement undermines the administrative prerogatives of the Secretary of HEW and makes it difficult to draw upon existing technical expertise in the agencies to carry out the program. In our opinion, under this Office the statutory responsibilities could easily become the beginning of a large and costly Federal program should a sizeable number of States fail to develop and carry out programs consistent with the legislation.

In summary, the bill calls for inappropriate Federal controls in an area which has traditionally been and should remain a State and local responsibilities. As noted above, the Department is developing model safety standards and providing technical assistance under existing statutory authority.

For all these reasons, the Department strongly urges that H.R. 46 not be enacted.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report and that enactment of H.R. 46 would not be consistent with the Administration's objectives.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Mr. MURPHY of New York. Mr. Chairman, today the House of Representatives will consider H.R. 46, the Youth Camp Safety Act, and as a sponsor of this legislation I strongly urge my colleagues to support its adoption.

Families across the country are now planning with great anticipation the vacation months ahead when approximately 10 million of our children will attend summer camps. Many parents will, however, be choosing camps which take dangerously inadequate safety precautions for the children charged to their care.

An estimated 2,700 young people are injured or become seriously ill each year, and an astonishingly large number of children—25 according to reports I have seen—die each summer while at camp. Surely every effort must be made to prevent such needless and senseless tragedy.

And yet, only seven States currently have comprehensive safety standards governing their youth camps. The Youth Camp Safety Act provides for a Director of Youth Camp Safety within the Department of Health, Education, and Welfare, who would promulgate minimum Federal safety regulations for youth camps. States which lack adequate youth safety measures of their own will be required to comply with these minimum Federal standards.

As my esteemed colleague, the author of H.R. 46, Congressman DOMINICK V. DANIELS recently noted:

> Even one death—even one injury—is one too many.

The safety of our children is of the utmost urgency. We have the opportunity today to prevent a repeat of last year's accident reports before this summer arrives and the safety of more of our children is jeopardized. I rise in the strongest support of the adoption of H.R. 46.

Mr. BAUMAN. Mr. Chairman, even though my amendment to this bill was adopted earlier this afternoon, I am going to oppose its passage. This bill is the epitome of all that is wrong with the Federal Government today and the very fact that it is being considered is symptomatic of what is wrong with the Congress itself.

Last night Cambodia fell to the Communists. Today we have spent 3 hours debating how the Federal Government should control children at camps in the 50 States of the Union. It seems to me that our sense of priorities is badly out of kilter. A Congress that cannot respond to the President's request for aid to South Vietnam fritters away its time extending the Federal bureaucracy's power over even the smallest citizens—the kids at camp.

Any other day the people pushing this bill would be quoting HEW studies with great glee. Today they have been attacking the only study which addresses itself to the alleged need for legislation of this nature. They attack the HEW study because it proved there was absolutely no need for this bill. It showed that children are safer in camps than they are at home. If the gentlemen who support this bill were logical, they would be proposing a Federal agency to govern every household in which children live. That, I assume, will come next.

We have heard a great deal today of the wonderful things this bill will do. We have heard how children are threatened by being poisoned at camp by unhealthy food. I suspect poison ivy is a greater problem. We have had pictures painted of kids skipping through Sun-dabbled forest glades only to fall 50 feet down an uncovered well. I am surprised that no one raised the fact that this bill probably covers nudist camps. I look forward to Federal regulations against mosquitoes.

This dandy legislation comes to you from the same people who brought you auto seatbelts and the interlock system which the Congress subsequently had to repeal because of the public clamor. The same folks gave you the Occupational Safety and Health Act, the closest thing to a Gestapo we have seen in this country. They gave us title IX of the Higher Education Act which was meant to give women equal status in education, but was used by the bureaucrats in an attempt to integrate locker rooms, sororities and fraternities on the basis of sex. These are the grand Federal planners who imposed the catalytic converter on your automobile, greatly increasing the cost of your car, only to discover that instead of removing pollutants from the air the infernal device was spewing forth sulfur. This is the Congress that is so concerned about the welfare of little children, that against their parents and the children's own will, jams them on buses for cross-country trips ranging up to 2 or 3 hours a day in the specious quest for "quality education." There is not a State in the Union that does not have licensing procedures of some sort for camps. Every one of the States has health departments and laws governing places of public assembly. No parent who is worth the honor of parenthood would think of blindly sending their children to a camp without inspecting it first.

I would sooner resign my seat in Congress than vote for this asinine legislation. If there was ever a bill that is a candidate for Presidential veto, this is it.

Send a Congressman to camp this summer. They will do less harm there than they would on the House floor.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the question has been raised on the floor regarding this bill, as to whether or not the bill in fact will constitute a backdoor effort at gun control. This question has not been satisfactorily answered.

Also, Mr. Chairman, it appears that we are here discussing the danger to the children of America that comes from youth camps and their current regulations. It seems to me that a far greater danger exists to the youth of this country from the effort of the Federal Government to make us safe.

Mr. Chairman, there has come to be a real question in this country regarding how much Government we can afford. We are facing a deficit that is estimated to be in the area of $100 billion.

If we in Congress cannot trust the people of America and their State governments to protect their children, I seriously doubt if $7 million or any other amount of money that would be involved in the passage of this bill or any amendment thereto is going to save the Nation or the children.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute, printed in the reported bill as an original bill, for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

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Act may be cited as the "Youth Camp Safety Act".

STATEMENT OF PURPOSE

PARLIAMENTARY INQUIRY

Mr. ANDERSON of Illinois. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSON of Illinois. Mr. Chairman, I have an amendment in the nature of a substitute to the committee amendment in the nature of a substitute. Would it be appropriate at this time to ask for recognition to offer that substitute?

The CHAIRMAN. The Chair will advise the gentleman from Illinois (Mr. ANDERSON) that a substitute would be in order at this point.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ANDERSON of Illinois: Strike out all after the enacting clause of H.R. 46 and insert the following:

"That this Act may be cited as the "Youth Camp Safety Act."

"STATEMENT OF PURPOSE

"SEC. 2. It is the purpose of this Act to protect and safeguard the health and well-being of young persons in day camps and resident camps, by providing for the development of standards for safe operation of such camps, and to provide Federal financial and technical assistance to the States in order to encourage them to develop and implement youth camp safety plans and programs, thereby providing assurance to parents and interested citizens that youth camps meet minimum safety standards.

"BUREAU OF YOUTH CAMP SAFETY

"SEC. 3. (a) The Secretary of Health, Education and Welfare (hereinafter referred to as "the Secretary") is authorized to establish within the Department of Health, Education, and Welfare (hereinafter referred to as "the Department") a Bureau of Youth Camp Safety to assist him in the administration of this Act. The Secretary is further authorized to make personnel from the Department, who have the necessary expertise, available to States to assist in developing State plans, and in training State inspectors and other personnel associated with youth camps. The Secretary shall call upon the expertise of national organized camping groups for such assistance to Federal and State personnel.

"(b) The Secretary is authorized to request directly from any department or agency of the Federal Government information, suggestions, estimates, and statistics needed to carry out his functions under this Act; and such department or agency is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary.

"PROMULGATION OF MODEL YOUTH CAMP SAFETY STANDARDS

"SEC. 4. (a) The Secretary shall develop model youth camp safety standards. In developing such standards, the Secretary shall consult with State officials, and with representatives of appropriate public and private organizations, and shall consider existing State regulations and standards and standards developed by private organizations which are applicable to youth camp safety. The Secretary shall promulgate the standards required by this section within six months after the effective date of this Act.

"(b) The standards developed by the Secretary shall be directed toward safe operation of youth camps and related to such matters as—but not limited to—personnel qualifications for director and staff; ratio of staff to campers; sanitation and public health, first aid, and medical services; food handling, mass feeding, and cleanliness; water supply and waste disposal; water safety, including use of lakes and rivers, swimming and boating equipment and practices; vehicle condition and operation; building and site design; equipment and condition and density of use.

"FEDERAL GRANT ASSISTANCE TO STATES

"SEC. 5. (a) PLAN DEVELOPMENT ASSISTANCE GRANTS.—The Secretary may make grants to States for the development of State Youth Camp Safety Plans in accordance with section 6 of this Act. The amount of any grant under this subsection shall not exceed the amount determined by the Secretary to be the reasonable and necessary costs of carrying out such plan development activities. For the purpose of making payments pursuant to grants under this subsection, there are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1976.

"(b) PLAN INITIATION AND TRAINING GRANTS.—The Secretary shall make grants to States which have in effect plans approved under section 6 to assist such States with plan initiation and training costs. The amounts of any grant under this subsection shall not exceed 50 per centum of the costs (as determined by the Secretary) for establishing and operating a youth camp safety program for the year for which the grant is made. No State shall be eligible to receive a grant under this subsection in more than two fiscal years. For the purpose of making payments pursuant to grants under this subsection; there are authorized to be appropriated $4,000,000 for the fiscal year ending June 30, 1976, and $5,000,000 for the succeeding fiscal year.

"(c) EARLY OPERATION AND IMPROVEMENT GRANTS.—The Secretary shall make grants to States for the early operation and improvement of youth camp safety programs, provided he makes a determination on the basis of a review of each approved plan, that it is being administered in compliance with its provisons. The amount of any grant under this subsection shall not exceed 50 per centum of the costs related to the early operation and improvement (as determined by the Secretary) of the youth camp safety program for the year for which the grant is made. For the purposes of making payments pursuant to grants under this subsection, there are authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1976, and $5,000,000 for each of the two succeeding fiscal years.

"STATE YOUTH CAMP SAFETY PLANS

"SEC. 6. (a) Any State which desires to implement a State Youth Camp Safety Program and to qualify for Federal grant assistance as provided by section 5 (b) and (c) of this Act shall submit to the Secretary a State plan for the operation of such program.

"(b) The Secretary shall approve a plan submitted by a State under subsection (a), or any modification thereof, if such plan in his judgment—

"(1) designates a State agency as the agency responsible for administering the plan throughout the State,

"(2) provides for the development and enforcement of comprehensive youth camp safety standards, which standards (and the enforcement of such standards) are or will be at least as effective in providing safe operation of youth camps in the State as the Federal standards promulgated under section 4, and provides that where penalties are not employed as a method of enforcement of such standards, a system of certification and loss of certification is in effect which is at least as effective as penalties.

"(3) provides for consultative services to youth camps in the State with respect to comprehensive youth camp safety standards under such State plan,

"(4) provides for an inspection of each such youth camp at least once a year during a period the camp is in operation,

"(5) provides for a right of entry and inspection of all such youth camps,

"(6) contains satisfactory assurances that such State agency has or will have the legal authority and qualified personnel necessary for the enforcement of such standards,

"(7) gives satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards,

"(8) provides that such State shall coordinate the inspection efforts of such State agency so that undue burdens are not placed on camp operators with multiple inspections,

"(9) provides that such State agency will make such reports in such form and containing such information as the Secretary may reasonably require,

"(10) provides assurances that State funds will be available to meet the portions of the cost of carrying out the plan which are not met by Federal funds, and

"(11) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting of funds received under this Act.

"(c) The Secretary shall approve any State plan which meets the requirements of this section, but shall not finally disapprove any such plan, or any modification thereof, without affording the State agency reasonable notice and an opportunity for a hearing.

"(d) In order to determine whether to make available additional grant assistance as provided by section 5(c), the Secretary shall review each approved plan and the enforcement thereof, and make a finding as to whether each such plan is administered so as to comply with the provisions of such plan as to comply with the provisions of such plan and any assurances contained therein. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of a State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), he shall notify the State agency of his withdrawal of approval of such plan and inform such State agency that no further payments will be made to the State under this Act.

"REPORTS

"SEC. 7. (a) Any State which has in effect a State plan approved under section 6 shall file an annual report with the Secretary detailing all accidents resulting in death, injury and serious illness, other than minor injuries which require only first aid treatment, occurring in youth camps under the jurisdiction of the State plan. The Secretary shall compile these statistics and include summaries thereof in his annual report required under subsection (b) of this section.

"(b) The Secretary shall report to the President and to the Congress, on or before January 1 of each year, on the activities carried out under this Act, including the statistics submitted to and compiled by the Director under subsection (a) of this section.

"MISCELLANEOUS

"SEC. 8. (a) Nothing in this Act or regulations issued hereunder shall authorize the Secretary, a State agency, or any official acting under this Act to restrict, determine, or influence the curriculum, program, or ministry of any youth camp.

"(b) Nothing in this Act shall be deemed to authorize or require medical treatment for those who object thereto on religious grounds, nor shall examination or immunization of such persons be authorized or required except during an epidemic or threat of an epidemic of a contagious disease.

"(c) Nothing in this Act shall be construed to supersede or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties, or liabilities of youth camp operators and campers under any law with respect to injuries, diseases, or death of campers arising out of, or in the course of, participation in youth camp activities covered by this Act.

"DEFINITIONS

"SEC. 9. For the purposes of this Act—

"(1) The term 'youth camp' means any camp which is advertised or promoted as a youth camp; operates on a permanent campsite as the term is generally understood; operates under the auspices of a profit or nonprofit entity; is conducted for ten or more children under the age of eighteen at any one time; and operates for a period of, or portions of, five consecutive days or more during one or more seasons of the year.

"(2) The term 'State' includes each of the several States and the District of Columbia, Puerto Rico and the Virgin Islands.

"EFFECTIVE DATE

"SEC. 10. This Act shall take effect on the date of enactment."

"TERMINATION DATE

"SEC. 11. (a) The grant assistance program established by this Act shall terminate on June 30, 1978. It is the intent of the Congress that such program shall not be renewed and that States desiring to develop and implement youth camp safety programs eligible for such assistance shall take appropriate action within the three-year period set forth in this Act.

"(b) The Secretary shall include in his annual report of January 1, 1979, required by section 7(b), a separate section containing a summary of the three-year operation of the Federal program. Such summary shall include—but shall not be limited to—a listing of those States operating youth camp safety programs under approved State plans, statistics collected on the incidence of serious injuries, illnesses and deaths as required by section 7(a), and any conclusions and recommendations which he may deem appropriate based on his summary and findings.

"(c) The termination date in subsection (a) notwithstanding, the Secretary shall continue to provide States with such technical assistance as they may request and as may be within the capability of the Department to provide."

Mr. ANDERSON of Illinois (during the reading). Mr. Chairman, I ask unanimous consent that, in view of the fact that this substitute has been placed in the RECORD and a copy has been sent, along with a letter, explaining its contents, to all Members on Monday, April 15, that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANDERSON of Illinois. Mr. Chairman, I think we have had an opportunity in the general debate and also in the discussion that took place under the rule for Members to thoroughly understand what the substitute is that I am offering at this point to the committee bill.

Mr. COHEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 101 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceeding under the call shall be considered as vacated.

The Committee will resume its business.

Mr. ANDERSON of Illinois. Mr. Chairman, I think by now the provisions of my substitute are fairly well-known and understood. I have discussed my substitute in my previous remarks today, have circulated a "Dear Colleague" letter with a summary, inserted the text of the amendment in Monday's RECORD as well as a comparative summary of the committee bill and my substitute.

Mr. Chairman, the main difference between my substitute and the committee bill is that my substitute eliminates the Federal enforcement role if States do not have federally approved plans in operation. My substitute still contains adequate financial incentives fo- States to develop their own youth camp safety programs by taking advantage of a 3-year Federal grant assistance program totaling $22.5 million—the same amount which would be authorized in that period under the committee bill. But it should be noted that the committee bill simply authorizes $7.5 million a year for an indefinite period without earmarking any specific amounts for grant assistance. Thus, if not many States have cleared their plans with the Government within 6 months after the promulgation of Federal standards, it is conceivable that the bulk of the funds in the committee bill would have to be used for the Federal enforcement effort. This would mean that the grant pie would be much smaller after the Federal enforcement role took effect, meaning there would be even less incentive for States to come up with their own plans after that time. It should also be noted that the committee bill provides no financial incentives for States to develop their own plans; all the grant money would be provided only to those States with approved plans. My substitute, on the other hand, makes available $1 million in plan development assistance grants in the first year. Another important feature of my substitute is the inclusion of a termination date for grant assistance of June 30, 1978, with a statement that it is the intent of Congress that the grant program not be extended and that States wishing to participate must take advantage of the program within the 3-year time frame. I think this is important, because States might otherwise be inclined to sit out the 3 years without taking action on the assumption that, like many other grant programs, it would be automatically renewed and with larger appropriations. My substitute would serve notice on the States that they must demonstrate their inclination in the first 3 years and that the Congress would be reviewing the degree of State participation once the program is terminated. If the Congress determines at that time that the problem is of sufficient magnitude and the State efforts have been inadequate, it may decide at that time that a stronger Federal role is warranted. But I do not think a Federal enforcement role is warranted at this time given the dearth of statistics that this is a major national problem and given the actual disincentives in the committee bill for State participation

Mr. Chairman, my substitute, like the committee bill, would require that State plans be at least as effective as the model Federal standards if States are to qualify for the larger grants. My substitute would make available $4 million in fiscal 1976 and $5 million in fiscal 1977 in plan initiation and training grants; and for early operation and improvement grants, $2.5 million in fiscal 1976, $5 million in fiscal 1977, and $5 million in fiscal 1978.

Another important difference between my substitute and the committee bill is in the area of administration. Whereas the committee bill would vest semiautonomous authority in a Director of an Office of Youth Camp Safety in the office of the Secretary of Health, Education, and Welfare, my substitute would vest sole authority in the Secretary for promulgating standards, approving plans, and making grants. The Secretary would be authorized to establish a Bureau of Youth Camp Safety within the Department to assist him with the administration of the act. I think it should be noted that the original Daniels bill upon which the only hearings were held did not provide for this semiautonomous youth camp safety director.

Finally, the last important distinction between my bill and the committee bill is in the definition of youth camps. My bill limits this to day and residential camps on actual camp sites as the term is generally understood, which are advertised or promoted as such, serving 10 or more young persons under the age of 18 for a period, or portions of, 5 or more consecutive days in one or more seasons of the year. The committee bill, on the other hand, extends the definition far beyond what are traditionally thought of as youth camps, including all manner of organized youth activities conducted on a regular basis, whether on a traditional camp site or not. As the committee bill states, the activities could be at "any site or facility primarily designed for other purposes, such as, but not limited to, any school, playground, resort, wilderness area, or Government land," and so forth. This would bring under the committee umbrella organized youth activities at churches, such as vacation Bible school, community summer recreation programs, activities at YMCA and YWCA buildings, athletic clinics, Little League baseball and Pee-Wee football, and youth sailing, hiking, skiing, and cycling clubs if they engaged in overnight outings from time to time. The committee report leaves no question about this broad definition when it states:

> It is the Committee's intent, under the definition of day camps, that the Committee means to include those organized activities

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> which take place apart from the home, and are scheduled on an organized and regular basis.

The only exceptions to this would seem to be day-caré centers and after-school activities sponsored by the school. It is important to note here that this broad definition was not included in the bill on which hearings were conducted in the last Congress. That definition ran much closer to the one now contained in my substitute.

Finally, Mr. Chairman, to make legislative history on my substitute, let me state that I do not think it would be necessary for States to create a permanent and costly camp safety bureaucracy comprised of year-round inspectors. Since most of the camps covered under my substitute are conducted in the summer, there is no reason why States could not train high school teachers during the Easter recess as inspectors and employ them for that purpose during the summer months. This would seem far preferable to employing a year-round inspection force which would be sitting on its hand 9 months out of the year drawing taxpayer dollars. The committee bill provides for the same waste of taxpayer dollars by providing for a costly, burdensome, and unnecessary year-round Federal inspection force.

Mr. Chairman, I think this explains my substitute adequately. I urge its adoption.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to my friend, the gentleman from Michigan (Mr. ESCH).

Mr. ESCH. I appreciate the gentleman yielding.

Is it correct the gentleman has no vehicle in his substitute to allow for national coordination by all camp organizations and all those in camp industries?

Mr. ANDERSON of Illinois. That is absolutely not true. We do not set up an office, a semiautonomous Office of Camp Safety, as the bill does, but we provide there can be and shall be established a Bureau of Camp Safety within the Department of Health, Education, and Welfare which can serve just as well as a coordinating mechanism as the semiautonomous office the gentleman has provided for in his legislation.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in opposition to the Anderson substitute.

Mr. Chairman, the issue before us today is a very, very simple one. If we strip away all the rhetoric, the question before us simply is: Shall the Federal Government protect the safety and health of children attending youth camps?

I say to the gentleman from Illinois that a study was ordered by Congress 4½ years ago through an amendment to the Education Act which was then under consideration in the House. The purpose of that study was to make a survey and report to this Congress within 1 year. It was due by March 1, 1973. After that legislation was enacted into law I wrote to the Governors of the 50 States of the Union submitting to them a questionnaire on the bill that was then before the Congress. That bill was similar to the provisions of the legislation before us today.

I urged the various States to take action thereon. At that particular time only one State had a fair, comprehensive, and effective youth camp safety law: the State of Michigan, the State to which I referred earlier today. Since that time, more than 3 years ago, only six States have seen fit to enact effective health and safety laws.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK V. DANIELS. I yield to the distinguished gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I applaud the efforts that the gentleman made in interesting the various States in adopting legislation of this kind; but he was not in a position to offer them any planning, any assistance, any financial grants.

The substitute amendment clearly provides $22.5 million for that specific purpose.

I think the mere fact that we had a negative response from the various States under a situation where there was no money available cannot be compared with the situation that would exist with the adoption of the substitute amendment, where I think the incentive would be there.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I want to add that in my letter I indicated to the Governors my intent to follow through with this legislation; with their support and with their aid, the prospects would look very good for the enactment of the legislation by which they could get Federal aid. The fact is that they saw fit not to act.

If the amendment of the gentleman from Illinois is adopted, the net result would be that children in the 43 States which have failed to take action up to this point and will likely not take action in the future, would have no protection whatsoever.

The point is that under the bill we are considering, with the Federal Government preempting the field, the States have an opportunity to enact a fair and comprehensive youth camp safety law. The children in those States that fail to take action would have no protection under the amendment of the gentleman from Illinois.

I do not think it is right to tinker with the life and safety of any child in these States by failing to take action at the Federal level. We should also help the States that do take steps to protect the health and safety of their children.

Therefore, I am opposed to the amendment of the gentleman from Illinois.

Mr. BELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

I agree that there is a need for legislation promoting safety in our Nation's camps.

Personally, I am aware of this need, because I have sons who attend summer youth camps throughout the country.

I am in agreement with the gentleman from Illinois that youth camp safety should remain primarily a State responsibility.

Each State can best determine those safety standards that would be most effective in dealing with the conditions unique to their geographic area and to the needs of the camps within their jurisdiction.

The Federal Government should develop model youth safety standards and encourage those States that do not have adequate safety standards to promulgate such standards.

The Anderson substitute would do this.

The Anderson substitute also provides for a 3-year grant program to help States initiate their own safety programs.

Voting for this amendment is not a vote against safety for our children.

It is, however, a vote that would enable, encourage, and assist the States to set their own youth camp safety standards—a job which should not become a Federal responsibility.

Mr. ESCH. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I think that most members of the Committee are well aware of the nature of this substitute. It has been going on for the last hour or two of trying to develop credibility for the substitute. But, I think it is time that we ought to analyze the substitute in relation to the bill as reported by the committee and developed over the last several years, and to make a determination of which way we should go. Then, let us get on with it.

As pointed out, there are some specific differences between the two bills. The intent, really, of the substitute is laudable; that is, to the maximum extent feasible, have the States perform the inspection services into each one of our camps. I would suggest that there is an agreement on that point, to the maximum extent feasible; both the substitute and the bill concur with that goal.

The second factor, however, is one as to what occurs if a State does not—does not get involved in youth camp safety. If we Ben Franklin it, on the one side it states the Federal Government will get involved in protecting the lives and safety of our children, and on the side of the substitute, there is nothing there. So, that is the basic difference between the substitute as opposed to the bill as presented by the committee. Now, there are other differences, to be sure.

Is it a question of cost? Well, no, the bills there are somewhat similar. In fact, for the first 2 years the substitute actually costs more than the proposed bill of the committee. So that simply will not be affected, even though in the prior credibility attempts affecting the budget one way or the other by accepting the substitute. In fact, we might be affecting it adversely in the next year or two if we accept the substitute, because it will cost more at a time when we are trying to cut back on Federal spending.

No, there is no question there that the substitute is derelict in that. Then, there is one other essential point. That is, there is a bureau created in the substitute, and the bureau is to ask those people who are working in the field for their advice and counsel. That is the extent of it. They are supposed to ask for their advice and counsel.

Now, the bill presented by the committee was very carefully drawn in order to bring together all of the people and advice and counsel into a committee bill that would work an impact to develop the legislation. When we look at the substitute, what is going to happen? A bureaucrat is going to ask some people whether or not we should have this standard or that standard, set up some type of model law, but in the States themselves there is no requirement for the advice and the counsel of the various people involved in the camping industry. So, again we see on the part of the committee bill a distinct advantage, and a vacuum on the part of the substitute.

Remember, there is no cost differential. Remember that the bill as reported by the committee has the acceptance of those who are involved in the camping industry and would like to have their input and use the vehicle of this legislation for their input.

Recall, if you will, that the emphasis in the bill as developed over the years encourages the States to make determinations as to what kind of standards we will have, and enforcement. Recall, if you will, that the legislation itself is not punitive, but says that the inspectors will go out and will make corrections, but will not fine those camp operators. They will get them to correct those deficiencies, whereas the substitute may well impose the same thing we have in OSHA today, which is a first-time fine or penalty.

.No, all the attempts for credibility in the last 2 or 3 hours to develop the acceptance and credibility of the substitute go for naught. The acceptable way for this committee to act, I would suggest, is to reject the substitute and get on with the passage of this bill.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment which would have the effect of so fragmenting and bogging down an effort to promote youth camp safety, that not much would be accomplished beyond the expenditure of $22.5 million.

I am all in favor of letting the States do as much as they can in handling their affairs. But the record clearly shows the States have failed to do anything meaningful in promoting youth camp safety, or where they have done something, have failed to enforce their own regulations.

In the report of its "Investigation of Youth Camp Safety," Century Research Corp. and the National Recreation and Park Association found:

> With very few exceptions, State laws relating to camp safety were found to be grossly inadequate. In some States they were completely nonexistent.
>
> Laws specifically regulating resident camp safety were not inclusive enough to cover all areas of camp safety, for example, those laws which do provide for basic health and safety considerations in the original construction of grounds and facilities of a resident camp, make no provision for regulating safety programs or staff Requirements.

Mr. Chairman, Dr. Peter Verhoven of the National Recreation and Park Association, a private organization of 18,000 members, made up of State parks personnel and others, gave a strong endorsement of the bill. His organization was given the responsibility by the Department of Health, Education and Welfare of making an analysis of the effectiveness of State laws and regulations on youth camp safety. He is a professional park and recreational educator. The report for which his organization was responsible also called the State laws "grossly inadequate."

Dr. Verhoven testified:

> In essence, youth camp safety, we feel, is a form of consumer protection in that many parents of children are unable to visit a camp site and truly inspect it themselves, and it is fairly well known that certain brochures of camps are rather misleading and obviously try to portray themselves in the best, if not truest, light, and in that instance we feel that voluntary programs are not the answer; the consequences are too critical.
>
> We believe there are several distinct advantages of Federal regulations for camp safety.
>
> First, the Federal Government can provide a degree of uniformity in the basic standards of safety.
>
> Second, Federal legislation will have universal applicability and has a better chance for good enforcement.
>
> Third, the Federal Government is in the best position to draw on a wide range of expertise and other resources.
>
> Fourth, Congress can identify this as a priority and can assist the states which already have many financial burdens."

The 1974 hearings brought unanimity from many national youth and recreational groups to the effect that the Youth Camp Safety Act was vitally needed in order to safeguard the health and safety of the young people of this country.

It is a national disgrace that only seven States have strict laws and only 28 have any regulations which partially cover youth camps.

Dr. Oscar Sussman, director of the New Jersey youth camp safety program, testified that his own State had a new and strong youth camp safety law, and that he favored Federal enforcement if States choose not to draft State plans of their own.

The gentleman from Illinois says H.R. 46 would create a form of junior-OSHA manned by a Federal Kiddie Camp Cop Corps to police those camps in States which do not have federally approved plans.

The gentleman ignores both logic and the national concern for camp safety as so overwhelmingly stated during the hearings.

Logic states that millions of parents across this country will demand action by their States to protect their children. How many States are going to defy the wishes of men and women who have the power to throw State legislators out of office. From a strictly practical standpoint, I think opposition to assuring the health and safety of children would prove political suicide.

Furthermore, the committee report declares:

> It is not the intention of the committee that a large Federal force of inspectors be set in motion to interfere with state inspection and to harass the profit and nonprofit camping groups.
>
> There is, in fact, a strong move away from the punitive atmosphere, because first, consultative services are provided which will help bring the camps into compliance and, secondly, a camp is only penalized if, after serious violation is found and reasonable time given for correction, there is failure to correct the hazardous condition. Thirdly, the civil penalties are not mandatory and may be appealed.

The HEW survey has proved that the only way to provide for adequate safeguards is to provide for States to draft and enforce their own laws and for the Federal Government to do it if the States refuse to do so.

Mr. Chairman, the survey also emphasized the clear need for the States to provide for camp reporting procedures so that we can begin compiling accurate statistics on the numbers of deaths, serious injuries, and illness within the camp, which is called for in H.R. 46. As an example of the need for accurate data, I cite our current confusion over energy resources.

After authorizing $300,000 for the survey, the Committee on Education and Labor is still left with no real knowledge of the exact number of youth camps in the United States. While a camp survey was made by HEW, in addition to the questionnaire survey, the accuracy of the information is in question.

I find it unbelievable that more than 6 years have passed since the first-hearings on youth camp safety legislation, and yet there are still only seven States with their own laws. Also, HEW has hardly begun the job of carrying out the function it says it could handle without Federal law; that is, providing the technical assistance and encouragement to the States to draft and implement minimum youth camp safety standards.

I therefore believe that it is necessary to provide Federal monetary incentives, technical help, and Federal enforcement in order to provide the long overdue protection for our Nation's children and youth.

Mr. Chairman, H.R. 46 is a procamping bill, and its basic purpose is to bring up to standard the submarginal camps so that parents and campers may have more confidence in the safety of youth who participate in summer programs.

The gentleman from Illinois has created a "Federal Kiddie Camp Cop Corps" that exists only in his imagination and is propped up before us here as a strawman that should be summarily knocked down.

Mr. ASHBROOK. Mr. Chairman, I rise in support of the Anderson substitute to H.R. 46, the Youth Camp Safety Act. It would assist States in improving youth camp safety while eliminating the coercive features of the present bill.

The role of the Federal Government would be twofold. The Government would develop model youth camp safety standards and assist States in developing, implementing and carrying out a youth camp safety plan.

A State could not be forced to draft a plan in accordance with Federal regulations. Nor would Federal officials have the authority to enforce standards in States that did not have a federally-approved plan.

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Mr. Chairman, this is an area that traditionally has been and should remain a responsibility of State and local governments. Passage of the Anderson substitute would remove the ridiculous and needless federal control features of the bill. At the same time, it would assist States in improving youth camp safety. I urge the adoption of the Anderson substitute.

Mr. MEEDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to any amendment which will weaken the effectiveness of H.R. 46. In my view, the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. Anderson) does precisely this, because it simply retains the status quo, and that status quo, as has been stated, is no protection whatsoever to our children who attend camps in States that do not have comprehensive youth camp safety programs.

As a member of this committee in 1968, 7 years ago, I recall the first hearings which were held on this legislation. I recall hearings again in 1969; I recall hearings in 1971; I recall hearings in 1974. I recall this as being a part of the Omnibus Education Act of 1972, at which time we turned it into a study.

Mr. Chairman, my best recollection is that when we first commenced hearings on this legislation in 1968, there was one State—and that was the State of Michigan—in the entire United States that had what could be called a comprehensive youth camp safety bill. During the 7 years that we have continued consideration and have had studies and have continued to bring to the American public and to the floor of this House our ideas of the inadequacy and the lack of comprehensive youth camp safety laws in the States of this Nation, only six more States have adopted this legislation.

I am aware that the substitute provides that in 3 years, if nothing is done, we can go back and review it again and attempt to do something about it. But what good is 3 more years going to do us in an effort to get the States to enact their own comprehensive camp safety legislation?

Mr. Chairman, I agree with the gentleman from Illinois; the best thing is to have the States enact their own laws. This is precisely what we are doing here. We are, first of all, providing funding and help and expertise to them, and, secondly, we are saying that "We will not enter into this field as long as you do so. You take the jurisdiction."

But in our 7 years of experience in dealing with this matter, and having only six States in that entire period of time enact this kind of legislation, it seems to me we will be derelict in our duty if we do not proceed to do something at this time which will either provide the safety at the Federal level or provide the impetus to the States to accomplish that. If we were to go at the same rate we have been doing in the 7 years since we started considering this legislation, it would be the year 2018 when all of the States would have some kind of comprehensive youth camp safety legislation.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I know the gentleman from Washington too well to suggest that he would deliberately mislead the members of the committee, but when he suggests the substitute is faulty because it simply leaves us in the situation of being in a status quo, I cannot accept that definition or explanation of the substitute. The substitute for the first time would set up a Federal program over a period of 3 years providing grants totaling $22.5 million to the States.

It would authorize the creation of a Bureau of Youth Camp Safety within HEW. This is the section, in administering the act, which would make expert personnel from HEW available for the purpose of drawing up model standards. This is certainly not the status quo.

Mr. MEEDS. I tell the gentleman from Illinois (Mr. Anderson) that I understand these things, but there is absolutely no way to have the States enact this legislation if they do not desire to do so. Therefore, there is no protection for children in those States where this type of legislation has not been enacted.

Mr. BEARD of Rhode Island. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Rhode Island (Mr. Beard).

Mr. BEARD of Rhode Island. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, we cannot rely on the States discretion. Let us look at the different categories in Rhode Island, such as the nursing homes where our elderly are concerned. It was up to the States discretion, and it was a disaster all over this country. Where it is up to the discretion of the States regardless of the Federal money that is poured in, it is a disaster.

Mr. Chairman, we need national regulation. We are talking about our children. I repeat, we are talking about our children. This is a bipartisan issue.

Mr. MEEDS. Mr. Chairman, I will just conclude by urging my colleagues to support H.R. 46 as unanimously reported by our committee. Let us make camping safe as well as fun for American children.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman and colleagues, it grieves me deeply that I have to stand here and oppose the motion and substitute of my good friend, the gentleman from Illinois (Mr. Anderson).

I could not quite, when I first heard his substitute, believe that he really felt that it would answer the need we have been looking at for so long. The first time this bill hit the floor, we were told that we needed a study. That was to be the answer. That would save us from looking at the real problem of children being maimed and hurt in camps. We got the study. This is the study.

Mr. Chairman, there is one thing that bothers me about the committee bill: The same group who made this study will probably administer the program. This double spaced study cost $50,000 a page, double spaced.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield in connection with that?

Mr. McKINNEY. Mr. Chairman, I have listened with great care to the gentleman from Illinois for 2½ hours. I would like to finish.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield briefly?

Mr. McKINNEY. I will yield briefly to the gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. Is this a Federal study that the gentleman is complaining about?

Mr. McKINNEY. This was the first historic effort at studying summer youth camp safety.

Mr. ANDERSON of Illinois. Is this a Federal study?

Mr. McKINNEY. Yes.

Mr. ANDERSON of Illinois. I hope the gentleman is not equally disappointed about the kind of Federal regulation he is going to get under the committee bill.

Mr. McKINNEY. I have already expressed concern that HEW would be running this program because I have not found that they can run anything, from social security to welfare, but the fact of the matter is that they will, and that is better than nothing.

Mr. Chairman, the excuse we have from the gentleman from Illinois is that we will give the States the money to do it. The fact of the matter is that in the gentleman's substitute there is not one iota of reason why a State should take the money to get involved in another program that they have obviously, historically shown they do not want to be involved in.

It grieves me to see my friend hold out States' rights which this body has trampled on for the last 40 years with great abandon, and hold out the great, old shibboleth of financial disaster which this body has not paid any attention to since I have been in it.

It seems to me that when we are talking about the lives of children, we can forget States' rights. It seems to me that since we are talking about only $7.5 million in the fiscal year, we can well afford it, especially when one considers that we are busy studying the mating habits of bees and birds, and bats in Brazil. We support an agency for millions that goes on television every morning and advertises and tells us we should buy cotton and cotton products because the people who grow cotton and sell it cannot afford to advertise their own product.

We certainly can therefore support this small amount to safeguard children.

Mr. HAWKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of H.R. 46, and in opposition to the Anderson substitute.

It seems to me that those who are more concerned with saving a few dollars than

in protecting children can well support the substitute.

I think that the thrust of the substitute was given out by the gentleman from Illinois (Mr. Anderson) during general debate, when he referred to the deficit, and the great need to protect us against so-called open-ended financing.

Obviously this financial incentive which is being offered is assumed not to be attractive enough to invite the States to do something, and consequently money will be saved, because if the money is not saved, that is, if the financial incentive is taken, then the argument against the committee bill that it is a spendthrift bill is, therefore, shot to pieces.

It seems to me, further, that there is another good, sound reason which those of us in the State of California have long felt under both Democratic and Republican administrations, that is, we have moved to a stronger State law in this particular field, and have, at the present time, one of the good laws. It is one that was brought about not only under a Democratic legislature, but also with a conservative Republican Governor. So I think that places our particular State of California in a rather unique position.

Let me just cite to the Members one example: In our State at Lake Tahoe in the high Sierras there are many youth camps to which some parents send their children to camps on the east side of the lake, and there are other parents who send their children to camps on the west side of the lake. The difference is that the east side in on the Nevada side, which does not have a good law in this particular respect, and on the west side, which is under California jurisdiction, there is a good, strong law. I am sure that the parents who send their children to the various camps around that lake do not know whether or not the camps are protected by the Nevada law, which is very weak, or by the California law, which is a good, sound, protective law, but in both cases a good sound law should prevail.

It seems to me that is the type of a situation we are getting ourselves into in supporting something such as the Anderson substitute, which leaves the matter up to the individual States.

I think, further, that the committee bill is a good bill, because it has been well thought out over a long period of time.

Those of us who have had the privilege of serving on the subcommittee chaired by the gentleman from New Jersey (Mr. Dominick V. Daniels) certainly are committed, I think, to the principle that the evidence we have heard is overwhelming, that the issues are clear cut, that the time is long overdue, and that we should do something to support H.R. 46. Therefore, we should not be led astray by the substitute which, while it may sound good, certainly is one which is confusing, I think, in its implications and unsound in its approach.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I agree entirely with the statement made by the gentleman from California (Mr. Hawkins) and I rise to oppose the Anderson substitute amendment, and to compliment the chairman, the gentleman from New Jersey (Mr. Dominick V. Daniels) on what I think is an excellent bill.

The thing that surprises me, though, is the attack on it in the name of State rights.

As I read the bill, it seems to me to be most restrained legislation, merely setting minimal standards to which State plans must comply or else Federal standards go into effect.

It really astounds me that this should be attacked on the grounds of abridging State rights.

This Member has seen some of my—shall I say it with generousness—reactionary friends, hug bills to their rock ribs that would deny the rights of States with respect to criminal matters. Why, then, should this type of bill be attacked as an invasion of State rights?

It is the most typical use of the Federal power within the Constitution's commerce clause that I can imagine. What it merely says is that if the State does not act with respect to this matter which so directly affects commerce, affects children moving across State lines, effects reasonable, uniform standards of safety as between camps in several States that the Federal Government will establish that uniformity. This is clearly within our power.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Anderson amendment. I recall the gentleman who offered the amendment posed the question: What are we doing here today? He apparently agreed with the merit of the notion. The concept is not in controversy; it is the question of application, the manner in which the legislation is applied.

In the arguments he offered during debate he referred to OSHA, he apparently was offended by the manner in which bureaucracy developed in that area. But he pointed out very significantly that initially only three States complied. It developed on to 25, which makes a telling point for the committee bill and makes an argument against the substitute. Although the substitute does not give us status quo, that I concede to the gentleman. Yes, even the substitute is an improvement over the present situation. Today no such legislation is in existence. That is why the committee has responded in the way that it has.

But the exception I take is that the 3-year period in the substitute will not provide the Federal Government with sufficient opportunity to properly implement the change in the law throughout the United States. The very citation the gentleman offered with relation to OSHA makes the point very effectively, against the substitute.

I would like to suggest that the author of the amendment look to the most extraordinary experience that I have witnessed in my time in Congress—the Committee on Education and Labor was unanimous—I do not remember it being unanimous on any issue—37 to 0.

We have come to the moment of truth. We do not deny the concept. We recognize there is a need. The committee has worked for 7 full years with unanimity in its conclusion.

I strongly urge the Members to vote against the substitute.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. BADILLO. I thank the gentleman for yielding.

I want to commend the gentleman in the well for his comments. I want to say that we cannot continue to loudly defend States' rights and then silently overlook States' responsibilities. This legislation provides the counseling assistance, provides the money, and provides the model legislation for the States to enact. If the States do not take action, then the Federal Government has the duty to move in. Failure to insure that the States live up to their responsibilities would be irresponsibility on our part. For that reason I oppose the substitute amendment and I am pleased to support H.R. 46.

This legislation has a long and tragic history—tragic in the loss of lives which has occurred in camps all over the country while, since 1966, legislation such as the present Youth Camp Safety Act has been bandied about. I sincerely hope that the 94th Congress will enact this legislation and that, for the first time, we will act to assure that minimum safety standards are maintained in youth camps in order to protect the lives of our children.

There is widespread agreement that most State standards are grossly inadequate to protect the estimated 7.5 to 10 million young people who participate in youth camps. Federal action is necessary for, despite the continued occurrence of deaths and accidents in camps throughout the United States, only seven States have developed and enforced adequate safety standards. With the passage of H.R. 46, financial and technical assistance would be provided as an incentive to States to develop and enforce their own safety standards. The act would not, as the administration argues, remove the responsibility for youth camp safety from the States. It would, instead, provide for the development of minimum Federal standards for safety and for enforcement of those standards in States which develop no plans of their own to protect children in camps from accidents such as drowning which causes deaths yearly.

I urge all Members to demonstrate their concern for the youth of this country decisively in the passage of H.R. 46. Many hours of hearings and a great deal of expertise have gone into the development of this legislation, which is supported by many major camping organizations. The children of America need and deserve the protection it can provide.

Mr. McCOLLISTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the thing that makes those who support the committee bill so very much upset with the HEW report is that, among other things, it shows that children are safer in youth camps than they are almost anywhere else.

The chairman of the subcommittee asked a question a bit ago. The question is: Should the Federal Government protect the health and safety of children in youth camps? I have a very straightforward answer for him. No, I do not think they should.

I daresay this Member has spent more time in inspection of youth camps than almost any Member here. For many years I, as many of the Members, have been very active in the Boy Scout organizaiton. For a while I was chairman of the regional organization of the Boy Scouts which had some 400,000 boys and 145,000 to 140,000 adult volunteers.

I have personally inspected many youth camps. That experience leads me to some conclusions about this bill.

First. Camp inspection is not a hard exact science. It requires a great deal of judgment.

Second. If we create the same kind of situation in this area that we have had with OSHA, where the OSHA regulations are not a hard exact science and as a result, their interpretation became and still remains an intolerable burden for a great many people, I think that same thing could result as far as the youth camps are concerned.

Third. As many of the Members, I have recruited volunteers for many organizations, but particularly for the Boy Scouts. I know how difficult it is and I know how essential it is to those organizations that they have the commitment and the dedication of many people who feel concerned about our society and I am convinced that this burden of Federal regulation is going to make it more difficult to do that.

There is a further point. I wish we would spend our time and attention and our resources in trying to do some of those things which the Federal Government has set out to do so long ago and failed to do so badly. Comment has been made that maybe the States would have done a better job if they had the resources and we would provide the resources for them. The States have more resources than we have, as almost everybody knows from a review of the budget.

I think the net result of this legislation is going to be that we shall have fewer camps which will cost more money and there will be fewer volunteers participating in these various programs. I am reminded of the story I am told, that in consideration of the Occupational Safety and Health Act, the Chamber of Commerce in the closing days of 1970 appealed to the Congress to pass the Williams/Steiger substitute. Many of the people who now complain about OSHA wondered about the support of the Chamber of Commerce for that legislation in those days. I think the Boy Scouts of America, on whose board I once was, will regret their endorsement of this legislation.

After we pass through this whole path of fewer camps and more cost and fewer volunteers, then I suppose someone will provide legislation to provide some subsidy for the youth camps so there can be more camps and more children attending the youth camps, which if we will just let things alone will go along and things will work quite well as they are.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Illinois whose substitute I am going to support.

Mr. ANDERSON of Illinois. I thank the gentleman for contributing to this discussion from his own background and expertise and for giving us the benefit of that this afternoon.

I am also grateful to the gentleman for addressing himself to the argument that somehow those of us who oppose the committee bill are less than human and less than interested in the health and safety of the children of America. I have just been reading the Senate subcommittee report, the report of the Subcommittee on Juvenile Delinquency, and they revealed that 100 youngsters are killed in the American public schools every year and another 100,000 are physically assaulted. Through the logic we have heard from that side of the aisle this afternoon we are going to have to have a Federal security force in every school in the country to deal with that problem or somehow we are going to be less than concerned about the children of America.

I still insist, given the proper incentives, the financial incentives under the substitute the States are willing to do and can do the job in improving camp safety standards in this country.

Mrs. MINK. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Illinois (Mr. ANDERSON).

Mr. Chairman, I think it is important for us to avoid taking a traditional political stand on an issue as important as this one and try to relate our thinking and opinion on this matter based upon the issue which really confronts this body; that is the safety of our children in the various summer youth camps and other camps across the country.

It seems to the Committee on Education and Labor, at least, which has studied this matter for a number of years, that one of the important responsibilities that the National Government has is the safety and welfare of our citizens. This is the issue. This is important to our children. Their safety is of critical importance to their parents. Many parents are concerned about the kind of camps they send their children to. Many are sitting and pondering which camp they should be sending their children to this summer.

Are we really doing our job as a national legislative body if we simply frivolously argue the question of States rights and expenditures, when we are dealing with a matter which is so critical as the safety of our children?

The Congress is simply saying to the States that this is an issue which they have too long neglected. This is an area of critical importance. Hundreds of children are injured in camps every summer; 25 or 30 die. Are we assuming our responsibility if we do not at least establish the standards by which the States can assume their responsibilities. That is all this bill does.

The National Government should set standards. The States should then try to implement these standards in their local jurisdictions. We are giving the States 18 months to do this. If they somehow fail within 18 months, the Federal Government will impose its regulations; but in the meantime the States can come up with their own standards and implement them.

I think this is really the test of what the true nature of a Federal Government is all about.

So I would hope that it is the consideration of our children which has our highest attention today and not the other arguments.

I think it is terribly important, too, if we are going to argue the merit of this bill based upon the experience of one person with respect to the Boy Scouts or Girl Scouts or other camping associations to bear in mind that the national organization of the Boy Scouts of America has endorsed this legislation. They have not done it simply because they feel they must go along with a movement. They have been working with the committee over many, many years, studying the impact of this legislation. Their letters have been filed with the committee in which they have said it is time that we have national standards because it is impossible for the Boy Scouts of America to deal with all the different regulations in 50 jurisdictions throughout the country.

We need to give our parents the assurance of the safety of their children in these youth camps.

The American Camping Association has endorsed this legislation. They are a national organization with over 4,000 participating youth groups. They have studied this legislation and agree with its necessity.

I can remember as a very junior member of the Committee on Education and Labor when I first came to this Congress having this matter before our subcommittee and giving it some considerable thought. I was rather perplexed that so many national organizations dealing with camping did not endorse it at that time. It seemed on its face such an essentially simply idea that the National Government should be involved in; but these organizations said, "Give us time to study it."

Well, we have given them plenty of time to study it and now each one has come forward to endorse this bill. The American Camping Association, the Boy Scouts, the Girl Scouts, the National Safety Council of the Parent-Teacher Association and the National Recreational Park Associations have endorsed this.

It seems to me that this legislation has been carefully worked over. We reported this bill to the House 3 or 4 years ago. The House requested a study. If we were not convinced then, this study which is now completed should. We know that only a few States have regulations that come anywhere near being adequate. I urge this committee would vote down the substitute amendment of the gentleman from Illinois (Mr. ANDERSON).

Mr. LEHMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois.

Mr. Chairman, I rise in support of H.R. 46, the Youth Camp Safety Act. I am firmly convinced that the time has come to stop talking about youth camp safety and begin acting.

The Education and Labor Committee on which I serve has held hearings on youth camp safety legislation over a 7-year period. The record is a testimony to the appalling inadequacy of youth camp safety regulations at the State level. When our committee began its hearings in 1968, only one State had adequate regulations. Today only six additional States can be classified as having comprehensive youth camp safety laws.

What about the other 43 States? I think that children in each and every State in this Nation are entitled to the protection of youth camp safety regulations. Surely the parents of the 10 million youngsters who annually attend camp have the right to be free from worry over the safety and health conditions in youth camps. At present there is no way that a parent can be sure that his children's camp is free from hazards and that the personnel are adequately trained or mature enough to look after their safety.

H.R. 46 authorizes the Secretary of HEW to issue regulations prescribing minimum standards of health and safety for youth camps, and authorizes him to give technical assistance to camp operators.

The committee drafted H.R. 46 in full awareness of the appropriate role of the States in the area of camp safety. Youth camp safety should be a State responsibility and those States which do act to protect children in camps will be entitled to grants under the bill. Federal enforcement is applicable only in those areas where the States cannot or will not protect youngsters in youth camps.

The time for studies and hearings has passed, and the time for action is upon us. I urge the passage of H.R. 46 and reject any attempts to weaken the bill.

Mr. COLLINS of Texas. Mr. Chairman, I rise in support of the amendment. I think it is a commonsense approach. As far as I stand, I do not see any need for camp legislation of any type, but what the gentleman has suggested is changing the approach. What is going to happen in camping because of this basic bill worries all of us. If the committee bill passes, children will be deprived of the enjoyment of camping and of a valuable experience. We all know that if we accept the committee bill as submitted, that the children who come from poor families and lower income, middle-class families are not going to be able to afford the camps when they are required to meet all of these requirements.

I enjoyed camping when I was a youngster, and my children also had a chance to go. The very fact that camps are a little rustic and rough is a good experience for youngsters.

I was keenly interested in determining what the chances are of a youngster being killed in camp. In Texas, we have many, many camps. We have them in about every county, and in many counties we have about 20 of them. Last year, there was not one single youngster killed in a camp in Texas. I want to tell my fellow Members how the children do get killed, because I checked the national statistics.

Between the ages of 5 and 14, motor vehicle accidents, resulted in 4,159 children killed last year; in accidental drownings, 1,218 youngsters were killed; in accidents caused by fire, there were 609 children killed; in accidents caused by falls and other causes, there were 196 children killed.

Mr. Chairman, I think what the House should be doing today is to work on ways to keep children out of automobiles. Possibly, we should be thinking in terms of legislating that we would have all the children walk. Maybe we should think of some way we ought to provide extra safety when they go swimming, but to get into the field of camping and providing every type of safeguard is an absolute impossibility.

The children are growing up in a real world, and we need commonsense. I have known many camp directors, and all of them are keenly aware and concerned in the safety and well being of all the youngsters.

Mr. Chairman, let us pass no legislation to handicap America's camping activities.

Mr. MYERS of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to take this opportunity to engage in some colloquy on a subject with the gentleman from Pennsylvania (Mr. GAYDOS) about which I am concerned.

As I read it, if we adopt the bill, we have the great possibility of receiving regulations, which may not be in the backs of our minds right now. If the gentleman from Pennsylvania will tell me, can we have any assurances in this bill, if we adopt it, that there will be no provisions for any backdoor gun legislation in reference to the use of firearms in youth camps?

Mr. GAYDOS. Mr. Chairman, if the gentleman will yield, I think it is obvious from a reading of the bill that the gentleman should recognize that this has nothing to do with firearms per se, by direct or indirect means.

Mr. MYERS of Pennsylvania. If I may seek further clarification, an example of my concern we now have is the issue brewing where the Consumer Products Safety Commission is very much doing this exact thing, attempting to limit the use of firearms.

I have a great concern, if we ask for safety and health rules to be drawn up by an agency, that rules will be drawn up which will effectively eliminate safety camps for young hunters who now go to camp and are taught the proper gun safety attitudes. This could happen by the fact that some bureaucrat says that firearms are by nature unsafe, and makes such a ruling.

Mr. GAYDOS. If I may respond, I believe the gentleman should be aware, since he is speaking on this subject, of the fact that part of the curriculum in all of these camps does include the handling of firearms. But he is, I think, way off base in reading something into this legislation which I do not think properly should be read into it when he presumes that this is gun control legislation.

I want the gentleman to know that I have been on record—I have repeated it in and out of this House—that I do not favor any control of firearms.

Mr. MYERS of Pennsylvania. Then the gentleman feels that it is the strict sense of this Congress that this legislation will in no way inhibit the use of firearms within the camps, and that it would be a clear violation of the intent of Congress if any standards are set up in that regard?

Mr. GAYDOS. If I may respond to the gentleman as strongly and as accurately as I can, in my estimation, in my opinion, and my interpretation of this legislative language, I can unequivocally state to him at this time that, on that point, this legislation will not and should not be considered as firearm control legislation in any manner.

Mr. MYERS of Pennsylvania. I would like to ask the gentleman further, was there any consideration at all given to this subject during the consideration of the bill and the possibility of locking in any prevention of that aspect going to this program?

Mr. GAYDOS. I want to respond to the gentleman as accurately as I can respond. At the hearings that this gentleman attended, it was never discussed, no question was ever raised, and nobody, under any circumstances, gave any indication that it was a problem where it was included in this legislation, or interpreted any of the suggested language of the legislation to intrude into the very controversial area of firearms legislation.

Mr. MYERS of Pennsylvania. If a court in the United States would deem that firearms were an unsafe product, could it be conceivable that this, in itself, would cause, by previous guidelines, the elimination of the use of firearms in camps?

Mr. GAYDOS. I want to say to the gentleman that this is not an excuse, but I am being as accurate and as practical as I can be in responding. The gentleman asked me for a conclusion, No. 1, that I have no expertise to respond to accurately. Second, I believe the gentleman is far afield, as far as that question pertaining to this legislation.

UMI

Mr. MYERS of Pennsylvania. I thank the gentleman.

I bring it up because I assumed that probably no one else had thought of it, since it was never mentioned. For that reason I ask everyone to reconsider their position on the bill, since there are obviously no provisions and guarantees that this in fact will not become a back door gun control bill.

Mr. FORD of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 126]

Adams
Addabbo
Andrews, N.C.
Archer
Ashley
Beard, R.I.
Bergland
Brodhead
Brown, Calif.
Brown, Ohio
Burton, John
Clay
Conyers
Corman
Dent
Derwinski
Diggs
Drinan
Evins, Tenn.
Findley
Fithian
Flynt
Foley
Fraser
Gibbons
Gude
Harsha
Hébert
Hefner
Heinz
Hightower
Holland
Jarman
Jenrette
Johnson, Colo.
Kemp
Leggett
McKay
Mills
Mitchell, Md.
O'Brien
O'Hara
O'Neill
Peyser
Poage
Robinson
Rosenthal
Ruppe
Ryan
Scheuer
Schulze
Shriver
Shuster
Stanton, J. William
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Symms
Taylor, N.C.
Teague
Treen
Udall
Wiggins
Yatron

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Davis, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 46, and finding itself without a quorum, he had directed the roll to be called, when 366 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Illinois (Mr. Anderson).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ANDERSON of Illinois. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 188, noes 194, not voting 50, as follows:

[Roll No. 127]

AYES—188

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
AuCoin
Bafalis
Beard, Tenn.
Bell
Bennett
Bevill
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conlan
Conte
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Devine
Dickinson
Downing
du Pont
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Ind.
Evins, Tenn.
Fenwick
Fish
Flowers
Forsythe
Fountain
Frenzel
Frey
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Haley
Hamilton
Hammerschmidt
Hansen
Harkin
Harsha
Hastings
Hébert
Hechler, W. Va.
Henderson
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Litton
Lloyd, Calif.
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Passman
Pattison, N.Y.
Pickle
Pike
Pressler
Preyer
Pritchard
Quillen
Railsback
Randall
Regula
Rhodes
Roberts
Rogers
Roncalio
Rose
Roush
Rousselot
Runnels
Satterfield
Schneebeli
Schroeder
Sebelius
Sharp
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Stuckey
Symington
Talcott
Taylor, Mo.
Thone
Thornton
Traxler
Ullman
Van Deerlin
Vander Jagt
Waggonner
Wampler
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wirth
Wright
Wydler
Young, Alaska
Young, Fla.
Young, Tex.

NOES—194

Abzug
Addabbo
Alexander
Ambro
Anderson, Calif.
Annunzio
Aspin
Badillo
Baldus
Barrett
Baucus
Bauman
Bedell
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Collins, Ill.
Conable
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Derrick
Derwinski
Dingell
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fascell
Fisher
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Green
Hall
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Helstoski
Hicks
Holt
Holtzman
Horton
Howard
Hughes
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Lehman
Lent
Levitas
Long, La.
Long, Md.
McCormack
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patman
Patten
Patterson, Calif.
Pepper
Perkins
Price
Quie
Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rooney
Rostenkowski
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Seiberling
Shipley
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steiger, Wis.
Stratton
Studds
Sullivan
Thompson
Tsongas
Udall
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Whalen
Wilson, Charles H., Calif.
Wolff
Yates
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—50

Adams
Ashley
Beard, R.I.
Bergland
Brown, Ohio
Clay
Dent
Diggs
Findley
Fithian
Flynt
Foley
Fraser
Gibbons
Gude
Hagedorn
Hefner
Heinz
Hightower
Hillis
Hinshaw
Holland
Johnson, Colo.
Kemp
Leggett
McKay
Melcher
Mills
Mitchell, Md.
O'Brien
O'Neill
Peyser
Poage
Robinson
Rosenthal
Ruppe
Ryan
Schulze
Shriver
Stanton, J. William
Steed
Stephens
Stokes
Symms
Taylor, N.C.
Teague
Treen
Wilson, Charles, Tex.
Wylie
Yatron

So the amendment in the nature of a substitute was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Symms for, with Mr. Dent against.

Mr. Taylor of North Carolina for, with Mr. Fithian against.

Mr. Teague for, with Mr. Heinz against.

Mr. Treen for, with Mr. Holland against.

Mr. Steed for, with Mr. Peyser against.

Mr. Flynt for, with Mr. Rosenthal against.

Mr. Stephens for, with Mr. Fraser against.

Mr. Robinson for, with Mr. Diggs against.

Mr. Hinshaw for, with Mr. O'Neill against.

Mr. O'Brien for, with Mr. Stokes against.

Mr. Shriver for, with Mr. Clay against.

Mr. Wilson of Texas for, with Mr. Leggett against.

Mr. Mills for, with Mr. Adams against.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 2. It is the purpose of this Act to protect and safeguard the health and well-being of the youth of the Nation attending day camps, residential camps, troop camps, travel camps, trip camps, primitive or outpost camps and Federal recreational youth camps by providing for establishment of Federal standards for safe operation of youth camps, to provide Federal financial and technical assistance to the States in order to encourage them to develop programs and plans for implementing safety standards for youth camps, and to provide for the Federal implementation of safety standards for youth camps in States which do not implement such standards and for Federal recreational youth camps, thereby providing assurance to parents and interested citizens that youth camps and Federal recreational youth camps meet minimum safety standards.

GENERAL DUTY

Sec. 3. Each youth camp operator shall provide to each camper—

(1) safe and healthful conditions, facilities, and equipment which are free from recognized hazards which cause, or are likely to cause, death, serious illness, or serious physical harm, and

(2) adequate and qualified instruction and supervision of youth camp activities at all times, wherever or however such youth camp activities are conducted and with due consideration of conditions existing in nature.

DIRECTOR OF YOUTH CAMP SAFETY

Sec. 4. (a) There is established in the office of the Secretary an Office of Youth Camp Safety which shall be headed by a Director of Youth Camp Safety (hereinafter referred to as the "Director"). In the performance of his functions under this Act, the Director shall be directly responsible to the Secretary.

(b) The Director shall be appointed by the Secretary.

(c) The Director shall report to the President and to the Congress, on or before January 1 of each year, on the activities carried out under this Act, including the statistics submitted to and compiled by the Director under section 9(c), and such report shall include the certification required under section 6(d).

PROMULGATION OF YOUTH CAMP SAFETY STANDARDS

Sec. 5. The Director shall develop, with the approval of the Secretary, and shall by rule promulgate, modify, or revoke youth camp safety standards. In developing such standards, the Director shall consult with the Advisory Council on Youth Camp Safety established under section 13, with State officials, and with representatives of appropriate public and private organizations, and shall consider existing State regulations and standards and standards developed by private organizations which are applicable to youth camp safety, and shall make such suitable distinctions in such standards as are necessary and appropriate in order to recognize the differences in conditions and operations among residential camps, day camps, troop camps, travel camps, trip camps, primitive or outpost camps, or Federal recreational youth camps. The Director shall promulgate the standards required by this section within six months after the effective date of this Act. Such standards shall take effect one year after the date on which such standards are promulgated.

STATE JURISDICTION AND STATE PLANS

Sec. 6. (a) Any State which, at any time, desires to assume responsibility for development and enforcement of comprehensive youth camp safety standards applicable to youth camps therein (other than travel camps and Federal recreational youth camps operated by a Federal agency) shall submit a State plan for the development of such standards and their enforcement.

(b) The Director shall approve a plan submitted by a State under subsection (a), or any modification thereof, if such plan in his judgment—

(1) designates a State agency as the agency responsible for administering the plan throughout the State,

(2) provides that each youth camp operator shall have the same general duty under State law as is provided under section 3,

(3) provides for the development and enforcement of comprehensive youth camp safety standards which standards (and the enforcement of such standards) are or will be at least as effective in providing safe operation of youth camps (other than travel camps) in the State as the standards promulgated under section 5, and provides that where penalties are not employed as a method of enforcement of such standards, a system of certification and loss of certification is in effect which is at least as effective as penalties,

(4) provides for the enforcement of the standards developed under paragraph (3) in all youth camps in the State which are operated by the State or its political subdivisions,

(5) provides for consultative services to youth camps in the State with respect to the general duty and comprehensive youth camp safety standards under such State plan,

(6) provides for an inspection of each such youth camp at least once a year during a period the camp is in operation.

(7) provides for an advisory committee, to advise the State agency on the general policy involved in inspection and certification procedures under the State plan, which committee shall include among its members representatives of other State agencies concerned with camping or programs related thereto and persons representative of professional or civic or other public or nonprofit private agencies, organizations, or groups concerned with organized camping, experienced campers, and members of the general public having a special interest in youth camps.

(8) provides for a right of entry and inspection of all such youth camps which is at least as effective as that provided in section 9,

(9) contains satisfactory assurances that such State agency has or will have the legal authority and qualified personnel necessary for the enforcement of such standards,

(10) gives satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards,

(11) provides that such State shall coordinate the inspection efforts of such State agency so that undue burdens are not placed on camp operators with multiple inspections,

(12) provides that such State agency will make such reports in such form and containing such information as the Director may reasonably require,

(13) provides assurances that State funds will be available to meet the portions of the cost of carrying out the plan which are not met by Federal funds, and

(14) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting of funds received under this Act.

(c) The Director shall approve any State plan which meets the requirements of subsection (a), but shall not finally disapprove any such plan, or any modification thereof, without affording the State agency reasonable notice and an opportunity for a hearing.

(d)(1) The Director shall review annually each of the State plans which he has approved, and the enforcement thereof, and shall certify that each such plan is administered so as to comply with the provisions of such plan and any assurances contained therein, and report such certification to the Congress in the annual report required under section 4(c).

(2) Whenever the Director finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), he shall (A) notify the State agency of his withdrawal of approval of such plan and upon receipt of such notice such plan shall cease to be in effect, but the State may retain jurisdiction in any case commenced before the withdrawal of the plan in order to enforce standards under the plan whenever the issues involved do not relate to the reasons for the withdrawal of the plan; and (B) shall notify such State agency that no further payments will be made to the State under this Act (or in his discretion, that further payments to the State will be limited to programs or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payment shall be limited to programs or portions of the State plan not affected by such failure).

(e) The State may obtain a review of a decision of the Director withdrawing approval of or rejecting its plan by the United States court of appeals for the circuit in which the State is located by filing in such court within 30 days following receipt of notice of such decision a petition to modify or set aside in whole or in part the action of the Director. A copy of such petition shall forthwith be served upon the Director and thereupon the Director shall certify and file in the court the record upon which the decision complained of was issued as provided in section 2112 of title 28, United States Code. Unless the court finds that the Director's decision in rejecting a proposed State plan or withdrawing his approval of such plan is not supported by substantial evidence the court shall affirm the Director's decision. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(f) The Secretary, at the request of the Director, is authorized to make personnel from the Department of Health, Education, and Welfare, who have the necessary expertise, available to States to assist in developing State plans, and in training State inspectors and other personnel associated with youth camps. The Director shall call upon the expertise of national organized camping groups for such assistance to Federal and State personnel.

GRANTS TO STATES

Sec. 7. The Director shall make grants to States which have in effect plans approved under section 6 to assist them in carrying out such plans. Any grant made under this section shall be based upon objective criteria which shall be established under regulations promulgated by the Secretary in order to insure equitable distribution. Payments under this section may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of underpayments or overpayments.

CONSULTATIVE SERVICES AND ENFORCEMENT

Sec. 8. (a) Upon the request of any youth camp operator, director, or staff, or during any inspection under section 9(a), the Director shall provide consultative services to youth camps in States which do not have in effect a State plan approved under section 6. No citations shall be issued nor shall any civil penalties (except penalties for repeated violations under section 10(b)) be proposed by the Director upon any inspection or visit at which consultative services are rendered, but if, during such inspection or visit, an apparent serious violation of the duty imposed by section 3, of any standard, rule, or order provided pursuant to section 5, or of any regulations prescribed pursuant to this Act is discovered, the Director shall issue a written notice to the youth camp operator describing with particularity the nature of the violation, and the action which must be taken within a reasonable period of time specified by the Director for the abatement of the violation. Where a youth camp operator fails to comply with the abatement instructions within the prescribed period, a citation may be issued as provided in subsection (b) or a civil penalty under section 10 may be assessed. Nothing in this subsection shall affect in any manner any provision of this Act the purpose of which is to eliminate imminent dangers

(b) The Director shall issue regulations and procedures providing for citations to youth camp operators in States which do not have in effect a State plan approved under section 6 for any violation of the duty imposed by section 3, of any standards, rule, or order promulgated pursuant to section 5, or of any regulations prescribed pursuant to this Act. Each citation shall fix a reasonable time for abatement of the violation. The Director may prescribe procedures for the issuance of a notice in lieu of a citation with

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respect to minor violations which have no direct or immediate or serious relationship to safety or health.

(c) The Director shall afford an opportunity for a hearing in accordance with section 554 of title 5, United States Code, to any youth camp director issued a citation under procedures promulgated pursuant to subsection (b) or subject to penalties under section 10, or under any other procedure applying enforcement by the Director under this Act. Any youth camp director adversely affected by the decision of the Director after such hearing may obtain a review of such decision in the United States court of appeals for the circuit in which the youth camp in question is located or in which the youth camp director has his principal office by filing in such court within thirty days following receipt of notice of such decision a petition to modify or set aside in whole or in part such decision. A copy of the petition shall forthwith be served upon the Director, and thereupon the Director shall certify and file in the court the record upon which the decision complained of was issued as provided in section 2112 of title 28, United States Code. Such decision, if supported by substantial evidence, shall be affirmed by the court. The judgment of the court shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

INSPECTIONS, INVESTIGATIONS, AND RECORDS

Sec. 9. (a) In order to carry out his duties under this Act, the Director may enter and inspect any youth camp and its records, may question employees, and may investigate facts, conditions, practices, or matters to the extent he deems it necessary or appropriate.

(b) In making his inspections and investigations under this Act the Director may require the attendance and testimony of witnesses and the production of evidence under oath. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of a contumacy, failure, or refusal of any person to obey such an order, any district court of the United States or the United States courts of any territory or possession, within the jurisdiction of which such person is found, or resides or transacts business, upon the application by the Secretary, shall have jurisdiction to issue to such person an order requiring such person to appear to produce evidence if, as, and when so ordered, and to give testimony relating to the matter under investigation or in question, and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(c) To determine the areas in which safety standards are necessary and to aid in promulgating meaningful regulations, camps subject to the provisions of this Act shall be required to report annually, on the date prescribed by the Director, all accidents resulting in death, injury, and serious illness, other than minor injuries which require only first aid treatment. Camps operating solely within a State which has in effect a State plan approved under section 6 shall file their reports directly with that State, and the State shall promptly forward such reports on the Director. All other camps, including travel camps, shall file their reports directly with the Director. The Director shall compile the statistics reported and include summaries thereof in his annual report required under section 4(c).

PENALTIES

Sec. 10. (a) Any youth camp operator who fails to correct a violation for which a citation has been issued under section 8(b) or for which a notice has been issued under section 8(a) within the period permitted for its correction may be assessed a civil penalty of not more than $500 for each day during which such failure or violation continues, until the camp closes in its normal course of business.

(b) Any youth camp operator who willfully or repeatedly violates the requirements of section 3, of any standard, rule, or order promulgated pursuant to section 5, or of any regulations prescribed pursuant to this Act may be assessed a civil penalty of up to $1,000 for each day during which such violation continues, until the camp closes in its normal course of business.

(c) Civil penalties owed under this Act shall be paid to the Director for deposit into the Treasury of the United States and shall accrue to the United States and may be recovered in a civil action in the name of the United States brought in the United States district court for the district in which the violation is alleged to have occurred or in which the operator has his principal office.

PROCEDURES TO COUNTERACT IMMINENT DANGERS

Sec. 11. (a) The United States district courts shall have jurisdiction, upon petition of the Director, to restrain any conditions or practices in any youth camp, or in any place where camp activities are conducted, which are such that a danger exists which could reasonably be expected to cause death or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this Act. Any order issued under this section may require such steps to be taken as may be necessary to avoid, correct, or remove such imminent danger and prohibit the presence of any individual in locations or under conditions where such imminent danger exists, except individuals whose presence is necessary to avoid, correct, or remove such imminent danger.

(b) Upon the filing of any such petition, the district court shall have jurisdiction to grant such injunctive relief or temporary restraining order pending the outcome of an enforcement proceeding pursuant to this Act.

(c) Whenever and as soon as an inspector concludes that conditions or practices described in subsection (a) exist in any campsite or place of camp activity, he shall inform the affected campers, parents or guardians, camp owners, and camp supervisory personnel of the danger and that he is recommending to the Director that relief be sought.

VARIATIONS

Sec. 12. The Director upon application by a camp owner showing extraordinary circumstances or undue hardship, and upon the determination by a field inspector, after inspection of the affected premises and facilities, that the conditions, practices, or activities proposed to be used are as safe and healthful as those which would prevail if the camp owner complied with the standard, may exempt such camp or activity from specific requirements of this Act, but the terms of such exemption shall require appropriate notice thereof to parents or other relatives of affected campers. Such notice shall be given at least annually.

ADVISORY COUNCIL ON YOUTH CAMP SAFETY

Sec. 13. (a) The Director shall establish in the Department of Health, Education, and Welfare an Advisory Council on Youth Camp Safety to advise and consult on policy matters relating to youth camp safety, particularly the promulgation of youth camp safety standards. The council shall consist of the Director, who shall be chairman, and fifteen members appointed by him, without regard to the civil service laws, from persons who are specially qualified by experience and competence to render such service and shall include one representative from the Department of the Interior, the Department of Health, Education and Welfare, the Department of Agriculture, and the Department of Labor. There shall be at least (but not more than) eight such members so appointed from appropriate associations representing organized camping.

(b) The Director may appoint such special advisory and technical experts and consultants as may be necessary in carrying out the functions of the council.

(c) Members of the Advisory Council, while serving on business of the Advisory Council, shall receive compensation at a rate to be fixed by the Director but not exceeding $100 per day, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized per diem in 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

ADMINISTRATION

Sec. 14. The Director is authorized to request directly from any department or agency of the Federal Government information, suggestions, estimates, and statistics needed to carry out his functions under this Act; and such department or agency is authorized to furnish such information, suggestions, estimates, and statistics directly to the Director.

NONINTERFERENCE

Sec. 15. (a) Nothing in this Act or regulations issued hereunder shall authorize the Director, a State agency, or any official acting under this Act to restrict, determine, or influence the curriculum, program, or ministry of any youth camp.

(b) Nothing in this Act shall be deemed to authorize or require medical treatment for those who object thereto on religious grounds, nor shall examination or immunization of such persons be authorized or required except during an epidemic or threat of an epidemic of a contagious disease.

AUTHORIZATION

Sec. 16. There are authorized to be appropriated $7,500,000 for the fiscal year ending June 30, 1976, and for each fiscal year thereafter, to carry out the provisions of this Act.

EFFECT ON EXISTING LAWS

Sec. 17. Nothing in this Act shall be construed to supersede or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties, or liabilities of youth camp operators and campers under any law with respect to injuries, diseases, or death of campers arising out of, or in the course, of participation in youth camp activities covered by this Act.

DEFINITIONS

Sec. 18. For purposes of this Act—

(1) The term "youth camp" means any residential camp, day camp, troop camp, travel camp, trip camp, primitive or outpost camp, or Federal recreational youth camp on public or private land, and activities promoted or advertised as a youth camp regardless of the programs advocated, and shall also include any site or facility primarily designed for other purposes, such as, but not limited to, any school, playground, resort, wilderness area, or Government land, which is conducted for ten or more campers under eighteen years of age.

(2) The term "residential camp" means a camp operating on a permanent campsite for four or more consecutive twenty-four-hour periods during one or more seasons of the year.

(3) The term "day camp" means a camp which is operated on a campsite on an organized basis for all or part of the day but less than twenty-four hours a day during one or more seasons of the year. Such term

shall also include activities promoted or advertised as a day camp regardless of programs advocated but does not include any licensed day care center, except where that center operates a day camp.

(4) The term "troop camp" means a camp which provides care for not less than twenty-four hours a day for organized groups of campers, including, but not limited to, such groups within a parent council of a national voluntary youth organization.

(5) The term "travel camp" means a camp which provides care for not less than twenty-four hours a day and which uses motorized transportation, including transportation by van, bus, automobile, airplane, boat, train, or other mode of motorized transportation, or any combination thereof, to move campers as a group from one site to another over a period of two or more days.

(6) The term "trip camp" means a camp which provides care for not less than twenty-four hours a day which moves campers under their own power or by a transportation mode permitting individual guidance of a vehicle or animal from one site to another.

(7) The term "primitive or outpost camp" means a portion of the permanent camp premises or other site under the control of the youth camp operator at which the basic needs for camp operation, such as places of abode, water supply systems, and permanent toilet and cooking facilities are not usually provided.

(8) The term "Federal recreational youth camp" means a camp or campground which is operated by, or under contract with, a Federal agency to provide opportunities for recreational camping to children under eighteen years of age.

(9) The term "camper" means any child under eighteen years of age attending a youth camp or engaged in youth camp activities.

(10) The term "youth camp activities" means any activities engaged in by campers which are, or should be, under the supervision, direction, or control of youth camp staff, and includes both activities engaged in upon the youth camp premises and activities engaged in away from the youth camp which are, or should be, under the supervision, direction, or control of youth camp staff.

(11) The term "youth camp operator" means any private or public agency, organization, or person, and any individual, who operates, controls, or supervises a youth camp, whether such camp is operated for profit or not for profit.

(12) The term "youth camp staff" means any person or persons employed by a youth camp operator, whether for compensation or not, to supervise, direct, or control youth camp activities.

(13) The term "youth camp director" means the individual on the premises of any youth camp who has the primary responsibility for the administration of program operations and supportive services for such camp and for the supervision of the youth camp staff of such camp.

(14) The term "youth camp safety standards" means criteria directed toward safe operations of youth camps, in areas which include, but are not limited to, the following areas: as personnel qualifications for director and staff; ratio of staff to campers; sanitation and public health; personal health, first aid, and medical services; food handling, mass feeding, and cleanliness; water supply and waste disposal; water safety, including use of lakes and rivers, swimming and boating equipment and practices; vehicle condition and operation; building and site design; equipment; and condition and density of use.

(15) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(16) The term "State" includes each of the several States, the District of Columbia, Puerto Rico, and the Virgin Islands.

(17) The term "consultative services" means advice on the interpretation or applicability of the general duty under section 3, of the general duty under State law required by section 6(b)(2), or of youth camp safety standards, and advice on the most effective methods of complying with such duty and such standards.

(18) The term "serious violation" means any violation in a youth camp if there is substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use, in such camp, unless the operator did not, and could not with the exercise of reasonable diligence, know of the presence of the violation.

Mr. DOMINICK V. DANIELS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Quie: Page 23, line 2, insert after the period the following new section 3, and renumber the following sections, and any references thereto, accordingly:

"CONGRESSIONAL INTENT REGARDING STATE INVOLVEMENT

"It is the intent of Congress that the states assume responsibility for the development and enforcement of minimum standards at least as effective as the federal standards. The Secretary shall provide, in addition to financial and technical assistance, consultative services necessary to assist in the development and state implementation of youth camp safety standards."

Mr. QUIE. Mr. Chairman, as we have stated during the debate, the intent of the Committee on Education and Labor is that the States assume responsibility for the development and enforcement of the standards, at least at a level to meet the Federal standards. That is the intent. All the Federal Government will do is, if the State refuses to assume that responsibility, move in and assume responsibility.

In order that this may be stated in a statement of purpose, I have offered this amendment. I have checked it with the chairman of the subcommittee and the ranking minority member of the subcommittee who, I understand, find it acceptable. I will not take any more time at this point.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Chairman, I would like to commend the gentleman from Minnesota for offering his amendment. I think it is one that strengthens the intent of the committee bill, that the Federal Government will be supportive of the State action.

I would accept the amendment.

Mr. QUIE. I thank the gentleman.

Mr. DOMINICK V. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I would say to my colleague that his amendment does strengthen the congressional intent. The amendment is accepted on this side.

Mr. QUIE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Quie).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Quie: Page 28, line 12, after the comma, insert: "and such failure would result in the failure to meet the standards developed by the Director under section 5,".

Mr. QUIE. Mr. Chairman, the purpose of this amendment is to make it clear that when the Director makes a finding whether the State has failed to comply with the provisions in the State plan, he can only remove the money if that failure to comply also was a failure to comply with the minimum standards of the Federal Government. This amendment is again intended to clarify what was meant when we wrote the legislation.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Chairman, I appreciate the gentleman's yielding. I concur with the gentleman. It is an amendment which protects the intent of the act. I would ask our committee to accept it.

Mr. DOMINICK V. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the chairman of the subcommittee.

Mr. DOMINICK V. DANIELS. Mr. Chairman, this amendment was presented to the committee in order to clarify the legislative intent, and it is acceptable to this side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Quie).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Quie: Page 30, line 5 strike "The" and all that follows down through and including 'plans' and insert in lieu thereof the following:

"The Director shall make grants to the States for the development of State youth camp safety plans in accordance with Section 6 of the Act; to States which have in effect plans approved under Section 6 to assist such States with plan initiation and training costs; and to States for the early operation and improvement of youth camp safety programs."

Mr. QUIE. Mr. Chairman, the purpose of this amendment is to establish at least three different funding arrange-

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ments: funds for preliminary development and planning of State standards; funds for training and initial implementation; and early operation grants. This is again designed to make clear what we have said during the debate as to what was intended with the legislation, namely, to provide the States with every assistance to encourage their development of a youth camp safety program.

Mr. DOMINICK V. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the distinguished gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. Mr. Chairman, this amendment makes clear the intent of Congress that there is money there to assist the States in the development of the plans, and it is entirely satisfactory with the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Quie).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Levitas: Page 24, line 5, insert "(a)" immediately after "Sec. 5.".

Page 24, immediately after line 22, insert the following new subsection:

(b) Notwithstanding any other provision of law, the Director shall, before promulgating any standard under subsection (a) or any rule or regulation under any other provision of this Act, transmit such proposed standard, rule, or regulation to each House of the Congress. No such proposed standard, rule, or regulation may take effect if either House of the Congress adopts a resolution, within 30 calendar days of continuous session of the Congress after such proposed standard, rule, or regulation is transmitted by the Director, which disapproves such proposed standard, rule, or regulation. Any such resolution shall void the proposed standard, rule, or regulation involved. The failure of either House of the Congress to adopt any such resolution shall not be considered to be an expression by the Congress that the standard, rule, or regulation involved is within the scope of authority delegated to the Director by this Act.

Mr. LEVITAS. Mr. Chairman, frequently legislation is passed which has as its object a worthy purpose, but once the purpose is being implemented by the bureaucracy that original purpose is destroyed and perverted and the reverse of that original intent occurs.

This bill is one which could easily fall in that trap. Its purpose may be worthy here and now, but what will happen when the Department of HEW writes the standards, rules and regulations? That is where we have to be vigilant.

There has been reference here today in the course of the debate to what happened with OSHA and what happened with regard to firearms and references to other types of excesses which the bureaucracy has brought about by not carrying out the real intent of Congress but by voiding and perverting that intent.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Chairman, I simply want to compliment the gentleman on his amendment. I think this is another move toward having Congress reassert what its correct goal should be, and that is toward having proper oversight of the regulations developed by the agencies and by the departments.

Mr. Chairman, I urge the membership of the House to support the gentleman and to accept his amendment.

Mr. DOMINICK V. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. Mr. Chairman, this amendment was presented to the committee today while we had this legislation under consideration. I have read the amendment, and I think this strengthens the role of Congress in the promulgation of the standards and regulations that will be issued by the Secretary.

Mr. Chairman, I will say to the gentleman that we on this side of the aisle will accept the gentleman's amendment.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman.

I would like to say this: Many of the objections that have been raised and voiced against this legislation will be answered by the adoption of this amendment, because the final control and responsibility for what Congress intends will remain with the Congress.

I think for this reason, if for no other reason, this Congress should go on record for the first time today and be remembered as the Congress which reasserted its control over the actions of the administration and the bureaucracy.

Mr. Chairman, I urge the adoption of the amendment.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I thank the gentleman for yielding.

I wish to commend the gentleman for introducing this amendment, and I wish also to state unequivocally that this is the answer to a question raised previously during the debate and during the 5-minute rule on this bill. I would emphatically point out that this legislation with this amendment cannot be misinterpreted to include gun control as a legislative intent of this language.

Mr. Chairman, I thank the gentleman for his efforts in offering the amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. Yes, I yield to the gentleman from Texas (Mr. White).

Mr. WHITE. Mr. Chairman, does the gentleman feel that the change of 30 days to 60 days might give this Congress more opportunity to study the bill and get a resolution through Congress? Thirty days is an awfully short time in the legislative process.

Mr. LEVITAS. Mr. Chairman, to answer the gentleman, I would like to see it changed to 60 days, which I think would be better.

Mr. WHITE. I agree with the gentleman.

Mr. LEVITAS. Mr. Chairman, I ask unanimous consent that the number "30" be changed to "60."

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas (Mr. Kazen).

Mr. KAZEN. Mr. Chairman, does the gentleman mean to say 30 legislative days? Is it calendar or legislative days?

Mr. LEVITAS. It is calendar days, as it now reads.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia that the modification be made so that the amendment will be changed from "30" to "60"?

Mr. WHITE. Reserving the right to object, Mr. Chairman, 60 instead of 30 days was the request of the gentleman.

Mr. LEVITAS. Mr. Chairman, I ask unanimous consent that the words "30 calendar days" be modified to read "60 legislative days."

Mr. WHITE. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MYERS of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. Yes, I yield to the gentleman from Pennsylvania (Mr. Myers).

Mr. MYERS of Pennsylvania. Mr. Chairman, I expressed concern earlier about a backdoor gun control possibility through this measure. As I understand it, the supervisors of the regulations are going to have to communicate to Congress, and if we do not pass a resolution within 60 legislative days, those regulations will go into effect; is that correct?

Mr. LEVITAS. Yes.

Mr. MYERS of Pennsylvania. Is that not a weak position? What is the designated process for communication to Congress? Who has the responsibility and opportunity to review these regulations? How can we be assured that we are going to have a real opportunity to pass such legislation?

Mr. LEVITAS. I would say to the gentleman that there is a very strong congressional control over the rules and standards by this amendment.

First of all, the rule, before it can be made effective, has to go through the administrative process, publication in the Federal Register, and the entire administrative hearing process will follow. There is plenty of notoriety given.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. Levitas) has expired.

(By unanimous consent, Mr. Levitas was allowed to proceed for 2 additional minutes.)

Mr. LEVITAS. To continue my thought, Mr. Chairman, having to come back to Congress, either House, not both Houses, but either House can adopt this veto-type resolution and throw out any

regulation proposed or adopted by the agency. I think it is substantial congressional control, and I think that is what we need.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Michigan (Mr. Esch.)

Mr. ESCH. Mr. Chairman, I appreciate the gentleman's yielding.

I am uncertain about this, Mr. Chairman. I also ask for the indulgence of the Chair.

It is my understanding, I would say to the gentleman in the well, that normally it is either 30 legislative days or 60 calendar days, because 60 legislative days is a very extensive period of time, which may impede the implementation of an act. I just want to make sure that the gentleman accepted the amendment of 60 calendar days; is that correct?

Mr. LEVITAS. Legislative days is the way it was accepted.

I would like to point out to the gentleman that the legislation presently requires that 1 year must pass before the regulations can come into effect, but in having 60 legislative days, it will give the Congress adequate time to make an evaluation prior to the adoption of the regulations.

Mr. ESCH. But, Mr. Chairman, this amendment as modified, is 60 legislative days?

The CHAIRMAN. The Chair states that it is 60 legislative days.

The question is on the amendment offered by the gentleman from Georgia (Mr. Levitas) as modified.

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bauman: On page 38, line 5, strike out the present section 15 and insert the following new section: "Nothing in this Act or regulations issued hereunder shall authorize the Director, State agency, or any official acting under this Act to prescribe, determine, or influence the curriculum, admissions policy, program, or religious affiliation of any camp, camper or youth staff, or the ministry of any camp."

Mr. BAUMAN. Mr. Chairman, while I have serious reservations regarding the enactment of any legislation which seeks to impose Federal standards on the operation of youth camps, the bill as presently drafted is specifically deficient to the extent that it may allow the Federal Government to prescribe admission quotas or influence the religious affiliation of campers and camp staff in violation of the traditional principle of separation of church and state.

All of us want children to attend camps which meet adequate health and safety standards. Many also send children to camps conducted by religious faiths in the expectation that the camp staff will further the religious beliefs of that denomination.

Any legislation adopted by the Congress which indirectly threatens this freedom of religion impairs a basic constitutional right. To protect this freedom I am offering an amendment to strike section 15 and insert a new section which states that no Federal or State agency shall prescribe, determine, or influence the curriculum, admissions policy, program, or religious affiliation of any camp, camper, or youth camp staff. This will guarantee that camps can operate in freedom under their own admission policies.

I believe that this is a constructive amendment which restates what has been a strong constitutional principle in this country since its founding. I urge the adoption of my amendment.

Mr. ESCH. Mr. Chairman, I appreciate very much the fact that the gentleman from Maryland has offered his amendment. I believe it hits at an area that certainly should be clarified. I would strongly support the gentleman's amendment.

Again I compliment the gentleman for his leadership and acumen in this respect.

Mr. DOMINICK V. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New Jersey.

Mr. DOMINICK V. DANIELS. Mr. Chairman, we on this side are willing to accept the amendment offered by the gentleman from Maryland (Mr. Bauman). I believe that the amendment is a clarifying amendment, and brings out correctly the intent of the committee that the legislation was intended to accomplish.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Bauman).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gonzalez: Page 39, line 2, insert a new section to read as follows:

"Sec. 17. (a) Notwithstanding the provisions of this Act no State law which provides youth camp health and safety standards equal to or superior to those promulgated under the provisions of this Act shall be superseded thereby."

Mr. GONZALEZ. Mr. Chairman, I believe in the light of what appears on page 4 of the committee report accompanying this bill that this amendment also would be considered to be a clarification, or a clarifying amendment such as the four amendments immediately preceding this one.

On page 4, if one were to look at the committee report, it says in effect that this is more or less the intent of the committee, but that "more or less" needs clarification.

This amendment merely says that if any State already has or will soon adopt provisions that are equal to or superior to those pronounced by or promulgated by the officials set up under the terms of this act, that it shall not be applicable.

I think that all of us who have defended the question of the primacy of the States and localities in this area of legislation with respect to health and safety standards, certainly would be willing to admit that this is a clarifying amendment, and really should not receive too much contradictory debate.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am happy to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I would like to ask the gentleman from Texas, under the terms of his amendment, as to who makes the decision that the standards promulgated by the State are in fact equal to or superior to the Federal provisions?

Mr. GONZALEZ. Obviously since we are talking about the action that will result from the enactment of this legislation, if this amendment is adopted, it will be the Federal officials who will set up the standards. They will more or less be the ones who set the tone of the standards on camp safety and health. Therefore, in the light of that, a State that already has gone to this trouble of setting up such standards should not be subject to any worries on the part of the Federal officials.

I would say only I believe it would be a definition that resides inherently in the Federal regulatory authority.

Mr. SARASIN. If the gentleman will yield further, is it the gentleman's assumption that the Director of Youth Camp Safety with HEW will make this decision?

Mr. GONZALEZ. I think inescapably that would be the conclusion. I do not know what else this amendment could possibly appeal to, or whose judgment. I do not support that here. I do not say that any particular State is setting up this criterion. Therefore, it would inescapably mean that, because of the action of the enactment of this bill which sets up this director, it would be a determination as to what State has complied over and above the standards applicable by the Federal authority.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Michigan.

Mr. ESCH. I thank the gentleman for yielding.

It is the gentleman's understanding, then, that if the amendment is adopted, the youth camp safety standards presented by a State will still come under the analysis of the Director of Youth Camp Safety?

Mr. GONZALEZ. I would think so, sir.

Mr. ESCH. And it is the intent of the gentleman's amendment to do that?

Mr. GONZALEZ. I do not see how it could be otherwise. In other words, the only reason a State would come under any jurisdiction would be as a result of the enactment of this pending legislation. Therefore, I do not see how this amendment would in any way subtract jurisdiction from the Federal law at all. It just merely says that where we have a State and we have legislation of that nature in other sections of the law that is complying not only in sufficiency but maybe over and above the level of Federal standards, that, therefore, the applicability of this law is accepted in that particular case. But I cannot see how that determination could be made by anybody else other than the agency at the Federal level that is prescribing the standards.

Mr. ESCH. I appreciate that clarification, because we all know that many States, such as our own, Texas and Michigan, have statutes which we believe the Director would accept, but in States like Michigan and Texas we may want to put in superior standards to those of the national. It is my understanding that the gentleman's intent is to allow States such as Texas and Michigan to have superior standards if they so desire, but a decision, if they have weaker standards, would be left to the agency or department as developed in this legislation.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Quie, and by unanimous consent, Mr. Gonzalez was allowed to proceed for 2 additional minutes.)

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding. There is a provision under section 6 of the bill which says:

> Any State which, at any time, desires to assume responsibility for development and enforcement of comprehensive youth camp safety standards applicable to youth camps therein * * * shall submit a State plan for the development of such standards and their enforcement.

If we adopt the gentleman's amendment, would those seven States still be required to submit their State plan, as the legislation provides?

Mr. GONZALEZ. I would think so, because how else could the Director make his evaluation as to the comparability of standards? I would say yes.

Mr. QUIE. Then in that case I see no objection to the gentleman's amendment.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Michigan.

Mr. ESCH. I thank the gentleman for yielding.

Having clarified it through the legislative history, I would support the gentleman's amendment.

Mr. GONZALEZ. I thank the gentleman very much.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Connecticut.

Mr. SARASIN. I thank the gentleman for yielding.

I would ask the gentleman: It occurs to me that the entire process of clarification we have just gone through has simply restated what is already in section 6 of the bill. I would ask the gentleman why he feels his amendment is in fact necessary.

Mr. GONZALEZ. I do not agree with that. I believe this goes over and beyond the provisions of section 6, which are really after the fact. In other words, the committee brought out that some States have enacted provisions; some States have not. A great many have not. What I think the thrust of my amendment will do will merely be to emphasize and reward the States that are quick to adopt standards that are acceptable and sufficient under those Federal standards. I think it clarifies that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. ESCH

Mr. ESCH. Mr. Chairman, I offer a series of amendments and I ask unanimouse consent that they be considered en bloc.

The Clerk read as follows:

> Amendments offered by Mr. Esch: Page 39, beginning with line 9, strike out everything after "as" down through "advocated" in line 10 and insert in lieu thereof "something other than a youth camp, but which offers youth camp activities".
>
> Page 39, line 13, insert, "the same" before "ten".
>
> Page 39, line 15, insert "youth" after "a".
>
> Page 39, beginning with line 22, strike out everything after "year" down through "advocated" in line 24 and insert in lieu thereof a comma.
>
> Page 40, line 3, insert "youth" after "a".
>
> Page 40, line 8, insert "youth" after "a".
>
> Page 40, line 9, strike out "care" and insert in lieu thereof "youth camp activities conducted".
>
> Page 40, line 15, insert "youth" after "a".
>
> Page 40, line 16, strike out "care" and insert in lieu thereof "youth camp activities conducted".

Mr. ESCH (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan that the amendments be considered en bloc?

There was no objection.

Mr. ESCH. Mr. Chairman, these are clarifying amendments relating to the section dealing with definitions and they are technical amendments that deal specifically with assuring that the coverage will be adequate but that it will not be punitive. The amendments have been carefully checked out by both the minority and majority counsel and have their support.

I urge adoption of the amendments.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I concur with the statement made by my colleague, the gentleman from Michigan, and I accept the amendments he offers.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan (Mr. Esch).

The amendments were agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Davis, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 46) to provide for the development and implementation of programs for youth camp safety, pursuant to House Resolution 385, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. ESCH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 197, noes 174, not voting 61, as follows:

[Roll No. 12]

AYES—197

Abzug
Addabbo
Alexander
Ambro
Andrews, N. Dak.
Annunzio
Aspin
Badillo
Bafalis
Baldus
Barrett
Bedell
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Brademas
Brinkley
Brodhead
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burton, John L.
Burton, Phillip
Carney
Carr
Chisholm
Cleveland
Collins, Ill.
Conable
Conte
Conyers
Corman

Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Derrick
Derwinski
Dingell
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Esch
Evins, Tenn.
Fascell
Fisher
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fulton
Gaydos
Giaimo
Gilman
Green
Hall
Hanley
Hannaford
Harrington
Harris
Hawkins

Hayes, Ind.
Hays, Ohio
Holtzman
Horton
Howard
Hughes
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
LaFalce
Lehman
Lent
Levitas
McCloskey
McCormack
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva

Miller, Calif.
Minish
Mink
Moakley
Moffett
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patten
Patterson, Calif.
Perkins
Pressler
Price
Quie

Rangel
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rostenkowski
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Seiberling
Shipley
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Staggers

Stanton, James V.
Stark
Steiger, Wis.
Studds
Sullivan
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Whalen
Wilson, Charles H., Calif.
Winn
Wolff
Wydler
Yates
Zablocki
Zeferetti

NOES—174

Abdnor
Anderson, Ill.
Andrews, N.C.
Archer
Armstrong
Ashbrook
AuCoin
Baucus
Bauman
Beard, Tenn.
Bennett
Bevill
Bonker
Bowen
Breaux
Breckinridge
Brooks
Broomfield
Brown, Mich.
Broyhill
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Clancy
Clawson, Del
Cochran
Cohen
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fenwick
Flowers
Foley
Forsythe
Fountain
Frenzel
Frey

Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Hansen
Harkin
Harsha
Hastings
Hébert
Hechler, W. Va.
Henderson
Hicks
Hinshaw
Holt
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Ketchum
Kindness
Krueger
Lagomarsino
Landrum
Latta
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McDonald
McEwen
Madigan
Mahon
Mann
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.

Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Neal
Nichols
Passman
Patman
Pattison, N.Y.
Pickle
Pike
Preyer
Pritchard
Quillen
Railsback
Randall
Regula
Rhodes
Roberts
Rose
Rousselot
Runnels
Satterfield
Schneebeli
Schroeder
Sebelius
Sharp
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Stratton
Stuckey
Symington
Talcott
Taylor, Mo.
Thone
Van Deerlin
Vander Jagt
Waggonner
Wampler
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wirth
Wright
Young, Alaska
Young, Fla.
Young, Tex.

NOT VOTING—61

Adams
Anderson, Calif.
Ashley
Beard, R.I.
Bell
Bergland
Brown, Ohio
Burgener
Chappell
Clausen, Don H.
Clay

Coughlin
Dent
Diggs
Findley
Fish
Fithian
Flynt
Fraser
Fuqua
Gibbons
Gude
Heckler, Mass.
Hefner

Heinz
Helstoski
Hightower
Hillis
Holland
Johnson, Colo.
Kemp
Leggett
McKay
Metcalfe
Milford
Mills
Mineta

Mitchell, Md.
O'Brien
O'Neill
Pepper
Peyser
Poage
Robinson
Rosenthal
Ruppe

Ryan
Schulze
Shriver
Stanton, J. William
Steed
Stephens
Stokes
Symms

Taylor, N.C.
Teague
Treen
Wilson, Charles, Tex.
Wylie
Yatron
Young, Ga.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Teague against.
Mr. O'Neill for, with Mr. Taylor of North Carolina against.
Mr. Anderson of California for, with Mr. Chappell against.
Mr. Yatron for, with Mr. Flynt against.
Mr. Heinz for, with Mr. Mills against.
Mr. Peyser for, with Mr. Symms against.
Mrs. Heckler of Massachusetts for, with Mr. Treen against.
Mr. Mineta for, with Mr. Robinson against.
Mr. Rosenthal for, with Mr. Steed against.
Mr. Adams for, with Mr. Charles Wilson of Texas against.

Until further notice:

Mr. Fraser with Mr. Ashley.
Mr. Leggett with Mr. Clay.
Mr. Fithian with Mr. Stephens.
Mr. Holland with Mr. Gibbons.
Mr. Mitchell of Maryland with Mr. Beard of Rhode Island.
Mr. Ryan with Mr. Stokes.
Mr. Diggs with Mr. Young of Georgia.
Mr. Fuqua with Mr. Bell.
Mr. Helstoski with Mr. Metcalfe.
Mr. Hightower with Mr. Brown of Ohio.
Mr. Pepper with Mr. Burgener.
Mr. Bergland with Mr. Findley.
Mr. Coughlin with Mr. Hillis.
Mr. Gude with Mr. Kemp.
Mr. McKay with Mr. Don H. Clausen.
Mr. Milford with Mr. O'Brien.
Mr. Ruppe with Mr. Schulze.
Mr. J. William Stanton with Mr. Wylie.
Mr. Fish with Mr. Shriver.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, I was detained by constituents in my office and failed to get to the floor before the vote was concluded on the Youth Camp Safety Act. Had I been present and voting, I would have voted "aye."

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS IN ENGROSSMENT OF H.R. 46, YOUTH CAMP SAFETY ACT

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers in the engrossment of H.R. 46, the Youth Camp Safety Act.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain what this will entail?

Mr. DOMINICK V. DANIELS. Mr. Speaker, if the gentleman will yield, in the presentation of some of the amendments today there may have been an error in the reference to a particular section and there may be a question as to where the amendment properly belongs, which would necessitate correction of the subsequent numbers as they pertain to sections.

Mr. ROUSSELOT. Mr. Speaker, I assume that none of the numbers for which the gentleman is now asking unanimous consent to change relate to the discussion we just had here concerning this one amendment?

Mr. DOMINICK V. DANIELS. Mr. Speaker, the gentleman is correct. This does not relate to that subject matter at all.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GENERAL LEAVE

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on H.R. 46, Youth Camp Safety Act, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LEGISLATION TO SHIFT FUNDS TO CONVENTIONAL PUBLIC HOUSING PROGRAM

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, last year this chamber approved the Housing and Community Development Act of 1974, which contained some $1.225 billion for public housing. The lion's share of these funds were for a new public housing program, section 8 leased housing.

While we did not totally discard the conventional public housing program, which today provides shelter for poor and moderate-income families and individuals throughout the Nation, it was clear that HUD wanted to employ the section 8 program wherever possible.

As regulations for the new program trickled out of HUD last fall, most knowledgeable housing people said that the program was not attractive enough to developers to build the 300,000 plus units HUD claimed would be constructed in this fiscal year under seciton 8.

The jury is still out on the effectiveness of the section 8 program, but early indications are that few developers, including local housing authorities, will build under the new program.

Consequently, 24 of my colleagues have joined me today in introducing legislation that will shift $300 million in funds authorized for the section 8 program to a category reserved for local housing authorities—and allocate $150 million of that $300 million for the conventional public housing program.

UMI

This bill calls for no new money, merely the transferring from one category to another of authority already approved by the Congress.

The conventional public housing program has served this Nation well for many years. It is one which both local housing officials and builders and developers know and like. It is a program which has proved that it can serve the housing needs of the very poor and those with moderate incomes.

There is no reason—except administration dislike for the conventional program—that people who need housing should be denied when Congress already has made funds available to meet their shelter needs.

The other body already has approved a measure similar to our bill, in an omnibus housing package due to be reported by the Senate Banking Committee this week.

I am hopeful that when we go to conference with the Senate on the two major housing bills that already have cleared this chamber, the bill we are introducing today will be a part of that conference report.

The bill and the Members who cosponsored it follow.

H.R. 6113

A bill to amend the Housing Act of 1937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking "$150,000,000" and inserting in lieu thereof "$450,000,000".

COSPONSORS OF MOORHEAD BILL

Mr. Badillo, Mr. James Burke of Massachusetts, Mr. George Brown of California, Mr. Carney, Mrs. Cardiss Collins of Illinois, Mr. Drinan, Mrs. Fenwick, Mr. Harrington, Mr. Hawkins, Mr. Hicks, Mr. Koch, Mr. Krebs.

Mr. Parren Mitchell of Maryland, Mr. Moakley, Mr. Moss, Mr. Ottinger, Mr. Perkins, Mr. St Germain, Mr. Sarbanes, Mr. Seiberling, Mr. Sisk, Mr. Solarz, Mr. Stark, Mr. Charles Wilson of Texas.

ENERGY NEEDS OF AMERICAN FARMERS MUST BE SUPPLIED

(Mr. de la GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. de la GARZA. Mr. Speaker, just before the Easter recess the Agriculture Subcommittee on Department Operation, Oversight and Investigations, of which I am chairman, held 2 days of hearings on the availability and requirements of energy as they affect the agricultural sector.

Our subcommittee received testimony from a wide range of representatives of agriculture-related industries and Government agencies concerned with energy supply. The sum of what they had to say makes it unmistakably clear that the fuel needs of farm producers are not re-receiving adequate attention in Federal energy programs now in effect or being considered.

This is a matter of the utmost seriousness. The reliance of American farmers, who provide food and fiber for the United States and for much of the hungry world, upon energy resources and their products is too little recognized. As my colleagues know, priority energy provision for agriculture is the official policy of the Federal Government. But our farmers still face energy-related shortages as well as high prices for the fuel and other petroleum products they must have to survive.

About 10 percent of the total energy consumed in the United States is used by the agricultural sector—from production, through processing, transportation, marketing, and retailing. The figure jumps to 13 percent with the addition of energy used for home refrigeration and cooking of food.

No other nation in the world uses as much energy in its food production. We have been criticized for that. Yet no other nation provides its population with such a variety and quantity of food and fiber. No other farmers in the world have as high a rate of productivity as our farmers. That is why we can help to provide the means of feeding and clothing the people of other nations as well as our own people.

American agriculture is now being called on to produce even more abundantly. That can be done, but it can be done only if our farmers have certain assurances. Basic among the necessary assurances are those that relate to energy. It is essential that agriculture have top priority—in practice as well as in policy—for adequate supplies of energy for the full range of operations from production to point of processing. A failure to meet this fundamental requirement not only will bring hardship to farm producers but also will result in increased costs to consumers through reduced food production.

Mr. Speaker, I commend to the attention of my colleagues a sentence in a letter I received recently from a farm producer in my south Texas district:

> A country without farmers is a country without food, and a nation without food is a nation without a future.

The energy needs of American farmers must be supplied. If contradictions in policies of Federal agencies tend to weaken that policy, those contradictions must be eliminated.

PROPOSED IMPROVEMENTS IN MEDICARE

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURKE of Massachusetts. Mr. Speaker, I have today introduced H.R. 6022, and invite Members to cosponsor this bill.

My bill would make several changes in medicare which will eliminate some of the problems which older people are now experiencing under this program. There are, of course, many major improvements in medicare which are needed, such as covering outpatient prescription drugs, and many bills have been introduced to make such improvements I favor many of those bills.

But I know, also, that there are a variety of relatively minor problems in medicare which need to be corrected. Several of these problems have been brought to my attention and my bill would correct them. However, I feel quite certain that there are other problems which need to be identified and dealt with—problems which can rob medicare beneficiaries of the benefits to which they are entitled. Some of the problems may be correctable through changes in the medicare administrative system, including the way medicare carriers and intermediaries do their jobs. Others may require minor changes in the law.

What is needed is a systematic review of the medicare program from the standpoint of beneficiaries. Therefore, my bill would direct the existing Health Insurance Benefits Advisory Council to review the medicare program in some detail and then recommend the actions necessary to make the medicare program work better for medicare patients. I sometimes think these programs are evaluated on how easy they are for the administrators rather than how well the public is served.

In carrying out this function, the Health Insurance Benefits Advisory Council would be required to take specific steps to elicit problems and suggestions from medicare patients generally.

My bill would require that the Council submit its recommendations by the end of 1975.

PROBLEMS WHICH H.R. 6022 WOULD CORRECT IMMEDIATELY

There are, however, several problems which have already come to my attention and for which the needed solution seems clear. They are as follows:

First. Under present law, medicare cannot pay for durable medical equipment if the patient who requires it is in an institution which is classified as a nursing home, epen though that home is not—or cannot be—classified as a skilled nursing facility participating under medicare. This provision has worked a severe hardship for those older people who cannot get a needed service paid for solely on the ground that they are not fortunate enough to be able to live in their own homes. My bill would correct this situation by providing that durable medical equipment will be paid for unless the individual is actually occupying a bed in a skilled nursing facility certified by medicare.

Second. Under present medicare law, only those prostheses which replace an internal body organ can be covered, artificial limbs are specifically covered. In the past, this provision has meant that women who have had mastectomies could not be reimbursed for the cost of a breast prosthesis. Such items and the services required to furnish them, are very important to those women who have undergone such surgery and there should be no question about whether medicare covers them. My bill makes it clear that medicare does so. Also, present medicare law excludes from coverage orthopedic shoes, which are required by many beneficiaries and can be costly. My bill would cover orthopedic shoes.

Third. Under present medicare law, there are severe limitations on the coverage of medical care for beneficiaries who travel in Canada and Mexico. My bill would cover all regular medicare services if provided in these two countries. Given the fact that there has now grown up a

body of administrative experience in paying for services provided in those two countries, there is no longer any reason to withhold medicare benefits from those who travel or live in Canada or Mexico.

Fourth. Under present law, where an individual dies before filing a claim for his medicare benefits, payment may be made to the physician only if he agrees to accept the medicare-determined reasonable charge as the full charge. If the physician does not so agree, then the medicare benefit can be paid only if some surviving member of the family pays the bill and then submits a claim. This provision has proved to act as a barrier to effective claims administration. In many cases, the patient leaves a substantial bill behind which the surviving family has great difficulty in paying. My bill would avoid this situation by permitting the payment of the amount due directly to the physician—less deductibles and coinsurance—if a relative of the deceased person so authorizes and the physician agrees. The physician would not have to agree to accept the medicare-determined reasonable charge as the full charge.

ADMINISTRATION'S POLICY ON VIETNAM

(Mr. NEAL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NEAL. Mr. Speaker, the administration's policy regarding Vietnam appears to me to be very misguided and potentially very expensive in terms of human life and money. Therefore, I believe it is urgent that the Congress now establish a new direction regarding Vietnam as a top priority. We will live for a long time with the consequences of what we do, or fail to do.

The resolution which I have introduced today offers an opportuntiy for the Congress to contribute materially to the solution of the problems in Vietnam. I believe it also offers a valid basis for debate by the entire Congress, which I urge at the earliest possible date.

The resolution directs the President to get all Americans out of Vietnam immediately. Once the Americans who wish to leave are gone, I believe we should make it clear that the Congress will grant no further military aid to South Vietnam. With or without more military assistance, the Thieu government seems certain to topple. With a promise of postwar humanitarian and economic aid for both sides, evidence indicates a cease-fire would be a real possibility. Thieu could be succeeded by a government willing to negotiate with the North Vietnamese, the PRG, the Third Force and others. The policies suggested in the resolution might help accomplish the following:

First. Remove the danger and expense of having to use U.S. troops to guarantee the safe departure of Americans in South Vietnam.

Second. Bring an end to the bloodshed.

Third. Enable the South Vietnamese people to salvage a voice in the postwar government of Vietnam.

Fourth. Remove the need for expatriating great numbers of South Vietnamese who otherwise we will be urged to set up and sustain in exile.

Fifth. Remove the need for setting up refugee camps which we would be expected to guard with our troops—a totally naive idea, I believe.

Sixth. Provide for our helping, with the cooperation of others, in the rebuilding of a war-ravaged nation.

I not only believe that the policies outlined in my proposed resolution are right, but also that they would lead to the most economical solution of the problems they address. By planning intelligently now for the long term, I believe we will avert much regret in the future.

DEMOCRATS SUPREME IN BASKETBALL

(Mr. DAVIS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, I take this time just to announce to the Members of the House that the basketball game that was to be played last night between the Republicans and the Democrats has been officially forfeited. We had five Democrats show up at Capital Centre; Coach CONTE sent no one. The Democrats showed up knowing the propensity of the Republicans for "dirty tricks." However, they were not bugged this time by Members of the opposition who would have been mere bugs on the water if they had opposed the dynamic Democratic basketball team.

The score now goes on the books as 289 to 144.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Massachusetts, and I am glad the gentleman has shown up to hear this announcement.

Mr. CONTE. Mr. Speaker, this is just more of that never-never world that the other side of the aisle is living in, a world of fantasy. Certainly we would have been there but, as I told the Members last week, the basketball season is over and, as usual, the Democrats are dribbling all around, playing the wrong game in the wrong season. We will meet you at the basketball park tonight, right now, tomorrow, or at any time.

Mr. DAVIS. The championship has not been decided as yet, and I would remind my friend that a team from Boston is still in the running.

Mr. CONTE. When it is time to plant cotton, as the distinguished gentleman from South Carolina should know, it is time to start the baseball season, not basketball. But there are other reasons why the GOP stalwarts would not jump to the Democrats' whistle.

First, the gentleman has not been officially coronated as head basketball coach by King Caucus. Until this is done, his claim to be the legitimate coach for the majority is as thin as a fiber of cotton. I have noted how King Caucus treats even its powerful chairmen who seek authority to lead their committee teams. I pray their treatment of the gentleman who claims to lead their basketball team is a bit more charitable.

Instead of basketball, perhaps the gentleman should sponsor a congressional yo-yo tournament. That is one sport where the Democrats should win all the prizes. They have been going up and down so much recently every time King Caucus pulls the string that by now they resemble a yo-yo in action.

GENERAL LEAVE

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject I am about to discuss.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Hawaii?

There was no objection.

TRIBUTE TO JOHN ANTHONY BURNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 60 minutes.

Mr. MATSUNAGA. Mr. Speaker, I rise to speak in tribute to John Anthony Burns, former Member of the Congress as a Delegate from Hawaii, the last Delegate to the Congress from Hawaii, the three-time Governor of Hawaii, and a great American.

Mr. Speaker, when John Anthony Burns died in Honolulu on April 5, his list of accomplishments was an impressive one. He breathed life into the Democratic Party in Hawaii. He served the Territory of Hawaii as a Delegate to Congress from 1956 through 1959, during which time he was largely responsible for the passage of the Statehood Act. He was elected to three 4-year terms as Governor of the State of Hawaii, where he compiled a string of achievements that will no doubt remain a record to be surpassed for generations to come.

But Jack Burns' greatness—and there is no doubt that he was a great American—stemmed not so much from what he did, but rather, from the vision and selflessness with which he performed such deeds.

Jack Burns was born in Montana, but if anyone was ever dedicated to Hawaii, he was that person. He was taken to Hawaii as a child and grew up in the Kalihi district, a tough neighborhood in Honolulu, for which he never lost his fondness.

During World World II, as a police captain, Jack was supposed to be part of a system for checking on the loyalty of Japanese-Americans. Repeatedly he reported to his superiors that one individual or another was a loyal American. He knew because he had taken the time to get to know the people in the Japanese-American community. Jack Burns knew, too, that these Americans of Japanese ancestry—AJA's as they were called—had been systematically excluded from the plantation-dominated Republican Party that ran Hawaii for decades.

Combining his idealism with more political savvy than any Democrat had shown in Hawaii's history, Jack wove the

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strands of ethnic have-not groups, particularly the young AJA veterans who had distinguished themselves in the European theater of World War II, into a potent political force. In 1954, came the "revolution"—the Democratic Party under the chairmanship of Jack Burns gained control of the Hawaii Territorial Legislature for the first time in its history. It also marked the first candidacy for public office of George Ariyoshi, now the Nation's first State Governor of Asian ancestry; of DAN INOUYE, who was Hawaii's first voting Member of the U.S. House of Representatives and who is now a distinguished U.S. Senator; and of a young, struggling lawyer named SPARK MATSUNAGA.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I gladly yield to the distinguished gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I have asked the gentleman from Hawaii to yield at this point so that I might add to his last comments by saying that the gentleman from Hawaii (Mr. MATSUNAGA) is doing a great job for his State and Nation and has distinguished himself in the House of Representatives.

Mr. MATSUNAGA. I thank the gentleman from Florida for his kind observation.

By a cruel trick of fate, Jack Burns lost his own race for Delegate to Congress in 1954.

Two years later, Jack Burns finally won an election himself, as Delegate to Congress. Without a vote on the floor or in committee, he still became one of the most effective and best-liked Members of the House of Representatives. His singular goal was admission to statehood for his territory of Hawaii. In planning his strategy, he recognized the political realities of the situation and agreed to permitting Alaska's statehood bill to be taken up before Hawaii's. Though his opponents in Hawaii publicly denounced the strategy, Jack's political instincts were correct, and Hawaiian statehood sailed through the Congress in 1959. But by another cruel trick of fate, Jack Burns lost in his bid to become the first elected Governor of the State he was most responsible to bring into being.

At the request of the Speaker, the Honorable CARL ALBERT, and myself, the flag which was flown over the east front of the U.S. Capitol during the funeral services for Jack Burns in Honolulu last week will be presented to his gracious widow, Beatrice Burns. It cannot escape attention that that flag owes its 50th star to a great extent, to the man in whose honor it was presented to his life mate.

Jack's three terms as Governor of Hawaii, beginning in 1962, were ones of unparalleled progress and growth. What showed through was Jack's faith in the potential for greatness in the multiracial people of Hawaii, and a vision of what Hawaii could become if that potential were realized.

A man with little formal education, Jack relentlessly—and successfully—pursued excellence in the educational system of Hawaii. A man who had traveled little around the world, Jack fostered the creation of one of our country's finest institutions of international goodwill, the East-West Center for Cultural and Technical Exchange at the University of Hawaii. A man of monumental accomplishments, Jack refused to let monuments be built to him.

Mr. Speaker, Jack Burns' way was the quiet way. As Governor, Jack Burns preferred to explain rather than excoriate; he preferred to harmonize rather than rant. This was symbolized by one of his most famous descriptions of political style: "Any damn fool," he once said, "can take a stand."

But perhaps the character of Jack Burns is best captured in his own words, words from his farewell address to the Hawaii Legislature almost a year ago. He told the legislature that one of the most historically important decisions the legislature had ever made was in choosing the individuals whose statues would represent Hawaii in the U.S. Capitol.

As many of my colleagues know, the statues are those of Hawaiian King Kamehameha the Great, and the Belgian missionary priest, Father Damien, who served the lepers. Let me cite here the words of Jack Burns:

> In one (statue) you chose a noble Polynesion ally, gifted in leadership in war and in peace, a contemporary of George Washington and a representative of the deepest ethnic and cultural roots of our mid-Pacific Island society.
>
> In the other, you selected an alien from a foreign land, a missionary teacher and a voluntary servant of the poorest and most neglected of the Hawaiian people. . . .
>
> Kamehameha and Damien tell the whole story of Hawaii. They stand as shining inspirations. They have taught us that leadership means service to others.

Mr. Speaker, that tells the story of Jack Burns. He asserted his leadership through service to the people of Hawaii.

A man of common beginnings, Jack entertained none but the highest ideals. Working with descendants of field hands, he brought them to heights of recognition and influence. Moving in inconspicuous ways, with deep reverence for the Almighty, he attained for himself and his State a dignity not often matched in our Nation's history.

Forty-five years ago Jack Burns had the good fortune to marry Beatrice Van Fleet, who had been an Army nurse. Despite a serious illness which confined her to a wheelchair, Bea has been a beacon of gentleness, graciousness, and a source of inspiration to many of us over the years. Along with her children, she must now face life without her beloved Jack. But she can take comfort not only from the deep and sincere condolences of the friends of the Burns family, but also from the knowledge that her husband's contribution to the greatness of Hawaii is not likely to be exceeded anytime within contemplation.

In memory of Jack Burns and by way of expressing my heartfelt condolences to Mrs. Burns and her family I should like at this point, Mr. Speaker, to read a poem, originally composed in Hawaiian more than 150 years ago in memory of Prince Keeaumoku III of the Hawaii Royal Family, and recently published in the Honolulu Advertiser by its well known columnist, and a very close friend of Jack Burns, Sammy Amalu:

Auwe, auwe, auwe, ua hala kuu haku,
kuu hoa
Kuu hoa I ka wa o Ka wi
Kuu hoa I ka paa o ka aina
Kuu hoa I kuu ilihune
Kuu hoa I ka ua ame ka makani
Kuu hoa I ka wela o ka la
Kuu hoa I ke anu o na mauna
Kuu hoa I ka ino ame ka malie
Kuu hoa I na kai ewalu
Auwe, auwe, auwe, ua hala kuu hoa
Aohe no e hoi mai.
(Translated it means:)
Alas, alas, alas, gone is my chieftain
and my friend
My friend in the days of famine
My friend in the days of drought
My friend in the hours of my poverty
My friend in the rain and the wind
My friend in the heat of the sun
My friend in the cold of the mountains
My friend in the storm and in the calm
My friend in the eight seas
Alas, alas, alas, gone is my friend
Never again to return.

Mr. MOSS. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from California.

Mr. MOSS. Mr. Speaker, it was my privilege to serve with Governor Burns when he was a delegate from the Territory of Hawaii. Clearly, in my judgment, the State of Hawaii was created because of the uniqueness of the talents of Jack Burns.

He had a life that was rich in achievement. Few of us can hope to accomplish as much as he did, and few with as consistently good humor and wisdom. But among all of his accomplishments, the granting of statehood, the taking of the vision of this nation beyond the confines of the continent, I think, must constitute one of the greatest; and I join with the people of Hawaii and with his family in a personal sense of loss at his passing.

I think it worthy of note that during his last months he experienced really a horrible illness, devastating in its effect, and we all regret that, as I know his family did.

I had the privilege of visiting at his home, and to his widow and his family I extend my sympathy, and at the same time call to their mind the great sense of pride they must have had in the achievements and the association they had with Jack Burns.

Mr. MATSUNAGA. I thank the gentleman from California (Mr. Moss) for his remarks.

I might say to the gentleman that Jack Burns frequently spoke very fondly of the gentleman from California.

Mr. Speaker, I now yield to the gentleman from California (Mr. JOHN BURTON).

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

My former father-in-law who passed away a few years ago was John Burns', I believe, closest political friend. They had many fights together in the Territory of Hawaii and in the State of Hawaii. My daughter was bounced on the Governor's knee on her first trip to her

mother's native State many years ago, and I knew Jack Burns to be one of the finest human beings who has ever walked this earth.

I extend to his family the sympathies of myself, my former wife, and my daughter, both of whom revered this man as a grandfather and a great-grandfather.

Mr. MATSUNAGA. For the edification of my colleagues who do not know the father-in-law to which the young Congressman from California (Mr. JOHN L. BURTON) referred, it was that great labor leader from Hawaii, Jack Hall. I thank the gentleman from California for his tribute to a mutual friend.

Mr. Speaker, I now yield to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. I thank the gentleman for yielding.

It seems almost superfluous to try to encapsulate in the form of a eulogy all the thoughts and remembrances that one can put together concerning the life, dedication, and commitment of Gov. John Anthony Burns, because so much of what he accomplished for the people of Hawaii and for the Democratic Party of Hawaii has been extolled and acknowledged and spoken about in a far more eloquent sense than I could possibly put together in this brief opportunity this afternoon.

So rarely do we find an individual whose contributions are acknowledged during his lifetime by his contemporaries as often as they were for Governor Burns. Too often we take only opportunities, after one is lost, to remember his contributions.

For Jack Burns, it was quite the opposite. He left for all of us a record of service and commitment that I am sure none of us could achieve or parallel, but nevertheless since he has gone and the State has mourned his passing and my colleague, the gentleman from Hawaii, has given this House an opportunity to express its feelings and its thoughts and its remembrances of this great man, I would want merely to say that of all the people with whom I have been associated in politics there is certainly none other who taught me more and for whom I have a higher respect than the late Senator Burns.

We disagreed on many issues, particularly on who should be running for President and who should be endorsed for this position by the Democratic Party in Hawaii, but our disagreements were within our party convention system. Never once did we disagree on matters of important public policy that affected the people of Hawaii.

My years of association with Jack Burns, beginning with 1954, have given me the strength of my commitment, and my concern for the principles and ideals of the Democratic Party. Together with all of the people who knew him and who served with him and who helped him build the Democratic Party as it is today, I join in expressing our deepest sorrow on his untimely death and extend our condolences and sympathy to his wife and widow Beatrice and their three children.

I want to commend my colleague again, the gentleman from Hawaii (Mr. MATSUNAGA), for giving this House an opportunity to formally extend its last respects.

Mr. MATSUNAGA. I thank the gentlewoman from Hawaii, my colleague who served very closely with Jack Burns in helping to build the Democratic Party in Hawaii, patricularly among the youth of Hawaii.

I yield now, Mr. Speaker, to the distinguished gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I thank the distinguished gentleman in the well for allowing me to join him and his distinguished colleague in a word of tribute and appreciation of Gov. Jack Burns. I had the privilege of knowing Governor Burns, not intimately, but I visited with him in Hawaii. I shall never forget a most delightful breakfast my wife and I had at the Governor's mansion.

I knew Jack Burns as a Democrat and I know him as a leader of American political action and thought He had a warm compassionate heart. He had a love for and a great concern for people.

He had the political genes that some people are possessed of that enabled him to command the respect and the support of the people and induce them to work together for their best interests. He left a legislative and gubernatorial monument, and what a monument he has left in the contributions he has made in bringing into this great Union of the United States of America one of the bright stars in that Union, the great State of Hawaii.

I was in Hawaii just a few days ago. I have been there a number of times before but even coming from the State of Florida as I do, my eyes opened in admiration and great appreciation when I saw the lovely beautiful foliage and flowers everywhere matched by the warmth and spirit of the people which was comparable to the loveliness of the flowers.

What a great contribution Governor Burns made in his own invaluable service, building up the State of Hawaii, the mixing ground of East and West, which has added its strength and nobility of character and great spirit to the United States of America.

I thank the gentleman for yielding and I join him in extending our deepest sympathy to his lovely widow and family.

Mr. MATSUNAGA. I thank the distinguished gentleman from Florida for his kind remarks. Of course, the gentleman knows that Jack Burns held him in the highest esteem and in the fondest aloha.

Mr. ALBERT. Mr. Speaker, it is with sadness that I join our distinguished colleagues from Hawaii in paying tribute to a great American with whom many of us served in the House when he was a Delegate from the Territory of Hawaii.

John Burns was a close personal friend of mine during his entire tenure in the House. He was a wonderful man, a devoted husband, and a person of high Christian ideals. He accomplished much during his service here. More than any other person, it can be said of him that he was the architect of the beautiful Aloha State. He was later its Governor and during all of his productive years was one of its most esteemed citizens.

Last week while in Honolulu with the distinguished minority leader, Mr. RHODES, as we were returning from a visit to the People's Republic of China, I had the great though sad honor to participate in the ceremonies as the body of John Burns lay in state in the beautiful capitol of Hawaii. I had the high privilege—along with the minority leader—to place at his bier a memorial wreath on behalf of the House of Representatives. I know that no tribute that was paid John Burns could have been dearer to his heart than this little thing we were able to do.

John Burns loved the House as he loved Hawaii. I was able to pay my condolences to his beloved wife, Beatrice, and their children. The great devotion between these two wonderful people was a model to us all. I again extend my sincere sympathy and that of my wife, Mary, to the Burns family.

Mr. RHODES. Mr. Speaker, I join with my colleagues in the House today in memorializing one of our former colleagues, John A. Burns of Hawaii. For me, it is more than the passing of a former associate in Congress, it is the loss of a friend of long standing.

John Burns lived in Hawaii for nearly 60 years. He was a tireless booster for the islands. As an urgent advocate of statehood, he was justifiably proud that Hawaii joined the Union on August 21, 1959, when he was a Delegate from the Territory.

Jack Burns and I served together on the Interior and Insular Affairs Committee of the House. He was a man who expressed his views vigorously, and was an effective worker for the interests of the people of Hawaii.

After he left Washington, he returned to the islands and served for 12 years as Governor, during which time Hawaii's economy grew rapidly, as a tourist mecca and in industry and agriculture.

While I was en route home from my recent trip to the Orient, it was my privilege to attend memorial services for John Burns at the State capitol in Honolulu. I know that my colleagues join me in extending our condolences to his lovely wife Beatrice, and their children.

John Burns served during a historic period of Hawaii's history, during the transition from a Pacific territory to statehood, and then as chief executive of a growing, prosperous State. He was a good friend, a dedicated supporter of Hawaiian progress, a capable and able man who left a great legacy of public service to the Nation and his beloved islands.

Mr. MORGAN. Mr. Speaker, Jack Burns, our former colleague from the State of Hawaii, truly deserved the title "Great American." His recent passing deprives Hawaii and the entire Nation of a distinguished man whose many years in public service stand as landmarks in contemporary American history. Few men or women can truly be regarded as monumental, but Jack Burns' effort in behalf of Hawaiian statehood have

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earned him a lasting place in American history. For generations to come, Hawaiians will recall Jack's good deeds and fruitful labors and will hail his memory.

Mr. Speaker, Jack was a leader of the Democratic Party in Hawaii for over 30 years, and his service in the House of Representatives earned him the respect and admiration of all who knew him. I will never forget his tireless, but effective work in behalf of Hawaiian statehood, and I believe that Jack's personal contribution speeded up the date when the people of those beautiful islands formally joined our great Nation as a State. The Hawaiian people chose him as their Governor in 1962, and he thus continued his service to the people of Hawaii in that capacity.

Mr. Speaker, Jack was a friend, as well as a colleague, and I continued to enjoy his friendship after he departed the House of Representatives. He was truly a grand person, and none will miss him more than I. Mrs. Morgan and I extend our deepest sympathies to his wife and children. We will always remember him and will strive to maintain the high ideals which characterized the life of Jack Burns.

Mr. BROOKS. Mr. Speaker, the Nation mourns the loss of a great American, John Anthony Burns. It was my honor and privilege to serve in the House of Representatives with such a distinguished and able gentleman, a man I was proud to call my friend.

Jack Burns served as the Delegate to Congress from Hawaii from 1956 to 1959, and it was largely through his zealous efforts that Hawaii became the 50th State of the Union.

Until a few months ago, he served as the Governor of that grand and glorious State, and it was mainly through his guidance that the people of Hawaii are able to live in a prosperous and lovely environment.

I regret that he did not live longer to indulge himself in some of the pleasures he so justly deserved but was often denied—a quiet family life—undisturbed visits with his wife, children and grandchildren—time to relax and reflect on his accomplishments.

I join my colleagues in expressing our condolences to his family. I know they are proud of Jack Burns and that his record of achievement will long serve as a model for many generations to come.

Mr. NATCHER. Mr. Speaker, I am saddened by the passing of our former colleague, John A. Burns, the Delegate from Hawaii in the House from 1956 to 1959 and I would say in his tribute that John Anthony Burns was a man to be remembered—and remembered well.

John Burns was a dedicated man and John Burns loved Hawaii. Those of us who were privileged to know him in those years could not doubt his total commitment to the Islands' long sought dream of statehood. Hawaii became the 50th State of our Union on August 21, 1959, and certainly John Burns was a vital force in bringing this dream to fruition. His commitment was not finished, however. After leaving Washington he served as Governor of the State of Hawaii for 12 years and until his death earlier this month, he continued to work tirelessly in behalf of his adopted State and its people.

John A. Burns was indeed a man of principle and devotion and we who served with him in the Congress were never to doubt that in our presence was a great gentleman and statesman.

To his family I offer my sincere sympathy.

Mr. SIKES. Mr. Speaker, I want to join my colleagues in paying special tribute to our friend and former colleague, the Honorable John A. Burns, who died on April 5. Mr. Burns was Delegate to Congress from 1956 through 1959 from the then territory of Hawaii and he was Governor of Hawaii from 1962 to 1974.

As a police captain following the attack on Pearl Harbor, Jack Burns was assigned to keep an eye on the local Japanese community for signs of subversive activity. However, he was soon defending the loyalty of Japanese-Americans and sponsored the creation of an all-Japanese-American Army unit that went to fight in Italy. It was the 442d Regimental Combat Team, the most decorated unit of World War II.

When the veterans returned home to the islands, most were no longer satisfied to be workers in Hawaii's huge sugar and pineapple plantations. It was at this time that Jack Burns gave up police work and started devoting much of his time to organizing the Democratic Party.

It was my privilege to know and work with Jack Burns in the Congress. He was a leader and one-time chairman of the Democratic Party of Hawaii. He was my good friend and will no doubt be remembered most by his colleagues in the House for his outstanding achievement in the enactment of the bill which conferred statehood on Hawaii. He worked very hard indeed to accomplish this objective.

As we pause to honor the memory of Jack Burns today, I want to extend deepest sympathy to his wife and children, and along with many others, assure them he will long remain in our thoughts and prayers. He was a loyal and great American.

Mr. BARRETT. Mr. Speaker, I am pleased that my distinguished colleague from Hawaii, SPARK MATSUNAGA, has taken a special order today to enable the Members to eulogize our distinguished former colleague, John A. Burns, who served in the House as a delegate from the Territory of Hawaii from 1956 to 1959, and who served so successfully as Governor of the great State of Hawaii for 12 years. Jack Burns died on April 9 and Hawaii lost her greatest son.

I recall the years that Jack Burns served with us in the House with fond memory for he was a good friend and a truly affective spokesman for the then Territory of Hawaii. Without his representation here in Washington during those critical years, I do not believe that Hawaii would have entered the union as the 50th State. I visited Jack Burns a number of times in Hawaii during his service as Governor of that great State and was always proud to tell the people of Hawaii that I had served together with him in the House.

As my colleagues have so well articulated this afternoon, and particularly, the two distinguished Members from Hawaii, my colleagues SPARK MATSUNAGA and PATSY MINK, that no one other than Jack Burns could have wove together the many diverse ethnic groups and different traditions into an effective and powerful political force which has shaped Hawaii's immediate past and will continue to shape the future of Hawaii for years to come.

Jack Burns' journey from Montana to Hawaii and his assent to political prominence from Honolulu Policeman to Governor of that great State is truly testimony to not only the greatness of Hawaii, but to the opportunity that this Nation offers its citizens and was so well embodied in Jack Burns. Jack Burns has left a great tradition for his people in Hawaii to follow.

Mr. EVINS of Tennessee. Mr. Speaker, certainly I want to join with our colleague SPARK MATSUNAGA and Members of the Hawaii Delegation and others in paying a brief but sincere tribute to our former Colleague, the late Governor of Hawaii, the Honorable John Burns, who passed away recently.

John Burns was a warm, genial friendly person, and the news of his passing was indeed shocking and distressing.

He was known affectionately by many of the people of Hawaii as the "Great White Father", and will be recognized in history for his untiring and successful efforts to achieve statehood for Hawaii.

Having been elected to the U.S. House of Representatives in 1956, John Burns was certainly the leading advocate for Hawaiian statehood, and in August 1959, his dream came true when Hawaii officially became the 50th State in the Union.

John Burns left the Congress in 1962 to run as the first elected Governor of the State of Hawaii and served with ability and dedication as Governor for three terms.

He has served Hawaii and the Nation with great distinction.

John Burns was born in Montana and his family moved to Hawaii in 1913. He attended the University of Hawaii and became a law enforcement official and was a police captain with the Honolulu Police Department at the time of the Pearl Harbor attack.

He will be greatly missed. I want to take this means of extending to his wife, Beatrice, and other members of his family this expression of my deepest sympathy in their loss and bereavement. Mrs. Evins joins me in these sentiments.

Mr. RANGEL. Mr. Speaker, it was recently brought to the Members' attention that John A. Burns died on Saturday last. John served as the Delegate to Congress from the then territory of Hawaii. He served in that capacity from 1956 until 1959. After that he became the Governor of the State of Hawaii, occupying that position for 12 years.

In his capacity as Delegate to the Congress, John was very instrumental in obtaining statehood status for Hawaii. He was able to help generate support among his colleagues here in Washington for the statehood concept. It was only fitting that he should have become the State's

Governor. This decision by the people to award him that high honor represents their way of expressing their gratitude to him.

Although I was not a Member of the House at the time John served, I can appreciate the service he gave both to his constituents and to his fellow colleagues. It is with much regret that I mourn the passing of this tireless leader in the movement to obtain statehood for Hawaii.

Mr. CASEY. Mr. Speaker, those of us who knew John Burns personally were fortunate indeed. Today as we pause to say a few words about this great American, I know that while we are filled with sadness at his untimely passing, we also must acknowledge with gratitude the fact that he touched our lives.

Jack was more than a great public servant, he was a great human being.

He served with us in this body as a delegate from the Territory of Hawaii, and then realizing his greatest dream, saw his beautiful homeland became a State.

He then served as Governor of Hawaii for 12 years, bringing together diversity of ethnic groups into a single, united people that stands as a model to the world of human understanding and cooperation.

Jack accomplished much in his lifetime, not for himself so much as for others.

I know that he will be missed by many thousands who have lost a respected leader.

He will also be missed by a great many others, especially those of us who will remember him as a warm and trusted friend.

I join in expressing deepest sympathy to his family.

Jack will long be with us in memory.

Mr. ANDERSON of California. Mr. Speaker, on April 5, the State of Hawaii lost a great leader, former Governor and Delegate to the House of Representatives, John A. Burns.

"Jack" Burns, as he was known to his friends, will be remembered as the man who led Hawaii to statehood, and as the man who spent 12 years as Governor during that State's development as a strong, viable member of our Nation.

Jack Burns' accomplishments go far beyond that, however. Under his leadership, the people of Hawaii became unified in their desire for a better life, and the methods of achieving it. Following World War II, Jack Burns retired from the Honolulu Police Department to enter politics. He announced his membership in the Democratic Party, which was considered defunct in postwar Hawaii.

Despite initial setbacks, Jack Burns organized a strong political base which included unions, the poor, and the islands' large Japanese-American community. Many of his allies during those early years have forged successful careers of their own, including our colleague here in Congress, Representative SPARK MATSUNAGA, Senator DANIEL INOUYE, and the present Governor of Hawaii, the Honorable George R. Ariyoshi.

Obtaining statehood for Hawaii was only a part of the renaissance led by Jack Burns. His 12 years as Governor saw Hawaii undergo an economic boom which benefited all of her citizens. Under his leadership, Hawaii became a modern society, yet he retained a love for the islands' natural beauty and historic tradition, and saw that these aspects were not lost in Hawaii's development.

Governor Burns was interested in leading Hawaii in every aspect of development. Education, trade, tourism, income levels, all saw growth under his leadership.

His greatest contributions were those in human relations. Charged during World War II to watch the Japanese-American community for subversion, Burns became an outstanding spokesman for the loyalty and honor of those citizens. He fought for the equality of all Hawaiians throughout his career. The results of those efforts are perhaps the greatest achievements which Jack Burns made during his long career in public life.

Although I did not serve in Congress during Jack Burns' tenure as a delegate, I was honored to know him well. In California, I had long been an advocate of statehood for Hawaii, and thus during my visits to Hawaii prior to statehood, I enjoyed interesting discussions with Jack on the subject. And, of course, he often stopped in California during his long trips between his beloved Hawaii and Washington, D.C., and we continued to keep in touch during his long tenure as Governor. He was a man of extraordinary strength and vision, a true statesman in every sense of the word.

His death was a great loss not only to Hawaii, but also to those honored to know him here in Congress and to the entire Nation.

My wife, Lee, joins me in expressing my condolences to John Burns' lovely wife, Beatrice, and their three children.

Mr. REUSS. Mr. Speaker, I am proud to join my colleagues today in this memorial tribute to our late friend and former colleague, former Governor John A. Burns of Hawaii.

Many of us knew John Burns during his service in this House from 1956 to 1959, as Hawaii's nonvoting delegate. During that time, he was instrumental in the successful fight for Hawaiian statehood. In 1962, he was elected Governor of Hawaii, a position which he held with distinction until his retirement 4 months ago.

John Burns served his constituents and the country with diligence and energy, and I know that he will be sadly missed by the residents of his beloved Hawaii as well as the rest of the Nation. His example will continue to influence all of us for years to come, and I am sure that I speak for us all when I extend my sincere sympathy to his widow and children.

Mr. JOHNSON of California. Mr. Speaker, it is with a deep feeling of sadness that I rise today to pay tribute to an old friend and former colleague, the Honorable John Burns.

When I first came to this Congress, John Burns was among the first to offer his assistance to me as a freshman Congressman. I considered him a friend whose advice and counsel I have welcomed with great respect ever since.

We are sad that John Burns is gone, but we as individuals should be pleased and proud to have known him and as a nation we should give thanks for his presence here. John Burns was born and spent his early childhood in poverty. This in no way diminished his spirit. I am confident that his early origins gave him a deep feeling for his fellow man. This led to a conviction that he must devote his life to the improvement of the world for the benefit of the individual. I know of no better example of this type of dedication than the career of John Burns.

His first public service in the Hawaiian Islands was as a police officer. His person-to-person service with people with whom he came in contact as a policeman led to his successes in what would have been an outstanding career in law enforcement. He decided, however, that he could do more for the people in the political arena.

All of us know of his political successes—first, as delegate to this House of Representatives where he was the true architect of Hawaiian statehood and then as Governor of the State of Hawaii. During his 12 years as Governor, the State achieved greater progress and more economic health and stability than in any other time in Hawaii's economic history. Our new State became a true member of the Union economically, politically, and socially. The successes are attributed to the leadership of John Burns.

In reviewing the career of this great man, we must emphasize, however, his continued dedication to the cause of the individual. He was a successful law enforcement officer because of his great feeling for the individual. He was largely responsible for the fact that in the Hawaiian Islands Japanese-American citizens were treated as individuals—treated honorably and they were not deprived of citizenship rights in World War II. He had a major role in the creation of the 442d Infantry Regiment made up entirely of Japanese-American citizens. There was no military unit in the European Theater of Operations during World War II that served with greater distinction.

As Governor, his emphasis again was on the education of the people of Hawaii. A fine educational system from elementary to the graduate level has been developed and the benefits of which will be realized by many future generations.

As I say, we are deeply saddened that John Burns has lost his battle with cancer but those of us who knew him and worked with him know that this is a better world because of his efforts. Those of us in public service can do well to follow the fine example which he set for all of us and his dedicated service to the people of our great Nation.

Mr. Speaker, I am honored to join my distinguished colleagues in eulogizing the late John A. Burns, former Delegate to Congress from Hawaii.

Mr. Speaker, in the 4 years that Jack Burns served in this body, he probably accomplished more for the benefit of his adopted State of Hawaii than any

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other person in modern times. It was through his perseverance and hard work that Hawaii was finally given statehood.

It was through Jack's leadership that Hawaii and Hawaiians learned a sense of unity and regional pride that helped the mainland realize that Hawaii was more than just a far-removed tropical locality, but as American as any other State.

The life and work of Jack Burns shows his uniqueness, from policeman to public servant, from social unifier to statehood lobbyist, as a legislator and as a Governor his life was rich and full. I mourn his passing. Hawaii will miss him; the Congress will miss him; America will miss him.

Mr. YATES. Mr. Speaker, I was saddened to hear of the recent death of my good friend and former colleague, John A. Burns, in Honolulu.

By any standard, Jack Burns stood at the forefront of Hawaiian political leaders. Beginning after World War II, Jack Burns began the slow, yet steadv progress toward statehood for Hawaii. He followed this achievement by guiding Hawaii as Governor for 12 years.

I had the distinct privilege and personal honor to be associated with Jack Burns during his days as Hawaii's territorial delegate. He was a hardworking, conscientious and effective legislator. While Jack Burns was a modest man, he had a proven ability to work effectively in the legislative arena.

While his accomplishments in Washington were significant, Jack Burns will be best remembered for his leadership in his home State of Hawaii. His political record there was significant. His first achievement was the establishment and development of the Democratic Party which he forged together into an effective political base. After maneuvering statehood legislation through Congress, Jack Burns returned to Hawaii and was elected Governor for three successive terms.

As Governor, Jack's record was distinguished. He helped transform Hawaii during the turbulent 1960's by expanding human equality, improving educational opportunities, and leading the economic development of the islands.

Jack Burns will be missed in Hawaii, as well as Washington, D.C. While his personal and political lives experienced ups and downs, Jack Burns will always be remembered for the honorable and dignified manner in which he conducted political affairs.

Mr. Speaker, I would like to join my colleagues in expressing my deepest sympathies to Jack's wife, Beatrice, and her family at the loss they have experienced.

APRIL 19: THE 200TH ANNIVERSARY OF "THE SHOT HEARD 'ROUND THE WORLD"

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, April 19 will mark the 200th anniversary of "the shot heard 'round the world," that first shot of the American War of Independence, fired on Lexington Green at dawn, April 19, 1775.

It was here that Captain Parker of the Minutemen—probably without realizing fully that what he said to his militiamen represented accurately the sentiment of most of the colonists as to the entire dispute with England—gave the immortal lines to his men:

> Stand your ground.
> Don't fire unless fired upon.
> But if they mean to have a war,
> Let it begin here.

It had been only 3 weeks since Patrick Henry had stood before the Virginia Assembly at St. John's Church in Richmond and for him had drawn the line:

> It is vain, sir, to extenuate the matter. Gentlemen may cry, peace, peace; but there is no peace. The war is actually begun! The next gale that sweeps from the north will bring to our ears the clash of resounding arms! Our brethren are already in the field! Why stand we here idle? What is it that gentlemen wish? What would they have? Is life so dear or peace so sweet as to be purchased at the price of chains and slavery? Forbid it, Almighty God—I know not what course others may take; but as for me give me liberty, or give me death!

Only 77 armed militiamen were drawn up on Lexington Green to meet the British soldiers under Gen. Thomas Gage that morning.

Aware that militia arms were cached at Concord, Gage had dispatched his soldiers on April 14 to attempt a seizure of those arms.

On April 18, 700 troops had crossed the Charles River from Boston to Cambridge on their way to Concord that evening.

The Boston committee of safety had sent Paul Revere and William Dawes by different routes to alert the countryside, but Revere, Dawes, and Dr. Samuel Prescott, who had joined them, were stopped on their way to Concord, with only Prescott escaping and warning the town.

By dawn's light those 77 men were drawn in loose formation at Lexington Common. They had been almost persuaded to retire from the Green when an unidentified shot—and history does not know to this day who fired it—brought a spontaneous volley from the British. Eight colonials were killed and another 10 Minutemen wounded.

The British regrouped and continued their march to Concord, where they seized only a minor arms cache. All along the return route to Boston, they were set upon by the now-American militiamen with guerilla-type tactics Over 4,000 militia inflicted 273 casualties before the British troops reached the safety of Charlesown. It was on this march that the forces clashed at Concord Bridge.

These events marked the true beginning.

The spirit of independence had been felt for several years in the hearts and minds of the patriots—the men and women who adhered to the principles of Boston's liberty party and of similar committees and factions throughout the colonies. But now, on April 19, the shots which set into motion an irrevocable course toward Independence had been heard—on Lexington Green and at Concord Bridge.

Lexington and Concord stand as two sorties of one engagement. That day's events—in early morning's light at Lexington and later at Concord Bridge—have both become known as that day on which the shot was fired.

Ralph Waldo Emerson in his Concord Hymn of 1937 draws our imagination to that scene:

> By the rude bridge that arched the flood,
> Their flag to April's breeze unfurled,
> Here once the embattled farmers stood,
> And fired the shot heard 'round the world.

Dr. Joseph Warren, who sent Revere and Dawes to Lexington to warn Samuel Adams and John Hancock of their danger and who was to die defending the liberties of free men on Breed's Hill at the Battle of Bunker Hill in June, addressed his friends and fellow subjects with these words, still holding out the olive branch for reconciliation between the colonies and the Crown:

> Hostilities are at length commenced in this colony by the troops under the command of General Gage, and it being of the greatest importance, that an early, true, and authentic account of this inhuman proceeding should be known to you, the Congress of this colony have transmitted the same, and from want of a session of the honorable Continental Congress, think it proper to address you on the alarming occasion. . . .
>
> These, brethern, are marks of ministerial vengeance against this colony for refusing, with her sister colonies, a submission to slavery; but they have not yet detached us from our royal sovereign. We profess to be his loyal and dutiful subjects, and, so hardly dealt with as we have been, are still ready, with our lives and fortunes, to defend his person, family, Crown, and dignity. Nevertheless, to the persecution and tyranny of his cruel Ministry we will not tamely submit—appealing to Heaven for the justice of our cause, we determine to die or be free.

Within 3 days after Lexington and Concord, the Provincial Congress authorized the raising of 30,000 men and appealed to all the colonies for aid. By May 20 Rhode Island, Connecticut, and New Hampshire had voted to send 9,500 men.

By May 10 the Second Continental Congress, under Speaker Peyton Randolph of Virginia, convened in Philadelphia, and by May 15 the Congress resolved to put the colonies in a state of defense.

By the end of this Second Continental Congress, John Hancock was at its helm—upon the resignation of Peyton Randolph because of declining health—and the Declaration of Independence had been authored, debated, and proclaimed in Philadelphia and throughout the colonies. The war for independence was now being waged in full earnest.

There are many lessons to be drawn from that day, April 19, and from those times. Historians have spent lives in analyzing those few short hours and days.

The lesson which has always been profound to me is the consequence and impact of the courage of those 77 militiamen who stood at Lexington. By the end of that day nearly 4,000 had joined them, but in that early dawn there were only 77 and they suffered over 20-percent casualties. It is to the courage of the few who stood that morning that we owe the success of the day.

There is an essential courage and quality of leadership which we see manifested at Lexington. The 77 were moved by many emotions, no doubt. But they were moved too by the emotion—and the reason—associated with liberty and its preservation.

The 77 did not wait that morning to see if the 4,000 would turn out to take a stand with them to preserve that freedom. They showed up, small in number though they were, because they knew they were right and that history would note the richness of their commitment whether they succeeded or failed.

It is that kind of leadership that America on its 200th anniversary and in its third century must have too.

ALEXANDER SCOLDS KISSINGER ON PANAMA CANAL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, Secretary of State Kissinger is leaving in a few days for official visits to our neighbors in Latin America. It is possible that the Secretary will confer with Panamanian officials about a proposed new treaty relating to the Panama Canal which is being pursued by Mr. Kissinger.

If Mr. Kissinger does discuss this matter at this time it would seem ironic, even a bit odd, timing on the part of the Secretary of State. This is because the Governor of the Panama Canal Zone and the officials of the Panama Canal Company charged with overseeing our Nation's interest in this area are presently in Washington appearing before subcommittees of the Congress.

I am concerned about the nature of any new proposed treaty and the impact it will have on our Nation's economy and particularly on our citizens who live in midcontinent and whose economic activity is largely influenced by the availability of the Panama Canal as an interoceanic transportation route.

It seems to me that Secretary Kissinger is unaware of, or especially insensitive, to the economic importance of the Panama Canal to the citizens of the Mississippi River Valley and Middle Western States. It is in these regions that much of the five principal foodstuffs which travel though the canal are produced. These include corn, rice, soybeans, sorghum, and wheat.

And, they are critically important to our Nation's balance of trade and balance of payments, as well as our efforts in the international war on hunger.

At present there appears to be no information available which is detailed and specific enough to provide the Congress with accurate, or even ballpark, estimates of how specific industries now using the canal will be affected by its closing or by a dramatic increase in tolls.

The studies which have been available to me are not detailed enough to project potential unemployment in specific industries should transportation patterns shift as a result of significant changes in the operation of the canal or its becoming unavailable as an interoceanic route.

There is a time for talking about transportation in terms of national aggregates and international relations. And, there is a time for talking about transportation in terms of people and the impact changes in transportation, in this case the Panama Canal, will have on their lives. The time for talking about the effects of any proposed treaty on the future of our citizens is now.

If Mr. Kissinger has studies which speak to the effects on people and specific industries of a closing of the canal or sharply increased tolls, I would appreciate his sharing them with the Congress.

Kissinger has taken an oath to represent the best interests of the people of our Nation. If he does not have studies such as I have mentioned, I find it difficult to understand how he can disregard the interest of our citizens whose lives will be affected by a treaty which proposes to dramatically change the operations of the canal.

In the studies which I have had an opportunity to review I find suggestions that overland freight movement can be substituted for transportation through the Panama Canal, or that different oceanic routes can be used.

But, in these studies, I have found little evidence that indepth analysis has been made of the actual current capacity of our trucking or railroad industry to supply the trucks or boxcars which will be required. I have found no projections of what the costs will be to the Nation for gearing up to substitute overland transportation for oceanic transportation using the Canal.

In these studies I have also found discussions indicating that the Canal usage will drop due to the increased size of cargo-carrying ships and deepwater ports. These projections, like those about overland transportation, are based on idealized situations which do not exist. Are there enough supercargo ships available? Are they being built? When will they be built? Are there enough deepwater ports adequately located or even at a stage where construction can begin in the next few years?

It is my hope that the people of our great Nation and the Congress will demand answers to the questions which I have suggested here today before we accept any new treaty regarding the Panama Canal.

H.R. 6100, MEDICAL MALPRACTICE CLAIMS SETTLEMENT ASSISTANCE ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HASTINGS) is recognized for 30 minutes.

Mr. HASTINGS. Mr. Speaker, the achievement of equal access to quality care at a reasonable cost for all of our citizens has been a priority of this Congress. Recently the problem of medical malpractice has seriously threatened the attainment of this goal. Therefore, today I am introducing H.R. 6100, the Medical Malpractice Claims Settlement Assistance Act.

In 1960, the Secretary's Medical Malpractice Commission estimated the cost of professional liability coverage at $60 million. In 1970, the figure was approximately $300 million. We do not know precisely what the figure is today, but some estimates are as high as a billion dollars or more.

Between 1960 and 1970, malpractice insurance premiums for dentists rose 115 percent; for hospitals, 262 percent; for physicians other than surgeons, 540.8 percent; and for surgeons, 949.2 percent. Available evidence since 1970 shows malpractice insurance rates continuing to climb. In early 1974, physicians in New York State had to pay 93.5 percent more for their malpractice insurance than for the previous rating period. The insurer in that State recently proposed an additional increase of almost 200 percent, raising the rates for some specialists as high as $45,000. As a result of objections by the State Insurance Commissioner to the proposed increase, the insurer announced it would not renew policies or write new business after July 1 of this year.

Hospitals too are experiencing extraordinary increases with rates doubling, tripling, and sometimes increasing as much as 700 percent.

Argonaut Insurance Co., the major hospital malpractice insurer, has recently announced it will no longer cover hospitals in at least 14 States.

The availability and cost of medical malpractice insurance has reached emergency proportions in many States because of dramatically increased claims and skyrocketing award levels. Factors contributing to the availability and cost situation include: Increased technology and complexity of medicine, rising patient expectations, strained patient-provider relationships, expanded use of the judicial system as an alternative for provider accountability, and the lengthy time span between the adverse medical occurrence and the settlement of a malpractice claim.

This is resulting in tremendous pressure on a medical system that is already strained to capacity because of rapid technological developments, increasing patient demand and increased Government intervention.

A serious question has arisen as to whether or not medical malpractice is becoming an uninsurable risk. Inability to predict the ratio of expected claims against premiums to anticipate loss experience is being likened to the risk of natural disasters. Providers, viewing every patient contract as a possible medical injury claim are practicing defensive medicine—ordering extra and often unnecessary tests, procedures, and consultations as protection against a malpractice claim—at a cost of billions of dollars a year to the Nation's consumers who in the end must pay for it all—the medical care—including defensive medicine—the cost of the providers' malpractice insurance as reflected in fees, and the cost of any necessary legal action.

Despite skyrocketing medical malpractice insurance costs, only a small portion of medical malpractice premiums actually goes to the injured patient or his legal representative. The amount of each premium dollar actually awarded to the patient or his legal representative

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may range from 16 to 38 cents, depending upon which estimate is accepted. The remainder goes to lawyers for the plaintiff and the defendant, and for costs and profits of insurers. Settlements are seldom prompt; the average time for cases heard by a jury is 5 years. It takes over 10 years to settle all alleged medical malpractice incidents occurring in any 1 year.

An unanswered question is the extent of medical injuries caused by the negligence of health care providers which do not result in malpractice claims. One study, again commissioned by the Secretary's Commission on Medical Malpractice, found that of 23,750 discharges from two hospitals studied, 517 patients had received medical injuries during treatment which were caused by negligence. The investigators found that only 31 malpractice claims would be filed during the year in which the study was made. Since there were only 12,600 claims asserted in 1970 throughout the Nation, and over 30 million hospital admissions a year—according to the National Center for Health Statistics—it appears that malpractice claims are instituted in only a small fraction of cases where medical injuries through negligence have occurred.

Both the Congress and the administration have responded to the medical malpractice crisis. Legislation has been introduced in both the Senate and the House proposing various alternatives to the medical malpractice problem.

DHEW Secretary Caspar Weinberger, noting that a number of carriers were threatening to pull out of certain States urged that insurance companies "take no precipitous action which would deny coverage to physicians." He requested that insurance companies consider the formation of consortiums in order to spread the risk among insurers. To expedite such action, he has convened several meetings of insurance representatives, providers, insurance commissioners, and the trial lawyers. On February 26, the American Insurance Association approved the establishment of joint underwriting associations in States where there were problems, and has prepared draft State legislation for this purpose.

State legislatures have also been extremely active. According to the American Medical Association, over 200 bills dealing with the medical malpractice problem have been introduced this year in our State legislatures, proposing a wide variety of solutions.

I was fortunate recently, through the cooperation and participation of individual Members of Congress, to convene a National Conference on Medical Malpractice. This conference cosponsored with the American Group Practice Association—representing about 14,000 physicians and dentists of various specialties practicing in group settings—drew together expert representation from the key interest groups as well as State and Federal Government.

During the 2-day forum the medical professional liability insurance was examined from every perspective—the provider's, the insurer's, the patient's, and the lawyer's. State and Federal intervention was discussed, including reinsurance, joint underwriting, no-fault compensation, arbitration, and quality control and licensure standards.

While many possible approaches were debated, there was no apparent consensus on a Federal role. Actually, a strong State solution was preferred, meaning that each State can best, depending on the severity of the problem and the uniqueness of its own medical/legal complex, determine the necessary course of action.

Those affected by the medical malpractice insurance crisis want to be certain that the Federal Government, especially the Congress, is acutely aware of their problem, although they are extremely cautious about broad Federal intervention. The prevailing attitude seems to be "do not get involved, but do not go too far away."

The Congress, while recognizing the need for caution in this complex area, must at the same time act responsibly to avert the eventuality of a nationwide medical malpractice insurance crisis, and to assure the availability of reasonably priced quality medical care.

The Medical Malpractice Claims Settlement Assistance Act attempts to respond to the medical malpractice crisis by offering reinsurance to all claims over $200,000 to assure the continued availability of coverage for health care providers. I view this as a temporary solution, with the full expectation that the medical malpractice problem will be solved by the cooperative efforts of the States and the health care providers. In return for this Federal action, States and providers would be required to take certain actions which I consider essential to deal effectively with the medical malpractice problem. These steps are described below in the bill summary.

At the same time, I recognize that we must continue to look for more permanent and equitable solutions. The bill would provide for grants to conduct research and demonstrations to: First, examine such critical issues as the impact of some form of national health insurance on medical malpractice and vice versa, the implications of a no-fault medical injury compensation system and the impact of medical malpractice on Federal health programs; second, to field test certain promising approaches; and third, to conduct demonstrations which might potentially have broader national application.

This bill would enable us to move swiftly, yet judiciously, to undertake a temporary program to systematically deal with the current medical malpractice crisis, while at the same time initiating effort to deal with long range problems. As all of us who have become involved in this complex process know, there is no readily apparent solution which we can turn to with great confidence. At the same time, I think that the Medical Malpractice Claims Settlement Assistance Act does prescribe both reasonable short term solutions and an instrument for determining responsible and effective long-term public policy.

As I mentioned previously, I have been privileged to work with the American Group Practice Association and draw upon their expertise and experience. About 20 percent of the Nation's physicians, of various specialities, practice in a group setting.

In addition to participation in the National Conference on Medical Malpractice, I have had the opportunity to discuss in great detail the effects of medical malpractice on physician groups and their patients. This dialog has been essential in assessing the parameters of a Federal response to the malpractice dilemma.

I would like to include in the RECORD a letter from the American Group Practice Association outlining principles for Federal medical malpractice legislation and indicating their support for this bill:

AMERICAN GROUP PRACTICE ASSOCIATION,
Alexandria, Va., April 15, 1975.

Hon. JAMES F. HASTINGS,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. HASTINGS: Let me again express my sincere appreciation for your cooperation in the joint sponsorship of the National Conference on Medical Malpractice with the American Group Practice Association (AGPA). We were honored to have worked so closely with you and your staff.

The AGPA Board of Trustees has studied the problem of medical malpractice and has developed certain principles which we believe any federal legislation should embody. For your consideration I am herewith transmitting them to you.

The need for medical malpractice legislation to deal with the growing cost and unavailability of medical malpractice insurance must be dealt with in a swift and practical manner. Recognizing that this problem is primarily one for the several states to resolve, the AGPA sees only a limited federal role. Because time is running out, a uniform and timely response is needed and we therefore hesitantly recommend federal emergency intervention.

It is recognized that malpractice premiums are skyrocketing, not because of the increasing negligence of physicians, but because of the current mechanism used to resolve malpractice disputes between patients and providers occasioned by medical accidents. We further recognize that the large claims and resulting judgments are the primary reasons for malpractice premium increases; and that administrative costs, particularly attorneys' fees, are a large part of the problem.

We support the early passage of legislation providing for the following relief for the malpractice problem.

FEDERAL REINSURANCE POOL

We therefore recommend the creation of a federal reinsurance pool, similar to the Federal Deposit Insurance Corporation, used by banks, established by medical provider contributions to cover awards in excess of $200,000. This pool would provide what is now known as "umbrella coverage"; providers would continue to purchase malpractice coverage from commercial carriers up to $200,000.

In order to be eligible for the reinsurance pool, states would have to enact certain enabling legislation meeting certain specific federal guidelines; then all providers in the states would begin to reduce their basic coverage and pay into the federal pool.

The guidelines promulgated by the federal government as a condition to membership in the federal malpractice reinsurance pool should contain the following basic features.

STATE MEDICAL INJURY ARBITRATION BOARD

Each state should create, by statute, a medical injury arbitration board which would hear all injury disputes resulting from the provision of health care services.

The board should be composed of an equal number of lawyers, both plaintiff and defense, appointed by the appropriate bar associations; physicians, appointed by the appropriate medical society; and laymen knowledgeable in the health field, appointed by the Governor. Administrative expenses for the operation of the board should be paid by the litigants with general revenues providing deficit expenditures.

ARBITRATION AS A MEANS OF RESOLVING DISPUTES

The states should enact a medical injury arbitration law with provision for mandatory entry into the system. Appeal, of course, into the judicial system would be provided for. All findings of the board shall be admissible into evidence upon any appeal therefrom. No awards shall be considered when fault is not established.

AWARDS

All awards based upon future amortized losses in income and earning power, etc., should be paid out on an annuity basis rather than lump sum. Medical expenses and other immediate losses would be paid on a lump sum basis. This would eliminate windfalls going to heirs in the event of the unexpected and premature death of the patient.

All awards shall be public and the amount going to the patient should not contain attorneys' fees. All attorneys' fees and costs should be separately stated for public scrutiny.

ATTORNEY'S FEES

When the attorney and patient enter into a contingency fee arrangement, such fees shall be computed on a sliding scale, similar to that employed in the State of New Jersey, with a reasonable upper limit cap.

STATUTES OF LIMITATIONS

The statutes of limitations for all malpractice claims shall be one year from the discovery of defined foreign bodies, two years after the date of all other medical injuries, with a maximum of no more than four years.

PHYSICIAN CONTRIBUTION

Provider contribution to the federal medical insurance fund shall be based directly on the malpractice premiums for the basic coverage so that contributions will be based directly upon risk.

QUALITY CONTROL

The private provider sector must take greater initiatives in developing their own risk control programs. We believe that the states should provide a mechanism for approving acceptable risk control initiatives such as those exhibited by hospitals and group practices who have instituted highly comprehensive peer review and quality assurance systems. Those groups and hospitals who have not, and those non-group providers, should meet risk control guidelines set forth by the appropriate medical society. All hospital risk control programs must have medical staff approval.

STATISTICS COMPILATION

The states should be empowered to collect statistics on all compensable medical injury incidents, whether such awards were the result of arbitration or voluntary settlement. This mechanism is needed in order to improve the quality of health care delivery as well as to reduce the incidence of injury.

Similarly, much more information as to insurance company costs and payouts in the malpractice field needs to be developed in order to assure an appropriate reduction in premiums.

The federal government should establish a national clearinghouse for the collection, analysis and dissemination of this data.

Having received a draft of your "Medical Malpractice Claims Settlement Assistance Act" and having reviewed it carefully, the American Group Practice Association supports it as a reasonable and adequate response to the increasingly serious problem of obtaining medical malpractice insurance.

Again, many thanks for your interest.

Sincerely yours,

ROBERT W. JAMPLIS, M.D.,
President.

BILL SUMMARY

The Medical Malpractice Claims Settlement Assistance Act would utilize a temporary program of voluntary reinsurance over the amount of $200,000 to assure the continued availability of coverage for those States who would qualify. The Secretary is authorized to conduct certain studies, collect certain data and information, and undertake pilot programs.

In order to qualify, States would have to establish programs of arbitration. Although all medical malpractice claims would be required to be arbitrated before seeking judicial recourse, the arbitration would be nonbinding, but the decision would be admissible as evidence in any court action.

Scheduling of attorney's contingent fees would be required that would reduce the percentage of fee as the size of the award increased.

The State would be required to limit the statute of limitation to 2 years from the time of an alleged medical malpractice occurrence for an adult. For minors less than 6 years of age, an action may be brought at any time until he reaches the age of 8.

States would be required to establish statewide patient grievance mechanisms so that consumers can register concerns relating to individual medical professionals. The statistical data on all such incidents must be reported quarterly to the Secretary of HEW.

States would be required to regulate the computation of demands, which requires that awards shall be reduced by payments for the same purpose from other sources such as insurance, or governmental employment, or service benefit programs.

They would be required to establish rules which would require that arbitration panels would, where appropriate, award periodic rather than lump-sum payments on behalf of injured patients.

All health care institutions and facilities that receive medicaid payments would be required to establish risk control programs to act as patient grievance mechanisms to directly intercede in actual or potential medical malpractice situations.

The program undertaken by individual institutions or groups of institutions, is intended to prevent medical malpractice injury incidents, alleviate patient grievances that could lead to a malpractice claim, and, where necessary, bring about equitable settlements in the early stages of such incidents.

In addition, education programs would be required for staffs and patients alike so that all will be aware of its existence and function. Statistical data on medical injury incidents must be maintained and reported quarterly to the Secretary of HEW.

A section-by-section analysis of the act follows:

SECTION-BY-SECTION ANALYSIS OF THE MEDICAL MALPRACTICE CLAIMS SETTLEMENT ASSISTANCE ACT

Section 1(a) states that the title of this Act is the Medical Malpractice Claims Settlement Assistance Act.

Section 1(b) states that the findings of the Congress that medical malpractice threatens the delivery of economical, quality care to all Americans, and that the magnitude and urgency of the problem necessitates limited Federal intervention. Such intervention is required to assure the continued availability of medical malpractice insurance within the States where emergency situations exist and to develop the data and information base to formulate long-range alternatives to deal with this crisis.

TITLE I—FEDERAL AUTHORITY

GENERAL AUTHORITY

Part A—Medical Malpractice Reinsurance Program

Section 101(a)(1) provides that the Secretary of Health, Education, and Welfare, through an identifiable administrative unit within the Department, may take such actions as may be necessary to make reinsurance available to medical malpractice insurers within a qualified State for the part of medical malpractice claims which exceed $200,000.

Section 101(a)(2) describes the conditions which a State must meet in order to be qualified under the Act as: a program for the arbitration of medical malpractice claims; regulation of attorneys' fees in connection with such claims, has enacted a statute of limitations on civil actions for damages for medical malpractice, and regulates the computation of damages awarded in such actions and: adopting and enforcing a system for the receipt, investigation and evaluation of patient grievances of physicians practicing outside of health care facilities.

Section 101(b) provides that reinsurance shall be made available pursuant to contract, agreement, or any other arrangement, in exchange for payment of a premium, fee, or other charge sufficient to meet the costs of such reinsurance.

Payment of Claims

Section 102 provides that the Secretary shall establish methods by which approved claims covered by reinsurance shall be adjusted and paid for.

Use of Facilities and Services

Section 103 provides that the Secretary of Health, Education, and Welfare may use insurers, insurance agents, brokers, and insurance adjustment organizations as fiscal agents of the United States and use officers and employees of any executive agency of the Federal government to carry out the purposes of this Act. The use of Federal officers and employees would be on a reimbursement basis.

Section 104(a) provides the authority for the Secretary to bring action against insurers to recover unpaid premiums lawfully payable by the insurer for reinsurance under this Act.

Section 104(b) provides that no action may be brought unless the action is brought within five years from the date the right to bring action accrued. Exceptions to the five year limitation are provided in the Act.

Reports and Audits

Section 105(a) outlines the reports required to be submitted to the Secretary by insurers and any pool of insurers participating in the reinsurance program authorized under this Act.

Section 105(b) provides that the Secretary and the Comptroller General of the United States or their representatives shall have access to any records of the insurer or any pool of insurers which are pertinent to the reinsurance provided under this Act. Any

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audits shall be conducted, to the maximum extent feasible, in cooperation with the State insurance authority.

Part B—Studies and Data

Section 110(a) provides that the Secretary shall conduct certain studies related to medical malpractice to: determine the costs of medical malpractice claims in all federally supported health care programs; explore alternative methods of classifying individual medical practitioners and institutions for medical malpractice insurance ratemaking purposes; study and recommend methods of minimizing the cost of litigation including the contingency fee system; study the possible establishment of national licensure and standards of practice and the effects of licensing standards on the incidence of malpractice and; study the impact of national health insurance on medical malpractice awards and on systems of compensating persons injured by medical malpractice.

Section 110(b) provides that the Secretary shall collect and analyze data on medical malpractice claims by type of injured involved, the type of facility in which the malpractice occurred, the type of health professionals involved and in any other form the Secretary considers appropriate. The Secretary shall establish appropriate controls to prevent the disclosure of the identities of patients and health care professionals. He shall issue quarterly reports on the activities undertaken under this section.

Section 110(c) provides that the Secretary may make grants or contracts to support Statewide projects, including pilot programs, to develop injury prevention programs and to study and evaluate new and alternative approaches to settle medical malpractice claims.

TITLE II—STATE PROGRAMS

Part A—Arbitration

Section 201 provides that, for purposes of Part A of Title I of this Act, a State shall be considered to have met the standards for arbitration of medical malpractice claims if its meets or exceeds the standards established under Sections 202 through 212 of this Act. This Section also describes program requirements both to meet and exceed the prescribed standards.

Section 202 requires that any civil action arising from a claim for damages on account of an alleged medical malpractice incident shall be first submitted to arbitration for resolution before it may be instituted in a court of the State. Court actions must be accompanied by a copy of the decision rendered by the arbitration panel regarding the medical malpractice claim.

Initiation of Arbitration

Section 203 prescribes the procedures to be followed in submitting a medical malpractice claim to arbitration.

Section 204(a) provides that the Courts shall appoint the arbitration panel to conduct the arbitration.

Section 204(b) prescribes the make-up of the arbitration panel to be appointed by the court: consisting of a chairman, equal numbers of attorneys and members of the health profession and a member of the general public who is not an attorney or a member of a health profession.

Section 204(c) provides that the parties to arbitration shall be permitted to excuse panel members for cause and by the exercise of preemptory challenges.

Hearing Procedures

Section 205 prescribes the procedures to be followed by the arbitration panel in conducting arbitration hearings.

Decision of the Arbitration Panel

Section 206(a) provides that the arbitration panel will submit findings of fact, a recommendation, and a statement of the basis for such a recommendation. The panel shall, where appropriate, provide payment on a periodic rather than a lump-sum basis.

Section 206(b) provides that the arbitration panel members shall sign the decision, except any panel member may file a written report concurring in or dissenting from the panel's decision.

Section 206(c) provides that the parties to the arbitration shall receive copies of the panel's decision and a copy shall be filed with the court in which the petition for arbitration was filed, pursuant to section 203.

Laws Governing Decision of Arbitration Panel

Section 207(a) provides that except as provided in subsection (b), the decision of the arbitration panel shall be in accordance with the law of the State as applicable to civil actions for medical malpractice.

Section 207(b) provides that no party shall be required to produce expert testimony during the proceedings and that the panel may consider the absence of such expert testimony, along with other relevant factors and evidence, in determining if the applicable burden of proof has been sustained.

Proceeding Subsequent to Decision of Arbitration Panel

Section 208(a) requires that the parties to the arbitration shall file with the appropriate court, as prescribed under section 203, a statement of acceptance or rejection of the decision of the arbitration panel. If the parties accept the decision, the decision shall be binding on them.

Section 208(b) provides that if any party rejects the decision of the arbitration panel, the plaintiff may institute a civil action in the court prescribed under section 203.

Arbitration Panel Decision as Evidence at Trial

Section 209 provides that the decision of the arbitration panel may be admissable as evidence in any subsequent civil action, subject to review by the court as to its admissability.

Effects on Statute of Limitations

Section 210 provides that the filing date of a petition for arbitration pursuant to Section 203 shall be considered the date of institution of a civil action for purposes of the applicable statute of limitations.

Reporting of Arbitration Decisions

Section 211(a) provides that decisions of the arbitration panels shall be compiled and published on a regular basis.

Section 211(b) provides that decisions of the arbitration panels shall be reported to the State agency and the Professional Standards Review Organization designated for the area.

Section 211(c) provides that all decisions rendered by arbitration panels shall be reported to the Secretary.

Agreement for Binding Arbitration

Section 212 provides that nothing in this part shall be construed to impose any limitation on the right of any person to enter into an agreement to arbitrate a dispute or to be bound by the decision of the arbitration.

Part B—Attorneys' fees, statutes of limitations and computation of awards

Attorneys' Fees

Section 221(a) provides that the States shall establish rules, either by court rules or statute, to enforce a schedule on attorney contingent fees in connection with awards to claimants for medical malpractice.

Section 221(b)(1) states that fees shall be sufficient to provide reasonable compensation to the claimant's attorney.

Section 221(b)(2) states that fees shall be expressed as a percentage of the net amount recovered in a successful claim and the percentage shall decrease as the amount of recovery increases. Net amount is defined as the amount of the award remaining after disbursements made in connection with the prosecution of the claim.

Section 221(c) provides that contingent fee agreements between claimants and their attorneys must be in writing and filed with the appropriate court as prescribed under section 203. Such agreements shall be confidential and shall be examined only for the purpose of determining if they are in compliance with the fee rate schedule established pursuant to this section.

Statute of Limitations

Section 222 states that for purposes of qualifying under Part A of Title I, the State shall by statute provide that no action, whether in contract or tort, may be brought in a court of the State against a health care provider or entity for damages on account of alleged medical malpractice unless the action is brought within two years from the date of the alleged medical malpractice, except that a minor who has not attained the age of six years, may, with respect to medical malpractice alleged to have occurred before the minor attains such age, bring an action at any time before he attains the age of eight.

Computation of Awards

Section 223 provides that an award for damages in a civil action brought for personal injury resulting from medical malpractice may not include losses, replaced or indemnified by insurance or governmental employment or service benefit programs or from any other source except the assets of the plaintiff or of the members of the plaintiff's immediate family.

Part C—Patient Grievance Mechanisms

Patient Grievance Mechanisms Applicable to Health Care Facilities

Section 225(a) provides that in order for States to be eligible for payments pursuant to Title XIX of the Social Security Act, they must establish patient grievance mechanisms applicable to all health care entities within their State within 180 days after the enactment of this Act. Such mechanisms must be in accord with regulations to be prescribed by the Secretary.

Section 225(b)(1) states that grievance mechanisms shall be established by all health care entities in the State and that such mechanisms can be developed and applied jointly by more than one health care entity.

Section 225(b)(2) The Patient Grievance Mechanism is used to consider and resolve grievances of patients relating to medical care received, reaching equitable malpractice settlements, determining procedures and situations that lead to medical injury and to provide for the education of facility staff and patients.

Section 225(b)(3) provides that the patient grievance mechanism shall be required to make quarterly reports to the State and Secretary on the grievances received by the mechanism, the disposition of such grievances and the medical malpractice claims arising out of such grievances. Information in the reports respecting grievances shall be classified on the basis of the type of injury, facility, and health care personnel involved and on such other bases as the Secretary may prescribe.

Patient Grievance Mechanisms Applicable to Individual Practitioners

Section 226 provides that for purposes of qualifying under Part A of Title I, that the State shall designate an authority to adopt and enforce a patient grievance mechanism to (1) receive and consider grievances of patients in non-institutional settings, and (2) assist in the equitable settlement of any claims arising out of such grievances. The mechanism would be required to submit

quarterly reports to the State and Secretary for the same purposes and with the same classifications outlined in Section 225(b)(3).

CALL FOR JUDICIAL REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, the people of our country have always taken great pride in the standard of excellence of the Federal judicial system. Members of the bench have long been characterized by their exceptional character and intelligence. However, if this level of quality is to be maintained, the judiciary must continue to attract men of the highest calibre.

Unfortunately, the Federal judicial system is slowly being decimated by our refusal since 1969 to increase the salaries of Federal judges. Since then, the Consumer Price Index has gone up 45 percent while the salaries of State court judges have increased an average of 42 percent and those of Federal employees nearly 40 percent. It is difficult to believe that during this same inflationary 6-year period the salaries of Federal judges and Supreme Court Justices have remained stationary.

A recent editorial proclaimed that—

> Six Federal judges have resigned in the last 13 months to return to private practice or corporate practice of law, a larger number than had resigned in the last 30 years. And several of these judges resigned specifically because of the pay freeze . . . There is no doubt that most of the Federal judges could earn much more money as lawyers than they are now earning as judges.

It is also significant to note that Supreme Court members are no longer the highest paid judges in the United States; as they were in 1969. Rather, the members of the New York State Court of Appeals receive a greater salary.

Moreover, some State court trial judges are paid more than Federal district judges. The editorial concluded that—

> A continuation of the present situation is going to force more judges, particularly younger ones, off the bench, and make it increasingly difficult to find first rate replacements.

It is in response to this critical situation that I am today introducing a Judicial Reform Act that would, as one of its purposes, provide an immediate 20-percent increase in Federal judicial salaries. This action is clearly necessary if we are to preserve our Nation's tradition of judicial excellence.

This bill also serves to substantially reduce the jurisdiction of three-judge courts. This is action that has received widespread support from numerous professional organizations in the legal field. Three-judge courts are presently called upon to rule on lawsuits challenging the constitutionality of State or Federal laws.

Significantly, the three-judge court has direct appeal to the Supreme Court, bypassing the court of appeals. Chief Justice Warren E. Burger has explained that—

> Direct appeal to the Supreme Court, without the benefit of intermediate review by court of appeals has seriously eroded the Supreme Court's power to control its own workload . . . Appeals from three-judge district courts now account for one of five cases heard by the Supreme Court.

Instead of being able to deny the cert-worthiness of a case, the Supreme Court is required to either note jurisdiction, hear it fully argued, or summarily affirm the decision of the three-judge court without briefs on the merits or arguments. These cases do not generally receive the lengthy consideration they deserve because of the Supreme Court's other obligations. My legislation would enable a Federal judge to make an initial ruling which could then be appealed to the Federal Court of Appeals with certiorari review available to the Supreme Court. Consequently, it would reassert the court's right to control its docket and choose cases of broad, general significance for review.

A second argument against the three-judge court is that it wastes scarce judicial resources. Since 1968, there has been an 80-percent increase in the caseload of judges. However, the three-judge court requires three judges to do the work of one and thus lessens the time that these judges can devote to disposing of their own backlog of cases. In some instances, two of the three judges may be forced to travel hundreds of miles to sit together on the special court. We can hardly afford to use the limited time of our judges in this manner. The Judicial Act I am today introducing endeavors to reduce the workload of our overburdened Federal judges by removing this unnecessary obligation.

It is also necessary for us to recognize that statutory changes have largely eliminated the necessity of the three-judge district court. Burger states that—

> The original reasons for establishing these special courts, whatever their validity at the time, no longer exist.

The bill would, however, retain the three-judge court in cases of reaportionment and those required by an act of Congress.

Mr. Speaker, my bill also broadens the authorization for a magistrate to try the issues of a criminal and civil case. It is essential, in my opinion, that the district courts be permitted and encouraged to make even greater use of their magistrates if we are to reduce the growing backlog of cases and increase the effectiveness of our judiciary system.

Finally, the bill would insure the job security of Federal jurors by stating:

> No employer shall discharge or threaten to discharge, intimidate, or coerce any employee by reason of such employee's jury service, attendance or scheduled attendance in connection with such service, in any court of the United States.

Mr. Speaker, by changing the requirement for a three-judge court in certain cases, broadening and clarifying the jurisdiction of U.S. magistrates, increasing the compensation of Federal judges and magistrates, and protecting the employment rights of Federal jurors, the bill I am introducing goes a long way in improving our judicial machinery. I would urge that this legislation to receive the immediate and favorable consideration.

THE ENERGY PROBLEM: THE SOLUTION IS A RETURN TO THE FREE MARKET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, the United States present energy difficulties are another example of how Government interference in the free market system is costing the American taxpayer more money. What exacerbates the problem is that the Government is attempting to solve it by employing more of the medicine that almost killed the patient the first time around.

At the present time there are calls for a variety of different Government regulations, controls, and initiatives to "solve" or "cure" our difficulties in the field of energy.

As in any other area of life, problems cannot be solved unless and until we clearly understand their cause. To think that Government can provide a potential solution to energy difficulties rather than that Government is itself one of the primary causes of those same problems, is to misunderstand reality.

Consider the manner in which a variety of Government rules, regulations, and controls have themselves contributed to the problem we face.

In recent years, for example, demand has been increasing for all sources of energy while the supply curve has been plunging downward. Government is responsible for a large part of the increased demand and is equally responsible for the decline in supply.

One Government policy which has increased demand, and which continues today, has been the favorably low rates given to mass users of energy such as utilities. As a result, utilities have doubled demand every 8 years since the end of World War II. In addition, the price of gasoline has been kept artificially low by Government, producing clogged highways with automobiles using a maximum amount of fuel. Environmental regulations have increased the use of such scarce resources, and Government's policy of controlling the price of natural gas has added to the already inflated demand for petroleum. At the same time that Government was increasing the demand for oil through these policies, it was keeping the supply down through an equally short-sighted policy—the imposition of artificial import quotas. All of this was happening, it must be remembered, long before the Arab oil embargo.

An excellent example of the Government, although well intentioned, doing more harm than good by interfering in the free market system is an examination of the tightly regulated natural gas industry in the overall picture of its role as interrelated to the total energy field.

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This shows the paradox that the Government has been a major cause of the inflation and lack of production in the energy industry while attempting to help the consumer.

Today, the Nation faces a shortage of natural gas, yet it is generally agreed that there appears to be sufficient recoverable reserves of natural gas to accommodate the needs of Americans. That raises the question: If there are sufficient reserves of natural gas, then why can not the United States get the natural gas that we both want and need? It is because free market principles have been violated. The interesting point that we have mentioned before is that the Government did this mischief, not by raising the price, but by artificially holding the price down. When Congress made the fateful decision to pass the Natural Gas Act in 1954, we laid down a store of trouble that guaranteed shortages and price increases. By limiting the price of gas sold in interstate commerce, we succeeded at one stroke in making it uneconomic for new sources of gas to be developed. While the regulation varied from area to area, it ensured an average interstate price for gas of less than a realistic price.

Under artificial Government mandated price ceilings, the buyer and seller continued to exchange goods, but not at a price agreeable to both of them. The price has been a "good deal" for the consumer, but the return to the seller has been so low that he has not had enough profits to reinvest in further exploration and recovery of natural gas.

Profits, after taxes, are industry's seed money. Those profits are the seed that industry plants so that they will have a crop to sell next year. If there is not enough crop. The natural gas industry is an example of there not being enough seed to produce enough crop for next year. The free market system allows for seed money—profits—by having both the buyer and the seller agree on the price of the item. But, in the case of natural gas, the Government has regulated seed money out of the exchange price.

With gas prices kept low, it is not surprising that many users switched from other fuels to gas. The ultra-cheap gas caused utilities and other industries to convert to it, thus ruining our domestic coal industry by capturing its market. With everyone using gas at a price which did not allow for its replacement, no one should be surprised that our already developed reserves are running low. Only now is the administration beginning to learn the simple lesson that cheap gas does not help to fight inflation if there is none of it to be had.

The artificially low price has not only prevented more gas supplies from being developed; it has also prevented the development of alternative fuels. The coal liquefaction process, for example, is capable of supplying us with enormous quantities of cheap liquid and gaseous substitutes. But it certainly cannot compete with the unrealistic regulated gas price. The result is that we have shortages of fuel everywhere.

The U.S. Geological Survey says that we have 228 trillion cubic feet of gas no more than 100 miles offshore, ond less than 600 feet under the surface of the ocean. Gas is being flared in Louisiana, and is bubbling up to waste in the Gulf of Mexico. And it is the Government's regulation alone, not our abused free market system, which prevents us from getting at it.

This is one clear case in which allowing a price increase would help us to conquer inflation far more effectively than maintaining the regulation. All the price limit succeeds in doing is restricting the supply and preventing the development of alternative fuels. The final irony of the absurd situation which regulation has brought about is that now that we need our domestic coal industry, we find it crippled as a result of our policy on natural gas.

Government saw fit to ignore warnings about a fuel shortage when there was time to take affirmative action to meet the need—that action consisting of withdrawing Government from the business of controls and permitting the free market system to work.

An analysis prepared by the Senate Committee on Government Operations revealed that by September 1970, long before the Arab oil cartel was formed, the shortage had begun to take effect. The National Petroleum Council warned that the country faced a deficit of 250,000 barrels per day of fuel oil during the winters of 1970 and 1971. A House subcommittee investigated the fuel crisis and heard from Government and industry witnesses a number of suggested reasons for short supply: tougher environmental regulations were requiring utilities to burn larger quantities of cleaner fuels; atomic energy was far behind schedule; demand for energy was shooting up; international disruptions were decreasing crude oil imports.

What did Government do? It imposed wage and price controls on the economy. Thus, fuel oil prices were frozen at off-season lows and gasoline prices at seasonal highs. The result was to discourage the refining of fuel oil.

As early as January 1970, the President's Cabinet Task Force on Oil Import Controls had recommended abandoning the import quotas, but President Nixon refused to take his own task force's advice. As a result, demand levels continued to rise and refiners used up their yearly quotas early in 1972, forcing some to start drawing oil from stocks at a rate that plunged storage to the lowest point in postwar years.

While Government price controls have kept the cost of oil artificially low, thereby increasing demand, the general inflation of the economy has made the cost of finding oil increasingly high. Between 1960 and 1970, the cost of drilling an average well in the United States rose from $55,000 to almost $95,000. Today, drilling the average off-shore well costs more than $500,000, and the average well in Alaska will run to more than $2 million. In addition, the chances of hitting a productive well are only one in eight.

If Government continues to interfere in the economy, businessmen will have little incentive to make the huge investments necessary. More important, perhaps, the necessary capital will simply not be available.

If the price of domestic crude had been allowed to rise in line with the world changes in price, then more supplies would have been developed, more substitutes investigated, and more demand inhibited.

These past Government actions have helped cause the energy crisis. Now, the Government intends to solve this problem by extending the present regulations and adding other forms of Government interference. This will be done because we are said to be in the middle of an emergency, the emergency being called the "energy crisis". This crisis will allegedly be solved by more government legislation. All this legislation will do is make the situation worse. What needs to be done is to remove restrictive legislation, not add more.

Those who advocate a policy of gasoline rationing as a legitimate response to the current problem are doing what politicians often do: look to Government coercion, which has nothing to do with the cause of a problem but which serves simply to exacerbate it—and deprive us of a part of our freedom as well.

The fact is that gasoline rationing is the last thing we need. The same is true with regard to a high tax on gasoline, which is also being proposed. Both represent irrational approaches to a real problem—approaches which will make things worse, and not better.

The major argument being advanced for rationing is that it is the only way to be "fair" to the poor. The fact is, quite to the contrary, that absolute equity is impossible to achieve. Rationing, in the long run, is unfair to everyone—and to provide a system of rationing for the 100 million automobiles on American roads would require the institution of a huge and costly new bureaucracy.

The real way to increase production and decrease consumption—which are the stated goals of every coercive proposal now under consideration—is to permit the free market to work. Economist Milton Friedman notes that—

> The most effective way to cut consumption and encourage production is simply to let the prices of oil products rise to whatever level it takes to clear the market. The higher prices would give each of the 210 million residents of the U.S. a direct incentive to economize on oil, to find substitutes for oil, to increase the supply of oil.

The only alternative to the free market, Professor Friedman points out, is—

> artificially low prices accompanied by governmental rationing. This method induces each of us to oppose the general interest rather than further it. Our separate incentive is to wangle as much as we can from the rationing authorities. . . . 210 million persons each with a separate incentive to economize or 210 million persons dragooned by men with guns to cut down their use of oil—can there be any doubt which is the better system?

While not as dangerous as rationing, the surtax proposals would also push the Nation further away from self-sufficiency in energy. Shale oil, for example, might become economically feasible if the price of crude oil reached $8.50 a barrel, but this would be the case only if industry can capture that $8.50. If the equivalent price of crude is pushed to that level with a surtax, the Government receives the revenues and shale will remain unprofitable and thus undeveloped.

The real answer to our energy problems is not to stifle the free market, which the various proposals now before us would do, but to permit it to work. Dr. W. Philip Gramm, professor of economics at Texas A and M University and a consultant to Canada's Ministry of Natural Resources, declares that—

> The first step in solving the energy shortage is to allow the free market system to work. All price ceilings and government controls should be eliminated. Such action would greatly stimulate the supply of energy sources and eliminate shortages. Prices would rise but the expansion of output would hold prices to the minimum which current conditions dictate.

Discussing the merits of the free market as opposed to the various forms of Government regulation and intervention now under consideration, Professor Gramm states that—

> The free market will insure that energy will be allocated to the highest priority users. Price increases are not pleasant, but they are better than low prices and no energy. If these higher prices work hardships on the less fortunate among us, special provisions which would be preferable to the distortions and waste of rationing could be provided for this small minority.

The fact is that all suggestions meant to lower demand—rationing, increased gasoline taxes, and so forth—ignore the fact that no matter how much demand is lowered, the energy crisis will remain. Even if demand were cut by 10 or 20 percent, the fossil fuels we now use—gas and oil in particular—are running out. By the year 2000, many experts predict, these fuels will be exhausted and new sources of energy will be needed to replace them. Driving at 55 miles per hour may save some marginal amount of gasoline today, but if that is all we do we are only preparing for a larger and less soluble energy problem at a later time.

In the short run, there is as much oil and gas as we need. Unfortunately, most of the available world reserves are in countries which have formed a tightly organized cartel and which have dramatically increased prices. The problem is not that the oil is not available. It is that we and our West European and Japanese allies cannot easily afford it.

The cost of imported oil has risen from less than $2.50 a barrel in 1971 to $11.70 a barrel today—oil that costs about 15 cents to produce. By the end of 1974, the United States will have spent an estimated $29 billion for imported oil—as against $7.8 billion in 1973. That is approximately $20 billion that the American people will not have for goods and services produced in the United States.

What Americans seem not to understand is that the largest transfer of wealth in the history of the world—from the West to the oil producing states—is now taking place. The fourfold increase in the cost of imported oil has placed the balance of payments of almost all Western nations in the red. This cannot continue for very long without bankrupting many Western countries. Italy is on the verge of bankruptcy at the present time.

By the end of 1975, the assets of the oil producing countries will total from $120 to $130 billion. By 1980, according to the World Bank, the OPEC countries will have more than $600 billion. England, for example, is extremely vulnerable to Arab pressure. If they suddenly withdrew their funds from England, the British economy might collapse. The Financial Times noted that, "Britain is at the moment mortgaging its future," borrowing against expectations in order to obtain oil now. Italy's oil deficit in 1974 was $7.5 billion. This cannot continue.

What we must do at this time is not only discuss shortrun ways in which to lower demand, but consider longrun ways in which to increase our domestic supplies and cease to be dependent upon the OPEC nations for oil—and, in the even longer run, plan for the time when nuclear, solar, geothermal and other alternative sources of energy will have to replace the fast-disappearing fossil fuels.

One indication of the direction in which we should be moving was suggested by Anthony Harrigan, Executive Vice President of the U.S. Industrial Council. In an address before the Discussion Club of St. Louis, he declared that—

> The U.S. has no alternative but to press ahead with the goal of energy self-sufficiency and meet our national needs from within our own territory. The evidence is overwhelming that we must accelerate the search for oil and gas on land and offshore, that we must utilize the vast coal reserves we possess, that we must develop new technology for shale oil and solar energy, and that we must speed up construction of nuclear power plants.

Yet, Government has taken every possible step to make energy self-sufficiency impossible. The 1970 Clean Air Act, which calls for the use of more and more expensive sources of energy, has neither been repealed nor revised. Restrictions on surface mining have been tightened. Licensing of nuclear plants proceeds at a snail's pace—more than 45 months from application to permit in one case. Decontrol of gas and oil prices is not authorized.

Mr. Harrigan notes that—

> As a nation we could supply what the sheiks are monopolizing. In that way, we could strike at the oil cartel. But the domestic foes of free enterprise and energy development refuse to utilize that freedom. Our people, as yet, have not awakened to the danger and the opportunity.

Unfortunately, many politicians have decided that the best way to deal with our energy problems is to make scapegoats of the oil companies, and keep the price of oil below the real market price. The attack upon oil company profits is simply a demagogic ploy to avoid laying the blame for our difficulties where they belong, namely with the intervention of Government in the economy through artificial price controls, import quotas, and unrealistic environmental standards.

The fact is that the very oil companies which are now coming under such sharp attack are the very companies which have historically provided Americans with the greatest supply of energy at the lowest prices in the world. The only thing which is being accomplished by the current attacks is the creation of uncertain conditions which are discouraging investment in the petroleum industry—when we need it most.

Economist Milton Friedman states that Members of Congress should be worrying that the oil companies are not making enough—not that they are making too much. The fact is that while Exxon, for example, announced 1973 profits of $2.44 billion—up 59 percent over the figures of a year ago—the corporation projected capital expenditures of $3.7 billion for 1974. It is, in effect, spending at least a billion more than it took in in profits to enhance the Nation's energy outlook. It is going to require massive expenditures by all oil companies if the present shortage is to be overcome and continued Government interference will make such expenditure much less likely.

It is Government, not the petroleum industry, which has produced the current energy gap. It is Government, not the industry, which for more than 5 years delayed plans to build the Alaska pipeline, delayed lease sales of Federal offshore tracts, refused, despite frequent industry assertions of the need, to establish sound energy policy, raised the industry's tax burden, imposed for more than 20 years artificially low prices on natural gas, and, through import quotas, limited the amount of crude oil which could be brought into the country.

Now, all of these Government policies are coming home to roost. The best thing for Government to do to end the energy crisis is to step aside and permit the free market to work.

Both the proposals of the Democrats in the Congress and of the Ford administration fail to appreciate this fact. Discussing these proposals, Prof. Murray Rothbard states that—

> The Democrats want to make the oil shortage more severe by imposing gasoline rationing, import quotas on oil, and compulsory allocations by government. In short, combat the oil shortage by really creating an oil shortage. The Ford Administration, on the other hand, has opted for what it calls the "marekt" solution for the alleged problem: a high tariff on imported oil, joined with a high tax on domestic production, thereby restricting the supply of oil and gas, and driving the price up. That's the market?

Professor Rothbard notes that the short-term oil shortage is a myth:

> The gasoline "shortage" disappeared overnight last year when the U.S. and other Western governments finally allowed most

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gas and oil prices to rise to free market levels. The price of gasoline went up by ten cents a gallon or so, and that was that. Has there ever been another time in human history when influential forces have called for the rationing of a product that is in no sense in short supply?

To move in the direction of a real solution we must alter those laws which limit production and alter as well those laws which stimulate an increased artificial demand—such as the arbitrarily high standards set for auto emission causing the use of additional petroleum products. If the free market is permitted to work, the energy problems we face—while not disappearing, would hardly appear the "crisis" they now seem to be.

IMPROVING VOTER REGISTRATION PROCEDURES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

Mr. FRENZEL. Mr. Speaker, today I am introducing a bill to establish a program of Federal financial assistance to encourage and assist the States and local governments in voter registration and election administration.

Presently, I am a member of the Subcommittee on Elections of the House Administration Committee, where I have listened, both recently and in 1973, to the various arguments urging Federal intervention to improve State and local voter registration procedures.

After consultation with State and local election officials, I have decided to introduce the Voter Registration and Election Administration Assistance Act of 1975. The bill is based on the principle that States have made great progress in reducing registration restrictions and in improving registration systems. The bill also assumes that State and local election officials know which programs will work best in their areas, rather than forcing them to administer a program that we in Washington think might work someplace.

This bill is patterned along the lines suggested by the National Municipal League in its recently published book "A Model Election System." The league studied every facet of voter registration for 2 years and concluded that a uniform system of Federal registration would be unworkable and inadvisable. They recommended instead that the Federal Government give grants to the States to strengthen existing systems. The bill also conforms to the resolution recently passed by the National Association of Secretaries of State.

Briefly, the bill establishes a program of revenue-sharing grants to the States to modernize and improve voter registration and election administration programs and procedures. The Secretary of the Treasury makes the grants directly to the States in amounts apportioned in accordance with the voting age population of each State.

There are no strings attached to the grants, except that they be used for one of the following: First, programs to increase opportunities for voter registration; second, programs to improve election administration procedures; third, planning, evaluating and designing the use of electronic data processing or other appropriate procedures to streamline voter registration and election administration; fourth, programs for the prevention and control of fraud; fifth, education and training programs for State and local election officials; and sixth, establishing nonpartisan programs for the purpose of voter and citizen education.

The Comptroller General audits and reviews annually the programs of at least five States receiving the grants.

The Comptroller General then disseminates to the chief elections officers of the States a summary of the types of programs found to be most effective.

The Federal Government is prohibited from maintaining a centralized voter registration list.

Grants under this bill are to total $35 million for the fiscal year ending June 30, 1976. Each State will receive funds in proportion to its share of the voting age population of the United States. State shares will approximately equal their percent of the population.

This bill is identical to the bill I introduced last Congress.

I believe we have some Federal liability to help the States, because in some legislation, notably the Voting Rights Act of 1965, we have given the States specific instructions as to how to manage their systems. I believe that this bill represents the most effective way of improving State and local voter registration and election administration procedures.

AUTOMOBILE AIR BAG SYSTEMS SHOULD BE DELAYED FOR FURTHER STUDY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized or 10 minutes.

Mr. COLLINS of Texas. Mr. Speaker, late in the last session of Congress, this body determined that the American people were to be given automobile safety options, but that the Government would not, through mechanized devices and electrical sensors, force any citizen to employ such devices. This statement of the House was a move against the worst kind of Big Brother tactics. Now the 94th Congress addresses itself to safety again. While the question before us may be subtly different, the issue is the same—should the U.S. Government impose its bureaucratic judgment upon all American drivers regardless of cost, effectiveness, and public reaction.

The National Highway Transportation Administration, an agency within the Department of Transportation, has called for a public meeting on May 19 to discuss its anticipated regulations calling for passive restraint systems, more commonly known as air bags.

I think a brief history of air bag development and deployment is necessary for the purposes of our discussion today. In looking at the air bag question, let us examine some important factors.

Scientists both in and out of the automobile industry agree that the most effective safety restraint system yet developed is the lap/shoulder belt system. Statistics show that the lap/shoulder belt system is roughly twice as effective as the air bag alone, meaning that a driver will still have to use the seat belt to achieve reasonable safety. The proposed regulation to mandate the installation of air bags in all American cars ignores the fact that there is no protection with an air bag from roll-over crashes, side crashes, and rear end collisions.

In addition to questionable effectiveness, the mechanics of the air-bag system have presented the automobile industry with a very serious installation problem. No way has been discovered to fit air bags into compact and subcompact cars. In light of the emphasis toward small, economical automobiles which use less gasoline, I do not think that this consideration should be overlooked.

Let us also look at the cost aspect. It must be the major concern of the U.S. Government and its departments to hold down costs to consumers whenever possible. We are beginning to feel the impact which Federal regulations have had on consumer costs and spiraling inflation in this country. When we already possess an available, effective safety restraint system which costs an average of $125, it is unreasonable to expect our citizens to sit idly by while we force them to add another system which is no more effective and which will bring the cost of safety systems to a minimum of $325 per car. In terms of total cost, we are requiring the American public, in a 10-million-car year, to spend over $3 billion on the air bag alone. This figure becomes particularly suspect when viewed in light of a recent study made by Economics and Science Planning, Inc. for the Wage and Price Stability Council which estimated that the benefit-cost ratio for seatbelts over air bags was 2.9 to 1.1. I do not think it is unreasonable to expect that this additional cost will drive even more people out of the automobile market.

It is difficult, of course, with any new system to accurately gage public reaction and acceptance, but let us consider the results of the General Motors experience with air bags. For 2 years, GM has marketed the air bag on some of its models. GM initially prepared for a capacity of 100,000 air-bag-equipped cars at a cost of $60 million in research and development funds. So far, the public has only purchased 7,000 of these air-bag-equipped cars.

I think we can easily compare public reaction to air bags with public reaction to previously mandated safety devices. First we required that, until a seat belt was buckled, an electronic sensor would buzz either driving the driver crazy or forcing him to buckle up. The result was that people all over the country were ripping out buzzer systems to take out what the Department of Transportation ordered them to put on. When the Department discovered this massive civil response they determined that they would not even allow a person to start a car until they had gone through a prescribed procedure which included buckling a lap belt and shoulder harness before starting the ignition. The resulting furor from housewives with shopping bags on the passenger seat and drivers faced with the irritation of interlock malfunctions was tremendous. Now we are asking these same people to buy the air bag which is also subject to malfunction.

During the 2 years of air bag use, there have been two so-called inadvertent deployments in the 7,000 air bag-equipped cars on the road. Recurrence of inadvertent deployment when, for some reason the air bag pops out while a person is driving is surely a dangerous condition and one which requires repair of the car and replacement of the air bag. Translated to a 100-million-car population, which is what we will have after 10 years of air bags, the rate of inadvertent deployment becomes more than 20,000 every year.

The air bag question is plagued by substantial doubt about the safety effectiveness, reasonable expectation of public disapproval, and assured inflationary impact. It is, therefore, essential that the House, with the other body concurring, pass a sense of Congress resolution urging the Secretary of Transportation to make a serious and determined effort to work with the leaders of the American automobile industry toward resolving some of the many problems connected with the present passive restraint system. Toward this end, I am introducing a concurrent resolution urging the Secretary of Transportation to use his authority to defer a call for rulemaking until such time as passive restraint systems exhibit practicability for introduction into the market. I would like to ask my colleagues in the House to join me in introducing this resolution.

PANAMA CANAL GIVEAWAY: CONGRESS OPPOSES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, among the crucial elements in the current struggle of world power now strikingly evolving is control of the U.S.-owned Canal Zone and Panama Canal. That the people of our country are alert to the situation is evidenced by the fact that since the Kissinger-Tack imbroglio at Panama on February 7, 1974, I have received in the form of letters and petitions as of April 11, 1975, a grand total of 6,950 views from citizens in all of the 50 States that strongly oppose any dilution of U.S. sovereign control over the interoceanic waterway and its protective frame of the Canal Zone and only 11 in support of the State Department giveaway program.

In addition, there have been impressive actions in opposition to the projected surrender by important national organizations such as the American Legion, the Veterans of Foreign Wars, the Sons and Daughters of the American Revolution, the U.S. Industrial Council, and numerous local organizations in various parts of the Nation as well as by State governments.

In the Senate, 37 Senators sponsored Senate Resolution 97 in opposition to any dilution of U.S. sovereign control, and in the House, some 120 Representatives have cosponsored identical resolutions. A recent news story in a California newspaper by Allan C. Brownfeld, a well-informed and able Washington correspondent, summarizes the present status of the Canal Zone sovereignty question. Its conclusion is that the Congress seems ready to make its voice felt in foreign policy in behalf of continued U.S. control over the Panama Canal enterprise.

Because the indicated article by Mr. Brownfeld is both timely and informative, I quote it as part of my remarks:

Solons Gear Up To Fight Canal Giveaway

(By Allan C, Brownfeld)

The Ford Administration is in the process of negotiating a new treaty with Panama that would concede sovereignty over the Panama Canal to the government of that country. The Congress, however, appears ready to reject what many members consider an unwise "surrender." The lines, it seems, are tightly drawn.

Last year, Secretary of State Henry Kissinger signed a declaration of "Eight Principles" with the Panamanians. That paper and subsequent treaty negotiations indicate that a draft treaty now being prepared will contain a plan for the turnover of the canal to Panama as well as an immediate weakening of U.S. jurisdiction over the Canal Zone. Other provisions would include a significant increase in the annual U.S. payment to Panama as well as a fixed date for the total transfer of all authority over the U.S. Canal Zone and the canal itself to Panama. Reports have it that this fixed date has been shortened from an originally planned 15 years in the future to just five years.

The Ford Administration position was recently presented by William D. Rogers, Assistant Secretary of State for Inter-American Affairs, in testimony before the Senate Foreign Relations Committee. He declared that the Administration position is to recognize Panama's full sovereignty over all its territory, including the 10-mile wide Canal Zone, while the U.S. would retain effective control over operation of the canal and its defense for a reasonably protracted—but unspecified—period.

This treaty is stirring up serious debate in the Congress and a resolution, sponsored by Senators Strom Thurmond (R-S.C.) and John McClellan (D-Ark.), has been submitted calling on the U.S. Government not to transfer any of its rights over the canal and the Canal Zone.

The Thurmond-McClellan resolution has already obtained 37 co-sponsors and under U.S. Senate rules, 67 votes are required for ratification of a treaty. Thus, the resolution exceeds by three names the 34 votes necessary to block the treaty. Supporters of the resolution believe that other Senators can be expected to join the list.

A similar resolution has been offered in the House by Reps. Lenore Sullivan (D-Mo.) and Daniel Flood (D-Pa.), and has been accompanied by 111 signatures.

Under normal circumstances, the House has no voice in treaties with other countries, but the House must approve any transfer of property acquired with the taxpayers' money, as was the case with the Panama Canal. In the House, a bare majority is sufficient to defeat such a transfer.

The Thurmond-McClellan resolution declares that the U.S. should maintain and protect its sovereign rights and jurisdiction over the canal and the zone and should "in no way cede, dilute, negotiate or transfer any of the sovereign rights, powers, authority, jurisdiction, or property" there.

Opposing the proposed treaty on the floor of the Congress, Rep. Philip Crane (R-Ill.) declared that, "For the last 60 years the Panama Canal has been a vital link in the military and economic lifeline of the U.S. Moreover, in contrast to its Suez counterpart, the Panama Canal has remained open not just to U.S. ships but the ships of many nations . . . Contrary to what many people believe, the Panamanians have no claim, legal or otherwise, over the Canal or the Canal Zone. Our sovereign rights 'in perpetuity' are clearly spelled out in the Hay-Bunau-Varilla and the Thomson-Urrutia Treaties, our money and know-how were responsible for the Canal being built, and the annual payment we make to Panama is not 'rent' . . . but is an annuity payment . . . since 1903 we have poured almost $7 billion into the construction, operation, and defense of the Canal."

Congressional opponents of the proposed treaty point out that the benefits to Panamanians of the current arrangement have been considerable: 30 per cent of their foreign exchange earnings and 13 per cent of their total GNP may be directly or indirectly attributed to the existence of the Canal. About one third of Panama's population lives near the Canal Zone, many work in the zone, and it is argued that they would be the biggest losers if the Canal Zone were to be closed as a result of either a national or international power struggle.

Those who urge continued U.S. sovereignty argue that the national interest demands it. Rep. Daniel Flood recently declared that, "Historically, the Caribbean has always been a focal point of conflict because its location is strategic. Today, Soviet power controls Cuba, Soviet submarines prowl regularly in nearby waters, and a long-time Soviet objective is directed toward wresting control of the Panama Canal from the U.S. . . . we ought to learn from the experience of the Suez Canal that following the withdrawal of British troops from the canal zone there it did not take Egypt long to nationalize and expropriate that key waterway. . ."

Rep. William L. Dickinson (R-Alabama) notes that, "There has been 13 changes of government in Panama since World War II and 5 of them were of a violent nature. In fact, the current leader, General Omar Torrijcs, came to power as a result of a coup staged just a few weeks after an elected President took office."

It seems unlikely that the Senate will approve the Ford Administration's proposed treaty. Senator James Buckley (R-C-N.Y.) states that "The Secretary of State ought to have learned by now the virtue of testing senatorial waters before attempting to negotiate away what he cannot deliver . . ." Once again, the Congress seems ready to make its voice felt in the foreign affairs field—this time in behalf of continued U.S. control of the Panama Canal.

FINANCIAL DISCLOSURE STATEMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the restoration of integrity to Government is one of the pressing issues pending before the 94th Congress. One of the ways by

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which Congress can act affirmatively to restore the public's confidence in their Government and their leaders is to pass legislation requiring public disclosure of the personal finances of Government officials and candidates to Federal office.

Congressman **Alan Steelman** and I have been joined by 118 of our colleagues in cosponsoring H.R. 3249, the Financial Disclosure Act. This bill establishes uniform financial disclosure standards throughout the Government. An annual disclosure report, filed with the Comptroller General and available for public inspection, would be required from the President and Vice President, Members of Congress and all officers and employees of the legislative, judicial, and executive branches of the Federal Government who earn more than $25,000 a year. Candidates in primaries and in general elections for the Congress and for the Presidency and the Vice Presidency also would be required to present a financial disclosure statement.

The full personal disclosure by Government officials of their personal financial affairs would, I believe, make a significant contribution to restoring public confidence in Government. Public disclosure is the best means of policing avoidable conflicts of interest, and the public, through such disclosure, will be given the facts by which they can make their judgment as to whether the personal holdings of their elected representatives and public leaders have affected, in any way, the performance the public trust assigned to these individuals.

Mr. Speaker, for more than a decade, I have made a voluntary public disclosure of my personal financial affairs and, today, I am continuing that policy. In addition to the report on my financial situation for the calendar year 1974, I also am listing the amount of income taxes I have paid to the Federal Government and the State of Wisconsin for the 1974 calendar year and the sum paid in real estate taxes:

STATEMENT OF FINANCIAL CONDITION, DECEMBER 31, 1974

Cash account with the Sergeant at Arms, House of Representatives	$304.77
Cash	16.78
Securities:	
Marriott Corp. 10 shares	67.50
Lionel Corp. 200 shares	212.50
Horizon Corp. 100 shares	175.00
Bannister Corp. 100 shares	425.00
Solltron 100 shares	87.50
Residential real estate: House, Arlington, Virginia (assessment increased 1974)	*82,400.00
Less Mortgage	33,188.75
Equity	49,211.25
House, Sun Prairie, Wis	29,000.00
Plus improvements	1,766.00
Lot	1,200.00
Total	31,966.00
Less first mortgage	18,290.72
Less second mortgage	4,500.00
Total	23,290.72
Equity	8,675.28
Household goods and miscellaneous personality	7,000.00
Miscellaneous assets, deposits with U.S. Civil Service retirement fund through December 31, 1974, available only in accordance with applicable laws and regulations	38,860.07
Cash surrender, value of life insurance—On the life of Robert W. Kastenmeier	None
On the life of Dorothy C. Kastenmeier	544.00
Donaldson Run.Deposit	400.00
Automobiles:	
1963 Oldsmobile	75.00
1966 Ambassador	250.00
1973 Ford LTD	2,400.00
Total Assets	*108,704.65

*$12,750.00 of increased assets due to an unappreciated, resented, outrageous upward reassessment of my Arlington home.

Liabilities including loan (2) notes:	
National Bank of Washington	1,600.00
Net Assets	107,104.65

Income for Calendar year 1974, excluding congressional salary and expenses:	
Honorarium	300.00
Total	300.00

1974 Federal income tax	7,290.40
1974 Wisconsin state income tax	2,869.60
1973 Real estate taxes, Town of Sun Prairie	557.57
1973 Real estate taxes, City of Sun Prairie	29.99
1974 Real estate taxes, Arlington County, Va	1,325.48
1974 taxes paid	13,083.04

CONGRESSMAN MIKE McCORMACK DELIVERS SCHMITT LECTURE AT NOTRE DAME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. **Brademas**) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, this week our distinguished colleague from Washington, Congressman **Mike McCormack**, delivered the annual Arthur J. Schmitt "Challenges in Science" lecture at the University of Notre Dame in my congressional district.

The Schmitt challenges in science meetings are sponsored by the Arthur J. Schmitt Foundation of Chicago and are designed to provide for the students and faculty of the university an opportunity to hear firsthand reports from leaders in science today and to learn from them the challenges that confront scientists in their efforts to add to the store of knowledge and to contribute to the welfare of mankind.

Presentations have been given by some of the most distinguished scientists of our time, including Linus Pauling, Edward Teller, George Beadle, Willard Libby, James Watson, Arthur C. Clarke, Luis Alvarez, and Edgar Mitchell.

Our distinguished colleague **Mike McCormack**, is a fitting addition to this list and I want to include in the **Record** his remarks as delivered at Notre Dame:

COMMENTS BY CONGRESSMAN MIKE McCORMACK AT THE UNIVERSITY OF NOTRE DAME, APRIL 14, 1975

Thank you, Dean Waldman. Distinguished guests, students, faculty and staff, ladies and gentlemen.

It is indeed an honor and a privilege for me to be invited here to address you at Notre Dame.

Last month at the Westinghouse Science Talent Search Awards Banquet in Washington, D.C., when Dean Hofman discussed with me the possibility of my visiting you here at South Bend, I readily agreed to attempt to work out a mutually satisfactory date. I am convinced of the importance of having the leaders of this country's college-age group understand the fundamental facts concerning this nation's energy crisis and how important it is to establish national policies and implement realistic programs with respect to them.

Serious as the energy crisis is today, it will be far worse in the near future unless we focus on, understand, and take appropriate action to solve the real problems with which we are dealing.

During recent months, much attention has been drawn to this nation's increasing dependence upon imported oil, and to the hazards associated with that dependence—particularly with respect to our trade balance, our economy and our national security. The Congress and the Administration and many public and private citizens and groups are involved in a debate over what means this country should employ to reduce our dependence on imported oil.

LONG-RANGE ENERGY PROGRAM NEEDED

Our attention to this immediate problem has, unfortunately, distorted our perspective, and is keeping us from giving the proper attention to the more important, long-range problems associated with the energy crisis. There should be a lesson to be learned here, for if we had established a rational long-range national energy policy ten years ago, we would not find ourselves in today's precarious situation.

The Arab oil embargo, along with the confusion and inconvenience it caused, has accomplished what many years of warnings by scientists could not do. It has made most Americans aware of the fact that the energy resources of this nation are not unlimited, and that this nation can no longer control the policies of weaker nations to the end that they will deliver their resources to us to our advantage and to their disadvantage. It has made Americans aware of how much we depend on a prodigious consumption of energy for our standard of living. It has made us aware of the impact on our economy of the cost of petroleum. When it was cheap, we didn't generally appreciate the all-pervading presence of petroleum in our transportation, central heating and electric generation, or in our food, shoes, clothing, medicine, and much of which we use or touch in our daily lives. Now, as our economy runs amuck and we see the wealth of the Western industrialized nations being rapidly transferred to the oil-exporting nations, we begin to understand. It is essential that our society and our government promptly face up the implications of these new realities. and do so rationally.

U.S. MUST CONSERVE ENERGY RESOURCES

Out of the confused debate of recent months, one fact is almost universally accepted. We must conserve our energy resources—we must reduce our national annual energy growth rate. What is not yet apparent, however, even to many concerned

policy-makers, is that the total energy consumption of our nation will continue to increase during the immediate and long-range future, even if we establish successful conservation programs. Thus, we are faced with a frightening spectrum of problems associated with such an increase in total energy consumption on the one hand, and the conservation programs that we must initiate, on the other.

The recent report of the Ford Foundation Energy Policy Project, *A Time to Choose*, assumes, as a reasonable scenario for the future, limiting the growth of total energy consumption for this nation to about 2% per year. This would be a dramatic reduction in contemporary growth rates, but there seems to be a consensus that it is a long range attainable goal which might not seriously harm the economy. It is important to understand, however, that a 2% growth rate still means that we will double our energy consumption in about 35 years. Within this overall growth, there will inevitably be a dramatic shift from the use of petroleum and natural gas to the production of electricity from other energy sources. Here the annual growth rate will be 4% to 5% per year. This means doubling electric energy generation by about 1990.

A concerned citizen may justifiably ask, "What plans and programs do we have to met these needs? What is our Energy Policy?" Unfortunately, this nation, a full year after the oil embargo was lifted, still has no energy policy at all. Most of the debate in Congress and throughout the nation has centered around import tariffs, quotas, gas taxes, allocations, regulations, and incentives. While all of this is important, it is somewhat like wrestling for deck chairs on the Titanic. The stark realities are that while this debate has been going on, our oil production is down from last year, our production of natural gas is down from last year, our coal production has scarcely changed from last year, the percent of petroleum we import has now increased to about 38%, more railroads have gone out of business, the situation in the Middle East has deteriorated, and some normally intelligent national leaders insist that all we have to do is conserve energy or even cut back on existing energy production programs.

The challenge we face today is to promptly overcome the confusion, and indifference of the past, and to develop now a systems approach to an integrated national energy policy to provide the energy that we will need in the future. If we do create such an energy policy, and if we implement the programs which will carry it into effect, the people of this country can have adequate energy, environmental protection, and economic stability. If we fail, the inevitable result, I am convinced, will be a catastrophe.

PRINCIPLES OF AN ENERGY POLICY

Our national energy policy must be a set of dynamic guidelines and criteria which can change and evolve as new knowledge becomes available, and new situations arise. There are, however, some principles which I believe provide valuable perspective for us at this time.

Parenthetically, I hope that these comments will have significance in two ways—first, in helping define what our natural energy policy must be, and second, in emphasizing the need for scientific truths in helping to form *any* policy for our government. If there is any special message I can bring to the students here tonight, it is how much we need you to bring the high standards of scientific integrity into the policy-making arenas of our government at all levels.

Any energy policy must be based upon the best scientific and engineering facts available. We simply cannot afford the luxury of basing policies on fantasies (such as assuming that solar energy or geothermal energy or some suppressed carburetor design or some perpetual motion machine will bail us out of our problems), or prejudices (such as an anti-nuclear energy fanaticism), or hopes (such as the hope that we will keep finding enough natural gas or petroleum to keep us going, or the hope that the people of this country will voluntarily and spontaneously reduce energy consumption and alter their lifestyles enough to close the gap between energy supply and demand).

CONSERVATION PRACTICES

A national energy policy must require the optimum conservation practices through every step of everything we do, but especially in the conversion, transmission, and consumption of energy. For instance, just as it is obvious today that we should not be burning natural gas or petroleum to produce electricity, so in the very long run we should not be burning fossil fuels at all.

I know you all join me in considering fossil hydrocarbons as a resource to be husbanded, remembering our obligation to future generations and their requirements for petrochemicals. And certainly we all recognize that we must insulate our existing homes, and to set and meet high standards of thermal efficiency for all new buildings in this country. In addition, we must, of course, reduce our consumption of gasoline, not only with car-pooling and by eliminating unnecessary driving, but also by switching to more efficient cars.

A national energy policy must allow a large segment of our people to continue to aspire to—and strive for—a higher standard of living, and greater freedom and dignity for all. This has always been our hallmark of American society and we cannot expect low and modest income Americans—or average American housewives—or those who want women to be liberated, to sacrifice such aspirations just because we suddenly don't produce enough energy to provide employment for our citizens, or because we have planned so poorly that all but the most affluent must cut back on their standard of living.

Certainly each of us recognizes that a sort of three-cornered dynamic equilibrium should exist between energy conversion, transmission, and consumption in one corner, a reasonable and rational program for protecting our environment and conserving our resources in the second, and the maintenance of a stable and responsive economic system in the third corner.

ENVIRONMENTAL PROTECTION

Thus, while we cannot afford the excesses which marked some industrial development of the past, raping our land and polluting the atmosphere, we cannot expect to have energy production without some impact on the environment, no matter how benign the source may seem to be from a distance; and we certainly cannot expect to have jobs for the American people unless we produce more energy. Thus, we have several "environments" to protect all at the same time. There are, for instance, those that we classically think of in terms of air and water, but there is also the environment of the job market, and an industrial capacity that will maintain this nation's national security and standard of living. Finally, there is the environment of our own homes, where we must have enough energy for a decent standard of living. Our national energy policy must strike this dynamic balance in a rational manner.

ENERGY SELF-SUFFICIENCY

A national energy policy should, I believe, provide energy self-sufficiency for this nation—not by 1980 or 1985—(this is totally unrealistic), but as soon as is reasonably possible, and certainly by the year 2000. Still further, and of great importance, we should plan now to export the technology that we *will* develop to every nation of this earth so that no nation will be dependent on any other nation for its energy, or subject to blackmail for its survival. This is one of the most important contributions this country can make to the world in terms of reducing international tensions and bringing true and lasting peace. Incidentally, I don't propose to export any technology dealing with the fabrication of nuclear weapons. This isn't necessary. A nation can have the benefits of a nuclear power plant, but its fuel can be leased from the United States or other nuclear nations or some multi-national agency. Thus, there would be no opportunity for clandestine weapons fabrication.

Finally, our national energy policy should provide for an ultimate reliance upon inexhaustible supplies of essentially non-polluting sources of energy.

Now all this may be difficult to digest, living as we have all our lives with the assumption that American affluence was endless, but, one of the most important facts that the American people must all understand is that this nation has, since 1970, truly passed from one historical era into another. We have passed from an era of cheap, abundant fuels, energy and materials into an era of shortages and high costs which will, at best, be with us for many decades. The implications of this transition are far more profound than is generally appreciated.

I think it may have a salutary effect on our perspective to recognize that future historians will probably record that during the 20th Century western man discovered and burned as fuel virtually all of the earth's resources of petroleum and natural gas.

That reality is the most difficult of all for us—who have lived all our lives in a culture built on cheap mobility—that we have, almost certainly, already discovered and burned up more than half of all the petroleum and natural gas we have ever discovered, or ever will discover, on this continent or off its shores, and then it will all be gone, insofar as a significant supply of fuel is concerned, by the end of this century—within about 25 years. As our supplies of petroleum and natural gas dwindle, this nation will become dependent for virtually all of its energy on coal and nuclear fission. But even these sources of energy are really only transitional. Though we must increase our reliance upon them now, we must also make plans for phasing them out in the more distant future, and replacing them with other. still-to-be-developed sources.

Thus, we have one generation within which to develop these new sources of energy, and while we are making this conversion we must make the necessary cultural, societal, and economic adjustments that will inevitably result.

No greater challenge has ever faced a new generation of young adults.

One general misconception plaguing policy makers is the idea that research and development, generously funded, can solve this nation's energy problems in the very near future. Nothing could be further from the truth, as those with experience in science and engineering well know. Even with a crash program, the time required between the successful laboratory demonstration of a concept for the conversion of an energy source to a usable form, and the actual significant implementation of this tech-

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nology, varies from ten to thirty years, and it's usually closer to thirty. There is no way, for instance, that a tidal wave of federal funds could make solar energy a significant resource for this nation before the year 1990, or nuclear fusion before the year 2000. So while we must support an aggressive, imaginative, well-funded program for energy research, development, and demonstration in every area of energy conversion, distribution, storage, consumption, and conservation, we must at the same time recognize that the benefits of a research and development program are long-range benefits, and that this nation must proceed for the immediate and short-range future with energy sources which are available to us today.

IMMEDIATE ACTION REQUIRED

Therefore, we must at once initiate aggressive programs of exploration and drilling for oil and gas, onshore and off. We must explore the potential of an oil shale program, and press for early application of improved technologies for secondary and tertiary oil recovery.

We must build new refineries, new ports, new pipelines, and new storage facilities for gas, petroleum, and petroleum products. In spite of the fact that we are running out of petroleum and natural gas, this program, along with the most stringent conservation measures, is our best short-range strategy for trying to keep our energy supplies for our existing industrial and societal infrastructure as close as possible to future demands.

Of course coal is our greatest resource of fossil fuel, and we must rely heavily upon it. However, even a superficial glance should warn us against taking it for granted. We will need to dramatically expand our coal extraction system with new mines that meet modern health and safety standards and have a minimum impact on the environment. It will be necessary for us to allow coal to be surface mined under realistic regulations, but require responsible reclamation of the land. It will be necessary to restore our railway system with new roadbeds and new rolling stock. This alone is a task of bewildering complexity and dimension.

INTEGRATED ENERGY POLICY NEEDED

We will, of course, come to depend upon synthetic gaseous and liquid fuels from coal, but here the absolute necessity for a systems approach to an integrated national energy policy becomes overwhelmingly obvious.

For instance, using what we on our committee believe to be the most advanced coal gasification technology presently available, our figures show that the capital cost alone, if we were to attempt to close the presently projected gap between supply and demand for natural gas in 1985 using coal gasification, would be $200 billion. Such an operation would require, for gasification alone, 140% of all the coal mined today, and the equivalent of most of the flow of the Potomac River for process (not cooling) water.

Even if these figures are off by as much as a factor of two, one can quickly grasp the implications of undertaking even one project of this magnitude to the entire nation in terms of coal, water, dollars, steel and other critical materials, in manpower, logistics, and environmental impact, and how each relates to the other and to those of every other energy-related activity such as coal liquefaction, shifting to new transportation modes, installing hundreds of new nuclear power plants, or providing new housing and communities for millions of American citizens. Our systems approach to an integrated national energy policy must plan now for these problems for this year and next, for 1980, 1985, and on to 2000.

As responsible citizens sort out the facts in the energy picture it becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready now to provide much of the energy this nation will need during the next fifty years.

Nuclear energy is the cleanest, cheapest source of energy available with the least environmental impact of any significant option. If we did not have nuclear energy available to us for the coming decades, the future of this country would indeed be black—in more ways than one.

NUCLEAR POWER

Today, there are 55 nuclear power plants licensed to operate in the United States. They have a capacity of about 40 thousand megawatts, or about 9% of this nation's electric generating capacity. Seventeen more plants should be on the line within the next two years. You will recall that President Ford called for 200 new nuclear power plants on the line by 1985. In addition to the 72 plants that will be on the line by the end of 1976, there are 149 more nuclear plants which are under construction or being planned. If these plants are on the line by 1985, and they can be if we simply eliminate unnecessary delays and provide for construction capital, then this nation will have a nuclear capacity of about 220 thousand megawatts—about 30% of our electric generating capacity—in 1985. One can appreciate the importance of such progress in view of the fact that each nuclear plant saves the equivalent of from ten to twelve million barrels of oil a year. Thus, it would require six to seven million barrels of oil a day to produce the same electricity as these 221 plants will generate. This is equivalent to all the petroleum and petroleum products that the United States imports today.

Much "to-do" has been made by some members of the press about nuclear energy, and a number of false or flagrantly distorted stories have been written and TV programs broadcast about nuclear safety and the hazards to the public associated with nuclear energy. Certainly a rational analysis of this subject is in order. I only wish that the same high standards for safety and health that have always been imposed by the Atomic Energy Commission were observed by non-nuclear industries. I wish that our sensation-seeking newsmen would pursue real hazards in the non-nuclear world with the same enthusiasm as they do non-existant dangers they have imagined in the nuclear world.

The nuclear industry, just as any other, has some hazardous aspects, and we must assume that at some time in the future there will be some accident causing property damage, injuries, and even deaths. It is crucial, however, to ask how likely these accidents are, and how this risk compares to that associated with our other everyday activities.

While it is essential that every conceivable accident be guarded against, and every reasonable precaution taken, there is a point of absurdity beyond which the rational public should not be expected to go in imagining nuclear hazards or hypothesizing extreme nuclear accidents.

SAFETY OF NUCLEAR FACILITIES

Recent studies by Dr. Norman Rasmussen of M.I.T. indicate that with 100 plants on the line (as will be the case by 1980) a major nuclear accident would be 10,000 times less likely to happen than a comparable accident with 100 fatalities in a non-nuclear facility. Thus, the hazard to any individual or group will be about the same in 1980—with 100 plants on the line—as the hazard of being struck by a meteor.

Now, predictably, this study was attacked by anti-nuclear activists who said that the Rasmussen report is too conservative by a factor of 10 to 16. Even if we accept this analysis, the hazard of nuclear energy is only 10 to 16 times greater than being killed by a meteor. Maybe this helps us get the subject into perspective.

Numerous scare stories have been circulated about the radiation impact of a nuclear industry on the general public. Here are some figures that cast some light on this subject.

If we assume 1,000 nuclear power plants on the line in the year 2000, the average person in the United States will receive 102 millirem of radiation per year from natural background, 73 millirem per year from medical X-rays and therapeutic radiation, but only 0.4 millirem per year from the operation of all 1,000 nuclear plants and all their supporting activities. That's less than ½ of a millirem, as compared to almost 200 from natural and medical sources.

Today, with our automobile speed limit reduced to 55 mph, we kill about forty-five thousand Americans a year, and suffer about 2 million serious injuries from automobile accidents. More than 8,000 persons burn to death. Overdoses of aspirin and aspirin compounds cause more than [illegible]00 deaths per year. 1,000 persons die from electrical shock. About 160 are killed by lightning. About 3,000 choke to death on food. More than 200 are bitten by rabid animals. No radiation injury or death has resulted from the operation of any licensed nuclear power plants in the United States, nor has any member of the public been exposed to any radiation in excess of internationally approved standards as the result of the operation of all the 55 nuclear power plants and their supporting activities, and the more than 100 U.S. military nuclear reactors now in service.

The complaint has been made that no specific permanent nuclear waste management program has yet been announced by the Atomic Energy Commission or by the ERDA. Certainly the storage and management of radioactive wastes is the price that we pay for having entered the age of nuclear fission. However, this can be approached in the same sound manner which we have used in handling radioactive materials for the last 30 years. Millions of gallons of liquids and thousands of tons of solids containing billions of curies of activity has been handled in an exemplary way, with virtually no harm to anyone and virtually no radiation in the biosphere. Using the techniques that have been developed during recent years, the safe, permanent storage of radioactive materials is actually a simple matter of good engineering and good management. In the near future, the ERDA will announce plans for storage of radioactive wastes.

One technique which seems attractive to me involves solidifying the wastes from reprocessed fuels immediately after separation, and encapsulating them in cannisters. Ten to twelve cannisters, 1 foot in diameter and 10 feet long, holding about 6 cubic feet each, will contain the solidified wastes produced each year by a 1000-megawatt power plant. These cannisters can be enclosed in individual concrete shields, and simply placed on the surface of the ground inside some restricted area such as the Hanford reservation, adjacent to my hometown of Richland, Washington. It would require less than 2 square miles (of the 600 square miles available at Hanford) to store all of the high-level wastes that will be generated by the nuclear energy program between now and the year 2000. Another acceptable method is the storage of these cannisters in geologically stable underground salt deposits. Such storage would require a small volume, and be essentially permanent.

CONGRESSIONAL INITIATIVES IN ENERGY RESEARCH AND DEVELOPMENT

Three future sources of energy which have attracted a great deal of public attention are solar energy, geothermal energy, and nuclear fusion. I am pleased to say that the Congress has taken the initiative in establishing well-organized programs for research, development, and demonstration in these areas. The Solar Heating and Cooling Demonstration Act of 1974 provides a five-year program to demonstrate the commercial feasibility of using solar energy to heat and air condition residences and other buildings. We envision having 2,000 demonstration solar heating units on the line within three years, and, in addition, 2,000 combined heating and cooling demonstration units in five years. Studies done for our Committee by GAO indicate that solar heating and cooling is competitive over an amortization period of ten years with almost any form of energy anywhere in the U.S.

In addition, the Solar Energy Research, Development, and Demonstration Act of 1974 sets up a long-range comprehensive program for all aspects of solar energy including wind conversion, thermal electric conversion, photovoltaics, ocean thermal gradients, bioconversion, and the incineration of wastes for energy, or their conversion to useful fuels.

Solar energy will clearly play an important role in our future, and I am proud of the overall programs we have established. We are requesting $143.7 million for solar energy research, development and demonstration for fiscal year 1976. For comparison, we are spending about $38 million this year, and spent $4 million in fiscal 1973, only two years ago. However, we must keep the potential for solar energy in perspective. With well-managed, well-funded, aggressive programs, we may, if we are lucky, be able to provide 1% of our energy by solar energy conversion by the year 1990; not before. For instance, if we were to convert 10% of our 70 million homes in this country to solar energy for heating and cooling by 1980—and that would be a truly prodigious undertaking—the energy saved would be only slightly more than 1% of our national energy demand.

The same general perspective applies to geothermal energy. In the Geothermal Research, Development, and Demonstration Act of 1974, our goal is to have from six to ten geothermal demonstration plants on the line by 1980. These are small plants, generating from one to ten megawatts of electricity each, using presently undeveloped types of geothermal energy such as hot dry rock formation, hot water deposits, and geopressured water. Here again, prudence must govern optimism. Even with such a crash program, it is unlikely that we can produce 1% of our total energy from all geothermal sources before 1990.

Finally, nuclear fusion. The past three years have certainly been the most productive in the history of controlled thermonuclear research, and certainly we are now operating on a new plateau—one which we have dreamed of and sought for twenty years. Now, for the first time, we understand the physics and the dynamics of the plasma in which the thermonuclear reaction must take place. Now, for the first time, we are in a position to move forward with a much more aggressive research and development program; and now we can, with considerable confidence, predict success. We have almost doubled our fusion R and D funding this year over last, and I expect we will almost double it again—to about $200 million—for fiscal 1976.

I believe that we can have a commercially feasible fusion electric demonstration plant on the line by the mid or late 1990's, but not before, and this will require massive support, starting now, for materials research and development, and for engineering studies. If this program is successful, we may—in the 21st Century—be able to look forward to providing unlimited quantities of clean, cheap energy forever, not only for this country, but for all mankind. We may also look forward to phasing out the burning of fossil fuels and the use of nuclear fission to produce electricity—in the 21st Century.

ENERGY PROGRAM A NATIONAL CHALLENGE

It should be obvious to anyone that we can't reach these goals of the 21st Century without following rational programs and using our heads during the balance of the 20th Century. This is the challenge that faces us today: how wisely we will conduct ourselves in developing policies which will provide the proper dynamic balance between our need to produce adequate supplies of energy, to develop and maintain a balanced and stable economy, to conserve our resources, and protect our environment. Above all else, this is no time for pretending there are simple solutions to these complex problems, or for policies based on fears, fantasies, or prejudices.

So I challenge you not just as students and faculty, but as citizens with the advantage of understanding the facts, to accept a special obligation to help your fellow citizens, including the Members of Congress, The Administration, and your state government leaders, to understand that responsible policies must be developed and followed during these difficult times. We must produce more energy, and it must, for many years, come primarily from coal and nuclear fission. There is no other option, if we are to save our nation from catastrophy.

This country, ladies and gentlemen, is truly in mortal danger. I am convinced that if we do not develop a systems approach to a comprehensive national energy policy now, we will be facing an energy crisis far worse in 1985 than we are today. The result would be equivalent to losing a major war. The challenge is equivalent to organizing for and fighting one.

I believe we can do it. We have faced tough problems before. Many of us lived through the Depression and helped fight the Second World War. We never doubted for a single moment what our purpose was, or that we would ultimately overcome the difficulties that beset us during those times. I am convinced that if the American people exercise the same resilience, confidence, and good sense that we have demonstrated in the past, and if we have responsible leadership and policies based on scientific facts, we can overcome the problems that face us today, and help build a better world.

Mr. Speaker, I also want to include in the RECORD the account of Congressman MCCORMACK's visit that was published in the Observer, the Notre Dame student newspaper on Tuesday, April 15, 1975:

MCCORMACK DISCUSSES U.S. ENERGY POLICY

(By Maureen Flynn)

Congressman Mike McCormack, chairman of the House subcommittee which is drafting Congress' energy policy and one of only two scientists in Congress, last night called upon the American government "to develop now a systems approach to an integrated national energy policy to provide the energy that we will need in the future."

Speaking before a crowd of approximately 150 in the auditorium of the Center for Continuing Education, McCormack stated, "If we do create such an energy policy, and if we implement the programs which will carry it into effect, the people of this country can have adequate energy, environmental, protectional, and economic stability."

The Democratic representative from Washington State credited the Arab oil embargo with accomplishing "what many years of warnings by scientists could not do. It has made Americans aware that the energy resources of this nation are not unlimited," McCormack observed.

"We must conserve our energy resources," said McCormack, but warned that "the total energy consumption of our nation will continue to increase during the immediate and long-range future, even if we establish successful conservation programs."

McCormack described the needed national energy policy as "a set of dynamic guidelines and criteria which can change and evolve as new knowledge becomes available, and new situations arise."

"Any energy policy must be based upon the best scientific and engineering facts available," the congressman continued, noting that such a policy "must require the optimum conservation practices through every step of everything we do, but especially in the conversion, transmission, and consumption of energy."

McCormack also stated that a national energy policy must allow a large segment of our people to continue to aspire to and strive for a higher standard of living," and cited a three-way balance to be maintained among the conversion, transmission, and consumption of energy, environmental concerns, and "a stable and responsive economic system."

In addition, McCormack called for a policy that would provide "energy self-sufficiency for this nation . . . by the year 2000," and "provide for an ultimate reliance upon inexhaustible supplies of essentially non-polluting sources of energy."

FUTURE SOLAR SOURCES CITED

Three possible sources of future energy for which Congress has organized research development, and demonstration programs, said McCormack, are solar energy, geothermal energy, and nuclear fusion.

"Solar energy will clearly play an important role in our future," McCormack stated. "We are requesting $143.7 million for solar energy research . . . for fiscal year 1976."

"In the Geothermal Research, Development, and Demonstration Act of 1974, our goal is to have from six to ten geothermal plants on the line by 1980," he added.

"We have almost doubled our fusion R and D funding this year over last," McCormack continued, "and I expect we will almost double it again—to about $200 million—for fiscal 1976."

"One general misconception plaguing policy makers," McCormack warned, "is the idea that research and development, generously funded, can solve the nation's energy problems in the very near future."

"Even with a crash program," the representative explained, "the time required between the successful laboratory demonstration of a concept for the conversion of an energy source to a usable form, and the actual significant implementation of this technology, varies from ten to thirty years, and it's usually closer to thirty."

"This nation must proceed for the immediate and short-range future," urged McCormack, "with energy resources which are available to us today." The representative cited "programs of exploration and drilling for oil and gas" and the building of new fuel transportation and storage facilities as measures necessary to deal with the immediate problem.

"Above all else," McCormack stated, "this is no time for pretending there are simple solutions to these complex problems, or for policies based on fears, fancies, or prejudices."

McCormack appeared at Notre Dame as this year's guest lecturer in the Arthur J. Schmitt Challenges in Science program.

ANALYSIS OF THE TAX NEUTRALITY ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, last February 13 I introduced H.R. 3145, the Tax Neutrality Act of 1975. This legislation represents the first attempt since 1962 to offer a comprehensive reform of our

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tax treatment of foreign source income earned by U.S. taxpayers. Identical legislation has been introduced in the other body by Senators Church, Haskell, and Ribicoff.

The fundamental objective of H.R. 3145 is to reestablish the principle of neutrality in the taxation of the foreign operations of U.S. nationals.

Briefly this standard of neutrality holds that our tax laws should not artificially encourage or discourage foreign investment. In short, tax laws should not be a determining factor at all in the decision of American companies to invest here or abroad.

Unfortunately, this standard does not now apply. Through piecemeal legislative changes stretching over 30 years, the Congress has constructed a "tilt" of our tax laws toward foreign investment and away from domestic investment. As Senator Church has documented in his own investigation of this matter, the tax code currently provides quite strong incentives for an American company to invest abroad. These artificial tax incentives often override substantive economic criteria in a businessman's decision to expand his foreign operations.

In other words, a company may decide to build a manufacturing plant in Europe not because the profit potential alone is more attractive in a foreign plant than it would be with a similar plant built in the United States. Rather, the businessman makes his decision to invest abroad because he knows that profits from his foreign plant will escape substantially or completely U.S. tax.

The implications of this bias in our tax laws are enormous. The basic health and strength of our economy is being slowly drained with the continued tax-induced outflow of investment dollars from the United States. American jobs are lost. American business suffers from a shortage of capital. And we have no one to blame but ourselves. The Tax Neutrality Act is designed to reestablish the fair and equitable tax treatment of foreign-source income.

Mr. Speaker, one of the major reasons reform in this area of our tax law has been so long in coming is the complexity of the issues involved. In an effort to inform my colleagues of the major abuses involved and how H.R. 3145 proposes to reform them, I have asked the Library of Congress to complete a section-by-section analysis of H.R. 3145. Ms. Jane G. Gravelle of the Congressional Research Service has compiled a lucid analysis of the provisions of the Tax Neutrality Act. It should be noted that section 105 of H.R. 3145 was not included in the analysis, as it was adopted as part of the Tax Reduction Act, Public Law 94–12. I would also like to refer my colleagues to my earlier explanatory remarks on this bill which appeared in the Record on February 13, page H730 and the remarks of Senator Church made on February 11, page S1766.

The test of the Congressional Research Service analysis of H.R. 3145 follows:

SECTION-BY-SECTION ANALYSIS OF H.R. 3145

Section 101—Changes in the Foreign Tax Credit Provisions.

Section 101(a). Termination of Preferential Treatment of Dividends of Less Developed Country Corporations.

Present law allows a tax credit against U.S. tax liabilities for income taxes paid to the foreign jurisdiction. The credit is designed to provide relief from double taxation of foreign income and to recognize that the first right of income taxation is in the country where the income is earned. If income taxes paid equal or exceed U.S. tax rates, then no U.S. tax is due. However, if income taxes are below U.S. taxes, then the remaining tax is paid to the U.S., so that the combination of taxes equals U.S. taxes which would be due if the company operated in the United States. When U.S. corporations operate abroad as subsidiaries, then foreign income is generally received in the form of dividends which are paid out of earnings net of foreign income taxes. To apply the credit against these dividends would allow both the deduction and crediting of the foreign taxes, which would reduce U.S. tax liabilities if the foreign tax rate is below the U.S. rate. Therefore, the U.S. law requires generally that dividends be grossed-up, i.e. that taxes paid be added back before the foreign tax credit is computed. However, dividends from less-developed country corporations are exempt from this requirement.

The effects of not requiring gross-up can be illustrated with a simple example. Assume a corporation earns $100 and pays $25 in tax with the remaining $75 paid back to the U.S. corporation as a dividend. With a U.S. tax rate of 48% then the U.S. tax liability should be the difference between $48 and $25, or $23. If gross-up is required then the U.S. tax liability will be 48% of $100 ($75 plus the $25 in tax), or $48. The $25 foreign tax will be subtracted with a net U.S. liability of $23. However, if gross-up is not required the U.S. tax will be 48% of $75, for a U.S. tax of $36. The $18.75 foreign tax (25% of $75) will be subtracted for a net liability of $17.25. Thus, the failure to gross-up has saved the company $5.75 in taxes and reduced U.S. revenues. The value of not being required to gross-up varies with the foreign tax rate and is at its maximum when the rate is half the U.S. rate.

Section 101(a) removes this exclusion from gross-up for dividends from less developed country corporations and requires all foreign dividends to be grossed-up.

Section 101(b). Repeal of Section 903.

Before 1942, the credit for foreign taxes paid was limited to "income, war profits and excess profits taxes." Section 903 of the law defines this term to include "a tax paid in lieu of a tax on income, war profits or excess profits taxes." The original purpose of foreign income tax credit was to provide relief from double taxation of profits and not to be used to offset sales, excise and other taxes. The allowance of Section 903 provides more administrative latitude in determining what types of foreign taxes are eligible.

A wide variety of taxes which are not strictly in the nature of income taxes are allowed as creditable taxes. One such example may be said to be the oil production taxes levied by the OPEC countries. While there is no definitive answer as to the impact of repealing Section 903 on the revenue rulings allowing crediting of these taxes, it would seem that this repeal would make the case against them stronger.

The bill would repeal Section 903, returning the tax law to its pre-1942 provision regarding the nature of creditable taxes.

Section 101(c). Repeal of the overall limitation.

A limit is imposed on the foreign tax credit. The purpose of the limit is to make the total tax burden on foreign income equal to at least the U.S. tax. The company may choose to compute its limit in one of two ways. The per country limitation limits the foreign tax credit in each country to the same ratio of total tax liability as taxable income in that country bears to total taxable income. The overall limitation limits to foreign tax credit for all foreign taxes to the same ratio of total tax liability as total foreign taxable income bears to total taxable income. The overall limitation is advantageous if the company is subject to taxes in one country which are higher than the U.S. rates and taxes in another country which are lower than the U.S. rate (thus using excess credits generated in the higher tax country to offset U.S. on income in the low tax country). This section would repeal the overall limitation.

Section 101 (d) and (e). Repeal of carryback and carryforward provisions. Under present law excess foreign credits may be carried back for two years and carried forward for five years. The result is that excess credits generated in one year can be used to offset U.S. taxes due on income earned in another year when the foreign taxes were lower. The bill repeals this provision.

Section 101 (g). Recapture of foreign loss

Under present law, although the foreign tax credit cannot offset U.S. income taxes on profits earned in the United States, foreign losses can reduce U.S. income if the company operates as a branch (or files a consolidated return with its subsidiary). In the case of branch operations, the company aggregates all of its income and losses. It then takes a foreign tax credit with the limitation based on its taxable foreign income. Thus, if a company has start-up operations in a country,. or benefits from tax computation provisions which result in losses, it can reduce its tax liability.

When the company later makes a profit the taxes paid to the foreign country are allowed as a credit against U.S. tax liability.

The bill would require the recapture of foreign loses, by treating the loss as U.S. income (up to 50% of the foreign taxable income) in succeeding years. This treatment is already allowed for foreign oil related income; the bill will extend the treatment to all income.

Section 102—Repeal of deferral

Under present law, if the company operates abroad as a branch it is subject to current taxation. However, a corporation which is a foreign corporation operating outside the U.S. is not subject to U.S. taxation even though it is owned by U.S. shareholders. Thus a corporation which operates abroad as a subsidiary is not generally subject to taxation on a current basis, i.e. tax is deferred until the income is repatriated (as dividends) to the United States parent. At this point the foreign tax credit applies, thus providing relief from double taxation.

Thus, the legal form of organizing operations abroad can have a substantial impact on tax liabilities. Specifically, when the foreign country has an effective income tax rate lower than that of the United States, U.S. tax liability can be reduced by retaining earnings in the foreign corporation.

Because this provision offers opportunity for tax avoidance, some income of controlled foreign corporations is subject to current taxation (under Subpart F of the Internal Revenue Code). However, this provision is relatively narrow in scope, and is generally limited to passive income in specific cases.

The bill would require the current taxation of earnings of controlled foreign corporations (corporations where at least 50% of the voting stock is owned by U.S. shareholders). Any shareholder owning 1% or more of the voting stock will be subject to taxation on a pro rata share of the earnings of a controlled foreign corporation. Since the foreign tax credit will then apply to these earnings, double taxation will be prevented.

Section 103—Elimination of Western Hemisphere Trade Corporations

Under present law a domestic corporation qualifying as a Western Hemisphere Trade Corporation (WHTC) is allowed a special deduction which results in a tax rate 14 percentage points below the regular tax rate (34 percent rather than 48 percent). To qualify, the corporation must do all of its business in the Western Hemisphere (outside the U.S.) and in the preceding three years must have derived at least 95 percent of its gross income from sources without the U.S. and at least 90% of its gross income from the active conduct of a trade or business. Since WHTC's are domestic corporations, income tax is not deferred. Rather, income is subject to a lower rate (a permanent tax savings) and is also eligible for the foreign tax credit.

The bill would repeal the provision allowing a Western Hemisphere Trade Corporation.

Section 104—Termination of Special Tax Treatment for Domestic International Sales Corporations

Under present law, a company which is engaged in exporting to other countries may set up a domestic export subsidiary (a DISC). A DISC is generally exempt from income taxes. However, one-half of its income is subject to income tax in the hands of shareholders on a current basis, and tax on the remainder deferred as long as it is reinvested. One of the reasons for adopting DISC in 1971 was to reduce the incentive to manufacture abroad due to deferral provisions (which are revised under section 102 of this bill). The bill would repeal the DISC provision.

FOOD DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Mezvinsky) is recognized for 10 minutes.

Mr. MEZVINSKY. Mr. Speaker, today citizens all around the country are observing Food Day as a time of inquiry, reassessment, and constructive thinking about our food supply. The food issues we face in 1975 are many and range from nutrition, quality, prices, the changing structure of the food industry, and responsibilities to the world community. Unfortunately the issues are as complex as they are numerous.

I would like to direct your attention to one of these areas that is a source of unhappiness to most of us—the staggering increases in food prices since 1972. A lot of people—including myself—see the necessity for examining the structure of the food industry to learn whether the changes occurring there are going to bode good or ill for us. There is much to suggest that the antitrust statutes could be used to greater advantage in attacking monopoly overcharges that set consumers back at least $2.6 billion yearly for food products. But this is a long-term approach. What we need in the meantime is an alternative to high food costs that can bring a change for the better as soon as this summer.

I have prepared legislation that I believe can eliminate some of the middleman costs that are eating up our food dollars. The middleman is taking a bigger slice of the cost of food every month. We have seen farm prices decline. They are almost 10 percent lower than last year. However, retail costs have gone up 18.9 percent in that period. Costs of transportation, labor, packaging, processing, and retailing never come back down like farm prices do. Past experiences show us these price increases are here to stay.

The problem then is to bypass those middleman costs and allow farmers and consumers to split the difference and both come out ahead. The bill that I am introducing is designed to do this by encouraging the revival of farmers markets across the Nation. The farmers market bill would require the Department of Agriculture to encourage communities to establish community markets and provide guidelines and other practical advice for creating successful, low overhead markets. In addition it directs USDA to study the potential of farmers markets to increase the income of small farmers, or even the growing number of home gardeners, who may wish to retail produce directly to the public.

The resurgence of interest in farmers markets throughout the country indicates that both farmers and communities see a potential for mutual benefit in farmers markets. USDA is receiving more requests for technical assistance in setting up farmers markets than at any time in the past. Unfortunately, the Department of Agriculture has not made adequate staff available to handle these requests or to provide needed information to the small farmer of the potential increase in profits from selling direct to consumers in a farmers market. Information collected by our office suggests that a small produce farmer can sometimes double his profits when he sells direct to consumers rather than wholesale.

There are over a hundred cities with farmers markets, many of them organized in the last few years, although some of them like the one at Cedar Rapids, Iowa, have an uninterrupted history since before the turn of this century. The market in Cedar Rapids has 41 stalls and usually sells out by noon. A market forming in Burlington, Iowa, for this summer already has 19 growers interested in selling at the market. I hope its opening day will be as successful as the one in Lewisburg, Pa., a city of 6,300 which drew 3,000 people from as far away as 40 miles. Bringing such vitality to a town explains why city councils and area merchants are as eager to see a farmers market in their town as are farmers and consumers.

Many farmers markets can be organized now for this summer. Capital outlay is minimal because buildings are not required. Many of the most successful markets are open-air arrangements in a closed-off street, a fairground, or a parking lot. I would like to see the USDA start using its outreach channels to encourage these markets and to give communities and farmers the information and help they need to create a mutually beneficial marketing arrangement that can raise the quality and lower the cost of food for consumers while providing an increased income to farmers.

The farmers market is obviously not an answer to all the woes plaguing the farmer and the consumer. It is just one step that I hope will force us to think more about alternate forms of marketing food products in this country. I think we all want to find as many means as we can to bring prices down this year rather than next year or 10 years in the future. Farmers markets offer a time-tested and time-honored method of retailing and purchasing that can help both the farmer and the consumer make a hedge against inflation.

THE FATE OF THE KURDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, for the better part of the past year, the Kurds have been fighting a bloody battle against the Government of Iraq for their deserved right of self-determination. Denied a degree of political autonomy promised by Iraq, the Kurdish leader, Mustafa Barzani, called his people to fight the Russian-supplied Iraqi Army. Due in part to the arms and ammunition sent to the Kurds from the Shah of Iran, the Kurds fought bravely and with some success.

The Shah's motive should be understood for what it was: an attempt to cripple his bitter enemy, Iraq, by using the Kurds as cannon fodder. The recently concluded Pact of Algiers between Iran and Iraq reflects the Shah's callous attitude toward the Kurds. The Shah agreed to end all aid to the Kurds and to seal the borders to Kurdish refugees on April 1 of this year. In effect, the Shah signed the death warrants for those Kurds who did not flee their homelands.

The tragedy of the betrayal has been compounded by the inaction of the United Nations. While the U.N. showered plaudits on Yasir Arafat, it has treated the Kurds with indifference, brusquely rejecting Kurdish overtures because they came from "a nongovernmental agency." What hypocrisy!

The Kurds wanted simply to live in peace and in their own way. International expediency has doomed their efforts. We should do all we can to facilitate humanitarian efforts for the Kurds, both for those who are refugees in Iran and for those who remain under Iraqi control. The United States, always known as the haven for political exiles, should accept the Kurdish leader Barzani if he requests asylum.

The Kurds, a rugged mountain people, have inhabited their land for thousands of years. The land was theirs long before the oil underneath them assumed such importance. Indeed, how tragic it is that some nations consider the oil more important than these brave people and their right to live.

There is a final note in this story which troubles me greatly. Unique among movements for national liberation, Barzani's pesh merga has refused to resort to terrorism. In this war, Barzani published lists of Iraqi POW's and allowed Red Cross visits, despite the harsh treatment accorded Kurdish prisoners. The Kurds dared to defend their freedom without resort to such spectacular and gruesome tactics. How ominous for civilization if those who reject terrorism suffer disaster while those who embrace it gain recognition.

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CONSTITUENT SURVEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

Mr. WHITE. Mr. Speaker, I have just completed tabulation of an opinion survey of my constituency in the 16th District of Texas. I would like to share the results of this survey with my colleagues, and with the general public, by publication herewith. I know that I find information gained from such surveys of other Members' districts of interest and value, and I trust that these results will prove likewise to others. My survey was in three parts. The first asked 19 questions relating to the problems of recession-inflation-energy. The second part posed nine queries on the illegal alien situation; and the third part was in the form of 11 questions on foreign and domestic general interest subjects. Here are the results:

[In percent]

In our efforts to overcome the problems of recession, inflation, and energy shortages, would you favor:

	Yes	No
1. A rebate of $16 billion of 1974 income taxes in the form of $4 billion in tax credits to business and industry, and $12 billion in 12 percent across-the-board rebates to individuals up to a limit of $1,000, e.g., a typical family of four with an adjusted gross income of $5,000 would get a $12 rebate while the same typical family with a $40,000 gross income would get a $1,000 rebate	44	56
2. A reduction of between $10 billion and $20 billion in income taxes to take effect during the 1975 tax year which would be weighted to provide more tax relief for lower and middle income brackets and balanced by closing tax loopholes	83	17
3. A closing of tax loopholes and the creation of selective excise taxes, or excess profits taxes even though some loophole closures may affect you adversely	80	20
4. A mandatory reduction in interest rates	84	16
5. An expansion of public service employment from the present authorization of 500,000 to 750,000	44	56
6. Acceleration of work on already authorized public works projects, e.g., water pollution abatement, highway construction, etc	78	22
7. An effort to help restore the home-building industry by providing tax exemption on income from deposits in thrift institutions that finance housing loans	65	35
8. An increased Federal tax on gasoline with proceeds earmarked for a crash program to develop other forms of energy	51	49
9. Tougher antitrust laws with strict enforcement	81	19
10. *Not* creating any new Federal spending programs other than energy development	79	21
11. Increasing the import fees on imported oil by $3 per barrel. That would eventually be reflected in increases in the price of gasoline from as much as ten to thirty cents a gallon	33	67
12. Opening the naval petroleum reserves to commercial development	63	37
13. Lessening the environmental controls of the Clean Air Act to allow greater use of our abundant supplies of coal	74	26
14. Deferring automotive pollution standards for 5 years to concentrate on improvement of gas mileage	78	22
15. Providing for gasoline rationing	35	65
16. Holding Government pay raises to 5 percent	66	34
17. Holding Social Security increases to 5 percent	62	38
18. Devising a standard gross income tax for both individuals and business and industry (example: 10 percent across-the-board, no deductions)	58	42
19. Eliminating charitable tax deductions	43	57

[In percent]

Would you favor immigration amendments which would:

	Yes	No
1. Provide criminal penalties for persons knowingly hiring illegal aliens, including fines and imprisonment	45	55
2. Provide, instead of criminal penalties, an administrative fine plus deportation costs	52	48
3. Exempt from fines or penalties an employer who hires an illegal alien for domestic purposes, such as a maid, if either of the above sanctions is passed	41	59
4. Provide for the possibility of a controlled, temporary, individual alien labor contract if the Labor Department determines that such labor needs cannot be met from our in-country labor supply, and approves such individual contracts	66	34
5. Require that legal resident aliens (some of whom are referred to as "green carders") reside in this country instead of allowing daily commuting. Present green card holders would be required to reside in the United States within a certain period of time	64	36
6. Reinstate the Bracero program	48	52
7. Increase immigration quotas for Western Hemisphere countries (which would include Mexico), assuming that immigration law amendments are passed which result in the nearly complete control of illegal aliens	29	71
8 Reduce immigration quotas for Western Hemisphere countries under the same premise as above	74	26
9. Reduce immigration quotas for all countries	79	21

I have received a considerable amount of mail on the following subjects, and I would appreciate your views on them.

	Yes	No
1. Do you favor a formal security defense pact with Israel?	31	69
2. Should the United States furnish war materials to Israel?	60	40
3. Should Israeli deterrent forces be bolstered with the presence of U.S. troops in Israel?	10	90
4. Should the United States furnish war materials to the oil providing Arab nations?	26	74
5. Should the United States continue to support South Vietnam with money and war materials?	33	67
6. In the national parks of Guadalupe Mountains and Big Bend, do you favor closing off substantial land areas to any vehicular traffic or accommodations by designating such land areas as wilderness areas?	67	33
7. Do you favor a constitutional amendment to the U.S. Constitution prohibiting abortions except to preserve the life of the mother?	31	69
8. Do you favor a constitutional amendment to the U.S. Constitution prohibiting busing in schools for purposes of racial balance?	74	26
9. Should the United States establish diplomatic and trade relations with Cuba?	55	45
10. Should tariffs be imposed on imported meat and dairy products in an effort to protect U.S. livestock and dairy producers?	65	35

11. On the subject of national health insurance, would you prefer that funds for such a program be derived from (A) the general treasury, or (B) the Social Security fund; or (C) that national health insurance not be enacted. Check one -----(A) 41 (B) 10 (C) 49

OUR TRAGIC POLICY IN CAMBODIA

The SPEAKER pro tempore. Under a provision order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, today after 6 years, the war in Cambodia has finally come to an end. Now, after 6 years of suffering, I hope the people of Cambodia will at last have peace.

It is appropriate today to review our country's policy toward Cambodia and to acknowledge how profoundly misguided, brutal, and self-defeating it was.

Six years ago Cambodia was a neutral country with ties to the United States. Six years ago Cambodia was a relatively prosperous country, which could feed its own population.

In the past 6 years, the United States spent almost $2 billion and carried out 35,410 bombing raids in Cambodia, dropping 239,761 tons of bombs; 75,000 Cambodians were killed. Untold numbers were wounded.

What result did our policy have? Today, Cambodia is governed by a regime that will most likely be fiercely anti-American. Today it is a country devastated by war, whose people have been uprooted from their villages, whose people are starving, whose people are refugees.

These results were almost insured by the fact that our Government propped up and supported the corrupt Lon Nol regime, a puppet regime which was doomed to collapse once its benefactors withdrew support.

It is a final bitter commentary on the Lon Nol regime that one of the last acts of the National Bank of Cambodia, before the collapse of Pnom Penh, was to cable a request to the Irving Trust Co. of New York to confirm an order to pay $1 million to Lon Nol. It is not surprising that the people of Cambodia found the Lon Nol regime unacceptable.

It is important to remember that our policy toward Cambodia was not only misguided in its objectives but built here at home on a structure of Presidential deceit, and usurpation of constitutional powers.

Today, we ought to remember that in March, 1969, President Richard Nixon, in one of his first official acts of office, ordered and carried on secret bombings of Cambodia for more than a year and lied to Congress and the American people about it for 4 years. Today, we ought to remember that in 1973 the President of the United States carried on public massive bombings in Cambodia without any consent from the Congress—in flagrant defiance of constitutional limitations on his powers. Today we ought to remember the dissent at home about the 1970 incursion into Cambodia which produced the tragic deaths at Kent State.

Today we ought to acknowledge that despite all of the money spent and bombs dropped, we offered no democratic alternative to the corrupt dictatorship of Lon Nol or the communism of the Khmer Rouge.

Today ought to be a day for deep and sober reflection on our policies toward Cambodia in the hope that if we study and understand what we did, we will not be condemned to repeat it.

TRUTH-IN-SAVINGS LEGISLATION INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today along with Mrs. SULLIVAN, Mrs. SPELLMAN, Mr. BARRETT, Mr. GONZALEZ, Mr. FAUNTROY, Mr. NEAL, Mr. WYLIE, and Mrs. FENWICK, I am introducing legislation that will require financial institutions to provide, in writing, important information to their savers.

The Truth-in-Savings Act will require disclosure of the terms and conditions of earnings on individual savings deposits. This will allow individual savers to compare the actual interest yield among different financial institutions. With the disclosed information savers will be able to make an informed choice of where and how to save; be able to check the accuracy of the interest yield they receive, and be aware of the contract provisions between them and the financial institution. The act focuses on disclosure to those who are usually unfamiliar with bank methods—individual depositors.

The disclosures will be made in writing to any individual upon request, as well as at the time funds are initially placed in an individual savings deposit. Among the important terms and conditions disclosed will be the annual percentage rate, the annual percentage yield, and the minimum length of time funds must remain on deposit so that earnings are payable at the stated annual percentage rate. Every advertisement relating to the earnings payable on an individual savings deposit will be required to disclose certain information. The Board of Governors of the Federal Reserve System will be required to provide regulations to effectuate the purposes of this act including prescribing standardization and simplification of computational procedures. Those who violate the act will be liable to civil suit and in the case of a willful or knowing violation, will be subject to criminal liability.

Today individual depositors often lack the basic information necessary for them to meaningfully compare the different savings opportunities. This lack of information causes confusion, misunderstanding, and economic loss for savers.

Terminology and methods used to determine the amount of earnings on an account are frequently not disclosed or explained to savers. The significance of how often the interest on their deposited funds is compounded and credited, for example daily, monthly, or quarterly, is also not clear. Even between financial institutions that pay the same interest rate, and compound and credit interest at the same frequency, the actual interest paid to the saver can vary depending on the method used to compute the interest. For instance, a financial institution that pays a depositor for each day his funds are in the account—the so-called day-of-deposit to day-of-withdrawal method—will yield more interest than an institution that pays a depositor based on the lowest amount of money in the depositor's account for the interest period—the so-called low balance method.

There are many significant factors in the terms of savings deposit programs which combine to result in a higher or lower interest yield for the saver. Some of these factors are: charges for withdrawing funds too frequently or for too large an amount, charges for withdrawing funds at a certain date in the interest period, and minimum balances required to earn interest. Not being aware of these terms can obviously mislead a saver to his detriment. According to a recent issue of Consumer Reports magazine, the American Bankers Association has stated that there are some 50 methods used to compute interest. This illustrates how easy it is for confusion to arise over the rates to be paid.

Another problem with regard to individual savers is that sometimes institutions do not pay depositors the correct amount of interest. A study done in Kansas revealed that only 15 percent of 156 regular savings accounts surveyed earned the correct amount of interest they should have by the methods the institutions said they used for computing interest. Nor are consumers probably aware that some savings institutions do not pay the maximum legal rate of interest allowed by the Government.

The number of factors and the complexity involved in evaluating the effective worth of one savings program as opposed to another make the disclosures required by this act essential. Individual depositors will be able to understand and be fully aware of their savings deposit contract terms. Also, the disclosures will be an impetus to competition among financial institutions. These disclosures are necessary if a consumer is to be able to invest his savings wisely and best meet his particular financial needs.

A TRIBUTE TO JOHN C. KLUCZYNSKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. ICHORD) is recognized for 5 minutes.

Mr. ICHORD. Mr. Speaker, I wish to take this opportunity to join with the many other Members of this body who have paid tribute to John C. Kluczynski, a rare friend and an outstanding legislator. Since 1932, Johnny Klu served this Nation and his own State of Illinois in a manner which only won him respect and admiration. During the past 24 years while this body was enriched by his leadership and wise counsel, John guided the development of the Interstate Highway System and initiated other great public works projects which have made this Nation a better place to live. Although John reached the heights of power and effectiveness in the House, he was never one to abuse that power. He was a careful, wise, and understanding legislator who in his own words, "never introduced a bill I did not know would pass." Johnny Klu was a man of vision, a natural leader, and a perpetual light of optimism in the midst of the gloom of national problems. Perhaps due to his indomitable good humor and his unfailingly and wisely realistic view of life, John was never a man who lost perspective either on himself or his Nation. He always knew where he was going and where he had been. Johnny Klu was a man of rare and wonderful qualities, and his passing will leave a void in this body which no other will ever be able to fill. I will sorely miss him.

DECRIMINALIZE PERSONAL USE AND POSSESSION OF MARIHUANA WITH CIVIL PENALTY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, today, Senator JAVITS and myself are introducing the Marihuana Control Act of 1975, H.R. 6108, a bill providing that the possession and not-for-profit transfer of 1 ounce or less of marihuana be punishable by a civil fine of not more than $100.

It has now been almost three years since the first report of the National Commission on Marihuana and Drug Abuse was released to the American people. Following an extensive study of the subject, the Commission produced an extraordinary collection of information, documentation, and original research probing every aspect of marihuana use in our society. The principal conclusion of its extensive report was that possession and not-for-profit transfer or use of a small quantity of marihuana should not be a criminal act, and that the limited resources of law enforcement should

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be directed toward the commercial trafficker, not toward the users. As they stated on pages 56 and 57 of their report, "no conclusive evidence exists of any physical damage, disturbance of bodily processes or proven human fatalities attributable solely to even very high doses of marihuana."

Acting upon this excellent report, Senator JAVITS and I introduced on April 20, 1972 the first bill to completely decriminalize the personal and not-for-profit transfer of small amounts of marihuana. However, in 3 years we have only been able to gather 22 cosponsors. I have, therefore, with Senator JAVITS, prepared legislation which takes a somewhat different approach already in effect in Oregon which hopefully will be sufficiently attractive to be enacted into law this year. That legislation, in effect in Oregon since October 1973, provides that possession for personal use and not-for-profit transfer of 1 ounce or less of marihuana would subject the offender to a civil fine of not more than $100. In addition, the individual would have no arrest record. The purpose of the legislation is to end the current system of criminal arrests and a record of either misdemeanors or felonies for personal use of marihuana.

Recent surveys taken by the independent, Washington-based Drug Abuse Council indicate that not only has there been no increase in marihuana smoking in Oregon since penalties were removed, but the citizens overwhelmingly favor the new approach—58 against 39 percent. Similar legislation to the Oregon law has been approved by the California State senate, and is making substantial progress in Maryland, Colorado, Arizona, Minnesota, Maine, Massachusetts, New York, and other States. Despite these successes, it is important that we in Congress do not take a back seat in this issue and wait for the States to act. The time has come for us to provide the Federal leadership necessary to end the present system of criminal arrests.

Another recent survey done by the same Drug Abuse Council indicated that almost 30 million Americans have experimented with marihuana, with 13 million persons being regular smokers. In 1974 over 420,000 of these people were arrested on marihuana-related charges, the overwhelming majority being otherwise law-abiding young people. The personal costs in lifelong criminal records and ruined careers are incalculable, while the costs to the taxpayers of processing and prosecuting the marihuana arrest approaches $600 million annually. Of all defendants charged in Federal courts in 1973, over 10 percent were charged with marihuana violations. A tremendous amount of valuable police and prosecutorial time and resources are used to prosecute these cases, diverting valuable law enforcement facilities away from the control of serious crime. And with serious crime up 17 percent—the biggest annual gain since 1960—these are not dollars well spent. If we were to place just the 13 million regular users of mariuhana in jail for a year, the cost to the American public, at more than $6,000 per prisoner per year, would be over $78 billion. Of course, this is simply not practicable, yet equal application of the law would demand such action.

It is important to understand that the Marihuana Control Act of 1975 will not change the Federal law regarding criminal penalties which apply to the sale of the drug for profit.

No drug is harmless, because they all do alter one's perceptions, including marihuana. But the evidence strongly suggests no significant harm is caused by the use of marihuana, and that the criminal penalties for its use and possession are so disproportionate to the degree of mental and physical risk involved that there can no longer be any justification for their imposition in view of the commission's findings.

It is distressing to constantly read of some new medical report allegedly showing some gross physical or psychological adverse impact as a result of marihuana use, and then find that those studies are not borne out when closely examined by scientists seeking to repeat the experiments. If we could spend this research money on diseases that we know do exist, rather than spending it to see whether or not marihuana has gross adverse impact to the occasional user, we would all be far better off, and much healthier.

It is time that we should restore to our young people their faith in equality and justice under the law. The youth of today are the leaders of tomorrow, and I do not want to idly sit back and watch their disillusionment with our Government grow, as we, their elected representatives, do nothing to change the present Federal marihuana law that not only adversely affects and often ruins the ambitions, opportunities, and lives of more than 400,000 of their peers each year, but simultaneously wastes more than $600 million annually on such arrests and court proceedings.

House cosponsors of the legislation include JOHN CONYERS, CHARLES RANGEL, PAUL MCCLOSKEY, HENRY WAXMAN, MICHAEL HARRINGTON, BENJAMIN ROSENTHAL, DON EDWARDS, ROBERT DUNCAN, JOHN BURTON, ROBERT DRINAN, RONALD DELLUMS, JAMES SCHEUER, BELLA ABZUG, HERMAN BADILLO, PETE STARK, and ROBERT EDGAR.

Since the Marihuana Commission made its recommendation in March of 1972, the concept of decriminalizing the marihuana smoker has been endorsed by a growing list of organizations, including:

LIST OF ORGANIZATIONS

American Bar Association.

Consumers Union, publishers of Consumer Reports.

National Conference of Commissioners on Uniform State Laws.

American Public Health Association.

National Advisory Commission on Criminal Justice Standards and Goals.

National Council of Churches.

The Governing Board of the American Medical Association.

National Education Association.

B'nai B'rith.

Canadian Commission of Inquiry into the Non-Medical Use of Drugs (Le Dain Commission).

San Francisco Committee on Crime.

Mayor's Advisory Committee on Narcotics Addiction (Washington, D.C.).

American Academy of Pediatrics.

Illinois Bar Association.

Minnesota Bar Association.

Vermont Bar Association.

New York Bar Association.

Washington Bar Association.

Marrachusetts Bar Association.

In addition, four State legislatures have made their own studies—California, Maine, New Jersey, and Massachusetts—and have all recommended decriminalization.

The concept has recently been endorsed editorially by William F. Buckley, Jr., James J. Kilpatrick, Ann Landers, the Washington Post, the New York Times, Consumer Reports, the Los Angeles Times, the Boston Globe, the Chicago Sun-Times, and many others.

Mr. Speaker, I am appending for the information of our colleagues the text of H.R. 6108, as follows:

H.R. 6108

A bill to amend certain provisions of the Controlled Substances Act relating to marihuana

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Marihuana Control Act of 1975.

That the Controlled Substances Act is amended by inserting immediately after section 404 thereof the following new section:

"SEC. 404A. (a) Notwithstanding the provisions of section 308 40[illegible](a)(1), 404, or any other provision of this title or any other Federal law, any person who

"(1)(A) possesses not more than one ounce of marihuana within a private dwelling or other residence, marihuana for his own use, or for the use of others, within any such residence or dwelling, if such marihuana is not possessed with the intent to distribute, transfer, or sell such marihuana in violation of this title or any other Federal law; or

"(B) possesses in a public area, not more than one ounce of marihuana if the posession of such marihuana is incident to a private use within the purview of subparagraph (A) of this paragraph, and is not with the intent to distribute, transfer, or sell such marihuana for profit in violation of this title or any other Federal law; or

"(2) distributes or transfers, in public or private, any marihuana, lawfully possessed, to any person for a private use within the purview of subparagraph (A) of the first paragraph of this subsection, if such distribution or transfer, is not made for profit, shall be guilty of an offense, for which such person shall be subject to a civil fine of not more than $100. Such acts shall not constitute crimes against the United States and such person shall not be subject to arrest or suffer any disadvantage or disability except that specified in this section.

"(b) nothing in this section shall be construed as requiring the Attorney General to initiate proceedings involving minor violations of this section whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

"(c) Notwithstanding the provisions of section 511 or any other provision of this title or any other Federal law, marihuana in the lawful possession of any person shall not be considered contraband and shall not be subject to seizure or forfeiture by the United States.

"(d) In the prosecution of any person charged with an offense in violation of any Federal law, the fact that such person wss suffering from marihuana intoxication at the time of the commission of that offense shall not be a defense to that charge or any element thereof.

THE PRESIDENT AND HIS FANTASIES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, my office is deluged with mail overwhelmingly opposed to further military or economic aid to either South Vietnam or Cambodia. My constituents say that President Ford must be living in a fantasy land to believe that the Congress would approve a massive new dose of military aid to Saigon. Furthermore, his suggestion that $722 million could stabilize the South Vietnam situation simply disregards the stark political and military realities surrounding Saigon—and those confirmed today by the fall of the Phnom Penh government.

I believe that the United States must immediately commence evacuation of U.S. citizens remaining in Vietnam. Furthermore, I believe that we have an obligation to assist South Vietnam civilians who because of their cooperation with our government must now flee the country. Airlifts on civilian chartered airlines should begin immediately. While the President has the right under the war powers act to use American troops to evacuate Americans whose lives are endangered, it surely would be grossly irresponsible to wait until we had to fight our way out. Furthermore, it should be understood that the President would need the consent of Congress to use some 20,000 American troops to forge a corridor from Saigon to the sea for the evacuation of Vietnamese, as proposed by General Weyland. While the United States must provide its fair share of refugee aid and sanctuary, I do not believe that the President would—nor should—receive congressional approval for this new form of military involvement in Vietnam.

Just as the French at Dien Bien Phu were able to arrange a cease-fire which permitted the withdrawal of French troops and South Vietnamese civilians, we should be able to do the same.

Apparently, President Ford and Vice President ROCKEFELLER intend to make this chapter of the Vietnam debacle a political issue in the forthcoming elections. The President protests that "the United States did not carry out its commitment in the supplying of military hardware and economic aid to South Vietnam." But, no such commitment was approved by Congress and the President knows it. Indeed, congressional action has pointed the other way. President Ford entered the Presidency with a great deal of good will. He has made two major errors to date, however, the pardoning of Richard M. Nixon and his attempt to continue our military and economic aid to Vietnam and Cambodia. Under the Constitution the Congress could do nothing about the former, but we can stop the latter.

General Weyand's return from Vietnam and recommendation that we commit an additional $722 million to the war effort there is reminiscent of General Westmoreland's recommendation 7 years ago after his return from Vietnam. Then, General Westmoreland recommended the commitment of over 200,000 additional American troops. Both recommendations were unrealistic in the face of Vietnam's military situation and the attitude of the American people. I was not in Congress in 1968, but as a Member today, I will vote against all Presidential requests for economic and military aid to bolster the Saigon government.

RESOLUTION ON U.N. ASSISTANCE FOR INDOCHINA REFUGEES

(Mr. KOCH asked and was given permission to extend his ramarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, Representative PETER PEYSER and I, together with 31 cosponsors, are today introducing a resolution expressing the sense of Congress that all possible efforts be made by the United Nations to aid in evacuation efforts for those made homeless by the war in Southeast Asia, and urging that the Secretary General of the U.N. call on the North Vietnamese and PRG leaders not to interfere with this humanitarian assistance.

As you may know, statements attributed to the Secretary General this month indicated that it was his belief that such aid would create a "political" problem for the U.N. and was an issue which that world body should avoid. We find this view totally unacceptable.

In our view, there is a compelling moral obligation for the U.N. to assist in this life-saving effort. For it to ignore this responsibility can only mean more hardship, more suffering and more death for the people of Vietnam.

If the United Nations fails to respond to the very basic needs of these refugees, it will be further degraded as a humanitarian body. And its failure once again to act in the face of challenge will diminish further the respect and influence it commands in the world and its future ability to bend arms into plowshares.

In view of the recent events in Southeast Asia, I am hopeful that the Congress will act quickly on this resolution.

In addition to Representative PEYSER and myself, cosponsors include Representatives YATRON, HECHLER of West Virginia, KEMP, ZEFERETTI, DEVINE, HARRINGTON, REES, WINN, HASTINGS, BILL FORD, MAZZOLI, D'AMOURS, MCHUGH, KEYS, SIMON, WAXMAN, ROSENTHAL, CLARENCE LONG, WHITEHURST, HAROLD FORD, TREEN, ROONEY, BRADEMAS, MCKINNEY, HANNAFORD, LAFALCE, EDGAR, JOHN ANDERSON, PATTISON, BLANCHARD, and CORMAN.

SURVEY ON PRISON FOOD

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the condition of our prisons has long been a concern of mine. Those in prisons sent there for the purposes of punishment, rehabilitation, and to deter others, must be treated as human beings and not as beasts. One of the major complaints in almost every prison riot has been that of inedible food being served prisoners. It is the confinement itself that is the punishment, and to permit poor quality food to be served to the prisoners as additional punishment, would be unconscionable. With this in mind I sent a letter to the Comptroller General of the General Accounting Office asking that the GAO do a study on the quality and variety of the prison food diet. I am happy to report that the GAO study showed:

> That the quality of prison food procured was generally at least equal to that procured for consumption by residents of other types of public institutions, as well as that procured for use by the military services.

There is so much wrong with prisons that it is especially important to note something good at least in those surveyed. The correspondence and the report follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 28, 1974.

ELMER STAATS,
Comptroller General, General Accounting Office, Washington, D.C.

DEAR GENERAL STAATS: I am very interested in prison reform. And it has struck me in the course of my analysis of prison conditions that one item repeats itself in almost every list of prisoner demands; that is, the quality and variety of the prison food diet. Would it be possible for the GAO to undertake an investigation and report to me on federal prisons and those state and local prisons receiving federal funds on these two aspects.

Sincerely,

EDWARD I. KOCH.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., April 16, 1975.

HON. EDWARD I. KOCH,
House of Representatives.

DEAR MR. KOCH: In response to your letter of June 28, 1974, and our subsequent meetings with you on August 14 and September 19, 1974, we reviewed the quality and variety of food served to inmates of non-Federal prison facilities in the States of New York and Pennsylvania. On March 6, 1975, we briefed your office on the results of our review. This letter presents our findings and summarizes the information given in the briefing.

The Bureau of Prisons has contracted with approximately 900 State, county, and local correctional/detention institutions to house Federal prisoners. Community Program Officers assigned to the Bureau's five regional offices are responsible for negotiating and administering these contracts. The Bureau uses these non-Federal institutions to house Federal inmates—

Before and during trials;

Pending transfer to a Federal institution for service of sentence;

During commitments for relatively short sentences;

In transit between two locations;

For whom suitable Federal facilities are unavailable; and

Who represent a security hazard.

As of October 1, 1974, the Bureau's Northeast Regional Office in Philadelphia, Pennsylvania, was responsible for administering contracts with about 140 non-Federal detention facilities, of which 49 were in the States of New York and Pennsylvania. We visited 13 of these institutions, 7 in New York and 6 in Pennsylvania. The institutions visited and their locations are listed in the enclosure.

At the institutions visited, we reviewed—

The planning and development of menus;

The considerations made to insure that meals served were nutritionally balanced;

Menus to ascertain the extent of variety in food items served;

Food procurement procedures and practices, including the extent of consideration given to food quality standards and grades; and

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The conditions under which food was served.

We also held discussions with Bureau officials and reviewed their procedures for monitoring contract facilities. In addition, we obtained information about the food service operations of other State and city institutions, a university, and a hospital, as well as information concerning the procurement of food by the Department of Defense for consumption by military personnel.

In our opinion, the variety and the quality of the food served to inmates at the 13 institutions visited were adequate.

MENU PLANNING

Menus were developed by individuals who had food service experience and consideration was generally given to establishing nutritionally balanced diets. Menus developed were based on one or more of the following:

Criteria established by the Bureau, the United States Department of Agriculture (USDA), the National Academy of Sciences, and/or standards found by the Council on Foods and Nutrition of the American Medical Association to be consistent with current authoritative medical opinion.

Master menus prepared by State and local government dieticians.

Institutional recipe card services.

Prior job experience and common knowledge.

With few exceptions, attempts were made to consider food preferences of inmates including provisions to recognize their religious beliefs.

Except for one institution, planned menus were subject to approval by prison administrators, as well as, in some instances, by a physician associated with the institution. The exception concerned a small county jail, housing relatively few prisoners, where the sheriff's wife prepares home-style meals for inmates.

VARIETY OF FOOD

Weekly menus analyzed contained a wide variety of food items. For the periods examined, the number of different food items offered during the week for all meals ranged from 47 to 111, and included entrees, vegetables, salads, soups, desserts, beverages, and bread and cereal items. Comparisons of menus with available records of meals actually served showed that occasionally changes occur. Changes usually resulted because the planned item was unavailable. At all institutions, three meals were served daily, consisting of a breakfast, a main meal, and a lighter meal. Special meals were served on holidays.

We observed the serving of at least one meal at each location visited. Quantities of food served to each individual appeared to be ample. At every institution visited the same food was served to all prisoners, regardless of age, sex, or sentenced status. At most of the larger institutions alternate selections generally were available when a food item, e.g., pork products, was being served which might not be acceptable to some individuals on the basis of their personal or religious beliefs.

At four of the institutions visited, 20 of 28 inmates interviewed commented negatively about the food served them. We found, however, that most of the complaints either lacked substance or were indicative of individuals' personal food preferences. Corrective action had been initiated with respect to one of the two complaints considered valid. The other complaint, involving one inmate, was that food often was cold. The food service manager at that institution stated that serving counter equipment used to keep food warm was frequently inoperative due to vandalism by inmates, and as a result, hot food might get cold by the end of the serving period.

FOOD QUALITY

Eleven of the institutions visited procure foodstuffs through a State, county, or city purchasing department on the basis of competitive bids. In many instances, these purchasing departments were also procuring food items of the same quality for consumption by residents of other institutions, such as hospitals, child centers, and homes for the aged. Procurement specifications used include USDA-approved Institutional Meat Purchase Specifications and/or USDA food grades. Also, food items purchased centrally are inspected either by USDA inspectors at the suppliers' places of business at the buyer's expense, or upon receipt by representatives of the local health or purchasing departments.

Several of the institutions obtain foodstuffs from local suppliers and food stores. In addition, food requirements of four of the prisons visited were partially met by using food produced on prison farms.

We found that the quality of prison food procured was generally at least equal to that procured for consumption by residents of other types of public institutions, as well as that procured for use by the military services

GAO staff members sampled the food served at 18 different meals at the 13 prisons visited. The meals sampled included 2 breakfasts, 11 mid-day meals, and 5 evening meals. Overall, the meals were well prepared, tasty, and appetizing in appearance.

BUREAU MONITORING OF CONTRACT FACILITIES

The contracts between the Bureau and the non-Federal prison institutions are standard in nature. Under current contract provisions, the non-Federal institutions are responsible for the safekeeping, care, and subsistence of Federal prisoners placed in their custody. Contract provisions provide in part that "Federal prisoners * * * will receive adequate and wholesome food * * *." However, these provisions do not define what constitutes adequate and wholesome food.

The contract terms give Bureau representatives the right to enter contract facilities to conduct inspections and to determine the conditions under which Federal inmates are housed. In this respect, we were told by Community Program Officers that, in their opinion, the variety and the quality of prison food were adequate.

We discussed the results of our review with Bureau officials who agreed with our observations and conclusions.

Sincerely yours,

VICTOR L. LOWE, *Director*.

Enclosure.

CONTRACT CORRECTIONAL/DETENTION FACILITIES VISITED

NEW YORK

Nassau County Jail, East Meadow.

New York City—Department of Corrections—

Brooklyn House of Detention for Men;

Correctional Institute for Women (Riker's Island); and

Queens House of Detention for Men.

Rensselaer County Jail, Troy.

Schenectady County Jail, Schenectady.

Westchester County Jail, Valhalla.

PENNSYLVANIA

Chester County Farms Prison, West Chester.

City of Philadelphia Prisons—

Detention Center; and

House of Correction.

State Correctional Institution, Graterford.

State Correctional Institution, Muncy.

Union County Jail, Lewisburg.

SYMPOSIUM STUDIES THE LIFE OF SPEAKER RAYBURN

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, East Texas State University at Commerce, Tex., recently conducted a Sam Rayburn Symposium devoted to a study of the remarkable life and character of Speaker Sam Rayburn.

Certainly, it is well worthwhile to study and reflect upon the qualities that made Speaker Rayburn such an outstanding leader. His incredible strength, wisdom, and dedication to the public interest should be an inspiration to us all as we face the many challenges and dangers before us.

Mr. Speaker, I submit for the RECORD my remarks to the Sam Rayburn Symposium as delivered on April 1, 1975.

REMARKS OF HONORABLE WRIGHT PATMAN BEFORE THE SAM RAYBURN SYMPOSIUM, EAST TEXAS STATE UNIVERSITY, COMMERCE, TEX., APRIL 1, 1975

Ladies and gentlemen and distinguished guests, I am pleased to join in this discussion of the man who was my best friend for almost a half century. When I was first elected to the United States House of Representatives in 1928, Sam Rayburn was already a veteran Congressman. I had known him for many years, and he helped me get settled in when I went to Washington and was a source of inspiration and encouragement through the more than three decades that we served together in the House.

I have the advantage over those who preceded me on the program this evening in that I have already had an opportunity to speak about Sam Rayburn earlier today. I have with me a copy of the statement I made at the dedication of the Sam Rayburn Home in Bonham and will be glad to make this available for the records of the symposium.

Since I have already had my chance to speak about Mr. Sam, my remarks here will be quite brief. I just want to suggest that consideration be given to compiling a book which you might call: "The Wisdom of Mr. Sam." His sage observations and advice over the years are of great interest and are also very instructive. It would be wonderful to have all of his most famous sayings compiled in a single volume.

There is no better way to remember Sam Rayburn than to recall some of his own words, and I would like to share with you a few Rayburn quotations that might be included in a book of Mr. Sam's sayings.

Remember the sound and timely advice that he gave to Presidents Truman and Eisenhower as they entered the White House:

"One of the biggest problems you will have as President is the people around you who find themselves in high position close to the President for the first time in their lives. They will be afraid to let anyone else get near you, and they will be afraid of superior minds. They won't want to argue with people. They will surround you, and, if you are not awfully careful, make you their prisoner."

This is still solid advice that should be given to each new President and to every Member of Congress and other public official in a position of trust and influence. I also recall his comment on the importance of a progressive, constructive frame of mind on public issues:

"A jackass can kick a barn down, but it takes a carpenter to build one."

He had this comment on what a man's values should be:

"A man can have no higher goal than to be a *just* man."

Here was Sam Rayburn's secret on how to impress your friends and confound your adversaries as having an outstanding memory:

"If you tell the truth all the time, you don't have to try to remember what you said before."

His advice to new Members of Congress on how to succeed in politics was brief and to the point:

"Be reasonable. Be Fair."

His secret of leadership was this:

"You cannot lead people by trying to drive them. Persuasion and reason are the only ways to lead them."

His suggestion for reducing the level of unpleasantness in the political arena was as follows:

"A little applied Christianity would help."

He loved serving in the House and expressed it this way:

"The House of Representatives has been my life, my love, my romance."

Mr. Sam realized that age doesn't necessarily have anything to do with a person's outlook on life:

"There's no fogey like an old fogey—except a *young* fogey!"

Sam Rayburn had three rules for successful politicians:

"Do right; make yourself available; and tell them about your product."

He regarded politics as a calling with dignity and said:

"It is an honor to be elected to anything by the people. Politics was the profession of Washington and Jefferson."

Sam Rayburn respected differences of opinion and made this observation:

"When two men agree on everything, you can be sure one of them is doing all the thinking."

On sense and comon sense, he said:

"It doesn't make any difference how much sense you've got if you haven't got any judgment. If a person has common sense, he's got all the sense there is."

Of course, there are many famous Rayburn quotes—simple words of wisdom, perspective, and good common sense. They are as meaningful today as when they were first uttered. Times change, but most of the really important facts about human nature are lasting.

The secret of Mr. Sam's rise from a small family farm to the post of Speaker of the United States House of Representatives was simple. He was a master of the political process because he understood people. That's all that politics is—just people dealing with people. And most important about Sam Rayburn, he truly cared about people. Some politicians today have one big problem—the people they care most about are themselves. Mr. Sam cared about *other* people, and he dedicated his life to doing things to help people. His efforts were crowned with remarkable success.

I deeply appreciate the chance to join in this symposium on a great statesman—one who also happened to be my good friend and colleague. I may be prejudiced, but I sincerely believe that Sam Rayburn was the greatest legislative leader in the history of this nation. It is very satisfying to me to know that folks here at this splendid educational institution remember his accomplishments and realize that much can be learned from the study of his life and work. I wish everyone associated with this fine program every success. You do honor to the memory of a great American, Speaker Sam Rayburn.

Thank you.

DEDICATION OF THE SAM RAYBURN HOUSE MUSEUM

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, it was my great pleasure to be in Bonham, Tex., on April 1 for the dedication of the Sam Rayburn House Museum. This was Speaker Rayburn's family home and is now a State museum open to the public.

The many distinguished guests at the dedication ceremony paid tribute to a great American and the foremost parliamentarian in the history of this country—Sam Rayburn. It has been almost 14 years since Mr. Sam's death, but he is fondly remembered in Texas as well as here in the Congress. I believe that Sam Rayburn is missed more than any other Member in history, and as a further tribute to a good friend and dedicated leader, I insert my remarks at the April 1 dedication of the Sam Rayburn House Museum to be reprinted at this point in the RECORD:

REMARKS OF CONGRESSMAN WRIGHT PATMAN AT THE OPENING OF THE SAM RAYBURN HOUSE MUSEUM

Distinguished guests, ladies and gentlemen. It is a very special honor to be here today for the opening of the Sam Rayburn House Museum. It is very fitting that we honor Sam Rayburn by preserving his family home here in Fannin County.

Mr. Sam loved this home and he loved this area and its people with every fiber of his being. His heavy responsibilities as a Member of the United States House of Representatives for more than 48 years kept him in Washington most of his adult life, but he never forgot Northeast Texas for a moment and he never missed an opportunity to return to this area.

Sam Rayburn was the foremost legislator of the Twentieth Century, but despite all the legislation he had a hand in, he was proudest of those measures that helped the smaller towns and rural areas of East Texas and the nation. He was in the forefront of the fight for new laws to bring the conveniences of the cities to small town and rural America. He was the author of the Rural Electrification Act that brought electricity to hundreds of thousands of rural homes, and he worked for approval of numerous other laws to strengthen rural areas.

Mr. Sam recognized the tremendous importance of good transportation for rural areas. I was in his office in the Capitol in 1944 when Bill Robinson of Utah, Chairman of the House Committee dealing with roads and highways, came in and asked Mr. Rayburn to let him take up the highway bill.

Mr. Sam asked: "What have they got in there for country roads?"

Bill Robinson answered: "We don't have anything that's specifically designated, but we do expect that part of the funds will be spent on secondary roads."

Mr. Rayburn said: "Have your committee agree to an amendment that will earmark 30 percent of the funds for farm-to-market roads."

Robinson agreed on the figure and Rayburn said: "We will then take it up and pass it."

That very day in 1944, the bill was agreed upon and shortly thereafter was passed. Its advantages have continued and are observable throughout the farm country down to this day.

There is, as you can see, little rhetoric involved in this kind of leadership, and no hint of self-glorification. It was done with Speaker Sam's usual calm authority.

Of course, Mr. Sam's achievements in the legislative field are so broad and so deep that they are difficult to list. I speak in detail of this one highway bill because it forcefully shows Sam Rayburn's great influence and his concern for the good, solid farm people of Fannin County and similar areas throughout the nation, and because I was privileged to witness the Speaker in action on behalf of legislation for rural America.

Again, Mr. Sam often spoke of his home here with love and pride. And it is mainly because of his powerful interest that farm homes all over the United States began to enjoy the conveniences that a person could find at the Waldorf-Astoria in New York City—good transportation, electricity and everything else. In fact, rural homes on farm-to-market roads are more accessible than the Waldorf-Astoria—quicker to get to—since travel in New York as in other large cities is massively congested.

It is impossible to talk about Sam Rayburn without mentioning his humble beginnings. He was the 11th child of a hard-working farmer and began his education in a one-room schoolhouse at Flag Springs. From this beginning he rose to become one of the world's most powerful public officials presiding over the U.S. House of representatives which included among its Members some of the most outstanding men and women in the country. Many Members of Congress had the benefit of the finest Eastern schools and advanced degrees from prominent colleges and universities. But it was Sam Rayburn of Flag Springs who became Speaker, and he did not just occupy that office longer than any other individual—he used it more effectively and skillfully. Sam Rayburn was a natural leader and he knew how to get things done. He was a real can-do man.

Sam Rayburn knew how to make the House work, and the Congress has never worked better than it did when Sam Rayburn was Speaker and Lyndon Johnson was Majority Leader of the Senate. These two great Texans understood government inside and out, they knew people, and together they were a team unparalleled in the history of the nation. LBJ was like a son to Mr. Sam, and he learned well from the master of the political process. LBJ could have had no finer teacher than Mr. Sam, and Mr. Sam could have had no finer pupil than Lyndon Johnson.

Of course, Sam Rayburn had some great help, and I am pleased that John McCormack is here today since he was Mr. Sam's strong right-hand man as House Majority Leader and later took over as Speaker upon Mr. Rayburn's death to compile a distinguished record as a legislative leader.

Yes, the people of Fannin County and Northeast Texas can take great pride in their native son, Sam Rayburn. We have a wonderful educational institution honoring his memory and preserving his papers—the Sam Rayburn Library. It was one of the most satisfying experiences of my life last year to help obtain a new source of financial support for the Rayburn Library. And we now add the Sam Rayburn House Museum.

This was the place where he could come to restore his strength and peace of mind after a long and hectic Congressional session. He was always a hard worker and it was amazing to see him leave Washington tired and haggard, and then to return after a few days at home here in Bonham—refreshed and vigorous—ready once again for the trying parliamentary combat of Washington.

When he was desperately ill, Sam Rayburn returned to Bonham to spend his last days. He was quoted once as saying he preferred Bonham over Washington because here, people know when you're sick and care when you die. His longtime pupil and friend, Lyndon Johnson, said the same thing upon returning to Johnson City after completing his service as President.

Many Americans today have lost their roots, but these two great Texans—Rayburn and Johnson—never forgot where they came from and both returned to their family homes to spend their last days. This helps explain why both were always known for their deep concern and devotion to the common man.

It is now almost 14 years since Sam Rayburn's death, but he is well remembered in Washington today. His firm and effective leadership is greatly missed during these unsettled times. And I know that the people of Northeast Texas miss their loyal friend and champion. Sam Rayburn lived a rich and full life of deep purpose. His first concern was always for others. He succeeded despite great obstacles. He was great because he had great dreams.

We are indeed fortunate to have this fine home to keep Sam Rayburn's spirit alive in

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our memories. May Americans visit it for many decades to come and be inspired by his life.

Thank you.

VICE PRESIDENT ROCKEFELLER IS WRONG IN HIS STATEMENTS ON INDOCHINA AND U.S. AID TO TURKEY

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on April 15 Vice President Rockefeller sharply criticized Congress for its role in foreign policy, particularly with respect to the President's requests for military aid to Indochina and the cutoff of U.S. arms to Turkey.

In an excellent editorial today, April 17, 1975, the Washington Post sharply criticizes Mr. Rockefeller with respect to the accuracy and propriety of his statements.

I shall here refer only to Mr. Rockefeller's comments concerning the action by Congress to halt U.S. arms to Turkey. The Washington Post points out that:

> Mr. Rockefeller should know that there was a clear legislative provision for such a cutoff of further U.S. military aid in the event that the Turks used American-provided weapons for purposes other than their defense or that of NATO.

Mr. Speaker, last year the Turks invaded and occupied Cyprus with tanks, guns, planes, and ammunition supplied by the United States.

Both the Foreign Assistance Act and the Foreign Military Sales Act explicitly prohibit—as do United States-Turkish bilateral agreements—the use of arms supplied by the United States for anything other than defensive purposes.

These laws in addition require—mandate—an immediate cutoff in military aid and sales if violated.

The failure of the President of the United States and the Secretary of State to enforce these laws was followed by legislative action in Congress to insist that the laws be enforced. By his remarks of April 15, Vice President Rockefeller appears ignorant of this fact.

The Vice President's remarks, in which he refers to "the blunders of a military dictatorship" in Greece, appears also to reflect an ignorance of the fact that the present administration and its predecessor strongly supported this military dictatorship.

Mr. Rockefeller said:

> If I were a Greek and I believed in Democracy I would be so very happy that my country as a result of the blunders of the military dictatorship in Cyprus that the government was overthrown . . . that I would be down on my knees praying to whoever they pray to.

Mr. Speaker, I hope I have made clear my views with respect to the Vice President's knowledge of the history of the Turkish aid issue and that I have also made clear my understanding of his awareness of the importance Congress attaches to enforcing the laws of the land. I leave it to the Washington Post, Mr. Speaker, to comment upon the Vice President's remarks with respect to, as the Post says, "religious practice in Greece."

The editorial to which I refer follows:

[From the Washington Post, Apr. 17, 1975]

VICE PRESIDENTS IN TRANSIT

While en route to the funeral of Chiang Kai-shek, Vice President Rockefeller was asked whether unfolding events in Indochina "had the makings" of a political issue in 1976, and he replied in part: "Let's say 2,000 Americans or 3,000, half of them are killed, half of them are taken captive. That raises a lot of issues." Well, we wouldn't argue with that. But you have to wonder about the propriety and usefulness of a Vice President putting this particular prospect of a disaster in Saigon on the record as something even considered to be a live possibility by the administration. Still more must you wonder about the propriety of presenting this prospect as something "having the makings" of a future campaign issue.

In his airborne interview, Mr. Rockefeller also made some odd and indiscreet statements on other subjects, including the Greek-Turkish conflict over Cyprus. "Now if I were a Turk," he began—a stipulation that would bar him from office, in the first place, and, in the second, is not the viewpoint he is charged with expressing—"and had built my army totally on American weapons and spare parts and was dependent on them and had paid cash for delivery of weapons and then got cut off when I was trying to defend a minority of mine who had really been having a rough time on an island, I'd have to think twice." And so he might—if he were a Turk and if that synopsis bore any real relationship to the truth of the matter involving the congressional cut-off of American military to Turkey. As an American, however, Mr. Rockefeller should know that there was a clear legislative provision for such a cut-off of further U.S. military aid in the event that the Turks used American-provided weapons for purposes other than their defense or that of NATO.

When the Vice President was then asked to assume the role of a Greek under attack by Turks hearing American arms, he said he "would be so very happy that [in] my country, as a result of the blunders of a military dictatorship in Cyprus, the government was overthrown . . . that I would be down on my knees praying to whoever they pray to."

Leaving aside the offensive breeziness of Mr. Rockefeller's reference to religious practice in Greece, if he genuinely believes that the Greeks ought to be prayerfully thankful for the situation that developed in Cyprus while their democracy in Athens was being restored, then he ought not to be discussing the subject out loud. For what developed, as the Turks pushed their rescue effort well past any legitimate claims of protecting Turkish Cypriots, was a catastrophe for the Greek Cypriots, involving the virtual destruction of the sovereignty of Cyprus and creating 200,000 Greek Cypriot refugees. Now it can be argued that Greece, by its earlier policies on Cyprus, brought much of this upon itself, but that was not what the Vice President was arguing.

What the Vice President seemed to be arguing, in various references to the performance of the Democratic Congress on foreign policy, was that some promising partisan issues were shaping up for next year's Republican campaigners. And this, we submit, raises the question of just what it is that happens to Vice Presidents when they are temporarily relieved of their duties in the Senate and whatever other domestic chores that may have been assigned to them, and sent on missions overseas. Hubert Humphrey, on one such occasion, promulgated an Atlantic Charter for Asia; Lyndon Johnson dubbed Ngo Dinh Diem an Asian Winston Churchill; and Spiro Agnew found foreign countries a congenial setting from which to attack his American critics. In this sense it could be said, to use the familiar locution, that "everybody does it." But that is not to say that Mr. Rockefeller should be doing it at this particularly painful and delicate time in our relations with the rest of the world—and when there is something close to a constitutional crisis in the relationship between Congress and the executive over the proper role of each in the conduct of foreign policy.

THE TAX REDUCTION ACT OF 1975 (PUBLIC LAW 94-12)

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, just before we all went home for the Easter recess last month, we passed the Tax Reduction Act of 1975 with great haste and without the usual committee report. You will recall that there was considerable debate on the question of whether or not we ought to waive the rules of the House which require that legislation lay on the table for a period so that we might have a chance to examine it in detail. I voted against the rule allowing the waiver, and it now appears that my misgivings were justified.

No sooner than I got home when I discovered that the bill contained a gross discrimination against married working women. This provision is unconstitutional and discriminatory, and I have asked members of the Ways and Means Committee to correct this deficiency.

The final version of the bill as passed treats married couples as "one individual" taxpayer for purposes of calculating the tax rebates, even though both husband and wife are each wage earners and taxpayers. This clearly discriminates unjustly against working wives, whose tax payments are no less significant than those of their husbands.

Because the law denies these taxpayers equal treatment under the law, I contend it is unconstitutional. For too long we have tolerated the myth that by marriage, two people become "one".

Provisions of title 1 of the new law, Public Law 94-12, say that for purposes of the rebates of 1975 taxes, "both spouses shall be treated as one individual". Other provisions of title 1 indicate that in the case of married persons filing separate returns, the husband and wife would each get back half of the rebate that they would otherwise be entitled to. In other words, as far as the rebates are concerned, if two taxpayers are united in marriage by a "fiction," a "myth", they become one and get only one rebate! I say that is obviously inequitable.

This provision was not discussed in the conference committee materials available to us on the floor that night when we were asked to vote on the bill. Now that constituent inquiries are coming in and printed copies of the new law are available, and regulations are being promulgated by the Internal Revenue Service and soon when rebate checks are mailed out, working women all over the country will once again be left out!

Mr. Speaker, as I indicated, I have asked the Ways and Means Committee to reconsider this matter. I urge all Members to join me in urging the Ways and Means Committee to correct this inequity.

THE FOOD RESEARCH AND DEVELOPMENT ACT OF 1975

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in recognition of National Food Day, I and 12 of my colleagues are today introducing the Food Research and Development Act of 1975. The bill is similar to one I introduced in the last Congress. It would provide funds to support the development of new types of low-cost protein for human and livestock consumption, new types of fertilizer, new irrigation techniques, and new methods of processing vegetable and other nonanimal protein.

Last year the world was shaken by the sight of starving faces and emaciated bodies of hundreds of thousands of people in the Sahel and other drought stricken areas of the world. Untold thousands died. Millions more are still suffering from hunger and malnutrition-related diseases. This human tragedy will continue to unfold for many years to come if the gloomy forecasts of food and population experts hold true.

Fortunately, the immediate crisis has been alleviated somewhat by increased emergency food shipments from the United States and other developed countries. The current problem, largely due to maldistribution of food supplies, has a temporary cure. But the underlying causes of the food crisis still remain, and the sheer inadequacy of supplies will become the overriding problem in the years ahead unless steps are taken to increase supplies drastically.

The root cause of the problem is the burgeoning growth of world population, expected to double by the end of the century despite efforts to slow it down. Other unforeseen factors are exacerbating the problem, including the depletion of the ocean fisheries, changing climatic conditions, the natural limits of our land resources, and the energy crisis. The rising demand for meat and dairy products by the newly affluent nations has put a new burden on world food supplies as well.

AMERICAN AGRICULTURE

Unfortunately, we cannot hope to solve the world food crisis simply by transferring American agricultural technology to agriculturally underdeveloped nations. To feed the people of India with the American food production system would require more energy than that country now uses for all purposes. According to some experts, if all other nations adopted the protein-rich U.S. diet and our heavy reliance on chemical fertilizers, pesticides, irrigation, and mechanization for food production, the world's present known fossil fuel reserves would be exhausted in 28 years—and this projection does not include the use of energy for food processing and transportation.

In light of the recent National Academy of Sciences report which estimated that the United States will exhaust its reserves of oil and natural gas in as little as 25 years at the current rate of consumption, it is clear that we cannot continue to rely so heavily on an energy-intensive food system even in our own country.

Nor can we do so from an ecological standpoint. The impressive grain yields of the last decade achieved through increased use of chemicals and irrigation took a heavy toll on the environment. We paid dearly for those gains with accelerated topsoil loss, erosion, and eutrophication of hundreds of lakes and streams.

The National Academy of Sciences recently released another report, based on a 3-year study of U.S. agricultural capabilities, which paints a very grim picture for the future unless we embark on the development of new food resources. According to the report, entitled "Agricultural Production Efficiency," we cannot rely on expanded farmlands or increased fertilizer applications for meeting our future food needs. There are natural biological ceilings which will constrict food production based on current techniques. For the long range, the report warned, "increases in agricultural output will depend largely on research results not yet in hand."

The NAS warnings must not be ignored. We must turn our research efforts toward the development of new and improved food technologies and we must make a national commitment to their utilization in fulfilling our own food needs and the food needs of other needy nations. This commitment may require drastic changes in our current farm production systems and our eating habits.

VEGETABLE VERSUS ANIMAL PROTEIN

Increased use of vegetable and nonanimal foods for human consumption and the development of more efficient methods of feeding livestock are necessary if we are to meet the food needs of the future. An estimated 40 percent of the average American diet is derived from animals, one of the most inefficient, expensive, and, in feedlot areas of the Midwest, pollution-causing sources of protein.

It takes 21 pounds of vegetable protein to produce just 1 pound of meat protein. In the United States alone, 78 percent of the grains harvested each year are used to feed livestock. The USDA has estimated that the manure from American livestock contains as much protein as the total U.S. soybean crop. We have a situation where 1 billion people in the developed countries of the world are using as much vegetable protein for animal feed as the 2 billion people of the developing countries use for human food.

Vegetable protein is far more efficient and economical to produce. An acre devoted to the production of cereals can produce 5 times more protein than an acre devoted to meat production, and an acre devoted to legumes, such as peas and beans, can produce 10 times more. Moreover, it takes about 8 times less water to produce a diet based solely on vegetable protein as it does for a beef and vegetable based diet. With water supplies for crop irrigation becoming a precious commodity in many areas, this is an important factor to be considered.

Many types of vegetable protein, particularly soybeans, have as high quality protein as animal protein, and without the high level of cholesterol found in animal products which is believed by many to be a cause of heart disease. By combining various vegetable proteins together, the same essential amino balance which makes meat protein so valuable can be achieved.

It is obvious that we must learn to depend on less wasteful sources of protein or find more efficient ways of feeding livestock if we are to meet the world's future food needs. The Food Research and Development Act would provide funds for research into both areas.

UNTAPPED SOURCES OF PROTEIN

At the time I introduced the Food Research and Development Act in the 93d Congress, I inserted a number of articles in the Record on a variety of new, more efficient food sources and techniques which have the potential for increasing food production levels severalfold. One article focused on a team of scientists at the University of Wisconsin who are attempting to utilize the protein in foodstuffs which are commonly discarded as waste—carrot tops, pea and potato vines, and plant vines. Another article dealt with research on an amazing miscroscopic plant which yields over 15,000 times as much protein per acre as wheat, produces a new crop every 4 days, and has a higher protein value than milk, beef, or soybeans. Yet another article told of research on "single cell" protein produced from tiny micro-organisms nourished on old newspapers and cow manure.

Food products from discoveries like these would probably be unacceptable to the eating habits of the American people. But they could be used to replace the 200 million short tons of feed grains fed annually to livestock in the United States, freeing it for human consumption.

RESEARCH FUNDS LAGGING

I realize that at a time of recession and a large budget deficit, we must be very careful in selecting our national spending priorities. In my opinion, the pessimistic forecasts concerning our ability to meet projected world food needs in the future necessitate making agriculture one of our top R. & D. priorities.

The administration, however, does not share this view. Only $468 million of this year's $21.6 billion Federal research and development budget request is for agriculture—up 9 percent from last year, but not enough to match the rate of inflation. In contrast, the defense R. & D. budget request is up 20 percent, to $10.6 billion or about half of the total R. & D. budget.

In 1955, 10.7 percent of the total USDA budget was expended on research and development. That investment paid off handsomely both in terms of relatively low food prices for American consumers and a favorable balance of foreign trade. Since 1955, we have had a 50-percent increase in food production. Now that food experts tell us that within a comparable time period a 100-percent increase in world food production is needed, of which American agriculture

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will be expected to supply a major part, only 3.8 percent of the USDA budget is being expended on research.

The State agriculture experiment stations, which conduct a major part of the Nation's agricultural research, are still operating at 1966 Federal funding levels. The total scientist man-years at the stations has decreased by almost 200 scientists since then. Moreover, the stations have had to decrease the number of scientist man-years on basic food research in order to devote more manpower to environmental quality and food safety research.

At this rate, the prospects of doubling food output by the end of the century are extremely uncertain. I do not think such uncertainty in our ability to meet the most basic of human needs should be tolerated. The Food Research and Development Act would attempt to reduce this uncertainty by authorizing an additional $50 million annually for agricultural research. This figure is based on the results of a survey I took of the research capabilities of the State agricultural research institutions which make up the USDA's Cooperative State Research Service—CSRS.

Along with the USDA's in-house Agricultural Research Service, the CSRS makes up the bulk of the Federal Government's agricultural research activities. The members of the CSRS have already made important contributions to the development of new food techniques and have important work underway. But it is clear that their full potential for making major advances in food technology is not being realized. Responses to a letter I sent to all the CSRS institutions last year asking how much additional funding they could effectively use for research on increased food production indicated an aggregate need for $48.5 million in new funds.

I recently received a letter from the chairman of the legislative subcommittee of the Experiment Station Committee on Organization and Policy—ESCOP—Dr. Roy Kottman of Ohio State University—expressing concern about the level of funding for agricultural research in the President's fiscal 1976 budget request.

ESCOP had recommended a budget of $141 million for the Cooperative State Research Service this year, but the administration only requested $114 million.

NEED FOR RESEARCH GUIDELINES AND QUALITY CONTROLS

While increasing the agriculture R. & D. budget, the Food Research and Development Act would also establish guidelines to insure that this money is used on research which will provide the greatest returns for our future food needs in terms of both supply and nutrition. Such guidelines would be based on the criteria provided in the act and further defined by the Food Research Advisory Committee established by the act within the Department of Agriculture. The committee would be comprised of representatives from the following organizations: The Board on Agriculture and Renewable Resources, NAS; the Cooperative State Research Service, USDA; the Agriculture Research Service, USDA; the Experiment Station Committee on Organization and Policy of the National Association of State Universities and Land Grant Colleges, Division of Agriculture; the Food and Agriculture Organization of the United Nations; the National Science Foundation; the Office of Technology Assessment of the Congress; the Agency for International Development, U.S. Department of State; the Office of Sea Grant of the National Oceanic and Atmospheric Administration, U.S. Department of Commerce; the Food and Nutrition Board, National Academy of Sciences; the Industry Panel Food and Nutrition Board, National Academy of Sciences; and the Consumer Panel, Food and Nutrition Board, National Academy of Sciences.

In the past, the State and Federal agricultural research establishment in the U.S. has been criticized for having, misguided research priorities, poor research management, and a low level of research quality.

A 1972 study by the National Academy of Sciences on agricultural research, known as the Pound report, noted these and other deficiencies in Government funded research. The report faulted the Government's agricultural research programs for failing to give greater priority to basic biochemical research—particularly in the areas of photosynthesis and nitrogen fixation—for lack of peer review procedures like those used in NSF and NIH, and for giving insufficient emphasis on competitive grants. Of the entire $468 million budgeted for agricultural research by the administration for fiscal 1976, only $6.8 million is earmarked for competitive grant procedures with peer review.

The Food Research and Development Act attempts to incorporate some of the Pound report's recommendations by establishing a special grant fund for agricultural research to be administered by the Food Research Advisory Committee and special review boards comprised of scientists with research management experience. Moneys from the fund would be allocated on a competitive grant basis with peer review procedures for evaluating research projects.

The fund established by the bill is not intended to replace existing agriculture research funds, but to supplement them and provide a broader application of the recommendations of the Pound report. Moneys from the fund would be available both to existing State and Federal agencies which conduct agricultural research, as well as private and international research organizations. At least 10 percent of the moneys for research would be available to scientists whose work would directly serve the food needs of agriculturally underdeveloped nations if the scientist worked there or was a native citizen.

ANNUAL R. & D. CONFERENCES

In order to encourage the transfer of technology between the United States and other nations, the Food Research and Development Act would authorize the convening of annual international food research and development conferences. Special financial assistance would be provided to scientists and farmers from underdeveloped nations to attend. The conferences would demonstrate new food production methods and disseminate information concerning food research and development.

DOMESTIC USE OF NEW FOOD PRODUCTS

The bill also directs the Secretary of Agriculture to use the resources of the Agricultural Marketing Service, the Agriculture Extension Service, and other existing agencies for the purpose of encouraging market acceptance of food products developed under the Special Food Research and Development Fund. The Secretary is directed to make maximum use of such products in federally-sponsored nutrition programs.

To protect the public health, the Secretary of Agriculture is instructed to insure that any new food product developed under the bill is safe and nutritious before it may be commercially marketed or used in nutrition programs. Special labeling standards are also required for new food products developed under the act.

IMPACT STUDY ON SMALL FARMERS

The bill also requires the Secretary of Agriculture to conduct a study of the effect of new methods of food production, fertilizer production, irrigation, and processing of vegetable protein on the economic condition of small farmers. The purpose of this provision is to insure that as we develop new agricultural techniques, the well-being of the small farmers who have contributed so much to the maintenance of plentiful food supplies for the Nation is not overlooked.

The following Members have joined me in introducing the Food Research and Development Act of 1975 today: BELLA ABZUG of New York, GEORGE BROWN of California, JOHN CONYERS of Michigan, EDWARD KOCH of New York, PARREN MITCHELL of Maryland, PETER RODINO of New Jersey, ROBERT ROE of New Jersey, PAT SCHROEDER of Colorado, PAUL SIMON of Illinois, PETE STARK of California, LOUIS STOKES of Ohio, and JAMES SYMINGTON of Missouri. The text of the bill follows:

H.R. 6153

A bill to establish grants for research endeavors for the purpose of assisting in the the development and utilization of new and improved methods of food and fertilizer production

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Research and Development Act of 1975".

SEC. 2. (a) The Congress finds that—

(1) the world is facing a serious shortage of food;

(2) current agricultural techniques are inadequate to meet the food needs of future generations in the United States and other countries;

(3) with many areas of the world facing actual or imminent malnutrition and starvation, it is essential that the proportion of food resources used to produce meat and dairy products in the United States be reduced so as to free greater amounts of food resources for direct human consumption;

(4) dependence on energy-intensive agricultural techniques has made the food system in this country vulnerable to disruption by drastic price increases in energy sources and to the exhaustion of available supplies of fossil fuels in the years ahead; and

(5) the large amount of fertilizer and chemicals now used to produce agricultural commodities in the United States is having an adverse impact on our environment.

(b) It is the purpose of this Act to fund new research for the purpose of assisting the development and utilization, in the United States and other countries, of (1) new low-cost foods of high nutritional value, and (2) improved, low-cost methods of food and animal feed production, fertilizer production, and irrigation which make maximum efficient use of energy, land, water, and protein resources and promote the preservation of environmental quality.

SEC. 3. There is established a Food Research Advisory Committee within the United States Department of Agriculture (hereinafter referred to as the "Committee").

SEC. 4. (a) The Committee shall be composed of one representative from each of the following organizations:

(1) the Board on Agriculture and Renewable Resources, National Academy of Sciences;

(2) the Cooperative State Research Service, United States Department of Agriculture;

(3) the Agriculture Research Service, United States Department of Agriculture;

(4) the Experiment Station Committee on Organization and Policy of the National Association of State Universities and Land Grant Colleges, Division of Agriculture;

(5) the Food and Agriculture Organization of the United Nations;

(6) the National Science Foundation;

(7) the Office of Sea Grant of the National Oceanic and Atmospheric Administration, United States Department of Commerce;

(8) the Office of Technology Assessment of the Congress of the United States;

(9) the Agency for International Development, United States Department of State.

(10) the Food and Nutrition Board, National Academy of Sciences;

(11) the Industry Liaison Panel, Food and Nutrition Board, National Academy of Sciences; and

(12) the Consumer Liaison Panel, Food and Nutrition Board, National Academy of Sciences.

(b) The representative from each such organization shall be appointed by the head of such organization.

(c) A vacancy in the Committee shall be filled in the manner in which the original appointment was made.

SEC. 5. The Committee shall—

(1) determine the specialized research areas for which the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall appoint review boards described in section 8;

(2) accept evaluations of applications for research grants under this Act from such review boards for the purpose of evaluating them further on the basis of scientific merit and on the basis of funding priorities, and making recommendations to the Secretary with regard to the applicants who should receive such research grants;

(3) accept recommendations from such review boards and make recommendations to the Secretary pursuant to section 9(d); and

(4) make the recommendations specified in subsections (b) and (g) of section 8.

SEC. 6. (a) Members of the Committee shall serve without pay.

(b) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

SEC. 7. (a) The Committee shall appoint a Director who shall be paid at a rate not to exceed the rate paid an individual holding a grade GS–17 of the General Schedule.

(b) With the approval of the Committee, the Director may appoint and fix the pay of such additional personnel as he deems desirable.

(c) The Director and the staff of the Committee shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Upon request of the Committee, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Committee to assist it in carrying out its duties under this Act.

(e) The Administrator of General Services shall provide to the Committee, on a reimbursable basis, such administrative support services as the Committee may request.

SEC. 8. (a) There is created within the Committee a review board for each specialized research area with regard to which the Committee makes recommendations for the purpose of awarding grants under this Act.

(b) Each review board shall be composed of not more than 6 members appointed by the Secretary upon the recommendation of the Committee. These members shall be selected from distinguished authorities in the specialized area of agricultural research for which the review board to which they are appointed is responsible.

(c) Each member of each board shall serve for a 4-year term, except that the Committee may provide that not more than one-half of the first members appointed to each board shall serve a 2-year term.

(d) Any member who has served on any such review board may not serve on such board for a period of at least 2 years after his previous term on such a review board expires.

(e) The specifications which apply to the Committee and which concern pay, travel expenses, staff personnel, use of personnel of other Federal agencies, and administrative support from the Administrator of General Services shall apply to each review board.

(f) Each review board shall accept and review applications for research grants to be made under this Act with respect to the specialized area of research for which the review board is responsible. After reviewing such applications, the board shall make recommendations to the Committee that certain of the applications should be considered by the Committee for purposes of the Committee's making a further recommendation to the Secretary concerning the applicants who should receive a grant under this Act. Each board shall review and evaluate such applications on the basis of the scientific merit, feasibility, and significance of the research project proposed in the application and on the basis of the competency and facilities of the applicant to perform the project.

(g) Each review board shall meet as often as necessary, as recommended by the Committee, to perform its functions under this Act.

SEC. 9. (a) In January of each year the Secretary shall make grants to colleges and universities, agencies of the Federal or State governments, and private or international organizations and businesses which have applied and been selected for such grants under this Act. These grants shall be made to applicants for the purpose of financing research projects which are designed to develop new, low-cost foods of high nutritional value and to improve methods of food and fertilizer production through making maximum efficient use of energy, land, water, and protein resources while promoting environmental quality. These research projects may include—

(1) the treatment of waste materials with micro-organisms;

(2) the separation of protein from inedible plant fibers;

(3) the enhancement of nitrogen fixation and photosynthesis in plants;

(4) the improvement of aquaculture techniques;

(5) the development of methods of increasing the protein content and yield of crops;

(6) the development of methods of improving the resistance of crops to insects, diseases, weather conditions, and other growth-inhibiting factors;

(7) the development of improvements of fertilizer production through the more extensive use of natural fertilizers and microbiological techniques;

(8) the development of improved methods of irrigation and dry-land farming, including techniques involving the use of desert areas and salt water;

(9) the development of improved methods of processing vegetable and nonanimal protein into nutritious, low-cost foods and low-cost livestock feed; and

(10) improving the digestibility of foods.

(b) Each application shall be filed no later than the July 1 which precedes the January in which the awards of grants will be made.

(c) Not less than 10 per centum of the sums available for grants in any year shall be reserved for grants to applicants who are from or working in agriculturally underdeveloped nations, as determined by the Secretary, and whose grant is directly related to serving the food needs of such nations, except that such sums may be made available to other applicants if the Committee advises the Secretary that not enough meritorious applications from applicants from or working in such nations were submitted.

(d) Each applicant who receives a grant under this Act shall commence the research project no later than 6 months after receiving the grant and shall file an annual progress report with the Secretary who shall review such report. If the Secretary determines that any project is progressing unsatisfactorily, he shall notify the appropriate review board which shall evaluate the progress of such project and may make a recommendation to the Committee that funding under this Act for the project be terminated. The Committee may then recommend to the Secretary that such funding be terminated by the Secretary in an appropriate manner.

(e) No grant made under this Act shall be made for the purpose of funding a project for a period exceeding 5 years.

(f) Payments pursuant to any grant made under this Act shall be made in annual installments.

SEC. 10. There is created a Special Food Research and Development Fund (hereinafter referred to as the "fund"). The fund shall consist of sums appropriated to it and shall be used for the sole purpose of making research grants under this Act.

SEC. 11. (a) The Secretary may make full use of the Agriculture Extension Service, the Agriculture Marketing Service, and other appropriate bodies within the Department of Agriculture for the purpose of encouraging market acceptance of food products and production techniques developed as a result of research projects funded under this Act.

(b) The Secretary shall take steps to utilize, as much as practicable, in nutrition programs funded by the Federal Government the food products developed as a result of projects funded under this Act.

(c) The Secretary, in conjunction with the Commissioner of the Food and Drug Administration, shall take such steps as may be necessary to insure that any food product developed in whole or in part pursuant to a grant issued under this Act is both safe and nutritious before it may be commercially marketed or used in federally sponsored nutrition programs.

SEC. 12. Any commercially marketed food product developed in whole or in part pursuant to a grant issued under this Act shall be labelled according to its ingredients and their percentage predominance, and vitamin, protein, fat (saturated, unsaturated, and polyunsaturated), and calorie content in accordance with regulations which shall be

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promulgated by the Commissioner of the Food and Drug Administration.

Sec. 13. The Secretary of Agriculture shall convene annual International Conferences on Food Research and Development. At such conferences he shall present and disseminate information relating to new developments in food and fertilizer production, including information derived from projects funded under this Act. The Secretary shall provide assistance to participants from underdeveloped nations with food shortages to attend such conferences.

Sec. 14. The Secretary of Agriculture shall conduct a study of the effect of existing public policy, including Federal and State regulation of food products, on the utilization of new methods of food production, fertilizer production, irrigation, and processing vegetable protein. The study shall be submitted to Congress no later than 18 months after the date of enactment of this Act.

Sec. 15. The Secretary shall conduct a study of the effect of new methods of food production, fertilizer production, irrigation, and processing of vegetable protein on the economic condition of small farmers. The study shall be submitted to Congress no later than 18 months after the date of enactment of this Act.

Sec. 16. (a) There are authorized to be appropriated for the purposes of carrying out the provisions of this Act $50,000,000 for the fiscal year ending June 30, 1976, and such sums as may be necessary for any fiscal year thereafter.

(b) Not less than 85 per centum of the sums appropriated for any fiscal year under this section shall be appropriated to the fund described in section 10.

Sec. 17. The Committee shall continue to exist until Congress provides a specific termination date.

CONYERS SUPPORTS BLACK STUDENTS AT UNIVERSITY OF MICHIGAN LAW SCHOOL

(Mr. CONYERS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. CONYERS. Mr. Speaker, I recently received a letter and a body of position papers from the Black Law Students Alliance at the University of Michigan Law School which pointed out a number of areas where the school had failed to meet the educational needs of its students.

After reading the material, I was impressed not only by the clarity of the criticism and the propriety of the recommendations made; but more importantly, by the fact that the concern for solutions to the many problems in the criminal justice system was the motivating force in this discussion.

At the very core of the concerns raised by the alliance is the question of how committed is the University of Michigan to quality education and the goals of responsible scholarship. If we accept the premise that the goal of education is to equip the individual with a skill that is both desirable to him or her and useful to the community from which that individual comes; and if our universities are committed to admitting black students; then these institutions have the responsibility and duty to not only include aspects of the black American experience in their permanent curriculum, but also to employ the people who have the expertise to teach these topics.

I have conveyed my support to the Black Law Students Alliance at the University of Michigan, and urge other campuses across the country to express their support also. I do so in recognition of the fact that including the Afro-American experience in the curriculum of our colleges and universities will have the maturing effect of clarifying the nature and extent of the many contradictions in our society. I do so with the conviction that this understanding must preceed any serious attempt to solve the problems of the economy, of deterioration in the inner cities, health care, rising crime, of the inconsistencies in our tax structure and in the criminal courts, and of the increasing numbers of unemployed people relying more and more on emergency acts by the government to survive.

I have urged the University of Michigan Law School Dean Theodore St. Antoine to give thorough consideration to the issues raised by B.L.S.A., but most importantly, to resolve them. I hope that the Black Law Students Alliance at the University of Michigan can shed the light of reason on discussions about the role of black studies in the Nation's institutions of higher learning, and ask unanimous consent that the Alliance's correspondence to me along with my reply, and portions of their position papers be entered into the Record at this time:

Black Law Students Alliance,
University of Michigan Law School,
Ann Arbor, Mich.

Dear Representative Conyers: Black students at the University of Michigan Law School are now engaged in a vital struggle to make this institution responsive to the needs of Black law students and Black people as a whole. The response of the Law School administration to the changes we have demanded of them has been quite clear negative, although the conditions at Michigan Law School clearly indicate discrimination. The Law School has only seven Black staff people in the entire complex. (This includes custodians, secretaries, and all others. There are about 200 people employed by the school.) The Law School has no course on discrimination or racism or any other course geared toward solving some of the many problems Black and other poor people have. The Law School has had only one Black professor in the history of the institution.

To our demands that the Law School change immediately, we are given the usual responses. Among them are 1) "We want to hire more Blacks, but we cannot lower our high standards." and 2) "We have no money." In essence we are being told that there are very few if any Blacks in this country who are qualified to teach at this law school and that the Law School does not have any money for financial aid and courses designed to help the poor when it is well known that Michigan is one of the richest law school's in the country. These responses are an insult to all Black people.

Of course the tactics which the Law School has used to respond to us are the same as Whites' responses to Blacks' needs and requests throughout society as a whole—they meet our legitimate demands and requests with excuses of why they cannot act and criticism of our programs instead of making an effort to eliminate racist and other intolerable conditions.

Anticipating the Law School's response to our demands, we have instituted a campaign to pressure the Law School into giving us what we, as students of a state supported institution, should have had without asking. Among other things we are:

1. bringing suit against the Law School for discrimination and other illegal actions.
2. getting in touch with Black alumni, Black institutions, and Black leaders who can pressure this institution
3. calling for investigation of the conditions here by as many individuals and agencies as possible
4. planning to publicly expose this Law School as a very discriminatory institution.

There are many things you can do to assist us in this struggle.

1. Please read the demands thoroughly and determine if you agree with all or most of them.
2. If you can support our demands, please send us a letter of support or a letter criticizing the Law School. We will use these letters to pressure the administrators of the Law School by showing them that we do indeed have support and that they cannot simply ignore us, for we are not an isolated group.
3. Please send us any criticism of our demands or methods and any ideas or suggestions that you have on how we can get these demands implemented.
4. Please let other people know what is happening at the University of Michigan Law School and assure them that we welcome any type of support.
5. Call for an immediate investigation of this institution if it is in your power to do so.
6. Please let us know how we can assist you in your struggle to assist Black people.

One of the most effective weapons a University uses to defeat students' struggles is the stall. If the Law School is able to shuffle paper and give non-committal responses until the semester is over, it will be difficult for us to revive this struggle next fall. Therefore, we must pressure the administration NOW. Any response which you give us will be greatly appreciated.

Yours Truly,

Jerome Watson,
Letters Committee Member.

P.S.: We are currently in the process of locating Blacks who are willing and able to teach at this institution. We need candidates for the following positions:

(1) full time professors,

(2) law school graduates who are interested in working ½ time toward attaining an LLM and spending the rest of the time teaching a Law School class,

(3) persons willing to work part time teaching a seminar on a subject of their choice.

In filling these positions we need as many candidates as possible. We have been told by the Law School administrators that they will seriously consider all candidates which we submit to them.

We would also appreciate any suggestions you have on relevant courses or seminars designed to explain Black people's legal problems or train students to respond to these problems.

Yours truly,

Letters Committee.

April 8, 1975.

Mr. Jerome Watson,
Letters Committee Member, Black Law Student Alliance, University of Michigan Law School, Ann Arbor, Mich.

Dear Mr. Watson: Thank you for sending me the material delineating BLSA's efforts to move the University of Michigan toward a more responsive and accountable position to its Black students. I was pleased to learn from Charles Ray on my Washington Staff that the Alliance has given me permission to insert this material in the Congressional Record.

I share the sense of futility and indignation that you must feel in undertaking courses of study which virtually ignore the realities of injustice in the judicial process in connection with many segments of the Black community. There should be little argument over the validity of your request that the Law School faculty reflect the composition of the student body. I completely share your views that if the University is committed to accepting Black students, then it necessarily has the obligation to include aspects of the Black community in its curriculum, research material, and in other academic sources as well.

Please accept my support and best wishes for what I believe is a responsible attempt to make your law school education relevant to the constituency from which you come and to the larger society as well.

Sincerely,

John Conyers, Jr.

STATEMENT OF POSITION BY BLACK LAW STUDENT ALLIANCE, UNIVERSITY OF MICHIGAN LAW SCHOOL

LAWYERS HAVE TRADITIONALLY BEEN THE LEADERS AND SPOKESMEN OF THEIR PEOPLE

We all should be aware of what is occurring in the world today. The rich exploiters who have been getting richer by taking peoples' resources for practically nothing are in trouble. In Africa they are being kicked out; in the Middle East they are being forced to pay top dollar for the oil they previously got for almost nothing; and in South America countries are demanding adoption of a 200 mile territorial sea zone which would not allow these exploiters to take fish or oil from the ocean within 200 miles of these poor countries' shores. It is not difficult to see that poor people and previously poor people are beginning to take a stand all over the world to see that their resources will not be taken from them.

In the meantime, the great majority of Black people in the United States are at the same place they have been ever since coming to America—the bottom. Jails are overflowing with Blacks; masses of blacks are unemployed and on welfare; and even when Blacks have jobs they are not getting promoted. One of the major reasons for this state of affairs is that the legal profession as a whole has not responded to the needs of Black people. Law schools such as the University of Michigan must bear a great amount of the blame for this situation.

We contend that we are being taught very little that is useful to the great majority of Blacks. A rich WASP who comes to the Law School can learn corporation law—he can learn the big tax loopholes—he can learn banking law—he can learn basically how to preserve his people's wealth and maintain their high position in society. What, however, does a Black person learn to help his people? We, Blacks, are learning corporation law, tax law, banking law, securities, etc., when these courses are geared toward preserving the wealth and status of the rich.

In a capitalistic system such as this one, the only way the rich can maintain their position is by exploiting and feeding off the poor. For example, it is clear that poor people are hurt most by taxes and big business maximizes their profits by keeping wages as low as possible. We believe that all Blacks at this University learn is how to, in effect, keep our fellow Blacks down.

We have no course responding to racism; we have no clinical law program geared toward the massive needs of the Black community; we have no course that will teach us how to set up small practices that will help the poor; we have only one Black professor; we have only 5 or 6 Black staff in the whole Law School. In other words this law school is not responding to the needs of Black people and is not at all training us to tackle the enormous problems presented by the Black community. Lawyers have traditionally been the leaders and spokesmen of *their* people. How will we ever become leaders and spokesmen of Black people when all we are trained to do is help those who are the ones keeping Blacks down?

We contend that we—the young, intelligent, hopefully progressive Black students—are perhaps the greatest resource of Black people. We can no longer idly lay back while Black peoples' greatest resource is being used against them.

As defined in Black's Law Dictionary, 4th Edition (1968) an attorney is "an agent or substitute, one who is appointed and authorized to act in the place or stead of another." In order to adhere to this tradition, a legal institution should provide competent instruction for agents who intend to represent people throughout society. This is imperative so that everyone may be accorded equal protection and due process under law as guaranteed by the United States Constitution.

Indigent minority groups are so poorly represented in America today, that affirmative action should be undertaken so that competent instruction is made available to those who seek to be agents of the poor. The disproportionate number of Blacks dependent on welfare, standing in unemployment lines, and sitting in prisons is indicative of not only this institution's, but this nation's lack of concern for the problems of most Blacks. Specifically, The University of Michigan Law School has not made adequate provisions for instructing those interested in combating these problems.

The faculty and administration here at the law school are insensitive to the social, economic and political needs of the Black community. Their insensitivity to these needs is saliently reflected in the law school's curriculum. There are no courses offered on racism and economic discrimination in American law. The clinical law program is inadequately funded. Prospective attorneys are not instructed or given experience in structuring a firm which would serve indigent clients *and* allow attorneys to receive remuneration.

We feel that these insufficiencies are caused by the following factors:

(a) an unresponsive law school administration,

(b) an insufficient number of Black professors,

(c) the lack of awareness on the part of white faculty to black concerns, and

(d) the inability of white faculty members to effectively communicate with Black students.

Upon these and other considerations we, the Black Law Students Alliance (BLSA) of The University of Michigan, allege that this institution, functioning as an integral part of the educational system of this state, has by its inaction invidiously discriminated against Blacks and other racial minorities. We, therefore, demand that changes be made in accordance with our 1975 demands, infra. These changes can be effectively made, however, we must be allowed to coordinate your (administration and faculty) activities so that our proposals may be implemented. Your past actions have demonstrated to us that if we were to allow you to operate in a vacuum we would be "sucked in." This would again give you the freedom to do nothing. This allegation is not frivolous for our 1975 demands, which follow, are preceeded by our unsatisfied demands which were promulgated in 1970 and 1972.

We feel that the discrimination here is so immoral and inequitable that changes are not only immensely justified but should be effected immediately. If this situation is not remedied in the very near future, an action will be brought in Federal District Court.

DEMAND FOR MORE BLACK PROFESSORS

Although in the last five years The University of Michigan Law School has increased enrollment of Black students, there has been no corresponding increase in the number of Black faculty members. At this time there is only one Black professor at the Law School, and in the past several years the Law School has not hired any Blacks. The blame for this low number of Black faculty must rest squarely on the University which has had the sole responsibility for hiring.

The need for a representative number of Blacks in all facets of the educational process is clear. Many Black students simply do not feel comfortable going to White professors for counseling or advice nor do Blacks feel that White professors will understand the problems of Black students. (See results of survey) In addition many Blacks look upon the Law School as a hostile environment in which they are deemed to be inferior and their presence resented. This feeling is a logical outgrowth of such incidents as the De Funis controversy. Certainly a Black student being admitted into a predominantly White institution in which he will be evaluated by a staff of instructors only one of which is Black leads to feelings of discomfort in many Black students—to say the least.

In fact, the faculty make-up of the University of Michigan Law School seems to tie in perfectly to the White-master Black-servant syndrome which has permeated American thought since the days of slavery. In this case, however, the master is the (White) professor and the servant is the (Black) student. The student is left to draw the implicit conclusion that there are so few Black professors because the Law School cannot find Blacks capable of meeting its high standards. That feelings of inferiority or other psychological harm could easily develop in Black students due to the racial composition of the faculty is not difficult to perceive;

Therefore, we demand more black professors at the University of Michigan Law School. The hiring of these professors must adhere to the following guidelines:

(1) Starting immediately, 50% of the professors hired by the Law School must be Black.

(2) Black students will submit a list of qualified Black candidates and the 50% total must be filled from this list. The Law School must give specific reasons for rejection of each prospective professor.

(3) The Law School must continue to hire Blacks according to the procedure listed until the total percentage of Black professors at the Law School at least equals the percentage of Blacks in the state of Michigan. Thereafter the number of Black professors shall be maintained at this level and hiring shall continue to be off the list submitted by Black students.

We further demand that the law school with the assistance of black law students initiate a program encouraging qualified black law school graduates to engage in the profession of teaching law.

(1) This program shall go into effect the fall term of 1975.

(2) The program shall include a stipend for the Black students selected.

(3) The program shall be similar to the one set up by the University of Wisconsin Law School.

In addition, we demand the hiring of a full time black counselor to be chosen from a list of qualified candidates selected by black students.

The absence of Black secretaries and staff members in the law school is an insult to all Black people.

We demand that 50% of all new secretarial and administrative vacancies be filled by racial minorities until the percentage of racial minority secretarial and staff members at least equals the percentage of racial minorities in the total population of the State of Michigan. (approximately 15%)

Not only will implementation of this program reduce the gap between Blacks and the faculty and encourage the psychological well being of Black students, but it will also

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have the highly positive effect of bettering the University of Michigan Law School by making it a more responsive and representative institution—one which both Blacks and Whites can feel comfortable with.

RESPONSE TO RACISM

Racism is one of the most widespread and severe problems in the United States today, a problem that affects Whites as well as Blacks. Perhaps the clearest effects of racism show up in areas which are directly related to the law. The average prison term for Blacks is much longer than that of Whites; the unemployment rate for Blacks is almost double that of Whites; and even if Blacks are hired they rarely are allowed to advance to supervisory positions.

The Law School has done little if anything to combat this problem of racism or to prepare Blacks and others to solve the practical problems that are presented in the Black community today. The current clinical law program is very limited both in the number of students allowed to participate in it and in the amount of practical experience gained from working with problems presented by the black community. A change in this program to make it more responsive to the needs of the Black community and of Black students is imperative.

Although the Law School must be commended for instituting a course on Women and The Law, it has not seen fit to offer any type of course on racism and the law, even though the effects of racism on Blacks are well known. Failure of the Law School to offer this type of a course not only shows lack of sensitivity and concern over the problems of the great majority of Blacks and other minorities, but it is a breach of the Law School's obligation to prepare students to combat the legal problems in America today. The seriousness of the Law School's failure not to offer a course on racism and a clinical law program which is at least partially directed to the needs of minority peoples cannot be overlooked;

Therefore we demand a racism course taught by a Black instructor and modeled after the course taught at Harvard by Professor Derrick Bell.

(1) Professor Bell's text book would be used for the teaching of this class unless Black students agree to other teaching materials.

(2) This class would become a permanent part of the Law School curriculum.

(3) The instructor for this course should be one selected from a list of eligible candidates submitted by Black students.

We further demand an addition to the clinical law program which is geared toward responding to racism and other problems of minority peoples.

(1) This program would be run by a full-time staff attorney selected from a list of qualified candidates submitted by Black students.

(2) The credit for this program would be the same as the rest of the clinical law program.

(3) This program would have an initial capacity of at least twenty students, at least ½ of which would be minority students, and the program shall be implemented this summer.

Not only will programs of the type described be a major step the Law School can take toward responding to the needs of Black law students, but it will also further the needs of the Black community and Americans as a whole by helping to train a force of lawyers competent to detect and combat racism.

ACADEMIC REVIEW PROCEDURE

Whereas the present grading system encourages destructive competition among students; is arbitrary and capricious; and is ineffective in protecting the students identity in test taking;

We demand the following changes be instituted within the law school immediately:

(1) Any student after receiving a final grade between A+ and D shall have the option of changing such a grade to "P" or pass.

(2) There shall be no limit on the number of credit hours carrying the grade of "P" which may be offered to satisfy the requirements for the J.D. degree.

(3) Proposals 1 and 2 above can be exercised retroactively by students already enrolled in the law school.

(4) The faculty shall not know the identity of those students who elect to take a course pass/fail.

(5) Disputed grades shall be taken before a review committee consisting of the dean or his representative, a faculty member selected by the dean, a faculty member selected by the student, one student who enrolled in the course to be selected by the student, a Black faculty member or a fifth person selected unanimously by the other four committee members.

(6) To insure confidential test taking students will select ten digit numbers to be placed in a sealed envelope and given to the registrar with the students name on it. These envelopes will be sealed until final grades are posted. The numbers will be used by students on test taken during the examination period.

ADMISSIONS—PROPOSALS FOR CHANGE

The University of Michigan Law School's efforts in the area of minority admissions have been commendable. The Law School is one of the few colleges in the University that has fulfilled the 10% minority admission goal that was set in 1970. Now that the 10% goal has been reached we feel that it is imperative for the Law School to continue to fulfill its commitments and take any steps necessary to increase the percentage of minority admissions to at least 15%. The 15% figure approximately represents the percentage of minorities in the total population of the State of Michigan.

We demand that the Law School continue to honor the University's commitment to increase minority admissions until at least the percentage of minority admissions to the University equals the percentage of minorities in the total population of the State of Michigan.

The University of Michigan Law School has demonstrated that it is willing to take a leadership role in helping to cure the shortage of Blacks, Chicanos, and women in the legal profession. Other colleges of the University of Michigan would be well advised to follow the leadership of the Law School and adopt "serious" minority admissions programs also.

Despite its overall effectiveness a variety of the practices and procedures used in the present minority admissions program discriminate against minority applicants from Black Colleges and unnecessarily helps to create the illusion that minority law students are not qualified to attend the Law School.

The use of the LSAT (Law School Admissions Test) and the PFYA (Predicted First Year Average), as compiled by the LSDAS (Law School Data Assembly Service), as admissions criteria for minority applicants discriminates against minority applicants from Black Colleges and helps to create the illusion that minority applicants who are admitted were "let in through the back door" and are not qualified to attend the Law School.

The effectiveness of the LSAT and GPA (grade point average) of law school applicants as criteria for admission has been increasingly questioned.

"(But) (T)here is no clear evidence that the LSAT and GPA provide particularly good evaluators of the intrinsic or enriched ability of an individual to perform as a law student or lawyer in a functioning society undergoing change." Rosen, "Equalizing Access to Legal Education: Special Programs for Law Students Who Are Not Admissible by Traditional Criteria," 1970 Univ. of Toledo L. Rev. 321, 332–33.

The LSAT has also been attacked as being biased against Black students and other minority students. As Justice Douglas stated in his dissent in DeFunis vs Odegaard, 40 L. Ed. 2d 164, 179–80:

"The key to the problem is the consideration of each application in a 'racially neutral way' since the LSAT reflects questions touching on cultural backgrounds the admissions committee acted properly in my view in setting minority applications apart from separate processing. These minorities have cultural backgrounds that are vastly different from the dominant Caucasian. Many Eskimos, American Indians, Filipinos, Chicanos, Asian Indians, Burmese and Africans come from such disparate backgrounds that a test sensitively tuned for most applicants would be wide of the mark for many minorities . . . Insofar as LSAT test reflects the dimensions and orientation of the Organizational man they do a disservice to minorities. I personally know that admissions test were once used to eliminate Jews. How many other minorities they aim at I do not know. My reaction is that the presence of an LSAT test is sufficient warrant for a school to put racial minorities into a separate class to better probe their capacities and potentials."

As mentioned before there is substantial evidence that the LSAT is culturally biased. Students from Black Colleges have less contact with the Nation's dominant culture and, not surprisingly, do particularly poor on the LSAT and other standardized test such as the SAT (Scholastic Achievement Test). These low scores work to discriminate against students from Black Colleges in two ways. First, if the applicant's score is too low, his application may be rejected automatically even under the minority admissions program that is designed to help offset the cultural bias inherent in the LSAT and other standardized tests. This results in the applicant being rejected because of a standardized test score that does not give a good evaluation of the applicant's future performance as a law student and lawyer and that is culturally biased against the applicant. Secondly, the minority applicant from a Black College would be at a disadvantage compared to other minority applicants from White institutions who have had more contact with the Nation's dominant culture and can be expected to score better on standardized tests.

The LSDAS compiles a PFYA (Predicted First Year Average) for law students as a part of their service. Among the many factors that are used in computing the PFYA are: 1) the applicant's undergraduate GPA, 2) the applicant's LSAT score, 3) the average SAT score of all students from the applicant's undergraduate college, 4) the average LSAT score of all students from the applicant's undergraduate college. Factors 3 and 4 would reduce the applicant's PFYA if he graduated from a college whose students have a relatively low average SAT score or whose students have a relatively low average LSAT score.

Colleges that have traditionally had all Black enrollment and state supported colleges that draw a substantial number of their students from low and middle class families as a rule have lower average SAT scores and lower average LSAT scores than private colleges and large prestigious state supported universities. The rational for using factors 3 and 4 is to be fair to students who went to a school where competition was keen and good grades hard to obtain. In short, the present LSDAS procedure presupposes that an 'A' from Grand Valley State College or Stillman College is easier to get than an 'A' from the University of Michigan or Harvard or alternatively that a student who get an 'A' from Harvard knows more and would do better in his first year of law school than a student who gets an 'A' from Grand Valley State College. We

believe that this assumption is unjustified and unfounded.

The present method of computing the PFYA discriminates against minority applicants from Black Colleges in two ways. First, because Black Colleges traditionally have had extremely low average SAT and LSAT scores the GPA of a minority from a Black College would not receive as much weight in determining the PFYA as the GPA of applicants from other institutions. This results in the minority applicant from a Black College being placed at a comparative disadvantage in relation to other applicants (minority and non-monority) because Black students from his college scored low on standardized tests that are both of questionable validity and culturally biased against Black students.

Secondly, the minority applicant from a Black College would be at a disadvantage compared to other minority applicants from White Colleges that do not have a history of low SAT and LSAT scores. Thus the minority applicant from a Black College may be denied the benefits of the minority admissions program that is designed to take into account past discrimination against minority students and the cultural bias of the LSAT.

The use of the LSAT and PFYA as admission criteria for minority applicants helps to create the illusion that Black law students are not qualified to be in law school. Low-life critics of the minority admissions program have often pointed to the large difference between the GPA and LSAT scores of White law students and minority law students as evidence that the minority admissions program results in the admission of unqualified minority students who cannot compete successfully. This is particularly damaging to Black law students in 3 respects: 1) it breeds contempt against Black law students on the part of White students and faculty members who believe that Black students have received an undeserved preference, 2) it places an unjustified badge of inferiority on Black law students . . . who are presumed stupid until proven intelligent. Many Black students believe they are the victims of self-fulfilling prophesies and that professors expect Black students to receive poor grades and because of these expectations (subconsciously or consciously), give Black students poor grades, 3) it gives employers and potential clients the impression that Black law students received "second class degrees" and are therefore generally incompetent and unqualified. This last factor is particularly damaging because it spreads beyond the law school and becomes part of the folk lore of the legal profession.

It is unjust and unreasonable to help these types of stigmas be placed upon Black law students by continuing to use the LSAT and PFYA as admission criteria for minority applicants. Why should Black law students be forced to bear these badges of inferiority because they did not score as well as White students on a standardized test of questionable validity that is biased against them.

We demand that the LSAT and PFYA of the LSDAS not be used as an admissions criteria for minority applicants to the University of Michigan Law School.

We demand that professors not be granted access to minority students admissions folder or have access to the GPA and LSAT scores of minority students.

We demand that the law school not release or publicize the average GPA and LSAT scores of minority applicants.

The elimination of the LSAT as a criteria for admission will by no means eliminate the need for a minority admissions program with substantial input from minority law students. Other barriers of racial discrimination peculiar to minority students must be taken into account separate from the normal admissions process before a proper guage of a minority applicant's "capacities and potentials" can be made. As Justice Douglas stated in DeFunis vs Odegaard 40 L Ed 2d 164,177.

"A Black applicant who pulled himself out of the ghetto into a junior college may thereby demonstrate a level of motivation and ability that would lead a fair minded admission committee to conclude that he shows more promise for law study than the son of a rich alumnus who achieved better grades in Harvard."

Any fair admissions process for minority applicants must continue to take into account the peculiar racial and social economic barriers that confront the average minority applicant.

Minority student input into the admissions process for minority applicants insures that representatives of Black, Chicano, or other minority communities will have an effective voice in determining who the future lawyers of their communities will be. Minority student input into the admissions process insures that someone specially attuned to the problems and barriers that face minority applicants will be present to both point out extenuating circumstances that might merit giving the applicant in question specal consideration and guage the weight that should be given to the applicant's community activities. Minority student input into the present minority admissions programs is both substantial and effective in accomplishing the goals it was designed to effectuate.

We demand that the present procedure for minority input into the minority admissions program be continued.

We demand that the Black Student Admissions Committee have final authority in all admissions decisions for black applicants.

We demand that the Black Student Admissions Committee have final authority as to the time and location of their recruitment trips.

FINANCIAL AIDS—DEMANDS FOR CHANGE

The University of Michigan has been stingy, to say the least, in its allocation of funds to the law school to provide for the needs of poor law students. Poor law students can no longer accept the ancient argument that no funds are available for needy students when we see new buildings and additions springing up all over campus.

Therefore, we demand that the University of Michigan increase its allocation of opportunity awards program funds to the law school by 50%.

Many poor students are forced to make loans to finance their undergraduate and graduate education. Oftentimes, especially when the student's financial needs are great, the total of these educational loans can be staggering. We believe that it is unfair to overburden a needy student with large debts that may cause him many personal problems. Often students who are overburdened with educational loans are forced to file for bankruptcy in which case the University would only be able to collect a small percentage of the loans that were granted.

Therefore we demand that a maximum ceiling be set on the total amount of loan aid that individual students will be allowed to accumulate. After this ceiling is reached the student in question will only receive scholarships and grants to meet his financial needs.

The maximum loan ceiling will be a flexible figure that may vary for each individual. It will be determined by the financial aids officer. In determining the maximum loan ceiling for a particular individual the financial aids officer will take the following factors into account:

(1) the total amount of loans that the student now owes.

(2) whether the student has chosen to go to an in-state or an out of state institution during his academic career.

(3) and whether the student is married.

In addition we demand that students who pursue legal aid careers or low paying public service careers be allowed to renegotiate the terms of their loans after graduation.

At present the allocation of financial assistance for first year students is controlled by the Admissions Department while the allocation of financial assistance for second and third year students is controlled by the Financial Aid Department. The apparent rationale for this division is to allow the Admissions Department to attract "high quality" students by offering them financial incentives to attend Michigan. Since the law school is now being flooded with applications from highly qualified aspiring law students the reason for the division is no longer present. This also results in funds being granted to students on criterion other than need. We believe that scholarships, grants, and loans should be allocated purely on the basis of need.

Therefore we demand that the useless and irrational division in the financial aid program be ceased immediately and that the financial aid department be given authority to allocate all financial aid funds on the basis of need.

We further demand that the financial aids officer be allowed to hire adequate staff to perform these additional duties.

We demand that out of state students be charged in-state tuition.

Before any programs are implemented, satisfying these demands they must be approved by black students.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. Taylor of North Carolina (at the request of Mr. O'Neill), for this week on account of official business.

Mr. Pritchard (at the request of Mr. Rhodes), for the week of April 21, 1975, on account of official business.

Mr. Flynt (at the request of Mr. O'Neill), for today and Friday, April 18, 1975, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Reuss (at the request of Mr. Matsunaga), for 10 minutes, today.

(The following Members (at the request of Mr. Kelly) to revise and extend their remarks and include extraneous material:)

Mr. Cleveland, for 10 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Crane, for 5 minutes, today.

Mr. Frenzel, for 10 minutes, today.

Mr. Collins of Texas, for 10 minutes, today.

(The following Members (at the request of Mr. Pattison of New York) and to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. Lloyd of California, for 15 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Mezvinsky, for 10 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. White, for 5 minutes, today.

Ms. Holtzman, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Ichord, for 5 minutes, today.

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EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Conyers, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $973.

Mr. Rodino (at the request of Mr. Dominick V. Daniels) to include extraneous matter following his remarks today on H.R. 46.

(The following Members (at the request of Mr. Kelly) and to include extraneous matter:)

Mr. Ashbrook in two instances.

Mr. Brown of Ohio in three instances.

Mr. Latta.

Mr. Archer.

Mr. Michel.

Mr. Hansen.

Mr. Gilman.

Mr. Martin.

Mr. McCloskey in two instances.

Mr. Vander Jagt.

Mr. Emery.

Mr. Broomfield.

Mr. Whitehurst.

Mr. Anderson of Illinois in two instances.

Mr. Armstrong in three instances.

Mr. Snyder in two instances.

Mr. Burgener.

Mr. Goldwater.

Mr. Regula.

Mr. Gradison.

Mr. Myers of Indiana.

(The following Members (at the request of Mr. Pattison of New York) and to include extraneous matter:)

Mr. Edgar in two instances.

Mr. St Germain.

Mr. Rosenthal in three instances.

Mr. Lloyd of California.

Mr. Nolan in two instances.

Mr. Fraser.

Mr. Weaver in two instances.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Murtha.

Mr. Hungate.

Mr. Rangel.

Mr. Nichols in two instances.

Mr. Howe.

Mr. Vanik in three instances.

Mrs. Schroeder in two instances.

Mr. McDonald of Georgia in two instances.

Mr. Hamilton in 10 instances.

Mr. Charles H. Wilson of California.

Mrs. Sullivan.

Mr. Patterson of California in three instances.

Mr. Mottl in two instances.

Mrs. Spellman in two instances.

Mr. Chappell.

Mr. Tsongas.

Mr. Fauntroy in two instances.

Mr. Dodd.

Mr. Scheuer in three instances.

ADJOURNMENT

Mr. MATSUNAGA. Mr. Speaker, in honor of the late John Anthony Burns, and in his memory, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p.m.), the House adjourned until tomorrow, Friday, April 18, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

814. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for the Department of Health, Education, and Welfare for "Spécial Benefits for Disabled Coal Miners," for fiscal year 1975 has been apportioned on basis which indicates a need for a further supplemental estimate of appropriation, pursuant to section 3679(e) of the Revised Statutes [31 U.S.C. 665(e)]; to the Committee on Appropriations.

815. A letter from the Acting Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ended March 31, 1975, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended [50 U.S.C. App. 2281(h)]; to the Committee on Armed Services.

816. A letter from the Federal Cochairman, Appalachian Regional Commission, transmitting a draft of proposed legislation to extend the Appalachian Regional Development Act of 1965; to the Committee on Public Works and Transportation.

Received From the Comptroller General

817. A letter from the Comptroller General of the United States, transmitting a report on ways for the Department of the Navy to improve its management of automated data processing resources; jointly, to the Committees on Government Operations, and Armed Services.

818. A letter from the Comptroller General of the United States, transmitting a report evaluating airlift operations of the Military Airlift Command during the 1973 Middle East war; jointly, to the Committees on Government Operations, and Armed Services.

819. A letter from the Comptroller General of the United States, transmitting a report on ways to improve resource management in the District of Columbia by greater use of productivity techniques; jointly, to the Committees on Government Operations, and the District of Columbia.

820. A letter from the Comptroller General of the United States, transmitting the first on a series of reports on the audit of the Small Business Administration, which discusses the effectiveness of procurement programs under section 8(a) of the Small Business Act of 1953, pursuant to section 13 of Public Law 93-386; jointly, to the Committees on Government Operations, and Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SCHROEDER: Committee on Post Office and Civil Service House Joint Resolution 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as National Historic Preservation Week; (Rept. No. 94-153). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. Morgan:

H.R. 6096. A bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes; to the Committee on International Relations.

By Mr. ASPIN (for himself, Mr. Anderson of California, Mr. Badillo, Mr. Carr, Mr. Danielson, Mr. Drinan, Mr. Ford of Michigan, Mr. Gilman, Mr. Harrington, Mr. Hicks, Ms. Holtzman, Mr. Maguire, and Mr. Mikva):

H.R. 6097. A bill to assure that the discharge of chlorinated fluorocarbon compounds into the atmosphere will not impair the stratospheric ozone layer increasing the risk of disease (including skin cancer) and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Science and Technology.

By Mr. ADDABBO (for himself, Mr. Badillo, Mr. Burgener, Mr. D'Amours, Mr. Downey, Mr. Krebs, Mr. McEwen, Mr. Metcalfe, Mr. Mineta, Mr. Moss, Mr. Ottinger, Mr. Rangel, Mr. Rosenthal, Mr. Roybal, Mr. Seiberling, Mr. Charles H. Wilson of California, Mr. Young of Georgia, Mr. Zeferetti, Mr. Baldus, Mr. Mikva, and Mr. Stark):

H.R. 6098. A bill to amend the Public Buildings Act of 1959 to require the Administrator of General Services to consult with local governments with respect to the potential effects of construction of buildings for the use of Federal agencies, and to require the Postmaster General to engage in such consultation with respect to the construction of postal facilities; to the Committee on Public Works and Transportation.

By Mr. ASPIN (for himself, Mr. Mitchell of Maryland, Mr. Perkins, Mr. Ryan, Mr. Sarasin, Mr. Scheuer, Mrs. Schroeder, Mr. Seiberling, Mr. Solarz, Mr. St Germain, Mr. Stokes, Mr. Vander Veen, and Mr. Winn):

H.R. 6099. A bill to assure that the discharge of chlorinated flurocarbon compounds into the atmosphere will not impair the stratospheric ozone layer increasing the risk of disease (including skin cancer) and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Science and Technology.

By Mr. HASTINGS:

H.R. 6100. A bill to assist in the settlement of medical malpractice claims through a Federal program of reinsurance and through voluntary arbitration under State laws, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BOWEN (for himself, Mr. Dodd and Mr. Perkins):

H.R. 6101. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. DOWNING:

H.R. 6102. A bill to permit a two-watch system for certain officers and seamen on tugs and barges engaged in voyages of less than 1,800 miles; to the Committee on Merchant Marine and Fisheries.

By Mr. DOWNING:

H.R. 6103. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. HENDERSON (for himself, Mr. Fountain, Mr. Jones of North Carolina, Mr. Martin, and Mr. Rose):

H.R. 6104. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that exclusive territorial arrangements used in the distribution or sale of private label food products shall not be deemed per se unlawful, but shall be judged under the rule-of-reason standard; to the Committee on Interstate and Foreign Commerce.

By Mr. HENDERSON (for himself, Mr. Drinan, Mr. Lent, Mr. Mineta, Mr. Seiberling, Mr. Steelman, and Mr. Traxler):

H.R. 6105. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilties; to the Committee on Veterans' Affairs.

By Mr. HOWE:

H.R. 6106. A bill to authorize the Energy Research and Development Administration to enter into a cooperative agreement with the State of Utah to remove and dispose of uranium mill tailings, and for other purposes; to the Joint Committee on Atomic Energy.

H.R. 6107. A bill to amend the Consumer Product Safety Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Mr. KOCH (for himself, Mr. Conyers, Mr. Rangel, Mr. McCloskey, Mr. Waxman, Mr. Harrington, Mr. Rosenthal, Mr. Edwards of California, Mr. Duncan of Oregon, Mr. John L. Burton, Mr. Drinan, Mr. Dellums, Mr. Scheuer, Mr. Badillo, Ms. Abzug, Mr. Edgar, and Mr. Stark):

H.R. 6108. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 6109. A bill to permit the diversion and withdrawal of additional water from Lake Michigan into the Illinois Waterway, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LEVITAS (for himself, Mr. Mitchell of Maryland, Mr. Mann, Mr. Hannaford, Mr. Moore, Mr. Blanchard, Mr. Mineta, Mr. Jacobs, Mr. Don H. Clausen, Mr. Gilman, Mr. Bauman, and Mr. Chappell):

H.R. 6110. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly to the Committees on the Judiciary, and Rules.

By Mr. McDONALD of Georgia:

H.R. 6111. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. MIKVA:

H.R. 6112. A bill to establish a system of local control over airport noise problems; to the Committee on Public Works and Transportation.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Badillo, Mr. Brown of California, Mr. Carney, Mrs. Collins of Illinois, Mr. Drinan, Mrs. Fenwick, Mr. Harrington, Mr. Hawkins, Mr. Hicks, Mr. Koch, Mr. Krebs, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moss, Mr. Ottinger, Mr. Perkins, Mr. St Germain, Mr. Sarbanes, Mr. Seiberling, Mr. Sisk, Mr. Solarz, Mr. Stark, and Mr. Charles Wilson of Texas):

H.R. 6113. A bill to amend the Housing Act of 1937; to the Committee on Banking, Currency and Housing.

By Mr. NICHOLS:

H.R. 6114. A bill to amend section 1124(c) of title 10, United States Code, to remove the restriction that a member of the armed forces must be on active duty to be eligible for the payment of a cash award for a suggestion, invention, or scientific achievement; to the Committee on Armed Services.

By Mr. NOLAN:

H.R. 6115. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTERSON of California:

H.R. 6116. A bill to amend the Emergency Petroleum Allocation Act of 1973 (Public Law 93-159) to exempt State-owned oil; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 6117. A bill to provide for a national cemetery in the area of Broward County or Dade County, Fla.; to the Committee on Veterans' Affairs.

By Mr. PICKLE:

H.R. 6118. A bill to amend Public Law 88-482; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 6119. A bill to amend title II of the Social Security Act to provide that the marriage or remarriage of a beneficiary shall not terminate his or her entitlement to benefits or reduce the amount thereof; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 6120. A bill to amend the Small Business Investment Act of 1958 to create a pollution control financing program for small businesses; to the Committee on Small Business.

H.R. 6121. A bill to amend title II of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to remove the ceiling presently imposed upon the amount of earnings which may be counted annually for social security benefit and tax purposes (with the maximum benefits resulting therefrom being limited to twice the present maximum rate), and to fix social security taxes permanently (for cash benefit purposes) at a single reduced rate for both employees and employers; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 6122. A bill to provide for the inclusion of emergency power equipment in federally assisted multifamily housing facilities which are designed for occupancy in whole or substantial part by the elderly, and to authorize Federal loans to finance the provision of such equipment for those facilities; to the Committee on Banking, Currency and Housing.

By Mr. SEIBERLING (for himself and Mr. Oberstar):

H.R. 6123. A bill to amend the Federal Deposit Insurance Act to terminate the insurance of any bank which fails to pay a certain rate of interest on all tax and loan accounts; to the Committee on Banking, Currency and Housing.

By Mr. SIKES:

H.R. 6124. A bill to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk; to the Committee on Ways and Means.

By Mr. STEIGER of Wisconsin:

H.R. 6125. A bill to suspend the duty on wood particle board; to the Committee on Ways and Means.

By Mr. WINN (for himself and Mr. Ford of Tennessee):

H.R. 6126. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Technology.

By Mr. YOUNG of Florida (for himself and Mr. Tsongas):

H.R. 6127. A bill to amend the Emergency Petroleum Allocation Act of 1973 to provide for the equalization of residual fuel oil prices charged to public, private, and invested-owned utilities and other persons using such oil; to the Committee on Interstate and Foreign Commerce.

By Mr. ANNUNZIO (for himself, Mrs. Sullivan, Mrs. Spellman, Mr. Barrett, Mr. Gonzalez, Mr. Fauntroy, Mr. Neal, Mr. Wylie, and Mrs. Fenwick):

H.R. 6128. A bill to establish a Consumer Savings Disclosure Act in order to provide for uniform and full disclosure of information with respect to the computation and payment of earnings on certain savings deposits; to the Committee on Banking, Currency and Housing.

By Mr. BALDUS:

H.R. 6129. A bill to provide for a separate agency within the Department of Labor to be known as the Veterans' Employment Service, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; jointly to the Committees on Education and Labor, and Veterans' Affairs.

By Mr. BELL (for himself, Mrs. Burke of California, Mr. Harrington, Mr. Traxler, Mr. Tsongas, and Mr. Roe):

H.R. 6130. A bill to amend the Outer Continental Shelf Lands Act to provide a procedure for congressional disapproval of offshore oil and gas leases; jointly to the Committees on Interior and Insular Affairs, and Rules.

By Mr. BURLISON of Missouri (for himself, Mr. Whitten, Mr. Jones of Tennessee, Mr. Alexander, Mr. Duncan of Tennessee, Mr. Fulton, and Mr. Beard of Tennessee):

H.R. 6131. A bill to direct the Commodity Futures Trading Commission to regulate brokers who engage in forward contracting in connection with producers of agriculture crops; to the Committee on Agriculture.

By Mr. de LUGO:

H.R. 6132. A bill to provide that bonds and other obligations of the Virgin Islands may be used for any public purpose; to the Committee on Interior and Insular Affairs.

By Mr. HARKIN (for himself, Mr. Brown of California, Mr. Melcher, Mr. Cornell, and Mr. Lloyd of California):

H.R. 6133. A bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes; to the Committee on Agriculture.

By Mr. LENT:

H.R. 6134. A bill to transfer primary jurisdiction over the food stamp program to the Secretary of Health, Education, and Welfare, with the Secretary of Agriculture advising on foods approved for participation in the program; to the Committee on Agriculture.

By Mr. McDADE:

H.R. 6135. A bill to amend the Internal Revenue Code of 1954 to provide that taxpayers shall not be required to reduce the amount of casualty loss deductions by the amount of reimbursement anticipated from the cancellation of certain Federal loans made in the case of certain disasters; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 6136. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed per se unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. QUILLEN:

H.R. 6137. A bill to repeal the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. SIMON:

H.R. 6138. A bill to authorize establishment of the William Jennings Bryan Birthplace

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National Historic Site, Salem, Ill., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SYMINGTON:

H.R. 6139. A bill to amend the Federal Trade Commission Act to provide meaningful disclosure of the annual operating agency costs of certain products and systems to consumers; to the Committee on Interstate and Foreign Commerce.

By Mr. WALSH:

H.R. 6140. A bill to permit signs and notices for motorists to get information about travel-oriented services and facilities; to the Committee on Public Works and Transportation.

By Mr. WRIGHT:

H.R. 6141. A bill to amend title 5, United States Code, to provide survivor annuities to subsequent spouses of certain additional classes of deceased annuitants who died after making available survivor annuities for previous spouses at time of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BURGENER (for himself, Mr. HINSHAW, Mr. GOLDWATER, Mr. FORD, of Michigan, Mr. VAN DEERLIN, Mr. MEEDS, and Mr. JOHN L. BURTON):

H.R. 6142. A bill to amend the program of assistance for local educational agencies in areas affected by Federal activity to provide for the payment of 100 percent of entitlements arising out of the acquisition by the United States of certain real property; to the Committee on Education and Labor.

By Mr. DODD:

H.R. 6143. A bill to amend the Regional Rail Reorganization Act of 1973 with respect to the percentage of Federal subsidies for rail service continuation and to require the United States Railway Association to analyze certain railroad branch lines for inclusion in the final system plans; to the Committee on Interstate and Foreign Commerce.

H.R. 6144. A bill to provide assistance to unemployed persons and for other purposes; jointly to the Committees on Education and Labor, and Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 6145. A bill to amend the Federal Election Campaign Act of 1971 to establish a program of Federal financial assistance to encourage and assist the States and local governments in voter registration and election administration, and for other purposes; to the Committee on House Administration.

H.R. 6146. A bill to extend the authorization of appropriations for the Federal Election Commission through June 30, 1976; to the Committee on House Administration.

By Mr. FULTON:

H.R. 6147. A bill to extend for 3 years the period during which certain dyeing and tanning materials may be imported free of duty; to the Committee on Ways and Means.

By Mr. ICHORD:

H.R. 6148. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services; to the Committee on Armed Services.

By Mr. MEZVINSKY:

H.R. 6149. A bill to provide that the Secretary of Agriculture shall offer encouragement, advice, expertise, and other assistance for the purpose of establishing and maintaining farmers' markets designed to lower the cost of food for consumers and increase the income of small farmers; to the Committee on Agriculture.

By Mr. RAILSBACK:

H.R. 6150. A bill to amend title 28 of the United States Code to improve judicial machinery by changing the requirement for a three-judge court in certain cases, to broaden and clarify the jurisdiction of U.S. magistrates, increase the compensation of Federal judges and magistrates, protect the employment right of Federal jurors, and for other purposes; to the Committee on the Judiciary.

By Mr. RONCALIO (for himself, Mr. THOMPSON and Mr. ESCH):

H.R. 6151. A bill to authorize appropriations for services necessary to nonperformance arts functions of the John F. Kennedy Center; to the Committee on Public Works and Transportation.

By Mr. SCHEUER:

H.R. 6152. A bill to amend the Noise Control Act of 1972 to provide certain restrictions on aircraft noise; to the Committee on Public Works and Transportation.

By Mr. SEIBERLING (for himself, Ms. ABZUG, Mr. BROWN of California, Mr. CONYERS, Mr. KOCH, Mr. MITCHELL of Maryland, Mr. RODINO, Mr. ROE, Ms. SCHROEDER, Mr. SIMON, Mr. STARK, Mr. STOKES, and Mr. SYMINGTON):

H.R. 6153. A bill to establish grants for research endeavors for the purpose of assisting in the development and utilization of new and improved methods of food and fertilizer production; to the Committee on Agriculture.

By Mr. TEAGUE (for himself, Mr. MOSHER, Mr. SYMINGTON, Mr. McCLORY, Mr. DOWNING, Mr. BELL, Mr. FUQUA, Mr. WINN, Mr. McCORMACK, Mr. FREY, Mr. BROWN of California, Mr. GOLDWATER, Mr. MILFORD, Mr. ESCH, Mr. SCHEUER, Mr. EMERY, Mr. OTTINGER, Mr. HAYES of Indiana, Mr. DODD, and Mr. KRUEGER) (by request):

H.R. 6154. A bill to establish a national policy relating to conversion to the metric system in the United States; to the Committee on Science and Technology.

By Mr. WHITEHURST:

H.R. 6155. A bill to amend the Horse Protection Act of 1970, to provide for criminal sanctions for any person who interferes with any person while engaged in the performance of his official duties under this act, and to change the authorization of appropriations; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.J. Res. 401. Joint resolution providing for designation of the week inclusive of May 12, 1975, as National Hospital Week; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS (for himself, Mr. MATHIS, Mr. ROSENTHAL, Mr. HICKS, Mr. BURGENER, Mr. WAXMAN, Mr. ROE, Mr. HANNAFORD, Mr. MANN, Ms. ABZUG, Mr. STOKES, Mr. RICHMOND, Mr. DAVIS, Mr. STEELMAN, Mr. WINN, Mr. BLANCHARD, Mrs. FENWICK, Mr. ICHORD, and Mr. LONG of Maryland):

H.J. Res. 402. Joint resolution to establish a National Commission on Social Security; to the Committee on Ways and Means.

By Mr. OBERSTAR (for himself, and Mr. THONE):

H.J. Res. 403. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. MAZZOLI:

H.J. Res. 404. Joint resolution proposing an amendment to the Constitution relating to the term of office of Members of the House of Representatives and the eligibility of such Members to be elected to the Senate; to the Committee on the Judiciary.

By Mr. BURKE of Florida:

H. Con. Res. 231. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. CHAPPELL:

H. Con. Res. 232. Concurrent resolution disapproving the 5 percent ceiling on cost-of-living increases for Federal retirees; to the Committee on Post Office and Civil Service.

By Mr. HUNGATE (for himself, Mr. ABDNOR, Mr. ADDABBO, Mr. ANDREWS of North Dakota, Mr. BEVILL, Mr. COLLINS of Texas, Mr. EDGAR, Mr. FORD of Tennessee, Mr. FRENZEL, Mr. GUDE, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. HORTON, Mr. MANN, Mr. RANDALL, Mr. REES, Mr. RICHMOND, Mr. RIEGLE, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SIKES, Mrs. SPELLMAN, Mr. STARK, Mr. WOLFF, and Mr. ZEFERETTI):

H. Con. Res. 233. Concurrent resolution urging review of the United Nations Charter; to the Committee on International Relations.

By Mr. JACOBS:

H. Con. Res. 234. Concurrent resolution directing the President to establish a task force on the missing in action in Southeast Asia; to the Committee on Armed Services.

By Mr. KOCH (for himself, Mr. PEYSER, Mr. YATRON, Mr. HECHLER of West Virginia, Mr. KEMP, Mr. ZEFERETTI, Mr. DEVINE, Mr. HARRINGTON, Mr. REES, Mr. WINN, Mr. HASTINGS, Mr. FORD of Michigan, Mr. MAZZOLI, Mr. D'AMOURS, Mr. McHUGH, Ms. KEYS, Mr. SIMON, and Mr. WAXMAN):

H. Con. Res. 235. Concurrent resolution expressing the sense of Congress in regard to the United Nations' position on refugees in Indochina; to the Committee on International Relations.

By Mr. PEPPER (for himself, Mr. CHAPPELL and Mr. MURPHY of New York):

H. Con. Res. 236. Concurrent resolution expressing the sense of the Congress that the embargo of Cuba not be lifted as long as Cuba is dominated by Castro and communism; to the Committee on International Relations.

By Mr. PEYSER (for himself, Mr. KOCH, Mr. ROSENTHAL, Mr. LONG of Maryland, Mr. WHITEHURST, Mr. FORD of Tennessee, Mr. TREEN, Mr. ROONEY, Mr. BRADEMAS, Mr. McKINNEY, Mr. HANNAFORD, Mr. LAFALCE, Mr. EDGAR, Mr. ANDERSON of Illinois, Mr. PATTISON of New York, Mr. BLANCHARD, and Mr. CORMAN):

H. Con. Res. 237. Concurrent resolution expressing the sense of Congress in regard to the United Nations position on refugees in Indochina; to the Committee on International Relations.

By Mr. THOMPSON:

H. Con. Res. 238. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. FLOOD (for himself, Mr. ANNUNZIO, Mr. BUCHANAN, Mr. BURKE of Massachusetts, Mr. COTTER, Mr. DERWINSKI, Mr. GIAIMO, Mr. GILMAN, Mr. KOCH, Mr. PATTEN, Mr. ROE, Mr. STRATTON, Mr. VANDER VEEN, Mr. WALSH, and Mr. ZEFERETTI):

H. Res. 404. Resolution designating January 22 as Ukrainian Independence Day; to the Committee on Post Office and Civil Service.

By Mr. JACOBS:

H. Res. 405. Resolution creating a select committee to study the problem relating to the missing in action in Southeast Asia; to the Committee on Rules.

H. Res. 406. Resolution expressing the sense of the House of Representatives with respect to the missing in action in Southeast Asia and the Paris Agreement; to the Committee on International Relations.

By Mr. NEAL:

H. Res. 407. Resolution concerning the situation in Vietnam; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MIKVA:

H.R. 6156. A bill for the relief of Walma T. Thompson; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 6157. A bill for the relief of James E. Brown and his spouse, Gloria M. Brown, and Max D. Rogler, and Brown Lathing and Plastering, Inc.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

91. By the SPEAKER: Petition of Barbara and Walter Tacker, Terre Haute, Ind., relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

92. Also, petition of the Fourth District Convention, The American Legion, Department of Idaho, Twin Falls, Idaho, relative to the right to bear arms; to the Committee on the Judiciary.

93. Also, petition of the Newcomer's Club, Salt Lake City, Utah, relative to the disposal of radioactive tailings; to the Joint Committee on Atomic Energy.

SENATE—*Thursday, April 17, 1975*

The Senate met at 12 noon and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

Archbishop Torkom Manoogian, primate, Diocese of the Armenian Church of America, New York, N.Y., offered the following prayer:

In the name of the Father and the Son and the Holy Spirit. Amen.

Almighty God, we stand before You in this hallowed Chamber of concern and justice with a keen awareness that You are the source of the supreme justice and profound love for all Your creatures.

We thank You for the privileges we enjoy in this land of liberty, where groups of many nationalities have found new dimensions and opportunity, peace, and prosperity.

At this time, we give You special praise, O God, for the deliverance of the survivors and descendants of an ancient and martyred people and for their new life in this good land.

You are God of creation, who has called this Nation to a place of trust and responsibility throughout the world. We humbly ask that You bless this country, so that in turn it may be a blessing to the world.

Grant peace to all parts of the world. Fill the hearts of the leaders and Senators of this Nation with Your Holy Spirit so that in these times of crisis and tension, they may speak with courage and act with compassion for the alleviation of suffering here and in other lands.

Direct and inspire their deliberations, that all things may be so ordered and settled by their endeavors that peace and happiness, truth and justice, beauty and love may be established firmly for all peoples.

And may men and women everywhere bless and praise You, now and forever.

Blessed is the name of the Father, and of the Son, and of the Holy Spirit. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 17, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, April 15, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 249

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate proceeds to the consideration of Calendar No. 70, S. 249, a bill to amend the Securities Exchange Acts of 1934, there be a time limit of 30 minutes on the bill, to be equally divided between the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Texas (Mr. TOWER) or their designees; that there be a limit of 30 minutes on amendments and 10 minutes on amendments in the second degree, appeals, and so forth, under the usual conditions.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield the remainder of my time to the Senator from Rhode Island.

COMMEMORATION OF THE 60TH ANNIVERSARY OF THE MASSACRE OF ARMENIANS BY THE TURKS

Mr. PASTORE. Mr. President, this month we commemorate the 60th anniversary of one of the darkest and most shameful chapters in the history of Man. For it was on April 24, 1915, that the Turks began the systematic deportations, forced marches, and long series of unspeakable atrocities and massacres that culminated in the deaths of 1½ million Armenian martyrs.

These heinous and foul crimes can only be described properly as genocide—the bestial annihilation of one race of human beings by fellow human beings.

Nearly as reprehensible was the indifferent attitude of other peoples who watched the massacres but did not so much as raise their voices in protest.

On this day of mourning for the Armenian martyrs we should reflect upon the nature of this thing we like to call our humanity—our human spirit—those particular qualities with which we as human beings are endowed and which distinguish us from the other creatures of the Earth.

The philosophers tell us that we are God's noblest creatures. And it is true that man can achieve true nobility—he is capable of love; he can create great beauty; he has the faculty of reasoning. And these qualities do set man apart from the so-called lower forms of life.

But as you my good friends in particular well know, man is also capable of the basest instincts—instincts that make him less than bestial, for even the wolf does not devour his own or make war upon his brethren.

And it is upon this bestial side of our humanness that we ought to reflect this day. How humane are we, how truly noble is man if there are those among us who are capable of such savagery? It is not enough to dismiss this barbarism as an aberration, for there were acts of genocide before the terrible atrocities committed by the Turks against the Armenians and of course it has happened since. All of us recall the cremations during the time of Hitler.

We must resolve here today, as we remember the suffering and the martyrdom of those millions of Armenian innocents, that this must never again be permitted to happen. Never again, we must resolve, never again, will we stand by and watch. For to condone genocide by lethargy, for want of courage, destroys the very meaning God should have for us and makes our entire Judeo-Christian civilization a sham.

So on this day, as we have heard from the Archbishop, we bow our heads in prayer for those Armenian martyrs who made the supreme sacrifice 60 years ago, and pray that these barbaric acts will never again be perpetrated on mankind.

U.S. EXPORT OF NUCLEAR TECHNOLOGY

Mr. PASTORE. Mr. President, for the information of the Members of this body and the public, I would like, at this time, to briefly review the background and status of U.S. export of nuclear technology to other nations.

It is timely that this be done in view of the suggestions made by some that the United States no longer export nuclear technology for peaceful purposes. History and the hard facts show beyond any reasonable doubt how completely mistaken this course would be.

It would only result in two things—neither of which is desired—less effective international safeguards for the control of the peaceful atom and greater deficits in our balance of payments.

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American export of nuclear technology had its origin in President Eisenhower's famous speech at the United Nations in 1953 advocating atoms for peace. The atoms for peace program had two major purposes. First was the humanitarian desire to share with other nations the benefits of the civilian applications of nuclear energy and the second—and perhaps more important—purpose was to reduce the likelihood of the spread of nuclear weapons to other nations.

Since then, every step of the way in the development of the peaceful atom has been marked by American initiative designed both to deal with the desire of many nations to share the benefits of peaceful nuclear technology and to control the diversion of that technology to other than peaceful purposes.

Starting as far back as 1955, it was my privilege to be selected as a delegate to the U.S. mission to the 10th General Assembly of the United Nations. It was also my privilege to advance, on behalf of the U.S. Government before the first political committee, the draft resolution that led to the creation of the International Atomic Energy Agency.

Today more than 100 nations of the world are members of this International Agency. Among the tasks entrusted to this Agency is the administration of international safeguards to assure that atoms for peace are not diverted to atoms for war.

Over the years, the International Atomic Energy Agency has been working assiduously to provide and promulgate safeguard regulations to assure that any of the fuel for nuclear reactors would not be diverted from peaceful uses into the manufacture of nuclear explosives or weapons.

It is my understanding that up to this day there has not been a single violation in the case of any nuclear fuel provided under any of the agreements for cooperation for peaceful nuclear purposes entered into by the United States of America with various foreign governments of the world.

While we can and should be proud of this record, we must strive to insure that the international safeguards are continually reviewed and strengthened to deal with expanding nuclear trade.

Last year, India exploded a nuclear device, purportedly intended for peaceful applications. India gained the dubious distinction as the latest member of the so-called "nuclear club" not through circumvention of international safeguards, but because they possessed a reactor which was furnished by the Canadian Government and not subject to international safeguards.

I have always been a firm supporter of measures to prevent the international proliferation of nuclear weapons. In 1966, I introduced the first Senate resolution supporting the nuclear Non-Proliferation Treaty. That resolution passed the Senate by a vote of 84–0.

I remain—and always will remain—firmly convinced that every possible measure must be taken to prevent the diversion of nuclear materials given for peaceful purposes to weapons production. And it was for this precise reason that strict safeguard procedures were promulgated by the International Atomic Energy Agency.

An article appeared in the April 14 edition of the Washington Post which suggests that the shipment of a certain amount of highly enriched uranium to the Republic of South Africa for use in a research reactor located there could lead to the development of nuclear weapons by that nation.

The thrust of the article seemed to be that the United States should discontinue its export of nuclear materials in the interest of preventing further proliferation of nuclear weapons. Realistically, in today's world, if we never export another kilogram of uranium, this, in and of itself, would not prevent the proliferation of nuclear weapons.

Indeed, the removal of the historical American initiatives for international safeguards control might lead to a weakening of those controls. The United States has been the prime mover in developing international controls in the form of safeguards over transfers of nuclear equipment and materials from one nation to another. We could no longer take a lead role in these critical and sensitive diplomatic agreements involving the affairs of other sovereign states if we ruled ourselves out of further international nuclear trade.

The list of other nations with fully developed nuclear industries who are actively exporting nuclear technology grows year by year. Already it includes Russia, Great Britain, France, Canada, West Germany, Japan, and Sweden.

The withdrawal of the United States from this market would only serve as a bonanza for our competitors who would leap to fill the economic gap created by our decision.

The growth of nuclear technology is here to stay and its growth cannot be stopped. The physical basis is familiar to scientists worldwide. A dozen or more nations have the technological capability and industrial base for the development of civilian atomic power or nuclear weapons.

South Africa has copious supplies of uranium. On April 7 of this year it announced that a new pilot plant for the enrichment of uranium was in partial operation.

Thus, it would appear that if South Africa was of the mind to fabricate a bomb, it could certainly do so with its own resources and without our help. Thus a call for an end to U.S. nuclear exports would be most inadvisable. The world would go on its way without us.

The best we can hope for is to develop the beneficial applications and strictly control the harmful and destructive aspects.

The world will have the peaceful atom. If we are to exert any influence in order to prevent more of the world from becoming members of the "nuclear club" we must continue our leadership on the international atomic science.

I ask unanimous consent that a list of such agreements and related material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AGREEMENTS FOR COOPERATION IN THE CIVIL USES OF ATOMIC ENERGY

	Scope	Effective date	Termination date
A. BILATERALS WITH INDIVIDUAL COUNTRIES			
Country:			
Argentina	Research and power	July 25, 1969	July 24, 1999
Australia	do	May 28, 1957	May 27, 1997
Austria	do	Jan. 24, 1970	Jan. 23, 2014
Brazil	do	Sept. 20, 1972	Sept. 19, 2002
Canada	do	July 21, 1955	July 13, 1980
China, Republic of	do	June 22, 1972	June 21, 2014
Colombia	Research	Mar. 29, 1963	Mar. 28, 1977
Finland	Research and power	July 7, 1970	July 6, 2000
Greece [1]	Research	Aug. 4, 1955	Aug. 3, 1974
India	Power (Tarapur)	Oct. 25, 1963	Oct. 24, 1993
Indonesia	Research	Sept. 21, 1960	Sept. 20, 1980
Iran	do	Apr. 27, 1957	Apr. 26, 1979
Ireland	do	July 9, 1958	July 8, 1978
Israel	do	July 12, 1955	Apr. 11, 1977
Italy	Research and power	Apr. 15, 1958	Apr. 14, 1978
Japan	do	July 10, 1968	July 9, 2003
Korea	do	Mar. 19, 1973	Mar. 18, 2014
Norway	do	June 8, 1967	June 7, 1997
Philippines	do	July 19, 1968	July 18, 1998
Portugal	do	June 26, 1974	June 25, 2014
South Africa	do	Aug. 22, 1957	Aug. 27, 2007
Spain	do	June 28, 1974	June 27, 2014
Sweden	do	Sept. 15, 1966	Sept. 14, 1996
Switzerland	do	Aug. 8, 1966	Aug. 7, 1996
Thailand	do	June 27, 1974	June 26, 2014
Turkey	Research	June 10, 1955	June 9, 1981
United Kingdom	Research and power	Jul 21, 1955	July 20, 1976
Do	Power	Jul 15, 1966	July 14, 1976
Venezuela	Research and power	Fe 9, 1960	Feb. 8, 1980
Vietnam, Republic of	Research	Jul 1, 1959	June 30, 1979
B. ILATERALS WITH IN- ERNATIONAL OR- ANIZATIONS			
Or anization:			
European atomic energy community (EURATOM).	Joint nuclear power program	Fe 18, 1959	Dec. 31, 1985
EURATOM	Additional agreement to joint nuclear power program.	Jul 25, 1960	Dec. 31, 1995
International atomic Energy Agency (IAEA).	Supply of materials, etc	Au 7, 1959	Aug. 6, 2014
INTERNATIONAL AGREEMENTS			
I. pecial arrangements:			
United States-U.S.S.R.	Agreement on scientific and technical cooperation for the peaceful uses of atomic energy.	Ju 21, 1973	June 20, 1983
United States-Romania	Memorandum on cooperation in peaceful uses of atomic energy.	Ja 1, 1973	(2)

[1] Superseding, research and power agreement in abeyance; U.S. material covered by IAEA (NPT) safeguards.

[2] Remains in effect until representatives of the USERDA and Government of Romania have the opportunity to discuss a renewal of the memoranda.

UNITED STATES-IAEA TRILATERAL SAFEGUARDS AGREEMENTS FOR APPLICATION OF IAEA SAFEGUARDS TO U.S.-SUPPLIED MATERIALS

3d party	Effective date	Termination date[1]
Argentina	July 25, 1969	AC.
Australia (suspended July 10, 1974)[2]	Sept. 26, 1966	AC.
Austria (suspended July 23, 1972)[1]	Jan. 24, 1970	AC.
Brazil (amended Sept. 20, 1972)	Oct. 31, 1968	AC.
China, Republic of	Dec. 6, 1971	AC.
Colombia	Dec. 9, 1970	AC.
Denmark (suspended Mar. 1, 1972)[1]	Feb. 29, 1968	AC.
India	Jan. 27, 1971	AC.
Indonesia	Dec. 6, 1967	AC.
Iran (suspended May 15, 1974)[1]	Aug. 20, 1969	AC.
Israel	June 15, 1966	Apr. 4, 1975.
Japan	July 10, 1968	AC.
Korea (amended Mar. 19, 1973)	Jan. 5, 1968	AC.
Philippines (suspended Oct. 16, 1974)[2]	July 19, 1968	AC.
Portugal	July 19, 1969	AC.
South Africa (amended June 28, 1974)	July 26, 1967	AC.
Spain (amended June 28, 1974)	Dec. 9, 1966	AC.
Sweden	Mar. 1, 1972	AC.
Switzerland	Feb. 28, 1972	AC.
Turkey	June 5, 1969	AC.
Venezuela	Mar. 27, 1968	AC.

[1] AC indicates termination on same date as agreement for cooperation.

[2] Suspended in view of NPT safeguards agreements with IAEA.

NCN-PRCLIFERATION TREATY AND SAFEGUARDS STATUS OF COUNTRIES WITH WHICH THE UNITED STATES HAS AGREEMENTS FOR CCOPERATION

Country	NPT status	Safeguards
1. Agentina		IAEA trilateral.
2. Australia	Ratified	IAEA–NPT.
3. Austria	do	Do.
4. Brazil		IAEA Trilateral.
5. Canada	Ratified	IAEA–NPT.
6. China (Republic of)[1]	do	IAEA Trilateral.
7. Colombia	Signed, but not ratified	Do.
8. Denmark	Ratified	IAEA–NPT.
9. Finland	do	Do.
10. Greece	do	Do.
11. India		IAEA Trilateral.
12. Indonesia	Signed, but not ratified	Do.
13. Ireland	Ratified	IAEA–NPT.
14. Iran	do	Do.
15. Israel		IAEA Trilateral.
16. Japan	Signed, but not ratified	Do.
17. Korea	Ratified	Do.
18. Norway	do	IAEA–NPT.
19. Philippines	do	Do.
20. Portugal		IAEA Trilateral.
21. South Africa		Do.
22. Spain		Do.
23. Sweden[2]	Ratified	Do.
24. Switzerland	Signed, but not ratified	Do.
25. Thailand	Ratified	IAEA–NPT.
26. Turkey	Signed, but not ratified	IAEA Trilateral.
27. Venezuela	do	Do.
28. Viet-Nam	Ratified	IAEA–NPT.
29. United Kingdom[3]		

[1] An NPT safeguards agreement has not been concluded between the IAEA and RDC as a result of the ROC's explusion from the IAEA in December 1971. The IAEA trilateral safeguards agreement, however, is still in effect and being implemented.

[2] Negotiation of an NPT safeguards agreement is underway with the IAEA.

[3] The United States/United Kingdom agreement for Cooperation in the power reactor field envisages the application of IAEA safeguards on any enriched fuel provided by the United States. No such material has been provided to date.

Note: In addition to the above, the Euratom states (Belgium, Federal Republic of Germany, Italy, Luxembourg, and the Netherlands) are in the process of ratifying the NPT, following which the IAEA/Euratom safeguards agreement will come into force. In the meantime, Euratom safeguards apply. France, which is not an NPT party, will continue to be subject to Euratom safeguards insofar as United States-supplied materials and equipment are concerned.

U.S.-TYPE NUCLEAR POWERPLANTS ABROAD[1] OPERATING, IN CONSTRUCTION OR ON ORDER, AS OF JUNE 1, 1974

[Megawatts electrical]

Country and plant	In operation	In construction or on order	NSSS supplier
Austria: Tulln		700	KWU.
Belgium:			
Tihange		870	ACLF Group.
Doel-1		390	ACECO.
Doel-2		390	ACECO.
Doel-3		900	FRAM/ACECO.
Tihange-2		900	FRAM/ACECO.
Finland:			
Loviisa-1		440	U.S.S.R.
Loviisa-2		440	U.S.S.R.
Finland-3		600	ASEA.
Finland-4		600	ASEA.
Olkiluoto		660	ASEA Atom.
Footnotes at end of table.			
France:			
Sena	266		ACEO/FRA/W.
Fessenheim-1		890	Framatome.[2]
Fessenheim-2		890	Framatome.
Bugey-2		925	Framatome.
Bugey-3		925	Framatome.
Bugey-4		925	Framatome.
Bugey-5		925	Framatome.
Gravelines B1		925	Framatome.
Gravelines B2		925	Framatome.
Gravelines B3		925	Framatome.
Gravelines B4		925	Framatome.
Tricastin-1		925	Framatome.
Tricastin-2		925	Framatome.
Tricastin-3		925	Framatome.
Tricastin-4		925	Framatome.
St. Laurent-3		971	ALST/SOGERCA.[3]
St. Laurent-4		971	ALST/SOGERCA.[3]
Caux-1		750	Framatome.
Caux-2		750	Framatome.
Caux-3		750	Framatome.
Caux-4		750	Framatome.
Hanquedoc-1		1,000	Framatome.
Hanquedoc-2		1,000	Framatome.
Hanquedoc-3		1,200	Framatome.
Hanquedoc-4		1,200	Framatome.
AMBES-1		1,200	Framatome.
AMBES-2		1,200	Framatome.
AMBES-3		1,200	Framatome.
AMBES-4		1,200	Framatome.
Dampierre-1		905	Framatome.
Dampierre-2		905	Framatome.
Dampierre-3		905	Framatome.
Dampierre-4		905	Framatome.
Germany:			
KRB	237		GE.
KWL Lingen	256		AEG.
KWD Obrigheim	328		Siemens.
KKS Stade	630		Siemens.
KKW Wuergassen	612		KWU.
Biblis-1		1,150	KWU.
Biblis-2		1,240	KWU.
Brunsbuettel		770	KWU.
KKP Philipsburg-1		864	KWU.
KKP Philipsburg-2		864	KWU.
Unterweser		1,230	KWU.
Nordenham		1,300	KWU.
Neckarwestheim-1		762	KWU.
KKI Isar		870	KWU.
Muelheim-Kaerlich		1,215	BBC-BBR.
Kruemmel		1,260	KWU.
WYHL-SUD-KWS-1		1,250	KWU.
WYHL-SUD-KWS-2		1,250	KWU.
GKN Neckarwestheim-2		1,300	KWU.
Dettingen		1,200	KWU.
BWAG-1—Grafenrheinfeld		1,300	KWU.
BWAG-2		1,300	KWU.
BWAG-3		1,300	KWU.
Gundremmingen-2		1,250	KWU.
Gundremmingen-3		1,250	KWU.
Grohnde/Oberweser		1,300	KWU.
RWE-6		1,240	KWU.
RWE-7		1,240	KWU.
RWE-8		1,240	KWU.
RWE-9		1,240	KWU.
RWE-10		1,240	KWU.
RWE-11		1,240	KWU.
VEW-A		1,240	KWU.
VEW-B		1,200	KWU.
Iran:			
Iran-1		1,200	KWU.
Iran-2		1,200	KWU.
Iran-3		900	Framatome.
Iran-4		900	Framatome.
Italy:			
SENN	150		GE.[4]
SELNI	247		W.[5]
ENEL-4		783	AMN-GETSCO.
ENEL-5		952	ENI.
ENEL-6		982	AMN.
ENEL-8		982	GE.

Footnotes at end of table.

U.S.-TYPE NUCLEAR POWERPLANTS ABROAD[1] OPERATING, IN CONSTRUCTION OR ON ORDER, AS OF JUNE 1, 1974—Continued

[Megawatts electrical]

Country and plant	In operation	In construction or on order	NSSS supplier
Netherlands: Borselle	450		KWU.
Spain:			
Zorita-1	153		W.
Nuclenor	460		GE.
Lemoniz-1		902	W.
Lemoniz-2		902	W.
Almaraz-1		902	W.
Almaraz-2		902	W.
ASCO-1		902	W.
ASCO-2		902	W.
Cofrente		902	W.
No name yet		974	GE.
Switzerland:			
Beznau-1	350		W/BB.
Beznau-2	350		W/BBC.
Muhleberg	306		GETSCO/BB.
Kaiseraugst		850	GE/Sogerca.
Leibstadt		850	GETSCO/BB.
Gosgen		1, 100	KWU.
Graben		1, 140	BBC/GE.
Brazil: Angra-1		626	W.
Mexico:			
Laguna Verde-1		600	GE.
Laguna Verde-2		600	GE.
Sweden:			
Oskarshamn-1	440		ASEA.
Oskarshamn-2		580	ASEA.
Ringhals-1		760	ASEA.
Ringhals 2		900	W/Monitor.
Ringhals-3		900	W.
Ringhals 4		900	W.
Barseback-1		580	ASEA.
Barseback-2		580	ASEA.
Forsmark-1		900	ASEA.
Forsmark-2		900	ASEA.
Oscarshamn-3		900	ASEA.
Japan:			
Tsuruga	340		GE.
Mihama-1	320		W.
Mihama-2	470		MAPI.
Mihama-3		81	MHI.
Fukushima-1	460		GE.
Fukushima-2		84	GE/Toshiba.
Fukushima-3		84	Toshiba.
Fukushima-4		84	Hitachi.
Fukushima-5		84	Toshiba.
Fukushima-6		1, 00	GE/Toshiba.
Fukushima-II-1		1, 00	Toshiba.
Takahama-1		80	W/MAPI.
Takahama-2		80	MHI.
Shimane-1		60	Hitachi.
Genkai-1		59	MHI.
Oi-1		1, 22	W/MHI.
Oi-2		1, 22	W/MHI.
Hamaoka-1		00	Toshiba.
Hamaoka-2		50	Toshiba.
Onagawa-1		00	Toshiba.
Tokai Mura-2		1, 00	GE-HITACHI
Ikata-1		59	MHI.
India:			
Tarapur-1	200		GE.
Tarapur-2	200		GE.
Korea:			
Ko-Ri-1		64	W.
Ko-Ri-2		64	W.
Ko-Ri-3		00	AECL.
Ko-Ri-4		00	AECL.
Philippines:			
Philippine-1		26	W.
Philippine-2		626	W.
Taiwan:			
Chinshan-1		604	GE.
Chinshan-2		604	GE.
Kuosheng-1		800	GE.
Kuosheng-2		800	GE.
Taipower-5		992	W.
Taipower-6		992	W.
Yugoslavia: KRSKO		600	W.

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[1] Abroad refers to non-soviet bloc foreign countries.

[2] Framatome, of which Westinghouse is important shareholder, employs PWR technology.

[3] Industrial group, associated with CGS, which holds GE license for use of BWR technology.

[4] General Electric.

[5] Westinghouse.

NON-U.S.-TYPE NUCLEAR POWERPLANTS ABROAD, OPERATING, IN CONSTRUCTION OR ON ORDER

[Megawatts electrical]

Country and plant	In operation	In construction or on order	Supplier
Argentina:			
Atucha	318		Siemans.
Cordoba		6, 600	AECL.
Canada:			
Douglas Point	308		AECL.
Gentilly-1	250		AECL.
Pickering-1	508		AECL.
Pickering-2	508		AECL.
Pickering-3	508		AECL.
Pickering-4	508		AECL.
Pickering-5		750	AECL.
Bruce-1		7, 750	AECL.
Bruce-2		750	AECL.
Bruce-3		750	AECL.
Bruce-4		750	AECL.
Gentilly-2		600	AECL.
Gentilly-3		500	AECL.
New Brunswick-1		600	AECL.
Bruce-5		732	AECL.
Bruce-6		732	AECL.
Bruce-7		732	AECL.
Bruce-8		732	AECL.
Pickering-6		508	AECL.
Pickering-7		508	AECL.
Picuering-8		508	AECL.
Czechoslovakia: Bohunice A-1	110		SKODA.
India:			
Rapp-1	200		AECL.
Rapp-2		200	
Italy: Latina	200		TNPG.
Japan: Tokai Mura-1	157		BNDC.
Pakistan: Kanupp	125		CGE.
South Korea:			
Ko-Ri-3		600	AECL.
Ko-Ri-4		600	AECL.
Spain: Vandellos	487		EDF.
France:			
Phenix	250		
Chinon-2	200		
Chinon-3	480		
St. Laurent-1	480		
St. Laurent-2	515		
Bugey-1	540		
Oldbury-1	300		TNPG.
Oldbury-2	300		TNPG.
Winfrith	94		UKAEA.
United Kingdom:			
Calder Hall-1	50		UKAEA.
Calder Hall-2	50		UKAEA.
Calder Hall-3	50		UKAEA.
Calder Hall-4	50		UKAEA.
Chapel Cross-1	50		UKAEA.
Chapel Cross-2	50		UKAEA.
Chapel Cross-3	50		UKAEA.
Chapel Cross-4	50		UKAEA.
Berkeley-1	138		TNPG.
Berkeley-2	138		TNPG.
Bradwell-1	150		TNPG.
Bradwell-2	150		TNPG.
Hunterston A-1	160		GEC.
Hunterston A-2	160		GEC.
Trawsfynyd-1	250		APC.
Trawsfynyd-2	250		APC.
Hinkley Point A-1	250		EE-BW-TW.
Hinkley Point A-2	250		EE-BW-TW.
Dungeness A-1	275		TNPG.
Dungeness A-2	275		TNPG.
Sizewell A-1	290		EE-BW-TW.
Sizewell A-2	290		EE-BW-TW.
Wylta-1	590		EE-BW-TW.
Wylta-2	590		EE-BW-TW.
Windscale	35		UKAEA.
Hinkley Point B-1		625	TNPG.
Hinkley Point B-2		625	TNPG.
PFR		254	UKAEA.
Dungeness B-1		625	APC.
Dungeness B-2		625	APC.
Hunterston B-1		625	GEC.
Hunterston B-2		625	GEC.
Hartlepool-1		625	BNDC.
Hartlepool-2		625	BNDC.
Sizewell B-1		660	EE-BW-TW.
Sizewell B-2		660	EE-BW-TW.
Sizewell B-3		660	EE-BW-TW.
Sizewell B-4		660	EE-BW-TW.
Heysham-1		625	BNDC.
Heysham-2		625	BNDC.
Dungeness C-1		, 300	TNPG.
Dungeness C-2		, 300	TNPG.
Dungeness C-3		, 300	TNPG.

TABLE 1.—CURRENT AND ANTICIPATED FOREIGN ENRICHING PRODUCTION CAPACITY AND SEPARATIVE WORK REQUIREMENTS

[In millions of separative work units]

Country	1974	1979	1981	1983	1985
U.S.S.R.[1]	7-10	7-10	7-10	7-10	7-10
Eurodif		3.5	10.5	10.5	10.5
Urenco[2]		.4	2.0	4.0	10.0
United Kingdom/Capenhurst	.4	.4	.4	.4	.4
France/Pierrelatte[3]	.4	.4	.4	.4	.4
South Africa[4]			2.4	8.0	8.0
Canada[4]				8.0	8.0
Japan					.7-.8
Total foreign capacity[5]	7.8	11.7	22.7	38.3	45.0
Total foreign separative work requirements	3.4	13.6	17.8	25.4	33.9
Foreign separative work requirements (excluding Soviet bloc and People's Republic of China)	2.6	10.9	14.0	19.5	25.1

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[1] Capacity data for U.S.S.R. enrichment plant is unpublished; capacity range shown is taken from an unauthenticated and unclassified source.

[2] Includes the United Kingdom, Germany, and the Netherlands.

[3] Primarily for military requirements; not economically competitive for commercial power reactor fuel production.

[4] Unlike French-led, Eurodif and Urenco who are each firmly committed to construction of enriching capacity, the South African and Canadian projects are still in the exploratory stages and may not meet the production schedule shown. Hence foreign capacity shown for latter years may be overstated. South African pilot enrichment plant now operating.

[5] Of the amounts shown, the Eurodif capacity is reportedly fully committed with 50 percent to France and 50 percent to Italy, Spain, Belgium, and Japan for delivery 1980–89; for Urenco, approximately 60 percent of planned 1981 production of 2,500,000 separative work units, committed by contract or letter of intent to United Kingdom and German utilities for delivery through mid-eighties. The U.S.S.R. has recently concluded with non-Soviet-bloc countries a number of enrichment contracts for about 8,500,000 separative work units for delivery through about 1990.

[6] Planned capacity shown does not include that for second Eurodif plant, currently under discussion and scheduled for possible launching late 1975 to early 1976. Europe, Canada and Australia under consideration as sites for Eurodif II.

TABLE 2.—WORLD URANIUM PRODUCTION

	1969		1970		1971	
	tonnes U	short tons U_3O_8	tonnes U	short tons U_3O_8	tonnes U	short tons U_3O_8
Argentina	42	55	45	60	45	60
Australia	254	330	254	330		
Canada	3, 430	4, 450	3, 530	4, 560	3, 830	4, 980
France	1, 180	1, 530	1, 250	1, 630	1, 250	1, 630
Gabon	500	650	400	520	540	700
Germany	16	21	24	31	18	23
Japan						
Mexico	30	40				
Niger					430	560
Portugal	94	122			81	105
South Africa	3, 080	4, 000	3, 167	4, 117	3, 220	4, 186
Spain	55	72	51	66	60	78
Sweden	29	38	14	18	8	10
United States of America	8, 900	11, 600	9, 900	12, 900	9, 500	12, 300
Total	17, 600	22, 900	18, 650	24, 250	18, 950	24, 630

TABLE 3.—WORLD RESOURCES OF URANIUM

[Tons U_3O_8]

	Reasonably assured	Estimated additional	Total
$10:			
Australia	300, 000	50, 000	350, 000
Canada	240, 000	250, 000	490, 000
South Africa and South West Africa	260, 000	10, 000	270, 000
France, Niger, Gabon, C.A.R	140, 000	70, 000	210, 000
Other[1]	60, 000	60, 000	120, 000
Foreign subtotal	1, 000, 000	440, 000	1, 440, 000
United States[2]	340, 000	700, 000	1, 040, 000
$10 subtotal (rounded)	1, 340, 000	1, 140, 000	2, 480, 000
$10–15:			
Australia	80, 000	40, 000	120, 000
Canada	160, 000	280, 000	440, 000
South Africa	80, 000	30, 000	110, 000
Sweden[4]	350, 000	50, 000	400, 000
France, Niger, Gabon, C.A.R	40, 000	50, 000	90, 000
Other	30, 000	60, 000	90, 000
Foreign subtotal	740, 000	510, 000	1, 250, 000
United States[2]	180, 000	300, 000	480, 000
$10–15 subtotal	920, 000	810, 000	1, 730, 000
Less than $15 subtotal (rounded)	2, 260, 000	1, 950, 000	4, 210, 000
$15–30:[3]			
Canada	100, 000	300, 000	400, 000
South Africa	55, 000	70, 000	125, 000
Sweden[4]	150, 000	200, 000	350, 000
Spain	15, 000	250, 000	265, 000
Other	70, 000	140, 000	210, 000
Foreign subtotal	390, 000	960, 000	1, 350, 000
United States[2]	180, 000	700, 000	880, 000
$15-30 subtotal	570, 000	1, 660, 000	2, 230, 000
Grand total (rounded)	2, 830, 000	3, 610, 000	6, 440, 000

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[1] Argentina, Brazil, Denmark, Finland, India, Italy, Japan, Mexico, Portugal, Spain, Turkey, Yugoslavia, Zaire.

[2] Does not include 90,000 tons U_3O_8 by product of phosphate and copper production through year 2000.

[3] ENEA/IAEA September 1967.

[4] Expected to be a source of only limited production.

STATUS OF FOREIGN URANIUM ENRICHING SERVICES ACTIVITIES—APR. 1, 1975

1. U.S.S.R.

Customer country: Firm signing contract	Amount (mt SWU)[1]	End use/reactor to be fueled	Delivery date	Comments
A. CONTRACTS WITH THE WEST				
France:				
Commissariat a l'Energie	250	Fessenheim-1	1973–74	
Atomique (CEA)	3,500	Unspecified	1979–83	
Italy: Agip Nucleare	About 4,200	Unspecified	1972–83	
West Germany:				
Rheinisch-Westfalisches	600	Biblis-B	1974–77	
Elektrizitatswerk (RWE)	3,100	Muelheim-Karlich	1978–90	Estimates based on approximate reload requirement for each reactor through 1990 assuming 75 percent powerplant availability and 0.3 percent tails.
Kraftwerk Union	2,600	Iran (2)	1979–80	
Gemeinschaftskernkraftwerk Neckar (GKN)	About 600	Neckarwestheim	1976–80	Option for reloads, 1981–85.
Gesellschaft fur Kernforschung (GFK)		Niederaichbach	NA	Permanent shutdown announced. Disposition of contracted amount not known.
Nuklear-Chemie und-Metallurgie (NUKEM)	1,350	Various	1976–80	
Various	About 500	Grafenrheinfeld, Krummel	1976–77	Option for reloads, dates not available.
Belgium: Synatom	1,300	Doel-3, Tihange-2	1979–85	

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STATUS OF FOREIGN URANIUM ENRICHING SERVICES ACTIVITIES—APR. 1, 1975—Continued

1. U.S.S.R.—Continued

Customer country: Firm signing contract	Amount (mt SWU)[1]	End use/reactor to be fueled	Delivery date	Comments
Sweden: Svensk Kernbransleforsorjning	300	Unspecified	1979	Option for 1,100 mtSWU for delivery 1980–89.
Finland: Teollisuuden Voima Oy (TVO)	300	Olkiluoto-1	1977–79	Option for 350 mtSWU for delivery 1980–85.
Spain: Empresa Nacional del Uranio (Enusa)	5,100	Unspecified	1978–90	
Austria: Gemeinschaftskernkraftwerk Stein	1,260	Stein	1978; 1980–89	
United Kingdom: CEGB	1,000	Various	1980–89	Partial reload requirements for 2 SGHWR's.

[1] Separative work unit. This is the unit of measurement of uranium enrichment production.

Customer country: Buyer/user	Amount (mtSWU)	End use/reactor to be fueled	Delivery date	Comments
B. POTENTIAL COMMITMENTS				
Japan: NA	1,000/yr	NA	1976–2000	U.S.S.R. has offered at least 1,000 mtSWU annually beginning in 1976 and reportedly would prefer to supply 3 to 4 times that much.
United States: General Electric	100 3,500	Foreign reactors not specified	1974 1974–94	Authorized to conclude contract with U.S.S.R. but no action taken.
Switzerland: NA	NA	NA	NA	Reports of talks in 1973 concerning Soviet provision of enrichment services. No firm date.
West Germany: KWU	NA	Proposed Kaliningrad reactor		Reportedly, KWU to purchase natural uranium on free world market with toll enrichment in U.S.S.R.
2. EURODIF (FRANCE)[1]				
A. REPORTED AGREEMENTS/CONTRACTS				
apan: Federation of electrical power companies representing 9 utilities.	1,000 yr	To be shared by 9 utilities	1980–89	Agreement signed Jan. 26, 1974, contract signed June 27, 1974.
Spain: NA	400	NA	1979	Spain reportedly has given Eurodif a letter of intent for these amounts which total 3,900 mtSWU.
	500		1980	
	600		1981	
	700		1982	
	800		1983	
	900		1984	
Switzerland: NA	200 or 1,000	Kaiseraugst	1977–89	Contract figures of 200 and 1,000 mtSWU reported. One source indicates France's CEA will supply enrichment for the first core and first 2 reloads for delivery 1977 through 1979 with Eurodif supplying the subsequent nine reloads through 1989.
West Germany: RWE, EVS	300	2 reactors currently under construction	1981	These 2 utilities have placed orders with Eurodif.
	120		1982	
	120		1983	
	120		1984	
B. POTENTIAL COMMITMENTS				
Belgium: NA	800/yr	NA	Post 1980	Annual order expected to be around 800 mtSWU. No firm contracts.
France: EdF	3,000/yr	NA	NA	Unconfirmed report that EdF has placed an order for this amount annually for 10 years. No firm data on contract. Estimates of EdF's requirements from Euridof amount to 4,500/yr.
Iran: NA	NA	French-supplied reactors	NA	Under terms of recent Franco-Iranian agreement, Iran will have an option to receive 10% of Eurodif's production.
Italy: CNEN, AGIP	800/yr	NA	1981–82	Italy's estimated requirements from Eurodif. It has been reported that Eurodif has requested Italy to accept first delivery in 1979—2 years in advance of that given in the estimate.
	1,600/yr	NA	1983	
	2,000/yr	NA	1984–88	
	2,400/yr	NA	1989–90	
3. URENCO (UNITED KINGDOM-NETHERLANDS-FEDERAL REPUBLIC OF GERMANY)[2]				
A. REPORTED AGREEMENTS				
West Germany, United Kingdom: 5 utilities	270	NA	1977	5 utilities in West Germany and the United Kingdom have signed letters of intent for these amounts.
	340		1978	
	750		1979	
	1,250		1980	
West Germany, Netherlands: 6 utilities	750	NA	1980	Negotiations with 6 other utilities for orders expected to bring the total to over 2,000 mtSWU for delivery in 1980.
Switzerland: NA	NA	NA	NA	Reported to have placed an order with URENCO.
B. POTENTIAL COMMITMENTS				
France: Electricité de France	NA	NA	NA	Unconfirmed reports in April 1974 that EdF planned to discuss a contract with URENCO. No further data.
Japan: NA	NA	NA	NA	Reported discussions negotiations for post-1980 supply.
Spain: ENUSA	NA	NA	NA	Discussions with URENCO as part of Spain's plans to diversify source of supply.

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[1] Eurodif's production has been reported as already sold for a 12-yr period. However, not all contracts and amounts of separative work are known.

[2] Data pertaining to URENCO sales are conflicting and generally not verified. Most reports indicate commitments of about 2,000 mtSWU for delivery in 1980; figures for total orders covering 10-yr contracts range from 9,000 to 20,000 mtSWU.

NA—Not available.

ORDER OF BUSINESS

The PRESIDING OFFICER. Does the assistant minority leader wish to be recognized?

Mr. HELMS. I do not. I believe that Senator GRIFFIN reserved some time. which I am prepared to yield back.

The PRESIDING OFFICER. Under the previous order, the Senator from Florida (Mr. STONE) is recognized for not to exceed 15 minutes.

Mr. TALMADGE. Mr. President, will the distinguished Senator from Florida yield me 2 minutes, on a privileged matter?

Mr. STONE. I yield.

EMERGENCY FARM PRICE SUPPORTS—CONFERENCE REPORT

Mr. TALMADGE. Mr. President, I submit a report of the committee of conference on H.R. 4296, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HUDDLESTON). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. TALMADGE. Mr. President, the conference report of H.R. 4296, the emergency farm price support, is a compromise. It provides less price protection than the Senate version passed March 26. The conferees, in reconciling the differences. have gone the last mile in meeting the administration.

We have done everything within our power to trim the potential cost of the bill and to avoid a Presidential veto.

Mr. President. in the past 2 years our Nation has suffered the most serious economic distortions of any period since the Great Depression. Many of the contributing factors were not exclusively market determined. and some are beyond the control of men or governments. However. the consequences and potential impact of these consequences can be modified by responsible action of this Government.

Agricultural production costs have surged by 35 percent in the past 2 years. In addition, the prices for many critical inputs have gone up much faster. Average fertilizer prices more than doubled, but many farmers had to pay three and four times more for fertilizer last year than just 2 years before..

Seed prices are up by 76 percent, machinery prices have zoomed while interest charges have in many cases doubled, and gas and diesel fuel to run the machinery has also soared.

However, current target and loan levels were established in 1973 before these cost increases were fully realized. Existing law offers target prices and loan rates at the following levels:

For wheat, $2.05 and $1.37, respectively;

For corn, $1.38 and $1.10;

For cotton, 38 cents and 34.3 cents.

As a result of the spiraling costs, these loan and target levels, as established by the Agriculture and Consumer Protection Act of 1973, are woefully inadequate.

The Department of Agriculture has confirmed this conclusion. All the increased cost factors I have cited are USDA statistics. In addition, the Secretary of Agriculture in testimony before the Committee on Agriculture and Forestry said the current Department production cost estimate for wheat is $2.50 a bushel, 45 cents more than the current target. For corn, he said it costs about $1.79 per bushel to produce or 41 cents more than the current target. And to produce cotton, he said it costs 48 cents a pound, or 10 cents more than the current target.

Even though these levels are significantly higher than current targets, the Secretary conspicuously selected some of the least cost production areas in the country.

Data supplied to the Committee on Agriculture and Forestry by the land-grant universities around the country place the total cost of producing wheat at between $2.65 and $4.10 per bushel; for corn, between $1.76 and $2.42 per bushel; and for upland cotton, around 52 cents per pound.

The purpose of established prices and loan levels is to lend stability to the markets for farm products. Without the stabilizing influence of realistic target prices and loan levels, producers face severe uncertainty, especially with higher production costs.

Instability of prices and production are certain under these conditions at the farm level. Ultimately this farm level instability results in wide swings in the supplies of food and fiber for consumers and also in the prices they must pay.

This is a serious threat to not only agriculture, but to the total economy.

Mr. President, Secretary Butz has shown a total disregard for farmers, consumers, and the facts. In his blind adherence to the "free market" he intends to "free" the market of producers through bankruptcy, "free" consumers from regular supplies of food through uncertainty, and as a result, "free" the economy from stability and normalcy.

I am a leading proponent of free markets. I fervently oppose excessive Government intervention in any phase of American life.

However. I also recognize the limits of do-nothing policies, especially those which ignore the facts.

Dr. Carroll Bottum, professor emeritus of agricultural economics at Purdue University, has predicted that there is a 75-percent chance that crop prices this year will plunge to, or near, current loan levels.

In analyzing this eventuality, Dr. Leo Mayer, in a special study for the committee, entitled "Farm Programs and Economic Stability in Agriculture," noted that such price levels, "would have a devastating effect on farm families and rural communities." He also notes that the impact will only begin in 1975, the full economic impact will not be realized until 1976 and 1977.

Clearly the consequences of inaction go far beyond today, or this budget. It could plague us for years to come.

The major reasons the administration has cited for opposing this legislation are the costs to the Government and to consumers. Let me briefly examine these questions.

The idea that this legislation will be a burden for consumers ignores what the cost will be if we do not have adequate production.

It also overlooks the fact that both the target and loan levels in H.R. 4296 are below current market prices for wheat and feedgrains, as is the loan level for soybeans.

If the market functions efficiently, we would deliver more products in 1975 at less cost to consumers than with current prices.

Clearly it does not mean higher consumer prices; but rather a minimum level of economic security for producers.

As to the cost to the Government, I see evidence of the situation the esteemed former Senator from North Carolina, Mr. Sam Ervin, so often pointed out—"figures don't lie; it's liars that figure."

First, Government assumption of commodities on loans is not a cost—it is really a bank account in kind. With reasonable management, the Government will be able to liquidate these commodities over time at a profit. In fact, if the Secretary had not been in such a hurry to dump all our CCC stocks and sell cheap to the Russians, we would have realized huge profits on our stored commodities in the last 2 years.

The Department of Agriculture has also said that the cotton program will result in extensive Government deficiency payments. The low price of cotton today is because of the total economic recession we are experiencing. With economic recovery this price will recover and payments may not be necessary.

I personally plan to get this economy going again. I hope the administration is of a like mind.

For someone so much in favor of market-determined prices, Mr. Butz does not seem to know much about markets.

The department has also used scare tactics in estimating costs. They started out with a claim that the cost could exceed $10 billion, compared to $210 million by the committee.

Subsequently they began cutting down their estimates until in some areas they are below the committee estimates; but these latter-day numbers have not made

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the press or mileage of the original estimates. I think this is by design.

Just how the Department has manipulated numbers is evident in their estimates of milk prices and costs to consumers due to the dairy provisions of H.R. 4296.

For example, an early estimate of the Department suggested the consumer price of milk would increase 6 cents per gallon—later they dropped this about 1 cent per gallon. For butter, they indicated a 15-cent-a-pound increase that was ultimately reduced to less than 1½ cents per pound and the change for cheese fell from 7 cents to just over 1 cent per pound.

Mr. President, at this point I ask unanimous consent that a comparison of the various estimates by the Department of Agriculture and of the committee staff for milk prices under H.R. 4296 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ESTIMATED INCREASE IN CONSUMER PRICES OF DAIRY PRODUCTS AS A RESULT OF H.R. 4296

[Base price for manufacturing milk received by farmers, Jan. 3, 1975, $7.24 per hundredweight

	80 percent parity	Change from base (cents)
Initial milk price (effective April 1975):		
Farmers price per hundredweight of milk:		
Staff estimate	$7.31	7
Original USDA estimate	7.42	18
2d USDA estimate	7.31	7
Last USDA estimate	7.31	7

IMPACT OF INITIAL PRICE INCREASES ON CONSUMER PRICES

	Average increase from base 80 percent parity (cents)
Fluid milk (gallon):	
Staff estimate	0.5
Original USDA estimate	
2d USDA estimate	6.0
Last USDA estimate	1.1
Cheese (pound):	
Staff estimate	.6
Original USDA estimate	
2d USDA estimate	7.0
Last USDA estimate	1.3
Butter (pound):	
Staff estimate	.7
Original USDA estimate	
2d USDA estimate	15.0
Last USDA estimate	1.3
Nonfat dry milk:	
Staff estimate	.5
Original USDA estimate	
2d USDA estimate	
Last USDA estimate	.9

SUBSEQUENT QUARTERLY ADJUSTMENT [1]

	80 percent parity	Change from previous quarter (cents)
July 1975; farm price per hundredweight:		
Staff estimate [2]	$7.42	11
Original USDA estimate	7.59	17
2d USDA estimate	7.45	12
Last USDA estimate	7.37	6
Milk per gallon [2]		.2
Cheese per pound [2]		1.2
Butter per pound [2]		1.1
Nonfat dry milk per pound [2]		.7
October 1975, farm price:		
Staff estimate [2]	$7.53	11
Original USDA estimate	7.76	17
2d USDA estimate	7.51	6
Last USDA estimate	7.35	−2
Milk per gallon [2]		1
Cheese per pound [2]		1.1
Butter per pound [2]		1.1
Nonfat dry milk per pound		.8
January 1976, farm price:		
Staff estimate [2]	$7.64	11
Original USDA estimate	7.93	17
Second USDA estimate	7.51	0
Last USDA estimate	7.31	−4
Milk per gallon [2]		1
Cheese per pound [2]		1.1
Butter per pound [2]		1.1
Nonfat dry milk per pound		.7

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[1] Butter and nonfat dry milk made from same milk. Presently the milk price is allocated 45 percent to butter and 55 percent to nonfat dry milk. Example follows same division.

[2] Staff estimates assume a 6-percent annual rate of inflation, or 1.5 percent per quarter.

SUMMARY TABLE OF MILK PRICES PER H.R. 4296

AVERAGE PRICE PER HUNDREDWEIGHT OF MILK FOR PERIOD COVERED IN H.R. 4296

	80 percent parity	Change from base (cents)
Staff estimate	$7.475	23.5
Original USDA estimate	7.675	43.5
2d USDA estimate	7.445	20.5
Last USDA estimate	7.335	9.5

AVERAGE INCREASE OF CONSUMER ITEMS USING STAFF ESTIMATES FOR PERIOD COVERED IN H.R. 4296

	Change from base (cents)
Milk per gallon	1.92
Cheese per pound	2.83
Butter per pound	2.35
Nonfat dry milk per pound	1.60

SUMMARY AND COMPARISON OF PRICE ESTIMATES BY QUARTER

[Dollars per hundredweight]

	April	July	October	January 1976
80 percent of parity:				
Staff estimate	$7.31	$7.42	$7.53	$7.64
Original USDA estimate	7.42	7.59	7.76	7.93
2d USDA estimate	7.31	7.45	7.51	7.51
Last USDA estimate	7.31	7.37	7.35	7.31

Mr. TALMADGE. Mr. President, a final administration objection has been this legislation would price us out of the world market for our farm products.

Mr. President, our position in world agricultural trade is secure. We have an absolute advantage in agriculture similar to that of the Middle East in petroleum.

There is not enough excess agricultural capacity anywhere else to drive us from the lead position in farm trade.

In addition, the levels in this legislation would permit price declines from current levels. What it prevents is a plummeting of prices that would sharply reduce our foreign exchange earnings that we have desperately needed.

Mr. President, agricultural production is a complex and highly variable biological system. It supplies the people of this Nation with the basic needs of food and fiber. The supply of these needs can not be left to chance.

We cannot abdicate our responsibility.

Mr. Butz argues that nothing is needed. Apparently the Secretary of Agriculture favors depression prices. If, as one Department spokesman maintains, a few farmers going broke is good, I am sure they believe wholesale bankruptcy is wonderful.

I cannot accept this conclusion. I fear Mr. Butz is doing the country and the President a disservice in this instance. After he testified before the Committee on Agriculture and Forestry, we asked for clarification of several administration points. We never received an answer to our query.

Congress has tried to meet the administration more than half way, and we have tried to work out differences, but we can go no farther.

I take no joy in conflict between the executive and legislative branches. Strength is imperative in each of the branches of our Government.

I will support the administration in its efforts to improve the economic, social, and physical well-being of Americans without regard to partisan positions. I call on the Executive to follow the same course.

This legislation is not a cross to crucify consumers or the budget, nor a ploy to gouge the Government, nor a way to assure anyone excess profits.

What this bill does is prevent depression in agriculture; it assures adequate food and fiber for all Americans; it will yield needed foreign exchange; and it will lend stability to a badly shaken economy.

Briefly, let me describe this bill:

For the 1975 crop only, it sets target prices at these levels: $3.10 per bushel for wheat, $2.25 per bushel for corn, and 45 cents a pound for cotton.

And for the 1975 crop only, it sets loan rates at these levels: $2.50 per bushel for wheat, $1.87 per bushel for corn, and 38 cents a pound for cotton.

It provides a loan program for soybeans for 1 year only, under a formula which the committee believes will result in a loan rate of $3.94 per bushel.

It provides, through March of 1976, a support price of 80 percent of parity for manufacturing milk, and requires quarterly adjustments in the floor price.

It provides that farmers, at their option, can extend commodity loans beyond the normal loan period, up to a total of 18 months on all crops.

Mr. President, this is a brief explanation of this bill. I ask unanimous consent that the conference report, explaining it in detail, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TALMADGE. In short, this bill is a safety net to save all Americans from the horrors of scarcity, depression, and instability.

Mr. President, the Committee on Agriculture and Forestry recommends the adoption of the conference report on H.R. 4296.

[EXHIBIT 1]

CONFERENCE REPORT ON H.R. 4296

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following new section 108:

" 'SEC. 108. Notwithstanding any other provision of this Act—

" '(a) The established price for the 1975 crops of upland cotton, corn, and wheat shall be 45 cents per pound, $2.25 per bushel, and $3.10 per bushel, respectively.

" '(b) The Secretary shall make available to producers loans and purchases on the 1975 crops of upland cotton, corn, and wheat at 38 cents per pound, $1.87 per bushel, and $2.50 per bushel, respectively.

" '(c) The rate of interest on commodity loans made by the Commodity Credit Corporation to all eligible producers for the 1975 crops shall be established quarterly on the basis of the lowest current interest rate on ordinary obligations of the United States.

" '(d) The nonrecourse loan for the 1975 crop of upland cotton as set forth in section 103(e)(1) of this Act shall be made available for an additional term of eight months, at the option of the cooperator. Nonrecourse loans for the 1975 crops of wheat and corn shall be made available for a term not less than eighteen months from the first day of the month in which the loans are made.

" '(e) The Secretary shall make available to producers loans and purchases on the 1975 crop of soybeans at such level as reflects the historical average relationship of soybean support levels to corn support levels during the immediately preceding three years.'."

SEC. 2. Section 201 of the Agricultural Act of 1949, as amended, is further amended by adding the following new subsection:

"(d) Notwithstanding the foregoing provisions of this section, effective for the period beginning with the date of enactment of this subsection and ending on March 31, 1976, the support price of milk shall be established at no less than 80 per centum of the parity price therefor, on the date of enactment, and the support price shall be adjusted thereafter by the Secretary at the beginning of each quarter, beginning with the second quarter of the calendar year 1975, to reflect any estimated change during the immediately preceding quarter in the index of prices paid by farmers for production items, interest, taxes, and wage rates. Such support prices shall be announced by the Secretary not more than thirty, nor less than twenty, days prior to the beginning of each quarter.".

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

And the House agree to the same.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
ROBERT DOLE,
MILTON R. YOUNG,
HENRY BELLMON,
Managers on the Part of the Senate.

THOMAS S. FOLEY,
W. R. POAGE,
BOB BERGLAND,
ED JONES,
DAVID R. BOWEN,
WILLIAM C. WAMPLER,
KEITH G. SEBELIUS,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1965 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. The differences between the House bill and the Senate amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes:

(1) *Target prices of upland cotton and wheat for 1975.*

The *House* bill provides that the target prices for the 1975 crops of upland cotton and wheat shall be 45 cents per pound and $3.10 per bushel, respectively.

The *Senate* amendment increases the 1975 target prices to 48 cents for cotton and $3.41 for wheat.

The *Conference* substitute adopts the *House* provision.

In December 1971, the Secretary of Agriculture utilized the authority contained in the Commodity Credit Corporation Charter Act to purchase agricultural commodities in the marketplace.

The *Conferees* note that, if necessary, this authority again could be invoked with respect to the 1975 crops.

Thus, such purchases could be made to stabilize prices of agricultural commodities either *at* or *above* the "established price" levels provided in the bill so as to meet domestic requirements. If such action was taken, producer deficiency payments under the Agriculture and Consumer Protection Act of 1973 could be avoided.

(2) *Target prices of upland cotton, corn, and wheat for the 1976 and 1977 crops.*

The *Senate* amendment provides that the target prices for the 1976 crops of upland cotton, corn, and wheat shall be the 1975 target prices, as adjusted to reflect any change during the calendar year 1975 in the index of prices paid by farmers for production items, interest, taxes, and wage rates (excluding feed and feeder livestock). Any increase that would otherwise be made shall be further adjusted to reflect changes in yields.

The *Senate* amendment also provides that the target prices for the 1977 crops of upland cotton, corn, and wheat shall be the target prices for the 1976 crops, as adjusted to reflect any change during the calendar year 1976 in the index of prices paid farmers for production items, interest, taxes, and wage rates (excluding feed and feeder livestock). Any increase that would otherwise be made shall be further adjusted to reflect changes in yields.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(3) *Payment rates for the 1975 through 1977 crops of barley and grain sorghums.*

The *Senate* amendment provides that the payment rate for grain sorghums, and, if designated by the Secretary, barley, for the 1975 through 1977 crops shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

The *House* bill contains no comparable provision. However, this provision is implicit in the *House* bill and explicit in existing law.

The *Conference* substitute deletes the *Senate* provision.

(4) *Loans and purchases on the 1975 crops of upland cotton and wheat.*

The *House* bill provides that the loan levels for the 1975 crops of upland cotton and wheat shall be 38 cents per pound and $2.50 per bushel, respectively.

The *Senate* amendment increases the 1975 loan levels to 40 cents per pound for cotton and $2.89 per bushel for wheat.

The loan levels established by the Secretary for cotton, feed grains, and wheat could not be less than the levels specified.

The *Conference* substitute adopts the *House* provision.

(5) *Loans and purchases on the 1976 and 1977 crops of upland cotton, corn, and wheat.*

The *Senate* amendment provides that the 1975 loan levels shall be applicable to the 1976 and 1977 crops, as adjusted so as to maintain the same percentage relationship to the target prices for the 1976 and 1977 crops of upland cotton, corn, and wheat as the 1975 loan rates are to the 1975 target prices.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(6) *Interest rates on CCC commodity loans.*

The *House* bill provides that the rate of interest on commodity loans made by the Commodity Credit Corporation for the 1975 crops shall be established quarterly on the basis of the lowest current interest rate on ordinary obligations of the United States.

The *Senate* amendment extends this provision to apply to the 1976 and 1977 crops.

The *Conference* substitute adopts the *House* provision and deletes the *Senate* amendment.

(7) *Extension of nonrecourse loan periods.*

The *House* bill provides that the nonrecourse loan period for the 1975 crop of upland cotton (presently 10 months) would be made available for an additional term of eight months, at the option of the cooperator.

The *Senate* amendment extends this provision to the 1976 and 1977 crops of cotton, and provides that nonrecourse loans for the 1975 through 1977 crops of wheat, corn, and soybeans shall be made available for a term not less than 20 months from the first day of the month in which the loans are made.

The *Conference* substitute adopts the *House* provision with an amendment providing that nonrecourse loans for the 1975 crops of wheat and corn shall be made available for a term not less than 18 months from the first day of the month in which the loans are made.

Thus, under the *Conference* substitute, the loan periods for wheat and corn—which are now 12 months—could be extended for an additional term of six months, at the option of the producer. The *Conferees* anticipate, of course, that similar loans would be made available to producers of grain sorghums and barley.

(8) *Storage costs and interest rates.*

The *Senate* amendment strikes the *House* provision that requires the Secretary to establish the same terms and conditions relative to storage costs and interest rates on nonrecourse loans made with respect to upland cotton, wheat, and feed grains. The same interest rates already apply to all three crops. However, terms of storage costs are different.

The *Conference* substitute deletes the *House* provision.

However, the *Conferees* believe that a study should be made by the Department of Agriculture with respect to the terms and conditions relative to storage costs for all commodities for which loans are made. The Secretary of Agriculture is, therefore, requested to make such a study and submit his findings and recommendations to the Congress as soon as practicable.

(9) *Soybean price support.*

The *House* bill requires that a 1975 loan and purchase program be made available to producers of soybeans at a level reflecting the average relationship of soybean support levels to corn support levels during the immediately preceding three crop years.

The *Senate* amendment extends this provision to apply to the 1976 and 1977 crop years.

The *Conference* substitute adopts the *House* provision and deletes the *Senate* amendment.

(10) *Resale level of CCC stocks of wheat, corn, grain sorghums, barley, and upland cotton.*

The *Senate* amendment provides that—with respect to the 1975 through 1977 crops—the Commodity Credit Corporation shall not sell any of its stocks of wheat, corn, grain sorghums, barley, or upland cotton at less than 115 percent of the target prices for such crops, nor sell any of its stocks of soybeans at less than a comparable price.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(11) *1975 support price for tobacco.*

The *Senate* amendment provides that the 1975 support price for tobacco shall be established at 70 percent of the parity price therefor.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(12) *1975–1976 dairy support price.*

The *House* bill requires—effective with the period beginning on the date of enactment and ending March 31, 1976—that the support price of manufacturing milk be established at not less than 80 percent of the parity price therefor. Beginning with the second quarter of 1975, the established support price would be adjusted at the beginning of each quarter to reflect any change during the immediately preceding quarter in prices paid by farmers for production items, interest, taxes, and wage rates. Such support prices would—under the *House* bill—be announced "within" 30 days prior to the beginning of each quarter.

The *Senate* amendment increases the support price to 85 percent of parity and provides that quarterly adjustments reflecting any "estimated" change in the costs of production are to be announced "not later than" 30 days prior to the beginning of each quarter.

The *Conference* substitute adopts the level of support of the *House* bill—80 percent of parity. The *Conference* substitute adopts the Senate language with respect to the "estimated" change. It also provides that the date of announcing the support prices would be not more than 30 and not less than 20 days prior to the beginning of each quarter.

The *Conferees* take note of the fact that on March 28, 1975, the Department of Agriculture announced an increase in its support purchase price for cheese and butter in order to achieve the goal of providing farmers the announced support price for manufacturing milk of $7.24 per hundredweight.

The *Conferees* commend the Department on this action and urge the Department to continue to review the level of product purchase prices on an on-going basis in order that such prices will reflect current processing costs, and thereby assure that the required level of dairy price support to farmers will be met.

(13) *Meat import moratorium.*

The *Senate* amendment provides that for a period of 90 days following the date of enactment, no meat may be imported into the United States. "Meat" means fresh, chilled, or frozen cattle meat and fresh, chilled, or frozen meat of goats and sheep (except lambs).

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
ROBERT DOLE,
MILTON R. YOUNG,
HENRY BELLMON,
Managers on the Part of the Senate.

THOMAS S. FOLEY,
W. R. POAGE,
ED JONES,
BOB BERGLAND,
DAVID R. BOWEN,
WILLIAM C. WAMPLER,
KEITH G. SEBELIUS
Managers on the Part of the House.

Mr. DOLE. Mr. President, the legislation we are considering today with the joint conference report on H.R. 4296 is essential to alleviate the emergency facing the farmers of this Nation. In the past three years their general cost of production has increased at least 35 percent. At the same time, the prices they receive for their crops have not kept pace—making it difficult. if not impossible, for any of them to continue farming.

That is why the Agriculture Committees of both the House and Senate moved expeditiously to draft and pass this emergency 1-year legislation.

It is a reasonable bill designed to provide emergency relief until we may consider more comprehensive long-term solutions later in this Congress.

During the deliberations of the conference committee. I talked with President Ford urging him to sign this bill as a reasonable solution. Today, I further urge his cooperation in signing this bill which will provide our farmers with confidence they need through increased minimum prices so that they will proceed to produce the crops we need.

We are aware of the commitment to control inflation expressed by the President, and my colleagues in the Senate are concerned as demonstrated in the reduction in the joint conference committee to the lowest cost factors included in the legislation.

I ask unanimous consent that the joint staff estimates study be printed in the RECORD at this point. You will note that the net cost of the original Senate bill was $950 million over the present law. The conference report, however, is only $210 million over the present law.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

OINT STAFF ESTIMATES OF OUTLAYS AND NET COST: CURRENT PROGRAM, H.R. 4296 AND SENATE AMENDMENT

[Millions of dollars]

Commodity	Current legislation	H.R. 4296	Senate amendment
Corn:			
Loan and inventory	52	52	52
Deficiency payment			
Disaster payment	83	100	100
Total	135	152	152
Wheat:			
Loan and inventory			289
Deficiency payment			455
Disaster payment	75	113	123
Total	75	113	867
Cotton:			
Loan and inventory	42	182	427
Deficiency payment	47	210	368
Disaster payment	75	88	119
Total	164	480	914
Soybean loan outlays		709	709
Daily price support purchases	334	407	493
Total	708	1,861	3,135

	Millions
1. (a) Net outlays of Senate amendment over present law	$2,427
(b) Net cost of Senate amendment over present law	950
2. (a) Net outlays of House bill over present law	1,153
(b) Net cost of House bill over present law	210
Stocks:	
Senate	1,477
House	943

Note: Net increase is computed by deducting projected inventory and loan stocks from net outlays.

Mr. DOLE. Mr. President, this is good legislation which is needed by the farmers of this Nation to assure the consumers of the Nation the food they need at reasonable prices. I urge my colleagues to give it the fullest support and join me in urging the President's prompt approval.

Mr. STENNIS. Mr. President, I urge the adoption of the farm bill reported by the conference committee.

Many of the provisions in the Senate bill which received my vote on the Senate floor have been reduced or dropped in conference. I believe in them and I would have liked to see them retained. Our very able conferees also would have liked to see them retained. However, they were acting under the clear threat of a veto, and they yielded in an effort to avoid that confrontation.

We need a farm bill because American farmers need one, and they need it quickly. They need it now. If we must give up a part of what we consider necessary in order to get a timely bill, and one that will encourage presidential approval and prompt signature, then it is prudent to

accept these changes, and I urge that the Senate accept them.

I respectfully urge that the President give this bill his signature. He will no doubt receive a variety of advice on this subject from within the executive branch. I submit that there is essentially no difference in principle between this bill and the Agriculture Act of 1973, which received such enthusiastic support from the administration at the time it was proposed and passed.

There are differences, but they are only in degree, and differences in degree are simply quantitative judgments, not fundamental policy disagreements. The figures in this legislation are based on careful evaluation of facts established in hearings. The Congress accepts them, I believe, as accurate within the limitations of any predictions that are subject to the vagaries of the weather in the coming crop season. I urge that the President accept them.

A farmer who plants a crop this spring is going to know pretty closely what it is going to cost him per acre to raise and harvest that crop. He will also know roughly what the yield per acre will be in bushels, or pounds, provided he is blessed with average weather.

What he will not know is what price he will get per bushel, or per pound, for that crop. All he can do is look at the current prices in the commodity market and guess at what they may be when he harvests. Based on costs, which he knows, and receipts, which he has to guess at, he chooses what crop he will plant and how much. If he guesses wrong 2 years in a row he is very apt to be out of business.

A man in any other kind of business sets his selling price based on his production costs. The farmer cannot. He must take what the market will give him. That market price can and does fluctuate greatly, often from causes that occur elsewhere in the world. Unless a degree of stability is provided for prices, in relation to current costs, through realistic Government-sponsored target prices, then there is no way the farmer can pass through to the consumer his increases in costs.

Agriculture is a heavy user of petroleum products, and this has of course been a major reason for greatly increased costs. Other users of petroleum, utilities for example, have the full capability to pass through to consumers these increased costs, and do so with the Government's approval. How can farmers pass these costs through without target prices that realistically reflect their increased costs of petroleum?

Last year we had floods and droughts and early frosts, but in spite of that our exports of farm products produced revenues of $22 billion. This went a long way toward paying the bill for all the oil the Nation imported. Are we to deny the farmer a just payment for that part of the imported oil that he uses to raise these crops for export?

Mr. President, these loan levels and target prices are the only way we can expect to have reasonable stability in the prices of farm commodities. Without price stability there will not be production stability. Production levels would gyrate from feast to famine, and the one ruins the farmers while the other hurts the public. Both are bad for our export trade.

I wish there were better general public recognition of the critical situation the farming business is in today. Right now, and if this bill is not signed into law, it will mean that many of them will have a choice of producing at a probable loss, or not producing. And those who produce and suffer a loss probably will not be able to produce next year. It is a poor choice. If the President will sign this bill they will not have to make that choice, and I hope this will be the case. I respectfully and strongly urge that the President sign this farm bill into law.

Mr. HUGH SCOTT. Mr. President. at the request of the administration, I ask unanimous consent that a fact sheet on the farm bill be inserted at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FARM BILL

BACKGROUND

Under the current farm program producers of wheat, feed grains and cotton are eligible for Federal support in three ways:

They may borrow funds at 6⅛% interest with these commodities as collateral. If they desire they may forfeit this collateral in lieu of repaying the loan;

If market prices over a specified period of time average below the "target" price producers will receive a payment equal to the difference. These target prices are established in law; and

If a producer because of a natural disaster is unable to harvest a normal crop, he is eligible for a payment equal to ⅓ of the target price.

Up until the 1975 crop soybean producers were eligible for price support loans. Dairy products are supported by purchases from processors at prices which enable the processors to pay milk producers a specified price, currently $7.24/cwt.

PROVISIONS

HR 4296 would increase loan and target prices for the 1975 crops as follows:

Wheat: Loan, from $1.37 to $2.50; target, from $2.05 to $3.10.

Corn: Loan, from $1.10 to $1.87; target, from $1.38 to $2.25.

Cotton: Loan, from $0.34 to $0.38; target, from $0.38 to $0.45.

Soybeans: Loan, from $00.00 to $3.94.

In addition it would establish dairy price supports at 80% of parity and adjust them quarterly by the changes in the index of prices paid by farmers for production items, including interest, taxes and wage rates.

IMPACT ON BUDGET OUTLAYS (TAXPAYERS)

Budget outlays in 1971 would be increased by $1.8 billion.

Of this amount $500 million would be in the form of direct payments. Over $300 million would go to cotton producers because cotton prices are already below the current target price.

Loans to producers would increase by about $1.3 billion largely because of the increase in the loan rate and the attractive interest rate. Most of these loans would eventually be repaid unless market prices fell to these levels. (This could easily happen with respect to cotton since the bill encourages a shift from soybean to cotton production.)

There would be some increase, about $30 million, in dairy purchases.

IMPACT ON FARMERS AND CONSUMERS

Since it is politically inconceivable that loan and target prices would be lowered next year, the bill's impact on farmers and consumers must be measured in terms of longer than its alleged one-year life.

FOR FARMERS

In order to avoid the huge cost of this bill—an open ended drain on the Treasury—the Department of Agriculture will need to reimpose the same kind of production controls used in the 1960's.

FOR CONSUMERS

The higher market prices resulting from these production controls will undoubtedly raise the price of bread, meat, cotton goods, etc., resulting in substantial costs to consumers.

Mr. HUMPHREY. Mr. President, I wish to lend my support to the 1-year emergency farm bill which is before us today.

The House and Senate Committees on Agriculture and Forestry, in developing this legislation, have attempted to take a responsible stance which would be beneficial both to our farmers and to our consumers. We have held hearings and the near unanimous conclusion of the witnesses was that the sharply increased costs of production necessitate action to give greater protection to our farmers.

At the same time, increasing the target prices and loan levels is in the interest of our consumers as well. We cannot expect our farmers to continue to produce and at the same time risk substantial losses if we have bumper crops.

The administration has refused to face these basic facts. They have put out misleading and highly inflated estimates as to what the cost of this legislation would be. We know from past experience that these figures are not reliable, and even now the Department has begun to revise its cost estimates.

The question which the administration has refused to face is what is the cost of doing nothing? How many more bankruptcies on the part of our farmers do we need to convince the Department that a roller coaster agricultural situation is not in the interests of our farmers or our consumers?

Last year over 3,000 Minnesota dairy farmers were forced out of production. Does the Department of Agriculture want another such year for our dairy farmers?

The administration continues to operate on an outdated and irrelevant notion of a "free market system" which does not speak to the conditions of today's agricultural markets. Our farmers continue to face ever escalating production costs and input prices which are often administratively established. And yet, the produce which they sell continues to drop in the face of the worldwide recession.

The question which we face is whether the administration will act responsibly. Congress has attempted to fashion a bill which responds to the needs of our consumers and farmers on a 1 year basis.

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This measure should be adopted and implemented, and we can then attempt to develop broader and longer term legislation which will address other areas not included in this bill.

But we do need to approve this bill. Our farmers need an increased level of protection since the Government has called upon them to go all out in producing. At the same time, our consumers are hoping that we will have abundant food supplies this year. Our farmers are rightly concerned, and in many cases they are considering cutting back their production if the Government refuses to act constructively and responsibly.

We should not be deceived by the USDA that this bill will encourage the production of crops for Government warehouses. That is nonsense. The object of this legislation is a rather simple one. It is to provide an improved safety net or floor so that our farm prices will not go to disastrously low levels in case we have good weather and bumper crops.

We also all know that should this happen and if more of our farmers be driven out of production, our consumers will not be the beneficiaries. In most cases where farm prices drop, and even sharply, consumer prices drop only marginally.

The Department of Agriculture has not been willing to discuss the facts of this bill candidly and openly. Our urban citizens should not be deceived by the stories which have been offered. I hope that the President will not rely solely on the word of the USDA and the Office of Management and Budget as to what this bill would do or what it would cost.

I hope that the President will take a broader view of the needs of our farmers and consumers in approving this legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Florida yield me 2 minutes out of his time?

Mr. STONE. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that the 2 minutes I am borrowing from the Senator be restored to him out of my own time.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOT-SO-VEILED BLAME-PLACING

Mr. ROBERT C. BYRD. Mr. President, the administration's attempts to blame Congress for the tragic situation in Indochina have increased in the past 2 days, with both the President and the Vice President making statements that can only be described as irresponsible at best.

Let us look at the Vice President's comments first. Mr. Rockefeller was quoted in the Washington Post yesterday as saying:

> Let's say 2,000 Americans or 3,000, half of them are killed, half of them are taken captive. That raises a lot of issues.

And he suggested strongly that the American people will hold Congress accountable for the safety of the Americans still in South Vietnam.

I find that statement to be deplorable, improper, irresponsible, indiscrete, and unfortunate. There are many brave Americans performing important functions in South Vietnam, and it is unconscionable for the Vice President of the United States to use them—to speculate on their possible fates—to try to make a questionable political gain.

Talk about panic. What must run through the minds of Americans in South Vietnam when they read that their Vice President is holding out the possibility that half of them might be killed and the other half captured? And what must they think when they read that the Vice President's main concern does not seem to be their safe evacuation, but rather appears to be who will be blamed if they are not brought home safely?

I have considerable personal admiration and affection for the Vice President, and voted for his nomination after several hours of close questioning when he came before the Senate Rules Committee. Thus, I am particularly disappointed by his intemperate remarks, and hope that any future thoughts he may have along those lines will be left unsaid.

In the Washington Post of today, the President is quoted as continuing his policy of publicly stating he will not engage in blame-placing—while at the same time increasing his not-so-veiled attempts to lay the blame for the human tragedy in Indochina on Congress' doorsteps. The essence of the President's remarks was that the Soviet Union and the Peoples Republic of China are not to be blamed—the United States is to be blamed; that the Soviet Union and the Peoples Republic of China cannot be held responsible, but that the United States is to be held responsible. Of course, the implication is that Congress, being the elected representatives of the people, is really to blame.

The President, in his recent state of the world address, said that "détente is a two-way street." We would all like to think so. But one way to find out for sure, one way to find out how much the Russians truly value détente is to try to enlist their aid to bring an end to the killing in Indochina. They want our wheat. They want our computer technology—and I am against our letting them have it. They want, they want, they want. What are they willing to give? Are they willing to give their influence to stop the fighting, to alleviate the suffering, to bring about a settlement in Vietnam? Or do they have a one-way marker on their street of détente?

In any event, the President and the Vice President ought to be as concerned about détente with Congress as the President is with the Soviet Union. And the best way for him—and the Vice President—to show such concern is to follow the President's publicly stated policy and call an immediate halt to the gutter politics of constant and unjustified blame-placing. Nothing can be gained by such tactics. Blaming Congress is a phony issue. The American people know it is a phony issue, and it simply will not wash. But such tactics, if they continue to be pursued as vigorously as they have been up to now, can only be counterproductive and can only diminish prospects for a reasonable, constructive, effective bipartisan foreign policy and can result in much being lost in the future.

I thank the Senator.

Mr. President, I further ask unanimous consent that my remaining time, after the time that I have taken has been given back to Mr. Stone, be allotted to Mr. Tunney.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 131—SUBMISSION OF A RESOLUTION RELATING TO SANCTIONS AGAINST CUBA

(Referred to the Committee on Foreign Relations.)

Mr. STONE (for himself, Mr. Talmadge, Mr. Allen, and Mr. Helms) submitted the following resolution:

S. Res. 131

Whereas the State Department has announced that the Secretary of State shortly will visit South America, and

Whereas the Secretary of State has said that one of the purposes of the trip will be to explore ways to end the 11-year embargo of Cuba by the Organization of American States, and

Whereas is is expected that proposals will be introduced at the OAS meeting in Washington during May which would enable the OAS to end the embargo through a simple majority rather than a two-thirds vote, and

Whereas the Secretary of State has said that once the embargo is lifted, the United States will seek to normalize relations with Cuba, and

Whereas the Castro Regime in Cuba has imprisoned and continues to imprison political prisoners in large numbers, has sought and still seeks to train insurgents and to promote insurgency in this hemisphere by violent means, has seized and refused compensation for more than one and a half billion dollars in American-owned properties, has refused to permit inspection of forced labor camps and political prisons by the International Red Cross or bodies of jurists or other impartial agencies, has permitted and continues to permit the use of its ports for the deployment of nuclear submarines and its land for military purposes by the Soviet Union, has insulted and continues to insult the United States of America on every available occasion taking even the occasion of a visit by two members of the United States Senate to issue a diatribe against the United States, and

Whereas in the face of all of the foregoing, any lifting of the punitive action by the OAS assisted directly or indirectly by the foreign policy of the United States would demean the United States and reward the above-described and other hostile acts and would further damage the already-eroding prestige and reputation of the United States in the crucial matter of the self-defense of American interests by the United States without measurable commensurate benefits for our country: Now, therefore, be it

Resolved, That it is the sense of the Senate of the United States that the foreign policy of the United States should not be employed to assist directly or indirectly, multilaterally or bilaterally, the lifting of sanctions against the Castro Regime in Cuba or its recognition by the United States or the other states of this hemisphere; and be it further

Resolved, That inasmuch as the present foreign policy of the United States is clearly to maintain such sanctions and not to recognize the current Cuban Regime that any change therein should be submitted to the Senate of the United States for its advice and consent and should not be accomplished indirectly without resort to such advice and consent.

Mr. STONE. Mr. President, I send to the desk a resolution submitted by the junior Senator from Florida, the senior Senator from Georgia, the junior Senator from Alabama, and the senior Senator from North Carolina. I offer it with respect to the impending change in policy by our State Department regarding Castro's Cuba.

Several days ago, Mr. President, it was announced and reported that our Secretary of State plans to leave shortly on a 5-day South American trip, and I quote the Associated Press article in which it is reported that Dr. Kissinger has said that.

> One of the purposes of the trip will be to explore ways to end the 11-year embargo of Cuba by the Organization of American States.

Further reporting that Kissinger has said the United States will seek to normalize the relations with Cuba once the embargo is lifted.

Mr. President, the remarks just made by the distinguished assistant majority leader, which so clearly and logically describe the vacuum present in a policy of détente made up of one-way concessions, apply to the situation involved in the change of policy toward Castro's Cuba.

If unilateral relaxation of vigilance produces no major or substantial concessions in return, what is in it for us, the United States? What is the situation at this time within Communist Cuba compared with the situation when the Organization of American States and this Nation chose to impose sanctions, trade embargoes, withdrawal of recognition, and the like against that country's regime?

At the time the sanctions were imposed, Castro's Cuba was in the habit of imprisoning people for political reasons. The Cubans were in the habit of confiscating foreign investment, including American investment.

They were in the habit of requiring forced agricultural and other labor of people by compulsion. They were in the habit of yielding not merely to civilian advice from the Soviet Union, but to military leadership, military hardware, and all types of logistics in association with the Soviet Union. They were in the habit of financing, training, and fomenting insurgency by violence in the nations of this hemisphere, including our own. They were in the habit of inviting activist types to come and ostensibly cut cane, but instead using those young Americans, whether by dupe or by design, as a recruitment basis for insurgencies both in this country and elsewhere.

They were in that habit. And as a result of that habitual conduct of hostility toward not only our Nation but the entire hemisphere, the nations of this hemisphere decided that sanctions were the very least that that type of conduct merited.

What is the situation today?

Castro's Cuba is in the habit today of imprisoning people for political conduct. It has expanded, intensified, and perfected its system of block captain—I think they call them Committees of the Revolution or something such as that—but what they are is supervisors on each block and in each neighborhood of the private conduct of people, to the point where Cuba is probably the most tightly supervised and controlled communist society in the entire world, 90 miles off our shores.

They are in the habit of recruiting forced agricultural and other labor. They are in the habit today of assisting, permitting, and welcoming Soviet nuclear submarines, not on an isolated rare basis but on a periodic basis. They foster and maintain a forward naval facility to maintain those Soviet nuclear submarines and naval surface ships. They are in the habit of housing not dozens, not hundreds, but probably thousands of Soviet military personnel and providing, as they do, a very distinctly possible military and air base for action as well as, without any question or doubt, Soviet naval capabilities—right there 90 miles off our shores.

They are in the habit of rejecting all attempts to permit inspection of their prisons, their forced labor camps, their political detention facilities, by the International Red Cross or any other juridical or impartial international group. Why is that? Is it possibly because the conditions imposed on people are so brutal that they are afraid to have the world's public opinion know how they treat their own people who differ with them politically?

For years they have invited and trained groups of Americans called the Venceremos Brigade. The Internal Security Subcommittee yesterday issued a report, and I ask unanimous consent that at this point in my remarks pages 11 through 17 of that report, starting with the letter B, The Venceremos Brigade, be printed in the Record.

There being no objection, the excerpt from the report was ordered to be printed in the Record, as follows:

The Venceremos Brigade

The continuing investigation of the Communist Threat to the United States through the Caribbean brought to light a facet of activity involving United States and foreign nationals which may affect the internal security of the United States for many years to come.

Specifically, it dealt with the degree of involvement of the General Directorate of Intelligence (D.G.I.), the Cuban equivalent of the Soviet KGB, in the infiltration of deep-cover agents into the United States, and the establishment of a vast network for the collection of intelligence of military, political, industrial, and economic nature directly affecting the security of the country.

As previously reported, the Subcommittee had followed with great interest the activities, in the United States and Cuba, of the members and veterans of the "Venceremos" Brigade. The investigation has been a continuing one. It was begun at the time of the Brigade's inception in 1969 for the alleged purpose of helping the Communist regime of Cuba in its sugar harvest by bringing in U.S. volunteers.

There had been good reason to believe that the Venceremos Brigade had been created for the purpose of acting as a screen and tool of the Cuban intelligence apparatus. This has now been confirmed by a careful analysis of much new evidence, based on a variety of sources. (This evidence points to the conclusion that the Venceremos Brigade is one of the most extensive and dangerous infiltration operations ever undertaken by a foreign power against the United States.)

GENESIS

The Venceremos Brigade was brought into being through the clever manipulation of a small group of U.S. leftist radicals, prominent among whom were some of the leaders of the SDS "Weatherman" faction. The creation of the Brigade stemmed from three basic priorities of the DGI:

1. The need for factual and current information on every aspect of activity in the United States. This was deemed essential in guiding the DGI in its long range plans to infiltrate a number of Cuban "illegals" into the United States in response to pressure from the Soviets.

2. The desire of the Cubans to turn to their own advantage any manifestation of dissent toward the established order in the Free World, especially when directed against the United States. This entailed exposure of selected individuals, representing a broad spectrum of revolutionary-terrorist groups in the United States, to carefully staged meetings with leaders of international revolutionary movements brought to Cuba under the auspices of the African-Asian-Latin American Peoples Solidarity Organization, commonly known as the "Tricontinental."

3. A show of solidarity toward North Vietnam and the Viet Cong, acting not only as a conveyor belt for anti-war propaganda but actually using the Brigade as a means to collect information useful to the North Vietnamese.

DGI INVOLVEMENT

The involvement of the DGI in the genesis of the Brigade was so blatant that the name of one of its UN Center officers was openly mentioned in a letter to the leadership of the SDS Weatherman faction.[1] When active recruiting for the Brigade began in the fall of 1969, the DGI had to rely on a cadre formed mainly by New Left activists who had made one or more trips to Cuba. The results of the interviews were then reviewed by the DGI United Nations Center, which gave final approval. This procedure is still followed whenever a Brigade is being recruited.

Those selected for the Brigade undergo preliminary indoctrination at the hands of the cadre who, under the guise of assessing the involvement of the recruit, elicit information on a variety of subjects that are of great interest both to the DGI and the KGB.

Brigade members usually are transported to Cuba by passenger aircraft or converted freighter. The return trip is usually by converted cattleboat to Canada, although the 7th Brigade broke with this precedent and returned to the United States by air via Barbados. Every time a Brigade traveled to or from Cuba on a freighter, the DGI placed a number of its officers on board in order to

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[1] Page 299, Part 4, Extent of Subversion in the New Left. (Julie Nichamin, author of the letter and one of the U.S. instruments of the DGI in the formation of the Brigade was recently in Puerto Rico as representative of the Puerto Rican Solidarity Day Committee.)

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take advantage of any situation that might allow them to manipulate and establish control over the Americans.

Venceremos Brigade activities are of such great importance to the DGI that they are controlled by a special section of the Political and Economic Intelligence Division, ranking on a par with similar sections on the UN, the U.S. Department of State, and U.S. political parties. The Brigade section is under the direct supervision of the Deputy Director of the DGI, Ramon Oroza Naveran known under the *nom de guerre* of "Demetrio."

Demetrio personally supervised the creation and subsequent activities of the Brigade, and he assigned such priority to the project that all other DGI operations were held to be subordinate to the collection of intelligence from the members of the Venceremos Brigade.

Practically every Cuban national attached to the Brigade camps, right down to the food service and maintenance personnel, is a member or a co-opted member of the DGI. These DGI operatives are so skilled in their impersonations that few Brigade members are aware of their true identities. In fact, so many DGI personnel are needed to staff these camps that nearly all other operations must be suspended when the camps are active. Even maintenance and clerical personnel of the Directorate are pressed into service, as numerous photographs obtained by the Subcommittee indicate.

DGI SUBSERVIENCE TO KGB DIRECTIVES

However extensive the involvement of the Cuban General Directorate of Intelligence may be in this and other operations, one needs to bear in mind the underlying factor of the subservience of the DGI to its supervisory organization, the KGB (Komitet Gosudarstrennoy Bezopasnosti) of the Soviet Union.

Early in 1969, as revealed in testimony before the Subcommittee by Orlando Castro Hidalgo, a former DGI officer stationed in Paris, the Directorate issued new directives regarding relations with the Soviet Union. This stemmed from the fact that the Soviets had used oil as a blackmail weapon to bring the Cubans to heel. (Evidence of this is to be found in a lengthy philippic delivered by Raul Castro on January 24, 1968, during a secret session of the Central Committee of the Cuban Communist Party.)

Ironically, the details of the whole affair are contained in a booklet published by the Cuban government and brought to the United States by a returning member of the Brigade. The booklet is entitled "Information from the Central Committee of the Communist Party of Cuba on Microfaction Activities"—Instituto de Libro—Ediciones Politicas, Havana 1968.

As a result of a new agreement, the DGI was ordered to collect intelligence which was of little intrinsic value to Cuba but of very great interest to the Soviet Union. Immediately afterward, the number of DGI personnel stationed in Cuban embassies in Western Europe was increased sharply.

It was in this context that the KGB advisor to the DGI, Vitalyi Petrovich Semionov, insisted on the priority of establishing a good network of illegals in the United States instead of confining the Directorate's interest to the activities of the anti-Castro exiles. The DGI was eager to comply.

CUBAN ILLEGALS IN THE UNITED STATES

At this point, it is important to go into some detail regarding the need of the Communists for factual and current information for the purpose of training "illegals" and situating them in the United States.

At the outset, the DGI infiltration candidates were handpicked members, well prepared, of long standing party allegiance, with extensive experience in intelligence matters. For better security, they had not been allowed to travel outside Cuba, and, as an additional precaution, they had never had personal contacts with prisoners. All were college trained and virtually all of them were fluent in English. To round out their training, they were to receive an 11 month training course in the Soviet Union. The initial group of illegals consisted of approximately 30 officers selected in 1970.

In addition to the extensive training that an illegal, who is to establish residence in the United States, has to undergo, there are other needs to be considered. Most important of all is establishing a new identity with corroborating evidence as to his person, family background, education, business, etc. The period of "incubation" can take 5 or 6 years or even longer.

Soon after the Soviets made the proposal, the DGI found out that it was totally unprepared, because of a lack of the necessary data, to embark on this operation. To furnish covers for illegals entailed a monumental task of collection and analysis of information that its agents attached to the UN Center in New York could not accomplish without inside assistance.

To remedy this, Demetrio, after having observed the attitude of American left-wing visitors to Cuba, came to the conclusion that the young Americans were an easy and accessible source of the information needed. Consequently, a plan was devised and the Venceremos Brigade was brought into existence.

THE VENCEREMOS BRIGADE IN CUBA

As stated before, the Directorate was able to obtain the information needed through a program that brought the young students into constant contact with DGI agents working under cover.

In fact, every waking moment of the Brigade members while in Cuba was supervised and controlled by the Cubans, who used physical labor to soften resistance, criticism and self-criticism sessions, minority caucuses, and rap sessions skillfully directed in order to assess the political attitude of the Americans and at the same time collect the necessary intelligence.

To this should be added the fact that the Cubans used various means such as questionnaires, diaries, recorded interviews, speeches, and others to build individual files on each member of the Brigade. Among other things, the DGI formed a committee of Brigade members for the collection and transmission to Cuba of telephone directories from a variety of areas in the United States. A telephone directory can be a simple and ready source of corroborating evidence, even in a cursory background investigation. The importance of a telephone directory in intelligence operations is such that it is a crime in Cuba to mail a telephone directory out of the country.

Another committee was formed to collect technical books on industrial research, with heavy emphasis on university departments working under a contract for the Department of Defense. Other committees were to report on the Latin community in the United States, the Cuban community in the United States, and the activities of U.S. citizens overseas. This last committee was to report the type of business, duties of embassy personnel, and other related matters.

In addition to the military-university research contracts, the DGI expressed interest in the University structure as related to its connections with the government and private corporations. Even the financial aspects of the contracts appeared to be of interest to the Cubans.

A committee was formed to report on the University of California (Berkeley) research programs relating to nuclear weapons; Los Alamos proving grounds; the Lawrence lab; a new biological lab near the naval base; the research on storing of bacteria, and survival in case of plague; and other related topics.

DGI agents showed interests in information on the ABM system instruments, MIRV, and the missile guidance systems of our Polaris submarines, the NASA Apollo program, and the NASA center near the university, a moving target indicator, a tunnel detector, and a helicopter project to be used in Vietnam.

The thoroughness of the Cubans was such that in addition to the few subjects described above, they also collected information on the Brigade members, including rumors, accusations, degree of intoxication when alcohol was served at parties, sexual relations, and other intimate data.

The Cubans were thus able not only to assemble a complete profile of a potential agent but gathered enough intelligence to satisfy both their own needs and those of their Soviet mentors.

RECRUITMENT OF POTENTIAL AGENTS

Usually out of a 200 member Brigade, 30 to 40 individuals were thought worthy of special consideration. Of these, 4 or 5 were recruited as contacts and, if future proficiency was consistent, they were developed as agents.

The questions submitted to Brigade members about trips to Europe and the need to know about the activities of U.S. citizens overseas were based on an immediate and real need: contact with potential agents. With a false U.S. passport, the recruited agent travels to Europe and then to Cuba for a 2 to 3 month training period, and then returns to the United States by the same route.

The contact in Europe is usually made after a lapse of a year or more, and careful observation of the recruited agent by Soviet KGB agents to weed out U.S. counterintelligence agents.

Since the Cubans did not want the Brigade members to know that one of their number had been selected for a clandestine operation, it was necessary to isolate the individual for training and instructions. For short-term training, the selected Brigade member would be hospitalized and later spirited out of the hospital or, if this was not possible, kept in isolation for the length of time needed to impart the necessary instructions.

TARGETS IN THE U.S.

There are good reasons to believe that the DGI considers Operation Venceremos a highly successful venture in practically every respect. There were serious problems, mainly in the disciplinary field, but these were offset by the wealth of information gathered and the objectives attained. The self-perpetuating structure of the Brigade is an indication that the Cubans intend to keep a tight control on the organization, especially in view of the recent moves to re-establish diplomatic relations with Cuba.

Again, it is most interesting to note that the DGI has had an extremely keen interest in the legislative and executive branches of the United States government. One of its objectives is to obtain not only information but also a base of influence.

Of paramount importance to the DGI is the influence that can be brought to bear on the matter of resuming relations by political and economic groups which favor such resumption.

In this context, the DGI, ever ready to exploit any available source to advance its objectives, has sought to enlist the help of the National Lawyers Guild to create a pressure group in the United States. A letter to members of the Washington, D.C., chapter announcing the names of the selected delegates for a trip to Cuba contained the following statement:

"The recommending committee was overwhelmed by the number of qualified and desirable applicants. The process used to select the delegates and alternates was difficult, and of course, subjective to some degree. The first criterion was determined by the Cubans themselves. They asked that the Guild send men and women who would be able to serve them as contact and resource people in Washington during the upcoming period of transition in Cuban-U.S. relations; they desired a delegation which would have a broad background in governmental, professional and legal work. They (sic) Cubans stressed that the delegates should have a solid history of professional experience in the legal field, which is the reason why the selection was weighted towards lawyers rather than legal workers or students."

The letter closed with the word "Venceremos."

CONCLUSION

As the 8th contingent of the Venceremos Brigade prepares to leave for Cuba sometime in March of 1975, the number of veteran Brigade members who came under DGI control totals nearly 2,000. Although many of the members have dropped out completely, there is enough overt activity in the United States to indicate that the National and Regional Committees are determined to have a hand in directing the movement for "political and social change."

In Marxist jargon "political and social change" is a euphemism for revolution. The veterans of the Brigade left no doubt as to their intentions when they printed a leaflet in California to recruit new members. It stated:

"We call ourselves Venceremos Brigade. Senator Eastland calls us "Human Missiles" because the message we bring with us is a call for solidarity among all the people who are fighting the common enemy: U.S. Imperialism.

"The struggle in the Cuban canefields, on the front lines in Vietnam; in the world communities at home and against the war machine in our country is the same."

In view of the inherent danger to the security of the United States engendered by the activities of the "Venceremos Brigade" and its mentor and director, the Cuban General Directorate of Intelligence, the staff of the Subcommittee is in the process of preparing a comprehensive report on the Brigade to be released in the near future.

In the course of the subcommittee's investigative activities, liaison was maintained with Federal, State, and local law enforcement agencies, including staff attendance at monthly meetings, annual conferences, and seminars.

Mr. STONE. This report clearly outlines that the Venceremos Brigade is trained, schooled, and led by the Cuban Secret Intelligence Service and poses in the words of the subcommittee, the following threat:

> This evidence points to the conclusion that the Venceremos Brigade is one of the most extensive and dangerous infiltration operations ever undertaken by a foreign power against the United States.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. MOSS. Mr. President, I have the next order, I will be happy to yield the Senator 3 or 4 minutes.

Mr. STONE. Three minutes will be fine.

Mr. MOSS. I yield 3 minutes to the Senator from Florida.

Mr. STONE. I thank the Senator, and I will conclude within 3 minutes.

There are two ways that the Department of State can proceed with indirect assistance to the lifting of the sanctions against Cuba in the OAS meeting that will take place in Washington next month.

One way is to amend the rules so that the parliamentary council of the OAS can end boycotts by a majority vote, and that procedure does not require submission to this body. The other way is to change the rules of the Rio Treaty and the rules of the OAS itself, a straightforward way, and that would require the advice and consent of the Senate.

I urge, first, that no action be taken unilaterally by this country to recognize a regime that has expropriated more than $1.5 billion of American property without at least submitting that major change in policy to the U.S. Senate for its advice and consent; and second, that we not change the policy of the OAS through the back door, but that if support is given directly or indirectly, it be done by a change in the Rio Treaty rules, which the Senate would then have the ability to debate, and I hope would extendedly debate, and either advise and consent or not consent.

Mr. President, I ask unanimous consent that certain correspondence and a document in question and answer form entitled "Specific Questions—Responses," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MARCH 26, 1975.

MR. HARRY W. SHLAUDEMAN,
Deputy Assistant Secretary,
Department of State, Washington, D.C.

DEAR MR. SHLAUDEMAN: I sincerely appreciate the briefing you provided me in the Lincoln Room last week. In accordance with our agreement, I am writing you so that you can provide me written non-confidential answers.

1. What evidence does the State Department have that the Castro regime has changed its policy toward training and exporting of insurgents, saboteurs, and provocateurs in this hemisphere?

2. What evidence that the Castro regime has ceased forming or training the so-called "Venceremos" groups which the Castro regime has periodically previously trained in the formenting of civil disorder in the hemisphere?

3. What are your best estimates of the numbers of political prisoners and their conditions within Cuba including also the forced labor groups used both on the farms and for other forced labor.

4. Has the Cuban government agreed or does it now agree to admit international organizations such as Red Cross or world associations of judges, lawyers, etc., to inspect conditions in the political prisons and forced labor camps?

5. What conditions does the Cuban government now impose upon hijackers?

6. Has the Soviet Russian involvement in everyday management of Cuban affairs increased or decreased in recent years?

7. Do Soviet submarines regularly call at Cuban ports and are facilities available for them to be re-supplied and otherwise maintained there?

8. What evidence does the Department of State possess that the Cuban regime, either itself or in combination with Soviet Russia, has no nuclear military capabilities on the islands of Cuba?

Apart from these specific questions, the discussion we had last week centered around one basic question which is, were the United States to (a) recognize Cuba diplomatically or (b) concede directly or indirectly to the lifting of the economic embargo against the Castro regime, what benefits would accrue to the United States?

I would appreciate your response to this in writing, touching on the bilateral relationships we would then have with Cuba and with other member nations of the OAS.

Procedurally, we discussed the forthcoming meeting of the OAS in Washington in May and the fact that the embargo resolution against the Castro regime provides that the embargo may be lifted only by a vote of ⅔ of the OAS members. This means, therefore, that apart from such a ⅔ vote there are only two other ways that the embargo resolution may officially be terminated. One is by a ⅔ vote to change the Resolution itself so the embargo could be lifted by a majority vote. As you explained, this can be done without resort to Congress. The other is to amend the Rio Treaty, to allow for a rules change by a majority vote. That would require the advice and consent of the U.S. Senate.

In other words, the Executive Branch can either vote to end the embargo without resorting to the advice and consent of the Senate, or it can conduct itself so that Senate consent would be required. Therefore, would you confirm or clarify these points in your response, and if possible give the State Department's position as to what it might do or, if possible, what it has decided to do.

I do appreciate your kindness in briefing me last week and request that your answer be as prompt as possible in the light of the urgent interest expressed in these points by so many Americans.

Sincerely yours,

RICHARD "DICK" STONE.

WASHINGTON, D.C.

HON. RICHARD "DICK" STONE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STONE: Thank you for your letter of March 26 addressed to Mr. Harry W. Shlaudeman.

I am attaching responses to the eight specific questions you posed as well as on the broad query on possible benefits to the United States from reestablishment of diplomatic relations with Cuba and termination of our economic denial program and a response to your question regarding OAS sanctions against Cuba.

I hope that this information will be helpful to you.

Sincerely,

KEMPTON B. JENKINS,
Acting Assistant Secretary for Congressional Relations.

SPECIFIC QUESTIONS—RESPONSES

1. Q. What evidence does the State Department have that the Castro regime has changed its policy toward training and exporting of insurgents, saboteurs, and provocateurs in this hemisphere?

A. Steps to re-establish diplomatic relations with Cuba by several Latin American countries suggest that such countries have concluded that the Cuban Government is not interfering in their internal affairs. Since 1972, Peru, Argentina, Panama, Venezuela, Colombia, Trinidad and Tobago, Bahamas, Guyana, Jamaica and Barbados have taken this action. In addition to the first six of these countries, which are parties to the Rio Treaty, Costa Rica, the Dominican Republic, Mexico, Honduras, Ecuador and El Salvador in November, 1974 voted to lift those sanctions against Cuba imposed in 1964 by the OAS as a result of Cuban intervention in Venezuela.

Although a majority of the Latin American and Caribbean countries evidently no longer regard themselves threatened by Cuba, a number of other countries do regard Cuba as threatening their internal security. The US itself does not feel threatened by Cuba. The important question for us is how the question is perceived by Cuba's neighbors in the Hemisphere. U.S. policy takes these differences of perception into account and helps to explain why the U.S. abstained on the vote to lift OAS sanctions at the meeting of For-

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eign Ministers in Quito in November, 1974. At that time, the U.S. Representative, Deputy Secretary Robert S. Ingersoll, stated:

"If this Meeting of Consultation has not produced a conclusive result, it has at least aired in a constructive way the fact that there is no easy solution to the problem of a country which deals with some on the basis of hostility, and with others on the basis of a more natural relationship.

"I should add that the United States looks forward to the day when the Cuban issue is no longer a divisive issue for us. Cuba has absorbed far too much of our attention in recent years. We need to turn our energies to the more important questions. We must not let a failure of agreement on the Cuban issue, at this time, obscure our common interest in working together toward mutually beneficial relationships on the major issues of this decade."

2. Q. What evidence that the Castro regime has ceased forming or training the so-called "Venceremos" groups which the Castro regime has periodically previously trained in the fomenting of civil disorder in the Hemisphere?

A. The "Venceremos" groups are, so far as we know, those groups of American citizens, mostly students, who have gone to Cuba, without passport validation for travel to Cuba, to participate in the sugar harvest or more recently to take part in development activities. Calling themselves the "Venceremos Brigade," the eighth such group composed of approximately 150 persons went to Cuba in March, 1975. It is believed that about 2,000 U.S. citizens have gone to Cuba since 1969 in these "Brigades". The Venceremos Brigade was formed in June, 1969 in cooperation with the Cuban Government whose officials screen applicants. Its headquarters are located in New York City. We cannot affirm or deny that the "Venceremos" groups have engaged in activities in Cuba other than harvesting sugar or taking part in development activities. But the number of U.S. Citizens involved is not large.

3. Q. What are your best estimates of the numbers of political prisoners and their conditions within Cuba including also the forced labor groups used both on the farms and for other forced labor.

A. Prime Minister Castro reportedly admitted to 20,000 political prisoners in 1965 (Castro's Cuba, Cuba's Fidel, by Lee Lockwood.) In his October, 1974 interview with CBS Television, Mr. Castro said that 80% of political prisoners had been released. These are the only public references by Cuban leaders that have come to our attention. Observers who have attempted to reach an estimate place the number of prisoners in the thousands, but we have no definitive figure. If the numbers are unclear, what is certain is that there continue to be political prisoners incarcerated in Cuba.

Hard information on forced labor is also unavailable. Military Units for Aid to Production (UMAP), which established forced labor camps in 1965 for clergymen, common criminals, vagrants and others whom the Cuban Government considered social undesirables, was discontinued in 1968. A degree of coercion or social pressure is undoubtedly involved in the Youth Labor Army, a militarized work force of about 100,000 people. The same probably applies to some members of the "Micro-brigades" employed after completion of normal work duties in the construction industry, particularly in the housing sector. The large scale forced labor camps associated with the UMAP have mostly disappeared but camps persist in rural areas where persons convicted of political and other charges are incarcerated instead of regular prisons. It is our understanding that most of these camps are viewed as "rehabilitation" centers and inmates receive some compensation and are permitted conjugal visits.

4. Q. Has the Cuban Government agreed or does it now agree to admit international organizations such as Red Cross or world associations of judges, lawyers, etc., to inspect conditions in the political prisons and forced labor camps?

A. No.

5. Q. What conditions does the Cuban Government now impose upon hijackers?

A. Since the February 15, 1973 U.S.-Cuban Memorandum of Understanding on Hijacking of Aircraft and Vessels and Other Offenses, only one hijacking of a U.S. aircraft has occurred. This incident on December 14, 1974 involved a Piper Seneca aircraft of the Tampa Flying Service whose pilot was forced by a lone man to fly to Havana. The aircraft and pilot were returned to the U.S. on December 17. In reply to our inquiries concerning the hijacker and Cuban intentions with respect to him, Cuban authorities have told us the hijacking case is still under investigation.

There are believed to be approximately 25 other persons who hijacked aircraft prior to the Memorandum still in Cuba. Several have returned to the U.S. over the years and yet others have indicated a desire to return. Cuban authorities generally permit such return at the hijacker's behest—not at a USG request.

6. Q. Has the Soviet Russian involvement in everyday management of Cuban affairs increased or decreased in recent years?

A. Several thousand Russian technicians working in both the civil and military sectors are believed to be in Cuba. In view of the predominant role of the U.S.S.R. in Cuban foreign trade and as the principal supplier of military hardware, the presence of these personnel is not in itself surprising. There is no evidence that Russian advisors control everyday management of the Cuban Government, its economy or its military services. In recent years, particularly since 1970, Cuban economic policies have moved increasingly towards the Soviet model. In 1972 Cuba joined CEMA, the Soviet sponsored economic association of Communist countries. Relations with the Soviet Union have generally intensified during this period which included the Cuban visit of General Secretary Brezhnev in 1974.

7. Q. Do Soviet submarines regularly call at Cuban ports and are facilities available for them to be re-supplied and otherwise maintained there?

A. There have been 13 Soviet naval visits to Cuba since 1969. Soviet submarines have taken part in such visits. The Soviet naval support facility at Cienfuegos remains operational with only a tender required to provide forward servicing to Soviet naval units. Soviet naval visits have been the subject of hearings before the Subcommittee on Inter-American Affairs, Committee on Foreign Affairs for the past several years. The last published Committee report is attached. (The report of November, 1974 hearings will be published in the very near future.)

8. Q. What evidence does the Department of State possess that the Cuban regime, either itself or in combination with Soviet Russia, has no nuclear military capabilities on the islands of Cuba?

A. DIA officials testified on November 21, 1974 before the Fascell subcommittee as follows: "Mr. Fascell: Are there any Soviet or other nuclear weapons in Cuba? Mr. Wallner: No sir. We do not believe there are—We look at all other sources that are available to us to confirm or deny and so far they have all been denied."

BILATERAL RELATIONS

You also asked what benefits might accrue to the United States in the following hypothetical situations: diplomatic relations were re-established and the economic denial policy was ended.

As you know, Secretary Kissinger has stated that we see no virtue in perpetual antagonism between Cuba and the United States. He also stated if the OAS sanctions are lifted that the US would consider what its own best interests were regarding bilateral relations but that fundamental change cannot come unless "Cuba demonstrates a readiness to assume the mutuality of obligation and regard upon which a new relationship must be founded." Therefore, the two hypotheses you put forward are unlikely to occur without some action on Cuba's part.

OAS SANCTIONS

Article 17 of the Rio Treaty provides that "decisions" of the Foreign Ministers (the "Organ of Consultation" in treaty terminology) must be taken by two-thirds vote. Thus, when the Foreign Ministers, acting under the Rio Treaty, imposed sanctions against the Cuban regime in 1964, the Foreign Ministers took their decision by two-thirds vote.

At Quito a resolution was introduced to lift the sanctions against Cuba. It received the support of majority of the Foreign Ministers, but failed passage because it did not reach the two-thirds required by Article 17. However, in establishing the sanctions against the Dominican Republic and against Cuba, the Foreign Ministers established another avenue for lifting sanctions, by delegating that power to the Permanent Council of the OAS. And it was the Permanent Council which lifted the sanctions against the Dominican Republic in 196[illegible] by a unanimous vote. Inasmuch as the Permanent Council normally takes its decision by majority vote, the Foreign Ministers had to specifically mandate in the two cases that the Permanent Council use the 2/3rds rule.

As far as amendment of the treaty is concerned, the OAS Special Committee has labored for over a year to produce a set of recommended reforms to the Rio Treaty—a draft Protocol of Amendment. The United States through its duly instructed representative to the Organization of American States has supported this package of reforms with one exception, having to do with a proposed article about a treaty of collective economic security. One reform, which received unanimous support, would amend the Rio Treaty voting provision in Article 17 to provide for lifting sanctions by majority vote, while retaining the two-thirds requirement for imposing them.

We, along with all other members of the OAS, supported the voting provision reform on the common sense ground that while an extraordinary majority of two-thirds was necessary to impose extraordinary measures, it was not reasonable to permit these same measures to be retained by a minority. Additionally, the history of the Cuban sanctions shows that when such extraordinary measures lose widespread support, they also cease to be effective and begin to damage the fabric of the treaty itself.

As you pointed out, this Protocol of Amendment when it is finally refined and signed by the member states, cannot go into effect until the ratification process is completed, which for the United States requires the advice and consent of the Senate. When the Protocol is completed and the U.S. has signed it, the Executive branch will follow, as it must, the prescribed constitutional procedures and submit the Protocol of Amendment to the Senate.

In the meantime, however, as Secretary Kissinger noted in his Houston speech, several Latin American countries have suggested that a way be found to apply the principle of majority rule to the existing Cuban sanctions. As we understand this idea, this would require a decision of the foreign ministers (always by two-thirds vote) to amend the delegation of authority to the Permanent Council in the original sanctions resolution to provide that the

Council may now lift sanctions by majority vote.

In our view this would be legal and consonant with Council voting procedures. The real question is whether there is a political will in the hemisphere to approach the issue in this way. As the Secretary said at Houston, he would be consulting with his Latin American colleagues "with the attitude of finding a generally acceptable solution." We cannot predict the outcome of these consultations, nor would it be prudent to speculate on the attitude the United States representatives will take should this question arise at the May meeting of the General Assembly of the OAS.

Mr. STONE. I thank the Senator from Utah for yielding me additional time.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. STONE. I yield.

Mr. HELMS. I commend the distinguished Senator from Florida on his statement, and I wish to say that it is with pride that I join him in the cosponsorship of his resolution.

Mr. STONE. I thank the Senator from North Carolina.

The PRESIDING OFFICER. Under the previous order, the Senator from Utah (Mr. Moss) is now recognized for not to exceed 15 minutes.

HYDROGEN: PRESENT THREAT—FUTURE PROMISE

Mr. MOSS. Mr. President, I shall speak today about energy, which now occupies so much of our attention, and particularly hydrogen as a source of fuel and for other uses.

Today the United States uses enormous quantities of hydrogen as an intermediate step in the agricultural industry, the petrochemical industry and many others. The problem is that we are now faced with the probability of significantly increased costs and even shortages of hydrogen in the future. Undoubtedly, this will be reflected in the prices of agricultural and petrochemical products. Thus we have a real incentive right now to develop new sources of hydrogen. This time we can avoid being caught unprepared as we were in the oil crisis.

Furthermore, scientists have been telling us that hydrogen is an ideal nonpolluting fuel for the future. It seems apparent that we must find new sources of hydrogen. Moreover, we should develop these new sources with a capacity to meet not only current industrial needs but also to support future energy systems.

My remarks will hopefully provide evidence that hydrogen has a place in our future energy picture. They will be neither technical nor exhaustive. Rather, they are the observations of a legislator who is concerned about our economy and, in particular, about the escalating price of food and energy.

There are three important considerations concerning hydrogen: How we get it, how we store and ship it, and how we use it.

First consider where we get hydrogen. It seems surprising that this is any problem at all. After all, it is estimated that 90 percent of all of the atoms in the universe are hydrogen. Here on Earth water covers almost three-quarters of the Earth's surface and water is one-ninth hydrogen by weight. Hydrogen compounds are contained in the greater part of all plant and animal tissue. The problem is hydrogen is so chemically active that we nearly always find it tied up in other compounds. When it does appear in a free state, being the lightest of all gases, it is quickly dissipated.

There has been some futuristic talk about a hydrogen economy in which we greatly increase the uses and availability of hydrogen. In the hydrogen economy, hydrogen would replace petroleum for most of our energy needs.

However, we already produce huge quantities of hydrogen. Even more interesting, it is currently produced from natural gas and light fractions of petroleum. Yet those are the fuels some claim hydrogen should replace. Thus the cost of processes using hydrogen is tied to the price of natural gas and petroleum. Most of this hydrogen is used as an intermediate step in producing fertilizer, petrochemicals, and other products.

Water would surely be an attractive source for hydrogen. It is for all practical purposes infinitely abundant. Even if we consume water to generate hydrogen, the product of combustion of hydrogen is again, water. Hydrogen can be produced from water in a variety of ways. One method that seems promising for the future has been known since the discovery of hydrogen. That is simply the electrolysis of water. The reason that process seems to be so important for the future is that it is an easy way to store energy from intermittent power sources. Energy sources like wind power and solar power have been regarded as impractical because of their variable and unpredictable output. But if they produce electricity which produces hydrogen, the hydrogen can be stored and used on demand.

This same approach may provide a means of getting energy most efficiently from nuclear and hydroelectric powerplants. When demand is low at such powerplants, the excess capacity could be used to produce hydrogen. Fuel cells, which I will mention in more detail later, could then be used to produce electricity during peak periods. Thus, the production of hydrogen can be much like charging a battery. Systems with excess capacity or intermittent operation can charge our "hydrogen battery" which provides power on demand. Hydrogen thus seems to be a way of using some of our most promising nonpolluting, nondepleting sources of energy in the future.

For the nearer term and while we develop the sources of hydrogen previously discussed, hydrogen could be made by a process which uses coal. We should put a high priority on the development of a commercially competitive process for providing hydrogen from this source. It appears that the technology is far enough along to enable us to do this. The success of such a process could be important in holding down the price of food and other commodities, while assuring that such production is independent of economic measures levied against us by other countries.

The second question is how to transport and store hydrogen. This tends to be quite a problem because hydrogen has a high leakage rate relative to other gases. The extremely small size of the hydrogen molecule enables it to escape through the tiniest openings in containers or pipelines. In fact, the experts say its molecule is so small it can escape through the molecular structure of most materials. To make matters worse, over a period of time hydrogen may make its containers or pipelines brittle, thus necessitating periodic replacement. Another problem is that the temperature needed to liquify it and keep it that way is extremely low. Thus it is very difficult to transport and use as a liquid. As a gas it occupies a large volume and is hard to store. Probably none of these problems is insurmountable, however. For instance, the space program developed techniques for the transport and storage of liquid hydrogen. This has given us important experience as we begin to use hydrogen in more energy processes.

From a commercial standpoint it may be desirable to produce hydrogen at the point of consumption and in the quantity needed. Devices called reformers are used commercially and have been developed in connection with fuel cells. These devices, even in small units, can efficiently convert natural gas to hydrogen and carbon dioxide. Moreover, they also produce the hydrogen on demand. Similar devices which produce hydrogen on demand from a variety of other fuels are under development. They are attractive because they avoid much of the problem of storing and transporting hydrogen.

The concept of producing needed hydrogen on demand at the point of use is employed in a NASA project for an automobile engine. A small device added to the car catalytically cracks a little gasoline to produce a hydrogen rich gas and this is injected along with the regular flow of gasoline into the engine. Because gasoline is used as a source of hydrogen generated right under the hood, the problem of storing hydrogen is neatly avoided. NASA ran some tests on a Chevrolet using bottled hydrogen to simulate the gas generator. The engineers took all the engine-related emission control gadgets off the car, put their system on the car, and went out for a spin on the EPA Federal driving cycle. They got 25 percent better gas mileage. But even so, the emissions from the test car met the stringent 1978 standards for nitrous oxide. A catalytic converter was used to meet the hydrocarbon and carbon monoxide standards.

Other scientists have tried using hydrogen alone, instead of gasoline, in an automobile engine. It turns out that the really tough problem is storing the hydrogen. But there appears to be a new and potentially attractive approach to this problem—the metal hydride storage system. Scientists discovered that chemical components called metal hydrides absorb hydrogen and release it if moderately heated. The astounding part of it all is that a given volume of metal hydrides can store more hydrogen gas than is contained in the same volume of liquid

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hydrogen. Thus it is now possible to store hydrogen at the densities of a liquid, but without the low temperatures and high pressures which would otherwise be needed. So metal hydrides may be the means by which future ground transportation such as cars, trucks, and trains might use hydrogen as a fuel. This approach is already being demonstrated by a Utah firm, Billings Energy Research Corp. Equally important, this technique has great promise for enabling utilities to store excess energy in the form of hydrogen where weight is not a problem.

That brings me to the real payoff: how we will use hydrogen. It appears that fertilizer production will continue to be a major and growing user of hydrogen. It, no doubt, is a key ingredient in increasing the world's food supply. Petrochemicals will probably also continue to play a major role in our economy and this industry will continue to use large quantities of hydrogen for a number of years.

Besides the chemical applications of hydrogen, there is its use as a power source. In this regard it appears that the fuel cell holds great promise for the conversion of hydrogen to electricity.

According to NASA's reports, the fuel cell is an extremely efficient, environmentally wholesome generator of electricity. Instead of using combustion to produce heat to create steam which spins a generator, the fuel cell involves a chemical reaction of the hydrogen with air to produce electricity directly. The intermediate mechanical processes are eliminated. In fact, the basic fuel cell has no moving parts. It is like a battery that never runs down, as long as you feed it air and hydrogen.

The truly unique quality of this device is that even very small units are extremely efficient.

Consequently, we do not have to build enormous fuel cells to obtain acceptable levels of efficiency. In contrast it is reported that the best steam and gas turbine generators operate at a thermal efficiency of about 39 percent, but such efficiency is achieved only if the plant produces power levels of over 100 million watts.

The best fuel cells in existence are only slightly more efficient than steam and gas turbine generators, but that efficiency is achieved at a power output of 1 kilowatt or less, a power level at which other systems are far less efficient. Advanced high temperature fuel cell designs that theoretically would operate at 60 percent efficiency are now under study.

Furthermore, that efficiency remains roughly constant over a variety of load situations, whereas conventional systems drop in efficiency if operated at less than maximum capacity. The fuel cell responds automatically and very rapidly to changing loads. Conventional systems are simply not that flexible and adaptive.

Because fuel cells can be small yet highly efficient, they can be dispersed right into the community so that electrical transmission losses are minimized. Existing gas lines can carry the fuel right to these dispersed fuel cells. Last, the waste heat of the fuel cell can be used to heat nearby buildings, thus gaining an even higher overall efficiency.

Because of its battery-like nature, the fuel cell can be built with modular construction so that incremental growth or repair is possible without a shutdown of the plant. Compact size also means that siting problems are reduced for utilities that have found the community's welcome mat rolled up.

The fuel cell creates little, if any, air, water, or noise pollution and so it is environmentally ideal. Waste heat is ejected into the air. Having no moving parts except perhaps cooling fans, its noise level is comparable to that of nighttime residential areas. The fuel cell's benign environmental characteristics would make it extremely attractive to utilities facing tough emissions control requirements.

In sum, the fuel cell appears to be well suited to an economy gradually committing itself to the utilization of hydrogen.

Gaseous hydrogen has many of the advantages of natural gas. It can be handled like natural gas and burns even cleaner than natural gas. There are problems with hydrogen but its use as a replacement for natural gas will probably be determined by economics rather than by any technological drawbacks.

For aircraft it appears hydrogen has many attractions. It has more than double the energy per pound of fuel than curent jet fuel. That fact alone explains why our advanced rocket engines use liquid hydrogen and oxygen as fuel. It burns with only one pollutant—water vapor. Hydrogen aircraft engines have already been demonstrated. Preliminary studies of such engines indicate increased range or payloads. The impact on aircraft design, because of storage problems, however, indicates that it may be quite a while before such aircraft are flying.

For automobiles the potential use of hydrogen is intriguing. I have previously mentioned the NASA project in which hydrogen is produced from gasoline in the engine as it is needed and then introduced into the engine along with the gasoline. Also, I have mentioned the very promising Utah project, in which a vehicle using hydrogen instead of gasoline has been successfully driven many miles.

In closing, several points should be emphasized.

First, we are already committed to the production of large quantities on hydrogen. This is currently produced from natural gas and petroleum, our most scarce and precious fuels.

Second, finding new commercially viable sources of hydrogen is important to protect the production and price of fertilizer and other hydrogen-dependent products. New hydrogen sources are also important, because of its potential uses in energy processes.

Third, if we come up with means of economically producing excess hydrogen over current needs, many new energy processes, now considered too unreliable, will develop and greatly improve our energy situation.

Mr. President, I yield the floor.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from California (Mr. TUNNEY) is recognized for not to exceed 13 minutes.

(The remarks made by Mr. TUNNEY at this point are printed elsewhere in the RECORD under Submission of a Resolution.)

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

Mr. HELMS. Mr. President, on behalf of the distinguished assistant minority leader, I yield back his time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 15 minutes, with statements therein limited to 5 minutes each.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROTOCOL FOR THE CONTINUATION IN FORCE OF THE INTERNATIONAL COFFEE AGREEMENT OF 1968, AS EXTENDED

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Protocol for the Continuation in Force of the International Coffee Agreement of 1968, as Extended—Executive B, 94th Congress, first session—transmitted to the Senate yesterday by the President of the United States. I also ask unanimous consent that the protocol with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

The message from the President of the United States is as follows:

To the Senate of the United States:

I am transmitting herewith, for the advice and consent of the Senate to acceptance, the Protocol for the Continuation in Force of the International Coffee Agreement of 1968, as Extended. This Protocol, which was adopted by the International Coffee Council in its Resolution Number 273 of September 26, 1974, contains no operative economic provisions, but preserves the structure of the International Coffee Organization through September 30, 1976, or up to 12 months beyond that date if the conclusion of a new Coffee Agreement has progressed to the degree specified in the Protocol. Without this Protocol, the Coffee Organization would expire on September 30, 1975. The United States signed the Protocol at the United Nations Headquarters on January 15, 1975.

The purpose of this extension is to continue the International Coffee Organization as a source of statistical information and technical studies on developments in world coffee markets and as a forum for discussion and eventual negotiation of a new coffee agreement whenever producing and consuming countries determine such action would best serve their common interests. This Protocol will preserve twelve years of institutional cooperation between seventeen major consuming countries (of which the U.S. is the largest) and forty-two producing nations of the developing world who rely on coffee exports for a significant portion of their foreign exchange earnings. In 1973, for example, coffee exports from ten major Latin American producers earned over $2.5 billion and six Latin American countries obtained more than 20 percent of their foreign exchange from coffee. In that same year, the United States imported 37.3 percent of all coffee in world trade and 39.1 percent of Latin American coffee exports.

I believe that continued United States participation in the Coffee Agreement will serve both our foreign policy and our consumer interests. It will reaffirm our commitment to cooperate with the developing countries on this matter of vital interest to them. As the largest consuming nation, it will guarantee us a substantial voice in discussions and negotiations for a new coffee agreement. Preliminary work for such negotiations started in early January 1975. I am hopeful that the constructive spirit which has characterized the International Coffee Organization in the past will enable producing and consuming countries to again harmonize their interests in a mutually beneficial accord.

I am also transmitting, for the information of the Senate, the report submitted to me by the Department of State explaining the provisions of the Protocol extending the International Coffee Agreement of 1968, as Extended, and providing background on the current state of the world coffee economy.

I, therefore, recommend that the Senate give early and favorable consideration to this Protocol and give its advice and consent to acceptance.

GERALD R. FORD.

THE WHITE HOUSE, *April 16, 1975.*

ORDER FOR CONSIDERATION OF S. 249, SECURITIES ACTS AMENDMENTS OF 1975

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the calendar on which a time agreement has been entered into. Under the order entered prior to today, at the conclusion of routine morning business today, the Senate will proceed to the consideration of S. 510, a bill to protect the public health by amending the Federal Food, Drug and Cosmetic Act. I ask unanimous censent that upon the disposition of that measure today, the Senate proceed to the consideration of S. 249, a bill to amend the Securities Exchange Act of 1934, and for other purposes, on which, as I have stated, there is a time agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Horowitz be permitted the privilege of the floor during the consideration of the medical devices amendments of 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the order of the Senate of Tuesday, April 15, 1975, a message from the President of the United States was received on April 16, 1975, submitting sundry nominations which were referred to the appropriate committees.

(The nominations received during the adjournment are printed at the end of today's RECORD).

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of Tuesday, April 15, 1975, a message from the House of Representatives was received on Wednesday, April 16, 1975, stating that the House agrees to the amendments of the Senate to the joint resolution (H.J. Res. 335) to extend the effective date of certain provisions of the Commodity Futures Trading Commission Act of 1974.

ENROLLED JOINT RESOLUTION SIGNED

The message also stated that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 335) to extend the effective date of certain provisions of the Commodity Futures Trading Commission Act of 1974.

The enrolled joint resolution was subsequently signed by the President pro tempore.

MESSAGE FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bills and joint resolution in which it requests the concurrence of the Senate:

H.R. 1401. An act for the relief of Robert M. Johnston;

H.R. 1410. An act for the relief of Samuel T. Ansley;

H.R. 1421. An act for the relief of Stephanie Kahn and Barbara Heyman;

H.R. 1649. An act for the relief of Howard D. Harden;

H.R. 2109. An act for the relief of Captain George Moore, Junior, of the United States Air Force;

H.R. 2562. An act for the relief of Charles P. Bailey;

H.R. 2946. An act for the relief of Mrs. Dorothy Hinck;

H.R. 3382. An act for the relief of Raymond Monroe;

H.R. 3526. An act for the relief of Randall L. Talbot;

H.R. 4056. An act for the relief of Tri-State Motor Transit Company;

H.R. 5899. An act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes;

H.R. 5901. An act making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.J. Res. 375. A joint resolution making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans, Administration, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

S. 1457. An original bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions, and to amend title III of the National Housing Act to authorize a temporary program to afford mortgagors additional opportunities to cure home mortgage defaults (Rept. No. 94–78).

By Mr. BURDICK, from the Committee on the Judiciary, without amendment:

S. 233. A bill for the relief of North Central Educational Television, Incorporated (Rept. No. 94–79).

S. 234. A bill for the relief of Arthur Rike (Rept. No. 94–80).

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

S.J. Res. 58. A joint resolution proclaiming the week of May 25 to 31 as "National American Institute of Banking Week" (Rept. No. 94–81).

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EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Lawrence J. Semenza, of Nevada, to be U.S. attorney for the district of Nevada;

George J. Long, of Kentucky, to be U.S. attorney for the western district of Kentucky;

Jerry N. Jenson, of Illinois, to be Deputy Administrator of Drug Enforcement; and

H. Brooks Phillips, of Mississippi, to be U.S. marshal for the northern district of Mississippi.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CANNON, from the Committee on Commerce:

John E. Robson, of Illinois, to be a member of the Civil Aeronautics Board.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

John A. Hill, of Maryland, to be a Deputy Administrator of the Federal Energy Administration; and

Gorman C. Smith, of Virginia, to be an Assistant Administrator of the Federal Energy Administration.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. JACKSON. Mr. President, I am reporting from the Committee on Interior and Insular Affairs the nominations of John A. Hill, of Maryland, to be a Deputy Administrator of the Federal Energy Administrator and Gorman C. Smith, of Virginia, to be an Assistant Administrator of the Federal Energy Administration.

Mr. President, I ask unanimous consent that the biographies of John Hill and Gorman Smith be included in the RECORD at this point.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

Biographical Sketch—John A. Hill

EMPLOYMENT

Current Position—Office of Management and Budget:

Associate Director for Natural Resources, Energy and Science. Responsibilities include the policies, budgets, legislative initiatives, and management of a wide range of Federal Departments and Agencies, including the Federal Energy Administration, Interior, Agriculture, Environmental Protection Agency, Energy Research and Development Administration, Nuclear Regulatory Commission, National Science Foundation, NASA, Corps of Engineers, FPC and related smaller agencies; formulation and management of strategic planning projects in selected areas such as energy R&D, petroleum shortages, supply and demand of food and fiber products, agricultural productivity, etc., aimed at the establishment or reform of overall Federal policies. Member of the Executive Committee of the Energy Resources Council.

January 1973–November 1974—Office of Management and Budget:

Deputy Associate Director for Energy, Food and Analysis. Responsibilities included budgets, policies and legislative initiatives of the Department of Agriculture and energy related departments and agencies; formulation and management of economic policy studies relating to energy, agricultural commodities, environmental protection, timber and Federally owned land and mineral resources; and the development and implementation of a government-wide management thrust based on outputs and objectives for all of the departments and agencies covered by the Associate Director of Natural Resources, Energy and Science.

November 1973–February 1974—Federal Energy Office:

On temporary detail from the Office of Management and Budget. Served as Assistant Director for Policy, Planning and Regulation. Responsibilities included the development of programs designed to alleviate the shortages and economic impact associated with the October embargo of petroleum by the Arab nations, including the promulgation of allocation regulations for crude oil, gasoline, residual, distillate and jet fuels, and petrochemical feedstocks, transfer of petroleum price control authorities from the Cost of Living Council and modification of selected price controls to reflect the changed petroleum situation; development of a gasoline rationing program to day-one operational status; articulation of the energy situation to congressional committees, industry groups and the press; selected special assignments.

March 1971–January 1973—U.S. Environmental Protection Agency:

Assignments included Director, Operations Analysis Division, Office of Solid Waste Management Programs, with responsibilities for national program related to the financing and productivity of solid waste delivery systems, management and management control systems for Office of Solid Waste Management Programs, program analysis and budget development, new legislation; and Senior Analyst, Office of Special Projects with Project manager responsibility for special evaluative studies of problems of critical importance to the Agency, including program and management issues.

March 1969–March 1971—Office of Management and Budget:

Senior Budget Examiner, Human Resources Programs Division. Assignments included examining responsibilities for Office of Economic Opportunity, Model Cities Program, Medicaid, Maternal and Child Health Services, Indian Health Service, DHEW and OEO family planning programs, with special focus on increasing effectiveness of these programs; Project Manager for Special Analysis of Federal Health Program published as part of President's annual budget submission, and special studies on a wide range of problems of critical importance to OMB and the Administration.

January 1968–March 1969—Educational Associates, Inc.:

Executive Associate, North Central Region, Responsible for 31 Upward Bound projects funded by Office of Economic Opportunity eleven state area. Project Manager for evaluations of several OEO programs. Director of marketing in North Central Region for company, with particular focus on the financing and physical plants of secondary schools.

EDUCATION

1960–1964—Bachelor of Arts in Economics, Southern Methodist University. Graduated with honors and Departmental Distinction.

1964–1967—Completion of all work on Ph.D. except dissertation in Social Ethics, Southern Methodist University. Focus of studies on the use of mathematical models in the moral decision making process.

1956–1960—High School Certificate, Midland High School, Midland, Texas.

PERSONAL

Married, two children, 33 years of age.

Biographical Sketch—Gorman C. Smith

Gorman C. Smith is Acting Assistant Administrator for Regulatory Programs, Federal Energy Administration. His office has primary responsibility for formulating, implementing, and enforcing FEA allocation, price, and oil import regulation.

Prior to assuming his present position, Mr. Smith was Deputy Assistant Administrator for Energy Resource Development in FEA. This office is responsible for developing policies and programs to support the accelerated developing of domestic energy resources.

Mr. Smith came to FEA from the Atomic Energy Commission, where his last assignment was as Executive Assistant to Chairman Dixy Lee Ray. He was project director for the preparation of her December, 1973, report to the President on Energy Research and Development.

Before joining the AEC, Mr. Smith was for four years the Vice President and Director of a private research and development firm, Information Concepts, Incorporated, with line management responsibility for the Washington, D.C., area office.

He held a variety of command and staff assignments, including command of units from platoon through battalion in both garrison and combat situations. His staff assignments included tours as Assistant Professor of Economics in the Department of Social Sciences, U.S. Military Academy (1957–60); Assistant Secretary of the General Staff at Headquarters, Eighth U.S. Army, in Korea (1961–62); and Deputy Director of Compensation and Career Development, Office of the Secretary of Defense (1966–69).

Mr. Smith received a master's degree in Economics and International Relations in 1955 and a Ph. D. in Economics in 1964, both from Columbia University. He is a 1951 graduate of the U.S. Military Academy. A native of Durant, Oklahoma, Mr. Smith resides in Arlington, Virginia, with his wife, Mary.

Mr. JACKSON. The committee held a hearing on their nominations yesterday at which both nominees testified at length. I ask unanimous consent that their prepared statements be included in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Statement by John A. Hill

Mr. Chairman and Members of the Committee, I deeply appreciate the opportunity to be with you today and am most honored both by my nomination to be Deputy Administrator of the Federal Energy Administration and by your consideration of that nomination. I am also most appreciative of the statements that several Senators have made in my behalf.

If I am confirmed in this position, I will look forward to the challenge of working with the Congress and others in the Administration to solve what I consider to be some of the major problems confronting America today—problems that, in their complexity, their breadth of impact and their long-term implications for the future, demand the utmost in effort and dedication. I hope that I will have the opportunity to offer such effort and dedication.

There are those today who are downplaying the significance of the energy crisis, and there are even those who are maintaining that the crisis no longer exists, if indeed it ever did. I do not believe that we can afford

the luxury of such wishful thinking. The unpleasant truth is that the energy crisis exists, and it is not only still with us; it is, in fact, even more severe today than it was during the oil embargo of 1973–74.

As FEA's Administrator, Frank Zarb, recently pointed out, the difference between the energy crisis of a year ago and the energy crisis today is basically one of form—of the means by which it manifests itself: "Early last year the energy crisis meant empty gas pumps. Today it means the emptying of a national pocketbook to pay quadrupled prices for imported oil."

The difference, as he suggested, presents new difficulties in achieving popular support for a strong national energy policy, because the current drain on our resources—the immense amounts of cash we are paying for imported oil—and the dangers that this reliance on imports carries with it, are much less tangible to the average citizen than the lengthy lines at service stations he endured last year. At the same time, they are much more insidious in their implications for this Nation's future.

The need for formulation of a strong national energy policy, and for the popular support necessary for its implementation, is all the greater today. Last year we paid $24 billion for imported oil——twice the amount we paid four years earlier. Today, we are paying at an even higher rate, and, by 1977, without a strong program to reverse our trend toward ever greater consumption of oil imports, we could be paying at a rate of $32 billion per year.

Along with the economic and monetary problems that are thus being compounded, we are courting the potential havoc that could result from another oil embargo. The sad truth is that, a year and a half after the imposition of the last embargo, we are more vulnerable than ever to another cut-off in our supplies of imported oil.

Even here at home, we are subject to continuing uncertainties regarding our supplies of domestic energy.

The fragile financial condition of the nation's utilities has led to cancellation or postponement of 60 percent of planned nuclear generating capacity, thereby further delaying hte full contribution of the atom to efficient production of electric power at low cost.

Natural gas is in short supply, and the shortage is growing steadily more severe, threatening to hold down industrial production and cost workers their jobs in many areas of the country.

Even with coal, the Nation's energy ace-in-the-hole, production probelms, transportation problems and utilization problems persist. Until we can burn coal to replace other fuels—the natural gas that simply is not available and the imported oil that is sapping our economic strength—we cannot take full advantage of this massive energy resource.

In light of these hard realities, it would be folly of the grandest sort to emulate the ostrich and plunge our heads back into the sand. As the Washington Post, in its lead editorial of last Monday, stated: the reasons for curtailing our fuel consumption are "as valid and urgent as ever."

I share the view of this Administration and, I believe, most members of Congress that we have arrived at the watershed: we must—and we will—establish an effective national energy policy. There are differences to be resolved, in timing, technique and degree. They will be resolved, because for the most part, I think that all of us should concur in the fundamental objectives of such a policy:

(1) that we must move rapidly to reduce our dependence on foreign sources of oil;

(2) that, through conservation and increased use of domestic resources, we must move toward a position of invulnerability to foreign cut-offs within a decade;

(3) that our efforts to achieve these goals must be fair and equitable for the American people;

(4) that these efforts must be compatible with our other national goals, including our concerns for the environment and for economic growth and our foreign commitments;

(5) and, finally, that such efforts must be conducted in a manner that maximizes the individual freedom of every American and minimizes the gratuitous intrusion of government into the nation's free marketplace and the lives of its citizens.

These are broad objectives. In some cases there are, and will be, both real and apparent conflicts. Resolution of such conflicts will call for a high order of leadership. I seek to make what contribution I can to the decision-making and administrative role that the Federal Energy Administration will play in providing that leadership.

Your colleagues—and my fellow Texans—have been kind enough to provide some information for you in regard to my own past work in the energy field, and I will happily rest with their comments. I would add only one personal observation.

I have appeared before many of you—perhaps most of you—before, in testifying before various Senate Committees and Subcommittees, though today is the first time that I have had the occasion to testify before the Interior Committee. Further, I have had the opportunity, during my time at the Office of Management and Budget—and in the embryonic days of FEO, to work with some of you at close hand. That work—inherent in the relationship between Congress and the Executive Branch and inherent in the day-to-day activity of OMB—has involved the constant effort to achieve real results: the pragmatic resolution of differences, the realistic accommodation of conflicting demands, and the practical implementation of policies and programs that will advance our energy goals.

Having mentioned goals and my hope that we can reach agreement on policies to attain them, I would like to turn for a few moments to the next vital steps. We in Government are working our way toward agreement on the various issues that must be resolved to shape our nation's energy policy. But implementation of that policy will require a different kind of effort—a different kind of teamwork—within the FEA, the Executive Branch, between the Administration and the Congress. Much remains to be done.

It will be the job of the FEA to provide coordination and leadership in the Executive Branch to implement energy programs, to provide for the equitable allocation of fuels according to the applicable laws, to facilitate resource development, and to lead the national efforts toward greater degrees of energy conservation.

Clearly this is a broad mandate. It is one that will call for continued consultation with the Congress on legislative, regulatory and budgetary matters, for coordination with other agencies of the Executive Branch, and for a greater degree of emphasis on the *management* of programs within FEA itself.

It is in these areas that I shall be responsible if I am confirmed as Deputy Administrator. My responsibilities as second-in-command would directly involve the development and implementation of all energy programs evolved by the Administration and the Congress. I would be responsible for the agency's budget and for all matters relating to the organization, management and operation of the FEA; for all FEA regulatory, Congressional and legislative activity; and for the proper administration of all programs and regulations relating to the implementation and execution of regional, national and international energy programs as they fall within the purview of the Federal Energy Administration. While I feel that these are broad responsibilities, I look forward to the great challenge that they offer.

I feel that my background and experience over the last several years have prepared me to meet that challenge. I hope that you will agree, and that you will recommend my confirmation as Deputy Administrator of the FEA.

Statement of Gorman, C. Smith

Mr. Chairman and Members of the Committee:

It is both a pleasure and an honor to be here today as the President's nominee to be Assistant Administrator of the Federal Energy Administration for Regulatory Programs. I deeply appreciate the kind words which have been expressed on my behalf by the distinguished Senators from Oklahoma, Senator Bartlett and Senator Bellmon, and Congressman Murphy of New York.

The Office of Regulatory Programs is responsible for recommending the regulatory provisions needed to discharge the mandates contained in the Emergency Petroleum Allocation Act, the Federal Energy Administration Act, and with respect to the oil imports program, the Trade Expansion Act. It is also responsible for the day-to-day operation of those regulations and for insuring compliance with them.

As the Congress recognized in framing Section 4 of the Emergency Petroleum Allocation Act, there are inherent conflicts among the public policy objectives set out therein. Accordingly, I see that, if confirmed for this office, one of my principal responsibilities will be to assure that all the divergent interests involved in any regulatory proceeding receive full and fair consideration. I do not expect to please everyone. While acting in this job for the past seven months, I have learned the importance of giving a full and fair hearing to all segments of the industry and the public whose interests are involved in any regulatory matter. I cannot honestly promise the Committee that my recommendations will please all of those whom they affect. I can and do promise the Committee the best efforts of which I am capable to see that our regulations accomplish to the maximum extent practicable the specific objectives and the intent set forth in the applicable provisions of law.

If confirmed for this office, I see three major tasks to be accomplished. First, we must have in place effective contingency plans to deal with any future supply interruptions. Some three months ago, Mr. Zarb approved my recommendation to convene a series of task forces to review our experience with the allocation and price control programs and develop contingency plans that incorporated things we did right and that sought to improve on the things we did wrong. These efforts are progressing well and should be completed in the next several weeks. Even then, we will require continued attention to keep them abreast of changes in policies and circumstances, and I intend to devote a major share of my effort to this task.

The second big job is to see that our current regulations are kept abreast of changing conditions in the marketplace.

We must never forget that the reason for our regulations is to accomplish the objectives set out by the Congress in the legislation. We must, therefore, keep them under continuing review to see that they are in fact doing their job in the way most appropriate to current and projected circumstances.

The third major area of my responsibilities, should I be confirmed for this position, will be to assure compliance with our regulations. This requires an even-handed application to all of those impacted by the regulations be they large or small, major or independent, at

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whatever stage in the petroleum production, refining, transportation, and distribution system. My first major decision after assuming the office in an acting capacity was to order a major redirection in the emphasis of our compliance activities.

That redirection is now underway, but much remains to be done; and I am fully committed to its early completion.

I look forward eagerly to the opportunity to participate in the accomplishment of these important objectives. Working with the other members of the FEA team, I believe that with your endorsement I can make a useful contribution as the Assistant Administrator for Regulatory Programs.

Thank you very much.

Mr. JACKSON. The committee was pleased to receive testimony on behalf of Mr. Hill from Senators TOWER and BENTSEN and testimony on behalf of Mr. Smith from Senators BARTLETT and BELLMON and Congressman JOHN M. MURPHY of New York. Speaker ALBERT has also advised me of his high regard for Mr. Smith.

Mr. President, I believe the FEA has suffered from the failure to fill top policymaking posts over the past year. I believe that John Hill and Gorman Smith can play important roles in making the FEA function more effectively and I urge the Senate to confirm their nominations.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 5398) to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions, was read twice by its title and placed on the Calendar, pursuant to the order of April 15, 1975.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following House bills and joint resolution were each read twice by their titles and referred as indicated:

H.R. 1401. An act for the relief of Robert M. Johnston;

H.R. 1410. An act for the relief of Samuel T. Ansley;

H.R. 1421. An act for the relief of Stephanie Kahn and Barbara Heyman;

H.R. 1649. An act for the relief of Howard D. Harden;

H.R. 2109. An act for the relief of Captain George Moore, Jr. of the United States Air Force; to the Committee on the Judiciary.

H.R. 2562. An act for the relief of Charles P. Bailey; to the Committee on Finance.

H.R. 2946. An act for the relief of Mrs. Dorothy Hinck;

H.R. 3382. An act for the relief of Raymond Monroe;

H.R. 3526. An act for the relief of Randall L. Talbot;

H.R. 4056. An act for the relief of Tri-State Motor Transit Company; to the Committee on the Judiciary.

H.R. 5899. An act making supplemental appropriations for the fiscal year ending June 30, 1975, aand for other purposes;

H.R. 5901. An act making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes; and

H.J. Res. 375. A joint resolution making an additionaal appropriation for the fiscal year ending June 30, 1975, for the Veterans Administration, and for other purposes; to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BAYH:

S. 1440. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide financial assistance for alternative educational and security plans to reduce delinquency and crime in and against the public schools of the nation, and for other purposes. Referred to the Committee on the Judiciary and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

By Mr. SPARKMAN (by request):

S. 1441. A bill to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes; and

S. 1442. A bill to authorize additional economic assistance for South Vietnam, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. MATHIAS:

S. 1443. A bill to amend the Voting Rights Act of 1965 to expand its coverage, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. BEALL:

S. 1444. A bill to amend the Internal Revenue Code of 1954 to provide a bicentennial celebration contribution tax credit. Referred to the Committee on Finance.

By Mr. DOLE:

S. 1445. A bill for the relief of Betty and Bill Ferland. Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1446. A bill to amend chapter 67 (relating to retired pay for nonregular service) title 10, United States Code, to authorize payment of retired pay actuarily computed to persons, otherwise eligible, at age 50, and for other purposes. Referred to the Committee on Armed Services.

By Mr. KENNEDY (for himself and Mr. Stevenson):

S. 1447. A bill entitled "The Federal Handgun Control Act of 197." Referred to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 1448. A bill for the relief of M. Sgt. Charles H. Boyles, U.S. Air Force. Referred to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 1449. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on infant foods to disclose, by percentage, the weight of all ingredients of such foods and to require the label on certain breakfast cereals to disclose the sugar content thereof. Referred to the Committee on Labor and Public Welfare.

By Mr. JAVITS (for himself, Mr. Cranston, Mr. Brooke, and Mr. Nelson):

S. 1450. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana. Referred to the Committee on the Judiciary.

By Mr. STENNIS (for himself and Mr. Thurmond):

S. 1451. A bill to authorize additional military assistance for South Vietnam, and for other purposes. Referred to the Committee on Armed Services.

By Mr. HUMPHREY (for himself and Mr. Mondale):

S. 1452. A bill to provide for the construction of a Veterans' Administration hospital in the city of Minneapolis, Minnesota. Referred to the Committee on Veterans' Affairs

By Mr. HUGH SCOTT:

S. 1453. A bill for the relief of Birgitte Bock. Referred to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. Kennedy, Mr. Schweiker, Mr. Williams, Mr. Abourezk, Mr. Beall, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Cranston, Mr. Philip A. Hart, Mr. Hartke, Mr. Hathaway, Mr. Inouye, Mr. Humphrey, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. Pell, Mr. Randolph, Mr. Ribicoff, Mr. Hugh Scott, and Mr. Stafford):

S. 1454. A bill to revise and extend the Public Health Service Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MAGNUSON (for himself and Mr. Pearson (by request):

S. 1455. A bill to provide for the expansion and improvement of the Nation's airport and airway system, to provide for delegation of certain airport development functions to States and airport sponsors, to permit financing of airway facilities maintenance from the Airport and Airway Trust Fund, and for other purposes. Referred to the Committee on Commerce.

By Mr. RIBICOFF:

S. 1456. A bill entitled the Comprehensive Medicare Reform Act of 1975. Referred to the Committee on Finance.

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

S. 1457. A bill to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions, and to amend title III of the National Housing Act to authorize a temporary program to afford mortgagors additional opportunities to cure home mortgage defaults. Placed on the calendar.

By Mr. ABOUREZK (for himself, Mr. Nelson, Mr. McGovern, Mr. Hartke, Mr. Eagleton, Mr. McGee, Mr. Church, Mr. Clark, Mr. Hatfield, Mr. Leahy, Mr. Bayh, Mr. Metcalf, Mr. Mondale, Mr. Humphrey and Mr. Burdick):

S. 1458. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry. Referred to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 1459. A bill to amend the Federal Home Loan Bank Act and the Home Owners' Loan Act of 1933 to encourage housing finance in the Americas. Referred to the Committee on Foreign Relations.

By Mr. HARTKE (by request):

S. 1460. A bill to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes. Referred to the Committee on Commerce.

By Mr. HUMPHREY:

S. 1461. A bill to establish a Task Force on Petrodollars, and for other purposes. Referred to the Committee on Government Operations.

By Mr. HARTKE:

S. 1462. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes. Referred to the Committee on Commerce.

By Mr. HARTKE (for himself, Mr. Abourezk, and Mr. Burdick):

S. 1463. A bill to provide for the purchase of animals and animal food for use in domestic food relief programs, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. BENTSEN:

S. 1464. A bill to prohibit, except under certain circumstances, any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code. Referred to the Committee on Armed Services.

By Mr. BROCK:

S. 1465. A bill to amend title XVIII of the Social Security Act so as to clarify the meaning of the term "outpatient physical therapy services" in so far as such term includes speech pathology services provided by certain persons. Referred to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. Javits, Mr. Williams, Mr. Schweiker, Mr. Randolph, Mr. Mondale, and Mr. Stafford):

S. 1466. A bill to amend the Public Health Service Act to extend and revise the program of assistance for the control and prevention of communicable diseases. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY:

S. 1467. A bill to provide for the establishment of the National Center for Health Education and Promotion and the Institution for Health Education and Promotion to advance the national health; to reduce preventable illness, disability, and death; to moderate self-imposed risks, to promote progress and scholarship in consumer health education and preventive medicine; and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. TAFT:

S. 1468. A bill for the relief of Lana Shi-Lai Lau. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. Jackson):

S. 1469. A bill to amend the Alaska Native Claims Settlement Act to continue the authority of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONTOYA:

S. 1470. A bill to authorize the establishment of a National Atomic Museum. Referred to the Joint Committee on Atomic Energy.

By Mr. HUGH SCOTT:

S.J. Res. 73. A joint resolution authorizing and requesting the President to issue a proclamation designating the week beginning February 15, 1976, as "My America Week." Referred to the Committee on the Judiciary.

By Mr. PERCY (for himself and Mr. Brooke):

S.J. Res. 74. A joint resolution to authorize and request the President to issue annually a proclamation designating the first week in May of each year as "Survival Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAYH:

S. 1440. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide financial assistance for alternative educational and security plans to reduce delinquency and crime in and against the public schools of the nation, and for other purposes. Referred to the Committee on the Judiciary and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

JUVENILE DELINQUENCY IN SCHOOLS ACT OF 1975

Mr. BAYH. Mr. President, I send to the desk the Juvenile Delinquency in the Schools Act of 1975, which is an effort that the Senate Subcommittee on Juvenile Delinquency is making to try to deal with one of the most critical problems confronting us today, namely, vandalism and violence in our schools.

We started some hearings on this general problem yesterday with superintendents of four of our major school corporations, with the heads of the two principal school organizations, teachers, the head of the National Superintendents of Schools Organization, and the president of the Organization of School Security Directors. Mr. President, if there is anything that goes to stimulate the concern that we all have for our children and convinces us of our need to do more, provide better educational opportunity for our children than we have been, it is what is happening in the way of juvenile delinquency and vandalism in our schools. I will not go to great length, other than to say that we were told yesterday that the total cost, just of vandalism and violence in our schools, to this Nation was $590 million last year. $590 million. We lost more lives of boys and girls in our schools in the last three years—in our schools, if you please—than we lost in the first three years of America's involvement in Vietnam. So this bill is an effort to try to do something.

We do not have any magic solutions. We hope that our colleagues who are concerned about this in our home States will study it and give us any suggestions they may have, because it is a critical problem that is only going to go away if we have a cooperative effort at the national, the State, and the local level and, perhaps most significantly of all, if we can find a way to stimulate parent responsibility. If we can solve the problem in the home through an increased parental responsibility approach, we will be a lot better off.

I ask unanimous consent that this bill be jointly referred to the Committee on Labor and Welfare and the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, since becoming chairman of the Senate Subcommittee to Investigate Juvenile Delinquency, I have spent much of my time exploring the various causes of, and possible cures for, delinquency and criminal behavior in our young people. Over the course of this work, I have become even more aware of the crucial role played by our elementary and secondary schools in the formation of the attitudes, values, and overall behavior of young people in our society. In fact, the quality of school environment to which a youngster is exposed, in many instances, is one of the essential factors which determines whether a student becomes a contributing, useful member of society, or begins a life of frustration, failure, and crime.

In view of the primary importance of the school experience in the development of our young people, I became quite concerned about reports of increasing violence and vandalism in our public elementary and secondary schools. Some time ago I asked the staff of the subcommittee to conduct a study of the nature and extent of these problems. To assist in assessing the extent of violence and vandalism in our schools the subcommittee sent out detailed questionnaires to 757 public elementary and secondary school districts across the country seeking statistics on the scope of violence and vandalism in these institutions for the years 1970 to 1973. Over 68 percent of those questionnaires were answered. In addition, the subcommittee has been in contact with numerous school security directors, principals, teachers, and others with intimate knowledge and understanding of these problems. The initial phase of this inquiry has now been completed and I am today releasing the subcommittee's preliminary report entitled "Our Nation's School—A Report Card: 'A' in School Violence and Vandalism." Quite frankly, I find the picture presented by these preliminary findings a frightening one.

The evidence accumulated from a wide spectrum of urban, suburban, and rural school districts reveals that the level of school violence and vandalism has reached crisis proportions which threatens to seriously hamper the ability of our educational system to carry out its primary function.

The ledger of violence confronting our schools reads like a casualty list from a war zone or a vice squad annual report. It includes:

Approximately 70,000 serious physical assaults on teachers each year;

Literally hundreds of thousands of assaults on students, including more than 100 students murdered in 1973 just in the 757 school districts surveyed;

Confiscation of 250 weapons in one urban school district in 1 year; and

Extortion, drug, and prostitution rings in suburban as well as urban school districts.

These hallways and playgrounds of fear and terror also accounts for an estimated $500,000,000 annual bill for vandalism. This astonishing sum, which is actually a vandalism surtax on the cost of education, is comparable to the entire investment for textbooks for our Nation's schools in 1972. In fact, today, more dollars are annually diverted from educational pursuits to school vandalism costs, than the combined Federal, State, and local expenditures for the entire elementary and secondary public education system in 1910.

Perhaps even more alarming than the present extent of the problem is the fact that the subcommittee survey clearly demonstrates a continuing and dramatic increase in school violence and vandalism between 1970 and 1973. On a nationwide basis our elementary and secondary schools experienced:

A 77.4-percent increase in assaults on teachers;

A 85.3-percent increase in assault on students;

A 36.7-percent increase in robberies of students and teachers;

A 40.1-percent increase in rapes and attempted rapes;

A 18.5-percent increase in the number of homicides committed in our schools; and

A 54.4-percent increase in the number of weapons being confiscated from students by school personnel.

I should also point out that there is no area of the country unaffected by these problems. The subcommittee staff has included a regional breakdown of the northeast, northcentral, south, and west sections of the country in its pre-

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liminary report, which vividly demonstrates that the increasing problems of school violence and vandalism respects no boundaries whether it be regional, racial, or economic.

The subcommittee found that schools in the Northeast region of the country experienced the following increases between 1970 and 1973:

Homicide increased by 20.1 percent;

Rapes and attempted rapes increased by 37.9 percent;

Robbery increased by 39.3 percent;

Weapons increased by 20.6 percent; and

Drugs and alcohol increased by 14.8 percent.

Schools in the Northcentral region of the country experienced the following:

Assaults on teachers in schools increased by 52.4 percent;

Assaults on students in schools increased by 20.5 percent;

Rapes and attempted rapes in schools increased by 60 percent;

Major acts of vandalism increased by 19.5 percent; and

Drugs and alcohol offenses in schools increased by 97.4 percent.

Schools in the Southern region of the country experienced the following:

Homicide increased by 25.4 percent;

Rapes and attempted rapes increased by 28.4 percent;

Robbery increased by 51.7 percent;

Student assault on students increased by 276.9 percent;

Student assault on school personnel increased by by 316.4 percent; and

Burglary and larceny increased by 28.1 percent.

Schools in the Western region of the country experienced the following:

Assaults on students increased 77.4 percent;

Major acts of vandalism increased by 15.7 percent;

Robbery increased by 98.3 percent;

Rapes and attempted rapes increased by 52.3 percent;

Homicide increased by 26.6 percent; and

Drug offenses in schools increased by 18.1 percent.

Mr. President, it is important for those concerned with the future of our young people to appreciate both the gravity of the situation and the obstacles these problems raise for the education of our children. For millions of children public education should present one of the most meaningful and realistic opportunities to become productive citizens. Too often, however, youngsters arriving at our public schools today are not finding the quiet atmosphere of instruction, enrichment and encouragement, but instead an environment dominated by fear, chaos, destruction and violence. For these young people public education becomes only a lesson in the cruelty of promises unfulfilled.

Rather then spending their professional lives in the process of educating our children, thousands of elementary and secondary school teachers are constantly engaged in dangerous and frustrating attempts to secure personal safety for themselves and their students. Teachers who have spent years in preparation for the difficult, but rewarding, task of education quickly discover that the primary concern in many American schools today is no longer education, but preservation.

I am introducing this act as a means of transforming our Nation's schools from institutions plagued by fear and failure to institutions bolstered by educational sensitivity and secure access to educational achievement. This legislation will provide financial assistance to local educational agencies for alternative educational programs and security plans to reduce delinquency and crime in and against our public schools.

Mr. President, I ask unanimous consent that a section-by-section analysis and summary of the bill, together with the full text of the bill be printed in the RECORD at the conclusion of my remarks.

The subcommittee will continue its inquiry and more fully explore the dimensions of these problems in a series of hearings beginning Wednesday, April 16, 1975. In the course of these hearings we intend to hear testimony from those who are familiar with the problems of violence and vandalism in our schools in order to compile a comprehensive legislative record aimed at developing solutions to these critical problems.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS AND SUMMARY OF THE JUVENILE DELINQUENCY IN THE SCHOOLS ACT OF 1975

Section 1. Title. This section contains a short title cited as the "Juvenile Delinquency In The Schools Act of 1975" to reflect the amending of the Juvenile Justice and Delinquency Prevention Act of 1974.

Section 2.—Findings and Purpose: States the findings of Congress regarding: juvenile arrests for serious crimes; juvenile delinquent school behavior; unwarranted suspensions, expulsions, pushouts, and forceouts; the cost to taxpayers of school violence and vandalism in excess of $500 million annually; the impact of school violence and vandalism on educational achievement and administration; and the inefficiency of school resources to cope with this problem. States the purposes of this legislation to be to: curb juvenile delinquency in public schools; protect student rights including the right to safe educational environment; to prevent school delinquency through provision of resources for educational and security programs to keep students in schools and protect the school environment.

Section 3. This section amends Part B of title II of the Juvenile Justice and Delinquency Prevention Act (Public Law 93–415; 42 U.S.C. 5601) by adding at the end thereof the following new Subpart III—School Delinquency Programs:

Section 231. Appropriations: Authorizes for appropriation such sums as may be necessary for fiscal years 1976 and 1977 to carry out the purposes of the Act.

Section 232. Allotment to Local Educational Agencies: Reserves 5 percent of funds appropriated for grants to the states to carry out programs complimentary to the purposes of the Act. Reserves 3 percent of funds appropriated for the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and Indian schools operated by the Department of the Interior. The remaining funds appropriated are allotted to local educational agencies provided that the agency has established a need for such resources and procedures to protect the constitutional rights of students and school personnel.

Section 233. Uses of Funds: Not less than 50 percent of funds granted must be used for educational programs which may include renovation of facilities for alternative educational programs. The remainder of funds granted shall be used for other projects included in the local agency's grant application including utilization of security technology and security personnel.

Section 234. Application: Grants to local educational agencies may be received after approval of the grant application by the Assistant Administrator and consent of the appropriate state educational agency. The application must include a plan to reduce school delinquency and crime through educational innovation; professional development; community participation; administrative reorganization such as rescheduling of students or employees; public information; planning and evaluation; improvement of equipment; renovation of school plants and facilities; and other specially designed programs that meet the purpose of the Act. No funds authorized under this Act shall be used to support the introduction, presence, or use of firearms, other weapons or chemical agents in any school.

Section 235. Payments: Payments under the Act may be made in installments and in advance or by way of reimbursement with necessary adjustments due to overpayment or underpayment.

Section 236. Withholding: The Assistant Administrator may withhold payments for non-compliance with the application provisions under Section 234.

S. 1440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Juvenile Delinquency in the Schools Act of 1975".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (e) The Congress hereby finds—

(1) that juveniles account for almost half the arrests for serious crimes in the United States today;

(2) that the majority of juveniles arrested have a history of delinquent school behavior;

(3) that a large percentage of juveniles arrested have been subjected to arbitrary and unwarranted suspensions and expulsions, or are pushouts and forceouts;

(4) that violence and vandalism committed within and on the schools of our nation cost taxpayers in excess of $500,000,000 annually;

(5) that the impact of violence and vandalism on our nation's schools is a serious impediment to educational achievement and school administration; and

(6) that school districts which experience directly the devastating impact of violence and vandalism do not presently have sufficient technical expertise, alternative programs, or adequate resources to deal effectively with the problems of violence and vandalism in their schools.

(b) It is the purpose of this Act—

(1) to curb juvenile delinquency, violence and vandalism in our public schools;

(2) to protect the right of every student to due process and the right to receive an education in a school environment free of disruption and fear of personal harm;

(3) to prevent school delinquency by assisting local educational agencies with resources to develop and implement programs to keep students in elementary and secondary schools, and to prevent unwarranted and arbitrary suspensions, expulsions, pushouts and forceouts;

(4) to assist local educational agencies with resources to develop educational programs structured to reduce school delinquency, violence and vandalism;

(5) to assist local educational agencies with resources to develop security programs for the protection of students, school personnel and school property; and

(6) to encourage and assist local educational agencies in the development of alternative educational programs and facilities for the education of students unable to adjust to their school environment.

SEC. 3. Part B of title II of the Juvenile Justice and Delinquency Prevention Act (Public Law 93–415; 42 U.S.C. 5601) is amended by adding at the end thereof the following new subpart:

"SUBPART III—SCHOOL DELINQUENCY PROGRAMS

"APPROPRIATIONS AUTHORIZED

"SEC. 231. There is authorized to be appropriated, for the fiscal year 1976, for the period from July 1, through September 30, 1976, and for fiscal year 1977, such sums as may be necessary to carry out the provisions of this Act.

"ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 232. (a) From the funds appropriated to carry out this Act for any fiscal year, 5 per centum thereof shall be reserved for discretionary use by the Assistant Administrator for grants to Governors of the respective States and for the Mayor of the District of Columbia for use by the state educational agency of each such state and the District of Columbia in carrying out programs complimentary to the purposes of this Act.

"(b) In addition, from the sum appropriated to carry out this Act, for any fiscal year. the Assistant Administrator shall reserve not to exceed 3 per centum thereof and allot such amount among the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands according to their respective needs for grants under this Act. In addition the Assistant Administrator shall allot to the Secretary of the Interior from such amount, such sums as may be determined necessary for elementary and secondary schools operated for Indian children by the Department of the Interior.

"(c) The remainder of the sums appropriated to carry out this Act for any fiscal year shall be allotted by the Assistant Administrator among local educational agencies in the States in a manner which gives consideration to the following criteria—

"(1) the need for assistance, taking into account such factors as—

"(A) the extent and impact upon elementary and secondary education of delinquency and crime in the schools of the district to be served;

"(B) the financial need of such local educational agency;

"(C) the expense and difficulty of effectively carrying out a plan described in section 234(a) in such school district;

"(D) the degree to which measurable deficiencies in the quality of public education afforded in such district exceed those of other school districts within the State; and

"(E) the degree to which the district to receive funds under this Act has established effective procedures for the protection of the constitutional rights of students and employees of the school district affected.

"USES OF FUNDS

"SEC. 233. (a) Each recipient shall expand not less than 50 per centum of funds granted under this Act for educational programs including renovation of facilities for alternative educational programs, but not including programs utilizing security technology and security personnel.

"(b) Each recipient shall expend the remainder of funds granted under this Act to projects described in the plan submitted under section 234(a), which contribute to carrying out the purpose of this Act, including utilization of security technology and security personnel.

"APPLICATION

"SEC. 234. (a) A local educational agency may receive a grant under this Act for any fiscal year only upon an application approved by the Assistant Administrator with the consent of the appropriate State educational agency, upon determination that the local educational agency has adopted and is implementing, or will, if assistance is made available to it under this Act, adopt and implement, a plan to reduce delinquency and crime and increase the safety and security of the students, employees, and facilities of its elementary and secondary schools through programs and projects designed to carry out the purpose of this Act. Each such application shall include—

"(1) the provision of educational programs to meet the special needs of students and employees in such schools;

"(2) the provision of additional professional or other staff members (including staff members specially trained in problems incident to crime control) and the training and retraining of staff for schools which are affected by such plan;

"(3) community activities, including public education and participation efforts, in support of such plan;

"(4) special administrative activities, such as the rescheduling of students or employees;

"(5) provision of information to parents and other members of the general public incident to the development or to the implementation of such plan;

"(6) planning and evaluation activities;

"(7) acquisition, installation, modernization, or replacement of appropriate equipment and supplies;

"(8) renovation of school plants and facilities; and

"(9) other specially designed programs or projects that meet the purpose of this Act.

"(b) No funds authorized for assistance under this Act shall be used to support the introduction, presence, or use of firearms, other weapons, or chemical agents in any school."

"PAYMENTS

"SEC. 235. Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

"WITHHOLDING

"SEC. 236. Whenever the Assistant Administrator, after reasonable notice and opportunity for hearing to any grantee, finds that there has been a failure to comply substantially with any provisions set forth in the application under section 234(a), the Assistant Administrator shall notify the grantee that further payments will not be made under this Act until the Assistant Administrator is satisfied that there is no longer any such failure to comply. Until the Assistant Administrator is so satisfied, no further payments shall be made under this Act.

"DEFINITIONS

"SEC. 237. For purposes of this Act—

"(1) The term 'Assistant Administrator' means the Assistant Administrator of the Office of Juvenile Justice and Delinquency Prevention within the Department of Justice, Law Enforcement Assistance Administration.

"(2) The term 'local eduactional agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term also includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

"(3) The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law.

"(4) The term 'secondary school' means a day or residential school which provides secondary education, as determined under State law.

"(5) The term 'pushout' means any elementary or secondary school student whose withdrawal from school can be attributed to arbitrary or insensitive, or racially hostile school administrative and/or instructional practices.

"(6) The term 'forceout' means any elementary or secondary school student whose withdrawal from school is direct result of an ultimatum by school authorities to withdraw in lieu of approved expulsion procedures.

"(7) The term 'educational programs' means any instructional or counseling programs whose purpose is to reduce the frequency of delinquency and criminal behavior in a given school district or school.

"(8) The term 'security programs' means any administrative procedure, technological application, or training and assignment of personnel, instituted to protect the safety of students, school personnel and school property.

"(9) The term 'renovation' means remodeling or alteration (including the acquisition, installation, modernization, or replacement of equipment) of existing structures.

"(1) The term 'alternative educational program' means any program established either within a given school or in another public educational facility to meet the needs of students unable to adjust to existing programs in the school to which they are assigned.

'(1) The term 'State' means each of the several States, the District of Columbia and the Commonwealth of Puerto Rico."

By Mr. SPARKMAN (by request):

S. 1441. A bill to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes; and

S. 1442. A bill to authorize additional economic assistance for South Vietnam, and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference two bills. One is to authorize additional economic assistance for South Vietnam, and for other purposes; and the other is to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

The bills have been requested by the President and I am introducing them in order that there may be specific bills to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose these bills, as well as any suggested amendments to them, when they are considered by the Committee on Foreign Relations.

I ask unanimous consent that the bills be printed in the RECORD at this point, together with the letter from the President to the President of the Senate dated April 11. 1975.

There being no objection, the bills and letter were ordered to be printed in the RECORD, as follows:

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S. 1441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing contained in section 839 of Public Law 93–437, section 741 of Public Law 93–238, section 30 of Public Law 93–189, section 606 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, section 307 of Public Law 93–50, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States to aid, assist, and carry out humanitarian evacuation, if ordered by the President.

S. 1442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in addition to amounts otherwise authorized for such purposes, there is authorized to be appropriated to the President not to exceed $73,000,000 to carry out the purposes of part V of the Foreign Assistance Act of 1961, as amended, for South Vietnam for the fiscal year 1975. Funds made available for economic and humanitarian assistance for Indochina shall be available after the date of enactment of this Act for obligation without regard to the limitations contained in sections 36 and 38 of the Foreign Assistance Act of 1974 Public Law 93–559, approved December 30, 1974 (88 Stat. 1795).

THE WHITE HOUSE,
Washington, D.C., April 11, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I hereby transmit draft legislation to carry out the recommendations made in my April 10, 1975 address to the Congress with respect to Indochina.

The enclosed draft bills authorize additional military, economic, and humanitarian assistance for South Vietnam, and also clarify the availability of funds for the use of the Armed Forces of the United States for humanitarian evacuation in Indochina, should this become necessary.

I urge the immediate consideration and enactment of these measures.

Sincerely,

GERALD R. FORD.

By Mr. BEALL:

S. 1444. A bill to amend the Internal Revenue Code of 1954 to provide a Bicentennial celebration contribution tax credit. Referred to the Committee on Finance.

BICENTENNIAL CELEBRATION CONTRIBUTION TAX CREDIT ACT

Mr. BEALL. Mr. President, I am sending to the desk legislation that will, if enacted, provide for a special Bicentennial tax credit for small contributions to officially sanctioned Federal, State, and local Bicentennial projects.

As we look out over our Nation in early 1975, we see people troubled and uncertain about the strength and stability of our institutions. Domestic political and economic developments have divided the Nation and some believe we have lost the self-confidence and sense of direction that is needed to fulfill the aspirations of our people at home, while carrying the burden world leadership has thrust upon us. There are those who would even contend that our social fabric is in disarray.

I would be the last to say that our Nation is not confronting some of the most serious and pressing domestic problems we have faced in a generation. But at the same time, I believe that it is important for us to remember that the story of America is the story of socio-economic and political resiliency. Our Nation was born in the crucible of a war of colonial secession. It withstood a foreign invasion, the tragedy of Civil War, World War I, the Great Depression, World War II, and the oppressive burdens of world leadership which we have reluctantly been called upon to bear since 1945.

As each of these challenges was placed before our Nation, the American people have responded with discipline, a spirit of self-sacrifice, and a determination to surmount whatever obstacles were placed in our way. It is because our national track record is so good that I believe that it is possible for us to view the future with confidence, hope, and I might even say, optimism.

We are truly a nation of immigrants and our 210 million people comprise a varied mixture of Italian Americans, Asian Americans, black Americans, German Americans, and so forth. People have been drawn to the United States from all corners of the world in the hope of achieving the goals that were so articulately enunciated by our forefathers in the Declaration of Independence and our Nation's Constitution.

Today the United States is blessed with a multiplicity of cultural inputs that makes us a vital, vigorous, growing nation able to meet and overcome the challenges that confront us. I am pleased to see so many Americans blending their patriotism to America with a deep appreciation of their cultural origins. Not only is the United States able to withstand the rigors of such cultural diversity but we are made a better nation and a stonger nation for it.

Another important aspect of our nationhood is the realization that our political institutions are truly unique and tailored by the framers of our Constitution to meet the needs of the United States of America. It is notable that in the period immediately following the American Revolution, only Switzerland had a republic form of Government. Although our forefathers drew heavily upon the experiences of the British political system and the writers of the "Enlightenment Period," they managed to fashion a political system that was, in many ways, unique in the world.

In addition, our Nation is held together by the commonality of our historical experiences and the consciousness of our national unity. Queen Elizabeth II can trace her family line, as the rulers of Britain, back for a thousand years. The Chinese, the Egyptians, and others can trace their national origins back for thousands of years but the common historical experiences of the United States are of relatively recent origin.

Because of the shortness of our national history, I believe it is doubly important for us to protect, preserve, and restore those sites that have historical significance. But it is not enough for us to preserve our history in remote battlefield monuments and sterile museums which are primarily utilized by history buffs and scholars. If the truisms of our history are going to have an impact on our Nation in the last quarter of the 20th century, we must make them an integral part of our lives today, teach them accurately and in detail in our schools, and adhere to the principles they teach us in our daily lives.

Mr. President, to help us move in this direction, I am introducing legislation that will provide for a special Bicentennial tax credit. The American Revolution was successfully fought with the active support of approximately one-third of our Nation's citizens. Another third actively opposed the efforts to win independence from the British Crown while the remaining third were indifferent to the outcome of the struggle. I am deeply concerned that current efforts to celebrate the Bicentennial of the American Revolution have failed to rally measurable support from our citizens.

To be truly successful the Bicentennial effort must blend historical scholarship, festive celebrations, and a reaffirmation of the basic values and principles upon which our Nation was founded. In the wake of the turmoil and uncertainties of the last decade, America needs a successful Bicentennial effort to show us that we have not lost our way.

In addition, the Bicentennial celebration should not be viewed as being limited to 1976 but should include the events leading up to and following the declaration of our national independence. In fact, we are well into the Bicentennial era and numerous opportunities to mark significant occurences have already been missed. The objective of the Bicentennial tax credit bill will be to mobilize grassroots support for Bicentennial efforts. I am seeking to involve small contributors, the people who file the standard short tax form, in the spirit of the Bicentennial. Several years ago, Congress decided that it was important for small contributors to give to political campaigns. An individual who contributes $25 to the party or the candidate of his choice is allowed to take a tax credit of $12.50. A couple is allowed a $25 tax credit on a $50 contribution.

My proposal was patterned along the same lines and is designed to achieve the same basic objectives. People who contribute $25—$50 per couple—to any officially sanctioned Bicentennial project on either the Federal, State, or local levels will be able to take a tax credit of $12.50—$25 per couple. This legislation will take effect upon enactment and will expire on December 31, 1976.

If enacted, the Bicentennial Tax Credit Act should help to mobilize grass roots contributors to the cause of historic preservation and the Bicentennial celebration. If we are successful, I believe these efforts can make a significant contribution to the cause of national unity which has been so badly tattered in recent years.

The legislative proposals I have sponsored, S. 1444 as well as S. 667—the Historical Structures Tax Act—which I introduced last February, are designed to

serve as a catalyst to encourage historic preservation and enhance the Bicentennial celebration but they are not and cannot serve as a substitute for a comprehensive national policy. We are well into the Bicentennial era and a comprehensive plan is only now being devised and implemented on the Federal level.

I am convinced that the leadership needed to promote historic preservation and restoration and to insure the success of the Bicentennial celebration will come from local communities all across this Nation. The American Revolution was not led to victory by the Continental Congress but it was carried to victory by the dedicated support from the tens of thousands of men and women living in hundreds of towns and communities all across America. The Bicentennial celebration will succeed or fail because of the initiative and leadership of State and local organizations. Local groups can plan and execute the celebration of events unique to their areas; identify, preserve, and/or restore historically significant sites and structures; keep alive the memory of the local men and women who contributed to the building of America, and work to see that the local schools include in their curriculum courses designed to teach not only American history but also State and local history.

By undertaking a vigorous action program, local historical societies, bicentennial committees, and similar groups can help lay the foundation for the development of a strong national policy designed to promote a greater awareness of, and respect for the history and traditions of this great Nation. Ours is a proud heritage that must be preserved so future generations can understand and appreciate the sacrifices our forefathers made so that Americans could experience freedoms and opportunities not shared by most of the people of the world.

I believe that a knowledge of and respect for our Nation's history, and the principles it teaches us, is vital to strengthening the bonds which unite all Americans and it will enable us to weather our current adversity as we have done so often in the past.

Mr. President, the February 17, 1974 Baltimore News American carried an editorial entitled "The Bicentennial" which addressed itself to the Bicentennial Celebration Tax Credit Act as it was introduced in the 93d Congress as S. 3184. I ask unanimous consent that this editorial and the text of S. 1444 be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial and bill were ordered to be printed in the RECORD, as follows:

THE BICENTENNIAL

The Nation's upcoming 1976 bicentennial celebration needs a broad base of citizen support if it is to be truly successful and meaningful.

Such is the view of Sen. J. Glenn Beall, Jr., R-Md. He is right, of course.

Sen. Beall goes on to say that he is "quite frankly concerned that current efforts to celebrate our nation's 200th birthday have failed to rally measurable support from our citizens."

To try to remedy that situation, the senator has proposed two measures which would make a significant contribution towards aiding the bicentennial effort.

One bill would amend the tax laws to provide the same incentives for the restoration of historic buildings now provided for new construction. Another measure would provide for new construction. Another measure would provide a special bicentennial tax deduction or tax credit to individuals who contribute to any officially sanctioned project, whether it be at the federal, state or local level. The idea is to help encourage small contributions from persons who file the standard and short-form income tax returns.

As Sen. Beall says, citizen participation is vital if the bicentennial is to be more than an empty exercise in superficial patriotism. His two bills are aimed at increasing the role of such citizen participation and are deserving of passage by Congress.

S. 1444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 45 as 46 and by inserting after section 44 the following new section:

"SEC. 45. BICENTENNIAL CELEBRATION CONTRIBUTIONS.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed, subject to the limitations of subsection (b), as a credit against the tax imposed by this chapter for the taxable year, an amount equal to one-half of all contributions made by the taxpayer to official bicentennial celebration organizations, payment of which is made by the taxpayer within the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall be limited to $12.50 ($25 in the case of a joint return under section 6013).

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of tax imposed by this chapter for the taxable year reduced by the sum of the credits, other than the credits allowed by sections 31, 39, and 43, allowed by this subpart for the taxable year.

"(3) VERIFICATION.—The credit allowed by subsection (a) shall be allowed, with respect to any contribution to an official bicentennial celebration organization, only if such contribution is verified in such manner as the Secretary or his delegate prescribes by regulations.

"(c) DEFINITIONS.—For purposes of this section.—

"(1) CONTRIBUTION.—The term 'contribution' means a gift of money to an official bicentennial celebration organization.

"(2) OFFICIAL BICENTENNIAL CELEBRATION ORGANIZATION.—The term 'official bicentennial celebration organization' means—

"(A) a unit of government of a State, a possession of the United States, or any political subdivision of any of the foregoing, the exclusive purpose of which is to organize and sponsor appropriate activities in celebration of the bicentennial anniversary of the independence of the United States, and

"(B) the American Revolution Bicentennial Administration.

"(d) DISALLOWANCE OF CONTRIBUTIONS AS DEDUCTION.—No deduction shall be allowed under section 170 (relating to charitable, etc., contributions and gifts) for any contribution to an official bicentennial celebration organization which is taken into account in determining the amount of the credit allowed by subsection (a).

"(e) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as are necessary to carry out the provisions of this section."

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 45. Bicentennial celebration contributions.
"Sec. 46. Overpayments of tax.".

(c) The amendments made by this section shall apply to contributions payment of which is made after the date of the enactment of this Act. Such amendments shall not apply to any contribution payment of which is made after December 31, 1976.

By Mr. DOLE::

S. 1445. A bill for the relief of Betty and Bill Ferland. Referred to the Committee on the Judiciary.

Mr. DOLE. Mr. President, it has recently come to my attention that an elderly couple, Mr. and Mrs. Kenneth Cook, who farm at Burdett, Kans., have become dependent on a young couple who are Canadian citizens, Mr. and Mrs. Bill Ferland, for taking care of their farm. They have become so attached to this Canadian couple that they would like to give them a greater role in the farm operations. As I understand, Mr. and Mrs. Cook are considering the Ferlands to continue operation of the farm in future years. This is a good example of a family farm that needs assistance to continue its existence and development.

In attempting to return to the farm from Canada recently, however, Mr. and Mrs. Ferland encountered a problem with immigration regulations. They were able to obtain only a 21-day visitor's visa after posting a $1,500 bond.

I introduce this bill today for the relief of Bill and Betty Ferland. In view of congressional support of the family farm, I believe this bill, by allowing a family farm to continue, would be supported by a majority in the Senate. Judging by the praise of them by Mr. Cook, the United States would gain two very excellent citizens.

I understand that upon submission of this bill, the Ferlands will be allowed to remain in the United States until some further determination is made on their permanent status and that they will be refunded their $1,500 bond.

To better explain the need for this relief, I request unanimous consent that Mr. Kenneth Cook's letter to Mr. Alexander, a member of my staff, be inserted in the RECORD at this point. This letter explains the importance of Mr. and Mrs. Ferland to the Cooks and their farming operation. I also request unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the letter and bill were ordered to be printed in the RECORD, as follows:

BURDETT, KANSAS,
March 28, 1975.

MR. ALEXANDER.

DEAR SIR: I'm writing you in regard to Mr. and Mrs. Bill Ferland, who Mr. Tom Kelly has talked to you about.

I need these two young people very bad for a simple reason. I'm too old and have a very serious heart condition to continue.

And around here you can hire no one to do any thing on the farm at any price. These young people want to farm and they are both good workers and real nice people.

They will be here on a 21-day visa. It would be awful nice if they could get a number before they have to return to Canada and I need the help as soon as I can get it.

I have 150 cattle to take care of and 300 acres of wheat.

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I have put in a lifetime on this farm, and would like to see someone else go ahead with it.

Will sure appreciate any thing you can do for us.

Thank you,

Kenneth Cook.

S. 1445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Betty and Bill Ferland shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by two numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of the Immigration and Nationality Act.

By Mr. THURMOND:

S. 1446. A bill to amend chapter 67 (relating to retired pay for nonregular service), title 10, United States Code, to authorize payment of retired pay actuarily computed to persons, otherwise eligible, at age 50, and for other purposes. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, in the last two sessions of Congress I have introduced a bill which would provide retired pay for nonregular military service at age 50 on an elective basis.

This legislation provoked heavy and favorable correspondence to my office and a number of my colleagues joined as cosponsors. Because it is my belief this legislation is fiscally sound and fully justified I wish to reintroduce this bill today.

Chief among my reasons for reintroduction is the need to provide incentives to keep young reservists and guardsmen in uniform in the all-volunteer Armed Forces environment.

Mr. President, experience has shown that title III retirement at age 60 for guardsmen and reservists has not proven to be an effective retention incentive. This is significantly true among enlisted personnel where retention is most critical.

The Department of Defense has indicated it would support some changes in this area but probably at a reduced pay rate and at age 55.

Currently, most guardsmen and reservists who are required to retire because of service time must suffer a loss of income corresponding to their Guard or Reserve pay. There is no opportunity to recover any part of this lost income through severance pay or through retired pay until age 60.

Many guardsmen and reservists, especially enlisted personnel where shortfalls are a constant problem, would be attracted to reserve service if retired pay would commence at the time of retirement from their primary civilian employment. Such a combination of retirement pay, even at a lower rate, would provide added income at just the time when it is needed most.

Under an actuarial plan, as recommended in this legislation, an individual who elects retirement prior to age 60 would draw proportionately less per month. However, there would be some additional costs to the Government as the individual would become eligible for certain retirement benefits other than pay such as the survivor benefit plan, medical care, post exchange, and commissary privileges.

Mr. President, in addition to enhancing recruitment and retention, earlier age retirement would provide the individual with a means for closing the gap in protection for his survivors by reducing the period between 20 qualifying years for retirement and the time at which he receives his first retirement paycheck.

Mr. President, I request that this bill be appropriately referred and ask unanimous consent that it be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1331(a) of title 10, United States Code, is amended by adding the following flush sentence to the end: "However, a person who is under the age prescribed in clause (1), but is at least 50 years of age, is entitled to retired pay computed under section 1401 of this title, based upon mortality rates, among those who are currently retired, actuarily computed and prescribed for his age in the following table:

"For ages:	*Rate per $100 of retired pay*
50	$49.19
51	52.44
52	55.97
53	59.83
54	64.06
55	68.68
56	73.77
57	79.37
58	85.55
59	92.40"

Sec. 2. Section 1335(a) of title 10, United States Code, is amended by striking out "60" and inserting in place thereof "50".

Sec. 3. The enactment of this Act does not reduce or increase the retired or retainer pay to which a member or former member of an armed force was entitled on the day before its effective date.

Sec. 4. This Act becomes effective on the first day of the first calendar month beginning after the date of enactment.

By Mr. KENNEDY (for himself and Mr. Stevenson):

S. 1447. A bill entitled the "Federal Handgun Control Act of 1975." Referred to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, along with Senator Stevenson, I am introducing the Federal Handgun Control Act of 1975. This legislation is designed to provide effective controls to stem the violent tide of handgun deaths in this country.

The litany of tragedies caused by the easy access to handguns is spelled out daily in papers across the country. Senator Stevenson and I are convinced that the senseless killing caused by handguns must be halted. For that reason I intend to work diligently for passage of this important legislation.

Mr. President, I am pleased to introduce the Federal Handgun Control Act of 1975. This bill has been designed to effectively curb the violence, the deaths, and the injuries that are caused by excessive numbers of handguns in the civilian society.

My bill requires:

First. The registration of all handguns;

Second. Licensing of all handgun owners; and

Third. A ban on the domestic manufacture, distribution, and sale of all handguns with a barrel less than 6 inches in length.

In past years, I have consistently introduced legislation to control all civilian owned firearms, both handguns and long guns. Yet, despite the overwhelming statistical demand for effective controls, neither the Congress nor the administration has acted decisively to curb firearms violence. Each year, the Nation's morgues receive more and more bullet-torn bodies.

In 1973, about 21,000 Americans died from gunfire. During 1974, the gun death tally rose to 25,000. And during 1975, we can expect that 26,000 to 27,000 Americans will be killed by gunfire. All firearms are lethal and potentially dangerous. But the national toll of gun deaths clearly shows that handguns disproportionately account for an uncommon percentage of gun deaths. Nationwide handguns account for 54 percent of all murders. Yet, handguns number less than 20 percent of all firearms in civilian hands.

It is because of this vastly disproportionate relationship that I seek to enact legislation that is designed to primarily focus upon the problems caused by too many handguns. Handguns are clearly the biggest single source of the firearms problem in America. And I intend to work diligently for a firearms control system that can eliminate the problems they cause.

Even though handguns account for 54 percent of all murders, these small deadly devices of infamy that we hear about so much in these times, are as easy to buy as flashlights. Strong and effective restraints against the easy availability of handguns are the best insurance against more gun violence. Any weapon that has no valid justification beyond its use in crime should be strictly controlled. My interest in the need for effective firearms legislation goes back at least to 1963. I have introduced firearms bills in the Senate on several occasions. I offered gun control amendments to pending legislation on the Senate floor. I have observed much of the testimony presented by nearly 200 witnesses, during more than 40 days of hearings on gun control since I have been in the Senate.

The issues never change. The arguments never vary. The statistics never recede.

In 1963, handgun murders totaled 4,200. Eleven years later in 1974, handguns were used to murder 11,000 Americans. The tragic toll of handgun suicides and accidental handgun deaths pushes the

annual figures well beyond reasonable limits for a society that claims to revere life and personal security.

There are many in this Nation who simplistically assume that "more is better" for America. But I am sure that no one wants the annual increase in handgun deaths to be viewed as "typically American."

Gun manufacturers produce more guns each year, and American gun deaths increase right along with the output of firearms. Critical observers like Robert Sherrill in "The Saturday Night Special," warn the Nation to arrest the headlong rush to the horrible logical conclusion that this trend suggests. As more and more of our loved ones and neighbors are killed with guns, each American is provoked or frightened into buying a gun for protection against other gun owners. If we as legislators fail to realize that the current toll of gun deaths is morally and socially excessive and must be curbed by law, we will have failed in our responsibility to insure the safety of the citizens of our Nation.

Lobbyists for the gun interests insist that new laws are not required. They demand that violators of existing gun laws be punished severely and swiftly. Punishment would deter gun violence, according to that claim.

Advocates for stronger controls want to limit the massive output of guns. Many of them are alarmed to learn that handgun production rose from 568,000 in 1968 to 2.5 million in 1974.

For handgun manufacturers these may be profitable totals. But any gain from the profit of handgun output is sorrowfully overcome by the wanton abuse made possible by too many guns in civilian hands.

When our high schools must be policed against armed students, it is clear our society makes it too easy to obtain a handgun.

When jobless people can rent a weapon to hijack a taxi or rob a bank, the handgun industry has overproduced.

Seven years ago, I heard a member of the Chicago police force insist that young people who want laws changed must seek change through the due processes of law. Our system of government, he said, responds when change is necessary, and the proper way to make it respond is through legislative action, not through street demonstrations.

Today, I think of the fight for gun controls, a fight which has lasted through six Congresses and seven Attorneys General, a fight which has never been taken to the streets, but has been pursued lawfully and quietly in the hearing rooms, committee rooms, and Chambers of this Capitol, a fight supported by over 80 percent of the American people, and even by two-thirds of the Nation's gun owners, but a fight which has not yet produced results.

What lesson, I wonder, have we taught our young and our dissatisfied in this history? They have seen the flood tide of gun tragedies proceed on unabated, while the legislative channels have been dammed at every turn by obstruction, obfuscation, and delay. They have watched in horror as the facts of gun violence and bloodshed are reproved daily, while the enemies of change respond only with an effort to brainwash the Congress and the people into inaction.

And thus we have had inaction. The due processes of law have not responded to the public needs. The legislative machinery has creaked on slowly, going into reverse at times, and grinding to a halt at frequent intervals. After efforts enough to move a mountain, we have so far produced a mouse. Should the people now give up hope for the system? Should they take to the streets demanding action? Is this the lesson we shall teach them?

Plato suggested long ago that "man never legislates; but accidents of all sorts leigslate for us in all sorts of ways." Must we suffer another accident of history to bring us together again for a last chance to redeem our pledge of leadership and of conscience?

Surely this is the issue that faces us. No one seriously doubts that the nearly unfettered flow of lethal firearms in our land facilitates gun crimes. No one honestly questions that a comprehensive system of handgun controls would help deny weapons to those who would misuse them. No one really believes that the man who would use a handgun in legitimate target shooting competition would consider it an inconvenience to show a license when he buys a gun. Our minds and our conscience tell us plainly what the right course is, and it is just a question of leadership.

For, some of our people have been misled by others. Some have succumbed to brainwashing by those with ulterior motives of one sort or another. Some have merely chosen sides in an artificial confrontation where there need be no sides. Some have, understandably, yielded to demagogic appeals and to panderings to emotion. We are all human.

But in the Senate of the United States, we are also chosen to be leaders of humans. It is within our power to remove the smokescreens from people's eyes and the cobwebs from their minds, to put the demagogs in their place, to help reason overtake emotion. And since these are within our power, they are our obligation if we are to be true to ourselves and to our oaths.

During the summer of 1972, the Senate approved legislation to restrict access to cheap handguns—the so-called Saturday Night Specials. However, no action was taken by the House of Representatives on that measure. So today, protecting the people of our Nation from the lawless misuse of handguns, remains an important item on the list of our national social crises.

For that reason, I am proposing legislation to install a uniform nationwide system that will begin to control the widespread misuse of hand held firearms.

The Handgun Control Act of 1975 contains three basic provisions:

First. This bill requires that all handguns must be registered according to federally established standards.

Second. Each handgun owner must be licensed in order to have a handgun.

Third. This bill bans the distribution and the output of all handguns that have a barrel less than 6 inches in length. Only police authorities and military officials may be authorized to possess handguns with barrels less than 6 inches long.

The principal purpose of the first requirement—that all handguns must be registered—is to provide an improved system for law enforcement agencies to trace those who commit crimes with handguns. This provision covers handguns already in private ownership and those to be acquired in the future.

At least 35 million handguns are owned by the people of this Nation. And each year we are now placing nearly 3 million new handguns on the marketplace. Yet there is no system in this country that attempts to bring order to the explosive spread of these deadly little devices.

Registration will tell us how many guns there are, where they are, and in whose hands they are held.

Under my bill, registration information will be referred to the National Crime Information Center maintained by the Federal Bureau of Investigation, thus enabling enforcement officers throughout the country to trace immediately the ownership of any handgun. A person who carries a handgun must have a certificate of registration, to be exhibited upon the demand of any law enforcement officer.

Under the terms of the proposals, a violation of the registration provisions is punishable by imprisonment for up to 5 years, a fine of up to $10,000, or both. The Secretary has authority to declare periods of amnesty during which previously unregistered handguns may be registered without penalty. Any purposeful falsification or forgery of registration information is punishable by imprisonment for up to 10 years, or a fine of up to $25,000 or both.

The second feature of my bill requiring every handgun owner to obtain a license before he may be entrusted with a handgun is fundamental in guarding against the hazards of indiscriminately allowing criminals to obtain handguns.

A handgun is such a terribly vicious weapon, that members of a civilized society should mandate handgun owners to prove that they are not disqualified from having access to these instruments of death.

Under the provisions of my bill, if a State does not adopt a handgun permit system that meets minimum standards specified in the bill, Federal licensing will become effective until the State adopts an adequate permit system. No person—whether a licensed dealer or a private individual, may sell ammunition to an individual who does not have either an adequate State permit or a Federal handgun license. To qualify as having an adequate permit system, a State must restrict the issuance of permits applied for by convicted felons, fugitives from justice, mental defectives, alcoholics, juveniles, and drug addicts, and must adequately investigate applicants prior to the issuance of permits.

In States that do not enact adequate

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permit systems. Federal handgun licenses, valid for up to 3 years, will be issued by federally licensed dealers upon receipt—from both the chief law enforcement officer of an applicant's locality and a licensed physician—of information bearing upon his eligibility for a Federal license.

The sale or possession of ammunition in violation of the licensing and permit provisions of the bill carries a maximum sentence of imprisonment of 5 years and a fine of $5,000.

The purpose of the third provision of my bill—banning the domestic output of hand-held firearms with a barrel less than 6 inches in length is to get at the heart of the problem of those guns used in crime. Handguns with a barrel of 2, 3, 4, or 5 inches are so easily concealed that the weapons can be flashed at a moment's notice to intimidate, or overpower and then to wound or to kill. The handgun's role in crime is disproportionate to its number in comparison with long guns in the commission of homicide, aggravated assault and armed robbery.

Over 50 percent of the 20,000 homicides in 1974 were committed with handguns. Virtually every robbery involving a firearm takes place with a handgun. The percentage of violent crimes in which handguns are used is increasing. For the period 1962 to 1974, 73 percent of the weapons used in police murders were handguns. From the working papers of the National Commission on Reform of Federal Criminal Laws, Prof. Franklin Zimring explains why it is vital that we have a nationwide system for the control of firearms, particularly for hand-held firearms:

> In Massachusetts, where restrictive handgun licensing has been in effect for many years, a study showed that 87 percent of the firearms confiscated as a result of use in crime came from other States, and similar studies by the task force on firearms of the Eisenhower Commission show a similar pattern to be true in New York City, with restrictive handgun licensing, and Detroit, Michigan, with a permissive handgun licensing system and a geographic vulnerability to the inflow of weapons from Toledo, Ohio.

Under the system that I have proposed uniform standards of handgun control will be prescribed by the Federal Government. Each state will be governed by the minimum requirements for a registration and licensing system. With such a comprehensive and uniform system of controls of handguns, we can eliminate the controlled flow of handguns from State to State.

Massachusetts, New York, and other communities with stringent controls will realize substantial improvements in their efforts to reduce handgun violence.

Handgun control has been a subject of serious study by expert panels that have probed the problem of gun violence in America. My proposal in the Handgun Control Act of 1975 was developed on the basis of recommendations made by five commissions appointed by Presidents of the United States.

The President's Commission on Law Enforcement and Administration of Justice, 1967; the National Advisory Commission on Civil Disorder, 1968; the National Commission on the Causes and Prevention of Violence, 1969; the National Commission on Reform of Federal Criminal Laws, 1970; and the National Advisory Commission on Criminal Justice Standards and Goals, 1973.

Each of these expert panels thoroughly studied the gun problem in America and strongly urged the adoption of stringent controls to restrain the needless proliferation of handguns in our society.

From those studies, it has been consistently concluded that sportsmen, hunters, and others who use guns for legitimate purposes, are not the source of the abuse of firearms. My handgun bill is designed to stem the flow of firearms to people who have no legitimate need to own guns. There is no intention in this legislation to burden the sportsman or the hunter in his recreational pursuit of gun ownership.

My bill seeks only to accomplish the goal of halting the unbridled flow of illegitimate handguns that are too often available to those who are bent on lawlessness.

WHY DOES ANYONE ARGUE AGAINST GUN CONTROL?

The arguments used to oppose gun controls are old and hackneyed. The same lament has been used in one of the following forms time and time again:

First. Gun control cannot limit the supply of guns enough to reduce violence.

Second. The Constitution protects the citizen's right to bear arms.

Third. There is no need to ban guns because guns are not killers; people do the killing.

Fourth. Criminals will always find a way to obtain a gun. Thus, controls will only disarm those who obey the law.

Fifth. Registration and licensing procedures are so cumbersome and inconvenient that they would create unfair burdens for legitimate gun owners.

Opponents of effective gun controls believe that these objections are firmly rooted in substance. But a thorough examination of each of these claims reveals that not one of them is well founded.

First, can laws limit the supply of guns enough to reduce violent crime?

Of course, such laws, properly enforced, can reduce the availability of handguns. In 1968, when importers anticipated enactment of a new gun law, about 1.2 million handguns were rushed into the American market. Then in 1969, pistol and revolver imports fell to less than 350,000 and have not risen substantially above that total since then.

Today, nearly 3 million new handguns enter the American market because handgun parts are still legally imported and because U.S. manufacturers are still authorized to produce them. The legislation I am introducing would not only reduce the number of handguns assembled from imported parts, but it would also drastically curtail the output of domestically manufactured handguns.

In June 1934, President Roosevelt signed the National Firearms Act which outlawed civilian ownership of machineguns. Perhaps, it is the law that best illustrates the way in which legislation can effectively restrain the availability of firearms. Since enactment of that measure over 40 years ago, machine guns have been virtually eliminated from the scene. Obviously that weapon has no legitimately useful place in a civilized society. Easily concealable pistols and revolvers are also out of place in today's highly urbanized and complex society.

Opponents of handgun control insist that it is impossible to prevent the criminal from obtaining a handgun. But, if the criminal has to steal a gun before he can use a gun, he will use a gun much less frequently.

I believe we can reduce the awesome rate of death and injury caused by fire from pistols and revolvers. And I believe an effectively enforced ban on the output of these deadly devices is the most direct way to accomplish that goal.

Second. It is claimed that the second amendment to the Constitution protects the citizen's right to bear arms. Anyone who believes "the right to bear arms" is borne in the Constitution has conveniently ignored the language of the second amendment. For, the second amendment provides that—

> A well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms shall not be infringed.

The U.S. Supreme Court has repeatedly said that this amendment has nothing to do with the right to personal ownership of guns but only with the right of a State to establish a militia.

In its historic perspective, the purpose of the second amendment emerges clearly. Debates in the First and Second Congresses were naturally affected by the recently won independence of the new Government. And in Massachusetts it was bitterly recalled that the British Crown had quartered its troops but forbade the organization of a colonial militia. Reported congressional debates from those times support the view that the second amendment was designed to protect and preserve the State militias. No mention was made of any individual "right" to possess, carry, or use arms and there is no indication of any concern with the need to do so. The new Government was much more interested in maintaining State militias to defend the hard won liberty. That fledgling Government feared the establishment of a Federal standing army as a threat to the basic authority of the several States.

Indeed, all but one of the 14 States of the Union in December 1791, when the Bill of Rights was ratified, had adopted a constitution or a declaration of rights, under which their people were governed.

Rhode Island still operated under its charter of 1663, which authorized the colony to organize a militia. But there was no mention of any "right" to bear arms.

Eight States—Delaware, New Jersey, Connecticut, Georgia, South Carolina, Maryland, New Hampshire, and New York, operated under constitutions that made no mention of any "right" to bear arms, though each authorized a State militia.

Three States—Massachusetts, North Carolina, and Virginia—expressly recognized the right of the people to bear arms for the defense of the State.

Two States—Pennsylvania and Vermont—included language in their constitutions which acknowledged that—

> The people have a right to bear arms for the defense of themselves and the State.

However, that sentence was included in a paragraph that was concerned with

the prohibition against a standing army and guarantee of civilian control of the militia.

Considering the history of this problem, reason defines the phrase "defence of themselves" as referring only to collective defense. That phrase did not include individual defense.

It appears, therefore, that both the States and the Congress were preoccupied with the distrust of the standing armies and the importance of preserving State militias. It was in this context that the second amendment was written and it is in this context that it has been interpreted by the courts.

Third—One other common refrain against firearm controls is that "guns do not kill, people do." This argument contends that people who use guns should be dealt with severely but efforts to control the weapons are not necessary. Yet, a quick look at the statistics and common sense tell us that it is when guns are in hand, that two-thirds of the people who kill other people do so; and it was when guns were in hand that over 250,000 robberies were committed in 1973; and it was when guns were in hand that one quarter of the Nation's 400,000 aggravated assaults were committed in 1973.

Murder is usually committed in a moment of rage. Guns are quick and easy to use. They are also deadly accurate, and they are all too often readily accessible. Some estimate that there are over 35 million handguns in private ownership in this country. Each year, 2.5 million new handguns are introduced for civilian use into the marketplace. Because handguns are available people use them.

Rarely does an attacker make a deliberate choice of a gun over a knife. But because the fatality rate of knife wounds is about one-fifth that of gun wounds, it may be concluded that using a knife instead of a gun might cause 80 percent fewer deaths.

Fourth. Others make the argument that because criminals have guns, gun control will simply disarm law abiding citizens. Lawless citizens, according to that argument, will feel unobliged to be bound by gun restrictions.

Perhaps there is something to that. And for that reason, I am convinced that gun restrictions can be effective in limiting the wholesale misuse of firearms. Strict gun restrictions will aid in disarming any who fail to register their weapons or obtain a license for ownership. Indeed, the enforcement of licensing and registration laws serves to isolate precisely those citizens who flout the law. For enactment of such legislation makes it a crime merely to possess an unregistered firearm. Commission of a crime with such a weapon compounds the wrong of any illegal act.

Fifth. It may be the greatest number who protest gun controls do so on the basis that the administrative requirements for registration are cumbersome and inconvenient. Since 1969, the Congress has attempted several times to remove the recordkeeping requirements of the 1968 gun control law, regarding sales of .22 caliber ammunition.

I have repeatedly objected to any move that would repeal provisions of the requirement to record sales of such ammunition. Between 6 billion and 7 billion rounds of ammunition are produced in this country each year. At least 85 percent of those bullets are .22 caliber. Records maintained to control the sales of ammunition may be useful in restricting access only to those gun owners who intend to use their weapons for legitimate purposes.

I believe that any measure we might adopt which will substantially reduce the misuse of firearms will at the same time enhance whatever pleasures that may be derived from the so-called recreational pursuits of gun ownership.

If the only price of firearms recordkeeping requirements is the inconvenience to gun users then with my bill, the American people will have been delivered a special bargain.

GUNS IN OTHER COUNTRIES

Among the nations of the world, America stands in the bloodiest pool of deaths by gunfire. We are not only ranked No. 1, but No. 2 lags so far behind that a tally of gun deaths in all civilized nations probably would not equal the excessive fusillade we train on our fellow citizens.

In 1973, the total gun murder rate in the United States was 6.2 per 100,000 population. And the handgun murder rate was 4.9. Thus, even the U.S. handgun murder rate was 62 times the rate in Scotland, the Netherlands, and Great Britain and Japan, 31 times the rate in Denmark, France, Sweden, and Switzerland, and 20 times the rate in New Zealand, Germany, and Italy.

From the following table showing gun deaths for 13 countries, it is clear that guns in America place our Nation shamefully ahead:

TOTAL NUMBER AND RATE PER 100,000 POPULATION

Country (year is the latest for which figures are available)	Total homicide		Gun homicide	
	Number	Rate	Number	Rate
United States, 1973	19,510	7.5	11,249	6.2
Australia, 1970	190	1.5	71	.6
Denmark, 1971	48	1.0	12	.2
England and Wales, 1972	384	.8	41	.1
France, 1970	373	.7	124	.2
German Federal Republic, 1971	802	1.3	203	.3
Ireland, 1972	21	.7	------	------
Italy, 1970	442	.8	239	.4
Japan, 1971	1,380	1.3	20	.0
Netherlands, 1972	72	.5	13	.1
New Zealand, 1971	25	.9	8	.3
Scotland, 1972	73	1.4	3	.1
Sweden, 1971	76	.9	19	.2
Switzerland, 1972	57	.9	12	.2

The United States is a glaring exception among the civilized societies that have acted to control guns. In Italy, West Germany, France, Britain, and the Soviet Union, "the right to bear arms" is a strictly regulated privilege. In Japan, private gun ownership is all but prohibited. No less than five European countries totally prohibit the private possession of handguns. From a 1968 State Department survey of 102 of its diplomatic posts, results show that 29 European countries require either a license to carry a firearm or registration of the ownership or sale of each privately owned firearm or both.

CONGRESSIONAL ACTION ON A NATIONAL FIREARMS POLICY

Legislation to control the violence caused by firearms is essential in the national campaign to reduce handgun deaths. At the same time, public education and ongoing research in the relationship between firearms and violence is also vitally important.

The gun mystique fascinates and excites the imagination. Filmed stories, novels and dramatic presentations that depict gun violence are enjoyed and readily understood by all members of our society. The role of the handgun in American society has been clearly distorted. What is needed is a complete reform of the role of the handgun. It is clearly not a weapon of entertainment. And only rarely is it used for sporting purposes. Many Americans insist that a handgun provides desperately needed comfort and security in a menacing environment where assailants threaten the weak, the helpless, and the lonely. Yet, the wide proliferation of handguns seems to revolve through a vicious cycle that sees more and more people who are buying guns to protect themselves from more and more people who have guns.

I am convinced that this national evil of handgun roulette must be interrupted, before the two gun family becomes as common as the two car family.

Many Americans are looking forward to hearings on gun control to be conducted by the Senate Subcommittee To Investigate Juvenile Delinquency. As a member of that committee, I intend to work vigorously for passage of this legislation which will be considered by that committee.

In addition, I am looking forward to a full review of the most effective ways to improve enforcement of the 1968 Gun Control Act. The provisions of that law need to be reviewed not only for improvement of its enforcement provisions, but also to determine whether other more far-reaching measures must be enacted.

Under the provisions of my bill, certain handguns will still be authorized for manufacture in the United States. To guard against the unbridled production of such weapons, it has been recommended by some experts that handgun production quotas must be imposed upon the Nation's firearms producers. Hopefully, that recommendation will be thoroughly probed to determine the most effective ways to accomplish that goal.

Finally, I am convinced that a majority of the American people want to see an end to gun crime. Based upon the studies from experts who understand the causes of violence in this Nation, I am pursuing enactment of legislation to drastically restrict access to hand held firearms. I believe that enactment and enforcement of adequate gun controls can be achieved. And I look forward to working with my colleagues on this serious matter to obtain the legislative results that can be useful to the people of our country.

I request unanimous consent to have printed in the RECORD the full text of the Federal Handgun Control Act of 1975.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1447

"FEDERAL HANDGUN CONTROL ACT OF 1975"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

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Act may be cited as the "Federal Handgun Control Act of 1975."

SEC. 2. The Congress finds and declares—

(1) that handguns are the principal instruments of violent crime in the United States and are concealable weapons designed for the primary purpose of killing and maiming human beings;

(2) that the crimes of violence and the accidental injury caused by handguns threaten the peace and domestic tranquility of the citizens of the United States and the security and general welfare of this Nation and its people, and burdens commerce among the several States;

(3) that such legitimate purposes for handgun ownership as exist will not be impeded, by a national system of registration of handguns and licensing of handgun owners;

(4) that much of the violence with handguns is made possible only through the interstate traffic of handguns, including traffic from jurisdictions with permissive handgun regulation to jurisdictions with more stringent regulation of handgun possession and transfer;

(5) that Federal regulation of interstate sales and transportation of handguns is necessary to reduce the frequency of handgun violence; and

(6) that a system of Federal regulation requires a national program of registration of handguns and licensing of handgun owners.

SEC. 3. Section 921(a) of title 18, United States Code, is amended by inserting after paragraph (20) the following:

"(21) The term 'handgun' means a firearm designed or redesigned to be fired by the use of a single hand, having a barrel less than ten inches in length and designed, redesigned, or made or remade to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore. The term also includes a combination of parts in the possession or under the control of a person from which a handgun can be assembled. The term does not include antique firearms.

"(22) The term 'handgun model' means a handgun of a particular design, specification, and designation.

"(23) The term 'Secretary' means the Secretary of the Treasury."

SEC. 4. Section 922(b) of such title 18 is amended—

(a) by striking out at the end of paragraph (4) thereof the word "and";

(b) by striking out at the end of paragraph (5) thereof the period and inserting in lieu thereof a semicolon;

(c) by adding after paragraph (5) thereof the following new paragraph:

"(6) any handgun model unless such handgun model has been approved by the Secretary pursuant to section 922(n) of this title."; and

(d) by striking out the last sentence of such subsection and inserting in lieu thereof the following:

"Paragraphs (4) and (6) of this subsection shall not apply to a sale or delivery to any research organization designated by the Secretary. Paragraph (6) of this subsection shall not apply to the sale or delivery of any firearm to the United States or any department or agency thereof, or to any State, Department, Agency, or political subdivision thereof, or to any duly commissioned law enforcement officer of the United States or any department or agency thereof or of any State, department, agency or political subdivisions thereof (including but not limited to members of the Armed Forces and police officers) properly authorized to carry such firearms in his official capacity. Paragraph (6) of this subsection shall not apply to the sale or delivery by a licensed importer, licensed manufacturer, or licensed dealer to a licensed dealer of any firearm intended to be sold or delivered to any government or agency thereof or person entitled pursuant to this paragraph to have such firearms sold or delivered to him. Paragraph (6) of this subsection shall not apply to the sale or delivery to a licensed collector or licensed dealer of any firearm which is a curio or relic, as the Secretary shall by regulation define. Paragraph (6) of this subsection shall not apply to occasional, sporadic sales of single handguns by a licensed collector who is not a dealer, as defined by section 921(a) of this title."

SEC. 5. Section 922 of such title 18 is amended by adding at the end thereof the following new subsections:

"(n) It shall be unlawful for any person to import, manufacture, sell, buy, transfer, receive, or transport any handgun which the Secretary has determined to be unsuitable for such lawful purposes as law enforcement, or military uses, based upon standards previously established by the Secretary, but in no event shall the Secretary approve as suitable for such lawful purpose a handgun which has a barrel less than 6 inches in length.

"(o) It shall be unlawful for any person to reduce the length of the barrel or the overall length of a handgun previously approved by the Secretary for sale and delivery if as a result of such modification the handgun no longer meets the standards prescribed pursuant to subsection (n) of this section.

SEC. 6. (a) Chapter 44 of such title 18 is further amended by adding after section 923 the following new section:

"§ 923A. Registration and licensing of handguns; transfer of handguns and handgun ammunition

"(a)(1)(A) No person other than a licensed importer, licensed dealer, or licensed manufacturer shall knowingly possess any handgun unless such handgun is registered with the Secretary pursuant to this subsection. The Secretary shall not register any handgun which is subject to the provisions of section 922(n).

"(B) No person shall transfer possession of any handgun or ammunition for use in a handgun to another person unless the transferee (other than a licensed importer, licensed dealer, licensed collector, or licensed manufacturer) displays a Federal handgun license issued under subsection (b) of this section and temporary evidence of registration of the handgun to be transferred (as provided in paragraph (3)(E) of this subsection). Where the transferee is a licensed importer, licensed dealer, licensed collector, or licensed manufacturer, no person shall transfer possession of any handgun or ammunition for use in any handgun unless such transferee displays a license issued under section 923, and in the case of a licensed collector, temporary evidence of registration of the handgun to be transferred (as provided in paragraph (3)(E) of this subsection).

"(2)(A) Whenever the Secretary determines—

"(i) that a state agency will carry out the registration provisions of subsection (a) of this section in an adequate manner; and

"(ii) that the State agency has filed an application in such form and containing such information as the Secretary may reasonably require, for a grant under this paragraph,

the Secretary is authorized to enter into an agreement with that State agency under this paragraph to pay to the State agency a grant equal to the cost of carrying out the handgun registration program required by this subsection in that State.

"(B) Each agreement entered into under this paragraph shall contain provisions to assure that the State agency will administer all the provisions of this subsection relating to the registration of handguns within the State efficiently and effectively, and shall provide for the expeditious forwarding by the State agency to the Secretary all information required to be provided under this Act and the regulations made pursuant to it by individuals seeking to register a handgun.

"(C) Payments under this Act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on acount of overpayments or under payments.

"(D) Whenever the Secretary, after reasonable notice and opportunity for hearing to any agency, finds that there has been a failure to comply substantially with any provision of the agreement with that State entered into under this paragraph, the Secretary shall notify the agency that further payments will not be made under this paragraph until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made under this paragraph.

The Secretary is authorized to rescind any agreement entered into under this paragraph whenever he determines that the failure of the State agency concerned has been substantial or repetitious or both.

"(E) There are authorized to be appropriated such sums as may be necessary to enable the Secretary to make enforcement grants under this paragraph.

"(3) Notwithstanding the provisions of section 925(a)(1), the Secretary shall prescribe such regulations as he deems reasonably necessary to provide procedures for the registration of any handgun possessed and for which registration is applied by (A) the United States or any department or agency thereof, or (B) any State, or department, or agency, or political subdivision thereof. Any regulations so prescribed may authorize any such department, agency, or instrumentality of the United States or any State or political subdivision thereof to prescribe its own procedure for registration of handguns subject to the approval of the Secretary.

"(4) The application for registration of a handgun shall be filed in such place as the Secretary by regulation may provide and be in such form and contain such information as the Secretary shall by regulation prescribe including—

"(A) the name and address of the applicant,

"(B) the number of the Federal handgun license issued to the applicant pursuant to subsection (b),

"(C) the name of the manufacturer, the caliber or gage, the model and the type, and the serial number of the handgun.

"(D) the date, place, and name and address of the person from whom the handgun was obtained, the number of such person's certificate of registration of such handgun if any, and, if such person is licensed under section 923, his license number, and

"(E) a form containing sufficient copies to allow the applicant to retain a duplicate of the original application which duplicate shall be retained by the applicant and shall be temporary evidence of registration.

"(5) Each applicant shall pay a fee for registering each handgun as follows—

"(A) for the first handgun, a fee of $2,

"(B) for each additional handgun, a fee of $1, and

"(C) for a collection of handguns (as that term is defined in regulations which the Secretary shall prescribe), a fee of $2.

The provisions of this paragraph shall not apply, and no registration fee shall be charged for registration of any handgun possessed and for which registration is applied by—

"(i) the United States or any department or agency thereof,

"(ii) any State, political subdivision, department, or agency thereof.

"(6) Upon the filing of a proper application and payment of the prescribed fee, the Secretary shall issue to the applicant a numbered registration certificate identifying such handgun and such applicant as the registered owner of such handgun.

"(7)(A) Any person shall be ineligible to register or to apply to register a handgun pursuant to this subsection who—

"(i) is under eighteen years of age;

"(ii) is, because of alcoholism, drug addiction, or mental disease or defect, an individual who cannot possess or use handguns safely or responsibly;

"(iii) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

"(iv) is a fugitive from justice; or

"(v) is not qualified under all applicable Federal, State, and local laws to register a handgun pursuant to this subsection.

Any purported registration by any of the persons described in this subparagraph shall be void.

"(B) In making determinations under subparagraph (A)(ii) above, an applicant may submit, with his application or subsequent to his initial application, to the Secretary or his authorized representative, a statement from a duly-licensed physician stating that, in the opinion of such physician, such person is not by reason of alcoholism, drug addiction, or mental disease or defect physically or mentally unfit to possess a handgun. The provisions of this subparagraph shall be considered to establish a presumption of fitness on behalf of any person submitting such a statement, in the absence of contrary evidence.

"(8)(A) Any person to whom a handgun registration certificate has been issued by the Secretary under this section shall notify the Secretary of any change in such person's name or address within thirty days of the date of any such change. Such notice shall contain (i) the registration number of each handgun registration certificate issued under this subsection, and (ii) the license number of the Federal handgun license issued to such person under subsection (b) of this section.

"(B)(i) Any person to whom a handgun registration certificate has been issued by the Secretary under this section who transfers possession of any handgun so registered; shall within five days of such transfer, return to the Secretary his registration certificate, noting on it the name and residence address of the transferee, the number of the Federal handgun license issued to the transferee under this Act, and the date of such transfer.

"(ii) Any person licensed under section 923 shall not accept possession of a handgun by way of pledge or pawn without also taking and retaining, during the term of such pledge or pawn, the Federal registration certificates issued under this section. If such pledge or pawn is not redeemed, such licensee shall return such registration certificate to the Secretary and register the handgun in his own name.

"(iii) The executor or administrator of any estate containing a registered handgun shall promptly notify the Secretary of the death of the registered owner, return the certificate of registration of the deceased registered owner to the Secretary, and register the handgun in the name of the estate according to the provisions of this section. The executor or administrator of an estate containing an unregistered handgun shall promptly surrender such handgun to the Secretary or his designee without compensation and shall not be subject to any penalty for any prior failure to register such handgun.

"(iv) Any person possessing a handgun shall within ten days notify the Secretary (in a manner to be prescribed by the Secretary) of the loss, theft, or destruction of the handgun, and shall notify the Secretary of any recovery of such handgun occurring subsequent to the date of notification of loss under this clause.

"(9) Any person to whom a handgun registration certificate has been issued by the Secretary under this section shall exhibit his registration certificate upon demand of a law enforcement officer.

"(b)(1) No person other than a licensed importer, licensed dealer, licensed manufacturer, or licensed collector shall knowingly possess or receive possession of any handgun or ammunition for use in any handgun unless such person has filed an application with and received a Federal handgun license from the Secretary pursuant to this subsection.

"(2) No person (except as provided in subsection (d) of this section), shall transfer possession of any handgun or ammunition for use in any handgun unless such person has filed an application with and received a Federal handgun license from the Secretary.

"(3) No person shall transfer possession of any handgun or ammunition of a caliber for use in any handgun unless the transferee displays a license issued under this subsection, or Section 923.

"(4) The application for a Federal handgun license shall be in such form and contain such information as the Secretary shall by regulation prescribe, including—

"(A) the name, current address, date of birth, place of birth, and signature of the applicant,

"(B) a statement signed by the applicant (in such form as the Secretary shall by regulation prescribe) that the applicant may lawfully possess handguns and ammunition under the laws of the United States and of the State and political subdivision wherein he resides, and

"(C) a complete set of the applicant's fingerprints and a photograph reasonably identifying the applicant.

"(5) Upon the filing of a proper application and payment of the prescribed fee, the Secretary shall issue a Federal handgun license to the applicant, and such license shall be valid for a period not to exceed three years. Any such license may be renewed upon the expiration of the initial licensing period, and periodically thereafter, for periods (not to exceed three years each) to be prescribed by the Secretary. The Secretary shall by regulation prescribe the application requirements and form for such renewal applications.

"(6) An applicant for a Federal handgun license shall pay a fee for obtaining such a license in the amount of $5, and a fee for renewing any such license in the amount of $5.

"(7)(A) The Secretary shall not approve any application submitted under this subsection if—

"(i) the applicant is under eighteen years of age;

"(ii the applicant is, because of alcoholism, drug addiction, or mental disease or defect, an individual who cannot possess or use handguns safely or responsibly;

"(iii) the applicant has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

"(iv) the applicant is a fugitive from justice; or

"(v) the applicant is not qualified under all applicable Federal, State, and local laws.

"(B) In making determinations under subparagraph (A)(ii) above, an applicant may submit, with his application or subsequent to his initial application, to the Secretary or his authorized representative, a statement from a duly licensed physician stating that, in the opinion of such physician, such person is not by reason of alcoholism, drug addiction, or mental disease or defect physically or mentally unfit to possess a handgun. The provisions of this subparagraph shall be considered to establish a presumption of fitness on behalf of any person submitting such a statement in the absence of contrary evidence.

"(c) Denials by the Secretary of an application for registration of a handgun, or for a Federal handgun license, or renewals shall be subject to the provisions of chapter 5, title 5, United States Code. Any person aggrieved by the action of the Secretary shall have the right to judicial review of such action in accordance with the provisions of chapter 7 of title 5 of the United States Code.

"(d) Notwithstanding the provisions of subsection (b), and except as otherwise prohibited by this chapter or by the laws of any State or political subdivision thereof, any person licensed under section 923 may transfer a handgun or handgun ammunition to a person only if such licensee confirms that the purchaser has been issued a valid Federal handgun license or a Federal dealer's license and notes the number of such handgun or dealer's license in the records required to be kept by section 923(g).

"(e)(1) Information required to be included in any application, form, certificate, or license submitted to or issued by the Secretary under this section shall not be disclosed by him except to the National Crime Information Center established by the Federal Bureau of Investigation, and to law enforcement officers requiring such information in pursuit of their official duties.

"(2) When requested by the Secretary, Federal departments and agencies shall assist the Secretary, to the extent permitted by law, in the administration of this section.

"(f) Whenever the Secretary determines pursuant to section 922(n) that a handgun model is not approved for sale or delivery by a licensee under this chapter, the Secretary shall cause notice to be given to all persons in possession of handguns, the handgun model of which has not been approved, of such disapproval. Notwithstanding any other provision of law, not later than sixty days after receipt of such notice, any person so notified may transfer such handgun as provided in section 926. No criminal penalty shall attach by reason of possession of any such handgun in violation of the provisions of this chapter until sixty days have passed since receipt of such notice.

"(g) For purposes of this section—

"(1) the terms 'possess' and 'possession' mean asserting ownership or having custody and control;

"(2) the term 'transfer' means all sales, gifts, bequests, loans, and other means of acquiring possession of a handgun from the transferor to another person;

"(3) the term 'person' means all individuals, corporations, companies, associations, firms, partnerships, clubs, societies, joint stock companies and estates; and

"(4) the term 'registered owner' means the person in possession of a handgun which is registered under this section and to whom the Federal registration certificate has been issued."

(b) The table of sections of chapter 44 of title 18, United States Code, is amended by inserting immediately after item "923" the following new item:

"923A. Registration and licensing of handguns."

SEC. 7. Section 924 of such title 18 is amended by adding at the end thereof the following new subsections:

"(e) Whoever violates any provision of section 923A of this chapter shall be fined not more than $5,000, or imprisoned not more than 10 years, or both.

"(f) Whoever knowingly falsifies any information required to be filed with the Secretary pursuant to section 923A of this chapter, or required to be filed with a State agency pursuant to an agreement entered into under section 923A(a)(2) of this chapter, or forges or alters any certificate of registration, or license issued or retained under such section, shall be fined not more than $10,000, or imprisoned for not more than five years, or both.".

SEC. 8. (a) Section 925(a) of such title 18 is amended—

(1) by inserting in paragraph (1) immedi-

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ately after "chapter" the following: "(except as provided in section 923A(a))"; and

(2) by inserting in paragraph (2) immediately after "chapter" the following: "(except as provided in section 923A(a)".

(b) The first sentence of section 925(c) of such title 18 is amended by striking out "(other than a crime involving the use of a firearm or other weapon or a violation of this chapter or of the National Firearms Act)" and inserting in lieu thereof the following: "(other than a crime involving the use of a firearm or other weapon or a violation of any section of this chapter except section 923A or of the National Firearms Act)".

(c) Section 925(d)(3) of such title 18 is amended to read as follows:

"(3) is of a type that does not fall within the definition of a fireram as defined in section 5845(a) of the Internal Revenue Code of 1954; is not a surplus military firearm; and if a handgun, has been approved by the Secretary pursuant to section 922(n) of this title; or".

Sec. 9. (a) Sections 926, 927, and 928 of such title 18, and all references thereto, are redesignated as sections 927, 928, and 929, respectively.

(b) Chapter 44 of such title 18 is further amended by inserting after section 925 the following new section:

"§ 926. Compensation for reasonable value of handguns voluntarily transferred to law enforcement agenclea

"(a) A person may at any time transfer to any Federal, State, or local law enforcement agency designated by the Secretary any handguns owned or possessed by such person.

"(b) In the case of transfer pursuant to subsection (a), the person transferring such handgun shall, upon proof that such handgun was lawfully acquired and lawfully owned by such person prior to enactment of the Handgun Control Act of 1975, be entitled to receive from the United States a payment equal to the reasonable value of such handgun, such value to be determined as of the day before enactment of the Handgun Control Act of 1975."

Sec. 10. Section 927 (as redesignated by section 9 of this Act) of such title 18 is amended to read as follows:

"§ 927. Rules and regulations; periods of amnesty

"(a) The Secretary may prescribe such other rules and regulations as he deems reasonably necessary to carry out the provisions of this chapter, including—

"(1) regulations providing that a person licensed under this chapter, when dealing with another person so licensed, shall provide such other licensed person a certified copy of such license;

"(2) regulations providing for the issuance, at a reasonable cost, to a person licensed under this chapter, of certified copies of his license for use as provided under regulations issued under paragraph (1) of this subsection; and

"(3) regulations providing reasonable requirements for the marking of handguns that do not have serial numbers.

The Secretary shall give reasonable public notice, and afford to interested parties opportunity for hearing, prior to prescribing such rules and regulations.

"(b) The Secretary may declare periods of amnesty for the registration of handguns under section 923A or the transfer to any Federal, State, or local law enforcement agency of any handgun under section 926."

Sec. 11. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Sec. 12. (a) The provisions of this Act shall take effect immediately upon enactment, except that sections 4 and 8 of this Act shall take effect sixty days after the date of enactment and section 923A(a) of such title 18, as added by section 6 of this Act, shall take effect as provided in subsection (b) of this section.

(b) Section 923A of such title 18, as added by section 6 of this Act, shall take effect six months after the date of enactment of this Act. Each person within any State who possesses any handgun on the effective date of such section shall, within sixty days following such effective date, complete the registration and licensing required by the provisions of such section. Each person within any State who purchases a handgun after such effective date shall within sixty days following such date or thirty days following such purchase, whichever is later, complete the registration required by such section.

Mr. STEVENSON. Mr. President, I am today introducing, with Senator Kennedy, a bill designed to reduce handgun violence in the United States, the Federal Handgun Registration and Licensing Act of 1975.

The fear of crime in America is first and foremost a fear of violence. And violence in America is, first and foremost, violence by gun: Violence against citizens and violence against policemen in the performance of their duty.

And the villain in this grisly pageant of crime and death in America is the handgun: The pistol—too easily obtained, too easily concealed, too easily used to coerce, maim, and kill.

Nationally, the crime gun is the handgun. In the words of the Eisenhower Violence Commission staff report issued almost 6 years ago:

> The handgun is the dominant firearm used in homicides. When homicides are involved in an assault and robbery . . . the handgun is almost invariably the weapon.

It is the instrument of more crime now than then.

The facts about our rising tide of violence and the part that the handgun plays in this mayhem are compelling:

In 1965 the Uniform Crime Reports published by the FBI recorded a total of 9,850 murders. By 1974, according to FBI estimates, the number had risen to over 20,000.

In the decade 1961–70, 633 policemen were murdered in the Nation. In the first 4 years of this decade, that number has almost been equaled—504 law enforcement officials have already been slain in this decade, 132 in 1974 alone. Ninety-five of the 132 policemen murdered in 1974—72 percent—met death at the point of a handgun.

Of the 140 homicides committed in Detroit in 1965, 55—or 39 percent—involved handguns. In 1974, the homicide figure in Detroit had risen to 801, and 440 of those homicides—55 percent—involved handguns. The figures are similar for all major metropolitan areas in the Nation. Less than 50 percent of the murders committed nationwide in 1965 were committed with handguns; that figure is now approaching 54 percent.

In the first 4 years of the decade of the 1960's, an average of 600,000 handguns were manufactured domestically. By 1973 annual domestic production was 1.6 million and, including imports. 2.5 million new handguns were entering the American market annually. There were an estimated 30 million handguns in existence in the Uited States in 1965; that figure is now estimated at well over 40 million.

Handguns now account for 75 percent of all armed violence in the United States. In two large Chicago hospitals 25 percent of all admissions are for gunshot wounds—most suffered at the point of a handgun.

It is time we took the crime guns, the handguns, away from those most likely to misuse them.

Effective handgun control requires a national program, and that is what Senator Kennedy and I propose.

The bill applies to handguns only—the chief instrument of crime and violence in America.

The bill requires every handgun to be registered and every handgun owner to obtain a Federal license. It would in no way interfere with State laws and regulations concerning gun licensing and ownership. It applies to working pistols only—not antiques or replicas.

The licensing program would be administered by the Secretary of the Treasury. The registration program, although a Federal program subject to Federal standards established by the Secretary pursuant to this bill, could be implemented by State and local authorities. Those who have a collection of handguns would pay only one registration fee, and registration and licensing fees would be minimal. And, though the bill requires that law-abiding sportsmen and target shooters obtain a license, it does not threaten their ownership of pistols.

The bill requires that a handgun owner be at least 18 years of age and that he or she be free of alcoholism, drug addiction, or mental disease.

It requires that a licensee be free of any criminal conviction carrying more than 1 year's imprisonment; that he not be a fugitive from justice; and that he be qualified to own a gun under all applicable Federal, State, and local laws.

To apply for a license, the individual would fill out a simple application form, sign a statement to the effect that he may lawfully possess handguns and handgun ammunition under the laws of the United States and of the State and political subdivision of his residence, and submit a set of his fingerprints and a photograph.

The bill does not ban or confiscate any handguns, except "Saturday Night Specials"—small, cheap handguns that cannot be used for hunting or sport shooting. The bill does contain a provision granting compensation to lawful owners of handguns who voluntarily relinquish them.

The bill sets up penalties for violators: Imprisonment not to exceed 5 years or a fine of $5,000, or both.

The bill is a workable and practical answer to the plague of handgun violence. It recognizes legitimate uses for handguns, but it also recognizes that you do not shoot ducks with a snubnosed .38.

To those who believe the slogan that criminals—not handguns—commit crimes, this can be said: Criminals cause crimes—and handguns are the principal instruments of the death and injury they cause. Other instruments of possible injury which have legitimate uses—cars,

even dogs—are licensed. There is no instrument more sinister than the lethal, concealable pistol. If a gun is not used in a crime, the chance of death is five times less. Any policeman knows that a subject who must rely upon a knife, a bottle, or his fists is not so bold as one armed with a handgun.

There are those who point out that gun control laws in the past have been less than effective. They are right. Our present gun laws are a patchwork of more than 20,000 laws—some ancient, some unenforced or unenforceable, all too narrow and too inconsistent to be nationally effective. But this is an argument for, not against, effective national laws.

The evidence is strong that in cities—such as Boston and New York—where gun control is strict, the use of guns in homicides is less.

But as it stands now, no State or locality can effectively control the ownership of handguns. Chicago, for example, has a strict ordinance providing for the registration of handguns. But all an individual prohibited from ownership need do to obtain a handgun is step beyond the city's jurisdiction. A recent study by the Alcohol, Tobacco and Firearms Bureau of a sample of handguns confiscated in New York City illustrates this point. The study showed that only 5 percent of the handguns traced to retail transactions were originally sold in the State of New York, and that over half of all the handguns traced came from dealers in four Southeastern States with high handgun populations and few controls on handgun sales. The Attorney General's handgun proposal is fatally weak, because it ignores the mobility of firearms. The possession of handguns cannot be effectively controlled in one location, as he suggests, if it is uncontrolled in others.

The bill which Senator Kennedy and I are proposing would require a Federal license before the individual could acquire a handgun anywhere in the Nation—and that license would not be issued if the individual were not entitled to own a handgun under the laws of his State and locality as well as Federal law. It is remarkable that controls have been effective at all, considering the ease with which they are evaded. The bill which we are proposing, if enacted, would for the first time make it possible for State and local authorities to control effectively the ownership of handguns. And the Federal Government would itself be acting to keep handguns out of the hands of those most likely to misuse them.

Law-abiding gun owners ought to accept gladly the minor inconvenience of handgun licensing and registration in order to control the spread of criminal violence in America.

This bill is a compromise between the extremes of those who propose to outlaw all handguns and those on the other hand who resist any effort to control the possession and ownership of any guns. It will be said, as it always is, that only the law-abiding will register their guns. But that is the point of the bill. Those unable or unwilling to register will be subject to prosecution. They can be disarmed. This bill pleases neither extreme. By the same token it ought to offer some common point, a compromise if you will, to all who want to do something to stem the rising tide of violence. As it is now, we face a standoff. The alternative to this kind of bill may be nothing—except more senseless, needless criminal violence.

The bill recognizes that many crimes are committed in moments of passion, and that violence is made possible by the easy accessibility of handguns. It offers law enforcement authorities a chance to trace handguns used in the commission of crimes to the offenders. It offers a means of cutting back on the accidental injuries, as well as crime, caused by the easy accessibility to handguns, especially unsafe and unsuitable handguns. States and localities would for the first time be able to adopt effective handgun controls.

The public dialog on this issue is divided between the extremes: Between charges of permissiveness on the one hand and of repression on the other; between rhetoric which breeds fear and rhetoric which breeds passivity; between those who believe we are a soft society and those who believe we are a sick society.

None of them, it seems to me, are right. I am not ready to admit that we are, and must be, in urban America, a gun-toting society—some vestige of an imaginary wild-West past glorified in the movies and on television screens.

Nor am I ready to admit that we are a sick society which nurtures violence; that we are more violent or bloodthirsty than other men in other lands. The evidence does not prove that we are innately violent, but it is clear that we have failed to keep handguns away from violent men.

It is time to find some common ground.

It is time now to correct the ancient failure.

It is time to erase—as far as we are able—the fear that handguns spread.

It is time to protect the lives—of citizens, of policemen—that handguns endanger.

In doing so, we will not damage any liberty which free and lawful men enjoy.

We will, indeed, honor the intention of those whose purposes when they founded our Nation were "to form a more perfect union: to establish justice; to insure domestic tranquility."

By Mr. MATHIAS:

S. 1449. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on infant foods to disclose, by percentage, the weight of all ingredients of such foods and to require the label on certain breakfast cereals to disclose the sugar content thereof. Referred to the Committee on Labor and Public Welfare.

THE INFANT AND CHILD NUTRITION PROTECTION ACT

Mr. MATHIAS. Mr. President, I send to the desk a bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on infant foods to disclose, by percentage, the weight of all ingredients of such foods and to require the label on certain breakfast cereals to disclose the sugar content thereof.

I am pleased to introduce this legislation on April 17, 1975, because this is the day on which numerous communities across America are participating in special activities centered around Food Day; a day in which particular attention is drawn to the pressing national and global problems concerning nutrition, hunger, food shortages, and our national food policy.

The problems addressed by section 2 of the bill I am introducing today were brought to my attention a few weeks ago by several Marylanders who are also deeply concerned, both professionally and personally, with nutrition and health. On February 25, 1975, Dr. Irvin M. Cohen, of the University of Maryland Hospital, transmitted to me a petition signed by himself and 28 citizens residing in the city of Baltimore, Silver Spring, Columbia, and Baltimore County who had read an excellent article by Mark Reutter in the February 23, 1975, edition of the Baltimore Sunday Sun concerning the misleading labeling of prepared baby foods. Few citizens, I am sure, could have read this article without having had the same reaction as my constituents. Therefore, I commend this article to the Senate and ask unanimous consent that it be inserted in the Record at this time.

There being no objection, the article was ordered to be printed in the Record, as follows:

Baby Foods: The First "Junk" Meal

(By Mark Reutter)

The gurgling infant lapping up the pureed meals provided by baby food companies is receiving his first taste of high priced "junk foods," according to the Center for Science in the Public Interest.

In a report this month by a panel of consumer activists and pediatricians, the nonprofit CSPI charges that the main ingredient touted on a baby food label may comprise as little as 23 per cent of the total product. Filling up the jar instead are large quantities of water, less expensive fruits or vegetables, sugar, flour, tapioca and modified starch—all blended together to give the appearance of a thick, nutritious meal.

The report found, for example, that modified starch often accounts for one quarter of the solids of "combination" dinner meals by the three major baby food companies—Gerber Products Co., Baker Beech-Nut Corp. and Heinz, U.S.A. Spokesmen for the companies, which control 97 per cent of the $300 million a year baby food market, reluctantly confirmed this and other figures by the CSPI.

"EMPTY CALORIES"

A thickening agent that preserves baby foods for up to three years, modified starch has been a source of controversy since the late 1960's. Although it presents no immediate health risk, the ingredient adds "empty calories' 'to a baby's diet and may cause obesity and heart disease in later life, several nutritionists and pediatricians report. Dr. Jean Mayer, professor of nutrition at Harvard University, has warned that because of heavy doses of carbohydrates like modified starch, commercial baby foods should not be fed to children under 4 to 6 months old.

To appeal to infant taste buds, the CSPI reports that manufacturers inject more sugar than fruit in many dessert meals (such as Heinz's Tuiti Fruiti and Gerber's Fruit Dessert). Besides adding more carbohydrates to the diet, sugar has been linked in several

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scientific studies to tooth decay, hardening of the arteries, diabetes and hyperactivity in childhood.

Equally serious, according to the CSPI, Gerber cures its "toddler ham" dinners with sodium nitrite or nitrate, chemical additives that may react with other chemicals in the body to form nitrosamines. Large amounts of nitrosamines have caused cancer in almost every experimental animal tested.

As a result of these findings, 58 Congressmen petitioned the Food and Drug Administration two weeks ago to require percentage listing of ingredients on baby food jars. "Current baby food labels are misleading because they give the impression that the contents are pure products (egg yolk, beef, apples, etc.) when, in reality, they contain significant amounts of non-nutritious ingredients," explains Rep. Benjamin S. Rosenthal (D., N.Y.). The petitioners include Maryland Congressman Paul Sarbanes (D., 3d) and Gilbert Gude (R., 8th).

LITTLE IDEA OF QUALITY

Under federal labeling laws, baby food ingredients must be listed in order of predominance. But this information gives the consumer little idea of the true quality of the contents, says Patricia Hausman of CSPI. "Most consumers don't know that ingredients are listed in order of predominance or what this has to do with quality," she notes. "Right now, the nutritious ingredients may be present in amounts slightly greater than modified starch or sugar that provides no vitamins, minerals or protein. The consumer can't tell this by inspection or taste because the ingredients are blended together."

Ronald L. Wylie, regulations co-ordinator for the Bureau of Foods, says the FDA will answer the baby food petition within three months "because of the public interest in this matter." But several sources predict that the FDA will not require percentage labeling.

"We can't promulgate a regulation without a sound reason," explains an agency official, "and I'm not sure that consumer interest in knowing the nutritional contents of baby foods is sound enough to need a court test [by manufacturers]." The FDA already requires such ingredient disclosure in several products, including seafood cocktails, canned crabmeat and diluted orange juice beverages.

Baby food companies will fight percentage labeling of contents, industry spokesmen report. "It's a trade secret and this is a competitive business," declares Harry Carroll of Heinz. Noting that modified starch makes baby foods more digestible and water is naturally found in fruits and vegetables, John B. Whitlock of Gerber adds, "Percentage labeling would deceive the public into thinking that they are getting inferior products . . . Our critics are not qualified to make charges. They don't have the technical background and the 50 years experience of our company."

But calculations by the CSPI suggest that the public is now being deceived by many baby food labels. Gerber's "high meat" Junior Chicken dinner, for example, contains "a generous amount of meat, which is a source of high quality animal protein," the label states. Actually the meal only contains 30 per cent chicken by weight, according to CSPI calculations based on food composition tables. The rest of the meal consists of chicken, broth, potatoes, carrots, modified corn starch, baked flour and salt.

After a long pause in a telephone interview, Mr. Whitlock said the 30 per cent figure was accurate. Asked why the label em- What we mean is that we have a higher quality of chicken in this line than our reg- phasizes a "high meat" content, he explained, "That's a matter of interpretation. ular lines of meat dinners."

BABIES LIKE IT

Mr. Whitlock added that he "wouldn't quibble" with the CSPI's calculation that Gerber's Cottage Cheese with Pineapple dessert contains only 23 per cent cottage cheese by weight. Following a pattern of many dessert meals, this brand has more water than cottage cheese and more sugar than pineapple. "Not everything has to be good for you, as long as it's not harmful," he noted. "We're not saying this product is the most nutrious thing in the world, but a lot of babies like it."

At first the official said Gerber does not use sodium nitrite or nitrate in its "baby foods," but later conceded that the chemicals are added to the firm's "toddler ham" meals for older babies. Noting that only small amounts of the chemicals are used, Mr. Whitlock said, "You should see the letters I get from mothers needlessly upset about nitrite."

Unlike bacon, ham and other cured meats, sodium nitrite is not used as a preservative in toddler meals because baby foods are heat sterilized to kill micro-organisms. Instead, the chemical acts as a flavoring and coloring agent. Beech-Nut and Heinz stopped injecting sodium nitrite into their products in 1972 after scientific research linked the chemical to the formation of cancer.

The use of adulterants is not limited to Gerber, the largest baby food manufacturer. CSPI figures show that Beech-Nut's highly priced Strained Egg Yolks meal contains 43 per cent water and 25 per cent salt. According to the product's label, water is mixed with egg yolks only "for proper consistency." Paul E. Hillabush, director of quality assistance for Beech-Nut, refused to comment on CSPI's calculations.

The following day he read a statement saying, "We do not recognize the Center for Science in the Public Interest to be an official spokesman for the scientific community . . . Infant food labels now provide adequate nutrition information for consumers."

Baby food companies also rely heavily on sugar, the CSPI charges, chiefly because studies have shown that infants eat more sweet food. The report noted that Gerber adds sugar to 55 per cent of its products, Heinz to 65 per cent and Beech-Nut to 66 per cent.

Conceding that Heinz was injecting "too much sugar in part," Dr. Richard E. Hein, research director, said the firm has reduced sugar in its products by 43 per cent in the last two years. But citing trade secrets, he declined to list specific sugar levels for different meals. The lowering of sugar content, he said, was taken as a "precaution" because of research relating excessive sucrose (table sugar) with cavities and atherosclerosis or hardening of the arteries.

The relationship between infant overfeeding and adult obesity is a major topic of discussion among nutritionists and pediatricians. Studies have shown that more than 80 per cent of all overweight children become obese adults. Dr. Jerome L. Knittle at Mount Sinai School of Medicine attributes this condition to the formation of excess fat cells from birth to 2 years of age and from 8 to 12. Since baby foods contain two to three times as many calories per 100 milliliters as breast milk, Dr. Mayer of Harvard University has recommended that babies only be fed food without added starch or sugar.

In additon to obesity, Medical World News reported in 1973 that research by pediatric cardiologists found a connection between childhood overweight and adult heart disease. Although these findings are tentative, the CSPI panel advises mothers to rely solely on breast feeding and home-made blended baby foods. For nutritious infant recipes, the group recommends "The Natural Baby Food Cookbook" by Margaret Kenda and "The Complete Guide to Preparing Baby Foods at Home" by Sue Castle.

The baby food report was prepared by the 12-member Citizen's Committee on Infant Nutrition which included several medical researchers and nutritionists such as Dr. Derrick Jelliffe of the University of California, Los Angeles, and Dr. Robert Mendelsohn of the University of Illinois College of Medicine. The CSPI, a non-profit consumer group in Washington, has been active in food quality and nutrition since 1971.

Mr. MATHIAS. I obtained and reviewed copies of the Center for Science in the Public Interest's White Paper on Infant Feeding Practices and the petition submitted to the Commissioner of Food and Drugs in behalf of the CSPI and 58 Members of Congress which were referred to in the Sun article. My office also contacted the Food and Drug Administration to determine the likely date when the Commissioner would take appropriate action as requested in the petition. It was clear from the FDA response that the Food and Drug Administration is unprepared to take quick and definitive action on this issue which has such an important bearing on the health of infants and the economic interest of consumers. We cannot, however, allow this issue to become buried in the FDA bureaucracy: Therefore, I am introducing this legislation to require the action contemplated in the petition.

Last year alone, over 3 million babies were born in the United States and in the first quarter of this year, approximately 750,000 births are projected. Under normal circumstances, by 1 to 3 months of age, babies begin receiving solid foods, such as cereals, strained fruits and vegetables, egg yolk, strained meat and fish. Except for the first month when babies feed on human milk or prepared infant formula, most babies will be fed commercially prepared strained baby food for the initial 6 to 7 months of life. But, what are babies actually eating when they consume commercially prepared baby food? Notwithstanding the company's claim that "* * * a lot of babies like it" only the manufacturers really know what is in the jar. Clearly the buyer, who in most cases is a parent or guardian of the child, cannot determine the contents either visually or by taste simply because the contents are comminuted or blended, ground, pureed, and strained beyond recognition.

In this period of double-digit inflation and economic recession, parents absolutely need to have all the information they can get from reading food labels. They need to know what they are paying for. Parents must be able to shop selectively; to compare brands and make informed selections based on not only comparative prices but also what is most nutritious for their children.

Today, as in the past, however, the parent is in the dark when it comes to baby foods. It is true that ingredients in baby foods are listed on a special panel on the label according to predominance. This, however may be a little known truth. But, even if the buyer is aware of that fact, and most probably are not, the brand names themselves are misleading. According to the Center for Science in the Public Interest, one manufacturer's product, "Strained Dessert Cottage Cheese with Pineapple," would lead a consumer to assume that he or she is primarily buying cottage cheese. Actually, the ingredient panel shows that cottage cheese is listed second, after water. Even with predominance listing, Mr. President, the ingredient panel does not reflect the amount of each ingredient, and according to CSPI's calculations, "Strained Dessert Cottage Cheese with Pineapple" contains less than 25 percent cottage cheese.

I would like to draw upon the CPSI petition to offer two other examples of instances in which the consumer may be mislead by the label:

> When the named ingredient is not the predominant one, the actual amount of this expensive ingredient causes another dimension of consumer deception. Predominance listing of ingredients does not tell the amount present. For example, when buying Gerber's High Meat Dinner—Chicken With Vegetables, once can see that chicken is the second ingredient. This position, combined with the name "High Meat Dinner," would lead a consumer to believe that there is a great quantity of chicken present. There is, according to our calculations, only about 33% chicken.
>
> *"Characterizing" Ingredients Have a Material Bearing on Price or Consumer Acceptance*. The actual proportions of the ingredients present in a product have a material bearing on the price consumers are willing to pay for it. Consumers are willing to spend X amount for what they consider to be egg products, meats, vegetables, and fruits for their babies. When the percentage of characterizing ingredients is not listed, and the consumer buys what he or she thinka contains primarily one ingredient, unintended deception may occur. Furthermore, the proportion of nutritious ingredients affects consumer acceptance.
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> Heinz Apples and Cranberries baby food reflects this deceptive process. Based on the label name, the consumer is justified in assuming that the price is based on the quantity of apples and cranberries and that the product is largely or entirely fabricated from these two fruits. This is not so. Water is the predominant ingredient and the product contains more sugar than cranberries. Many consumers would not buy this product were they aware of the high proportions of water and sugar.
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> The assumption of the proportions of these ingredients has a definite material bearing on the price the consumer is willing to pay for this product. Therefore, disclosure of the contents by percentage labeling would clarify the relationship between price and ingredients and minimize the opportunity for deception.

Mr. President, in addition to knowing how much of the product name actually is contained in the jar, the consumer should know how much chemically modified starch, water, sugar, and salt or sodium nitrate are added to baby foods. I understand that modified starch, which manufacturers add to baby foods as thickening agents and to prevent ingredients from separating, may represent nearly 25 percent of the total solids in some baby foods. Of course, if this is true, the starch would add significantly to the impression that the baby food in question has a greater solid content than is actually the case. Additionally, while the presence of water in baby foods may be necessary from the standpoint of the manufacturer, the consumer should be able to determine the proportion of water which is present in the product. For example, CSPI reports that strained chicken noodle dinners contain 88.5 percent water, while junior spaghetti, with tomato sauce and meat contain 82.9 percent water. Likewise, claims are made to the effect that because of babies' preference for sweet foods, manufacturers add sugar to many of their products. According to the White Paper on Infant Feeding Practices, "Gerber adds sugar to 55 percent of its baby foods, Heinz to 65 percent, and Beech-Nut to 66 percent of its baby foods. Although 'a lot of babies—may like it' parents who are concerned about their baby's consumption of extra calories should know how much sugar they are feeding their infant."

Mr. President, it is useful, in my judgment, for consumers to have some idea as to the amounts of vitamins, protein, carbohydrates, and fats in baby foods. This nutrition labeling information is displayed for the most part. Percentage labeling, however, would provide the consumer with much more useful information. For while it may be helpful for the parent to know the percentages of proteins, carbohydrates and fats in Gerber's creamed potatoes and ham, the consumer would probably be better informed, as CSPI suggests, if he or she could know how much protein is derived from the ham and how much from the soy protein concentrate ingredient.

Mr. President, I am not prepared to argue that commercial baby foods are junk foods. That determination must be left to the purchaser. But, I am prepared to argue that the consumer has a right to know not only what is in the product to be purchased, but also the ingredients and proportion of the ingredients in the products which are fed to babies. That is the simple intent of section 2 of this bill.

Section 3 of the measure I am introducing is designed to require manufacturers of ready-to-eat breakfast cereals to disclose the sugar content of their products to the consumer.

According to Mr. Eugene Hayden, president of the Cereal Institute, Inc., in Chicago, Ill., in the year ending December 1, 1974, the total sales of ready-to-eat breakfast cereals amounted to 1,600,000 pounds, which translates to approximately $1.3 billion. Of this amount, about 500 million pounds, or 31 percent of the total weight sold, represented presweetened cereals. The Cereal Institute was unable to provide the total dollar sales of presweetened cereals; however, Mr. Hayden reported that presweetened sales volume is probably higher than 31 percent because these products are priced higher in the market.

Mr. President, in 1973 the American Dental Association's House of Delegates adopted resolution 28–1973–H, which stated:

> *Resolved*. That the Association support efforts to provide nutritional inrformation to the consumer by requiring food product labeling of percentages of ingredients, *particularly sugar* (emphasis added).

Additionally, in testimony before the House of Representatives Committee on Education and Labor on March 8, 1973, the American Dental Association noted that—

> The relationship between sugar-rich foods and dental decay was positively established and recorded in the *Journal of the American Dental Association*, in a well-documented study published in 1953 by the Council on Dental Health and the Council on Dental Therapeutics of the American Dental Association.

The American Dental Association also pointed out during the testimony that several independent studies had added to and amplified the conclusions reached by the association's councils. At this point, I ask unanimous consent that the ADA's list of studies relating to nutrition and dental health be inserted in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

RECENT STUDIES RELATING TO NUTRITION AND DENTAL HEALTH

William David, D.D.S., Lincoln, Nebraska: The Physical Character of Food as a Dietary Factor in Dental Caries Control; The Chronicle of the Omaha District Dental Society, Volume 33: Feb., 1969, Pages 179–180.

Eleanor J. Edmonds: Diet and Dental Health; Texas Dental Journal, Volume 88: May, 1970, Pages 21–22.

T. H. Grenby, BSC, Ph.D.: Some Aspects of Food and Dental Caries; Chemistry and Industry, Volume 28: September, 1968, Pages 1266–1270.

R. L. Hartles, Ph.D., DSC: Dietary Modification as a Means of the Control of Dental Caries: Dental Health, Volume 10; Autumn, 1971, Pages 47–51.

P. B. V. Hunter, BDS: Sugar and Dental Decay; School Dental Service Gazette, Volume 80: October 1970, Pages 59–60.

William H. Keeler, MD, MPH and John E. Higgins, D.D.S., Roanoke, Virginia; The Indiscriminate Distribution of Sweets to Children as Favors or Captive Purchases; Journal of the American Dental Association, Volume 75: October, 1967, Pages 903–907.

Ernest Newborn, D.M.D., Ph.D.: Sucrose, The Criminal of Dental Caries; Journal of Dentistry for Children, Volume: 36, July-August, 1969, Pages 239–248.

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Mr. MATHIAS. Mr. President, I take special notice of the American Dental Association's position on the relationship between sugar and good nutrition, because I was appalled to learn that the Food and Drug Administration had reached a sharply different conclusion on this issue. On November 8, 1974, Commissioner Alexander M. Schmidt, of the FDA, denied a request submitted on be-

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half of 21 organizations and over 400 individuals to require ready-to-eat breakfast cereals containing more than the 10 percent sugar to bear a label indicating that frequent use contributes to tooth decay and other health problems. In turning down the request to have the proposal published in the Federal Register, Commissioner Schmidt stated:

> A clear understanding of the relative importance of different forms of carbohydrates in cariogenesis (tooth decay) is lacking.

Instead, the FDA promised to conduct a more "comprehensive literature search" on the effect of sweeteners on dental caries.

Mr. President, I find the FDA position perplexing to say the least. Only last May 8, 1974, Dr. Seymour J. Kreshover, Director of the NIH's National Institute of Dental Research, told the Senate Appropriations Committee, of which I am a member, that the "greatest potential for prevention at present is in the area of caries or tooth decay." In fact, he said that an 80-percent reduction in tooth decay is achievable with present knowledge. And, in his budget justification, which was submitted to the Labor-HEW appropriations subcommittee, NIDR strongly suggested that diet modification would help prevent tooth decay. Significantly, the National Institute of Dental Research reported that—

> Caries control through decreased consumption of sucrose is made difficult because of public predilection for sweet foods, patterns of snack food consumption and agricultural, food processing, and marketing patterns based on sucrose.

So it would appear that the agency in HEW responsible for finding methods to prevent tooth decay finds merit in the Dental Association's position while another part of HEW, the FDA, responsible for insuring that consumers are dealt with honestly particularly where food is concerned, is not prepared to accept the view of these experts.

Mr. President, in order to gain some appreciation of the importance of this legislation, it may be useful to note the importance of ready-to-eat breakfast foods to most Americans. In all likelihood, American households start the day with ready-to-eat breakfast foods. Certainly the data provided by the Cereal Institute would support this assumption. According to one source, nearly 70 percent of the breakfast foods sold is consumed by persons under age 20, with the largest percentage being consumed by persons under 13 years of age. In my judgment, it is extremely important for parents to know how much sugar is being consumed by children when they are fed presweetened cereals. Unfortunately, ready-to-eat cereal manufacturers refuse to publicly disclose the sugar content of their products. I do, however, have information based on calculations by the Center for Science in the Public Interest which suggest the following:

Food and sugar percent of total weight

General Mills, Inc.:	
Mr. Wonderfull's Surprize	29
Wheaties	11
Sir Grapefellow	40
Cheerios	4
Total	11
Kelloggs:	
Cocoa Krispies	38
Sugar Frosted Flakes	29
Special K	9
Corn Flakes	7
Product 19	12
Froot Loops	35
Rice Krispies	7
Raisin Bran	6
Concentrate	11
General Foods:	
Post Alpha-Bits	40
Post Oat-Flakes	20
Post Toasties	7
Super Sugar Crisp	43
Cocoa Pebbles	44
Fruity Pebbles	44
Quaker:	
Captain Crunch	37
100% Natural	19
King Vitaman	50
Life	14
Ralston-Purina:	
Wheat Chex	6
Rice Chex	5
Corn Chex	14
Super Sugar Corn Chex	33

Mr. President, I am not in a position to vouch for the accuracy of this table. However, I firmly believe that consumers should have information of this nature available at the time of purchase.

Mr. President, any time the Nation's dental health bill runs in the neighborhood of $6 billion annually with $2.5 billion spent on restoration of decayed teeth. I think we should have some idea of how much sugar is contained in these presweetened cereals.

Tooth decay may not be the only problem associated with the consumption of sugar. Studies also suggest that obesity, diabetes, heart disease, and other illnesses could also be associated with sugar consumption. The intent of section 3 of this bill, however, is not to label sugar as a health hazard. Certainly, this Senator is not in a position to make that case at this time. Yet, I believe that the consumer should have some reasonable idea as to the amount of sugar which is contained in ready-to-eat breakfast cereals so that the consumer can decide whether that produce is preferable from a nutritional standpoint.

I urge quick action by the Congress on this bill.

Mr. President, I ask unanimous consent that the text of a statement by Ms. Mary T. Goodwin, public health nutritionist with the Montgomery County Health Department, on the implication of excessive sugar added to dry breakfast Cereal; the text of a proclamation adopted by the Montgomery County Council on Food Day; and the text of this bill be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NUTRITION EDUCATION: IMPLICATIONS OF EXCESSIVE SUGAR ADDED TO DRY BREAKFAST CEREAL

Cereal is the staff life for many people around the world. The grain from which cereal is made is one of our least expensive natural foods. As food costs soar, cereal consumption is bound to increase. This increase in consumption of cereal will be particularly significant to children, since ready-to-eat dry cereal plays a prominent role in their diets.

Many of the cereals children are encouraged to eat through advertising, shelf space arrangements, and marketing practices are generously laced with sugar. A number of brands have over 40 percent sugar, a few have nearly as much sugar as cereal grain. Perhaps the latter should be called breakfast candy; then the consumer would know that he was getting a dessert not a main course. Adding excessive amounts of sugar to dry cereal, and then fortifying with the most popular "Hit Parade" of nutrients, does not give respectability nor integrity to a junk food. A sweet is a sweet; let it be what it is and not masquerade as a nutritious wholesome food, deceiving many consumers. In the past, treats were for special occasions such as cakes for celebrating birthdays. Today, highly sweetened foods are promoted as the main course. At a very early age, sweet is the flavor and the taste children are encouraged to develop. This, in fact, may discourage them from learning, appreciating and enjoying a variety of more subtle flavors, tastes and smells of nutritious foods.

I am especially concerned about the overall nutrition message inherent in sugar-coated cereals. They imply to a child that 'sweet is good', even as a main dish item, and contribute to a child's like for sweet foods. Being fed cereals that contain 40 percent sugar at breakfast could imply to children that it is perfectly okay to eat candy, pastry, and other sugar-rich products throughout the day. It is totally irresponsible that companies encourage children to eat food potentially harmful to their health. Food habits that build good health are not acquired naturally; they must be learned. Availability is one of the most important factors in food selection. When children are bombarded with advertising which encourages them to eat sugared cereals, they then go to the supermarket and are delighted to see these familiar packages, insisting on having them. Nearly 90 percent of the time, mothers comply with the "Madison Avenue" created desires in their children to purchase advertised cereals. How many parents and children are aware that excessive sugar is a major factor in tooth decay? Consider the costs, the pain and the time involved in restoring and filling decayed teeth. For some persons, excessive sugar may be a risk factor in the development of heart disease, the nations' biggest killer. For those genetically predisposed to diabetes. One in five Americans will be diabetic or have the genetic trait for diabetes by 19[illegible]0. In addition, excessive sugar when contributing to excessive caloric intake would also contribute to obesity. It is estimated that as much as 30 percent of the American population is obese! Poor eating patterns established early in childhood may establish the roots for degenerative diseases in adulthood.

Children should be encouraged to take a greater responsibility for their health. They should be aware that their bodies are for life, and should take care of them and respect them. They should know that the food they eat affects the way they look, feel and behave. Many of today's children shop for and prepare much of their own food, especially breakfasts and snacks. If cereals were clearly labeled, children could see for themselves which cereals are potentially hazardous to their health. If we care about our children, we should provide them with the tools to safeguard their health, such as information on how to make good food choices. Parents need this information also. Since excessive sugar is potentially harmful to health, products like cereals which children are encouraged to eat, should be carefully labeled indicating the amount of sugar. In the interest of the health of our children we urge that cereals with more than 10 percent sugar carry a warning, that this product may be hazardous to your health.

PROCLAMATION

Whereas, the people of the world have become more interdependent, and many residents of Montgomery County have become deeply concerned with the food shortages that resulted in mass starvation for many nations.

Whereas, inflation, shortages of fertilizers, adverse weather conditions, and other factors have led to record high food prices.

Whereas, good nutrition is essential to good health, but the diets of millions of Americans have led to serious health problems.

Whereas, many residents of Montgomery County are not able to afford an adequate diet especially the poor, the elderly, the unemployed and the ill.

Whereas, changes in agriculture practices, food manufacturing, excessive transportation and packaging have threatened the survival of the small farmer, raised food cost, and reduced the nutritional quality of quality of food.

Whereas, more people are eating a substantial amount of food outside the home, in day care, schools, parks, drive-ins, and other institutions. Nutritious foods should be available.

Now, therefore, I, James P. Gleason, proclaim April 17, 1975, as Montgomery County Food Day, and urge a coalition of concerned citizens, public interest oriented professionals, and government officials to work toward a food and nutrition policy for Montgomery County that will promote good health and social well being of all the residents of the County.

This policy should take into consideration, individual resources and local food sources; government agencies should promote food programs, such as food stamps, free and reduced price breakfast and lunches, W. I. C., supplemental feeding, congregated feeding for the elderly, so that no one in Montgomery County will go to bed hungry: Institutions such as day care centers, schools, halfway houses, detention centers, and hospitals will give high priority to high quality food to safeguard health of those dependent upon their services; public policy and practice should make good food available to all at a reasonable cost by encouraging the conservation of substantial amounts of land for farming, and community gardens, and encourage the supermarkets to promote nutritious foods, locally produced foods, food with a minimum of packaging and processing. Nutrition education should be focused on assisting individuals to set their personal priorities that will contribute to good health and social well being in context with their own resources, the local community resources, and the world needs.

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Infant and Child Nutrition Protection Act".

SEC. 2. Paragraph (j) of section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(j)) is amended by inserting "(1)" immediately after "(j)" and by adding at the end thereof a new subparagraph as follows:

"(2) If it purports to be or is represented as a special dietary food for infants, unless its label bears (A) the common or usual name of each ingredient of the food, including, but not limited to, spices, flavoring, and coloring, and (B) a declaration of the percentage of each such ingredient which is present in such food in an amount equal to or greater than 2 percent of the total weight of the food. The processor of any such food may use an average percentage weight figure with respect to any ingredient when such ingredient varies substantially in its composition because of the different areas in which such ingredient is produced or the seasonal variation of the areas in which such ingredient is produced."

SEC. 3. Section 403 (21 U.S.C. 343) of the Federal Food, Drug, and Cosmetic Act is further amended by adding at the end thereof a new paragraph as follows:

"(l) If it is a ready-to-eat breakfast cereal and the amount of sugar present in such cereal is equal to or greater than 2 percent of the total weight of the cereal, unless its label bears a declaration of the percentage of sugar present in such cereal. For the purposes of this paragraph (1) the term 'ready-to-eat breakfast cereal' means a food product which is made in whole or in part from barley, corn, oats, rice, wheat, or other grain, or from various combinations of such grains, and which is rolled, flaked, granulated, puffed, shredded, or processed in other waya; and (2) the term 'sugar' means sucrose, corn sugar (dextrose), fructose, honey, corn syrup, or other nutritive sweeteners, or any combination thereof."

By Mr. JAVITS (for himself, Mr. CRANSTON, Mr. BROOKE, and Mr. NELSON):

S. 1450. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana. Referred to the Committee on the Judiciary.

MARIHUANA CONTROL ACT OF 1975

Mr. JAVITS. Mr. President, I send to the desk for myself, Mr. CRANSTON, Mr. BROOKE and Mr. NELSON for appropriate reference, a bill respecting the decriminalization of personal, private use of marihuana.

Two million or more Americans it is estimated are using marihuana today. As many as 400,000 of them may be arrested this year. For many of them their lives will be irrevocably changed.

According to the FBI, more than 1 million persons have been arrested for marihuana offenses in this country in the last 4 years. Sixty-two percent of those arrested were under the age of 21, and 88 percent of those arrested were under the age of 26. Ten years ago there were less than 18,000 marihuana arrests Nationwide.

A statistical analysis of State marihuana arrests by the Shafer Commission uncovered the unsettling fact that 93 percent were for possession—not sale—and two-thirds of these involved the quantity of one ounce or less. Only 7 percent of the arrests were against the commercial trafficker.

Yet, it has now been almost 3 years since the first report of the National Commission on Marihuana and Drug Abuse was made to the American people. Following an exhaustive study of the subject, the Commission produced an extraordinary body of information, documentation and original research probing every aspect of marihuana use in our society. The principal conclusion of its extensive report is that marihuana is not sufficiently dangerous to the user or to our society for its private possession and use to be a criminal offense. That conclusion has been endorsed by the Washington based drug abuse council and by many other organizations.

Established by Congress in 1970, the Commission was charged with the responsibility for analyzing and illuminating an area of our public policy which for 40 years had been charged with emotion and predicated upon misinformation. The Commission consisted of a broadly representative group of persons from all sectors of American life with diverse experiences, professional backgrounds, and points of view, and as the Senate knows, with former Senator Harold Hughes and I, and Congressman PAUL ROGERS and TIM LEE CARTER as members.

Based upon the impressive record made by the Commission, Senator Hughes and I on April 20, 1972, introduced the first bill (S. 3517) to decriminalize the personal possession and use of small amounts of marihuana. We reintroduced that bill in the 93d Congress as S. 746. Congressman ED KOCH introduced the bill in the House. I am today reintroducing that bill, but with an additional feature. The bill would decriminalize small amounts of marihuana for personal use, but would substitute for any criminal penalty a system of civil fines of up to $100. This is the basic approach adopted by the State of Oregon which in 1973 became the first State in the Nation to abolish criminal penalties for simple possession of marihuana. Similar measures are currently being considered by more than 20 State legislatures, with perhaps as many as 6 of them expected to pass this year. I am hopeful that the bill can be the subject of early hearings.

I was pleased to learn that California is expected to adopt the civil fine approach in the near future and that New York's Governor Hugh Carey recently stated that he is seriously considering recommending removal of criminal penalties for possession of small amounts of marihuana in New York and replacing them with "a system of fines or mandatory attendance at health clinics." A partial list of the many organizations and individuals supporting decriminalization are:

American Bar Association.

New York State Bar Association.

Consumer Union, publishers of Consumer Reports.

National Conference of Commissioners on Uniform State Laws.

American Public Health Association.

National Advisory Commission on Criminal Justice Standards and Goals.

National Council of Churches.

The Governing Board of the American Medical Association.

National Education Association.

B'nai B'rith.

Canadian Commission of Inquiry into the Non-Medical use of Drugs (Le Dain Commission).

San Francisco Committee on Crime.

Mayor's Advisory Committee on Narcotics Addiction (Washington D.C.).

John Finlator, retired Deputy Director, Bureau of Narcotics and Dangerous Drugs, U.S. Department of Justice.

William F. Buckley, Jr., syndicated columnist, author, TV host and editor of National Review.

James J. Kilpatrick, syndicated columnist, Washington Evening Star.

Mr. President, this bill would not change the Federal law regarding criminal penalties which apply to the sale of the drug for profit. Its main objective, decriminalization of personal possession

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of small amounts of marihuana, makes sense for the following four reasons:

First. It recognizes that criminal penalties for its use and possession in private are so disproportionate to the degree of mental and physical risk involved that there can no longer be any justification for their imposition in view of the Commission's findings.

To equate the risk of using marihuana—which the Commission found to be a relatively benign drug—with the risk inherent in the use of hard narcotics is in my view totally indefensible. Yet in many jurisdictions throughout the country, this equation is written into the criminal law.

Second. It recognizes that casual marihuana usage is so common—the Commission found that 24 million Americans have tried marihuana at least once, and that 8.3 million are current users—that fair and impartial enforcement and prosecution are impossible. Updated national surveys indicate that these totals have increased to 30 million and 13 million respectively.

In some States, a first offender can be jailed for 10 or 20 years. In others, he may be placed on probation. Yet, in most, he will not enter the criminal justice system at all.

Third. It recognizes that use of the drug has reached such proportions that the present law is clearly ineffective as a deterrent.

Fourth. It recognizes that the "rhetoric and emotion" generated by the use of the criminal sanction in cases of personal marihuana use is severely impairing the fight against more dangerous drug abuse.

Mr. President, S. 1450, "the Marihuana Control Act of 1975, would change existing Federal law in that it would no longer be a criminal offense for a person to possess within a private dwelling up to 1 ounce of marihuana for his own use, or for the use of others, so long as it is not possessed with the intent to sell it for profit.

It would also no longer be a criminal offense to possess in public an amount not to exceed 1 ounce of marihuana, if such possession is incident to a private use and is not with the intent to sell it for profit. In the prosecution of any person charged with a violation of Federal law, the fact that such person was under the influence of marihuana would not be a defense to that charge.

Most importantly, our bill would implement the civil fine approach which has met with demonstrated success in the State of Oregon. In that jurisdiction marihuana offenders are given citations that are processed like traffic tickets. If the approach followed in Oregon and in the bill we introduce today were adopted throughout the Nation, 90 percent of all marihuana arrests would be eliminated and nearly half a billion dollars now being spent on those arrests would be saved. More importantly, the indiscriminate wrecking of people's lives and careers brought about by these unjust laws would end.

Following 1 year's experience with the Oregon law, a statewide survey by the Drug Abuse Council, a research organization funded by the Ford Foundation, revealed several interesting findings:

Forty percent of the respondents who said they had used pot said they had decreased their consumption.

Fifty-two percent reported no change and only 5 percent increased use.

Fifty-eight percent favored the new law or a more lenient one; only 39 percent thought the law was too lenient.

Mr. President, I ask unanimous consent that the summary of the Drug Abuse Council survey, entitled "Survey of Marihuana Use—State of Oregon," be printed in the RECORD.

Mr. President, I wish to reiterate that I do not support and this bill does not provide for the legalization of marihuana, and I wish to clarify the distinction between legalization and decriminalization.

Legalization, as the term is used in the drug field, means that marihuana could be legally sold, under appropriate governmental controls. This could, though not necessarily would, be similar to alcohol licensing. The important concept here is that both use and sale would be legal.

Decriminalization only pertains to the user. The user is taken out of the criminal justice system, although selling remains illegal. This concept is intended to continue a discouragement policy against marihuana; thus no legal market is permitted. By focusing the law enforcement attention against the commercial traffickers, rather than the user, over 90 percent of the marihuana arrests can be eliminated.

I oppose legalization because such action may be inconsistent with our current treaty obligations under the Single Convention of 1961.

Second, legalization might institutionalize marihuana and give it the status of official approval, thus making its use more inviting and widespread.

Third, there are still unanswered questions about the effects of long-term chronic use, and there is still considerable moral opposition to making marihuana available legally.

It has been suggested that decriminalization is illogical since it only applies to the user, leaving penalties against the seller. This is not the case. Criminal penalties are retained against the seller as a means of discouragement. This is consistent with the way we treat such other "victimless crimes" as pornography, gambling, and prostitution.

It balances the right of the individual in a free society to remain free from governmental interference in his private life, with society's right to protect itself against those who would purvey something society deems potentially detrimental.

Mr. President, although the entire report of the National Commission deserves the careful reexamination of every Member of the Senate, there are several important statements which I wish to call to the Senate's attention:

> A. Medical and Health Data: "the most notable statement that can be made about the vast majority of marihuana users—experimenters and intermittent users is that they are essentially indistinguishable from their non-marihuana using peers by any fundamental criterion other than their marihuana use." (p. 41)
>
> "From what is known about the effects of marihuana, its use at the present level does not constitute a major threat to public health." (p. 90)
>
> "No conclusive evidence exists of any physical damage, disturbances of bodily processes or proven human fatalities attributable solely to even very high doses of marihuana." (pp. 56–57)
>
> "Although a number of studies have been performed, at present no reliable evidence exists indicating that marihuana causes genetic defects in man." (p. 84)
>
> "No objective evidence of specific pathology of brain tissue has been documented. This fact contrasts sharply with the well-established brain damage of chronic alcoholism." (p. 85)
>
> "In a word, cannabis does not lead to physical dependence." (p. 87)
>
> "Research has not yet proven that marihuana use significantly impairs driving ability or performance." (p. 79)
>
> B. Public Safety: "neither the marihuana user nor the drug itself can be said to constitute a danger to public safety." (p. 78)
>
> "In sum, the weight of the evidence is that marihuana does not cause violent or aggressive behavior." (p. 73)
>
> C. Marihuana and Hard Drugs: "marihuana use per se does not dictate whether other drugs will be used; nor does it determine the rate of progression, if and when it occurs, or which drug might be used." (p. 88-89)
>
> "The fact should be emphasized that the overwhelming majority of users do not progress to other drugs." (p. 87)
>
> D. Extent of Marihuana Use: 26 million Americans, or 16% of the adult population, have tried marihuana at least once. This represents an increase of 2 million people over 1971. (Marihuana Commission, News Release, February 13, 1973)
>
> 13 million Americans smoke marihuana on a regular basis. This figure was 8.34 million in 1971. (Ibid.)
>
> E. Arrest Statistics: more than 706,000 persons were arrested for marihuana-related offenses during the period 1970–72. Arrests have increased steadily from a low of 18,815 in 1965. (p. 106)
>
> In 1972 there were 292,000 marihuana arrests, an increase of 29% over 1971. (Uniform Crime Reports, 1972, Federal Bureau of Investigations, p. 119)
>
> 93% of all arrests are for possession, with only 7% for sale. 67% of those arrested possessed less than one ounce of marihuana. (p. 110)
>
> 88% of those arrested are under the age of 26. (p. 111)
>
> 62% of those arrested are under the age of 21. (Uniform Crime Reports, 1972, Federal Bureau of Investigation, p. 34)
>
> 53% of all young people 16 and 17 years old know someone who has been arrested for possession of marihuana. (p. 121)

Mr. President, it should not be necessary to emphasize once again that neither I, nor any other member of the Commission would encourage the use of marihuana. We all believe that Government should not encourage the use of any drug or hallucinogen, no matter how mild, for recreation purposes.

The Commission conducted an exhaustive study of marihuana from the medical, legal, social, and political standpoints. As a result of this study, even the most conservative members of the Commission reached the conclusion that our criminal penalties against marihuana were based largely on sheer myth.

It is not a physically addictive substance and of those who do use it, only a very small number develop any psychic dependency. That small number for whom marihuana becomes a device for avoiding reality would, in all probability, find some other substance, perhaps a very harmful one, to obtain the same objective if they were not using marihuana.

At the same time, Mr. President, we recognize that although it has not been possible to identify physically harmful effects of marihuana, more research is needed in order to be certain that there are not incipient effects which might not appear until after long usage.

Mr. President, we all have heard recent claims that marihuana may be more dangerous than we originally thought.

No drug is totally harmless, including marihuana. But the evidence strongly suggests no significant harm is caused by the occasional use of marihuana and whatever risk is involved with marihuana is far less than the demonstrated harm from a number of other drugs permitted in our society.

We should continue to look for potential ill effects from the use of marihuana—especially the chronic, heavy use. But any findings of potential harm should be used to discourage use, not to justify treating the user as a criminal. As Dr. Tom Bryant, president of the Drug Abuse Council recently stated:

> We should not permit a medical debate to frustrate the decriminalization policy recommended by the Marihuana Commission. Even if marihuana were eventually shown to be as dangerous as alcohol or tobacco, giving a criminal record to the user only exacerbates the potential harm.

This past year we have heard several new claims of potential harm from marihuana use. These claims have received widespread media exposure, often far greater than the substance of the study warranted.

Each year the Department of HEW attempts to summarize the research on marihuana and to reach some conclusions about the potential dangers. In their recently released report for 1974, National Institute for Drug Abuse—NIDA—Director Dr. Robert L. DuPont discusses the recent claims:

> These more recent studies deal with three areas of concern. They are: effects on male sex hormone levels, interference with the body's immune response and effects on fundamental cell metabolism. *The implications of these preliminary studies are, at this point, speculative.* There is concern that alteration in hormone levels as a result of chronic use may interfere with normal adolescent development or with sexual differentiation of male fetuses if cannabis is used by pregnant women at critical periods of fetal development. Effects on the immune response and on cell metabolism might seriously affect resistance to disease or result in a variety of degenerative or genetic changes. *Thus far there is no clinical evidence indicative of such consequences although continuing research is obviously required.* (emphasis added)

Dr. DuPont also cautioned:

> We must also recognize that no drug with major pharmacological action—including marihuana—can ever be truly safe. It is inevitable that further research will disclose additional hazards. In developing rational social policy, scientific evidence of a health hazard must be balanced against social and economic costs incurred by possible alternative strategies for discouraging drug abuse.

Dr. DuPont, who also serves as chief Presidential drug adviser in his capacity as Director of the White House Special Action Office for Drug Abuse Prevention, recently endorsed publicly the Oregon approach. He believes marihuana presents health risks to the user, and should be actively discouraged, but opposes the use of the criminal law for possession of small amounts.

It should be stressed that when the National Commission on Marihuana and Drug Abuse recommended decriminalizing the user it did not presuppose marihuana would be harmless. And several members of the Commission have reiterated their conclusions:

> No drug is totally safe or harmless. In a sense, there is no human activity which is totally harmless. However, it is my opinion that marihuana involves only a minimal risk of harm to the user. Clearly the potential harmfulness of marihuana to the user is on a much lower order of magnitude than the potential harmfulness of such other drugs as alcohol, tobacco, amphetamines, barbiturates, and hallucinogens. J. Thomas Ungerleider, MD, Presidential Appointee to the National Commission.
>
> Since publication of the Commission's Report in March 1972, numerous studies have been reported, some suggesting that the dangers from marihuana are far greater than the Report indicated, others demonstrating that its use produces relatively little harm. In short, work in the last two years has not fundamentally changed the data base on which the recommendations were made. Dr. Dana Farnsworth, Presidential Appointee to the National Commission.

However, treating the user of marihuana as a criminal, can and has had a shattering effect upon the lives of thousands of individuals who are otherwise law-abiding citizens. The consequences of such a policy for the individual and society are more serious than any personal or societal harm resulting from the use of the drug itself.

The penalties do not fit the crime. The time has come for us to decide honestly what the crime is. If we decided that certain private conduct is not a crime, then we should eliminate the penalties for it, and to the extent that we believe that criminal sanctions should be retained for conduct, then we should measure the penalties in relation to the seriousness of the conduct.

As I have in the past, I wish to acknowledge once again the extraordinary work of the National Organization for the Reform of Marihuana Laws—NORML—and its able executive director, Mr. Keith Stroup. His efforts combined with the dedicated work of hundreds of interested citizens in States throughout the country have had a significant impact in changing attitudes as well as laws on this subject.

Mr. President, the laws we seek to change are indefensible. Logic, commonsense, and honesty have had very little to do with the evolution of national drug policy in the last 40 years, and these failings are rooted in the current law. I think we have ignored for far too long the consequences of that failure for our society. I urgently request the Senate Judiciary Committee to act on this bill at the earliest possible time. There are several articles and editorials which have appeared in the media in recent months on the subject of decriminalization and I ask unanimous consent that the following be printed in the RECORD at the conclusion of my remarks:

"Harsh Penalties for 'Pot'," an editorial in the New York Times, December 28, 1974.

"Legal Hostility to Pot Fades," an article by Al Parachini in the New York Times; December 8, 1974.

"The limits of the Criminal Sanction," an editorial in the Washington Post; November 18, 1974.

"Shifting Emphasis on 'Pot'," an editorial in the Buffalo Evening News; November 30, 1974.

"End the Pot Penalties," an article by William F. Buckley; November 10, 1974.

"Reefer," a volumn by Ann Landers; November 14, 1974.

"Thoughts on Marihuana," a column by James J. Kilpatrick. Washington Star News; December 4, 1974.

"Pot: Long Smouldering Issue May End in Decriminalization," an article by William Hines, Chicago Sun-Times; December 1, 1974.

A column by Richard C. Cowan, "About Marihuana"; November 6, 1974.

An article by Susan Fogg, Newhouse News Service concerning the therapeutic uses of marihuana.

"A Change in Policy on Pot?" an article by William J. Lanouette, The National Observer; November 30, 1974.

"Carey Considers Dropping Harsh Marihuana Penalty," an article in the New York Times, January 29, 1975.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

HARSH PENALTIES FOR "POT"

Two years ago the National Commission on Marijuana and Drug Abuse reported that marijuana was a "low priority" risk compared with other drugs, including alcohol, and recommended the elimination of legal penalties for private possession and use while retaining stiff criminal penalties for marijuana traffickers.

This carefully considered proposal got short shrift from then President Nixon, who promptly denounced it. Efforts to liberalize drug laws along lines recommended by the commission so far have been stymied in Congress and in the Legislature of New York which retains some of the toughest anti-marijuana legislation in the country.

Private possession of small amounts of marijuana, which would be subject to no criminal charges under the commission's proposals, still can invoke penalties of up to fifteen years in jail in this state. Only last March, a man in Buffalo was sentenced to five years in prison for possessing 1.9 ounces of "pot." Last year in New York City alone there were nearly 6,800 arrests on marijuana charges, mostly of young people who were stigmatized for life because they were caught with less than one-quarter of an ounce of this drug.

Fears that liberalizing the law would encourage the use of "pot" and compound police problems do not appear to be borne out by the experience of at least one state that has pioneered in this area. In October, 1973, Oregon abolished criminal penalties for marijuana use, substituting civil fines of up to $100. After the law's first year, a statewide evaluation found that 40 per cent of re-

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spondents who acknowledged they had used "pot" said they had decreased their consumption; 52 per cent reported no change and only 5 per cent had increased use.

No one should underestimate the potential risks in marijuana use which are still incompletely understood.

The question is whether the harsh legal sanctions against marijuana prevailing in this and most other states really serve as a deterrent. The evidence is that they do not. Public attempts to control private vices through excessive and heavily punitive laws only undermine respect for law and divert law enforcement agencies from more urgent tasks.

Legal Hostility to "Pot" Fades

(By Allan Parachini)

Despite recent medical studies purporting to show evidence of physiological risks to smokers of marijuana, there is a clear and growing trend toward decriminalizing the drug. Opposition to "pot," once centered in the law-enforcement community, seems to be crumbling.

Either by statute or de facio means, police and prosecutors seem prepared to accept the fact that marijuana use now is widely accepted and that continued stringent enforcement of antimarijuana laws is unrealistic.

Decriminalization would mean the easing or elimination of penalties for private use or possession of marijuana. Penalties vary widely at present, ranging from a $100 fine in Oregon to a possible 15-year prison term in New York.

Captain Jerry Kennedy, commander of the Denver, Colo., vice squad, recalls that his officers at first opposed a Denver marijuana ordinance easing penalties, but have changed their minds. "Before," he says, "we were bogged down in marijuana arrests. We could never get on to the quality cases."

The New Jersey Narcotics Officers Association has backed decriminalization in that state. In many cities, police arrest users only, as one New York City policeman has said, "if they blow smoke in your face." When Los Angeles Police Chief Edward M. Davis issued a statement opposing, on moral grounds, any statute change, the local police commission forced him to distribute a cover letter saying he had spoken as an individual and not on behalf of the department.

"The simple fact is that there is a tremendous number of people using marijuana these days," says Wesley Pomeroy, police chief in Berkeley, Calif., and a former Justice Department official, "and from a pragmatic point of view, the police ought not to be put in the uncomfortable position of having to enforce an unenforceable law."

In Washington, D.C., United States Attorney Earl J. Silbert announced last month that his office would no longer prosecute, and capital police should not arrest, users in possession of five or fewer marijuana cigarettes. Mr. Silbert canceled the order before it was to go into effect last Monday, however, because of the controversy that developed over the issue.

Prospects for widespread easing of marijuana laws appear greater now than ever before. Federal decriminalization legislation is expected to be introduced in the next session of Congress in the Senate by Jacob K. Javits, Republican of New York; and in the House by Representative Edward I. Koch, Democrat of New York. Mr. Javits has said that "it's time to do something" about marijuana laws to make them conform to what has become accepted social behavior.

CHANGING STANCES

At the Federal level, the change in administration seems to have had a pronounced effect. Former President Richard Nixon repeatedly told aides there was "no way" he would ever support less stringent marijuana penalties, even after the National Commission on Marijuana and Drug Abuse called for such a change in 1972.

Betty Ford, the new President's wife, has publicly said she is certain her three children have tried "pot." One of the Fords' two sons has reportedly met several times with officials of the National Organization for the Reform of Marijuana Laws (NORML). Offspring of public officials, including Oregon's Gov. Tom McCall and former Presidential counsel J. Fred Buzhardt, have been arrested on marijuana charges.

Mr. Ford's chief policy adviser, Dr. Robert L. DuPont, said publicly in recent Senate subcommittee hearings and at a NORML-sponsored conference what he has long told intimates privately—that there is little point in continuing to jail marijuana users.

Keith Stroup, who as NORML's director keeps close watch on the legal aspects of marijuana, believes that several states are almost certain to decriminalize it next year. They are Colorado, California, Hawaii, Minnesota, New Jersey, Vermont and Massachusetts.

Various cities and states have already chosen to remove marijuana from criminal law enforcement:

In October, 1973, Oregon abolished criminal penalties for marijuana use, substituting civil fines of up to $100. Marijuana offenders are given citations that are processed like traffic tickets.

After the law's first year, a statewide evaluation was conducted by the Drug Abuse Council, a privately funded Washington, D.C., research organization. Forty per cent of the respondents who said they had used "pot" said they had decreased their consumption; 52 per cent reported no change and only 5 per cent had increased use. And 58 per cent of all respondents favored the present law or a more liberal statute: only 39 per cent thought the law was too lenient.

In Denver, the City Council last spring passed its ordinance overriding the state marijuana law, which had held possession to be a misdemeanor. The new ordinance treats possession of up to a half-ounce as a noncriminal violation. In October, the State District Attorneys Association approved, by a 31 margin, a resolution to support a change in the state law to conform with the Denver experiment. The measure will be introduced next year.

The so-called "parking ticket model" was first introduced in Ann Arbor and Ypsilanti in Michigan. A year ago voters in the two neighboring cities approved a referendum providing for a maximum $5 fine in marijuana cases. The referendum reimplemented a system initially approved in Ann Arbor three years ago but briefly eliminated by the City Council.

In New York City, District Attorney Richard Kuh last summer instituted a circumvention of the potential 15-year prison term for possession of more than a quarter-ounce of marijuana. Under the Kuh plan, which also has the backing of three of the other four district attorneys in the city (Staten Island declined to participate), persons accused of "simple possession" of up to two pounds of marijuana are permitted to plead guilty to a single misdemeanor count.

Decriminalization ferment might seem to be contradicted by arrest statistics, which continue to show an upward trend. In 1973, for instance, 420,700 persons were arrested nationally on marijuana charges, up from 188,682 in 1970 and as few as 18,815 in 1965. Many observers believe the increase is the result of more uninhibited and widespread use. Though few of the offenders ever go to jail and many cases are dismissed, suspects retain their arrest records for life in most states.

Significantly, none of the proposed state and federal statute changes goes beyond the elimination of penalties for private use and possession of marijuana. The sale and distribution of marijuana would still be illegal.

The Limits of Criminal Sanction

Over the last several years, most states have reduced the felony statutes for possession of small quantities of marijuana to misdemeanors. One state, Oregon, has made simple possession of the drug the legal equivalent of a traffic offense. It was only a matter of time before the federal government would begin to move in the same direction. A presidentially appointed commission argued in 1972 for "decriminalization" and although President Nixon simply rejected the recommendation, a number of federal officials have since taken the position that making marijuana possession a federal felony offense serves no useful purpose.

The latest federal official to take that position is Dr. Robert L. DuPont, President Ford's chief adviser on drug abuse control. Significantly, Dr. DuPont chose a meeting here of the National Organization for the Reform of Marijuana Laws to endorse the Oregon solution. In doing so, Dr. DuPont took the same stance that many responsible officials in federal and state government have taken: Marijuana is potentially dangerous to the individual smoker, but smoking by individuals poses no threat to the society that justifies locking up those unlucky enough to be caught.

The marijuana laws, because they proscribe a "crime" that has no victim, are ordinarily enforced against those whose "criminality" comes to the attention of the authorities by accident. Thus, the other day, a federal official whose home here had been burglarized was arrested the same day for possession of an ounce of marijuana found by the police officers investigating the burglary. But for that accident, we can assume his private use of marijuana would have remained his private affair.

That is how it is with most of the 20 million Americans estimated to have smoked marijuana. There is hardly a legal restraint that compares with the law on marijuana for inconsistency of enforcement. Most people who smoke never are caught. About a half million people will probably be arrested this year. Many of those will be released as first offenders without any action having been taken against them, particularly if they are juveniles. The application of the law is selective in many parts of the country. Young people the police may wish to detain for other reasons often go to jail because they happen to have a small quantity of marijuana on their persons during encounters with police.

Under those circumstances, the logic of Dr. DuPont and those other federal officials who have called for "decriminalization" makes sense. It is unwise for a society to permit the creation of so large a class of presumptive criminals when their crime can be of no demonstrable harm to anyone other than themselves. This is especially so when other recreational drugs are readily available and legal. The danger to the individual who drinks alcohol is at least as great as the danger of smoking marijuana, and may be far more so. Yet, it is perfectly legal for persons who are not minors to buy all the alcohol they wish. If the theory behind proscribing marijuana was that its use would diminish, the policy has been a failure. When the substance was made illegal in 1934, it was estimated that 50,000 Americans used it. The figure could be as high as 25 million today. "Marijuana," said a study by Consumers Union several years ago, "is here to stay."

Since there is little evidence to contradict that conclusion, and since many prosecutors—most recently the U.S. Attorney for the District of Columbia—have argued that they would like to get marijuana out of the way so they and the police can concentrate on real crime, it makes sense to support Dr. DuPont and those who argue for "decriminalization." But "decriminalization" should be recognized for what it is. It is a politically delicate way of saying that you are taking a first step toward the day marijuana will be legal. That is apparent on its face. Dr. DuPont says that "decriminalization" should be accompanied by programs that educate the public to the dangers of marijuana use. Despite such programs, it is doubtful that the use of marijuana is going to decline. If there is merit in relaxing the rules on possession, simple logic dictates that it makes sense eventually to legalize its sale and use and control its quality. That is the way to keep some of the more harmful and dangerously potent forms of the drug off the market. It is also a way of separating marijuana from some of the much more dangerous substances, such as cocaine, LSD and heroin, that now circulate through the same channels as marijuana.

For many young people, the illegality of marijuana makes a mockery of the law. Despite what those who seek to justify the criminal sanction might argue, the logic of the matter causes many youngsters to see duplicity in the current state of affairs. It is perfectly legal for their parents to drink alcohol but an indictable offense for them to possess marijuana. That kind of double standard is corrosive of the principle of the rule of law. The value of the criminal sanction in a society rests on the foundation of fairness. For that reason, the criminal sanction is most effective when it is limited to proscribing those offenses of genuine danger to the society. Possession of marijuana does not meet that test.

Shifting Emphasis on "Pot"

It is evident from the renewed debate on marijuana penalties, and from the reduction of them in some states and localities, that public attitudes are becoming increasingly receptive to a shift in policy emphasis toward eliminating criminal penalties for casual use even while continuing public discouragement of the traffic in a medically risky substance.

Significantly, much of the current talk about "decriminalizing" the personal use of marijuana comes, not from the social apologists for "pot," but from some of the very reputable medical researchers who are voicing new concern about the health impairment potentially associated with marijuana overuse.

The latest to advocate a balanced new approach to the medical and legal aspects of marijuana is none other than the Ford administration's drug-policy spokesman. While raising new questions about the health risks incurred by marijuana smokers, Dr. Robert L. DuPont makes clear his own doubt that prevailing criminal penalties constitute a fair or effective way to deter the spread of marijuana smoking.

From the health standpoint, Dr. DuPont finds enough basis from the implications of animal research—bearing upon the potential marijuana link with chromosome damage and lowering of disease resistance—to advocate social policies of discouragement and restraint.

But such deterrence, in his view, can be achieved "at a lower cost than the current criminal sanction" which constitutes a case of overkill, when those convicted for possession of minor quantities of pot "may bear forever the stigma of an arrest record which can affect their employment opportunities and their entire future."

What this distinction between education programs and criminal penalties reflects is a growing body of opinion—shared by many philosophical conservatives and liberals alike—that prevailing reliance on Prohibition-style criminal prosecution is a poor way to cope with what is essentially a health problem involving risks much like those of overdependence or overuse of alcohol or tobacco.

For one thing, there is simply no way to enforce criminal penalties against the estimated 25 million or so who are said to have been tempted by the forbidden fruit. And the effort to do so is inevitably selective, capriciously discriminatory against the young, and a costly diversion of limited police manpower and resources better reserved for apprehending the peddlers of hard drugs as well as burglars, rapists, and other serious threats to public safety.

In this regard, the approach taken by such states as Oregon in treating minor marijuana possession as a "violation" roughly equivalent to a traffic offense, is seen by decriminalization advocates as perfectly consistent with "law and order" concern for stern policing against the hard-drug traffic.

The difference between "legalization" and "decriminalization" is in our view an entirely tenable one, and not mere semantics. For legalization would imply a social tolerance equivalent to that for liquor, and this is not warranted by the present ambiguous medical evidence, nor have any practical means been suggested for regulating marijuana traffic in the thorough way the liquor industry is regulated. Decriminalization for possession and use of minor quantities, however, need not let down the bars at all to criminal prosecutions for large-scale possession or selling to minors. This would tend to shift the focus from controversy over unfair effects of present criminal laws to rational social measures of deterrence, including educational programs and credible controls against marijuana use among minors.

Much as a persuasive case has been made for a sensible "decriminalizing" of first drunk-driving offenses as an effective remedy for laws that now remain notoriously ill-enforced, so is there a gathering consensus that excessive and unenforceable penalties for pot-smoking are no effective way to deal with any of the possibly serious adverse effects that medical science is beginning to worry about in the case of marijuana.

End the Pot Penalties

(By William F. Buckley Jr.)

A couple of years ago Johnny Carson turned suddenly to me, in a general discussion of the drug laws, and asked me point-blank: "Have you ever tried pot?" I said, yes, I had. And added primly that I was on my boat, outside the 3-mile limit, so that I wasn't breaking any law. (He went on to ask: "Did it do anything for you?" And I replied, "No.")

Now as a matter of fact, Carson should not have asked that question. It is in the category of questions you do not ask, like: "Have you ever cheated on your wife?" The rule is that you should never ask somebody a question if there is a high probability that the answer will reveal the questionee to be either a lawbreaker or a liar. And of course for some questions there is no escape clause. There is no such thing as cheating on your income tax outside the 3-mile limit.

But Carson did ask me, and my reply was truthful, and I have been plagued by it ever since. I seldom address a college audience without somebody bringing it up in some way or other during the question period. Example: "Mr. Buckley, how did pot get into your boat in the first place?" (My answer: Parthenogenesis.) Or: "Do you think it's fair that only people who have yachts can smoke pot legally?" (My answer: "Anybody can rent a boat. They come as low as ten, 15 bucks a day.") The audience is good-humored, mostly because if you are addressing a college audience, you are talking to a group 95 percent of which has experimented with pot. College students recognize that to experiment with pot is extremely safe, and you don't have to go out into the ocean to do it with impunity.

I say extremely safe with sharp reservations, having read the figures for the arrests during 1973, and the projected arrests for this year. These come to 400,000 and a half-million respectively. The figures are appalling, and I pass them along only because there is no reason to distrust the author of them. But what they seem to suggest is that although the typical campus is nowadays never, ever raided, still there are busts, hundreds of thousands of them, and a continuation of those preposterous penalties which are indefensible.

It is widely noticed that the Senate Internal Security Subcommittee has been transcribing a lot of anti-pot material offered by various doctors and scientists. It has not been widely noticed that the head of that committee, the draconian Senator James Eastland, has himself come out against any penalties for the users of marijuana (as distinguished from purveyors of it).

But somewhere along the line, the American public decided not to legalize pot. This conclusion it reached, in my opinion, on the grounds that any different conclusion would appear to be a capitulation to the counterculture.

But at the same time, American parents reached the conclusion, or such is my reading of it, that they did not desire their 18-year-old boys and girls to be sent to jail for smoking pot which said parents had every reason to suppose they were experimenting with at school.

If the awful figures are correct—a half-million arrests—there has been a breakdown in communication between the public and the police.

The old adage is that the best way to get a bad law repealed is to enforce it. Perhaps this is what the police are trying to effect: the repeal of the law by the enforcement of it. In which event it is paradoxical that the police do not interfere with the colleges. Or is the problem that there aren't enough police to arrest the guilty students?

Little by little, the distinctions emerge. Richard Cowan, a young journalist from Texas, makes them most neatly, in my judgment. They are: Pot is harmful; but people shouldn't go to jail for smoking it. The difficulty is in trying to take the two positions simultaneously. The art of communication seems to break down. It is instantly supposed that if you desire decriminalization, you are saying there is nothing wrong in smoking pot. Or that if you disapprove of pot, you must be in favor of illegalizing it.

But there is a book in prospect on the subject, being written by the aforesaid Mr. Cowan, and it will be a blessing. In his case, frustration has been the mother of invention: he cannot communicate these simple disjunctions, so he is writing a book.

Meanwhile, the apparent indifference of parents to other parents' children being sent to jail for smoking pot, speaks poorly of our sense of community.

Ann Landers: Reefer

Dear Ann Landers: I figured that all those loony letters would get to you sooner or later, but I didn't expect it to happen so soon. I honestly believe you've gone off your rocker.

I just read where you and some other oddballs have signed sort of endorsement for marijuana. Now you say it is "normal" for kids to use it and all the scare stories about marijuana are nonsense and actually turning kids to harder stuff because they don't believe any of the propaganda about drugs.

I always thought you had good common sense, and I was pleased you were against pot because it helped me make a case with my own children. They have faith in what you say and will take it from you, but not from me.

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Now, what am I to tell them when they catch up with your latest? Please explain. I am—Dumbfounded.

Dear Founded—or perhaps I should say Dear Dumb:

Talk about getting facts twisted, you win the cutglass fly swatter. My position on marijuana is unchanged. I haven't budged an inch. I still believe that marijuana is not harmless. I continue to be opposed to any mind-altering drug—including alcohol, especially for teen-agers.

I did sign a statement declaring that I am in favor of the decriminalization of marijuana. This does not mean that I want to see it legalized. I do not. But I do want to see the laws in regard to possession changed.

The name of the organization whose statement I endorsed is "NORML." It is The National Organization for the Reform of Marijuana Laws. The state volunteer coordinator is Paul H. Kuhn Jr., a highly respected gentleman

The other "oddballs" (your term, not mine) who have endorsed the decriminalization statement are John Finlator, William F. Buckley Jr., James J. Kilpatrick, Sens. Barry Goldwater, Jacob Javits, Harold Hughes, Charles Percy and Adlai Stevenson II, and Joel Fort, M.D.

You write better than you read—and your apologies are accepted.

THOUGHTS ON MARIJUANA

(By James J. Kilpatrick)

Proposals for the "decriminalization" of marijuana once again are being heard. The proposals make sense—much sense that they ought to be seen as a first step toward reconsideration of public policy on the whole field of victimless crime.

Granted, "criminalize" and "decriminalize" are verbs that make a man wince, and "decriminalization" is a noun that would have driven H. L. Mencken up the wall. Yet the words are useful, all the same, in defining an area of the law in which an act is illegal but not criminal. Overparking is a familiar example. If I recall my dog Latin correctly, such an offense once was known as "malum prohibitum" as distinguished from "malum in se."

Over the past 40 years, most states have treated even the mere possession and use of marijuana as crimes—as felonies or grave misdemeanors, punishable by both fine and imprisonment. Here and there, as reason has replaced emotions, attitudes have moderated. Oregon now treats simple possession as a "violation," usually punished by a $25 fine.

Dr. Robert L. DuPont, chief White House spokesman on drug abuse, last month recommended that possession of marijuana (as distinguished from sale) be decriminalized at the federal level. His predecessor, Dr. Jerome H. Jaffe, concurred. Here in Washington, U.S. Atty. Earl J. Silbert announced that his office no longer would prosecute cases in which the evidence indicated possession of five or fewer cigarettes. Chief Judge Harold H. Greene backed him up. (Silbert later backed down.) On Capitol Hill, Rep. Edward Koch, D-N.Y., said he would reintroduce a decriminalization bill next month. In Miami, Atty. Gen. William Saxbe said he would welcome a change in the law.

For the most part, the recommendations draw support from liberals. Such conservatives as James Eastland, chairman of Senate Judiciary, remain stoutly opposed. Yet carefully examined, the idea of decriminalizing marijuana precisely accords with conservative thinking.

Conservative doctrine holds that to the greatest degree possible, consistent with a demonstrably overriding public interest, the individual citizen should be both free and responsible—free to do what he pleases, responsible for the harm he himself may suffer. Unless it can be demonstrated convincingly that marijuana constitutes a health hazard to society, conservatives cannot consistently support the criminal sanctions that now apply.

No such evidence has been brought forward. Even as to individual harm, medical testimony is in conflict. The notion that most or all pot smokers proceed from marijuana to heroin has been exploded. As a hazard to public health, marijuana plainly does not qualify.

There is a second, pragmatic reason for abolishing criminal prosecution of marijuana users. It is a foolish and wasteful use of the time of both policemen and judges to continue the spasmodic and capricious enforcement of the marijuana law.

Half a million such arrests will be made this year. The cases divert police from such truly serious crimes as burglary and robbery, and they clog the courts with defendants—mostly young defendants—not guilty of any true offense against society.

To be sure, only 2 or 3 percent actually wind up in jail, but all of them suffer the strain of a criminal arrest on their records.

The same consideration ought to be applied to many other "crimes." Distasteful as the process may be, conservatives should re-examine their hostility to repeal of laws that make it criminal for adults to engage in homosexual relationships.

Why is simple drunkenness a "crime"? Why are those who gamble still lawfully subject to arrest and imprisonment?

We need to think on these things. The decriminalization of marijuana offers a fine place to start.

POT: LONG SMOLDERING ISSUE MAY END IN DECRIMINALIZATION

(By William Hines)

WASHINGTON.—For the first time since ex-Commissioner of Narcotics Harry J. Anslinger trumped up a marijuana crisis in 1935, a real possibility exists that jail terms for pot users will be eliminated from Federal law. It could happen before another year has passed.

In turn, it is widely believed that if Congress acts to decriminalize marijuana, the 49 states that still hold the threat of jail over users (as opposed to peddlers) of the drug will soon fall in line.

Oregon has pointed the way in a law that went into effect last fall. Under its statute, possession of less than an ounce of pot—a misdemeanor in the Federal code and in all other states—is redefined as a "violation" to be dealt with through tickets and fines.

Already preliminary skirmishes are taking place on Capitol Hill, foreshadowing a serious legislative battle in the next Congress, whose coloration will be substantially more liberal.

Last week, a Senate alcoholism and narcotics subcommittee headed by Sen. Harold E. Hughes (D-Iowa) held two days of hearing aimed at showing that present punitive policies directed at minor pot offenders were doing the nation more harm than good and developing a generation not of "semi-zombies" but of cynics and scofflaws.

Hughes, who has heard and heeded a religious evangelical call, will not be in the Senate next year, but Jacob K. Javits (R-N.Y.), re-elected this month, will. And Javits has sworn an all-out effort to decriminalize pot.

As Javits and others of like mind see it, decriminalization is the way off the horns of a dilemma that bothers those in this country (probably a majority) who do not want to sanction the smoking of grass, but who, at the same time, dislike the idea of young lives being ruined by a criminal record imposed for an impulsive, and ultimately trivial offense.

Decriminalization in the Oregon manner recognizes that public acceptance of marijuana as a major recreational drug has passed the point of no return.

When Anslinger created his pot scare in 1935, he estimated (probably over-estimated) that 50,000 persons in the United States were smoking the devil weed. The best estimate now is that 13 million Americans—260 times as many—smoke it occasionally, and that about 2,500,000 smoke "regularly" (say twice a week or more). And 26 million are estimated to have "tried" marijuana at least once.

These numbers probably represent a greater proportion of the population than was guzzling illicit hootch while the writ of Andrew J. Volstead was running (1919–1933) during the "noble experiment" of Prohibition. Sociologists and law enforcement officers are virtually unanimous in agreeing that when an illegal activity achieves this wide an acceptance, there is no stamping it out.

So what to do?

The alternative, in the case of the Volstead Act and the 18th Amendment, was repeal with subsequent legalization of beverage alcohol under state and local controls.

As long as the two sides had to fight about the hazards of marijuana, they never could reach a definitive conclusion.

That has changed recently, but such results as have been reported are either inconclusive, controversial or both. The latest Health, Education and Welfare Dept. report on "marihuana and health" (the government persists in spelling marijuana with an "h") was delayed for several months to obtain and include some new experimental data, but much of these results left a lot to be desired scientifically.

As far as the relative hazards of the three most widely used recreational drugs—alcohol (95 million users), tobacco (55 million) and marijuana—are concerned, Federal mortality statistics on the first two are revealing.

The National Clearinghouse on Smoking and Health identifies 92,000 deaths a year attributable to cigarettes. The Clearinghouse on Alcoholism has statistics that suggest something in the order of 20,000 deaths a year from alcohol abuse (not including vehicular and other forms of homicide perpetrated by drunks.)

By contrast, Sen. Hughes in sharp questioning of Dr. Robert L. DuPont, head of the special Action Office for Drug Abuse Prevention, drew from the psychiatrist-bureaucrat the admission that he knows of not one death directly attributable to marijuana abuse. It is on these statistics that the pro-reform element will test its case about relative health hazards.

But this is not the real ace-in-the-hole of Javits. Rep. Edward Koch (D-N.H.) and others who will be sponsoring decriminalization legislation in the next Congress. They offer two intriguing arguments—one philosophic, the other pragmatic. The philosophic argument is directed at conservatives, the pragmatic at every person preoccupied with crime, taxes and inflation.

To the true conservative (and such conservatives as William F. Buckley and James J. Kilpatrick are on written record to this effect), there is no justification for the law stepping in to save the fool from his own folly. It is bad public policy to punish crimes without victims.

This goes hand-in-hand with the pragmatic argument that a great deal of law-enforcement effort is being frittered away in combating the ubiquitous, victimless crime of marijuana use.

ANOTHER COLUMN NOT ABOUT MARIJUANA

FORT WORTH.—When a writer fails to get his point across he would naturally like to blame the obtuseness of his readers, but that doesn't do anyone any good. From time to time, perhaps too often, I attempt to con-

vey my views on the subject of marijuana, and I can't say that I feel exactly triumphant.

Actually, I do not write so much about the weed itself as about the controversy surrounding it. There are several reasons for this approach. First, it is difficult and really pointless to try to critique a research report in a seven hundred word column for general readers. Secondly, I hope that younger readers who know what a mess the government has made of the "drug problem" will be consequently less anxious for the government to "solve" other problems, if this question is handled in a general way. (Of course, I run the risk of turning off conservatives who will simply put me down as a pot-head.) Finally, I don't go into specifics, because the arguments for decriminalization of possession (cr legalization of sale) do not rest at all on the "alleged harmlessness" of pot. Not at all, but simply on the harm done by the laws.

Recently, however, we have been inundated by a new wave of anti-pot propaganda which is the grand finale of two years of hearings by the Senate Internal Security Subcommittee, headed by Sen. James O. Eastland, D-Miss.

There are several points about these hearings that are interesting. First, Senator Eastland seems to have endorsed the decriminalization of possession of small quantities. Thus, supposedly his objective is not to support the jailing of your kids, but to warn America about the dangers of marijuana. There is an interesting twist here. While many conservatives and even one tired old liberal (on whom I will pounce in a moment) have seen fit to report the "findings" of the hearings, few have mentioned the seemingly newsworthy endorsement of decriminalization by the senator.

What makes this even stranger is that invariably the columns assert that the "harmlessness of pot" has been argued by those favoring decriminalization, and even that the burden of the argument for decriminalization somehow rests on the "alleged harmlessness." Well, the National Organization for the Reform of Marijuana Laws (the only pot lobby in Washington), the Shafer Commission, William Buckley, and James Jackson Kilpatrick, and yours truly, have never said that pot is harmless. Maybe someone's favorite hippy says so, but that would hardly be representative of the "national debate," if there is such a debate. It is just the old "strawman" technique, of misrepresenting the opposition, subversive of the truth, i.e. a lie.

Secondly, following the press releases of the Subcommitte, writers frequently start with some statement to the effect that "pot isn't harmless, after all, like everyone thought." Not just pot-heads like Kilpatrick, but the general population of America has thought for forty years that pot is harmless. Sure. This is a "news" lead in for a column. "Contrary to popular misconception" keeps propaganda from looking like propaganda.

Well, if you can find me a person who, one, thinks that pot is harmless and, two, thinks that Senator Eastland is an authority on the subject, I'll roll him in your newspaper and smoke him. The point is that the only people who will be influenced by this propaganda will be those seeking to justify the laws.

Senator Eastland has been attacked for his efforts, but he has in fact been more honest than those who bought his story. The old senator never made any bones about it. He candidly admits that these hearings have been open only to known anti-marijuana crusaders most of whom had testified before the Shafer Commission. Generally, however, the results of the hearing have been presented as "new research" when in fact much was old and no actual research was done by the Sub-Committee.

I have been disappointed, of course, that a number of conservative columnists have fallen for the "new evidence" bit, but the really incredible all-time sucker has to be John P. Roche, former head of the super-liberal Americans for Democratic Action. Professor Roche was turned off by the New Left, which turned on, so in the Oct. 5 issue of TV Guide he salutes NBC news for overcoming liberal inhibitions about believing Eastland, just this once, of course. For some reason Roche finds all this "authoritative" (such interesting epistemology), but that's okay. What really got me, though, was that he says that, "Except in rare cases, the police simply ignored pot parties." After one million arrests, the former head of the ADA can say that?

Another half million Americans will be arrested this year, and if you think that this column is pro-pot, or even about pot, I have struck out again.

A CHANGE IN POLICY ON POT?

(By William J. Lanouette)

More than two million Americans will smoke some marijuana today. Maybe 2,000 of them will be arrested.

For some very different reasons, those statistics are beginning to disturb a growing number of people and their elected representatives here. And if this concern spreads, as now appears likely, it could produce a fundamental shift in the nation's policy toward pot.

Attitudes are quite dissimilar. Some people are annoyed because they think that all pot smokers should be arrested. Some think no pot smokers should be arrested. Some think that pot smoking is wrong—for medical or moral reasons—but also that laws applied so selectively are unfair. And some think that regardless of the arguments for or against pot smoking, the police should be battling more serious crimes.

SEPARATE CONCERNS

These varied concerns were focused here recently by a series of loosely related events that together renewed debate about the public and political response to pot. From this debate emerges one fundamental shift in attitudes: a tendency to separate concern about the possible medical harm of pot from the legal harm caused by enforcing the present laws.

Marijuana is still a long way from being "legalized," that is, sold commercially as a legitimate product. Yet the chances that the possession and use of small amounts will be decriminalized"—publicly discouraged but not punished by jail terms—may be only months away. And oddly enough, the move to decriminalize pot could be boosted by a widespread concern for "law and order."

The shift in public attitudes began at the top. Although former President Nixon wouldn't even read the 1971 commission report recommending decriminalization, President Ford and the First Family have taken a different approach. "I'm sure the children have tried it," Betty Ford said in September. "I think children try everything, don't they?"

"THE KEY QUESTION"

Columnists, including William F. Buckley, Jr., Ann Landers, and James J. Kilpatrick have supported decriminalizing pot. Attorney General William Saxbe said he would not lobby for a change in marijuana laws on Capitol Hill, but "neither will I block any efforts to make the changes."

Last week the Ford Administration's chief drug-policy spokesman edged close to advocating decriminalization without explicitly saying so. Dr. Robert L. DuPont, director of both the White House Special Action Office for Drug Abuse Prevention and of the National Institute on Drug Abuse, said: "The key question today is whether the benefits of deterrence are available at a lower cost than the current criminal sanction. I think that they are."

THE COST OF JAIL

With this shift in attitudes, New York Democratic Rep. Edward Koch is trying to muster support for his pot-decriminalization bill. "While many thousands are being arrested for possessing marijuana, many millions are not," Koch said in an interview last week. "I think that both Constitutional liberals and Constitutional conservatives will want to rally around this issue—because of the unfairness of it. By an estimate I've seen it would cost $79 billion a year to put every pot smoker in jail. And even assuming pot's as vile as its worst critics say, so do you correct that by putting everybody in jail?"

Sen. Harold Hughes, Iowa Democrat, is now posing two questions to witnesses before his subcommittee on alcoholism and narcotics, which is examining current pot policies. "Is the health hazard so great as to endanger society or is it so minimal that government should refrain from interfering with the individual user? Do the criminal laws impose on the individual and on society a burden which is so great and so unfair that they are far more damaging than the use of marijuana itself could be?

"Even if we find that marijuana does present serious health hazards," Hughes says, "are we justified in using the criminal law to solve a health problem when we do not use it in any similar way to solve the very well-known problems created by the use of such substances as alcohol and nicotine?"

THE OREGON APPROACH

Committee witnesses, including narcotics agents from New Jersey, urged a reassessment of national marijuana laws. Most favored an approach begun last October in Oregon, whose possession of 10 ounces or less is a "violation," like a traffic ticket, punishable by a maximum fine of $100.

Also last week, Dr. DuPont presented to Congress his agency's fourth annual "Marijuana and Health" report. It was due in March but delayed, he said, "to include new findings from several important studies in order that the report would accurately reflect the present state of our full scientific knowledge." He conceded, however, that "there are more unanswered than answered questions. But these recent findings give reason for concern in several areas."

SEX AND DRIVING

Among those he highlighted were: depressed levels of the male sex hormone testosterone in heavy users of marijuana, possible interference with the body's immunity responses, and adverse effects on driving skills while high on marijuana. Yet, he warned, "we do not know today that *cannabis* [marijuana] use definitely is more dangerous in all respects than we previously thought. Much of the research reported is very preliminary, involving testing in animals, not man. Some of it is contradictory."

NEW FEDERAL REPORT OUTLINES MEDICAL APPLICATIONS OF POT

(By Susan Fogg)

Almost lost amid reports on the ill effects of marijuana on human health were findings that the drug shows some promise as a medical application to a variety of physical and emotional ailments.

The bulk of the official federal report on "Marihuana and Health" (the government continues to favor the "h" spelling) released last week was devoted to detailing the latest research on the dangers of pot smoking.

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But the report also outlined some of the therapeutic applications of marijuana that researchers have been testing. These findings are tentative, and have little or no application to recreational use of the drug.

Perhaps the most striking study was conducted with 34 cancer patients at the Medical College of Virginia, where patients receiving marijuana showed a number of benefits.

Marijuana apparently served as an appetite stimulant which helped check weight loss. The drug also helped suppress nausea, and worked as a pain killer.

Marijuana also served as a mood elevator and tranquilizer, but without giving the cancer patients the "high" experience by street users.

The researchers attributed this lack of a high both to the hospital setting and to the fact that the patients did not know what drug they were taking.

Other tests on lab animals indicated that marijuana may have some potential as an adjunct to anesthesia during surgical procedures. Initial studies show, according to the federal report, that use of marijuana as a sedative may reduce the amount of anesthesia needed.

Other research into the usefulness of marijuana as a sedative in treating disorders like insomnia and emotional depression has shown mixed results, but the federal report said further investigation was warranted.

In one study five retarded children with grand mal epilepsy were treated with a synthetic drug based on the active ingredient in marijuana, with results as good or better than conventional medications.

However, animal studies indicate that the anti-convulsive properties of marijuana may be limited by an apparent increase in tolerance for the drug, so that doses must be increased for it to continue to work.

Traditionally, marijuana was used in Western medicine as a treatment for convulsions, chronic pain, opiate and alcohol addiction, and asthma.

Over the past two years, researchers have again been looking at marijuana in the treatment of asthma, on the basis that in normal users, smoking marijuana dilates the major airways into the lungs.

However, scientists are concerned with other findings that smoking can cause respiratory damage. Nonetheless, the report concluded that "further investigation is desirable."

Other studies reported in "Marihuana and Health" indicate that the drug can impair driving ability, temporarily lower male sex hormone level and possibly bring about changes in cell structure that could lead to lowered body resistance to infection or genetic damage.

These hormonal and cellular effects of marijuana—still unconfirmed—could have especially serious effects on either the young adolescent or on the old, the federal report said.

SURVEY OF MARIJUANA USE—STATE OF OREGON

A majority (58 percent) of the State of Oregon residents favor the elimination of criminal penalties for the possession of small amounts of marijuana. Three out of every 10 Oregon adults approve of their state law that makes simple possession of marijuana a civil "offense"—akin to a parking ticket—carrying a fine but no jail term or criminal record. An additional 26 percent favor changes making sale and/or possession of small amounts of marijuana legal.

Oregon is the first state to abolish criminal penalties for possession of one ounce of marijuana or less and to replace them with a maximum civil fine of $100. The independent Drug Abuse Council commissioned a survey in October 1974—the first anniversary of the new legislation—to assess what changes have occurred in marijuana usage during that year and to find out what impressions Oregonians have of their new law.

The Oregon survey consisted of 802 personal interviews with adults 18 years or over, representing a balanced sample of the state's population. As might be expected, young adults—ages 18 through 29—took a more liberal view on the four legal choices regarding sale and/or possession of small amounts of marijuana. The division is sharp between those who either have or currently use marijuana and those who have never used marijuana.

ATTITUDE TOWARD MARIJUANA LAW

[In percent]

	Civil penalties, as is	Possession of small amounts legal	Sale and possession of small amounts legal	Stiffer penalties
Total adults	32	15	11	39
By age:				
18 to 29	36	26	17	19
30 to 44	38	13	8	40
45 to 59	25	13	7	51
60 and over	27	5	9	53
By usage:				
Have used	26	37	29	7
Currently use	14	53	33	0
Never used	33	11	6	46

Two out of every ten Oregon adults have at least tried marijuana, with one out of every ten reporting that they currently use marijuana. Again, a sharp difference in marijuana usage is observed between younger adults and older adults.

MARIJUANA USAGE

Total adults: Have ever used, 19 percent; never used, 81 percent.

By age: 18–29 have ever used, 46 percent; never used, 54 percent; 30–44 have ever used, 15 percent; never used, 85 percent; 45–59 have ever used, 4 percent; never used, 96 percent; 60 and over have ever used, 2 percent; never used, 98 percent.

It appears that the number of individuals using marijuana has not significantly increased in Oregon during the year since it has removed criminal penalties for simple possession of one ounce or less. Nineteen percent of Oregon adults report that they have used marijuana at least once; 9 percent of total adults say that they currently used marijuana. Of those currently using marijuana, only 6 percent report that they have used it for less than one year, 91 percent for more than one year. All of the less-than-one-year users are between 19 and 29 years of age.

Of those individuals currently using marijuana, a large number report a decrease in usage during the last year, while only a small number report an increase.

CHANGE IN MARIJUANA USAGE

Current users:	*Percent*
Decreased usage	40
Increased usage	5
No change	52

Lack of interest and possible health dangers are the most important reasons chosen for not using marijuana by those who have either never used it or those who have stopped using it. The possibility of legal prosecution and the lack of marijuana availability rank low as reasons for not currently using marijuana.

REASON FOR NOT CURRENTLY USING MARIJUANA

Current non-users	*Percent*
No interest	53
Health danger	23
Possibility of legal prosecution	4
Not available	2
Other reasons	9
Undecided	9

The federal National Commission on Marijuana and Drug Abuse, after an exhaustive two-year study, estimated in 1972 that 26 million Americans had tried marijuana, with 8 million of these using it regularly. The Commission recommended that possession of marijuana for personal use no longer be a criminal offense and that casual distribution of small amounts of marijuana not involving profit no longer be an offense. Oregon is the only state to adopt, in part, this recommendation, although many other states are presently considering it.

"It is disturbing to note the dramatic increase in arrests for simple possession of marijuana," according to Thomas E. Bryant, M.D., President of the Drug Abuse Council. "In 1973 alone, state arrests are reported by the FBI to be in excess of 400,000.

"It seems clear that marijuana has been established as the recreational drug of choice by many Americans, youth as well as adults, and that its prohibition has had little effect upon its availability and use. Other states should take a careful look at what has happened in Oregon since it has removed its criminal penalties for small amounts of marijuana and consider moving in the same direction."

The Oregon survey was conducted by Bardsley and Haslacher, Inc., of Portland, Oregon, a marketing research firm, and consisted of several questions asked as part of a longer, regularly scheduled survey of public opinion on a variety of issues.

The Drug Abuse Council, located in Washington, D.C., was established in 1972 by a consortium of private foundations to serve as an independent source of information, policy evaluation and research funding in the field of drug use and misuse.

For further information contact: Robert Carr, Carl Akins, Drug Abuse Council, (202) 785–5200.

[From the New York Times, Jan. 29, 1975]

CAREY CONSIDERS DROPPING HARSH MARIJUANA PENALTY

(By Alfonso A. Narvaez)

ALBANY.—Jan. 28.—Governor Carey said today that he was considereing the removal of criminal penalties for possession of small amounts of marijuana and replacing them "with a system of fines or mandatory attendance at health clinics" for treatment.

He said that two panels he had appointed—one on health and the other on law enforcement—were studying the entire question of drug abuse with an eye toward a major revamping of the state's stringent narcotic laws, which went into effect in 1973.

The Governor's proposal for an easing of the marijuana statutes, which he first broached during the gubernatorial campaign, came as two Democratic legislators proposed complete legalization of its use by people over 18 years of age. They also called for state control of the raising and sale of marijuana similar to state controls over alcohol.

The two, Senator Franz S. Leichter, of Manhattan, and Assemblyman Alan G. Hevesi of Queens, said at a news conference that they would reintroduce a bill to create a state marijuana control authority to license and regulate growers, producers, manufacturers and distributors of marijuana.

The proposed authority would enforce regulations setting the strength of marijuana, which could be sold at licensed liquor stores, and the state would impose a tax on the product.

The Governor made his comments during a walk to the Camelot Restaurant, for a luncheon speech to members of the Maritime Port Council of Greater New York and Vicinity.

He said that present indications were that judges were dismissing cases involving the use of marijuana because of the severity of the penalties and that the police were not

arresting people who had minor amounts of marijuana in their possession.

The Governor quickly added that his proposal for the decriminalization of the possession of small amounts of the drug "does not mean legalization."

Mr. Carey reiterated the theme of what he had said during the campaign, that the state's drug laws had to be revamped "because the law doesn't seem to be working" and because "it is not being enforced."

He said that "any law on the books that is not being enforced becomes a mockery" and that he favored the imposition of "appropriate" penalties for drug abusers, but that he was more inclined toward treatment programs rather than long-term incarceration.

STUDY BEING PREPARED

Governor Carey forecast that the health panel would come up with a program that "would lead youngsters and depressed adults away from the use of drugs." He added that the panel was preparing a comprehensive study of the effects of the use of marijuana, hard drugs and alcohol so as to provide a basis for drawing up the new drug proposals.

The Governor's proposals, when they are offered, are expected to receive a warm reception in the Democratic-controlled Assembly but continued resistance in the Republican-controlled Senate.

Warren M. Anderson, Republican of Binghamton, the majority leader of the Senate, has expressed reservation about changing the present drug laws, saying that such action would be premature. He also said that easing penalties for marijuana might lead people on to experiment with harder drugs, adding that he would have to see exactly what Governor Carey's proposals were before commenting further.

[From Tuesday, Jan. 28, 1975]

CAREY MOVES TO EASE DRUG LAW

(By Josh Friedman)

ALBANY.—The Carey Administration is seeking a major overhaul of the tough drug laws put into effect in 1973 at the insistence of Gov. Rockefeller, The Post has learned.

The Carey plans would include reducing the penalty for possession of marijuana from imprisonment to a fine.

"The judges aren't sentencing people for marijuana possession anymore because of the severity of the law. We want some form of penalties that would work, such as fines," Carey explained in a recent interview.

Since his election, Carey has been working closely with his personal physician and adviser, Dr. Kevin Cahill, to devise a replacement for the current law—which he promised to do during his campaign.

The Administration intends to have the state Dept. of Mental Hygiene prepare a comprehensive study on the effects of marijuana, hard drugs and alcohol as a basis for drawing up its new drug law proposals.

Such proposals, leaning away from punishment and toward medical treatment, are expected to get Democratic support in the Legislature. Their fate among Republicans is uncertain.

In an interview last night, Senate majority leader Warren Anderson, whose support would be crucial, said a change in the current law would be premature.

Anderson also expressed doubt about creating milder penalties for marijuana possession.

"I still think marijuana might open the door to hard drug use, but would have to see more medical evidence. I would want to see what the Governor is proposing before I say anything," Anderson said.

Assembly minority leader Perry Duryea, denying he was making a pun, said he could not comment on changing the law "until the medical people give us some more dope on the problem."

If New York changes its treatment of marijuana possession, it would be joining a trend in several other states.

The California Legislature is expected to vote within weeks on a law to set a $100 fine for possession of up to two ounces. The bill has the support of Gov. Brown.

Oregon already has such a law. The Vermont, Minnesota and Massachusetts legislatures are considering them. In Nebraska, the penalty for possession of up to one pound of marijuana is seven days in jail.

There is widespread agreement the current drug law does not work.

Because the law does not allow prosecutors to offer reduced sentences for possession of very small amounts of hard drugs, virtually every person arrested has demanded a trial, and the courts are swamped with their cases.

According to Special Narcotics Prosecutor Frank Roger, who enforces the law in New York City, 1297 accused narcotics users or sellers are out on bail in Manhattan alone, a number growing by as much as 200 each month.

"They're out on the streets, so this does not attack the drug problem," Rogers said.

He said the legislature would either have to reduce the harshness of the law or add 30 more judges in the city—at an estimated annual cost of $18 million.

More than 7000 persons were arrested for marijuana use or sale in the city last year. Almost all of those accused were released without jail sentences. Upstate, penalties for marijuana possession are more strictly applied, with some users now serving jail sentences of up to 15 years.

Meanwhile, State Sen. Franz Leichter (D-Man.) is introducing a bill today that would completely decriminalize marijuana possession and set up a regulation system for legalized marijuana sales similar to that governing the sale of alcohol.

Leichter first proposed the law four years ago, when he was hissed on the Assembly floor as he explained it.

"I can't believe my bill will pass this year. I can't believe the legislature is so enlightened," Leichter said, even though, he comments, those who hissed him now favor some lesser form of penalty.

The only other proposal for a change in marijuana penalties is being drawn up by the National Organization for the Reform of Marijuana Laws (NORML). The measure is expected to be sponsored by Assemblyman Richard Gottfried (D-Man.).

The NORML proposal would eliminate penalties for possession of up to four ounces of marijuana, but would not allow use of the drug in public.

Sale of marijuana would be a misdemeanor, carrying a sentence of up to one year in jail. Sale to a minor under 16 would be an E felony, with a sentence of up to four years.

Mr. JAVITS. I ask unanimous consent that a statement by Senator BROOKE in respect of the matter may be part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT OF SENATOR BROOKE

Today I have joined Senator Javits as a co-sponsor of the legislation to remove the cruel and unrealistic penalties existing law sets for private possession of marihuana. Irreparable damage is done to the half million people who are arrested on marihuana charges annually. The vast majority of these are very young, and they will have to bear serious criminal records and perhaps even the pain of serving time. Their lives and their futures will thus be devastated. Simple private use of marihuana, which long study has shown is not addictive and does not cause hard drug use, cannot justifiably be punished so severely.

This legislation does not legalize marihuana use. There is still a $100 fine imposed on persons carrying the drug. Furthermore, the sale and distribution of marihuana remain serious felonies punishable by the full weight of the law.

A comparable law has been in effect in the state of Oregon for a year and a half. Careful study by the Drug Abuse Council has shown that the law has the intended effect. Law enforcement agencies are free to pursue more serious drug offenses. There has been no increase in the number of users of marihuana, nor any increase in the amount of the drug used by the people who are already using it. Other state legislatures are currently considering such sane and humane reforms in their drug laws, and I hope many will adopt similar statutes. The time has come for the Federal laws to change.

This is not an easy position for me to take. Many persons will misinterpret the legislation and believe it legitimizes the use of marihuana, although it does not. I am personally deeply repelled by the idea of using any drug. I wish Americans would give all these up together with smoking of any kind. I firmly believe the medical evidence shows marihuana may have harmful long term effects and that it therefore must be controlled like other hazardous substances. My position is that it just does not belong in a legal category with heroin, opium or cocaine, the "hard" or addictive drugs. I do, however, feel that this bill will not lead to any increase in marihuana use and that it provides the first realistic move to control that drug.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. JAVITS. Mr. President, I also ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1450

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the Marihuana Control Act of 1975.

That the Controlled Substances Act is amended by inserting immediately after section 404 thereof the following new section:

"SEC. 404A. (a) Notwithstanding the provisions of section 308, 401(a)(1), 404, or any other provision of this title or any other Federal law, any person who

"(1) possess not more than one ounce of marihuana within a private dwelling or other residence for his own use, or for the use of others, within any such residence or dwelling, if such marihuana is not possessed with the intent to distribute, transfer, or sell such marihuana in violation of this title or any other Federal law; or

"(2) possess in a public area, not more than one ounce of marihuana if the possession of such marihuana is incident to a private use wthin the purview of subparagraph (1) of this paragraph, and is not with the intent to distribute, transfer, or sell such marihuana for profit in violation of tnis title or any other Federal law; or

"(3) distributes or transfers, in public or private, any marihuana lawfully possessed, to any person for a private use within the purview of subparagraph (1) of the first paragraph of this subsection, if such distribution or transfer, is not made for profit—Shall be guilty of an offense, for which such person shall be subject to a civil fine of not more than $100. Such acts shall not constitute crimes against the United States and such person shall not be subject to arrest or suffer any disadvantage or disability except that specified in this section.

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"(b) nothing in this section shall be construed as requiring the Attorney General to initiate proceedings involving violations of this section whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

"(c) In the prosecution of any person charged with an offense in violation of any Federal law, the fact that such person was suffering from marihuana intoxication at the time of the commission of that offense shall not be a defense to that charge or any element thereof, unless such intoxication was not self-induced.

By Mr. HUMPHREY (for himself and Mr. Mondale):

S. 1452. A bill to provide for the construction of a Veterans' Administration hospital in the city of Minneapolis, Minn. Referred to the Committee on Veterans' Affairs.

NEW VA HOSPITAL URGENTLY NEEDED IN MINNEAPOLIS

Mr. HUMPHREY. Mr. President, I introduce, for myself and Senator Mondale, a bill that I believe is crucial to the health and welfare of the 548,000 veterans in Minnesota.

Minneapolis, Minn., is in serious need of a new Veterans' Administration hospital. The present hospital is one of the most active in the country. However, the existing buildings are obsolete and inefficiently located. Space is inadequate and the geographic situation is inconvenient.

Between 1970 and 1975, applications for admissions to the present hospital more than doubled; actual admissions increased 36 percent; and hospital outpatient visits increased 57 percent to more than 173,000. These staggering increases have occurred without any significant expansion of facilities.

The inadequacy of the present complex is clearly demonstrated in the chart below, which compares the VA hospital in Minneapolis with a new VA hospital in San Diego, Calif.

All figures refer to 1974:

	Minneapolis	San Diego
Functional net floor space (sq. ft.)	335,467	343,000
Operating beds	862	599
Floor space per bed (sq. ft.)	390	570
Daily average of hospital patients	688	412
Square feet per average daily patient load	487	830
Discharges (6 months)	8,243	6,178
Outpatient visits (6 months)	85,000	78,000

Floor space per bed in Minneapolis is almost one-third lower than at the VA hospital in San Diego, and square footage per average daily patient load is more than 40 percent lower. It is clear that the Minneapolis VA hospital must handle a far greater number of patients with less capacity.

The present facilities, in addition, are sprawled and scattered over a wide area. The outpatient clinic is 2 miles away from the hospital. This results in poor utilization of personnel, costly transportation, and sometimes a bewildering shuffling of patients between the hospital and outpatient clinic. Hospital consolidation alone would result in a great savings in transportation costs, save commuting time of professionals and technicians, and greatly improve services to veterans.

Coordination of current hospital functions also is hampered by the physical separation of the clinic and the engineering and supply functions. Engineering supervision is handicapped and supplies must be double handled.

Hospital Building No. 1 is nearly 50 years old and lacks many modern facilities. It has been remodeled both in whole and in part and it is extremely difficult now to make further changes. Isolated minor installations have only partially alleviated air-conditioning and ventilation problems. Doors and corridors are narrow; stairwells, elevators, and roof construction are all deficient by modern standards.

Other patient buildings are isolated, of 1927 vintage, and are more suitable for psychiatric care or nursing home care than for the average VA patient. The Minneapolis VA hospital has five of the six or seven quonset huts remaining in the VA system.

The most modern hospital building was built in 1953. But its 500-bed capacity was inadequate even before construction was completed. Space for such support services as pharmacy, laboratory, and cardiology was not included. Here, too, ventilation and air-conditioning are not of the highest standard.

Lack of space in the hospital has now reached the critical stage. Bed space per patient does not meet VA standards. The arrangement of wards, especially in the older buildings, is inefficient. Toilet facilities are especially inadequate for aging and infirm patients. The lack of adequate air-conditioning is an obvious discomfort.

The hospital has been fortunate in having been able to institute such programs as nuclear medicine, renal dialysis, and others necessary for the sophisticated care of patients. However, the demands for these services are rapidly increasing and the required additional space cannot be provided. Operating rooms and X-ray suites are small and poorly arranged for the volume and complexity of examinations performed today.

Mr. President, the Veterans' Administration in Washington has noted the need for the replacement of the present hospital at least since 1971. The time has come to give our Minnesota veterans the best medical care that is available. And that requires the construction of a new VA hospital in Minneapolis.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized and directed to construct a replacement Veterans' Administration hospital in the city of Minneapolis, Minnesota. The Administrator shall provide for the acquisition of such equipment, and the employment of such personnel, as may be necessary to provide adequate care and treatment for veterans admitted to such hospital.

Sec. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. JAVITS (for himself, Mr. Kennedy, Mr. Schweiker, Mr. Williams, Mr. Abourezk, Mr. Beall, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Cranston, Mr. Philip A. Hart, Mr. Hartke, Mr. Hathaway, Mr. Inouye, Mr. Humphrey, Mr. Mathias, Mr. McGee, Mr. McGovern, Mr. Pell, Mr. Randolph, Mr. Ribicoff, Mr. Hugh Scott, and Mr. Stafford):

S. 1454. A bill to revise and extend the Public Health Service Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

NATIONAL VENEREAL DISEASE PREVENTION AND CONTROL AMENDMENTS OF 1975

Mr. JAVITS. Mr. President, I introduce the "National Venereal Disease Prevention and Control Amendments of 1975" (S. 1454) to continue the national commitment established in existing law, which is based on a bill I introduced a little more than 3 years ago and which was in substance enacted into law.

The bill I introduce today is cosponsored by Senators Kennedy, Williams, Schweiker, and Senators Abourezk, Beall, Brooke, Case, Clark, Cranston, Philip A. Hart, Hartke, Hathaway, Inouye, Humphrey, Mathias, McGee, McGovern, Pell, Randolph, Ribicoff, Hugh Scott, and Stafford; and is supported by the American Social Health Association, Association of State and Territorial Health Offices; American Public Health Association; the National Association of Counties; and the American Nurses Association.

My bill, which became law, represented a new chapter in the saga of VD prevention and control. I authorized unprecedented support levels both for proven and theorized control activities such as: disease surveillance activities including mass diagnostic screening; case-finding and case followup activities, including contact tracing of infectious cases; interstate epidemiologic referral and followup activities; professional and public VD information and education activities; projects for the conduct of research; demonstrations and training for the prevention and control of venereal disease; and adequate public health programs for VD diagnosis and treatment.

During 1974, the most recent year for which data are available and the second year of authority under this act, several new and interesting phenomena occurred relative to control activities and incidence trends that have been perceived as positive by VD controllers:

More than 8 million women received a culture test for gonorrhea. This represented a 62 percent increase over the level of gonorrhea culturing done during 1973. Of the 8 million plus women screened for gonorrhea, 345,000 were found to be infected. This is highly significant in that virtually all of these 345,-

000 women were individuals in the asymptomatic reservoir of infection, the erosion of which is fundamental to our national control strategy.

Approximately 38 million persons were screened for syphilis during 1974. Of these, more than 1 million had received test results and required followup, and of these 68,000 persons were determined to be infected with syphilis.

The application of the epidemiologic process—case interviewing and contact followup activities—to syphilis and gonorrhea resulted in the following:

First. During 1974 some 164,000 contacts to males infected with gonorrhea were examined, and of these approximately 143,000 persons were treated therapeutically or preventively.

Second. Approximately 50,000 contacts to infectious syphilis were brought to medical examination and of these approximately 7,000 were found infected with, and subsequently treated for undetected syphilitic infections. An additional 22,000 contacts to lesion syphilis received preventative treatment to abort incubating infection.

Data from a study conducted during 1974 indicate that approximately 71 percent of our Nation's secondary schools offered units of VD instruction, in an attempt to arm our Nation's youth with valuable and accurate information with which they can protect themselves from this most dreaded disease condition.

A growing number of concerned and responsible private citizens and civic organizations have involved themselves in the fight against venereal disease. The active input of the voluntary sector is most desirable and valuable in terms of its unique ability to provide leadership, stimulate public awareness, and embrace many of the fundamental issues concerning venereal disease prevention and control.

During 1974, there was an encouraging increase in both basic and operational research. This research holds the immediate promise of more effective diagnostic techniques and control methodologies as well as the longer range potential for the development of syphilis and gonorrhea vaccine.

The meaning of these intensified efforts to bring the epidemic under control is well illustrated by the incidence trends. While the overall incidence of venereal disease continues in epidemic proportions, a number of promising details suggest that we are on the threshold of successful control:

The rate of increase in reported gonorrhea infections during 1974 was about one-third less than it was during 1973 and only about half of what it was during 1972.

While total early syphilis did in fact increase during 1974, primary and secondary syphilis, those stages during which the disease can be communicated, actually decreased for the first time in 7 years.

Despite our progress it is essential that we recognize that venereal disease remains epidemic, knowing no geographic or demographic boundaries.

We must insure that our efforts to control and prevent venereal disease in the United States does not become fragmented and intermittent. History has shown that recurring peaks and valleys of national interest—and apathy—have produced unsatisfactory results in respect of reducing the reservoir of infection, developing vaccines to prevent VD, improving methods for better diagnosis, and stalemating or drying up promising efforts in control and research. We cannot afford to have myths and cliches become the currency of public knowledge on VD.

The seriousness and the magnitude of this problem can be illustrated in the following tragic statistics:

Reported gonorrhea cases increased 8 percent during 1974 over 1973 to an all-time high of 874,161 cases, making gonorrhea the most prevalent reportable disease in America today;

Early syphilis increased by 3½ percent over 1973 to a 23-year high of slightly more than 49,000 cases;

It has been estimated that in excess of 163,000 women suffered complications of gonorrhea. It has been further estimated that these complications required a third of a million patient/days of hospitalization and 29,000 surgical procedures; and

There were 1,334 cases of congenital syphilis reported during 1974, 302 occurring in innocent children under 1 year of age.

It should be noted that all of these statistics represent instances of infection reported to public health authorities. We know for a fact that there is a large under-reporting factor, that is, cases of venereal disease infection that are never brought to the attention of public health authorities. The estimate of this under-reporting factor suggests that it at least equals the level of confirmed incidence.

In essence, with minor amendments to strengthen and improve the act, the bill I introduce today would continue existing law for 5 fiscal years at authorization levels which include a $19,500,000 annual increase.

The critical change in existing law is my bills authorization to extend the scope of venereal disease programs to a variety of other sexually transmitted diseases, which are amenable to control, and are of national public health significance, in addition to syphilis and gonorrhea.

For example, genital herpetic infections are being seen with increasing frequency. While exact incidence figures are unavailable, estimates run into the hundreds of thousands. It should be noted that there currently is no cure for this affliction and the victim once infected is subject to life-long recurrences. This disease can have grave neonatal implications.

If a pregnant woman is actively infected with genital herpes, there is one chance in four that her child will die or be seriously damaged. In addition, there seems to be some association between genital herpes and cervical cancer.

Nongonococcal urethritis is similarly occurring at an alarming rate. Inadequate understanding of the ediologic agents and poor treatment modalities are significant reason for concern. There also exists the grim possibility of the debilitating consequences of advanced infection.

Mr. President, New York State which developed an aggressive multidimensional VD prevention and control program, affords an excellent example of the farreaching effects of activities made possible by progressive venereal disease legislation. In 1974, while reported gonorrhea increased 8 percent nationally, it increased by less than 1 percent in New York State; whereas primary and secondary syphilis decreased 1½ percent nationally during 1974, the State experienced a 13 percent decrease in lesion syphilis morbidity. New York State, including New York City, rely heavily on Federal financial and personnel support and it is necessary, of course, that this support continues.

In fact, New York's program is a prime example of the active partnership role which the Federal Government should maintain in dealing with problems of this nature. These are national problems and we cannot tell State and local governments that they are their problems alone.

The compelling evidence indicates that these abhorrent public health conditions are after many years on the run and we must avoid the grevious error of slackening our support. Quite the contrary, today, more than ever before, we must step up our national effort to rid ourselves of these menacing conditions, once and for all. The amendments to the National Venereal Disease Prevention and Control Act which I introduce today, are designed to do precisely this. Building upon the momentum of the preceding 2 years, unwavering support for increased application of the epidemiologic process, increased screening to uncover the invisible reservoir of venereal disease infection, increased informational activities, increased levels of operational and basic venereal disease research, greater recognition of the value of concerned citizen participation, and improved and expanded clinical care for persons suffering VD infections will have, at long last, the ultimate effect of practically eliminating VD as a major social health problem.

At the same time just as our efforts must be broad in scope, so must our focus be expansive. Whereas our past exclusion of gonorrhea from our national control effort permitted this blight to reach unprecedented epidemic levels, our future efforts must avoid repeating the same mistake relative to a variety of other sexually transmitted diseases—diseases that are increasingly being viewed as significant public health threats.

As previously indicated, it is for this reason that this bill redefines the term "venereal disease" to include such dangerous and poorly understood infections as genital herpes, nongonococcal urethrits and trichomoniasis. The health and welfare of this Nation is of the utmost concern. I look forward to a day when the harsh realities of epidemic VD are ancient history.

I believe this bill will bring that day closer than it has ever been in the past. I urge its prompt consideration.

I ask unanimous consent that the text

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of the bill be printed in the RECORD at the conclusion of my remarks.

Mr. President, next week I will be joining my friend and colleague, Senator KENNEDY, in sponsoring legislation to extend and improve the provisions of law with respect to other communicable disease control programs. Also, we will both individually author our own legislative responses which each seek to achieve significant reductions in health expenditures through the implementation of health prevention and education programs. I feel that the Committee on Labor and Public Welfare, of which I am ranking minority member, should act promptly on my "National Venereal Disease Prevention and Control Amendments of 1975" and all these other measures to fashion the single most effective bill in the best interest of the American people's health care.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Venereal Disease Prevention and Control Amendments of 1975".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the number of reported cases of venereal disease continues in epidemic proportions in the United States;

(2) the number of patients with venereal disease reported to public health authorities is only a fraction of those actually infected;

(3) the incidence of venereal disease is particularly high in the 15-through-29 age group, and in metropolitan areas;

(4) venereal disease accounts for needless deaths and leads to such severe disabilities as sterility, insanity, blindness, and crippling conditions;

(5) the number of cases of congenital syphilis, a preventable disease, in infants under one year of age, tends to parallel the incidence of syphilis in adults;

(6) it is conservatively estimated that the public cost of care for persons suffering the complications of untreated venereal disease exceeds $80,000,000 annually;

(7) medical authorities have no successful vaccine for syphilis or gonorrhea, and have no blood test for the detection of gonorrhea among the large reservoir of asymptomatic females;

(8) school health education programs, public information and awareness campaigns, mass diagnostic screening and case followup activities have all been found to be effective disease intervention methodologies;

(9) knowledgeable health providers and concerned individuals and groups are fundamental to venereal disease prevention and control;

(10) biomedical research leading to the development of vaccines for syphilis and gonorrhea is of singular importance for the eventual eradication of these dreaded diseases; and

(11) a variety of other sexually transmitted diseases, in addition to syphilis and gonorrhea, have become of public health significance.

(b) In order to preserve and protect the health and welfare of all citizens, it is the purpose of this Act to establish a national program for the prevention and control of venereal disease.

SEC. 3. (a) Section 318(a) of the Public Health Service Act (42 U.S.C. 247c) is amended by inserting "and nonprofit private entities" after "authorities".

(b) Section 318(b)(1) of such Act is amended by inserting "which will contribute to national objectives" after "training".

(c) Section 318(b)(2) of such Act is amended by inserting before the period at the end thereof "and $12,000,000 for the fiscal year ending June 30, 1976, and for each of the next four succeeding fiscal years".

(d) Section 318(c)(1) of such Act is amended by inserting "and $30,000,000 for the fiscal year ending June 30, 1976, and each of the next four succeeding fiscal years" after "two fiscal years,".

(e) Section 318(c)(2)(C) of such Act is amended by striking "(including dark-field microscope techniques for the diagnosis of both gonorrhea and syphilis)".

(f) Paragraphs (D), (E), (F), (G), and (H) of section 318(c)(2) of such Act are redesignated as (E), (F), (G), (H), and (I), and the following new paragraph is inserted after paragraph (C) as follows:

"(D) to the extent feasible as determined by criteria developed by the Secretary, the provision of clinical services for the victims of venereal disease which includes diagnosis and care for persons with a wide range of genitourinary diseases and conditions which, because of their symptoms and clinical presentations, are commonly present in persons with actual or suspected venereal disease;".

(g) Section 318(d)(1)(B) of such Act is amended by inserting before the semicolon at the end thereof the following: "and routine testing, including attendant laboratory and followup systems costs thereof".

(h) Section 318(d)(1)(D) of such Act is amended by inserting "targeted" before "professional".

(i) Section 318(d)(1)(E) of such Act is amended by striking "control" and inserting in lieu thereof "prevention and control strategies or activities".

(j) Section 318(d)(2) of such Act is amended by inserting before the period at the end thereof "and $45,000,000 for the fiscal year ending June 30, 1976, and for each of the next four succeeding fiscal years".

(k) Section 318(h) of such Act is amended by striking "treated or to have any child or ward of his".

(l) Section 318 of such Act is amended by adding at the end thereof the following:

"(i) As used in this section, the term 'venereal disease' means syphilis and gonorrhea and any other sexually transmitted disease which the Secretary finds to be of national significance and which, with respect to grants under subsection (d), the Secretary finds to be amenable to control.".

By Mr. MAGNUSON (for himself and Mr. PEARSON (by request)):

S. 1455. A bill to provide for the expansion and improvement of the Nation's airport and airway system, to provide for delegation of certain airport development functions to States and airport sponsors, to permit financing of airway facilities maintenance from the airport and airway trust fund, and for other purposes. Referred to the Committee on Commerce.

AIRPORT AND AIRWAY DEVELOPMENT ACT OF 1975

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to provide for the expansion and improvement of the Nation's airport and airway system, to provide for delegation of certain airport development functions to States and airport sponsors, to permit financing of airway facilities maintenance from the airport and airway trust fund, and for other purposes, and ask unanimous consent that the letter of transmittal, statement of need, and text of the bill be printed in the RECORD.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

In my fiscal year 1976 Budget Message, I stated that my Administration would transmit legislation to restructure existing Federal airport and airway development programs. Following extensive consultations with members of the Congress, State and local governments, aviation groups, and others, I am today sending a comprehensive legislative program to the Congress.

To help insure continued improvement in the safety and efficiency of the Nation's excellent air transportation system, this program will extend for five years the 1970 Airport and Airway Development Act to provide funding authorizations for fiscal years 1976–80.

As an additional step to enable State and local officials to plan and to manage Federal airport assistance effectively, this bill would establish a multi-year, predictable formula to allocate the bulk of the aviation grants funds directly to States and local airport sponsors. This formula approach, coupled with other features of this bill which provide more flexibility in the use of Federal assistance, will enable State and local officials to address *their* highest priority airport needs while reducing burdensome Federal red tape. I am also proposing removal of federal restrictions which currently prevent State and local governments from imposing certain airport taxes.

One of my principal goals is the establishment of strong partnerships among Federal, State and local governments in the execution of national domestic programs. Consistent with this goal, this legislation provides for gradually increasing the responsibility of the States in the general aviation program. With many States using new general aviation facilities to stimulate community development, this is an appropriate step at this time.

The legislation I am proposing today also includes a separate measure to adjust the revenues accruing to the Airport and Airway Trust Fund. These adjustments are designed to generate financial contributions from the users of the aviation system which more equitably match the system benefits they receive. In this connection, I am requesting that user revenues also finance the direct costs of maintaining air navigation facilities.

I commend the Congress for initiating hearings on this important problem and for its prompt attention to the extension of the airport and airway development program. I have asked Secretary Coleman to work closely with the Congress to insure speedy enactment of the aviation program I have proposed to meet the challenges of a growing America.

GERALD R. FORD.

THE WHITE HOUSE, *March 17, 1975.*

S. 1455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Airport and Airway Development Act of 1975".

DECLARATION OF POLICY

SEC. 2. The Congress hereby finds and declares—

That the Nation's airport and airway system needs continued improvement to meet current and projected growth in aviation.

That greater responsibility must be placed on the States and airport owners for improving the nation's civil airports.

That States must assume full responsibility for financing general aviation airport planning and development by September 30, 1978.

That financial assistance from the Federal Government is necessary to provide the required incentive to States and airport owners in this effort.

SPECIAL STUDIES

SEC. 3. (a) The Secretary shall conduct studies respecting:

(1) The feasibility, practicality and cost of performing airports through Federal, State or local government action; and,

(2) The examination of potential locations in the United States for major new airports and the identification of various options for financing land acquisition and development costs.

(b) In conducting these studies the Secretary shall consult with appropriate planning agencies, public agencies and airport users and other persons or groups he deems appropriate. The Secretary shall report the results of the studies to Congress no later than two years after the date of enactment of this Act.

DEFINITIONS

SEC. 4. As used in this Act—

(1) 'Airport" means any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(2) "Air carrier airport" means an airport which receives regular service by a scheduled route air carrier certificated by the Civil Aeronautics Board, or by a carrier under contract to such certificated carrier to provide the airport such service.

(3) "Air carrier departure" means the actual departure from an air carrier airport of an aircraft exceeding 12,500 pounds maximum gross take-off weight operated by a United States or foreign carrier in scheduled or nonscheduled service, in intrastate, interstate, or foreign commerce, except the term does not include the departure of an aircraft of an air carrier operating under exemption granted by the Civil Aeronautics Board from section 401(a) of the Federal Aviation Act of 1958 (49 U.S.C. et seq.).

(4) "Airport development" means (A) work involved in constructing, improving, or repairing a public airport or portion thereof, including the removal, lowering, relocation, marking and lighting of airport hazards, including visual navigation aids located within the airport boundary used by aircraft landing at or taking off from the airport (excluding electronic navigational aids and airport traffic control facilities), and including safety and security equipment, (B) acquisition of land or of any interest therein, or of any easement through or other interest in airspace, for present or future airport uses, including land for environmental compatibility purposes, (C) work involved in preparing and establishing an airport master plan or capital improvement program, and (D) work involved in planning for adequate airport access by ground transportation.

(5) "Airport master planning" means the development for planning purposes of information and guidance to determine the extent, type, and nature of development needed at a specific airport. It includes the preparation of an airport layout plan and feasibility studies, and the conduct of such other studies, surveys, and planning actions as may be necessary to determine short- and long-range aeronautical demands and airport access requirements.

(6) "Airport system planning" means the continuing development for planning and site selection purposes of information and guidance to determine the extent, type, nature, location, and timing of airport development needed in a specific area to establish a viable and balanced system of public airports. It includes identification of the specific aeronautical role of each airport within the system (development of estimates of systemwide development costs, the conduct of such studies, surveys, and other planning actions as may be necessary to determine the short- and long-range aeronautical demands required to be met by a particular system of airports, and such planning actions as may be required to relate the airport system to the overall transportation and development objectives of the State or area.

(7) "Capital improvement program" means a document which includes (A) a layout plan showing the airport boundaries and the location of existing and planned facilities, (B) identification and schedules of planned development at the specific airport, including annual cost estimates and means of financing, and (C) identification of development accomplished or undertaken during the preceding fiscal year, including cost estimates and means of financing.

(8) "General aviation airport" means an airport which does not receive regular service by a scheduled route air carrier certificated by the Civil Aeronautics Board, or by a carrier under contract to such certificated carrier to provide the airport such service.

(9) "Landing area" means that the area used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft.

(10) "Planning agency" means agencies authorized by the Governor or chief executive of a State or States (including the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands) to engage in areawide planning for the geographical areas in which assistance under this part is to be used, including planning for other transportation modes and for comprehensive land use planning.

(11) "Project" means a project for the accomplishment of airport development (except all or that portion of a facility or improvement in the terminal area that is not for the unrestricted use of the public and not directly related to the movement of persons, baggage or cargo through the airport), airport master planning, or airport system planning.

(12) "Public agency" means a State, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands or the District of Columbia, or any agency of any of them; a municipality or other political subdivision; a tax-supported organization; or an Indian tribe or pueblo.

(13) "Public airport" means any airport which is used or to be used for public purposes, the landing area of which is owned and controlled by a public agency or the United States or an agency thereof.

(14) "Registered active general aviation aircraft" means a civil aircraft, not regularly operated under authority of an operating certificate issued by the Secretary, which has been flown one or more hours during the previous calendar year.

(15) "Reliever airport" means a general aviation airport designated by the Secretary as having a primary function to relieve congestion at an air carrier airport.

(16) "Secretary" means the Secretary of Transportation.

(17) "Sponsor" means any public agency which, either individually or jointly with one or more other public agencies, is authorized to undertake system planning or airport development under this Act.

(18) "State" means a State of the United States.

(19) "State or equivalent jurisdiction" means a State, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa or the Trust Territory of the Pacific Islands.

(20) "Terminal area" means that area used or intended to be used for such facilities as terminal and cargo buildings, hangars, shops, and other service buildings; automobile parking, airport motels and restaurants, and garages and automobile service facilities used in connection with the airport; and entrance and service roads, including mass transit development used by the public within the boundaries of the airport.

(21) "United States" means the several States.

REPORT ON AIRPORT PLANNING AND DEVELOPMENT

SEC. 5. (a) Published report—By February 15, 1977, and annually thereafter, the Secretary shall publish a report on the planning and development undertaken by sponsors of air carrier airports. The report shall contain a short term capital improvement program for each air carrier airport enplaning 0.05 percent or more of the total annual passengerss enplaned by air carriers certificated by the Civil Aeronautics Board.

(b) ADDITIONAL REPORTS BY SPONSORS.—To assure orderly and planned development of the National Airport System, the Secretary may request from each sponsor of air carrier and reliever airports such information as he deems appropriate; including but not restricted to, future plans for the acquisition of land and terminal area development, new or expanded airport facilities, and alternatives thereto.

AIRPORT AND AIRWAY DEVELOPMENT PROGRAM

SEC. 6. (a) Airports.—The Secretary is authorized to incur obligations to make grants for projects in aggregate amounts not exceeding $350,000,000 by June 30, 1976, $437,500,000 by September 30, 1976, $787,500,000 by September 30, 1977, $1,137,500,000 by September 30, 1978, $1,437,500,000 by September 30, 1979, and $1,737,500,000 by September 30, 1980. No obligation shall be incurred against this authority after September 30, 1980. The Secretary is authorized to make such funds available in accordance with section 7 of this Act in the following amounts:

(1) For the purpose of accomplishing airport development in the several States and equivalent jurisdictions and the District of Columbia, with respect to air carrier and reliever airports, and for the conduct of airport system planning to serve all classes of civil aviation, $300,000,000 for each of the fiscal years 1976 through 1980;

(2) For the purpose of accomplishing airport development in the several States and equivalent jurisdictions, with respect to general aviation airports, $50,000,000 for each of the fiscal years 1976 through 1978;

(3) For the three-month transition period following fiscal year 1976, 25 percent of the amounts in paragraphs (1) and (2);

There are authorized to be appropriated from the Airport and Airway Trust Fund such sums as may be necessary for the purpose of liquidating obligations incurred hereunder.

(b) Airway Facilities.—For the purpose of acquiring, establishing, and improving air navigation facilities under section 307(b) of the Federal Aviation Act of 1958, there are authorized to be appropriated from the Airport and Airway Trust Fund, to remain available until expended, $250,000,000 for each of the fiscal years 1976 through 1980.

(c) For research and development activities under section 312(c) (as it relates to safety in air navigation) of the Federal Aviation Act of 1958, there are authorized to be appropriated from the Airport and Airway Trust Fund such sums as may be necessary, to remain available until expended. The initial $50,000,000 of any sums appropriated to the Airport and Airway Trust Fund pursuant to section 208(d) of the Airport and Airway Revenue Act of 1970 shall be allocated to such research and development activities.

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(d) Other Expenses—The balance of the monies available in the Airport and Airway Trust Fund may be appropriated for (A) the necessary administrative expenses of the Secretary incident to the administration of programs for which funds are authorized in subsections (a), (b), and (c), (B) the direct costs and administrative expenses of the Secretary incident to maintaining airway facilities, including associated stocks and stores and communication costs, and (C) costs of services provided under international agreements relating to the joint financing of air navigation services which are assessed against the United States Government.

(e) Preservation of Funds—

(1) Notwithstanding any other provision of law to the contrary, no amounts may be appropriated from the Trust Fund to carry out any program or activity under the Federal Aviation Act of 1958, except programs or activities referred to in this section.

(2) Amounts equal to the amounts authorized for each fiscal year by subsections (a) and (b) shall remain available in the Airport and Airway Trust Fund until appropriated for the purposes described in such subsections.

DISTRIBUTION OF FUNDS; STATE AND SPONSOR APPORTIONMENTS

SEC. 7. (a) Apportionment of Funds—

(1) On or before the first day of each fiscal year for which any amount is authorized by section 6(a) (1) or (3), the amount made available thereunder shall be apportioned by the Secretary as follows:

(A) To the sponsor of each air carrier airport, $60 for each of the first 30,000 air carrier departures, and $30 for each air carrier departure in excess of 30,000, from that airport during the most recent calendar year. However, no such sponsor shall be apportioned more than $5,000,000 hereunder and no such sponsor shall be apportioned less than $100,000 for each such airport served by aircraft exceeding 12,500 pounds maximum gross takeoff weight, operated by or under contract for a scheduled route air carrier certificated by the Civil Aeronautics Board. Any sponsor eligible for an apportionment under this subparagraph on the date of enactment of this Act shall remain eligible for a minimum apportionment of $100,000 through September 30, 1960, provided that the airport continues to be regularly served by any class of air carrier. In the event the aggregate apportionment under this subparagraph exceeds ninety percent of the amount provided by section 6(a)(1), all apportionments hereunder shall be reduced proportionately.

(B) Any unapportioned balance shall constitute a discretionary fund to be used at the discretion of the Secretary pursuant to section 9.

(2) On or before the first day of each fiscal year for which any amount is authorized by section 6(a) (2) or (3), the amount made available thereunder for that year shall be apportioned by the Secretary as follows:

(A) Ninety-nine and one-half percent for the several States, one-quarter in the proportion which the total registered active general aviation aircraft based in each State bears to the total registered active general aviation aircraft in the United States, and one-half of the remainder in the proportion which the area of each State bears to the total area of all the States and one-half of the remainder in the proportion which the population of each State bears to the total population of all the States. As used in this section, the term "population" means the population according to the latest available decennial census of the United States and the term "area" includes both land and water.

(B) One-half of one percent for the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands to be distributed in shares of 60 percent, 10 percent, 10 percent, 10 percent, and 10 percent, respectively.

(3) Each apportionment made pursuant to paragraph (1)(A) shall be available only for airport development.

(4) Each apportionment made pursuant to paragraphs (2)(A) and (B) shall be available only for airport development located in the jurisdiction benefited, or sponsored by a State or a public agency thereof but located in an adjoining State.

(5) Except as provided in section 9(a)(2) and in this paragraph, the United States' share of costs for any airport development or system planning may not exceed 75 percent of the costs of the project. In the case of any State containing unappropriated and unreserved public lands and non-taxable Indian lands (individual and tribal) exceeding five percent of the total area of all lands therein, the United States' share under this subsection shall be increased by whichever is the smaller of the following percentages thereof: (1) 20 percent, or (2) a percentage equal to one-half of the percentage that the area of all such lands in that State is of its total area.

(b) NOTICE OF APPORTIONMENT.—Upon making an apportionment as provided in subsection (a), the Secretary shall inform each air carrier airport sponsor and the chief executive officer of each State and equivalent jurisdiction as to the amount of the apportionment.

(c) One-half of the funds apportioned under section 7(a)(1)(A), and, once the certification required by section 8(b)(1) is given, under section 7(a)(2), shall become obligations of the Federal Government on the first day of the fiscal period for which authorized and the remaining half shall become obligations of the Federal Government at the midpoint of the period for which authorized.

(d) Release of Funds—The Secretary shall issue regulations concerning the release of funds to public agencies under their respective apportionments.

AIRPORT DEVELOPMENT REQUIREMENTS

SEC. 8. (a) Air Carrier Airports—

(1) All airport development shall be accomplished in accordance with configuration, construction and planning standards established by the Secretary.

(2) Airport sponsors shall develop airport master plans not later than September 30, 1977 for air carrier airports enplaning 0.05 percent or more of the total annual passengers enplaned by air carriers certificated by the Civil Aeronautics Board. Airport master planning shall be accomplished in the context of and consistent with State and regional airport system plans and shall be based upon a comprehensive, coordinated and continuing planning process for the provision of all airport and airport related services required to meet the air transportation needs of the citizens, giving consideration to factors affecting transportation needs such as safety, economic, social, energy, environmental and land use problems, in order to achieve an efficient transportation system responsive to State, regional and community goals.

(3) Airport sponsors shall submit to the Secretary an environmental assessment report on airport development which constitutes major Federal actions for use by the Secretary in meeting requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). Environmental assessment reports may be developed on a project-by-project basis or for all projects contained in master plans.

(4) Prior to undertaking airport development involving the location of an airport, the construction of a new runway, or the extension of an existing runway, the airport sponsor shall afford the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of such a project and its consistency with the goals and objectives of such urban planning as has been carried out by the community.

(5) Airport sponsors shall keep the airport available for public use as a facility for the landing and takeoff of aircraft on fair and reasonable terms without unjust discrimination.

(6) Airport sponsors shall take reasonable steps, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft, and to protect the aerial approaches to the airport against obstructions determined as such under standards established by the Secretary.

(7) Airport sponsors shall keep all facilities at the airport used in the landing and takeoff of aircraft available for use by aircraft of the United States Government without charge except when such use becomes substantial, in which case the United States Government may be charged for such use based upon its reasonable share of the cost of operating and maintaining the facilities used by it.

(8) Airport sponsors shall furnish to the United States Government without cost such permits and property rights in lands or the airport as may be necessary to permit the construction of buildings or facilities used by the United States Government in weather reporting or air traffic control required for the operation of aircraft using such airport.

(9) In making decisions to undertake specific projects under this section, sponsors shall consult with airport users.

(10) An airport shall not use the cost of airport development financed with funds made available under this Act in establishing rates and charges for airport users.

(b) General Aviation Airports—

(1) Each State and equivalent jurisdiction shall certify to the Secretary, in a form and manner prescribed by him that it is capable of managing a program for the development of general aviation airports, and will give special emphasis to meeting the needs of airports served by air carriers operating under exemption granted by the Civil Aeronautics Board fom section 401(a) of the Federal Aviation Act of 1958. Until such time as the Secretary receives such assurance, he is authorized to make grants for airport development projects to sponsors located within the jurisdiction of such agency, and to charge such grants to its apportionment. After such certification, the State or equivalent jurisdiction involved shall exercise project approval authority with respect to general aviation airport development in the State or equivalent jurisdiction funded under this Act.

(2) A certificate approved under paragraph (1) of this subsection shall include assurances by the State or equivalent jurisdiction that (1) it will be responsible for compliance with the provisions of the National Environmental Policy Act of 1969 and any other Federal requirements (environmental or otherwise) the Secretary enumerates in regulations he issues hereunder, and (2) it is substantially equipped and organized to carry out to the satisfaction of the Secretary such provisions and requirements. The Secretary's approval of a certification containing such assurances shall be deemed to satisfy his responsibilities with respect to such provisions and requirements insofar as those responsibilities relate to the release of funds under this Act for general aviation airport development carried out pursuant to

such certification. Where the Secretary has accepted such certification, the chief executive officer of the State or equivalent jurisdiction shall for the purposes of the National Environmental Policy Act be considered the "responsible official," and for the purposes of that Act and other provisions and requirements enumerated in regulations issued hereunder by the Secretary, shall be subject to the same judicial remedies and Federal court jurisdiction as the Secretary otherwise would be subject. Regulations to carry out this subsection shall be issued by the Secretary only after consultation with the Council on Environmental Quality.

(3) Each State and equivalent jurisdiction shall establish, and ensure compliance with, standards and criteria for configuration and construction of airports under this section. In the absence of such standards and criteria, the State or equivalent jurisdiotion shall employ standards and criteria established by the Secretary.

AUTHORIZATION AND REQUIREMENTS—DISCRETIONARY FUND

SEC. 9. (a) Authorization—The Secretary is authorized to make grants from the discretionary fund as follows:

(1) To sponsors of air carrier and reliever airports for approved airport development;

(2) To public agencies for airport development to test airport components and facilities, and to evaluate new concepts relating to airport configuration and construction in an amount up to 100 per centum of such project costs, except that grants made under this paragraph may not exceed in the aggregate $2,500,000 per annum;

(3) To planning agencies in an aggregate amount not to exceed $10,000,000 per annum for airport system planning.

(b) Requirements—Any grant authorized under subsection (a)(1) is subject to the requirements of section 8(a) and no grant authorized under subsection (a)(1) for an airport also eligible to receive a grant under section 7(a)(1)(A) may be used for terminal area development.

GRANTS FOR SPECIAL PURPOSES

SEC. 10. (a) The Secretary shall issue regulations for the submission of applications to him for grants relating to the following:

(1) Grants from the discretionary fund; and

(2) Grants to sponsors of general aviation airports until the Secretary has received the assurance required by section 8(b)(1).

(b) On approval of an application submitted pursuant to subsection (a), the Secretary shall issue an offer for the applicant's acceptance. The offer, when accepted by the applicant, shall be an obligation of the United States. The agreement shall set forth the amount of the obligation, method of payment, responsibility for the accomplishment of the project and the applicant's assurance of the public use of the airport benefited.

USE OF GOVERNMENT-OWNED LANDS

SEC. 11. (a) Requests for Use—Subject to the provisions of subsection (c), whenever the Secretary determines that use of any lands owned or controlled by the United States is reasonably necessary for carrying out a project for airport development under this Act, or for the operation of any public airport, including lands reasonably necessary to meet future development of an airport, he shall file with the head of the department or agency having control of the lands a request that the necessary property intereats therein be conveyed to the public agency sponsoring the project in question or owning or controlling the airport. The property interest may consist of the title to, or any other interest in, land or any easement through or other interest in airspace.

(b) Making of Conveyances—Upon receipt of a request from the Secretary under this section, the head of the department or agency having control of the lands in question shall determine whether the requested conveyance is inconsistent with the needs of the department or agency, and shall notify the Secretary of his determination within a period of four months after receipt of the Secretary's request. If the department or agency head determines that the requested conveyance is not inconsistent with the needs of that department or agency, the department or agency head is hereby authorized and directed, with the approval of the Attorney General of the United States, and without any expense to the United States, to perform any acts and to execute any instruments necessary to make the conveyance requested. A conveyance may be made only on the condition that, at the option of the Secretary, the property interest conveyed shall revert to the United States in the event that the lands in question are not developed for airport purposes or used in a manner consistent with the terms of the conveyance. If only a part of the property interest conveyed is not developed for airport purposes, or used in a manner inconsistent with the terms of the conveyance, only that particular part shall, at the option of the Secretary, revert to the United States.

(c) Exemption of Certain Lands—Unless otherwise specifically provided by law, the provisions of subsections (a) and (b) shall not apply with respect to lands owned or controlled by the United States within any national park, national monument, national recreation area, or similar area under the administration of the National Park Service; within any unit of the National Wildlife Refuge System or similar area under the jurisdiction of the Bureau of Sport Fisheries and Wildlife; or within any national forest or Indian reservation.

ASSURANCES TO THE SECRETARY; WITHHOLDING OF PAYMENTS; ACCOUNTING, ETC.

SEC. 12. (a) Assurances to the Secretary—In order to qualify for any payment under section 7(d), public agencies must establish (in accordance with regulations prescribed by the Secretary) to the satisfaction of the Secretary that—

(1) it will use amounts received only for purposes authorized by this Act and will pay over to the Secretary (for deposit in the Airport and Airway Trust Fund) an amount equal to 110 percent of any amount expended in violation of this Act or regulation issued thereunder, unless the violation is corrected after notice and opportunity for corrective action. However, whoever knowingly misapplies the proceeds of a grant obtained under any provision of this Act shall be subject to a fine in an amount equal to three times the amount of the misapplied proceeds;

(2) it will

(A) use fiscal, accounting and audit procedures which conform to guidelines established therefor by the Secretary.

(B) provide to the Secretary, on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for the purpose of reviewing compliance with this Act and regulations issued thereunder, and

(C) make such annual and interim reports to the Secretary as he may reasonably require;

(3) all laborers and mechanics employed by contractors in the performance of work on any construction contract in excess of $2,000 financed by funds received under section 7(d), will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5), and with respect to the labor standards specified in this paragraph the Secretary of Labor shall act in accordance with Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c);

(4) individuals employed by it whose wages are paid in whole or in part out of funds received under section 7(d), will be paid wages which are not lower than the prevailing rates of pay for persons employed in similar public occupations by the same employer.

(b) Withholding of Payments—If the Secretary determines that any public agency has failed to comply with any provision of subsection (a) or any regulations prescribed thereunder, he shall notify the public agency that if it fails to take corrective action within 60 days from the date of receipt of such notification further payments to it will be withheld until such time as the Secretary is satisfied that appropriate corrective action has been taken.

(c) Accounting, Auditing and Evaluation—

(1) The Secretary shall provide for such accounting and auditing procedures, evaluations, and reviews as may be necessary to insure that the expenditure of funds received under this Act by public agencies comply fully with the requirements of this Act. The Secretary is authorized to accept an audit by a public agency if he determines that such audit and the audit procedures used are sufficiently reliable to enable him to carry out his duties under this Act.

(2) The Comptroller General of the United States shall make such reviews of the work as done by the Secretary or public agencies as may be necessary for the Congress to evaluate compliance and operations under this Act.

SETTLEMENT OF EXISTING AGREEMENTS

SEC. 13. The Secretary shall issue criteria and requirements designed to terminate or amend by September 30, 1980, all existing contractual relationships between airport sponsors and the United States Government in grant agreements, deeds, and other instruments of conveyance, issued pursuant to the Federal Airport Act of 1946 (49 U.S.C. 1101 et seq.), as amended, the Airport and Airway Development Act of 1970 (49 U.S.C. 1711 et seq.), as amended, and the Surplus Property Act of 1944, as amended. Such criteria and requirements will be consistent with the objective of placing greater responsibility on States and airport owners. The Secretary is authorized to settle existing obligations under grant agreements, deeds, and other instruments of conveyance. Each settlement shall be in an amount not exceeding the maximum obligation stated in such agreements, less payments made thereon.

FALSE STATEMENTS

SEC. 14. Any officer, agent, or employee of the United States, or any officer, agent, or employee of any public agency, or any person, association, firm, or corporation who, with intent to defraud the United States—

(1) knowingly makes any false statement or false representation in any report, certification or representation required to be made under this Act; or

(2) knowingly makes any false statement, false representation or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof, in connection with the submission of plans, maps, specifications, contracts, or estimates of project costs for any project submitted to the Secretary for approval under this Act; or

(3) knowingly makes any false statement, false representation, or false report or claim for work or materials for any project approved by the Secetary under this Act;

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shall, upon conviction thereof, be punished by imprisonment for not to exceed five years or by a fine of not to exceed $10,000, or both.

NONDISCRIMINATION PROVISION

SEC. 15. No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination in the accomplishment or use of any airport development funded in whole or in part with funds made available under this Act.

GENERAL POWERS

SEC. 16. The Secretary is empowered to perform such acts, to conduct such investigations and public hearings, withdraw or withhold apportionments or portions thereof, or take such other action that may be necessary to meet the requirements and objectives of this Act, to issue and amend such orders, and to make and amend such regulations and procedures, pursuant to and consistent with the provisions of this Act, as he considers necessary to carry out the provisions of, and to exercise and perform his powers and duties under, this Act.

REPEAL; CONFORMING AMENDMENTS; SAVING PROVISIONS; AND SEPARABILITY

SEC. 17. (a) Repeal—Parts I and II of Title I of the Act of May 21, 1970 (84 Stat. 219) are repealed.

(b) Conforming Amendments—

(1) Section 509(c) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(2) Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(a)) is amended by striking out "Section 19 of the Airport and Airway Development Act of 1970" and inserting in lieu thereof "Section 10 of the Airport and Airway Development Act of 1975".

(3) The Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) is amended—

(A) by adding after "the Airport and Airway Development Act of 1970" in section 313(c) the additional words "or the Airport and Airway Development Act of 1975."; and

(B) by striking out "the Airport and Airway Development Act of 1970" in section 1109(e) and inserting in lieu thereof "the Airport and Airway Development Act of 1975".

(4) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214(c)) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(5) Section 13(g)(1) of the Surplus Property Act of 1944 (50 App. U.S.C. 1622(g)(1)) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(6) Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267) is amended by striking out "Airport and Airway Development Act of 1970" and inserting in lieu thereof "Airport and Airway Development Act of 1975".

(c) Saving Provisions—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, grants, rights, and privileges which have been issued, made, granted, or allowed to become effective by the President, the Secretary of Transportation, or any court of competent jurisdiction under any provision of the Federal Airport Act, as amended, and the Airport and Airway Development Act of 1970, as amended, which are in effect at the time this section takes effect, are continued in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation or by any court of competent jurisdiction, or by operation of law.

(d) Separability—If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of the provision to other persons or circumstances is not affected thereby.

CHARGES ON PERSONS TRAVELLING IN AIR COMMERCE

SEC. 18. Notwithstanding the provisions of Section 1113(a) of the Federal Aviation Act of 1958, a State (or political subdivision thereof), the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the District of Columbia, a territory or possession of the United States, or a political agency of two or more States which operates an airport is not prohibited from levying or collecting a tax, fee, head charge, or other charge on passenger enplanements at that airport if the tax, fee, head charge or other charge meets the following conditions: (1) the method and procedure for collection of the tax, fee, head charge or other charge are reasonable and designed to impose the minimum burden on the passenger consistent with the efficient collection of the tax, fee, head charge or other charge; (2) the net proceeds of the tax, fee, head charge or other charge will be available for expenditure and used exclusively to meet costs incurred after the date of enactment of this Act attributable to the operation or improvements of the airport or to pay existing indebtedness incurred for airport development at its air carrier airports; and (3) the tax, fee, head charge or other charge imposed does not exceed $2.00 for each enplanement.

By Mr. RIBICOFF:

S. 1456. A bill entitled "The Comprehensive Medicare Reform Act of 1975." Referred to the Committee on Finance.

COMPREHENSIVE MEDICARE REFORM ACT OF 1975

Mr. RIBICOFF. Mr. President, today I am introducing the Comprehensive Medicare Reform Act of 1975. This bill expands the medicare system into a truly comprehensive health care program for older Americans.

Older Americans need health care the most of any segment of the population. They visit doctors 50 percent more often and have about twice as many hospital stays that last almost twice as long as the under-age-65 population. Although senior citizens comprise 10 percent of our population, they account for 28 percent of national expenditures for personal health.

The problems which older Americans face in obtaining adequate health care is compounded by the fact that their income is smaller than that of the nonaged population. In 1973, for example, the median family income of families over age 65 was $6,426 as compared to $12,051 for all families. The sad fact is that nearly 1 in 6 people 65 and over lives in poverty compared with 1 in 10 people under 65.

The legislation I am submitting today is the culmination of decades of efforts to provide full health insurance for older Americans.

In 1961, following a decade of debate on health insurance for the aged, the new Kennedy administration took an active leadership role in bringing the medicare debate to legislative reality. As Secretary of Health, Education, and Welfare, I headed a task force to draft a medicare bill. While Congress rejected it in the early 1960's, medicare became law in 1965. As a Senator and a member of the Senate Finance Committee which shapes such legislation, I was proud to play a role in developing and supporting medicare.

Medicare was a major breakthrough in assuring a measure of health protection for one segment of the population. Because it was a new concept, however, Congress limited its coverage. It was, in fact, a financial program to help meet some of the costs of short-term and acute medical care.

Since its enactment in 1965 we have found that the program should be improved and expanded. I have suggested expanding its coverage in a number of ways. Since 1965 we have expanded medicare to cover all disabled persons, those who have chronic kidney conditions, and many more. Its services have likewise been expanded to cover a wider range of nonhospital items.

At the same time we have found a need to curb costs and abuses under medicare. Major oversight hearings which we held in 1969 led to improvements in the administration and cost control mechanisms of medicare.

Since medicare's inception in 1965, I have watched it progress and participated in its development at every stage of the way.

Much more needs to be done to improve medicare. In fact, as the debate continues over national health insurance, we should look closely at medicare. It provides a good working example of what should be done and what should be avoided in a national health insurance program. In fact, medicare can serve as a pilot program for national health insurance. We know what must be done to improve medicare.

It must be expanded to provide a comprehensive range of services in all different medical settings—both in and out of the hospitals, in clinics, doctors' offices, HMO's, foundations, skilled nursing and intermediate facilities, and in the home.

It must assure that the patient is not burdened with medical bills.

It must run smoothly so that doctors, patients, and hospitals are not overcome by redtape.

And it must be accomplished in a way which provides the patient with the maximum amount of freedom of choice.

The capacity of the Federal Government to administer a health insurance program is limited. And the amount of tax money available to pay for a program is also limited.

That is why we would do well to start with improving the medicare program. Let us turn it into the national health insurance program that older Americans thought they were getting in 1965. If this works, then we can expand our health coverage programs in an orderly fashion.

Older Americans' health care must be our top priority. That is what the medicare reform bill is all about.

It is time to change medicare from a limited financial program to the program which we originally envisioned—comprehensive national health insurance for all older Americans.

The medicare program I envision is one which provides a range of care from preventative and diagnostic physician's services to the most acute hospital care. Nursing home, home health care, dental care, eye care, hearing care, prescription drug coverage are just a few of the areas which should be covered. In short, medicare should be a balanced program which encourages the best kind of care with the greatest possible freedom of choice for the patient. And it should be a program that provides reasonably for all the providers in the system—hospitals, doctors and others and at the same time is efficiently administered at the smallest possible cost to the Government.

The American Association of Retired Persons/National Retired Teachers Association has played a leading role in the development of this legislation. The legislation, which has been developed over the past 2 years, reflects their tireless efforts. The proposal also reflects the recommendations of the 1971 White House Conference on Aging.

PRIORITY ON HEALTH CARE PROTECTION FOR AGED

In dealing with programs to provide comprehensive health coverage for all Americans at a cost which the taxpayers can afford, priorities must be established as to who should be covered.

The population over 65 is in most need of protection. For the most part their income is limited and the costs of illness for them is higher than for the population as a whole.

At the turn of the century there were only 3 million older persons—every 25th American. Since that time, the older population has grown faster than the rest of the population. Today, there are over 20 million senior citizens—every 10th American. By the year 2000, every ninth American will be over the age of 65. It is not a static population. Everyday, 4,000 Americans reach age 65.

Unfortunately, however, the median income of older families and individuals is less than half that of their younger counterparts. While the social security benefit increases of recent years have had a dramatic impact in reducing poverty for older Americans, over 2 million older Americans were living below the poverty threshold in 1973.

Most older Americans depend on social security. But social security benefit increases are too often negated by the tide of inflation. Thus, while the Department of Labor estimates that a minimum low budget for a retired couple is $3,442 a year, social security benefits are $118 a year under that bare bones minimum budget.

There are also an estimated additional 2 million aged persons who while not classified as poor because they live in families with incomes above the poverty line, are in fact poor. In sum, while the aged make up 10 percent of the population, they make up 20 percent of the poor. If you are old, you are twice as likely to be poor.

As might be expected, older people, because they have half as much income as younger people, are forced to spend half as much. They must stretch their food, clothing, rent, and medical dollars much farther than the nonpoor. Proportionately, older consumers spend more of their income on these items than do those under 65.

The problems of income are complicated by problems of health. Older Americans have less money but more health problems. Eight-five percent of those who are over 65 and have at least one chronic condition. Eighty percent have some degree of arthritis. Dental problems, hearing and eye problems and the need for prescription drugs all increase with old age. Drug costs for older Americans, for example, run three times higher than for the younger population. Charges for prescriptions range up to 67 cents higher per prescription for older people, mainly because they often need expensive maintenance drugs.

The major chronic diseases among older persons—heart disease, cancer, strokes, arthritis, diabetes—are costly to older Americans not only in terms of invalidism and pain but also in financial terms.

At the same time that older Americans need more health care, real growth in health care utilization for the elderly has not kept pace with other age groups in recent years. The elderly in America are not utilizing the full range of health services they need because they cannot afford to. They are economically forced to wait until they need acute inpatient hospital care. The economically disadvantaged aged population is further discouraged from obtaining health care because they are concentrated in urban centers and rural areas—often geographically distant from health service areas.

MEDICARE PERFORMANCE

Until 1965 older Americans had to depend almost exclusively on their own resources for health care. Since the enactment of medicare, the Federal Government has assumed a portion of the medical costs of older Americans.

During fiscal year 1973, the Nation spent $94.1 billion for personal health care. Persons aged 65 and over accounted for 28 percent of this cost, although they make up only 10 percent of the population.

The average personal health care outlay for the total population was $441 in fiscal 1973. For the senior citizen it was $1,000.

Despite increases in Government and other third party sources such as medicare, average out-of-pocket payment by aged persons was $276 in fiscal 1972, three times the amount paid out of pocket by nonsenior citizens. This $276 out-of-pocket cost is higher than the amount paid for health care by older Americans at the start of 1966, $234, before medicare was enacted. As costs have risen then, medicare is picking up an ever smaller amount of the older Americans' health costs. In 1969, medicare paid 46 percent of their health bill. Today it pays 42 percent.

The decline in medicare's share of the health bill of the aging is related not only to inflationary factors but to basic problems in the medicare structure.

The time has come to reshape the medicare program—building on its strengths and eliminating its weaknesses.

THE COMPREHENSIVE MEDICARE REFORM ACT OF 1975—PURPOSE

The legislation I am proposing today would restructure the medicare program to provide health care benefits to all older Americans as a matter of entitlement. The bill would broaden the medicare benefit package to meet the full range of medical services needed by older Americans and extend the duration of those benefits which are limited under the present program. It would reduce the out-of-pocket personal health care expenditures of those eligible for medicare coverage, establish a program of income-related catastrophic health insurance protection for senior citizens. And it would improve the administration of medicare while it attempts to control increases in health care costs.

STRUCTURE

The bill establishes a single integrated program of comprehensive health insurance for the aged and disabled financed out of general revenues. Parts A and B of the medicare program are combined into a single, expanded benefit structure with a single trust fund.

Requirements for premium payments and deductible are eliminated. Minimal coinsurance provisions are designed so that while persons who can afford to pay will do so up to a predetermined maximum level, cost will not be a deterrent to quality health care.

The act also provides coverage for all care and services for the aged presently covered by the medicaid program.

ENTITLEMENT

The new medicare program is expanded to all persons 65 years of age or older regardless of insured status under the social security or railroad retirement cash benefit program. The only requirement is that the individual be a citizen or national of the United States or a legal resident alien. This means that for the first time all public employees, including teachers, policemen, and firemen will be automatically eligible for medicare.

The medicare program also provides eligibility to all those who are now eligible for medicare because of special circumstances such as disability.

REIMBURSING SERVICES

The Medicare Reform Act provides a comprehensive range of benefits:

Unlimited inpatient hospital coverage:

Includes pathology and radiology services; and

Includes 150 days of care during a benefit period for a psychiatric inpatient undergoing active diagnosis or treatment of an emotional or mental disorder.

Unlimited outpatient hospital coverage.

Unlimited skilled nursing facility services with no requirement for prior hospitalization.

Unlimited intermediate care facility services, effective July 1, 1978.

Unlimited home health services with no requirements for prior hospitalization.

Certain services offered by public or nonprofit private rehabilitation agencies or centers and public or nonprofit private health agencies.

Unlimited physicians' services, including major surgery by a qualified specialist and certain psychiatric services.

Unlimited dental services.

Outpatient prescription drugs—including biologicals such as blood, immunizing agents, and so forth—subject

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to certain limitations to insure quality control.

Medically necessary devices, appliances, equipment and supplies, such as: eyeglasses, hearing aids, prosthetic devices, walking aids. Also included are any items covered under present law.

Services of optometrists, podiatrists, and chiropractors.

Diagnostic services of independent pathology laboratories and diagnostic and therapeutic radiology by independent radiology.

Certain mental health day care services.

Ambulances and other emergency transportation services as well as nonemergency transportation services where essential because of difficulty of access.

Psychological services; physical, occupational or speech therapy; nutrition, health education, and social services; and other supportive services.

COST SHARING

Under this proposal there are no periodic premium payments or deductibles.

There are, however, minimum initial coinsurance payments—based on the type of service—as follows:

Initial coinsurance payments—based upon type of service—are as follows:

TYPE OF SERVICE

First, inpatient hospital services;

Second, skilled nursing facility;

Third, home health services;

Fourth, physicians' services;

Fifth, dentist services;

Sixth, mental health day care;

Seventh, diagnostic outpatient services of independent laboratory or of independent radiology services;

Eighth, devices, appliances, equipment, and supplies;

Ninth, drugs; and

Tenth, ambulance services.

COINSURANCE PAYMENTS

First, $5 per day;

Second; $2.50 per day;

Third, $2 per visit;

Fourth, $2 per visit;

Fifth, 20 percent of approved charges;

Sixth, $2 per day;

Seventh, 20 percent of approved charges;

Eighth, 20 percent of approved charges;

Ninth, $1 per each filling or refilling; and

Tenth, 20 percent approved charges.

CATASTROPHIC HEALTH INSURANCE

While the features of the bill already outlined are designed to deal with the basic health costs, older Americans are more likely than any other segment of the population to incur extraordinarily large costs. Therefore, this legislation also includes a catastrophic health insurance section for older Americans.

Senator Russell Long and I have already introduced legislation which establishes a catastrophic health insurance program for the nonaged. This provision is complementary in a sense to that proposal. At the same time it contains a novel feature which, while equitable, should be tried out on a smaller scale before being implemented on a full national health insurance program.

I refer to an income-related catastrophic ceiling. Essentially, health costs which are catastrophic to one family may not be as burdensome to a more affluent family. For that reason, families should be able to bear differing burdens of cost for health care depending on their income. This income-related feature will present an administration challenge and should be tested.

REIMBURSEMENT AND COST CONTAINMENT POLICIES

While medicare reimbursement is continuing to grow, some of the new cost containment features in medicare are holding down increases costs. My legislation incorporates all present medicare cost control and utilization review provisions.

Payments will be made only to a "participating provider"—one which has filed a participation agreement with the Secretary of HEW—except for emergency services. Providers will include not only institutions but independent practitioners and suppliers of drugs and medical appliances.

Reimbursement will be made to a participating institutional provider based upon a predetermined schedule of patient care charges. The schedule must be based on a system of accounting and cost analysis in conformity with prescribed standards. Periodic interim payments will be made to institutions during the accounting year on the basis of cost projections, with final adjustments based on the approved schedule of charges.

Reimbursement for services of physicians, dentists, optometrists, podiatrists, chiropractors, and other noninstitutional services of licensed professional practitioners will be made in accordance with annually predetermined fee schedules for their local areas. These schedules will be worked out in negotiation with the providers and it is intended that the fees will be reasonable and equitable for provider and patient alike.

One of the problems in the present medicare program is that physicians are increasingly refusing to accept medicare assignment because medicare does not provide adequate compensation to them. In fiscal year 1969, the net assignment rate was only 61 percent. In 1972, it declined so that only 56.4 percent of the claims were direct payments to doctors on an assignment basis.

More and more, physicians have refused to accept assignment. They prefer to bill the patient directly and leave it up to the patient to get reimbursed from medicare. By refusing assignment, doctors also can charge higher fees to the patient who must pay whatever medicare does not cover.

While the payment mechanism in this bill requires participating doctors to accept assignment or not participate at all, it also establishes a fair way to set fees.

Fee schedules will be established through negotiation among representatives of government, providers, and consumers. Final fee schedules will be established only after public hearing. And the Secretary of HEW is required to make public for each local area the established fee schedules and the names, professional fields, and business addresses of participating practitioners.

To make medicare a full success it must not only provide adequate benefits to beneficiaries but it must adequately compensate those who provide the services under that program I am hopeful that this legislation will make adequate provisions for all providers.

SUMMARY

The proposal I am making today must be considered together with other congressional initiatives in the field of national health insurance. Senator Kennedy, a leader in the health field has proposed legislation which would cost some $80 billion. The President's package would cost $40 billion.

The American taxpayers cannot afford to pay these additional costs. Social security taxes are already as high as they should go. I and Senator Long, joined by 23 other Senators of both parties, have introduced health insurance legislation which recognizes both that certain priority health needs must be met—but at a cost which the taxpayer can afford. The Long-Ribicoff bill's cost is less than that of any other health insurance proposal. In part this is because our legislation builds on the existing medicare program and would not create a new Government bureaucracy. It is also less costly because it recognizes that there are certain health care needs which are of a priority nature and it provides coverage for those areas—catastrophic costs, for example, which can financially destroy the average family.

This legislation I am introducing today is likewise designed to meet priority needs of the elderly at the lowest possible cost. It too builds upon the expertise, experience, and mechanisms of the medicare program. And it provides an important and meaningful role for providers of health care—the doctors, hospitals, and insurers.

Passage of this legislation will reduce the cost of national health insurance legislation by billions of dollars. Costs under the Long-Ribicoff bill would be reduced by as much as $4 billion if this legislation is enacted.

The medicare program in 1973 paid out $9.5 billion. The additional costs of this program will be approximately $3 billion in induced Federal costs.

These extra costs should be met by general revenues. The Social Security Adivsory Council has recommended that more of the medicare trust fund be financed through general revenues.

As congressional debate on national health insurance progresses, I hope the concepts embodied in this Comprehensive Medicare Reform Act of 1975 will be considered.

By lowering the price tag for initial health care, older persons will be encouraged to seek the basic medical checkups needed to diagnose and stop an illness before it becomes critical.

Older Americans who have worked their entire lives deserve a measure of security. This legislation will provide them with the assurance that their health needs will be provided for.

I ask unanimous consent that descriptions describing the bill in detail and comparing it with present law be inserted at this point in the Record.

There being no objection, the survey was ordered to be printed in the Record, as follows:

SUMMARY OF HIGHLIGHTS OF PROPOSED COMPREHENSIVE MEDICARE REFORM ACT OF 1975

TITLE I. REVISION OF MEDICARE STRUCTURE, ENTITLEMENT, BENEFITS, AND FINANCING

A. *Replacement of Dual Insurance Program by Single Program.*—Instead of two programs—i.e. (1) a hospital insurance program financed only through special wage, payroll, and self-employment taxes, with automatic entitlement for all eligible persons (coupled with a voluntary buy-in provision at full cost for aged persons not otherwise eligible for hospital insurance), and (2) a supplementary medical insurance benefit program, financed by premiums from enrollees and by Government contributions from general revenues, with enrollment by eligible enrollees being voluntary—there would be a single, integrated, comprehensive health insurance program, financed from such special taxes and comparable taxes on unearned income and from Government contributions, to the benefits of which all eligible persons would be automatically entitled without periodic premium payments.

B. *Broadened Entitlement Based on Age.*—For persons 65 years of age or older, entitlement to health insurance benefits (even with respect to inpatient institutional services) would no longer be conditioned on entitlement to monthly social security (or railroad retirement) cash benefits, so long as the individual is a citizen (or national) of the United States, or is an alien lawfully living here for 30 days. (For disabled persons under 65, the provisions of the recent amendments that condition entitlement to health insurance benefits on prior entitlement to social security (or railroad retirement) disability insurance cash benefits for 24 months or, in the case of persons with chronic renal disease, on insured status or current entitlement under the cash benefits programs or on being a spouse or dependent child of such an insured person, would continue in effect, but such persons would enjoy the benefit of the same extended coverage of services and the same relief from premium payments and deductibles (see below) as aged beneficiaries.)

C. *Coverage.*

1. *Covered Institutional Services.*[1]—

a. Unlimited *inpatient* hospital coverage (except for limit of 150 days of care in a benefit period for a psychiatric inpatient,[2] and then only for active diagnosis or treatment of a mental or emotional disorder).

b. Unlimited outpatient hospital coverage. For psychiatric day care, see #2 and #6 below.

c. Skilled-nursing facility services on unlimited durational basis. *No requirement of prior hospital stay.*

d. Care on unlimited durational basis in intermediate-care facilities.

e. Home health services, without limitations as to the number of visits, without requirement of prior hospital stay, and without the present restriction that requires a certified need for skilled-nursing services or physical or speech therapy as a condition of eligibility for other needed home health services.

f. To the extent specified in regulations, if not otherwise covered—

(a) health and health-related services of public or nonprofit private rehabilitation agencies or centers;

(b) health and health-related services of a public health agency or nonprofit private health agency.

g. To the extent specified in regulations, inpatient services of a Christian Science sanatorium.

2. *Physicians' Services* (not otherwise covered), except that—

(1) major surgery and other specialized services designated in regulations are covered only if furnished by a qualified specialist, and then only if, to the extent specified in regulations, furnished on referral by a general or family practitioner or if they are emergency services.

(2) psychiatric (mental health) services to patients other than inpatients are covered only if furnished by an approved HMO, a hospital, or a mental health center, or (up to 160 days during or following a benefit period) otherwise furnished to a patient of a mental health day care service affiliated with a hospital or approved by the Secretary, or (up to 20 consultations a year) furnished in a psychiatrist's office. The 160-day limitation may be extended by the Secretary if needed for the patient's rehabilitation. Moreover, neither that limitation nor the 20-consultations limit applies when catastrophic expense benefits are in effect (see F.3.b., below).

3. *Dental Services* (not otherwise covered), on unlimited basis, including preventive, diagnostic, therapeutic, and restorative services and items (dentures, etc.).

4. *Drugs (including* biologicals, such as blood, immunization products, etc.).

a. Covered without limit if administered in a hospital's inpatient or outpatient department, or to an inpatient of a skilled nursing or intermediate care facility, or (to the extent provided in regulations) in a facility of a rehabilitation agency or center.

b. Covered if furnished (with or without separate charge) in a physician's or dentist's office as an incident to his professional service, but only if the drug is on a list, established by the Secretary, designed to provide practitioners with an armamentarium sufficient for rational drug therapy.

c. Drugs otherwise furnished (on prescription), but only if they are drugs that (1) under Federal law may be dispensed only on prescription or are covered by regulation and (2) are listed on the Secretary's list of drugs referred to in the preceding paragraph.

5. *Devices, Appliances, Equipment, and Supplies* (prescribed, or certified as medically necessary, by a professional practitioner) if on a list established by the Secretary or if otherwise covered as an institutional service or as an incident to professional services. The list *must* include, among other items, eyeglasses, hearing aids, prosthetic devices, walking aids, and any article covered under present law. For coverage of dentures, see "*Dental Services*" above.

6. *Other Professional and Supporting Services* (if not otherwise covered).

a. Services of optometrists.

b. Services of podiatrists.

c. Chiropractors' services (with respect to manual manipulation of the spine to correct a subluxation demonstrated by X-ray).

d. Diagnostic services of independent pathology laboratories, and diagnostic and therapeutic radiology by independent radiology services.

e. Care (other than psychiatrist's services above covered) in a *mental health day care* service, if furnished by

(1) a hospital,

(2) an approved HMO,

(3) a community mental health center or other mental health center that furnishes comprehensive mental health services, or

(4) a service affiliated with a hospital or a day care service approved for that purpose by the Secretary. Limited, except as noted under 2 (2); above, to 160 full days during or following a benefit period if provided under clause (4).

f. Ambulance and other emergency transportation services, and nonemergency transportation services found essential by the Secretary to overcome special difficulty of access to covered services.

g. When not otherwise covered (e.g., as institutional services or as physician's services), supporting services (such as psychological services, physical, occupational, or speech therapy, and nutrition, social work, and health education services) when with Secretary's approval, furnished by an approved HMO, or another organization, institution, or agency. Outpatient physical therapy services are covered only if they meet requirements of existing law, i.e., § 1861(p) of Social Security Act (as amended by the bill). (Outpatient physical therapy services (other than those in a physician's office) furnished by an independent physiotherapist in his office or the patient's home, are covered only as under the 1972 Amendments, i.e. to the extent of incurred charges therefor not exceeding $100 per calendar year.) Screening services not otherwise covered are covered when furnished in accordance with regulations.

7. *Excluded from Coverage* (and not abovementioned as excluded) are, *inter alia:*

a. Services furnished outside the U.S., with certain across-the-border exceptions for hospital services and for professional services incident to the hospital services. (sec. 1819(a) of bill).

b. Services not medically necessary or reasonable or, in the case of health maintenance, not appropriate. However, the bill preserves section 1879, added by the 1972 Amendments, providing for payment for such services under certain circumstances.

c. Personal comfort items.

d. Purely custodial care. However, the bill preserves section 1879, added by the 1972 Amendments, providing for payment for such services under certain circumstances.

e. Cosmetic surgery (with certain exceptions).

f. Services furnished or paid for, or required to be furnished or paid for, under a workmen's compensation law. (They may be provisionally treated as covered until a determination has been made under that law, upon which determination payment under Medicare is to be treated as an overpayment.)

g. Services for which the individual has no legal obligation to pay and which no one else (whether by reason of the individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for.

h. Services furnished by a Federal provider, except emergency services, and except (1) services that the provider is providing generally to the public as a community institution (e.g., St. Elizabeths Hospital) or (2) to the extent provided in regulations, services of Public Health Service personnel assigned (under sec. 329(b) of the PHS Act) to

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[1] The term "institutional services" is defined in the bill as including all services that are furnished, or held out as available, generally to patients or classes of patients of the institution involved and are furnished by the institution or by others under arrangements with them made by the institution, including pathology and radiology services and all other professional and nonprofessional services so furnished or held out as available; except that the term does not include medical, surgical, or dental services by an independent physician or dentist, or podiatry services by an independent podiatrist, furnished to an individual as the practitioner's private patient (as defined by regulation).

[2] The 150-day limit on psychiatric hospital care does not apply while catastrophic benefits are in effect. See F.3.b., below.

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an area with a critical health manpower shortage.

i. Services that the provider is obligated by a law or contract with the U.S. to render wholly at public expense.

j. Services paid for directly or indirectly by *any* governmental entity, *except* (1) services for which payment is made under any provision of the Social Security Act other than Title XVIII; (2) services paid for under a health insurance plan for the entity's employees (or retired employees) or their families; (3) services provided by a participating State or local government-operated hospital (including a mental or tuberculosis hospital) that serves the general community; (4) services paid for by a State or local agency and furnished as a means of controlling infectious diseases or because the patient is medically indigent; and (5) services provided in such other cases as the Secretary may specify.

D. *Payment for Covered Services* (other than payment to an HMO contracting with the Secretary).

1. Payment is made only to a "participating provider" (i.e., one that has filed, and has in effect, a participation agreement with the Secretary under sec. 1866, except in the case of emergency services and covered across-the-U.S. border hospital and related services. The term "provider", under the bill, includes not only institutions but also independent practitioners with respect to their private patients, suppliers who furnish items (e.g., drugs or prostheses or appliances) to an individual in their own right and not on behalf of another, etc.

2. An institutional provider is, for Medicare payment purposes, to be treated as the provider of services (as above defined in note 1), regardless of the legal or financial arrangement between the institution and the person furnishing the services. For example, physician services to a hospital patient would be paid by Medicare to the hospital under a prospectively determined schedule of charges related to cost as described in paragraph 3 below, except when the individual is the physician's private patient.

3. The amount of reimbursement to a participating institutional provider for institutional services is to be made on the basis of a *predetermined* schedule of patient care charges approved, for an accounting year of the institution, by the Secretary (through a review mechanism under which the fiscal intermediary for the institution generally makes the initial determination) or, in a State that has a State rate review and approval agency operating under equivalent standards, approved by that State agency. (Capitation charges, if submitted by a provider and if meeting standards, may also be approved.) The schedule of charges must be based on a system of accounting and cost finding in conformity with standards prescribed or approved by the Secretary, and on the institution's budget for the accounting year involved, which budget must also be approved by the Secretary or the State rate review and approval agency, as the case may be. A schedule of charges may be approved only if they do not exceed the estimated reasonable cost for the efficient delivery of services, as determined under the definition of "reasonable cost" and implementing regulations. (A revision of an approved schedule of charges during an accounting year would be permitted only under exceptional circumstances, described in the bill.) The bill provides for periodic interim payments to the institution during the institution's accounting year on the basis of projections, with final adjustment (after the close of the accounting year) based on the approved schedule of charges.

A hospital that is not a participating institutional provider, if eligible for reimbursement (see paragraph D. 1., above), would be paid on a reasonable cost basis (or, if less, in the case of a private hospital, its customary charges). In the case of such a hospital that elects not to claim payment under the program but to collect from the individual, payment would be made to the individual at the reasonable charge rate (less copayment).

4. With respect to noninstitutional services of physicians, dentists, optometrists, podiatrists, and chiropractors, and such other noninstitutional services of licensed professional practitioners as may be specified in regulations, the bill provides for payment in accordance with annually predetermined fee schedules for their local areas and for establishing these schedules, to the extent feasible, on the basis of negotiations with representatives of their professional societies and representatives of associations of retired persons (or associations otherwise representative of Medicare beneficiaries). The final schedule could, however, be established only after public hearing. (This system would apply only to services in the United States and not to the exceptional cases of covered across-the-border services.) The schedules are to be based on a forecast of what would be fair and equitable compensation (not exceeding "reasonable charges") in the area in the applicable fiscal year. Inasmuch as the legislation requires that payment for services in the United States be made only to a participating provider (except in emergency cases) and not to the individual, and a participating practitioner must agree to accept the Medicare payment (plus any copayment) as the full charge for the service, such a practitioner could no longer, by refusing to accept an assignment from the patient and billing the patient directly, require the patient to pay fees *in excess* of the Medicare reimbursement (plus copayment). A patient of a *non*participating practitioner in the United States, except in the case of emergency services, would no longer be able to obtain any reimbursement from Medicare. (Even such a practitioner, if he accepts an assignment from the individual for the emergency services, could be paid only the above-mentioned established Medicare charge and would be precluded from collecting an added fee from the patient, except the copayment if one applies.) The Secretary would be required to make public, for each local area, the established fee schedules for the area and the names, professional fields, and professional addresses of participating practitioners in the area.

5. In *other* cases, a participating noninstitutional provider is to be paid on a "reasonable charge" basis, except that an organization that operates on a prepayment basis may, at its request, be reimbursed under the provisions for payment to institutional providers. In emergencies, if the service in the United States is furnished by such a nonparticipating provider, i.e., one that has not filed a participation agreement with the Secretary, payment of the reasonable charge may be made either to the patient on the basis of an itemized bill, or to the provider on an assignment from the patient if the provider agrees that the reasonable charge is his full charge.

6. *Payment to Health Maintenance Organizations (HMO's)*. The bill basically retains (as section 1838), the provisions of section 1876, enacted in 1972, for contracts between the Secretary and HMO's for reimbursement either on a risk-sharing or cost-reimbursement basis, with interim per capita payments during the contract year. In addition to technical corrections, the bill makes a number of clarifying amendments, including amendments to make clear that a medical foundation may qualify as an HMO and provisions somewhat amplifying and clarifying the provision relating to HMO's that arrange with a group or groups of professional practitioners for services to enrollees.

7. *Special Provisions on Payment for Drugs.* Provides that the "reasonable charge" for a drug may not exceed the provider's "cost base" (described below) plus a reasonable dispensing fee, except that it shall in no event exceed the provider's customary charge for the drug, and except that a dispensing fee may not be added for a drug furnished by a physician or dentist. (In the case of institutional providers, such as hospitals, whose charges are approved prospectively on the basis of estimated reasonable cost rather than a reasonable charge, and in the case of health maintenance organizations that are under contract with the Secretary for reimbursement on a risk-sharing basis or on a reasonable cost basis, the *direct*-cost element of drugs would be determined in the same way as the "cost base" in the case of other providers—except that for institutional providers it would be estimated prospectively—and the indirect-cost element would be determined in accordance with general cost-finding principles prescribed by the Secretary rather than a dispensing fee as such.

For a multiple-source drug for which a maximum cost allowance (MAC) is established (see below), the applicable "cost base" of the provider would be—

(i) the applicable MAC, or, if less,

(ii) the provider's actual acquisition cost of the drug item furnished by him plus 25 percent of the excess, if any, of the MAC over the actual acquisition cost;

except that this rule would not apply to a specific item of such a multiple-source drug identified by the physician or dentist furnishing or prescribing the drug for a patient by brand name or by the name of a manufacturer, packer, or distributor of the drug where the physician or dentist certifies that only the product so identified can be tolerated by that patient or that only that product will be effective for him.

For any single-source drug, any multiple-source drug with respect to which a MAC has not been established, and any specific drug item to which, with respect to a particular patient, an otherwise applicable MAC does not apply because of a physician's or dentist's certificate above described, the provider's "cost base" would be the actual acquisition cost of that drug (or that item) to the provider plus 25 percent of the excess, if any, of the prevailing actual acquisition cost of the drug (or that item) in the same locality over its actual acquisition cost to the particular provider.

A MAC could be established by the Secretary for any multiple-source drug for which significant amount of Federal funds are or may be expended under Medicare, unless found to be inappropriate because of pending or foreseeable regulatory or enforcement activity (including the establishment of a specific bioavailability requirement) under the Federal Food, Drug, and Cosmetic Act, or because of any other relevant factor bearing on pharmaceutical interchangeability of the different products of a multiple-source drug. A MAC would be established at the lowest unit price at which the drug is widely and consistently available to providers throughout the nation, except that a separate MAC could be established for any locality or localities if the drug, though so available elsewhere, is not so available in that locality or those localities. The bill provides for consultation with an expert advisory committee, notice of proposed rule making, and opportunity for formal or informal hearing before a MAC is finally established, and for judicial review after such hearing.

The bill makes State antisubstitution laws inapplicable to multiple-source drug items that are subject to a MAC if the prescription is filled with an item of the same drug entity though with a brand or from a source other than that specified by the prescriber, provided that the prescriber has not made the above-described certification that would make the MAC inapplicable, the provider's actual acquisition cost of the drug if dispensed in accordance with the literal tenor of the prescription would exceed the MAC, and the provider informs the prescriber and the patient of the substitution and that it is authorized by Federal law.

E. *Use of Carriers, etc., for Making Determinations, etc., for Payment Purposes.*—The bill merges the present part A provisions for use of fiscal intermediaries and part B provisions for use of carriers into a single section providing for use of carriers (including the type of organization which under the present system is a fiscal intermediary under part A) in administering the program, but adding the above-noted new functions relating to budgets and predetermined rates of institutional providers and to the negotiation and establishment of fee schedules for noninstitutional professional services. The Secretary must give priority to the fiscal-intermediary type of organization in selecting "carriers" to act for him with respect to covered services provided by institutional providers for which payment is to be made on an approved charge basis.

F. *Cost Sharing*—

1. *Periodic Premium Payments* would no longer be required for any part of the program.

2. *Deductibles.* All deductibles would be eliminated.

3. *Copayments and Catastrophic Expense Benefits.*

a. The bill would establish 5 income classes, with income class 1 being the one for low-income individuals and families. The income ranges for the different income classes would be subject to automatic annual revision in accordance with the increase of each year's second-quarter average of the Consumer Price Index (CPI), as compared with the index for the corresponding base quarter of 1972, but initially the income ranges would be set as follows:

TABLE OF INCOME CLASSES—FAMILY SIZE AND INCOME RANGES

Income class	Single individual	Family of 2	Family of 3	Family of 4 or more
1	0-$2, 110	0-$2, 730	0-$3, 340	0-$4, 280
2	$2, 111- 3, 160	$2, 731- 4, 090	$3, 341- 4, 460	$4, 281- 5, 340
3	3, 161- 4, 740	4, 091- 5, 450	4, 461- 5, 570	5, 341- 6, 410
4	4, 741- 6, 330	5, 451- 6, 810	5, 571- 6, 980	6, 411- 7, 480
5	Above 6, 330	Above 6, 810	Above 6, 980	Above 7, 420

b. Persons in income class 1 would never be subject to copayments or be subject to coverage limits on certain services referred to below. Persons in income classes 2, 3, 4, and 5 would initially be subject to certain copayments (listed below). (Any copayment amount expressed as a flat dollar amount, rather than a percentage of charges, would be subject to automatic annual revision in accordance with the CPI.) However, copayments would cease when, in a given year and the preceding calendar quarter a specified out-of-pocket expenditure limit is reached. For income classes 2, 3, and 4, that limit would initially be set at $125, 250, and $375, respectively (but subject to annual revision in accordance with the CPI). In the case of income class 5, the out-of-pocket expenditure limit would be 6 percent of annual income, or, if lower, $750 (subject to annual revision of the dollar limit in accordance with the CPI). Credited toward the out-of-pocket limits would be not only expenditures incurred for copayments, but also any expenditures incurred for services furnished in excess of the coverage limit in the case of certain psychiatric services; moreover, when the out-of-pocket expenditure limit has been reached, these coverage limits would cease to apply for the rest of the year. These expenditure limits, with consequent termination of copayments and coverage limits, are referred to as catastrophic expense benefits in the bill.

LIST OF COPAYMENTS

Type of Service	*Copayment*
1. Inpatient hospital services covered under section 1813 (a)(1).	1. $5 per day, unless higher under section 1824.[1]
2. Skilled nursing facility services covered under section 1813(a)(1).	2. $2.50 per day, unless higher under section 1824.
3. Home health services covered under section 1813(a)(4).	3. $2.00 per visit (as defined by regulations), unless higher under section 1824.
4. Physicians' services covered under section 1814 (a) and (c)(3).	4. $2.00 per visit unless higher under section 1824; except that 10% of approved combined multivisit charge (when authorized by regulation), as in cases of surgery or obstetrical care, shall apply.
5. Dentists' services covered under section 1815.	5. 20% of approved charges; except no copayment for oral examination and prophylaxis including fluoride application, X-rays, and (in accordance with regulations) other preventive procedures.
6. Mental health day care (including physicians' services) covered under sections 1816(a)(4) and 1814(c) (1) or (2).	6. $2 per day unless higher under section 1824.
7. Diagnostic outpatient services of independent laboratories, or of independent radiology services, covered under section 1816 (a)(3) and not part of covered institutional services.	7. 20% of approved charges, except when a negotiated rate agreement under section 1836(b)(4) precludes copayment.
8. Devices, appliances, equipment, and supplies covered under section 1818.	8. 20% of approved charges, except no copayment for examination for glasses or when copayment is waived under section 1836(b)(3).
9. Drugs covered under section 1817(b)(3).	9. $1 per each filling or refilling of a prescription unless higher under section 1824.
10. Ambulance services covered by section 1816(a)(6).	10. 20% of approved charges.

G. *Financing of Program*—

1. The two Medicare trust funds would be merged into a single Medicare Trust Fund. In addition to the special taxes collected under the Internal Revenue Code (see below), and to returns from investment of the fund, a Government contribution would be authorized to be appropriated in whatever amount is necessary as estimated from time to time by the Board of Trustees of the Trust Fund, so that there can be prompt payment of benefits and administrative expenses plus an adequate contingency reserve.

2. If at any time the Board of Trustees reports to the Congress that the Trust Fund is insufficient to make promptly all payments from the Fund required in the next 3 months, and if a request for a Government contribution that would correct the insufficiency is then pending in Congress but an appropriation to make the contribution has not been finally acted on by the Congress, the Managing Trustee (Secretary of the Treasury) would, if the Board so directed, be required to borrow (through issuance of Trust Fund notes or other obligations) from the Treasury, which would be empowered to utilize the Second Liberty Loan Act for the purpose.

H. *Professional Standard Review Organizations*—Repeals the provision (section 1155 (g) of Social Security Act) that limits the reviewing function of a PSRO to institutional services unless the PSRO requests, and the Secretary approves, its review of other health care services.

I. *Changes in Other Law*—

1. Amends sec. 226 of Social Security Act to establish the broadened entitlement for age referred to under paragraph B. above. (Repeals sec. 103 of Social Security Amendments of 1965 which contains transitional provisions on Medicare entitlement that would be unnecessary in view of the amendments to section 226.)

2. Limits Railroad Retirement Board's functions for administration of Medicare with respect to railroad retirement annuitants to those annuitants with respect to whom certification to HEW is necessary in order to establish their entitlement to Medicare. Such certification would no longer be necessary in the case of most individuals whose entitlement is based on attainment of age 65. (Continues Railroad Retirement Board's functions for comparable payments to railroad retirement annuitants in *Canada out of the Railroad Retirement Account.*)

3. Repeals provisions in the Railroad Retirement Tax Act (secs. 3201, 3211, and 3221) insofar as they include under that Act the equivalent of the present hospital insurance taxes under the Federal Insurance Contributions Act. (Reason: These railroad taxes, under another provision of law, now go into the Railroad Retirement Account, on the premise that the Medicare system will get its equitable share under the financial-interchange provisions of the Railroad Retirement Act. However, under the bill, railroad employment will now be taxed for Medicare purposes under the Federal Insurance Contributions Act).

4. Amends Title XIX (Medicaid) of Social Security Act to make Medicaid for the elderly supplemental to Medicare. Makes conforming changes that eliminate provision for the Medicaid agency's payment of premiums and copayments under Medicare (in view of above-stated changes in Medicare).

5. The 1972 enactment of section 1862(c) of Title XVIII of the Social Security Act, intended to coordinate the federal employee health benefit (FEHB) program with Medicare effective 1/1/75 (further postponed for up to 1 year by Public Law 93–480), would be replaced with amendments to the provisions of the FEHB program designed to (a) take account of the above-mentioned structural changes and elimination of premiums in the Medicare program, (b) clarify the intent of the 1972 Amendment, (c) require

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[1] Section 1824 contains the above-mentioned provisions for adjustment in accordance with the CPI.

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each FEHB plan to offer to eligible enrollees, under a distinct part of the carrier's overall plan, the option of benefits supplementary to Medicare at a subscription rate actuarially commensurate with that option, and (d) deal with situations where a Federal employee or annuitant is enrolled under the FEHB program for self and family but only some members of the family unit (and possibly excluding the enrollee himself) are entitled to Medicare benefits and the others should be covered under the carrier's overall plan.

6. Amends section 402 of the Social Security Amendments of 1967 to authorize the contracts, to develop and undertake projects to test or demonstrate the feasibility and cost effectiveness of beneficiary health care charge accounts under Medicare and other programs, whereby the program, rather than the provider, would bill the beneficiary for any copayments.

TITLE II. CHANGES IN TAX LAW

A. *Types of Tax for Medicare Purposes.*—Continues wage tax on employees; payroll tax on employers; and self-employment tax on self-employment income; and imposes a tax on *unearned* income of individuals, subject to the same tax base limit. Exempts from wage taxes those individuals who attain (or would if living attain) age 65 in or before the taxable calendar year, and from self-employment and unearned-income taxes individuals who attain (or would if living attain) age 65 in or before the calendar year in which the taxable year ends.

B. *Tax Rates and Tax Base*—No change in rates for existing health insurance taxes. The rates for the new tax on unearned income would be the same as the rates scheduled under present law for Medicare purposes on income from wages and on self-employment income for years beginning with the year (1977) in which the bill would become effective. The tax base would, for all such taxes and for payroll taxes, be the same as provided in present law.

C. *Covered Services for Wage and Payroll Taxes*—Same as present law, except that Federal employment, railroad employment, foreign agricultural workers, and charitable (etc.) organizations would be covered. As to repeal of railroad retirement taxes, see para. H. 3, above.

NOTE.—State and local governmental entities and employees, to the extent covered by Federal-State agreements under the Social Security Act, would be paying the equivalent of these taxes.

III. *Effective Date*—For most purposes, the bill would begin with the fiscal year 1978, which under recent legislation begins on October 1, 1977. Tax provisions are related to taxable years beginning after December 31, 1976.

By Mr. ABOUREZK (for himself, Mr. NELSON, Mr. McGOVERN, Mr. HARTKE, Mr. EAGLETON, Mr. McGEE, Mr. CHURCH, Mr. CLARK, Mr. HATFIELD, Mr. LEAHY, Mr. BAYH, Mr. METCALF, Mr. MONDALE, Mr. HUMPHREY, and Mr. BURDICK):

S. 1458. A bill to amend the Clayton act to provide for additional regulation of certain anticompetitive developments in the agricultural industry. Referred to the Committee on the Judiciary.

FAMILY FARM ANTITRUST ACT OF 1975

Mr. ABOUREZK. Mr. President, the food industry in America is a more than $150 billion-a-year industry. This is larger than automobiles, oil, or even our Defense Department. Yearly this industry is being dominated by fewer and fewer firms. Competitin declines. Product lines become controlled. The consumer pays and the small farmer is forced off his land.

We have all felt the great increases in food prices in the past few years but have wondered where to lay blame. It is obvious now that food monopolies are a major cause. They buy choice farm lands; engage in contract farming; economically wrestle family farmers out of business; control markets and product lines; and look for ways to squeeze that last penny of profit.

Let me point out an example of the above. Tenneco, Inc., engages in oil production, pipelines, chemicals, and other products. Its assets are said to be over $4 billion and yearly income over $125 million. In the early 1960's the company acquired land, in one purchase, totaling twice the size of Rhode Island. The purchase of this land provided Tenneco with an opportunity to use most of its conglomerate parts. Tenneco makes chemicals, so it could use its own fertilizer and pesticide for its land and crops. It has the J. I. Case Co. for tractors and other farm equipment. Fuel? Its own refineries. Of course, packaging of its products would be no problem since it owns Packaging Corp. of America.

Later Tenneco purchased more land and soon controlled 70 percent of our Nation's date production. It purchased almond groves. It acquired grape vineyards to control 10 percent of the Nation's table grapes. It created the Sun Giant brand name and used its economic size to pull independent growers under Tenneco control.

Safeway, this country's largest supermarket chain, is another example of vertical integration in the food industry. Safeway is a $7 billion empire with more than 2,000 supermarkets, 109 manufacturing plants, 16 produce-packaging plants, 16 bakeries, 16 ice cream plants, 19 milk plants, 3 meat processing units, 4 soft drink bottlers, 3 coffee roasting plants, a soup factory, one peanut butter factory, and a salad oil factory. Moreover, there are 60 Safeway distribution warehouses sending out 21,000 Safeway tractor-trailers.

These and other examples studied by the Economic Research Service of the Department of Agriculture show that vertical integration by food manufacturers into agriculture has given them control of some 22 percent of farm production.

When four companies control over 50 percent of a market, economists state that an oligopoly exists. In the food industry four firms control 90 percent of the breakfast cereals; 90 percent of the soups—one company; 80 percent of canned goods; 75 percent of the bread and prepared flour industry; 65 percent of the cane sugar; 60 percent of the baby food—one company; and 56 percent of the processed meats.

Predatory price practices, product differentiations, concentration, and economic advantages enable the large food companies to control markets, but not necessarily efficiently. A 1972 FTC report notes that corporate control of 13 food lines resulted in price overcharges of $2.1 billion to consumers. Price overcharging may be shown by citing United Brands—formerly United Fruit. In its quest for a larger share of the banana market, United Fruit hired the advertising firm of Batten, Barton, Durstine, and Osborn. The idea established was to create the brand name "Chiquita" and a "consumer franchise." Through this system the company could pass on higher costs to its consumers. As the ad company stated:

> The objective of the brand name was to sell United Fruit bananas at a higher price than they would normally get.

In all, not only are consumers hurt by the food monopolies, but so are the farmers. It is estimated that 1,000 farms per week are lost. About 1,000 farms were lost last year in my own State of South Dakota. The rural mail boxes of today do not bear the name of farmer Jones or Smith or MacDonald. Instead they say ITT, Boeing, and Occidental Petroleum. As these small farmers are forced to leave the land, the small towns of America also suffer. Despite the fact that poll after poll shows that people want to live in small towns, we seem to be following an economic policy that makes it impossible for them to do so.

Farmers have not benefited from the exorbitant food prices of the past few years. The USDA noted that middlemen took about 60 cents of every consumer dollar in 1973. Moreover, a USDA study found that from 1952–71, 94 percent of the consumer price increases of food was due to increased marketing costs. Farmers only received 6 percent of the price increase. Some examples the USDA cited were: 28 cents for a loaf of white bread—4 cents for the wheat farmer. Lettuce of 43 cents a head paid 4 cents to the farmer.

The farmers know what is going on. They see their friends and neighbors forced to abandon the vocation of a lifetime and feel powerless to stop it. They know what the long range consequences of this will be. Here, for example, are the views of Berge Bulbulian, a farmer from Sanger, Calif.:

> Efficiency has to do with the relation between input and output. No, the big agribusiness firms are not efficient except in farming the government, and, even if they were, do you think that this efficiency will be translated into lower prices to the consumer when and if a small handful of agri-business giants control agriculture? And if they do give you food for a lower price, what about the social costs involved in the out-migration of people from the rural farms and towns? There are many costs that must be considered and most of them will not be paid at the corner supermarket.

Some have said that there is no problem and that corporate control of agricultural production represents "only" a small percentage of the total. The time to solve the problem of undue corporate influence is now and not before it is too late. By the time corporations control a large percentage of agricultural production, the battle will already be lost.

Mr. President, we must reverse the trend toward corporate domination of our food supply. I am, for that reason, glad to join Senator NELSON in introducing the Family Farm Act.

The Family Farm Anti-Trust Act is a proposal to prohibit corporations with more than $3 million in nonfarm assets from engaging in farming. It requires divestiture within 5 years for those operations presently over the $3 million limit.

I ask unanimous consent that certain statistics and a copy of the bill be printed in the RECORD.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

SUMMARY REPORT OF MAJOR U.S. CORPORATIONS INVOLVED IN AGRIBUSINESS, JULY 1973

Aetna Life and Casualty—85,000 acres in California and Arizona.

American Brands—1622 acres in Connecticut and Massachusetts.

American Cyanamid—in venture with Mutual of Omaha Life Insurance 35,000 acres in North Carolina.

BankAmerica—1462 acres plus 100,000 in trust through its Agricultural Investment Corp.

Boeing—leases 100,000 acres in Oregon.

Campbell—four mushroom farms.

Coca-Cola—1200-acre experimental farm in Washington and experimental farm in Wisconsin.

Connecticut General Insur.—owns or controls through long-term leases more than 30,000 acres of citrus holdings in Florida (3% of State's total).

Continental Oil—4.8 million acres in U.S. (plus 33.4 million acres in Canada).

Dow Chemical Co.—leases 17,000 acres in Arizona and California.

G. D. Searle—805 acres in Illinois for bull raising.

Getty Oil—97,000 acres in California.

Gulf and Western Indus.—with Scott-Mattson Farms "engaged in a variety of agricultural related and land-use activities ranging from cattle to cucumbers . . ."

ITT—350,000 acres in Washington.

IU International Corp.—owns or controls under long-term lease, with more than 265,000 acres of land in Hawaii and received $3,582,994 in ASCS subsidies through eight plantations in Hawaii.

Jim Walter—$315,795 in ASCS subsidies.

Occidental Petroleum—200,000 acres including ranch land holdings presently leased to large cattle companies.

Pacific Lighting—grower of deciduous fruits in California, Arizona, Michigan, Maryland, Florida.

Reynolds Metals—$42,387 in ASCS subsidies in 1972 for agricultural land in Kentucky.

Safeway—joint venture with Holly Farm Poultry.

Seaboard Coast Line—owns and leases 216,500 acres—mostly citrus groves and cattle operations in Florida and Georgia.

Standard Oil of California—306,000 acres in California.

Standard Oil of Indiana—18.1 million acres; option or permit on 5.3 million acres.

Tenneco—date groves, almond groves, table-grapes in California and Arizona.

Times-Mirror (L.A.)—owns significant stock (12.8%) in 290,000 acre ranch in California.

Union Carbide—Domsea Farms (experimental projects with salmon, marine food sources).

(Source: Agribusiness Accountability Project.)

CORPORATIONS INVOLVED IN AGRICULTURAL PRODUCTION

[Corporations engaged in the cultivation of land for the raising and production of crops and livestock]

REVENUES

Rank—Corporation	Total corporate revenues	Rank among all U.S. corporations
1 Standard Oil of California	$5,829,487,000	14
2 Aetna Life & Casualty Co	4,184,018,000	22
3 RCA Corp	3,838,180,000	27
4 Ling-Temco-Vought (LTV)	3,442,296,000	32
5 Tenneco Inc	3,255,366,000	37
6 Esmark Inc	3,240,931,000	38
7 Greyhound Corp	2,903,607,000	42
8 Beatrice Foods	2,786,970,000	43
9 Occidental Petroleum	2,487,247,000	49
10 General Foods Corp	2,423,816,000	52
11 Dow Chemical Co	2,403,709,000	54
12 Boeing Co	2,369,580,000	55
13 Connecticut General Life Insurance Co	2,124,051,000	64
14 R. J. Reynolds Industries, Inc	2,072,312,000	69
15 Foremost McKesson Inc	1,933,383,000	77
16 Coca-Cola	1,876,192,000	81
17 Ralston Purina	1,833,432,000	86
18 Consolidated Foods Corp	1,745,959,000	97
19 American Brands	1,734,261,000	98
20 Gulf & Western Industries, Inc	1,669,671,000	103
21 United Brands	1,668,322,000	104
22 BankAmerica Corp	1,651,293,000	106
23 CPC International	1,549,582,000	118
24 Southern Pacific Co	1,449,389,000	132
25 Getty Oil Co	1,405,298,000	139

PROFITS

Rank—Corporation	Total corporate net profits	Rank among all U.S. corporations
1 Standard Oil of California	$574,070,000	9
2 R. J. Reynolds Industries, Inc	236,417,000	20
3 Tenneco Inc	203,017,000	25
4 BankAmerica Corp	192,447,000	31
5 Coca-Cola	190,157,000	32
6 Dow Chemical Co	189,189,000	33
7 Aetna Life & Casualty Co	170,243,000	36
8 RCA Corp	158,104,000	40
9 American Brands	123,300,000	59
10 Connecticut General Life Insurance Co	120,030,000	67
11 American Cyanamid Co	108,780,000	73
12 Southern Pacific Co	108,208,000	75
13 Beatrice Foods	90,391,000	90
14 CPC International	86,662,000	96
15 Seaboard Coast Line Industries, Inc	82,396,000	105
16 Getty Oil Co	81,174,000	109
17 Gulf & Western Industries, Inc	69,411,000	142
18 Greyhound Corp	66,848,000	152
19 General Foods Corp	66,185,000	155
20 Consolidated Foods Corp	63,754,000	164
21 Campbell Soup Co	59,633,000	179
22 IU International Corp	59,383,000	183
23 Ralston Purina	$58,246,000	186
24 Carnation Co	55,854,000	192
25 Jim Walter Corp	44,568,000	251

ASSETS

Rank—Corporation	Total corporate assets	Rank among all U.S corporations
1 Bank America Corp	$40,888,450,000	2
2 Aetna Life & Casualty Co	12,108,050,000	14
3 Standard Oil of California	8,079,875,000	28
4 Connecticut General Life Insurance Co	7,128,623,000	33
5 Tenneco Inc	4,838,123,000	47
6 Dow Chemical Co	3,312,729,000	77
7 Southern Pacific Co	3,293,259,000	78
8 RCA Corp	3,132,761,000	85
9 Occidental Petroleum Corp	2,562,047,000	112
10 R. J. Reynolds Industries, Inc	2,365,945,000	125
11 Seaboard Coast Line Industries, Inc	2,236,239,000	137
12 Gulf & Western Industries Inc	2,230,482,000	138
13 Getty Oil Co	2,181,628,000	141
14 Boeing Co	2,127,396,000	145
15 American Brands	1,974,320,000	159
16 Reynolds Metals Corp	1,963,243,000	160
17 General Foods Corp	1,596,832,000	210
18 IU International Corp	1,528,319,000	224
19 American Cyanamid	1,388,806,000	256
20 Pacific Lighting Corp	1,357,028,000	262
21 Coca-Cola	1,231,613,000	292
22 Greyhound Corp	1,230,052,000	293
23 United Brands	1,117,839,000	310
24 Beatrice Foods	1,087,514,000	318
25 CPC International	1,083,563,000	321

PROFITABILITY

Equity rank—Corporation	Equity		Total capital	
	Percent	National corporation rank	Rank	Percen
1 Coca-Cola	27.8	16	7	25.4
2 Heublein, Inc	23.7	26	85	14.3
3 R. J. Reynolds Industries, Inc	20.3	53	56	16.0
4 Cook United, Inc	16.6	110	248	10.3
5 Carnation Co	16.3	115	137	12.5
6 Beatrice Foods	16.2	121	67	15.3
7 Southland Corp	15.9	129	318	9.2
8 ConAgra	15.5	142	230	10.7
9 Greyhound Corp	15.5	143	223	10.8
10 Missouri Beef Packers	15.3	151	97	13.4
11 Foremost McKesson, Inc	15.2	159	358	8.5
12 Ralston Purina	14.9	171	235	10.6
13 Gulf & Western Industries, Inc	14.5	189	530	6.3
14 Consolidated Foods	14.5	191	174	11.5
15 American Brands	14.4	195	240	10.5
16 Dow Chemical Co	14.2	207	307	9.3
17 CPC International	14.2	210	243	10.5
18 Times Mirror Corp	14.1	222	152	12.2
19 BankAmerica Corp	14.0	224	87	14.0
20 Tenneco, Inc	13.6	244	496	6.7
21 General Foods	13.3	265	184	11.4
22 Riviana Foods	13.1	275	275	9.8
23 Campbell Soup Co	12.8	292	130	12.6
24 American Cyanamid	12.6	303	260	11.0
25 Great Western United Corp	12.3	332	270	9.8

FARMS AND ACRES OPERATED BY FARMING CORPORATIONS AND COMMERCIAL FARMS, BY STATE AND REGION, UNITED STATES 1968

State and region	Commercial farms [1]		Corporations [3]		Corporations as percentage of commercial farms		Commercial farms (average acres)	Corporations (average acres)
	Farms (number)	Land in farms (1,000 acres)	Farms (number)	Land in farms (1,000 acres)	Farms [2] (percent)	Land in farms ercent)		
Maine	5,500	1,650	57	92	1	6	300	1,614
New Hampshire	1,700	450	14	6	1	1	265	429
Vermont	5,300	2,000	42	25	1	1	377	595
Massachusetts	3,800	550	120	68	3	12	145	567
Rhode Island	500	50	14	6	3	12	100	429
Connecticut	2,900	450	117	60	4	13	155	513
New York	38,000	9,700	271	174	1	2	255	642
New Jersey	5,700	800	101	47	2	6	140	465
Pennsylvania	41,500	7,500	228	115	1	2	181	504
Delaware	2,600	600	50	39	2	6	231	780
Maryland	11,400	2,550	164	137	1	5	224	835

Footnotes at end of table.

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FARMS AND ACRES OPERATED BY FARMING CORPORATIONS AND COMMERCIAL FARMS, BY STATE AND REGION, UNITED STATES 1968—Continued

State and region	Commercial farms [1]		Corporations [2]		Corporations as percentage of commercial farms		Commercial farms (average acres)	Corporations (average acres)
	Farms (number)	Land in farms (1,000 acres)	Farms (number)	Land in farms (1,000 acres)	Farms [2] (percent)	Land in farms (percent)		
Northeast	118,900	26,300	1,178	769	1	3	221	653
Michigan	50,500	10,250	213	145	(3)	1	203	681
Wisconsin	81,700	17,000	532	368	1	2	208	692
Minnesota	91,600	27,550	187	223	(3)	1	301	1,193
Lake States	223,800	54,800	932	736	(3)	1	245	790
Ohio	62,500	13,500	266	197	(3)	1	216	741
Indiana	62,500	15,350	315	228	1	1	246	724
Illinois	98,000	28,400	246	247	(3)	1	290	1,004
Iowa	122,800	32,500	288	240	(3)	1	265	833
Missouri	72,000	24,300	262	346	(3)	1	338	1,321
Corn Belt	417,800	114,050	1,377	1,258	(3)	1	273	914
North Dakota	39,500	39,650	29	61	(3)	(3)	1,004	2,103
South Dakota	40,000	40,950	237	1,600	1	4	1,024	6,751
Nebraska	62,000	46,200	467	1,886	1	4	745	4,039
Kansas	62,000	46,800	128	237	(3)	1	754	1,851
Northern Plains	203,500	173,600	861	3,784	(3)	2	853	4,395
Virginia	31,000	7,900	258	331	1	4	255	1,283
West Virginia	4,800	1,750	52	42	1	2	375	808
North Carolina	80,700	10,300	223	383	(3)	4	128	1,717
Kentucky	58,000	11,100	151	124	(3)	1	191	821
Tennessee	44,500	9,200	65	94	(3)	1	205	1,446
Appalachian	219,300	40,250	749	974	(3)	2	154	1,300
South Carolina	21,000	5,700	88	150	(3)	3	271	1,705
Georgia	39,000	13,000	220	357	1	3	333	1,759
Florida	13,500	12,500	1,215	3,554	9	31	926	3,180
Alabama	30,500	9,900	75	108	(3)	1	325	1,440
Southeast	104,000	41,100	1,598	4,509	2	11	395	2,822
Mississippi	34,000	11,350	294	727	1	6	334	2,473
Arkansas	27,300	11,300	301	657	1	6	414	2,183
Louisiana	17,800	8,050	240	706	1	9	255	2,542
Delta States	79,100	30,700	835	2,090	1	7	388	2,503
Oklahoma	37,500	27,900	35	99	(3)	(3)	744	2,829
Texas	78,000	118,200	455	4,434	1	4	1,515	9,745
Southern Plains	115,500	146,100	490	4,533	(3)	3	1,265	9,251
Montana	19,900	57,900	764	3,770	4	15	2,910	11,479
Idaho	18,700	13,350	488	1,492	3	11	714	3,057
Wyoming	6,400	32,450	302	5,488	5	17	5,070	18,172
Colorado	18,400	32,750	507	3,980	3	12	1,780	7,850
New Mexico	6,810	37,000	153	6,216	2	17	5,441	40,627
Arizona	3,200	18,100	205	2,165	6	12	5,656	10,561
Utah	7,300	10,300	364	2,862	5	28	1,411	7,863
Nevada	1,300	7,800	77	1,696	6	22	6,000	22,026
Mountain	82,000	209,650	2,860	32,669	3	16	2,557	11,423
Washington	70,700	16,000	381	647	2	4	773	1,698
Oregon	15,500	17,800	292	1,129	2	6	1,148	3,866
California	29,000	33,100	1,673	6,153	4	19	849	3,678
Pacific	75,200	66,900	2,346	7,929	3	12	890	3,380
48 States	1,639,100	903,450	13,226	59,251	1	7	551	4,450
Alaska	213	[4] 1,722	5	(5)	2	------------	8,084	------------
Hawaii	2,821	[4] 2,254	82	805	3	36	799	9,817
U.S. total	1,642,134	906,426	13,313	60,056	1	7	553	4,511

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[1] All farms having gross sales of $2,500 or more. Estimates for 1968 projected from 1964 Census of agriculture.

[2] County unit basis; i.e., corporations having operations in more than 1 county or State were counted at each such location. Number of corporations not strictly comparable with census number of farms.

Less than 0.5 percent.

1964 Census of Agrriculture.

Only 2 reported acres, so total not estimated.

Source: Role of Giant Corporations, Hearings: Subcommittee on Monopoly pt. 38—apps.; Corporate Secrecy: Agribusiness. pp. 4969–70.

S. 1458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Antitrust Act of 1975".

FINDINGS; DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) in order to nurture the private enterprise system, it is desirable to protect consumers and small businesses, and to provide for the continued existence of the family farm, by protecting family farms against the monopolization of the agricultural industry;

(2) vertical integration of the agricultural industry by corporations engaged in the processing, distributing, and retail industries, and other conglomerate corporations, tends to create monopolies in the agricultural industry, to foster anticompetitive trade practices in that industry, and to produce unfair competition for family farms; and

(3) the anticompetitive forces at work within the agricultural industry, by threatening the existence of the family farm, are causing population shifts from rural areas to urban areas which rob the rural areas of productive population and increase the problems of already overcrowded urban areas.

(b) The Congress declares that it is the policy of the United States, and the purpose of this Act, to restore competition to the agricultural industry and to provide for the continued existence of the family farm.

AMENDMENT OF THE CLAYTON ACT

SEC. 3. (a) The Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27) is amended by inserting after section 8 the following new section:

"SEC. 8A. (a) Except as provided in subsection (b), no person engaged in commerce (or affecting commerce) in a business other than farming, whose nonfarming business assets exceed $3,000,000, shall—

"(1) engage, directly, or indirectly, in farming or the production of agricultural products,

"(2) control, or attempt to control, agricultural production through the ownership or leasing of land for agricultural purposes, or

"(3) participate in farming through corporate integration or merger, or by any other means of acquisition or control of another person who is engaged in farming.

"(b) The provisions of subsection (a) shall not apply to—

"(1) any organization described in section 501(c) or (d) of the Internal Revenue Code of 1954 and exempt from tax under section 501(a) of such Code to the extent that the farming activities of that organization do not result in unrelated business income taxable under part III of subchapter F of chapter 1 of such Code; or

"(2) any farmer owned and controlled cooperative, corporation, or association which meets the requirements of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 18, 1922 (42 Stat. 388; 7 U.S.C. 291–292 (the Capper-Volstead Act)), or as defined in section 15(a) of the Agricultural Marketing Act of 1929 (49 Stat. 317; 12 U.S.C. 1141).

"(c) Any person to whom subsection (a) applies, who was engaged in activities on the day before the date of enactment of the Family Farm Antitrust Act of 1975, which on the day after such date would (but for the provisions of this subsection) be in violation of subsection (a), shall not be considered to be acting in violation of the provisions of that subsection during the five years following the date of enactment of that Act if he—

"(1) does not undertake any new, or increase or expand any existing, activity or interest in violation of that subsection during those years, and

"(2) divests himself, within five years after the date of enactment of that Act, of any property or other interest held by him in violation of the provisions of that subsection.

"(d) It shall not be a violation of the provisions of subsection (a) for any creditor, beneficiary, or intestate successor to acquire, pursuant to forfeiture, devise, or the laws of intestate succession, and hold for not more than two years any property or other interest, which acquisition and holding would violate such provisions but for this subsection.".

(b) Section 11 of such Act (15 U.S.C. 21) is amended by—

(1) striking "sections 2, 3, 7, and 8" where it appears in subsections (a) and (b) and inserting in lieu thereof "sections 2, 3, 7, 8, and 8A"; and

(2) striking "sections 7 and 8" where it appears in subsection (b) and inserting in lieu thereof "sections 7, 8 and 8A".

(c) The first paragraph of the first section of such Act is amended by inserting immediately before "and also this Act" the following: "the Family Farm Antitrust Act of 1975;".

ASSISTANCE OF THE SECRETARY OF AGRICULTURE

SEC. 4. (a) The Secretary of Agriculture, acting through the Farmers Home Administration, is authorized and directed to acquire at fair market value any property or interest of which a person is required to divest himself under subsection (c) or (d) of section 8A of the Act of October 15, 1914 (38 Stat. 730; 15 U.S.C. 12–27), as amended by this Act if that person establishes to the satisfaction of the Secretary that he is otherwise unable to divest himself of such property or interest in accordance with requirements of that subsection.

(b) The Secretary shall sell at the then prevailing market value any property acquired under subsection (a) as soon as practicable, but in no event later than two years after the date on which such property was acquired by him under that subsection.

(c) The Secretary shall prescribe such rules and regulations as may be necessary to carry out the provisions of this section.

(d) There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary to carry out the provisions of this section.

By Mr. BENTSEN:

S. 1459. A bill to amend the Federal Home Loan Bank Act and the Homeowner's Loan Act of 1933 to encourage housing finance in the Americas. Referred to the Committee on Foreign Relations.

INTER-AMERICAN SAVINGS AND LOAN BANK ACT OF 1975

Mr. BENTSEN. Mr. President, the Congress has for many years supported the concept of thrift and private homeownership through the development of specialized credit institutions in the United States and has been instrumental in fostering the development and growth of national systems of credit institutions throughout Latin America similar in many respects to our savings and loan associations.

Our credit institutions could not function as effectively as they do were it not for the secondary mortgage market represented by the Federal National Mortgage Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation. These agencies, acting as our secondary mortgage market, provide a stabilizing mechanism to cover the ebb and flow of available mortgage credit.

The Latin American nations have recognized the need for a secondary mortgage market and have acted in concert with each other to form the Inter-American Savings and Loan Bank.

These mortgage credit systems have come of age to the point where the establishment of this facility, with or without U.S. participation, will be accomplished. The United States has been asked to participate and I believe it is very much within our national interest to do so. I further believe that this natural evolution of mortgage credit systems will benefit from our participation just as the various Latin American savings and loan systems came into being through our earlier assistance.

Therefore, Mr. President, I am today introducing legislation which allows Federal savings and loan associations, within the present 1 percent of asset limitations, to invest in the Inter-American Savings and Loan Bank. I ask unanimous consent that the text of the bill be printed in full at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1459

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inter-American Savings and Loan Bank Act of 1975."

FINDINGS AND PURPOSE

SEC. 2. The Congress finds and declares that—

(1) The foreign policy of the United States has as one of its primary goals the encouragement of the bonds of friendship with all countries of the Americas;

(2) There has been established and developed systems of housing finance institutions during more than a decade by Latin American countries.

(3) The Inter-American Savings and Loan Bank is a cooperative effort on the part of the various housing finance institutions to form what is in effect a Housing Finance Development Bank.

(4) Federal Home Loan Banks would be authorized to invest up to $3.5 million in the share capital and capital reserve of the Inter-American Savings and Loan Bank.

(5) The Federal savings and loan associations of the United States would under their present statutory authority and limitation to invest 1 per centum of their assets in AID Housing Guaranty Investments also be authorized within such 1 per centum limitation to invest in the share capital and capital reserve of the Inter-American Savings and Loan Bank up to an aggregate amount of $3.5 million.

SEC. 3. Section 12(b) of the Federal Home Loan Bank Act is amended by adding at the end thereof the following sentence—"Subject to such regulations as may be prescribed by the Board, one or more Federal home loan banks may invest an aggregate amount of $3.5 million in the share capital and capital reserve of the Inter-American Savings and Loan Bank."

SEC. 4. Section 5(c) of the Home Owners' Loan Act of 1933, as amended, is amended by adding in the first sentence, immediately after the words "made pursuant to either of such sections" and before the period "(.)" the following language "and in the share capital and capital reserve of the Inter-American Savings and Loan Bank".

By Mr. HARTKE (by request):

S. 1460. A bill to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes. Referred to the Committee on Commerce.

AMTRAK IMPROVEMENT ACT OF 1975

Mr. HARTKE. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Rail Passenger Service Act to provide financial assistance to the National Rail Passenger Corporation, and for other purposes, and I ask unanimous consent that the letter of transmittal, statement of need, and text of the bill be printed in the RECORD.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 21, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill:

"To amend the Rail Passenger Service Act to provide financial assistance to the National Rail Passenger Corporation, and for other purposes."

This bill would provide an urgently needed supplemental authorization for fiscal year 1975 and would provide the following:

1. Almost $2 billion over the next four years in Federal funding for the continuation and improvement of intercity rail passenger services.
2. A strengthened role for the Amtrak Board of Directors to allow them to make key financial and operating decisions free of arbitrary regulatory controls.
3. Provide that the total cost of State-supported intercity rail passenger service be shared on a 50–50 Federal/State basis.

It is the sincere hope of this Administration that the Congress will give full and careful consideration to our proposals. In particular, there is an urgency with respect to the supplemental authorization for fiscal 1975. Authorizing and appropriation legislation is needed in the immediate future to avoid curtailment or stoppage of service. There follows a detailed analysis of the various provisions of the bill.

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FISCAL 1975 REQUIREMENTS

In June 1974, Amtrak estimated its gross operating deficit for FY 1975 at about $150 million. Based on this estimate, the Amtrak Improvement Act of 1974 included an additional authorization of $200 million under Section 601(a) of the Rail Passenger Service Act ("Act"). However, FY 1975 has been a year of extreme difficulty for Amtrak in forecasting its revenues and costs. The economic recession, changing travel patterns, and the high rate of inflation have had a severe impact on the entire railroad industry including Amtrak. Because of the higher costs for wages and fuel and the additional cost of adding service due to increased demand, Amtrak revised its estimated deficit in September 1974 to a level of $238.2 million. At that time, Amtrak indicated that this revised estimate did not include certain contingency costs which, as they occurred, would raise the deficit even higher. These contingencies included the impact of inflation costs during the remainder of FY 1975, the financial impact of new incentive performance contracts between Amtrak and the operating railroads, and a proposed program for overhauling passenger cars.

Certain of these contingency costs have now occurred and Amtrak currently estimates its operating deficit for the current fiscal year at $325 million including depreciation.

A total of $247.1 million in appropriated funds and noncash deductions is currently available to meet this anticipated deficit, leaving a total cash deficit of $77.9 million for the remainder of this fiscal year. Of this deficit, $14.9 million can be met through the use of existing authorizations under Section 601(a) of the Act. The remaining $63 million, however, will require additional authorizations.

Amtrak estimates that its presently available resources, including the $14.9 million available under current authorizations, are not adequate to carry the Corporation through April of this year. Therefore, to avoid a drastic curtailment or even cessation of rail passenger service, the additional authorization of $63 million and the full supplemental appropriation of $77.9 million will be required by mid-April. The only other alternative would be to reduce costs through temporary cessation of some or all of the mandatory service which Amtrak must now provide, which would be inconsistent with the service requirements established in the Act.

LONG-TERM FUNDING

Since the inception of service by Amtrak on May 1, 1971, the development and promotion of rail passenger service has been hampered by the failure of a long-term authorization. Amtrak has not had a firm, long term funding commitment by the Congress or the Executive Branch on which it could develop its long-range operating and capital plans. The uncertainties inherent in an annual authorization process have resulted for the most part in piecemeal, short-term planning.

To remedy this problem, the Administration proposes a four-year authorization of almost $2 billion to meet Amtrak's operating and capital requirements during this period. These authorizations are calculated, based on data submitted by Amtrak, to permit Amtrak to continue the level of service the Corporation currently plans for FY 1976, and envision no major restructuring of service for the next three years through FY 1979. The level or mix of service provided during the period could be changed by Amtrak to the extent additional revenues are generated by traffic growth, fare changes, cost savings, and economies achieved by putting new equipment in service and by other management improvements.

Specifically, the Administration proposes an authorization of $315 million for FY 1976, rising to $330 million by 1979, to provide for Amtrak's operating expenses. The authorization also includes $95 million for operating expenses during the FY 1976 transition quarter. The FY 1976 amount is based on Amtrak's estimate to continue all current services during that year. In addition to this basic funding commitment, the Administration's bill recognizes that Amtrak is subjected to inflationary pressures over which the Corporation has little or no control. In order to accommodate the cost impact of inflation, the Administration's bill would provide a mechanism through which the annual authorization is increased to meet a share of the inflationary costs that occurred during that year. The Government's share of the calculated annual inflation costs would be directly related to the percent of the total Corporation's costs funded by Federal grants. The concept of sharing the burden of inflation between the Government and the Corporation results from the fact that the Corporation's revenues cover only about half of its expenses.

Therefore, it would be unreasonable to expect the Corporation to generate through the fare box the full costs of inflation arising from its total cost base. For FY 1976, the total authorization and appropriation for operations contained in the President's budget is $350 million, which allows for $35 million to cover increased deficits due to inflation.

To date, Amtrak's capital program has been funded through Federally guaranteed loans. At the end of this fiscal year, approximately $860 million of such guaranteed loans will be obligated. Our projections indicate that the Corporation will be unable to repay this debt. It is neither practical nor fiscally responsible, therefore, to continue to use this as a method of financing Amtrack's capital program.

In order to meet Amtrak's urgent needs for equipment, motive power, and other capital requirements—including spot improvements on the existing rights-of-way necessary for their use by passenger service—the Administration's proposal bill also includes $110 million in grant funds for each year during the four-year authorization period, plus an additional $25 million for the transition quarter.

In the aggregate, we firmly believe a commitment by the Administration and the Congress to a four-year program as I have outlined above will provide a sound and very necessary basis upon which Amtrak can develop and improve the Nation's system of intercity rail passenger service.

AMTRAK RESPONSIBILITY

For long-term financing of rail passenger service to be effective in establishing a basis for developing and promoting intercity passenger service, a second element is essential and irreparable. Amtrak must have the necessary flexibility and management discretion to implement such a program. At present the responsibility for the promotion of intercity passenger service is fragmented. The ICC has the responsibility for determining quality of service standards as well as authority to approve or disapprove the discontinuance of routes. The Department of Transportation has authority to assure the prudent use of Federal funds through the issuance of guidelines applicable to expenditures of funds for operations and capital. The Congress has mandated that routes and services be continued for specific periods of time regardless of the need or utility.

The end result of this diffusion of authority has been to reduce the Corporation's ability to manage its affairs in pursuit of the commonly agreed objective, namely, to foster intercity passenger service based on sound transportation decisions.

The time has come when we must recognize the regulatory and other outside control over Amtrak's management flexibility in offering service are counter-productive. The decision process must be more clearly and solidly vested in the entity responsible for providing the transportation service—Amtrak.

It is important to note that the Directors of the Corporation, except for the three railroads which are on the Board because they are common stockholders, are appointed by the President with the advice and consent of the Senate. We believe this is the appropriate time to clearly establish the responsibilities which the Board of Directors is expected to exercise in implementing the Act and fulfilling its public obligations. Toward that end the Administration's bill sets forth the responsibilities of the Board of Directors and places on the Board certain responsibilities currently vested in the ICC and the Secretary of Transportation.

The Administration bill would make the Board responsible for developing an annual operating and capital plan which can be executed within the resources authorized by this Act. The Board would be required to take the steps necessary to raise revenues, cut costs, or alter service patterns and levels to insure that the plan can be executed within available resources. This should introduce greater management discipline into the execution of the Corporation's affairs and will obviate the need for supplemental appropriations such as we are faced within FY 1975. The Secretary of Transportation would be required to review the annual plan for operating and capital expenditures. He would authorized to disapprove it only on a finding that the plan, taken as a whole, cannot be executed within the projected resources available to the Corporation.

In line with our proposal to vest responsibility in the Board of Directors, we propose that the Board be given the flexibility to add, delete or alter routes and require service without using the procedures required by Section 13(a) of the Interstate Commerce Act. Our proposal would vest this responsibility exclusively within the Board of Directors.

However, the Board would be required to establish a systematic procedure including a process by soliciting public views in making these decisions. The procedures adopted by the Board for adding, deleting, or altering routes and required service would be subject to approval by the Secretary to insure that the procedures fully protect the right of the public to have a fair and orderly process for reaching these decisions. The Board would be required to formally notify the affected states, other interested parties, the ICC, the Secretary, and the Congress on its decisions and the basis on which the decisions were reached.

In line with this important policy, we recommend the modification of Section 801 of the Act which now authorizes the ICC to establish adequacy of service standards. We believe that prescriptive standards by the Commission are inconsistent with the policy of placing all responsibility within the Board. We propose that the Commission have an oversight role and be required to review, at least once each year, the results of Amtrak operations and to make recommendations to the Corporation, the Congress and the Secretary on those actions required to provide improved service on the intercity rail passenger system.

Finally, we recommend that, consistent with placing full responsibility within the Board, the current statutory limitations on the salaries which can be paid to Amtrak corporate officers be removed. The Corporation must be able to compete effectively in the job market and that requires that it be permitted to offer salaries equal to those that prevail in the private sector.

STATE SUPPORTED SERVICES

Congress' decision to recognize the needs of state and local agencies for intercity rail passenger service to meet the particular and unique requirements of a local or regional market has proven to be a wise one. We are convinced, therefore, that these provisions can be made even more effective by establishing a broader Federal-state relationship.

To encourage wider and broader use of the existing authority, we recommend that the requirement that a state or local agency agree to reimburse Amtrak for two-thirds of the deficit associated with a service be reduced to 50 percent. Further, we propose that the total costs, including stations, be shared on a 50–50 basis. Our proposed amendments to Section 403(b) would permit a state or local agency to contract with Amtrak on a two-year, renewable basis for the initiation of service which met its particular transportation requirements.

Given the increasing flexibility the Corporation will have to redesign existing or initiate new service, we recommend the deletion of Section 403(c) which mandates the initiation of at least one experimental route each year. The initiation of any new or experimental service should be left to the discretion of the Board. All existing 403(c) service would be continued as now provided under the Act.

Again, let me urge that this bill be given prompt consideration.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the President's program.

Sincerely,

William T. Coleman, Jr.

Section-by-Section Analysis

Sec. 1. Title: "The Amtrak Improvement Act of 1975."

Sec. 2. Amends the definition of basic system to include those routes already designated by the Secretary as experimental routes and any route now operated under the present section 403(a) but not yet part of the basic system.

Sec. 3. Lists specific responsibilities of the Board of Directors, in addition to their existing general corporate responsibilities.

Sec. 4. Removes the present salary limit for corporate officers if the Board determines that a higher salary is necessary and is not higher than the salary level paid to officers performing comparable duties for other railroads.

Sec. 5. Amends the present requirement for on-board customs procedures, and substitutes the requirement for establishing custom procedures convenient to passengers that will result in the most rapid transit.

Sec. 6. Makes a technical amendment to the Act made necessary by the amendment in Section 11 of this Act.

Sec. 7.

(a) Changes the date for submission of the Corporation's report and designates the fiscal year as the period to be addressed in the report, beginning in 1977.

(b) Allows the Secretary to submit his report on the Corporation as part of his annual departmental report.

Sec. 8. Amends section 403 to provide a new mechanism for adding routes or deleting routes and required service. The Corporation is given the ability to change the basic system as long as it follows an appropriate public hearing process and as long as the change is consistent with the annual plan submitted to the Secretary and is within the resources appropriated by the Congress.

Sec. 9. This section amends section 403(b) which provides for state or agency initiated intercity rail passenger service. This amendment lowers the percentage that states or agencies must pay to 50 percent (from the present 66⅔ percent) of the capital costs and operating losses of the service and provides for a two-year renewable contract between Amtrak and the state or agency. The Board of Directors would determine the bases for determining the total costs and revenues attributable to the service. Two new conditions for this service are introduced: (1) the state or agency must provide adequate assurance that it has the resources for two years' operation of the requested service; and (2) the state or agency must provide the Corporation with an appropriate market analysis of the requested service. If multiple applications are made for service and they cannot all be provided within the available resources, the Board is given the discretion to chooose which service best suits the public interest, except that a service dropped from the basic system would be given preference.

Sec. 10. This section terminates the authority to designate new experimental routes by striking the present section 403(c). The proposed section, however, would continue service on routes already designated for a period of two years from the initiation of service.

At the end of that time, the Corporation would be given the discretion to determine if those experimental routes became part of the basic system on the same criteria as are now in the present section 403 (c).

Sec. 11. Consistent with the purpose of this bill to provide greater flexibility to the Board to manage the affairs of the Corporation, this section strikes the present section 404 which requires the Corporation to go to the Interstate Commerce Commission before discontinuing a route or required service. This section (and the proposed revisions to sections 403 (a) and 601), however, ensures that such a change will be done in a systematic manner with proper public involvement. The proposed revision to section 403 (a) requires a public procedure, approved by the Secretary, which must include an informal public hearing, preceded by adequate public notice. In addition, this section requires that an additional prior notice and opportunity to comment be provided to the Governor of any state which may be affected by a proposed change before the Board may take final action. Finally, all changes must be consistent with the resources made available to the Corporation.

Sec. 12. This section amends section 601 to provide a long-term, four year authorization for the program and a mechanism for approving the Corporation's annual plan by the Secretary. Specifically, subsection (a) provides an additional authorization of $63,000,000 for fiscal 1975. Subsection (b) provides a four year authorization, totalling almost $2 billion. Of this amount, specific maximum amounts are allocated for service under section 403 (b) (up to $130 million); for capital expenditures ($465 million);

To account for possible inflation, an additional amount is authorized to be calculated by the Secretary each fiscal year. The Secretary will make this calculation to offset inflated operating costs based on nationally recognized price indices for labor, fuel, and materials. The additional authorization is intended to offset only the Federal Government's fair share of inflation—consistent with its percentage contribution to the Corporation's operating budget—and thereby to encourage the Corporation to take some measures internally to offset inflation. Therefore, the total cost impact from inflation as calculated by the Secretary is multiplied by a fraction, the numerator of which is the prior year's federal operating grant and the denominator of which is the total Corporate costs.

The product of this calculation would equal the additional authorization. For example, if the Secretary calculates that the total cost increase from inflation is $20 million and if the operatnig grant for the prior year were $315 million and the total costs for the prior year were $630 million, the additional authorization would equal $10 million and is the operating grant for the prior $10 million.

The four year commitment of funds and the specific provision for possible inflation will provide the Corporation a sound basis for planning its future. At the same time, the funds authorized in this section are intended to cover the full federal share of operations. The basic thrust of this bill is to give the Corporation more flexibility, but at the same time to put a definite ceiling on the amount of the federal authorization. Subsection (c) provides the mechanism for ensuring that this ceiling is not breached. Each year the Corporation must present a plan to the Secretary for his approval. The Secretary is required to establish procedural guidelines for the plan, to include: the data to be included in the plan, the date for submitting the plan, the procedures for amending the plan, and such other procedural matters as relate to the expenditure of Federal funds. The Secretary must approve the plan if the plan is within the resources available from the authorization and projected revenue and if sufficient data, as established by the guidelines, is made available to him.

Sec. 13. This section terminates the authority of the Secretary to issue guidelines since the amendment to section 601 will determine the scope of Secretarial review.

Sec. 14. This section amends section 801 to revise the Interstate Commerce Commission's role in determining service standards to one of oversight. Again, this change is consistent with the other amendments to give the Board of Directors flexibility to make basic management decisions as long as the Board stays within the budget authorization.

S. 1460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That this Act may be cited as the "Amtrak Improvement Act of 1975".

DECLARATION OF POLICY

Whereas, it was the original intention of the Congress in the Rail Passenger Service Act to inaugurate a national system of intercity rail passenger services operated by the National Railroad Passenger Corporation; and

Whereas, that Corporation has been established and has undergone four years of development as a national transportation entity; and

Whereas, it is in the interests of the nation to introduce the proper measure of commitment to the provision of intercity rail passenger service over the next several years in order to encourage and permit the Corporation to improve its financial and operational performance and the quality of service it provides;

The Congress finds that it is essential to the national interest: to provide a sufficient multi-year Federal financial commitment for the provision of such services; to enhance the effectiveness of the program of state-initiated intercity rail passenger services; and, to establish clearly the authorities and responsibilities of the Corporation for the management of its affairs.

Sec. 2. Section 102 of the Rail Passenger Service Act (45 U.S.C. 502) is amended by amending the definition of "Basic System" to read as follows:

"'Basic System' means the system of intercity rail passenger service designated by the Secretary as the 'basic system' prior to the enactment of this definition and the service provided by the Corporation pursuant to section 403(a) (as that section was in effect prior to the enactment of this definition), as

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revised pursuant to section 403(a) and (c) of this Act."

Sec. 3. Section 303(b) of such Act (45 U.S.C. 543) is amended by adding the following sentence: "The Board of Directors of the Corporation has, among others, the following responsibilities in the development and promotion of intercity rail passenger service:

"(i) responsibility for approving the Corporation's annual operating and capital plan consistent with the provisions of this Act, and the guidelines issued by the Secretary pursuant to this Act;

"(ii) responsibility for approving deletions, additions and changes of service consistent with section 403 of this Act; and

"(iii) responsibility for approving the Corporation's annual report to Congress pursuant to section 308 of this Act."

Sec. 4. Section 303(d) of such Act is amended by inserting immediately after the third sentence the following:

"This limitation upon compensation shall not apply, however, in the event the Board determines with respect to a particular position or positions that a higher level of compensation is necessary and is not higher than the general level of compensation paid officers of railroads in positions of comparable responsibility."

Sec. 5. Sec. 305 of such Act (45 U.S.C. 545) is amended by striking subsection (h) and inserting the following in substitution:

"(h) The Secretary of the Treasury shall establish and maintain, in cooperation with the Corporation, customs inspection procedures for trains operated in international intercity rail passenger service that, consistent with the effective enforcement of the customs and related laws, will be convenient for passengers and will result in the most rapid possible transit between embarkation and debarkation points of such service."

Sec. 6. Section 306(a)(3) of such Act (45 U.S.C. 546(a)(3)) is amended by deleting ", except as otherwise provided in this Act,".

Sec. 7. Section 308 of such Act is amended (a) by striking the words "by February 15 of" in the first sentence of subsection (b), and by inserting a new sentence immediately after that first sentence as follows: "Until 1977, the report shall be due by February 15; thereafter, it shall be due by February 1 and the reporting period shall be the preceding Federal fiscal year."

(b) by deleting subsection (c) and substituting the following:

"(c) The Secretary and the Commission shall transmit to the President and to the Congress each calendar year reports on the effectiveness of the Corporation in carrying out the purposes set forth in section 101 of this Act. Beginning in 1976, the Secretary's report on the Corporation shall be made part of the Department's annual report to Congress. The report of the Commission will be due on March 15."

Sec. 8. Section 403 of such Act (45 U.S.C. 563) is amended (a) by changing the title of such section to "Continuation of Service" and (b) by deleting subsection (a) and inserting the following in substitution:

"(a) The Corporation may add routes or delete routes or required service of the basic system but only in accordance with this subsection and with a plan approved pursuant to section 601 of this Act. Within 180 days of the enactment of this subsection the Board of Directors shall establish procedures by which the Corporation may add routes or delete routes and required services of the basic system. The proposed procedures should be submitted to the Secretary for his approval and the Secretary shall have 60 days in which to consider and decide upon the acceptability of the procedures. In considering those procedures, the Secretary shall assure that they provide that all relevant transportation economic, and enviromental considerations will be given proper consideration: that they provide for adequate public notice, opportunity for an informal public hearing, for publication of the final decision, and for formal notification of decisions reached to the Secretary, the Congress, and Interstate Commerce Commission."

Sec. 9. Section 403(b) of such Act (45 U.S.C. 563(b) is amended by (a) inserting a "(1)" immediately after the "(b)", by inserting in the first sentence the word "intercity" before the words "rail passenger service", and by deleting the second sentence and inserting the following in substitution: "The Corporation shall institute such service under a two-year agreement if the State, regional, or local agency agrees to reimburse the Corporation for 50 percent of total operating losses and associated capital costs of such service if that service can be provided within the resources available for aervice under this subsection and if that service is consistent with the following requirements:

(A) The State or agency must make an adequate assurance to the Corporation that it has sufficient resources to meet its share of the costs of such service for at least 2 years; and

"(B) The State or agency has conducted a market analysis acceptable to the Corporation to insure that there is adequate demand to warrant service."

An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than two years.

(B) By adding the following paragraphs:

"(2) If more than one application is made for service and all applications are consistent with the requirements of this subsection, but all the applications cannot be accepted within the available resources, the Board of Directors shall decide in its discretion which application or applications best serve the public interest and can be provided within the available resources, except that a proposal for State support of a service dropped from the basis system will be given preference.

"(3) The Board of Directors shall establish the basis for determining the total costs and total revenue of the service provided pursuant to this subsection."

Sec. 10. Section 403(c) of such Act (45 U.S.C. 563(c)) is deleted and the following is inserted in substitution:

"(c) Service on all experimental routes designated by the Secretary pursuant to section 403(c) (as that subsection was in effect on the date before the enactment of the Amtrak Improvement Act of 1975) shall cease two years after that service was initiated, unless the Corporation finds that it has attracted sufficient patronage to serve the public convenience and necessity. If such service is continued, it shall become part of the basic system subject to subsection (a). Funds authorized in section 601 for the basic system may also be used for experimental routes regardless of whether such routes are made part of the basic system.'

Sec. 11. Section 404 of such act (45 U.S.C. 564) is amended by deleting subsection (b) and by inserting the following in substitution:

"(b) Any route or required service may be discontinued or changed by the Corporation pursuant to section 403(a) of this Act, notwithstanding section 13a of the Interstate Commerce Act, provided that at least 30 days notice of any change or discontinuance of service is sent by mail by the Corporation to the Governor of each State in which the train in question operates. If any Governor responds to such notice, the Board shall review such comments before taking final action pursuant to section 403(a) of this Act."

Sec. 12. Section 601 of such Act (45 U.S.C. 601) is amended by (a) in the first sentence of subsection (a), by striking "$534,300,000" and inserting "$597,300,000" in substitution and by inserting "through fiscal year 1975" immediately after the words "subsequent fiscal years" and (b) by adding the following new subsection:

"(c) There are authorized to be appropriated to the Secretary for the benefit of the Corporation the following sums:

"(i) for the payment of operating expenses for the basic system and operating and capital expenses of service provided pursuant to 403(b), $315,000,000 in fiscal year 1976; $95,000,000 for the period July 1, 1976 to September 30, 1976 (hereinafter referred to in this section as the 'transition period'); $320,000,000 in fiscal year 1977; $325,000,000 in fiscal 1978; and $330,000,000 in fiscal year 1979. Of the foregoing amounts, the maximum authorized for service provided pursuant to section 403(b) is as follows: $25,000,000 in fiscal year 1976; $7,000,000 for the transition period; $30,000,000 in fiscal year 1977; $35,000,000 in fiscal year 1978; and $40,000,000 in fiscal year 1979.

"(ii) for the payment of capital expenditures of the basic system: $110,000,000 in fiscal year 1976; $25,000,000 for the transition period; $110,000,000 in fiscal year 1977; $110,000,000 in fiscal year 1978; and $110,000,000 in fiscal year 1979.

"(iii) Such sums as are necessary for the payment of increased operating costs of the basic system of the Corporation due to inflation calculated in the following manner:

"Annually, beginning in fiscal year 1976, the total cumulative cost impact on the Corporation resulting from inflation from operating the basic system shall be calculated by the Secretary, using the Corporation's total costs during the preceding fiscal year as a base, and based on nationally established cost indices for (a) labor, (b) fuel, and (c) materials. The Secretary shall publish his procedures for making these calculations in the Federal Register fro comment. The Corporation shall submit such data as the Secretary deems necessary to assist him in making these calculations. The amount of the additional annual authorization for the payments of increased costs for operating the basic system for any fiscal year or period shall be calculated as follows:

$$\text{"total cumulative cost impact of inflation for the fiscal years or periods} \times \frac{\text{federal operating grant for preceding year}}{\text{total corporation costs for preceding year}} = \text{additional authorization}$$

"(1) Funds appropriated pursuant to this authorization shall be made available to the Secretary during the fiscal years for which appropriated and shall remain available until expended.

"(2) Within 180 days of the enactment of this subsection, the Secretary shall issue, and from time to time amend as he deems necessary, guidelines for establishing sound budgetary and planning procedures for the Corporation. Such guidelines shall address the following:

"(A) Financial and operating data to be included in the Corporation's capital and operating plan required under this subsection;

"(B) Date for submission of the plan;

"(C) Accounting, contracting, and other administrative and statutory requirements regarding the use and expenditure of funds disbursed pursuant to this Act;

"(D) Procedures for considering major deviations from the annual plan proposed

subsequent to the time the plan was approved by the Secretary.

"(3) The Board of Directors of the Corporation shall thereafter submit to the Secretary an annual plan of proposed operating and capital expenditures, and the Secretary shall approve such a plan, based on such information as he may require within the guidelines, if it can be executed within the projected resources available to the Corporation. The Secretary shall thereafter pay to the Corporation such sums as are appropriated and are consistent with the approved plan."

Sec. 13. Section 602 of such Act (45 U.S.C. 602) is amended by deleting subsections (h) and (i).

Sec. 14. Section 801 of such Act (45 U.S.C. 641) is amended by deleting subsections (a) and (b) and by inserting the following in substitution:

"The Commission shall, at least one time each year, make such recommendations to the Corporation and the Congress as it determines are necessary to provide adequate service for quality intercity passenger rail service."

By Mr. HUMPHREY:

S. 1461. A bill to establish a task force on petrodollars, and for other purposes. Referred to the Committee on Government Operations.

THE PETRODOLLAR REPORTING ACT OF 1975

Mr. HUMPHREY. Mr. President, last October in a letter to President Ford, I expressed my great alarm with the massive and unprecedented flow of capital that is taking place between the United States, Western Europe, Japan, and the oil exporting nations.

In that letter, I urged the President to create a "petrodollar task force" as an adjunct to the Office of the Secretary of the Treasury and directly responsible to the Secretary. It would be the responsibility of this task force to gather specific, detailed data on the short-run and long-run use, transfer, and investment or foreign exchange earnings by oil exporting nations. The task force would trace their flow throughout the world and examine the implications of "petrodollar" flows for the United States and other oil importing nations.

Unfortunately, that recommendation was not implemented and today, our knowledge of where these "petrodollars" are and how they are being used is as limited as it was last fall. I believe that it is important to the economic security of the American people for Congress and the executive branch to understand more precisely what is being done with these huge capital transfers.

Last year, as a direct result of the quadrupling of oil prices, a capital transfer of $60 billion occurred between the oil importing and oil exporting nations. The experts expect a similar capital flow during the current year. It is estimated that the United States alone could well be shipping in excess of $100 billion to these nations during the next 5 years. As I noted on the floor of the Senate last year, this amount of money is comparable to the United States sending to these nations each year twice the amount of gold now held in Fort Knox.

The implications of these massive flows for our Nation and the world economy are many and serious. Of particular importance, in my opinion, is the destabilizing effect on the international monetary system and on our domestic banking system of these massive capital transfers. The administration must promptly take firm action to develop a comprehensive energy policy, including specific direction which our international oil policy should take. Before that effort can be made intelligently, however, it is vital that we have complete information on the dimensions of the problem, including the massive flow of oil revenues to the OPEC nations.

If we are to develop the policies that are needed to deal effectively with the implications of the huge "petrodollar" flows, we must know where these flows are going. For this reason, I have introduced, today, the Petrodollar Reporting Act of 1975. It establishes a special organization under the Secretary of the Treasury to track petrodollars as they are invested and transferred around the world. Specifically, it sets up a task force that will:

Collect and analyze data on the short- and longrun use, transfer and investment of petrodollars;

Examine the implications of the flow of revenue received by OPEC nations, as it affects the United States and the world;

Report to the Congress and the President, not less than four times in each fiscal year, the findings of the task force together with such recommendations as the task force determines to be necessary and appropriate.

Mr. President, I ask unanimous consent that the text of the Petrodollar Reporting Act of 1975 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1461

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) There is established in the Department of the Treasury in the Office of the Secretary a Task Force on Petrodollars (hereinafter in this Act referred to as the "Task Force").

(b) The Task Force shall be composed of—

(1) the Secretary of the Treasury, who shall be Chairman;

(2) the Secretary of State;

(3) the Secretary of Defense;

(4) the Secretary of Commerce;

(5) the Director of the Central Intelligence Agency;

(6) the Director of the Defense Intelligence Agency;

(7) the Chairman of the Council of Economic Advisors;

(8) the Chairman of the Federal Reserve System; and

(9) such other officers of the Federal Government as may be designated by the President or the Chairman.

(c) The Task Force shall meet at the call of the Chairman. Task Force members shall attend such meetings whenever possible. When unable to attend, a Task Force member shall appoint an appropriate alternate from his department or agency to represent him for that meeting.

Sec. 2. The Task Force shall—

(1) collect and analyze specific and detailed data on the short run and the long run use, transfer, and investment of foreign exchange earnings by oil exporting nations, particularly nations comprising the Organization of Petroleum Exporting Countries,

(2) examine the implications of the flow of revenue received from abroad by oil exporting nations from the sale of oil produced by such nations who are members of the Organization of Petroleum Exporting Countries, as the flow of such revenue affects the United States and the world and consider appropriate action to deal effectively with such implications;

(3) report to the President and the Congress not less than four times in each fiscal year on the findings of the Task Force together with such recommendations, including recommendations for additional legislation, as the Task Force determines necessary and appropriate.

Sec. 4. (a)(1) The Task Force may, for the purpose of carrying out the provisions of this Act, hold such hearings as may be required for the performance of its functions under this Act, administer oaths for the purpose of taking evidence in any such hearings and issue subpenas to compel witnesses to appear and testify and to compel the production of documentary evidence in any such hearing. Any member authorized by the Task Force may administer oaths or affirmations to witnesses appearing before the Task Force.

(2) Subpenas issued pursuant to subsection (a) of this section shall bear the signature of the Chairman of the Task Force and may be served by any person designated by the Chairman of the Task Force for that purpose.

(3) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances of witnesses so summoned under authority conferred by this section shall be paid from funds appropriated to the Task Force.

(4) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness or to testify, or to produce any evidence in obedience to any subpena duly issued under authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Task Force of the facts concerning any such willful disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney shall proceed by information for the prosecution of such person for such offense.

(b) In order to carry out the functions of the Task Force under this Act, the Chairman is authorized to—

(1) establish, rescind, and amend such rules and regulations as may be necessary;

(2) appoint and fix the compensation of such employees as may be necessary;

(3) procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code;

(4) secure from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the United States Government (including intelligence gathering agencies), or of any State, or political subdivision thereof, information, estimates, and statistics required in the performance of the functions of the Task Force under this Act;

(5) enter into and perform such contracts, leases, cooperative agreements or other arrangements as may be advisable without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) and other provisions of law relating to competitive bidding; and

(6) accept and use with their consent, with reimbursement, such services, equipment and facilities of other Federal agencies as are necessary to carry out such functions efficiently, and such agencies are authorized to

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loan, with reimbursement, such services, equipment, and facilities to the Task Force.

(b) Each such department, bureau, agency, board, commission, office, independent establishment, or instrumentality (including intelligence gathering agencies) is authorized and directed to furnish such information, estimates, and statistics directly to the Task Force upon written request made by the Chairman.

Sec. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Sec. 6. This Act may be cited as the "Petrodollar Reporting Act".

By Mr. HARTKE:

S. 1462. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes. Referred to the Committee on Commerce.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1975

Mr. HARTKE. Mr. President, I introduce today the Federal Railroad Safety Authorization Act of 1975. This legislation would provide for additional authorization for appropriations to implement the Federal Railroad Safety Act and the Hazardous Materials Transportation Act for the fiscal year ending June 30, 1976, and the fiscal year transition period of July 1, 1976 through September 30, 1976.

Mr. President, the Surface Transportation Subcommittee will be conducting oversight hearings into the implementation of the Railroad Safety Act on April 25. In 1974, the Nation suffered over 10,000 train accidents which resulted in 15,000 injuries. That number of injuries is 2,000 more than that which we experienced in the previous year. Despite this growing level of carnage, the amount of Federal Railroad Administration inspection activities has actually decreased. I will want to explore these trends in detail as we consider additional authorizations for FRA. I will be most interested in exploring the future of the rail safety program for the coming years and to determine what options are available to the Congress.

With respect to the hazardous materials program, in the closing weeks of the 93d Congress, we enacted the Transportation Safety Act of 1974—Public Law 93–633. Title I of this legislation totally revamped the hazardous materials program of the Federal Government. While I believe it is still too early for the subcommittee to convene general oversight hearings on the implementation of this act, such hearings are likely in the fall.

In the meantime, we have been monitoring closely the reorganizational activities of DOT necessary to meet the Secretary's new responsibilities contained in this act. I must say, Mr. President, that if DOT's progress thus far is any indication of how this act will be implemented in the future, I fear that Congress may not have accomplished what we intended in Public Law 93–633. I am hopeful, however, that in the coming weeks, the Department will issue its plans for insuring the safe transportation of hazardous materials under the authority contained in this act.

I ask unanimous consent that the Federal Railroad Safety Authorization Act of 1975 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Railroad Safety Authorization Act of 1975".

Sec. 2. (a) Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"Sec. 212. Authorization for Appropriations.

"(a) There are authorized to be appropriated to carry out the provisions of this title not to exceed $35,000,000 for the fiscal year ending June 30, 1976 and $9,000,000 for the fiscal year transition period from July 1, 1976 through September 30, 1976.

"(b) Except as otherwise provided in subsection (c) of this section, amounts appropriated under subsection (a) of this section shall be available for expenditure as follows:

"(1) Not to exceed $18,000,000 for the fiscal year ending June 30, 1976 and $4,500,000 for such fiscal year transition period for the Office of Safety, including salaries and expenses for up to 500 safety inspectors and up to 110 clerical personnel.

"(2) Not to exceed $3,500,000 for the fiscal year ending June 30, 1976 and $900,000 for such fiscal year transition period to carry out the provisions of section 206(d) of this title.

"(3) Not to exceed $3,500,000 for the fiscal year ending June 30, 1976 and $900,000 for such fiscal year transition period for the Federal Railroad Administration, for salaries and expenses not otherwise provided for.

"(4) Not to exceed $10,000,000 for the fiscal year ending June 30, 1976 and $2,700,000 for such fiscal year transition period for conducting research and development activities under this title.

"(c) The aggregate of the amounts obligated and expended for research and development under this title in the fiscal year ending June 30, 1976, and such fiscal year transition period, shall not exceed the aggregate of the amounts expended for rail inspection and for the investigation and enforcement of railroad safety rules, regulations, orders, and standards under this title in the same fiscal year.".

Sec. 3. Section 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1812) is amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"Sec. 115. There are authorized to be appropriated to carry out the provisions of this title not to exceed $7,000,000 for the fiscal year ending June 30, 1976 and $2,000,000 for the fiscal year transition period from July 1, 1976 through September 30, 1976.".

By Mr. HARTKE (for himself, Mr. Abourezk, and Mr. Burdick):

S. 1463. A bill to provide for the purchase of animals and animal food for use in domestic food relief programs, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. HARTKE. Mr. President, this day has been declared by Congress as "Food Day," a national day of action to develop a food policy to aid the needy, reduce food prices, improve the quality of the American diet, and insure the livelihood of the family farmer.

Right here in the United States, low-income citizens spend a high proportion of their aftertax income on food—25 to 40 percent—while the average family spends 16 percent. For extremely poor families, that figure can climb to 50 or 60 percent. According to the Senate Committee on Nutrition and Human Needs, over 38 million Americans are poor enough to be eligible for food stamps. Over three-quarters of a million reside in my home State of Indiana.

Even worse, that high proportion of aftertax income is spent for low nutrition foods. Whatever nutritional potential existing in the food purchased has been neutralized by inflation, unemployment, and recession—economic disruptions which have punished the poor more than others. It is difficult to live and cut back on what is already a basic subsistence diet.

However, what is quite remarkable is that we have an overabundance of food. Furthermore, even though its inventory has actually increased by an extra 4 million head since last year to nearly 132 million, the cattle industry is in serious trouble.

Already many cattle producers with smaller ranches have gone out of business because of disasterously low market prices. Thousands more are teetering on the brink of bankruptcy. While the actual number of cattle is rising, its value is dropping. During the past year, the entire beef cattle industry sustained operating losses of $5 billion. Furthermore, because of depressed cattle prices, the value of the Nation's cattle inventory fell from $41 billion on January 1, 1974, to $21 billion on January 1, 1975. That represents a decline of $20 billion, or 48 percent in a single year. As Robert G. Lewis, national secretary of the Farmers Union, stated:

> It dwarfs the losses that have recently brought a number of war contractors and railroads and airline companies to their knees to ask for financial rescue by the government.

There is no industry that could withstand this kind of devastation. And there is no reason for the Federal Government to stand idly by while thousands of livestock producers—the people who produce the meat for our tables—go broke.

At the same time, economic conditions are forcing hog and pig farmers to cut back production to the lowest levels since the Agriculture Department began compiling such statistics. The number of hogs produced fell 17 percent in the past year, an additional 13 percent from 1973. The number of sows for farrowing has shown an even sharper decline of 21 percent in the past year and 23 percent from the year before that.

The Nation has always recognized the need for the smaller farmer. His contributions are invaluable to the maintenance of the current amount of production on America's farms. Most citizens object to having anonymous conglomerates moving in and taking over. They want to see a reversal—not an encouragement—of the trend toward placing more economic power in the corporate hands of big chainstores or other middlemen. And, they want a steady supply of high quality food at prices that are reasonable both in the supermarket and at the producer level.

Mr. President, the Federal Government cannot ignore the amazing paradox of millions of Americans still striving to obtain enough food to sustain themselves while at the same time cattle producers are close to shutting down while raising cattle at record levels.

For this reason, I am introducing legislation along with Senator Abourezk and Senator Burdick which would try to correct this situation. This bill would direct the Secretary of Agriculture, through the Commodity Credit Corporation, to expend an additional $1 to $2 billion before the end of fiscal year 1976 for the purchase of cows, calves, hogs, sheep, or other food animals and animal food products, and for the processing and packaging of meat from such animals, including poultry and poultry products, or the purchase of meat and other animal products, including dairy products, already appropriately processed and packed. The Secretary is then directed to contribute these products to domestic food programs for the relief of starvation and serious malnutrition. These contributions may be made through school lunch programs, direct food distribution programs, donations to institutions for the elderly, orphans, handicapped, charitable organizations, city, county, and State governments particularly in high unemployment areas or to others without adequate means to obtain an adequate diet in this country.

Such food shall also be provided whenever requested by a Governor of a State. However, if the State has not made a request, the food shall be provided at the request of a town, city, or governing body as a means of alleviating the effects of high unemployment or to improve the economic condition of any city or county within a State.

The rabid inflation this country has been experiencing has struck the poor a most telling blow. At the same time, the deepening recession has already added millions to the rolls of the needy. In Indiana alone, the unemployment rate is over 9.3 percent and shows no sign of stopping its upward movement. The welfare department in Detroit, Mich., for example, has stated that between 105,000 and 110,000 citizens are undernourished and in need of food. In Seattle, requests for food assistance are running 80,000 to 120,000 per month. Los Angeles has over 9 percent unemployed and 670,000 on food stamps. Eleven percent are unemployed in San Diego. It is estimated that 300,000 pounds of meat could be used in that city per month. These statistics only indicate the extent of the problem and do not convey the thousands of tales of personal hardship.

One projection that I have received states that with continuing unemployment at present rates, existing distribution programs could use 934 million pounds of dairy products and 921 million pounds of meat food products, beyond existing distribution, without waste in this year alone.

Our present food distribution programs are inadequate. The Agriculture Department's own figures show that food provided to schools for school lunch programs were cut back last year from the 1972 contribution level of $925 million to $844 million. Distribution to institutions, which reached $180 million in 1962, was at a $108 million level last year. Administrators of the title 7 program in the Older Americans Act estimate that they could use $80 to $100 million worth of food next year out of this program. More realistic estimates, however, show that at least $400 million in food for this program could be used, which would amount to only about $55 per person per year in animal food products.

This bill has a dual purpose: to improve the markets for livestock, poultry, and dairy and to provide for the needy in our Nation.

Mr. President, without objection, I ask that this bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture through the Commodity Credit Corporation is authorized and directed, before the end of fiscal year 1976, to expend, in addition to current expenditures for such purposes, not less than $1,000,000,000 or more than $2,000,000,000 for—

(1) purchase of cows, calves, hogs, sheep, or other food animals and animal food products, and for the processing and packaging of meat from such animals, including poultry and poultry products for distribution, or

(2) purchase of meat and other animal products, including dairy products, already appropriately processed and packed, for contribution to domestic food programs for relief of starvation and serious malnutrition.

Such animals and animal food products, as noted in (1) and (2) hereinabove, purchased by the Secretary under this section shall be grown and produced in the United States. Such contributions may be made through school lunch programs, direct food distribution programs, donations to institutions for elderly, orphans, handicapped, charitable organizations, city, county and state governments particularly in high unemployment areas or to others without adequate means to obtain an adequate diet in the United States. The Secretary shall provide such food for domestic food assistance whenever requested by a Governor of a state, or, if the state has not made a request, whenever requested by a town, city or governing body, as a means of alleviating the effects of high unemployment or to otherwise improve the economic condition of any city or county within a state; and the level of food assistance shall be those traditionally established under the family commodity distribution program, provided that, in the case of foods requested for use in schools, these shall be provided at the rates requested by the Governor but in no case at levels that will result in waste.

By Mr. BENTSEN:

S. 1464. A bill to prohibit, except under certain circumstances, any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code. Referred to the Committee on Armed Services.

Mr. BENTSEN. Mr. President, among the lingering tragedies of the Vietnam war are the complex and confusing legal status of our missing in action, the abominable lack of cooperation from certain Indochina nations and even the inadequate efforts of our own Government to obtain information about our MIA's. Over 2 long years have passed since the Paris Peace Accord ended direct involvement in the war and still over 1,300 American servicemen remain unaccounted for. The MIA's are a poignant reminder that the war will not be over until this country knows the fate of every single American who has been lost in Indochina.

It is, therefore, imperative, Mr. President, that we in the Congress and officials in the executive branch not relent in our efforts, both diplomatic and legislative, to resolve the inequities and complexities surrounding the MIA question. We must not forget the enormous responsibility we in the Government bear not only toward our servicemen but also toward the families who suffer in their absence and whose courageous actions have helped to remind us that much still remains to be done before all Americans return from Indochina.

Considerable controversy exists as to what should be the policy of our Government in regard to those missing. But clearly the practice of abritrarily changing the status of MIA's to presumptive finding of death without sufficient evidence is synonymous with abandonment and therefore intolerable.

It is my conviction that the law should be changed. I am today introducing legislation which would authorize the Senate and House Armed Services Committees to conduct a study as to how the law should be amended and to report their recommendations to the Congress within 90 days.

In the meantime, the more than 1,300 missing American servicemen still unaccounted for must be protected. My bill would prohibit the Secretary of the relevant service from making a change in the status of any MIA unless significant new information has been received regarding the individual or the primary next of kin of the MIA agrees to the status change in the absence of any significant new information, or until the President and the Congress determine that all reasonable actions have been taken to account for those missing.

Mr. President, after the years of suffering and anguish over American participation in the Vietnam war there is great temptation in this country to turn our backs on that period of our history and to forget. That, however, would be a supreme disservice to those who gave their lives. We shall not forget and this legislation will be a step toward recognizing the responsibilities we have toward those who have not returned from Indochina.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the provisions of sections 555 and 556 of title 37, United States Code, no change may be made by the Secretary

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concerned in the status of any member of the uniformed services who, on the date of enactment of this Act, is in a missing status as a result of the performance of service in Southeast Asia unless—

(1)(A) the Secretary concerned has received significant new information regarding the status of such individual, or (B) the Secretary concerned has notified, after the date of enactment of this Act, the primary next of kin of such person in writing of a proposed hearing and review of the status of such member, and the primary next of kin of such member fails to file with the Secretary concerned, within 60 days after receipt of notification of such proposed hearing and review, an objection, in writing, to such proposed hearing and review; or

(2) the President of the United States has (A) determined that all reasonable actions have been taken to account for such members, (B) determined that all reasonable actions have been taken to enforce the provisions of article 8(a) and 8(b) of the Paris Peace Accord of January 27, 1973, and (C) reported such determinations to the Congress in writing; and

(3) the Congress has determined that the Democratic Republic of Vietnam and the Provisional Revolutionary Government of South Vietnam have fully complied with the provisions of article 8(a) and 8(b) of the Paris Peace Accord of January 27, 1973, and has agreed to a concurrent resolution expressing such determination..

(b) As used in subsection (a) of this section, the terms "uniformed services", "missing status", and "Secretary concerned" shall have the same meaning ascribed to such terms in chapter 10 of title 37, United States Code; and the term "significant new information" means significant new material information but not the lapse of time.

SEC. 2. The Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives shall each conduct a study of sections 555 and 556 of title 37, United States Code, with a view to determining whether such sections should be amended or repealed. Each such committee shall report the results of its study to the appropriate House of Congress not later than 90 days after the date of enactment of this Act together with such recommendations for legislation as such committee deems appropriate.

By Mr. BROCK:

S. 1465. A bill to amend title XVIII of the Social Security Act so as to clarify the meaning of the term "outpatient physical therapy services" insofar as such term includes speech pathology services provided by certain persons. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, with its passage of the Social Security Amendments of 1972, the Congress amended section 1861(p) of the Social Security Act so as to permit reimbursement of outpatient speech pathology services rendered to medicare beneficiaries after December 31, 1972. Such services are generally required by medicare beneficiaries who, as a result of stroke, have lost their ability to speak, or who have lost their larynx—that is, voice box—to cancer. Beginning in 1973, many of these speech-impaired older Americans have been able to have their receipt of necessary speech pathology services covered by medicare. Many more, however, have not been so fortunate. The cause of their misfortune is an apparent lack of legislative drafting precision—imprecision which the technical amendment I propose today is intended to correct.

The relevant amending language of the 92d Congress House-Senate conference committee on what was to become Public Law 92–603 is as follows:

> (Sec. 283. (a) Section 1861(p) of the Social Security Act is amended by adding at the end thereof the following new sentence: "The term 'outpatient physical therapy services' also includes speech pathology services furnished by a provider of services, a clinic, rehabilitation agency (including a single service rehabilitation facility) or by a public health agency, or by others under an arrangement with, and under the supervision of, such provider, clinic, rehabilitation agency, or public health agency to an individual as an outpatient subject to the conditions prescribed in this subsection; except that the terms 'speech pathology' and 'speech pathologists' shall be substituted for the terms 'physical therapy' and 'physical therapists' *as used therein, and for the purposes of this sentence the term 'single service rehabilitation facility' means a facility in which only speech pathology shall be required to be provided*.")
>
> (b) The provisions of this section shall apply with respect to services rendered after December 31, 1972. (House Report No. 92–1605, October 14, 1972, p. 23 (italics added).)

This conference-approved language was changed somewhat by joint approval of House Concurrent Resolution 724 on the 17th of October 1972, with parenthesized portions being deleted. Later that same day, H.R. 1 was engrossed and sent to the President for signature. The clear reason for the change was avoidance of any appearance that the amendment assigned to speech pathology prerogatives not already enjoyed by physical therapy. The thrust of the deleted language could still be followed through, it was reasoned, on the basis of the conference committee report language. This language makes clear that the amendment is designed to provide medicare coverage for speech pathology services furnished by organizations

> now eligible to furnish covered physical therapy services (i.e., "a provider of services, a clinic, rehabilitation agency, or public health agency, or by others under arrangement . . ."). (House Report 92–1605, ibid., p. 62.)

Because of the removal of the parenthesized phrase and clauses in the above-quoted conference language, the Social Security Administration—SSA—has perceived the congressional mandate as imprecise and expressed concern about permitting coverage; that is, reimbursement, of speech pathology services provided medicare beneficiaries in outpatient clinical settings, unless such settings also offer physical therapy services. As a result of this SSA concern, the door to needed services for a great many medicare beneficiaries has been barred for more than 2 years.

There are approximately 1,200 clinical settings in the United States in which speech pathology services are delivered. In about 700 of these—mostly inpatient facilities; that is, hospitals, physical therapy services happen also to be available. In the remaining 500—mostly outpatient facilities—physical therapy services are not available. The overwhelming majority of these latter facilities are clinical service programs that meet SSA's criteria for medicare reimbursement; but because they do not offer physical therapy services, they cannot render reimbursable speech pathology services. One of these several hundred facilities is the Bill Wilkerson Hearing and Speech Center in Nashville, a clinical program whose services, research, and faculty are nationally and internationally known and highly regarded.

The purpose of my technical amendment, then, is to make clear that speech pathology services should be covered by medicare when rendered in the same types of outpatient settings as those rendering covered physical therapy services. The acceptance of any other interpretation of section 1861(p) of the Social Security Act, as amended by Public Law 92–603, could only be based on the assumptions that speech pathology and physical therapy services are similar in scope and function, and that they are customarily and necessarily provided in the same outpatient settings. The facts are opposite to such assumptions.

Unlike physical therapy, which is a bachelor-level health profession, speech pathology is a doctoral or master's degree discipline requiring, as prerequisites to practice, at least a master's degree, a year of supervised clinical internship, and the passing of a national examination administered by the Educational Testing Service of Princeton, N.J. A physician's prescription—ordinarily that of a physiatrist—forms the basis of the professional relationship of a physician and a physical therapist. Physicians and speech pathologists who relate professionally to a common patient, on the other hand, do so on a nonprescription basis. Physicians—usually otolaryngologists, otologists, neurologists, and pediatricians—who believe a given patient's condition might be improved by speech pathology services refer that patient to a speech pathologist.

The determination as to whether such services will in fact contribute to the patient's improved communication ability is exclusively the speech pathologist's, as are decisions regarding the amount, type, frequency, and duration of the speech pathology services to be rendered. Finally, there are nearly as many instances of speech pathology being provided in settings which do not offer physical therapy as there are instances of both being provided under the same roof. And in those instances where speech pathology and physical therapy are provided in the same setting, the reason for their cohabitation is not interdependency.

Social Security Administration Commissioner Cardwell has offered recently that proposed regulations designed to fully implement the 1972 congressional mandate are forthcoming. I believe SSA should issue these regulations at the earliest possible time. At the same time, I believe that the mandate, admittedly and unfortunately imprecise, should be made crystal clear—not merely for the benefit of the Social Security Administration, but also in the interest of the provider institutions and fiscal intermediaries which turn to the law for guidance, the speech pathology professionals who provide needed services to medicare beneficiaries, and the beneficiaries themselves.

By Mr. KENNEDY:

S. 1467. A bill to provide for the establishment of the National Center for Health Education and Promotion and the Institution for Health Education and Promotion to advance the national health; to reduce preventable illness, disability, and death; to moderate self-imposed risks; to promote progress and scholarship in consumer health education and preventive medicine; and for other purposes. Referred to the Committee on Labor and Public Welfare.

NATIONAL HEALTH EDUCATION AND PROMOTION ACT OF 1975

Mr. KENNEDY. Mr. President, I am introducing today the National Health Education and Promotion Act of 1975. This bill, a companion measure to one that my good friend and colleague, Dr. Tim Lee Carter, ranking minority member of the Subcommittee on Health and Environment, sponsors in the House of Representatives, sets forth a mechanism to establish a national strategy for health education, health promotion, and preventive medicine. It creates two entities, an HEW-based "Center for Health Education and Promotion," and a publicly chartered, private corporation, the "Institution for Health Education and Promotion," which are designed to be complementary and cooperative in scope and purpose.

The legislation I propose for the Senate's consideration will meld the efforts of both the private and public sectors in a related venture by providing a focal point for the Nation's multiple but disparate health education activities. It is a proposal that is consistent with my own commitment to equity, economy, and efficiency respecting health care.

Mr. President, the scientific community has made enormous strides during this century in helping us to identify the nature of diseases; we have developed effective and costly technological methodologies for detecting the preclinical signs and symptoms of disease; we possess many measures to prevent disease from occurring and, when these are unsuccessful, many efficacious regimens and remedies for treatment; we now replace damaged organs with organs from donors and have even developed a synthetic organ industry; and we have renewed our scientific adventure into the origins of life itself.

This is an imposing litany, Mr. President, but the application of what we know has left a great deal to be desired. We spend nearly 8 percent of our gross national product on health services and for such an enormous expenditure of funds we should expect a substantial reduction in the incidence and prevalence of disease. But this is not the case. In other words, we should be healthier than we are and the data reveals just the opposite. Though we proudly list the achievements of nearly two decades of biomedical research there has been very little improvement in life expectancy for adults since the 1920's. We simply have not found effective means for coping with the chronic and social conditions that are now predominant in our country. Our current "epidemics" in addition to communicable and chronic disease are accidents, alcoholism, delinquency, deprivation, inadequate "parenting," lonelines, occupational boredom, and suicide. The data reveal an intolerably high number of people being disabled by preventable and curable diseases, dying prematurely from causes that could have been controlled, being maimed or killed in accidents that for the most part are preventable, or leading destructive life-styles.

We do not have enough trained personnel to implement patient education programs; too many of our physicians appear unaware of preventive medicine techniques; to many of our hospital administrators do not yet recognize the great savings in financial cost possible when patient education programs are introduced; we do not know why some people choose between health promoting and illness promoting behavior; and, we do not yet know the extent to which the doctor, or those trained specially for this purpose, should be responsible for educating his community so that its members can better cope with changing life styles, urbanization, adverse working conditions, and rapid social change.

Mr. President, though we must press on with our proposals to reorganize, restructure, and modify our health care system and continue to seek means to make our system more efficient, equitable, and economical, we should recognize that we also need a new strategy, one which will assist us to understand the nature and cause of self-imposed risks, adds to our knowledge of illness, educates patients and consumers about health maintenance and prevention, and improves the physical and social environment.

We have had Presidential messages, task force and commission reports, and the occasional statute; HEW's forward plan presents prevention as its first, major planning theme; and there is even a Bureau of Health Education in the Center for Disease Control in Atlanta, Ga., although very few know of this fact. Blue Cross and the American Hospital Association have both endorsed patient health education programs. The new Health Planning and Resources Development Act considers prevention and health education national health priorities as do the statutes creating health maintenance organizations. And, in Canada, the Minister of Health and Welfare has produced a unique document which presents a new health promotion perspective which will be embodied in future Canadian health programs.

But despite activity in both the private and public sectors there is still no coordinated national program or adequate central focus to stimulate and coordinate a comprehensive health education program. Our efforts remain fragmented. The moneys we spend for health education, health promotion, and preventive medicine are miniscule. There is no informational exchange between those public and private agencies and organizations concerned with health education; there has been little evaluation of results among similar or related health education programs sponsored by different organizations; information about health education theory, programs, and methods is not easily accessible; there is presently no agency, public or private, which is systematically reviewing the broad range of experience and theoretical experimentation in health education and related fields; and, there is no focal point to facilitate communication and cooperation among the significant health organizations in and out of Government which must work together if substantial improvement in health education is to be achieved.

Mr. President, progress in this area will depend on a major long-term commitment by both the public and private sections of society. To meld the efforts on the public and private sections, incorporate consumers into policy roles, improve the health status of our people, and establish a national strategy for health education, health promotion and preventive medicine, I am now introducing the National Health Education and Promotion Act of 1975.

This bill will be the subject of hearings before my Health Subcommittee, along with companion legislation introduced by my close friend Senator JAVITS. These hearings will also focus on bills Senator JAVITS and I are introducing to extend expiring sections 317 and 318 of the Public Health Service Act. These hearings are scheduled for May, 7 and 8, 1975. Persons interested in testifying should contact Mr. Arthur Viseltear at the subcommittee office, 224–7656.

Mr. President, I ask unanimous consent that a section-by-section analysis of the Health Protection and Education Act be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE NATIONAL HEALTH EDUCATION AND PROMOTION ACT OF 1975

Section 1 states that the title of the Act is the National Health Education and Promotion Act of 1975.

PART A. NATIONAL CENTER FOR HEALTH EDUCATION AND PROMOTION

Section 1701 establishes the National Center for Health Education and Promotion within the Department of Health, Education, and Welfare and declares that the Center shall be supervised by the Department's principal health officer and shall be organized with not less than the following four divisions:

(a) Research in health education and preventive medicine,

(b) Community health education programs,

(c) Communications in health education, and

(d) Federal programs.

Section 1702 provides that the Secretary shall:

(1) formulate a national strategy and national goals with respect to health education, health promotion, and preventive medicine;

(2) develop an integrated and comprehensive perspective on national health education, health promotion, and preventive medicine needs and resources, and recom-

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mend appropriate educational and certifying policies for health education and preventive medicine manpower;

(3) incorporate appropriate health education components into every facet of our society, especially into all aspects of health care and educational programming;

(4) increase the application of health knowledge, skills, and practices by the general population in their patterns of daily living;

(5) increase the effectiveness and efficiency of health education and preventive medicine programs through improved planning, implementation of tested models, and evaluation of results;

(6) establish systematic processes for the exploration, development, demonstration, and evaluation of innovative health education concepts; and

(7) foster information exchanges and cooperation among health education providers, consumers, and supporters.

The Section also provides that the Secretary shall carry out this Title consistent with Title XV of the Public Health Service Act, which relates to health planning and development.

Section 1703(a) provides that the Secretary, through the division of research in health education and preventive medicine, shall conduct and support research in health education, health promotion, and preventive medicine.

This Section also provides that the National Center for Health Statistics, which is established under Section 306 of the Public Health Service Act, shall make continuing surveys of the needs, interests, attitudes, knowledge, and behavior of the American public regarding health. The Secretary shall use the findings of these surveys together with the findings of surveys conducted by other organizations in formulating policy respecting health education and promotion, and preventive medicine. This section authorizes appropriations of $3,000,000 for fiscal year 1976, $4,000,000 for 1977, and $5,000,000 for 1978 for activities of the National Center for Health Statistics.

Section 1703(b)(1) provides that the Secretary, acting through the division of community health education programs, shall support and encourage new and innovative programs in health education and preventive medicine.

Section 1703(b)(2) provides that the Secretary may not approve any application of any health care facility for a grant under the Public Health Services Act or the Community Mental Health Centers Act in any fiscal year beginning after the passage of this act unless the facility includes consumer health education programs prescribed through regulations by the Secretary of Health, Education, and Welfare.

Section 103(b)(2) also provides that the consumer health education services must be offered by health care providers as a condition of eligibility for payments under Title XVIII of the Social Security Act and that the Secretary should enter into agreements with the States under which the States would require health care providers within their jurisdictions to provide consumer health education as a condition of payment under Title XIX of the Social Security Act. This provision would take effect in the calendar quarter beginning more than 90 days after the passage of this Act.

Section 1703(c) provides that the Secretary, acting through the division of communications in health education shall establish liaison between the Center and providers of health education services and the communications media.

Section 1703(d) provides that the Secretary, acting through the division of Federal programs shall:

(1) make recommendations to the Congress for the inclusion in appropriate legislation of provisions respecting health education and promotion;

(2) establish a liaison with other Federal agencies engaged in health education and promotion, including the Office of Education, the Consumer Product Safety Commission, the Department of Agriculture, the Environmental Protection Agency, the National Institute for Occupational Safety and Health, the Department of Transportation, and the Department of Defense; and

(3) identify Federal programs and actions which are not in the interest of public health and determine methods for reviewing and commenting on such programs and actions.

Section 1704 establishes an Interdepartmental Committee on Health Education and Promotion to promote and maintain the effectiveness of Federal health education programs. The Secretary will chair the committee and the remainder of the committee shall be appointed by the President from among heads of Federal departments engaged in health education activities.

Section 1705(a) establishes the Health Education and Promotion Advisory Council. The Council shall consist of 19 members appointed by the Secretary and the Secretary shall appoint from time to time the chairman of the council. This Section establishes the categories of representation on the council, the tenure of members, procedures for appointing members where a council member vacates his appointment prematurely, member pay entitlements for serving and for certain expenses, and matters related to the calling of meetings.

Section 1705(b) provides that the council will advise the Secretary and make recommendations to him on matters of general policy with respect to the functions of the Center. The council shall make an annual report to the Secretary and to Congress relating to the performance of its functions and any recommendations it may have with respect thereto.

Section 1705(c) authorizes the council to required to carry out its functions and reengage any technical assistance that may be quires the Secretary to make available to the council the necessary clerical, secretarial and administrative support, and to provide pertinent data available to the Department of Health, Education, and Welfare which the council might need to carry out its functions.

Section 1706 prescribes the contents of the annual reports that must be submitted by the Secretary to the President and to Congress. The Secretary, acting through the Center, shall submit such reports not later than December 1 of each year.

Section 1707 authorizes appropriations of $35,000,000 for fiscal year 1976, $40,000,000 for 1977, and $45,000,000 for 1978.

PART B. INSTITUTION FOR HEALTH EDUCATION AND PROMOTION

Section 1711 states that the Congress finds and declares that:

(1) it is in the public interest to inform the public about health and about ways to best protect and improve personal health;

(2) the public must develop the ability to examine and weigh consequences of personal decisions respecting health;

(3) the public must be motivated to desire changes supportive of more healthful life-styles;

(4) impediments that inhibit the voluntary adoption and maintenance of more healthful practices by the public must be identified and mitigated or removed;

(5) to achieve these goals it is necessary for the Federal Government to complement, assist, and support a national policy that will advance the national health, reduce preventable illness, disability, and death, moderate self-imposed risks, and promote progress and scholarship in consumer health education and preventive medicine; and

(6) a private corporation should be created to facilitate the development of a health education and promotion strategy for the nation.

Section 1712 establishes a not-for-profit corporation to be known as the Institution for Health Education and Promotion. The institution shall not be an agency or establishment of the United States Government.

Section 1713(a) provides that the corporation shall have a twenty-five member board of directors appointed by the President with the advice and consent of the Senate.

Section 1713(b) provides that the board shall have broad representation of the various regions of the country and of the various skills and experiences appropriate to the functions and responsibilities of the Institution.

Section 1713(c) provides that the members of the initial board shall also serve as its incorporators and are charged with taking whatever actions are necessary to establish the Institution under the District of Columbia Nonprofit Corporation Act.

Section 1713(d) establishes the terms of office for board members, procedures to be followed when a member leaves the board prematurely, and provisions for staggering the terms of office of the original board members. The Section provides that no board member shall serve for more than two consecutive terms.

Section 1713(e) provides that any vacancy in the Board shall not effect its power, and the vacancy shall be filled in the same manner in which the original appointments were made.

Section 1713(f) establishes procedures for the appointment of officers by the Board of Directors.

Section 1713(g) provides that the members of the Board of Directors shall not be deemed Federal employees by reason of the membership on the Board, and provides for payment for their time and travel expenses related to Board meetings and other activities of the Board.

Section 1714(a) provides that the Institution shall have a President and other officers that may be appointed by the Board. The Board will determine the terms and rates of compensation of those appointed. No officer, other than the Chairman, and vice chairman may receive any salary or other compensation from any source other than the Institution during their employment. The officers shall serve at the pleasure of the Board.

Section 1714(b) provides that no political test or qualification shall be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, and employees of the Institution.

Section 1715(a) provides that the Institution shall have no power to issue any shares of stock or to declare or pay dividends.

Section 1715(b) provides that no part of the income or assets of the Institution shall insure to the benefit of any director, officer, employee, or any other individual except as salary or other reasonable compensation for services.

Section 1715(c) provides that the Institution may not contribute to or otherwise support any political party or candidate for elective office.

Section 1716 states that to facilitate the development of a health education and promotion strategy for the nation, the Institution shall carry out the following functions:

(1) Establish communications with, provide a forum for the involvement of, and seek the advice and support of, organizations, agencies, and group involved in health care education, labor and business, social and civic organizations, consumer organizations and communications. The Institution shall review and analyze the need, and resources available, for health education and promotion and the effect of alternative health education methods and procedures on health status to determine which methods and procedures offer the best opportunities for improving the nation's health.

(2) Coordinate and stimulate a variety of projects involving other organizations, agencies, and groups to develop such strategy designs or design components as are required to increase the appropriateness, acceptability, and effectiveness of health education efforts nationwide.

(3) Assist in stimulating, developing, implementing, and assessing a total communications program utilizing a full range of media available to reach diversified groups in order to increase national understanding and support for the value of health education and the role each citizen and every organization, institution, and agency can and should play to improve individual, community, and, ultimately, the national health through educational means.

(4) Assist in accelerating the incorporation of improved technology into health education practice by establishing a system of technical assistance and training and by making available the expertise of other cooperating organizations, as well as its own staff, in response to the needs of national, State, and local groups for assistance in improving the planning, implementation, and evaluation of their health education programs.

(5) Encourage the development and utilization of valid and acceptable research and evaluation methods for a wide variety of health education programs and technologies. It shall develop coalitions and consortium arrangements with other organizations and agencies for cooperative efforts in model design and testing and for joint sponsorship and exchange of information on comparable research and evaluation projects.

Section 1717 provides that the Board shall appoint an advisory panel of 200 individuals with appropriate competencies and abilities. Its principal function will be to advise the Board. The panel shall also serve as a resource for appointments to special committees, task forces, and conferences. The advisory panel shall receive all Institution reports.

Section 1718 requires the Institution to submit an annual report to the President for transmittal to Congress. The report shall include a detailed account of the activities of the Institution, its operations, financial condition and accomplishments. Additionally, it may include such recommendations as the Institution deems appropriate.

Section 1719 authorizes appropriations for expenses of the Institution of $1,000,000 in fiscal year 1976, $3,000,000 in fiscal year 1977, and $5,000,000 in fiscal year 1978.

Section 1720(a) provides that the accounts of the Institution shall be audited annually in accordance with generally accepted auditing standards by independent public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The Section also provides that the audit will occur at the place where the accounts of the Institution are normally kept.

Section 1720(b) provides that the auditor's report shall be included in the annual report required by Section 1718. This Section also describes the contents of the auditors' report as it would be displayed in the Institution's annual report required under Section 1718.

By Mr. STEVENS (for himself and Mr. JACKSON):

S. 1469. A bill to amend the Alaska Native Claims Settlement Act to continue the authority of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENS. Mr. President, I am today introducing legislation which would extend the life of the Joint Federal-State Land Use Planning Commission for Alaska until June 30, 1979.

Established by the Alaska Native Claims Settlement Act of 1971 (ANCSA), the Commission has provided invaluable assistance to State and Federal officials, Members of Congress, Native corporations and private landowners in the State of Alaska. It has broad responsibilities in the area of the ownership, management, and use of Alaskan lands.

The Commission's accomplishments are extensive; the most significant include elaborate studies on Alaskan resources, the submission to the Secretary of the Interior of several options relating to land selections under section 17(d)(2) of ANCSA, detailed studies and recommendations concerning Native village eligibility under that act, identification of public easements, formulation of suggested rules to be applicable to various land selections, protection of mining claims, and numerous other reports, studies, and recommendations germane to the implementation of ANCSA. In addition, the Commission has published several important studies which have proven to be extremely useful in dealing with legislation regarding land, minerals, and other resources within the State.

Congress has until December 18, 1978, to act upon recommendations on the classification and use of lands covered by ANCSA. Subsequently, it will become necessary to detail regulations specific to these lands and many questions will remain to be studied. It is clear that the expertise of the Commission has become an invaluable resource in dealing with the problems involved in implementing ANCSA. It would be deplorable to let the Commission expire before a final decision is made on the D–2 lands and the other unresolved issues regarding ANCSA.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17(a)(10) of the Alaska Native Claims Settlement Act (85 Stat. 688) is amended by striking out "its final" in the first sentence thereof and substituting "a" and by striking out the last sentence thereof and substituting the following: "The Commission shall continue its activities and make such additional reports and recommendations as may be appropriate after May 30, 1976, but the Commission shall cease to exist effective June 30, 1979."

By Mr. MONTOYA:

S. 1470. A bill to authorize the establishment of a National Atomic Museum. Referred to the Joint Committee on Atomic Energy.

Mr. MONTOYA. Mr. President, the bill I am introducing today authorizes the Energy Research and Development Administration to provide for the operation and advancement of the National Atomic Museum in Albuquerque, N. Mex.

The museum was founded in 1969 in the belief that the contribution of nuclear energy to our defense effort should be presented both to the educational community and to the public at large. The museum has served as an effective educational tool and as an important resource to the Albuquerque community. Since its inception it has been funded by the Defense Nuclear Agency. In the fall of 1973, DNA initiated action to locate a museum sponsor outside of the Department of Defense. The original plan was to continue Defense Department funding through fiscal year 1975 in order to allow time for another sponsor to be found. However, after an order was received in January 1974, mandating a substantial manpower cut in the Agency, fiscal year 1975 funds for the museum were deleted from the proposed budget.

Faced with the possibility of losing their museum, a group of interested citizens in Albuquerque formed the National Atomic Museum Foundation to secure funding for the museum and thus prevent its closing. To date, the Foundation, which is chaired by Mr. Ralph S. Trigg and comprised of other prominent Albuquerque residents, has been unsuccessful in locating a new sponsor. Interest has been expressed, however, by representatives of the Albuquerque Industrial Development Service and others of the possibility of merging the National Atomic Museum with the proposed Museum of Albuquerque. I mention this, Mr. President, to demonstrate that there is solid community backing behind this museum.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD followed by a fact sheet on the museum prepared at my request by the Department of Defense and dated March 22, 1974, a letter from Rear Adm. L. V. Swanson dated November 14, 1974 and a document entitled "Report on the National Atomic Museum."

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1470

SECTION 1. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Energy Research and Development Administration is authorized and directed to provide for the operation and advancement of the National Atomic Museum in the State of New Mexico, the purpose of which is the advancement of public knowledge with respect to matters pertaining to the history of the development and use of nuclear energy in defense of our Nation, subsequent technological advances resulting from nuclear research, and current uses of nuclear power. The Department is authorized to acquire the site of the Museum by gift, condemnation, or otherwise, and to make all necessary improvements thereto. Items displayed in such Museum shall be selected to reflect their historical interest and educational value, subject to such limitations as the Department, in consultation with the Secretary of Defense, determines are necessary in the interests of the national security.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

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Defense Nuclear Agency Fact Sheet

March 22, 1974.

Subject: Funding for Sandia Atomic Museum.

Purpose: To explain the current status of the museum, reasons why support from Defense Nuclear Agency funds will terminate during FY 1975, and the future plans for the museum.

Discussions: The Sandia Atomic Museum was established in 1969 in the belief that such a facility is vital to depicting the history of the military in the Nuclear Age. It was intended to be a permanent, expanding exhibit including unclassified photographs, bombs, missiles, rockets, and artillery pieces used by the Armed Forces. Containing models of many nuclear weapons which have stood ready in our Nation's defenses, the Museum has served as an educational tool and as an important contribution to the Albuquerque community. Funding for the museum has been included in the Defense Nuclear Agency (DNA) budget from its inception.

Fiscal realities are forcing closure of the museum on 30 June 1974. These realities began with an Office, Secretary of Defense Report of Audit, dated in 1973, which indicated that the Agency should not be maintaining a museum. When this audit report comment became known, Commander, Field Command, DNA, initiated action to locate a sponsor for the museum outside the Department of Defense. Ultimately, a National Atomic Museum Foundation was created as a civilian entity to direct that effort. DNA decided to delay closing the museum and to set aside $45,700 (exclusive of staff salaries) for museum operation in its FY 1975 budget in order to allow time for the Foundation to accomplish its purpose. Thus, continued operation would have been assured through June 1975.

Other fiscal actions subsequently compelled advancement of the closing date. A levy cutting Agency military manpower heavily was ordered in January 1974, resulting in the deletion of 50 Field Command jobs and a reanalysis of both military and civilian manning. The museum staff of four military and three civilian positions were among those identified as least essential to accomplishment of the mission and functions of DNA.

To date, the National Atomic Museum Foundation, chaired by Mr. Ralph S. Trigg and comprised of prominent Albuquerque residents, has been unsuccessful in locating a non-governmental sponsor. In December, Mr. Trigg wrote to Senator Joseph M. Montoya of New Mexico and requested introduction of legislation to provide Congressional funding for the museum. The Senator introduced such legislation for himself and Senator Dominici, also of New Mexico, on February 19, 1974.

Defense Nuclear Agency,
Kirtland Air Force Base, N. Mex.,
November 14, 1974.

Hon. Joseph M. Montoya,
U.S. Senate,
Washington, D.C.

Dear Senator Montoya: Thank you for the opportunity to talk to you concerning the future of the National Atomic Museum (formerly Sandia). I appreciate your support in our efforts to secure a national sanction and direct congressional funding for the museum. Passage of a bill such as S-3017 is imperative if we are to preserve and operate the museum for the benefit of the thousands of visitors and the citizens of New Mexico in the years to come.

Displays at the museum include 58 full-scale cases of nuclear weapons and span the history of nuclear weaponry from the Little Boy and Fat Man of World War II to the operational bombs, missiles, rockets, shells, and reentry vehicles in today's arsenal. Delivery vehicles on display include a B-52 aircraft, Navy and Army launchers, and a 280 mm cannon. In addition, there are exhibits explaining different phases of our nuclear weapon programs and peaceful uses of atomic energy. Models, films, charts, photographs, and other documents explain the history and current developments in the nuclear field.

Since the beginning of this fiscal year (1974) there have been no funds available for the hiring of necessary civilian personnel to manage the museum. The professional staff heretofore of three civilians and four military has been reduced to two young military men who are detailed to help visitors and maintain cleanliness during visiting hours. This operation is strictly a holding action while hoping for a favorable resolution to the museum's future status.

I am confident that passage of a bill to establish national status for the museum in New Mexico would insure the preservation of the nuclear history and enhance New Mexico's reputation and role in the continuing development of that history.

Sincerely,

L. V. Swanson,
Rear Admiral, U.S. Navy,
Commander, Field Command.

Report on the National Atomic Museum

ESTABLISHMENT

The idea of establishing a museum to commemorate the history of nuclear energy and nuclear weapons originated in 1963, during a trip to Los Alamos which included a visit to the Science Hall and Museum there. Approval for a museum at Sandia Base was not obtained until mid-1969 and the museum was opened in October 1969, under the purview of Major General John T. Honeycutt.

Albuquerque was considered an appropriate location for such a museum because of the nuclear research, development and testing activities carried out on the Base and because of its close proximity to the Trinity Test Site and White Sands Missile Range, the Los Alamos Scientific Laboratory, and the uranium fields near Grants. At the crossroads of two major highways, Albuquerque is also easily accessible to the public. Also, a museum in Albuquerque is readily accessible to the bulk of the state's educational community, and its theme constitutes an important heritage of the residents of the state.

The Defense Nuclear Agency was considered the appropriate agency, quite possibly the only agency with the necessary contacts with all the military services, the Atomic Energy Commission and the applicable civilian contractors, and the expertise in the nuclear weapons field necessary for the establishment of such a museum. However, it was considered, even in its inception, that once the museum was established its operation should be passed to the city or the state.

MISSION

The mission of the museum, thus far, has been to present and interpret for the general public and for the formal educational community, the history of atomic energy, its development and harnessing as a military power in time of war. The mission has been expanded to include more recent uses of nuclear energy, such as in industry, medicine and space exploration.

The museum is restricted to the presentation of factual information and materials; no opinions are offered concerning the stockpiling or use of nuclear weapons. However, the mere existence of such a museum, open to the general public and to the press, corrects the erroneous impression fostered by the previous lack of availability of such information to the public. The defensive role of nuclear weapons is made apparent—the fact that they are in use as a deterrent to major war—a role too often overlooked or overshadowed by the awesome menace of their overwhelming power.

The theme of the museum is straightforward and concise. It is also of intense interest to every individual concerned with history or with current world affairs. And it is unique. There is no other museum or educational center in the world in which this important phase of our heritage is presented.

FACILITY

The building housing the museum was originally designed as an ordinance maintenance facility for 90 mm AAA guns and was later used for numerous purposes. It is not a particularly attractive building but it is well suited to its present use. It contains a total of 17,955 square feet and is divided as follows: There is one large room 50 feet by 269 feet, consisting of a low bay (30-foot ceiling) and a high bay (45-foot ceiling), two small display rooms approximately 20 by 40 feet, a 20 by 40 foot, 85-seat theater, restrooms, a small downstairs office which could be converted into a gift shop, and a large upstairs office and library (approximately 15 by 30 feet). The floor of the large room is reinforced concrete. The high bay area is equipped with two overhead cranes, a 15 ton and a 50 ton. There is approximately 125,169 square feet of exhibit area to the sides and rear of the building which is enclosed within a fence and approximately 64,405 square feet of parking space/exhibit area to the front of the building. The building is located on Wyoming Boulevard, 2.6 miles from the Wyoming exit of I-40, 1.7 miles south of U.S. 66.

EXHIBITS

Displays include 58 full-scale cases of nuclear weapons (see Enclosure 1), extensive exhibits explaining different phases of the nuclear weapons program or peacetime uses of atomic energy (nuclear weapons testing, nuclear weapons safety, nuclear powered space vehicles, ships and submarines, nuclear power plants, etc.), numerous models, charts, photographs and documents. Exhibits are under construction on a number of subjects such as medical uses of nuclear power, testing of the first thermonuclear devices, the development of a chain reaction and a simplified explanation of atomic structure.

ACTIVITIES

An excellent film on the development and use of the atomic bomb, "Ten Seconds That Shook the World," is shown on a regular daily schedule. Other films are used on occasion—a science film, "A is for Atom," for science classes, "The Decision to Drop the Bomb" for political science classes, and a film strip on weapons effects for ROTC students.

A visitor-activated rear-view projector is currently associated with the SRAM display with a narrated film of the release and flight of the SRAM missile. A film strip on the first thermonuclear test is currently being converted to the proper size for use with the rear-view projector in the TN-weapon exhibit.

Tours are conducted in the museum, primarily of school groups but also of adult groups. A total of 352 tours were conducted during 1973 (CY). In addition to in-museum films and tours, lectures, films and slide presentations are given locally and mailed to other locations for presentation by an instructor. Materials were provided outside the museum by personal visit or on loan on 57 occasions during 1973.

A small library of several hundred books as well as magazines, documents and photographs, all applicable to the history of nuclear energy, has recently been opened for public use. Its primary use is for museum employees and for students.

The museum is widely used by the press. Film taken in the museum was used for a talk show in Canada within the past three weeks. Articles in the current New Yorker and Der Spiegel (German) magazines feature the museum. A portion of the highly successful TV series, "America," filmed by the British and narrated by Alistaire Cook was filmed in the museum. The British made one other 30-minute film in the museum. The Japanese also made a film in the Museum.

ATTENDANCE

Attendance figures for the museum are considered significant although virtually no advertising has been done. All publicity has been that provided free by the press. The visitor count for 1973 was 85,766—38,957 for the first six months, 46,809 for the last six months. Approximately half of the visitors are from the Albuquerque area. Of these, an estimated three-fourths are school and university students. Most out-of-state visitors are tourists, although some come in groups. ROTC groups and scouts have visited the museum from as far away as Kansas and Louisiana. For the past three years, the AEC has sponsored an annual visit to the museum of scouts in the Amarillo, Texas, area. A surprising number of visitors are from foreign countries. The local Chairman of the Foreign Visitors Committee has indicated that the museum is by far the most popular attraction for foreigners visiting Albuquerque.

BUDGET

Our current operating budget, which includes the museum and a maintenance facility, totals approximately $100,000. (See Inclosure 2.) With the current seven-day week schedule and the capability for providing guided tours, it is estimated that a minimum staff of five would be required and a total operating budget, exclusive of capital equipment, of $64,000. (See Inclosure 3.) Some continual expansion, particularly in the area of peacetime uses of atomic energy, is considered imperative. However, funds may be available through grant application to the philanthropic foundations for such expansion. An outline for one such suggested addition is provided as Inclosure 4.

TRANSFER OF THE MUSEUM

Due to recent personnel cutbacks within the Defense Nuclear Agency, it is no longer possible for Field Command to operate the museum. Funds for museum operation will be cut off at the end of the current fiscal year, 30 June 1974. If necessary to allow additional time for takeover of the museum by another agency, it may be possible to continue operation on a reduced basis utilizing excess military personnel for a short period of time, although no definite commitment can be made.

The building housing the museum does not belong to DNA but to Kirtland Air Force Base. Informal inquiries have ben made concerning the possibility of transfer of the building to the state. Kirtland Air Force Base representatives have informally agreed to such a transfer. The method of transfer would probably be to place the building on a long-term lease to the state for a negligible amount ($1.00) on the condition that it be used to house the museum. Building maintenance could probably be provided by the Air Force for a specified monthly fee, computed on the square footage of the building.

A study is being conducted to determine the feasibility of charging admission to the museum, including an estimate of the amount of revenue which admission charges would generate.

By Mr. HUGH SCOTT:

S.J. Res. 73. A joint resolution authorizing and requesting the President to issue a proclamation designating the week beginning February 15, 1976, as "My America Week." Referred to the Committee on the Judiciary.

MY AMERICA WEEK

Mr. HUGH SCOTT. Mr. President, I am pleased to introduce a joint resolution authorizing and requesting the President to issue a proclamation designating the week beginning February 15, 1976, as "My America Week."

Pennsylvania's official Bicentennial theme—"So Your Children Can Tell Their Children"—has inspired and encouraged an interest in perpetuating the spirit of the Bicentennial for future generations. In this spirit, one of the principal elements of Pennsylvania's Bicentennial program is to be a nationwide student Bicentennial competition which the Commonwealth of Pennsylvania is sponsoring with the support of the National Education Association. "My America—Yesterday, Today, Tomorrow" is to be a national contest in the arts, crafts, letters, and sciences open to children from kindergarten to grade 12 in all schools throughout America.

Mr. President, this competition is the only nationwide Bicentennial effort on behalf of America's student body. I urge my colleagues to join me in the effort to proclaim "My America Week" in salute to this nationwide Bicentennial project.

I ask unanimous consent that the text of my joint resolution be printed at this point in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 73

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas primary school children of the United States may not have a full understanding and appreciation of the significance of the American Bicentennial;

Whereas the interests of the school children of the United States in America's Bicentennial celebration should be stimulated;

Whereas the Bicentennial celebration "My America—Yesterday, Today, Tomorrow" will involve specific competitions which will include essays, drawings, graphic and plastic arts, and other activities representative of America's past, present, and future and particularly efforts which typify the many contributions of other Nations to the growth and culture of America;

Whereas the entries in such competitions will be judged by a panel of illustrious Americans nominated by the Bicentennial Commission of Pennsylvania in conjunction with the National Education Association; and

Whereas all school children in the United States shall be encouraged to participate in "My America—Yesterday, Today, Tomorrow":

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in commemoration of "My America—Yesterday, Today, Tomorrow", a Bicentennial observance involving the participation by American school children in specific competitions including essays, drawings, and other graphic and plastic arts, and other appropriate activities the President is authorized and requested to issue a proclamation designating the week beginning February 15, 1976, as "My America Week", and calling upon the people of the United States and interested groups and organizations to observe that week with appropriate ceremonies and activities.

By Mr. PERCY (for himself and Mr. Brooke):

S.J. Res. 74. A joint resolution to authorize and request the President to issue annually a proclamation designating the first week in May of each year as "Survival Week." Referred to the Committee on the Judiciary.

FIRST ANNUAL SURVIVAL WEEK

Mr. PERCY. Mr. President, I am today introducing a resolution designating the first week in May as Survival Week. I ask unanimous consent that a statement prepared by the American Society for Ecological Education explaining the rationale for Survival Week be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

FIRST ANNUAL SURVIVAL WEEK

The ASEE in cooperation with Governors State University and the South Suburban Environmental Education Council, all of Park Forest South, Illinois propose the Nation's first Annual Survival Week. The first Survival Week will be observed in a major program to be offered at Governors State University May 4–10 and subsequently Survival Week will be observed the first week of each May.

The ASEE, the national professional organization of environmental educators and interested citizens is a former contributory sponsor of Earth Week. Now the ASEE and the other sponsors of Survival Week wish to focus nation-wide and world attention to the ever-increasing realization that the future of our Nation, and indeed our planet, is based upon a consideration of environmental survival rather than just preserving the status quo. Such factors as world famine and the enegry crisis make the concept of survival a reality—it can no longer be dismissed as dooms day rhetoric.

The sponsoring organizations are all concerned with the improvement of our environment through the educational process and are planning a major forum and exhibit during Survival Week, May 4–10, 1975. Industrial and educational exhibits and a forum for discussion by interested educators, business people and environmentalists is planned at Governors State University.

It is hoped that nation-wide and world attention through school and community projects will focus investigation on the improvement of our quality of life and in solving our environmental problems which threaten our very survival on earth.

Dr. William L. Mayo, President of the ASEE and University Professor of Environmental Science at Governors State University conceived the idea of Survival Week after it became apparent to him that the old concept of Earth Week required a new and imperative approach. Also the concept of Survival Week is now being incorporated into environmental education programs for schools.

The idea has been adopted by the sponsoring organizations in the hope that our nation, and indeed our world, will dedicate ourselves to the solving of the complex environmental problems facing us in order that our future generations will inherit a healthy nation and planet.

Thus the theme and title of the first annual Survival Week holds an optimistic note: "Survival Week—1975; a Look Forward From the Bicentennial."

Mr. BROOKE. Mr. President, today, I am pleased to join Senator Percy in introducing a resolution authorizing the President to designate the first week in May of each year as Survival Week.

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The need to focus attention on the importance of environmental education and awareness to our survival is certainly not a new idea. But our early definitions of conservation and preservation are no longer comprehensive enough to deal with our problems, so Survival Week should be seen as an updated version of Earth Week.

We must recognize that the future of our world is dependent on solutions to the environmental problems which threaten our very life on Earth. Such global problems as overpopulation, famine, economic upheaval, and the energy crisis, point up the need for a concentrating on survival.

During Survival Week of each year students, environmentalists, educators, business people, workers, legislators, indeed all our concerned citizens, will have an opportunity to collectively rededicate ourselves to finding solutions to our complex environmental problems and to securing for ourselves and our children a healthier, happier future.

So let us reaffirm our commitment to a better world by swift approval of Senate Joint Resolution 74 to designate the first week in May of each year as Survival Week.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 63

At the request of Mr. Beall, the Senator from Florida (Mr. Stone) was added as a cosponsor of the bill (S. 63) to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations, and cooperative housing corporations.

S. 80

At the request of Mr. Mathias, the Senator from Hawaii (Mr. Fong), the Senator from Wyoming (Mr. McGee), the Senator from Pennsylvania (Mr. Hugh Scott), and the Senator from Michigan (Mr. Philip A. Hart) were added as cosponsors of the bill (S. 80) to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land—rather than at its fair market value—and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 89

At the request of Mr. Mathias, the Senator from New York (Mr. Buckley), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of the bill (S. 89) to provide that income from entertainment activities held in conjunction with a public fair conducted by an organization described in section 501(c), (3) and (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization.

S. 93

At the request of Mr. Mathias, the Senator from Hawaii (Mr. Fong) was added as a cosponsor of the bill (S. 93) to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual.

S. 287

At the request of Mr. Burdick, the Senator from New York (Mr. Buckley) and the Senator from Pennsylvania (Mr. Hugh Scott) were added as cosponsors of the bill (S. 287) to provide for the appointment of additional district court judges and for other purposes.

S. 390

At the request of Mr. Church, the Senator from Wyoming (Mr. McGee), the Senator from Nevada (Mr. Cannon), the Senator from South Carolina (Mr. Thurmond), the Senator from Indiana (Mr. Bayh), the Senator From New York (Mr. Javits), the Senator from New Hampshire (Mr. McIntyre), the Senator from New Jersey (Mr. Case), the Senator from South Dakota (Mr. McGovern), the Senator from West Virginia (Mr. Randolph), the Senator from Alaska (Mr Gravel), the Senator from Minnesota (Mr. Mondale), the Senator from Washington (Mr. Jackson), the Senator from Maine (Mr. Hathaway), the Senator from Hawaii (Mr. Fong), and the Senator from Maryland (Mr. Beall) were added as cosponsors of S. 390, a bill to provide a program of income tax counseling for elderly individuals.

S. 811

At the request of Mr. Tunney, the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Philip A. Hart), and the Senator from California (Mr. Cranston) were added as cosponsors of the bill (S. 811) to amend the Horse Protection Act of 1970 to better effectuate its purposes.

S. 850

At the request of Mr. McGovern, the Senator from Illinois (Mr. Stevenson), the Senator from South Carolina (Mr. Hollings), the Senator from New Jersey (Mr. Williams), the Senator from Delaware (Mr. Biden), the Senator from Wyoming (Mr. McGee), and the Senator from California (Mr. Tunney) were added as cosponsors of the bill (S. 850), the National School Lunch and Child Nutrition Act.

S. 962

At the request of Mr. Kennedy, the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Mondale), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of the bill (S. 962) the Older Americans Community Service Employment Amendments of 1975.

S. 1218

At the request of Mr. Inouye, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 1218, to incorporate the Pearl Harbor Survivors Association.

S. 1220

At the request of Mr. Inouye, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of the bill (S. 1220) to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, and to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers.

S. 1259

At the request of Mr. Hathaway, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of the bill (S. 1259) the Small Business Emergency Relief Act.

S. 1309

At the request of Mr. Case, the Senator from South Dakota (Mr. McGovern), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Massachusetts (Mr. Kennedy), the Senator from Montana (Mr. Metcalf), the Senator from Michigan (Mr. Philip A. Hart), the Senator from Iowa (Mr. Clark), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Stafford), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of the bill (S. 1309) to amend the National School Lunch Act, as amended, to assure that the school food service program is maintained as a nutrition service to children in public and private schools, and for other purposes.

S. 1336

At the request of Mr. Case, the Senator from Maryland (Mr. Mathias), the Senator from Iowa (Mr. Clark), the Senators from Minnesota (Mr. Mondale and Mr. Humphrey), and the Senator from South Carolna (Mr. Hollings) were added as cosponsors of the bill (S. 1336) to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

S. 1406

At the request of Mr. Montoya, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of the bill (S. 1406) to amend title 38 of the United States Code to provide that veterans' pensions and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 1421

At the request of Mr. Schweiker, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 1421, a bill to provide for the prohibition of certain discriminatory practices in

the pricing of fuels and other forms of energy, including electricity.

S. 1422

At the request of Mr. Tunney, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of the bill (S. 1422) to amend the Older Americans Act of 1965 to establish a legal counseling assistance program for older Americans, and for other purposes.

S. 1426

At the request of Mr. Church, the Senator from South Dakota (Mr. Burdick), the Senator from Minnesota (Mr. Humphrey), and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of the bill (S. 1426) to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations contained in such act, to prohibit discrimination on the basis of age, and for other purposes.

SENATE JOINT RESOLUTION 45

At the request of Mr. Inouye, the Senator from New Mexico (Mr. Montoya) was added as a cosponsor of the joint resolution (S.J. Res. 45) the Municipal Clerk's Week resolution.

SENATE JOINT RESOLUTION 70

At the request of Mr. Humphrey, the Senator from Michigan (Mr. Philip A. Hart), the Senator from New Jersey (Mr. Williams) and the Senator from Tennessee (Mr. Brock) were added as cosponsors of the joint resolution (S.J. Res. 70) to extend support under the joint resolution providing for Allen J. Ellender Fellowships to disadvantaged secondary school students, and for other purposes.

SENATE RESOLUTION 20

At the request of Mr. Kennedy, the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Indiana (Mr. Bayh), the Senator from Minnesota (Mr. Humphrey), and the Senator from New York (Mr. Javits) were added as cosponsors of the resolution (S. Res. 20) relating to the Vladivostok Agreement and Strategic arms control.

SENATE RESOLUTION 109

At the request of Mr. Stevenson, the Senator from Georgia (Mr. Nunn), the Senator from Indiana (Mr. Hartke), and the Senator from Missouri (Mr. Symington) were added as cosponsors of the resolution (S. Res. 109) creating a temporary Select Committee to Study the Senate Committee System.

SENATE RESOLUTION 126

At the request of Mr. Brock, the Senator from Illinois (Mr. Percy) was added as a cosponsor of the resolution (S. Res. 126) endorsing the continued presence of the United Nations peace-keeping forces in the Middle East.

SENATE CONCURRENT RESOLUTION 7

At the request of Mr. Beall, the Senator from Oklahoma (Mr. Bellmon) was added as a cosponsor of Senate Concurrent Resolution 7, a concurrent resolution expressing the sense of the Congress that business concerns which lower prices shall not be penalized if certain economic controls are imposed.

SENATE CONCURRENT RESOLUTION 33—SUBMISSION OF A CONCURRENT RESOLUTION WITH RESPECT TO THE SAFETY OF CIVILIANS IN CONTESTED AREAS OF INDOCHINA

(Referred to the Committee on Foreign Relations.)

Mr. TUNNEY (for himself and Mr. Abourezk) submitted the following concurrent resolution:

S. Con. Res. 33

Whereas a settlement of the present conflict in South Vietnam and Cambodia is vital to the peace and security of Southeast Asia and is in the best interests of world peace and stability; and

Whereas it has become increasingly evident that a reaffirmation of the basic principles of the Agreement on Ending the War and Restoring the Peace in Vietnam is the best hope for an early peace in Indochina; and

Whereas the Congress of the United States wishes to express its particular concern for the welfare of refugees in all contested areas of Indochina; and

Whereas the United Nations and the Secretary General have, since their inception, continually focused world attention on the problem of human rights in the Pacific settlement of disputes; therefore,

Be it resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President of the United States—

(1) should undertake immediate diplomatic initiatives directed at all parties to the Paris Accords for the purpose of restoring the Vietnam Agreement and Protocols, with special emphasis upon Articles 10, 11, and 12 of the Agreement;

(2) should undertake immediate initiatives directed at all interested parties for the purpose of assuring the safety and welfare of refugees in all contested areas of Indochina;

(3) should urgently request the Secretary General of the United Nations to use his good offices to persuade all parties to the Indochina conflict to adhere strictly to the terms of both the 1949 Geneva Convention Relative to the Protection of Civilian Persons in Time of War, with special regard to Articles 3, 11, 27, 30, 32, 33, 35, 48, 54 and 70; and to provisions of General Assembly Resolution 217, the Universal Declaration of Human Rights, with special emphasis on Articles 13 and 14.

SOUTH VIETNAMESE EVACUATION

Mr. TUNNEY. Mr. President, a little over 2 years ago in January of 1973, when the Paris accords were signed, I expressed the hope they would bring an end to a tragic struggle, not only for our country but for the people of Indochina. While American forces have been withdrawn, and while we have been successful in putting a constitutional reign on our own military commitments, the fighting in Indochina never really abated and now appears in its final, bloody stage. Thousands of Vietnamese, both North and South, have been killed, hundreds of thousands wounded, and millions made homeless since the Paris Agreements were signed.

In recent weeks, the situation has taken a drastic turn for the worse. In Cambodia, the Khmer Rouge guerrillas now control the entire country, paving the way for the return of ousted Prince Norodom Sihanouk. In South Vietnam, the North Vietnamese and Vietcong, in a series of amazingly rapid military victories, have absorbed the northern two-thirds of that country. In the process, almost a billion dollars worth of American military equipment has been abandoned and almost six government divisions dissipated.

Along with the fleeing armies, collapsing civil authority and ensuing chaos have come inevitable charges in Saigon of sellout and pleas for more assistance. In his state of the world address, President Ford appealed to Congress to provide almost a billion dollars in additional military assistance for Indochina saying that the national interest of the United States and the cause of world stability require it. To do less, according to the President, would be to abandon our friends, to dismantle our defenses, to damage our credibility not only in Asia but around the world.

As the President's theory goes, it was American promises of a vigorous response to any violations of the cease-fire and of open-ended military support which prompted President Thieu to agree to sign the Paris accords in 1973. Now, with the possibility of such a vigorous response effectively cut-off by congressional action, the only alternative left to him was to ask Congress for more military assistance so that the governments of Indochina could defend themselves.

With that assistance, the administration would have us believe the South Vietnamese would miraculously stem the tide of the advancing North Vietnamese and Vietcong armies at the gates of Saigon, and perhaps even recover the territory lost in earlier fighting. Without it, the Saigon government would collapse, the victim of systematic violations and flagrant disregard of the Paris accords by the other side.

The collapse of the Saigon government, according to the President, would lead inexorably to recriminations within the United States. Beyond that, it would lead to a bloodbath in South Vietnam, serious doubt about the fibre of American credibility and commitments to other nations, and finally to shattering setbacks to our diplomacy around the world.

Mr. President, I must register my strong disagreement with this assessment. The true measure of a nation's greatness is not its willingness to stand behind commitments conceived in secrecy and consummated in confidential exchanges between governments. Such secret agreements are entirely without sanction in law and are in flagrant disregard of the expressed will of the American people to disengage this Nation from a conflict that cost 55,000 American lives and billions of dollars.

The true measure of a nation's greatness is at times its willingness to admit its mistakes, to try and correct them the best way it can, and to resolve that they shall not be repeated. To do otherwise here would be to risk discord at home and disrespect abroad.

America's allies and friends know America has not abrogated its responsibility. Most of them for years have urged an end to our involvement in Indochina, an involvement which they have regarded as almost an American obsession. They know today, just as they have known over the past thirty years, that if their security is endangered by agression from without, that if they are willing to fight for themselves, the United States stands willing to help. They realize that the United States has done all it can reasonably be expected to do for its allies in Indohcina and that sooner or later nations, just like men, must pick up their own burdens and either stand or fall according to their strengths or weaknesses.

I am reminded of the words of our distinguished colleague, Senator MANSFIELD, in 1971. He said:

> Vietnam was a tragic mistake. To persist in it now is to add outrage to the sacrifices of those who have suffered and who have died in this conflict. To persist in it now is to do violence to the welfare of the nation. The need is to terminate the mistake not to prolong it. No national commitments of this Nation remain to be discharged to the governments in Indochina—except humanitarian ones. We have armed, trained, financed and fought for those governments. We have done our share, far more than our share, to inject them with the elements of survival. What last ditch effort, as we are contemplating here is likely to do anything more? Can dragging out this war do anything other than add to the tragedy?

Mr. President, what was said then has equal meaning now.

By merely repeating wornout formulas of reliance upon one-sided military assessments, on the force of American arms to solve problems unresponsive to these solutions in the past, on exaggerated threats of world Communist conspiracy, and upon a supposed collapse of confidence in America abroad, President Ford is condemning this Nation to repeat the mistakes of the past.

There is no honor in prolonging this war, in adding to the toll of dead and homeless, in just propping up one undemocratic regime as opposed to another.

It is, therefore, my intention to oppose strongly any additional supplemental appropriations for military assistance to Indochina. I am hopeful that the Senate will reject the President's requests.

By my opposition to military aid, however, I am not advocating that we abandon our friends and allies in Southeast Asia. I intend to support additional appropriations for humanitarian assistance to Vietnam and Cambodia—assistance which is designed to ease the burdens of hunger, disease, and homelessness that have been forced upon millions of Cambodians and Vietnamese. This assistance should be provided by the United States to refugees throughout Southeast Asia regardless of the lines of government control, and it should be provided through the United Nations and voluntary agencies to insure that it goes directly to the needy. To help accomplish these objectives, I have cosponsored a bill by Senator KENNEDY which would provide $800 million in additional humanitarian assistance.

Closely related to the question of further assistance is the question of the President's authority to use American military forces to secure the safe evacuation from South Vietnam of American personnel and dependents as well as South Vietnamese who have worked closely with us and who might be subject to Communist reprisals. Mr. President, I am happy to see that the American Government finally has begun to worry less about the sensibilities and stability of the Thieu regime and has started to worry more about the safety of Americans remaining in Saigon. Those remaining Americans must not become "trap bait" by which the hand of Congress is forced into recommitting American troops on the Asian mainland. There is no logic dictating the continued presence of unessential American personnel and their dependents.

I say it is time to get all unnecessary Americans out of Saigon before the Congress of the United States is forced, against its will and without adequate debate, once again to commit American troops to combat in South Vietnam. I hope the administration continues its efforts to accelerate their withdrawal.

If the President wishes further authority to evacuate South Vietnamese, let him come to Congress and ask specifically for limited authority subject to strict controls, and not for a broad revision of the War Powers Act which might not only allow the use of force now but in other instances as well. After so many years of trying to curb the abuse of the war power by the President, I, for one, am not anxious to see congressional authority diluted. If this decision is warranted in the case of South Vietnam, then let the Congress and the President make that decision jointly, in an atmosphere of deliberation, and certainly without the threat of the impending death or injury of American citizens.

Personally, I believe that we do have a responsibility for the safety of these South Vietnamese. I think that in this respect the American Government should continue to make contingency plans for all eventualities. But I am strongly against giving the President the kind of discretionary authority which in the past has led to abuse of the war power, and which the War Powers Act was specifically designed to proscribe.

There are, however, other actions which we can take now to insure the safety of these people. Accordingly, I am submitting a concurrent resolution urging the President immediately to undertake diplomatic initiatives directed at all parties to the Paris accords for the purpose of restoring the accords, with special emphasis to be placed on articles relating to a cease-fire in place and the convening of a national council of reconciliation and concord, composed of the two South Vietnamese parties plus a neutral third party

I believe such a restoration of the accords represents the best hope today of a peaceful resolution which would safeguard the security and rights of citizens who might otherwise be subject to reprisals.

Section 2 of my resolution would instruct the President to undertake diplomatic initiatives aimed at all interested parties for the purpose of assuring, to the extent possible, the safety and welfare of all refugees in contested areas of Vietnam.

Section 3 of the resolution would instruct the President to urgently request the Secretary General of the United Nations to use his good offices to secure compliance by all parties to the Indo-China conflict with provisions of the Geneva Convention relative to the protection of civilian persons in time of war, and with General Assembly Resolution 217, the Universal Declaration of Human Rights.

While this resolution will certainly not guarantee the security of persons in South Vietnam subject to future reprisals, it represents an alternative to armed intervention. As Members of Congress, it is our solemn duty to explore all the avenues of peace before we grant the President the kind of discretionary authority that has led to abuse in the past. I urge my colleagues to support this effort.

In summary, Mr. President, these are days of difficult decisions for the President, Congress, and the American people. Seldom in our history have we been called upon publicly to admit such mistakes as we are called upon to admit now. Nevertheless, this Nation has always summoned up the requisite courage for difficult decisions—I feel no less confident that we will today.

Let no one mistake our introspection, however, for self-doubt, the determination of the American people to meet the responsibilities of world leadership remain strong.

America's friends and allies need not fear the constancy of our commitments, nor doubt the strength of our will. Today, as in the past, America stands willing to defend those nations to whom she has given her solemn commitment under the principles of law and who stand ready in defense of their own freedom.

Mr. President, on behalf of myself and Senator ABOUREZK, I send the resolution to the desk.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENT OF THE PUBLIC HEALTH SERVICE ACT—S. 989

AMENDMENT NO. 349

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. PELL (for himself, Mr. KENNEDY, Mr. BROOKE, and Mr. MCINTYRE) submitted an amendment intended to be proposed to the bill (S. 989) to amend the Public Health Service Act to revise and extended the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program, and the National Health Service Corps scholarship training program, and for other purposes.

COLLEGE OF VETERINARY MEDICINE

Mr. PELL. Mr. President, today I am submitting an amendment which is directed at alleviating the inequitable situation which confronts many young men and women who apply to colleges of veterinary medicine, and who have their applications preemptorially rejected solely on the basis of their State of residence. This unfair practice has an especially harsh impact on students from my home State of Rhode Island and the region of New England.

There are presently 19 colleges of veterinary medicine in this country, and planning or construction is underway for another 4. New England has no colleges of veterinary medicine within its six sister States, and students from the New England region have traditionally attended, in largest numbers, those colleges closest to home at Cornell and at the University of Pennsylvania. However, with the constantly expanding number of applicants to all the colleges of veterinary medicine, all of the colleges have sharply cut back on the admission of New England applicants.

Veterinary medicine is an important and integral part of the public health care structure of our Nation. Veterinarians have prime responsibility for the prevention and control of diseases which are transmitted by or through animals or humans, and veterinarians are participants in many aspects of biomedical research.

New England already suffers from a shortage of doctors of veterinary medicine. It is estimated by the National Academy of Sciences that 17.5 veterinarians are required per 100,000 population. The United States as a whole presently has 12.63 veterinarians per 100,000 population, and New England has only 9.07 per 100,000 population. This means that we in New England presently have a shortage of 1,066 veterinarians. Where we should have 2,200 veterinarians for our population, we are in effect only at half strength.

The long-range solution to this problem is to establish a college of veterinary medicine in the New England region. The complex planning required to do this, is in its earliest stages. But in the meantime, highly qualified Rhode Islanders and residents of other States are being discriminated against, when their applications are rejected solely on the grounds of their State of residency.

I do not believe that this situation is equitable. In 1974 the taxpayers paid $8,880,716 in capitation support alone to colleges of veterinary medicine. Now it appears that no New England applicants will be admitted to these colleges, and that this situation will not be as a consequence of their merit as students, but rather because they are residents of New England.

This is not the first year of this problem. Over the last 3 years the New England States have suffered severely restricted entrance levels into colleges of veterinary medicine. Nationally, the proportion of students admitted per 100,000 population was .75, with States such as Kansas and Iowa leading with admission percentages of 3.02 and 2.48, respectively. But during this same time, New England States had a far lower admission rate: Rhode Island's was .21, Maine's was .20, Massachusetts' was .18, Connecticut's was .24, Vermont's was .30, and New Hampshire's was .36.

The legislation I am introducing today would guarantee that these colleges, which receive extensive Federal support, could not totally exclude out-of-State residents from consideration for admission. This bill would require that at least 20 percent of each entering class be composed of out-of-State students, and that, among this portion of the class, no student could be discriminated against on the basis of which of the other 49 States he or she lived in.

POSTPONEMENT OF HEARINGS ON FOREIGN INVESTMENT LEGISLATION (S. 1303, S. 995, and S. 329)

Mr. INOUYE. Mr. President, the hearings of the Commerce Committee's Subcommittee on Foreign Commerce and Tourism on foreign investment legislation, scheduled for April 16 and 17 in room 4200 Dirksen Senate Office Building, at 10 a.m., has been postponed due to scheduling conflicts until further notification.

NOTICE OF HEARING ON THE OLDER AMERICANS ACT AND THE RURAL ELDERLY

Mr. CHURCH. Mr. President, I wish to announce a hearing of the Special Committee on Aging on the "Older Americans and the Rural Elderly." The hearing will be held on April 28, 1975, from 10 a.m. until 12 noon and from 1 until 3 p.m. in room 5302 of the Dirksen Senate Office Building. Senator DICK CLARK, who has expressed his interest in this subject, will preside.

The hearing will focus on the effectiveness of the Older Americans Act in providing services in rural America. The Honorable David H. Pryor, Governor of Arkansas, will be the lead-off witness. Testimony will be heard from State and area agencies on aging personnel who serve a rural elderly constituency and from other experts in the field of aging. The Older Americans Act is up for renewal, before June 30, 1975.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE ENVIRONMENT AND LAND RESOURCES SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. HASKELL. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Environment and Land Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for Friday, May 9, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony is invited on S. 393—the Montana Wilderness Study Act of 1975. This legislation, sponsored by Senator METCALF and cosponsored by the distinguished majority leader, is similar in many respects to S. 4066 which was introduced in the 93d Congress.

For further information regarding the hearings you may wish to contact Mr. Steven Quarles or Mr. Thomas Williams on 224–9894. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Environment and Land Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Len H. Blaylock, of Arkansas, to be U.S. marshal for the eastern district of Arkansas for the term of 4 years, vice Lynn A. Davis, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, April 24, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement it is their intention to appear at any hearing which may be scheduled.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: John T. San Agustin, of Guam, to be U.S. marshal for the district of Guam for the term of 4 years, vice Juan C. San Agustin, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, April 24, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, April 24, 1975, at 9:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nominations: Robert O'Conor, Jr., of Texas, to be U.S. district judge for the southern district of Texas, vice Ben C. Connally, retired; Dick Yin Wong, of Hawaii, to be U.S. district judge for the district of Hawaii, vice Martin Pence, retired.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to

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such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN), the Senator from Nebraska (Mr. HRUSKA), and myself as chairman.

ADDITIONAL STATEMENTS

SAVING THE FARMS

Mr. MATHIAS. Mr. President, I have introduced S. 80, which seeks to amend the Federal estate tax law so as to protect farmland, woodland, historic property, and open space from destruction due to the operation of our estate tax laws. I have been joined in this endeavor by Senators BEALL, HUMPHREY, JAVITS, McINTYRE, THURMOND, STEVENS, CLARK, BROOKE, McGOVERN, FONG, HUGH SCOTT, McGEE, HART, KENNEDY, and SCHWEIKER. It is clear to see from the broad support that S. 80 has received that we are dealing with a national problem of great importance. The solution that we propose has broad appeal and I would encourage other Senators to join in this effort.

The April 21, 1975, Time magazine carries a most interesting article on our diminishing farmland. It identifies the creative new approach that the county of Suffolk, N.Y., has adopted to halt the destruction of their rich farmland. A point that I have often made in discussing this particular subject is that the States and counties have been more innovative and concerned over this problem than the Federal Government. I commend the Time magazine article to the attention of the Senators, because it is not only illustrates a new, useful approach, but also clearly indicates how necessary it is to amend Federal estate tax law so that valuable national resources such as farms, historic properties, and open space are preserved.

Mr. President, I ask unanimous consent that an article appearing in the April 21 issue of Time magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAVING THE FARMS

Every year about 350,000 acres of farm land on the fringes of America's suburbs—an area roughly half the size of Rhode Island—are taken out of crops and put into buildings. Though the loss may seem insignificant in a nation with 470 million acres of cropland, there is a hitch. Much of the lost acreage is top-quality farm land, rich soil that the U.S. should keep as a major resource. But to save such land for farming has been almost impossible. Buying it outright is too expensive. Zoning it for agricultural use only can often be illegal. The U.S. Constitution forbids any action that lowers land values (in this case by banning any sort of development) without "just compensation."

But there is a middle way, one now being tested in Suffolk County on the eastern end of Long Island. Famous for the Hamptons, a string of summer resort communities along the Atlantic Ocean beaches, Suffolk has 40,000 acres of cropland that has made it the most productive farm county in New York State. The land is also perfect for developers—pancake flat and on the edge of the sprawling metropolitan area formed by New York City and its neighboring Nassau County suburbs. To keep the developers from obliterating Suffolk's rural character, the citizens of the county have decided to try something new: buying not the farm land but the farmer's right to sell his acreage to developers. That will cost money, but not as much as buying the land outright. If a farm is worth, say $6,000 per acre to a developer but only $1,500 per acre to a farmer, the county will pay the difference—$4,500—for the "development rights." In return, farmers who join the program must agree to keep the land in farm forever.

TOO RADICAL

The scheme is mainly the work of County Executive John Klein, 43, who began his campaign to save what he calls "New York City's breadbasket" right after being elected in 1971. His first step was to set up a twelve-man committee of farmers and charge it with finding a way to keep the farm lands. John Talmage, 45, a farmer in Riverhead, suggested the development-rights formula. The idea seemed so radical, he recalls, that "I thought it was not salable."

But Klein bought it and resold it to the county legislature, which voted $60 million in 30-year bonds to acquire development rights. The cost will be borne by local residents, whose taxes will rise a few cents a year. Yet Suffolk's citizens have generally supported the bond issue because they stand to gain from preserving the farms. Some of those who will benefit:

(1) Year-round residents will keep their low tax base. At first, some Suffolk County residents subscribed to the popular myth that new subdivisions, by bringing in more taxpayers, would lower per capita taxes. But Klein proved that in Nassau County rapid development actually caused a rise in local taxes, which were needed for costly new roads, schools and other services.

(2) Summer homeowners, drawn to the area by the attractive landscape, will continue to enjoy the unspoiled look that well-farmed, wide-open fields provide.

(3) Farmers will have their taxes stabilized. As elsewhere, taxes in Suffolk are figured on the land's "highest and best use"—*i.e.*, its value to developers. Local governments now give farmers a break by assessing their land at what Klein candidly describes as "illegally low preferential rates." But such treatment cannot continue indefinitely, he says. Nor can the county help when federal and state inheritance taxes, which are based on the land's full value, come due. Under the development-rights scheme, however, all taxes will be reckoned only on the land's agricultural value. Beyond the tax advantage, says Water Mill Farmer Tom Halsey, "I still keep my pride in ownership. I am still able to build farm buildings on my land. And with the money that I can get from selling my development rights, I might even be able to buy more farm land."

That left only one question. How many of the county's farmers—a notably independent lot—would choose to sell their development rights? This winter Suffolk invited farmers to join the program. The response was overwhelming: 381 property owners offered the county rights to 17,800 acres for some $117 million. Klein has established a committee to select the best buys for Suffolk's $60 million. He plans to ask the legislature to authorize another $15 million bond issue next year, but already he feels vindicated. "Suffolk is a microcosm of the U.S.," he says. "If the development-rights program can work here, it can work anywhere."

FOOD AID AND AGRICULTURAL DEVELOPMENT

Mr. HUMPHREY. Mr. President, today the Foreign Agricultural Policy Subcommittee, on which I serve as chairman, of the Committee on Agriculture and Forestry, held hearings on the subject of food aid and agricultural development.

This is an extremely important area which deserves our careful examination. Since the start of the food aid program, we have provided over $25 billion in food aid. Now we no longer have abundant food supplies and, as a result, we will need to program our food aid resources with greater care.

In my view we also must reorder our past priorities so that humanitarian and development needs will be given first call on our food aid resources.

It is important that this food aid be utilized in order to stimulate agricultural development. The concessional sales program generates significant amounts of local currencies which represent a valuable resource in encouraging agricultural development.

During this and subsequent hearings, we will be looking for ways of increasing the effectiveness of our food aid and deriving greater developmental benefits from these resources.

No topic could be more fitting for our examination on food day. The world's attention has been sharply focused on the world food problem during the past year at the Rome and Bucharest conferences.

We should use this day to dedicate ourselves to a continuing search for answers to the hunger problem. In the past year, a start has been made in focusing attention and shaping new approaches.

I would like to point out an article, "Food Lack Is Blamed on Neglect," in the April 8 issue of the Washington Star. It discusses some recent comments of one of our witnesses, Douglas Ensminger, who pointed out the great potential for increasing food production on the part of the small farmers.

Mr. President, I ask unanimous consent that this article and my statement before the Foreign Agricultural Policy Subcommittee be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOOD LACK IS BLAMED ON NEGLECT

(By Judith Randal)

Food shortages in many underdeveloped countries are largely due to the fact that millions of small farmers have been neglected by their own governments and ignored by technical assistance programs from abroad, according to an expert who spent nearly 20 years for the Ford Foundation in India.

When these countries were colonies, Douglas Ensminger explains, the imperial powers were primarily interested in cash crops for exports, and the same has been true of many newly independent governments understandably eager to earn foreign exchange. In the process there has been little interest in motivating small farmers to increase their own productivity and to feed the hungry at home.

Ensminger told a Reston meeting held over the weekend by the Commission for the Observation of Population Year that there are an estimated 300 million small farmers in the Third World who typically work an acre or two of land. "I think I know this smaller farmer," he said. "Traditionally his orientation to his land . . . is to produce enough to meet the survival needs of his family if he can."

Small farmers could, Ensminger believes, be persuaded to produce more if given the confidence that modern agriculture—and particularly the "miracle strains" of wheat and rice—would pay them dividends.

Instead, he said, the credit needed for fertilizer, pesticides and the seeds themselves is often made available only to rich farmers and many governments have been slow to start irrigation projects upon which the success of Green Revolution methods depend.

Meanwhile, poor farmers correctly get the impression that scientific agricultural extension services are not intended for them. Small wonder, then, that in the face of possible bad weather and other mishaps they do not risk investing in agricultural technology.

For example, Ensminger reported, fertilizer prices in India are continually rising while the government sees to it that the market price for wheat and rice does not substantially increase; at the same time, progress toward the building of domestic fertilizer plants is minimal, making it clear that the cost of this crucial raw material is unlikely to fall.

Ensminger, himself the son of a small farmer and now professor of rural sociology at the University of Missouri, says that one of the most serious problems in Third World countries like India is that agricultural policy has been left to "third-rate politicians."

More prominent political leaders, he charges, have ignored small farmers and instead have sought to keep famines manageable by buying foreign grain surpluses cheaply from abroad. This has often suited suppliers of these surpluses—the United States included—as well as it has auited Third World government, he says.

Within the next decade, however, the food demand of the Third World is expected to grow by 80 to 90 million tons a year, far more extra grain than could be grown by the large exporters even if it could be shipped. Thus, unless more emphasis is put on self-sufficiency, as was advocated by the United Nations World Food Conference in November, Ensminger envisions that disaster will ensue.

A country like India, he says, could double its food production if vigorous economic and social reforms were implemented which would encourage its many small farmers.

In particular, he advocates meaaures which would give sharecroppers a greater degree of security and a reallocation of government resources to guarantee them a better livelihood. International technical assistance programs, he adds, should also be designed with the motivation of small farmers as a primary goal.

OPENING STATEMENT BY SENATOR HUBERT H. HUMPHREY

Today is Food Day. We have finally begun to realize that there is no more important topic for our people and other nations.

We should use this day to learn more about food and agriculture. Many of our urban citizens have had little information on how food is produced and the steps involved from producer to consumer.

This situation, fortunately, is changing. The complexity of food production, marketing and distribution is now becoming better understood. And our people realize that our agricultural production system is one of the marvels of the world.

We need to develop a food and agricultural policy which recognizes the importance of our agricultural production system and provides adequate encouragement in order to keep it healthy.

Our policy also must recognize the great impact which we have on agricultural production in other countries. Sharply fluctuating prices hurt not only our farmers but those in developing countries as well.

America's role in food production is unmatched by any nation in the world. With considerably less than one percent of the world's farm work force, we are the largest producer of food. Over half the cereals moving in world trade are produced by our farmers. Clearly, the United States has a special responsibility in regard to world food security.

The World Food Conference made it clear that unless immediate efforts are made to increase food production in the developing world, these nations could face cereal deficits of over 100 million tons by 1985. Clearly, deficits of such magnitude are far beyond the capabilities of commercial and concessional food assistance.

Rather, the solution to the problem of world food security must lie in helping the food deficit nations to reach a higher level of food self-sufficiency.

The World Food Conference estimated that present flow of external resources for agricultural development of $1.5 billion annually would have to be increased to $5 billion by 1980.

In addition to its humanitarian role as a vehicle for direct food assistance, P.L. 480 represents a major transfer of resources which could in turn generate funds to be channeled into agricultural development.

Since many agricultural commodities produced in this country are in surplus to our domestic needs and to commercial requirements, the Food for Peace program represents a most efficient transfer of resources for development. This is one way the United States can not only meet short-term food needs, but also help developing nations to secure the resources necessary to increase food production.

Our direct food aid programs also play an important role in complementing agricultural development. Food for work programs utilize P.L. 480 commodities to pay a portion of the wages for public works projects such as irrigation systems, roads and dams, which are crucial in developing an agricultural infrastructure. Food aid is used in other ways to meet shortfalls rather than causing nations to drain resources away from long-term development uses.

But we must explore new and more efficient ways to utilize our food assistance. We cannot allow our Food for Peace program to become routine. It must be imaginative. We must insure that our food aid is fully integrated into other forms of development assistance and the long-term development strategy of the recipient country. The P.L. 480 program should be looked upon as a resource to foster, not discourage, agricultural development.

This is the purpose of the review we are conducting today and in the coming months. As the program enters its third decade, we must look at the assumptions and supply conditions which shaped it in the past and ask, "What has changed?" How do we build upon a successful program to insure that it is responsible to the needs of the next decade?

In a few weeks, I will be introducing legislation to restructure certain aspects of our P.L. 480 program. This, I hope, can provide the basis for a cooperative effort to design new approaches to the problem of food security. Together we can assure that P.L. 480 remains a model of food and development assistance for other donors throughout the world.

In remarks before the World Food Conference, Secretary of State Kissinger stated, "(The United States) regards our good fortune and strength in the field of food production as a global trust. We recognize the responsibilities we bear by virtue of our extraordinary productivity, our advanced technology, and our tradition of assistance."

I most strongly support this commitment. For it is clear that, unless siginficant efforts are made to increase food production in the developing world, the scale of food deficits in these countries will eventualy exceed the capacity of the developed nations to fund or supply the transfer of required resources. We can and we must go beyond our traditional approaches to food assistance. We must use our agricultural surpluses in a manner which is consistent with the agricultural development objectives of the recipient country. We must make it possible for our surpluses to be used to generate resources which can be channeled into increasing the productivity of the small farmer. We must find ways to supply advanced agricultural technology to meet the requirements of the developing world.

This is the task at hand. It will require imagination. It will require leadership. And it will require the clarification of a political will.

It may be time for us to recall the challenge of the late Senator Robert Kennedy: "Let us ask not 'why' but 'why not.'"

NUCLEAR FUSION

Mr. CASE. Mr. President, in our current energy situation, it would be criminal, in my view, if the Senate knowingly permitted any delay in development of an alternative that promises to solve many of our energy problems.

Yet that is exactly what we have been asked to do.

Nuclear fusion is an environmentally clean source of energy that relies on low-cost, readily available, and inexhaustible fuels. It does not produce byproducts that can be used for nuclear weapons and does not create waste disposal problems that are inherent in nuclear fission plants.

The past 3 years have been the most productive in the history of controlled thermonuclear research and this research has reached a point where responsible experts now predict ultimate success with considerable confidence. These experts estimate that the United States can have a fusion electric demonstration plant in operation perhaps as early as 1995.

Their predictions are based on the assumption that there will be no delays caused by insufficient funding of the fusion program.

Unfortunately, the budget submitted by the administration for fiscal year 1976 would cause just such a delay.

Of course I understand the need for fiscal restraint in our current economic situation, but I believe the administration's request is penny wise and pound foolish and unacceptable in light of our energy problems.

In its budget for the Energy Research and Development Administration, the Office of Management and Budget asked for $120 million for operations, $16 million for equipment, and $8.2 million for construction to carry out the fusion research program during fiscal year 1976.

The Division of Controlled Thermonuclear Research had originally asked the Office of Management and Budget for $150 million for operations, $27 million for equipment, and $32.9 million for construction.

I have long had a special interest in development of fusion and other energy alternatives. This interest was heightened by the fact that the most important fea-

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ture of the fusion budget request is a new, very large fusion facility called the Tokamak Fusion Test Reactor, which is to be built at the Princeton Plasma Physics Laboratory in Princeton, N.J. As a member of the Joint Committee on Atomic Energy, I had an opportunity to look into this matter.

I learned that not all of the money originally requested by the Division of Controlled Thermonuclear Research was needed to carry out the fusion research program without delay. The amounts requested in the budget for fiscal 1976, on the other hand, would not only cause severe delays but would add to the total cost of the program in the long run.

For the Tokamak Fusion Test Reactor, for example, the budget asked for $7.5 million to be spent for the first year of the project, which was eventually estimated to cost a total of $215 million.

In conversations I had with officials of the Princeton laboratory. I was told that a total of $25 million could be used in the first year of the program and that this amount would permit an earlier start on actual construction of the project. Later the figure was refined to $23 million as the amount that would cause no ultimate delay in the project.

When I questioned officials of the Energy Research and Development Administration at hearings held by the Joint Committee, they conceded that limiting the project to $7.5 million during fiscal 1976 would result in a delay of 1 year in completion of the project.

In addition, they conceded that there could be a 10 percent escalation in the eventual cost of the project if $7.5 million, instead of $23 million, were provided in the first year. In other words, the project eventually could cost $237 million, instead of $215 million.

In my view there should be no question that we will make the needed commitment to this program. We should provide $23 million for the first year of this program and authorize the expenditure of $215 million for the full 5-year program.

Because the work on the Tokamak Fusion Test Reactor will be done at the Princeton Plasma Physics Laboratory in my State of New Jersey, it may appear that my interest in this project is parochial. My interest is more than parochial. It is in the interest of the whole Nation to encourage development of alternative sources of energy.

It is on that basis that I support other elements of the fusion program.

For example, I believe more has to be done in the area of fusion material research.

The fusion program plan of February 1974, described two neutron source facilities needed for production of high fluxes of fusion neutrons for materials research. Neither of these facilities are included in the fiscal 1976 budget.

One of these neutron source facilities would be built at the Lawrence Livermore Laboratory in California. It would take about 2 years to build and would cost $5 million.

A second neutron source, which would use a different technology and provide a higher flux, would take about 3 years to build and cost about $22.1 million. It would be built at the Los Alamos Scientific Laboratory.

In addition, I believe the operating budget of the fusion program should be increased by $20 million. Of this amount, $5 million is needed to support the accelerated beginning of the Tokamak Fusion Test Device and $15 million is needed for supplemental work on confinement systems and plasma theory, and to accelcrate neutral beam development, super conducting magnet technology, and systems studies.

In support of the budget additions I have mentioned, I believe an additional $4 million is needed to augment the $16 million budget request for research equipment.

It is my hope that the development of fusion energy will not be delayed because a relatively small amount of funds were not available to pursue all facets of this program.

THE WOLF HUNT

Mr. STEVENS. Mr. President, in recent weeks there has been considerable national interest raised by a proposal of the Alaska Department of Fish and Game to reduce the wolf population in one of Alaska's 26 game management units by a contracted aerial hunt.

For the most part, the national press stories on this proposed hunt have been extremely misleading, even to the extent of having the American public believing that the proposed hunt would reduce the entire wolf population in Alaska by 80 percent.

One of these articles on the proposed hunt appeared on the editorial page of the New York Times. In response to the New York Times editorial, the Anchorage Daily Times came out with an editorial that, I feel, sums up the views of the vast majority of Alaskans on this issue.

Jim Rearden, a noted Alaskan wildlife management biologist, has written an excellent article on the proposed wolf hunt that appeared in the April issue of Alaska magazine. I ask unanimous consent that the Anchorage Daily Times editorial and the article by Mr. Rearden be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE ALASKA SPORTSMAN—WOLVES, MOOSE, AIRPLANES, AND MAN

(By Jim Rearden)

Severe winters, human hunters and wolves have combined to seriously reduce moose in Game Management Unit 20A, near Fairbanks. Last December the Department of Fish & Game announced that an attempt was to be made to remove by aerial hunting about 50 of the estimated 175 wolves that live in 20A. Goal is to allow an increase of moose.

The aerial hunting is to be done by private pilots on state contracts, under direct supervision of state scientists. Carcasses and pelts are to remain property of the state—the carcasses to be used for continuing the long-term studies on wolves that started at statehood, and income from the auctioned hides to go into the Fish & Game fund.

As is always the case with things wolf, Alaskans have reacted vociferously to the aerial hunting. Many say the control work is 2 years late. Others want to know why the control is limited to 20A, when wolves are killing many big game animals in other areas too. Some Alaskans, mostly those who have recently come to the state, object to wolf control of any kind, saying that the wolf has a right to live and to eat moose, and man should not interfere.

Still to be heard from are various anti-hunting and wolf defender groups from other states. Their message, which will go to various newspapers for letters-to-the-editor, to the governor and to the Department of Fish & Game, will be that man has no right to interfere with other animals, that wolves have an important function in the ecological scheme of the wilderness and Alaska should consider itself fortunate to have wolves. Aerial hunting of wolves, for any reason, is despicable and unsportsmanlike. Wolves are intelligent animals of the highest order, with feelings, families and complex social structure, and it is arrogant of man to even consider killing them. Man should not have been killing moose in the first place.

And the continuing attempt to wrest from the states management of wildlife on federal lands will spur the nearly 50 antihunting groups in the United States to exert more pressure on Congress.

Unit 20A is one of Alaska's most popular Interior hunting areas. It is roughly 5,500 square miles (slightly larger than the state of Connecticut), and lies between the peaks of the great jagged Alaska Range and the Tanana River, which flows past Fairbanks. It has lakes, rivers, foothills and great sky-scraping peaks. Occasional cabins, trails and mines are scattered across it, but there are no roads, no cities. Grizzly and black bears are reasonably abundant and the area is used by the Delta caribou herd, several thousand strong.

In the late 1950's, Game Management Unit 20A was the home of about 12,000 moose, and their numbers were increasing. Few moose were killed by hunters, for getting into the area was difficult; all-terrain vehicles (ATV's), snow machines and jet-powered boats (for shallow streams) were still in the future.

Deep snow and prolonged —40° to —60° temperatures during the winter of 1965–66 cut the moose herd down; another severe winter in 1966–67 again reduced moose. At this point, there were an estimated 5,000 to 6,000 moose, or about half the number found in the area 10 years earlier.

The next three winters were normal, and the moose rapidly increased, as they will when there is abundant feed and cover, and nothing to hold them back. Then came the record-breaking winter of 1970–71, with deep snow and severe cold. Moose numbers dropped back to between 4,000 and 6,000.

In the late 1960's, Fairbanksans started to reach into 20A with snow machines, jet boats and ATV's, and the moose kill slowly increased until by 1971 hunters reported killing 350 animals. In 1970 alone there were 642 moose hunters in 20A.

Over the next 3 years even more snow machines, ATV's, jet boats, the meat shortage of 1973 and closures of other popular hunting areas (especially Unit 13), all contributed to a dramatic increase in hunters and the moose harvest of 20A. In 1973, 1,515 hunters killed 710 moose there.

Department of Fish & Game biologists, deciding the moose kill of 20A was becoming too large, took their figures to the Board of Fish & Game in April 1974, proposing to reduce the 100-day moose season to 80 days, estimating this would reduce the moose kill from 25% to 30%.

The board looked hard at the kill figures and went the department one better by reducing the moose season for 20A to 50 days.

At this writing, preliminary reports from hunters indicate that about 400 moose were killed in 20A in 1974—a 43% reduction in kill from 1973.

However, strange figures have been popping up in reports from biologists who make aerial counts of the moose in 20A.

After the humdinger of a winter in 1970–71, the moose heard should have rebounded as it did after the previous tough winters. But it didn't.

The hunting of antlerless moose (cows) has kept the sex ratio in reasonable balance in 20A. It has varied from a low of 26 bulls per 100 cows in 1970, to 68 bulls per 100 cows in 1963; in 1973 there were 37.7 bulls per 100 cows. Unbred cows couldn't be the problem. Most adult cows breed and have calves; healthy cows on good range often have twins.

Because of the tough winter of 1970–71, it wasn't surprising to find relatively few calves in November of 1971 (27 calves per 100 cows): cows on the ragged edge of death may resorb or abort fetuses, or calves that are born may be small and weak.

The November 1972 calf/cow ratio of 38 to 100 was encouraging, making it appear that the moose were starting to rebound.

But in November 1973 the biologists found only 22 calves per 100 cows, and became concerned. Something was killing moose calves before their first winter. When last November (1974), the calf count had declined further to only 18 per 100 cows, the problem became even more obvious.

Department scientists fingered the wolf.

Alaska, as well as other states that have had wolves, has a long history of warring against this great canid. In Southeastern Alaska, the wolf's principal food is deer. In Interior and central Alaska, it is moose and caribou; in Alaska it is caribou. Wolves at times also eat berries, fish, waterfowl, small mammals, sheep and goats. Most Alaskan wolves weigh 85 to 115 pounds; rarely one weights 130 pounds. Females average 10 to 15 pounds lighter than males.

Until the 1940's, few scientists had a good word for the wolf, and Alaskans, like people in other wolf areas, accepted that the only good wolf was a dead wolf. Game was virtually the only source of meat to Alaskans until about 1920, and wolves competed for game. Improved transportation to the major populated areas of the Territory changed that dependency to a degree. However, many Alaskans in outlying areas still depend nearly entirely upon game meat for food. Urban residents of Alaska often regard a moose in the freezer as one important reason for living in the state.

In 1937, the Bureau of Biological Survey (now the U.S. Fish and Wildlife Service) mounted a predator control program by hiring a wolf hunter, Frank Glaser. At first Glaser used traps and snares and a rifle to kill wolves in game areas. By the early 1950's, the Fish and Wildlife Service employed from four to six full-time predator agents in Alaska, with wolves as the major target. Wolves were hunted with small planes and downed from the planes with buckshot; cyanide "getter" guns were set out; and strychnine baits were distributed over many areas of Alaska. This continued more or less until statehood.

From the mid-1950's through the late 1960's, Alaska's big game was the most abundant of any time on record. Moose flourished in much of the state; they extended their range onto the Alaska Peninsula, to the Seward Peninsula, and they increased on the Arctic Slope where formerly they had been scarce. Caribou boomed from a low of about 160.000 in the early 1950's to nearly half a million by about 1970. Sheep were abundant. During this time wolves, though common, were not particularly abundant.

During this time the Territory, and for 10 years the state, paid a $50 bounty on wolves. Until recently, any pilot who wanted to aerial hunt for wolves—shooting from a small plane—was issued a permit for doing so.

Many Alaskans who lived through the federal wolf control period and the subsequent years of big game abundance believe that game increased because of the aggressive federal wolf control work.

Scientific knowledge of wolves has accumulated largely in the past three decades. The first meaningful study of wolves in Alaska was in Mount McKinley National Park by Dr. Adolf Murie, and his *The Wolves of Mt. McKinley*, 1944, is considered a classic. Studies by state and federal scientists in Alaska from the late 1950's to the present have included most aspects of the wolf's life history. Good records have been compiled on wolf population structure, sex and age composition, production and survival of young, age at sexual maturity, growth of a protected population of wolves, the effect of unregulated wolf populations on a deer population on a 32-square-mile island, the growth of wolf pups, physical size, pack sizes, sex and age composition of packs, indexes of wolf abundance, den site selection, summer and winter food habits and the use of the wolf resource by man.

Some excellent accounts of specific studies of wolves have been published in recent years, including *The Ecology of Timber Wolf in Algonquin Provincial Park*, 1969, by Dr. Douglas Pimlott, et al.; *The Wolves of Isle Royale*, 1966, by Dr. David Mech. Dr. Mech also wrote *The Wolf*, 1970, which summarized most of the current knowledge of wolves.

Never Cry Wolf, by Farley Mowatt, often cited by laymen as a wolf reference, is not accepted as factual by Canadian or Alaskan scientists.

As more knowledge on wolves became available, Alaska as a state developed a management program for its wolves. The wolf was classified as a big game animal early in the 1960's. Areas where wolves were scarce or under special study were closed to wolf hunting. The use of poison was prohibited, which included "getter" guns. The wolf bounty for all areas but Southeastern Alaska was eliminated in 1970, and no funds have been appropriated to pay the bounty which remains on the books for Southeastern Alaska.

Seasons and bag limits for hunting and trapping of wolves are in effect, and reviewed annually. These vary with the 26 game management units, and depend upon the health of the wolf population in each. For a time, no hunting or trapping of wolves was allowed on the North Slope, after bandit aerial hunters decimated wolves there, contrary to state regulations. That population has now recovered.

Commissioner of Fish & Game Jim Brooks, who took office in 1972, refuses to issue aerial wolf hunting permits for sport despite much pressure from some Alaskans. The Board of Fish & Game apparently agrees with his stand, for it has not challenged him on it.

Wolves returned to Alaska's Kenai Peninsula during the 1960's after a 50- to 60-year absence, with a large enough population (at least 150 now) to allow a limited permit hunt last winter. By February 5, two wolves had been taken on the hunt, with about 3 weeks left of the 4-month season. Another Kenai wolf was killed by a car last winter.

The state has developed a wolf policy, recognizing the constitutional mandate of the state to manage wolves on the sustained yield principle for the benefit of the resource and the people of the state.

The policy ". . . recognizes that successful management of wolves is directly related to maintaining adequate prey abundance . . . recognizes there are many uses of wolves." It also recognizes that hunting, trapping and observing wolves in natural interactions with their environment are important uses of wolves.

One paragraph of the policy seems pertinent to the problem in 20A. It reads, "Whenever substantial conflicts arise between humans and wolves over the use of prey, the wolf population will be managed to minimize such conflicts. The various recreational and aesthetic values of the wolves will be considered equally with similar values of the prey species in the final management decision."

Wolves are probably more abundant in Alaska today than they have been since the 1930's, when federal authorities hired Frank Glaser to kill them in any area and in any way he could. During the past winter wolves were abundant near Fairbanks—and, apparently, hungry: Department of Fish & Game authorities listed more than 30 dogs of Fairbanks residents which wolves killed and ate. Some of the dogs were chained to kennels when they were killed. "Pet" or tamed wolves gathered around almost every construction camp along the trans-Alaska pipeline project north of the Yukon River last fall and winter, with up to eight wolves at one camp. At least two workers were bitten by these "pets."

Scientist Bob Stephenson of the Department of Fish & Game has studied wolves in Alaska's Arctic, part of the time under tutelage of the hunting Eskimos of Anaktuvuk Pass, who have perhaps the greatest practical knowledge of wolves of any people in the world. He estimates there are 175 wolves in 20A, and that they annually kill and eat 300 to 400 moose calves, and 300 to 400 adult moose.

If there were 12,000 moose in 20A, as there once were, this kill would hardly be noticeable. If there were 6,000, it would be a big drain, but not an impossible one, for the moose to sustain at the same time they increased.

However, regional supervisor for game at Fairbanks, Bob Hinman, told *ALASKA®* magazine that there are only 3,000 to 3,600 moose in 20A, and wolf predation is apparently sufficient to keep the moose population at this level without other harvest.

In recent years, trapping and ground hunting of wolves has annually taken 30 to 40 wolves from 20A, without significantly altering their numbers. Provided the habitat and wolf food picture doesn't alter, this number of wolves could probably be removed perpetually from 20A. This, of course, is an important economic use of wolves.

However, there is an abundance of feed and cover for the area which could produce far more moose. If one accepts that moose are important to Alaskans as food and as a source of recreation, a temporary reduction in the wolf population should be acceptable. If one doesn't agree that moose are important to man, wolf control may not be acceptable.

If moose are to again increase in 20A in the near future, some wolves must be removed, "something more than half of them," according to Hinman.

It is also probable that at least the 1975 moose hunting season for 20A will have to be drastically reduced, or closed.

With normal trapping and ground hunting, as well as aerial control work, 85 to 90 wolves could be removed from 20A this year. Further, wolf control will be necessary for several years to allow a moose build-up. When moose reach a healthy level, wolves will be allowed to return to their former numbers.

There is some question, however, that aerial hunting will be successful in killing 50 wolves in 20A, for there is much timber and rugged terrain in the area.

There are probably more than 5,000 and fewer than 50,000 wolves in Alaska. If all of Alaska had as many wolves per square mile as has 20A, Alaska would contain about 18,000 wolves; Game Management Unit 20A's 5,500 square miles is crudely nine-tenths of 1% of the total land area of Alaska.

In 1972–73 (fiscal year), 1,069 wolves were taken in Alaska by all methods. The previous year, when aerial hunting was still permitted, saw a take of 1,335 wolves, of which 644 were taken by aerial gunners.

"Wolves are an important part of Alaska's

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environment. So are moose and humans. Our decision to remove in a humane and efficient manner some wolves from Game Management Unit 20A was made after careful consideration of the values and needs of all three," Bob Hinman summarized for Alaska magazine.

THE WOLF HUNT—VIEW FROM NEW YORK

Just to help keep things in proper focus as they pertain to Alaska, let's take note of an editorial which appeared a few days ago in the New York Times.

Did the Times write about the high cost of living in the 49th State? Did it discuss the state's plight with North Pacific fisheries, in which Alaska's interests are pawns in a bigger game of State Department diplomacy? Did it concern itself with the problem of employment in the timber industry, where efforts to build a new pulp mill and processing plant near Juneau have been blocked for years? Was the Times expressing a viewpoint regarding the state government's problem of maintaining economic solvency?

No, to all of those questions.

But the Times was exercised to an extreme about wolves in Alaska.

The proposed wolf hunt in the Tanana flats area south of Fairbanks is both "preposterous" and "appalling," in the view of the New York Times.

"It is time for a thorough study on the basis of which the state of Alaska could at long last frame a sensible policy for preserving one of the most fascinating as well as ecologically valuable animals on the continent—instead of exterminating it," the newspaper cried in outrageous wrath.

That's an easy thing for an editorial writer sitting hard by the jungle of Times Square to say.

Much more difficult, obviously, would be for the same writer to direct his attention to the problems of New York City and to let Alaskans attempt to solve theirs in ways that seem appropriate here.

But our outlook, admittedly is provincial.

It does seem, however, that New York newspapers of great prestige and influence would do better to worry more about the people being killed on the streets of Manhattan by muggers and hoodlums and less about wolves that might be killed by hunters in Alaska.

The predators of midtown New York, we suspect, are more deadly than any at large in Interior Alaska.

And their prey, so far as we are concerned, is more valuable than the wolf.

THE PROLIFERATION OF NUCLEAR WEAPONS

Mr. KENNEDY. Mr. President, one of the most important issues facing the United States—and the world—is the potential spread of nuclear weapons to many nations—or even terrorist groups—not now having them. Few concerns demand more of our attention and our efforts—with leaders in other countries—to help end this newest threat from the tyranny of nuclear weapons.

We must be particularly concerned, today, with the problem of nonproliferation, in view of the conference that will convene in Geneva in May to review the 5-year old Non-Proliferation Treaty. What the United States does at that conference will be critically important for all of us—and for the future.

Because of the importance of this issue, I wish to commend to the Senate a recent article on "The Proliferation of Nuclear Weapons," appearing in the April 1975 issue of Scientific American. It was written by Mr. William Epstein, one of the world's leading authorities on arms control problems. At present, he is a Special Fellow at the United Nations Institute for Training and Research (UNITAR); and for many years he was director of the Disarmament Division of the UN Secretariat—capping a quarter century of concern with this vital area of policy.

I ask unanimous consent that Mr. Epstein's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PROLIFERATION OF NUCLEAR WEAPONS

(By William Epstein)

Next month, five years after the entry into force of the Treaty on the Nonproliferation of Nuclear Weapons, the representatives of the 84 nations that are party to the agreement will meet in Geneva in fulfillment of a pledge "to review the operation of this Treaty with a view to assuring that the purposes of the the Preamble and the provisions of the Treaty are being realized." How well has the Nonproliferation Treaty worked toward the accomplishment of its stated goals? It is hard to escape the conclusion that it has failed in almost every important respect.

The magnitude of this failure was emphasized last May by India's successful underground explosion of a "peaceful" nuclear device. Now that India, a poor, underdeveloped country has joined the other five nuclear powers in demonstrating its potential for making nuclear weapons, one can hardly expect that membership in what once seemed to be an exclusive "nuclear club" can be held to six.

The roots of the failure of this arms-control effort, however, go deeper. The preamble and the provisions of the Nonproliferation Treaty call for, among other things, the discontinuance of all nuclear-weapons tests, the cessation of the nuclear-arms race, the enactment of effective measures in the direction of nuclear disarmament and the commitment of the nuclear powers to make available the benefits of the peaceful applications of nuclear technology (including nonmilitary nuclear explosives) to all parties to the treaty. Nothing seems clearer than that the major nuclear powers—in particular the U.S. and the U.S.S.R., both of whom (unlike India) signed and ratified the treaty—have failed to live up to those obligations. How has this situation come about? And what can be done at this late stage to prevent things from getting even worse?

Let us begin by considering what the Indian nuclear explosion means, both in terms of the proliferation of nuclear weapons and in terms of the structure of international relations. First of all, it is important to realize that there is no essential technological difference between a nuclear explosive intended for peaceful purposes and one intended for waging war. The same device that blew a hole in the earth under the Rajasthan desert and left a large crater on the surface could just as well wipe out a city and its inhabitants. Indeed, the explosive yield of the Indian device, estimated to be equivalent to from 15 to 20 kilotons of TNT, was of the same order as the yield of the bombs that destroyed Hiroshima and Nagasaki. The main difference was in the ostensible purpose of the explosion. Indian government officials have repeatedly declared that their explosion was for peaceful purposes only and that India has no intention of developing nuclear weapons. Intention is a subjective matter based on a unilateral decision, however, and as such it can be changed at will, with or without notice. Thus in the absence of any binding legal commitment there is nothing to prevent the Indian government from changing its mind whenever it wants to. Even if one fully accepts the Indian declaration of intention to use nuclear explosions exclusively for peaceful purposes, the plain fact is that India's nuclear devices can also be used as nuclear weapons whenever India so decides. Other powers can only regard India's peaceful nuclear devices as nuclear weapons. Henceforth, in spite of repeated protestations by the Indian government, India must be regarded by other powers as being not only a nuclear power but also a nuclear-weapons power. This perception will be regarded as all the more valid in view of the fact that a public-opinion poll taken in India soon after the explosion showed that two-thirds of the Indian people favored India's making nuclear weapons.

The Indian test explosion has also shown the way for other nations to "go nuclear" under the guise of testing devices for peaceful purposes. Any one of the potential nuclear powers that has not become a party to the Nonproliferation Treaty can emulate India's example. Even countries that are party to the treaty retain this option, since the text of the treaty provides that any party can withdraw on three months' notice.

It is much easier for a government to assuage both domestic and international opinion by proclaiming its intention to conduct nuclear explosions solely for peaceful purposes than to say outright that it intends to make nuclear weapons. Nuclear weapons are, after all, still regarded with abhorrence as weapons of mass destruction. All of the first five nuclear-weapons states have declared that they produced nuclear weapons solely for defense and not for aggression. One can now look forward to a new chapter in the nuclear story, where countries that want to become nuclear-weapons states, for whatever reason, would first go through the stage of producing nuclear devices for "peaceful" purposes. This cosmetic facade would be sufficient to enable a moderately advanced nation over a period of time to produce a wide range of nuclear warheads.

The Indian leaders insist that they broke no law, treaty or agreement in conducting the Rajasthan test, and they are right. The Partial Test-Ban Treaty of 1963, to which India is a party, bans tests in the atmosphere, in outer space and underwater, but it does not ban them underground. The only restriction on underground tests is against those that vent and carry radioactive debris beyond the territory of the country where the test is held. Several tests conducted by both the U.S. and the U.S.S.R. have vented and carried radioactive debris beyond their borders, but these were regarded as mere "technical violations" of the treaty since they were accidental in the sense that no violation was intended or expected. It would appear, however, that there was no violation technical or otherwise, as a result of the Indian test.

The Nonproliferation Treaty is the only international instrument that bans the explosion of nuclear devices for peaceful purposes by states that do not have nuclear weapons. The transfer or acquisition of "nuclear weapons or other nuclear explosive devices" is specifically banned for non-nuclear-weapons states by Article II of the treaty. Peaceful nuclear explosions, however, to be conducted only by nuclear-weapons states under an appropriate international regime for the benefit of non-nuclear-weapons states, are expressly envisioned by both the preamble and Article V of the treaty. India is in any case not a party to the Nonproliferation Treaty. In fact, both during and after the negotiation and conclusion of the treaty, India publicly announced its opposition to the accord as discriminatory and unfair, and declared that it reserved the

right to conduct its own nuclear explosions for peaceful purposes. Hence India cannot be accused of any breach of either the letter or the spirit of the Nonproliferation Treaty.

On the other hand, India is a party to and an active participant in the work of the International Atomic Energy Agency (IAEA) in Vienna. The statute of that agency, which went into force in 1957, specifically bans the use of atomic energy "in such a way as to further any military purpose" but positively encourages "the development and practical application of atomic energy for peaceful purposes." A number of United Nations and IAEA conferences from 1958 to 1971 held out high hopes for the potential benefits that would be obtained from nonmilitary nuclear explosions. These benefits may be largely illusory or downright mythical, but there can be no doubt that over the years nuclear and non-nuclear powers alike were dazzled by the glittering prize that could be theirs when nonmilitary nuclear explosions became feasible. Although the nuclear-weapons states are apparently becoming increasingly disenchanted by their failure to achieve any important technical or economic objectives after investing years of effort and hundreds of millions of dollars in testing nonmilitary nuclear explosives, the poorer nations of the world seem to regard such devices as the key that could help them to unlock the door to great industrial and engineering undertakings at little cost. As recently as July, 1974, in the Threshold Test-Ban Treaty signed by Secretary Brezhnev and President Nixon in Moscow, specific provision is made for entering into a new bilateral agreement for the exchange of data about nonmilitary nuclear explosions at the earliest possible time. Thus India can hardly be criticized for wanting to achieve what was not prohibited for it by any international treaty or agreement and what was given the specific blessing of a number of international treaties and studies.

Regardless of what one may think of India's tactics and behavior, and convinced as one may be that India will eventually turn its peaceful nuclear devices into nuclear weapons, its declared intention to use these devices exclusively for peaceful purposes cannot be disproved. One can only regret that the nation of Gandhi and Nehru (who first proposed the end of nuclear testing in 1954) may be responsible for undermining efforts to prevent the proliferation of nuclear weapons. One might also be allowed to doubt the wisdom—in terms of India's own ultimate political, economic and military interests—of its having decided to go nuclear.

Public reactions to the Indian explosion have been rather few and mixed. Not a word of criticism has been heard from the two Asian nuclear powers, China and the U.S.S.R. China has attacked the Nonproliferation Treaty from its inception as a device by the two superpowers to maintain their nuclear hegemony and to dominate the non-nuclear states. The Chinese have for many years in effect advocated the proliferation of nuclear weapons as a means whereby the underdeveloped countries of the "Third World" could protect themselves from nuclear threats and blackmail by the nuclear superpowers. In any event it is unlikely that India can become a threat to China in the foreseeable future, even if India decides to become a nuclear-weapons power. Nevertheless, in view of India's close relations with the U.S.S.R. and the fact that India was clearly the strongest military power in southern Asia even before last May, China can hardly regard India's growing nuclear power with equanimity. In the context of Chinese and Indian relations with other Asian countries and the Third World, and in particular wth Pakistan, with whom China has close and friendly relations, the political implications of the Indian explosion are of greater importance than the military ones. Moreover, if Taiwan, which is a party to the Nonproliferation Treaty, should be encouraged by the Indian example to withdraw from the treaty and go nuclear, this would pose some new and difficult problems for China. It is also difficult to believe that China would be completely unconcerned if South Korea, Indonesia, Iran or Australia were also to go nuclear. The official silence from Peking, which is itself conducting tests in the atmosphere, may therefore mean only that China has not yet worked out its final position with respect to the Indian explosion or is biding its time pending a clarification of Third World opinion.

On the other hand, the U.S.S.R., which together with the U.S. was the chief protagonist of the Nonproliferation Treaty, must surely find the Indian action disquieting. Although the U.S.S.R. too has not uttered a single official word of complaint, Russian diplomats and arms-control experts have privately indicated their unhappiness. It could hardly be otherwise. It may be that a nuclear India that continues to be friendly to the U.S.S.R. provides some benefits or leverage for the U.S.S.R. with respect to China, but any such possible advantage would be far outweighed if India's action should lead to the further erosion of the Nonproliferation Treaty and to the spread of nuclear-weapons capability to other states, particularly those around the periphery of the U.S.S.R.

France, which is also conducting tests in the atmosphere, has made no official statement, although the chairman of the French Atomic Energy Commission sent a congratulatory message to the chairman of the Indian Atomic Energy Commission. The French position is anomalous. France is not a party to the Nonproliferation Treaty, but it has announced from the start that it will behave exactly as if it were a party. Nevertheless, France is busy selling nuclear reactors to a number of countries, and although these deals are subject to IAEA safeguards, as far as is known they do not bar peaceful nuclear explosions.

Great Britain, which has also been a strong supporter of the Nonproliferation Treaty, was at first strongly critical of the Indian explosion. After the initial criticism, however, little has been heard from the British, who have themselves been criticized for resuming underground testing in June, 1974, when they set off an explosion (in the U.S.) for the first time since 1965.

The U.S. was at first rather cautious in its official reaction to the Indian explosion. It did reiterate its views to the Indian government that peaceful and military nuclear explosive devices are indistinguishable, but it seems to wish to avoid any public dispute with India. Privately it has sought a commitment that plutonium produced from nuclear fuel supplied by the U.S. would not be used for any kind of explosion. Failing to receive adequate assurances, the U.S. delayed the delivery of enriched uranium to fuel the Tarapur reactor, which was built with American technical and financial assistance. At the moment it appears that India will give the necessary assurances and that the U.S. will continue supplying uranium to India.

As was to be expected, Pakistan, which signed but never ratified the 1963 Partial Test-Ban Treaty and which has not signed the Nonproliferation Treaty, immediately protested in every possible forum against the Indian explosion and called for a halt to further tests. Pakistan also announced that it would acquire a similar nuclear capability. It has proposed that the UN General Assembly discuss the creation of a nuclear-free zone in South Asia; the proposal (which Indian rejected) must be regarded as a tactical political move intended to make clear to the world where the blame lies.

Apart from Pakistan, only Canada, Japan and Sweden, all of which have the capability of undertaking nuclear explosions, have taken a strong public stand against the Indian test. Canada cut off all further nuclear cooperation with India almost immediately, and all three countries in statements in their capitals, in the Geneva disarmament conference, in messages transmitted to the Indian government and in the UN General Assembly deplored the Indian explosion and its possible adverse effects on international efforts to prevent the proliferation of nuclear weapons. Australia and the Netherlands have also criticized the Indian test.

As for the nonaligned and underdeveloped countries, while saying little in public, they have in large part welcomed the Indian test as a technological achievement demonstrating that even a poor country can accomplish the sophisticated task of successfully exploding an underground nuclear device, which had for a decade been the exclusive preserve of the five great powers. Yugoslavia, one of the leaders of the nonaligned countries, congratulated India on its technological achievement. Nigeria said that the Indian action was not surprising in view of the lack of progress by the nuclear powers in stopping underground nuclear tests and the nuclear-arms race.

Without the wide support of the non-nuclear-weapons states of the Third World, the Nonproliferation Treaty would never have received the overwhelming commendation of the UN General Assembly. Most of them have no significant nuclear programs and are in no position to go nuclear for several decades to come. In 1968 these countries entered into a tacit alliance with the nuclear powers, because it seemed clear that the further "horizontal" spread of nuclear weapons to the near-nuclear countries nearly all of which were developed countries, was not in the interest of either group. The Third World countries as a group, however, were never greatly impressed by the Nonproliferation Treaty.

Many of those who decided to support the treaty did so in the dual expectation that the nuclear-weapons powers would halt the "vertical" proliferation of nuclear weapons (their further sophistication, development and deployment) and would also make available to the underdeveloped countries the benefits of the peaceful uses of nuclear energy, including nonmilitary nuclear explosions. These countries have become disillusioned by the failure of the nuclear powers to halt the nuclear-arms race and by the paucity of the benefits received from the peaceful applications of nuclear energy. They are impressed by the achievements of China and India, and some of the more advanced among them are much more receptive now to the argument, illusory though it is, that nuclear weapons are "equalizers" that would better enable them to withstand the unspoken threats of the nuclear-weapons states and promote their own security and economic development. In fact, some of the Third World countries seem to be increasingly inclined to accept the idea that the acquisition of nuclear-weapons capability by some of the near-nuclear powers would place greater restraints on the monopoly position and freedom of action of the nuclear-weapons states, and that this could bring some advantages to the Third World as a whole. At the UN General Assembly in the fall of 1974 apart from the six countries mentioned above there was practically no criticism of the Indian explosion (and none from any Third World country except Pakistan). In short, India has apparently succeeded in becoming a nuclear power with remarkably little adverse reaction.

Why did India go nuclear? To be sure, India had throughout the negotiation of the Nonproliferation Treaty and after its conclusion denounced the treaty as a discriminatory instrument and had repeatedly announced that it reserved the right to conduct its own nuclear explosions for peaceful

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purposes. That, however, is not the whole story.

India was obviously concerned by the Chinese nuclear explosion of October 16, 1964. On December 4 of that year Prime Minister Lal Bahadur Shastri, discussing the Chinese nuclear bomb, stated that all non-nuclear countries needed a guarantee by the existing nuclear powers against nuclear attack. He added that it would be "very wise" for the nuclear powers "to give serious thought to this aspect of the problem."

In May, 1965, the Indian ambassador to the UN, Birendra Narayan Chakravarty, told the Disarmament Commission that an "integrated solution" was required to solve the problem of the spread of nuclear weapons. He said: "It is no use telling countries, some of which may be even more advanced in nuclear technology than China, that they should enter into a treaty which would stipulate only that they must not acquire or produce these weapons. Again it is no use telling them that their security will be safeguarded by one or another of the existing nuclear powers. Such an assurance has to be really dependable. Unless the nuclear powers . . . undertake from now on not to produce any nuclear weapons or vehicles for weapons delivery and, in addition, agree to reduce their existing stockpile of nuclear weapons, there is no way of doing away with proliferation."

In July of the same year the Indian ambassador to the Geneva disarmament conference, Vishnuprasad Chunilal Trivedi, said that the "essential" requirement for a "rational and acceptable" treaty on nonproliferation was "tangible progress toward disarmament, including a comprehensive test-ban treaty, a complete freeze on production of nuclear weapons and means of delivery as well as a substantial reduction in the existing stocks." He added that the institution of international controls on peaceful nuclear reactors and nuclear power stations, while leaving free the vast weapon-producing facilities of the nuclear powers, was "like an attempt to maintain law and order in a society by placing all its law-abiding citizens in custody while leaving its law-breaking elements free to roam the streets."

On April 27, 1967, the Indian External Affairs Minister, Mahomedali Currim Chagla, criticized the draft nonproliferation treaty as "discriminatory" because, among other things, it sought to maintain the monopoly of the nuclear powers. Only the non-nuclear powers would be prevented from conducting underground explosions for peaceful nuclear research. He added that India was in a "peculiar position" because it was a nonaligned country not under the "nuclear umbrella" of any nuclear country, because it was far advanced in nuclear research and because it was under the "continuing threat and menace" of China, which had become a nuclear power. If India was not to explode a bomb, it must have a "credible guarantee' of its security.

For several years India sought effective guarantees of its security by the nuclear powers, but its efforts were in vain. Failing to obtain any adequate direct security assurances, India shifted its emphasis to the indirect approach by insisting that all the nuclear powers stop testing and manufacturing nuclear weapons and start reducing their nuclear arsenals. When this approach also seemed likely to fail, India began stressing its right and need to conduct its own peaceful nuclear explosions for economic development.

At this late stage one can only speculate that India might not have gone ahead so soon, if at all, with the explosion of its own nuclear device if it had been offered adequate guarantees of its security, and that it might have been willing to accept the protection of a joint American-Russian nuclear umbrella, as Japan seemed content to accept an American one. Unfortunately that possibility was never put to any real test. In fact, none of the main demands in India's "integrated" approach were met.

Are there any benefits to be gained from peaceful nuclear explosions? Ever since the discovery of nuclear fission high hopes have been held out for the potential blessings that would be conferred on mankind by the peaceful uses of nuclear energy and technology. At first attention was devoted to the benefits from power reactors and from the use of radioactive isotopes in science, medicine, industry and agriculture. It was only after the U.S. Atomic Energy Commission launched its "Plowshare" program in the late 1950's that interest developed in peaceful nuclear explosions. At that time great engineering projects were visualized: the digging of canals, harbors and so forth. Those ideas were soon discarded by the U.S. when the dangers of radioactivity from cratering explosions became apparent. Interest then turned to the idea of fracturing oil-bearing or gas-bearing rock by underground nuclear explosions in order to stimulate the flow of oil and gas; the idea of blasting underground cavities for their storage was also promoted as was the idea of leaching minerals, such as copper ore, by such means. None of the American underground explosions has been successful in achieving any of these goals. It has become apparent that to succeed in fracturing rock to produce substantial quantities of oil and gas not one explosion or two but hundreds or even thousands would be required. Such operations would be extremely costly as well as hazardous, and no practical way of dealing with the radioactive by-products has yet been discovered.

Curiously enough, as American nuclear experts began to lose interest in the peaceful uses of underground explosions and to doubt whether they had any practical end that could not be achieved as well or better by ordinary high explosives or by other conventional means, their Russian counterparts began to show greater interest in them. They spoke of achieving the same goals as the Americans had at an earlier stage and added some new ideas of their own. In the past few years they have suggested diverting water flowing to the Arctic Ocean by means of a canal to the Volga River and thence to the Caspian Sea. This would require from 250 to 400 cratering explosions, with all the hazards attending the release of huge amounts of radioactivity. The U.S.S.R. was successful in throwing up a dam to create a lake and in putting out, by means of underground explosions, two runaway gas-well fires that had been out of control for more than a year, but here too it is not clear that the jobs could not have been done better with high explosives. Apparently the U.S.S.R. has been no more successful than the U.S. in increasing the flow of oil and gas or in the extraction of minerals by means of nuclear explosions

Within the past year there has been increasing evidence that the U.S.S.R. is also becoming disillusioned by its inability to fulfill the expectations it once had for the benefits from peaceful nuclear explosions. Although it was the U.S.S.R. that insisted on the inclusion in last year's Threshold Test-Ban Treaty of the article providing for an agreement governing such tests, in private Russian scientists have been stating quite freely their opposition to nonmilitary nuclear explosions because of their harmful rather than beneficial potential.

Some American experts hold the view that there never was a good case for peaceful nuclear explosions, and that the idea was fostered and publicized in the U.S. by the very scientists who wished to promote the military rather than the peaceful applications of nuclear energy; in other words, that the campaign on behalf of peaceful nuclear explosions was conducted as a stratagem, somewhat similar to the campaign for "clean" nuclear weapons, to prevent or circumvent any agreement to ban or halt underground nuclear-weapons tests.

Be that as it may, those who were promoting the potential benefits of nuclear explosions were most successful in promoting their ideas. Three international conferences on the Peaceful Uses of Atomic Energy sponsored by the UN and the IAEA in 1958, 1964 and 1971 stressed the importance of nonmilitary nuclear explosions and the encouraging prospects for them. The same conclusions were drawn by an international group of experts convened by the UN Secretary-General in 1969 at the request of the non-nuclear-weapons states that were interested in an impartial report on the possible peaceful uses of nuclear energy. These conclusions and results were again confirmed by three international panels of experts (mostly American and Russian) convened by the IAEA in 1969, 1970 and 1971. Thus it is not surprising that the underdeveloped countries hold out such high hopes for the potential benefits they will receive from nonmilitary nuclear explosions, or that India has now revived the old arguments.

Nevertheless, in the past two years the evidence from the tests conducted by both the U.S. and the U.S.S.R. leads to more doubts than answers, from both the technical point of view and the economic. If the potential benefits elude the highly industrialized and technically sophisticated nuclear-weapons powers, they would seem to be even more remote and more questionable for a country that is still in the developing stage with respect to both industry and nuclear technology. This is an additional reason why many experts look with suspicion on the Indian test as a public peaceful cloak for a private military purpose.

No other question in the field of arms control and disarmament has been the subject of so much study and discussion as the question of stopping nuclear weapons tests. Ever since Prime Minister Nehru called for a halt to such tests in 1954 the subject has been at or near the top of the disarmament agenda.

By the Partial Test-Ban Treaty of 1963 the nuclear powers undertook to seek "to achieve the discontinuance of all test explosions of nuclear weapons for all time" and expressed their determination "to continue negotiations to this end." That commitment was repeated in the Nonproliferation Treaty. One measure of its implementation can be found in a comparison of nuclear-weapons tests before and after the signing of the Partial Test-Ban Treaty [*see illustration on preceding two pages*].

After the signing of the Partial Test-Ban Treaty there were in fact no serious discussions between the two main nuclear powers on an underground-test ban for more than a decade, in spite of many resolutions adopted by the UN General Assembly every year calling for a comprehensive test ban. The non-nuclear powers appear to regard an underground-test ban as a litmus test of the seriousness of the intentions of the two superpowers to stop the nuclear-arms race. Although such a halt would not by itself end the further technological improvement of nuclear weapons, it would be an important step in that direction. There is an increasing conviction among the nations of the world that a ban on underground tests is the single most important measure, and certainly the most feasible one in the near future, toward halting the nuclear-arms race. They also seem to regard an underground-test ban by the U.S. and the U.S.S.R. as possibly having a beneficial effect on persuading China and France to curb and ultimately halt their testing. It would certainly put the superpowers in a better moral position to urge the non-nuclear countries that are capable of going nuclear to resist the temptation to do so.

The Threshold Test-Ban Treaty agreed to by the U.S. and U.S.S.R. in Moscow last year allows the parties to continue unrestricted underground tests of whatever size they wish until March 31, 1976; thereafter they will limit weapon tests to 150 kilotons each, which is about 10 times larger than the yield of the bomb that was dropped on Hiroshima and which exceeds in size all but a few of the tests conducted in recent years [*see illustration on pages 26 and 27*]. No limitation whatsoever was put on underground explosions for peaceful purposes. This is not just a cosmetic agreement, it is a mockery of a test-ban treaty. Indeed, it may be harmful to the cause of nuclear nonproliferation. It will not help to curb the qualitative improvement, testing and development of new nuclear weapons. Therefore it will not serve to halt the nuclear-arms race. And it will not alleviate the concerns or satisfy the demands of the non-nuclear powers or provide any cogent reason for them to forbear from testing.

The delayed threshold ban has led some interested non-nuclear powers to conclude that once again they were being misled by the nuclear superpowers and that there was no early prospect of any real action to stop the nuclear arms race. The same can be said of the strategic arms limitation talks (SALT). On the day of the signing of the Nonproliferation Treaty (July 1, 1968) it was announced that the U.S. and the U.S.S.R. would begin bilateral discussions on the "limitation and reduction of both offensive and defensive strategic nuclear weapon delivery systems." The SALT meetings did not begin until November, 1969. In May, 1972, the U.S. and the U.S.S.R. at the summit meeting in Moscow signed the Treaty on the Limitation of Anti-Ballistic-Missile Systems and also an Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms. Under the ABM treaty each of the parties agreed to deploy no more than 100 ABM launchers and 100 missiles at each of two launch sites in both countries. They also agreed to certain limitations on their ABM radars, but modernization and replacement of ABM systems was allowed. Under the Interim Agreement on Offensive Arms, which has a duration of five years, the U.S. is entitled to increase the number of its nuclear submarines from 41 to 44 with 710 nuclear missiles, and the U.S.S.R. is entitled to build up to 62 submarines carrying 950 nuclear missiles; the U.S. can also retain 1,000 land-based intercontinental missiles and the U.S.S.R. can retain 1,410. No limitation was placed on installing multiple independently targetable reentry vehicles (MIRV's) on either sea-based or land-based missiles.

Last year's Summit III meeting in Moscow also did little to halt or reverse the nuclear-arms race. The two parties agreed to restrict their ABM's to only one site each, instead of the two allowed under the 1972 agreement. (The new agreement is practically without significance, since neither party intended to build a second site anyway.) There was complete failure to reach any agreement to limit offensive strategic weapons.

The Vladivostok understanding of November, 1974, was hailed as a "breakthrough" that put a "cap" on the strategic-arms race. It incorporated the interim agreement and fixed a ceiling on the number of all strategic nuclear weapons until December 31, 1985, on the basis of equality between the two superpowers. Each side is allowed to have 2,400 strategic delivery vehicles, including land-based intercontinental ballistic missiles (ICBM's), submarine-launched ballistic missiles (SLBM's) and heavy bombers. Of that number 1,320 may be armed wih MIRV's. The agreement was said to establish ceilings well below the levels that otherwise could be expected in 10 years. The ceilings established, however, are clearly higher than the levels each side has at the present time, and even higher than those envisioned for 1977 under the interim agreement.

The ceiling of 1,320 MIRV's is also much higher than either country's present strength. The U.S., for example, has announced that it intends to fit 550 land-based Minutemen with three warheads and 496 Poseidon missiles with from 10 to 14 warheads, for a total of 1,046 missiles with multiple warheads. At present it has about 800 multiple warhead missiles. The ceiling of 1,320 therefore represents not only a higher level than the U.S. now has but also a higher level than it apparently had ever planned to have.

Meanwhile the U.S.S.R. has tested and is beginning to deploy its MIRV's. It has also developed several new missiles with multiple warheads. It has not announced how many of its land-based or sea-based missiles it intends to equip with multiple warhead, but 1,320 obviously represents a high and costly ceiling that will take several years to reach.

The Vladivostok agreement put no limit on either the number of warheads that can be carried by each missile or on the size of the warheads. Since it is generally believed the Russian warheads are bigger than the American ones, there will be pressures for the U.S. to increase the size or number of its warheads. The agreement also puts no limitation on the modernization of missiles by improving their accuracy and maneuverability.

In December of last year Secretary of Defense Schlesinger said that he foresaw a need for larger and restructured strategic forces for the U.S. as a result of the Vladivostok agreement, including 12 instead of 10 of the giant Trident submarines (which together would carry 288 missiles, each with 14 warheads, for a total of 4,032 warheads), larger intercontinental missiles with MIRV's and the new B–1 bomber. This program, he said, would call for "some upward adjustment" in the strategic-arms budget.

It is clear that the "limitation" envisioned by the Vladivostok agreement, although it will put an eventual cap on the number of strategic nuclear weapons, allows an expansion in both the quantitative nuclear-arms race and the qualitative one. Since no limit is fixed for the number and size of warheads on the 1,320 missiles with multipla warheads or of nuclear arms carried in bombers, each of the two superpowers can emplace 20,000 or more strategic nuclear warheads under the agreement. This immense "overkill" capacity can be measured by the estimate made about a year ago that the U.S. at that time had enough strategic weapons to destroy 36 times all 218 Russian cities with a population of more than 100,000.

One of the reasons given for maintaining such an unconscionably high overkill capacity is the "counterforce" argument. According to that argument, strategic nuclear arms should not be programed primarily for the task of knocking out cities and their populations but rather should be aimed at military targets such as missile silos, ammunition dumps, nuclear bases and so on. For that purpose two or more warheads are needed for each target; in addition enough arms must be kept in reserve for a second strike against the other side's cities in case it launches a large-scale first strike. What this argument conveniently overlooks is that a nuclear exchange of such magnitude would poison most of the inhabitants of the Northern Hemisphere with radioactive fallout. In either case, whether a nuclear exchange involved cities or nuclear targets, it would constitute a form of international suicide.

In addition to MIRV's the U.S. is currently developing a new maneuverable missile called MARV, and there is talk in both the U.S. and the U.S.S.R. of building mobile intercontinental missiles, even though the U.S. announced at the time of SALT I that it would regard the building of such weapons as being contrary to the spirit of the SALT I agreements. The U.S. is also proceeding to develop a shorter-range (1,500-mile) cruise missile that could be launched from aircraft, submarines or surface vessels. Further international negotiation may be needed to decide whether or not these missiles will be considered strategic weapons.

The SALT agreements, in short, may have been a diplomatic success in that they tend to stabilize mutual deterrence between the two superpowers, at least for the present, on the basis of each side's retaining a second-strike capability, but they have not served to achieve a cessation or any real limitation of the nuclear-arms race. In fact, many critics of SALT's lack of achievement say that these negotiations have only served to replace the quantitative arms race with an even more dangerous qualitative one. It seems that the agreements already concluded, and indeed those now being negotiated, are designed not to halt or reverse the arms race but rather to institutionalize and regulate it. They can, in fact, be regarded as blueprints for the continuation of the nuclear-arms race by the two superpowers.

The picture that emerges from these agreements is hardly likely to reassure the other nations of the world, nuclear as well as non-nuclear, that the arms race is being brought under control or that their security is being enhanced. The failure of the SALT negotiations to produce any real limitation or reduction of offensive strategic nuclear weapons, and the expansion of the arms race that will result from the Vladivostok agreement, will only serve to confirm the fears of the non-nuclear states that the nuclear powers are unwilling or unable to halt the nuclear-arms race.

The continuing credibility and viability of the Nonproliferation Treaty was in question even before India exploded its nuclear device. The failure of the nuclear superpowers to live up to their commitments under that treaty is likely to give added force to the arguments of those in the near-nuclear countries who, for a variety of reasons, also want to go nuclear. Some of the criticisms voiced by India were echoed by Japan when the text of the Nonproliferation Treaty was approved in 1968. The Japanese ambassador to the nonproliferation talks, Senjin Tsuruoka, warned: "Unless the nuclear-weapons states keep their part of the bargain . . . the treaty will lose its moral basis." And when the treaty went into force in 1970 Prime Minister Wilson of Great Britain said: "We know that there are two forms of proliferation, vertical as well as horizontal. The countries . . . which are now undertaking never to possess [nuclear weapons] have the right to expect that the nuclear-weapons states will fulfill their part of the bargain."

Talk of the "*n*th-country problem" had gone out of fashion during the decade that had passed since China exploded its first nuclear device in 1964. After all, it was argued, France (which went nuclear in 1960) and China were great powers, if not as great as the two superpowers, then at least in a class with Great Britain. In any case, all five—and only these five—were permanent members of the Security Council and, as such were given a special status under the UN Charter. Japan and West Germany were also great powers, but they were special cases as defeated enemy powers in World War II. Canada, Italy and Sweden were highly developed near-nuclear countries that could easily go nuclear, but they had no desire to do so if the nuclear club was confined to five members, and no need to do so since, with the exception of Sweden, they were protected by the American "nuclear umbrella." As for the rest of the world, although there were several countries with the potential of going nuclear, such as India and Israel, it was asserted that they were either too poor or too small and that they faced no serious immediate threat from their neigh-

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bors, such as might impel them to undertake an intensive program to become a nuclear-weapons state.

Surprisingly, it was the nonaligned non-nuclear states that had first proposed the nonproliferation of nuclear weapons: Ireland in 1958, followed by Sweden in 1961 and India in 1962. The U.S. and the U.S.S.R. were at first reluctant but finally came to see that it was even more in the interests of the nuclear powers to prevent the spread of nuclear weapons to additional countries. The idea took hold in the 1960's and finally culminated in the compact between the nuclear and the non-nuclear powers that was formalized in the Nonproliferation Treaty. The non-nuclear-weapons states agreed not to acquire or manufacture nuclear weapons or other nuclear explosive devices in exchange for the promise on the part of the nuclear-weapons powers to assist them in exploiting the peaceful uses of nuclear energy and to end the nuclear-arms race. A number of potential nuclear powers did not sign the treaty, including India, Pakistan, Israel, Spain, South Africa, Argentina and Brazil. Among the stated reasons for their not signing were considerations of security, the discriminatory nature of the treaty and the desire or need to develop their own capability in the field of peaceful uses of nuclear technology, including nonmilitary nuclear explosions.

Nevertheless, in the heady atmosphere of 1968, when because of the tacit alliance between the nuclear-weapons states and the least developed of the non-nuclear-weapons states the treaty was commended by the UN General Assembly by an overwhelming vote, it was felt that the danger of proliferation had been put to rest. It appeared that the momentum of a tidal wave of signatures would carry along some of the reluctant non-nuclear-weapons states and that the others would not dare to flout the opinion of the vast majority of the nations of the world. France announced that although it would not sign the treaty, it would behave exactly as though it had done so, and China was considered as comparatively unimportant and isolated. (China, although publicly supporting the idea of proliferation to Third World countries, is in fact the only nuclear power that has not provided any kind of nuclear assistance, military or peaceful, to other countries.) The U.S.S.R. was pleased that West Germany and all the North Atlantic Treaty Organization countries had agreed to sign the treaty. With the announcement, when the treaty was opened for signature on July 1, 1968, that the U.S.S.R. and the U.S. had agreed to begin the SALT negotiations, it was felt that the world was finally on the right road toward control of the nuclear-arms race.

Within four years of the entry into force of the Nonproliferation Treaty those high hopes had all but vanished. Moreover, they had vanished in spite of the settlement of the Berlin problem, the admission of China and the two Germanys to the UN, the withdrawal of American forces from Vietnam, the 1972 SALT agreements and the beginnings of a détente between the U.S. and the U.S.S.R.

The developing non-nuclear-weapons states on the whole felt that they had been cheated. They had received little in the way of assistance in exploiting the peaceful uses of nuclear energy, particularly in the area they were most interested in: nuclear reactors for the production of power. On the other hand, some of the more advanced countries (such as Italy, Japan and West Germany) that were not parties to the agreement seemed to have been treated better by the nuclear powers in this respect even though it was contrary to the terms of the Nonproliferation Treaty. Moreover, no negotiation had been started to set up an international regime to make peaceful nuclear explosions available to non-nuclear-weapons states, as was pledged by the treaty. Most disappointing of all, the nuclear-arms race was going full speed ahead. France and China continued to test in the atmosphere; the U.S. and the U.S.S.R. had not halted underground tests (on the contrary, they were conducting them at a greater rate than ever before); the Sea-Bed Treaty and the SALT agreements seemed to have been arranged more for cosmetic purposes than as real arms-control measures. On any showing, in spite of the pledges in the Nonproliferation Treaty, the arms race was proceeding apace, particularly in its technological and qualitative aspects, and the gap between the nuclear and the non-nuclear powers was steadily widening.

In addition the so-called security assurances to the non-nuclear-weapons states in the declarations of the nuclear-weapons states in the Security Council in June, 1968, had lost what little meaning they had ever had. With China having the power of veto, action by the Security Council to implement the assurances seemed at best doubtful.

Under the circumstances it was not surprising that even before the Indian nuclear explosion the Nonproliferation Treaty had lost a great deal of its force. The pent-up frustrations of a number of non-nuclear-weapons powers may have found a psychological release in India's having breached the walls of the exclusive big-power club.

The Indian explosion also came at a time when there had been a sudden upsurge of interest in nuclear power as a source of energy. The energy crisis and the quadrupling of the price of oil have stimulated the search for alternative sources of energy and have made nuclear power much more economically attractive than it was before. There now appears to be a kind of commercial competition among a number of countries in the Western world to sell reactors, fissionable material and nuclear equipment. Sales to Argentina, Egypt, India, Indonesia, Iran, Israel and South Korea are merely the most publicized ones.

It may take a year or two for another country to explode a nuclear device, and several years for some of the other potential nuclear powers to do so, but there are about a dozen countries that can, if they choose, go nuclear over the next five years, and another dozen can do so over the following five years. Although few of these countries have their own chemical-separation plants for repocessing the spent fuel from reactors into fissionable plutonium, such plants can be built without much difficulty. It has been estimated that a reprocessing plant capable of producing enough plutonium for two or three explosive devices a year could be built in a year by any reasonably advanced country at a cost of a few million dollars. Even if the cost has been grossly underestimated, it is clear that the amount of money involved is not large. Moreover, a French company stands ready to sell complete plutonium reprocessing plants.

There would seem to be a kind of "domino theory" that is more applicable to countries going nuclear than to countries falling prey to a foreign ideology. Whether it is regarded as the *n*th-country problem or as a kind of chain reaction, each time a country goes nuclear it increases the incentives or pressures for its neighbors and other similarly situated countries to do so. Few doubted that once the U.S.S.R. had joined the U.S. as a member of the nuclear club all the other great powers would follow suit. As long as there was a "firebreak" between the big powers, which are permanent members of the Security Council, and all other powers there was a chance of holding the line against the further horizontal proliferation of nuclear weapons. Once a middle-sized or smaller power joins the nuclear club, however, there is little reason for other middle-sized or smaller powers to refrain from joining.

The countries that have not signed the Nonproliferation Treaty are the most likely candidates to go nuclear. They refrained from signing the treaty precisely because for one reason or another they wanted to keep their options open. The fact that India has now dared to go nuclear, with overwhelming domestic approval and comparatively little international criticism, may well encourage other countries to do so or at the very least weaken those elements in such countries that oppose their going nuclear. The delays in ratification by countries that have signed the treaty but have not yet become parties to it is an indication of their desire to move slowly in this field. Each of these countries has its eye on the others, and what any one will do may depend on what others do. No country wants to be placed in a position of perceived inferiority to others. If one other country should go nuclear, it would be difficult to keep the dam from bursting. Even those countries that had ratified the Nonproliferation Treaty could withdraw on three months' notice. As one country after another went nuclear, it would not take long for some parties to give notice of their withdrawal. That would mark the inglorious end of the attempt to prevent the spread of nuclear weapons.

If this rather gloomy scenario is acted out, the prospect for world survival itself becomes rather gloomy. A serious problem arises from the fact that at least some of the new nuclear powers may not have the resources or the time to build sophisticated second-strike deterrent forces. They may opt for a small nuclear striking force that would provide them with local military superiority or with a deterrent against attack by a neighbor. The ultimate result will probably reduce rather than increase their security, as may well turn out to be the case with India if Pakistan, Indonesia or Iran should go nuclear.

The danger is that a small or middle-sized nuclear power involved in an acute crisis might fear that a nuclear neighbor might launch a first strike against it and in order to prevent such an attack might decide to launch a preemptive strike. Since the advantage would lie with whichever country struck first, that would create almost intolerable pressures to be the first to take action and could set off a nuclear war no one wants. Apart from the danger of the outbreak of such nuclear war by design, there is the more likely possibility of its happening as the result of accident, miscalculation, misinterpretation of orders, blackmail or sheer madness.

There are real dangers of such an "accidental" war even between the great nuclear powers, but the dangers are becoming less because of "hot line" communication links, better command and control, and the evolution of détente. In a world of nuclear first-strike powers the dangers become infinitely greater. If one could work out all the permutations and combinations of the possible ways in which such a war could begin, the probability of its beginning sooner or later would become almost a certainty. That a local or regional war could take place without involving the great nuclear powers is quite doubtful.

Prime Minister Gandhi has assured Pakistan and the world of "the peaceful nature and the economic purposes of this experiment" and has stated that "India is willing to share her nuclear technology with Pakistan in the same way that she is willing to share it with other countries, provided proper conditions for understanding and trust are created." One can only speculate whether or not such sharing would extend to the design of nuclear explosive devices either by agreement with Pakistan or by participation in a regional or a global international regime for the conduct of peaceful nuclear explosions under safeguarded conditions.

If India is sincere in its intention to use nuclear explosive devices solely for nonmilitary purposes, it should be prepared to convert this unilateral statement of intention into a binding legal commitment by treaty or otherwise on a bilateral, regional or global basis. It is likely that India would insist that any commitment it undertakes be universal and not selective or discriminatory.

One can certainly conceive of an international regime for the conduct of nonmilitary nuclear explosions, whereby all parties, including nuclear-weapons powers, would agree not to conduct such explosions themselves; they would instead be undertaken either by some international authority composed of nuclear powers or by some designated nuclear powers, and only after the project in question had been examined and approved by some international body. The parties would all have to pledge never to use such explosives for military purposes. It might well be in the interest of all the nuclear powers to agree to undertake any approved project free of charge; the costs are in any event quite small (from $150,000 to $600,000 per explosion). If they were free, it might provide some inducement to underdeveloped countries not to seek to acquire their own capability.

The Nonproliferation Treaty already commits the parties to create such an international regime and provides that the potential benefits of such explosives "will be made available to non-nuclear-weapons states party to the Treaty on a nondiscriminatory basis and that the charge to such parties for the explosive devices used will be as low as possible and exclude any charge for research and development." Because of opposition to the Nonproliferation Treaty, it might be better if the international regime were set up by the UN outside the framework of the treaty.

Although such an international regime would appear to be technically and legally feasible, it is far from clear that it would be politically acceptable either to the nuclear powers or to those nonnuclear states that might want to acquire their own explosive capability. Nevertheless, the idea is worth exploring.

An immediate step that might be undertaken would be to have a moratorium on all nonmilitary explosions by all powers, pending the examination of the idea of an international regime for such explosions. If the nuclear-weapons states would agree to such a moratorium, even if only for a fixed period of time, it might be possible to obtain the agreement of India and of all the other potential nuclear powers while the question was being studied. India cannot be too comfortable at the thought of her neighbors going nuclear, and the other potential nuclear powers would have little to lose by agreeing to the delay. Once again, however, as in all nuclear matters, the nuclear-weapons states would have to lead the way. It would clearly be in their interest to do so.

During the moratorium, or independently of it, it might be useful if another international group of experts were convened by the UN to consider all aspects of nonmilitary nuclear explosives. It is becoming clear that such devices are unlikely to bring the benefits that were hoped for. The first underground explosion was not detonated until 1957, and it is barely a decade since the exploration of the practical possibilities was undertaken. Here again nothing would be lost by allowing a year's delay for a more thorough study of the entire question.

Another idea that merits careful consideration is the possibility of establishing nuclear-free zones in different regions of the world. Among the lessons to be drawn from the creation of a nuclear-free zone in Latin America (by the Treaty of Tlatelolco, signed in 1967) is that the idea must have the sympathetic general support of all the important countries in the area. It is useless to think that a country can be maneuvered by political gamesmanship into agreeing to a treaty unless that country perceives the treaty as being in its own interest. It is also axiomatic that even if a country is a party to a treaty, it will not remain a party if it considers that events have caused the treaty to be contrary to its most important interests.

Finally, it has been suggested that the countries that export fissionable materials should form a "suppliers' club" and agree to supply nuclear materials and equipment only to those countries that would agree not to undertake nuclear explosions of any kind, to place all their nuclear facilities under IAEA safeguards and to return all spent fuel to the supplier countries for reprocessing. Such measures would, of course, be useful, but like any embargo they would be fully effective only if all supplier countries agreed to abide strictly by the rules.

In August, 1974, the U.S. joined other important supplier nations in a public undertaking contained in letters to the IAEA stating that it would not provide fissionable material or nuclear équipment to any non-nuclear-weapons state unless the material and equipment were subject to safeguards under an agreement with the IAEA. Some important supplier states, such as France and South Africa, have not, however, joined in the undertaking. Moreover, the agreement applies only to future supplies and does not affect previously supplied material. Even the regulations promulgated by Canada last December, which provide the strictest safeguards imposed by any supplier country, can be evaded by countries that build their own small reactors and plutonium-reprocessing plants, since most countries have at least low-grade uranium resources.

Unless the safeguards govern all nuclear activities (as is required by the Nonproliferation Treaty) and not merely current and future transfers of material and equipment, opportunities for evasion will remain. Moreover, it would seem to be highly discriminatory if any non-nuclear powers that are not party to the treaty could acquire nuclear materials, equipment or technology under less stringent conditions than parties to the treaty. In fact, if the non-nuclear powers that are not parties are subject to safeguards less strict than those required of the powers that are parties, that would provide an inducement to avoid becoming a party.

One would have thought that, given the prospect of the further proliferation of nuclear weapons, the nuclear powers, which have the most to lose, would be galvanized into some kind of action in an attempt to prevent the emergence of a world of nuclear powers, but such is not the case. There is no evidence that the nuclear powers have any understanding of the seriousness of the situation. If they do have any such understanding, they have shown no urgency in attempting to cope with the situation.

There have been three sessions during the past year of a preparatory committee for the holding of next month's review conference in Geneva. In the course of these preparations the nuclear-weapons powers have given no indication that they have learned any lessons from the Indian explosion or that they have any intention of abiding by their commitments under the treaty. They of course want to see as many nations as possible become parties to the Nonproliferation Treaty, and they have attempted to put pressure on the Euratom countries and Japan to ratify the treaty before the review conference. It seems that the only other measures contemplated by them are to tighten the safeguard provisions of the treaty in order to ensure that in the future no fissionable material can be diverted to nuclear explosions of any kind, whether peaceful or military, by a non-nuclear state.

These objections are commendable in themselves, but they hardly approach the requirements of the situation in the world today. The situation is that more and more countries will go nuclear unless it can be clearly demonstrated to them that it is in their interest not to do so. Sanctions in the way of withholding nuclear assistance are hardly likely to be effective against the newly rich oil-exporting countries in a situation where the nuclear powers and other supplier states are competing to sell nuclear reactors, materials and equipment to them. Nor are they likely to be more effective against the poor countries that are determined to close the gap between themsclvse and the rich countries and they see nuclear technology as one of the ways of closing it. Countries that are determined to evade controls will find ways to evade them. With China encouraging them to be more activist, and with the example of India as evidence that the wihses of the big powers can be flouted with impunity, they may attempt to exploit their sheer numerical majorities to engage in confrontations with the rich countries in order to extract concessions from them.

The longer-term goal of the underdeveloped countries is to readjust the balance between themselves and the developed countries, which means a more equitable sharing of the world's wealth. A shorter-term goal is to acquire nuclear capability either as a step toward attaining their longer-term goal or as a means of their using nuclear threats or blackmail to achieve political and economic gains, somewhat in the way that the oil-producing countries have used oil as a weapon.

Both the longer-term and shorter-term goals are still distant. The immediate preoccupations of the non-nuclear countries are their security and their economic and political situation. A decisive role with respect to the future of the concept of nonproliferation of nuclear weapons will be played by a handful of near-nuclear powers that have not signed the Nonproliferation Treaty. Whether or not these countries proceed to exercise the nuclear option within the next few years will depend in large part on the international climate of opinion. The Indian test explosion has undoubtedly weakened the entire principle of nonproliferation, but the situation may not be entirely hopeless. Domestic considerations and a country's perception of its security requirements, its role and status in the world and its aspirations for future economic development through the application of nuclear energy (whether rightly or wrongly held) will determine whether or not it decides to go nuclear. A most important element in these considerations will be the actions of the great powers, in particular the two superpowers. The standard of international behavior they set, particularly in the field of nuclear-arms control, is bound to have a great and perhaps decisive influence on the actions of the non-nuclear powers. The two superpowers must take the lead. They are the ones that must replace the ethic of the arms race by the ethic of arms control.

The U.S. and the U.S.S.R. must accept the burden of changing the world attitude toward nuclear weapons. Only they can halt and reverse the vertical proliferation of nuclear weapons, which is a necessary condition to preventing their horizontal proliferation. If they continue to militarize the world with both nuclear and conventional weapons, they can hardly expect that other countries will refrain from acquiring such weapons. They have the responsibility of establishing the illegitimacy of the nuclear-arms race and the legitimacy of nuclear restraints and arms control.

If it becomes clear at next month's review conference that the nuclear-weapons states are prepared to live up to the obligations they undertook in the Non-proliferation Treaty, then there is a chance that the treaty can be strengthened and reviewed. This is prob-

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ably the last chance for the prevention of an uncontrolled nuclear-arms race. There is no guarantee, even if the nuclear-weapons states avail themselves of this last chance, that they would be successful in halting the trend toward proliferation. If they do not make a credible attempt to do so now, however, it would seem to be inevitable that other non-nuclear countries will follow the lead of India. We shall then all have to learn to live as best we can in a world full of nuclear powers.

THE AUTHOR

William Epstein ("The Proliferation of Nuclear Weapons") is a Special Fellow at the United Nations Institute for Training and Research (UNITAR), where his work is supported by the Rockefeller Foundation and the Beulah Edge Trust Fund. (The latter fund is administered by the UN Secretary-General.) Epstein recently retired from his post as director of the Disarmament Division of the UN Secretariat, where, he writes, he had been "continuously involved in the work of arms control and disarmament in an official capacity since 1950." A Canadian, he was educated at the University of Alberta, where he received his B.A. and LL.B. degrees, and at the London School of Economics, where he did postgraduate work in international affairs. After serving in the Canadian army in World War II he joined the staff of the UN Preparatory Commission in London in 1945. In the early years of the UN he worked as a senior political officer in Palestine and as head of the Middle East Section of the Secretariat. Later he represented the Secretary-General at the meetings of the Conference of the Committee on Disarmament in Geneva and at numerous other conferences on the problems of the arms race, including nuclear proliferation. On his retirement last year Epstein was appointed visiting professor at the University of Victoria in British Columbia. He continues to serve as a consultant on disarmament to the Secretary-General.

GUT ISSUES OF VIETNAM

Mr. BROCK. Mr. President, One of Washington's distinguished newsmen, Ray Cromley, has written a superb article on the "Gut Issues of Vietnam." I commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GUT ISSUES OF VIETNAM INCLUDE COMMUNIST RESTRAINT

(By Ray Cromley)

The United States does have some gut issues in Vietnam. The offshore waters reportedly have major reserves of oil. The South, at peace, has food to spare for export. Both are crucial in the free world. The South Vietnamese are an intelligent, hardworking people capable of making important contributions, especially with the educational resources this country has pumped into that small land.

But Vietnam is important to the United States for a far different reason. We have, consistently, whether in Europe, the Middle East or Asia, attempted to insure that no country take over another by force. We fought to prevent Hitler's invasion of Russia, and his attempts on England. We halted Tojo's invasion of China and Indochina. We blocked Britain, France and Israel when they united to invade Egypt during the Suez Canal crisis.

For that same principle, many Americans want to make certain Israel does not go under or that it permanently retain parts of Egypt, Syria and Jordan. It is not that this tiny country is of strategic importance to the United States. Our economic interests obviously are much more closely tied with Arab lands, where we also have close historical ties. But for reasons outlined above, it is in our interest to work for the military security of both Israel and the Arab nations, even those we regard as unfriendly. Otherwise we live in a jungle.

We do not argue with such vehemence against assistance to Israel even though it may, in the end, and as a result of the Arab jack-up of oil prices, cost this nation more in dollars than the Vietnam war. And it will entail many years of suffering for the poorer families of this country.

We hire police to protect the homes of our neighbors on the theory this protects our own as well. Men will argue logically that we cannot be the policemen of the world. But in a world where there are no police, do we fold our arms and look the other way? Does anyone believe we are strong enough to be immune to what happens on other continents? The oil embargo and price hikes have shown us we are not.

The oil cartel will fall apart some day. But we shall not be independent, nevertheless. We shall not in our lifetime be self-sufficient in energy—or in a host of other essential resources.

This is not to argue for all the arms President Ford is asking for Vietnam and Cambodia. It is difficult, in fact, to know how effective our aid is. Rather, it is to say we have a continuing important national interest in Vietnam, Cambodia, Laos and Thailand.

My Vietnamese sources say that more important than the amount of money sent them is a continuing assurance this country will not let them down. Their belief in us is necessary if they are not to give up hope. In that regard, I am told, $50 million may be as important as $300 million.

My own feeling is that we are approaching this problem from the wrong end. The need is not arms for the South but rather the necessity of reducing munitions sent to North Vietnam by Russia and China. If supplies to both Hanoi and Saigon could be cut to a trickle, then we could say to the South Vietnamese, in all honesty, "Handle your own affairs."

The Chinese, beset with the Russian threat and caught up in internal struggles deeper than the superficial reports coming out of that secretive land, have need of this country. So do the Soviets, whose economy is in sad shape and who have worries of their own about Peking.

They should be asked to pay a fair price—including a shut-off of military supplies to Hanoi in return for a U.S. shut-off to Saigon.

DEFENSE CONTRACTORS ATTACK NEW DEPRECIATION RULE DESIGNED TO ELIMINATE HIDDEN PROFITS

Mr. PROXMIRE. Mr. President, a few days ago, on April 14, 1975, the Subcommittee on Stabilization and Productivity of the Senate Banking Committee began hearings on the new standard on depreciation issued by the Cost Accounting Standard Board. Testimony was heard on all sides of the issue, pro and con. Several defense contractors opposed the standard. Representatives of the Cost Accounting Standard Board, including Elmer Staats, Chairman of the Board and also head of the General Accounting Office, defended the standard.

OLD DEPRECIATION RULE ALLOWS HIDDEN PROFITS

The standard provides gudelines for defense contractors who seek reimbursement from the Government for the cost of investment in new plant and equipment. Under the existing rules, contractors are fully reimbursed for the amounts of such investment. The costs are charged to the Government as part of the overhead costs in the performance of defense contracts and are allocated over a number of years. The question is, over how many years should these costs be allocated?

The old rule allows contractors to choose any arbitrary time period or service life. Thus, if a contractor buys new machinery which may have an actual estimated service life of 25 years, he is permitted to depreciate it for purposes of his Government contracts over, say, 5 years. The result of this practice is to speed up the contractor's reimbursement. This increases the real cost of procurement to the Government and provides a windfall benefit to the contractor. Contractors have been able to hide windfall profits in this manner in their depreciation costs.

NEW RULE CAN SAVE MILLIONS OF DOLLARS

The purpose of the new standard issued by the Cost Accounting Standards Board is very simple. It is to require that the time period for which new equipment is depreciated on defense contracts be the same as the real estimated life of that equipment. The result of the standard, if properly implemented, will be to prevent defense contractors from hiding their profits in depreciation costs, and to save millions of dollars for the taxpayer.

THE COST ACCOUNTING STANDARDS BOARD, AN ARM OF CONGRESS

Congress created the Cost Accounting Standards Board and established it as a legislative agency to promulgate uniform cost accounting standards for defense contracts. The need for such an agency was demonstrated through the many disclosures that defense contractors have been taking advantage of accounting methods so as to hide their profits and the real costs of defense procurement. On of the problems has been that contractors can pick and choose among a variety of accounting procedures as it suits their purpose, thus making it sometimes impossible for the Government to understand the true costs of its contracts. The rules concerning depreciation have been particularly subject to this abuse.

THE PROBLEM OF HIDDEN PROFITS

The problem of hidden or buried profits in defense contracts is significant. A conservative estimate is that tens of millions of dollars are hidden in defense contractors depreciation costs each year.

There is no justification for this practice, in my judgment. Profits and costs on defense contracts should be clearly separated. The Government should know how much of the taxpayers money is being spent on legitimate, allowable costs and how much is being spent for profits. Mixing the two is a costly and, from the taxpayers point of view, inefficient way of procuring military weapons.

The policy is well established that defense contracts are entitled to reasonable profits and that the Government should not allow contractors to take excess profits on defense work. How can the Govenment know whether its contractors

are earning reasonable profits or whether they are taking excess profits when the Government is not able to separate costs and profits because there are profits hidden in depreciation charges? Clearly, the Government cannot enforce the public policy against excess profits, and it cannot protect the public interest in achieving efficiency and economy in Government procurement, if contractors are allowed to conceal their profits in depreciation.

MILITARY CONTRACTORS LOBBY

It is understandable that some military contractors are lobbying vigorously in both Houses of Congress to overturn or water down the new depreciation standard. Some of these contractors opposed the standard when it was initially proposed by the Board. Some of the objections and criticisms of the new standard where incorporated in the final draft of the standard. In fact, in my judgement the standard is significantly weaker than when it was first proposed and I would favor strengthening it.

Of course, the contractors are entitled to their opinion and they are entitled to express it in any way they see fit. Obviously, they have the resources and the influence to express their opinions in very high circles of government in both the executive branch and within the Congress. In fact, I am informed that defense contractors have written letters to Congress and have contacted many individual Congressmen and Senators in their effort to overturn the new standard.

I do not criticise them for doing this. They are entitled to do it. But I think that all of us who have the responsibility for protecting the public interest should understand the nature of this lobbying effort. The defense industry lobby has vast resources. They have funds to spend in political campaigns. They have plants employing thousands of employees in many congressional districts. They can use their resources in order to influence public policy for their own benefit, and they often do. Public policy, I am sorry to say, has often been distorted to favor the relatively few defense contractors who possess enormous market power and political influence.

PUBLIC SHOULD NOT HAVE TO PAY EXCESS DEFENSE PROFITS

The issue involved in the controversy over the new depreciation standard is therefore very large. It is whether the public's interest in paying no more than allowable costs and reasonable profits on defense contracts will be protected, or whether contractors will continue to be allowed to hide their profits in depreciation costs.

As I said earlier, the facts are that contractors have been able to purchase equipment with real service lifes of 20 years are more and, through accepted depreciation practices, be fully reimbursed for the costs of this equipment within 5 or 10 years. This practice represents a real cost to the Government and a real profit to the contractor, and it is not justified. It means that the contractor can be fully paid for his investment before the service life of his investment runs out and he can use those funds to invest in other areas for his own profit. It also means that the contractor can use the equipment, for which he has been fully reimbursed, on commercial work for the remainder of the service life of that equipment.

TESTIMONY OF ADMIRAL RICKOVER

One of the witness before the Senate Banking Committee was Adm. H. G. Rickover. The admiral, gave the committee the benefit of his many years of experience in defense procurement and made a forceful presentation in support of the new depreciation standard.

The admiral showed just how profitable it can be when a contractor is able to bury his profits in depreciation costs. He cited one example where two shipyards doing the same line of work invested in new drydocks. One company depreciated the cost of the new drydock over a period of 12 years. The second company depreciated its drydock over a period of 40 years. Both drydocks could be reasonably excepted to have service lives of 40 years or more. But the company which used the 12-year period would have received $1.2 million in reimbursement from the Government each year as opposed to $200,000 yearly for the company using the 40-year period. According to the admiral, the Navy was able to persuade the company to use a 20-year life instead of the 12-year life, but the 20-year life was still much shorter than its real economic life and it resulted in excess payments being made to the contractor.

Admiral Rickover went on to make other points which he summarized and which are worth repeating:

1. Tax rules are not adequate for cost accounting in depreciation of fixed assets.
2. The absence of effective competition in much of the defense industry has resulted in depreciation charges based mainly on the desire for prompt cash payment.
3. The cost accounting standard on depreciation of tangible assets is a fair and much needed standard. While it should be strengthened in the selection of depreciation method, it is a step in the right direction.
4. The standard on depreciation was fairly arrived at after extensive debate with interested parties. The Board fully considered the industry viewpoint and the final standard clearly reflects this.
5. The arguments against the depreciation standard are much the same as those advanced years ago by opponents of the concept of cost accounting standards. The arguments are no more valid today than they were then.

Admiral Rickover made many other valuable points and I would hope that others would read his remarks. For this reason, I ask unanimous consent that the statement by Adm. H. G. Rickover to the Subcommittee on Stabilization and Productivity, April 14, 1975, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT TO SUBCOMMITTEE ON STABILIZATION AND PRODUCTIVITY, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

(By Adm. H. G. Rickover, U.S. Navy)

You have asked me to appear today in connection with the Cost Accounting Standard on depreciation. My specialty is engineering, not accounting. So I will not attempt to debate the fine points of accounting theory. However, I will try to give you some observations from my own experience I believe to be relevant to the broader context of what you are considering today.

This subcommittee is aware that the Cost Accounting Standards Board was established by Congress only after a long struggle highlighted by almost uniform resistance from industry and from much of the Government. The opponents of the Board advanced many of the same arguments I have heard with regard to the depreciation standard: that the costs would outweigh the benefits; that standards would reduce profits and make defense industry unattractive; that "generally accepted accounting principles" and Internal Revenue Service rules are adequate; that standards are not needed; and so on.

But opponents of cost accounting standards could not overcome the spreading realization that—as Peter Drucker has said—". . . any accountant worth his salt can convert any profit figure into a loss figure or vice versa if given control of the accounting definitions, all unquestionably 'within the limits of proper accounting practice.'" Defense contractors have been able to take advantage of various accounting alternatives permitted under so-called "generally accepted accounting principles." This has made it nearly impossible to tell how much defense equipment actually costs or how much profit contractors actually make in producing it without spending months reconstructing their books.

After years of extensive debate—including a report by the Comptroller General which concluded that cost accounting standards were necessary and feasible—Congress established the Cost Accounting Standards Board. In my judgment, the Congress acted wisely in establishing the Board, insuring its independence by making it an agency of the Congress and naming the Comptroller General as its chairman.

Congress recognized, when it established the Board, that the Executive Branch was not a safe home for it because of the great pressure defense contractors can bring to bear on that Branch. The chairmanship of the Board was assigned to the Comptroller General specifically, not only because he is the Government's top accounting and management expert, but also because his 15 year appointment is designed to insulate him from outside pressures.

Although Congress took pains to try to insulate the Board from undue pressure, there also also safeguards to ensure that it will consider all points of view. By law the Board is comprised of representatives from Government, industry and the accounting profession. Its procedures for soliciting comments on proposed rules and standards are exhaustive and designed to give all interested parties maximum opportunity to participate and make their views known.

The depreciation standard illustrates the extent to which the Board has gone in soliciting outside views. Twice, draft depreciation standards have been published in the Federal Register for comment. More than 200 responses were received from interested parties on the proposed standard. In late 1973, the Board held a formal hearing during which Government and industry views on depreciation were heard. In December, 1974, the Board held another hearing, specifically to give defense contractor representatives another opportunity to bring new information to light before arriving at a final standard.

Now, the defense contractors are rearguing their case before both houses of Congress. While some defense contractors still oppose the concept of a depreciation standard, they cannot deny they have already had a fair hearing.

Those who oppose the standard on depreciation seem to be resurrecting many of the arguments used years ago in debating the

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question of whether there should be any cost accounting standards. Shorn of the mantle of accounting theory, their arguments boil down to a plea for reliance on "generally accepted accounting principles" and "independent" public accountants to safeguard the public interest.

Depreciation is an excellent example of an area where the available accounting alternatives can result in widely varying cost figures. The accountants often end up by settling on whatever method of depreciation has been accepted for tax purposes.

A significant potential for distortion of cost stems from use of tax rules regarding method of depreciation and useful life of equipment. We all know that the tax rules result from a political process which considers social goals, financial incentives, and other factors. These tax rules are inappropriate for cost accounting. Mr. Staats made that point clearly, five years ago, in the General Accounting Office study on the feasibility of establishing cost accounting standards.

I have some observations based on my experiences with defense contractors over the past thirty-five years which are relevant to understanding why it is wrong to let financial incentives govern depreciation decisions on defense work.

The first point is that competition in defense procurement is the exception, not the rule. Ninety percent of the defense procurement budget is spent on negotiated contracts where there is little or no effective competition. The complexity of defense work, the large start-up costs, the substantial advantage of a lead contractor in follow-on procurements—all make it difficult for new firms to enter the market. Exhortations to increase competition, new procurement policies and the like will not overcome these characteristics of the defense industry. You cannot expect competitive behavior in an industry which does not have a competitive structure.

Another important consideration is that defense business today is concentrated among a few large contractors, many of which are conglomerates. Conglomerate policies on investment and cash flow have a major impact on depreciation policy. In many cases, they are reluctant to invest profits in new and improved facilities as long as higher maintenance costs can be passed to the Government. They do their best to increase return on investment by reducing investment in facilities.

When forced to invest in new facilities, the faster recovery of depreciation costs resulting from artificially short service lives helps free up cash which can be used to acquire other firms or invest in other business ventures. These pressures—minimized investment and increased cash flow—have little to do with legitimate costs of defense work. And these pressures will not go away under conditions of limited competition.

In case after case, we find contractor top management far removed from the day-to-day operations of the company. They are preoccupied with numbers at the bottom of a profit and loss statement and with how much cash they can generate from the operation. Those who do well by these standards are rewarded. When the manager runs into trouble, he is under great pressure to take advantage of whatever accounting flexibility there is at his disposal to portray his results in the most attractive possible terms, regardless of the impact on cost of Government work. Is it any wonder then that he focuses most of his attention on the financial aspects of the job? This is where the depreciation standard comes into play.

Despite these characteristics of the defense industry, contractors argue that they should be allowed to use tax rules for cost accounting. Their principal objection appears to be that the standard will, several years from now, result in depreciation over longer service lives than those they can now use which, in many cases, are based on tax rules. They contend that the reduced cash flow received on the basis of realistic lifetimes will increase the risk of doing defense business, reduce incentive to modernize defense plants and deny them the cash necessary to buy replacement equipment at higher prices in later years.

Some defense contractors advance the argument that short service lives are necessary because of the high risk in defense work. This argument is not valid. More often, the risks in defense work are greatly exaggerated. As I mentioned earlier, there is little effective competition for complex military equipment to drive prices down. Most complex defense equipment is procured under cost-reimbursement or incentive-type contracts under which the Government bears a substantial portion or all the risk of cost overruns. From press accounts, you know that large defense contractors, faced with financial problems, have been able to obtain financial assistance from the Government through claims, contract repricings, guaranteed loans and the like.

The so-called market risks in defense procurement are also often exaggerated. In many cases, contractors perform major Government work in profit centers which are more certain of a continued market than are comparable profit centers in the competitive commercial world.

Defense industry representatives often talk about the high degree of technological obsolescence in defense business. It is true there have been significant technological advancements in weapon systems themselves. But my experience has been that these advancements seldom make production facilities obsolete. In the majority of cases, components of new weapon systems can be manufactured using general purpose machine tools and production methods. Some items of specialized test equipment may become technologically obsolescent before the end of physical life, but in many cases these are not capitalized, and in other cases contractors are allowed by the new standard to use short service lives, if they can justify them. I think you will find that most defense work is performed on general purpose machine tools which do not have a high degree of technological obsolescence, and which can be used on defense or non-defense work to the end of their physical life. The concept of excessive market risk is not applicable for most large defense contractors.

Let me give you some statistics on this question of the service life of capital assets. Every five years American Machinist magazine publishes an inventory of machine tools in the United States. The results of the most recent inventory in 1973 show that two-thirds of all machine tools in use by American industry are over 10 years old—28 percent are over 20 years old. Another revealing statistic is that three major types of metal working machinery—turning, boring and drilling machines—have been getting relatively older for the past 30 years. For example, 66 percent of boring machines were under 10 years old in 1945, at the end of World War II. This was because of the large expansion of industry in the preceding five years. Today only 30 percent are less than 10 years old. These statistics on age of equipment in the United States machine tool inventory compare with Internal Revenue Service "guideline lives" of 12 years, and IRS "asset depreciation range" minimum of 9½ years for companies in the "metal fabricating industry." The comparison shows clearly that the actual service lives of machine tools in the United States far exceed the service lives the Government accepts for tax purposes.

The statistics on age of the machine tool inventory are backed by my experience. Rarely do I see contractors disposing of capital equipment at the end of guideline life. This would be wasteful.

I have some examples which illustrate the inequities that can arise in the absence of a proper depreciation standard.

Several years ago one of our contractors decided to invest in more machine tools. He proposed to depreciate them over an eight year life rather than the 12 year life other suppliers doing identical work had told us was the minimum service life accepted by IRS for that type of equipment. He assured us the eight year life was acceptable under IRS guidelines. We checked and found that he was right. The difference between the eight year service life he could use and the 12 year life used by other manufacturera is that his parent corporation was classified in a different industry grouping where a more favorable "guideline" was available to him than to his competitors. Under procurement regulations, he could use the shorter service lives.

A second example concerns a private shipbuilder who, under IRS rules, was writing off the cost of a dry dock in 12 years using an accelerated method of depreciation. In contrast, another shipyard in the same line of work was depreciating its dry dock on a straight line basis over 40 years. As a result, depreciation charged on identical jobs done by each shipyard varied significantly—$200,000 per year for the company using straight line over a more realistic life, and $1.2 million for the company proposing accelerated depreciation over a very short life. There is little wear to a dry dock and it is not uncommon to find dry docks 50 or 100 years old still in use. In this case, we finally got the company to agree to write the dry dock off over a 20 year life instead of a 12 year life for contract purposes, but this is still much less than its economic life.

Increased cash flow stemming from short service lives has not been an effective incentive to modernize defense plants either. Often, in non-competitive situations, contractors can optimize their cash flow and profits by not investing in capital improvements. Conglomerates can use the cash flow generated in their defense oriented divisions to finance other corporate activities. In such cases the defense work can absorb the high cost of short service lives, but the contractor uses the proceeds for non-defense work. On non-competitive defense work, contractors may continue to operate older equipment beyond the point where it is economical to do so because they can then pass on the higher costs to the Government through contract prices. Since profits on defense contracts are negotiated as a percentage of estimated costs, the higher costs may actually result in higher profits in the long run.

Let me give you an example which illustrates the relevance of the two issues I have raised—lack of competition, and volume of defense business in the hands of conglomerates. Several years ago we compared the cost of Poseidon submarine conversions at two major shipyards.

Since these contracts were negotiated with profit as a percentage of estimated cost in a non-competitive situation, we found that the contractors were not paying much attention to reducing costs. In fact, the higher cost contractor was making the most profit. He had no incentive to improve his facilities or control their cost of maintenance to make them more efficient. For several years his investment in facilities had been declining, while his maintenance costs were increasing dramatically. The higher costs provided him a higher profit base. He could get away with this in defense business because there was little effective competition to hold prices down; we had to use both shipyards for the conversions and they both knew it. It is not surprising that under such conditions, cash flow and investment considerations outweigh those of efficiency and economy.

Some contractors also argue that, in an inflationary economy, fast write-offs generate the cash necessary to buy replacement equipment at higher price levels in later years. Obviously, in a period of rising prices, replacement equipment will cost more than the original. But the question is: what is cost? It seems to me that depreciation cost should be whatever you actually paid for the asset rationally prorated over its useful life. The question of how contractors might finance possible future plant and equipment acquisitions is a separate issue which should not be factored into cost calculations on current contracts.

So far, I have discussed the issue of service life. In this area the depreciation standard adopted by the Board closes a major loophole in existing procurement regulations by requiring use of realistic lifetimes based on actual experience. The other key issue of depreciation policy is selection of the depreciation method. In this area, I consider that the standard should be tighter than it is. I have advocated using striaght-line depreciation over the expected life of the asset except where the contractor can show a pattern of asset consumption which justifies accelerated depreciation. The standard still will allow contractors to use accelerated depreciation for cost accounting, so long as the same method is used for financial accounting. Contractors justify accelerated depreciation on the same basis as they justify shorter lives: the risk in defense business. There is no justification in my evidence that machines actually deteriorate at a rate even approaching their depreciation under an accelerated method. I conclude that the absence of effective competition in much of the defense industry motivates many contractors to select accelerated depreciation based on the desire for prompt cash flow.

Accelerated depreciation methods are based on cash flow, not risk. The contractor wants prompt cash flow. The procurement regulations allow it, and he would be foolish not to claim it. But, cash flow considerations are not a sound basis for determining cost.

The standard was delayed many times while the Board considered the comments from interested parties and recirculated revised drafts for comment. The result, while not as strong as I would have made it in the area of selection of depreciation method, represents a step in the right direction towards proper accountability. For that reason, I support this standard.

Let me summarize my main points:

1. Tax rules are not adequate for cost accounting in depreciation of fixed assets.

2. The absence of effective competition in much of the defense industry has resulted in depreciation charges based mainly on the desire for prompt cash payment.

3. The cost accounting standard on depreciation of tangible assets is a fair and much needed standard. While it should be strengthened in the selection of depreciation method, it is a step in the right direction.

4. The standard on depreciation was fairly arrived at after extensive debate with interested parties. The Board fully considered the industry viewpoint and the final standard clearly reflects this.

5. The arguments against the depreciation standard are much the same as those advanced years ago by opponents of the concept of cost accounting standards. The arguments are no more valid today than they were then.

These hearings raise other issues which I would like to discuss briefly: the role of Congress in establishing cost accounting standards and the role of business in our society. I recognize the impracticability of a Congressional committee itself becoming sufficiently expert in accounting to be able to set cost accounting standards. For this reason, Congress created the capability in the form of the Cost Accounting Standards Board. The composition of the Board; its location in the legislative branch; the 15 year tenure of its chairman and its procedures for public comment on its proposals—all serve to insure fairness and due consideration of accounting issues by accounting experts.

Congress, on the other hand, has a responsibility to insure that the Board arrives at its standards fairly and that the Board fully considers all viewpoints—industry, Government, the public, and the accounting profession. In the case of the depreciation standard, I believe the Board erred on the side of spending too much time listening to the same industry arguments over and over again, when it was obvious that contractors wanted no standard whatsoever

To promote their various interests, defense contractors, with their numerous and highly paid lobbyists, have managed traditionally to get loopholes worked into many statutes and regulations. The public, on the other hand, does not have a countervailing lobbying operation to protect its interests—particularly in a highly technical or specialized subject such as that with which we are dealing today.

I urge your continued support of the Cost Accounting Standards Board. Defense contractors would like nothing better than to see Congress undercut its own Cost Accounting Standards Board. However, if subsidies are to be granted to certain segments of industry, let this be done openly and aboveboard—not indirectly in the form of hidden profits, distorted standards, or the like.

We are faced today with the large question of which type of society, the totalitarian or our democratic capitalist one, will predominate.

The totalitarian ethic is based upon the assumption of a sole and exclusive truth. It postulates a preordained harmonious and perfect scheme of things to which men are presumed to be irresistibly driven.

Our system finds the essence of freedom in spontaneity and in the absence of coercion; theirs believes it will be realized only in the pursuit and attainment of an absolute collective purpose. The aims of our system cannot be realized through coercion. We consider the use of force for their realization to be an evil. We believe that in the absence of coercion we will one day reach, through a process of trial and error, a state of harmony.

Public opinion polls reflect the low regard in which the people hold business in America. These polls indicate an increasing public cynicism about the capacity of business to put its house in order.

The public's image of business has slipped to the lowest level ever recorded. A survey released in March 1975 found that only 8 percent of those questioned had a "high approval" rating of business. At the same time, 53 percent of those questioned believed that "many of our largest corporations ought to be broken up."

Considering many of the events involving large corporations that have occurred in recent years, this decline in the public's attitude is not surprising. What will be interesting is the business response. Will companies continue to resort to massive advertising and lobbying campaigns to improve their image, or will they seek to remedy the basic conditions that have caused public concern?

Reform does not come easily. It is easy to do nothing. It is easy to concentrate on attacking the symptoms, to seek short-term placebos. What is more difficult, but essential, is to review the system as a whole and to define—and then insure—the conditions of its survival.

To judge from its past and present actions, business is short-sighted, inbred, and non-statesmanlike. It is too intent on profit alone as a measure of success to comprehend the forces now at play in the world and in the United States. For this reason it is not assessing what it must do to ensure its survival as an independent entity.

Experience has amply shown the futility of expecting companies to exercise restraint on their own volition. The only countervailing force capable of imposing restraints on corporations of enormous wealth and power is a strong Governmental system of accountability built into a free market economy. In fact, if business truly understood its precarious position in the realm of ethics, it would welcome the Cost Accounting Standards Board and its rules, because this would give the stamp of Government approval to some of its practices.

Our capitalist system is under attack. In large areas of the world it is no longer used. Elsewhere, such as in parts of Western Europe, it has become subject to extensive Government control.

I believe in our capitalist system. I believe in competition. I believe that business has a right to and should make a profit. It is to their best interest to avoid practices for which they have rightly been criticized. Business must not ignore its shortcomings nor attempt to explain them away.

Should our capitalist system be destroyed, it will be accompanied by the destruction of most of our liberties. Therefore, for its own good as well as for the good of the people of our country, business must put its house in order.

It is in this context that I see the work of the Cost Accounting Standards Board.

TAX REBATE A MISTAKE

Mr. FANNIN. Mr. President, the actions taken by Congress in regard to Federal spending are alarming. A Federal deficit of $70 billion to $100 billion per year will cause extraordinary inflation and impoverish future generations of Americans. Our Government is traveling down that same road as Great Britain where inflation runs 20 percent or more per year.

Congress must face reality. There is a limit to our national resources. We cannot, by act of Congress, expand these resources.

Last month, Congress passed an irresponsible tax cut bill, and now it appears that, rather than cutting back on Federal spending, Congress will spend even more.

Mr. President, the Scottsdale Progress on April 10, 1974, carried an excellent editorial on this situation, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX REBATE A MISTAKE

President Ford signed the big tax rebate bill with much misgiving. It could prove to be one of his major mistakes.

The tax rebate became a political football. Originally Mr. Ford proposed a $16.2 billion tax cut. If passed it would have given the economy a temporary boost, but in the long-run it would have been bad.

Congress wanted credit for easing the public's tax burden. So it passed a bill providing for a $22.8 billion tax cut.

Despite campaign rhetoric last fall, Congress shows little willingness to cut unnecessary federal spending. As a result of lower tax income and higher spending, the federal deficit may go as high as $100 billion next year.

If this happens the nation will face an in-

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flationary spiral far worse than during the last few years. Thus the tax break will prove to be a hoax.

Even more worrysome will be its impact on business and employment. Instead of stimulating jobs, it will create a shortage of money. And this will result in fewer jobs.

In order to finance the deficit, the federal government will have to borrow huge sums of money. This will drive interest rates up. As a result local governments will not be able to afford capital improvements and the bond market will dry up. Industry and business will not be able to afford money for expansion or new products, and this will force new layoffs.

Even in the United States there is a point beyond which the national debt cannot climb. And President Ford should have gone to the people with his case against congressional irresponsibility.

The economics of the giant tax package were obvious. But few national leaders had the courage to stand up and oppose it.

HUMANITARIAN CRISIS IN CAMBODIA

Mr. KENNEDY. Mr. President, a final, tragic drama is unfolding today in Cambodia. At long last, the guns are slowly stilled. An uncertain transition has begun, from a daily life of death and destruction under bombs and rockets, to a life under a new regime.

But even as the conflict ebbs, and the level of violence is reduced, massive humanitarian problems remain for millions of people. The end of a war we have fueled for so long, at such great cost—and the end of one government, which the United States has attempted to support—does not end our obligation to the people of Cambodia, or to the millions of refugees, civilian war casualties, orphans and other war victims of all types who cry out for help and for relief. We cannot abandon the people of Cambodia, and I hope the President shares this view.

Developments today in Cambodia should call forth from our Government new efforts to provide humanitarian assistance to a people so obviously and so desperately in need. Two million people in Phnom Penh, and over 2 million in other enclaves, representing half the population, have been dependent upon American rice. Mass starvation and widespread malnutrition today threatens the lives of half the people of Cambodia. Last week, official estimates indicated that 70 percent of the population of Phnom Penh was suffering severe malnutrition.

Regrettably, this massive human tragedy in Cambodia is being used in some quarters more as excuse to blame others, than to respond positively to the urgent needs of people.

Rather than hearing our national leadership say in pitiful tones that what happened in Cambodia was "too bad," we should hear instead what meaningful new initiatives our Government has launched to help millions of people in need. A change of government, a shift in geography, does not change or alter the humanitarian needs of people, nor does it relieve us of our moral obligations to help. Instead of saying we are sorry about Cambodia, we should be telling international relief agencies what we are willing to do to help.

The crisis of people in Cambodia, as well as in South Vietnam, demands more of our Government than weak apologies, or new efforts to shift the blame. It demands a bold response in terms of emergency humanitarian assistance, and full diplomatic support of those international channels, such as the United Nations and the International Red Cross, that can help bring peace and relief to a tortured land.

There is now an opportunity, as well as a critical need for the administration to finally carry out the legislative mandate of Congress for internationalizing humanitarian assistance to millions of war victims in Cambodia. Those international channels are there, in place, in the field. UNICEF, the International Red Cross, and some foreign voluntary agencies and medical personnel, are still in Cambodia. The United Nations High Commissioner for Refugees, UNICEF, and other voluntary agencies are working on both sides in South Vietnam. All these agencies are ready and willing to help, if only given the funds.

The International Red Cross, on April 3 issued an appeal for $30 million in emergency funds for Indochina, particularly for Cambodia. After weeks of dragging our feet, and only after strong congressional pressure, has the Department of State informed me that it will provide a $5 million contribution. This should be only our first, of several, contributions to the work of the Red Cross. They can, and will, do much more if only they are given our assurance of greater support.

And just this morning, United Nations Secretary General Kurt Waldheim has reissued his appeal for humanitarian assistance. On March 31—nearly 3 weeks ago—the United Nations issued its first appeal, which was met with silence on the part of the U.S. Government. Today, the Secretary General has again urgently appealed for contributions, indicating that in the immediate phase some $100 million will be required to meet "essential, and I repeat, essential, requirements—excluding bulk food supply."

Mr. President, I would hope that the President would finally act to support these important humanitarian programs, and begin to actively work through the United Nations and other international relief and private voluntary agencies, to meet the urgent humanitarian requirements of all people in need in Indochina.

I strongly feel that the "moral commitment" we so often hear the President refer to in Indochina, is not a commitment to any army, or to this or that government, or to this or that official or political faction. Rather, our true remaining obligation is with the people of the area—to the millions of refugees and other war victims who need our help, our concern, and our immediate humanitarian assistance. I believe the American people are prepared to accept these obligations.

Mr. President, I ask unanimous consent that the full text of Secretary General Waldheim's appeal of this morning be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY GENERAL WALDHEIM

On the occasion of the International Conference on Viet-Nam in Paris in February 1973, I emphasized that the United Nations stood ready to assume its responsibilities wherever and whenever it was called upon to offer useful and realistic assistance. As that time I also made it clear that "should the Governments of the area so desire, the United Nations and its family of organizations could play a significant role in receiving, co-ordinating and channeling international relief and rehabilitation assistance to the Governments and peoples of the area. Such aid would, of course, be provided without discrimination of any kind."

Ever since that time the United Nations system has been operating on this basis, providing humanitarian assistance without discrimination wherever and whenever requested. It has persevered successfully in this task despite the military situation which obviously makes it much more difficult to help the victims of this war.

On 31 March, I appealed to all concerned to do everything within their means to relieve the plight of innocent persons, including those who have been displaced. I also earnestly requested the governing authorities on all sides of the fighting to do their utmost to limit the suffering of innocent people.

In the following week, I met in Rome with the heads of all United Nations agencies and programmes who fully endorsed and supported the initiatives I had taken to mobilize increased humanitarian assistance throughout Indo-China. At this same time, I appointed Sir Robert Jackson, whose long and comprehensive experience in this field is well known, to co-ordinate at United Nations Headquarters all efforts of the United Nations system to respond to this humanitarian emergency. In particular, the United Nations Children's Fund (UNICEF) and the Office of the United Nations High Commissioner for Refugees of the United Nations High Commissioner for Refugees (UNHCR), which have had continuing programmes of humanitarian assistance on both sides of the conflict in Indo-China, are intensifying their emergency operations in Indo-China.

The United Nations system has acted vigorously, positively and spontaneously to do all within its possibilities to be of assistance to the peoples of Indo-China. There has been no hesitation whatever, on my own part or on the part of any elements of the United Nations system, to take every possible initiative to provide the maximum assistance.

Although events in Indo-China during the past three weeks have evolved so rapidly that it has been virtually impossible to assess with precision emergency needs in specific areas, it is obvious that suffering is continuing and far greater humanitarian assistance is vitally and urgently needed. At this moment, personnel from the United Nations system are working round the clock in the field and at Headquarters in order to ascertain what supplies are needed most urgently and to determine how supplies can best be transported to areas where it is possible to deliver them. As each day passes, we should get a clearer picture of just what is needed and where it is needed.

Various governments have asked me to state what I would consider, at this time, to be a reasonable target figure for essential needs in the forseeable future. After careful consideration, I believe that in this immediate phase $100 million is needed to meet essential, and I repeat essential, requirements excluding bulk food supply.

I therefore urgently renew my appeal to all who may be in a position to help to do everything within their means to relieve the plight of the millions who are suffering in Indo-China. I shall never cease in my own efforts, to ensure that the United Nations plays its essential role in healing the wounds of those who have been the victims of war and disaster.

SCRIMSHAW PRESERVATION

Mr. BROCK. Mr. President, I was delighted at the passage of S. 229, the Scrimshaw Preservation Act of 1975. Due to the prohibitions imposed by the Endangered Species Act, the sale of finished Scrimschaw products in interstate commerce has been forbidden. This legislation will permit scrimshanders sufficient time to dispose of their present inventories and adapt their art to a new medium without frustrating the purpose of the Endangered Species Act.

Unfortunately, S. 229 does not go far enough in providing exemptions for those who deal with scrimshaw. I was recently contacted by Mr. Morris Rosenburg who is an antique dealer in Memphis, Tenn. While on a buying trip in Europe, Mr. Rosenburg purchased a piece of 19th century scrimshaw for sale in his business. Upon returning to the States, he was informed that importing the scrimshaw violated the Endangered Species Act because it came from the tooth of a sperm whale which is protected under the act. Rather than be subjected to a heavy fine, he agreed to confiscation of the scrimshaw.

This situation is absurd, and there is some doubt as to whether S. 229 will correct it. There is no question that Mr. Rosenburg's scrimshaw dates back decades prior to the passage of the Endangered Species Act. It is difficult for me to see how the purchase of a tooth which is clearly of 19th century origin and which comes from a whale which must have been taken over 100 years ago can possibly violate the intent of the act which was only passed in 1973. Nevertheless, it violates the letter of that law, which must be corrected.

Last week I requested the Commerce Committee to accept a modifying amendment which would have clarified the coverage of importers under the exemptions of S. 229. My amendment would have allowed importers to seek an exemption upon showing that the teeth or bones were lawfully taken prior to the passage of the Endangered Species Act. Additionally, the Secretary would be authorized to return such scrimshaw products that were confiscated. The committee did not accept my amendment but agreed to hold hearings in the near future to analyze this and related amendments. The refusal to accept the amendment is unfortunate because its passage could have brought positive relief to Mr. Rosenburg and countless other antique dealers who have been inadvertently caught in the web of the Endangered Species Act. I oppose any "loopholes" which would weaken the clear intent of the act. Yet I urge the committee to hold hearings promptly to correct the act's inequities.

THE 200-MILE LIMIT

Mr. HATHAWAY. Mr. President, this Chamber has frequently been an arena for discussion of the 200-mile limit with respect to our fisheries jurisdiction. I have introduced such legislation two times here, and was present and voting "yes" when a 200-mile territorial limit passed in the 93d Congress. The House did not vote on the measure before adjourning.

During the various debates here and in the committees which have jurisdiction over this issue, we have heard many reasons as to why the limit should be expanded to 200 miles, and many reasons why it should not. And while I deeply respect the views of the opponents, I feel that major and compelling factor in supporting this legislation is the simple fact that the American fishing industry is not receiving the support from the Federal Government they need and deserve.

During hearings I chaired as a member of the Select Committee on Small Business recently in Maine and in Florida, I found that the concept of benign neglect toward the fishing industry was indeed the policy of the executive branch and its various agencies. The fishing industry, for the most part, is not a large conglomerate entity with a Wall Street address and corporate offices. It is a hardy, dedicated group of men and women who have been raised near the sea, and whose destiny it is to create a relationship with the sea that will put bread on their tables, and fish on ours. It is a dangerous way to make a living, demanding as it does a daily excursion into waters which are all too often hostile. And as our various Federal agencies dabble in creating regulations for this industry, it is becoming less and less profitable for the risks involved.

The Bangor Daily News recently published an editorial which raises the issue of the 200-mile limit once again. Quoting statistics generated by the Maine Commercial Fisheries, a nonprofit publication dedicated to the continuance of fishing as an industry, the Daily News stressed the competition our fishermen face from foreign fishing boats who for the most part, are subsidized by their governments.

The editorial, which I ask unanimous consent to be printed in the RECORD following my remarks, shows that more than 300 fishing vessels from foreign countries were sharing the waters, and the fish, off the Maine coast with our own vessels last February.

I deeply appreciate the work that the chairman of the Commerce Committee (Mr. MAGNUSON) has done and is doing with respect to the 200-mile limit and am hopeful that bringing this editorial to his and my other colleagues' attention will hasten work on this necessary legislation so that this Chamber can once again demonstrate its concern for the American fishing industry.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BY THE NUMBERS

While there has been much talk about the need for federal laws, such as the 200-mile limit, to protect American fishing interests, there has been a matching lack of representative figures.

Are foreign fishing vessels really out there, off the Maine coast?

Of course they are.

To illustrate, and perhaps give Congress something to really get its teeth into while deliberating forever on the 200-mile limit, we'd like to call attention to the following vessel counts appearing this month in Maine Commercial Fisheries:

"A total of 334 individual foreign fishing and support vessels from the Soviet Union (204 vessels), Poland (40), the German Democratic Republic (13), Bulgaria (8), Japan (13), Spain (48), Italy (7), and one from the Republic of Ireland was sighted off the New England and Middle Atlantic coasts during February 1975. This total represents a 30 percent (99 vessels) increase over January 1975 and a 9 percent (24 vessels) increase over February 1974."

Any questions?

For those who may have, the NEWS recommends viewing a special program on the 200-mile limit tonight at 9 p.m. on Maine public television.

PATRIOTIC PROGRAMS IN THE SCHOOLS

Mr. FANNIN. Mr. President, it seems that in the obsession with protecting the rights of a minority of people, the rights of the majority are sometimes trampled upon. This has happened in some of our school systems where patriotic ceremonies which a majority of students want have been abolished because a minority does not want to participate. Certainly I do not believe anyone who choses not to participate should be forced to do so. But I also believe that the ceremonies such as the Pledge of Allegiance should be offered regularly.

Mr. President, I ask unanimous consent to have printed in the RECORD two articles from last week's Arizona Republic which pertain to patriotic programs in the schools. The first article is a column by Bernie Wynn concerning efforts by veterans groups to get a new State law enacted. The second article reports on an award given to Miss Lori Cox for her devotion to patriotism and her efforts to promote patriotic programs in the schools and across the Nation.

Thre being no objection, the articles were ordered to be printed in the RECORD, as follows:

ONE MAN'S OPINION: VETERAN GROUPS PUSH PATRIOTISM IN SCHOOLS

(By Bernie Wynn)

I pledge allegiance to the Flag,
Of the United States of America,
And to the Republic for which it stands.
One nation under God, indivisible,
With liberty and justice for all.

It's a simple declaration of fealty to one's nation, but the pledge is creating a controversy because the state's veterans want it said daily in the public schools.

Senate Bill 1170, as it finally cleared the Senate Education Committee does not force pupils to line up each morning and recite the Pledge of Allegiance.

But it does require the schools to "set aside a specific time each day for the Pledge of Allegiance to the United States Flag."

Already in the law is the requirement that school authorities purchase a flag, flagstaff and necessary "appurtenances" and display the flag upon or near the school building daily during school hours.

The present law also requires the state superintendent of public instruction to provide schools with a program, including a salute to the flag and other patriotic exercises, with special attention to such birthdays as those of Washington and Lincoln and Memorial Day and legal holidays.

But spokesmen for the Joint Veterans Legislative Committee, which represents 21 Arizona veterans' organizations having a

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combined membership of more than 60,000 veterans, aren't happy with the present law.

Their complaint, as voiced by doughty Frank Rubens, legislative chairman of American Legion Post 41, is that many of the schools conduct no flag ceremonies at all.

Rubens, 75-year-old World War I Army veteran, is convinced, as are many of his colleagues that this is caused by the more vocal teachers opposed to any display of patriotism who instill a negative attitude in the minds of their pupils.

"It is important to inculcate respect for the flag of our nation," Rubens exclaimed. "We've fought for it, died for it and what do we have if we lose our patriotism?

"It's wrong for a few who are opposed to the pledge to deny the vast majority their right to express their patriotism," he added.

Sen. Frank Felix, D-Tucson, who voted against the measure as it cleared the Senate Education Committee by a vote of 6 to 3, said he has no objection to a weekly flag ceremony.

But he contended that to force children to go through a daily pledge has a "reverse effect," causing rebellion and disrespect.

Felix is chairman of the Senate Government Committee, to which the bill also is assigned. He said a crowded calendar precludes bringing the bill before his committee until late this month, which may be too late for it to make the long trip through the remainder of the legislative process.

Rubens said he has "strong commitments" from House leaders to pass the legislation if it gets out of the Senate.

To get an idea of how elementary schools handle the pledge matter, I called Robert Stanley, principal of Catalina School, where my children attend class.

Stanley reports that children from grades 1 through 6 recite the pledge each morning in their classrooms led by their teachers.

Very few teachers regard the exercise as "Mickey Mouse," Stanley reported. They dress it up to make the repetition acceptable to the children.

The junior high kids, the 7th and 8th grades, engage in a full-dress flag ceremony each Friday at 8:30 a.m. around the flagpole.

Boy Scouts wheel in the colors and the school band plays the National Anthem or a recorded version is played over the loudspeaker.

Then all the pupils recite the pledge, except for a few who remain silent for religious reasons. There is no kicking, pushing, spitballing or other distractions.

This seems to me an excellent compromise for Sen. Felix, who doesn't believe older kids will stand still for a daily pledge, and the veterans, who are concerned that patriotism be taught in the public schools.

If no action is taken in this session, Rubens said, veteran organizations will hold patriotic rallies all around the state to show lawmakers that parents want the legislation.

With people like Jane Fonda propagandizing on the other side, it seems to me children ought to be exposed to a little patriotism too. It might bring some balance to the scene.

Patriotic Group Honors Teen for Promoting Pledge to Flag

The Congress for God and Country on Saturday honored a 16-year-old high school student who has battled administrators, fellow students and the school board to promote the Pledge of Allegiance in her school.

Lori Cox, a junior at Coronado High School, was one of three persons honored Saturday at a noon luncheon at American Legion Post No. 1, 364 N. Seventh Ave.

The Congress for God aand Country describes itself as an organization with representatives from 25 veteran, civic and other groups that "foster and perpetuate a positive Americanism program through a positive patriotic approach."

The Rev. Allison Reid, pastor of the Union Institution Baptist Church, and John F. Bartell, superintendent of Pendergrast School in Tolleson, also were honored.

But it was Miss Cox who clearly drew the most response from the audience of legionnaires, members of Veterans of Foreign Wars and other civic groups.

They gave her standing ovations twice, first after she was presented with the God and Country Patrick Henry Award for promoting patriotism in the schools, and again when she was presented with an award from American Legion Post No. 1.

Miss Cox, daughter of Mr. and Mrs. Richard Cox, 7713 E. Wilshire, began a campaign alone last fall to require Coronado High School to provide time every morning for students to recite the Pledge of Allegiance.

When school officials turned her down, she went to the Scottsdale school board, which ordered that time be provided to recite the pledge every morning.

The order from the school board came after Miss Cox presented a petition signed by 2,800 persons. She and a few friends collected most of the names at meetings of civic groups and in front of supermarkets.

But the battle wasn't won, in the opinion of Miss Cox, because the school board voted on March 4, after hearing protests from student leaders, to reduce the time for a "patriotic observance" to once a week.

"Working to regain the Pledge of Allegiance has not been an easy task in my city of Scottsdale," Miss Cox said. "The majority of students wanted the Pledge of Allegiance in their classrooms but have been ridiculed for their display of patriotism and now many are afraid to come forward.

"The few who were in protest of the pledge were and still are well organized and are continuing their efforts to deprive the opportunity for a patriotic observance in our schools."

Miss Cox had found cartoons about her scrawled on the restroom walls. Messages callings her anti-American and a Communist were written on her school desk.

"That didn't make sense," she said.

Members of the student government have tried to discourage her, she said, and she was once showed by a student while at a school play with her mother.

Miss Cox told those honoring her Saturday that she is working on another project, a National Patriotism Week, which Rep. John Rhodes, R-Ariz., has agreed to support by introducing a bill in Congress.

Miss Cox said she wrote to more than 100 national leaders to win support for her idea, and quoted from a letter she wrote to President Ford explaining why a special observance of patriotism was needed:

". . . When some high school students were asked to write the Pledge of Allegiance, some wrote . . . 'I pledge a legion . . . invisable with liberty and judges for all . . .' "

After she finished speaking, the Congress for God and Country voted unanimously to support the call for National Patriotism Week.

Bartell, the Pendegrast School superintendent, was presented with the John Hancock Award for his efforts to promote patriotic observances in his school.

Mr. Reid was given the Four Chaplains Award, named for four chaplain heroes in World War II, for his activities to promote Americanism in the church. He has been active in numerous civic projects in south Phoenix.

MR. JUSTICE HOLMES

Mr. KENNEDY. Mr. President, on March 6 an exhibit opened at the Harvard Law School honoring the late Supreme Court Justice Oliver Wendell Holmes. Harvard's distinguished professor of constitutional law, Paul A. Freund, delivered the principal remarks at the opening, which took place on the 40th anniversary of Holme's death in 1935.

Professor Freund's accomplished legal background and his long experience as a student of Justice Holmes give him a unique appreciation of Holmes' career. Professor Freund's remarks contain a number of fascinating vignettes and reminiscences of Justice Holmes, illustrating the character and philosophy of one of the Nation's greatest judges.

Professor Freund noted Justice Holmes' fearlessness of change—"I have no belief in panaceas, and very little in sudden ruin"—an attitude the Justice applied to all of his endeavours. Professor Freund also emphasized the Justice's faith in the potentiality of the human spirit—as Holmes wrote in 1913:

> Beyond the vision of warring races and an impoverished earth, I catch a glimpsing dream of peace.

Justice Holmes' philosophy far transcends his generation. His timeless words and extraordinary example are an inspiration across the years to every new generation of lawyers and law students. One need only read a Holmes' opinion to see the first amendment come alive, to understand the dream that Holmes and the Founding Fathers had of the future of this country. His example serves us well in these difficult present days.

Mr. President, I ask unanimous consent that Professor Freund's remarks, along with a recent column by Carroll Kilpatrick in the Washington Post and a recent article in the New Yorker on the opening of the Holmes exhibit may be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks of Prof. Paul A. Freund

The first time I saw Justice Holmes was on a visit he made to the Law School, while I was a student, to inspect the full-length portrait of him by Charles Hopkinson that had recently been presented to the School. It is a magnificent image of the old Viking in him. Holmes looked at it steadily for a time, then said, "Well, it's not me, but it's a damn good thing if people think it is!"

The next time I saw Holmes, and the only time I ever met him, was in Washington in 1933, after his retirement. Tom Corcoran invited me to accompany him on one of his regular visits to the house on Eye Street. We went up to the second-floor study, where Holmes was seated, starched and stiffly erect in his ninety-third year, behind his desk. He wore a black cutaway and striped trousers, his skin was parchment, his hair luxuriant and silver, his cavalryman's moustachios abundantly flowing. To make conversation Corcoran said, "Mr. Justice, what should a young man in Washington do today; should he stay on, or go back to his home community?" Holmes responded, "O Tom, I am too old and out of things to have any views on that." Tom took him up. "That's nonsense, Mr. Justice, you are the primal flame to which we come to light our torches!" Holmes, who I think was not displeased, said slowly, "There may once have been a little spark, but now all is ashes." A deathly silence fell. Holmes had carried off his part in the metaphor brilliantly. The circle had been beautifully closed. There was nothing to add.

When we emerged to the street a little later, I asked Corcoran whether the Justice was always in so dark a mood. Of course not, Tom said: "He's just putting on an act."

(I had not then heard the story of Mrs. Holmes' remarking, "Wendell has found a new toy: despair.")

I was reminded of an episode two years earlier, in connection with Holmes' ninetieth-birthday speech. The Harvard, Yale and Columbia law reviews sponsored a radio program of tributes to the Justice. During the planning, he was asked whether he would be willing to make a response. To everyone's surprise he agreed, and broadcasting equipment was installed in the house on Eye Street. On March 8, 1931, he delivered his brief and deeply moving response, ending with the passage: "And so I close with the words of a Latin poet who uttered the message more than fifteen hundred years ago:

"Death plucks my ear and says, 'Live! I am coming.' "

There was great curiosity about the source of the verses, and a few days later the New York Times, omniscient even then, identified them as coming from a Vergilian, or pseudo-Vergilian, poem bearing the improbable title "The Syrian Dancing Girl." The mood was eat, drink and be merry, for tomorrow we die. Indeed, in the translation by Helen Waddell the lines read:

Set down the wine and the dice,
 and perish who thinks of tomorrow!
Here's Death twitching my ear,
 'Live,' says he, 'for I'm coming.'

At that time I had occasion, on behalf of my fellow-editors of the Harvard Law Review, to write to Holmes' law clerk, Robert Wales, to thank him for his labors in arranging the broadcast. I remarked that I was fascinated by Holmes' use of hedonistic verses for stoic purposes. Bob wrote back saying that he had read my letter to the Justice. "Did he notice it?" the Justice said. "Tell him I was quite aware what o'clock it was."

I do not mean to dwell on Holmes' sense of the dramatic, even the self-dramatic. These little episodes suggest a deeper trait, a creative playfulness of spirit. It manifested itself in his own writing and his talk, and it provided justification for his skeptical mind to champion the utmost freedom of expression in our constitutional order.

Within the chambers of the Court he carried off his labors with a jauntiness of spirit that disguised the meticulous care of his note-taking on the bench and his analysis of the issues. He found in Charles Evans Hughes, beneath the frosty exterior, a congenial spirit. On a draft opinion of Hughes in 1910 he wrote:

How sweet a countenance tyranny endues,
What reverent accents and what tender
 Hu(gh)es.
Such seeming modesty and justice blent
Smile at the futile claims of long dissent
So I expect to shut up.

(Those were the days when Justices sometimes did actually shut up.)

And in 1930, when Hughes had returned as Chief Justice, Holmes endorsed on a draft opinion of the Chief: "Wee Mussou—O.W.H. Ye crags and peaks I'm with you once again."

The jauntiness exhibited a fearlessness of change ("I have no belief in panaceas, and very little in sudden ruin") and no doubt served as an emotional discharge of pent-up disappointment and distress ("long years of doubt, self-distrust and solitude"). Like Robert Frost, Holmes was one not unacquainted with the night. When Brandeis chided him, "It is easy for those who have not suffered to scoff," Holmes was wounded. "I have known some suffering in my time" was his response. And when Dean Wigmore pilloried his dissent in the Abrams case, in an article entitled Freedom of Speech and Freedom of Thuggery in Wartime, Holmes simply remarked, "Doubtless Dean Wigmore knows much more about law than I do; but I think I know a little more about war than he does."

As Holmes' darkest moods were relieved by his gallantry of spirit, his skepticism was saved from aridity by a strong Puritan sense of duty ("the work never is done") and from cynicism by a romantic faith in striving. His horizons were not bounded by nation or class or time. His faith was in the potentiality of the human spirit. The predicaments of the present were only temporal. His vision was a distant one, as his poetic insight was startlingly prophetic. "Beyond the vision of warring races and an impoverished earth I catch a glimpsing dream of peace." That was written in 1913.

What relevance does this skeptical faith have for our time? Simply this, I suggest: that one can commit oneself heroically to action without being a "true believer"; that lack of certitude need not mean paralysis of will; that, as he put it, "the rule of joy and the law of duty seem to me all one." The joyous freedom of his mind, the grandeur of his life, the high way he took his mortality, makes him an exemplar for a time of searching.

[From the Washington Post, Mar. 12, 1975]

The Greatest Judge

(By Carroll Kilpatrick)

Forty years ago this month, two young Washington lawyers sat in a house on Eye Street and watched an old man, whose life spanned almost half the lifetime of this republic and who was three times wounded in the Civil War, die of pneumonia.

"We think we are the beginning of the universe," the old man once commented to Thomas G. Corcoran, one of the young men with him at the end. "But we are less than 200 years old in a civilization that goes back at least 6000 years."

"He was the greatest judge, greater than John Marshall," James H. Rowe, the other young lawyer and now Corcoran's partner, said the other day. They were reminiscing about Oliver Wendell Holmes Jr., who died on March 6, 1935, two days before his 94th birthday.

Last week at the Harvard Law School, there was a memorial for Holmes, and Prof. Paul A. Freund said that Holmes' "skepticism was saved from aridity by a strong Puritan sense of duty, and from cynicism by a romantic faith in striving."

In other words, Holmes' Puritan conscience kept his pessimism about mankind from defeating his purpose, and his sense of duty—together with his conviction that one must constantly strive to improve one's mind—kept him alert and striving to the end. As he once put it himself, "the rule of joy and the rule of duty seem to me all one."

In his speech last week, Freund said that Holmes had a "creative playfulness of spirit" that manifested itself in his writing and talk, "and it provided justification for his skeptical mind to champion the utmost freedom of expression in our constitutional order.

"Within the chambers of the court he carried off his labors with a jauntiness of apirit that disguised the meticulous care of his note-taking on the bench and his analysis of the issues."

When Holmes developed pneumonia, his doctor put him under an oxygen tent. To try to cheer the patient, and recalling the enormous impact the Civil War had on him, Rowe said: "Every soldier to his tent."

The old justice pulled his right hand from beneath the cover and thumbed his nose at the upstart law clerk.

Once when Corcoran, who also had been a clerk to Holmes, was talking to him, the Justice said "there were two guys on the court in your memory, boy, who knew what they were doing."

"You, of course," Corcoran commented.

"Of course," Holmes replied. When Corcoran couldn't guess the other, Holmes said:

"It was White (Chief Justice Edward Douglass White of Louisiana). Because White had been in the war on one side and I had been in the war on the other side, it was our business to see that there was never a civil war in the United States again."

"Now, one of the ways to prevent that is when you handle the hot social issues you never dramatize them. You handle them in such a way that you decide the particular case before you on as narrow ground as possible. You make no big talk about how this great right is being protected.

"White and I had a technique. He wrote opinions so long no one could understand, except the result; I wrote opinions so short no one could understand, except the result. But we edged the law along. No more Dred Scott decisions."

Both Rowe and Corcoran, in attempting to explain the Holmes mind and its great strength, agreed that the four years of battle had a profound effect on him. "He fought almost every day for four years, and most of his classmates were killed," Rowe said. "I think the Civil War was the making of him. And then his prodigious scholarship."

Holmes once said "there is nothing so salutary as commanding men under fire," Corcoran recalled. "You never are sure you are right," the justice went on. "But you have to act."

"The war made him understand that in the world of action you have to make decisions on insufficient information, but you make them hard," Corcoran said. "With all his grace, all his challenge—and he was a man of great humor—he had the old Puritan ethic and sense of duty."

Corcoran was present on the famous occasion in 1933 when the new President, Franklin D. Roosevelt, called on Holmes at the house on Eye Street. When the President asked him why he was reading a difficult book he saw on the table, the justice replied: "To improve my mind, Mr. President."

When the President left, Corcoran asked Holmes what he thought, and the justice replied: "Son, he's an exact copy of his Cousin Theodore. Remember, Theodore said to me when I wouldn't decide the Northern Securities' case the way he wanted it that he could carve a justice with more backbone out of a banana.

"He's like Theodore—a second class intellect but a first class temperament, and what this country needs now is the Roosevelt temperament."

In addition to sitting on the Massachusetts Supreme Court for 20 years and the Supreme Court here for 29 years and writing hundreds of decisions, Holmes wrote countless letters as well as books and a few speeches. They contain some of the wisest words in the English language: "Life is action, the use of one's powers. And to use them to their height is our joy and duty, so it is the one end that justifies itself . . . Life is a roar of bargain and battle; but in the very heart of it there rises a mystic spiritual tone that gives meaning to the whole, and transmutes the dull details into romance." Or "the minute a phrase becomes current it becomes an apology for not thinking accurately to the end of the sentence."

Most famous of all: "The life of the law has not been logic; it has been experience."

A few days before Holmes died, he began looking for a commonplace book he had kept about his family and in which he listed all the books he had read, with notes on many of them. He thought it was too personal and that it should be destroyed. Corcoran hid the book, then pretended to help Holmes look for it.

"When he died, the first thing I did was

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take that book," Corcoran said. "The next day I sent it to the Harvard Law Library, where it is to this day. If you did nothing else for the next 10 years but read the books listed in it you couldn't begin to go through them all."

"Dean Acheson said that Holmes and Gen. George Marshall were the greatest men he ever knew," Rowe said. "I can't think of anyone who came near him intellectually."

In a Memorial Day address in 1884, Holmes, the son of a poet, grew eloquent: "Our dead brothers still live for us, and bid us think of life, not death—of life to which in their youth they lent the passion and glory of spring. As I listen, the great chorus of life and joy begins again, and amid the awful orchestra of seen and unseen powers and destinies of good and evil our trumpets sound once more a note of daring, hope and will."

[From The New Yorker, Apr. 14, 1975]

THE GREAT SPAN

"Sonny, I am not an anvil on which you can beat out your impressions of life."—Justice Oliver Wendell Holmes, Jr., to one of his young legal secretaries, who was plaguing him with questions like "Was J. P. Morgan smart?" "Was Andrew Carnegie intelligent?"

From 1902 to 1932—the years when Oliver Wendell Holmes, Jr., sat on the Supreme Court of this country—the biggest thing that could happen to a bright young fellow at the Harvard Law School was to be asked to spend a postgraduate year as Holme's legal secretary. Holmea took on one secretary a year, for a year. The secretaries were always Harvard men, because Holmes was a Harvard man (A.B. 1881, LL.B. 1866) and because—in the later years, at least—the man who selected the secretaries for Holmes was Harvard Law Professor Felix Frankfurter, who also had the job of scouting clerks for four other federal judges of great distinction: Louis D. Brandeis, of the Supreme Court, and three circuit judges, Julian Mack and the Hand brothers, Augustus and Learned. Many of Brandeis's clerks did all right in later life—Dean Acheson, for instance, and David Riesman, and Paul Freund, the illustrious Constitutional scholar at the Harvard Law School. All of Justice Holmes's secretaries went on to fame and/or fortune—there was an Attorney General, a president of U.S. Steel, the secretary general of the United Nations organizing conference in San Francisco, a head of the Federal Reserve Bank in New York, three Harvard law professors, an Under-Secretary of the Treasury, a British barrister, the drafter of the Securities Exchange Act. And so forth. The secretaries worked hard for Holmes and had little time for girls or parties. They made some money, but not very much. And for the rest of their lives they probably all looked back on the year with the old man who called them "sonny" and "idiot boy" as the most important think that ever happened to them.

Ten of Holmes's bright young fellows are still alive, and recently, on the fortieth anniversary of his death, seven of them sat down to lunch together at Harvard. The youngest people at the table, by far, were the Dean of the Harvard Law School, the Law School's Librarian, the Curator of Manuscripts and Archives at the Law School—the hosts of the affair—and us. The oldest man in the room, by some years, was Professor Emeritus Austin Wakeman Scott, who has been teaching at the Law School since 1909, whose casebook on trusts, which he still revises annually, is more famous among lawyers than the Bible, and who, as Scotty, was one of the favorite law professors of all the Holmes secretaries present. They remember him dancing up and down in class after one of their answers and shouting with delight, "No, no, no Just the opposite! *Just the opposite!*"

There is a Hindi word, *darshan*, which is taken these days to mean "sitting at the feet of a master." It really means "breathing the same air." All seven of the secretaries who turned up for the lunch—the oldest was eighty-three and the youngest sixty-eight—spoke of "the Justice" as if he were in the next room and they had just finished talking to him, or being bawled out by him. They all remembered exactly what he had said to them, how he had stood when he said it, his pink-and-white complexion, his suit, his tone of voice, his bristling white cavalry mustachios, and what he had had for breakfast that morning. The secretaries present were: Chauncey Belknap, a distinguished New York corporation lawyer; Laurence Curtis, former congressman from Massachusetts; Thomas Corcoran, the well-known Washington corporation lawyer and former New Dealer; H. Chapman Rose, tax lawyer, Under-Secretary of the Treasury under Eisenhower, and tax consultant for a few weeks last year to ex-President Nixon; Robert Wales, another prominent New York corporation lawyer; Alger Hiss, secretary general of the United Nations organizing conference and now a printing salesman in New York; and Alger's brother Donald Hiss, a celebrated tariff lawyer in Washington. The Hiss boys were the only brothers ever to serve as Holmes secretaries.

Dubonnet as well as sherry is now served before Harvard lunches, which shows that things do change, and as the great bell in the Memorial Church in Harvard Yard tolled high noon, the secretaries picked up glasses and tried to recognize each other. "Oh, for gosh sakes, Alger!" said Thomas Corcoran (Tommy the Cork). "You've lost all your hair. See me. All my hair is still here."

"Chauncey!"

"Long time no see!"

"I can't get over it. He used to be much younger."

Thc secretaries were wearing three-piece blue suits, except for the kids—the secretaries in their sixties, who were wearing two-piece blue suits.

"You could talk about anything to Holmes," Professor Scott said to Alger Hiss. "Brandeis was much more austere. I once asked Holmes, when he was in his nineties, and apropos of what I do not know, 'Mr. Justice, how old a man do you conceive God the Father to be?' 'About seventy,' he said. 'Young enough to be vigorous but old enough to be wise.'"

"When I was with him," said Alger Hiss, "he was reading Thucydides in the original, and I asked him why. 'When I appear before *le Bon Dieu*, he said, 'He may say to me, "Holmes, can you recite on Thucydides?" If I have to say, "No, Sire," think what a fool I'd feel.'"

"I've always wondered," said the Professor, stuffing a pipe, "why lawyers pronounce Latin—which is our language, not Greek—so differently from everybody else. Neither of my parents spoke legal Latin. My father later learned to talk the way we did, but my mother never did. As a result, I was never able to speak as freely with her."

Luncheon was served. Turkey with cream sauce and asparagus and rice. We asked the secretaries if they had ever guessed they would be chosen by Holmes.

"Hell, no," said Chapman Rose.

"I've been trying to figure out for forty years why I got picked," said Donald Hiss.

"The first I knew about it," said his brother Alger, "was when he wrote me telling me I had the job. The letter said, 'You realize at my age I must reserve the right to die or resign.' He had just turned eighty-eight."

"Oh," said Chauncey Belknap, who had clerked for Holmes when the Justice was only seventy-four, "he started putting that sentence in the letter when he was sixty."

Talk turned to the Civil War. Holmes was wounded three times in the war, and was left for dead at Ball's Bluff at the age of twenty. Lieutenant Holmes was shot in the breast at Ball's Bluff and lay on the south bank of the Potomac wondering if he had been shot in a lung. His father, the famous Dr. Holmes of Boston, had told him that a punctured lung was invariably fatal and an agonizing death, and had given his son a bottle of poison to carry with him into war for use in case of a lung wound. The Union forces were routed at Ball's Bluff and retreated north across the Potomac. Holmes watched the wounded being ferried across the river, and thought about being left behind, and moaned, "How will I get to the other side? How will I get to the other side?" His sergeant, who happened to be nearby, said, "What's the matter, Holmesy?" "I don't know where I'm going to go from here." "Well, Holmesy," said the sergeant cheerfully, "you don't have to worry about that. You believe in Jesus Christ and all that, don't you? You'll be all right."

The sergeant left him for dead. "'I got so damn mad that I decided to live,'" said Donald Hiss, telling the story as Holmes had told it to him. "'If somebody had told me that day that seventy-two years later I would be talking to a smart young lawyer from the Harvard Law School, I wouldn't have believed him, but, man, I am!'"

The stories poured out. Early in the war, Holmes, on horseback, was carrying a message down a lonely road in Virginia at dusk. A Confederate soldier rode up from the other direction, but it was too dark to make out his uniform, and Holmes didn't know what he was until, as they drew even, he heard the clicking of the other man's pistol, which failed to fire.

Two years later, Holmes's regiment, the Twentieth Massachusetts Volunteers, was camped on one side of a very big cornfield for several days. The rebels held the other side. The corn was just coming on, and officers on both sides rode out to pick roasting ears. The Northerners were ordered to attack. "Cap'n," said a man to Holmes, "I was just out picking corn, and I told the rebs nothing was going to happen for twenty-four hours. Can I give them a warning?" Holmes said yes. The man yelled, *"Run like the devil, Johnny Reb, 'cause hell's going to break loose in a minute!"*

Paul Freund, who was a guest at the secretarics' lunch, said that Holmes learned during the war that doubters were as brave as believers, that poor men without advantages were often better leaders of men than Harvard grads. "I don't think any of the anniversaries of the great battles went by without his remembering them," said Representative Curtis. "We all imbibed that tremendous sense of the continuity of history—that we were all part of one woven strip."

"Yes," said Alger Hiss. "The great span. I sat there as a young man listening to him tell me about how his grandmother had seen the British march into Boston as a little girl. The mirror in the Justice's sitting room had hung in his father's house on Beacon Hill—the house requisitioned by the British for their Boston headquarters during the Revolution. He would look at it and say, 'Sometimes I look in and think I see Lord Howe's bewigged face. Do you see it? Do you see it?' Every day with him was a lark."

After lunch, there was a short ceremony in the Treasure Room of the Law School Library. Professor Freund praised Professor Morris Cohen, the Law School Librarian, and Erika S. Chadbourn, Curator of Manuscripts and Archives, for their work in assembling a great retrospective exhibit of Holmesiana which the Law School is now presenting. Professor Freund said Holmes had had no belief in panaceas and very little in sudden

ruin, and mentioned his jauntiness, his sense of duty, and his meticulous analysis of the cases before him. "He had a certain creative playfulness of spirit, which Erik Erikson says is one of the qualities of adulthood," said Freund, and he quoted two sayings of Holmes's: "The life of the law has not been logic: it has been experience," and "The rule of joy and the law of duty seem to me all one."

A recording was played of Holmes's only radio broadcast, made on his ninetieth birthday, in 1931, at the end of a program of tribute:

"In this symposium my part is only to sit in silence. To express one's feelings as the end draws near is too intimate a task. But I may mention one thought that comes to me as a listener-in. The riders in a race do not stop short when they reach the goal. There is a little finishing canter before coming to a standstill. There is time to hear the kind of friends and to say to one's self: 'The work is done.' But just as one says that, the answer comes: 'The race is over, but the work never is done while the power to work remains.' The canter that brings you to a standstill need not be only coming to rest. It cannot be, while you still live. For to live is to function. That is all there is in living.

And so I end with a line from a Latin poet who uttered the message more than fifteen hundred years ago: 'Death plucks my ear and says, "Live—I am coming."'"

DIRTY TRICKS UNDER THE "FAIRNESS DOCTRINE"

Mr. HRUSKA. Mr. President, Mr. William F. Buckley, the distinguished conservative columnist, has written an interesting article published in the April 7, 1975, edition of the Omaha World-Herald.

In his column Mr. Buckley discusses Democratic "dirty tricks" using the Federal Communications Commission's "fairness" rules. Mr. Buckley comments on the recent article published by Fred W. Friendly, in which the former CBS news executive, now journalism professor, revealed how the so-called "fairness doctrine" has been systematically used by several administrations as a powerful political weapon to intimidate certain broadcasters critical of the programs and policies of those administrations.

I quote Mr. Buckley:

Not unexpectedly, Friendly has always been alarmed by the so-called fairness doctrine of the Federal Communications Commission, interpreting a congressional statute of 1949. Drastically compressed, what you have floating about is a legislative-administrative-judicial thundercloud that now and then looses a bolt of lightning against this tiny little radio station, or that mastodonic television network, in punishment of inadequately complying with the inexactly articulated doctrine that the airwaves cannot be used either to defame a particular person, without giving him the chance to reply; or to represent a particular point of view so strenuously as directly, or indirectly, to suggest that alternative points of view either don't exist or are not worth the attention of serious people.

What Friendly has always been afraid of is that the Federal Communications Commission, or the courts themselves, will actually reach down into the editor's desk and do the editing of a particular show, or series, to assure "fairness." He is absolutely correct that no single program on television (or article in a magazine) can be successfully edited by attorneys for both sides of any question.

In recent months there has been a general rethinking about the "fairness doctrine" and its implications on the free press in America. Such distinguished jurists as Supreme Court Justice William O. Douglas and Chief Judge David L. Bazelon, of the U.S. Court of Appeals for the District of Columbia, have warned of the consequences of the "fairness doctrine" and the "chilling effect" that such a rule has had on broadcast journalism. Many commentators have called for the elimination of the "fairness doctrine" altogether.

In my remarks upon introduction of S. 1178, my bill to guarantee a "fully free press" by providing the electronic media the panoply of constitutional rights enjoyed by the printed media, I urged the Congress to reexamine, in light of the first amendment, those rules and regulations governing broadcast licensees.

In light of Professor Friendly's exposé and the observations of William Buckley and others, I believe that it is time for the Congress to take deliberative but decisive action on this issue of profound constitutional importance.

I am pleased that the Senate Commerce Committee has scheduled hearings later this month on the "fairness doctrine." I look forward to the testimony and insight which these hearings should provide.

Mr. President, I ask unanimous consent that the full text of William Buckley's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORTHY OF A WATERGATE COMMITTEE—DEMOCRATS' DIRTY TRICKS OF THE SIXTIES REVEALED

(By William F. Buckley, Jr.)

Fred Friendly, professor at Columbia and mogul at the Ford Foundation, is, unhappily, a liberal of stubborn integrity, which is in this case defined as someone who believes that even people who disagree with him have the right to be heard. This position is as widely proclaimed by American liberals, particularly those in university faculties, as it is violated.

Friendly made his reputation as the theatrical genius behind Edward R. Murrow, whose highly tendentious, highly inflammatory, highly successful series, "Person to Person," Friendly wrote and produced during the Fifties, initiating what we now accept as "television journalism."

Not unexpectedly, Friendly has always been alarmed by the so-called fairness doctrine of the Federal Communications Commission, interpreting a congressional statute of 1949. Drastically compressed, what you have floating about is a legislative-administrative-judicial thundercloud that now and then looses a bolt of lightning against this tiny little radio station, or that mastodonic television network, in punishment for inadequately complying with the inexactly articulated doctrine that the airwaves cannot be used either to defame a particular person, without giving him the chance to reply; or to represent a particular point of view so strenuously as directly, or indirectly, to suggest that alternative points of view either don't exist or are not worth the attention of serious people.

What Friendly has always been afraid of is that the Federal Communications Commission, or the courts themselves, will actually reach down into the editor's desk and do the editing of a particular show, or series, to assure "fairness." He is absolutely correct that no single program on television (or article in a magazine) can be successfully edited by attorneys for both sides of any question.

It is the historical application of the fairness doctrine, and the record of the FCC and the courts concerning it, that brought Friendly to write a book, an excerpt from which was featured in the New York Times Magazine, wherein Friendly reveals fascinating information he came upon in the course of his researches.

Fascinating particularly in the post-Watergate Age. Very simply, what he exposes is a huge dirty trick enterprise of the Democratic party under the leadership of Presidents John Kennedy and Lyndon Johnson in 1963 and 1964.

What happened is that the Democratic National Committee, under the prodding of the White House, decided to take advantage of the fairness doctrine by stimulating complaints against hard-right radio commentators, of the stripe of Billy James Hargis.

To accomplish this, they (1) set up a phony committee, apparently divorced from the Democratic party but in fact funded by it; (2) laundered a pile of party money and slithered it into that committee; (3) appended that committee to a dormant tax-free committee, in order to lubricate the operation, make it less painful for the donor and less obvious to political sharp-shooters; (4) gulled Arthur Larson, a prominent Republican innocent close to Eisenhower, into heading the committee, without tipping him off to the fact that it was an undercover para-political operation of the Democratic party; (5) subsidized a left-hack polemicist to originate the alleged complaints, which were then directed under the fairness doctrine to the FCC; and, while he was at it, to write a scurrilous book about Sen. Goldwater which was subsidized in exactly the way that the book about Justice Goldberg was subsidized by one of the Rockefellers.

There is no doubt, Friendly quotes one of the principles, that if what they did in 1963–1965 had been done ten years later, the lot of them would have made splashy appearances before the Watergate Committee, and—I add—probably before old Maximum John.

Friendly's larger thesis, elaborating the dangers of any particular supervision by the courts of individual radio and television programs, mustn't be lost in the general excitement. But one hopes that the liberal moralist on night-duty for the Establishment will take the time to express an appropriate shame and contrition over hypocrisy, deception, and unlawfulness of the Democratic creeps of ten years ago.

MONTANA LEGISLATURE RESOLUTION URGES ACTION ON WORLD FOOD FRONT

Mr. HUMPHREY. Mr. President, I would like to share with my colleagues the House Joint Resolution No. 7 as forwarded to me by Mr. Frank Murray, Secretary of State of the State of Montana.

The resolution of the Senate and the House of Representatives of the State of Montana requests support on the part of the President, the Senate, and the Montana congressional delegation regarding the provisions of this resolution.

I am pointing out this resolution, because of the broad view which it takes in terms of envisioning the need for long-range programs and solutions to deal

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with the problem of food and agriculture in the developing world.

The resolution recognizes that it is not sufficient to merely foster economic growth. Development must reach the "little farmer" and reduce the gap between the wealthy and poor. We have discovered in this country that the trickle-down theory often results in very little trickle for the most needy.

The resolution goes on further to stress the need for technical assistance to encourage and stimulate food production in the developing countries.

And, further, food assistance under the food for peace program is an important step in meeting the immediate short-term problem of hunger. The resolution also recognizes the importance of U.S. trade policies, the need to assure a fair return for our American farmers and ranchers and the impact which corporations can have on the free market system.

I wish to commend the members of the Montana Legislature for their thoughtful contribution toward dealing with this problem, and the clear recognition that concerted action is needed in a number of areas to increase the availability and quality of food throughout the world.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

A joint resolution of the Senate and the House of Representatives of the State of Montana requesting the President of the United States, the United States Senate bipartisan ad hoc committee on the world food crisis and Montana's congressional delegation to foster and sponsor the included provisions of this resolution directed at resolving the world food crisis

Whereas, the world food crisis is part of the larger pattern of global interdependence. The crisis is linked directly and systematically with questions of environment, population, economic relationships, political, and military power.

Whereas, world hunger and malnutrition are part of this complex pattern and must be attacked on two levels: immediate assistance programs to prevent starvation in many regions in the world; and a long-range program to increase food production, especially in less industrialized nations.

Whereas, the long-range program must strike at the root problem of underdevelopment which plagues the peoples of many nations. Plans for agricultural and livestock development require cooperation by the United States government, the poorer nations, the FAO and voluntary agencies including all religious faiths.

Whereas, it is not enough, however, that such development merely foster economic growth. Development must significantly reach the "little farmer" and so-called marginal people, and reduce the gap between the wealthy and the poor.

Whereas, moreover, the food crisis poses for the United States, both domestic and international implications. An appropriate legislative response for the United States must include the series of interrelated activities at the level of public policy—legislative program, community information and education.

Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

Acting through this joint august body, a program of public discussion be proposed directed toward influencing appropriate executive and legislative action which, in a systematic and organized way, will seek to achieve national policies effectively dealing with the food issue, internationally and domestically.

The fundamental premise of the program is that food is a unique commodity and a sacred resource. The guidelines for legislative initiatives meriting the support of this august body are as follows:

First, increase genuine agricultural and livestock development overseas; technical assistance and development programs must be expanded to promote greater food production for less industrialized nations;

Second, increase funding for Food for Peace (PL480); as an immediate step, increase substantially food allocations through Title II of Food for Peace (Humanitarian Aid) and resist efforts to use food as a political and strategic weapon;

Third, modify U.S. trade policies to lower trade barriers and to provide just prices for imports from poor countries. Special trade preferences for these nations' exports and substantially increased adjustment assistance for adversely affected U.S. workers and industries must be part of this revised trade policy;

Fourth, assure American farmers and ranchers of a fair return for their capital and labor. The productivity and viability of American agriculture must be maintained. Serious disruption of this sector of the economy could adversely affect the world food crisis;

Fifth, promote more equitable distribution of resources in the United States. Areas of legislation in this regard are the following: expanding programs of food stamps and school lunches, providing special assistance to the elderly, the unemployed and the poor, revising income tax burdens and to restructuring land use policies.

Sixth, protect both family farmers who are often subject to severe economic pressures in the agricultural chain of food production, processing and sales, and also consumers in middle and lower income categories;

Seventh, modify the operation of the free market system, especially the impact of the large corporation, when it stands in the way of justice;

Eighth, since the food crisis is a long-term problem as well as an immediate concern, it will be necessary to keep the structural dimensions of the issue, both in its factual and moral aspects, before the public, and

Be it further resolved that copies of this joint resolution be sent by the Secretary of State to the President of the United States, the United States Senate Bipartisan Ad Hoc Committee on the World Food Crisis; Senators Hatfield, Clark, McGovern, Case, and Humphrey; also, members of the Montana Congressional Delegation; Senators Mansfield, Senator Metcalf, Representative Melcher, and Representative Baucus.

THEY'RE NOT FORGOTTEN

Mr. FANNIN. Mr. President, all of us are deeply concerned about the evacuation of U.S. citizens from South Vietnam and the relocation of refugees who face death if they fall into Communist hands.

In our preoccupation with this problem we should not forget there is another group of men—the unaccounted for U.S. servicemen who were missing in action or prisoners of war.

Mr. President, the Holbrook Tribune News in its April 10, 1974, edition carried a very timely reminder. I ask unanimous consent to have this brief article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THEY ARE NOT FORGOTTEN

While we are rightly concerned about the fate of millions of the Vietnamese people, we are still also concerned about the fate of approximately 1300 American men who are still either listed as prisoners of war or missing in action.

Two years ago when the Paris agreements were adopted by the parties involved in the conflict at that time, the Communists said they would assist in helping locate and account for these men.

What happened is history. And it is history we should never forget. Along with their families, there are millions of Americans who have not forgotten these men and their sacrifices.

PATROLMAN GEORGE A. FREES MEMORIAL FUND

Mr. BUCKLEY. Mr. President, I wish to call attention to a unique, private memorial fund that was established a few years ago in Suffolk County in my home State to assist families of police officers slain while serving their communities.

The George Frees Memorial Fund was the first of its kind in the country, and represents an unusual tribute to the police officers on whose day-to-day courage we all depend. I hope that the example set by the people of Suffolk County is being and will be emulated elsewhere.

Mr. President, I ask unanimous consent that there may be printed in the RECORD a copy of the remarks I delivered last year at the fourth annual dinner of the George Frees Memorial Fund.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS DELIVERED BY U.S. SENATOR JAMES L. BUCKLEY AT THE PATROLMAN GEORGE A. FREES MEMORIAL FUND, SUFFOLK COUNTY, N.Y.

I want to take this opportunity to thank you all for the chance to be with you tonight and to join in paying tribute to the memory of a brave man.

We know that Patrolman George Frees was "killed in the line of duty." I think tonight we should remind ourselves precisely of what that word "duty" represents. For policemen it represents a fervent commitment to public service, a realization that society cannot long endure without the willingness to defend it, and an absolute conviction that the rule of law is sacred. This is what duty meant to Patrolman Frees. This is why the phrase "killed in the line of duty" is so noble an epitaph.

In recent years there has been so much written and said about the debt we owe to our police that I hesitate to add any more. Yet there was a time, not too long ago, when many respectable public figures in the United States were ridiculing the call for law and order.

We were told that such a call was a "codeword" for disreputable attitudes. We do not hear those charges made today because practically everyone now admits that there is a problem of law enforcement. But through it all, through criticism and abuse and the scorn of the intellectual elite, the man who walked the beat, the one who answered the dangerous call, never wavered. It is said that each age, each generation gets the heroes it deserves. We have been more fortunate. Our heroes—the uniformed patrolmen—have been much more than our age deserves.

This was brought home to me recently by an article that appeared in the *FBI Law Enforcement Bulletin*. It was written by Dr. George L. Kirkham, assistant professor of the school of criminology, at Florida State University. Dr. Kirkham decided that although he knew quite a bit about law enforcement from an *academic* viewpoint, he really didn't know what it was like to be a policeman in the line of duty. So this professor, to his eternal credit, actually became a policeman.

He learned, in the streets of the city, that his sheltered academic views of a policeman's work simply had no relation to the harsh reality a policeman has to face every day. He learned from first-hand experience, and I quote:

"Whatever the risk to himself, every police officer understands that his ability to back up the lawful authority which he represents is the only thing which stands between civilization and the jungle of lawlessness . . ."

He went on to write,

"As a police officer myself, I found that society demands too much of its policemen: Not only are they expected to enforce the law, but to be curbside psychiatrists, marriage counselors, social workers, and even ministers and doctors. I found that a good street officer combines in his daily work splinters of each of these complex professions and many more.

"Certainly it is unreasonable for us to ask so much of the men in blue; yet we must, for there is simply no one else to whom we can turn for help in the kind of crises and problems policemen deal with. No one else wants to counsel a family with problems at 3 a.m. on Sunday; no one else wants to enter a darkened building after a burglary; no one else wants to confront a robber or madman with a gun. No one else wants to stare poverty, mental illness and human tragedy in the face day after day, to pick up the pieces of shattered lives . . ."

This is what the line of duty means to every policeman. That is what is meant to George Frees. That is what we pay tribute to tonight.

There is one other aspect of this gathering I would like to speak of. There is something uniquely and refreshingly American about the fund that has been created by the people of Suffolk County in memory of Patrolman Frees. In perhaps no other nation in the world is there a stronger tradition of voluntary, free association for humanitarian and educational purposes. This point was brought home to me some months ago. I saw on television the Russian gymnast team then touring the United States. One of the Russian gymnasts was being interviewed by an American newsman through an official Russian interpreter. The newsman asked, "Do you belong to any private gymnastic groups in your country?" Before the gymnast could answer, the Russian interpreter snapped, "There are no private organizations in the Soviet Union." Think of that for a moment. A nation of 250 million human beings and not a single private, voluntary institution of any kind.

So tonight we honor not only a man, not only a proud profession, but a basically American way of doing things. I think it is important to remember that, because from time to time we tend to forget that it is not the state or the national government, but each one of us who is charged with the sacred duty of being his brother's keeper in time of need.

What have you accomplished here represents far more than the setting up of an educational fund, praiseworthy as that is. The voluntary means by which you set it up is as important as the laudable end for which it was created. What this fund gives is not only tuition for education, but something more important: it gives testimony to the neighborly spirit and deep bond of friendship and love that can come only when people freely join together to accomplish a worthy purpose.

Thus, all of you who have helped to create and sustain the George A. Fress Memorial Fund also are, in a sense, acting in the line of duty. This duty is the one we all have as American citizens, as neighbors, as inheritors of a great tradition, to voluntarily and generously support worthwhile causes. The people of Suffolk County can be proud of the fact that this organization is the first of its kind in the country. And they can take even more pride from the fact that all this was done, in the words of Lincoln, of the people, for the people and by the people of this community. Not by big government. Not by big brother. Not by the cold, clammy hand of State charity but by the warm, human love of neighbors and friends.

There are pessimists and doomsayers both in and out of Washington who say that our country is in trouble, that we have lost what has been described as the "first, fine careless rapture" that made our country great. If I hear any of this talk from now on, I'll simply say: go to Suffolk County. Go to the people who have made the George A. Frees Memorial Fund such a success. Go there and you will find out, as I did, that the spirit of our nation is alive and well. For this, and for so much else, I want to thank you all.

IMPROVING HEALTH CARE DELIVERY IN RURAL MINNESOTA—TRAINING FOR THE FUTURE

Mr. HUMPHREY. Mr. President, for some time now we have recognized that there is a serious nationwide maldistribution of doctors. This problem is particularly acute in the rural areas of our Nation where many communities—even counties—are without the services of an active physician.

A number of medical schools, including the University of Minnesota, have orientation programs that send medical students to small towns for up to 6 weeks. But the Minnesota rural physicians associate program is the first—and so far the only one in the Nation—to put students in such towns for 9 months or a year.

Since the rural physician associate program was launched in the fall of 1971 by the medical school's Department of Family Practice, 130 students have participated, and it has begun to pay its first dividends. Of the 23 students in the program the first year it was offered 1971–72, 7 have finished all their medical training—and all seven are now practicing in outstate Minnesota towns. Fourteen others in this group are still medical training programs and all have plans to practice in small towns. One plans a career in medical administration and will work on new ways to deliver health care to small towns. Only one student dropped out.

Of the students in subsequent years of the program, a conservative estimate is that at least 75 percent are now planning to practice in outstate Minnesota when they finish their medical training.

The program is yielding dividends to practicing physicians in these towns as well. Doctors in outstate Minnesota towns are extremely willing to help train medical students. Participation in the program carries a designation of clinical assistant professor and according to one "It stimulates me to keep up with recent advances in medicine." Students' questions "make you think" and periodic visits by University of Minnesota Medical School faculty members are "professionally stimulating."

I commend to the attention of my colleagues a recent article by Lewis Cope which describes this program through the experiences of Bob Hodapp, a University of Minnesota medical school student currently participating in the rural physician associate program in Luverne, Minn.

Mr. President, I ask unanimous consent that the text of "Learning Medicine in Luverne" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEARNING MEDICINE IN LUVERNE

(By Lewis Cope)

LUVERNE, MINN.—Bob Hodapp, 24, has been busy here for the past six months, delivering babies, helping patients with problems ranging from strep throats to heart conditions, assisting in surgery—and in various other ways learning just what it's like to be a doctor in a town of 4,703 people.

Hodapp is n't a doctor—yet. But the pioneering program he's in could mean a lot for doctor-short oustate Minnesota.

Hodapp is one of 37 third-year medical students from the University of Minnesota Medical School, Minneapolis, who currently are learning by working with family-practice physicians in small towns scattered across the state.

These 34 young men and three young women are receiving academic credit for the nine to 12 months each is spending in a town under the Rural Physician Associate Program. They will return to Minneapolis next fall for their fourth and final year of medical school.

This unique experience is expected to persuade most if not all of them to practice in small Minnesota towns where doctors are sorely needed. If it works—and indications are that this program, begun in 1971, is working well—it could reverse the national trend of more and more young doctors hanging up their shingles in large cities.

"The patients really accept Bob as a doctor," said Dr. Paul Rud, 38, the family physician in Luverne who has taken Hodapp under his wing for this year of combination work and study. "Bob is called 'Dr. Hodapp' by most patients, even though we've made it clear that he's a student doctor," Dr. Rud said.

"It's really starting to get fun," said Hodapp, a stethoscope dangling from his coat pocket. He explained that some patients now phone for him rather than the doctors he is working with here.

Hodapp assists in survey once or twice a week. He has his own call light at the 42-bed Luverne hospital, where he makes daily rounds with Dr. Rud and handles some follow-up care on his own. And he has helped deliver 25 babies since arriving in this southwestern Minnesota agricultural community last September.

Hodapp and Dr. Rud, for example, worked together as a team to bring 7-pound, 12-ounce Angela Elizabeth Peterson into the world at 10:45 p.m. on Feb. 12.

"I sure was glad we had both of them there," said the mother, Mrs. Mary Peterson, from her hospital bed a couple of days later. Her husband, Dave, is one of the basketball coaches at the high school here.

Hodapp also is assigned his own examining room in the medical office building where Dr. Rud and four colleagues practice.

At first, Dr. Rud watched and helped as Hodapp examined every patient. Now, while they still see many patients together, Hodapp sees patients with common problems like sore throats and earaches on his own.

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But Hodapp and Dr. Rud confer regularly throughout the day, and Dr. Rud later checks each patient's chart. As Dr. Rud put it:

"I don't tell him everything to do, but I am here to help. Bob isn't an aggressive type who thinks he can do everything—that could be trouble. His learning has been a gradual process.

"When he first came here, he couldn't even get the needle through the skin to sew up a cut. But he's sewn up a lot of cuts since then. And done a lot of other things. He has developed a lot of ability and confidence."

In January Hodapp even started taking some of the night phone calls for the five-physician group. He can handle some of the patients' calls on his own, but there's always one physician on alert either to advise Hodapp or to handle the case if necessary.

Book learning isn't forgotten. Hodapp tries to spend two hours a day studying textbook references about the cases he's seeing. But the way he's learning here is far different from what it would have been if he had spent this year in school in Minneapolis.

Medical schools often have been criticized for their hospital-based training programs that are run by specialists and often emphasize tough, unusual cases; Hodapp is seeing the real world of a family doctor and the satisfaction it offers.

"You have to be a little more independent and resourceful in a small town, but that's professionally rewarding." Hodapp said.

Third-year medical students in the traditional university-hospital setting see some patients and may observe some surgery; Hodapp's education in Luverne not only puts much greater emphasis on practical experience, but he's part of a team here rather than just being an observer.

Hodapp said this year has helped convince him that he's interested in practicing in a small town. He comes from Willmar, where his father is a doctor, so a small town is not new to him, but officials of the Rural Physician Associate Program note that in the past many small-town natives ended up practicing in big cities.

Besides showing him that a small-town medical practice can be both fun and professionally satisfying, the program has provided a special bonus for Hodapp and his wife, Connie, who have a 16-month-old daughter, Julie. When the Minnesota Legislature set up the program, it provided that each student would receive $5,000 from the state to cover living and other costs in the small town.

The participating doctors also pay each medical student $2,500 for the first nine months in the town and more if the student decides to make it a full 12-month stay as Hodapp plans. Dr. Rud and the four other doctors in the group are jointly providing this part of Hodapp's compensation.

"It's a nice feeling to be making money (at medicine)—when until now it's been going the other way," said Hodapp, recalling that he had been working part-time while in Minneapolis to meet his living and tuition expenses.

Why would doctors in Luverne and other outstate Minnesota towns be willing to pay—rather than be paid—for helping train medical students?

Not to go the free services of a student. Dr. Rud explained that at first he even cut back on the number of patients he was seeing (other members of his five-doctor group took up the slack) so that he could spend more time with Hodapp.

"For myself, I've always sort of enjoyed teaching," Dr. Rud said. "I like a person-to-person type of teaching."

His participating in this program carries a designation of clinical assistant professor of the University of Minnesota Medical School, a non-paid title also held by Twin Cities area physicians who teach medical students part-time without compensation.

"Also, it stimulates me to keep up with recent advances in medicine," Dr. Rud said. "The student asks 'Why do you do this?'—and this makes you think." He noted that University of Minnesota Medical School faculty members make periodic visits to Luverne as part of this program, and he called this professionally stimulating.

Possibly most important, Dr. Rud said, is that outstate Minnesota needs doctors—"and I think this program will work."

In all there are seven doctors in Rock County. Together they serve about 13,000 residents in a 30-mile radius of this town that's nestled in the southwestern corner of Minnesota near the South Dakota and Iowa borders.

Statistically, the county probably could use another doctor or two. But compared with many rural areas, Luverne is lucky. This means that while Hodapp and the doctors he works with keep busy, they still have time to spend with their families.

"It's been far better in this regard than I expected," said Connie Hodapp. "I expected he'd go out at 8 (in the morning) and be back at midnight." Hodapp does get called out on some late-night emergencies, but he has found time to do things like take dancing lessons with his wife in an evening community program at the high school.

Mrs. Hodapp said she has found enjoyment living "in the real world—the first time we haven't been with students." Her views could be very important. Surveys show that wives often influence where their physician-husbands decide to practice.

A number of medical schools, including the University of Minnesota, have orientation programs that send medical students to small towns for up to six weeks. But the Minnesota Rural Physician Associate Program is the first—and so far the only one in the nation—to put students in such towns for anything like nine months or a year.

"Just thinking back about my first six weeks here," Hodapp recalled, "I don't think I had come very far, it takes time to get to know the people"—and he said that's where much of the satisfaction in working in a small town comes from.

Since the Rural Physician Associate Program was launched in the fall of 1971 by the medical school's Department of Family Practice, 130 students have participated, said Dr. John E. Verby, program director. It's begun to pay its first dividends.

There were 23 students in the program the first year it was offered, 1971–72. Dr. Verby said only seven of them have finished all their medical training—and all seven now are practicing in outstate Minnesota towns.

Fourteen others are still in family practice or other residency (advanced medical training) programs, all with plans to practice in small towns, he said. Another plans a career in medical administration and will work on new ways to deliver health care to small towns. (The only other member of the first-year group dropped out of the program.)

All of the students from the subsequent years of the program are either still in medical school (this year's and last year's groups), or are in the required year of internship that follows medical school (the 1972–73 group). Dr. Verby said "a very conservative estimate" is that at least 75 percent of them are now planning to practice in outstate Minnesota.

"But when these students who go out to the small towns for a year come back for their service year in medical school," Dr. Verby said, "they are so sold on their experience that they encourage others to consider this type of practice" in the long run, he said, this could provide some of the program's biggest dividends.

THE U.S. ROLE IN VIETNAM IN PERSPECTIVE

Mr. FANNIN. Mr. President, as a result of Communist aggression a great tragedy is occurring in South Vietnam. There is massive human suffering as refugees seek to flee from the aggressors. A sovereign Nation appears on the brink of defeat.

As the refugees flee southward it becomes more evident than ever that what the United States sought to do in South Vietnam was the right thing to do.

If there is any guilt in America over Vietnam, it should not be because we went to the aid of these people with billions of dollars and the lives of tens of thousands of our finest young men. Our sorrow must rest in the fact that we simply failed to accomplish that which was just and right. We should feel some anger that other nations—and especially the United Nations—stood by and watched as this tragedy unfolded. Now, in this dark hour, it is once again the United States which provides the bulk of humanitarian aid.

Mr. President, a column written by John Kolbe and appearing in last Monday's editions of the Phoenix Gazette puts the U.S. role in Vietnam in proper perspective. I ask unanimous consent that this excellent column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORE AMERICAN HUMANITARIANS—ALL THE TALK OF WAR GUILT INANE AS U.S. SAVES BABIES IN AIRLIFT

(By John Kolbe)

Is there no end to America's appetite for self-abuse?

The question came to mind the other day while some shrink, whose name happily escapes me, explained on the radio that the current clamor to adopt Vietnamese orphans is the product of a giant guilt complex.

Ashamed of our role in Vietnam, he theorized solemnly, Americans are now seeking to atone for their warlike sins by taking the flotsam of that endless conflict into their homes and their hearts.

Then there were some unctuous congressmen who actually made the airlift into an act of American imperialism, suggesting we would do better to spend our money caring for these youngsters in their native culture rather than uprooting them into an alien environment.

Still others ignored the airlift completely, and blamed the poor health of the arriving children on the shoddy caliber of U.S. aid in South Vietnam.

It was as if they could hardly bear the prospect of an unmitigated triumph of American good will abroad.

How long must we endure this garbage?

Won't anyone stand up and tell these masochistic crybabies where to go with their inane theories and knee-jerk carping?

Can't Americans, for once, face the truth about themselves?

In my lifetime, the United States has repeatedly demonstrated a capacity for selfless generosity virtually unparalleled in the history of nations, and this national obsession with finding a spot of tarnish in every silver lining is getting a bit tiresome.

We rescued a ravaged Europe with the Marshall Plan after first rescuing it from the tyranny of the Nazi hordes.

We rebuilt our vanquished enemies into

two of the most prosperous nations on earth, almost singlehandedly realized the Jewish dream of centuries in Israel, saved South Korea from Communist aggression while most of the world looked the other way, and opened our arms to refugees from the Red tanks overrunning Hungary and Cuba.

Our farmers have fed the starving in India and Africa at cut-rate prices, our Peace Corpsmen have brought literacy to lands whose leaders thumb their noses at us, and our planes have brought relief to the victims of natural disasters in remote corners of the globe.

And now, we are bringing the orphans across an ocean of violence, red tape and native antipathy to people offering a family's love and security to every single one of them.

For all this, we've won not one square inch of territory we can call our own, a monumental sacrifice of precious dollars, and a whole lot of grief from the beneficiaries of our generosity.

And given a chance to rewrite history, Americans probably would change almost nothing, so ingrained is their capacity for decency and monumental their optimism.

This is guilt?

Bosh.

Let the shrink speak for himself, because here's one guy who doesn't feel guilty about the American role in Vietnam, unless it's for our failure to scream more loudly about Hanoi's systematic rape of the Paris agreements two years ago, back when South Vietnam's fate was not a foregone conclusion.

The orphan airlift is yet another of America's historic achievements in humanitarianism, and to call it otherwise—or to divert the nation's attention and blunt a pride so badly in need of reinforcement—is the worst sort of charlatanism.

We haven't had much to cheer about in recent months, and certainly the whole series of miscalculations and errant policy judgments in Southeast Asia is open to legitimate debate among reasonable men.

But let's not abandon wholly the remaining sheds of our national confidence, or deny ourselves a brief but overdue moment of quiet pride, by engaging in a needless debate over the propriety of a simple and sincere act of human decency.

If this be guilt, to borrow from Patrick Henry's oratory, let's make the most of it. God knows the rest of the world already has.

TRIBUTE TO PAUL DOUGLAS

Mr. HUMPHREY. Mr. President, I wish to call to the attention of my colleagues a tribute to former Senator Paul Douglas that recently appeared in the St. Paul Pioneer Press.

It was my privilege to enter the Senate with Paul Douglas over a quarter-century ago. Though he had already achieved a full life and great distinction, he chose to embark on a new career in politics. I am so glad he did. For he brought with him impressive new ideas and inspiration. Looking back, it is remarkable that this man was so early advancing the causes of civil rights and consumerism, that he was championing the disadvantaged and the environment, that he was working to end tax loopholes and filibusters.

But Paul Douglas is not only my hero. I am lucky to say he is also my close friend.

Mr. President, I ask unanimous consent that the article from the Pioneer Press be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAUL DOUGLAS, GIANT OF THE SENATE, WAITS THE LAST BATTLE

(By Al Eisele)

WASHINGTON.—All his battles are over now, except for the last great one with death, which he awaits at age 83 with serene anticipation, but my memory of Paul H. Douglas will remain green for many springtimes after he is gone.

The former Democratic senator from Illinois is living out the twilight years of one of the more remarkable lives in American history at his home in northwest Washington.

Although crippled by a stroke three years ago, he still looks strong and vigorous, like a white-maned old lion no longer able to join in the hunt.

Sen. Douglas comes to mind for several reasons, not the least of which is that I finally have gotten around to reading his 1972 memoirs, "In the Fullness of Time."

It is a good book, perhaps the best that has been written in the generally lackluster literature of political autobiographies. Like any good book, it is more than the sum of its parts, which in themselves are significant.

As the book jacket accurately points out, Douglas "has stood foursquare in the arena of American politics for many years, often alone, but intransigent."

He arrived in the Senate in 1949 along with such other extraordinary freshmen as Clinton Anderson of New Mexico, Hubert Humphrey of Minnesota, Lyndon Johnson of Texas, Robert Kerr of Oklahoma. Estes Kefauver of Tennessee and Russell Long of Louisiana.

It was a class of giants, of which only Humphrey and Long are left, but Douglas was the equal of any of them.

Before he was defeated by the younger and more glamorous Republican Charles Percy in 1966, Douglas had been involved, often on the losing side, of almost every major legislative battle of his time.

He helped lead the struggle for civil rights, battled the inhumane bureaucracy on behalf of the underprivileged, championed consumerism and the preservation of natural resources, and fought tirelessly against the moneyed interests.

It was only fitting that the tax cut bill that President Ford signed on March 29, one day after Douglas' 83d birthday, represented the successful culmination of Douglas' long fight against that greatest of tax loopholes, the oil depletion allowance.

Only a few weeks earlier, the Senate finally achieved another of Douglas' frustrated goals by amending Senate Rule XXII to make it easier to cut off filibusters.

There are, however, more personal reasons for writing about a man who is no longer in the public eye. Having reached the latter part of the fourth decade of my life, the point at which most American men first realize that they probably have lived out more than half their lives and begin asking themselves what they have accomplished. Douglas' memoirs provided me with a much-needed tonic.

Here was a man who at the age of 50 had lived a long, productive and successful life. He had been a respected professor of economics at the University of Chicago for more than 20 years, a leader of Chicago government reform as a city alderman, and although unsuccessful in the 1941 Illinois Senate race, a man with a bright political future.

But shortly after Pearl Harbor, Douglas enlisted as a private in the Marines. He went through boot camp and quickly rose to major. He took part in some of the worst fighting in the South Pacific, including Peleliu and Okinawa, where a bullet smashed his left arm and sent him home with a hand whose only function would be, in Douglas' words "a good paperweight."

Douglas returned home—his wife Emily had been elected to Congress in 1944 but was defeated in her bid for reelection—and tried to pick up the threads of his academic career.

The lure of politics and his own concern about the economic injustice of modern society was too strong and he ran again for the Senate.

After an exhausting campaign, he pulled off one of the biggest upsets in Illinois history to win.

After his defeat by Percy in 1966, Douglas settled into relative obscurity. I last spoke to him in 1971 when I interviewed him for a book I was writing.

Shortly after that, he had his stroke, and wasn't seen in public until last month when he appeared in a wheelchair, pushed by his wife, at a consumers' rally here.

Seeing his picture in the newspaper, I sent him a note, complimenting him on his memoirs and commenting on the successful culmination of his campaigns against the oil depletion allowance and the filibuster.

I also told him I had been moved to read a little-known novel of the Civil war, "The History of Rome Hanks" by Joseph S. Pennell, after Douglas cited it in his own book as the only Civil War novel to surpass Stephen Crane's "Red Badge of Courage." I said I agreed with his assessment.

Last week, I received a short typewritten note from Douglas. He was pleased that I liked both "Rome Hanks" and his memoirs, and said the letter I sent "cheered me up tremendously."

His reply, signed "Paul H. Douglas" in big, bold, but shaky handwriting, will go into my file on the vanishing breed of American heroes.

THE BUDGET AND THE CONGRESS

Mr. PERCY. Mr. President, an editorial in the Washington Post of April 16 points out that "the new congressional budget procedures seems to be taking hold successfully." The editorial goes on to indicate that although it may be a painful process for some Members of Congress to see their spending actions reflected so vividly in the growing Federal deficit, this stormy economic year is an excellent year to begin the congressional budget procedure.

In the words of the editorial:

> The very turbulence and uncertainty of this season makes it exactly the right time to take on this new responsibility. There is not likely to be another year for quite a long time when a thorough and informed debate in Congress on fiscal policy will serve as useful a purpose . . . Congress has to explain precisely what it is doing, and why.

As one of the authors of the Congressional Budget Act of 1974, I am delighted that the process is perceived as working so well thus far. This is exactly the kind of fiscal discipline that we envisioned when we wrote the original legislation. The process never was intended to be painless, but it was intended to make Congress more responsible in fiscal matters.

The new Senate Budget Committee, under the able leadership of Senator MUSKIE, is to be commended for meeting the tight deadlines in the Congressional Budget Act, and reporting out Senate Concurrent Resolution 32, the first concurrent resolution on the budget. My hope is that in this difficult budget year the Congress will have the fortitude and the self-discipline to see the process through to its completion. In so doing, we will be reestablishing the constitutional responsibility of the Con-

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gress, which is implicit in the phrase "the power of the purse."

Mr. President, I ask unanimous consent that the entire Post editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 16, 1975]

THE BUDGET AND THE CONGRESS

The new congressional budget procedure seems to be taking hold successfully. That is to say, it is turning out to be painful for Congress but not intolerable. When congressmen in the new budget committees vote to raise the spending figure in one small corner of the budget, the increase immediately shows up in the projected deficit. It's very unsettling to congressmen who are used to the cosy old custom of pretending ignorance. But it also opens the way to an altogether new kind of congressional influence on the country's economic affairs—and the members are very much aware of that interesting possibility.

The gist of the new law is to require Congress to acknowledge a responsibility for the budget as a whole, including the size and shape of the deficit, rather than simply passing a series of appropriations bills piecemeal and leaving it to the White House to add up the totals. It is a self-imposed discipline that both houses of Congress adopted last summer by overwhelming votes. The full process does not come into effect until next year.

But for reasons more political than purely legal, the spirit of the thing is already in force. Because of the deep recession and the urgent need to launch a recovery, federal spending policy and the deficit is now a crucial issue—perhaps even the crucial issue—between President Ford and the Democratic majority in Congress. The Democratic leadership understands very well that the new rules give it an unprecedented opportunity to offer the country a coherent alternative to Mr. Ford's fiscal program. The benefits run not only to the Democrats but, as the debate widens, to the country as a whole.

The first stage of the new congressional process is now completed. The new budget committees in each house have adopted resolutions setting basic limits for spending, revenues, and the resulting deficit. In the past, of course, nothing remotely like that ever happened. Traditionally the President sent his budget every January to the Capitol, where it was promptly knocked down into its separate pieces and parcelled out to the innumerable committees that claimed one kind of jurisdiction or another. It was never put back together until 18 months later, at the end of the fiscal year, when the President's Office of Management and Budget put out the final figures. The congressional committees took credit for the benefits that their appropriations brought their constituents. But they never accepted the blame for the size of the deficit.

Partly in response to the chiding of a succession of Presidents, but mostly to gain a share of real control and therefore power over economic policy, Congress is now setting its own totals.

The President's original budget showed a deficit of $52 billion for the year starting next July. Now the House Budget Committee has adopted a resolution calling for a larger deficit, $73 billion. The Senate Committee has fixed a range of $67 billion to $70 billion, depending upon one's assumptions. There are several interesting differences between the two resolutions. For example the Senate Committee has provided a bit more money for defense, and less for community and regional development. But their wide differences with Mr. Ford's estimates may prove less substantial than they look at first glance. A large part of these differences arises from judgments as to how much some of the fixed programs are going to cost.

The President, according to both committees, has greatly overestimated the amounts of money that the government will get next year from offshore oil leases. But, they say, he has greatly underestimated the amounts that it will have to spend under automatic formulae on welfare and income security. The House committee asserts that the President implicitly conceded these points when he raised to $60 billion the size of the deficit that he would accept. Properly calculated, the House committee argues, the President's own budget implies a deficit of nearly $70 billion.

The next stage in the procedure comes when the two budget resolutions come to the floor of the two houses. Whether they will pass in their present form is very far from certain. Then they have to be reconciled. Next September, the two houses will be required to review the summer's work and see whether they have stayed within their limits. If not, they must either cut spending somewhere or raise that very visible deficit.

A good many congressmen must be wondering, by this time, whether it might not have been more comfortable to inaugurate this new system some other year. But, in fact, the very turbulence and uncertainty of this season makes it exactly the right time to take on this new responsibility. There is not likely to be another year for quite a long time when a thorough and informed debate in Congress on fiscal policy will serve as useful a purpose. The budget will slowly get enacted into law, as it always does. But this time the Congress has to explain precisely what it is doing, and why.

AMERICA'S VOLUNTARY AGENCIES RESPOND TO THE HUMANITARIAN CRISIS IN VIETNAM

Mr. KENNEDY. Mr. President, as millions of people in South Vietnam and Cambodia cry out for peace and relief, millions of Americans are attempting to respond to their crisis. Once again, America's voluntary agencies and church groups are leading the way in providing humanitarian assistance to people in need.

In many respects, they are far ahead of their Government in providing direct humanitarian assistance. By their moral leadership and by their example, they are helping redeem America's claim to leadership in humanitarianism.

I would like to pay tribute today to America's voluntary agencies for their response to the humanitarian crisis now unfolding in South Vietnam and Cambodia. I met with many of them last week at the American Council of Voluntary Agencies headquarters in New York, and I was impressed with the speed and effectiveness of their programs.

Mr. President, I would like to share with the Senate a list of those voluntary agencies which are now providing, or are planning to provide, emergency humanitarian assistance to Vietnamese refugees, orphans, and other war victims. Their efforts are worthy of our praise and, even more, of our support. I ask unanimous consent that a list of emergency refugee aid programs in Vietnam now being undertaken by U.S. voluntary agencies be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

EMERGENCY REFUGEE AID TO VIETNAM BY U.S. VOLUNTARY AGENCIES

The following is a list of voluntary agencies which have provided or are planning to provide emergency assistance to Vietnamese refugees, based on the most recent developments in that country. This list should not be interpreted as final and all inclusive. The situation in Viet Nam is changing every day. As a result there will undoubtedly be many new developments in refugee assistance efforts by the voluntary agencies.

Agencies described below have had established humanitarian and development programs in Viet Nam in the past. These are described in the comprehensive *Vietnam Country Review* published by the TAICH, ACVAFS.

**American Friends Service Committee*, Mr. Marty Teitel, 160 North 15th Street, Philadelphia, Pennsylvania 19102 (215/563-9372). AFSC is now evaluating the situation and receiving information, including a staff report from Saigon telling of the need for medical assistance. AFSC staff members formerly in Quang Ngai (and recently, Da Nang) have now gone to Saigon. One medical doctor has gone to Da Nang to set up a clinic, at the request of the Alliance for the Reconciliation of the People, a Buddist group. AFSC is exploring the possibility of future aid in areas of the South controlled by the PRG, (Provisional Revolutionary Government), including Quang Ngai, where a Vietnamese staff is continuing to operate the Rehabilitation Center.

*Assemblies of God, General Council of the Foreign Service Committee, Rev. Robert McGlasson, 1445 Boonville Avenue, Springfield, Missouri 65802 (417/862-2781). Six staff members are now in Saigon continuing refugee relief work. The agency operates medical and social service programs in Saigon and Wung Tau.

*Baptist World Alliance, Dr. Carl Tiller, 1628 16th Street, N.W., Washington, D.C. 20009 (202/265-5027). The agency continues its support of the social welfare and refugee resettlement work being done by Baptist Social Service in Vietnam. An affiliate, the Foreign Mission Board of the Southern Baptist Convention, has just dispatched a man to Saigon with $250,000 for Baptist Social Services, to be used for relief and resettlement of refugees.

*CARE, Inc. Mr. Louis Samia, 660 First Avenue, New York, New York 10016 (212/686-3110). CARE has just sent $20,000 to buy emergency supplies in Saigon for refugees, in addition to its regular program in Saigon. CARE staff formerly working in Kontum, Hue, and Da Nang have gone to Saigon to work with the other CARE staff there. CARE will consider providing refugee aid in other areas upon request, provided normal criteria are met.

*Catholic Relief Services-USCC, Mr. Edward Kinney or Mr. Anthony Foddai, 1011 First Avenue, New York, New York 10022 (212/848-4700). Catholic Relief Services, has just advanced $100,000 to COREV in Vietnam, has sent medicines worth $25,000 purchased in the U.S. and medicines worth $15,000 purchased in Hong Kong, and has sent 2000 bales of clothing to Vietnam. Plans are being made to ship rice to Vietnam.

*Church World Service, Rev. Boyd Lowry, 475 Riverside Drive, New York, New York 10027 (212/870-2074). CWS administers Vietnam Christian Service (see below), which it co-sponsors with Lutheran World Relief. In addition, CWS is a cooperating partner in the Fund for Reconstruction and Rehabilitation in Indochina (FRRI) of the World Council of Churches. CWS has contributed $100,000 as an initial response to aid refugees in PRG areas. CICARWS of the World Council of Churches has made an appeal for one million dollars, which includes $300,000 for material aid to be used by Asian Christian Service for refugee relief efforts.

Foster Parents Plan, Mr. Glenn Rogers, P. O. Box 400, Warwick, Rhode Island 02886 (401/738-5600). The agency had to cancel its program of aiding over 500 children in Hue, Ben Me Thuot, and Da Lat, but is carrying on a regular program of family assistance in Saigon and nearby areas. Additional programs are being considered.

Holt Adoption Agency, Mr. Jack Adams, P. O. Box 2420, Eugene, Oregon 97402 (503/687-2202). Holt has evacuated its staff and the children under its care in Da Nang to Saigon, where the agency now has 170 staff members and about 330 children. At present, the child adoption program and family refugee assistance efforts are operating normally. The agency is in the process of studying the latest developments and making contingency plans.

*International Rescue Committee, Mr. Charles Sternberg, 386 Park Avenue South, New York, New York 10016 (212/OR9-0010). IRC is continuing its medical and social service programs in Saigon and in other areas where possible. The agency is establishing emergency programs for new refugees and hopes to raise $250,000 to help them. Its major project at this time is an intensive care unit for orphans, who will be adopted in the U.S. and Europe. The size of this unit is being doubled. The day care centers of the IRC are continuing their activities, and new centers are being established in areas of refugee concentration. The IRC has 26 American and third-country doctors, nurses and social workers in Vietnam.

*Lutheran World Relief, Pastor Ove Nielsen, 315 Park Avenue South, New York, New York 10010 (212/677-3950). LWR co-sponsors Vietnam Christian Service (see below) with Church World Service.

*Mennonite Central Committee, Mr. Robert Miller, 21 South 12th Street, Akron, Pennsylvania 17501 (717/859-1151). MCC has sent $10.000 cash at the request of its Saigon staff, to be used as a grant to Vietnamese organizations helping refugees. MCC is waiting to hear from its staff members that were in Quang Ngai, and is exploring the possibility of sending a medical team that was originally in Pleiku to Nha Trang to help refugees there. A team will leave for Hanoi at the end of April to discuss additional assistance projects for people in PRG areas.

*Save the Children Federation/Community Development Foundation, Mr. Melvin Frarey, 48 Wilton Road, Westport, Connecticut 06880 (203/847-4524). SCF/CDF has on hand $5000 cash to send for relief work in Vietnam. It has a present program commitment of $200,000 which will be used where there are opportunities to help improve living conditions, sanitation, water supply, and education for refugees and Montagnards. The agency is looking into the possibility of continuing some of its on-going projects in PRC controlled areas.

*Seventh Day Adventist World Service, Mr. Howard Burbank, 6840 Eastern Avenue, N.W., Washington, D.C. 20012 (202/723-0800). SAWS is continuing its Vietnam programs in education, medical care, material aid, and social welfare for orphans and refugees. The agency has shipped 1000 bales of clothing, which is expected to reach Vietnam shortly.

Vietnam Christian Service, Rev. Boyd Lowry, 475 Riverside Drive, New York, New York 10027 (212/870-2075). VNCS is a joint program of Church World Service and Lutheran World Relief and is administered by Church World Service, Room 620, 475 Riverside Drive. VNCS workers are involved in refugee aid efforts in Nha Trang, Cam Ranh, and in the Saigon area, including Vung Tau.

World Relief Commission, Dr. Everett Graffam, P.O. Box 44, Valley Forge, Pennsylvania 19481 (215/763-0556). A Vietnamese counterpart organization of WRC, Christian Youth Social Services, continues to operate WRC refugee relief projects including the Hoa Khanh Children's Hospital near Da Nang. WRC recently cabled $55,000 to its Vietnam field director for emergency refugee aid through CYSS.

World Vision Relief Organization, Henry Barber III, 919 Huntington Drive, Monrovia, California 91016 (213/357-1111). World Vision has authorized $30,000 to be used to purchase needed supplies in Vietnam and other countries to help Vietnamese refugees. The agency will raise more money to be used in Vietnam, based on future requests from its field representatives.

PERHAPS CONGRESS WILL FIND OIL

Mr. FANNIN. Mr. President, one of the greatest blows struck against future consumers in the United States occurred when Congress voted to repeal the oil depletion allowance. This so-called tax reform will result ultimately in less oil and higher prices. This is contrary to our national goal, proclaimed by both the administration and Congress, of achieving energy sufficiency.

The Phoenix Gazette, on April 9, 1975, ran an editorial which spells out very clearly and simply what Congress has done and how it will adversely affect American consumers. I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

PERHAPS CONGRESS WILL FIND OIL

The United States desperately needs more domestic crude oil, but the Congress very effectively discouraged exploration when it eliminated the oil depletion allowance and changed foreign tax credits for oil firms. These so-called loopholes were closed as part of the tax rebate bill, which put President Ford between a rock and a hard place.

He believed the rebates a necessity, so he had to swallow the oil-tax riders.

The effect of Congress' action has been spelled out in dollars and cents by the big oil companies. There will be huge reductions in spending for oil exploration and development.

Exxon Corp., the world's largest oil concern, said capital spending by its domestic unit, Exxon USA, would decrease by about $200 million in 1975, or the equivalent of 15 percent of the company's expenditures a year ago. Exxon predicted sharper drops in subsequent years.

Standard Oil Co. of California said its net income and available cash will be cut by $90 million in 1975 as a result of the new law. Texaco, the nation's second largest oil firm, said its preliminary earnings estimate for the first two months of 1975 has dropped from $151 million to $127 million, 37 percent lower than the $201 million in profits for the same period a year ago.

The depletion allowance is not a "tax gimmick." Business and industry routinely depreciate equipment on tax returns—every thing from typewriters to expensive machine tools. In fact, depletion allowances extend to other natural resources—even clam and oyster beds.

And the 22 percent allowance, contrary to the implications of those who railed against the "oil interests," did not apply to gross income, only to producing wells. The resulting tax break was a tiny part of the 22 percent, but vital nevertheless.

Where do oil profits go? Back into the ground. In one 30-year period U.S. oil firms drilled 300,000 dry holes, at a total cost of $12 billion. Producing wells paid for $12 billion worth of exploration—after taxes.

Where will new domestic oil come from? Perhaps Congress will drill for it.

LAND USE PLANNING: WHO NEEDS IT?

Mr. HANSEN. Mr. President, again this year, as in the past several years, the debate is continuing over whether or not the Federal Government should impose some sort of national land use planning law in order to ride herd over and influence the uses to which land throughout the United States is put.

During the several years that this issue has been debated by the Congress, many States have acted on their own either to develop local land use planning laws, or to officially study the overall issue and its merit locally. These State activities prove the fiction of a major argument put forth by proponents of Federal land use planning legislation: that the States will not do the job, or cannot do the job unless directed and forced by Washington. These local actions, considered together with the fact that the Federal Government is the least competent entity to determine land uses in the 50 States, raise this question about Federal land use planning legislation: Who needs it?

The Wall Street Journal, in an editorial with that same title, discusses the meaning of land use and ownership as these relate to politics and economics. The Journal notes that—

> Zoning, as it now exists does not seriously impede the workings of market forces to put land to its highst and most efficient uses.

As the 94th Congress again considers the issue of Federal land use planning legislation, we ought to seek an answer to the question of who needs this legislation, and why.

Mr. President, I ask unanimous consent that the April 15 editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

WHO NEEDS IT?

Presidential candidate Mo Udall, a principal backer of the "land use" bill that died under public protest in 1973, has reintroduced a less authoritarian sounding version in this Congress. But the question remains: Who needs it?

Chastened by the 1973 accusations that he was trying to install a U.S. Gosplan, Mr. Udall is at some pains to explain essential difference between the new and old bills. The new one, for example, contains no federal sanctions against states that do not set up planning operations that meet federal standards. The old bill would have bludgeoned them into cooperating by threatening to cut off federal airport, highway and conservation aid. The new bill also reduces the scope of proposed planning activities, apparently out of deference to politically powerful groups—farmers, for example.

The result is that Mr. Udall can now promote his bill with the modest plea that the federal government just wants to be helpful to the states. It wants to give them $500 million over six years to help them set up planning councils and no one is going to lay a finger on any state that prefers to go its own way. Of course, participating states would only get a bit of money initially; they wouldn't get the full federal grant

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An asterisk* denotes member of ACVAFS.

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until their plan got the approval of the Secretary of the Interior.

Now, as much as Mr. Udall would like to stress the innocence of the federal land use initiative, it has broad and profound implications. Those people who protested in 1973 obviously had some feel for those implications, even though Mr. Udall, Senator Jackson and others of the land use movement apparently do not.

The ownership and use of land is both a tangible and intangible source of economic and political power. In the United States, unlike most nations of the world, land ownership is widely dispersed and real estate has long been a means for almost anyone with a few dollars to acquire some lasting substance. There are substantial political differences between countries where millions of people own their own land and countries where all land is owned by the state or much of it is owned by an aristocracy, the crown or large-scale private landlords. That difference is mainly in the political outlook of the electorate, its sense of independence and freedom. It is not easily defined but that makes it no less important.

Land ownership has never carried unrestricted rights. Land use restrictions have been applied mainly through local zoning laws, so that one man's ideas of how to use his land would not inflict some intolerable difficulty or annoyance on his neighbor.

Anyone who has had experience with zoning boards knows that questions over how a man can use his land are often sensitive and complex. It is the kind of question that demands, in a society such as ours, settlement at the local level.

It is safe enough to say that zoning as it now exists does not seriously impede the workings of market forces to put land to its highest and most efficient uses. That, in turn, provides an underlying base for an efficient economy—that is to say an economy capable of generating jobs and a high standard of living. It is not a neat looking system; there are lots of zoning fights and neighborly squabbles, but it adjusts to changing needs and fortunes in rationing a finite resource.

Mr. Udall says he merely wants to provide "broad policy and financial incentives and also to put the federal government's house in order." That last is a tall order indeed. We find no popular groundswell. Until he comes up with more convincing arguments, it seems only fair to keep asking, "who needs it?"

MINING MANGANESE NODULES

Mr. METCALF. Mr. President, previously I have called the attention of my colleagues to the organization of two consortia concerned with determining the feasibility of mining manganese nodules from the deep seabed and extracting from them minerals basic to our economy.

My remarks at pages 1578–1579 of the CONGRESSIONAL RECORD of January 31, 1974, included the announcement that Kennecott Copper Corp. and four other major corporations—one Japanese, two British, one Canadian—had joined in a 5-year multimillion dollar research and development program.

At pages 13970–13971 of the CONGRESSIONAL RECORD of May 9, 1974, I noted that another major U.S. company, Deepsea Ventures, had announced that it had joined with three Japanese firms in "plans to begin the development and evaluation of a Pacific Ocean site for the recovery of marketable metals from the ocean floor." Subsequently, this group was joined by the Essex Iron Co., a wholly owned subsidiary of United States Steel and Union Miniere of Belgium.

The current issue of Ocean Science News, a newsletter published in Washington, D.C., includes the announcement of a third consortium. It is composed of the International Nickel Co. of Canada; the International Nickel Co., Inc., INCO's U.S. subsidiary, Japanese and German firms.

Mr. President, I ask unanimous consent that the item referred to in the April 11 issue of Ocean Science News and the INCO press release appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINING MANGANESE NODULES

The long-awaited announcement of the INCO consortium for deep ocean mining was made this week (OSN, 10&24May74). The International Nickel Co .of Canada Ltd., The International Nickel Co. Inc. (the U.S. subsidiary), Deep Ocean Mining Co. Ltd. (a group of Japanese companies), and AMR (a group of German firms) make up the latest entry in the race to exploit manganese nodules on the ocean floor. Each group will have an equal interest in the project. Meanwhile, Inco is evidently willing to take on additional partners: "It is contemplated that the venture will be expanded to afford others an opportunity to participate in the project." The Inco consortium will now "proceed with design and development work to determine the economic and technical feasibility" of mining the nodules.

The German firms are Metallgesellschaft AG, Preussag AG, Rheinische Braunkohlenworke AG, and Salzgitter Ag. The Japanese firms include six from Sumitomo, and Ataka & Co. Ltd., Toyo Menka Kaisha Ltd., Idemitsu Kosan Co. Ltd., Komatsu Ltd., Marubeni Corp., Kyokuyo Co. Ltd., Dowa Mining Co. Ltd., Nijyson Mining Co. Ltd., Shinko Electric Co., Nissho-Iwai, Ltd., Tokyo Rope Manufacturing Co. Ltd. and Mitsui OSK Alliance Ltd. Inco's two competitor consortia already in the field: Deepsea Ventures and Kennecott Copper. The Deepsea Ventures' mining ship, which has been on that company's claim in the NE Pacific since January (OSN, 15&22Nov 74), is back in port in California "between voyages".

INCO ANNOUNCES PARTICIPATION IN OCEAN MINING VENTURE

Agreement to form a multinational joint venture for the mining of manganese nodules from the deep ocean was announced simultaneously today in Canada, the United States, Japan and the Federal Republic of Germany.

Participating in the venture are: The International Nickel Company of Canada, Limited and its U.S. subsidiary, The International Nickel Company, Inc.; the Deep Ocean Mining Co., Ltd. (DOMCO), which is being established to represent Japanese companies from the Sumitomo and other leading Japanese groups; and a group of German companies organized under the name AMR (Arbeitsgemeinschaft Meerestechnisch Gewinnbare Rohstoffe), consisting of Metallgesellschaft AG, Preussag AG, Rheinische Braunkohlenwerke AG, and Salzgitter AG.

The participating groups will have equal interests in the project. It is contemplated that the venture will be expanded to afford others an opportunity to participate in the project.

The agreement calls for the parties to proceed with design and development work to determine the economic and technical feasibility of mining manganese nodules from the ocean floor. The parties contemplate the eventual establishment of facilities for commercial-scale ocean mining and the recovery of metals from manganese nodules which contain important quantities of nickel, copper and cobalt.

The collaborative effort brings together a multinational group of companies with previous experience in ocean mining development and well established capabilities in the marine, mining and metal processing fields.

Mr. METCALF. Mr. President, as I have said before, industry is reaching out to the bottom of the world's oceans for the minerals we need. Whether political institutions can keep pace with technology may be determined at the United Nations Law of the Sea Conference now continuing in Geneva.

IN FROM THE COLD

Mr. THURMOND. Mr. President, in the lingering controversy over the operations of our Central Intelligence Agency, a very incisive editorial has appeared in U.S. News & World Report which brings the whole question into focus. It goes right to the heart of the matter: Can the United States do without such a foreign intelligence gathering agency? The answer, of course, as the editorial clearly points out, is "no."

As President Ford said in his state of the world address to Congress last week:

> It would be catastrophic for the Congress, or anyone else, to destroy the usefulness by dismantling, in effect, our intelligence systems upon which we rest so heavily.

Mr. President, our Nation must not stand vulnerable and ill-informed about the courses of conduct and policy around the world. We need intelligence-gathering capabilities and we must not allow the current disposition to suspect governmental actions, and particularly those involving secret operations, to strip us of our information. Knowledge is vital and we must retain our means of securing it.

If there are changes needed in procedure or responsible oversight, let us make them quietly and without fanfare. However, let us also recognize the need for a thorough and effective CIA and the essential mission it performs.

Mr. President, I ask unanimous consent that the March 31, 1975, editorial from the U.S. News & World Report, entitled "In From the Cold," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IN FROM THE COLD

In the pell-mell rush to investigate the past and present activities of the Central Intelligence Agency, nobody seems bothered about this bedrock issue:

Is the gathering of secret intelligence important to the security and well-being of the United States? If it is, can the job be done effectively in our open society?

These are not idle questions. They are urgent because separate inquiries are under way in the Senate, the House, and by a presidential commission. Almost daily headlines herald new "exposé" or allegations concerning this or that about the operations of the CIA.

A tendency to suspect any Government secrecy and a continuing clamor over the public's right-to-know will at some point force our spies to come in from the cold.

When that day comes, we are going to have to decide whether the U.S. really needs a secret overseas intelligence system and, if so, is willing to pay the price.

The very essence of intelligence work demands a high degree of secrecy in many areas, though certainly not all. It is not being overly dramatic to say that such secrecy often is a matter of life or death.

Two examples will make the point—

In 1956, the CIA obtained the text of Nikita Khrushchev's secret "de-Stalinization" speech that marked a significant change in course by the Soviet Union. The United States and its allies were able to use to great advantage the knowledge of what had happened behind the closed doors of the Kremlin.

The speech came from a Communist leader who slipped it to the CIA. The slightest hint of that at the time would have cost his life. Furthermore, any doubt by him that the CIA would safeguard his identity would have instantly stifled this source of information.

Here's another case: For years in the 1950s and '60s, the CIA got confidential data on Moscow's most sensitive military secrets. It was of supreme importance in shaping U.S. defense decisions. It helped dictate Washington's response to the Cuban missile crisis.

The information came from Col. Oleg Penkovsky. He was an American spy in the very heart of the Soviet military establishment. The CIA could not possibly have recruited him—nor could he have stayed alive—without a trusted guarantee of secrecy.

Secrecy also is a key in dealing with our allies. Without it, who would be willing to confide in us their sources and the identity of their agents for getting top secrets?

The British approach to intelligence operations is interesting. Britain, after all, has been in the spy business much longer than this country—and its people are no less jealous of their democratic rights.

Intelligence and counterespionage are widely accepted there—and protected. An Official Secrets Act makes it a serious crime for anyone to divulge intelligence matters. Even the name of the head man—the counterpart of the CIA's William Colby—is confidential.

On the whole, Britons accept the idea that special treatment is vital to maintain effective intelligence organizations. At the same time, they insist that these groups be under strict political control through a committee dominated by the Foreign Office.

The evidence indicates we in the United States have fallen short on both counts, neither providing adequate political control over the intelligence agency nor giving the CIA the means to keep its secrets.

It certainly was desirable to make a responsible assessment of the role of the CIA. The danger is that legitimate inquiries may turn into headline-grabbing witch-hunts.

The larger question is this: If American intelligence is destroyed by the hot glare of publicity, who is the real gainer—the American people or those who wish us ill?

FINANCING THE DEFICIT

Mr. HUMPHREY. Mr. President, in March, the unemployment rate hit 8.7 percent—the highest unemployment rate in 34 years. Today, 8 million Americans are out of work, the largest number since the Great Depression. And this number is expected to rise in the months ahead. In May and June, some 4 million students will be added to those already seeking work. If discouraged workers, no longer knocking on doors for the chance to earn a living for their families, are added to the "official" figures and those forced to work only part time are counted, the unemployment rate balloons to 11.7 percent, 10.5 million Americans.

One might have expected that the single economic issue which would attract the most attention in this crisis situation would be the need to provide jobs for these millions.

Yet, those who have read the financial pages of our newspapers recently and have listened to administration economic spokesmen have heard little about the crowding of our streets with the unemployed. Instead, we have heard much about the crowding of financial markets with heavy demands for Government borrowing. The barrage of words which have recently been written and spoken on this issue has produced greatly exaggerated fears concerning the ability of Government to manage its financial affairs.

No one wants to see deficits so large that Federal financing demands will take funds away from necessary private borrowing. On the other hand, it would be a tragedy if misplaced concern about the ability of the credit markets to accommodate the deficit were to deter Congress from providing the fiscal stimulus essential to sustain a strong economic recovery.

Few Congressmen are financial experts. I certainly am not. Yet we must have facts, figures, and expert guidance on this question of financing the deficit. Last week I announced the beginning of a campaign to make these facts and figures available to Congress; a campaign to counter the administration's dangerous rhetoric with the cold, hard facts and figures.

Last Friday, I sent letters to the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and the Chairman of the Federal Reserve Board, requesting realistic and up-to-date estimates of the size of the deficit and of both Government and private demands for credit this year and next. I asked to have this information within 1 week, so that it will be available to Congress at the time of floor debate on the budget resolutions.

I have also asked the Secretary of the Treasury to give me a statement of his intentions with respect to further new issues of long-term Treasury financing in the near future. The economists and financial experts with whom I have spoken are mystified by recent Treasury issuance of long-term bonds, at a time when the private demand for funds is concentrated very heavily in the long-term bond market. This Treasury effort to go long term has thrown the bond market into disarray. The experts can give me no reason why the Treasury could not have stuck to short-term borrowing during this crucial period.

Unless the Secretary of the Treasury can give me persuasive arguments to the contrary, I feel the Treasury should stay out of the long-term market during the rest of this year. Lengthening the maturity of the Federal debt is far less important than getting an economic recovery going.

It does indeed appear that private borrowing is being "crowded out" by Federal borrowing. But not because the deficit is so large. And certainly not, because Congress is spending too much money. The deficit stems from high unemployment and from the tax cut which the President and the Congress agree was needed. The crowding out is occurring because Treasury debt management operations are being conducted in an inexplicable and seemingly highly inappropriate fashion.

I hope that the Treasury will act to give assurances that it will not again enter the long-term market in such an inappropriate fashion. If necessary, Congress must exercise its oversight responsibility in such a way as to require the Treasury to conduct its debt management operations in a manner consistent with the achievement of an early and vigorous recovery from the recession.

I am sending letters to a large number of distinguished economists and financial leaders, asking for their views on the credit market outlook and the proper course for monetary and debt management policy. I will, of course, make their replies available to my colleagues as soon as possible.

Beginning today, I will be placing in the CONGRESSIONAL RECORD a series of statements presenting information on specific aspects of this question of financing the deficit. How large a deficit is it reasonable to expect, both this year and next? How much of this deficit is due to high unemployment? How much due to the tax cut? How much due to spending decisions? How does the deficit look when examined by quarters? Will it be growing larger or smaller? How large are the private demands for credit which will be competing with the Government demand? How skillfully are Treasury debt management operations being conducted? Are we getting the type of accommodative monetary policy from the Federal Reserve Board which we need?

These are all questions on which the Congress should have complete and accurate information In addition to the information I have requested from the administration, I have requested the Joint Economic Committee staff to assemble the results of private studies and to make some estimates of their own. This is the information I will be presenting. I urge my colleagues in the Congress to study it carefully. Our understanding of the deficit and its implications for the private sector may be the key factor in determining the speed of the recovery from the present disastrous recession.

The Joint Economic Committee received very helpful testimony on the question of financing the deficit during our recent annual hearings. While some officials, most notably Secretary Simon, predict a squeezing out of private credit demands, the private experts voiced complete confidence in the banking system's ability to finance a deficit of substantial magnitude. Here are a few excerpts from the statements made by leading academicians and financial spokesmen at our hearings on the President's budget proposals:

Arthur Okun, Senior Fellow, Brookings Institute: "Huge deficits in Fiscal Years 1975 and 1976 have become inevitable, and they are the only route back to prosperity and to appropriate anti-inflationary budget balancing in the years ahead . . . I am confident that our debt managers can finance this huge deficit without encountering serious problems. Indeed, I wish we had no economic problems more serious than that of financing the deficit."

Robert Nathan, Robert Nathan Associates: "I see no really mechanistic or procedural problem in financing the deficit next year."

Philip M. Klutznick, Committee for Economic Development: "Everyone agrees on that generally, as a matter of fact."

Michael Evans, President, Chase Econometric Associates: "A number of commentators have raised questions about what might be the effect (of the Federal deficit) on money and Capital markets . . . I am not particularly bothered by these deficits because of the great dropoff in credit demands by the private sector."

David M. Rowe, Wharton Econometric Forecasting Associates: "I would also comment that I do not see a significant problem in terms of financing these larger deficits partly because of monetary accommodation on the part of the Federal Reserve, but in addition because of the decline in private borrowing demands, in particular the declines in the need for inventory borrowing."

Charles L. Schultze, Brookings Institute: "The characteristic of a recession economy is a fall in the demand for loanable funds by private business. We are witnessing that now . . . Increasing the stock of money by a sufficient amount to ease interest rates somewhat further, and at the same time to accommodate a large Federal deficit would not be inflationary in an economy with (over) eight percent unemployment and very substantial excess capacity."

Walter W. Heller, University of Minnesota: "Sources ranging from impeccable to unimpeachable seem to agree that, with a responsive Federal Reserve, the huge deficit can be managed at low interest rates, with little displacement of private investment, and without rekindling inflation."

Gardener Ackley, University of Michigan: "Those who predict that Federal deficits will place intolerable pressures on our money and capital markets seem to be expecting—and assenting to—a discretionary policy designed to deepen the recession and delay recovery. I cannot believe that this is what the Federal Reserve intends to do or will do . . . So I wish that the President and members of his Administration would stop their doomsaying. If they need to be 'shocked' or 'horrified' about anything, let it be about the impacts of unemployment of the poor, the minorities, and the young people just entering the labor force."

THE DEATH OF CHIANG KAI-SHEK

Mr. BUCKLEY. Mr. President, yesterday the body of Chiang Kai-shek was buried on Taiwan. I stress the fact it is his body that will be laid to rest. His spirit will remain with his people.

There is a deep and tragic irony in the fact that as Chiang's body is being buried, other Asian nations are undergoing the agony once suffered by China over 25 years ago. Once more we hear—from the same sources in most cases—the arguments about the "corruption" of the side the United States is backing. Once more we hear that "accommodation" to the anticipated Communist victory will somehow or other be in our national interest. And once more we are told that we have no national interest in that corner of the world. Once more we are asked to admire the vigor and energy and will-to-power of the aggressors. It is as if in June of 1940 the American media had reported in glowing terms the will-to-power of the Panzer Corps and the weakness of the French, as if that was all that mattered.

Mr. President, the defeat of the French in 1940 was a prelude to genocide in Europe. The defeat of Chiang in 1949 was a prelude to genocide in China. And a defeat of South Vietnam in our time will be a prelude to genocide in that nation.

What was the result of Chiang Kai-shek's defeat in China in the years immediately after World War II? One way of reminding ourselves of what the victory of the Communists cost the Chinese people is to report the full text of an editorial written on June 2, 1959:

RED CHINESE ATROCITIES

Recent testimony before a House committee, just released, places the number of persons murdered by the Red Chinese in the past decade at about thirty million. This figure is slightly higher than that which has been generally accepted as the toll in lives of the Communist blood bath. It is still far below what Mao Tze-tung said that he could spare in the course of Red China's road to triumph.

The figure is unimportant. It only goes still further to show that the Red Chinese regime places no value upon human life as such. That has already been demonstrated.

More significant in this particular testimony is the emphasis upon the nature and character of the victims. The witnesses are escaped Chinese Christians and they have been telling especially about the bitterness and sadism with which the Communists have attacked those of their faith. Some of them have fared even worse than the "landlords."

These same witnesses have noted, however, that the Communist assault has also been directed against other patterns of moral behavior. Graves have been desecrated and plowed up in the attack on the veneration of ancestors. Confucian ethics, no less than Christian, have been under constant fire. The whole 'commune' system, it comes out, is an attempt to destroy the accepted moral and rational basis of the society.

Thus, the atrocities are directed not merely against the human body. They are aimed at the heart and soul. It is not merely the man or woman who must be killed but the ideas, concepts, hopes, sense of values and traditions that have made the lives of those persons worthwhile.

The details of the killings as related in the testimony are shocking. They are, however, not nearly as profoundly terrifying as what underlies them.

That editorial appeared in the New York Times. But 16 years later, on the occasion of Chiang's death, the New York Times told its readers a different story about the Communist Chinese. The Communists, the Times' story on Chiang's death told us, won the "peasantry by putting their reform into effect." The Communists "took active steps to improve living conditions in the here and now." Paragraph after paragraph in the story is devoted to criticism of Chiang. Not a single word is said about the genocide of Mao and his fellow criminals.

Mr. President, Chiang Kai-shek's faults and his failures and his weaknesses, real or alleged, multiplied a thousand times, would never even begin to match in enormity what Mao Tse-tung has done to the Chinese people. There once was a time when most Americans knew that. It would be an interesting—if, I believe, ultimately futile—experiment to attempt to discover how many times the New York Times has recently reminded its readership of the documented, mind-boggling atrocities of the Communist regime in China. But perhaps the truth about Mao is no longer deemed fit to print.

I will not use this time to relate how Chiang built Taiwan into a peaceful, prosperous Asian nation, a fact known to everyone in this body. I will, however, state that what he accomplished there is one of the true economic success stories in history. And now we must ask ourselves: Will Taiwan be next? Will we begin to hear and read the same old arguments, telling us Taiwan must be consigned to the same hell?

So, Mr. President, Chiang Kai-shek's burial today is sufficient cause for our Nation to reflect upon what it has done and what it is doing. Over 25 years ago we were told that support of Chiang Kai-shek was support of a corrupt regime. We were told "the people" supported Mao. We are told today that President Thieu's administration is corrupt and that we should be glad to accept communism's victory in Vietnam. In 1949 we were told that Mao would do wonders for China.

Even the New York Times had finally to admit—although it has forgotten—he is the biggest mass murderer in human history, a bigger murderer than Hitler and Stalin combined. Today we are told that it is good for the Vietnamese people that the war should "end."

Mr. President, Karl Marx once said that history repeated itself, the first time as tragedy, the second time as farce. He was wrong about history just as we were wrong about practically everything else. History does repeat itself in Asia, but it is tragic each time. Atrocities directed "not merely at the human body" but "at the heart and soul" have been committed by the Communists in Vietnam. "Ideas, concepts, hopes, sense of values and traditions" are even now being put through the cruel process of "indoctrination" and "reeducation" by Communist cadre. And yet all I hear is the sound of my colleagues weeping and gnashing their teeth over the corruption of the Thieu government, or lamenting the fact that the South Vietnamese continue to defend themselves, thereby not putting an "end to the killing." No question of who is right or who is wrong. No question about whose tanks are invading which territory. Where are the voices affirming that the kind of corruption that the Communists engage in, a corruption of the spirit as well as the body, is infinitely more harmful than even the grossest monetary corruption of any public official?

Mr. President, it may seem as if I have talked about everything but Chiang Kai-shek. But in fact I have tried to remind my colleagues that on the day of his burial, the nightmare he saw envelope his beloved China is descending upon other nations of Asia. In the words of the Times' editorial, the facts coming to us from Vietnam and Cambodia are "not nearly as profoundly terrifying as what underlies them." It is my fervent hope that as we think of this great leader of the Chinese nation we pause for a moment and remember what it cost the human race—and particularly the Chinese people—when he was defeated.

Will we condemn the people of Vietnam to the same fate? That is the question we are faced with, Mr. President. No other question is as important. The best tribute we could pay to Chiang Kai-shek's memory is to do all we can to see to it that the Vietnamese people are not subjected to the same fate as the millions of Chinese who paid with their lives, often in unspeakably atrocious ways, because others misperceived what communism is all about.

FEDERAL RECLAMATION PROJECTS

Mr. HASKELL. Mr. President, the Colorado State Senate has adopted a resolution concerning the desirability of appropriating funds necessary for the construction of nine Federal reclamation projects in the State of Colorado.

Members of the Colorado Water Conservation Board met in Washington just prior to the Easter recess in an effort to determine their own priorities for funding and completion of various reclamation projects.

I appreciate the efforts of both the Colorado State Senate and the Colorado Water Conservation Board in helping the Congress reach a decision on these projects. I am continuing to evaluate the various pending proposals and will keep the thoughts of these two able and distinguished groups in mind in the coming weeks.

Mr. President, I ask unanimous consent that Senate Memorial No. 1 be printed in the RECORD.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

SENATE MEMORIAL NO. 1

Whereas, during the period 1964–1974, the Congress of the United States has authorized the construction of nine federal reclamation projects in the State of Colorado upon which construction has not yet started, namely: The Animas-La Plata, Closed Basin, Dallas Creek, Dolores, Fruitland Mesa, Narrows, San Miguel, Savery-Pot Hook, and West Divide projects; and

Whereas, over twenty years of planning and effort, millions of dollars in federal funds, and millions of dollars in state and local funds have been devoted to these projects; and

Whereas, these projects, individually and collectively, will provide urgently needed municipal, industrial, and agricultural water supplies, will greatly assist in the control of damaging floods, will greatly enhance outdoor recreational opportunities in this state and will further assist the development of lands for the production of food and fibre; and

Whereas, Two of these projects were designed to provide adequate water supplies to the two Ute Indian tribes residing in southwestern Colorado, and to thereby materially improve the welfare and economic circumstances of the people of those tribes; and

Whereas, These authorized projects, individually and collectively, will provide great benefits to the people of the State of Colorado; and

Whereas, Funds have been recommended in the President's budget message to the Congress to complete the advance planning and to initiate construction of several of said projects; and

Whereas, The Dolores Project should be ready for construction before the end of the fiscal year and is a project of high priority; now, therefore,

Be It Resolved by the Senate of the Fiftieth General Assembly of the State of Colorado:

That it is in the interest of the people of the State of Colorado that all appropriate steps be taken to fund the President's request for federal reclamation projects in Colorado, and that, in addition, the Congress add to such recommendations, by its own "write-in", construction funds for the Dolores Project as recommended by the Colorado Water Conservation Board.

Be It Further Resolved, That copies of this Memorial be sent to the President of the United States, the Governor of the State of Colorado, each member of Congress from the State of Colorado, the Executive Director of the Department of Natural Resources of the State of Colorado, and the Colorado Water Conservation Board.

RESTORING BALANCE

Mr. THURMOND. Mr. President, a noteworthy shift in Supreme Court rulings on protection of the citizen against the criminal was recognized in an editorial in the Augusta Chronicle newspaper, Augusta, Ga., on March 22.

This editorial, entitled "Restoring Balance," notes that a shift from the Miranda decision of 1966 is most welcome.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RESTORING BALANCE

The U.S. Supreme Court, in its ruling on a case from Oregon, has helped restore some balance between the protection given criminals, and the protection given the law-abiding public which is victimized by crime.

The balance had shifted distressingly toward the criminal under the operation of the Miranda decision of 1966, which bars the use, as evidence of guilt, of statements made by a suspect before he has an attorney present.

In the Oregon case, the defendant was informed of his right to an attorney, and his right to be silent. Police, however, continued questioning him pending arrival of the lawyer, and he made statements.

These statements were not used in the trial to establish guilt. They were used, instead, in an effort to show that the defendant was lying in a statement he made while on the witness stand during his trial.

The Supreme Court ruled that such statements prior to the arrival of an attorney can, indeed, be introduced to show that a suspect has told contradictory stories.

It may seem a little thing, but on little things sometimes hang decisions as to guilt or innocence. When all the little technicalities favor the person indicted, the result can be the freeing of those whose guilt appears obvious. When acquitted on trivial points that have no bearing on the ultimate truth in the matter, such persons are free—and, in fact, may feel encouraged—to brazenly resume a career of crime, and to prey again on law-abiding citizens.

Slowly but—we hope—surely, the public's interests are emerging from the effects of the beating they took during the days of the Warren Court.

ATTITUDES ON AGING: FIRM SUPPORT FOR SOCIAL SECURITY

Mr. CHURCH. Mr. President, enactment of the cost-of-living adjustment mechanism for the social security program represented a major victory for the Nation's elderly.

As the sponsor of this provision, I am especially pleased that the overwhelming proportion of the American public—97 percent of those interviewed in a recent Louis Harris poll—believe social security payments should include automatic cost-of-living increases.

The Harris survey, which was conducted for the National Council on the Aging, includes many other important findings.

One such example is the lack of public support for the administration's proposal to place a 5-percent ceiling on the July cost-of-living adjustment.

This recommendation would only add to the inflation miseries of the elderly—many of whom are already finding it difficult to make ends meet on their limited budgets.

Fifty-three Senators have joined me in sponsoring leigslation, Senate Concurrent Resolution 2, to oppose any reduction in the cost-of-living adjustment.

This measure should make it clear to the administration that the Congress will not under any circumstances support a cutback in authorized social security benefit payments.

Other major findings in the Harris poll include:

Most Americans oppose forced retirement at an arbitrary age.

More than four out of every five Americans believe that the Government should use tax funds to help support the elderly.

Widespread discrimination exists in hiring and firing older workers.

Many false stereotypes still exist among younger and middle-aged persons concerning older Americans.

Mr. President, the Harris survey should be of interest to all Senators and the American public.

For this reason, I ask unanimous consent that Stuart Auerbach's article in the Washington Post of April 16—entitled "Attitudes on Aging" and describing these findings—be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ATTITUDES ON AGING: AUTOMATIC RISE IN AGED AID IS FAVORED

(By Stuart Auerbach)

An overwhelming majority of Americans favor automatic increases in Social Security payments tied to the cost of living and oppose forcing workers to retire when they reach a certain age, pollster Louis Harris reported yesterday.

In the largest survey ever made of attitudes toward the elderly among the aged and the American public in general, Harris found that 81 per cent believe the government should use tax funds to help support the elderly.

He also found that the aged would like to keep working as long as they can and generally feel they are better off than the public imagines.

Harris conducted his $324,000 study for the National Council on Aging, which said it wants to destroy "stereotypes and cliches about growing old."

"This study is by far the most extensive ever conducted to determine the public's attitude toward aging and their perception of what it's like to be old in this country—and to document older Americans' views and attitudes about themselves," said Albert J. Abrams, president of the National Council on Aging.

Harris surveyed 4,254 persons for the study—1,457 between 18 and 60 years old and 2,797 over 65. The responses of the aged were weighted so they would not be overly represented in general questions, but the large number was needed to give an in-depth look at their attitudes, Harris said.

His national political surveys generally involves about 1,600 people.

The Harris finding that 97 per cent—as close to unanimous as you can get, he said—of all Americans believe that Social Security payments should include automatic cost-of-living increases runs counter to the opinion of some economists that the nation faces a taxpayer revolt because of rising Social Security taxes.

Moreover, it shows a lack of public support for President Ford's plan to hold increases in Social Security payment to 5.5 per cent—less than half of the 12 per cent jump in the cost of living last year.

"There is no indication that the public supports an arbitrary limitation on this increase," the council said.

The survey also showed that more than one-third of the nation's 21 million elderly were forced to retire and would have liked to continue working. Of the people surveyed who do hiring and firing for business, 87 per cent admitted that employers discriminate against the aged and 37 per cent said they disagree with mandatory retirement because of age.

The survey found that younger people have a different view of the elderly than the elderly do of themselves.

For example, 60 per cent of the people under 65 think the elderly are lonely, but only 12 per cent of the elderly think they are.

The same pattern holds true for illness. Fifty-one per cent of the people under 65 think the elderly are in poor health; 21 per cent of the aged agree.

While 68 per cent of the elderly think they are bright and alert individuals, only 29 per cent of the people under 65 agree.

"In the eyes of the public," the council said, "people over 65 spend a great deal of their time in sedentary, private and isolated activities. Actually the older public is far more active than imagined. . . .

"Pastime activities of both young and old are very similar. Comparable numbers of the young and old, for example, spend a lot of time sleeping, reading, sitting and thinking, participating in fraternal or community organizations or going for walks.

"The only areas where the two groups part are (that) older people spend more time watching television than the young, while the younger group spends more time in child care, at a job or engaged in sports."

The public view of the elderly, said Harris, "is born of a great deal of guilt, and by taking pity the non-elderly portion of the population absolves itself for what it feels is a kind of mistreatment of older people."

In fact, Harris said, the survey shows that older Americans "are pretty alert . . . They feel full of life."

But, Harris said, while elderly individuals think of themselves as alert and active, they believe that they are exceptions and the rest of the people over 65 are different.

For Harris, this finding was "a great sadness."

"The aged have bought the stereotype of themselves as a group," he said. "They have heard the libel so often they have begun to believe it."

Among blacks interviewed in the survey, Harris found that movements to raise black consciousness and pride appear to have succeeded among the young while having little impact on older men and women.

EXCESSIVE SPENDING CAN DESTROY OUR LIBERTY

Mr. CURTIS. Mr. President, the struggle for liberty is a never-ending one. Each generation must preserve liberty or it will disappear. This is a constant challenge to Americans.

The greatest challenge to this generation is that we must promptly bring Federal spending under control, end deficit financing, and stop the ravages of inflation. If we fail to successfully meet this challenge in our generation, our very liberty can be destroyed.

In meeting the challenge to restore our solvency we should be mindful of where the taxpayer's money goes. The greater portion of the taxpayer's dollar goes to support the welfare state. Here is what the taxpayer's dollar is used for:

Seven cents of every dollar sent to Washington is used to pay interest on the national debt. Twenty-seven cents goes for national defense. Thirty-nine cents goes to direct benefit payments to individuals. Sixteen cents goes for grants to States and localities. Five cents of this 16 cents is passed on to individuals. General government only requires 11 cents out of your tax dollar.

It is the sending of millions and millions of checks to individuals, States, cities and townships that is breaking the bank. Our food stamp program has gotten out of hand. Ten years ago it cost one-third of a billion dollars. Today it is rapidly reaching the $4 billion mark. There are countless abuses and inequities. President Ford was limited in what he could do about it. He moved in the only direction that he could to reduce the cost of the food stamp program. The Congress annulled the Ford action but has made no move to clean up the food stamp program.

The food stamp program was intended to provide nutritious food for the poor and the undernourished. However, as of last December, food stamps were issued to 17 million people, many of them young, able-bodied persons and many with property and with income in excess of $10,000 per year. It is estimated that within a few years, if the trend is not reversed, 25 percent of our population will get this food subsidy.

Washington abounds in both ignorance and deception concerning our financial problems. Within recent weeks one of the most influential leaders in our Government said in effect that the Nation's deficits, debts, and high taxes were caused by the war in Vietnam and Cambodia. Actually, our defense budget takes a smaller and smaller share of the taxpayer's dollar. This coming year it will be 27 cents of each dollar and the year previous it was 29 cents, and 10 years ago it was 40 cents.

Another veteran public official recently said over national television that we have been spending too much for national defense and that it was time to do something for our own people. Just what have we been doing for our own people? Three years ago we were spending a little over $6 billion in aid to the unemployed. This next year it will exceed $18 billion.

Until 4 years ago we did not have a general revenue-sharing program. In the first 5 years for this program, the Federal Government will have spent more than $30 billion. Not one single Federal program has been discontinued or taken over by States or localities by reason of this $30 billion expenditure. It is misnamed "revenue sharing" because these payments to States and localities have been made possible by the Federal Government borrowing the money.

Ten years ago 25 percent of our budget went for benefit payments to individuals. Today it is 45 percent.

In 1966 Federal grants to States and local governments amounted to $11 billion. This next year they will exceed $55 billion. Many Governors and mayors and other officials are not satisfied and are clamoring for more.

In 1966 the Federal Government was spending less than $3 billion on education. This next year it will exceed $7 billion.

In 1966 the Federal Government was spending less than $3 billion on health programs. This next year it will reach almost $30 billion, a ten-fold increase.

In fiscal year 1966 we were spending for public assistance, disability benefits, unemployment insurance, social security, and other retirement programs, a little less than $30 billion. These same programs this next year will cost almost $120 billion.

During this same 10-year period the interest on the national debt has gone from a little over $10 billion to $35 billion.

During this 10-year period, the cost of veterans' benefits has gone from $6 billion to nearly $16 billion.

In 1966, the Federal Government was spending for law enforcement and justice a little over one-half billion dollars. This next year it will be almost $3½ billion.

I am not here to say that those programs do not do some good. The questions we must ask are: How many benefits are going to those who do not need them? Do we have too many programs? Cannot the States and localities perform many of these services cheaper? What are the responsibilities of State and local governments? What are the responsibilities of individuals? Can we go on adding additional programs in the welfare states?

There is one thing of which I am very certain: That is, that it is totally immoral and dishonest to vote for more welfare state programs than we are willing to collect the taxes to pay for. Fifteen cents out of every dollar that will be spent by Washington this next year will come from borrowing. These welfare state programs were not created in the last few months. The welfare state has been built brick by brick over several decades. I do not believe that these programs came into existence because of the demands of our citizens. They came into being as promotion schemes of office-seeking politicians.

I am convinced that our only salvation lies in the adoption of an amendment to the Federal constitution that will compel the Federal Government to go on a pay-as-you-go basis. If the Government in Washington must collect the taxes and end the borrowing, the Congress and the executive will trim down and eliminate many Government programs.

I expect to work vigorously for a constitutional amendment that will compel the Federal Government to balance the budget.

My proposal for a constitutional amendment would require the President to submit a balanced budget. If the President recommended a greater amount of expenditures than the estimated tax receipts, he would be required to determine the amount of the deficit and figure the rate of surtax needed in order to bring the budget into balance. This would be transmitted to the Congress as part of his budget message. A surtax is a percentage tax increase added to a taxpayer's regular tax.

If the President submitted a budget that included a surtax in order to put it in balance, the Congress could do several things: The Congress could lower expenditures so a surtax would not be required; the Congress could, if it chose, impose some other kind of tax in order to prevent a deficit and thus the surtax would not be needed; the Congress could work its will on expenditures; the Congress might increase expenditures, in which case it would have to increase tax revenues or a surtax would be automatically imposed.

This constitutional amendment further provides that at appropriate times during the year the Speaker of the House of Representatives would be required to determine the level of spending which the Congress had voted and make an estimate of the expected revenues, and if the expenditures exceeded the estimated revenue receipts, the Speaker of the House of Representatives would be required to calculate the amount of surtax needed to put the budget in balance. If the Congress did not reduce expenditures or impose other taxes, this surtax would automatically be imposed and collected.

It might well be asked, "What should the country do if war is declared or a nationwide grave economic emergency should be upon us?" My proposal carries a provision that would permit the Congress under such circumstances to set aside the provisions for a mandatory balanced budget for a year upon a three-fourths vote of both Houses of Congress.

To some it might seem strange that a Nebraska conservative such as CARL CURTIS would propose a constitutional amendment that could result in higher taxes. The answer is twofold. First, if we are to have high spending, taxes must be high. Secondly, I believe that if the Congress and the President are faced with the question of reducing expenditures or collecting the necessary taxes, they will reduce expenditures. I believe that the adoption of my proposal will result in less expenditures and, in turn, less taxes. If it does not result in less spending and a surtax is imposed, the voters will know it and at the next election they can "turn the rascals out."

A constitutional amendment will take a few years so in the meantime spending programs of the future must be scrutinized and only those with a high priority should be continued. We should stop expanding the welfare state by enacting new programs.

The first stage of the debate on national health insurance should center on the question, "Should the Government provide medical care for citizens who are neither poor nor aged?"

WHAT THE GENOCIDE CONVENTION DOES NOT DO

Mr. PROXMIRE. Mr. President, ever since the United Nations adopted the Genocide Convention on December 9, 1948, critics have made wild charges concerning the scope of the convention.

The precise meaning of genocide and of the terms of the convention are, however, clearly spelled out.

The convention makes punishable all acts of genocide; the conspiracy to commit genocide, direct and public incitement to commit genocide, the attempt to commit genocide, and complicity in genocide.

Genocide means any one of several acts committed with intent to destroy, in whole or in part, a national, ethnic, racial, or religious group, as such. These acts include killing members of the group, causing serious bodily or mental harm, deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part, imposing measures intended to prevent births, and forcibly transferring children of the group to another group.

Just as impotant as an understanding of what the convention does is an awareness of what it does not do. In its report to the Senate on March 6, 1973, the Committee on Foreign Relations detailed the limitations of the convention.

As the committee noted:

The convention does not alter the rules of warfare, or the obligations of parties to the Geneva conventions on the treatment of prisoners of war and protection of civilian persons in time of war.

It does not apply to civil wars as such.

It does not apply to persecutions such as the Soviet treatment of its Jewish population.

It does not apply to discrimination, racial slurs, and insults, and the like.

It does not apply to voluntary population control measures.

It does not apply to the past.

Contrary to the charges tossed about by opponents of the convention, the scope of the convention is quite limited. Many areas are left completely unaffected by it.

I hope my comments today have placed the claims of the convention's critics in the proper perspective. I urge prompt Senate ratification of the United Nations Genocide Convention when it reaches the Senate floor.

WASHINGTON NEVER A PERMISSIVE MAN

Mr. TALMADGE. Mr. President, there recently appeared a syndicated column by the well-known observer John Chamberlain, in the Chronicle-Herald of Augusta, Ga., on the economy in an interesting historical perspective.

Mr. Chamberlain discusses historical evidence that President George Washington would today be very much opposed to the present permissive society of the American people. He opens the column with references to the frightful battles with diabetes, stroke, and cancer of William D. Pardridge of Stanardsville, Va., the principal intellectual architect of the massive book-in-the-making, "Economic Inequities."

Mr. Chamberlain mentions Mr. Pardridge because this real-world economist is one of the Nation's most forceful opponents of the same permissive society that President Washington would have opposed.

Mr. Pardridge contends, with a great deal of accuracy, that our current economic ailments are caused by excessive permissiveness that permits and encourages the consumption of goods, and economic wealth or capital, faster than their formation or production.

For instance, in 1973, the public and private sectors of the U.S. economy deficit-spent $255 billion that, he says, will never be repaid. Figures for 1974 have not yet been fully released. I know Bill Pardridge and have read his hard-hitting observations.

I agree with him in great substance, and this great country of ours, and everybody in it, would be far better off if we all knew more about economic facts of life as distinguished from economic permissiveness.

The book, "Economic Inequities," outlines a blueprint for economic reconstruction, the preservation of private property and the free enterprise system, which are vital to our individual political freedoms. William Pardridge, as editorial director, himself writes one-third of the book.

His third consists of 50 daily newspaper articles, one in each State of the Union. He has written all 50 articles, each discussing complicated economic theory, but in terms the average newspaper reader can understand. Of these 50, Pardridge has published 49 of them in newspapers in all but one of the 50 States. He has prepared an article for a newspaper in New Jersey, his 50th State.

Another third of the book is to be written by 50 coauthors, each an outstanding authority in the social sciences, mostly economics, and each writing a 1,000-word technical analysis of one of the 50 newspaper articles. The coauthors are selected for competence in their respective fields.

The coauthors make "Economic Inequities" a textbook for professors, students, the Congress, the administration, and general government, Federal, State, and local.

The most recent addition to the impressive body of coauthors is from my home State of Georgia. He is James L. Green, a professor of economics, Univer-

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sity of Georgia, Athens. Following are 40 of the eventual 50 coauthors:

Dr. George P. Adams, Jr., Professor of Economics, Cornell University, Ithaca, New York.

Dr. Elmer C. Bratt was Director of the Business-Economics Center, Lehigh University, Bethlehem, Pennsylvania, until his death. Co-Author manuscript received.

Dr. Robert C. Brooks, Jr., Professor of Economics, Vanderbilt University, Nashville.

Dr. Oswald H. Brownlee, Professor of Economics, University of Minnesota, Minneapolis.

Dr. Karl Brunner, Professor of Economics, University of Rochester, Rochester, New York.

Dr. Burnham O. Campbell, Professor of Economics, University of Hawaii, Honolulu.

Dr. Carl F. Christ, Professor of Political Economy, The John Hopkins University, Baltimore.

Dr. Ewan Clague of Washington, D.C., Former Commissioner of the Bureau of Labor Statistics, U.S. Department of Labor.

Dr. Richard V. Clemence, Professor of Economics, Wellesley College, Wellesley, Massachusetts.

Dr. David G. Davies, Professor of Economics, Duke University, Durham, North Carolina.

Dr. John T. Dunlop, now University Professor, former Dean of the Faculty of Arts and Sciences, Harvard University, Cambridge, Massachusetts, and recently Director, U.S. Cost of Living Council.

Dr. Cleo Fitzsimmons, Professor Emeritus of Home Management and Family Economics, Purdue University, Lafayette, Indiana.

Dr. Philip L. Gamble, Professor of Economics, U.S. Naval War College, Newport, Rhode Island.

Dr. Warren S. Gramm, Professor of Economics, Washington State University, Pullman.

Dr. James L. Green, Professor of Economics, University of Georgia, Athens.

Dr. Philip M. Hauser, Professor of Sociology, The University of Chicago.

Dr. William F. Hellmuth, Jr., Vice President and Professor of Economics, McMaster University, Hamilton, Ontario.

Dr. George H. Hildebrand, Professor of Economics, Cornell University, Ithaca, New York.

Dr. George Horwich, Professor of Economics, Purdue University, Lafayette, Indiana.

Dr. Donald L. Kemmerer, Professor of Economics, University of Illinois, Urbana.

Dr. Gregor Lazarcik, Professor of Economics, State University of New York, Geneseo.

Dr. Richard W. Lindholm, Professor of Finance, University of Oregon, Eugene.

Dr. Samuel M. Loescher, Professor of Economics, Indiana University, Bloomington.

Dr. David Dale Martin, Professor of Economics, Indiana University, Bloomington.

Dr. Harold H. McCarty, Professor Emeritus of Geography, University of Iowa, Iowa City.

Dr. Arthur S. Miller, Professor of Law, The George Washington University, Washington, D.C.

Rev. William B. Neenan, S.J., Ph.D., Associate Professor of Economics, University of Michigan, Ann Arbor.

Dr. Murray E. Polakoff, School of Management, State University of New York Binghamton.

Dr. John P. Powelson, C.P.A., Professor of Economics, University of Colorado, Boulder.

Dr. Louis R. Salkever, Dean of Graduate Studies, State University of New York, Albany.

Dr. Anna J. Schwartz, National Bureau of Economic Research, New York City.

Dr. Richard T. Selden, Professor of Economics, University of Virginia, Charlottesville.

Dr. Malcolm F. Severance, Associate Professor of Economics, University of Vermont, Burlington.

Dr. Joseph J. Spengler, Professor of Economics, Duke University, Durham, North Carolina.

Dr. Sidney C. Sufrin, Professor of Economics, School of Business Administration, University of Massachusetts, Amherst.

Dr. Ernst W. Swanson, Professor Emeritus of Economics, North Carolina State University, Raleigh.

Dr. Sidney Weintraub, Professor of Economics, University of Pennsylvania, Philadelphia.

Dr. Robert M. Williams, Professor of Business Economics, University of California, Los Angeles.

Dr. William H. Withers, Professor of Economics, City University of New York, Queens College.

Dr. Leland B. Yeager, Professor of Economics, University of Virginia, Charlottesville.

The book "Economic Inequities" is now a property of a recently formed, nonprofit, tax-exempt corporation, Economic Inequities, Inc. I commend Mr. Pardridge for the very fine job he is doing in writing and putting together this book.

The John Chamberlain column on President George Washington is an excellent introduction to the final and 50th article in the book "Economic Inequities." According to the column, Washington today would have been very much against our present permissive society and William Pardridge blames the permissive society for most, if not all, our economic problems. He argues this quite forcefully and logically in Article No. 50, which he'll send to you upon your request to him.

Mr. President, I ask unanimous consent that Mr. Chamberlain's syndicated column, appearing February 23, 1975, under the title "Washington Never a Permissive Man" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON NEVER A PERMISSIVE MAN

(By John Chamberlain)

My friend William Pardridge, who is struggling to complete a book on economics despite the ravages of diabetes, a stroke and heavy cobalt treatments for cancer of the throat, beat most of our learned economists to it when, several years ago, he pointed to the statistical fact that more and more debt, both private and public, was resulting in smaller and smaller increments of production. Now everybody is echoing Bill Pardridge's observations about the continuing adverse turn in the debt-production ratio.

But it is not really an economic problem. As Pardridge says, it is a moral problem leading to a dead-end street as we demand more and more borrowing and spending "fixes" to keep us going. The basic fault is the character that makes us a permissive society.

We did not begin as a permissive society. The Father of Our Country, George Washington, was the very reverse of the permissive individual. Reading William Wilbur's little paperback, "The Making of George Washington," I discover what I had not known before, that Washington, as a schoolboy, wrote out a long series of "rules of civility and decent behavior in company and conversation" to which he adhered, with minor lapses, for the rest of his life.

Our age would regard many of the Washington maxims as prissy, or holier-than-thou. But the mature Washington, though he willingly passed on the rules to young people in correspondence, taught more in his life by example than he did by preaching. He did not contribute much to the actual writing of the Constitution, but Mr. Wilbur is convinced that his behavior at the Constitutional Convention had a "determining influence" on the adoption of many parts of our basic charter.

The conduct of the convention owed much to Washington's schoolboy list bearing on "consideration of others." "In disputes," wrote the young George, "give liberty to each one to present his opinion. Be attentive when others speak."

The little and the big were intermingled in schoolboy George's non-permissive list. "Do not reprove or correct another in anger" was preceded by "Do not hum or drum with your hands or feet when in company." "Let your conversation be without malice or envy" was followed by "Jog not the desk on which another reads or writes."

Some 40 of young George's maxims come within the category of rules which concern conduct. Most of the rules remain relevant today, although they are honored more in the breach than in the observance.

Four of the rules advise tempering firmness with compassion. "Do not," so the young George wrote, "express joy before one who is sick or in pain." And: "When a man does the best he can, yet succeeds not, do not blame him. Reproach none for the infirmities of nature." Finally: "Show not yourself glad at another's misfortune."

The young George Washington would have been laughed out of court in the late 1960s. He even listened to his father when the senior Washington, after watching his son playing with a new puppy, said: "Both of you were enjoying his fruitless efforts to catch his own tail. Nevertheless, playfulness of that kind can turn into mean teasing."

Washington was not a permissive individual. He did not come from a permissive family. So the U.S. did not begin as a permissive society. Is it too late to go back to our beginnings?

FUTURE DIRECTIONS IN SOCIAL SECURITY

Mr. CHURCH. Mr. President, the Senate Committee on Aging is conducting a comprehensive study into "future directions in social security."

Last month we heard compelling testimony about the impact of inflation upon the elderly.

Prices rose by 12.2 percent last year, the most rampant inflation in over a quarter of a century.

Some of the sharpest increases were in the four areas where the elderly have their greatest expenditures: Housing, food, medical care, and transportation.

Several witnesses called for a special elderly index to reflect more accurately the overall impact of rising prices upon older Americans. Additionally, there was widespread agreement that the cost-of-living mechanism should be adjusted more than once a year, especially during periods of accelerated inflation.

Miss Harriet Miller, associate director of the Legislative Division for the National Retired Teachers Association-American Association of Retired Persons, said:

> During periods of high inflation, a once-a-year benefit adjustment is inadequate to prevent substantial benefit level purchasing power erosion. We think they should be more frequent and suggest that the Congress consider the trigger method used by the Civil Service system.

Witnesses expressed strong opposition to President Ford's proposal to place a 5-percent ceiling on the July cost-of-living increase.

Mr. Nelson Cruikshank, President of the National Council of Senior Citizens, said:

> President Ford's proposal to hold the increase to 5 percent is an outrageous attempt to thwart the already inadequate increase promised by law.

Mr. J. Henry Smith, chairman of the board and chief executive officer of the Equitable Life Assurance Society, gave this forthright assessment:

> I would not favor limiting the increase to 5 percent. I think, in effect, a compact has been made which the Congress is normally obliged to carry through.

Dr. Jacquelyne J. Jackson, vice chairman of the National Caucus on the Black Aged, objected to the 5 percent lid because "within the next few months something like 7 to 8 out of every 10 black elderly would be in poverty, and about 1 out of 2 black males." Dr. Jackson further urged that future Social Security Advisory Councils should have a special subcommittee devoted to problems of minorities.

IMPORTANCE OF SOCIAL SECURITY

The committee's hearings made it abundantly clear that social security provides the economic underpinning for the vast majority of older Americans. Social security accounts for more than half of the income for two-thirds of individual beneficiaries and one-half of elderly couple beneficiaries. It also represents almost the entire source of support—90 percent or more of total income—for 30 percent of single elderly beneficiaries and 15 percent of older couples.

Today only about 1 of every 6 aged individuals and 1 out of 3 elderly couples have a private or governmental pension.

Dr. James Schulz, an associate professor of welfare economics at Brandeis University, warned against overdependence on private pensions because a "pension elite" class is already evolving. He said:

> If present trends continue, the retirement income disparities created by our present dual pension system will grow larger and create serious tension between the resulting "pension elite" and those less fortunate.

Dr. Schulz called for a social security wage replacement ratio of at least 55 percent, saying:

> We should rely more heavily on social security for the bulk of pension income. The system has already proven its superiority and popularity in providing major retirement security.

FINANCING PROBLEMS

The committee also heard extensive testimony about the potential financing problems confronting social security.

As things now stand, social security is faced with a short-term and long-range deficit.

Benefit payments this year are expected to exceed income, essentially for two reasons:

First, the July cost-of-living adjustment will be considerably greater than initially projected because of the extraordinary increase in prices in the past year.

Second, the 8.7-percent unemployment rate—the highest level in 34 years—has caused a major reduction in the program's income.

However, the social security system has a $46 billion trust fund to meet such temporary problems, until appropriate corrective action can be taken.

Mr. Robert Ball—Commissioner of Social Security from 1962 to 1973 and now a scholar in residence at the National Academy of Sciences—testified:

> This is why social security has the reserves it does. They should be drawn on in a period of recession like the present.

The long-range financing problems are caused primarily by a sharp reduction in the birth rate. If this trend continues there will be a substantially larger proportion of aged persons to workers in the 21st century.

But, there is no guarantee that this trend will continue. Birth rate assumptions are, of course, subject to change and are very difficult to predict with any degree of precision.

Even if these projections should prove to be accurate, there are other factors which will offset potential problems resulting from a higher ratio of retired persons to workers:

First, it is quite likely that a greater proportion of older persons will continue to work to more advanced ages because there will be less competition from younger workers.

Second, with smaller families more women will probably enter the labor force.

Consequently, the projected income for the social security system may be substantially greater than now estimated.

However, Robert Ball wisely observed that the prudent course is to assume the most conservative projections could be largely correct.

Therefore, it is essential that the early warning signals of the Board of Trustees and the Social Security Advisory Council be heeded, and appropriate corrective action taken to guarantee the integrity of the trust funds.

DECOUPLING

One such recommendation—adopted unanimously by the Advisory Council—is to modify the way we compute benefit increases to reflect cost-of-living adjustments for workers.

Whenever the Consumer Price Index now increases by 3 percent during a measurement period, benefits automatically rise accordingly.

This not only increases the benefits for all retirees, but also for persons still in the work force. They will eventually obtain the advantages of the higher benefit schedule when they retire.

At the same time, though, individuals still working will also receive an increase in wages. This results in an increase for their future benefits because social security payments are pegged to a worker's average monthly earnings.

The net effect is that benefit raises for today's workers are coupled with benefit increases for retired persons, producing instability in the existing wage replacement ratios.

To deal with this problem, the Social Security Advisory Council recommended "decoupling" to cause benefits to rise on the basis of wages during an individual's working years. After retirement, his benefits will rise according to increases in the Consumer Price Index.

Decoupling the social security benefit computation poses an early challenge for the 94th Congress, and it must be corrected in the fairly near future. In fact, this change alone could reduce the long-range actuarial deficit by as much as one-third.

VOTE OF CONFIDENCE FOR SOCIAL SECURITY

The committee's 3 days of hearings in March again sounded a resounding vote of confidence for the social security system. One outstanding example was Mr. J. W. Van Gorkom, president of Trans Union Corp., and chairman of the Social Security Advisory Council's Subcommittee on Finance:

> I strongly support the Social Secuity system. I think it has served this country well, and my basic concern is for its maintenance in the future.

I was also pleased that my proposal, S. 388, to reestablish the Social Security Administration as an independent agency was heartily endorsed.

Mr. Nelson Cruikshank summed it up quite effectively when he said:

> The National Council takes this opportunity to express strong support for S. 388 introduced by you. The objectives we have long sought would be achieved by its provisions to establish the Social Security Administration as an autonomous agency; to prohibit the accompanying of checks with notices that make reference to elected Federal officials; and to separate the transactions of the Social Security trust funds from the Unified Budget.

These expert appraisals are comforting, and I welcome them.

But I want to reemphasize one key point: Social security will only work as long as it has the confidence of the people. I do not think that scare stories can shake or undermine that confidence.

In the final analysis, individual beneficiaries and workers are concerned with how well they are served by social security. For this important reason, the committee will continue to pay special attention to the performance of the sysem in serving people.

IF THE COMMUNISTS WIN

Mr. BUCKLEY. Mr. President, there has been much talk recently concerning the possibility of what has come to be termed a "bloodbath' if the Communists take over South Vietnam. Some who will not accept this idea bring up the curious argument that since blood is now being shed in battle, the real bloodbath is the war, and that if the war stops, there will be no more shedding of blood.

I believe that kind of argument is a typical example of the inability to distinguish between acts of a different moral nature. Certainly, the war will end if the South Vietnamese surrender; but the question then remains—is this a moral

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solution? The South Vietnamese do not think so. They continue to fight. They know that a true bloodbath means the systematic killing of defenseless human beings for ideological reasons, deliberately, after careful examination and identification of their social class. That is the kind of bloodbath that will take place in Vietnam if the Communists win.

Douglas Pike, the internationally known expert on the Communists in Vietnam, has spoken to this point in an interview with U.S. News & World Report, April 21, 1975. He was asked what the outside world will ever know about a Communist bloodbath. His answer—"Very little. The Communists will create a silence, and the world will call it peace."—is the most accurate description of what can happen in Vietnam that I have yet to come across.

Mr. President, I commend the reading of this article to all the Members of this body and therefore ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW HANOI WILL TREAT ITS ENEMIES

(An interview with Douglas Pike)

Q. Mr. Pike, do you expect a quick and widespread bloodbath in South Vietnam if the Communists take over?

A. There will be personal-vendetta killings by individual Viet Cong or Communist cadres to settle old scores—people that the Viet Cong want to hunt down and do in, even in the face of orders to the contrary from Hanoi. If these potential victims can get out of South Vietnam somehow, the number of killings will go down. If not, it will be high.

As for the South Vietnamese who simply don't fit into the new Communist society—middle or upper-class people that are regarded as "social negatives"—I expect Hanoi to show some restraint, at least at first. I don't expect the kind of quick and brutal behavior we saw in Hue, when Communist troops slaughtered more than 3,500 civilians and buried many in mass graves.

Q. Why would you expect any restraint now?

A. For a number of reasons:

One is that if they start shooting people in heavily populated areas, they will probably have riots on their hands by people who already are restless because of hunger. The overriding immediate interest is to keep things calm and quiet.

Then there is the problem of administering large populated areas with just a handful of cadres. The Communists are going around telling people, "We are not going to hurt you." They can't afford to antagonize people now.

Q. Do you expect this restraint to continue very long?

A. I don't think you can conclude anything about the Viet Cong's long-range behavior from what it does at first. It's later than they start tightening the screws. Once they secure control of South Vietnam, it will be a different story.

Q. Are the North Vietnamese likely to allow the "social negatives" simply to leave the country?

A. If Hanoi can get rid of them in a nonviolent manner—by evacuation—I think they may be willing to do it, up to a point. The one major force working against this is that many of these people represent very badly needed technical skills.

I'm not sure what level of evacuation they would tolerate—tens of thousands, maybe, but a million, no. But up to a certain point, and if it could be put on a class level, I think they might go along with it, even if they never openly agreed to it.

Q. What happens to the "social negatives" who refuse to leave? Will they eventually be liquidated?

A. Yes. That's what happened when the Communists took over in North Vietnam, and in villages of South Vietnam taken over by the Viet Cong. Some of these people were simply stubborn and rather courageous.

Q. Why do the Communists engage in widespread killing—revenge, control by terror, or what?

A. Communists consider themselves very moral. When they eliminate "social negatives," it's not done with glee or pleasure. They are not a bunch of bloody-handed monsters with fangs. Those who so characterize them do truth a disservice.

The Vietnamese Communists are determined, sometimes fanatical persons dedicated to creating in Vietnam an entirely new social order. They see what they have to offer as a total system. It cannot be bought piecemeal, because it won't work except as a complete package.

Part of the system is what they call revolutionary violence—in plain terms, killing persons who cannot fit into the new social system being created. If they remain, they become a cancer in the body politic. Hence, one way or the other they must be eliminated.

Q. How much violence was there in North Vietnam when the Communists took over in 1954?

A. Quite a bit. Estimates range as high as 50,000 killed. The toll would have been much higher if the nearly million people, mostly Catholics and midlle class, had not escaped to the South.

Q. What will happen to those Catholics now in South Vietnam?

A. That's the biggest worry. Actually, the Vietnamese don't particularly see religion as much of a danger to the state. The only danger they see is in organizational terms. If they can keep their hands on the organizational throttle of the Church, as they do in North Vietnam, there may be no extra danger accruing to the Vietnamese because of their religion.

Q. Do you expect the ethnic minorities in South Vietnam to be treated harshly?

A. No, I think they will be treated quite well, so long as they don't give the Government any trouble.

Q. How do the Communists determine who their enemies are?

A. Once they take over, they divide a city into areas, which are further divided into blocks of 3,000 people, with a revolutionary committee to manage them. First comes a census of everybody in a block, with detailed information on each. The most important thing is to fix a person's social class—to decide whether a person is an exploiter or one of the exploited.

If you are in the exploiter class—the middle or upper class, roughly, in our terms—you are forever doomed, and your children are forever doomed. That was the pattern in North Vietnam.

The problem in South Vietnam is that there are so many in the exploiter class—particularly if not many get out—that there is going to have to be some kind of adjustment. If they go after the whole exploiter class, they may trigger open and armed resistance. Everybody in South Vietnam has a gun. I think one of the chief worries of the North Vietnamese will be how to head off the development of an incipient revolutionary guerrilla war—a very deadly kind of civil war.

Q. If there is extensive violence, how much will the outside world ever know about it?

A. Very little. The Communists will create a silence, and the world will call it peace.

SUPPORT FOR COMPTROLLER GENERAL'S CASE TO RELEASE SECTION 235 FUNDS

Mr. PROXMIRE. Mr. President, on Tuesday morning, the Comptroller General of the United States filed suit against the President of the United States in the Federal Court of the District of Columbia in order to secure the immediate release of section 235 home ownership assistance funds impounded by the administration since January, 1973.

As chairman of the Committee on Banking, Housing and Urban Affairs, I want to express my unqualified support for the Comptroller General's action.

It is high time the administration restored the home ownership program.

The 1974 budget reform and impoundment control law requires the President to release the impounded funds.

The 1974 housing and community development law clearly intends that these funds be utilized.

The present economic recession that idles more than three-fourths of a million U.S. workers and almost 20 percent of all workers in the construction industry makes it imperative that these impounded funds be put to productive use now.

CLEAR CONGRESSIONAL ACTION

You will recall that the Senate (in S. Res. 61) disapproved the President's request to defer implementation of the homeownership program and that both the House and the Senate rejected the request to rescind the spending authority conferred by appropriations law in 1971 and 1972.

These actions made crystal clear, according to the procedures established by the new Budget Act, that the Congress intended that the homeownership program be activated this year. The administration has failed to do so, even after formal notification by the Comptroller General last month. The President, as a result, stands in violation of the budget reform law.

You will also recall that the Housing and Community Development Act of 1974 clearly provided for resumption of the homeownership program. The Senate and House conferees, after long and careful consideration, agreed to revise the program in order to correct certain weaknesses that had been brought to the attention of the Congress and to reauthorize it. The spending authority that was impounded almost 18 months earlier was specifically authorized for use during this year. The conferees understood that the Budget Control Act would require that the funds be spent once they were reauthorized.

The agreement to reauthorize the program and make the carryover funds

available was crucial to the success of the conference and a key element in the law signed by the President.

Nevertheless, the administration has failed to carry out the agreement. It appears once more that the clear intent of Congress, expressed in law, is being ignored.

PRESIDENT SHOULD DIRECT OMB TO CARRY OUT THE LAW

It is clearly time for the President to direct the Director of OMB to spend funds appropriated by Congress for constructive purposes, rather than for useless court argument.

It is clearly time for the President to direct the Secretary of Housing and Urban Development to start building desperately needed housing and to stop phasing housing out of HUD's program.

The people of this country—those who live in our cities and those who dwell in the countryside—want their Federal Government to help assure every American a decent home.

Congress, as a responsive body, has over the years created a number of programs to meet the many different housing needs that exist in this varied Nation.

Homeownership is, very clearly, of a high priority among Americans. Today more than ever before, homeownership assistance makes good sense.

COMPTROLLER GENERAL IS RIGHT

I endorse the Comptroller General's action and wish him success in his suit. I hope, however, that the President does not force the Comptroller General to pursue this litigation. We have had too much action in the courts this past year, and not enough in the economy. The President has indicated a number of times that he wants to work with Congress. I hope he decides not to use the valuable resources of his Justice Department in lengthy court proceedings that will bring little benefit to the Nation.

I urge the President to end the impoundment and put the $264 million in housing funds to work immediately. They could produce 200,000 needed new housing units and put over 400,000 workers back to work in a very short period.

REMARKS OF GOVERNOR EDWARDS BEFORE SENATE ARMED SERVICES MANPOWER SUBCOMMITTEE

Mr. THURMOND. Mr. President, Gov. James B. Edwards, of the State of South Carolina, submitted an excellent statement to the Manpower Subcommittee of the Senate Armed Services Committee on April 7 in behalf of the National Guard program for fiscal year 1976.

His remarks represented the views of the Governors of several States and offered the subcommittee a perspective on the importance of the Guard from the standpoint of a State's chief executive.

Mr. President, I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY JAMES B. EDWARDS, GOVERNOR OF SOUTH CAROLINA AND CHAIRMAN, SUBCOMMITTEE ON NATIONAL GUARD, COMMITTEE ON CRIME REDUCTION AND PUBLIC SAFETY, NATIONAL GOVERNORS' CONFERENCE, TO THE SUBCOMMITTEE ON MANPOWER, SENATE ARMED SERVICES COMMITTEE, APRIL 1975

I greatly appreciate the opportunity you have extended to me to appear before this important subcommittee of the Congress on behalf of the National Guard.

I offer these views as a spokesman for the Governors of the several States, acting in my capacity as Chairman of the Sub-committee on National Guard of the Committee on Crime Reduction and Public Safety, National Governors' Conference.

In the eyes of most citizens, the Governors would seem to have little or no responsibility for the military defense of the United States. That is a misconception, as this Committee is aware, for the Governors have one defense responsibility which I consider critically important. That is to serve as the peacetime commanders-in-chief of the National Guard of their respective States. In that capacity, they are responsible for maintaining, manning, and training the nation's largest and readiest reserve force. It is our duty, by law, to keep that force of 500,000 men and women in readiness to defend the United States and its interests should the need arise.

We do not take that responsibility lightly. The States have sent their Guardsmen off to war on many occasions back through the years of our national existence. We have wept for those who never returned, and displayed our respect and admiration of those who did. The Guard's share of the responsibility for defending the nation has been steadily expanded in recent years, permitting sizable reductions in the more costly active military forces. The Governors are fully aware of this increased defense role, because their own responsibilities have increased proportionately.

We have been told that a very large proportion of the combat forces and staying power of the Army and Air Force are now maintained in the National Guard. The Guard is thus an indispensable factor in the nation's ability to defend itself.

We know, as Governors, that the National Guard is indispensable at State and community level. I rest a good deal easier, knowing that there are 12,000 Guardsmen, under competent leaders, spread across the State of South Carolina, ready to turn out instantly when disaster strikes or other civil emergencies arise. I have seen those Guardsmen in action. I know they are well-disciplined, well-trained and dependable.

Other Governors have the same high regard and respect for their own National Guardsmen. They too have seen the havoc that can be wrought in a few hours by floods, fires, tornadoes, blizzards or civil disorder. They likewise have visited the scenes of disasters and been told by citizens: "Thank God for the National Guard, Governor, or it would have been far worse."

The Governors are grateful to the Congress for so consistently providing the Federal funding that the Guard requires. We commend the President and the Department of Defense this year for submitting a realistic budget to meet the Guard's needs. Inflation will take its bite out of whatever funds are provided and I hope the Congress will take that into account when appropriations are voted.

We are deeply concerned, however, by the renewed Department of Defense attempts to reduce the number of men and units in the Guard.

We made our concern known last year when the Pentagon asked Congress to reduce the authorized strengths of the Army and Air Guard, and to permit a reduction in the number of Air Guard flying units. Congress apparently shared our apprehension, because it rejected the Pentagon proposals.

Now, with admirable persistence but questionable judgment, the Department of Defense has submitted a legislative proposal identical to the one you rejected last year. It asks that Army Guard authorized strength be reduced from 400,000 to 379,848, Air Guard strength from 95,000 to 89,128, and Air Guard flying units from 91 to 86. I understand that Defense witnesses also have asked Congress to express authorized strengths as *end* strengths rather than *average* strengths, thus giving the Pentagon the "flexibility" to make sharp reductions in the Guard as long as it can force-feed enough recruits into the system at year's end to reach the required end strength.

I am aware that the Department of Defense if requesting funds for the higher levels now called for in law—400,000 for the Army Guard and 95,000 for the Air Guard. I also am aware that they need not necessarily reduce actual, on-board strengths to the 379,848 and 89,128 which they seek to have written into law as the *authorized* strength levels. Our long struggle with the Defense Department to prevent cuts in Guard strength, however, gives me no reason to believe that they won't cut the Guard the minute Congress gives them the necessary authority.

The Governors' concern over the proposals is so great that they took an unusual step to make their feelings known. At their recent Winter meeting, where resolutions are discouraged and may be brought before the Conference only by a 75 per cent vote of acquiescence, they unanimously adopted a resolution opposing the Department of Defense's proposal. I have appended a copy of that resolution to this statement for your consideration. (Appendix I)

The reductions sought by the Department of Defense appear to be rather small, but the Governors do not want to see the Guard reduced by a single man or a single unit. Over the past two decades, the Guard's force structure has been steadily whittled down from 6,081 units in 1957 to the 4,325 that now exist in the Army Guard and Air Guard combined. This has greatly reduced the command and control structure through which Guard operations and training are supervised. With the support of the Congress, however, we have managed to keep the manning at a fairly stable level of approximately 500,000. We hope the Congress will continue to keep it at that level by again mandating that the Guard be maintained at average strengths of not less than 400,000 for the Army Guard and 95,000 for the Air Guard.

Last year, during a similar dispute over Guard manning, the Subcommittee which I now head conducted a survey of all the Governors to ascertain what they perceived to be their troop needs. The information we collected is now about seven months old but is as valid now as it was then. Our Sub-committee promised to make its findings available to the Armed Services Committee when they were available and I do so now.

All but a handful of the Governors responded and without exception, they urged most strongly that current manning levels and troop structure be maintained. They recited events in their own States of recent years to back up their pleas that the Guard not be reduced.

At this point; let me recite some excerpts from the responses of two of the Governors. I chose these two because they cover a wide range of reasons why the Guard should not be reduced.

Governor Walker, Illinois: "The present troop structure in Illinois provides effective

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command and control, the ability to mobilize and move to a scene of operations within acceptable time frames, and the capability to provide administrative and logistical support. Experience has proven that every unit in the troop structure has a vital role to fulfill in the event of State emergencies. Illinois cannot accept any reduction . . . in the number of units or assigned strength presently authorized. They are essential in assuring the people of this State that we have the capability to provide assistance to civil authorities, protect lives and property, and insure public safety regardless of the nature or conditions of the emergency."

Governor Lucey, Wisconsin: "Any structure or strength reductions in the Army of Air National Guard of Wisconsin would decrease our potential and have an adverse effect upon our overall readiness for the successful completion of both our State and Federal missions. . . . During recent years, we have had occasions in which we were required to commit up to 40 per cent of our total strength at the site of a single civil disturbance. . . . On other occasions, our units have been on State active duty for prolonged periods. In order to maintain effectiveness and preserve morale, we consider it necessary to rotate units after five to seven days. . . . Finally, it is difficult to remove units from communities which have depended upon them for very long periods of time for community action activities of all kinds. . . . Reductions in equipment assets with which to respond to emergencies and community action requirements, the necessity for armory closures, the economic loss to communities, the removal of the opportunity for the young men and women of some areas to service their State and Nation—all would be serious losses."

Those statements fairly reflect what Governor after Governor said in their responses. I have appended a larger sampling to this statement, and any or all of the actual letters are available for your reference upon request. (Appendix II) In addition, I am appending a summary of State emergency duty performed by the National Guard in recent years. (Appendix III)

The Guard maintains units in some 2,600 towns and cities, and draws manpower in every case from the surrounding countryside. This provides an opportunity for young men and women from every nook and cranny of the United States to serve their nation as volunteers. It permits whole communities to contribute directly to the defense of their country and I consider that important. The Guard also keeps those communites, and millions of citizens, aware that the country must be defended if it is to survive.

Not the least of these advantages of that wide dispersion acros every county and every State is the recruiting base it provides. The Guard's wide dispersion, and its total involvement in the life of those communities, has enabled it to continually maintain a force of about 500,000 trained people for two decades, even in times when military service was not highly regarded. I consider that to be a defense asset that should not be lightly discarded.

I'm sure that other witnesses will testify to the low cost of the Guard compared with the size and caliber of force it provides. I'll merely reinforce their testimony by pointing out that the Guard provides two vital services—national defense and State/community emergency support—with the same men, equipment, facilities and training dollars.

Cutting the Guard produces a maximum reduction in our military structure for a minimum saving of dollars, at a time when, if we must cut at all, we should be looking for ways to make the least reduction in our forces and the largest savings in dollars.

The Governors are more aware than most of the sad plight of our economy. We see daily what inflation is doing to the earnings of every American, and likewise see the growing unemployment rolls in our own States. We do deplore the need to spend so much of our national wealth on defense. But we'll be in a far worse plight should we allow ourselves to be persuaded that we can't afford to give this nation an adequate military defense.

The Governors cannot pretend to have the specialized knowledge of military requirements that members of the Armed Services Committee possess. We can claim a great deal of first-hand experience and knowledge about the roll, capability and performance of the National Guard. It is on that basis that we ask this Committee to make sure that the Guard is given the funds, manning levels and other suport it needs to fulfill the responsibilities we have laid on it.

I commend this Committee for its diligence and heavy labors in a great cause. I thank you for giving me the opportunity to present the views of the Governors on an issue which we regard as extremely important to the States and to the entire nation.

THE INDOCHINA STORY

Mr. HUMPHREY. Mr. President, in a recent New York Times article entitled, "The U.S. and Vietnam: The Accretion of Failing Policy," Mr. Leslie Gelb has presented an excellent review of America's long involvement in Indochina. He has brought sharply into focus our reasons for entering the conflict, why successive Presidents chose to continue and expand our involvement, and the failures of policy manifested in the course of two decades of American assistance.

The question before us now is not so much what went wrong but, rather, where do we go from here? I am opposed to the President's request for $722 million in additional military aid to Vietnam. After a 20-year involvement in Indochina, at a cost to the American people of over 50,000 precious lives and $150 billion, there is little evidence to support the administration's argument that this additional sum might perhaps enable the Thieu government to stabilize the situation. History has taught us that the more arms and ammunition we provide that regime, the longer the struggle—which has been characterized by profound human suffering—will be drawn out.

There is, however, an honorable course of action for America to take now. We can and should provide humanitarian assistance to all the suffering people of South Vietnam and Cambodia. If we can contribute to alleviating the disease and hunger which have afflicted so many of these innocent people, perhaps they can then begin the long and hard task of rebuilding and revitalizing their war-torn, devastated countries.

Mr. President, I want to commend Mr. Gelb for his fine article, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UNITED STATES AND VIETNAM: THE ACCRETION OF FAILING POLICY

(By Leslie H. Gelb)

WASHINGTON—The regime of South Vietnam was effectively created in the summer of 1954. In the spring of 1975, it is perishing. Its creation as one of two zones of Vietnam by the Geneva conference marked the end of a terrible colonial war. Its impending demise, 10 years after American forces splashed ashore at Da Nang and more than two years after the 1973 Paris peace accord, marks the end of a grim civil war.

The United States and the world watch the final spasms in horror, sadness, indifference and relief, fearful of prolonging the agony.

The events and battles of this Vietnamese civil war seem inextricably bound to our own recent turmoils: the assassinations of President Kennedy and President Ngo Dinh Diem; the American troop buildup in the summer of 1965 and the beginning of Congressional inquiry into 20 years of American foreign policy; the Communist Tet offensive in February, 1968, and the March on Washington, the Cambodian "incursion" and Kent State.

"Their" civil war became "our" civil convulsion. The more the United States did to preserve an independent South Vietnamese identity, the more America's own identity changed.

The refugees fleeing southward, the North Vietnamese forces methodically moving forward, and the city of Saigon about to be besieged are tied to historical forces almost forgotten.

Over a century ago, European powers sought new territories overseas, and France claimed Indochina as its colonial domain. World War II set loose independence movements throughout the underdeveloped world, and, in Vietnam the Communists laid claim to the mantle of nationalism. Twentieth century American leaders want to shape the world in the image of American democracy and to ensure that it is not shaped in the image of Communist idols.

Colonialism, nationalism, Communism, and American—all met in Vietnam.

HOW DID IT BEGIN?

How did it come to be that six American Presidents from Truman to Ford chose to get involved in Vietnam? Why could not the American giant prevail over the tiny Communist adversary? Why is it that the Saigon forces of today—greater in numbers and firepower than the Communists—are crumbling?

From 1945, Vietnam remained a battleground, a testing place. There was only a brief time in the beginning when that was not so.

For the immediate post-war years, President Truman walked a tightrope with great care between the French trying to reassert their hold on Indochina and the Vietninh—a collection of Communists and nationalists— fighting for independence. Only after the Communist takeover in China did he clearly choose sides. Days after Moscow and Peking in 1950 recognized the Democratic Republic of Vietnam led by Ho Chi Minh, Mr. Truman recognized the French-controlled state of Vietnam headed by Emperor Bao Dai.

The Presidentially approved National Security Council policy paper of June 25, 1952, called Indochina "of great strategic importance in the general international interest rather than in the purely French interest, and as essential to the security of the free world, not only in the Far East but in the Middle East and Europe as well." The American objective: "to prevent the countries of Southeast Asia from passing into the Communist orbit. . . ."

Five successive administrations were to pay public and secret obeisance to the Domino Theory—including President Ford last week. Five successive Presidents were to seek an independent non-Communist South Vietnam—as Mr. Ford does today.

This basic American commitment was set in fact, although not by law, as early as 1950.

The question of whether American leaders would have started down this road if they could have foreseen the loss of over 50,000 American lives and the expenditure of over $150-billion is historically irrelevant. The point is that each President was prepared to pay the costs he could foresee.

What drove them was a combination of three factors: a strategic mode of thought which held that peace was indivisible; a domestic paranoia centered on the nightmare of a right-wing McCarthyite reaction; and, in time a bureaucracy that wanted to prove and improve itself and do the job of stopping Communism.

President Eisenhower and Secretary of State Dulles fell, though not completely, into this pattern. By 1954, the United States was providing almost $3-billion in aid to the war effort in Indochina, or about 80 percent of the total French costs. But, in the spring of 1954, when French forces were surrounded at Dienbienphu by the Vietminh, Mr. Eisenhower knew that if the French garrison fell, the psychological shock would knock France out of the war.

Only American intervention could save the French. Mr. Dulles, Chairman of the Joint Chiefs of Staff Adm. Arthur W. Radford, and Vice-President Nixon said go. All the other Joint Chiefs and a group of bipartisan Congressional leaders including Senator Lyndon Johnson said no, unless allies would help and Paris would grant true independence to Vietnam. Mr. Eisenhower tried to meet these conditions and failed.

France found a new Premier, Pierre Mendes-France who had the political courage to say enough. Thus began the Geneva conference. The conferees—France, China, Russia, the Vietnminh, and Bao Dai's representatives, with Washington as an observer—divided Vietnam at the 17th parallel with the prospect of reunification within two years by a process of free elections. Neither Washington nor, in time, the new strongman Ngo Dinh Diem agreed to these political terms. Saigon and Hanoi now faced each other. A new war was about to begin.

From 1955 to 1961, Mr. Eisenhower was to pour about $200-million in military aid into Saigon annually.

He left this legacy for President Kennedy: He kept America out of the war and put Americans into Vietnam. Mr. Kennedy inherited 685 American military personnel in South Vietnam and himself left a legacy of 16,000 fighting a clandestine war.

Mr. Kennedy's thousand days witnessed self-immolation by Buddhists on American television in protests against the Diem regime and the likes of Madame Nhu. It almost saw the United States sending the Marines into Laos before a coalition government was agreed upon for that country. Indochina became steady front page news with Secretary of Defense Robert McNamara, pointer in hand explaining the maps on television, and Secretary of State Dean Rusk, whose career seemed preoccupied with South Asia, never tiring of warning about the Red Chinese menace.

It was the heyday of the Green Berets, the young President saw them as the new Praetorians against the new kind of Communist threat, guerrilla warfare. As Mr. Kennedy privately warned of the hopelessness of a white man's war and kept calling it "their" war, he escalated American involvement.

Weeks before Mr. Kennedy was assassinated, he told a television audience: "I don't agree with those who say we should withdraw. That would be a great mistake. I know people don't like America to be engaged in this kind of an effort. Forty-seven Americans have been killed in combat with the enemy, but this is a very important struggle."

It was during the Kennedy years that the basic patterns of the war were to emerge.

First, the Saigon Government and its military forces always got "better," but they never got good enough. Something was wrong somewhere; something always was wrong. The non-Communist groups could never merge into a unified effort.

Hanoi and their Vietcong allies in the South would always take heavier and heavier losses and keep coming back. Something always went right for them. Their leadership remained unified, their nation and armed forces disciplined and organized. It was they who held the banner of nationalism.

Victory would have been theirs on many occasions except for the increasing American involvement. Whenever Saigon was in immediate danger of losing, America would do more.

The upshot was the pattern of military stalemate. From time to time, negotiating efforts were launched, only to get nowhere. They merely underlined the fact that this was a civil war, a war that could not be ended by compromise, and only by force of arms. Death became a way of life in Vietnam as the spiral of stalemate rose higher and higher.

Back in Washington, the credibility gap was emerging. As Mr. Kennedy's press secretary, Pierre Salinger, was later to put it, Mr. Kennedy "was not anxious to admit the existence of a real war." So, later, President Johnson was not eager to tell Americans—as he himself and senior lieutenants recognized—that the "light at the end of the tunnel" was indeed far away.

The basic policy decisions that were to confront President Johnson were rooted in these patterns: How to build a Saigon Government able to stand on its own and how much American military power to employ in fighting the war. Mr. Johnson, like Mr. Truman, Mr. Eisenhower and Mr. Kennedy before him, knew that the war could not be ended unless the Saigon Government reformed. He made reforms a precondition for further American aid. Like his predecessors, he violated his own precondition. The difficulty was this: If the United States provided more aid before they reformed, they would never reform; but if we did not provide aid and the situation deteriorated, reforms would become academic. The more we did, the less they would be likely to do. In this way, it became an American war and American planes began bombing North Vietnam and American troop levels climbed until they reached almost 550,000.

As Mr. Johnson and his advisers recounted their dilemma on how to use this vast military power, it was this: If they used maximum force and tried to end the war by destroying North Vietnam, they believed they ran the risk of igniting World War III.

If they were to replay Vietnam as Mr. Truman handled China in 1949 and let it fall, they would run the risk of another round of McCarthyism. Instead, the President chose the middle way, a policy of gradualism, a replay of Vietnam as Korea. He would hope to outlast the other side, get them to stay on their side of the line. To avoid the nightmares of world war and McCarthyism, Mr. Johnson chose the bad dream of prolonged limited war.

WHEN WAS THE TURNING POINT?

The American public went along with this meat-grinder approach until the Communists launched an offensive in the Tet holiday in early 1968. If Hanoi could launch such an offensive after so many years, it was generally reasoned, American policy toward Vietnam was a failure, and we had to get out. Thus, began the slow process of the de-Americanization of the war. Under President Nixon and Secretary of State Kissinger this phasing out of American forces, slow enough not to jeopardize the battlefield situation but fast enough to assuage American political opinion, was labelled Vietnamization.

In January, 1973, after the war spilled over into Cambodia, and after Mr. Nixon ordered the mining of Haiphong harbor and the carpet-bombing of Hanoi, a peace accord was signed in Paris. The essence of this agreement was that all American forces were to be withdrawn in return for the release of American prisoners, and Hanoi's forces could stay in the south. The accords also called for a cease-fire leading to free elections in South Vietnam. Few expected this would happen, and to ensure against an American military reintervention, Congress legislated a ban on all future American military reinvolvement.

Given the constant goal of a non-Communist South Vietnam, the United States faced three historically phased dilemmas.

At first, our leaders realized that there was no chance of defeating the Vietminh unless France granted independence to Vietnam, but that if France granted independence, she would not remain and fight the war. So, we could not win with France and we could not win without her.

Then, our leaders recognized that President Diem was hopelessly losing the support of his people, but at the same time, that he represented the only hope of future political stability. So, we could not win with President Diem and we could not win without him.

Later, our leaders came to the view that the Saigon regime of President Nguyen Van Thieu would not reform with more American aid and could not survive without enormous American involvement, and that Hanoi's effort seemed able to survive despite American efforts. So again, the war could not be won even with American might, but it could be lost without it.

Now, with the French and American trappings gone, it is a pure civil war. In that form, few doubted who would win. Civil wars do not end in compromise; they end in battlefields, in streets, and in homes—with vengeance. The time for diplomatic ways to mitigate these horrors is drawing to a close. In time, Vietnam will know a kind of peace.

SENSATIONAL EXPOSÉS AND OTHER MATTERS

Mr. BUCKLEY. Mr. President, we have seen and read so many sensational exposés in the media in recent years, that it might seem we have become jaded. But syndicated columnist John D. Lofton, Jr., has come up with what might be called an "ultra-sensation:" secret files open to only a select few; cathode-ray dissemination of highly restricted data; an information-gathering program—including files on hundreds of thousands of Americans—that has been going on since 1911—these are the facts as Lofton has reported them. If Mr. Lofton's sensational report bears any resemblance to recent sensational reports, I am sure it is purely coincidental.

Mr. President, I ask unanimous consent that an article by Mr. Lofton entitled "The Times Has 'Secret Dossiers'" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Mar. 27, 1975]

THE TIMES HAS "SECRET DOSSIERS"

(By John D. Lofton, Jr.)

WASHINGTON.—The New York Times has for decades conducted a massive, domestic information-gathering operation which has resulted in the compilation of over one million secret dossiers on individuals, several hundred thousand of whom are U.S. citizens, according to a well-placed source at the Times.

An extensive investigation by this reporter has turned up the following:

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By far, the most massive of the Times' information-gathering programs, which include files on hundreds of thousands of Americans, is the one which occupies some 8,000 square feet—"a great deal of the third floor"—at the Times office building in New York City, according to a Times' source.

Here, my source estimates, there are a little over two million files. Approximately 1,600,000 of these files are on individuals and contain about 20 million items, some dating back as far as 1911.

This information, my source says, is highly restricted, not available to the general public, and is accessible only to employes of the Times. My well-informed Times source guesses that such data has been compiled since "sometime in the late 1800's."

Another well-placed source at the Times tells me there is an entirely separate, secret list of Americans on file at the newspaper which contains information on approximately 83,000 U.S. citizens.

This list, my source says, has been in existence at least as long as he has been at the paper, which is 29 years. The list is presently being computerized, he says, and the information contained in it is also denied to the general public. Twenty-seven people work fulltime keeping these dossiers current.

The third Times' snooping operation, which keeps tabs on both U.S. citizens and foreigners, is a fully computerized information retrieval system which is "rather unique," according to another well placed inside-the-Times source. My source estimates that this particular operation has amassed close to one million pieces of data, which include information on several hundred thousand individuals.

For a fee, this information is disseminated via a cathode ray computer terminal for interested parties from Canada to Mexico and from coast to coast across the United States. Every day, my source admitted when confronted with the question, some 1,500 new pieces of information are fed into Times computers, which add up to about 20,000 items a month. There are over 100 Times employes who work on this project.

Now, the interesting thing about these goings-on is that there is absolutely nothing at all wrong or sinister about them.

My source on the first project, is Bob Medina, who runs the Times' so-called morgue, the paper's library which contains clips from newspapers and magazines.

My source on the second project is Jim Dolan, circulation manager of the Times, and what he was describing is the Times' subscription by mail program.

And my source on the third project is Jim O'Toole, head of the Washington office of the Times' new computerized information bank, which is available by subscription to the public.

But the way one chooses to write about things, the words and phrases one selects to describe them, sure make a difference as to how things are perceived, doesn't it? This is something to keep in mind when reading or watching on TV all those horrible-sounding "news stories" about the CIA.

INDIVIDUAL RIGHTS ARE PERSONAL AS WELL AS POLITICAL

Mr. MATHIAS. Mr. President, by "industrial health" we used to mean merely a concept of factory conditions that minimized maiming and amputation in the course of a manufacturing process.

Today we have progressed a long way from that primitive position. We now recognize that working conditions that do not inflict visible injuries can, in fact, result in illness and death. As we learn more about the human body and about what influences it, we realize that safeguards must be provided that are far more comprehensive than previously believed.

Complaints arise, of course, that the new health standards increase the cost of industrial products. Certainly that is true. But whatever the cost, it must be paid in a society dedicated to the proposition that all men are created equal and that each citizen is entitled to the equal protection of the laws. It would be a travesty of American society if our well-advertised individual rights were only political, and our lives and health were subject to exploitation by anyone powerful enough to control the environment in which we work. I believe that in America an individual's rights are personal as well as political and that we must effectively guarantee them.

An article entitled "Jobs and Cancer" appeared in the Washington Post on Monday, April 14, 1975, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 14, 1975]

Jobs and Cancer

(By Joseph K. Wagoner)

This year we mark the 200th anniversary of the discovery of occupation-related cancer by Percival Pott, who in 1775 reported scrotal cancer among London chimney sweeps. As children they had been exposed to coal combustion by-products. On this bicentennial, thousands of coke oven workers in the steel industry of the United States alone are inhaling the very same class of substances that caused scrotol cancer in the chimney sweeps and, as a result, are dying of lung cancer at a rate 15 times that of the general population.

In 1971, 90 years after miners in the Erz Mountains of Central Europe were observed to be dying of lung malignancy and 30 years after radioactivity within these mines was known to be the cause of these lung cancers, thousands of U.S. uranium miners were still working in radon daughter concentrations of such magnitude as to triple their prospects of dying from lung cancer. Indeed, in that same year Brian McMahon stated the epidemic of lung cancer now in progress among American uranium miners could rapidly have been—and indeed was—predicted on the basis of past experience in other parts of the world."

Today, 130 years after the observation of scrotal cancer in copper smelters exposed to inorganic arsenic, 1,500,000 workers in the United States are inhaling the very same substance, and many industrial groups exposed to inorganic arsenic are known to be dying of lung and lymphatic cancers at two to eight times the national average.

In 1973, 80 years after the discovery that aromatic amines were causing bladder cancer in German dye workers, and many years after some of these amines were eliminated in England, Switzerland, Japan and Italy, thousands of American workers were still literally sloshing in them. As a result, these workers are now, and will continue to be, afflicted by bladder tumors at an epidemic rate. Indeed, as recent as 1975, 50 per cent of former employees at one benzidine plant in the United States were reported to have developed cancer.

Seventy-five years after asbestos was known to cause fatal fibrosis of the lungs, and nearly a quarter of a century after it was known to be a potent cause of lung cancer, workers in dozens of asbestos factories and hundreds of asbestos-related trades in the United States were laboring in concentrations of asbestos dust of sufficient magnitude to obscure the light. As a result, of one million current and former American asbestos workers who still survive, fully 300,000 have been projected to die of cancer. Indeed one in five of these men can be expected to develop cancer of the lung; one in 10 cancer of the gastrointestinal tract; and another one in 20 of malignant mesothelioma, an always fatal tumor of the pleura or peritoneum.

But the situation today is all the more tragic, for over the past few years we have begun to document the extension of cancerous agents from the workplace into the general community.

We now know that the families and relatives of many asbestos workers have died and others will die of mesothelioma as a result of the previously unregulated practice of carrying asbestos into the home on work clothes or in other manners. We now know that people living in near proximity to asbestos factories have developed mesothelioma and that autopsies of virtually 100 per cent of all urban dwellers show the presence of asbestos in lung tissue.

We now also know that individuals living in areas where lead arsenate insecticide spraying was common are dying of lung cancer at an increased rate. We now know that children living near copper smelters have unusually elevated levels of arsenic in their blood.

We now also know that these producing agents are present in much of our water, partially as a direct result of uncontrolled waste disposal or other practices of industry.

Perhaps the most striking example of the problem we face arose a year ago, when it was learned that vinyl chloride, a petrochemical gas used for the past 35 years as an ingredient in the manufacture of many plastics, is a potent cancer-producing agent of the liver and possibly other organs. It is estimated that several hundred thousand workers in the United States may be exposed to this agent in the workplace alone; tens of thousands may be exposed to it because they live near facilities where vinyl chloride or polyvinyl chloride are made. It is not known how many hundreds of thousands of people have been exposed to vinyl chloride as a result of using aerosol sprays that employed the chemical as a propellant and solvent. Equally unknown, of course, are the biological consequences of what these exposures will be.

Today the problems of occupational carcinogenesis are greater, more visible yet more subtle and more pervasive than they were in the past. Indeed, the past director of the National Institutes of Health, Dr. Robert S. Stone, recently stated "most known environmental carcinogens are a result of our increased agricultural and industrial technology." Of even more worrisome dimensions are estimates that hundreds of new chemicals are introduced into industry each year, most without any prior testing to evaluate the potential for carcinogenesis. Furthermore it has been estimated by the World Health Organization that 75 to 85 per cent of all cancers are related to our environment.

It seems that society must take a new and dedicated commitment toward the war on cancer. Most assuredly the responsibility of health scientists and management and labor must extend beyond the scientific and economic issues to the moral and social issues. The scientific community must, in my opinion, not only investigate but inform, not only advise but dissent when appropriate, and most importantly provide prudent leadership in the formulation of public health policies. We must not allow the lay public, government or management-labor to unwittingly remain complacent about the very long period of time necessary from the institution of controls to the eradiction of occupation-related cancers all of which can

and should be prevented. Finally as former Secretary of Labor Willard Wirtz so eloquently stated, "there is nothing more critically imperative today than this society's assertion of the absolute priority of the individual over institutional interests and of human over economic values."

If we do not undertake such a commitment on an urgent basis, society may soon be faced with a public health hazard of monumental and perhaps irreversible proportions.

TAX CREDIT FOR JOBS

Mr. THURMOND. Mr. President, the April 3 edition of the State, Columbia, S.C., included an editorial on a tax plan proposed by the National Small Business Association. The tax proposal would provide a tax credit for employers who hire additional employees. The National Small Business Association should be commended for this most meritorious and timely proposal that would get many of our unemployed citizens back to work.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Tax Credit for Jobs

The creation of jobs is a high priority matter in the United States during this period of widespread unemployment.

The federal government already has programs to encourage the addition of public service jobs at the state and local levels. And there are urgent proposals in Congress to create emergency public service jobs.

These government "make work" programs may well be needed, but it seems to us the National Small Business Association has a better idea.

It has offered a tax plan to Congress which would establish a "job creation credit" that it claims would generate up to one million new jobs in the private sector.

The plan would permit businesses to hire up to two new employes and take a tax credit for 50 percent of the cost up to $20,000. It seems like a small thing, but there are thousands of small businesses which could take advantage of the plan.

No one firm would be substantially assisted, but the job stimulus could reach every corner of the land, and the cumulative impact would be significant.

Perhaps there are flaws in the plan we haven't spotted, but it seems a one-shot tax credit would offer a quick way to get people back to work on productive jobs without enlarging the government bureaucracy.

CAMBODIA'S FATE—AND OUR OWN

Mr. BUCKLEY. Mr. President, the nationally syndicated columnist William A. Rusher recently wrote a column, "When Nations Fall," which describes what he calls the "irresolution, hopelessness and just plain indifference rising these days from the moral and political swamps of the Western world." He reminds us that there was a time when another "little country far away" fell to totalitarian violence—Czechoslovakia after the "Munich Pact"—and that Winston Churchill's prophetic words on that occasion have much to teach us today.

The column appeared on March 19. I had not submitted it earlier because of the admittedly weak hope that Mr. Rusher's judgment might yet be proven wrong. The fate of Cambodia is now sealed, Mr. President, so I ask unanimous consent that Mr. Rusher's column be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Universal Press Syndicate, Mar. 19, 1975]

When Nations Fall

(By William A. Rusher)

The world is now being prepared for the fall of Phnom Penh and the anti-Communist Government of Cambodia, and it is instructive to note how decorously it is all being handled. The sense of loss, of terrible and (above all) wholly unnecessary defeat, is carefully muted. From reporters on the scene to liberal senators in Washington, everybody has assumed the impeccably mournful expression of professional funeral directors, while deftly expediting the obsequies.

There is a sort of grim comfort in all this for Americans. If and when this nation itself falls, we may be sure that the final scenes will be almost painless.

Then, as now, there will be nothing in the least inevitable about the catastrophe: The fall of the United States will grow, as the fall of Cambodia has grown, out of a fatal defect of will-nothing more. From time to time somebody declares that our failure in the Southeast Asian war "proves that America cannot always have its way"; but in fact it proves no such thing. There has never been a day when the United States could not have asserted its will decisively over the entire peninsula in a matter of hours, and settled the region's fate for all future time. But we chose instead to dither, and to try to get by with half measures; and so our policy, and our ally, have come to this pitiful end amid the shell-pocked marketplaces of Phnom Penh.

So, I suspect, it will be with us. I doubt very much that the will to use our weapons, in our own defense any more than in Cambodia's, exists any longer in this country. Oh, to be sure there are individual leaders who would try to rally resistance; but the occasion will never seem quite ripe, until it is much too late. Besides, the final test is some way off yet, for America itself. Still, one doesn't need a very sensitive nose to detect the odor of irresolution, hopelessness and just plain indifference rising these days from the moral and political swamps of the Western World.

An acquaintance of mine, talking with some Britishers in a pub last summer about the desperate economic plight of their country, asked impatiently, "But don't you feel that you should tighten your belts a notch or two, and sacrifice?" The reply was prompt and flat: "For what?"

That, I predict, will be the morphine that masks the terminal stage in the mortal illness of Western man: We will have persuaded ourselves, quietly, over a long period of time, that what we are about to lose was not worth saving anyhow. The very slackness in the fibers of the society will be cited as evidence of its worthlessness. A sort of gaseous cynicism will penetrate every crack in the body politic, making all idealism, all effort, seem futile.

America won't really "fall"; it will merely collapse inward upon itself. And the funeral directors will be standing by, ready to facilitate the process with taste and decorum. "Don't weep too much; it was inevitable. The America you and I knew was long since gone, anyway. The old order changeth. Perhaps it's for the best." We will sign the title-deeds of our freedom over to some hand-rubbing receiver in bankruptcy almost relieved not to have to struggle another day.

So watch the death-agony of Cambodia carefully, and do not send to know for whom the bell tolls. Thirty-seven years ago a great Englishman noted the fall of another "little country far away," and warned his fellow countrymen of what lay ahead. Here is Winston Churchill, speaking in the House of Commons on the morrow of Munich:

"All is over. Silent, mournful, abandoned, broken, Czechoslovakia recedes into the darkness . . . And do not suppose that this is the end. This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year, unless by a supreme recovery of moral health and martial vigor we arise again and take our stand for freedom as in the olden time."

CANDOR, OPENNESS, AND FOREIGN POLICY

Mr. JACKSON. Mr. President, in addressing the American Society of Newspaper Editors in Washington, D.C. on April 17, I emphasized the importance of candor and openness in our foreign policy. Knowing of the deep concern of my colleagues about this question, I ask unanimous consent that the text of my remarks be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks by Senator Henry M. Jackson

Twenty-five years ago, in a period marked by cooperation between Congress and the Executive, Senator Arthur Vandenberg described American foreign policy as "a meeting of minds." "Thus," he said, "we achieved substantial unity. Our government did not splinter. It did not default. It was strong in the presence of its adversaries."

At a time when the foreign policy of the United States has suffered major reverses, cooperation between the Executive and Legislative Branches is once again critically important. I am ready to join in an effort to rebuild this historic partnership. But we in the Congress cannot play our constitutional role in developing a coherent foreign policy as long as information to which we are entitled is kept from us and prior consultation is denied us.

In recent years, a pattern of secretive personal diplomacy has come to characterize our relations with other nations. Secret "understandings"—withheld not only from the Congress but from the then Secretaries of State and Defense—marked the SALT I negotiations. When Congress was considering the Trade Act of 1974, crucial Soviet-American communications bearing directly on that legislation were withheld—and to this day those communications on trade have not been disclosed to Congress. And now we have the refusal of the Administration to make known the precise nature and texts of secret understandings reached with South Vietnam in connection with the ill-fated Paris accords.

These events raise profound questions. The Congress must be informed of the details of significant promises made by any President to foreign governments, especially when those promises can involve substantial U.S. military assistance or even the use of American power. Any commitment which relies for its implementation on subsequent Congressional action can hardly reassure an ally when the ally knows that the Congress is unaware of its existence. For any Administration to give a commitment in secret—because it doubts that the commitment can gain the consent of the Congress—is to court a foreign policy disaster. And disaster will come when the secret promise others had counted on cannot be carried through.

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Obsessive secrecy has come to surround American diplomacy. And it not only undercuts our foreign policy objectives, it also confuses and distorts our public debate.

The President calls for renewed cooperation with Congress in foreign policy; yet his Administration implies that Congress is to blame for the collapse of the Paris peace accords.

The President addresses the Congress in the language of bipartisanship; the Vice President tells the press that "the rapid advance of Communist takeover . . . has the makings" of a political issue in 1976.

I say the American people have a right to an Administration that says what it means and means what it says. The American people do not want an Administration which says one thing in public but another in private, one thing "on the record" but another for "deep background," one thing by the Secretary of State but another by the ubiquitous "senior official" who always seems to turn up on the Secretary's airplane.

I believe that the American people want their foreign policy to remain grounded in a confident and hopeful view of the future. Since the end of World War II, we have promoted collective security, we have contributed substantially to the regeneration of democracy and prosperity in Europe, we have helped solidify free institutions in Japan, and we have invested significantly in the social and economic progress of the less-developed world.

The United States is determined to build on these past achievements. Our friends overseas know that America is not about to withdraw from the world. We have always been strongest in times of adversity; our conviction remains undiminished that America must remain strong and steady.

We recognize, first of all, that credible and convincing military strength is fundamental to our freedom and security and to that of our friends. In these times of upheaval and uncertainty around the world, we must maintain a strong and efficient defense capability—both as a deterrent to aggression and as a basis for a firm and consistent American foreign policy.

I believe we also recognize that the peace of the world will in large measure depend upon a stable Soviet-American strategic balance. Sensible arms limitations can play an important role in achieving this essential stability. But let us be honest with ourselves in evaluating the progress we have thus far made at the SALT talks. If SALT is to be remembered as a major contribution to world peace, it must produce agreements which reduce the strategic forces on both sides.

The November 1974 Vladivostok arms agreement has been surrounded by exaggerated Administration rhetoric that masks a quite limited step. For that agreement does not place a "cap" on the arms race; instead, it lays the basis for a sustained ten-year arms build-up which will cost both sides billions of dollars.

We need a SALT II agreement which builds a foundation for mutual strategic force *reductions*. I believe this objective is attainable even within the framework of the astonishingly high ceilings agreed to by President Ford at Vladivostok.

Specifically, I have proposed that the Administration seek a supplement to a SALT II treaty which would designate a portion of the forces permitted each side as forces which would remain unmodernized during the life of the agreement. Each side would designate some 700 of the 2,400 strategic delivery vehicles allowed under the Vladivostok accord and agree not to upgrade them in any way.

This simple addition to a Vladivostok treaty would have several immediate benefits: it would save both sides billions of dollars that would otherwise have to be spent on the modernization of obsolete weapons; each side would have a far sounder perspective on what the strategic forces of the other would look like, thereby reducing dangerous uncertainties; and, perhaps most significantly, the 700 weapons which remain unmodernized would become increasingly obsolete and would therefore become the natural candidates for elimination in subsequent negotiations. In short, a provision of the sort I am suggesting would build into SALT a trend towards arms reduction, rather than arms expansion.

I will continue to press this proposal because I believe that we can get it if we try hard enough, and because I believe that it is a reasonable standard against which the Congress can measure the results of the current SALT negotiations.

In his last public speech, Senator Vandenberg underlined the basis of our foreign policy. After expressing pride in the record that the United States "had written in the annals of human history," Senator Vandenberg said:

"We are joined together in a crusade for enduring peace. We grip friendly hands across the sea. We have no enemies unless aggressors nominate themselves as such. Our common cause is human rights, fundamental liberties and a free world of free men."

CITIZENSHIP FOR GEN. ROBERT E. LEE

Mr. THURMOND. Mr. President, I am pleased to present to the Senate a Concurrent Resolution from the South Carolina House of Representatives in support of Senate Joint Resolution 23, a joint resolution to restore posthumously the full rights of citizenship of Gen. Robert E. Lee.

Mr. President, I am a cosponsor of Senate Joint Resolution 23, and I am pleased to see this expression of support from my home State, South Carolina.

In 1970, it was discovered that Robert E. Lee had signed a bona fide amnesty oath. However, this oath never reached the President of the United States and was discovered only a few years ago.

Mr. President, Robert E. Lee by both word and deed helped greatly to heal the wounds left by the tragic War Between the States. I am grateful that the Senate has at long last voted to restore full citizenship to one of its greatest Americans, General Robert E. Lee, and I hope the House will now act speedily on this measure.

Mr. President, I send this concurrent resolution to the desk and ask unanimous consent that it be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

A concurrent resolution memorializing Congress to support recent legislation introduced which restores to General Robert E. Lee the status of full citizenship in the United States of America

Whereas, General Robert E Lee, who was born in Stratford, Virginia, on January 19, 1807, and died in Lexington, Virginia, on October 12, 1870, was deprived of the status of full citizenship in the United States of America following the War between the States; and

Whereas, General Lee urged, both by his words and personal example, the support of a reunited government by the people of the southern states at the end of the War between the States; and

Whereas, General Lee distinguished himself in America's history as a military leader of genius, an educator of devotion and a gentlemen without peer.

Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring, That Congress be memorialized to enact, without delay, the legislation recently introduced by Senator Harry F. Byrd, Jr. of Virginia which restores to General Robert E. Lee the status of full citizenship in the United States of America. Be it further

Resolved, That copies of this resolution be forwarded to the President of the United States, to each United States Senator from South Carolina, each member of the House of Representatives from South Carolina, the Senate of the United States and the House of Representatives of the United States.

FOOD DAY

Mr. HUDDLESTON. Mr. President, a few years ago most nations were self-sufficient in food, while today there are severe food deficits in many developing countries. The world food situation became crucial in 1972. Instead of increasing at the 4-percent annual rate that cereal production must increase each year to keep pace with world demand, in 1972 cereal production actually declined 4 percent.

Recognizing the necessity to cope with the issue of world food supplies the American farmer was called upon to substantially increase his production. The Kentucky farmer has responded admirably to the call to produce from fence row to fence row.

In 1972, farmers in Kentucky harvested 968,000 acres of corn for grain which produced 83,248,000 bushels. In 1974 they harvested 95,200,000 bushels from 1,120,000 acres. The planting intentions indicate plans to increase this corn acreage by 5 percent in 1975.

During the same 3-year period, 1972–74, Kentucky farmers increased their soybean acreage from 924,000 to 1,170,000 acres. This resulted in increasing Kentucky soybean production from 24,948,000 bushels to 29,250,000 bushels. This is an increase of over 17 percent. Intentions currently indicate that Kentucky farmers will increase soybean production over 7 percent in 1975.

Kentucky farmers harvested 216,000 acres of wheat for grain in 1972 that produced 7,020,000 bushels. By 1974, the Kentucky wheat crop had increased to 12.285.000 bushels harvested from 390,000 acres.

These statistics are an indication of the determination of the over 100,000 farm families of Kentucky to meet the food challenge of the 1970's. I would like to commend the farmers of Kentucky as well as the farmers of the nation for their efforts to increase food supplies.

ESTIMATING POTENTIALLY RECOVERABLE U.S. OIL AND GAS RESOURCES

Mr. HUMPHREY. Mr. President, I wish to report to the Congress on recent hearings before the Joint Economic Committee on the extent of recoverable oil and gas resources remaining in the United States. On February 25, the committee heard testimony from the following witnesses on this subject:

Dr. Jack Carlson, Assistant Secretary of Interior for Energy and Minerals;

Dr. Vincent E. McKelvey, Director of the U.S. Geological Survey;

Dr. Kenneth Emery, Chairman of the Panel on Estimation of Mineral Reserves and Resources, National Academy of Sciences;

Dr. John Moody, petroleum consultant and a member of the National Academy Panel;

Dr. Harry Perry of Resources for the Future.

"Proved oil reserves" are stated by the American Petroleum Institute at about 34 billion barrels. This is a very conservative estimate of oil which engineering studies have proved can be profitably extracted. Known but unproved reservoirs of oil may yield another 25 to 30 billion barrels using conventional extraction technology.

Great uncertainty exists, however, about the extent of U.S. oil resouces beyond these two limited components. All agree that they are quite sizeable. Present estimates of undiscovered but potentially recoverable oil and gas resources in the United States range from low estimates by certain oil companies of 70 to 90 billion barrels to figures as high as 400 billion barrels by the U.S. Geological Survey.

These resources include the oil expected to be found in uncharted areas of Alaska and under the Continental Shelf. Curiously, however, the greatest diversity among the experts' estimates applies to the amount of undiscovered oil and gas remaining in the "lower 48" United States. The study directed by Dr. Emery for the National Academy of Sciences estimated recoverable resources yet to be found at 113 billion barrels. A similarly wide range of estimates exists for natural gas.

Dr. McKelvey in his testimony conceded that the estimates of the Geological Survey are "maximum estimates" which represent "targets to aim for" rather than predictions of actual production. He contended, on the other hand, that estimates by individual companies based on each company's own limited data, tend to underestimate the actual resources and that estimates based on a pool of company data would yield larger estimates.

Dr. Emery contended that the resource estimates of the Geological Survey are outlandishly high because the Survey assumes that future exploratory efforts in already known sedimentary basins will produce the same discovery rate as previous efforts, or at least one-half of this discovery rate. It would be more realistic, he contended, to scale down the success rate substantially. Dr. McKelvey acknowledged that revisions of these estimates now being made by the Geological Survey probably would lead to more conservative numbers by taking this into account. Secretary Carlson, however, commented that the large increase in oil prices within the last 2 years has not been accounted for in any of these numbers and undoubtedly would result in upward revisions of the estimates.

Equally perplexing is the problem of obtaining concensus on oil and gas production rates that can be extracted from any level of domestic resources. Based on its estimate of undiscovered, recoverable oil resources of 113 billion barrels, the National Academy Panel concluded that it is most unlikely that increased production rates above today's levels can be achieved. Yet the Project Independence Oil Task Force, chaired by Dr. McKelvey, based its projections of future U.S. oil production rates on a marginally higher level of undiscovered resources—127 billion barrels—and concluded that considerable increases in U.S. oil output would be possible with "accelerated development policies." All experts agreed, however, that very significant quantities of oil—up to 100 billion barrels—could be extracted from already existing oil wells, if secondary and tertiary extraction technologies can be successfully developed.

Dr. Henry Perry testified that the work in this field to date has contributed too many diverse numbers and not enough analysis and comparisons of the methods leading up to these numbers. Whatever the truth is, he said, the world—including OPEC—will exhaust its oil and gas resources within the next generation or two if current trends in consumption continue. He stated that Resources for the Future would convene an experts' meeting within the next 2 months to compare methods for estimating undiscovered recoverable resources and that he expected this effort to reduce somewhat the uncertainty involved. I believe that it will serve an urgent need of Congress and other energy policymakers in formulating an enlightened national energy policy.

THE COMMUNIST ENCIRCLEMENT OF CAMBODIA

Mr. THURMOND. Mr. President, it was with a real sense of sadness that I have learned that today, April 17, 1975, the people of Cambodia have fallen under Communist rule. This morning I called the Cambodian Ambassador, Um Sim, to express my profound regrets that the government he so ably represented has been overcome by the Communist insurgents.

These people were encouraged by our Government to resist the Communist insurgents and for the past 5 years have made a gallant effort to defend themselves. Thousands have died in this effort. Their military defeats are directly related to the decline in U.S. support.

Just a few months ago I visited Cambodia to talk with the American Ambassador John Gunther Dean and Cambodian Premier Marshal Lon Nol. While in Phnom Penh I was impressed with the determination of the people to resist the military aggression of the Communist insurgents who are supported by the Soviet Union and Red China.

This policy of military conquest by Communist forces in Indochina makes mockery of détente. Once again the Communists have proven that an agreement with them is not worth the paper on which it is written.

Frankly, I did not expect to see the day when the Congress of the United States would refuse military aid to any nation battling for its life against Communist forces. Just such a policy has for nearly 2 decades checked the advance of world communism.

In 1975, 1 year short of this Nation's Bicentennial, it is ironic that Cambodia has fallen and South Vietnam faces probable defeat, because Communist support of their enemies continues while the support from the U.S. dwindles.

While this country has never tried to impose by force upon another nation its form of government, we continue to see that Communist powers see the extension of their system as worth sacrifice. This should be a lesson which should not escape us.

Committing our own citizens to defend another nation is a bold act and should be taken only when our national security is directly involved. However, if we are unwilling to help others defend themselves then we are in effect removing our influence from the world scene.

Communist insurgent activity in Thailand this week has reached the highest level in the past 3 years. This Nation, or Taiwan or Korea, could be the next pressure point for the advance of communism. If our people feel the loss of Indochina will remove from us certain burdens, I fear they are in for a shock. This fight will go on, the confrontation will simply take place in a new land.

Mr. President, while my remarks here today cannot help the people of Cambodia, I nevertheless wish to publicly recognize their courage and steadfastness. Many Cambodians lie dead today, because they made the fight for a free society for their country. Many women and children have died as victims of this Communist-supported military aggression.

The people I saw and talked with in Cambodia, especially the refugees, yearned for peace. The forces of history unfortunately have dealt them a new life in which individual freedom will not only be disallowed but the very thought of it will be washed from their minds.

Mr. President, in order that my remarks may be viewed in line with the actual condition in Cambodia, I ask unanimous consent that an article entitled "Communist Troops Push Into Phnom Penh," which appeared in the Washington Star newspaper of April 16, 1975, and an article entitled "Cambodia Surrenders to Rebels," which appeared in the April 17, 1975, issue of the Washington Post, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star, Apr. 16, 1975]

Communist Troops Push Into Phnom Penh—Khmer Rouge Cross Bridge at Southern Edge of City

Phnom Penh.—Black-shirted guerrillas battled their way into Phnom Penh today, driving back die-hard armored troops ordered to defend the Cambodian capital at all costs.

Reporters at the scene said the Communist-led insurgents crossed the United Nations bridge at the southern edge of the city this morning, gaining the first rebel foothold inside the capital.

The Khmer rouge insurgents—firing rifles, machine guns and bazooka-like rocket gre-

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nades—drove a government armored force back to a traffic circle near the bridge.

The flames of burning buildings lit up the sky as the defenders massed around the traffic circle in a last-ditch attempt to stop the onslaught. Shooting continued across the circle.

The Communist forces drove closer on all sides of the city and shelled the downtown area with 105mm artillery. Ten people were reported killed and 30 wounded by the howitzer shells.

Reporters near the bridge said dive-bombing government warplanes had blasted the guerrillas again and again but failed to halt the advance across the span.

An estimated 1,000 homes on devastated streets around the bridge burned, trapping thousands of terrified civilians hiding from the bombs and bullets.

The rebels captured a major marketplace on the suburban side of the bridge earlier this morning and then pushed across the Bassac River span into Phnom Penh.

Government armored cars guarding the bridge, considered the southern gate to Phnom Penuh, pulled back in the face of the firece insurgent fire.

The beleaguered government ordered troops to fight to the end but the capital's defenses were crumbling hour-by-hour.

Radio Phnom Penh was still broadcasting from the capital. It said that the commanders of the three armed forces met yesterday with the president of the new ruling junta, Gen. Sak Suthsakhan, and Premier Long Boret, and assured them that "the Cambodian people are determined to fight" until the Khmer Rouge agree to a peaceful settlement.

The government called for volunteers to replace police sent to the front lines to reinforce war-weary troops trying to stop the guerrilla advance.

A 24-hour curfew was ordered beginning at noon, and traffic was ordered off the streets.

The guerrillas, bandoliers of ammunition wrapped around their chests and Chinese-made rifles in their hands, were only a half-mile from the Presidential Palace and Phnom Penh's main power generators.

Rebel radio broadcasts said the insurgents also seized Phnom Penh's lifeline airport west of the capital but reporters in the area said the installation was still in government hands.

The insurgents captured the provincial capital of Takhmau, five miles south of Phnom Penh, yesterday and forced the government's best fighting unit—the 7th Division—to retreat in disarray.

Reporters said the fleeing troops abandoned trucks, artillery pieces and ammunition to the insurgents before retreating toward Phnom Penh.

Sidney Schanberg of the New York Times reported last night that there was growing nervousness in the city, but no panic. But he said crowds of refugees were fleeing the scene of the fighting at the United Nations Bridge, streaming toward the downtown area.

He said that despite the government order of a last-ditch fight, troops were abandoning their positions en masse in the south and southeast of the city. One government unit tried to save itself by jumping into the Bassac River and several men drowned trying to reach its western bank.

Communication with the outside world was cut off yesterday afternoon when the main transmission center at Kambol was overrun by insurgents. But contact was restored when an old Chinese transmitter was pressed into service early today.

Other Americans still in Phnom Penh are Al Rockoff, a freelance photographer, Denis Cameron and Lee Rudakewych, two freelance journalists, and Richard Boyle of the Pacific News Service.

Douglas Sapper, an American working for a private airline is also still in Phnom Penh, and there have been unconfirmed reports that a few other American pilots working for small Cambodian lines may be there.

Sixteen representatives of the International Committee of the Red Cross are also still in Phnom Penh. The organization today declared the Phnom Hotel a security zone for the sick and wounded.

[From the Washington Post, Apr. 17, 1975]

CAMBODIA SURRENDERS TO REBELS—CAPITAL HAILS KHMER ROUGE

PHNOM PENH, April 17.—Phnom Penh surrendered to the Khmer Rouge insurgents Thursday and welcomed the Communist-led rebels with white flags and banners on every building in the city.

People stood on the sidewalks waving to the incoming, black-clad insurgents.

On the Mekong and Tonle Sap Rivers along the east side of the city, government gunboats steamed up and down, hoisting white flags and banners at 8 a.m., according to newsmen.

Brig. Gen. Mey Sichan, chief of operations for the Cambodian government army, went on Radio Phnom Penh and said soldiers and government functionaries should cease all combat and invite the rebels to take power.

A "representative of the liberation forces" then told all government officers to report to the information Ministry, site of the radio station, under a white flag of surrender.

"We enter Phnom Penh as conquerors," he said. "We order the surrender of all officers and officials of the Phnom Penh puppet regime under a white flag."

Fourteen armored personnel carriers of the 2nd Infantry Division toured the streets with white flags. A jeep and a truck loaded with smiling soldiers followed one of the armored cars.

"The white flag means cease-fire," said an officer in the truck.

The officer told two Cambodian reporters for the Associated Press that the display of surrender flags had been ordered by the Cambodian military command. On Wednesday, the government had offered a conditional surrender through the Red Cross, only to have it rejected by Prince Norodom Sihanouk.

The two newsmen went on to Premier Long Boret's villa and watched as the sad-faced premier and Information Minister Thong Lim Hong left for the Chamcar Mon Palace, the government headquarters.

Boret would not speak to the newsmen, but aides said he would make a radio broadcast shortly.

[The Cambodian military attache in Bangkok said army headquarters in Phnom Penh reported by radio that the government surrendered at 7 a.m. Thursday. He said he was told Khieu Samphan, the deputy chief of Sihanouk's exile government in Peking, had made a broadcast appealing for calm and advising all government leaders and politicians to leave the country immediately for their own safety.

[Two Cambodian planes landed at the U.S. airbase of Utapao, south of the Thai capital, Reuter quoted American military sources as saying in Bangkok. It was not immediately known who was aboard the C–123 transport and T–28 fighter.]

Khmer Rouge soldiers entered the city in the north and walked along the street leading from the municipal stadium to the heart of town. They walked along in groups of three and four.

One group of unarmed insurgents in an armored personnel carrier shouted "bravo" as they drove along Monivong Boulevard. They stopped at tha Le Phnom Hotel, embraced a group of Cambodian government soldiers there and took them aboard the amored car with them.

Another group of about 50 armed men aboard a truck drove in from the northern part of the city and stopped at the hotel.

The appeal Wednesday for a cease-fire, conditioned on no reprisals, was the first clear signal that the end was imminent.

As the appeal for a cease-fire was issued through the International Committee of the Red Cross, Pochentong airport, four miles west of the city and its only link to the outside world, fell to the Communist-led insurgents as they continued to advance in the city.

The surrender offer, made by Gen. Sak Sutsakhan, head of the newly formed Supreme Council and Premier Long Boret, offered Sihanouk's Royal Government of Khmer National Union (GRUNK) a five-point plan "to end the present fratricidal atruggle" in Cambodia.

Sihanouk responded by telegram from his exile in Peking to the Red Cross in Geneva. "Please excuse FUNK [Khmer National United Front], GRUNK, FAPLNK, [People's National Liberation Armed Forces of Cambodia] and myself for being unable to accept this unacceptable message," the telegram said.

"FUNK, GRUNK and FAPLNK repeat that if second rank traitors wish to save their lives, they should immediately lay down their arms, raise the white flag and rally unconditionally to FUNK, GRUNK and FAPLNK, which are already in many quarters of Phnom Penh.

"As to the first-rank traitors, forming what they call the 'Supreme Council,' we advise them to flee Cambodia if they can, instead of wasting time digging bunkers.

"As the main war criminals responsible for the present useless bloodbath in the final battle for Phnom Penh, which have already virtually lost, these members of the so-called Supreme Council Peking had said it was "too late" for any deserve nothing less than the gallows. That is all we have to say to them."

Sihanouk then asked the International Red Cross to "cease interfering in the internal affairs of Cambodia."

Radio Phnom Penh, the official voice of the Cambodian government, gave no indication Wednesday night that the administration had asked the Red Cross to sue for surrender. Wednesday, Gen Sutsakhan had ordered his troops to fight "to the last drop of blood," saying that the situation around Phnom Penh's defenses was "boiling hotter and hotter."

The radio's only reference to the situation later was a report that insurgents had been driven back from the United Nations bridge spanning the Bassac River on the southern side of the city. It broadcast, however, an appeal for unity and asked citizens for material support of the soldiers.

"Even if you can contribute only a bag of rice, it shows clearly that you are behind them," the radio said.

Meanwhile, fuel tanks blazed from Khmer Rouge attacks and black smoke blanketed the city. Premier Long Boret, in an interview Tuesday night with Agence France-Presse, described the situation as "extremely critical." He stressed the precarious military position after government troops abandoned the left bank of the Bassac River, the industrial suburb of Takmau, seven miles to the south, and Phnom Basset, 17 miles northwest of the capital.

Earlier Tuesday, the premier had stopped the administrator of Kandal Province, Gen. Dien Del, from committing suicide after the provincial government was evacuated.

Battle-scarred bodies were brought by barge up the Mekong and Bassac Rivers Tuesday night. Corpses filled whole vessels which were unloaded in the northern part of the city. The dead were the last defenders of the narrow tongue of land which lies between the Mekong and Bassac Rivers south of the United Nations bridge.

The Khmer Rouge attack on the Pochentong airport began shortly after midnight Tuesday. The air base's military depot caught fire and the transportation brigade base, some 500 yards away, was occupied and went up in flames. The infantry military training center was also occupied, reports said.

After the day's fighting, a disquieting calm descended over Phnom Penh. Thousands of government soldiers abandoned the front to join the hordes of refugees blocked at the city's gates by military police.

The capital is bursting at the seams with hundreds of thousands of refugees. Shacks have sprung up on the streets and some refugees are sleeping on the sidewalks.

Wounded and emaciated children fill every bed of the city's seven hospitals and spill over onto the floors.

Road blocks around the capital were reinforced to check the flow of refugees, who are causing panic among the capital's population and troops assigned to the shrinking defense perimeter.

The government called for volunteers to replace police sent to the front lines to reinforce war-weary troops. Guerrillas, their black shirts partially covered by bandoliers of ammunition, were reported less than half a mile from the Presidential Palace and Phnom Penh's main power generators.

The clandestine rebel radio station urged Cambodians to change sides and fight with them.

The Cambodian government Wednesday endorsed a move by the United Nations to declare the capital's main hotel, Le Phnom, a neutral international zone which would extend for several hundred yards around the building. Red Cross officials moved into the building, where about 100 foreigners are already quartered.

The deserted U.S. embassy was reportedly set ablaze.

The government's cease-fire proposal was the first addressed directly to Sihanouk's rebels. It was reportedly hammered out in late-night discussions at the home of Long Boret, with the Cambodian leaders even choosing revolutionary phrases in hopes of appealing to Sihanouk.

As released by Sihanouk, the five-point offer that he rejected called for "any realistic solution which can end the bloodshed," and offered an immediate cease-fire. The Cambodian government further committed itself to "avoiding all acts of reprisal or discrimination" against people engaged in the hostilities and asked that the insurgents make the same commitment. This clearly was the condition that Sihanouk found unacceptable.

Power was to be transferred under U.N. and Red Cross supervision.

Sources in Peking, meanwhile, said Sihanouk had warned Tuesday that other nations should not wait "too long" to recognize the Khmer National Union. In a meeting with Swedish ambassador Kaj Bjork, the prince warned that some countries unfriendly to his alliance would not necessarily be accepted, mentioning specifically Thailand, Malaysia, Singapore, Australia and New Zealand.

Sweden and Turkey have announced their recognition of the Sihanouk government, and Peking sources said that Iran is expected to follow suit.

In Canberra, Foreign Affairs Minister Don Willesee said he had told Sihanouk that Australia would recognize the Khmer Rouge if it gains control of Phnom Penh.

Sihanouk, 52, told Peking sources that he is planning a tour of countries friendly to his government. He said he has received invitations from more than 20 countries and he plans to speak at the United Nations.

CONNECTICUT BICENTENNIAL BEGINS

Mr. RIBICOFF. Mr. President, April 16 marked the beginning of the Bicentennial in Connecticut, and with it comes a time to recall those events for which this era is celebrated. In an editorial entitled "Bicentennial Begins Today,'" the Hartford Courant has described the series of events which led to the start of the revolution. As the oldest newspaper of continuous publication in America, the Courant should take pride in its role in the revolution. It provided a vital link among people in those momentous years as it printed news of the ongoing struggle. This editorial captures the tone of events from that period, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BICENTENNIAL BEGINS TODAY

Today Connecticut begins its recollections of the events which culminated in our figurative and literal Declaration of Independence. The Courant is proud to have aided that struggle by providing a vehicle of communication to keep the people informed and aware during those momentous years.

According to The Courant issues dated April 10 and 24 in 1775, Britain's Parliament was embroiled in arguments regarding what to do with colonists, particularly in "New-England," who were asserting themselves in a manner considered unseemly for royal subjects. Meanwhile in America, friends brought news of British plans to quell the colonists "compelling the Americans to the immediate obedience of the legislation of the mother country," as The Courant reported.

In a proclamation dated April 3 at Concord, President John Hancock of the Provincial Congress summoned every member back into session to "attend his duty" necessitated by the "important intelligence received by the last vessels from Great Britain."

Among those documents was word about efforts under way in London. One was an attempt to deal with the Americans by legislation, trying to force the "whole continent of America, the infant colonies and Quebec excepted, to acknowledge restricted supremacy directed to acts of (American) legislation and control and to grant certain benevolence or sum of money to his Majesty, to be under the disposal of Parliament and to be employed toward alleviating the public burthens the mother country now labours under."

While some members of Parliament thought the Americans could be brought into line with laws made for them 3,000 miles across the Atlantic, others insisted that vessels and manpower were now due, all approaches to reason useless, proved by "late difficulties."

An embargo was considered, too, to "put a temporary stop to all foreign trade with New-England, particularly to their fishing on the banks of Newfoundland" a move mentioned a number of times.

Here in New England, information gleaned from letters arriving on a war sloop contained among other things a royal proclamation to General Gage declaring the inhabitants of Massachusetts Bay and "some others" actual rebels and giving him a blank commission to try and execute such of them as he can get hold of. On the wanted list were Samuel and John Adams and John Hancock, among others. It also was decreed that the charters of Rhode Island and Connecticut be taken away.

Beginning today history will be re-enacted in village and town where 200 years ago Americans joined to free themselves from tyranny. Where cows grazed, the sound of muskets would crack; where men had logged and fished, gunboats would ply the waters. As we dwell upon those difficult days, we are again struck by the loyalty and determination of the early settlers who, though without vast companies of men and great stores of materiel such as that of the mother country, made up for that lack with pluck and determination.

They could not know then that General Washington's characterization in his first inaugural address in 1789—that Americans fought for more than themselves—would be confirmed many times over. As Washington said, "The preservation of the sacred fire of liberty, and the destiny of the republican model of government are justly considered as deeply, perhaps as finally staked, on the experiment entrusted to the hands of the American people." May those hands not falter.

FEDERAL REVENUE SHARING PROGRAM

Mr. FANNIN. Mr. President, it appears to me that the Federal revenue sharing program has been a great success. The program has worked especially well in revitalizing city governments and giving local citizens a strong voice in how funds will be used.

Recently I received from the mayor of Glendale, Ariz., a letter and resolution urging continuation of the revenue sharing program.

Mr. President, I believe this letter demonstrates the benefits of revenue sharing for the small cities. It also demonstrates the care which is being shown in the use of these funds in most instances. I ask unanimous consent to have the letter and the resolution printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 7, 1975.

Senator PAUL J. FANNIN,
Senate Office Building,
Washington, D.C.

DEAR PAUL: At the request of the Glendale City Council I am forwarding to you for your review and consideration a resolution and backup data reaffirming our support for the continuation of the Federal Revenue Sharing Program. I firmly believe that local governments are fully capable of managing these funds wisely and innovatively and have done so to date. The City of Glendale's accomplishments and those of numerous cities stand out as indisputable facts supporting my view.

The Federal Revenue Sharing Act is one of the finest pieces of legislation to come out of Washington in recent years and we urge your support of the reinactment of such legislation.

Our City has completed four major projects, with a fifth to be completed shortly, that would have taken many years to accomplish without these funds. First is the purchase of a 320 acre sanitary landfill site which will serve us and some of the smaller westside cities for approximately ten years. Second, we constructed and dedicated a modern fire station in the northern part of

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our City to provide faster fire response and emergency paramedic help in this rapidly growing area. Third, we are currently using the first refuse transfer station in the State of Arizona, which has increased our capacity to collect garbage and refuse. Fourth, we completed the development of a 10-acre park site with lighted tennis, handball, basketball, volleyball and horseshoe courts. Fifth, we are approximately 50% complete in building a new public works facility to meet the needs of our City.

In addition to these major projects, we have used Federal Revenue Sharing Funds to purchase needed library books, assist the Glendale Child Development Center remodel old facilities, put sprinkler systems in three new parks, added street light signals, hired additional people for our last summer recreation program, and hired 14 additional policemen which are still being paid out of revenue sharing funds.

I have also enclosed a copy of our Federal Revenue Sharing Budget which outlines for you all of our expenditures to date. After examination, I am sure you will find that we have placed positive emphasis on improvement of many governmental services to our citizens.

Thank you for your support.

Sincerely yours,

Max Klass, *Mayor,*
City of Glendale.

Resolution

A resolution of the Council of the City of Glendale, Maricopa County, Ariz., urging the Congress of the United States to reenact the General Federal Revenue Sharing program on a multiyear basis; and declaring an emergency

Whereas, general revenue sharing (State and Local Fiscal Assistance Act of 1972, Title I) will expire at the end of 1976; and

Whereas, general revenue sharing is a program which the Mayor and Council and the municipal management have long supported; and

Whereas, this program has shown itself to be among the most effective and efficient methods of transferring federal funds to local government; and

Whereas, general revenue sharing allows local government maximum flexibility in establishing local priorities and developing programs to meet these priorities;

Whereas, the Department of the Treasury, through its Office of Revenue Sharing, has demonstrated the ability to implement this program with an absolute minimum of administrative "red tape;" and

Whereas, in spite of the importance of this program for local government, many individuals and many Congressmen are critical of the program;

Now, therefore, be it resolved by the Council of the City of Glendale as follows:

Section 1. That the Mayor and Council continue to support the concept of general revenue sharing and its embodiment in the State and Local Fiscal Assistance Act and urge Congress to re-enact the program on a multiyear basis.

Section 2. That the Mayor and Council will continue to work with other public interest groups in pursuing the re-enactment of revenue sharing and urge the Congress of the United States to make this re-enactment one of its major priority concerns for the coming year.

Section 3. Whereas the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety of the City of Glendale, an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage, adoption and approval by the Mayor and Council of the City of Glendale, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

LOADING THE DICE AGAINST AMERICA'S YOUTH

Mr. MATHIAS. Mr. President, Voltaire sagely observed that when a man has children he gives hostages to fortune. We all sadly admit the truth of that observation which has been one of the immutable laws of human nature since time began. We all, perforce, accept the risk, because we have no other choice.

But while the normal odds are acceptable, it is intolerable to have the dice loaded against our children. Even worse, it is inexcusable when we ourselves help to trip the odds against them by our own casual or careless attitudes toward alcohol. An arresting article on this subject entitled "Thank God, Johnny's Only Drunk" recently appeared in the Washington Star and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Too Many Parents Are Saying "Thank God, Johnny's Only Drunk"

(By Mary Ellen Perry)

Jim is a recovering alcoholic. He's been on the wagon for four long months after drinking himself into near-oblivion over a four-year period. He used to get bombed out on wine, beer and whatever else he could steal from neighbor's liquor cabinets or buy through friends with money he swiped from the church collection plate his family was in charge of counting on Sunday mornings.

But Jim's on a new high now—an evangelical devotion to Alcoholics Anonymous. All in all, he's leading a pretty sober life for a 16-year-old.

"I can't drink anymore because I know it would kill me," Jim says, a statement echoed by David, a classmate of Jim's at Bishop Ireton High School in Alexandria, where an estimated 15 percent of 550 students have drinking problems, either related to narcotics use or as a newly "discovered" substitute for other drugs.

Jim and David (not their real names) represent the intensity and sadness of the problem of teenage alcoholics nationally and in the metropolitan area, according to increasingly worried police and school officials.

"I'm noticing more empty beer cans and wine bottles strewn around the school parking lot on Monday mornings," says an assistant principal at T. C. Williams High School in Alexandria.

Prince Georges County police are cracking down on students cutting class to booze it up in their cars parked in high school lots. One girl at an upper income Montgomery County high school was discovered, fully intoxicated, on a bathroom floor.

"We're getting a hell of a lot more young people," says a Northern Virginia AA member, and a Fairfax County school official says a survey of seniors at three county high schools indicates that 10 percent get drunk once a week.

Experts are far from being in agreement as to the cause of the new surge in teenage drunkenness. Some say it is the combination of increased activity and a concurrent increase in attention to the situation as the tidal wave of addictive heroin use passed (although a new wave is predicted to be on the way.)

"Back in the '30s about the same percentage of kids drank," recalls Buck Doyle, health educator on alcoholism for Montgomery County. "But there's more permissiveness now because parents have been so shook up about drugs that they say 'Thank God, Johnny's only drunk.' "

Lee Lendt, acting director of the D.C. Bureau of Alcoholism, says that young people "went into alcohol when the heroin supply dried up or when they detoxed off methadone. Everyone associated with alcohol treatment programs is saying they're finding more abuse among young people than ever before."

Others believe it's because teens, particularly in affluent suburban areas, are openly imitating their elbow-bending parents. "Seventy-five percent of teenagers surveyed at a Northern Virginia high school said both parents drink," says Jo Ann Anderson of Arlington's ASAP (Alcohol Safety Action Project). Max Mahaney of the Counseling Center for Alcohol Abuse at the Washington Hospital Center estimates drinking is highest in the prosperous suburbs.

Still others say that intoxicated youngsters are no more—or less—prevalent than drunk adults, but that it's more shocking to see a 14-year-old stumbling down a tree-lined residential street than it is to hurry past a grizzled wino huddling in an inner-city doorway.

Marijuana runs a distant second to consumption of $1 a bottle "pop" wine—the cheap, sweet beverage a potent step up from grape juice—that's being pushed at today's youth market, says a high school editor who completed a survey at his school.

Students, as young as 12-year-old seventh graders, occasionally get ousted from classrooms or hallways for being drunk. Others get by, sitting at their desks in a stupor, or—as David used to do—sitting in the library listening to music through headphones, completely "spaced out" for hours on end.

While people working among alcohol abusers have no idea how many adolescents are drifting into alcoholism, they do agree that teenage drinking, a time-honored rite of passage from puberty to adulthood, is on the rise.

If one in every 10 drinkers becomes an alcoholic, as national officials measure the extent of the disease, then every tenth teenage drinker will, too, they reason. According to a 1974 survey of the drinking habits of 15,000 young people, ages 12 to 17, about 5 percent of those surveyed get drunk once a week, reports Dr. Morris Chafetz, director of the National Institute of Alcohol Abuse and Alcoholism (NIAAA), part of the Department of Health, Education and Welfare.

"If you figure there are 22 million young people in this country between 12 and 17, that's 1,130,000 kids overdosing on alcohol once a week," Chafetz says.

Chafetz says the 5 percent figure is low because the sample included the youngest teens. "By the tenth grade, 50 percent reported drinking at night in cars and by 12th grade, 14 percent of seniors were getting drunk four times a month," he warns.

Chafetz says consumption of liquor is twice as high in the District as in any other locale in the country, but that figure, based on tax on liquor sold in the District, needs interpretation.

"D.C. is a low cost liquor area so people come in from Maryland and Virginia to buy theirs and may consume it elsewhere," he says.

Liquor oils the creaky wheels of government, flows (tax free) at endless embassy parties, highlights innumerable conventions, juices up millions of tourists, making the whole Washington environment "conducive to frequent alcohol use," Chafetz notes drily.

He and some other officials don't think laws passed in Maryland and Virginia in 1973 lowering the legal drinking age from 21 to 18 have had an appreciable effect on increased teen drinking—"kids have always been able to get hold of liquor." This view inspires spirited argument from Montgomery County police officials, however.

Gabriel Lamastra, commander of the juvenile section of the county police department, cites figures that show a dramatic jump in arrests for liquor law violations, disorderly conduct and vandalism among residents under 18. During the first six months of 1973, before the law was passed, there were 72 juvenile arrests for liquor law violations, 41 for disorderly conduct and 147 for vandalism, Lamastra reports.

For the second half of 1973, after the law went into effect, juvenile arrests in those categories jumped to 123, 92 and 182, respectively, he said.

By the end of 1974, arrests for juvenile liquor law violations totalled 459, for disorderly conduct 227 and for vandalism 484, statistics, Lamastra thinks, which "speak for themselves." Hearing these numbers, the Montgomery County school board this month voted to request the county council to raise the legal drinking age back above 18, a move that would send teenagers back over the line into the District for their beer and wine.

Parents apparently would rather see their offspring drink than pop pills or smoke grass, says Mike Ross, 17, an enterprising school newspaper editor at Montgomery County's Wslt Whitman High School. Based on a survey he and fellow student Tom Kettler ran in their school publication, 80 percent of drinking seniors know it, and many youngsters get their supply—or part of it—at home.

Drinking among adolescents is complicated by the teenagers' tendency to socialize en masse, to hang out at school or shopping center parking lots, to structure their free time around the automobile. The lethal combination of drinking and driving helps account for the 60 percent of traffic fatalities in the 16–24 age group that occur under the influence of alcohol, says the NIAAA.

In fact, peer group pressure is a major contributor to teen drinking, a pressure that Jim and David found irresistible when they first started.

That's how it was for Jim, who at 12 drank his first bottle of wine. "I discovered that it was beautiful," he recounts. "I got drunk; it made me go wild."

"At 14 I got hooked on speed, smoked a lot of pot, dropped a lot of acid," he continues, "while still drinking a pint to a quart of booze. Incredibly, he never got caught for burglarizing nearby homes, but chalked up a minor record for being drunk in public, stealing a bicycle and pulling a fire alarm, he says.

Slightly built and one of several children, Jim says he drank because he felt more parental attention was going to his siblings. His mother says she and Jim's father thought his strange behavior was due to "growing pains."

When he began blacking out—not remembering what he was doing for days at a time—Jim finally went to friends who called in Bishop Ireton counsellor Father William Hultberg for help.

Three weeks later, Jim was off to a rehabilitation farm in Pennsylvania where seven Bishop Ireton students, including David, have been sent to dry out. "I found more love than I've known in my whole life," Jim says, as his mother listens with a puzzled expression.

Back in school now, Jim's peer group is composed of AA members. David's story of drug and alcohol abuse parallels Jim's.

Hultberg has developed a course at the school, designed to educate other students to the dangers of alcohol abuse. "They sit in classrooms sedated," Hultberg says. "We can either ignore them, get rid of them or meet them where they are. We chose the third alternative; to meet kids where they are and counseled them."

Most area school officials caught flat-footed by the shift of concern from other drugs to "the drug alcohol" are trying to catch up, to arm teachers and counsellors with information on its abuse.

Walt Whitman High is planning a two-week session on alcohol in March. Fairfax County schools will incorporate an audio-visual unit into their programming in September.

Despite their concern, school and community officials urge a non-hysterical response to the growing awareness of teen drinking. They don't want to scare the youths away from seeking help. They don't want to be accused by the kids of over-emphasizing the potential risks of alcohol the way they have been accused of blowing up the marijuana problem.

"What I'd like to see, instead of a bunch of statistics on teenage alcoholics, would be more programs to help families see the difference between who's an alcoholic and who's just being wild for a while," says Mary Spencer, director of training and education for the Washington Area Council on Alcoholism and Drug Abuse, Inc.—a local affiliate of the National Council on Alcoholism.

She and Montgomery County's Doyle think research needs to continue into the possible genetic link between generations of alcoholics, or whether there has been an "X factor," as Doyle theorizes, that predisposes a person's body to the ravages of alcohol.

The NIAAA's Dr. Chafetz probably sums up the real irony involved in fighting teenage "overdosing" on alcohol: That is that alcohol is an easily available and socially acceptable drug when used in moderation. "To see where the problem starts, we have to look at ourselves," he says. "And nobody likes to look in the mirror."

DENMARK CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, I am very pleased today to pay tribute to one of America's oldest friends. Denmark, which has a history of the longest unbroken diplomatic relationships with the United States, celebrates its National Day on April 16, which is also the birthday of Her Majesty Queen Margre the II.

Through the centuries, Denmark has had a rather self-contained family economy. It was taken for granted that people attended to their old and sick relatives when they were no longer able to work.

In Denmark, medical aid and other benefits were made available to all people through the Health Insurance Act of June 10, 1960. The legislation in force is based on principles dating as far back as 1892. These principles are: Mutuality, voluntary membership in state-supervised sickness funds, and state grants to the less well-to-do.

Her Majesty Queen Margre the II and His Royal Highness Prince Henrik will pay an unofficial visit to the United States from May 10 to May 24 of this year, in connection with the U.S. Bicentennial. Her Majesty will attend the opening performance of the Royal Danish Ballet at the Kennedy Center on May 11.

From being a predominantly agricultural country, Denmark has during the last 20 years, changed into a highly industrialized country, despite the fact that Denmark has no natural energy resources or metals of her own.

Because of this and due to the small size of the country, Denmark is heavily dependent on foreign trade and exports 25 percent of its gross national product. It was, therefore, natural that Denmark in 1973 became a member of the European Community—together with Great Britain and Ireland—joining its southern and western neighbors in the economic integration of Western Europe, while still keeping its traditional special relationship with the other Scandinavian countries.

Especially after the quadrupling of oil prices, Denmark has intensified her search for oil in the North Sea, but the results up until now have been modest. Drilling for oil offshore Greenland will also be started in the very near future despite the difficult working conditions in that area.

Danish imports from the United States in 1974 amounted to $600 million, that is, $120 per Dane, whereas Denmark's exports to the United States the same year were $450 million, that is, $2.10 per American.

Mr. President, I ask unanimous consent that a portion of the Danish Foreign Minister's speech on the occasion of a former American Secretary of State's visit to Denmark, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Address

Our attitude to the United States today is influenced by age old ties of friendship and gratitude. The Danish people has never forgotten the American contribution to our liberation from the occupation during the Second World War. Nor have we forgotten the Marshall Aid and its importance for our postwar recovery or the American contributions to our co-operation for peace and security through NATO which is as indispensable as ever before.

As we both know we have not always seen eye to eye on certain international problems and it would be wrong on this occasion to pass them over in silence. Both of us are, however, quite aware that these differences do not touch the bedrock of the long lasting friendship between our countries and peoples, springing as they mostly do from honest and honourable differences of opinion. In free societies, like the American and the Danish, disagreements and criticisms—at times even vehemently voiced—are bound to occur and we shall always have to encounter and overcome difficulties of this sort. They should not be interpreted as ominous signs for the general state of our relations. In our alliance divergencies can exist without having destructive effects.

These divergencies should not, however, and has not made us forget the very important steps for achievement of peace which the present American administration has undertaken. In particular the opening up for a normalization of relations with China and the entering into a constructive dialogue with the Soviet Union. We see this as decisive endeavours for the course of world peace in which respect no country is in a position to play a greater role than the United States.

For our part we have voiced our high appreciation of these American efforts for peace on many occasions and in many forms, also, in the European Community of the Nine, where we consistently have maintained the importance we attach to the openness of this Community to the outside world and our conviction that the defence of the West must be coordinated in NATO because of the American membership of this organization. Obviously the American membership is indispensable for the credibility of the Alliance.

The maintenance of such close relations

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as ours requires a permanent dialogue—a dialogue between friends. It is in this spirit that we approach your administration's recent initiative to reconsider the European-American relationship. We realize the problems that have developed in this respect as a result of the ever changing international environment, including the slowly but steadily growing European sense of identity.

CAPITAL FORMATION AND AMERICAN JOBS

Mr. LONG. Mr. President, the Chase Manhattan Bank has done a considerable amount of work on the capital requirements of the American economy for the next 10 years which will be needed to assure sufficient economic growth, energy self-sufficiency, and full employment.

As chairman of the Senate Committee on Finance, I am used to dealing with figures that run into the billions. However, I was somewhat shocked to read that the Chase Manhattan Bank has concluded that America will require $4.1 trillion—not billion—trillion of capital in the next 10 years to employ our resources fully. The Chase study shows that in relation to other developed countries our economy has not performed well during the decade of the 1960's. The average annual real economic growth was only 4 percent a year which ranked us 17th out of 20 advanced industrial countries. That must change if we are to employ our people right here in the United States.

Mr. President, when we speak of tax reform, tax equity—we have to keep in mind the capital formation requirements of our economy. Ultimately, as Charlie Walker has pointed out on many occasions, corporations do not pay taxes—people do. At times we act hastily to increase substantially the tax bite on corporations without realizing that the real burden will fall on the worker or, if the company can pass the tax through, as they almost always can, on the consumer.

Mr. President, I believe that we must work toward an economic system which equitably shares the wealth among the productive elements of our economy. I want to see the American worker increase his share of the pie. In this regard the concentration of equity ownership in the hands of 2 or 3 percent of the American people is dangerous to our economic system. I have some ideas with regard to how the tax structure can be used to more equitably share the wealth of America. I think the American working man will benefit from these ideas. At the appropriate time, I will develop these ideas in the form of legislation which I believe could provide an answer to the capital formation needs pointed out so clearly by the Chase Manhattan Bank.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an advertisement in the Washington Post by the Chase Manhattan Bank outlining the capital needs of America and a background analysis of the Treasury Department which supports the data and the conclusions of the Chase Manhattan Bank.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Advertisement]

"OUCH!"

America's in a capital pinch.

A tabulation by the Organization for Economic Cooperation and Development of real growth of 20 advanced economies for the 1960–70 decade puts the U.S. pretty close to the bottom.

Real economic growth

[Percentage change per year 1960–70]

Japan	11.1
Greece	7.6
Portugal	6.3
Yugoslavia	6 to 7
France	5.8
Italy	5.6
Canada	5.2
Finland	5.2
Australia	5.1
Netherlands	5.1
Norway	5.0
Belgium	4.9
Denmark	4.9
W. Germany	4.8
Austria	4.6
Iceland	4.3
Ireland	4.0
United States	4.0
Luxembourg	3.3
United Kingdom	2.8

Being 17th or 18th in real economic growth hurts. There's a fundamental correlation between modern plant and productivity. And productivity is primarily dependent upon capital investment and utilization of plant capacity.

The Chase is concerned.

Because our industrial plant is deficient. Fully two years older than that of Europe and Japan.

Because we fell behind in financing the search for more energy sources.

Because we haven't met our transportation needs.

Because unemployment is hurting so many. And it takes money to create new jobs. From $20–30,000 in capital to back up every worker in U.S. industry.

We've got to build considerably more America in the next ten years than we've got standing out there right now. And it's going to take almost twice as much capital as in the last ten.

The overall figure could go to $4.1 trillion. Where is it all going to come from?

Chase estimates we'll be lucky if as much as $2.6 trillion will be available for productive investment.

A shortfall of $1.5 trillion. Which means we'll be under-investing $400 million a day, every day for ten years.

How do we deal with the problem? Chase proposes a six-point program:

Provide sufficient inducements for an ever-growing base of personal savings.

Establish more realistic guidelines for depreciation allowances.

Give preferential tax treatment for retained corporate earnings used for investment purposes.

Ameliorate our relatively harsh treatment of capital gains compared with that of most other countries.

Stabilize our fiscal and monetary policies to prevent violent swings in the economy.

Eliminate unnecessary controls. And do away with outmoded government regulations and agencies that restrict our free market economy.

Capital formation must be government's business, businesses' business, labor's business, banking's business—everybody's business.

Your business.

CHASE

INVESTMENT, PRODUCTIVITY, AND GROWTH IN MAJOR INDUSTRIALIZED COUNTRIES

Over the past decade and more, the U.S. share of its output allocated to investment has been below that of other major industrialized nations and thereby contributed to relatively lower rates of advance in productivity and national output.

This disparity has effectively lowered rates of advance in living standards of the average consumer in the U.S., created shortages in basic materials producing industries during periods of economic expansion and added substantially to the inflationary consequences of high employment in recent years.

The disparity also has limited job opportunities in the sense that had the growth of plant and equipment exceeded that of the labor force, more jobs would have been required to utilize that increased capacity.

The U.S. share of total national output devoted to so-called fixed investment averaged 17.5% during 1960–73. This share was lower than in any of the 11 major industrialized nations for which comparable information was developed in this analysis. It compared with Japan's peak share of 35.0%, West Germany's 25.8%, and France's 24.5%. But, even at the lower end, the shares of the United Kingdom at 18.5% and of Italy at 20.5% were higher than in the U.S.

On the average, the 11 OCED countries allocated 24.7% of their output to fixed investment—seven percentage points more than in the U.S., as shown in the table.

INVESTMENT AS PERCENT OF REAL NATIONAL OUTPUT, 1960–73 [1]

	Total fixed [2]	Nonresidential fixed
United States	17.5	13.6
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
11 OECD countries (1960–72)	24.7	19.4

[1] OECD concepts of investment and national product. 1973 estimated.

[2] Including residential.

The investment shares noted above include residential buildings as well as nonresidential fixed capital. Only the latter might be considered by some as contributing to productivity, whereas residential purchases might be considered as consumption expenditures. Figures on both bases are shown in the table.

(In addition, the OECD concept includes nondefense government outlays on machinery and equipment in private investment for which a special adjustment needs to be made in the U.S. national accounts for comparability. National output is defined in these computations as "gross domestic product"—a somewhat different output measure than gross national product but which conforms with OECD usage.)

A ranking of countries with respect to investment ratios to GDP and real growth rates during 1960–73 is shown in the table on this page. A strong correlation between high ratios and high growths is indicated.

INVESTMENT RATIOS AND GROWTH RATES OF REAL OUTPUT, 1960–73 [1]

	Investment ratio		Output growth rate	
	Percent	Rank	Percent	Rank
Japan	29.0	1	10.8	1
West Germany	20.0	2	5.5	3
France	18.2	3	5.9	2
Canada [2]	17.4	4	5.4	4
United Kingdom [2]	15.2	5	2.9	7
Italy	14.4	6	5.2	5
United States	13.6	7	4.1	6

[1] Data estimated for 1973.

[2] Data applies to 1961–73 and are not strictly comparable to data presented for other countries.

(The respective standings of these countries should be considered approximations because prices of investment goods vary internationally. Since prices are used as weights to value output, differences in relative prices contribute to differences in the investment shares.)

Due in large part to higher shares of investment, productivity increases of these other industrialized countries surpassed those of the U.S. in recent years.

One such measure of productivity—real output of total goods and services per employed civilian—shows that productivity increases from 1960 to 1973 have exceeded that of the U.S. by an average annual rate of 6.7 percentage points in Japan, 3.2 percentage points in Italy, and 2.4 percentage points in France.

As a result, the absolute level of superiority of U.S. productivity is rapidly diminishing, relative to other major industrialized countries. This is shown in the chart.

Japan has narrowed this superiority from 18% of U.S. productivity in 1950 to 28% in 1960, and to 65% in 1973.

Italy has narrowed the gap from 30% in 1950 to 41% in 1960, and to 62% in 1973.

France and West Germany have improved their relative performances by rising to four-fifths of the U.S. level in 1973, as compared with three-fifths in 1960.

Lower rates of productivity gain in the U.S. relative to other countries is also registered in the manufacturing sectors of these economies. The rates of gain in manufacturing are larger than for total national output. But, here, too, the pattern of declining superiority of the U.S. is clearly portrayed.

PRODUCTIVITY GROWTH, 1960–73 (AVERAGE ANNUAL RATE)

	GDP employed person	Manufacturing output per man-hour
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD nations [1]	5.2	6.1

[1] Average for 6 OECD countries listed.

Other factors than fixed capital formation, of course, contribute to productivity and real GDP growth. Among these are the growth in the employed labor force, age of the stock of capital, enhanced labor and managerial skills, education, etc. Some studies have given greater importance to these factors than to rates of investment. Furthermore, high rates of growth in capital stock are much easier achieved—and hence productivity enhanced—where that capital stock is low relative to output.

Granted that other factors than physical investment contribute to growth, there would still remain large benefits to productivity resulting from larger growth in the capital stock.

The economic policy implications to attain greater productivity growth from this source would require some alteration in our consumption and saving patterns. In one way or another, the incentives for investment would need to be encouraged. The increase in the investment tax credit now under public consideration is a step in this direction.

A PROGRAM FOR AMERICA'S SPANISH-SPEAKING

Mr. MONTOYA. Mr. President, I am today submitting for consideration by my colleagues the legislative program developed and submitted by El Congresso—National Congress of Hispanic American Citizens. El Congresso, formerly known as RASSA, is a citizen's lobby for the Spanish-speaking, in Washington which draws its membership from a wide spectrum of the Spanish-speaking communities across the Nation. El Congresso has developed a program which focuses on the concerns of not only the Spanish-speaking but all Americans such as unemployment, tax reduction, lower interest rates, the protection of U.S. jobs from unfair foreign competition, more comprehensive unemployment benefits, and an equitable energy program.

Also El Congresso has addressed itself to other issues which are of concern primarily to the Spanish-speaking. These issues are the bilingual courts system, the office of bilingual education, the extension and expansion of the Voting Rights Act of 1965, assistance for migrant and seasonal farmworkers, congressional oversight hearings on Federal employment of the Spanish-speaking and Federal Government contracting policies, vocational education, the rural land grant communities of the Southwest, the collection and publication of economic and social statistics for persons of Spanish origin, establishment of an Office of Spanish-Speaking Affairs, and many other matters.

Mr. President, I am protesting this program for the careful review and consideration of my colleagues in the Congress. Let me assure you that I will give this my careful scrutiny, and I will examine each of the proposals contained in this program to assure that the Congress enacts the best possible laws to protect and advance the interests of the Spanish-speaking citizens. I urge each of my colleagues to focus his attention on the matters contained in this program and to fully consider the various proposals listed. America's Spanish-speaking deserve no less and as their representatives we can do no less.

Mr. President, I ask unanimous consent that the legislative program of El Congresso for the 94th Congress be printed in the RECORD.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

NATIONAL CONGRESS OF HISPANIC
AMERICAN CITIZENS,
Washington, D.C., March 3, 1975.

DISTINGUIDOS AMIGOS: Enclosed is the "Legislative Program" of the National Congress of Hispanic American Citizens (El Congreso) for the First Session of the 94th Congress. Our "Legislative Program" concerns itself with specific issues that directly impact on the Spanish speaking community.

These issues are: Amendments to the Immigration and Nationality Act relating to illegal aliens; establishment of a bilingual court system in the United States; Title VII of the EOA relating to community economic development; the Voting Rights Act; the Office of Bilingual; Assistance for Migrant and Seasonal Farmworkers in the areas of Head Start and Migrant Health; Congressional Oversight Hearings on Federal employment of the Spanish spaking and Federal government contracting policies; Vocational Education; the rural land grant communities of the Southwest; the collection and publication of economic and social statistics for persons of Spanish origin; establishment of an Office of Spanish Speaking Affairs; Voter Registration; and elimination of the English requirement for the U.S. Citizenship.

While the legislative priorities as outlined in the preceding pages reflect our initial primary areas of concern, we, nevertheless, will assist and cooperatively work to support efforts to alleviate the critical economic and unemployment crisis facing our nation today, through Congressional and Administrative actions that will provide for:

(a) The creation of jobs for the unemployed.

(b) A tax cut primarily for low and middle-income taxpayers to stimulate the economy through added purchasing power.

(c) The reduction of interest rates and allocation of credit for high-priority social and economic activities.

(d) The protection of jobs from unfair foreign competition.

(e) Assistance to the unemployed to minimize their hardships.

(f) Measures that will establish a fair and equitable system of allocation and rationing that will conserve energy but that will minimize individual and industrial hardships.

We sincerely hope that you will give our "Legislative Program" your most thoughtful review and consideration and that you will assist us in meeting all our common goals.

We realize that changes can only come about through the concerted effort of groups and individuals working cooperatively together, therefore we are asking for your help in this effort.

Sinceramente,

MANUEL D. FIERRO,
President.
JACK F. OTERO,
Chairman of the Board.

A CITIZENS' LOBBY FOR THE SPANISH SPEAKING AT THE NATION'S CAPITAL

AMENDMENT TO THE IMMIGRATION AND NATIONALITY ACT

Legislation designed to curb the flow of illegal aliens into the United States has been introduced in the 92nd, 93rd and now the 94th Congress by Congressman Peter Rodino (NJ). The legislation makes it unlawful to knowingly hire aliens who have not been legally admitted to this country for permanent residence or have not been authorized by the Attorney General to work while in the United States on a temporary basis. This legislation has twice passed the House but has died on both occasions in the Senate Sub-Committee on Immigration, chaired by Senator James Eastland.

The illegal alien problem today is more acute and because of the present high unemployment and economic conditions of the nation, the illegal alien problem has reached monumental crisis proportions in the minds of many.

COMMENTARY

While El Congreso supports legislations to eradicate the evils of labor exploitation and unemployment in this country, we cannot and will not support legislation that abets discrimination against American citizens on the basis of national origin.

El Congreso recommends that H.R. 982 or any other legislation amending the Immigration and Nationality Act must contain provisions which.

a) protects American citizens against discrimination proscribed by title VII of the Civil Rights Act of 1964.

b) provides for more stringent enforcement and monitoring of existing laws affecting the Immigration and Nationality Act.

c) prohibits an employer from employing Green Card Commuters when a management/labor dispute and/or strike is in progress.

Furthermore, El Congreso strongly supports provisions that will provide for the adjustment of status for certain aliens illegally in the United States to that of permanent residents.

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ESTABLISHMENT OF A BILINGUAL COURT SYSTEM IN THE UNITED STATES

A long standing deficiency in our Federal judicial systems continues to be the inability of thousands of non-English speaking Americans to defend themselves adequately in proceedings conducted in a language they cannot understand. In a decision of the U.S. Court of Appeals for the Second Circuit in the U.S. ex rel Negron v. New York, 434 F 2nd 386, the court held that the sixth amendment to the constitution requires that non-English defendants be provided with simultaneous translation of all the court room proceedings.

COMMENTARY

Legislation designed to remedy this situation was introduced in the 93rd Congress by Senator John Tunney (S. 1724) and Congressman Edward Roybal (H.R. 7728). S. 1724 was favorably passed by the Senate but the House Judiciary Committee was not able to act on the House bill before the 93rd Congress adjourned. Similar but not identical bills have already been introduced in the 94th Congress in the House and Senate respectively by Senator John Tunney and 30-co-sponsors (S. 565) and Congressmen Ed Roybal, Herman Badillo and Don Edwards (H.R. 2255).

The Chairman of the House Judiciary Sub-Committee on Civil Rights Oversight has indicated to us that hearings will be held this spring on this measure. The Senate plans no hearings and passage is expected with no difficulty.

El Congreso will continue to strongly support and work for favorable passage of this measure during 1975.

TITLE VII COMMUNITY ECONOMIC DEVELOPMENT

El Congreso has recently compiled a statistical report on the funding of Community Development Projects under Title VII of the Economic Opportunity Act of 1964 for the years 1968 to 1974.

The purpose of this study is to illustrate the miniscule amount of dollars that have gone to the Spanish speaking community in the development of community development projects and to demonstrate the gross lack of attention given the Spanish speaking community by Title VII administration.

The purpose of Title VII is to establish community development projects with continual adequate federal aid so as to stimulate and develop the economy of urban and rural low-income communities throughout the nation. However, the statistical report compiled by El Congreso indicates that the objectives of Title VII are being frustrated.

At the inception of the CDC program, 45 projects were established. 24 projects were designated as Black, 7 as Chicano, 3 as Native American and 2 as Puerto Rican. The program has subsequently been cut to 35, with 17 projects designated as Black, 6 as Chicano, 6 as White Ethnic, 3 as Native American and 2 as Puerto Rican.

From 1968 to 1974, Congress has appropriated a total of $183,253,000 for the community development projects. In this seven year period, the Black-operated CDCs have received 58.12% or $109,408,000 of the total funds. On the other hand, Chicanos, Puerto Ricans and Native Americans as a group have received only $37,926,000 or 20.15%. Individually, Chicanos have received $20,436,000 or 10.86%; Puerto Ricans have received $4,185,000 or 4.22% and Native Americans have received $13,305,000 or 7.07%.

Geographically, the eastern states have received the greatest share with an appropriation of $80,645,000. The Black CDC projects have received the bulk of the funds with $68,112,000. The eastern states also have a substantial Spanish speaking population, however, only one Puerto Rican CDC project is found in the area. New York alone received $49,421,000, with a meager $1,185,000 going to a Puerto Rican CDC project in New York City.

New Jersey has received $3,500,000, Massachusetts has received $4,661,000 and Florida has received $1,800,000—these three states also have a large Spanish speaking population, however, no Spanish speaking project was found.

The Great Lakes region has the second largest share of funds accounting for $28,716,000. Illinois received $13,804,000; Wisconsin received $5,000,000; Michigan received $3,970,000; and Missouri $5,942,000—none of these funds went to the Spanish speaking community in this area, although there is a significant Spanish speaking community in this area, especially in Illinois and Michigan.

The Southwest has the largest concentration of Spanish speaking, however, there are only six CDCs with a total appropriation of $20,436,000 from 1968 to 1974. California and Texas have the largest Mexican American population in the nation, yet California has only two CDC programs and Texas has one. Over a seven year period, California has received only $6,234,000, and Texas only $5,422,000. In 1975, Texas projects received only 3 million and California $3.2 million. No funds have been allocated to Arizona, yet the District of Columbia which is significantly smaller than Arizona received $1,525,000.

In 1974, Congress appropriated $38,125,000 for the 35 projects in existence, Black-operated projects accounted for 45.01% or $17,160,000 to be distributed among 17 projects. In comparison, the Spanish speaking community received only 24.44% or $9,700,000 for its six projects, the Puerto Rican received 7.07% or $3,000,000 for its two projects, and the Native Americans were accorded 6.56% or $2,500,000 for its three projects, and the White Ethnic received $2,050,000 or 5.38%.

It is quite evident to us that the Spanish speaking community has not been or will it be given priority as long as Congress does not exert itself and appropriate sufficient funds that will begin to meet the need of the Title VII mandate.

Therefore, El Congreso is strongly urging Congress to appropriate $69 million for the Community Economic Development Program. This is an increase of $30 million from the Administration's Budget request of only $39 million. Additionally, we are urging Congress that this increase be used for the purpose of carrying out Title VII, Part A, Sec. 711 (4) of the Community Services Act of 1964.

Part B of Title VII has not been implemented to date because of the lack of sufficient appropriations necessary to adequately implement the programs authorized by Title VII. El Congreso is strongly urging Congress to appropriate $25 million for Part B of Title VII to meet the special economic needs of rural communities.

THE VOTING RIGHTS ACT

The Voting Rights Act of 1965 is due to expire on August 6, 1975. Hearings are scheduled to start in the House Judiciary Committee on February 25. Two principle bills are before the Committee. One, introduced by Chairman Peter Rodino (D., N.J.), Bill H.R. 939, would extend the Act another 10 years and suspend all literacy tests permanently. The other bill, H.R. 2148, introduced in behalf of the Administration, would extend the Act another five years and suspend literacy tests for five years.

COMMENTARY

El Congreso strongly supports the Extension of the Act with an Amendment to make Section 5 of the Act applicable to Texas, California and other states and areas that have a high concentration of Spanish speaking, Spanish origin population.

Congressman Edward Roybal (Calif.) and Herman Badillo (NY) will be introducing this amendment. Witnesses from California and Texas are scheduled to testify on March 4, 1975 on the voting characteristics of the Spanish speaking voters and the kinds of discriminatory practices they face. The Mexican American Legal Defense and Education Fund will also provide testimony on the legal arguments for using the existing Voting Rights Act to protect Spanish speaking voters in the Southwest.

(NOTE: On February 20, 1975, Congressmen Ed Roybal and Herman Badillo introduced H.R. 3501, a bill amending Section 4 of the Voting Rights Act.)

OFFICE OF BILINGUAL EDUCATION

PL 93–380 Sec. 731 states:

"(a) There shall be, in the Office of Education, an Office of Bilingual Education through which the Commissioner shall carry out his functions relating to bilingual education.

"(b)(1) The Office shall be headed by a Director of Bilingual Education appointed by the Commissioner, to whom the Commissioner shall delegate all his delegable functions relating to bilingual education.

"(2) The Office shall be organized as the Director determines to be appropriate in order to enable him to carry out his functions and responsibilities effectively."

Additionally, PL 93–380 Sec. 2(c)(1) states: "That unless otherwise specified, each provision of this Act and each Amendment shall be effective on and after the sixtieth day after the enactment of the Act."

COMMENTARY

Today, after four months after the sixtieth day after the enactment of the Act, Commissioner of Education has still not complied with PL 93–380 Sec. 731(a) in establishing the Office of Bilingual Education. This office continues to be called and function as the Division of Bilingual Education within the Bureau of School Systems, under the direct supervision of the Associate Commissioner for Compensatory Education. Furthermore the Commissioner of Education has not complied with PL 93–308 of Sec. 731(b)(1) in delegating all his delegable functions relating to bilingual education to the Office of Bilingual Education.

As a direct result of noncompliance on the part of the Commissioner of Education, the proper implementation of the Bilingual Education Program, in the Office of Education, is being suppressed and stymied causing the functions and responsibilities of the Office of Bilingual Education to be carried out ineffectively.

El Congreso will be initiating requests for Congressional clarification of the law and/or legal proceeding to obtain clarification.

THE VOCATIONAL EDUCATION ACT OF 1963

One of the most acute problems in the United States is that which involves millions of citizens, both children and adults, whose efforts to profit from job training is severely restricted by their limited English speaking ability because they come from environments where the dominant language is other than English. Such persons are therefore unable to help to fill the critical need for more and better trained personnel in vital occupational catagories and are unable to make their maximum contribution to the Nation's economy and as a result suffer the hardships of unemployment or under employment. There also exsts a critical shortage of instructors possessing both the job knowledge, skills and bilingual capabilities required for adequate vocational instruction of persons of limited English speaking ability. Also, there exists a corresponding shortage of instructional materials and of instructional methods and techniques suitable for such instruction.

COMMENTARY

During the 93rd Congress, Senator Tower (R-Texas) and Senator Dominick (R. Colo.) introduced the Bilingual Vocational Training Act of 1974 which passed both Houses of Congress and was signed into law by the President (P.L. 93–380). This legislation amended the Vocational Education Act of 1963 addressing itself to all the problem areas outlined above. However, this vital piece of legislation was only given a life span of one year and is due to expire this year.

El Congreso will strongly support the introduction of legislation providing for the continuation and expansion of Title I Part J, and Section 122 (a) (4) (c) of the Vocational Education Act of 1963, as amended. Title I, part J. of such Act is primarily focused upon the disadvantaged bilingual person who, for a variety of reasons, finds himself outside the confines of the traditional educational establishment. Section 122 (a) (4) (c) of such Act is pimarily directed towards the vocational education of students of limited English speaking ability enrolled in the traditional educational establishment. El congreso is supporting an authorization of $25.0 million for each provision.

CONGRESSIONAL OVERSIGHT HEARINGS

During the course of the 94th Congress, El Congreso will be working towards the initiation of oversight hearings in several areas of special concern to the Spanish speaking community. These areas are a.) Federal employment of the Spanish speaking; b) Federal government contracting and the degree of Spanish speaking participation; c.) the impact of selected special emphasis programs on the Spanish speaking community.

FEDERAL EMPLOYMENT OF THE SPANISH SPEAKING

While the Spanish speaking population compromises 7% of the total U.S. population, they only hold 3.1% of the Federal jobs in a total Federal work force of 2.5 million. Statisticians further reveal that the Spanish speaking are over represented in the Wage Grade (blue collar type) jobs and that a very small percentage hold the better paying and professional General Schedule jobs.

While virtually all of the various Federal Departments and agencies have failed to insure equal employment opportunities for the Spanish speaking, four have initially been chosen for special attention because they:

1. are large employers
2. have significant operations throughout the nation
3. have blatantly disregarded the mandate and responsibilities entrusted them in providing equal employment opportunities to the Spanish speaking.

The four agencies which have been selected for special attention based on the criteria outlined above are the:

1. Department of Interior
2. Department of Transportation
3. Department of Justice and the;
4. Veterans' Administration.

COMMENTARY

On January 24, 1974, El Congreso testified before the Senate Committee on Aeronautical and Space Sciences in regards to the National Aeronautical and Space Administration's Equal Employment Opportunity Program. Also, oversight hearings have already been conducted by the House Subcommittee on Civil Rights Oversight of the Committee on the Judiciary in regards to the Equal Employment Opportunity Program of the Department of Interior. El Congreso will work closely with IMAGE's "Project Compliance" to insure that further oversight hearings are conducted on the remaining three Federal Agencies by the House Subcommittee.

FEDERAL GOVERNMENT CONTRACTING

Recent national policy has been to bring minority businesses into the mainstream of our economy. However, despite well intended platitudes, the Federal Government's efforts to provide greater contracting opportunities for the Spanish speaking and minority businesses cannot even be described as minimally successful. The need to assist Spanish speaking and other minority businesses to achieve parity with non-minority businesses is essential to the economic growth of the Spanish speaking community.

The principal barrier to the accomplishment of the stated national policy is a legal one. It derives from the Federal Property and Administration Services Act of 1949, as reflected in the Federal Procurement Regulations System.

COMMENTARY

Until a clear and unqualified authority is established to override the existing requirement that virtually all procurements be competitive; then the stated national goal to bring minority businesses into the mainstream of our economy will continue to resemble political puffery rather than sincere resolve.

Therefore, El congreso will seek to fulfill the following objectives during the 94th Congress which are:

1. To affirm, without qualification, reservation or equivocation, a uniform Government-wide policy requiring negotiation and award of non-competitive contracts to Spanish speaking minority-owned businesses by all Government agencies, Government contractors and subcontractors procuring goods and/or services through the expenditure of Federal funds.

2. To establish, by Executive Order or by legislative enactment, both the policy set forth in 1. above and the definitive authority for agencies, contractors and subcontractors to effectively implement that policy.

3. Having established the policy and the authority; to accomplish their immediate incorporation in Federal Procurement Regulations, and derivative Procurement Regulations of Federal Agencies, as well as Federal contract and subcontract provisions.

4. To assure vigorous implementation of policy through a uniform, centralized system of monitoring by a Federal Agency or Office specifically charged with that responsibility.

Finally, El Congreso will seek for Congressional oversight hearings on the federal procurement policies and their impact on the Spanish Speaking business community.

BILINGUAL HEALTH MANPOWER

The cultural and linguistic differences of the Spanish speaking community continues to pose serious barriers in; a) the delivery of various health services to the Spanish speaking population and b) equitable participation in the sundry Federally funded health service programs by the Spanish speaking community.

This is a problem which can be greatly ameliorated by increasing the graduation of Spanish speaking students from the various schools of Medicine, Optometry, Podiatry and Pharmacy (MODVOPPh schools).

The gross lack of representation of the Spanish speaking in the various health professions and health science professional schools greatly contributes to the perpetuation of the health crisis that exists within the Spanish speaking community today. For example, according to the Bureau of Health Manpower Opportunity/HEW, there are approximately 300,000 physicians in the United States. Out of these, 250 or .06% are Spanish speaking.

Much of the blame for this extreme health manpower shortage can be placed on the shoulders of the various MODVOPPh schools. This is due to their failure to initiate and maintain effective recruitment and retention programs for potential Spanish speaking health professionals. An overwhelming majority of the health professional schools do little to recruit and retain bilingual students until they are provided the monies to implement programs or are pressured into recruiting and retaining bilingual students. Objective data clearly indicates the Spanish speaking are disproportionately underrepresented in all health science schools.

COMMENTARY

The substantial increases in admissions to health science professional schools in recent years can be attributed mostly to the existence of special programs. It must be emphasized that if special programs are to succeed, they must be adequately funded and the program faculty and/or staff must have sufficient authority to achieve the goals of the program. Also, faculty and/or staff hired for these programs should come from the group to be served.

The 94th Congress is again considering legislation to replace the Comprehensive Health Manpower Training Act of 1971 whose authorizations expired on June 30, 1974 and is presently being supported by a continuing resolution. This Act has been the basis for Federal Health Manpower support in the MODVOPPh area. It has also been the basis of federal support for minority health manpower recruitment, admissions and retention programs under sections 772 and 774 of the Act.

During the 93rd Congress, the Senate passed S. 3585, the Health Manpower and Shortage Area Assistance Act of 1974. The Senate's version was considered to be very poor in the area of minority health manpower opportunity programs, only authorizing to be appropriated $5 million in this area.

The House version, H.R. 17084, the Health Manpower Act of 1974, as reported out of the full Committee on Interstate and Foreign Commerce, contained an authorization level in Section 782(c) of $20 million for minority health manpower, admissions and retention.

Because of the health crisis which currently exists within the Spanish speaking community and because increasing the number of Spanish speaking health professionals can be viewed as a major factor towards the overall solution of the problem, El Congreso will support the Health Manpower Act of 1975 upon the incorporation of the following provisions into this legislation:

1. An amendment to titles VII and VIII of the Public Health Service Act adding new language which will include individuals who are bilingual among those who are financially or otherwise disadvantaged and for whom special recruitment and retention programs are established for training in the health, nursing and allied health professions.

2. The establishment and operation of a bilingual health manpower program designed to increase the admission and enrollment of qualified Spanish speaking individuals into various health, nursing and allied health professional schools with an authorization of $25 million for the first fiscal year of operation and each succeeding fiscal year.

3. The establishment of a bilingual health manpower scholarship program for the purpose of increasing the enrollment and training of bilingual students in the various health, nursing and allied health professional schools.

RURAL LAND GRANT COMMUNITIES OF THE SOUTHWEST

Much concern and unrest exists in the Spanish speaking community of the Southwestern states in regards to the current legal status of the lands which were the subject of grants from the King of Spain and from the government of Mexico. When the Treaty of Guadalupe-Hidalgo was signed in 1848, and ratified by Congress the same year, the property and civil rights of the people who lived on the land ceded to the United States by Mexico were guaranteed to be protected. The land grant dispute of the Southwest revolves and emenates around the denial and abrogation of the community land grant rights initially protected under the 1848 treaty. Sub-

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sequently, the land grant dispute in the Southwest has led to much skepticism and lack of faith within the Spanish speaking community of the Southwestern states in regards to the Federal government's ability or willingness to keep its commitments to its own Spanish speaking citizenry.

COMMENTARY

Mounting Congressional concern and support for the investigation and resolution of the community land grant dispute is reflected by the growing number of bills being introduced in Congress addressing this issue.

Representative Augustus F. Hawkins (D-Calif.) has introduced two bills addressing the community land grant dispute. The first bill, H.R. 2206, identical to the measure he introduced during the 93d Congress, is designed to combat rural poverty in the nation's rural Mexican American land grant communities by seeking fulfillment of the agreements made between the United States and Mexico at the signing of the Treaty of Guadalupe-Hidalgo. This would be accomplished by a system of grants and demonstration projects. The second bill, H.R. 2207, would seek enforcement of the Treaty of Guadalupe-Hidalgo as a treaty made pursuant to article VI of the Constitution of the United States.

Representative Henry B. Gonzalez (D-Tex.) has introduced H. Res. 147 which would create a special committee to conduct an investigation and study on the legal, political and diplomatic status of the land grants before the signing of the 1846 treaty.

On the Senate side, Senator Joseph M. Montoya (D-N. Mex.) has introduced S. 68 which would establish a temporary Special Commission on Guadalupe-Hidalgo Land Rights to determine, among other things:

What property rights of land holders, their heirs and descendants, were protected by the treaty.

Whether those rights have been properly protected by the United States since 1848; and

The most equitable means for settling claims for these land grant rights.

El Congreso fully supports these efforts in Congress towards the resolution of the land grant dispute of the Southwest and the provision of special poverty programs designed to alleviate rural poverty in these communities.

ASSISTANCE FOR MIGRANT AND SEASONAL FARMWORKERS

The food industry is America's biggest business. The Production end of that business, agriculture, depends upon a labor system which still bears the markings of its historical antecedent, slavery.

Farmworkers constitute a unique poverty class: their employment is sporadic, low-paying and subject to the unpredictable vicissitudes of weather conditions and technical advances. They are virtually excluded from the benefits which industrial workers enjoy; maximum wage legislation, collective bargaining rights, unemployment insurance, workmen's compensation, child labor regulations and decent working conditions.

Both seasonal and migratory farmworkers tend to receive minimal community services, but migratory farmworkers, as a result of their mobility, are essentially citizens of no communities and consequently benefit from almost no local programs as services residency rquirements often aggravate their exclusions.

The migrant and seasonal farmworker's cycle of poverty and lack of opportunity is perpetuated by the daily advances made in farm technology. While many of these improvements have helped increase our crop yield, they have also caused further unemployment among migrant and seasonal farmworkers.

The outlook for migrants and seasonal farmworkers today is painfully dismal. It is time to stop treating farmworkers as the forgotten occupational minority in America. It is a national tragedy that those who work under hardship conditions to harvest the crops cannot themselves afford food, clothing and health care for their families.

COMMENTARY

In the Community Services Act of 1974 the Economic Opportunity Act of 1964 was amended to continue the authorization of funding for migrant and seasonal farmworker programs with respect to non-manpower activities, and it gave the Community Services Agency under Sec. 315 the responsibility for coordinating programs under this part with other Federal programs designed to assist or serve migrant and seasonal farmworkers, and for reviewing and monitoring such programs.

EL CONGRESO is strongly urging Congress to appropriate $40 million for Title III–B of this Act.

MIGRANT HEAD START PROGRAM

Presently the Office of Child Development, Head Start, is serving less than 2% of those eligible pre-school migrant children with a budget of $4.2 million. In the Community Services Act of 1974, Sec. 503, the Secretary of HEW is authorized to continue the administative arrangement responsible for meeting the needs of migrants and Indian children and is required that appropriate funding is provided to meet such need. El Congreso is strongly urging the Office of Child Development to earmark $15 million for each Migrant and Indian program. Furthermore, El Congreso is requesting Congress for assistance in this effort.

MIGRANT HEALTH

The unmet migrant health care needs still remains profound and critical. The current migrant health program is only reaching 10% of the target population and in most cases, the services being provided are extremely limited. The infant mortality rate for migrants is 25% higher than the national average. Mortality rates for tuberculosis and other infectious diseases among migrants are 2½ times the national rate and for influenza and pneumonia the rate is 20% higher for migrants than it is for the general population. The rate of hospitalization for accidents is 50% higher for migrants than it is for the national rate.

COMMENTARY

The migrant health care program has received on the average of $19 million per year over the past five years. During the 93rd Congress, Congress passed the Health Service Act of 1974 which contained increased authorization for the migrant health program and a new network of health centers for migrant and seasonal farmworkers. The President Vetoed the Health Service Act of 1974. Currently all health programs are under a continuing resolution.

El Congreso will strongly support during the 94th Congress new authorizations for migrant health programs and an increase in the appropriations.

COLLECTION AND PUBLICATION OF ECONOMIC AND SOCIAL STATISTICS FOR PERSONS OF SPANISH ORIGIN

From all quarters, the Spanish speaking community has expressed major concerns regarding the problems of establishing an accurate count of persons of Spanish origin and the adaptation of uniform definitions for Mexican American, Puerto Rican, Cuban and other Spanish origin people. The Spanish speaking community has been highly critical of the lack of and the methods used by federal agencies to collect statistics for the Spanish speaking. The criticisms are not without foundation. The importance of an accurate count becomes obvious when one considers the varied uses made of census data by Federal, State, local and private program administrators. Additionally compliance with the provisions of the Civil Rights Act of 1964 for nondiscrimination in public and private employment cannot be monitored effectively without census data.

COMMENTARY

During the 93rd Congress, Rep. Edward Roybal introduced a House Joint Resolution calling upon the several Federal agencies to begin collecting data which accurately depicts the social and economic conditions facing persons of Spanish origin. It also provided for the monthly publications of a nationwide unemployment rate for Spanish speaking. The Resolution was not acted upon by the House Sub-Committee on Census and Statistics chaired by Congressman Richard White.

During the 94th Congress, Congressman Ed Roybal has again re-introduced the House Joint Resolution (H.J. Res. 92) co-sponsored by Patricia Schroeder (Colo.). H.J. Res. 92 has been referred to the House Sub-Committee on Census and Statistics. El Congreso for its introduction in the Senate also.

ESTABLISHMENT OF A NEW FEDERAL OFFICE OF SPANISH SPEAKING AFFAIRS

During the last days of the 93d Congress the Senate favorably considered a bill to extend the life of the Cabinet Committee on Opportunities of the Spanish Speaking. Unfortunately, the House in the closing hours of the 93d Congress did not act favorably on the measure and on December 31, 1974, the Cabinet Committee ceased to exist.

Originally, the Cabinet Committee was established to serve as an advocate for the Spanish Speaking and to advise federal agencies on matters of Spanish Speaking concern and to suggest ways to improve already existing programs.

Unfortunately, with the advent of the Nixon Administration's Committee to Re-elect the President, however, pressures from the Executive forced the Committee to channel it's energies into partisan campaign related activities far removed from its authorization. The Committee was no longer then a spokesman for the Spanish Speaking rather it became an arm of the executive campaign committee.

COMMENTARY

At the start of the 94th Congress, Senator Joseph Montoya and Congressman Edward Roybal introduced companion measures (S. 444 and H.R. 2254) which seek to reestablish the Office of Spanish Speaking Affairs in the Executive Office of the President. Additionally, new language in these measures clearly prohibits the Office from engaging in partisan politics.

El Congreso will actively support and seek passage of this legislation during the 94th Congress.

Congressional hearings are tentatively being planned for the Spring in the Senate.

VOTER REGISTRATION

In a democratic society no right is more fundamental than the right of every citizen to vote. Yet voter registration in this country is at an all time low. Many are the reasons cited for such a poor performance. Residency requirements, complex registration procedures, inconvenient registration hours, etc. The extent to which American citizens have failed to register is startling. The extent to which they have failed to vote is even more startling. Yet the bitter irony and far more startling to us is those who are victimized by the elaborate scheme to deny equal access to the electral process.

COMMENTARY

El Congreso supports legislation designs to eliminate some of the barriers to effective and meaningful participation of our citizens in the electral process, as was proposed during the 93rd Congress, but this legislation must contain provisions that will address

the problem encountered by non-English speaking people. The language barrier continues to be one of the primary causes preventing many Spanish speaking people from exercising their right to vote. Therefore voter registration legislation must contain provisions that identifies states that must provide registration forms in a language other than English.

ELIMINATION OF THE ENGLISH REQUIREMENT FOR U.S. CITIZENSHIP

The English requirement has been a detriment to thousands of non-English speaking people seeking U.S. Citizenship and has discriminated against them because of the lack of English. This literacy requirement is a vestage of the past and is without constitutional or social foundation. This requirement discriminates unfairly against non-English speaking legal residents wishing to become U.S. Citizens.

COMMENTARY

During the second half of the 93rd Congress Congressman Edward R. Roybal (D-Calif.) introduced H.R. 1147 to eliminate the spoken English requirement for U.S. Citizenship. El Congreso will work towards the reintroduction of this bill in both the House and Senate.

El Congresso supported this bill during the 93rd Congress and plans to work towards its favorable passage during the 94th.

MOBIL OIL CORPORATION ENDORSES AGENCY FOR CONSUMER ADVOCACY LEGISLATION (S. 200)

Mr. PERCY. Mr. President, I am pleased to relate that Mobil Oil Corp., one of the Nation's largest companies, has expressed its support for the creation of a Federal Agency for Consumer Advocacy.

An April 1 letter to me from Mobil board chairman Rawleigh Warner, Jr. said in part, "We do support the measure in its present form." In an earlier—March 20—letter, Mobil president William P. Tavoulareas noted that in the past his firm had been "deeply concerned" that the legislation would create a too-powerful agency. Tavoulareas wrote:

> It appears that many of the difficulties in the earlier proposal have been cured.

Mobil, the Nation's third largest oil company, ranked seventh among all companies in Fortune's 1974 business survey with sales of $18.9 billion. It is the largest firm so far to get behind the consumer bill (S. 200) which has drawn opposition from a large part of the business community. In 1974, Mobil had 39,000 U.S.-based employees and 226,100 shareholders. Its assets totaled $14 billion.

Mobil joins some 35 other companies that earlier had expressed support for the consumer agency including Marcor—parent of Montgomery Ward—Zenith, Polaroid, the Connecticut General Life Insurance Co., the Dreyfus Corp., Bantam Books, Stop and Shop Corp., Stride-Rite Shoes, and a host of others.

The bill to create the agency was reported out of the Senate Government Operations Committee by an 11 to 1 vote and is expected to be taken up shortly.

Together with Senators ABE RIBICOFF, JACOB JAVITS, WARREN MAGNUSON, FRANK MOSS, ALAN CRANSTON, and others who are cosponsoring this important legislation, I am personally pleased by the attention which Mobil has given this issue. The measure represents the culmination of many years of effort to create a delicately balanced and carefully constructed means of assuring responsible consumer input into regulatory matters at the Federal level.

Mobil's action comes after an exhaustive reappraisal of the measure by the company's forward-looking officials. Their willingness to do that is a tribute to the outstanding leadership which continues to guide Mobil in advancing the public interest with the concerns of the American consumer clearly in mind.

Both Mobil executives, among the most respected in the American business community, emphasized the need to maintain the "delicate balance" between consumer, Government, and business interests now evident in the legislation. I have assured them that as the bill moves through the congressional process I will resist any changes that would either unduly enlarge or constrict the authority of the agency, and thus undo the balance.

Mobil, like so many other enlightened businesses, can support this measure with the confidence that it will help to right some of the serious wrongs which needlessly tarnish the good name of responsible business. At the same time, Mobil and the others can rest assured that the legislation will help to better protect the American consumer.

Mr. President, so that all my colleagues can understand the thinking of Mobil that underlies their support of this important legislation, soon to be before us for consideration, I ask unanimous consent to append to my remarks the relevant correspondence on this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MOBIL OIL CORPORATION,
New York, N.Y., March 20, 1975.

Hon. CHARLES H. PERCY,
Committee on Government Operations,
Washington, D.C.

DEAR SENATOR PERCY: Your letter to Mr. Warner arrived during his absence from the office, and I think it appropriate that I give you a prompt response on behalf of Mobil. As you may know, when the subject of an agency for consumer advocacy first arose Mobil was deeply concerned that the legislation created sweeping powers for the new agency, making it in essence a super-agency with regulatory responsibilities. It appears that many of the difficulties in the earlier proposal have been cured as the result of the work of the sponsoring Senators and their staffs, prompted in part by constructive criticism from outside the Congress. It would indeed be ungracious of us to fail to recognize that the proposal now before the Senate in the form of S. 200 is a very different piece of legislation from several of those previously considered by the Congress, although it still includes undesirable provisions such as the exemption granted for labor disputes.

I recently asked my staff to review the current bill and to give me an assessment of the major points of concern which we previously had. Their review is attached to this letter. Because so much change has occurred in the legislative history of this bill, I wonder if it would be possible for you to review the attachment and to let me know whether we have properly read the intent of the present legislation. I am particularly sensitive to the comment you made in your letter that the bill is intended to represent a ". . . delicately balanced and carefully constructed means of assuring responsible consumer input into regulatory matters at the Federal level." Because this balance is so delicate it is important not only that the bill remain in its present form throughout the legislative process, but also that the legislative history reflect insofar as possible the concept of balance which you have so ably expressed. If you agree with this point of view, I would hope that you could give us your assurance that you will make every effort on the Floor and in conference to retain the bill in the form now proposed and to create a legislative history which will give guidance for responsible interpretation of the powers conferred. We could then with confidence regard this as a matter which merits support.

Sincerely,

W. P. TAVOULAREAS.

WASHINGTON, D.C., *March 26, 1975.*

Mr. WILLIAM P. TAVOULAREAS,
President, Mobil Oil Corp.
New York, N.Y.

DEAR MR. TAVOULAREAS: I have your letter of March 20, 1975, and the attachment incorporating your staff's review of the proposed legislation, S. 200, to create an Agency for Consumer Advocacy. It is clear to me from the incisiveness of that analysis that Mobil has reviewed this legislation at considerable length in arriving at a responsible corporate position. It has been my contention for some time that so much of the headstrong opposition to this measure would dissolve if only corporate leaders were to study the bill's provisions in detail and understand the important safeguards that are included for the protection of responsible business and the consumer.

Having reviewed the Mobil analysis of S. 200, I can assure you that the key considerations which are discussed there reflect precisely those safeguards that are so paramount to assuring positive and meaningful consumer input into government agency decisions. Each of the points, taken in turn, expresses those safeguards in a succinct manner. Let me point out that, as to one provision, it is true that the ACA administrator is absolutely prohibited from intervening in any state and local agency or court proceedings. The Committee added an amendment to permit him to provide information to, or upon request assist, any such agency or court on matters having a substantial impact on consumers. The memorandum also makes an important point concerning the significance of price and adequacy of supply as key elements in the determination of the consumer interest. My objective is to make sure that such considerations are set forth in the bill when the legislation is considered on the Senate floor next month.

Finally, as I relayed to Rawleigh Warner in my recent conversation with him on this subject, as a principal sponsor of this legislation I expect to promote passage and enactment of this legislation in its present form. The delicate balance which we have sought and obtained must be retained by the avoidance of amendments which would either unduly enlarge or constrict the authorities of this Agency. Accordingly, it is my intent, which I am sure is shared by my colleagues who have joined in this effort, to work assiduously on the floor and in conference to assure that the final result reflects this delicate balance.

There is no question in my mind that Mobil can support this measure with confidence that it will help to redress some of the serious wrongs which unfairly tarnish the good name of responsible business, and that, at the same time, the legislation will help to better protect the American consumer.

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I enclose an extra copy of this letter for Mr. Warner to review upon his return.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

MOBIL OIL CORP.,
New York, N.Y., April 1, 1975.

Hon. CHARLES H. PERCY,
Committee on Government Operations,
Washington, D.C.

DEAR CHUCK: I have just seen the exchange of correspondence which you have had with Bill Tavoulareas on the subject of S. 200, the bill to create an agency for consumer advocacy. I am indeed pleased that both of your letters have emphasized the need to maintain the "delicate balance" which is so evident in the construction of the bill. We do support the measure in its present form, and we note your strong intention to resist changes.

Sincerely,

RAWLEIGH WARNER, Jr.

JEC HEARS TESTIMONY ON THE SOCIAL CONSEQUENCES OF THE RECESSION

Mr. HUMPHREY. Mr. President, the present recession is having particularly severe effects on those groups in our society which are least able to endure them. Individuals representing our elderly citizens, our Mexican-American population, and the residents of our depressed inner-city areas appeared before the Joint Economic Committee on March 13. They underscored the intense personal hardships that are the day-to-day reality for large numbers of people in our Nation, and pointed out the serious inadequacies of the President's economic and energy proposals for meeting the needs of these people.

We must not lose sight of these people, as we contemplate various proposals for economic recovery. We must remember what it is that will constitute an economic recovery from the point of view of these disadvantaged groups, and assure that policy aimed at general economic recovery is also viable from their point of view.

The distinguished Representative from California, RONALD DELLUMS, underlined the importance of maintaining the level of social assistance programs, in the course of his testimony on the plight of inner-city residents. He said:

> Human needs must be mandated first priority in everything we do. Without that priority—or the perception that we recognize that priority—we face a loss of the consent given government by its citizens.

Representative DELLUMS also emphasized the need to address effective stimulative action to the Nation's depressed urban areas.

Speaking for the National Retired Teacher's Association and the American Association of Retired Persons was Mr. Ralph Borsodi. Mr. Borsodi and Mr. Nelson Cruikshank, president of the National Council of Senior Citizens, were equally emphatic in their condemnation of the President's economic proposals. In this respect Mr. Borsodi said:

> The Administration's interrelated programs . . . will have proportionately greater adverse consequences for the poor and the aged—the very groups who have already suffered most.

The one facet of the President's program of perhaps the greatest concern to the elderly is his unwillingness to make full cost-of-living increases in social security payments. For people dependent on social security benefits as their primary source of income, every small decrease in that income means they must eliminate essential items such as food and health care from their budget. The long-run impact of granting less than full cost-of-living increases in social security benefits will be to slowly eat away at the real value of those benefits, which would be disastrous for social security recipients. As Mr. Cruikshank said:

> It is understandable, therefore, that President Ford's proposal to limit the cost-of-living increase to only five percent has caused incalculable fear and worry among the Nation's Social Security recipients.

The predicament of our Mexican-American population in the face of the current recession is also of a serious nature. The need for stimulative action is further justified by this situation, which was outlined for the committee by Eduardo Terrones of the National Council of La Raza. Mr. Terrones cited studies putting that level at 12 percent as being more accurate than the 6.7 percent figure in official estimates. In light of these studies, Mr. Terrones asked whether the social and economic consequences of not expending enough resources to deal with the employment situation might not be greater than the consequences of an increased Federal deficit.

The testimony of these distinguished individuals provides useful data on the economic situation as it affects some of our less advantaged citizens, and strong arguments for a stimulative economic policy.

PILLSBURY PRESIDENT TESTIFIES ON FOOD PRICES

Mr. HUMPHREY. Mr. President, on March 13 the president of the Pillsbury Co., Mr. James Peterson, came before the Joint Economic Committee to announce a substantial decrease in the wholesale prices of some of Pillsbury's most popular products. The committee was pleased to hear Mr. Peterson's analysis of the present situation in the food processing industry. He pointed out that recent decreases in the prices of many of the agricultural commodities going into processed food products should permit many companies to lower their wholesale prices.

Mr. President, I ask unanimous consent that Mr. Peterson's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY JAMES R. PETERSON

Mr. Chairman, my name is James R. Peterson, President of The Pillsbury Company.

Gentlemen of the committee, on behalf of The Pillsbury Company I welcome this opportunity to present Pillsbury's response to high food prices, a very sensitive and critical issue to the American consumer. I will describe briefly the circumstances that have led us to take a significant step . . . a substantial reduction in a number of our consumer food prices.

Pillsbury is a broadly based, diversified company competing in many areas of the food business.

Since 1972 the food industry has been sharply affected by increases in costs in all areas, but particularly, and most dramatically, by the increase in agricultural commodity and raw material costs.

Productivity improvement programs at Pillsbury have been given top priority to offset as much as possible the impact of these cost pressures. These productivity programs have been particularly effective in meeting the impact of certain major costs of doing business such as a 37 percent increase for energy in 1974; a 40 percent increase for packaging costs since 1972; a 17 percent increase for labor the last two years; and a 30 percent increase in transportation costs since 1972.

These charts (submitted to the committee) illustrate what has taken place in recent months in the costs of wheat, shortening, sugar and eggs, major agricultural commodities.

From the first quarter of 1972 to the third quarter of 1974, the wheat price quarterly average went from $1.58 to about $5.50 a bushel, reaching as high as $6 on some days. But because of expectations for very promising United States wheat, and a slackening of world demand, the price has lowered to the $3.65 range.

Shortening prices increased from about 11 cents a pound in mid-1971 to 42 cents a pound in the third quarter of 1974. Soybean oil has been dropping steadily this year and this week is in the 28 cents a pound range.

Sugar increased from nine cents a pound in the first quarter of 1971 to 46 cents in the last quarter of 1974, and actually reached a high of 77 cents a pound during its climb. Today sugar has receded to the 30 cents a pound range.

Eggs went from 30 cents a dozen in the second quarter of 1972 to 69 cents a dozen in the third quarter of 1973, and today are in the 59 cents a dozen range.

Wheat, shortening, sugar and eggs are the major ingredients in refrigerated foods. These ingredients constitute about 55 percent of the total cost of production.

In summary, from January, 1972, to October, 1974, a period of less than three years, the aggregate cost of these ingredients increased 258 percent.

In response to the recent weakening in these commodities, Pillsbury began to reduce its prices some weeks ago. Pillsbury's BEST flour, sold to consumers, was reduced six percent in January, and bakery mix prices to industrial users have been lowered three times since mid-December by a total of 17 percent. We have taken this week an additional and broader step. . . . one of major importance to consumers.

Effective Monday, March 10, Pillsbury lowered the wholesale price of Pillsbury buttermilk biscuits and 26 other refrigerated food products by an average of 10 percent, a double digit decline. The products are all in the refrigerated, fresh dough biscuit and dinner roll categories, and annually represent 630 million packages, or 73 percent of our refrigerated foods unit volume.

We have taken this action with the expectation and hope that these price reductions will be passed on to the consumer by retailers. We would expect that these lower prices would appear at retail stores within the next two to five weeks.

Because the agricultural commodities we use in Pillsbury's products are also in a majority of the other products in the supermarket, other food producers may find it possible to follow suit and thus, relieve pressure on the American consumer's food budget.

It is our conviction that the market mechanism for establishing prices, which is being demonstrated in the action we are taking, is infinitely better than price controls in any form.

We feel our mutual experiences with price controls demonstrate their adverse effects. I would like to further state that the administration's assurance that price controls are not in the offing has given us the confidence to execute this price reduction.

Our price reductions are on products used most heavily by consumers who have been hurt the most by inflation.

Our research shows that about one-third of the users of basic biscuits, our most economical item, earn less than $7,000 a year, but they consume almost half of the basic biscuits purchased.

People who live on farms and in communities with less than 2,500 people represent about 18 percent of the nation's population, but they buy about one-third of the basic biscuits sold.

We are hopeful but cautious about the future of food prices in 1975. With a return to normal weather conditions to additional price reductions.

I would like to add that during the past two years, in the face of dramatically increasing prices, consumers have demonstrated their ability to substitute one food for another to minimize the impact of inflation. This has been especially true in the broad spectrum of consumer products affected by grain prices. Such products include nearly everything in the food store except fruits and vegetables. Since refrigerated fresh dough products compete with thousands of items, Pillsbury's price decreases should aid consumers in lowering their food costs.

We would like to thank you for the opportunity to appear here today, and point out that in the free market system, companies such as Pillsbury can and do respond to changing conditions rapidly. We believe this type of action is particularly important in the largest and most basic industry in the nation. . . . the American food industry. I would be very happy to answer you questions.

SECRETARY KISSINGER'S DECISION TO EXCLUDE CHILE FROM HIS LATIN AMERICAN TRAVEL SCHEDULE

Mr. KENNEDY. Mr. President, I want to commend the Secretary of State for his decision not to include Chile in his planned Latin America visit this month.

That announcement is supported by Senator MONDALE, myself, and other Members of the Senate and the House. Many of us wrote to the Secretary last month. Although not specifically stated, I believe the Secretary's decision reflects positive evidence of greater official U.S. concern for human rights violations in Chile.

Had the Secretary traveled to Chile, it would have signaled a flagrant disregard of conditions in that country, conditions so abysmal that for the first time in recent memory, the Paris Club recently canceled its consideration of a renegotiation of Chile's foreign debt because of its failure to act in the human rights area.

Without major changes insuring the release of political prisoners, an end to the state of siege, and an end to the continuing repression, the Secretary's visit would have been interpreted as showing a lack of official U.S. concern about these matters.

With the Inter-American Commission on Human Rights commendation of Chile's human rights violations scheduled for the OAS general assembly meeting this May, the timing of the Chile trip would have been particularly inappropriate.

At the same time, recent reports in Newsweek and the New York Times, as well as private correspondence and contacts indicate that arrests continue, torture continues and the lack of respect for legal processes continue as well.

Newsweek reports:

> According to church and diplomatic sources in Santiago, each day Chileans are picked up for interrogation by the secret police. Some are held for weeks without charge, many are tortured, a few disappear altogether. Investigating such stories, three distinguished humanitarian groups—The International Commission of Jurists, Amnesty International and a special five-nation investigative team sent by the Organization of American States—have all reached the same conclusion in recent months. Under General Augusto Pinochet Ugarte, they have found, Chile has institutionalized brutality and human torture.

In Victor Perera's New York Times Magazine articles yesterday, the atmosphere of Chile for many of its citizens is communicated with sensitivity.

All of these factors justify congressional action last year in accepting my amendment to halt all military aid for Chile and justify as well the continuation of that policy.

I ask unanimous consent that the Newsweek article "Chile: Gentlemen of Torture," and the New York Times Magazine article on Chile be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Newsweek, Mar. 31, 1975]

CHILE: GENTLEMEN OF TORTURE

The shadowy figures appeared at 3:30 a.m. in the best secret-police tradition—pushing their cars, with lights and engines off, along Santiago's quiet Seventh Avenue to the house at No. 1580. As neighbors looked on, they aimed a fusillade of small-arms and machine-gun fire at the modest, lime-colored home. Not until half an hour later did they drag out Pedro Claudio Labra Caure, a 23-year-old student leftist. Labra was twisted in agony and blood streamed from his abdomen. "If you are going to take me, take me now; I can't stand any more," he cried. With that, the Chilean security officers shoved him into a white Peugeot and drove off. That was the last friends saw of him.

The body of Pedro Labra eventually turned up at the Santiago morgue, and his case is recorded in a Chilean court, where his sister, Berta, is suing for the arrest of his killers. If Berta's pluck in challenging Chile's secret police is unusual, her brother's case is not. According to church and diplomatic sources in Santiago, each day Chileans are picked up for interrogation by the secret police. Some are held for weeks without charge, many are tortured, a few disappear altogether. Investigating such stories, three distinguished humanitarian groups—the International Commission of Jurists, Amnesty International and a special five-nation investigative team sent by the Organization of American States—have all reached the same conclusion in recent months. Under Gen. Augusto Pinochet Ugarte, they have found, Chile has institutionalized brutality and human torture.

TOOLS

Since they overthrew Marxist Salvador Allende Gossens eighteen months ago, Pinochet and his military junta have adopted most of the classic tools of dictatorship to guarantee their political control. Labor unions have been disbanded, political parties "recessed," the press cowed and Congress closed. They have also set up an extraordinarily varied network of secret police. In addition to air, naval, military and police intelligence, an awesome coordinating body has been created that reports directly to Pinochet. Headed by one Col. Manuel Contreras Sepúlveda and known as DINA, the acronym for Dirección de Inteligencia Nacional, it is responsible for the majority of today's political arrests and apparently reaches even beyond Chilean frontiers. Rumor has it that DINA planted the bomb that killed Gen. Carlos Prats Gonzâlez, Allende's former army commander, in Buenos Aires last Sepember. "There seems no way to stop DINA," says one Western envoy stationed in the Chilean capital. "General Pinochet has given it a blank check."

Chileans harbor few doubts about what is in store for them when DINA—or any of its sister groups—knocks at the door. "Prolonged beating (with truncheons, fists or bags of moist material), electricity to all parts of the body and burning with cigarettes or acid" are common forms of physical maltreatment, reports Amnesty International. As sites for interrogation, DINA is known to favor rambling old Santiago houses like one near the Chilean-British Institute on busy Santa Lucia Street. (DINA recently abandoned a torture center nicknamed the "house of bells," where ex-prisoners recall hearing the chimes of a nearby church.) SIFA, or air force intelligence, conducts its "interviews" at the Air Force Academy itself. Aptly enough, SIFA's headquarters is called "the scream room."

COCKTAIL CIRCUIT

The man in charge of the scream room—a chubby air force major named Edgard Cevallos Jones—is a habitué of the Santiago cocktail circuit where, according to one acquaintance, he is "charming and easy to talk to." Among the prisoners, he is known as "the gentleman of torture" for the way he leavens his sessions with gifts and small kindnesses. He once interrupted a series of electric-shock treatments to take his victims to a downtown pizzera for a snack. In the midst of tormenting prisoners, it is not uncommon for the major to point out to them that they are extremely lucky not to be in DINA's hands. Compared with SIFA, he says, DINA is "much more cruel."

Santiago today has an outward semblance of tranquility, with few of the surface signs of a police state. With several thousand of its opponents behind bars, the junta's chief problem seems to be the state of the economy. A drop in the world price of copper has beset Chile's balance of payments. Thanks to domestic scarcities and the rocketing cost of oil imports, Chilean inflation hit 376 per cent during 1974. Though the rate is slowing, living costs have soared a further 30 per cent so far this year.

As it turns out, the economic crisis is creating some pressure for liberalization. Pinochet is currently asking foreign creditors to reschedule the payments Chile owes on its massive debt. To signal their disapproval of Pinochet's human-rights record, the British and other Western European governments have indicated they will boycott multilateral talks this month on Chilean finance. (The U.S., which holds more than 25 per cent of Chile's notes, has declined to express its disapproval of Pinochet on the theory that quiet diplomacy can accomplish more.) In order to counter such foreign critics, Pinochet recently freed several of Allende's top aides and allowed them to take refuge abroad.

UMI

In the view of many foreign diplomats in Santiago, though, that was only the meagerest beginning. "Pinochet is relying on cosmetics to improve his image instead of getting to the root of his worldwide isolation," one said last week. "The root, of course, is oppression."

[From the New York Times Magazine, Apr. 13, 1975]

LAW AND ORDER IN CHILE

(By Victor Perera)

SANTIAGO.—I had come to Chile not long ago as an admitted opponent of the military junta that unseated Marxist President Salvador Allende Gossens on Sept. 11, 1973, in one of the bloodiest military take-overs in Latin America's history. I would find that the military junta's policies have crippled the country's long-standing democratic institutions in ways that go far beyond the damage already suffered during Allende's three years in office.

I entered as a tourist, to forestall the harassment encountered by two fellow journalists after they had written articles critical of the Government. Joseph Novitski of The Washington Post had been placed under house arrest for several hours, and Jonathan Kandell of The New York Times had been stopped at Pudahuel Airport and placed on the next plane to Lima.

Tensions then were heightened by the assassination of exiled Army Gen. Carlos Prats Gonzales, who had been Allende's Commander in Chief. The general and his wife were blown up in their car, in Argentina, by unknown assailants, and his body was flown back to Santiago for a politically charged funeral. General Prats, who had still commanded the respect and loyalty of many younger officers and enlisted men despite his promise to keep a "correct" silence while in exile, had remained one of the few men considered strong enough to spark an internal rebellion against Gen. Augusto Pinochet Ugarte and his ruling junta. Another source of added tension was a holdup of the Bank of Chile, an act that embarrassed the junta and led to massive roundups of suspected leftists.

Soon after my arrival, I walked around Santiago's inner city, which is outwardly calm and orderly. The streets are spotlessly clean and the air is so clear that distant Andean snow peaks seem to hang in air, just above the city's rooftops. The department stores seem scantily stocked and devoid of chic; even the store-window mannequins look dowdy and outmoded. Bookstore windows prominently display Piers Paul Read's account of the Uruguayan Andean survivors, "Alive," in Spanish translation. Other favorite titles are "The Little Prince" and Richard Bach's "Salvador Gaviota" ("Jonathan Livingston Seagull"). In university bookstores, student journals contain articles on archeology, the stiff new grading system and pre-20th century literature and history. There is a conspicuous vacuum on politics and current events.

An uneasy stillness pervades Santiago's restaurants and cafes, particularly in the evening: the strain of speaking in hushed voices is felt like a cold draft. As I sit in the Waldorf Cafe I hear on the radio a Government spokesman expressing "the people's great admiration for the men who guard us." He calls for closer relations between the grateful citizenry and the military. "On the Day of the Fatherland write your local garrison and share with a soldier some anecdotes of his life . . . and you, women citizens, partake with a soldier's wife her valorous experience while he is in the guardhouse performing his duty. . . ."

The huge central post office is empty, as desolate as a mausoleum. The sullen clerk refuses to sell me stamps and insists on machine-stamping my letter so that I cannot mail it from outside. A hand-lettered sign in front of another window reads, "Do not inquire except for urgent reasons, and then be brief." The clerk sits thumbing desultorily through a sheaf of papers.

At the rear of the post office a large red and blue poster boasts with specious logic, "In Every Chilean There Is a Soldier. In Every Soldier There Is a Chilean." The small copyright below belongs to a United States advertising agency.

The oppressiveness in the city lets up briefly at dusk, in that charged interval between day and night when the blood quickens and strangers smile and brush shoulders in the street. At twilight, a schoolgirl smiles and lifts her shoulder at me. This innocent flirtation startles me out of a deepening numbness. I realize that during my stay in Chile my senses have been closing up; I am becoming anesthetized. The absence of gesture has been so prevalent that even the simplest transactions acquire a lucid distinctness.

By around 10 at night, three hours before the curfew, restless crowds mill about the parklike Plaza de Armas. Under state-of-siege provisions, organized public assembly is prohibited, but tensions build during the day, and the plaza is one of the few places where they can be released without attracting the attention of the military police.

As I enter the square a ragpicker is screaming that his sack of old clothes has been stolen. "They have robbed me," he shouts, flailing his arms at the crowd that has gathered to jeer him. "They have beaten me on the head. I am not a bad man." A policeman tries to calm the ragpicker but he keeps breaking loose and flailing his arms at the spectators who taunt him and squeal aloud as they dodge his blows. A second policeman starts to beat him.

"They are all the same, these filthy police," a woman in provincial dress mutters aloud. A bent old man standing nearby reproaches her: "One doesn't speak that way any more."

The woman wheels around and turns on the old man. "Who are you to tell me how to speak, you dried-up old goat? I have three small children who could beat you up."

"I said you don't speak like that now, you silly whore," the man says. "Have you no respect for your elders?"

Within seconds, two hostile camps have formed. Two peasant women and several urchins in ragged clothes side with the woman, while three elderly men who look like park regulars rally to the man's side.

"You queer old lady," the woman shouts. "Faggot of Pinochet. I have no respect for you or your kind. I respect only the young." She laughs mockingly and sticks out her tongue.

"We'll call the military on you," warns one old man in a straw hat, as he shakes his cane at the woman.

She turns her backside and bumps it at the old men, which makes the urchins shriek and clap their hands in delight. But the people disperse.

I walk to the other end of the park, where a one-legged newspaper vendor on crutches and a barefoot bootblack are trading insults, gathering still another crowd of oglers and hecklers. I can still hear the shrill, jeering laughter of the provincial woman, the piercing screams of the mad ragpicker. This is a plague-ridden medieval town.

I am in my hotel room by midnight, looking at the empty, brightly lighted Plaza Constitucion. About an hour later, three shots ring out, followed by a police siren, which causes two dogs to bark in concert for the remainder of the night. Sometime before dawn a rooster crows, in the heart of the city.

The newspapers at this time were full of the death of Miguel Enriquez, secretary general of the underground MIR (Movement of the Revolutionary Left), who had been killed in a gun battle with military, security and police forces in a suburb of Santiago. Two other MIR leaders had been wounded: Pascal Allende, nephew of the former President, and his companion, Carmen Castillo, who was seven months pregnant. Pascal Allende had escaped.

"We have won a victory," said Col. Pedro Ewing, the Government Secretary General, "but the war is not over." The front pages showed him returning 15 million escudos ($7,500) to the Bank of Chile.

In the following days, the military uncovered a number of underground arsenals and clandestine hospitals belonging to MIR, as they continued intensive house searches and massive detentions in Santiago and the outlying shantytowns. The conservative newspaper El Mercurio reprinted a story from Le Monde, in which Enriquez's brother Edgardo mourned his death and vowed to continue the struggle. "His successor has already been chosen," Edgardo said. "This is not a catastrophe for MIR because it is deeply rooted in the working class."

An editorial in the conservative newsweekly *?Que Pasa?* dealt not unsympathetically with Enriquez and his followers, after deploring their misguided idealism: ". . . and if we realize that the MIRist youth constituted the human élite of the country, destined to signal and light the way for the rest of the people . . . then we shall understand to what extent, without knowing it, we were a sick country, in need of a painful and complete surgery."

The Movement of the Revolutionary Left began in 1966 as a radical student organization of disaffected Maoists and Trotskyists from the Socialist and Communist parties; it never formally joined Allende's Popular Unity Government, although it had supported his election, and often worked with the far-left faction of his Socialist party.

During Allende's three years in office MIR organized armed cadres of peasants, students and workers; they stockpiled large quantities of Soviet arms smuggled from Cuba and reinforced their ranks with trained guerrillas from abroad. They continually pressed Allende into moving faster in nationalizing foreign industries and agricultural estates, even when doing so led to serious constitutional infringements. Ironically, MIR probably contributed as much as any of his enemies to undermining Allende by antagonizing moderates and inflaming the anti-Marxist hatreds of landlords and the top military brass. Much of the junta's brutality was sown by the extremist tactics of MIR, whose leaders are now sharing the fate suffered by thousands of Popular Unity members and supporters assassinated or jailed by the junta.

There is evidence that the coup may have been plotted by Adm. José Toribio Merino from his naval stronghold in Valparaiso, with the enthusiastic backing of Air Force Gen. Gustavo Leigh Guzmán. But Army General Pinochet, who is said to have been the most reluctant to join the conspiracy, emerged as the strongest member of the new military junta and, last June, proclaimed himself President of the Republic. Admiral Toribio Merino, occupying second position, is in charge of the economy; General Gustavo Leigh, in third, deals with social policy.

The military seizure left at least 2,000 dead in the first week—among them Salvador Allende, who was officially ruled a suicide after he died defending the Moneda Palace—and an estimated 20,000 Allende supporters in Government prisons and detention centers scattered throughout the country. (Figures for the total number of Chileans killed by the junta range from 4,000 to 18,000.) The systematic and continuing torture of hundreds of political prisoners has been confirmed by a number of international organizations, among them the Organization of American States and Amnesty International.

A week after the coup, a "State of Siege in Time of War" was declared by the four-man junta, which called itself "a Government of national restoration and dignity" and pledged to uphold legality and the Constitution. Within a matter of days, it proceeded, nevertheless, to issue a succession of decrees that dissolved the National Congress and suspended most constitutional liberties, including the right of assembly; banned the Central Workers' Confederation, with a membership of more than one million, and killed or jailed most of its leaders; outlawed strikes and collective bargaining and did away with much of the hard-won protective legislation passed by previous administrations. MIR, the Communist and Socialist parties were outlawed, and all other political parties were declared in "indefinite recess." The junta emasculated the already weakened court system by pressuring its allies in the Supreme Court and the Chilean Bar Association to quash effectively all habeas corpus petitions: it has indefinitely postponed civil trials of an estimated minimum of 6,000 to 7,000 political prisoners.

The junta has imposed a heavy press and TV censorship, after closing down five leftist newspapers. La Prensa, official organ of the once centrist Christian Democratic party, shut down voluntarily soon after the coup. "There seems no point in putting out a political newspaper when politics is banned," declared a spokesman. Of the remaining five newspapers, two are ultraright Government mouthpieces and three belong to the conservative El Mercurio organization, which consistently opposed Allende's policies. (El Mercurio, it was revealed to The Times by a source in the Central Intelligence Agency, was one of the principal beneficiaries of C.I.A. funds earmarked for the "destabilization" of Allende's Government.)

The junta violated a long tradition of university autonomy by ousting recent Allende appointees and installing military rectors in most of Chile's seven universities and purging them of scores of thousands of Marxist and left-leaning faculty members and students. "Prosecutors" were named among rightist faculty members and students to encourage denunciations of leftist sympathizers. Sociology and philosophy courses were replaced by more in technology and industrial science.

All Cabinet posts have been filled with military brass or members of the conservative National party, which represents the large landholding families and corporate interests. Among the junta's economic and political advisers are former members of the fascist Fatherland and Liberty party, now defunct, and by a group of United States-trained laissezfaire economists known inside Chile as "the Chicago Boys." The junta has also briefly hired subsidiaries of United States advertising agencies such as J. Walter Thompson and McCann-Erickson to "sell" the military-Government domestically and abroad. It has enlisted as consultant for DINA (the Chilean secret police) the former Nazi S.S. officer Walter Rauff, who supervised the extermination of thousands of Jews in mobile gas chambers during World War II.

The coup had not only the support of landowners and industrialists directly affected by nationalization under Allende and his predecessor, Eduardo Frei, but also the support of large sectors of the middle class which had grown disillusioned with Allende's harsh taxation and economic measures. The coup had the tacit backing of the United States military, particularly the Air Force, which went on sending supplies to the Chilean armed forces ($47-million worth) after credit loans to Allende were cut off by U.S. banks. And the C.I.A., as has now been publicly revealed by C.I.A director William Colby and President Ford, contributed directly to Allende's downfall, if not to the military take-over, by spending well over $8-million to subsidize opposition parties and newspapers and finance the paralyzing strike by 40,000 truck owners in October, 1972.

The country's Christian Democrats, which had been the largest opposition party, and which had severely criticized Allende's economic and constitutional excesses, at first welcomed the junta as a transitional Government of national reconstruction. In recent months it has grown increasingly disaffected with the junta's far more extensive constitutional violations, the jailing or exiling of its members, particularly those who had cooperated with Allende: Bernardo Leighton, Frei's former Vice President, for example, was banned from returning to Chile after making anti-junta declaration in Europe; former Senator Renan Fuentealba was expelled after calling for a return to civil liberties. Even Frei, who heads the now splintered Christian Democrats but who never cooperated with Allende, broke a long silence recently and denounced the Government's flagrant disregard for human rights.

The Communist party has gone underground. Its secretary general, Luis Corvalan, was thrown into jail. In late December, a Communist party spokesman issued a clandestine invitation to the Christian Democrats to join it in forming a united front against the ruling junta. So far, the Christian Democrate have ignored the summons. The Socialist and Radical parties, two other members of Allende's Popular Unity coalition, are in a shambles, most of their surviving members in exile, underground or in jail.

Meanwhile, the military junta shows no signs of surrendering power or preparing the country for a return to elected constitutional government. In a speech delivered at the Catholic University, General Gustavo Leigh declared: "We do not pretend to stay in power in perpetuity, but we will not surrender our command before our profound creative and corrective task is concluded. . . . It is an indisputable fact that there exists today no force capable of governing Chile other than the armed forces." And General Pinochet has declared, "I never said this was a transition government. . . . It may last 10 years or 20 years or maybe only 5."

One indication of General Pinochet's growing confidence in office was his decision to publish in El Mercurio an exchange of letters between himself and U.S. Senator Edward Kennedy, after Kennedy had sent a senatorial subcommittee to Chile, at General Pinochet's suggestion. In his peremptory reply to Senator Kennedy's balanced and specific charges, based on the committee's findings, of continued Government repression, arbitrary arrests and torture, General Pinochet accused Kennedy of an imperialist mentality and of meddling in Chilean affairs.

The military has continued to tighten its grip on all sectors of Chilean society, particularly its youth. A Government circular spells out obligatory patriotic programs for the public schools. The circular warns of "appropriate measures" to be taken against school directors who ignore or show disinterest in these programs, the purpose of which is to root out the "Marxist cancer."

On Catholic University's own TV channel a military spokesman warned Chilean youth of "major difficulties" if they did not show up for obligatory military training. On another program, a military official closed a grim news analysis of growing food scarcities, rising prices and unemployment with a reminder to viewers of how lucky they were to have homes and jobs and TV sets. "If you are not content," he warned, staring fixedly at the camera, "keep in mind that you can be replaced."

I have scanned the Government-controlled press and TV for signs of an effective resistance to the dictatorial authority. Prior to the first anniversary some provisions of the "State of Siege" had been relaxed, at least nominally. Several hundred pro-Allende detainees and others who had sought asylum in foreign embassies have been permitted to leave the country. The promise of relaxed controls and the release of these prisoners have led junta supporters in United States Government, military and business circles to claim that democracy is gradually being restored in Chile, and urge that all remaining trade and credit restrictions imposed against Allende be lifted. (Since the military take-over, more than $150-million in short-term credits have been extended to Chile by U.S. banks and the Pentagon has sold it 52 jet fighter and combat support planes.) But the thousands of political prisoners remain in Government jails and detention centers, security measures are as harsh as ever and the 1 A.M. curfew is still in effect.

Chile's severe economic problems are headed by an inflationary spiral of nearly 400 per cent in the past year. The official unemployment rate is given as 10.3 per cent, or three times that during Salvador Allende's last year in office. Two million Chileans, or 20 per cent of the population, are described by the Government as living in conditions of "extreme poverty." Allende's legacy is blamed as the principal villain.

The junta's Minister of Economy, Fernando Léniz, is a former manager of El Mercurio who represents the interests of the most entrenched capitalistic sectors of Chilean society. His solution to Chile's rampant economic ills has been to abolish food subsidies and price controls and promote unfettered competition at the expense of the poor and the lower middle classes. In his efforts to stimulate foreign investment Léniz has granted concessions to multinational corporations and reversed the agrarian and economic reforms of both Eduardo Frei and Allende. One of his first measures as Minister of Economy was to compensate United States corporations—Anaconda and Kennecott—for losses they suffered after Allende nationalized the copper mines. Chile now finds itself unable to meet its debts to Scandinavian and Western European countries which are insisting on a restoration of basic human rights before they will agree to renegotiate Chile's loans. In the past month, the escudo has been devalued 50 per cent, but Léniz insists that "free competition will end up working. There is no other way." A front-page article in El Mercurio disclosed that 20 major United States corporations had opened negotiations to invest capital in Chilean enterprises. Two smiling General Motors executives herald the introduction of the new Opel Kadett line over the caption, "We have come to stay a long, long time."

Because of the intensified security and xenophobia generated by the assassinations of Enriquez and General Prats, I could not make direct contact with Government officials, university faculty members or leaders of any political party. When I called some of the professionals and heads of middle-class families I had been given as "friendly" contacts, the telephone was invariably slammed in my ear. I soon learned to avoid the words "interview" and "journalist" and to disown any connection with The New York Times.

One evening I attended a performance of Federico Garcia Lorca's "Blood Wedding," put on by the University of Chile's department of performing arts. It was an excellent production. The part of the mother was played with dignity by a professional actress; one passage she delivered slowly, with added emphasis, and drew audible gasps:

"Do I not seem mad? Well, I am mad from not having screamed all that is in my breast. I have in my chest a scream always ready which I must punish and thrust between my shawls. But the dead are taken away, and one must be silent. . . ."

I visited the university in the hope of talking with students and faculty members. I had tried without success to contact the poet Nicanor Parra and other literary figures who have chosen to remain in Chile and accommodate themselves to the military government. The university's public relations office proved sullen and unhelpful, so I wandered around the campus on my own, conscious of being watched by plainclothes guards posted on stairwells and balconies.

Most students were uncommunicative. They stood or sat alone on benches, absorbed in their textbooks; in a small room of the law school I finally spoke with a youngish professor who expressed great relief at the state of calm and order in the university, as he nervously adjusted his thick lenses.

"You cannot imagine the anarchy that prevailed here in the last months of Allende," he said. "The university had been infiltrated by Marxist terrorists from Cuba and Argentina who had hidden large caches of armaments in the school of social sciences and other parts of the campus. Whole departments were under the direct control of MIR, which provoked violent clashes with moderate students nearly every day. The university had turned into an armed camp." He adjusts his lenses and mops his brow. "Now the situation has been normalized . . . and the students can get on with their studies in a calm, unpoliticized atmosphere, as they were intended to."

Outside the campus I struck up a conversation with an outspoken engineering student I shall call Juan. "The university board exams are very stiff now," he explained, as we strolled on La Alameda, "and everyone is afraid of flunking out or being expelled, because there are so few jobs available. What would they do?"

I asked Juan if he supported the military Government and he turned to meet my eyes, probing, as Chileans do. "Look, I don't know who you are, but I'll be open with you. My father is an official of the Christian Democratic party. We were strongly against Allende and his Marxist philosophy, which seriously harmed this country's economic and social structure. My family supported the military take-over and so did I, personally. It is doubtless true that we Chileans are still lacking in political maturity, and we felt the country needed a firm hand during this period of restoration. But I am a firm upholder of the Constitution, and I feel the military junta has dangerously overstepped its constitutional authority. The junta seems bent on silencing all opposing voices, including its former allies, in order to conceal its failures. That is my opinion, and I am not afraid to express it."

I asked Juan what he know about the C.I.A. role in the military coup, and he shrugged: "But of course, this was known to anyone who kept his eyes open. You must understand, for us the revelations of C.I.A. intervention in our internal affairs are not the scandal they might appear to you in the States. We are keenly aware of the C.I.A. precedents in Guatemala, in Brazil and the Dominican Republic, and of course in the Bay of Pigs. To most of us this is part of the folklore of our situation, and we tend to take it for granted. The junta, of course, will go on denying vehemently that they had C.I.A. aid, but that, too is part of the folklore—a kind of ritual, you might say. . . ."

Las Rejas is one of the older and more respectable poblaciónes or shantytowns in the western outskirts of Santiago, where most of the city's 600,000 poor eke out a meager subsistence. Many of the original small cottages here date from the Frei administration and were built of durable brick and mortar; the newer wooden shacks already show signs of decay. I walked along the narrow dirt lanes, stopping here and there to inquire after the family Galindez, a name I had made up to start conversation. A small, green-eyed woman living in one of the brick cottages said she'd known a young couple by that name when she first moved in, six years earlier.

"They've gone to Argentina," she added. "Anybody who can is leaving Santiago these days, either for the provinces or abroad."

Surprised by her forthrightness I asked "Then you are not happy here?"

The woman fixed her clear green eyes on mine, testingly. As she began to speak her three small daughters gathered around us, peering up at me from behind their mother's skirts. They all had green eyes and pale, delicate complexion. "My husband would tell you we are happy here," she said. "This is one of the cleanest and quietest residential areas. We have three schools and good friendly neighbors. We have not been disturbed by the military recently, as with some of the neighboring *poblaciónes*. Last week in La Bandera they rounded up 10,000 residents and arrested 60, because of the bank robbery. For now we have tranquillity here, but we are not content. You must understand that before, although things were bad, we could go anywhere we wanted, and we could unburden ourselves. Now we cannot."

"I understand," I said, and turned to go. She held my arm.

"Look, my husband would tell you that everything is fine here because he is afraid. I don't know who you are. My husband has been unemployed for six months. We cannot buy milk for the children. . . . If one of them gets sick in the night and we go out to look for a doctor, they will kill us. It happened to a friend of mine, and her son. . . . *Esto ya no se compone*," she said, shaking her head. "The situation is beyond repair." It was a phrase I had heard before, and would hear several times again in the coming days.

At the Israelite Bank of Chile, which is state-run under Jewish management, I spoke with the manager Gil Sinay, a forceful-looking man of about 60. Sinay, a leader of Chile's Jewish community of 35,000, told me that 7,000 Jews—among them some of the wealthiest families—have left the country in the past four years.

"In Allende's time we lived under a sword of Damocles," Sinay said. "There were doubts, insecurities, bleak economic portents. Between 80 and 100 Jews, many of them avowed Marxists, held important positions in Allende's Government. Jews helped to frame both the agrarian reform program and the nationalization of the copper mines. For this reason, among others, many of us feared anti-Semitic outbreaks after Allende's overthrow. But the opposite is true. The fact is, the military regime has brought us tranquillity and security, and has opened many economic incentives for us. If we had had to invent an ideal alternative to Allende, it would have been very much like the present Government."

Uncertain if he is dissembling, I asked how he feels, as a Jew and a humanist, about the suppression of liberties. A pained expression crossed his face, but he quickly recovered. "It's true of course that our freedom of expression is curtailed at the present time, but we are still living in a state of emergency. Now that the head of MIR has been eliminated we may look forward to some relaxation of controls. And I must say that the efficient way they located and gunned down Enriquez and recovered the bank loot is impressive.

"Many people in the United States criticize our Government without trying to understand our situation—without appreciating the chaos that existed in the last year of Allende's administration. Allende was taxing the middle class to death, to pay for his disastrous economic policies. He printed money almost at a whim, increasing the supply of escudos by 10 per cent each month and distributing most of it among the poor. But there was no productivity to back up the exploding money supply, and it became increasingly worthless. As a result Chile had to import $600-million in foodstuffs annually and hundreds of millions of dollars worth of manufactured goods. In three years, Allende raised our national debt to $3.5-billion. By the summer of 1973 the agrarian reform program was in total disarray, and the management of the copper mines was an unmitigated catastrophe. You must understand that Chile was on the verge of fiscal bankruptcy. The country was sliding into a civil war."

Sinay wagged a finger at me. "Tell our North American friends not to be too hasty in judging us. People living in houses of glass should not cast the first stone."

As I got up to leave Sinay presented me with a transcript of a conversation he and Chief Rabbi Angel Kreiman had held with General Pinochet, requesting that he lift the ban on the film, "Fiddler on the Roof." Sinay and Rabbi Kreiman argued that the Russian Jews in the film were not Marxists but Czarists, and that the ban might be mistaken as anti-Semitism. Pinochet flatly denied any anti-Semitic motive but insisted that the film was of a "clearly Marxist inspiration."

At one point, I began to feel uncomfortable in my hotel and decided to move to a smaller on, removed from the city center. The bellhop who carried my bags, a jovial dwarfish little man, asked me on the elevator where I was from.

I told him, "Guatemala."

"Ahh . . . Arbenz," he said, and winked at me.*

The taxi driver, who seemed to be connected with the hotel, also asked me where I was from, and what I did. I did not like his inquisitorial tone and told *him* I was a university lecturer from California.

"How do you find Santiago?" he asked, squinting at me in the rearview mirror.

"Oppressive," I said.

He gave a small, tinny laugh. "Well, you should have seen it a year and a half ago. This city was crawling with Communists, and they were all armed with Soviet weapons smuggled in from Cuba. No one was safe—they would kill you on your way to work. The generals put a stop to that." He laughed. "This week they got the big fish. . . . They are still there, the Communists and protesters, but now they are paralyzed."

I gazed intently out the window.

"Tell me, did the bellhop ask you where you're from?"

"No," I said, and met his small gray eyes in the mirror.

I knew those eyes, that mirthless laugh.

"Well, he's one of them. . . . The first time he blabs to someone we trust, we'll get him."

In the afternoon I walked to the telephone exchange and called a spokesman for the interchurch Committee of Cooperation For Peace in Chile.

The *Comité de Paz*, as it is generally known, was established soon after the 1973 coup by four churchmen: a Lutheran and a Roman Catholic bishop, a Jesuit father and the Chief Rabbi. Its declared purpose is to oversee the preservation of human rights under the military regime. In practical terms, it has become the only agency inside Chile to provide legal and material aid openly to political prisoners and their families or to help them leave the country. So far more than 25,000 Chileans have received its assistance.

I met with Luis, as I shall call him, in the committee's headquarters, a large old colo-

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* Guatemalan Socialist President Jacobo Arbenz Guzman, who was overthrown with C.I.A. complicity in 1954.

nial house in a back street of Santiago. He took me around to meet the staff and inspect the committee's extensive files, which have been made available to various libertarian groups abroad, among them Amnesty International and the Human Rights Commission of the Organization of American States.

"Since the suspension of all political parties by the military junta, the church has become the only effective voice of opposition," Luis said. "The Government would like to contain the committee's activities, but they haven't figured out a way. This is a predominantly Catholic country, and the committee grew and grew before they became aware of its reach. Of course, there have been repercussions, including arrests and interrogations of dissident churchmen. Air Force General Gustavo Leigh has referred to us as unintentional agents of international Marxism; El Mercurio has called for our abolition and a committee has been set up to press for the resignation of Lutheran Bishop Helmut Frenz, one of our founders."

"The role of the Catholic Church has evolved gradually," Luis goes on. "In the early months Bishop Fernando Ariztia or Raúl Cardinal Silva Henriquez would intervene only in cases that touched directly on the church. Since last Easter they have been pronouncing on generalized abuses such as torture and arbitrary arrest, as well as on the economy and the regimentation of the schools. At the same time, the church has been careful to avoid an open break with the junta. The military, needless to say, has its conservative allies in the church hierarchy. About half the Catholic clergy, among them five or six bishops, are on the side of the junta, so an open defiance would create a crippling disunity and play us directly into the military's hands. . . . The right in Chile is a lucid, coherent entity," Luis added. "This must be taken into account. The take-over by the generals had a large middle-class backing, as evidenced by the thousands who turned out for the anniversary observances. It is hoped that as the economic situation worsens and the inequities in the distribution of income become more pronounced, much of this support will erode."

I visited the home of Angel Parra, a leftist singer and poet who had spent five months in Chacabuco Prison, and was awaiting his passport so he could leave the country. Angel belongs to one of Chile's best-known families. His mother Violeta, the popular folk singer who committed suicide in 1967, was a heroine of the working class and the poor. (A shanty-town dedicated to her has been allowed to retain her name.) Violeta's brother, Nicanor Parra, is Chile's most reputable poet since the death of Pablo Neruda. Unlike his nephew Angel, Nicanor had become disillusioned with Allende before the coup and has not spent time in jail or been threatened with exile; he has retained his post at the University of Chile. (When I asked Angel if he had tried to enlist his uncle's aid to obtain release from prison, he remarked sharply: "I want nothing from that man!")

My talk with Angel, a thin, intense man with a Zapata mustache, began stiffly. He responded warily when I asked about his experiences in Chacabuco Prison and a remarkable Christmas mass he was reported to have held there.

"I cannot speak about that," he said curtly. "I can tell you that I was humiliated many times, that I was often hungry, but I was not tortured or physically abused, as were a large number of my companions." Although Angel did not mention him by name, I knew that he counted among these companions Victor Jara, the popular Marxist musician and poet. On the day of the coup Victor Jara was taken to the army commander Estadio Chile and forced to sing while his fingers were shattered. He was then kicked repeatedly in the groin and shot to death in the presence of hundreds of prisoners.

Parra continued, "I had hoped to stay in Chile, but what good is it? All my companions are dead, underground, or in exile . . . ." He fell silent and stroked his his mustache, which did not conceal the ascetic pallor of his face. I could not get over how small he looked, crouched silently in a corner of the sofa as his pretty wife, Marta, sat knitting a sweater across from him.

Marta said, "After the take-over we were determined to stay in the open, to show them that we had nothing to hide, that we were not afraid of them. When they came to arrest Angel he was sitting right there, playing on his guitar. . . . " Marta resumed her knitting. I watched a sliver of light advance slowly on the living room carpet.

The brooding silence was broken by the appearance of Marta's small grandson, Rodrigo, who took me by the hand and led me around the house. He had me touch his bed, his blocks, his rag dolls, which he carefully placed on my lap. Angel followed us, bemused. "He's taken a liking to you," he said, and smiled for the first time.

When I return to the living room Marta had put away her knitting and asked if I would like some tea. The atmosphere had dramatically eased.

Angel and Marta spoke openly of what it was like in Chile before the coup: "The economy was a mess," said Marta. "We had little food to eat, but there was a camaraderie among us, a common spirit of adventure that is indelible, unforgettable. The sense of liberation we were experiencing went far beyond Allende's socialist policies, and their success or failure. For the first time in our history, the poor laborers and farmers were taking part in a process of social reform. When the poor campesinos sat down to discuss their problems, their hopes and desires, unlimited possibilities seemed to open up. It was like. . . . It was like. . . ." She shaped an answer with her hands. ". . . like the soul of an entire people awakening, struggling to become whole." Angel talked of the innocence, the spirit of companionship: "We actually believed that the *carabinaros* and the army were on our side."

I met one night with 10 Chileans who had been imprisoned and tortured, or who had spouses and close relatives in jail awaiting trial. They formed the nucleus of one of the small communities of aboveground dissenters surviving in Chile. (I am not going to use their real names; on the night we met a number of their companions were arrested.)

Their ages ranged between 19 and 50. What first struck me was the gentle, creaturely way they tended to one another's needs. The younger women would sit next to the men and slowly massage their necks or rub shoulders as they talked in subdued voices. After a while they would change places and the stroking and fondling would begin anew, without interrupting the flow of conversation.

I spoke first with the young wife of a doctor who was in prison awaiting trial. She sat very close to me as she spoke in a soft, steady voice:

"My husband, Jorge, was accused of attending to wounded MIR guerrillas in a clandestine hospital. One of his closet colleagues informed on him, which is not at all unusual. You should understand that the Medical College here is very conservative. On the day of his arrest, Jorge was stripped naked, beaten and then tortured with electrical instruments, not for purposes of information, but just as a matter of procedure. I cannot describe to you some of the other indignities he has been made to suffer. Jorge had completed his internship in a medical school in New York. Several of his colleagues and former professors there have written to the Government and have tried in other ways to intervene on his behalf. We are still awaiting his trial and our hope is that he will be expelled from the country so we can live abroad."

Roberto, who had been a provincial official under Allende, underwent two simulated executions, electrical shocks to his genitals, forced ingestion of excrement, prolonged solitary confinement and other torture during his months in prison. At age 50 Roberto's hair has turned almost completely white. He tends to forget names and events, but his mind seems otherwise lucid. Roberto quoted at length from Baudelaire and Rimbaud and asked me to stay in Santiago so I could meet some of his friends. He would not speak to me of his prison experiences, which had been documented and verified by witnesses.

Cecilia, a young university student, confessed apologetically that she had been in jail "one month only."

"They tried to break my spirit, to make me embrace the yoke of military authority. They treated me as a rebellious, perverse child who does not know right from wrong. Well, they miscalculated. I discovered in prison that my will is unbreakable, regardless of what they do to my body. I am more than ever determined to stay, and I feel more combative than I was before . . ." (The woman I spoke with endured torture far better than the men.)

Maria Elena, whose young husband had died from the prison torture, sat down at my side and gazed at me with silent, limpid brown eyes. After some moments she began slowly to rub my back. Tears of relief rose in my eyes as an oppressive weight melted from my neck and shoulders.

Afterward I felt I had been part of an initiation rite, and that it was mainly through physical contact that they communicated to one another the reality of their experience. I had witnessed other instances of this Chilean *dulzura* or sweetness, the capacity to invest all of themselves into a single moment. Perhaps more than anything else it is this quality of total commitment that makes the events of the past year and a half an unrelieved tragedy.

A great many Chileans had sought under Allende to heal the country's deep internal contradictions, and, like Allende himself, they threw themselves with an often naive and reckless abandon into a socialist adventure that now seems to have been doomed to failure by the entrenched Chilean right and the conservative sector of the middle class. One becomes obsessed in Chile with the abysmal discrepancies between the causes and the effects of Allende's failure. Not even T. S. Eliot's bleakest vision casts a shadow like the dark night that has fallen between the expectations of Allende's experiment and its aftermath. What makes the Chilean tragedy most difficult to absorb is that the *dulzura* and the libertarian traditions made the country so vulnerable when the inevitable right-wing reaction set in, and allowed Chile to become a battleground for forces far larger than its history.

Military take-overs in Chile's recent history, in 1891, 1924 and 1932, led to a reinstatement of civilian Government within a matter of months. Although this junta speaks from time to time of staying in power only to complete its task of national restoration, it is hard to conceive of what kind of replacement could now emerge from the constitutional ruins. The Government's true course seems rather to be developing further along the lines of a fascist police state. Though there is scattered resistance by MIR guerrillas, the fragmented left is under constant threat of extinction. There is now no General Prats to challenge the junta. Economic pressures could possibly force a rapprochment between the junta and the Chris-

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tian Democrats' center faction. But Defense Minister Oscar Bonilla, the only one who maintained close ties with the Christian Democrats, dropped out of sight, and last month the Government reported that he had died in what was said to have been an accidental helicopter crash in southern Chile.

SOVIETS PUSH ABM DEVELOPMENT

Mr. BUCKLEY. Mr. President, in a recent essay published in the April 7, 1975, issue of Aviation Week and Space Technology entitled "Soviets Push ABM Development," the author brings some disturbing developments to public attention.

According to the author, not only are the Soviets pushing ahead rapidly with their ABM research and development program, but they apparently continue to test their radar system associated with the SA-5 high-altitude air defense missile in an ABM mode in violation of the 1972 ABM treaty. This development, coupled with the current Soviet development in strategic offensive systems could dramatically shift the strategic balance. It is clear that we are assuming grave risks if the Soviets proceed with advanced development of an ABM system, and particularly components of an ABM system which can be integrated into the existing SA-5 air defense network of more than 1,000 reloadable launchers.

This suggests that we are assuming a major risk by failing to push the development of the site defense ABM system as a hedge against Soviet abrogation of the ABM treaty. Should the Soviets abrogate the ABM treaty, they could have a nationwide ABM system operational in a matter of weeks because the missiles the SA-5 system has been deployed gradually since 1962. On the other hand, it may take as long as 6 years to deploy the site defense system; perhaps even longer, as a consequence of last year's congressional decision to prohibit the development of an integrated ABM system prototype in the site defense program.

I ask unanimous consent that this important article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Soviets Push ABM Development—Efforts Accelerated on Two New Missiles, Radar Technology at Same Time United States is Curtailing Testing and Research Work

(By Clarence A. Robinson, Jr.)

Washington.—Soviets are developing two advanced anti-ballistic missile interceptors and vigorously pursuing other technology efforts that could provide them parity with the U.S. anti-ballistic missile defense systems in the near future.

ABM developments by the USSR include:

Numerous tests during the past year of a new long-range interceptor missile still in research and development—the SH-4. The SH-4 is designed to make intercepts of ICBMs well outside the atmosphere to attack them with its nuclear warhead.

Preparations to test at Sary Shagan near the Sino-Soviet border a newly developed interceptor that resembles the U.S. Martin Marietta hypersonic Sprint missile. Because of its shape, U.S. officials believe it has been designed to intercept ICBMs inside the atmosphere.

Tests almost daily of the radar designed for the SA-5 air defense system in an ABM mode. The radar is being tested against Soviet SL-8 two-stage powered reentry vehicles fired from Kaputsin Yar about 1,250 mi. away from the Sary Shagan site (AW&ST Feb. 3, p. 12).

Continued development and testing of a new phased-array radar capable of functioning with a mobile ABM system. The tests at Sary Shagan appear to be exceeding the power aperture product of three million permitted under the ABM treaty. Fielding of a mobile system also would violate the agreement (AW&ST Nov. 25, 1974, p. 18).

Packaging of an improved ABM system for use around Moscow to upgrade the Galosh system deployed there for the past six years. Four complexes with 64 missile launchers have been completed in the Galosh system. Each complex has two large target tracking radars, four target acquisition Chekhov and Hen House-type radars and 16 missile launchers.

Development of a new ABM defensive system that would use the SH-4 long-range missile, and perhaps the new interceptor yet to be tested. The system, some U.S. officials believe, would provide a capability similar to the McDonnell Douglas Spartan and Sprint missiles in the Safeguard ABM system scheduled to be fully operational later this year at Grand Forks, N.D.

The SA-5 anti-air defense radar now being used to track SL-8s from Kaputsin Yar is being operated on a slightly different waveform for the ABM mission but is essentially the same baseline radar. It also is being tested along with the new phased array ABM radar against other reentry vehicles that have been fired out of Tyuratam.

The Soviets' new interceptor missile, believed to be similar to the U.S. Sprint, was earlier scheduled for tests from Sary Shagan and the launch pad was prepared for it. Problems are believed to have developed, however, that delayed the launch. U.S. officials now expect that it will be tested before the end of the year.

The U.S. estimate that the new missile is being developed for close-in terminal defense is based on its sharp, severe conical shape. Missiles of that type and of the size of the new Soviet interceptor are designed for attacking ICBMs terminally.

ABM development by the Soviet Union appears to be within the limits of the treaty with the possible exception of the mean emitted power of the new phased-array radar system and its possible mobility.

The 1972 ABM treaty limits both the U.S. and USSR to two ABM sites each, with no more than 100 launchers and missiles at each site and a controlled number of radars. One site can be at the national capital and the other near ICBM silos. Both sides agreed not to develop, test or deploy ABM systems or components that are sea- or land-mobile, space- or air-based.

In July, 1974, the U.S. signed in Moscow a protocol to the ABM treaty that will limit both sides to a single ABM site on ratification. Each side will have the right to dismantle or destroy its current site and deploy ABMs permitted to the alternate area.

The site change may occur during the year beginning October, 1977, or in the year beginning October, 1982. The option may only be exercised once.

At a time when the offensive strategic balance is being disrupted by the Soviets' simultaneous testing of four new ICBMs with all four employing a post-boost vehicle bus-type dispensing system, ABM development by the USSR is causing alarm within the Administration and in isolated circles of Congress.

U.S. has evidence that the four Soviet ICBMs—the light solid-fueled SSX-16, medium liquid-fueled SSX-17 and SSX-19 and heavy liquid-fueled SS-18—are all in the early stages of operational deployment. This could provide a USSR first strike preemptory advantage depending on the extent, pace and composition of deployment. Present ABM development at Sary Shagan also could furnish the capability of defending against the remainder of the U.S. retaliatory force surviving a first strike.

From hard evidence being gathered, the U.S. believes the Soviets' ballistic missile defense research and development—now at a level exceeding the maximum U.S. effort at the height of its ABM development—indicates a strong drive to overcome the U.S. lead in ballistic missile defense technology.

Soviet moves in ABM development are coming into focus at a time when the U.S. will cease entirely test firing Spartan and Sprint missiles because of deemphasizing Site Defense and reorienting of the program by Congress, and cancellation of planned Safeguard reliability test flights because of a shortage in funding.

Two Spartan/Safeguard missile launches are scheduled for the late spring along with a single Sprint shot. The launches will be against simulated targets because sufficient data already have been gathered from tests against USAF Minuteman targets and Celesco Industries Athena-powered reentry vehicles used to simulate submarine-launched ballistic missiles.

Army's ballistic missile defense (BMD) manager, Maj. Gen. Robert C. Marshall, said the Soviets have tested potential component replacements for the Moscow ABM system at Sary Shagan and they are continuing development of a system capable of rapid deployment. Observed components of the new ABM system, including a target tracking radar, interceptor missile tracking radars and launchers for a long-range interceptor, could be capable of deployment within a few months, according to U.S. intelligence estimates.

Other Soviet developments include an increase in tests of reentry phenomena, new target trajectories and special payloads that are in extensive tests.

"This observable activity in Soviet ballistic missile defense research and development suggests a strong effort to overcome the U.S. lead in BMD technology," Gen. Marshall said. He added that "a major technological breakthrough in BMD systems, in the absence of a corresponding U.S. capability, would provide the Soviets with an opportunity to obtain a significant strategic advantage in abrogating the ABM treaty."

Either side has the right to abrogate the treaty with six months notice to the other side.

Maintaining a position of technical equivalence in U.S. missile defense could convince the USSR that any advantage it develops will be met by immediate counteraction, Gen. Marshall said. "I also feel such a position of readiness is essential to the successful negotiation of additional limits on strategic arms," he added.

The Safeguard site, protecting part of the Minuteman ICBM force located around the Grand Forks area, is scheduled for full-scale operational capability in October, with 70 Sprint and 30 Spartan missiles. An initial operational capability with 28 Sprint and eight Spartan missiles began this month.

Despite sharp congressional criticism over the expense of Safeguard and its limited capability, the Army claims these advantages for the system:

Experience with operational complexities of the system—an advantage the Soviets have had for six years with the Moscow system.

Data-gathering and refinement to assist in advanced components and subsystems development.

Limited protection of the Minuteman force, while serving as a reminder to the Soviets that the U.S. can deploy and operate an effective ABM system.

After an operational period, the Safeguard system will be phased down to a reduced-readiness level and certain subsystems operated at minimum levels to reduce annual costs. No decision has been made yet on the eventual configuration, though there are a number of ways to return to a fully operational system.

Some options include placing components in a standby status and storing some of the interceptor missiles and nuclear warheads.

The Army is considering use of the phased-array perimeter acquisition radar (AW&ST Apr. 22, 1974, p. 12) in an attack warning and assessment mission.

The Safeguard research and development facilities at the Kwajalein missile range will be closed or used to support advanced technology development.

The Army has been ordered by the Pentagon not to improve the capability of the Safeguard system with application of Site Defense components or technology. The U.S. is limited by the ABM treaty as to what can be accomplished (AW&ST Mar. 31, p. 12). The power aperture product cannot be increased at the missile site radar or perimeter acquisition radar, located about 25 mi. from the Safeguard site. No additional interceptors can be deployed, but under the treaty an additional 18 radars can be operated. Both sides can make improvements to their ABM systems within the treaty constraints.

Some software and waveform changes can be made. But in order to perfect techniques of bulk filtering and discrimination, the software and waveforms must be tested against reentry vehicles at the Kwajalein range.

Changes at the Safeguard site also would offer the Soviets political leverage in justifying their system developments to perfect the new mobile ABM, Pentagon officials believe. Some U.S. officials interpret the treaty to mean that Safeguard improvements are even more limited.

Site Defense, after being reoriented in Fiscal 1975 by Congress with a reduction in funding, is no longer dedicated to a prototype demonstration. It now is emphasizing development and integration of subsystems and components. The restructured program is designed to interact with the Advanced Technology Program.

The Army now estimates that it would take six to eight years, even with the level of funding requested in Fiscal 1976, to complete development and deploy Site Defense. Its goal, which was nearing reality before funding cuts last year, was to deploy within four years.

The service believes that, if the Site Defense program is funded at $150–200 million annually, it can be maintained in advanced development and continually updated with new technology developed in the Advanced Technology Program at Huntsville, Ala. Including the cost of that program, the ABM annual budget for developing technology and integrating subsystems and required software would run about $300 million annually.

If the Soviets abrogate the ABM treaty because of their breakthroughs, the earliest that Site Defense could be operational with increased funding levels is about six years.

Component technology development will not necessarily assure improvement of the overall missile defense system capability, Army officials believe. Systems capability improvements, they said, are achieved by developing required software and accomplishing major systems functions like bulk filtering, discrimination, operation in the nuclear environment and interceptor missile guidance.

The major functions are improved by components of a system being integrated and field tested against realistic targets for validation. This is a requirement that is being continually emphasized by the Army and the Pentagon, but one that some congressional factions fail to perceive or accept, Defense Dept. officials said.

Developing components that are dormant in peacetime can reduce operational costs, a major part of a system's life cycle cost.

In restructuring Site Defense, five of the key elements of the program have been retained for testing at Kwajalein that the Army is convinced are mandatory. Of the major components in Site Defense, the service has drastically reduced development in areas of software, command and communications and the Sprint interceptor missile.

While preparing for field tests of Site Defense radar, software and computer hardware, the Army will be completing the design of improved or modified techniques and components resulting from the Advanced Technology Program. The improvements are planned for incorporation as the field test validation phase is being completed so that additional field tests to validate further improvements can be completed later.

FOREIGN POLICY AND SECRETARY KISSINGER

Mr. STEVENSON. Mr. President, an effort is underway to blame the foreign policy failures of the United States on the Congress. The judgment of history is being handed down, and it is harsh. But the Congress, the press, and the public are awakening to the truth. Tad Szulc, the respected correspondent, places the primary responsibility where it belongs—on the man in charge, Secretary Kissinger. His article in the April 14 issue of New York magazine deserves the attention of all Members. If we understand the reasons for U.S. failure in the world, we can begin to set things right again and before the United States loses still more influence and power. To that end, Mr. President, I ask unanimous consent that the article by Mr. Szulc be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Why Kissinger's Time Is Up

(By Tad Szulc)

The continued value of Henry Kissinger as secretary of state is now, rightly, the subject of a rising national debate. Indochina has virtually collapsed. American diplomacy in the Middle East is a fiasco, southern Europe is precarious, and détente is coming asunder. The reality now confronting President Ford and the country is that the controversial secretary of state, after having been for years a prime national asset, is now increasingly perceived as a national liability.

That it should be so—that there should be open proposals that he take his leave despite so many apparent achievements and such extraordinary adulation in the past—is the bitter way of history. Kissinger, the historian turned statesman, should understand this better than most of us. He is not being hounded out of office, as he thinks is the case. Rather there is a question, in the sense that historians would ask it, of whether it is time for a change.

The forces of history which have seemingly served Kissinger—and America—so well for so long have turned, inexorably, against his policies. This is an objective fact, not a personal judgment. The United States is considerably worse off in its relations around the world in April, 1975, than it was in January, 1969, when Richard Nixon and Kissinger moved into the White House offering us the illusion of a "generation of peace." The disarray is obvious to all. As the London *Economist*, normally supportive of Kissinger, remarked last week, what the United States needs now is a "coherent" foreign policy lest it should forget what are its traditional objectives in the world. The *Economist* described Kissinger himself as "battered."

But Ford, beset by domestic recession problems and still quite weak in foreign policy, is not yet ready to let Kissinger go. Three days after the secretary's return from his abortive peace mission in the Middle East they sought to defuse rising pressures for his resignation by deciding privately that the status quo at the State Department would not be altered during the remainder of the president's current term.

It was an unusual commitment by a president. And there are reasons to believe that it may have been Kissinger who persuaded Ford to give him assurances of tenure until early 1977 to protect his flanks and give him more running room. It obviously was not accidental that it came so quickly after Kissinger's Middle Eastern defeat, that the story was leaked to a pro-administration newspaper, the Chicago Tribune, and that the White House was quick to confirm the "decision" on Easter Sunday. Aware that Ford still needed him for a while, Kissinger, according to White House insiders, took the position that if he were not given what amounts to job security he would depart at once. The whole affair was reminiscent of Kissinger's performance in Salzburg, Austria, last year when he publicly threatened to resign unless the Senate cleared him of charges that he was responsible for the wiretapping of his aides and assorted Washington newsmen.

Kissinger has contrived to create the impression that he and American foreign policy are indivisible, a rather imperial notion belonging more properly to the nearly forgotten Nixon court than to the new and immensely critical mood of post-Watergate Washington. This is part of the developing Kissingerian tragedy. Typically, he confided to several congressmen after the collapse of his Middle East mediation effort in March that he had hoped that this mission would "crown" his spectacular diplomatic career. Instead, he remarked gloomily, he would now have to live with a "Greek tragedy"—with a new Middle East war looming menacingly ahead.

Kissinger tells us that such a war may be in the offing because, in effect, Israel would not do his bidding and go along with an unacceptable Sinai settlement. Interestingly, however, a secret National Intelligence Estimate prepared three days after Kissinger's return from the Middle East rules out a war at least until summer. The secretary's war talk thus appears to be a scare tactic designed to pressure Israel into concessions.

In addition to the disasters of Indochina and the Middle East, Kissinger's policies in Europe helped to create the Cyprus trauma and to make enemies for America both in Greece and Turkey. And if there is such a thing as one country's "losing" another, Kissinger may have indeed "lost" Portugal because of his refusal to support democratic moderates there after the dictatorship's fall nearly a year ago. He literally left the turf to the Soviet Union.

Kissenger's *l'état-c'est-moi* conduct as secretary of state evidently led him to raise, on March 26, his startlingly arrogant question of "what kind of people we are" if we refuse, as Congress has done up to now, to provide him with additional money to keep fueling the hopeless Indochina wars. Unquestionably, this was the most self-damaging comment Kissenger ever uttered publicly, bringing down upon himself the anger of some of the most respected commentators, even those, like

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James Reston, who have usually come to his defense. Americans, who sacrificed 56,000 lives in defense of South Vietnam (to say nothing of the $150 billion they invested in the war), do not take kindly to this sort of *ex cathedra* pronouncement casting doubt on their morality—especially from a man whose own impatience with questions of human rights around the world helps to define his notions of morality.

It is a measure of the Washington mood about Kissinger that the first question asked at his most recent news conference was: "Do you feel that during the past five years the policy and techniques of diplomacy which we have pursued have been wrong?"

Is it fair to blame Kissinger for everything that has gone so incredibly wrong in our foreign policy in the last year or so? And does it follow that a new man would necessarily do better?

The answer to the first question, harsh as it may sound, is, in most respects, "yes." Having subordinated the conduct of foreign policy to his secretive personal diplomacy, excluding Congress and most of the U.S. government, Kissinger constructed a false intellectual image of the world. This image is now coming apart in the turbulent real world and the United States must pay for the consequences of having vested its trust in the secret actions of a single man.

Given his steadily deteriorating relations with Congress, which for the first time in over two decades seems determined to act as a coequal branch of the government, and given the erosion of his prestige among many key foreign leaders, the sad fact is that the United States can ill afford to offer Kissinger a second chance. Is Kissinger, for example, the man to deal diplomatically with Communist-controlled Indochina, having directed last-minute efforts to prop up now-dying regimes? How effective can he be in the next round of Middle Eastern peace talks?

In short, Henry Kissinger's magic spell has been broken. The fallacy of regarding him as a "miracle-worker"—and both the adoring news media and the long-uncritical senators and congressmen must share the responsibility for so anointing him—is being corrected. And it does follow that, should world events force Ford to change his mind about keeping Kissinger until 1977, a new man would do better, with our friends and adversaries as well as with Congress—provided that the president picks the right man.

In such an eventuality, the leading candidate to replace Kissinger would be Elliot L. Richardson, the new ambassador to Great Britain, who acquired considerable experience in foreign affairs as under secretary of state and, later, as secretary of defense. Richardson, the hero of Nixon's "Saturday Night Massacre," is widely respected in Congress as well as in the international community. The consensus in the State Department is that he was the best under secretary in decades. Richardson would not be the mesmerizing, scintillating personality that Kissinger is, but he would start out with credibility here and overseas. Kissinger himself believes that Richardson would be best suited to take his place. (Richardson was the only man with whom he dealt seriously in the State Department in the early Nixon days.) And, shortly before Richardson left for London, Kissinger volunteered to him that he would recommend Richardson to Ford "the day I decide to quit." This, of course, was before Easter Sunday.

Henry Kissinger's accomplishments, the assets and liabilities he posted on the ledger of our foreign-policy accounts, were based on his concept of "linkage"—the linking together of all the critical situations in the world. Any judgment of his accomplishments must similarly be constructed in linkage terms.

DÉTENTE

This was the notion that the first objective of the United States must be a détente with the Soviet Union and China, the adversary nuclear powers, and that it could work only if Moscow and Peking acted in a positive fashion in all the situations around the world. Intellectually, this concept, the cornerstone of Kissingerian policies, has undisputed merit.

Practically, however, the Russians and the Chinese outmaneuvered the United States on most fronts. Kissinger was never able to exact from them the cooperation required to make détente a truly tenable proposition. Moscow and Peking were the principal beneficiaries in terms of Indochina, the Middle East, the strategic arms limitation talks (SALT), Western Europe, and economics. The United States—or, one should say, Nixon and Kissinger—gained the superficial triumphs of Nixonian spectaculars in the Chinese and Soviet capitals.

The argument that détente has lessened or removed the danger of a nuclear confrontation between the United States and the Soviet Union cannot be seriously entertained. Nuclear war was not imminent when Kissinger moved to the White House; with both countries equipped with a "second strike" capability, only an incredible aberration could have led to a war. The SALT agreements have not arrested, or even controlled, in a significant way, the Soviet-American arms race; this is why our new proposed defense budget is a record $105 billion.

Meanwhile, the Russians have canceled the new trade agreement in a dispute over Jewish emigration. This was one of the first instances of Kissinger's blaming Congress for his problems. In fact, it was the result of Kissinger's technique of secretly committing the U.S. Senate and the Soviet government to actions neither was prepared to take. It was a classical case of the broker overselling both his clients. Relations with China, limited to begin with, did not grow and are visibly cooling.

Some diplomats also argue that the extensive Soviet support of the Portuguese Communist party, resulting in the leftist takeover in Lisbon, was not only a violation of the spirit of détente but also of the basic division of Europe agreed upon at Yalta in 1945. The United States, in contrast, stayed out of Hungary in 1956 and Czechoslovakia in 1968.

All this is not to say, however, that there was anything wrong with the concepts of détente and linkage from the U.S. standpoint. The problem was that Kissinger became, in time, the intellectual prisoner of the détente concept as an abstraction in foreign policy, and that he failed to prevail on his Soviet and Chinese partners to keep their end of the wider détente bargain.

INDOCHINA

The present drama of South Vietnam and Cambodia is a measure of détente's basic failure. While Kissinger took comfort from the fact that Moscow and Peking were helpful to a certain extent in his 1972 negotiations for a Vietnam peace agreement, he chose to misread their long-range intentions. These intentions were to keep supplying North Vietnam with military equipment that made possible the current offensive that last week brought South Vietnam to the brink of collapse. That Hanoi had violated the provisions of the peace agreement (which it clearly has) is now academic.

Kissinger's great error was his failure to press Moscow and Peking, publicly if necessary, to cease rearming North Vietnam even at the risk of doing away with the image of détente. Rightly or wrongly, the U.S. government believed in its responsibility to preserve the integrity of South Vietnam even after we withdrew our troops and won freedom for our POW's. Yet, although we are being reminded daily of our alleged "moral" commitment to Saigon, Kissinger was totally inconsistent in his refusal to make a major public issue of Soviet and Chinese aid to Hanoi. If Kissinger was really so concerned about Vietnam, there should have been an open confrontation between Ford and Chairman Brezhnev over Indochina when they met in Vladivostok last November. And if there was any secret diplomacy, it clearly hasn't worked. Kissinger preferred later to blame North Vietnam and the U.S. Congress for the Vietnamese catastrophe.

Even more relevant is the broader question of real American commitments to Vietnam and Cambodia. To this day, we are not sure if there were any such commitments. We have Kissinger's judgment, when he negotiated the Paris accords, that with the "decent interval" he offered Saigon through massive arms deliveries before the truce and the carpet bombings of the north at Christmas, 1972, President Nguyen Van Thieu's regime could survive for years. It is impossible to believe that Kissinger actually thought that Hanoi and the Viet Cong would change their minds about taking over the South, particularly when Thieu, re-armed by the United States, showed no inclination to negotiate politically with the Communists, as provided by the peace accords.

Kissinger bears the blame for not pressing Thieu for a political accommodation. Presumably, he wanted to have it both ways: no Communist attacks and no political negotiations in Saigon. In so doing, he committed at least two other major errors of judgment. One was that "Vietnamization" could really turn the South Vietnamese armed forces into an effective fighting force. The other was the incredible failure of U.S. intelligence—and it should be noted that Kissinger is, in effect, the top boss of the intelligence community—to interpret accurately North Vietnamese battle plans.

As recently as early March, senior American officials in Washington were discounting a major North Vietnamese offensive in 1975. In the weeks since, Kissinger seems not to have understood that the whole South Vietnamese military establishment started disintegrating after Hanoi launched the Easter assault. When Thieu's army, no longer supported by American air power, began to crumble, Kissinger and Ford, still misreading the situation, came up with the vacuous rationale that the South Vietnamese were being beaten because Congress refused to appropriate an additional $300 million in military aid for Saigon (and $220 million for Cambodia) for the balance of this fiscal year.

The administration has yet to acknowledge what is perfectly plain to others—that the staggering Vietnam rout came because the South Vietnamese army fled or surrendered without fighting, leaving behind billions of dollars' worth of U.S. arms, and not because, as Kissinger insists, we had "abandoned" our allies.

By that time, the administration's public posture had bogged down in untruths, misconceptions, and gratuitous challenges to Congress. Before the Pentagon admitted that the South Vietnamese had not really been as short of fuel and ammunition at the start of the offensive as had been claimed, Kissinger made the astounding statement that he would not have negotiated the Paris agreement had he known that Congress would ever place limits on military aid to Saigon.

Kissinger was saying, in effect, that Congress had the *obligation* to honor his requests blindly, an interesting insight into his attitudes toward the workings of a democratic society. Obversely, he was making the point that Congress would have to accept the blame for the "loss" of South Vietnam and Cambodia, a scandalous notion only comparable to right-wing claims in the late 1940's that the U.S. government had "lost" China to the Communists. The absolutely fundamental idea that Thieu, his corrupt regime, and his army simply could not withstand the Communist onslaught seems not to have crossed Kissinger's mind. Hence recriminations.

Fallacies lead to other fallacies, and the next one Kissinger produced was that congressional refusal to vote more money for Indochina would create an impression of U.S. unreliability in the eyes of its allies. This was deceit on a formidable scale, and Kissinger applied it to other critical situations in the world—such as the Middle East.

MIDDLE EAST

Kissinger has thus far declined to provide for the record his own version of the collapse of the March shuttle negotiations between Egypt and Israel for another step in their military disengagement. But he has made a point of suggesting publicly that one reason for his failure was the loss of faith in the United States by both parties because Congress would not approve money for Indochina. This was carrying linkage concepts to unbelievable lengths.

Seeking to persuade the Israelis to accept an impossible last-moment Egyptian plan, Kissinger told them soulfully that Syria's President Hafez Assad had expressed to him the view that the United States was losing position everywhere and that this state of affairs would become further aggravated if no Arab-Israeli settlement were negotiated—on the basis of major Israeli concessions. In classical Kissingerian style, the secretary of state was attempting to blame Israel for the erosion of American influence in the world.

Despite a formal commitment to the Israeli cabinet that the United States would not blame Israel for the collapse of the shuttle talks, Kissinger proceeded to do precisely that, through inspired news stories and innuendo in congressional briefings, as soon as he got back to Washington. Simultaneously, he and Ford began talking about a "reassessment" of U.S. policies in the Middle East in a way immediately interpreted as a sign that the administration had reservations about the Israeli request for $2.5 billion in aid in the new year. Publicly, Kissinger denied that Israel would be "punished," but in the privacy of top-level interagency meetings in Washington, State Department representatives insisted that new pressures must be placed on Jerusalem.

Earlier, Kissinger had persuaded Ford to send a private message to Israel's Prime Minister Yitzhak Rabin urging him in harsh terms to accept the Egyptian plan. As an Israeli diplomat put it, "A love letter it was not." Subsequently, Ford said in an interview that the Israelis should have been more flexible—a questionable piece of advice to a drowning man. But neither Ford nor Kissinger has spoken publicly of the final Israeli counterproposal that Egypt refused to consider, thus leading to the collapse of the talks.

Because Kissinger is so dedicated to linkage concepts, there may be some truth in the Israeli assessment that for reasons of U.S. and his own personal prestige—at a time when our policies were crumbling everywhere—he was desperate for any agreement, the terribly needed diplomatic triumph. The Israelis believe that Egypt's President Anwar Sadat was fully aware of Kissinger's dilemma and played his cards accordingly to drive a wedge between the United States and Israel.

The chief beneficiary of Kissinger's Middle East gamble, quite obviously was Moscow. Which brings us back to détente linkages. In the 1973 Yom Kippur war, Kissinger invoked the threat of a Soviet intervention to force Israel to desist from destroying a trapped Egyptian army. But at no time before or after the 1973 war did he invoke the survival of détente to persuade the Soviets to stop arming the Arabs. In fact, Soviet ships were unloading MIG–21 and advanced MIG–23 planes in Alexandria last month while Kissinger was darting between Sadat and Rabin.

Since the 1973 war, Kissinger's major goal was to freeze the Russians out of Middle East diplomacy—he didn't care to share triumphs with others—but in the end he let himself be trapped by the Russians. The failure of the March talks pushed the mercurial President Sadat again toward the Soviet camp. Thus, because he could not deliver Israel, Kissinger lost much of his clout in Cairo, and simultaneously contrived to bring American-Israeli relations to their lowest point in nearly twenty years.

One could go on and on with examples of Kissingerian misjudgments. There was the decision to engage the Central Intelligence Agency in efforts to overthrow the leftist regime of the late President Salvador Allende in Chile. Then there were other CIA adventures for which Kissinger may, in time, be held responsible as a result of current investigations of the U.S. intelligence community. Kissinger ordered in 1970 a policy of "communication" with racist white regimes in Africa because he was convinced that they would remain in power indefinitely. That was before the Portuguese revolution brought virtual independence to Angola and Mozambique. When it came to oil, Kissinger insisted for a full year that the producers would lower their prices. And one can wonder about his motives in suggesting the possibility of armed action in the Persian Gulf to prevent the "strangulation" of the West.

The weight of liabilities and assets in the Kissinger ledger speaks for itself. The bottom line for Kissinger? He remains convinced that he is the only man capable of saving the West—but only if Congress and his critics and detractors leave him alone. He wants to remain in power, and he doesn't understand why pressure is building to force him out—after all he thinks he has done for the United States.

SENATOR McGEE AND THE AGRICULTURAL CONSERVATION PROGRAM

Mr. HUMPHREY. Mr. President, I rise today to call to the attention of my colleagues a rather routine announcement that was made by the Department of Agriculture late last Friday afternoon. This was the announcement concerning the agricultural conservation program and practices to be authorized under this program for the current year.

Ordinarily, an announcement of this nature would not command too much attention. But there are several circumstances this year that take this announcement out of the realm of the ordinary or the routine.

The agricultural conservation program, while a most worthwhile and successful program, has not been popular with the administration. They have tried to kill it administratively by withholding spending authority. In this they have been overruled by both the Congress and the courts.

They have tried to kill it by refusing to request spending authority. In this they have been overruled by the Appropriations Committee and the Congress.

They have tried to kill it by reducing the cost-sharing practices that have been permitted under the program, thereby making it far less attractive to the cost-sharing participants.

They have tried to kill it by requesting rescission of the 1975 spending authority that was authorized for 1975. Congress overruled them in that.

Several of my colleagues have been in the forefront of the fight to retain the agricultural conservation program and I think the farmers of this Nation should be grateful to all of them. But today I should like to pay special tribute to one who has been in the thick of this fight for a long, long time. I refer to GALE McGEE of Wyoming, chairman of the Agriculture Subcommittee of the Senate Appropriations Committee.

Let me recount some of the most recent history in regard to this program. On Thursday, March 13, some of us learned that a press release had been prepared in the Department to announce ACP practices on the following Monday, March 17. They had to make the 1975 funding available at that time because the Congress had refused to approve the administration's rescission request. But that proposed announcement would have further restricted the authorized practices, which were being dictated by the Washington office.

It so happened that Senator McGEE had a hearing of his Appropriations Subcommittee scheduled for the following day, March 14, to consider the Emergency Employment Appropriations bill. While this agency was not involved in the subject of the scheduled hearings, Mr. Frick, the ASCS Administrator, was requested to appear as the leadoff witness.

Mr. President, I ask unanimous consent that the testimony that was developed at that hearing be included in the RECORD following my remarks.

Mr. President, to make a long story short, the announcement which was to have been released on March 17, did not go out as scheduled. Since that time, Senator McGEE has been in close consultation with representatives of the Department in reference to their 1975 program.

Several proposals were made by the Department which clearly did not express the intention of Congress. These were rejected and Senator McGEE consistently returned to the proposition that the farmer-elected county committee personnel should once again be given the authority to consider and authorize practices. This was a long, hard road for him this past few weeks, but that is where we ended up last Friday night.

That announcement clearly states that the farmer-elected county committee shall be given the authority to develop practices under the cost-sharing agreements. This is indeed good news for farmers throughout the entire Nation, for in this way, the program can be oriented and operated in response to local conservation problems and requirements.

Many of us have been working toward this goal for several years, ever since this authority was taken from the county committees. This is indeed a most significant breakthrough, and I am pleased to offer my congratulations to the senior

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Senator from Wyoming for his part in this achievement. Once again he has demonstrated his effective leadership and his understanding of the needs of rural people throughout this Nation.

Mr. President, in closing I would like to also ask unanimous consent to have printed in the RECORD a copy of the release of April 11 and other materials on the ACP program which gave rise to my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

USDA ANNOUNCES 1975 ACP OPERATIONAL GUIDELINES, INITIAL STATE FUNDING

WASHINGTON, April 11.—The U.S. Department of Agriculture (USDA) today announced operational procedures and initial state funding for the 1975 Agricultural Conservation Program (ACP). General details of ACP and the funding level were announced March 17 (Press Release 815–75).

Authority to develop practices needed to solve conservation problems is being delegated to each of USDA's farmer-elected county Agricultural Stabilization and Conservation (ASC) committees in consultation with the county program development group. All approved practices in effect under the 1970 national Agricultural Conservation Program are eligible. Practices developed by county ASC committees will be subject to approval by state ASC committees in consultation with the state program development group.

Throughout the practice development and cost-sharing approval process, ASC state and county committees should emphasize the objective of assuring that cost-sharing will be for carrying out enduring soil and water conservation measures that the farmer would not perform without this assistance.

Specialized assistance for ACP will be provided by other USDA agencies with the Soil Conservation Service furnishing planning and technical assistance on servicing and practices and long-term agreements and technical services concerning forestry practices provided by the Forest Service.

As announced earlier, $190 million will be made available for program operations, and will share with farmers between 50 and 75 per cent of the cost of carrying out needed practices. The $190 million includes funds to fully finance the long-term agreements signed under the 1974 Rural Environmental Conservation Program, currently projected at about $33,750,000.

Individuals interested in further information concerning the Agricultural Conservation Program should contact their county ASCS office or USDA Service Center.

State initial allocations for ACP in 1975 and long-term agreement obligations are as follows:

[All figures in dollars]

State	ACP allocation	Remaining 1974 long-term agreement obligations[1]	Total amount
Alabama	3,683,000	783,141	4,466,141
Alaska	168,000	0	168,000
Arizona	1,521,000	1,168,186	2,689,186
Arkansas	2,921,000	340,311	3,261,311
California	4,136,000	1,680,413	5,816,413
Colorado	3,249,000	373,155	3,622,155
Connecticut	302,000	62,137	364,137
Delaware	196,000	14,821	210,821
Florida	2,967,000	547,579	3,514,579
Georgia	3,814,000	245,745	4,059,745
Hawaii	361,000	19,881	380,881
Idaho	2,111,000	675,416	2,786,416
Illinois	5,324,000	1,873,170	7,197,170
Indiana	3,541,000	1,151,964	4,692,964
Iowa	5,872,000	2,343,815	8,215,815
Kansas	4,764,000	461,131	5,225,131
Kentucky	3,699,000	1,032,501	4,731,501
Louisiana	2,703,000	1,208,471	3,911,471
Maine	1,532,000	482,522	2,014,522
Maryland	849,000	227,606	1,076,606
Massachusetts	384,000	1,487	385,487
Michigan	3,436,000	1,163,341	4,599,341
Minnesota	5,146,000	370,619	5,516,619
Mississippi	3,561,000	442,976	4,003,976
Missouri	5,987,000	1,474,505	7,461,505
Montana	4,070,000	664,756	4,734,756
Nebraska	3,896,000	867,767	4,712,767
Nevada	592,000	108,408	700,408
New Hampshire	441,000	18,262	459,262
New Jersey	465,000	0	465,000
New Mexico	1,797,000	245,611	2,042,611
New York	3,564,000	1,304,597	4,868,597
North Carolina	3,411,000	421,487	3,832,487
North Dakota	3,823,000	0	3,823,000
Ohio	3,682,000	1,484,835	5,166,835
Oklahoma	4,414,000	460,212	4,874,212
Oregon	2,631,000	800,090	3,431,090
Pennsylvania	3,390,000	1,043,509	4,433,509
Puerto Rico	522,000	85,074	607,074
Rhode Island	53,000	0	53,000
South Carolina	1,940,000	168,713	2,108,713
South Dakota	2,997,000	414,091	3,411,091
Tennessee	3,431,000	769,087	4,200,087
Texas	12,509,000	3,238,866	15,747,866
Utah	1,360,000	418,382	1,778,382
Vermont	713,000	155,046	868,046
Virginia	2,364,000	541,596	2,905,596
Virgin Islands	15,000	0	15,000
Washington	3,142,000	759,376	3,901,376
West Virginia	1,244,000	378,454	1,622,454
Wisconsin	3,994,000	895,994	4,889,994
Wyoming	1,563,000	411,894	1,974,894
Total	144,250,000	33,750,000	178,000,000

[1] The total amount available to cover the remaining obligations on contracts signed under the 1974 program. The balance represents reserves required by law to be held for increases to be made in payments to farmers who earn less than $200 in cost-share assistance during the program year and for transfers to other USDA agencies for technical services they provide for the program.

EMERGENCY EMPLOYMENT APPROPRIATIONS FOR FISCAL YEAR 1975

U.S. SENATE,
SUBCOMMITTEE ON AGRICULTURE
AND RELATED AGENCIES,
Washington, D.C., March 14, 1974.

The subcommittee met at 2:05 p.m., in room S–146, the Capitol, Hon. Gale W. McGee (chairman) presiding.

DEPARTMENT OF AGRICULTURE

Statements of: William Erwin, Assistant Secretary for Rural Development

Accompanied by:

Robert W. Long, Assistant Secretary for Conservation, Research and Education.

Frank B. Elliott, Administrator, Farmers Home Administration.

Kenneth E. Frick, Administrator, Agricultural Stabilization and Conservation Service.

Norman A. Berg, Associate Administrator, Soil Conservation Service.

Jerome A. Miles, Director of Finance, Department of Agriculture.

William Davey, Deputy Administrator for Water Resources, Soil Conservation Service.

John Fish, Budget Officer.

Denton Sprague, Assistant Administrator, Farmers Home Administration.

L. D. Elwell, Assistant Administrator, Farmers Home Administration, Housing.

James Bostic, Deputy Assistant Secretary.

AGRICULTURAL CONSERVATION PROGRAM

Senator MCGEE. The hearing will come to order. We have one item of business that I wanted to address myself to before we get into some of the other matters at hand.

I have asked Ken Frick, Administrator of the ASCS, to join us here today because of some reports we have been getting. We appreciate the fact that the ASCS is not officially before the subcommittee on an appropriations matter at this time.

But we have become concerned about the Agricultural Conservation Program, or the REAP Program, on which we have had so much discussion and deliberation in the past.

RESCISSION OF ACP

As you know, the representatives of your agency and Under Secretary Campbell appeared before this committee February 20 in support of an Administration request for a rescission in this area, among others. For reasons that are quite obvious, the committee itself objected to the rescission and so expressed itself.

The 45-day period for congressional action under the Budget Control Act expires this weekend, and therefore, under the law, you would be required to make these funds available for obligation either this weekend or Monday. We have some difference of judgment as to what really is going to transpire as the time runs out.

ANNOUNCEMENT OF 1975 ACP PROGRAM

There are those who have advised me that on this coming Monday, March 17—which is both St. Patrick's Day and my birthday, and is an especially sacred day in my lexicon—you plan to announce that the ACP program for fiscal 1975 will abandon certain practices that have heretofore been approved by both the local committees and the national office. Am I misinformed?

Mr. FRICK. Mr. Chairman, I have a copy here of the proposed release that we were intending to put out on Monday, and maybe that will be something worth going over. But what we had hoped to do was to come up with our program before Monday so we could announce a full program on Monday because we know we are late this year.

IRRIGATION PRACTICE

I think the practice we are talking about is what we call our irrigation practice. What we have done is to suggest that the irrigation practice not be included in the general program, but where they have special need for it, why, it can come in under what we call our "S" or special practices.

This is a proposed one. Of course, it is not good until the moneys do come after the rescission. But simply as a matter of interest, this what we did have in mind.

Senator MCGEE. That would be a low-key observation. It would be a matter of considerable interest to this committee. Is this something upon which you are requesting an opinion or is this an announcement?

Mr. FRICK. This was an announcement that was proposed for Monday.

Senator MCGEE. This is an open hearing on Friday the 14th. Is this being submitted to me as a proposal for review by the chairman of your funding subcommittee, or am I being advised of a decision that is already made?

Mr. FRICK. This was a decision that we have come up with as to the program for 1975. Again I can't say that it is official until the moneys are forthcoming.

We have a major change, which is excluding the irrigation practice from our general handbook. There are some other minor changes. And putting in what we call the special practice.

I would like to explain why. Very simply, as we have looked at this practice across the Nation, we find in a number of instances we have irrigation practices going in with cost-sharing by ASCS that would have gone in with no cost-sharing.

The fact is, if we got real specific, we would see something like 60 percent of the irrigation practices that are going in under this particular practice would have gone in without any cost-sharing.

This is a practice that has grown dramatically for two reasons. One is, of course, it does help change the irrigation system. Secondly, it is a very quick system to get okayed to the local ASCS office.

Contractors that work out systems of irrigation have it all ready to go, and then when the program is announced, very quickly they are in for locating the next day.

I am just saying that I think we have

been spending a lot of money here that was improper use of funds.

LETTER TO THE SECRETARY ON IRRIGATION PRACTICE

Senator MCGEE. I have received today a joint letter from several Senators, in which I have joined.

The letter is directed to this point of your apparently already determined intent to announce on Monday.

The Senators who have signed coincide in their interest, regardless of party, with the high-altitude and semi-arid western States in which this has been a very basic part of the agricultural underpinning of the area. The letter seeks to forestall, and begs this committee as well, to forestall such a development.

We will make the letter and the Senators' names a part of the hearing record at this time. I am also including a letter from Senator Tunney and Congressman Sisk.

[The letters follow:]

U.S. SENATE,
Washington, D.C., March 14, 1975.

Hon. EARL L. BUTZ,
Secretary, Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: It is our information that the Department of Agriculture will soon announce the termination of the Irrigation Support System of the Agricultural Stabilization and Conservation Service.

Since its inception, this program has provided necessary assistance to farmers, particularly to those living in arid regions, and at the same time has contributed to the conservation needs of our country. The benefits of this program accrue not only to the individual farmer but also to the entire community, given the fact that efficient irrigation systems not only increase crop production but reduce waste of water.

Shortages persist and the prices of food and feed grains maintain record high levels; the world needs everything the American farmer can produce. We strongly protest the discontinuance of this program which appears to be counterproductive to the total concept of conservation and a viable agriculture industry.

Sincerely,

Frank E. Moss, Paul J. Fannin, Joseph M. Montoya, Gary Hart, Jake Garn, Barry Goldwater, Pete V. Domenici, Floyd K. Haskell, Howard W. Cannon, Lee Metcalf, Mark O. Hatfield, Frank Church, James A. McClure, Quentin N. Burdick, Paul Laxalt, Henry M. Jackson, Gale W. McGee, Milton R. Young, Carl T. Curtis.

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C., March 17, 1975.

Hon. EARL BUTZ,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: It has come to our attention that the Agricultural Stabilization and Conservation Service (ASCS) plans to announce shortly the termination of its Irrigation Support System and Animal Waste Disposal programs. We strongly protest that decision, and we urge you to initiate a review of the matter.

In the State of California, where irrigation is essential for successful cultivation, the Irrigation Support System has been a key element in developing the agricultural growth necessary in the face of the current shortages. In California during 1974, the program provided over $1.5 million in matching funds which affected the irrigation of 48,000 acres. Under the 1973 program, grants of $2.5 million helped to irrigate 150,000 acres in the state.

The Animal Waste Disposal program is also important in fostering agricultural growth. As you know, animal waste is becoming a factor in our pollution programs. Without a means of disposing of the waste, growth will be hindered. In 1973, the program provided over $530,000 in matching funds for California to help solve this program.

If should also be pointed out that these are matching programs. The recipients of funds have at least matched the grants with their own money. This is not a giveaway. It is a partnership between the government and the private sector. Certainly this should be encouraged, particularly when the ability of American agriculture to meet the food needs of this country and the world is an objective we are all working toward.

Sincerely,

BERNIE F. SISK,
Member of Congress.
JOHN V. TUNNEY,
U.S. Senator.

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C., March 17, 1975.

Hon. GALE MCGEE,
Chairman, Senate Appropriations Subcommittee on Agriculture, Environment and Consumer Protection, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is our understanding that your Committee is holding hearings on the Agricultural Stabilization and Conservation Service's plan to terminate the Irrigation Support System and Animal Waste Disposal programs.

We have today written to Secretary Butz protesting this action and asking him to review the decision. We enclose a copy of that letter for your information and the record of the Committee.

Thank you.

Sincerely,

BERNIE F. SISK,
Member of Congress.

JOHN V. TUNNEY,
U.S. Senate.

Senator MCGEE. Hawaii wasn't on that because Hawaii is trying to reduce the amount of rainfall rather than get more of it. They have the opposite problem of what we have in Wyoming.

Senator FONG. We can give you 500 inches of rainfall.

RECOMMENDATION OF COUNTY COMMITTEES

Senator MCGEE. We would have to put up a pipeline I dare say.

Were the county committees consulted in connection with this proposed change, Mr. Frick?

Mr. FRICK. Yes, Mr. Chairman. The county committees did come in with that as one of its recommendations.

Senator MCGEE. For example, let's be specific. The county committees in Wyoming, were they consulted?

Mr. FRICK. Again, yes, they came in with that as one of their recommendations; or, to put it another way, I think they expected it to be in the national handbook.

Senator MCGEE. That is the next step. With the recommendations that you were coming up with, what recommendations did the county committees submit to you?

Mr. FRICK. The reason I am a little jumping around here, I have a list of the recommendations, and the last one down here is reorganizing the irrigation systems. It lists such things as spreading chicken litter on cropland and wood chippings in orchards.

There is a long list of recommendations, many of which we did not accept. One of these recommendations is reorganization of irrigation systems. But there is a long list of ideas.

ABOLITION OF IRRIGATION PRACTICE

Senator MCGEE. I understand. My question is specific. Who recommended, and be specific, the abolition of the irrigation program?

Mr. FRICK. Only my deputies in my own office recommended the abolition of this and putting it in special practices.

Senator MCGEE. They are making the recommendation. The county committees didn't recommend it?

Mr. FRICK. That is correct.

Senator MCGEE. I was misinterpreting, I guess, what you said.

Mr. FRICK. The county committees recommended to keep it in the practices.

FINDINGS IN THE FIELD

Senator MCGEE. You have been out in the field also to sample this sort of opinion?

Mr. FRICK. Not in every area. Not in every State.

Senator MCGEE. I wonder how general you have been. Have you been in Wyoming?

Mr. FRICK. No, sir. I have not been in Wyoming. I know in Wyoming it has grown from about 30 percent of the practice money up to something close to two-thirds of the practice money in the last 3 years.

Senator MCGEE. What would be the basis, then, of your claim that 60 percent of the irrigation practices would have been accomplished without Federal funds?

Mr. FRICK. Without exception, every farmer I have asked on this practice has answered me, "I would have done it anyway," even though the soil conservationists in that area said the exact opposite.

But every farmer that I looked in the eye and asked a straight question, he said, "I would have accomplished this practice without any cost-sharing."

Senator MCGEE. I gather now you haven't looked any Wyoming ranchers in the eye.

Mr. FRICK. That is correct; although I find irrigation ranchers are not too different whether I am in Arizona, Nebraska, Wyoming or California.

Senator MCGEE. Then your ears understand rhetoric far more differently than mine do, believe me. We have asked the same question. We are interested in tightening programs and efficiency. I can say that almost with one voice that they believe this to be one of the essentials that has made the difference in our kind of high-altitude farming.

We realize you can make a superb case to show you can grow foodstuff far more economically in California, which is now getting most of our water. But people also like to live in Wyoming. We think they are entitled to a chance at making ends meet there. Part of the key underpinnings to that chance are the support funds in the irrigation field.

I dare say some of that is also true in North Dakota. But we are interested in establishing the process under which the decision was arrived at.

I have been less than impressed with your claim that this decision represents the findings in the field. It seems to flow more from a difference in philosophy rather than what the people in the field are saying, does it not?

RESPONSIBILITY OF ADMINISTERING ACP PROGRAM

Mr. FRICK. In the program for 1975, I believe there is $190 million that will probably be authorized. Of course, under this, I am delighted to administer these funds; and yet, since there is some responsibility as an Administrator in administering, that I feel there is a responsibility in final determination of the program.

As I see the résumé of recommendations from counties and some of the ideas there are here as to expenditure of funds, I think that we must put a national handbook out and then have a special practice where if there is a special need, let this be reviewed by additional people. Because the one thing we had hoped to avoid is county committees looking for a way to use all the moneys just to be sure to distribute them.

RESCISSION HEARINGS ON ACP

Senator MCGEE. When we were holding hearings on the rescission matter last month Mr. Campbell told us that this would be in

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the 1975 practices. I was wondering what has transpired since?

Mr. Long. Secretary Campbell?

Senator McGee. That was in the hearing record, yes.

Mr. Long. There may be some misunderstanding. I can only add to what Mr. Frick has said. I know the department policy has been to follow what was outlined. That decision was shared by the Secretary, his staff, including myself, and Mr. Campbell. There may be some in terms of what he was referring to. I hope that can be clarified.

Senator McGee. We hope so, too. That is the reason I want to make sure our hearing record this afternoon can help to clear that up.

Mr. Frick. I try not to make decisions in a vacuum. I like to be sure I touched base with others in these subjects.

SAMPLING OF FARMERS

Senator McGee. We are still interested in where your advice came from. You tell us that every person you looked in the eye that is involved in this told you they would have done it anyway. We tried that out just in the last few days. While we couldn't look them in the eye, we looked right through Ma Bell, and either you have some power in your eyes that elicits some sort of fearful response or else they have changed their minds since you talked to them. We didn't get a single one.

PROJECT VISITS

Mr. Frick. Mr. Chairman, what I did was visit the projects.

Senator McGee. Except in Wyoming.

Mr. Frick. Only in the places I visited; that is correct.

Senator McGee. Anyplace else you didn't visit besides Wyoming.

Mr. Frick. I have only visited some States.

Senator McGee. Did you visit some of the projects in Arizona?

Mr. Frick. My regional director did.

Senator McGee. You didn't.

Mr. Frick. I did not. He comes back with the exact——

Senator McGee. Senators Goldwater and Fannin feel you let them down. That is why they have signed this protest.

COST-SHARING VERSUS NO COST-SHARING

Mr. Frick. I realize it is a popular program. I think an average cost share in Wyoming on this was something around $1,100, our cost sharing per share. So there is some popularity to it.

I have to say as I checked with the regional director and people that work in the area, there may be a third of the programs that probably we are getting additional conservation from the use of the irrigation practice, and it is more where a group of people have gone together to accomplish something than on an individual farm.

But on an individual farm, at least during the last 3 years, individuals have concluded that they should upgrade their irrigation systems and they are doing it on their own.

If we haven't a cost share, they also do it. It is a little like putting in a drainage system out in the Midwest. We noticed one year we did not have any drainage system in ASCS. That was in 1973. The tonnage of tile in Iowa had increased. Here is a practice that was only being done if cost sharing was offered. Yet, the one year we didn't have it, the tonnage that went in that year increased.

I think that we find the same thing in irrigation, that farmers are going to continue to upgrade their irrigation systems.

Senator McGee. It has been my observation, if I may pass it along, that Senator Fannin and Senator Goldwater have never been noted for reckless spending, or just buying something because it was popular. Yet they feel very strongly about the way in which somebody in your shop arrived at this kind of a decision.

PROJECT VISITS

What about Nevada? Let's try Nevada for size. Were you there?

Mr. Frick. No. I understand that in Nevada there is a program particularly dealing with doing some group projects where it should be recognized. But again it is a group project rather than an individual farm project.

Senator McGee. Let's try Utah. Have you been there to look at this?

Mr. Frick. Two years ago, and it was just a short visit there.

Senator McGee. New Mexico.

Mr. Frick. Yes. Down near El Paso. [Laughter.]

Senator McGee. Since we're there, let's try Texas.

Mr. Frick. Texas does not make that much use of it. But I have not visited such a project.

ELIMINATION OF IRRIGATION PRACTICE

Senator McGee. Doesn't it strike you that we have some liberal Senators and some very conservative Senators, Republicans and Democrats, who believe that they are getting the short end of the rope here because of this decision that you are announcing to us?

EXPENDITURE OF FUNDS AND BENEFITS GAINED

Mr. Frick. Yes. I think I can understand that this does cut out from some of these States one of their major programs. And yet, as I have visited with people here on the Hill over the years and tried to find out how this should be handled, not once has someone told me to authorize the expenditure of funds that would not gain us anything.

In fact, they have always indicated just the opposite. I feel I have enough evidence to indicate in this practice that again something over half—I am going to throw out the figure 60 percent—are funds that were being put into these practices that weren't accomplishing anything.

Senator Young. Mr. Chairman, I think I can clear up some of this thinking on how the Department of Agriculture develops a policy.

Quite often someone will call me up and want to know my views. They do just the opposite. I am sending a special messenger to Agriculture because he did just the opposite of what they asked me to do.

COST-SHARING VERSUS NO COST-SHARING

Mr. Long. Mr. Chairman, we are here for another purpose, but you are also quite familiar with what Mr. Frick——

Senator McGee. You might quit while you are ahead.

Mr. Long. I will plunge in.

I have often thought about this question. I am from the Midwest. I have a long background in irrigation and do understand it fairly well. I believe that special conditions which exist in Wyoming and Nevada, for example, are different and therefore I won't pose as an expert in those areas.

Senator McGee. At least you have been there.

Mr. Long. Yes, sir. I also feel there are two things involved. One is that it is a long-standing conservation program, at least initially designed to be a stimulus, to be seed money, to help these practices happen, encourage people to take conservation practices as a part of their program and encourage them by support at a Federal level with some money; not much, but some.

Many of us feel that the principles related to the irrigation practices are long established in the farm community and as such, really, isn't the thing. It is a little lost in the longer range picture.

What we may be looking at today is do we want to help the people with their costs. I believe what Mr. Frick says is true. Most of them will do this work anyway and also they know they should.

The question is do we want to put some taxpayer money with their money to help either to do more or to insure that some practices are accomplished which we might think are right.

In most cases I hope the farmer makes the decision. It is a philosophical question.

Senator McGee. It certainly is. We went rather deeply into this philosophical ground last month. Senator Young and Senator Fong and I were sitting in this position when we were doing that. One of the strange themes running through that hearing was that the reason for the rescissions in these programs is you are convinced the farmers would have done the work anyway. That showed up again and again in the testimony from your side of the table.

Now we find that is the reason for this announcement, not of just a rescission, but a complete wipe-out of the program. Not only did the committee reject that—we have been over that bridge—but we rejected that unanimously. We would like to interpret all this as, charitably, an unintentional attempt to deceive us through an end run.

ADMINISTRATIVE AUTHORITY TO DETERMINE PRACTICES

Mr. Frick. I think that is not correct, Mr. Chairman. I think that the rescission was to do with $190 million, let's say. We fully recognize and I am delighted with the new budget system rather than the old system where we have a confrontation.

This does arrive at a level of expenditures which we will see gets spent. In other words, it is our job to be sure that that gets done.

We do reserve some right to determine if there is a program that is not in the best interest, and I realize there are some differences of opinion on that. But again using the guide, $190 million, yes.

But some practices that county committees will develop are quite questionable, quite questionable. If we are to have no administrative authority at all and it is just to be administered by county committees with no overseeing at all, then that is another matter.

I didn't think we were quite to that point. I thought we were supposed to use some judgment here on this subject. I believe I have tried to hit at this point that there is a judgment factor here.

IRRIGATION AS SPECIAL PRACTICE

It is a popular program where you can spend money. There is no argument there. As to gaining long-term conservation additionally over what you would have gained, no, sir.

Yet, by having it in the special practices, these that would gain long-term conservation will be OK'd, additional conservation.

What I would like to plead for is an opportunity to administer it under the special practice where we would gain long-term conservation as an addition.

COMMITTEE INTENT ON IRRIGATION PRACTICE

Senator McGee. The committee has made a very clear-cut and unequivocal decision in some of these areas, too. We have felt that the Department has to have an administrative input in the kind of decisions that are made. And, where it seems to be relevant and significant, the Congress must also have an input. Somehow you work those things out. We generally try to maintain a workable relationship.

This didn't seem to be one of those shining examples of cooperation, to try to work out our differences. Your drumfire determination that, "This is one of the things that we can't go along with, we are not going to do it, no matter what the Congress believed in its best wisdom should be done," just doesn't square very well with us, very frankly.

I would assume, other things being equal, we would have read about this matter in the Washington Post next Tuesday, as a surprise to us.

Mr. Frick. I don't believe that is so at all. I think that any time we come out with this program it is very appropriate that we sit down with you, talk to you.

I don't think we had that opportunity, yet. We were just still in the throes of development yesterday.

Senator McGee. I hope the message is clear here, at a time when the pressure is on to produce more and more, because of the other great questions that confront us, that we don't appreciate the rationale for this backdoor elimination of this program.

I think it is attested to by the very broad base of the Senatorial unity to this basic position. You don't have to face up to any voters. There is something to be said in our system for submitting to judgment of your decisions. The judgment in this category is rather substantial in those areas where it is a big problem, and without any partisanship, and without any philosophical bend. In fact, it is a very interesting combination of Senators whose areas are materially affected.

Having said that, I would express the hope that your planned news release for Monday ending the irrigation program turns out to be a special hotline to the round file. It runs absolutely against the grain of this committee as we reassess the ground that we have covered in this.

Although we can't poll the committee right now, I am sure that we would have a very strong committee decision to make sure that this program isn't abandoned, that it is administered in the spirit in which it was reinstated; namely, as an ongoing, constructive part of our agricultural endeavor.

We wouldn't expect foot dragging. We wouldn't expect deviousness. We wouldn't expect to be confronted with another Monday morning announcement coming up somewhere later down the road. If there is anything as critical as that, we expect that there would be at least some consultation in advance to see what could be worked out.

None of this should be any surprise to you. The committee hasn't equivocated on its position in this. We would hope that there is room for helping to resolve this. We think it is important.

CONTINUATION OF IRRIGATION PRACTICE

Mr. Frick. Mr. Chairman, I guess from this I take it that the committee would like us to go ahead with this particular irrigation practice.

We did announce such an irrigation practice last year. I did visit with the rest of the people in the Department on this subject last year, and I thought it was going to be a restricted irrigation practice.

When I saw it wasn't, when it is just an all-out subsidization of irrigation installations, I hesitated. Is that what we really wanted?

I guess what I am getting is the message that the committee would like us to go ahead and subsidize all of the irrigation program.

Senator McGee. We expect you to carry out this particular program. We think we understand it in depth. Historically, over a long period of time, we believe that on balance it stands as a very necessary part of the structure of high-altitude agricultural production.

Mr. Frick. I realize we have this both in high and low altitude. I am just saying to you that I see people putting pipelines in walnut orchards and things of that nature. Absolutely they were going to do this anyway.

If I read the committee record, why, that is the type of thing we are to cost share and subsidize with. We have to take that into consideration.

Senator McGee. We have every intention of getting across the message that the program as it was being operated a year ago would be operated that way in this coming year.

We think there is a difference between tight administration and an abandonment or reversal of direction once a decision has been made. We had a very clear expression of that in the course of the rescission hearings, and we try to respect these differences. But we don't intend to be countermanded by you once a decision has been taken by the Congress.

Mr. Frick. I guess we thought there was some room for decision in the department, and I guess what you are indicating to us is there isn't. This is why I guess I misunderstood.

I thought there was some room in the department for decision on this. Again, as I pointed out, we have this long list of recommendations from counties for the kinds of things they would like to do.

When we go back to the 1970 option program we did some time ago—we had that in the 1973 program, not in the 1974 program—we had hoped not to go back to this type of thing. But before such an announcement goes out, I would be back in contact with you.

EVIDENCE TO SUPPORT ELIMINATION IRRIGATION PRACTICE

Senator McGee. I appreciate that very much. What I will report to my colleagues is that there was no evidence we could introduce into the record of who it was in their respective areas that so recommended, inasmuch as you manifest that these were the comments that came from looking at them in the eye.

It didn't happen in Arizona and it didn't happen in Wyoming and it didn't happen in Utah that you had that kind of reading. You talked to someone in Iowa who was going to influence what was going to happen in the high altitude Western States. We are not sure that is the way to write policy decisions.

Mr. Frick. If you would like evidence——

Senator McGee. I am asking for it. You volunteered to submit this sort of thing for the record so we might have that.

Mr. Frick. I will see if I can assemble some evidence for you.

Senator McGee. I appreciate that very much.

Mr. Frick. Because I think it is quite prevalent in almost every area.

[The information follows:]

"The Bennet & Bennet Irrigation Company in California installed 175 miles of irrigation pipe in 1973, a year when cost-shares were not available. In 1974 with cost-shares, the same company installed 189 miles of irrigation pipe, an increase of 14 miles. In Fresno, California, the Fresno Irrigation District installed 6 miles of pipe in 1972 with cost-sharing, 10 miles in 1973 without cost-sharing and 10 miles of pipe in 1974 again with cost-sharing. About the same was reported by the Clovis Pipe Company from Clovis, California. This company installed 10 miles of pipe in 1972 with cost-sharing, 14 miles in 1973 without cost-sharing and 14 miles in 1974 with cost-sharing. All of these are preliminary figures. More information will be furnished at a later date."

[Committee note: By the time of final printing of this hearing, the foregoing statement, containing only three examples, all from the State of California, was the only evidence submitted in support of Mr. Frick's statements that. "The fact is, if we get real specific, we would see something like 60 percent of the irrigation practices that are going in under this particular practice would have gone in without cost-sharing." (p. ——), and "Because I think it is quite prevalent in almost every area." (p. ——).]

COST OF IRRIGATION PRACTICE

Senator Fong. How much is the program?

Mr. Frick. We estimate for it in the 1975 year about $12 million.

Senator Fong. Just for this phase of it?

Mr. Frick. For this phase of it. $190 million for the total program for this year, 1975.

Senator Fong. For this particular item we are talking about, irrigation?

Mr. Frick. About $12 million.

Senator Fong. How much of that have you expended last year?

Mr. Frick. I probably would have to submit that because I just have a revised—$8 million for 1974.

Senator Fong. For 1975?

Mr. Frick. We would project $10 million to $12 million.

Senator Fong. This is the program you are going to abolish?

Mr. Frick. This would be the one we would not have in our regular handbook. It would be only as a special program.

DEVELOPMENT OF ACP PRACTICES

Senator Fong. You said you have a recommendation from the county. What do you mean by that?

Mr. Frick. There is a county development committee that works with the State and on to here on ideas they have for conservation in their counties.

Senator Fong. You mean to add on to what you have?

Mr. Frick. Yes, generally speaking. Including what we have.

Senator Fong. Are these new practices you would install?

Mr. Frick. Yes.

Senator Fong. How many of these new practices do you think are questionable?

Mr. Frick. It is a questionable activity on a lot of new practices, as far as the expenditure of funds for conservation.

Senator Fong. You have had the authority to deny the use of the money for certain practices?

Mr. Frick. Yes; in putting it in the national handbook. Again, they can come in with special practices. Some of those can be recognized at the State level and others in the Washington level.

Senator Fong. Who has the last say as to whether a certain practice will be funded?

Mr. Frick. I sign off on the national handbook.

Senator Fong. And if there is a new practice by the county committee that they wish to be installed, you decide as to whether that——

Mr. Frick. Some of these will be decided at the State level. There is a State development group and a State committee involved. Some of those will be decided there. Some will be decided here. I don't have a listing where.

Senator Fong. We are talking about $10 million to $12 million?

Mr. Frick. In the irrigation; yes, sir.

Senator Fong. Thank you.

CONCLUDING REMARKS

Senator McGee. It is just a matter of arriving at an understanding that we are not going in opposite directions once we enter some of the areas where there are differences.

We always have this, whether we have a Democratic administration in or a Republican one running the Department. That is really not the point. We often have a difference in the point of view at the legislative level and the Congressional appropriating level. I think that what it ought to have taught all of us over the years is that nobody has a monopoly on the wisest possible answer. It takes a mix.

The only way you can arrive in an open society at some kind of a decision there is to give and take, where you work out a cooperative approach among those trying to achieve understanding.

We do the best we can. You win a few and you lose a few. That is the way it happens. We have tried to clear up any areas that might have been unclear since our hearing last month. That is why we appreciate your

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coming up here today and letting us spell that out a little more specifically.

We appreciate whatever consideration you can give to it down there.

Mr. Frick. Fine, Mr. Chairman. I will be back with you before this goes out. We hope to get it out on Monday because the thing is late.

Senator McGee. Fine. Very good. Thank you. We turn now to the Farmers Home Administration, and its leader, Frank Elliott.

DEFENSE BUDGET: SPENDING MORE, GETTING LESS

Mr. PROXMIRE. Mr. President, how long it takes for simple concepts to catch hold. For many years, there have been warnings from Congress that the defense budget was growing larger on the one hand and yet producing less. The emphasis on supersophisticated weaponry, the parochial service interests in obtaining only the latest, "hottest" version of any weapon, the tendency for defense industry to sell the most expensive concepts to a receptive Department of Defense—these are the reasons we are getting less for our dollar today.

This is our own unique brand of unilateral disarmament. We do not replace older weapons on a one-for-one basis. Instead we insist on a system that will cost 5 or 10 times as much and then we wonder why force levels are declining. The simple fact is that our own policies are forcing reductions in our military capabilities. And these policies have little to do with the overall level of funding for defense. They are internal economic choices.

The "hi-lo" concept came into being so that this declining force level problem could be reversed. Unfortunately the "hi-lo" has come to be an excuse to buy all contenders rather than select the few necessary. When faced with the choice between two weapon systems we end up by buying both and claiming one is for the "high" side, the other for the "low." This is not efficiency. This a a bureaucratic stratagem to please every contractor, every parochial service element, and it does not solve the declining force level issue.

Mr. President, several of these issues were addressed recently in a Forbes magazine article. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Spending More, Getting Less

The Defense Department's record budget—$104 billion for fiscal 1976—will get a rough working over from a Congress disgusted with Indochina and worried about an unmanageable federal deficit. But Congress will have to think twice about cutting defense sharply; for there is no longer any doubt that the U.S. relative military strength is declining while that of potential enemies is increasing in both size and sophistication. If nothing else proved this, the latest Arab-Israeli war did. Soviet arms in the hands of the relatively inept Egyptians and Syrians made the best showing yet against American weapons wielded by the highly skilled and motivated Israelis.

The worrisome fact is that most of the Pentagon's record budget will provide little in additional military power in return for its fantastic cost. Militarily, the U.S. is having to run faster and faster just to stand still. The problem is not simply financial. The entire American system has become frighteningly cumbersome.

The Defense Department itself is part of the problem—as Secretary of Defense James R. Schlesinger concedes. And so is Congress and the defense industry. All have been deeply committed to ever more complex weapons to the point where it is no longer possible for the strained U.S. economy to provide such weapons in needed numbers. How can it be that the richest nation cannot afford an efficient defense establishment?

Run through our catalog of weapons: "deep-penetration" fighter bombers; aircraft carriers; manned strategic bombers; surface-ship-based anti-submarine warfare systems. All of these carry frightening price tags. A single new aircraft carrier costs $1 billion. Whereas World War II fighters like the P–47 cost $89,000 each, a modern F–15 fighter costs $15 million. In the Middle East the situation was even worse: In three weeks of warfare, the two sides lost between them some 2,200 tanks. The U.S. bill for making up Israel's losses: $2.2 billion, over $700 million for every week of the fighting. Not even the U.S. could afford this tremendous kind of loss for long.

Costly and complex as many of our weapons are, it is difficult to defend them against relatively cheap and simple counterweapons. During the Yom Kippur war, for example, multimillion-dollar Israeli aircraft were shot down by relatively cheap Soviet-built ZSU–23/4 cannon and Strela missiles. The U.S. missile most comparable to the Strela, the Redeye, costs only $24,000. We have no cannon as good as the ZSU–23/4.

Particularly during the first few days of the war, significant numbers of Israeli tanks were destroyed by Soviet-built RPG–7 shoulder-fired rockets. The American counterpart to the RPG–7, the LAW rocket, costs about $75.

Countermeasures and countertactics to the RPG–7 and other antitank weapons have been devised, but there are already counter-countermeasures. The point is that the balance is swinging away from the tank toward the relatively cheap antitank weapons.

To compound the problem, the expense, long development times and slow production rates of many big-ticket weapons mean that the U.S. will be forced to depend on them for 20 or 30 years into the future—well after technological advance makes them obsolete.

Until recent years, the U.S. technical and economic edge was so great the nation could afford to be sloppy about how it allocated its defense resources. The draft provided a reserve of low-cost, high-quality manpower. In any *really* bad crisis, the U.S. could threaten to use its overwhelmingly superior arsenal of nuclear weapons. The Cuban missile crisis seemed to prove that in a crunch the Soviets would be forced to back down.

That's all over. In the Mideast confrontation in 1973 the Soviets did *not* back down. The U.S. will probably never again attain anything greater than nuclear "parity" with the Soviet Union. And the volunteer Army means that the military is being forced to pay more for lower quality manpower. Unlike almost any other enterprise, defense has become *more*, not *less* labor-intensive; military pay and allowances will take 55% of the 1975 defense budget compared with 43.3% in 1964.

Which makes it all the more important that the dollars left over for hardware procurement and research and development actually go to buy practical weapons. Unfortunately, this is not necessarily the case.

The Navy's reliance on the aircraft carrier is a good example of this problem. The carrier was indispensable to the defeat of the Japanese in World War II. Since then, the surface Navy has been built around the carrier; most of its ships are organized around the carrier task forces.

The Navy is committed to having at least 12 attack carriers from now until the end of the century. At a capital cost of about $1 billion for each new nuclear carrier, plus the cost of aircraft, escort ships and operations and maintenance costs, that's quite an investment.

That investment becomes shakier every day. In 1967 the Egyptians proved the vulnerability of the large surface ship by sinking the Israeli destroyer *Eilat* with a Soviet-built "cruise missile." A cruise missile is a guided missile equipped with a jet engine and wings, in contrast to the ballistic missile, which has a wingless body and uses a rocket engine. It is not a terribly expensive or complex weapon. A French cruise missile, the Exocet, costs at most $400,00.

Since the sinking of the *Eilat*, the Russians, the French and the Israelis have made available cheap antiship cruise missiles to many countries. The missiles have become more accurate and longer ranged. The Navy argues that a carrier is hard to sink. That may be, but even one hit by a conventional warhead on the flight deck of a carrier could take the ship out of action for at least four months.

Even Senator Barry Goldwater, a staunch supporter of military spending, says. "It is generally conceded among strategic thinkers that the day of the carrier is past. Particularly in the Mediterranean, where it faces Soviet land-based aircraft, the carrier is at a loss." Privately, many high Defense Department officials agree.

Rather than seriously reevaluating the usefulness of the carrier and other surface ships, however, the Navy and its allies on Capitol Hill are buying increasingly expensive and dubious ways of defending them. The F–14 is one of these. At $20 million, fully armed, it is the most expensive fighter plane ever built. Will it do the job? There are doubts. Alton Quanbeck, a Ph. D. in aeronautical and astronautical engineering who was formerly with the Office of the Secretary of Defense, says: "It's theoretically possible, but very unlikely, that the F–14 would be able to defend the carrier against missile attack."

By the end of fiscal 1976 the U.S. will have lavished more than $1.5 billion on the F–14. In return, it probably will have acquired only a marginal improvement in the ability of carriers to defend themselves.

At the same time that the Navy is lavishing so much attention on an asset of declining value, it has been neglecting some very useful programs—particularly land-based antisubmarine warfare aircraft.

Dr. Quanbeck has this to say on the subject: "The Navy spends a lot of money on surface ships, largely for antisubmarine warfare. They like them partly because they give a lot of command opportunities to officers—there are a lot of men on the bridges of those ships. But the most effective antisubmarine warfare systems are *land*-based aircraft and hunter-killer subs.

"The Navy, though, is not interested in land-based aircraft—too much like the Air Force. They don't even buy enough sonobuoys [detection devices] for the land-based planes they do have."

Some high Defense Department officials agree. One says that "land-based aircraft are looking better and better these days for a lot of missions, including antisubmarine warfare."

The Navy isn't the only service guilty of misplaced enthusiasm. The Air Force's emphasis on acquiring the most versatile and sophisticated fighters possible is making it difficult for the U.S. to afford to match the Soviet Union's growing air power.

For example, the Air Force's new McDonnell Douglas F–15 fighter costs nearly $15 million a copy, more than three times the

cost of the F–4 fighter that it is replacing. Dr. Richard L. Garwin, an IBM Fellow at the Thomas J. Watson Research Center and an occasional consultant to the Defense Department, points out the paradox involved in this expensive weaponry: "While the F–15 can beat the improved Soviet MIG–21 on a one-to-one basis, an equal cost force of MIGs would just eat up the F–15, because the advantage of numbers is so great." (It is estimated that a MIG–21 would cost $2 million to build here. Thus the cost of a single F–15 would buy seven MIG–21s.)

The F–15 is expensive partly because it is supposed to be able to perform not one, but two difficult missions. One is the shooting down of other fighters. The other is delivering bombs deep inside hostile territory. Many defense experts doubt whether the "deep-penetration" bombing capability is worth the expense.

For the price of one F–15, the Air Force could buy at least two less ambitious but very effective aircraft, which between them could do the job; the General Dynamics F–16 lightweight fighter and the Fairchild A–10 attack aircraft. Senator Goldwater, a former Air Force Reserve Major General, thinks that "we should take another look at the F–14 and F–15 and possibly switch to the lightweight fighter. It's lower cost, and in some respects superior."

What has happened up to now is a classic bureaucratic compromise: The Air Force has agreed to take the F–16, but it wants F–15s as well. Its justification for this is the "need" for a "high-low mix" of expensive and cheap planes. One very senior Pentagon official, when pressed by a Forbes reporter, dismissed the "high-low mix" as a "budgetary gimmick" to sell the compromise to Congress and the public. It's as though someone decided to economize, not by trading his Cadillac and buying a VW as well.

Even the F–15 is easier to rationalize than the proposed B–1 strategic bomber. Nobody knows how much each will cost; Defense Department estimates are beginning to creep toward the $90-million mark. It's supposed to be a "follow-on" aircraft to the B–52. which will probably be going out of service in the 1980s.

The B–1 is supposed to be able to penetrate Soviet air defenses and launch short-range missile or bombs against ground targets. While it is designed (at great expense) to be able to fly at supersonic speed, it doesn't carry enough fuel to go that fast while performing its mission. In other words, there has been built into it, at great expense, a capability it can rarely if ever use.

IBM's Dr. Garwin claims the B–1's military objectives could be achieved much more cheaply. Says he: "The missiles the B–1 carries have just short enough a range so that the airframe launching them has to be inside enemy airspace. If you used longer-range cruise missiles, you could carry them in a slow, cheap transport aircraft, stand outside enemy airspace, and launch them in comparative safety.

"But the Air Force generals wanted a new bomber. After all, whoever got promoted commanding a fleet of expendable missiles?" Dr. Quanbeck estimates that "over a period of ten years we could save $20 billion by using cruise missiles launched from transport aircraft rather than the B–1."

Secretary Schlesinger doesn't really argue with this reasoning. "I share Dick Garwin's enthusiasm for the potential of the cruise missile," he says. Schlesinger hedges only slightly: "But before I commit myself, I'd like to see a working missile."

The Air Force and Navy are already working on long-range air- and sea-launched cruise missiles. They will probably have good working models before long. In fact, there's little reason to believe that the relatively inexpensive transport aircraft/cruise missile system won't be ready by the time the B–52 needs to be retired. In that case, the B–1 will be obsolete, at least in a cost sense, before it even gets into service.

Even at $84 million, however, the B–1 isn't the most expensive plane that's in this year's budget. That honor belongs to the $111-million Airborne Warning & Control System (AWACS), known in some Pentagon circles as the BBO, which is The Boeing Bail-Out.

The original idea behind the $4-billion AWACS program was to build a long-range "look-down" radar into a Boeing 707 and use it to detect Soviet bombers attacking targets in the U.S. and Canada. Unfortunately, just as the tremendous technical problems of building the radar and its computers into a 707 were solved, the Defense Department concluded that the Soviet bomber threat was not all that serious after all. The AWACS became a plane in search of a mission.

After a little head-scratching, the defense spenders found a "mission." The AWACS was to be deployed in Europe, where its radar and computers would be used to coordinate NATO's tactical air forces. This would be a useful function for some plane to perform—but many doubt the AWACS could do the job.

Charges one defense analyst, "It was a classic case of taking something designed for one mission and trying to get it to perform another." Early this year the General Accounting Office attacked the AWACS in an Air Force-censored report. The report pointed out that the Soviets are *already* able to jam AWACS' radar, and that the large, slow plane would be very vulnerable in any serious European conflict.

THE SHORTEST DISTANCE?

It would be unfair to place all the blame for poor management on the Pentagon. Some of the worst examples of waste are systems forced on the military by congressmen pushing their own whims or their constituents' products.

Last year, for example, the powerful Texas congressional delegation wanted the Air Force to spend $300 million to buy LTV's A–7 attack aircraft and General Dynamics' F–111 fighter-bomber.

The Pentagon, however, did not really want the planes. The A–7 had been proved by field trials to be less cost-effective than the new A–10. The F–111 was one of the great procurement disasters of the Johnson Administration; military men really wanted the program to come to an end. Whatever their other faults, though, the planes had one great virtue in the eyes of some congressmen: They were built in Texas.

Congressmen are frequently unwilling to support economy measures proposed by the Defense Department civilian leadership. They tend, for example, to support the closing of military bases anywhere but in their own districts.

The Trident ballistic missile submarine is a good example of congressional gold-plating. These $500-million boats were designed to replace the aging Polaris submarines. Last year, appalled by their cost, Secretary Schlesinger came up with a $350-million alternative design: the SSBNX submarine.

Congress didn't take the hint, and decided to continue the Trident program. "I can't understand it," Schlesinger commented to Forbes. "I suppose strategic nuclear forces have a certain fascination."

It would be easy to conclude from these examples that Pentagon procurement is a hopeless mess. There are, however, some encouraging signs of rationality creeping into the system. While he was Deputy Secretary of Defense, Hewlett-Packard co-founder David Packard managed to get the idea of efficiency and cost-consciousness into some brass-hatted heads. According to Schlesinger, "A lot of the credit for the introduction of an inexpensive, effective lightweight fighter belongs to David Packard."

LEAVE MANAGERS ALONE

Packard, now back as board chairman of Hewlett-Packard, says: "I came to the conclusion that the only way out of these procurement problems was to put good men in charge of programs and leave them alone. The Pentagon and Congress were just getting too involved in detail. The contractors should be given a relatively simple set of performance specifications, and then left to compete over putting together the best system. The lightweight fighter is a good example of how this system can work."

Despite some success, though, Packard eventually resigned his job, frustrated by the Potomac paper wars. As one Assistant Secretary of Defense put it: "The trouble with Dave Packard was that he thought the shortest distance between two points was a straight line."

Since taking over the Department in 1973, Secretary Schlesinger has been doing some straight-line thinking himself. His "new products manager." Director of Defense Research & Engineering Malcolm R. Currie, is doing his best to keep sophistication-for-its-own-sake out of future weapons programs.

Currie and some career military officers are pushing the development of affordable weapons. "I'm convinced," Currie told Forbes, "that we can arrive at new systems that are high-quality, but that aren't so elaborate. We're also looking at the weapons we already have and what we can do to stretch out their useful lives."

That sounds like ordinary commonsense, but it's a revelation to a lot of people in the defense business. Economy-minded defense managers have already had some successes. Several new systems are coming into cost"—contractors were actually forced to count their pennies like the rest of us.

The new F–16 lightweight fighter Dave Packard thinks so highly of is one example of a weapon designed with tight budgets in mind. So is the Fairchild A–10 attack aircraft. Both of these are effective weapons, despite the fact that the contractors were forced to work with limited budgets.

There are also new weapons developments that are actually cheaper than the systems they'll replace. For example, expensive, manned combat and reconnaissance aircraft may be partly replaced by "remotely piloted vehicles" (remotely controlled planes). Not only are the RPV's cheaper, since they don't need all the life support equipment of a manned plane, but they can maneuver better and stay up longer. Teledyne Ryan's new Compass Cope reconnaissance aircraft can stay in the air for over 24 hours, since it has no human pilot to tire out.

Which contractors will be helped by the shifts in defense technology and which ones will be hurt? The answer is obscured by the Pentagon practice of handing out contracts more on the basis of its traditional suppliers' need for business than their efficency and cleverness.

A shift toward cost-conscious contracting and larger numbers of cheaper weapons could actually help the defense industry. In recent years companies such as Grumman and Lockheed have had their profit margins eaten up by the gross inefficiencies in their military programs.

Better controls could clearly work to their advantage as well as the Government's. Also, since the real money in defense contracting is in programs with long production runs, inexpensive weapons that can be made in large quantities could improve defense contractors' returns on equity.

BUDGING THE BUREAUCRACY

However well-intentioned, Schlesinger Currie and their allies are a very thin layer

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on top of a frequently unresponsive bureaucracy. As one Washington observer puts it: "Schlesinger is probably the best prepared Defense Secretary we've had, but he hasn't really been able to take control. He really needs stronger top and middle management."

It takes time and political support to build that kind of organization. Schlesinger lacks both. Defense Secretaries come and go, but the bureaucracy and military-minded congressmen seem to go on forever. As Schlesinger points out: "I'm working now on 1980 weapons procurement programs that were initiated in 1965." If he follows the pattern of most Defense Secretaries, he'll be leaving in a year or two. Under those circumstances, it's hard to give the Pentagon machine more than a slight push in the right direction, whereupon it usually slips back. In the meantime, as Schlesinger himself laments, "I am devoting 80% of my time talking with Capitol Hill and with the press."

There is more at stake here than money. The basic problem with nearly all defense establishments is that they are not a competitive business. Waste, politics as usual, bureaucracy and empire-building don't seem to matter much in the military—not, that is, until the moment of truth arrives on the battlefield. And then it is too late. Congress will do well to remember this when it finally makes up its mind on the defense budget this year.

1974 INCOME TAX RETURN OF SENATOR HASKELL

Mr. HASKELL. Mr. President, because I believe that public officials' financial affairs should be available as a matter of information to the public, and following my precedent set in previous years, I ask unanimous consent that my 1974 income tax return be printed in full in the RECORD.

There being no objection, the return was ordered to be printed in the RECORD, as follows:

U.S. INDIVIDUAL INCOME TAX RETURN

Name: Floyd K. & Eileen N. Haskell.

Address: 2707 Williamette Lane, Littleton, Colo. 80120.

County: Arapahoe.

Occupation: U.S. Senator.

Spouse's Occupation: Housewife.

Filing Status: Married (filing jointly). Two exemptions.

Wages, salaries, tips, and other employee compensation, $42,500.00.

Dividends, $25,264.93, Less exclusion $200, Balance, $25,064.93.

Interest income, $3,605.85.

Income other than wages, dividends, and interest (from line 38), $4,363.43.

Total (add lines 9, 10c, 11, and 12), $75,534.21.

Adjustments to income (such as "sick pay," moving expenses, etc. from line 43), $3,628.12.

Subtract line 14 from line 13 (adjusted gross income), $71,906.09.

Tax, check if from: X Schedule D, $18,654.90.

Income tax (subtract line 17 from line 16), $18,654.90.

Total (add lines 18 and 19), $18,654.90.

a. Total Federal income tax withheld (attach Forms W-2 or W-2P to front), $11,056.24.

b. 1974 estimated tax payments (include amount allowed as credit from 1973 return), $9,000.00.

Total (add lines 21a, b, c, and d), $20,056.24.

If line 22 is larger than line 20, enter amount overpaid, $1,401.34.

PART I—INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

Net gain or (loss) from sale or exchange of capital assets (attach Schedule D), $5,143.46.

Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E), $(1,006.27).

Other (state nature and source—see instructions on page). Collections on Acc/Rec for fees for legal services as attorney prior to election to U.S. Senate, $226.24.

Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12, $4,363.43.

PART II—ADJUSTMENTS TO INCOME

Employee business expense (attach Form 2106 or statement), $3,628.12.

Total adjustments (add lines 39, 41, and 42). Enter here and on line 14, $3,628.12.

PART III—TAX COMPUTATION (DO NOT USE THIS PART IF YOU USE TAX TABLES 1–12 TO FIND YOUR TAX.)

Adjusted gross income, $71,906.09.

(a) If you itemize deductions, check here [X] and enter total from Schedule A, line 41 and attach Schedule A, $17,216.31.

Subtract line 45 from line 44, $54,689.78.

Multiply total number of exemptions claimed on line 7, by $750, $1,500.

Taxable income. Subtract line 47 from line 46, $53,189.78.

Foreign accounts, none.

MEDICAL AND DENTAL EXPENSES

One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below), $150.

Total (add lines 1 and 9). Enter here and on line 35, $150.

TAXES

State and local income, $2,392.38.

Real estate, $2,348.62.

State and local gasoline (see gas tax tables), $31.

General sales (see sales tax tables), $302.68.

Total, $5,074.88.

INTEREST EXPENSE

Home mortgage, $4,328.39.

Vet. Admin., $12.74.

Int Rev Serv (amend ret), $20.19.

Chemical Bank, $1,625.95.

Total, $5,987.27.

CONTRIBUTIONS

Total contributions, $855.

MISCELLANEOUS DEDUCTIONS

See attached statement, $5,149.16.

SUMMARY OF ITEMIZED DEDUCTIONS

Total medical and dental, $150.

Total taxes, $5,074.88.

Total interest, $5,987.27.

Total contributions, $855.

Total miscellaneous, $5,149.16.

Total deductions, $17,216.31.

PART I DIVIDEND INCOME

(H) Sheridan Sav & L Assoc, $33.60.

Hagar Research, $542.97.

Terra Chemicals Intl, $375.00.

(W) ATT, $474.00.

Chem NY, $420.00.

Pac Gas & Electric, $1,484.00.

Bankers Trust NY, $150.00.

GE, $800.00.

Comm Ed., $460.00.

PSC of Col, $1,060.80.

Am Natl Gas, $688.89.

No Ill Gas, $184.32.

RCA, $306.00.

Civ Elec Ill, $384.00.

Procter & Gamble, $720.00.

Westinghouse, $291.60.

Pabst Brewing, $3.64.

Gulf Oil, $2,362.50.

Texaco, $1,234.80.

Allied Chem, $480.42.

Exxon, $3,000.00.

Mobil, $2,400.00.

Std Oil of Ind, $2,455.20.

General Motors, $1,700.00.

Warner Lambert, $592.9[illegible].

E. I. DuPont, $550.00.

Cont'l Corp., $1,730.85.

Am Cyanimid, $290.00.

Total of line 1, $25,475.[illegible]1.

Nontaxable distribution, $210.58.

Total, $210.58.

Dividends before exclusion, $25,264.93.

PART II INTEREST INCOME

(H) N E Mutual, $11.57.

Crescent Hills Inc., (undivided interest in note received in dissolution of Mtn. Valley Assoc), $1,564.28.

(W) U.S. Treasury, $2,030.

Total interest income, $3,605.85.

SUPPLEMENTAL STATEMENT: SCHEDULE A, LINE 33

(Miscellaneous Deductions)

From Form 2106, Part II, line 2, $3,328.15.

Denver Bar Association Dues, $50.00.

Chemical Bank tax fee, $80.00.

Chemical Bank custodian fee, $597.20.

Legal fee for preparation of tax returns, $300.00.

Legal fee for protection of investment in Mtn Valley Assoc., $693.81.

Contribution to Colorado Democratic Club (Colorado Century Club), $100.00.

Total, $5,149.16).

PART II. LONG-TERM CAPITAL GAINS AND LOSSES

500 sh Barnes Eng. $1,0[illegible]0.

1000 sh Terra Chem Int, $9,087.24.

800 rts Pac Gas & Elec, $166.48.

Share of net long-term gain, $33.19.

Share of net long-term gain from small business corporations, $10,286.91.

Net long-term gain, $10,286.91.

PART III. SUMMARY OF PARTS I AND II

Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here, $10,286.91.

If line 14 shows a gain—

(a) Enter 50% of line 13 or 50% of line 14, whichever is smaller. Enter zero if there is a loss or no entry on line 13, $5,143.45.

(b) Subtract line 15(a) from line 14, $5,143.46.

PART VI. COMPUTATION OF ALTERNATIVE TAX

Enter amount from Form 140, line 48, $53,189.78.

Enter amount from line 15(a), $5,143.45.

Subtract amount on line 45 from amount on line 44 (but not less than zero), $48,046.33.

Enter smaller of amount on line 13 or line 14, $10,286.91.

Tax on the amount on line 46, $16,083.17.

If the block on line 47 or 49 is checked, enter 50% of line 45; otherwise enter 25% of line 49, $2,571.73.

Alternative Tax—add amounts on lines 54 (if applicable), 55, and 56. If smaller than the tax figured on the amount on Form 1040, line 48, enter this alternative tax on Form 1040, line 16, $18,654.90.

PART III INCOME OR LOSSES FROM PARTNERSHIPS, ESTATES OF TRUSTS, SMALL BUSINESS CORPORATIONS

Sucan Ltd., ($61.75).

Canus, Ltd., ($268.08).

Mtn. Valley Assn., ($76[illegible].00).

High Hopes, $107.56.

Totals, ($1,006.27).

Maximum amount of retirement income for credit computation, $2,286.

PART II COMPUTATION OF NET EARNINGS FROM NONFARM SELF-EMPLOYMENT

(b) Partnerships, joint ventures, etc. (other than farming), ($1,006.27).

(e) Other (See Form 1040 instructions for line 37.) Specify Collections on Acc/Rec for fees for legal services as attorney prior to election to U.S. Senate, $226.24.

Totals, ($780.03).

Nonfarm optional method

9 (a) Maximum amount reportable, under both optional methods combined (farm and nonfarm), $1,600.

SOCIAL SECURITY SELF-EMPLOYMENT

Net earnings (b) From nonfarm, ($780.03).

The largest amount of combined wages and self-employment earnings to social security tax for 1974 is $13,200.

PART 1.—EMPLOYEE BUSINESS EXPENSES DEDUCTIBLE IN COMPUTING ADJUSTED GROSS INCOME ON FORM 1040, LINE 15

Travel expenses while away from home on business (number of days NA): $9,848.60.

(a) Meals and lodging (away from Wash., D.C. and Littleton, Col. overnight), $965.90.

(b) Other travel expenses (Specify Washington, D.C. living expenses of U.S. Senator (I.R.C. § 162(a)), $3,000.

Total travel expenses, $13,814.50.

Employee expenses other than traveling, transportation, and outside salesman's expenses to the extent of reimbursement, $11,647.88.

Total lines 1, 2, 3, and 4 (See supplemental statement attached), $25,462.38.

Less: Employer's payments for above expenses, $21,834.26.

Excess expenses, $3,628.12.

PART II.—EMPLOYEE BUSINESS EXPENSES WHICH ARE DEDUCTIBLE IF YOU ITEMIZE DEDUCTIONS ON SCHEDULE A (FORM 1040)

Business expenses other than those included above (Specify) (See supplemental statement attached), total, $3,328.15.

SUPPLEMENTAL STATEMENT: FORM 2106 (EMPLOYEE BUSINESS EXPENSES)

I. TRAVEL EXPENSES

Expense item	Total expense (reported in pt. I, lines 1(a), 1(b) and 1(d))	Amount reimbursed (total included in pt. I, line 6)	Amount unreimbursed (total reported in pt. I, line 7 and form 1040 line 41)
Fares (line 1(a))	9,848.60	9,788.61	59.99
Meals and lodging (line 1(b))	965.90	397.77	568.13
Washington, D.C., living expenses (line 1(d))	3,000.00	------------	3,000.00
Totals	13,814.50	10,186.38	3,628.12

II. OTHER EMPLOYEE EXPENSES

Expense item	Total expense	Amount reimbursed (total included in pt. 1, line 6)	Amount unreimbursed (total reported in pt. II, line 2 and in schedule A, line 33)
Publications	2,707.34	2,679.09	28.25
Communications (expenses for informing constituents)	7,541.80	5,969.39	1,572.41
Office supplies and maintenance	3,172.27	2,999.40	172.87
Entertainment	1,022.79	------------	1,022.79
Miscellaneous	531.83	------------	531.83
Total	14,976.03	11,647.88	3,328.15

TREASURY GUIDELINES ON HOME PURCHASE TAX CREDIT

Mr. KENNEDY. Mr. President, the Treasury has recently issued guidelines for the home purchase tax credit under the major tax cut legislation passed earlier this month. In light of the many inquiries my office has received on the credit, I ask unanimous consent that the Treasury guidelines may be printed in the RECORD. I also ask unanimous consent that the Treasury's overall summary of the tax cut law may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, D.C., April 9, 1975.

TECHNICAL INFORMATION RELEASE 1360

Guidelines for claiming the credit for purchase of a new principal residence under the Tax Reduction Act of 1975 were announced today by the Internal Revenue Service. Taxpayers may rely upon the guidelines pending issuance of regulations.

Section 208 of the Act, new Internal Revenue Code section 44, provides a Federal income tax credit of 5 percent of the taxpayer's adjusted basis with respect to a new principal residence purchased or constructed by the taxpayer, if it is constructed, acquired, and occupied within specified periods. The maximum credit is $2,000 ($1,000 in the case of a married taxpayer filing a separate return), and the credit may not exceed the amount of the taxpayer's tax liability.

To qualify for the credit the following conditions must be met:

(1) The residence must be a new principal residence,

(2) The construction must have begun before March 26, 1975,

(3) The residence must be acquired and occupied as a principal residence after March 12, 1975 and before January 1, 1977,

(4) Except in the case of self-construction, a binding contract for the purchase of the residence must be entered into before January 1, 1976, and

(5) Except in the case of self-construction, the buyer must attach to his return a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale.

The property purchased must be a new principal residence of the taxpayer, the original use of which commences with the taxpayer. The term "principal residence" refers to the place where the taxpayer lives most of the year and has the same meaning as under section 1034 of the Code. The term "residence" includes a single family structure, a residential unit in a condominium or cooperative housing project, the taxpayer's portion of a duplex or a row house, and a mobile home. The residence must be new. A renovated building does not qualify as new for this purpose, regardless of the extent of the renovation. The "original use" of the new principal residence by the taxpayer means that such residence has never been lived in prior to acquisition by the taxpayer. For these purposes, a residence will be treated as never having been lived in prior to acquisition if the first occupancy was by the taxpayer pursuant to a lease arrangement pending settlement under a binding contract to purchase or pursuant to a lease arrangement where a written option to purchase was contained in the original lease agreement.

The credit applies only to a new principal residence the construction of which began before March 26, 1975. For this purpose, construction is considered to commence when actual physical work on a significant amount has occurred at the building site. A significant amount of construction requires more than drilling to determine soil conditions, preparation of an architect's sketches, securing of a building permit, or grading of the land. However, digging of the footings, excavation of the building site, or similar work constitute a significant amount of construction.

Construction of a mobile home or a factory-built house is considered to commence when construction of important parts of the mobile home or factory-built house commenced. Construction or assembly of a minor portion of the components of the mobile home or factory-built house does not constitute commencement of construction.

The credit applies only to property acquired and occupied as a principal residence by the taxpayer after March 12, 1975, and before January 1, 1977. However, where the residence is acquired by purchase rather than self-construction, it must also have been acquired by the taxpayer under a binding contract entered into before January 1, 1976. For these purposes, a taxpayer has "acquired" a residence when legal title to it is conveyed to him at settlement, or he has possession of it pursuant to a binding purchase contract under which he makes periodic payments until he becomes entitled under the contract to demand conveyance of title. The credit may not be claimed until both the acquisition and occupancy tests have been satisfied. Thus, where a taxpayer meets the acquisition test set forth above after March 12, 1975, and occupies the property as a new principal residence before January 1, 1976, the credit is allowed on the taxpayer's 1975 tax return. Thus, a taxpayer may be entitled to the credit with respect to a residence where a purchase contract was entered into prior to March 13, 1975, so long as settlement and occupancy occur after March 12, 1975.

Taxpayers claiming the credit should attach new IRS Form 5405 to their tax returns on which the credit is claimed. An announcement will be made when the form is available. Except in the case of self-construction, taxpayers must also attach a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale.

The following form of the certification statement will be accepted:

I certify that the construction of the residence at [specify address] was begun before March 26, 1975, and that this residence has never been offered for sale in a listing, a written private offer, or an offer by means of advertisement at a lower purchase price than [state price], the price at which I sold the residence to [state name, present address, and social security number of purchaser] by contract dated [give date].

[Date, seller's signature and taxpayer identification number.]

An offer to sell is limited to a listing, a written private offer or an offer by means of advertisement to sell a specified residence at a specified purchase price.

In determining whether a residence was sold at the lowest purchase price ever offered, appropriate adjustment shall be made for differences in financing terms and closing costs which increase the seller's actual net proceeds and the purchaser's actual cost. Where the sale to the taxpayer includes property which was not the subject of the prior offer or excludes property which was included in the prior offer, the amount of the prior offer shall be adjusted to reflect the fair market value of such property, provided that the taxpayer had the option to require inclusion or exclusion of such property included in the sale. The fair market value of any excluded property is to be determined at the time of the prior offer, while all additions are to be valued at their fair market value on the date of execution of the contract of sale.

The adjusted basis of the new principal residence on which the credit is computed includes all amounts which are attributable to the acquisition or construction of the

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taxpayer's new principal residence, but only to the extent that such amounts constitute capital expenditures and are not allowable as deductions in computing taxable income. The adjusted basis is reduced by any gain from the sale of an old principal residence, which is not recognized due to the application of section 1033 or section 1034. Thus, if a taxpayer sells an old principal residence for $30,000 which has an adjusted basis of $20,000 and reinvests the proceeds by purchasing a new principal residence for $40,000 (including settlement costs which are capital in nature) and this purchase satisfies the statutory criteria under section 1034 for nonrecognition of gain, then the credit would apply with respect to $30,000 of the cost of the new principal residence. The credit allowable under this section does not in any way affect the taxpayer's basis in his new principal residence.

The Tax Reduction Act also increased the replacement periods provided in section 1034 from 1 year to 18 months in the case of purchase and from 18 months to 2 years in the case of self-construction. This provision applies to old residences sold or exchanged after December 31, 1974.

Where self-construction of a principal residence was begun before March 13, 1975, only that portion of the basis of the property allocable to construction after March 12, 1975, and before January 1, 1977, shall be taken into consideration in determining the amount of the credit allowable. Thus, if prior to March 13, 1975, a taxpayer who qualifies for the credit has constructed a portion of a residence at a cost of $10,000 and the total cost of the residence is $40,000, $30,000 will be subject to the credit.

Where a new principal residence is purchased by more than one taxpayer other than a husband and wife, the amount of the credit allowed will be allocated among the taxpayers in proportion to their respective ownership interests in such residence, with the limitation that the sum of the credits allowed to all such taxpayers shall not exceed $2,000. For this purpose, joint tenants with right of survivorship are treated as equal owners.

The credit is allowed with respect to only one residence of the taxpayer. In addition, the credit is not available for purchases from certain persons related to the taxpayer. Such related persons include the taxpayer's spouse, ancestors and lineal descendants and certain related corporations, partnerships and trusts described in section 267 and 707(b) of the Code.

The Act also provides for recapture in the event of a sale or other disposition of the residence within a 36-month period with exceptions for reinvestment in a new principal residence and for certain involuntary dispositions.

Civil penalties and criminal fines and imprisonment could result from false certification by a seller. If it is found that the price for which the residence was sold is not in fact the lowest price for which the residence was ever offered for sale, then the statute provides that a seller who certified that it was, is liable to the purchaser for damages in an amount equal to three times the excess over the lowest purchase price plus reasonable attorney's fees. No income tax deduction is allowed to the seller for two-thirds of any damages paid or incurred pursuant to a judgment entered against him in a suit brought by a purchaser on this issue. An individual who falsely certifies is liable for criminal penalties such as those under section 1001 of Title 18 of the United States Code.

In the absence of the taxpayer's participation in, or knowledge of, a false certification by the seller, the credit is not denied to a taxpayer who otherwise qualifies for the credit solely because the seller has falsely certified that the new principal residence was sold at the lowest price at which the residence was ever offered for sale.

DEPARTMENT OF THE TREASURY.

SUMMARY OF FACTS ON TAX CUT BILL

1. *Rebate of 1974 taxes:*

Rebate generally equals 10% of 1974 tax liability.

Minimum rebate equals lesser of actual tax liability or $100.

Maximum rebate equals $200, phased down to $100 between AGI $20,000 and $30,000.

For married persons filing separately, $50 minimum $100 maximum and phase down between $10,000 and $15,000.

Rebates disregarded for purposes of other benefits programs.

Cost: $8.1 billion.

2. *Standard deduction changes:*

Minimum standard deduction (low income allowance) increased from $1,300 per return ($650 for married persons filing separately) to $1,900 for a joint return or surviving spouse, $1,600 for single persons, and $950 for married persons filing separately.

Maximum standard deduction increased from 15% of AGI (with a maximum of $2,000, or $1,000 for a married person filing separately) to 16% of AGI (with a maximum of $2,600 for a joint return or surviving spouse, $2,300 for a single person, and $1,300 for married persons filing separately.

Effective for one year (generally 1975 calendar year).

Cost: $2.5 billion.

3. *Personal exemption tax credit:*

New $30 per exemption tax credit (except blind and aged exemptions) in addition to present law personal exemptions.

Effective for one year (generally 1975 calendar year).

Cost: $5.3 billion.

4. *Earned income credit:*

Refundable credit equal to 10% of earned income of an eligible individual with maximum of $400.

To be eligible, must maintain a household within the United States that includes a dependent child.

Maximum credit phased down to zero between AGI $4,000 and AGI $8,000.

Under AFDC provisions, the earned income credit is taken into account in determining AFDC eligibility.

Effective for one year (generally 1975 calendar year).

Cost: $1.5 billion.

5. *Child care deduction:*

Increases the income level at which the phase out of the maximum allowable deduction ($4,800) begins. The old phase out began at $18,000, phasing down to zero at $27,600. The new phase out begins at $35,000, phasing down to zero at $44,600—permanent change.

Cost: $0.1 billion annually.

6. *Sale of principal residence:*

Increases from 12 to 18 months the period during which the seller of an old principal residence must purchase a new principal residence, if he wishes to apply section 1034 to avoid recognition of gain. When construction of the new principal residence is begun by the taxpayer himself, the period is increased from 18 to 24 months.

Permanent change.

Cost: Nominal.

7. *House purchase credit:*

New tax credit for purchases of a principal residence equal to 5% of the taxpayer's tax basis, with maximum credit of $2,000. A taxpayer's tax basis in a new principal residence may be less than cost if, for example, he sold an old principal residence, avoided recognition of gain through the application of section 1034, and was required to reduce his basis in the new principal residence by the amount of gain not recognized.

Applies only to purchases of new houses (including mobile homes and residential units in condominiums or cooperative housing projects). That is, the taxpayer must be the first occupant.

Applies only to new houses, etc., the construction of which was commenced prior to March 26, 1975.

Purchaser must attach to his tax return a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale. If the certification is false, the purchaser may recover, in a civil action, three times the difference between the purchase price and the lowest offered price (plus a reasonable attorney's fee) and the seller may be prosecuted.

Effective for acquisitions after March 12, 1975, and before January 1, 1977, but applies to 1976 acquisitions only if constructed by the taxpayer or acquired by the taxpayer under a binding contract entered into before January 1, 1976.

Cost: $0.6 billion.

8. *Withholding:*

New withholding tables reflecting standard deduction changes, personal exemption tax credit, and earned income credit to take effect May 1, 1975. IRS advises that employers may be unable to meet that deadline even if new tables made available by IRS in record time.

9. *Investment credit:*

Two year increase in investment credit from 7% (4% in the case of public utilities) to 10%. Upon lapse of the temporary increase, public utilities would again be eligible for a 4% credit only.

Additional 1% credit (for total 11% credit) during the two year temporary period for corporate taxpayers only and on condition that stock of the taxpayer (or a parent corporation) having a value equal to the tax savings generated by the additional 1% credit is transferred to an employee stock ownership plan (ESOP). No deduction is allowed to the employer for the transferred stock, and the employees are not taxed until they receive distributions from the plan. The plan may be a qualified or a nonqualified plan.

For public utilities, increase in the portion of tax liability that may be offset by the investment credit from 50% to: 100% in 1975 and 1976, 90% in 1977, 80% in 1978, 70% in 1979, 60% in 1980, and back to 50% in subsequent years.

Increase from $25,000 to $100,000 in amount of used property that may qualify for investment credit.

Provision for credit to be allowed as progress payments are made, a permanent change.

Cost: $3.3 billion.

10. *Corporate tax rate changes:*

Surtax exemption (which determines amount taxable at rates below 48%) increased from $25,000 to $50,000 of taxable income.

Rate on first $25,000 of taxable income reduced from 22% to 20% (second $25,000 of taxable income will be taxable at 22% rate, balance of income at 48% rate).

Effective for taxable years ending in 1975.

Cost: $1.5 billion.

11. *Accumulated earnings tax:*

Minimum accumulated earnings tax credit increased from $100,000 to $150,000.

Permanent change.

Cost: Nominal.

12. *Work Incentive (WIN) Program Tax Credit:*

WIN credit of 20% of wages paid to a new employee during first 12 months of employment extended to employment of welfare recipients if employment lasts at least one month. Under present law, the new employee must be a participant in the WIN program administered by the Departments of Labor and Health, Education and Welfare and must be employed for at least 24 months.

As under present law, the new employee may not displace another employee.

Unlike present law, the expanded credit would apply to nonbusiness employees (e.g., domestics), but the maximum credit with respect to each such nonbusiness employee would be $200.

Employment of migrant workers not covered.

Effective with respect to wages paid to employees hired after the date of enactment for services rendered between the date of enactment and July 1, 1976.

Cost: Nominal.

13. *Certain Pension Plan Contributions:*

For H.R. 10 plans, advanced by one year (to 1976 contribution for 1975 plan years) a provision permitting cash basis taxpayers to treat contributions made before April 15 as having been made in the preceding year.

14. *Unemployment compensation:*

Extends the maximum period of benefits from 52 to 65 weeks, for weeks of employment ending before July 1, 1975.

Cost: $0.2 billion.

15. *Payment to Social Security Recipients:*

Provides $50 payment to each individual who for the month of March, 1975, was entitled (without regard to sections 202(j)(1) and 223(b) of title II of the Social Security Act and without the application of section 5(a)(ii) of the Railroad Retirement Act of 1974) to (1) a monthly insurance benefit under title II of the Social Security Act, (2) a monthly annuity or pension payment under one of the Railroad Retirement Acts, or (3) a benefit under SSI.

Payments to be made no later than August 31, 1975.

Any individual entitled to only one such payment.

Only United States residents are eligible.

Payments to be disregarded for purposes of other programs.

Cost: $1.7 billion.

Note respecting permanence of changes.

As noted above, virtually all of the tax changes and increased benefits are drafted as temporary changes and benefits effective for only one year or at most two years. The only permanent changes are: (1) the provision for the investment credit to be allowed on progress payments, (2) the raising of the phase-out level for the child care expense deduction, (3) the expansion of the tax-free rollover period for sales of a principal residence, and (4) the increase in the accumulated earnings tax credit.

16. *Limitation on percentage depletion:*

Eliminated immediately for majors.

Exception: 22% retained for all producers for regulated natural gas and natural gas sold under fixed contract.

Royalty interest owners and independents (producers with no retail outlets who refine less than 50,000 bbl/day) have small production exemption.

Small production exemption: 22% remains for 2,000 bbl/day and phases down 200 bbl/day each year for 5 years, then holds at 1,000 while rate phases down: 20% for 1981, 18% for 1982, 16% for 1983, so that for 1984 and thereafter the exemption is 1,000 bbl/day at 15% (applies alternatively at taxpayer's election to natural gas on 6,000 cu. ft.: 1 bbl. equivalence).

For secondary and tertiary production at the rate under the small production exemption stays at 22% until 1984 when it drops to 15%.

Except for *new* fields acquired in section 351 transfer or transfer at death, small production exemption applies to production from *new* fields only if discovered by taxpayer.

Aggregation rules prevent multiple exemptions for related entities. Family members treated as one taxpayer.

Depletion allowance under small production exemption limited to 65% of taxpayer's taxable income (computed without regard to any depletion on small production amount, capital loss or NOL carrybacks).

Increased revenue: $1.6 billion.

17. *Foreign Oil-Related Income:*

New limitation on foreign tax credits of oil companies to 100% of the U.S. rate in 1975 (52.8% of income); 105% of the U.S. rate in 1976 (50.4% of U.S. income) and 50% of U.S. income in 1977.

Carryforwards from years prior to 1974 to years after 1974 will be computed as though the foregoing rules were in effect during those years.

Excess credit resulting from the application of these rules can only be used to shelter other oil-related income, including income from shipping, refining, marketing, interest, and dividends.

Requires for taxable years beginning after 1975, the use of the overall limitation in the computation of the foreign tax credits of oil companies.

New recapture rule for losses incurred in oil operations; foreign oil income earned after December 31, 1975, will be treated as U.S. source income to the extent of any oil-related losses sustained after that date.

Bars use of tax credits with respect to the purchase of oil where the taxpayer does not have an economic interest in such oil and where such oil is not purchased and sold at its fair market value. This provision is effective for years after December 31, 1974.

18. *Deferral—Changes in Subpart F:*

Terminates the minimum distributions exception to subpart F (Section 963).

Terminates the exception to subpart F which allows deferral where tax haven income is reinvested in a less developed country corporation.

Revises the present rule permitting deferral of tax on foreign tax haven income where less than 30% of such income is tax haven income to terminate such deferral where the tax haven income exceeds 10% of income.

Terminates the exception to subpart F for shipping income except where such income is reinvested in shipping operations.

Allows deferral of income on sales by a foreign sales corporation of agricultural products which are not grown in commercially marketable quantities in the U.S.

All of the foregoing changes are effective in taxable years beginning after December 31, 1975.

19. *DISC:*

Terminates DISC deferral privileges for sales of energy resources such as coal, oil and uranium.

Effective for sales made after March 18, 1975.

20. *Oil Rigs—Investment Tax Credit:*

Disallows investment tax credit for oil rigs used in international or territorial waters outside the northern portion of the western hemisphere effective for investments after March 18, 1975, unless made pursuant to contracts binding on April 1, 1974.

Additional revenues: (Sections 17, 18, 19 and 20 combined): $0.1 billion first year, $0.6 billion in following years.

COMPARISON

Comparison of the effects on Fiscal Year Receipts of the President's Stimulus Package, The House Bill, The Senate Bill, and The Conference Bill.

[In billions of dollars]

	Fiscal years	
	1975	1976
President's stimulus program [1]	−7.3	−9.0
House bill	−10.0	−7.3
Senate Finance Committee bill [2]	−13.0	−16.5
Conference bill [3]	−10.7	−10.5

[1] Adjusted from original estimate for different timing on the 1st rebate payment.

[2] Excludes $3.4 billion of payments to social security benefits and $0.2 billion of unemployment payments.

[3] Excludes $1.7 billion of payments to social security benefits and $0.2 billion of unemployment payments.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

COMPARISON OF HOUSE, SENATE AND CONFERENCE BILLS

[In billions of dollars]

Tax reductions	House	Senate	Conference
1 Individuals:			
Refund of 1974 liability	8.1	9.7	8.1
Standard deduction increase	5.2		2.5
Credit		6.3	5.3
Tax rate reductions		2.3	
Earned income credit	2.9	1.5	1.5
House purchase credit		1.1	.6
Child care		1.7	.1
Home insulation		.7	
Total individuals	16.2	23.3	18.1
Business:			
Investment tax credit	2.4	4.3	3.3
Corporate surtax exemptions	1.2	1.2	1.2
Tax rate reduction		.7	.3
Loss carryback, carry forward		.5	
Repeal truck excise taxes		.7	
Total business	3.6	7.4	4.8
II. Increased expenditures:			
$100 payment to certain program beneficiaries		3.4	1.7
Emergency unemployment benefits		.2	.2
Total increased expenditures		3.6	1.9
III. Tax increases:			
Depletion	(2.2)	(1.7)	(1.6)
Foreign oil taxation		(1.5)	(.1)
Deferral of foreign income		(.5)	
Total tax increases	(2.2)	(3.7)	(1.7)
Total net revenue loss	17.6	30.6	23.1

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains for the transaction of routine morning business?

The PRESIDING OFFICER. Until 1:15 p.m.

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MEDICAL DEVICES AMENDMENTS OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now

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proceed to the consideration of S. 510, which will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 510) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices.

TWENTY MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 20 minutes, with the understanding that the time consumed by the recess not be charged against either side.

The motion was agreed to, and at 1:04 p.m. the Senate recessed until 1:24 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Haskell).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Javits may speak for not to exceed 2 minutes, and that Mr. Stennis may speak for not to exceed 2 minutes, and that both Senators may speak out of order without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. Javits and Mr. Stennis are printed in today's Record under Statements on Introduced Bills and Joint Resolutions.)

MEDICAL DEVICES AMENDMENTS OF 1975

The Senate continued with the consideration of the bill (S. 510) to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 510. Time for debate on this bill is limited to 1 hour to be equally divided and controlled by the majority and minority leaders and their designees, with 20 minutes on any amendment except an amendment to be offered by the Senator from Wisconsin (Mr. Nelson) on which there shall be 1 hour of debate.

Mr. KENNEDY. Mr. President, I yield myself such time as I may need.

Mr. President, I rise on behalf of myself and Senators Javits, Williams, Pell, Abourezk, Beall, Cranston, Hathaway, Randolph, and Schweiker to urge the enactment of S. 510, the Medical Device Amendments of 1975. If ever there was a piece of legislation whose time has come, it is surely this one.

In 1963 the U.S. Congress passed landmark drug legislation which required that all pharmaceutical products be proven safe and effective before they could be permited in the marketplace. As a direct result of this legislation, the United States has become recognized throughout the world as having the highest standards of safety and efficacy for prescription drugs. Because of these standards there have been no tragic thalidomide catastrophies in this country. Because of these standards there is unlikely to be one in the future.

It is the intent of S. 510, the medical device amendments, to require the same standards of safety and effectiveness for medical devices as we currently have for prescription drugs. Every President since President Kennedy has recognized the urgent need for medical device legislation. They have all understood that without it the American people will continue to be subjected to indefensible risk of illness, injury and even death. As far back as 1970, Dr. Theodore Cooper then the Director of the National Heart and Lung Institute headed a panel to review the need for medical device legislation. That panel reported on some 10,000 injuries caused by medical devices; 731 resulted in the death of the patient. For example, 512 deaths and 300 injuries were attributed just to heart valves; 89 deaths and 186 injuries were attributed to heart pacemakers; 10 deaths and 8,000 injuries were attributed to IUD's.

No one precisely knows how these figures have grown since 1970, though the recent GAO report on defective cardiac pacemakers adds additional disturbing evidence. We can only be sure that they have grown and that other Americans have died from faulty medical devices. Much of the illness and injury and many lives could have been saved if the Food and Drug Administration had the authority to require that medical devices be safe and effective before they are put into wide use. At the present time, the FDA can only act after the fact—after a medical device has taken its costly toll.

In January of this year, the Health Subcommittee held a hearing which illustrates the continuing tragic consequences that result from the absence of medical device legislation. The hearing focused on the Dalkon Shield, an IUD which was used by 2 million American women and hundreds of thousands of women overseas before the very significant health hazards of the device became known. Deaths and injury resulted from the use of the Dalkon shield. Yet all witnesses before the committee testified that medical device legislation could have prevented these medical tragedies.

In 1938 when the Food and Drug Act was first passed, the medical device industry was very small and did not play a central role in American medicine. It is therefore understandable that no regulatory authority was given over this then struggling industry. Today the medical device industry plays a prominent role at the very heart of American medicine. Many devices today are actually used to sustain life. As medical technology continues to advance so will the technology of medical devices. We will grow more and more dependent upon medical devices in the future. We stand to benefit a great deal from them but we must be sure that they are safe and effective in order to avoid needless injury and death.

The Medical Device Amendments of 1975 are identical in every respect to the measure which passed the Senate without dissent last year. Medical device legislation has the support of the administration, the devices industry, consumer groups, and the medical profession. I very much regret that our colleagues in the House of Representatives were unable to complete action on this measure last year. I know that this is a matter of high priority for them now, however, and the outlook for final passage is better than it has ever been.

Mr. President, S. 510 attempts to recognize the complexity and diversity of the medical device industry. It utilizes national experts to classify medical devices into three categories and then applies a degree of regulatory control appropriate to the particular category. The most hazardous devices, for example, those that are used in life-threatening or life-sustaining situations would require full premarket testing and clearance before they are allowed on the market. Premarket clearance represents the highest degree of regulatory control and I believe it is the most important. It is here that future catastrophies will be prevented. It is here that the deadly toll that medical devices have already taken will be reduced. It is here that the needless illness and injury can be eliminated. The Secretary of Health, Education, and Welfare is given wide discretion by the legislation to enable him to declare that any device be subjected to premarket clearance if he determines that that is necessary in order to protect the public health and safety. The legislation is written so that the benefit of the doubt is always given to the consumer. After all it is the consumer who pays with his health and his life for medical device malfunctions.

The second category provided for by the bill allows setting of standards for certain categories of medical devices. When those standards, in and of themselves, will be adequate to fully protect the public health and safety.

The final category is for those devices which are generally recognized as safe and effective when used for their intended purpose—an example of this would be a tongue depressor.

The purpose of this classification system is to recognize that there are tens of thousands of medical devices and that they range in importance from mere convenience items to true life-sustaining devices.

Every effort has been made in S. 510 to assure that all affected parties, the device industry and consumers, have the full opportunity to appeal FDA regulatory decisions to both independent advisory councils and to the courts, if necessary. Full judicial review has been built into every step of the medical device legislation.

The legislation also recognizes the fact that there will be a first-time for all medical devices to be tried in human beings. Thus the legislation imposes the highest standards of informed consent upon the clinical testing process.

Mr. President, this is truly a landmark piece of regulatory legislation. It is every bit as important to the mission of the Food and Drug Administration as is the authority to regulate safety and effectiveness of prescription drugs. It is a long and complex piece of legislation. It is for that reason that I placed a copy of the committee report of last year into the Congressional Record when I introduced the bill. I wanted my colleagues to have a full chance to review the details and implications of the legislation. The bill before us today is identical in every respect to the bill described in that report.

The Senate has acted on this measure before. We must now act again. We are talking about regulating an industry that recognizes the need for regulation and which supports medical device legislation. We have the support of the administration, reaffirmed to us by FDA Commissioner Schmidt in the January hearing of this year. I know that my colleagues agree as to the urgency of finally enacting medical device legislation. I urge approval of S. 510.

Mr. President, I ask unanimous consent that John Hunnicutt, Jay Cutler, Renee Bergmann, Nik Edes, and Don Elisburg be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that Judith Robinson of my staff, be granted privilege of the floor during the course of the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be read.

The assistant legislative clerk proceeded to read the amendment.

Mr. NELSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 4, line 25, insert before the period the following: ", or is intended to be implanted in human beings, unless the Secretary determines on the basis of specific recommendations by the appropriate classification panels that the use of such a specific implanted device or type of device does not pose a health hazard."

The PRESIDING OFFICER. The Chair would ask the Senator whether this is the amendment on which the Senator has 1 hour of debate?

Mr. NELSON. Yes.

The PRESIDING OFFICER. I thank the Senator.

Mr. NELSON. Mr. President, I think the pending legislation is a very important and necessary piece of legislation. I think that it is very well drafted and reaches to a very important problem that needs to be dealt with.

I think there is one specific feature that can be, and I believe should be strengthened. That is the purpose of the amendment I have sent to the desk, which would require that all implanted medical devices be subject to scientific review prior to their being approved for marketing unless the Secretary, on the basis of specific recommendations by the appropriate classification panels, determines that the use of such an implanted device does not pose a health hazard.

The bill as it passed the Senate last year contains language that I offered, which requires that all devices that are life sustaining or life supporting be subject to premarket scientific review. This is found on page 4 of the bill, in section 511(c)(1)(B)—lines 21 through 25—"Preliminary classification of devices."

In addition, language in the bill allows the Secretary of HEW to declare that a device—or type or class of device—shall be subject to scientific review with respect to any particular use or intended use thereof if he determines that scientific review for any device is appropriate to protect the public health and safety, and he finds that other means may not be appropriate to reduce or eliminate such risk of illness or injury. This language is on page 30 of the bill—lines 2 through 9—in section 514(a)(1), "When scientific review is required."

In the past year, considerable scrutiny has been given to the safety of interuterine contraceptive devices—IUD—because of reports of deaths and serious injury occurring from their use.

The House Subcommittee on Intergovernmental Relations, chaired by Representative L. H. Fountain, and the Senate Health Subcommittee, chaired by Senator Kennedy, have held hearings on the problems reported with IUD's and one in particular, the Dalkon Shield. Industry and FDA records show that five women may have died from complications arising out of the Dalkon Shield's insertion when a pregnancy occurred, and 32 to 40 cases of septecemia—blood poisoning—may have been caused by the Dalkon Shield.

Testimony before these committees clearly demonstrates that such implanted devices should have been more thoroughly tested under careful scientific scrutiny before they were implanted in some 2 million American women—not afterwards, and after women had died or suffered severe health hazards.

The IUD is a perfect example of the need not only for this legislation, to expand the Government's regulatory authority over medical devices, but particularly of the need for careful premarket testing of certain devices.

The bill before you does not require implantable devices to undergo premarket scientific review. The bill does allow the Secretary discretion to require such testing for "those devices for which insufficient information exists to assure effectiveness, or assure that exposure to such devices will not cause unreasonable risk of illness or injury, and for which standards or other means may not be appropriate to reduce or eliminate such risk of illness or injury, and which therefore should be subject to premarket scientific review pursuant to section 514". This language is contained in the first section, 511, "preliminary classification of devices," pages 4, lines 13 through 21.

I believe this discretionary authority is not adequate to protect the public health and safety from the very kind of problems that have arisen because implanted IUDs were not adequately scientifically studied. Problems are known about other implantable devices, which are not necessarily life sustaining or life supporting.

Dr. Richard P. Dickey, associate professor of obstetrics and gynecology at Louisiana State University School of Medicine, a member of an ad hoc committee of scientific experts called on by the FDA to examine the Dalkon Shield problem, testified January 28, 1975 before the Senate Health Subcommittee that scientific review would be appropriate to the Dalkon Shield. He stated that other members of the committee may also consider it appropriate. He said, in reference to data about the comparative risk of the Dalkon Shield:

> These are all tentative because we do not have the hard data of scientific review that is required in the case of new drugs. It is the lack of scientific review that is at the very basis of our problem with devices, and this device in particular.

Dr. Charles McDowell, Lynn, Mass., another witness at the Senate hearing and another member of the same ad hoc committee, wrote FDA Commissioner Dr. Alexander Schmidt on January 20, 1975, quoting from the recommendations of the ad hoc committee which noted that—

> Existing data are insufficient to permit a thorough scientific review of the safety and adequacy of IUD contraceptive devices.

Mr. Joseph Mamana testified before the Senate subcommittee that "none of the—IUD's—have gone through a preclearing procedure." If they had, he added, the hearing might not have been necessary.

The report on this bill makes it clear that the Labor and Public Welfare Committee intends that IUDs be subject to premarket clearance. However, this amendment makes it mandatory that all implantable devices undergo scientific review, unless the Secretary determines that the use of such an implanted device does not pose a health hazard.

Mr. President, I ask unanimous consent to have printed in the Record a statement showing examples of implanted devices that have posed problems because they were not adequately scientifically reviewed prior to marketing, and a statement by Dr. Joseph B. Davis.

There being no objection, the material was ordered to be printed in the Record, as follows:

Implanted Devices That Have Posed Problems

Examples of implanted devices that have posed problems because they were not adequately scientifically reviewed prior to marketing:

IUDs.—Hearings conducted by Senator

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Kennedy and by Rep. L. H. Fountain before the House Intergovernmental Relations Subcommittee showed that IUDs have caused numerous problems, in some instances, health hazards, which would have shown up with more thorough premarket testing. Physician witnesses questioned by Fountain stated that IUDs should be premarket tested.

Super Coil Abortion Device.—Caused numerous complications and permanent damage when used to induce abortions. Was never properly tested, according to experts in the abortion field, and there are no published reports documenting its safety in the medical literature.

Defective Inhalation Equipment.—Problems with three types of devices, including one child's death, are reported by a Los Angeles hospital, which requested but did not receive from at least one company evidence of previous animal and human studies.

Non-Radioopaque Intravenous Catheter.—A 1971 article in the American Journal of Roentgenology documents 100 cases in which a plastic catheter broke off and caused serious harm or death to a patient, illustrating inadequate premarket testing. They are still available "for selected customers, including Defense Personnel Support Center," according to the manufacturer.

Heart Valves.—Changes in materials or components that were inadequately tested resulted in serious failures of parts of certain heart valves, including one model that had a failed strut. Four deaths have been attributed to this failure. More thorough premarket testing would have shown up such problems.

Orthopedic implants.—There are some 30–40 cases in literature describing failures of such devices, including problems with metal fatigue that resulted in breaks, which premarket testing would have demonstrated particularly hip prosthetics, and possible leaching of toxic substances such as polyvinyl chloride from plastic-covered bone pins into the bloodstream).

Evolution of Ventriclo-jugular shunt.—This device drains hydrocephalic fluid from the brain to the circulatory system. Jamming and infection have been major problems, which would have shown up with more adequate testing experimentally.

Dental fillings.—They are made of highly toxic substances, such as mercury, and beryllium, and are constantly changing, thus warrant premarket review.

Vitallium Discs.—Vitallium is a material used in many orthopedic prostheses, previously thought to be inert but never tested thoroughly. In a report to the N. Y. Academy of Sciences, Conference on Occupational Carcinogenesis, March 24, 1975, an Italian scientist reported that vitallium discs implanted in subcutaneous tissues of rats induced cancer, and that vitallium is not an inert substance.

Pacemakers.—Although, under the Senate-passed medical device bill of last year, heart pacemakers would be required to undergo scientific review because they are "life-sustaining" or "life-supporting", they are an example of the lack of such scientific premarket review. The FDA has concluded that problems with many pacemakers, now showing up, are due to "improper design, material or part selection, or processing"; proper premarket testing would have brought out many of these problems.

Silicone Breast and other Implants.—Problems identified with these implants include gangrene.

Example of what scientific review might be required: For bone pins, about which much is known, but for which problems also are known, tests might be developed and required that address only the problems, with a rereview required in future years. Substances might be required to be placed in a solution for a short period of time, to determine whether they leach.

Test protocols could be changed to accommodate new data.

At issue in this legislation is the difference between scientific review and standards: Meeting standards means that differently constructed devices—like automobiles—are required to perform the same way.

Scientific review means that types of devices must be clinically tested according to protocols recommended by scientific experts, to determine whether the devices are safe and effective in their performance.

Scientific review protocols would not be prescribed in law. They would be determined by scientific experts in the regulatory agency or advising the agency.

Such protocols can be changed more quickly and readily than can standards.

Standards take a long time to be established, based on lengthy discussions and public comment.

Scientific review protocols may be short term or long term, depending on what problems need to be studied. They can be established quickly. They can be adapted to studies needed. Nothing in the amendment tells the agency what the protocols or scientific tests should be. That is up to scientific experts and the regulatory agency. Test requirements obviously would vary in degree dependent on type and use of the device.

There is an important difference between device scientific review and drug premarket clearance as required by law: Much already is known about devices. Test protocols could be adapted to what is not known or what is determined to be inadequate scientific evidence on which to adjudge a device's safety and efficacy. Lengthy clinical trials for scientific review are not needed for many devices. Much scientific information can be obtained by short-term testing, such as leaching tests for bone pins.

Every device or implantable item would not have to be individually tested: Each type would have to be certified as meeting scientific review test protocols.

Support for scientific review: An independent testing laboratory in Philadelphia, the Emergency Care Research Institute, recommends that scientific review be mandatory for 1. devices that are implanted or contact mucous membranes for prolonged periods of time; and 2. those that emit energy that contacts the human body.

Dr. Joseph Davis, Director, Scientific Review of the HEW Office of Medical Devices, submitted testimony on his personal behalf to both the Senate and House Subcommittees on Health last session, stating that, in his more than 25 years experience with standard-setting, the process is lengthy and cumbersome. He further stated: "The concept of evaluating products on the basis of a 'scientific review' by the Agency would provide a more flexible basis on which the operate, one not tied in or geared to 'drug thinking' nor dependent upon committee decisions."

STATEMENT OF JOSEPH B. DAVIS, M.D.

I cannot stress too strongly the important differences between drugs and devices. Drugs, which are basically chemical entities, are consumed on a short-term individual dosage basis and are changed or destroyed in the body. Devices, on the other hand, which involve all the physical sciences plus all the divisions of the biological sciences, are used on an individual product basis for a short time or for the life time of the patient, and are usually intended to be as inert as possible. The involvement with medical devices may be more clearly understood if it is compared to our Nation's efforts to put man into space. There the problem dealt with the interdisciplinary efforts to put a biological system (man) with a capsule (a mechanical device) into space. In the field of medical devices, we are putting the capsule (a mechanical device) into man, a concept far removed from the use of a drug. . . .

It is apparent that to make an adequate and proper classification of medical devices based on "safety and efficacy" that a "scientific review" is required. Obviously, all devices will have to be reviewed, scientifically, in any aspect of consideration. . . .

3. In the case of new device products or changes in old devices on the market, when the safety and efficacy is unproven or not demonstrated, scientific review would be the method of choice to protect the consumer even though "experts" may find that scientific review does not seem to be indicated. . . .

In effect, it is proposed that all devices be subjected to a certain amount of scientific review, the depth and amount of scientific review to be dependent upon the importance of the device (based on the priorities and where or how it was used). . . .

Once a device had been evaluated as to its safety and efficacy relative to its use on the patient and found acceptable, it would be approved for such use. If, at a later date, problems developed, improvements were made, etc., the product would be subject to review again from the aspect of the change, problem, etc. Further, I can see nothing objectionable in allowing the manufacturer of such a Government approved article to so state on that article. This could well tie in with an annual registration of the device to be discussed later. . . .

Standards: Standards for medical devices have, unfortunately and impractically, been seen as the beginning and end point for the solution of the many problems related to medical devices. Such concept is highly impractical. Those standards which are in existance would be useful in the scientific evaluation of a device for which the standards were applicable. Unfortunately, no single standard for a medical device will cover all those aspects related to safety and efficacy that should be considered in such a scientific evaluation. Further, it is economically and scientifically not possible to write all the necessary standards that would be required. I have repeatedly made the statement (and no-one knowledgeable in standard making has disagreed) that if all the scientists in the United States who are knowledgeable and informed as to what is involved in writing a standard were to work 24 hours a day for the next 10 years, they still would not have written the required standards for the some 20,000 or more medical devices presently existing. Since such standards will require a re-review and up-dating every 3 to 5 years because of techonolgical changes, the problems are further complicated as to the time and effort required.

Mr. NELSON. This amendment presumes the need for scientific review unless the Secretary determines on the basis of scientific panel recommendations, that certain implantable devices do not need to undergo such scrutiny because they do not pose a hazard.

I think this amendment is necessary and important applying to all implanted devices. Though the bill deals with this question, I think it leaves the language too discretionary and this amendment would correct that.

Mr. President, the manager of the bill is familiar with the amendment. I am prepared to yield back the remainder of my time unless the Senator from Massachusetts (Mr. KENNEDY) wishes to respond to the amendment.

Mr. KENNEDY. Mr. President, the Senator from Wisconsin has contributed immeasurably to this legislation and he has followed this particular aspect of the legislation with great interest.

I believe all of us can agree that that is one of the essential aspects of the device legislation. Within that range of devices which are actually implanted in the body there are highly sophisticated devices such as cardiac pacemakers and simple ones such as tooth fillings.

The Senator from Wisconsin has targeted in on the general area, and that medical devices which are implanted in the body.

I understand the Senator from Wisconsin wants to make absolutely sure that the scientific classification panel reviews all implantable devices and that pre-market clearance is required whenever appropriate.

That seems to me to carry through, certainly, the thrust and purpose of the legislation.

On the one hand, we ought to make absolutely certain that we are going to have the complete and full review when there is a sound basis, a scientific basis, for such review.

It seems to me that this amendment carries through, as I mentioned, the purpose of the legislation and is entirely acceptable to me. I would hope that it would be acceptable to the other members of the committee.

Mr. SCHWEIKER. Mr. President, I just want to say that the minority was consulted on this amendment. I certainly concur with what the Senator from Massachusetts has said, and I also support the amendment.

Mr. NELSON. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time on the amendment.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SCHWEIKER. Mr. President, I yield myself such time as I may require.

Mr. President, the pending bill is identical to a measure passed by the Senate in 1974. This legislation is necessary because of the rapid technological changes in the medical device field recently. The sophistication of modern medical devices makes careful testing necessary to determine if a device operates safely and as claimed. In early regulatory actions the Food and Drug Administration was able to carry its burden of proof that a device is unsafe or misbranded through expert testimony; more recently FDA has had to undertake testing of devices suspected of violating the Federal Food, Drug, and Cosmetic Act. Many devices are so intricate that skilled health professionals are unable to ascertain whether they are defective. Increasing numbers of patients have been exposed to increasingly complex devices which pose serious risk if inadequately tested or improperly designed or used.

The use of the wide variety of medical devices now available to the medical practitioner seems to increase daily; as they play a fundamental and increasingly more important role in the overall delivery of health care. The dramatic use of cardiovascular implants in the last 10 years, coupled with the more recent successes in the replacement of total joints by the orthopedic community is indicative of what the future offers in the area of implants alone. The phenomenal increase in the availability of diagnostic products is responsible for the millions of tests performed daily. These important advances as well as the many others we see occurring demonstrate the profound effect that medical devices have on the delivery of health care. Therefore, one can speculate that the present size and growth of the medical device industry may, within the decade, result in a dollar volume greater than the pharmaceutical industry. Such speculation only points out the importance of this sector of industry as well as the need for this bill.

Medical devices do not represent a uniform block of things, but rather, a diverse collection of many different kinds of devices. These devices are used by many different kinds of people, with various levels of training and competence for different purposes and at different times. There are different types of hazards and deficiencies associated with different types of devices. Devices such as radiographic units which produce ionizing radiation, implanted devices such as pacemakers or hip prostheses, diagnostic devices such as electrocardiographs, and clinical laboratory apparatus such as autoanalyzers all present very different kinds of problems associated with design, manufacture, quality control, marketing, purchasing, use, maintenance, and repair.

Mr. President, the present legislative authority as expressed in the Federal Food, Drug and Cosmetic Act is clearly inadequate and this legislation is long overdue. Indeed, a precise definition of a medical device has been needed.

The administration, through the efforts of the Cooper committee, mentioned in the committee's report, made a thorough review of the entire subject and suggested an approach designed specifically for the special problems associated with the regulation of medical devices. The Food and Drug Administration has been moving forward in a reasonable way to expand their influence under the present law and to anticipate what will be necessary when a new law is passed. The fact that laws in this area are noticeably weak will not be overlooked by the public, particularly if a disaster involving a device should occur.

During the 93d Congress, the Senate Committee on Labor and Public Welfare held hearings on medical device legislation, during which witnesses representing the administration, industry groups, consumer groups and professional groups agreed that there was a general need for medical device legislation.

S. 510, the Medical Device Amendments of 1975, would rely heavily on the need to develop standards for devices as a means for protecting the public health and safety. It requires that unreasonably hazardous devices used in life-threatening situations undergo a scientific review by the Department for Safety and Efficacy prior to their introduction into commerce, or, if already in commerce, to determine whether they may continue to be marketed. It would give all interested parties the opportunity to participate in the development of such standards and FDA would have adequate authority to enforce such standards.

For those critical devices which are being used experimentally, a mechanism is suggested which would place the burden on the manufacturers or sponsor of such devices to determine its safety and efficacy. It would provide for scientific review of the device by expert panels and approval by the Secretary of HEW before a device could be used on a widespread basis. This approach should not inhibit research efforts. I believe a federally regulated system of this type is necessary if we are to benefit from the development of new devices without sacrificing the health of the patient.

Other provisions of the bill would give FDA the authority to require the manufacturer or importer of a device to notify the Secretary, and, if necessary, certain purchasers of any defects in a device distributed by them. The Secretary may require that the defect be remedied or that the device be replaced or the purchase price refunded. The legislation would require conformance to good manufacturing practices, registration of manufacturers, maintenance of records and reports, factory inspection and the establishment of official names for devices.

The bill recognizes the benefits that medical research and experimentation to develop such devices offers to patients. It recognizes, too, the need for regulation to assure that the public is protected and that health professionals can have more confidence in the performance of devices.

Therefore, Mr. President, in order to insure the health and safety of those who use medical devices, I urge the adoption of the medical device amendments of 1975.

Mr. President, I ask unanimous consent that a letter from the Secretary of HEW outlining the administration's position on the pending bill be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 17, 1975.

HON. HUGH SCOTT,
Minority Leader, U.S. Senate,
Washington, D.C.

DEAR HUGH: There is before the Senate, as reported by the Committee on Labor and Public Welfare, S. 510, the "Medical Device Amendments of 1975."

The reported bill is identical with S. 2368, which was passed by the Senate during the 93rd Congress, providing the Food and Drug Administration (FDA) with a number of new authorities relating to medical devices. S. 510 would enable the establishment of mandatory standards, require premarket scientific review in certain cases, and control investigational devices. It would also require manufacturers to register, maintain records, make reports, notify FDA of defective products, and comply with good manufacturing practice regulations.

We have certain objections to the reported bill. as discussed below.

One of the principal issues of medical device legislation concerns what types of devices should be subject to scientific review.

> S. 510 provides that devices that are life-sustaining or life-supporting must be classified as requiring premarket scientific review even if standards or an exemption would be adequate. We believe this provision is too broad and that the following alternative language would be preferable to the first sentence of proposed section 514(a)(1) of the Act.
>
> Sec. 514. (a)(1) The Secretary may declare that a device (or type or class of device) for which scientific review has been determined to be appropriate pursuant to section 511(d) shall be subject to scientific review under this section with respect to any particular use or intended use thereof, if, after consultation with the appropriate panel or panels specified in subsection (b), and finds that (A) insufficient information exists (i) to assure effectiveness or (ii) to assure that exposure to such devices will not cause unreasonable risk of illness or injury and (B) scientific review may assure effectiveness or may reduce or eliminate such unreasonable risk and (C) no more practicable means to assure effectiveness or to reduce or eliminate the unreasonable risk are appropriate and (D) the device purports or is represented to be for a use which is of substantial importance in supporting, sustaining, or preventing impairment of human life or health.***
>
> Conforming amendments would be needed in proposed section 511 of the Act regarding criteria for classification of medical devices, including deletion of the last sentence in proposed section 511(c)(1)(B).
>
> The Department also opposes the provision in the bill concerning protection of human subjects in device legislation. The excessive specificity of this language would freeze into law the current requirements of Department policy, and thereby interfere with its further administrative updating to keep pace with developments in biomedical technology.
>
> As you are aware, the Department supported legislation similar to S. 510 in the 93rd Congress. If amended to meet the objections outlined above, the Department would have no objections to the substance of S. 510. If S. 510 were to become law, FDA's existing Bureau of Medical Devices and Diagnostic Products would be charged with carrying out the responsibilities created by the bill's enactment. The Senate should understand that, because of budget restrictions, the Bureau would begin to implement a strengthened medical devices regulation program within FDA's current resources. No additional sums would be necessary in the current year. In future years funds for this program will continue to be provided by adjustments in existing programs rather than by any increase in the FDA's budget.
>
> We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.
>
> Sincerely,
>
> CASPAR W. WEINBERGER,
> *Secretary.*

Mr. SCHWEIKER. If there are no further amendments, Mr. President——

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THURMOND). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask for the yeas and the nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, will the Senator yield me 1 minute?

Mr. SCHWEIKER. I yield.

Mr. JAVITS. Mr. President, I urge my colleagues to support the Medical Device Amendments of 1975 (S. 510), which I joined in introducing with Senator KENNEDY. In great measure the bill incorporates the provisions of S. 3028 of the 92d Congress and S. 1446 of the 93d Congress, both of which I introduced for the administration.

The bill provides the Department of Health, Education, and Welfare with urgently needed new authority to assure the safety and efficacy of medical devices. Three Presidents in seven Presidential messages have now called for this authority.

Electronic miniaturization, plastics, new methods of sterilization, and other advances in technology have worked a revolution in biomedical engineering. They have given us artificial heart pacemakers; kidney dialysis units; defibrillators; modern anesthetic equipment; cardiac, renal, and other catheters; surgical implants; artificial veins, arteries, and heart valves; intensive-care monitoring units; and a myriad of diagnostic and therapeutic instruments. These devices have saved many lives and contributed to better health care. Yet, they may also pose serious safety hazards. Moreover, future problems may be expected as new medical technology and instrumentation enter the field.

The increasing sophistication of medical devices combined with the inadequacies of current law have outpaced the HEW ability to protect the public from faulty medical devices. A key reason for this is that without the passage of this bill there is no duty upon medical device manufacturers to establish the safety or efficacy of their products prior to marketing under existing law. Nor does HEW have the authority to prescribe standards of safety to which these devices must conform. Instead, when HEW would learn that a manufacturer may be injuring or defrauding the public through the sale of an unsafe or useless article, it must undertake a time-consuming and expensive effort to prove to a court that the device is unsafe or that the manufacturers claims for it are false.

Moreover, even though a case may be decided in the favor of HEW, the protection of the consumer is by no means assured. For example, the testimony before the committee related how HEW expended some half million dollars over a 5-year period to take off the market a device known as the Relaxacizor, 400,000 of which were in distribution throughout the country. Nevertheless, even though the case was adjudicated in HEW's favor, a young Texas man in possession of one of these devices, and apparently unaware of its dangers, was electrocuted by it. How many of these devices still remain in the hands of unsuspecting users is unknown.

Such a case requires the Department to expend an inordinate amount of the resources allocated to device regulation, and thereby restrict investigative effort with respect to other dangerous or useless devices. Part of the problem stems from the lack of authority to require premarket scientific review of a medical device, however hazardous it may be; or to establish safety standards for those devices for which premarket review is unnecessary. However, it also suffers from a number of other regulatory deficiencies. This bill provides that explicit statutory authority.

The time for the enactment of medical device safety legislation has arrived. I urge my colleagues to pass this essential consumer protection legislation.

Mr. KENNEDY. Mr. President, I indicate at this point in the RECORD, so that all Senators will have notice, that I had considered adding an amendment on DES to this measure, since this would be an amendment to the Federal Food, Drug, and Cosmetic Act. The amendment applied to the use of DES both in cattle feed and as a morning-after pill. This amendment is required because of the inadequate way the Food and Drug Administration has handled this issue.

There has been rather serious concern or objection by the members of the committee to considering this amendment now because of the fact that even though it has been introduced as a separate bill, we did not have a chance to mark it up or to have any kind of report. My colleagues feel that we are really circumventing the procedures for this legislation.

Therefore, I am reluctant to move this amendment now, although I give assurance now that the first piece of legislation we will consider will be a separate measure on DES, and we will bring it to the floor of the Senate. I am hopeful that we can do it within the next week.

I give notice that I have every intention of adding the DES amendment on every piece of health legislation that comes to the floor of the Senate this year from my committee, until we can get that ban enacted. I am hopeful that we can have the broad support of my colleagues on the committee in this respect.

I am hopeful, and confident, that this will not delay the final result—enactment of the DES legislation. We will not delay the thrust of the legislation, because it should not be delayed.

This then is the way that we shall proceed. I am hopeful that we will have broad support. I know this has been a matter of great concern to my colleague, the ranking minority member, the Senator from Pennsylvania (Mr. SCHWEIKER), as well as to the Senator from New York (Mr. JAVITS). We look forward to acting.

Mr. SCHWEIKER. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, I am a sponsor with the distinguished Senator from Massachusetts of the DES bill. I think this is a very important bill. However, I feel bringing it up as a separate bill, rather than as an amendment to the pending bill, is the most effective way to proceed. I think we will have a

better opportunity, in the long run, to pass the legislation in that way. I want to assure him of my full support for this legislation. I want to put our colleagues on notice that it will be a separate bill, with adequate time for its consideration. I am hopeful that we will take prompt action on it.

Mr. RIBICOFF. Mr. President, enactment of the Medical Device Amendments of 1975 is long overdue because it would do away with the dangerous double-standard that now applies to protecting the public from drugs and medical devices that are unsafe or worthless. Under present law, a drug manufacturer must prove the safety and effectiveness of his product before placing it on the market, but no such requirement is placed on medical device manufacturers.

I strongly endorse these amendments to the Food, Drug, and Cosmetics Act to upgrade the Food and Drug Administration's regulatory authority over the medical device industry. There are now more than 1,500 companies producing as many as 12,000 different types of medical devices. Sales are estimated to be in the $3 to $5 billion range.

Most medical devices are designed and produced under the highest possible standards, and as the technology of sophisticated, critical devices has advanced, so has the health and longevity of the American people. This same advance in technology, however, has also increased the potential risk of pain, suffering, and death from shoddy workmanship and outright quackery in the medical device field.

It is high time that the laws governing medical-device manufacture, distribution, and use be improved to reflect this growing risk, without inhibiting the research and development needed to bring new and improved devices to the marketplace. That is precisely the balance struck by these amendments, and I commend Senator KENNEDY and his colleagues on the Health Subcommittee for their outstanding work on this extremely complex and important piece of legislation.

Mr. President, the provisions authorizing the FDA to establish mandatory medical-device standards, to undertake premarket scientific review, to require immediate notification of recalls and to obtain test records and other data are all of special significance because they respond to serious enforcement problems in FDA highlighted recently in an extremely critical report by the General Accounting Office.

This report, which I initiated nearly 20 months ago and released on March 14 of this year, found serious deficiencies in the way FDA's Bureau of Medical Devices and Diagnostic Products handled a "life-threatening situation" involving the recall of 23,000 cardiac pacemakers by four different manufacturers.

GAO, focusing primarily on the first recall involving nearly 600 General Electric pacemakers in 1972, found that FDA's investigation was hampered by the fact that it lacked legal authority to compel manufacturers to notify it of recalls or to produce records and data relating to defective pacemakers. The report made clear, however, that FDA did not exercise existing legal authority to inspect pacemaker plants, obtain samples of defective devices or run their own tests to determine the cause and to correct defects.

Generally, the GAO found:

> FDA's recall procedures require FDA to take measures to insure that the defective products are promptly removed from the market and the cause of the defect is identified and corrected. FDA did not take such measures in connection with GE's recall of defective cardiac pacemakers.

According to GAO, the defect common to all the recalls was short-circuiting caused by leakage of body fluids or battery electrolyte onto the pacemaker circuit boards. Nevertheless, GAO found that the FDA's Medical Devices Bureau did not establish a standard to deal with the moisture problem.

The Acting Director of the Bureau, David M. Link, told the GAO that he did not develop a standard for hermetic sealing—a method used by some pacemaker manufacturers to protect pacemaker circuitry from moisture—because "such a standard might restrain manufacturers' efforts in developing a solution to the moisture problem."

Subsequent to the GAO report, the Government Operations Committee learned that Link had rejected a recommendation from a member of his staff that FDA adapt a U.S. Navy standard for hermetically sealing semiconductors and other electronic components as the basis for developing an FDA standard for hermetically sealing pacemakers. The Navy standard included a finding that plastic encapsulated devices "suffer from a serious seal problem." Link, acknowledging the "unreliability" of plastic encapsulation—the same method used to seal the defective pacemakers—decided that the Navy standard was not applicable to the pacemaker because it applied to "discrete parts and not complete assemblies of electronic components."

Mr. President, when I first discussed the GAO report and the Navy standard issue—see CONGRESSIONAL RECORD, March 12, 1975, page 6279, and March 19, 1975, page 7537—I announced that I would obtain and make public the comments of the Department of Health, Education, and Welfare, FDA's parent agency, as well as of the four manufacturers of the recalled pacemakers.

I have decided to make these comments a part of the record of the debate on the medical device amendments because I believe they clearly illustrate the inadequacy of the present enforcement system.

The response of the Department, on behalf of FDA, as well as the corporate responses, raise many more technical and policy questions than they answer.

I am also placing in the RECORD a letter I have sent to Dr. F. K. Willenbrock, Director of the Institute for Applied Research, National Bureau of Standards, in an effort to resolve some very important technical issues. The most important question relates to what standards, if any, the FDA should apply to pacemakers to prevent a recurrence of the defects involved in the recent recall of 23,000 of the devices.

I am frankly puzzled and dismayed, Mr. President, that it is I—not the FDA—who must seek the advice of the Bureau of Standards to resolve this question. The FDA has contracted with an industry group to draft pacemaker standards, but tragically a moisture standard is not among those being drafted, according to GAO.

Meanwhile, there is a clear conflict between FDA and at least one representative of the pacemaker industry, the General Electric Co., as to whether hermetic sealing is now required to solve the moisture problem.

The Agency response, communicated by HEW, stated that "none of these recalls have occurred because of unanticipated or unexpected presence of moisture in the pacemaker." It went on to say:

> FDA, at this time, does not believe imposition of a standard simply to require the hermetic sealing of all implanted pacemakers is necessary or wise. Moreover, it could introduce other problems which would adversely affect the present utility of pacemakers.

General Electric, which has replaced the recalled pacemakers with a new model featuring a hermetically sealed circuitry board, stated in its response that one of the "essential conditions" for the earlier phenomenon causing the short circuiting "is the presence of water on the circuit board. We believe that total conversion to hermetically sealed electronic circuits in our pacemakers overcomes the problem."

If this solution is good enough for GE, which had to order two recalls of pacemakers because of the moisture problem, why isn't it good enough for the FDA and the rest of the pacemaker industry?

What is the likelihood that pacemakers still being manufactured without hermetically sealed circuit boards will fail?

Are there new technical problems, such as trapped gas from batteries, that will be encountered with hermetic sealing?

This is the thrust of the questions I have asked the Bureau of Standards to answer no later than April 23. I will make its response public as well.

Other aspects of the Government's response are less than satisfactory. At one point, it claims to give "a full accounting of the number of deaths and injuries known by FDA"; but at another point, the agency states:

> Frequently, the type of examinations of the patients and the device, before or after death, necessary to establish or rule out a causal relation between device failure and death is not accomplished.

GAO reported that FDA had done follow-up investigations to independently determine the number of deaths and injuries on only 68 of the 574 pacemakers originally recalled by GE. The agency's subsequent response indicates that for the rest of the recalled GE pacemakers, as well as for the balance of the 23,000 recalled pacemakers, FDA relied entirely on information reported by the firm, without doing even a random sample of physicians to corroborate each company's data.

It appears, therefore, that FDA limited

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itself to little more than checking off the recalled pacemakers as they were returned to each company without independently verifying the consequences of the recall. Based on the incomplete data of this investigation, FDA reported 29 possible deaths and 31 possible injuries, based on incomplete data, related to the recalled pacemakers.

In its response, the Agency states:

> In the subject recalls, the manufacturer recommended to physicians immediate surgical removal in less than 1,300 cases. Consequently, pacemakers subject to the "recall" which have not been explanted continue to be used successfully by the patient.

There was no explanation, however, as to why only 1,300 of the 23,000 recalled pacemakers had been removed from patients, assuming that the recalls were based on what the companies considered to be generic defects. It is not clear whether FDA monitored this aspect of the recall to determine whether the recalled pacemakers not surgically removed have, in fact, continued to operate "successfully."

Mr. President, the Department of HEW has asked for an extension to April 18 to submit FDA's complete response to the GAO findings. If some of these issues are not further clarified, I will seek some additional answers.

I believe the recent pacemaker recall demonstrates the need to strengthen FDA's authority to regulate the medical device industry. Assuming the medical device amendments are finally enacted, the only question that remains is whether FDA has the leadership to exercise these new powers assertively in the public interest.

I ask unanimous consent that there be inserted at this point in the Record my letter to the Bureau of Standards and the letters to me from the Department of Health, Education, and Welfare, the General Electric Co., Vitatron Medical Inc., Cordis Corp., and Biotronik GmbH & Co.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., April 15, 1975.

Dr. F. K. Willenbrock,
Director, Institute for Applied Research,
National Bureau of Standards,
Washington, D.C.

Dear Dr. Willenbrock: The Government Operations Committee is seeking to evaluate technical issues relating to what standards, if any, the Food and Drug Administration should apply to cardiac pacemakers to prevent defects involved in the recent recall of 22,000 such devices.

Enclosed please find a copy of a response dated April 4, 1975, from Caspar W. Weinberger, Secretary of Health, Education and Welfare, to my inquiries concerning various aspects of recent recalls, including the question of whether hermetic sealing of pacemaker components or of the entire devices could prevent the problems causing the recalls.

On page 10 of his response, Secretary Weinberger states:

"FDA, at this time, does not believe imposition of a standard simply to require the hermetic sealing of all implanted pacemakers is necessary or wise. Moreover, it could introduce other problems which would adversely affect the present utility of pacemakers."

Elsewhere in his response, the Secretary notes that General Electric has recently hermetically sealed the circuitry board of its pacemaker in an attempt to solve the "dendritic growth" problem. However, he also states that hermetic sealing cannot solve all pacemaker problems, including quality-control defects and leakage of gas and electrolyte from batteries. The Committee is unable to evaluate this information. Therefore, I would appreciate your addressing the following issues for the Committee:

1. Is the dendridic growth on the circuitry boards of defective pacemakers caused by moisture, and can such growth be prevented by hermetically sealing circuitry boards?

2. Although the U.S. Navy Standard for hermetic sealing of discrete electronic components is not directly applicable to circuitry boards, can the findings in this standard relating to "a serious (plastic) seal problem" be *adapted* to an FDA standard for hermetic sealing of pacemaker circuitry boards?

3. What problems, if any, might be introduced if such hermetic sealing were required?

4. Can the relative risks of pacemaker failure be assessed between hermetic sealing and no hermetic sealing of circuitry boards?

5. Would you recommend that FDA establish a standard for hermetic sealing of pacemaker circuitry boards?

6. Would hermetic sealing of circuitry boards also eliminate the short-circuiting problem caused by leakage of electrolyte from pacemaker batteries?

7. Would hermetic sealing of batteries pose a trapped-gas problem inside of pacemakers? In particular, can an absorbant agent be used to eliminate this problem under hermetically sealed conditions?

8. Would you recommend that the FDA establish a standard for hermetically sealing the entire pacemaker unit, including the batteries; or excluding the batteries?

I would appreciate receiving your response to these questions by April 23. Thank you for your cooperation.

Sincerely,

Abe Ribicoff.

The Secretary of Health, Education, and Welfare,
Washington, D.C., April 4, 1975.

Hon. Abraham Ribicoff,
Chairman, Committee on Government Operations, Washington, D.C.

Dear Mr. Chairman: In your letters of March 11th and 20th, 1975, you asked four specific questions related to the Food and Drug Administration's regulation of cardiac pacemakers, and also requested the Department's comments concerning the Comptroller General's report entitled, "Food and Drug Administration's Investigation Of Defective Cardiac Pacemakers Recalled By The General Electric Company."

I am enclosing the answers to your four questions. In addition, a comprehensive analysis of the facts and recommendations in the GAO report is now under way. The Department's comments, including a full discussion of actions under way or planned, will be forwarded to you by April 18.

Sincerely,

Caspar W. Weinberger,
Secretary.

Responses to Questions in Senator Abraham Ribicoff's Letters of March 11 and March 20, 1975

1. A full accounting of the number of deaths and injuries associated with all pacemakers recalled by the four manufacturers.

COMMENT

Listed below is a full accounting of the number of deaths and injuries known by FDA to be associated with the pacemakers recalled by the four manufacturers referenced in the GAO report. The data cover the period beginning in April, 1972, when FDA first learned of the initial General Electric Company recall, through March, 1975. The information was obtained in part from the companies responsible for the recalls and in part from independent investigations by the FDA. All recalls, with the exception of the 1972 GE recall, are under continuing Agency investigation and therefore details of the investigations are considered confidential by the Agency. This policy is necessary to prevent prejudicial publicity that may adversely affect any subsequent regulatory action.

A precise accounting of injuries and deaths caused by defective pacemakers is difficult for several reasons. Pacemakers are implanted in patients ranging in age from infants with congenital defects to elderly people with arteriosclerotic conditions, whose hearts are defective and whose deaths often are not unexpected. Fortunately, the type of examinations of the patient and the device, before or after death, necessary to establish or rule out a causal relation between device failure and death is not accomplished. In some cases, recalled pacemakers were not removed from decedents and only limited or sketchy records are available to document whether there was any connection between the operation of the device and the patient's death. In other cases, neither the firm, the physician nor the Agency have been able to confirm, even after a full and complete investigation, whether a death was actually caused by a defective unit. Moreover, the term "injury," as associated with a pacemaker malfunction, is not easily definable. FDA views any related event or biological reaction which adversely affects a patient as an "injury."

Continuing investigation of the pacemakers involved in these recalls may modify the information below.

Approximately 23,000 implanted pacemakers have been subject to "recall," as FDA defines this term. Traditionally, "recall" as used by FDA has implied removal from the marketplace of products suspected to be defective. In the case of devices, "recall" includes notification to the purchaser or the physician of potential defects in a product and recommends what steps to take in order to protect the patient.

In the subject recalls, the manufacturer recommended to physicians immediate surgical removal in less than 1,300 cases. Consequently, pacemakers subject to the "recall" which have not been explanted continue to be used successfully by the patient.

A. Recall Number T–010–2—Pacemakers manufactured by General Electric Company.

This was the initial General Electric recall which FDA first learned about in April, 1972, through the news media. The recall involved a total 574 pacemakers manufactured between June and September, 1971, and distributed world-wide. FDA is aware of four pacemakers exhibiting an accelerated pulse rate being associated with patient death. FDA obtained affidavits from each patient's physician, who stated the high pacing rate was believed to be the major causative factor in the death of their patient.

Of four other deaths reportedly involved with the suspect pacemakers, one was determined not to be pacemaker-related; another was reported as pacemaker-related by a physician who had been informed of the death by a second physician. A third case involved a physician who stated that, in his opinion, the patient's death was due to the pacemaker; but the pacemaker was not removed from the deceased. In the fourth case, a physician issued a death certificate stating that the death was due to pacemaker failure; however, no autopsy was performed, and the doctor's conclusion was based on statements by the patients's son and daughter.

B. Recall Number T–064–4—Pacemakers manufactured by General Electric Company.

This recall initially involved 5 lots of

model A2073, totaling 257 pacemakers, of which 114 units were distributed in the U.S. and Canada. The devices were manufactured in September and October, 1971. Recall letters dated June 8, 1974, were hand delivered by the firm to physician consignees who were further advised by telegram of June 13 and a followup letter dated June 18, 1974. FDA was notified of the intended recall by telephone from the firm on June 1, 1974.

At the request of FDA, the firm, on February 1, 1975, extended its recall to all lots of model A2073 pacemakers still implanted on the basis of FDA's recommendation that the units should not be implanted longer than 20–24 months. The firm estimated, at that time, that 1241 units remained implanted of the 2,239 manufactured. Of the units involved in this recall, the firm has reported that two units have been associated with deaths due to accelerated pacing. In one case, the disimplanted device, upon analysis, revealed dendritic growth on a printed circuit board. In the other case, although the device was suspected as the cause of death, the pacemaker was not removed from the deceased. In addition, the firm reported that two patients had the pacemaker removed after the device exhibited high pacing. Analysis of these two devices also revealed dendritic growth.

C. Recall number T–133/37–5—Pacemakers manufactured by Biotronik GMBH & Company, Berlin, West Germany and distributed by Concept, Inc., Clearwater, Florida and recalled by Biotronik, Inc., St. Petersburg, Florida, the manufacturer's U.S. representative.

The FDA learned of this recall in August, 1974 after receiving a report from a physician through an FDA-sponsored pacemaker reporting system. The recall involved a total of 1,478 pacemakers distributed through April, and possibly August, 1973. The firm notified 33 physicians, by letter, in February, 1974. An expansion of the recall notification was undertaken by the firm in October, 1974 at which time a recall letter issued to 255 consignees. Twenty-seven cases of injury and one death were reported by the firm to be associated with the recalled devices. The injuries included inflammation, necrosis (dead cells) of the tissue surrounding the pacemaker, allegedly caused by leakage of the battery electrolyte through the epoxy encapsulation and viscous fluid and gas accumulating in the pacemaker "pocket." Investigation is continuing in the reported death believed due to a high pacing rate pacemaker, but the cause of this death has not been confirmed.

D. Recall number T–119/22–5—Pacemakers manufactured by Cordis Corporation, Miami, Florida.

This recall involves an estimated 4,900 demand-type pacemakers manufactured from October 1972 to March 1974. The FDA learned of the firm's initial recall during an inspection of the firm in August and September, 1974. This inspection was made as a followup to a complaint of a premature pacemaker failure caused by a component failure. The initial recall by the firm was in October 1973 and was extended by a letter from the firm on February 24, 1975. Our investigation of the effectiveness of this recall has not been completed and we are unable to furnish any data on injuries and deaths at this time from the records available to us.

E. Recall Number T–154/57–5—Pacemakers manufactured by Cordis Corporation, Miami, Florida.

This recall involves approximately 14,050 asynchronous pacemakers manufactured between November 1971 and February 1973. FDA learned of this recall during the same inspection described in D. above. Consignees were informed of the recall through personal visits by the firm commencing in July 1973. An FDA investigation as a followup to a complaint disclosed one death involving a high pacing rate unit. Eighteen deaths have been associated with high pacing rate pacemakers as determined from an examination of records obtained from the firm. FDA's investigation of this information is continuing.

F. Recall Number T–159/61–5—Pacemakers manufactured by Vitatron Medical, Dieren, Holland and distributed by Vitatron Medical Inc., South Boston, Massachusetts.

This recall involves 506 pacemakers manufactured between September 1972 and August 1973, and subsequently distributed in the United States. The firm issued its initial notice of recall on June 18, 1974. A second letter issued in October 1974. FDA learned of the recall in December 1974, from a physician's complaint. At FDA's request, after effectiveness checks showed the earlier letters were ineffective, the firm issued a subsequent recall letter on March 9, 1975. No pacemaker related deaths have been reported. However, four instances involving "injuries" have been identified by FDA as a result of investigations. Two of these cases involved loss of output. Two others involved high pacing rate.

2. A status report on what steps are being taken by FDA and the manufacturers to correct the moisture problem associated with the recalled pacemakers.

COMMENTS

An answer to this question is somewhat complex, since the "moisture problem" in pacemakers is not an appropriate characterization of the several problems which were the basis for the recalls and pacemaker problems cited in the GAO report. All implanted pacemakers must be designed to operate satisfactorily in a 100% humidity environment. While the effect of moisture on certain components has been the source of some problems in the past, we believe proper design, materials and component selection, and manufacturing processes can avoid or reduce such problems.

Some additional background is necessary. As early as the 1950's, it was apparent that the basic crystal providing the electronic function in transitors and other semi-conductor devices had to be sealed to protect against contamination, including moisture. Therefore, since their inception, many semi-conductor devices have been supplied in hermetically sealed cases.

When pacemakers came into common usage in the early 1960's, high reliability was a clear prerequisite and, therefore hermetically sealed semi-conductor devices were used and continue to be used in these medical devices.

Because of the environment in which pacemakers are designed to operate, some components must be sealed. However, all components cannot be sealed. The semi-conductor devices must be sealed to protect them against moisture, but conventional mercury batteries cannot be sealed because they produce hydrogen gas which must be dissipated.

Hermetic sealing of the entire pacemaker involves a number of difficult design problems, such as venting of battery gas, biocompatibility of case materials, and entry and exit of electrical leads.

With regard to the specific question, examination of the 1972 General Electric recall and subsequent recalls by other firms reveals that improper design, material or component selection, or processing were the basic causes of these recalls and the hermetic sealing of the pacemaker would not have solved all of these problems. In fact, the Cordis recall was necessary because components which were hermetically sealed were determined to be defective due to an improper seal.

The 1972 GE recall resulted from changes in the circuit board design and fabrication processes incorporated in May and June, 1971, intended to improve reliability. Unfortunately, this change was accompanied by the creation of a dendritic growth phenomenon on the circuit board and subsequent high pacing rates arising from the dendritic growth. A subsequent circuit board change in September, 1971, to a different material and circuit configuration for reasons unrelated to any known problem had the effect of eliminating the dendritic growth problem on that circuit board. It should also be noted that at the time (September 1971) the high pacing rate had not been discovered. Since GE had no high pacing failures in units made after the change, the condition no longer existed for those pacemakers.

The more recent GE recall in June of 1974 was again caused by dendritic growth on a different type of circuit board resulting in high pacing rates. The specific causes of the dendritic growth never were clearly identified. GE, in an attempt to solve the problem, subsequently adapted the method of hermetically sealing its electronic circuitry.

The Cordis recall resulted even though the firm was using hermetically sealed semi-conductors in the pacemakers. Whereas Cordis thought they were receiving sealed semi-conductors, they were, in fact, receiving improperly sealed or resealed units which subsequently failed. This recall could have occurred even if the entire Cordis pacemaker had been hermetically sealed, since defective seals in the semi-conductor devices would permit moisture to enter the semi-conductor at any time prior to final sealing of the entire pacemaker. Cordis, as a result of their findings, has instituted more rigorous requirements on their component suppliers and, in addition, Cordis now conducts 100% leak testing of all transistors and hybrid semi-conductor devices before they are incorporated into their pacemakers. FDA is presently determining whether these new procedures are being carefully followed to insure that all semi-conductor devices being used to demonstrate the reliability and performance required of them.

The Biotronik pacemakers were recalled because a defective batch of epoxy material was used to encapsulate the pacemakers. The defective epoxy resulted in electrical currents passing through the epoxy with the effect of premature battery depletion or skin irritation. When Biotronik changed the source of the epoxy, the problem was eliminated. The Biotronik plant located in West Germany has been inspected by FDA to insure that their current quality control procedures are satisfactory and consistent with the critical requirements necessary for the manufacture of medical device implants.

The recall of Vitatron pacemakers was caused by the use of a French made battery which leaked electrolyte and adversely affected the pacemaker. When the Dutch firm making this pacemaker switched to a more reliable and proven mercury battery, the problem was eliminated. FDA has scheduled an inspection of this foreign plant to determine the nature of the manufacturing procedures used.

On the basis of information available to us, it is clear that solutions to the problems with Cordis, Biotronik, and Vitatron pacemakers resulted from improved control over material and component selection. It is also clear that hermetic sealing of all these pacemakers would not have solved or prevented these problems.

The FDA is currently working on Good Manufacturing Practice Regulations which will apply to the materials, components, and processing of pacemaker manufacturers. The GMP's are expected to be published as proposals in the Federal Register in 1975. In addition, the National Bureau of Standards currently has a program in semi-conductor technology which has resulted in the development of new test and evaluation methods. FDA has discussed with NBS plans for cosponsoring a workshop for the purpose of sharing this information with the pacemaker

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industry. Because of the complex nature of pacemakers, we believe that these efforts should be more effective in improving pacemaker performance than attempting to impose requirements which have not been thoroughly tested and which may introduce as many other problems as those they are designed to solve.

3. Our position as to whether pacemaker manufacturers should be required to notify FDA immediately of any pacemaker recalls, and to make available all records and data pertaining to production and distribution of recalled pacemakers.

COMMENT

The question of whether pacemaker manufacturers should be required to notify FDA of pacemaker recalls, and make pertinent records available to FDA with respect to those recalls, is bound up in the larger issue of the Department's authority with respect to the recall, and notification of recall, of defective foods, drugs, medical devices, and cosmetics, generally. This larger issue is now under study within the Department.

4. A full accounting and evaluation of the circumstances involved in (a) the 1972 decision of David M. Link, then Director of the FDA Office of Medical Devices, not to accept a staff recommendation that a U.S. Navy standard for hermetically sealing electronic components be applied to cardiac pacemakers, and (b) the failure of the FDA to issue or to draft such a standard since then despite the recall of more than 22,000 pacemakers for defects relating to moisture penetrating the circuitry of the devices.

COMMENT

In response to part (a) of the question, the Navalex Instruction 4120.6 was issued by the Navy in 1969 because of the unreliability of the relatively new plastic encapsulated semi-conductor devices under conditions of high humidity. In 1969, however, according to our best information, pacemaker manufacturers were already manufacturing pacemakers using hermetically sealed semi-conductors consistent with the Navalex Instruction.

In 1972, when the problem with General Electric pacemakers arose, it was apparent that the defective component was the circuit board and not the semi-conductor devices used in the pacemaker. Therefore, when the Navalex Instruction 4120.6 was presented to Mr. Link, he was aware that the Navalex Instruction applied to semi-conductor devices and microcircuits as discrete parts and not to complete assemblies such as pacemakers. He was also aware that the pacemaker industry was already complying with the Navalex Instruction and had been for several years, since all semi-conductor devices used by the industry were indeed hermetically sealed in the manner suggested by the Navalex Instruction.

Since the GE problem in 1972 revolved around improper selection and/or processing of a circuit board, hermetically sealing the entire pacemaker would in no way have guaranteed a solution. In fact, one manufacturer has observed that "dendritic growth," the phenomenon observed in the GE recall, may occur spontaneously without the intervention of moisture.

With regard to part (b) of question 4 above, although more than 20,000 pacemakers have been subject to recall, none of these recalls have occurred because of unanticipated or unexpected presence of moisture in the pacemaker. Recalls of pacemakers since 1972 have occurred for a variety of reasons; e.g., defective hermetically sealed components, defective epoxy (plastic) used for encapsulating the pacemaker, and design failure in encapsulating the pacemakers allowing batteries to leak electrolyte into the circuitry. These defects would not have been eliminated simply by hermetic sealing, but could have been avoided only by very careful selection, testing, and processing of pacemaker materials.

FDA, at this time, does not believe imposition of a standard simply to require the hermetic sealing of all implanted pacemakers is necessary or wise. Moreover, it could introduce other problems which would adversely affect the present utility of pacemakers.

In summary, the imposition of such a single requirement would not have eliminated those problems which resulted from improper design and manufacturing in 1972, nor will it today. What is needed, and what FDA is developing, are Good Manufacturing Practices and design standards which will address the quality assurance aspects of pacemaker manufacturing, including selection and testing of materials and the conditions under which these products are assembled and tested.

GENERAL ELECTRIC CO.,
April 4, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman, Government Operations Committee, Washington, D.C.

DEAR SENATOR RIBICOFF: Your letters of March 11 and 20, 1975 to Mr. R. H. Jones, Chairman of the Board of General Electric Company, in connection with the General Accounting Office report and their recommendations concerning pacemakers have been referred to me inasmuch as I am the officer directly responsible for all matters relating to General Electric pacemakers.

RESPONSE TO YOUR SPECIFIC REQUESTS

1. A full accounting of the number of deaths and injuries associated with all pacemakers recalled by General Electric.

Inasmuch as all pacemaker recipients suffer from heart disease, see general discussion below, it is difficult in most cases to determine whether the death of a patient is directly attributable to a pacemaker malfunction. However, the information provided to us is as follows:

Seven patients with A2072 pacemakers involved in the 1972 recall died, allegedly due to pacemaker malfunction.

Two patients with A2073 pacemakers involved in the 1974 recall died, allegedly due to pacemaker malfunction.

In addition to the above, thirteen people who had pacemakers recalled in 1972 have had injuries indicated from the pacemaker malfunction or had injuries associated with the surgical replacement procedure. Similarly, two people have had injuries indicated in association with the 1974 recall.

2. A status report on what steps are being taken now by GE to correct the moisture problem associated with the recalled pacemakers.

All General Electric pacemakers currently being manufactured and sold have hermetically sealed electronic circuits. The integrity of this construction is carefully tested through multiple helium leak tests.

3. GE's position as to whether pacemaker manufacturers should be required to notify FDA immediately of any pacemaker recalls and to make available all records and data pertaining to production and distribution of recalled pacemakers.

General Electric would consider it appropriate that pacemaker manufacturers notify FDA immediately of any pacemaker recalls and make available those records and data that pertain specifically to production and distribution of recalled pacemakers. We would expect that such a requirement would provide that manufacturing processes and other trade secrets and proprietary information would be protected from public disclosure.

4. The applicability of a U.S. Navy standard, NAVELEX instruction 4120.6, to the moisture problem encountered by pacemakers recalled by GE, and an accounting of any consideration of this standard by GE and any communication with the FDA relating to it.

This Navy instruction does not ralate specifically to pacemakers. This instruction pertains to the hermetic encapsulation of discrete semiconductor electronic components and mirocircuits and does not relate to the hermetic sealing of circuit boards. General Electric has always used hermetically encapsulated transistors and microcircuits in pacemakers because these components were known to be sensitive to humidity.

The dendrite growth[1] encountered in pacemakers recalled by GE developed on the circuit boards, not in transistors and microcircuits. As noted above, all current General Electric pacemakers now use hermetically sealed electronic circuits.

5. Comments on the General Accounting Office report:

The GAO report on page 11 quotes a statement which implies that the problems which led to our 1972 recall were caused by General Electric's attempt" . . . to get by with a cheaper circuitry [sic] board . . ." This statement is incorrect. Economic considerations were not the basis for General Electric's selection of circuit boards. The cost difference between the paper epoxy and glass epoxy boards was less than 0.01 percent of the total pacemaker production costs.

There was a design progression in the use of electronic circuit boards from a paper epoxy to a tinned paper epoxy and then to a glass epoxy board. The paper epoxy board was originally used because it was the then state of the art in the industry. Tinned paper epoxy boards were introduced to increase soldering capability and quality. Glass epoxy boards were later incorporated because their quality and performance had been developed by vendors to the point where they appeared to be an overall superior product in that they have better electrical characteristics, greater strength and lower moisture absorption. In the 1972 recall, malfunctions occurred on pacemakers which had tinned paper epoxy boards and at that time, it was thought that the composition of the boards was a significant factor. Subsequent analysis indicated that the dendrite growth problem was not just related to the board composition; and, in fact, the malfunctions identified in June 1974 were in pacemakers containing glass epoxy boards.

The GAO report on page 7 notes that in one instance an FDA inspector was denied access to certain General Electric facilities. The Company's policy is and has always been to cooperate fully with the FDA in all matters. We have adopted the suggestions of FDA officials in connection with our recalls and undertaken all testing required by FDA. In the isolated instance referred to, proprietary research was being conducted in the particular facilities and the employee contacted by the FDA inspector did not have authority to admit visitors to these areas. He properly advised the inspector to request such approval from either legal counsel or the manager of the business component. This approval was not sought. Since that time, FDA inspectors have been granted full access to all Company pacemaker facilities.

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[1] As we use the term "dendrite" in this letter, we mean microscopic, tree-like electrochemical deposits between the copper runs on a circuit board. A high pace rate can ensue only if the dendrite completely bridges two adjacent runs in the rate controlling portion of the pacemaker circuit. An implanted pacemaker is always in a 100 percent humidity environment. After some period of time, the epoxy in which pacemakers are encapsulated is permeated by water vapor. However, water vapor alone will not create dendrite growth. Our tests indicate that the water vapor must condense in liquid form on the circuit board between electrically biased conductor runs. Even then dendrites are not always initiated and even where growth has been initiated, it may stop prior to shorting out the involved conductor runs. In short, this implies very complex electrokinetics.

The GAO report on page 10 states that five physicians did not receive the letter from General Electric notifying them of the 1972 recall. We were unaware of this fact and find it difficult to understand. The procedures the Company adopted for its recall were carefully designed and applied to reach all physicians listed on our implant records. We sent telegrams, letters and salesmen to every hospital and physician that our records indicated had implanted recalled pacemakers.

The GAO report on page 22, recommends that a public disclosure through the news media be considered as one means for notifying affected parties in a recall. Recalls by manufacturers of medical devices implanted in patients with cardiac illnesses raise complex issues of medical judgment. The Company has adopted elaborate procedures to reach all physicians who have implanted our pacemakers. The Company has been guided in this matter by the dual consideration of (a) reaching all affected patients and (b) doing so in a manner that will not unduly alarm unaffected patients who are suffering from heart conditions. This concern has also been expressed by the Inter-Society Commission for Heart Disease Resources, which stated:

"Public recall of a pacemaker model creates in patients great concern for immediate survival and, therefore, cannot be equated with recalls of other commercial products. Patients frequently are unaware of manufacturer's name or the model designation of their own pacemaker and they are understandably frightened by any recall. Recalls are, in fact, likely to involve small groups of patients and if the preceding recommendations are followed, patient location will be known and they will be available for direct contact. Public announcements are usually unnecessary. The Food and Drug Administration has made a wise decision not to disclose recall information to the media."[2]

To place our comments above in proper perspective, it is important to take into account certain factors which relate to pacemakers.

Pacemakers have been in use since approximately 1958. We estimate that since 1958, more than 300,000 pacemakers have been implanted in the United States. A recent survey by the Inter-Society Commission for Heart Disease Resources[3] reported that the average age of pacemaker patients is seventy years. Of these patients, eighty-five to ninety percent are alive one year after the implant and fifty to sixty percent are alive five years after implant. Without a pacemaker, many of these patients would have died within a year.

Pacemakers are intricate, complex and sensitive electrical devices. They are implanted in an environment, the human body, that is essentially hostile to foreign objects. As noted above, they are a relatively recent development. The advancement of pacemaker technology has been an evolving process which continues today. General Electric believes it has contributed substantially to the development of this technology.

In the late 1950's, General Electric's Electronics laboratory in Syracuse, New York explored theories that the human heart could be repeatedly stimulated through artificially induced electrical impulses. In March of 1961, General Electric introduced one of the first practical implantable pacemakers. The Company continued to advance the state of the art by developing improved patient electrodes to virtually eliminate the then significant problem of electrode breakage after implantation. We also developed a reliable self-sealing connector as a spinoff of our aerospace efforts. Further, General Electric pacemaker improvements continued through the 1960's with the development of a high energy standby pulse generator. This was followed by our introduction in 1973 of double hermetically sealed electronic circuits.

The two General Electric recalls which occurred in 1972 and in 1974 involved a total of seven hundred and forty-nine pacemakers worldwide.[4] The pacemaker malfunctions which led to both recalls were caused by copper dendrite growth on epoxy encapsulated circuit boards. We were unable to predict this phenomenon and, to date, the complete mechanism has not been definitely established, although some essential conditions for dendrite growth on pacemaker circuit boards have identified. One of these essential conditions is the presence of water on the circuit board. We believe that total conversion to hermetically sealed electronic circuits in our pacemakers overcomes the dendrite growth problem.

CONCLUSION

As discussed, cardiac pacemakers are complex and intricate life supporting devices whose benefits are well documented. The state of the art has been continually advancing since their initial introduction. They, therefore, introduce unique problems from a scientific and regulatory viewpoint. We believe the particular problem of dendrite growth which led to our two recalls has been eliminated by the double hermetic sealing of the electronic circuit boards in the pacemakers now manufactured and sold by General Electric.

We hope that our comments are of assistance to you and the other members of the Government Operations Committee. If we can be of further assistance, please let us know.

Very truly yours,
WALTER L. ROBB,
Vice President and General Manager,
Medical Systems Business Division.

VITATRON MEDICAL, INC.,
South Boston, Mass., April 1, 1975.

Hon. ABRAHAM RIBICOFF,
U.S. Senate, Committee on Government Operations, Washington, D.C.

DEAR MR. RIBICOFF: I wish to acknowledge and thank you for your letters of March 12th and 20th, 1975. I am pleased that I was asked to comment on the recent report issued by the G.A.O. concerning the F.D.A.'s investigation of reportedly defective pacemakers manufactured by several different companies, including Vitaron Medical.

First of all it is my impression, after reading the report, that it was not generally felt that the F.D.A. carried out the investigation of the General Electric recall to the best of its ability or to the extent to which it was empowered to do so, under existing statutes. Since Vitatron has also had great exposure to the F.D.A., I do feel that I can comment with some degree of experience. The F.D.A. did a good job under the circumstances. From the information contained in the report I feel that they acted properly with reference to General Electric. I agree with their decision not to make any public notice of the matter, although it had previously been given to the press and very much over-publicized. In the case of Vitatron, the F.D.A. was made aware of our potential problem in the early Fall of 1974. We were not quite certain how, or if they would take any action. In late December and early January they started to make a check of the effectiveness of our recall procedure. It is my feeling that they did a good job, or at least to the best of their ability. Although the way in which they approached members of the medical profession left something to be desired. I also feel that they could have conducted the effectiveness checks in a better manner such as by writing carefully worded letters or by arranging visits at hours convenient to the physician. However, I generally feel that they did a good job and acted in good faith. They do need to be better versed on the subject of pacemakers, in general.

Any discussion of types of potential pacemaker failure must take into consideration the extensive testing procedures that are already carried out by manufacturers of these products. A pacemaker must function properly and if it stops, it is very obvious to all concerned. Therefore, it is in the best interest of manufacturers to obtain the best possible information as to distribution of units and if they are being monitored or followed. I do not believe that the FDA, or any other regulatory group has either the interest or the possibility to improve upon the existent testing and pre-testing procedures. Pre-test procedures that might have been set up by FDA would have probably approved the pacemakers which were subsequently recalled by General Electric and the other companies. It is not always possible to detect problems that might occur in pacemakers after they have been implanted for a period of time. Pre-testing, ongoing testing, monitoring, etc. are all important factors in detecting problems, either with the pacemaker or other parts of the pacer system. It would seem more logical if FDA would concentrate on improving, or

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[2] Report, "Implantable Cardiac Pacemakers Status Report and Resource Guideline," *Circulation*, October 1974, Vol. 50, pp. A–34–35.

Instead of resorting to public disclosure in the news media, we suggest that FDA be enabled, by specific budgetary allocation, to establish a national registry to provide for registration of all implanted pacemakers—by patient, physician and manufacturer. Such registry would improve upon the voluntary records now maintained by each manufacturer. Data already available in these voluntary records could serve as a substantial aid to the initial establishment of such a registry. A registry would provide a ready means of identifying and notifying one hundred percent of the patients with suspect pacemakers. This approach would be more effective than an announcement in the news media and would not have the undesirable effect of causing undue alarm either to these patients or to other patients who might mistakenly believe their pacemakers to be defective. We expect that such a registry would not be unreasonably costly, burdensome or administratively cumbersome.

[3] A professional organization created through a contract with the Public Health Service to help fulfill requirements of PL 89–239 to develop guidelines for optimal—medical resources for the prevention and treatment of cardiovascular diseases. Survey printed in Vol. 50, October 1974, *Circulation*, official journal of the American Heart Association.

[4] The GAO report on page 16 states that in 1974 the General Electric Company recall included two thousand fixed-rate, Model A2073 pacemakers. This is in error. Actually, in 1974 General Electric recalled one hundred and seventy-five A2073 pacemakers. In February 1975, General Electric issued a prophylactic recommendation (which the FDA classified as a Class I Recall) for replacement of this type pacemaker after an implant life of twenty-two to twenty-four months. This recommendation will affect somewhat less than 1,241 patients. These figures are all on a worldwide basis.

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even requiring, monitoring and follow-up in all cases, after pacemakers are implanted in humans. No programs, either in the present or the future, should have the effect of either eliminating small companies from the business, or decreasing the possibility for continued innovation in the field of treatment of cardiac disorders. The GAO report indicates that there should be stronger and stronger regulations, at any cost. The cost may be too high if both innovators and small companies are eliminated, as a result. Much of this progress has been made in the past five to six years. Such progress must continue if we are to provide patients with the best possible products in the future.

One of the immediate results of issuance of the GAO report has been extensive coverage in every newspaper across the nation. This is particularly unfortunate and I think it will prove harmful to the many persons with implantable pacemakers. No attempt has been made to emphasize to the public the limited number of units actually involved. No attempt has been made to provide the press with complete information. No attempt has been made to calm the fears of the very pacemaker population which is most effected. This demonstrates why public disclosure has no place in matters such as these.

FDA should have regulatory authority, but such authority should be carefully monitored to avoid excesses in both the establishment of safety and performance standards, and in their regulatory functions. Recall procedures should be limited to checks of effectiveness and evaluation of the need for prosecution, if existant statutes have been violated. No company should be required to open its records to the FDA, but rather to supply information from records to aid in its own recall procedures. FDA does not now, nor should it, have recall power. It would be helpful if the recall procedure could be standardized to fit the type of product. A pacemaker recall should not actually be so termed. A better term might be "product warning announcement." This would be more practical since physicians with very sophisticated monitoring systems would not remove all questionable units in the same way as others with no monitoring system.

Recall procedures used by FDA with Cordis and Biotronik are essentially unknown to us except for the information supplied in the report. These procedures seem similar and were evidentially carried out in good faith. The comments made with reference to our company are probably also valid for Cordis and Biotronik as well.

To our knowledge, no deaths or injuries can be associated with the recall of Vitatron pacemakers.

The steps taken by Vitatron Medical to correct the problem were submitted to the FDA in early Fall of 1974. The following is a quote from that report which best summarizes what was done:

"In March, 1973, as part of Vitatron Medical B.V.'s normal policy of testing returned pacemakers, it discovered some battery leakage developing from batteries used in one of its pacemakers. Although it appeared at such time that the battery leakage was not a general problem but was isolated to the particular pacemaker in question, Vitatron Medical B.V.'s research and development department nevertheless began to work on methods to eliminate the possibility of potential damage to the pacemaker's circuit board which might result from body fluids or battery electrolyte. As a result of such research and development work, batteries of Vitatron pacemakers were isolated from the circuitry by encasing them in a separate epoxy seal. In addition, added holes were made in the printed circuit board of the Vitatron pacemakers in order to minimize the risk of fluid, such as battery electrolyte, from flowing between the epoxy casing and the printed circuit board. Finally, the most critical conductors used in the circuit board were elevated above the circuit board in order to fully incapsulate them in epoxy. Since July, 1973, all pacemakers manufactured by Vitatron Medical B.V. contain these modifications."

Vitatron Medical's position as to whether pacemaker manufacturers should be required to notify FDA immediately of any pacemaker recalls is that this *should* be the procedure. Timing and actual choice of whether to initiate a recall should remain at the discretion of the manufacturer.

With specific reference to your letter of March 20, 1975, in which you requested my comments on the applicability of a U.S. Navy standard, NAVELEX Instruction 4120.6, to the moisture problem encountered by Vitatron Medical, none of our engineers are aware of this standard, specifically. We did not receive any communication from the FDA relating to it. From information subsequently obtained relating to this standard, we agree with the FDA that such a standard might restrain manufacturers from developing solutions to the moisture problem. On the previous page, I mentioned steps taken by Vitatron which proved effective in solving our problem. Although the G.E. moisture problem does not resemble the Vitatron problem, we know that moisture in pacemakers develops not in the batteries or on the circuit boards, but on the feed through circuitry between the two. Most pacemaker companies use standard mercury-zinc batteries and these cannot be hermetically sealed because they release hydrogen gas. It is only practical to seal lithium or atomic power sources by that method. One must also consider the size of a pacemaker since a too large unit will cause tissue erosion and possibly infection of the pacemaker pocket will follow.

Hermeticaly sealed batteries take up a lot of space and in order to maintain the smallness of the pacemaker, micro electronics must be used. This in turn may create other problems. All this is being said to demonstrate that the possible solution to one problem always tends to create others. We, therefore, do not think that hermetically sealing the unit is the answer to the moisture problem.

In closing, I would again like to thank you for requesting my comments. I am sure that you realize that it is extremely difficult to really express in total detail all reactions to the total report issued by the GAO. I do hope that the few things mentioned in my response to you will prove helpful, particularly since these are the opinions of one of the oldest and smallest companies in the business of manufacturing and selling pacemakers. If I can be of any further assistance, please do not hesitate to contact me again.

Very truly yours,
ANTHONY G. FEATHERSTON,
President.

CORDIS CORP.,
Miami, Fla., April 7, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman, U.S. Senate, Committee on Government Operations, Washington, D.C.

DEAR SENATOR RIBICOFF: We are pleased to set forth our comments on the March 10th General Accounting Office pacer report and the questions raised in your letters of March 11th and March 20, 1975.

As you know, an implantable cardiac pacer is a complex device which we assemble from electronic and other components of the highest quality and reliability available from established manufacturers. Despite great care in design, component selection and testing and in manufacturing techniques, as well as extensive quality control procedures, individual pacer malfunctions occasionally occur. In our experience, these malfunctions are almost alwaya the result of failures of electronic components. In some cases, these are random; in others, however, the pattern of failures suggests a latent defect involving a particular batch of components. The "recalls" of Cordis pacers referred to in the GAO report (which were, in fact, notifications by Cordis to its physician customers), involved such latent defects in electronic components.

It has been our consistent policy, when a non-random problem becomes apparent and its sources and effects are identified: to bring the nature and scope of the problem suitably to the attention of specific physicians whose patients might be involved; and to remove any questionable pacers from inventory.

The "recalls" of 18,460 of our pacers referred to in the GAO report were the result of this Cordis policy of physician notification and inventory quarantine. These were all of the implanted pacers which contained components from "suspect lots", those expected to have higher-than-random failure rates. In the case of 18,340 of these pacers, it was determined that the mode of potential pacer malfunction was such that a small percentage of malfunctioning units was anticipated and the onset of malfunctioning could be detected by monitoring. We, therefore, advised the physicians of the nature of the problem and suggested more frequent pacer monitoring rather than removal. As to the remaining 120 units, the component failure rate was expected to be high and we recommended removal, although no serious threat to patients was involved. In either case, of course, the judgment as to whether to monitor or remove an individual pacer was necessarily the responsibility of the physician.

Reported medical experience indicates that pacer malfunctions rarely present danger to the patient's life. They usually involve either a moderate change in rate or the cessation of pacing. Most rate changes occur slowly and can be detected by the patient or his physician before the effect is large. Decreases in the pacing rate are not considered to be dangerous except in extraordinary circumstances. Substantial increases in rate can be dangerous but are uncommon. Cessation of pacing is not usually serious because in most cases a patient has a natural idioventricular rhythm which sustained his life before pacer implantation and which will continue to sustain it if the pacemaker ceases to function.

With regard to your specific questions:

1. For at least two reasons, we cannot respond to your first question with certainty that our answer is quantitatively accurate in all respects. First, in many cases, physicians have no reason to advise us of the deaths of patients in whom Cordis pacers have been implanted. As a result, our total figure for patient deaths is undoubtedly low. However, we believe that we usually receive information about those in which a pacer malfunction might be involved.

Second, most of the patients with implanted pacers are elderly and suffer from one or more serious cardiovascular or other diseases. Frequently, the attending physician finds it difficult to conclude whether the cause of such a patient's death was physiological in origin rather than the result of a pacer malfunction. The following information should be assessed in the light of these uncertainties.

We have learned from physicians of the deaths of patients in whom there were implanted 394 of the 18,460 units referred to in the GAO report. In 252 cases, the pacers were not returned to us for analysis and the physicians did not suggest that the pacers were functioning out of specification. In the remaining 142 cases, the pacers were returned, primarily for warranty purposes, and examined by us to determine whether they were operating within normal tolerances. Of these, 104 pacers were found to be operating within specifications, including two which physicians had questioned. The remaining 38 either were out of specifications or had malfunctioned.

Of these 38, there were 14 units with minor problems, auch as premature battery depletion and small rate decreases which we believe could not have affected patients.

Two units were found to be pacing at a substantially lower-than-normal rate and two had no output. In the case of one of the pacers with no output, the physician indicated possible contribution to his patient's death.

The remaining 20 units were reported by physicians as having malfunctioned in a dangerously high-rate mode. Of these malfunctions, 14 were confirmed in our laboratories.

In none of the above cases do we have any way of being certain that the malfunctioning pacer actually contributed to the patient's death. All of the units in which the pacing rate was unusually high were covered by our June, 1973 notification to physicians which pertained primarily to malfunctions resulting from the failure to transistors in which moisture had been entrapped during their manufacturing process.

We have one report of an injury to which a pacer malfunction may have contributed. This also resulted from a high-rate transistor failure.

2. Although moisture was involved in the component defects referred to in this letter, we believe that standards could not have prevented the resulting pacer malfunctions in light of the information available at the time. Our purchasing specifications for the components involved in two of the three notifications under discussion required careful exclusion of moisture. Furthermore, extended tests and usage of these components had shown them to be reliable. However, subsequently unexpected variations in the manufacturing techniques of the suppliers and the difficulty of detecting such variations had allowed small quantities of moisture to be trapped in some of their hermetically-sealed components. These caused pacer malfunctions many months after implantation. The third notification related to a problem in which moisture was an indirect, not a direct, cause of component failure.

Subsequent failure analysis, making use of experience gained, did lead to specific changes in production and testing techniques which have made the recurrence of these problems highly unlikely.

We have reviewed in detail with the FDA investigators, who inspected our facilities over a period of several weeks, our increased efforts to detect and prevent malfunctions of Cordis pacers (including those related to the moisture entrapment experienced in components): (a) more detailed analysis of failures to determine causative mechanisms; (b) appropriate tightening of all specifications; (c) expansion of saline-bath testing of samples of each month's production; (d) expanded review of manufacturing procedures at critical-component-supplier factories; (e) closer vendor-monitoring of critical components by on-site inspectors; (f) clearer definition of the requirement that component suppliers make no changes in materials, production methods or testing without prior written approval and (g) an augmented program of in-house testing of vendors' components before release to manufacturing.

3. We have agreed to continue to inform the FDA of any physician notifications involving pacers, as we did, voluntarily, at the time of our December, 1974 notification. We see no objection to legislation requiring a manufacturer to furnish such information to the FDA. However, we share the concern of the medical profession about the damaging effect on the pacer patient of wide-spread public disclosure of pacer "recalls". This position is well-stated in the federally-funded report of the Inter-Society Commission for Heart Diseases Resources, published in October, 1974, in *Circulation*, a medical journal:

"Public recall of a pacemaker model creates in patients great concern for immediate survival and, therefore, cannot be equated with recalls of other commercial products. Patients frequently are unaware of the manufacturer's name or the model designation of their own pacemaker and they are understandably frightened by any recall. Recalls are, in fact, likely to involve small groups of patients and, if the preceding recommendations are followed, patient location will be known and they will be available for direct contact. Public announcements are usually unnecessary."

I enclose a full copy of this report for your information. With reference to the above quotation, we have always maintained records which enable us to trace, by serial number and, therefore, with the physician's help, by patient name, any implanted Cordis pacer.

4. Cordis practices comply with NAVLEX Instruction 4120.6. The transistors and microcircuits which were involved in recalls were not encapsulated in plastic. They have always been hermetically-sealed in welded metal containers as required by the standards. The failed components contained moisture which had been entrapped in the containers at the time of their manufacture. Our pacers are encapsulated in plastic to provide a tissue-compatible coating which protects the patient from direct contact with the various materials used for pacer components. This pacer encapsulation is not intended to protect the components from moisture since all of the components not in hermetically-sealed metal containers were chosen because they are insensitive to moisture.

We have not discussed this NAVLEX Instruction with the FDA.

We have no other comments on the findings and conclusions expressed in the GAO report except as indicated in our responses to your specific questions above.

I hope this letter has been helpful in supplying information which may be of use in the inquiry by your Committee. Our industry has not been able to produce a perfect product and will never be able to do so. Many improvements in design, production techniques and testing procedures have been effected during the approximately 12-year life of the pacer industry; and further improvements can be expected. The lives of hundreds of thousands of people have been extended and made more comfortable by pacers. We hope that the results of your inquiry will be consistent with the uninterrupted availability of these benefits to future patients.

I urge that you or any of your staff members visit Cordis to obtain a first-hand understanding of our dedication to the production of devices of high quality and to review what we believe to be our outstanding record of product reliability, despite the regrettable exceptions which are the subject of this letter.

Sincerely yours,
WM. P. MURPHY, Jr., M.D.,
President.

Enclosure.

BIOTRONIK,
MESS- UND THERAPIEGERÄTE
GMBH & Co.,
Ingenieurbüro Berlin, April 11, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letters of March 11 and 20, 1975, to Dr. Wolfgang Mindt, President of BIOTRONIK Sales, Inc., St. Petersburg, Florida, which has been forwarded to us as manufacturer of BIOTRONIK cardiac pacemakers. We appreciate your giving us, as a European company, the opportunity to comment on the report of the General Accounting Office on the "Food and Drug Administration's Investigation of Defective Cardiac Pacemakers Recalled by the General Electric Company".

First of all, we would like to answer the four specific questions raised in your letters:

1. We are not aware of any death casually associated with irregularities of technical function of the cardiac pacemakers affected, as described in our letters of recall. Nor are we aware of any case of permanent impairment of a patient's health due to such an event. As we already described in our letters of recall, such particular functional irregularity, however, as occurred in some of the recalled devices, may cause a temporary irritation of skin with or without causing pains or tissue reactions in the pacemaker pocket. In the present case it is not possible to indicate you an exact figure of the patients where such symptoms appeared due to the malfunction of the pacemaker, as similar biological symptoms may oftentimes be observed also with regard to normal pacemakers, i.e. those not affected in their functioning, due to individual bodily defense reactions for incompatibility reasons on the patient's part.

2. The measures taken by BIOTRONIK to eliminate the problem of the uptake of water by epoxy resins used in the pacemaker were explained in all their technical details on the occasion of the inspection of the manufacturing facilities conducted by FDA officials in Berlin on December 9 and 10, 1974. FDA was further furnished with comprehensive written information on the molding process and the quality control procedures currently in use. Without going into the same technical details again, we would like to state here the following:

This problem has not appeared since January, 1973, the date since when the entire production has been changed to the usage of a different epoxy resin which had previously been tested for several years; since that date, about 25,000 pacemakers were produced. This epoxy was introduced to insure the necessary life of nuclear pacemakers of about ten years, as the clinical tests of this resin had proved superior properties. By the way, the same epoxy is used today by other leading pacemaker manufacturers (Cordis and Medtronic).

The description of the facts on the Biotronik recall given on page 18 of the report is misleading. In fact, it has been quoted as a remark made by one of the Biotronik spokesmen that "the problem had not been detected because adequate manufacturing quality controls did not exist", but the report failed to mention in this context that an adequate quality control procedure precluding perfectly all and any influence of body fluid on epoxy resin under biological conditions did not exist at that time nor is it available at the stage of technology of the present time. The same applies to the "accelerated lifespan tests" referred to.

As long as these facts are not mentioned in their entirety the readers must be filled with the suspicion that Biotronik failed to perform adequate quality controls by negligence or by other causes within Biotronik's control. This gives a good example how easily the formation of a wrong opinion may arise from misunderstandings of technical details, which, as we know from experience, in the last end may cause false decisions. We, therefore, deem it necessary to indicate that an adequate surveillance of the manufacturers of technical therapeutics can be taken for granted only, if and when the institutions concerned dispose of a certain minimum of expert knowledge—a condition, which in our opinion cannot be insured at the present

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time, either by the Comptroller General or by FDA, what, by no means, shall be meant as a reproach.

3. If FDA has to control a recall, in our opinion, the manufacturers should be required to notify FDA of any recalls. We hold this a reasonable precondition of the performance of any official tasks. It should be mentioned here as a qualification of the aforesaid that, as we see it, a clear definition of the term "recall", precisely for the specific case of implantable medical devices, does not exist. Consequently, at the present time, it is still a matter of FDA's discretion to decide, whether or not information transmitted by a cardiac pacemaker manufacturer in the form of circulars to physicians or of product performance reports to customers is to be qualified to be a Recall. We shall come back to this problem later on in this letter.

Furthermore, we do recommend that all records and data pertaining to production and distribution of recalled pacemakers should be made available to FDA. There should be excluded, however, any information on details concerning the manufacturing process, considered proprietory by the manufacturer, as long as it cannot be insured that FDA might furnish such information to third parties.

4. The Navy Standards 4120.6 you mentioned in your letter do not, in our opinion, apply to the manufacture of our pacemakers since we do not use such plastic-encapaulated components as are dealt in this Standard. The solid state elements employed by us are hermetically sealed and conform fully to the appropriate MIL and NASA Standards.

In addition, our pacemakers are provided with an external metal case which serves as additional protection against the penetration of fluid. This fact has also been brought to the attention of the Food and Drug Administration.

As far as the Comptroller General's report is concerned, we would like to make, first of all, the following general remarks: This report gives an analysis of FDA's proceeding, underlying a "Recall Procedure" which until now is applied in general to all and any products under FDA's regulatory authority, such as food and drugs. We hold this a wrong approach, as complicated medical devices, particularly such as cardiac pacemakers, need substantially different standards. It must be taken into account, for instance, that the technologies applied are substantially different from those of pharmaceutic products. The manufacturing of pacemakers comprises may different disciplines and technologies: the manufacturing of pacemakers requires knowledge of electrical engineering and electronics as well as electrophysiology, electrochemistry, polymer chemistry and precision mechanics. An expert judgment and control of such production can be performed effectively only by experts in the respective disciplines.

Moreover, we would like to draw your attention to some other highly important items of the report, and we do hope, you and the other members of the Government Operations Committee will give due consideration to all these ideas in connection with "Federal Regulations of the Pacemaker Industry".

(a) Definition of Recall with respect to implantable pacemakers: According to the definitions currently used, a case of "Recall" is constituted in the event of a situation hazardous to the patient, caused by malfunction of a device with a "cause-effect-relationship". The precondition that such a cause-effect-relationship exists, may lead to the result that a product showing a relatively high rate of defects due to, for instance, "random component failures" must not necessarily be submitted to recall. We would like to give here as an example the product of a U.S. corporation, which, irrespective of its extremely high rate of failure of 0.37 per cent per month (equal to 8.9 percent within a two years' period) due to such random component failures will not be submitted to recall. (See appendix: Medtronic Product Performance Report, page 6). On the other hand, several pacemakers of other manufacturers with a similar or—as in the case of Biotronik recalls—with lower rates of failure were submitted to recall. This procedure, in our opinion, is not only unjust, it is even dangerous, as, in future, it might refrain unconscientious manufacturers in case of malfunctioning of pacemakers from searching for any causal connection, and to let pass such failures as qualified to be randoms. It may be extremely difficult to identify defects of such a complicated technical device such as pacemakers, and therefore, it would be much more convenient for a manufacturer to qualify defects as randoms, thus avoiding the hard work of an extended analysis of the defects appeared. The consequence would be a substantially higher risk for the patient, as such defects will appear without previous warning. Nevertheless, they would not be subject to recall, since they were qualified as mere randoms. These considerations were already expressed to FDA in detail in our letter dated December 7, 1974.

(b) "FDA's recall procedures require FDA to take measures to insure that the defective products be promptly removed from the market".

With regard to implanted pacemakers, this measure, of course, is advisable only in such exceptional cases where the manufacturer recommended and performed a explantation campaign. In the most cases, such as occurred on the occasion of the Biotronik recall, there should be recommended—according to the seriousness of the irregularities appeared and the chance of preventive control as a "corrective measure"—a stricter surveillance of pacemakers with regard to certain biological or technical symptoms of malfunction. By this procedure also the risk which the patient incurs with an operation would be adequately considered in a sense that an operation could be avoided, when a explantation by no means is indicated.

It seems to us to be inadequate and of little value to qualify the aforesaid corrective measure as a recall and to treat it as a recall in the sense of a "physical removal" of the device in accordance with the "FDA Recall Procedure", since that could cause many often misunderstandings on the part of physicians and patients, as the past has shown.

(c) "Public warnings through the news media":

We fully agree with "FDA's revised procedures with respect to public disclosure" and to FDA's policy in the case of the General Electric's recall. For the patient's sake, any public warning should be avoided on account of the panic oftentimes unreasonably arising in such events, in as much as it is insured that all physicians affected have been informed by the recalling manufacturer.

(d) Pacemaker Standards:

For the time being, we hold it of little value for FDA to establish pacemaker standards higher than those developed by the Association for the Development of Pacemaker Standards. Particularly, it seems to us to be too early to establish manufacturing standards for pacemakers at this time. As the development of cardiac pacemakers is still in a process of steady improvement and innovation, a rigid standardization of individual stages of production would paralyze the manufacturer's endeavour to improve the device, thus impairing the patient's interests.

It is precisely the fact of the defects recently noticed in implantable pacemakers—irrespective of the manufacturer and whether with or without FDA Recall—which shows that the cardiac pacemaker, still on the long run—from a technical point of view—will not be as fully developed as that—in the sense of a drug which is clearly defined by its chemical composition, its effects and secondary effects—their life and the possibilities of controlling their functioning might be no longer subject to the need of steady development by adapting them to the most advanced technologies (batteries, construction elements materials etc.).

At any time, we shall be glad to answer further questions arising in the matter.

Sincerely yours,

PROF. DR. M. SCHALDACH.

Mr. DOLE. Mr. President, as a cosponsor of one of the bills which led to passage of medical device legislation in the Senate last year, I would like to record my enthusiastic support for the measure now before us.

In these times of runaway regulation—much of it of rather questionable need and foundation—by our vast network of Federal bureaucracy, it is refreshing to endorse a proposal which will actually authorize some constructive safeguards for a change. Although these may go a little further than is necessary in certain cases, I believe for the most part S. 510 represents a sound approach to filling the enforcement gaps under present medical device law.

The one area in which the committee bill may be excessive is that dealing with premarket scientific review of medical devices. I think by making the scope of such review general instead of restricting it to devices used "in life threatening situations" there is a possibility of stifling development of new technology; however, I am optimistic that that can be avoided through the exercise of appropriate discretion in making the "public health and safety" determinations called for.

The important thing is that we give the Food and Drug Administration the latitude it requires to establish mandatory standards for potentially hazardous medical devices to meet. We have witnessed enough problems with such items as IUD's, heart valves, heart pacemakers, and the like that legislation to assure their safety and effectiveness before being put into widespread use is clearly overdue.

Since it was the House during the last Congress which prevented enactment of a bill designed to reduce the number of deaths and injuries from these devices, I would hope that a strong show of support today might result in their responding at an early date. Certainly, the basic thrust of S. 510 is noncontroversial, and in fact, the only real clamor should be coming from those who are wondering why it has taken us this long to act.

Mr. President, I urge my colleagues to join me in giving overwhelming approval to this legislation which must, on balance, be considered both well conceived and operationally justified.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. CLARK), the Senator from Alaska (Mr. GRAVEL), and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is necessarily absent.

I also announce that the Senator from Hawaii (Mr. FONG) and the Senator from Arizona (Mr. GOLDWATER) are absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 88, nays 5, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—88

Abourezk
Allen
Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cranston
Culver
Dole
Domenici
Eastland
Fannin
Ford
Garn
Glenn
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—5

Bartlett
Curtis
Helms
Hruska
McClure

NOT VOTING—6

Clark
Eagleton
Fong
Goldwater
Gravel
Hatfield

So the bill (S. 510) was passed, as follows:

S. 510

An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES TO ACT

SECTION 1. (a) This Act may be cited as the "Medical Device Amendments of 1975".

(b) Unless otherwise specified, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the section or other provision amended or repealed is a section of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

TITLE I—PRELIMINARY CLASSIFICATION OF MEDICAL DEVICES

SEC. 101. Chapter V of the Federal Food, Drug, and Cosmetic Act is amended by adding the following:

"PRELIMINARY CLASSIFICATION OF DEVICES

"SEC. 511. (a) Within sixty days after funds are first appropriated for the implementation of this section, the Secretary shall appoint and organize separate classification panels of experts, qualified by scientific training and experience, to review and classify devices intended for human use into appropriate categories based on the safety and effectiveness of such devices. Each panel shall review all devices intended for human use within its respective scientific field for purposes of appropriate classification and shall submit within one year of its appointment a report of its findings and conclusions to the Secretary. To the maximum extent practical the panel or panels shall provide an opportunity for any interested person to submit data and views on the classification of a device (or type or class of device). The Secretary may utilize any such panels which may have been formed for the purpose of such classification prior to enactment of this section and such panels may utilize information and findings developed prior to enactment of this section in making such reports. Such panels shall also serve as scientific review panels under section 514.

"(b)(1) Panel members shall be qualified by training and experience to evaluate the safety and effectiveness of devices in the category or class of devices to be referred to such a panel and to the extent feasible shall possess skill in the use of or experience in the development, manufacture, perfection, or utilization of such devices. In addition to such experts, each panel shall include as nonvoting members a representative of consumer interests and a representative of industry interests. Panel members may be nominated by appropriate scientific, trade, and consumer organizations.

"(2) The panels shall be organized according to the various fields of clinical medicine and the fundamental sciences which utilize medical devices, and shall consist of members with diversified expertise in such fields as clinical and administrative medicine, engineering, biological and physical sciences, or other related professions. The Secretary shall designate one of the members of each panel to serve as chairman thereof. Panel members shall, while attending meetings or conferences of the panel or otherwise engaged in its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently. The Secretary shall furnish each panel with adequate clerical and other necessary assistance, and shall prescribe by regulation the procedures to be followed by each panel.

"(c) Panels appointed pursuant to subsection (a) shall submit (in the final report of the panel or such interim reports as may be appropriate) recommendations for the classification of devices for purposes of and in accordance with sections 513 and 514 into one of the three following classes and shall, to the extent practicable, assign priorities within such classes:

"(1) Those devices (A) for which insufficent information exists to—

"(i) assure effectiveness, or

"(ii) assure that exposure to such devices will not cause unreasonable risk of illness or injury, and

"(B) for which standards or other means may not be appropriate to reduce or eliminate such risk of illness or injury and which therefore shall be subject to premarket scientific review pursuant to section 514. Such review, either initial or continuing, shall be required if the panels determine that such device purports or is represented to be for a use which is life sustaining or life supporting, or is intended to be implanted in human beings, unless the Secretary determines on the basis of specific recommendations by the appropriate classification panels that the use of such a specific implanted device or type of device does not pose a health hazard.

"(2) Those devices for which in order to assure effectiveness or to reduce or eliminate unreasonable risk of illness or injury it is appropriate to establish reasonable performance standards, pursuant to section 513 relating to safety and effectiveness and for which other means may not be appropriate to reduce or eliminate such risk of illness or injury.

"(3) Those devices which are safe and effective when used in conjunction with instructions for usage and warnings of limitation, which are adequate for the persons by whom the device is represented or intended for use, which present a minimum risk, and which should be exempt from requirements for scientific review or performance standards.

"(d) As soon as possible after filing of the report required for compliance with subsection (a), the Secretary shall publish such report in the Federal Register and provide interested persons an opportunity to comment thereon. After reviewing such comments the Secretary shall by regulation provide for preliminary classification of such devices. The Secretary may establish priorities for implementing the action warranted by such classification under sections 513 and 514 and may defer such action for any device until an appropriate time, consistent with expeditious implementation of these provisions.

"(e) The Secretary, with the advice of the appropriate panel and after making a specific finding and publishing such finding in the Federal Register and providing interested persons an opportunity for comment thereon may by regulation change the preliminary classification of a device or group of devices from one category to another.

"(f) The preliminary classification of a device shall constitute public notice that, as expeditiously as is feasible, the Secretary will issue a final classification in the form of a determination of a need for a performance standard pursuant to section 513 or a determination of the need for scientific review pursuant to section 514. The preliminary classification shall not relieve the Secretary of any obligation to provide notice as required by sections 513 and 514. Any interested person will have an opportunity, pending such final classification, to undertake studies and other work appropriate to develop a performance standard or to demonstrate the safety and effectiveness of a device.

"(g) After the promulgation of regulations under subsection (d) of this section and commensurate with the effective date of section 501(f), a manufacturer of a medical device which has not been classified in accordance with this section shall file an application for the classification of the device and must receive from the Secretary notification of the classification of such device. The Secretary shall act on the application within sixty days unless the Secretary and the manufacturer agree to an additional period of time. The Secretary shall classify the devices in accordance with the criteria and procedures listed in sections 511, 513, and 514 including the requirement for consultation with the appropriate panel or panels. The appeal provisions of sections 513 and 514 shall apply."

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TITLE II—AUTHORITY TO ESTABLISH PERFORMANCE STANDARDS

SEC. 201. Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C., ch. 9, subch. VI) is amended by adding at the end thereof the following new section:

"PERFORMANCE STANDARDS FOR MEDICAL DEVICES

"Authority To Set Standards

"SEC. 513. (a)(1) Whenever in the judgment of the Secretary such action is appropriate to assure effectiveness or to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device (including the need for uniformity and compatibility with systems or environments in which it is intended to be used) and for which other means may not be appropriate to reduce or eliminate such risk of illness or injury he shall by order issued in accordance with subsection (c) of this section promulgate for any device, or type or class of device, for which a performance standard has been determined to be appropriate pursuant to section 511(d), a performance standard relating to safety and effectiveness (including effectiveness over time), and including where necessary: the composition, the construction, the compatibility with power systems and connections, and the properties, and including where appropriate the uniform identification of such device. Such performance standard shall where appropriate include provisions for the testing of the device and the measurement of its characteristics (including individual lot testing by or at the direction of the Secretary where necessary to assure the accuracy and reliability of results when it is determined that no other more practicable means to assure accuracy and reliability are available to the Secretary) and shall where appropriate require the use and prescribe the form and content of instructions or warnings necessary for the proper installation, maintenance, operation, and use of the device.

"(2) A performance standard may require that the device or any component thereof be marked, tagged, or accompanied by clear and adequate warnings or instructions reasonably necessary for the protection of health or safety.

"(3) The Secretary shall provide for a periodic evaluation of the adequacy of all performance standards promulgated under this section in order to reflect changes in the state of the art of the development of devices and in applicable medical, scientific, and other technological data.

"(4) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety and effectiveness shall be determined with regard to such intended use.

"Consultation With Other Federal Agencies and Interested Groups; Use of Other Federal Agencies

"(b)(1) Prior to (A) initiating a proceeding under subsection (c) to promulgate a performance standard under this section, (B) initiating the development of a proposed performance standard under subsection (f) of this section, or (C) the taking of any action under subsection (g) of this section, the Secretary shall to the maximum practicable extent consult with, and give appropriate weight to relevant standards published by, other Federal agencies concerned with standard setting and other nationally or internationally recognized standard-setting agencies or organizations. In considering proposals for the development of performance standards, the Secretary shall to the maximum extent practicable invite appropriate participation, through joint or other conferences, workshops, or other means, by informed persons representative of scientific, professional, industry, and consumer organizations which in his judgment can make a significant contribution to such development.

"(2) In carrying out his duties under this section, the Secretary shall utilize to the maximum practicable extent the personnel, facilities, and other technical support available in other Federal agencies.

"Initiation of Proceeding for Performance Standards—Development by Interested Parties

"(c)(1) A proceeding to promulgate a performance standard under this section shall be initiated by the Secretary by publication of notice in the Federal Register. Such notice shall advise of the opportunity for comment on the need to initiate such proceeding and shall include—

"(A) a description or other designation of the device (or type or class of device) to which the proceeding relates;

"(B) the nature of the risk or risks intended to be controlled:

"(C) a summary of the data on which the Secretary has found a need for initiation of the proceeding:

"(D) identification of any existing performance standard (if known to the Secretary) which may be relevant to the proceeding, and

"(E) an invitation to any person, including any Federal agency, which has developed or is willing to develop a proposed performance standard to submit to the Secretary, within sixty days after the date of such notice (i) such a performance standard; or (ii) an offer to develop a proposed performance standard in accordance with procedures prescribed by regulations of the Secretary. Such invitation shall specify a period of time, during which the performance standard is to be developed, which shall be a period ending one hundred and eighty days after the publication of the notice, unless the Secretary for good cause finds (and includes such finding in a notice published in the Federal Register) that a different period is appropriate.

"(2) Prior to his issuance of an order to promulgate a performance standard, the Secretary shall consider—

"(A) the degree of risk of illness or injury associated with those aspects of the devices subject to the order;

"(B) the approximate number of devices, or types or classes thereof, subject to the order;

"(C) the benefit to the public from the devices subject to the order, and the probable effect of the order upon the utility, cost, or availability of the devices to meet that need;

"(D) means of achieving the objective of the order with a minimal disruption or dislocation of competition and of reasonable manufacturing and other commercial practices consistent with the public health and safety; and

"(E) data and comments submitted pursuant to subsection (c) relevant to such order.

"(3) Before taking action pursuant to subsections (d), (e), and (f) concerning the use of an existing performance standard or the designation of a person or governmental body to formulate a proposed performance standard, or simultaneous with such action, the Secretary shall publish a notice in the Federal Register containing his findings pursuant to paragraph (2) on the need to establish a standard. Such findings shall be made only after consideration of the report, comments, and regulation provided for in section 511(d) and the comments received under the notice described in subsection (a)(1), and may be appealed to the courts pursuant to subsection (g)(5) within thirty days after publication in the Federal Register.

"Use of Existing Performance Standards

"(d) If the Secretary (1) finds that there exists a standard which has been published by any Federal agency or other qualified agency, organization, or institution, (2) has made reference to such standard (unless it is a standard submitted under subsection (c)(1)(E)) in his notice pursuant to subsection (c)(1)(D), and (3) determines that such performance standard may be substantially acceptable to him as a device standard, then he may, in lieu of accepting an offer under this section, publish such performance standard as a proposed device performance standard in accordance with subsection (g).

"Acceptance of Offers To Develop Performance Standards

"(e)(1) Except as otherwise provided by subsection (d), the Secretary may accept one or more offers to develop a proposed performance standard pursuant to the invitation prescribed by subsection (c)(1)(E) if he determines that (A) the offeror is technically competent to undertake and complete the development of an appropriate performance standard within the period specified in the invitation under subsection (c)(1)(E) and (B) the offeror has the capacity to comply with procedures prescribed by regulations of the Secretary under paragraph (4) of this subsection. Where more than one offer is received and the Secretary determines that the requirements of subparagraphs (A) and (B) have been met, the Secretary shall, wherever practicable, give priority to offerors who have no proprietary interest in the device for which the standard is to be developed. The Secretary shall require, by regulation, that in making an offer, each offeror and appropriate individual directors, officers, consultants, and employees of each offeror company, disclose the following information:

"(i) all current industrial or commercial affiliations;

"(ii) sources of research support other than the offeror;

"(iii) companies in which offerors have financial interests;

"(iv) such additional information as the Secretary deems pertinent to reveal potential conflicts of interest with regard to the offer.

The information received by the Secretary from an offeror whose offer has been accepted shall be made public by the Secretary at the time that an offer is accepted.

"(2) The Secretary shall publish in the Federal Register the name and address of each person whose offer is accepted, and summary of the terms of such offer as accepted.

"(3) When an offer is accepted under this subsection the Secretary may agree to contribute to the offeror's cost in developing a proposed performance standard, if the Secretary determines that such contribution is likely to result in a more satisfactory performance standard than would be developed without such contribution, and that the offeror is financially responsible. Regulations of the Secretary, shall set forth the items of cost in which he may participate, except that such items may not include construction (except minor remodeling), or the acquisition of land or buildings.

"(4) The Secretary shall prescribe regulations governing the development of proposed performance standards under this subsection and subsection (f). Such regulations shall include requirements—

"(A) that performance standards recommended for promulgation be supported by test data or such other documents or materials as the Secretary may reasonably require to be developed, and be suitable for promulgation under subsection (g);

"(B) that performance standards recommended for promulgation contain such test methods as may be appropriate for measurement of compliance with such performance standards;

"(C) for notice and opportunity by interested persons, including representatives of consumers or consumer organizations, to participate in the development of such performance standards;

"(D) for the maintenance of such records as the Secretary prescribes in such regulations to disclose the course of the development of performance standards recommend-
qualitative improvement, testing and de-
velopment of new nuclear weapons. There-
ed for promulgation, the comments and other information submitted by any person in connection with such development, including comments and information with respect to the need for such recommended performance standards, and such other matters as may be relevant to the evaluation of such recommended performance standards; and

"(E) that the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, have access for the purpose of audit and examination to any books, documents, papers, and records, relevant to the expenditure of any contribution of the Secretary, under paragraph (3).

"Development of Performance Standards by the Secretary

"(f) If the Secretary has published a notice as provided by subsection (c), and—

"(1) no person accepts the invitation prescribed by subsection (c)(1)(E);

"(2) the Secretary has accepted neither an existing performance standard pursuant to subsection (d) nor an offer to develop a proposed performance standard pursuant to subsection (e); or

"(3) the Secretary has accepted an offer pursuant to subsection (e) but determines that the offeror is unwilling or unable to continue the development of the performance standard which was the subject of the offer or the performance standard which has been developed is not satisfactory;

then the Secretary shall proceed to develop a proposed performance standard pursuant to procedures prescribed by subsection (g).

"Procedure for Promulgation, Amendment, or Revocation of Performance Standards

"(g)(1)(A) Within one year after expiration of the period provided for persons to submit a proposed performance standard or offer to develop a proposed performance standard (which time may be extended by the Secretary by a notice published in the Federal Register stating the good cause therefor) and after review of any proposal submitted under subsection (e), the Secretary shall publish in the Federal Register either a proposal to promulgate a performance standard applicable to the device (or type or class of device) subject to the proceeding, or a notice that the proceeding is terminated. The proposal to promulgate a performance standard shall set forth the performance standard, the manner in which interested persons may examine data and other information on which the performance standard is based, and the period within which interested persons may present their comments on the standard (including the need therefor) orally or in writing. Such period for comment shall be at least sixty days, but not to exceed ninety days which time may be extended by the Secretary by a notice published in the Federal Register stating the cause therefor.

"(B) Within ninety days after the expiration of the period for comments pursuant to paragraph (A), the Secretary shall, by order published in the Federal Register, act upon the proposed performance standard or terminate the proceeding. The order shall set forth the performance standard, if any, the reasons for the Secretary's action, and the date or dates upon which the performance standard, or portions thereof, will become effective. Such date or dates shall be established so as to minimize, consistent with the public health and safety, economic loss to, and disruption or dislocation of, domestic and international trade. If any performance standard set forth in the order is substantially different from that set forth in the proposal an additional period of thirty days shall be permitted for comment on such performance standard.

"(C) The Secretary may include in the order promulgating a performance standard such findings in addition to those made pursuant to subsection (c)(3) as he may determine to be necessary to support the judgment required by subsection (a)(1).

"(2) The Secretary may revoke any performance standard, in while or in part, upon the ground that there no longer exists a need therefor or that such performance standard (or part thereof) is no longer in the public interest. Such revocation shall be published as a proposal in the Federal Register and shall set forth such performance standard or portion thereof to be revoked, a summary of the reasons for his determination that there may no longer be a need therefor or that such standard (or any part thereof) may no longer be in the public interest, the manner in which interested persons may examine data and other information relevant to the Secretary determination, and the period within which any interested person may present his views, orally or in writing, with respect to such revocation. As soon as practicable thereafter, the Secretary shall by order act upon such proposal and shall publish such order in the Federal Register. The order shall include the reasons for the Secretary's action and the date or dates upon which such revocation shall become effective.

"(3) The Secretary may propose an amendment of a performance standard on his own initiative or on the petition of any interested person by publishing such proposal in the Federal Register. Such proposal shall be subject to paragraphs (4) and (5) of this subsection and subsection (h).

"(4) To the extent not inconsistent with this section, the provisions of section 553 of title 5 of the United States Code, shall govern proceedings under this section to promulgate, amend, or revoke a performance standard.

"(5)(A) In a case of actual controversy as to the validity of any order promulgating, amending, or revoking a performance standard or findings that a standard is needed or a regulation banning a device, any person who will be adversely affected by such order if placed in effect may at any time prior to the thirtieth day after such order is issued file a petition with the United States Court of Appeals for the District of Columbia or for the circuit wherein such person resides or has his principal place of business, for a judicial review of such order. A copy of the petition shall be transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based his order, as provided in section 2112 of title 28, United States Code.

"(B) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary the court may order such additional evidence (and evidence in rebuttal thereof) to be presented to the Secretary. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence, so taken, and he shall file such modified or new findings, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

"(C) Upon the filing of the petition referred to in subparagraph (A) of this paragraph, the court shall have jurisdiction to affirm the order, or to set it aside in whole or in part, temporarily or permanently. If the order of the Secetary refuses to issue, amend, or repeal a regulation and such order is not in accordance with law the court shall by its judgment order the Secretary to take action with respect to such regulation, in accordance with law. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

"(D) The judgment of the court affirming or setting aside, in whole or in part, any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended.

"(E) Any action instituted under this subsection shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office.

"(F) A certified copy of the transcript of the record of the proceedings before the Secretary shall be furnished by the Secretary to any interested party at his request, and payment of the costs thereof, and shall be admissible in any criminal libel for condemnation, exclusion of imports, or other proceeding arising under or in respect of this Act, notwithstanding proceedings with respect to the order have been previously instituted or become final under this subsection.

"(6) The Secretary may by regulations prohibit a manufacturer of a device from stockpiling any device to which a performance standard applies, so as to prevent such manufacturer from circumventing the purpose of such performance standard. For purposes of this paragraph, the term 'stockpiling' means manufacturing or importing a device between the date of promulgation of such performance standard and its effective date at a rate which is significantly greater (as determined under the regulations under this paragraph) than the rate at which such device was produced or imported during a base period (prescribed in the regulations under this paragraph) ending before the date of promulgation of the performance standard.

"Referral to Independent Advisory Committee

"(h)(1) The Secretary may refer a proposal under subsection (g) to an advisory committee of experts for a report and recommendation with respect to any matter involved in such proposal which requires the exercise of scientific judgment. Such referral shall be prior to or after publication under such subsection, and shall be so referred upon a request, within the time for comment specified in the proposal, of any interested person (unless the Secretary finds the request to be without good cause). For the purpose of any such referral, the Secretary shall appoint an advisory committee (which may be a standing advisory scientific review panel established under section 514(b)) and shall refer to it, together with all the data before him, the matter so involved for study, and for a report and recommendation. The advisory committee shall, after independent study of the data furnished to it by the Secretary and other data before it, certify to the Secretary a report and recommendations, together with all underlying data and a statement of the reasons or basis for the recommendations. A copy of such report shall be promptly supplied by the Secretary to any person who has filed a petition, or who has requested such referral to the advisory committee. After giving consideration to all data then before him, including such report, recommendations, underlying data, and statement, and to any prior order issued by him in connection with such matter, the Secretary shall by order conform or modify any prior order, or, if no such prior order has been issued, shall by order act upon the proposal. Any interested person shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person, in connection with the matter referred to it.

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"(2) The Secretary shall appoint as members of any such advisory committee persons qualified in the subject matter to be referred to the committee and of appropriately diversified professional background. Members of an advisory committee who are not in the regular full-time employ of the United States, while attending conferences or meetings of their committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at rates to be fixed by the Secretary but not at rates exceeding the daily equivalent for grade GS-18 of the General Schedule for each day so engaged, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Secretary shall furnish the committee with clerical and other assistance, and shall by regulation prescribe the procedures to be followed by the committee.

"Testing or Manufacture of Devices To Assure Compliance With Standards

"(i)(1) Every manufacturer of a device subject to a standard under this section shall assure the Secretary, at such times and in such form and manner as the Secretary shall by regulation prescribe, that testing methods prescribed by the performance standard show the device to comply therewith, or that the device has been manufactured under a program of quality control which is in accord with current good manufacturing practice (as may be determined by regulations of the Secretary) designed to assure such compliance.

"(2) To assure that devices conform to performance standards under this section, the Secretary shall review and evaluate on a continuing basis testing and other quality control programs carried out by manufacturers of devices subject to such performance standards.

"Exemption

"(j) This section shall not apply to any device (1) intended solely (A) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (B) to affect the structure or any function of the body of such animals; or (2) subject to section 514 except for those characteristics of the device made subject to provisions of existing performance standards by an application approved pursuant to that section; or (3) any device of a particular manufacturer which the Secretary finds pursuant to regulations issued after an opportunity for a hearing may notwithstanding any standard promulgated under this section be marketed pursuant to an approval under section 514.

"Temporary Permits

"(k) The Secretary shall issue regulations permitting the interstate shipment of devices varying from an applicable performance standard for the purpose of investigation or other testing prior to amendment of the standard. Such regulations may include reasonable conditions related to the safety and effectiveness of the devices.

"Custom Devices

"(l) This section shall not apply to any custom device to the extent that it is ordered by a physician (or other specially qualified persons, authorized by regulations promulgated by the Secretary, after an opportunity for a hearing) to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable performance standard except those specifically ordered by a physician or such other authorized person to be changed. This subsection shall apply only to devices ordered for individual patients, and shall not otherwise exempt a device from subsection (k). Custom devices shall not be used as a course of conduct and shall not be generally available in finished form for purchase or for dispensing upon prescription, and whether in finished form or otherwise, shall not be made available through commercial channels by the maker or processor thereof.

"Banned Device

"(m)(1) Whenever the Secretary finds after consultation with the appropriate panel or panels established under section 514(b) and after affording all interested persons an opportunity for an informal hearing, that—

"(A) a device presents an unreasonable risk of illness or injury or deception; and

"(B) no feasible performance standard or approved application under section 514 would adequately protect the public from the unreasonable risk of illness or injury or deception associated with such device,

he may propose and, in accordance with subsection (g), promulgate a regulation declaring such product a banned device.

"(2) The Secretary may declare a proposed regulation banning a device to be effective on an interim basis after publication in the Federal Register, pending completion of the procedures established in subsection (g)(3), if he determines, after affording all interested persons an opportunity for an informal hearing, that such banning will expeditiously reduce or eliminate a hazard to the public health or safety, fraud, or gross deception associated with such device.

"EXPEDITED AMENDMENT

"(n) The Secretary may declare a proposed amendment of a performance standard to be effective on an interim basis after publication in the Federal Register, pending completion of the procedures established in subsection (g)(3), if he determines, after affording all interested persons an opportunity for an informal hearing, that such amendment will permit rapid implementation of desirable changes or will expeditiously reduce or eliminate a hazard to the public health or safety without prohibiting devices permitted by the existing performance standard and that to do so is in the public interest."

CONFORMING AMENDMENTS

SEC. 202. (a) Section 501 of such Act (21 U.S.C. 351) is amended by adding at the end thereof the following new paragraph:

"(e)(1) If it is, or purports to be or is represented as, a device with respect to which, or with respect to any component, part, or accessory of which there has been promulgated a performance standard under section 513, unless such device, or such component, part, or accessory, is in all respects in conformity with such performance standard; or

"(2) if it is a banned device."

(b) Section 502 of such Act (21 U.S.C.) is amended by adding at the end thereof the following new paragraph:

"(q) If it is a device subject to a performance standard promulgated under section 513, unless (1) its labeling bears such instructions and warnings as may be prescribed in such performance standard; and (2) it complies with the requirements of section 513(i)(1)."

TITLE III—SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

SEC. 301. (a) Section 501 of such Act, as amended by section 202(a) of this Act, is further amended by adding at the end thereof the following new paragraph:

"(f) (1) it is a device and (2) such device, or any component, part or accessory thereof, is deemed unsafe or ineffective within the meaning of section 514 with respect to its use or intended use."

(b) Chapter V of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"SCIENTIFIC REVIEW OF CERTAIN MEDICAL DEVICES

"When Scientific Review Is Required

"SEC. 514. (a)(1) The Secretary may declare that a device (or type or class of device) for which scientific review has been determined to be appropriate pursuant to section 511(d) shall be subject to scientific review under this section with respect to any particular use or intended use thereof if, after consultation with the appropriate panel or panels specified in subsection (b), he finds that (A) such review is appropriate to assure effectiveness or is appropriate to reduce or eliminate unreasonable risk of illness or injury associated with exposure to or use of a device and (B) other means available to the Secretary may not be appropriate to reduce or eliminate such risk of illness or injury. (2) The Secretary may declare that a device (or type or class of device) shall be subject to scientific review under this section with respect to any particular use or intended use thereof if he (A) determines that scientific review for any device is appropriate to protect the public health and safety and (B) finds that other means available to the Secretary may not be appropriate to reduce or eliminate such risk of illness or injury. To the maximum extent practicable the panel or panels shall provide an opportunity for any interested person to submit data and views on the appropriateness of applying scientific review to a device (or type or class of device) or any particular use of a device. The declaration shall be by regulation (which may be rescinded by the Secretary) which shall set forth and be based upon the report, comments, and regulations provided for in section 511(d), the findings prescribed in this subsection, and findings as described in section 513(c)(2). The promulgation of such regulation may be appealed to the courts pursuant to the provisions of section 513(g)(5) within thirty days after publication in the Federal Register. A device (or type or class of device) declared to be subject to scientific review shall be deemed unsafe or ineffective for the purpose of the application of section 501(f) unless either—

"(i) there is in effect an approval of an application with respect to such device under this section,

"(ii) such device is exempted by or pursuant to subsections (k), (l), or (m) of this section, or

"(iii) such device is intended solely (I) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals other than man or (II) to affect the structure or any function of the body of such animals.

"Standing Advisory Scientific Review Panels

"(b) For the purpose of reviewing applications filed under subsection (c), and of reviewing plans and protocols submitted under subsection (k)(4), and of reviewing product development protocol under subsection (m)(2) the Secretary shall utilize the standing advisory panels established under section 511. The selection, payment, and administration of these panels shall be governed by section 511.

"Application for Scientific Review

"(c)(1) Scientific review of a device (or type or class of device) which has been declared subject to such review in accordance with subsection (a) may be obtained by submitting to the Secretary an application for his determination of the safety and effectiveness of the device. The application shall contain (A) full reports of all information, published or known to or which should reasonably be known to the applicant, concerning investigations which have been made to show whether or not such device is safe and effective for use; (B) a full statement of the composition, properties, and construction, and of the principal or principles of operation, of such device; (C) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and, when relevant, packing and installation of such device; (D) an identifying reference to any performance standard, applicable to such device, or component of such device, which is in effect pursuant to section 513, and either adequate information to show that such device fully meets such performance standard or adequate information to justify any deviation from such standard; (E) such samples of such device and of the articles used as components thereof as the Secretary may require; (F) specimens of the labeling proposed to be used for such device; and (G) such other information, relevant to the subject matter of the application, as the Secretary, upon advice of the appropriate panel or panels established pursuant to subsection (b), may require.

"(2) Upon receipt of an application meeting the requirements set forth in paragraph (1), the Secretary shall refer such application to the appropriate panel or panels (established pursuant to subsection (b)) for study and for submission (within such period, if any, as he may establish) of a report and recommendations, together with all underlying data and the reasons or basis for the recommendations. The provisions of section 706(d)(2) shall apply with respect to the material so submitted.

"Consideration of an Initial Action on Application

"(d) As promptly as possible, but in no event later than one hundred and twenty days after the receipt of an application under subsection (c), unless an additional period is agreed upon by the Secretary and the applicant, the Secretary, after considering the report and recommendations referred to in paragraph (2) of such subsection, shall—

"(1) approve the application if he finds that none of the grounds for denying approval specified in subsection (e) applies,

"(2) advise the applicant that the application is not in approvable form; and inform the applicant, insofar as the Secretary determines to be practicable, of the measures required to place such application in approvable form (which measures may include further research by the applicant in accordance with one or more protocols, prescribed by the Secretary); or

"(3) deny approval of the application if he finds (and sets forth the basis of such findings as part of or accompanying such denial) that one or more grounds for denial specified in subsection (e) applies.

"Bases for Approval or Disapproval; Opportunity for Review

"(e)(1) If, upon the basis of the information submitted to the Secretary as part of the application and any other information before him with respect to such device the Secretary finds, after opportunity to the applicant for the review prescribed by paragraph (4), that—

"(A) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof;

"(B) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing and installation of such device do not conform to the requirements of section 501(g);

"(C) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof;

"(D) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular; or

"(E) such device is not shown to conform in all applicable respects to a currently effective performance standard promulgated under section 513;

he shall issue an order denying approval of the application and stating the findings upon which the order is based. In determining if a device is shown to be safe for purposes of this paragraph, the Secretary shall weigh any benefit to the public health probably resulting from the use of the device against any hazard to the public health probably resulting from such use.

"(2) As used in this subsection and subsection (f), the term 'adequate scientific evidence' means evidence consisting of sufficient well-controlled investigations, including clinical investigations where appropriate, by experts qualified by scientific training and experience to evaluate the effectiveness of the device involved, on the basis of which it could fairly and responsibly be concluded by such experts that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof, unless the Secretary determines that other valid scientific evidence is sufficient to establish the effectiveness of the device.

"(3) For the purposes of this section, when a device is intended for use by a physician, surgeon, or other person licensed or otherwise specially qualified therefor, its safety and effectiveness shall be determined in the light of such intended use.

"(4) (A) An applicant whose application has been denied approval may, by petition filed on or before the thirtieth day after the date upon which he receives notice of such denial, obtain review thereof in accordance with subsection (i). The Secretary shall consider and give appropriate weight to the report and recommendations received from the advisory committee conducting such review under such subsection.

"(B) In lieu of the review provided by subparagraph (A), such applicant may petition to obtain a hearing in accordance with section 554 of title 5 of the United States Code.

"Withdrawal of Approval

"(f)(1) The Secretary may, upon obtaining where appropriate, advice on scientific matters from a panel or panels established pursuant to subsection (b), and after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application with respect to a device under this section if the Secretary finds—

"(A)(i) that clinical or other experience, tests, or other scientific data show that such device is unsafe for use under the conditions of use for which the application was approved; or (ii) on the basis of evidence of clinical experience, not included in or accompanying such application and not available to the Secretary until after the application was approved, or of tests by new methods or by methods not reasonably applicable when the application was approved, evaluated together with the evidence available to the Secretary when the application was approved, that such device is not shown to be safe for use under the conditions of use on the basis of which the application was approved:

"(B) on the basis of new information before him with respect to such device, evaluated together with the evidence available to him when the application was approved, that there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof;

"(C) that the application filed pursuant to subsection (c) contains or was accompanied by an untrue statement of material fact;

"(D) that the applicant has failed to establish a system for maintaining records, or has repeatedly or deliberately failed to maintain records or to make reports, required by an applicable regulation or order under subsection (a) of section 516, or that the applicant has refused to permit access to, or copying or verification of such records as required by paragraph (2) of such subsection;

"(E) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the methods used in, or the facilities and controls used for, the manufacture, processing, packing, or installation of such device do not conform to the requirements of section 501(g) and were not brought into conformity with such requirements within a reasonable time after receipt of written notice from the Secretary; or

"(F) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that the labeling of such device, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Secretary; or

"(G) on the basis of new information before him, evaluated together with the evidence before him when the application was approved, that such device is not shown to conform in all respects to an applicable performance standard promulgated pursuant to section 513.

"(2) If the Secretary (or in his absence the officer acting as Secretary) finds that an imminent health or safety hazard is involved, he may by order suspend the approval of such application immediately and give the applicant prompt notice of his action and afford the applicant an opportunity for an expedited hearing under this subsection. Such authority to suspend the approval of an application may not be delegated.

"(3) Any order under this subsection shall state the findings upon which it is based.

"Authority To Revoke Adverse Orders

"(g) Whenever the Secretary finds that the facts so require, he shall revoke an order under subsection (e) or (f) denying, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.

"Service of Secretary's Orders

"(h) Orders of the Secretary under this section shall be served (1) in person by any officer or employee of the Department designated by the Secretary or (2) by mailing the order by registered mail or certified mail addressed to the applicant at his last known address in the records of the Secretary.

"Referred to Independent Advisory Committee

"(i)(1) A person who has filed an application under subsection (c) may petition the Secretary, in accordance with subparagraph (A) of subsection (e)(4), to refer such application, or the Secretary's action thereon, to an advisory committee of experts for a report and recommendations with respect to any question therein involved which requires the exercise of scientific judgment. Upon such petition, or if the Secretary on his own initiative deems such a referral necessary, the Secretary shall appoint an advisory committee and shall refer to it, together with all the data before him, the question so involved for study thereof and a report and recommendations thereon. The committee shall, after independent study of the data furnished to it by the Secretary and other data before it, certify to the Secretary a report and recommendations, together with all underlying data and a statement of the reasons or basis for the recom-

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mendations. A copy of the foregoing shall be promptly supplied by the Secretary to any person who has filed a petition, or who has requested such referral to the advisory committee. After giving consideration to all data then before him, including such report, recommendations, underlying data, and statement, and to any prior order issued by him in connection with such matter, the Secretary shall by order conform or modify any prior order or, if no such prior order has been issued, shall by order act upon the application. The applicant, as well as representatives of the Secretary, shall have the right to consult with such advisory committee, and such advisory committee is authorized to consult with any person in connection with the question referred to it.

"(2) Section 513(h)(2) shall apply to the appointment, compensation, staffing, and procedure of any such advisory committee.

"Judicial Review

"(j) The application may, by appeal taken in accordance with section 505(h), obtain judicial review of a final order of the Secretary denying or withdrawing approval of an application filed under subsection (c) of this section or a final order under subsection (m) revoking an exemption in effect under that subsection. Judicial review of such final order shall not be denied upon the ground that the petitioner has failed to avail himself of the review or hearing provided by subsection (e)(4) or the hearing provided by subsection (m).

"Exemption for Investigational Use

"(k)(1) It is the purpose of this subsection to encourage, to the maximum extent consistent with the protection of the public health and safety and with professional ethics, the discovery and development of useful devices and to that end to maintain optimum freedom for individual scientific investigators in their pursuit of that objective. All information required under this section to be submitted to the Secretary or to an institutional review committee shall be concise and no more burdensome than is necessary to permit adequate review.

"(2) Subject to the succeeding paragraphs of this subsection, there shall be exempt from the requirement of approval of an application under the foregoing provisions of this section any device which is intended solely for investigational use (in an appropriate scientific environment) by an expert or experts qualified by scientific training and experience to investigate the safety and effectiveness of such device.

"(3) The Secretary shall promulgate regulations after an opportunity for a hearing, relating to the application of the exemption referred to in paragraph (2) to any device which is intended for use in the clinical testing thereof upon humans, in developing data required to support an application under subsection (c).

"(4) Such regulations may provide for conditioning the exemption, in the case of a device intended for such clinical use, upon—

"(A) the submission, by the manufacturer of the device or the sponsor of the investigation, of an outline of the plan of initial clinical testing—

"(i) to a local institutional review committee which has been established to supervise clinical testing in the facility where the initial clinical testing is to be conducted, the composition and procedures of which comply with regulations of the Secretary, for review as being adequate to justify the commencement of such testing, or

"(ii) if no such committee exists or if the Secretary finds that the process of review by such committee is inadequate or that protection of health and safety so requires (whether or not the plan has been approved by such committee), to the Secretary for review by the appropriate panel or panels established pursuant to subsection (b) as being adequate to justify the commencement of such testing;

"(B) prompt notification to the Secretary by such manufacturer or sponsor (under such circumstances and in such manner as the Secretary prescribes) of approval of any plan pursuant to clause (A)(i);

"(C) the submission, by the manufacturer of the device or the sponsor of the investigation, of an adequate protocol for clinical testing to be conducted by separate groups of investigators under essentially the same protocol, together with a report of prior investigations of the device (including, where appropriate, tests on animals) adequate to justify the proposed testing, either (i) to a local institutional review committee for review in accordance with the provisions of clauses (A)(i) and (B), or (ii) to the Secretary for review in accordance with the provisions of clause (A)(ii) if such testing involves facilities in which no such committee exists, or facilities served by more than one local institutional review committee if such committees are unable to agree on the adequacy of the submission;

"(D) the obtaining, by the manufacturer, of the device or the sponsor of the investigation, if the device is to be distributed to investigators for testing, of a signed agreement from each of such investigators that humans upon whom the device is to be used will be under such investigator's personal supervision or under the supervision of investigators responsible to him;

"(E) the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer of the device or the sponsor of the investigation, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of the device, as the Secretary finds will enable him to evaluate the safety and effectiveness of the device in the event of the filing of an application pursuant to subsection (c); and

"(F) such other conditions relating to the protection of the public health and safety as the Secretary may determine to be necessary.

Nothing in this subsection shall be construed to require any clinical investigator to submit directly to the Secretary reports on the investigational use of devices. The Secretary shall within thirty days of the receipt of a notification or submission pursuant to this paragraph, determine whether the proposed investigation conforms to the requirements of this section. An investigation shall not begin until the sponsor receives notice from the Secretary that the proposed investigation conforms with the requirements of this section. The Secretary may not delay the beginning of an investigation pursuant to this paragraph unless he finds that the investigation does not conform to the requirements of this section and he has notified the sponsor of such findings. The Secretary may exempt investigations from part or all the requirements of this subsection when he determines that to do so is in the public interest.

"(5) Such regulations shall assure that the rights and welfare of the subjects involved are adequately protected, that the risks to an individual are outweighed by the potential benefits to him or by the importance of the knowledge to be gained and that informed consent is to be attained by methods that are adequate. Such informed consent shall be obtained in all but exceptional cases.

"(A) For the purposes of this section only, the term 'informed consent' shall mean the consent of a person, or his legal representative, so situated as to be able to exercise free power of choice without the intervention of any element of force, fraud, deceit, duress, or other form of constraint or coercion. Such consent shall be evidenced by an agreement signed by such person, or his legal representative. The information to be given to the subject in such written agreement shall include the following basic elements:

"(1) a fair explanation of the procedures to be followed, including an identification of any which are experimental;

"(2) a description of any attendant discomforts and risks reasonably to be expected;

"(3) a fair explanation of the likely results should the experimental procedure fail;

"(4) a description of any benefits reasonably to be expected;

"(5) a disclosure of any appropriate alternative procedures that might be advantageous for the subject;

"(6) an offer to answer any inquiries concerning the procedures; and

"(7) an instruction that the subject is free to either decline entrance into a project or to withdraw his consent and to discontinue participation in the project or activity at any time without prejudicing his future care.

In addition, the agreement entered into by such person or his legal representative, shall include no exculpatory language through which the subject is made to waive, or to appear to waive, any of his legal rights, or to release the institution or its agents from liability for negligence. Any organization which initiates, directs, or engages in programs of research, development, or demonstration which require informed consent shall keep a permanent record of such consent and the information provided the subject and develop appropriate documentation and reporting procedures as an essential administrative function.

"(B) The term 'exceptional cases' as used in paragraph (5) shall be strictly construed; shall permit the waiver only of those elements of consent listed in subparagraph (A) as may be justified by the circumstances of each case; and shall require the written concurrence in the acting physician's decision by at least two other licensed physicians not involved in the research project, unless in a life threatening situation, it is not feasible to obtain such concurrence.

"(6) Whenever the Secretary determines that a device is being or has been shipped or delivered for shipment in interstate commerce for investigational testing upon humans, and that such device is subject to the preceding subsections of this section and fails to meet the conditions for exemption therefrom for investigational use, he shall notify the sponsor of his determination and the reasons therefor, and the exemption will not thereafter apply with respect to such investigtional use until such failure is corrected.

"(7) In determining whether this subsection is applicable to any device and, if so, whether there has been compliance with the conditions of exemption, or upon application for reconsideration of any such determination, the Secretary shall, if so requested by the sponsor of the investigation, or may on his own initiative, obtain the advice of an appropriate expert or experts who are not otherwise, except as consultants, engaged in the carrying out of this Act.

"Custom Devices

"(l) This section shall not apply to any custom device to the extent that it is ordered by a physician (or other specially qualified persons authorized by regulations promulgated by the Secretary after an opportunity for a hearing) to be made in a special way for individual patients. Any such device shall comply with all aspects of any applicable performance standard except those specifically ordered by a physician or such other authorized person to be changed. This subsection shall apply only to devices ordered for individual patients, and shall not otherwise exempt a device from subsection (k). Custom

devices shall not be used as a course of conduct and shall not be generally available in finished form for purchase or for dispensing upon prescription, and, whether in finished form or otherwise, shall not be made available through commercial channels by the maker or processor thereof.

"Product Development Protocol

"(m)(1) Any device (or type or class of device), manufactured or distributed by a particular person, which has been made subject to this section by a regulation promulgated by the Secretary, may be exempted by the Secretary from the requirement of approval of an application under the foregoing provisions of this section if—

"(A) the nature of the device (or type or class of device) is such that it is likely that it will be subject to frequent modification or rapid obsolescence or will not be produced in substantial volume; and

"(B) it is intended solely for use by or under the direction or supervision of a practitioner licensed by law to use or to prescribe the use thereof; and

"(C) it is, or will be, investigated in accordance with an approved product development protocol established pursuant to paragraph (2) of this subsection, or it is subject to an effective notice of completion of the requirements of such protocol.

"(2) Any person may submit a petition to the Secretary to establish a product development protocol with respect to a particular device (or type or class of device) meeting the requirements set forth in subparagraphs (A) and (B) of paragraph (1) of this subsection. Such petition shall include supporting data and a proposed protocol. The Secretary shall, within thirty days, refer any such petition to the appropriate panel of experts appointed pursuant to subsection (b) of this section. Such panel may, within sixty days, or such other time as may be agreed upon by the panel and the petitioner, approve with or without modification the proposal protocol. The protocol, if approved, shall provide—

"(A) the investigational and testing procedures required prior to the commencement of clinical trials of such device and subsequent significant modifications thereto;

"(B) a requirement that an institutional review committee similar to that described in clause (i) of subparagraph (A) of paragraph (4) of subsection (k) of this section shall make a written finding that the predicted risk-to-benefit ratio applicable to the use of the device justifies clinical trials and that one or more such committees will continually monitor and make periodic written records on all clinical trials conducted in connection with the institution in which such committee operates;

"(C) the type and quantity of clinical trials and findings therefrom required prior to the filing of a notice of completion of a product development protocol;

"(D) a requirement for complete records of the investigation to be maintained which are adequate to show compliance with the product development protocol;

"(E) a requirement that consent, as described in paragraph (5) of subsection (k) of this section, be obtained from all subjects of the investigation; and

"(F) a requirement that copies of all records which are to be maintained pursuant to this paragraph be made available to the Secretary upon request.

"(3) If the panel to which such petition has been referred does not approve the proposed protocol within sixty days (or within such other time as may be agreed upon), the Secretary may consider and approve with or without modification the proposed protocol within sixty days after the date he is notified that the panel has concluded not to approve a protocol. If neither the panel nor the Secretary approves a proposed protocol, the Secretary shall issue a final order denying the petition and stating the grounds therefor.

"(4) At any time after a product development protocol for a particular device (or type or class of device) has been approved pursuant to this section, the petitioner may submit a notice of completion stating that the requirements of the protocol have been fulfilled and that, to the best of his knowledge, there is no reason bearing on safety, effectiveness, or other public health considerations why the device should not be marketed. Such notice shall contain all the data and information from which the petitioner made this determination. The Secretary shall approve or disapprove the notice of completion within ninety days after receipt of such notice.

"(5) The Secretary may, after providing the petitioner an opportunity for an informal hearing, at any time prior to approving a notice of completion, issue a final order to revoke a product development protocol or disapprove a notice of completion if he finds that—

"(A) the petitioner has failed substantially to comply with the requirements of the protocol; or

"(B) the results of the clinical trials conducted differ so substantially from the results required in the protocol that further trials cannot be justified; or

"(C) such device is not shown to be safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or

"(D) there is a lack of adequate scientific evidence that the device will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

A final order issued under this paragraph shall be in writing and shall contain the reasons to support the conclusions thereof.

"(6) The Secretary (or in his absence the officer acting as Secretary) may at any time, by an order in writing stating the findings on which it is based, immediately revoke an exemption from the requirement of approval of an application under the foregoing provisions of this section, if he finds that there is an imminent hazard to the public health or safety caused by the existence of the exemption. In taking such action the Secretary shall give prompt notice to the person following the protocol or having filed the notice of completion, and afford such person an opportunity for an expedited hearing under this paragraph.

"(7) At any time after a notice of completion has been approved, the Secretary may issue an order revoking an exemption of the device (or type or class of device) from the requirement of approval of an application under the foregoing provisions of this section if he finds that any of the grounds listed in subparagraphs (A) through (F) of paragraph (1) of subsection (f) of this section apply. The provisions of paragraphs (1) and (3) of subsection (f) and subsections (g) through (j) of this section shall apply.

"(8) Whenever the Secretary finds that the facts so justify, he may reconsider an order under this subsection revoking the exemption granted by this subsection and reinstate the exemption.

"Transitional Provisions

"(n)(1) If, on the day immediately prior to the date upon which a device is declared to be subject to scientific review under this section, the device was in use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, or for the purpose of affecting the structure or any function of the body of man, section 501(f) shall become effective with respect to such preexisting use or uses of such device on the closing date (as defined in paragraph (2) of this subsection) or, if sooner, with respect to any person who has filed an application, on the effective date of an order of the Secretary approving or denying approval of such application with respect to such use of the device under this section.

"(2) For the purposes of this subsection, the term 'closing date' means, with respect to a device, the first day of the thirty-first calendar month which begins after the month in which the device is declared to be subject to scientific review under this section, except that, if in the opinion of the Secretary it would not involve any undue risk to the public health, he may on application or on his own initiative postpone such closing date with respect to any particular use or uses of a device until such later date (but not beyond the close of the sixtieth month after the month of such declaration) as he determines is necessary to permit completion, in good faith and as soon as practicable, of the scientific investigations necessary to establish the safety and effectiveness of such use or uses. The Secretary may terminate any such postponement at any time if he finds that such postponement should not have been granted or that, by reason of a change in circumstances, the basis for such postponement no longer exists or that there has been a failure to comply with a requirement of the Secretary for submission of progress reports or with other conditions attached by him to such postponement."

PROHIBITED ACTS

SEC. 302. (a) Paragraph (e) of section 301 of such Act is amended (1) by striking out "or" before "512 (j), (l), or (m)" and (2) by inserting ", 514(k), or 516(a)" after "512 (j), (l), or (m)".

(b) Paragraph (l) of such section 301 is amended (1) by inserting "or device" after the word "drug" each time it appears therein, and (2) by striking out "505," and inserting in lieu thereof "505 or 514, as the case may be,".

TITLE IV—NOTIFICATION OF DEFECTIVE DEVICES; REPAIR OR REPLACEMENT

SEC. 401. Chapter V of such Act, as amended by sections 201 and 301(b) of this Act, is further amended by adding at the end thereof the following new section:

"NOTIFICATION OF DEFECTS IN, AND REPAIR OR REPLACEMENT OF, DEVICES

"SEC. 515. (a)(1) Every person who acquires information which reasonably supports the conclusion that a device intended for human use, which has been produced, assembled, distributed, or imported by him (A) contains a defect which could create a substantial risk to the public health or safety, or (B) on or after the effective date of an applicable performance standard promulgated pursuant to section 513 fails to comply with such standard, shall immediately notify the Secretary of such defect or failure to comply if such device has left the control of the manufacturer. No information or statements exclusively derived from the notification required by this subsection (except for information contained in records required to be maintained under any provision of this Act) shall be used as evidence in any proceeding brought against a natural person pursuant to section 303 of this Act with respect to a violation of law occurring prior to or concurrently with the notification.

"(2) The notifications required by paragraph (1) of this subsection shall contain a clear description of such defect or failure to comply, an evaluation of the hazard related thereto, and a statement of the measures to be taken to correct such defect or failure or to effect protection against the hazard created by the defect or failure.

"(3) For purposes of this section, the term

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'defect' means a deficiency in design, materials, or workmanship, and does not include any deficiency resulting from use of improper accessories or from improper installation, maintenance, repair, or use of the device or any deficiency resulting from normal use of the device after the lifetime represented by the manufacturer has expired.

"(b)(1) If the Secretary determines that a device intended for human use distributed in commerce presents a substantial hazard to the public health or safety and that notification is required in order adequately to protect the public from such hazard, he shall immediately make certain that adequate notification is provided in an appropriate form, by the persons and means best suited under the circumstances involved, to all persons (including manufacturers, distributors, retailers, health professionals, and users) who should properly receive such notification in order to reduce or eliminate the effects of such hazard.

"(2) Where the Secretary determines that users shall not be notified under paragraph (1), he shall provide those health professionals who receive notification an opportunity to comment on the advisability of notifying the general public of the hazard. Within thirty days after such notification the Secretary shall notify the general public of the hazard, if after reviewing such comments, he determines that such notification will not endanger the public health.

"(c) If the Secretary determines (after affording interested parties, including consumers and consumer organizations, an opportunity for a hearing in accordance with subsection (e)) that a device intended for human use distributed in commerce, presents a substantial hazard to the public health or safety and that action under this subsection is in the public interest, it may order the manufacturer or any distributor or retailer of such device to take whichever of the following actions the person to whom the order is directed elects to the extent that the consent of the purchaser and, where appropriate, his physician, is obtained:

"(1) bring such device into conformity with the requirements of the applicable performance standard or repair the defect in such device;

"(2) replace such device with a like or equivalent device which complies with the applicable performance standard or which does not contain the defect; or

"(3) refund the purchase price of such device (less a reasonable allowance for use, if such device has been in the possession of a user for one year or more (A) at the time of public notice under subsection (c), or (B) at the time the user receives actual notice of the defect or noncompliance, whichever first occurs.

An order under this subsection may also require the person to whom it applies to submit a plan, satisfactory to the Secretary for taking action under whichever of the preceding paragraphs of this subsection such person has elected to act. The Secretary shall specify in the order the persons to whom refunds must be made if the person to whom the order is directed elects to take the action described in paragraph (3). If an order under this subsection is directed to more than one person, the Secretary shall specify which person has the election under this subsection.

"(d)(1) No charge shall be made to any person (other than a manufacturer, distributor, or retailer) who avails himself of any remedy provided under an order issued under subsection (c), and the person subject to the order shall reimburse each person (other than a manufacturer, distributor, or retailer) who is entitled to such a remedy for any reasonable and foreseeable expenses incurred by such person in availing himself of such remedy.

"(2) An order issued under subsection (b) or (c) with respect to a device may require any person who is a manufacturer, distributor, or retailer of the device to reimburse any other person who is a manufacturer, distributor, or retailer of such device for such other person's expenses in connection with carrying out the order, if the Secretary determines such reimbursement to be in the public interest.

"(3) An order under subsection (c) may be issued only after an opportunity for an informal hearing. If the Secretary determines that any person who wishes to participate in such hearing is a part of a class of participants who share an identity of interest, the Secretary may limit such person's participation in such hearing to participation through a single representative designated by such class (or by the Secretary if such class fails to designate such a representative).

"(e) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law."

PROHIBITED ACTS

SEC. 402. Section 301 of such Act, as amended by section 302 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(q)(1) The failure or refusal to furnish any notification or other material or information as required by section 515 or 516; or (2) the failure or refusal to comply with any requirement prescribed under authority of section 515(c)."

CONFORMING AMENDMENT

SEC. 403. Section 502(j) of such Act is amended by inserting "or manner" after "dosage".

TITLE V—REQUIREMENT OF GOOD MANUFACTURING PRACTICE

SEC. 501. Section 501 of the Federal Food, Drug, and Cosmetic Act, as amended by sections 202 and 301 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(g) If it is a device and the methods used in, or the facilities or controls used for, its manufacture, processing, packing, holding, or installation do not conform to, or are not operated or administered in conformity with, current good manufacturing practice, as determined by regulations of the Secretary promulgated after consultation with all interested persons and after an opportunity for a hearing, to assure that such device is safe and effective."

TITLE VI—RECORDS AND REPORTS; INSPECTION AND REGISTRATION OF ESTABLISHMENTS; OFFICIAL NAMES

SEC. 601. Chapter V of the Federal Food, Drug, and Cosmetic Act is further amended by adding at the end thereof the following new section:

"RECORDS AND REPORTS ON DEVICES

"SEC. 516. (a)(1) Every person engaged in manufacturing, processing, distributing, or selling a device that is subject to a performance standard promulgated under section 513, or with respect to which there is in effect an approval under section 514 of an application filed under subsection (c) thereof, shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such device, and bearing on the safety or effectiveness of such device, or on whether such device may be adulterated or misbranded, as the Secretary may by general regulation, or by special regulation or order applicable to such device, require. In prescribing such regulations or issuing such orders the Secretary shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, wherever he deems it appropriate, for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Secretary.

"(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

"(b) Subsection (a) shall not apply to—

"(1) practitioners licensed by law to prescribe or administer drugs and devices and who manufacture or process devices solely for use in the course of their professional practice;

"(2) persons who manufacture or process devices solely for use in research or teaching and not for sale; and

"(3) such other classes of persons as the Secretary may by or pursuant to regulation exempt from the application of this subsection upon a finding that such application is not necessary to accomplish the purposes of this section.

"(c) Every person engaged in manufacturing a device subject to this Act shall provide to the Secretary upon his request such technical data and other data or information with respect to such device as may be reasonably required to carry out this Act."

INSPECTION RELATING TO DEVICES

SEC. 602. (a) The second sentence of subsection (a) of section 704 of such Act is amended by inserting "or prescription devices" after "prescription drugs" both times it appears.

(b) The third sentence of such subsection is amended (1) by striking out "for prescription drugs", (2) by striking out "and antibiotic drugs" and inserting in lieu thereof ", antibiotic drugs, and devices", (3) by striking out "or section 507 (d) or (g)" and inserting in lieu thereof ", section 507 (d) or (g), section 514(k), or section 516", and (4) by inserting "or devices" after "other drugs", inserting "or of a device subject to section 514" after "new drug", and inserting "or section 516" after "section 505(j)".

(c)(1) Paragraph (1) of the sixth sentence of such subsection is amended by inserting "or devices" after "drugs" each time such term occurs.

(2) Paragraph (2) of that sentence is amended by inserting ", or prescribe or use devices, as the case may be," after "administer drugs"; and by inserting ", or manufacture or process devices," after "process drugs".

(3) Paragraph (3) of that sentence is amended by inserting ", or manufacture or process devices," after "process drugs".

REGISTRATION OF DEVICE MANUFACTURERS; OFFICIAL NAMES OF DEVICES

SEC. 603. (a) Section 510 of such Act is amended as follows:

(1) The section heading is amended by inserting "AND DEVICES" after "DRUGS".

(2) Section (a)(1) of such section is amended by inserting "or device package" after "drug package"; by inserting "or device" after the "drug"; and by inserting "or user" after "consumer".

(3) Subsections (b) and (c) of such section are amended by inserting "or a device or devices" after the word "drugs" every time such term occurs.

(4) Subsection (d) is amended to read as follows:

"(d)(1) Every person duly registered in accordance with the foregoing subsections of this section shall immediately register with the Secretary any additional establishment which he owns or operates in any State and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs, or of a device or devices.

"(2) Every person who is registered with the Secretary pursuant to the first sentence of subsection (b) or (c) paragraph (1) of this subsection shall, if any device is thereafter manufactured, prepared, propagated, compounded, or processed in any establishment with respect to which he is so registered, immediately file a supplement to such registration with the Secretary indicating such fact."

(5) Subsection (g) is amended by inserting "or devices" after "drugs" each time such term occurs in paragraphs (1), (2), and (3) of such subsection.

(6) The first sentence of subsection (i) is amended by inserting ", or a device or devices," after "drug or drugs"; and the second sentence of such subsection is amended by inserting "shall require such establishment to provide the information required by subsection (j) in the case of a device or devices and" immediately before "shall include", and by inserting "or devices" after "drugs".

(7) Subsection (j) is amended—

(A) in paragraph (1), preceding subparagraph (A), by striking out "a list of all drugs (by established name" and inserting in lieu thereof "a list of all drugs and a list of all devices (in each case by established name"; and by striking out "drugs filed" and inserting "drugs or devices filed" in lieu thereof;

(B) in subparagraph (A) of paragraph (1), by striking out "such list" and inserting "the applicable list" in lieu thereof; by inserting "or a device contained in the applicable list with respect to which a performance standard has been promulgated under section 513 or which is subject to section 514," after "512,"; and by inserting "or device" after "such drug" each time it appears;

(C) in subparagraph (B) or paragraph (1), before clause (i), by striking out "drug contained in such list" and inserting "drug or device contained in an applicable list" in lieu thereof;

(D) in clause (i) of paragraph (1)(B), by amending such clause to read as follows—

"(i) which drug is subject to section 503(b)(1), or which device, is a prescription device a copy of all labeling for such drug or device, a representative sampling of advertisements for such drug or device, and, upon request made by the Secretary for good cause, a copy of all advertisements for a particular drug product or device, or";

(E) in clause (ii) of paragraph (1)(B), by amending such clause to read as follows:

"(ii) which drug is not subject to section 503 (b)(1), or which device is not a prescription device, the label and package insert for such drug or device and a representative sampling of any other labeling for such drug or device;"

(F) in subparagraph (C) of paragraph (1), by striking out "such list" and inserting "an applicable list" in lieu thereof;

(G) in subparagraph (D) of paragraph (1), by striking out "the list" and inserting "a list" in lieu thereof; by inserting "or the particular device contained in such list is not subject to a performance standard promulgated under section 513, or is not a prescription device" after "512,"; and by inserting "or device" after "particular drug product";

(H) in paragraph (2), by inserting "or device" after "drug" each time it appears and, in subparagraph (C), by inserting "each" before "by established name".

(b) Subsection (o) of section 502 of such Act is amended by striking out "is a drug and".

(c) The second sentence of section 801(a) of such Act is amended by inserting "or devices" after "drugs" both times such words appear.

Official Names

(d)(1) Subparagraph (1) of section 502(e) of such Act is amended by striking out "subparagraph (2)" and inserting in lieu thereof "subparagraph (3)".

(2) Subparagraph (2) of section 502(e) of such Act is redesignated as subparagraph (3) and is amended by striking out "this paragraph (e)" and inserting in lieu thereof "subparagraph (1)".

(3) Paragraph (e) is further amended by inserting a new subparagraph (2) as follows:

"(2) If it is a device, unless its label bears, to the exclusion of any other nonproprietary name, the established name (as defined in subparagraph (4)) of the device, if such there be, prominently printed in type at least half as large as that used thereon for any proprietary name or designation for such device: *Provided*, That to the extent compliance with the requirements of this subparagraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary."

(4) Such paragraph is further amended by adding at the end thereof a new subparagraph as follows:

"(4) As used in subparagraph (2), the term 'established name', with respect to a device, means (A) the applicable official name designated pursuant to section 508, or (B) if there is no such name and such device is an article recognized in an official compendium then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name of such device, if any."

(e) Section 508 of such Act is amended (1) in subsection (a) and (e) by adding "or device" after "drug" each time it appears; (2) in subsection (b) by adding after "all supplements thereto," the following: "and at such times as he may deem necessary shall cause a review to be made of the official names by which devices are identified in any official compendium, and all supplements thereto"; (3) in subsection (c)(2) by adding "or device" after "single drug", and by adding "or to two or more devices which are substantially similar in design and purpose" after "purity,"; (4) in subsection (c)(3) by adding "or device" after "useful drug", and after "drug or drugs" each time it appears; and (5) in subsection (d) by adding "or devices" after "drugs".

(f) Section 301 of the Drug Amendments of 1962 (76 Stat. 793) is amended by inserting "and devices" after "drugs" each time such word appears, except that "or devices" is inserted after "which drugs" and after "intrastate commerce in such drugs".

TITLE VII—GENERAL PROVISIONS

ADVISORY COUNCIL ON DEVICES, ETC.

SEC. 701. Chapter VII of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new section:

"ADVISORY COUNCIL ON DEVICES, AND OTHER ADVISORY COMMITTEES

"SEC. 708. (a) For the purpose of advising the Secretary with respect to matters of policy in carrying out the provisions of this Act relating to devices, there is established in the Department an Advisory Council on Devices appointed by the Secretary without regard to the civil service and classification laws. The persons so appointed shall be manufacturers and other persons with special knowledge of the problems involved in the regulation of various kinds of devices under this Act, members of the professions using such devices, scientists expert in the investigational use of devices, engineers expert in the development of devices, and members of the general public representing consumers of devices.

"(b) The Secretary may also from time to time appoint, without regard to the civil service or classification laws, in addition to the advisory councils and committees otherwise authorized under this Act, such other advisory committees or councils as he deems desirable.

"(c) Members of an advisory council or committee appointed pursuant to subsection (a) or (b) who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the council or committee or otherwise engaged on its business, be compensated at per diem rates fixed by the Secretary but not in excess of the rate for grade GS–18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by title 5, United States Code, section 5703, for persons in the Government service employed intermittently."

RESEARCH AND STUDIES

SEC. 702. Chapter VII of such Act, as amended by section 701 of this Act, is further amended by adding at the end thereof the following new section:

"RESEARCH AND STUDIES RELATING TO DEVICES

"SEC. 709. (a) The Secretary is authorized, directly or through contracts with public or private agencies, institutions, and organizations and with individuals, to plan, conduct, coordinate, and support—

"(1) research and investigation into the safety and effectiveness of devices, and into the causes and prevention of injuries or other health impairments associated with exposure to or use of devices;

"(2) studies relating to the development and improvement of device performance standards, and device testing methods and procedures; and

"(3) education and training with respect to the proper installation, maintenance, operation, and use of devices.

"(b) In carrying out the purposes of subsection (a), the Secretary, in addition to or in aid of the foregoing—

"(1) shall, to the maximum practicable extent, cooperate with and invite the participation of other Federal or State departments and agencies having related interests, and interested professional or industrial organizations;

"(2) shall collect and make available, through publications and by other appropriate means, the results of, and other information concerning, research and other activities undertaken pursuant to subsection (a); and

"(3) may procure (by negotiation or otherwise) devices for research and testing purposes, and sell or otherwise dispose of such products."

PUBLICITY

SEC. 703. Section 705 of such Act is amended by adding at the end thereof the following new subsection:

"(c) To assist in carrying out the provisions of this Act, the Secretary may cause to be disseminated information regarding standards, testing facilities, and testing methods promulgated, established, or approved under this Act and other information relating to the nature and extent of hazards subject to this Act. Subject to the provisions of section 301 (j), the Secretary may also cause to be published reports summarizing clinical data relevant to marketed products approved under this Act."

SEC. 704. Chapter IX of such Act is amended by adding at the end thereof the following new section:

"EFFECT ON STATE REQUIREMENTS

"SEC. 903. (a) Whenever a performance standard pursuant to section 513 or scientific review pursuant to section 514 under this Act is in effect, no State or political subdivision of a State shall have any authority either to establish or to continue in effect any provision of a standard or regulation which prescribes any requirements as to the

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performance, composition, contents, design, finish, construction, packaging, or labeling of such product which are designed to deal with the same device unless such requirements are identical to the Federal requirements.

"(b) Nothing in this section shall be construed to prevent the Federal Government or the government of any State or political subdivision thereof from establishing a safety requirement applicable to a device for its own use if such requirement imposes a higher standard of performance than that required to comply with the otherwise applicable Federal requirements.

"(c) Upon application of a State or political subdivision thereof, the Secretary may by rule, after notice and opportunity for oral presentation of views, exempt from the provisions of subsection (a) (under such conditions as he may impose) a proposed safety requirement described in such application, where the proposed requirement—

"(1) imposes a higher level of performance than the Federal standard,

"(2) is required by compelling local conditions, and

"(3) does not unduly burden interstate commerce."

Sec. 705. Section 301(j) of such Act is amended by inserting "511" before "512", by inserting "513, 514, 515, 516" after "512", and by adding at the end thereof the following new sentence: "Th Secretary may provide any information which contains or relates to a trade secret or other matter referred to in this section or in section 1905 of title 18, United States Code, to a contractor in furtherance of the provisions of this Act, and such contractor shall take such security precautions as are prescribed in regulations promulgated by the Secretary and shall be subject to the provisions and penalties established in this Act and in section 1905 of title 18, United States Code."

Sec. 706. Section 201 of such Act is amended by striking subsection (h) and inserting in lieu thereof the following new subsection:

"(h) The term 'device' (except when used in paragraph (n) of this section and in sections 301(i), 403(f), 502(c), and 602(c)) means instruments, apparatus, implements, machines, contrivances, implants, in vitro reagents, and other similar or related articles, including their components, parts, and accessories (1) recognized in the official National Formulary, the official United States Pharmacopeia or any supplement to them; or (2) intended for use in the diagnosis of disease or other conditions or in the cure, mitigation, treatment, or prevention of disease in man or other animals; or (3) intended to affect the structure or any function of the body of man or other animals; and (4) which do not achieve any of their principal intended purposes through chemical action within or on the body of man or other animals and which are not dependent upon being metabolized for the achievement of any of their principal intended purposes."

Sec. 707. Section 502 of such Act is amended by adding at the end thereof the following new paragraphs:

"(r) In the case of any device that is a prescription device, if its advertising is false or misleading in any particular.

"(s) In the case of any prescription device distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof includes in all advertisements, and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to that device a true statement of (1) the established name as defined in section 502 (e), printed prominently and in type at least half as large as that used for any trade or brand name thereof, (2) a full description of the components of such device or the formula showing quantitatively each ingredient of such device to the extent required in regulations which shall be issued by the Secretary after an opportunity for a hearing, and (3) such other information in brief summary relating to side effects, contraindications, and effectiveness as shall be required in regulations which shall be issued by the Secretary after an opportunity for a hearing: *Provided*, That (A) except in extraordinary circumstances, no regulation issued under this paragraph shall require prior approval by the Secretary of the content of any advertisement, and (B) no advertisement of a prescription device, published after the effective date of regulations issued under this paragraph applicable to advertisements of prescription devices, shall, with respect to the matters specified in this paragraph or covered by such regulations, be subject to the provisions of sections 12 through 17 of the Federal Trade Commission Act, as amended (15 U.S.C. 52–57). This paragraph shall not be applicable to any printed matter which the Secretary determines to be labeling as defined in section 201(m) of this Act."

Sec. 708. (a) Section 201 of such Act is amended by adding at the end thereof the following:

"(y) The term 'prescription device' means any device which the Secretary shall designate by regulation as being restricted to sale or distribution only upon the written or oral authorization of a practitioner licensed by law to administer or use such device and under such other conditions as the Secretary may by regulation prescribe. The Secretary may designate as a prescription device, pursuant to the preceding sentence, only a device which:

"(1) because of its potentiality for harmful effect, or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer or use such device; or

"(2) is limited by an approved application under section 514 to use under the professional supervision of a practioner licensed by law to administer or use such device."

Sec. 709. Section 304(a)(2) of such Act is amended to delete "and" before "(C)," to replace the period with a comma, and to add the following at the end thereof: "and (D) any adulterated or misbranded device."

EXPORTATION OF DEVICES

Sec. 710. The last sentence of section 801 (d) of such Act is amended by inserting before the period at the end thereof: ", or to authorize the exportation of any device which does not comply with section 513 or 514 of this Act. The Secretary may permit exportation of any article if he determines that such exportation is in the interest of public health and safety, and has the approval, of the country to which it is intended for export."

EFFECTIVE DATES AND TRANSITIONAL PROVISIONS

Sec. 711. (a) Except as provided in subsections (b) and (c) of this section, the foregoing provisions of this Act shall take effect on the date of the enactment of this Act.

(b) Paragraph (f) of section 501 of the Federal Food, Drug, and Cosmetic Act, as added to such section by section 301(a) of this Act, shall, with respect to any particular use of a device, take effect (1) on the first day of the thirteenth calendar month following the month in which this Act is enacted, or (2) if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use of the device under section 514 of such Act as added by section 301(b) of this Act.

(c) Any person who, on the day immediately preceding the date of enactment of this Act, owned or operated any establishment in any State (as defined in section 201 of the Federal Food, Drug, and Cosmetic Act) engaged in the manufacture or processing of a device or devices, shall, if he first registers with respect to devices, or supplements his registration with respect thereto, in accordance with subsection (b) of section 510 of that Act (as amended by section 603 of this Act) prior to the first day of the seventh calendar month following the month in which this Act is enacted, be deemed to have complied with that subsection for the calendar year 1975. Such registration, if made within such period and effected in 1976, shall also be deemed to be in compliance with such subsection for that calendar year.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR—S. 249

Mr. JACKSON. Mr. President, I ask unanimous consent that Mr. Howard Feldman and Mr. Keith Adkinson, members of the staff of the Permanent Subcommittee on Investigations, be granted the privilege of the floor in connection with S. 249.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider two nominations reported earlier by the Committee on Interior and Insular Affairs, which have been approved all the way around.

The PRESIDING OFFICER. Without objection, it is so ordered. The nominations will be stated.

FEDERAL ENERGY ADMINISTRATION

The second assistant legislative clerk read the nomination of John A. Hill of Maryland to be a deputy administrator of the Federal Energy Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Gorman C. Smith of Virginia to be an assistant administrator of the Federal Energy Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I request that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECURITIES ACTS AMENDMENTS OF 1975

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to the consideration of S. 249, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Securities Acts Amendments of 1975".

Sec. 2. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by inserted immediately before the phrase "and to impose requirements necessary to make such regulation and control reasonably complete and effective," the following: "to remove impediments to and perfect the mechanisms of a national market system for securities and a national system for the clearance and settlement of securities transactions and the safeguarding of securities and funds related thereto,".

Sec. 3. Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended as follows:

(a) Paragraph (3) of subsection (a) thereof is amended to read as followa:

"(3)(A) The term 'member' when used with respect to a national securities exchange means (i) any natural person permitted to effect transactions on the floor of the exchange without the services of another person acting as broker, (ii) any registered broker or dealer with which such a natural person is associated, (iii) any registered broker or dealer permitted to designate as a representative such a natural person, and (iv) any other registered broker or dealer which agrees to be regulated by such exchange and with respect to which the exchange undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules. For purposes of sections 6(b)(1), 6(b)(4), 6(b)(6), 6(b)(7), 6(d), 17(d), 19(d), 19(e), 19(g), 19(h), and 21 of this title, the term 'member' when used with respect to a national securities exchange also means to the extent of the rules of the exchange specified by the Commission, any person required by the Commission to comply with such rules pursuant to section 6(f) of this title.

"(B) The term 'member' when used with respect to a registered securities association means any broker or dealer who agrees to be regulated by such association and with respect to whom the association undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules.".

(b) Paragraph (9) thereof is amended to read as follows:

"(9) The term 'person' means a natural person, company, government, or political subdivision, agency, or instrumentality of a government.".

(c) Paragraph (12) of subsection (a) thereof is amended to read as follows:

"(12) The term 'exempted security' or 'exempted securities' includes securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States; such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors; municipal securities, as defined in section 3(a)(29) of this title: *Provided, however,* That municipal securities shall not be deemed to be 'exempted securities' for the purposes of sections 3(a)(22), 11A, 15, 15A, (except subsections (b)(6), (b)(11), and (g)(2) thereof), and 17A, of this title; any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian; any interest or participation in a collective trust fund maintained by a bank or in a separate account maintained by an insurance company which interest or participation is issued in connection with (A) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1954, or (B) an annuity plan which meets the requirements for the deduction of the employer's contribution under section 404(a)(2) of such Code, other than any plan described in clause (A) or (B) of this paragraph which covers employees some or all of whom are employees within the meaning of section 401(c)(1) of such Code, and such other securities (which may include, among others, unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems consistent with the public interest and the protection of investcrs, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this title which by their terms do not apply to an 'exempted security' or to 'exempted securities'.".

(d) Paragraphs (17), (18), and (19) of subsection (a) thereof are amended to read as follows:

"(17) The term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State, or between any State and any place or ship outside thereof. The term includes intrastate use of (A) of facility of a national securities exchange or of a telephone or other interstate means of communication, or (B) any other interstate instrumentality.".

"(18) The term 'person associated with a broker or dealer' or 'associated person of a broker or dealer' means any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such broker or dealer, or any employee of such broker or dealer, except that for the purposes of section 15(b) of this title (other than paragraph (6) thereof), persons associated with a broker or dealer whose functions are solely clerical or ministerial shall not be included in the meaning of such term.

"(19) The terms 'investment company', 'affiliated person', 'insurance company', 'separate account', and 'company' have the same meanings as in the Investment Company Act of 1940.".

(e) Paragraph (21) of subsection (a) thereof is amended to read as follows:

"(21) The term 'person associated with a member' or 'associated person of a member' when used with respect to a member of a national securities exchange or registered securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such member, or any employee of such member, except that persons associated with a member whose functions are solely clerical or ministerial shall not be included in the meaning of such term.".

(f) Subsection (a) thereof is further amended by adding at the end thereof the following new paragraphs:

"(22)(A) The term 'securities information processor' means any person engaged in the business of (i) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of, information with respect to transactions in or quotations for any security (other than an exempted security) or (ii) distributing or publishing (whether by means of a ticker tape, a communications network, a terminal display device, or otherwise) on a current and continuing basis information with respect to such transactions or quotations. The term 'securities information processor' dces not include any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any self-regulatory organization, any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank if such bank, broker, dealer, association, or cooperative bank would be classified as a securities information processor solely by reason of functions performed by such institutions as part of customary banking, brokerage, dealing, association, or cooperative bank activities, or any common carrier, as defined in section 3(h) of the Communications Act of 1934, subject to the jurisdiction of the Federal Communications Commission or a State commission, as defined in section 3(t) of that Act, unless such carrier is engaged in the business of collecting, processing, or preparing for distribution or publication information with respect to transactions in or quotations for any security.

"(B) The term 'exclusive processor' means any securities information processor which, directly or indirectly, engages on an exclusive basis on behalf of any national securities exchange or registered securities association or any national securities exchange or registered securities association which engages on an exclusive basis on its own behalf in collecting, processing, or preparing for distribution or publication any information with respect to (i) transactions on or quotations made by means of any facility of such exchange or (ii) quotations distributed or published by means of any electronic system operated or controlled by such association.

"(23)(A) The term 'clearing agency' means any person who acts as an intermediary in making payments or deliveries or both in connection with transactions in securities or who provides facilities for comparison for data respecting the terms of settlement of securities transactions, to reduce the number of settlements of securities transactions, or for the allocation of securities settlement responsibilities. Such term also means any person, such as a securities depository, (a) who acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of securities certificates, or (ii) who otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates.

"(B) The term 'clearing agency' does not include (i) any Federal Reserve bank, Federal home loan bank, or Federal land bank; (ii) any national securities exchange or registered securities association solely by reason of its providing facilities for comparison of data respecting the terms of settlement of securities transactions effected on such exchange or by means of any electronic system operated or controlled by such association; (iii) any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank if such bank, broker, dealer, association, or cooperative bank would be classified as a clearing agency solely by reason of functions performed by such institution as part of customary banking, brokearge, dealing, association, or cooperative banking activities, or solely by reason of acting as the agent of a clearing agency in connection with the furnishing of the clearing agency's services to its participants, unless the Commission, by rule, otherwise provides as necessary or appropriate to assure the prompt and accurate clearance and settlement of securities transactions or to prevent evasion of this title; (iv) any life insurance company, its registered separate accounts, or a subsidiary of such insurance company by reason of functions commonly performed by such entities in connection with variable annuity contracts or variable life policies issued by such insurance company or its separate accounts; or (v) any registered open-end investment company or unit investment trust by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust, or (vi) any person solely by reason of its performing functions described in paragraph 25(E) of this subsection.

"(24) The term 'participant' when used with respect to a clearing agency means any person who uses a clearing agency to clear or settle securities transactions or to transfer, pledge, lend, or hypothecate securities. Such term does not include a person whose only use of a clearing agency is through another person or as a pledgee of securities.

"(25) The term 'transfer agent' means any person who engages on behalf of an issuer of securities or on behalf of itself as an issuer of securities in (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; (D) exchanging or converting such securities; or (E) transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. The term 'transfer agent' does not include any insurance company or separate account that performs such functions solely with respect to variable annuity contracts or variable life policies that it issues or any registered clearing agency that performs such functions solely with respect to options contracts that it issues.

"(26) The term 'self-regulatory organization' means any national securities exchange, registered securities association, or registered clearing agency, or (solely for purposes of sections 19(b), 19(c), and 23(b) of this title) the Municipal Securities Rulemaking Board established by section 15B of this title.

"(27) The term 'rules of an exchange', 'rules of an association', or 'rules of a clearing agency' means the constitution, articles of incorporation, bylaws, and rules, or instruments corresponding to the foregoing, whatever the name, of an exchange, association of brokers and dealers, or clearing agency, respectively, and such of the stated policies, practices, and interpretations of such exchange, association, or clearing agency as the Commission, by rule, may determine to be necessary or appropriate in the public interest or for the protection of investors to be subject to the operation of the provisions of this title and the rules and regulations thereunder.

"(28) The term 'rules of a self-regulatory organization' means the rules of an exchange which is a national securities exchange, the rules of an association of brokers and dealers which is a registered securities association, the rules of a clearing agency which is a registered clearing agency, or the rules of the Municipal Securities Rulemaking Board.

"(29) The term 'municipal securities' means securities which are direct obligations of or obligations guaranteed as to principal or interest by a State or any political subdivision thereof, or any agency or instrumentality of a State or any political subdivision thereof, or any municipal corporate instrumentality of one or more States, or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security.

"(30) The term 'municipal securities dealer' means any person (including a separately identifiable department or division of a bank) engaged in the business of buying and selling municipal securities for his own account, through a broker or otherwise, but does not include—

"(A) any person insofar as he buys or sells such securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business; or

"(B) a bank, unless the bank is engaged in the business of buying and selling municipal securities for its own account other than in a fiduciary capacity, through a broker or otherwise: Provided, however, That if the bank is engaged in such business through a separately identifiable department or division (as defined by the Municipal Securities Rulemaking Board in accordance with section 15(B)(b)(2)(H) of this title), the department or division and not the bank itself shall be deemed to be the municipal securities dealer.

"(31) The term 'municipal securities broker' means a broker engaged in the business of effecting transactions in municipal securities for the account of others.

"(32) The term 'person associated with a municipal securities dealer' when used with respect to a municipal securities dealer which is a bank or a division or department of a bank means any person directly engaged in the management, direction, supervision, or performance of any of the municipal securities dealer's activities with respect to municipal securities, and any person directly or indirectly controlling such activities or controlled by the municipal securities dealer in connection with such activities.

"(33) The term 'municipal securities investment portfolio' means all municipal securities held for investment and not for sale as part of a regular business by a municipal securities dealer or by a person, directly or indirectly, controlling, controlled by, or under common control with a municipal securities dealer.

"(34) The term 'appropriate regulatory agency' means—

"(A) When used with respect to a municipal securities dealer:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary or a department or division of any such bank;

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary or a department or division thereof, a bank holding company, a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph, or a subsidiary or a department or division of such subsidiary;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) or a subsidiary or department or division thereof; and

"(iv) the Commission in the case of all other municipal securities dealers.

"(B) When used with respect to a clearing agency or transfer agent:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(ii) the Board of Governors of the Federerel Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary thereof a bank holding company, or a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), or a subsidiary thereof; and

"(iv) the Commission in the case of all other clearing agencies and transfer agents.

"(C) When used with respect to a participant or applicant to be a participant in a clearing agency or a person requesting of having access to services offered by a clearing agency:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia when the appropriate regulatory agency for such hearing agency is not the Commission;

"(ii) the Board of Governors of the Federal Reserve System in the case of a state member bank of the Federal Reserve System, a bank holding company, or a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph when the appropriate regulatory agency for such clearing agency is not the Commission;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) when the appropriate regulatory agency for such clearing agency is not the Commission; and

"(iv) the Commission in all other cases.

"(D) When used with respect to an institutional investment manager which is a bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act:

"(i) the Comptroller of the Currency, in the case ofa national bank or a bank operating under the Code of Law for the District of Columbia;

"(ii) the Board of Governors of the Federal Reserve System, in the case of any other member bank of the Federal Reserve System; and

"(iii) the Federal Deposit Insurance Corporation, in the case of any other insured bank.

"(E) When used with respect to a national securities exchange or registered securities association, member thereof, person associated with a member thereof, applicant to be a member thereof or to become associated with a member thereof, or person requesting or having access to services offered by such exchange or association or member thereof, or the Municipal Securities Rulemaking Board, the Commission.

"(F) When used with respect to a person exercising investment discretion with respect to an account:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia;

"(ii) the Board of Governors of the Federal Reserve System in the case of any other member bank of the Federal Reserve System;

"(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; and

"(iv) the Commission in the case of all other such persons.

As used in this paragraph, the terms 'bank holding company' and 'subsidiary of a bank holding company' have the meanings given them in section 2 of the Bank Holding Company Act of 1956, as amended.

"(35) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, he (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines, in the public interest or for the protection of investors, should be subject to the operation of the provisions of this title and the rules and regulations thereunder.

"(36) A class of persons or markets is subject to 'equal regulation' if no member of the class has an unfair competitive advantage over any other member thereof resulting from a disparity in their regulation under this title not justified by the purposes thereof.

"(37) The term 'records' means accounts, correspondence, memorandums, tapes, discs, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

"(38) The term 'market maker' means any specialist permitted to act as a dealer, any dealer acting in the capacity of block positioner, and any dealer who, with respect to a security, holds himself out (by entering quotations in an interdealer communications system or otherwise) as being willing to buy and sell such security for his own account on a regular or continuous basis.

"(39) A person is subject to a 'statutory disqualification' with respect to membership or participation in, or association with a member of, a self-regulatory organization, if such person—

"(A) has been and is expelled or suspended from membership or participation in, or barred or suspended from being associated with a member of, any self-regulatory organization;

"(B) is subject to an order of the Commission denying, suspending for a period not exceeding twelve months, revoking his registration as a broker, dealer, or municipal securities dealer, or barring his being associated with a broker, dealer, or municipal securities dealer;

"(C) by his conduct while associated with a broker, dealer, or municipal securities dealer has been found to be a cause of any effective suspension, expulsion, or order of the character described in subparagraph (A) or (B) of this paragraph, and in entering such a suspension, expulsion, or order, the Commission or any such self-regulatory organization shall have jurisdiction to find whether or not any person was a cause thereof;

"(D) has associated with him any person who is known, or in the exercise of reasonable care should be known, to him to be a person described by subparagraph (A), (B), or (C) of this paragraph; or

"(E) has committed or omitted any act enumerated in subparagraph (D) or (E) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the date of the filing of an application for membership or participation in, or to become associated with a member of, such self-regulatory organization, is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4), has willfully made or caused to be made in any application for membership or participation in, or to become associated with a member of, a self-regulatory organization, report required to be filed with a self-regulatory organization, or proceeding before a self-regulatory organization, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application, report, or proceeding any material fact which is required to be stated therein."

(g) Subsection (b) thereof is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, as to matters within their respective jurisdictions, shall have power by rules and regulations to define technical, trade, accounting, and other terms used in this title, whether or not defined in this title, consistently with the purposes of this title.".

(h) The section is further amended by adding at the end thereof the following new subsection:

"(d) No issuer of municipal securities or officer or employee thereof acting in the course of his official duties as such shall be deemed to be a 'broker', 'dealer', or 'municipal securities dealer' solely by reason of buying, selling, or effecting transactions in the issuer's securities.".

SEC. 4. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) An exchange may be registered as a national securities exchange under the terms and conditions hereinafter provided in this section and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the exchange and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) An exchange shall not be registered as a national securities exchange unless the Commission determines that—

"(1) Such exchange is so organized and has the capacity to be able to carry out the purposes of this title and to comply, and (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) to enforce compliance by its members and persons associated with its members, with the provisions of this title, the rule and regulations thereunder, and the rules of the exchange.

"(2) Subject to the provisions of subsection (c) of this section, the rules of the exchange provide that any registered broker or dealer or natural person associated with a registered broker or dealer may become a member of such exchange and any person may become associated with a member thereof.

"(3) The rules of the exchange assure a fair representation of its members in the selection of its directors and administration of its affairs.

"(4) The rules of the exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

"(5) The rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title or the administration of the exchange.

"(6) The rules of the exchange provide that (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) its members and persons associated with its members shall be appropriately disciplined for violation of the provisions of this title, the rules or regulations thereunder, or the rules of the exchange, by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, being suspended or barred from being associated with a member, or any other fitting sanction.

"(7) The rules of the exchange are in accordance with the provisions of subsection (d) of this section, and, in general, provide a fair procedure for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the exchange of any person with respect to access to services offered by the exchange or a member thereof.

"(8) The rules of the exchange do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(c)(1) A national securities exchange shall deny membership to any (A) person, other than a natural person, which is not a registered broker or dealer or (B) natural person who is not associated with a registered broker or dealer and who is not himself a registered broker or dealer.

(2) A national securities exchange may, and in cases in which the Commission, by order, directs as appropriate in the public interest shall, deny membership to any registered broker or dealer or natural person associated with a registered broker or dealer, and bar from becoming associated with a member any person, who is subject to a statutory disqualification. A national securities exchange shall file notice with the Commission not less than thirty days prior to admitting any person to membership or permitting any person to become associated with a member, if the exchange knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(3)(A) A national securities exchange may deny membership to, or condition the membership of, a registered broker or dealer if (i) such broker or dealer does not meet such standards of financial responsibility and operational capability and such broker or dealer and all natural persons associated with such broker or dealer do not meet such standards of training, experience, and competence as are prescribed by the rules of the exchange or (ii) such broker or dealer or person associated with such broker or dealer has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A national securities exchange may examine and verify the qualifications of an applicant to be a member and the natural persons associated with such an applicant in accordance with procedures established by the rules of the exchange.

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"(B) A national securities exchange may bar a natural person from becoming a member or associated with a member, or condition the membership of a natural person or association of a natural person with a member, if such person (i) does not meet such standards of training, experience, and competence as are prescribed by the rules of the exchange or (ii) has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A national securities exchange may examine and verify the qualifications of an applicant to become a person associated with a member in accordance with procedures established by the rules of the exchange and require any person associated with a member, or any class of such persons, to be registered with the exchange in accordance with procedures so established.

"(C) A national securities exchange may bar any person from becoming associated with a member if such person does not agree (i) to supply the exchange with such information with respect to its relationship and dealings with the member as may be specified in the rules of the exchange and (ii) to permit the examination of its books and records to verify the accuracy of any information so supplied.

"(4) Subject to the provisions of section 19(c) of this title, a national securities exchange may limit the number of members of the exchange and the number of members and designated representatives of members permitted to effect transactions on the exchange without the services of another person acting as broker.

"(d)(1) In any proceeding by a national securities exchange to determine whether a member or person associated with a member should be disciplined (other than a summary proceeding pursuant to paragraph (3) of this subsection), the exchange shall bring specific charges, notify such member or person of, and give him an opportunity to defend against, such charges, and keep a record. A determination by the exchange to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with a member has been found to have engaged, or which such member or person has been found to have omitted;

"(B) the specific provision of this title, the rules or regulations thereunder, or the rules of the exchange which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

"(2) In any proceeding by a national securities exchange to determine whether a person shall be denied membership, barred from becoming associated with a member, or prohibited or limited with respect to access to services offered by the exchange or a member thereof (other than a summary proceeding pursuant to paragraph (3) of this subsection), the exchange shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial, bar, or prohibition or limitation under consideration and keep a record. A determination by the exchange to deny membership, bar a person from becoming associated with a member, or prohibit or limit a person with respect to access to services offered by the exchange or a member thereof shall be supported by a statement setting forth the specific grounds on which the denial, bar, or prohibition or limitation is based.

"(3) A national securities exchange may summarily (A) suspend a member or person associated with a member who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, (B) suspend a member who is in such financial or operating difficulty that the exchange determines and so notifies the Commission that the member cannot be permitted to continue to do business as a member with safety to investors, creditors, other members, or the exchange, or (C) limit or prohibit any person with respect to access to services offered by the exchange if subparagraph (A) or (B) of this paragraph is applicable to such person or, in the case of a person who is not a member, if the exchange determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members, or the exchange. Any person aggrieved by any such summary action shall be promptly afforded an opportunity for a hearing by the exchange in accordance with the provisions of paragraph (1) or (2) of this subsection. The Commission, by order, may stay any such summary action on its own motion or upon application by any person aggrieved thereby, if the Commission determines summarily or after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.

"(e) No national securities exchange shall impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members for effecting transactions on such exchange unless such schedule or rates of commissions, allowances, discounts, or other fees have been found by the Commission in connection with a proposed rule change filed pursuant to section 19(b) of this title to be reasonable in relation to the costs of providing the service for which such fees are charged (and the Commission publishes the standards employed in adjudging reasonableness) and necessary to accomplish the purposes of this title. Beginning with the enactment of the Securities Acts Amendments of 1975, and ending at the close of 1977, the Commission, on a regular basis, shall file with the Committees of the Congress having oversight of its activities, information with respect to the effects on the protection of investors, the maintenance of fair and orderly markets, and other purposes of this title of the absence of any schedule or fixed rates of commission to be charged by members of any national securities exchange for effecting transactions on such exchange.

"(f) The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to assure equal regulation, may—

"(1) require any person not a member or a designated representative of a member of a national securities exchange effecting transactions on such exchange without the services of another person acting as broker, or

"(2) any broker or dealer not a member of a national securities exchange effecting transactions on such exchange on a regular basis,

to comply with such rules of such exchange as the Commission may specify.".

SEC. 5. Section 11 of the Securities Exchange Act of 1934 (15 U.S.C. 78k) is amended as follows:

(a) The title is amended to read: "TRADING BY MEMBERS OF EXCHANGES".

(b) Subsections (a) and (b) thereof are amended to read as follows:

"(a)(1) It shall be unlawful for any member of a national securities exchange to effect any transaction on such exchange for its own account, the account of an associated person, or an account with respect to which it or an associated person thereof exercises investment discretion: Provided, however, That this paragraph shall not make unlawful—

"(A) any transaction by a dealer acting in the capacity of market maker;

"(B) any transaction for the account of an oddlot dealer in a security in which he is so registered;

"(C) any stabilizing transaction effected in compliance with rules under section 10(b) of this title to facilitate a distribution of a security in which the member effecting such transaction is participating;

"(D) any bona fide arbitrage transaction, any bona fide hedge transaction involving a long or short position in an equity security and a long or short position in a security entitling the holder to acquire or sell such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction involving a recapitalization;

"(E) any transaction for the account of a natural person, the estate of a natural person, or a trust (other than an investment company) created by a natural person for himself or another natural person;

"(F) any transaction to offset a transaction made in error;

"(G) any transaction for a member's own account; and

"(H) any other transaction of a kind which the Commission, by rule, determines is consistent with the protection of investors and the maintenance of fair and orderly markets.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly market, or to assure equal regulation of exchange markets and markets occurring otherwise than on an exchange, may regulate or prohibit:

"(A) transactions on a national securities exchange not made unlawful by paragraph (1) of this subsection by any member thereof for its own account (unless such member is acting in the capacity of market maker or odd-lot dealer), the account of an associated person, or an account with respect to which such member or an associated person thereof exercises investment discretion; and

"(B) transactions otherwise than on a national securities exchange by any member of a national securities exchange, broker, or dealer or on a national securities exchange by any broker or dealer not a member thereof for its own account (unless such member, broker, or dealer is acting in the capacity of market maker), the account of an associated person, or an account with respect to which such member, broker, or dealer or associated person thereof exercises investment discretion.

"(3) The provisions of paragraph (1) of this subsection shall not be in effect with respect to transactions effected by any member of a national securities exchange for its own account, the account of an associated person, or an account with respect to which it or an associated person thereof exercises investment discretion:

"(A) for a period of twelve months following the date of enactment of the Securities Acts Amendments of 1975, if the total value of all such transactions effected by such member during such period on all national securities exchanges of which it is a member (other than transactions described in subparagraphs (A) through (F) of such paragraph (1)) does not exceed 20 per centum of the total value of all transactions effected by such member during such period on all such exchanges; and

"(B) for a period of twelve months following the period specified in subparagraph (A), if the total value of all such transactions effected by such member during such period on all national securities exchanges of which it is a member (other than transactions described in subparagraphs (A) through (F) of such paragraph (1)) does not exceed 10 per centum of the total value of all transactions effected by such member during such period on all such exchanges.

"(b) When not in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to remove impediments to and perfect the mechanism of a national market system, the rules of a national securities exchange may permit (1) a member to be registered as an odd-lot dealer and as such to buy and sell for his own account so far as may be reasonably necessary to carry on such odd-lot transactions, and (2) a member to be registered as a specialist. Under the rules and regulations of the Commission a specialist may be permitted to act as a broker and dealer or limited to acting as a broker or dealer. It shall be unlawful for a specialist or an official of the exchange to disclose information in regard to orders placed with such specialist which is not available to all members of the exchange, to any person other than an official of the exchange, a representative of the Commission, or a specialist who may be acting for such specialist: *Provided, however*, That the Commission, by rule, may require disclosure to all members of the exchange of all orders placed with specialist, under such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. It shall also be unlawful for a specialist permitted to act as a broker and dealer to effect on the exchange as broker any transaction except upon a market or limited price order.".

(c) Subsection (e) thereof is deleted.

SEC. 6. The Securities Exchange Act of 1934 is amended by inserting after section 11 (15 U.S.C. 78k) the following new section:

"NATIONAL MARKET SYSTEM FOR SECURITIES;
SECUITIES INFORMATION PROCESSORS

"SEC. 11A. (a)(1) The Congress finds that—

"(A) The securities markets are an important national asset which must be preserved and strengthened.

"(B) New data processing and communications techniques create the opportunity for more efficient and effective market operations.

"(C) It is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure—

"(i) economically efficient mechanisms for the execution of securities transactions;

"(ii) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets operating otherwise than on an exchange;

"(iii) the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities;

"(iv) an opportunity, consistent with the provisions of clause (i) of this subparagraph, for investors' orders to be executed without the participation of a dealer; and

"(v) the practicability of brokers executing such orders in the best market.

"(D) The linking of all markets for qualified securities through communication and data processing facilities will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders.

"(2) The Commission is directed, therefore, having due regard for the public interest, the protection of investors, and the maintenance of fair and orderly markets, to facilitate the establishment of a national market system for securities (which may include subsyatems) in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection. The Commission, by rule, shall designate the securities or classes of securities qualified for trading in the national market system from among securities other than exempted securities. (Securities so designated are referred to in this section as 'qualified securities'.)

"(3)(A) The Commission is authorized in furtherance of the directive in paragraph (2) of this subsection—

"(i) to create one or more advisory committees pursuant to the Federal Advisory Committee Act and to employ one or more outside experts;

"(ii) to authorize or require self-regulatory organizations to act jointly with respect to matters as to which they share authority under this title in planning, developing, operating, or regulating a national market system (or a subsystem thereof) or one or more facilities thereof; and

"(iii) to conduct studies and make recommendations from time to time as to the possible need for modifications of the scheme of self-regulation provided for in this title so as to adapt it to a national market system.

"(B) The Commission shall include in its annual report to the Congress for each fiscal year beginning in 1975 and ending in 1980 (i) a description of the steps taken, and an evaluation of the progress made, toward the establishment of a national market system, and (ii) recommendations for further legislation it considers advisable with respect to such a system.

"(b)(1) Except as otherwise provided in this section, it shall be unlawful for any securities information processor unless registered in accordance with this subsection, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the functions of a securities information processor. The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any securities information processor or class of securities information processors or security or class of securities from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section, including the maintenance of fair and orderly markets in securities and the removal of impediments to and perfection of the mechanism of a national market system: Provided, however, That a securities information processor not acting as the exclusive processor of any information with respect to quotations for or transactions in securities is exempt from the requirement to register in accordance with this subsection unless the Commission, by rule or order, finds that the registration of such securities information processor is necessary or appropriate in the public interest, for the protection of investors, or for the achievement of the purposes of this section.

"(2) A securities information processor may be registered by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the address of its principal office or offices, the names of the securrities and markets for which it is then acting and for which it proposes to act as a securities information processor, and such other information and documents as the Commission, by rule, may prescribe with regard to performance capability, standards and procedures for the collection, processing, distribution, and publication of information with respect to quotations for and transactions in securities, personnel qualifications, financial condition, and such other matters as the Commission determines to be germane to the provisions of this title and the rules and regulations thereunder, or necessary or appropriate in furtherance of the purposes of this section.

"(3) The Commission shall, upon the filing of an application for registration pursuant to paragraph (2) of this subsection, publish notice of the filing and afford interested persons an opportunity to submit written data, views, and arguments concerning such application. Within ninety days of the date of the publication of such notice (or within such longer period as to which the applicant consents), the Commission shall—

"(A) by order grant such registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within one hundred and eighty days of the date of publication of notice of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to sixty days if it finds good cause for such extension and publishes its reasons for so finding or for such longer periods as to which the applicant consents.

The Commission shall grant the registration of a securities information processor if the Commission finds that such securities information processor is so organized and has the capacity to be able to assure the prompt, accurate, and reliable performance of its functions as a securities information processor, comply with the provisions of this title and the rules and regulations thereunder, to carry out its functions in a manner consistent with the purposes of this section, and, insofar as it is acting as an exclusive processor, operate efficiently. The Commission shall deny the registration of a securities information processor if the Commission does not make any such finding.

"(4) A registered securities information processor may, upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered securities information processor is no longer in existence or has ceased to do business in the capacity specified in its application for registration, the Commission, by order, shall cancel the registration.

"(5)(A) If any registered securities information processor prohibits or limits any person in respect of access to services offered, directly or indirectly, by such securities information processor, the registered securities information processor shall promptly file notice thereof with the Commission. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Any prohibition or limitation on access to services with respect to which a registered securities information processor is required by this paragraph to file notice shall be subject to review by the Commission on its own motion, or upon application by any person aggrieved thereby filed within thirty days after such notice has been filed with the Commission and received by such aggrieved person, or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such prohibition or limitation, unless the Commission otherwise orders, summarily or after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of the submission of affidavits or presentation of oral arguments). The Commission shall establish for appropriate cases

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an expedited procedure for consideration and determination of the question of a stay.

"(B) In any proceeding to review the prohibition or limitation of any person in respect of access to services offered by a registered securities information processor, if the Commission, after notice and opportunity for hearing, finds that such prohibitions or limitation is consistent with the provisions of this title and the rules and regulations thereunder and that such person has not been discriminated against unfairly, the Commission does not make any such finding or if it finds that such prohibition or limitation imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title, the Commission, by order, shall set aside the prohibition or limitation and require the registered securities information processor to permit such person access to services offered by the registered securities information processor.

"(6) The Commission, by order, may censure or place limitations upon the activities, functions, or operations of any registered securities information processor or suspend for a period not exceeding twelve months or revoke the registration of any such processor, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation is in the public interest any necessary or appropriate for the protection of investors or to assure the prompt, accurate, or reliable performance of the functions of such securities information processor and that such securities information processor has violated or is unable to comply with any provision of this title or the rules or regulations thereunder.

"(c)(1) No self-regulatory organization, member thereof, securities information processor, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to collect, process, distribute, publish, or prepare for distribution or publication any information with respect to quotations for or transactions in any security (other than an exempted security), to assist, participate in, or coordinate the distribution or publication of such information, or to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to—

"(A) prevent the use, distribution, or publication of fraudulent, deceptive, or manipulative information with respect to quotations for and transactions in such securities;

"(B) assure the prompt, accurate, reliable, and fair collection, processing, distribution, and publication of information with respect to quotations for and transactions in such securities and the fairness and usefulness of the form and content of such information;

"(C) assure that all securities information processors may obtain for purposes of distribution and publication on fair and reasonable terms such information with respect to quotations for and transactions in such securities as is collected, processed, or prepared for distribution or publication by any exclusive processor of such information acting in such capacity;

"(D) assure that all exchange members, brokers, dealers, securities information processors, and, subject to such limitations as the Commission, by rule, may impose as necessary or appropriate for the protection of investors or maintenance of fair and orderly markets, other persons may obtain on terms which are not unreasonably discriminatory information with respect to quotations for and transactions in such securities published or distributed by any self-regulatory organization or securities information processor;

"(E) assure that all exchange members, brokers, and dealers transmit and direct orders for the purchase or sale of qualified securities in a manner consistent with the establishment and operation of a national market system; and

"(F) assure equal regulation of all markets for qualified securities and all exchange members, brokers, and dealers effecting transaction in such securities.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest or for the protection of investors, may require any person who has effected the purchase or sale of any qualified security by use of the mails or any means or instrumentality of interstate commerce to report such purchase or sale to a registered securities information processor, national securities exchange, or registered securities association and require such processor, exchange, or association to make appropriate distribution and publication of information with respect to such purchase or sale.

"(3)(A) If the Commission finds, after notice and opportunity for hearing and such consideration as it deems necessary or appropriate of conditions arising after the rules of national securities exchanges imposing any schedule or fixing rates of commissions (other than floor brokerage for effecting transactions for members), allowances, discounts, or other fees to be charged by its members for effecting transactions on such exchange have been eliminated, that as a result of transactions in securities registered pursuant to section 12(b) of this title effected otherwise than on a national securities exchange the fairness or orderliness of the markets for such securities has been or is likely to be affected in a manner contrary to the public interest or the protection of investors, the Commission, in accordance with its powers under this title, shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors to restore or maintain the fairness and orderliness of the markets for such securities. In addition to its other powers under this title, the Commission is authorized in prescribing rules and regulations under this subsection to prohibit brokers and dealers from effecting transactions in such securities otherwise than on a national securities exchange, if it makes the findings required by the preceding sentence and further finds that no rule of any national securities exchange unreasonably impairs the ability of any dealer to solicit or effect transactions in such securities for his own account or unreasonably restricts competition among dealers in such securities or between dealers acting in the capacity of market makers who are specialists in such securities and such dealers who are not specialists in such securities. The Commission may conditionally or unconditionally exempt any security or transaction or any class of securities or transactions from any such prohibition if the Commission deems such exemption consistent with the public interest and the protection of investors.

"(B) For the purposes of subparagraph (A) of this paragraph the ability of any dealer to solicit or effect transactions in securities for his own account shall not be deemed to be unreasonably impaired by any rule of an exchange fairly and reasonably prescribing the sequence in which orders brought to the exchange must be executed or which has been adopted to effect compliance with a rule of the Commission promulgated under this title.

"(C) No rule promulgated pursuant to the authorization in the second sentence of subparagraph (A) of this paragraph shall become effective until the rules of national securities exchanges imposing any schedule or fixing rates of commissions, allowances, discounts, or other charges have been eliminated or remain in effect after the Commission has determined that a national market system for securities has been established or April 30, 1978, whichever is earlier: *Provided, however,* That until a national market system has been established, the Commission may extend the effectiveness of any such rule beyond April 30, 1978, for successive periods of up to one year, if it finds that each such extension is necessary or appropriate in the public interest or for the protection of investors and reports its reasons for so finding to the Congress not less than sixty days before any such extension begins.

"(D) Nothing in this paragraph shall be construed to impair the Commission's powers or to modify the Commission's responsibilities under any other provision of this title.".

SEC. 7. Section 12(f) of the Securities Exchange Act of 1934 (15 U.S.C. 78l(f)) is amended as follows:

(a) Paragraphs (1) and (2) thereof are amended to read as follows:

"(f)(1) Notwithstanding the foregoing provisions of this section, any national securities exchange, subject to the terms and conditions hereinafter set forth—

"(A) may continue unlisted trading privileges to which a security had been admitted on such exchange prior to July 1, 1964;

"(B) upon application to and approval of such application by the Commission, may extend unlisted trading privileges to any security listed and registered on any other national securities exchange; and

"(C) upon application to and approval of such application by the Commission, may extend unlisted trading privileges to any security registered pursuant to section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (g)(2)(B) or (g)(2)(G) of that section.

If an extension of unlisted trading privileges to a security is based upon its listing and registration on another national securities exchange, such privileges shall continue in effect only so long as such security remains listed and registered on a national securities exchange.

"(2) No application pursuant to this subsection shall be approved unless the Commission finds, after notice and opportunity for hearing, that the extension of unlisted trading privileges pursuant to such application is consistent with the maintenance of fair and orderly markets and the protection of investors. In considering an application for the extension of unlisted trading privileges to a security not listed and registered on a national securities exchange, the Commisison shall, among other matters, take account of the public trading activity in such security, the character of such trading, the impact of such extension on the existing markets for such securities, and the desirability of removing impediments to and the progress that has been made toward the development of a national market system.".

(b) Paragraph (6) thereof is amended by striking the words "section 19(b) of".

SEC. 8. Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) is amended by adding at the end thereof the following new subsections:

"(j) The Commission is authorized, by order, as it deems necessary or appropriate for the protection of investors to deny, to suspend the effective date of, to suspend for a period not exceeding twelve months, or to revoke the registration of a security, if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder. No member of a national securities exchange, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security the registration of which has been and is suspended or revoked pursuant to the preceding sentence.

"(k) If in its opinion the public interest

and the protection of investors so require, the Commission is authorized summarily to suspend trading in any security (other than an exempted security) for a period not exceeding ten days, or with the approval of the President, summarily to suspend all trading on any national securities exchange or otherwise in securities other than exempted securities for a period not exceeding ninety days. No member of a national securities exchange, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security in which trading is so suspended.

"(l) It shall be unlawful for an issuer, any class of whose securities is registered pursuant to this section or would be required to be so registered except for the exemption from registration provided by subsection (g)(2)(B) or (g)(2)(G) of this section, by the use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, any of such securities in a form or with a format which contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate clearance and settlement of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts or variable life policies issued by an insurance company or its separate accounts.

"(m) The Commission is authorized and directed to make a study and investigation of the practice of recording the ownership of securities in the records of the issuer in other than the name of the beneficial owner of such securities and to determine (1) whether such practice is consistent with the purposes of this title, with particular reference to sections 12(g), 13, 14, 15(d), 16, and 17A, and (2) whether steps can be taken to facilitate communications between issuers and the beneficial owners of their securities while at the same time retaining the benefits of such practice. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of the Securities Acts Amendments of 1975, and its final conclusions and recommendations within one year of such date.".

SEC. 9. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce, in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities of a class described in section 13(d)(1) of this title having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such other amount (but in no case less than $10,000,000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe, but in no event shall such reports be filed for periods longer than one year or shorter than one quarter. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security of a class described in section 13(d)(1) of this title held on the last day of the reporting period by such accounts with respect to which the institutional investment manager possesses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchase and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction or series of transactions having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security of a class described in section 13(d)(1) of this title—

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or principal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribe.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally, any institutional investment manager or security or any class of institutional investment managers or securities from any or all of the provisions of this subsection or the rules thereunder.

"(3) The Commission shall make available to the public for a reasonable fee a list of all equity securities of a class described in section 13(d)(1) of this title, updated no less frequently than reports are required to be filed pursuant to paragraph (1) of this subsection. The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in the view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such form as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 24 of this title. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

"(4) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest and for the protection of investors or to maintain fair and orderly markets or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection, national securities exchanges, and registered securities association, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) consistently with the objective set forth in the preceding subparagraph, to avoid unnecessarily duplicative reporting by and minimize the compliance burden on institutional investment managers. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) An institutional investment manager, required to file reports under this subsection, shall not be deemed to exercise investment discretion with respect to an account held outside the United States insofar as such discretion is exercised outside the United States, unless the Commission, by rule, otherwise prescribes as necessary or appropriate in furtherance of the purposes of this subsection.

"(C) The Commission shall adopt such rules as it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same amount.".

SEC. 10. Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended as follows:

(a) The title thereof is amended to read: "REGISTRATION AND REGULATION OF BROKERS AND DEALERS".

(b) Subsection (a) and (b) thereof are amended to read as follows:

"(a)(1) It shall be unlawful for any broker or dealer which is a person other than a natural person or who is a natural person not associated with a broker or dealer which is a person other than a natural person (other than such a broker or dealer whose business is exclusively intrastate) to make use of the mails or any means or instrumentality of interstate commerce, to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless such broker or dealer is registered in accordance with subsection (b) of this section.

"(2) The Commission, by rule or order, as it deems necessary or appropriate in the

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public interest or for the protection of investors, may conditionally or unconditionally exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rule or order.

"(b)(1) A broker or dealer may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such broker or dealer and any persons associated with such broker or dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective thirty days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine.

"(2)(A) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application, in such form as the Commission, by rule, may prescribe, shall contain such information and documents concerning the applicant, the successor, and any persons associated with the applicant or the successor, as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. The grant or denial of registration to such an applicant shall be in accordance with the procedures set forth in paragraph (1) of this subsection. If the Commission grants such registration, the registration shall terminate on the forty-fifth day after the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt the application for registration as its own.

"(B) Any person who is a broker or dealer solely by reason of acting as a municipal securities dealer or municipal securities broker, who so acts through a separately identifiable department or division, and who so acted in such a manner on the date of enactment of the Securities Act Amendments of 1975, may, in accordance with such terms and conditions as the Commission, by rule, prescribes as necessary and appropriate in the public interest and for the protection of investors, register such separately identifiable department or division in accordance with this subsection. If any such department or division is so registered, the department or division and not such person himself shall be the broker or dealer for purposes of this title.

"(3) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce is used in connection therewith shall also prohibit any such act, practice, or course of business by any registered broker or dealer or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(4) The Commission, by order, shall deny registration to, censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding twelve months, or revoke the registration of any broker or dealer if it finds, on the record after notice and opportunity for hearing, that such denial, censure, placing of limitations, suspension, or revocation is in the public interest and that such broker or dealer, whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

made in any application for registration or

"(A) has willfully made or caused to be report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within ten years preceding the filing of any application for registration or at any time thereafter of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security, the taking of a false oath, the making of a false report, bribery, perjury, burglary, or conspiracy to commit any such offense;

"(ii) arises out of the conduct of the business of a broker, dealer, municipal securities dealer, investment adviser, bank, insurance company, or fiduciary;

"(iii) involves the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds or securities; or

"iv) involves the violation of section 152, 1341, 1342, or 1343 or chapter 25 or 47 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, or municipal securities dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board, or is unable to comply with any such provision.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board or has failed reasonably to supervise, with a view to preventing violations of the provisions of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this subparagraph (E) no person shall be deemed to have failed reasonably to supervise any other person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (6) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer which order is in effect with respect to such person.

"(5)(A) Pending final determination whether any registration under this subsection shall be denied, the Commission by order, may postpone the effective date of such registration for a period not to exceed fifteen days, but if, after notice and opportunity for hearing (which may consist solely of affidavits and oral arguments), it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, the Commission shall so order.

"(B) Pending final determination whether any registration under this subsection shall be revoked, the Commission, by order, may suspend such registration, if such suspension appears to the Commission, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors.

"(C) Any registered broker or dealer may, upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer, or any broker or dealer for whom an application for registration is pending, is no longer in existence or has ceased to do business as a broker or dealer, the Commission, by order, shall cancel or deny the registration of such broker or dealer.

"(6) The Commission, by order, shall censure or place limitations on the activities or functions of any person associated with a broker or dealer, or suspend for a period not exceeding twelve months or bar any person from being associated with a broker or dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of this subsection or has been convicted of any offense specified in subparagraph (B) of said paragraph (4) within ten years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in subparagraph (C) of said paragraph (4). It shall be unlawful for any person as to whom such an order suspending or barring him from being associated with a broker or dealer is in effect willfully to become, or to be, associated with a broker or dealer without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care should have known, of such order.

"(7) No registered broker or dealer shall, during any period when it is not a member of a registered securities association, effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange of which it is a member) unless such broker or dealer meets such standards of operational capability and such broker or dealer and all natural persons associated with such broker or dealer meet such standards of training, experience, competence, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) appropriately classify brokers and dealers (taking into account relevant matters, including types of business done and nature of securities sold) and persons associated with brokers and dealers;

"(B) specify that all or any portion of such standards shall be applicable to any such class;

"(C) require persons in any class to pass

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tests prescribed in accordance with such rules and regulations; and

"(D) provide that persons in any such class other than brokers and dealers and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such standards of training and such other qualifications as the Commission finds appropriate.

The Commission, by rule, may prescribe reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any test administered by it or under its direction. The Commission may cooperate with registered securities associations and national securities exchanges in devising and administering tests and may require registered brokers and dealers and persons associated with such brokers and dealers to pass tests administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such tests.

"(8) In addition to the fees and charges authorized by paragraph (7), each registered broker or dealer not a member of a registered securities association shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such broker or dealer effects transactions in securities otherwise than on a national securities exchange of which it is a member and is not a member of such a securities association. The Commission, by rule, shall establish such fees and charges.

"(9) No broker or dealer subject to paragraph (7) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange of which it is a member) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

"(10) For purposes of determining whether a person is subject to a statutory disqualification under section 6(c)(2), 15A(g)(2), or 17A(b)(4)(B) of this title, the term 'Commission' in paragraph (4)(B) of this subsection shall mean 'exchange', 'association', or 'clearing agency', respectively.

(c) Paragraphs (1) and (2) of subsection (c) thereof are amended to read as follows:

"(c)(1) No broker or dealer shall make use of the mails or any means of instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper. bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which it is a member by means of any manipulative, deceptive, or other fraudulent device or contrivance, and no municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or induce or attempt to induce the purchase or sale of, any municipal security by means of any manipulative, deceptive, or other fraudulent device or contrivance. The Commission shall, for the purposes of this paragraph, by rules and regulations define such devices or contrivances as are manipulative, deceptive, or otherwise fraudulent.

"(2) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which it is a member, in connection with which such broker or dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation, and no municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security in connection with which such municipal securities dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation. The Commission shall, for the purposes of this paragraph, by rules and regulations define, and prescribe means reasonably designed to prevent, such acts and practices as are fraudulent, deceptive, or manipulative and such quotations as are fictitious.".

(d) Paragraph (5) of subsection (c) thereof is amended to read as follows:

"(5) No dealer (other than a specialist registered on a national securities exchange) acting in the capacity of market maker or otherwise shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or a municipal security) in contravention of such specified and appropriate standards with respect to dealing as the Commission, by rule, shall prescribe as necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to remove impediments to and perfect the mechanism of a national market system. Under the rules of the Commission a dealer in a security may be prohibited from acting as a broker in that security."

(e) Subsection (c) thereof is further amended by adding at the end thereof the following new paragraph:

"(6) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security, municipal security, commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest and for the protection of investors or to perfect or remove impediments to a national system for the prompt and accurate clearance and settlement of securities transactions, with respect to the time and method of, and the form and format of documents used in connection with, making settlements, payments, transfers, and deliveries of securities and of closing accounts. Nothing in this paragraph shall be construed (A) to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or (B) to authorize the Commission to prescribe rules or regulations for such purpose.".

(f) The section is further amended by adding at the end thereof the following new subsection:

"(e) The Commission, by rule, as it deems necessary or appropriate in the public interest and for the protection of investors or to assure equal regulation, may require any member of a national securities exchange not required to register under section 15 of this title and any person associated with any such member to comply with any provisioin of this title (other than section 15(a)) or the rules or regulations thereunder which by its terms regulates or prohibits any act, practice, or course of business by a 'broker or dealer' or 'registered broker or dealer' or a 'person associated with a broker or dealer,' respectively.".

SEC. 11. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended as follows:

(a) The title thereof is amended to read: "REGISTERED SECURITIES ASSOCIATION".

(b) Subsections (a) and (b) thereof are amended to read as follows:

"(a) An association of brokers and dealers may be registered as a national securities association pursuant to subsection (b), or as an affiliated securities association pursuant to subsection (d), under the terms and conditions hereinafter provided in this section and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the association and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) An association of brokers and dealers shall not be registered as a national securities association unless the Commission determines that—

"(1) By reason of the number and geographical distribution of its members and the scope of their transactions such association will be able to carry out the purposes of this section.

"(2) Such association is so organized and has the capacity to be able to carry out the purposes of this title and to comply, and (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) to enforce compliance by its members and persons associated with its members, with the provisions of this title, the rules and regulations thereunder, the rules of the Municipal Securities Rulemaking Board, and the rules of the association.

"(3) Subject to the provisions of subsection (g) of this section, the rules of the association provide that any registered broker or dealer may become a member of such association and any person may become associated with a member thereof.

"(4) The rules of the association assure a fair representation of its members in the selection of its directors and administration of its affairs.

"(5) The rules of the association provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

"(6) The rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, to fix minimum profits, to impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title or the administration of the association.

"(7) The rules of the association provide that (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) its members and persons associated with its members shall be appropriately disciplined for violation of any provision of this title, the rules or regulations thereunder, the rules of the Municipal Securities Rulemaking Board, or the rules of the association, by expulsion, suspension, limitation of

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activities, functions, and operations, fine, censure, being suspended or barred from being associated with a member or any other fitting sanction.

"(8) The rules of the association are in accordance with the provisions of subsection (h) of this section, and, in general, provide a fair procedure for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the association of any person with respect to access to services offered by the association or a member thereof.

"(9) The rules of the association do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(10) The requirements of subsection (c), insofar as these may be applicable, are satisfied.

"(11) The rules of the association include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.".

(c) The section is amended by striking out subsections (e), (f), (g), (h), (j), (k), (l), and (n) thereof, redesignating subsections (i) and (m) thereof as subsections (e) and (f), respectively, and amending redesignated subsection (e) to read as follows:

"(e) (1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember professional (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

"(2) For the purposes of this subsection, the term 'nonmember professional' shall include (A) with respect to transactions in securities other than municipal securities, any registered broker or dealer who is not a member of any registered securities association, except such a broker or dealer who deals exclusively in commercial paper, bankers' acceptances, and commercial bills, and (B) with respect to transactions in municipal securities, any municipal securities dealer for whom the Commission is the appropriate regulatory agency who is not a member of any registered securities association and any municipal securities broker who is not a member of any such association.

"(3) Nothing in this subsection shall be so construed or applied as to prevent (A) any member of a registered securities association from granting to any other member of any registered securities association any dealer's discount, allowance, commission, or special terms, in connection with the purchase or sale of securities, or (B) any member of a registered securities association or any municipal securities dealer for whom the Commission is not the appropriate regulatory agency from granting to any member of any registered securities association or any such municipal securities dealer any dealer's discount, allowance, commission, or special terms in connection with the purchase or sale of municipal securities: *Provided, however*, That the granting of any such discount, allowance, commission, or special terms in connection with the purchase or sale of municipal securities shall be subject to rules of the Municipal Securities Rulemaking Board adopted pursuant to section 15B(b)(2)(K) of this title.".

(d) The section is further amended by adding at the end thereof the following new subsections:

"(g) (1) A registered securities association shall deny membership to any person who is not a registered broker or dealer.

"(2) A registered securities association may, and in cases in which the Commission, by order, directs as appropriate in the public interest shall, deny membership to any registered broker or dealer and bar from becoming associated with a member of any person who is subject to a statutory disqualification. A registered securities association shall file notice with the Commission not less than thirty days prior to admitting any registered broker or dealer to membership or permitting any person to become associated with a member, if the association knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) (A) A registered securities association may deny membership to, or condition the membership of, a registered broker or dealer if (i) such broker or dealer does not meet such standards of financial responsibility and operational capability and such broker or dealer and all natural persons associated with such broker or dealer do not meet such standards of training, experience, and competence as are prescribed by the rules of the association or (ii) such broker or dealer or person associated with such broker or dealer has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A registered securities association may examine and verify the qualifications of an applicant to be a member and the natural persons associated with such an applicant in accordance with procedures established by the rules of the association.

"(B) A registered securities association may bar a natural person from becoming associated with a member or condition the association of a natural person with a member if such person (i) does not meet such standards of training, experience, and competence as are prescribed by the rules of the association or (ii) has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A registered securities association may examine and verify the qualifications of an applicant to become a person associated with a member in accordance with procedures established by the rules of the association and require a natural person associated with a member, or any class of such natural persons, to be registered with the association in accordance with procedures so established.

"(C) A registered securities association may bar any person from becoming associated with a member if such person does not agree (i) to supply the association with such information with respect to its relationship and dealings with the member as may be specified in the rules of the association and (ii) to permit examination of its books and records to verify the accuracy of any information so supplied.

"(4) A registered securities association may restrict or condition membership on such specified basis relating to the geographical distribution of, or type of business done by, its members, or on such other specified and appropriate basis as the Commission, by rule, determines to be consistent with the public interest and the purposes of this section.

"(h) (1) In any proceeding by a registered securities association to determine whether a member or person associated with a member should be disciplined (other than a summary proceeding pursuant to paragraph (3) of this subsection) the association shall bring specific charges, notify such member or person of, and give him an opportunity to defend against, such charges, and keep a record. A determination by the association to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with a member has been found to have engaged, or which such member or person has been found to have omitted;

"(B) the specific provision of this title, the rules or regulations thereunder, the rules of the Municipal Securities Rulemaking Board, or the rules of the association which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

"(2) In any proceeding by a registered securities association to determine whether a person shall be denied membership, barred from becoming associated with a member, or prohibited or limited with respect to access to services offered by the association or a member thereof (other than a summary proceeding pursuant to the paragraph (3) of this subsection), the association shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial, bar, or prohibition or limitation under consideration and keep a record. A determination by the association to deny membership, bar a person from becoming associated with a member, or prohibit or limit a person with respect to access to services offered by the association or a member thereof shall be supported by a statement setting forth the specific grounds on which the denial, bar, or prohibition or limitation is based.

"(3) A registered securities association may summarily (A) suspend a member or person associated with a member who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, (B) suspend a member who is in such financial or operating difficulty that the association determines and so notifies the Commission that the member cannot be permitted to continue to do business as a member with safety to investors, creditors, other members, or the association, or (C) limit or prohibit any person with respect to access to services offered by the association if subparagraph (A) or (B) of this paragraph is applicable to such person or, in the case of a person who is not a member, if the association determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members, or the association. Any person aggrieved by any such summary action shall be promptly afforded an opportunity for a hearing by the association in accordance with the provisions of paragraph (1) or (2) of this subsection. The Commission, by order, may stay any such summary action on its own motion or upon application by any person aggrieved thereby, if the Commission determines summarily or after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.".

SEC. 12. The Securities Exchange Act of 1934 is amended by inserting after section 15A (15 U.S.C. 78o–3) the following new section:

"MUNICIPAL SECURITIES

"SEC. 15B. (a) (1) It shall be unlawful for any municipal securities dealer (other than one registered as a broker or dealer under section 15 of this title) to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any municipal security unless such municipal securities dealer is registered in accordance with this subsection.

"(2) A municipal securities dealer may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such municipal securities dealer and any persons associated with such municipal securities dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective thirty days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine.

"(3) The Commission, by order, shall deny registration to any municipal securities dealer if it finds, after notice and opportunity for hearing, that if the applicant were so registered, its registration would be subject to suspension, revocation, or cancellation under subsection (c) of this section. Pending final determination whether any registration under this subsection shall be denied, the Commission, by order, may postpone the effective date of such registration for a period not to exceed fifteen days, but if, after notice and opportunity for hearing (which may consist solely of affidavits and oral arguments), it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, the Commission shall so order.

"(4) Any provision of this title (other than section 5 or paragraph (1) of this subsection) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce is used in connection therewith shall also prohibit any such act, practice, or course of business by any registered municipal securities dealer or any person acting on behalf of such municipal securities dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(5) The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any broker, dealer, or municipal securities dealer or class of brokers, dealers, or municipal securities dealers from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section.

"(b) (1) Not later than one hundred and twenty days after the date of enactment of the Securities Acts Amendments of 1975, the Commission shall establish a Municipal Securities Rulemaking Board (hereinafter in this section referred to as the 'Board') to be composed initially of nine members appointed by the Commission which shall perfor the duties set forth in this section. The initial members of the Board shall serve as members for a term of two years, and shall consist of (A) three individuals who are not associated with any broker, dealer, or municipal securities dealer, at least one of whom shall be representative of investors in municipal securities, and at least one of whom shall be representative of issuers of municipal securities (which members are hereinafter referred to as 'public representatives'); (B) three individuals who are associated with and representative of municipal securities brokers and municipal securities dealers which are not banks or subsidiaries or departments or divisions of banks (which members are hereinafter referred to as 'broker-dealer representatives'); and (C) three individuals who are associated with and representative of municipal securities dealers which are banks or subsidiaries or departments or divisions of banks (which members are hereinafter referred to as 'bank representatives'). Prior to the expiration of the terms of office of the initial members of the Board, an election shall be held under rules adopted by the Board (pursuant to subsection (b) (2) (B) of this section) of the members to succeed such initial members.

"(2) The Board shall propose and adopt rules to effect the purposes of this title with respect to transactions in municipal securities by brokers, dealers, and municipal securities dealers. (Such rules are hereinafter collectively referred to in this title as 'rules of the Board'.) The rules of the Board, as a minimum, shall:

"(A) provide that no municipal securities broker or municipal securities dealer shall effect any transaction in, or induce or attempt to induce the purchase or sale of, any municipal security unless such municipal securities broker or municipal securities dealer meets such standards of operational capability and such municipal securities broker or municipal securities dealer and every natural person associated with such municipal securities broker or municipal securities dealer meet such standards of training, experience, competence, and such other qualifications as the Board finds necessary or appropriate in the public interest or for the protection of investors. In connection with the definition and application of such standards the Board may—

"(i) appropriately classify municipal securities brokers and municipal securities dealers (taking into account relevant matters, including types of business done, nature of securities other than municipal securities sold, and character of business organization), and persons associated with municipal securities brokers and municipal securities dealers;

"(ii) specify that all or any portion of such standards shall be applicable to any such class;

"(iii) require persons in any such class to pass tests administered in accordance with subsection (c) (7) of this section; and

"(iv) provide that persons in any such class other than municipal securities brokers and municipal securities dealers and partners, officers, and supervisory employees of municipal securities brokers or municipal securities dealers, may be qualified solely on the basis of compliance with such standards of training and such other qualifications as the Board finds appropriate.

"(B) establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of municipal securities brokers and municipal securities dealers. Such rules shall provide that the membership of the Board shall at all times be equally divided among public representatives, broker-dealer representatives, and bank representatives, and that the public representatives shall be subject to approval by the Commission to assure that no one of them is associated with any broker, dealer, or municipal securities dealer and that at least one is representative of investors in municipal securities and at least one is representative of issuers of municipal securities. Such rules shall also specify the term members shall serve and may increase the number of members which shall constitute the whole Board provided that such number is an odd number.

"(C) be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal services, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest; and not be designed to permit unfair discrimination between customers, issuers, municipal securities brokers, or municipal securities dealers, to fix minimum profits, to impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by members, to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title with respect to municipal securities or the administration of the Board, or to impose any burden on competition not necessary or appropriate in furtherance of such purposes.

"(D) if the Board deems appropriate, provide for the arbitration of claims, disputes, and controversies relating to transactions in municipal securities: *Provided, however*, That no person other than a municipal securities broker, municipal securities dealer, or person associated with such a municipal securities broker or municipal securities dealer may be compelled to submit to such arbitration except at his instance and in accordance with section 29 of this title.

"(E) provide for the periodic examination in accordance with subsection (c) (7) of this section of municipal securities brokers and municipal securities dealers to determine compliance with applicable provisions of this title, the rules and regulations thereunder, and the rules of the Board. Such rules shall specify the minimum scope and frequency of such inspections and shall be designed to avoid unnecessary regulatory duplication or undue regulatory burdens for any such municipal securities broker or municipal securities dealer.

"(F) include provisions governing the form and content of quotations relating to municipal securities which may be distributed or published by any municipal securities broker, municipal securities dealer, or person associated with such a municipal securities broker or municipal securities dealer, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.

"(G) prescribe records to be made and kept by municipal securities brokers and municipal securities dealers and the periods for which such records shall be preserved.

"(H) define the term 'separately identifiable department or division', as that term is used in section 3(a) (30) of this title, in accordance with specified and appropriate standards to assure that a bank is not deemed to be engaged in the business of buying and selling municipal securities through a separately identifiable department or division unless such department or division is organized and administered so as to permit independent examination and enforcement of applicable provisions of this title, the rules and regulations thereunder and the rules of the Board. A separately identifiable department or division of a bank may be engaged in lawful activities other than those relating to municipal securities.

"(I) provide for the operation and administration of the Board, including the selection of a Chairman from among the members of the Board, the compensation of the members of the Board, and the appointment and compensation of such employees, attorneys, and consultants as may be necessary for carrying out the Board's functions under this section.

"(J) provide that each municipal securities broker and each municipal securities dealer shall pay to the Board such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses

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of operating and administering the Board. Such rules shall specify the amount of such fees and charges.

"(K) establish the terms and conditions under which any municipal securities dealer may sell, or prohibit any municipal securities dealer from selling, any part of a new issue of municipal securities to a municipal securities investment portfolio during the underwriting period.

"(c)(1) No broker, dealer, or municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security in contravention of any rule of the Board.

"(2) The Commission, by order, shall censure, place limitations on the activities, functions, or operations, suspend for a period not exceeding twelve months, or revoke the registration of any municipal securities dealer if it finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, denial, suspension, or revocation, is in the public interest and that such municipal securities dealer has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title or has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined fom any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).

"(3) Pending final determination whether any registration under this section shall be revoked, the Commission, by order, may suspend such registration, if such suspension appears to the Commission, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors. Any registered municipal securities dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered municipal securities dealer is no longer in existence or has ceased to do business as a municipal securities dealer, the Commission, by order, shall cancel the registration of such municipal securities dealer.

"(4) The Commission, by order, shall censure any person associated with a municipal securities dealer or suspend for a period not exceeding twelve months or bar any person from being associated with a municipal securities dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title or has been convicted of any offense specified in subparagraph (B) of said paragraph (4) within ten years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in subparagraph (C) of said paragraph (4). It shall be unlawful for any person as to whom an order entered pursuant to this paragraph or paragraph (5) of this subsection suspending or barring him from being associated with a municipal securities dealer is in effect willfully to become, or to be, associated with a municipal securities dealer without the consent of the Commission, and it shall be unlawful for any municipal securities dealer to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such municipal securities dealer knew, or, in the exercise of reasonable care should have known, of such order.

"(5) With respect to any municipal securities dealer for which the Commission is not the appropriate regulatory agency, the appropriate regulatory agency for such municipal security dealer may sanction any such municipal securities dealer in the manner and for the reasons specified in paragraph (2) of this subsection and sanction any person associated with such municipal securities dealer in the manner and for the reasons specified in paragraph (4) of this subsection. In addition, such appropriate regulatory agency may in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) enforce compliance by such municipal securities dealer or any person associated with such municipal securities dealer with the provisions of this section, section 17 of this title, the rules of the Board, and the rules of the Commission pertaining to municipal securities dealers, persons associated with municipal securities dealers, and transactions in municipal securities. For purposes of the preceding sentence, any violation of any such provision shall constitute adequate basis for the issuance of any order under section 8(b) or 8(c) of the Federal Deposit Insurance Act, and the customers of any such municipal securities dealer shall be deemed to be 'depositors' as that term is used in section 8(c) of that Act. Nothing in this paragraph shall be construed to affect in any way the powers of such appropriate regulatory agency to proceed against such municipal securities dealer under any other provision of law.

"(6) The Commission shall, prior to the entry of an order of investigation, or commencement of any proceedings, against any municipal securities dealer, or person associated with any municipal securities dealer, for which it is not the appropriate regulatory agency, for violation of any provision of this section, section 15(c)(1) or 15(c)(2) of this title, any rule or regulation under any such section, or any rule of the Board, give notice to the appropriate regulatory agency for such municipal securities dealer of the identity of such municipal securities dealer or person associated with such a municipal securities dealer and the nature of and basis for such proposed action and consult with such appropriate regulatory agency concerning the effect of such proposed action on sound banking practices and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by such appropriate regulatory agency against such municipal securities dealer or associated person. The appropriate regulatory agency for a municipal securities dealer (if other than the Commission) shall, prior to the entry of an order of investigation, or commencement of any proceedings, against such municipal securities dealer or person associated with such municipal securities dealer, for violation of any provision of this section, the rules of the Board, or the rules or regulations of the Commission pertaining to municipal securities dealers, persons associated with municipal securities dealers, or transactions in municipal securities, give notice to the Commission of the identity of such municipal securities dealer or person associated with such municipal securities dealer and the nature of and basis for such proposed action and consult with the Commission concerning the effect of such proposed action on the protection of investors and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by the Commission against such municipal securities dealer or associated person. Nothing in this paragraph shall be construed to impair or limit (other than by the requirement of prior consultation) the power of the Commission or the appropriate regulatory agency for a municipal securities dealer to initiate any such action or to affect in any way the power of the Commission or such appropriate regulatory agency to initiate any other action pursuant to this title or any other provision of law.

"(7)(A) Tests required pursuant to subsection (b)(2)(A)(iii) of this section shall be administered by or on behalf of and periodic examinations pursuant to subsection (b)(2)(E) of this section shall be conducted by—

(i) a registered securities association, in the case of municipal securities brokers and municipal securites dealers which are members of such association; and

"(ii) the appropriate regulatory agency for any municipal securities broker or municipal securities dealer, in the case of all other municipal securities brokers and municipal securities dealers.

"(B) A registered securities association shall make a report of any examination conducted pursuant to subsection (b)(2)(E) of this section and promptly furnish the Commission a copy thereof and any data supplied to it in connection with such examination. Subject to such limitations as the Commission, by rule, determines to be necessary or appropriate in the public interest or for the protection of investors, the Commission shall, on request, make available to the Board a copy of any report of an examination of a municipal securities broker or municipal securities dealer made by or furnished to the Commission pursuant to this paragraph or section 17(c)(3) of this title.

"(8) The Commission is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, to remove from office or censure any member or employee of the Board, who, the Commission finds, on the record after notice and opportunity for hearing, has willfully (A) violated any provision of this title, the rules and regulations thereunder, or the rules of the Board or (B) abused his authority.

"(d) Neither the Commission nor the Municipal Securities Rulemaking Board is authorized under this title, by rule or regulation, to require an issuer of municipal securities, directly or indirectly through a purchaser or prospective purchaser of securities from the issuer, to file with the Commission or the Board prior to the sale of such securities by the issuer any application, report, or document in connection with the issuance, sale, or distribution of such securities.".

SEC. 13. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended by striking subsection (a), redesignating subsection (b) as subsection (f), and inserting the following as subsections (a), (b), (c), (d), and (e):

"(a)(1) Every national securities exchange, member thereof, broker or dealer who transacts business in securities through the medium of any such member, registered securities association, registered broker or dealer, registered municipal securities dealer, registered securities information processor, and registered clearing agency and the Municipal Securities Rulemaking Board shall make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Commission, by rule, prescribes as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title.

"(2) Every registered clearing agency shall also make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports, as the appropriate regulatory agency for such clearing agency, by rule, prescribes as necessary or appropriate for the safeguarding of securities and funds in the custody or control of such clearing agency or for which it is responsible.

"(3) Every registered transfer agent shall make and keep for prescribed periods such records, furnish such copies thereof, and make such reports as the appropriate regulatory agency for such transfer agent, by

rule, prescribes as necessary or appropriate in furtherance of the purposes of section 17A of this title.

"(b) All records of persons described in subsection (a) of this section are subject at any time, or from time to time, to such reasonable periodic, special, or other examinations by representatives of the Commission and the appropriate regulatory agency as the Commission or the appropriate regulatory agency for such persons deems necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title: *Provided, however,* That the Commission shall not conduct any such examination of a registered clearing agency or registered transfer agent for which it is not the appropriate regulatory agency unless the Commission determines the examination is (1) germane to the Commission's consideration of a clearing agency's application for registration in accordance with section 19(a) of this title or proposed rule change in accordance with section 19(b) of this title or Commission rulemaking pursuant to section 17A(d)(1) of this title, and (2) necessary or appropriate for the Commission's proper performance of its responsibilities under this title: *And provided further,* That the Commission shall, prior to conducting any such examination of a registered clearing agency, registered transfer agent, or registered municipal securities dealer for which it is not the appropriate regulatory agency, give notice to the appropriate regulatory agency for such clearing agency, transfer agent, or municipal securities dealer of such proposed examination and consult with such appropriate regulatory agency concerning the feasibility and desirability of coordinating such examination with examinations conducted by such appropriate regulatory agency with a view to avoiding unnecessary regulatory duplication or undue regulatory burdens for such clearing agency, transfer agent, or municipal securities dealer. Nothing in the second proviso of the preceding sentence shall be construed to impair or limit (other than by the requirement of prior consultation) the power of the Commission under this subsection to examine any clearing agency, transfer agent, or municipal securities dealer, and nothing in either proviso of the preceding sentence shall be construed to affect in any way the power of the Commission under any other provision of this title or otherwise to inspect, examine, or investigate any such clearing agency, transfer agent, or municipal securities dealer.

"(c)(1) Every clearing agency, transfer agent, and municipal securities dealer for which the Commission is not the appropriate regulatory agency shall (A) file with the appropriate regulatory agency a copy of any application, notice, proposal, report, or document filed with the Commission by reason of being a clearing agency, transfer agent, or municipal securities dealer and (B) file with the Commission a copy of any application, notice, proposal, report, or document filed with the appropriate regulatory agency by reason of being a clearing agency, transfer agent, or municipal securities dealer. The Municipal Securities Rulemaking Board shall file with each agency enumerated in section 3(a)(34)(A) of this title copies of every proposed rule change filed pursuant to section 19(b) of this title.

"(2) The appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall file with the Commission notice of the commencement of any proceeding and a copy of any order entered by such appropriate regulatory agency against such clearing agency, transfer agent, or municipal securities dealer, and the Commission shall file with such appropriate regulatory agency notice of the commencement of any proceeding and a copy of any order entered by the Commission against such clearing agency, transfer agent, or municipal securities dealer.

"(3) The Commission and the appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall each notify the other and make a report of any examination conducted by it of such clearing agency, transfer agent, or municipal securities dealer, and, upon request, furnish to the other a copy of such report and any data supplied to it in connection with such examination.

"(d)(1) The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, to foster cooperation and coordination among self-regulatory organizations, or to remove impediments to and foster the development of a national market system and national system for the clearance and settlement of securities transactions, may—

"(A) with respect to any person who is a member of or participant in more than one self-regulatory organization, relieve any such self-regulatory organization of any responsibility under this title (i) to receive regulatory reports from such person, (ii) to examine such person for compliance, or to enforce compliance by such person, with specified provisions of this title, the rules and regulations thereunder, and its own rules, or (iii) to carry out other specified regulatory functions with respect to such person, and

"(B) allocate among self-regulatory organizations the authority to adopt rules with respect to matters as to which, in the absence of such allocation, they share authority under this title.

In making any such rule, the Commission shall take into consideration the regulatory capability and procedures of the self-regulatory organizations, availability of staff, convenience of location, unnecessary regulatory duplication, and such other factors as the Commission may consider germane to the protection of investors, cooperation and coordination among self-regulatory organizations, and the development of a national market system and a national system for the clearance and settlement of securities transactions. The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, may require any self-regulatory organization relieved of any responsibility pursuant to this paragraph, and any person with respect to whom such responsibility relates, to take such steps as are specified in any such rule or order to notify customers of, and persons doing business with, such person of the limited nature of such self-regulatory organization's responsibility for such person's acts, practices, and course of business.

"(2) A self-regulatory organization shall furnish copies of any report of examination of any person who is a member of or participant in such self-regulatory organization to any other self-regulatory organization of which such person is a member or in which such person is a participant upon the request of such person, such other self-regulatory organization, or the Commission.

"(e)(1) Every registered broker or dealer shall annually file with the Commission a balance sheet certified by an independent public accountant, prepared on a calendar or fiscal year basis, and such other financial statements (which shall, as the Commission specifies, be certified) and such other information concerning its financial condition as the Commission, by rule, shall require as necessary or appropriate in the public interest or for the protection of investors. The Commission, by rule or order, may conditionally or unconditionally exempt any registered broker or dealer from any provision of the preceding sentence if the Commission determines that such exemption is consistent with the public interest and the protection of investors.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest for the protection of investors, may prescribe the form and content of financial statements filed pursuant to this title by brokers and dealers and the principles and standards used in the preparation of such statements.".

SEC. 14. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"NATIONAL SYSTEM FOR THE CLEARANCE AND SETTLEMENT OF SECURITIES TRANSACTIONS

"SEC. 17A. (a)(1) The Congress finds that—

"(A) The prompt and accurate clearance and settlement of securities transactions including the transfer of record ownership and the safeguarding of securities and funds related thereto are necessary for the protection of investors and persons facilitating transactions by and acting on behalf of investors.

"(B) Inefficient procedures for clearance and settlement impose unnecessary costs on investors and persons facilitating transactions by and acting on behalf of investors.

"(C) New data processing and communications techniques create the opportunity for more efficient, effective, and safe procedures for clearance and settlement.

"(D) The linking of all clearance and settlement facilities and the development of uniform standards and procedures for clearance and settlement will reduce unnecessary costs and increase the protection of investors and persons facilitating transactions by and acting on behalf of investors.

"(2) The Commission is directed, therefore, having due regard for the public interest, the protection of investors, the safeguarding of securities and funds, and maintenance of fair competition among brokers and dealers, clearing agencies, and transfer agents, to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of transactions in securities (other than exempted securities) in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection. The Commission shall take such steps as are within its power to assure equal regulation under this title of registered clearing agencies and registered transfer agents.

"(b)(1) Except as otherwise provided in this section, it shall be unlawful for any clearing agency, unless registered in accordance with this subsection, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the functions of a clearing agency with respect to any security (other than an exempted security). The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any clearing agency or security or any class of clearing agencies or securities from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds. A clearing agency or transfer agent shall not perform the functions of both a clearing agency and a transfer agent unless such clearing agency or transfer agent is registered in accordance with this subsection and subsection (c) of this section.

"(2) A clearing agency may be registered under the terms and conditions hereinafter provided in this subsection and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the clearing agency and

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such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the prompt and accurate clearance and settlement of securities transactions.

"(3) A clearing agency shall not be registered unless the Commission determines that—

"(A) Such clearing agency is so organized and has the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions for which it is responsible, to safeguard securities and funds in its custody or control or for which it is responsible, to comply with the provisions of this title and the rules and regulations thereunder, to enforce (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) compliance by its participants with the rules of the clearing agency, and to carry out the purposes of this section.

"(B) Subject to the provisions of paragraph (4) of this subsection, the rules of the clearing agency provide that any (i) registered broker or dealer, (ii) other registered clearing agency, (iii) registered investment company, (iv) bank, (v) insurance company, or (vi) such other person or class of persons as the Commission, by rule, may from time to time designate as appropriate to the development of a national system for the prompt and accurate clearance and settlement of securities transactions may become a participant in such clearing agency.

"(C) The rules of the clearing agency assure a fair representation of its shareholders (or members) and participants in the selection of its directors and administration of its affairs. (The Commission may determine that the representation of participants is fair if they are afforded a reasonable opportunity to acquire voting stock of the clearing agency, directly or indirectly, in reasonable proportion to their use of such clearing agency.)

"(D) The rules of the clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

"(E) The rules of the clearing agency do not impose any schedule of prices, or fix rates or other fees, for services rendered by its participants.

"(F) The rules of the clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination in the admission of participants or among participants in the use of the clearing agency, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this section or the administration of the clearing agency.

"(G) The rules of the clearing agency provide that (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) its participants shall be appropriately disciplined for violation of any provision of the rules of the clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction.

"(H) The rules of the clearing agency are in accordance with the provisions of paragraph (5) of this subsection, and, in general, provide a fair procedure with respect to the disciplining of participants, the denial of participation to any person seeking participation therein, and the prohibition or limitation by the clearing agency of any person with respect to access to services offered by the clearing agency.

"(I) The rules of the clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(4)(A) A registered clearing agency may, and in cases in which the Commission, by order, directs as appropriate in the public interest shall, deny participation to any person subject to a statutory disqualification. A registered clearing agency shall file notice with the Commission not less than thirty days prior to admitting any person to participation, if the clearing agency knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(B) A registered clearing agency may deny participation to, or condition the participation of, any person if such person does not meet such standards of financial responsibility, operational capability, experience, and competence as are prescribed by the rules of the clearing agency. A registered clearing agency may examine and verify the qualifications of an applicant to be a participant in accordance with procedures established by the rules of the clearing agency.

"(5)(A) In any proceeding by a registered clearing agency to determine whether a participant should be disciplined (other than a summary proceeding pursuant to subparagraph (C) of this paragraph), the clearing agency shall bring specific charges, notify such participant of, and give him an opportunity to defend against such charges, and keep a record. A determination by the clearing agency to impose a disciplinary sanction shall be supported by a statement setting forth—

"(i) any act or practice in which such participant has been found to have engaged, or which such participant has been found to have omitted;

"(ii) the specific provision of the rules of the clearing agency which any such act or practice, or omission to act, is deemed to violate; and

"(iii) the sanction imposed and the reason therefor.

"(B) In any proceeding by a registered clearing agency to determine whether a person shall be denied participation or prohibited or limited with respect to access to services offered by the clearing agency, the clearing agency shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial or prohibition or limitation under consideration and keep a record. A determination by the clearing agency to deny participation or prohibit or limit a person with respect to access to services offered by the clearing agency shall be supported by a statement setting forth the specific grounds on which the denial or prohibition or limitation is based.

"(C) A registered clearing agency may summarily suspend and close the accounts of a participant who (i) has been and is expelled or suspended from any self-regulatory organization, (ii) is in default of any delivery of funds or securities to the clearing agency, or (iii) is in such financial or operating difficulty that the clearing agency determines and so notifies the appropriate regulatory agency for such participant that such suspension and closing of accounts are necessary for the protection of the clearing agency, its participants, or investors. A participant so summarily suspended shall be promptly afforded an opportunity for a hearing by the clearing agency in accordance with the provisions of subparagraph (A) of this paragraph. The appropriate regulatory agency for such participant, by order, may stay any such summary suspension on its own motion or upon application by any person aggrieved thereby, if such appropriate regulatory agency determines after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.

"(6) No registered clearing agency shall prohibit or limit access by any person to services offered by any participant therein.

"(c)(1) Except as otherwise provided in this section, it shall be unlawful for any transfer agent, unless registered in accordance with this section, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a transfer agent with respect to any security registered under section 12 of this title or which would be required to be registered except for the exemption from registration provided by subsection (g)(2)(B) or (g)(2)(G) of that section. The appropriate regulatory agency, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any person or security or class of persons or securities from any provision of this section or any rule or regulation prescribed under this section if the appropriate regulatory agency finds (A) that such exemption is in the public interest and consistent with the protection of investors and the purposes of this section, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds, and (B) the Commission does not object to such exemption.

"(2) A transfer agent may be registered by filing with the appropriate regulatory agency for such transfer agent an application for registration in such form and containing such information and documents concerning such transfer agent as such appropriate regulatory agency may prescribe as necessary or appropriate in furtherance of the purposes of this section. Except as hereinafter provided, such registration shall become effective thirty days after receipt of such application by such appropriate regulatory agency or within such shorter period of time as such appropriate regulatory agency may determine.

"(3)(A) The appropriate regulatory agency for a transfer agent, by order, shall deny registration to, censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding twelve months, or revoke the registration of such transfer agent, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such denial, censure, placing of limitations, suspension, or revocation is in the public interest or necessary for the protection of investors and that such transfer agent has willfully violated or is unable to comply with any provision of this section or section 17 of this title or the rules or regulations thereunder.

"(B) Pending final determination whether any registration by a transfer agent under this subsection shall be denied, the appropriate regulatory agency for such transfer agent, by order, may postpone the effective date of such registration for a period not to exceed fifteen days, but if, after notice and opportunity for hearing (which may consist solely of affidavits and oral arguments), it shall appear to such appropriate regulatory agency to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, such appropriate regulatory agency shall so order. Pending final determination whether any registration under this subsection shall be revoked, such appropriate regulatory agency, by order, may suspend such registration, if such suspension appears to such appropriate regulatory agency, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors.

"(C) A registered transfer agent may, upon such terms and conditions as the appropriate regulatory agency for such transfer agent deems necessary or appropriate in the public interest, for the protection of investors, or in furtherance of the purposes of this section, withdraw from registration by filing a written notice of withdrawal with such appropriate regulatory agency. If such appropriate regulatory agency finds that any registered transfer agent for which it is the appropriate regulatory agency, or any such transfer agent for which an application for registration is pending, is no longer in existence or has ceased to do business as a transfer agent, such appropriate regulatory agency, by order, shall cancel or deny the registration.

"(d)(1) No registered clearing agency or registered transfer agent shall, directly or indirectly, engage in any activity as clearing agency or transfer agent in contravention of such rules and regulations (A) as the Commission may prescribe as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, or (B) as the appropriate regulatory agency for such clearing agency or transfer agent may prescribe as necessary or appropriate for the safeguarding of securities and funds.

"(2) With respect to any clearing agency or transfer agent for which the Commission is not the appropriate regulatory agency, the appropriate regulatory agency for such clearing agency or transfer agent may in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) enforce compliance by such clearing agency or transfer agent with the provisions of this section, sections 17 and 19 of this title, and the rules and regulations thereunder. For purposes of the preceding sentence, any violation of any such provision shall constitute adequate basis for the issuance of an order under section 8(b) or 8(c) of the Federal Deposit Insurance Act, and the participants in any such clearing agency and the persons doing business with any such transfer agent shall be deemed to be 'depositors' as that term is used in section 8(c) of that Act.

"(3)(A) With respect to any clearing agency or transfer agent for which the Commission is not the appropriate regulatory agency, the Commission and the appropriate regulatory agency for such clearing agency or transfer agent shall consult and cooperate with each other, and, as may be appropriate, with State banking authorities having supervision over such clearing agency or transfer agent toward the end that, to the maximum extent practicable, their respective regulatory responsibilities may be fulfilled and the rules and regulations applicable to such clearing agency or transfer agent may be in accord with both sound banking practices and a national system for the prompt and accurate clearance and settlement of securities transactions. In accordance with this objective—

"(i) the Commission and such appropriate regulatory agency shall, at least fifteen days prior to the issuance for public comment of any proposed rule or regulation or adoption of any rule or regulation concerning such clearing agency or transfer agent, consult and request the views of the other; and

"(ii) such appropriate regulatory agency shall assume primary responsibility to enforce compliance by such clearing agency or transfer agent with the provisions of this section and sections 17 and 19 of this title.

"(B) Nothing in the preceding subparagraph or elsewhere in this title shall be construed to impair or limit (other than by the requirement of notification) the Commission's authority to make rules under any provision of this title or to enforce compliance pursuant to any provision of this title by any clearing agency or transfer agent with the provisions of this title and the rules and regulations thereunder.

"(4) Nothing in this section shall be construed to impair the authority of any State banking authority or other State or Federal regulatory authority having jurisdiction over a person registered as a clearing agency or transfer agent to make and enforce rules governing such person which are not inconsistent with this title and the rules and regulations thereunder.

"(e) The Commission shall use its authority under this title to bring about the discontinuation of the physical movement of securities certificates in connection with the settlement among brokers and dealers of transactions in securities consummated by means of the mails or other means or instrumentalities of interstate commerce.".

SEC. 15. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"REGISTRATION, RESPONSIBILITIES, AND OVERSIGHT OF SELF-REGULATORY ORGANIZATIONS

"SEC. 19. (a)(1) The Commission shall, upon the filing of an application for registration as a national securities exchange, registered securities association, or registered clearing agency, pursuant to section 6, 15A, or 17A of this title, respectively, publish notice of the filing and afford interested persons an opportunity to submit written data, views, and arguments concerning such application. Within one hundred and eighty days of the date of publication of such notice (or within such longer period as to which the applicant consents), the Commission shall—

"(A) by order grant such registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within three hundred and sixty days of the date of publication of notice of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to sixty days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.

The Commission shall grant such registration if the Commission finds that the requirements of this title and the rules and regulations thereunder with respect to the applicant are satisfied. The Commission shall deny such registration if the Commission does not make such finding.

"(2) With respect to an application for registration filed by a clearing agency for which the Commission is not the appropriate regulatory agency—

"(A) The Commission shall not grant registration prior to the sixtieth day after the date of publication of notice of such application unless the appropriate regulatory agency for such clearing agency has notified the Commission of such appropriate regulatory agency's determination that such clearing agency is so organized and has the capacity to be able to safeguard securities and funds in its custody or control or for which it is responsible and that the rules of such clearing agency are designed to assure the safeguarding of such securities and funds.

"(B) The Commission shall institute proceedings in accordance with paragraph (1)(B) of this subsection to determine whether registration should be denied if the appropriate regulatory agency for such clearing agency notifies the Commission within sixty days of the date of publication of notice of such application of such appropriate regulatory agency's (i) determination that such clearing agency may not be so organized or have the capacity to be able to safeguard securities or funds in its custody or control or for which it is responsible or that the rules of such clearing agency may not be designed to assure the safeguarding of such securities and funds and (ii) reasons for such determination.

"(C) The Commission shall deny registration if the appropriate regulatory agency for such clearing agency notifies the Commission prior to the conclusion of proceedings in accordance with paragraph (1)(B) of this subsection of such appropriate regulatory agency's (i) determination that such clearing agency is not so organized or does not have the capacity to be able to safeguard securities or funds in its custody or control or for which it is responsible or that the rules of such clearing agency are not designed to assure the safeguarding of such securities or funds and (ii) reasons for such determination.

"(3) A self-regulatory organization may, upon such terms and conditions as the Commission, by rule, deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any self-regulatory organization is no longer in existence or has ceased to do business in the capacity specified in its application for registration, the Commission, by order, shall cancel the registration. Upon the withdrawal of a national securities association from registration or the cancellation, suspension, or revocation of the registration of a national securities association, the registration of any association affiliated therewith shall automatically terminate.

"(b)(1) Each self-regulatory organization shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed rule or any proposed change in, addition to, or deletion from the rules of such self-regulatory organization (hereinafter in this subsection collectively referred to as a 'proposed rule change') accompanied by a concise general statement of the basis and purpose of such proposed rule change. The Commission shall, upon the filing of any proposed rule change, publish notice thereof together with the terms of substance of the proposed rule change or a description of the subjects and issues involved. The Commission shall give interested persons an opportunity to submit written data, views, and arguments concerning the proposed rule change. No proposed rule change shall take effect unless approved by the Commission or otherwise permitted in accordance with the provisions of this subsection.

"(2) Within thirty-five days of the date of publication of notice of the proposed rule change under paragraph (1) of this subsection, or within such longer period up to ninety days of such date as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or such other period as to which the self-regulating organization consents, the Commission shall—

"(A) by order approve such proposed rule change, or

"(B) institute proceedings to determine whether the proposed rule change should be disapproved. Such proceedings shall include notice of the grounds for disapproval under consideration and opportunity for hearing and shall be concluded within one hundred and eighty days of the date of publication of notice of the proposed rule change. At the conclusion of such proceedings the Commission, by order, shall approve such proposed rule change or disapprove such proposed rule change. The Commission may extend the

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time for the conclusion of such proceedings for up to ninety days if it finds good cause for such extension and publishes its reasons for so finding or such longer period as to which the self-regulatory organization consents.

The Commission shall approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of this title and the rules and regulations thereunder applicable to such organization. The Commission shall not approve any proposed rule change prior to the thirtieth day after the date of publication of notice of the proposed rule change, unless the Commission finds good cause for so doing and publishes its reasons for so finding.

"(3) (A) Notwithstanding the provisions of paragraph (2) of this subsection, a proposed rule change may take effect upon filing with the Commission if designated by the self-regulatory organization as (i) constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the self-regulatory organization, (ii) establishing or changing a fee or other charge imposed by the self-regulatory organization, or (iii) concerned solely with the administration of the self-regulatory organization or other matters which the Commission, by rule, consistently with the public interest and the purposes of this subsection, may specify as without the provisions of such paragraph (2).

"(B) Notwithstanding any other provision of this subsection, a proposed rule change may be put into effect summarily if it appears to the Commission that such action is necessary for the protection of investors, the maintenance of fair and orderly markets, or the safeguarding of securities or funds. Any proposed rule change so put into effect shall be promptly thereafter filed in accordance with the provisions of paragraph (1) of this subsection.

"(C) Any proposed rule change of a self-regulatory organization which has taken effect pursuant to subparagraph (A) or (B) of this paragraph may be enforced by such organization to the extent it is not inconsistent with the provisions of this title, the rules and regulations thereunder, and applicable Federal and State law. At any time within sixty days of the date of filing of such a proposed rule change in accordance with the provisions of paragraph (1) of this subsection, the Commission summarily may abrogate the change in the rules of the self-regulatory organization made thereby and require that the proposed rule change be refiled in accordance with the provisions of paragraph (1) of this subsection and reviewed in accordance with the provisions of paragraph (2) of this subsection, if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title. Commission action pursuant to the preceding sentence shall not affect the validity or force of the rule change during the period it was in effect and shall not be reviewable under section 25 of this title nor deemed to be 'final agency action' for purposes of section 704 of title 5, United States Code.

"(4) With respect to a proposed rule change filed by a registered clearing agency for which the Commission is not the appropriate regulatory agency—

"(A) The Commission shall not approve any such proposed rule change prior to the thirtieth day after the date of publication of notice of the proposed rule change unless the appropriate regulatory agency for such clearing agency has notified the Commission of such appropriate regulatory agency's determination that the proposed rule change is consistent with the safeguarding of securities and funds in the custody or control of such clearing agency or for which it is responsible.

"(B) The Commission shall institute proceedings in accordance with paragraph (2) (B) of this subsection to determine whether any such proposed rule change should be disapproved if the appropriate regulatory agency for such clearing agency notifies the Commission within thirty days of the date of publication of the proposed rule change of such appropriate regulatory agency's (i) determination that the proposed rule change may be inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(C) The Commission shall disapprove any such proposed rule change if the appropriate regulatory agency for such clearing agency notifies the Commission prior to the conclusion of proceedings in accordance with paragraph (2) (B) of this subsection of such appropriate regulatory agency's (i) determination that the proposed rule change is inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(D) The Commission shall abrogate any change in the rules of such a clearing agency made by a proposed rule change which has taken effect pursuant to paragraph (3) of this subsection, require that the proposed rule change be refiled in accordance with the provisions of paragraph (1) of this subsection, and reviewed in accordance with the provisions of paragraph (2) of this subsection, if the appropriate regulatory agency for such clearing agency notifies the Commission within thirty days of the date of filing of such proposed Rule change of such appropriate regulatory agency's (i) determination that the rules of such clearing agency as so changed may be inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(c) The Commission, by rule, may abrogate, add to, and delete from (hereinafter in this subsection collectively referred to as 'amend') the rules of a self-regulatory organization as the Commission deems necessary or appropriate in the public interest, for the protection of investors, to insure the fair administration of the self-regulatory organization, or otherwise in furtherance of the purposes of this title, in the following manner:

"(1) The Commission shall publish notice of the proposed rulemaking in the Federal Register. The notice shall include the text of the proposed amendment to the rules of the self-regulatory organization and a statement of the Commission's reasons, including any pertinent facts, for commencing such proposed rulemaking.

"(2) The Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to an opportunity to make written submissions. A transcript shall be kept of any oral presentation.

"(3) A rule adopted pursuant to this subsection shall incorporate the text of the amendment to the rules of the self-regulatory organization and a statement of the Commission's basis for and purpose in so amending such rules. This statement shall include an identification of any facts on which the Commission considers its determination so to amend the rules of the self-regulatory agency to be based, including the reasons for the Commission's conclusions as to any of such facts which were disputed in the rulemaking.

"(4) Except as provided in paragraphs (1) through (3) of this subsection, rulemaking under this subsection shall be in accordance with the procedures specified in section 553 of title 5, United States Code, for rulemaking not on the record. Nothing in this subsection shall be construed to impair or limit the Commission's power to make, or to modify or alter the procedures the Commission may follow in making, rules and regulations pursuant to any other authority under this title. Any amendment to the rules of a self-regulatory organization made by the Commission pursuant to this subsection shall be considered for all purposes of this title to be part of the rules of such self-regulatory organization and shall not be considered to be a rule of the Commission.

"(d) (1) If any self-regulatory organization imposes any final disciplinary sanction on any member thereof or participant therein, denies membership or participation to any applicant, or prohibits or limits any person in respect of access to services offered by such organization or member thereof or if any self-regulatory organization (other than a registered clearing agency) imposes any final disciplinary sanction on any person associated with a member, or bars any person from becoming associated with a member, the self-regulatory organization shall promptly file notice thereof with the appropriate regulatory agency for the self-regulatory organization and with the appropriate regulatory agency for such member, participant, applicant, or other person (if other than the appropriate regulatory agency for the self-regulatory organization). The notice shall be in such form and contain such information as the appropriate regulatory agency for the self-regulatory organization, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(2) Any action with respect to which a self-regulatory agency is required by paragraph (1) of this subsection to file notice shall be subject to review by the appropriate regulatory agency for such member, participant, applicant, or other person, on its own motion, or upon application by any person aggrieved thereby filed within thirty days after the date such notice was filed with such appropriate regulatory agency and received by such aggrieved person, or within such longer period as such appropriate regulatory agency may determine. Application to such appropriate regulatory agency for review, or the institution of review by such appropriate regulatory agency on its own motion, shall not operate as a stay of such action unless such appropriate regulatory agency otherwise orders, summarily or after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of the submission of affidavits or presentation of oral arguments). Each appropriate regulatory agency shall establish for appropriate cases an expedited procedure for consideration and determination of the question of a stay.

"(e) (1) In any proceeding to review a final disciplinary sanction imposed by a self-regulatory organization on a member or participant or a person associated with a member, after notice and opportunity for hearing (which hearing may consist solely of consideration of the record before the self-regulatory organization and opportunity for the presentation of supporting reasons to affirm, modify, or set aside the sanction)—

"(A) if the appropriate regulatory agency for such member, participant, or person associated with a member finds that such member, participant, or person associated with a member has engaged in such acts or practices, or has omitted such acts, as the self-regulatory organization has found him to have engaged in or omitted, that such acts or practices, or omissions to act, are in violation of such provisions of this title, the rules or regulations thereunder, the rules of the self-regulatory organization, or, in the case of a registered securities association, the rules of Municipal Securities Rulemaking Board as have been specified in the determination of the self-regulatory organization, and that such provisions were applied in a manner consistent with the purposes of this title, such appropriate regulatory agency, by order, shall so declare and, as appropriate, affirm the sanction imposed by the self-regulatory organization, modify the sanction in accordance with paragraph (2) of this subsection, or remand to the self-regulatory organization for further proceedings; or

"(B) If such appropriate regulatory agency does not make any such finding it shall, by order, set aside the sanction imposed by the self-regulatory organization and, if appropriate, remand to the self-regulatory organization for further proceedings.

"(2) If the appropriate regulatory agency for a member, participant, or person associated with a member, having due regard for the public interest and the protection of investors, finds that any sanction imposed by a self-regulatory organization upon such member, participant, or person associated with a member imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title or is excessive or oppressive, the appropriate regulatory agency may cancel, reduce, or require the remission of such sanction.

"(f) In any proceeding to review the denial of membership or participation in a self-regulatory organization to any applicant, the barring of any person from becoming associated with a member of a self-regulatory organization, or the prohibition or limitation by a self-regulatory organization of any person with respect to access to services offered by the self-regulatory organization or any member thereof, if the appropriate regulatory agency for such applicant or person, after notice and opportunity for hearing (which hearing may consist solely of consideration of the record before the self-regulatory organization and opportunity for the presentation of supporting reasons to dismiss the proceeding or set aside the action of the self-regulatory organization) finds that the specific grounds on which such denial, bar, or prohibition or limitation is based exist in fact, that such denial, bar, or prohibition or limitation is in accordance with the rules of the self-regulatory organization and that such rules were applied in a manner consistent with the purposes of this title, such appropriate regulatory agency, by order, shall dismiss the proceeding. If such appropriate regulatory agency does not make any such finding or if it finds that such denial, bar, or prohibition or limitation imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title, such appropriate regulatory agency, by order, shall set aside the action of the self-regulatory organization and require it to admit such applicant to membership or participation, permit such person to become associated with a member, or grant such person the access to services offered by the self-regulatory organization or member thereof.

"(g) (1) Every self-regulatory organization shall comply with the provisions of this title, the rules and regulations thereunder, and its own rules, and, subject to section 17(d) of this title, paragraph (2) of this subsection, and the rules thereunder, absent reasonable justification or excuse enforce compliance—

"(A) in the case of a national securities exchange, with such provisions by its members and persons associated with its members;

"(B) in the case of a registered securities association, with such provisions and the provisions of the rules of the Municipal Securities Rulemaking Board by its members and persons associated with its members; and

"(C) in the case of a registered clearing agency, with its own rules by its participants.

"(2) The Commission, by rule, consistent with the public interest, the protection of investors, and the purposes of this title, may relieve any self-regulatory organization of any responsibility under this title to enforce compliance with any specified provision of this title or the rules or regulations thereunder by any member of such organization or person associated with such a member, or any class of such member or persons associated with a member.

"(h) (1) The appropriate regulatory agency for a self-regulatory organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors or otherwise in furtherance of the purposes of this title, to suspend for a period not exceeding twelve months or to revoke the registration of such self-regulatory organization, or to censure or impose limitations upon the activities, functions, and operations of such self-regulatory organization, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such self-regulatory organization has violated or is unable to comply with any provision of this title, the rules or regulations thereunder, or its own rules or without reasonable justification or excuse has failed to enforce compliance—

"(A) in the case of a national securities exchange, with any such provision by a member thereof or a person associated with a member thereof;

"(B) in the case of a registered securities association, with any such provision or any provision of the rules of the Municipal Securities Rulemaking Board by a member thereof or a person associated with a member thereof; or

"(C) in the case of a registered clearing agency, with any provision of its own rules by its participants.

"(2) The appropriate regulatory agency for a self-regulatory organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title to suspend for a period not exceeding twelve months or to expel from such self-regulatory organization any member thereof or participant therein, if such member or participant is subject to an order of the Commission pursuant to section 15(b) (4) of this title or if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such member or participant has willfully violated or has effected any transaction for any other person who, such member or participant had reason to believe, was violating with respect to such transaction—

"(A) in the case of a national securities exchange, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, or the rules or regulations under any of such statutes;

"(B) in the case of a registered securities association, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board; or

"(C) in the case of a registered clearing agency, any provisions of the rules of the clearing agency.

"(3) The appropriate regulatory agency for a national securities exchange or registered securities association is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title to suspend for a period not exceeding twelve months or to bar any person from being associated with a member of such national securities exchange or registered securities association, if such appropriate regulatory agency finds on the record after notice and opportunity for hearing, that such person has willfully violated or has effected any transaction for any other person who, such person associated with a member had reason to believe, was violating with respect to such transaction—

"(A) in the case of a national securities exchange any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, or the rules or regulations under any of such statutes; or

"(B) in the case of a registered securities association, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of the statutes, or the rules of the Municipal Securities Rulemaking Board.

"(4) The appropriate regulatory agency for a self-regulating organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title to remove from office or censure any officer or director of such self-regulatory organization who such appropriate regulatory agency finds, on the record after notice and opportunity for hearing has willfully violated any provision of this title, the rules or regulations thereunder, or its own rules, willfully abused his authority, or without reasonable justification or excuse has failed to enforce compliance—

"(A) in the case of a national securities exchange, with any such provision by any member, person associated with a member;

"(B) in the case of a registered securities association, with any such provision or any provision of the rules of the Municipal Securities Rulemaking Board by any member or person associated with a member; or

"(C) in the case of a registered clearing agency, with any provision of the rules of the clearing agency by any participant.

"(i) If a proceeding under subsection (h) (1) of this section results in the suspension or revocation of the registration of a clearing agency, the appropriate regulatory agency for such clearing agency may, upon notice to such clearing agency, apply to any court of competent jurisdiction specified in section 21(e) or 27 of this title for the appointment of a trustee. In the event of such an application, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of such clearing agency and the records and assets thereof, wherever located; and the court shall appoint the appropriate regulatory agency for such clearing agency or a person designated by such appropriate regulatory agency as the trustee with power to take possession and to continue to operate or to terminate the operations of such clearing agency in an orderly manner for the protection of participants and investors, subject to such terms and conditions as the court may prescribe.".

SEC. 16. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended as follows:

(a) Subsection (a) thereof is amended to read as follows:

"(a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated, is violating, or is about to violate any provision of this title, the rules or regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or a person associated with a member, the rules of a registered clearing agency in which such person is a participant, or the rules of the Municipal Securities Rulemaking Board, and may require or per-

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mit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in the enforcement of such provisions, in the prescribing of rules and regulations under this title, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.".

(b) Subsections (e) and (f) thereof are amended to read as follows:

"(e) Wherever it shall appear to the Commission that any person has engaged, is engaged, or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title, the rules or regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or a person associated with a member, the rules of a registered clearing agency in which such person is a participant, or the rules of the Municipal Securities Rulemaking Board, it may in its discretion bring an action in the proper district court of the United States, the United States District Court for the District of Columbia, or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon such a showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices as may constitute a violation of any provision of this title or the rules or regulations thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(f) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus, injunctions, and orders commanding (1) any person to comply with the provisions of this title, the rules and regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or person associated with a member, the rules of a registered clearing agency in which such person is a participant, and the rules of the Municipal Securities Rules-making Board, or with any understanding contained in a registration statement as provided in subsection (d) of section 15 of this title, (2) any national securities exchange or registered securities association to enforce compliance by its members and persons associated with its members with the provisions of this title, the rules and regulations thereunder, and the rules of such exchange or association, or (3) any registered clearing agency to enforce compliance by its participants with the provisions of the rules of such clearing agency.".

(c) The section is further amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of this title, the Commission shall not commence any proceeding pursuant to subsection (e) or (f) of this section against any person for violation of, or to command compliance with, the rules of a self-regulatory organization unless it appears to the Commission that (1) such self-regulatory organization is unable or unwilling to take appropriate action against such person in the public interest and for the protection of investors or (2) such action is otherwise necessary in the public interest or for the protection of investors.

"(h) Notwithstanding the provisions of section 1407(a) of title 28, United States Code, or any other provision of law, no enforcement action instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission. 'Securities laws' as used herein include the Securities Act of 1933 (15 U.S.C. 77 et seq.) the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et. seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 806 et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).".

SEC. 17. Section 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended to read as follows:

"RULES, REGULATIONS, AND ORDERS; ANNUAL REPORTS

"SEC. 23. (a)(1) The Commission, the Board of Governors of the Federal Reserve System, and the other agencies enumerated in section 3(a)(34) of this title shall each have power to make such rules and regulations as may be necessary or appropriate to implement the provisions of this title for which they are responsible or for the execution of the functions vested in them by this title, and may for such purposes classify persons, securities, transactions, statements, applications, reports, and other matters within their respective jurisdictions, and prescribe greater, lesser, or different requirements for different classes thereof. No provision of this title imposing any liability applies to any act done or omitted in good faith in conformity with a rule, regulation, or order of the Commission, the Board of Governors of the Federal Reserve System, or other agency enumerated in section 3(a)(34), or any self-regulatory organization, notwithstanding that such rule, regulation, or order may thereafter be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

"(2) The Commission shall, in making rules and regulations pursuant to any provision of this title, consider among other matters the impact any such rule or regulation would have on competition. The Commission shall not adopt any such rule or regulation which would impose a burden on competition not necessary or appropriate in furtherance of the purposes of this title. The Commission shall include in the statement of basis and purpose incorporated in any rule or regulation adopted under this title, the reasons for the Commission's determination that any burden on competition imposed by such rule or regulation is necessary or appropriate in furtherance of the purposes of this title.

"(3) Subject to the provisions of section 24 of this title, the Commission shall, in making rules and regulations pursuant to any provision of this title and in considering any application for registration in accordance with section 19(a) of this title or any proposed rule change of a self-regulatory organization in accordance with section 19(b) of this title, make available for public inspection and copying all written statements filed with the Commission and all written communications between the Commission and any person relating to the proposed rule, regulation, application, or proposed rule change.

"(b) The Commission, the Board of Governors of the Federal Reserve System, and the other agencies enumerated in section 3(a)(34) of this title, shall each make an annual report to the Congress on its work for the preceding year, and shall include in each report whatever information, data, and recommendations for further legislation it considers advisable with regard to matters within its respective jurisdiction under this title.

"(1) The appropriate regulatory agency for a self-regulatory organization shall include in its annual report to the Congress for each fiscal year, a summary of its oversight activities under this title with respect to such self-regulatory organization, including a description of any examination as part of such activities of any such organization, any material recommendation presented as part of such activities to such organization for changes in its organization or rules, and any action by such organization in response to any such recommendation.

"(2) The appropriate regulatory agency for municipal securities dealers shall include in its annual report to the Congress for each fiscal year a summary of its regulatory activities pursuant to this title with respect to such municipal securities dealers, including the nature of any sanction imposed pursuant to this title against any such municipal securities dealer.

"(3) The Commission shall also include in its annual report to the Congress for each fiscal year—

"(A) a summary of the Commission's oversight activities with respect to self-regulatory organizations for which it is not the appropriate regulatory organization, including a description of any examination of any such organization, any material recommendation presented to any such organization for changes in its organization or rules, and any action by any such organization in response to any such recommendation;

"(B) a statement and analysis of the expenses and operations of each self-regulatory organization in connection with the performance of its responsibilities under this title, for which purpose data pertaining to such expenses and operations shall be made available by such organization to the Commission at its request;

"(C) information, data, and recommendations with respect to the development of a national system for the prompt and accurate clearance and settlement of securities transactions, including a summary of the regulatory activities, operational capabilities, financial resources, and plans of self-regulatory organizations and registered transfer agents with respect thereto;

"(D) the steps the Commission has taken and progress it has made toward the discontinuation of the physical movement of the securities certificate in connection with the settlement of securities transactions, and its recommendations, if any, for legislation to eliminate the securities certificate;

"(E) the number of requests for exemptions from provisions of this title received, the number granted, and the basis upon which any such exemption was granted;

"(F) a summary of the Commission's regulatory activities with respect to municipal securities dealers for which it is not the appropriate regulatory agency, including the number and nature of all sanctions imposed in proceedings against such municipal securities dealers;

"(G) beginning in 1976 and ending in 1980, a description of the effect the absence of any schedule or fixed rates of commissions, allowances, discounts, or other fees charged by members for affecting transactions on a national securities exchange is having on the maintenance of fair and orderly markets and the development of a national market system for securities; and

"(H) a statement of the time elapsed between the filing of reports pursuant to section 13(f) of his title and the public availability of the information contained therein, the costs involved in the Commission's processing of such reports and tabulating such information, the manner in which the Commission uses such information, and the steps the Commission has taken and the progress it has made toward requiring such reports to be filed and such information to be made available to the public in machine language.

"(c) The Commission, by rule, shall prescribe the procedure applicable to every case pursuant to this title of adjudication (as defined in section 551 of title 5, United States Code) not required to be determined on the record after notice and opportunity for hearing. Such rules shall, as a minimum, provide that prompt notice shall be given of any adverse action or final disposition and that such notice and the entry of any order shall be accompanied by a statement of written reasons.".

SEC. 18. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended to read as follows:

"PUBLIC AVAILABILITY OF INFORMATION

"SEC. 24. (a) For purposes of section 552 of title 5, United States Code, the term 'records' includes all applications, statements, reports, contracts, correspondence, notices, and other documents filed with or otherwise obtained by the Commission pursuant to this title or otherwise.

"(b) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, report, or document filed with the Commission which is not available to any person on request in accordance with section 552(a)(3) of title 5, United States Code: *Provided, however,* That the Commission may make available to the Board of Governors of the Federal Reserve System and the agencies enumerated in section 3 (a)(34) any information with regard to matters within their respective jurisdictions under this title.".

SEC. 19. Section 25 of the Securities Exchange Act of 1934 (15 U.S.C. 78y) is amended to read as follows:

"COURT REVIEW OF ORDERS AND RULES

"SEC. 25. (a)(1) A person aggrieved by a final order of the Commission entered pursuant to this title may obtain review of the order in the United States Court of Appeals for the circuit in which he resides or has his principal place of business, or for the District of Columbia Circuit, by filing in such court, within sixty days after the entry of the order, a written petition praying that the order be modified or set aside in whole or in part.

"(2) A copy of the petition shall be transmitted forthwith by the clerk of the court to a member of the Commission or an officer designated by the Commission for that purpose. Thereupon the Commission shall file in the court the record on which the order complained of is entered, as provided in section 2112 of title 28, United States Code, and the Federal Rules of Appellate Procedure.

"(3) On the filing of the petition, the court has jurisdiction, which becomes exclusive on the filing of the record, to affirm or modify and enforce or to set aside the order in whole or in part.

"(4) The findings of the Commission as to the facts, if supported by substantial evidence, are conclusive.

"(5) If either party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that the additional evidence is material and that there was reasonable ground for failure to adduce it before the Commission, the court may remand the case to the Commission for further proceedings, in whatever manner and on whatever conditions the court considers appropriate. If the case is remanded to the Commission, it shall file in the court a supplemental record containing any new evidence, any futher or modified findings, and any new order.

"(b)(1) A person adversely affected by a rule of the Commission promulgated pursuant to section 6, 11, 11A, 15(c) (5) or (6), 15A, 17, 17A, or 19 of this title may obtain review of the rule in the United States Court of Appeals for the circuit in which he resides or has his principal place of business or for the District of Columbia Circuit, by filing in such court, within sixty days after the promulgation of the rule, a written petition praying that the rule be set aside.

"(2) A copy of the petition shall be transmitted forthwith by the clerk of the court to a member of the Commission or an officer designated for that purpose. Thereupon, the Commission shall file in the court the rule under review and any documents referred to therein, the Commission's notice of proposed rulemaking and any documents referred to therein, all written submissions and the transcript of any oral presentations in the rulemaking, factual information not included in the foregoing that was considered by the Commission in the promulgation of the rule or proffered by the Commission as pertinent to the rule, the report of any advisory committee received or considered by the Commission in the rulemaking, and any other materials prescribed by the court.

"(3) On the filing of the petition, the court has jurisdiction, which becomes exclusive on the filing of the materials set forth in paragraph (2) of this subsection, to affirm and enforce or to set aside the rule.

"(4) The findings of the Commission as to the facts identified by the Commission as the basis, in whole or in part, of the rule, if supported by substantial evidence, are conclusive. The court shall affirm and enforce the rule unless the Commission's action in promulgating the rule is found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; contrary to constitutional right, power, privilege or immunity; in excess of statutory jurisdiction, authority or limitations, or short of statutory right; or without observance of procedure required by law.

"(5) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (2) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(c)(1) No objection to an order or rule of the Commission, for which review is sought under this section, may be considered by the court unless it was urged before the Commission or there was reasonable ground for failure to do so.

"(2) The filing of a petition under this section does not operate as a stay of the Commission's order or rule. Until the court's jurisdiction become exclusive, the Commission may stay its order or rule pending judicial review if it finds that justice so requires. After the filing of a petition under this section, the court, on whatever conditions may be required and to the extent necessary to prevent irreparable injury, may issue all necessary and appropriate process to stay the order or rule or to preserve status or rights pending its review; but (notwithstanding section 705 of title 5, United States Code) no such process may be issued by the court before the filing of the record or the materials set forth in subsection (b)(2) of this section unless: (A) the Commission has denied a stay or failed to grant requested relief, (B) a reasonable period has expired since the filing of an application for a stay without a decision by the Commission, or (C) there was reasonable ground for failure to apply to the Commission.

"(3) When the same order or rule is the subject of one or more petitions for review filed under this section and an action for enforcement filed in a district court of the United States under section 21(e) or (f) of this title, that court in which the petition or the action is first filed has jurisdiction with respect to the order or rule to the exclusion of any other court, and thereupon all such proceedings shall be transferred to that court; but, for the convenience of the parties in the interest of justice, that court may thereafter transfer all the proceedings to any other court of appeals or district court of the United States whether or not a petition for review or an action for enforcement was originally filed in the transferee court. The scope of review by a district court under section 21 (e) or (f) of this title is the same as by a court of appeals under this section.

"(d)(1) For purposes of the preceding subsection of this section only, the term 'Commission' includes the agencies enumerated in section 3(a)(34) of this title insofar as such agencies are acting pursuant to this title.

"(2) For purposes of subsection (a)(4) of this section and section 706 of title 5, United States Code, an order of the Commission denying registration pursuant to section 19(a) of this title to a clearing agency for which it is not the appropriate regulatory agency or disapproving a proposed rule change pursuant to section 19(b) of this title by such a clearing agency shall be deemed to be an order of the appropriate regulatory agency for such clearing agency insofar as such order was entered by reason of a determination by such appropriate regulatory agency that such registration or proposed rule change would be inconsistent with the safeguarding of securities or funds.".

SEC. 20. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(b) is amended as follows:

(a) Subsection (b) thereof is amended to read as follows:

"(b) Nothing in this title shall be construed to modify existing law with regard to (1) the binding effect on any member of or participant in any self-regulatory organization of any action taken by the authorities of such organization to settle disputes between its members or participants, or (2) the binding effect on any muncipal securities dealer or municipal securities broker of a procedure established by the Municipal Securities Rulemaking Board to settle disputes between municipal securities dealers and municipal securities brokers, or (3) the binding effect of any such action or procedure on any person who has agreed to be bound thereby.".

(b) The section is further amended by adding at the end thereof the following new subsections:

"(c) The stay, setting aside, or modification by the appropriate regulatory agency pursuant to section 19(e) of this title of any disciplinary sanction imposed by a self-regulatory organization shall not affect the validity or force of any action pursuant to such sanction taken by the self-regulatory organization prior to such stay, setting aside, or modification, insofar as such action is not inconsistent with the provisions of this title or the rules or regulations thereunder. The rights of any person arising out of any such action shall not be affected in any way by such stay, setting aside, or modification.

"(d) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or any nominee there-

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of or custodian therefor, unless such change in beneficial or record ownership or such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision.

"(e)(1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law unless expressly provided to the contrary by a law enacted by the Congress or any State subsequent to the date of enactment of the Securities Acts Amendments of 1975 solely by reason of his having caused the account to pay a broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however,* That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title or otherwise.

"(2) A person exercising investment discretion with respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services inosfar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

"(B) furnishes analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a self-regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

Sec. 21. Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"TRANSACTION FEES

"Sec. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one five-hundredth of 1 per centum of the aggregate dollar amount of the sale of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange during each preceding calendar year to which this section applies. Every registered broker and dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one five-hundredth of 1 per centum of the aggregate dollar amount of sales of securities registered on a national securities exchange (other than bonds, debentures, and other evidences of indebtedness) transacted by such broker or dealer otherwise than on such an exchange during each preceding calendar year. The Commission, by rule, may exempt any sale of securities or any class of sales of securities from the fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, fair competition and the development of a national market system.".

Sec. 22. Section 32 of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended by deleting subsection (c) thereof.

Sec. 23. Section 1(b) of the Act of August 20, 1962 (15 U.S.C. 78d-1(b)), is amended to read as follows:

(b) With respect to the delegation of any of its functions as provided in subsection (a) of this section, the Commission shall retain a discretionary right to review the action of any such division of the Commission, individual Commissioner, hearing examiner, employee, or employee board, upon its own initiative or upon petition of a party to or intervenor in such action, within such time and in such manner as the Commission, by rule, shall prescribe: *Provided, however,* That the vote of one member of the Commission shall be sufficient to bring any such action before the Commission for review: *And provided further,* That in the event action at a delegated level (1) denies any request for action pursuant to section 8(a) or section 8(c) of the Securities Act of 1933 or the first sentence of section 12(d) of the Securities Exchange Act of 1934; (2) suspends trading in a security pursuant to section 12(k) of the Securities Exchange Act of 1934; or (3) is pursuant to any provision of the Securities Exchange Act of 1934 in a case of adjudication, as defined in section 551 of title 5, United States Code, not required by that Act to be determined on the record after notice and opportunity for hearing (except to the extent there is involved a matter described in section 554(a) (1)–(6) of title 5, United States Code), a person or party adversely affected by such action shall be entitled to review by the Commission."

Sec. 24. Section 9(c) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78lll(c)) is amended to read as follows:

(c) Inspections.—The self-regulatory organization of which a member of SIPC is a member shall inspect or examine such member for compliance with applicable financial responsibility rules, except that if a member of SIPC is a member of more than one self-regulatory organization, the Commission, pursuant to section 17(d) of the 1934 Act, shall designate one of such self-regulatory organizations as responsible for the examination of such member for compliance with applicable financial responsibility rules".

Sec. 25. Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a) is amended as follows:

(a) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser of a corporate trustee performing the functions of an investment adviser of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, an investment adviser or a corporate trustee performing the functions of an investment adviser which results in an assignment of an investment advisory contract with such company or the change in control of or identity of a corporate trustee who performs the functions of an investment adviser, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereof, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate trustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B): *Provided,* That no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or predecessor or successor investment advisers or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment contract with a registered investment company results in a successor investment adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount a transaction occurs which would be subject to paragraph (1)(A) of this subsection,

such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee

to an affiliated person or persons of the investment adviser or corporate trustee: *Provided,* That (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(b) Section 15(c) is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of such company, to take into account the purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(c) Section 16 thereof is amended as follows:

(1) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu thereof "The foregoing provisions of this section";

(2) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(3) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filled by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) shall be filled only by a person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(d) Sections 13(b), 15(d), 18(i), and 32(a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(e) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provision shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(f) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(g) Section 36 thereof is further amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser."

Sec. 26. (a) This Act shall become effective on the date of its enactment except as hereinafter provided. Sections 6 (other than in subsection (e) thereof), 11A(b), 15(a), 15A, 15B(a), 17A(b), 17A(c), and 19(g) of the Securities Exchange Act of 1934 (as amended by this Act) shall become effective one hundred and eighty days after the date of enactment, section 6(e) of the Securities Exchange Act of 1934 (as amended by this Act) shall become effective on November 1, 1976, and section 31 of the Securities Exchange Act of 1934 (as amended by this Act) shall become effective on January 1 next following the enactment of this Act. Neither the provisions of section 3(a)(3), 6(b)(2), or 6(c)(1) of the Securities Exchange Act of 1934 (as amended by this Act) nor any rule or regulation thereunder shall apply so as to deprive any person of membership in any national securities exchange (or its successor) of which such person was, on the date of enactment of this Act, a member or a member firm as defined in the constitution of such exchange, or so as to deny membership in any such exchange (or its successor) to any natural person who is or becomes associated with such member or member firm.

(b) If it appears to the Commission that the organization or rules of any national securities exchange or registeed securities association registered with the Commission on the date of enactment of this Act do not comply with applicable requirements of this Act upon their effectiveness, the Commission shall so notify such exchange or association in writing, specifying the respects in which the exchange or association is not in compliance with such requirements. On and after the one hundred and eightieth day following the receipt of such notice by a national securities exchange or registered securities association, the Commission is authorized, by order, to suspend the registration of any such exchange or association or impose limitations on the activities, functions, and operations of any such exchange or association, if the Commission finds, after notice and opportunity for hearing, that the organization or rules of such exchange or association do not comply with such requirements. Any such suspension or limitation shall continue in effect until the Commission, by order, declares that such exchange or association is in compliance with such requirements.

The PRESIDING OFFICER. Time on this bill is under control.

Who yields time?

Mr. WILLIAMS. Mr. President, the bill we have before us for final consideration today is entitled "the Securities Acts Amendments of 1975." This bill is a consolidation of the four securities bills which were passed by the Senate in the last Congress together with provisions concerning the disclosure of the securities holdings of large institutions. This unified legislative package represents the most substantial and significant revision of this country's Federal securities laws since the passage of the Securities Exchange Act in 1934.

If enacted, it would accomplish much-needed reforms in the basic regulatory processes for the securities industry. At the same time, it would establish the foundation for a true national market system. Not since 1938 when the Maloney Act established the NASD, has the Congress undertaken such an extensive reevaluation of self-regulation and the SEC's general regulatory powers.

Fundamental changes have occurred over the past 40 years in the manner in which securities are traded. Most obvious are the role played in the securities markets by institutional investors and the capabilities and availability of communications and data processing equipment. Yet, despite these changes, the securities markets continue to operate by and large as they did when the Securities Exchange Act of 1934 was adopted.

The principal stock exchanges and the majority of established securities firms appear to have resisted modernization and have been unable or unwilling to respond promptly to radically altered economic and technological conditions. The 1968–70 paperwork and financial crises in the industry are two examples. The delay in the development of a composite tape and composite quotation system is another. Overall, misallocations of capital, widespread inefficiency, and potentially harmful fragmentation of trading markets have resulted from deficiencies and anomalies in the present regulatory framework.

The subcommittee's comprehensive study of the securities industry identified a number of causes for the securities industry's languor in the face of great change and great opportunity: Price fixing with respect to commission rates, artificial restrictions on market making activities, unjustified barriers to markets and market makers, opposition to market integration from powerful vested interests, monopoly control of essential mechanisms for dissemination of market information, and the absence of effective control of market developments and operations by the Securities and Exchange Commission.

Whatever the causes of past inaction, however, unless the securities industry can develop a new sense of confidence and vigor and the SEC can shape a new market system adequate to the needs of investors in this country and around the world, there is a danger that the future capital requirements of American business will not be met and that an independent securities industry as it has come to be understood since 1933, will cease to exist.

Recently the SEC has taken actions in several areas which will contribute to a more efficient and responsive securities industry and more orderly, liquid, and fair securities markets. And progressive forces within the industry have begun to assert themselves, thus affirming the continuing vitality of self-regulation.

Nevertheless, it is clear that new legislation is necessary in order to assure investors—both in this country and abroad—that our securities markets will remain vigorous and efficient in the years ahead.

In terms of overall market structure, there has been no long-range legislative planning since 1938. As the subcommittee's study revealed, however, economic and technological developments have, for the first time, made a truly national market system possible. The bill before us today reflects a congressional recognition of the feasibility and desirability of creating such a system.

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S. 249 would lay the foundation for a new and more competitive market system, vesting in the SEC power to eliminate all unnecessary burdens on competition while at the same time assigning to that agency the responsibility to pursue the goal of centralized trading of securities in the interest of both efficiency and investor protection.

In general terms, S. 249 is intended to clarify and enhance the authority of the SEC to take all necessary steps to bring such a national market system into existence. The bill approaches the problem of encouraging the development and implementation of a national market system from the point of view of preserving the competing markets for securities that have developed, breaking down all barriers to competition that do not serve a valid regulatory purpose, and encouraging maximum reliance on communications and data processing equipment consistent with justifiable costs.

Because of the unique system of self-regulation in the securities industry, the principal markets for securities are also the principal regulators of the activities of broker-dealers using those markets. Meaningful reform of this country's securities trading mechanisms will, therefore, be impossible unless there is also a reform of the method and manner by which the self-regulatory organizations operate and in the way that the SEC oversees the performance of their regulatory responsibilities.

Accordingly, S. 249 would significantly amend the provisions of the Exchange Act dealing with the powers of the self-regulatory organizations and the oversight authority of the SEC with respect to these organizations. Self-regulation should be preserved in the securities industry, but the self-regulatory organizations must display a greater responsiveness to their statutory obligations and to the need to coordinate their functions and activities.

In the new regulatory environment created by this bill, self-regulation would be continued, but the SEC would be expected to play a much larger role than it has in the past—a larger role in insuring that there is no gap between self-regulatory performance and regulatory need and in providing leadership for the development of a more coherent and rational regulatory structure to correspond to and to police effectively the new national market system. This is achieved in the bill principally by clarifying self-regulatory rights and responsibilities, and redefining the lines of responsibility between the SEC and the self-regulatory organizations. Thus, the bill would galvanize governmental and quasi-governmental agencies for reform and creative innovation in the public interest.

The bill before us today would assure increased competition in the securities industry, and thereby improve the efficiency of securities trading. It would rationalize regulatory procedure and thereby improve investor protection while reducing industry costs. And it would point the way toward a national market system, and thereby assure that this country's securities markets remain the strongest in the world.

This bill speaks not only to the correction of past problems, but also to the facilitation of constructive future growth for the securities industry and the securities markets. Very briefly, it covers 10 basic subject matter areas: Commission rates, institutional membership, fiduciary standards, self-regulation and SEC oversight, a national market system for securities, national system for clearance and settlement of securities transactions, municipal securities, institutional disclosure, SEC enforcement actions, and the sale of investment company advisers for profit.

One last point, Mr. President.

The securities markets of the United States are indispensable to the growth and health of this country's and the world's economy. In order to raise the enormous sums of investment capital that will be needed in the years ahead and to assure that that capital is properly allocated among competing uses, these markets must continue to operate fairly and efficiently. The increasing tempo and magnitude of the changes that are occurring in our domestic and international economy make it clear that the securities markets are due to be tested as never before. Unless these markets adapt and respond to the demands placed upon them, there is a danger that America will lose ground as an international financial center and that the economic, financial, and commercial interests of the Nation will suffer.

The rapid attainment of a national market system as envisaged by this bill is important, therefore, not simply to provide greater investor protection and bolster sagging investor confidence but also to assure that the country maintains a strong, effective, and efficient capital raising and capital allocating system in the years ahead.

Mr. President, S. 249 is an important step in assuring that the securities markets and the securities industry remain strong and capable of fostering the basic goals of the Exchange Act under any and all conditions. I urge prompt passage of this bill as it has been reported by the committee.

The bill, as I have indicated, represents measures that have been before the Senate on other occasions, and have passed overwhelmingly. We have brought all of those ideas together in this one bill. It has been an effort of many years and great cooperation within our Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs.

Certainly Senators Tower and Brooke have made a substantial contribution to this historic measure that is before us today.

Mr. BROOKE. Mr. President, S. 249, the Securities Acts Amendments of 1975, which we are considering today, is an extremely complex, technical and far-reaching piece of legislation. It represents the first major effort to restructure our Nation's securities markets since the 1930's. Comparable legislation is also being considered in the House this very day.

This bill is an outgrowth of a study of the securities industry and the securities markets which was authorized by the Senate in June 1971.

The bill represents many hours of hearings and staff study, and I commend my distinguished chairman (Mr. Williams) and our staff for the work done on this legislation.

The final version of the bill is designed to reduce barriers to securities markets, permit the dissemination of market information and establish the basis for the development of a national securities market system.

Specifically, this bill would: First, prohibit members of stock exchanges from trading for their managed accounts; second, clarify the scope of SEC authority over the various self-regulatory bodies; third, lay the ground work for the development of an integrated national system for marketing securities; fourth, correct problems in the handling of securities and develop a system for clearing and settling securities transactions; fifth, extend the coverage of the Securities Exchange Act to include municipal securities; sixth, require institutional investors to disclose securities holdings and transactions; and seventh, provide the Securities and Exchange Commission with "fail safe" authority to deal with any unforeseen consequences which may follow in the wake of the removal of fixed commissions after May 1, 1975.

The need for this legislation has been clearly evident for some time now. The role which institutions play in the securities markets has changed dramatically over the past 40 years, when the Securities Acts were adopted. So, too, has the way in which securities are traded, and technological developments have opened new avenues for developing a national system by which securities may be traded in the future. Furthermore, the inefficient manner in which securities have been cleared and settled in the recent past has created a need for fundamental change so that the flow of debt and equity funds in securities markets would not be unnecessarily disrupted. Finally, the shift in the municipal securities market away from institutional toward individual investors has been a motivating factor in the adoption of a mechanism for regulating municipal securities.

I am confident that the provisions of this bill will go a long way toward making our Nation's security market more competitive, more orderly, and more efficient in the interest of all investors.

Mr. President, I would also like to commend the work done on this bill by our ranking minority member of the Banking, Housing and Urban Affairs Committee, the senior Senator from Texas (Mr. Tower).

Mr. TOWER. Will the Senator yield?

Mr. BROOKE. I yield.

Mr. TOWER. I would like to associate myself with the remarks of the Senator from Massachusetts with regard to the work done on this measure by the distinguished Senator from New Jersey.

I should also say that the distinguished ranking member of the Securities Subcommittee, the Senator from Massachusetts, has done an outstanding job. He has a good grasp and understanding of the securities business and has put a great deal of thought and effort into this matter.

I commend him and the distinguished Senator from New Jersey for the statesmanlike way in which we have arrived at agreements on some matters that seemed to be rather knotty indeed, but have been, I believe, satisfactorily resolved.

I believe this bill represents the efforts of those who tried to achieve the greatest good for the greatest number.

Mr. WILLIAMS. Mr. President, I certainly appreciate the statements of the Senators from Massachusetts and Texas. We worked in the greatest harmony through the long, long legislative process necessary in order to bring this bill before the Senate today. It has been an effort of appreciation and respect, one for each other. Into this harmony of effort has been brought the staff on both sides of the aisle. Without naming them all, among those who have made it possible to bring this comprehensive and historic legislation before us at this time are: Stephen J. Paradise, Alton B. Harris, Howard A. Menell, H. Holton Wood, Jr., Kenneth A. McLean, Anthony T. Cluff, Jeremiah S. Buckley, and Barbara M. Tillette.

Certainly, these are the happiest hours to work with the Senator from Massachusetts (Mr. Brooke) and the Senator from Texas (Mr. Tower).

Mr. JACKSON. Mr. President, I have an amendment at the desk, and I ask unanimous consent that the reading of the amendment be dispensed with. It is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. Jackson) proposes an amendment to amend the Securities Exchange Act of 1934.

The amendment is as follows:

On page 271, after line 22, insert the following:

"(f) Every national securities exchange, national securities association, broker, dealer, member of an exchange or association, transfer agent, clearing agency, and securities depository registered pursuant to this title, and every participant therein, and any member of the Federal Reserve System and any bank whose deposits are insured by the Federal Deposit Insurance Corporation shall—

"(1) report such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission determines by rule is necessary or appropriate in the public interest or for the protection of investors, to the Commission or to such other person as the Commission may by rule designate, and such information shall be made available, for a reasonable fee, to any such exchange, transfer agent, association, broker, dealer, member, clearing agency, or securities depository who shall request it;

"(2) make such inquiry with respect to information reported pursuant to this Subsection as the Commission decides, by rule, is necessary or appropriate in the public interest or for the protection of investors to determine whether securities transactions in which they are participating involve securities that have been reported as missing, lost, counterfeit, or stolen;

"(3) in the case of a clearing agency, securities depository, transfer agent, broker, dealer, or member, require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission may, by rule, exempt from the provisions of this paragraph upon such terms and conditions and for such period as it deems necessary or appropriate, any one or more classifications of partners, directors, officers, or employees of any one or more of such clearing agencies, securities depositories, transfer agents, brokers, dealers, or members if the Commission finds that such action is not inconsistent with the public interest or the protection of investors;

"(4) in order to carry out the authority given by paragraphs (1) and (2) above the Commission may enter into agreement with the Attorney General to use the facilities of the National Crime Information Center (NCIC) to receive, store, and disseminate information in regard to missing, lost, counterfeit, or stolen securities and to permit direct inquiry access to NCIC's file on such securities for the financial community;

"(5) in regard to paragraphs (1), (2) and (3) above insofar as they apply to any bank or member of the Federal Reserve System which is not registered pursuant to this title or a participant therein the commission may delegate its authority to:

"(a) the Comptroller of the Currency as to national banks and banks operating under the Code of Law for the District of Columbia or a subsidiary of any such bank;

"(b) the Federal Reserve Board in regard to any member of the Federal Reserve System which is not a national bank or a bank operating under the Code of Law for the District of Columbia or a subsidiary of any such bank; or

"(c) the Federal Deposit Insurance Corporation for any State bank or subsidiary thereof which is insured by the Federal Deposit Insurance Corporation but which is not a member of the Federal Reserve System; and

"(6) the Commission shall make efforts to encourage the insurance industry to require their insured to expeditiously report instances of missing, lost, counterfeit, or stolen securities to the Commission or to such other person as the Commission may, by rule, designate to receive such information."

Mr. JACKSON. Mr. President. I have submitted an amendment to S. 249, legislation reported April 14, 1975, to amend the Securities and Exchange Act of 1934.

S. 249 was reported by Mr. Williams from the Committee on Banking, Housing and Urban Affairs.

The Williams bill would improve the efficiency of the securities market mechanisms and increase the protections provided to securities investors.

The amendment I am introducing today would strengthen S. 249.

My amendment would empower the Securities and Exchange Commission to require financial houses to authenticate stocks, bonds, and other negotiable instruments used in certain financial transactions.

The measure would also give the Commission the power to require financial houses—banks, brokerages, lending institutions, and savings and loan firms—to report all lost, missing, or stolen securities, bonds, and other negotiable documents.

In practical terms, this legislation would set up machinery for the storage of identifying data on missing, lost, or stolen securities.

Then, when certain transactions are to be executed using securities, parties to the transactions would be required to confirm the authenticity of the securities through the SEC or its designee.

This legislation would enable the financial community to ascertain at any given time the authenticity of a security and to prevent the use of stolen, counterfeit, or otherwise bogus negotiable instruments in purportedly legitimate transactions. This measure has particular reference to the use of stolen securities by organized crime figures.

The legislation I am proposing today is the result of a 3-year inquiry by the Senate permanent Subcommittee on Investigations into the role of organized crime in the stolen securities traffic.

In the near future, I will introduce a related measure having to do with stolen, counterfeit, and bogus securities. This measure will call for criminal sanctions against violators.

With reference to today's amendment to S. 249—section 14, subsection F—I would like to point out that the permanent Subcommittee on Investigations has held extensive hearings on the problem of stolen, counterfeit, and otherwise fraudulent securities and their use by organized criminals to perpetrate fraud.

Testimony taken at our hearings indicate that over the past several years many billions of dollars—in fact the figure estimate that was given to us for the top financial institutions is that it will run as high as $50 billion outstanding now—in securities have been used in various fraudulent schemes.

Organized crime figures operate at every level of the financial community. They are employed in the backrooms of brokerage houses, in large financial firms on Wall Street and in lending institutions throughout the Nation. From these vantage points. the theft of negotiable documents is accomplished with considerable ease.

Once the securities are stolen they are turned over to reputable bankers—and occasionally to less than reputable bankers—who accept the financial instruments as collateral in loans and other transactions. The same system is used in counterfeit financial instruments.

With the cash loaned to them on the basis of the stolen or bogus securities, organized criminals are then able to finance other illicit ventures such as loan sharking, narcotics trafficking and gambling.

In other situations, organized crime figures may rent stolen securities to a legitimate businessman who needs cash and plans to use the securities as collateral for a loan.

Another use of stolen securities is for organized crime to provide the stolen documents to businessmen and financial institutions such as insurance agencies who use the certificates to bolster a sagging net worth or to dishonestly inflate a declining portfolio.

Testimony before the permanent Subcommittee on Investigations reveals that

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there is currently no law or regulation which requires members of the financial community to report stolen or missing or unaccounted for securities.

Nor is there currently any law or regulation which requires that financial institutions which accept securities as collateral for loan or for resale validate such securities prior to their acceptance.

Many witnesses before the subcommittee including Government spokesmen and officials of the large stock exchanges, brokerage houses and some banks have supported proposals which would correct these deficiencies.

Accordingly, members of the subcommittee staff in conjunction with officials of the Criminal Division, Department of Justice, have drafted this proposal, as an amendment to S. 249, empowering the SEC to require mandatory reporting of stolen securities and validation in certain securities transactions.

I think this is a very sensible amendment and I would hope it would be approved.

It will give to the commission the discretion to work out rules and regulations, and so on, to carry out the objectives set forth in the amendment.

Mr. BROOKE. Will the Senator yield for a question?

Mr. JACKSON. Yes.

Mr. BROOKE. Mr. President, I think the Senator's amendment is certainly commendable and I can understand what the Senator hopes to achieve by the amendment. I wonder whether any consideration has been given as to what the burden might be upon the SEC.

Mr. JACKSON. Well, the commission, so that it would not be put in a straitjacket, would give due notice of hearings and then the institutions affected could come in and make their comments, so that they are not in a straitjacket.

The objective would be to obtain, of course, the kind of rule and regulation that would be workable and not place an undue hardship on the institutions involved, but at the same time really get at the heart of this problem, which is a need which, as the Senator undoubtedly knows, has become really a national scandal, the amount of stolen securities being hypothecated and used in financial transactions throughout the country.

Mr. BROOKE. Mr. President, I am certainly well aware of the scandal to which the distinguished Senator from Washington refers.

I had not seen this amendment until yesterday and I think, as I said, the thrust of the amendment, the purpose of it, certainly is a good one.

I just have to raise that question, as to what burden it might place on these institutions, whether it would be an undue burden on them, or whether it would be a burden very costly to them, that is the question I raise.

Mr. JACKSON. The Senator raises a proper question.

The Commission would assume only that burden that they want to assume. It is discretionary. We purposely left it sufficiently broad so that they can make a judgment after they have heard from the parties that would be involved in the rules and regulations.

Mr. BROOKE. Mr. President, with that understanding, for the minority, I am glad to accept the amendment.

Mr. BROCK. Will the Senator yield for a question?

Mr. JACKSON. Yes.

Mr. BROCK. I wonder if the Senator has discussed this matter or has any indication of support from the Commission for this particular approach?

Mr. JACKSON. May I say that the staff of the committee has been in touch with the staff of the SEC and also they have worked with the officials in the Criminal Division of the Department of Justice who helped draft the proposal. This is not to say we have the formal concurrence.

Mr. BROCK. I understand that, but the Senator has at least discussed it?

Mr. JACKSON. Yes.

Mr. BROCK. They do not see any enormous administrative burden as it is written, is that true?

Mr. JACKSON. The staff informed me that there has been ongoing dialog with the SEC and the Department of Justice on this point—how the problem is handled—in this kind of a situation for the last 2 or 3 years.

I believe that this is not perfect, but I think it is a step in the right direction and it is long past due.

Mr. BROCK. I think the Senator says this legislation is permissive, is it not?

Mr. JACKSON. This is right.

Mr. BROCK. I noticed. I have just seen the amendment.

Mr. JACKSON. The Senator is correct.

Mr. BROCK. I apologize for not seeing it earlier.

Mr. JACKSON. No, no.

Mr. BROCK. But there was a section in the amendment which related to the fingerprinting of all the people who may be in a brokerage house or the firm. Is that, No. 1, mandatory, or how does it work, who will be fingerprinted?

I have some concern over the matter of personnel privacy.

Mr. JACKSON. It is permissive. In other words, this is a grant of authority, but it is up to the SEC to make the decision.

Mr. BROCK. Well, I think an awful lot of us, as the Senator knows, have had enormous concern in this area.

I appreciate the Senator's efforts and I hope he will achieve his desired results.

Mr. JACKSON. I appreciate very much the Senator's support.

May I say, Senator McClellan was involved in this area before I took over as chairman of the committee, and what we really have done then is to say, "Look, the Commission, SEC, should have this and use it in a way in which it will be meaningful and will strengthen their hand."

It is a grant of discretionary authority to improve the work of the Commission.

Mr. BROCK. As I say, the only thing that troubled me a little bit was that I have always had some concern with giving any Federal agency the authority to require fingerprinting. It does bother me somewhat.

I am just not quite sure whether that is necessary or not. It may be, and I guess the best I can do is hope that it will work.

Mr. WILLIAMS. If the Senator will yield, I will support this amendment here as it is offered by the Senator from Washington.

I share the reservations, however, about section 3 that the Senator from Tennessee has just discussed. The authority is there. The opportunity to not exercise it is there, too.

Certainly, on the record, this Securities and Exchange Commission has shown a sensitivity to the exercise of regulatory authority. I am sure that there will be no violation of individual right arising out of this section, even though authority to use it with respect to fingerprinting is there.

Mr. JACKSON. I would agree.

Mr. BROOKE. Will the Senator yield for a moment?

I do not want to prolong this discussion unduly, but the language in the amendment says "shall" which, of course, is not permissive language, but mandatory language.

Then the language in paragraph 3 is "required".

I take it then that portion where it says the Commission may by rule exempt from provisions of this paragraph, et cetera——

Mr. JACKSON. The Senator is correct, that is the permissive part.

Mr. BROOKE. Which affects the proceedings.

Mr. JACKSON. That is right, so that the "shall" is subject to the "may."

Mr. BROOKE. I wanted to be sure.

Mr. JACKSON. I think that makes good legislative history.

Mr. BROOKE. I thank the Senator.

Mr. WILLIAMS. Mr. President, one further request, if the Senator will yield.

This, of course, is new material. It does not come from the committee, was not part of our hearings, it was from another committee. It just happens at this very hour the other body is taking up a companion bill. I do not believe this is part of their legislation.

We will do all we can, of course, to preserve the amendment. I am agreeing to it and hope it will be accepted here.

Mr. JACKSON. I appreciate the Senator's concern and support. I fully understand the situation.

I am ready for a vote.

Mr. WILLIAMS. I yield back the remainder of my time.

Mr. BROOKE. I yield back the remainder of my time.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Washington (Mr. Jackson).

The amendment was agreed to.

The **PRESIDING OFFICER.** The bill is open to further amendment.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that during the consideration of this bill the following staff members be granted privilege of the floor: Steve Paradise, Al Harris, Howard Mennell, Ken McLain, Dudley O'Neil, Tony Cluff, Jerry Buckley, and Bill Weber.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I call

up my amendment which is at the desk, and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk read as follows:

Mr. Williams, for himself, Mr. Sparkman, and Mr. Tower proposes certain amendments.

The amendment is as follows:

On page 176, line 10, insert the following: "and the National Market System Council authorized by section 11A(d) of this title.".

On page 177, line 3, after the word "Board" insert "or the National Market System Council."

On page 209, line 4, after the word "thereunder" insert "or the rules of the National Market System Council."

On page 213, after line 24, insert the following:

"(d)(1) A council of persons satisfying the terms and conditions hereinafter provided in this subsection may be registered as the National Market System Council (hereinafter in this section referred to as the 'Council') in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form and containing such information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest, for the protection of investors, or to remove impediments to and perfect the mechanism of a national market system.

"(2) There shall be only one Council, and an applicant shall not be registered as the Council unless the Commission determines that—

"(A) Such applicant is so organized and has the capacity to be able to comply with the provisions and carry out the purposes of this title, and if there is more than one applicant, such applicant is the applicant best able to facilitate the removal of impediments to and the perfection of the mechanisms of a national market system.

"(B) The rules of such applicant assure a geographical distribution of the members of the Council, specify the terms such members shall serve, establish fair procedures for the nomination and election of such members, and assure fair representation in such nominations and elections of—

"(i) national securities exchanges;

"(ii) registered securities associations;

"(iii) registered brokers and dealers, including those primarily acting on behalf of individual investors, on behalf of institutional investors, and in the capacity of market maker;

"(iv) individual and institutional investors; and

"(v) securities information processors.

"(C) By reason of the number, experience, and competence of its members, their geographical distribution, the persons they represent, and the manner in which they were selected, such applicant will be able to assume the responsibilities imposed on the Council, exercise the authority granted to the Council, and act in furtherance of the purposes of this section.

"(3)(A) On and after the date of its registration, the Council is authorized to propose and adopt rules (in accordance with the provisions of section 19(b) of this title) designed to—

"(i) remove impediments to and perfect the mechanism of a national market system, to regulate the operations of such a system, and to foster cooperation and coordination with and among persons engaged in regulating, processing information with respect to, and facilitating transactions in qualified securities;

"(ii) require persons represented by its members (other than investors) to pay to the Council such reasonable fees (equitably allocated among them) as may be necessary or appropriate to defray the costs and expenses of administering the Council; and

"(iii) provide for the selection of a Chairman from among its members, the compensation of its members, the appointment and compensation of employees, attorneys, and consultants, and such other matters with respect to the administration of the Council as may be necessary or appropriate to carry out the Council's functions under this section.

"(B) Not withstanding any other provision of this title, the rules of the Council shall not (i) regulate by virtue of any authority conferred by this title matters not related to the establishment or operation of a national market system for securities or the administration of the Council or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(C) In exercising its authority under this section, the Council shall consult and cooperate with national securities exchanges and registered securities associations toward the end that their respective responsibilities may be fulfilled and their respective rules may be consistent with both (i) the removal of impediments to, perfection of the mechanism of, and regulation of the operations of a national market system and (ii) the protection of investors, maintenance of fair and orderly markets, and prevention of conduct inconsistent with just and equitable principles of trade.

"(D) The Council shall report annually to the Congress as to the steps it has taken, and an evaluation of the progress it has made, toward removing impediments to and perfecting the mechanisms of a national market system, and recommendations for further legislation it considers advisable with respect to such a system.

"(4)(A) No broker, dealer, or securities information processor shall in contravention of any rule of the Council make use of the mails or any means or instrumentality of interstate commerce to (i) effect any transaction in, or to induce or attempt to induce the purchase or sale of, any qualified security, (ii) collect, process, distribute, publish, or prepare for distribution or publication any information with respect to quotations for or transactions in any such security, or (iii) assist, participate in, or coordinate the distribution or publication of such information.

"(B) The Commission, by rule, as it deems necessary or appropriate in furtherance of the purposes of this section, may require any national securities exchange or registered securities association to comply, or to enforce compliance by its members, with any specified rule of the Council. Any rule of the Council which a national securities exchange or registered securities association is so required to enforce shall be deemed for purposes of sections 19(g) and 19(h) of this title to be a rule of such exchange or association.

"(C) The Commission, consistent with its responsibilities under this title, shall encourage the Council to assume primary responsibility for facilitating the establishment and regulating the operations of the national market system. Notwithstanding the preceding sentence, nothing in this subsection shall be construed to impair or limit the Commission's power to make, or to modify or alter the procedures the Commission may follow in making rules pursuant to any authority under this title.

"(D) Each member of the Council shall be subject to the approval of the Commission to assure that:

"(i) he meets all standards laid down by the rules of the Council;

"(ii) he is able to comply with, assume the responsibilities imposed by reason of, exercise the authority conferred by, and further the purposes of this section; and

"(iii) viewed jointly with the other members of the Council, he satisfies the provisions of paragraph (2)(C) of this subsection and fairly represents the markets comprising, the facilities of, the participants in, and the investors using the national market system as it is then operating.".

On page 229, line 5, after the word "Board" insert "or the National Market System Council".

On page 265, line 10, after the word "Board" insert "and the National Market System Council".

On page 269, line 23, and page 270, line 5, after the word "organizations" insert "and the National Market System Council".

On page 286, line 18, after the word "agency" insert "or the National Market System Council"; and on page 286, line 18, strike the word "or" immediately before "17A" and insert immediately thereafter "or 11A(d)".

On page 304, line 8, after the word "statutes" insert "or the rules of the National Market System Council".

On page 304, line 14, on page 307, line 18, page 308, line 16, and page 309, line 16, after the word "Board" insert "or the National Market System Council".

On page 255, line 8, after "members," insert the following:

"to require an issuer of municipal securities, directly or indirectly, through a municipal securities dealer or otherwise, to furnish to the Board or to a purchaser or prospective purchaser any application, report document, or other information with respect to such issuer (*Provided, however,* That rules of the Board may be designed to require municipal securities brokers and municipal securities dealers to furnish to the Board or to purchasers or prospective purchasers applications, reports, documents or other information with respect to an issuer which is obtainable from a source other than such issuer).".

On page 258, between lines 5 and 6, insert the following:

"(3) Nothing in this subsection shall be construed to impair or limit the power of the Commission under this title.".

On page 335, between lines 10 and 11, insert the following:

"Sec. 26. Section 4 of the Securities Act of 1933 (U.S.C. 78(d)) is amended by adding at the end thereof the following new paragraph:

"(5)(a) Transactions involving offers or sales of one or more promissory notes directly secured by a first lien on a single parcel of real estate upon which is located a dwelling or other residential or commercial structure, and participation interests in such notes—

"(1) where such securities are originated by a savings and loan association, savings bank, commercial bank, or similar banking institution which is supervised and examined by a Federal or State authority, and are offered and sold subject to the following conditions:

"(i) the minimum aggregate sales price per purchaser shall not be less than $250,000;

"(ii) the purchaser shall pay cash either at the time of the sale or within sixty days thereof; and

"(iii) each purchaser shall buy for his own account only; or

"(2) where such securities are originated by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act, as amended, and are offered or sold subject to the three conditions specified in paragraph (a)(1) to any institution described in paragraph (a)(1) or to any insurance company subject to the supervision of the insurance commissioner, or any agency or officer performing like function, of any State or territory of the United States or the

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District of Columbia, or the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Government National Mortgage Association.

"(b) Transactions between any of the entities described in paragraph (a)(1) or (a)(2) hereof involving non-assignable contracts to buy or sell the foregoing securities which are to be completed within two years, where the seller of the foregoing securities pursuant to any such contract is one of the parties described in paragraph (a)(1) or (a)(2) who may originate such securities and the purchaser of such securities pursuant to any such contract is any institution described in paragraph (a)(1) or any insurance company described in paragraph (a)(2), the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, or the Government National Mortgage Association and where the foregoing securities are subject to the three conditions for sale set forth in subparagraphs (a)(1) (i) through (iii).

"(c) The exemption provided by paragraphs (a) and (b) hereof shall not apply to resales of the securities acquired pursuant thereto, unless each of the conditions for sale contained in subparagraphs (a)(1) (i) through (iii) are satisfied.".

On page 335, line 11, strike "26" and insert in lieu thereof "27".

Mr. WILLIAMS. Mr. President, on behalf of Senators SPARKMAN, TOWER, BROOKE, and myself, I am proposing a series of amendments to S. 249. These amendments are intended to accomplish the following:

First, they would authorize the establishment of a new self-regulatory organization, the National Market System Council, which would have authority, subject to oversight by the Securities and Exchange Commission, to facilitate the development and regulate the operations of the national market system.

Second, the amendments would make clear that the Municipal Securities Rulemaking Board created by this bill would not have authority to require State and local governments to make disclosures about their operations.

And third, they would exempt from the registration requirements of the Securities Act of 1933 certain promissory notes secured directly by a first lien on a single parcel of improved real estate.

These amendments were not included in S. 249 as reported by the committee in order to facilitate the bill's enactment at the earliest possible date. Because of the elimination of fixed commission rates on May 1, 1975, there is a desire on the part of both the industry and the Commission that this bill be law by that time. Accordingly, we decided to bring these three matters directly to the floor.

The amendment dealing with the National Market System Council is designed to provide an opportunity for the securities industry to create a new self-regulatory organization with authority to establish and regulate the national market system.

At present, there are 14 different stock exchanges as well as several automated trading systems. In essence, the national market system would link together these diverse markets. Some organization must have authority to establish the links and regulate their operation. As reported, S. 249 gives this authority exclusively to the Commission. The amendment would not take any of this authority away from the Commission. Rather, it would direct the Commission, in the event the National Market System Council is established, to encourage and defer to this self-regulatory organization with respect to both the development and regulation of the national market system. Thus, the industry would have the opportunity to build and operate the national market system itself—provided, of course, that it is serious about the undertaking and does not use the new organization to obstruct progress or impede competition.

The amendment does not mandate the Council's creation. Rather, the persons to be represented would be expected to come forward with their own plan for such a Council. The plan would have to specify the representation that would be afforded to the various affected groups, including investors, the manner in which geographical representation would be assured, and the method by which future members would be selected.

If the Commission finds that the plan satisfies prescribed statutory standards, the Council would be registered. In no event, however, would the Commission be required to register an applicant unless it was satisfied that it was so organized and had the capacity to be able to comply with the provisions and carry out the purposes of the Exchange Act.

Although the Council would have broad self-regulatory powers with respect to the national market system, it would not automatically be superior in authority to the existing exchanges and the NASD. The Commission would have the power, however, to assign exclusive authority in any area related to the national market system to the Council if the Commission deemed this necessary or appropriate. Similarly, the Commission could require existing exchanges or the NASD to enforce compliance with the Council's rules by its members. In the absence of such a Commission determination, the rules of the Council would be enforceable only by the Commission.

The Council, as I said earlier, is a mechanism by which the securities industry, if it is united and committed to the development and operation of a national market system in the public interest, can assume the leadership role. The Council is an invitation to those in the industry who have been concerned about excessive Government regulation to step up and do the job themselves. The amendment directs the Commission to defer to the Council insofar as it does in fact assume this role. If it does not, the directive to the Commission to proceed on its own with the expeditious establishment of the national market system is clear.

The other two amendments are much less extensive. With respect to the authority of the Municipal Securities Rulemaking Board, the amendment would simply clarify the position the Committee articulated in its report, namely that the bill is not intended to tamper in any way with prerogatives of State and local governments in their sale of securities. The amendment thus states that the Municipal Securities Rulemaking Board may not impose on issuers, directly or indirectly, disclosure requirements. Surely there can be no argument with that result.

The final amendment incorporates S. 203 which Senator SPARKMAN introduced on January 17, 1975. The objective of this amendment is to aid the development of a liquid secondary mortgage market in an effort to generate funds for the housing industry and other real estate needs. To accomplish this objective the amendment would exempt from the registration requirements of the Securities Act certain transactions involving mortgage related securities. The exemption is narrowly drafted and would apply only with respect to investors of very substantial resources. The provision is supported not only by the Federal Home Loan Bank Board but also the Securities and Exchange Commission.

The three amendments we are offering have broad bipartisan support. They are useful additions to this complex and important legislation. I urge that they be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Will the Senator from Texas yield 5 minutes?

Mr. TOWER. I yield 5 minutes.

Mr. PROXMIRE. Mr. President, along with the SEC and the Treasury, I have serious reservations about the portion of this amendment that would create a National Market System Council for two principal reasons: First, it is a major proposal for restructuring the securities industry and its regulation, which has never been the subject of any hearings, has never been considered by any committee of the Senate, and in its present form was first made available to Members of the Senate and to those vitally concerned such as the Securities and Exchange Commission, and the stock exchanges no earlier than the end of last week. Second, although there has not been time for me to completely analyze this far-reaching proposal phrased in general and indefinite language, I believe it could seriously disrupt and delay the evolution toward a national market system. The furtherance of that evolution is a primary goal of this bill, as it has been a primary goal of the Senate committees and subcommittees which have been engaged in studying this subject ever since the Senate authorized such a study in June of 1971.

Cooperative regulation by the stock exchanges and national securities associations has been mandated by the Securities Exchange Act for 40 years. It is now suddenly proposed to create a new super self-regulatory body whose composition, membership, control, and nature is almost wholly unknown, since unlike the present well established and cooperative regulatory bodies, it simply does not now exist. This organization is to be given a broad charter of authority to adopt rules and regulations governing the industry. Proposed subsection (4)(A) contained on page 5 of the proposed amendment is a truly startling proposal. It makes it unlawful for any securities firm to execute any securities transaction in contravention of whatever rules this new Council may adopt. Of course, we do not know what those rules will be. In other

words, violation of the rules of this unknown body is made a Federal offense presumably punishable by fine or imprisonment. Such a delegation is probably unconstitutional. The existing stock exchanges are to be subordinated to this new body and must do its will. Surely a measure having an impact of this magnitude upon our vital securities markets, should not be hastily taken.

S. 249 represents, among other things, a carefully designed effort to facilitate the orderly creation of a national market system.

I commend the distinguished Senators from New Jersey, Texas, and Massachusetts for their hard work and good work which has gone into this.

That effort has heretofore been unfortunately delayed by disagreements among industry organizations, each seeking to preserve or enhance its particular position. This amendment, by first creating, and then interjecting, a new organization would multiply the opportunities for disagreement and delay, and more seriously, would arouse the apprehension of existing exchanges that their position, if not their survival, is endangered. The Commission's role of leadership under the bill is to be diluted or delegated. The new Council may feel that it should reexamine all the issues. Dissension and delay could easily be the inevitable result. I would hope that the movement to a national market system will not bog down at a time when the industry is engaged in the desirable, but difficult, process of adjusting itself to free competition, and when the vitality, vigor and responsiveness of our capital markets is so important to our national effort to achieve a swift and sound economic recovery.

Mr. President, we need prompt action on S. 249, and for that reason I will not ask for any action by the Senate on this amendment. Although I personally oppose it, I think we should act promptly on this bill and we should pass it. I say we should pass it today.

I believe the proposal for a National Market System Council, however, should be given a critical second look by the House and by the House-Senate Conference Committee. It may develop that substantial amendments are needed to overcome the serious objections raised by the SEC which does have very, very serious reservations about this amendment, and the Treasury, which is also very concerned about this amendment.

For that reason, Mr. President, as I say, I hope that the conference will look this matter over carefully, but I will not ask for a vote on the amendment.

Mr. WILLIAMS. Mr. President, I am somewhat disappointed with the idea that the National Market Council does not have the full support, at this time, of the distinguished chairman of our full committee; but I assure him that if this idea should make its way through the entire process and become law after conference, the whole idea will be watched carefully by the Securities Subcommittee in its oversight function. We will be most mindful of developments under it, if it should be part of the law after the conference.

As chairman of the subcommittee that handles this legislation on securities, I can say that the full cooperation of the chairman of the full committee has been there and has made it possible for us to expedite final consideration of the measure that has been before us so many times as individual pieces. His leadership on the committee is outstanding. His management of the full committee business is to be applauded. This is the first time I have had a bill from the subcommittee before the Senate under the chairmanship of the Senator from Wisconsin. I have said this many times privately, and I say it now publicly.

Mr. TOWER. Mr. Presidnt, I yield back the remainder of my time.

Mr. WILLIAMS. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BUMPERS). The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS. Mr. President, I have no notice of any other amendments.

Mr. TOWER. I yield myself such time as I may require.

Mr. President, the amendments, which are being offered en bloc to S. 249, would do the following:

First, authorize a procedure by which a National Market System Council could be established. This would be a new self-regulatory organization designed to facilitate the development of the National Securities Market System. The proposal for such a new council has been somewhat controversial and perhaps subject to some misunderstanding. I am concerned that the establishment of such a council will result in a burdensome layering of regulatory bodies, unnecessary fees in connection with transactions, or possibly impede the development of the Central Market System. Nevertheless I am willing to vote for it now and look more closely at it in Conference when we will have the opportunity to compare it with the House version.

Second, clarify the role between issuers of municipal securities and the newly proposed Municipal Securities Rulemaking Board. Under the amendment, the Board would not have authority to require State and local government units to provide information about their operations. Much of this information will undoubtedly be made available in any case. Furthermore, the Board can obtain such information from municipal securities brokers and dealers, who already supply such information to investors. The amendment is designed to make it clear that the bill will not be a means of subjecting States, cities, counties, or villages to any unnecessary disclosure requirements which could be promulgated by the new Board.

Third, exempt mortgage-backed notes from the registration requirements of the SEC. These notes would be sold to large investors who presumably are sophisticated in their investment knowledge. It is designed to expand and encourage the further development of the secondary market for mortgage securities.

Mr. President, I should like the attention of the distinguished chairman of the subcommittee, the Senator from New Jersey.

The commercial banks sought an amendment during committee deliberations which would have exempted bank-sponsored, commingled Keogh plans from the provisions of the Securities Act of 1933 and bank-sponsored, commingled, individual retirement accounts from the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940.

Although there appeared to be a great deal of merit to this proposal, no action was taken in committee because of the controversial nature of this amendment and concern that the committee did not have the opportunity to explore this issue in full.

I ask the chairman of the subcommittee this question: If the amendments are introduced in the form of a bill, will the chairman be willing to hold hearings on this issue in the near future?

Mr. WILLIAMS. The answer is that we certainly will hold them as soon as we can. The idea should be considered. It impresses me as having a great deal of merit. Therefore, within the strictures of time, it will be done at the earliest possible time.

I would think that the next order of business would be for us to stay with the conference on the securities legislation until it has been concluded. After that, I believe that our subcommittee decks will be clear and we can go ahead and set up hearings on this matter.

Mr. TOWER. I thank the distinguished Senator from New Jersey for his commitment in this matter.

Mr. President, if there are no further amendments, I suggest third reading.

Mr. WILLIAMS. Mr. President, I have been notified of no other amendments, and I am quite sure there are none.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 249) was passed, as follows:

S. 249

An Act to amend the Securities Exchange Act of 1934, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of

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America in Congress assembled, That this Act may be cited as the "Securities Acts Amendments of 1975".

SEC. 2. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by inserting immediately before the phrase "and to impose requirements necessary to make such regulation and control reasonably complete and effective," the following: "to remove impediments to and perfect the mechanisms of a national market system for securities and a national system for the clearance and settlement of securities transactions and the safeguarding of securities and funds related thereto.".

SEC. 3. Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended as follows:

(a) Paragraph (3) of subsection (a) thereof is amended to read as follows:

"(3)(A) The term 'member' when used with respect to a national securities exchange means (i) any natural person permitted to effect transactions on the floor of the exchange without the services of another person acting as broker, (ii) any registered broker or dealer with which such a natural person is associated, (iii) any registered broker or dealer permitted to designate as a representative such a natural person, and (iv) any other registered broker or dealer which agrees to be regulated by such exchange and with respect to which the exchange undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules. For purposes of sections 6(b)(1), 6(b)(4), 6(b)(6), 6(b)(7), 6(d), 17(d), 19(d), 19(e), 19(g), 19(h), and 21 of this title, the term 'member' when used with respect to a national securities exchange also means to the extent of the rules of the exchange specified by the Commission, any person required by the Commission to comply with such rules pursuant to section 6(f) of this title.

"(B) The term 'member' when used with respect to a registered securities association means any broker or dealer who agrees to be regulated by such association and with respect to whom the association undertakes to enforce compliance with the provisions of this title, the rules and regulations thereunder, and its own rules.".

(b) Paragraph (9) thereof is amended to read as follows:

"(9) The term 'person' means a natural person, company, government, or political subdivision, agency, or instrumentality of a government.".

(c) Paragraph (12) of subsection (a) thereof is amended to read as follows:

"(12) The term 'exempted security' or 'exempted securities' includes securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States; such securities issued or guaranteed by corporations in which the United States has a direct or indirect interest as shall be designated for exemption by the Secretary of the Treasury as necessary or appropriate in the public interest or for the protection of investors; municipal securities, as defined in section 3(a)(29) of this title: *Provided, however*, That municipal securities shall not be deemed to be 'exempted securities' for the purposes of sections 3(a)(22), 11A, 15, 15A, (except subsections (b)(6), (b)(11), and (g)(2) thereof), and 17A, of this title; any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian; any interest or participation in a collective trust fund maintained by a bank or in a separate account maintained by an insurnce company which interest or participation is issued in connection with (A) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1954, or (B) an annuity plan which meets the requirements for the deduction of the employer's contribution under section 404(a)(2) of such Code, other than any plan described in clause (A) or (B) of this paragraph which covers employees some or all of whom are employees within the meaning of section 401(c)(1) of such Code, and such other securities (which may include, among others, unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems consistent with the public interest and the protection of investors, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this title which by their terms do not apply to an 'exempted security' or to 'exempted securities'.".

(d) Paragraphs (17), (18), and (19) of subsection (a) thereof are amended to read as follows:

"(17) The term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State, or between any State and any place or ship outside thereof. The term includes intrastate use of (A) of facility of a national securities exchange or of a telephone or other interstate means of communication, or (B) any other interstate instrumentality.".

"(18) The term 'person associated with a broker or dealer' or 'associated person of a broker or dealer' means any partner, officer, director, or branch manager of such broker or dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such broker or dealer, or any employee of such broker or dealer, except that for the purposes of section 15(b) of this title (other than paragraph (6) thereof), persons associated with a broker or dealer whose functions are solely clerical or ministerial shall not be included in the meaning of such term.

"(19) The terms 'investment company', 'affiliated person', 'insurance company', 'separate account', and 'company' have the same meanings as in the Investment Company Act of 1940.".

(e) Paragraph (21) of subsection (a) thereof is amended to read as follows:

"(21) The term 'person associated with a member' or 'associated person of a member' when used with respect to a member of a national securities exchange or registered securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such member, or any employee of such member, except that persons associated with a member whose functions are solely clerical or ministerial shall not be included in the meaning of such term.".

(f) Subsection (a) thereof is further amended by adding at the end thereof the following new paragraphs:

"(22)(A) The term 'securities information processor' means any person engaged in the business of (i) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of, information with respect to transactions in or quotations for any security (other than an exempted security) or (ii) distributing or publishing (whether by means of a ticker tape, a communications network, a terminal display device, or otherwise) on a current and continuing basis information with respect to such transactions or quotations. The term 'securities information processor' does not include any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any self-regulatory organization, any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank if such bank, broker, dealer, association, or cooperative bank would be classified as a securities information processor solely by reason of functions performed by such institutions as part of customary banking, brokerage, dealing, association, or cooperative bank activities, or any common carrier, as defined in section 3(h) of the Communications Act of 1934, subject to the jurisdiction of the Federal Communications Commission or a State commission, as defined in section 3(t) of that Act, unless such carrier is engaged in the business of collecting, processing, or preparing for distribution or publication with respect to transactions in or quotations for any security.

"(B) The term 'exclusive processor' means any securities information processor which, directly or indirectly, engages on an exclusive basis on behalf of any national securities exchange or registered securities association or any national securities exchange or registered securities association which engages on an exclusive basis on its own behalf in collecting, processing, or preparing for distribution or publication any information with respect to (i) transactions on or quotations made by means of any facility of such exchange or (ii) quotations distributed or published by means of any electronic system operated or controlled by such association.

"(23)(A) The term 'clearing agency' means any person who acts as an intermediary in making payments or deliveries or both in connection with transactions in securities or who provides facilities for comparison of data respecting the terms of settlement of securities transactions, to reduce the number of settlements of securities transactions, or for the allocation of securities settlement responsibilities. Such term also means any person, such as a securities depository (i) who acts as a custodian of securities in connection with a system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of securities certificates, or (ii) who otherwise permits or facilitates the settlement of securities transactions or the hypothecation or lending of securities without physical delivery of securities certificates.

"(B) The term 'clearing agency' does not include (i) any Federal Reserve Bank, Federal home loan bank, or Federal land bank; (ii) any national securities exchange or registered securities association solely by reason of its providing facilities for comparison of data respecting the terms of settlement of securities transactions effected on such exchange or by means of any electronic system operated or controlled by such association; (iii) any bank, broker, dealer, building and loan, savings and loan, or homestead association, or cooperative bank if such bank, broker, dealer, association, or cooperative bank would be classified as a clearing agency solely by reason of functions performed by such institution as part of customary banking, brokerage, dealing, association, or cooperative banking activities, or solely by reason of acting as the agent of a clearing agency in connection with the furnishing of the clearing agency's services to its participants, unless the Commission, by rule, otherwise provides as necessary or appropriate to assure the prompt and accurate clearance and settlement of securities transactions or to prevent evasion of this title; (iv) any life insurance company, its registered separate accounts, or a subsidiary of such insurance company by reason of functions commonly performed by such entities in connection with variable annuity contracts or variable life policies issued by such insurance company or its separate accounts; or (v) any registered open-end investment company or unit investment trust by reason of functiona commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust, or (vi) any person solely by reason of its performing functions described in paragraph 25(E) of this subsection.

"(24) The term 'participant' when used with respect to a clearing agency means any person who uses a clearing agency to clear or settle securities transactions or to transfer, pledge, lend, or hypothecate securities. Such term does not include a person whose only use of a clearing agency is through another person or as a pledgee of securities.

"(25) The term 'transfer agent' means any person who engages on behalf of an issuer of securities or on behalf of itself as an issuer of securities in (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; (D) exchanging or converting such securities; or (E) transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. The term 'transfer agent' does not include any insurance company or separate account that performs such functions solely with respect to variable annuity contracts or variable life policies that it issues or any registered clearing agency that performs such functions solely with respect to options contracts that it issues.

"(26) The term 'self-regulatory organization' means any national securities exchange, registered securities association, or registered clearing agency, or (solely for purposes of section 19(b), 19(c), and 23(b) of this title) the Municipal Securities Rulemaking Board established by section 15B of this title.

"(27) The term 'rules of an exchange', 'rules of an association', or 'rules of a clearing agency' means the constitution, articles of incorporation, bylaws, and rules, or instruments corresponding to the foregoing, whatever the name, of an exchange, association of brokers and dealers, or clearing agency, respectively, and such of the stated policies, practices, and interpretations of such exchange, association, or clearing agency as the Commission, by rule, may determine to be necessary or appropriate in the public interest or for the protection of investors to be subject to the operation of the provisions of this title and the rules and regulations thereunder.

"(28) The term 'rules of a self-regulatory organization' means the rules of an exchange which is a national securities exchange, the rules of an association of brokers and dealers which is a registered securities association, the rules of a clearing agency which is a registered clearing agency, or the rules of the Municipal Securities Rulemaking Board.

"(29) The term 'municipal securities' means securities which are direct obligations of or obligations guaranteed as to principal or interest by a State or any political subdivision thereof, or any agency or instrumentality of a State or any political subdivision thereof, or any municipal corporate instrumentality of one or more States, or any security which is an individual development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security.

"(30) The term 'municipal securities dealer' means any person (including a separately identifiable department or division of a bank) engaged in the business of buying and selling municipal securities for his own account, through a broker or otherwise, but does not include—

"(A) any person insofar as he buys or sells such securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business; or

"(B) a bank, unless the bank is engaged in the business of buying and selling municipal securities for its own account other than in a fiduciary capacity, through a broker or otherwise: *Provided, however*, That if the bank is engaged in such business through a separately identifiable department or division (as defined by the Municipal Securities Rulemaking Board in accordance with section 15(B)(b)(2)(H) of this title), the department or division and not the bank itself shall be deemed to be the municipal securities dealer.

"(31) The term 'municipal securities broker' means a broker engaged in the business of effecting transactions in municipal securities for the account of others.

"(32) The term 'person associated with a municipal securities dealer' when used with respect to a municipal securities dealer which is a bank or a division or department of a bank means any person directly engaged in the management, direction, supervision, or performance of any of the municipal securities dealer's activities with respect to municipal securities, and any person directly or indirectly controlling such activities or controlled by the municipal securities dealer in connection with such activities.

"(33) The term 'municipal securities investment portfolio' means all municipal securities held for investment and not for sale as part of a regular business by a municipal securities dealer or by a person, directly or indirectly, controlling, controlled by, or under common control with a municipal securities dealer.

"(34) The term 'appropriate regulatory agency' means—

"(A) When used with respect to a municipal securities dealer:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary or a department or division of any such bank;

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary or a department or division thereof, a bank holding company, a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph, or a subsidiary or a department or division of such subsidiary;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), or a subsidiary or department or division thereof; and

"(iv) the Commission in the case of all other municipal securities dealers.

"(B) When used with respect to a clearing agency or transfer agent:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a subsidiary thereof, a bank holding company, or a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), or a subsidiary thereof; and

"(iv) the Commission in the case of all other clearing agencies and transfer agents.

"(C) When used with respect to a participant or applicant to be a participant in a clearing agency or a person requesting or having access to services offered by a clearing agency:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia when the appropriate regulatory agency for such clearing agency is not the Commission;

"(ii) the Board of Governors of the Federal Reserve System in the case of a State member bank of the Federal Reserve System, a bank holding company, or a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph when the appropriate regulatory agency for such clearing agency is not the Commission;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) when the appropriate regulatory agency for such clearing agency is not the Commission; and

"(iv) the Commission in all other cases.

"(D) When used with respect to an institutional investment manager which is a bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia;

"(ii) the Board of Governors of the Federal Reserve System, in the case of any other member bank of the Federal Reserve System; and

"(iii) the Federal Deposit Insurance Corporation, in the case of any other insured bank.

"(E) When used with respect to a national securities exchange or registered securities association, member thereof, person associated with a member thereof, applicant to be a member thereof or to become associated with a member thereof, or person requesting or having access to services offered by such exchange or association or member thereof, or the Municipal Securities Rulemaking Board, the Commission.

"(F) When used with respect to a person exercising investment discretion with respect to an account:

"(i) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia;

"(ii) the Board of Governors of the Federal Reserve System in the case of any other member bank of the Federal Reserve System;

"(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; and

"(iv) the Commission in the case of all other such persons.

As used in this paragraph, the terms 'bank holding company' and 'subsidiary of a bank holding company' have the meanings given them in section 2 of the Bank Holding Company Act of 1956, as amended.

"(35) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, he (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines, in the

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public interest or for the protection of investors, should be subject to the operation of the provisions of this title and the rules and regulations thereunder.

"(36) A class of persons or markets is subject to 'equal regulation' if no member of the class has an unfair competitive advantage over any other member thereof resulting from a disparity in their regulation under this title not justified by the purposes thereof.

"(37) The term 'records' means accounts, correspondence, memorandums, tapes, discs, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

"(38) The term 'market maker' means any specialist permitted to act as a dealer, any dealer acting in the capacity of block positioner, and any dealer who, with respect to a security, holds himself out (by entering quotations in an interdealer communications system or otherwise) as being willing to buy and sell such security for his own account on a regular or continuous basis.

"(39) A person is subject to a 'statutory disqualification' with respect to membership or participation in, or association with a member of, a self-regulatory organization, if such person—

"(A) has been and is expelled or suspended from membership or participation in, or barred or suspended from being associated with a member of, any self-regulatory organization;

"(B) is subject to an order of the Commission denying, suspending for a period not exceeding twelve months, revoking his registration as a broker, dealer, or municipal securities dealer, or barring his being associated with a broker, dealer, or municipal securities dealer;

"(C) by his conduct while associated with a broker, dealer, or municipal securities dealer has been found to be a cause of any effective suspension, expulsion, or order of the character described in subparagraph (A) or (B) of this paragraph, and in entering such a suspension, explusion, or order, the Commission or any such self-regulatory organization shall have jurisdiction to find whether or not any person was a cause thereof;

"(D) has associated with him any person who is known, or in the exercise of reasonable care should be known, to him to be a person described by subparagraph (A), (B), or (C) of this paragraph; or

"(E) has committed or omitted any act enumerated in subparagraph (D) or (E) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the date of the filing of an application for membership or participation in, or to become associated with a member of, such self-regulatory organization, is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph(4), has willfully made or caused to be made in any application for membership or participation in, or to become associated with a member of, a self-regulatory organization, report required to be filed with a self-regulatory organization, or proceeding before a self-regulatory organization, any statement which was at the time and in the light of circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application, report, or proceeding any material fact which is required to be stated therein."

(g) Subsection (b) thereof is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, as to matters within their respective jurisdictions, shall have power by rules and regulations to define technical, trade, accounting, and other terms used in this title, whether or not defined in this title, consistently with the purposes of this title.".

(h) The section is further amended by adding at the end thereof the following new subsection:

"(d) No issuer of municipal securities or officer or employee thereof acting in the course of his official duties as such shall be deemed to be a 'broker', 'dealer', or 'municipal securities dealer' solely by reason of buying, selling, or effecting transactions in the issuer's securities.".

SEC. 4. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) An exchange may be registered as a national securities exchange under the terms and conditions hereinafter provided in this section and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the exchange and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) An exchange shall not be registered as a national securities exchange unless the Commission determines that—

"(1) Such exchange is so organized and has the capacity to be able to carry out the purposes of this title and to comply, and (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) to enforce compliance by its members and persons associated with its members, with the provisions of this title, the rule and regulations thereunder, and the rules of the exchange.

"(2) Subject to the provisions of subsection (c) of this section, the rules of the exchange provide that any registered broker or dealer or natural person associated with a registered broker or dealer may become a member of such exchange and any person may become associated with a member thereof.

"(3) The rules of the exchange assure a fair representation of its members in the selection of its directors and administration of its affairs.

"(4) The rules of the exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

"(5) The rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title or the administration of the exchange.

"(6) The rules of the exchange provide that (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) its members and persons associated with its members shall be appropriately disciplined for violation of the provisions of this title, the rules or regulations thereunder, or the rules of the exchange, by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, being suspended or barred from being associated with a member, or any other fitting sanction.

"(7) The rules of the exchange are in accordance with the provisions of subsection (d) of this section, and, in general, provide a fair procedure for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the exchange of any person with respect to access to services offered by the exchange or a member thereof.

"(8) The rules of the exchange do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(c)(1) A national securities exchange shall deny membership to any (A) person, other than a natural person, which is not a registered broker or dealer or (B) natural person who is not associated with a registered broker or dealer and who is not himself a registered broker or dealer.

"(2) A national securities exchange may, and in cases in which the Commission, by order, directs as appropriate in the public interest shall, deny membership to any registered broker or dealer or natural person associated with a registered broker or dealer, and bar from becoming associated with a member any person, who is subject to a statutory disqualification. A national securities exchange shall file notice with the Commission not less than thirty days prior to admitting any person to membership or permitting any person to become associated with a member, if the exchange knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3)(A) A national securities exchange may deny membership to, or condition the membership of, a registered broker or dealer if (i) such broker or dealer does not meet such standards of financial responsibility and operational capability and such broker or dealer and all natural persons associated with such broker or dealer do not meet such standards of training, experience, and competence as are prescribed by the rules of the exchange or (ii) such broker or dealer or person associated with such broker or dealer has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A national securities exchange may examine and verify the qualifications of an applicant to be a member and the natural persons associated with such an applicant in accordance with procedures established by the rules of the exchange.

"(B) A national securities exchange may bar a natural person from becoming a member or associated with a member, or condition the membership of a natural person or association of a natural person with a member, if such person (i) does not meet such standards of training, experience, an competence as are prescribed by the rules of the exchange or (ii) has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A national securities exchange may examine and verify the qualifications of an applicant to become a person associated with a member in accordance with procedures established by the rules of exchange and require any person associated with a member, or any class of such persons, to be registered with the exchange in accordance with procedures so established.

"(C) A national securities exchange may bar any person from becoming associated with a member if such person does not agree (i) to supply the exchange with such information with respect to its relationship and dealings with the member as may be specified in the rules of the exchange and (ii) to permit the examination of its books and records to verify the accuracy of any information so supplied.

"(4) Subject to the provisions of section 19(c) of this title, a national securities exchange may limit the number of members of the exchange and the number of members and designated representatives of members permitted to effect transactions on the exchange without the services of another person acting as broker.

"(d)(1) In any proceeding by a national securities exchange to determine whether a member or person associated with a member should be disciplined (other than a summary proceeding pursuant to paragraph (3) of this subsection), the exchange shall bring specific charges, notify such member or person of, and give him an opportunity to defend against, such charges, and keep a record. A determination by the exchange to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with a member has been found to have engaged, or which such member or person has been found to have omitted;

"(B) the specific provision of this title, the rules or regulations thereunder, or the rules of the exchange which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

"(2) In any proceeding by a national securities exchange to determine whether a person shall be denied membership, barred from becoming associated with a member, or prohibited or limited with respect to access to services offered by the exchange or a member thereof (other than a summary proceeding pursuant to paragraph (3) of this subsection), the exchange shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial, bar, or prohibition or limitation under consideration and keep a record. A determination by the exchange to deny membership, bar a person from becoming associated with a member, or prohibit or limit a person with respect to access to services offered by the exchange or a member thereof shall be supported by a statement setting forth the specific grounds on which the denial, bar, or prohibition or limitation is based.

"(3) A national securities exchange may summarily (A) suspend a member or person associated with a member who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, (B) suspend a member who is in such financial or operating difficulty that the exchange determines and so notifies the Commission that the member cannot be permitted to continue to do business as a member with safety to investors, creditors, other members, or the exchange, or (C) limit or prohibit any person with respect to access to services offered by the exchange if subaparagraph (A) or (B) of this paragraph is applicable to such person or, in the case of a person who is not a member, if the exchange determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members, or the exchange. Any person aggrieved by any such summary action shall be promptly afforded an opportunity for a hearing by the exchange in accordance with the provisions of paragraph (1) or (2) of this subsection. The Commission, by order, may stay any such summary action on its own motion or upon application by any person aggrieved thereby, if the Commission determines summarily or after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.

"(e) No national securities exchange shall impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members for affecting transactions on such exchange unless such schedule or rates of commissions, allowances, discounts, or other fees have been found by the Commission in connection with a proposed rule change filed pursuant to section 19(b) of this title to be reasonable in relation to the costs of providing the service for which such fees are charged (and the Commission publishes the standards employed in adjudging reasonableness) and necessary to accomplish the purposes of this title. Beginning with the enactment of the Securities Acts Amendments of 1975, and ending at the close of 1977, the Commission, on a regular basis, shall file with the Committees of the Congress having oversight of its activities, information with respect to the effects on the protection of investors, the maintenance of fair and orderly markets, and other purposes of this title of the absense of any schedule or fixed rates of commission to be charged by members of any national securities exchange for effecting transactions on such exchange.

"(f) The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to assure equal regulation, may—

"(1) require any person not a member or a designated representative of a member of a national securities exchange effecting transactions on such exchange without the services of another person acting as broker, or

"(2) any broker or dealer not a member of a national securities exchange effecting transactions on such exchange on a regular basis,

to comply with such rules of such exchange as the Commission may specify.".

SEC. 5. Section 11 of the Securities Exchange Act of 1934 (15 U.S.C. 78k) is amended as follows:

(a) The title is amended to read "TRADING BY MEMBERS OF EXCHANGES".

(b) Subsections (a) and (b) thereof are amended to read as follows:

"(a)(1) It shall be unlawful for any member of a national securities exchange to effect any transaction on such exchange for its own account, the account of an associated person, or an account with respect to which it or an associated person thereof exercises investment discretion: *Provided, however,* That this paragraph shall not make unlawful—

"(A) any transaction by a dealer acting in the capacity of market maker;

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered;

"(C) any stabilizing transaction effected in compliance with rules under section 10(b) of this title to facilitate a distribution of a security in which the member effecting such transaction is participating;

"(D) any bona fide arbitrage transaction, any bona fide hedge transaction involving a long or short position in an equity security and a long or short position in a security entitling the holder to acquire or sell such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction involving a recapitalization;

"(E) any transaction for the account of a natural person, the estate of a natural person, or a trust (other than an investment company) created by a natural person for himself or another natural person;

"(F) any transaction to offset a transaction made in error;

"(G) any transaction for a member's own account; and

"(H) any other transaction of a kind which the Commission, by rule, determines is consistent with the protection of investors and the maintenance of fair and orderly markets.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to assure equal regulation of exchange markets and markets occurring otherwise than on an exchange, may regulate or prohibit:

"(A) transactions on a national securities exchange not made unlawful by paragraph (1) of this subsection by any member thereof for its own account (unless such member is acting in the capacity of market maker or odd-lot dealer), the account of an associated person, or an account with respect to which such member or an associated person thereof exercises investment discretion; and

"(B) transactions otherwise than on a national securities exchange by any member of a national securities exchange, broker, or dealer or on a national securities exchange by any broker or dealer not a member thereof for its own account (unless such member, broker, or dealer is acting in the capacity of market maker), the account of an associated person, or an account with respect to which such member, broker, or dealer or associated person thereof exercises investment discretion.

"(3) The provisions of paragraph (1) of this subsection shall not be in effect with respect to transactions effected by any member of a national securities exchange for its own account, the account of an associated person, or an account with respect to which it or an associated person thereof exercises investment discretion:

"(A) for a period of twelve months following the date of enactment of the Securities Acts Amendments of 1975, if the total value of all such transactions effected by such member during such period on all national securities exchanges of which it is a member (other than transactions described in subparagraphs (A) through (F) of such paragraph (1)) does not exceed 20 per centum of the total value of all transactions effected by such member during such period on all such exchanges; and

"(B) for a period of twelve months following the period specified in subparagraph (A), if the total value of all such transactions effected by such member during such period on all national securities exchanges of which it is a member (other than transactions described in subparagraphs (A) through (F) of such paragraph (1)) does not exceed 10 per centum of the total value of all transactions effected by such member during such period on all such exchanges.

"(b) When not in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to remove impediments to and perfect the mechanism of a national market system, the rules of a national securities exchange may permit (1) a member to be registered as an odd-lot dealer and as such to buy and sell for his own account so far as may be reasonably necessary to carry on such odd-lot transactions, and (2) a member to be registered as a specialist. Under the rules and regulations of the Commission a specialist may be permitted to act as a broker and dealer or limited to acting as a broker or dealer. It shall be unlawful for a specialist or an official of the exchange to disclose information in regard to orders placed with such

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specialist which is not available to all members of the exchange, to any person other than an official of the exchange, a representative of the Commission, or a specialist who may be acting for such specialist: *Provided, however,* That the Commission, by rule, may require disclosure to all members of the exchange of all orders placed with specialist, under such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors. It shall also be unlawful for a specialist permitted to act as a broker and dealer to effect on the exchange as broker any transaction except upon a market or limited price order.".

(c) Subsection (e) thereof is deleted.

Sec. 6. The Securities Exchange Act of 1934 is amended by inserting after section 11 (15 U.S.C. 78k) the following new section:

"NATIONAL MARKET SYSTEM FOR SECURITIES; SECURITIES INFORMATION PROCESSORS

"Sec. 11A. (a)(1) The Congress finds that—

"(A) The securities markets are an important national asset which must be preserved and strengthened.

"(B) New data processing and communications techniques create the opportunity for more efficient and effective market operations.

"(C) It is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure—

"(i) economically efficient mechanisms for the execution of securities transactions;

"(ii) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets operating otherwise than on an exchange;

"(iii) the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities;

"(iv) an opportunity, consistent with the provisions of clause (i) of this subparagraph, for investors' orders to be executed without the participation of a dealer; and

"(v) the practicability of brokers executing such orders in the best market.

"(D) The linking of all markets for qualified securities through communication and data processing facilities will foster efficiency, enhance competition, increase the information available to brokers, dealers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders.

"(2) The Commission is directed, therefore, having due regard for the public interest, the protection of investors, and the maintenance of fair and orderly markets, to facilitate the establishment of a national market system for securities (which may include subsystems) in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection. The Commission, by rule, shall designate the securities or classes of securities qualified for trading in the national market system from among securities other than exempted securities. (Securities so designated are referred to in this section as 'qualified securities'.)

"(3)(A) The Commission is authorized in furtherance of the directive in paragraph (2) of this subsection—

"(i) to create one or more advisory committees pursuant to the Federal Advisory Committee Act and to employ one or more outside experts;

"(ii) to authorize or require self-regulatory organizations to act jointly with respect to matters as to which they share authority under this title in planning, developing, operating, or regulating a national market system (or a subsystem thereof) or one or more facilities thereof; and

"(iii) to conduct studies and make recommendations from time to time as to the possible need for modifications of the scheme of self-regulation provided for in this title so as to adapt it to a national market system.

"(B) The Commission shall include in its annual report to the Congress for each fiscal year beginning in 1975 and ending in 1980 (i) a description of the steps taken, and an evaluation of the progress made, toward the establishment of a national market system, and (ii) recommendations for further legislation it considers advisable with respect to such a system.

"(b)(1) Except as otherwise provided in this section, it shall be unlawful for any securities information processor unless registered in accordance with this subsection, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the functions of a securities information processor. The Commission, by rule or order, upon its own motion or upon application, may conditionally exempt any securities information processor or class of securities information processors or security or class of securities from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section, including the maintenance of fair and orderly markets in securities and the removal of impediments to and perfection of the mechanism of a national market system: *Provided, however,* That a securities information processor not acting as the exclusive processor of any information with respect to quotations for or transactions in securities is exempt from the requirement to register in accordance with this subsection unless the Commission, by rule or order, finds that the registration of such securities information processor is necessary or appropriate in the public interest, for the protection of investors, or for the achievement of the purposes of this section.

"(2) A securities information processor may be registered by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the address of its principal office or offices, the names of the securities and markets for which it is then acting and for which it proposes to act as a securities information processor, and such other information and documents as the Commission, by rule, may prescribe with regard to performance capability, standards and procedures for the collection, processing, distribution, and publication of information with respect to quotations for and transactions in securities, personnel qualifications, financial condition, and such other matters as the Commission determines to be germane to the provisions of this title and the rules and regulations thereunder, or necessary or appropriate in furtherance of the purposes of this section.

"(3) The Commission shall, upon the filing of an application for registration pursuant to paragraph (2) of this subsection, publish notice of the filing and afford interested persons an opportunity to submit written data, views, and arguments concerning such application. Within ninety days of the date of the publication of such notice (or within such longer period as to which the applicant consents), the Commission shall—

"(A) by order grant such registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within one hundred and eighty days of the date of publication of notice of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to sixty days if it finds good cause for such extension and publishes its reasons for so finding or for such longer periods as to which the applicant consents.

The Commission shall grant the registration of a securities information processor if the Commission finds that such securities information processor is so organized and has the capacity to be able to assure the prompt, accurate, and reliable performance of its functions as a securities information processor, comply with the provisions of this title and the rules and regulations thereunder, to carry out its functions in a manner consistent with the purposes of this section, and, insofar as it is acting as an exclusive processor, operate efficiently. The Commission shall deny the registration of a securities information processor if the Commission does not make any such finding.

"(4) A registered securities information processor may, upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered securities information processor is no longer in existence or has ceased to do business in the capacity specified in its application for registration, the Commission, by order, shall cancel the registration.

"(5)(A) If any registered securities information processor prohibits or limits any person in respect of access to services offered, directly or indirectly, by such securities information processor, the registered securities information processor shall promptly file notice thereof with the Commission. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Any prohibition or limitation on access to services with respect to which a registered securities information processor is required by this paragraph to file notice shall be subject to review by the Commission on its own motion, or upon application by any person aggrieved thereby filed within thirty days after such notice has been filed with the Commission and received by such aggrieved person, or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such prohibition or limitation, unless the Commission otherwise orders, summarily or after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of the submission of affidavits or presentation of oral arguments). The Commission shall establish for appropriate cases an expedited procedure for consideration and determination of the question of a stay.

"(B) In any proceeding to review the prohibition or limitation of any person in respect of access to services offered by a registered securities information processor, if the Commission, after notice and opportunity for hearing, finds that such prohibition or limitation is consistent with the provisions of this title and the rules and regulations thereunder and that such person has not been discriminated against unfairly, the Commission, by order, shall dismiss the proceeding. If the Commission does not make any such finding or if it finds that such prohibition or limitation imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title, the Commission, by order, shall set aside the prohibition or limitation and require the registered securities information processor to permit such person access to services offered by the registered securities information processor.

"(6) The Commission, by order, may censure or place limitations upon the activities, functions, or operations of any registered securities information processor or suspend for a period not exceeding twelve months or revoke the registration of any such processor, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation is in the public interest and necessary or appropriate for the protection of investors or to assure the prompt, accurate, or reliable performance of the functions of such securities information processor and that such securities information processor has violated or is unable to comply with any provision of this title or the rules or regulations thereunder.

"(c)(1) No self-regulatory organization, member thereof, securities information processor, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to collect, process, distribute, publish, or prepare for distribution or publication any information with respect to quotations for or transactions in any security (other than an exempted security), to assist, participate in, or coordinate the distribution or publication of such information, or to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to—

"(A) prevent the use, distribution, or publication of fraudulent, deceptive, or manipulative information with respect to quotations for and transactions in such securities;

"(B) assure the prompt, accurate, reliable, and fair collection, processing, distribution, and publication of information with respect to quotations for and transactions in such securities and the fairness and usefulness of the form and content of such information;

"(C) assure that all securities information processors may obtain for purposes of distribution and publication on fair and reasonable terms such information with respect to quotations for and transactions in such securities as is collected, processed, or prepared for distribution or publication by any exclusive processor of such information acting in such capacity;

"(D) assure that all exchange members, brokers, dealers, securities information processors, and, subject to such limitation as the Commission, by rule, may impose as necessary or appropriate for the protection of investors or maintenance of fair and orderly markets, other persons may obtain on terms which are not unreasonably discriminatory information with respect to quotations for and transactions in such securities published or distributed by any self-regulatory organization or securities information processor;

"(E) assure that all exchange members, brokers, and dealers transmit and direct orders for the purchase or sale of qualified securities in a manner consistent with the establishment and operation of a national market system; and

"(F) assure equal regulation of all markets for qualified securities and all exchange members, brokers, and dealers effecting transactions in such securities.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest or for the protection of investors, may require any person who has effected the purchase or sale of any qualified security by use of the mails or any means or instrumentality of interstate commerce to report such purchase or sale to a registered securities information processor, national securities exchange, or registered securities association and require such processor, exchange, or association to make appropriate distribution and publication of information with respect to such purchase or sale.

"(3)(A) If the Commission finds, after notice and opportunity for hearing and such consideration as it deems necessary or appropriate of conditions arising after the rules of national securities exchanges imposing any schedule or fixing rates of commissions (other than floor brokerage for effecting transactions for members), allowances, discounts, or other fees to be charged by its members for effecting transactions on such exchange have been eliminated, that as a result of transactions in securities registered pursuant to section 12(b) of this title effected otherwise than on a national securities exchange the fairness or orderliness of the markets for such securities has been or is likely to be affected in a manner contrary to the public interest or the protection of investors, the Commission, in accordance with its powers under this title, shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors to restore or maintain the fairness and orderliness of the markets for such securities. In addition to its other powers under this title, the Commission is authorized in prescribing rules and regulations under this subsection to prohibit brokers and dealers from effecting transactions in such securities otherwise than on a national securities exchange, if it makes the findings required by the preceding sentence and further finds that no rule of any national securities exchange unreasonably impairs the ability of any dealer to solicit or effect transactions in such securities for his own account or unreasonably restricts competition among dealers in such securities or between dealers acting in the capacity of market makers who are specialists in such securities and such dealers who are not specialists in such securities. The Commission may conditionally or unconditionally exempt any security or transaction or any class of securities or transactions from any such prohibition if the Commission deems such exemption consistent with the public interest and the protection of investors.

"(B) For the purposes of subparagraph (A) of this paragraph the ability of any dealer to solicit or effect transactions in securities for his own account shall not be deemed to be unreasonably impaired by any rule of an exchange fairly and reasonably prescribing the sequence in which orders brought to the exchange must be executed or which has been adopted to effect compliance with a rule of the Commission promulgated under this title.

"(C) No rule promulgated pursuant to the authorization in the second sentence of subparagraph (A) of this paragraph shall become effective until the rules of national securities exchanges imposing any schedule or fixing rates of commissions, allowances, discounts, or other charges have been eliminated or remain in effect after the Commission has determined that a national market system for securities has been established or April 30, 1978, whichever is earlier: *Provided, however,* That until a national market system has been established, the Commission may extend the effectiveness of any such rule beyond April 30, 1978, for successive periods of up to one year, if it finds that each such extension is necessary or appropriate in the public interest or for the protection of investors and reports its reasons for so finding to the Congress not less than sixty days before any such extension begins.

"(D) Nothing in this paragraph shall be construed to impair the Commission's powers or to modify the Commission's responsibilities under any other provision of this title.

"(d)(1) A council of persons satisfying the terms and conditions hereinafter provided in this subsection may be registered as the National Market Systems Council (hereinafter in this section referred to as the 'Council') in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form and containing such information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest, for the protection of investors, or to remove impediments to and perfect the mechanism of a national market system.

"(2) There shall be only one Council, and an applicant shall not be registered as the Council unless the Commission determines that—

"(A) Such applicant is so organized and has the capacity to be able to comply with the provisions and carry out the purposes of this title, and if there is more than one applicant, such applicant is the applicant best able to facilitate the removal of impediments to and the perfection of the mechanisms of a national market system.

"(B) The rules of such applicant assure a geographical distribution of the members of the Council, specify the terms such members shall serve, establish fair procedures for the nomination and election of such members, and assure fair representation in such nominations and elections of—

"(i) national securities exchanges;

"(ii) registered securities associations;

"(iii) registered brokers and dealers, including those primarily acting on behalf of individual investors, on behalf of institutional investors, and in the capacity of market maker;

"(iv) individual and institutional investors; and

"(v) securities information processors.

"(C) By reason of the number, experience, and competence of its members, their geographical distribution, the persons they represent, and the manner in which they were selected, such applicant will be able to assume the responsibilities imposed on the Council, exercise the authority granted to the Council, and act in furtherance of the purposes of this section.

"(3)(A) On and after the date of its registration, the Council is authorized to propose and adopt rules (in accordance with the provisions of section 19(b) of this title) designed to—

"(i) remove impediments to and perfect the mechanism of a national market system, to regulate the operations of such a system, and to foster cooperation and coordination with and among persons engaged in regulating, processing information with respect to, and facilitating transactions in qualified securities;

"(ii) require persons represented by its members (other than investors) to pay to the Council such reasonable fees (equitably allocated among them) as may be necessary or appropriate to defray the costs and expenses of administering the Council; and

"(iii) provide for the selection of a chairman from among its members, the compensation of its members, the appointment and compensation of employees, attorneys, and consultants, and such other matters with respect to the administration of the Council as may be necessary or appropriate to carry out the Council's functions under this section.

"(B) Notwithstanding any other provision of this title, the rules of the Council shall not (i) regulate by virtue of any authority conferred by this title matters not related to the establishment or operation of a national market system for securities or the administration of the Council or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(C) In exercising its authority under this section, the Council shall consult and coop-

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erate with national securities exchanges and registered securities associations toward the end that their respective responsibilities may be fulfilled and their respective rules may be consistent with both (i) the removal of impediments to, perfection of the mechanism of, and regulation of the operations of a national market system and (ii) the protection of investors, maintenance of fair and orderly markets, and prevention of conduct inconsistent with just and equitable principles of trade.

"(D) The Council shall report annually to the Congress as to the steps it has taken, and an evaluation of the progress it has made, toward removing impediments to and perfecting the mechanisms of a national market system, and recommendations for further legislation it considers advisable with respect to such a system.

"(4) (A) No broker, dealer, or securities information processor shall in contravention of any rule of the Council make use of the mails or any means or instrumentality of interstate commerce to (i) effect any transaction in, or, to induce or attempt to induce the purchase or sale of; any qualified security, (ii) collect, process, distribute, publish, or prepare for distribution or publication any information with respect to quotations for or transactions in any such security, or (iii) assist, participate in, or coordinate the distribution or publication of such information.

"(B) The Commission, by rule, as it deems necessary or appropriate in furtherance of the purposes of this section, may require any national securities exchange or registered securities association to comply, or to enforce compliance by its members, with any specified rule of the Council. Any rule of the Council which a national securities exchange or registered securities association is so required to enforce shall be deemed for purposes of sections 19(g) and 19(h) of this title to be a rule of such exchange or association.

"(C) The Commission, consistent with its responsibilities under this title, shall encourage the Council to assume primary responsibility for facilitating the establishment and regulating the operations of the national market system. Notwithstanding the preceding sentence, nothing in this subsection shall be construed to impair or limit the Commission's power to make, or to modify or alter the procedures the Commission may follow in making rules pursuant to any authority under this title.

"(D) Each member of the Council shsll be subject to the approval of the Commission to assure that—

"(i) he meets all standards laid down by the rules of the Council:

"(ii) he is able to comply with, assume the responsibilities imposed by reason of, exercise the authority conferred by, and further the purposes of this section; and

"(iii) viewed jointly with the other members of the Council, he satisfies the provisions of paragraph (2) (C) of this subsection and fairly represents the markets comprising, the facilities of, the participants in, and the investors using the national market system as it is then operating.".

Sec. 7. Section 12(f) of the Securities Exchange Act of 1934 (15 U.S.C. 781(f)) is amended as follows:

(a) Paragraphs (1) and (2) thereof are amended to read as follows:

"(f) (1) Notwithstanding the foregoing provisions of this section, any national securities exchange, subject to the terms and conditions hereinafter set forth—

"(A) may continue unlisted trading privileges to which a security had been admitted on such exchange prior to July 1, 1964;

"(B) upon application to and approval of such application by the Commission, may extend unlisted trading privileges to any security listed and registered on any other national securities exchange and

"(C) upon application to and approval of such application by the Commission, may extend unlisted trading privileges to any security registered pursuant to section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (g) (2) (B) or (g) (2) (G) of that section.

If an extension of unlisted trading privileges to a security is based upon its listing and registration on another national securities exchange, such privileges shall continue in effect only so long as such security remains listed and registered on a national securities exchange.

"(2) No application pursuant to this subsection shall be approved unless the Commission finds, after notice and opportunity for hearing, that the extension of unlisted trading privileges pursuant to such application is consistent with the maintenance of fair and orderly markets and the protection of investors. In considering an application for the extension of unlisted trading privileges to a security not listed and registered on a national securities exchange, the Commission shall, among other matters, take account of the public trading activity in such security, the character of such trading, the impact of such extension on the existing markets for such securities, and the desirability of removing impediments to and the progress that has been made toward the development of a national market system.".

(b) Paragraph (6) thereof is amended by striking the words "section 19(b) of".

Sec. 8. Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 781) is amended by adding at the end thereof the following new subsections:

"(j) The Commission is authorized, by order, as it deems necessary or appropriate for the protection of investors to deny, to suspend the effective date of, to suspend for a period not exceeding twelve months, or to revoke the registration of a security, if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder. No member of a national securities exchange, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security the registration of which has been and is suspended or revoked pursuant to the preceding sentence.

"(k) If in its opinion the public interest and the protection of investors so require, the Commisison is authorized summarily to suspend trading in any security (other than an exempted security) for a period not exceeding ten days, or with the approval of the President, summarily to suspend all trading on any national securities exchange or otherwise in securities other than exempted securities for a period not exceeding ninety days. No member of a national securities exchange, broker, or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security in which trading is so suspended.

"(l) It shall be unlawful for an issuer, any class of whose securities is registered pursuant to this section or would be required to be so registered except for the exemption from registration provided by subsection (g)(2)(B) or (g)(2)(G) of this section, by the use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, any of such securities in a form or with a format which contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate clearance and settlement of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts or variable life policies issued by an insurance company or its separate accounts.

"(m) The Commission is authorized and directed to make a study and investigation of the practice of recording the ownership of securities in the records of the issuer in other than the name of the beneficial owner of such securities and to determine (1) whether such practice is consistent with the purposes of this title, with particular reference to sections 12(g), 13, 14, 15(d), 16, and 17A, and (2) whether steps can be taken to facilitate communications between issuers and the beneficial owners of their securities while at the same time retaining the benefits of such practice. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of the Securities Acts Amendments of 1975, and its final conclusions and recommendations within one year of such date.".

Sec. 9. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce, in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities of a class described in section 13(d)(1) of this title having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such other amount (but in no case less than $10,000.000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe, but in no event shall such reports be filed for periods longer than one year or shorter than one quarter. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security of a class described in section 13(d)(1) of this title held on the last day of the reporting period by such accounts with respect to which the institutional investment manager possesses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchases and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction or series of transactions having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security of a class described in section 13(d)(1) of this title—

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or principal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribe.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally any institutional investment manager or security or any class of institutional investment managers or securities from any or all of the provisions of this subsection or the rules thereunder.

"(3) The Commission shall make available to the public for a reasonable fee a list of all equity securities of a class described in section 13(d)(1) of this title, updated no less frequently than reports are required to be filed pursuant to paragraph (1) of this subsection. The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in the view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such form as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 24 of this title. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

"(4) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest and for the protection of investors or to maintain fair and orderly markets or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection, national securities exchanges, and registered securities associations, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) consistently with the objective set forth in the preceding subparagraph, to avoid unnnecessarily duplicative reporting by and minimize the compliance burden on institutional investment managers. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) An institutional investment manager, required to file reports under this subsection, shall not be deemed to exercise investment discretion with respect to an account held outside the United States insofar as such discretion is exercised outside the United States, unless the Commission, by rule, otherwise prescribes as necessary or appropriate in furtherance of the purposes of this subsection.

"(C) The Commission shall adopt such rules at it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same amount.".

Sec. 10. Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended follows:

(a) The title thereof is amended to read: "REGISTRATION AND REGULATION OF BROKERS AND DEALERS".

(b) Subsections (a) and (b) thereof are amended to read as follows:

"(a)(1) It shall be unlawful for any broker or dealer which is a person other than a natural person or who is a natural person not associated with a broker or dealer which is a person other than a natural person (other than such a broker or dealer whose business is exclusively intrastate) to make use of the mails or any means or instrumentality of interestate commerce, to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless such broker or dealer is registered in accordance with subsection (b) of this section.

"(2) The Commission, by rule or order, as it deems necessary or appropriate in the public interest or for the protection of investors, may conditionally or unconditionally exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rule or order.

"(b)(1) A broker or dealer may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such broker or dealer and any persons associated with such broker or dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective thirty days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine.

"(2)(A) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application, in such form as the Commission, by rule, may prescribe, shall contain such information and documents concerning the applicant, the successor, and any persons associated with the applicant or the successor, as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. The grant or denial of registration to such an applicant shall be in accordance with the procedures set forth in paragraph (1) of this subsection. If the Commission grants such registration, the registration shall terminate on the forty-fifth day after the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt the application for registration as its own.

"(B) Any person who is a broker or dealer solely by reason of acting as a municipal securities dealer or municipal securities broker, who so acts through a separately identifiable department or division, and who so acted in such manner on the date of enactment of the Securities Act Amendments of 1975, may, in accordance with such terms and conditions as the Commission, by rule, prescribes as necessary and appropriate in the public interest and for the protection of investors, register such separately identifiable department or division in accordance with this subsection. If any such department or division is so registered, the department or division and not such person himself shall be the broker or dealer for purposes of this title.

"(3) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce is used in connection therewith shall also prohibit any such act, practice, or course of business by any registered broker or dealer or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(4) The Commission, by order, shall deny registration to, censure, place limitations on the activities, functions, or operations, of, suspend for a period not exceeding twelve months, or revoke the registration of any broker or dealer if it finds, on the record after notice and opportunity for hearing, that such denial, censure, placing of limitations, suspension, or revocation is in the public interest and that such broker or dealer, whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

"(A) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within ten years preceeding the filing of any application for registration or at any time thereafter of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security, the taking of a false oath, the making of a false report, bribery, perjury, burglary, or conspiracy to commit any such offense;

"(ii) arises out of the conduct of the business of a broker, dealer, municipal securities dealer, investment adviser, bank, insurance company, or fiduciary;

"(iii) involves the larceny, theft, robbery, extortion, forgery, counterfeiting, fraudulent concealment, embezzlement fraudulent conversion, or misappropriation of funds or securities; or

"(iv) involves the violation of section 152,

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1341, 1342, or 1343 or chapter 25 or 47 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, or municipal securities dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board, or the National Market System Council, or is unable to comply with any such provision.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board or has failed reasonably to supervise, with a view of preventing violations of the provisions of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this subparagraph (E) no person shall be deemed to have failed reasonably to supervise any other person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (6) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer which order is in effect with respect to such person.

"(5)(A) Pending final determination whether any registration under this subsection shall be denied, the Commission by order, may postpone the effective date of such registration for a period not to exceed fifteen days, but if, after notice and opportunity for hearing (which may consist solely of affidavits and oral arguments), it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, the Commission shall so order.

"(B) Pending final determination whether any registration under this subsection shall be revoked, the Commission, by order, may suspend such registration, if such suspension appears to the Commission, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors.

"(C) Any registered broker or dealer may, upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer, or any broker or dealer for whom an application for registration is pending, is no longer in existence or has ceased to do business as a broker or dealer, the Commission, by order, shall cancel or deny the registration of such broker or dealer.

"(6) The Commission, by order, shall censure or place limitations on the activities or functions of any person associated with a broker or dealer, or suspend for a period not exceeding twelve months or bar any person from being associated with a broker or dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of this subsection or has been convicted of any offense specified in subparagraph (B) of said paragraph (4) within ten years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in subparagraph (C) of said paragraph (4). It shall be unlawful for any person as to whom such an order suspending or barring him from being associated with a broker or dealer is in effect willfully to become, or to be, associated with a broker or dealer without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care should have known, of such order.

"(7) No registered broker or dealer shall, during any period when it is not a member of a registered securities association, effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange of which it is a member) unless such broker or dealer meets such standards of operational capability and such broker or dealer and all natural persons associated with such broker or dealer meet such standards of training, experience, competence, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) appropriately classify brokers and dealers (taking into account relevant matters, including types of business done and nature of securities sold) and persons associated with brokers and dealers;

"(B) specify that all or any portion of such standards shall be applicable to any such class;

"(C) require persons in any class to pass tests prescribed in accordance with such rules and regulations; and

"(D) provide that persons in any such class other than brokers and dealers and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such standards of training and such other qualifications as the Commission finds appropriate.

The Commission, by rule, may prescribe reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any test administered by it or under its direction. The Commission may cooperate with registered securities associations and national securities exchanges in devising and administering tests and may require registered brokers and dealers and persons associated with such brokers and dealers to pass tests administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such tests.

"(8) In addition to the fees and charges authorized by paragraph (7), each registered broker or dealer not a member of a registered securities association shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such broker or dealer effects transactions in securities otherwise than on a national securities exchange of which it is a member and is not a member of such a securities association. The Commission, by rule, shall establish such fees and charges.

"(9) No broker or dealer subject to paragraph (7) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange of which it is a member) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

"(10) For purposes of determining whether a person is subject to a statutory disqualification under section 6(c)(2), 15A(g)(2), or 17A(b)(B), of this title, the term "Commission' in paragraph (4)(B) of this subsection shall mean 'exchange', 'association', or 'clearing agency', respectively.

(c) Paragraphs (1) and (2) of subsection (c) thereof are amended to read as follows:

"(c)(1) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which it is a member by means of any manipulative, deceptive, or other fraudulent device or contrivance, and no municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security by means of any manipulative, deceptive, or other fraudulent device or contrivance. The Commission shall, for the purposes of this paragraph, by rules and regulations define such devices or contrivances as are manipulative, deceptive, or otherwise fraudulent.

"(2) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which it is a member, in connection with which such broker or dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation, and no municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security in connection with which such municipal securities dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation. The Commission shall, for the purposes of this paragraph, by rules and regulations define, and prescribe means reasonably designed to prevent, such acts and practices as are fraudulent, deceptive, or manipulative and such quotations as are fictitious.".

(d) Paragraph (5) of subsection (c) thereof is amended to read as follows:

"(5) No dealer (other than a specialist registered on a national securities exchange) acting in the capacity of market maker or otherwise shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or a municipal security) in contravention of such specified and appropriate standards with respect to dealing as the Commission, by rule, shall prescribe as necessary or appropriate in the public interest and for the protection of investors, to maintain fair and orderly markets, or to remove impediments to and perfect the mechanism of a national market system. Under the rules of the Commission a dealer in a security may be prohibited from acting as a broker in that security."

(e) Subsection (c) thereof is further amended by adding at the end thereof the following new paragraph:

"(6) No broker or dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security, municipal security, commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest and for the protection of investors or to perfect or remove impediments to a national system for the prompt and accurate clearance and settlement of securities transactions, with respect to the time and method of, and the form and format of documents used in connection with, making settlements, payments, transfers, and deliveries of securities and of closing accounts. Nothing in this paragraph shall be construed (A) to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or (B) to authorize the Commission to prescribe rules or regulations for such purposes.".

(f) The section is further amended by adding at the end thereof the following new subsection:

"(e) The Commission, by rule, as it deems necessary or appropriate in the public interest and for the protection of investors or to assure equal regulation, may require any member of a national securities exchange not required to register under section 15 of this title and any person associated with any such member to comply with any provision of this title (other than section 15(a)) or the rules or regulations thereunder which by its terms regulates or prohibits any act, practice, or course of business by a 'broker or dealer' or 'registered broker or dealer' or a 'person associated with a broker or dealer,' respectively.".

SEC. 11. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended as follows:

(a) The title thereof is amended to read: "REGISTERED SECURITIES ASSOCIATIONS".

(b) Subsections (a) and (b) thereof are amended to read as follows:

"(a) An association of brokers and dealers may be registered as a national securities association pursuant to subsection (b), or as an affiliated securities association pursuant to subsection (d), under the terms and conditions hereinafter provided in this section and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the association and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(b) An association of brokers and dealers shall not be registered as a national securities association unless the Commission determines that—

"(1) By reason of the number and geographical distribution of its members and the scope of their transactions such association will be able to carry out the purposes of this section.

"(2) Such association is so organized and has the capacity to be able to carry out the purposes of this title and to comply, and (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) to enforce compliance by its members and persons associated with its members, with the provisions of this title, the rules and regulations thereunder, the rules of the Municipal Securities Rulemaking Board, and the rules of the association.

"(3) Subject to the provisions of subsection (g) of this section, the rules of the association provide that any registered broker or dealer may become a member of such association and any person may become associated with a member thereof.

"(4) The rules of the association assure a fair representation of its members in the selection of its directors and administration of its affairs.

"(5) The rules of the association provide for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

"(6) The rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, to fix minimum profits, to impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by its members, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title or the administration of the association.

"(7) The rules of the association provide that (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) its members and persons associated with its members shall be appropriately disciplined for violation of any provision of this title, the rules or regulations thereunder, the rules of the Municipal Securities Rulemaking Board, or the rules of the association, by expulsion, suspension, limitation of activities, functions, and operations, fine, censure being suspended or barred from being associated with a member or any other fitting sanction.

"(8) The rules of the association are in accordance with the provisions of subsection (h) of this section, and, in general, provide a fair procedure for the disciplining of members and persons associated with members, the denial of membership to any person seeking membership therein, the barring of any person from becoming associated with a member thereof, and the prohibition or limitation by the association of any person with respect to access to services offered by the association or a member thereof.

"(9) The rules of the association do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(10) The requirements of subsection (c), insofar as these may be applicable, are satisfied.

"(11) The rules of the association include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designated to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.".

(c) The section is amended by striking out subsections (e), (f), (g), (h), (j), (k), (l), and (n) thereof, redesignating subsections (i) and (m) thereof as subsections (e) and (f), respectively, and amending redesignated subsection (e) to read as follows:

"(e)(1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember professional (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

"(2) For the purposes of this subsection, the term 'nonmember professional' shall include (A) with respect to transactions in securities other than municipal securities, any registered broker or dealer who is not a member of any registered securities association, except such a broker or dealer who deals exclusively in commercial paper, bankers' acceptances, and commercial bills, and (B) with respect to transactions in municipal securities, any municipal securities dealer for whom the Commission is the appropriate regulatory agency who is not a member of any registered securities association and any municipal securities broker who is not a member of any such association.

"(3) Nothing in this subsection shall be so construed or applied as to prevent (A) any member of a registered securities association from granting to any other member of any registered securities association any dealer's discount, allowance, commission, or special terms, in connection with the purchase or sale of securities, or (B) any member of a registered securities association or any municipal securities dealer for whom the Commission is not the appropriate regulatory agency from granting to any member of any registered securities association or any such municipal securities dealer any dealer's discount, allowance, commission, or special terms in connection with the purchase or sale of municipal securities: *Provided, however*, That the granting of any such discount, allowance, commission, or special terms in connection with the purchase or sale of municipal securities shall be subject to rules of the Municipal Securities Rulemaking Board adopted pursuant to section 15B(b)(2)(K) of this title.".

(d) The section is further amended by adding at the end thereof the following new subsections:

"(g)(1) A registered securities association shall deny membership to any person who is not a registered broker or dealer.

"(2) A registered securities association may, and in cases in which the Commission, by order, directs as appropriate in the public interest shall, deny membership to any registered broker or dealer and bar from becoming associated with a member of any person who is subject to a statutory disqualification. A registered securities association shall file notice with the Commission not less than thirty days prior to admitting any registered broker or dealer to membership or permitting any person to become associated with a member, if the association knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in

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the public interest or for the protection of investors.

"(3) (A) A registered securities association may deny membership to, or condition the membership of, a registered broker or dealer if (i) such broker or dealer does not meet such standards of financial responsibility and operational capability and such broker or dealer and all natural persons associated with such broker or dealer do not meet such standards of training, experience, and competence as are prescribed by the rules of the association or (ii) such broker or dealer or person associated with such broker or dealer has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A registered securities association may examine and verify the qualifications of an applicant to be a member and the natural persons associated with such an applicant in accordance with procedures established by the rules of the association.

"(B) A registered securities association may bar a natural person from becoming associated with a member or condition the association of a natural person with a member if such person (i) does not meet such standards of training, experience, and competence as are prescribed by the rules of the association or (ii) has engaged and there is a reasonable likelihood he will again engage in acts or practices inconsistent with just and equitable principles of trade. A registered securities association may examine and verify the qualifications of an applicant to become a person associated with a member in accordance with procedures established by the rules of the association and require a natural person associated with a member, or any class of such natural persons, to be registered with the association in accordance with procedures so established.

"(C) A registered securities association may bar any person from becoming associated with a member if such person does not agree (i) to supply the association with such information with respect to its relationship and dealings with the member as may be specified in the rules of the association and (ii) to permit examination of its books and records to verify the accuracy of any information so supplied.

"(4) A registered securities association may restrict or condition membership on such specified basis relating to the geographical distribution of, or type of business done by, its members, or on such other specified and appropriate basis as the Commission, by rule, determines to be consistent with the public interest and the purposes of this section.

"(h)(1) In any proceeding by a registered securities association to determine whether a member or person associated with a member should be disciplined (other than a summary proceeding pursuant to paragraph (3) of this subsection) the association shall bring specific charges, notify such member or person of, and give him an opportunity to defend against, such charges, and keep a record. A determination by the association to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with a member has been found to have engaged, or which such member or person has been found to have omitted;

"(B) the specific provision of this title, the rules or regulations thereunder, the rules of the Municipal Securities Rulemaking Board, or the rules of the association which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therfor.

"(2) In any proceeding by a registered securities association to determine whether a person shall be denied membership, barred from becoming associated with a member, or prohibited or limited with respect to access to services offered by the association or a member thereof (other than a summary proceeding pursuant to the paragraph (3) of this subsection), the association shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial, bar, or prohibition or limitation under consideration and keep a record. A determination by the association to deny membership, bar a person from becoming associated with a member, or prohibit or limit a person with respect to access to services offered by the association or a member thereof shall be supported by a statement setting forth the specific grounds on which the denial, bar, or prohibition or limitation is based.

"(3) A registered securities association may summarily (A) suspend a member or person associated with a member who has been and is expelled or suspended from any self-regulatory organization or barred or suspended from being associated with a member of any self-regulatory organization, (B) suspend a member who is in such financial or operating difficulty that the association determines and so notifies the Commission that the member cannot be permitted to continue to do business as a member with safety to investors, creditors, other members, or the association, or (C) limit or prohibit any person with respect to access to services offered by the association if subparagraph (A) or (B) of this paragraph is applicable to such person or, in the case of a person who is not a member, if the association determines that such person does not meet the qualification requirements or other prerequisites for such access and such person cannot be permitted to continue to have such access with safety to investors, creditors, members, or the association. Any person aggrieved by any such summary action shall be promptly afforded an opportunity for a hearing by the association in accordance with the provisions of paragraph (1) or (2) of this subsection. The Commission, by order, may stay any such summary action on its own motion or upon application by any person aggrieved thereby, if the Commission determines summarily or after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.".

SEC. 12. The Securities Exchange Act of 1934 is amended by inserting after section 15A (15 U.S.C. 78o–3) the following new section:

"MUNICIPAL SECURITIES

"SEC. 15B. (a)(1) It shall be unlawful for any municipal securities dealer (other than one registered as a broker or dealer under section 15 of this title) to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any municipal security unless such municipal securities dealer is registered in accordance with this subsection.

"(2) A municipal securities dealer may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such municipal securities dealer and any persons associated with such municipal securities dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Except as hereinafter provided, such registration shall become effective thirty days after the receipt of such application by the Commission or within such shorter period of time as the Commission may determine.

"(3) The Commission, by order, shall deny registration to any municipal securities dealer if it finds, after notice and opportunity for hearing, that if the applicant were so registered, its registration would be subject to suspension, revocation, or cancellation under subsection (c) of this section. Pending fiscal determination whether any registration this subsection shall be denied, the Commission, by order, may postpone the effective date of such registration for a period not to exceed fifteen days, but if, after notice and opportunity for hearing (which may consist solely of affidavits and oral arguments), it shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, the Commission shall so order.

"(4) Any provision of this title (other than section 5 or paragraph (1) of this subsection) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce is used in connection therewith shall also prohibit any such act, practice, or course of business by any registered municipal securities dealer or any person acting on behalf of such municipal securities dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(5) The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any broker, dealer, or municipal securities dealer or class of brokers, dealers, or municipal securities dealers from any provision of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section.

"(b)(1) Not later than one hundred and twenty days after the date of enactment of the Securities Act Amendments of 1975, the Commission shall establish a Municipal Securities Rulemaking Board (hereinafter in this section referred to as the 'Board') to be composed initially of nine members appointed by the Commission which shall perform the duties set forth in this section. The initial members of the Board shall serve as members for a term of two years, and shall consist of (A) three individuals who are not associated with any broker, dealer, or municipal securities dealer, at least one of whom shall be representative of investors in municipal securities, and at least one of whom shall be representative of issues of municipal securities (which members are hereinafter referred to as 'public representatives'); (B) three individuals who are associated with and representative of municipal securities brokers and municipal securities dealers which are not banks or subsidiaries or departments or divisions of banks (which members are hereinafter referred to as 'broker-dealer representatives'); and (C) three individuals who are associated with and representative of municipal securities dealers which are banks or subsidiaries or departments or divisions of banks (which members are hereinafter referred to as 'bank representatives'). Prior to the expiration of the terms of office of the initial members of the Board, an election shall be held under rules adopted by the Board (pursuant to subsection (b)(2)(B) of this section of the members to succeed such initial members.

"(2) The Board shall propose and adopt rules to effect the purposes of this title with respect to transactions in municipal securities by brokers, dealers, and municipal securities dealers. (Such rules are hereinafter collectively referred to in this title as 'rules of the Board'.) The rules of the Board, as a minimum, shall:

"(A) provide that no municipal securities broker or municipal securities dealer shall effect any transaction in, or induce or attempt to induce the purchase or sale of, any municipal security unless such municipal

securities broker or municipal securities dealer meets such standards of operational capability and such municipal securities broker or municipal securities dealer and every natural person associated with such municipal securities broker or municipal securities dealer meet such standards of training, experience, competence, and such other qualifications as the Board finds necessary or appropriate in the public interest or for the protection of investors. In connection with the definition and application of such standards the Board may—

"(i) appropriately classify municipal securities brokers and municipal securities dealers (taking into account relevant matters, including types of business done, nature of securities other than municipal securities sold, and character of business organization), and persons associated with municipal securities brokers and municipal securities dealers;

"(ii) specify that all or any portion of such standards shall be applicable to any such class;

"(iii) require persons in any such class to pass tests administered in accordance with subsection (c)(7) of this section; and

"(iv) provide that persons in any such class other than municipal securities brokers and municipal securities dealers and partners, officers, and supervisory employees of municipal securities brokers or municipal securities dealers, may be qualified solely on the basis of compliance with such standards of training and such other qualifications as the Board finds appropriate.

"(B) establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of municipal securities brokers and municipal securities dealers. Such rules shall provide that the membership of the Board shall at all times be equally divided among public representatives, broker-dealer representatives, and bank representatives, and that the public representatives shall be subject to approval by the Commission to assure that not one of them is associated with any broker, dealer or municipal securities dealer and that at least one is representative of investors in municipal securities and at least one is representative of issuers of municipal securities. Such rules shall also specify the term members shall serve and may increase the number of members which shall constitute the whole Board provided that such number is an odd number.

"(C) be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest; and not be designed to permit unfair discrimination between customers, issuers, municipal securities brokers, or municipal securities dealer, to fix minimum profits, to impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by members, to require an issuer of municipal securities, directly or indirectly, through a municipal securities dealer or otherwise, to furnish to the Board or to a purchaser or prospective purchaser any application, report, document, or other information with respect to such issuer: *Provided, however*, That rules of the Board may be designed to require municipal securities brokers and municipal securities dealers to furnish to the Board or to purchasers or prospective purchasers applications, reports, documents or other information with respect to an issuer which is obtainable from a source other than such issuer, to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title with respect to municipal securities or the administration of the Board, or to impose any burden on competition not necessary or appropriate in furtherance of such purposes.

"(D) if the Board deems appropriate, provide for the arbitration of claims, disputes, and controversies relating to transactions in municipal securities: *Provided, however*, That no person other than a municipal securities broker, municipal securities dealer, or person associated with such a municipal securities broker or municipal securities dealer may be compelled to submit to such arbitration except at his instance and in accordance with section 29 of this title.

"(E) provide for the periodic examination in accordance with subsection (c)(7) of this section of municipal securities brokers and municipal securities dealers to determine compliance with applicable provisions of this title, the rules and regulations thereunder, and the rules of the Board. Such rules shall specify the minimum scope and frequency of such inspections and shall be designed to avoid unnecessary regulatory duplication or undue regulatory burdens for any such municipal securities broker or municipal securities dealer.

"(F) include provisions governing the form and content of quotations relating to municipal securities which may be distributed or published by any municipal securities broker, municipal securities dealer, or person associated with such a municipal securities broker or municipal securities dealer, and the persona to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, distributing, and publishing quotations.

"(G) prescribe records to be made and kept by municipal securities brokers and municipal securities dealers and the periods for which such records shall be preserved.

"(H) define the term 'separately identifiable department or division', as that term is used in section 3(a)(30) of this title, in accordance with specified and appropriate standards to assure that a bank is not deemed to be engaged in the business of buying and selling municipal securities through a separately identifiable department or division unless such department or division is organized and administered so as to permit independent examination and enforcement of applicable provisions of this title, the rules and regulations thereunder and the rules of the Board. A separately identifiable department or division of a bank may be engaged in lawful activities other than those relating to municipal securities.

"(I) provide for the operation and administration of the Board, including the selection of a Chairman from among the members of the Board, the compensation of the members of the Board, and the appointment and compensation of such employees, attorneys, and consultants as may be necessary for carrying out the Board's functions under this section.

"(J) provide that each municipal securities broker and each municipal securities dealer shall pay to the Board such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of operating and administering the Board. Such rules shall specify the amount of such fees and charges.

"(K) establish the terms and conditions under which any municipal securities dealer may sell, or prohibit any municipal securities dealer from selling, any part of a new issue of municipal securities to a municipal securities investment portfolio during the underwriting period.

"(3) Nothing in this subsection shall be construed to impair or limit the power of the Commission under this title.

"(c)(1) No broker, dealer, or municipal securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induct or attempt to induce the purchase or sale of, any municipal security in contravention of any rule of the Board.

"(2) The Commission, by order, shall censure, place limitations on the activities, functions, or operations, suspend for a period not exceeding twelve months, or revoke the registration of any municipal securities dealer if it finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, denial, suspension, or revocation, is in the public interest and that such municipal securities dealer has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title or has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).

"(3) Pending final determination whether any registration under this section shall be revoked, the Commission, by order, may suspend such registration, if such suspension appears to the Commission, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors. Any registered municipal securities dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered municipal securities dealer is no longer in existence or has ceased to do business as a municipal securities dealer, the Commission, by order, shall cancel the registration of such municipal securities dealer.

"(4) The Commission, by order, shall censure any person associated with a municipal securities dealer or suspend for a period not exceeding twelve months or bar any person from being associated with a municipal securities dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15 (b) of this title or has been convicted of any offense specified in subparagraph (B) of said paragraph (4) within ten years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in subparagraph (C) of said paragraph (4). It shall be unlawful for any person as to whom an order entered pursuant to this paragraph or paragraph (5) of this subsection suspending or barring him from being associated with a municipal securities dealer is in effect willfully to become, or to be, associated with a municipal securities dealer without the consent of the Commission, and it shall be unlawful for any municipal securities dealer to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such municipal securities dealer knew, or, in the exercise of reasonable care should have known, of such order.

"(5) With respect to any municipal securities dealer for which the Commission is not the appropriate regulatory agency, the municipal security dealer may sanction any such municipal securities dealer in the manner and for the reasons specified in paragraph (2) of this subsection and sanction any person associated with such municipal securities dealer in the manner and for the

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reasons specified in paragrah (4) of this subsection. In addition, such appropriate regulatory agency may in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) enforce compliance by such muncipal securities dealer or any person associated with such municipal securities dealer with the provisions of this section, section 17 of this title, the rules of the Board, and the rules of the Commission pertaining to municipal securities dealers, persons associated with municipal securities dealers, and transactions in municipal securities. For purposes of the preceding sentence, any violation of any such provision shall constitute adequate basis for the issuance of any order under section 8(b) or 8(c) of the Federal Deposit Insurance Act, and the customers of any such municipal securities dealer shall be deemed to be 'depositors' as that term is used in section 8(c) of that Act. Nothing in this paragraph shall be construed to affect in any way the powers of such appropriate regulatory agency to proceed against such municipal securities dealer under any other provision of law.

"(6) The Commission shall, prior to the entry of an order of investigation, or commencement of any proceedings, against any municipal securities dealer, or person associated with any municipal securities dealer, for which it is not the appropriate regulatory agency, for violation of any provision of this section, section 15(c)(1) or 15(c)(2) of this title, any rule or regulation under any such section, or any rule of the Board, give notice to the appropriate regulatory agency for such municipal securities dealer of the identity of such municipal securities dealer or person associated with such a municipal securities dealer and the nature of and basis for such proposed action and consult with such appropriate regulatory agency concerning the effect of such proposed action on sound banking practices and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by such appropriate regulatory agency against such municipal securities dealer or associated person. The appropriate regulatory agency for a municipal securities dealer (if other than the Commission) shall, prior to the entry of an order of investigation, or commencement of any proceedings, against such municipal securities dealer, for violation of any provision of this section, the rules of the Board, or the rules or regulations of Commission pertaining to municipal securities dealers, persons associated with municipal securities dealers, or transactions in municipal securities, give notice to the Commission of the identity of such municipal securities dealer or person associated with such municipal securities dealer and the nature of and basis for such proposed action and consult with the Commission concerning the effect of such proposed action on the production of investors and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by the Commission against such municipal securities dealer or associated person. Nothing in this paragraph shall be construed to impair or limit (other than by the requirement of prior consultation) the power of the Commission or the appropriate regulatory agency for a municipal securities dealer to initiate any such action or to affect in any way the power of the Commission or such appropriate regulatory agency to initiate any other action pursuant to this title or any other provision of law.

"(7)(A) Tests required pursuant to subsection (b)(2)(A)(iii) of this section shall be administered by or on behalf of and periodic examinations pursuant to subsection (b)(2)(E) of this section shall be conducted by—

"(i) a registered securities association, in the case of municipal securities brokers and municipal securities dealers which are members or such association; and

"(ii) the appropriate regulatory agency for any municipal securities broker or municipal securities dealer, in the case of all other municipal securities brokers and municipal securities dealers.

"(B) A registered securities association shall make a report of any examination conducted pursuant to subsection (b)(2)(E) of this section and promptly furnish the Commission a copy thereof and any data supplied to it in connection with such examination. Subject to such limitations as the Commission, by rule, determines to be necessary or appropriate in the public interest or for the protection of investors, the Commission shall, on request, make available to the Board a copy of any report of an examination of a municipal securities broker or municipal securities dealer made by or furnished to the Commission pursuant to this paragraph or section 17(c)(3) of this title.

"(8) The Commission is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, to remove from office or censure any member or employee of the Board, who, the Commission finds, on the record after notice and opportunity for hearing, has willfully (A) violated any provision of this title, the rules and regulations thereunder or the rules of the Board or (B) abused his authority.

"(d) Neither the Commission nor the Municipal Securities Rulemaking Board is authorized under this title, by rule or regulation, to require an issuer of municipal securities, directly or indirectly through a purchaser or prospective purchaser of securities from the issuer, to file with the Commission or the Board prior to the sale of such securities by the issuer any application, report or document in connection with the issuance, sale, or distribution of such securities.".

SEC. 13. Section 17 of the Securities Exchange Act of 1934 (1[illegible] U.S.C. 78q) is amended by striking subsection (a), redesignating subsection (b) as subsection (f), and inserting the following as subsections (a), (b), (c), (d), and (e):

"(a)(1) Every national securities exchange, member thereof, broker or dealer who transacts a business in securities through the medium of any such member, registered securities association, registered broker or dealer, registered municipal securities dealer, registered securities information processor, and registered clearing agency and the Municipal Securities Rulemaking Board and the National Market System Council shall make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Commission, by rule, prescribes as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title.

"(2) Every registered clearing agency shall also make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports, as the appropriate regulatory agency for such clearing agency, by rule, prescribes as necessary or appropriate for the safeguarding of securities and funds in the custody or control of such clearing agency or for which it is responsible.

"(3) Every registered transfer agent shall make and keep for prescribed periods such records, furnish such copies thereof, and make such reports as the appropriate regulatory agency for such transfer agent, by rule, prescribes as necessary or appropriate in furtherance of the purposes of section 17A of this title.

"(b) All records of persons described in subsection (a) of this section are subject at any time, or from time to time, to such reasonable periodic, special, or other examinations by representatives of the Commission and the appropriate regulatory agency as the Commission or the appropriate regulatory agency for such persons deems necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title: *Provided, however,* That the Commission shall not conduct any such examination of a registered clearing agency or registered transfer agent for which it is not the appropriate regulatory agency unless the Commission determines the examination is (1) germane to the Commission's consideration of a clearing agency's application for registration in accordance with section 19(a) of this title or proposed rule change in accordance with section 19(b) of this title or Commission rulemaking pursuant to section 17A (d)(1) of this title, and (2) necessary or appropriate for the Commission's proper performance of its responsibilities under this title: *And provided further*, That the Commission shall, prior to conducting any such examination of a registered clearing agency, registered transfer agent, or registered municipal securities dealer for which it is not the appropriate regulatory agency, give notice to the appropriate regulatory agency for such clearing agency, transfer agent, or municipal securities dealer of such proposed examination and consult with such appropriate regulatory agency concerning the feasibility and desirability of coordinating such examination with examinations conducted by such appropriate regulatory agency with a view to avoiding unnecessary regulatory duplication or undue regulatory burdens for such clearing agency, transfer agent, or municipal securities dealer. Nothing in the second proviso of the preceding sentence shall be construed to impair or limit (other than by the requirement of prior consultation) the power of the Commission under this subsection to examine any clearing agency, transfer agent, or municipal securities dealer, and nothing in either proviso of the preceding sentence shall be construed to affect in any way the power of the Commission under any other provision of this title or otherwise to inspect, examine, or investigate any such clearing agency, transfer agent, or municipal securities dealer.

"(c)(1) Every clearing agency, transfer agent, and municipal securities dealer for which the Commission is not the appropriate regulatory agency shall (A) file with the appropriate regulatory agency a copy of any application, notice, proposal, report, or document filed with the Commission by reason of being a clearing agency, transfer agent, or municipal securities dealer and (B) file with the Commission a copy of any application, notice, proposal, report, or document filed with the appropriate regulatory agency by reason of being a clearing agency, transfer agent, or municipal securities dealer. The Municipal Securities Rulemaking Board shall file with each agency enumerated in section 3(a)(34)(A) of this title copies of every proposed rule change filed pursuant to section 19(b) of this title.

"(2) The appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall file with the Commission notice of the commencement of any proceeding and a copy of any order entered by such appropriate regulatory agency against such clearing agency, transfer agent, or municipal securities dealer, and the Commission shall file with such appropriate regulatory agency notice of the commencement of any proceeding and a copy of any order entered by the Commission against such clearing agency, transfer agent, or municipal securities dealer.

"(3) The Commission and the appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall each notify the other and make a report of any examination conducted by it or such clearing agency, transfer agent, or municipal securities dealer, and, upon request, furnish to the other a copy of such report and any data supplied to it in connection with such examination.

"(d)(1) The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, to foster cooperation and coordination among self-regulatory organizations, or to remove impediments to and foster the development of a national market system and national system for the clearance and settlement of securities transactions, may—

"(A) with respect to any person who is a member of or participant in more than one self-regulatory organization, relieve any such self-regulatory organization of any responsibility under this title (i) to receive regulatory reports from such person, (ii) to examine such person for compliance, or to enforce compliance by such person, with specified provisions of this title, the rules and regulations thereunder, and its own rules, or (iii) to carry out other specified regulatory functions with respect to such person, and

"(B) allocate among self-regulatory organizations and the National Market System Council the authority to adopt rules with respect to matters as to which, in the absence of such allocation, they share authority under this title.

In making any such rule, the Commission shall take into consideration the regulatory capability and procedures of the self-regulatory organizations and the National Market System Council, availability of staff, convenience of location, unnecessary regulatory duplication, and such other factors as the Commission may consider germane to the protection of investors, cooperation and coordination among self-regulatory organizations, and the development of a national market system and a national aystem for the clearance and settlement of securities transactions. The Commission, by rule or order, as it deems necessary or appropriate in the public interest and for the protection of investors, may require any self-regulatory organization relieved of any responsibility pursuant to this paragraph, and any person with respect to whom such responsibility relates, to take such steps as are specified in any such rule or order to notify customers of, and persons doing business with, such persor. of the limited nature of such self-regulatory organization's responsibility for such person's acts, practices, and course of business.

"(2) A self-regulatory organization shall furnish copies of any report of examination of any person who is a member of or participant in such self-regulatory organization to any other self-regulatory organization of which such person is a member or in which such person is a participant upon the request of such person, such other self-regulatory organization, or the Commission.

"(e)(1) Every registered broker or dealer shall annually file with the Commission a balance sheet certified by an independent public accountant, prepared on a calendar or fiscal year basis, and such other financial statements (which shall, as the Commission specifies, be certified) and such other information concerning its financial condition as the Commission, by rule, shall require as necessary or appropriate in the public interest or for the protection of investors. The Commission, by rule or order, may conditionally or unconditionally exempt any registered broker or dealer from any provision of the preceding sentence if the Commission determines that such exemption is consistent with the public interest and the protection of investors.

"(2) The Commission, by rule, as it deems necessary or appropriate in the public interest or for the protection of investors, may prescribe the form and content of financial statements filed pursuant to this title by brokers and dealers and the principles and standards used in the preparation of such statements.

"(f) Every national securities exchange, national securities association, broker, dealer, member of an exchange or association, transfer agent, clearing agency, and securities depository registered pursuant to this title, and every participant therein, and any member of the Federal Reserve System and any bank whose deposits are insured by the Federal Deposit Insurance Corporation shall—

"(1) report such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission determines by rule is necessary or appropriate in the public interest or for the protection of investors, to the Commission or to such other person as the Commission may by rule designate, and such information shall be made available, for a reasonable fee, to any such exchange, transfer agent, association, broker, dealer, member, clearing agency, or securities depository who shall request it;

"(2) make such inquiry with respect to information reported pursuant to this Subsection as the Commission decides, by rule, is necessary or appropriate in the public interest or for the protection of investors to determine whether securities transactions in which they are participating involve securities that have been reported as missing, lost, counterfeit, or stolen;

"(3) in the case of a clearing agency, securities depository, transfer agent, broker, dealer, or member, require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission may, by rule, exempt from the provisions of this paragraph upon such terms and conditions and for such period as it deems necessary or appropriate, any one or more classifications of partners, directors, officers, or employees of any one or more of such clearing agencies, securities depositories, transfer agents, brokers, dealers, or members if the Commission finds that such action is not inconsistent with the public interest or the protection of investors;

"(4) in order to carry out the authority given by paragraphs (1) and (2) above the Commission may enter into agreement with the Attorney General to use the facilities of the National Crime Information Center (NCIC) to receive, store, and disseminate information in regard to missing, lost, counterfeit, or stolen securities and to permit direct inquiry access to NCIC's file on such securities for the financial community;

"(5) in regard to paragraphs (1), (2) and (3) above insofar as they apply to any bank or member of the Federal Reserve System which is not registered pursuant to this title or a participant therein the commission may delegate its authority to:

"(A) the Comptroller of the Currency as to national banks and banks operating under the Code of Law for the District of Columbia or a subsidiary of any such bank;

"(B) the Federal Reserve Board in regard to any member of the Federal Reserve System which is not a national bank or a bank operating under the Code of Law for the District of Columbia or a subsidiary of any such bank; or

"(C) the Federal Deposit Insurance Corporation for any State bank or subsidiary thereof which is insured by the Federal Deposit Insurance Corporation but which is not a member of the Federal Reserve System; and

"(6) the Commission shall make efforts to encourage the insurance industry to require their insured to expeditiously report instances of missing, lost, counterfeit, or stolen securities to the Commission or to such other person as the Commission may, by rule, designate to receive such information.".

SEC. 14. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"NATIONAL SYSTEM FOR THE CLEARANCE AND SETTLEMENT OF SECURITIES TRANSACTIONS

"SEC. 17A. (a)(1) The Congress finds that—

"(A) The prompt and accurate clearance and settlement of securities transactions including the transfer of record ownership and the safeguarding of securities and funds related thereto are necessary for the protection of investors and persons facilitating transactions by and acting on behalf of investors.

"(B) Inefficient procedures for clearance and settlement impose unnecessary costs on investors and persons facilitating transactions by and acting on behalf of investors.

"(C) New data processing and communications techniques create the opportunity for more efficient, effective, and safe procedures for clearance and settlement.

"(D) The linking of all clearance and settlement facilities and the development of uniform standards and procedures for clearance and settlement will reduce unnecessary costs and increase the protection of investors and persons facilitating transactions by and acting on behalf of investors.

"(2) The Commission is directed, therefore, having due regard for the public interest, the protection of investors, the safeguarding of securities and funds, and maintenance of fair competition among brokers and dealers, clearing agencies, and transfer agents, to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of transactions in securities (other than exempted securities) in accordance with the findings and to carry out the objectives set forth in paragraph (1) of this subsection. The Commission shall take such steps as are within its power to assure equal regulation under this title of registered clearing agencies and registered transfer agents.

"(b)(1) Except as otherwise provided in this section, it shall be unlawful for any clearing agency, unless registered in accordance with this subsection, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the functions of a clearing agency with respect to any security (other than an exempted security). The Commission, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any clearing agency or security or any class of clearing agencies or securities from any provisions of this section or the rules or regulations thereunder, if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this section, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds. A clearing agency or transfer agent shall not perform the functions of both a clearing agency and a transfer agent unless such clearing agency or transfer agent is registered in accordance with this subsection and subsection (c) of this section.

"(2) A clearing agency may be registered under the terms and conditions hereinafter provided in this subsection and in accordance with the provisions of section 19(a) of this title, by filing with the Commission an application for registration in such form as the Commission, by rule, may prescribe containing the rules of the clearing agency and such other information and documents as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the prompt and accurate clearance and settlement of securities transactions.

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"(3) A clearing agency shall not be registered unless the Commission determines that—

"(A) Such clearing agency is so organized and has the capacity to be able to facilitate the prompt and accurate clearance and settlement of securities transactions for which it is responsible, to safeguard securities and funds in its custody or control or for which it is responsible, to comply with the provisions of this title and the rules and regulations thereunder, to enforce (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) compliance by its participants with the rules of the clearing agency, and to carry out the purposes of this section.

"(B) Subject to the provisions of paragraph (4) of this subsection, the rules of the clearing agency provide that any (i) registered broker or dealer, (ii) other registered clearing agency, (iii) registered investment company, (iv) bank, (v) insurance company, or (vi) such other person or class of persons as the Commission, by rule, may from time to time designate as appropriate to the development of a national system for the prompt and accurate clearance and settlement of securities transactions may become a participant in such clearing agency.

"(C) The rules of the clearing agency assure a fair representation of its shareholders (or members) and participants in the selection of its directors and administration of its affairs. (The Commission may determine that the representation of participants is fair if they are afforded a reasonable opportunity to acquire voting stock of the clearing agency, directly or indirectly, in reasonable proportion to their use of such clearing agency.)

"(D) The rules of the clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

"(E) The rules of the clearing agency do not impose any schedule of prices, or fix rates or other fees, for services rendered by its participants.

"(F) The rules of the clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible, to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination in the admission of participants or among participants in the use of the clearing agency, or to regulate by virtue of any authority conferred by this title matters not related to the purposes of this section or the administration of the clearing agency.

"(G) The rules of the clearing agency provide that (subject to any rule of the Commission pursuant to section 17(d) or 19(g)(2) of this title) its participants shall be appropriately disciplined for violation of any provision of the rules of the clearing agency by expulsion, suspension, limitation of activities, functions, and operations, fine, censure, or any other fitting sanction.

"(H) The rules of the clearing agency are in accordance with the provisions of paragraph (5) of this subsection, and, in general, provide a fair procedure with respect to the disciplining of participants, the denial of participation to any person seeking participation therein, and the prohibition or limitation by the clearing agency of any person with respect to access to services offered by the clearing agency.

"(I) The rules of the clearing agency do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(4)(A) A registered clearing agency may, and in cases in which the Commission, by order, directs as appropriate in the public interest shall, deny participation to any person subject to a statutory disqualification. A registered clearing agency shall file notice with the Commission not less than thirty days prior to admitting any person to participation, if the clearing agency knew, or in the exercise of reasonable care should have known, that such person was subject to a statutory disqualification. The notice shall be in such form and contain such information as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(B) A registered clearing agency may deny participation to, or condition the participation of, any person if such person does not meet such standards of financial responsibility, operational capability, experience, and competence as are prescribed by the rules of the clearing agency. A registered clearing agency may examine and verify the qualifications of an applicant to be a participant in accordance with procedures established by the rules of the clearing agency.

"(5)(A) In any proceeding by a registered clearing agency to determine whether a participant should be disciplined (other than a summary proceeding pursuant to subparagraph (C) of this paragraph), the clearing agency shall bring specific charges, notify such participant of, and give him an opportunity to defend against such charges, and keep a record. A determination by the clearing agency to impose a disciplinary sanction shall be supported by a statement setting forth—

"(i) any act or practice in which such participant has been found to have engaged, or which such participant has been found to have omitted;

"(ii) the specific provision of the rules of the clearing agency which any such act or practice, or omission to act, is deemed to violate; and

"(iii) the sanction imposed and the reason therefor.

"(B) In any proceeding by a registered clearing agency to determine whether a person shall be denied participation or prohibited or limited with respect to access to services offered by the clearing agency, the clearing agency shall notify such person of, and give him an opportunity to be heard upon, the specific grounds for denial or prohibition or limitation under consideration and keep a record. A determination by the clearing agency to deny participation or prohibit or limit a person with respect to access to services offered by the clearing agency shall be supported by a statement setting forth the specific grounds on which the denial or prohibition or limitation is based.

"(C) A registered clearing agency may summarily suspend and close the accounts of a participant who (i) has been and is expelled or suspended from any self-regulatory organization, (ii) is in default of any delivery of funds or securities to the clearing agency, or (iii) is in such financial or operating difficulty that the clearing agency determines and so notifies the appropriate regulatory agency for such participant that such suspension and closing of accounts are necessary for the protection of the clearing agency, its participants, or investors. A participant so summarily suspended shall be promptly afforded an opportunity for a hearing by the clearing agency in accordance with the provisions of subparagraph (A) of this paragraph. The appropriate regulatory agency for such participant, by order, may stay any such summary suspension on its own motion or upon application by any person aggrieved thereby, if such appropriate regulatory agency determines after notice and opportunity for hearing (which hearing may consist solely of the submission of affidavits or presentation of oral arguments) that such stay is consistent with the public interest and the protection of investors.

"(6) No registered clearing agency shall prohibit or limit access by any person to services offered by any participant therein.

"(c)(1) Except as otherwise provided in this section, it shall be unlawful for any transfer agent, unless registered in accordance with this section, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a transfer agent with respect to any security registered under section 12 of this title or which would be required to be registered except for the exemption from registration provided by subsection (g)(2)(B) or (g)(2)(G) of that section. The appropriate regulatory agency, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any person or security or class of persons or securities from any provision of this section or any rule or regulation prescribed under this section, if the appropriate regulatory agency finds (A) that such exemption is in the public interest and consistent with the protection of investors and the purposes of this section, including the prompt and accurate clearance and settlement of securities transactions and the safeguarding of securities and funds, and (B) the Commission does not object to such exemption.

"(2) A transfer agent may be registered by filing with the appropriate regulatory agency for such transfer agent an application for registration in such form and containing such information and documents concerning such transfer agent as such appropriate regulatory agency may prescribe as necessary or appropriate in furtherance of the purposes of this section. Except as hereinafter provided, such registration shall become effective thirty days after receipt of such application by such appropriate regulatory agency or within such shorter period of time as such appropriate regulatory agency may determine.

"(3)(A) The appropriate regulatory agency for a transfer agent, by order, shall deny registration to, censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding twelve months, or revoke the registration of such transfer agent, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such denial, censure, placing of limitations, suspension, or revocation is in the public interest or necessary for the protection of investors and that such transfer agent has willfully violated or is unable to comply with any provision of this section or section 17 of this title or the rules or regulations thereunder.

"(B) Pending final determination whether any registration by a transfer agent under this subsection shall be denied, the appropriate regulatory agency for such transfer agent, by order, may postpone the effective date of such registration for a period not to exceed fifteen days, but if, after notice and opportunity for hearing (which may consist solely of affidavits and oral arguments), it shall appear to such appropriate regulatory agency to be necessary or appropriate in the public interest or for the protection of investors to postpone the effective date of such registration until final determination, such appropriate regulatory agency shall so order. Pending final determination whether any registration under this subsection shall be revoked, such appropriate regulatory agency, by order, may suspend such registration, if such suspension appears to such appropriate regulatory agency, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors.

"(C) A registered transfer agent may, upon

such terms and conditions as the appropriate regulatory agency for such transfer agent deems necessary or appropriate in the public interest, for the protection of investors, or in furtherance of the purpose of this section, withdraw from registration by filing a written notice of withdrawal with such appropriate regulatory agency. If such appropriate regulatory agency finds that any registered transfer agent for which it is the appropriate regulatory agency, or any such transfer agent for which an application for registration is pending, is no longer in existence or has ceased to do business as a transfer agent, such appropriate regulatory agency, by order, shall cancel or deny the registration.

"(d)(1) No registered clearing agency or registered transfer agent shall, directly or indirectly, engage in any activity as clearing agency or transfer agent in contravention of such rules and regulations (A) as the Commission may prescribe as necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title, or (B) as the appropriate regulatory agency for such clearing agency or transfer agent may prescribe as necessary or appropriate for the safeguarding of securities and funds.

"(2) With respect to any clearing agency or transfer agent for which the Commission is not the appropriate regulatory agency, the appropriate regulatory agency for such clearing agency or transfer agent may in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) enforce compliance by such clearing agency or transfer agent with the provisions of this section, sections 17 and 19 of this title, and the rules and regulations thereunder. For purposes of the preceding sentence, any violation of any such provision shall constitute adequate basis for the issuance of an order under section 8(b) or 8(c) of the Federal Deposit Insurance Act, and the participants in any such clearing agency and the persons doing business with any such transfer agent shall be deemed to be 'depositors' as that term is used in section 8(c) of that Act.

"(3)(A) With respect to any clearing agency or transfer agent for which the Commission is not the appropriate regulatory agency, the Commission and the appropriate regulatory agency for such clearing agency or transfer agent shall consult and cooperate with each other, and, as may be appropriate, with State banking authorities having supervision over such clearing agency or transfer agent toward the end that, to the maximum extent practicable, their respective regulatory responsibilities may be fulfilled and the rules and regulations applicable to such clearing agency or transfer agent may be in accord with both sound banking practices and a national system for the prompt and accurate clearance and settlement of securities transaction. In accordance with this objective—

"(i) the Commission and such appropriate regulatory agency shall, at least fifteen days prior to the issuance for public comment of any proposed rule or regulation or adoption of any rule or regulation concerning such clearing agency or transfer agent, consult and request the views of the other; and

"(ii) such appropriate regulatory agency shall assume primary responsibility to enforce compliance by such clearing agency or transfer agent with the provisions of this section and sections 17 and 19 of this title.

"(B) Nothing in the preceding subparagraph or elsewhere in this title shall be construed to impair or limit (other than by the requirement of notification) the Commission's authority to make rules under any provision of this title or to enforce compliance pursuant to any provision of this title by any clearing agency or transfer agent with the provisions of this title and the rules and regulations thereunder.

"(4) Nothing in this section shall be construed to impair the authority of any State banking authority or other State or Federal regulatory authority having jurisdiction over a person registered as a clearing agency or transfer agent to make and enforce rules governing such person which are not inconsistent with this title and the rules and regulations thereunder.

"(e) The Commission shall use its authority under this title to bring about the discontinuation of the physical movement of securities certificates in connection with the settlement among brokers and dealers of transactions in securities consummated by means of the mails or other means or instrumentalities of interstate commerce.".

SEC. 15. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"REGISTRATION, RESPONSIBILITIES, AND OVERSIGHT OF SELF-REGULATORY ORGANIZATIONS

"SEC. 19. (a)(1) The Commission shall, upon the filing of an application for registration as a national securities exchange, registered securities association, or registered clearing agency or the National Market System Council, pursuant to section 6, 11A(d), 15A, or 17A of this title, respectively, publish notice of the filing and afford interested persons an opportunity to submit written data, views, and arguments concerning such application. Within one hundred and eighty days of the date of publication of such notice (or within such longer period as to which the applicant consents), the Commission shall—

"(A) by order grant such registration, or

"(B) institute proceedings to determine whether registration should be denied. Such proceedings shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within three hundred and sixty days of the date of publication of notice of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to sixty days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.
The Commission shall grant such registration if the Commission finds that the requirements of this title and the rules and regulations thereunder with respect to the applicant are satisfied. The Commission shall deny such registration if the Commission does not make such finding.

"(2) With respect to an application for registration filed by a clearing agency for which the Commission is not the appropriate regulatory agency—

"(A) The Commission shall not grant registration prior to the sixtieth day after the date of publication of notice of such application unless the appropriate regulatory agency for such clearing agency has notified the Commission of such appropriate regulatory agency's determination that such clearing agency is so organized and has the capacity to be able to safeguard securities and funds in its custody or control or for which it is responsible and that the rules of such clearing agency are designed to assure the safeguarding of such securities and funds.

"(B) The Commission shall institute proceedings in accordance with paragraph (1)(B) of this subsection to determine whether registration should be denied if the appropriate regulatory agency for such clearing agency notifies the Commission within sixty days of the date of publication of notice of such application of such appropriate regulatory agency's (i) determination that such clearing agency may not be so organized or have the capacity to be able to safeguard securities or funds in its custody or control or for which it is responsible or that the rules of such clearing agency may not be designed to assure the safeguarding of such securities and funds and (ii) reasons for such determination.

"(C) The Commission shall deny registration if the appropriate regulatory agency for such clearing agency notifies the Commission prior to the conclusion of proceedings in accordance with paragraph (1)(B) of this subsection of such appropriate regulatory agency's (i) determination that such clearing agency is not so organized or does not have the capacity to be able to safeguard securities or funds in its custody or control or for which it is responsible or that the rules of such clearing agency are not designed to assure the safeguarding of such securities or funds and (ii) reasons for such determination.

"(3) A self-regulatory organization may, upon such terms and conditions as the Commission, by rule, deems necessary or appropriate in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any self-regulatory organization is no longer in existence or has ceased to do business in the capacity specified in its application for registration, the Commission, by order, shall cancel the registration. Upon the withdrawal of a national securities association from registration or the cancellation, suspension, or revocation of the registration of a national securities association, the registration of any association affiliated therewith shall automatically terminate.

"(b)(1) Each self-regulatory organization shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed rule or any proposed change in, addition to, or deletion from the rules of such self-regulatory organization (hereinafter in this subsection collectively referred to as a 'proposed rule change') accompanied by a concise general statement of the basis and purpose of such proposed rule change. The Commission shall, upon the filing of any proposed rule change, publish notice thereof together with the terms of substance of the proposed rule change or a description of the subjects and issues involved. The Commission shall give interested persons an opportunity to submit written data, views, and arguments concerning the proposed rule change. No proposed rule change shall take effect unless approved by the Commission or otherwise permitted in accordance with the provisions of this subsection.

"(2) Within thirty-five days of the date of publication of notice of the proposed rule change under paragraph (1) of this subsection, or within such longer period up to ninety days of such date as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or such other period as to which the self-regulating organization consents, the Commission shall—

"(A) by order approve such proposed rule change, or

"(B) institute proceedings to determine whether the proposed rule change should be disapproved. Such proceedings shall include notice of the grounds for disapproval under consideration and opportunity for hearing and shall be concluded within one hundred and eighty days of the date of publication of notice of the proposed rule change. At the conclusion of such proceedings the Commission, by order, shall approve such proposed rule change or disapprove such proposed rule change. The Commission may extend the time for the conclusion of such proceedings for up to ninety days if it finds good cause for such extension and publishes its reasons for so finding or such longer period as to which the self-regulatory organization consents.
The Commission shall approve a proposed rule change of a self-regulatory organization

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if the Commission finds that such proposed rule change is consistent with the requirements of this title and the rules and regulations thereunder applicable to such organization. The Commission shall not approve any proposed rule change prior to the thirtieth day after the date of publication of notice of the proposed rule change, unless the Commission finds good cause for so doing and publishes its reasons for so finding.

"(3)(A) Notwithstanding the provisions of paragraph (2) of this subsection, a proposed rule change may take effect upon filing with the Commission if designated by the self-regulatory organization as (i) constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the self-regulatory organization, (ii) establishing or changing a fee or other charge imposed by the self-regulatory organization or (iii) concerned solely with the administration of the self-regulatory organization or other matters which the Commission, by rule, consistently with the public interest and the purposes of this subsection, may specify as without the provisions of such paragraph (2).

"(B) Notwithstanding any other provision of this subsection, a proposed rule change may be put into effect summarily if it appears to the Commission that such action is necessary for the protection of investors, the maintenance of fair and orderly markets, or the safeguarding of securities or funds. Any proposed rule change so put into effect shall be promptly thereafter filed in accordance with the provisions of paragraph (1) of this subsection.

"(C) Any proposed rule change of a self-regulatory organization which has taken effect pursuant to subparagraph (A) or (B) of this paragraph may be enforced by such organization to the extent it is not inconsistent with the provisions of this title, the rules and regulations thereunder, and applicable Federal and State law. At any time within sixty days of the date of filing of such a proposed rule change in accordance with the provisions of paragraph (1) of this subsection, the Commission summarily may abrogate the change in the rules of the self-regulatory organization made thereby and require that the proposed rule change be refiled in accordance with the provisions of paragraph (1) of this subsection and reviewed in accordance with the provisions of paragraph (2) of this subsection, if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title. Commission action pursuant to the preceding sentence shall not affect the validity or force of the rule change during the period it was in effect and shall not be reviewable under section 25 of this title nor deemed to be 'final agency action' for purposes of section 704 of title 5, United States Code.

"(4) With respect to a proposed rule change filed by a registered clearing agency for which the Commission is not the appropriate regulatory agency—

"(A) The Commission shall not approve any such proposed rule change prior to the thirtieth day after the date of publication of notice of the proposed rule change unless the appropriate regulatory agency for such clearing agency has notified the Commission of such appropriate regulatory agency's determination that the proposed rule change is consistent with the safeguarding of securities and funds in the custody or control of such clearing agency or for which it is responsible.

"(B) The Commission shall institute proceedings in accordance with paragraph (2)(B) of this subsection to determine whether any such proposed rule change should be disapproved if the appropriate regulatory agency for such clearing agency notifies the Commission within thirty days of the date of publication of the proposed rule change of such appropriate regulatory agency's (i) determination that the proposed rule change may be inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(C) The Commission shall disapprove any such proposed rule change if the appropriate regulatory agency for such clearing agency notifies the Commission prior to the conclusion of proceedings in accordance with paragraph (2)(B) of this subsection of such appropriate regulatory agency's (i) determination that the proposed rule change is inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(D) The Commission shall abrogate any change in the rules of such a clearing agency made by a proposed rule change which has taken effect pursuant to paragraph (3) of this subsection, require that the proposed rule change be refiled in accordance with the provisions of paragraph (1) of this subsection, and reviewed in accordance with the provisions of paragraph (2) of this subsection, if the appropriate regulatory agency for such clearing agency notifies the Commission within thirty days of the date of filing of such proposed rule change of such appropriate regulatory agency's (i) determination that the rules of such clearing agency as so changed may be inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible and (ii) reasons for such determination.

"(c) The Commission, by rule, may abrogate, add to, and delete from (hereinafter in this subsection collectively referred to as 'amend') the rules of a self-regulatory organization as the Commission deems necessary or appropriate in the public interest, for the protection of investors, to insure the fair administration of the self-regulatory organization, or otherwise in furtherance of the purposes of this title, in the following manner:

"(1) The Commission shall publish notice of the proposed rulemaking in the Federal Register. The notice shall include the text of the proposed amendment to the rules of the self-regulatory organization and a statement of the Commission's reasons, including any pertinent facts, for commencing such proposed rulemaking.

"(2) The Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to an opportunity to make written submissions. A transcript shall be kept of any oral presentation.

"(3) A rule adopted pursuant to this subsection shall incorporate the text of the amendment to the rules of the self-regulatory organization and a statement of the Commission's basis for and purpose in so amending such rules. This statement shall include an identification of any facts on which the Commission considers its determination so to amend the rules of the self-regulatory agency to be based, including the reasons for the Commission's conclusions as to any of such facts which were disputed in the rulemaking.

"(4) Except as provided in paragraphs (1) through (3) of this subsection, rulemaking under this subsection shall be in accordance with the procedures specified in section 553 of title 5, United States Code, for rulemaking not on the record. Nothing in this subsection shall be construed to impair or limit the Commission's power to make, or to modify or alter the procedures the Commission may follow in making, rules and regulations pursuant to any other authority under this title. Any amendment to the rules of a self-regulatory organization made by the Commission pursuant to this subsection shall be considered for all purposes of this title to be part of the rules of such self-regulatory organization and shall not be considered to be a rule of the Commission.

"(d)(1) If any self-regulatory organization imposes any final disciplinary sanction on any member thereof or participant therein, denies membership or participation to any applicant, or prohibits or limits any person in respect of access to services offered by such organization or member thereof or if any self-regulatory organization (other than a registered clearing agency) imposes any final disciplinary sanction on any person associated with a member or bars any person from becoming associated with a member, the self-regulatory organization shall promptly file notice thereof with the appropriate regulatory agency for the self-regulatory organization and with the appropriate regulatory agency for such member, participant, applicant, or other person (if other than the appropriate regulatory agency for the self-regulatory organization). The notice shall be in such form and contain such information as the appropriate regulatory agency for the self-regulatory organization, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(2) Any action with respect to which a self-regulatory agency is required by paragraph (1) of this subsection to file notice shall be subject to review by the appropriate regulatory agency for such member, participant, applicant, or other person, on its own motion, or upon application by any person aggrieved thereby filed within thirty days after the date such notice was filed with such appropriate regulatory agency and received by such aggrieved person, or within such longer period as such appropriate regulatory agency may determine. Application to such appropriate regulatory agency for review, or the institution of review by such appropriate regulatory agency on its own motion, shall not operate as a stay of such action unless such appropriate regulatory agency otherwise orders, summarily or after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of the submission of affidavits or presentation of oral arguments). Each appropriate regulatory agency shall establish for appropriate cases an expedited procedure for consideration and determination of the question of a stay.

"(e)(1) In any proceeding to review a final disciplinary sanction imposed by a self-regulatory organization on a member or participant or a person associated with a member, after notice and opportunity for hearing (which hearing may consist solely of consideration of the record before the self-regulatory organization and opportunity for the presentation of supporting reasons to affirm, modify, or set aside the sanction)—

"(A) if the appropriate regulatory agency for such member, participant, or person associated with a member finds that such member, participant, or person associated with a member has engaged in such acts or practices, or has omitted such acts, as the self-regulatory organization has found him to have engaged in or omitted, that such acts or practices, or omissions to act, are in violation of such provisions of this title, the rules or regulations thereunder, the rules of the self-regulatory organization, or, in the case of a registered securities association, the rules of the Municipal Securities Rulemaking Board as have been specified in the determination of the self-regulatory organization, and that such provisions were applied in a manner consistent with the purposes of this

title, such appropriate regulatory agency, by order, shall so declare and, as appropriate, affirm the sanction imposed by the self-regulatory organization, modify the sanction in accordance with paragraph (2) of this subsection, or remand to the self-regulatory organization for further proceedings; or

"(B) if such appropriate regulatory agency does not make any such finding it shall, by order, set aside the sanction imposed by the self-regulatory organization and, if appropriate, remand to the self-regulatory organization for further proceedings.

"(2) If the appropriate regulatory agency for a member, participant, or person associated with a member, having due regard for the public interest and the protection of investors, finds that any sanction imposed by a self-regulatory organization upon such member, participant, or person associated with a member imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title or is excessive or oppressive, the appropriate regulatory agency may cancel, reduce, or require the remission of such sanction.

"(f) In any proceeding to review the denial of membership or participation in a self-regulatory organization to any applicant, the barring of any person from becoming associated with a member of a self-regulatory organization, or the prohibition or limitation by a self-regulatory organization of any person with respect to access to services offered by the self-regulatory organization or any member thereof, if the appropriate regulatory agency for such applicant or person, after notice and opportunity for hearing (which hearing may consist solely of consideration of the record before the self-regulatory organization and opportunity for the presentation of supporting reasons to dismiss the proceeding or set aside the action of the self-regulatory organization) finds that the specific grounds on which such denial, bar, or prohibition or limitation is based exist in fact, that such denial, bar, or prohibition or limitation is in accordance with the rules of the self-regulatory organization and that such rules were applied in a manner consistent with the purposes of this title, such appropriate regulatory agency, by order, shall dismiss the proceeding. If such appropriate regulatory agency does not make any such finding or if it finds that such denial, bar, or prohibition or limitation imposes any burden on competition not necessary or appropriate in furtherance of the purposes of this title, such appropriate regulatory agency, by order, shall set aside the action of the self-regulatory organization and require it to admit such applicant to membership or participation, permit such person to become associated with a member, or grant such person the access to services offered by the self-regulatory organization or member thereof.

"(g)(1) Every self-regulatory organization shall comply with the provisions of this title, the rules and regulations thereunder, and its own rules, and, subject to section 17(d) of this title, paragraph (2) of this subsection, and the rules thereunder, absent reasonable justification or excuse enforce compliance—

"(A) in the case of a national securities exchange, with such provisions by its members and persons associated with its members;

"(B) in the case of a registered securities association, with such provisions and the provisions of the rules of the Municipal Securities Rulemaking Board by its members and persons associated with its members; and

"(C) in the case of a registered clearing agency, with its own rules by its participants.

"(2) The Commission, by rule, consistent with the public interest, the protection of investors, and the purposes of this title, may relieve any self-regulatory organization of any responsibility under this title to enforce compliance with any specified provision of this title or the rules or regulations thereunder by any member of such organization or person associated with such a member, or any class of such members or persons associated with a member.

"(h)(1) The appropriate regulatory agency for a self-regulatory organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors or otherwise in furtherance of the purposes of this title, to suspend for a period not exceeding twelve months or to revoke the registration of such self-regulatory organization, or to censure or impose limitations upon the activities, functions, and operations of such self-regulatory organization, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such self-regulatory organization has violated or is unable to comply with any provision of this title, the rules or regulations thereunder, or its own rules or without reasonable justification or excuse has failed to enforce compliance—

"(A) in the case of a national securities exchange, with any such provision by a member thereof or a person associated with a member thereof;

"(B) in the case of a registered securities association, with any such provision or any provision of the rules of the Municipal Securities Rulemaking Board by a member thereof or a person associated with a member thereof; or

"(C) in the case of a registered clearing agency, with any provision of its own rules by its participants.

"(2) The appropriate regulatory agency for a self-regulatory organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title to suspend for a period not exceeding twelve months or to expel from such self-regulatory organization any member thereof or participant therein, if such member or participant is subject to an order of the Commission pursuant to section 15(b)(4) of this title or if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such member or participant has willfully violated or has effected any transaction for any other person who, such member or participant had reason to believe, was violating with respect to such transaction—

"(A) in the case of a national securities exchange, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, or the rules or regulations under any of such statutes or the rules of the National Market System Council;

"(B) in the case of a registered securities association, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of such statutes, or the rules of the Municipal Securities Rulemaking Board or the National Market System Council; or.

"(C) in the case of a registered clearing agency, any provisions of the rules of the clearing agency.

"(3) The appropriate regulatory agency for a national securities exchange or registered securities association is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title to suspend for a period not exceeding twelve months or to bar any person from being associated with a member of such national securities exchange or registered securities association, if such appropriate regulatory agency finds on the record after notice and opportunity for hearing, that such person has willfully violated or has effected any transaction for any other person who, such person associated with a member had reason to believe, was violating with respect to such transaction—

"(A) in the case of a national securities exchange any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, or the rules or regulations under any of such statutes; or

"(B) in the case of a registered securities association, any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, this title, the rules or regulations under any of the statutes, or the rules of the Municipal Securities Rulemaking Board.

"(4) The appropriate regulatory agency for a self-regulating organization is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of this title to remove from office or censure any officer or director of such self-regulatory organization who such appropriate regulatory agency finds, on the record after notice and opportunity for hearing has willfully violated any provision of this title, the rules or regulations thereunder, or its own rules, willfully abused his authority, or without reasonable justification or excuse has failed to enforce compliance—

"(A) in the case of a national securities exchange, with any such provision by any member, person associated with a member;

"(B) in the case of a registered securities association, with any such provision or any provision of the rules of the Municipal Securities Rulemaking Board by any member or person associated with a member; or

"(C) in the case of a registered clearing agency, with any provision of the rules of the clearing agency by any participant.

"(i) If a proceeding under subsection (h)(1) of this section results in the suspension or revocation of the registration of a clearing agency, the appropriate regulatory agency for such clearing agency may, upon notice to such clearing agency, apply to any court of competent jurisdiction specified in section 21(e) or 27 of this title for the appointment of a trustee. In the event of such an application, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of such clearing agency and the records and assets thereof, wherever located; and the court shall appoint the appropriate regulatory agency for such clearing agency or a person designated by such appropriate regulatory agency as the trustee with power to take possession and to continue to operate or to terminate the operations of such clearing agency in an orderly manner for the protection of participants and investors, subject to such terms and conditions as the court may prescribe.".

SEC. 16. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended as follows:

(a) Subsection (a) thereof is amended to read as follows:

"(a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated, is violating, or is about to violate any provision of this title, the rules or regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or a person associated with a member, the rules of a registered clearing agency in which such person is a participant, or the rules of the Municipal Securities Rulemaking Board or the National Market System Council, and may require or permit any person

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to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in the enforcement of such provisions, in the prescribing of rules and regulations under this title, or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.".

(b) Subsections (e) and (f) thereof are amended to read as follows:

"(e) Wherever it shall appear to the Commission that any person has engaged, is engaged, or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title, the rules or regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or a person associated with a member, the rules of a registered clearing agency in which such person is a participant, or the rules of the Municipal Securities Rulemaking Board or the National Market System Council, it may in its discretion bring an action in the proper district court of the United States, the United States District Court for the District of Columbia, or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon such a showing a permanent or temporary injunction or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices as may constitute a violation of any provision of this title or the rules or regulations thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(f) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus, injunctions, and orders commanding (1) any person to comply with the provisions of this title, the rules and regulations thereunder, the rules of a national securities exchange or registered securities association of which such person is a member or person associated with a member, the rules of a registered clearing agency in which such person is a participant, and the rules of the Municipal Securities Rulemaking Board or the National Market System Council, or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title, (2) any national securities exchange or registered securities association to enforce compliance by its members and persons associated with its members with the provisions of this title, the rules and regulations thereunder, and the rules of such exchange or association, or (3) any registered clearing agency to enforce compliance by its participants with the provisions of the rules of such clearing agency."

(c) The section is further amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of this title, the Commission shall not commence any proceeding pursuant to subsection (e) or (f) of this section against any person for violation of, or to command compliance with, the rules of a self-regulatory organization unless it appears to the Commission that (1) such self-regulatory organization is unable or unwilling to take appropriate action against such person in the public interest and for the protection of investors or (2) such action is otherwise necessary in the public interest or for the protection of investors.

"(h) Notwithstanding the provisions of section 1407(a) of title 28, United States Code, or any other provision of law, no enforcement action instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission. 'Securities laws' as used herein include the Securities Act of 1933 (15 U.S.C. 77 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 806 et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).".

SEC. 17. Section 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended to read as follows:

"RULES, REGULATIONS, AND ORDERS;
ANNUAL REPORTS

"SEC. 23. (a)(1) The Commission, the Board of Governors of the Federal Reserve System, and the other agencies enumerated in section 3(a)(34) of this title shall each have power to make such rules and regulations as may be necessary or appropriate to implement the provisions of this title for which they are responsible or for the execution of the functions vested in them by this title, and may for such purposes classify persons, securities, transactions, statements, applications, reports, and other matters within their respective jurisdictions, and prescribe greater, lesser, or different requirements for different classes thereof. No provision of this title imposing any liability applies to any act done or omitted in good faith in conformity with a rule, regulation, or order of the Commission, the Board of Governors of the Federal Reserve System, or other agency enumerated in section 3(a)(34), or any self-regulatory organization, notwithstanding that such rule, regulation, or order may thereafter be amended or rescinded or determined by judicial or other authority to be invalid for any reason.

"(2) The Commission shall, in making rules and regulations pursuant to any provision of this title, consider among other matters the impact any such rule or regulation would have on competition. The Commission shall not adopt any such rule or regulation which would impose a burden on competition not necessary or appropriate in furtherance of the purposes of this title. The Commission shall include in the statement of basis and purpose incorporated in any rule or regulation adopted under this title, the reasons for the Commission's determination that any burden on competition imposed by such rule or regulation is necessary or appropriate in furtherance of the purposes of this title.

"(3) Subject to the provisions of section 24 of this title, the Commission shall, in making rules and regulations pursuant to any provision of this title and in considering any application for registration in accordance with section 19(a) of this title or any proposed rule change of a self-regulatory organization in accordance with section 19(b) of this title, make available for public inspection and copying all written statements filed with the Commission and all written communications between the Commission and any person relating to the proposed rule, regulation, application, or proposed rule change.

"(b) The Commission, the Board of Governors of the Federal Reserve System, and the other agencies enumerated in section 3(a)(34) of this title, shall each make an annual report to the Congress on its work for the preceding year, and shall include in each report whatever information, data, and recommendations for further legislation it considers advisable with regard to matters within its respective jurisdiction under this title.

"(1) The appropriate regulatory agency for a self-regulatory organization shall include in its annual report to the Congress for each fiscal year, a summary of its oversight activities under this title with respect to such self-regulatory organization, including a description any examination as part of such activities of any such organization, any material recommendation presented as part of such activities to such organization for changes in its organization or rules, and any action by such organization in response to any such recommendation.

"(2) The appropriate regulatory agency for municipal securities dealers shall include in its annual report to the Congress for each fiscal year a summary of its regulatory activities pursuant to this title with respect to such municipal securities dealers, including the nature of any sanction imposed pursuant to this title against any such municipal securities dealer.

"(3) The Commission shall also include in its annual report to the Congress for each fiscal year—

"(A) a summary of the Commission's oversight activities with respect to self-regulatory organizations for which it is not the appropriate regulatory organization, including a description of any examination of any such organization, any material recommendation presented to any such organization for changes in its organization or rules, and any action by any such organization in response to any such recommendation;

"(B) a statement and analysis of the expenses and operations of each self-regulatory organization in connection with the performance of its responsibilities under this title, for which purpose data pertaining to such expenses and operations shall be made available by such organization to the Commission at its request;

"(C) information, data, and recommendations with respect to the development of a national system for the prompt and accurate clearance and setlement of securities transactions, including a summary of the regulatory activities, operational capabilities, financial resources, and plans of self-regulatory organizations and registered transfer agents with respect thereto;

"(D) the steps the Commission has taken and progress it has made toward the discontinuation of the physical movement of the securities certificate in connection with the settlement of securities transactions, and its recommendations, if any, for legislation to eliminate the securities certificate;

"(E) the number of requests for exemptions from provisions of this title received, the number granted, and the basis upon which any such exemption was granted;

"(F) a summary of the Commission's regulatory activities with respect to municipal securities dealers for which it is not the appropriate regulatory agency, including the number and nature of all sanctions imposed in proceedings against such municipal securities dealers;

"(G) beginning in 1975 and ending in 1980, a description of the effect the absence of any schedule or fixed rates of commissions, allowances, discounts, or other fees charged by members for affecting transactions on a national securities exchange is having on the maintenance of fair and orderly markets and the development of a national market system for securities; and

"(H) a statement of the time elapsed between the filing of reports pursuant to section 13(f) of this title and the public availability of the information contained therein, the costs involved in the Commission's processing of such reports and tabulating such information, the manner in which the Commission uses such information, and the steps the Commission has taken and the progress it has made toward requiring such reports to be filed and such information to be made available to the public in machine language.

"(c) The Commission, by rule, shall prescribe the procedure applicable to every case pursuant to this title of adjudication (as defined in section 551 of title 5, United States Code) not required to be determined on the record after notice and opportunity for hearing. Such rules shall, as a minimum, provide that prompt notice shall be given of any adverse action or final disposition and that such notice and the entry of any order shall be accompanied by a statement of written reasons.".

SEC. 18. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended to read as follows:

"PUBLIC AVAILABILITY OF INFORMATION

"SEC. 24. (a) For purposes of section 552 of title 5, United States Code, the term 'records' includes all applications, statements, reports, contracts, correspondence, notices, and other documents filed with or otherwise obtained by the Commission pursuant to this title or otherwise.

"(b) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, report, or document filed with the Commission which is not available to any person on request in accordance with section 552(a)(3) of title 5, United States Code: *Provided, however*, That the Commission may make available to the Board of Governors of the Federal Reserve System and the agencies enumerated in section 3(a)(34) any information with regard to matters within their respective jurisdictions under this title.".

SEC. 19. Section 25 of the Securities Exchange Act of 1934 (15 U.S.C. 78y) is amended to read as follows:

"COURT REVIEW OF ORDERS AND RULES

"SEC. 25. (a)(1) A person aggrieved by a final order of the Commission entered pursuant to this title may obtain review of the order in the United States Court of Appeals for the circuit in which he resides or has his principal place of business, or for the District of Columbia Circuit, by filing in such court, within sixty days after the entry of the order, a written petition praying that the order be modified or set aside in whole or in part.

"(2) A copy of the petition shall be transmitted forthwith by the clerk of the court to a member of the Commission or an officer designated by the Commission for that purpose. Thereupon the Commission shall file in the court the record on which the order complained of is entered, as provided in section 2112 of title 28, United States Code, and the Federal Rules of Appellate Procedure.

"(3) On the filing of the petition, the court has jurisdiction, which becomes exclusive on the filing of the record, to affirm or modify and enforce or to set aside the order in whole or in part.

"(4) The findings of the Commission as to the facts, if supported by substantial evidence, are conclusive.

"(5) If either party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that the additional evidence is material and that there was reasonable ground for failure to adduce it before the Commission, the court may remand the case to the Commission for further proceedings, in whatever manner and on whatever conditions the court considers appropriate. If the case is remanded to the Commission, it shall file in the court a supplemental record containing any new evidence, any further or modified findings, and any new order.

"(b)(1) A person adversely affected by a rule of the Commission promulgated pursuant to section 6, 11, 11A, 15(c) (5) or (6), 15A, 17, 17A, or 19 of this title may otbain review of the rule in the United States Court of Appeals for the circuit in which he resides or has his principal place of business or for the District of Columbia Circuit, by filing in such court, within sixty days after the promulgation of the rule, a written petition praying that the rule be set aside.

"(2) A copy of the petition shall be transmitted forthwith by the clerk of the court to a member of the Commission or an officer designated for that purpose. Thereupon, the Commission shall file in the court the rule under review and any documents referred to therein, the Commission's notice of proposed rulemaking and any documents referred to therein, all written submissions and the transcript of any oral presentations in the rulemaking, factual information not included in the foregoing that was considered by the Commission in the promulgation of the rule or proffered by the Commission as pertinent to the rule, the report of any advisory committee received or considered by the Commission in the rulemaking, and any other materials prescribed by the court.

"(3) On the filing of the petition, the court has jurisdiction, which becomes exclusive on the filing of the materials set forth in paragraph (2) of this subsection, to affirm and enforce or set aside the rule.

"(4) The findings of the Commission as to the facts identified by the Commission as the basis, in whole or in part, of the rule, if supported by substantial evidence, are conclusive. The court shall affirm and enforce the rule unless the Commission's action in promulgating the rule is found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; contrary to constitutional right, power, privilege or immunity; in excess of statutory jurisdiction, authority or limitations, or short of statutory right; or without observance of procedure required by law.

"(5) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (2) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(c)(1) No objection to an order or rule of the Commission, for which review is sought under this section, may be considered by the court unless it was urged before the Commission or there was reasonable ground for failure to do so.

"(2) The filing of a petition under this section does not operate as a stay of the Commission's order or rule. Until the court's jurisdiction becomes exclusive, the Commission may stay its order or rule pending judicial review if it finds that justice so requires. After the filing of a petition under this section, the court, on whatever conditions may be required and to the extent necessary to prevent irreparable injury, may issue all necessary and appropriate process to stay the order or rule or to preserve status or rights pending its review; but (notwithstanding section 705 of title 5, United States Code) no such process may be issued by the court before the filing of the record or the materials set forth in subsection (b)(2) of this section unless: (A) the Commission has denied a stay or failed to grant requested relief, (B) a reasonable period has expired since the filing of an application for a stay without a decision by the Commission, or (C) there was reasonable ground for failure to apply to the Commission.

"(3) When the same order or rule is the subject of one or more petitions for review filed under this section and an action for enforcement filed in a district court of the United States under section 21 (e) or (f) of this title, that court in which the petition or the action is first filed has jurisdiction with respect to the order or rule to the exclusion of any other court, and thereupon all such proceeding shall be transferred to that court; but, for the convenience of the parties in the interest of justice, that court may thereafter transfer all the proceedings to any other court of appeals or district court of the United States, whether or not a petition for review or action for enforcement was originally filed in the transferee court. The scope of review by a district court under section 21 (e) and (f) of this title is the same as by a court of appeals under this section.

"(d)(1) For purposes of the preceding subsections of this section only, the term 'Commission' includes the agencies enumerated in section 3(a)(34) of this title insofar as such agencies are acting pursuant to this title.

"(2) For purposes of subsection (a)(4) of this section and section 706 of title 5, United States Code, an order of the Commission denying registration pursuant to section 19 (a) of this title to a clearing agency for which it is not the appropriate regulatory agency or disapproving a proposed rule change pursuant to section 19(b) of this title by such a clearing agency shall be deemed to be an order of the appropriate regulatory agency for such clearing agency insofar as such order was entered by reason of a determination by such appropriate regulatory agency that such registration or proposed rule change would be inconsistent with the safeguarding of securities or funds.".

SEC. 20. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(b)) is amended as follows:

(a) Subsection (b) thereof is amended to read as follows:

"(b) Nothing in this title shall be construed to modify existing law with regard to (1) the binding effect on any member of or participant in any self-regulatory organization of any action taken by the authorities of such organization to settle disputes between its members or participants, or (2) the binding effect on any municipal securities dealer or municipal securities broker of a procedure established by the Municipal Securities Rulemaking Board to settle disputes between municipal securities dealers and municipal securities brokers, or (3) the binding effect of any such action or procedure on any person who has agreed to be bound thereby.".

(b) The section is further amended by adding at the end thereof the following new subsections:

"(c) The stay, setting aside, or modification by the appropriate regulatory agency pursuant to section 19(e) of this title of any disciplinary sanction imposed by a self-regulatory organization shall not affect the validity or force of any action pursuant to such sanction taken by the self-regulatory organization prior to such stay, setting aside, or modification, insofar as such action is not inconsistent with the provisions of this title or the rules or regulations thereunder. The rights of any person arising out of any such action shall not be affected in any way by such stay, setting aside, or modification.

"(d) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or any nominee

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thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or any nominee thereof or custodian therefor, unless such change in beneficial or record ownership or such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision.

"(e)(1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law unless expressly provided to the contrary by a law enacted by the Congress or any State subsequent to the date of enactment of the Securities Acts Amendments of 1975 solely by reason of his having caused the account to pay a broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however*, That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title or otherwise.

"(2) A person exercising investment discretion with respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services insofar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

"(B) furnishes analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a self-regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

Sec. 21. Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"TRANSACTION FEES

"Sec. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one five-hundredth of 1 per centum of the aggregate dollar mount of the sale of securities (other than bonds, debentures, and other evidences of indebtedness) transacted on such national securities exchange during each preceding calendar year to which this section applies. Every registered broker and dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one five-hundredth of 1 per centum of the aggregate dollar amount of sales of securities registered on a national securities exchange (other than bonds, debentures, and other evidences of indebtedness) transacted by such broker or dealer otherwise than on such an exchange during each preceding calendar year. The Commission, by rule, may exempt any sale of securities or any class of sales of securities from the fee imposed by this section, if the Commission finds that such exemption is consistent with the public interest, fair competition and the development of a national market system.".

Sec. 22. Section 32 of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended by deleting subsection (c) thereof.

Sec. 23. Section 1(b) of the Act of August 20, 1962 (15 U.S.C. 78d–1(b)), is amended to read as follows:

"(b) With respect to the delegation of any of its functions, as provided in subsection (a) of this section, the Commission shall retain a discretionary right to review the action of any such division of the Commission, individual Commissioner, hearing examiner, employee, or employee board, upon its own initiative or upon petition of a party to or intervenor in such action, within such time and in such manner as the Commission, by rule, shall prescribe: *Provided, however*, That the vote of one member of the Commission shall be sufficient to bring any such action before the Commission for review: *And provided further*, That in the event action at a delegated level (1) denies any request for action pursuant to section 8(a) or section 8(c) of the Securities Act of 1933 or the first sentence of section 12(d) of the Securities Exchange Act of 1934; (2) suspends trading in a security pursuant to section 12(k) of the Securities Exchange Act of 1934; or (3) is pursuant to any provision of the Securities Exchange Act of 1934 in a case of adjudication, as defined in section 551 of title 5, United States Code, not required by that Act to be determined on the record after notice and opportunity for hearing (except to the extent there is involved a matter described in section 554(a)(1)–(6) of title 5, United States Code), a person or party adversely affected by such action shall be entitled to review by the Commission.".

Sec. 24. Section 9(c) of the Securities Investors Protection Act of 1970 (15 U.S.C. 78iii(c)) is amended to read as follows:

"(c) Inspections.—The self-regulatory organization of which a member of SIPC is a member shall inspect or examine such member for compliance with applicable financial responsibility rules, except that if a member of SIPC is a member of more than one self-regulatory organization, the Commission, pursuant to section 17(d) of the 1934 Act, shall designate one of such self-regulatory organizations as responsible for the examination of such member for compliance with applicable financial responsibility rules".

Sec. 25. Section 15 of the Investment Company Act of 1940 (15 U.S.C 80a) is amended as follows:

(a) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser or a corporate trustee performing the functions of an investment adviser of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, an investment adviser or a corporate trustee performing the functions of an investment adviser which results in an assignment of an investment advisory contract with such company or the change in control of or identity of a corporate trustee who performs the functions of an investment adviser, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereto, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate trustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B): *Provided*, That no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or predecessor or successor investment advisers or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment advisory contract with a registered investment company results in a successor investment adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount a transaction occurs which would be subject to paragraph (1)(A) of this subsection, such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee to an affiliated person or persons of the investment adviser or corporate trustee: *Provided*, That (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(b) Section 15(c) is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of such company, to take into account the purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(c) Section 16 thereof is amended as follows:

(1) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu thereof "The foregoing provisions of this section";

(2) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(3) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filled by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) shall be filled only by a person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(d) Sections 13(b), 15(d), 16(i), and 32(a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(e) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provision shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(f) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(g) Section 36 thereof is further amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term "investment adviser' includes a corporate or other trustee performing the functions of an investment adviser."

Sec. 26. Section 4 of the Securities Act of 1933 (15 U.S.C. 78(d)) is amended by adding at the end thereof the following new paragraph:

"(5)(A) Transactions involving offers or sales of one or more promissory notes directly secured by a first lien on a single parcel of real estate upon which is located a dwelling or other residential or commercial structure, and participation interests in such notes—

"(1) where such securities are originated by a savings and loan association, savings bank, commercial bank, or similar banking institution which is supervised and examined by a Federal or State authority, and are offered and sold subject to the following conditions:

"(i) the minimum aggregate sales price per purchaser shall not be less than $250,000;

"(ii) the purchaser shall pay cash either at the time of the sale or within sixty days thereof; and

"(iii) each purchaser shall buy for his own account only; or

"(2) where such securities are originated by a mortgagee approved by the Secretary of Housing and Urban Development pursuant to sections 203 and 211 of the National Housing Act, as amended, and are offered or sold subject to the three conditions specified in paragraph (A)(1) to any institution described in paragraph (A)(1) or to any insurance company subject to the supervision of the insurance commissioner, or any agency or officer performing like function, of any State or territory of the United States or the District of Columbia, or the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Government National Mortgage Association.

"(B) Transactions between any of the entities described in paragraph (A)(1) or (A)(2) hereof involving nonassignable contracts to buy or sell the foregoing securities which are to be completed within two years, where the seller of the foregoing securities pursuant to any such contract is one of the parties described in paragraph (A)(1) or (A)(2) who may originate such securities and the purchaser of such securities pursuant to any such contract is any institution described in paragraph (A)(1) or any insurance company described in paragraph (A)(2), the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, or the Government National Mortgage Association and where the foregoing securities are subject to the three conditions for sale set forth in subparagraphs (A)(1)(i) through (iii).

"(c) The exemption provided by paragraphs (A) and (B) hereof shall not apply to resales of the securities acquired pursuant thereto, unless each of the conditions for sale contained in subparagraphs (A)(1)(i) through (iii) are satisfied.".

Sec. 27. (a) This Act shall become effective on the date of its enactment except as hereinafter provided. Sections 6 (other than in subsection (e) thereof), 11A(b), 15(a), 15A, 15B(a), 17A(b), 17A(c), and 19(g) of the Securities Exchange Act of 1934 (as amended by this Act) shall become effective one hundred and eighty days after the date of enactment, section 6(e) of the Securities Exchange Act of 1934 (as amended by this Act) shall become effective on November 1, 1976, and section 31 of the Securities Exchange Act of 1934 (as amended by this Act) shall become effective on January 1 next following the enactment of this Act. Neither the provisions of section 3(a)(3), 6(b)(2), or 6(c)(1) of the Securities Exchange Act of 1934 (as amended by this Act) nor any rule or regulation thereunder shall apply so as to deprive any person of membership in any national securities exchange (or its successor) of which such person was, on the date of enactment of this Act, a member or a member firm as defined in the constitution of such exchange, or so as to deny membership in any such exchange (or its successor) to any natural person who is or becomes associated with such member or member firm.

(b) If it appears to the Commission that the organization or rules of any national securities exchange or registered securities association registered with the Commission on the date of enactment of this Act do not comply with applicable requirements of this Act upon their effectiveness, the Commission shall so notify such exchange or association in writing, specifying the respects in which the exchange or association is not in compliance with such requirements. On and after the one hundred and eightieth day following the receipt of such notice by a national securities exchange or registered securities association, the Commission is authorized, by order, to suspend the registration of any such exchange or association or impose limitations on the activities, functions, and operations of any such exchange or association, if the Commission finds, after notice and opportunity for hearing, that the organization or rules of such exchange or association do not comply with such requirements. Any such suspension or limitation shall continue in effect until the Commission, by order, declares that such exchange or association is in compliance with such requirements.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 249.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY UNEMPLOYMENT HEALTH BENEFITS ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 72, S. 625, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 625) to establish an emergency health benefits program for the unemployed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert the following:

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That this Act may be cited as the "Emergency Unemployment Health Benefits Act of 1975".

Sec. 2. The Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE IV—EMERGENCY HEALTH BENEFITS PROGRAM

"ELIGIBILITY FOR HEALTH INSURANCE BENEFITS

"Sec. 401. (a) It is the purpose of the title to provide—

"(1) to each individual who—

"(A) is unemployed and is entitled to receive compensation under a State or Federal unemployment compensation law (including the special unemployment assistance program established by title II of this Act), and

"(B) would, if his employment by his previous employer had not been discontinued, be covered under an employer-sponsored health insurance plan, and

"(2) to each dependent spouse and to each dependent child of an individual described in clause (1),

health insurance benefits of the type and scope which would have been provided to such individual (or to such dependent spouse or dependent child) under the employer-sponsored health insurance plan referred to in clause (1)(B), if the individual described in clause (1) were still employed by his previous employer.

"(b) For purposes of subsection (a) an individual is 'unemployed' for any week if, for such week, such individual is entitled (or would, except for disability, illness, or disease, be entitled) to receive compensation under a State or Federal unemployment compensation law. If an individual is unemployed (within the meaning of the preceding sentence) for a week which begins in any calendar month, such individual shall be deemed to be unemployed for all the succeeding weeks which begin in such month and in the next succeeding calendar month.

"(c) No health insurance benefits shall be provided under this title to any person during any period for which—

"(1) he is covered (without regard to the provisions of this title) under any employer-sponsored health insurance plan, or

"(2) he has the opportunity to obtain (by reason of action on his part or on the part of any member of his family) coverage under any employer-sponsored health insurance plan, or

"(3) he would have been covered under any employer-sponsored health insurance plan, except for a change (made after February 7, 1975) in the provisions of such health insurance plan regarding benefits for formerly employed persons.

"ARRANGEMENTS WITH CARRIERS AND STATE AGENCIES

"Sec. 402. (a) In carrying out the purpose of this title, the Secretary of Labor shall immediately—

"(1) enter into arrangements with the carriers (and in appropriate cases with employers or employee welfare benefit plans (as defined in section 3(1) of the Employee Retirement Income Security Act of 1974)) whereby individuals covered for benefits under this title will be provided such benefits under the particular health insurance plan by which such individuals were covered while employed by their previous employer and there will be paid to such carriers (or, in appropriate cases, to such employers or employee welfare benefit plans) amounts equal to the premiums or other periodic payments (which, insofar as practicable, shall not exceed the premiums net of acquisition costs) prescribed for such benefits (which amounts shall, insofar as practicable, not exceed premiums net of acquisition costs) plus any additional administrative expenses reasonably incurred by the carriers (or by the employers or employee welfare benefit plans) in providing such benefits under the arrangement, and

"(2) enter into agreements with the State agency of each State under which such agency will be utilized by him for the purpose of making determinations, in the case of individuals in the State, of eligibility of such individuals for the health insurance benefits provided by this title; and any such agreement shall provide that the Secretary will pay to each State agency which is a party thereto amounts equal to the additional administrative expenses reasonably incurred by such State agency in performing the functions specified in the agreement.

"(b)(1) Any arrangement under subsection (a)(1) shall provide that (A) a carrier may request of the Secretary a retrospective renegotiation of the amount of the premium (or other periodic payment) prescribed based on demonstrated and significant adverse financial experience by the carrier in providing benefits under this title, and (B) the Secretary shall retrospectively renegotiate the amount of the premium (or other periodic payment) prescribed, in any case in which a carrier has achieved significant favorable financial experience in providing such benefits.

"(2) Any arrangement under subsection (a)(1) shall provide that coverage provided under this title shall not apply with respect to health services determined to be elective services by an appropriate peer review mechanism.

"(3) Any agreement under subsection (a)(2) shall provide that (A) the State agency shall notify all recipients of compensation (under a law referred to in section 401(a)(1)(A)) in such State of the health insurance benefits available under this title, (B) the State agency will institute procedures to acquire from each employer in such State the identify of all carriers which provide health insurance benefits to its employees under an employer-sponsored health insurance plan, (C) the State agency will provide such information as may be appropriate (including the names of individuals who are employed, within the meaning of section 401(b)) to carriers (or in appropriate cases, to employers or employee welfare benefit plans) with which the Secretary of Labor has entered into arrangements under subsection (a)(1).

"(4) Any arrangement or agreement under subsection (a) shall provide that a carrier or a State agency shall keep such records as the Secretary shall prescribe. Such records shall be sufficient to enable the Secretary to assure that Federal funds expended under the title are used only for the purpose of carrying out the provisions of this title.

"(c) The Secretary of Health, Education, and Welfare is, at the request of the Secretary of Labor, authorized and directed to assist the Secretary of Labor (to the extent specified in such request) in carrying out the duties set forth in subsection (a)(1).

"DEFINITIONS

"Sec. 403. As used in this title—

"(a) the term 'employer-sponsored health insurance plan' means a health insurance plan which covers some or all of the employees of an employer and the premiums or other periodic payments for which are paid or collected wholly or in part by the employer or by or through an employee welfare benefit plan.

"(b) the term 'health insurance plan' means an insurance policy, contract, or other arrangement under which a carrier undertakes in consideration of premiums or other periodic payments, to provide, pay for, or reimburse the costs of, health services received by individuals covered by the plan;

"(c) the term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier;

"(d) the term 'employer' shall have the meaning given such term in the applicable State or Federal unemployment compensation law described in section 401(a)(1)(A); and

"(e) the term 'State agency' means the agency of a State which administers the unemployment compensation law of that State, approved by the Secretary under section 3304 of the Internal Revenue Code of 1954.

"IMPLEMENTATION

"Sec. 404. (a) It is the intention of the Congress that the program of health insurance benefits established by this title be implemented immediately.

"(b) In order to expedite such implementation of the program, the Secretary of Labor (and the Secretary of Health, Education, and Welfare, pursuant to a request from the Secretary of Labor under section 402(b)) is authorized to appoint such personnel as may be necessary, and such personnel may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to the classification and General Schedule pay rates (except that no individual so appointed shall be paid at a rate in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of title 5).

"(c) The Secretary of Labor is authorized to promulgate, without regard to the provisions of subchapter II of chapter 5 of the United States Code, interim regulations to carry out the provisions of this title, which regulations shall become effective 5 days after their initial publication in the Federal Register. Such interim regulations, designed to put into effect the health insurance benefits established by this title shall be promulgated so as to become effective not more than thirty days after the date of enactment of this title.

"DURATION OF HEALTH INSURANCE BENEFITS

"Sec. 405. In the case of any individual who is eligible for the health insurance benefits authorized by this title, such benefits shall—

"(1) begin with the first week with respect to which it is possible to provide such benefits to such individual under arrangements and agreements entered into under section 402(a), and

"(2) end on June 30, 1976; except that in the case of any individual receiving benefits on that date, such benefits shall be extended in accordance with the terms and provisions of his health insurance plan which relate to extended coverage in case of individuals who are receiving benefits on the date regular coverage would otherwise terminate.

"REPORTS AND AUDITS

"Sec. 406. (a)(1) On or before June 30, 1976, the Secretary shall submit to the Congress a report of the activities under this title. Such report shall include—

"(A) a statement of the relationship between the benefits provided under this title and the continuation of coverage under employer sponsored health insurance plans; and

"(B) an appraisal of the activities undertaken by the carriers and the State agencies in carrying out the provisions of this title.

"(2) The Secretary shall submit to the

Committe on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, a report on any renegotiation undertaken under the provisions of section 402(c)(1). Such report shall be submitted not more than five daya following the completion of any such renegotiation.

"(b) The Secretary, and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after the termination of any arrangement or agreement referred to in section 402, have access, for the purpose of audit and examination, to any books, documents, papers, and records of such carrier or State agency which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the arrangements or agreements referred to in section 402.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 407. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title."

Mr. MANSFIELD. Mr. President, no action will be taken on this bill today. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Bumpers). Without objection, it is so ordered.

CHANGE OF REFERENCE—S. 1181

Mr. MONTOYA. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of S. 1181, a private relief bill, and that the bill be referred to the Committee on the Judiciary. This action has been approved by the two committees involved.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL 11 A.M., MONDAY, APRIL 21, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until the hour of 11 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 625 TOMORROW AND TIME LIMITATION THEREON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of routine morning business tomorrow, the Senate turn to the consideration of S. 625; that there be a time limitation for debate thereon of 2 hours, to be equally divided between Mr. Kennedy and Mr. Schweiker; that the time on any amendment thereto be limited to 30 minutes; that the time on an amendment by Mr. Hathaway be limited to 2 hours; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous consent is as follows:

Ordered, That at the conclusion of morning business on Friday, April 18, 1975, the Senate shall proceed to the consideration of S. 625 (Order No. 72), a bill to establish an emergency health benefits program for the unemployed, and that debate on any amendment (except one to be offered by the Senator from Maine (Mr. Hathaway), on which there shall be 2 hours debate) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; *Provided,* That in the event the manager of the bill is in favor of any such amendment, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Massachusetts (Mr. Kennedy) and the Senator from Pennsylvania (Mr. Schweiker): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment. (April 17, 1975)

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 11:30 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each. At the conclusion of routine morning business, the Senate will proceed to the consideration of S. 625, a bill to establish an emergency health benefits program for the unemployed, on which there is a time agreement. Rollcall votes may occur on amendments thereto and on passage thereon. The Senate will then adjourn until Monday, if there is no other business cleared for action tomorrow—and there may be some.

ADJOURNMENT TO 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11:30 a.m. tomorrow.

The motion was agreed to, and at 3:15 p.m., the Senate adjourned until tomorrow, Friday, April 18, 1975, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 16, 1975 (under authority of the order of April 15):

TRADE NEGOTIATIONS

William N. Walker, of Illinois, to be a Deputy Special Representative for Trade Negotiations, with the rank of Ambassador. (New position.)

Clayton Yeutter, of Nebraska, to be a Deputy Special Representative for Trade Negotiations, with the rank of Ambassador. (New position.)

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Richard Joe Seitz, 514-03-9046, Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Henry Everett Emerson, 457-38-2896, Army of the United States (brigadier general, U.S. Army).

The following-named officers for promotion in the Army of the United States under the provisions of Public Law 92-120:

ARMY PROMOTION LIST

To be colonel

Hull, Frederick B., 265-24-1259.

To be lieutenant colonel

Bateman, Robert E., 518-30-8310.
Gentes, Lucien W., 003-22-6801.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Ackerman, Albert A., 145-22-4034.
Addison, Richard L., 437-34-3815.
Albritton, Herbert, 263-32-7071.
Alexander, Lyle K., 409-42-4071.
Allan, Walter F., 528-32-1559.
Allen, Wayne C., 386-32-7633.
Alley, Wayne E., 544-32-1602.
Alliason, John R., 265-44-7201.
Almy, Donald C., 039-20-3255.
Anderson, John A., 390-28-6119.
Andrews, Donald A., 080-26-8205.
Andrews, Donald G., 265-42-8851.
Andrews, William G., 093-24-0874.
Andy, Charles W., 283-32-4095.
Arciero, Robert G., 036-20-1404.
Arnold, Thomas W., 249-42-8380.
Arnzen, Chester L., 519-28-2210.
Arthur, Billy A., 426-78-6869.
Aune, Douglas W., 552-38-3988.
Austin, Clinton W., 266-38-6563.
Austin, Freddie C., 262-32-9916.
Austin, Kenneth B., 574-09-9809.
Auth, Richard W., 289-28-1860.
Babers, Donald M., 525-50-5504.
Badger, Robert W., 050-24-5686.
Badovinac, Nick J., 565-16-6996.
Baker, Frank H., 481-28-9971.
Baker, Jack E., 514-20-6038.
Baker, Ralph H., 207-16-1643.
Baker, Richard D., 294-26-4672.
Baker, William L., 327-24-2767.
Barber, Richard L., 543-34-2055.
Barker, James E., 245-60-5213.
Barker, Llyle J., 282-30-5149.
Barnes, Robert S., 263-44-6725.
Barnwell, Kenneth V., 416-40-2091.
Barrere, Richard P., 557-32-1590.
Barry, James G., Jr., 458-46-3475.
Bartos, Robert E., 316-24-7209.

UMI

UMI

Basil, Benjamin J., 009–14–5408.
Basom Darrel W., 512–26–8308.
Bass, Robert L., 262–36–8527.
Bassham, Archie F., 443–28–4944.
Bate, Milford C., 529–38–7285.
Bauchspies, Robert, 257–46–0328.
Bauer, Philip O., 234–46–9306.
Bausler, Ronald R., 497–24–7930.
Baxter, George M., 530–16–1229.
Bazilwich, Paul, Jr., 169–26–6517.
Bearden, Winston H., 427–64–2290.
Beauchamp, Edward W., 214–30–7621.
Becker, Donald L., 480–34–6197.
Bedsaul, Clare D., 479–32–6793.
Bell, Glenn N., 521–42–9083.
Bell, Dale M., 363–32–8741.
Bell, James F., 563–42–7012.
Bell, Joel H., 227–46–4646.
Bellows, Robert E., 009–28–2090.
Bender, William J., 200–24–7543.
Bennett, Joseph D., 261–44–4086.
Bennett, Raymond G., 573–34–5946.
Benoit, William R., 002–24–4027.
Benson, Joseph E., 440–28–6309.
Berg, Roland E., 473–28–3366.
Bergen, James P., 174–24–0437.
Bergeson, Delreed, 519–32–2251.
Bergquist, Robert L., 034–22–3682.
Berry, Bobbie G., 429–56–9255.
Bettinger, Francis, 052–26–2160.
Bickston, Walter J., 078–24–8171.
Bill, Gary R., 035–20–4404.
Bills, Arthur D., 057–24–4957.
Bishop, John G., 516–26–8818.
Bishop, Ted E., 277–28–5319.
Bittl, Frederick E., 123–26–9897.
Bjorn, Edward D., 131–22–8492.
Black, Ira W., Jr., 215–32–3929.
Blackburn, Paul L., 298–28–2860.
Blahuta, Norman G., 454–38–6170.
Blake, Richard J., 559–32–6429.
Blandeburgo, Gasper, 126–18–0346.
Blasingame, Josiah, 250–58–2383.
Bliss, Donald E., 447–32–9205.
Boden, William C., 140–24–2298.
Bolduc, Donald A., 559–42–2283.
Boling, Douglas L., 502–20–4439.
Bond, James A., 525–54–6314.
Booras, Peter D., 022–20–2601.
Borris, Roger J., 351–24–1010.
Bossert, Paul W., 388–30–4211.
Bourgeois, Edward J., 042–24–0774.
Bournes, William V., 376–40–7054.
Bowman, Ronald N., 008–20–5811.
Boyd, Sidney H., 460–48–7654.
Boyd, William P., 245–60–8251.
Boyer, Gene T., 300–22–0263.
Boynton, Marshall E., 377–30–7137.
Bracewell, Roland A., 064–26–3385.
Bradberry, William, 257–44–6220
Bradley, William C., 264–34–5923.
Bragalone, Raymond, 283–26–4141.
Bramblet, William B., 315–28–2755.
Bramlett, James T., 256–52–8493.
Branscum, Billy R., 431–52–2197.
Breedlove, Smedley, 254–50–5292.
Breithaupt, Marvin, 512–28–0803.
Bridges, James T., 427–56–7110.
Brokenshire, J., 210–24–4685.
Brooks, Buford, 417–38–5219.
Brooks, Leo A., 579–38–3487.
Brooks, Thomas J., 380–30–6935.
Brown, Dallas C., Jr., 299–28–6134.
Brown, Donald R., 578–36–7907.
Brown, George A., 358–24–2541.
Brown, Hugh R., 238–42–5562.
Brown, James E., 418–34–4137.
Brown, Joe A., 250–42–0228.
Brown, John M., 428–40–4703.
Brown, Raymond V., 466–42–0246.
Browning, Robert A., 379–28–9188.
Brumback, Robert M., 229–34–3411.
Brumit, Charles D., 267–36–7941.
Bruno, Vito J., 065–22–9734.
Bryan, Clyde M., 239–40–6805.
Bryan, Thomas F., 181–24–2047.
Buchalter, Richard, 577–42–7737.
Buchanan, Gerald H., 483–22–4625.
Buchwald, Donald M., 534–30–5367.
Buckman, Joseph C., 439–36–1531.
Bundren, Alva B., Jr., 408–50–4391.

Bunyard, Jerry M., 440–28–8[illegible]15.
Burbach, Frederick, 507–30–1460.
Burchell, Troy D., 457–52–6[illegible]86.
Burkard, Danny J., 458–49–[illegible]855.
Burkhart, George A., 548–26–8371.
Burns, Charles W., 397–28–7[illegible]11.
Burns, Joseph C., 294–26–40[illegible]5.
Burns, Paul P., 271–28–1915.
Burns, William F., 161–28–1[illegible]17.
Burrus, William S., 245–20–[illegible]754.
Bush, Charles E., 508–30–4609.
Bussey, Charles D., 579–38–[illegible]703.
Byrd, Roger D., 448–20–685[illegible].
Cameron, Duane G., 162–24–6574.
Camp, Robert E., 256–46–02[illegible]8.
Campbell, Jack P., 357–26–[illegible]894.
Campbell, Walter E., 278–36–3454.
Cantrell, Jack R., 408–64–2[illegible]5.
Cardillo, Richard G., 136–32–3723.
Cardwell, Kenneth E., 544–[illegible]0–9084.
Carlisle, John C., 402–32–34[illegible]1.
Carlson, Charles W., 540–46–3793.
Carlson, Verner R., 471–30–[illegible]539.
Carpenter, Robert D., 577–[illegible]0–5295.
Carr, Robert F., 254–44–823[illegible].
Cathcart, James E., 146–24–[illegible]184.
Chacon, Jose L., 525–62–120[illegible].
Chambers, Andrew P., 579–[illegible]8–2372.
Chambers, John A., 503–30–[illegible]170.
Chance, Billy J., 509–28–687[illegible].
Chandler, Edwin W., 224–40–5021.
Chapman, Charles W., 484–[illegible]4–5903.
Chapman, John B., 282–26–[illegible]489.
Chapman, Robert B., 008–20–9241.
Chikalla, Gerald G., 399–26–[illegible]820.
Child, Paul W., Jr., 503–22–1[illegible]69.
Childers, Marvin E., 563–36–[illegible]977.
Chin, Moy On, 538–24–6600.
Ching, Edward K., 168–28–6[illegible]36.
Chitwood, Thomas E., 532–2[illegible]–3991.
Cipriano, Alexander, 123–26–6773.
Clark, Robert H., 255–44–11[illegible]9.
Cochran, John R., 206–24–0[illegible]57.
Coggins, James E., 256–38–5[illegible]13.
Coleman, Alton H., 254–46–0407.
Collins, Harold E., 242–38–8[illegible]82.
Collins, Harry D., 236–42–93[illegible]9.
Collins, Lonnie L., 520–36–2[illegible]53.
Colson, Keith Q., 508–26–07[illegible]6.
Condry, Willie J., 215–20–44[illegible]5.
Cook, Duncan S., 045–26–19[illegible]9.
Cook, John J., 162–26–0464.
Cooper, James A., 490–44–7[illegible]6.
Cooper, James C., 236–62–07[illegible]7.
Corbin, Delmar L., 481–24–9[illegible]96.
Corley, William L., 254–30–5[illegible]85.
Cornell, Robert K., 458–46–[illegible]266.
Corning, Terence C., 008–18–8763.
Costanzo, Irving E., 123–24–[illegible]098.
Costino, Michel, 311–28–219[illegible].
Cottrell, Walter A., 233–44–[illegible]565.
Couvillion, Herbert, 436–40–8421.
Coverdale, Craig G., 445–24–5422.
Cowan, Donnely G., 246–42–[illegible]079.
Cozad, Jack G., 478–34–5640.
Crabtree, Sidney J., 527–36–[illegible]019.
Crancer, John W., 514–40–3[illegible]55.
Crawford, William R., 418–3[illegible]–1109.
Crawley, Paul K., 098–22–11[illegible]2.
Creel, Tilford C., 215–32–53[illegible]2.
Crook, George R., 465–36–61[illegible]7.
Crosby, John S., 244–44–273[illegible].
Crosby, Richard D., 006–16–[illegible]323.
Crowell, Howard G., 029–26–2816.
Crum, Luther G., Jr., 453–4[illegible]–6484.
Cummings, William T., 226–36–4195.
Dahl, Winston A., 546–36–6[illegible]79.
Daniel, John S., 408–40–695[illegible].
Daniels, Geoffrey M., 140–24–0584.
Daniels, Jiles B., 451–44–72[illegible]3.
Dankers, William H., 474–30–9111.
Darrah, James T., Jr., 455–4[illegible]–4381.
Dart, Frederick R., 075–24–[illegible]778.
Davis, Dwight A., 009–24–81[illegible]6.
Davis, Edward E., 428–40–5[illegible]54.
Davis, Roger K., 540–36–650[illegible].
Davis, Thomas H., 441–34–5[illegible]95.
Day, Edward H., 230–32–063[illegible].
Dearborn, William H., 265–[illegible]4–2555.
Defatta, Vincent P., 439–44–2903.
Defrancesco, Joseph, 068–2[illegible]–7370.

Delaney, Robert F., 067–26–8[illegible]14.
Delisle, Frederick, 065–24–70[illegible]6.
Demaris, Edgar E., 149–26–74[illegible]4.
Demoss, James R., 314–30–67[illegible]1.
Denman, Jerry L., 428–50–19[illegible].
Deprospero, Albert, 191–22–6[illegible]43.
Deringer, Clifton H., 212–36–[illegible]703.
Deshields, William, 222–18–6[illegible]36.
Detwiler, Harvey C., 204–22–[illegible]443.
Detyens, Joseph W., 249–46–[illegible]736.
Dewitt, William W., 327–24–3[illegible]24.
Dickinson, William, 045–20–[illegible]840.
Dill, Bobby M., 248–54–4022.
Dillon, James W., 043–24–0643.
Dimon, William J., 206–24–6[illegible]73.
Dinardo, Nicola, 199–28–0788.
Dirmeyer, Robert P., 462–40–[illegible]629.
Dixon, Herbert M., 462–44–49[illegible]4.
Dixon, Philip W., 406–36–47[illegible]8.
Dockler, Gordon S., 513–24–6[illegible]70.
Doctor, Henry Jr., 251–44–72[illegible]3.
Domenicucci Louis, 105–24–9[illegible]00.
Donohue, John E., 139–22–14[illegible]2.
Dowdy, Harry K. Jr., 249–40–[illegible]331.
Downen, Robert E., 570–30–6[illegible]11.
Draper, Leo, 454–44–9771.
Dreher, Henry E., 084–24–543[illegible].
Drexler, Charles H., 257–48–3800.
Drummond, James E., 525–56–8128.
Drury, Peter F., 038–20–0793.
Dugan, Daniel C., 586–60–287[illegible].
Dulin, Ralph W., 491–22–575[illegible].
Dunaway, Roy S., 255–40–941[illegible].
Dunn, Robert F., 239–32–216[illegible].
Durbin, James J., 331–22–931[illegible].
Durkee, Richard Y., 030–26–2[illegible]02.
Eddins, Watha J., 232–50–39[illegible]2.
Eddleman, Kenneth T., 413–4[illegible]–0727.
Edwards, Marc, 125–26–7663.
Edwards, William H., 081–32–3238.
Elder, Perry B., Jr., 434–42–2[illegible]83.
Elliott, Bernard V., 444–30–5[illegible]30.
Ellis, Alvin C., 420–52–8631.
Ellison, Henry L., 249–50–842[illegible].
Enslow, Philip H., Jr., 224–52–6947.
Everett, William M., 228–42–[illegible]313.
Fair Cecil, 466–44–9948.
Falbo, John J., 232–58–3316.
Farmer, Douglas H., 242–38–6[illegible]10.
Farr, Robert A., 008–18–4806.
Farrell, James J., 017–24–467[illegible].
Faugust, Robert E., 337–28–2[illegible]05.
Fellows, Robert L., 483–3–071[illegible].
Fene, William R., 578–40–422[illegible].
Feore, Patrick L., 309–28–14[illegible]5.
Fernander, Bobbie B., 260–44–3525.
Fickett, William A., 004–36–0[illegible]21.
Finger, Herbert C., 396–38–1[illegible]75.
Finkbiner, Glen G., 466–38–9[illegible]27.
Flora, Edward F., 488–36–29[illegible]3.
Fischer, Daniel J., 149–26–82[illegible]5.
Fiscus, James E., 195–24–532[illegible].
Fitzpatrick, William, 281–28–1253.
Fleming, Hewell D., 254–46–[illegible]367.
Fleming, Norwood W., 249–4[illegible]–3701.
Fletcher, David F., 229–32–84[illegible]8.
Floyd, John D., 411–46–7910.
Fluker, Thomas D., 420–36–4[illegible]74.
Focht, Charles W., 441–30–27[illegible]9.
Folta, Russell J., 042–24–258[illegible].
Forbes, Barney H., 431–48–68[illegible]6.
Fralen, Clifford J., 060–26–5[illegible]51.
Franklin, Joseph P., 217–28–[illegible]600.
Freeman, William C., 251–38–0725.
Freeze, Richard S., 239–38–2[illegible]92.
Freshley, Robert L., 317–28–[illegible]595.
Froelich, James W., 455–42–[illegible]960.
Fry, Dudley L., 551–36–1397.
Fuellhart, Joseph M., 195–22–7368.
Fulp, Charles A., 241–40–911[illegible].
Furlong, George P., 239–40–[illegible]871.
Fust, John W., Jr., 403–40–2212.
Gabrielli, Robert J., 354–26–1128.
Gage, Walter G., 156–20–13[illegible]3.
Gallagher, William, 021–24–3727.
Gannon, James V., 110–24–[illegible]930.
Garcia, Eliseo J., 462–40–2[illegible]78.
Gardner, William S., 428–54–[illegible]838.
Garneau, Lucien R., 004–28–4594.
Garvais, Donald F., 045–30–[illegible]415.
Gassie, Herbert H., 439–38–[illegible]693.

Gatti, Michael A., 203–22–5584.
Gay, Forrest T., III, 263–44–4145.
Geesey, Edwin P., 185–26–1429.
Gelster, Duane A., 507–28–4887.
George, James R., Jr., 436–44–9838.
Gibbons, Bruce H., 380–32–7839.
Gilbreth, Lee E., 082–32–0772.
Gillard, Robert W., 074–24–5051.
Gillespie, Vernon W., 571–34–9109.
Gilpatrick, David D., 577–42–0018.
Ginter, Kenneth E., 270–26–5737.
Goetzinger, James E., 446–34–7828.
Golden, Robert K., 184–20–6400.
Goldstein, Jack, 247–44–1613.
Goodall, Billy R., 415–52–0594.
Gorey, Paul J., 038–18–1788.
Gosney, Robert R., 455–46–8938.
Graham, Todd P., 365–32–5614.
Granger, John D., 192–28–7105.
Gransback, Donald H., 187–24–5571.
Grant, James R., 416–38–2021.
Grant, John C., 003–22–6055.
Graves, James R., 432–56–0603.
Gray, Richard H., 038–20–5674.
Green, Donald J., 484–26–4797.
Green, Gilbert R., 370–30–7520.
Griffith, Gerald S., 405–46–4660.
Grimes, Donald B., 266–32–7181.
Griswold, Donald E., 048–22–4434.
Grubbs, Edward F., Jr., 176–32–4109.
Gruene, Ernest K., 053–28–0298.
Grummit, Otto C., 187–24–5182.
Gunderson, Raymond, 215–38–9212.
Gunter, Arlie L., 418–40–9170.
Guthrie, Edward R., 414–46–9505.
Hadly, William M., 282–30–5333.
Haendle, Karl V., 097–22–8043.
Hagedorn, Zach, Jr., 260–60–4933.
Hall, Burnes, 456–46–8856.
Hall, David Ryan, 551–44–5286.
Hall, Lawrence H., 395–26–5933.
Hamberger, Michael, 093–24–3535.
Hamel, Albert W., 010–22–4270.
Hamilton, John M., 579–36–6419.
Hancock, Don F., 258–38–1592.
Haney, Kenneth W., 479–40–6039.
Harmon, Leonard J., II, 110–24–2750.
Harron, Dennis J., 213–28–9001.
Hart, Edward P., 031–24–0128.
Hartrick, William L., 288–26–1266.
Harvey, Alton H., 428–52–0741.
Hawk, Robert T., 415–12–5420.
Hawkins, Douglas K., 310–26–7858.
Hayes, Moody E., 417–38–7672.
Hayes, Norman C., 273–26–6095.
Hayward, Donald P., 015–26–4381.
Haywood, Willie M., 243–44–2169.
Hegdahl, James O., 504–26–6147.
Heinsoo, Heino, 391–30–2899.
Heintz, John P., 022–26–8392.
Heiss, John L. I., 427–46–5544.
Helm, Gunther A., 343–28–5956.
Henne, Carl, Jr., 291–28–1116.
Henry, Robert B., 234–44–5336.
Hergenroeder, Leo A., 165–26–4152.
Herren, Thomas W., 097–28–0474.
Herrera, Francisco, 460–32–9593.
Hess, Carl H., 520–26–2279.
Hesson, James M., 476–26–8437.
Higdon, James W., 403–44–5702.
Highfill, James K., 496–32–9644.
Hilbert, Donald C., 099–24–3255.
Hilbert, Donald E., 410–48–7989.
Hill, Elbert B., 272–28–2663.
Hill, Michael E., 509–26–8925.
Himes, Todd I., 181–24–6497.
Himmel, Daniel L., 076–22–2430.
Hines, Thomas G., 228–32–0934.
Hissong, Fred, Jr., 284–28–4894.
Hoagland, David O., 059–26–5730.
Hobbs, Harry V., 311–28–9498.
Hock, Robert C., 166–26–6926.
Hoeferkamp, Harold, 317–28–7564.
Hoey, Stanislaus J., 428–58–5757.
Hoffman, Robert L., 376–30–2427.
Hogan, Wayne C., 568–42–0222.
Hoge, Philip R., 532–30–1249.
Holbrook, Willard A., 579–52–7660.
Holden, Robert T., 111–18–8924.
Holland, Leland J., 343–22–8656.

Holleran, Raymond F., 166–24–7073.
Holt, Daniel R., 423–42–3840.
Holtom, Stanley E., 198–28–2262.
Honor, Edward, 224–52–5229.
Hornish, William E., 514–22–9594.
Horst, Thomas G., 387–28–5077.
Hostler, Howard K., 266–40–8166.
Houser, John W., 403–40–9339.
Houts, Francis C., 450–40–1363.
Hrncir, Oran T., 459–44–7106.
Hufnagel, David A., 336–22–1192.
Huggins, Charles B., 249–38–3813.
Huggins, Edward B., 246–46–5686.
Hughes, Douglas A., 537–28–6849.
Huhn, John N., 124–26–8850.
Hull, Frederick B., 285–24–1259.
Hunter, Kelvin H., Jr., 577–46–5698.
Hurd, Chetwin M., 206–26–5862.
Hurdle, Karl V., 334–26–5008.
Ihara, Les S., 576–22–7829.
Imholz, Robert E., 454–44–9566.
Jackson, James C., 261–38–8751.
Jackson, Paul E., 515–32–4238.
Jackson, Tracy H., 250–52–1447.
Jacob, John S., 269–26–9756.
James, Ralph F., 353–18–0486.
Jarrett, Richard S., 319–26–4605.
Jeter, John R., Jr., 215–38–7633.
Jobert, A. Philip R., 041–26–8453.
Johnson, Charles R., 428–52–4198.
Johnson, Charles R., 194–22–9162.
Johnson, Jack O., 482–30–3808.
Johnson, Robert P., 081–24–5482.
Johnson, William D., 526–38–2269.
Jolemore, Kenneth A., 102–22–5833.
Jones, Alan R., 175–22–8304.
Jones, Burton D., 316–28–8528.
Jones, Cecil P., 259–46–6333.
Jones, Clifford, Jr., 260–60–1716.
Jones, David W., 229–32–0811.
Jones, Ed E., Jr., 458–32–9783.
Jones, Samuel H., 415–42–9819.
Jones, Warren A., 415–44–6963.
Jordan, Horace E., 415–46–6893.
Joseph, Robert E., 454–48–3260.
Kallestad, Richard, 504–24–0366.
Kanamine, Theodore, 507–30–3458.
Kanzler, Norbert A., 725–07–9472.
Kastner, Joseph H., 355–22–6066.
Katenbrink, Irvin G., 254–42–3634.
Kause, Kaye D., 298–26–2419.
Kavanaugh, Richard, 215–24–1550.
Kaye, John P., 094–26–6215.
Keenan, George E., 210–22–4946.
Keller, Donald F., 271–28–3180.
Keller, William K., 477–28–7973.
Kellogg. Kenneth E., 283–30–2712.
Kelly, Alan C., 311–24–9621.
Kelly, Edward J., 150–26–3743.
Kelly, Edward J., III, 048–24–4153.
Kelly, Richard P., 112–26–2413.
Kelly, William H., 078–22–5449.
Kemp, Donald T., 467–48–3466.
Keolanui, Lawrence, 573–32–0290.
Kershner, Clark L., 720–07–7812.
Keyes, William G., 017–20–8295.
Kilgallen, John E., 078–22–4894.
King, Charles R., 256–42–6926.
Kirk, K. Leslie, 528–34–1866.
Kleis, C. Frederick, 148–26–0862.
Kline, Edward F., 551–40–5826.
Klingman, Harold E., 459–42–9939.
Knauss, David S., 299–26–8162.
Knight, Emmett F., 536–26–0786.
Knowles, Wallace O., 471–24–0750.
Knox, Owen H., 540–36–0699.
Koehler, Joseph R., 281–26–4648.
Kowalczyk, Chester, 365–30–7861.
Koziatek, Norbert W., 493–34–1785.
Kraak, Charles F., 324–26–5075.
Kramer, Leslie J., 728–01–9575.
Krebs, James M., 290–28–2659.
Kunkel, Edwin R., 531–30–3782.
Lacy, David W., 227–48–6183.
Lafrenz, Robert L., 506–36–8888.
Lander, Robert B., 247–44–5339.
Larkin, Phillip S., 482–30–0717.
Lasker, Paul E., 541–26–3225.
Lassiter, Edward A., 242–50–4659.
Laudati, Roger C., 039–12–5456.
Lautzenheiser, R., 278–30–7462.

Laverty, Wayne B., 525–54–6309.
Lazenby, Ray D., 529–44–3459.
Ledwidge, Augustine, 037–20–5137.
Lee, Robert E., 457–52–2350.
Lee, William R., 443–28–5100.
Lehnert, Edwin D., 450–46–6561.
Leighton, James P., 195–22–5520.
Lenzi, Anthony F., 181–22–5906.
Leonard, Richard J., 310–32–9715.
Leslie, George W., 540–34–7244.
Levinson, Stanley R., 482–32–1448.
Lewi, Kenneth E., 462–36–8977.
Lewis, Gerald, 152–22–8329.
Lewis, James P., 222–18–5167.
Lewis, Thomas M., 231–22–3344.
Leisman, John S., 388–30–9720.
Light, Clarence O., 227–42–3174.
Lillis, Francis X., 158–22–7323.
Lipscomb, Lawrence, 226–30–2225.
Little, Ronald W., 440–26–3146.
Livesay, Theodore J., 342–24–9393.
Lizardo, Alex R., 558–40–7087.
Lloyd, Joseph W., 445–26–8357.
Lloyd, Luther R., 273–28–4945.
Lockwood, Bill G., 448–30–0979.
Logan, James M., 245–40–0903.
Long, Arthur W., 523–36–5852.
Longanacre, Louis E., 234–48–9106.
Longino, Robert B., 260–44–1303.
Lopez, Ramon R., 116–24–0532.
Lore, Jesse D., 265–46–4045.
Lozier, William E., 207–26–8047.
Ludwig, Daniel D., 332–24–7680.
Lumpkins, William J., 456–36–4240.
Lund, Robert E., Jr., 265–40–6883.
Luster, Albert B., 434–42–7997.
Lynn, Charles T., Jr., 247–44–2777.
Lynn, Robert G., 195–24–4473.
Lyons, Gerald E., 261–64–4077.
Macdonald, Alexander, 404–44–0476.
Macdonnell, Thomas, 032–20–5791.
Macmanus, Frederick, 008–22–0226.
Main, Robert G., 491–36–6074.
Malone, Daniel K., 263–60–7458.
Malone, Howard E., 426–78–5496.
Malooley, Rudolph, 317–12–6965.
March, Miles B., 574–07–0338.
Marchioli, Alexander, 110–22–9024.
Marcotte, Louis H., 433–44–0249.
Marcy, Edwin J., 570–38–1861.
Marden, Jack M., 091–26–9558.
Marko, George F., 360–24–3976.
Marks, Malcolm L., Jr., 429–74–4574.
Marshall, Charles M., 238–32–4661.
Marshall, Raymond E., 199–20–9802.
Martin, Dale S., 316–34–1061.
Martin, David C., 284–28–8062.
Martin, Francis, 320–26–4068.
Martin, George L., 289–22–2177.
Martling, John E., 527–38–5219.
Mason, Phillip H., 224–52–4274.
Mason, Sidney E., 263–60–4246.
Masuck, Joseph, 021–22–8558.
Mathison, Theodore, 468–34–9475.
Matson, James M., 504–26–4705.
Matteson, John R., 081–32–5173.
Matthews, John G., 255–46–0301.
Mattson, Melvin R., 026–24–0112.
Mauerhan, Karl E., 271–26–7094.
Maurer, David F., 562–44–1438.
Maus, William C., 449–36–0659.
Maxwell, John C., 534–26–9262.
May, William S., 508–32–3800.
McCarthy, John W., 188–24–3016.
McCoole, Delos A., 547–42–6328.
McCulla, William L., 231–36–9406.
McDaniel, Cecil D., 249–46–4076.
McDonald, Donald F., 357–24–6396.
McDonald, Malcolm G., 518–26–9306.
McDonald, Thomas F., 464–54–7934.
McElrath, William T., 253–48–0297.
McFather, Bennie S., 258–40–5062.
McGee, Bernard A., Jr., 280–26–3600.
McGee, Carl D., 447–34–1877.
McGrevey, Thomas P., 001–24–5893.
McHugh, Thomas E., 039–20–9291.
McIlroy, Wilmer L. J., 347–24–9880.
McJunkin, Paul B., 251–46–0030.
McKay, William P., 253–42–5993.
McKee, Jack M., 415–42–9669.
McKee, Richard W., 318–26–2563.

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McKenna, Thomas P., 267-40-7786.
McKinney, Leon E., 410-44-9565.
McNair, Carl H., 263-38-8269.
McNair, Jepthaa I., 256-50-3262.
McNerney, David A., 578-42-7920.
McNider, Henry B., 421-38-0079.
McPherson, Robert M., 576-24-5170.
Meekison, Malcolm V., 266-42-9375.
Mellish, James R., 163-24-9773.
Mendelson, Joseph R., 563-32-5968.
Mendoza, Joseph A., 572-34-8593.
Michalski, John L., 328-26-2797.
Mikula, Joseph G., 189-22-9313.
Milani, John A., 051-26-9250.
Miller, James R., 491-30-6593.
Miller, James R., 223-38-1647.
Miller, John W., 489-36-3039.
Miller, Ronald W., 212-30-6774.
Millimet, Stanley, 141-20-7343.
Minich, Cecil M., 525-58-8587.
Mino, Paul L., 206-24-0064.
Misajon, Herman G., 575-28-0113.
Mitchell, Frederick, 458-44-1984.
Mitchell, Gene A., 240-36-5780.
Moir, Raymond C., 502-28-4488.
Momeier, John L., 248-48-5620.
Monaghan, Michael F., 175-26-8712.
Montague, Thomas W., 224-44-5798.
Moore, David R., 415-44-0206.
Moore, George D., 013-24-4641.
Moore, Virgil E., Jr., 721-14-6977.
Moran, William J., 399-24-0716.
Morgan, Jerry T., 283-28-8331.
Morris, Patrick W., 222-18-6204.
Mort, Bruce M., 489-34-8417.
Moses, Dan, 253-56-8995.
Mounts, James A., Jr., 210-24-8944.
Mueller, Frederick, 253-46-5963.
Mullan, Thomas L., 071-24-7651.
Mullins, William R., 411-48-3974.
Mundt, James A., 504-26-9630.
Munroe, Gary W., 563-34-3272.
Nack, Thomas P., 500-30-3304.
Neal, Charles A., 432-52-5925.
Neal, James W., 232-48-2741.
Newton, Robert W., 470-32-9311.
Nicholson, Allison, 315-30-5172.
Nidever, Richard L., 573-36-5830.
Norris, William S., 458-42-8494.
Norwalk, Frank E., 310-20-8143.
Nourse, Robert H., 084-26-5952.
Nuckolls, Donald R., 527-36-5427.
Oakley, Howard H., 224-34-9013.
Obermire, John P., 508-32-4893.
O'Brien, Francis E., 088-24-4359.
O'Connell, Marvin G., 394-28-4858.
O'Connor, James J., 277-24-5097.
O'Leary, Arthur J., 331-26-2638.
Oleksy, William G., 399-28-3959.
Oliver, Hebren W., 430-54-4180.
Openchowski, Kenneth, 086-26-7247.
Ordway, Godwin, 260-60-2986.
Osborn, Phillip C., 511-26-7175.
Overholt, Hugh R., 429-68-2708.
Owel, William R., 362-30-0780.
Owens, Frank E., 010-26-1819.
Pacelli, Vincent A. 057-24-2399.
Page, George W., 535-38-2152.
Parchinski, Edward 123-26-6169.
Parham, Paul B., 494-28-5670.
Parison, Louis J., 008-22-2019.
Parker, Don L., 404-44-5848.
Parks, Paul F., 047-24-1800.
Parrish, Glenwood N., 228-42-1898.
Parsons, Robert A., 421-38-7470.
Parsons, Russell L., 513-26-9780.
Passafiume, John F., 074-24-5761.
Pate, Robert I., 404-36-2801.
Patnode, Clarence A., 112-24-8174.
Pattakos, Arion N., 153-24-0343.
Patten, John L., 012-24-9770.
Patton, Joe W., 462-44-3071.
Pawlik, Stephen R., 122-22-8263.
Pede, August R., 160-28-2599.
Pemberton, David L., 435-42-9144.
Pergerson, Benard E., 238-46-0642.
Perkins, Albert R., 405-40-6272.
Perkins Rex V., 498-28-2655.
Perry, John W., 536-28-7326.
Perry Ronald C., 007-26-1895.
Perschetz, Gerald, 088-28-4545.
Pershing, Jay W., 304-36-8550.
Peters, William G., 253-42-9989.
Petersen, Darwin A., 504-34-6944.
Pfaller, Eberhard W., 064-28-2317.
Philbrook, Wilbur W., 004-30-8618.
Philippsen, Werner, 340-20-1453.
Phillips, Calvin F., 339-24-4112.
Phillips, Clyde W., 203-26-1790.
Pierce, James R., 258-44-3988.
Piland, William U., 243-42-5138.
Pitts, George E., 354-24-5818.
Pitts, Russell N., 267-42-3166.
Poorman, Donald C., 084-26-5404.
Pospisil, Vladimir, 453-50-1787.
Poston, Robert E., 250-56-7948.
Powel, Ben F., 408-52-6670.
Poydasheff, Robert, 262-42-5741.
Pressley, Ancil R., 431-64-1414.
Principe, Martin A., 110-20-6494.
Privette, Jake H., 250-38-6612.
Proietto, Raymond T., 171-20-3673.
Putnam, Carl M., 249-42-3071.
Putorek, William P., 181-24-8952.
Putz, Robert A., 481-32-2426.
Quinlan, James A., 032-22-9267.
Quinn, Hugh J., 114-24-2340.
Rackley, Jerry D., 453-38-3502.
Radtke, William P., 287-24-6349.
Randolph, James W., 415-42-9143.
Ray, Howard, 413-38-4539.
Rayfield, William L., 220-28-3117.
Raymond, Allen D., 267-36-9502.
Reddell, Gerald W., 434-42-2617.
Redmond, Robert S., 115-24-1315.
Reeves, Gale T., 241-46-4391.
Regan, John P., 137-24-5379.
Register, Benjamin, 252-44-4092.
Reid, Donald E., 025-20-7680.
Reid, Robert C., 525-60-0827.
Reniker, Gene B., 498-28-7452.
Rhodes, Cephus S., 266-34-7330.
Rhodes, Roy P., 466-40-6895.
Rhyan, Earnest W., 446-28-2961.
Rice, Harley E., 271-30-4259.
Richey, Eugene C., 450-34-4163.
Rider, James D., 439-38-4163.
Rixon, Malcolm D., 550-38-9346.
Robertson, Frank J., 110-24-4466.
Robinson, Thomas J., 002-22-4680.
Robinson, Willard L., 227-48-8147.
Roche, Gregory F., 149-26-1676.
Rodeman, Dean A., 524-26-1176.
Rodgers, William E., 179-24-1323.
Rodriguez, Simon Y., 457-30-5985.
Rogers, Amos J., 253-50-3436.
Rogers, Jack L., 236-48-8149.
Roop, John R., 012-24-7994.
Rose, Charles E., 067-20-6558.
Rose, Harold P., 463-40-7508.
Roth, Bernard J., 131-24-0929.
Rountree, Herbert A., 437-42-1628.
Roverse, Eugene O., 158-24-6503.
Rowan, George R., 577-46-4188.
Rudd, William C., 224-38-5985.
Rumpel, Donald O., 390-28-4606.
Rungee, James L., 415-52-4059.
Rushkowski, Edward, 211-24-7816.
Russell, Benjamin B., 146-24-3725.
Ryan, Joseph D., 105-24-9250.
Rydel, Albert S., 207-26-7727.
Saffold, Albert T., 467-40-6075.
Sager, Robert A., 029-24-1141.
Samarkos, Anthony C., 262-40-8327.
Sands, Clifton A., 213-28-7052.
Saunders, Joe W., 408-46-1023.
Savoldi, William R., 311-32-6632.
Scheg, Leonard J., 116-20-2295.
Schepps, Madison C., 573-38-9262.
Schick, John L., 126-26-2921.
Schick, Robert L., 046-22-0967.
Schlotter, Frank J., 180-26-5681.
Schmidt, Robert C., 475-30-9629.
Schnabel, Robert H., 317-30-5883.
Schouman, Hazen C., 569-32-3897.
Schow, Horace, II, 315-30-3479.
Schuh, Charles A., 082-32-0062.
Scott, Charles H., 131-22-9835.
Scott, Edward M., 409-40-8390.
Scott, Richard L., 224-34-9468.
Scott, William T., 429-54-1476.
Scribner, Edwin G., 328-26-3236.
Seale, Thomas A., 555-38-0683.
Search, Charles T., 084-26-7145.
Seaton, Peter P., 498-36-6037.
Selig, William L., 500-32-5589.
Senn, Thomas J., 184-22-5907.
Serra, Robert R., 151-24-3732.
Setzer, Howard L., 238-44-1699.
Shaffer, Robert L., 233-46-8344.
Shalikashvili, Othar, 321-34-2031.
Shalz, Roger M., 550-42-8154.
Shamblee, Curtis G., 416-38-1757.
Shannon, Robert, 038-18-3431.
Sharp, Benjamin F., 458-46-7172.
Shaul, Rollin E., 446-28-1165.
Shaylor, Thomas C., 248-38-0625.
Shikata, Edward K., 575-28-2934.
Shimunek, Richard D., 376-28-5927.
Shipp, Grantland V., 481-26-6951.
Shore, Edward R., Jr., 410-58-4704.
Shreves, Charles L., 220-28-4498.
Sietman, William F., 268-24-3078.
Simpson, Billy S., 407-36-3229.
Sink, Herbert T., 243-44-9445.
Skaff, Joseph J., 233-46-8279.
Slater, James J., 115-24-2415.
Silva, Norman E., 459-52-3935.
Smalls, Moses D., 248-42-9622.
Smiley, Philip, 248-42-8927.
Smith, Glenn N., 293-28-9368.
Smith, Isaac D., 438-46-0218.
Smith, James L., Jr., 262-42-0052.
Smith, John J., 116-24-7241.
Smith, Norman M., 081-32-9414.
Smith, Robert J., 073-28-4023.
Smith, Thomas A., 226-36-1939.
Smith, Wayne R., 524-36-2050.
Solinsky, Harold N., 518-36-7813.
Sontag, Paul D., 443-30-3908.
Spain, Harold D., 432-42-6757.
Spang, Alan W., 221-20-0294.
Sparks, Norman W., 303-32-5700.
Spegele, John A., 115-24-4779.
Speicher, Vernon L., 331-24-1689.
Spellman, John G., 045-24-5324.
Spencer, Bryan S., 461-54-7942.
Spruill, Joseph L., 239-46-0856.
Stallard, James E., 410-64-3524.
Stanley, Robert F., 559-34-1262.
Stanton, Harold M., 252-46-1756.
Stapleton, Homer L., 296-24-9543.
Steckly, Kenneth D., 312-30-5032.
Steel, Patrick A., 539-28-7224.
Steine, Joel R., 258-50-5085.
Steinman, Charles A., 234-46-9117.
Sterling, Allan C., 276-24-7230.
Sternat, Robert F., 392-28-9175.
Stevens, Charles H., 014-30-4392.
Stevens, Ronald J., 150-26-2757.
Stevenson, Bruce E., 362-30-5767.
Stevenson, Joseph M., 250-40-6420.
Stevenson, Michael, 270-28-5830.
Stockett, Lawrence, 413-42-5151.
Stommel, Raymond R., 392-28-4138.
Stone, Howard F., 447-32-5655.
Stone, Kenneth M., 508-34-9941.
Storment, Calvin A., 426-30-8019.
Stovall, Don O., 510-24-0999.
Strati, Robert A., 574-09-9438.
Street, Clover, Jr., 214-30-6510.
Streett, William B., 429-44-5911.
Strom, Roy M., 356-30-8564.
Strudeman, Richard, 342-24-2457.
Sullivan, Andrew J., 038-20-7319.
Sullivan, Roy F., 465-46-6672.
Swanson, Robert L., 533-28-4301.
Swartwout, Donald C., 579-42-9261.
Sweet, William E., 271-26-6865.
Talbot, Bailey M., 421-42-0896.
Tapscott, Eugene D., 578-42-2097.
Taylor, William J., 353-26-1195.
Templeton, James L., 251-38-1996.
Terrio, William A., 024-22-6099.
Thayer, Henry J., 251-52-1160.
Thomas, David L., 295-28-9151.
Thomas, Max E., 303-32-6134.
Thompson, Donald K., 576-28-0813.
Thompson, Harold N., 529-34-4606.
Thorp, Lee L., 445-34-1202.
Tigh, Leland F., Jr., 726-14-4292.
Tito, William J., 076-26-3659.

Tomberg, Ralph T., 550-38-5762.
Toner, Francis, 146-24-6513.
Top, John J., 525-60-9883.
Torbett, William C., 453-38-5184.
Torsani, Joseph A., 042-26-7808.
Totri, Eugene S., 225-38-7623.
Towle, Thomas J., 153-22-4623.
Town, James I., 368-32-8198.
Tracy, Chrales J., 466-46-0626.
Trail, Sebert L., 235-46-8870.
Travis, Robert L., 102-26-5984.
Trevethan, Alexander, 396-26-6620.
Trobaugh, Edward L., 312-30-2149.
Troknya, Robert J., 292-26-8422.
Trowbridge, Clarence, 091-28-1866.
Turner, Gary L., 264-46-5965.
Tuten, Jeff M., 256-42-7670.
Uletschi, Donald R., 057-26-5757.
Ulvenes, Thomas H., 476-30-9012.
Underwood, Frank E., 279-28-8781.
Valverde, Robert A., 092-26-2386.
Valz, Donald J., 015-28-5498.
Vancamp, James P., 232-48-6859.
Vanden Bosch, Jon C., 397-28-2053.
Vanhouten, William, 260-38-3573.
Vann Claude, Oden J., 260-20-2432.
Vanpool, Jack L., 446-24-2829.
Vassy, Thomas M., 248-38-4413.
Vaughan, Charles U., 554-40-2291.
Vavra, George R., 570-38-7212.
Ventrella, Rocco F., 368-26-3184.
Vincent, Joseph F., 315-36-3743.
Vinton, James N., 171-26-8937.
Voetsch, John A., III, 157-18-3450.
Volpe. Joseph J., 136-24-6017.
Vongortler, Frederick, 536-28-6265.
Vornsand, Glenn E., 462-44-5024.
Vought, Donald B., 149-26-6727.
Vulgas, Edmund, 541-32-4529.
Waible, Leo C., Jr., 023-26-1642.
Waite, Hugh G., 477-28-5135.
Waldrop, Chumley W., 447-30-7119.
Walker, Alvin E., 267-24-0138.
Walker, Billy M., 437-42-5879.
Walker, Travis L., 423-32-8482.
Wall, Kary D., 525-80-9797.
Wallace, John R., 218-28-5131.
Walpole, Richard W., 410-48-7250.
Walter, Francis, Jr., 072-24-0046.
Walter, Paul B., 525-52-8282.
Walther, Harry J., 307-28-4970.
Walton, Frank G., 152-22-3512.
Ward, Gayle G., 436-42-3826.
Ward, Stanley D., 228-36-0495.
Warner, Leo V., 227-48-8146.
Warr, Thomas J., 418-34-0339.
Warren, Carl W., 270-26-8703.
Waterstrat, Rodney L., 098-22-9266.
Watkins, James E., 529-30-9075.
Watson, Henry G., 287-24-8905.
Watts, James R., 014-28-8188.
Weathers, Edgar W., 255-44-2592.
Weaver, Calvin G., 220-28-7176.
Weaver, John L., 541-34-1569.
Weckerling, John H., 577-46-3939.
Welling, Gerald R., 506-38-0394.
Welter, William L., 141-24-7811.
West, Thomas C., 081-32-6755.
Westphal, Ralph E., 460-64-2405.
Wheeler, David E., 263-56-9231.
White, Chad B., 518-28-7102.
White, Fredrick B., 002-20-9527.
White, James S., 295-26-8374.
White, Leroy, 408-48-6354.
White, Marion, F., 405-38-1742.
Whitmire, Jerry C., 249-42-7738.
Whittaker, Howard C., 226-38-8392.
Wiegand, Robert D., 383-30-9360.
Wiggers, Ralph G., 481-36-0487.
Wiggs, Jimmy D., 445-30-2844.
Wilkes, Donald D., 501-28-2265.
Wilkie. James B., 247-42-6479.
Willemse, Cornelius, 263-42-2016.
Williams, Clinton L., 425-64-4430.
Williams, James D., 465-38-6827.
Williams, Jimmie, 461-46-2517.
Williams, Lawrence, 527-24-1483.
Williams, Norman H., 089-24-1965.
Williams, Robert C., 113-24-0080.
Williams, Sylvanus, 228-36-5011.
Williamson, Rayburn, 348-24-9503.
Williamson, Robert, 313-30-1190.
Wilmes, John J., 473-30-2724.
Wilson, Richard A., 521-32-7494.
Wilson, William E., 424-38-2511.
Wing, John R., 407-38-4342.
Wingfield, Damon D., 448-24-1168.
Winter, William J., 456-42-6494.
Wintz, Edward K., 559-42-9942.
Witek, James E., 306-34-8015.
Witter, Robert A., 282-26-0612.
Wix, William M., 221-20-0439.
Woerner, Frederick, 191-26-8730.
Wong, Donald R., 551-38-4025.
Wood, Hector, 462-40-1919.
Woodall, James R., 466-34-7556.
Wright, William J., 577-34-9004.
Wyatt, David L., 314-30-5611.
Yore, Joseph A., 157-22-9641.
York, Harry M., 537-24-4148.
Young, Clyde A., 259-30-5595.
Young, Raymond H., 448-30-3009.
Zaborowski, Edward, 201-24-6447.
Ziegler, Charles S., 252-38-3856.
Zenk, Daniel R., 516-32-9555.
Zimmerman, Fred R., 503-24-7864.
Zotcavage, John A., 211-26-5904.
Zugschwert, John F., 471-32-4796.
Zurbriggen, Donald, 311-28-1542.

CHAPLAIN CORPS

To be lieutenant colonel

Adickes, Donald K., 126-26-4505.
Bell, Arthur F., 411-48-2674.
Cox, Billy H., 431-54-8134.
Foley, Raymond J., 150-22-3561.
Forrest, Alfred T., 207-22-8007.
Garner, Calvin H., 568-32-5828.
Kovacic, Francis, 419-52-9369.
Kowsky, John J., 067-18-0760.
Lapp, Ernest D., 117-26-2502.
Magalee, John E., 124-30-8406.
Moskowitz, Seymour, 081-22-0573.
Polhemus, David W., 001-24-0325.
Reaser, Clarence L., 191-24-6165.
Shannon, Sylvester, 266-42-5450.
Shaw, James E., 484-22-9773.
Tupy, Richard R., 376-30-8867.
Yarbrough, Jimmie W., 462-50-9667.

WOMEN'S ARMY CORPS

To be lieutenant colonel

Archambault, Claire, 038-20-2475.
Delaune, Kathleen O., 027-22-3088.
Maybin, Patricia J., 434-30-8498.
Olson, Gloria A., 125-20-2200.
Raidments, Margaret, 020-22-2509.
Shippee, Audrey B., 147-20-2599.

DENTAL CORPS

To be lieutenant colonel

Adrian, James C., 102-26-3612.
Allwein, John B., 198-30-6784.
Beckelheimer, Robert, 235-64-9569.
Berube Joseph D., 385-32-7366.
Betts, Alan F., 383-30-6108.
Call, Thomas, 155-24-5308.
Campbell, Robert A., 456-44-3779.
Caulfield, John J., 357-26-9746.
Cherry, Norman L., 410-50-3955.
Collins, George R., 030-24-8234.
Dipietro, Girard J., 203-26-7061.
Dunley, Robert E., 481-30-1659.
Frantz, Wayne R., 164-28-7100.
Greene, James H., 187-22-3614.
Hann, John R., 510-30-0922.
Hourigan, Matthias, 201-24-5216.
Jones, Richard A., 372-32-7835.
Kau, Leon Y., 575-28-0344.
Lyon, Thayer C., Jr., 170-26-0982.
Madden, Robert J., 001-24-5790.
McCuskey, Samuel R., 232-42-3623.
Miller, Joe H., 579-42-9776.
Miller, Thomas E., 145-24-6633.
Morton, Charles B., 227-34-6416.
Neaverth, Elmer J., 577-44-4220.
Nelson, Donald R., 310-32-7183.
Paquette, Omer E., 128-22-8017.
Rice, Jack D., 301-26-9574.
Salem, John E., 210-28-9090.
Sanfilippo, Francis, 526-40-2747.
Schoultz, Edward R., 387-30-3133.
Shell, Doran D., 726-18-2931.
Shelton, David W., 415-40-5935.
Stegman, Donald D., 214-24-0357.
Thomas, Philip C., Jr., 408-56-1486.
Villacara, Alfred A., 078-24-6798.
Whitsett, Bernard D., 187-22-2255.
Zablotny, Florian H., 055-28-9969.

MEDICAL CORPS

To be lieutenant colonel

Ansbacher, Rudi, 079-26-8345.
Arneson, Leslie A., 503-28-3954.
Bannister, Gary L., 507-36-2868.
Bezreh, Anthony A., 024-26-2085.
Bogumill, George P., 392-24-9094.
Brott, Walter H., 490-34-2118.
Chamlian, Dikran L., 158-32-6380.
Cole, Edward F., 266-40-8345.
Corby, Donald G., 501-26-6005.
Diazball, Fernando, 582-62-6671.
Dinapoli, Raphael J., 050-26-8222.
Feagin, John A., Jr., 454-48-3935.
Garcia, Luis F., 580-82-2110.
Giddens, Warren W., 269-30-0210.
Granger, James A., 560-36-8303.
Greely, Robert L., 526-42-6523.
Gunderson, Carl H., 317-34-4290.
Haas, John M., 387-30-3094.
Heydorn, William H., 104-24-6796.
Holtzapple, Kenneth, 163-24-9726.
Isom, Lawrence E., 558-40-6529.
Kopp, Albert A., 072-26-4571.
Larsen, Lowell D., 528-32-8353.
Ledford, Frank F., 279-30-2386.
Lenio, Paul T., 133-28-1600.
Lennox. Kenneth W., 264-46-0719.
Lloyd. Joseph D., 316-22-5584.
Mays, Edward E., 432-32-1327.
McCarty, Richard J., 489-38-5700.
McNaney, Joseph W., 025-24-1786.
Park, Richard, 571-34-0975.
Peter, Peter R., 023-36-6349.
Sakakini, Joseph, Jr., 224-38-6254.
Scavarda, Angelo, 553-36-2002.
Schamber, Dean T., 186-26-6969.
Shira, James E., 010-26-3773.
Stojic, Borislav, 105-36-2873.
Strader, Lorenzo D., 400-42-6759.
Varela, Gilberto E., 218-44-3383.
Winkler, William P., 322-24-8918.
Wood, Laurence, Jr., 248-48-5189.
Yhap, Edgar O., 577-42-8948.
Zbylski, Joseph R., 338-26-9384.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Albertson, John N., 047-26-8930.
Bullard, John W., 445-22-6728.
Carollo, Donald J., 374-24-7799.
Chapin, George E., 029-20-2705.
Conselman, Charles, 397-30-5286.
Copeland, Francis A., 115-26-7614.
Durr, Walter L., 052-28-5184.
Herman, David E., 468-28-3603.
Hill, Clifford L., 232-48-0653.
Hill, Harris R., 256-32-9368.
Hubert, Alexander A., 565-26-1569.
Hudgins, Charles T., 247-36-7778.
Huff, James C., 260-40-9223.
Irons, Ernest M., 519-32-7377.
Jentsch, David P., 062-24-8933.
Johnston, Laurence, 503-24-0636.
Kennedy, Bruce, 075-24-2786.
Krawczyk, Joseph R., 048-22-6730.
Madden, Joseph P., 036-22-6889.
Maillet, Edward L., 056-22-7382.
McWilliam, Robert D., 554-40-7078.
Midkiff, John L., 232-48-7559.
Miller, Vandy L., 232-44-0027.
Ortega, Frank A., 141-20-4154.
Pennington, Neil E., 447-32-1443.
Pla, Luis L., 580-38-7561.
Rose, Gerald S., 573-30-7319.
Silvernale, Douglas, 477-32-4073.
Smith, Creed D., 230-30-2388.
Sommers, George A., 473-22-1901.
Stocks, Harold W., 259-50-8972.
Stoltz, Richard B., 492-32-7847.
Thompson, Helmer W., 502-20-7769.

Troisi, Angelo J., 144-24-1644.
Tweito, Robert B., 473-36-6697.
Vigneault, Marcel L., 048-24-8755.
Willis, David B., 725-03-5141.
Woods, Clyde T., 300-26-5915.

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Graziano, Joan M., 205-26-8530.
Guerrero-Guerrero, Maria, 580-50-1268.
Hall, Wilma F., 271-26-7054.
Hamilton, Elizabeth, 570-30-5680.
Latimer, Estill V., 529-22-2721.
Thompson, Beatrice, 544-24-3846.

VETERINARY CORPS

To be lieutenant colonel

Anderson, Ronald D., 470-34-1694.
Anthony, Theodore G., 433-48-8790.
Eddy, Gerald A., 373-28-0807.
Florine, Thomas E., 481-38-9225.
Schlinke, Orville, 464-54-9584.
Wyckoff, George H., 202-30-4309.

ARMY NURSE CORPS

To be lieutenant colonel

Atchison, Juanita, 538-28-9163.
Barcus, Billie J., 463-24-0270.
Berg, Ellen M., 501-26-0967.
Bosch, Lila J., 503-28-3292.
Felton, Geraldene, 169-20-8395.
Garbett, Jean A., 005-30-7272.
Gately, Miriam A., 144-22-1283.
Grace, Mary C., 091-28-4022.
Greene, Patricia A., 516-32-9020.
Hennek, Angeline, 385-28-8756.
Jezouit, Helen R., 112-26-7569.
Johnson, Martha E., 176-26-5863.
Kingsley, Marthanne, 554-28-0440.
Lillard, Callista J., 539-30-7508.
Locke, Ruth A., 116-20-2845.
Moynahan, Hannah S., 001-24-5274.
Rancourt, Dorothea, 024-12-6719.
Rigdon, Alma L., 284-22-9321.
Rodgers, Elizabeth, 175-24-1349.
Russell, Mary V., 119-24-6073.
Simon, Dorothy A., 271-30-1511.
Smith, Nancy E., 494-36-8383.
Sowa, Helen B., 092-26-5203.
Supplee, Jeanue L., 210-16-7493.
Wells, Lyndoll L., 491-32-8543.

MEDICAL CORPS

To be major

Cameron, Richard D., 521-42-3760.
Nelson, Kenneth E., 578-52-2558.

DENTAL CORPS

To be major

Cavaness, George R., 343-28-3408.

MEDICAL SERVICE CORPS

To be major

Fulton, Robert C., 505-50-1694.

ARMY NURSE CORPS

To be major

Warnock, Glenda, 253-56-0748.
Yamagata, Joyce E., 504-42-5929.

ARMY PROMOTION LIST

To be captain

Arnold, James R., 438-60-6530.
Bettin, Patrick J., 259-74-2690.
Bryant, Charles L., 264-8[illegible]-8630.
Coleman, Thomas L., Jr. [illegible]17-42-1488.
Craft, Troy L., 425-90-85[illegible]6.
Crockett, Rudolph, Jr., 463-72-1368.
Cumming, James M., 557-66-4981.
Dodson, Michael L., 535-[illegible]6-5712.
Goff, Forrest W., 465-68-[illegible]950.
Howell, Robert N., Jr., 18[illegible]-34-0422.
Jacques, Donald M., Jr., 2[illegible]1-68-8067.
Johnson, John J., 232-64-3745.
Jones, John B., 462-66-63[illegible]7.
Jones, Robert A., 231-56-[illegible]155.
Kain, Harold R., 203-32-[illegible]838.
eKnnedy, Pat, Jr., 478-40-1412.
Kurzweil, Robert B., 079-[illegible]6-1895.
Maggart, Lon E., 513-46-[illegible]363.
Mecks, Floyd D., 560-60-[illegible]963.
Miller, Donald D., 261-68-1335.
Ohrt, Richard C., 478-58-[illegible]244.
Pemberton, Clem J., 284-[illegible]8-9674.
Renn, Gregory A., 266-[illegible]0-5429.
Shimp, Robert E., 267-76-4900.
Schmidt, Thomas J., 288-38-0810.
Sims, Richard L., 466-76-0361.
Stepp, Terry A., 266-84-6[illegible]64.
Thornal, Benjamin C., 265-58-1027.
Williams, Herbert D., 244-56-4826.
Williams, Negal F., 461-7[illegible]-3899.
Young, Carey B., 437-66-[illegible]617.
Zaehringer, Theodore A., 530-26-8930.

WOMEN'S ARMY CORPS

To be captain

Brooks, Susan, 097-34-8[illegible]31.

MEDICAL CORPS

To be captain

Ball, Robert M., 530-26-[illegible]442.
Besanceney, Charles, 084-36-4393.
Coppin, David F., 528-54-9532.
Curl, Walton W., 524-62-0656.
Duff, William P., 579-62-[illegible]106.
Garcia, Victor F., 134-38-[illegible]214.
Graves, Carl W., 425-92-[illegible]283.
Howard, James T., 293-3[illegible]-2046.
Hubert, George P., 085-3[illegible]-0502.
Roberts, Donald L., 232-[illegible]4-0275.
Romash, Michal M., 192-[illegible]6-8034.
Sweet, Ross B., 114-38-96[illegible]2.

MEDICAL SERVICE CORPS

To be captain

Bories, Robert F. Jr., 217-44-7864.
Camp, Earley C., 527-50-[illegible]983.
Carleton, Ardenne S., 08[illegible]-36-7005.
Cobey, Elwood A., 220-42-4456.
Copley, John B., 531-44-[illegible]778.

Fay, Michael J., 521-58-67[illegible]4.
Kulikowski, Bogdan M., 1[illegible]7-38-8444.
Lauver, Stephen D., 276-3[illegible]-9177.
Legler, Theodore R., II, 30[illegible]-46-8461.
Perry, Ray H., 229-52-2797.
Roberts, Donald R., 491-4[illegible]-6284.
Warncke, Ronald M., 460-[illegible]4-8127.

ARMY NURSE CORPS

To be captain

Brennan, Thomas P., 193-[illegible]2-0214.
Brewer, Thomas L., 357-32-2347.
Brooks, Raymond R., 448-[illegible]2-5325.
Goethals, Gerald B., 387-4[illegible]-4813.
Gray, Bertha M., 419-56-1[illegible]55.
Iungerich, Larry R., 331-3[illegible]-3970.
Lewis, Jane L., 415-76-037[illegible].
Lowe, Marilyn M., 482-52-[illegible]934.
Maloney, John J., 167-36-[illegible]011.
Motta, Susan C., 526-78-9[illegible]23.
Puett, Leonard R., 443-38-[illegible]094.
St Onge, Susan G., 032-34-5774.
Todd, Tony W., 382-42-03[illegible]5.

DENTAL CORPS

To be captain

Adams, Abram E., Jr., 251-76-2032.
Codd, Joseph D., 542-46-2[illegible]25.
Dismukes, Julian H., III, 4[illegible]7-62-3263.
Earley, Jack D., 444-40-09[illegible]1.
English, Jeryl D., 585-03-[illegible]964.
Ganong, Stephen L., 206-[illegible]2-6935.
Georig, Albert C., 530-28-[illegible]118.
Hardy, Leslie B., 267-70-6[illegible]48.
Harris, Jordan H., 266-78-[illegible]845.
Koudelka, Brent M., 295-4[illegible]-5306.
Priddy, William L., 312-46-8303.
Ruggles, James E., 453-72-[illegible]698.
Vaught, Richard D., 585-1[illegible]-3345.
Withrow, Gene, 411-58-25[illegible]8.
Woolsey, Gerald D., 459-7[illegible]-2342.

VETERINARY CORPS

To be captain

Johnson, Clifford I., 459-7[illegible]-4452.

ARMY MEDICAL SPECIALIST CORPS

To be captain

Townsend, Jamis C., 228-[illegible]8-6847.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 17, 1975:

FEDERAL ENERGY ADMINISTRATION

John A. Hill, of Maryland, to be a Deputy Administrator of the Federal Energy Administration.

Gorman C. Smith, of Virginia, to be an Assistant Administrator of the Federal Energy Administration.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

DR. BILLY GRAHAM RECEIVES MAN OF THE SOUTH AWARD

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 17, 1975

Mr. TALMADGE. Mr. President, Dixie Business magazine has announced its 29th "Man of the South Award" is to be presented to Dr. Billy Graham.

Editor Hubert Lee has for many years saluted those who have made outstanding contributions to our region and the Nation, and I certainly join him in commending Dr. Graham for his evangelical accomplishments.

I ask unanimous consent that portions of the magazine which announce this honor be printed in the Extensions of Remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DIXIE BUSINESS NAMES GRAHAM MAN OF SOUTH

Evangelist Billy Graham has been named the 29th "Man of the South" by the editors of Dixie Business magazine.

Hubert F. Lee, editor of Dixie Business since 1929, said that Billy Graham has preached the gospel to more millions than anyone in history since he was ordained in 1940.

Past "Man of the South" honorees include Dr. James P. Wesberry, who retires March 11 as pastor of Atlanta's Morningside Baptist Church; Dr. J. McDowell Richards, former president of Columbia Theological Seminary, the late Bishop Arthur Moore, and the late Senator Walter F. George.

Lee will present the "Man of the South" award for 1974 to Billy Graham on May 20 in Charlotte, where Rev. Graham was born.

Billy Graham is to speak at the 200th Anniversary Bicentennial Celebration of the Mecklenburg Independence Declaration, following which Lee will make the presentation before thousands expected to be present at Freedom Park. Lee publishes Dixie Business at 4592 Covington Hwy, Decatur, Ga. 30032. Anyone wanting a copy of the issue featuring Billy Graham should send a self addressed stamped envelope.

DR. BILLY GRAHAM—MAN OF THE SOUTH FOR 1974

(By Hubert F. Lee)

Billy Graham, the 29th "Man of the South," has preached the Gospel to more millions than any other man in history.

He was nominated by William H. Barnhardt, the "Man of the South" 1973:

"I have known Billy, his father, his mother, sister and brother, for many years. Billy plays golf with me occasionally, also I have been with him in Crusades Lima, Peru, Dallas, Texas and Charlotte.

"He is good company and, of course, his world-wide ministry is known to millions . . ."

Bill Barnhardt attended "Man of the South" dinners honoring Reuben B. Robertson in 1950: David Ovens for 1951 and Norman Cocke for 1959.

Billy Graham was born Nov. 7, 1918 to William Frank and Morrow Caffey Graham.

He was the oldest of four children, Catherine, Melvin and Jean.

The Grahams had a large dairy farm outside of Charlotte, N.C.

There was work for all, with time for love and laughter in the home.

They attended the small Associate Reform Presbyterian Church in Charlotte, where only psalms were sung.

In 1933, Mrs. Graham joined a bible class and learned "that the Lord has come in and lives in our hearts.

"I never knew that before. . . ."

Three weeks later, Frank Graham's head was smashed by a flying stick of wood and the surgeons thought he would die.

Mrs. Graham called on her Christian friends to pray, and went up to her bedroom "and just laid hold of the Lord. I got up with assurance that God had heard my prayers."

Frank Graham recovered and they gave God the Glory.

In May 1934, a group of Charlotte businessmen borrowed a pasture from Frank Graham for a day of prayer as the depression had spread spiritual apathy in the area.

At the prayer meeting, Vernon Patterson prayed that "out of Charlotte the Lord would raise up someone to preach the gospel to the ends of the earth."

The businessmen next built a big "tabernacle" in Charlotte, where from September 1934 the fiery Evangelist Modecai Fowler Ham preached for eleven weeks.

Billy Graham was converted and as the choir sang "Almost Persuaded" he walked down the sawdust trail.

"It was not the technique of walking forward at a revival meeting.

"It was Christ I was conscious of."

Billy first learned about Counselors when J. C. Prevatt, who owned the tailor shop, approached him to talk and have a word of prayer.

A happy Frank Graham came across from the other side to throw his arms around him and thank God for his decision.

Early in 1934, Jimmy Johnson, a young Alabama evangelist took Billy to a service in a Monroe jail.

Johnson stopped in the middle of preaching and said:

"There is a young fellow here who can tell you what it is like to be converted."

The 17 year old Billy froze with surprise.

"Three or four sentences were all I could manage," Billy recalls.

Johnson, however, said we were all surprised at his ability to speak. He did a commendable job right there in prison."

Grady Wilson, who had followed Billy Graham up the sawdust trail at Evangelist Ham's revival, started preaching.

Billy marveled, "My what a tremendous thing this is. Here is Grady, my friend and my pal, up preaching. How does he learn all this? How can he say all this? . . ."

After graduating from rural Shanon High School, Billy's mother chose Jimmy Johnson's college, Bob Jones College, then at Cleveland, Tennessee where Grady Wilson's brother, T. W. (Thomas Walter) Wilson was attending. Grady Wilson entered at the same time with Billy.

Billy Graham, Grady and T. W. Wilson became sort of God's triumvirate in spreading the gospel.

In the summer of 1936, before entering Bob Jones College, Albert McMakin as field manager for Fuller Brush Company gave Billy a job as a door-to-door salesman at Darlington.

W. T. and Grady Wilson soon joined the summer staff.

McMakin recalled: "I had a time keeping up with Billy. He beat any salesman I ever had."

When they were together, Billy, the Wilsons and McMakin spent the evenings in prayer and bible study.

Billy prayed for sales success before knocking on each door.

He witnessed to each customer.

In January 1937, Billy changed from Bob Jones to Florida Bible Institute at Tampa Terrace, near Tampa, Fla. beginning "three and a half glorious happy, character-building, life changing years."

Billy wrote, "Mother, words can't express Florida Bible Institute.

"This is the first time I have enjoyed studying the word of God."

Every day back in Charlotte, Frank and Morrow were on their knees after lunch praying that Billy would fulfill Apostle Paul's charge to Timothy:

"Study to show thy self approved of God, a workman that needeth not to be ashamed, rightly dividing the word of God."

Billy Graham surrendered to the call to preach in March 1938 on a golf course before the school's front door one night.

"The trees were loaded with Spanish moss; in the moonlight it looked a fairyland.

I remember going on my knees and saying, O God if you want me to preach, I will do it.

Tears streamed down my face as I made this great surrender to become an ambassador for Christ."

Billy recalls his Tampa preaching experiences—in prison—chaplain for the Tin Can Tourists who had been lured from Arcadia the year before . . .:

I had one passion, and that was to win souls. I did not have a passion to be a great preacher. I had a passion to win souls. I had never been trained as a public speaker . . . I had to learn the best way I knew."

Billy's first altar call was given in a little church in Venice.

Twelve young men came down.

On the way back to Tampa he told Penzi Pennington, his song leader: "Penzi, I have learned my greatest lesson.

"It is not by power or might or any great sermon, it's wholly and completely the work of the Holy Spirit."

Billy joined the Southern Baptist and in 1939 was ordained to preach.

In May 1940, the class valedictorian, Vera Resue, declared that at each critical epoch of the Church, God has a "chosen instrument to shine forth his light in the darkness—Like Luther, John and Charles Wesley Moody . . . who heard the voice of God.

"There is room for another on this list,"

Billy entered Wheaton College that fall where God had provided him a wife. Ruth Bell, the daughter of the late Dr. and Mrs. Nelson Bell.

Billy and Ruth were married August 13, 1943.

In 1941, Billy was student pastor of the United Gospel Tabernacle of Wheaton, Ill., and of Glen Ellyn, a small independent church.

There he preached as if "someone else was speaking . . . another voice than his."

About that time my own little Glen Haven Presbyterian Church was using student pastors from Columbia Theological Seminary, Decatur, Ga. headed by a great man of God, Dr. J. McDowell Richards.

When he graduated from Wheaton, Billy became pastor of Western Springs Baptist Church, which he called "The Village Church."

He and Bob Van Kampen started the Suburban Professional Men's Club.

In October 1943, Terry Johnson a professor at Northern Baptist Seminary, suggested that Billy and the Village Church take over one of his Chicago radio programs. "Songs in the Night."

Songs in the Night went on the air from Western Springs in January 1944, with George Beverly Shea.

Torrey Johnson, in April 1944, Attend the First Baptist Church, Minneapolis, where George M. Wilson, a 31-year-old businessman, had organized a Youth for Christ Rally.

Johnson formed "Chicagoland's Youth for Christ" and booked the Orchestra Hall, next to the USO, for Rallies.

Billy Graham preached at the opening rally on May 20, 1944.

When he gave the invitation, forty-two came forward.

Johnson felt that Billy Graham had no equal in his evangelistic sermon to youth.

In October, Billy was commissioned a 2nd Lt. and ordered to wait for orders to report to Harvard Divinity Chaplains' school.

Instead he came down with the mumps.

Billy was in bed for 6-weeks.

They went to Florida and while on a fishing boat in the sun, Torrey Johnson discussed a plan to inspire and capture American youth.

As the Chaplain Corps would assign a convalescent to a desk, Johnson suggested that Billy resign his commission and become the first full-time organizer and evangelist for Youth for Christ.

During 1945 and 1946, Billy preached at Youth for Christ rallies all over the nation and Canada.

Leighton Ford, who married Jean Graham and now on the team, was a local Youth for Christ director at Chatham, Ontario, Canada, when Billy preached.

When only two came forward, Ford recalls, "I was broken hearted."

Billy said, "Leighton, God blesses a man who has a burden for souls."

"He's given you a burden, and he is going to bless you in it."

Ford now alternates on the House of Decision, carried over 900 radio stations worldwide.

He has preached to large crusade audiences on every continent and has addressed civic luncheons, conducted university missions and talked to factory workers and labor groups.

I heard Leighton Ford speak on God and the City at noon on June 19, 1973 during the Billy Graham Crusade held in Atlanta.

Billy Graham had a Word of Knowledge when he told a high school student years ago "God blesses a man with a burden for souls."

Torey Johnson, at the end of WW2, asked Billy to join him on a tour to launch Youth for Christ in Europe.

They left March 18, 1946, with Wesley Hartzell, a Hearst writer who had become interested in Youth for Christ, Stratton Shufelt, Chicago singer, and Charleston Templeton, Toronto director for Youth for Christ.

They conducted whirlwind rallies through England, Scotland and Ireland.

Cliff Barrows was singer for Billy in 1945 at Ben Lippen Bible Conference in North Carolina.

Cliff and Billy were together on the next tour of the British Isles.

Billy became president of Northwestern

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Schools, consisting of Liberal Arts College, Bible School and Theological Seminary, in 1947.

Billy persuaded T. W. Wilson to become vice president.

Before he resigned in 1952, Billy learned finance promotion, administration delegating responsibility.

Diane Thomas reported in Atlanta Magazine for May 1972 that Billy Graham encouraged Paul Reynolds, of Atlanta's WAGA-TV (Contact 5) as a youngster. Reynolds won the Dixie Business 23rd "Public Service in Reporting. Here are quotes!

Reynolds was attracted to broadcasting as a youngster, when his family fundamentalist preacher took to the airways. A small studio was built in the church, and enthusiastic 14-year-old Paul Reynolds was tapped to operate the controls.

As a high school senior, he won a city-wide audition sponsored by a Tampa radio station, and became host of a weekly 30-minute show.

He was contacted by Northwestern College (Minneapolis), a small religious college. Its president, Dr. William Graham, had worked with young people in the Tampa church Reynolds attended, and he remembered the budding broadcaster's enthusiasm. Dr. Graham (better known now as evangelist Billy Graham) offered Reynolds a chance to help establish a student radio station and get his degree in journalism. Reynolds accepted.

While doubling as college president and Youth for Christ organizer and evangelist, Billy's deepest desire was to hold city-wide revivals with Cliff Barrows, Beverly Shea and Grady Wilson.

LOS ANGELES, 1949

Billy Graham became nationally famous in 1949 at the Canvas Cathedral in Los Angeles when vast crowds came to hear him preach of sin and forgiveness of Jesus Christ.

Stuart Hamblen, the famous singing Texas Cowboy who had a radio show, was converted, which brought headlines.

Track star Louis Zamperini accepted Jesus Christ.

Ailing William Randolph Hearst had a middle-age maid who had listened to Graham's "Songs in the Night" program in Chicago before moving to LA.

Hearst heard from the maid what the Lord was doing in the big tent.

He knew his maid was a Christian.

His papers had earlier supported the Youth for Christ rallies.

Hearst asked all about Billy and listened to the maid's raptured account as did Naaman to the Jewish maid who told of Elisha's power. The next day Hearst gave orders to "puff Graham."

The crowds filled the tent and many could not get in.

Graham preached with authority.

"I found I could take a simple outline and put a number of scripture quotations under one point, and God would use this mightily to cause men to make full commitment to Christ.

"I found they were desperately hungry to hear what God had to say through His Holy Word," Billy says.

COLUMBIA, S.C., 1950

The Columbia, S.C. Crusade began Feb. 1950, at the Township Auditorium, which held 4,000.

Governor J. Strom Thurmond strongly supported the crusade and on March 12 issued a proclamation.

On March 1, Billy addressed a joint meeting of the legislature.

When the late Bernard Baruch "The Man of South" for 1964, read the address, he showed it to Henry R. Luce then a guest in his Yeomans Hall home.

Luce, founder of Time and Life magazines attended the May crusade and was a guest in the Governor's mansion that night, as was Billy Graham.

That night Billy and Luce talked until near dawn.

Luce ordered a team from LIFE and TIME to Columbia and millions saw pictures and read of the man who preached the gospel with power.

HOUR OF DECISION

The Hour of Decision first went on the air Sunday afternoon Nov 5, 1950 from the Atlanta Crusade.

Millions listening to 150 radio stations heard Billy Graham preach.

It was Ruth Graham who decided on the title of Hour of Decision.

The tab for the first broadcast was picked up by the Atlanta Crusade audience, who handed envelopes to ushers or mailed to Minneapolis.

On February 25, 1952, Billy resigned as president of Northwestern Schools.

He wanted to give himself wholly to preaching the gospel.

The great David Lawrence ran an 8 page feature in the Sept. 27, 1957 issue of U.S. News & World Report of Questions and Answers. 9-27-57

Q. Will it last . . .?

A. ". . . many would stand . . .

". . . When I came to Christ 20 years ago in an evangelistic crusade . . . I came forward with 400 others. . . . The next day a . . . columnist it was an emotional stir and nobody would last. Yet, I know of 11 ministers now preaching who were converted that night. . . ."

ATLANTA MAGAZINE

Atlanta Magazine, edited by Norman Shavin, ran a Question and Answer feature "Inside Billy Graham," in the June 1973 issue during Billy's Second Atlanta Crusade.

(Bruce Galpin, managing editor has given Dixie Business to quote:)

ATLANTA. Who is your Billy Graham? Whom do you go to for counsel, for spiritual guidance?

GRAHAM. My wife. She is the only one I completely confide in. The moment I start going to another person or confide in him, I may have about 20 other people knowing all about it. I have a board of directors of 25 top businessmen who run the financial end of my work but are not paid; I confide in them in business and organizational matters; but when it comes to spiritual things, it's my wife.

ATLANTA. Since you go to her for counseling, on what subjects do you disagree to the point of argument?

GRAHAM. We haven't had an argument of any sort in at least 15 years. We have differences.

ATLANTA. Do you ever resent the fact that your own ministry is necessarily so complex, so economically complicated? That you are big business?

GRAHAM. No, we're not big business, not that big; I think that's been over-exaggerated. We do only three things. We make motion pictures and distribute them. We publish the largest religious magazine in the world and we have over six million paid circulation in this country alone; and we hold evangelistic crusades. There are 10 evangelists; two are black, one is Indian, and the rest of us are Caucasian, and we go all over the world holding crusades. Our television work is probably the biggest thing we do from a financial point of view because we buy the time. If we didn't, we'd never get on. And where does the money come from? Big foundations and rich people? No; our average gift runs around $6.

Lowell Thomas wrote:

Dear Hubert Lee:

Billy Graham?

Why not?

He's a real star if there was ever one.

Ed Hatch, president, Georgia Power Company:

"I enthusiastically approve. .

"You could not find a better person for this honor. . . ."

Rev. E. H. "Ham" Hamilton, who spent 40 years as "Ambassador for Christ" in China, Korea, Japan and Formosa, author of "Afraid of What" wrote:

"I vote for Billy Graham because he more than any other living American has for a generation called our nation, which has rapidly been going down the drain morally, to come back to God and to His way of righteousness, justice and peace. ."

Dr. J. McDowell Richards, the Man of the South" for 1967, said:

"I am honored to have Billy Graham join the ranks of the 'Man of the South' honors.

"Billy Graham is one of the World's greatest evangelists."

The late Dr. Nelson and Mrs. Bell, Mrs. Billy Graham's parents, attended the dinner honoring Dr. Richards as the "Man of the South" for 1967.

Kathryn Kuhlman, who "believes in miracles because she believes in God," wrote: "Dr. Billy Graham has my deepest respect and admiration and any honors or recognition he receives is well earned and due this man of God."

Dr. James P. Wesberry, the "Man of the South" for 1972, who retired Feb. 28, 1975 after 31 years as pastor of Atlanta's Morningside Baptist Church, wrote:

"I think Billy Graham is a special Godsend to our day and generation.

"No man in our time has been so widely and effectively used of the Lord.

"I consider him the number one man in religion in our world today . . ."

Chaucey W. Lever, the great banker who is president and chairman of the Florida National Banks of Florida at Jacksonville, was Executive Vice-President of the Greenwood Chamber of Commerce and did the work for the Man of the South for 1952 dinner honoring the late Colonel James C. Self.

Chauncey, who is an architect of the "Flowers for the Living" movement, wrote:

"Dr. Graham is indeed one of the great leaders of this century as evidenced by the polls which show him to be one of the most admired men in the world.

"It was our tremendous pleasure to again hear him in October in Honolulu when he addressed the Annual Convention of the American Bankers Association.

"I don't believe a single banker missed that grand occasion when the Convention Center was packed.

"I am highly honored . . . to be named to the South's 'Hall of Fame for the Living' honor group of 200. . . ."

Donald Comer, Jr., president of Avondale Mills, whose father was the "Man of the South" for 1947, wrote:

"I think your choice of Billy Graham is excellent . . ."

Frank P. Samford, Jr., president of Liberty National Life Insurance Company, whose father was "Man of the South" for 1958, wrote:

"I think your choice of Dr. Billy Graham is an excellent one . . ."

GRADY WILSON

Grady Wilson, who followed Billy Graham up the sawdust trail in Charlotte in long ago 1934 and a member of the Graham team is pleased:

"Bill Barnhardt is one of my dearest friends I have on earth . . .

"Jim Wesberry is also one of my warmest personal friends . . .

"Billy Graham and I were reared in Charlotte and have been friends for nearly 40-years. . .

"I have not known any man who has contributed more to the spiritual and moral life of this nation than has my long-time friend Billy Graham.

"He is a man of integrity and deep personal piety and devotion to his Lord and Savior, Jesus Christ. . .

Grady Wilson and his brother, T. W. Wilson have been members of Billy Graham's team from the beginning.

CHARLES CRUTCHFIELD

Charles H. Crutchfield, a friend of Billy for 40-years and who is credited with giving him the idea for his successful broadcasting, wrote:

"I approve whole heartedly. .

"As far as I am concerned he is the . . Man of the World. . . .

He is that outstanding. . . .

Crutchfield entered radio in 1929 with WSPA in Spartanburg.

He joined WBT in Charlotte in 1933 and is president of Jefferson-Pilot Broadcasting Company.

In 1971, he spearheaded the Billy Graham Appreciation Day in Charlotte.

WILTON E. HALL

Wilton E. Hall, "Man of the South" for 1955, wrote:

"Billy Graham is the ideal choice!

"He could be honored as God's Man of the Universe. . . ."

Wilton Hall was my newspaper boss 50 Years ago—in 1925–1956.

He founded the Anderson Independent in 1924 and bought the Daily Mail some years later.

He founded Radio Station WAIM in 1935 and WAIM–TV in 1953.

Wilton sold the Anderson Independent and Daily Mail in February 1972 to Harte-Hanks, of which I am a stock holder.

Wilton still owns WAIM, which broadcasts Billy Graham twice a week and WAIM–TV on which appears Billy Graham's Crusades.

Wilton publishes "QUOTE," a 35-year-old Weekly Magazine, subscription is $12.00 for 52 issues. Box 4073, Sta-B., Anderson, SC 29621.

He publishes the National Stamp News and owns the Palmetto Publishing Company, all of Anderson, S.C.

In 1926 he gave me the idea of the Lee Press Syndicate, in Columbia, SC.

BARNHARDT TO PRESENT AWARD

William H. Barnhardt, the "Man of the South" for 1973 will present the 29th "Man of the South" award to Billy Graham on May 20th at Freedom Park in Charlotte.

Charlotte will celebrate the 200 Anniversary of the Mecklenburg Declaration on May 20th.

Billy Graham will be presented the award after he speaks.

Thousands will be there.

President Ford has been invited.

Bill Barnhardt headed the drive to buy the 110 acre property for the recreation park and lake.

Freedom Park is located back of Mr. Barnhardt's estate.

Mr. Barnhardt will host a luncheon following the presentation at Quail Hollow Country Club, which he helped organize and served for three years as president.

Bill Barnhardt plays golf with Billy Graham on the championship golf course at Quail Hollow country club.

AWARD AT BARNHARDT CHAPEL

Bill Barnhardt had a heart attack last year before he could be presented the "Man of the South" award for 1973.

Instead of a dinner in Charlotte, Mr. Barnhardt will be presented the 28th "Man of the South" award in the beautiful Barnhardt Boy Scouts Chapel at John J. Barnhardt Boy Scouts Camp at New London, North Carolina, which was named for Mr. Barnhardt's deceased brother.

Presentation will be at 3 p.m. at the Spring Rally of the Catawba Tribe of Old-Timer Lone Scouts of America Sunday May 18, 1975.

The Lone Scouts Memory Lodge is at John J. Barnhardt BSA Camp.

Ernest Navey, Shelby, N.C. is Chief of the Catawba Tribe and Hank and Naomi Goforth, of New London, are cohosts for the May 18th Rally.

Those who wish to come before the 3 o'clock presentation time should bring a little basket to spread.

Charles Merlin is founder and unelected Chief of the Elbeetian Legion of old-time Lone Scouts . . . named for his Little Beaver Tribe paper which he has published since 1917.

W. D. Boyce chartered the Boy Scouts of America in 1910 and the Lone Scouts in 1915. They were merged in 1924.

Announcement will be made at Camp John J. Barnhardt May 18 that Grady and T. W. Wilson have been named to the South's "Hall of Fame for the Living", the honor group limited to 200 Living Leaders from Which the "Man of the South" is named.

BOY SCOUT LEADER

Bill Barnhardt is a member of the Regional Committee and Advisory Council of the Mecklenburg Council of the Boy Scouts of America.

BILLY GRAHAM ATLANTA CRUSADE, JUNE 18–24

(Encored From Spring 1973 Issue of Dixie Business)

Billy Graham will return to Atlanta for his first Crusade since 1950.

The June 18–24 services at the Atlanta Stadium is expected to be one of Dr. Graham's greatest . . . with hundreds working and thousands praying.

Thomas G. Cousins, Chairman of the Executive Committee, said the Stadium was picked because it has a 51,000 seating capacity—three times that of the Omni.

"We hope that this time of emphasis on the Gospel of Jesus will bring many thousands of individuals to a public profession of their faith as well as a lasting beneficial effect on the area as a whole," Cousins said.

"This has certainly happened whenever Dr. Graham has preached before, and we are praying that it will happen here."

Governor Jimmy Carter was among the first to offer his services to Billy Graham's Crusade.

In a press conference a year ago, Dr. Graham, flanked by Gov. Carter and Tom Cousins recalled his 1950 Crusade in Atlanta.

"We had to build a building inside the old Ponce de Leon ball park for services which lasted eight weeks."

Dr. Harry A. Fifield, pastor of Atlanta's First Presbyterian Church, heads a great 280-member Council of Ministers, made up of pastors throughout Georgia.

The Council will establish a vital prayer fellowship of pastors for the Crusade.

Assisting Dr. Fifield are six area Chairmen, including Dr. James P. Wesberry, pastor of Atlanta's Morningside Baptist Church ("The Man of the South for 1972); Dr. Clayton Bell, pastor of Rome First Presbyterian Church; Dr. Charles Middlebrooks, pastor LaGrange First United Methodist Church; Rev. Nathaniel Parker, pastor of Grace Presbyterian Church in Gainesville; Rev. Thomas J. White, pastor of First Presbyterian Church of Covington; and Dr. W. Clyde Martin, pastor of Macon's Tabernacle Baptist Church.

WOMEN IN ACTION

A Council of Women, headed by Mrs. Jack Fain of Dunwoody is organizing prayer groups in 10,000 homes.

Each hostess will open her home for prayer sessions once a week starting May 21.

The six area chairmen include Mrs. W. Armstrong Smith of Atlanta; Mrs. Jimmie Beacham of Marietta; Mrs. Lindsey of Newnan; Mrs. Richard W. Jones of Athens; Mrs. Edward Caldwell of Griffin; and Mrs. Robert F. Cunningham of Macon.

Mrs. Fain said that if the Council's objectives are met the resulting mobilization may bring together the largest group of Christian women ever to unite for a single purpose in the Atlanta area.

Tom Cousin's Vice-Chairmen are Rev. L. Bevel Jones of the First United Methodist Church of Decatur, and Rev. J. A. Wilborn of the Union Baptist Church, Atlanta.

Other officers include David Gambrell, Secretary; Donald L. Hollowell, Assistant Secretary; Albert J. Bows and Samuel E. Hudgins, Co-treasurers.

The list of workers includes most of Metropolitan Atlanta's top leaders.

THOUGHT FOR FOOD

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ROSENTHAL. Mr. Speaker, today is Food Day and citizens throughout the Nation have organized and are doing their part to make this day of national awareness a success. The purpose of Food Day is to mobilize public concern over the need for a national food policy which will promote better quality, lower priced food supplies, insure the livelihood of the family farmer and allow increased U.S. assistance to needy nations.

Consumer groups are holding conferences on monopolies and skyrocketing food prices. Students, administrators, and professors are organizing teach-ins at high schools and universities across the Nation. Radio and television broadcasters are planning specials and public service announcements to commemorate this day of national action. Poverty groups are publicizing the eligibility requirements for food stamps. And others around the Nation are pursuing a variety of different activities.

As the original sponsor of a resolution declaring April 17, 1975, as National Food Day, I have also introduced a number of other consumer food bills.

The Consumer Food Labeling Act (H.R. 42) would require the labels on foods and food products to disclose all ingredients; accurate weight data; storage information; nutritional content; true identity of the manufacturer, packer, and distributor; uniform product grades; unit prices; ingredient changes, and it would bar the use of misleading brand names.

The Consumer Price Information Act (H.R. 988) would require retailers to provide point of sale information to consumers concerning the recent price history of products and merchandise offered for sale.

The Price Disclosure Act (H.R. 4551) would prevent supermarkets from removing individual price markings from groceries when they adopt the universal product code—UPC—computer check-out systems.

In addition, I have petitioned the Food and Drug Administration to require full ingredient disclosure and percentage labeling of all baby foods. I have registered strong objections with the FDA concerning the National Confectioners Association proposal seeking permission to stop printing weight information on labels of candy bars and candy pieces weighing two ounces or less.

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Action on this day is taking many forms. Citizens are participating in a variety of activities on food issues like nutrition, food quality and cost, and world hunger. They are organizing teach-ins, workshops, literature tables, speeches and panel discussions to help in this effort. They are protesting food taxes in States that levy them. They are demanding "free speech" bulletin boards in every local supermarket on which price advice and nutrition information will be posted. They are organizing nonprofit grocery stores and urban gardens. In addition, they are researching the causes of high food prices. Consumer groups are working together with poverty, nutrition, world food and environmental groups—since all are interested in developing responsible food policies.

Food Day offers a good opportunity for those concerned with food issues to bring to the public's attention, once again, the fact that hunger is still a reality for too many people. Although many groups and individuals have been working for years on world food problems, there are still at least 400 million people who are chronically hungry. Food Day is an opportunity for Americans to work toward a solution to this problem. Public hearings on the world food crisis are being held in communities. Hunger task forces have been started in many communities to inform people who may be eligible for food stamps and free school meal programs. Walk-athons and fasts have been organized to raise money for immediate hunger relief.

Food Day activists also are working toward better eating through better vending. Vending machines can and should be used to sell good foods. But unfortunately, as the vending machine population increases, so does the availability of junk food. Vending machine customers deserve to have some say about the products they buy because until good food becomes as available as junk the quality of our diets will continue to deteriorate. Citizens are working towards getting soda pop and candy bars banned from school vending machines. They are informing doctors, nutritionists and particularly dentists in hopes of gaining their support. And they are contacting local radio and television stations to encourage the public to support this "good vend" project.

Food co-ops and food buying clubs have been formed as a solution to the high cost of living. The clubs vary greatly in size and complexity of organization, ranging from neighborhood clubs of a half dozen families to store-front businesses grossing $250,000 annually. Regardless of size the same basic principle applies. Groups of consumers, buying in bulk from wholesalers or producers, can eliminate the middleman and save up to 50 percent on food costs. The food co-op and buying club organizations are rapidly spreading throughout the Nation.

Other activities include supermarket comparison price studies and consumers educating themselves and their neighbors about oligopolistic control of the food industry and its effects on diet and budget. Nutritional education is being pushed in elementary, secondary, college and medical school curriculums. Land grant agricultural colleges are being encouraged to research farming practices which are not capital, energy or chemical intensive. Work is being done for legislative protection of family farms in the States. And most importantly, people are educating themselves and their congressional and State representatives about all aspects of the world food situation.

Mr. Speaker, it is my hope that Food Day will be a positive educational experience for Americans and be the first step for Congress toward developing a meaningful and effective national food policy dedicated to promoting better nutrition at home and eradicating hunger worldwide.

OUR FOREIGN POLICY TAKES AN ABRASIVE TONE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, in the Washington Post of Tuesday, April 15, Tom Braden wrote an insightful column on how President Ford's and Secretary Kissinger's recent foreign policy statements have become increasingly belligerent and threatening. Like little boys having tantrums, Braden says, Ford and Kissinger are casting doubt on our national competence by using language which places the United States on the defensive. Braden points out the dangers of this irresponsible use of language, for if we continue to look for trouble we just might find it. Because of the timeliness of Mr. Braden's comments, I should like to insert them in the RECORD at this point:

WHY ARE WE LOOKING FOR PROBLEMS?

(By Tom Braden)

In the world of small fry, a special distrust is reserved for the boy who walks around the playground telling the others to watch out because he is ready to fight.

The distrust is well-founded. People who put chips on their shoulders are unstable people. They are looking for trouble. Often, they find it.

Which is why President Gerald Ford sounded like the small boy in the playground when he told an audience in Las Vegas, Nev., the other day that "No enemy of the United States should now determine . . . that the time has come to challenge us."

What enemy was the President talking about? Who said anything about challenging us? And why would they challenge us? Has the United States Army been defeated in Vietnam? Or the United States Navy? Has the United States been weakened in any way?

Maybe President Ford and Secretary Kissinger are entitled like the rest of us to a brief period of shock and even of embarrassment at the rapid collapse of the Army we trained and supplied. But in a period of shock or embarrassment it is usually better to keep quiet and not lash out trying to compensate by shocking or embarrassing others.

Overblown language is much more distasteful in the mouth of a President than it is in the mouth of a small boy. An overblown conduct on the part of a President is vastly more dangerous.

Which is why the whole country may be a little worried about news reports that Secretary Kissinger has determined that from now on United States foreign policy must be more "abrasive," and that "the United States must carry out some act somewhere in the world which shows its determination to continue to be a world power."

Why is this necessary? Who said we weren't a world power? Do we have to look around the world to see where we can explode a bomb or make a challenge in order to prove that we still have bombs and can still make challenges?

There is something a little manic about all this, as though our Secretary of State had come out of a deep depression determined to go on a binge and throw a lot of bottles around the room. What happened in Vietnam does not justify a tantrum.

Granted it makes the Secretary's Vietnamization policy look like the failure which it obviously was. But nothing happened to the United States in Vietnam except the failure of the Secretary's policy.

The defeat of the ARVN doesn't make us any weaker or any stronger. Nor does it reveal that we will not honor a commitment. After Dr. Kissinger had arranged the truce in Paris, he asked for "a decent interval" of U.S. support of the Thieu government. He got that decent interval.

We are still a strong country. We still have the world's mightiest fleet. We still have a first-rate Army and the world's best Air Force. We are still a democratic people who embrace the idea of tolerance for other people and other forms of government. We are, formally at least, still trying to reduce the cost and the danger of the nuclear arms race and still trying to build relationships with other countries which will lead to peace.

So we don't have to throw our weight around or make demonstrations somewhere and our leaders don't have to talk like bullies in order to make us believable. Before the Bay of Pigs and Vietnam and other attempts to look for trouble we thought of ourselves as strong, self-reliant, reserved, unwilling to mix in other people's quarrels, fearful of "entangling alliances"; yet ready to defend our rights and our safety when they were endangered.

We were believable enough back in those days, and those days look pretty good right now.

TRIBUTE TO PATRIOT'S DAY

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. TSONGAS. Mr. Speaker, 200 years ago, at Lexington and Concord, the people of the American colonies took the first great step toward independence and liberty.

In tribute to that day which will be celebrated April 19 at Lexington and Concord, Mass. I have attached the following documentary prepared by the National Guard Association:

TRIBUTE TO PATRIOT'S DAY

April 19 is the 200th anniversary of a very important event in American history, and in the history of one of the oldest and most significant organizations in man's long struggle for independence—the National Guard. It was on this day, two centuries ago, that a handful of resolute Minutemen near Lexington and Concord stood up against the finest army in the world and the tyranny it represented.

Every American schoolchild learns about the "shot heard round the world," but most of us remember little about the developments in the colonies that led up to the

Minutemen or the astonishing feats of the militia before and after that fateful day. The accomplishments of the militia are important, because they are an integral part of the American story.

Nearly 140 years before General Gage's troops marched out of Boston toward Lexington, the first militia unit was formed in Massachusetts. That was the Old North Regiment, which dates back to 1636. By 1676, 100 years before the Declaration of Independence was signed, each of the 13 colonies had compulsory military training for able-bodied men aged 16 to 60. Their role was to defend the settlements against Indian attacks and the adventures of other nations contending for territory in the New World.

In 1745 a force of about 4,000 militiamen from New England was organized and dispatched to the coast of Nova Scotia to break up a group of French-Canadian "privateers" holed up in an enormous fort. The fort, constructed by the French near a town called Louisbourg, had walls that were 40 feet thick at the base. It had taken the French 20 years to build it, and it cost the enormous sum (in those days) of $6 million. Skeptics in the colonies and in England scoffed at the plan to take the fort, but that didn't deter the militia. The fort was captured in just 46 days of actual combat.

With tensions growing between the colonists and the British in the early 1770's, the rattle of muskets could be heard in towns and settlements up and down the East coast as villagers left their work to learn soldiering. Stores of ammunition and weapons were gathered in many communities. Patrick Henry's famous "Liberty or Death" speech was an impassioned plea for the legislators of Virginia to equip that colony's militia.

It was these goings on that concerned General Gage at his headquarters in Boston. During the early spring of 1775, he sent increasing numbers of His Majesty's patrols into the Boston countryside to gather intelligence about this activity, and by this means he learned of a store of arms and powder (at what would now be called a National Guard armory) in Concord.

The British regulars had tended to view the amateur soldiers of the colonies with contempt. That opinion changed substantially on April 19, however, as the British counted nearly three times as many dead, wounded or missing as were sustained by the Patriots. British losses at Bunker Hill two months later would reaffirm the folly of their opinion, and would haunt them through the remaining eight years of the war.

When Congress authorized the Continental Army in June, the man selected to take command was a colonel in the Virginia militia, and the men who volunteered to fight under him were mostly militia troops from all 13 colonies. They were not highly trained in European methods of warfare, but their commitment and dedication helped make up for that until a German officer named Von Steuban could teach them discipline.

The early years of the Revolution were difficult ones for the colonists, as anyone knows who is familiar with the struggle of Washington's Army through the terrible winter at Valley Forge. There was never enough food, clothing or firewood for the troops. Many of those fortunate enough to survive the cold grew so weak that they died from disease. The army dwindled to about the number of students in a large modern high school.

But when the orders were passed down, these brave men followed Washington across the icy Delaware in the middle of that cruel winter. Although it was Christmas day, the tiny army marched on to Trenton, and then to Princeton, winning great victories and boosting the sagging morale of practically the whole continent.

Washington knew these citizen-soldiers. He had fought along-side them in the French and Indian War. He saw that the spirit of the militia, when complemented with good military training and discipline, made it a most formidable force. So it is not surprising that Washington was instrumental in the inclusion of the militia clause—the legal basis of the modern National Guard—in the Constitution.

The militia changed its name to the National Guard during the 1800's, but by whatever name, this nation owes a great debt of gratitude to the past and present members of this organization of citizen-soldiers. They have fought bravely in every war in which our nation has been involved. Many thousands made the supreme sacrifice.

One of the great military leaders of modern times, General Douglas MacArthur, summarized their role in American history this way:

"Since the Minuteman of 1776 formed the ranks of the Continental Army and brought victory to its arms in the American Revolution, the security of the United States has rested more than all else upon the competence, the indomitable will and the resolute patriotism of the citizen-soldier."

Today's National Guardsmen—400,000 soldiers and 95,000 airmen—stand ready to protect the freedoms won and defended by their predecessors. As the nation's first-line of military reserve strength, they are the most highly trained and ready group of Minutemen in American history. We can be assured that these modern-day Minutemen will respond with all the commitment and dedication to our defense that their ancestors did two centuries ago.

DEMANDS FAIR TREATMENT FOR SENIOR CITIZENS; REJECTS PROPOSAL TO "HOLD BUDGET LINE" AT COST OF MISERY FOR ELDERLY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. MOTTL. Mr. Speaker, I would like to call the attention of my colleagues and the American people to the following letter I wrote today to Representative BROCK ADAMS, Chairman of the House Budget Committee:

DEAR BROCK: I wish to go on record as totally opposed to any proposal to "hold the budget line" by causing misery and hunger among senior citizens who depend on Social Security payments for their survival.

The very thought of granting elderly citizens anything less than the full percentage of increase in the cost of living in their Social Security payments is abhorrent and unacceptable.

If the cost of living goes up 8.9%, then senior citizens who find all their expenses increased that amount should receive an additional 8.9% in payments.

We should not attempt to "save" money by denying the right to live to this segment of our population.

I vehemently reject President Ford's suggestion that we should hold any increase in Social Security payments to 5%, regardless of what happens to the cost of living index. I similarly reject the proposed "compromise" figure of 7%.

Our senior generation, who have contributed so much to society, are entitled to decent treatment from their country.

Sincerely,

RONALD M. MOTTL,
Member of Congress.

MASS EVACUATION OF SOUTH VIETNAMESE REFUGEES BY UNITED STATES LINES VESSELS

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mrs. SULLIVAN. Mr. Speaker, for almost as long as I can remember in my career in the House of Representatives, and as a member of the Committee on Merchant Marine and Fisheries, we have had to justify our maritime program every year. We have always been called upon to explain especially the maritime subsidy program. In the last several years, the critics of the U.S.-flag merchant fleet seem to have proliferated and the criticism and demands for justification seem to have increased substantially.

In answer to these skeptics and to the criticism which is constantly directed toward the U.S.-flag merchant fleet, I submit for the RECORD today the news release set out below from the United States Lines, Inc. This news release sets out graphically the humanitarian work of three United States Lines vessels under charter to the U.S. Navy's Military Sealift Command—MSC. The *Pioneer Contender*, the *Pioneer Commander*, and the *American Challenger* played a significant part in evacuating more than 54,000 of the 103,000 refugees that fled South Vietnam's second largest city, Da Nang.

I commend the narrative of this gripping saga of refugee evacuation to the Members' attention and I am sure the Members, and especially the members of the Merchant Marine and Fisheries Committee, join me in the sense of pride in the humanitarian aspects of this massive sealift accomplishment carried out so efficiently by this segment of the U.S.-flag merchant fleet.

In 1962, then Secretary of Defense Robert S. McNamara appeared as a witness before the Merchant Marine and Fisheries Committee. In his testimony at that time, he severely attacked the U.S.-flag passenger fleet, stating that it was an unnecessary financial burden, future transportation of troops would be accomplished by airlift alone and that DOD could no longer justify or support the continued operation of U.S.-flag passenger ships.

Unfortunately, this spelled the death knell of the once proud and mighty U.S.-flag passenger fleet. From that point on, it was all down hill so that today we have no U.S.-flag passenger vessels operating out of the east or gulf coasts. Pacific Far East Lines has the SS *Mariposa* and SS *Monterey* cruising out of west coast ports and Prudential-Grace Lines has several combination cargo-passenger vessels operating out of the westcoast and down the west coast of South America.

In connection with the massive refugee evacuation, I would like to point out that if the United States Lines' SS *United States* were still in operation, she could have taken a hundred thousand of these refugee victims in one sealift. No events

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could point up better the necessity of maintaining some U.S.-flag passenger vessel capability. The poignant story of refugee sealift told in the press release set out below makes one sad at how much more could have been accomplished if the SS *United States* had been available.

It also fills one with pride at the considerable accomplishment effectuated by these three cargo vessels in carrying refugees and in the great work of their U.S. crews. Time and again, over the years the U.S. maritime industry, both management and labor, have hammered upon the necessity of U.S.-flag capability—U.S. owned, U.S. operated, and U.S. crewed. No greater support could ever eventuate for our position than that which has just occurred off the coasts of South Vietnam so far away from the United States.

The press release is set out below and I commend it to every Member's attention:

PRESS RELEASE

The United States Lines revealed today for the first time its major role in evacuating more than 54,000 of the 103,000 refugees that fled South Vietnam's second largest city of Da Nang.

The evacuation took place the last week of March, when three of the shipping firm's cargo vessels—under charter to the U.S. Navy's Military Sealift Command (MSC)—were ordered to Da Nang to commence rescue operations. At the time the headlong retreat of the South Vietnamese Army had become a military disaster of catastrophic proportions.

On March 27, the U.S. Line's S.S. Pioneer Contender began loading refugees. Da Nang was in turmoil with a million refugees tripling the size of the city's normal population. An estimated 100,000 government troops, separated from their units and under no military discipline, added to the problem.

The Pioneer Contender made two trips from Da Nang to Cam Ranh Bay, the old U.S. port which became a temporary dumping ground for the mass of men, women and children fleeing the advancing North Vietnamese Army. On the first voyage 5,600 refugees were carried. On the second 6,000.

When it became apparent that Cam Ranh Bay would fall the Pioneer Contender was ordered to resume rescue operations. An incredible mass of humanity crowded onto the ship—built to carry cargo, not passengers—filling every inch of hold and deck space. The official count for the number of refugees from Cam Ranh Bay to Phu Quoc Island—southwest of Saigon in the Gulf of Thailand—was 16,600.

A spokesman for Military Sealift Command said that this was the largest number of refugees ever carried on a ship of any kind. The previous high occurred during the Korean War when a ship carried 14,900 refugees.

Two trips were also made by the S.S. Pioneer Commander which carried 8,000 refugees on each voyage—one from Da Nang to Cam Ranh Bay and then from Cam Ranh Bay to Phu Quoc Island.

The U.S. Lines third vessel involved in rescue operations was the S.S. American Challenger. It made one trip from the Cam Ranh Bay to Phu Quoc Island with 9,850 evacuees.

The total number of refugees rescued by the U.S. Lines' ships was 54,050. The full total of refugees lifted by all ships of all lines engaged in the operation was 103,000.

It was on the Pioneer Contender where a group of South Vietnamese Marines—fighting civilians for space—used their weapons and massacred 25 before the eyes of the horrified American crew.

None of the trips of either of the three ships could be called a pleasure cruise. In a number of cases refugees wounded when they fled their homes died at sea. The impossible crush of humanity caused all attempts at sanitation to break down. Decks became awash with human feces. Food and water became scarce.

All three ships have been under charter to MSC for about the past three years. Under the terms of the charter the MSC has command over the itinerary of the vessels at all times. Each ship carries a civilian crew of 45.

There were no injuries reported of any seaman on any of the three vessels.

Each of the ships is capable of steaming at 22 knots per hour, making them among the fastest break bulk cargo vessels afloat. Their dead weight tonnage is about 13,500 tons. Their overall length is about 560 feet, six inches and their breadth is 75 feet.

Permission for the shipping firm to tell of its role in evacuating the refugees was just given by the Defense Department. Until now the company was ordered to be silent about the rescue operation.

"We are proud to have played a humanitarian role in South Vietnam," said Edward Heine, President of U.S. Lines, after the Defense Department lifted its ban.

All three ships, Mr. Heine said, are still in Southeast Asian waters.

The Pioneer Contender is under the command of Captain Edward Flink of Massapequa, Long Island; the Pioneer Commander under Captain Peter Strachota of Asheville, N.C., and the American Challenger under Captain Arthur Boucher of Willing Boro, N.J.

U.S. Lines operates an all-modern fleet of 37 vessels, serving various areas of the world. Sixteen high-speed, high-capacity containerships maintain the 15,000 mile Tri-Continent service between Europe, the East and West Coasts of the United States, Hawaii, Guam and the Far East, and seven feeder vessels transport cargoes to ports which are not on the primary trade routes. The company also has 14 fast Challenger Class general cargo vessels engaged in chartered services in the transatlantic and transpacific areas.

HISTORICAL TAPES FOR CHILDREN

HON. JOHN V. TUNNEY

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 17, 1975

Mr. TUNNEY. Mr. President, I would like to take this opportunity to speak briefly of Mr. Turnley Walker, a constituent and distinguished, award-winning author.

Mr. Walker is considerably knowledgeable in the area of education material for children and has accomplished a great deal with the use of innovative and experimental reading material.

Mr. Walker has produced a series of book reviews on cassette tapes that captivate listeners with simple dramatic force. More importantly, they excite children to read.

His most recent accomplishment, a series of historical tapes that coincide with the Bicentennial celebration, are designed to bring children in touch with their American heritage. Each album holds six 30-minute tapes—each tape contains four book reviews.

Mr. Walker has exhibited this extremely innovative idea throughout the Los Angeles school system and it has been met with most favorably. Mr. Walker should be proud of his accomplishments and I congratulate him on the success of his idea.

ON ACADEMIC QUOTAS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. FRASER. Mr. Speaker, in the Tuesday, March 4 New York Times, Mordeca Jane Pollock, an assistant professor of French at Brandeis University and coordinator of the university compliance division, National Organization for Women, wrote:

> The recession is not the only threat to long overdue justice for women in academic employment. Professional opponents, cashing in on their moral prestige as Establishment intellectuals, have sought to convince the public, the Congress and the President that faculty affirmative action is unworkable and unjust and that its implementation must be rescinded.

Ms. Pollock addresses the argument that compliance with Executive Order 11246, aimed at employment discrimination by institutions of higher learning, requires quotas rather than goals. She points out that 11246 and the guidelines implementing it oblige the hiring of only the most qualified person for a faculty post.

Mr. Speaker, a good faith effort to comply with the letter and spirit of Executive Order 11246 is called for. If even this moderate approach is thwarted, legal pressure to achieve employment equality on our Nation's campuses will be justified.

The article follows:

ON ACADEMIC QUOTAS

(By Mordeca Jane Pollock)

The recession is not the only threat to long overdue justice for women in academic employment. Professional opponents, cashing in on their moral prestige as Establishment intellectuals, have sought to convince the public, the Congress and the President that faculty affirmative action is unworkable and unjust and that its implementation must be rescinded.

Under Executive Order 11246, institutions of higher learning, in order to receive Federal monies, must dissolve employment discrimination against women that has been traditional in colleges and universities.

These institutions by law must attempt to hit hiring targets that they themselves establish and are based on available female talent in given fields of study and academic ranks. The important word is "attempt." The goals, based on anticipated turnover, aim to achieve a faculty as it would be were there no discrimination against women.

Systemic discrimination dictates that, without a serious effort to reach employment goals, anti-discrimination remains a good intention and the *status quo ante* is perpetuated.

Opponents of affirmative action, such as the Committee on Academic Non-Discrimination and Integrity, nonetheless argue that goals are *quotas*.

In fact, neither the executive order nor its guidelines for implementation obliged the hiring of any but the most qualified person for a faculty post. Not once has the Health, Education and Welfare office for civil rights foisted preferential hiring on a college or university. The order's implementing rules require, however, a serious effort to find female competitors as well as the even-handed application of job criteria that academic departments themselves specify. The facts must show that these job criteria are directly related to the post in question.

If, as has been reported, a handful of academic department heads have told disappointed male job seekers they were under duress to hire a female, the department heads were acting illegally. Their illegal hiring preference does not support the contention that goals are quotas.

It has been argued that, because of Federal rules, reverse discrimination has penetrated academic hiring. The fact is that in the first five years of the amended order's existence, the employment of women did not increase by even one one-hundredth despite their qualifications and availability on the job market.

We are asked to believe the reiterated contention that "cultural factors" rather than "massive discrimination" are overwhelmingly responsible for the exclusion of women. In fact, women once trained do not desert academia to raise children, and married female scholars publish at least as much as their married male colleagues.

We were told that faculty affirmative action assaults the merit system that prevails in academic hiring. What merit system?

In fact, a logrolling system, from which women rarely benefit, is the norm for faculty hiring. Colleges and universities therefore face about 500 complaints of discrimination under the order alone, which is the weakest of legal recourses against academic hiring bias. Not one such complaint has proven unjustified upon H.E.W. inquiry.

Professional opponents of affirmative action fail to recognize the shakiness of their case. One such opponent asserts that the word "goal" has the same "cognitive meaning" as the word "quota." Somehow it has this cognitive meaning only to opponents of affirmative action. A goal is a quota only if you want very much to believe that it is. The opponents of faculty affirmative action are, after all, the same tenured professors directly responsible for the unjust and discriminatory hiring system in academia.

H.E.W. itself is also responsible for the failure of affirmative action to produce results. As the U.S. Civil Rights Commission chronicles, the Office for Civil Rights has countenanced flagrant delays and has never taken a penny away from institutions where it has discovered rampant discrimination against women, as at Berkeley. The office has accepted the faulty affirmative action plan of Harvard, a university that, although notoriously biased, is politically powerful.

Womens rights advocates stand to gain nothing further either by arguing at persons whose minds are made up or by waiting for H.E.W. to act. Only political and legal pressure will help us, for only power stops power.

CRYING FOR A SOLUTION

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. LLOYD of California. Mr. Speaker, my 35th District in southern California suffers from smog conditions that are as bad or worse than any in the Nation. Almost all of the smog is produced by automobiles, and I believe the solution to the smog problem lies in improved automotive engineering. The following editorial in the San Bernardino Sun-Telegram of April 7, 1975, expresses my attitude on this most pressing problem:

CRYING FOR A SOLUTION

Sen. Tunney is obviously right in saying the smog problem cannot be conquered without phasing out the internal combustion engine as we know it now.

He is also probably right in inferring that America's great automakers have not pushed as they might have for the smog-free car. As Tunney notes, the nine engines which have been accepted as meeting the 1975–76 air purity standards are all foreign makes. Where is the vaunted American technology there?

And the senator, neatly ducking "the obNOXious issue," said that "add-on devices" won't do the job. That's true, they won't. They might have started it, however.

Sen. Tunney's talk before a Democratic women's group last week comes through as a set of truisms that have already been oft-said.

Still his talk was necessary and even praiseworthy.

Because no matter how many times these truisms have been said—they still have neither been adequately heard nor heeded.

In effect, the problem has been atated. The solution hasn't.

The solution must envisage how a world whose entire productivity has been based on an environmental input—in other words, on consuming the environment—can be turned around.

We must learn how to live in balance with nature—rather than at nature's expense. Furthermore, the goal is to do this without dislocating and disrupting the lives of the millions working in, and living off, energy-based enterprises.

Nor can it be achieved in a vacuum. One nation can't swing it alone, superpower or not. The answer requires cooperation and consensus in a world split with hostilities. The answer requires leadership from a President whose past is grounded in autoland's Michigan, and a vice president whose power emerges from an oil empire. It must come from leaders in other nations who have similar ties to the world as it is.

But the leadership must come, and the solution must follow. Our eyes and lungs are crying for it now. Our lives will be hanging on it tomorrow.

GEORGETOWN UNIVERSITY SURVEY SHOWS 72 PERCENT OF DISTRICT OF COLUMBIA RESIDENTS APPROVE HANDGUN CONTROL LEGISLATION

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. FAUNTROY. Mr. Speaker, contrary to many popular beliefs, the handgun advocates and those who support them, are by no means in the majority in the District of Columbia.

The latest Georgetown University Poll released last week—the third citywide issue survey conducted by Georgetown University this year—shows that nearly 75 percent of the residents in the District favor the prohibition of handgun sales in their community. The report further shows that those in favor of gun control include a wide range of people.

As Washington is a heterogenous community made up of people from all over the country with vastly diversified views, it contains a sufficient sample of variables to make a representative poll reliable. I believe that the persuasions and the beliefs of the country as a whole, on the question of gun control, are closely reflected in this local example.

The will of the majority must be actualized if democracy is to remain. I believe the majority has spoken out as demonstrated by the survey which I am appending for the benefit of my colleagues:

[From the Georgetown University News, Apr. 8, 1975]

D.C. RESIDENTS FEEL NEED TO OUTLAW HANDGUN SALES

WASHINGTON, D.C.—The latest Georgetown University Poll shows that 72% of D.C. residents questioned favor outlawing the sale of handguns in the District.

When asked if they agreed with a bill that would outlaw the sale of handguns, 72% said they agreed; 8% favored a limited sale of handguns; 14% wanted no restrictions; and 6% were not sure.

The desire for gun control was strong not only among liberals (78%) and moderates (79%) but also among conservatives (57%). In fact, agreement on outlawing handgun sales cuts across nearly all demographic groups.

Strongest support for controls came from: whites (84%), women (79%), higher educated (87%), Democrats (76%), higher income (86%), liberals (78%) and moderates (79%).

The third Georgetown University Poll was conducted from February 24 to March 2, 1975. In the survey, pollsters interviewed a representative sample of 405 D.C. residents, 18 years old or older, at random by telephone. This sample size is designed to insure accuracy to within 3–5% of the survey findings.

Telephone numbers for the sample were randomly generated to be certain to include unlisted telephone numbers and newly connected numbers. Tabulation of the responses was done at the Georgetown University Computation Center.

The Georgetown University Poll is supported by the University's Graduate School, and is a survey of the political, social, and economic opinions of the District of Columbia.

The questions on gun control were only one part of the telephone survey. In the coming weeks, other releases based on the survey will include questions on police issues, Watergate, problems facing the D.C. government, and national health insurance.

(The source of this release is Dr. Robert Hitlin. He may be contacted at 625–4707 or 625–3095, afternoons. Messages can be left at 625–4941).

The university poll on handguns follows:

[The questions and responses on which this analysis is based are: "A bill has been proposed that would outlaw the sale of handguns in the District. Do you agree, or disagree with this proposal?" (405 respondents—in percent)]

	Outlaw sale	Allow limited sale	No restrictions on sale	Not sure
	72	8	14	6
Black	66	10	17	7
White	84	5	7	4
Male	64	11	18	7
Female	79	7	11	3
Education:				
1 to 8 yrs	46	12	27	14
9 to 11 yrs	62	12	21	6
High school grad	68	13	14	5
Some college	72	10	11	7
College grad	87	3	9	2
Advanced degree	88	1	7	4
Conservative	57	18	18	7
Moderate	79	5	10	6
Liberal	78	5	16	1
Democrat	76	9	11	4
Independent	72	5	19	5
Republican	62	12	19	8
Income:				
Under $5,000	56	13	18	14
$5,000 to $10,000	70	9	15	7
$10,000 to $15,000	79	7	13	2
$15,000 to $20,000	86	3	11	0
Over $20,000	87	5	4	4

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COSMETIC STATISTICS TO HIDE OUR FLAWS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. EDGAR. Mr. Speaker, the most recent statistics issued by the administration indicate that this Nation is experiencing unemployment at a rate of 8.7 percent. Statistics have a way of forming our national goals, prioritizing our needs, and managing our failures.

The tragedy of these statistics is that they serve only as a body count, without respect for the individual struggles and the devastating trauma which is inherent in this 8.7 percent figure. The personal impact of the recession has caused untold suffering for millions of American families. This story cannot be found on a page filled with numbers.

Mr. Speaker, I insert in the Record a poignant and enlightening account which appeared in the New York Times on April 1. The writer, Edward B. Furey, is one of many who have experienced the humiliations and frustrations of being one of millions who contribute to that single statistic of 8.7 percent. I hope that when this body addresses itself to legislation which will reduce threatening statistics, we will not lose sight of the fact even the unemployment of one person is unacceptable if it could be prevented.

The article follows:

The Fear, the Numbing Fear

(By Edward B. Furey)

Brightwaters, N.Y.—Let me tell you what it's like for one guy to be 52 years old and jobless in America in 1975.

As a recently fired middle-management executive of a division of one of America's top 500 companies, I have sent out over 150 résumés. Less than 10 per cent have drawn a response of any kind. Five per·cent drew requests for additional information, while less than 4 per cent resulted in a personal interview. None resulted in a job.

As an infantry veteran of World War II in the South Pacific, I've had some experience with fear, and how men deal with it. I like to feel that I don't scare any easier than the next guy, but to be 52 years old and jobless is to be frightened—frightened to the marrow of your bones. Your days start with it, and end with it. It's all pervasive. It's numbing. It's mind-boggling.

Things you've always taken for granted fall apart. You can no longer maintain your hospitalization insurance, and for the first time in 28 years you and your family are unprotected against a medical emergency. You are unable to meet the payments on your life insurance. The bank holding your mortgage warns that foreclosure is being considered. Bills to the utilities are overdue and you're keeping vital services only through partial payments, aware of the fact that time is running out.

It's to tell a fine 14-year-old son that you haven't got the five bucks you owe him for the great report card he brought home.

It's to pass local merchants on the street and feel embarrassment, wondering when you'll be able to pay them what you owe them.

To feel the disintegration of your confidence as a man, and your ability to protect your family from economic disaster.

It's to envy just about everybody who has a job, any job.

It's to see the doubt on the faces of your children about what's going on in their house, when so many of their friends are unaffected.

It's to add a crushing dimension to the natural self-doubts that are part of the process of growing older.

It's to stand silently on unemployment lines with other surplus members of America's work force, waiting to sign for your unemployment check.

It's to see what the neighborhood looks like at 10:30 on a Tuesday morning.

It's to feel embarrassed to answer the ring of the telephone at the same hour.

It's to watch assorted politicians in dialogues with fat-cat television interviewers in an atmosphere replete with camaraderie, purporting to discuss America's problems, where the right questions are not asked, and the unchallenged responses consist mostly of noncommittal and vacuous banalities.

It's to realize the simple stunning fact that you are without meaningful representation in this society.

And in the late evening when your household is quiet and you switch off the bedroom light it's to be alone, alone like you've never been before. To lie there looking at the darkness and wonder if you're going to lose the home that you've worked all your life for, the home that represents the only equity you've been able to accumulate in 30 years of working and raising a family.

It's to realize that for many Americans the problem you are facing for the first time has become a way of life.

The carnage is strewn about America for anyone with eyes to see. In our mental hospitals, in our drug-abuse centers, in the alcoholic wards of our hospitals, in our juvenile shelters, in our prisons, and on the streets of our cities.

And finally, it's to lie sleepless in bed waiting for the dawn of a new day and realize that something is terribly wrong in America.

WE MUST NOT OFFEND FOREIGN SST MAKERS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mrs. SCHROEDER. Mr. Speaker, in light of the growing controversy over whether or not to allow SST flights into the United States, I would like to insert a recent editorial from the Denver Post which expresses many of my thoughts on the issue.

I would also like to endorse the anti-SST legislation introduced by Senator Proxmire and Representative Wolff—S. 1121 and H.R. 493[illegible], H.R. 4933. Congress has previously given a clear mandate against the supersonic transports due to their excessive environmental disruptions, but, unfortunately, it appears that we are going to have to insure that our mandate is not circumvented.

The article follows:

We Mustn't Offend Foreign SST Makers

(By Leonard Larsen)

Washington.—For some reason, or a variety of them, our country of all the countries on the globe must conduct itself so as not to bruise the delicate feelings of others.

Even if the others don't particularly give a damn about us or even if it's not in our own self interest, we alone must, as the occasion demands, crawl in bed with tyrants, prop up rows of dominoes, slap cash on the barrelhead, pump up faltering economies and always be ready to apologize if we haven't done enough.

At least that's what we're told.

Now it is the British and the French—and their wishes—to whom we must bow, allowing them to fly their supersonic passenger airplane into the country on regular schedules so they can skim off a larger share of U.S. international passenger revenues.

Never mind that Congress in a lucid moment five years ago decided that the proposal for federal participation in a supersonic project of our own could not stand up in the face of environmental and economic arguments.

Never mind that the federal government decided against allowing any commercial supersonic overflights of the country and that subsonic jet aircraft have to conform to noise standards in their operations.

Never mind, either, that the British and French were aware of all of this as they pushed on with production of 16 of the supersonic Concordes, always eyeing the U.S. market.

Now we are told by some of our federal officials that we must back off the decisions we made about the SST, that to avoid a cruel jab at the sensibilities of the British and French we must allow the Concorde to fly regularly into Dulles International Airport west of Washington and into New York's Kennedy International Airport. For starters.

It was the Federal Aviation Administration (FAA) which recommended earlier this month that the regular commercial flights should be allowed, recommending too that even though the Concorde on takeoff exceeded the existing noise standards we require of domestic jets, we should waive the standards for the British and the French.

In effect, the federal agencies involved and the Ford administration are arguing that the Concorde project has become so important to the British and the French that we cannot stand in their way. Not even in our own country.

Because, mercy me, the argument runs on, whatever would the British and French think of us if we enforced the decisions that we made over the past several years.

It's also suggested by federal officials that we shouldn't enforce our own regulations because that would halt future flights into the country of the Soviet Union's supersonic jet transport.

And, mercy me again, we have to acknowledge the Russian investment in their airplane and we mustn't strain our relations with them.

Here is the way the Environmental Protection Agency (EPA) summed up the case as it—the agency supposed to be standing in the way of environmental abuse—recommended the noise waiver for the incoming SSTs:

"Because of the large investment in both dollars and prestige made by the governments supporting development of the SSTs, the United States government is reluctant to take overt action that might be construed as being directly responsible for the failure of the current SST programs."

The "overt action" in this case being simply the enforcement of existing standards—not the formulation of new ones—and the threatened "failure of the current SST programs" looming if the British and the French and the Soviets can't dip into the U.S. passenger market.

Fortunately, some of the old congressional antagonists are ready for a new fight over the SST. Sen. William Proxmire, D-Wis, for one, has said he'll ready legislation blocking the waivers proposed by the FAA and the EPA.

It was Proxmire who led the fight against development of a U.S. SST seven years ago, charging then that the project was an economic fiasco, wasteful of taxpayer funds and holding the promise of "converting this country into a drop-forge foundry . . ."

IMPORTANT COMMENTS ON INTERNATIONAL TRADE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. MICHEL. Mr. Speaker, virtually overlooked by many commentators on President Ford's address to the Congress last week were his vitally important comments on international trade.

In particular, I was struck by the cogency of the President's comments on the effect of our denial of most-favored-nation treatment for the Soviet Union and other socialist nations.

I do not happen to like the Government of the Soviet Union. Neither do I regard its policies in foreign relations as being in the interest of the peoples of the world. But I do believe in free trade. It seems clear to me that protectionist policies have generally been a failure, and at this time, with unemployment and capital shortages being such serious problems for the Nation, it is certainly no time to be denying markets for our products, or jobs for the workers in these industries.

I was interested too in the evidence presented by the President that the objective of the Jackson amendment has not been met by its passage. Indeed, Jewish emigration from Russia, the whole idea behind the trade restrictions, has declined since the passage of that legislation.

The Jackson amendment was bad in the first place; it is not doing what it was supposed to do. Surely it should be repealed at the first opportunity.

I was also interested to note that strong support for this position has been voiced by the National Machine Tool Builders' Association, a group which represents an industry vitally concerned with international trade. In their 73d Spring Meeting in Washington last week, the Association adopted a resolution in support of the President's call for repeal of the Jackson amendment.

In the interest of furthering that goal, I would like to have that resolution printed at this point in the Record.

Resolution of the National Machine Tool Builders' Association

Whereas the National Machine Tool Builders Association has been in the forefront of those who would expand opportunities for American business to sell its products abroad, including the Soviet Union;

And, whereas these expanded trade opportunities provide additional jobs for American workers at a time when domestic unemployment is at its highest rate in recent memory;

And, whereas these expanded trade and job opportunities have been severely retarded by efforts to affect changes in Soviet emigration policies through economic sanctions against East-West Trade;

And, whereas the principal result of these efforts—well-intentioned though they may be—has been to lose billions of dollars worth of business to West European and Japanese firms and to sacrifice the creation of thousands of new jobs for American workers;

And, whereas President Ford has recommended to a Joint Session of Congress last evening that the repeal of restrictions on East-West trade contained in the 1974 Trade Act is "urgently needed to further our national interest;"

Now, therefore, be it resolved that the 73d Annual Spring meeting of the National Machine Tool Builders' Association in Washington, D.C. on April 11, 1975, hereby goes on record as urging the Congress to give immediate favorable consideration to President Ford's courageous and common-sense request to extend most-favored-nation treatment, credit and investment guarantees and commercial agreements to the U.S.S.R. without restrictions which hamper expanded trade and job opportunities for American business and workers and which have given other free-world countries a competitive advantage in the Soviet marketplace.

Be it further resolved that copies of this resolution be provided to the press, to the appropriate committees of the Congress and to President Gerald R. Ford, to whom we offer our assistance in his efforts to achieve a sensible trade policy vis-a-vis the Soviet Union.

WILL HOUSE BUY THE "BUY RUSSIA" BILL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ASHBROOK. Mr. Speaker, the House of Representatives will soon be considering H.R. 1287, a bill to reimpose the embargo on Rhodesian chromium. I respectfully suggest that this bill should be subtitled the "Russian Chrome Merchants Relief Act of 1975."

Passage of H.R. 1287 would permit the Soviets to double their prices while cutting back on quality and quantity. It would also give the Soviet Union millions of dollars in windfall profits.

After the Russian chrome monopoly was smashed in 1971 by passage of the Byrd amendment, Soviet prices plummeted despite the highest demand levels in history. Russian chromite dealers tried everything to salvage their dominant position here including a 5-month embargo on shipments to American consumers. Even this, however, had little effect.

The drive in Congress to prohibit imports from Russia's toughest competitor—Rhodesia—however, makes it a whole new ball game. The Soviet Union can now return to business as usual. And we have already been given a taste of what that will be like. In January Soviet chrome merchants announced delivery cutbacks of 35 percent and price increases of 100 percent.

I urge my colleagues to not grant the Soviet Union a captive market in chromium. I urge my colleagues to vote against the "Buy Russia" bill.

Following is the text of an article from the January 15, 1975 issue of Chemical Week that discusses this matter in greater detail.

Squeeze Play on Chrome

Airco President Richard V. Giordano reports his company's major chrome supplier, the Soviet Union, has ordered a 35% reduction of shipments to the company in first-half 1975.

He has called on the U.S. government to release material from its stockpile to offset the cutback and to put a brake on rising chrome ore prices.

Giordano notes that Soviet prices have nearly doubled, to $160/ton, since last year, and he predicts they will remain at that high level for the next six months. Meanwhile, Turkey and Iran, two other major producing nations, also have put through price increases—to about $140/ton, compared with $70/ton a year ago.

Releasing chrome ore from the U.S. stockpile would require Congressional approval, and right now there are no indications that approval will be given.

Giordano says Airco will have to step up ore purchases from other countries, including Rhodesia. However, Rhodesian supplies may not be available to the company much longer.

During the last session of Congress, an Administration attempt to repeal the so-called Byrd amendment—which allows U.S. companies to import ore and ferrochrome from Rhodesia despite United Nations sanctions against the country—failed to pass. But the new, more-liberal Congress is likely to be more sympathetic to the African position.

Moreover, many officials in Washington question the wisdom of following a policy that is anathema to the black Rhodesian majority, which sooner or later is bound to take over the government.

The Rhodesian government and African nationalists are scheduled to discuss the issue of majority rule later this month. A mutually agreeable settlement would end economic sanctions, but the two sides are far apart and agreement appears to be far off.

What an end to the regime of the white minority in Rhodesia would mean to U.S. companies that deal with the country is not clear.

Union Carbide, which imports ore and ferrochrome from Rhodesia, would not speculate on the impact such a change in government would have on business. Dwight Wait, chairman and president of Union Carbide Africa and Middle East, says Carbide has not been receiving preferential treatment from Rhodesia, although the company has invested in mines and a ferrochrome smelter there.

PRICE CONTROL BY EMBARGO HURTS EVERYBODY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. HANSEN. Mr. Speaker, I would like to call the following article to the attention of my colleagues and urge them to read it and reflect on its contents. It was provided to me from the Furrow magazine by my good friend, Bill Corbett, of Soda Springs, Idaho:

Price Control by Embargo Hurts Everybody

It is easy to understand why an undeveloped nation, facing starvation, might place an embargo on the export of foodstuffs to other countries. Such a step would seem just and necessary in order to reduce hunger at home. But for a rich trade-oriented country

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to do so, as a way of manipulating domestic food prices, seems not only unnecessary, unwise, and unfair, but counter-productive and downright callous.

An embargo or quasi-embargo against crop exports, such as U.S. restrictions on soybean exports in 1973, or the oft-threatened and widely-demanded (but never imposed) embargo on U.S. corn and wheat last year, can play havoc with crop marketing and consumption patterns. It creates a situation something like an auction of scarce commodities at which only one buyer (in this case the richest one) is allowed to bid on most of the lots. Lacking competition, the protected buyer can purchase what he desires at the price he wishes to pay. Others must scramble for what's left, and some—the poorest of course—go away empty-handed.

Have the best interests of the protected buyer really been served?

The answer, in my opinion, is no. Some short-term national benefit may be derived, but the aftershock can affect national and international well-being for years to come.

BUYER BEWARE

First of all, an export embargo on any scarce commodity causes a certain degree of economic disruption and hardship in countries that are traditional buyers of the crop. So those countries immediately begin searching for substitute foods or for ways to become self-sufficient. At the very least, they look carefully at other producing countries, seeking more dependable sources of supply. Thus there is great risk of losing future trade with valued customers, perhaps some long and carefully cultivated.

Fragile trading patterns and practices are disrupted by embargoes. World trade is inhibited by unpredictably gyrating supplies and prices. Commodity contracts lose viability and futures markets may become confused and depressed by fear of unnatural restrictions on trade.

SUBSIDIZED LUXURY

An embargo can also be directly damaging at home because it results in a false price that is well below the world value. Because this price does not function to dampen buying, the result is luxury domestic consumption of a scarce, high-value product in much demand overseas. Associated is the lost opportunity to strengthen the national currency through free trade of the product. Also, crop embargoes discourage home farmers, who find themselves subsidizing domestic consumption (or, by world standards, overconsumption). And demoralized farmers are not likely to produce a plentiful supply of anything.

Viewed through the eyes of would-be purchasers, one can see in food embargoes a kind of cynicism that places politics and short-term expediency above good world citizenship and responsible humanism. To deny people in other countries the right to bid for what is produced is to tell them: "Even though you may want and need this commodity more than we do, it is not available to you at any price." This kind of self-indulgence, if widespread, can't help but create a climate of international selfishness and distrust.

What is feed in one nation may be food in another. Thus, if the embargo idea spreads, one nation may fatten pigs with commodities that other countries want to purchase for human food, only to find the product can't be bought for love or money, even for both.

Food embargoes, imposed on scarce commodities, shut off supply when the customers' need is greatest. After years of trade have created dependence and trust, embargoes should be applied only to stave off famine at home. If you refuse to share a farm commodity when there's not a lot of it, the rest of the world will do everything possible to get along without your product even when you have too much of it.

THE COST OF REGULATION

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. LATTA. Mr. Speaker, in a recent editorial about the increasing costs to the public of Federal regulations, the Wall Street Journal pointed out that mandated costs for special equipment on autos alone average $320 per car, with the total cost to American motorists last year calculated to be about $3 billion. Certainly, the editorial emphasizes the importance to consumers of enacting measures like those I have proposed to modify existing auto emission control standards. It also underscores the need for a careful review of other Federal regulations which may be self-defeating or which may have outlived their usefulness.

I am pleased to insert the editorial in the CONGRESSIONAL RECORD at this point for the benefit of colleagues:

THE COST OF REGULATION

Now that the Environmental Protection Agency has admitted its error in forcing catalytic converters on automobiles with only a sketchy notion of the consequences, it might be a good idea if Washington paid closer attention to the costs and consequences of other regulations it has imposed ostensibly in the public interest. A good place to begin this reexamination is with a recent study by economist Murray Weidenbaum, "Government-Mandated Price Increases" (American Enterprise Institute).

Professor Weidenbaum notes that while budget deficits and excessively easy monetary policy are two oft-cited reasons for inflation, a less obvious way in which government can worsen inflationary pressures is through its myriad of regulations imposed on the private sector. He does not question the worth of cleaner air and water, pure food, safe working conditions or safe products. But regulatory activity generates costs as well as benefits, those costs represent a "hidden tax" which is shifted from the taxpayer to the consumer, and to the extent these regulations impose similar costs on all price categories of a given product, the hidden tax tends to fall heaviest on lower income groups.

The most obviously federally mandated costs are those for special equipment on autos, which average some $320 per car and which last year alone cost American motorists approximately $3 billion. But all industries are affected to some degree by mandated costs.

Enforcement of these regulations requires a small army—some 63,000 federal regulators this fiscal year at a direct cost of $2.2 billion. But indirect costs are probably incalculable: Individuals and firms spent more than 130 million man-hours a year just in filling out thousands of different forms required by federal law, a paperwork burden that has increased by 50% just since the end of 1967. Even a firm employing not more than 50 people is required to fill out as many as 75 to 80 different types of forms in the course of one year.

Some of these regulations clearly confer benefits that far outweigh the increased price tag. Others are marginally beneficial. But many are simply self-defeating—that is, their costs outweigh any intended benefits.

Yet few Congressmen seem to have a clear idea of the cost-benefit ratio, and there is little indication that they really care. In the name of "the consumer" they rush to impose ever more regulations, seemingly oblivious of the economic consequences of doing so.

When productivity and living standards were rising rapidly, Professor Weidenbaum notes, the nation could more easily afford to applaud the benefits and ignore the costs of regulation. But now the acceleration of federal controls coincides with and accentuates a slow-down in productivity growth and in the improvement in real standards of living, therefore the earlier tolerance toward controls is no longer economically defensible.

Given the tenor of the times, we don't anticipate any great lessening of Washington's eagerness to regulate business all it possibly can. But the study carried out by Professor Weidenbaum would suggest that Congressmen who truly have the welfare of the consumer at heart should begin taking a closer look at the overall cost of federal regulation.

MEMORIALIZING THE WARSAW GHETTO

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. GILMAN. Mr. Speaker, the memory of the horror of the Nazi persecution of the Jewish people continues to haunt the conscience of the civilized world. Our recollection, perhaps blurred with the passage of time, is brought into sharper focus with the remembrance of the events of April 19, 1943, the beginning of the Warsaw Ghetto uprising.

Militarily, the uprising was destined for futility, 56,000 Jews having been killed or captured by the Nazis within a 3-week period. The participants in the revolt left behind a body of literature indicating that they knew that the significance of their effort lay not in military victory or defeat, but in the message which the battle would leave to history. The spirit of the last survivors is reflected in this poem, left to us by a little girl who lived in the Warsaw Ghetto:

THE BUTTERFLY

The last, the very last so richly brightly
dazzling yellow
Perhaps if the sun's tears could sing against
a white stone
Such, such a yellow is carried lightly way
up high
It went away, I'm sure, because it wished
to kiss the world goodbye. The last . . .
For seven weeks I've lived in here penned
up inside this ghetto
But I have found my people here
The dandelions call to me and the white
chestnut candles in the court
Only I never saw another butterfly. The
last . . .
That butterfly was the last one, butterflies
don't live in here."

In memorializing the 32d anniversary of the Warsaw Ghetto uprising, Jews around the world honor all whose lives were lost to the persecution of the Nazis. The memory of those who died in Warsaw is a special symbol of the eternal struggle of all people against the barbaric forces which have threatened mankind.

THE WOLF IS NOW AT THE DOOR

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. SNYDER. Mr. Speaker, during my entire service in the Congress I have continually pointed to the danger of deficit spending by Government. While I have not been alone in warning my colleagues and the American people of the folly of spending beyond our means—of making appropriations far in excess of tax revenue—unfortunately the majority in Congress has continued to run up our national indebtedness until it now is well over one-half trillion dollars.

One of my constituents has called to my attention a fine article which brings right up to the minute the actual consequences of this erroneous policy.

Its title, "The Wolf Is Now At The Door," was aptly chosen by its author, Percy L. Greaves, Jr., who for many years has written incisive articles on economic matters.

I hope all my colleagues will carefully read this accurate summation of our present, disastrous economic situation brought on by profligate spending of hard earned tax money and borrowed funds. The article appeared in The Review of the News for March 12, 1975:

THE WOLF IS NOW AT THE DOOR

(By Percy L. Greaves, Jr.)

This is no false alarm. The future of America is on the line. The illusions of a government-created euphoria are about to be dispelled. The President's Budget paints the picture. He asks Congress to let him spend more dollars in Fiscal 1975 and 1976 than all his predecessors spent in the 160 years from 1789 until Fiscal 1950. His proposals would cost more than all the declared wars we ever fought. The sum of $662,800,000,000 staggers the mind. Digest it with care.

What this country needs is more production, not more dollars. To save our economy, we must stop inflating and take off the chains now hampering the productive forces of a free society. Yet, the President's Budget prescribes more dollars, less energy, higher prices and still more burdens on production, while subsidizing the unemployment that prior political policies have produced. Many Congressional leaders do not think the President's Budget is big enough. They seek the creation of still more dollars, while advocating policies that would further stifle the private investment that is needed to lift our economy off the rocks.

This is not a time for wailing, weeping, or wanton partisanship. It is a time for economic understanding and intelligent action.

The dollar is plainly on the skids. For forty years it has been losing its market value with ever-increasing intensity. By the government's own selected figures, the dollar has lost three-quarters of its purchasing power in the 41 years since Franklin D. Roosevelt launched the New Deal. It lost almost two-thirds of its purchasing power in the 19 years since the end of World War II. It lost one-third of its purchasing power in the six years after Mr. Nixon was elected President. President Ford's Budget assumes another two-digit loss in 1975. It is certainly time to stop the momentum of the ever-increasing political devaluation of our dollars and guide our economy back to the free market principles on which our past prosperity was built.

Only those with a complete lack of economic understanding could propose stepping up of the very policies which have produced our present economic mess. Yet, such are the proposals now before Congress. If enacted, they could wreck our whole western civilization. Flooding the nation with artificially created dollars will never produce the wealth our nation needs to sustain itself. Such policies can only ruin the dollar's purchasing power, discourage productive investment and, given present ignorance of sound economics, create a demand for further market controls that will lead to more miseries.

The shortages created by the Nixon Administration's recent controls should not be forgotten. Those who know American history should also recall that price controls were responsible for the excruciating suffering of our ragged Continentals at Valley Forge. That nadir of our fortunes almost snuffed out our hopes of freedom from British domination.

In those Revolutionary days, many of our people were still able to produce their necessities of life. Today, with so few on self-sufficient farms, such controls could, if enforced, create conditions similar to those of the fall of Rome and the Communist Revolution in Russia. In both cases, city populations poured into the countryside to scrounge for the food they needed to keep body and soul together.

We are all in this together. If our highly complicated division of labor breaks down, there is not one family in a thousand that could sustain itself for long. We can only speculate as to how we could exist without electricity, without gasoline, without heating fuels, without pure water, or without the daily necessities that now pour in from all over the world.

PROJECTED FEDERAL DEBT INCREASES

[In billions of dollars]

	Fiscal 1975	Fiscal 1976	Total
Budget deficit	34.7	51.9	86.8
From trust funds	8.3	3.1	11.4
Off-the-Budget agencies	13.7	10.4	24.1
Other financing	—4.0	2.2	—1.9
Actual deficit	52.8	67.6	120.4
Effects of congressional refusal to support President's proposed cuts	5.9	17.0	22.9
Possible congressional increase in tax cuts	4.3	19.0	23.3
Total	63.0	103.6	166.6

Yet, left alone, the market system flows smoothly. As the late Professor Ludwig von Mises has clearly demonstrated, every political interference with market processes only makes matters worse. Every political interference helps a few temporarily at the expense of the many, until the system eventually breaks down. For more than forty years our politicians have been hampering our wealth-producing processes with an ever increasing intensity. They now absorb the fruits of almost half the production they permit. For years now, every popular political policy has discouraged the very investments that are so badly needed to raise real wages, increase production, and lower prices.

The Budget headlines feature a Fiscal 1975 deficit of $34.7 billions and a 1976 deficit of $51.9 billions. As terrifying as these figures are, they tell only half the story. For some years now, our Presidents have tried to hide a large part of the deficit from the American public. Certain expenditures have been placed outside the Budgets. The Social Security and other trust funds they spend are not included. If such funds are added, as they should be, the deficit for the two years would come to $120.4 billions.

This is the actual contemplated increase in the Public Debt. Few papers carried that vital figure. Not even the august *New York Times* considered it fit to print. However, it is the bottom-line figure in the fine print of the massive government documents which few people see and fewer read.

The above table not only gives these figures, but it also shows the effects of the expected Congressional refusal to support the President's proposed petty spending cuts as well as a part of what Congress is likely to add to the tax cuts. Congress has already refused to allow a small cut in the "Food Stamp Program." Even most of the so-called "Conservatives" voted to support this price-raising subsidy.

These figures do not include any new spending programs. Not one cent is included for any of the new socialized medicine programs that so many in high places consider urgent. Apparently, not even the current nursing home scandals can dampen their ardor for more of the same.

Some dangers of continuing inflation are apparent to all. Yet, few have any idea of the root cause. Our politicians, who are solely responsible for inflation, pose as inflation fighters, while asking business and organized labor to help stop our ever rising prices. Traditionally and by dictionary definition, inflation has always been an increase in the quantity of money. When inflation is so defined, it becomes obvious who is responsible for inflation. Neither corporations nor labor unions can create money. Only the politicians can and do.

Business would like to raise its prices every day. Workers would also like to raise their wages every pay day. But business cannot raise its prices or its workers' wages unless its customers can and will pay the higher prices. In the final analysis, it is the customers who make the decisions to pay higher prices or not to pay them. When the government creates and allocates more dollars to its favorites, the recipients can and do bid prices up. Inflation is that simple.

By defining inflation as higher prices, our politicians have diverted public attention away from their responsibility in creating the more money that leads to higher prices. They have also turned attention away from the fact that these new dollars disarrange both consumption and investment and thus the guidelines and structure of business and industry. Increases in the quantity of money never increase available consumable wealth. They merely rearrange purchasing power and production in a manner which cannot be continued indefinitely. Wealth is confiscated from the wealth producers and distributed by pure chance or political pull. Such policies inspire envy, jealousy, group hatreds, and often violence.

While our inflation to date has been painful, we must prepare for worse if this highly inflationary Budget, or anything like it, should become a reality. The more dollars that government spreads around will only buy fewer and fewer goods as the costs of doing business soar.

In 1968, Mr. Nixon was elected as a "Conservative." At first, he sought to dampen down his predecessor's inflation by cutting back the rate at which he increased the quantity of dollars. Those dependent on the continued pumping out of these dollars cried for help. So Mr. Nixon announced that he was now a Keynesian and started to add larger doses of dollars to those already in the market place. In 1971, he injected 54.4 billion new dollars into the economy. It sent prices soaring. Foreign governments and their central banks became alarmed. It looked as though they might claim gold for their dollars at the then legal rate of one ounce of gold for every $35 presented to our Treasury.

On August 15, 1971, a worried Mr. Nixon slapped on price controls to divert attention from the fact that he had to break the dollar's last tie to gold—the tie that had sup-

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ported the dollar's purchasing power in international markets. Two legal devaluations followed in short order.

Since that fateful day, there has been no limit on the number of dollars the Administration can create, except for the Debt limit which Congress is constantly under pressure to raise, whenever the Treasury finds itself unable to pay the bills for what Congress ordered.

In 1972, the Nixon Administration pumped 52.8 billion more new dollars into the economy, raising prices still higher. In an attempt to slow down the "inflation," official action reduced the dollar increase to $46.6 billions in 1973 and $41.7 billions in 1974. These reductions in the quantity of new dollars poured into the economy hurt people and business whose prosperity depended on the flow of new dollars in ever increasing amounts. The result had to be lower production and increasing unemployment.

In Calendar 1974, the federal government's Public Debt rose by $22.8 billions. Placing that Debt was difficult. Insurance companies and commercial and savings banks sold off their government securities as hard-pressed business offered them higher interest rates. Private individuals took $7.3 billions, only about one-third of the new Debt. The government's own trust funds took $11.6 billions, more than half the total. The Federal Reserve Banks had to take another $2.0 billions.

With the Debt increase for Fiscal 1976 likely to run from three to five times that of 1974, the Treasury's task of selling government securities is going to get much tougher, With unemployment high and business profits falling, few private funds will be available for government securities or business expansion. This means that Debts will be monetized; that is, dollars will be artificially created to buy government securities as well as to be given or lent to individuals and businesses. How many, we cannot know. But it could easily exceed 100 billion dollars. The effects this will have on prices stagger the imagination.

With these prospects highly possible, how long will foreigners hold on to their 90-odd billions of Eurodollars? If these dollars come running home, they will send prices up still further. All of which might raise a hue and a cry for price controls. This could drive us into a Hitlerian form of national socialism and the end of the freedom that has been the source and strength of our high living standards.

The President's program is proposed as a solution for three crucial problems; the energy crisis, inflation, and recession. In each case he asks for belt-tightening, more government controls, and the political distribution of more dollars. The proposed combination can only create more shortages and lead to a controlled society with all the miseries that socialism has always brought to the masses.

Take the energy crisis. On January 16th, the President told Congress: "During the 1960's, this country had a surplus capacity of crude oil . . . . By 1970 our capacity, our surplus capacity had vanished, and as a consequence the latent power of the oil cartel could emerge in full force."

What turned the situation around? In the 1960s there was considerable agitation to close the so-called depletion allowance "loophole." It was aimed at those terrible Texas oil millionaires whose successful investments had helped keep oil prices low. At the same time, the so-called environmentalists, with no understanding of economics, were agitating against the creation of power plants and later the oil pipeline to the Alaskan oil. As a result of these anti-social agitations, taxes on the oil industry were raised and the difficulties of increasing energy production were magnified. Those who still wanted to invest in oil explorations expanded their activities abroad.

Given the whipped up feelings against oil companies and public utilities, few savers would invest their hard earned funds in such industries. Consequently, these industries could only expand as far as their retained earnings permitted. As a result, less oil was produced in this country in 1974 than in 1973. Many who invested in oil exploration abroad have had their investments nationalized without the slightest protest from our government which was founded to protect the lives and property of its citizens.

Our energy shortage was created by our politicians. It can be ended in a reasonably short time if our politicians will reduce discriminatory taxes and permit free market forces to operate. If oil profits should temporarily soar, the competition of new investments will soon bring them in line.

The President and his Democratic opponents propose new taxes and controls on oil and other energy sources. Such proposals can only lower our living standards. They say they do not want foreign countries to strangle us. It would seem they want to reserve that right for themselves. Higher taxes and prices on the lifeblood of warm homes, transportation, and industry would certainly do that.

It was a relatively free market that provided an abundance of cheap energy in the past and it is the only source that can provide it again.

The problems of inflation and recession are intertwined. Here too, the answer is the free market. Recessions and depressions are the inevitable results of prior inflations. Our dominant economic problems are all related to political interferences with the free market processes.

America's first great economist, Pelatiah Webster (1726–1795), stated in an essay in opposition to the Continental currency inflation: "An error in finances, like a leak in a ship, may be obvious in the fact, alarming in its effects, but difficult to find." Few Americans can locate the leaks in our ships of "modern finance." The seepages are hidden and difficult to spot. But as Webster also said: "The first thing necessary to correcting an error is to discover it. The next is to confess it, and the last to avoid it."

We cannot solve our inflation and recession problems until we discover the basic errors that have led us astray. Many of our current fallacies spring from the unfounded premise that free enterprise failed in 1929 and that its weaknesses were responsible for the depression that started in that year. Unbiased analysis has proven, beyond contradiction, that it was not free enterprise but political manipulation of the quantity of money that failed in 1929. Once this error is more generally recognized and confessed, we can then avoid any further increases in the politically created dollars our political system has been pouring into the economy.

The seeds of our present problems were planted when Franklin D. Roosevelt confiscated our citizens' monetary gold. This loosened the brakes on the political creation of dollars. It also started the post-1929 inflation parade with two, three and four billion dollar deficits.

Unfortunately, Mr. Roosevelt and his advisors thought that the best depression remedy was a larger quantity of dollars. So his Administration started inflating both the currency and bank deposits. By 1938, he had the quantity of dollars back up to its 1928 figure. He had thought this would bring back the 1928 prosperity. It didn't. Unemployment in 1938 was as high as when Roosevelt first took office. His New Deal did not solve the depression. World War II diverted attention from our domestic economic problems. The war also provided an excuse for our politicians to more than double the number of dollars circulating in our economy.

After World War II, our political leaders of both parties adopted Keynesian inflationary policies as a panacea for all the economic problems that political intervention had created. The late Professor Keynes was an apologist for policies Great Britain first adopted in 1931.

For many years Great Britain had operated largely like a factory, importing raw materials and exporting finished goods and coal for world shipping. In 1925, when Great Britain went back on the gold standard, she unfortunately raised the value of the British pound so high that British goods were priced out of world markets. With organized labor insisting on the same pay in the higher valued pounds, the result was mass unemployment. When workers ask for higher wages than customers will pay for their products, the result is always unemployment. The British politicians felt the best way to lower wage rates was to lower the value of the pound. So Britain went off gold in September 1931. The British workers kept their high pound wages, but their pounds bought less.

Four years later, John Maynard Keynes wrote his *General Theory Of Employment, Interest And Money*. Its key sentence reads: "A movement of employers to revise money wage bargains downward will be more strongly resisted than a gradual and automatic lowering of real wages as a result of rising prices." Professor Keynes understood the political difficulty of reducing the pound wage rates of British workers. So he wrote in confusing language an academic justification for the political reduction of wage rates by reducing the gold value of the monetary unit and increasing the quantity of such units competing for available goods and services.

American Administrations have practiced these policies ever since World War II. They fooled our labor union members for many years. Our labor laws helped unions get higher dollar wages for their members. Then our politicians lowered the value of their wages by increasing the number of dollars competing for available goods and services.

After a while, union statisticians noted the rising living costs produced by more dollars in the market. Unions then demanded and got compensating higher dollar wages. However, these increases always lagged. As years passed, some union men realized they were still losing. They had to share their cost of living raises with the tax collectors.

Now, when the cost of living rises 10 percent, the unions ask for a 10 percent increase in their take-home pay. This adds roughly 15 percent to labor costs. Employers who cannot raise their prices 15 percent are sooner or later forced to reduce production. As this process continues, consumers no longer have funds to keep everyone employed at the wage rates labor unions demand. So unemployment mounts.

The Keynesian solution no longer works. Budget proposals based on it will only produce still higher prices and rising unemployment, along with demands for more subsidies for the unemployed.

In the few years since Mr. Nixon gave up his efforts to hold the dollar's international value at 1/35th of an ounce of gold, the dollar has lost more than 80 percent of its value in world gold markets. The glamour has gone. More dollars no longer create the illusion of prosperity. Budget programs based on deficit spending and dollar creation have reached the end of the line. The sooner the American public and their representatives understand this, the sooner we can stop our inflation and the readjustment recessions such inflation makes necessary.

America must go into reverse FAST! It will be painful but there is no other way. If our people can be shown the value of free market prices, free market wages and free market interest rates, the pain need not be long. Such guidelines direct business quickly to the employment of all available workers in producing those things for which customers can and will pay the highest prices. If workers and investors will settle for the highest free competitive bids for their services, we can soon know prosperity as we have never known it before.

The wolf is at the door. Attempts to trade off inflation and unemployment have reached the end of the road. We must promptly reject Budget policies that call for the creation of more dollars, higher prices, and more controls over the necessities of modern life. Let us rally to the cry of freedom—the economic freedom for all to compete in the market place in the greater service of our fellow men.

CIA SHOULD BE COMMENDED FOR ITS SOVIET SUBMARINE RECOVERY OPERATION INSTEAD OF CRITICIZED

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, recently the Central Intelligence Agency was subjected to a great deal of criticism for its role in recovering parts of a sunken Soviet submarine in the Pacific Ocean. I personally feel that the CIA was performing its mission admirably and was doing exactly what the American people and Government expect it to do in safeguarding the national security.

Supporting this view were the following editorial and column by Joseph Kraft in the March 23 edition of the Washington Post:

THE GLOMAR EXPLORER

In retrieving parts of a sunken Soviet submarine from 16,000 feet down in the Pacific, the Central Intelligence Agency was performing its prime function brilliantly. Apparently at least two nuclear warheads from torpedoes were raised—an intelligence first—though it isn't yet known if any of the sub's nuclear missiles, guidance systems or code machines were also raised. But the value of inspecting the most sensitive Soviet military gear, even gear from a sub sunk seven years ago, does not exhaust the potential intelligence benefits. With the real thing—or parts of it—in hand, the United States can now test the reliability and effectiveness of the intelligence and the other intelligence methods it was previously using. Laymen are hardly in a position to say whether the findings are worth $350 million, which is the rough cost, apparently, of the salvage operation. Since the salvage ship itself has valid commercial uses, part of this cost can conceivably be reclaimed. In any case, intelligence collection is by its nature so speculative a venture that it lends itself poorly to conventional cost accounting, even when one is in a position to know and evaluate the gains—which we are not.

That the Russians will make more than a formal diplomatic protest, if that seems doubtful; they would only be advertising their embarrassment and envy. Nor is legitimate intelligence collection of this sort inconsistent with detente. Indeed, detente could help the two countries to work out the differences that could well arise over future attempts by one or the other to raise sunken ships, or recover spent missiles, fallen space objects, anti-sub listening devices or what have you. The Russians, who had failed to find their own missing sub, will surely be chagrined at this public demonstration of the vast superiority of American sub-tracking capability. Together with the demonstration of a deep-sea retrieval capability unmatched anywhere, this is a telling comment on one aspect of the Soviet-American technological balance of power. No doubt the Russians will push ahead in their own work in both fields; they already were doing so. Meanwhile, Americans can appreciate better what a technological advantage can mean to, say, strategic arms control. It means, in brief, that it is silly to count just raw numbers of warheads and launchers.

The Soviets seem to have been completely fooled by the cover the CIA devised for the boat which brought up the sub. The CIA used a civilian company, for purposes of deniability as well as concealment; the company was owned by a man, Howard Hughes, whose personal reputation for mystery fitted the cover perfectly; the boat was designed for, and is actually usable for, marine mining. At the current Law of the Sea Conference, one can already hear charges that the Glomar Explorer's mission proves that the great powers conduct espionage under the guise of research. The incident proves no less that great powers, or at least the United States, do conduct research; only they have the technology. The incident will likely sharpen the global argument over how seabed mineral riches should be shared, after the current fuss dies down

Disclosure of this operation, which took place last summer, will prevent the Glomar Explorer from going back to look for more parts of the broken sub next summer. The intelligence loss is impossible for an outsider—perhaps also an insider—to measure. The disclosure is, however, something of a political boon for the CIA, underlining as it does the besieged agency's legitimate intelligence role and its competence. The timing appears to be accidental. A number of news organizations, including this newspaper, had sat on the story for extended periods in considered response to the CIA's discreet appeals that publication would spoil a valuable ongoing national security operation. The voluntary embargo was broken only when the American Civil Liberties Union came upon the information and made known its intention to publicize it. Obviously, this newspaper feels there was valid reason to hold the story while it did. We do not believe that our devotion to the principles and practices of a free press is undercut by the exception made in this case. On the contrary, a willingness to make such exceptions when confronted with compelling arguments from a government in exclusive possession of all the facts of the matter is a mark of a responsible free press.

LESSONS FROM THE SOVIET SUBMARINE INCIDENT

(By Joseph Kraft)

The semi-success of the Central Intelligence Agency in dredging up a Russian sub from the bottom of the Pacific should impart a modicum of balance and sanity to the raging debate about this country's black operations. The episode shows dramatically that such operations can have a serious purpose which fully justifies secrecy.

It also demonstrates that other elements in the society, including the press, are prepared to treat matters of secret intelligence in a responsible way. It finally indicates that when events do force information out, the result isn't all that tragic.

Consider, first, the general reputation of the CIA. Recent events have made it seem a kind of post-graduate Ivy League playground where rich boys and girls spied on their countrymen between clumsy efforts to make and unmake foreign governments—preferably by assassination.

So strong is the will to believe in lurid fiction that many people take it for granted—though the evidence is highly doubtful—that the CIA knocked off the government of the late left-wing president of Chile, Salvador Allende. In the same vein—though the evidence actually goes the other way—it seems to be generally assumed that the agency regularly broke the law to pick up dirt on Americans at home and abroad.

The affair of the Soviet sub works to right the balance. It involved possible recovery of Soviet code books and nuclear weapons, and was thus clearly an important and legitimate operation. To foster the project large resources were mobilized with high organizational skill and considerable technical ingenuity. Secrecy was maintained for a long period—and appropriately so. National Security, this time, was genuinely at stake—not invoked as an excuse for covering up failure or impropriety.

Word of the affair began to circulate as an outgrowth of a crazy set of events beyond the control of anybody in a free country. There was a burglary at the Summa Corporation owned by Howard Hughes. The company had served as a cover for the salvage operation. The burglary set in motion a criminal investigation in Los Angeles.

In these conditions, it was impossible to keep the secret. In Los Angeles, where I was visiting, speculation was rife all last weekend, and a local radio station kept pushing the story. Finally the Los Angeles Times and the New York Times, which has stayed off the story at the request of the CIA, came out with full details.

The breaking of the secrecy has an undoubted cost. While one-third of the sunken sub was recovered in operations last summer, the code books and nuclear weapons were apparently not retrieved. The CIA had plans for a second effort this summer to raise the remains of the sub. That can no longer go forward covertly. The United States cannot thus have access to Soviet code books and nuclear missiles without the Russians knowing it.

There may also be a diplomatic cost. Security freaks in the Soviet Union will probably turn this episode to account in ways that will inhibit still more open exchange of people. The episode may eliminate whatever slim chance there might have been for agreement on verification procedures to limit the number of tests allowed for new missiles.

But that cost is relatively small. Modern communications techniques make it extremely unlikely that the code of any advanced country can long be read by another country. Knowledge of past Soviet techniques for codes and the production of nuclear missiles might be interesting, but it is not, given the rapidity of technological change, vital.

While Soviet vigilance—and the interest of those who promote it—may be heightened now, there is certainly no sign that the Russians are kissing off detente. On the contrary all the evidence is that General Secretary Leonid Brezhnev is more than ever committed to the policy of easing confrontation with the United States and Europe.

Moreover, the affair of the sub yields one undoubted gain. The intelligence community now has good reason to know that the rest of the United States, including the press, is not embarked on a relentlessly hostile, undiscriminating effort to get security agencies. By the same token, those of us on the outside now have solid evidence of the high quality and great importance of the work being done by the intelligence community.

Trust, the most grievous lack in relations between the intelligence community and the rest of the country, now has a chance for re-birth. In the new climate there is even hope that the congressional investigation of the CIA, which is so necessary, can be conducted in a careful and responsible way.

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LEE HAMILTON'S WASHINGTON REPORT: "THE DEFENSE BUDGET" OF MARCH 19, 1975

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the March 19, 1975, Washington Report, "The Defense Budget":

THE DEFENSE BUDGET

A major debate is shaping up in the country about the nation's defense.

The President has recommended a gradually increasing investment in the defense establishment for the next several years. For the 1976 fiscal year, he wants to spend $93 billion, as compared with about $85 billion for 1975. Much of the increase is to provide for pay increases and to make up for inflation, but the longer term projections in the budget, which call for the defense budget to rise to $140 billion by 1980, make clear that he hopes to reverse the trend of recent defense budgets.

Secretary of Defense James Schlesinger has been pounding away at the theme that the United States as a world leader has a major role to play in defending the free world by maintaining a military equilibrium against the Soviet Union. He insists that the global responsibilities of the nation cannot be met if the defense budget is reduced by inflation or Congressional reductions. He emphasizes the Soviet threat, pointing out that in constant dollars (discounted for inflation) the American defense budget has been falling while the Soviet defense budget has been increasing in real terms at a rate of 3% to 5% a year. Defense spending in constant dollars has been declining from 42% of the Federal budget in 1964 to 27% today, and Pentagon spending as a percentage of total government spending and as a percentage of the nation's total wealth has declined.

The Administration believes that the United States has a "rough military equilibrium" with the Soviet Union today, but it fears an erosion of defense strength. It finds this trend ominous because it could mean that in four or five years the United States will end up in second place militarily to the Soviet Union. If the United States is going to accept second place, the Administration argues it should be as a result of a conscious decision rather than the erosion of purchasing power.

The underlying purpose of defense is to maintain a worldwide military balance with the Soviet Union and its allies. To achieve this the President feels that the United States must have a range and magnitude of capabilities such that it will be, and more importantly, that it will be perceived to be, the equal of its strongest competitor.

The Congress has always been hesitant to tamper with defense budgets, probably because of the high costs of being wrong and the uncertainties and difficulties of judgments on national security. Congress usually contents itself with the exhorting the Administration to be efficient in the management of its resources and by cutting the proposed defense budget each year by no more than 4% or 5%. The debate about the size of the investment in national security, which formerly concentrated on technical military considerations, now revolves around the more difficult questions of alternative military postures and the achievement of foreign policy objectives. An optimistic appraisal of the military balances throughout the world and the political climate generally leads to support for efficiencies in the budget and actual reductions in combat capabilities. On the other hand, a pessimistic appraisal of these balances leads to suggestions for the need for larger defense budgets.

Critics of the defense budget claim that it is no longer necessary for the United States to maintain its dominant military force in every aspect of defense, especially if it is not first in the quality of life for its own people. They ask how much defense does the nation really need and how much can it afford? Their argument is that there is still considerable fat in the defense budget that can be squeezed out and that lower priority defense programs can be eliminated or "stretched out". More importantly, though, the critics point toward the need for a fundamental reassessment of military strategy and commitments, including withdrawal of troops from Europe and the Western Pacific and restraint in the development of strategic weapons. Their argument is that the United States already has enough nuclear weapons to deter and, if necessary, to destroy the Soviet Union, and that more such weapons are not needed. They challenge the "triad" concept that the United States must maintain a strategic deterent of missiles, bombers, and submarines, and they also challenge the Administration's thesis that if it is "perceived" that the United States has slipped into a position of strategic inferiority, the Soviet Union would become more aggressive.

The problem is always to strike a balance between domestic needs and military strength. The Administration has put forward sophisticated reasoning to support increased defense spending, while recommending reduced spending for many domestic needs. I continue to feel that there is much room for greater efficiencies in the use of defense resources, including reductions in support (not combat) forces, pruning of strategic air defenses, slowdowns in some weapons modernization programs, initiatives to develop less expensive weapons systems, closer association of reserve and active duty units, and I also feel that these efficiencies can be achieved without a dimunition in our national security. At the same time, I feel that we must not neglect the level of defense necessary in an interdependent, yet hostile world. It is imperative that our defense be strong enough that no potential enemy could achieve advantage over us.

REMOVING EARNINGS LIMITATION FOR SOCIAL SECURITY BENEFITS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, today I am introducing legislation to remove the outside earnings limitation on social security benefits.

Presently, eligible recipients between the ages of 65 and 72 have their social security benefits reduced if they are earning an income greater than $210 per month or $2,520 per year. The rate of reduction is $1 for every $2 earned.

Thus if an individual becomes eligible for social security benefits at age 65 and continues to work, he or she must pay what amounts to a tax of 50 percent on their income.

Mr. Speaker, this is grossly unjust on a number of grounds to those so penalized.

First, to deny the recipient his full benefits is to imply that social security is a welfare program—that if someone is earning outside income, he or she does not need the income from social security.

But this is not what those who have been paying social security have been told by their Government. The program was and is presented to them as a retirement program. And, although they are forced to pay into it "for their own good," the payments are earned income held in trust by the Government to be repaid at age 65.

In other words, social security beneficiaries are not welfare recipients or wards of the State, but self-respecting Americans who have paid for the benefits they thought they would receive at age 65. They are entitled to receive these benefits as a matter of right.

Second, the earnings limitation is discriminatory, hitting hardest those who have limited means and who wish to continue working to supplement their income. Not only are their social security benefits reduced or eliminated, but they are taxed on their outside income to finance the social security benefits which they are not receiving. A person of greater means, on the other hand, may receive his full social security benefits while drawing a large income from his investments.

Third, by punishing those who work, the earnings limitation punishes and discourages productivity. Every individual has an "unalienable right" to pursue his own goals in life and his own happiness, and thus to continue to be productive after age 65 if he so chooses, for whatever reasons be they financial or psychological.

Therefore, Mr. Speaker, I sincerely hope that the Committee on Ways and Means will give this bill early and favorable consideration.

SCOTT DUNN ATTAINS EAGLE SCOUT RANK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. GAYDOS. Mr. Speaker, I deem it highly fitting and proper to recognize a young man from my 20th Congressional District of Pennsylvania who has attained the highest rank in Scouting, Scott S. Dunn of 2659 Bethel Crest Drive, Bethel Park, Pa.

Scott, a freshman in Bethel Park High School, will be elevated to the rank of Eagle Scout during a court of honor ceremony conducted by Troop 510, Boy Scouts of America, on Thursday, April 24, in the Windover Hills United Methodist Church.

The honoree has compiled an outstanding record, both scholastically and in Scouting, which he is considering making his career. He is a senior patrol leader and an ordeal member of the Order of the Arrow, National Honor Association of Scout Campers. Scott also is an honor student and an athlete. He has

participated in track and wrestling and has earned the President's Physical Fitness Award.

Scott is indicative of the caliber of young men which have been associated with Troop 510, known as the Trailblazers. He is the 5th member of the troop to achieve the coveted rank of Eagle Scout in the past year and the 13th since the troop was chartered in 1960.

Troop 510 is one of the most active in the Greater Pittsburgh area. Comprised of 32 members, ranging in age from 11 to 18, it recently won recognition from Allegheny Trails Council, BSA, for having earned the highest number of merit badges of any member troop in the Silvertip District. Troop 510 earned a combined total of 147 badges.

Sponsored by the Windover Hills Church, the troop conducts a variety of activities. In addition to regular meetings and weekend campouts, each summer the Scouts enjoy a weeklong canoe trip on a Pennsylvania river and a week at Camp Tionesta in the Allegheny National Forest.

Mr. Speaker, the outstanding record compiled by Troop 510 is a testimony to the interest and efforts of its adult leaders: Mr. Phillip E. Neely of South Park, the scoutmaster; Mr. Ralph R. Dukstein of Bethel Park, Mr. Robert Weis, Mr. Edward Farrell, Mr. William J. Prosser, Sr., Mr. Francis P. Nix, all of South Park Township; Mr. William R. Ferguson of Jefferson Borough and Mr. Dale S. Dunn of Bethel Park, head of the troop committee.

Featured speaker at Scott Dunn's elevation ceremony will be the Honorable John G. Brosky, administrative judge of the family division, Court of Common Pleas in Allegheny County. In addition to recognizing the achievements of Scott Dunn, the troop also will fete other Scouts who have earned advancement during the past year.

BIRTHDAY OF GIOVANNI DA VERRAZANO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. BIAGGI. Mr. Speaker, as an Italian American it gives me great pleasure to join with millions of my Italian American brethren in celebrating the birthday of the great navigator and explorer, Giovanni da Verrazano.

Verrazano who lived from 1480 until 1527 was a truly remarkable man for his time. While sailing under the French flag in 1524, Verrazano completed the first recorded exploration of the eastern coast of the United States. His voyage which stretched from South Carolina to Newfoundland was highlighted by the discovery of New York Harbor and Narragansett Bay. Both of these areas played a crucial role in the early commercial life of the United States and their importance continues today.

Numerous memorials have been erected in tribute to this great Italian American. The most outstanding of these is the Verrazano Narrows bridge an impressive structure which separates Staten Island from New Jersey. In addition a commemorative stamp has been issued in his honor.

Mr. Speaker, this day is an important one for the Italian-American community. It is symbolic that as we celebrate this day we can be proud of the fact that efforts have been taken with great success to correct the deteriorating state of the New York Harbor. A successful completion of this task would be a most fitting tribute to the memory of this great man.

Mr. Speaker, let us join with millions of Italian Americans in commemorating the birthday of this great man. I hope that next year's celebration, special tribute can be paid to him and all others of foreign descent who have played important roles in the history of this great Nation which will in 1976 be celebrating a birthday of its own.

HOUSE OF REPRESENTATIVES—*Friday, April 18, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D. offered the following prayer:

The eternal God is thy refuge and underneath are the everlasting arms.—Deuteronomy 33: 27.

Eternal God, whose face is hidden from us by our sins and whose mercy we forget in the blindness of our hearts, cleanse us from all our offenses and deliver us from proud thoughts and vain desires; that with humility and gentleness we may draw near to Thee, confessing our faults, confiding in Thy grace, and finding in Thee our refuge and our strength.

We pray earnestly that Thou wilt sustain us in our efforts to preserve and to promote the benefits of freedom and peace in our world. Bless our President, our Speaker, and every Member of Congress. Kindle in their hearts and in the hearts of our people a sincere desire to follow the ways of Thy wisdom and to be strong and steadfast in these critical hours of crises and confusion. For Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4296) entitled "An act to establish emergency programs for wheat, corn, upland cotton, soybeans, milk, and tobacco."

MORE U.S. OIL PRODUCTION

(Mr. MELCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MELCHER. Mr. Speaker, the House will soon have the needed opportunity to vote for more U.S. oil production.

H.R. 49 provides a means of quick economic gain for the United States in terms of adding to the Treasury income of about $1 billion per year and offsetting our balance of payments for foreign crude oil imports of about $1.3 billion per year. This will come through opening Elk Hills Naval Petroleum Reserve.

H.R. 49 also would help to resolve an inquiry of 5 years standing by the Justice Department's antitrust division of unfair competitive practices in the California crude oil market.

Assistant Secretary Keith Clearwaters, Justices' Antitrust Department Chief, testified April 8 before the Public Lands Subcommittee citing that more clear-cut language could be offered to committee staff.

Our committee staff is considering the language suggested by the Department of Justice and if it is appropriate, will prepare committee amendments to incorporate the suggested changes to the bill.

H.R. 49 covers national petroleum reserves within the contiguous 48 States. The committee has found that development and production plans will vary between regions and between reserves depending on the amount of petroleum products available and also the circumstances in the area of available refinery capacities.

It is for this reason that we strongly believe that different plans of development and production should be drafted by the Interior Department. However, our committee believes that in each instance the plans should be reviewed by Congress and subject to veto by either body of Congress if found to be wanting in protecting the public interest.

The plans of production to be presented by Interior could propose development and production by a Federal agency. However, in the case of Elk Hills the committee believes that with the circumstances of partial ownership of the reserves by Standard Oil of California, the public interest can be protected by production and sale of the oil under Government control that assures availability of the oil and gas to independent com-

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panies at fair prices and transportation of the oil and gas in pipelines operated as common carriers. California independent oil refiners have advised the committee of their satisfaction with these provisions.

H.R. 49 mandates exploration of the Alaskan reserve, Naval Petroleum Reserve No. 4, but prohibits development and production since the committee believes it is unwise and imprudent to do so when transportation of any production will not be available for approximately 10 years.

Meanwhile, Congress can review the advisability of storing as reserves a portion of the petroleum produced on our public lands. With the critical recession continued dependence on foreign crude will build up huge Federal deficits. Therefore, it is the belief of the committee that rapid production from reserves should start now. From Elk Hills alone 160.000 barrels per day of production could be available within 60 days and in a year's time this could be increased to 300.000 barrels per day.

At that rate of production the Treasury will receive approximately $1 billion per year in receipts from the net sales of crude oil at current market prices. Since all of the oil will in effect replace foreign crude oil imports, the Elk Hills production will reduce our balance of payments at about $1.3 billion per year.

In case of military emergency it is evident that rapid availability of petroleum production is ncessary. By putting Elk Hills into production this extra amount of petroleum production will be available and under the Defense Production Act all available supplies of crude supplies such as petroleum products are reserves and can be earmarked for the military until those needs are met. Obviously, if Elk Hills is not in production those supplies could not be used in case of military emergency until such time as the field could be brought into production. The proven reserves in Elk Hills are 1.3 billion barrels of oil and it is indication that development at other depths will show additional reserves bringing the total up to about 2 billion barrels. At the lesser figure Elk Hills could be produced at 300,000 barrels per day for 12 years. If the reserves are closer to the larger figure, production of 300,000 barrels per day will last 20 years or longer. In the meantime, the whole concept of holding oil in reserves for future use could be reviewed by Congress and applied to Naval Petroleum Reserve No. 4 in Alaska if that seemed to be the proper course to take.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO FILE REPORT ON H.R. 6096

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may have until midnight tonight to file a report on H.R. 6096.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE NEED TO EXPEDITE EVACUATION OF AMERICAN CITIZENS IN SOUTH VIETNAM

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker and Members, yesterday my colleague, the gentleman from South Carolina (Mr. JENRETTE), and I took a letter to the White House with the signatures of 225 Members, a majority of the House, that set forth our views that we should be expediting the evacuation of American nationals in South Vietnam.

At the White House I was informed that even Dr. Kissinger agreed that Graham Martin, the Ambassador to South Vietnam, was an impediment to the evacuation, and today I am introducing a resolution asking for Mr. Martin's recall as Ambassador because his delay in expediting the exit of American nationals in my judgment is a leading factor in endangering their lives.

Mr. Speaker, I include herewith the letter and the list of signers thereto:

WASHINGTON, D.C.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We share your concerns about the safety of American nationals in South Vietnam.

We urge you to expedite the evacuation of all American nationals and their families.

We feel it is critical to act now while the Saigon Government controls the evacuation area and Tan Son Nhut Airport.

To delay could well endanger the lives of those we want to save.

Sincerely,

JOHN L. BURTON.

MEMBERS OF CONGRESS WHO COSIGNED LETTER TO PRESIDENT REGARDING EVACUATION OF AMERICAN NATIONALS FROM SOUTH VIETNAM

John L. Burton (Calif.)
Edward Koch (N.Y.)
Robert Nix (Pa.)
Max Baucus (Mont.)
James V. Stanton (Ohio)
Phillip Burton (Calif.)
Andrew Jacobs (Ind.)
Norman D'Amours (N.H.)
Edward P. Beard (R.I.)
Donald Riegle (Mich.)
Timothy Wirth (Colo.)
Henry Waxman (Calif.)
Charles Rose ((N.C.)
Tom Harkin (Iowa)
Berkley Bedell (Iowa)
Jim Lloyd (Calif.)
William Lehman (Fla.)
Philip Sharp (Ind.)
Mendel Davis (S.C.)
Thomas Rees (Calif.)
Abner Mikva (Ill.)
Patricia Schroeder (Colo.)
Thomas Downey (N.Y.)
Mark Hannaford (Calif.)
Philip Hayes (Ind.)
Jim Weaver (Oreg.)
William Green (Pa.)
Herb Harris (Va.)
Matthew McHugh (N.Y.)
Butler Derrick (S.C.)
Carroll Hubbard (Ky.)
George Miller (Calif.)
William Brodhead (Mich.)
Toby Moffett (Conn.)
Stephen Neal (N.C.)
Allan Howe (Utah)
Jerome Ambro (N.Y.)
Edward Pattison (N.Y.)
Christopher J. Dodd (Conn.)
Paul Simon (Ill.)
Michael Blouin (Iowa)
Robert Cornell (Wis.)
Helen Meyner (N.J.)
John Krebs (Calif.)
Pete Stark (Calif.)
John Seiberling (Ohio)
Bella Abzug (N.Y.)
Charles Wilson (Tex.)
Barbara Jordan (Tex.)
Bob Kastenmeier (Wis.)
James Howard (N.J.)
Fred Richmond (N.Y.)
Morris Udall (Ariz.)
David Obey (Wis.)
John J. LaFalce (N.Y.)
Norman Mineta (Calif.)
Edward Roybal (Calif.)
James Florio (N.J.)
Teno Roncallo (Wyo.)
Jerry Patterson (Calif.)
Bob Traxler (Mich.)
Martha Keys (Kans.)
Leo Zeferetti (N.Y.)
Henry Helstoski (N.J.)
Henry Nowak (N.Y.)
Ken Hechler (W. Va.)
Romano Mazzoli (Ky.)
Ron de Lugo (V.I.)
Shirley Chisholm (N.Y.)
Richard Ottinger (N.Y.)
John Brademas (Ind.)
John Melcher (Mont.)
Bob Carr (Mich.)
Les AuCoin (Oreg.)
Henry Reuss (Wis.)
Andrew Young (Ga.)
James Oberstar (Minn.)
Les Aspin (Wis.)
Morgan F. Murphy (Ill.)
Martin Russo (Ill.)
Andrew Maguire (N.J.)
Gladys Noon Spellman (Md.)
George E. Brown, Jr. (Calif.)
Daniel Flood (Pa.)
Bob Bergland (Minn.)
Parren J. Mitchell (Md.)
Patsy Mink (Hawaii)
Lloyd Meeds (Wash.)
Paul Sarbanes (Md.)
Charles Vanik (Ohio)
Ronald Dellums (Calif.)
Edward Roush (Ind.)
Joseph Minish (N.J.)
John Dingell (Mich.)
Cardiss Collins (Ill.)
Dante Fascell (Fla.)
Robert Edgar (Pa.)
John Jenrette, Jr. (S.C.)
Yvonne Burke (Calif.)
Gerry Studds (Mass.)
Jonathan Bingham (N.Y.)
Walter B. Jones (N.C.)
Harold Runnels (N. Mex.)
Bob Krueger (Tex.)
Sidney Yates (Ill.)
Fernand St Germain (R.I.)
Joseph Gaydos (Pa.)
Harley Staggers (W. Va.)
Bo Ginn (Ga.)
Otis Pike (N.Y.)
Tim Hall (Ill.)
Carl Perkins (Ky.)
Mario Biaggi (N.Y.)
Harold Johnson (Calif.)
Joseph Addabbo (N.Y.)
Don Bonker (Wash.)
Dan Rostenkowski (Ill.)
Augustus Hawkins (Calif.)
John E. Moss (Calif.)
Glenn Anderson (Calif.)
Don Edwards (Calif.)
Lionel Van Deerlin (Calif.)
Charles H. Wilson (Calif.)
Jim Corman (Calif.)
Charles Whalen (Ohio)
Millicent Fenwick (N.J.)
Mike McCormack (Wash.)

James Delaney (N.Y.)
James Haley (Fla.)
James Jones (Okla.)
Robert Mollohan (W. Va.)
Richard Fulton (Mo.)
Ray Roberts (Tex.)
Jim Santini (Nev.)
James Scheuer (N.Y.)
David N. Henderson (N.C.)
Ike Andrews (N.C.)
Joseph Fisher (Va.)
John Breaux (La.)
Paul Tsongas (Mass.)
George Danielson (Calif.)
Frank E. Evans (Colo.)
Harold Ford (Tenn.)
Charles E. Bennett (Fla.)
Ralph Metcalfe (Ill.)
Robert Leggett (Calif.)
Antonio Borja Won Pat (Guam)
Pete McCloskey (Calif.)
Floyd Hicks (Wash.)
Richardson Preyer (N.C.)
James Symington (Mo.)
Fred Rooney (Pa.)
David Satterfield (Va.)
Lindy Boggs (La.)
Leo Ryan (Calif.)
William Barrett (Pa.)
Bob Casey (Tex.)
Richard Nolan (Minn.)
Tom Bevill (Ala.)
Tom Hagedorn (Minn.)
J. J. Pickle (Tex.)
Joseph Vigorito (Pa.)
Joe Moakley (Mass.)
David Bowen (Miss.)
James Hanley (N.Y.)
George Shipley (Ill.)
Spark Matsunaga (Hawaii)
William Hughes (N.J.)
Ray Madden (Ind.)
William Hungate (Mo.)
William Ford (Mich.)
Gillis Long (La.)
Edward Mezvinsky (Idaho)
Edward J. Patten (N.J.)
Dominick Daniels (N.J.)
Charles J. Carney (Ohio)
Glenn English (Okla.)
Charles C. Diggs, Jr. (Mich.)
Elizabeth Holtzman (N.Y.)
Bob Jones (Ala.)
Thomas Downing (Va.)
Edward Boland (Mass.)
James J. Blanchard (Mich.)
Bill Alexander (Ark.)
Don Fuqua (Fla.)
Stephen Solarz (N.Y.)
Jaime Benitez (P.R.)
Walter Fauntroy (D.C.)
Herman Badillo (N.Y.)
James O'Hara (Mich.)
Neal Smith (Iowa)
Joe L. Evins (Tenn.)
Henry Gonzalez (Tex.)
Dawson Mathis (Ga.)
Dan Daniel (Va.)
Robert Drinan (Mass.)
Louis Stokes (Ohio)
Alvin Baldus (Wis.)
Ted Risenhoover (Okla.)
Ronald Mottl (Ohio)
Clarence D. Long (Md.)
Claude Pepper (Fla.)
W. L. Clay (Mo.)
John Conyers (Mich.)
Michael Harrington (Mass.)
John Dent (Pa.)
William Moorhead (Pa.)
David Evans (Ind.)
W. S. Stuckey (Ga.)
John Murphy (N.Y.)
Paul Rogers (Fla.)
Benjamin Rosenthal (N.Y.)
Ken Holland (S.C.)
Abraham Kazen (Tex.)
Marilyn Lloyd (Tenn.)
William Randall (Mo.)

Richard Vander Veen (Mich.)
Jerry Litton (Mo.)
John Breckinridge (Ky.)
Jack Brinkley (Ga.)
Frank Thompson (N.J.)
William Cohen (Maine)
E de la Garza (Tex.)
Frank Annunzio (Ill.)
Joseph Karth (Minn.)

THE TRAGEDY IN SIKKIM

(Mr. SYMINGTON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SYMINGTON. Mr. Speaker, in the light of all that is going on in the world today there is one little-known event that has occurred in a small place that borders India called Sikkim. It was always essentially in bondage to India, which controlled her foreign policy and her defense, but she was an independent people for a time.

My purpose in addressing the House is simply to express the hope that the Indian Government, now that it has achieved its objective of absorbing this little kingdom, will see to it—that the royal family—which includes, as we know, an American woman—receives courteous treatment and, if requested, safe conduct out of the country.

THE TRAGEDY OF SIKKIM

(Mrs. FENWICK asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Missouri (Mr. SYMINGTON). I think we are witnessing in the case of the small Kingdom of Sikkim one of the tragedies of the world that lead to so many larger tragedies, and that is the inability of the world community to speak up on behalf of small nations as though they were unimportant, to disregard people unless they come in large, powerful groups.

There is something here that I think all of us must consider most carefully: Are we or are we not going to have the rule of law in the world? Are we or are we not going to have a United Nations that speaks for everybody, regardless? Are we or are we not going to have an organization that will stick to principle and apply that principle in an even-handed way with a sincere concern for justice? Where can we expect to hear the voices raised on behalf of justice and the rule of law if not from a world body that is constituted to bring that about?

I hope that the disappointments that all of us have felt with the United Nations will not weaken our resolve to support that organization, but I think that continued ignorance and indifference to this kind of problem to which the gentleman from Missouri has so wisely alluded is going to erode the confidence that we have had, and that we know must be built up.

This is perhaps not a very large or momentous occasion, but small incidents can lead to much larger ones. I hope the world will take note and long remember.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MICHEL. I take this time for the purpose of inquiring of the distinguished majority whip the program for next week.

Mr. McFALL. Mr. Speaker, will the distinguished acting minority leader yield?

Mr. MICHEL. I will be happy to.

Mr. McFALL. I will be happy to respond to the gentleman's inquiry. There is no further legislative business for today, and upon the announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for the week of April 21, 1975, is as follows:

Monday is Consent Calendar day, and there will be four bills under suspension, as follows:

H.R. 4834, travel allowances for Government employees;

H.J. Res. 242, National Historic Preservation Week;

H.R. 3787, highway projects in New York, Vermont, and Connecticut; and

H.R. 3130, State participation in environmental analyses.

On Tuesday, under suspensions, there is one bill:

H.R. 5541, emergency relief for small business concerns; then:

H.R. 4296, agriculture target prices, a conference report;

H.R. 6096, South Vietnam evacuation, subject to a rule being granted; and

H.R. 4111, Securities Exchange Act amendments, open rule, 1 hour of debate.

For Wednesday and the balance of the week, there are:

H.R. 4975, Amtrak Improvement Act, under an open rule, with 1 hour of debate;

H.R. 4510, Foreign Service Buildings Act amendment, subject to a rule being granted;

H.R. 4114, National Health Service Corps, subject to a rule being granted;

H.R. 4115, nurse training, subject to a rule being granted; and

S. 1236, Emergency Livestock Credit Act, subject to a rule being granted.

Of course, the usual conference reports may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. I have one question to ask the gentleman from California, and it is the time-honored one. Does the gentleman expect that this business would run over through Friday of next week?

Mr. McFALL. If the gentleman will yield further, the best answer I can give the gentleman is that there is business available on Friday, and that there will be a program on Friday. There is a very long calendar, as the gentleman will agree, and it may be necessary to work Friday in order to complete the calendar.

Mr. MICHEL. I thank the gentleman for his frank remarks.

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ADJOURNMENT OVER TO MONDAY, APRIL 21, 1975

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week?

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Geisler, one of his secretaries.

THE RURAL POOR AND THE FAILURE OF THE FEDERAL RESERVE

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 60 minutes.

Mr. PATMAN. Mr. Speaker, in recent weeks, the news media has been carrying front-page stories about the growing recession and the increasing numbers who stand in the unemployment lines, but the recession—we will say the depression—came to rural America years ago. It has for the most part remained an invisible depression—with the news media and our national politicians paying little or no attention to it. Some of these rural areas—and many of the rural people—have not slipped into a recession because they have never enjoyed prosperity.

Mr. Speaker, the stories about rural poverty which have come from this week's National Conference on Rural America here in Washington once again remind us how cruel are the remarks and the bland assurances of the Federal Reserve when it tells us that there is plenty of credit and that there are no problems with the allocation of money in this Nation. Time after time, Dr. Arthur Burns, as Chairman of the Federal Reserve Board, has come before the Banking Committees of both the House and the Senate to tell us how good a job the banks are doing and to tell us to drop plans for a mandatory allocation of credit resources to areas of greatest need—such as to the rural poor.

Unfortunately, the Banking, Currency and Housing Committee has not acted on the credit allocation bill which was reported from the Domestic Monetary Policy Subcommittee in February. I am hopeful that the committee will take another look at this legislation—a mandatory program of credit allocation and not a voluntary approach.

Mr. Speaker, we are going to continue to have what the Washington Post headlined as "Horror Stories" about rural America so long as this Congress allows the Federal Reserve to do as it pleases, to ignore national goals, and to control economic policy without any review or direction from the people or their elected representatives.

The National Conference on Rural America and Clay Cochran, Executive Director of the Rural Housing Alliance, which called this conference are to be commended. They have accomplished much this past week. I do not remember when the news media has given so much prominence to the tragic stories of rural America.

Mr. Speaker, I hope the news media and Members of Congress and the participants in this conference will follow up and start taking steps to find out just how badly the resources of this country are allocated, particularly the credit resources controlled by the commercial banks and the Federal Reserve System.

Let it be known that we have as near a monopoly in the banking system today as any country on Earth could possibly have. There are 14,500 commercial banks in the 50 States and out of those 14,500, 50 of those banks—just 50 of those banks—have over half the deposits and resources and assets of the entire 14,500.

If that is not a monopoly, it is approaching a monopoly. Furthermore, even worse, the trust department of the banks of the Nation, have over $400 billion assets in their charge, and just 25 of those trust departments have over half of the resources of the 3,000 banks with trust departments. Something must be done about that. The concentration of wealth has reached such proportions that we must either do something about it, or just a handful of men will continue to control the banking resources of this Nation through the Federal Reserve System.

I sincerely hope that these rural organizations will be up here to Capitol Hill knocking on the door, demanding that we take up the issue of credit allocation, and that we make certain that the Federal Reserve is directed to move credit and projects which will alleviate rural poverty and provide housing and opportunities in these areas.

Mr. Speaker, it is not my intention to be critical of my colleagues, but the Congress must start paying more attention to the voices of the people, such as those who appeared at this conference, and give the people some kind of equal weight alongside the pipe-puffing generalities of the Federal Reserve spokesmen and their apologists.

Frankly, the Congress has allowed these bureaucrats at the Federal Reserve to dominate too often. We should be taking a look at these monetary matters from the people's angle and then direct the bureaucrats to carry out the program. It is not for the Federal Reserve to decide what the people need. The Subcommittee on Domestic Monetary Policy of the Committee on Banking, Currency and Housing of the House will open hearings next Tuesday on a bill that will require auditing the Federal Reserve System.

It has never been audited. It is over 60 years old.

Mr. Speaker, everyone, every businessman, is always pretty talkative along the line of every organization that goes public should have audits made very often and make sure that the people know exactly what they are doing and how to invest their money if they decide to invest it. But the Federal Reserve has never audited in 60 years. They have a lot of money at their disposal. They handle hundreds of billions of dollars of transactions a year. Actually trillions of dollars. Before long, before we will hardly realize it, we will be referring not to billions or trillions, but we will be referring to quadrillions of money, because we will have to use such terms in order to designate massive nature of the Federal Reserve transactions.

Mr. Speaker, it is too bad that Dr. Arthur Burns and the other members of the Federal Reserve Board and their hothouse economists were not required to sit through every session of this National Rural Conference this week. They might have gained a little bit of knowledge about people and they might have been a bit less self-satisfied in describing the wonders of Federal Reserve policies.

Mr. Speaker, I will place in the RECORD a copy of today's Washington Post story about the conference. It is a wonderful story, and I personally have knowledge of much of it being true. The Washington Post is to be commended for commencing publicity on these horror stories. They are terrible. It goes to the treatment of human beings. We must pay more attention to matters of this kind.

I will place them in the RECORD at this point, having received permission to do so.

That is under the heading of "Rural Americans Detail 'Horror Stories.'"

Mr. Speaker, I include the material I made reference to as follows:

"HORROR STORIES" OF RURAL AMERICA—PAIN, POVERTY, GOVERNMENT INDIFFERENCE CITED AT CONFERENCE

(By Austin Scott)

The day-long discussions were polite, with few raised voices, even though the issues being discussed were often laden with emotion. For at the root of the National Conference on Rural America, which ended here yesterday, lay a seemingly endless litany of horror stories.

Occasionally one surfaced as full of pain and weariness and righteous anger as the report of the handful of elderly people who used to live above a coal mine on Sanctified Hill in Cumberland, Ky.

They fought for two years until they were bone tired, they said, just to get government officials to take them seriously enough to authorize a $2 million housing project to replace the homes they lost when their hill slid into a valley.

Now that their wearying battle is about to pay off, they said, the government officials who had been so indifferent are suddenly fighting hard to wrest control of their project away from them.

Most of the time, however, the horror stories were implicit in an outpouring of speeches and position papers, each detailing a different way in which rural residents get cut out of their fair share. Some examples:

Even after a decade of official concern about rural health needs, 13[illegible] rural counties

holding nearly half a million people do not have a single resident doctor. That figure is up 37 per cent from the 98 such counties in 1963.

Rural areas have less than one-fourth the nation's population, about 60 per cent of its substandard housing, and considerably less than one quarter of the available federal housing funds.

In the more than two years since Congress passed, and President Nixon signed, the Rural Development Act, less than 10 per cent of it has been implemented.

The median income of rural workers is about 20 per cent less than that of urban workers. Rural people experience more chronic unemployment and underemployment, but federal manpower programs give a greater share of their funds to urban areas. Domestic migrant farmworkers earn on the average $1,654 a year.

Rural students achieve less, expect less, are out of school more, and have a higher illiteracy rate than urban students.

About 32 per cent of the nation's elementary and secondary schoolchildren are in rural schools, but urban schools get 80 per cent of the federal education grants.

Poverty remains persistent. Forty-four per cent of the nation's poor live in rural counties, but only 27 per cent of the funds for income security and welfare go to those counties.

Land is still being overconsumed and overworked in the name of progress. Treating land as a commodity instead of a limited resource has resulted in speculation, strip mining, water pollution and absentee ownership.

Net farm income dropped to about $27 billion last year, intensifying what farmers said is a cost squeeze brought on by "unbelievable" rises in the cost of farming.

The rising profitability of coal mining—prices charged for coal have risen tenfold in two years—may be spreading the conditions deplored for so long in the rural coal fields of Appalachia. A United Mine Workers official said, "Already trailer towns are developing in many remote sections of Wyoming, North Dakota, Utah and Montana. These towns lack water, sanitation, quality education, and any form of sound health care."

Rural areas depend more on transportation, but are losing access to it faster. In the past 15 years, 146 bus companies have gone out of business, most of them in cities of fewer than 25,000 people, which the Census Bureau defines as nonmetropolitan areas.

Although the romantic notion of a return to the small family farm was very much in evidence—a notion that Agriculture Secretary Earl L. Butz firmly opposes—most of the discussion centered on the needs of the great majority of rural Americans who are not farmers.

More than anything else, one participant said, rural America needs to be a viable choice.

Many of the issues cut across the dividing line between rural and urban America, affecting city dwellers who were poor, or powerless, or from minority backgrounds, nearly as much as their rural counterparts.

The call to the conference reflected that. "Much of American history comes down to the people's pursuit of equity in the face of privilege, and to their insistence on public concern in the face of indifference," it said. ". . . The time seems right to speak not only of class and race, but also of place, and of those Americans who by virtue of where they live are deprived of full participation in the system."

There was no overall mood to the conference. The delegates, most of them community activists of one degree or another, ranged from cynical to hopeful.

Clay Cochran, executive director of the Rural Housing Alliance, which called the conference, drew applause when he said Office of Management and Budget Director James T. Lynn's "passion for the poor is about equal to Genghis Khan's crusade to establish Christian orphanages."

At another session, a black delegate drew support when he argued that revenue sharing programs work well "if your community is organized. If you aren't getting any money look to your own house, brother. Don't tell me what I can't do. We're doing it in the South."

The real outcome of this conference won't be known for about a month.

Rural Housing Alliance officials said it will take about that long for them to go through the notes their recorders kept of all workshops, and digest what seem to be the items on which there was the most concern and the most agreement.

Their distillation will be mailed out to all delegates, they said, and will become the agenda for Rural America, Inc., the new nonprofit corporation they have formed to act as a Washington resource for local rural groups.

Not too many speakers asked for more money. They asked instead for more concern, more planning, and more enforcement of fairer rules.

"We seem to have an historical aversion to planning," said one speaker who went on to argue that the old, profit-oriented ways of managing the economy are increasingly inadequate.

Among the proposals put forth were uniform statewide codes for farm labor housing standards, specific counties set aside for industrial development, a national health insurance program that would assure equitable distribution of medical resources, a coherent national food policy, a national growth policy that would stop the haphazard and often damaging use of land resulting from the profit motive, and a national manpower policy for better employment distribution.

There was also strong support for much more active organizing on a local community level, so that rural areas would be in a better position to "hustle the federal government," as one position paper put it.

"It's important that all the various rural organizations be united in some form, and that has to be done at the local level," said Sen. Dick Clark (D-Iowa). "It's a question of organizing at the grass roots to have an impact, not just to make your views known but to participate in the political process itself. If you get the right man or woman elected, you don't have to lobby. If you don't, lobbying won't make any difference."

SECRECY AT THE FEDERAL LEVEL

Mr. Speaker, this morning's editions of the Washington Post carried another article—not related to the rural conference—but one which raises still other questions about the operation of the Federal Reserve. This article raises questions about the secrecy at the Federal Reserve and the arrogant manner in which the agency is operating.

Mr. Speaker, I want to place in the RECORD at this point an article headlined: "Fed To Issue Interest Rate Data":

AGENCY COMPROMISES WITH CONSUMERS UNION—FED TO ISSUE INTEREST RATE DATA

(By Austin Scott)

The Federal Reserve Board has agreed to make public regularly the bank interest rate information that sparked an FBI investigation when it was leaked to a magazine and published in March.

In a letter April 14, the Fed agreed to terms of a compromise offered by Consumers Union, which sued the board in 1973 under the Freedom of Information Act, seeking the highest, lowest and most common rates of interest charged by the nation's banks for five different categories of consumer loans.

Consumer Reports, owned by Consumers Union, published some of the rates in its March issue, prompting Reserve Board Chairman Arthur F. Burns to ask the FBI to find out where the magazine got the information.

One result of the episode was that the man who leaked the information, board statistician Carl Mintz, resigned in exchange for a Justice Department agreement to stop the FBI investigation.

His resignation, as well as the board's April 14 acceptance of the compromise leaves two fundamental questions unanswered.

Does the board have the right to declare such information confidential even though much of it is obtainable by the public from many of the 350 banks that reported it to the board and was the leaking of the information a crime?

Some of the answers could come today, when both parties inform the U.S. District Court, where the Freedom of Information suit is pending of their compromise agreement.

Burns called in the FBI in February to find out who leaked the list of interest rates which is stored on tapes in the board's computer.

Early in March, Burns was called before a House Government Operations subcommittee and was accused of overreacting after he said he wanted to find out who had engaged in "the apparent theft of government property."

Burns told the subcommittee that he considered it irrelevant that the data are available to anyone who walks into banks and asks for it. He said the Federal Reserve had gathered it after promising confidentiality.

Board spokesman Joe Coyne said the agreement by which Mintz resigned and the investigation was ended "is the end of it as far as we are concerned. The Justice Department recommended that we accept the offer (to resign) . . . We don't know if Justice determined whether a crime had been committed. They have stopped their investigation."

Asked whether Burns was satisfied, Coyne said: "Yes, he feels he got what he wanted out of it. The purpose of the investigation was to find out what had happened and it was successful."

Consumer's Union filed a Freedom of Information Act suit in 1973 to compel the Reserve Board to disclose the information.

Consumer's Union won its case in U.S. District Court. Judge William R. Bryant said interest rates are public before the Reserve Board obtains them during monthly surveys, and therefore they are not confidential.

But Judge Bryant's order was stayed pending an appeal by the Federal Reserve. Last November, the Court of Appeals ordered the case back to Judge Bryant, telling him to obtain more specifics to support his ruling.

Mintz said in an interview that he feels he did nothing wrong. Dan Grove, his attorney, said that their position during negotiations with the Justice Department was that nothing improper or unlawful had been done.

Grove said there is nothing on the forms the banks send in, or in the computer coding, to indicate that the information is confidential.

Asked to comment, Coyne said, "It isn't this particular information which is at stake, it is the entire system, because we collect data which is confidential. We assure banks that if they report to us on a voluntary basis, the individual data they supply us will be kept confidential. We are able to get more information, and more candid information, this way."

Peter Schuck, director of the Consumer's Union office here, said the Freedom of In-

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formation Act makes it clear that assurances of confidentiality made by an agency are legally irrevelant.

"The question that must be decided in a Freedom of Information case is whether the material is, in fact, confidential, not whether assurances were given," he said. "An agency has no right to expand on exemptions given by Congress."

Schuck also said that while the Federal Reserve Board argues that banks might stop supplying the information if it is to be made public, the board has the legal authority to compel the banks to continue supplying it.

A board survey of the more than 300 banks that supply interest rate information showed that more than 90 per cent of those that charged a single interest rate—and about 50 per cent of those that charged a varying interest rate—did not consider their information confidential, Schuck said.

Schuck said Consumers Union offered last month to drop the suit if the board would agree to begin publishing the interest rates May 1, after it has a chance to tell member banks it can no longer promise confidentiality for such information.

The Board's April 14 letter agrees to those terms, and adds:

"It must, however, be understood that the board reserves the right to terminate the survey in the event such a substantial number of banks discontinue their voluntary participation . . . so as to result in a biased and therefore useless sample."

In addition, the board's letter said, authorization for the survey expires in October, and no decision has been made on continuing it.

"We are gratified that the board has finally decided to comply with the regulations of the Freedom of Information Act," Schuck said. "We are hopeful that consumers will use this information in the future to make rational borrowing decisions. We are also hopeful that the board will in the future take the initiative in disseminating consumer information necessary to rational banking decisions rather than waiting to be sued. . ."

Schuck said Consumers Union sent the board a letter yesterday asking for a number of other reports banks submit to them, including a survey of the interest rates paid on time deposits and savings deposits.

Schuck said the 1973 Freedom of Information Act suit will not be dropped as a result of the agreement, because there is a dispute over who should pay court costs and attorneys fees.

In placing this article in the RECORD, I want to note that we here in Congress, those of us who are trying to help our people in every way in the world we can and make sure they have their rights and are not discriminated against, we are deeply obligated to the attitude of the Washington Post. The Post spends millions of dollars a year telling the stories that should be told to the American people. Those stories are not always told by the other forms of the media such as the television, the radio, and our other means of communication to the people. But the Washington Post has always been fearless, it has been courageous, and those people have kept this country, more than any other newspaper I know of, informed, and they have helped the people.

I know that there are other papers that do a good job in this area, but I believe the Washington Post is outstanding in that respect. We certainly want to commend them for it and the others in the news media and reporters who dig deep on these investigative stories.

Mr. Speaker, as the story in this morning's Washington Post—which I have just inserted—indicates, a statistician who furnished interest rate data to Consumer Reports resigned under the pressure of a FBI investigation ordered by Dr. Burns. This is disturbing to anyone who believes in a free flow of information from the Government bureaucracy.

The information released to Consumer Reports was not confidential—despite the bogus tag attached to it by Dr. Burns—and it is wrong and nonsensical to force an employee out, because he allowed consumers to know what banks were charging on loans.

Dr. Burns forced the resignation in an effort to maintain the tight wall of secrecy at the Federal Reserve and to serve a warning on other employees in the Federal Reserve System against cooperating with the news media or the Congress on public interest information.

Now, of course, if Dr. Burns considers himself a king or a god, possibly he can, by some stretch of the imagination, say he had a right to do that, but I say he did not have a right to do it under any law or under any regulation from anybody. It was wholly uncalled for. He forced that fellow out and that is wrong.

The only sin that man committed, if he committed one, was to make it possible for people who are borrowing a lot of money to get some information. And more poverty is caused in the United States by usurious interest rates, exorbitant interest rates, than any other factor. There are millions of people in poverty today because they have been taken advantage of and have been charged outrageously high interest rates.

And these loan sharks make them pay these rates. There is even an instance where they have had a man go up and talk to a person who was driving his car and he said, "Now, I am representing a collection agency"—and it would be one of these vicious loan sharks—"and you owe us so much money, and we demand you pay it." The man had his arm on the car door, and all at once this man breaks his arm. That has happened here in the United States.

They have put bombs in people's cars. They destroy their automobiles and their homes; they use every kind of device to let the people know that that particular collection agency will make sure something bad will happen to them if they do not pay. They will destroy their homes, destroy their lives, break their arms; they will do anything else imaginable. That is going on right here in the United States of America. We should do something about it.

DEMAND REINSTATEMENT

Mr. Speaker, I demand that the Federal Reserve reinstate this employee who was forced out for no good reason at all except to help the public interest and to enable people to know about where they can get lower interest rates than those they are paying and where they can get a more satisfactory deal and where they can find people they might desire to borrow money from.

Let me tell the Members that in this country in the last several years our people have had to pay outrageously high interest rates—and that is true right now—and if a person wants to borrow money to buy just a $20,000 home, one of the lowest priced homes in America, he must sign an obligation, an agreement, and notes calling for monthly payments for 30 long years. And those payments will aggregate $60,000 for a $20,000 home—$20,000 for the home and the other $40,000 for interest that will have to be paid on that $20,000 home. In other words he has to pay for three homes to get one $20,000 home.

The extra $40,000 would be interest, to the lenders. That is obviously bad, but it is going on right here in broad daylight in this great country of ours, the United States of America, and it is supported by the Federal Reserve System. It is terrible. Something must be done about it.

Mr. Speaker, someone may say, "We have to inform the people; they do not know the facts as to what is actually happening." We have a duty to get the facts out to the people.

I hope that the Members of Congress will be aroused by these stories and will do something about it because we should treat our people better than that. I do not believe that any Member of this Congress wants to have such practices as those going on in this country.

PHONY AS A THREE-DOLLAR BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. HECHLER) is recognized for 15 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, last week a caravan of coal trucks rolled through the Nation's Capital in what was highly publicized as Appalachian coal miners trying to save their jobs. The so-called demonstration was as phony as a three-dollar bill, but it fooled a lot of otherwise sophisticated people.

The wealthy mine operators who are getting filthy rich through strip mining organized this protest. It was clearly a scheme to fool and scare Congress, just as these same strippers have exploited the land and intimidated the people in the mountains for years.

At Beckley, W. Va., on the day before the caravan started for Washington, D.C., strip miners assembled at the Raleigh County Armory on Sunday, April 6. There they were addressed by Tracy Hylton, a millionaire strip mine operator, who recently gave away 20 Cadillacs to the foremen in his stripping organization. An account of the meeting in the Raleigh Register also states:

> According to Ray Gibson, president of the UMWA Local 7086 and a speaker at the meet- the strip mining bill . . . bans strip mining on slopes above 20 degrees.

Mr. Gibson and some of his associates visited me when they got to Washington. I challenged them to point out where in the bill there is a ban on stripping on slopes over 20°. I pointed out that the Spellman amendment providing for a 20° ban had indeed been defeated on the House floor. I pointed out that the Mathias amendment had not passed in the Senate. That did not seem to phase them.

Also quoting from the Raleigh Register about the strippers meeting:

> Gibson said the ban on stripping in national forests would also exclude 15 percent of the coal now produced in the nation.

Now that statement is simply hogwash. Sheer hogwash. Forest Service policy for years has limited mining in national forests to those scarce instances where there were some preexisting rights, as in the Wayne National Forest in Ohio. But, even there, the amount of strip coal mining was less than 1 percent of the national total. Furthermore, there has been no coal mining at all, even in the Wayne National Forest for several years—and to say that the bill will exclude 15 percent of the coal now produced in the Nation is 180° removed from the facts.

The strip operators' rhetoric also indicates a great concern with the cost to the consumer that may result from this legislation. I am very pleased to see this sudden concern for the consumer in a period when we have seen coal prices triple since 1970. When Island Creek Coal Co. can list a 1974 profit increase of 818 percent, Pittston a profit increase of 602 percent, I cannot take their great concern for the consumer very seriously. Increased costs resulting from the pending bill will be very slight and can obviously be absorbed in these huge profit margins now being enjoyed by the strip mining companies.

The lost-jobs argument, were it accurate, would seem somewhat convincing. But it is not accurate. The fact is, however, that we must move more in the direction of deep mining and away from strip mining if we are to have a sound energy base in the future. Deep mining provides at least four times as many jobs as strip mining.

The Department of the Interior, in its 1974 energy research program, pointed out that Appalachian strippable reserves have a lifetime of at most 15 years. After that, we are going to have to turn to deep mining where the reserves are 10 times as plentiful as strippable reserves. Right now in the State of Virginia which is the center of the protest, nearly 70 percent of the annual State coal production comes from deep mining. Research by the Appalachian Regional Commission and West Virginia University's Regional Research Institute has shown that an end to steep slope mountain strip mining would result in an increase in jobs, not a decrease. I would be happy to support this legislation if it did ban steep slope strip mining; unfortunately, it falls far short of that.

Mr. Speaker, a group of these strip miners visited my office and I spent close to 2 hours talking with them. After I had pointed out to them the many inaccuracies in their statements, they asked me if they could have a copy of the strip mining bill, which they clearly had not read or understood up to that point.

When I asked the group if they had ever seen the devastation on Bolt Mountan in Raleigh County, W. Va., they responded that strip mining creates fine fire breaks to prevent forest fires. By that logic, we ought to clearcut and cut down all the forests to make one big fire break and then we would have no forest fires at all.

I pointed out that the Department of the Interior had estimated that all-out strip mining of coal in the West would exhaust our strippable reserves by 1996. They responded that they were interested in jobs and money today and did not much care what happened after 1996.

The visiting group asked me if I did not care about the energy crisis and the desperate need for coal. When I asked them why we were exporting over 10 percent of our coal production in the face of the desperate needs for energy in this country, they responded that we were importing more coal then we were exporting. They seemed surprised when I produced the latest Bureau of Mines statistics to indicate that we are exporting more than 25 times as much coal as we are importing.

There follow a number of news accounts and letters which clarify the phony nature of this coal caravan, financed by strip miners and including many hangers-on who were glad to bed down at the poverty level of the Washington Hilton and have their palms greased with $50 per day of spending money apiece:

[From the Raleigh Register, Apr. 7, 1975]

STRIP MINE CONTROL LAW SPARKS PROTEST OF AREA WORKERS HERE

Worried that pending federal legislation could mean job losses, area strip miners met Sunday afternoon at the Raleigh County Armory to hear about a planned lobbying effort against the bill.

Several hundred strippers and their families—joined by operators, equipment manufacturers, and a smattering of deep miners—heard pleas from protest organizer Glen Tabor of Bluefield to join today's caravan to Washington, D.C.

"Instead of passing a law to run us out they're gonna pass a law to phase us out," Tabor told the crowd.

He said officials of Consolidation Coal Co., for whom he works, told him, "We just can't operate under that bill. Maybe we could finish what we got started, but I don't know if we could get any more permits or not."

Noting that the strip mine control bill has already passed the House and Senate, Tabor acknowledged, "We're late—probably too late—we don't know."

The bill passed 336–86 in the House and 84–13 in the Senate. It is now in a conference committee.

Although speakers at Sunday's meeting predicted the pending legislation would mean death for the strip mine industry here, environmentalists complain that the bill is entirely too weak and will not prevent further destruction of the countryside.

The caravan of hundreds of coal trucks, buses, and private vehicles was to take off this morning from Wise County, Va.

Activities planned for Washington include a strip miners' parade, picketing federal offices, and talking to members of Congress.

Tracy Hylton, mine operator and former state senator representing Wyoming and Raleigh Counties, drew applause at the meeting by blasting Hechler, anti-stripping state senators Warren McGraw and Bobby Nelson, and United Mine Workers of America president Arnold Miller.

"How many jobs have they produced?" Hylton demanded. He added, "Who runs the UMW now? Ken Hechler, that's who."

According to Ray Gibson, president of UMWA Local 7086 and a speaker at the meeting, the bill would "create a lot of jobs at the federal level, but it takes away a lot of jobs in West Virginia." He said 75 million tons of coal come annually from Appalachian area slopes of 20 degrees or more. The bill bans surface mining on slopes above 20 degrees.

Gibson said the ban on stripping in national forests would also exclude 15 per cent of the coal now produced in the nation. The bill also requires strip mine operators to provide for reclamation to the original contour. Gibson commented: "Only a fool would want to put a mountain back going up and down."

The Federal jobs Gibson referred to would be in the bill's proposed Office of Surface Mining Reclamation and Enforcement under the U.S. assistant secretary of the Interior for Land and Water Resources. The bill would also set up an abondoned coal mine reclamation fund to be supported by a tonnage tax on coal (35 cents per ton on surface coal. 10 cents per ton on deep coal in the House bill).

The bill also would set up an inspection and monitoring system for stripping, with state supervision backed by strong federal enforcement. It would protect rights of surface owners where the federal government owns mineral rights, and would require written consent of surface owners where leasing of such coal is contemplated.

The bill would authorize $80 million through the next two fiscal years for state and federal regulation and $30 million annually thereafter; $35 million each year to 1980 on research projects on alternative coal mining technologies and $147 million through 1981 for mineral research institutes.

Gibson quoted from a letter he received from the federal energy office saying the bill could cut existing coal production by precluding 187 million tons from production in 1975 and 251 million tons in 1980.

Funds to pay for the lobbying trip to Washington were taken up at the meeting.

[From the Louisville Courier Journal, Apr. 11, 1975]

MINING-LAW PROTESTERS WERE MISINFORMED ABOUT PROVISIONS

(By Ward Sinclair)

Those who descended on Washington this past week to protest the pending federal strip-mining reclamation law were a varied group who came for many reasons, but one thing came through time and again—most were misinformed or uninformed about the law and the legislators who voted for it.

An estimated 3,000 strip miners, coal truck drivers, mine operators, local officials and their allies came to protest passage of the reclamation measure, now in a House-Senate conference committee. An expensive caravan (cost estimates ranged around $400,000) brought them from Kentucky, Virginia, Tennessee and lower West Virginia. Most officials and executives flew in commercially or by private plane.

The operators and executives came to stress their belief that the legislation would be impossible to obey and would doom the area's economy, now riding the lusty wave of higher coal prices.

Miners, mostly non-union, came because the protest organizers persuaded them they were being legislated out of jobs. Truck drivers came because they were convinced that there soon will be no strip coal to haul. Reports indicated that miners and truckers had been given spending money and expense payments.

Local officials—school superintendents, state legislators, sheriffs, county judges—came in part because their expenses were covered and in part because they, too, believed the pending legislation means instant depression.

But the protestors' lack of accurate information became clear as they talked with congressmen and senators and as they aired their grievances to newsmen.

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Their complaint that jobs would be lost, truck loans called in, home mortgages foreclosed, and business income and taxes reduced was based on several key contentions put forth by the coal operators who engineered the protest.

They argued that the legislation bans strip mining on steep slopes. It doesn't. Both the House and Senate on roll-call votes rejected any outright bans on steep hillsides. It does set tougher requirements on steep-slope mining because of environmental problems.

They argued that the legislation would require stripped land to be restored to its original contour—unncessary and unwise, they said. It doesn't. It requires restoration to the "approximate original contour" but provides variances if the land is to be used for defined purposes such as building sites, or commercial recreational or agricultural activity.

They argued that the bill required the return of mining wastes to underground mines, rather than leaving it outside in gob piles. It doesn't. It says the waste must be returned underground where economically or technologically practical, but otherwise requires disposal only in an environmentally acceptable way.

They argued that such provisions would lead to widespread closing of mines and to joblessness. That is in debate. Abundant engineering data indicate that most, if not all, of today's steep-slope stripping operations can meet the requirements of the legislation without major increased costs. The problem seems to hinge on the operators' willingness to try to comply.

They complained that tax money would be used to finance a program to reclaim orphan lands left after stripping. It won't. The bill assesses a fee on coal, a fee that will be put into a fund for reclamation of previously mined, but unreclaimed land.

Rep. Morris Udall, D-Ariz., a main sponsor and floor manager of the House bill, described the protesters as "well-intentioned but misinformed." The protest, he said, was "a mischievous and purposeful effort by a misguided segment of the industry to mislead and foster fear among workers and their families."

As coal-truck air horns blared in the streets outside his office, Udall said "the sincere miners who are here have been misguided by a segment of the industry with a hell-be-damned attitude. They're confused and misled people. . . . It is a power play, nothing new in their presentation. They are people who want to keep on doing what they have done for 50 years. The nation has had it with them."

A main spokesman and organizer of the protest, B. V. Cooper, head of the Virginia Surface Mining and Reclamation Association, reacted bitterly to Udall's comments, which he called a "personal attack."

Cooper and Udall have met before and the occasion was almost as hectic as this week's encounter. In April 1973, during hearings on the strip-mining legislation, Cooper appeared before Udall's subcommittee as a witness.

He brought with him a slide show made up of bucolic scenes of reclaimed strip-mine sites in Virginia and, to make his point that other industries mar the landscape, he included scenes of huge highway cuts through mountains.

The only problem with Cooper's slide show was that some of the scenes he presented were not from Virginia, but from Kentucky. The slides had been borrowed from a presentation by the Bethlehem Steel Co. to show the effects of its reclamation work in Letcher County.

Cooper was tripped up by Rep. Philip Ruppe, R-Mich., who pointed out the discrepancies.

Again this week, as was the case two years ago, Cooper flatly rejected any suggestions that the protestors had been misled about the content and the impact of the legislation.

Cooper's chief congressional ally, Rep. William Wampler, R-Va., insisted that the protest had blossomed suddenly because the legislation this year was tougher for Appalachia than a bill vetoed by President Ford last year. Cooper took the same tack.

Actually, the steep-slope section of the legislation is virtually identical to last year's version. But when pressed for specific examples by reporters, Wampler would provide none.

As the protesters moved from office to office on Capitol Hill, the same sort of confusion and misinformation was evident.

For example, Kentucky State Rep. Hoover Dawahare of Letcher County said he came along because of his concern that the bill "will put 95 per cent of the people out of business."

He cited a slope ban and the underground-waste stowing provisions as requirements that would lead to the demise of coal operations. Dawahare seemed surprised to learn that a ban and the stowing provisions were not in the legislation.

Bell County school Supt. James Baker, chosen as spokesman for a delegation from his area, said the protesters were unhappy because they had "no input" in the legislation.

Sen.Wendell Ford, D-Ky., responded that his file on strip-mine legislation included exactly one letter—and that from the University of Kentucky about a research matter.

Pike County coal operator Robert Holcomb said he and others were "flabbergasted" to suddenly learn that Congress had passed the bill. "These are working people and they weren't aware," Holcomb said.

Other protesters said the same thing—that Congress all of a sudden had rammed a bill through to passage. The first round of hearings was held in 1971 in the House. A bill passed the House in 1972 and both the House and Senate approved regulatory bills in 1974.

But not all the protesters had fire in their eyes. Some wanted to express gratitude for congressional support.

For instance, Allen Muncy, Leslie County judge, suggested to a couple of coal operators that they might want to send a special note of thanks to Kentucky Rep. Gene Snyder, R-4th District, for his support, even though he is not from a mining area.

Muncy and his friends canceled the idea when they were told Snyder had voted in favor of the strip-mine control bill in the House last month.

[From the Raleigh Register, Apr. 13, 1975]

A PROTEST IN CHARACTER

It is a shameful thing—but utterly in character if such a word isn't too dignified and high-sounding in this connection—the strip-miners' "march" on Washington.

It is the naked, thinly-veiled show of "muscle" that one might expect of companies "organized" to desecrate the earth and who are accustomed to having their way!

It is not the only effort of course. It is only the more visible prong of a broad, multi-faceted campaign, the one designed to draw attention while the well-financed lobbyists try to exert their pre$$ure?

A show of vulgar, mechanized force, sending strip mining machinery into Washington, is certainly illustrative of the insensitivity of those who would gladly rip apart the Garden of Eden, if there was strippable coal under the surface.

The strippers and their hired persuaders want to prevent the passing of the current lax "reclamation" legislation over the veto of Tricky Dick Nixon's surrogate called Ford.

We trust they will not be further intimidated by this outpouring of horny-handed, hard-hatted fellows grubbing for dollars in Washington instead of the ravaged hills of the Appalachian coal-bearing areas!

[From the Washington Evening Star, Apr. 16, 1975]

MINERS' PROTEST GULLED THE SUPPOSEDLY SKEPTICAL

(By Ernest B. Furgurson)

We here have just learned that, with enough money, some slow-talking boys from down along the Trail of the Lonesome Pine are as effective at public relations as the slickest account executive from Madison Avenue. These country boys gulled some of the nation's theoretically most sophisticated media operatives by arriving in coal trucks instead of the La Guardia shuttle.

Their coup was billed as a demonstration by Appalachian "miners" against the strip-mine control bill that had been passed by both houses of Congress.

They got together most of the coal trucks in southwest Virginia and in nearby counties of Kentucky and West Virginia, and drove to the Nation's Capital for a protest parade. They lobbied against the bill that will come out of conference committee soon, and toted placards urging the President to veto it.

Their main contention was that the bill would mean mass unemployment. And most of those who covered their demonstration bought that line unquestioningly. One network man concluded by saying flatly, "If this bill passes, thousands of people in the Appalachians are going to be looking for new jobs."

If this snowed people whose job is to be skeptical, it must have done the same to millions of others. To correct that, I've sought answers to two questions that should have been asked:

1. Who were these demonstrators and who sent them? They were strip-mine operators, truck drivers and some miners, mostly non-union.

Their trip was planned at Wise, Va., where the chamber of commerce was a key participant. The conspicuous spokesmen there were coal operators. In Beckley, W. Va., the main speaker at a support rally was Tracy Hylton, a strip-mine operator and former state senator who battled state regulation of stripping.

The word is that many drivers were told they would not be hauling any more coal if they refused to come. Once here, truckers were reported to have gotten $50 spending money, first-class hotel rooms, truck fuel and a temporary open tab at the bar.

This was not a grassroots miners' protest, but a well-financed industry display.

2. What would the bill do to employment in the coal fields? Boost it?

The demonstrators had been told the bill would ban stripping on slopes over 20 degrees, and that this would wipe out many operators. But it does not prohibit steep-slope stripping; that is one reason control advocates still consider it weak.

The measure should encourage more non-strip mining, to extract the deep coal that makes up nearly 90 percent of provén reserves. Deep mining creates from 4 to 10 times the jobs required for strip mining.

The bill requires restoration of stripped slopes to approximately original contours, and operators would be taxed 35 cents a ton to pay for it.

Rogers Morton himself, the administration's foremost cheerleader for increased coal output, told Congress unequivocally in February that this would cause a "net gain" in the work force.

And this, clearly, is what inspired the operators to organize and pay for the demonstration. Fred Wilson, an official of the United Mine Workers in southwest Virginia, put it on the line:

"They're fighting that 35-cent royalty. They'd rather put that in their own pockets instead of using it to fix back this land they've messed up. . . . If they wanted to show it like it really is, they would have come up there in their Cadillacs and Continentals and their company planes instead of sending those coal trucks."

CLINTWOOD, VA.

DEAR CONGRESSMAN: We are writing to you in support of strong legislative controls on strip mining in Appalachia. We want to send information to help you understand recent news about support for stripping which is being organized by the coal industry. We hope this will help you understand the group of miner's and citizens who will be visiting your offices next week.

1) The coal industry is spending thousands of dollars on a publicity campign and lobbying campaign to block control legislation.

2) The industry has acted irresponsibly in spreading misinformation throughout Appalachia through public meetings and news broadcasts about proposed strip mine control legislation.

3) The industry has created a climate of fear and intimidation. People are confused, miners and the public are under pressure to support strip mining, and dissenters are being threatened.

4) People coming to visit your offices know next to nothing about the content of proposed legislation. They have been aroused by incorrect and emotional statement about what the legislation would mean for the region. Besides the misleading information coming from industry representatives, rumors are flourishing in the area which add to people's fears that the mining industry (deep and strip) is moving out west, jobs will be lost, the whole economy will fail.

We want to give you some reports on the public meetings which the industry has been having to arouse people. We quote here from one of the first meetings, March 23, 1975, at Clinch Valley College gymnasium in Wise, Virginia. This meeting was typical, except that emotions are much higher now.

How the industry is "information" people about the legislation:

At the March 23 Wise meeting, B. V. Cooper, one of the wealthiest strip mine operators in southwestern Virginia, said, "There is a conspiracy in the environmental movement . . . it has been taken over by people not interested at all in the environment, but by people who are interested in politics—in changing our form of government." He went on to explain that the people who "instigate these laws" are Congressmen like, "*Henry Jackson,* who wants to be President with environmental and labor support."

Mr. Cooper criticized *Patsy Mink* of Hawaii . . . "She's well qualified to evaluate strip mining in southwestern Virginia . . . I was thrown out of her office when I asked them to pass a law to reclaim their volcanoes!" At another meeting, a protestor's sign read: "Patsy Mink is a Fink!" . . . evidence of how statements by Mr. Cooper affected listeners.

Mr. Cooper charged that *Morris Udall* "could not care less about southwestern Virginia," along with Patsy Mink. He added that Mr. Udall was "another one" who "just wants to be President."

After discrediting other Congressmen who support regulations for strip mining, Mr. Cooper claimed, "The real intention is to kill Appalachian coal mining in order to develop the western coal fields."

Mr. Cooper warned underground miners, "Your tax money is being used when private citizens call the state and ask to have land reclaimed." This was in reference to the tax for reclaiming orphan mine lands. He claimed orphan mines involved are "orphan mines created before most of us in this room were in the kind of coal business we are in." This simply is not true. Mr. Cooper himself has a poor reclamation record. Miners were also led to believe that they themselves would be taxed, rather than operators.

Mr. Cooper continued in his efforts to persuade people to oppose the legislation: "I've read this bill several times and it gets crazier each time." His reference to "this bill" is confusing, since the House and Senate bills have not been combined as yet by Committee. But, very few people knew that. And they had no opportunity at this meeting to hear the legislation discussed carefully.

Mr. Cooper commented on very few parts of the proposed bills. One he mentioned was the regulation which wisely would prevent blasting where it would interfere with future underground mining. He discredited this provision by implying that people who know nothing, rather than qualified engineers and inspectors, would make decisions about where blasting would be prohibited. We are deeply concerned that our underground reserves be protected! This whole nation must be concerned.

Mr. Cooper further discredited the legislation by saying that it is being prepared by people with "lack of foresight, lack of knowledge . . . lack of knowing what it is like to mine real coal with real people."

Another typical statement Mr. Cooper made was: "Only 2% of the people have sent in 98% of what has gone to Washington, D.C. . . . and that's a fact." We have no idea where Mr. Cooper came up with this "fact." We might add that people who have written from the mountains opposing strip mining are often poor people who can't pay for lobbyists in Washington on a full time basis and who could never finance a truck convoy, all expenses paid, plus a week's salary to go to Washington and say what the industry wants them to say.

Mr. Cooper encouraged the people to see themselves as part of a new group: "M.A.I.L. . . . that is, Miners Against Idiotic Legislation." This kind of speech was offered to the public to let them "make up your mind" about strip mining.

The same kind of information is coming across TV and radio stations daily. Opponents have no way to make their opinions known, even if they were willing to risk their personal safety to do so. A Cable TV station in eastern Kentucky not long ago cut off a citizens action group when its members began to talk about strip mining, welfare illegalities, and black lung. That same station, Sunday evening, gave free and open coverage to strip mine operators who were urging people to oppose strip mine control legislation and who were misrepresenting the content of the legislation. Similarly, "Bobtail" editorials on a southwest Virginia radio station continue to repeat the operators positions . . . free coverage . . . while opponents are required to pay for air time. For the operators "public service broadcasts" mean free coverage. For opponents of strip mining these broadcasts must be bought.

PEOPLE ARE AFRAID

Recently a number of people have been reporting plans for harassment of strip mining opponents. The plans have been overheard on CB radio broadcasts. People who have been recognized as opposing strip mining in the past have received threats. They range from late night phone calls to threats on life and property.

Truck drivers are being coerced into participating in the truck caravan to Washington. Many have mixed feelings about what is going on. Some do not want to go. These people have been told that if they don't participate they will be "black balled" . . . that is, they won't be allowed to haul coal for any companies.

Miners who work on strip jobs have been told they have to make the trip. They will get a week's pay, but have been ordered to go. If they refuse, they fear they will lose their jobs . . . One miner quoted his boss, "You're being paid, you get in the damn truck and you go!" We are not able to release the names of these miners and truckers who are reporting this pressure . . . they fear for their personal safety.

MIS-INFORMATION

In addition to the kind of speech we have told you about, rumors are flying. Recently caravan organizers have stated that they have "the blessing of the United Mine Workers of America." This is absolutely untrue. By telephone only this morning Tom Owens, President of UMWA District 28, said, "In no way is the UMWA in support of the protest . . . not at the National, District, or Local level." President Arnold Miller said Saturday at a rally for striking coal miners in Martin County, Ky., that the UMWA wants to see that in this country we mine coal in such a way that "it does not destroy our land."

Radio broadcasts still claim that the legislation is designed "to kill the mining industry." People are being told that the legislation would "completely abolish strip mining" and that it would create "unemployment" (while it is well known to people who have carefully studied the situation that an emphasis on deep mining would boost the economy and add jobs in the region).

OPERATORS CLAIM THEY ARE CONCERNED

At rallies, B. V. Cooper and other industry spokesmen have said they are concerned about miners . . . "you'll all lose your jobs." But the industry has *no* record of such concern.

When miners have traveled to Washington to lobby for black lung compensation, the industry has never helped pay expenses. When asked for such contributions, industry representatives have laughed in our faces. Miners have had to raise money to lobby for black lung and mine health and safety by having road blocks, bake sales and benefits.

The industry claims it is concerned about the miners' jobs. But, that is not true. Deep mines hire many more miners than strip jobs . . . and deep mining will continue for generations, but stripping will run its course since such a small percentage of our coal reserves are recoverable by stripping. At the same time it will make our deep reserves unattainable. Proposed legislation would make stripping more expensvie—that is all the industry is concerned about.

The amount of money being spent on the truck caravan to Washington would have reclaimed a lot of stripped land and paid compensation to families whose land and property has been destroyed. If that amount of money had been put back into the community, too, it would have made a difference. This past week, in another example of the lack of concern for the community which strippers show, state Highway Department vehicles have been at work clearing roads in Kentucky, Virginia, West Virginia, and Tennessee closed by slides from strip jobs. Heavy rains caused the massive slides, but the state, not the operators, had to clean up the mess and open the roads. Examples include: Route 23 in Ky. between Pikeville and Prestonsburg; Virginia Route 83 between Birchleaf and Haysi and between Clintwood and Pound.

YOU CAN HELP

Please, when people visit your offices (all expenses paid by strip miners and the coal industry), after they speak, go over with them what is in the proposed legislation. They simply *do not know!* They have been told amazing stories about what the legislation will do the Appalachia. Please help correct that.

And please, remember that we need more support built into the legislation for a safe deep mine industry. Only if it is more profitable to deep mine coal than to strip, will we be able to handle the problems the strippers are causing. Remember, the nation needs a sensible energy policy. Deep mining is cru-

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cial to that. If stripping is allowed to continue as it is today, our deep mine reserves will be lost. Remember, the future of the Appalachian coal fields lies in the deep mine industry.

Thank you:

Sally Maggord, Nora, Virginia; Shirley Howard, Trammel, Va.; Billie Fuller, Clintwood, Va.; E. S. Rasnick, Clintwood, Va.; Dan Hendrickson, Nora, Va.; Frank Wood, Clintwood, Va.; Thelma Fuller, Haysi, Va.; Renita Mullins, Clintwood, Va.

H.R. 6100, MEDICAL MALPRACTICE CLAIMS SETTLEMENT ASSISTANCE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HASTINGS) is recognized for 15 minutes.

Mr. HASTINGS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: Today I would like to include for the RECORD, H.R. 6100, the Medical Malpractice Claims Settlement Assistance Act. Just yesterday I submitted a summary as well as section-by-section analysis of this legislation which appeared on pages 10505–10509 of the April 17 CONGRESSIONAL RECORD.

H.R. 6100

A bill to assist in the settlement of medical malpractice claims through a Federal program of reinsurance and through voluntary arbitration under State laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE FINDINGS

SECTION 1. (a) This Act may be cited as the "Medical Malpractice Claims Settlement Assistance Act".

(b) The Congress makes the following findings:

(1) The Congress finds that the achievement of equal access to quality health care at a reasonable cost is a priority of the Federal Government.

(2) The achievement of this goal is being seriously threatened by the uncertain future availability and cost of medical malpractice insurance because of dramatically increased medical malpractice insurance premiums due to rapidly rising claims and award levels.

(3) Several interacting factors affect this situation;

(A) Rapid technological advances which have increased the scope and complexity of medicine.

(B) Resulting impersonalization and alienation of the provider-patient relationship.

(C) Rising patient expectations.

(D) Expanded utilization of the judicial system by consumers and lawyers as an alternative for provider accountability.

(4) Lack of sufficient reliable information as to the sources and number of events that potentially or actually lead to medical malpractice events and subsequent claims hamper effective solution determination.

(5) The practice of defensive medicine (the ordering of additional tests, procedures, and consultations as a defense against possible malpractice claims) is estimated at nearly $7 billion annually.

(6) These and other considerations indicate the necessity of limited Federal intervention to assure the continued availability of medical malpractice insurance within States during emergency situations and to develop the data and information base to formulate long-range alternatives to this crisis.

TITLE I—FEDERAL AUTHORITY

PART A—MEDICAL MALPRACTICE REINSURANCE PROGRAM

GENERAL AUTHORITY

SEC. 101. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary"), may, through an identifiable administrative unit within the Department, take such action as may be necessary to make available, in accordance with this part and subject to such regulations as the Secretary may prescribe, to insurance companies and other insurers and pools of insurance companies and other insurers reinsurance against the part of claims brought by any of their insureds and arising out of medical malpractice within a qualified State which exceed $200,000.

(2) For purposes of paragraph (1), the term "qualified State" means a State—

(A) which has a State program for arbitration of medical malpractice claims which program is in accordance with part A of title II of this Act;

(B) which, as prescribed by part B of such title, regulates attorneys' fees in connection with such claims, has enacted a statute of limitations on civil actions for damages for medical malpractice, and regulates the computation of damages awarded in such actions; and

(C) which, in accordance with section 226, has adopted and enforces a system for the receipt, investigation and evaluation of grievances of patients of practitioners arising out of medical care received outside of a health care facility.

(b) Reinsurance under subsection (a) shall be made available pursuant to contract, agreement, or any other arrangement, in consideration of such payment of a premium, fee, or other charge as the Secretary finds necessary to cover anticipated claims and other costs of providing such reinsurance.

PAYMENT OF CLAIMS

SEC. 102. The Secretary shall establish the general method or methods by which proved and approved claims which are covered by reinsurance made available under this part may be adjusted and paid for.

USE OF EXISTING FACILITIES AND SERVICES

SEC. 103. In carrying out his responsibilities under this part, the Secretary may use—

(1) insurance companies and other insurers, insurance agents and brokers, and insurance adjustment organizations, as fiscal agents of the United States; and

(2) officers and employees of any executive agency (as defined in section 105 of title 5, United States Code) as the Secretary and the head of any such agency may from time to time agree upon, on a reimbursement or other basis.

RECOVERY OF PREMIUMS

SEC. 104. (a) The Secretary, in a suit brought in the appropriate United States district court, shall be entitled to recover from any insurer the amount of any unpaid premiums lawfully payable by such insurer to the Secretary.

(b) No action or proceeding shall be brought for the recovery of any premium due to the Secretary for reinsurance, or for the recovery of any premium paid to the Secretary in excess of the amount due to him, unless such action or proceeding shall have been brought within five years after the right accrued for which the claim is made, except that, where the insurer has made or filed with the Secretary a false or fraudulent annual statement, or other document with the intent to evade, in whole or in part, the payment of premiums, the claim shall not be deemed to have accrued until its discovery by the Secretary.

REPORTS AND AUDITS

SEC. 105. (a) As a condition to the receipt of reinsurance under this part, each insurer and pool of insurers which is reinsured under this part shall file with the Secretary—

(1) a copy of each annual statement (and any amendments to it) filed with the insurance authority of the State in which reinsurance under this part is effective; and

(2) information respecting (A) actual claims asserted by patients (or their legal representatives) against insureds of the insurers, (B) reports of adverse medical incidents filed by the insureds, and (C) any other matter pertaining to medical malpractice insurance as the Secretary may determine is necessary for the effective administration of the reinsurance authorized by this part.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of investigation, audit, an examination to any books, documents, papers, and records of any insurer or pool reinsured under this part that are pertinent to reinsurance provided under this part. Such audit shall be conducted to the maximum extent feasible in cooperation with State insurance authorities.

PART B—STUDIES AND DATA

STUDIES AND DATA

SEC. 110. (a) The Secretary shall—

(1) conduct a comprehensive study to determine the direct and indirect costs of medical malpractice claims, including litigation arising out of such claims, in all federally supported health care programs;

(2) explore alternative methods of classifying individual medical practitioners and institutions for medical malpractice insurance ratemaking purposes;

(3) study and recommend methods of minimizing the cost of litigation, including the contingency fee system;

(4) study (A) the establishment of uniform national procedures for examining and licensing health professionals and the establishment of uniform standards of practice, and (B) the effect of varying standards for the licensing of health professionals on the incidence of medical malpractice; and

(5) study the impact of national health insurance on medical malpractice awards and on the system or systems of compensating persons injured by medical malpractice.

(b) The Secretary shall collect and analyze data on medical malpractice claims. In analyzing such data classifications shall be made on the basis of the type of injury involved, the type facility in which the malpractice occurred, and the type of health professional involved and on such other basis as the Secretary determines appropriate. The Secretary shall by regulation establish appropriate controls on data collected so as to prevent the disclosure of the identities of patients and health care providers. The Secretary shall issue quarterly public reports of activities undertaken under this subsection.

(c) The Secretary may, by grant or contract and on such conditions as the Secretary determines appropriate, support statewide projects, including pilot programs, for—

(1) the development of intensified medical injury prevention programs for public and private health care facilities; and

(2) studying and evaluating new and alternative methods of settling medical malpractice claims, including no-fault insurance and compensation plans, prelitigation screening programs, arbitration programs, and mediation of disputes.

TITLE II—STATE PROGRAMS

PART A—ARBITRATION

GENERAL

SEC. 201. For purposes of part A of title I of this Act, a State program for arbitration of medical malpractice claims is in accordance with this part if it meets or exceeds all of the standards for arbitration of such claims prescribed by sections 202 through 212. A State program "meets" the standards only if the substance of the State program requirements is the same as or the equivalent of the corresponding requirements of the standards. A State program "exceeds" the standards only if it includes requirements which are the same as or equivalent to the corresponding requirements of the standards, and imposes additional requirements which are reasonably designed to encourage the arbitration of medical malpractice claims without unduly limiting the rights of any parties, and which are not inconsistent with the standards.

SUBMISSION OF MEDICAL MALPRACTICE CLAIMS TO ARBITRATION

SEC. 202. Any civil action arising from a claim for damages on account of alleged medical malpractice on the part of any health professional or health care institution may be instituted in a court of the State only after there has been an arbitration of the claim which forms the basis for such action, in accordance with this part, and no complaint in any such action may be filed in any court unless there has first been filed in such court a copy of the decision with respect to such claim rendered by an arbitration panel pursuant to section 206.

INITIATION OF ARBITRATION

SEC. 203. An arbitration under this part of any claim shall be initiated by filing a petition requesting such arbitration with any court having jurisdiction to hear a civil action based upon such claim. The court shall inform the health professional or health care institution against which the claim is made of the filing of such petition.

APPOINTMENT OF ARBITRATION PANEL

SEC. 204. (a) Upon petition for arbitration under section 203, the court shall appoint an arbitration panel to conduct an arbitration.

(b) An arbitration panel shall be composed of a chairman, equal numbers of (1) attorneys and (2) members of the health profession of those professionals against whom the claim is being made, and a member of the general public who is not an attorney or a member of a health profession.

(c) Parties to the arbitration shall be permitted to excuse panel members for cause and by the exercise of preemptory challenges.

HEARING PROCEDURES

SEC. 205. (a) Before hearing any testimony the members of the arbitration panel shall be sworn to hear the claim and render a decision faithfully and fairly by an officer authorized to administer an oath.

(b) The arbitration panel shall appoint a time and place for the hearing and notify the parties by means adequate to assure their presence. The panel may adjourn or postpone the hearing. The panel shall preside at the hearing and shall exercise all powers relating to the conduct of the hearing. The court in which the petition for arbitration was filed pursuant to section 203, upon application, may direct the panel to proceed promptly with the hearing.

(c) The testimony of the witnesses shall be given under oath. Members of the arbitration panel, once sworn, shall have the power to administer oaths.

(d) The parties are entitled to be heard, to present evidence and to cross-examine witnesses, but rules of evidence need not be observed. The arbitration panel may proceed with the hearing and render a decision upon the evidence produced, notwithstanding the failure of a party duly notified to appear.

(e) The arbitration panel may issue or cause to be issued subpenas for the attendance of witnesses and for the production of books, records, documents, and other evidence. Subpenas so issued shall be served, and upon application to the court, in which the petition for arbitration was filed, pursuant to section 203, by a party or the arbitration panel, enforced, in the manner provided by law for the service and enforcement of subpenas in a civil action. All provisions of law compelling a person under subpena to testify are applicable.

(f) On application of a party and for use as evidence, the arbitration panel may permit a deposition to be taken, in the manner and upon the terms designated by the panel, of a witness who cannot be subpenaed or is unable to attend the hearing.

(g) A party has the right to be represented by an attorney and may claim such right at any time as to any part of the arbitration which has not taken place.

DECISION OF ARBITRATION PANEL

SEC. 206. (a) The arbitration panel shall render a decision which shall consist of findings of fact, a recommendation, and a statement of the basis for such recommendation. The recommendation shall relate to both liability and damages. The panel shall, where appropriate, provide for the payment of awards on a periodic rather than a lump sum basis.

(b) The decision shall be signed by all members of the arbitration panel, except that any member of such panel may write a concurring or dissenting opinion giving his reasons therefor.

(c) The parties to the arbitration shall receive copies of the panel's decision and a copy shall be filed with the court in which the petition for arbitration was filed, pursuant to section 203.

LAW GOVERNING DECISION OF ARBITRATION PANEL

SEC. 207. (a) Except as provided in subsection (b), the decision of the arbitration panel shall be in accordance with the law of the State as applicable to civil actions for medical malpractice.

(b) No party to an arbitration under this part shall be required to produce expert testimony as a prerequisite to a decision in his favor. The arbitration panel may consider the absence of such testimony along with other relevant factors and evidence, in determining whether the applicable burden of proof has been sustained.

PROCEEDINGS SUBSEQUENT TO DECISION OF ARBITRATION PANEL

SEC. 208. (a) The parties to an arbitration shall file with the court (in which the petition for arbitration was filed pursuant to section 203) a statement of acceptance or rejection of the decision of the arbitration panel. If the parties accept such decision, it shall be binding upon them.

(b) In the event that any party rejects the decision of the arbitration panel, the claimant may institute a civil action for damages on account of alleged medical malpractice. Such an action shall be instituted in the court in which the petition for arbitration was filed, pursuant to section 203.

ARBITRATION PANEL DECISION AS EVIDENCE AT TRIAL

SEC. 209. The decision of an arbitration panel with respect to a claim rendered in accordance with his part shall be admissible as evidence in any subsequent trial of a civil action for alleged medical malpractice arising out of such claim if the court conducts a review of the decision and any other relevant information submitted by the parties and concludes that—

(1) the findings of fact, included in such decision, are not clearly erroneous,

(2) the decision is in accordance with the applicable law, and

(3) the required procedures were followed in conducting the hearing and rendering the decision.

EFFECT ON STATUTE OF LIMITATIONS

SEC. 210. The date of filing of a petition for arbitration pursuant to section 203 shall be considered the date of institution of a civil action for purposes of the applicable statute of limitations.

REPORTING OF ARBITRATION DECISIONS

SEC. 211. (a) Decisions rendered by arbitration panels pursuant to this part shall be compiled and published on a regular basis.

(b) Decisions rendered by arbitration panels pursuant to this part with respect to claims made against any health professional shall be reported to the State agency and to the Professional Standards Review Organization designated under section 1152 of the Social Security Act for the area in which such professional practices his profession.

(c) All decisions rendered by arbitration panels pursuant to this part shall be reported to the Secretary.

AGREEMENT FOR BINDING ARBITRATION

SEC. 212. Nothing in this part shall be construed to impose any limitation on the right of any person to enter into an agreement to arbitrate a dispute or to be bound by the decision of the arbitrators.

PART B—ATTORNEY'S FEES, STATUTES OF LIMITATIONS AND COMPUTATION OF AWARDS

ATTORNEYS' FEES

SEC. 221. (a) For purposes of qualifying under part A of title I, a State shall establish by statute or court rule and appropriately enforce a schedule of maximum contingent fee rates which may be charged or accepted by attorneys for services performed in connection with claims for damages on account of alleged medical malpractice.

(b)(1) The fee rates shall be established so as to provide reasonable compensation for the services performed by an attorney in connection with such claims.

(2)(A) The fee rates, which shall be expressed as a percentage of the net amount recovered in a successful settlement or prosecution of such claims, shall decrease as the amount of recovery increases.

(B) As used in this paragraph "net amount recovered" means the amount actually recovered less disbursements made in connection with prosecution of the claim.

(c)(1) Any attorney who charges or accepts a contingent fee for services performed in connection with a claim for damages on account of alleged medical malpractice shall reduce to writing the agreement or other arrangement whereby such fee was paid and shall provide to his client and file with the court in which a petition for arbitration or civil action respecting such claim was filed a copy of such agreement or other arrangement.

(2) All such agreements or other arrangements filed with a court pursuant to paragraph (1) shall be confidential and shall be made available for inspection only for the purpose of determining compliance with the fee rate schedule established pursuant to this section.

STATUTE OF LIMITATIONS

SEC. 222. For purposes of qualifying under part A of title I, a State shall by statute provide that no action, whether in contract or tort, may be brought in a court of the State against a health care provider or entity for damages on account of alleged medical malpractice unless the action is brought within two years from the date of the alleged medical malpractice, except that a minor who has not attained the age of six years may, with respect to medical malpractice alleged to have occurred before the minor attains such age, bring an action at any time before he attains the age of eight years.

COMPUTATION OF AWARDS

SEC. 223. For purposes of qualifying under part A of title I, a State shall by statute provide that an award for damages in a civil action brought for personal injury resulting from medical malpractice may include actual economic losses suffered by the plaintiff by reason of the personal injury, includ-

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ing the cost of reasonable and necessary medical care, rehabilitation services, and custodial care, loss of services, and loss of earned income, but only to the extent that such costs are not paid or payable and such losses are not replaced, or indemnified in whole or in part, by insurance, or governmental employment or service benefit programs or from any other source except the assets of the plaintiff or of the members of the plaintiff's immediate family.

PART C—PATIENT GRIEVANCE MECHANISMS

PATIENT GRIEVANCE MECHANISMS APPLICABLE TO HEALTH CARE ENTITIES

SEC. 225. (a) In order for any State to be eligible for payments pursuant to title XIX of the Social Security Act, with respect to expenditures for any calendar quarter beginning more than 180 days after the date of the enactment of this part, such State must have in effect, in accordance with this section and regulations prescribed by the Secretary, a patient grievance mechanism applicable to all health care entities within the State.

(b)(1) The patient grievance mechanism shall be established by each health care entity within the State. More than one health care entity may join in one patient grievance mechanism.

(2) The mechanism shall be used by health care entities to—

(A) receive and consider grievances of patients of such entities respecting medical care received in such entities and attempt to resolve such grievances to avoid the filing of malpractice claims;

(B) assist in bringing about equitable settlements of any malpractice claims arising out of such grievances;

(C) determine and take direct action within the entities respecting procedures and situations that have or may lead to medical injury incidents; and

(D) provide education for the staffs of the entities designed to prevent the incidents of medical injury to patients in the entities. Each entity shall take such action as may be necessary to inform its patients and staff of the patient grievance mechanism applicable to the entity.

(3) The patient grievance mechanism shall be required to make quarterly reports to an entity of the State designated by the chief executive officer (with the approval of the Secretary) and to the Secretary on the grievances received by the mechanism, the disposition of such grievances, and the medical malpractice claims arising out of such grievances. Information in the reports respecting grievances and claims shall be classified on the basis of the type of injury, facility, and health care personnel involved and on such other basis as the Secretary may prescribe.

PATIENT GRIEVANCE MECHANISMS APPLICABLE TO INDIVIDUAL PRACTITIONERS

SEC. 226. For purposes of qualifying under part A of title I, a State shall, through an entity designated by the chief executive officer (with the approval of the Secretary), adopt and enforce a patient grievance mechanism to (1) receive, investigate, and evaluate grievances of patients respecting medical injuries occurring in noninstitutional settings, and (2) assist in the equitable settlement of any claims arising out of such grievances. Such mechanism shall be required to make quarterly reports to the Secretary on the grievances received by the mechanism, the disposition of such grievances, and the medical malpractice claims arising out of such grievances. Information in the reports respecting grievances and claims shall be classified on the basis of the type of injury, facility, and health care personnel involved, and on such other basis as the Secretary may prescribe.

REPRESENTATIVE BAUMAN INTRODUCES RIGHT TO LIFE AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 10 minutes.

Mr. BAUMAN. Mr. Speaker, I am today introducing House Joint Resolution 405, a constitutional amendment guaranteeing the right to life to all human beings within the jurisdiction of the United States. The text of the constitutional amendment follows:

H.J. RES. 405

Resolved by the House of Representatives and the Senate of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"Article —

"SECTION 1. With respect to the right to life guaranteed in this Constitution, every human being, subject to the jurisdiction of the United States, or of any State, shall be deemed, from the moment of fertilization, to be a person and entitled to the right to life.

"SEC. 2. Congress and the several States shall have concurrent power to enforce this article by appropriate legislation."

Mr. Speaker, it has been more than 2 years since the fateful Supreme Court decision in the cases of Doe against Bolton and Roe against Wade. It was at that point that the highest judicial tribunal in our Nation chose to collectively turn their backs on the established Judeo-Christian principle of the right to life, as well as nearly 200 years of constitutional and legal jurisprudence. The Supreme Court not only departed from traditional American and moral principles but they also released a wave of outrage and indignation amongst all thinking citizens. The Court has adopted the view that the value of individual human beings should be judged by standards of mere utility. This is the ultimate consequence of the liberal fallacy that the rights of free men and women can be limited for the convenience of the state. In the 2 years since those decisions we have seen this pernicious doctrine result in the deaths of hundreds of thousands of unborn children, and now we have the specter of even further expansion of this theory of convenience to the retarded, the senile, and the handicapped.

The constitutional amendment which I am introducing addresses itself directly to the fundamental issue raised by the Supreme Court, the question of what is the status of an unborn child. I share the belief of many that a fetus is more than an inanimate growth in a mother's uterus. It is, from the very moment of conception, a living human being holding the fundamental right to life. The extinction of that life with society's consent implies nothing less than murder.

In Roe against Wade the Supreme Court said that the 14th amendment no longer permits an unborn child to be considered as a "person" within the meaning of that amendment. Thus, it is mandatory that the Congress act to amend the Constitution to protect the unborn child.

The amendment which I am offering today provides that every human being subject to the jurisdiction of the United States or any State shall be deemed from the moment of fertilization to be a person entitled to the constitutional right to life.

Under this amendment both the Federal Government and the States would have the power to enforce the amendment by necessary legislation. My proposal does not contain an exemption clause such as appears in some other amendments which have been offered by my colleagues. While it is not possible to ignore the problem which arises in cases where a pregnancy places the life of both mother and child in simultaneous danger, such instances are today very rare in medical annals. I do not think that physicians treating their patients in good faith should be placed in legal jeopardy but it would be a mistake in my view to amend the Constitution in a manner which provided an exception clause which might be used to permit wholesale abortions under cover of law. That is one of the major reasons why I have used the specific language of my amendment.

While my amendment does make the right to life a Federal constitutional right, it does not preempt the rights of the several States to pass laws against abortion including penalties for such acts. I think it is necessary on a constitutional basis to permit the States to have full powers to legislate prohibitions in this field in order to reach private acts under the 14th amendment.

Mr. Speaker, I am sympathetic to the argument that a woman should have the right to do what she wants with her own body. However, the preponderance of scientific evidence is that an unborn child is not only a part of a woman's body, but an individual human being. The first principle of any civilized society is the right to life of each individual. For society to be both civilized and free, individuals must not only assert their own rights, but respect the equal rights of others.

What about children who are unwanted, and likely to live lives of deprivation or abuse if they are allowed to be born? This problem is not insoluble. There are millions of couples in this country waiting to adopt babies. In some areas the waiting period is more than 3 years. We need better programs to bring those who don't want children together with those who do.

We cannot guarantee any unborn child that his life will be pleasant or risk-free. Life offers only the chance to make the best use of the abilities and opportunities which are yours. Who has the right to decide in advance that a baby waiting to be born will not have even that chance?

It is also wise to consider abortion in the larger context of what many view as a widespread decline in moral standards in the United States. I do not believe that it is the business of Government to enforce any one standard of morality. But we should be careful about legislation, in effect, encouraging behavior which, I believe, most Americans still regard as immoral.

Mr. Speaker, I urge early action by the appropriate committees of the House on an amendment to guarantee the right of life.

"MY VIEW" FROM YOUR CAPITOL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, I am very concerned about recent developments in Southeast Asia. Although I have made clear my position that I cannot support additional military aid to South Vietnam, I have tremendous sympathy for the suffering that is occurring as a result of our bungled and mismanaged effort in Vietnam. If our Vietnam effort is not to be in vain, then we must learn from this tragedy. In a message to my constituents, I have offered my views concerning the lessons that we must learn, and the lessons that we must apply in the future conduct of American foreign policy. Mr. Speaker, at this point, I wish to insert my comments in the RECORD:

"MY VIEW" FROM YOUR CAPITOL

(By Congressman BURT L. TALCOTT)

The "baby air lift"—with its tragedy and pathos—seems to have sharpened our understanding and quickened our compassion for those being overwhelmed by the force and terror of communism.

It is rather regrettable that a consensus of us could not have demonstrated such compassion for all the Vietnamese people years ago. Perhaps from the past anguish of others we can learn some useful lessons for the future.

1. We can't, and shouldn't, try to police or reform the world.

2. We do have international, as well as national and personal, interests—peace, freedom, prosperity, and opportunity are not exclusive, and not divisible. We do have international opportunities, and therefore obligations, which we can discharge in our best national interests.

3. The Eisenhowers, Tafts and MacArthurs were mostly right—we should try to avoid land wars in Asia.

4. No soldier should be sent abroad to risk life or liberty unless everyone at home is ready and required to give him 100% support.

5. If, God forbid, we get into a war, we should not "tie the hands" of our military in a "no win" situation. Before we draft young people for military service we should use our National Guard and Reserves. We should not permit enemy sanctuaries where they can repetitively attack, at will, then retreat to a sanctuary to regroup, resupply and attack again with impunity. We should not force our allies to do all the ground fighting on their own territory; we should give them supplies and cover and let them win their war—including invasion and capture of enemy facilities and positions. We should never agree to allow enemy troops and weapons to remain in the territory of an ally. No nation can survive if they permit a predator to enjoy sanctuary or if they allow an armed enemy within.

6. The objectives as well as the costs, of war are the "people's business" and we should be fully informed. Only the tactics and strategy need be concealed. When the people know, we can quickly obtain and sustain the unified will that is necessary to defend and preserve our national interests and our international obligations.

7. The Kissingers and Nixons were mostly right in trying to extricate us from a noble, but bungled, mission in Vietnam that had deteriorated into an impossible situation. They were right in fighting and agreeing to get our POWs out and our military personnel home in a way that would discharge our commitments and allow Southeast Asia a reasonable interval in which to defend themselves against being overrun by outside force and terror.

8. The Kissingers and Nixons were mostly wrong in entering into an agreement with the Communists (North Vietnam and USSR) that was not certainly self-enforcing. The communists historically and pragmatically break agreements and they intended to, and did violate the written Paris peace accords immediately, massively and continuously. The principal "enforcement factor" upon which we relied was the force of world public outrage—including the media, the parties to the agreement, the United Nations, and the governments and parliaments of the "Free World" including our own. But this force—more powerful than missiles—failed to respond to the blatant violations. The violations were tolerated (even applauded) and therefore became unrestrained.

9. The Congress and the Presidency were wrong in permitting domestic political hostility and constitutional power plays to undermine and debilitate our international affairs and foreign policy. Cooperation, rather than confrontation, should be the by-word.

10. The Congress was wrong in interfering with the President's power to act in foreign affairs. The Congress, acting as a ponderous, disparate, bivalent committee of 535, can, and should, contribute to the development and formulation of foreign policy, but it can only frustrate and destroy the complicated, complex craft of foreign policy execution.

11. Détente (the positive effort to achieve a relaxation of tensions) among all peoples and nations is an admirable goal provided, however, we keep our defenses and intelligence second to none and that we appreciate the threats to our security and freedom in this hostile world.

12. The only effective "peace keeping" organization in this world is the U.S.A. No other nation or organization of nations, including the United Nations, has the desire or capability to assume this arduous and thankless role. Whether the U.S.A. still has the will or wherewithal in resources or prestige to fulfill this role is now questionable as well as debatable.

13. We have learned that when we default in a commitment in one instance with one party, all others are less likely to trust us. Trust and reliance are the most valuable and essential ingredients of alliances as well as friendships. Our losses in Southeast Asia have been enormous, but the greatest of our losses, to ourselves and to world peace, is our loss of trust and reliance by others and our respect for ourselves.

If these lessons have been learned, if these losses can be recouped, then, and only then, can we look forward to peace with freedom in our time.

Individual liberty and freedom from oppression and terror are human conditions which may be just as essential to a civilized life as freedom from hunger, disease, ignorance and pollution. These are conditions I wish we could appreciate without losing them—even temporarily. But regrettably we fail to appreciate the anguish, oppression and terror of others because we have never known them. These are lessons I hope we can learn without personal experience.

It will require more than the enunciation of a "new foreign policy" by one President. It will require a renewal of our individual commitments to ourselves, our fellow human beings on this planet, our Nation, and our principles. It will require some material sacrifices and considerable attitudinal changes.

LONG-TERM INTEREST RATES ARE ON THE RISE AGAIN—MORE EXPANSIONARY MONETARY POLICY NEEDED, AND SOON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, during the last month—March 12–April 11—the Federal Reserve has backslid and is again pursuing too restrictive a monetary policy.

The swift congressional action cutting taxes by $22.8 billion, and the House Budget Committee's recommendations for fiscal 1976 budget are efforts to turn the economy around, and to help put back to work the 8 million Americans who are currently jobless.

But if the Federal Reserve pursues too restrictive a monetary policy, these efforts to revive the economy through fiscal stimulus will have been in vain.

On March 24, 1975, the Congress in House Concurrent Resolution 133 urged the Federal Reserve to "pursue policies in the first half of 1975 so as to encourage lower long-term interest rates and expansion in the monetary and credit aggregates appropriate to facilitating prompt economic recovery."

This action followed the introduction of the basic legislation, H.R. 212, on January 14, 1975; hearings before the House Committee on Banking, Currency and Housing on February 4–6 and 19; and House passage of House Concurrent Resolution 133 on March 4.

The report on House Concurrent Resolution 133 pointed out that rapid economic recovery would require a money supply growth of no less than 6 percent at an annual rate during the first half of 1975, and that many prominent economists, businessmen, and labor leaders were calling for a 8- to 10-percent money growth, including former Federal Reserve Board Governor Andrew Brimmer, former Council of Economic Advisers Chairmen Paul McCracken and Gardner Ackley, and First Pennsylvania Bank Chairman John R. Bunting.

More recently, MIT Prof. Franco Modigliani, the president-elect of the American Economics Association, said:

> If we don't get doubt-digit monetary growth, any economic recovery will abort.

The initial response of the Federal Reserve to the need for stepped-up money growth was encouraging.

On March 24, 1975, I reported to the House that the Fed had expanded M_1—the narrowly defined money supply, including only currency and demand deposits—by 16.5 percent at an annual rate between February 12 and March 12, 1975, up significantly from the zero growth rate between November 1974 and February 1975.

M_2—the broader money supply measure, including M_1 plus time deposits at commercial banks—rose 12.9 percent between February 12 and March 12, compared with 5.3 percent between November and February.

The result was a moderate and welcome decline in long-term interest rates. For example, the yield on Aaa corporate bonds, which had reached 9.39 percent in

October 1974, fell to 8.57 percent by late February 1975. The yield on 20-year Treasury bonds fell from the 1974 record high of 8.68 to 7.63 percent.

Home mortgage rates also began to decline. The yield on government-underwritten home mortgages declined from 9.37 percent on January 13, 1975, to 8.78 percent on March 10, over half of 1 percentage point in just 2 months. At the same time, the yield on conventional mortgages fell from 9.50 to 8.96 percent.

This was excellent progress, in the spirit of House Concurrent Resolution 133. It promised to spark a much-needed renaissance of homebuilding and capital investment, especially when reinforced by the tax credit for purchases of new homes, the investment tax credit in the tax bill, and the mortgage interest rate subsidy for middle-income families contained in the emergency middle-income housing bill.

Since March 12, however, the Federal Reserve has apparently tightened up the money supply despite heavy credit demand. Long-term interest rates are moving upward.

First. Money supply is not growing. The money supply—M_1—after a month of welcome growth, reached a peak of $288.1 billion on March 12 and has not gone above that figure since. On April 9—the most recent date for which we have figures—the money supply was $288.1 billion, a zero growth rate.

The Federal Reserve accomplished this monetary tightening by clamping a lid on the growth of member bank reserves—the funds banks use to make new loans and investments. During the month between March 5, 1975, and April 2, member bank reserves grew from $35 billion to only $35.06 billion, an annual growth rate of less than 2 percent. This is far too low to support the Nation's needed monetary growth.

Second. The demand for long-term credit has increased. While the Federal Reserve tightened the monetary screws, demand for long-term credit grew.

During the first quarter of 1975, the Treasury estimates that American corporations issued $10.4 billion of new corporate bonds in public offerings, a 79-percent increase over the $5.8 billion raised publicly in the first quarter of 1974 and almost $2 billion more than corporations raised from the public in the fourth quarter of 1974. The March corporate bond offering of $3.6 billion was at a level surpassed only by the March 1971 record total of $4.1 billion.

On top of this, corporations raised $2.7 billion in private bond issues, with the January and February offerings of $900 and $800 million the highest for those months ever, and the March total of $1,000 million surpassed only in March 1966.

State and local governments have also contributed to pressures in long-term credit markets. During the first quarter of 1975, State and local governments raised $6.4 billion with longer-term debt issues, slightly more than they raised during the first quarter of 1974. The $2.0 billion March offering of State and local debt was identical to the March 1974 figure.

The sharp upturn in long-term corporate borrowing is due in part to the very legitimate need of many businesses—forced to finance capital investments with short-term bank loans during last year's credit crunch—to restructure their debt and obtain much more long-term funding to stabilize interest costs. Spurred by the need to reduce short-term borrowing to protect credit ratings, many businesses are taking advantage of lower long-term interest rates to get out of short- and long-term debt.

Much of the corporate demand, however, apparently results from Treasury Secretary William Simon's warnings that Treasury needs during the rest of this year—should the Federal deficit exceed the President's recommendation—will break the back of the long-term credit market, crowd out private borrowers, and force interest rates to heights even exceeding the records of 1974.

The Treasury, moreover, has contributed to credit market pressures directly by floating large amounts of long-term Treasury securities in direct competition with private, State, and local borrowers. Just as the Federal Reserve clamped down on monetary growth, the Treasury stepped up its offerings of longer-term notes and bonds, from $2 billion in January and February to $9.2 billion in March. For April, the Treasury will float an added $4.2 billion in notes and bonds.

Although Treasury needs will certainly put some pressure on credit markets this year, it need cause no credit crunch. As the Morgan Guarantee Trust Co. pointed out in its February survey:

> While it is understandable that concern should exist in the face of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated. Indeed, an examination of the potential sources and uses of funds in 1975 indicates that government financing—under certain seemingly reasonable assumptions—can be accommodated without major disruptions of money and capital markets. This is particularly so because many traditional borrowers seem likely to be cutting back on their borrowing in response to a slumping economy . . . As this process unfolds, the near hysterical whoops in some quarters of an impending financial crunch should subside.

Third. Long-term interest rates have risen. During the last month, as a result of the money supply cutback and the borrowing pressures in long-term credit markets, long-term interest rates have taken a sudden jump.

The yield on triple-A corporate bonds, for example, rose from 8.59 percent on March 7, 1975, to 8.93 percent on April 11, challenging the 1974 record of 9.39 percent. For 20-year Treasury bonds, the interest rate jumped from 7.75 percent on March 7 to 8.44 percent on April 11, compared with the 1974 record high of 8.68 percent.

The April 7 Fannie Mae auction of home mortgage commitments shows that mortgage interest rates are also turning up. From a low of 8.78 percent on March 10, the interest rate on Government-underwritten mortgages increased to 8.98 percent on April 7, while the rate for conventional mortgages jumped from 8.96 percent to 9.13 percent.

This is bad news. Housing starts, which plunged to a new low of 980,000 units at an annual rate during March, and business investment cannot begin to recover until long-term interest rates move significantly below their current levels.

Let us hope that the Federal Reserve will soon adopt a less restrictive monetary policy.

I attach recent Federal Reserve tables on the money supply and interest rates:

TABLE 1.—MONEY STOCK MEASURES

[In billions of dollars]

Date	M_1 Currency plus demand deposits [1]	M_2 M_1 plus time deposits at commercial banks other than large CD's [2]	M_3 M_2 plus deposits at nonbank thrift institutions [3]
SEASONALLY ADJUSTED			
1974:			
February	273.1	580.9	932.5
March	275.2	585.5	940.0
April	276.6	589.4	945.9
May	277.6	591.6	948.8
June	280.0	597.1	955.9
July	280.5	599.7	959.9
August	280.7	602.2	963.0
September	281.1	603.8	965.5
October	282.2	608.1	971.2
November	283.8	613.0	978.3
December	284.3	614.3	982.5
1975:			
January	282.2	16.0	987.5
February	283.8	21.0	996.0
Week ending:			
Feb. 5	281.8	16.8	
Feb. 12	284.2	21.2	
Feb. 19	283.6	21.0	
Feb. 26	284.7	23.4	
Mar. 5	285.3	24.0	
Mar. 12	288.1	R28.0	
Mar. 19	R286.2	27.0	
Mar. 26P	R287.3	R28.0	
Apr. 2P	287.6	29.7	
Apr. 9P	288.1	31.1	

[1] Includes (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Government, less cash items in the process of collection and F.R. float; (2) foreign demand balances at F.R. banks; and (3) currency outside the Treasury, F.R. banks and vaults of all commercial banks.

[2] Includes, in addition to currency and demand deposits, savings deposits, time deposits open accounts, and time certificates of deposits other than negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

[3] Includes M2, plus the average of the beginning and end of month deposits of mutual savings bank, savings and loan shares, and credit union shares.

P—Preliminary.

R—Revised.

TABLE 2.—HIGH-GRADE BOND YIELDS

Date	New issue Aaa utility [1]	Recently offered Aaa utility [2]	Moody's Seasoned Corporate Aaa [3]	U.S. Government 20-yr constant maturity [4]	Bond buyer 20-bond index [5]
1971:					
High	8.26 (7/30)	8.23 (1/1)	7.71 (8/21)	6.51 (6/18)	6.23 (6/23)
Low	7.02 (2/5)	7.17 (12/31)	7.06 (2/12)	5.69 (3/23)	4.97 (10/21)
1972:					
High	7.60 (4/21)	7.49 (4/21)	7.36 (4/28)	6.19 (4/14)	5.54 (4/13)
Low	6.99 (11/24)	7.15 (12/1)	7.05 (2/12)	5.74 (11/17)	4.96 (10/21)
1973:					
High	8.52 (8/10)	8.32 (8/10)	7.77 (8/24)	7.79 (8/10)	5.59 (8/3)
Low	7.29 (1/21)	7.28 (1/5)	7.11 (1/5)	6.42 (1/5)	4.59 (10/11)
1974:					
High	10.61 (10/4)	10.52 (10/11)	9.39 (10/11)	8.68 (8/30)	7.15 (12/12)
Low	8.05 (2/15)	8.13 (1/4)	7.39 (1/4)	7.39 (1/4)	5.16 (2/7)
1975:					
High	9.83 (4/4)	7.90 (4/4)	8.93 (4/11)	8.44 (4/11)	7.08 (1/2)
Low	8.89 (2/7)	9.06 (2/18)	8 57 (2/28)	7.63 (2/21)	6.27 (2/13)
1975:					
Mar. 7	8.91	9.17	8.59	7.75	6.54
Mar. 14	9.27	9.31	8.61	7.83	6.65
Mar. 21	9.60	9.41	8.69	8.09	6.80
Mar. 28	9.60r	9.62	8.78	8.29	6.95
Apr. 4	9.80r	9.70	8.78r	8.32r	6.93
Apr. 11	9.65p	9.66p	9.93p	8.44p	7.03

[1] Federal Reserve series of implied yield on newly issued, Aaa-rated utility bond with 5-yr call protection.

[2] Federal Reserve series of implied free-market yield on competitively bid Aaa-rated utility bond with 5-yr call protection released from price restrictions sometime during the last 4 weeks.

[3] Weekly average of daily closing figures.

[4] Weekly average of daily figures. U.S. Treasury data.

[5] Thursday figures. The average rating of the 20 bonds used in this index falls midway between the 4 top groups as classified by Monday's Investors Service. "Weekly Bond Buyer" data.

TABLE 3.—FNMA AUCTION RESULTS, HOME MORTGAGE COMMITMENTS

Date of auction (1975)	Amount (millions) Offered	Amount (millions) Accepted	Average yield
Government underwritten:			
Jan. 13	$25.3	$21.2	9.37
Jan. 27	41.4	28.6	9.12
Feb. 10	24.6	18.1	8.98
Feb. 24	36.2	23.8	8.87
Mar. 10	99.2	60.1	8.78
Mar. 24	460.5	321.4	8.85
Apr. 7	551.6	277.2	8.98
Conventional:			
Jan. 13	17.9	14.9	9.50
Jan. 27	11.1	10.6	9.39
Feb. 10	14.8	9.1	9.20
Feb. 24	20.0	9.1	9.04
Mar. 10	34.4	22.1	8.96
Mar. 24	60.7	35.8	9.00
Apr. 7	99.8	44.6	9.13

INTERNAL REVENUE CODE TAX ADJUSTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation to eliminate an area of duplication in the social security system. My legislation is designed to prevent discriminatory collection of social security and unemployment taxes with respect to an employee who, during the year, works for more than one employer. Under the bill two or more employers of the same employee, upon notice to the Internal Revenue Service, would be able to enter into an agreement whereby such employers would pay the social security and unemployment tax attributable only to that part of the employee's compensation which does not exceed the respective wage base to which such taxes apply. If neither employer pays compensation equal to the respective wage base, one employer would pay tax on his compensation to the employee and the remaining employers would be tax on that part of wages in excess of such compensation up to the respective wage base.

Regardless of the amount of compensation paid by each employer, the aggregate tax may be shared by the employers on whatever basis they agree.

For example, social security and unemployment taxes are imposed on wages paid to an employee with a limit on the amount subject to tax. Presently, the limitation is $13,200 for a limit on the amount subject to tax. Presently, the limitation is $13,200 for social security and $4,200 for unemployment. In some instances, an employee of related corporations may perform services of potential benefit to one or more of these corporations during the same year. In many cases, he has been treated by the Internal Revenue Service as a separate employee of each of the corporations for which he performs services, and the wages he receives are attributed to each of these corporations. As a result, the $13,200 or $4,200 limitation on wages is applied to the compensation attributed to each company separately rather than to the total compensation received by the employee. Consequently, the payroll taxes collected with respect to the employment may be, and very often are, based on compensation considerably in excess of the statutory limit. While the employee may obtain a refund of any excess social security tax paid, the employers may not. This bill prevents that hardship from occurring.

Precedent for this proposed technique for alleviating discriminatory double taxation of employers of the same employee is found in the case of railroad retirement taxes. This same principle should be adapted to other employment taxes.

GROUND PROPULSION SYSTEMS RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, today I am reintroducing, with 45 of my colleagues, H.R. 5557, the Ground Propulsion Systems Research, Development, and Demonstration Act of 1975. This bill, which encompasses all new technologies and fuels, such as electric vehicles, external combustion engines, advanced internal combustion engines, hybrids, for not only automobiles, but for buses, trucks, and trains, is very similar to legislation that I introduced last session. It requires the Energy Research and Development Administration—ERDA—in conjunction with the National Aeronautics and Space Administration—NASA—to conduct research and develop energy efficient, low emission engines.

The Science and Technology Committee has jurisdiction over this subject, and it has already considered aspects of this problem this year during the authorization hearings on both NASA and ERDA. Last year, 7 days of hearings were held in the Science Committee on my legislation, but due to the unusual events of last year, no committee action was completed. This year the circumstances are different, and prompt consideration is likely.

Mr. Speaker, there are a variety of approaches to this problem, some of which deal with tax law, others which deal with regulation. Research and development does not contradict the validity of those approaches, but rather supplements it. Although it is quite possible that some research and development is necessary before the tax or regulatory approaches can be most effectively devised.

I do not intend to mention every legislative approach that might relate to this legislation, but I would like to refer my colleagues to my statement of March 26, 1975, which can be found on pages 8959 to 8961 of the CONGRESSIONAL RECORD. Also included on those pages is the text of H.R. 5557, the Ground Propulsion Systems Research, Development, and Demonstration Act of 1975.

I will continue to alert my colleagues to the progress on this legislation, and developments in this general subject. I would also like to express my appreciation for the support and interest that has been given to this legislation.

NATIONAL LIBRARY WEEK

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, this is National Library Week and as chairman of the House Select Education Subcommittee, which has jurisdiction over library programs, I want to pay special tribute to the Nation's libraries—public libraries, elementary and secondary school libraries, college, university and research libraries, and all the many specialized libraries and information centers serving Government, business and

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industry, the arts, the Armed Forces, hospitals, prisons, and other institutions.

Mr. Speaker, our libraries constitute a vital national resource. Yet they are so familiar to us that we often tend to take them for granted. On this occasion of the country's 18th National Library Week, it is fitting for all of us to take special note of our libraries and the many important services they provide.

SCHOOL LIBRARIES AND LEARNING RESOURCES

Mr. Speaker, it is the elementary and secondary school libraries of which I want particularly to speak on the occasions of National Library Week 1975, for it is this year, on July 1, that the new title IV–B of the Elementary and Secondary Education Act, the program called Libraries and Learning Resources, takes effect.

This new program, it adequately funded a year in advance in accordance with provisions of the authorizing legislation—Public Law 93–380—will replace three existing categorical programs—title II of ESEA which provides grants for school library resources, title III of the National Defense Education Act which provides grants for the acquisition of educational equipment and minor remodeling, and part of title III of ESEA which is for guidance, counseling and testing. The new consolidated title IV–B of ESEA is designed to provide local school districts more flexibility in the use of Federal education funds for these purposes.

When any new program takes effect, there is uncertainty as to how it will work, and the new ESEA title IV–B is no exception. I am informed that many State and local school officials, including teachers, librarians, media specialists, guidance counselors, and administrators, are worried about various aspects of the consolidated libraries and learning resources program, although all are hopeful that the program will be successful. We in Congress, and particularly those of us on the Education and Labor Committee, are fully aware that there will be some problems in changing from the individual programs to the new consolidated one, but we feel confident that once the transition is made, the new program will be a worthy success to the highly successful individual categorical programs it is designed to replace.

Mr. Speaker, as we make the transition to the new title IV–B program, I want the record to be clear on one point. We in Congress will be watching closely as the consolidated libraries and learning resources takes effect, 50 percent in fiscal year 1976, and completely in fiscal year 1977. If there are problems, we will want to know about them. If the program does not work as Congress intends, we will want to know. For these reasons, we ask all who are involved in the new title IV–B program, the students and their parents, the local officials including teachers, librarians, media specialists and guidance counselors, plus the administrators, to keep us informed on how the libraries and learning resources—ESEA IV–B—program is affecting elementary and secondary education throughout the country.

One further point needs to be made here. The success of any program depends upon how it is implemented. The U.S. Office of Education on March 12 published draft regulations for ESEA IV in the Federal Register. I urge my colleagues to study the draft regulations, and to submit their comments and suggestions to the Office of Education. I myself have done just that. My reactions to the draft regulations, which I submitted to USOE today, deal with several aspects, including membership on the State title IV advisory committees, and clarifications needed to some of the definitions provided in the regulations. I ask that a copy of my letter be included in the Record at the conclusion of my remarks.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Mr. Speaker, National Library Week is an ideal occasion for all of us to consider the law enacted at the close of the 93d Congress: Public Law 93–568 calling for a White House Conference on Library and Information Services not later than 1978. I have the honor to be chairman of the subcommittee which developed this legislation, and we were greatly assisted in this work by the House minority leader at that time, the Honorable Gerald R. Ford. It was former Representative Gerald R. Ford who introduced a resolution in the House calling for the White House Conference, and the legislation he sponsored formed the basis of Public Law 93–568, which cleared Congress last December, and was signed into law by President Gerald R. Ford on December 31.

Although the law does not specify a particular date on which the White House Conference is to be held, it does state that the Conference is to be held not later than 1978. So that planning can begin now at the local and State levels, I have written the President a letter urging him to call the Conference at once. The call should be issued now, although the Conference is not held until 1978. This notice will enable the localities and States to utilize to maximum advantage all available planning time. Effective planning is the key to successful and productive White House conferences. I urge my colleagues in the House also to write the President to ask him to issue the call now. Valuable time is being wasted each day that the Presidential call of the White House Conference on Library and Information Services is postponed.

Mr. Speaker, it is clear that we need a nationwide reassessment of library services so that we can develop legislation at the Federal level and even more important at the State level, legislation which will increase the prospect that all Americans can have ready access to high quality library and information services. We have had conflicting policies from the administration in recent years—with former President Nixon recommending an abrupt end to all Federal library support in 1973, and a recommended phase-down of library support the following year. The Ford administration to date has simply followed the Nixon administration on the subject of libraries. In view of this lack of coherent policy in libraries from the White House, many of us in Congress were pleased that President Ford sponsored the House resolution calling for the White House Conference on Library and Information Services. I join the President in his belief that what is needed now is a nationwide reassessment of library and information services, such as will be provided through the White House Conference and its preceding State-level conferences. In order to bring about this reassessment, planning must begin now for the White House Conference on Library and Information Services.

Mr. Speaker, in conclusion, I would like to salute all the Nation's libraries on this occasion of National Library Week 1975.

The text of the letter to which I earlier referred follows:

House of Representatives,
Washington, D.C. April 17, 1975.

Hon. Terrel H. Bell,
Commissioner, Office of Education, Washington, D.C.

Dear Ted: As a member of the House Education and Labor Committee who was active in developing the Education Amendments of 1974 (PL 93–380), I am submitting the following comments and recommendations in connection with the proposed ESEA IV–B regulations published in the *Federal Register* of March 12.

1. Member on State Advisory Councils (Section 134.51).

As drafted, the regulations do not follow the order of the language in the statute which deals with Advisory Council membership. And even worse, OMB form No. 51–R0868, which was sent to all states last month, further distorts the intent of Congress with regard to membership on the Title IV Advisory Councils.

Note the language of the law on this point (PL 93–380, Title IV, Sec. 401, page 57), which states first of all that the Advisory Council is to be "broadly representative of the cultural and educational resources of the State (as defined in section 432) and of the public. . . ."

The draft regulations, however, place this requirement at the end rather than the beginning of the section on State Advisory Council membership, with no cross reference to the definition of "cultural and educational resources" which is provided in Section 134.2. The OMB form, which each state is required to fill out, makes no reference whatever to the fact that Advisory Council membership is to be broadly representative of the cultural and educational resources of the state and no information is provided on the form as to how this term is defined in the law.

The effect of this section of the regulations—and of the OMB form already used to implement it—is to unduly limit the composition of the Title IV Advisory Councils. Moreover, it is having the effect of excluding representatives of the library/media community altogether from the Advisory Councils in some states, despite the fact that the largest program within the ESEA IV–B consolidation is the former ESEA II school library resources program, and the second largest is the former NDEA III educational equipment program (including audio-visual and educational media equipment).

The definition of cultural and educational resources provided in section 432 of the new ESEA Title IV specifically refers to libraries. This is nowhere reflected on the OMB form, and nowhere mentioned in the section of the draft regulations dealing with State Advisory Council membership.

Various categories of Advisory Council membership are specified in the law so that

these councils will not be narrowly drawn special interest councils. The intent was not to exclude school library/media specialists from the councils, for clearly there must be expertise on the councils from all of the programs represented in the consolidation. Guidance and counseling (the only one of the three programs in ESEA IV–B to be mentioned in the list of required membership) was specifically mentioned in the law so that experts from this field would not be excluded. It was felt important to list them here because they are not listed in the title of the Tile IV–B program, "Libraries and Learning Resources." We, therefore, felt that representatives from this field might be overlooked in Advisory Council membership.

We did not feel that libraries would be overlooked because the whole program is specifically called "Libraries and Learning Resources." It is my understanding, however, that as a result of the OMB form which was sent to the states before the regulations were issued even in draft form, combined with the language in this section of the regulations, in many states school library/media specialists are being excluded from membership on the Advisory Council.

The regulations should be changed immediately, and the chief state school officers notified accordingly by the U.S. Office of Education, so that this trend will be reversed.

2. Definitions (Section 134.2)

The definition of "local educational agency" is very broad, and would allow the distribution of ESEA IV–B funds to state-designated regional service centers rather than requiring that 95 percent of all a state's ESEA IV–B funds be passed on to the local school districts. It was the intent of Congress that local decision-making be the hallmark of this new program. ESEA IV–B is intended to provide maximum flexibility to local school districts, and not to state or federal officials. As now drafted, this definition allows the state discretion as to whether local school districts will get the funds or whether instead they will be channeled to intermediate units or regional service centers. Local school districts can certainly contract with intermediate units for the provision of certain services, but it is the intent of the legislation that the decision rest with the local district rather than with the state. This definition should be changed accordingly.

In this same section on definitions, I would suggest that the definition of teacher be expanded to include also "media specialists." Both librarians and media specialists should be cited. As drafted, librarians are included, with no reference to media specialists.

In conclusion, I would also urge that the regulations be strengthened on the meaning of "substantial" in the section on distribution of funds to local educational agencies (section 134.14), so that the poorer and most needy school districts will receive federal funds as intended by Congress, rather than allowing states to distribute the ESEA IV–B funds primarily on a per capita basis. I would also urge that the section on maintenance of expenditures from non-federal sources (section 134.21) be strengthened so that states and localities are not allowed to cut back on their own support for the program purposes represented in the new ESEA IV–B consolidation. There is some confusion in the language of the regulations as now drafted which might lead the states to conclude that, for example, they could cut out altogether their support for guidance and counseling, or for libraries, so long as the total spent for the other program purposes was not reduced below last year's level. It is the intent of Congress that maintenance of effort apply to each of the area represented in the consolidation.

I appreciate this opportunity to clarify the intent of Congress regarding ESEA Title IV–B.

Sincerely,

John Brademas,
Chairman, Subcommittee on Select Education.

GEN. JAMES A. VAN FLEET CONDEMNS TURKISH AGGRESSION ON CYPRUS

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, Gen. James A. Van Fleet, U.S. Army, retired, is one of America's outstanding military leaders.

During the years 1948–50, General Van Fleet directed the U.S. Advisory and Aid Group in Greece and in 1951–53, he was Commander of United Nations Forces in Korea.

I believe that all Members of the House of Representatives and the Senate will read with keen interest a statement just made by General Van Fleet concerning the action of the Government of Turkey last year in utilizing arms supplied by the United States for aggressive purposes in Cyprus and the response in consequence of the Congress of the United States in insisting, by voting to cut off arms to Turkey, that the laws of our land must be upheld.

As General Van Fleet declared:

> Congress should stick by its guns and not allow an erosion of its position in upholding the rule of law.
>
> Congress acted in accordance with the Foreign Assistance and Foreign Military Sales Acts and bilateral agreements under those acts signed by the United States and Turkey. Those agreements specifically provide that United States supplied arms must be used solely for defensive purposes.

Mr. Speaker, I insert at this point in the Record the text of General Van Fleet's statement:

GEN. JAMES A. VAN FLEET CONDEMNS TURKISH AGGRESSION ON CYPRUS

I condemn the Turkish aggression against Cyprus and the illegal use of United States supplied military equipment to attack a small, defenseless nation in violation of international law, the United Nations Charter and bilateral agreements with the United States.

I urge the removal of all Turkish invasion forces from Cyprus and the immediate return of all refugees to their homes in accordance with the unanimous United Nations resolution No. 3212. I urge strong action by the United Nations to implement its resolutions including United Nations sanctions against Turkey, if necessary.

The United States and NATO must stand against aggression whether by friend or foe or we renounce the very essence of our foreign policy. Our nation must stand for freedom and representative government and against aggression.

I strongly disagree with comments attributed to State Department officials that the United States and NATO should count Turkey more important than Greece in the strategic defense of the West. Greece is the strategic key to the Eastern Mediterranean and clearly more important than Turkey to the strategic interests of the United States and NATO, as President Truman so well understood when he announced the Truman Doctrine.

The Sixth Fleet depends on bases in Greece which are irreplaceable. If the communists were to get control of Greece, they would control the Eastern Mediterranean and would out-flank Turkey.

Let us never forget that Greece was our loyal ally in two world wars and fought heroically against Mussolini and Hitler. Greece successfully fought against a communist takeover in the late 1940's. They stopped the communist aggression with their own blood. The United States provided military equipment for Greece but no American forces were involved.

Let us also not forget that 30,000 Greek Cypriots volunteered and fought with the Allies in World War II.

Congress should stick by its guns and not allow an erosion of its position in upholding the rule of law.

Congress acted in accordance with the Foreign Assistance and Foreign Military Sales Acts and bilateral agreements under those acts signed by the United States and Turkey. Those agreements specifically provide that United States supplied arms must be used solely for defensive purposes.

Turkey has threatened to close down United States installations on Turkish soil unless United States military aid is resumed. Turkey's threat amount to blackmail and the Secretary of State and our government must not bow down to Turkish blackmail.

The clear obligation of the United States Government is to uphold its laws and international agreements. Its further obligation is to encourage and support freely elected representative governments around the globe. Greece has such a government. She should be encouraged and supported by us. We need Greece as much as Greece needs us.

STATUE OF ABRAHAM LINCOLN FOR THE PEOPLE OF ISRAEL

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am pleased to introduce today a joint resolution which provides for the presentation by the President, on behalf of the people of the United States, of a statue of Abraham Lincoln to the people of the State of Israel.

Mr. Leon Gildesgame, a constituent of mine from Mount Kisco, N.Y., acquired the award-winning statue of Lincoln sculpted by Chicago artist Sidney Loeb for the express purpose of making this generous donation to demonstrate our affinity with Israel.

Abraham Lincoln symbolizes, for millions of Americans, the cherished dreams of freedom, human dignity and hope for mankind. It is quite a senstive gesture, then, to present a statue of this great man to the people of Israel. For those people, the dreams of freedom, human dignity, and hope have been a credo under which their nation was born and under which it continues to thrive. Indeed, even the Israeli national anthem, Hatikvah—which means Hope—expresses the thoughts and dreams for which President Lincoln stood.

Mr. Gildesgame's generous offer for the presentation of this statue to the people of Israel is a worthy one and I hope the House will facilitate this generosity and express through it the good relations

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between the great democracies of the United States and Israel by the passage of this resolution, the text of which follows:

H.J. Res. 406

Joint resolution to provide for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon Gildesgame of Mount Kisco, New York

Whereas President Abraham Lincoln symbolizes for millions of Americans the cherished dreams of freedom, human dignity, and hope for mankind;

Whereas the people of the State of Israel share with the American people those dreams which Abraham Lincoln symbolizes; and

Whereas Leon Gildesgame of Mount Kisco, New York is the owner of an award-winning statue of Abraham Lincoln which he has expressed an interest in donating to the United States in order that it may be given as a gift from the people of the United States to the people of Israel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President (1) shall accept, on behalf of the United States, a statue of Abraham Lincoln from Leon Gildesgame of Mount Kisco, New York, and (2) shall present such statue to the people of Israel on behalf of the people of the United States. The President may pay reasonable costs incurred in conjunction with such presentation, including costs incurred for the transportation to, and placement in, Israel of such statue.

SURFACE MINING REGULATION, UNITED STATES OR VIRGINIA?

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, since 1966 the State of Virginia has regulated coal mining operations within its boundaries. Our law, amended in 1968 and again in 1972, has proven very effective, yet it has not placed unreasonable burdens upon operators within the State. Much of the success of our law can be attributed to the efforts of State legislators, who have tailored the regulations to the unique characteristics of the coal beds in Virginia and have considered the needs of both the landowners and the coal operators within the State.

A large percentage of coal mined in Virginia comes from so-called "steep-slope" operations. The average slope angle of Virginia coal mines is approximately 22 to 23 degrees. Consequently, any severe restrictions or prohibitions of coal mining on slopes of 20 degrees or more could virtually destroy the surface coal mining industry within our State.

Other coal producing States in mountainous areas will surely suffer from lost production if the pending legislation is passed. At a time when the policies of our Nation should be directed toward developing every potential domestic energy resource available, it is quite apparent that passage of H.R. 25 or S. 7 is incompatible with a program of energy independence.

Last week Washington was visited by a group of concerned and angry, union and nonunion surface miners, equipment operators, small coal operators and suppliers and the owner-operators of coal-hauling trucks in the Central Appalachian mining area. These men know what a 20-degree slope-angle restriction would do to their livelihood and to the investments of up to $50,000 that they have in each of their coal trucks. Their concern is well founded, for the present strip-mining proposals would leave many of these hard-working people jobless.

We cannot allow this, especially when our present nationwide unemployment rate is nearing double-digit figures.

I have examined closely the laws established by the State of Virginia for the coal mining operations within its jurisdiction and compared these laws with the present House and Senate bills. One item which I found to be particularly important was the definition of reclamation. According to the State law, reclamation means "the restoration or conversion of disturbed land to a stable condition which minimizes or prevents adverse disruption and the injurious effects thereof and presents a reasonable opportunity for further productive use."

This concept is embodied throughout all of the provisions of Virginia's reclamation law and should be our primary concern in drafting equitable and effective surface mining legislation for the rest of the Nation. If the land can be restored to a reasonable use, why is it necessary to arbitrarily restrict mining on any slopes? It is the final result that counts.

The past 4 years of investigations by the Congress into the surface mining issue have shown us that the problems associated with surface mining are unique to the different areas of the country. Reclamation methods for returning Western lands to a useful condition cannot be compared with lands in the Eastern United States. This, as my colleague, the distinguished Representative from the State of Arizona (Mr. Steiger) has pointed out on numerous occasions, is a weakness in the surface mining bill. The sponsors of the bill, in an attempt to write forceful effective legislation, have impaired the flexibility that any regulatory authority must have in order to adapt the provisions of H.R. 25 to the vastly different reclamations situations that will be encountered now and in the future.

Not only does H.R. 25 require that the land must be restored to a condition fully capable of supporting its previous uses, but it also specifies the procedure the operator must use in achieving this goal. It would appear, therefore, that the supporters of H.R. 25 have confused the law with the regulations—regulations which, if initiated at the State regulatory level, could be adapted to the local environment, to local land use, to local programs for agricultural, recreational, commercial or residential development, to local coal mining operations, and to local human needs.

In addition, H.R. 25 is riddled with uncertainties for the coal mine operators. As the administration has already pointed out in testimony before both the House and Senate Interior Committee and in statements to congressional leaders, the surface-mining bills have retained provisions from the bill passed by the 93d Congress that would permit practically any citizen to bring civil action against mine operators, and to halt production of vitally needed coal. This type of provision establishes a negative and unstable framework within which the operator must make business decisions and invest large amount of capital. These commitments may be for as long as 8 years, and the risk may be too great for many operators. A large dragline or shovel, for example, can cost in excess of $8 million and must be ordered 8 years in advance. The unit must be assembled at the factory, inspected, disassembled, and transported to the mine site on a huge train of 500 rail cars or more. After reaching its destination, the shovel must be reassembled and powered before it can begin the production necessary to amortize its cost. The power plants that will consume the coal from these shovels must have a planned life of up to 30 years and must be guaranteed an uninterrupted supply of coal through long-term contracts.

These decisions are critical to the successful operation of the coal industry and the electric utilities, and cannot be made in the climate of uncertainty that would result from the prospect that a company's coal reserves might be locked up by an injunction resulting from a civil suit. Before committing company funds to large outlays of capital for equipment, and before making contractual arrangements with public utilities, managers must have reasonable assurance that their productions will continue without delays.

Another critical point of difference between the law we have in Virginia and that which would result from the Federal bills is that of restoring the original contours of the mined land. H.R. 25 and S. 7 would require the surface of mined land to be restored to its approximate original contour, with very few exceptions. The Virginia law does not specify original contours, but the director of the State regulatory agency is urged to encourage the adoption of more productive land uses such as pasture, agriculture, recreational areas, industrial and building sites, when mining operations are completed in each area. Not only in Virginia, but also in neighboring States as well, the productivity of mined land has actually been increased by not restoring the original contour. In the State of Kentucky, orchards now yield bountiful harvests of fruits from lands that previously could not have supported such agricultural activity. Perhaps more importantly, much of this agriculture activity could not take place if the original contour had been restored. Benches left by contour mining can even serve a useful purpose as roadbeds for public transportation.

The Virginia surface-mining law is not a weak law in any respect. The law is tough, where it needs to be tough. For example, H.R. 25 requires that operators whose permits have been subsequently revoked disclose such revocation only on new permit applications. The Virginia law, however, in addition to requiring disclosure of any such revocation, prohibits the issuance of a new permit until a detailed hearing is convened to determine whether or not an operator should

be allowed to engage in new surface mining operations. In this instance, Virginia felt that former noncompliance with the law should not be taken lightly, and has reinforced these provisions to prevent repeated offenses.

Another section of the Federal law which may prove overwhelming for coal operators is that dealing with auger mining. According to preliminary coal statistics of the U.S. Bureau of Mines 15.7 million tons of coal were produced in the United States by auger mining in 1973. This figure accounted for about 3 percent of the total U.S. output of coal for that year. Almost 2 million tons of that 15.7 million production came from the State of Virginia. Auger mining is important because it increases the efficiency of coal recovery from surface mining operations in mountainous areas. The operator bores into the sides of mountains and extracts coal that cannot otherwise be surface mined due to overburden thickness. Such mining operations do, however, leave horizontal holes, sometimes 7 feet in diameter and up to 300 feet in length, in the sides of hills or mountains. The State of Virginia realized the potential problem of leaving such holes unattended, and requires that auger holes be entirely covered after the augering operation. The Federal law, however, is so stringent in its reclamation requirements for auger mining operations that it could result in the closing of many mines. As it is written, the Federal law would require that all auger holes be filled with a noncombustible and impervious material. According to authorities on the subject, the only two practical materials that meet these requirements are clay and concrete.

If clay were used, it would have to be forced into the auger holes with heavy equipment, providing the bench was wide enough to allow for their maneuvering. In some cases, clay may not be indigenous to the area and would have to be trucked in at great cost to mine operators. If clay is unavailable, concrete would have to be pumped into the auger holes to meet the requirement. This could be more expensive than even the proponents of the bill imagine.

Let us assume, for example, that coal has been augered out, leaving a hole 4 feet in diameter and 200 feet deep. Lack of local clay of proper character would dictate that concrete be used to fill the hole, the volume of which is approximately 2,500 cubic feet. If the operator purchases the concrete from a ready-mix supplier, he must order 94 cubic yards of concrete at a current price of $30 per cubic yard for a total cost of nearly $2,800.

The operator, in creating the hole, removed approximately 126 tons of coal, which at current market prices of $20 per ton is worth $2,520. The total market value of the coal, minus the single cost of filling the hole, therefore, nets the operator a loss of $280. This does not even account for labor costs, equipment amortization, and other expenses which, when added to reclamation cost, will send many operators on a tailspin into bankruptcy. Even if the operator purchased his own concrete-mixing equipment and thus was able to cut the cost of his concrete-filling operation in half, he would barely break even while incurring the high cost of the additional equipment. If auger mining is destroyed by this one provision, which seems likely, we can subtract 15.7 million tons of coal or the energy equivalent of 62.8 million barrels of imported oil from Project Independency program.

This is just one example of a lack of consideration for an industry which in the past has struggled to survive. We should not kill it now when we need it the most. Renewed interest in coal mining has brought a resurgence to the economy of Appalachia, one of our Nation's most impoverished areas. The truck caravan of central Appalachia's citizens and taxpayers are telling us what they want and what they need. How, in good conscience, can we ignore them now?

Coal mining is finally emerging once again as an important industry and it is an essential industry if energy independence is to be achieved. Ill-conceived proposals, such as the one now before us, H.R. 25, would dash those hopes. I trust that the conferees can learn from the successful legislative efforts of the State of Virginia, and pass a surface mining bill that will be fair for all concerned, and will permit our Nation to provide its citizens with the kind of life that they have struggled so hard to attain.

FOUR NEW PROPOSED RESCISSIONS AND SIX NEW DEFERRALS UNDER CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–109)

The SPEAKER pro tempore (Mr. McFall) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I herewith report four new proposed rescissions and six new deferrals as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmiting two supplementary reports which revise deferral reports made to the Congress in previous special messages.

Five of the reports contained herein are withholdings in the fourth quarter of funds authorized under the Continuing Resolution for the Department of Health, Education, and Welfare. Resolution of two of these items might be better served by action upon the Administration's appropriation request for health planning and emergency school aid in the Second 1975 Supplemental Appropriation bill now pending before the Congress.

The items I am submitting in this special message, along with other actions I have already proposed, provide a means of restraining budget outlays and thereby can help hold the fiscal year 1976 budget deficit within reasonable bounds. When I signed the tax reduction bill on March 29, 1975, I noted that the estimated 1976 deficit had reached about $60 billion and was threatening to go as high as $100 billion. Such an enormous deficit could generate another inflationary spiral and might well choke off any economic recovery. I will continue to resist every attempt to add to the deficit.

The details of the rescission and deferral reports are attached.

Gerald R. Ford.

The White House, *April 18, 1975.*

NINE SUPPLEMENTARY REPORTS REVISING DEFERRAL REPORTS, AS REQUIRED BY CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–108)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

As required by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), I am transmitting nine supplementary reports that revise deferral reports sent to the Congress in the fall of 1974. I am also transmitting herewith reports on one new rescission and two new deferrals for the fiscal year 1975.

Gerald R. Ford.

The White House, *April 18, 1975.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Addabbo (at the request of Mr. O'Neill), for today, on account of official business (Federal Aeronautics Administration hearings in New York).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Patman, for 60 minutes, today, after other special orders, and to include extraneous matter.

Mr. Hechler of West Virginia, for 15 minutes, today, after all other special orders, and to include extraneous matter.

Mr. Brown of California, at the request of Mr. Patman, for 5 minutes, today, and to include extraneous matter.

(The following Members (at the request of Mr. Miller of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. Hastings, for 15 minutes, today.

Mr. Miller of Ohio, for 5 minutes, today.

Mr. Bauman, for 10 minutes, today.

Mr. Dickinson, for 10 minutes, today.

Mr. Talcott, for 5 minutes, today.

(The following Members (at the request of Mr. Ottinger) to revise and extend their remarks and include extraneous matter:)

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Mr. Gonzalez, for 5 minutes, today.

Mr. Reuss, for 10 minutes, today.

Mr. Rostenkowski, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Miller of Ohio) and to include extraneous matter:)

Mr. Buchanan.

Mr. Coughlin.

Mr. Talcott.

Mr. McClory.

Mr. Crane in two instances.

(The following Members (at the request of Mr. Ottinger) and to include extraneous matter:)

Mr. Santini in two instances.

Mr. Anderson of California in three instances.

Mr. Kastenmeier.

Mr. Scheuer in two instances.

Mr. Gonzalez in three instances.

Ms. Abzug.

Mr. Rangel.

Mr. Mazzoli.

ADJOURNMENT

Mr. PATMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordngly (at 12 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until Monday, April 21, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

821. A letter from the Chairman, Equal Employment Opportunity Commission, transmitting a report of a violation of the Antideficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes; to the Committee on Appropriations.

822. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the participation of the United States in the African Development Fund; to the Committee on Banking, Currency and Housing.

823. A letter from the Chairman, National Advisory Council on Education Professions Development, transmitting a supplemental report entitled "Staffing the Learning Society: Recommendations for Federal Legislation", pursuant to 20 U.S.C. 1091(c); to the Committee no Education and Labor.

824. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a notice of the intention of the Department of the Army to offer to sell certain defense articles to the Government of Iran, pursuant to section 3(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

825. A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend the Federal Power Act and the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

826. A letter from the Secretary of Transportation, transmitting the semiannual report on the effectiveness of passenger screening procedures, pursuant to the Air Transportation Security Act of 1974 (49 U.S.C. 1356(a); to the Committee on Public Works and Transportation.

827. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code in order to extend the preference accorded Veterans' Administration medical and health personnel for attendance at Regional Medical Education Centers, and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on April 15, 1975, the following report was filed on April 18, 1975]

Mr. HÉBERT: Committee on Armed Services. H.R. 49. A bill to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes; with amendment (Rept. No. 94–81, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

[Submitted April 18, 1975]

Mr. EVINS of Tennessee: Committee on Small Business. H.R. 5541. A bill to provide for emergency relief for small business concerns in connection with fixed-price Government contracts (Rept. No. 94–154). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on International Relations. H.R. 6096. A bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes; with amendment (Rept. No. 94–155). Referred to the Committee of the Whole House on the State of the Union.

Mr. HÉBERT: Committee on Armed Services. H.R. 5919. A bill to fully explore, fully develop, and produce the naval petroleum reserves with the revenue derived therefrom to be placed in a special fund for such exploration, development, and production, for production to be applied to the petroleum needs of the Department of Defense and for the establishment of a study group to investigate the feasibility of creating a National Strategic Petroleum Reserve (military), and for other purposes; with amendment (Rept. No. 94–156). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California (for himself, Mr. Mosher, Mr. Hechler of West Virginia, Mr. McCormack, Mr. Thornton, Mr. Roe, Mr. Dodd, Mr. Hall, Mr. Waxman, Mr. Ottinger, Mr. Scheuer, Mr. Jones of Alabama, Mr. Price, Mr. Rodino, Mr. Rooney, Mr. Pickle, Mr. James V. Stanton, Mr. Gilman, Mr. Harrington, Mr. Conyers, Mr. Hawkins, Mr. Edwards of California, and Mr. Charles H. Wilson of California):

H.R. 6158. A bill to authorize the Administrator of the Energy Research and Development Administration to undertake, in cooperation with the National Aeronautics and Space Administration, and other Federal agencies, a program of research, development, and demonstration of ground propulsion systems which would serve to reduce the current level of energy consumption; to the Committee on Science and Technology.

By Mr. BROWN of California (for himself, Mr. Roybal, Mr. Fascell, Mr. Miller of Ohio, Mr. Melcher, Mr. Leggett, Mr. Vanik, Mr. Carr, Mr. Ketchum, Mr. Won Pat, Ms. Abzug, Mr. Corman, Mr. Richmond, Mr. Stark, Mr. Byron, Mr. Fraser, Mr. Eilberg, Mr. Mitchell of Maryland, Mr. Bingham, Mr. Seiberling, Mr. Tsongas, Mr. Fithian, Mr. Gude, and Mr. Murphy of New York):

H.R. 6159. A bill to authorize the Administrator of the Energy Research and Development Administration to undertake, in Cooperation with the National Aeronautics and Space Administration, and other Federal agencies, a program of research, development, and demonstration of ground propulsion systems which would serve to reduce the current level of energy consumption; to the Committee on Science and Technology.

By Mr. JOHN L. BURTON (for himself, Mr. Brown of California, Mr. Davis, Mr. Ottinger, Mr. Krebs, Mr. Ketchum, Mr. Stark, Mr. Perkins, Mr. Cornell, Mr. Hicks, Mr. Badillo, Mr. Pattison of New York, Mr. LaFalce, and Mr. Kindness):

H.R. 6160. A bill to amend the Small Business Act to include small business establishments primarily engaged in the production of cow's milk for purposes of obtaining loans to assist them in meeting the requirements established under the Federal Water Pollution Control Act; to the Committee on Small Business.

By Mr. BROOMFIELD:

H.R. 6161. A bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes; to the Committee on International Relations.

H.R. 6162. A bill to amend title 18, United States Code, to prohibit all persons, other than individuals, from making political contributions to candidates for Federal office or to political party organizations, and for other purposes; to the Committee on House Administration.

By Mr. COUGHLIN:

H.R. 6163. A bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain discriminatory practices in the pricing of fuels and other forms of energy, including electricity; to the Committee on Interstate and Foreign Commerce.

By Mr. COUGHLIN (for himself, Mr. Frey, Mr. Lent, and Mr. Stokes):

H.R. 6164. A bill to amend the Internal Revenue Code of 1954 to allow individuals an income tax credit for certain expenses of elementary or secondary education; to the Committee on Ways and Means.

By Mr. COUGHLIN (for himself, Mr. Abdnor, Mr. Frey, Mr. Lent, Mr. Moorhead of California, and Mr. Stokes):

H.R. 6165. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 6166. A bill to preserve older neighborhoods which are threatened with blight and housing abandonment; to the Committee on Banking, Currency and Housing.

By Mr. HECHLER of West Virginia (for himself, Mr. Edwards of California, Mr. Harrington, Mr. Koch, Mr.

Moakley, Mr. Morgan, Mr. Ottinger, Mr. Richmond, Mr. Rodino, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Stark, Mr. Stokes, and Mr. Tsongas):

H.R. 6167. A bill to provide for the transfer to the Secretary of Labor of all functions of the Secretary of the Interior under the Federal Coal Mine Health and Safety Act of 1969, as amended, the Federal Metal and Nonmetallic Mine Safety Act, and any other law relating to the health and safety of persons working in the mining and mineral industries, and for other purposes; to the Committee on Education and Labor.

By Mr. KARTH (for himself, and Mr. Harris):

H.R. 6168. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

By Mr. LITTON:

H.R. 6169. A bill to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms' ammunition; to the Committee on Interstate and Foreign Commerce.

By Mr. MICHEL (for himself and Mr. Goldwater):

H.R. 6170. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

By Mr. MOORE:

H.R. 6171. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

By Mr. OBERSTAR:

H.R. 6172. A bill to make additional funds available for purposes of certain public lands in northern Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER:

H.R. 6173. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportation barriers to the handicapped elderly; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 6174. A bill to confer U.S. citizenship on certain Vietnamese children and to provide for the adoption of such children by American families; to the Committee on the Judiciary.

H.R. 6175. A bill to confer U.S. citizenship on certain Vietnamese children and to provide for adoption of such children by American families; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI (for himself, Mr. Archer, Mr. Burleson of Texas, Mr. Conable, and Mr. Waggonner):

H.R. 6176. A bill to amend the Internal Revenue Code of 1954 to avoid duplication of tax imposed under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act in the case of employers of the same employee; to the Committee on Ways and Means.

By Mr. SYMINGTON:

H.R. 6177. A bill to establish a program for planning and coordinating the conversion of the United States to the metric system of measurement; to the Committee on Science and Technology.

By Mr. BAUMAN:

H.J. Res. 405. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.J. Res. 406. Joint resolution to provide for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon Gildesgame of Mount Kisco, N.Y.; to the Committee on International Relations.

By Mr. BAUMAN (for himself, Mr. Bob Wilson, Mr. Martin, and Mr. Mitchell of New York):

H. Con. Res. 239. Concurrent resolution stating the sense of Congress regarding the situation in Southeast Asia; to the Committee on International Relations.

By Mr. JOHN L. BURTON:

H. Con. Res. 240. Concurrent resolution calling upon the President to recall Mr. Graham Martin as U.S. Ambassador to South Vietnam; to the Committee on International Relations.

By Mr. JOHN L. BURTON (for himself, Mr. Carr, Mr. Edwards of California, Mr. Stokes, Mr. Anderson of California, Mr. Pattison of New York, Mr. Leggett, and Mr. Brown of California):

H. Con. Res. 241. Concurrent resolution expressing the sense of the Congress that the President should take immediate step to evacuate all American nationals from Vietnam and Cambodia within 7 days, solely utilizing civilian personnel and transport for these evacuations; to the Committee on International Relations.

By Mr. HOWARD (for himself and Mr. Hughes):

H. Con. Res. 242. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

94. By the SPEAKER: Petition of Elmer M. Burns, San Francisco, Calif., relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

95. Also, petition of John Finnegan, Butte, Mont., relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

96. Also, petition of Daisy O'Neill, Terre Haute, Ind., relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

97. Also, petition of Howard W. Joplin, McAlester, Okla., relative to Oklahoma's admission to the Union; to the Committee on Interior and Insular Affairs.

98. Also, petition of the National Tribal Chairmen's Association, Washington, D.C., relative to compensating the Osage Tribe of Indians for certain mineral estates taken with respect to Corps of Engineers' projects; to the Committee on Public Works and Transportation.

SENATE—*Friday, April 18, 1975*

The Senate met at 11:30 a.m. and was called to order by Hon. John Glenn, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou God of history, before whom the generations rise and pass away, may the memory of that "shot heard 'round the world" deepen our devotion to the freedom which prompted the stand "by the rude bridge that arched the flood."

Deepen our commitment to that precious freedom for which "the embattled farmers stood." In hours of darkness and need strengthen our faith in the eternal verities for which they lived and died.

"Spirit, that made those heroes dare
To die, and leave their children free,
Bid time and nature gently spare
The shaft we raise to them and Thee."

—Ralph Waldo Emerson.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 18, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. John Glenn, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, April 17, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar beginning with New Reports.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

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DEPARTMENT OF JUSTICE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations in the Department of Justice be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

CIVIL AERONAUTICS BOARD

The second assistant legislative clerk read the nomination of John E. Robson, of Illinois, to be a member of the Civil Aeronautics Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—NOMINATION OF THOMAS J. MESKILL OF CONNECTICUT TO BE A U.S. CIRCUIT JUDGE FOR THE SECOND CIRCUIT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the nomination of Mr. Thomas J. Meskill of Connecticut to be a U.S. circuit judge for the Second Circuit is brought up, probably Monday or Tuesday, there be a time limitation not to exceed 6 hours on the debate, the time to be equally divided between the distinguished Senator from Nebraska (Mr. Hruska) and the distinguished Senator from North Dakota (Mr. Burdick) or their designees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 621

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate returns to the consideration of S. 621, the Petroleum Price Limitation Act of 1975, which happens to be the unfinished business, that there be a time limitation of not to exceed 6 hours on the bill; 1 hour on amendments, 30 minutes on amendments, motions, and appeals, and that it not be in the usual form.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD subsequently said: Mr. President, with regard to the agreement on S. 621, I asked that it not be in the usual form. I modify that to ask that it be in the usual form in all respects except that there be no requirement for germaneness of amendments.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The text of the unanimous consent agreement is as follows:

Ordered, That when the Senate resumes the consideration of S. 621 (Order No. 32), a bill to prohibit for a period of ninety days the lifting of all price controls on domestic oil, and to thereafter require the submission to and the right of review and disapproval of the Congress of such action within thirty days, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the Majority and Minority Leaders, or their designees: *Provided*, That the said Leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

(April 18, 1975)

S. 625 RETURNED TO CALENDAR

Mr. MANSFIELD. Mr. President, on yesterday the leadership, after consultation with all of the appropriate Members—at least thought necessary at that time—asked the Senate to enter into a consent agreement concerning Calendar No. 72, S. 625, the Emergency Unemployment Health Benefits Act of 1975.

This morning the leadership was informed of the various difficulties which had arisen, which were unknown to it at that time; and, after consultation with the Senators concerned, I ask unanimous consent that even though the time frame still holds on S. 625 that it be laid aside and returned to the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL APPROPRIATIONS FOR THE VETERANS' ADMINISTRATION, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 78, House Joint Resolution 375.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

Joint resolution (H.J. Res. 375) making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

Mr. MANSFIELD. Mr. President, it is not the intention to start to debate on this at this moment.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 75, 76, and 77.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NORTH CENTRAL EDUCATIONAL TELEVISION, INC.

The bill (S. 233) for the relief of North Central Educational Television, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to North Central Educational Television, Incorporated, the sum of $26,2[illegible]1.92 in full settlement of all its claims against the United States for reimbursement of additional expenses incurred as the result of administrative error by the personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

ARTHUR RIKE

The bill (S. 234) for the relief of Arthur Rike was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That, notwithstanding any statute of limitations, or lapse of time, or bars of laches or any proceeding heretofore had in the United States District Court for the District of North Dakota, jurisdiction is hereby conferred upon the United States District Court for the District of North Dakota to hear, determine, and render judgment upon any claim filed by Arthur Rike against the United States for compensation for personal injury, medical expenses, and property damage sustained by him arising out of an accident which occured on December 24, 1964, allegedly as a result of the negligent operation of a motor vehicle by an employee of the United States while acting within the scope of his Federal employment.

Sec. 2. Suit upon any such claim may be instituted at any time within one year after the date of the enactment of this Act and any judgment rendered as a result of such suit shall not exceed the sum of $10,000.

Sec. 3. Nothing in this Act shall be construed as an inference of liability on the part of the United States. Except as otherwise provided herein, proceedings for the determination of such claim, and review and payment of any judgment or judgments thereon, shall be had in the same manner as in the case of claims over which such court had jurisdiction under section 1346 (b) of title 28, United States Code.

NATIONAL AMERICAN INSTITUTE OF BANKING WEEK

The joint resolution (S.J. Res. 58) proclaiming the week of May 25 to 31 as

"National American Institute of Banking Week," was considered and agreed to.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

Whereas the American Institute of Banking, an educational division of the American Bankers Association, has for seventy-five years devoted itself to the establishment and maintenance of a recognized standard of banking education; and

Whereas bank employees, throughout the country, in achieving this standard, make themselves and their banks more proficient caretakers of the public's money; and

Whereas the American Institute of Banking will highlight this anniversary year at its convention to be held May 25 to 26, 1975, in Minneapolis, Minnesota: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States of America proclaim the week of May 25 to 31, 1975, as National American Institute of Banking Week in recognition of the contribution this organization has made and is making to the citizens of the United States.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period for the conduct of morning business for not to exceed 15 minutes, with a time limitation of 3 minutes attached thereto; and, that at the conclusion of that time, if no further time is needed for morning business, we start on the pending business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there morning business?

THE "GOLDEN FLEECE" AWARD

Mr. PROXMIRE. Mr. President, my choice for the "Golden Fleece" Award for the biggest waste of taxpayers' money for the month of April goes jointly to the National Science Foundation, National Aeronautics and Space Administration, and the Office of Naval Research for spending almost $500,000 in the last 7 years to determine under what conditions rats, monkeys, and humans bite and clench their jaws. From the findings of these studies it is clear that the Government paid a half million dollars to find out that anger, stopping smoking, and loud noises produce jaw clenching in people.

I might say this is the second in a series of "Fleece of the Month" Awards which will climax in a "Biggest Waste of the Year" Award.

All this money was given to Dr. Roland R. Hutchinson of Kalamazoo State Hospital in Michigan. Last year alone the good doctor spent over $200,000 of which more than $100,000 were Federal funds. And what are some of the other results reached by these research projects in the last 7 years?

Dr. Hutchinson told NASA that people get angry when they feel cheated and tend to clench their jaws or even scream and kick. NSF learned that Dr. Hutchinson's monkeys became angry when they were shocked and would try to get away from the shock. In addition, NSF was informed that drunk monkeys do not usually react as quickly or as often as sober monkeys and that hungry monkeys get angry more quickly than well-fed monkeys.

The Office of Naval Research appears to have gotten the same type of so-called research as did the NSF and NASA.

It is very interesting to trace the history of these extremely similar and perhaps duplicative projects. In 1967, NSF gave Dr. Hutchinson $44,700 to study environmental and physiological causes of aggression. For 2 years Dr. Hutchinson studied the biting reactions of monkeys when they received electric shocks. He also compared their reaction while being given a number of different drugs such as alcohol and caffeine. In 1969, the NSF gave Dr. Hutchinson another $26,300 to continue these experiments. He received another grant, this one for $51,200 in 1970 from the NSF.

By this time Dr. Hutchinson was ready to extend his work to human biting and jaw clenching. In 1970, Dr. Hutchinson receved a grant which ran for 5 years from the ONR to continue research on subhuman primates to determine the environmental, physiological, and biochemical factors responsible for the maintenance of aggressive behavior and systematic replication of results obtained in primates extended to human subjects. Total funding from the Navy ran to $207,000.

During this period, Dr. Hutchinson applied for and received a $50,000 grant from NASA to develop measurements of latent anger or aggression in humans by means of jaw clenching. In addition, Dr. Hutchinson received his fourth NSF grant in 1972 for $51,800 in order to continue his experiments on monkeys and extend the work to human jaw clenching.

Dr. Hutchinson, who in addition to being research director at Kalamazoo State Hospital, is also an adjunct professor at Western Michigan University and president of his own nonprofit Foundation for Behavior Research, has proposals presently pending before the NSF, the National Institute of Drug Abuse, and the National Institute of Mental Health to continue research on monkeys' drinking, drug, and jaw-clenching habits. If Dr. Hutchinson is successful in this new grantsmanship attempt, he would receive an additional $150,000 of taxpayers' money.

The funding of this nonsense makes me almost angry enough to scream and kick or even clench my jaw. It seems to me it is outrageous.

Dr. Hutchinson's studies should make the taxpayers as well as his monkeys grind their teeth. In fact, the good doctor has made a fortune from his monkeys and in the process made a monkey out of the American taxpayer.

It is time for the Federal Government to get out of this "monkey business." In view of the transparent worthlessness of Hutchinson's study of jaw-grinding and biting by angry or hard-drinking monkeys, it is time we put a stop to the bite Hutchinson and the bureaucrats who fund him have been taking of the taxpayer.

THE THIRST TO KNOW

Mr. PROXMIRE. Mr. President, a remarkable man lives in Milwaukee. He is Frank P. Zeidler. The fact that he was mayor of Milwaukee for 12 years is not unusual. But the man is. He was a superlative mayor. But he is much more.

Frank Zeidler is an educated man. He holds no college or university degrees. He has educated himself.

His "thirst to know"—his words—is not confined to one area, one discipline. His thirst wants to drink in everything—philosophy, physics, mathematics, economics, geography, sociology, political science, history, theology, literature of all periods, poetry.

Recently a reporter for a Milwaukee paper asked the Milwaukee public library system who uses the library most frequently and they agreed it was Mayor Zeidler who won in a walk.

Frank Zeidler is the Milwaukee Public Library's best customer.

And there are some 690,000 other users of the Milwaukee library.

He is a man who finds comfort in learning. But he is not smug. He is the first to admit that he can never learn all that he wishes to learn.

No longer in politics, Mr. Zeidler is a teacher, lecturer, and a public administration consultant.

Learning is his job. His job is learning.

But he is a man of the people. He has refused to move from his old neighborhood, although it has changed in his 63 years. But he is still active in its affairs.

As a child he began his love affair with the library. He was introduced by a brother. He has been an intimate friend of books ever since.

But he remains a man of simple tastes—in all but learning.

His is an example we could all follow. His end is not reading; his end is knowledge.

Frank Zeidler comes close to being the ideal man possessing universal knowledge. He approaches the Renaissance man.

Mr. President, I ask unanimous consent that an article in the Milwaukee Journal of April 13, about Frank Zeidler—"Life Among the Great Minds"—be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Milwaukee Journal, Apr. 13, 1975]

Life Among the Great Minds

(By Mary Kamps)

"Who's your best customer?" was my question to a spokewomen at the Milwaukee Public Library. She said she'd ask around, and I began envisioning a nice book chat with a sweet lady genealogist or elegant old gent who's a fanatic on the Tudors and Stuarts.

"Frank Zeidler," she said when she got back to me, Frank Zeidler? The former mayor? Right, she said. Zeidler is the unanimous choice of a caucus of downtown librarians for most/best library patron in recent memory. Of 690,000 registered borrowers (at last annual report), he's the borrowingest of them all.

I find that it is true. Frank Zeidler is a consummate bookhound, Sam Goldwyn's "carnivorous reader" personified, at least a weekly visitor to the main library or the

UMI

Martin Luther King branch in his neighborhood.

He calls the library "my college education." He has no university degree, though he's taught college courses and has three years' worth of college correspondence credits. He's read deepest in sociology and political science, although his limber brain is also at home in history, philosophy, math, many of the sciences, theology, the classics, modern literature and poetry.

He reads in German as well as English. Often, a library is his first stop in a new city. He himself is represented on Milwaukee library shelves with works on politics, labor relations, urban problems and public administration as well as an autobiography, poetry, several fatherly tales for children ("The Third Grade Talkers") and, Sweet William forgive him, some simplified, slightly sanitized Shakespeare.

He reads evenings, weekends, on buses, trains, in the car while his wife, Agnes, drives. (He doesn't drive; too nearsighted, he says.) As mayor he read at noon and on his famous streetcar rides home. Orval Liljequist, the library's co-ordinator of humanities, remembers as a young librarian, new to Milwaukee, getting phone calls from Mayor Zeidler on Saturday nights, requesting books for Monday morning, and also occasionally being invited to the mayor's office at noon to talk books. "That impressed me," Liljequist says.

Mayor from 1948 to 1960—and, along with Emil Seidel and Daniel Hoan, one of Milwaukee's famed trio of Socialist mayors—Zeidler earns his living now as a teacher and lecturer and consulant in public administration. Of course, he's also involved in a number of worthy causes—suffice it to say that they begin with his central city neighborhood council and taper off somewhere around the United Nations.

The great reader himself answers the door of his yellow and green duplex on 2nd St. near Locust when I call on him one early Monday morning. He's been up since 7; he's got a four page letter in the typewriter. He's not sure he's in the mood for an interviewer's interrogation. Earlier, he warned: "I'm not a very good subject but maybe you could build it up."

Restless, he prowls the living room of the lower flat, fingering literary clutter. "Christian Science Monitor, that's a nice succinct conservative Republican paper . . . Here are some math books; I'm reviewing calculus now under a professor at Alverno. . . . The Sunday New York Times, I should get the daily Times but two and a half hours a day is too much. . . . Here's a set of books I read in an arbitration case."

He settles finally in a high backed, rope seated Danish rocker. Behind him in a tall bookcase are the World Book, the Harvard Classics, Encyclopaedia Britannica (the great "humanist" 11th edition, he later mentions), Dickens, some mysteries by English writer Dorothy Sayers. ("Who reads the Dorothy Sayers?" "Everybody but me.")

Zeidler is 63. His face—well, there is a quality of facelessness about the former mayor that is perhaps even something he cultivates. Gold glasses; graying hair, parted on the side, neatly trimmed; rather sharply whittled nose and mouth; white shirt, black pants, narrow tie; suspenders, which he flexes.

He is the son of a Milwaukee barber and the grandson of a Lutheran schoolteacher from Prussia and, yes, he's an apple not far from the tree. His speech is *echt* Deutsch-Milwaukee, with blunt, clear construction and firmly hammered consonants (ask him to say "Stuenkel"). He writes "Zeidler" with the European crosshatch on the "Z" and it is his one apparent concession in either manner or dress to "style." Otherwise his camoflage is remarkably complete.

How he loves books. Book titles thread his conversation. Repeatedly, he's off to far parts of the house fetching books to show me. He stacks them around me on the couch. Later, I count roughly 30 to 40 titles in my notes. "The thirst to know," he says—that is the unslakable urge that has made him a book fiend and library addict all his life. There are many ways to learn but no substitute, he says, for "time well spent in a library."

"In the libraries of the world you can read the greatest intellects there are. They possess knowledge which you in all your lifetime cannot invent or perceive."

Looking down the long, imaginary card file of his life's reading, Zeidler finds three periods of great excitement. One is now: "The reading I'm doing now in modern physics has profound implications for all of human philosophy." The first was in his early reading days: "My brother Clem took me down to the children's room of the main library and I read about the knights of old, Roman history, that was the stuff that they had for kids then." The third was as a teenager in the late 1920s and '30s, when he bumped heads with Norman Thomas, Kirby Page, Devere Allen, Harry Laidler—the great Socialist writers—and formed as he puts it, "what are sometimes called my left wing tendencies." His wintry look melts when he thinks about it.

"It was at the old Merrill Park library on 35th and Clybourn. It's gone now, but that was a nice little library. It was an old movie theater. The front was a library and the back was a testing lab for the city cement works. That was what we kids did then—we went to the library; those were the Depression years."

Was it a transforming experience, reading the Socialists?

"No, they appealed to something that was already in me. Instinctively from my earliest years I didn't like war and fighting. The Socialists were pacifists, they wrote about a utopian society. Now, with my new readings, I take my old views and fit 'em into a larger framework."

It's a comfort to learn that even a Great Reader shares some of the workaday reader's conflicts. Zeidler worries that he may read too electrically ("If I had it to do over I'd read more math; that's where I realize there are brains much greater than mine—it's a pleasure to know that, too"), that he may not reflect enough on what he reads ("But there's always the feeling you gotta get something done"), that he doesn't savor style ("I read for practical information"). He keeps a record of his readings and estimates that he "reads or scans thoroughly" a book a day. He reads thin or familiar material "in shorthand" and "cluster reads" around a new topic: "If I want to get hep to a subject I read at least five, six books on it within two weeks."

What's your idea of a really rotten read, Frank?

The answers come piecemeal: Books by extremists of either the right or left. Most modern novels ("They're dull, they have an artificial striving at colorful style"). Books exalting crime, violence, Robert Welch. "Portnoy's Complaint."

What's the best, the optimum read? No hesitation: A fresh document or treatise still in mimeographic form. "I exchange papers with my pals around the country. The most advanced stuff, the cutting edge of knowledge is still in mimeograph. If it's coded and in hard covers, it's already a little stale."

At last (thought he'd never ask). Zeidler offers a tour of some of his files and work space, and leads the way to a narrow hall at the back of the house. Zeidlers occupy both upper and lower apartments of their duplex and its clear that as the six Zeidler children grew older, moved upstairs and eventually out into the world, their father had no trouble filing up the extra space. We enter now a room which only Zeidler, and maybe Gutenberg, could love; a room that alone should be enough to secure Agnes Zeidler's canonization. Tall metal bookcases sag with a small Pentagon's share of books, papers, documents. On the floor, a knee high stack of back newspapers awaits scanning and clipping. Bulging cardboard Portafiles and a row of Mrs. Zeidler's Infant Fels boxes makes an heroic attempt at containing miscellaneous clutter. Zeidler, of course, knows the place like his pocket.

"Here's some stuff on Milwaukee, these are some things on the Soviet Union. . . ." He taps the shelves, ". . . American government resources, computers, the trade union movement, population and regional planning, the United Nations."

Back out in the hall he opens a standing metal cupboard: "Paperbacks from a seminar I taught." I spot "Future Shock," "2001," "1984," "Here's a major mindshaper, this one here," he says, handing me Arnold Brecht's "Foundations of Twentieth Century Political Thought." "And this one here, 'Sand County Almanac,' this ought to last longer than Thoreau."

"In here are my more lively files," he says, opening the door to a second room—as paper laden as the first, only with a desk, and there indeed in the typewriter on the desk is that interrupted four page letter—single spaced and clean as a whiste, I note. "The stuff on the shelves in here is ephemeral and fugitive material," Zeidler continues, smiling. "It's tidbits. It's floating. Only I reach out and hold onto it."

Ho-ho. Here we are, then—this is the hot stuff, the advanced stuff, the soft cover, mimeo stuff at the "cutting edge."

"Ach, there's so much a guy should read," says Zeidler, snapping off the light and leading the way out. "The trouble is, the fields overlap. . . ."

The Great Reader touches a few more bases during this Monday morning book report:

Television: "I'm a radio listener, you can work and listen."

Movies: "In 1927 when I was a kid goin' to high school I went to a theater and saw a gangster film. I came out and I thought, I should spend money on this? The way I feel about most movies is I can wait ten years to see 'em on TV."

Readers, Where to Find Them: "I'm always surprised at where they turn up. Often they're obscure people, quiet people. They're listeners. They have a sense of security about themselves so they don't have to be talking and urging arguments all the time."

Reading/Learning—A Shield and Comfort?: "No, you need a sense of belonging to someone, somebody to talk to, when you're really in trouble."

Current Library Project: "I'm working with the National Archives trying to learn more about how my brother Carl disappeared." (Carl Zeidler, Frank's older brother, was mayor of Milwaukee from 1940 to '42; a World War II Naval officer, he was lost at sea near South Africa in late 1942.) "So far I've had four conflicting reports. Most show he went down between Oct. 28 and Nov. 1, near Capetown. Now there's a notation in an obscure record of the Coast Guard that might lead to something."

Throughout our discussion, I've been trying to uncover some chink, some lapse, in Zeidler's lofty literary tastes, a couple of taco chips in that high protein book diet. Even the leisure reading he's mentioned has a serious flavor: Solzhenitsyn, the science fictionist Arthur Clarke, Frances FitzGerald's "Fire in the Lake."

I try again: "What do you read for relaxation?"

"Well, I read The Bulletin of Atomic Scientists. . . ."

I give up and go home.

Later, despite his injunction to "trail

Manny Gottlieb; there's a guy who can really research!" (Gottlieb, a friend of Zeidler's, is a professor of economics at UWM), I shadow Zeidler during one of his regular raids on the main library. Topic of the day, to be researched for a paper he will submit voluntarily to a committee of the National Civil Service League: "The Public Interest, What Is It? How Does It Relate to Public Employment?"

First stop, the card catalog. Zeidler pulls out a stack of used envelope backs (halved) and begins jotting down titles and authors. He muses over the index cards: "Did you ever think of all the hand labor it took to put this all in order? I always think of that when I ride the railroad, too: Every tie plate, every spike and tie laid in by hand."

Now to the bookshelves. He's excited, absorbed. The authors of the books he's looking for include Aristotle and Wisconsin Sen. William Proxmire. Bibliographies in one book lead to more books. "You've got to browse, got to browse," he says, squinting fiercely as he combs the shelves. He picks out a slim volume and murmurs, "Ah! A goodie."

Now, upstairs to check periodical indexes for recent articles on his subject ("slim pickin's"), downstairs for a quick circuit of the new book room "(I never can resist coming in here") and to checkout: About a dozen books go into the big leather briefcase and Zeidler is off with a friend to tape his weekly radio broadcast at UWM.

Action—contemplation. Book learning—street savvy. They are slippery to combine and few do it successfully.

If it can be said of Milwaukee that one who was first at City Hall is also first at the library, that might be a high compliment for a city, indeed.

ZIEDLER'S RECOMMENDED BOOKS

FICTION

Clarke, Arthur, "Reach for Tomorrow."

Sajer, Guy, "The Forgotten Soldier."

Shaara, Michael, "The Killer Angels."

NONFICTION

Boulding, Kenneth, "The Meaning of the Twentieth Century."

Brecht, Arnold, "Political Theory: The Foundations of Twentieth Century Political Thought."

Eckstein, Gustav, "The Body Has a Head."

Guillemin, Victor, "The Story of Quantum Mechanics."

Jackson, Barbara Ward, "Spaceship Earth."

Leopold, Aldo, "Sand County Almanac."

Mumford, Lewis, "The City in History," "The Myth of the Machine," and "The Pentagon of Power."

Schmidt, Dana Adam, "Armageddon in the Middle East."

WORLD FOOD SHORTAGE

Mr. LEAHY. Mr. President, no Member of the Congress has shown more compassion, expressed greater concern, or done more to help solve the world food shortage than the distinguished senior Senator from South Dakota. As Director of the food for peace program in the Kennedy administration, as a member of the Committee on Agriculture and Forestry, and as chairman of the Select Committee on Nutrition and Human Needs, Senator McGOVERN has for years battled to assure a nutritionally adequate diet for every American—children in particular—and for rational programs to provide food for the hundreds of millions of hungry people in underdeveloped countries.

In a speech before the National Conference on Rural America on April 14, 1975, Senator McGOVERN in concise and cogent terms outlined the failure of administration food policies which neglect hungry citizens at home and reject the needs of those who are starving abroad. He pointed out the need for developing a comprehensive national nutrition policy to assure enough food for every American, to remedy the concentration of economic power in the farm and food industries, and to stop the misallocation of our food exports for political purposes.

Mr. President, yesterday was National Food Day—a day which hopefully will encourage people across the land to think long and hard about the magnitude of the world food shortage and what can be done to solve the problems raised by it. In his address, Senator McGOVERN has again provided a rational approach to some of the critical decisions that must be made. I commended his speech to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR McGOVERN AT THE NATIONAL CONFERENCE ON RURAL AMERICA

I am not certain how many words have been spoken about hunger.

I sometimes have the feeling that if words were food, no one on this earth would be hungry.

Yet those of us who speak of it here, though we may say many things, cannot truly sense either the evil or the danger of world hunger. For a world in hunger is composed of separate human beings, each of them as important as any of us, who know they are quite literally living their last days, and whose last days are a living death.

Each of them must be in our mind's eye as we enumerate the statistics of world starvation; otherwise, the statistics may cover up too much as they sum up all the facts.

Here then are some terrible truths of human hunger today.

There is now less food per person worldwide than there was in the midst of the Depression 40 years ago.

Every day 10,000 people die of malnutrition.

A third of the children in the poor countries die before the age of five, and hunger is the primary cause of half of these deaths.

Two-thirds of the children who survive are deprived by malnutrition of the opportunity to realize their full potential.

The poorest fourth of the globe is literally locked out of the agricultural economy, with its ability to compete constantly lessening.

This human toll is tragic. It is tragic because it is preventable. It is tragic because a few have more than they need, and so many have too little, or nothing at all.

Even within our own rich country, there is another country of hunger and malnutrition.

Each day 10 million American children must rely on a free school lunch, because they come from low-income families and cannot afford to purchase their noon meal. In many cases this is their only adequate meal at any time of any day.

The early results of medicaid screening tests show all of the most prevalent health problems of our children to be diet-related—tooth decay, anemia and obesity. Millions of them are unhealthy because they are malnourished.

America ranks below the top ten nations in the rate of infant survival; and the number of deaths at birth, low birth weights, and birth defects, all directly related to diet, are highest among the poor and minorities. We have heard it said that America must be second to none in the power to kill. But we will be a greater land when we decide that America must become second to none in the power to save the lives of our own young.

Here and abroad, this generation now faces a future of continued malnutrition, starvation, and human despair. This future is not fated for us, but chosen by us. We can choose otherwise. The earth has not failed: We have the capacity to produce the needed food. Policy has failed. We are not producing and distributing the food by the guidelines of common sense and integrity.

Our Food for Peace program, which I had the privilege of directing under President Kennedy, is the principal American source of help for the hungry beyond our own borders.

Yet in the last few years, Food for Peace has become too often a pawn of diplomacy, a means of war. Without debate, or votes by Congress, or public discussion, more than half of Food for Peace has been misallocated for political purposes in places such as Vietnam, Cambodia, Laos, Malta, and Jordan. Doing indirectly with food what it is forbidden by law to do with guns is a cynical twisting of the intent of Food for Peace.

Also our fertilizer aid has been misdirected. Over half of our scarce fertilizer aid in the last few years has been diverted to South Vietnam.

The donated commodities, or Title II foods, have been proportionally reduced in recent years, as shortages have set in. The number of people receiving this food has also declined. No one in government seems willing to discuss the steps necessary to insure an adequate supply of food during periods of shortage.

And when the Congress moved to prevent the political misuse of food assistance, the Administration responded by opening a loophole in the law. The legislative branch limited the amount of food shipments which could be sent to nations not on the United Nations list of the most needy countries to 30 percent of our total aid. The executive branch then raised the total so it could increase the amount of political aid. And now the Assistant Secretary of State has virtually admitted to the Foreign Relations Committee that increased food allocated to shortage nations will not in fact be shipped to them—due to "logistical difficulties" or "commodity availability." In this kind of technical gameplaying what is lost is human life. If administration officials can find the guns and the vehicles to carry them to a hopeless cause in Vietnam, then they can find the food and the transportation to take it to hungry people in South Asia.

The point is clear: Our overseas food aid effort must be made part of our national planning and production program, so that the American taxpayer and the hungry of the world know what to expect, and their expectations can be met. Food must be sent where it will alleviate suffering and develop agriculture, not to regimes with whom secret deals have been made, or dictatorships Congress has refused to aid.

The Administration's policy neglects hungry citizens at home as it rejects the needs of so many who are starving abroad. The most recent attack has been against the Child Nutrition Programs.

These programs feed thirty million American infants, school children and nursing mothers each day. They operate through schools, summer camps, preschool facilities, and health clinics. They improve the health of our sons and daughters, support the farmer by purchasing his harvests, and employ tens of thousands of people in local communities. I think of a more decent, more sensible way to spend tax dollars.

Yet, this year the Administration has proposed eliminating many of the Child Nutrition programs and drastically reducing others. This would set back thirty years of progress in delivering food to that one-third of the nation which was ill-fed.

I have introduced legislation to sustain and strengthen the Child Nutrition Programs, and hearings will be held before the Senate Agriculture Committee next week. I am hopeful the Administration's cutbacks will be restored.

But this kind of fight is ridiculous. We should be working with the Administration to assess the health impact of nutrition, to allocate more for those who are most in need. Instead, each year we have to rejustify another chance for long-term planning to protect our children, our farmers, and our consumers.

On child nutrition, it is appropriate to repeat a suggestion I made to Secretary Butz when he appeared before the Agriculture Committee a few weeks ago to answer our questions about his administration of food stamps.

These programs do not work as they should because a Secretary of Agriculture who philosophically opposes them does not want them to work. In fact, a Federal district judge recently used the words, "total failure," to describe the Secretary's compliance with Congressional directives on food.

Well, those directives are the law of the land. It is not up to the Secretary of Agriculture to decide which programs to carry out and which to ignore. His job is to administer the law. And I suggested to him earlier this year that if he doesn't like the law, then the proper answer is for him to resign, and perhaps run for Congress, so he can try to change the law.

In addition to supporting current programs, the United States must develop a comprehensive national nutrition policy.

We need a national nutrition policy to reap the blessings and lift the burdens, for example, of cyclical excess grain supply, by expanding humanitarian food aid and creating a federal grain reserve. We can also expand demand by filling empty stomachs in our own land.

By transferring food from the field to the domestic market of the poor, through the use of food stamps, child nutrition programs and the food program for the elderly, the hungry of American can be fed as the farmers of America achieve and maintain a decent income.

In addition, a national nutrition policy must deal with the concentration of economic power in the farm and food industries.

It is an old story for the farmer. Whether he buys or sells, he is dealing with prices that are dictated somewhere else.

Monopolies in farm machinery, fertilizer, and fuels inevitably stifle competition and inflate costs.

Once the food is produced, both the farmer and the consumer must deal with the raw economic power of giant corporations in between.

Now the same forces are moving on the farm as well. Farming has become a tax loss enterprise or investment for the wealthy. Processors have been buying in, to tighten still further their control of American food.

We must move in all of these areas to restore true competition. The question is not one of government intervention; it is whether government will intervene on behalf of the profiteers, or on behalf of the people.

Most of all, the foundation for a sound nutrition policy must be found in a renewed national commitment to the role of family agriculture.

Some Americans believe that bigger is invariably better; that economies of scale work endlessly; that the family farm must inevitably give way to factories in the field.

I believe just the opposite. For we know, and the experts are now beginning to admit, that the blessing of abundance can best be found on family farms.

That is true both at home and abroad—whether we are talking about South Dakota or South Asia. The promotion of large-scale capital intensive agriculture in less developed countries does the same thing it does here—it forces people from the land into the cities where there are no jobs, it inhibits food production, and it encourages an agricultural structure which exploits the many to earn riches for the few.

So we must continue to struggle to lift the curse of agribusiness from ourselves. At the same time, let us redesign our aid programs, so we will not inflict the same curse on others.

When agriculture is made to work in the common interest, then I believe a new life and spirit will enliven and prosper rural America.

So I want to say, finally, that what you have planned here for this week excites me. I hope this Conference marks the beginning of a permanent lobby organized around rural interests. No more important task exists. The message of rural America must be heard—heard now and finally heeded.

Thomas Jefferson long ago warned that a sound agriculture is indispensable to a strong government, a sound nation must be based on an agricultural economy that is operated with compassion, that is operated with the purpose that all people here and abroad shall have enough to eat.

Only in this way can we protect our own standard of life. And more, we will help our country to earn the judgment of history that in a time of world famine, we renewed the promise of America—that when hunger moved across the earth, we began again the last, best hope of earth.

UNITED STATES OUTSPENT CHINA AND U.S.S.R. IN INDOCHINA 15 TO 1

Mr. PROXMIRE. Mr. President, the issue of how much Indochina aid is enough is easily answered by the statistics contained in today's Washington Merry-Go-Round article by Jack Anderson and Les Whitten.

The facts are staggering. Counting both economic and military aid, the United States supplied the South Vietnamese with at least $140 billion in assistance while the North Vietnamese received $9.3 billion from both the U.S.S.R. and People's Republic of China.

This means we provided 15 times as much aid, military aid particularly, to South Vietnam as the Russians and Chinese together provided to the North Vietnamese.

Think of what this meant to the policy planners in Moscow or Peking. They engaged a war by proxy with the United States that cost one-fifteenth as much and turned out more successful. The "hows and whys" of this unequal exchange will become the lessons of this war.

Mr. President, I ask unanimous consent that the Jack Anderson and Les Whitten article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, April 18, 1975]

U.S. GENEROUS IN SUPPORT OF S. VIETS

(By Jack Anderson and Les Whitten)

There have been bitter recriminations in Saigon and Washington that the United States is to blame for South Vietnam's military setbacks. It sounds, indeed, as if the great debate is beginning over who "lost" Vietnam.

At the Pentagon, a general complained to us that "we had the war won" until President Nixon started bringing home the American troops.

Defense Secretary James R. Schlesinger suggested that South Vietnam would be fighting better "if we had been less niggardly with our aid."

And South Vietnam's Ambassador Tran Kim Phuong went on U.S. television to proclaim that it is safer to be an ally of the Communists than of the Americans.

Before the rhetoric gets out of hand, let's examine the available facts. The latest estimates, compiled by the Central Intelligence Agency, State Department and Pentagon, show that the United States spent 15 times more during the past nine years to support Saigon than the Soviet Union and Communist China spent to help Hanoi.

In total military support alone, the United States outspent the Communists by 34 times.

But the most dramatic measure was in blood, not cash. Not a single Soviet or Chinese soldier, so far as we could learn, fought in the field for the North Vietnamese. But 56,226 Americans died and 153,654 Americans were wounded fighting for the South Vietnamese.

The statistics, compiled by the Indochina Resource Center, offer these additional comparisons:

Since 1966, the Soviets and Chinese have shipped $5.3 billion in economic aid to Hanoi. This is slightly more than the $4.9 billion that the United States gave Saigon. But Communist military assistance to North Vietnam amounted to a paltry $3.95 billion compared to the staggering $135.4 billion in military support that the United States gave to South Vietnam.

The grand totals, therefore, set Communist aid at $9.3 billion, United States assistance at $140.3 billion. The U.S. figures, incidentally, are the most conservative possible estimates. President Ford himself has put U.S. aid to South Vietnam at $150 billion.

Of all the foreign money pumped into both Vietnams in the past nine years, 93.8 per cent came out of the pockets of the American taxpayers.

Since the Paris peace accords were signed in January, 1973, the United States has spent $6.6 billion to keep the war going. Russia and China have contributed only $2.7 billion to the Communist side during the same period.

Since 1945, the United States has donated $128.5 billion to 131 nations and territories. Of this total, a generous $22.5 billion, or 17.5 per cent, went to South Vietnam. This was far more than any other nation received.

In sum, the American people have supported South Vietnam far more generously than the Communists have supported North Vietnam.

Footnote: Although we have quoted the CIA estimates accurately, a CIA memo adds this caveat: Communist aid "is not equivalent to—and hence not comparable with—U.S. appropriations for military and economic aid to South Vietnam." One reason, said the CIA, was because its information "is very spotty."

Mr. PROXMIRE. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Is there further morning business?

AUTHORIZATION FOR COMMITTEE ON FOREIGN RELATIONS TO FILE REPORTS DURING ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to file reports from the close of business today until the Senate convenes on Monday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. GLENN) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

SUPPLEMENTARY REPORTS REVISING DEFERRAL REPORTS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate a message from the President transmitting nine supplementary reports that revise deferral reports sent to Congress in the fall of 1974, which, with the accompanying reports, were referred, jointly, to the Committees on Appropriations, Budget, Public Works, Agriculture and Forestry, Armed Services, Labor and Public Welfare, Interior and Insular Affairs, Commerce, Finance, pursuant to the order of January 30, 1975. The message is as follows:

To the Congress of the United States:

As required by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), I am transmitting nine supplementary reports that revise deferral reports sent to the Congress in the fall of 1974. I am also transmitting herewith reports on one new rescission and two new deferrals for the fiscal year 1975.

GERALD R. FORD.

THE WHITE HOUSE, *April 18, 1975.*

PROPOSED RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate a message from the President of the United States transmitting four new proposed rescissions and six new deferrals, which was referred to the Committees on Appropriations, Budget, Labor and Public Welfare, District of Columbia, Armed Services, jointly, pursuant to the order of January 30, 1975. The message is as follows:

To the Congress of the United States:

I herewith report four new proposed rescissions and six new deferrals as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting two supplementary reports which revise deferral reports made to the Congress in previous special messages.

Five of the reports contained herein are withholdings in the fourth quarter of funds authorized under the Continuing Resolution for the Department of Health, Education, and Welfare. Resolution of two of these items might be better served by action upon the Administration's appropriation request for health planning and emergency school aid in the Second 1975 Supplemental Appropriation bill now pending before the Congress.

The items I am submitting in this special message, along with other actions I have already proposed, provide a means of restraining budget outlays and thereby can help hold the fiscal year 1976 budget deficit within reasonable bounds. When I signed the tax reduction bill on March 29, 1975, I noted that the estimated 1976 deficit had reached about $60 billion and was threatening to go as high as $100 billion. Such an enormous deficit could generate another inflationary spiral and might well choke off any economic recovery. I will continue to resist every attempt to add to the deficit.

The details of the rescission and deferral reports are attached.

GERALD R. FORD.

THE WHITE HOUSE, *April 18, 1975.*

MESSAGE FROM THE HOUSE

At 11:33 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 46) to provide for the development and implementation of programs for youth camp safety, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following letters, which were referred as indicated:

Work Plans for Upstream Watershed Protection

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, four work plans for upstream watershed protection (with accompanying documents); to the Committee on Agriculture and Forestry.

Proposed Supplemental Appropriations for the District of Columbia as Doc. No. 94–35)

A communication from the President of the United States transmitting proposed supplemental appropriations for the fiscal year 1975 in the amount $52,008,500 in District of Columbia funds for the District of Columbia (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Release of Impounded Budget Authority

A letter from the Assistant Comptroller General, reporting, pursuant to law, release of impounded budget authority required to be made available for obligation by section 1012(b) of the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Commerce, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

Study on Strategic Airlift Crew Ratio Increases

A letter from the Secretary of Defense, transmitting, pursuant to law, a study on strategic airlift crew ratio increases (with accompanying papers); to the Committee on Armed Services.

Construction Projects Proposed for the Army National Guard

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, twenty construction projects proposed to be undertaken for the Army National Guard (with accompanying papers); to the Committee on Armed Services.

Report on Passenger Screening Procedures

A letter from the Secretary of Transportation, transmitting, pursuant to law, an initial semi-annual report concerning the effectiveness of passenger screening procedures (with an accompanying report); to the Committee on Commerce.

Report on Analysis of Revenue Act of 1971

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, an annual report setting forth an analysis of the operation and effect of the provisions of title V of the Revenue Act of 1971 (with an accompanying report); to the Committee on Finance.

Reports of the Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on ways to improve resource management in the District of Columbia by greater use of productivity techniques (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on ways to improve management of automated data processing resources, Department of the Navy (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on airlift operations of the Military Airlift Command during the 1973 Middle East War (with an accompanying report); to the Committee on Government Operations.

Work Plans for Upstream Watershed Protection

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, four work plans for upstream watershed protection (with accompanying documents); to the Committee on Public Works.

Proposed Legislation To Amend the Pennsylvania Avenue Development Corporation Act

A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting a draft of proposed legislation to amend the Pennsylvania Avenue Development Corporation Act of 1972 (Public Law 92–578), as amended (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Plan for Use and Distribution of Jicarilla Apache Judgment Funds

A letter from the Secretary of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of Jicarilla Apache judgment funds awarded in docket 22–K before the Indian Claims Commission (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Contract for a Research Project With Solar Division of International Harvester Co.

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Solar Division of International Harvester Co., San Diego, Calif., for a research project entitled "Development of Low-Cost, High-

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Strength Hot-Corrosion-Resistant Iron Aluminum-Base Alloys" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Contract for a Research Project With Pittsburgh & Midway Coal Mining Co.

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Pittsburg & Midway Coal Mining Co., Kansas City, Mo., for a research project entitled "Specialized Reclamation Field Test" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report on Constitutional Aspects of the Right to Limit Childbearing

A letter from the Chairman and Commissioners, United States Commission on Civil Rights, transmitting, pursuant to law, a report on Constitutional Aspects of the Right to Limit Childbearing (with an accompanying report); to the Committee on the Judiciary.

Proposed Legislation To Extend Appalachian Regional Development Act of 1965

A letter from the Federal Cochairman, the Appalachian Regional Commission, transmitting a draft of proposed legislation to extend the Appalachian Regional Development Act of 1965 (with accompanying papers); to the Committee on Public Works.

Proposed Improvements to the New Building Occupied by the U.S. Tax Court, Washington, D.C.

A letter from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes improvements to the plaza and completion of a pedestrian bridge to the new building occupied by the U.S. Tax Court in Washington, D.C. (with accompanying papers); to the Committee on Public Works.

Proposed Legislation To Extend and Improve the Program of Exchange of Medical Information Between the Veterans' Administration and the Medical Community

A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes (with accompanying papers); to the Committee on Veterans' Administration.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Glenn):

Five petitions seeking a redress of grievances from the Statewide Committees Opposing Regional Plan Areas of Terre Haute, Ind.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the Statewide Committees Opposing Regional Plan Areas, of Stayton, Oreg.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the Texas Taxpayers, Inc., of Dallas, Tex.; to the Committee on Government Operations.

Mr. PASTORE. Mr. President, I send to the desk for myself and my colleague, Senator Pell, a resolution adopted by the General Assembly of the State of Rhode Island memorializing the Congress to extend the funding for the minibus program for the elderly and ask that it be printed in the Congressional Record and referred to the proper committee.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution, which was referred to the Committee on Appropriations, is as follows:

Senate Resolution Memorializing Congress to Extend the Funding for the Mini-Bus Program for the Elderly

Whereas Rhode Island's congressional delegation has consistently supported the creation of new programs for the benefit of the elderly; and

Whereas one of the most successful of these programs, the mini-buses, has provided the elderly of Rhode Island with a means of transportation, without which the elderly would be unable to travel to shopping and recreational areas; and

Whereas unless funding is extended, the mini-bus program will terminate this spring, depriving Rhode Island's senior citizens of the many benefits produced by the program: Now, therefore, be it

Resolved, That this Senate of the State of Rhode Island and Providence Plantations hereby respectfully requests the Congress of the United States to extend the funding of the mini-bus program; and be it further

Resolved, That the secretary of state be, and he is hereby, authorized and directed to transmit duly certified copies of this resolution to the Members of Congress from Rhode Island.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the Senate of January 27, 1975, the following report of a committee was received on April 17, 1975:

H.J. Res. 375. A joint resolution making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration and for other purposes (Rept. No. 94–82).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAYH, from the Committee on Appropriations, without amendment:

S. Res. 69. A resolution disapproving the proposed deferral of budget authority (Together with additional views) (Rept. No. 94–83).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs, with amendments:

S. 409. A bill to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes (Rept. No. 94–84).

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with an amendment:

S. 834. A bill to provide that moneys due the States under the provisions of the Mineral Leasing Act of 1920, as amended, derived from the development of oil shale resources, may be used for purposes other than public roads and schools (Rept. No. 94–85).

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. 1483. An original bill to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes (Rept. No. 94–86).

Mr. PROXMIRE. Mr. President, from the Committee on Banking, Housing and Urban Affairs, I report favorably a committee bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for promulgation of building energy conservation standards, and for other purposes, and I submit a report thereon. I ask unanimous consent that the report be printed, together with individual views, and that the committee have until midnight tonight to deliver the copy for printing purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE REVIEW ACTIVITY—REPORT OF A COMMITTEE (REPT. NO. 94–87)

Mr. WILLIAMS, from the Committee on Labor and Public Welfare, submitted a special report on its review activities during the 93d Congress, pursuant to section 136 of the Legislative Reorganization Act of 1946, as amended, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Joseph F. Hinchey, of Pennsylvania, to be a member of the National Credit Union Board.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—S. 216

Mr. DOMENICI. Mr. President, I ask unanimous consent for a star print of S. 216, a bill I introduced on January 17, to amend the Gun Control Act of 1968 to provide for a separate offense and consecutive sentences in felonies involving the use of a firearm.

There was a typographical error in the bill as originally printed, which is corrected in the bill I send to the desk for printing as a star print of Senate bill 216.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE BILL REFERRED

The following House bill was read twice by its title and referred as indicated:

H.R. 46. An Act to provide for the development and implementation of programs for youth camp safety; to the Committee on Labor and Public Welfare.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROTH:

S. 1471. A bill to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or

ammunition. Referred to the Committee on Commerce.

By Mr. DOLE:

S. 1472. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of professional standards review of health care services; to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions; and to protect the confidentiality of medical records. Referred to the Committee on Finance.

By Mr. HUMPHREY:

S. 1473. A bill to establish a National Domestic Development Bank to provide an alternative source of credit to State and local governments for the purpose of financing public and quasi-public facilities of all types, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOMENICI (for himself and Mr. Stafford):

S. 1474. A bill to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to encourage full recovery of energy and resources from solid waste, to reduce waste, to control the disposal of hazardous wastes, and for other purposes. Referred to the Committee on Public Works; and, if and when reported by that committee, to the Committee on Commerce, by unanimous consent.

By Mr. PROXMIRE (for himself, Mr. Sparkman, Mr. Williams, Mr. Tower, Mr. Biden, Mr. Brooke, and Mr. Dole):

S. 1475. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a Central Liquidity Facility for Federal and State credit unions, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. TAFT:

S. 1476. A bill to amend part I of the Interstate Commerce Act in order to revise the procedures for the abandonment, discontinuance, or change of operations or services, and for the establishment or revision of rates, fares, and charges for the transportation of property, by common carriers by railroads. Referred to the Committee on Commerce.

By Mr. McCLURE:

S. 1477. A bill for the relief of Beatrice Serrano Toledo. Referred to the Committee on the Judiciary.

By Mr. JAVITS:

S. 1478. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. WILLIAMS (for himself, Mr. Javits, and Mr. Cranston):

S. 1479. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers. Referred to the Committee on Labor and Public Welfare.

By Mr. PEARSON (for himself and Mr. Tunney):

S. 1480. A bill to regulate commerce by providing annual awards to individuals who advance science and technology through remarkable and notable inventions and discoveries. Referred to the Committee on Commerce.

By Mr. BELLMON:

S. 1481. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social security taxes. Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. McGee, Mr. McGovern, Mr. Metcalf, and Mr. Mondale):

S. 1482. A bill to carry out a coordinated agricultural energy research program through the State agricultural experiment stations, and for other purposes. Referred to the Committee on Agriculture and Forestry, by unanimous consent.

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

S. 1483. An original bill to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes. Ordered placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 1471. A bill to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition. Referred to the Committee on Commerce.

Mr. ROTH. Mr. President, I am today introducing legislation to prohibit the Consumer Product Safety Commission from taking action which amounts to back-door gun control by ruling that firearms ammunition is a dangerous or hazardous substance.

The Commission last year wisely rejected a petition seeking such a declaration. It found that the backers of the petition were merely using this device to gain their real aim—restrictions on the traditional rights of American citizens to own guns.

However, a recent ruling by a Federal court in the District of Columbia forces the Commission to again consider this back-door petition.

My bill would prohibit the Commission from making any ruling or issuing any order that restricts the manufacture or sale of firearms, firearm ammunition or components of firearm ammunition, including black powder or gun powder.

In my view, Mr. President, the Congress, in establishing the Consumer Product Safety Commission, made it clear that the Commission was to take no action respecting firearms. In its decision of last year with respect to the petition, the members of the Commission recognized that congressional prohibition.

Nevertheless, in order to leave no doubt whatsoever in anyone's mind on this subject, I urge the support of all Senators for this legislation.

By Mr. DOLE:

S. 1472. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of professional standards review of health care services; to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions; and to protect the confidentiality of medical records. Referred to the Committee on Finance.

Mr. DOLE. Mr. President, during the last Congress, I introduced S. 3589—a bill to make what I considered some very desirable changes in the Professional Standards Review Organization provisions of the Social Security Amendments of 1972.

Inasmuch as no significant legislative action was taken with respect to the PSRO modifications called-for in that proposal, I have chosen to reintroduce the measure for consideration again this year. Certainly, the need for the revisions it contemplates is just as great as—and perhaps even greater than before, since we are rapidly approaching the currently-designated implementation date.

EXTEND STARTUP DEADLINE

That brings me to the first major purpose of my bill: to extend from January 1, 1976, to July 1, 1978, the time by which physician organizations would have to put the PSRO program into action. I think it is clear by now that in order to "gear up" for the extensive activities required under PSRO, both HEW and affected physicians are simply going to have to have more time—and the startup deadline which I am suggesting seems entirely appropriate for the awarding of contracts and the like.

Along the same line, the bill would have the National Professional Standards Review Council conduct a study to review the extent of professional participation in the implementation of the PSRO program. This study would aid in determining whether, and under what conditions, other agencies would be allowed to serve as PSRO's.

AREA DESIGNATIONS

I think that is an essential clarification, as is the interpretation of what may constitute a single PSRO area. That is, the present law has the effect of eliminating many States from designation as a unified area—even though it would obviously, in numerous instances—be advantageous to obtain the coordination and expertise possible from such an arrangement.

For that reason, I have specified in my proposal that an entire State may be a single PSRO area regardless of the number of physicians within it. I have likewise provided a mechanism whereby local input—either by providers or their representative organizations—regarding area designations would be directed to and considered by the Secretary.

LOCAL REVIEW DISCRETION

Where a single State designation is made, I am stipulating that the review function would have to be performed locally by approved review units. At the same time, the bill I am introducing would allow local PSRO's generally more discretion in carrying out their review activities; for example, they would have the flexibility to determine what they feel is necessary and advisable in evaluating provider and patient profiles on either a regular, sample, or related basis.

Also on the subject of review, the bill would repeal present authority for preadmission judgments on elective procedures—in a hospital or other health care facility—as well as certain other courses of treatment enumerated in the law. Although the overwhelming problems created by this type requirement have been addressed to a certain degree by recent

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regulation, it is essential that we leave no question about the intent in the statutory language.

NORMS AND CONFIDENTIALITY

In response to a widespread concern that norms established under PSRO law might develop into rigid standards of medical care, I have set out in section 4 of my bill that these should be used as guidelines in making initial evaluations and reviews. In this way, we would assure that such "norms" not be used as substitutes for the medical judgment of individual physicians in the delivery of health care services.

There has also been a great amount of anxiety expressed over the potential impact of full-scale medical records review. Accordingly, I have included in this proposal extensive provisions designed to safeguard the confidentiality of the vast amount of physician and patient information with which PSRO's will be involved.

EQUITY IN ENFORCEMENT

Another part of the present PSRO law which, I feel, should be reevaluated is that relating to procedures and penalties for violations. Specifically, current language requires that every violation be reported and that harsh sanctions be imposed—regardless of the severity of the infraction or the fact that it may have been a first-time offense.

To correct these overly strict and inequitable enforcement provisions, I am proposing that a PSRO organization be required to establish that a pattern of violations exists before holding that a provider is in substantial violation and reporting the matter to the statewide council. Of course, the reporting of individual gross and flagrant violations would not be affected.

In addition to the procedural changes for treatment of obligations—set out in section 5 of my bill—and a system of graduated sanctions, delineated in section 6, I am including an amendment which would delete the provisions of the law pertaining to civil liabilities. I believe such a modification is absolutely imperative if we are to reduce the compelling effect of the norms established under the law; to clarify the application of professionally-developed guidelines—making certain that they do not represent substitutes for medical judgment; and to insure that legal significance of such standards are not misapplied in formal litigation.

INCLUSION OF FEDERAL PROGRAMS

Finally, I am authorizing in my bill that PSRO activities be expanded to include a review of services under Federal health programs other than medicare and medicaid. Specifically, this would bring in both the Public Health Service and the Veterans' Administration, but would extend also to any other federally opened institution or facility providing health care services.

Many physicians—both individually and through their associations—suggested this particular change during Finance Committee hearings on PSRO's last spring. They submitted—and quite properly so, I think—that it was of utmost importance if there were to be a genuine state of fairness and universal application in the PSRO program.

PURPOSE OF AMENDMENTS

In summary, Mr. President, the bill I am introducing today seeks to correct the serious defects in existing PSRO law by improving those provisions which have been viewed as potentially detrimental to the quality, confidentiality, and cost of health care generally. If enacted, it would most certainly provide a more effective administration of our Nation's health care services which come under the purview of Professional Standards Review Organizations.

Since the workability and success of the PSRO law depends to a very great degree upon physician understanding, physician acceptance, and physician cooperation, it is imperative that we work to eliminate the confusion and misunderstanding now surrounding the program. I believe we can do that by bringing about constructive changes in the PSRO concept—changes which would allow the law to be implemented in a manner that would avoid substantial disruption in the practice of good medicine, and thereby protect the best interests of both the American public and the medical profession alike.

REPEAL OR REFORM?

Since I was one of the Senators who voted to strike the entire PSRO program from the original enabling legislation in late 1970, I would be the first to agree that we could probably survive without PSRO and simply repeal the law altogether. Many in Congress have in fact advocated just that.

But the political reality is that we are not going to do away with a program that has not yet been put into effect—especially when there are so many who believe that PSRO represents the last and best chance for physicians to review themselves rather than having to practice under the watchful eye of government clerks. Therefore, I am convinced that my bill takes the most reasonable and effective approach to dealing with PSRO at this time.

I have endeavored, in this proposal, to be responsive to the most basic requirements for reform of a measure which to date has generated some of the greatest concern and controversy ever witnessed among those both directly and indirectly affected by its reach. Hopefuly, it will be accorded early consideration in this Congress as we intensify the discussion of our Nation's health care needs.

By Mr. HUMPHREY:

S. 1473. A bill to establish a National Domestic Development Bank to provide an alternative source of credit to State and local governments for the purpose of financing public and quasi-public facilities of all types, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

NATIONAL DOMESTIC DEVELOPMENT BANK

Mr. HUMPHREY. Mr. President, I am introducing legislation today to create a National Domestic Development Bank. This new financial agency will help assure that the essential public needs of our society get appropriate financial support. The bank will provide new capital resources for public development, undertaken by governments and by essential basic service industries.

When I first introduced this legislation in 1971, the needs of our localities and cities for public facilities were immense and growing every day. A bank such as the one created by the legislation would provide additional capital to the State and local governments to do this work and undertake these projects.

The deficit in public capital expenditure was created largely because there was only one source of municipal borrowing—the municipal bond market. This meant that when credit tightened, local governments, especially those which had been labelled poor risks by the banking establishment, were unable to borrow capital funds at any cost.

By 1966, there had grown a tremendous backlog of public facility requirements throughout the country—schools, sewerage collection and treatment systems, city halls and auditoriums, courthouses and correctional facilities.

If we were to meet our commitments as governments of the people it was clear that another source of capital funds had to be found. I did not feel then, and I do not now feel, that we could allow a shortage of funds to prevent cities from financing needed projects in housing, environment, school and health care facilities and transportation. Neither could we force local governments to raise taxes to pay exorbitant interest costs.

Then, in a major breach of faith with American local government, the second Nixon administration impounded, cut back, destroyed, and undermined the Federal assistance programs which had supplemented local borrowing for many years. Sewage treatment funds were eliminated, urban renewal was dismantled, health facilities construction was purged. There was virtually no assistance for public libraries, for housing, for economic development, for model cities work.

The Ford administration regrettably has continued these shortsighted policies. The budget for the coming fiscal year contained no new programs, except energy development. Its failure to provide additional public service jobs revealed a strong prejudice against programs of public works and public development. No funds were requested for implementation of the Housing and Community Development Act of 1974. Research and development expenditures which could contribute to increased productivity of local governments and aid local initiative in public development are being funded at a level only one-tenth of the size of the same type of expenditure in the Department of Agriculture.

At the same time, administration economic policies have so distorted the economy that many local governments face fiscal disaster. The combination of inflated expenditures and revenue shortfalls have made it impossible for many local governments to exist this year without tax increases, employee layoffs and service cutbacks.

Today in the city of New York there is a financing crisis of unprecedented proportions. It has become literally impossible for that city to borrow from the banks and financial institutions that form the backbone of municipal borrowing under the present system. Last December the banks charged 9.4 and 9.5 percent for city notes. As a consequence of the city's inability to borrow at reasonable interest rates, there will be fewer policemen, less fire protection, less frequent street cleaning, no day care centers, and larger school classes.

The city of New York and its citizens are really the victims of a system of providing funds for public development that sends city governments out into the jungle of high finance, on their own, with only a tax free return and substantial security as an incentive to potential investors. This is not enough.

The United States is a leading partner in international banks, assisting the development of other nations—the World Bank, the Asian Development Bank, and the Inter-American Development Bank.

Why cannot these established principles of international financing be applied in our own Nation? Why cannot this assistance given to other countries to develop public facilities and an economic base, also be extended to our own cities and towns faced with the decline of public services and the outmigration of business?

The National Domestic Development Bank Act proposes that we do, in fact, direct the same form of extensive financial assistance to our critical public development needs at home. It is based on long established principles of public financing. I need only cite the precedents of the Reconstruction Finance Corporation, the Federal Land Banks, the Banks for Cooperatives, the Federal Intermediate Credit Banks, the Rural Electric Bank, and the Rural Telephone Bank.

These institutions were created to bring in capital at a time and place when the need was critical. The same public demand, and the same institutional organization, govern the establishment of the National Domestic Development Bank. Local voters all over the country are asking for prompt, effective action. The cities, townships, and counties and other local governments are eager to take in hand these challenges and improve the communities which they govern and serve. But all too often they come up against a stone wall when it comes to financing these undertakings.

With strong local initiative, which I am convinced is there, and Federal financial help we can take real strides toward solving the current crisis. We can finance the public projects which will provide jobs and vital facilities for our people. We can improve and preserve the quality of life for all Americans.

The intervening years have also brought new crisis for American society, the most debilitating of which has been the astronomical rise in fuel costs which has severe repercussions throughout the society. Instead of having, as in the past, certain geographical areas which suffered from economic, social, or historical barriers to progress and development, we now feel the pressures throughout the country.

To meet the public development demands and the demands of important economic sectors providing basic necessities for the public, we need a bold and imaginative way of mobilizing capital.

The National Domestic Development Bank will offer long-term loans at low rates of interest. The bank's regional offices also will provide planning and technical assistance. Representatives of local governments and economic groups will participate in the operation of these regional offices.

The bank will also make loans available to nonprofit or quasi-governmental organizations which receive Federal funds and pursue public purposes in the construction of housing, medical, educational, and other public facilities. In addition, the bank will provide loans to businesses in geographical areas and economic sectors which are designated by the Council of Economic Advisors for special capital mobilization assistance.

The National Domestic Development Bank will be a national institution sponsored by the Federal Government. But it will emphasize decisionmaking at the local level where the problems are known firsthand. Communities and regions will determine their own development priorities under a comprehensive plan.

The Presidentially appointed Board of Directors will be composed of Federal, State, county, and local officials as well as representatives of the general public.

The bank's lending activities will be carried out directly through regional operating divisions. Each region will have an advisory committee broadly representative of local governments, economic groups, and the public.

The bank I propose will have a primary capitalization of $3.5 billion. This initial capital will be raised mainly through publc stock subscriptions, and dividend income will be partially exempt from the Federal income tax in order to provide an incentive for investors. The lending power of the bank will be multiplied by the issuance of bonds on the national investment market.

National Domestic Development Bank loans will be made for the following purposes:

First, cities, counties, and States will be able to borrow money for basic community facilities at rates comparable to municipal bonds.

Second, 40-year loans also will be available to nonprofit or quasi-governmental organizations receiving Federal funds and pursuing public purposes for the construction of housing, medical, and other public facilities.

Third, loans over a 20-year period will be made to business organizations for economic development purposes in specially designated areas or sectors of the economy. While financial assistance is crucial, it is not enough. To achieve sound community and economic development, the bank will offer technical assistance in the planinng of projects, the coordination of other funding sources, and the integration of current Federal programs with the overall development plans of the community.

And, finally, the National Domestic Development Bank will not just help build facilities; it will also act as a protector of the environment. Too often, public development is merely a way to produce concrete shells. This bank will place a broader responsibility upon its borrowers. It will require that every project plan guarantees that the earth, water, and air will be preserved in their natural beauty and healthfulness.

The bank must also develop the technical and financing expertise that is essential in anticipating the environmental impact of a rapidly changing and expanding technology in the United States. In addition to community and economic development, there is a basic demand in this Nation for substantially increased energy resources and for greatly improved transportation facilities and systems. An escalating pollution hazard will be the natural consequence of intensive efforts to meet these basic needs, unless effective assistance is provided to communities and our various industrial sectors to meet the environmental protection standards that will be increasingly applied and enforced by Government.

It is important, at this point, to emphasize the basic philosophy and objectives of the financing of public developments under this act.

The National Domestic Development Bank will provide an orderly, continuing source of capital funds for our financially beleaguered states and communities.

It will allow us to tackle local financial problems in a rational and comprehensive way of eliminating the stop-start history of public construction.

It will multiply the purchasing power of Federal, State, and local revenues by amassing long-term credit commitments for public construction.

It will facilitate economic development in areas of this Nation confronted with high unemployment.

It is a development program for all the communities of America.

It can mean industrial parks and more jobs.

It can mean good schools, libraries, and medical and hospital centers close to the people.

It can mean an end to the deterioration of our transportation systems and the extensive development of mass transit facilities.

It can mean better police and fire departments.

It can mean parklands and clean water and well-planned waste disposal and treatment facilities.

It can mean comprehensive day care and community service centers.

It can give our people new recreational areas and campsites.

It can provide expanded adult education, job training, and cultural enrichment opportunities.

It can help produce good lower and moderate-income housing, in planned open-space residential neighborhoods.

And it can make possible an overdue start on the renewal of business centers in our small towns and core cities.

The National Domestic Development Bank Act can launch a comprehensive attack upon urban and rural blight. It can trigger new private investment and provide jobs in a slumping economy.

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The list of needed public development has no end.

We have neglected public development too long. And, we have succeeded in becoming a Nation that is privately wealthy but publicly poor.

The time to redress that imbalance is now.

Revenue sharing can bring only partial relief to the fiscal crisis facing our State and local governments.

In 1968, the Bureau of the Budget estimated capital financing needs for public development would reach $528 billion over a 10-year period. With inflation and a rising public demand for improved services, it is now expected that this public facility construction cost estimate will more than double within a decade.

Money costs will be higher and so will the already high price of municipal bonds. It is time that we changed our antiquated methods of financing public construction to meet the mounting needs of our growing population.

The bill I am introducing today evolved from my work with mayors, county commissioners, and other local officials, when, as Vice President, I maintained a continuous and direct liaison with local governments in the channeling of Federal assistance to meet their immediate problems.

Based on this firsthand experience, it is my firm conviction that the cost of inaction, the cost of permitting the public needs of America to pile up unmet, is too great a price to pay.

The cost to the Federal Government in establishing the National Domestic Development Bank will be a small fraction of the development value the Bank can generate.

Let us begin now on our urgent domestic agenda.

Let us begin now to shape our future, to build an America that addresses both the physical needs of our people and the spirit of man as well.

Mr. President, I ask unanimous consent that the text of the National Domestic Development Bank Act, a section-by-section analysis, and a question and answer description of the act be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Domestic Development Bank Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that—

(1) population increases and rising demands for a safe and prosperous life have created an unprecedented demand for (A) basic community facilities, such as streets, schools, hospitals, housing, water, sewer, waste disposal, and mass transit facilities, and parks and playgrounds, (B) economic development in urban ghettos, disaster areas, and labor surplus areas, as well as in new towns and new cities; and (C) economic health of basic sectors of the economy which provide essential services and goods to the public;

(2) the existing institutional structure for providing funds—the municipal bond-Federal grant arrangement—cannot provide at reasonable cost the amounts necessary to satisfy these growing demands. The financial needs of our growing communities require the full mobilization of skills and resources in all levels of government, Federal, State, and local, as well as in the private sector; and

(3) the most effective use of funds can only be made when information and technical expertise regarding engineering requirements, financial and economic factors, Federal programs and funding levels, and comprehensive area problems and planning are readily available from a single source.

(b) The purpose of this Act is to establish a national domestic development bank system which will provide an alternative source of funds for community facilities and economic development, which will involve national investment markets and all groups of investors, and which will furnish information to coordinate Federal, State, and local programs with local problems and governments.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "bank" means the National Domestic Development Bank established by section 4;

(2) "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, or any agency or instrumentality thereof;

(3) "local government" means any county, municipality, or other political subdivision of a State, or any agency or instrumentality thereof, or any school or other special district created by or pursuant to State law; and

(4) "obligation" means any bond, note, debenture, or other instrument evidencing debt.

ESTABLISHMENT OF BANK

SEC. 4. (a) There is hereby created a body corporate to be known as the National Domestic Development Bank, which shall have succession until dissolved by Act of Congress. The bank, which shall not be an agency of the United States Government, shall maintain such offices as may be necessary or appropriate in the conduct of its business. For the purposes of jurisdiction and venue, the bank shall be deemed a citizen and resident of the District of Columbia.

(b) No individual, association, partnership, or corporation, except the bank, shall hereafter use the words "National Domestic Development Bank" as the name or a part thereof under which he does business.

GENERAL POWERS

SEC. 5. The bank shall have, in addition to the special authority conferred by section 8 of this Act, the power—

(1) to sue and be sued, and complain and defend, in its corporate name and through its own counsel;

(2) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) to adopt, amend, and repeal, by the board, such bylaws, rules, and regulations as may be necessary for the conduct of its business;

(4) to conduct its business, carry on its operations, have offices, and exercise the powers granted by this Act in any State without regard to any qualification or similar statute in any State;

(5) to lease, purchase, or otherwise acquire, and own, hold, improve, use, or otherwise deal in and with, any property, real personal, or mixed, or any interest therein, wherever situated;

(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the bank;

(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, and to require bonds for them and fix the penalty thereof; and

(9) to enter into contracts, execute instruments, incur liabilities, and do all things which are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

BOARD OF DIRECTORS; MANAGEMENT

SEC. 6. (a) The bank shall have a board of directors which shall initially consist of fifteen members to be appointed by the President of the United States as follows:

(1) one member to be appointed from the Federal Reserve System;

(2) four members to be appointed from among the heads of departments and agencies in the executive branch of the Government;

(3) four members to be appointed from among those who represent the public generally, one of whom shall be appointed, by and with the advice and consent of the Senate to serve as president of the bank and chairman of the board of directors;

(4) two members who are Governors of States from among nominees of the National Governors' Conference;

(5) two members who are elected officials of county governments from among nominees of the National Association of County Officials; and

(6) two members who are elected officials of city governments from among nominees of the National League of Cities.

(b)(1) Directors appointed under clauses (1), (2), and (3) of subsection (a) of this section shall serve at the pleasure of the President or until their successors have been appointed.

(2) One director initially appointed pursuant to each of clauses (4), (5), and (6) shall be designated by the President of the United States to serve until the first annual meeting of the stockholders, and one director appointed pursuant to each such clause shall be designated by the President of the United States to serve until the second annual meeting of the stockholders. Vacancies occurring pursuant to this paragraph at the time of each such annual meeting shall be filled by election by the stockholders at such meeting from among nominees as provided in subsection (a) of this section. Directors elected pursuant to this subsection shall serve for terms of two years. The board may appoint a member to serve for any unexpired term of any such director.

(c) The board shall hold regular bimonthly meetings and shall hold other meetings at the call of the chairman. A majority of the board shall constitute a majority for the transaction of business. Any vacancy in the board shall not affect its powers or duties.

(d) Any director who is an officer or employee of the United States shall serve without additional compensation for his services as a director.

(e) The management of the bank shall be vested in the President of the bank, subject to such policies as the board of directors shall prescribe from time to time.

INITIAL EXPENSES

SEC. 7. In order to facilitate the formation of the bank, the Secretary of the Treasury is authorized to pay initial organizing and operating expenses. There is hereby authorized to be appropriated a sum not to exceed $500,000 for this purpose.

SPECIAL AUTHORITY

SEC. 8. (a) Subject to the provisions of this Act, the bank is authorized—

(1) to make commitments to purchase, and to purchase, service, and sell, on terms

and conditions determined by the bank, any obligation (or participation therein) of a State or local government issued wholly or partly to finance the construction of basic community facilities or public works of any type;

(2) to make or guarantee loans to State and local governments to finance the construction of basic community facilities and public works of all types (including loans to nonprofit or quasi-governmental organizations and entities to finance the construction of housing, medical facilities, and other facilities which are supported by Federal or State programs and are determined by the bank to have the attributes of public facilities); and

(3) to make loans for the purpose of facilitating economic development of geographical areas designated by the Council of Economic Advisers as being low income, depressed, or labor surplus areas, disaster areas, or areas in need of direct investment to further the national public interest or other special help to stimulate economic activities within those areas.

(4) to make loans for the purpose of financing continued operation of businesses in economic sectors designated by the Council of Economic Advisers as being in direct need of low cost capital in order to further the national public interest or other special help to stimulate economic activities within that sector.

(b) The bank shall develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the communities in which they will be located, or disruptive of Federal programs which authorize assistance for the development of like or similar categories of projects, or inconsistent with Federal policies directed at the protection of the environment.

(c) A loan made or guaranteed under this section may not exceed the total capital cost of the project to be financed, and shall be made for a term determined by the bank; except that the term of a loan made under paragraph (2) of subsection (a) shall not exceed the life of the project or forty years, whichever is less, and the term of a loan made under paragraph (3) of subsection (a) to a private person for a project consisting primarily of profitmaking facilities shall not exceed twenty years.

(d) All obligations purchased and loans made pursuant to this section shall bear interest at a rate determined by the bank which shall be low enough to be competitive with municipal bonds.

(e) In any case in which the bank undertakes to provide assistance to a State or local government under subsection (a) for the construction of a project for which a department or agency of the Federal Government (under another law of the United States) will also provide funds—

(1) the assistance provided by the bank under subsection (a) may be in the full amount needed by the State or local government to finance such construction (including the amount of the funds which will be provided by such department or agency), with the funds to be provided by such department or agency with respect to such construction thereupon becoming payable (notwithstanding any contrary provision in the law under which they are payable) to the bank in lieu of being paid directly to such government, and

(2) the bank may accept in return (A) an obligation or obligations of such State or local government covering only the difference between such full amount and the amount of the funds which are payable with respect to such construction by such department or agency, plus (B) a commitment from such department or agency to pay the funds which are to be provided by it and are payable to the bank as described in paragraph (1),

in order to insure that such State or local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such construction which is attributable to funds provided by the Federal Government.

(f) The bank is authorized to establish a financial and technical advisory staff for any metropolitan area upon a determination by the board that the amount of the bank's activity in such area is sufficiently large to support a full financial and technical advisory staff. The staff shall process applications and requests for assistance from that are and shall assist applicants in obtaining such assistance.

(g) Except as otherwise specifically provided in this Act, the bank may impose charges or fees for its services with the objective that all costs and expenses of its operations should be within its income derived from such operations.

REGIONAL OPERATING DIVISIONS

SEC. 9. (a) The bank shall establish regional operating divisions. Each division shall be charged with responsibility for assessing borrower eligibility, and making loans within its region or geographical area. To the maximum extent feasible, the boundaries of the regions or geographical areas respectively represented by the several regional operating divisions shall be the same as the boundaries of the areas respectively served by the regional offices of the various Federal departments and agencies.

(b) Each regional operating division shall transact all of the bank's business within its region with the assistance of the metropolitan area advisory staffs.

(c) Each regional operating division shall be supervised by a three member panel appointed by the board. In addition, an advisory committee of not less than eighteen nor more than twenty-five persons representing all governments and all socioeconomic levels within the division's region shall be ap-appointed by the board to develop policies and guidelines for the division's activities.

TECHNICAL ASSISTANCE

SEC. 10. (a) The bank shall have, in addition to a staff adequately equipped in the field of development banking, personnel qualified to give advice in the following fielde (and any other categories of advice appropriately related to the bank's activities):

(1) The Federal Government, particularly its organization and operation relating to State and local governments.

(2) All phases of all Federal grant-in-aid programs.

(3) Methods of administering the development and operation of community facilities.

(4) Technical data and requirements in fields appropriately related to the bank's activities, including the following:

(A) roads, hospitals, schools, and airports;

(B) urban mass transit systems and bridges;

(C) housing, municipal buildings, and parks;

(D) courthouses;

(E) water and sewage facilities and air pollution controls; and

(F) commercial developments.

(b) The bank shall give any necessary technical assistance under this section to applicants for assistance under section 8. No fees for preliminary advice shall be charged; however, after an application has been accepted for processing, the bank may charge reasonable fees for continued assistance under this subsection.

(c) The bank is also authorized to undertake research and information gathering, and to facilitate the exchange of advanced concepts and techniques relating to municipal growth and development among State and local governments.

STOCK

SEC. 11. (a) The bank shall have one class of common stock, which shall have voting rights and have a par value of $100 per share. Stock shall be sold to investors throughout the country.

(b) All moneys received by the bank in return for its common stock shall be accumulated in a stated capital account. All net earnings from the operations of the bank shall annually be transferred to its general surplus account. Such dividends as may be declared shall be paid by the bank to the holders of its common stock and shall be charged against the general surplus account, but in any one fiscal year dividends shall not exceed 6 per centum of the par value of the common stock issued and outstanding and shall be payable out of the net earnings of the bank for that year.

CAPITALIZATION OF THE BANK

SEC. 12. The bank's stated capital shall be limited to $3,500,000,000, which shall be raised, insofar as it is feasible, by the sale of the bank's common stock, and the remainder shall be provided as follows:

(1) The Secretary of the Treasury is authorized to purchase obligations of the bank in the amount of $300,000,000 a year for a period of ten years. If the Secretary finds it is necessary for the successful operation of the bank to waive the payment of interest and principal for any given year such interest shall then be added to the principal of the obligation. The bank is authorized to include appropriate provisions in the instruments evidencing the obligations provided for in this paragraph. Each purchase of obligations by the Secretary under this paragraph shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities. The Secretary may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this paragraph.

(2) The Secretary of the Treasury is additionally authorized to purchase debentures of the bank in the amount of $300,000,000 on emergency call of the bank.

(3) Each public borrower from the bank at the time of receiving loans shall be required to purchase stock until it holds an amount of stock equivalent to $.50 per capita for each person within its jurisdiction or for each person expected to be served by the facility or facilities involved. The borrower shall purchase stock equal to one-twentieth of the amount of his loans until he reaches the $.50 per capita maximum requirement. For the purposes of paragraphs (1) and (2) of this section, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. All redemptions, purchases, and sales of obligations or debentures under such paragraphs shall be treated as public debt transactions of the United States.

OBLIGATIONS OF THE BANK

SEC. 13. (a) The bank is authorized to issue and have outstanding obligations (including but not limited to the obligations and debentures described in section (12) having such maturities and bearing such rates of interest as may be determined by the bank. Such obligations may be redeemable at the option of the bank before maturity in such manner as may be stipulated therein

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The amount of the bank's indebtedness outstanding at any one time shall be limited to fifty times the bank's paid-in stated capital.

(b) The Government National Mortgage Association (hereafter referred to as the "Association") is authorized, upon such terms and conditions as it may deem appropriate, to guarantee the timely payment of principal of and interest on such obligations (other than obligations and debentures described in section 12) as shall be issued by the bank. The Association shall collect from the bank a reasonable fee for any guaranty under this subsection and shall make such charges as it may determine to be reasonable for the analysis of any obligation proposed to be issued by the bank. In the event the bank is unable to make any payment of principal of or interest on any obligation guaranteed under this subsection, the Association shall make such payment as and when due in cash, and thereupon shall be subrogated fully to the rights satisfied by such payment. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.

FEDERAL PAYMENTS TO THE BANK

Sec. 14. (a) With respect to such amounts of loans of the bank as may be specified in appropriation Acts, the Secretary of the Treasury is authorized to make, and to contract to make, annual payments to the bank in such amounts as are necessary to equal the amount by which the dollar amount of interest paid by the bank on account of its outstanding obligations exceeds the dollar amount of interest received by the bank on account of obligations purchased or loans made by it pursuant to section 8.

(b) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out his functions under this Act, including such sums as may be necessary to make the annual payments required by contracts entered into by the Secretary of the Treasury pursuant to subsection (a) of this section.

FEDERAL INSURANCE OF OBLIGATIONS TO THE BANK

Sec. 15. (a) The Secretary of Housing and Urban Development (hereinafter in this section referred to as the "Secretary"), upon application by the bank, is authorized to insure any loan made by the bank under section 8(a) (including, for purposes of this section, any obligation purchased as provided in paragraph (1) thereof), and to issue a commitment for the insurance of any such loan prior to the date of its execution or disbursement thereon upon a determination that all of the applicable criteria established by or under this Act will be met with respect to such loan.

(b) The insurance of any loan under subsection (a) and any payments pursuant thereto shall be made on such terms and conditions, and in such manner and form, as the Secretary shall by regulations prescribe, and shall provide for the payment in full to the bank of the outstanding principal balance of the loan together with any unpaid interest, upon default by the borrower, in accordance with procedures set forth in such regulations.

(c) The Secretary is authorized to charge and collect premiums for insurance under this section. Such premiums shall be fixed at the lowest possible levels which are determined by the Secretary to be reasonable and sufficient to keep the insurance program under this section in a sound and secure condition and maintain the fund established by subsection (d) at a level adequate to meet all anticipated losses, but in any event shall be lower for loans made under paragraphs (1) and (2) of section 8(a) than for loans made under paragraph (3) for such section.

(d)(1) There is established a revolving fund to be used by the Secretary in carrying out his function under this section. All premiums charged as provided in subsection (c), and all other receipts under the insurance program, shall be deposited in the fund. All payments with respect to insurance under this section shall be made from the fund. Moneys in the fund not needed for the payment of current operating expenses or the payment of insurance under the program may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States.

(2) There is authorized to be appropriated as initial capital for the revolving fund established by paragraph (1) the sum of $10,000,000.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Secretary shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

AUDIT OF FINANCIAL TRANSACTIONS

Sec. 16. (a) The financial transactions of the bank shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the bank and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

(b) The expenses of any audit performed under this section shall be borne out of appropriations to the General Accounting Office, and appropriations in such sums as may be necessary for this purpose are authorized. The bank shall reimburse the General Accounting Office for the full cost of any such audit, and the General Accounting Office shall deposit sums received as reimbursed into the Treasury as miscellaneous receipts.

AUDIT REPORT TO CONGRESS

Sec. 17. A report of each audit of the bank for any fiscal year shall be made by the Comptroller General to the President and to the Congress not later than six months following the close of such fiscal year. The report shall set forth the scope of any such audit and shall include a statement (showing intercorporate relations) of assets and liabilities; a statement of capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the Congress informed of the operations and financial condition of the bank, together with such recommendations with respect thereto as the Comptroller General may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit. A copy of each report shall be furnished to the Secretary of Housing and Urban Development, the Secretary of the Treasury, and the bank.

TAX EXEMPTION

Sec. 18. (a) The bank, its property, its franchise, capital, reserves, surplus, security holdings, and other funds, and its income shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority: except that (1) any real property and tangible personal property of the bank shall be subject to Federal, State, and local taxation to the same extent according to its value as other such property is taxed, and (2) any and all obligations issued by the bank shall be subjected both as to principal and interest to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed.

(b)(1) Subsection (a) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion from gross income of dividends received by individuals) is amended to read as follows:

"(a) Exclusion From Gross Income.—

"(1) Domestic corporations.—Gross income does not include amounts received by an individual as dividends from domestic corporations (other than the National Domestic Development Bank), to the extent that the dividends do not exceed $100.

"(2) National domestic development bank.—Gross income does not include 50 percent of the amounts received by an individual during any taxable year as dividends from the National Domestic Development Bank."

(2) Such section 116 is further amended by striking out "Subsection (a)" in subsection (b) and inserting in lieu thereof "Subsection (a)(1)".

NATURE OF STOCK AND OBLIGATIONS

Sec. 19. (a) All obligations issued by the bank shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under authority or control of the United States or of any officer or officers thereof. All stock and obligations issued by the bank pursuant to this Act shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States.

(b) The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the bank, for its own account or as fiduciary, and such banks shall be reimbursed for such services in such manner as may be agreed upon; and the bank may itself act in such capacities, for its own account or as fiduciary, and for the account of others.

PREPARATION OF OBLIGATIONS

Sec. 20. In order to furnish obligations for delivery by the bank, the Secretary of the Treasury is authorized to prepare such obligations in such form as the board may approve, such obligations when prepared to be held in the Treasury subject to delivery upon order by the bank. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith, shall remain in the custody of the Secretary of the Treasury. The bank shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such obligations.

UNITED STATES NOT LIABLE

Sec. 21. Except as otherwise specifically provided in this Act, the United States shall not be liable for any debts, defaults, acts, or omissions of the bank.

ANNUAL REPORT

Sec. 22. The bank shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress an annual report of its operations and activities.

AMENDMENTS RELATING TO FINANCIAL INSTITUTIONS

Sec. 23. (a) The sixth sentence of the seventh paragraph of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by

inserting "or obligations of the National Domestic Development Bank," immediately after "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association,".

(b) Section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by adding at the end thereof the following new paragraph:

"(14) Obligations of the National Domestic Development Bank shall not be subject to any limitation based upon such capital stock and surplus."

(c) The first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by inserting "or in obligations of the National Domestic Development Bank;" in the second proviso immediately after "any political subdivision thereof;".

(d) Paragraph (2) of section 14(b) of the Federal Reserve Act (12 U.S.C. 355) is amended by inserting ", or any obligation of the National Domestic Development Bank" immediately before the period at the end thereof.

SEPARABILITY

Sec. 24. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 25. There are authorized to be appropriated, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.

Section-by-Section Summary—National Domestic Development Bank Act

Sec. 2: Sets forth the Findings of Congress which make this bill necessary; that there is an unprecedented demand for community facilities to provide for our growing population and that an alternative method for financing these facilities is imperative. It states that the purpose of the Act is to create a National Domestic Development Bank System.

Sec. 3: Contains definitions of terms used in the Act.

Sec. 4: Establishes the Bank as a body corporate and reserves the use of the name "National Domestic Development Bank".

Sec. 5: Grants the Bank the general powers of a corporation.

Sec. 6: Provides for an initial fifteen (15) member Board of Directors, to be appointed initially by the President, with the following composition.

1 representing Federal Reserve System

4 repersenting departments and agencies of the Federal Government

4 representing the public generally (appointed by the President with advice and consent of the Senate)

2 State governors (nominated by the National Governors Conference)

2 elected officials of county government (nominated by the National Association of County Officials)

2 elected officials of city government (nominated by the National League of Cities)

Subsequently, the representatives of state and local governments will be elected from those nominated by stockholders of the Bank.

Sec. 7: Authorize $500,000 for organizational and initial operating expenses.

Sec. 8: Outlines the special authority of the Bank:

(a)(1) To purchase obligations of state and local governments issued to finance community facilities or public works of any type

(2) To make or guarantee loans to

(a) State and local governments

(b) Nonprofit and quasi-governmental entities for financing projects supported by state or Federal programs or otherwise having the attributes of public facilities.

(3) To make loans for economic development in areas designated by Council of Economic Advisers as needing government assistance.

(4) To make loans to businesses in sectors of the economy designated by the Council of Economic Advisers as needing government assistance.

(b) To reject any projects inconsistent with comprehensive planning for the communities being served.

(c) To loan money for up to forty (40) years for public facilities and twenty (20) years for economic development projects.

(d) To set interest rates competitive with rates on municipal bonds.

(e) To loan the entire cost of a project which is partly financed by a Federal assistance program, taking back obligations from both the local and the Federal government for their respective shares so that only the amount of the local share will be counted for its debt limit.

(f) To provide a financial and technical advisory staff for each active metropolitan region.

(g) To impose appropriate fees and charges.

Sec. 9: Provides that the Bank's lending activity will be carried out through regional operating divisions supervised by a three (3) member panel appointed by the Board of Directors. Each region will also have an advisory committee of 18 to 25 persons broadly representatives of governments, and economic groups within the region.

Sec. 10: Authorizes assembly of a staff to give technical and economic advice including preliminary assistance with applications to the Bank and general advice during the construction period. In addition the Bank may undertake research and facilitate information exchange among Bank customers.

Sec. 11: Provides for one class of common, voting stock with a $100 par. Dividends in any one year may not exceed six per cent (6%) of the value of stock outstanding and must be paid out of net earnings.

Sec. 12: Capitalize the Bank at $3.5 billion to be provided from the sale of common stock and, if necessary, by purchases by the Treasury Department of the Bank's obligations in yearly amounts of $300 million. Each public borrower must subscribe to purchase common stock in an amount equal to $.50 multiplied by the population within the jurisdiction, in increments of 1/20th of the face amount of a loan.

Sec. 13: Authorizes the Bank to sell bonds on the national market in an amount up to 50 times its stated capital to raise monies necessary to finance projects which are applied for by the users of the Bank. These bonds will be guaranteed by the Government National Mortgage Association and pledge the full faith and credit of the United States.

Sec. 14: Authorizes annual federal payments to the Bank in an amount sufficient to make up the difference between interest paid by the Bank on its obligations and the interest received from its loans to local governments.

Sec. 15: Provides for federal insurance of Bank loans, by the Department of Housing and Urban Development, and authorizes appropriations of $10 million to establish a revolving fund for this purpose.

Secs. 16 and 17: Provides for an annual audit by the General Accounting Office and a yearly report by the General Accounting Office to the Congress.

Sec. 18: Amends the Internal Revenue Code to exclude from gross income 50% of the amounts received as dividends by a stockholder during any taxable year.

Sec. 19: Makes the bonds of the Bank lawful investments.

Sec. 20: Authorizes the Secretary of the Treasury to prepare and print the Bank's bonds.

Sec. 21: Provides that the United States is not liable for debts, defaults or actions of the Bank other than those specified in the Act.

Sec. 22: Orders that an annual report be submitted to the President and the Congress.

Sec. 23: Contains technical amendments to Federal banking statutes.

Sec. 24: Provides that any invalid provision of this Act may be severed and that the remainder continues in full effect.

Sec. 25: Authorizes to be appropriated without fiscal year limits such funds as may be necessary to carry out the purpose of the Act.

The National Domestic Development Bank Act

1. What is the National Domestic Development Bank?

The National Domestic Developing Bank is a national lending institution under the directorship of federal, state, and local officials, as well as representatives of the general public. The Bank will provide a new source of capital funds to enable cities and towns to undertake a wide range of public projects.

2. What will the Bank do?

It will make 40-year loans to State and local governments to finance the construction of basic community facilities and public works of all types. Loans can also be made to non-profit organizations for housing, medical, and other public facility construction.

The Bank is authorized to make 20-year loans to business organizations for economic development in geographic areas or economic sectors, designated by the Council of Economic Advisers as being labor surplus, depressed, low income, or disaster areas, or areas in need of direct investment to further the national public interest.

3. Why is this Bank needed?

First, there is a limited market for state and municipal bonds. These bonds are one of the first types of securities to be affected by tight money periods. This was made very clear during 1969–70 and again this past year, when many municipal bond issues had to be cancelled because the market could not absorb them. The Bank will assure that municipalitiea will always have a market for their securities. It will provide communities with an alternative means of financing public development.

Second, the capital financing needs of our states and cities are growing at a rapid rate. In 1968, the Bureau of the Budget estimated a ten-year need of $58 billion.

At the same time, cities are fast approaching the fiscal breaking point. Cities need new ways of obtaining development money that do not sharply increase their public debt burden, putting an additional strain on limited revenues.

4. Won't the Bank complicate public development financing?

On the contrary, the Bank will create a more simplified, flexible, inexpensive, and efficient way to raise capital. It will provide a single source where cities and towns can obtain financial and technical assistance. It will coordinate aid under various federal programs with additional financing, cutting red tape and extended application review procedures.

5. Is this an agency of the Federal Government?

No, the Bank will not be an agency of the U.S. Government and its budget will be independent of the Federal budget.

6. How much will it cost?

The cost of the Bank will be very low. Start-up costs will be $500,000 for organizing expenses and $10 million to establish a revolving insurance fund at the Department of Housing and Urban Development to insure Bank loans. In addition, Congress will need

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to enact annual appropriations to make up the difference between interest rates paid by the Bank on its bond issues, and the interest rate it charges to borrowers. The net cost would be minimal, however, because the Treasury would collect taxes on the earnings of Bank bonds.

7. Will the Bank have unlimited bonding capacity?

No. It can only borrow on national investment markets for lending to state and local governments and other qualified users at fifty (50) times the amount of paid-in capital stock of this corporation. In addition, the Bank must lend at rates competitive with municipal bonds.

8. Where does the Bank's capital reserve come from?

It comes from three sources:

(1) Sale of stock to the public. One investment incentive will be the exclusion from gross income of 50 percent of dividend earnings from this stock, for Federal income tax purposes.

(2) Sale of stock to public users of the Bank. Each user must buy a small amount of stock in increments as it obtains Bank loans, until it has purchased an amount of stock equal to 50 cents per capita.

(3) The Treasury is authorized to purchase special bonds up to $300 million per year for ten years, and this money can be used for capital reserve.

9. What assurances are provided investors?

First, all bonds sold by the National Domestic Development Bank will be guaranteed by the Government National Mortgage Association, and the full faith and credit of the United States is pledged to the payment of all amounts under this guaranty.

Second, all loans made by the Bank will be insured by the Federal Housing Administration, and a $10 million insurance revolving fund is established for this purpose.

10. What interest rates will be charged to the borrowers of this Bank?

Under this bill the Bank will set interest rates at a level that is competitive with municipal bond rates.

11. Will borrowers have to come to Washington to apply for loans?

No. The Bank's lending operations will be carried out directly through regional operating divisions, coinciding basically with the regional offices of the various Federal departments and agencies.

12. Will the Bank assist in any way other than providing loans?

Yes. One of the major services of the Bank is to maintain a technical staff that can give advice on Federal programs, on comprehensive planning and administration of the development of community facilities, and on technical data and requirements relating to the facilities eligible for financing. In addition, the Bank will do research, collect information, and facilitate the exchange of ideas on new technology and improvements in public administration relating to local and regional public development.

13. What projects will the Bank help finance?

A wide range of public facility construction is possible under this Act. Some examples are:

Schools and libraries

Medical centers and hospitals

Mass transit systems

Industrial parks

Police and fire departments

Water and sewer systems and waste disposal and treatment facilities

Parks and recreation areas

Community service and day care centers

Public housing

Job-training and adult education centers

The renewal of town and city business centers.

By Mr. DOMENICI (for himself and Mr. STAFFORD):

S. 1474. A bill to amend the Solid Waste Disposal Act to authorize State program and implementation grants, to encourage full recovery of energy and resources from solid waste, to reduce waste, to control the disposal of hazardous wastes, and for other purposes. Referred to the Committee on Public Works; and, if and when reported by that committee, to the Committee on Commerce, by unanimous consent.

MATERIALS AND ENERGY RECOVERY ACT OF 1975

Mr. DOMENICI. Mr. President, I introduce today the Materials and Energy Recovery Act of 1975 to stimulate interest in constructive solutions to the mounting problems and opportunities represented by solid waste.

Municipal solid waste, if converted by available technology into fuel for generation of electricity, could light all of our Nation's homes and commercial businesses throughout the year.

If we recover and reuse steel and iron, aluminum, and even glass from solid waste, we will help alleviate potential materials shortages and save energy by use of secondary instead of virgin materials.

If we adopt practicable measures to reduce waste resulting from excessive packaging, we can make further savings in scarce energy and materials, while preventing litter from improper disposal of such items.

If we regulate hazardous wastes and take steps to close open dumps, we can cut down on air, water, and land pollution, while improving the potential for energy and materials recovery.

All of these steps will help us to deal with the major problem faced by more than half of our cities: how to properly dispose of the mounting daily burden of municipal garbage in a safe, healthful and economic manner, in the face of growing scarcity of available land for dump sites.

The bill will achieve these objectives through a comprehensive assortment of measures, including enhanced aid to States, cities, counties, and regional bodies; hazardous waste standards and enforcement; Federal procurement incentives; financing of municipal and industrial energy and materials recovery facilities through purchase of municipal obligations and through small business loans; establishment of regional resource recovery institutes; setting of Federal resource recovery guidelines; study of barriers to acquisition of sites for solid waste facilities; and other steps.

This is vitally needed environmental legislation which also will serve to improve our Nation's economic and energy situation.

Mr. President, the Public Works Committee, on which I serve, will resume consideration of solid waste legislation in the near future, based on the extensive work of the committee last year. I hope that the bill I am introducing today will serve to contribute some new concepts and specific provisions to the bill the committee is expected to report during this session.

I look forward to prompt action by the Public Works Committee and the Senate on legislation which will recognize the opportunities and solve the problems posed by our Nation's solid waste.

Mr. President, I further ask unanimous consent that the bill be referred to the Committee on Public Works, and if and when reported to the Committee on Commerce for its consideration of the matters within the bill that are within their jurisdiction, and the further request that the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Materials and Energy Recovery Act of 1975.

SEC. 2. Section 202 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970, is amended to read as follows:

"FINDINGS AND PURPOSES

"SEC. 202. (a) The Congress finds that—

(1) requirements for materials and energy are national in scope and necessitate Federal leadership to utilize to the fullest possible extent the energy resources in materials that now are being discarded;

(2) volume of waste of materials can be reduced markedly and that the resultant reduced volume of waste can then be disposed of in an economic and environmental manner consistent with the disposal regulations of the states and localities;

(3) energy supplies from such sources as petroleum products, natural gas, nuclear and hydroelectric generation will be insufficient to meet increasing demands and, therefore, the need exists to develop alternative energy sources for public and private consumption;

(4) increasing demand for products made from mineral and non-mineral natural resources is causing waste and depletion of these resources, while more efficient use of such resources would extend the lifespan of the world's existing reserves;

(5) technology and economics to support increased resource utilization through waste reduction, source separation, recycling, and recovery of energy from solid waste are improving;

(6) available techniques for waste reduction, source operations, and energy and resources recovery are not being implemented widely; and

(7) such traditional methods of waste disposal as open dumps and open burning which contribute to unacceptable levels of air, water, and land pollution, constitute unacceptable hazards to public health and welfare.

(b) The purposes of this Act therefore are to:

(1) encourage waste reduction and maximum recovery of energy and materials from municipal, industrial and other sources of solid waste, and encourage the use of recycled materials by the Federal government to help preserve our natural resources;

(2) assist States and localities in carrying out their primary responsibilities for solid waste reduction, collection, handling, recycling, and disposal;

(3) control carefully the treatment and disposal of hazardous wastes to avoid adverse effects on health and the environment; and

(4) provide for the use of the best technological practices to eliminate any adverse effect on air or water quality when land disposal of hazardous and other wastes is the only practicable alternative to the consideration of alternative uses of the land.

SEC. 3. Section 207 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended to read as follows:

"PROGRAM AND IMPLEMENTATION GRANTS

"SEC. 207. (a) STATE PROGRAM GRANTS.—(1) The Administrator shall provide financial assistance to each State to assist in developing a comprehensive State plan for solid waste reduction, source separation, and energy and resource recovery; assist such State in administering programs for implementing such plan, including programs to provide technical assistance and management advice to municipalities and regional agencies; and develop, implement, operate, and enforce a State program for the control of hazardous waste disposal.

"(2) (A) Financial assistance shall be provided to any State under this subsection on condition that such State submit, within a reasonable time after the enactment of this section and annually thereafter, a summary report of the status of the State solid waste management plan and program, and the proposed program of such State for solid waste management and for the use of financial assistance under this subsection.

"(B) Any solid waste management plan or program assisted under this subsection shall include adequate authorities and programs to (i) enforce the prohibition on open dumping of solid wastes, establish a timetable or schedule of compliance for each municipality, unit of local government, and State agency which specifies a schedule of enforceable actions to achieve, within a reasonable time, such prohibition on open dumping of solid wastes. (ii) apply and insure compliance with any applicable requirements of section 209 of the Act through a system of permits, licenses, or the equivalent which the Administrator finds is reliable and enforceable; (iii) provide technological and management advice and assistance to units of local government within such State to enable them to manage programs for waste reduction, source separation, energy and resource recovery, and solid waste disposal that enhance the environment; (iv) enforce the requirements of the permit or equivalent system under subparagraph (A) of this paragraph and such other regulatory programs as the State or region establishes to achieve the purposes and carry out the provisions of this Act; (v) inspect, monitor, enter, and require reports to at least the extent required under section 211 of the Act; (vi) provide advice and assistance to the general public regarding environmentally sound solid waste management, waste reduction, source separation and recycling, (vii) provide, either within the State agency responsible for the comprehensive solid waste management and energy and resource recovery program or in a separate entity, an organization capable of assisting municipalities to obtain financing for energy and resource recovery projects through loans, grants, loan guarantees, cooperative public and private ventures, or other means; (viii) hire, train, and maintain in service an adequate staff or professional and other personnel to carry out these functions; and (ix) provide for development of financial self-sufficiency for such programs no later than the beginning of fiscal year 1980, either through an equitable system of fees as a part of the permit or equivalent system required under subparagraph (A) of this paragraph or through other means.

"(b) The Administrator shall grant to each State 80 per centum of the cost of a comprehensive solid waste management and energy and resource recovery program which such State agrees to establish or continue in order to meet the requirements of subsection (a) of this section, and, when the Administrator determines that a regional entity composed of two or more municipalities or other governmental units that represent a significant geographical portion of a State or States and that the Administrator finds is capable of administering such a program within its jurisdiction, to each such regional agency.

"(c) The Administrator shall provide (1) management grant assistance of up to 10 per centum of the estimated cost of implementation of any publicly financed energy or resources recovery facility, and (2) a complete program of management and technical assistance to any regional agency, or municipality to help it develop projects for:

"(A) improving source reduction, collection, separation, and handling of solid waste;

"(B) implementing energy and resource recovery or disposal systems which are technologically feasible and cost-effective;

"(C) considering optimum ways to market energy and secondary materials recovered from solid waste;

"(D) providing information to assist the applicant in securing itself financially against unusual risks;

"(E) developing workable contract bid packages for energy and resource recovery facilities;

"(F) securing sound financing for resource recovery projects, whether through industrial revenue bonds, loans, grants, or joint municipal-industrial cooperation.

"(b) There are hereby authorized to be appropriated to carry out the purposes of subsection (a) of this Act not to exceed $50,000,000 for each of the fiscal years 1976, 1977, and 1978; and $25,000,000 for each of such fiscal years to carry out the purposes of subsection (c) of this section.

"(e) No project funded under subsection (c) shall receive more than $300,000."

SEC. 4. Section 209 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended to read as follows:

"FEDERAL SOLID WASTE STANDARDS

"SEC. 209. (a) The Administrator shall, within one year of the date of enactment of the Materials Energy Recovery Act of 1975 and after consultation with appropriate officials and opportunity for public hearings, promulgate standards for collection, handling, disposal and recovery of all hazardous and other solid wastes that may cause air or water pollution or other environmental degradation.

"(b) Such standards shall—

"(1) identify hazardous and other wastes to be regulated;

"(2) be specific in terms of allowable quantities, concentration, and the physical, chemical, or biological properties of such waste, taking into account likely disposal sites and methods of disposal or recycling;

"(3) contribute to the achievement and maintenance of Federal, State, and local emission or effluent limitations, air quality implementation plans and established or proposed land use plans."

SEC. 5. Sections 211 through 216 of the Solid Waste Disposal Act, as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), are designated as sections 218 through 223 and the following new sections are inserted after section 210:

"FEDERAL REGULATIONS

"SEC. 211. The Administrator, in carrying out the provisions of this Act, may require the operator of any disposal system for hazardous or other designated solid wastes to:

"(1) establish and maintain records which identify type and quantity of wastes identified in section 209;

"(2) make reports semi-annually to the appropriate state agency to identify type and quantity of wastes identified in reports in paragraph (1);

"(3) install, use, and maintain monitoring equipment and provide methods designed to protect the environment against unauthorized discharge of hazardous or other designated wastes; and

"(4) provide such other information as he may require.

"(b) The Administrator, his authorized representative, or a state representative of the state environmental agency, upon presentation of his credentials;

"(1) shall have a right to entry to, upon, or through any premises in which a hazardous or other designated solid waste disposal site is located or in which any records required to be maintained under subsection (a) of this section are located, and

"(2) may have access to and copy any records, and inspect any monitoring equipment or method required under subsection (a) of this section.

"(c) The Administrator may make such rules and regulations, after opportunity for hearing, as he consider necessary to carry out the provisions of this Act.

"ENFORCEMENT

"SEC. 212 (a) (1) Whenever, on the basis of any information available to him, the Administrator finds that any person is in violation of any rule, regulation, standard, or other requirement which implements sections 209 or 211 of this Act, the Administrator shall give notice to the violator of his failure to comply with such requirement or he shall request the Attorney General to commence a civil action in the appropriate United States district court for appropriate relief, including temporary or permanent injunctive relief. If such violation extends beyond the thirtieth day after the Administrator's notification, the Administrator shall issue an order requiring compliance within a specified time period or the Administrator shall request the Attorney General to commence a civil action in the United States district court in the district in which the violation occurred for appropriate relief, including a temporary or permanent injunction: *Provided,* That, in the case of a willful violation of any requirement of sections 209, or 211, the Administrator simultaneously shall give notice to the State in which such violation has occurred thirty days prior to issuing an order or requesting the Attorney General to commence action. If such violator fails to take corrective action within the time specified in the order, he shall on conviction be fined not more than $25,000 for each day of violation or imprisoned for not more than one year or both.

"(2) Whenever on the basis of any information available to him the Administrator finds that any person is in violation of any provision of this Act or any rule, regulation, standard, or condition thereof, or other requirements under this Act, he shall issue an order requiring such person to comply with such provision or requirement, or he shall bring a civil action in accordance with paragraph (3) of this subsection.

"(3) Any regulation issued under this subsection shall state with reasonable specificity the nature of the violation and a time for compliance, not to exceed thirty days, which the Administrator determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

"(4) Upon a request by the Administrator, the Attorney General shall commence a civil action for appropriate relief, including a permanent stay of such violation, for any violation for which the Administrator is authorized to issue a compliance order under paragraph (1) of this subsection. Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation, require compliance, or impose such penalty.

"(b) (1) Each State may develop and submit to the Administrator procedures under State law for enforcement of the standards developed under section 209 of this Act, and for inspection, monitoring, and entry and other requirements under section 211, with

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respect to hazardous and other designated solid waste disposal systems located in such State.

"(2) If the Administrator finds that the procedures and the legal authority of any State relating to enforcement of standards promulgated pursuant to section 209 of this Act and to inspection, monitoring, entry, and other requirements of section 211 of this Act are substantially equivalent to those required by sections 209 and 211, such State is authorized to apply and enforce such procedures and legal authority with respect to hazardous and nonhazardous waste disposal systems located in the State.

"NATIONAL GUIDELINES FOR RESOURCE RECOVERY

"SEC. 213. (a) The Administrator, within one year following enactment of this section and each year thereafter, shall publish guidelines specifying the percentages of energy and resources that can be recovered from solid waste by use of the best recovery management practices and technology that are reasonably available. These guidelines shall specify those materials which constitute a significant portion of the solid waste stream, including but not limited to:

"aluminum;
"copper;
"glass;
"iron and steel;
"paper, lumber, and other wood products;
"petroleum and petroleum products;
"plastics and other synthetic materials;
"rubber; and
"zinc.

"(b) As a part of such guidelines, the Administrator shall publish thorough descriptions of existing technology and practices which can be implemented by agricultural producers, industries, municipalities, consumers, and others to achieve the percentages of energy or resource recovery from each category of solid waste that the Administrator finds reasonable.

"FEDERAL PACKAGING GUIDELINES

"SEC. 214. The Administrator shall, within one year following enactment of this section:

"(a) make a complete assessment of the use of energy and virgin and recycled materials in product packaging and of the environmental, social, and economic impact of such packaging;

"(b) establish guidelines for the packaging of products which will encourage efficient use of energy and materials with a consequent reduction in solid waste and improvement in environmental quality and

"(c) publish model standards and regulations which, if implemented by States and localities, will ensure use of types of packaging which best conserve energy and materials while avoiding adverse economic, social and environmental impact.

"STUDY OF LAND ACQUISITION

"SEC. 215. (a) The Administrator shall conduct a full investigation and study of the legal and institutional problems associated with the acquisition of land for hazardous and other solid waste disposal, and for the construction of energy and resource recovery facilities, in consultation with appropriate Federal and State agencies, and shall report to the Congress not later than 9 months after enactment of this section his findings, conclusions, and recommendations.

REGIONAL RESOURCES RECOVERY INSTITUTES

"SEC. 216. The Administrator shall make grants to States to establish, equip, and maintain one regional energy and resources recovery research institute, center, or equivalent agency (hereinafter referred to as 'institute') at a college or university in each of the ten standard Federal Regions in the United States. The recipient college or university shall be one established in accordance with sections 301, 305, 307, and 308 of Title 7 of the United States Code or some other institution designated by Act of the legislature of the State concerned. Such assistance shall be a maximum of $150,000 annually to each such institute; two or more states may cooperate in the designation of a single regional institute and the designated college or university may arrange with other colleges and universities within the region to participate in the work of the institute.

"(b) Such grants or contracts may include payment of all or part of the cost or programs or projects to:

"(1) develop or expand training of State, municipal, and other government officials and other persons in the design, financing, construction, management, operation, and maintenance of systems and facilities for energy and resources recovery from solid waste and for all other aspects of solid waste management so as to enhance the environment;

"(2) support research, development, and demonstration programs for the systems and facilities referred to in paragraph (1) of this subsection; and

"(3) transfer and disseminate to interested government officials and to the public technolcgical and other information related to the systems and facilities referred to in paragraph (1) of this subsection.

"(c) Money appropriated pursuant to this section shall also be available for printing and publishing the results thereof and for administrative planning and direction.

"(d) There are hereby authorized to be appropriated $750,000 for the fiscal year which ends September 30, 1976, and for each fiscal year therafter.

"FEDERAL PROCUREMENT REGULATION

"SEC. 217. (a) The Administrator shall, following consultation with the General Services Administration, the Department of Defense, and other Federal agencies and, within one year following enactment of this section, establish guidelines that encourage procurement and use of materials recovered from solid waste.

"(b) Each contractor supplying any such agency shall give equal preference to the use of recovered resources and to the reuse of used or reconditioned equipment provided that such equipment can be provided with a warranty certifying the guarantee to said agency of the equipment purchased.

"(c) Within ninety days following publication on such standards, the General Services Administration, Department of Defense. and all other Federal agencies shall revise their procurement regulations to comply with this section and such guidelines.

"(d) Whenever any Federal agency determines, following attempted solicitation of bids or other such procurement action, that compliance with the guidelines established pursuant to this section is impossible due to unavailability of products containing the specified quantity of secondary materials, such agency shall be exempt from the guidelines under subsection (a) of this section, only if the Administrator of such Agency determines the product in question will not be reasonably available during the period when it is required and only for the period during which he determines the produce will be unavailable. Each agency will be expected to comply with subsection (c) of this section whenever such equipment can be obtained.

SEC. 6. Section 216 of the Solid Waste Disposal Act, as amended, is redesignated as Section 224 and amended to read as follows:

"GENERAL AUTHORIZATIONS

"SEC. 224. There are authorized to be appropriated to carry out the provisions of this Act, other than sections 207 and 217, $40,000,000 for each of the fiscal year which ends September 30, 1976 and for each fiscal year thereafter.

SMALL BUSINESS LOANS

SEC. 7. (a) Section 7 of the Small Business Act is amended by inserting at the end thereof a new subsection as follows:

"(l)(1) The Administration also is authorized to make loans (either directly or in cooperation with banks or other lenders through agreements to participate on an immediate or deferred basis) to assist any small business concern in affecting additions to or alterations in the equipment facilities, or methds of operation of such concern to recover energy and resources from solid waste, if the Administrator determines that such loans will help achieve the purposes of the Solid Waste Disposal Act, as amended.

"(2) Any such loan—

"(A) shall be made in accordance with provisions applicable to loans made pursuant to subsection (a) of this section, except as otherwise provided in this subsection;

"(B) shall be made only if applicant furnishes the Administration with a statement in writing from the Environmental Protection Agency, or, if appropriate, the State, that such additions or alterations will help achieve the purposes of the Solid Waste Disposal Act, as amended.

"(3) The Administrator of the Environmental Protection Agency shall, as soon as practicable after the date of enactment of the Energy and Resources Recovery Act of 1975, but not later than one hundred and eighty days thereafter, promulgate regulations establishing uniform rules for the issuance of statements for the purpose of paragraph (2)(B) of this subsection.

"(4) There is authorized to be appropriated to the business loan fund established pursuant to section 4(c) of this Act not to exceed $300,000,000 solely for the purpose of carrying out this subsection."

(b) Clause (B) of paragraphs (1) and (2) of section 4(c) and clause (A) of paragraph (4) of that section of the Small Business Act are amended by inserting "7(l)", after "7(h),".

ENVIRONMENTAL FINANCING

"SEC. 8. (a) The Administrator is authorized, under such terms and conditions as he determines necessary, to approve municipal energy and resource recovery projects for purposes of financing pursuant to the Environmental Financing Act of 1972.

(b) The Environmental Financing Act of 1972, is hereby amended:

"(i) In subsection 12(e)(1) to add the letter "(A)" before the word "waste", change the period at the end thereof to a comma and add the following language: "or (B) energy and resource recovery facilities approved by the Administrator of the Environmental Protection Agency pursuant to the Solid Waste Disposal Act, as amended."

"(ii) In subsection 12(c) to add the phrase "or energy and resource recovery facilities" after the words "treatment works".

"(iii) In subsection 12(e)(2) to add the phrase "or under the Solid Waste Disposal Act, as amended" after "Federal Water Pollution Control Act".

"(iv) In subsection 12(f) to delete the figure "$100,000,000" and insert in lieu thereof "$500,000,000."

DEFINITIONS

"SEC. 9. Section 203 of the Solid Waste Disposal Act as amended by the Resource Recovery Act of 1970 (84 Stat. 1230), is amended by:

(a) amending paragraphs (4) and (5) to read as follows:

"(4) The term 'solid waste' means any garbage, refuse, and other discarded material, including solid, liquid, semisolid, or contained gaseous material, or used petroleum product resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but does not include solid or dissolved material in domestic sewage, or dissolved materials in irrigation return flows or industrial discharges which are point sources subject to the Federal Water Pollution Control Act, as amended, or source, special nuclear, or by-

product material as defined by the Atomic Energy Act of 1954, as amended.

"(5) The term 'solid waste management' means waste reduction and the systematic control of the collection, source separation, storage, transport, treatment, recovery, recycling, and disposal of solid waste.".

(b) amending paragraph (7) to read as follows:

"(7) The term 'municipality' means (A) a city, town, borough, county, parish, district, or other public body created by or pursuant to State law, with responsibility for the planning or administration of solid waste management, or an Indian tribe or authorized tribal organization or Alaska Native village or organization, and (B) includes any rural community or unincorporated town or village or any other public entity for which an application for assistance is made by a State or political subdivision thereof.".

(c) adding the following new paragraphs:

"(11) The term 'disposal' means the discharge, deposit, injection, dumping, spilling, leaking, or placing of any substance into or on any land or water so that such substance or any constituent thereof may enter the environment or be emitted into the air or discharged into any waters, including ground waters.

"(12) The term 'storage' means the actual or intended containment of solid waste, either on a temporary basis or for a period of years, in such a manner as not to constitute disposal of such solid waste.

"(13) The term 'treatment' means any method, technique, or process, including neutralization, designed to change the physical, chemical, or biological character or composition of any solid waste, including any hazardous waste, so as to neutralize such waste or so as to render such wastes nonhazardous, safer for transport, amenable for recovery, amenable for storage, or reduced in volume.

"(14) The term 'solid waste management facility' includes (A) any resource recovery system or component thereof, (B) any system or project for waste reduction or source separation and (C) any facility for the treatment of solid wastes, including hazardous wastes, whether such facility is associated with facilities generating such wastes or otherwise.

"(15) The term 'waste reduction' means the prevention of solid waste generation by changes in the design, composition, materials, patterns of use and distribution, and other characteristics of products;

"(16) The term 'source separation' includes all measures to facilitate recovery of energy and materials by first segregating and classifying products or materials at the point where they are discarded.

"(17) The term 'hazardous waste' means a waste or combination of wastes of a solid, liquid, contained gaseous, or semisolid form, excluding source, special nuclear, or byproduct material, as defined by the Atomic Energy Act of 1954, as amended, which in the judgment of the Administrator may cause, or contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, taking into account the toxicity of such was its persistence, and degradability in nature, and its potential for accumulation or concentration in tissue, and other factors that may otherwise cause or contribute to adverse acute or chronic effects on the health of persons or other organisms.

"(18) The term 'person' means an individual, corporation, partnership, association, State, municipality, commission, or political subdivision of a State, or any interstate body.".

By Mr. PROXMIRE (for himself, Mr. SPARKMAN, Mr. WILLIAMS, Mr. TOWER, Mr. BIDEN, Mr. BROOKE, and Mr. DOLE):

S. 1475. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a Central Liquidity Facility for Federal and State credit unions, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

CREDIT UNION FINANCIAL INSTITUTIONS ACT AMENDMENTS OF 1975

Mr. PROXMIRE. Mr. President, on March 20 of this year, as chairman of the Banking Committee, I introduced by request of the administration the Financial Institution Act of 1975 (S. 1267). At that time I said I planned to introduce a more comprehensive bill to modernize and streamline the operations of credit unions, with the hope that work on both the administration's bill and the credit union bill could proceed simultaneously.

Today I am introducing the Credit Union Financial Institutions Act Amendments for myself, and for the distinguished Senators from Alabama, New Jersey, Delaware, Texas, Massachusetts, and Kansas.

Forty years ago, in the midst of the Great Depression, Congress enacted the Federal Credit Union Act "* * * to make available to people of small means credit for provident purposes through a national system of cooperative credit, thereby helping to stabilize the credit structure of the United States." During the ensuing years, these nonprofit cooperative thrift institutions organized under the Federal Credit Union Act and 44 State acts have provided millions of consumers with a safe depository for savings, and a supply of credit at affordable rates of interest. There are now over 22,000 credit unions throughout the United States striving to serve 30 million consumer members with a full range of consumer financial services.

At the time the Federal Credit Union Act was enacted, the consumer credit and savings market was practically nonexistent. With rare exception, commercial banks operated in the commercial credit market and the consumers' needs were not being met. Credit unions, beginning in New Hampshire in 1908, pioneered the consumer financial service market. Today, unlike the early 1900's, credit unions, banks, savings and loan associations, finance companies, insurance companies, mutual funds and many other institutions and corporations compete in the consumer credit and savings markets. Although credit unions pioneered in this market, Federal laws regulating credit union activities have failed to keep pace with the credit union members' financial needs of the 1790's and beyond.

These nonprofit cooperative thrift institutions need new and more modern powers to remain effective competitors and to meet the contemporary financial needs of today's American consumer. The Credit Union Financial Institutions Act Amendments of 1975 is designed to provide these needed powers. The bill will also restructure the National Credit Union Administration and establish a three-member bipartisan board of directors to replace the position of Administrator. As part of the restructuring another section of the bill will establish a central liquidity fund for credit unions similar to the liquidity funds of the bank and savings and loan industries.

Mr. President, this bill is being introduced at the request of the Credit Union National Association which represents our Nation's 23,000 credit unions. It is a good bill and I enthusiastically support the central thrust of its provisions. I do have some reservations about the practicality of a few items, but on the whole, I believe the bill represents a step in the right direction. Moreover, I believe all of the items in the bill are worthy of a thorough consideration by the Committee.

Mr. President, I ask unanimous consent that the bill together with an outline of its substantive provisions and a section by section analysis be inserted in the RECORD after my remarks.

There being no objection, the bill and outline and a section by section analysis were ordered to be printed in the RECORD, as follows:

S. 1475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Credit Union Financial Institutions Act Amendments of 1975".

TITLE I—NEW POWERS AND MODERNIZATION

SEC. 101 (a) Paragraph (1) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752) is amended to read as follows:

"(1) 'Federal credit union' means a cooperative thrift institution incorporated in accordance with the provisions of this Subchapter for the purpose of (A) encouraging thrift, (B) creating a source of credit at fair and reasonable rates of interest, (C) meeting the financial needs of its members and the member's family, and (D) providing an opportunity for its members to use and control their own money in order to improve their economic and social condition."

(b) Paragraph (4) of such section which begins with "The terms 'member account'" is redesignated paragraph "(5)" and the succeeding paragraphs numbered (5) through (8) are redesignated as paragraphs (6) through (9), respectively.

(c) Paragraph (5) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752), as redesignated by (b) of this section is amended—

(1) by striking out "The terms"; and

(2) by striking out "(when referring to the account of a member of a credit union)";

(3) by inserting "demand deposit," after the "," between "share" and "share certificate" each time such words appear therein; and

(4) by striking out "Administration" each time it appears and inserting "Board" in lieu thereof.

SEC. 102. Section 103 of the Federal Credit Union Act (12 U.S.C. 1753) is amended—

(1) by striking out "some officer competent to administer oaths" and inserting "a witness" in lieu thereof; and

(2) by striking out "$5" in paragraph (4) thereof and inserting "in $5 multiples, not less than $5 and not more than $25" in lieu thereof.

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SEC. 103 (a) Paragraph (5) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is amended to read as follows:

"(5) to make loans and extend lines of credit to its members, to other credit unions and to credit union organizations and to participate with other credit unions, corporations or financial organizations in making loans to credit union members in accordance with the following:

(A) Loans to members shall be made in conformity with criteria established by the board of directors: *Provided*, That

(i) the criteria include such security as deemed necessary and a maturity of 12 years or less;

(ii) loans secured by and made for the purchase or construction of a residential dwelling have a maturity of 30 years or less;

(iii) loans made for the purchase of mobile homes or for the repair, alteration or improvement of a residential dwelling have a maturity of 15 years or less unless such loans meet the requirements of (A)(iv) of this paragraph;

(iv) loans secured by the insurance or guarantee of the Federal Government, or a State government, or any agency of either, may be made for the maturities and under the terms and conditions specified in the law under which such insurance or guarantee is provided;

(v) a loan or aggregate of loans to a director or member of the supervisory or credit committee of the credit union making the loan which exceeds $5,000 plus pledged shares, be approved by the board of directors;

(vi) loans to other members for which directors or members of the supervisory or credit committee act as guarantor or endorser be approved by the board of directors when such loans standing alone or when added to any outstanding loan or loans of the guarantor or endorser exceeds $5,000;

(vii) loans are approved by the credit committee or a loan officer;

(viii) the rate of interest not exceed 1 per centum per month on the unpaid balance or such higher rate as is permitted by the National Credit Union Administration Board;

(ix) the taking, receiving, reserving, or charging of a rate of interest greater than is allowed by this paragraph, when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person by whom it has been paid, or his legal representatives, may recover back from the credit union taking or receiving the same, in an action in the nature of an action of debt, the entire amount of interest paid; but such action must be commenced within two years from the time the usurious collection was made;

(x) a borrower may repay his loan, prior to maturity in whole or in part on any business day without penalty;

(xi) loans shall be paid or amortized in accordance with rules and regulations prescribed by the Board after taking into account the needs or conditions of the borrowers, the amounts and duration of the loans, the interests of the members and the credit unions, and such other factors as the Board deems relevant.

(B) Lines of credit be established to a stated maximum amount on certain terms and conditions to a borrower which may be different from the terms and conditions established for another borrower;

(C) Loans to other credit unions be approved by the board of directors.

(D) Loans to credit union organizations be approved by the board of directors and not exceed 1 percent of the unimpaired capital and surplus of the credit union. For purposes of this paragraph, a credit union organization is any organization serving credit unions primarily of which the credit union is a member.

(E) Participation loans with other credit unions, corporations or financial organizations be in accordance with written policies of the board of directors.

(b) Paragraph (6) of such section is amended by striking it out.

(c) Paragraph (7) of section is redesignated paragraph "(6)" and is amended to read as follows:

"(6) to receive from (A) its members, (B) other credit unions, (C) an officer, employee or agent of those nonmember units of Federal, state or local governments and political subdivisions thereof enumerated in section 207 of this Chapter (12 U.S.C. 1787) and in the manner so prescribed, and (D) nonmembers in the case of credit unions serving predominantly low-income members (as defined by the Board) shares, share certificates, share deposits, and demand deposits subject to such terms, rates and conditions as may be established by the board of directors:".

(d) Paragraph (8) of such section is redesignated paragraph "(7)" and amended to read as follows:

"(7) to invest funds (A) in securities, obligations, certificates or other instruments of, or issued, or fully guaranteed as to principal and interest by the United States of America, any agency or instrumentality thereof, or any corporation wholly or partially owned or established by the United States of America or any agency or instrumentality thereof, or by any trust or trusts established by the United States of America or any agency or instrumentality thereof: (B) in obligations of any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Panama Canal Zone, the several territories and possessions or any political subdivision thereof; (C) in the shares, stocks or obligations of any other organization, corporation or association which strengthens or advances the development of credit unions, credit union organizations or the social or economic policy of the United States up to 5 percent of the total assets of the credit union with the approval of the National Credit Union Administration Board.

(e) Paragraph (9) of such section is redesignated paragraph "(8)" and amended to read as follows:

"(8) to place its funds (A) in shares, accounts or deposits of savings and loan associations and mutual savings banks which are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation; (B) in shares, share certificates, share deposits, demand or time deposits of any federally or state insured credit union; (C) in shares or deposits of any central credit union in which such investments are specifically authorized by the board of directors of the Federal credit union making the investment; (D) in demand or time deposits of any bank or trust company the deposits of which are insured by the Federal Deposit Insurance Corporation; (E) for Federal credit unions, or credit unions authorized by the Department of Defense, operating suboffices on American military installations in foreign countries or trust territories of the United States to maintain demand deposit accounts in banks located in those countries or trust territories subject to such regulations as may be issued by the Board and provided such banks are correspondents of banks described in (C) of this paragraph;

(f) Such section is amended by inserting a new paragraph "(9)" to read as follows:

"(9) to perform personal trust and custodial services, subject to limitations that may be prescribed by the board;"

(g) Paragraph (13) of such section is amended by striking out everything after "Board" and inserting in lieu thereof the following: "to sell, purchase or handle any money transfer instrument to or for members;".

(h) Paragraph (14) of such section is amended by inserting after the first comma the following: "to purchase, sell, pledge or discount or otherwise receive or dispose of, in whole or in part, any eligible obligations (as defined by the Board) of its members and".

(i) Paragraph (15) of such section is redesignated paragraph "(17)" and is amended by inserting "to meet the financial needs of its members and the member's family and" after "it".

(j) Such section is further amended by adding the following new paragraphs:

"(15) to sell all or a part of its assets to another credit union, to purchase all or part of the assets of another credit union and to assume the liabilities of the selling credit union and those of its members subject to regulations of the Board;

(16) to permit members to transfer money to and from the member's account at any intervals and by whatever means permitted by regulations of the Board;".

SEC. 104. Section 109 of the Federal Credit Union Act (12 U.S.C. 1759) is amended to read as follows:

Membership.—Federal credit union membership shall consist of the incorporators and such other persons and incorporated and unincorporated organizations as may be elected to membership. Each member shall subscribe to at least one share of stock and pay the initial installment thereon and a uniform entrance fee if required by the board of directors.

Federal credit union membership shall include, but is not necessarily limited, to groups having a common bond of similar occupation, association or interest, or who reside or work within an identifiable neighborhood, community, or rural district, or to employees of a common employer; and to the surviving spouse of a deceased member.

In addition, credit unions may include within their field of membership (A) low-income persons, as defined by the Board; (B) members of liquidated or liquidating credit unions; and (C) groups of employees of a common employer of 200 or less in number and whose place of employment is within 100 miles of the principal office.

SEC. 105. Section 111 of the Federal Credit Union Act (12 U.S.C. 1761) is amended to read as follows:

"Management.—The management of a Federal credit union shall be by a board of directors, a supervisory committee and, when the bylaws so provide, a credit committee.

The board shall consist of an odd number of directors, at least five in number, to be elected annually by and from the members as the bylaws provide. Any vacancy occurring on the board shall be filled until the next annual election by appointment by the remainder of the directors.

The supervisory committee shall be appointed by the board of directors and shall consist of not less than three members nor more than five members, one of whom may be a director other than the treasurer.

A record of the names and addresses of the executive officers and the chairperson of the supervisory and, when utilized, the credit committee shall be filed with the National Credit Union Administration Board wtihin ten days after their election or appointment.

No member of the board or of any committee shall, as such be compensated: *Provided, however*, That reasonable health, accident, and similar insurance protection shall not be considered compensation."

SEC. 106. Section 112 of the Federal Credit Union Act (12 U.S.C. 1761a) is amended to read as follows:

"Officers.—At their organization meeting and within thirty days following each annual meeting of the members thereafter, the directors shall elect from their own number an executive officer who may be designated as chairperson of the board or president, a vice chairperson of the board or one or more vice presidents, a treasurer, and a secretary, of whom the last two may be the same individual, and the persons so elected shall be the executive officers.

No executive officer, except the treasurer, shall be compensated as such.

The board of directors may employ a person to be in charge of operations whose title shall be president or general manager; or, in lieu thereof, the board of directors may designate the treasurer to act as general manager or president and be in active charge of the affairs of the Federal credit union.

The duties of the officers shall be as determined in the bylaws.

Before the officer in charge of operations acting as general manager or president or the treasurer shall assume the duties of the office, such officer shall give bond with good and sufficient surety, in an amount and character to be determined by the board of directors in compliance with regulations prescribed from time to time by the National Credit Union Administration Board, conditioned upon the faithful performance of such officer's trust."

SEC. 107. Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended to read as follows:

"Directors.—The board of directors shall meet at least once a month and shall have the general direction and control of the affairs of the Federal credit union. Minutes of all meetings shall be kept.

Among other things, the board shall—

(A) act upon applications for membership or appoint membership officers from among the members, other than the treasurer, an assistant treasurer, or a loan officer, to act on its behalf:

(B) require any officer or employee having custody of or handling funds to give bond with good and sufficient surety in an amount and character in compliance with regulations of the National Credit Union Administration Board, and authorize the payment of the premium or premiums therefor from the funds of the Federal credit union;

(C) fill vacancies on the board until successors elected at the next annual meeting have qualified.

(D) if the bylaws provide for an elected credit committee, fill vacancies on the credit committee until successors elected at the next annual meeting have qualified;

(E) appoint the members of the supervisory committee and, if the bylaws so provide, appoint the members of the credit committee;

(F) have charge of investments including the right to designate an investment committee of not less than two to act on its behalf;

(G) determine the maximum number of shares or share certificates and the classes of shares and share certificates that may be held by members, and in the case of low-income credit unions, nonmembers;

(H) subject to the limitations of this Subchapter, determine the interest rates on loans, the security and the maximum amount which may be loaned or provided in a line of credit;

(I) authorize interest refunds to members from income earned and received on such classes of loans and under such conditions deemed fair;

(J) provide for the hiring and compensation of employees, including loan officers in case where there is no credit committee;

(K) if the bylaws so provide, appoint an executive committee of not less than three directors to act on its behalf and any other committees to which it can delegate specific functions;

(L) prescribe conditions and limitations for the investment, executive, appointed credit committee and any other committee which it appoints;

(M) review at each monthly meeting a list of approved or pending applications for membership received since the previous monthly meetings, together with such other related information as it or the bylaws require;

(N) make provision for the furnishing of the written reasons for the denial of any membership application upon the written request of the applicant;

(O) establish the dividend to be paid on shares and the interest rate to be paid on share certificates and deposits;

(P) do all other things that are necessary and proper to carrying out the purposes and powers of the Federal credit union.

SEC. 108. Section 114 of the Federal Credit Union Act (12 U.S.C. 1761c) is amended to read as follows:

"Credit Committee.—The board of directors may appoint or the members may elect a credit committee consisting of an odd number of members of the credit union. The method used shall be set forth in the bylaws. The credit committee shall hold such meetings as the business of the Federal credit union may require, not less frequently than once a month, to consider applications for loans or lines of credit. Approval of an application shall be by a majority of the committee who are present at the meeting at which it is considered provided that a majority of the full committee is present. The credit committee may appoint and delegate to loan officers the authority to approve applications.

"If loan officers are utilized, loans or lines of credit not approved by the loan officer shall be reviewed by the credit committee and the approval of a majority of the members who are present at the meeting when such review is undertaken shall be required to reverse the loan officer's decision provided a majority of the full committee is present.

"No loan may be made to any member if, upon the making of that loan, the member would be indebted to the Federal credit union upon loans made to him in an aggregate amount which would exceed 10 per centum of the credit union's unimpaired capital and surplus."

SEC. 109. Section 116 of the Federal Credit Union Act (12 U.S.C. 1762) is amended by inserting the following new paragraph at the end thereof:

"(c) Each Federal credit union shall maintain reserves against its demand deposits in balances in the Central Liquidity Facility and in currency and coin, or in such other form as the Board of Governors of the Federal Reserve System may provide for similar reserves of member banks, equal to not less than such percentages of its aggregate amounts of such deposits (not less than 1 per centum nor more than 22 per centum) as may be established by the Board based on determinations made by the Board of Governors after consultation with the Board. Such determination and consultation shall take into consideration the various types of accounts of the institutions, the length of time such accounts have been offered by any institution, and such other factors as may be deemed appropriate, and different percentages may be prescribed on the basis of such considerations."

SEC. 110. Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended to read as follows:

"Dividends.—At such intervals as the board of directors may authorize and after provision for required reserves, the board may declare a dividend to be paid at different rates on different types of shares. Dividend credit may be accrued on shares as authorized by the directors."

SEC. 111. Section 119 of the Federal Credit Union Act (12 U.S.C. 1765) is amended to read as follows:

"Issuance of Shares.—Shares may be issued in joint tenancy with right of survivorship with any persons designated by the credit union member, but no joint tenant shall be permitted to vote, obtain loans, or hold office, unless such person is within the field of membership and is a qualified member.

Shares may be issued also in the name of a minor or in trust, subject to such conditions as may be prescribed by the bylaws. When shares are issued in trust, the name of the beneficiary shall be disclosed to the Federal credit union.".

SEC. 112. Sections 1773–1775 of chapter 14 of title 12 of the United States Code (12 U.S.C. 1773–1775) are hereby repealed.

TITLE II—RESTRUCTURING THE NATIONAL CREDIT UNION ADMINISTRATION

SEC. 201. (a) Paragraph (2) of section 101 of the Federal Credit Union Act (12 U.S.C. 1752) is amended by—

(1) striking out "the term";

(2) striking out "Administrator" both times it appears and inserting "Chairperson" in lieu thereof;

(3) inserting "Board" after "Administration".

(b) Paragraph (3) of such section is amended by striking out "the term" and "and".

(c) Paragraph (4) of such section is amended by—

(1) striking out "the term";

(2) inserting "Administration" after "Union";

(3) striking out the period and inserting in lieu thereof "and 'Advisory Board' means the National Credit Union Administration Advisory Board".

(d) Redesignated paragraph (6) of such section is amended by striking out "The terms".

(e) Redesignated paragraph (7) of such section is amended by—

(1) striking out "the term";

(2) striking out "title" and inserting in lieu thereof "Subchapter";

(3) striking out "Act" and inserting in lieu thereof "Chapter".

(f) Redesignated paragraphs (8) and (9) of such section are amended by striking out "The term".

(g) Such section is further amended by adding the following:

(10) 'Central Liquidity Facility' and 'CLF' mean the National Credit Union Central Liquidity Facility;

(11) 'Executive Director' means the Executive Director of the National Credit Union Administration Board."

SEC. 202. Section 102 of the Federal Credit Union Act (12 U.S.C. 1752a) is amended to read as follows:

(a) There is hereby established in the executive branch of the Government an independent agency to be known as the National Credit Union Administration. The Administration shall be under the management of a National Credit Union Administration Board and shall have a National Credit Union Administrative Advisory Board.

(b) The Board shall consist of three members having tested credit union experience appointed by the President with the advice and consent of the Senate. In appointing the members of the Board, the President shall designate the Chairperson. Not more than two members of the Board shall be members of the same political party.

(c) The term of office of each member of the Board shall be six years. However, the terms of the members of the Board initially appointed shall expire as follows: one two years from the date of appointment, one four years from the date of appointment and one (Chairperson) six years from the date of appointment. Board members shall not be appointed to succeed themselves except the initial members appointed for less than a

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six-year term may be reappointed for a full six-year term and future members appointed to fill unexpired terms may be reappointed for a full six-year term. Any Board member may continue to serve as such after the expiration of said members term until a successor has qualified.

(d) The management of the Administration shall be vested in the Board. The Chairperson shall be compensated at level III of the Executive Schedule (5 U.S.C. 5315) and the remaining Board members shall be compensated at level IV of the Executive Schedule. The Board shall adopt such rules as it sees fit for the transaction of its business and shall keep permanent and complete records and minutes of its acts and proceedings. A majority of the Board shall constitute a quorum. The Board shall make an annual report to the President for submission to the Congress summarizing the activities of the Administration. The Board will begin to function as soon as the last member of the Board is approved. The Administrator or the Administration prior to the effective date of these provisions shall exercise the authority contained in this Chapter until such time as the last Board member is approved.

(e) The Chairperson of the Board shall be the spokesperson of the Board and shall represent the Board and the National Credit Union Administration in its official relations with other branches of the Government. The Chairperson shall determine each Board member's area of responsibility and shall review such assignments biennially. It shall be the Chairperson's responsibility to direct the implementation of the adopted policies and regulations of the Board, through the Executive Director.

(f) The Board shall appoint an Executive Director from the career staff of the Administration who shall serve at level V of the Executive Schedule at the pleasure of the Board and retain a reversionary career status. The Executive Director shall be responsible to the Chairperson for the operation of the Administration in the execution of the Board's policy decisions but shall not participate in the policy making decisions of the Board. Implementation by the Executive Director of Board policy and regulations shall be carried out through career appointed Executive Staff and Regional Directors.

(g) The members of the Board shall be ineligible during the time they are in office or for two years thereafter to hold any office, position, or employment in any credit union, except that this restriction shall not apply to any member who has served the full term for which he was appointed.

(h) An Advisory Board shall be elected to advise and make recommendations on policy matters to the Board. The Advisory Board shall consist of a Chairperson and one primary member and one alternate from each of the Administration's regional districts. Alternates shall serve in the absence of the primary member. The Advisory Board Chairperson shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President, but for not more than six consecutive years. In making the appointment, the President shall appoint a person of tested credit union experience.

The Advisory Board members, other than the Advisory Board Chairperson, shall be nominated and elected by the Federal, federally insured and CLF member credit unions in their respective regions.

The Board shall promulgate regulations for the nomination and election procedures within 90 days following appointment and approval of the Board members.

The elected terms of the Advisory Board members shall be for two years. Members may be reelected, but for no more than three consecutive terms.

In the event all members of the Advisory Board are elected from either State or Federal Credit Unions to the exclusion of the other, the Board shall appoint two members at large to the Advisory Board, for two year terms, from the group not represented until there has been elected at least one member of both Federal and State Credit Unions.

Members of the Advisory Board shall be entitled to receive reasonable compensation at a rate to be specified by the Board, but no less than $75.00 per day for each day during which they are engaged in the actual performance of duties of the Advisory Board. They shall also be allowed travel expenses including per diem in lieu of subsistence as authorized by Section 5703 of Title 5, of the United States Code for persons in Government service employed intermittently.

The Board shall call the first meeting of the Advisory Board, and thereafter the Advisory Board shall meet on a quarterly basis, and at such other times as the Advisory Board Chairperson or the Board may request, or whenever at least one-half of the members so request.

The Advisory Board shall adopt such rules as it may see fit for the transaction of its business and shall keep permanent and complete records and minutes of its acts and proceedings.

A majority of the voting members of the Advisory Board shall constitute a quorum.

(i) Members of the National Credit Union Board prior to the effective date of this section shall serve the remainder of their terms as the initial members of the Advisory Board, provided, however, the Chairperson of said Board shall not serve more than six consecutive years from the effective date of this section.

(j) Except as provided by this Act, provisions of law now or hereafter in effect shall not apply: to funds, contracts, obligations, expenditures, lending or payments: to fees and charges authorized in connection with applications, or in connection with the providing of information, services, facilities, to any persons; to claims, demands or accounts of or against or relating to either: *Provided* (without regard to any provision of the Government Corporation Control Act as to government capital) banking and checking accounts of the Administration, including their receipts, shall be maintained in accordance with section 302 of said last named Act as now in effect, and the financial trasactions of the Administration shall be subject to audit (except, however, closed sections of Examination Reports shall not be deemed to be records of any type necessary to facilitate the audit), which may be on a calendar year basis, in accordance with Subchapter I of said Act as now in effect.

(k) All policies, procedures, rules and regulations effective at the time this section becomes effective shall remain in effect until modified or withdrawn by the Board.

SEC. 203. (a) Subsection (b) of section 120 of the Federal Credit Union Act (12 U.S.C. 1766) is amended by—

(1) striking out "bankrupt or" in paragraph (1);

(2) by inserting the following new paragraph at the end thereof:

"(6) Any aggrieved party may seek to enjoin or obtain other appropriate remedy when a charter revocation or suspension or an involuntary liquidation is ordered by the Board. Any such suit may be brought in any court of the United States of competent jurisdiction in the district or territory in which the principal office of the credit union is located."

(b) Subsection (l) of such section is amended—

(1) by striking out in paragraph (2) ", and perform such other functions or acts deemed necessary or appropriate to carry out the provisions of this Act"; and

(2) by striking out "." at the end of paragraph (3) and inserting "; and" in lieu thereof; and

(3) by adding the following new paragraph:

"(4) to exercise all powers specifically granted by the provisions of this chapter and such incidental powers as shall be necessary to carry out the powers so granted.".

SEC. 204. Section 5108 of Title 5 United States Code is amended by adding the following new paragraph:

"(h) In addition to the number of positions authorized by subsection (a), the National Credit Union Administration is authorized without regard to any other provision to this section, to place one position in the Administration at GS 18 and a total of 14 positions in the Administration at GS 16 or 17."

TITLE III—SHARE INSURANCE

SEC. 301. (a) Paragraph (a) of section 201 of the Federal Credit Union Act (12 U.S.C. 1731) is amended by—

(1) inserting ", including the trust territories, "after several territories";

(2) striking out "title" and inserting "Subchapter" in lieu thereof;

(3) striking out "Act" and inserting "Chapter" in lieu thereof.

(c) Paragraph (b)(6) of such section is amended by striking out "or to assure that all insured credit unions maintain regular reserves which are not less than those required under Title I of this Act".

(d) Paragraph (b)(7) of such section is amended by inserting "except for accounts authorized by state law for state credit unions" before the semicolon.

(e) Paragraphs (b)(3) and (b)(9) of such section are amended by striking out "title" and inserting "Subchapter" in lieu thereof.

(f) Paragraphs (c)(1)([illegible]) and (c)(2) of such section are amended by striking out "for provident or productive purposes" and inserting "at a fair and reasonable rate of interest" in lieu thereof.

(g) Paragraph (c)(3) of such section is amended by striking out the last sentence thereof.

(h) Such section is further amended by striking out all of paragraph (d) and redesignating paragraph (e) as (d).

SEC. 302. Section 202 of the Federal Credit Union Act (12 U.S.C. 1782) is amended by—

(1) striking out "his" in the fifth sentence of paragraph (a)(1) and inserting "said officer's" in lieu thereof;

(2) striking out "title" and "Act" in paragraph (a)(5) and inserting "Subchapter" and "Chapter" respectively in lieu thereof.

SEC. 303. Section 205 of the Federal Credit Union Act is amended by striking out "for provident or productive purposes" in paragraph (c)(6) and inserting "at a fair and reasonable rate of interest" in lieu thereof.

SEC. 304. Section 208 of the Federal Credit Union Act (12 U.S.C. 178[illegible]) is amended by striking out "Special Assistance to Avoid Liquidation" and inserting "Special Assistance for Federally Insured Credit Unions" in lieu thereof.

TITLE IV—CENTRAL LIQUIDITY FACILITY

SEC. 401. The Federal Credit Union Act (12 U.S.C. 1751–1790) is further amended by inserting immediately after section 210 (12 U.S.C. 1790) the following new subchapter:

"SUBCHAPTER III—NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

FINDINGS AND PURPOSE

SEC. 301. The Congress finds that it is necessary and desirable to improve and stimulate the ability of credit unions to encourage savings by their members, to continue their efforts to provide credit at reasonable rates of interest and to meet the financial needs of their members and the member's family to the fullest extent possible.

To accomplish this, it is necessary to establish a Central Liquidity Facility to (1) provide funds to meet the liquidity needs of credit unions, (2) provide for the orderly transfer of funds among and between credit unions and other financial institutions and

(3) generally assist credit unions to improve their general welfare and the financial and general welfare of their members and the member's family.

DEFINITIONS

SEC. 302. As used in this Subchapter—

(1) 'member' means any shareholder of the CLF.

(2) 'state credit union' includes credit unions organized under the laws of the States of the United States or the District of Columbia, the several territories, including the trust territories and possessions of the United States, the Panama Canal Zone, and the Commonwealth of Puerto Rico and which is not prohibited by the laws under which it is organized from becoming a member of the CLF in accordance with the requirements of this Act.

(3) 'federally insured credit union' means any credit union insured by the National Credit Union Share Insurance Fund.

(4) 'state-insured credit union' means any state credit union that has obtained a certificate of insurance from a corporation authorized and duly licensed to insure member accounts by the state in which the credit union is chartered.

(5) 'paid-in and unimpaired capital and surplus' means the balance of the paid-in shares account as of a given date, less any loss that may have been incurred for which there is no reserve or which have not been charged against undivided earnings, plus the credit balance (or less the debt balance) of the undivided earnings account as of a given date, after all losses have been provided for and net earnings or net losses have been added thereto or deducted therefrom. Reserves shall not be considered as part of surplus.

ESTABLISHMENT OF THE NATIONAL CREDIT UNION CENTRAL LIQUIDITY FACILITY

SEC. 303. There is hereby created the National Credit Union Central Liquidity Facility which shall exist perpetually within the National Credit Union Administration unless and until dissolved or transferred by act of Congress. The principal office shall be located at the principal office of the National Credit Union Administration but the Board may establish such regional district and branch offices as it deems necessary and appropriate.

MANAGEMENT

SEC. 304. The management of the CLF shall be vested in the National Credit Union Administration Board. The relationship between the Board and the Advisory Board shall be the same as the relationship set forth in Subchapter I of this Chapter. The Board shall administer the affairs of the CLF fairly and impartially and without discrimination in favor of or against any member, and shall, subject to the provisions of this Chapter, extend to each credit union authorized to secure advances such advances as may be made safely and reasonably with due regard to the maintenance of adequate credit standing for the CLF and its obligations.

INITIAL EXPENSES

SEC. 305. In order to facilitate the formation of the CLF, the Secretary of the Treasury is authorized to advance up to $500,000 to be utilized for the initial organizational and operating expenses of the CLF. Such advance shall bear interest at a rate to be determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities and shall be repaid within two years from the date of the advance.

CAPITALIZATION OF THE CLF

SEC. 306. (a) As soon as practicable after the effective date of this Subchapter, the Board, or Administrator prior to the effective date of this Subchapter if the Board members have not been appointed and approved, shall open books for subscriptions to the capital stock of the CLF.

(b) The capital stock of the CLF shall be divided into shares having a par value of $50 each. The minimum capital stock shall be issued at par. Stock issued thereafter shall be issued at such price not less than par as may be fixed by the Board.

(c)(1)(A) The original stock subscription of each credit union eligible to become a member under paragraphs (f) and (g) of this section shall be an amount equal to at least one-half of 1 per centum of the subscriber's paid in and unimpaired capital surplus, but not less than $50.

(B) Only one-half of the required subscription amount must be transferred to the CLF. The other one half may be held by the credit union on call of the Board.

(C) The regular reserve requirement, as set forth in section 116 of Subchapter I may, pursuant to such terms and conditions as may be prescribed by the Board, be reduced by an amount equal to the funds transferred to or held on call by the CLF.

(D) The CLF shall annually adjust, at the close of the calendar year, in such manner and upon such terms and conditions as the Board may prescribe, the amount of stock held by each member so that such member shall have invested in the stock of the CLF at least an amount calculated in the manner provided in the preceding sentence (but not less than $50).

(E) If the investment in stock of any member is greater than that required under this subsection, the Board may, unless prohibited by the provisions of paragraph (2) of this subsection, in its discretion and upon application of such member, retire the stock of such member in excess of the amount so required.

(F) The Board may provide for adjustment in the amounts of stock to be issued or retired but not in fractional shares.

(2) Upon the retirement of the stock of any member, the Board shall pay such member for the stock retired an amount equal to what the member paid for such stock, or, at the election of the Board, the whole or any part of the payment which would otherwise be so made shall be credited upon the indebtedness of the member to the CLF. In either such event, stock equal in par value to the amount of the payment or credit, or both, as the case may be, shall be cancelled.

(3) The Board may require each member to submit such reports and information as the Board deems necessary or appropriate to carry out its duties and responsibilities under this Subchapter.

(d) Stock subscriptions shall be paid for in cash or in securities or other assets deemed acceptable by the Board and shall be paid for at the time of application therefor, or, at the election of the subscriber, in installments, but not less than one-fourth of the total amount payable shall be paid at the time of filing the applications, and the remaining amounts at such intervals as may be prescribed by the Board: *Provided, however*, the last payment shall become due on the 180th day after the date of the application.

(e) Stock subscribed for shall not be transferred or hypothecated except as provided herein and the certificates therefor shall so state.

(f)(1) Federal credit unions with assets of more than $500,000 shall become members of the CLF within four months of the effective date of this Subchapter.

(2) Federal credit unions of less than $500,000 in assets may become members at any time. But when such Federal credit unions reach $500,000 in assets, they shall become members within four months of such occurrence.

(3) State credit unions may become members of the CLF at any time.

(4) Credit unions that become members later than six months from the effective date of this Subchapter, cannot borrow or receive advances from the CLF for a period of six months after joining.

(g)(1) Any member other than a Federal credit union with assets greater than $500,000 may withdraw from membership in the CLF 180 days after filing with the Board written notice of its intention to do so.

(2) The Board may, after a hearing, under procedures set forth in regulations, remove any member from membership, if in its opinion, the member has failed to comply with any provisions of this Subchapter or regulations of the Board issued pursuant thereto. In such case, the indebtedness of such member to the CLF shall be liquidated and the capital stock owned by such member surrendered and cancelled. Upon the liquidation of such indebtedness, such member shall be entitled to the return of his collateral, and, upon the surrender and cancellation of such capital stock, the member shall receive a sum equal to what it paid for subscriptions for the capital stock surrendered.

(h) All stock of the CLF shall share in dividend distributions without preference at rates to be determined by the Board.

POWERS OF THE BOARD IN ADMINISTERING THE CENTRAL LIQUIDITY FACILITY

SEC. 307. The Board shall have the authority on behalf of the CLF to:

(a) Sue and be sued, complain and defend, in any court of law or equity, State or Federal. All suits of a civil nature at common law or in equity to which the Board shall be a party shall be deemed to arise under the laws of the United States. The U.S. district courts shall have original jurisdiction thereof, without regard to the amount in controversy.

The Board may, without bond or security, remove any such action, suit or proceeding from a State court to the United States District Court for the district or division embracing the place where the same is pending by following any procedure for removal now or hereafter in effect.

The Board may, notwithstanding any other provision of law, retain private counsel to represent it.

No attachment or execution shall be issued against the Board or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court.

The Board shall designate an agent upon whom service of process may be made in any State, territory, or jurisdiction in which any member credit union is located;

(b) Adopt a seal;

(c) Pursue to final disposition by way of compromise or otherwise claims both for and against the United States (other than tort claims, claims involving administrative expenses, and claims in excess of $5,000 arising out of contracts for construction, repairs and the purchase of supplies and materials) which are not in litigation and have not been referred to the Department of Justice;

(d) Appoint, employ, and dismiss such officers and employees as are not otherwise provided for in this Chapter, to define their duties, fix their compensation, require bonds of them and fix the penalty thereof. Nothing in this or any other Act shall be construed to prevent the appointment and compensation as an officer or employee of the Administration of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof;

(e) Employ or contract with experts, professionals, and consultants or organizations thereof;

(f) Prescribe the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed;

(g) Require information and reports from member credit unions;

(h) Delegate to any officer or employee of the Administration such of its functions as it deems appropriate;

(i) Prescribe rules and regulations as it may deem necessary or appropriate to carry out the provisions of this subchapter;

(j) Conduct its business, carry on its operations, have offices, and exercise the powers granted by this subchapter in any State or territory;

(k) Lease, purchase, or otherwise acquire, and own, hold improve, use, or otherwise deal in any with any property, real, personal, or mixed, or any interest therein, wherever situated;

(l) Accept gifts or donations of services, or property, real, personal, or mixed, tangible or intangible, in and for the purpose of the CLF:

(m) Enter into contracts with public or private organizations, corporations, or individuals, at the local, regional, State or National level including, but not exclusive to, credit unions, central credit unions, credit union organizations and other financial institutions; to act as agent for or otherwise assist the CLF in the conduct of its business; to contract for services such as, but not limited to, data processing, printing and communications where time or economics dictate; and do all things which are necessary or incidental to the proper management of its affairs and the proper conduct of the business;

(n) Obtain indirect participation by private and other public financial sources by issuing bonds, debentures, and such other certificates of indebtedness having such maturities and bearing such interest as the Board may determine. In no event, however, shall the aggregate of such debentures and similar obligations outstanding at any one time exceed twenty times the surplus and paid-in capital of the CLF. The obligations of the CLF issued under this paragraph shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof;

(o) Make deposits in federally-insured commercial banks, mutual savings banks, savings and loan associations, insured credit unions, member credit unions and financial institutions acting as agents on either a demand or time basis;

(p) Purchase from any member with its endorsement any note, draft or other such obligation presented by the member, under limits to be established by the Board;

(q) Invest such part of the assets of the CLF as are not required for advances to members or other purposes specified by this Subchapter, and to such extent as the Board may deem desirable, in obligations of the United States or any agency thereof and in obligations or participations issued by an agency of the United States in trust for another agency of the United States;

(r) Borrow from the National Credit Union Share Insurance Fund, pursuant to such terms and conditions as the Board may prescribe; and

(s) Exercise all powers specifically granted by the provisions of this title and such incidental powers as shall be necessary to carry out the powers so granted and purposes so stated.

ADVANCES

Sec. 308. (a) Advances by the CLF.

(1) Any member of the CLF shall be entitled to apply in a form prescribed by regulations for advances. The Board may deny any application, or my grant it, upon such terms, conditions and maturities as it may prescribe by regulations.

(2) Advances to members shall be upon such security as the Board may prescribe. Such security may include, but not necessarily be limited to, obligations of the United States, obligations issued in trust by any agency of the United States on behalf of any agency of the United States, notes made by the member in the form of loans to its members or any other legal asset of a credit union.

Any such advance shall be subject to the following limitations:

(i) If secured by notes made by the member in the form of loans to its members, the advance may be in an amount not in excess of 80% of the aggregate unpaid principal of the notes.

(ii) If secured by obligations of the United States, obligations fully guaranteed by the United States, or obligations issued in trust by any agency of the United States on behalf of any agency of the United States, the advance shall be for an amount not in excess of the face value of such obligations.

(3) Advances shall be made upon the note or obligation of the member, secured as provided in this section, bearing such rate of interest as the Board shall determine, and the CLF shall have a lien on and shall hold the stock of such member as further collateral security for all indebtedness of the member of the CLF.

(4) The member applying for an advance shall enter into a primary and unconditional obligation to pay off all advances, together with interest and any unpaid costs and expenses in connection therewith according to the terms under which they were made, in such form as shall meet the requirements of the CLF and the approval of the Board. The CLF shall reserve the right to require at any time, when deemed necessary for its protection, deposits of additional collateral security or substitutions of security by borrowing institutions, and each borrowing institution shall assign additional or substituted security when and as required.

(5) The limit on the aggregate amount of outstanding advances to be made to any one member shall be established by the Board by regulation.

(b) Advances to the CLF. The Secretary of the Treasury is authorized and directed to purchase any obligation issued by the Board in the event that there are insufficient funds in the CLF to meet obligations arising under paragraph (a) of this section.

Purchases by the Secretary of the Treasury under this paragraph outstanding at any time shall be limited to such amounts not in excess of one billion dollars. Such advances shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such advances adjusted to the nearest ⅛ of 1 per centum.

ANNUAL REPORT

Sec. 309. Not later than 90 days after the close of each calendar year the Board shall prepare and submit to the President and to the Congress a full report of the activities of the CLF for each previous fiscal year. This report may be a part of the Board's annual report to the President and to the Congress, as required by Subchapter I of this Chapter.

REIMBURSEMENT TO NATIONAL CREDIT UNION ADMINISTRATION

Sec. 310. The Board annually shall determine the expenditures under this Act incurred in carrying out the responsibilities imposed upon it, and, in conjunction with fees paid for chartering, examination, supervision, and insuring of Federal credit unions, and federally-insured credit unions shall assess the CLF for its share of such expenses. Receipts derived by the Board from the CLF for the above purpose shall be deposited in a special deposit account with the Treasurer of the United States and may be withdrawn therefrom from time to time to defray the general expenses of the Board.

TAX EXEMPTION

Sec. 311. The CLF, its property, its franchise, capital, reserves, surplus holdings, and other funds, and its income shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority; except that (1) any real property and tangible personal property of the CLF shall be subject to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed."

TITLE V—CLERICAL AMENDMENTS

Sec. 501. (a) The Federal Credit Union Act (12 U.S.C. 1751–1790) is further amended by striking out "Administrator" and inserting in lieu thereof "Board" in the following sections:

(1) section 103 (12 U.S.C. 1753)
(2) section 104 (12 U.S.C. 1754)
(3) section 105 (12 U.S.C. 1755)
(4) section 106 (12 U.S.C. 1756)
(5) paragraphs (5), (8), (9), (10), (13), and (14) of section 107 (12 U.S.C. 1757)
(6) section 108 (12 U.S.C. 1758)
(7) section 109 (12 U.S.C. 1759)
(8) section 111 (12 U.S.C. 1761)
(9) section 112 (12 U.S.C. 1761a)
(10) section 113 (12 U.S.C. 1761b)
(11) section 115 (12 U.S.C. 1761d)
(12) paragraph (b)(2) of section 116 (12 U.S.C. 1762)
(13) the title of section 120 (12 U.S.C. 1766)
(14) section 120(a) (12 U.S.C. 1766)
(15) section 120(b)(1) (12 U.S.C. 1766)
(16) section 120(b)(2) (12 U.S.C. 1766)
(17) section 120(b)(3) (12 U.S.C. 1766)
(18) section 120(b)(4) (12 U.S.C. 1766)
(19) section 120(b)(5) (12 U.S.C. 1766)
(20) section 120(c) (12 U.S.C. 1766)
(21) section 120(d) (12 U.S.C. 1766)
(22) section 120(e) (12 U.S.C. 1766)
(23) section 120(f)(1) (12 U.S.C. 1766)
(24) section 120(f)(2)(A) (12 U.S.C. 1766)
(25) section 120(f)(2)(B) (12 U.S.C. 1766)
(26) section 120(g) (12 U.S.C. 1766)
(27) section 120(h) (12 U.S.C. 1766)
(28) section 120(i) (12 U.S.C. 1766)
(29) section 120(i)(3) (12 U.S.C. 1766)
(30) section 121 (12 U.S.C. 1767)
(31) section 125(b)(1) (12 U.S.C. 1771)
(32) section 125(b)(2) (12 U.S.C. 1771)
(33) section 127 (12 U.S.C. 1772a)
(34) sections 201 to 210 (12 U.S.C. 1773–1775)

(b) Such Act is further amended by striking out the personal pronouns "he", "him", and "his" when referring to the Administrator and inserting in lieu thereof "it", "they", and "its" as appropriate whenever such words appear therein.

Outline of Substantive Provisions Contained in Credit Union Financial Institutions Act Amendments of 1975

I. Title I—New Powers and Modernization

A. Lending Powers.

1. Loan maturities. Raises the maximum loan maturity for secured or unsecured consumer or personal loans to 12 years and vests the board of directors of the credit union with the authority to determine the need and type of security.

2. Mobile home and home improvement loans. Permits the making of conventional mobile home and home improvement loans with maturities up to 15 years.

3. Real estate loans. Provides for loans secured by and made for the purchase or construction of a residential dwelling. Such loans would have a maximum maturity of 30 years.

4. Amount of unsecured loan. Removes the limit on the unsecured loan amount that can be loaned to one member but retains the overall loan limit of 10% of paid in capital

and surplus that can be loaned to one member. The board of directors of each credit union would determine the unsecured loan amount.

5. Lines of credit. Permits Federal credit unions to establish lines of credit for their members.

6. Interstate rate on loans. Authorizes the National Credit Union Administration to raise the interest rate that credti unions can charge on loans above the 12% per annum statutory maximum.

B. Sources of Funds.

1. Varying dividends. Permits the board of directors of a Federal credit union to pay varying rates of return on shares and share certificates according to various classifications and maturities.

2. Checking accounts. Permits Federal credit unions to offer checking accounts to their members.

C. Investment Powers.

1. Municipals. Permits Federal credit unions to invest in what are commonly referred to as municipal obligations.

2. Leeway. With the approval of the National Credit Union Administration, permits a Federal credit union to invest a limited amount of its assets in organizations which strengthen or advance the development of credit unions, credit union organizations or the social or economic policy of the United States.

D. Funds Transfer.

1. Money transfer. Permits Federal credit unions to handle, sell, or purchase for their members any money transfer instrument including negotiable checks, travelers checks and money orders.

2. Electronic funds transfer. Permits the transfer of money to and from the member's account at any interval and by whatever means permitted by regulations of the National Credit Union Administration.

E. New Services.

1. Trust services. Grants trust powers, including the administration of the estates of deceased members, to the same extent as is or will be permitted for Federal savings and loan associations.

F. Market Expansion.

1. Definition of federal credit union. Changes the definition of "Federal credit union" by removing obsolete language and expanding the scope of the purpose of Federal credit unions.

2. Common bond. Adjusts the common bond concept to changing economic patterns.

G. Strengthening Credit Union Movement.

1. Management. Vests the board of directors of the credit union with greater authority, updates the procedures of the credit committee and permits the credit union to adopt appropriate titles for its officers.

2. Credit union organizations. Authorizes Federal credit unions to make loans to credit union organizations of which they are members and to make limited investments in credit union organizations designed to assist credit unions.

3. Purchase and sale of notes of members. Permits Federal credit unions to purchase, sell or discount any eligible obligations of their members. This provides flexibility for credit unions to utilize secondary market facilities and to enhance their liquidity.

4. Sale of assets. Permits credit unions to sell all or part of their assets or to purchase all or part of the assets of another credit union and to assume the liabilities of another credit union or its members. This is designed to provide flexibility for liquidity purposes and to broaden the range of alternatives arising from liquidations.

II. Title II—Restructuring the National Credit Union Administration.

A. Board.

1. Establishes a three person Board to administer the National Credit Union Administration.

2. Board members appointed by the President with the advice and consent of the Senate.

3. Six year term.

B. Executive Director.

1. Creates the position of Executive Director to implement policies of the Board.

2. Executive Director would be appointed from the career civil service and would retain a reversionary interest in civil service status.

C. Advisory Board.

1. Establishes an Advisory Board consisting of a Chairperson and one principal and one alternate from each of the six NCUA regions.

2. Advisory Board members would be nominated and elected by credit unions having a connection with the NCUA.

3. The term of office would be two years.

III. Title III—Share Insurance.

A. Demand deposits. Makes it clear that the demand deposits of state-chartered credit unions are to be insured and provides insurance for checking accounts of Federal credit unions.

B. State reserve requirements. Provides that federally-insured, state-chartered credit unions would have to meet only the reserve requirements required by State law.

IV. Title IV—Central Liquidity Facility.

A. Establishes a Central Liquidity Facility to meet the liquidity requirements of credit unions and to provide for the orderly distribution of funds among and between credit unions.

B. Facility would be self financing since member credit unions would subscribe to stock amounting to ½ of 1% of paid-in and unimpaired capital.

C. Membership would be mandatory for all Federal credit unions having assets in excess of $500,000. Optional for all other credit unions.

D. Facility could make advances to credit unions.

E. Facility could issue obligations fully guaranteed by U.S. in an amount up to 20 times surplus and paid-in capital.

F. Would have a $1 billion draw on the Treasury for emergencies.

V. Title V—Clerical Amendments.

A. Changes the language in the Act to conform to the restructuring and to the establishment of the Central Liquidity Facility.

Credit Union Financial Institutions Act Amendments of 1975—A Section-by-Section Analysis

TITLE I—NEW POWERS AND MODERNIZATION

This title modernizes some existing powers for federal credit unions and provides for some new powers. It updates the organizational and managerial structure of federal credit unions, improves the ability of federal credit unions to meet the increasing competition in the consumer credit and savings market, increases the potential market base for credit union services and strengthens the relationships between and among credit unions and credit union organizations.

ANALYSIS OF SECTIONS

Definition of Federal Credit Union

Section 101 (a) changes the definition of "Federal credit union" in section 101 of the Federal Credit Union Act by specifying that federal credit unions are thrift institutions and by providing that among their purposes federal credit unions are to meet the financial needs of the member's family as well as the member and to provide opportunities for credit union members to use and control their money in order to improve their economic and social condition. In addition, the language is modernized by providing that one of the purposes of a federal credit union is to create a source of credit at fair and reasonable rates of interest rather than to create a source of credit for provident or productive purposes.

Technical correction

Section 101 (b) simply corrects technical error in the existing Federal Credit Union Act by redesignating the paragraph numbers.

Demand deposits

Section 101(c) amends the definition of "member account" and "account" found in section 101 of the Federal Credit Union Act by providing that demand deposits shall be considered member accounts. When considered in conjunction with other amendments in this bill, this amendment authorizes federal credit unions to accept the demand deposits of their members and it would extend National Credit Union Administration share insurance to cover the demand deposits of federal and state-chartered credit unions.

Organization and share par value

Section 102 makes two simple changes in the Federal Credit Union Act by permitting in subsection (1) more flexible procedures in the organization process and by permitting in subsection (2) shares to be denominated in $5 multiples of not less than $5 and not more than $25 rather than only in a par value of $5 each.

Loan powers

Section 103(a) consolidates all of the lending powers now scattered throughout the Federal Credit Union Act into a revised paragraph (5) of section 107 of the Federal Credit Union Act. It would permit real estate loans, lines of credit, participation loans and loans to credit union organizations.

Revised paragraph (5)(A) contains the standards that the board of directors of the credit union must adhere to in establishing the criteria for making loans to members.

Loan maturity limit

Revised paragraph (5)(A)(i) establishes a maturity limit of 12 years and vests the board of directors with the authority to determine the security for such loans. The present Act has a five-year maturity limit for unsecured loans and a ten-year maturity limit for secured loans.

Real estate loans

Revised paragraph (5)(A)(ii) permits a federal credit union to make mortgage loans secured by a residential dwelling with a maturity of thirty years or less. Since the present Act has a maximum maturity limit of ten years, federal credit unions are effectively precluded from extending long-term mortgage loans to their members.

Mobile home and home improvement loans

Revised paragraph (5)(A)(iii) permits a federal credit union to make conventional mobile home and home improvement loans with a maturity of fifteen years. The present maximum maturity for all loans is ten years.

Guaranteed or insured loans

Revised paragraph (5)(A)(iv) permits loans that are secured by the insurance or guarantee of the federal, or any state government, or any agency of either to be made for the maturities and under the terms and conditions specified in the law under which such guarantee or insurance is provided, regardless of what is provided in the Federal Credit Union Act. The existing Act provides that mobile home and home improvement loans insured or guaranteed by the Veterans Administration or the Federal Housing Administration may be made for the maturity specified in the VA and FHA statutes dealing with mobile home and home improvement loans. This amendment would expand that authority to include any loan.

Officer loans

Revised paragraph (5)(A)(v) raises the amount of a loan that can be extended to a director or member of the supervisory or credit committee without the approval of

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the board of directors of the credit union to $5,000. At the present time, loans to such credit union officers in excess of $2,500 plus pledged shares must be approved by the board of directors. Since credit unions would be authorized to extend lines of credit to their members under this bill, and since the unsecured loan limit amount is being removed by this bill, it is necessary to provide a realistic limit for a line of credit for officers.

Revised paragraph (5) (A) (vi) is in the present Federal Credit Union Act at paragraph (6) of section 107. Since it deals with loans, it has been transferred to paragraph (5). However, the amount for which an officer can be guarantor or endorser has been raised from $2,500 to $5,000 in order to conform it with the new officer borrowing limit set forth in (5) (A) (v).

Loan approval

Revised paragraph (5) (A) (vii) is contained in the present Act in paragraph (5) of section 107 and provides that loans must be approved by the credit committee or loan officer.

Interest rate on loans

Revised paragraph (5) (A) (viii) would permit the National Credit Union Administration to establish an interest rate on loans higher than the statutory maximum of 1 percent per month (12% APR). At the present time, the statutory maximum rate is 1 percent per month and there is no authority for the National Credit Union Administration to raise the rate. This flexibility would provide for adjustment to periods of high interest rates such as has been experienced in recent years.

Penalty for excess interest on loans

Revised paragraph (5) (A) (ix) is identical to a sentence contained in paragraph (5) of section 107 of the present Federal Credit Union Act and provides a penalty for excess interest.

Repayment without penalty

Revised paragraph (5) (A) (x) is contained in paragraph 5 of section 107 of the present Federal Credit Union Act in substance. It permits a borrower to repay his loan prior to maturity without penalty. However, the present Act does not specifically state that this can be done without penalty. This amendment makes that clear.

Loan amortization

Revised paragraph (5) (A) (xi) is identical to language contained in the present Federal Credit Union Act in paragraph (5) of section 107 and deals with amortization of loans. This amendment simply identifies it as a separate clause for purposes of organization.

Lines of credit

Revised paragraph (5) (B) permits federal credit unions to establish revolving lines of credit for their members. Such lines of credit must have a stated maximum amount, and the terms and conditions for the line of credit may be different for different borrowers. The board of directors of the credit union would establish the terms and conditions. There is no authority in the present Federal Credit Union Act for revolving lines of credit such as are contemplated by this amendment.

Loans to credit unions

Revised paragraph (5) (C) permits a credit union to make loans to other credit unions without limitations so long as such loans are approved by the board of directors of the credit union making the loan. Section 107(a) (C) of the present Federal Credit Union Act permits such loans to be made up 25% of the lending credit unions paid-in and unimpaired capital and surplus. That limitation would be removed by this amendment.

Loans to credit union organizations

Revised paragraph (5) (D) would authorize federal credit unions to make loans to credit union organizations so long as such loans were approved by the board of directors and did not exceed 1 percent of the unimpaired capital and surplus of the credit union. A credit union organization is defined as any organization serving unions primarily of which the lending credit union is a member. There is no authority in the existing Act for credit unions to make loans to credit union organizations.

Participation loans

Revised paragraph (5) (E) requires participation loans to members to be in accordance with written policies of the board of directors.

Transfer of officer borrowing provision

Section 101(b) eliminates paragraph (6) of section 107 of the Federal Credit Union Act dealing with officer borrowing since the provisions contained therein dealt with loans and have been transferred to the revised paragraph (5) by this bill.

Sources of funds and varying rates

Section 101(c) redesignates paragraph (7) of the present Act as paragraph (6) and amends it to provide that credit unions may receive demand deposits and that the board of directors of the credit union may establish the terms, rate and conditions for the receipt of shares, share certificates, share deposits and demand deposits. Under the present Act, credit unions are not authorized to receive demand deposits from any source and the board of directors has no authority to vary the rate payable on shares regardless of the amount of maturity.

Investments

Section 101(d) redesignates paragraph (8) of the present Act as paragraph (7) and consolidates therein all of the investment powers.

Government obligations

Revised paragraph (7) (A) permits a federal credit union to invest its funds in the securities, obligations, certificates or other instruments that are fully guaranteed as to principle and interest by the United States of America or any agency or instrumentality thereof or by any corporation which is wholly or partially owned or which has been established by the United States of America or any agency or instrumentality thereof or by any trust or trusts established by the United States of America or any agency or instrumentality thereof.

In addition, a federal credit union would be able to invest in the securities, obligations, certificates or other instruments issued by any of these entities, whether or not fully guaranteed as to principle and interest. The present Act designates the specific governmental entities in which federal credit unions may invest their funds. They include, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal National Mortgage Association, Government National Mortgage Association, Student Loan Marketing Association, participation certificates issued by trusts, and others. The new language covers all of these institutions and provides future flexibility for credit unions to invest in the obligations of new governmental entities without the necessity of amending the Federal Credit Union Act.

Municipal obligations

Revised paragraph (7) (B) would permit a federal credit union to invest in municipal obligations, i.e., obligations issued by any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Panama Canal Zone, the several territories and possessions or any political subdivision thereof. There is no authority in the existing Act for investment in municipal obligations.

Leeway

Revised paragraph (7) (C) is what is commonly referred to as a leeway provision. It would permit federal credit unions to invest up to 5% of their assets in the shares, stocks or obligations of any organization, corporation or association which strengthens or advances the development of credit unions, credit union organizations or the social or economic policy of the United States. Such investments would have to be approved by the National Credit Union Administration.

Placing funds

Section 101(e) redesignates paragraph (9) as paragraph (8) and consolidates all of the provisions of the Act dealing with the institutions and types of accounts in which credit unions may place their funds.

Savings and loans and mutual savings banks

Redesignated paragraph (8) (A) contains the authority for placing funds in insured savings and loan associations and insured mutual savings banks. This authority is contained in the present Federal Credit Union Act in paragraph (9) of section 107 except that the restriction on the authority to place funds in a mutual savings bank in the state in which the credit union does business is removed.

Credit unions

Revised paragraph (8) (B) contains the authority for placing funds in any federally or state insured credit union. Such funds could be placed in the forms of shares, share certificates, share deposits, demand or time deposits. The present Act permits a federal credit union to place its funds in shares, share certificates or share deposits of federally insured credit unions only, as specified in section 107(8) (H).

Central credit unions

Revised paragraph (8) (C) authorizes Federal credit unions to invest in shares or deposits of central credit unions. This authority is in the Act now under a different paragraph.

Banks

Revised paragraph (8) (D) permits a federal union to place its funds in a demand or time deposit of any bank insured by the Federal Deposit Insurance Corporation. This authority is presently contained in paragraph (9) of section 107 of the Act. However, the Federal Reserve Board has ruled that credit unions cannot have savings accounts in commercial banks. The inclusion of the words "time deposits" is intended to override that interpretation of the Federal Reserve and to make it clear that credit unions can open savings accounts at commercial banks.

Foreign banks

Revised paragraph (8) (E) deals with the authority of overseas credit unions to maintain demand deposits in foreign banks and is identical to the provisions contained in paragraph (9) of the Act.

Personal trust powers

Section 101(f) inserts a new paragraph (9) to permit federal credit unions to perform personal trust and custodial services. Such services would be subject to limitations to be prescribed by the National Credit Union Administration. The existing Act provides only that shares may be issued in trust for minors and, through interpretation, it has been determined that federal credit unions may establish Individual Retirement Accounts and Keough Trust Accounts.

Money transfer instruments

Section 101(g) amends paragraph (13) of section 107 of the Federal Credit Union Act which contains the authority for credit unions to sell negotiable checks and money orders to their members. The amendment provides that a federal credit union can sell, purchase or handle any money and money

transfer instrument to or for members. This more general language is designed to provide flexibility to the National Credit Union Administration to use its regulatory powers to permit federal credit unions to adopt for their members new money transfer instruments that come on the market. The amendment also eliminates the requirement that the fee charged for such services should not exceed the direct and indirect cost incident to providing such service.

Discounting eligible obligations

Section 101(h) amends paragraph (14) of section 107 of the Federal Credit Union Act by expanding the authority of credit unions to discount member notes. It would permit credit unions to purchase, sell, pledge, discount or otherwise receive or dispose of, in whole or in part, any eligible obligations of its members. "Eligible obligations" is to be defined by the National Credit Union Administration.

Incidental powers

Section 101(i) amends paragraph (15) of section 107, the incidental powers clause, to make clear that incidental powers include meeting the financial needs of the members and the member's family.

Selling assets

Section 101(j) adds two new paragraphs to section 107 of the Federal Credit Union Act.

New paragraph (15) would permit a federal credit union to sell or purchase all or part of its assets or to purchase or assume the assets or the liabilities of another credit union subject to regulations of the National Credit Union Administration. The National Credit Union Administration would be authorized to issue regulations implementing this authority.

Electronic fund transfer

New paragraph (16) would permit credit union members to transfer money to and from their accounts at any interval and by whatever means permitted by regulations of the National Credit Union Administration. This would position federal credit unions with the flexibility needed to respond to electronic funds transfer developments.

Expansion of potential market

Section 104 amends section 109 of the Federal Credit Union Act which deals with membership eligibility and the issuance of shares in joint tenancy. The amendment provides that groups having a common bond of similar occupation, association or interest, or who reside or work within an identifiable neighborhood, community or rural district or to groups of employees of a common employer constitute a common bond for the purpose of receiving a charter. In addition, a credit union would be permitted to accept into membership the surviving spouse of a deceased member, low income persons as defined by the National Credit Union Administration, members of liquidated or liquidating credit unions and groups of employees of a common employer of 200 or less in number whose place of employment is within 100 miles of the principle office of the credit union. Also, the limiting phrase saying that credit union membership shall be limited to the groups specified in the present Act has been changed to state that membership is not necessarily limited to the groups specified in this amendment. This would give the National Credit Union Administration some flexibility in determining appropriate common bonds.

Management structure

Section 105 amends section 111 of the Federal Credit Union Act which deals with the management structure of federal credit unions. The amendments would permit a federal credit union to have a board of directors of any number so long as there was an odd number. The amendment would also permit a federal credit union to decide whether or not it wants a credit committee. It also provides that only the names of the chairpersons of the credit and supervisory committees have to be submitted to the National Credit Union Administration. Now, the names of all the members of these committees must be submitted.

Officer's titles

Section 106 amends section 112 of the Federal Credit Union Act which deals with the officers of credit unions. It simply gives federal credit unions the flexibility to designate the officers of the credit union with various titles including chairperson of the board, president, vice chairperson of the board, vice president. Under the present Act, the selection of titles is limited.

Board of directors

Section 107 amends the section of the Federal Credit Union Act dealing with the board of directors. For the most part, this amendment simply separately identifies the powers of the board of directors. It provides that when a credit union decides to have an unelected credit committee, the board of directors can appoint the credit committee if the bylaws so provide.

This section also vests the board with the authority to delegate its functions to committees with conditions and limitations. In addition, this amendment authorizes the board to determine the interest refund on such classes of loans and under such conditions deemed fair. At the present time, interest refunds paid by credit unions choosing to do so must be uniform.

Credit committee and unsecured loan amount

Section 108 amends the credit committee provisions. It permits a credit union to determine whether or not it wants a credit committee and to determine whether or not the credit committee shall be elected by the members. The amendment also provides that applications for loans can be approved by a majority of the credit committee present at the meeting at which the application is considered. Presently, a majority of the entire committee must approve loan applications. The amendment would also do away with the unsecured loan amount limit. The board of directors of each federal credit union would establish the unsecured loan amount limit. However, the 10 percent limitation on loans to an individual member would remain.

Reserves against demand deposits

Section 109 adds a new reserve requirement to the Federal Credit Union Act which would be applicable to the demand deposits or checking accounts of the federal unions. The reserve against demand deposits would be held in balances with the central liquidity facility, in currency and coin, or in a form to be prescribed by the Board of Governors of the Federal Reserve System. The percentage reserve requirements are to be set by the Board of Governors after consultation with the National Credit Union Administration. Reserve requirements would have a range between 1 percent and 22 percent.

Dividends

New paragraph section 110 amends the dividends section by cleaning up some of the language to reflect actual practices.

Issuance of shares

Section 111 amends the section of the Federal Credit Union Act dealing with the issuance of shares. It takes the provisions dealing with the issuance of shares in joint tenancy and transfers them to a new section wherein is included the provisions dealing with the issuance of shares to a minor or in trust. Nothing of substance is added. These are simply reorganization amendments.

Obsolete provisions

Section 112 simply eliminates from the Act some provisions that were originally enacted to require credit unions chartered in the District of Columbia to convert to federal status. At the time, the District of Columbia Code provisions dealing with credit unions in the District of Columbia were placed under the jurisdiction of the National Credit Union Administration. These provisions are no longer needed.

TITLE II—RESTRUCTURING OF THE NATIONAL CREDIT UNION ADMINISTRATION

The National Credit Union Administration originally had a limited function. That was to charter, examine and supervise federal credit unions. In recent years, it has been given authority over the share insurance fund which insures the member accounts of federal and state chartered credit unions. And, this bill would create a Central Liquidity Facility within the National Credit Union Administration. For these reasons, it is deemed advisable to restructure the National Credit Union Administration so that it will be administered by a Board rather than by a single individual and to provide for an elected Advisory Board. Most of the amendments in this title are designed to implement the restructuring.

Definitions and terminology

Section 21 amends the definitions section of the Federal Credit Union Act to reflect the changes that are being made in the administration of the National Credit Union Administration by substituting a Board for an Administrator. Also, incorrect terminology concerning the subchapters and chapters of the Federal Credit Union Act provisions of Title XII are corrected.

Section 202(a) is the same as the present Act except that the National Credit Union Administration is made subject to the administering authority of a Board rather than an Administrator.

Three member board

Section 202(b) provides that the National Credit Union Administration Board shall consist of three members having tested credit union experience. Members are to be appointed by the President with the advice and consent of the Senate. The President is to designate the Chairperson of the Board.

Six year term

Section 202(c) contains the provisions providing for the term of office of the board members. The term is to be six years. Staggered terms for initial appointees are provided. Board members could not be appointed for more than a six-year term unless they are filling an unexpired term or unless they are initial appointees who have served less than a full six-year term.

Compensation

Section 202(d) vests the board with the authority to manage the National Credit Union Administration. In addition, it provides that the Chairperson shall be compensated at Level III of the Executive Schedule and that the other two board members shall be compensated at Level IV of the Executive Schedule.

Chairperson

Section 202(e) provides that the Chairperson of the Board shall be the official spokesperson of the board in dealing with other government agencies and that the Chairperson shall designate each board member's area of responsibility.

Executive director

Section 202(f) provides for the appointment by the Board of an executive director from the career staff of the National Credit Union Administration. The executive director is to serve at Level V of the Executive Schedule at the pleasure of the Board and is to retain a reversionary career status. The

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executive director is to implement the policy decisions of the Board.

Conflict of interest

Section 202(g) is a standard conflict of interest provision prohibiting Board members from working for credit unions while in office or two years thereafter unless the member has served the full term.

Advisory board

Section 202 (h) provides for the establishment of an Advisory Board. The Advisory Board is to consist of a Chairperson, one primary member and one alternate member from each of the National Credit Union Administration's regional districts. The Advisory Board Chairperson is to be appointed by the President with the advice and consent of the Senate. The other members of the Advisory Board are to be nominated and elected by the credit unions that come under the jurisdiction of the National Credit Union Administration. The Chairperson is to be appointed for six years. The members are to be elected for two years. Members may be reelected for two other consecutive terms. In order to assure broad representation on the Advisory Board, the National Credit Union Administration Board is authorized to appoint two members at large. under certain conditions. in order to assure that there is representation of both federal and state credit unions.

Grandfather present advisory board members

Section 202(i) is a grandfather clause permitting the existing members of the advisory board to serve the remainder of their terms as the initial members of the new advisory board.

Finances and audit

Section 202(j) contains the provision authorizing the National Credit Union Administration to handle finances, contracts and various other administrative matters. It also provides for audit by the General Accounting Office.

Existing policies

Section 202(k) grandfathers all existing policies, procedures, rules and regulations until modified or withdrawn by the newly established Board.

Court review

Section 203(a) corrects some terminology that is inappropriate by removing the word bankrupt from the Act. It also provides court review for credit unions whose charters have been revoked, suspended or placed in involuntary liquidation by the National Credit Union Administration.

Incidental powers

Section 203(b) simply identifies as a separate paragraph the incidental powers clause of the National Credit Union Administration.

Grade levels

Section 204 provides authorization for the National Credit Union Administration to add one position at a GS–18 level and fourteen positions at GS–16 or 17. This change is necessary in order to reflect the increased responsibilities that the agency has and will be incurring as a result of this bill.

TITLE III—SHARE INSURANCE

Trust territories

Section 301 extends the share insurance provisions to credit unions operating in the trust territories of the United States. In the 93rd Congress, the Federal Credit Union Act was made applicable to those credit unions.

Clerical

Section 301(b) simply makes clerical amendments to correct terminology.

Reserves of state chartered credit unions

Section 301(c) eliminates the requirement that federally-insured, state-chartered credit unions must maintain regular reserves not less than those required by the Federal Credit Union Act. In effect, federally-insured, state-chartered credit unions would have to meet only the reserve requirements called for in state law in order to maintain their status as federally-insured institutions.

Accounts permitted by state law

Section 301(d) permits federally-insured, state-chartered credit unions to maintain whatever accounts are authorized by state law. At the present time, federally-insured, state-chartered credit unions may not maintain any accounts unless they have been approved by the Administrator of the National Credit Union Administration.

Clerical

Section 301(e) and (f) are clerical and conforming amendments.

Insurance for demand deposits of state chartered credit unions

Section 301(g) eliminates the provision that prohibits the National Credit Union Administration from insuring the demand deposit accounts of federally-insured, state-chartered credit unions.

Clerical amendments

Section 301(h), 302, 303 and 304 contain clerical, conforming and technical amendments of minor substance.

TITLE IV—GENERAL LIQUIDITY FACILITY

For many years, the credit union movement has been engaged in efforts to create organizations for the transfer of excess liquidity from one area to another. Throughout the country there are various central credit unions performing this function. But the recent periods of disintermediation and economic uncertainty have advanced the concept of establishing a National Central Liquidity Facility under the auspices of the National Credit Union Administration but making full use of existing credit union organization.

Section 301 adds an entire new subchapter to the Federal Credit Union Act. The subchapter provides for the establishment of a National Credit Union Liquidity Facility.

Purpose

Section 301 of the new subchapter is the findings and purpose clause. The purpose of the Central Liquidity Facility is to provide funds to meet the liquidity needs of credit unions, to provide for the orderly transfer of funds among and between credit unions and other financial institutions, and to generally assist credit unions to improve their general welfare and the financial and general welfare of their members and the member's family.

Definitions

Section 302 of the new subchapter simply contains definitions for the terms used in the subchapter. Definitions for "members" of the CLF, "state credit union", "federally-insured credit union", "state-insured credit union", and "paid-in and unimpaired capital and surplus" are set forth.

Regional offices

Section 303 of the new subchapter simply provides for perpetuity of the Central Liquidity Facility and grants discretionary authority to establish regional and branch offices.

Management

Section 304 of the new subchapter provides that the management of the CLF shall be vested in the National Credit Union Administration Board and that the advisory board shall serve in an advisory capacity to the NCUA Board in administering its CLF function.

Organization expense

Section 305 of the new subchapter permits the CLF to borrow up to $500,000 from the Treasury for the initial organizational and operating expenses. The loan is to be an interest-bearing loan and must be repaid within two years.

Par value

Section 306(a) of the new subchapter requires the Board to open books for subscriptions of capital stock and provides that the capital stock of the CLF shall be divided into shares having a par value of $50 each. After the initial offering, stock may be issued at prices to be fixed by the Board.

Stock subscriptions

Section 306(c) of the new subchapter contains the provisions providing for credit union purchase of stock in the CLF. Credit unions becoming members must purchase an amount equal to at least ⅓ of 1% of its paid-in and unimpaired capital and surplus. A minimum subscription of $50 is required. Only one-half of the required subscription must be transferred to the CLF. The other half remains on call. Regular reserves may be reduced by an amount equal to the funds transferred to or held on call by the CLF. Provisions are provided to vest the Board with the authority to adjust the amount of stock held by member credit unions.

Retiring stock

Section 306(c)(2) of the new subchapter provides that when the stock of any member credit union is retired. the credit union is to get at least what it paid for the stock but the Board retains the right of offset against any outstanding indebtedness.

Reports from credit unions

Section 306(c)(3) of the new subchapter permits the Board to require member credit unions to submit such reports and information as the Board deems necessary and appropriate.

Payment for stock

Section 306(d) of the new subchapter provides that member credit unions must pay for stock subscriptions in cash or with other assets deemed acceptable by the Board. Payments can be made in full with the application for membership or in installments over a 180-day period.

Non-transferrable

Section 306(e) of the new subchapter provides that the stock of the CLF is non-transferrable and may be hypothecated and that such restrictions are to be stated on the certificates.

Memberships

Section 306(f) of the new subchapter contains the requirements for membership. Federal credit unions with assets of more than $500,000 are required to join the CLF. Federal credit unions with assets of less than $500,000 may join, but when they reach $500,000 they must join. State credit unions may join. Credit unions joining later than six months after the establishment of the CLF must wait for a period of six months before borrowing or receiving advances.

Withdrawal and expulsion

Section 306(g) of the new subchapter contains the requirements for withdrawal from membership. State credit unions and federal credit unions with assets less than $500,000 may withdraw from membership 180 days after filing notice of intention to do so. Expulsion procedures require a hearing and must be based on failure to comply with provisions of laws or regulations. Provision is made for retirement of debt and payment of stock upon expulsion.

Dividends

Section 306(h) of the new subchapter provides that all CLF members shall share in dividend distribution without preference. The rates of dividends are to be determined by the Board.

Authority of board

Section 307 of the new subchapter vests the Board with the authority to act on behalf of the CLF in various matters. The matters listed are the usual boiler plate provisions for agencies. The provisions contain the right to sue and be sued, to adopt a seal, to hire necessary employees, to contract, to delegate functions and to prescribe rules and regulations.

Contracts with organizations

Section 307(m) of the new subchapter contains the authority for the CLF to enter into contracts with various organizations to act as the agent or otherwise assist the CLF in the conduct of its business. Among the organizations with whom the CLF can contract are credit unions, central credit unions and credit union organizations.

Issue debt instruments

Section 307(n) of the new subchapter permits the CLF to issue bonds, debentures and other certificates of indebtedness at maturities and rates of interest to be determined by the Board. Such obligations are to be fully guaranteed as to principal and interest by the United States and the aggregate of such indebtedness outstanding at any one time cannot exceed 20 times the paid-in capital and surplus of the CLF.

Deposits

Section 307(o) of the new subchapter contains the authority for the CLF to make deposits in federally-insured commercial banks, mutual saving banks and savings and loan associations and in insured credit unions and member credit unions. In addition, financial institutions, including central credit unions, acting as agents for the CLF may be recipients of such deposits. Such deposits may be made on a demand or time basis.

Purchase of notes

Section 307(p) of the new subchapter permits the CLF to purchase from member credit unions notes, drafts or other obligations. The limits of such purchases are to be established by the Board.

Invest in government obligations

Section 307(q) of the new subchapter contains the authority for the CLF to invest assets in obligations of the United States or any agency thereof.

Borrowing from share insurance fund

Section 307(r) of the new subchapter provides that the CLF may borrow from the share insurance fund pursuant to terms and conditions to be established by the Board.

Incidental powers

Section 307(s) of the new subchapter contains the incidental powers clause authorizing the Board to exercise the powers specifically granted and such incidental powers as are necessary to carry out the provisions of the CLF subchapter.

Advances to member credit unions

Section 308(a) of the new subchapter contains the standards and requirements that are to be applied to advances that are to be made by the CLF to member credit unions. The Board is vested with the authority to determine the security for advances as well as the terms, conditions and maturities. Certain limitations are placed on certain types of security. Advances secured by notes evidencing loans to members of credit unions may not exceed 80% of the aggregate unpaid principle of the notes. Advances secured by obligations of the United States may not exceed the face value of such obligations. The CLF may require additional security when deemed necessary and the Board is to determine the aggregate amount of outstanding advances that may be made to any one member of the CLF.

Treasury backing

Section 308(b) of the new subchapter permits the CLF to draw on the Treasury an amount not to exceed $1 billion. This is an emergency draw which is to be used in the event that there are insufficient funds in the CLF to meet its obligations. Advances from the Treasury are to bear a rate of interest to be determined by the Secretary of the Treasury.

Annual report

Section 309 of the new subchapter requires the Board to submit to the President and to the Congress an annual report of its activities. Such report may be included in the Board's annual report as required by subchapter I.

Reimbursement for costs

Section 310 of the new subchapter contains the authority for the CLF to reimburse the Board for all costs incurred in administering the CLF. Receipts derived for such purposes shall be deposited in a special deposit account with the Treasurer of the United States.

Tax exemption

Section 311 of the new subchapter contains a provision making it clear that the CLF is to be tax exempt except that real property and tangible personal property may be subject to federal, state and local taxation to the same extent as the obligations of private corporations are taxed.

Title V—Clerical amendments

Section 501 contains clerical amendments which conform the provisions of this entire chapter to the amendments contained in this bill. For the most part, such clerical amendments consist of striking out "Administrator" and inserting in lieu thereof "Board". Also, singular personal pronouns are changed to plural personal pronouns where appropriate.

Mr. TOWER. Mr. President, I am joining in the sponsorship of the Credit Union Financial Institutions Act Amendments of 1975 in the spirit of providing fair and bipartisan support to the consideration of this legislation. I have already joined in sponsoring the Financial Institutions Act, which is designed to broaden the powers of all financial institutions and better equip the Nation's financial system to weather periods of high interest rates and monetary stringency. I would hope that these proposed credit union amendments could be considered at the same time the Financial Institutions Act is considered by the Financial Institutions Subcommittee of the Committee on Banking, Housing and Urban Affairs.

This does not mean to say that I necessarily agree with each of the provisions in the proposed Credit Union Financial Institutions Act Amendments of 1975. However, I do think they should be given a fair and impartial hearing with an eye toward the adoption of those amendments which will prove to be beneficial to the public while at the same time maintaining a competitive balance between credit unions and other financial institutions.

By Mr. TAFT:

S. 1476. A bill to amend part I of the Interstate Commerce Act in order to revise the procedures for the abandonment, discontinuance, or change of operations or services, and for the establishment or revision of rates, fares, and charges for the transportation of property, by common carriers by railroads. Referred to the Committee on Commerce.

MODERN RAILWAY TRANSPORTATION ACT

Mr. TAFT. Mr. President, the bill which I am introducing today is substantially similar to legislation which I have introduced in the 92d and 93d Congresses.

As I noted when I first introduced this bill, in March of 1971:

> The American railway industry is in deep trouble. The bankruptcy of the Penn Central simply illustrated some very basic problems within the industry. There has been considerable congressional attention given to the short-term problems of the industry. . . But I believe that it is imperative for us to address ourselves to the fundamental, long-term problems of the railroads. In my judgment the fundamental problems of the railway industry are its required operations of unproductive branch lines and its irrational rate structure.

The railroads which are in the greatest financial difficulty are in almost every case those which are saddled with the operation of hundreds or thousands of miles of unproductive branch lines. The financial problems of the granger roads are not unrelated to their vast unproductive or parallel trackage.

The required operation of unproductive branch lines places a drain on equipment and working capital, involves costly maintenance, and results in higher charges to shippers and consumers.

Should we require America's railroads to operate branch lines which hold forth no possibility of ever generating a profit?

> The difficulty of abandoning all unproductive branch lines under current procedures can be illustrated by the following statements from the Astro report:
>
> "The ill-fated New Haven Railroad offers an emphatic example of the rigidity of the Commission's position in this respect. In 1960, a special ICC investigation into the stricken carrier's financial condition revealed, among other deficiencies, that the New Haven was being burdened by the operations of a 'maze of small branch lines'. With one-third of the mileage operated carrying some 80 percent of freight revenues, the Commission urged the New Haven to cut plant to conform with shrinking traffic. While the bankrupt road was losing over $128 million between 1961 and 1968, its trustees found abandonment applications still governed by a business-as-usual policy. Delays of over three years were encountered in obtaining abandonments of less than ten miles. In one case the bankruptcy court was forced to authorize $40,000 to keep a 19-mile line open pending an abandonment application which was granted shortly thereafter. Faced with a regulatory insistence that each line be treated one-by-one. The trustees finally concluded that a comprehensive program could not be carried out in time to be of help.
>
> By the end of the New Haven's operation as a separate railroad, it had been able to shed only 235 miles of line. In 1961, the ICC itself had suggested that 1,200 miles of light density lines be reviewed as possible candidates for "pruning."

The second major problem with the railway industry is its rate structure. The ICC was created in large part to prevent arbitrary and discriminatory rates. The record shows that the ICC has sometimes done exactly the opposite. Rates vary not only as to the commodity shipped, but as to the direction in which the freight moves.

A study made for the Toledo-Lucas County Port Authority several years ago illustrated the irrational results of this rate policy. It cost less to ship farm tractors from Springfield, Ill., all the way to New York City than it cost to ship them to Toledo, Ohio. Road graders made in

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Indianapolis, Ind., could be shipped to New York for less than they could be shipped to Toledo, Ohio. Excavating machines made in Peoria, Ill., could be shipped to Norfolk, Va., for one-third less than they could be shipped to Toledo, Ohio.

An importer of sugar in Columbus, Ohio, could have it shipped from Norfolk, Va., for less money than from next door in Toledo. A buyer of chrome ore in Calvert, Ky., could have it shipped from New Orleans, La., for about one-third as much as from Toledo, Ohio. Iron ore could be shipped to Ashland, Ky., from Baltimore, Md., for only about half as much as from Toledo.

Rate hearings are long protracted and expensive. The results are irrational and the consumer is the one who suffers.

In the "Big John" case, consumer savings on meat, bread, butter, and milk, were estimated at $30 to $40 million annually under rates proposed by the Southern Railway. It took over 2 years, however, for the Southern to obtain permission to lower its rates and two more before final approval was received.

At a speech before the New York State Bar Association on January 28, 1971, the Honorable Richard McLaren, Assistant Attorney General, Antitrust Division, Department of Justice, made these observations about ICC rate regulations:

> Regulation has led to high value-of-service freight rates with little relationship to the lowest cost available in transporting a given commodity. Under ICC ratemaking proceedings, rates generally are allowed to rise to the level of the highest cost carrier in the market. For the most part, only inefficiency is rewarded in this protective atmosphere and in the long run the nation's resources are seriously misallocated.
>
> Shippers, consumers, and carriers all pay the cost of high rates and inefficiency. ICC rate maintenance is estimated to account for 400 million to 1 billion dollars of the nation's annual freight bill. Artificially high rates discourage interstate commerce and—as the recent experiences of the railroads vividly demonstrate—do not lead to increased profits for the carriers. Instead, operating revenues are devoured by higher costs in overcapacity and inefficiency. Some observers of the regulatory scene point out that the railroads would not be in a much better shape if they had been able to price competitively.

He concluded by stating that—

> Of one thing I am sure, competition as a regulator has a far better track record than the administrative agencies.

Since I noted these facts in 1971, the task force on railroad productivity—a body established jointly by the President's Council of Economic Advisors and the Office of Science and Technology—has found that—

> Whatever benefits regulation of the transportation industries may bestow, these are almost certainly heavily outweighed by the costs. Various features of regulation cause a massive amount of waste—in such forms as inefficiency and idle resources—throughout the transport industry. Such waste is presently estimated to cost shippers and consumers in the range of $4–$10 billion per year. Detailed regulatory controls have also constrained railroad managements from adapting to changing markets and, over time, have dulled initiative and the incentive to innovate within the industry. Regulatory modernization—including in particular substantially greater latitude to adjust freight rates and freer entry into for-hire trucking—have been tried in several countries (including Canada, Great Britain, and Australia) and in isolated instances within the United States.
>
> The relaxation of regulatory controls in these cases has not led to chaos as its opponents predicted, but has tended to heighten competition, to improve transport service and to reduce costs by eliminating idleness and inefficiency in transport.

The task force study further notes that:

> An attempt has recently been undertaken to make a net evaluation of the cost to society of ICC regulation. These total costs . . . are placed in a range between $3.8 billion and $8.9 billion. An intermediate estimate, which may be taken as the best single 'guess', is $5.6 billion per year. The estimates, incidentally, include nothing for the misallocation of traffic between railroads and barges. Accordingly, if the estimates err, they probably err on the side of understatement. Indeed, simply the idleness in railroad plant and in trucking might justify an estimate almost as high as $5.6 billion. The author of the estimates, recognizing their incomplete character, has suggested that including costs which he was unable to quantify, the actual total excess cost was probably between $4 billion and $10 billion per year.
>
> In sum, the present organization of intercity transportation creates an implicit tax on consumers and shippers of perhaps some $4 to $10 billion per year. The Federal Government should attempt to relieve society of this tax.

Federal regulation of abandonments and ratemaking is directly responsible for the low rate of return on railroad investment, and has imposed not only an enormous indirect tax on the American people, but an increasing direct tax as well, through the need for direct Federal funding of railroad operations. We now face a request for an additional $250 million to keep the Northeast Railroads running. Net railway operating income of class I railroads, in constant dollars, was $1,252,000,000 in 1929, and $589,000,000 in 1939—when America was just emerging from the Great Depression—and only $486,000,000 in 1970. In 1929, average rate of return on net investment was 5.3 percent; in 1939 it was 2.56 percent; and in 1970, it was 1.73 percent. As the task force notes:

> The net return on investment in (rail) transportation properly is clearly below the long-run cost of capital to the rail industry or the 6% standard which the Congress, in an era of low interest rates, decreed to be a 'fair return'.

Can bankruptcies such as those of most of the railroads in the Northeast and disastrous deterioration of the physical plant of our railroads come as a surprise, when calculating in the inflation rate, capital investment in a railroad yields a negative return? Do we expect our business community to invest in railroads as a charity?

The modern Railway Transportation Act would address both the abandonment and the ratemaking problems on a long-term basis. It would give railway management the unilateral right to abandon unproductive branch lines. The railway must give 90 days' notice to the public and the Secretary of Transportation. Upon receipt of such notice the Secretary of Transportation may stay the abandonment of that facility with or without a hearing, if he determines that the continuing operation of that line is essential to the national economy, the regional economy, or the national defense. In the event that he stays the abandonment, the Department of Transportation shall reimburse the carrier for all out-of-pocket losses incurred in the operation of such line during the period of the stay. The act protects the workers by providing that no employee's employment shall be terminated as a result of the abandonment except by attrition.

The protracted nature of regulatory proceedings in the past justifies the elimination of a hearing as a requirement for the Secretary's action. Hearings have become field days for lawyers and should not be required for the elimination of unproductive branch lines. If it is determined that the continuing operation of these lines are essential to the public, the public should pay for their continued operation.

After a period of 1 year, continued operation of the branch line in question is dependent on the State where the line is located paying 30 percent of the subsidy. This is exactly the formula approved by Congress and signed into law in the Northeast Rail Reorganization Act. It would prevent any "raid on the Treasury" by States for branch line operation subsidies, by making the State responsible for a portion of those subsidies.

To prevent any unfair allocation of subsidy funds between the States, it is stipulated that grants shall be in proportion to the mileage of track in a given State as related to the total national mileage, except that each State shall receive at least 3 percent of the total funds, and no State shall receive more than 10 percent. Again, this is the exact formula agreed to by both Houses of Congress in the Northeast Rail Reorganization Act.

In relation to ratemaking, the modern Railway Transportation Act divests the ICC of all ratemaking authority. The act allows each carrier to establish its own rates in the competitive market structure subject to the following limitations:

First. There shall be no rate discrimination as to the identity of the shipper, the direction in which the shipment moves, or the value of the cargo.

Second. There shall be no rebates made to any shippers and,

Third. There shall be no agreements between carriers with respect to rates or charges.

The act would permit rates to be based upon the weight and cubic volume of the shipment, the need for special equipment or special switching, the distance traveled and whether the cargo was general merchandise or a bulk commodity. Rates could also be lowered for unit train shipments and multiple car shipments.

These rate provisions could be enforced in the U.S. district courts upon complaint of the Secretary of Transportation or any party in interest.

This act is designed to eliminate the discriminatory, cumbersome, complex, arbitrary, and irrational rate structures existing in the railroad industry today. The shippers and consumers will be protected by the antidiscrimination provisions of this act. In short, this bill is intended to protect the public rather than the practitioners before the ICC who

seem to be the principal beneficiaries of the existing law.

This bill will give the railroad industry the chance it needs to rebuild itself. It will do so without massive infusion of Federal funds, and, in fact, it will immediately eliminate an indirect tax on the American people of $10 billion. I hope my colleagues will join with me in this vitally important piece of true consumer protection and consumer service legislation.

By Mr. JAVITS:

S. 1478. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, as ranking minority member of the Labor and Public Welfare Committee I today introduce the administration's bill to authorize the National Science Foundation's programs for fiscal year 1976.

As my distinguished colleagues know, the National Science Foundation is the principal Federal agency concerned with insuring that the United States maintains its leadership in the field of science research—a leadership which has enabled our technology to be the strongest and most productive in the world.

The Foundation provides leadership through support of projects initiated by scientists—primarily at colleges and universities—in every State of this Nation. At present, more than 18,000 scientific research projects are funded each year by the Foundation. The selection, monitoring, and evaluation of these projects are the central tasks of the Foundation's 1,290 employees. More than 25,000 scientists outside the National Science Foundation assist in the evaluation of National Science Foundation supported research.

Within the framework of the statutory authority provided by Congress, the policies of the National Science Foundation are set by the National Science Board. This Board, which consists of 25 distinguished scientists and public affairs leaders, is appointed by the President and confirmed by this body. The Director of the National Science Foundation is both a member of the National Science Board and presently acts as science adviser to the President.

The role of the National Science Foundation is one which I feel is vital to the overall scheme of the Federal research and development effort. For this reason, I would like to point out several facets of the administration's requested authorizations for the National Science Foundation for fiscal year 1976.

The administration's bill requests a total authorization of $775.4 million for basic research, applied research, science education, and science policy programs managed by the National Science Foundation. Nearly 88 percent of the funds requested, or $680 million is proposed for support of research. The remaining 12 percent is divided among science education, science policy studies, and other science-supported activities.

Mr. President, the programs of the National Science Foundation are designed to assure an effective contribution by science and scientists to the national well-being. The accelerated pace of change in world society continues to produce new demands upon science, scientists, and scientific institutions which strain present levels of knowledge. It is the role of the National Science Foundation to insure that the scientific knowledge we possess in America continues to expand at a rate sufficient to meet the needs of the future.

I ask unanimous consent that this measure and a section-by-section analysis of it be inserted in the RECORD at the conclusion of these remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1478

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Science Foundation to enable it to carry out its powers and duties under the National Science Foundation Act of 1950, as amended, and under title IX of the National Defense Education Act of 1958, out of any money in the Treasury not otherwise appropriated, $751,400,000 for the fiscal year ending June 30, 1976, and $748,400,000 for the fiscal year commencing October 1, 1976, and ending September 30, 1977.

SEC. 2. Appropriations made pursuant to authority provided in sections 1 and 4 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 3. Appropriations made pursuant to this Act may be used, but not to exceed such limitations as are set forth in appropriation acts for each fiscal year stated in section 1 of this Act, for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 4. In addition to such sums as are authorized by section 1, not to exceed $4,000,000 is authorized to be appropriated for fiscal year ending June 30, 1976, and $4,000,000 for the fiscal year commencing October 1, 1976, and ending September 30, 1977, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 5. This Act may be cited as the "National Science Foundation Authorization Act for Fiscal Years 1976–1977."

SECTION-BY-SECTION ANALYSIS: NSF FISCAL YEAR 1976–77 AUTHORIZATION BILL

A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes.

Sec. 1. This section authorizes appropriations to the National Science Foundation in the amount of $751.4 million for FY 1976 (July 1, 1975, to June 30, 1976) and $748.4 million for FY 1977 (October 1, 1976, to September 30, 1977).

Sec. 2. This section provides that appropriations made pursuant to sections 1 and 4 shall remain available for obligation and expenditure for such period, or periods, of time as may be specified in appropriations acts.

Sec. 3. This section authorizes use of appropriations, subject to such limitations as may be set forth in appropriation acts, for each fiscal year for official consultation, representation, and other extraordinary expenses to be expended at the discretion of the Director.

Sec. 4. This section authorizes, in addition to the fund appropriated by section 1, an appropriation not to exceed $4.0 million for FY 76 (July 1, 1975, to June 30, 1976) and $4.0 million for FY 77 (October 1, 1976, to September 30, 1977 for expenses of the National Science Foundation incurred outside of the United States to be financed from foreign currencies which are determined by the Treasury Department to be in excess of the normal requirements of the United States.

Sec. 5. This section permits the citation of the Act as the "National Science Foundation Authorization Act for Fiscal Years 1976–1977."

By Mr. WILLIAMS (for himself, Mr. JAVITS and Mr. CRANSTON):

S. 1479. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers. Referred to the Committee on Labor and Public Welfare.

Mr. WILLIAMS. Mr. President, for more than a quarter of a century, the right of a construction union to engage in peaceful, legitimate picketing at the construction site has been severely restricted by the National Labor Relations Board and the Courts. Despite the total absence of any supporting language in the Taft-Hartley Act or in its legislative history, the Board and courts have interpreted the secondary boycott provisions of Taft-Hartley to establish a dual standard for picketing by construction unions and for picketing by unions at a manufacturing or office site.

Continuous efforts have been made to eliminate this inequitable treatment. Four Presidents—Truman, Eisenhower, Kennedy, and Johnson—have spoken in favor of such efforts. Their Secretaries of Labor have testified in favor of various proposals to permit broad construction site picketing. Even the author of the Taft-Hartley Act, Senator ROBERT TAFT, indicated in Senate hearings that the disparate treatment accorded construction unions was not intended by his amendments.

Therefore, I am today introducing for myself as well as Senators JAVITS and CRANSTON, legislation which will amend the Taft-Hartley Act so as to specifically permit picketing at a construction site where there is a labor dispute with an employer operating at the site. The picketing may be conducted at entrances used by other contractors, subcontractors or joint venturers engaged at the site.

The purpose of this bill is to eliminate the different treatment now accorded to picketing at a construction site and to picketing at a manufacturing site. It is nothing more and nothing less.

In 1947, the Taft-Hartley Act prohibited for the first time action by a union aimed at a neutral employer to have him cease doing business with the employer against whom the union was on strike. However, a key clause was added to that prohibition; namely—

> Nothing in this clause (B) shall be construed to make unlawful, where not otherwise unlawful, any primary strike or primary picketing.

Eighteen months after passage of Taft-Hartley, the National Labor Relations Board drew a sharp distinction between

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lawful primary picketing in an industrial. setting and lawful primary picketing on a construction site. In the Denver Building Trades case, the Board held that picketing a construction site where the primary employer, a subcontractor, was working alongside other employers who were neutral, would not be protected, as primary picketing. Broadly worded picket signs at a construction site occupied by many different employers was determined to be an effort to force neutral employers to cease doing business with the primary employer. A construction site with many different employers was not considered to be a site which could be broadly picketed as a primary site of the dispute.

The Denver case was upheld by the Supreme Court in 1950 and out of it has developed an entire body of law and restrictions on construction—site picketing.

Thus, for example, if separate gates are established at a construction site, the union on strike is limited to picketing the gate used by the primary employer. The union can only picket the site at a time when the primary employer is working at the site. The picketing must clearly indicate that the dispute involves the primary employer.

However, even when construction unions have scrupulously adhered to these standards commonly referred to as the Moore Dry Dock tests, they have nevertheless been found guilty of illegal secondary picketing. The current majority of the NLRB, even if there is full compliance with the Moore Dry Dock standards, is inclined to look at the union's "other conduct" to determine if the "true object" of the picketing is to apply pressure on the neutral employers. This foray into the union's intent or state of mind means that there is no standard of conduct upon which a union can rely. And the difficulties inherent in litigating an organization's intent, especially where so many people are involved, are obvious.

In a manufacturing setting, no such difficulties exist. Picketing the manufacturing site at any and all entrances and exits is permissible, primary activity. If another employer is making deliveries of performing maintenance work at the primary site, appeals to their employees not to cross the picket line, no matter what entrance they use, are permissible. Only where the other employer is performing work outside the normal scope of business activity of the manufacturing operation—constructing a new building. for example—is the picketing restricted. The major difference in the manufacturing plant setting is that there is no question where the site of the primary dispute is located and which employer is the primary employer. So the Board and the courts have no trouble in holding the picketing to be primary.

Yet picketing a construction site where work is being performed by the primary employer is primary site picketing. The union has, in most cases, no other place or situs to carry on its dispute. And the construction site is the primary employer's principal place of business.

The presence of the other contractors at the site should not preclude picketing any more than the presence of work-related jobbers or subcontractors, precludes picketing at a manufacturing plant. The contractor and subcontractors, are engaged in a common enterprise. Their objective is identical. To call the other subcontractors neutral or secondary employers ignores reality.

This legislation, then, is introduced to eliminate the separate standards of conduct betwen construction site and nonconstruction site picketing. The bill is limited to labor disputes in the building and construction industry and will have no effect outside the construction industry. It is not applicable if there is an employer at the site who is not engaged primarily in the construction industry.

The bill makes special provisions for construction projects at military and defense facilities. In addition to all other notice requirements of the National Labor Relations Act, an additional 10-day notice must be given by the union to the appropriate mediation and conciliation service—State and Federal—and also to the national or international labor organization involved.

The bill does not permit strikes or picketing in breach of any existing collective bargaining contract.

The bill does not authorize strikes otherwise unlawful under the NLRA, nor does it legalize any activity otherwise unlawful. such as, the "closed shop" or anything else otherwise illegal or unlawful. It will not legalize jurisdictional disputes where a rival union is doing the work. It will not legalize otherwise unlawful strikes for "recognition or organization," nor does it authorize "product picketing." Finally, it does not authorize picketing an employer at the construction site where the object of the picketing is the removal from the construction site of any employee on the grounds of race, creed, color, or national origin.

The bill is identical to that introduced on April 11, 1975, by Congressman THOMPSON of New Jersey, H.R. 5900.

I would like to conclude by saying that the time has come for elimination of these onerous, complex and inequitable restrictions on construction picketing. Twenty-five years is long enough for the existence of rules which were never intended by the law upon which they are based.

It is time to recognize that picketing at a construction site should be governed by the same rules as those which apply at a manufacturing plant site. Picketing, as long as it is peaceful and does not have an illegal object, should be broadly permitted at the construction site as a legitimate exercise of the union's statutory rights. Passage of this bill will do just that.

By Mr. PEARSON (for himself and Mr. TUNNEY):

S. 1480. A bill to regulate commerce by providing annual awards to individuals who advance a science and technology through remarkable and notable inventions and discoveries. Referred to the Committee on Commerce.

SCIENCE AND TECHNOLOGY AWARDS ACT OF 1975

Mr. PEARSON. Mr. President, I am today introducing legislation to establish a new program of National Scientific and Technology Awards to stimulate innovation and productivity so as to meet our national needs.

Science and technology are more and more configuring the world we live in and determining our patterns of behavior. As we enter an increasingly resource-scarce world, it is evident that science and technology represent one of this Nation's most valuable resources. Upon the success of our science depends the success of our society.

We owe much to our men of science; especially to that peculiar breed known as the inventor, the tinkerer, the individual scientists or entrepreneur working alone. It is well to note, in this connection, that some of the most significant inventions in the post-war period are the culmination of efforts by private inventors: Xerox, the polaroid process, the electronic computer. Yet as scientific experimentation has become increasingly complex and expensive, and in view of the economic costs and delays associated with the American patent system, it has become more and more difficult to bring inventions to the marketplace. This situation is discouraging technological innovation, a fact reflected in the increasing proportion of U.S. patents that are awarded to inventors living outside the United States. In 1961, only 17 percent of all U.S. patents were awarded to foreign inventors. By 1971, this figure had climbed to 29 percent; and in 1974, 32 percent of all U.S. patents went to inventors living outside this country. There is no question, moreover, that the great scientific research institutions have not been as successful as we once hoped they would be. Although the large institutions dominate the research field, a significant percentage of the major innovations of the last half century have come out of small firms or workshops.

Until recently, as it has become increasingly challenged in the global marketplace, the United States demonstrated little concern over the productivity and creativity of its science. Today, however, at a time of rising economic difficulty, we must seek new solutions to encourage technological innovation and to remove the impediments and disincentives that are presently deterring technological progress. In this connection, it should be recognized that new science and technology can go a long way toward improving our national productivity and our balance of payments.

Thus, what I am recommending today is a new program to stimulate the growth and spread of advanced technology. To foster innovation, this legislation would establish a National Science and Technology Awards Council, consisting of 17 unpaid members designated in the bill, which would annually publish a list of the "10 Most Wanted Scientific Breakthroughs." Tax-free prizes, from $5,000 to $150,000, and a national medal would be given to the first person to satisfy or fulfill the performance criterion set down by the Council in each category. No more than 10 awards would be given in any one calendar year. Both the medal and the prize money would be awarded to the recipient in a Presidential prize ceremony each year. Each item would remain on the breakthrough list for 5 years or until such time as a prize was awarded for the breakthrough.

The potential cost of the awards program is $1,500,000 per year, although it is more likely that it would cost only a fraction of this amount since an award in the magnitude of $150,000 would only be made in extraordinary instances. Each breakthrough, it should be recognized, would potentially expand the economy significantly and would create countless new jobs. Hence, if this program stimulated a breakthrough in a critical area, it would pay back to the Government far more—in terms of new tax revenues and increased productivity—than the cost of the incentive. Each award would represent dollars in the bank for the American economy. The administrative costs of the program would be absorbed by the Department of Commerce out of their general operating funds since the program is placed under the purview of the Secretary of Commerce.

Other nations recognize their scientists with a variety of awards. The Soviet Union gives the Lenin prize to its most successful scientists for both applied as well as fundamental research. Moreover, the Soviet Government offers payments for inventions and bonuses for technological innovation. Since the U.S.S R. has no patent system, payments are made to individual scientists for registered inventions based on the economic return the invention is projected to contribute to the economy. Most significantly, competitions are successfully organized to advance research and scientific production.

A survey of Canada, Australia, Japan, the United Kingdom, the Federal Republic of Germany, and France yielded no awards systems designed to promote scientific development; however, these nations have national awards of a general nature to recognize prominent citizens who have made contributions in every field of endeavor. Sweden and the United Kingdom have developed programs, moreover, to provide financial and technical assistance to help inventors bring new products, materials, and processes to the marketplace.

The United States currently awards the National Medal of Sicence to individuals "who make outstanding contributions in the physical, biological, mathematical, and engineering sciences." The President is authorized to award the medal "from time to time," but not more than 20 awards are to be made in any single calendar year. Eleven persons were awarded the National Medal of Science in 1973, but none were awarded in 1974.

Unfortunately, no scientific award in the United States has the prestige and notoriety of the Nobel Prize, or the prestige of the Pulitzer Prize in the field of journalism. The National Medal of Science—while an esteemed and meritorious award—is a recognition award, not an incentive award.

Former President Nixon established a new program of research and development prizes as a part of the New Technologies Opportunities Program (NTOP) initiated by the White House in July, 1971. Prizes ranging up to $50,000 were authorized and a fund of $300,000 was established. The prizes, however, were never awarded and the program has for all practical purposes been abandoned.

Thus, I believe that a new effort to encourage useful innovation in critical areas of public concern should be undertaken. Such a program, I am confident, could help us to meet the scientific and technological challenges confronting this Nation at the present time and in the years ahead. The legislation I am offering today would make it possible to focus the efforts of American scientific and technological personnel everywhere on areas of national priority.

A national competition of the kind I am proposing could strip away the barriers that currently exist in many areas—especially in the energy, environmental, and health fields—to the enhanced performance and expansion of our economy and quality of life.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD at this point:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1480

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Science and Technology Awards Act of 1975".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the United States is confronted today by a multitude of serious problems, including the creation of new energy sources, the maintenance of a healthy environment, and the preservation of our national standard of living;

(2) such problems, and others, are amenable to solution by the development of new technologies; and

(3) persons who confront and solve specially identified technological problems which currently impede progress and undermine the economy of the United States deserve a special award and recognition.

ESTABLISHMENT

SEC. 3. (a) The Secretary of Commerce (hereinafter referred to as the "Secretary"), shall establish, as soon as practicable, a National Science and Technology Awards Council (hereinafter referred to as the "Council"), for purpose of establishing and conducting a program of cash awards for technological breakthroughs and inventions. The Council shall consist of 17 members including the Secretary, who shall act as Chairman; the Commissioner of Patents and Trademarks; the President of the National Academy of Sciences; the President of the National Academy of Engineering; the Secretary of Health, Education, and Welfare; the Director of the Office of Technology Assessment; the Director of the National Science Foundation; the Director of the National Bureau of Standards; the Administrator of the Energy Research and Development Administration; the Administrator of the Environmental Protection Agency; and 7 additional members to be appointed, upon the recommendation of the Secretary, by the President, by and with the advice and consent of the Senate, from among those members of the public who are, by background, training, or experience, qualified scientists, engineers, or physicians.

(b) Each member of the Council appointed from the public shall be entitled to be compensated at a daily rate equal to the rate for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day he is actually engaged in discharging his responsibilities as a member of the Council. Each member of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties as a member of the Council.

FUNCTIONS

SEC. 4. (a) Not later than January 31 of each year, the Council shall prescribe and publish in the Federal Register an annual list of not more than 10 most wanted scientific breakthroughs or inventions (hereinafter referred to as the "breakthrough list"), containing such specifications and criteria as the Council may prescribe in order to describe and identify with particularity the structure, composition, function, and performance of each breakthrough or invention referred to on the breakthrough list. Each entry on the breakthrough list shall remain on the list for at least five years or until an award for such entry is made by the Council. The Council shall furnish copies of each such breakthrough list to all accredited institutions of higher education, research institutions, and other appropriate organizations, including all public information offices of Federal agencies.

(b) The Council shall prescribe and include in the breakthrough list for each breakthrough or invention a sum of money which shall be not less than $5,000 or more than $150,000 for each such item and which shall be awarded by the Council to that person who, in the opinion of the Council, has successfully achieved the breakthrough or made the invention referred to in the breakthrough list.

(c) Prior to the close of each calendar year, the Council shall determine, on the basis of such information as it may require from potential recipients of each cash award prescribed under subsection (b) that person, if any, who, in the opinion of the Council, merits the award. Any person who is a citizen or an applicant to become a citizen of the United States is eligible to receive the award. No more than ten awards shall be made in one year. The Council shall prescribe such rules and regulations as it deems to be appropriate for the verification of each award based upon such scientific or data as may be necessary.

(d) Once each year, the Council shall sponsor a national awards ceremony wherein the President or his representative shall present to persons selected by the Council under subsection (c), a "National Science Achievement Medal" of such design as the Council may prescribe and the cash award.

(e) The Council may, in its discretion, in addition to the awards granted under subsection (c) of this section, award certificates of recognition to persons who have made notable inventions or discoveries in science and technology.

RIGHTS TO INVENTIONS

SEC. 5. No person who receives a cash award of National Science Achievement Medal under the provisions of this Act shall by virtue thereof be held to be an employee, agent, or contractor of or for the Federal Government, nor shall the Federal Government, by virtue of the granting of any such cash award or medal acquire thereby any right, title, or interest in or to any such breakthrough or invention.

IMMUNITY FROM TAXATION

SEC. 6. Any amount received as an award under this Act shall be exempt from any Federal, State, or local income tax.

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 7. Each department, agency, and instrumentality of the Federal Government, is authorized to furnish to the Council such reports and other information as the Council deems necessary to carry out its functions under this Act.

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AUTHORIZATION OF APPROPRIATIONS

Sec. 8. There are authorized to be appropriated, out of funds otherwise available to the Secretary, for the purpose of carrying out the provisions of this Act, such sums as are necessary.

Mr. TUNNEY. Mr. President, as our society becomes increasingly complex and our continued development more dependent on the mastery of new technologies, it is imperative that we recognize and encourage the achievements of our scientists, engineers, and inventors in helping us cope with the challenges of tomorrow.

As chairman of the Science Technology and Commerce Subcommittee, I have seen, through hearings and extensive investigations, the vast potential for scientific innovation in combating our energy, pollution and scarce-resource problems.

I am, therefore, joining with Senator PEARSON in introducing legislation today to establish a National Science and Technology Awards Council. This council, 17 nonpaid members of the scientific and governing community, will publish annually a list of the "10 most wanted scientific breakthroughs or inventions." A tax-free prize of from $5,000 to $150,000 would be assigned to each and awarded to the first person to satisfy the performance criteria set down by the council. The recipients would receive the prize money and a "National Science Achievement Medal" at a Presidential prize ceremony held each year.

Ironically, as our society becomes more dependent upon its scientific community, the complexity and enormous expense of scientific experimentation have made it exceeding difficult to bring new inventions to the marketplace. Individual technological innovation has been stifled.

In hearings held before my subcommittee on "Federal Incentives for Innovation" in August 1973, it was stated that, "In 1961, only 17 percent of the U.S. patents were awarded to inventors living outside the United States.

"By 1971, this percentage had climbed until 29 percent of all U.S. patents were going to foreign inventors." As Senator PEARSON has noted, this situation has not abated. In 1974, 32 percent of all U.S. patents went to inventors living outside this country.

We cannot allow this trend to continue without serious economic consequences. Whole industries within the United States will be decimated if we fail to keep pace with the increasingly tenacious technological competition from foreign countries. Our balance of payments deficit will continue to increase unless we encourage technological innovation and remove the impediments to technological progress. There is no question that, given the present economic climate, our large scientific research centers have not, and can no longer be expected to, satisfy all of our technological development needs. We cannot mandate technological progress but we can reward those who dedicate their energies to the problems that confront us all.

Obviously, the creation of this Council cannot, by itself, insure that the demands for new technological achievement will be met. This is but the first step in a series of actions being studied by my committee to insure that America will be ready for the challenges ahead.

This National Science and Technology Awards Council will serve to create the incentives necessary to encourage the inventor, the tinkerer, the individual scientist and engineer to channel his or her energies to the barriers that threaten our technological progress and economic well-being.

By Mr. BELLMON:

S. 1481. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social security taxes. Referred to the Committee on Finance.

Mr. BELLMON. Mr. President, as every Member well knows, April 15 was the deadline for filing Federal income tax reports. It is at this time of year when American citizens are most acutely aware of our tax system and it is the most appropriate time for beginning consideration of legislation to correct existing inequities. Therefore, I am today introducing legislation which will permit American workers to deduct their social security taxes from their taxable gross income.

In the midst of a recession, taxes are pinching the pocketbooks of American workers even harder than normal. The social security tax, one of the most regressive taxes ever enacted, has increased at a faster rate than any other tax in the years since World War II. It has gone up even more rapidly during this period of inflation and is now the highest tax many working Americans pay.

This bill will reduce the burden of social security payments on citizens who find this tax most oppressive—the young wage earners of America. This bill will grant $8.4 billion in tax relief to the working members of our society by simply making social security taxes paid a deductible item when figuring Federal income taxes.

As shown by the attached chart, a worker earning an annual income of $8,000 would receive $80 in tax relief by claiming a deduction from gross income for payment of social security taxes. At an income level of $15,000, the tax relief would be $181, and at an income level of $30,000, it would be $264.

Mr. President, the heavy burden of social security taxes upon working Americans troubles many Members of the Senate. This bill is intended to make the tax unburdensome.

Mr. President, I ask unanimous consent that the text of this bill and the chart be printed in the RECORD.

There being no objection, the bill and chart were ordered to be printed in the RECORD, as follows:

S. 1481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221, and by inserting after section 219 the following new section:

"Sec. 220. Social Security Taxes.

"There shall be allowed as a deduction all amounts paid by or withheld from the wages of the taxpayer during the taxable year under chapter 2 or under subchapter A of chapter 21.".

(b) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 220. Social security taxes.
"Sec. 221. Cross references.".

Sec. 2. (a) Section 275(a)(1) of the Internal Revenue Code of 1954 (relating to nondeductibility of certain taxes) is amended by striking out subparagraph (A) and by redesignating subparagraphs (B) and (C) as (A) and (B), respectively.

(b) Section 3502(a) of such Code (relating to nondeductibility of taxes in computing taxable income) is amended—

(1) by striking out "taxes" and inserting in lieu thereof "tax", and

(2) by striking out ", and by sections 3201 and 3211 of chapter 22".

(c) Section 62 of such Code (relating to definition of adjusted gross income) is amended—

(1) by redesignating the second paragraph (11) as (12), and

(2) by adding at the end thereof the following:

"(13) Social security taxes—The deduction allowed by section 220.".

Sec. 3. The amendments made by this Act apply to taxable years ending after the date of the enactment of this Act.

SOCIAL SECURITY TAX AND FEDERAL INCOME TAX LIABILITIES FOR A TYPICAL FAMILY OF 4 UNDER (1) PRESENT LAW, AND (2) UNDER A PROPOSAL TO ALLOW A DEDUCTION FOR SOCIAL SECURITY TAXES PAID

Income level	All income earned by 1 spouse				½ of income earned by each spouse			
	Social security tax	Income tax		Income tax saving under proposal	Social security tax	Income tax		Income tax saving under proposal
		Under present law [1]	Under proposal [2]			Under present law [1]	Under proposal [2]	
$8,000	$468	$559	$479	$80	$468	$559	$479	$80
$10,000	585	867	756	111	585	867	756	111
$15,000	825	1,699	1,518	181	878	1,699	1,506	193
$20,000	825	2,660	2,451	206	1,170	2,660	2,368	292
$25,000	825	3,750	3,519	231	1,463	3,750	3,340	410
$30,000	825	4,938	4,724	264	1,650	4,988	4,460	528

[1] Computed on the basis of assuming deductible personal expenses equal to 17 percent of income.

[2] Computed on the basis of the same amount of assumed deductible personal expenses as used under the present law tax computations, plus the deduction for social security taxes.

By Mr. HUMPHREY (for himself, Mr. McGEE, Mr. McGOVERN, Mr. METCALF, and Mr. MONDALE):

S. 1482. A bill to carry out a coordinated agricultural energy research program through the State agricultural experiment stations, and for other purposes. Referred to the Committee on Agriculture and Forestry, by unanimous consent.

AGRICULTURAL ENERGY RESEARCH ACT OF 1975

Mr. HUMPHREY. Mr. President, with the creation of the Energy Research and Development Administration, the United States was expected to embark on a period of aggressive, balanced energy research. I believe that even with ERDA, however, the Federal Government has neglected an area of energy research and development that could yield an immediate, high payoff. This area involves agricultural and rural energy research and development.

Highly developed processes for utilizing solar, wind, geothermal, and waste product energy already exist. Due to its small size and compact operations, a farm that draws a large portion of its energy from the Sun, wind, or agricultural waste products is not very far off. Also, while a city of 500,000 may face serious problems in trying to use solar energy on a large scale, a small rural town of several hundred or even 5,000 or 10,000 would not be subject to the same difficulties.

Yet, the Department of Agriculture's Agricultural Research Service, Cooperative State Research Service, and State experimental stations must rely on grants from ERDA or the National Science Foundation to finance agricultural and rural energy R. & D. programs to construct pilot plants utilizing alternative energy sources.

Since there is a great opportunity for early utilization of alternative energy forms in rural areas, I am introducing the "Agricultural Energy Research Act of 1975," which will change the method by which a part of the USDA's agricultural energy research program is financed.

The bill establishes an Office of Agricultural Energy Research within the Cooperative State Research Service of the Department of Agriculture. Five million dollars for fiscal year 1970 and $10 million for fiscal year 1977 would be provided to the Office to distribute grant money to State agricultural experiment stations.

The Office's mission will be to formulate and carry out through the State agricultural experiment stations a coordinated research program designed to increase agricultural and rural energy efficiency by implementing alternative energy source pilot projects and by refining alternative energy developments to specific agricultural and rural uses.

The bill also requires the State agricultural experiment stations, in cooperation with members of the university community: First, to identify highly developed demonstration activities that deliver alternative energy forms which have clear agricultural or rural application for powering energy consuming equipment or processes; second, to construct pilot plants to carry out demonstration activities as referred to above on privately owned farms which will voluntarily participate in the research program and which are representative of all sizes and types of farms in a cross section of U.S. geographic areas; and third, to convert, as soon as practicable, farms into model alternative energy source farms that use a minimum of petroleum energy for their operations.

With its new mission and the specific organizational framework to carry it out, the Office of Agricultural Energy Research will be able to develop rural alternative energy source pilot plants at a pace that will benefit the entire nation. Small efforts like this one clearly play as great a role as major programs in helping the United States achieve a modicum of energy independence. Dollar for dollar, this project is surely a wise investment of American taxpayer's money.

Mr. President, we know that energy plays a major role in agriculture from planting to processing. Farmers are concerned over the costs of energy whether in the form of fuel or fertilizer.

We have to be concerned over not only cost of energy but also the volume utilized.

A recent study by the Council of Agricultural Science and Technology—CAST—prepared at the request of Senator TALMADGE, outlines some of the key areas which this new office should examine in trying to find ways to conserve energy.

Among these are ways to reduce the fuel used for power equipment and crop drying. Alternative methods of applying fertilizer were examined in the study as well as the potential of solar, wind and agricultural waste as new sources of energy.

It quickly becomes clear that in some instances, savings of energy would be too costly to be practical. Clearly, tradeoffs will be necessary. But at least this report indicates some of the main areas which should be examined.

Mr. President, I ask unanimous consent that the text of my bill be included at this point in the RECORD, as well as the study to which I have referred, "Potential for Energy Conservation in Agriculture Production."

There being no objection, the bill and study were ordered to be printed in the RECORD, as follows:

S. 1482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Energy Research Act of 1975."

Sec. 2. As used in this Act—

(1) The term "energy research, development and demonstration activities of the Federal government" includes, but is not limited to, the planning, management, and coordination of the energy research, development and demonstration activities of the Federal government; research, development, and demonstration of coal as an energy source including coal gasification, coal liquefaction, and improved mining techniques; research, development and demonstration of unconventional energy sources including solar energy, geothermal energy, magnetohydrodynamics, fuel cells, low-head hydroelectric power, the use of agricultural products for energy, tidal power, ocean current and thermal gradient power, wind power, electric energy storage methods, solvent refined coal, utilization of waste products for fuels, and direct conversion methods; and research, development, and demonstration of new methods of converting fossil fuels into electrical energy.

(2) The term "energy consuming equipment or process" means any piece of equipment or any process that requires (as determined by the Administrator of the Energy Research and Development Administration), under normal use, more than 100 kilowatt hours of electricity per year or, in the case of equipment or process powered by fuel, more than 1,000,000 British Thermal Units per year.

Sec. 3. There is established within the Cooperative State Research Service of the Department of Agriculture an office to be known as the Office of Agricultural Energy Research (hereinafter referred to as the "Office"). The Office shall be headed by a Director of Agricultural Energy Research who shall be appointed by the Secretary of Agriculture.

Sec. 4. (a) It shall be the function of the Office to formulate and carry out through the State agricultural experiment station (as defined in section 1 of the Hatch Act of March 2, 1887 (7 U.S.C. 361a)) a coordinated research program designed to increase agricultural and rural energy efficiency by implementing alternative energy source pilot projects and by refining alternative energy developments to specific agricultural and rural uses.

(b) In carrying out such program the Office shall require State experimental stations, in cooperation with all members of the university community, participating in such program—

(1) to identify highly developed demonstration activities that deliver alternative energy forms which have clear agricultural or rural application for powering energy consuming equipment or processes.

(2) to construct pilot plants of demonstration activities referred to in clause (1) of this subsection on privately owned farms which voluntarily participate in the research program and which are representative of the size and type of farms in the geographic area in which they are located; and

(3) to convert, as soon as practicable, State Agricultural experiment station farms into model alternative energy source farms that use a minimum of petroleum energy for their operations.

(c) The Director of Agricultural Energy Research shall consult closely with the Administrator of the Energy Research and Development Administration and the Director of the National Science Foundation concerning the progress of energy research, development, and demonstration activities of the Federal Government.

Sec. 4. (a) There is authorized to be appropriated the sum of $5,000,000 for the fiscal year ending June 30, 1976, and the sum of $10,000,000 for the fiscal year ending September 30, 1977, to carry out the provisions of this Act.

(h) The Director of Agricultural Energy Research shall allocate funds appropriated under this Act among State agricultural experiment stations on a fair and equitable basis; but no funds shall be allocated to any such station unless such station has submitted to the Director a proposed energy research program and such program has been approved by the Director as one which will carry out the purposes of this Act.

POTENTIAL FOR ENERGY CONSERVATION IN AGRICULTURAL PRODUCTION

SUMMARY

Agricultural production at the farm level uses only 2 to 4% of the total amount of energy that is consumed in the United States. The efficiency of energy use on the farm can and should be improved, however, even though the impact on the total U.S. consumption of energy would be slight. This report considers energy use in nearly all areas of farm production. Alternative technologies are described, and estimates of potential energy savings are made for situations in which available information seems to justify it. The use of energy by U.S. farmers has generally been comparatively efficient because of the narrow margins of profit within which they operate.

Improvements in the operation and maintenance of farm power equipment could result in an estimated annual saving of about 600 million gallons of gasoline and diesel fuel. Conversion of all power units from gasoline to diesel fuel would result in an annual saving of approximately 600 million gallons of gasoline equivalent. Because of the existing tractors with gasoline engines, this conversion cannot be achieved in the short term. The trend toward diesel engines has been evident for several years.

Drying of U.S. crops requires approximately one billion gallons of L.P. gas equivalent annually. A fuel saving of approximately 40 million gallons of L.P. gas equivalent is attainable in a short time by application of a relatively new technology (dryeration) to corn drying if the necessary capital investment can be achieved. Increased feeding of high-moisture corn instead of dried corn to hogs could result in an estimated annual saving of approximately 37 million gallons of L.P. gas equivalent. The efficiency of use of wet corn is lower than that of dry corn, however, and additional research is needed to determine whether the potential saving of fuel is practical in this instance.

The equivalent of 100 million gallons of gasoline could be saved annually by perfecting pest-control technologies, which would result in use of smaller amounts of pesticides and smaller amounts of fuel for application, and by increasing the efficiency of use of petroleum in the manufacture of pesticides.

Production of the fertilizers used in 1974 required an estimated 505 trillion BTU. The major contribution that could be made to efficient use of this energy would probably be through full use of soil tests and research information now available. This service could guide the application of fertilizers in the direction of use of the most appropriate kinds and quantities of fertilizers for the specific crops produced on individual fields throughout the nation. Additional improvements in efficiency could be achieved by paying more attention to time and method of application. If as little as 5% of the nitrogen applied to corn could be saved by improving the timing of application to reduce the losses from leaching and volatilization, the total annual saving would be about 192,000 tons of nitrogen, which requires for fixation the energy equivalent of about 69.5 million gallons of gasoline or 9.6 billion cubic feet of natural gas. Although such a saving seems conservative, a loss of convenience would often be required to obtain it, and some loss of crop yield would probably result because of less timely operations of other kinds. In some instances, more than one application of nitrogen fertilizer would be needed during the growing season, and this would entail greater energy requirements for application.

A newly-developed system of planting corn by no-till methods in a solid stand of crown vetch, a long-lived perennial legume, with suitable herbicide treatment and a small application of nitrogen fertilizer, provides the potential for producing high-yielding corn with good control of erosion and with a saving of about 100 lb. of fertilizer nitrogen per acre annually. If this system should prove applicable to half of the 60 million acres planted to corn, the annual saving of energy for manufacture of the nitrogen fertilizer otherwise needed would be equivalent to about 570 million gallons of gasoline.

Other crop production technologies were considered, and areas of potential saving of energy were identified. Substitution of herbicides for tillage reduces fuel consumption on the farm, but it appears that there may be no overall saving in energy when the petroleum required to produce the herbicides is accounted for. Again, this is an energy requirement that occurs off the farm, but one that is influenced by the farm practice. Other factors such as labor requirements and timeliness of operation are discussed in connection with tillage practices.

Stability in the biological crop system is important for a productive agriculture. Practical operations can seldom be fit to a prearranged schedule, however, and consequently the greatest efficiencies in use of energy cannot always be achieved. Use of extra fuel as needed to protect crops against the potentially severe effects of such uncontrolled hazards as unfavorable weather and outbreaks of pests provides an important form of crop insurance. Thus, the critical need to produce food may require that some inefficiencies in use of fuel be tolerated.

Solar energy, wind energy, and energy from agricultural wastes offer significant potential for providing a major share of the energy required on the farm. Research in each of these areas is well underway, and hopefully the technology will allow for the recovery of usable energy from these sources in the future.

Many areas for potential saving of energy exist in agricultural production. This report attempts to identify the areas and to estimate the amounts. In some instances, the saving may be achieved at little cost. In others, the potential saving is associated with a significant loss in production.

A total figure for the potential saving of energy has not been given because there are too many qualifications and unknowns in the factual aspects of the subject. The true potential in some instances may be rather different than the estimates set forth, and the saving actually accomplished may bear little resemblance to the true potential. As with all matters of this kind, implementation of the concepts on the farm will require two things: understanding and incentive. Understanding can be imparted over a period of time through the educational work carried on continuously by federal and state extension personnel. Until the incentives provided by economics or in other ways are sufficiently persuasive, however, the saving of energy actually accomplished will probably fall considerably short of the potential.

INTRODUCTION

Sunlight provides the energy for the biochemical processes that reduce the carbon dioxide in the air to the building blocks of food, the sugars, starches, and proteins in crop plants. Efficiency of land use in crop production requires that plants be oriented and dispersed on the land to maximize the capture of sunlight. As stewards of the land and of the nation's food supply, farmers must use fuel in farm tractors and other equipment to help crops convert sunlight into food for man and animals. In response to the ever-increasing demands for more food and higher quality food, energy use in the production of raw agricultural products has increased to about 2 to 4% of the total U.S. energy budget (Table 1). This energy use for crop and livestock production is about evenly partitioned between direct consumption on the farm and indirect consumption in the form of manufactured inputs.

Agricultural energy consumption is modest compared with that of transportation, which uses 25% of the nation's energy, or that of residential and commercial space heating, which uses about 18% of the nation's energy. Among U.S. industries, however, production of raw agricultural products ranks third after steel and petroleum refining among energy consumers. Yet 2 to 4% is a modest commitment in the sense that the most frugal energy use in agriculture would do little to diminish an impending energy shortfall unless energy conservation also prevailed in other segments of the economy. Nevertheless, large quantities are used in commercial agriculture, and the farmer, like every citizen, bears a responsibility to conserve energy resources.

The ongoing "energy crisis" and the increasing scarcity of some fuels foretells a future of less plentiful and more costly food because production in the United States is critically dependent on supplies of fuel, fertilizers, and pesticides.

Clearly it is important to examine the use of fuel in crop and animal production and to ask where economies and increased efficiency of fuel use might be effected. Can farmers maintain the productivity and the quality of the national food supply by changing patterns of fertilizer and pesticide use, by modifying tillage operations, or by changing the types of fuels that are consumed by tractors and combines? Will innovative schemes for harvesting and drying crops reduce fuel use, and can less energy-intensive schemes of animal feeding be devised?

These and other questions are addressed in following sections as the potential for improving the efficient use of fuel in crop and animal agriculture is explored.

TABLE 1.—ENERGY CONSUMPTION BY U.S. AGRICULTURE IN THE PRODUCTION OF RAW AGRICULTURAL PRODUCTS (1)[1]

Item	Energy consumption for production of raw agricultural products: Trillion Btu	Percentage of total U.S. energy consumption
Farm production:		
Crops:		
Petroleum	751.0	1.0
Electricity	12.5	.02
Livestock:		
Petroleum	250.0	.3
Electricity	37.6	.05
Manufacturing of production inputs:		
Fertilizer	556.0	.7
Petroleum	196.0	.5
Feeds and ingredients	97.6	
Animals and marine oils	33.9	
Farm machinery	31.3	
Pesticides	10.3	
Total agriculture[2]	1,976.0	2.6
Total of uses for all purposes	76,007.0	100.0

[1] Excludes family living.

[2] The estimate is from the report cited. Estimates from other sources would indicate that the agricultural sector consumes from 2 to 4 percent of the U.S. total.

An obvious need for intensive research and development in many areas will emerge as the alternative practices are presented.

OPERATION AND MAINTENANCE OF FARM POWER EQUIPMENT

There are a number of different operations that offer some potential for improving the fuel efficiency of farm power units. These include areas such as improved tuneups, better matching of tractor to load, training workers for improved operation, multiple implement operation, optimum ballasting, and proper maintenance. The estimates for fuel saving that follow were developed from a number of references. Caution is advised against adding the percentage savings that are suggested because they may not all be additive. Survey data are not available to estimate accurately the proportions of the operators that operate at good and poor efficiency levels. The percentages indicated are based on the best judgments available.

Currently, nearly 80% of all new tractors sold are diesel powered. Over 80% of the new combines to be sold in 1975 are expected to be diesel powered. The 1973 consumption of gasoline in farm units was 3.6 billion gallons (1),* including trucks but excluding automobiles. If a complete changeover were possible on all units except automobiles, the amount of diesel fuel required would be 2.67 billion gallons (2). This difference represents a potential saving of energy equivalent to 643 million gallons of gasoline. The 1973 diesel fuel requirement of 2.47 billion gallons added to the 2.67 billion gallons results in a new total diesel fuel requirement of 5.14 billion gallons annually. Although diesel powering of tractors and combines is increasing, trucks and other agricultural machines are largely gasoline powered and will probably remain so unless motivation is provided by economics or otherwise.

Table 2 indicates the potential fuel saving obtainable by implementing improvements in the efficiency of operation and design of equipment. The total potential fuel saving obtainable from improved operation, maintenance, and new design is estimated to be about 9% of the total gasoline and 12% of the total diesel fuel. The conversion to diesel offers the single greatest potential for savings.

TABLE 2.—POTENTIAL FUEL SAVINGS WITH FARM POWER EQUIPMENT

[From estimates given in the accompanying text]

Operation or program [1]	Estimated annual savings (millions of gallons): Gasoline	Diesel fuel
Conversion to diesel	643.0	
Education programs (improved engine tuneup, better matching to oad, training of workers, optimum ballasting)	345.6	277.7
Design (reducing tractor power losses)	2.5	23.1

[1] Conversion to diesel would require 10 yr or more. Implementation of the education programs and changes in design should be possible within 10 yr.

Several of the methods suggested to conserve fuel fall into the general category of education. There is already a nationwide adult educational service in operation (State and Federal Cooperative Extension Service) that can develop and distribute educational materials in this area. Various sources (4,5) report that 10% to 15% improvement in engine power can be obtained when maintenance tuneups are performed at regular intervals. Although it is difficult to estimate, it may be reasonable to assume that if all operators followed good maintenance procedures a 5% reduction in fuel consumption would be possible (included in Table 2). This goal would have to be achieved by better informing and motivating the farm equipment owners and operators. Additional savings can be expected from use of optimum traffic patterns, avoidance of unnecessary engine idling, and other practices that can be achieved by proper training of workers.

If farm power equipment were better matched to the load, and if optimum gearing and travel speed were employed, there would be a potential for additional fuel saving. Again, it is difficult to estimate the potential saving; however, the annual saving indicated in Table 2 reflects about 5% of the total fuel used in tractors (1). Additional savings are possible with proper adjustment of field equipment.

Energy is consumed by machines in such accessory systems as hydraulic control, engine cooling, air conditioning, transmission, and engine combustion systems, and not all this use of energy results in useful work. Most of these systems were designed by the manufacturer for optimum function and lowest cost. If greater attention were given to reducing energy consumption and higher system efficiencies, a saving of fuel could be made. It is a reasonable assumption that, in future machines, attention to such matters during design could result in a 5% fuel saving (included in Table 2). If the more energy-efficient design were used on only the tractors expected to be sold in the years 1976 through 1979, 2.5 million gallons of gasoline and 23.1 million gallons of diesel fuel could be saved in 1980. Because of the longevity of many farm machines, this type of saving would require many years to become significant. To achieve the potential long-term benefits within a reasonable time will require initiation of the design program for energy economy at an early date.

Many farmers size their new tractor to the tillage implement with the greater draft load since tillage presents the greatest loads. If the same tractor is used in planting, cultivating, spraying, and harvesting operations, it will usually be lightly loaded. Various reports have shown that operation of large tractors on light loads can be made more economical if the transmission is shifted to one or two faster gears and the engine speed is throttled back to obtain the desired travel speed. At the slower engine speeds, many tractor component losses such as the fan, hydraulic pumps, and transmission windage are decreased, and fuel consumption is less. One report (5) has shown from Nebraska test data (6) for seven U.S. models that a 19.6% fuel saving was achieved by this technique. Sufficient data are not available to estimate the potential saving of fuel that might be made by employing better operation techniques in this area.

Proper ballasting or weighting of tractors for the particular conditions is important in obtaining the most efficient operation consistent with good performance. Too much ballast during tillage operations will cause excessive tire sinkage, increased tractor rolling resistance, extra fuel consumption, low power output, and soil compaction. Too little ballast during tillage operations will result in high traction loss, excessive tire wear, and excessive pulverization of soil in the wheel tracks. It is reasonable to estimate that 5% better ballasting can usually be attained. However, not all occasions will permit this optimization, and not all operators will diligently endeavor to attain it. If 5% better ballasting could be accomplished through better information and motivation on 10% of the tractor operations (1), annual fuel savings would be 9.6 million gallons of gasoline and 11.7 million gallons of diesel fuel (included in Table 2).

CROP PRODUCTION

Reduced Tillage: Conventional Cultivation vs. Herbicides.

Reduced tillage or "no till" has been suggested as a way of saving fuel. These practices do reduce the direct consumption of fuel on the farm. As noted in this section, however, the total usage of petroleum to obtain the agricultural output obtainable by conventional cultivation may or may not be reduced by substituting herbicides for cultivation.

The field operations frequently eliminated are those for soil conditioning and weed control. Various soils require different management practices for crop productivity. Herbicides are not always effective, some weeds are not controlled, and some crops are damaged by herbicides. A no-till system may require conventional tillage every several years to condition soil or eliminate certain resistant weeds. New management skills are usually needed with systems of reduced tillage. Not all land is suitable for systems of reduced tillage.

Reduced tillage practices are already widely used by farmers. Nationally, 75% of the corn acreage in 1972 received some herbicide treatments which resulted in a reduction of the average number of cultivation operations from 2.4 where no herbicides were used to 1.6 where they were used. A similar proportion of the soybean acreage was treated. Table 3 illustrates the diversity of practices, with 66% of the corn acreage in Kentucky receiving no cultivation as compared with the Corn Belt states where cultivation is often undertaken in conjunction with herbicide application.

Because of the requirement for petroleum for production of herbicides, it is unrealistic to overlook the requirement for petroleum in this industrial input that is substituted for conventional tillage in systems of reduced tillage. For the purposes of this analysis, a pound of active ingredient with its associated petroleum carriers is considered equivalent to about 0.95 gallon of diesel fuel. Increased requirements for insecticides and fungicides may also be associated with reduced tillage or no-till systems, but these additions energy requirements are not considered here, as they are insufficiently documented.

If the 25% of the corn acreage not receiving herbicides in 1972 were to adopt reduced tillage, and if this resulted in reducing the number of cultivations from 2.4 to 1.6, the direct saving would be equivalent to 0.4 gallon of diesel fuel per acre. However, the minimum herbicide requirement to adopt this practice would be a band application of herbicide with a petroleum equivalent of 0.8 gallon of diesel fuel per acre plus another 0.2 gallon of diesel fuel per acre for herbicide application. In this specific case, a saving of 0.4 gallon of diesel fuel in tractor cultivations would cost the equivalent of 1.0 gallon of diesel fuel in herbicide applied to the crops (Table 4).

In terms of direct fuel requirements, no-till corn at 3.2 gallons per acre requires about half as much fuel as a conventional moldboard plow system at 6.1 gallons per acre. Once the diesel fuel equivalent of herbicide is included, however, the difference in fuel requirement between systems is considerably reduced.

Most trade-offs occur between no-till systems and reduced-tillage systems. For example, if farmers presently broadcasting herbicides were to shift to a band application, the diesel fuel equivalents for herbicides would drop from 1.7 gallons to 0.8 gallon of diesel fuel, a saving of 0.9 gallon per acre. Even if an additional cultivation were then required, it would add a diesel fuel requirement of only 0.5 gallon and thus would still yield a net fuel saving of 0.4 gallon per acre. However, the weather at cultivation time is a critical factor in assessing the potential shifts from broadcast to band or to no herbicide systems. The saving of fuel may not outweigh the risk of loss of yield due to insufficient weed control.

Although no-till systems may be energy-saving under appropriate conditions, yield reductions in the range of 5% to 15% have been recorded on many soil types in comparison with systems involving some conventional tillage. With corn at $3.00 per bushel and a yield of 100 bushels per acre, the saving of 50 to 75 cents per acre in diesel fuel from adoption of no-till would be offset by a loss of $15 to $45 of gross income per acre on the soils which the 5 to 15% loss of yield occurs. Thus, a potential saving of diesel fuel is not likely to motivate farmers to adopt no-till practices.

TABLE 3.—PROPORTION OF CORN ACREAGE RECEIVING DIFFERENT NUMBERS OF CULTIVATIONS IN SELECTED STATES IN 1972 (UNPUBLISHED DATA, ECONOMIC RESEARCH SERVICE, U.S.D.A.)

State	Percentage of corn acreage receiving the indicated number of coltivations: 0	1	2	3	4	5 or more
Pennsylvania	47	33	14	6		
Ohio	13	47	25	12	3	
Indiana	7	26	49	12	5	
Illinois	3	27	53	15	2	
Iowa	4	22	44	24	6	
Kentucky	66	27	7			

The most important factors discouraging the use of reduced tillage are probably (a) the likelihood of decreased yields, (b) the likelihood of greater problems with insects and diseases and greater need for pesticides, and (c) the necessity in some instances for making all the soil preparation immediately before planting. The peak seasonal work load plus the advantages in soil tilth that come from fall plowing followed by the freezing and thawing of the soil during the winter must be considered.

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*Numbers in parentheses refer to numbered references listed at the end of the report.

The most important factor leading to the adoption of reduced-tillage or no-till systems may be the decrease in labor requirements as outlined in Table 5. This means that if a farmer's operation is limited by the amount of labor he can supply, he can expand his operation by about 10% by switching from conventional to no-till technology. Under appropriate soil and other conditions, an extension of acreage would allow greater returns to operator labor and management in spite of yield reductions of 5% to 15%.

TABLE 4.—DIESEL FUEL REQUIREMENTS FOR DIFFERENT TILLAGE OPERATIONS FOR CORN (7, 11, 12, 13, 14, 16)

Operation	Gallons of diesel fuel per acre: Conventional tillage	Reduced tillage	No tillage
Disk stalks	0.5	0.5	
Chisel or moldboard plow	(1.2)(1.9)		
Disk	.6		
Knifedown anhydrous ammonia	[1]	1.0	1.0
Field cultivate	.5	.7	
Plant (with insecticide)	.4	.5	.6
Apply herbicide		.2	.2
Rotary hoe	.3		
Cultivate	.5	.5	
Harvest (combine)	1.4	1.4	1.4
Total, field fuel required	(5.4)(6.1)	4.8	3.2
Herbicide (atrazine, lower requirement banded)		(.8)(1.7)	1.7
Total, diesel equivalent	(5.4)(6.1)	(5.6)(6.5)	4.9

[1] Applied with plowing operation.

TABLE 5.—*Labor requirements for various tillage practices*

Practice	*Hours/acre*
Conventional tillage	1.01–1.12
Reduced tillage	0.89
No-till	0.53

An assessment of the potential for energy saving by reduced tillage is difficult. Production systems and conditions vary by crops and by geographical area. Row crops offer the greatest potential for savings. Much of the Great Plains wheat area already utilizes the minimum tillage feasible due to soil moisture and other considerations. If row-crop farmers switched from mold board to chisel plowing, the diesel fuel required would be reduced by 0.7 gallon of diesel fuel per acre. The elimination of a disking or cultivation not absolutely necessary for weed control could reduce the fuel requirement by 0.5 gallon of diesel fuel per acre. In 1973, 129 million acres were planted to corn and soybeans. If farmers could eliminate an average of one field operation on 25% of this acreage, the result would be a saving of 16.1 million gallons of diesel fuel equivalent.

Crop drying

The shift to heated-air drying of farm crops, especially corn and tobacco, has been rapid and dramatic. Table 6 indicates the relative amounts of farm crops that are dried, and the total amount of energy in L.P. gas equivalents, estimated for the United States.

TABLE 6.—FUEL REQUIREMENTS FOR CROP DRYING IN 1973 (17, 1[illegible])

Commodity	Total production (millions)	Total dried (millions)	Fuel used (L.P. gas equivalents)[1] (millions of gallons)
Corn (bushels)	5,6[illegible]1	3,963	[2] 609
Tobacco, flue cured (acres)	.5[illegible]5	.575	[3] 348
Soybeans (bushels)	1,5[illegible]9	277	[4] 20.2
Rice (bushels)	2[illegible]0	220	[5] 10.9
Peanuts (bushels)	1[illegible]1	131	[6] 10.4
Sorghum (bushels)	9[illegible]6	94	[7] 7.3

[1] Natural gas equals 1,050 Btu per cubic foot, L.P. gas eqlsua 92,000 Btu per gallon, gasoline equals 128,000 Btu per gallon.

[2] 10 points removal of water, 6.5 bushels per gallon of fuel.

[3] Assumes 443 gallons of gasoline equivalent per acre (South Carolina unpublished data).

[4] Assumes 18 percent of total production was dried 4 points, 13.7 bushels per gallon of fuel.

[5] Assumes 6 point removal, low temperature, 50 percent dried on farm, balance dried continuous flow, 2 pass, 150° F. temperature, 20.2 bushels per gallon of fuel.

[6] Assumes all production dried (South Carolina unpublished data), 12.6 bushels per gallon of fuel.

[7] Assumes 10 percent of production was dried using 12.0 bushels per gallon of fuel.

The rapid change from natural air-drying of ear-corn to at least 70% field shelling followed by drying with heated air is frequently questioned because of the additional fossil fuel consumption. Several key factors have motivated this change. First and foremost is the increased control over time of harvest and performance which permits better management of the system. Field losses are reduced due to earlier harvest, and the exposure of the crop to the weather is reduced.

Shelling of ear-corn reduces the volume to be handled by about half and converts the product to a free-flowing form. Shelled grain that is dried is easily handled and stored in high-quality condition. The storage structure may be made bird- and rodent-tight, and the grain is harvested and placed in storage virtually untouched by human hands.

A return to ear-corn handling techniques, which could be done, would involve a complete change in the harvest, handling, storage, and processing equipment. Such a change would involve a minimum of five years, with tremendous capital investments, requiring increased manufacturing facilities and steel products.

Ear-corn handling systems never approached the harvesting and handling capacities attainable with shelled corn. To attain the same capacities would require new concepts and technologies. The short-term alternative using ear-corn would require a considerable increase in labor.

Table 7 presents estimated performance rates of alternative grain-drying systems. It should be noted that, as the rate of drying decreases, the efficiency of fuel utilization tends to increase. The disadvantage of higher speed is usually a loss in efficiency. There are some exceptions such as the use of dryeration* as an adjunct to high-speed, high-temperature processes, modifications in optimum grain depth, grain stirring, and natural heat utilization in bin dryers. The risk involved in slowing the drying rate is the increased vulnerability to mold development. The rate of mold activity nearly doubles with each 10° F rise in temperature.

Weather conditions during harvest and drying are highly variable. The geographic regions vary widely in air temperature, moisture content, and mold risk, and the drying techniques that are most appropriate vary with these conditions.

The data in Table 7 suggest that a significant saving in fuel could result from widespread adoption of dryeration. The technique has been proven by research to be effective and could be rapidly applied to many existing farm and elevator drying systems. It has the capability of increasing the capacity by 50 to 60%, decreasing fuel input by at least 20 to 30%, and significantly improving grain quality over high-speed drying processes. To implement this drying technique involves either the addition of 1 or 2 dryeration cooling bins (typical for most elevator installations) or the adaptation of existing storage bins. The bin used for dryeration may also be used for regular grain storage at the end of the drying season.

The potential saving of fuel from implementation of a dryeration system is illustrated by the following calculations in which it is assumed (a) that the moisture to be removed from corn is equivalent to 10 points, (b) that 50% of the farms and elevators now using high-temperature drying adopt dryeration, and (c) that 50% of the corn dried in the Corn Belt is dried by high-speed methods.

The quantity dried with high-speed methods is about 2.5 billion bushels. If 50% were dried with high-speed methods with dryeration, the total L.P. gas required would be 360 million gallons. Without dryeration, the fuel use would be 400 million gallons. The potential saving would thus amount to about 40 million gallons of L.P. gas per year. In adverse years, dryeration is used more extensively, but the response is a constant 2-point removal of moisture in cooling irrespective of the beginning moisture content.

TABLE 7.—ENERGY EFFICIENCIES OF VARICUS DRYING TECHNIQUES

Drying technique	Drying efficiency[1] (Bu. gallon of L.P. gas)	Comments
1. Batch or continuous flow with cooling in dryer (180° F to 220° F)	[illegible].5	High capacity, flexible, high kernel stress from fast drying and cooling, incomplete air saturation.
2. Batch or continuous flow with dryeration[2] (180° F to 220° F)	[illegible].1	Increased capital investment, two handlings to storage, 50 to 60 percent increase in throughput, improved product quality.
3. Bin drying without stirring device (10° F rise with 55 percent RH Humidistat control)	[illegible].2	Overdrying in bottom layers, difficult to manage for optimum performance.
4. Bin drying with stirring device (110° F to 140° F)	[illegible].2	Mechanical reliability may be a problem, flexible in grain depth, fast batch procedures.
5. Bin batch-drying cooling in bin (120° F to 140° F)	[illegible].2	Modest price, medium capacity, additional manual labor for daily leveling and unloading.
6. Electric bin drying[3] (2° F to 7° F rise)	[illegible].7	Slow drying rate, mold increase, dependent on weather, good grain quality, limits on grain moisture content.
7. Combination system, 5 percent with batch or continuous-flow drying, 2 percent with dryeration, 3 percent with aeration.[4]	1[illegible].6	Same as technique 1 or 5, except final drying (without heat) and cooling done in another bin; increase in potential for mold during final drying.
8. Drying with ambient air (2° F rise)	---	Slow drying, grain must be below 20 percent in moisture content, vulnerable to mold, weather conditions critical
9. Solar heat drying	---	Technology is still in the developmental stage, and potential use is not yet known; potential for use as a supplemental source of heat may be practical with development of technology.

[1] Based on drying 10 points (25 percent to 15 percent wet basis), 2,100 Btu per pound of water for high-temperature dryer, and 1,500 Btu per pound of water for bin drying systems.

[2] Dryeration response is a constant 2 points of drying, assuming a kernel temperature of 120 to 140° F.

[3] Electric drying based on 0.35 kWh per bushel per point of moisture removed.

[4] Based on dryeration air flow of 1 cubic foot per bushel per minute for 20 hours plus aeration air flow of 0.5 cubic foot per bushel per minute for 30 days.

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*Dryeration is a process in which the grain is removed hot from the dryer without cooling. After 4 to 12 hours with no air flow, the grain is then cooled slowly with aeration to utilize the stored heat in the vaporization of moisture. A 2 to 3 point moisture reduction will usually result from the slow cooling process.

Other increases in efficiency of fuel utilization in crop drying must come from increasing the column thickness, recirculating the exhaust air, or use of heat exchangers or heat-reclamation systems. Improvements in tobacco drying probably must rely on the latter two procedures. All the values on dryer performance in Table 7 are based on approximations. Considerable research is needed to evaluate more specifically various dryer designs and operating procedures under the yearly range of crop drying conditions.

Additionally, drying is an essential operation in the processing and preservation of commercial seed crops. Drying is especially important for seed corn and vegetable seeds. The total amount of energy used for such purposes is a very small percentage of the total used in crop drying.

Feeding and Preservation of High-Moisture Grain

The preservation of wet grain by use of chemical treatments to inhibit mold development or by ensiling it to exclude oxygen are alternatives to drying grain for storage. Utilization of wet grains by ruminant animals is generally superior to the utilization of the same amount of dry matter supplied as dry grain (5 to 7% increase for wet shelled corn, 10 to 12% increase for wet corn-and-cob meal). Efficiency of utilization of wet grain by hogs is generally 3 to 5% less than that of dry grain with the same dry matter intake. Feeding of wet grain to hogs is limited to animals over 70 pounds.

Ensiled grain is subject to rapid development of mold on removal from storage. The grain may be treated chemically to inhibit mold development both during and following storage, but the treatments now used corrode metal structures and equipment. The cost of chemicals plus treatment is generally greater than the cost of drying for the same moisture content. The amount of petroleum feed-stock required for synthesis of propionic acid to inhibit mold is essentially equal in cost to that of the L.P. gas required to dry the grain, although the basic amounts of carbon and hydrogen involved in preservation of the grain by propionic acid may be only one-fourth to one-half of those required for drying the grain by use of L.P. gas (19). This consumption does not consider the costs of manufacturing and distribution.

Storage of grain in high-moisture condition limits its use to feed for livestock. Deterioration of the grain prior to chemical treatment or following removal from ensiled storage limits the time available for utilization before spoilage occurs. Data from Indiana marketing surveys indicate that 40% of the corn produced there is fed to livestock, but only 30% is fed on the farm where it is produced. Therefore, only 12% of the total Indiana corn crop is potentially available for wet corn handling. Some of this 12% fed on the farm goes to poultry and baby pigs, which are not usually fed wet corn, and so the potential is actually less than 12% for Indiana conditions. Similar patterns are likely to prevail throughout the Corn Belt. The practice of storing and feeding wet corn is most important in areas where many cattle are fed.

The potential for saving of energy by storing and feeding wet grain appears limited. If a workable system could be developed for controlling mold in wet grain and feeding the product to hogs in confinement, the potential saving in energy and postharvest processing could more than offset the loss in feed efficiency. About 90 million hogs are fed annually in the United States (1). If 50% of these animals were fed from 70 pounds to 200 pounds with wet corn, the energy saved in drying in L.P. gas equivalent would be about 37 million gallons (using a drying efficiency of 6.5 bu/gallon of L.P. gas).

Pesticide use and application techniques

Most of the approximately 300 million pounds of insecticides used annually in agriculture are applied on a routine schedule to minimize infestation risks (20). If these insecticides could be applied on a "treat when necessary" basis, it is estimated that treatments could be reduced by 35%. Cotton and corn, on which 64% of all insecticides are used, are prime crops for the adoption of such a technology. Pest monitoring systems developed for cotton and alfalfa have reduced some insecticide requirements, have held infestations within acceptable limits, and in some instances have reduced crop losses. Perfection of such technologies for all crops could result in a potential saving of petrochemicals and fuel for application totaling the equivalent of 100 million gallons of gasoline.

There are also opportunities to save energy by modifying the techniques of application. In some instances, insecticides are deliberately applied as an aerosol in an attempt to contact flying insects such as mosquitoes and flies. Much of the insecticide applied in this way may not reach either the target insect or the ground in the area treated and hence may contribute to general environmental pollution. In some cases, the efficiency of application could be increased by treating the vegetation instead of the air on the basis that sooner or later the insects will contact the vegetation.

Fertilizer use and application techniques

The U.S. Department of Agriculture (45) reported that 19.3 million tons of plant nutrients were used in fertilizers in 1974. According to the Fertilizer Institute (22), production of these nutrients in fertilizer form required an estimated 505 trillion BTU (9.1 million tons of nitrogen [N] at 25,000 BTU per pound, 5.1 million tons of phosphorus pentoxide [P_2O_5] equivalent at 3,000 BTU per pound, and 5.1 million tons of potassium oxide [K_2O] or potash equivalent at 2,000 BTU per pound).

The greatest contribution to efficient use of the energy required to manufacture fertilizers could probably be made by paying careful attention to two basic principles: First, farmers should buy only those fertilizers that are needed for their particular combinations of soils and crops. Second, fertilizers should be applied in the quantities that produce the greatest net economic return. Full implementation of these principles would lead to the most productive use of the fertilizers in an open market. Ideally the prices and costs in an open market reflect the values society places on the products of agriculture and the inputs required to achieve them. The net consequence would probably be no decrease in total energy used in fertilizer production, however, because many farmers use less fertilizer than is needed to produce the maximum net return.

Several guides are available to aid farmers to approach the desired level of efficient and productive use of fertilizers. These include (a) soil tests, which are normally interpreted on the basis of research information to provide estimates of the most appropriate kinds and quantities of fertilizers for the particular use in question, (b) generalized or average recommendations from land-grant universities, and (c) assistance from local fertilizer dealers.

When properly done and interpreted, soil tests are the most effective route to productive and efficient use of fertilizers. Despite the superiority of the specific recommendations made possible by soil tests, however, the results of a recent U.S.D.A. survey (21) indicate that farmers had only 2.1 million soil samples tested in fiscal year 1973—about one sample for each 162 acres planted. In 1972, the number tested was 2.5 million.

Other factors that make an important contribution to efficient use of fertilizers are timing and method of application. An increase in efficiency of fertilizer use, and hence a saving of energy otherwise used to manufacture the fertilizers, could be achieved by application of the knowledge now available on these subjects.

The objective of timing is to provide nutrients to plants when needed with a minimum of loss of the nutrients from the soil or with a minimum loss of availability due to interactions of the nutrients with the soil. Nitrogen may be lost in the drainage water and by change to gaseous forms that escape to the atmosphere. In humid regions, considerable nitrogen may be lost in the drainage water if the fertilizer is applied too long before the period of absorption by the crop. If 5% of the nitrogen applied to corn alone could be saved from leaching and volatilization losses, the total annual saving would be of the order of 192,000 tons of nitrogen (based on an application of 110 lb per acre on 70 million acres) (23). The amount of energy required to fix this quantity of nitrogen is equivalent to about 67.5 million galgons of gasoline or 9.6 billion cubic feet of natural gas. Such a saving could probably be made by applying the nitrogen in the spring just before the crop is planted, as opposed to current practice in which some of the nitrogen is applied in the fall. Full implementation of this change would not be without compensating cost, however. Additional facilities would be needed to store the nitrogen fertilizer for use in the very short time during which application would be most efficient. Moreover, a certain amount of crop yield would be lost because other critical operations that must be completed in a very short time would have to be delayed to apply the fertilizer (see the section on timeliness). In other words, farmers may trade a certain amount of efficiency of nitrogen fertilization for time to accomplish other essential operations.

In some instances, additional efficiency of nitrogen fertilization could be achieved by applying some of the nitrogen fertilizer after the crop is partly grown or by applying small quantities at intervals. Such practices have a certain counterbalancing cost in terms of expenditure of time and energy for application.

There is no appreciable loss of phosphorus or potassium in the drainage water, and these elements are not lost by volatilization. The efficiency of phosphorus and potassium fertilizers is greatest when they are applied at or near the time of planting, especially on soils that interact strongly with these elements to reduce their availability. Such soils are normally markedly deficient in these elements.

The increase in efficiency attainable by adjusting the timing of application of phosphorus and potassium fertilizers is probably relatively small except for these very deficient soils, which are becoming increasingly scarce. Applications of phosphorus and potassium in fertilizers now exceed the quantities removed in the harvested portions of crops, and so the deficiencies are gradually being reduced.

Localized placement of fertilizer, such as in a band close to the crop row, can increase the efficiency of absorption of fertilizer phosphorus and, to a lesser extent, fertilizer potassium. The greatest benefit from localized application occurs with soils that interact strongly with these elements to reduce their availability and to which only small quantities of fertilizer are applied. Here the efficiency of localized applications of phosphate fertilizer may be as much as twice as great as that of broadcast applications. Under current economic conditions, the quantities of fertilizer that yield such differences in efficiency are well below those that yield the maximum net return. Under current conditions, enough phosphate fertilizer can be supplied in a localized application to produce the maximum net return in some instances; in others, however, additional fertilizer must be applied broadcast to achieve this return. The comparative advantage of localized application over broadcast application will thus increase with an increase in the ratio of the cost of the fertilizer to the price of the crop. This subject has not been investigated sufficiently to provide a good basis for estimating the potential saving in use of energy for fertilizer manufacture that might be achieved by paying more attention to localized placement.

Green manures

The single largest input of fossil-fuel energy in production of many crops is made in the form of nitrogen fertilizer. With development of appropriate technologies and plant-management modifications, considerable potential would exist for reducing the amount of nitrogen fertilizer needed in crop production. Interplanting of crops such as corn and certain fruits with a legume that fixes atmospheric nitrogen presents a way to meet some or all of the nitrogen needs without use of nitrogen fertilizer. Development and adoption of this practice could have the additional benefits of supplying organic matter to the soil and of reducing erosion during much or all of the time the soil would otherwise remain bare.

Two systems have been tried. The older is to interplant the legume after the main crop has become established and to plow under the legume the following spring before the main crop is planted. In corn, this system has been investigated but has not been widely succesful.

A new system shows much greater promise. This system uses crown vetch, a long-lived perennial legume, which is planted and allowed to grow in a solid stand for one year. The stand is then weakened by spraying it with Paraquat or Atrazine in the spring of the second year, and corn is planted by no-till methods. The corn gets ahead of the crown vetch, and by early fall, when the corn is maturing and more light enters the canopy, the crown vetch has recovered from the herbicide treatment and makes good growth again. The crown vetch is allowed to remain on the land and is not plowed under. Corn is grown each year.

Yields with the crown vetch system, where 50 lb of fertilizer nitrogen are used per acre with the corn, have been similar to those with about 150 lb of fertilizer nitrogen without the crown vetch according to experience in Pennsylvania, where the first tests of the system have been made. Once the crown vetch is established, therefore, the potential saving of fertilizer nitrogen appears to be about 100 lb per acre. If this system should prove applicable to half of the 60 million acres planted to corn, the annual saving of energy for manufacture of the nitrogen fertilizer otherwise needed would be equivalent to about 19 gallons of gasoline per acre, or 570 million gallons of gasoline in total.

Plant genetic and metabolic potentials

Genetic improvement of crop plants holds the potential for significantly improving the efficiency of agricultural production in coming years. Realization of the potential, however, will necessarily be a consequence of a slow process of research and development.

A few crops such as corn, sorghum, and sugarcane have photosynthetic efficiency and dry matter production far superior to that of other important but less photosynthetically efficient crops such as wheat, soybeans, potatoes, and tomatoes (24, 25). The number of photosynthetically inefficient agricultural crops exceeds the number of efficient ones by more than tenfold. Two genetic alterations that would greatly enhance yields are the elimination of wasteful photorespiration, or the light-stimulated destruction of organic substances in leaves of inefficient plants, and minimizing wasteful night respiration in the enhanced 30% without incurring a correspondingly great increase in demand for fuel if the wasteful metabolic processes could be diminished sufficiently.

Leguminous crops such as soybeans do not require nitrogen fertilizer and hence ultimately require less energy for production than nonleguminous crops such as corn and sorghum. This is because soybeans have, but corn and sorghum lack, specialized bacteria living on their roots that extract nitrogen from the air and make it available for plant growth. The genetic development of corn, sorghum, wheat, and rice capable of biological nitrogen fixation would reduce the requirement for fertilizer nitrogen in farming and would release fuel for other purposes (27). Since producing and applying nitrogen fertilizers accounts for about 30% of the total energy consumption in grain production, the potential saving of energy is substantial.

A genetic improvement to reduce insecticide requirements for crop protection is the incorporation of known sources of insect resistance into crop plants (28). With corn, for which insecticide use is primarily for rootworm control, resistant breeding materials are being developed. Among all crops, genetic incorporation of insect resistance might result in a total energy saving of perhaps 5% in the production of insecticides and in fuel required for application to crops. The potential exists for a similar saving of energy through genetic incorporation of known sources of disease resistance.

Breeding of crops with more digestible constituents, higher protein content, and a greater total yield might result in more and higher quality food production per acre without an increased demand for fuel (24, 25, 28). Adding known mutant endosperm and aleurone genes to corn or sorghum will augment the protein content, and incorporating the brown midrib gene in corn increases the digestibility of the forage by animals. Increasing the protein content of corn by 1% might reduce the need for 2 million tons of soybean meal in U.S. mixed feeds (29). Therefore, genetic alteration of the nutritional quality of crops might contribute to improved efficiency of fuel use by stimulating the nutritional output without increasing fuel inputs. Increases in protein content of nonleguminous crops are usually coupled with a decrease in yield and a decrease in carbohydrates; hence, the total energy return in the grain may be less. This decrease in carbohydrates is not always desirable.

Timeliness

Almost all production of crops takes place in an outdoor environment that is variable, imperfectly predictable, and often far from ideal. Weather and the timing of field operations often have more to do with output, and thus with the productive efficiency of a given energy input, than do many shifts in technology.

In corn production, there are two critical timeliness factors: (a) utilization of as much of the growing season as feasible by planting early and using long-season hybrids (which yield more than the short-season varieties) and (b) limiting harvest losses by timely removal of the crop from the field (one wet snow storm may result in 5 to 10% field losses). Planting dates are critical for corn. As a rule of thumb, yields of full-season hybrids are reduced 1 bushel per acre each day planting is delayed after mid May. After June 1, each day of delay results in a reduction in yield of 3 bushels per acre. Similar yield limitations can be documented for other crops. Thus, farmers often choose to switch to lower yielding, short-season hybrids if early planting dates are missed due to weather or other factors (32).

Timeliness at harvest is similarly important. On the average, given normal planting dates, the field losses in corn harvested at 24 to 26% moisture content typically amount to 3 to 5%. If harvesting is delayed until natural drying reduces the moisture content to 17%, field losses have been estimated to average 20%. The time necessary for this natural dry-down will be at least 30 days of normal weather. In addition, delayed harvest may affect fall tillage operations and thus the opportunity for timely field operations the following spring. Bottlenecks in the supply of fuel or other inputs may have severe impacts on production if they occur at times critical for field operations.

Irrigation

As shown in Table 8, a great amount of energy is used in irrigation. Water supplied by irrigation is sometimes in excess of crop need. Reduction of water supplied by only 0.5% would result in an energy saving equivalent to about 5.5 million gallons of gasoline per year. Good water management for surface irrigation results in a saving of energy over sprinkler irrigation.

If a practical method of applying drip-irrigation were available, it could result in a 50% saving of both water and energy. Application of drip-irrigation techniques on 5% of the irrigated area could save an amount of energy equivalent to about 27 million gallons of gasoline per year.

The efficiency of water pumps could be increased sufficiently to save the equivalent of 200 Kilowatt-hours per acre-foot (33). This saving would amount to 200 to 600 Kilowatt-hours per acre for irrigated crops. The total potential saving of energy in this way may be estimated as the equivalent of 250 million gallons of gasoline for 50% of the irrigated cropland.

Table 8. Basic Data on Irrigation of U.S. Farms:

Energy for irrigation (2), 138.9 x 10^{12} BTU/year.

Percentage of land irrigated from wells, 50%.

Potential saving of energy due to increased efficiency in pumping water from wells (33), 46.2%.

Frost protection

Energy equivalent to about 1.5 million gallons of gasoline could be saved by replacing gasoline engines with electric motors. With increased use of sprinklers instead of heaters, an additional saving equivalent to about 2.2 million gallons of gasoline could be made. Numerical data are given in Table 9.

LIVESTOCK PRODUCTION

In the area of livestock production, studies of the use and potential conservation of energy are generally lacking. The genetic aspects of animal production and the efficiency of feed utilization by animals are studied extensively by animal scientists, however, and both of these matters have important implications for energy use.

Most of the grain produced in the United States is fed to animals. Hence, a large portion of the energy used to produce the grain crops is used directly to support the domestic animal population and indirectly to support the human population. The subject of feed efficiency, i.e., the units of animal product produced per unit of feed consumed, has recently been much debated, particularly in the case of cattle production (38, 39). Some have found evidence for declining efficiency, whereas others report constant or increasing efficiency (39, 40). Because a unit change in feed efficiency represents the input of as many as 10 units of feed grain, small changes in efficiency of feed utilization by animals are easily multiplied into large changes in the energy required to produce the grain used as feed (41).

TABLE 9.—ENERGY REQUIREMENTS FOR VARIOUS METHODS OF FROST PROTECTION

[Per acre-year]

Method	Fruit		Citrus	
	Units	Million Btu	Unit	Million Btu
Wind machines:				
Gasoline (gallons)	36.0	4.464	78.8	9.771
Electricity (kilowatt-hours)	314.0	1.071	688.0	2.346
Heaters: Fuel oil (gallons)	228.0	31.920	578.0	80.920
Sprinklers:				
LP gas (gallons)	12.1	1.143		
Electricity (kilowatt-hours)	80.0	.273		

Substantial improvements in the feed efficiency of broilers have resulted in more liveweight gain per unit of feed consumed, but convincing evidence for improved feed conversion efficiency in other meat animals is still being sought. Since the efficiency of feed conversion to animal products mediates the demand for grain, it is clear that an increasing consumer demand for beef will be mirrored in the demand for feed grains and the total fuel requirement for agriculture (41).

The efficiency of conversion of feed to live weight declines as the weight of an animal is increased. For example, if a 450- to 900-pound steer requires 6.5 pounds of feed per pound of gain, a 900- to 1200-pound steer would require 8.5 pounds of feed, and a 1200- to 1700-pound steer would require 11.5 pounds of feed per pound of gain. The optimum weight for slaughter is determined by the farmer's price expectation for fat cattle, the price of feed, and the efficiency of the cattle in converting grain or other feed to beef. Changes in any of these factors will alter the most profitable slaughter weight. During the 1973 price freeze, many cattle were fed to heavy weights, despite price inefficiencies, because feeders expected prices to rise in the future. Current high prices for grain relative to finished animals have reduced the average feeding period and the slaughter weights. These two examples illustrate the response of producers to costs and prices.

The greatest advances in efficiency of feed for animal production might come from better utilization of efficient genotypes by long-term storage of frozen embryos or gametes. The overall productivity of domestic livestock, however, involves considerably more than the efficiency of conversion of a given feed to animal live weight. For example, ruminants (including beef and dairy cattle, sheep, and goats) have the digestive capability to use feeds such as agricultural crop residues, forage crops, rangeland vegetation, and animal wastes that cannot be used directly by other animals or by humans. As illustrated in Table 10, the energy in crop residues of corn, sorghum, and wheat is approximately equal to the energy in the grain. The productivity of ruminant species could be increased by developing and making more extensive use of these feed resources. A number of innovations in forage and hay handling methods and in packaging and feeding methods have been developed in the last few years.

Ruminants can be produced with no difficulty on nongrain diets, and use of such diets would make possible a great saving of the energy now used in producing the grains fed to livestock. The balance between use of grain and nongrain sources of feed for ruminants is determined primarily by economic conditions, which reflect supplies and costs of grain and other feeds as well as human preferences for livestock products. As the price of energy increases, the cost of grain production will increase, and it will become less profitable to feed grain to livestock. A shift in the direction of using more roughages and less grain in feeding of beef cattle has been encouraged in recent months by the high price of grain.

TABLE 10.—ENERGY IN GRAIN AND CROP RESIDUES (44)

[Million Btu per acre]

Crop	Energy in grain	Energy in residue
Corn	58.9	68.6
Soybeans	22.5	17.5
Wheat	23.7	28.5

Environmental control of animal housing for more efficient use of animal heat has resulted in improved utilization of feed energy and healthier conditions for livestock. The effort continues to find alternative ways that may give better energy utilization to attain optimum environmental conditions. Techniques being tested include such devices as heat pumps, solar heat, and heat exchangers to collect exhaust heat.

Addition of heat and use of electricity for ventilation are essential in the production of hogs and poultry. More efficient use of energy could be attained by brooding poultry at higher densities using curtains within the house to reduce the cubic feet of heated space. The energy efficiency of livestock shelters could be improved with the use of sidewall insulation and preparation for winter conditions. The best estimates now available indicate that, if all brooding of chicks and pigs were done with the most efficient energy techniques now possible, the result would be a saving equivalent to about 10 million gallons of L.P. gas annually. This figure is not backed by actual survey data to provide verification of the numbers and proportions of operations of different size being carried on at various levels of energy efficiency.

GREENHOUSES

The greenhouse industry supplies fresh vegetables and flowers throughout the year. There are nearly 300 million square feet of plants grown under glass or glass substitutes in the United States. The energy required for space heating in these greenhouses is estimated to be the equivalent of about 300 million gallons of fuel oil, as indicated in Table 11. The cost of fuel is a significant item in the operating budget of a greenhouse. Because of the rapidly increasing cost of fuel, some large operations have gone out of business, and others are likely to follow. The economic motivation for fuel conservation in this area of agricultural production is thus already having an effect on fuel consumption.

TABLE 11.—FUEL USE IN U.S. GREENHOUSES IN FUEL-OIL EQUIVALENTS [1]

Geographic region	Total area (million square feet)	Fuel use (gallons/square feet/year)	Total fuel (million gallons/year)
Northern region	133	1.50	200
Southern and western regions	139	.65	90
United States	272		290

[1] Data on the area are from the 1969 Census of Agriculture, pt. 10, Horticultural Specialties, and values for use of fuel are from New York (2), California (34), and South Carolina (unpublished).

Implementation of the following ten suggestions could result in a substantial saving of fuel in greenhouses:

1. Tighten up the house, closing all possible openings
2. Use polyethylene or fiberglass on the inside of gable ends.
3. Use a double layer of polyethylene with plastic houses.
4. Maintain the steam or hot water system regularly to stop leaks.
5. Use reflectorized tarpaper behind heating pipes to reflect the heat out in the greenhouse.
6. Maintain the boiler for operation at peak efficiency.
7. Maintain the automatic valves in the heating system.
8. Check the thermostats regularly for proper operation.
9. Check the insulation on pipes at intervals, and replace it when needed.
10. Use black cloth as a shield at night to reduce radiation loss to the atmosphere.

The proportion of the greenhouse area in which such measures for fuel conservation are now used is not known, but it seems likely that the figure does not exceed 50%. If the conservation measures suggested were implemented in all operations, it is likely that a 20 to 25% saving in fuel would result. Applying this reasoning to the total U.S. greenhouse industry, a potential annual fuel saving of approximately 36 million gallons of fuel-oil equivalent seems possible.

ALTERNATIVE ENERGY SOURCES

Solar radiation

From the beginning, man has used the energy from the sun to provide food and comfort. Solar radiation is dependable and inexhaustible. The magnitude of the energy reaching the surface of the earth, however, depends on the cloud cover. Agricultural systems must be designed to provide energy from other than solar sources during periods of dull or cloudy weather.

Design criteria are currently available for the interception of solar radiation for use as supplemental heat for farm buildings and living units as well as urban buildings. In the design, orientation, and construction of new farm buildings, therefore, it is now feasible to take into account these criteria as a means of reducing the consumption of fuels.

The technology for utilizing solar radiation as energy for processes is now under intensive development. Techniques for utilizing solar radiation for electrical power, drying processes, refrigeration, and air conditioning are being developed. Also under current development are systems for heat storage to make solar energy available during periods of cloudy weather. It appears reasonable that many of these systems will become operational within the current decade.

Data concerning the magnitude and dependability of solar radiation at the earth's surface are available. Analyses of these data have been made to show the amount and variability of solar energy. The publications of Project NC–94 of the North Central Region of Cooperative Agricultural Experiment Stations are a notable contribution in this area. Historical data on solar radiation for other regions and territories of the United States are available at the National Oceanic & Atmospheric Administration, National Climatic Center, Asheville, North Carolina.

Wind

Wind is a potential alternative source of power. The efficiencies of the several wind-driven generating systems available, however, are not great enough to make such systems practical under current conditions. With a sufficient increase in cost of fuel, the wind-turbine system is expected to become competitive with other generating systems (35).

Not all regions of the United States have equal potentials for the development of wind power. The High Plains of the central United States, the New England coast, and the Pacific Northwest offer the greatest potential for wind power. The region with the lowest potential for wind power is the Southeast (36). According to U.S.D.A. Agricultural Statistics for 1973, the average monthly electricity consumption on a U.S. farm ranges from 700 Kilowatt-hours in the Great Plains to 3000 Kilowatt-hours in the Pacific Northwest. With current efficiencies, it would require 2 to 5 propellers with a 10-foot radius to supply these farmstead demands when the wind speed is 10 mph (37). Generation of electrical power by wind will require electrical storage and a back-up source. Wind continues to be used for pumping of water in remote areas.

Crop and Animal Wastes

Much of the primary production of agricultural crops is unsuitable as human food and is used only for soil improvement and erosion control. It could be used as fuel for a source of energy to substitute for petroleum if the energetics and economics of waste retrieval are sufficiently favorable (42).

About 470 million short tons of crop wastes, or about 60% of the total U.S. crop production, were produced in 1972 (Table 12). The largest amounts of waste are produced by the major cereal, grain, and oilseed crops, including wheat, rice, corn, and soybeans. These wastes are now distributed over many millions of acres of cropland. Relatively little sugarcane waste remains on the land since most of the bagasse is used to fire the boilers in sugar mills.

A secondary supply of agricultural wastes occurs in animal manures (Table 12). About 330 million short tons of dry animal manures (equivalent to about 2 billion short tons of fresh manure with 85% moisture content) are produced yearly. An estimated 160 to 260 million short tons of dry manure are produced by animals raised in confinement, with the balance distributed on grazing land.

Table 12. Annual Production of Crop and Animal Wastes in the United States (42):

[In million short tons]

Crop wastes:	
Cereal straw (wheat, rye, rice, oats, barley)	155
Corncobs, nutshells, fruitpits	60
Corn and sorghum stover	100
Soybean stover and hulls	55
Sugarcane bagasse	5
Other crop wastes	95
Total crop wastes	470
Animal manures: (50 to 80% in confinement)	330
Total crop & animal wastes	800

Distributed over the cropland, or accumulating in feedlots throughout the United States, crop and animal wastes represent a potential energy resource for which the energy production price has already been paid. The net yield of energy from 1 short ton of dry organic waste is the equivalent of 1.3 barrels of oil. The total potential, therefore, if all the waste were utilized, would be the equivalent of approximately a billion barrels of oil annually. It would be virtually impossible to collect all the waste, and the inefficiencies in converting the waste to energy would greatly reduce the amount of energy available. However, even if only 15% of the potential were recovered, the yield of the equivalent of 150 million barrels of oil would be substantial. The daily U.S. consumption of oil is about 18 million barrels per day. Certainly new technology would be necessary to make the collection process feasible. For most crops, current harvesting practices retrieve the economic yield and leave the crop wastes in the field. New technology such as the cornstalk harvesting machines that are now being marketed could encourage the utilization of crop wastes as an energy source.

The use of anaerobic fermentation of animal wastes as a primary treatment for pollution control has the potential for yielding considerable energy in the form of methane gas. The digester residue still has most of its original fertilizer value available. Table 13 illustrates the potential for energy production from livestock wastes.

TABLE 13.—ENERGY POTENTIAL FROM ANIMAL WASTES (43)

Production	Beef (1,000 lb wt)	Dairy (1,000 lb wt)	Poultry (5 lb wt)	Swine (100 lb wt)
Waste, pound/animal/day	10	6	0.70	0.70
Methane gas,* cubic feet/animal/day	27	18	0.18	3.6
Number of animals to produce the equivalent of 1 gal of gasoline/day	8	12	1250	60
Total U.S. potential, million gallons gasoline/day	8.6	0.975	2.5	1.4

* The heat value of anaerobic digester gas is approximately 600 Btu/ft³.

Again, it should be noted that not all of the waste is readily collectible and that inefficiencies of conversion reduce the total the application of known digester technologies may some day demonstrate that at least part of the potential indicated may be utilized.

AGRICULTURAL POLICIES AND REGULATIONS

Labeling of farm power units

Farm tractors and self-propelled equipment are major consumers of fuel in agricultural production. Tractors and other equipment could be labeled with the appropriate technical data so that farmers could refer to the information in purchasing equipment for greatest efficiency of operation for their needs. The labeling information could serve as a guide in selecting and operating farm power units at optimum efficiency. Some of the information could appropriately be included in the operator's manual or in the sales literature.

Marketing standards for feed grains

Grain-grading standards presently being used in grain-marketing channels do not in all cases reflect the true value of the grain to the final users. This is particularly true for grains that are used predominately as livestock feed. It is also true as regards the occurrence of some insects and insect parts. Grading standards should preferably reflect the true nutritional values and health hazards.

There appears to be justification for reviewing the grading standards for the important feed grains with the objective of removing restrictions that are unnecessary to the effective utilization of energy and feeding value by livestock producers. Grading factors such as moisture content, test weight, and broken kernels are of particular concern in this connection.

It seems possible that grains presently receiving discounts for high moisture content could be efficiently utilized by livestock under certain conditions without expenditure of additional energy for drying. Grain standards should preferably reflect the value of the use of the grain back to the producer to stimulate improvement in grain quality such as protein conent or other desirable characteristics. The standards could encourage handling and storage practices that would improve the efficiency of energy use.

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Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent that a bill which I introduced earlier today, to carry out a coordinated agricultural energy research program through the State agricultural experimentation stations and for other purposes, and cited as the "Agricultural Energy Research Act of 1975," be referred to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 143

At the request of Mr. McClure, the Senator from Utah (Mr. Garn) was added as a cosponsor of the bill (S. 143) prohibiting the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition.

S. 364

At the request of Mr. McClure, the Senator from New Mexico (Mr. Montoya) and the Senator from Oregon (Mr. Packwood) were added as cosponsors of the bill (S. 364) relating to certain Forest Service timber sale contracts involving road construction.

S. 390

At the request of Mr. Church, the Senator from Indiana (Mr. Hartke) and the Senator from North Carolina (Mr. Hollings) were added as cosponsors of the bill (S. 390) to provide a program of income tax counseling for elderly individuals.

S. 658

At the request of Mr. Humphrey, the Senator from Maine (Mr. Hathaway) was added as a cosponsor of the bill (S. 658) to prevent famine by increasing food production through the development of land-grant type universities in developing nations.

S. 659

At the request of Mr. Humphrey, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of the bill (S. 659) the Child and Maternal Health Care Extension Act.

S. 662

At the request of Mr. Williams, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of the bill (S. 662) to amend the Urban Mass Transportation Act of 1964.

S. 917

At the request of Mr. Pearson, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of the bill (S. 917) authorizing the ICC to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

S. 976

At the request of Mr. McClure, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of the bill (S. 976) to exempt range sheep industry mobile housing from regulations affecting permanent housing for agricultural workers.

S. 1000

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Washington (Mr. Magnuson), I ask unanimous consent that the Senator from Wyoming (Mr. McGee) be added as a cosponsor of the bill (S. 1000) to amend the Consumer Product Safety Act to improve the Consumer Product Safety Commission, to authorize new appropriations, and for other purposes.

S. 1173

At the request of Mr. Curtis, the Senator from Nebraska (Mr. Hruska) was added as a cosponsor of the bill (S. 1173) to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes.

S. 1196

At the request of Mr. Humphrey, the Senator from California (Mr. Tunney) was added as a cosponsor of the bill (S. 1196) to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical involvement with elected officials on local and State levels of government and with Members of Congress.

S. 1216

At the request of Mr. Talmadge, the Senator from Washington (Mr. Magnuson), the Senator from Idaho (Mr. Church) and the Senator from Arkansas (Mr. Bumpers) were added as cosponsors of the bill (S. 1216) to amend the Federal Water Pollution Control Act.

S. 1400

At the request of Mr. Humphrey, the Senator from Connecticut (Mr. Weicker) was added as a cosponsor of the bill (S. 1400) to establish Federal election day as a national holiday.

SENATE JOINT RESOLUTION 69

At the request of Mr. Domenici, the Senator from Tennessee (Mr. Brock) and the Senator from Wyoming (Mr. Hansen) were added as cosponsors of the joint resolution (S.J. Res. 69) relating to obtaining accounting for American POW's and MIA's and the U.S. funding of the United Nations.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. Curtis, the Senator from North Carolina (Mr. Helms) and the Senator from Nebraska (Mr. Hruska) were added as cosponsors of the concurrent resolution (S. Con. Res. 29) expressing the sense of Congress regarding the annexation of the Baltic nations.

SENATE CONCURRENT RESOLUTION 34—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO EMERGENCY UNEMPLOYMENT COMPENSATION

(Referred to the Committee on Finance.)

Mr. JAVITS (for himself, Mr. Williams, Mr. Bayh, Mr. Bumpers, Mr. Taft, Mr. Ribicoff, Mr. Kennedy, Mr. Hartke, Mr. Humphrey, Mr. Mondale, Mr. Hugh Scott, Mr. Roth, Mr. Brooke, Mr. Case, Mr. Hart, and Mr. Schweiker) submitted the following concurrent resolution:

S. Con. Res. 34

Concurrent resolution expressing the sense of the Congress that during the Nation's present economic crisis, and so long as the national unemployment rate remains at six percent or more, emergency unemployment compensation programs should be extended to continue benefits for involuntarily unemployed individuals when twenty-five percent or more of workers entitled to compensation thereunder are unable to find jobs during the period for which they are eligible for benefits.

Whereas the Nation is now experiencing its most severe unemployment crisis since the Great Depression, with eight million workers counted as unemployed and looking for work, and millions more underemployed or excluded from the labor force for reasons beyond their control; and

Whereas intolerably high levels of unemployment may prevail throughout the Nation for a prolonged period; and

Whereas the inability of our private and public institutions to achieve full employment for the American labor force has incalculably distressing effects in terms of individual self-esteem, family stability, physical and mental health, crime rates, welfare costs, social discontent, and the quality of life generally; and

Whereas the greatest strength of the American economy is the maintenance and growth of a productive and fully employed labor force, possessing the skills, education, and motivation essential to high productivity and economic growth; and

Whereas, along with public service employment and other job creation efforts, our first line of defense remains the Federal-State unemployment compensation system to protect workers who lose their jobs through no fault of their own from the loss of all individual means of financial support for themselves and their families; and

Whereas the Congress recognized the inadequacy of the regular unemployment compensation system by the enactment of the Emergency Unemployment Compensation Act of 1974—providing up to 13 weeks of emergency benefits to workers who exhaust both regular and extended unemployment compensation, for a total of up to 52 weeks of benefits, and the Emergency Jobs and Unemployment Assistance Act of 1974—providing up to 26 weeks of initial benefits to millions of workers, under applicable State law, who are ineligible under the regular programs; and

Whereas, in further recognition of the need for further income protection of the unem-

ployed, Congress enacted the provisions of S. 766, the Emergency Unemployment Compensation Extension in March, 1975, providing an additional 13 weeks of emergency benefits, but limited it to June 30, 1975 in order to permit a comprehensive review of the unemployment compensation system by appropriate Committees; and

Whereas approximately two million workers are expected to exhaust their entitlement to all benefits under existing unemployment compensation programs during 1975, whose only recourse may be to apply for welfare assistance from State and local governments already overburdened with the effects of inflation, increased caseloads, citizen demands for expanded social programs, and declining tax revenues; and

Whereas it should be the policy of the United States to supplement and improve the unemployment compensation system for the duration of the present unemployment emergency: Now, therefore be it

***Resolved by the Senate** (the House of Representatives concurring)*, **That it is the sense of the Congress that during the Nation's present economic crisis, and so long as the national unemployment rate remains at six percent or more, the Emergency Unemployment Compensation Act of 1974 and the Special Unemployment Assistance Program established by the Emergency Jobs and Unemployment Assistance Act of 1974 should be extended to continue benefits for involuntarily unemployed individuals when twenty-five percent or more of workers entitled to compensation thereunder are unable to find jobs during the period for which they are eligible for benefits.**

Mr. JAVITS. Mr. President, I submit for appropriate reference, together with 15 of our colleagues, a concurrent resolution to assure continued income protection to long-term unemployed workers and their families. It expresses the sense of the Congress that it should be the Nation's policy during this deep recession to extend emergency Federal unemployment compensation programs so long as the unemployment rate remains at unacceptably high levels and hundreds of thousands of workers are faced with the termination of benefits to which they are presently entitled before finding new jobs.

Although we all hope for signs of economic recovery in the coming months, we cannot escape the fact that unemployment rates are higher numerically than at any time since the Great Depression and show no indication of abating in the near future. There are now 8 million American workers looking for work without success, 3 million more than just last August when the unemployment rate began to soar. At the same time, employment levels have declined steadily for 6 consecutive months, putting a tight squeeze on those entering the labor market for the first time. This is reflected in the youth unemployment rate, which by last month grew to 20.6 percent. In my home State of New York, the total unemployment rate is currently 9.6 percent, and much higher in severely impacted areas such as Buffalo where the rate has been more than 15 percent. None of these grim statistics take into account the more than 1 million "discouraged workers," those who have given up looking for work because they cannot knd jobs, or the millions more who can find only part-time jobs or are otherwise excluded from the labor force for reasons beyond their control.

Mr. President, if there is one difference between the present situation and the great social and economic cataclysm of the Great Depression it is the safeguards that we have built in to avoid the dread, miserable conditions which we had during that period. Mr. President, we must recognize unemployment compensation to be one of the chief of those safeguards.

Our Congress has shown an unparalleled desire to continue unemployment compensation rather than throwing people on relief, even to the extent, Mr. President, of extending benefits not only for workers who have exhausted their benefits but also for workers who have been excluded from the State-Federal unemployment insurance system. Mr. President, this resolution will be highly desirable to give that sense of confidence to the American worker that this will be the consistent policy of our Government.

For the past 40 years the unemployment compensation system has constituted our first line of defense against the devastating effect of deep recession on our work force and a critical element of our countercyclical economic policies. Billions of dollars are being paid to provide at least minimal income security to those who have lost their jobs through no fault of their own and to provide major stimulus to the national economy which, along with the tax reduction bill, and other measures, should bring about substantial economic growth by next year.

Many aspects of our permanent unemployment compensation, however, have defects which need to be addressed by the Congress this year, including benefit standards, financing provisions, and coverage. At the present time, the most glaring defect is in its provisions for extended benefit durations during periods of high unemployment. In my judgment, it is imperative that we enact a permanent extended benefits program adequate to the needs of both individual workers and the economy.

In the meantime, we must continue to extend and improve the temporary programs we have recently enacted to extend benefits to long-term unemployed workers. Last December, I introduced, along with several other Senators, two emergency bills which were quickly enacted. One of these, the Emergency Unemployment Compensation Act of 1974, provided an additional 13 weeks of unemployment benefits for workers who were covered under the various Federal-State unemployment insurance programs, but who had exhausted their entitlement to the maximum duration of benefits then authorized. This legislation increased the maximum entitlement from 39 to 52 weeks of compensation. The other bill created the special unemployment assistance program which provided for the first time that 12 million workers excluded from the regular unemployment insurance system would receive up to 26 weeks of benefits under their applicable State laws.

Now we have discovered that the magnitude of the unemployment crisis is far greater than we imagined in December. Indeed, it is predicted that the rate of unemployment in the United States is going to continue at intolerably high levels for many months to come.

Accordingly, on March 21, 1975, the Congress incorporated in the tax reduction bill an amendment to provide an additional 13 weeks of benefits under the Emergency Unemployment Compensation Act, bringing the maximum entitlement for unemployment benefits to a total of 65 weeks. This amendment incorporated the provisions of S. 766 which I introduced on February 20, 1975. However, since this amendment was brought up on an emergency basis—when nearly 300,000 workers would have exhausted benefits within a few days—it was agreed that no payments would be made under the amendment after June 30, 1975. This limitation was intended to permit the appropriate committees the necessary time for thorough consideration of the need for further extensions of our emergency unemployment compensation program. Another bill, S. 767, would extend benefits from 26 to 39 weeks under the special unemployment assistance program.

It is appropriate, therefore, that the Congress now begin to give serious consideration to a more thorough and rational approach to the extension of unemployment compensation benefits for the long-term unemployed. This resolution is intended to facilitate this badly needed examination. In today's circumstances, and in those forecast through next year, we must consider the human and economic circumstances which call for further extensions of the assistance necessary to keep millions of Americans from a complete loss of economic security, and from being cast into the already overburdened welfare rolls across the country.

This resolution looks first to the traditional test of economic stagnation—the unemployment rate—which is established here as 6 percent of the Nation's work force unemployed and unable to find a job. This test is equivalent to that established in the Emergency Jobs and Unemployment Assistance Act and the Emergency Unemployment Compensation Act.. Since we are concerned here with the long-term unemployed, it is also appropriate to take into account an index of the duration of unemployment, which I believe is best expressed in terms of the numbers of workers who exhaust the emergency benefits already authorized and are still unable to find work. Based on data furnished by the Department of Labor, it is expected that there will be 2 million American workers who will completely exhaust their entitlements to currently authorized benefits in 1975, and an even greater number next year. Others may have additional or alternative suggestions to make in this regard, but I believe it is critically important that we begin such consideration now under this concurrent resolution.

There is no need whatever, Mr. President, for bringing this on and seeking immediate consideration, because although it is a matter of profound policy which I deeply feel we should take, it should be referred to a committee for its initial consideration. I do feel, however, considering the predictions that unemployment is going to exceed 9 percent, that this resolution is entitled to very early consideration both in committee and by the Senate.

Mr. President, the fact that buying power has come back has been a most inspiring factor that may presage the end of this very profound recession and turn around even the unemployment situation. One of the points made by a writer in one of our prominent journals, the New York Times, as to why buying power is turning around is precisely because we have had the wit to continue unemployment compensation for the unemployed. I think this is a very critical factor to be borne in mind by the Congress.

I am gratified that the President has come to similar conclusions, and I call attention to his statement of April 4, 1975, in which he strongly endorses a further extension of unemployment assistance in the form of the bills—S. 766 and S. 767—which I introduced in February. I ask unanimous consent that the President's statement be printed in the Record at the end of my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Excerpts of Remarks by the President To Be Delivered to the San Francisco Bay Area Council, St. Francis Hotel

It is a great honor to be asked to speak to your very distinguished organization. For the last thirty years, you have been leaders in preserving the economic, social, civic—and also the environmental integrity of the Bay area.

Let me share with you some feelings about San Francisco—everybody's favorite city. This month marks the sixty-ninth anniversary of the disastrous San Francisco earthquake. In 1906, San Francisco passed a severe test of its recuperative vitality. Local courage and local determination prevailed. The Bay area now offers the world an international center that represents the best of what Americans can do.

Your Council is typical of the genius and energy that personify the state of mind that is San Francisco. You are a constructive force in the economic, civic, environmental, and social enhancement of the nine counties of the Bay region. You act not as self-interested individuals but as a community seeking the improvement and progress of a region. And your region is a great source of America's pride.

The Bay area has devised new solutions to new problems. San Francisco preserved its cosmopolitan distinction amidst rapid change. The quality of local leadership was demonstrated when San Francisco arose from the debris of a port ravaged by an earthquake to become the center of a beautiful area that fully deserves its reputation as the pacesetter of America's west.

I commend you for this demonstration of Bay area will power and Bay area know how. I commend you for the success of decision-making processes on a local level. The magic of San Francisco was not conjured up in bureaus and agencies of the Federal Government. It developed spontaneously right here on the shores of San Francisco Bay. It emerges from the people, from your optimism and vision.

The Bay area is a showcase of what can be achieved by returning the decision-making processes to the people. Our economy can no longer afford the waste, duplication, and misunderstandings that occur when a Federal Government tries to do for local people what they can best achieve for themselves.

A criticism I made of the tax reduction bill I signed last Saturday was that it failed to give adequate relief to the millions of middle income taxpayers who contribute the biggest share of federal taxes. It is my fear that initiative will be punished—and the lack of initiative rewarded—if an emerging philosophy of taxation known as "income redistribution" prevails. It would take the freedom out of the free enterprise system.

What incentive will remain for upward bound people to improve their status if they are assessed an undue proportion of taxes? We must, of course, help those least able to help themselves. But I cannot conceive of an America in which half the nation produces nothing and the other half is expected to provide a free ride. Yet that is the inevitable result, by the year 2000, if we continue the present pace of escalating welfare spending. We must put a curb on these transfer payments.

I am determined to stop the inflationary impact of runaway spending. I prefer conciliation with the Congress. But I must draw the line at a fiscal 1976 deficit of sixty billion dollars. A warning came even from the distinguished Chairman of the Senate Budget Committee, Senator Muskie, who has warned that a deficit of one hundred twenty billion dollars might ensue if brakes are not applied.

Our system is flexible enough and strong enough to work under great stress. But the growth of social assistance programs must remain in a context that we can manage and not enter a new dimension that manages us. An example of how spending undermines a viable society can be seen in Great Britain. They are striving to stop the momentum. I do not want to see the United States in that situation.

In the struggle to preserve a free economy, individuals—not special interest groups—will be the real allies. I refer to individual workers, and individual professional people. I am confident that American individualism will rise to the challenge.

I deeply believe in the concept of decentralizing government power and providing wider discretionary accountability to locally elected officials and their constituencies. An example is the concept of general revenue sharing.

Accordingly, I am very pleased to announce tonight that payment to the San Francisco Bay area from the inception of the program in 1972—and including checks now in the mail—total well over one-quarter billion dollars.

The region to which I refer includes the county governments and local governing bodies in San Francisco, Sonoma, Marin, Contra Costa, Alameda, Santa Clara, San Mateo, Napa, and Solano counties. The total taxes returned by Washington to the people of these counties is two hundred seventy-one million, six hundred fifteen thousand dollars.

America's economy is starting to show tentative signs that the worse may be behind us after too long a period of recession and inflation. This does not mean that all our troubles are over. A few flowers do not mean that spring has really come. Unemployment remains too high and industrial production remains too sluggish.

Yet this spring has brought some encouraging indications:

There has been an easing in price increases suggesting a lessening of inflationary tendencies.

Interest rates have moved in a downward direction.

Retail sales have held up surprisingly well. Inventories are rapidly being reduced. As this reduction progresses, production and employment will turn upward.

Automobile manufacturers are now planing increased production. They expect new demands this spring and summer. Thousands of unemployed workers are being called back. In two plants, workers have gone on overtime.

According to reliable surveys, people appear to be showing new confidence in the future.

I recommended to the Congress and later signed into law two new measures to aid unemployed workers. One of these measures provided up to thirteen additional weeks of benefits for individuals in the unemployment compensation system. The second measure provided up to twenty-six weeks of special unemployment assistance to workers whose jobs had not been previously covered.

People are beginning to exhaust benefits in both new programs. Accordingly, I will recommend to the Congress as soon as it returns from recess, the following actions:

An additional thirteen weeks of benefits to be made available to those individuals who have exhausted their present entitlement under the new Federal Supplemental Benefits Program. This would raise the overall entitlement of most workers in the unemployment compensation system to a maximum of 65 weeks. The authorization should continue until the end of 1976.

For the benefit of those twelve million individuals who had not been previously protected by the Unemployment Compensation program, I am recommending that the present one-year temporary program be extended until the end of 1976, and that benefits be extended to 39 weeks.

In the expectation that the economy will show improvement before the year is out, I am going to ask that these extended programs have a built-in procedure to reduce or terminate the program when the employment rate decreases to a specified level. The procedures will concentrate the limited resources in those areas experiencing the greatest unemployment.

Mr. JAVITS. Mr. President, I shall read into the Record the names of the Senators who feel as I do and joined with me in this resolution. Messrs. Williams, chairman of the Committee on Labor and Public Welfare, Bayh, Bumpers, Taft, Ribicoff, Kennedy, Hartke, Humphrey, Mondale, Hugh Scott, Roth, Brooke, Case, Philip A. Hart, and Schweiker.

Mr. WILLIAMS. Mr. President, I am joining with Senator Javits and other Senators today in introducing this concurrent resolution that would, if adopted, express the determination of the Congress to fully utilize the unemployment compensation program as a major weapon against recession and the joblessness that results.

The resolution embodies our conviction that the Federal Government should, from its own financial resources, continue to provide unemployment compensation benefits for the involuntarily unemployed as long as the national unemployment rate remains at intolerable levels.

A first step has already been taken in that direction. Last month, we introduced legislation to extend unemployment benefits under the regular program for an additional 13 weeks, to a maximum of 65 weeks. The proposal was made on an emergency basis because benefits would otherwise have expired for thousands of long-term unemployed, beginning with the first week of April.

As you know, Mr. President, our proposal was incorporated in the tax-cut bill and signed into law by the President on March 29. We are gratified that President Ford accepted the extension and proposed a similar 13-week extension for an additional year.

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I would emphasize that, unless the Congress acts swiftly, the 65-week benefit period for a worker will revert to a 52-week maximum on July 1. On that date, an estimated 250,000 recipients of unemployment compensation will be abruptly cut off. Over the course of the ensuing year, they will be joined by as many as 1.75 million others.

While I am pleased with President Ford's willingness to establish a 65-week maximum benefit period for another year, I am hopeful that we can go the additional mile that this resolution proposes.

The recession will not end in 65 weeks. The most optimistic economists believe that unemployment may remain above 6 percent for most of the rest of this decade.

Clearly, the duration of benefits is inadequate for the worst and longest recession the Nation has endured since the unemployment program was established.

Our resolution would formally acknowledge that fact by establishing a policy of extending the duration of unemployment benefits for so long as unemployment on the national average remains above 6 percent, and so long as 25 percent or more of those receiving their final week of benefits under the Federal emergency program have been unable to find jobs.

Obviously, Mr. President, the depressed state of the economy is the general incentive for proposing this policy. Production cut-backs have forced over 8 million people out of work and left another million in despair of finding a job. The number of available jobs continues to decline, making it impossible for millions to find work of any kind. In my home State of New Jersey, the official unemployment rate is 10.9 percent, but there are pockets of unemployment where the rate is nearly 20 percent.

There is a particular reason, however, for proposing to indefinitely extend the duration of unemployment compensation benefits, and it derives from the fact that so many of the unemployed have been without a job for so long that their unemployment compensation benefits are about to expire. The Department of Labor has estimated that as many as 2 million workers would exhaust their benefits within a year under existing programs.

When that happens the end of unemployment compensation means the beginning of financial disaster for millions of jobless workers and their dependents. First, family savings are drained away to meet the bills for daily bread and board. Then and only then, after the family is impoverished, can they qualify for welfare or bankruptcy.

Mr. President, the working people of this Nation have maintained faith that their Government will not let this happen to them. They have relied upon the general promise of the unemployment insurance system that it will protect them against a total loss of income, even in times of severe economic displacement.

That system, true to its name, has operated on the basis of the principles and the promises of insurance. The economic risks were evaluated, predictions were made on the cost of future economic adversity, and resources were set aside and accumulated at a level sufficient to cover the predicted losses.

But the predictions have been proved wrong. The magnitude of joblessness and the consequent cost of unemployment benefits long ago surpassed the level for which we had prepared.

Seven States have already exhausted their unemployment insurance funds and are borrowing from the Federal trust funds. Another 30 States may run into similiar financial difficulty before the recovery is complete, according to Secretary of Labor John Dunlop.

An insurance company dips into its reserve to cover unexpected losses. The unemployment insurance system similarly is required by its commitment to American workers to cover the unexpected damage that unemployment has inflicted upon them.

This resolution is evidence of our determination to keep that commitment.

Mr. TAFT. Mr. President, I am pleased today to join with the distinguished ranking minority member of the Labor and Public Welfare Committee on which I serve, Senator Javits, in cosponsoring this concurrent resolution expressing the sense of the Congress that the current programs of unemployment compensation should be continued for workers experiencing long-term unemployment for the duration of our current economic situation.

Without question, the unemployment compensation which an unemployed worker receives represents his or her first line defense against complete financial catastrophy. Until the Nation begins its recovery from the current recession, I believe it is properly a congressional function to insure that those American workers are not abandoned and that they will continue to receive the basic income maintenance necessary to insure their economic security.

Providing for the continuation of unemployment compensation for those workers who are willing to work but unable to find employment is not only humanitarian, but it also makes sound economic sense to spend the most money where it can affect the largest number of people. Recently passed legislation has greatly extended eligibility for unemployment insurance benefits, on the theory that putting money into the pockets of the people to spend will hasten economic recovery.

Under the special unemployment assistance program which was passed as a part of the Emergency Jobs and Unemployment Assistance Act (Public Law 93–567) Federal funds will pay up to 26 weeks of benefits to workers uninsured under existing law, such as agricultural workers, domestics, State and local government employees. The duration and amount of each individual's benefits will be determined by State law. To complement this proposal, a separate piece of legislation was passed at the same time late last Congress, the Emergency Unemployment Compensation Act of 1974 (Public Law 93–572), which extended unemployment compensation up to an additional 13 weeks for insured workers who have exhausted regular and extended UI benefits. An individual might then receive as many as 52 weeks of benefits depending upon State UI laws. Moreover, the Senate recently incorporated in the tax reduction bill an amendment to provide an additional 13 weeks of benefits so that we now have a 65-week period of benefit duration.

This landmark legislation is an excellent example of the Congress and the administration working together to create urgently needed new programs providnig added protection for workers in this time of high unemployment.

Although a number of positive changes have been made to the unemployment insurance system since its creation, other changes in the programs are necessary to bring them up to date with changes in our economy. I am concerned that the reserves in the States' accounts to pay unemployment benefits in times of high unemployment and the relationship of these reserves to the central loan fund may be inadequate.

The National Commission for Manpower policy created by the enactment of the Comprehensive Employment and Training Act of 1973, has learned that as many as 15 to 20 States may be forced to borrow during 1975 because their reserves will have been exhausted. Funding of the State plans is an important consideration, but I believe the Congress must be mindful of the risks in overspending and renewing double digit inflation thereby further damaging private employers and postponing our economic recovery.

Adequate and wise funding is only a part of the problem. We, in the Congress, should be concerned with alleviating the bureaucratic redtape which exists at many State unemployment compensation offices. Not only are some offices unprepared for the onslaught of claims but their work seems to be complicated by new State and Federal programs and the mass of paperwork they entail. The simplification of the States' procedures ought to be a priority item for the Congress in this area.

In my view, the time has come for the appropriate committees of Congress to comprehensively review the unemployment benefits programs in their entirety. The existing programs should be examined, including the temporary emergency benefits and special unemployment assistance programs enacted during 1974 to determine whether those programs should be extended. Other questions dealing with expanding UI coverage, establishing Federal standards, revising financial provisions and other changes in unemployment compensation laws must be considered. Accordingly, it is my belief that it is timely to express our sentiment that a review of the entire unemployment compensation system is in order.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDMENT OF THE FEDERAL WATER POLLUTION CONTROL ACT—S. 542

AMENDMENT NO. 350

(Ordered to be printed and referred to the Committee on Public Works).

Mr. DOMENICI. Mr. President, on February 3, I introduced in the Record S. 542, a bill to amend the Federal Water Pollution Control Act, the legislation I am introducing today is an amendment in the nature of a substitute for S. 542.

After deliberations with Federal, State, and local agencies as well as certain individuals in the private sector I have come to the conclusion that certain changes should be made to S. 542. In order to carry out these changes I offer the following amendment.

Mr. President, I request unanimous consent that the text of my amendment be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 350

Strike out all after the enacting clause and insert in lieu thereof the following:

That subsection (f) of section 105 of the Federal Water Pollution Control Act (33 U.S.C. 1255(f)) is amended—

(a) by striking paragraph (2) and inserting in lieu thereof the following:

"(2) The Federal grant for any project shall not exceed 75 per centum of the cost thereof as determined by the Administrator, except that in any case where a project is entitled to priority pursuant to subsection (e) of section 303 of this Act, the Administrator is authorized to utilize an amount, not to exceed one-half of one per centum, of the sums allotted to the State in which such project is located pursuant to section 205 of this Act, to pay the non-Federal costs of such project;"; and

(b) by striking the period following paragraph (3), inserting in lieu thereof a semicolon followed by the word "and" and adding a new paragraph (4) as follows:

"(4) In any case where the Administrator pays the non-Federal costs of a project, the State, municipal, interstate or intermunicipal agency or agencies receiving the grant shall comply with all appropriate conditions, limitations and requirements under title II of this Act.".

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975—S. 621

AMENDMENT NO. 351

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER. Mr. President, I send to the desk an amendment to S. 621, which will prohibit regulated energy suppliers from charging higher per unit rates based on lower total consumption.

I originally introduced this measure as S. 1421, on April 14, 1975. On that same date, my distinguished colleague from Montana (Mr. Metcalf) included in the Congressional Record an article entitled "The Electric Scandals of '75," which fully documents the needs for this legislation. I commend this article to the attention of my colleagues.

My amendment does not involve the Federal Government in the ratemaking business. It does not require a single flat rate, and it does not prohibit different rates for different classes of users. My amendment simply insures that energy wasters do not benefit from declining per unit rates, and that energy savers are not clobbered with stiff rate increases. I ask unanimous consent that this amendment be reprinted at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 351

At the end of the bill insert the following:

Sec. 106. Prohibition of Discriminatory Pricing Practices.—Section 5 of the Federal Energy Administration Act of 1974 is amended by inserting at the end thereof the following:

"(c) In order to more effectively carry out the purposes of subsection (b)(6) of this section the Administrator shall, not later than 90 days after the effective date of this subsection, prescribe such regulations as are necessary to prohibit any pricing practices in the furnishing of any fuel or other form of energy (including electricity) to the ultimate consumer which are regulated by a Federal or State agency and which allow per unit rates to vary inversely with total consumption."

DEPARTMENT OF STATE AUTHORIZATIONS—S. 904

AMENDMENT NO. 352

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. BAYH submitted an amendment intended to be proposed by him to the bill (S. 904) to authorize appropriations for the Department of State, and for other purposes.

EARTHQUAKE INQUIRIES AND INVESTIGATIONS

Mr. MOSS. Mr. President, I announce for the information of the Senate that the Committee on Aeronautical and Space Sciences will hold a hearing on the role of the Federal Government in earthquake research on April 26 beginning at 9 a.m. in the State Office Building Auditorium, Capitol Hill, Salt Lake City, Utah.

One of the objectives of the Committee on Aeronautical and Space Sciences is the establishment and the utilization of aeronautical and space activities for peaceful and scientific purposes. The committee has closely reviewed the programs of the National Aeronautics and Space Administration for studies of benefits, opportunities, and problems involved in the application of space science to our immediate and long-range needs. Within this objective NASA is conducting extensive studies in the utilization and application of space systems for predicting and defining earthquakes and earthquake zones. This is being done in the Earth and ocean physics applications program and the Landsat program.

The Landsat program has enabled the accurate mapping of geologic structures. I urged consideration of the potential of Landsat as an early warning system in May 1974 in an address in Salt Lake City, Utah.

The Earth and ocean physics program makes use of space-derived techniques to develop the equipment and methods for earthquake hazard assessment and the prediction of the time, location, and intensity of earthquakes. As a part of this program, I announced on October 16, 1974, the selection of a site near Bear Lake, Utah, as one of two locations in the Western United States for earthquake monitoring by satellite.

Earthquake hazard is recognized by many who live in the well known "critical zones" such as most of the Western United States. However, a more significant portion of the United States is physically located in critical zones other than just the Western States. Besides the well-known fault activity in Alaska and California, there is the seldom publicized fact that the States of Kentucky, Arkansas, Tennessee, Missouri, South Carolina, and the Northeast sector of the United States all lie in areas of severe seismological activity. This means that not only can major metropolitan areas such as Salt Lake City, Los Angeles, and San Francisco may be subjected to earthquake activity, but so can such areas as Little Rock, Memphis, St. Louis, Charleston, Buffalo, and Boston, where we seldom give any thought to the hazards of earthquakes.

I am concerned that the activity of the Federal Government in earthquake research, education, and possible prevention has been too little. This hearing will receive testimony from the officers of the Utah Geological and Mineral Survey, the University of Utah and the U.S. Geological Survey who are the investigators of the Nation's most recent severe earthquake which occurred a little more than 2 weeks ago along the Utah-Idaho border. In addition, we will hear testimony from officers of the National Aeronautics and Space Administration, the National Science Foundation, and scientists and engineers from TerraTek Corp., and the University of Colorado.

ANNOUNCEMENT OF HEARINGS ON EXPORT REORGANIZATION ACT OF 1975

Mr. RIBICOFF. Mr. President, as chairman of the Senate Committee on Government Operations, I am pleased to announce that the committee will begin hearings on S. 1439, the Export Reorganization Act of 1975, next Thursday, April 24, and will continue them on the following Wednesday and Thursday, April 30 and May 1. The hearings will start at 10 a.m. in room 3302, Dirksen Senate Office Building.

The bill, which was introduced by Senator Percy, our ranking Republican Member, and cosponsored by myself and Senator Glenn, provides major interagency reform of the present system for exporting strategically sensitive commodities from the United States. Because the act raises important technical questions, including the adequacy of safeguards over exports of peaceful nuclear technology, Senator Glenn has been designated to serve as ad hoc chairman of the hearings, in recognition of his unique scientific and technical experience.

ANNOUNCEMENT OF HEARINGS ON LOBBY REFORM LEGISLATION

Mr. RIBICOFF. Mr. President, the Senate Committee on Government Operations will begin hearings on lobby reform legislation next Tuesday, April 22. The committee will consider S. 774 and S.815, and the findings of a GAO report on the enforcement of the present Federal Regulation of Lobbying Act of 1946.

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The hearings will begin at 9:45 a.m. in room 3302, Dirksen Senate Office Building.

The committee will hear from the following witnesses: Senators Robert T. Stafford and Edward M. Kennedy, sponsors of S. 815; John Gardner, chairman, Common Cause; and Robert Keller, Deputy Comptroller General, General Accounting Office.

NOTICE OF HEARINGS

Mr. PHILIP A. HART. Mr. President, on May 7 and 8, the Senate Antitrust and Monopoly Subcommittee will hold hearings on S. 1284, the Antitrust Improvements Act introduced by Senator Hugh Scott and me. Any persons interested in testifying should contact Bernard Nash of the subcommittee staff. Telephone: 224–5573.

ADDITIONAL STATEMENTS

THE WORLD SITUATION

Mr. GOLDWATER. Mr. President, on Tuesday of this next week, I will be speaking before the Associated Club of Naples, Fla., and in view of the situation this country finds itself in today around the world, I thought perhaps my colleagues and the readers of the Record would be interested in the contents of my speech, and I ask unanimous consent that it be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

The World Situation

The great American strategic withdrawal from the world scene is now underway and at an ever-increasing pace. We are abandoning meaningful relationships with Allies in Asia and in Europe. Substitutes do not exist elsewhere in the world. We might soon be alone. As of now the initiative in Europe and Asia has passed entirely into the hands of our adversaries. We must now react to their moves and this is always the nature of a retreat. In the face of this situation, the United States Congress, with the enthusiastic aid of the media, acts to hinder executive prerogatives in foreign policy and will, if left alone, emasculate the executive. I believe we have already reached that state where we will not honor any external obligations unless it is of the most extreme kind, which means when it is too late and, therefore, highly dangerous to the world at large.

I have been contemplating this situation for some time and especially the potential consequences of this retreat. I intend to ask you questions around this issue, which I consider to be of significance for the future of this planet.

Especially I must raise the question: Where will it stop? Where will a new American Frontier be drawn and what will be our status behind this frontier? But, before I do this, let me offer five basic suppositions as to why we have reached this powerless state. Let me pose these suppositions in a form that our Allies might ask about us:

The first: Can we be depended upon to honor obligations when the need arises?

Second: To what degree does our declining military power, especially the example of its misuse in Vietnam, render us less and less potent?

Third: To what degree does the fact that foreign policy has now become a prerogative of Congress render us impotent?

Four: Will the adversaries of the United States seek to exploit the situation and in what way?

The ultimate question then arises: What does the United States intend to do about it all?

But, let me first look at the world which now seems to be shaping up. I well recall it has been said that, "Men prophesy and history makes fools of them." Nevertheless, let me now make some prophesies and hope that my record will be as good as that of past years.

Let us turn to Europe which is still our most significant economic and cultural link in the world and quantitatively our most powerful military alliance. As I see it, Europe is in the process of being strategically outflanked by the Soviet Union along its Mediterranean seaboard and the dimension of this outflanking operation is on a grand scale. Soviet naval power has for some time been able to compete with the Sixth Fleet which in any case I have always regarded more as a target than as a deterrent. But more importantly, it is through the Mediterranean gateway that the oil which is the lifeline of Industrial Europe flows, despite the impact of super-tankers and around the Cape of Good Hope routes.

Let us now contemplate on the changes which are pending in this critical Mediterranean area. We are well aware of the threat of war between Israel and the Arabs. The question is—What will the United States do if and when such a war breaks out and, more importantly, what strategy will Israel adopt if it feels the United States cannot be depended upon when the chips are down? It has been suggested that Israel will adopt a Sampson policy. Rather than go under by themselves, they will pull the whole house down around them. The Sampson policy could take many forms. One would be a preemptive war against Egypt and Syria where the ultimate targets are Cairo and Damascus and control of such strategic areas as the Aswan Dam. Such a move would virtually insure the intervention of the Soviets (indeed this would be the Israeli objective) which would in turn force NATO to either surrender or fight. In the longer term Israel might decide to acquire and use nuclear weapons, again forcing a United States/Soviet face-down. Only a powerful United States, whose will is credible, can control such dire possibilities, including such issues as proliferation of nuclear weapons by many states other than Israel. Shuttle diplomacy between Rabin of Israel and Sadat of Egypt may have its place, although I doubt it at the level of Secretary of State. Rather our policy for stabilizing the Middle East should be in Moscow and here I wonder if we shall in future have the credibility, let alone the power to back it up, to influence the Soviets toward caution.

Let me carry this thought a little further, regarding the Mediterranean area and outflanking of Europe. Without a doubt in the not too distant future, Marshall Tito of Yugoslavia will pass from the scene. Yugoslavia has always had a tendency towards fragmentation among its various minorities. Tito the great unifier, will be gone and there will be internal frictions in Yugoslavia and the temptation for the Soviets to intervene physically will be all but overwhelming. And, why should the Soviets not intervene? Of what countervailing forces need they be frightened? With the Soviets established in Yugoslavia, the Mediterranean becomes even more under their dominance. We have also witnessed recent events in Portugal, at the Western extremity of the Sea, where a strong Moscow-oriented party is making its drive to power. What will be the relationship between Portugal and the Soviet sea power? Will Portugal become the cork in the Mediterranean bottle?

If even part of this scenario eventuates, we shall see all of Europe strategically outflanked. There is no way it can be stopped except by a strong diplomatic posture in Moscow by the United States and backed up by United States power and a United States will to use that power. As I look around Congress, I do not see that will. As I look at the United States military capacity, I see it rapidly diminishing while at the same time many of my colleagues in Congress clamor for even more defense cuts. No doubt many colleagues in Congress will transform rapidly from "dove" to "hawk" when they eventually see the seriousness of our eroded position in Europe but, by then, it will be too late. After all, you elect men to Congress to think hard and prepare for long term eventualities, not to repent at the hour of death and then pretend that such repentence is leadership.

Now, let us in this overview of this possible world to be, look at Asia. The Southeast flank of Asia, that is Southeast Asia, is all but lost and soon we will face a hostile seaboard running from the Bering Straits off Alaska along the Pacific Coast of the Soviet Union, along the seaboard of Communist China and into a now nearly-Communist Southeast Asia. What will the impact of this hostile seaboard be? Perhaps the two great powers will quarrel over the spoils and I certainly do not expect this new communist area to be monolithic; most of the old divisions will persist. Bismarck once said, "God looks after fools, drunks and the United States of America," so perhaps internal divisions will ease our situation. But, for a moment let us reflect on how strategic Southeast Asia is. There is at this very moment a super-tanker every fifty miles between the Persian Gulf and Japan—Japan, with the world's third largest economy totally dependent upon imported oil. Each tanker must run the narrow Malacca Straits which could soon be under Soviet dominance. Will Japan, with this noose placed around its neck and taking note of our unreliability, turn to us or to one of the great Communist powers for a new arrangement. Will Japan build nuclear weapons? Japan can hardly afford to do nothing.

Then, as a contrast, let us look at the interesting situation of Thailand, the strategic pivot point of Southeast Asia. As the Japanese demonstrated in World War II, he who holds Thailand can move West into Burma and thus to India, or South along the Archipelago of Indonesia to Australia. It is a place from which, communication-wise, the world can be divided in two. The predicament of the Thais who have a bilateral alliance with us, in addition to a commitment under SEATO, is interesting and they have already, it seems, made their decision. Even as the Communist forces encircle them, they are asking the remaining elements of the United States air power to leave their country. Why? They have seen what happened in Vietnam where we became involved in a bloody war which we had no intention of winning; where our air power was limited to insignificant targets; where our naval power with its amphibious capacity to invade the enemy was held in check; and where our ground forces were mis-deployed so that they could only react to the enemies overtures. Then the Thais saw that after perpetuating this shocking situation for some years we became tired of it all and departed. They further saw that we could not, even after departure, give adequate military aid to our erstwhile Allies. Why then should they want to have any relationship with the United States. Why not instead turn to that classic Thai policy of bending like a reed to the oncoming force, hoping that when it is all over, circumstances will not be so adverse as to prevent the reed from standing up straight again.

At this stage, let me make one other point. I am not advocating that the United States arm itself to the teeth, adopt a policy of hostile belligerence and seek to be the world's policeman on each and every case that violates our concept of international order.

On the contrary, I believe we were right these past five years to try to form a closer relationship with the Soviet Union and to begin a limited relationship with Communist China. But, detente, by itself, is not a foreign policy. What I would like to see emerging from these closer relationships is a more vigorous, a more intensive, a more forward-looking American diplomatic posture in which we clearly let our adversaries know what the United States interests are, what we will do to protect those interests, the power we have to indulge in such protection and, above all, the nature of our will. I had hoped that our recent foreign policy activity would develop into such a diplomatic offensive and that detente was but a first step. After all, it is a fundamental maxim of international diplomacy that one conducts one's most skillful diplomacy with one's most dangerous adversary. But alas, through an absence of straight diplomatic talk, through a capricious Congress and a nation whose will has been sapped by the mishandling of the Vietnam war, detente seems merely to reveal to our adversaries the awful extent of our inadequacies rather than the validity of our intentions.

But, let me get back to the point—What will be the end of this American strategic withdrawal? Where will our Frontier be with Europe held hostage; Japan emasculated; a hostile Asia from the Bering Sea to Singapore; and with our Allies painfully conscious of our unreliability and lack of will. If my gloomy analysis is even partially right, we are in retreat which will end only on the United States Continent. What will this mean to the world which has looked upon us as an example and even from time to time as a savior? The details are impossible to predict except that conceptually we must now face a different world from anything we have seen before.

In the world situation which I imagine, I foresee the United States as a fortress in a planetary society which is fundamentally hostile to the American ideal. I see us isolated in a planetary society which is overtly and covertly hostile to us. Such has been increasingly the case these past ten years during which time our leadership has eroded and more and more societies have become indifferent to United States leadership.

And now, the pace of this erosion is accelerating rapidly. What will the impact be? Politically, the impact could be enormously significant. If history can be our guide, political entities in this condition, that is the United States, tend to follow one of two courses. They fall to squabbling over petty, internal difficulties until government, as we know it, lapses into a corrupt, incompetent anarchy. The other alternate is the emergence of the "man on horseback"—the dictator who comes to save the people and ends up tyrannizing them.

There would also be economic consequences of great significance. There has been only one true international movement in this Century and that has been international commerce, primarily amongst free nations. Here, the United States has emerged as a leader. Your standard of living and mine and much of that of the planet has all benefited from this great international movement. I do not foresee any further economic advance in this new world that is emerging but rather a general decline as we in the United States are removed from the world economy; and where, in our neighbors, centralized planned economics produce as they have produced everywhere to date, that dull, grey level of mediocrity for all. Perhaps, however, our biggest diminution will come culturally. The planet needs the United States as a stage where in freedom, diffuse ideas can be tested (and even accepted from time to time) for the benefit of all mankind. This was what the advent of this Republic meant. This is what our future should offer. This role has yet only been partially fulfilled. It will never be fulfilled by a Fortress America and you and I will be lesser humans because of it.

But, more importantly, a policy of isolation in 1980 will be far different in a world strategic sense from a policy of isolation in, say, 1880. In 1880 we had not declared our hand as a world leader but gy 1980 we will have played the role for many decades and it seems, will have been found wanting. We shall soon face, if the drift continues—a general world rejection of American leadership and as I have indicated, everyone will suffer. It may be demonstrated through the humanitarian who wants his agricultural techniques to be advanced for the human good in Africa being rejected and taking a second or a third place to a Chinese or Russian or through the businessman who finds hostility brought about by our adversaries in even the smallest of historically friendly foreign countries, or through the diplomat who finds the diplomatic climate more similar to that of a Vietcong briefing than a conference of reason. When one plays for stakes as immense as the leadership of the planet, one cannot expect mercy if one loses.

Now, you ask me as a U.S. Senator: What do we do? Where do we turn? Quite frankly, while I do not see immediate relief in the Congressional arena, I do believe that it eventually must come from there and also from the executive. Once again an awakened American people must demand the kind of leadership to which they are entitled. Let me give you some guidelines. First, this is no time for party to party divisiveness. We need a return to bi-partisanship in foreign affairs. The executive must brief and consult Congressional leaders *before* a decisive action is taken and this consultation and briefing must always be totally honest. Congressional leaders must in turn respond in terms of what is good for their country rather than their party or worse their own political skins. Secondly, based upon bi-partisanship, the initiative as well as the conduct of foreign policy must be returned to the executive for both long and short term actions. Third, and here I appeal to the good sense of the media in particular, let us all realize that foreign policy cannot be made in the streets. Criticize, analyze, evaluate to your hearts content but please do not provoke those kinds of pressures that make politicians forsake their judgment and instead turn to the assuaging of electoral passion. Fourth, we must remember that there are no instant solutions to anything. Solutions arise through the practice of such ancient virtues as common sense, disciplined thought, courageous action, perserverance, honesty and civility. Fifth, let us also realize that any and every foreign policy venture is dependent upon an America which is militarily strong, economically strong, strong in congressional and executive leadership. Last, and most significantly, we must undertake international commitments only when these are clearly in our national interest, which is that of preserving a global balance of power. This is the role that history has placed upon the shoulders of the United States—that of preventing any one power or group of powers from obtaining a total hegemony over the planet. To prevent such hegemony from arising will require us to enter into alliances with others. Such commitments should be entered into sparingly and only after the most mature and solemn national deliberation. Once entered into, however, both ally and adversary alike should know beyond any doubt that we will thereafter honor each obligation to its ultimate, regardless of cost. It is then and only then that we shall enjoy a stable world. But such a situation will in the end arise not solely from a responsible Congress and an able executive, but from a stable and strong people. Here is the key.

Thus, it is to the American people with their common sense and natural instinct for the welfare of their country where we must truly seek our salvation. But, the American people must be accurately informed, not misinformed to suit the personal inclination of this or that group or the political machinations of elected or appointed officials. I make a plea today for the people to be told the truth. To be informed, the American people need leaders who "tell it like it is" and who have the courage and ability to deal with the real world as it is and before the people's gaze." Above all, we need a Congress which puts a coherent United States foreign policy above party and above personal interests. We have had such leaders before. We have had a responsible Congress before. We can have it again but I believe it is you and only you, the American people, who can affect this transformation.

I do not like what I see ahead of us But, we have enormous material and spiritual resources, most of them as yet untapped. We have now come to that time when we must draw upon these. With our latent capacities unleashed, I have no doubt that the situation can be reversed.

THE GENOCIDE CONVENTION AND THE UNITED NATIONS

Mr. PROXMIRE. Mr. President, it is painfully clear to all that the United Nations is becoming increasingly ineffective in dealing with a whole range of critical problems facing the community of nations today.

The findings of the President's Commission on the United Nations several years ago are, unfortunately, still pertinent. The Commission said:

> Too many national governments have either given lip service to the principles of the United Nations Charter or interpreted them for petty advantage and narrow self interest.

To date, 87 countries have ratified the United Nations Genocide Convention, which was adopted unanimously by the U.N. General Assembly almost 30 years ago. The United States, sadly, is not on the long list of nations which have ratified the convention.

I firmly believe that U.S. ratification of the Genocide Convention would be an important step toward rectifying the apparent loss of influence by the United Nations. This affirmative action would demonstrate to the world our continued belief in the U.N. as a preserver of peace in the world.

MEMORIAL SERVICES HELD FOR PRESIDENT CHIANG KAI-SHEK, A GREAT WORLD LEADER

Mr. HELMS. Mr. President, on April 16, a memorial service was held in the Washington Cathedral for the late President of the Republic of China, his excellency Chiang Kai-shek. The tributes delivered upon that occasion by the Reverend Billy Graham, and General A. C. Wedemeyer, were touching comments upon the late President's humanity, courage, and Christianity.

It is a sad occasion when one of the great leaders of the world passes away. Yet the accomplishments of Chiang Kai-shek live on in the ordered and peaceful government which he established for the Republic of China on Taiwan. The Generalissimo's son, Premier Chiang Ching-kuo, is dedicated to carrying on the progress of his father, and to maintain-

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ing his uncompromising opposition to the Communist regime on the mainland.

The experience of the Chinese people with Communist deceit is a lesson that has not been lost. It is a tribute to the steadfastness of purpose of the Free Chinese that they have not been seduced by the siren call of détente; indeed, it is because they have kept their eyes upon the goal of freedom that they have maintained themselves in the difficult times of the past few years. The Generalissimo's will to the Chinese people sets forth the course they will follow.

Mr. President, I ask unanimous consent that the program of the memorial service, the will of Chiang Kai-shek, and the addresses of the Reverend Billy Graham and General Wedemeyer be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A MEMORIAL SERVICE IN WASHINGTON CATHEDRAL FOR THE PRESIDENT OF THE REPUBLIC OF CHINA HIS EXCELLENCY CHIANG KAI-SHEK—1887–1975

Organ prelude, "Before thy throne, O God I stand" Johann Sebastian Bach.

The procession, all stand.

Opening sentences, all standing until the scripture reading, the Dean.

I am the Resurrection and the Life, says the Lord. He who believes in me shall live, even though he die. Those who live and believe in me shall not die for ever.

For none of us has life in himself, and none becomes his own master when he dies. For if we have life, we are alive in the Lord, and if we die, we die in the Lord. So, then, whether we live or die, we are the Lord's possession.

Blessed are the dead who die in the Lord! So it is, says the Spirit, they may now rest from their labors, for they take with them the record of their deeds.

Psalm 23, Prayer Book, p. 368, Chant: H. Walford Davies.

A Scripture reading, all seated, from Ecclesiasticus and Ephesians.

Meditation, Dr. Graham.

Hymn 422, all standing and joining, "Erie."

A memorial tribute, General Wedemeyer.

Anthem, sung by the choir, Johann Sebastian Bach.

Flocks in pastures green abiding, Safely with their Shepherd rest. Cooled by waters gently gliding, With the food of life he feeds them, To the fold he gently leads them. There to dwell forever blest.

The prayers, all kneeling or seated, The Reverend Fred T. Cheung.

The Lord's Prayer *said by all:*

Our Father, who art in heaven, Hallowed be thy name. Thy kingdom come, Thy will be done, on earth as it is in heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For thine is the kingdom, and the power, and the glory, for ever and ever. Amen.

Nunc Dimittis, *sung by the choir*, Herbert Howells.

Lord, now lettest thou thy servant depart in
  peace, according to thy word.
For mine eyes have seen thy salvation,
Which thou hast prepared before the face
  of all people;
To be a light to lighten the Gentiles, and to
  be the glory of thy people Israel.
Glory be to the Father, and to the Son, and
  to the Holy Ghost;
As it was in the beginning, is now, and ever
  shall be, world without end. Amen.

The Benediction, The Dean.

Unto God's gracious mercy and protection we commit you. The Lord bless you and keep you. The Lord make his face to shine upon you, and be gracious unto you. The Lord lift up his countenance upon you, and give you peace, both now and evermore. *Amen*

Hymn 557, *all standing and joining*, "St. Gertrude."

The Retiring Procession.

†

The Very Reverend Francis B. Sayer, Jr., Dean of Washington Cathedral.

The Reverend Billy Graham.

General Albert C. Wedemeyer, USA, Retired.

The Reverend Fred T. Cheung, Pastor, Chinese Christian Church of Greater Washington.

PRESIDENT CHIANG'S WILL

"Ever since I entered school I have followed the revolutionary ideals of Dr. Sun Yat-sen. There has not been a single moment that I have strayed away from Christian faith and Dr. Sun's ideals. There wasn't a day that I had not devoted myself to the cause of the struggle to eliminate obstacles in the path of realization of the Three Principles of the People for the sake of building a democratic and constitutional nation."

"In the past two decades, this bastion of freedom has grown stronger all the time and has continuously launched political warfare against the vicious Communist forces on the mainland. As the sacred task of exterminating Communism and recovering the mainland is gaining momentum day by day at this moment, the morale and faith of my people and my comrades under no circumstances should be shaken should my life come to an end. I hope you will unite as one, support the leadership of the party and the government, and follow the Three Principles of the People as we have been following Dr. Sun, and make the recovery of the mainland our common goal. Then my spirit will always rest with you. My lifelong career has been devoted to realization of the Three Principles of the People, the recovery of the mainland, rebirth of our cultural heritage and adherence to democracy. This also should be in essence the duty and determination shared by all the Chinese people and the Chinese armed forces at home and abroad in their march toward revolutionary goals. I hope you will persevere in the face of adversity, and redouble your efforts to fulfill the responsibility of the national revolution without fail. Be diligent! Be courageous! Do not relax your vigilance and preparedness!"

Recorded by Chin Hsiao-yi (deputy secretary general of the Central Committee of the Kuomintang) by order of the President on March 29, 1975.

(Misreported yesterday as on April 5, 1975.)

(Witnessed by:)

Mayling Soong Chiang

C. K. Yen (Vice President)

Chiang Ching-kuo (President of the Executive Yuan)

Nieh Wen-ya (President of the Legislative Yuan)

Tien Chung-chin (President of the Judicial Yuan)

Yang Liang-kung (President of the Examination Yuan)

Yu Chun-hsien (President of the Control Yuan)

MEMORIAL SERVICE BY BILLY GRAHAM

When I heard the news on April 5 of the death of the President of the Republic of China I went to my study and closed the door to pray and meditate. It seemed as though the whole extraordinary life of this legendary leader passed in review in my mind.

Only thirty years ago he was idolized by a generation of Americans with whom he had fought side by side through years of war. He was one of the "Big Four" of the Allies in World War II, along with Roosevelt, Stalin and Churchill. I could not help but recall in my meditation that as a young revolutionary firebrand and disciple of Sun Yat-sen he had helped bring an end to the Manchu dynasty. Under his leadership China was united for the first time in a century and he was its leader for nearly twenty-one years.

I thought of his marriage to Soong Mei-ling, one of the world's most intelligent and beautiful women. I remember how, during World War II, she addressed a Joint Session of the United States Congress and captivated all America. I remember how the Generalissimo had reluctantly joined hands with Mao Tse-tung and Chou En-lai in order to drive out the Japanese militarists from his native land. After years of battles, dissensions and difficulties that plagued all the countries that had been involved in the long war, he was forced to leave his beloved mainland China. He went to the poverty stricken but beautiful islands of Taiwan. He turned it into an economic and political stronghold.

My wife was born and reared in China. My father-in-law went to China in 1916 as a medical missionary. During his years there he met and came to admire Generalissimo Chiang Kai-shek and later Madame Chiang.

I first met Generalissimo Chiang Kai-shek in 1952. The Korean War was in progress and I had gone to spend Christmas with the American troops. After I left Korea, I went to Taipei to be with missionaries, to preach to the Christians, and to visit hospitals and leprosariums on Taiwan. While there I unexpectedly received an invitation to dinner from Generalissimo and Madame Chiang Kai-shek. I was amazed that during my visit almost the entire conversation centered around Christianity.

I have been asked today to speak about the personal Christian faith of this great man. Close friends in whom I have confidence have shared with me what has been, up to now, confidential information about their experiences with the Generalissimo. I believe it would please him and honor our Lord if I share some of them with you today.

As you know, the people of Taiwan have experienced many sorrows. But week before last they experienced the greatest of them all. One of my close friends in Tapei said over the phone that "the announcement of his death hit the people like a mighty emotional earthquake. Profound grief and a tragic sense of loss melted the people and caused the tears to flow among the rich, the poor, the young and the old. Their leader who had sat with the mighty Roosevelt, Stalin and Churchill and outlived them all was dead."

I talked with the Generalissimo and Madame Chiang Kai-shek about their personal faith on a number of occasions. I knew him to be a true believer. And I have heard others who knew him intimately for 50 years say with equal conviction that this indeed was true.

What kind of Christian faith did the Generalissimo have?

First, his was a personal faith. It was genuine. The news media have mentioned that the beautiful Soong Mei-ling did not wish to marry him until he became a Christian. When he was courting her, her Godly mother was deeply concerned. She sought the help of her pastor to pray with her, and she gave Chiang a Bible to read. When Mei-ling urged him to believe and to embrace the Christian faith, he refused, saying that he was not ready. At that time he was fighting against the warlords in the north of China. On a short trip to Shanghai he told Mei-ling that he had read the New Testament twice but wished to read the Old Testament before making his commitment. In the weeks that followed he was caught up in a difficult military situation. In desperation he called on the "Christian God" of whom he had been reading, and told Him that if he were delivered and his life spared, he would publicly confess Christ later. True to his promise, he

did make a public confession of his faith in Christ and was baptized in 1933. His subsequent life of quiet devotion to Jesus Christ was a demonstration of the reality of his faith.

A short while before his death, holy communion was being served in the tiny church on his estate in Taiwan. He was too weak to attend. He asked the pastor to bring the bread and the wine so that together they could celebrate the Communion there in his room a few days before he died.

Second, his was a quiet faith. He never used his faith as a political tool in his public appearances in Taiwan. Nor did he exploit it for political purposes in his international negotiations. When he spoke politically, he did not mention religion; but when he testified to his Christian convictions in private, his witness was "clear cut" and "positive."

Almost immediately upon his arrival in Taiwan he erected a small brick chapel close by his home. Christian worship was observed there every Sunday. He invited members of his governmental staff and a few guests occasionally to worship with him. But this was never publicized in the press. The chapel was a place for sincere worship by the Generalissimo and Madame Chiang and their friends.

Thirdly, his was an unashamed faith. For a number of years after moving to Taiwan, it was his custom to go on nationwide radio every Christmas Eve to give a message on the significance of the birth of Jesus Christ. Friends of mine who have heard him were grateful for his quiet but bold assertion that Christmas celebrated the coming of the Son of God to earth to die for men.

On Good Fridays he customarily delivered the sermon in his private chapel for friends and associates who gathered there. One of my close friends attended on several occasions. He said that the Generalissimo gave superb messages on the meaning of the Cross of Jesus Christ.

When Christian missionaries fled "the mainland" to Taiwan, the Generalissimo opened the door of the entire nation to them. As a result of this, the Christian churches in Taiwan have increased 2000% in numbers. Today Taiwan has some of the most dynamic, fastest-growing churches in the world.

One of his most important Christian decisions was made in 1951. Leaders of the Pocket Testament League, an American organization which, since World War I had been distributing New Testaments to military personnel, visited the Generalissimo in his office. They asked his permission to distribute Bibles to his Army. He replied instantly, "Good, good." He then voluntarily issued a statement that was publicized throughout the Army and throughout Taiwan. In it he said, It always gives me pleasure to have people read and study the Bible, since the Bible is the voice of the Holy Spirit. It reveals the righteousness of God in His love. Jesus Christ our Redeemer gave His life and shed His blood to save those who believe in Him. His righteousness exalts the nation. Christ is the cornerstone of all freedoms. His love covers all sins; all who believe in Him shall have eternal life.

But he did not walk alone. Madame Chiang, his beloved wife, stood by his side in her Christian faith as well as in her work. For more than twenty years she has led a weekly prayer group of influential women in the city of Taipei. Offerings from this prayer group support Christian chaplains in the Army hospitals across the nation.

Fourthly, the Generalissimo was a man of the Bible. Following his conversion to Christianity he studied the Bible seriously so that he might intelligently understand the Christian faith and the God whom he worshipped. From that time on it was his lifetime habit to read the Bible on his knees every morning. A longtime friend of mine preached at the Generalissimo's church sometime ago. He spoke on a theme that was new to the Generalissimo. Later as the Generalissimo talked to the speaker about the sermon, he called for his Bible.

When my friend looked at it, he said he had never seen such a dog-eared, well-marked Bible; verse after verse was underlined with different colored pens. Chiang Kai-shek loved the Word of God and read it faithfully. His favorite verse was Matthew 10:28, "Do not be afraid of those who kill the body but rather fear the one who can kill the soul and body in hell." This fact alone speaks volumes concerning the reality of President Chiang's faith and confidence in God that sustained him through violence, war, and the many crises he endured.

Finally, Generalissimo Chiang was a man of prayer. From his early days when he battled the war lords and the Japanese in China until the present, he quietly backed all of his activities and associates in prayer.

It was his personal habit to pray alone every morning after reading the Bible. At night he prayed with his wife. When a typhoon of great intensity threatened the island of Taiwan a few years ago, he retired to his room. He left orders not to be disturbed, and he went to prayer. A few hours later as the typhoon swept harmlessly past the island into the sea, he returned from his room.

It is public knowledge among the leadership in Taiwan that just a few hours before the Generalissimo died he called together his wife, his son and five or six of the leading men of the Government. This included the new President, Mr. C. K. Yen, also a Christian of many years. He spoke to them about his last wishes; it was his verbal testament to his successors. The first words they heard from his lips on his deathbed were the words, "Jesus Christ." Then he talked to them of his lifelong struggle to bring to China the principals of Sun Yat-sen and the democratic revolution; and then in conclusion he said, "These things and my Christian faith I have never departed from."

If the Generalissimo were to speak for himself today, I think I know what he might say. He would remember the apostle Paul during the last days of his life. He was chained in the Mamertine dungeon in Rome, awaiting the executioner's final blow. As he waited, he wrote a last will and testament to young Timothy. I think the Generalissimo would have joined him in one part of that letter and would leave for us an imperishable witness to his own life. He would have said as Paul did: "I have fought the good fight I have finished my course, I have kept the faith:" Today we do not say goodbye to President Chiang Kai-shek. But as Christians, we say "till we meet again."

CHIANG KAI-SHEK—DEFENDER OF FREEDOM

(Memorial Tribute by General A. C. Wedemeyer)

On the last day of October, 1887, in the Province of Chekiang, a boy was born who was destined to become one of the great leaders of China and the modern world. We pay tribute to him today. Chiang Kai-shek's forebears had worked the land for centuries, perpetuating the rich heritage of the "Good Earth." When the boy was eight, his father died, and his mother assumed full responsibility for his upbringing. He often recalled his mother's admonition, "All that I pray for you is that you love your country and preserve the good name of your ancestors, who were men of repute." He credited his mother with inculcating a strong moral code, a sense of duty, and the ability to face hardships with stoicism. After studying in the village school, the youthful Chiang went to Fenghua for higher education. Later he went to Japan, and for four years led the Spartan life of a cadet in a Japanese military school. There he came in contact with students who, like himself, were interested in political and social as well as military affairs.

Japan also was the scene of Chiang's introduction to the progressive ideas then agitating his own country. He not only became acquainted with the well-known Chinese revolutionary, Chen Chi-mei, but, by an eventful turn of fate, met and favorably impressed Dr. Sun Yat-sen, Father of the Republic of China.

Dr. Sun Yat-sen's new order envisioned the application of three great principles—San Min Chu-I. The first principle referred to national unity. In order to overcome the forces that had kept China weak and divided, this principle would unify the masses in a spirit of common destiny. The second principle conveyed the importance of "the people's sovereignty" or democracy. It affirmed the ideal of universal participation of the people in the affairs of government. The third principle, "the people's livelihood," dealt with increased economic opportunity, an equitable distribution of land, and the development of industry.

The intuitive Dr. Sun, pointing a finger at Chiang, told Chen Chi-mei, "That young man will one day be the hero of our revolution." And so it came to pass, Dr. Sun and Chiang, dedicated to the three noble principles, San Min Chi-I, collaborated as joint architects and builders of the New China. Dr. Sun in the role of philosopher and theoretician, Chiang in the role of strategist and doer.

The aims of the movement, as laid down in the three principles, were ambitious ones worthy of the great humanistic traditions of East and West alike. To achieve these aims, however, in the context of the time and place, and under the politically fragmented conditions prevailing half a century ago in China, was a task of superhuman dimensions.

It was under such conditions that Dr. Sun and Chiang Kai-shek launched their program to implement the three principles—San Min Chu-I. Until 1925 they worked effectively in eliminating or gaining the support of the majority of powerful and independent war lords. Further, they boldly countered the sinister political influence of Russian Communists who had been accepted as purely military advisors.

After the untimely death of Dr. Sun in 1925, Chiang alone bore, with courage and dedication, the burdens of leadership. He instituted many constructive programs, always within the framework of Sun Yat-sen's three principles. Progress was notable—so much so that throughout the Far East the period 1927–1937 was often referred to as "the Golden Decade."

Tragically, all of these constructive steps were abruptly halted in 1937. The Japanese, determined to prevent the development of a strong, unified government in China, and aware of China's military weakness, created an incident that inexorably led to war. For four embattled years, Chiang and his people fought bravely. They were no match, however, for the modern, well-equipped, and numerically superior Japanese invaders, who advanced steadily. All the seaports and communications in the eastern third of the country were soon overrun by the enemy. China's future was bleak. Then in December, 1941, the Japanese attacked Pearl Harbor, an event which dramatically changed the entire array of forces in the Far East. The hard-pressed Chinese were no longer isolated in their struggle against aggression. The war had expanded to global dimensions.

President Roosevelt and Prime Minister Churchill enthusiastically accepted Generalissimo Chiang as a co-equal partner, and he was designated the Supreme Commander for the Allied Powers in the Far East. America and Britain began to send military sup-

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plies which, though limited in quantity, greatly heartened the Generalissimo and his people. Crisis after crisis occurred as Japanese aggression continued. None the less, the Chinese kept fighting—even when the Japanese, alarmed by early American successes in the Pacific, twice offered the Generalissimo very favorable terms of peace. If he had accepted those peace terms, more than a million veteran Japanese soldiers who were fighting in China could have been released for immediate employment against American forces under Admiral Nimitz and General MacArthur.

Chiang attended the Cairo Conference in 1943 as a member of the Allied Big Four. It should be emphasized that Stalin was not present. During the deliberations, Mr. Roosevelt and Mr. Churchill unequivocally recognized Chinese sovereignty over Manchuria, Taiwan and the Pescadores. After one of the sessions in Cairo, I heard President Roosevelt describe Chiang Kai-shek as a man of great courage and vision, with a remarkably keen understanding of the problems of today and tomorrow.

The next conference of Allied leaders occurred almost two years later at Yalta. Chiang was not invited—nor was China represented. Completely repudiating the Cairo understanding regarding China, the conferees at Yalta granted the Soviet Union 50% control of the Chinese Eastern Railway in Manchuria, and control of the Chinese territories of Port Arthur and Dairen. Chiang was subsequently informed and reluctantly accepted these decisions, bitter and humiliating as they were. His foreign policy had uniformly been based on cooperation *with* and reliance on the United States, China's traditional friend.

After eight long years of debilitating war, the Japanese were decisively defeated. Unfortunately, the victory celebration in China was short-lived. Chiang and his Nationalist forces were immediately confronted with another serious threat, the Chinese Communists. The Communists had not contributed to the defeat of Japan, but had used the long crisis to arm themselves, with the support of the Soviets, in preparation for the eventual seizure of power. Now in the hour of victory they struck. It soon became apparent to the Generalissimo that his government—which withstood for many years the savage attacks and exploitation at the hands of the Japanese—was no longer able to withstand the new onslaught. Weakened and demoralized, he and his loyal followers withdrew to the island stronghold of Taiwan and established a government in exile.

Today Taiwan exists as a showplace of freedom in the Far East. The same rehabilitation program which President Chiang had envisaged for mainland China at the close of World War II was promptly inaugurated on Taiwan. This program included land reform, compulsory education for all children, a modernized, well-trained army, and universal suffrage. Today the seventeen million people on Taiwan enjoy freedom, prosperity, and the unintimidated opportunity to exercise their God-given talents. Millions of Chinese have defected to Taiwan and elsewhere in the free world from mainland China, while millions more hopefully await their release from bondage and the opportunity to enjoy the freedom of San Min Chu-I.

May I briefly recount my personal experience with Generalissimo Chiang Kai-shek during nearly two years of almost daily association as his Chief of Staff and American Commander. During the closing years of World War II, and several months thereafter, China experienced many problems, both military and diplomatic. During these difficult times, my respect and esteem for President Chiang as a gentleman, as a patriot, and as a dedicated leader steadily grew. People really come to know each other when they strive together to turn the millstones and grind out the decisions where the lives, the destinies, and the treasure of a nation are involved.

I pay tribute to this great man, Chiang Kai-shek, with deep and abiding sympathy for his bereaved widow and loved ones, and for the Chinese people. They, and we, have lost a friend who symbolized the hope of millions of liberty-loving people throughout the world.

Chiang knew that human freedom was the foundation on which the modern state must be built, just as he knew that in the larger sphere of international relations, where there is freedom, there is little danger of war and a greater possibility of peace. He once wrote:

"If when I die I am still a dictator, I will certainly go down into the oblivion of all dictators. If, on the other hand, I succeed in establishing a truly stable foundation for a democratic government, I will live forever in every home in China."

It was not given to him, during his life, to establish such a foundation on the mainland of Asia. Who can doubt, however, that he laid a cornerstone of freedom on Taiwan, a foundation upon which future generations can build with confidence?

LARAMIE HIGH SCHOOL CHAPTER OF DISTRIBUTIVE EDUCATION CLUBS OF AMERICA TO REPRESENT WYOMING AT NATIONAL CONFERENCE

Mr. McGEE. Mr. President, it is with pride I announce that the State of Wyoming will be represented at the National Conference of Distributive Education Clubs of America in Hollywood, Fla., by the club from my hometown of Laramie.

The Laramie High School DECA Chapter was named Chapter of the Year at a recent State Career Development Conference held in Casper, Wyo. Along with this honor, the Laramie DECA Chapter and its members were awarded a total of six first-place trophies, eight second-place, and three third-place. Many of the members were among State finalists.

CONQUEST OF CANCER

Mr. JAVITS. Mr. President, it has become fashionable recently for the cancer research programs of this Nation to come under attack with the contention that research advances are not being made as rapidly as has been promised, that expenditures for cancer research have come at the expense of other areas of biomedical research, and that there seem to be few advances being made.

A thoughtful response to such themes is a letter written to the editor of the New York Times on April 14 by James F. Holland, M.D. who is professor and chairman of the department of neoplastic diseases, and director of the Cancer Center at Mt. Sinai Medical Center in New York. This letter is particularly valuable because of Dr. Holland's excellent reputation in the field of cancer research. He was formerly the director of the Cancer Clinical Research Center at Roswell Park Memorial Institute in Buffalo, and recently spent a year in Moscow as cancer liaison expert between the United States and the U.S.S.R.

Mr. President, I commend the full text of Dr. Holland's letter to my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MOUNT SINAI SCHOOL OF MEDICINE,
New York, N.Y., April 14, 1975.

THE EDITOR,
New York Times,
New York, N.Y.

DEAR SIR: The National Program for the Conquest of Cancer never suggested nor implied "that a new 'breakthrough' had put the discovery of a cure for cancer perhaps only a few months away" as stated in your March 29 editorial. As a participant in the original Panel of Consultants and in the National Cancer Plan, I have heard not one scientist or physician who espoused this view. The Plan is not a road map specifying the routes to be followed. Rather it is like a topographical map defining the terrain so that individual scientists can see with a broader view what roads they might try to build. High premium is placed on unanticipated and unanticipatable findings. (It is irresponsible rhetoric of the Times to editorialize otherwise without chapter and verse.)

No responsible thinker expects that a group of diseases as complex and diverse as cancer will yield to a single cure, let alone in a few months.

Substantial advances have occurred in therapy since 1971, however. New chemotherapeutic treatments in association with surgery have dramatically changed the recurrence rates for osteogenic sarcoma, a highly malignant bone tumor; the freedom from relapse is already long enough to anticipate cure in many of these patients. Early results in breast cancer indicate a similar strategy of surgery and drugs is effective in patients where spread to lymph nodes had already occurred. Several other studies show favorable trends. The altered survival patterns to be anticipated in the research centers will take years of *not* relapsing to identify the frequency of cures. It may be years more before translation to clinical practice is reflected in decreased general cancer mortality.

Until prevention of cancer is possible and implemented, perhaps a supremely difficult task if the increasing sales of cigarettes is taken as one example, the need for research to find higher rates of cure for cancer will exist.

The Times rightly decries political intrusion into the distribution of research money which should depend on scientific and clinical merit. There is no excuse, though, for other needed medical investigation to be starved because of cancer research. The solution is not to truncate cancer investigation, but to maintain or expand the investment in other fields of medical research. The Times reported (30 March) that health care is a one-hundred-billion-dollar industry. Less than 4% of this figure goes into health research, which may be too little to meet the need. Voters may rightly ask exactly how aspirants to leadership define the nation's priorities.

Sincerely,
JAMES F. HOLLAND, M.D.,
Professor and Chairman,
Director, Cancer Center.

AMERICAN JUDICATURE SOCIETY SUPPORTS THE JUDICIAL TENURE ACT

Mr. NUNN. Mr. President, I have recently been advised that the board of directors of the American Judicature Society has voted to support the Judicial Tenure Act which I introduced on March 7, 1975. The current number of this act is S. 1110 and it is identical to S. 4153, which I introduced in the 93d Congress.

I ask unanimous consent that the resolution of the board of directors of the American Judicature Society be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF AMERICAN JUDICATURE SOCIETY

At a meeting of the Board of Directors of the American Judicature Society in Chicago, Illinois on February 23, 1975, the following resolution was adopted:

"Be it resolved by the Board of Directors of the American Judicature Society that the Congress of the United States be advised that the American Judicature Society supports in principle the enactment of the Judicial Tenure Act S. 4153 in the 93d Congress and that the president of the American Judicature Society is authorized to designate representatives of the Society to represent the Society before the Congress of the United States concerning the same."

JOHN S. CLARK,
President.

HOW NEWSMEN SHAPE THE NEWS

Mr. HELMS. Mr. President, the tragedy in Southeast Asia is bound to be a stomach-turning occurrence for any American who believes communism should be restrained in its declared goal of world domination. Equally depressing is the manner in which the United States has been led into defaulting on a very clear obligation—an absolute commitment, Mr. President.

There are a lot of people trying to duck the blame that lies on their doorsteps—the anti-American mobs that disrupted this country in the name of "protest," the self-serving politicians who fueled the fires of disruption, the Jane Fondas who piously orated about the war in Vietnam until—until, Mr. President—the freedom-loving people of Southeast Asia were abandoned to the slaughter and terror of the hordes of Communist barbarians. Now that the Communists have a free hand to slaughter, murder and destroy, where are all of these pious voices, Mr. President? They are silent in seven languages.

But, while we are taking a look at the tragic mistakes of the past, there is one group that ought not to be overlooked. On April 9, the managing editor of the Dunn, N.C., Daily Record, Mr. Fred Bost, wrote a perceptive article for the front page of his fine newspaper. The article was headed, "How Newsmen Shape the News."

Now, Mr. President, prior to coming to the Senate, I had devoted most of my life to the news business, in one capacity or another. The past two decades, and particularly the past 10 years, have been a period in which so much of the major news media have brought dishonor to themselves.

It is this point which Mr. Bost, in his fine article, implicitly emphasizes, and he is right. Incidentally, the publisher of the Daily Record, Mr. Hoover Adams, is a fine, courageous journalist. He is a respected citizen of my State. I am glad that he and Mr. Bost are associated in producing a fine newspaper in my State.

Mr. President, I ask unanimous consent that the aforementioned article, written by Mr. Bost, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW NEWSMEN SHAPE THE NEWS

(By Fred Bost)

A story in yesterday's Daily Record contained a complaint by a local disabled veteran over the past shaping of public opinion toward Vietnam by national news media and the prophesy of a new theme by the same group. Last night an hour-long news telecast aptly demonstrated the veteran's grievance.

Jim Jorgensen, of the Char-Verdini Restaurant at the Plaza Shopping Center in Dunn, a veteran who lost his right leg in Vietnam, said in an interview by this reporter that the news media "led the country by the hand into feelings of apathy" toward Vietnam, and that he believes the news media is now in the process of cranking out a brand new theme saying "what is happening was always inevitable, the communists were destined to take over the area, and the mistake was in the United States ever getting involved in the first place."

The news telecast which started at 10 p.m. over CBS stations rehashed past events in Vietnam and very subtly followed the theme which Jorgensen prophesied. In sticking to the theme, several truths were bent and some crucial happenings were ignored.

As an example of digression from true objective reporting, let us consider just one small offering open to serious question.

CBS newscasters have long tried to impress upon the American viewers that refugees in South Vietnam have not been fleeing the communists, but were always fleeing something else, usually implied as "fleeing American bombs and shells."

In last night's telecast, the CBS reporter broached the subject of the millions of people now fleeing to the south. Explaining that the South Vietnamese government claims the people are fleeing communism, and the North Vietnamese say the flight is caused by American and South Vietnamese propaganda, the reporter said the actual truth is that "most" are fleeing just because others are fleeing.

This statement was not made as a matter of conjecture or possibility, but as fact. It fits in nicely with past insistence that refugees are not running from communist terrorism. It also insures that Hanoi will be more apt to look favorably on CBS requests to film behind North Vietnamese lines, a request already submitted.

But is the statement made by that reporter truth? Facts obviously known to that reporter and his bosses were certainly not considered in making such a determination.

The first most obvious fact is that, even with the vast resources of CBS, the majority of the millions fleeing could never have been interviewed. And there was no way of conducting a scientifically arranged poll.

This reporter is not suggesting, however; that the CBS crews in Vietnam failed to ask as many people as possible why there were running. And this reporter is also willing to bet his last dollar that the common reply, with possibly very rare exception, was "We are running because the others are running."

But that was merely the reply. Was it in reality the truth?

CBS evidently didn't care. It was a reply that well suited the new theme and so was reported as absolute truth.

Is this Daily Record reporter tilting at windmills? Seeing things that aren't there? Let me bring up two considerations about the Vietnamese people which should have been reported by CBS teams, but weren't—two things that are very pertinent.

First, the Vietnamese people are strongly oriented toward family, ancestry and tradition. Because of these strong ties and reverence toward ancenstry, the average Vietnamese is not only content to live in the area where he was born, but actually resents any need for leaving it, even temporarily. The average Vietnamese seldom travels outside of a radius of 100 miles from his birthplace. And it is considered a disgrace not to be buried or entombed at the family burial ground.

Accordingly, it takes a very strong incentive to make a Vietnamese family leave their belongings, risk losing members of the family through death or separation, and face the unknown dangers of a new locale.

The incentive would have to be more than "leaving because others are leaving."

The other thing to be considered is the Vietnamese flexibility in regard to truth. Vietnamese are extremely polite, and their lessons in manners include a technique in answering questions so that answers do not offend or cause later problems. This is an upper most thought in social activities, and it is carried out even to the point of evading the question, or even telling an out-and-out lie.

An American can equate this to many of the utterances of politicians, or to the hostess who, when greeting a guest, says "Darling, I just adore your dress!"

Now knowing this strong trend in Vietnam communications, put yourself in the place of a family fleeing to the south. You know that officials of the government you desire to live under are very edgy about spies and saboteurs among the refugees, so you do not want to chance endangering yourself from that side.

On the other hand, you are in a country in chaos. There is no way of knowing for sure that those you are fleeing from will not be in complete control of the entire land in a short while. Yet here before you is a stranger, not only asking you why you are fleeing, but evidently recording it. And the wrong words spoken on record could well work against yourself and your family if you come under the domination of the aggressors.

How best to answer without offending a person asking, and without putting yourself in subsequent danger?

"I flee because others are fleeing," fits the situation very well, doesn't it?

But is it truth?

C–5A CARGO TOO LATE—BIG PROPORTION OF FLEET INOPERABLE

Mr. PROXMIRE. Mr. President, GAO report on the U.S. airlift to Israel during the 1973 Middle East War shows that most of the cargo carried by the C–5A aircraft arrived too late to have affected the war's outcome. The report also states that 60 percent of the C–5A fleet was inoperable because of mechanical problems or the lack of parts.

The GAO raises again the credibility of statements made by the Air Force about the performance of the C–5A.

The C–5A did not make a significant contribution to the material needs of the Israelis during the October 1973 war.

The GAO report shows that except for the outsize cargo, the entire airlift could have been conducted using only the smaller C–14's.

As for the outside cargo actually delivered by the C–5A, it was a classic case of too little too late.

The C–5A's delivered 29 battle tanks during the entire period of the airlift.

Only four battle tanks airlifted to Israel arrived before the cease-fire. The other 25 tanks were delivered afterwards when the fighting had already stopped.

Ten other items of outsized equipment were delivered before the cease-fire, in addition to the four tanks.

GAO CONCLUSION

The GAO report states the following conclusion:

> The aerial delivery of combat tanks and other outsize cargo by C–5As was an impressive use of airlift capability, and it is impossible to assess the psychological impact of demonstrating this capability. In our opinion, the relatively small quantities of outsize equipment delivered in this manner had no decisive effect on the war's outcome.

It was also discovered that 60 percent of the C–5A's were inoperable during the airlift because they needed maintenance, repairs, or parts.

Thirty-six of the C–5A's could not be used because they needed repairs, and 10 of the aircraft were grounded because they lacked parts.

Twenty-nine flights launched during the airlift had to be terminated because of mechanical malfunctions. The departure of 40 flights were delayed because of mechanical malfunctions.

While the number of C–5A flights that had to be terminated was a small percentage of the total number of flights, the termination rate was nearly three times the rate for the C–141—894 C–5A flights were launched during the airlift.

> The C–5A's have been plagued by maintenance problems and supply support since they entered MAC's inventory, and the cannibilization of aircraft for parts has been abnormally high.

The GAO's findings and conclusions are further evidence of weaknesses and continuing problems in the C–5A program.

The Air Force has repeatedly made extravagant claims for the C–5A which have failed to materialize.

I do not intend by my remarks to criticize the crews and other individuals who played a part in the airlift.

They did a splendid job with the tools they had at hand, and in light of the many mechanical problems and structural weaknesses of the C–5A it is a tribute to the skill of our airmen that the airlift went as smoothly as it did.

WHY WAS THIS PLANE USED AT ALL?

But a serious question must be raised as to why the C–5A was used at all.

Why use a mechanically weak and expensive aircraft in a situation where another aircraft with a proven record would serve as well or better?

The Air Force claims that a secondary purpose for using the C–5A was to give a "shot in the arm" for Israeli morale.

I question whether it was the Israelis whose morale needed to be boosted, or the people responsible for the C–5A.

This question is doubly appropriate as a result of the recent C–5A crash in Saigon during the airlift of Vietnamese orphans.

There may have been more press-agentry involved than necessity in the dubious decisions to use the C–5A in these two situations.

The GAO study should also answer those who believe that on the strength of the Middle East airlift we should build more C–5A's.

Less than half the C–5A's in the inventory were used and many of those used could have flown more flights.

In addition, the mission would have been accomplished just as well without C–5A's.

Before we build any new ones, we better make sure we know how to use the ones we have, and that they are safe to use in the first place.

REVENUE SHARING

Mr. BROCK. Mr. President, this week, the Subcommittee on Revenue Sharing of the Finance Committee held hearings on the extension of revenue sharing. There are a multitude of approaches to revenue sharing, and there are many arguments. In my estimation, this will be one of the most important decisions that we face in Congress this year.

Revenue sharing deserves to be saved and extended. My own measure, S. 11, does just that. There have been two recent articles which I submit for the Record. One is an editorial from the Washington Star earlier this month. The other is from the publication of the National Association of Counties.

Mr. President, I ask unanimous consent that both these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star, Apr. 4, 1975]

Revenue Sharing Extension

Discussions of revenue sharing tend to make the eyes of most citizens glaze over—it's complicated, statistical and dull—but to 39,000 units of state and local government, it is a vital matter of dollars and cents. Since the program went into effect in 1972, it has pumped $20 billion of federal tax revenues into states, cities, counties and towns.

The program, which was a cornerstone of former President Nixon's "New Federalism," has had its share of critics. Some of the criticism has been valid, but many of the alleged abuses and shortcomings have been grossly exaggerated. On balance, it has been a useful program and ought to be extended.

The law authorizing disbursement of $6 billion a year doesn't actually expire until the end of 1976 but the debate over the program's future already is heating up on Capitol Hill. The reason is that state and local officials are pressing for a decision this year, and rightly so. It would inject a completely unnecessary element of confusion and uncertainty in state and local planning if Congress were to wait until the last minute. President Ford is expected to recommend shortly that the program be extended for nearly six years, until October 1, 1982.

Given the sluggishness of the nation's economy and the deteriorating condition of most state and local treasuries, it seems doubtful that opponents of revenue sharing will be able to muster enough support to kill the program. The debate probably will settle on whether substantial changes should be made in the way the money is allocated and the way it can be spent.

The basic theory behind revenue sharing is that local governments know the needs of their citizens better than do congressmen and bureaucrats in Washington. Therefore, the program disburses the $6 billion a year with few strings attached, leaving it to officials closest to the people to decide how the money shall be spent.

The major complaints are that the needier state and local governments don't get enough of the pie, that the money sometimes is used in a manner that discriminates against minorities or other groups or is spent frivolously.

Some further weighting of the program in favor of the needier areas is in order but it should not be so titled that it becomes merely another welfare handout that must be borne by the more affluent sections of the country. As for the charges of discriminatory use, that would not seem to require additional legislative restrictions but merely enforcement of provisions that already require it to be spent in a non-discriminatory manner.

Undoubtedly there are some instances of the money being put to what some would call frivolous uses, but surveys have shown that the vast majority of it is used for projects that are legitimate and beneficial to the communities and the citizens. What really is behind most of these complaints is a belief that state and local officials can't be trusted to spend the money wisely or in pursuit of social goals dreamed up by federal officials.

One example cited constantly by critics was the purchase of band uniforms by a local government during the early stage of the program. Maybe that was frivolous; then again, it may have been that the band was an important element in maintaining community pride and spirit and that the money was well spent. In any event, it was only one project out of thousands for which revenue sharing funds have been used and it certainly wasn't typical. According to the Office of Revenue Sharing, more than 80 percent of the money has been used for public safety, education, public transportation, health, recreation and general government programs.

What the critics want are more federal restrictions, which would mean that congressmen, bureaucrats and national organizations with big clout in Washington—such as the AFL–CIO and civil rights groups—would exercise more influence over the way the money is spent than would officials and citizens of the areas receiving the funds.

Some minor adjustments no doubt are in order, but to tie up revenue sharing with a lot of federal strings would subvert the original and laudable intent of returning some power to the people.

Revenue Sharing: A Rejoinder

(By Lucien A. Morin)

Monroe County, like most municipal governments throughout the country, has been criticized for its use of general revenue sharing funds. I believe it is time governmental administrators spoke up and began treating the criticism for what it is—unfounded and based upon a lack of information and, in some instances, concern.

Critics think a good issue to go after is that local governments are assigning a minimal amount of fund to services for the poor and the aged. If these people took the time to review the record and the law, they would find that the experience across the country is not what they try to make it out to be.

Indeed, when the general revenue sharing program first became available, my first inclination was to devote the greatest portion of the funds to the area of Social Services, which, by the way, is the largest single category of funds in the Monroe County budget.

My desire to devote these funds and the reality of state and federal law quickly clashed; the law won out. What I found is what the critics should find—that to allocate revenue sharing funds to the poor and the aged runs contrary to the federal prohibition of matching federal funds with federal funds, and the lack of local powers delegated by the state legislature many times prevents local initiative.

Despite the prohibition, I wish the critics would review the record before they jump to conclusions about what is happening in the functional areas named as priorities in the revenue sharing legislation. Just in the area of Social Services for the poor and the aged in Monroe County there was a budget of $99 million in 1972 before general revenue sharing was enacted. By 1975, the county budget in this area has reached $130 million, an increase af about $31 million.

In an average year, Monroe County receives about $5.5 million in revenue sharing money. Since 1972, the increase in social services has averaged more than $7.7 million per year. If the critics look only at general revenue sharing in Monroe County, they would see a very small allocation of these monies to social services. However, if they would take the time to see how this administration and the county legislature allocates all of its resources, I think they would be impressed by the allocation to social services. A similar analysis can be done with all of the other priority areas of the General Revenue Sharing Act.

EXTENSION OF VOTING RIGHTS FOR ALL AMERICANS

Mr. PHILIP A. HART. Mr. President, the distinguished Senator from Pennsylvania (Mr. Hugh Scott) and I have, for some time, held the same goal: extension of voting rights for all Americans. The Senator from Pennsylvania recently testified in support of legislation to extend the Voting Rights Act for an additonal 10 years. I ask unanimous consent that this statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Hugh Scott Before the Senate Subcommittee on Constitutional Rights, April 8, 1975

THE VOTING RIGHTS ACT

I am very pleased to present testimony in support of a ten year extension of the Voting Rights Act of 1965. As a sponsor of S. 1279, I am here this morning to tell you what I think needs to be done to preserve the safeguards of the Act. But more importantly, I am here to convey my hope that the Voting Rights Act, hailed as the most successful civil rights law ever enacted, does not become a victim of its own success.

The successes are welcome to those of us who have sought to make Constitutional rights a reality. However, my major concern is that these successes may lead observers to assume that the battle is over—that the Act is no longer needed or justified in its present form. Such is not the case.

A brief historical perspective, however, is necessary to put in proper focus the original need and intent of this law.

Opponents of the Act have always argued that it represents drastic interference with state and local control over elections.

They are right. But as we all know, Congress does not act precipitously. Congress was driven to take drastic steps after many years of frustrating experience with lesser measures. We acted on the most blatant record of discrimination, or stubborn determination to thwart black voters and of the tragic outrages in Selma.

The Chinese have an old saying that the longest journey begins with a tiny step. Congress took that step with the Civil Rights Acts of 1957 and 1960. The 1957 Act authorized the Attorney General to seek injunctions against voter discrimination; the 1960 Act created a complex three-stage process to enroll black voters. More importantly, the two laws established the Civil Rights Commission and required retention of voting records, so that Congress later had the factual record on which to base the Voting Rights Act.

It too became obvious that these measures were wholly inadequate. Let me read some striking testimony from the debate over the Voting Rights Act as a reminder of just how bad things were:

"As recently as April, 1963 in a voting case in Waltehall, Mississippi, the Department of Justice was attempting to register a young lady who was a Woodrow Wilson fellow in Political Science at Radcliffe College of Harvard University. The Harvard graduate had 'failed' the voter registration test—she was a Negro. The Government in this case called seven white witnesses who had applied to register. They were illiterate. They were white. They had passed the same voter registration test."

The burden was on the Justice Department then to find out about discriminatory barriers and election law changes, to investigate them and to spread its resources among lawsuits all over the South. In court, the burden was on the Department to prove a new law was discriminatory. As soon as one barrier was struck down, a new one was erected. Department lawyers were running very hard to simply stand still. They could not keep up with the kaleidescope of changing schemes and devices.

The Voting Rights Act changed all that. The so-called "trigger formula" of Section 4 set in motion several remedies available automatically in states or counties covered by the formula unless they successfully sue to remove themselves from its coverage. Literacy tests or similar devices are banned; Federal examiners may be sent to register voters and observers to watch elections. Most importantly under Section 5 covered jurisdictions have to preclear with the Attorney General or a court in Washington any new laws which affect the right to vote. And of course, the decisive difference is that the state or local government submitting a proposed change has the burden of showing it is not discriminatory. If it is unclear and the Attorney General is not satisfied that discrimination does not exist, he must resolve the issue against the change and object.

Contrary to what its critics would have us believe, the Voting Rights Act is not regional legislation. Its provisions are national and have literally applied to the four corners of our country:

From Hawaii and Alaska to New York City and from Arizona to the Deep South. Of course the major impact has been in the South where the clearest problems and most entrenched opposition appeared. But the Act has been implemented in other jurisdictions covered by the trigger as well.

Some results were immediate, but looking back on them now, the first five years of the Act did not begin to realize its full potential. It was not until 1969 that the Supreme Court made clear the obligation to submit any law which could affect the impact of black votes for Section 5 preclearance. In the *Allen* case, the Court said: "The right to vote can be affected by a dilution of voting power as well as by an absolute prohibition on casting a ballot." In response to growing numbers of black voters, most covered jurisdictions emphasized a variety of sophisticated techniques to diminish the impact. By 1970 it was clear that Section 5 would become the centerpiece of the Act's protections. So it is not surprising that the successful fight to extend the Act in 1970 was largely a struggle over retaining Section 5 intact. And the very next year, only a strong protest from Congress and from concerned groups around the country scuttled plans to interpret Section 5 in a way which would have effectively nullified its most important aspect: the burden placed on submitting jurisdictions to show a proposed change is not discriminatory. Each of these efforts, of course, were marked by the highest degree of bipartisan cooperation.

Once the covered jurisdictions began to redistrict federal and state districts to conform to the results of the 1970 census, it became clear just how crucial the retention of Section 5 had been. In an overwhelming number of cases initial plans were objected to, and the revision made a great difference in efforts to elect black candidates.

The Voting Rights Act of 1965 has brought us a long way from the time when only a small percentage of blacks eligible to register to vote were actually allowed that right. Since 1965 the percentage of registered blacks in covered Southern states has nearly doubled, and voter turnout has also increased dramatically. Since the Voting Rights Act of 1965, Andrew Young has taken his historic seat in Congress and there has been a substantial increase in the number of blacks elected to office: In 1964 there were less than 100; in 1974, slightly less than 1,000. Without the Voting Rights Act, it is doubtful that many of these heralded victories would have been won.

But now we are faced with another threatened expiration of this legislation, if we do not act before the summer. And once again, we hear the same arguments. Opponents point to the record number of black officeholders and of black voters. In this context, they will argue that the trigger provisions would unfairly keep the South in a state of original sin and that Section 5 in particular is too burdensome and unworkable to be imposed any longer upon the covered jurisdictions. They will suggest that very few changes now submitted are objectionable and that intimidation or harassment of would-be black voters is a memory of the past. Unfortunately, this superficial analysis may be appealing to those not familiar with the actual operation of the Act in the past few years.

Those of us determined to renew the Voting Rights Act face a serious challenge. We must make clear why the experience under the Act since 1970—far from showing it is unnecessary—demonstrates that it is still vital.

First, the recent dramatic victories were made possible by the continued operation of the Act. For example, it is doubtful whether the highly publicized increase in black members of the Alabama legislature would have occurred if the multi-member redistricting, initially attempted, had succeeded.

Second, there is still a long way to go before we can say that minorities have attained full and fair participation in the political process. The number of elected officials is still extremely small, despite the historic breakthroughs; and even the substantial number of local black officials includes relatively few in the most important policy making posts such as county supervisors. In many counties, the registration levels for black voters are still way below the rest of the community. Dramatic incidents of violence are infrequent, but there remains substantial evidence of intimidation and economic dependence on the local power structure which deters registration.

Most importantly, the progress which has been made is precarious. The hard-won base of black political power is still too fragile to be shorn of the Voting Rights Act and its protection.

The number of new laws to which the Attorney General has objected has not de-

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clined. In fact, the rejections for the first 6 months of 1974 were running well above the rate for 1973. But, these numbers do not fully reflect either the deterrent role played by the Act or the continued threat of discriminatory action should the Act expire.

In the first place many changes still are not submitted for preclearance. Just this year, the Justice Department concluded a study of laws passed in 1971 by the Mississippi legislature and found over one hundred which should have been submitted.

Second, some of the submissions have already been modified after informal discussions with the Department's representatives, or changes are negotiated after submission. The objectionable aspects are removed, but they do not show up in the figures as formal objections. In Georgia, the initial redistricting plan for Atlanta would have made it more difficult for Congressman Young's candidacy, but substantial changes were required by the Department as a condition of approval.

Finally, although it is hard to document, I know those who work on the front lines under the Act are convinced that the mere existence of Section 5 has prevented some devices from even being submitted. In Virginia, the Attorney General now tries to monitor submissions from local jurisdictions to screen obviously objectionable proposals.

It is true that the Act prohibits changes which have either the purpose or the effect of discriminating against black voters. But all too often contemporaneous legislative history, or the absence of any other reasonable explanation for the particular new scheme, provides strong evidence of a deliberate intent to dilute the potential impact of the new black vote.

Even the gains in voter registration would be imperiled if the Act is allowed to expire. Efforts to purge the rolls through questionable reregistration requirements have been mitigated somewhat by review under Section 5.

The question then, in my mind at least, is not whether to extend the Voting Rights Act, but for how long it should be extended. In essence, I am urging an additional ten years' extension to allow the law to operate through the redistricting and reapportioning which will follow the 1980 census. It will only be at this point that an adequate and true evaluation of the accomplishments of the Act can be made.

In summary, it is my strong belief that it would be both shortsighted and premature to repeal the basic safeguards of the Voting Rights Act now, in the guise of updating it. In 1970, Father Theodore Hesburgh, President of Notre Dame and then Chairman of the Civil Rights Commission warned Congress that if we gutted the Act or eliminated Section 5, we would be turning back the clock to 1957.

That warning is a useful reminder today. Those who would have us abandon Section 5 for alternatives under which the Department might sue to challenge questionable state laws, would set us back to the very conditions which led to the creation of the Voting Rights Act in the first place.

We must not turn back the clock.

REGULATION OF INTRASTATE NATURAL GAS

Mr. BARTLETT. Mr. President, I recently received from the Oklahoma State senate a resolution which expresses the sense of the Oklahoma Legislature with regard to the provisions in the Hollings version of S. 692 which requires regulation of intrastate natural gas and allocation of gas away from the intrastate market.

I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 21

Whereas, an extension of the authority of the Federal Power Commission to intrastate sales and distribution of natural gas would wreak havoc on the economy of gas producing states; more than ninety percent (90%) of the utilities of this state are dependent on natural gas; and

Whereas, S. 692 of the first session of the Ninety-fourth (94th) Congress is of provision that enables the Federal Power Commission to, by rules, set and adjust prices of natural gas for diverse users, prohibit boiler fuel use of natural gas in intrastate commerce as well as interstate commerce, and grant priorities to eastern states for movement of natural gas to the eastern seaboard states, notwithstanding industrial and other needs therefor within this, a producing, state; now, therefore, be it

Resolved by the Senate of the 1st session of the 35th Oklahoma Legislature:

Section 1. That the Ninety-fourth (94th) Congress be, and hereby is, memorialized to prevent the provision of S. 692 from being enacted into law.

Section 2. That a copy of this resolution be distributed to each member of the Oklahoma Congresional Delegation.

Adopted by the Senate the 31st day of March, 1975.

OCCUPATIONAL TRAINING CENTER—A MODEL FOR NATIONAL PROGRAMS TO SERVE THE HANDICAPPED

Mr. HUMPHREY. Mr. President, I call to the attention of my colleagues, an organization which has been serving handicapped and disabled persons since 1964. The Occupational Training Center, Inc., in St. Paul, Minn., equips disabled people having special employment needs with vocational skills and opportunities. This organization is a private, nonprofit organization which serves some 700 people per year.

OTC has given these people new lives to live and almost all of them are making the most of their opportunities. Today, OTC's graduates are earning livings in printing shops, hospitals, nursing homes, automobile dealerships, service garages, body shops, industrial plants, and in OTC's own unique recycling plant and manufacturing corporation.

OTC's trainees and employees come mainly from State schools and hospitals. Each time an individual is successfully reclaimed from such institutions, taxpayers are saved over $3,600 a year. Moreover, some 65 percent of OTC's trainees ultimately find jobs in which they are able to earn enough to become taxpayers themselves.

A new arrival at OTC spends several weeks observing and trying himself out in each of several fields. Training and employment are provided in graphic arts, auto mechanics, auto body, solid waste recycling, manufacturing, and several industrial and medical on-the-job training programs. The trainees and employees are paid anywhere from 20 cents to $3.50 per hour, depending upon their training or job performance.

The pay is more an incentive than a wage. OTC works at moving its trainees up to a point where both OTC and the trainee know he can do better, handle a good job at higher wages, and productively live his own life. This does not happen easily. Some trainees who are capable of performing good jobs remain unable to cope with the competitive atmosphere for a long period. Some individuals need sheltered work where they may receive more extensive training, counseling, reassurance, and friendship than most employers can supply. OTC supplies this, working to build ability and self-confidence to the point where sheltered employment is no longer needed.

A key to this fine organization's success is its policy of hiring nonhandicapped employees to serve as model workers, and allow for a higher corporate level of technology.

OTC is 76 percent self-supporting as a competitive corporation working in the private sector. This unique organization is committed to a nonclinical, normalized approach that focuses upon its trainees' and employees' abilities rather than disabilities.

I wish to salute this fine organization and the people serving in it as trainees, employees, and employers. Our neighbor to the north, Canada, has already recognized the enormous potential of this organization as a national delivery system. I suggest that the OTC may also serve as a model for programs across the United States.

THE AMERICAN DESTINY

Mr. BROCK. Mr. President, an article excerpted from a speech which Secretary of Defense Schlesinger gave before the Economic Club of New York recently appeared in the Wall Street Journal. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE AMERICAN DESTINY

(By James R. Schlesinger)

Throughout the post-war period the steady expansion of trade and investment and the more or less steady growth of the international economy have been intimately related to the power and to the stabilizing force represented by the United States. To a degree, not as yet fully analyzed, loss of confidence in the underlying structure of the world economy is associated with the questioning, among other things, of America's role and America's power.

In the years since World War II the United States has acquired and has had thrust upon it a set of international responsibilities—a mission shaped in the crucible of forces, primarily political and military, but nonetheless possessing deep ramifications for international economics. This mission fell to the one nation in the world capable of sustaining it. I should like to record that the United States responded magnificently to these challenges. Its response represented an awesome historic accomplishment.

In these post Vietnam years with the discontents—one might say the national dyspepsia—induced by the conflict in Southeast Asia, there has developed a revisionist critique of America's historic role. The critique seeks to convey at root that American power and purposes have been a *destabilizing* force in the world, marked by overweening pride, the imperialist impulse, cold war passion and a growing list of alleged blunders.

For my part it is a portrait I do not recognize and cannot accept. Mistakes, undoubtedly, but in the great sweep of history it can, I believe, be said that never has there been an era of greater security, of such limited conflict, of economic growth, of trade expansion. And, may I add, of civil liberties more generally widespread than ever before. All of this took place under the aegis of American power. No great nation in the history of mankind has used its strength with greater forbearance or its resources with greater generosity.

AN HISTORIC EPIC

Pax Americana is the term frequently attached to this historic epoch. I suspect that, if the international structure grows more fragile, its attributes will be regarded with nostalgia even by its present critics. It fostered a unique period of order and stability.

Since we are now moving into a period of potential instability, reflected in distortion and disequilibrium of the international payments mechanism, the tensions in the Middle East and the apparently growing enfeeblement of several European states, we should recognize that in no inconsiderable measures these instabilities are traceable to an erosion of belief in American power and purposes.

In the next fiscal year, as a consequence of past congressional cuts and inflation, Defense Department expenditures will represent about 5% of capacity output—the lowest point since the pre-Korean demobilization. As a "burden" on the economy, the Defense Department has been cut almost in half since the Vietnam high; it has been cut by 30% as compared to the pre-Vietnam period. As a percentage of total government spending, including state and local, defense expenditures come to 16%, the lowest point since before Pearl Harbor, for whatever comfort that may provide.

Since the 1968 fiscal year the Army has been cut almost precisely in half. Compared to pre-Vietnam, it has been cut by almost 200,000 men. In the forthcoming fiscal year, the U.S. Navy will dip below 500 ships in the active fleet, a level lower than at any time since 1939—two years before Pearl Harbor. As compared to pre-Vietnamese years, the Navy has been cut almost in half. To be sure, Navy ships today have greater per unit capability than a decade ago. However, the steady shrinkage in force structure must be reviewed in terms of the military balance, and the Soviets have not exactly been standing still.

Each year the Soviets have increased their real expenditures—in constant rubles—by 3% to 5%. Today, according to the latest CIA dollar projections, which I believe to be understated if anything, the Soviet Union is outspending the United States on defense by 20%—by 25% if pensions are dropped out. In every meaningful category of defense expenditures the Soviets outspend the U.S. Calculated in U.S. prices the U.S.S.R. now outspends us by 25% in procurement, 20% in overall research and development, 20% in general purpose forces and 60% in strategic nuclear offensive forces. Since 1960 the Soviet Union has expanded its military manpower from three million men to four million men under arms. It has increased its deployments in the Far East and in Eastern Europe. It is now embarking on a major and costly expansion of its strategic nuclear capabilities.

It is evident that a continuation of the trends that I have outlined would lead to Soviet military preponderance in the Eastern Hemisphere—and the disintegration of the system of mutual security that the United States has long supported. What this trend signifies, if we should allow it to continue, is that a major underpinning of postwar stability will have to be eliminated.

This may appear to be of little moment to the many who have enjoyed the luxury of security under the aegis of American power. While I cannot pretend to state with any precision what the consequences would be of the Soviet Union becoming and being perceived as preeminent in military power, I doubt that once it has occurred that we in the United States would find ourselves at ease with the results. The consequences for our friends and allies located in the Eastern Hemisphere would be far more traumatic. How this would affect the delicate ties of interdependence, the existing patterns of trade and investment, the expansion of contacts and associations as well as economic opportunities that have characterized the postwar era, is a matter on which I shall leave you to speculate.

WORLD-WIDE MILITARY

Maintenance of a world-wide military equilibrium is essential to the American society as we know it today. An equilibrium of force is as vital in undergirding detente as it is indispensable in a period of tension. If we are to abandon the maintenance of world-wide military balance, it should be done consciously with full understanding of the long-term consequences, rather than unconsciously because of generalized discontent or the neglect of the consequences of inflation.

Unless we are prepared to defend portions of the world lying outside of North America, we shall soon find ourselves with nothing else but North America to defend. Under those circumstances, make no mistake about it, the portion of national effort going to defense would increase dramatically rather than diminish. In my judgment we would be faced with something more like a closed economy—and, even worse, a closed society. In such an environment we could gradually acquire, as anxiety mounted, some of the trappings of the garrison state.

Consequently, I believe that we have no satisfactory alternative but to continue to maintain the forces necessary to sustain a world-wide military balance. The burden is substantial, but I offer no apologies. This country is up to bearing that burden.

If we are responsible and if we recognize our responsibilities, there is no alternative. No other nation has the power to fill the role that has become the American destiny. If the United States drops the torch, there is no one else to pick it up.

PORTUGAL'S PATH IN THE FUTURE REMAINS UNCERTAIN

Mr. PELL. Mr. President, the winds of change are sweeping through Portugal, a nation possessing historic and traditional bonds of friendship with our own country and with the other nations of the Atlantic community.

A year ago, Portugal was a somnolent, rightist authoritarian state, whose government was clutching, at great cost, to the last of the European colonial empires.

Today, Portugal is governed by a leftist military regime dedicated to rapid and radical social and economic change; how leftist, only time will tell.

The pace and direction of the transition in Portugal is causing concern among many citizens of our own country, who see events in Portugal moving inexorably toward the establishment of an authoritarian Communist government that would replace Portugal's traditional Western ties with membership in the Soviet bloc of nations.

Indeed, there are those who list Portugal among the string of states that will fall to a resurgent Red Tide because of events in Southeast Asia, and demand that the United States act boldly to counter the tide.

To them I would say that what is needed now is a cool and clear-headed examination of events in Portugal, and a realistic appraisal of U.S. policy.

This examination must begin with a realization that in Portugal the forces of change have been dammed up for 50 years by a rigidly conservative, authoritarian government. And it is the Communist Party which, throughout those years, developed underground the tightest discipline and best organized cadres, which is why the Communists have so far done so well in the new Portugal.

When such pent-up social forces are released, they frequently burst forth with a fury and violence that sweeps away the good that is worth conserving along with the bad.

Fortunately, that has not occurred as yet in Portugal. The swift changes of the past year have taken place without bloodshed, massive destruction or wholesale retaliations. Indeed, thus far at least, the comparatively peaceful Portuguese revolution stands in bright contrast to the brutal realities of the revolution in Ethiopia, where another longstanding authoritarian government has been overthrown.

Thus far, at least, the Atlantic Community of nations has some reason to welcome the political eruption that terminated the moribund regime that Salazar established in 1923. One immediate result has been the liberation of Portugal's overseas provinces in Africa.

Since World War II, actually, Salazar's Portugal had become increasingly a source of embarrassment for the Atlantic Community and a cause of friction with the Third World of emerging and developing nations. The decolonization policy of the new regime in Portugal has removed a source of political dispute at international meetings intended to deal with substantive economic and social problems. The issue of the Portuguese colonies, at such meetings, was often as disruptive as the lingering problem of East Germany and Berlin in the 1960's, or the issue of the racial policies of South Africa's today.

Freed from the unproductive burden of colonial empire, Portugal should now be able to concentrate on dynamic domestic development, enabling the country to become a more productive member of Western European economic and industrial society.

In foreign affairs, the ruling Superior Council of the Revolution has announced that Portugal will continue to remain a member of NATO. The former Portuguese Government had permitted the United States, during the Near East hostilities, to use our base in the Azores and other NATO facilities to provide supplies to Israel. The new government has announced it will not permit such a use in the case of renewed hostilities, but that is exactly the position taken by other NATO countries during the last Arab-Israeli outbreak.

These indications of moderation are reassuring, but realistically, the question of Portugal's path in the future remains uncertain. Will there be an accelerated leftist turn that would ultimately enroll Portugal on the list of the world's totalitarian closed societies?

In my view, it would be tragic if, after

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tasting the sweet wine of freedom for a few brief months, the Portuguese people, like the Czechs and Slovaks in their Prague spring, should find themselves under another brand of dictatorship. To substitute one closed society for another is hardly progress.

We must face realistically, also, the fact that establishment in Lisbon of a pro-Soviet, Communist regime would create a new set of difficulties and problems for the Atlantic Community, especially with reference to NATO and the continued use of facilities on the Azores and in Portugal.

But the fact is that thus far, there is no such regime in Portugal.

A week from today, on April 25, for the first time in decades, elections will take place in Portugal. In those elections, the Portuguese people will be able to indicate to their leaders and to the world the road they wish their nation to travel in the future.

I have lived in Portugal, and I have come to know and admire tremendously the Portuguese people. With that background, I believe that if the elections are really fair and free, there is reason to hope that the Portuguese people, with their fine character and their innate sense of moderation and proportion, will avoid the selection of an extremist constituent assembly. I do not believe the Portuguese people willingly would signal in an election their consent to the establishment of a proletarian dictatorship.

The Portuguese people are in an extremely sensitive stage in the determination of their nation's destiny. In this time of transition, I believe it would be a tragic mistake if the United States adopted policies based on an assumption that the Portuguese have already cast their lot for a closed Communist society.

The socialist direction of the domestic policies of the new Portuguese regime obviously are unsettling to some in the Western Community who choose to judge all governments by the label placed on their economic system.

I believe, however, that we should carefully review the criteria by which we in the United States judge the governments of other nations.

It is entirely too simplistic to decide that any new regime that is conservative and supports the status quo is in the best interests of the United States, or that any government that is liberal or socialist is inimical to our interests and should be opposed. We should be less concerned about labels and look to the substance of each situation as it affects our own national interests.

We should be influenced less by whether a regime calls itself democratic or Communist and more concerned whether it is, in fact, progressive or retrogressive.

In my view, the important tests of a government are whether it respects human rights and bases its political structure on the rule of law; whether it rejects the use of force as an instrument of national policy except in self-defense; and whether it is willing to cooperate within the world community to find solutions for the global problems facing all mankind; problems such as environmental protection, increased food production, energy and resource conservation, arms control and disarmament, and the elimination of such social ills as drug abuse, terrorism, and economic injustices.

In these circumstances, I believe the best course for the United States to pursue in our relations with Portugal is to make it clear that friendship and good relations with the people of Portugal are highly valued by the United States, and to emphasize that the continuation and strengthening of Portugal's economic and political ties with the United States and the Western Community of nations will be welcomed.

I am convinced that it would be unproductive and potentially disastrous for us in the United States to lose our cool or over-react. In this regard I find Ambassador Carlucci doing an excellent job and believe we are most fortunate to have such a sensible and experienced diplomat there.

And I most certainly agree with the approach that I understand he has prescribed, and that is a measure of patience and understanding as the Portuguese leaders attempt to effect needed economic and social changes with cooperation of several political elements, including the Communists.

Recently, there were press reports that Secretary of State Kissinger was planning to recall Ambassador Carlucci on the grounds that the ambassador was not acting vigorously enough to prevent a Communist takeover of Portugal. Those reports I found to be unfortunate and disturbing. The State Department's subsequent categorical denial of those reports was most reassuring. I have confidence in the ambassador, and am glad that he is our man in Lisbon during this difficult period of transition.

As the April 25 elections approach in Portugal, I believe all Americans join in the hope that in the decisive months ahead, our friends in Portugal will move peaceably and steadily toward a progressive and democratic future in cooperation with the free societies of the West.

SUPERSONIC TRANSPORTATION

Mr. GOLDWATER. Mr. President, with Members of the Congress continuing to react in opposition to the flight of supersonic transportation into this country, once again I find it necessary to bring this whole question into proper and honest perspective. Mr. Charles Gardner of the British Aircraft Corp., whose company was partially responsible for the development and creation of the Concorde, has taken the arguments against the aircraft one by one and presented logical answers to them.

I ask unanimous consent that this paper be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

CONCORDE AND THE ECOLOGY

SONIC BOOM

Concorde's sonic boom will destroy buildings, menace animal life, and cause distress to humanity.

This is a classic example of inventing a skittle in order to knock it down. No one connected with Concorde has ever proposed that Concorde should be free to fly around inflicting sonic booms over populous areas of land. Most of the world's key long-haul routes—some 80 per cent in fact—lie either entirely over oceans or virtually uninhabited wastelands. By the time Concorde is within "boom distance" of a coastal gateway it will already be on a descent path at subsonic speed, and will, therefore, not be making a boom.

Similarly, at take-off, Concorde even on an uninterrupted climb to an altitude at which it can, in practice, start to "go supersonic", will already be 100 miles out to sea from such a gateway. If, in a rare case, this isn't so, then Concorde's speed will be held down as appropriate.

At subsonic speeds Concorde is, of course, just like any other airliner. It makes no boom, and approaches and lands at normal speeds. The sonic boom does not start until a speed of just over Mach 1 is reached and this speed, as we have said, cannot be achieved on an airline-type flight path until at least 100 miles from the airfield.

Quite a few countries have already stated that they will not permit commercial supersonic flight over their territory. This has been widely misrepresented as a series of decisions to "ban" Concorde. They were, and are, nothing of the kind. They are decisions to prevent Concorde, or any other civil jet, making supersonic bangs over towns and cities, something which no one involved in the Concorde programme had ever envisaged as happening anyway.

No country anywhere has taken a decision to "ban" Concorde.

On this general subject, there have been many fully instrumented tests carried out on the effect of a Concorde en-route boom on buildings and animals etc. There is no evidence at all that a SST boom causes damage to buildings of sound structure. Australian Government measurements recorded the maximum Concorde shock-wave velocity of 0.043 cm/sec.—less than 1/100th of the reference value of 5 cm/sec. used to assess the likelihood of damage.

The general reaction of most people to a Concorde boom made at cruising heights of 50,000 to 60,000 ft. has been "is that what all the fuss has been about?" Cattle especially brought together in a field and subjected to booms have not even looked up.

There are one or two parts of the world over which it is hoped to be able to negotiate supersonic corridors. These are, in the main, more or less uninhabited, but such humans—some 110 in the case of an Australian corridor—as may hear the boom are unlikely to notice anything louder than a roll of distant thunder. A number of countries do allow military supersonic flying (France is one)—and there has been no great outburst of public opinion against it. With Concorde, however, the matter—save for the corridors mentioned—does not even arise.

Finally—let no one tell you the sonic boom will upset the fish in the oceans. There have been tests—and it doesn't.

SMOKE POLLUTION

Concorde engine smoke pollution is unacceptable.

This is quickly dealt with. The present-day Concordes and all subsequent production models are virtually smoke-free. This accusation arose from the flying of the first two prototypes (now retired) and these undoubtedly did make a lot of smoke. The combustion system was changed, and now Concorde is one of the cleanest airliners in the world.

WATER VAPOUR INTO THE STRATOSPHERE

Concorde will put water vapour into the stratosphere and this will gradually cover the sky and either:

(a) Cut off the sun's rays from the ground and bring on a new ice age; or

(b) Give rise to a "hot house" effect and cook the earth to death.

This untenable allegation has virtually now disappeared even from the usual Anti-Concorde arguments. Ever since the earth has existed huge amounts of water vapour have been continuously thrown up into the stratosphere by thunderstorms and natural phenomena—but nature has taken care of it all. The water vapour contribution of 1,000 Concordes is hardly measurable compared with that of our normal weather cycle.

CHANGE IN OZONE LAYER

Supersonic Transport engines will inject nitrous-oxides into the upper atmosphere. These will trigger off a chemical change in the ozone layer which shields the earth from ultra violet rays. As a result the ultra violet rays will get through and cause skin cancer and do other great harm to the earth and its peoples.

This "Supersonic aeroplanes will destroy the ozone" allegation is the current favourite among protest ecologists and the campus chemists. At one time, their theory attracted some academic support on the basis of certain labortory work. This, in turn, depended on a belief that the stratosphere was calm and non-turbulent and had no "interchange" with the air masses below it.

This theory of a static stratosphere is now known to be false, as there is a steady interchange through what is known as the Hadley Cell mechanism. Further—the laboratory experiments produced results that have never yet been observed as occurring in nature—and so, clearly, something is wrong with the assumptions.

Our atmosphere is, in fact, a robust self-cleansing system which has successfully coped through the ages with volcanic eruptions, the atmospheric pollutants of the industrial and aviation age, and, more recently, with atomic explosions. It is true that we do not yet fully understand how nature does this, but it is a matter of documented observation that she does.

The "ozone threat" allegation is always presented as if it was peculiar to the Supersonic Transport. This use of the emotive initials "SST" is, itself, a declaration that what comes after is not science but propaganda. The ozone "case" is nothing to do with the speed of an aircraft, supersonic or subsonic, but is purely a matter of the stratospheric height at which it flies.

The stratosphere is much lower towards the Poles than at the Equator—with the result that, ever since jet transports began, their engines have been putting nitrous oxides directly into the stratosphere on the busy North Atlantic route. So have thousands of American, European and Russian military jets. On top of that, much of the emissions of all aero-engines in the lower atmosphere is carried up into the stratosphere through the air interchange mechanism. So, one way and another, huge quantities of nitrous oxides have already been put into the stratosphere by man, in addition to those which occur naturally.

If the forecasts of damage to the environment are correct, therefore, one would expect that this pollution would already have had impact on the ozone layer and would have reduced it measurably. Observations made on a regular basis by seven stations round the world between 1961 and 1970, however, have shown that, in that time, the ozone has not decreased at all—but has actually increased slightly. This trend goes back to 1954—i.e. to before commercial jets existed.

A dramatic example of upper air pollution was closely monitored by satellites in July 1970 by a Canadian scientist when a 2-megaton hydrogen bomb was exploded in the south east Pacific. This seeded the area under observation with heavy excess Nox (oxides of Nitrogen), and, again, a small increase—not a decrease—of ozone was detected. This matched up with conclusions already drawn by two other scientists who had been analysing data from earlier atomic explosions.

It is, therefore, reasonable to suppose that computer models of the atmosphere and the chemical calculations which predict exactly the opposite of what is actually known to occur, have got some basic assumptions wrong.

Man's understanding of the stratosphere is admittedly incomplete. Only in recent years have instruments been devised that can measure its composition with any precision. But measurements which have been made already invalidate the assumptions upon which the much publicised predictions of harm had been based. As conclusions drawn can never be more valid than the assumptions taken, the resulting quantitative prophesies are worthless.

Pollutant (lb.) per 1,000 seat miles

Ocean liner: 2,000 passengers, 31.0 lb.
Piston aircraft: 65 seats, 18.5 lb.
Concorde: 110 seats, 5.5 lb.
Motor car: 4 seats, 52.8 lb.
Diesel train: 500 seats, 5.4 lb.

Jet aircraft are the cleanest form of powered transport. Only one per cent of Concorde's fuel is turned into pollution products. In the case of motor cars it is 40 per cent.

For example, the rate at which ozone would be destroyed by its reaction with nitric oxide from exhaust gases is thought to be dependent on the ratio of NO_2 (Nitrogen dioxide) to No (Nitric oxide). A ratio of 2 to 1 was predicted by computer models. The actually observed data now shows that ratio to be more like 20:1 in the lower stratosphere. That one fact alone invalidates the allegations against Concorde.

The cleansing mechanism of the atmosphere has demonstrated its ability to cope with the effects of such natural phenomena as major volcanic eruptions which suddenly inject into the stratosphere vast quantities of pollutants. In the Krakatoa explosion, the disturbance created by several cubic miles of water, chemicals and solids interacting with sunlight for more than a year, caused no noted effects on long term temperature cycles, world weather, or life on earth.

This cleansing mechanism also means that any harmful effects generated by aviation, atomic explosions or pollutions seeping up from the earth's surface, is reversible, so a monitoring programme would provide an absolute safeguard.

To put Krakatoa into context, one thousand years of supersonic operation would be required to match its impact, and this assumes the fallacy that no stratospheric fall-out or cleansing would occur during those 1,000 years.

For these and similar reasons, Concorde's makers do not believe operation of aircraft in the stratosphere poses any credible threat to humanity. Perhaps all the various (and everchanging) allegations that have been made in opposition to SSTs were put into context by Dr. F. Singer some years ago when he proposed that methane from the "flatulence of domesticated ruminants" would have a greater impact on ozone reduction than a proposed fleet of SSTs—even if you still accept the assumptions upon which the allegations were based.

Finally, because man does not yet fully understand what goes on in the stratosphere, or exactly how it cleanses itself, it is clearly essential that scientific study continues. Such research is being funded all over the world, and the manufacturers of Concorde have been happy to take part in this work with measurements and observations taken from the aeroplanes on test flights in different parts of the world. These on-going studies are, in themselves, a safeguard, not just against aircraft emissions of all kinds, but against any wider pollution risks which can be detected and coped with in good time if need arises.

AIRPORT NOISE

Concorde is noisier than other jet transports and should be banned.

This allegation is also simply not true and has been disproved time and time again. Measurements officially made in the USA have supported the contention of the manufacturers that Concorde's airport noise levels—as measured in the laid down positions covering approach, take-off, and to the side of the runway—are pretty much the same as for 707's, DC.8's, and VC10's which represent 70 per cent of the world's long-range fleets. The comparative table—showing operations in 1977—when 707's etc. will still represent 70 per cent of departures—is as under:—

NOISE LEVELS 1977 4-ENGINE LONG RANGE AIRCRAFT

	Max. TOW (pounds)	Approach EPNdB	Sideline EPNdB	Take-off EPNdB	1977 Fleet size
Concorde	400,000	114.9	113.1	117.8	(1)
707–320	332,000	120.0	108.0	114.0	550
DC8–50	315,000	118.0	106.0	114.0	180
DC8–61	325,000	117.0	103.0	117.0	
Other 1st generation subsonics	258,000 to 335,000	(2)	(2)	(2)	300
747–100	710,000	113.6	101.9	115.0	280
747, latest	775,000	107.0	98.0	108.0	

[1] Under 20.
[2] Noise levels comparable to above.

Concorde movements will, of course, always be in a considerable minority and, in 1978, will still be only 2 per cent of the projected operations at Kennedy. Its impact on an airport's noise pattern will be as unnoticeable as would be the addition of a few more 707 or DC.8 services.

The fact that Concorde's noise is no worse than that of other jets has been fully reported in the USA by American journalists who took up positions near the runway during Concorde's visits to Dallas/Fort Worth, Washington, DC (Dulles), Miami, Boston, Fairbanks, Anchorage, Bangor, San Francisco and Los Angeles.

Many of these reporters previously had an admitted bias against Concorde on noise grounds, but were fair enough and objective enough to say that the fact was that it was unexceptional. Several commentators stated that Concorde indeed seemed quieter than aircraft such as the 727 which landed just before it.

It is interesting that when Concorde is known in advance to be visiting Heathrow, protests are promptly handed or telephoned in in large numbers—often couched in exactly the same terms. Yet when Concorde makes an unannounced flight to LAP the volume of protests dwindles to very small proportions.

It might be helpful, at this point, to summarise the present rather complicated position on airport noise regulations.

In the USA all *new* subsonic aircraft are now required to meet regulations known as "FAR Part 36". These requirements are stringent and cannot be met by Concorde in its present form—any more than they can be met by most of the jets now flying. These regulations, however, do *not* apply to supersonic aircraft, as the supersonic aircraft noise requirements have not yet been announced. It is assumed, however, that, when these supersonic regulations are finally promulgated, they will be much the same as FAR Part 36.

Concorde is, in any event, not a "new" aeroplane in that it was in the design stage in 1962 when there were no regulations on aircraft noise, nor were any forecast. Concorde's makers, therefore, accepted as their design aim a 1962 resolution by the International Civil Aviation Organisation that supersonic aircraft "should not create a noise exceeding the levels then accepted for the operation of subsonic jet aircraft." ICAO has 129 member nations including the USA and Canada, and Concorde was, therefore, designed to meet ICAO's expressed views—the only ones extant at the time. Concorde has, as has been shown, duly met that aim.

When the USA supersonic noise rules are issued they will apply to future SST's—but will not be retrospective to aircraft designed and flying before the new regulations were drawn up. This is in line with the application of the FAR Part 36 regulations for subsonic aircraft. These apply to all new transports, but are not retrospective to the ones already in existence.

There have been suggestions that they should—after a period of years—be made retro-active, but this has not happened. Such retrospective legislation is strongly opposed by the operators who would have to foot a crippling bill for the modification of thousands of jets at a time when the economy of the industry is already under extreme pressure. The European position is broadly similar to that in the U.S.A.

The truth is that noise reduction at airports is necessarily a long-term programme. A start has been made—but it will take many years to bring even the majority of the world's airliners down to the "Part 36" level. New technology engines have begun to be available for the new airframes, but it is not technically nor financially practicable to re-engine all the present-day fleets of jets—nor is it possible to "retire" them as they will still form the bulk of the world's air transports for years to come. They will, however, gradually disappear over the next decade and their replacements will make significantly less noise. By that time Concorde, too, will have undergone improvements (which are already being studied) to keep pace with the trend.

It is the intention of the manufacturers that, just as Concorde's noise is unexceptional today and does not worsen the environment, it will remain so. It is accepted that Concorde must not ever "stick out like a sore thumb" as far as noise is concerned.

We have gone into this noise matter in some detail because, unlike most of what is written about Concorde, this particular point is undoubtedly a serious one, and further—it also gives rise to an allegation that:—

Concorde, although it does not add to the present noise at an airport does nothing to reduce it either.

And that allegation is true. The manufacturers, however, point out that it will be years before today's Concorde makes more noise than the majority of its far more numerous subsonic counterparts, and, by that time, Concorde will be quieter too. It will also represent only a tiny fraction of the take-offs and landings at any airport.

There is one way in which Concorde can, in fact, make a speedy contribution to noise reductions—and that is by the use of a so-called "two segment" approach. This involves a steeper rate of descent than normal in the earlier stages of the landing procedure, and this can cut by 60 per cent the approach area exposed to noise levels of over 108 EPNdB.

Finally—it has to be stated that airports will not, in the foreseeable future, ever be particularly quiet places. Even if a large airliner had no engines at all the aerodynamic noise it makes by the mere act of moving through the air is, on its own, quite considerable. Society may always have to strike a balance between the nuisance caused by aviation to people living under the paths to or from runways and the service which air transport offers to the community.

A current case in point is of a USA school where study is undoubtedly much interrupted by the passing close overhead of airliners. To an outsider the case for moving the school seems overwhelming—but the local protest is, in fact, concentrated on the solution of closing the airport.

FUEL CONSUMPTION

Concorde is too thirsty a consumer of the world's slender reserves of oil.

This allegation is one which has come to the fore since the increase in oil costs, and tends to get mixed up with arguments about the price of fuel as well as of its availability and the extent of the world's reserves. The two questions are, however, basically separate.

Dealing first with the Earth's resources aspect, it is proper, first of all, to put the entire matter into perspective.

The whole of the world's aviation, civil and military, is only a very minority consumer of oil fuel. A diagram makes this point more clearly than words. To put the matter another way: a fleet of 260 Concordes operating for ten years would hasten the day when the world's known recoverable reserves of oil run dry by a matter of 16 days.

The great consumer of oil fuel is industry—not public transportation, not even cars, and certainly not aviation. Oil, it should be remembered, is now the raw material for many products.

It surely seems predictable that long before the world's oil starts to get scarce, the wit of man will have devised alternative sources of industrial power, and of materials. Indeed, many such projects are now under way. They have not previously attracted much Research and Development investment or effort because, while oil was cheap, there was no great incentive to find an alternative. That is no longer the case, and the R & D programmes are now well launched all over the world. The spur is not, in fact, the threat of world fuel scarcity—but of the impact of its inflated price.

It is reasonable to assume that, inside maybe a decade, the huge industrial demand for oil fuel will start to decline as alternatives come along. Indeed, many scientists predict that long before oil starts to be scarce it will have been replaced via a science and technology which is only just starting out to bring the real weight of its abilities to the problem.

ECONOMICS

The current energy crisis is more one of cost and politics than of supply. Examined on that basis it can be shown that fuel costs represent about the same percentage of total operating costs for both supersonic and subsonic aeroplanes. So, contrary to widely held opinion, the impact of rising fuel costs is no worse for Concorde than for subsonic aircraft. Concorde burns somewhat less fuel to fly a trans-Atlantic or a Pacific distance than a 747. But, if both aircraft are full, the smaller Concorde undoubtedly uses about 2½ times more fuel per passenger. In fact the 747's, as is well known, are often much less than full, whereas few dispute that Concorde will rarely fly with less than 80 per-cent of its seats filled. The balance of efficiency, therefore, will, in practice, move much more towards Concorde than the disparity in size of the circuit would suggest. Also on the side of Concorde's overall efficiency is the time it saves for the world's business community, which is the true reason for the aircraft's existence.

Another factor in this discussion—which, we stress, is basically one of overall airline economics rather than of the world's oil reserves—is that Concorde services will, to a measurable extent, replace some that are today run by 747's. On a per trip basis, Concorde uses less fuel than a jumbo.

If we study the relative fuel efficiency of Concorde as against a B747 in the carriage of those first-class passengers who will be the majority of Concorde's market, we find that Concorde is 10 percent more efficient than the subsonic operation over a 3,000 n.m. stage.

The arithmetic works out at:—

B747—40 first class+320 economy class seats, with a typical first-class load factor of 34 percent=0.77 lb of fuel per first-class-passenger-mile.

Concorde—at 65 percent load factor and 108 seats=0.70 lb of fuel per first-class-passenger-mile.

Passenger Environment

OZONE CONTAMINATION

Concorde passengers are likely to be poisoned at high altitude by ozone contamination in the cabin air.

Untrue. The Concorde's cabin air is tapped from the engine compressors at very high temperature. High temperature destroys ozone. In the unlikely event that any residual traces ever survive, these are removed by catalytic filter.

RADIATION

Concorde passengers and crew are exposed to grave radiation dangers.

Untrue. Concorde passengers on any route will be subjected to less radiation risk than are the passengers on today's subsonic flights. The radiation is more intense at higher altitude—but there is a much shorter time exposure to it.

What Concorde has to look out for is solar-flare activity—which does carry a very high intensity of radiation. Solar-flare activity is, however, predictable, but as a safeguard there is a meter on the flight deck. All that the pilot has to do to counteract high radiation is to descend to a height at which the atmosphere provides protection. A survey has shown that Concorde would have had to have reduced altitude five times in the last 39 years. That assumes that the flare activity had not been predicted before take-off—which, to date, it has always so been.

Why Speed?

SUBSONIC IS "FAST ENOUGH"

"There is no point in flying at twice the speed of sound. Six hundred miles an hour is fast enough for anyone."

This is a viewpoint which would hardly be subscribed to by anyone who had just flown the route between Sydney and London, or between the UK or USA and Tokyo, or across the Pacific. Their reply would surely be "Roll on the Concorde and the day when this trip can be done in half the time."

It is beyond argument that, translated into reduced journey times, speed is the airline industry's most saleable product to the regular business traveller who provides the bulk of airline revenues on most long distance flights. Reductions in journey time and increases in frequency are major twin stimuli to traffic and revenue growth, as they provide the passenger with a wider selection of convenient departure and arrival times. The latter are still the key factor in the regular travellers' selection of a particular flight.

Concorde will get there in half the time, opening up a wider window for scheduling departures during saleable hours of the day and offering consequent reductions in boredom, fatigue and disturbances to the body's clock. A 3½-hour trans-Atlantic flight can be tucked into a morning, afternoon or evening and the Pacific spanned in a working day.

This capability will spell the end of the "red-eye" flight on many routes and greatly reduce strain on the body's clock when crossing time zones. For example, the subsonic passenger traveling to the Argentine departs from Los Angeles around 8 p.m., flies all night, and lands around two o'clock the following afternoon. The Concorde passenger could depart from Los Angeles at noon and be in Buenos Aires by midnight.

Leaping the Pacific time zone, Concorde could provide "same day" service from Sydney to the USA west coast with a 7 a.m. departure arriving in San Francisco at 9 p.m. The subsonic passenger endures the five-hour time-zone change added to a 17½-hour flight, and arrives exhausted the following morning.

Flying from New York to London, today's passenger finds himself faced with a choice between a morning flight or an evening flight resulting in a lost day or a lost night. As all current aircraft achieve roughly the same journey time, it is impossible to schedule a late morning or an afternoon flight which does not deliver the passengers at London in the early hours of the next morning.

The introduction of Concorde services will permit schedule coverage from the early morning period through the early afternoon, smoothing the departure peaks, improving connection possibilities, and providing a far better service to the air traveler.

On many of the routes where Concorde is operated, not only will time be saved, but, by choosing the best departure time, the traveller will lose less sleep and make more productive use of his own time.

THE 12-HOUR WORLD OF THE SST

"Travel is fatal to prejudice," Mark Twain once wrote, and since the dawn of man travel has been the catalyst of civilization as it brings people together creating and exchanging new ideas through a cross-pollination of knowledge. The international growth of postal and telephone services has paralleled but has not replaced travel.

The "strongest human argument" for an SST, according to Dr. Edward E. David, one-time director of the US Office of Science and Technology is its "potential to rationalise the culture and economies of the Americas, Africa, Asia and Australia" just as the subsonic jet "catalyzed the trans-Atlantic community" when it shrunk the Atlantic down to a 7½-hour journey in 1958.

Transportation is the economic throttle, and in any society the living standards and quality of life are directly related to the standards and quality of the transportation service available. By speeding up the air links Concorde will bring substantial social and economic advantages. From its inception air transport has demonstrably led to faster development of the Third World and to increased trade reciprocity between the highly industrialised nations.

For the U.S. alone a Market Fact survey has quantified Concorde's spread of trade impact as creating an additional 12 per cent growth in the overseas business travel market.

JET-LAG MINIMISED

Jet-lag, which impairs the decision-making efficiency of most people, was "significantly reduced" by Concorde during trial services in which the reaction of some five hundred passengers was sought. This is a verdict which is supported by Dr. Michael Omerod, Medical Officer of the Commercial Union, a prominent British Insurance Company. He says that a one-day supersonic trip, between east coast cities and London or Paris "might in some ways be more satisfactory than a normal subsonic flight involving a two or three-day visit with all the consequent upsets to Circadian physiological rhythms."

Circadian rhythms are the operating cycles controlled by the body's clock which is programmed after birth by the normal sequence of daily living. Dr. Omerod adds that any disruption of this pattern affects the travellers' well-being. Sleep disturbance alone is a major factor in any flight entailing a time change of five or more hours.

"Much research," the doctor goes on, "has been focused in recent years on this subject and many companies and government departments are beginning to lay down definite rules about travel for their senior management. A 1969 survey on 315 executives in leading British and American firms showed that 87.5 per cent suffered disturbed sleep for one or more nights after such disorientating flights; 50 per cent conducted some business before any sleep, although only 15 per cent claimed to be quite fit when doing so. An executive may well imagine that he is up to his normal standard of mental acumen and efficiency and, like an alcoholic, be quite euphoric.

"Other physiological rhythms temporarily upset include bowel action and water balance. Body temperature variation is altered and the body clock is thrown out of phase. This means that one's high and low temperature levels, geared to a particular time cycle, are suddenly operating at the wrong times. It has been found that this variation is linked quite closely to brain function, especially to alertness."

We do not claim that Concorde is the instant cure for all this. We do claim that experience has already shown that it reduces the problem considerably.

Concorde Is Profitable

PROFITABILITY

Concorde costs far too much to operate and cannot make a profit so the airlines won't buy it.

Wrong on two counts and hopefully so on the third.

Without going into all the complicated details of the calculations of airline direct operating costs the following can firmly be stated:—

The figures arrived at between the manufacturers of Concorde and British Airways show that, on the British Airways proposed Concorde network, at a fare structure varying from today's first class to first class plus 20 per cent according to the route—Concorde will break even at a 50 per cent load factor on a 100 seat layout. This means that the 51st passenger will be "profit"—and that, in a 108 seater, the break even load factor to the standard formula will be 46 per cent.

These are not BAC/Aerospatiale "loaded" figures—but are the ones arrived at in the most hard-headed way by the actual operators. It is no secret that the manufacturers themselves maintain that in practice, the break-even load factor will be even lower.

The only question, therefore, is whether Concorde will attract 50 or more passengers per service. If it does—it will be profitable.

It is, of course, not possible to answer that question save, perhaps, by asking another and rhetorical one:—Does anyone really doubt it?

All the passenger surveys which have been done to date indicate that, at the fare rates mentioned, nearly all today's first-class passengers will move to Concorde when they get the chance. This is hardly surprising since such passengers already pay up to a 70 per cent surcharge just to get some extra comfort and leg room and—not to put too fine a point on it—free food and drinks. They gain nothing in time. The "exclusive" front end of today's aeroplane gets there at the same time as the rear coach compartments. The first-class travellers, therefore, will predictably be willing to pay the Concorde surcharge when the "front end", as it were, gets there twice as quickly.

But the surveys also show that a minimum of 30 per cent of the business travellers who today pay full-fare coach—(mainly because their firms won't pay the extras just for their representative's comfort)—will also move to Concorde when "Concorde class" cuts the journey time by half. All long-haul travellers know full well that there is much more to this halving of journey time than just getting there quicker. Travel fatigue net jet-lag is drastically reduced, and by a dividing factor of much greater than two. This is really important—even on the North Atlantic, let alone on routes such as London—Sydney, and US West Coast—Tokyo or the Pacific.

If you add to the first-class passengers that 30 per cent of other business travellers who today pay full-fare coach but who have been identified as opting for Concorde—you already have enough people to fill about three quarters of Concorde seats on the proposed schedules. This is with no allowance for traffic growth, or for the fact that, by reason of its speed, Concorde is bound to generate new traffic in its own right. By this we mean people who do not make a journey now "because it takes too long and takes too much out of me"—but who will make that journey when these objections are no longer valid.

There is, in fact, a general acceptance by airline men, especially in the U.S.A., that Concorde will fly practically full on every service for years to come. And if it does so, then it will make a very fat profit indeed.

We might also add that all the facts and figures of every kind of transport since (and including) the stage coach, have shown that the moment place "A" comes within a 12-hour journey of place "B", then traffic between A and B increases dramatically. This happens irrespective—within reason—of the fare structure. It is, certainly initially, a function of speed not of cost.

The graph of the growth in the North Atlantic traffic, illustrates a typical case in point. There are many city pairs—notably on the Pacific, Australian and Japanese routes—where Concorde will, for the first time, bring A within a 12-hour journey of B. If the traffic between those places doesn't then experience an upsurge—it will be for the first time in the history of all transport.

THE MIXED FLEET

There is a second Concorde "economic" question which is often put by the better informed—viz.

"We accept that Concorde will probably make a killing. But what about its effect on aircraft like the 747 in which the airlines already have a heavy investment? They surely will lost money to a counterbalancing effect."

This is generally known as the "mixed fleet" problem—and clearly it is indeed a problem. It is, however, not dissimilar to one which the airlines have faced before (and to much greater extent) when jets made all propeller aircraft obsolete almost overnight. The Concorde, however, poses no such dire threat. It will be integrated, on a minority basis, into current fleets and will not replace present aircraft—only augment them.

One of the possible outcomes of Concorde taking away all the first-class and many of the other full-fare passengers, is that the subsonic aircraft can better be used, and more economically, by the scheduled airlines to compete with the very low fares offered by the supplementary carriers. At the moment the major airlines are restricted in their competition for this market by the fact that, in their 747's, they now have to cater, inside the same airframe, for virtually three classes of passenger:—the first-class, the full-fare coach, and the "special-rate" parties or groups. Two of these classes expect a high standard of cabin service for their (or their firm's) money. The supplemental carriers, however, can put the maximum number of seats into a 747—run a "bring your own sandwiches" type of basic operation, and often fly only when the plane is fully booked.

With most of the full-fare payers out of the way on Concorde, the airlines might well be able to enter the competition for the vacational and cut-rate traffic in real earnest. Another, and obvious alternative, is to cut back on 747 schedules and requirements, but as this is not going to be an immediate issue, it is something which can be fully planned in a way which should eliminate problems.

Many airline experts see Concorde as ushering in the start of a two-type service—an SST "business service" at premium fare and "all coach" on the subsonics.

These are all clearly matters for the operators to decide in the light of the route, the traffic density, the frequencies and so on. One thing is for certain—supersonic travel is not now going to go away. Once Concorde services start in early 1976, not many business travellers are going to be happy to take twice as long on a flight when they can book SST. The main thing which air transport has always sold is speed, and Concorde represents the biggest advance ever made in the industry's main commodity.

"Why then don't all the airlines rush to buy it?"

Two basic reasons: they have been having a bad time economically, and, until very recently they have been hoping that Concorde would be cancelled and their dilemma vanish with it.

It is no good pretending that, at this time, the big US carriers, for instance, want to buy Concorde—or, for that matter—any other new airliner. They would much prefer to carry on with the equipment they already have. This, it may be recalled, was the general attitude at the time of the first jets. The one thing they were certainly not going to do while all the debate was going on in Britain up to mid 1974 about whether Concorde should be cancelled, was to encourage Concorde by ordering it. Quite the reverse. They by no means wanted British Airways and Air France to be offering supersonic services in 1976.

The situation is today a bit different. Concorde is now certain to be put into operation, and so, for that matter, is the Russian TU.144. When this happens, the SST's will, as already shown, cream-off the first-class passengers and also many of the full-fare coach business travellers on any route on which they fly. This means that the high-yield traffic—the full-fare payers—will go to Concorde. Yet it is the high-yield traffic which subsidises the cheap promotional fares on which the carriers rely in their fight to keep up the load factors on the 747's. The full-fare payers—who make up the natural Concorde market—may only be 25 per cent of a long-haul airlines' annual passenger total, but they provide nearly half the turnover. So, if they defect to Concorde—as they will—then a non-Concorde carrier is badly placed.

The situation, as the manufacturers see it, is that the major overseas airlines will wait until mid 1976 to see how Concorde shapes up in the first months of actual service, with especial reference to load factors, reliability, and impact on other services. They will then be forced to come to the conclusion that, if thev want to stay in the profitable high-yield traffic business, they, too, will have to get hold of some Concordes. For the first year or two the actual cash effect on their income of the Concorde competition will not be catastrophic because there will be only a few Concordes flying. Nonetheless, the writing for the longer term future will be clearly on the wall, and there will inevitably be some carriers who will see that the use of Concorde will not only protect their position, but will be the means—maybe the only means—of them becoming a profitable enterprise. There may well be initial lease deals of one kind or another to enable them to "go supersonic" quickly—and once a Concorde is deployed on any given route (such as those between North and South America)—then the competing carriers will have no choice but to follow suit. By that time they will have realised that, in any event, there is big money in operating supersonic services. On long-haul it is still the businessman who counts most. He has to travel. The leisure passengers do not—and in times of recession, they don't.

MINK AND DIAMONDS

The whole project is a waste of money which could have been better spent on much worthier causes than providing supersonic travel for the rich and a few film stars.

This argument—and countless other variations on the same theme—is now an academic one and was only ever of basic and domestic concern to the taxpayers of Britain and France. The money has, in the main, already been spent and Concorde exists and is going onto the air-routes.

Of course the same monies would have built many hospitals or schools or miles of motorway—but hospitals, schools, and motorways can't be exported, and industrial countries have to export products like Concorde in order to be able to afford social services at all. By the time Concorde is established on the airways it will have cost the partner-nations an average of well under £50 million a year spread over the programme. This, especially in today's terms, is hardly a staggering sum.

It restores some perspective to recall that the USA spent more on its SST than Britain has on Concorde—and the USA still doesn't have one.

What is undeniable is that to embark on a Concorde now would cost many times as much, and it is most unlikely that Concorde will ever be competed with in its size and class. An American SST—which many assume will, in the end, be built—will inevitably be much bigger, and it can't be in service for a dozen years at least. For that time Concorde will have a Western World monopoly of supersonic transports.

As there is obviously no point in the USA building a similar sized aeroplane, a new and bigger SST will, one day, replace Concorde on the high-density routes. But Concorde will then move onto those many other services which, by natural growth, will have come up into the SST league.

In short—for all the foreseeable future and well into the 21st century—Concorde and its natural developments will continue to be built and operated.

What that will mean to the economies of Britain and France is not possible to compute, but, at the end of the day, Concorde should prove to have been a very good 1960's and 1970's investment. This is to say nothing of the benefits which have already accrued to European technology on many fronts as a result of designing, building, equipping, and developing the western world's first SST and putting it into service.

The "rich men and film stars" jibe is, of course, nonsense.

The people who will travel in Concorde will be the businessmen who will count the extra cost against the time saved and the avoidance of the "day of acclimatisation" at the other end to recover from the journey and the jet-lag.

All over the world, every day, thousands of executives engaged in all kinds of industry—salesmen, engineers, accountants, consultants, civil servants, and so on and so on, are flying across the North Atlantic, the Pacific, to South America, to Africa, the Middle East and India, and to every major city of the world. That is a fact of life—and it is a traffic which is bound to increase. Some of them may well be film actors and some of them may, indeed, be personally wealthy. But the large majority is of every-day people going about the normal duties of international commerce—and they are the people who will welcome Concorde and who will use it.

THE PROVING OF CONCORDE

Supersonic travel is bound to be more dangerous.

There is nothing new about flying supersonically. Military aeroplanes have been doing it for years. The problems are well defined and well understood, and Concorde had the advantage that an unprecedented amount of basic research had been done on it before the project even got the go-ahead in 1962.

The test programme for Concorde calls for nearly 5,000 hours of flying covering all climates and conditions. This compares with 1,449 hours for a subsonic aircraft like the 747. By the time Concorde is on the air-routes it will be the most tested and proven airliner ever to enter service.

The flight programme is backed by the toughest series of ground and structural tests yet devised. Every relevant component and system has been tried and tried again throughout the whole range of temperatures to which the aeroplane is exposed. Two whole airframes have been built purely for structural and fatigue testing, and the fatigue specimen at RAE, Farnborough, will have made some 6,250 simulated flights before the granting of a Certificate of Airworthiness. The initial target for the airframe "life" is 45,000 hours—the equivalent of 24,000 flights. The ongoing programme after C of A will ensure that the fatigue test "Concorde" has always done three times as many hours as any Concorde in service.

The Government test and laboratories of Britain and France, helped by most of the other European centres of air research, and backed by work in the USA, have combined in the effort to make Concorde and its engines not "just as reliable" as today's aeroplanes—but to set new and more stringent standards.

The manufacturers believe that the value of the years of preparatory work and tests at Farnborough, at the French CEAT at Toulouse and throughout Europe's best laboratories has already paid off in the remarkably smooth progress of the flight programme since the first prototype flew in March 1969. Already various Concordes have carried hundreds of special passengers to destinations on every continent. Throughout 1975, further Concordes will fly on British Airways and Air France "shadow services" literally all over the world—their arrivals and departures becoming a matter of mere routine.

CONCORDE THE TIME SAVER—A FEW EXAMPLES

Route	Time (hours, minutes)	
	Present schedule journey	Concorde journey
Acapulco-New York	4.50	2.55
Auckland-Los Angeles	15.15	8.40
Auckland-London	28.40	17.05
Bogota-Paris	12.00	6.45
Bombay-New York	23.20	10.35
Boston-London	6.35	3.10
Buenos Aires-Lisbon	13.30	8.10
Buenos Aires-Mexico City	13.00	5.55
Buenos Aires-Paris	14.50	9.10
Caracas-Paris	11.10	5.45
Honolulu-Los Angeles	5.15	2.30
Honolulu-Sydney	10.00	5.50
Lima-Paris	16.30	7.30
London-New York	7.05	3.30
London-Sydney	24.00	13.15
Los Angeles-Sydney	17.40	9.05
Los Angeles-Tokyo	13.00	6.15
New York-Paris	7.30	3.35
New York-Tokyo	14.40	7.30
Paris-Toronto	9.30	3.50
Paris-San Francisco	15.10	6.50
San Francisco-Sydney	17.55	9.10
Singapore-Sydney	7.50	4.35
Singapore-Tokyo	8.10	3.15
Tokyo-Honolulu	7.25	3.35
Tokyo-London	14.40	6.45

FURTHER QUESTIONS

How fast is Concorde's cruising speed?

Mach 2 or twice the speed of sound or 1,350 m.p.h. or 2,170 k.p.h. at altitude.

How far does it go and with what load?

The initial entry into service Concorde will carry 25,000 lb (11,340 kg.) of payload for 4,000 n.m. (7,400 km.) with reserves.

How many passengers?

Probably 108 in a single premium-class layout. Concorde can carry up to 128 passengers in coach-class seat pitch.

What is its landing speed?

About 180 m.p.h. (289 k.p.h.).

What altitude does it fly at?

Between 50,000 ft. (15,240 m.) and 60,000 ft. (18,250 m.).

What is the width of Concorde's "boom carpet" when it is cruising?

About 43 n.m. (88 km.)—but the intensity falls off a lot to the sides of the "dead overhead" line.

Do the passengers notice anything when Concorde goes supersonic?

No. The only way they can tell is from the cabin Machmeter indicator. The only noticeable difference between travelling in Concorde and in any other jet is that the destination comes up in half the time.

Why does Concorde have its famous "droop nose"?

The nose is lowered to improve the pilot's visibility at take-off and landing. It is raised at high speed to streamline the aeroplane. The lowering is necessary because Concorde, having no flaps, approaches at a high angle of attack to achieve reasonable low landing speeds. This can result in reduced forward visibility if the nose is in the "up" position.

What is the cabin altitude inside Concorde when it is at 60,000 ft?

The equivalent of about 5,500 ft. (1,700 m.) compared with 7,550 ft. (2,290 m.) at the cruise height of a lot of the subsonic jets.

What is the top skin-friction temperature of the aeroplane at Mach 2 and does it glow red hot?

About 120°C near the wing leading edge. The parts of Concorde that get hot are mostly made of titanium. No—it doesn't glow red hot.

Can Concorde still "get there" if for some reason it has to fly subsontcally?

Yes. It doesn't use much more fuel subsonically than supersonically and this is allowed for in the flight planning and in the fuel reserves.

What happens if Concorde suddenly loses power when flying supersonically?

It just slows down. There is no big swerve or any such effect because the engines are grouped together near the centre line. Many times in test-flying Concorde pilots have cut off two engines on one side at Mach 2 with no resulting problems.

Is it difficult to fly?

No—it is very easy to fly. Many airline pilots have confirmed this and have praised the aeroplane highly.

Will Concorde be developed to fly much faster?

No. One of the big points about Concorde is that it is mainly built of normal aluminum alloy about the behaviour and properties of which there is a wealth of engineering experience and knowledge. If Concorde flew significantly faster it would have to be made of steel or titanium which would add enormously to the weight and the cost. Much of the outstanding success of Concorde's test programme is due to the fact that its normal cruise speed is limited to a relatively "modest" Mach 2—enabling it to be built of conventional materials. Concorde's normal development programe will concentrate on payload and range as with every other jet. Subsonic jets hit a speed plateau of about 600 m.p.h. a long time ago because, above that speed, the air resistance or "drag" increases so rapidly it would use far too much fuel to overcome it. Concorde goes quickly through the drag-rise or so called "sound barrier" speed bracket, and emerges into the easier aerodynamic conditions on the other side.

IN PRAISE OF CONCORDE

"The extraordinary thing is that it's just like flying at any other speed. If you weren't looking at the dials you would have no idea that you were flying faster than the speed of sound. From that point of view it's a disappointment." HRH The Duke of Edinburgh.

"It's so quiet, so sweet, so silent a ride." President Pompidou.

"Take-off and landing seemed sensationally easy and transition from subsonic to supersonic was very smooth. It was a fascinating sensation to sit in Concorde as one might in any jet airliner and watch the clouds go by like a speeded-up film." HRH Princess Margaret

"What this aircraft is going to do is to make supersonic flight both comforatble and commonplace. I give my best wishes for the future of Concorde. I thoroughly enjoyed it. It was as steady as a rock." Edward Heath—then British Prime Minister.

"Soon there will only be two breeds of airlines—those who have Concorde and those who have not. . . . We are confident of filling up our Concordes." M. Pierre Cot—then President of Air France.

"It was a marvellous flight and there was nothing that any passenger could conceivably complain about.

One does not really react to speed at a great height, and neither was there any feeling that one was landing at high speed. I don't think the average person will notice any difference at all in this type of supersonic flight—except that he gets there quicker." Sir Frederick Corfield—then British Minister of Aerospace.

"Supersonic transportation appears inevitable." Gerald Kayten, Director, Study and Analysis, U.S. Office of Aeronautics & Space Technology.

"Supersonic travel for business purposes is a certainty. Concorde will be a success." Lord Boyd Carpenter, Chairman British Civil Aviation Authority.

"Mach 2 is routine. As Concorde proves economically viable the airlines will buy it. The United States has got to get on the SST programme." Mr. Art Kelly—President of Western Airlines.

"I look forward to introducing the Concorde into service and making a success of it, and I am sure it will be." Mr. David Nicolson—Chairman of British Airways.

"Concorde is undoubtedly a very impressive aircraft which could perfectly fit in a multinational Arab airline. Remarkable by its safety and speed, Concorde is indeed the expression of the genius of France and Great Britain." HE Faisal al Mutawa, Kuwait's Ambassador in France.

"Even with a relatively small number of aircraft in service, the Concorde and TU.144 operations present serious challenges to U.S. airlines which must compete with them. Travellers have shown conclusively throughout history that they place a high value on reduced time in transit, particularly for the longer distances. Faster travel expands the individual market area for the business traveller. Speed provides more time at destination for those who travel for personal reasons or pleasure." Mr. Fitzsimmons—Director of Advanced Supersonic Transports, McDonnell Douglas Aircraft Company.

"It was like experiencing a taste of tomorrow today. Once you have done the Atlantic in three hours, you are going to find it very difficult to do it again in seven by subsonic jet." David Frost—TV Personality.

"Noise levels are no greater than aeroplanes flying today. My personal prediction is that the U.S. will certify Concorde." Mayor Alioto of San Francisco.

"Technically this is a fantastic aeroplane. Flying in Concorde feels exactly the same as flying on other aircraft. You only know that you are supersonic by looking at the speed indicator in the cabin. It flies so high and is so comfortable, it is less affected by headwinds, and the cabin is just the same as other aircraft." Senor Rodriguez Torees—Director of Civil Aviation in Mexico.

In this booklet, we hope we have given responsible answers to the kind of criticism which is levelled against Concorde.

A lot of it, especially on the ecological side, stems historically from the protest-propaganda which was rampant at the time of the US SST debate. If the history of the politics of that narrow decision to cancel the American project is ever written, it will be instructive to discover how big a part in it the last minute ecological scare stories actually played.

What is certain is that these stories were taken up first by sympathetic sections of the press in the USA, and then all over the world, and have been carefully fostered ever since. The reason for this is not far to seek. The Ecological Protest Groups and Societies in the USA which have campaigned, not all that successfully, on many other fronts, regard the cancellation of the American SST as their major battle-honour to date. Concorde, as such, was not their initial objective, but they now see it as a threat, not only because Concorde is exposing the fallacy of many of their allegations but because it may also, in longer term, spark off a revival of the American SST project. They would dislike that very much because they want to see the investment monies involved used for other and mainly social purposes. The ecological allegations and their pseudoscience have, therefore, now been transferred to Concorde.

That their arguments are not valid, has, we hope, been shown in these pages. Nothing we say will, of course, stop the stories being spread on the old and tried and tested basis that a denial never catches up with a well-tailored allegation. It is of some interest, however, that scientists of international repute, who have for many years been calling attention to the grave and general problem of pollution, have already lost patience with many of these international groups. This is on the grounds that, in order to attract attention and support, they make exaggerated and dramatic assertions which cannot be supported and which then tend to bring responsible ecological warnings into disrepute: It is the old story of crying "wolf". Several scientists have indeed appealed to them to stop chasing targets like Concorde which are not likely to do any harm to the environment and don't matter, and concentrate on things which do—such as the pollution of rivers and of the sea. These appeals, however, are likely to go unheeded for the reasons given.

We, as manufacturers, have, however, found, as we said earlier, that the best reply to those who oppose Concorde is Concorde itself. It is difficult to go on saying that it is noisier than any other aeroplane when thousands of local people have seen and heard it operate and know this isn't so. It is no good alleging that it makes polluting smoke when anyone can see that it doesn't and it is no good saying it needs special runways or special air traffic procedures when it has already operated completely normally from many of the world's main international airports.

There is nothing different about Concorde except that it halves journey times round the world. Otherwise it is just another jet—both from the point of view of the passenger inside it and the environment in which it flies.

Concorde should surely be welcomed for the positive good it will do—rather than be made the subject of speciously contrived folklore or superstition.

Concorde—in one giant stride—will have the size of the world for the travellers and the traders. It will bring Tokyo within 7 hours of Paris; and of San Francisco; Australia within 13½ hours of Europe, and make London-New York-London a day trip. In the wake of the men who will speed across the oceans in Concorde, new trade and industries will follow—as they always have followed each great advance in transportation.

The slow and painful progress of man towards one world has always, throughout history, been limited by his means of transportation—the horse, the coach, the sailing ship, the railways, the steamship, the automobile, the aeroplane and the jet-plane. Concorde is only the latest in the series of these inevitable steps of progress. In time, it, too, will be superseded by 21st century science. But, whatever comes after, Concorde's place in history will be certain for all time.

POSTSCRIPT: CONCORDE CLEARED OF POLLUTION CHARGES

After this book was written and indeed, when it was actually at press, the U.S. Government published the findings, after three years of work, of the important and authoritative scientific investigation on pollution. This enquiry was ordered by Congress through the Department of Transportation in 1970, when the allegations of atmospheric pollution against SSTs were first made.

The American investigation—known as the Climatic Impact Assessment Programmé (CIAP)—virtually confirms what we have already said in our pages devoted to this subject.

The conclusions of the investigating committee, in summary, are:—

1. The presently scheduled fleet of world SSTs cannot harm the earth's environment.

2. One hundred Concordes, each operating in the stratosphere for 4.4 hours every day, would have no effect on the ozone which is capable of detection. For example, the minimal change which can be measured in global mean ozone is estimated at 0.5 per cent (the normal natural fluctuation over Washington, D.C., however, has been observed at 25 per cent). It would take 125 Concordes even to reach the measurable 0.5 per cent, and the Report says that these percentages must be seen against a background of a natural variation of as much as 30 per cent between Texas and Minnesota.

3. In any event the effects of potentially harmful pollutants from high-flying air craft can be remedied, and there is plenty of time to apply those remedies.

4. The two potentially harmful pollutants are Nitrous Oxides and Sulphur Dioxide. The first can be reduced to negligible proportions by reducing engine combustion temperatures, and the second can be reduced by a factor of ten in the fuel refining stage at a cost of half a cent per gallon.

5. Mankind is a long way from producing any detectable change in ozone concentration—but world monitoring should continue and world emission standards for engines might be considered necessary. The provision of such air quality standards to be applied to future aircraft engines could provide the remedial action if this was thought desirable.

6. These are pollution sources of much greater menace than the SST: rocket effluence from the Space Shuttle, aerosols and the automobile, for example. The SST is merely a "pimple on the problem".

7. The Director of the U.S. Government Department of Transportation Study Project (Dr. Alan Grobecker) when asked to relate to skin cancer the half of one per cent reduction in ozone (the minimum change which can be measured and which might be caused by 125 Concordes) replied that this was the equivalent of "45 minutes more on the beach." Only one in a hundred cases of skin cancer was fatal, and, if probability of death on the highway was one in ten thousand, then the chances of anyone dying from a half per cent reduction in ozone were "orders and orders of Magnitude less".

This CIAP Report, which involved nine other U.S. Federal agencies, seven other countries, thousands of independent scientists, and many universities, will surely be taken as authoritative by Governments, scientific bodies and serious environmentalists all over the world. The "Doomsday" accusations against Concorde must now collapse.

INTERNATIONAL ASPECTS OF THE PRESIDENT'S ECONOMIC REPORT

Mr. HUMPHREY. Mr. President, the Joint Economic Committee has recently completed its annual hearings on the President's economic report. On March 5, the committee was privileged to have before it three distinguished international economists, C. Fred Bergsten, Edward M. Bernstein, and Ronald Muller. These men presented most illuminating testimony on the international economic situation. Most interestingly, they have pointed up how little we consider the interrelationship of international and domestic events. Because of the size of the U.S. economy and relative dependence of other countries on our markets, what the United States does or does not do to get our economy moving will have a profound impact on the economic prospects of other countries, both in the industrialized and developing areas.

Simultaneously, the United States is no longer so independent of external economic events that it can afford to ignore them. In the past 2 years, OPEC's quadrupling of oil prices, massive sales of wheat to the Soviets, and skyrocketing demands for raw materials all have had serious inflationary impacts on our economy. Unless other industrial countries begin to reflate their economies, the drop in demand for U.S. exports could result in further economic slowdown and loss of jobs.

In our Joint Economic Committee annual hearings, there has been pitifully little discussion of the international economic situation and its impact on domestic programs. The administration witnesses we have heard have barely touched on these issues. It is no wonder that there is so little appreciation of these issues.

In these discussions the witnesses pointed up that, indeed, the No. 1 priority was to get on with a strong economic recessionary program. In addition, United States and other industrialized countries must continue to be concerned about controlling inflation.

I was particularly interested in Mr. Bernstein's observation that the view that oil surpluses provide the rest of the world with a basis for a great increase in capital formation is fallacious. He pointed out that the total of oil surpluses acquired by the OPEC nations is matched exactly by the demand for funds to finance oil deficits; the increase in OPEC savings is matched by a decrease in savings in the United States. Therefore, the OPEC surpluses do not provide extra forms of savings for the world.

Mr. President, I ask unanimous consent that the statements of Mr. Bergsten, Mr. Bernstein, and Mr. Muller be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF C. FRED BERGSTEN

The international monetary system faces two new sources of major instability. Taken together, they could severely disrupt both the world economy and overall relations among nations, both in the short and longer run. They will clearly affect U.S. national interests adversely. Yet each is virtually ignored in the Economic Report of the President and the Annual Report of the Council of Economic Advisers. Each requires major changes in the current policy of the United States.

THE POLITICAL EROSION OF THE DOLLAR OVERHANG

The international value of the dollar is now of major importance to the U.S. economy. Its growing *overvaluation* in the late 1960s was depriving the U.S. economy of at least 500,000 jobs by mid-1971. It was thereby raising our national rate of unemployment by about 20 percent (from about 5 percent to almost 6 percent), and was in fact nearly doubling the rate of unemployment above the policy target of 4 percent. The *depreciation* of the dollar since that time has been responsible for at least 25 percent of the increase in our rate of inflation, and perhaps a good deal more, primarily by raising the cost of imports.[1]

Yet the international value of the dollar is subject to (a) steady downward pressure and (b) sizable and erratic fluctuations, both largely unrelated to the current economic position of the United States, because of the "dollar overhang." The overhang is the huge stock of dollars held outside the United States, which ranges somewhere between $100–$200 billion.[2] Sales of these dollars from one foreign holder to another depress the value of the dollar, without any participation by U.S. residents. The main U.S. objective in pursuing international monetary reform to date has quite rightly been to install an exchange-rate system which enabled the United States itself to determine the exchange rate of the dollar, or at least to keep others from being in a position to determine it without the participation of the United States—but the United States will never be able to determine its own exchange rate as long as the dollar overhang remains outstanding.

In my view, massive shifts in this dollar overhang explain most of the recent weakness of the dollar.[3] Most of the overhang has traditionally been held by the industrialized countries, whose balance-of-payments surpluses from 1950 through 1972 mirrored the U.S. balance-of-payments deficits which created the overhang. It was already creating steady downward pressure on the dollar by that time, because the world financial role of the dollar derived from a period in which the United States was the dominant force in both world economics and world politics. With the rise of Germany to the status of an economic superpower,[4] however, it was only natural that the Deutschemark would seize an increasing share of international financial relationships—as it has been doing since the late 1960s, to a point where it is clearly the world's second key currency, is the center of a fairly extensive Deutschemark zone in central Europe; and probably accounts for about 20–25 percent of both the foreign exchange holdings of monetary authorities and private Euromarket transactions. Other national currencies, notably the Swiss franc but several others as well, were also eroding the position of the dollar. In technical economic terms, this represents a "portfolio adjustment" out of the dollar into other national

Footnotes at end of article.

currencies as a result of the fundamental change in the relative economic strength of the major countries.[5]

Because of the increase in oil prices, however, the overhang is now shifting from its traditional locations to the oil exporting countries. As pointed out in the Annual Report of the CEA (page 206): "globally the liabilities of the United States . . . to foreign official institutions have risen little since March 1973 (when flexible exchange rates were widely adopted), but official holdings by the OPEC countries . . . have risen rapidly."[6] So there has been a marked shift from traditional holders to OPEC countries.[7]

This means that foreign dollar balances are moving from the political allies of the United States to its potential political adversaries. So the portfolio adjustment out of dollars is now being rapidly accelerated by political factors. The Arab oil-producing countries are obviously reluctant to hold their growng reserves in dollar form, particularly in the United States but even in the Eurodollar market. They quite understandably fear that any renewal of Arab-Israeli hostilities, especially if coupled with another oil embargo, could lead the United States to freeze their assets. They must also be concerned that the increased talk about the possibility of direct U.S. intervention in Middle Eastern oil fields, whether or not connected to issues concerning Israel, could be coupled with—or, more likely, preceded by—such financial action. By contrast, the previous surplus countries—mainly in Europe, Japan and Canada—never feared U.S. sequestration of their holdings. The fact that most of the dollar's weakness has come against the Deutschemark and the Swiss franc, the new "safe haven" currencies, further supports the view that much of the shift out of dollars is motivated by security concerns.

Hence the new surplus countries are much less likely to hold their earnings in dollar form than were the old surplus countries. It should be no mystery why the expected rush of petrodollars into the United States has never materialized. And this condition will prevail at least for as long as there remain high tensions over Middle East politics and oil prices—which may mean the indefinite future. The result will be secular downward pressure on the dollar, with erratic swings over possibly extended short-term periods. This will maintain inflationary pressures on the U.S. economy, and indeed require the United States to run sizable surpluses in its basic payments balance to avoid steady dollar depreciation.

Some observers have portrayed a possible use by the Arab countries of a "money weapon," a la the "oil weapon," through which they would pull their funds out of a given country in an effort to weaken its currency and thereby either weaken its support for Israel or, to deter the threat of such action, convert it into a supporter of the Arab cause. In some senses, the recent move out of dollars by the oil countries represents a subtle and skillful deployment of the "money weapon." As just indicated, I believe that the motivation for the shifts is more defensive than the term "money weapon" implies—it is primarily an effort to avoid exposure to politically motivated retaliation by the United States. But its effect on the dollar is probably more harmful than an overt, one-time shift, both because its basically political (rather than financial) motivation is harder to detect and because—as the recent neglect of the issue by virtually all national authorities demonstrates—it is far less likely to lead to an effective response.[8]

There is only one constructive response to this problem: elimination of the dollar overhang via its conversion into Special Drawing Rights (SDRs) at the "substitution account" already proposed for creation at the International Monetary Fund. Such consolidation of the overhang has always been a major topic of international monetary reform. It figured prominently in the discussions of the Committee of Twenty in 1972–74, and detailed plans for its implementation have been developed. Under the scheme, dollar holders which preferred to hold SDRs would simply deposit their dollars in the substitution account and receive SDRs in return; the United States would negotiate with the IMF the terms on which the Fund's new dollar holdings would be based.[9]

Consolidation of the dollar overhang was originally pushed by the "old" surplus countries, who had become disenchanted with holding so many of their reserves in dollar form. When oil prices rose, however, the primary concern of the old surplus countries suddenly became whether their reserves were adequate to finance the inevitable deterioration in their balance-of-payments positions.

They stopped worrying about the composition of their reserves, and looked only at their magnitude. Hence concern about the overhang appeared to disappear.

But the disappearance of the issue was, predictably, quite temporary. The new surplus countries have exactly the same concern as did the old about the composition of their reserves, plus the major additional concern stressed here which derives from their political position vis-a-vis the United States. Iran has already begun to peg its currency to SDRs instead of the dollar. OPEC has discussed the possibility of demanding payment for oil in currencies other than dollars, or at least denominating its oil exports in SDRs rather than dollars. Even if the dollar remains the main vehicle currency through which oil trade is financed, these developments provide further evidence that the eventual disposition of OPEC (or at least Arab) oil earnings will move steadily away from the dollar.

Hence the United States has a major national interest in an international consolidation of dollar overhang.[10] So do the other industrialized countries, both because doing so would remove a major source of international economic (and political) instability and because most of them continue to hold large dollar balances. So do the OPEC countries, because they could get SDRs in exchange for their dollars without depressing the value of large portfolios of dollar assets which they now hold. Creation of a substitution account at the IMF, and consolidation of the dollar overhang, should thus become a priority focus of U.S. international economic policy—and should be negotiable internationally.

THE PRICE OF GOLD

A closely related issue is the current revaluation of the official price of gold from its previous level of about $42 per ounce to a "market-related" level around $170 per ounce.

For over a decade, from the late 1950s through the early 1970s, the United States tenaciously opposed any revaluation of the gold reserves of monetary authorities—both because it (rightly) viewed gold as a wholly inappropriate financial base for the international monetary system, and because it (erroneously) saw gold revaluation as weakening the international financial roles of the dollar. The first dents in that U.S. position came in 1971 and 1973, when the two formal devaluations of the dollar produced small increases in the official price of gold. The major changes occurred in late 1973 and especially 1974: under pressure of the deterioration in the balance-of-payments positions of virtually all industrialized countries caused by the increase in oil prices, the United States agreed to a series of piecemeal steps which have now culminated in de facto gold revaluation.[11]

As soon as other countries emulate the French revaluation to $170 per ounce—and there is little reason to think that they plan to hesitate very long—official gold holdings will be valued at about $180 billion. This will push them past the level of foreign exchange reserves, which now total only about $150 billion despite increasing more than three-fold in only four years. Hence gold will again become the principal component of international monetary reserves.

A number of extremely serious consequences flow from this development. First, the orderly evolution of the international monetary system toward relying on rational international creation of reserves via the SDR—instead of relying on the inherently erratic financial base of gold, dollars or any other national currency—has been decisively set back. There is simply no prospect for creating more SDRs when world reserves are being written up by about $135 billion by the strokes of a few pens.

As a result, the likelihood of international monetary instability is greatly increased. This is partly because gold revaluation would assure the continuation of an erratic and unstable financial basis for international monetary arrangements. It is partly because the step, by greatly strengthening the reserve position of the United States, sets the stage for renewed market pressures and national efforts to again base the monetary system on a "gold exchange standard"—which was intellectually demonstrated by 1960 to be inherently unstable, which is extremely costly for the United States,[12] and whose latest incarnation finally collapsed in 1971 as its earlier incarnation had collapsed in 1931.

Second, gold revaluation will trigger major international political problems. It is clearly the most regressive possible way to increase world reserves, in terms of its effect on the distribution of those reserves among countries. The industrialized countries hold almost 90 percent of world gold reserves, and would get that share of the value of the increase. The six leading holders[13] alone account for 60 percent of the total.

The developing countries have been insisting for several years that the expansion of world liquidity be made increasingly progressive through linking the creation of SDRs to development assistance. So gold revaluation is a step precisely opposite to the direction they thought the world was headed, and will further heighten tensions between the "North" and "South." Several OPEC countries have already protested the move along precisely these lines. In view of the growing importance of the Third World to the United States (and other industrialized countries) on a wide range of economic issues, and some security issues, this affront could have extremely serious consequences.[14] And major industrialized countries which "helped" the United States by holding dollars throughout the long era of U.S. deficits in lieu of demanding gold, notably Japan, have every right to feel betrayed by the massive revaluation.

Third, gold revaluation is obviously inflationary. It adds directly to monetary bases in all revaluing countries. It confirms the prognostications of gold speculators, and hence fosters future speculation in both gold and other commodities. It thus further weakens confidence in paper currencies and the economic management of national authorities.

It may be too late to head off revaluation.[15] To do so, the United States would have to repudiate any notion of revaluing its own gold, refuse to participate in any gold transactions at revalued prices and, most importantly, sponsor a major restoration of the pre-1970 trend toward relying on SDRs as the future financial base of the international

Footnotes at end of article.

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monetary system. I firmly advocate such a set of policies.

THE INTERNATIONAL MONETARY OUTLOOK

The implication of the two developments outlined in this statement is that the international monetary system is headed rapidly toward becoming once more an unmanaged multiple reserve asset system. The role of the dollar is declining. So is the role of the SDR. The roles of other national currencies,. particularly the Deutschemark, are rising rapidly. Gold is re-establishing a primary position in the international monetary hierarchy.

The painstaking evolution of the 1960s and early 1970s toward a rational international monetary system based on (a) a single reserve asset (b) managed internationally thus appears to have been reversed. The multiple reserve asset system which looks like taking its place was widely analyzed a decade ago, and unanimously rejected as the most unstable possible approach. Indeed, it was limited versions of this approach which collapsed in ruins both in 1931 and 1971. Yet it is reappearing through the efforts of a few and the inaction of most, including the United States.

The international monetary system has been tremendously improved in the past two years through the adoption of managed flexibility of exchange rates.[16] But the system cannot provide a stable basis for a prosperous and peaceful world economy if it does not develop an effective monetary base. U.S. policy should devote priority attention to that objective in the period immediately ahead.

FOOTNOTES

[1] The United States exported, through an increasing overvalued dollar, a significant part of the inflationary pressures generated by Vietnam war expenditures in the late 1960s; accelerating imports held prices at least somewhat in check. the reduction in our international competitiveness restrained foreign demand for our exports, and U.S. firms stepped up their overseas production in lieu of investing domestically. At least part of the inflationary impulse resulting from the dollar depreciations of 1971–75, which became necessary when the overvalued dollar could no longer be sustained, thus represents our delayed payment for the costs of Vietnam.

[2] Existing data on these dollar balances are wholly inadequate. The latest U.S. data show U.S. liquid liabilities to official and private foreign dollar holders of $114.4 billion at the end of November 1974. However, this figure excludes the effects of credit creation through the Eurodollar market, which BIS data suggest might by itself reach $100 billion. The latest IMF data show official holdings of foreign exchange alone at $152.5 billion, of which 60–70 percent is probably held in dollar form. Foreigners hold another $70 billion in longer term claims on the United States, including $37 billion in stocks and bonds which could be liquidated fairly quickly.

[3] To be sure, the usual economic factors are also involved: changing interest-rate differentials, perceptions of the relative outlook for inflation and economic growth in the United States and other major countries, periodic reports on trade balances and balance-of-payments positions. But the thesis of this paper is that the factors cited in the text are the primary cause of the recent exchange-rate movements.

[4] As indicated, for example, by the fact that its monetary reserves are double those of the United States, its exports of manufactured goods are higher, and it now has a higher per capita income. See C. Fred Bergsten, "The United States and Germany: The Imperative of Economic Bigemony" in *Toward A New International Economic Order: The Selected Papers of C. Fred Bergsten, 1971–74* (Lexington, Mass.: D.C. Heath and Co., 1975).

[5] For a detailed analysis see C. Fred Bergsten, *The Dilemmas of the Dollar: The Economics and Politics of U.S. International Monetary Policy* (Denver: Frederick A. Praeger, for the Council on Foreign Relations, forthcoming 1975). See also the similar view expressed in Walter S. Salant, "The Post-Devaluation Weakness of the Dollar," *Brookings Papers on Economic Activity* 2: 1973.

[6] Table 47 of the CEA Report, p. 206, shows that OPEC foreign exchange holdings rose from $9.8 billion in March 1973 to $35.6 billion in September 1974. Recorded U.S. liabilities to foreign monetary authorities rose by only $1.2 billion over this period. OPEC holdings have clearly risen further since September 1974.

[7] To some extent, the oil deficits of the consuming countries have been matched by an increase in reported world reserves. This occurs when oil importers transfer dollars held previously in the United States to oil exporters, who then lend them back to the oil importers via the Euromarkets. This "carrousel" effect still produces a sharp increase in OPEC countries' share of world reserves, however, and enables them to generate the effects outlined in the text.

[8] At the time of the Six-Day War in 1967, several Arab countries overtly liquidated all of their sterling investments in an effort to pressure Britain to abandon its support for the pro-Israeli policies of the United States. Sterling was extremely weak at the time, and had to be devalued five months later after three years of effort by the British Government to avoid doing so, so certainly seemed vulnerable to such an attack. But, immediately after the Arab money went into Switzerland, it was recycled back to London by the Swiss National Bank with absolutely no effect on exchange rates or the British economy. The amounts of money potentially involved are much larger today, but so are the swap networks among central banks which could cope with them. Hence there is little reason to fear the crude use of the "money weapon" which is often hypothesized.

[9] For precise proposals concerning these terms—essentially the maturity of the U.S. debt, interest payments on it, and a maintenance-of-value guarantee—see C. Fred Bergsten, *Reforming the Dollar: An International Monetary Policy for the United States*, Council on Foreign Relations Occasional Paper on International Affairs No. 2, September 1972, esp. pp. 64–74.

[10] There are no effective national responses to this problem available to the United States. Since August 1971 it has eliminated the risk of losing its reserves through conversions from the overhang by declaring the dollar inconvertible into U.S. reserve assets. But it cannot stop foreign dollar holders from selling the currency and thereby reducing its value in world markets.

[11] The steps included agreement among the members of the former "gold pool" in November 1973 that monetary authorities could henceforth sell their gold on the private market (thereby abrogating the two-tier gold agreement of 1968); in June 1974 that official gold could be used as collateral against international borrowings at a price determined by the borrower and lender (as it soon was, at about $120 per ounce, for a German loan to Italy); and bilateral U.S.-French announcement in December 1974 approving revaluation of official gold to market prices. European countries are now reportedly developing systems of gold settlement for payments imbalances based on the higher price.

[12] See the conclusions reached in Bergsten, *The Dilemmas of the Dollar: The Economics and Politics of United States International Monetary Policy*, cited.

[13] United States, Germany, France, Switzerland, Italy, Netherlands, South Africa and the Soviet Union, as the two largest gold producers, are of course the primary beneficiaries from the income (as opposed to the wealth) effect of gold revaluation.

[14] For elaboration on the importance of the Third World and the failures of U.S. policy in this area in recent years see C. Fred Bergsten, "The Threat From the Third World," *Foreign Policy* 11 (Summer 1973) and "The Response to the Third World," *Foreign Policy* 17 (Winter 1974–75).

[15] France revalued immediately after the Martinique Agreement of December 1974 in an effort to make the process irreversible. This gold revaluation via stealth in fact represents a brilliant—if misguided—victory for the "salami tactics" of the French on international monetary reform.

[16] Though that management now needs to be multilateralized, instead of permitting individual countries to intervene in the markets purely to promote their national interests.

STATEMENT OF EDWARD M. BERNSTEIN

The world economy is in a state of greater disruption than at any time since the Great Depression. It is faced with the following problems:

(a) A world-wide recession that is the deepest of the postwar period and that will probably intensify before there is recovery;

(b) An unbalanced pattern of international payments, with surpluses and deficits on a scale for which there is no precedent;

(c) Unstable exchange rates and a dollar that has depreciated enormously relative to the principal European currencies in the past year;

(d) A high rate of inflation, although it is moderating in most countries, including the United States.

These problems are closely related to each other and this inter-relationship accounts for the severity of the recession and the instability of exchange rates. Because of its major role in world trade and finance, the incidence of the disruption in the world economy has been greater on the United States than on other countries. For the same reasons, the solution to these problems will depend mainly on what the United States is willing and able to do.

RECESSION AND WORLD TRADE

The recession is, of course, the most urgent problem. One factor in the decline of output and employment in the United States has been the fall in consumer spending. Real disposable personal income fell by 4.5 per cent and real consumer spending fell by 3.5 per cent between the fourth quarter of 1973 and the fourth quarter of 1974. In a country where real disposable personal income increased at a trend rate of about 3.5 per cent per annum from 1951 to 1973, a fall of 4.5 per cent in the course of one year can be shattering to the economy.

The reasons for the fall in real disposable personal income are complex. One reason, but not the most important, was the large and sudden increase in the price of imported oil. The United States paid $26 billion for imports of petroleum and products in 1974 compared with $8 billion in the previous year. This extra $18 billion for 3.4 per cent less oil was equivalent to 1.3 per cent of the gross national product and over 2 per cent of consumer spending. The effect of the higher cost of oil on the real disposable income and spending of consumers was felt in varying degree throughout the economy. It was devastating for the automobile industry which is in deep depression throughout the world.

The world-wide recession is ominous for world trade. In every recession in the United States from 1949 to 1961, U.S. imports declined. In the recession of 1969, U.S. imports increased considerably and that was an indication that the United States was no longer competitive in world trade. In 1974, U.S. imports increased by $33 billion in value but decreased slightly in volume. The increase

was entirely due to a 46 per cent rise in the unit value of imports. This was mainly because of the higher price of oil, but also because of the rise in prices of other basic commodities, the inflation in industrial countries, and the depreciation of the dollar.

Despite the decline in U.S. imports and the reduction in oil exports, the volume of world trade continued to increase in 1974, but the increase was the smallest in many years. The outlook for this year is for a fall in the volume of world trade, although in dollar value world trade may rise somewhat. If so, the main reason will be that prices of manufactured goods exported by the industrial countries will be higher. For basic commodities, the volume of exports will be less and the average level of prices will be lower in 1975 than last year.

In the United States, the trade balance is expected to deteriorate this year. Exports of foodstuffs and crude materials will be down in volume and average prices will be lower than in 1974. Exports of manufactured goods will probably decrease in volume because they are heavily weighted with capital equipment, but average prices will be somewhat higher. Imports of oil may be the same or higher, even with minor concessions in price and a small reduction in volume. Imports of foodstuffs will probably rise slightly in volume, but prices will be lower. Imports of raw materials will decline in volume and value. Imports of manufactures may not fall in volume because of the high elasticity of supply in a recession in other industrial countries; and prices will be higher, although the rise will be considerably less than in 1974. As a first estimate, the trade deficit will be about $2 billion more than in 1974—perhaps just over $7.5 billion.

INTERNATIONAL PAYMENT

The pattern of international payments is marked by enormous current account surpluses and deficits. With very few exceptions, the surpluses are almost entirely those of the major oil-exporting countries. As a group, they probably had a current account surplus of about $60 billion. This is less than had been anticipated because of the small volume of oil imports and because of the larger increase in exports of goods and services to these countries. U.S. exports to OPEC increased by 87 per cent in 1974 and other industrial countries also had a very large increase in exports to them—Japan about as much as this country, Germany about 68 per cent, and other industrial countries about 50 per cent. The current account surplus of the oil-exporting countries will fall considerably this year.

One of the consequences of the dramatic increase in the current account surplus of the oil-exporting countries is that it has overshadowed a disturbing imbalance in the current account of the oil-importing countries with each other. There is a general awareness, for example, that the United Kingdom and Italy have huge deficits apart from their payments for oil. Other countries, too, have nonoil deficits that under different circumstances would be regarded as requiring prompt correction. The surpluses that are the counterpart of these non-oil deficits are mainly those of Germany and the United States. Excluding imports and exports of petroleum and products, the United States had a trade surplus of $8.0 billion in 1973 and $19.3 billion in 1974. If the oil deficit had remained what it was in 1973—$7.5 billion—the trade surplus would have been nearly $12 billion. In Germany, the crude trade surplus was about DM 50 billion in 1974 compared with DM 33 billion in 1973. Excluding OPEC, the crude trade surplus increased from DM 37 billion in 1973 to about DM 64 billion in 1974. On a balance of payments basis the trade surplus would be considerably larger.

The trade surpluses of the United States and Germany must be put in perspective in order to see what they signify for the rest of the world. Prior to the last increase in the price of oil, the United States would have needed a trade surplus of about $8 billion to $10 billion to supplement its net earnings from services, including investment income, in order to finance its foreign investment and Government aid. When the current account surplus of the oil countries is reduced to a manageable level, the U.S. trade surplus needed to finance foreign investment and Government aid may be somewhat larger at present prices, because of the need to service the debt to the oil-exporting countries. In Germany, the trade surplus is clearly very much larger now, even with its oil payments, than is consistent with a balanced pattern of international payments.

EXCHANGE RATES

Between the beginning of January 1974 and the end of February 1975, the dollar exchange rate for the principal currencies in the European common float rose by an average of 25 per cent and for the Swiss franc by over 40 per cent. The dollar exchange rate for other leading European currencies rose somewhat less—ranging from 19 per cent for the French franc and 9 per cent for sterling to less than 1 per cent for the lira. For the currencies of its two main trading partners, the U.S. dollar rose by somewhat less than 1 per cent relative to the Canadian dollar and fell by nearly 5 per cent relative to the yen.

The decline in the foreign exchange value of the dollar is disruptive, not only for its effect on world trade, but even more for its effect on U.S. prices and on confidence in the international monetary system. It is difficult to pinpoint the precise reasons for the sharp decline in the foreign exchange value of the dollar relative to the principal European currencies. Excluding the oil-exporting countries, the current account balance of the United States was much better in 1974 than in 1973 and that applies to Western Europe as well as the rest of the world. This would indicate that the decline in the exchange rate for the dollar was entirely due to capital flows—not just to Europe but to the entire world.

In 1974, the reported net outflow of private capital, excluding liquid liabilities of banks to foreigners, was about $16 billion more than in 1973. This was offset by an increase in the net inflow of liquid funds of foreigners, other than official institutions, of about $10.8 billion. In addition, there was an unrecorded capital inflow in 1974 compared with an outflow in 1973, although precise estimates are not as yet available. There are several reasons for the increased capital outflow in 1974. The control of capital movements was eliminated and that made it possible for direct investors to reduce their Eurodollar borrowings and for banks to increase their foreign credits. Most of the increase in bank credits to foreigners was probably directly or indirectly related to the oil deficits of other countries.

Although the oil-exporting countries placed about $11 billion of their surplus in the United States last year, that was much less than the increase in the U.S. oil deficit. This would itself have placed pressure on the exchange rate for the dollar if it had not been for the increase in the current-account surplus of the United States with other countries. But these countries, confronted with oil deficits of their own, borrowed funds from U.S. banks either to make payments to the United States or to make payments to the oil countries. The funds acquired by the oil countries were mainly placed in the Eurocurrency market and in various currencies in national markets, including sterling, D-marks and Swiss francs. The sale of dollars for other currencies by the oil countries was one reason for the weakness of the dollar in the exchange market in the past year.

No doubt, the fact that the United States had a higher rate of inflation than Germany or Switzerland affected the dollar exchange rate for these currencies. But the rise in U.S. prices was less than that in France and much less than that in the United Kingdom, and yet these currencies appreciated relative to the dollar. The fact that the U.S. consumer price index rose by about 6 per cent more than in Germany and by about 3 per cent more than in Switzerland was to some extent the consequence rather than the cause of the depreciation of the dollar. In any case the differential rate of inflation should result only in an equivalent decline in the dollar. Money market rates were lower in the United States than in Germany, but higher than in Switzerland, where foreign funds supposedly bear an interest charge. The differential interest rate, too, should result in no more than an offsetting depreciation of the exchange rate for the dollar.

Apart from the impact of oil payments and bank credits to finance the oil deficits of other countries, the main reason for the large fall in the foreign exchange rate of the dollar relative to European currencies is speculation. With a fluctuating exchange rate system a decline in the exchange rate for the dollar will stimulate capital outflow and the decline in the exchange rate will continue until there is an offsetting capital inflow. Under ordinary conditions, it would be expected that the offsetting capital inflow would be stimulated by a modest decline in the exchange rate. Under present unsettled conditions, however, with the short time-span of speculators, a fall in the exchange rate for the dollar calls forth more capital outflow and intensifies the fall in the exchange rate. Ultimately, the decline is halted when it becomes generally apparent that the exchange rate for the dollar has fallen to an untenable level. With the monetary authorities committed to avoid intervention, except *in extremis*, the exchange rate can fall very far and very fast before the speculators are convinced that it has reached a bottom. In my opinion, that is the main reason for the enormous fluctuations of 1973–74, when the exchange rate for the dollar alternately fell, rose and fell again by 20 to 25 per cent against some of the major European currencies.

FINANCING THE OIL DEFICITS

Much of the discussion of the financing of the oil deficits has focused on general principles without adequate attention to the practicable problems. In a world in which foreign exchange is not convertible into final reserve assets, formerly gold and now SDRs, it is true that the oil-exporting countries will have to hold their surpluses in foreign assets in international money and capital markets. That is to say, the oil-exporting countries will have to hold in dollars in the United States, in sterling, D-marks, Swiss francs and other currencies in these countries, and in Eurocurrencies in London and elsewhere the precise amount of their surplus. In principle, therefore, the rest of the world would find an increased supply of loanable funds in international money and capital markets precisely equal to the deficits with the oil countries. In the jargon that has become established in discussing the oil payments problem, it is only necessary to recycle the oil funds.

In practice, the problem is far more complex. There is a whole series of problems in matching the supply of oil funds with the needs of deficit countries. Some countries, particularly the very low income developing countries, do not have the credit standing that would enable them to borrow the funds to meet their oil deficits in the private money and capital markets. The currencies that the oil countries want to hold will not match the credits in these currencies that the money and capital markets are

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able and willing to extend. For example, some countries will be unable to borrow in Switzerland and Germany, although they may be able to borrow in the United States. Finally, the oil countries may prefer short-term liquid assets, while borrowers prefer long-term debts. Bankers who have little difficulty in adjusting the maturity of their loans to the maturity of their deposits cannot do this when they are suddenly confronted with an enormous increase in deposits.

In fact, the large industrial countries had little difficulty in financing their oil deficits in 1974. The United Kingdom, France and Italy were very large borrowers in the Eurocurrency and Eurobond markets last year and Japan and Latin America, as well as other countries, were large borrowers from U.S. banks. The low-income developing countries, however, have not had such access to the international money and capital markets, because their credit standing is not high enough and the costs are much too heavy for them. They need finance on concessionary terms, both for their oil deficits and for financing their development programs. In 1974, the developing countries drew over $1 billion from the oil facility of the International Monetary Fund.

The problem of financing oil deficits will become more difficult as time goes on. Some countries that have borrowed heavily will find Eurobankers more reluctant to increase their loans. The problem will become more acute the larger the proportion of their funds the oil-exporting countries place in Switzerland and Germany. U.S. banks may be concerned about increasing their foreign claims on the same scale as in 1974. The private money and capital markets will still be the most important means of financing the oil deficits in 1975, but they cannot perform the task as well as they did last year. That is why there is so much interest in expanding the facilities for official financing through the International Monetary Fund, the World Bank, and the special fund that the large industrial countries have agreed to establish for mutual aid. It should be noted that the difficulty of financing the oil deficits was considerably eased by the large sums that the oil-exporting countries lent directly and that they provided the International Monetary Fund, the World Bank, and regional banks.

OIL FUNDS, INTEREST RATES, AND CAPITAL FORMATION

There is a good deal of misunderstanding regarding the effect of the huge oil surpluses on interest rates and capital formation in the oil-importing countries. The *Economic Report of the President, 1974*, contained this statement: "Among the interest-reducing influences, the prospective capital inflows resulting directly or indirectly from current account surpluses of the oil exporting countries also need to be taken into account [p. 32]." Similar views of the effect of oil money on interest rates were expressed by economists of some foreign central banks and international financial institutions.

In my opinion, the view that the current-account surplus of the oil-exporting countries represents a net increment of loanable funds is not correct. The principle that these funds are available to finance the oil deficits implies that there will be an increased demand for loanable funds precisely equal to the surpluses of the oil countries. The higher cost of oil will reduce the real income of consumers. If they maintain the same pattern of real expenditure, their personal savings will be reduced by precisely the amount of the increased cost of oil. The savings of the oil countries will merely replace the deficiency of domestic savings. If consumers reduce their real expenditure, output will fall and with it the profits and savings (undistributed after-tax profits) of business firms. The tax revenues of the Government will also fall and the budget deficit (negative savings) will increase. Interest rates will fall in the recession, but that will be because of the reduced domestic demand for funds to finance investment and the easier cyclical monetary policy. That is the explanation of the recent decline in interest rates in the United States, not the inflow of $11 billion from the oil countries. As a matter of fact, the world-wide oil deficit put pressure on interest rates in the United States, as the banks were confronted with an enormous increase in the foreign demand for loans.

The question whether the oil funds can contribute to capital formation in the oil-importing countries as a group is somewhat more complex. In an article in *Foreign Affairs*, January 1975, four distinguished economists say:

". . . [Consumer] payments for higher-priced oil in the importing countries represent a diversion from other forms of consumption, in effect a form of forced saving, with the proceeds of these payments becoming, at least in part, investible funds in the hands of the OPEC countries. If the OPEC countries in turn had the proper outlets and were ready to employ their investible funds, they could make a crucial contribution to the capital formation that the world so urgently needs [p. 204]."

The first part of this statement contains the fallacy discussed above. The consumer payments for higher-priced oil to divert funds to the oil-exporting countries, and most of these funds are saved. But the higher price for oil also reduces domestic savings to the same extent. There is no net increment of savings to finance investment in the oil-importing countries.

The relation between the surpluses of the oil countries and capital formation can be better seen by looking at the effect of the higher cost of oil on the employment of productive resources. In the short run, the higher cost of oil will cause a reduction in the consumption of other goods and contribute to the recession. So long as the recession continues, the unemployed resources simply go to waste. Ultimately these resources will have to be used to produce goods and services for export to the oil-producing countries. In the intervening period, however, these resources will be available for producing goods and services for domestic consumption and investment. Once the recession is over, it is reasonable to assume that most of the resources will be used for investment.

If that proves to be so, domestic investment will be greater than it would otherwise be. This will include investment in industries to increase exports of goods and services to the oil countries and investment in industries to increase domestic production of energy. It may be assumed that additional investment in the export industries will be offset by a lower level of investment in the domestic consumption industries—to some extent they are the same industries. The investment in domestic production of energy, however, is a net increment of investment that would not have to be undertaken if it had not been for the higher cost of imported oil. The resources that will be absorbed in such investment will be far greater than the surplus of the oil-producing countries with the United States. This would indicate that the availability of resources for other investment will be decreased rather than increased because of the higher cost of oil.

INFLATION

The high rate of inflation has been one of the contributing factors to the present recession. The rise of 12.1 per cent in the consumer price index in the United States from the fourth quarter of 1973 to the fourth quarter of 1974 was due to two major factors. First, the rise in import prices, and second, much more important, the rise in unit costs of production in the private nonfarm economy. The much larger rise in unit factor costs in 1974 reflected a somewhat larger increase in labor compensation per man-hour and a fall of 3.6 per cent in output per man-hour compared with a slight increase in 1973. Farm prices were not a factor in the rise of consumer prices last year. Although retail food prices rose just as much as the index of all items, farm prices at wholesale fell by 2 per cent. The rise in food prices was due to higher unit factor costs of processing and marketing foodstuffs.

The outlook is for a considerable decline in the rate of increase of consumer prices in the course of this year, omitting the effect of new taxes on oil and gas. In the three months to January 1975, the consumer price index rose at an annual rate of 9.2 per cent, the smallest increase in over a year. From the end of 1974 to the end of February 1975, the spot market price index of nine foodstuffs fell by 11 per cent. This is a very narrow index, but it is indicative of what is happening. Prices of raw materials in world markets are still falling and may continue to fall for a time. There is a long lag between changes in basic commodity prices and their effect on consumer prices, but after an interval, they are passed through in consumer prices. Unfortunately, if the fall of basic commodity prices continues much longer, it will create difficulties for producers, in this country and abroad. It should also be noted that if the exchange rate for the dollar improves, import prices will rise much less than in 1974.

The main determinant of the rate of price inflation this year will again be unit factor costs, particularly labor costs per unit of output. The increase in labor compensation per man-hour may be about the same as 1974. Productivity, however, may be expected to improve in the course of this year. We have now had seven consecutive quarters in which output per man-hour has declined and the fall has been particularly severe since the fourth quarter of 1973. This is usual in a recession, but the decline is quickly reversed in the recovery. If output per man-hour remains flat in 1975, with the same increase in labor compensation as last year, this would of itself slow the rate of inflation by 3.6 per cent. If output per man-hour begins to increase again in the second half of 1975, the slowing of the rise in prices will be even greater. That of itself would be of enormous help in expanding real consumer spending and in facilitating a recovery of output and employment.

As long as the United States has a high rate of inflation, the international monetary system will be plagued by instability of the exchange rate for the dollar. The first task now is to have stimulative fiscal and monetary policies, but not on a scale that will result in a resumption of excessive demand soon after the economy begins to recover. The favorable effects of a recovery in this country will be felt throughout the world. The role of the United States as a prime mover in the world economy is not what it was before the remarkable growth in Europe and Japan; but it is still by far the largest economy. A recovery in the United States accompanied by a slowing of the inflation would provide the stimulus necessary for the resumption of a rapid growth in world trade from which the developing countries as well as the industrial countries would benefit.

STATEMENT OF DR. RONALD E. MÜLLER

I am pleased and honored to appear before this Committee and discuss my opinions on the current economic problems of the United States and world economy, and to present certain proposals which, in my view, can assist in alleviating this situation.

There is no doubt that President Ford's proposed economic program promotes inflation while penalizing employment to a degree technically not necessary. But he does

have sincere, if mistaken, reasons for making these sacrifices in order to achieve what are believed to be higher priorities of the national interest. Understanding these mistaken reasons allows the formulation of alternative economic proposals as outlined in this presentation. These alternative proposals include two interrelated parts or packages. They are necessarily interrelated because of the obvious global sectoral and temporal interdependence of our economy. These two parts include (1) a tax and expenditure plan for restructuring the energy and transportation sectors to bring about orderly energy expansion and conservation; (2) a package on international monetary stability, recycling, corporate investment funds, and agriculture as it relates to the balance of payments.

INTRODUCTION AND BACKGROUND

First, the President's immediate-term policy on energy can only be explained by his belief that his energy-tariff program is the only means by which OPEC can be influenced to lower crude petroleum prices—this, despite the fact that, on grounds of foreign policy, domestic economic recovery and equity, there are more feasible and efficient alternative programs available.

A second consideration is the Administration's emphasis on limiting total tax reductions, primarily because of the fact that the Treasury's financing of too large a short-run deficit will significantly draw monies from capital markets, and thereby impinge upon corporations' ability to finance new investments. However, had the Administration's proposals included a more definitive statement on the use of recycled petrodollars as well as on the closing of certain tax loopholes, then a tax-reduction package of at least $25 billion would be feasible without threatening corporate ability to finance new investments.

Finally, the President's priority fear of perpetuating inflation should government policies result in "overstimulating" the economy, is based upon a single and unproven assumption: that there is no alternative program to alleviate this year of inflation because an additional degree of government economic planning is either not desirable or not feasible. On the contrary, however, available evidence indicates that it would be feasible for the government to add additional planning functions to those it currently pursues. One additional necessary function, to be implemented through tax and expenditure policies, is the government's more direct restructuring of sectors which have high inflation or high unemployment multiplier impacts on the rest of the economy: energy, transportation, food, and housing. A second back-up (and already existing) function is a stand-by monitoring program for prices, wages and possible rationing, which, when and if necessary, can be converted to the task of supplying actual controls and/or rationing for one or more sectors of the economy.

But the most glaring discrepancy in the Administration's economic program, however, is its failure to take into account the fact that the U.S. economy has undergone a fundamental transformation. The rhetoric of Administration spokespersons and certain economists aside, the recent history of the American economy demonstrates that competitive market forces of supply and demand can no longer be relied upon as the mechanism for insuring the success of government policies for bringing about economic stability. It is unfortunate that the Administration's proposals have as their chief basis the assumption of functioning market mechanisms, when in fact, these have largely disappeared. This breakdown in the market mechanism is explained by two interrelated aspects of the economy's current transformation.

First, there has occurred since the 1960's, an historical increase of conglomerate concentration in the mineral, industrial and financial sectors of the U.S. economy. Whatever one's equity and political assessment of concentrated economic power may be, it is of paramount importance to understand that the negation of the market mechanism accompanying such concentration is one of the two major causes of the growing instability in employment, prices, income distribution and balance of payments. These four instability measures are the basis of the declining economic security being experienced by a significant majority of the American people since the late 1960's. The second basic cause of this instability, and the second distinguishing characteristic of the Post World War II transformation of the U.S. economy, is the unprecedented increase in our foreign dependency, ushered in by the "globalization" of our largest corporations. The some 700 or so largest industrial and financial corporations which dominate approximately 70% of our private domestic economy are equally dominant in the foreign investment, finance and trade flows of our nation. Just as the case of the domestic market, so here too this aspect of transformation led to the negation of the international market mechanisms. But it is not only concentration within each industry which has undermined the checks and balances of the market. Equally important is that almost all of these pivotal enterprises are now conglomerates operating not only in scores of countries, but also across many different industries. These U.S.-based global conglomerates have replaced to a significant degree what formerly were market transactions between independent buyers and sellers, with non-market, intra-corporate transfers of goods, services and finance.

In such a world, it is regional and international tax differences, absorption of small business firms, and other means for increasing oligopoly power which determine prices, not the competitive market forces of supply and demands. On the one hand, the trans-industrial, trans-national operations of our largest corporate actors have meant the cumulative disappearance of small domestic business, and the erosion of labor's bargaining power. On the other hand, this negation of the market has caused the undermining of government's standard monetary and fiscal policy tools for maintaining the nation's economic stability.

Given this transformation into a "post-market economy,"[1] one notes some significant structural lags in governmental regulatory institutions and policies. For example, anti-trust laws primarily emphasize horizontal and, secondarily, vertical integration, with a relative neglect of conglomerate mergers. (Of the some 14,000 mergers between 1953 and 1968, the government challenged 199 cases, won 90 of these, and required divestiture in 48 instances.) In addition, as concentration proceeded over the post- World War II period, there became apparent a set of "vicious circles" a rising out of the impacts of Keynesian monetary and fiscal policy, and leading to increasing political inefficacy. A recent quantitative analysis by Professor John Blair, of actual policy impacts verifies the mounting evidence of other econometric investigations. During the boom phase, stabilization policy is aimed at reducing inflation via a reduction in aggregate demand. The findings of Blair and others are revealing, however: the more concentrated the industry, the greater has been the occurrence of continuing relative price increases, i.e., the opposite of intended policy impacts.

Examining the vicious circles inherent in fiscal and monetary policy is helpful in understanding these unintended impacts. For fiscal policy, it has been shown that tax reductions to stimulate the economy are disproportionately absorbed by the largest firms. (Internal economies of scale can explain much of this result). On the expenditure side, studies also reveal disproportionate amounts going to the largest firms. In both cases, the effect is to give large corporations a greater expansion capacity than smaller firms, thereby promoting further concentration. In the next round, the increased concentration leads to policy's increased ineffectiveness. This vicious circle is complete. A similar phenomenon takes place with monetary policy. On the borrowing side, during periods of credit restriction, the largest industrial firms do not (or only with a long time delay) respond to higher financing costs, since their oligopoly positions permit them to pass on increased credit costs to their buyers. Smaller firms, because of their relatively weaker oligopoly power, must respond immediately and lower their investment demands.

As in the case of taxes and expenditures, these differential structural impacts of aggregate policy promote further concentration. Similarly, on the lending side, there are vicious circles at work. Take, for example, George Budzeika's recent findings on the behavior of the large New York City banks, published by New York University's Institute of Finance. "New York City bank behavior in the past two decades has shown that it is very difficult to control large banks whenever the demand for credit is heavy." The reason for this again is revealed to be the internal economies unique to the large but not the smaller banks which, because of a "lack of information and skills prevent them from adjusting quickly to changing levels of monetary restriction." For large banks, "the only way to restrain efficiently is to reduce the overall liquidity of the banking system." But since the costs in unemployment of such a strong measure are politically unacceptable, only mild monetary restraint has been pursued. This leads to further bank concentration and makes the next phase of policy restraint that much more ineffective.

Such are the vicious circles which arise from the combination of aggregate stabilization policies with the waning of competitive market forces. In our current globalized and concentrated economy, traditional market responses reappear only when we reach unacceptably high levels of unemployment. Even then, inflationary pressures continue for too long, owing to an excessive corporate debt burden in strategic inflation-multiplier industries like petrochemicals. The past ability to generate what are now excessive debt burdens is itself the result of concentration. Thus, in the present circumstances, we are faced with a *systemic* dilemma where social priorities of price stability, full employment and balanced growth must yield to the understandable private need to avoid risk.

The uniqueness of the U.S. Constitution was its designers' frank recognition of the need to establish checks and balances over the power of the major actors in the public sector. For the private sector, the institution of the competitive market was seen to provide the necessary checks and balances over concentrated economic power and its inevita-

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[1] The most recent analysis of the transformation process and its impacts on government monetary and fiscal policy is found in Ronald E. Muller, "Global Corporations and National Stabilization Policy: The Need for Social Planning," Journal of Economic Issues (forthcoming, June, 1975). A simplified version of this paper appears in Business and Society Review (Autumn 1975, No. 11), under the title, "Global Corporations and National Instability: Must They Grow Together?" The market negation thesis was first set out in Richard J. Barnet and Ronald E. Muller, in Global Reach: The Power of the Multinational Corporations, New York: Simon and Schuster (1974), chapters 9 and 10. See also this writer's paper appearing in Challenge (forthcoming, April, 1975).

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ble political implications. For the present economic problems of the nation, the virtual disappearance of the competitive market for all but a small proportion of the economy means that the impacts of standard stabilization policies are at best uncertain, and quite likely, even perverse.

PART 1: PROPOSALS ON ENERGY—TRANSPORTATION—THE NECESSITY FOR RESTRUCTURING

Objectives: To provide an anti-inflationary, employment-inducing energy and conservation program for dealing with the short-run (1975–77), while recognizing the interdependence of short-run actions on the medium- and long-term (1980–85).

Energy and Transportation

The experience of the past twenty years has shown that U.S.-based internationally operating Energy Conglomerates cannot be relied upon to make the necessary investment decisions for a stable program of energy expansion and conservation of our most vital social sector. This is true because of the contradiction which has emerged between the Energy Conglomerates' goal of global profit maximization, on the one hand, and the U.S. national interest, on the other. The following proposals are designed to increase significantly the public sector's participation—particularly the Congress—in energy expansion and conservation, while maintaining the role of private enterprise, with special emphasis on the role of small, independent Domestic Producers.

1. These proposals include a system of differential tax treatment of Energy Conglomerates and Domestic Producers, combined with the continuation of energy price controls and a stand-by monitoring function should rationing become temporarily necessary. The price controls are designed to avoid inflationary multiplier effects, stem the regressive trend in income distribution, and maintain the international competitiveness of U.S. manufacturing firms. The differential tax program is aimed at increasing market competitiveness in domestic energy expansion, while the resulting tax revenues from Energy Conglomerates will be used as the basis of investment funds for large energy projects—e.g., off-shore drilling—implemented via competitive contract bidding once the public sector has decided when, where and how such projects should evolve, given energy needs resulting from a restructuring of our transportation sector. These proposals include the following:

a. Effective FY 1976, I recommend a change in the tax treatment of major U.S. Energy Conglomerates to bring their effective corporate income tax rate up to parity with the rest of American industry by:

(i) the complete removal of the domestic oil depletion allowance for Energy Conglomerates only, *and* its continuation for nationally-operating Domestic Producers. This proposal is aimed at generating needed tax revenues from those who would be least hurt, while stimulating effective competition in the part of the energy sector where that is still possible—i.e., on-shore domestic supply markets. The point was well made in a recent address by the FEA Administrator, Frank Zarb, to the Independent Petroleum Association: "Eliminating the depletion allowance would cause some pain to the major oil companies, but it would really hurt you independents."

(ii) adoption of S. 651, placed before the current session of the Senate by Senators Church, Haskell and Ribicoff, which deals with the removal of the basic loopholes in U.S. taxation of foreign-earned income by all American-based companies.

(iii) an addition to S. 651, to be applied only to major Energy Conglomerates, which, in a two-year incremental process, would remove the use of the foreign tax credit, and replace it with the straight deduction method. This, in effect, would remove the current tax incentive for Energy Conglomerates to locate refining, distribution and other facilities overseas, rather than investing in the domestic economy.

(iv) continuation of price controls on crude oil, with special emphasis to insure that these tax increases on Energy Conglomerates are not passed on to end-users.

b. The adoption of only proposals (i) and (ii) above should provide tax revenues of some $6 Billion. The energy-derived portions of these revenues, plus other energy-based taxes recommended below, can become the source for financing tax incentives and other means for stimulating energy expansion, conservation and (the interrelated task of) restructuring the transportation sector. However, the provisions of S. 651 will undoubtedly lose much of their intended impact unless Congress authorizes FTC, IRS, SEC and other agencies to propose changes in corporate disclosure laws that allow effective regulation of transfer pricing, "profit-loan swaps," and other practices unique to global corporations, and which permit them a significant reduction in their tax burden.

c. Effective FY 1976, I recommend a program of tax and other incentives which effectively deal with energy conservation, recognizing explicitly the sectoral interdependence of transportation and energy demand. The program I recommend includes:

(i) To accelerate the restructuring of the transportation sector towards energy conservation, I recommend a differential tax credit to transport producers of two percentage points above the all-industry investment tax credit, but only for investments in new vehicles and transportation systems which are both energy-conserving and responsive to environmental constraints already established by Congress. This proposal is intended to apply not only to personal vehicle manufacturing, but also to inter-urban rail and urban mass transit systems. The proposal should be implemented for an initial three years, with provisions for its continuation following Congressional evaluation.

(ii) Whereas the above proposal attacks the supply bottleneck in energy-conserving transportation, demand side inducements should be provided for through enactment of Title V of Bill S. 505, introduced by Senator Church in the current session. It provides for a graduated sales tax on automobile purchases as an inverse function of fuel performance, and a graduated tax credit on new cars with superior fuel performance. This provision, however, should be modified to base the level of tax or credit upon a percentage of the selling price, and not upon absolute dollar values, as it is now formulated. This modification would guarantee the same level of incentive, regardless of upward or downward changes in automobile prices.

(iii) I also support a Federal Sales Tax of five cents per gallon of gasoline, as a further revenue source for energy and transportation programs.

(iv) As a further and obvious inducement to consumer energy conservation, I also recommend enactment of Title IV of Bill S. 505, to transfer portions of Federal Highway funds to Public Urban Mass Transit uses, and, I would add, to inter-urban regional railroad systems as well.

d. For all industries, a general energy conservation measure is to adopt President Ford's proposal to restructure electric utility rates on the basis of use, "the more you use, the more you pay"—the opposite of most current rate policies.

2. The above set of proposals reflects the opinion of a growing number of technical and political experts of the necessity for the public sector to insure new checks and balances over the development of our most important social sector, energy. One means for inducing checks and balances is to restore competitive market pressures in the one area where that is still possible—on-shore oil extraction—by giving domestic independent producers the means to compete with the Energy Conglomerates. This is the reason for a differential tax policy giving preference to independent domestic producers as opposed to Energy Conglomerates. Another means for restoring competitive pressures involves government intermediation in the import process of petroleum from OPEC countries.

But for future *large scale projects* like off-shore drilling, shale extraction, and coal development, restoring strictly private competitive market forces is no longer either feasible or necessarily that efficient.

In these areas, the size and technical planning capacity of the Energy Conglomerates is definitely needed. And yet, the need is greater than ever for a system of checks and balances to protect the public interest as regards these kinds of investment decisions. Thus, in current circumstances, there is an apparent dilemma since Energy Conglomerates can correctly argue that their high oligopoly profits are the only source for providing the investment funds to undertake large-scale energy projects. The dilemma disappears, however, when we recognize that the taxing away of these high profits becomes a source of investment funds. In a planned and competitive fashion, these funds then can be transferred back to private enterprise by the public sector, via a system of competitive bidding for exploration and management contracts. Here the U.S. can learn from the innovative experiences of Norway, increasingly of England, and ironically, of some of the OPEC nations: the pursuit of the singular goal of private global profits in a strategic sector like energy no longer necessarily coordinates with or services the needs of other sectors and of constituency groups such as small business, organized labor, consumers, ecology and tax reform groups which make up the vast majority of our democracy.

As noted, it cannot be disputed that the Energy Conglomerates possess the requisite technical skills to explore for energy and manage its extraction. The proposals here offered acknowledge that fact while also recognizing what economists have long known: that when market forces fail, a "tax-competitive subsidy" is a more efficient policy tool than, say, a tariff, for inducing expansion. "Subsidy" itself is an inappropriate term, since these proposals envision competitive bidding by Energy Conglomerates in order to win exploration contracts and then management contracts for on-going extraction. In fact, this program would use "government intermediation" to restore the one form of competition that for too long has not existed between Energy Conglomerates—namely, price competition. At the same time, the program negates the only other Energy Conglomerate justification for high profits: the high risk associated with major energy investments due to the uncertainty of future prices. *The overall results of the below-outlined program should therefore be:*

(1.) Increasing competition on the supply side of the energy sector;

(2.) Normalizing the profit rates of Energy Conglomerates, while not diminishing their competitive attractiveness to private equity and bond investors as a stable low-risk investment opportunity;

(3.) Restoring to the American people consumer sovereignty over the amount and kind of energy development they want, by establishing a long-needed, integrated planning approach to energy, transportation and their related adjustment mechanism for restructuring these sectors over time, and,

(4.) Assuring the maintenance of a democratic system of checks and balances over a vital sector of our society. These necessary social planning functions are placed in the hands of the only actor—the government, and particularly, Congress—which possesses the necessary incentives to represent adequately both regional and national interests.

a. To accomplish these goals, it is recommended that Congress enact legislation for the implementation and on-going evaluation of the following interrelated social planning functions for the energy and transportation sectors:

(i) A United States Petroleum Import Administration (as outlined in S. 505 placed before the current Congress by Senator Church). This function would implement the various provisions of S. 505 and the so-called Adelman Plan for charging the Federal government with the exclusive right to import crude oil and derivative products into the U.S. The basic objective of this unit is to restore import competition, while securing for the U.S. the cheapest sources of planned petroleum imports, in coordination with:

(ii) A function for Stand-by Energy, Price, and Distribution Controls. The objective here is to monitor pricing policies particularly as concerns the possibility of implicit collusion among competing purchasers of imported petroleum, and to assure that the transfer of import permits from original purchasers to other parties does not lead to increasing domestic concentration in the energy or other sectors of the economy. The second basic objective is to design and implement, when and if necessary, the so-called "white" rationing system of gasoline coupons, and/or end-use rationing with recognition of differences in geographical-regional needs, as specified in S. 505.

(iii) A Public Energy Corporation somewhat similar to various proposals made by Representative Moss, Senator Stevenson, and Senator Jackson. Its basic objective is to provide public ownership and control over large-scale energy sites and the resulting unrefined energy products from these sites, *without* creating a large engineering and managerial bureaucracy for performing the exploratory and extraction aspects of energy expansion. At the same time, the public sector is given the charge of deciding when, how and which sites should be exploited, as well as deciding how much energy should be extracted, and in what time-frame. With the exception of determining which sites, the present system of Federal leasing gives this decision-making power to the private energy conglomerates, and it is this power to decide how much exploitation should take place when that provides them with a basic source of their present near-monopoly control over our energy sector. A further objective of this proposed Public Energy Corporation is to become rapidly self-financing.

To fulfill these objectives, a major function of the Corporation would be to design and conduct a system of competitive bidding for the awarding of exploration contracts to private enterprises. After exploration findings are known and extraction sites determined, the Corporation would then conduct a system of competitive bidding for deciding which extraction method is to be employed and to whom management contracts for that extraction are to be awarded. Contracts should be awarded based on a comparison of fixed-fee bids, and by taking into account the maintenance of competition in the bidding industry. Cost overrun disputes between the Corporation and contractors should be adjudicated by an independent board appointed directly by Congress, and to include representatives of industry, organized labor, and consumer groups. The crude energy product resulting from extraction will be "owned" by the Corporation in behalf of the Federal and State governments. Similar to the above-proposed Petroleum Import Administration, the Corporation would sell its crude energy products by a system of sealed competitive bids, after recognizing differences both in geographical-region needs and end-user needs.

Initial financing for the establishment of the Corporation should come from two sources. Initial funds can be taken from energy-related tax proposals outlined earlier in this statement; increasingly, however, financing should come from the sale of bonds and preferred stocks issued through the Treasury Department. Over time, the Corporation's sale of its unrefined energy products will generate revenues to pay off its debt obligations and provide operating capital.

It is my personal opinion that the chief mechanism for maintaining checks and balances over such a Public Energy Corporation should be the manner in which its Board of Directors is selected. My own suggestion is that half of the Board of Directors should be appointed by Congress, with equal representation afforded organized labor, industry, and consumers. The other half of the Board should be appointed by some number of regions, each of which would, in turn, represent a group of states—e.g., northwest, northeast, mid-west.

(iv) An Energy and Transportation Adjustment Assistance function. This function is complementary to existing legislation and current proposals which recognize the need for the development of alternative energy and transportation technologies. Alternative technologies mean the restructuring of affected sectors. Restructuring means the shifting of occupational skills and/or geographic movement of labor, as well as the retooling and/or relocation of private firms. The objective of this function is to anticipate the types of labor and business assistance needed to facilitate this restructuring process. It is regretably inefficient that current public employment programs do not have a planning input that would permit certain of their funds to be used for retraining and relocating the unemployed, so as to meet anticipated restructuring needs of the energy and transportation industries. This adjustment assistance function finds its precedent in our existing foreign trade legislation. It differs from that legislation significantly, however, in that its intent is to avoid the actual occurrence of hardship before remedial action is taken.

PART 2: PROPOSALS ON RECYCLING AND U.S. CORPORATE INVESTMENT FUNDS, AND ON AGRICULTURE AND THE BALANCE OF PAYMENTS

Objectives: Although fears have eased about an excessive overhang in foreign exchange reserves held by OPEC nations through the end of the 1980's, there will still be significant amounts of these petrodollars that can and should be used to alleviate economic problems in oil-importing nations—including the U.S., other advanced countries, and those of the underdeveloped world. The proposals outlined here have as their objective first, to take advantage of these petrodollars to alleviate what may be the legitimate fear of the Administration of weakening private domestic markets' capacities to service U.S. corporate investment demands, because of a drawing away of monies by the Treasury in order to finance government deficits. A second objective is to take advantage of the current situation to bring about much needed regulations, particularly reserve requirements, for Eurocurrency market, private banking operations. A third objective is to stimulate U.S. agricultural production through differential tax and credit underwriting policies, while encouraging to flow of recycled petrodollars to high food importing nations, particularly in the underdeveloped world. To accomplish these objectives:

A. I recommend the speedy adoption by the U.S. and other OECD nations of the Roose et al. recycling proposals which appeared in the January, 1975 issue of Foreign Affairs. The Treasury Department should pay particular attention to the creation of their proposed OCED–OPEC Investment Fund for the purchase of government securities. In this regard, Treasury should aggressively market U.S. government securities to petrodollar holders for that portion of its deficit financing that it determines could weaken private U.S. capital markets' role in providing investment funds to private business. In addition, adoption of the Roose et al. proposals for creation of a joint OECD–OPEC investment fund for private bond and equity issues in oil-importing nations, would further alleviate the possible problem of inadequate capital funds here in the U.S. The design of the Roose et al. proposals also reduces the fears of excessive foreign control of U.S. industries. Even if the Administration's views about a possible shortage of investment funds are correct, these proposals, if enacted, would negate its conclusion that such shortages limit government deficit financing, and therefore limit tax reductions. Aggressive short-term use of petrodollars for government securities and private equities should permit a tax reduction of at least $25 Billion, allowing, for example, a personal income tax reduction of $19–$20 Billion, and for business, from $5–$6 Billion. (See also Paragraph "C" below.)

B. I support establishing the OECD Solidarity Fund (Safety Net scheme). However, it is both surprising and unfortunate that the U.S. and other OECD nations have not demanded a condition of the Fund's operation be the swift agreement on new regulations for Eurocurrency private banking practices.

These practices are among the prime reasons for the need for such a fund in the first place. The lack of reserve requirements on Eurocurrency deposits has undoubtedly been a significant contributor to inflation in the U.S. and elsewhere. The practice of these banks to borrow short and lend long is a major cause of present instability, and could trigger banking system failures in one or more of the involved nations. Should such failures occur, there is a significant likelihood of precipitating a world-wide chronic depression. This, of course, is what the fund is intended to guard against. It is remarkable, therefore, that new private banking regulations are not an inherent part of its operation. The U.S. should use its bargaining power in the Fund to bring about such regulations, particularly the deposit reserve requirement. While the current tier system of London inter-bank interest rates has reduced some of the danger, it is fostering further concentration of an already over-concentrated global banking industry. Congress should vigorously recommend to the Federal Reserve Board that it extend its regulatory authority to the foreign branch offices of U.S. multinational banks, in order to promote stability, while not ignoring the concentration issue.

C. In order to improve our balance of payments situation, I also recommend a concerted effort to stimulate U.S. agricultural production. Concerning our balance of payments, the real problem is the deterioration in the value of the U.S. dollar as opposed to other major currencies where continuing higher commercial interest rates overseas attract an outflow of dollars which are beginning to "flood" foreign capital markets. This process is cumulative, basically because foreign dollar holders, including U.S. multinational corporations, attach a growing risk to holding liquid assets in dollars. In the past, this downward spiral could eventually be offset by a number of factors. First, the U.S. business cycle was out of phase with Europe's, which acted as a natural buffer against this downward spiral. Second, Eurodollars did return to the U.S. during the boom phase here, even though that meant higher credit costs. Large corporations, however, could afford to borrow these because of their oligopoly power to pass on increased credit costs as long as the economy was growing, and even during the initial phase of decline. Today these conditions no longer exist. Thus, the Federal

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Reserve finds itself in a dilemma: should it raise interest rates to halt the deterioration of the dollar abroad and thereby reduce investment demand multiplier benefits at home? Or should it continue to ease domestic credit, and thereby contribute to a further decline in the U.S. terms of trade? That is, to accelerate the transfer of real U.S. resources abroad at bargain prices. It is important to note that adoption of proposal 2.A. above will help to ameliorate this problem. But there are limits to the amounts of Petrodollars the Treasury can seek to attract—namely, the needs of such countries as Italy.

The only other offset available, other than direct interest rate manipulation by the Federal Reserve, is to raise sharply the relative surplus on the U.S. trade account in the years ahead. This will be partially accomplished via a non-inflationary reduction of energy imports as proposed in Part 1 of this statement. In addition, it will be necessary to increase exports in the one sector where we have *potential* excess supply—agriculture—and the rest of the world will be experiencing excess demand. Even though there is presently a downturn in commodity foodstuff prices, this is a temporary phenomenon owing to worldwide recession. The long run secular price trend is definitely upward. But in contrast to past years, increased exports of our foodstuffs will have to be effected in a non-inflationary manner, thus requiring stimulation of supply capacity. Agricultural stimulation policies are, however, a tender topic since they can easily lead to further concentration in that sector. Such concentration means that as demand bounces back, agricultural prices will rise faster than competitive market supply and demand conditions would dictate, and thereby induce higher multiplier inflationary forces. To overcome this difficulty, I recommend differential tax and credit underwriting of small and medium size farms as opposed to large agribusiness concerns. The efficacy as well as feasibility of such a proposal still requires further study. Nevertheless, the concentration phenomenon in such a vital sector as food can no longer be ignored.

To further compound the agricultural export problem, there is the question of whether foreign food importing nations, particularly in the underdeveloped world, can generate the requisite amounts of foreign exchange. A medium-term expedient to offset this problem could be the adoption of the Roosa et al. proposals for a joint OECD-OPEC recycling fund (as well as those of the IMF arrangements), modified to take account of poor countries' food import needs. This, of course, is a problem and an approach which the U.S. should bring foreign policy pressure to bear upon; but it is one we can neither solve alone nor alone implement its solution.

PIERCING OPEC'S "CELLOPHANE WRAPPER"

Mr. BROCK. Mr. President, we continue to struggle with the question of oil, oil prices, and the OPEC nations. Yet our energy policy is still not finalized. With this in mind, I ask unanimous consent that an article by Charles G. Bluhdorn entitled "Piercing OPEC's 'Cellophane Wrapper'" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PIERCING OPEC'S "CELLOPHANE WRAPPER"

(By Charles G. Bluhdorn)

The Arabs tried to do us a big favor in October, 1973, but unfortunately we didn't appreciate it. When they imposed the boycott, they finally alerted us to the unalterable fact that we were dependent on them hook, line and sinker. That was the moment when we should have forcefully rallied to the protection and defense of our future stability. That was the moment for us to begin massive conservation and development programs and not to wait eagerly for a lifting of the oil embargo.

When the Organization of Petroleum Exporting Countries says that they are now gathering their just and true price, and when they say they are acting responsibly, and when they say they are the first ones who have ever used their funds to help other less-fortunate nations, then the time has come to remind them of certain facts.

We have heard so much about all the exploiting that we Americans have done in other nations that our own youth now believe this to be the unalterable truth. The fact is that in the history of mankind there has never been a more generous nation than the United States. After World War II, we helped to rebuild the entire Western free world and even extended generous aid to our former enemies. Since World War II, under various aid programs including the Marshall Plan, which seems to have been forgotten by too many people today, we voluntarily and freely contributed economic and military aid of some $200 billion, to which should be added $50 billion of Lend-Lease aid supplied during World War II, and additional billions of dollars that were freely made available on a people-to-people aid basis.

I ask the members of OPEC just where they would be today if it had not been for the United States in 1945. I will tell you exactly where they would be. We saved the Shah of Iran from Communism and we did the same for all of the Middle East nations. Not only was it American technology and ingenuity that developed the oil fields, an achievement which these days almost calls for an apology, but on top of this we supplied substantial aid to those very countries that now say that they were exploited by us.

Why is the Western world so eager to please that we are now actually trying everything possible to contrive ways and means to ship them military weapons before we even hand them over to our own armed forces? Are we going to make the Middle East a new testing ground for our most advanced weapons? Or are we in fact aiding and abetting the recipients of these weapons in the hijacking of our own latest military technology?

We must take strong measures and swallow whatever medicine is necessary to assure ourselves of self-sufficiency in the next decade:

1. The development of coal and nuclear resources as alternative energy sources.

We have the capacity to do this. We have the coal, and if we could develop the Manhattan Project [the atomic bomb], then we can certainly build nuclear plants. If private means cannot afford to do it then we must do it on a wartime-footing basis and that means Government financing in the same manner as was done with the Manhattan Project.

2. Even though we are in the midst of an energy crisis, it seems that right now luxury cars are still selling at the best levels of all. Hasn't the time come for us to develop a 40-mile-per-gallon small automobile?

3. We should raise the price of gasoline at the pump and provide rebates to lower-income families so that they do not suffer undue hardship. If we produced a 40-mile-per-gallon automobile and even charged double the current price at the gas pump, American drivers would actually be paying less for their gasoline than they are now. On top of it, they would be doing their share to help make America self-sufficient.

For those people who want to go running around in these huge horsepower vehicles, let the Government slap them with a substantial enough horsepower tax to remind them that this is no time for luxury.

4. We must develop a massive Federal program for mass transportation along a scale never envisioned before anywhere in the world. There should be sufficient incentives to make it so attractive to ride the public transport system that people will think twice about the wastefulness of driving alone in a heavy gasoline-eating vehicle.

5. OPEC has covered itself conveniently in an offshore cellophane wrapped containing properties of the United States oil companies which it expropriated. Perhaps there is a way that this cellophane wrapper can be pierced by our antitrust laws.

I might remind you that the Sherman Act was specifically passed in 1890 to curb precisely these practices but the monopolies that existed at the turn of the century were mere child's play compared with the monopolistic power exercised by OPEC.

Some time ago we commenced a legal study to find out whether or not there may be a way to attack this philosophy of double-standardness. We are looking at potential ways and means which might include our petitioning the Department of Justice to examine the entire question of whether or not OPEC is not subject to prosecution under our antitrust laws. A respectable body of legal and academic opinion is coming to the view that the antitrust laws can be applied.

We are under a cloud that is immovable because we have not demonstrated the will to move it. If the OPEC countries substantially reduce the price of oil, this would not solve all of our problems overnight, but I do guarantee that such a step would mark the beginning of a de-escalation in the price of all raw materials, and the psychological impact of this movement would surely lead us down the path of a massive snowballing restoration of confidence. Once you remove fear from the minds of men, then the process of restoration begins very quickly and accelerates ever more rapidly.

NATIONAL HEALTH INSURANCE

Mr. HARTKE. Mr. President, whether the administration likes it or not, Congress will consider and, I believe, enact much needed national health insurance. Already a number of comprehensive plans have been submitted in both Houses. Once the priority items of tax reform and energy have been disposed of, we will again turn our attention to what is destined to become the most important piece of social legislation of the decade.

Soon we will be in the heat of debate over the various aspects of the competing bills. But before that time comes, I think we should each read the article by Dr. Irvine H. Page which I ask unanimous consent to have printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARTKE. Mr. President, he is concerned, as I think we must all be, with the extremely delicate nature of the relationship between the medical profession and the patient. Too often, the individual is treated without the humaneness and concern that should be the very essence of medical practice. The problem is particularly severe in institutional settings.

Congress can legislate insurance systems, and it can legislate various reforms. What it cannot do, is mandate

what modern medicine desperately needs—love, concern, tenderness. Human beings need to treat each other like human beings. This is never more true than in the face of illness when the usual psychological defense mechanisms of the individuals are only half-working. Each of us has experienced, either personally or on behalf of a loved one, the anxiety and even the fear of the hospital setting. A kind word, an acknowledgment of common humanity—these small gestures take on an enormous significance.

EXHIBIT 1

[From the Wall Street Journal, Apr. 14, 1975]

WHY PATIENTS LOSE THEIR PATIENCE

(By Irvine H. Page, M.D.)

The planners and model builders have decided that private medical practice must, and will go. Because of private practice, medicine is accused of being a "cottage industry" that has failed miserably to bring the best care to the American public—and even the failure has been at an astronomically high price.

The government has tended to accept this caveat at face value and offered tax dollars to aid in establishing Health Maintenance Organizations, a form of prepaid group practice. The slow growth of HMOs indicates that neither the public nor physicians are sure that it is the overall answer to better and cheaper medicine. Perhaps we should take a closer look at group practice before we jettison the private practitioners.

The practitioner has learned one important thing: Take away things the patient feels are important and you have destroyed his defenses and his confidence. This he will not forget.

Enter almost any large hospital as an unknown patient and see for yourself the rudeness, indignity and carelessness to which you are exposed. This is in marked contrast to the reception of those patients known to be high on the totem pole.

How many patients with myocardial infarction have been rushed to a hospital within 30 minutes only to sit endlessly in an emergency ward before anything is done? Do physicians in hospitals need to be reminded again that patients often wait for hours after having been given a specific appointment and adjured to be there on time? And seldom does anyone take the trouble to soothe the patient's growing irritation by a kind word of explanation and an offer of a hot drink. An ailing patient's wrath quickly builds to the point of leaving and going to a private physician who does not allow this kind of thing to happen, that is, if the doctor needs to continue in practice.

Have you ever tried to telephone for an appointment in a large hospital? Well, don't if you can avoid it. If the switchboard answers at all, it will be in its own good time, emergency or not. An appointment? Perhaps in six weeks the doctor can see you. What to do in the meantime? Most people go to a private practitioner who will see them and whose secretary will answer the phone and determine whether an emergency exists or not.

CHANGING ATMOSPHERE

The atmosphere of the big university and clinic hospitals has without doubt changed for the worse in the past two decades. Ancillary personnel are often rude and inconsiderate. At $120 a day for a room, this rubs the wound raw. For that kind of money the least one should expect is friendliness and consideration.

Have you ever enjoyed the kind of ride in a wheelchair where the attendant smokes a cigaret, stops to chat with other attendants, and shows no sign of being aware of your presence?

The small complaints and dissatisfactions added to the already anxious state of the patient and his family often cause them to look for trouble and even welcome a malpractice suit if a contingency lawyer gives the word.

I wish I believed that the high quality and extraordinary skill of many hospital-based doctors determined the satisfaction of patients. Occasionally it does, but mostly it is not enough. The cumulative effect on the patient of the small and thoughtless events can spell trouble for the hospital or physician out of all proportion to the importance of the events. Unfortunately, rudeness from even a very few remains uppermost in the mind of a distraught sick person and may override the compassion and devoted attention of others. A troubled patient cannot be expected to show the tolerance he would have in his healthy state.

Whose fault is it? I refuse to join those who dismiss the problem as one inevitably resulting from growth or who claim that no one group should be singled out for censure. In my view, it reflects the fact that as institutions become large, their small, endearing qualities tend to disappear. The administration, the medical staff and many employes become increasingly indifferent and isolated from personal responsibility for patient care. Too much is left up to the house staff, nurses, desk girls, orderlies and laymen involved in public relations, personnel and social work. And too many of these receive almost no training or supervision from those who are ultimately responsible. Don't forget that executives exist to make sensible exceptions to general rules.

Doctors often are no longer responsible for the behavior of their secretaries or desk girls. Resident physicians no longer supervise treatments and urge good manners on the younger house staff. The day and night nursing supervisors in many institutions no longer make rounds to discuss nursing problems with both the nurses and the patients. The result is that no one assumes responsibility for the patient's state of mind, and he is left frustrated and unhappy with an experience that must be endured.

The "Declaration of Patient's Rights," that many hospitals distribute to incoming patients, is well meant but almost meaningless in terms of the modern hospital or clinic. The damage being done to medicine in general and to institution in particular is far greater than people in official positions seem to appreciate. The academic planners also seem unaware of the problem or show an extraordinary indifference.

I have repeatedly urged that ombudsmen be widely used to smooth over the rough spots and provide a medium of communication with administration and professional staff. These must be people of stature and warmth of personality. Even though New York City thought the idea good enough to appoint several ombudsmen for City Hall, hospitals by and large have not followed suit. But even several ombudsmen will not be able to overcome the boorish behavior of a minority of the staff and employes of an institution.

Even our better medical journals express not a word of outrage at the shabby behavior of too many hospital employes. All too soon some muckraking reporter will give an overblown report of this behavior and label it "scandalous." It is not scandalous, but it is irresponsible foolishness to make such reports feasible.

This, then, is a small sampling of why so many patients turn to private practitioners for medical help. A private physician simply cannot afford the luxury of grossly inadequate concern for the small things of civilized living. Great Britain with its vaunted National Health Service is reluctantly coming to the same conclusion. Private practice has not died as had been anticipated.

WARMTH, POLITENESS, AND KINDNESS

Big institutions must quit finding excuses and correct abuses that make physicians and medicine liable to so much hostile and restrictive legislation. Expertise in the science of medicine is not enough. It must be coupled with warmth, politeness and kindness, qualities that private practitioners usually have. As a physician who has spent little time in private practice and a lifetime in big institutions, I am both sympathetic and appreciative of the capabilities and great achievements of such organizations. They should be models of excellence in the medical sciences, the practice of medicine and teaching. Size is working quietly and continuously to destroy this mandate. But I warn them—they had better deliver their expertness with a smile, efficiency and concern for good manners. This may seem a very simple, unoriginal approach to an important problem. Few will disagree, but almost no one will do anything about it. While patients complain bitterly, doctors throw up their hands in frustration and administrators deny complicity.

I am appalled at the number of high-level meetings being held throughout the country under the aegis of prestigious organizations concerned with the "delivery of health care." I would even accept this singularly inappropriate phrase if some attention were given to simple problems that involve human satisfaction and happiness.

We seem forever concerned with ethics or organ transplants, cloning, informed consent and population control—subjects that are either rare or about which we probably can do little. I have yet to hear of a conference on good behavior.

THE MIGRATORY BIRD CONSERVATION COMMISSION LOSES A DISTINGUISHED MEMBER, SENATOR LEE METCALF OF MONTANA

Mr. BELLMON. Mr. President, when a Senate colleague performs his duties in an exceptional manner, I believe such service is worthy of recognition.

As a member of the Migratory Bird Commission, I have had the opportunity to witness first hand the valuable contribution made by Senator LEE METCALF. For 14 years as a member of the Migratory Bird Commission, Senator METCALF has displayed a remarkable devotion to the cause of preserving wildlife and our natural resources.

This Commission operates under authority of the 1929 Migratory Bird Conservation Act to rule on land acquisition proposals of the Secretary of the Interior on behalf of migratory birds. The Commission is composed of two Senators, two Congressmen, and the Secretaries of Agriculture, Transportation and Interior, the later acting as its Chairman.

Senator METCALF has served almost continuously on the Commission from 1961 to several months ago, when he found it necessary to relinquish membership. During his tenure of service, he compiled the astounding record of never having missed a single one of its 50 meetings while bestowing his counsel and wisdom on deliberations of the Commission.

His membership spanned a crucial period in the Commission's history. During this time an accelerated land acquisition program was initiated to grasp still existing opportunities to preserve fast disappearing habitat crucial to the welfare of our Nation's waterfowl. During this

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time the Commission has decided on the purchase of 525,000 acres of land and has overseen creation of 43 new waterfowl refuges as well as additions to many others.

Senator Metcalf has been the friend of all who are troubled about the future of waterfowl, whether for hunting or just plain enjoyment. He has set the standard for purposefulness toward achieving a system of Federal land holdings which would mesh with State and private habitats to maintain traditional waterfowl populations across the land.

Senator Metcalf deserves the gratitude of not only sportsmen, but anyone interested in the world of wildlife and the natural environment. His efforts should not go unnoticed, but rather deserves our recognition and praise.

IMPACT OF RECESSION ON LABOR

Mr. HUMPHREY. Mr. President, the unemployment figures issued by the Labor Department and discussed in congressional hearings tend to emphasize the gross proportions of the unemployment problem, and I think we sometimes lose sight of what these figures really mean for the Nation's working people. For in fact the real costs of high unemployment are only partly reflected in the cost of increased unemployment benefits and losses in production. To this must be added the human cost, the demoralization, the loss of hope, and the painful loss of self-respect which confronts every individual who wishes to work but is unable to find a job. This aspect of the tragedy of unemployment was brought out in hearings held by the Joint Economic Committee on March 19 as a part of the committee's evaluation of the President's economic and energy proposals.

On that day the committee heard the testimony of Mr. Glenn Watts, president of the Communications Workers of America; Mr. Gobert Georgine, president of the Building and Construction Trades Department of the AFL–CIO; and Mr. George Hardy, president of the Service Employees International Union affiliated with the AFL–CIO. The message conveyed to the committee by each of these three distinguished witnesses was clear—the present unemployment situation makes drastic and far-reaching corrective action on the part of this Congress an immediate necessity.

Mr. Watts made a number of proposals for Federal action, including a massive public service jobs program, elimination of the foreign tax credit and the development of alternative energy sources. He also favored passage of the Consumer Energy Act, S. 701, and he supported a tax-cut bill providing for a reduction in the $30 billion range as recommended by the Joint Economic Committee.

Citing the 15.9 percent unemployment rate in the construction industry, Mr. Georgine said in his testimony that:

> Beyond doubt, the construction industry has borne an unfair and disproportionate burden in the Administration's discredited strategy of balancing the budget.

He endorsed extended unemployment compensation, job programs, and both temporary and permanent tax cuts, but he felt that "the construction industry, if only given the chance, can lead this Nation out of the recession," and for this reason he felt that a number of reforms directed specifically at the construction industry are necessary. He called upon the administration "to release and commit the billions of dollars of construction funds—already authorized and appropriated by the Congress," and "to direct the Federal Reserve Board—to allocate credit for housing, utilities, and State and local governments."

Mr. Hardy outlined the plight of service workers in his testimony. He said that "nearly half of all laid-off workers" are service workers—nearly 3 million workers in the service economy are unemployed. As he said:

> This is a huge part of what must be seen as a national disaster.

Among the programs supported by the Service Employees International Union are "the tax cut proposals, the cost of living adjustments for Federal income support programs, the improvements in unemployment compensation, the expansion of the emergency public service employment program, and the direct federally administered public service employment program."

The testimony provided by these distinguished union leaders provides an essential perspective on the economy.

A COMMENTARY ON SOME RIDICULOUS ECONOMIC CONCEPTS

Mr. GOLDWATER. Mr. President, I do not know how many of the Members have heard recently the hen-house story about the little red hen who planted, reaped and made bread out of a few grains of wheat. I bring this up at the present time because I think it is applicable to a lot of the ridiculous economic concepts which are going on today in the U.S. Government. In all events, I ask unanimous consent that this little tale be printed in the Record for the edification of our home-grown economists.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Hen-House Story

Once upon a time, there was a little red hen who scratched about and uncovered some grains of wheat. She called her neighbors and said, "If we plant this wheat, we will have bread to eat. Who will help me plant it?"

"Not I," said the cow.

"Not I," said the duck.

"Not I," said the goose.

"Then I will," said the little red hen. And she did. The wheat grew tall and ripened into golden grain. "Who will help me reap my wheat?" asked the little red hen.

"Not I," said the duck.

"Out of my classification," said the pig.

"I'd lose my unemployment insurance," said the goose.

"Then I will," said the little red hen, and she did. At last it came time to bake the bread.

"That's overtime for me," said the cow.

"I'm a dropout and never learned how," said the duck.

"I'd lose my welfare benefits," said the pig.

"If I'm the only helper, that's discrimination," said the goose.

"Then I will," said the little hen. She baked five loaves and held them up for her neighbors to see. They all wanted some and demanded a share. But the little red hen said, "No. I can eat the five loaves myself."

"Excess profits!" cried the cow.

"Capitalist leech!" screamed the duck.

"Equal rights!" yelled the goose.

And they painted "Unfair" picket signs and marched around the little red hen, shouting obscenities. When the government agent came, he said, "You must not be greedy, little red hen."

"But I earned the bread," said the little red hen.

"Exactly," said the agent. "That is the wonderful free enterprise system. Anybody in the barnyard can earn as much as he wants. But under our modern government regulations, the productive workers must divide their product with the idle."

And they all lived happily ever after, including the little ren hen, who smiled and clucked, "I am grateful. I am grateful." But her neighbors wondered why she never baked any more bread.

ALAN RANKIN RETIRES AS PRESIDENT OF INDIANA STATE UNIVERSITY

Mr. BAYH. Mr. President, next month, Dr. Alan C. Rankin will retire as president of Indiana State University at Terre Haute. Dr. Rankin, during the 10 years of his presidency, brought a keen perception of the relationship of a university and its environment, and he worked diligently to create an exchange with the community to the benefit of both.

Higher education, particularly on a national level, faced a challenging period of question in the late 1960's. Dr. Rankin provided leadership and suceeded where others tried, and unfortunately failed. The strengthening of Indiana State's programs, its balance as a university, its rightful role in society, have been rightfully acknowledged nationally.

Even though Dr. Rankin is formally retiring as president of Indiana State, I feel sure that we will all continue to benefit from his continued involvement in matters of benefit to the Nation, the university, and Terre Haute. I look forward to working with Dr. Rankin in the many years ahead.

I ask unanimous consent that several articles about Dr. Rankin's years at Indiana State from the Terre Haute Tribune of April 10 be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Rankin Promotes "University Tradition"

(By Wayne Perry)

Establishing a "university tradition" and helping Indiana State University "emerge as an institution" were two major goals that Dr. Alan C. Rankin set for himself—and as his decade as ISU president concludes, he hopes that those goals have been met.

"I put 10 years of my life in this university and I'm selfish for it," Rankin reflected recently as he discussed his tenure at ISU.

"But I'm looking forward to a change of pace," he admitted.

Rankin announced his intention to resign on April 16 1974, and when Dr. Richard Landini assumes the ISU presidency in May, the "Rankin years" will conclude.

"Looking back," Rankin comments, "I am first of all pleased that ISU has emerged—that it is developed a general university tradition—this has kind of been a goal of mine and I think that we have reached that in our

transformation from a state college to a state university."

"We have expanded our academic programs, we have obtained specialized faculty, and we have greatly improved our library facilities—which is essential to a major university," the president points out.

Rankin continues, "I am pleased with the impact that ISU graduates have made. Hardly a day goes by that I don't hear something complimentary about an ISU graduate's accomplishments."

He noted that perhaps his "greatest satisfaction" from ISU had been "seeing our students achieve recognition for the good job that they do."

As he reviewed the progress of ISU since the mid-1960's, Rankin noted that "no one person alone is responsible" for what takes place.

"Whatever the accomplishments," he emphasized, "they occur through the efforts of many, many people—a lot of people have been involved in Indiana State's progress during the past years."

Among those accomplishments that have occurred since Rankin began serving as ISU president in 1965 (although named president in 1964, Rankin's first day on the job was July 1, 1965) are a number of both academic and physical expansions.

Academically, ISU established the School of Health, Physical Education, and Recreation and the School of Technology under Rankin's administration; developed various new departments, special programs, and academic centers; and instituted the first doctorate program at the school.

In physical expansion, six traditional residence halls were built, as were the Statesman Towers and Lincoln Quadrangles.

The Hulman Civic Center was constructed, a new Cunningham Memorial Library was built, and other new facilities completed included Holmstedt Hall, Maehling Terraces, the School of Nursing Building and the Student Health and Counseling Center.

Enrollment when Rankin was named stood at 7,777. The figure peaked at 13,533 in 1970 before taking a downward slide to the current 10,000.

In fact, Rankin notes that his "biggest concern, my biggest headache" has been the enrollment.

"But this has happened at a lot of campuses, and while we have been worried about the enrollment decline. I believe it is stemmed and we have built it back up," the president states.

"The prospects for full enrollments are optimistic—we anticipate a five per cent increase in the number of new freshmen over last year," he adds.

Rankin hopes that the enrollment situation will be a problem that will be solved when Dr. Landini assumes office.

"We have graduated large classes during the last four or five years and students were going out faster than they were coming in," he explains.

"In the next two decades the situation is likely to get worse because of further declines in enrollments in the high schools. But our problem is to tell our story and let people know what a good institution this is," the president continues.

Noting that his tenure had spanned a "rise in activism" at universities across the United States, including ISU, Rankin states, "Some of this should not have been unexpected—there were changes due."

"But now," he explains, "many of those goals have been accomplished and there has been a decline of activism."

The president adds:

"What happens on campuses is reflective of what happens in society. Blacks, women, and others have reflected social issues that have been prevalent in our whole society.

"Unrest and dissatisfaction was heightened by the Vietnamese war, which had a direct effect on students.

"All of these comments could be regarded as generalizations and oversimplification, but I think it briefly sums up the feeling of the era."

Viewed as an "involved" university president by his academic peers and by ISU faculty and students, Rankin notes, "I have tried to take part in a variety of activities that have been carried on at the university."

"I've tried to be accessible and when people have had complaints, I have tried to talk to them or to see that they get to the right person to talk to," the president notes.

He quickly adds, "I have never intentionally missed seeing anybody."

Aiding in the effort to be accessible has been the fact that Dr. and Mrs. Rankin have resided in Condit House, at the center of campus, since the facility was restored and expanded in 1968.

"Living on campus has provided us with a sense of community in this urban setting," Rankin notes.

"It has been helpful to us and we enjoy the experience—every once in a while a student will come up and ring the doorbell and we've had some interesting encounters," he recalls.

"Even during the days of unrest it was not unhelpful to be here—people could more easily air their grievances," the president concludes.

Rankin notes that he is looking forward to a change of pace after Landini has assumed the presidency.

"Mrs. Rankin and I have bought a house in the Allendale area and we will be moving there. One of the first things that I will do after Dr. Landini assumes office is to move into a new office at the Conference Center—that will be some time after 'spring commencement," he reveals.

"Then I expect to be on sabbatical for the next year, "the retiring president adds.

During that time, Rankin notes that he would like to spend time in England "studying the newer universities."

"I have always had great regard for the stamina and tradition of the English people and I would like to visit there at length," he notes.

In addition, Rankin says that he may work on an informal basis with the American Association of State College and Universities in Washington, D.C., among other things.

After the sabbatical, Rankin intends to stay at ISU for the immediate future "at least." His exact position has not been announced.

In the meantime, Rankin notes that he is concentrating on getting "as much done as possible."

He points out that various spring activities are taking place, that "many decisions are to be made," and that he is "awfully busy with the regular, ongoing things."

"I want to insure there is a smooth transition from this administration to Dr. Landini's administration," Rankin also states.

Rankin stresses that he is pleased with the choice of Dr. Landini.

"He brings an unusual depth of understanding of the academic scene and a valuable background of experience—which augurs well for the university.

"It is a most pleasing happening—it is satisfying to see such a capable successor chosen."

Despite his current full schedule, Dr. Rankin notes that he still finds time to pursue his hobbies.

"I try to keep a book going and I watch occasional news shows—and I write an awfully lot of letters—I keep busy," he laughs.

"But I am looking forward to a change of pace and the future," he concludes.

Rankin has been active in other activities on a wider scale, as well as in community activities. He was the 1968–69 president of the Indiana Conference of Higher Education and he served on the board of directors of the Governmental Affairs Institute and the board of trustees of the Public Administration Office.

Other honors have been as chairman of the Committee of Federal Relations of the American Association of State Colleges and Universities and on the American Council on Education.

He was appointed in 1967 and reappointed in 1969 by the Speaker of the Indiana House of Representatives to the Indiana Constitutional Revision Commission.

Among many community activities, Rankin served as president of the Terre Haute Committee for Area Progress, president of the board of directors of the Community Foundation for the Wabash Valley, Inc., a member of the board of directors of the Swope Art Gallery and the Terre Haute Area Chamber of Commerce, and the 1973 president and 1972 campaign chairman of the United Way of the Wabash Valley.

Dr. Rankin came to ISU from the University of Pittsburgh where he had served since 1956 in positions as executive assistant to the chancellor, assistant chancellor for student and general affairs, assistant secretary of the board of trustees, professor of political science, and acting chancellor.

Rankin was born Dec. 19, 1914, in Hoisington, Kan. His undergraduate study was completed at Fort Hays Kansas State College where he earned the A.B. and B.S. degrees in 1937.

His graduate work was at Syracuse University where he received the M.A. degree in 1939 and the Doctor of Social Science degree in 1955.

Following World War II, he taught at Miami University, Oxford, Ohio, first as instructor in government and then as assistant professor.

Rankin is married to the former Frances Margaret Goodnough Atkings.

Rankin at ISU: Highlights of the Decade

1964

Indiana State College announces the appointment of Rankin as president. ISC enrollment is less than 8,000, the School of Business is newly established, and Cromwell and Blumberg halls are opened.

1965

ISC receives university status and becomes Indiana State University on Feb. 8.

Rankin begins his presidency at ISU with his first day in office on July 1.

ISU initiates a doctoral program, the School of Health, Physical Education, and Recreation is established, the Evansville campus is founded, and Mills and Rhoads residence halls open.

1966

Rankin is inaugurated on April 14.

Jones and Hines residence halls are completed. Holmstedt Hall is dedicated in June, and the Marathon Building (to be renamed the Alumni Center) is acquired in July.

Both Dreiser and Stalker halls are renamed.

Condit House is designated as the residency of the president.

1967

ISU grants the first doctor of philosophy degree.

The second university bookstore (Plato's) is opened on Sixth Street.

1968

The School of Technology is established.

The Statesman Towers residence hall complex is completed and the Unit II expansion of the Science Building is finished.

The restoration and expansion program is completed at Condit House and Dr. and Mrs. Rankin move into the campus home.

1969

The first new structure at ISU-Evansville is occupied.

UMI

The School of Nursing Clinical Education Building adjoining Union Hospital is completed as is the Clinical Psychology Building on campus.

Lincoln Quadrangle's residence halls are completed and the first phase of Maehling Terrace (married student housing) is finished.

1970

ISU enrollment peaks at 13,533 as the university begins its centennial celebration.

An addition to the School of Business Building is completed and the university acquires the Elks' Club building.

1971

The School of Nursing Building is completed, as is the Student Health and Counseling Center.

The second phase of Maehling Terrace is opened.

The first degrees are conferred in June at ISU-Evansville.

1972

A $3 million remodeling and construction program is completed at the Tirey Memorial Union Building. The Union Center ("Link Building") is open.

1973

The new Cunningham Memorial Library is first occupied in January. The building is a five-level facility with a capacity of one million volumes.

In December, the grand opening of the Hulman Civic University Center is conducted. The amphitheatre provides from 1,900 to 10,000 seats for various shows, concerts, and productions.

1974

The university physical plant is valued at $128 million.

Citizens Laud Achievements

"Rankin's leadership at ISU has been extraordinary—he has genuinely brought a university tradition to Indiana State. ISU has been fortunate to have a man so universally accepted for 10 years."—James T. Morris, president, ISU Board of Trustees.

"Over the past 10 years, Dr. Rankin has contributed tremendously to making ISU a first rate institution. He has been instrumental in providing the Student Government Association some of the best facilities in the country—as well as adding such facilities as the Hulman Civic University Center and the new library to the campus."—Mark Blade, president, ISU Student Government Association.

"Dr. Rankin is a man of sensitivity and integrity. It has been a stimulating experience to work with him through the years of my tenure at St. Mary-of-the-Woods College. I will miss him as both a colleague and a friend."—Sr. Jeanne Knoerle, president, St. Mary-of-the-Woods College.

"I'm a great admirer of Dr. Alan Rankin. I believe he has been a vitally important factor in the state of higher education in Indiana. He has been stimulating and exciting and I particularly admire his willingness to cooperate—not only with Rose-Hulman, but with other colleges in the Collegiate Consortium of Western Indiana. I believe his talents will be greatly missed."—Dr. John Logan, president, Rose-Hulman Institute of Technology.

"I think Alan Rankin has been a tremendous asset, not only to the university, but to the entire community. His tenure as president of the university carried him through some of the most turbulent years at ISU . . . He handled these situations in a very superior fashion, but more importantly from our standpoint, his administration pursued and acquired one of the best working relationships between the city and the university."—William Brighton, mayor, Terre Haute.

"His impact on the physical development of the university during the past 10 years has been outstanding. His ability in selecting people to serve the university—staff, faculty, administration—has been excellent."—Patrick O'Leary, past president, Terre Haute Area Chamber of Commerce.

"It has been my great pleasure to work with Dr. Rankin over the past 10 years. We will miss him as the president of the university, but know that he will add a lot to the community in the future."—Don Smith, president Terre Haute First National Bank.

"I've had a great deal to do with Dr. Rankin because I have been president of the ISU Foundation since, and before, he came to the university. His cooperation has been rather terrific and as a result the Foundation has made a very impressive growth."—Forrest Sherer, president, ISU Foundation.

"We think that Dr. Rankin has been a credit to the university; in addition to that, he has been a credit to the city in his activities such as the United Way and the Terre Haute Committee for Area Progress—to name just two. He has certainly been very cooperative in working with the financial institutions."—Howard Potter, president, Merchants National Bank.

AT TIMES WE BEHAVE UNLIKE WORLD POWER

Mr. BROCK. Mr. President, the controversy of the Soviet submarine and the CIA continues. What is our Nation coming to? When is enough enough?

Columnist Tom Braden recently addressed himself to the entire episode of the Soviet submarine. In an excellent article, he pointed out a simple fact, the danger of not retaining our strength.

I ask unanimous consent that Mr. Braden's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AT TIMES WE BEHAVE UNLIKE WORLD POWER

(By Tom Braden)

WASHINGTON.—Before a nation loses its power, it often signals that it no longer desires to hold it. So William Shirer suggests in his "The Collapse of the Third Republic," and he lists a number of signals which he believes might have warned the world of what would happen to France in 1939.

Shirer's thesis comes to mind because it may be that the submarine incident of last week may someday be worth a footnote as a signal of our own decline.

Here we had a secret operation designed to discover from our principal adversary information about codes, code machinery, weapons and metallurgical technology. The operation was not complete. It was on-going. When reporters learned of it, the highest government official concerned asked that it be kept secret.

So what did we do? We broadcast the secret to the world. Afterward many of the commentators in the press and on television and radio criticized the government for having made an effort to keep the operation secret and also criticized their own superiors for temporarily going along.

The reason media officials gave for temporary acquiescence in the government's request seems itself a sign of our decline. They agreed to honor the request only as long as everyone else did. By this logic, the ultimate responsibility for keeping a national secret is placed upon the least responsible among those who share it. And the reputable news organizations in effect turn over policy decisions to the disreputable.

No suggestion is made here that the Russians gained any great advantage from the discovery of the secret. No one knows whether they did or not, and suggestions that on the "worst case" theory they already assumed that the U.S. government had found their submarine may be accurate.

But it is suggested that the reason given by Jack Anderson for exposing the secret is a self-serving reason. Anderson said the recovery of the submarine was a $350 million mistake and he wanted to expose it for the benefit of the taxpayers. To paraphrase a familiar maxim, highmindedness is the last refuge of the sensation monger.

I am also willing to grant that news organizations have had a lot of experience recently with government officials who ask them to withhold facts in the national security when the real reason for making the request is that government officials don't want to embarrass themselves. If news organizations had gone along with the national security argument, the Nixon White House plumbers would never have been exposed.

But the submarine operation is surely not comparable. Unlike the plumbers, it could be explained fully to news organizations, and indeed the news organizations agreed to try to keep it secret. It was not illegal. It was not a secret known to a few White House staffers. It had been cleared by appropriate authorities. Certain congressmen and senators had been briefed. Technical experts thought it was worth the effort and even laymen's logic suggests that it might be.

So why do we broadcast it to the world? Is there no such thing as a government secret? And who is better qualified to decide whether the recovery of a Russian submarine should be kept secret? The director of Central Intelligence or a newspaper columnist?

Maybe I'm old-fashioned, but it seems to me that we sometimes behave as though we don't deserve to be a world power and don't really want to be. And what ever God is looking after the United States of America these days must be shaking His head at the sight of little boys playing with matches.

PROPOSED IN REA LOAN PROGRAM

Mr. BAYH. Mr. President, on March 11, 1975, the Rural Electrification Administration proposed a change in REA Bulletin 20–6 titled "Loans for Generation and Transmission." This unfortunate REA proposal would terminate the availability of the standard 5 percent REA insured loans to all power supply type borrowers except where the administration determines a special need in order to maintain loan security.

Mr. President, I object strongly to this proposal. With the energy situation as it is today, I find it very difficult to understand the persistently negative attitude of the administration toward rural electrification. It is essential, not only in my State, but in all States, that rural America not be neglected. The rural electrification program was started in recognition of the special cost problems of bringing electricity to rural America. Those problems are as severe today as they have ever been. Yet in the past 2 years, the administration has waged a constant battle to destroy the REA program. Indeed, I was among those Senators who actively fought and successfully reversed the ill-advised attempt to terminate the REA direct loan program in December 1972, and I today join the ranks of those opposed to this latest attempt to undermine continuing congres-

sional support for a fair program for rural electrification.

The proposed change in the REA loan program will not only hinder essential expansion of rural electric services, but will place an enormous additional cost burden on the consumer at a time when energy costs are already causing great hardships for many. In addition, this proposed change is totally inconsistent with congressional policy as reflected in the 1973 amendments to the Rural Electrification Act. The REA has no authority to terminate insured loans to power generators, yet that would be the effect of the REA proposal.

Mr. President, an example of the grave consequences of this proposal can be found in the instance of Hoosier Energy, which serves the people of southern Indiana. Hoosier Energy will submit to REA this fall a construction program essential to maintaining proper electrical service for tens of thousands of my constituents. Under the present program, much of the financing of Hoosier Energy's construction would qualify for the insured loan interest rate of 5 percent. However, if this REA proposal is adopted and the 5 percent rate therefore not available, an additional financial burden will be placed upon Hoosier Energy; a burden which will have to be passed on to the consumers already saddled with soaring energy costs.

It is very hard for me to understand why the administration is pushing a proposal that will place additional burdens on so many who rely on energy cooperatives, and at the same time proposing steps to make available less expensive financing for investor-owned utilities. It makes no sense to bail out investor-owned utilities, then to cut off essential 5 percent loans to utilities affiliated with rural electric cooperatives.

The REA loan program must not become a tool for false economy to which the administration resorts because of its inability to cope with present economic problems. It is vitally important to the people of my State, as it is to all rural America, for Congress to convey clearly and loudly to the administration that we oppose and will resist strongly this latest attempt to destroy the REA loan program.

Mr. President, Virgil Peterson, the general manager of Hoosier Energy, wrote to me on April 2, regarding this matter. He has clearly detailed in his letter the probable negative effects the REA proposal will cause. I ask unanimous consent that Mr. Peterson's letter be printed in full in the RECORD and I urge the REA to take a second look at this disastrous proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Bloomington, Ind., April 2, 1975.

Hon. BIRCH BAYH,
U.S. Senator from Indiana,
Washington, D.C.

DEAR BIRCH: The Rural Electrification Administration, on Tuesday, March 11, 1975, printed in the Federal Register a proposed change in REA Bulletin 20–6 titled "Loans for Generation and Transmission". We, here at Hoosier, and the distribution systems in Indiana, are greatly distressed by this particular policy change because it will effectively eliminate any and all insured monies being loaned to Hoosier Energy Division for those facilities.

Hoosier Energy, to serve the needs of the rural systems in southern Indiana, is presently working on a construction program which we will submit to REA sometime in the fall of 1975. Included in this loan will be a request for, I would estimate, a minimum of 500 million dollars for bulk transmission and generation facilities which, under the present policy at least some financing could qualify for the insured loan interest rate of 5%. If this proposal by the present administration is adopted, it will mean that the ultimate consumer members of distribution systems in Indiana will wind up paying the additional interest costs on these facilities. If REA was to approve a loan for the 500 million dollars, the current Federal Financing Bank rate would be 8.25%

It is difficult to understand the administration's continued negative position as far as the rural electrification financing is concerned and in particular, in view of the energy problems that we are faced with today and that will become even more serious in my estimation in the late 1970's and early 1980's. The administration, of course, is proposing a number of changes to make it easier for the Investor Owned Utilities to obtain more reasonable financing and at the same time, they are taking a position as far as Hoosier Energy is concerned, that is completely opposite.

I know you are aware of a change made by the administration a few months ago which effectively eliminated a system such as ours, in working out leveraged lease financing agreements, which could have the possibility of lower costs to our members.

This negative approach of the administration's position puts continued pressure, not only on the cooperatives in Indiana, but on the members of our distribution systems who wind up eventually having to pay these increasing charges. Of course all of this is coming at a time when the consumer member is being pressed every day with rising costs.

I would certainly appreciate any help you can give us, Senator, to reverse the administration's position on REA Bulletin 20–6.

I have asked Ernie Howe to discuss this situation with your staff so they are fully informed.

Sincerely yours,

VIRGIL E. PETERSON,
General Manager.

Mr. BAYH. Mr. President, the Senator from Alaska (Mr. GRAVEL) shares my views on this important issue. He had intended to speak personally on this subject, but unfortunately is unable to be here today. Therefore, I ask unanimous consent that his comments and a letter from Chugach Electric Association, Inc., dated March 28, 1975, to Senator GRAVEL, be printed at this point in the RECORD.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GRAVEL ON PROPOSED CHANGE IN REA LOAN POLICY

The proposed change in loan policy that REA announced on March 11—a change that would deny loans from the REA revolving fund for any major generation or transmission facilities—carries obvious disadvantages, and I have not been able to find any significant offsetting advantages.

The published notice states, presumably as an improvement in the program, that the change would enable REA to make insured loans to distribution borrowers to meet their 2-year loan requirements for amounts up to $1 million rather than for amounts up to $750,000 as at present. The fact is that Congress has made it possible for REA to meet the 2-year requirements of distribution systems without any change in loan policy and certainly without blocking all insured loan funds for generation and transmission facilities. The Administration is merely refusing to use the loan authority that Congress has provided.

The Administration apparently is not thinking of the needs of electric consumers when it proposes to make this change. It does not even pretend that the change would help electric co-ops extend or improve service. It does not pretend to cut their costs, and it's well that no such claim is made because the obvious effect in Alaska will be to increase the burdens of already over-burdened consumers. It will do this by raising the interest rates that electric co-ops must pay for essential capital.

Under the proposed policy, any generating or transmission facility to be constructed by a distribution system that costs more than $10 million in total must be financed from sources other than the insured loan program. In other words, they must be financed completely at market rates of interest with no part coming from the insured loan program with interest at 5%.

Chugach Electric Association with headquarters at Anchorage is a distribution system, but it also must generate electricity and deliver it over its own transmission lines. It needs $19 million of new capital between now and the end of next fiscal year. Chugach is a co-op providing its members with vital utility service which they could not have obtained without their co-op. It meets a vital need in the economy of Alaska. Yet, like many other costs in Alaska, the costs that Chugach and the other electric co-ops must meet are very high. They are still increasing. They do not need to be boosted further through arbitrary and unnecessary decisions by Washington officials.

When the present rural electrification legislation was passed, Congress made it very clear that the insured loan program was to be available for generation and transmission facilities as well as distribution facilities. That is still the intent of Congress. It cannot be changed by bureaucratic orders. Let us insist on administration of the law as enacted.

I would also like to include for the record a letter from Mr. L. J. Schultz, General Manager of the Chugach Electric Association which serves Alaska's largest city, Anchorage. I feel Mr. Schultz's letter very adequately addresses the problem we are seeking to resolve.

CHUGACH ELECTRIC ASSOCIATION, INC.,
Anchorage, Alaska, March 28, 1975.

Hon. MIKE GRAVEL
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRAVEL: I call your attention to the attached public notice from the *Federal Register*, Volume 40, Number 48, dated Tuesday, March 11, 1975. The notification involves a proposed new sudden Rural Electrification Administration (REA) policy which would virtually eliminate the traditional REA insured-loan program as it applies to "major generation or transmission facilities" of electric cooperative borrowers, including Chugach.

To quote from the proposed policy:

"Major generation or transmission facilities for this purpose (not eligible for insured loans) are defined as all facilities of power supply type borrowers and projects of distribution borrowers consisting of generation or transmission facilities which in aggregate cost more than $10 million."

Chugach, long reliant on the insured-loan program as the basic financial source for its major capital needs, falls into the distribution cooperative category. Since nearly all generation and transmission facilities planned or destined for acquisition by Chugach in the future will exceed the $10 million

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figure in aggregate, our ability to secure attendant, most-reasonable-cost financing to serve a rapidly growing population will be greatly impaired.

The situation becomes even more severe when viewed against the weakening financial condition that led to our recent filing with the Alaska Public Utilities Commission of the first rate increase request in our Associations 27-year history. (We have asked for an interim increase of 15 per cent, pending action on a permanent increase of approximately 22 per cent.)

Particularly distressing to me was the abruptness with which REA has sought to implement such an important, sweeping policy change. The effective date of the policy change was the March 11 date of public notification in the Federal Register, even though that same March 11 notice provided a 60-day response period for written comment. At face value, if the policy went into effect on March 11, subsequent entry of comment would be academic. Constructive public comment, including, importantly, that from the cooperatives affected, should precede implementation of the policy in question.

The ability of all REA borrowers to secure capital projects loans at the least cost has been a linchpin in the non-profit, cooperative utilities concept. Preclusion of lower-interest, REA insured loans, as I perceive it, amounts to de facto penalization of those cooperatives—in most cases, the larger cooperatives—which possess generation and transmission capabilities, either through creation or evolution.

I therefore strongly urge you to give the apparent substantive and procedural inequities of this REA policy change your immediate attention. The action, as it stands, appears to cast a dark shadow over the future ability of Chugach to meet its commitment of providing adequate and reliable electric service at reasonable cost to a Southcentral Alaska area that contains well over half the State's population.

Very truly yours,

L. J. Schultz,
General Manager.

SECRETARY SCHLESINGER ADDRESSES THE OVERSEAS PRESS CLUB

Mr. McCLURE. Mr. President, on Tuesday evening, April 15, the Secretary of Defense, James R. Schlesinger, addressed the Overseas Press Club in New on the issue of American defense posture in this trying time in which our entire Nation is struggling to reassess our role in defense of freedom around the world. I think it is extremely pertinent that everyone consider Secretary's Schlesinger's thoughts. I commend the Secretary for his thoughtful presentation and urge my colleagues to read what he has to say.

I ask unanimous consent that the text of Secretary Schlesinger's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address by the Honorable James R. Schlesinger

It is my intention this evening to discuss the historic ebb and flow of American sentiment regarding the proper role and responsibility of the United States in international affairs. Examination of these alternating tendencies, is, I believe, essential both to understanding and to establishing the future directions of American policy. But before going into these matters in depth I should like to deal with two immediate issues.

First, the American society now is clearly passing through a bad patch. Nonetheless, make no mistake about it: this is a highly resilient society, perhaps preeminently so among the nations of the world. How and how quickly the United States passes through this transitional period is of vital importance not only from the standpoint of the internal health and cohesion of our American society, but also from the standpoint of the American impact on the stability, security, and wellbeing of other free states around the world.

Today, in contrast to the situation that existed before 1945, there is no acceptable alternative to deep and steady American support of and participation in the security of other free states. The only alternatives are either Finlandization or Polandization, depending on whether one happens to be an optimist or a pessimist. Such an outcome might be tolerable to the relatively few advocates of "little America;" it would be wholly intolerable to everybody else.

Second, I must refer to the tragic events in Southeast Asia—the prospective fall of all Cambodian cities still held by the government and the attempt by the Republic of Vietnam to stabilize its position in Cochin China after the collapse of its forces and position in the northern two-thirds of the country. We cannot predict precisely how successful this attempt will prove to be, but the Vietnamese deserve not only our hope for their success, but our continued support.

This is not the time to attempt a detailed assessment of what has transpired in Southeast Asia. Perhaps a full understanding of these events will never be available, and for this reason we should endeavor to keep our passions in check—and, above all, to look to the future.

Touching upon the developments in Southeast Asia is nonetheless desirable because of the light that recent events there shed on the broader compass of American policy. Let me therefore mention the symptoms inherent in this course of events. It reflects the historic misunderstanding regarding the necessary role that force plays in the settlement of international disputes, on the one hand, and the role of noble intentions supported by moralizing but unsupported by physical force, on the other. In the absence of physical security it is apparent that hearts and minds are not enough.

Perhaps more important, the steady and, subsequently, the flagrant violations by the North Vietnamese of the Paris Accords, which they have treated with the historically familiar contempt enshrined in the phrase "a scrap of paper," should give us pause. It is an object lesson regarding how much constraint on the actions of at least one communist state such pledged treaty obligations have when the force balance becomes unfavorable. It illustrates, most dramatically, I believe, how our valid hopes for detente directly depend upon the retention of an underlying equilibrium of force in the areas of vital importance to the free nations of the world. Detente, as President Ford has stated, cannot be regarded as a license to fish in troubled waters.

Let me turn now to my wider issue for the evening: the historic swings in American sentiment regarding the role the United States should play in the external world. Conflicting views on this issue may be traced back to 1898, when, during the Spanish-American War, for the first time the United States exerted its power at a distance far removed from the North American continent. American sovereignty over the Philippines was the start of a steady, though frequently superficial, involvement in Asian affairs. It is interesting to note that this preceded by almost two decades any American military involvement in European affairs, though the latter was to prove to be far deeper. A characteristic of the American role in this period was to proffer high moral principles, sharply at variance with the underlying power realities, as guideposts for the conduct of their affairs by the other, somewhat skeptical, powers.

Already certain characteristic attitudes of the American public had been revealed. Quite recently the Secretary of State has posed the question: what kind of people are we? It runs parallel to Winston Churchill's defiant question in the aftermath of Pearl Harbor: what kind of people do they think we are? The question is a valid and important one. I shall attempt to deal with it, drawing on the relevant historical evidence.

The American people are highly idealistic, given to moral enthusiasm—reflected in such expresed goals as "make the World Safe for Democracy," the Four Freedoms, or the preservation of the Free World. The American people are also susceptible to disenchantment, when others fail to share our moral enthusiasms or embrace our own patterns and attitudes. In consequence, one discerns alternating patterns of enthusiasm and disenchantment. It helps to explain why the United States stands ready to embark on great crusades such as World War II, or even the Cold War—while rapidly becoming disillusioned with police actions or dealing with insurgencies. And oscillation in the public mood can become quite exaggerated in the course of public discussion.

In addition it should be reiterated that the American society is a highly resilient one. While it can be volatile in opinion, i.e., publicly expressed opinion, it is for a democracy remarkably tenacious of purpose, as I think the overall history of the war in Southeast Asia would indicate. Under attack, as the response to 7 December 1941 so graphically illustrates, dissension disappears and is replaced by a remarkable cohesion and unity of purpose.

This alternating pattern may be discerned throughout the Twentieth Century. The plunge into the first World War came after a policy of "being too proud to fight," and resulted in the elaboration of morally fetching but false hopes for the aftermath. It is sometimes said that our failure to join the League of Nations "broke the heart of the world." I am not sure that the line of causation did not run the other way around. The postwar reaction in the United States reflected our disenchantment that other nations had failed to be captured by our own moral enthusiasm. Instead, to our great displeasure, they continued to focus on the power realities. We ourselves turned away from the League of Nations not because of its obvious weaknesses and its inability to impose sanctions, but because of our failure to ignite the rest of the world with our moral enthusiasm as well as some petulance about being unappreciated.

As a consequence, in the 'twenties, the United States renounced the application of force and chose to substitute the high-flown moral commitment, as exemplified by the Kellogg-Briand Pact, emphasizing the expression on paper of good intentions divorced from both the realities of power and the sanctions necessary to enforce such intentions.

In the thirties things grew rather worse and we reached the high point—or the low point—of public disenchantment, so well represented in the Nye Committee investigations. There was the search for conspiracy, the mixture of paranoia and self-flagellation as the substitute for seeking an understanding of history, as well as the quasi-Marxist nonsense about the Merchants of Death—which replaced freedom of the seas, unrestricted submarine warfare, Wilsonian idealism, and astute British propaganda as the explanation of our involvement in World War I. Today, of course, the disenchantment has not gone so far. I regret to say, however, that the mentality of the Nye Committee is in some places once again with us. Perhaps it is best reflected in new-left revisionist history. Nonetheless, I am persuaded that the resiliency of the American society and the good common sense of the American public in the face of arrant nonsense will keep this nation on a stable course.

Where does this leave us with respect to policy? In what channels will American sentiments flow? Predictions can never be completely certain. Moreover, that admixture of idealism and disenchantment has historically resulted in a quest for novelty in foreign policy. But in foreign policy novelty is not available. There are at the poles only two broad lines of policy. Given the underlying realities of the single strategic stage on which world politics is now played, the United States will be obliged either to support its more or less permanent interests or withdraw into the North American Continent. There are matters of degree, of course, but in the face of the underlying realities there are no novelties suddenly to be discovered.

What then are the permanent aspects in the position of the United States that inevitably will frustrate that search for novelties in foreign policy? One interpretation which stresses the unadorned assessment of power realities—and leaves out both the role of hostile ideologies and the American sense of mission—has been elegantly stated by George Kennan (in an earlier phase):

". . . it was essential to us . . . that no single Continental land power should come to dominate the entire Eurasian land mass. Our interest has lain rather in the maintenance of some sort of stable balance among the powers of the interior, in order that none of them should effect the subjugation of the others, conquer the seafaring fringes of the land mass, become a great sea power as well as land power, shatter the position of England, and enter—as in these circumstances it certainly would—on an overseas expansion hostile to ourselves and supported by the immense resources of the interior of Europe and Asia."

Kennan's summary is not a complete statement of our policy or a full description of the motivation that lies behind any American policy. It fails to include such important ingredients as the American sense of mission, the legitimate desire to preserve liberty so that the United States can flourish in a closely integrated world in which other states share to a considerable degree the values that inspire the American spirit, the appropriate repugnance for hostile and totalitarian ideologies. Nonetheless, in the existing complex of international pressures, it represents a pragmatic guide to overall policy.

Given the realities, it explains why American forces have been and must continue to be deployed overseas. It explains why the United States and its allies must take quite seriously the need to retain a military balance—and to study carefully the changing requirements of strategy and force structure. In light of these realities, it explains why no novel discoveries will suddenly eliminate the continuing responsibility of the United States as the mainstay and cohesive force among free nations.

A substantial reduction in the American presence overseas would, in the absence of compensating measures, inevitably unsettle the military equilibrium. It would force major shifts in political calculations and relationships. To take the most dramatic example, American forces remain in Germany, as the cliche goes, thirty years after the close of World War II. That, however, is no over sight. Those forces remain an essential ingredient in the security of Western Europe. They are deployed there, not by historical accident, but because of the present and prospective utility of those forces in maintaining the balance and in achieving the security of Western Europe. Despite some of the expectations in the post-Vietnam environment there is no novel way in which those forces can be withdrawn and the military balance in Europe be preserved.

I am happy to state my belief that with the slaking of the passions over Southeast Asia, an improved perspective is reemerging regarding our own role in the North Atlantic community. Once again the true American stake in the external world is undergoing serious rethinking and validation. The questions of force balance and strategy, as well as the purpose and character of the American defense effort, are once again being approached as respectable issues demanding serious intellectual discipline. Though there is no desire to be the policeman of the world, there is a developing appreciation, to revise Carlyle, that without the constable there can only be anarchy.

I cannot suggest, however, that we are out of the emotional woods. In the recent past it has been accepted as axiomatic that American policy must be based upon a position of strength. That view continues to be supported by the American public at large. Nonetheless, in the wake of the disappointments and disillusionment with the course of our policies in Southeast Asia, even that premise has suffered from the time-honored type of disenchantment. Since a position of strength failed to achieve all of the objectives that the United States might set, perhaps we should substitute a position of weakness. It is an interesting thought. But whatever the inadequacies of a position of strength, they will not be remedied by a position of weakness.

Though there is some fashionable tendency to find virtue in American weakness, let me underscore as sharply as I can: though virtue may be its own reward, it can never be its own defense.

Readjustments of course are required. But these readjustments will, I believe, be reassuring. Tell them in other lands, not that the United States is prepared to go anywhere or to pay any price in supporting others, but that the United States will continue to play its proper role in the support of other nations, when those other countries effectively demonstrate both a will and a capacity for self-help.

I would urge you not to infer too much from the developments in Southeast Asia. Southeast Asia remains unique. Only in the four successor states to French Indochina is the United States expressly prohibited by law from employing its military power. Elsewhere, by contrast, our treaty obligations, whether embodied in the mutual defense agreements with Japan and the Republic of Korea or in the North Atlantic Treaty, remain the highest law of the land. Our forces are deployed notably in Germany in support of our NATO allies. It will be understood in all nations, East and West, that an attack upon our forces supporting the Alliances will immediately bring to bear the full weight of American military power.

The role of American military power in the preservation of freedom, not only in the Western but in the Eastern Hemisphere, is indispensable. There are, for better or worse, only two superpowers.

The current configuration of world power makes the United States the indispensable ingredient for the preservation of freedom. In the past, the United States has been described as "the last, best hope of earth." Indeed, many recognize, it is the only hope.

FAIR LABOR STANDARDS ACT

Mr. WILLIAMS. Mr. President, in 1969, I introduced legislation to amend the Fair Labor Standards Act of 1938 to increase the minimum wage and expand the coverage of the act. The 4-year effort to pass this legislation culminated in signature by the President on April 8, 1974.

Now, 1 year later, the constitutionality of this legislation is before the Supreme Court and was argued this week. The issue involves the extension of coverage by the 1974 amendments to employees of State and local governments.

This extension of coverage was intended to include the same State and local government employees who were covered by the 1972 amendments to title VII of the Civil Rights Act of 1964. In addition, the Higher Education Act Amendments of 1972 amended the Fair Labor Standards Act to extend coverage to employees of preschools, elementary and secondary schools. The 1972 and 1974 amendments thereby completed the effort begun with the 1966 amendments when Congress extended the Fair Labor Standards Act to include public employees working in hospitals and related institutions, elementary and secondary schools and institutions of higher education, and local transit operations.

The Congress, in enacting the 1974 amendments, relied upon the 1968 Supreme Court case of Maryland against Wirtz which upheld the authority of Congress to enact the 1966 amendments covering public employees. The 1974 amendments included the remaining State and local public employees, because of the need to eliminate substandard labor conditions in this vastly increasing work force which might otherwise lead to disputes disrupting interstate commerce. The overtime provisions are generally applicable to these newly covered employees, but we took account to provide special provisions affecting firefighters and law enforcement personnel.

On December 12, 1974, some 6 months after the minimum wage provisions had been in effect, a suit was filed by the National League of Cities, joined by the National Governors Conference and the Attorneys General of 18 States asking for a declatory judgment that the 1974 amendments are unconstitutional as they apply to State and local governmental employees.

A three-judge District Court dismissed the complaint on December 31, citing Maryland against Wirtz. The same evening, Chief Justice Burger issued a temporary stay order later continued by the Court after a conference of the Justices.

On January 7, 1975, Senator Javits and I sent a letter to Solicitor General Bork indicating our concern over the appropriateness of such action, objecting to plaintiffs references to false representations of financial impact by the Congress, and stating that we may wish to participate directly in the Supreme Court proceedings should it reach a hearing on the merits.

The Solicitor General's memorandum in response to the case more than adequately answered the constitutional questions raised by the League of Cities brief, and also stated that the league is, in effect, asking the Supreme Court to review the evidence that the Congress had before it in their consideration of the 1974 amendments and to make its own judgment as to whether that evidence warrants extension to State and local agencies. The memorandum states that it is now settled that—

> Where (the Court) finds that the legislators, in light of the facts and testimony before them, have a rational basis for finding a chosen regulatory scheme necessary to the protection of commerce (its) investigation is at an end.

Because of the importance of the question of congressional intent, and of lesser importance the charges made by the plaintiffs which challenge the integrity of the House and Senate committees which handled this legislation, I and Senator Javits have filed a motion for leave to file an amici curiae brief in this case, which is now styled National League of Cities, et al., against John T. Dunlop.

The significance of this case to the future of Federal-State relations cannot be underestimated. There are as many political scientists as there are lawyers watching the outcome of it.

The brief prepared for Senator Javits and myself was written by Robert E. Nagle, former general counsel of the Labor and Public Welfare Committee during the pendency of the legislation.

So that my colleagues and all those who read the Congressional Record may be informed of our positions in this matter, I ask unanimous consent that the brief be printed in the Record.

There being no objection, the brief was ordered to be printed in the Record, as follows:

[In the Supreme Court of the United States, October Term, 1974, Nos. 74–878 and 74–879]

The National League of Cities, et al., *Appellants*, versus John T. Dunlop, Secretary of Labor; The State of California, *Appellant*, versus John T. Dunlop, Secretary of Labor

On Appeals from the U.S. District Court for the District of Columbia

Motion of Senators Harrison A. Williams, Jr. and Jacob K. Javits for leave to file a brief as amici curiae

Senators Harrison A. Williams, Jr. and Jacob K. Javits respectfully move this Court for leave to file the accompanying brief as *amici curiae* in support of the position of Appellee, as provided for in Rule 42(3) of the Rules of this Court. The consent of counsel for Appellants in both cases has been obtained. The Solicitor General has declined to consent on behalf of Appellee, stating that he considers it inappropriate to have presentations made by members of both the Executive and Legislative branches with respect to the meaning and constitutionality of federal legislation.

The question presented by these cases is whether the Fair Labor Standards Amendments of 1974 (Pub. Law 93–259, 88 Stat. 55, amending 29 U.S.C. 201, et seq.), are constitutional insofar as they extend the protections of the Fair Labor Standards Act of 1938 to certain employees of State and local governments. Movants Harrison A. Williams, Jr. and Jacob K. Javits are, respectively, the Chairman and Ranking Minority Member of the Senate Committee on Labor and Public Welfare (as well as its Subcommittee on Labor), which is the Committee of the Senate which drafted the challenged legislation. They were also the chief Senate sponsors and floor managers of this legislation. In addition, by virtue of their Committee positions, they have ongoing responsibilities with respect to both reviewing the implementation of the Fair Labor Standards Act and considering any future amendments of the Act.

Although the constitutional issue presented in these cases was settled by this Court's decision in *Maryland* v. *Wirtz* 392 U.S. 183 (1968), this Court has noted probable jurisdiction and has issued a stay with respect to the application of portions of the 1974 Amendments to State and local governments, on the basis of representations by Appellants which challenge both the factual and legal premises upon which Congress based the legislation and which appear to question the process by which it was developed. Accordingly, movants have a particular interest in responding to Appellants' contentions regarding the consideration given in the legislative process to the need for this legislation and its potential impact on State and local governments.

While it is unusual for members of Congress to participate as *amici curiae*, this Court has granted such motions in other cases (see e.g., *Blanchette* v. *Connecticut General Insurance Corp.*, 95 S.Ct. 335 (1974)), and it is believed that such participation is appropriate in this particular case and will be helpful to the Court.

For the above reasons, this motion to file the accompanying *amici curiae* brief should be granted.

Respectfully submitted,

Robert E. Nagle,
Lichtman, Abeles,
Counsel for Senators Harrison A. Williams, Jr. and Jacob K. Javits.

Anker & Nagle, P.C., 1[illegible]30 M Street, N.W., Washington, D.C. 20036.

[In the Supreme Court of the United States, October Term, 1974, Nos. 74–878 and 74–879]

The National League of Cities, et al., Appellants, versus John T. Dunlop, Secretary of Labor; The State of California, Appellant, versus John T. Dunlop, Secretary of Labor

ON APPEALS FROM THE U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Brief for Senators Harrison A. Williams, Jr. and Jacob K. Javits as amici curiae

This brief is filed by Senators Harrison A. Williams, Jr. and Jacob K. Javits, contingent upon the Court's granting the foregoing motion for leave to file a brief as *amici curiae*. Their interest is set out in that motion.

ARGUMENT

The Fair Labor Standards Amendments of 1974 (Pub. Law 93–259, 88 Stat. 55, amending 29 U.S.C. 201, *et seq.*), *inter alia*, extends the protections of the Fair Labor Standards Act of 1938 to certain employees of State and local governments who were not previously covered by the 1966 Amendments to the Act (Pub. Law 89–601, 80 Stat. 830). Consideration of the 1974 Amendments involved almost four years of legislative hearings, committee action and floor debate, during which time the Act's application to State and local government employees, as well as all other issues relating to coverage, exemptions and increases in the minimum wage were thoroughly explored and reviewed.

In this brief we shall show that the constitutional question raised in these cases was settled by this Court in *Maryland* v. *Wirtz*, 392 U.S. 183 (1968)—a decision which Congress expressly relied on in adopting this legislation. In addition, we will demonstrate that contrary to Appellants' contentions, Congress fully considered the potential impact of this legislation on State and local governments, and included special provisions to meet the particular needs of those governments. Finally, we will point out why the 1974 legislation is essential if the Act is to fulfill its intended purposes in light of today's economic realities, and will show that any attempt to distinguish between different types of government employees, in the manner urged by Appellants, would be both inconsistent with the Act's purposes and totally impractical from the standpoint of fashioning workable legislation.

I. THIS COURT'S DECISION IN MARYLAND VERSUS WIRTZ, UPON WHICH CONGRESS RELIED IN ADOPTING THE 1974 AMENDMENTS, SETTLED THE ISSUE RAISED IN THESE CASES

In *Maryland* v. *Wirtz, supra*, this Court upheld the constitutionality of the Fair Labor Standards Amendments of 1966, which extended the Act's requirements to public hospitals and related institutions, schools and transit services. The Court pointed to the "recognized power of Congress . . . to declare that an entire class of activities affects commerce" (*id.* at 192), and noted that the Congressional determination with respect to schools and hospitals was supported by the facts on record indicating "that such institutions are major users of goods imported from other States" (*id.* at 194). In addition, since "[s]trikes and work stoppages involving employees of schools and hospitals . . . obviously interrupt and burden this flow of goods across state lines," the Court found that "a 'rational basis' exists for congressional action prescribing minimum labor standards for schools and hospitals, as for other importing enterprises" (*id.* at 195).

Thus, the Court concluded that "when a State employs people in performing [its] functions it is subject to the same restrictions as a wide range of other employers whose activities affect commerce" (*id.* at 194), and flatly rejected any notion that it should "carve up the commerce power to protect enterprises indistinguishable in their effect on commerce from private businesses simply because these enterprises happen to be run by the States for the benefit of their citizens" (*id.* at 198–99).

This decision was expressly relied upon by Congress in its consideration and adoption of that part of the 1974 Amendments which extends the Act's coverage to other public enterprises, and the legislation is well within the Court's rulings.[1] As it had in 1966 with respect to public schools, hospitals, and transit activities, Congress, in dealing with other public enterprises in 1974, exercised its "recognized . . . power . . . to declare that an entire class of activities affect commerce." As stated in the Senate Committee report:

> "There is no doubt that the activities of public sector employers affect interstate commerce and therefore that the Congress may regulate them pursuant to its power to regulate interstate commerce. Without question, the activities of government at all levels affect commerce. Governments purchase goods and services on the open market, they collect taxes and spend money for a variety of purposes. In addition, the salaries they pay their employees have an impact both on local economies and on the economy of the nation as a whole. The Committee finds that the volume of wages paid to government employees and the activities and magnitude of all levels of government have an effect on commerce as well." [S. Rep. No. 93–690, 93d Cong., 2d Sess., p. 24.]

See also statements of Senator Williams, which discussed and included a Bureau of Labor Statistics study—*Manpower Impact of Purchases by State and Local Governments*—showing that purchases made by State and local governments in 197[illegible] totalled $135 billion. 119 Cong. Rec. S1405[illegible]–60, July 19, 1973 (daily ed.).

In view of the nature of our economy it cannot be doubted that a substantial portion of such purchases (as well as the funds used to pay for them)—representing some 13% of the gross national product—must necessarily

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Footnotes at end of article.

move in interstate commerce. This conclusion appears not to be disputed in this case since, as the court below pointed out, "it is uncontested that the state and municipal institutions whose employees are reached for the first time by the 1974 Amendments do make substantial purchases in interstate commerce of equipment and other goods" (App. 649).

Given this substantial relationship of state and local government activities to interstate commerce, the same constitutional basis clearly exists for the 1974 Amendments as this Court found in the case of the 1966 Amendments. Accordingly, this Court could strike down the 1974 Amendments only by disavowing its prior rulings upholding legislation which has governed the minimum wage and overtime compensation paid to some 2.9 million public school, hospital and transit employees since 1967. We note that this Court has itself very recently had occasion to point out the inappropriateness of calling into question the constitutional premises of prior decisions where "a great deal of public and private business has been transacted" and where there has been "major legislation enacted by Congress" in reliance thereon. *United States* v. *Maine*, No. 35 Orig., March 17, 1975, 43 L.W. 4359, 4363.

II. CONGRESS REASONABLY CONCLUDED THAT EXTENSION OF FAIR LABOR STANDARDS ACT COVERAGE WOULD NOT IMPOSE AN UNDUE BURDEN ON STATE AND LOCAL GOVERNMENTS

A. Congressional action was based on well-documented studies of past experience and projected impact, and took particular account of the special needs of police and fire departments

Appellants in No. 74–878, in predicting the most dire consequences from the Act's application, contend that "Congress made no credible study of the cost impact of these Amendments to State and local government", and "seemingly acted largely upon the false representations of no impact" (brief, pp. 89, 122–23).

While these are "matters outside judicial cognizance" since a rational basis clearly exists for the legislation (see *Maryland* v. *Wirtz*, 393 U.S. at 194, n. 22), we believe it nevertheless appropriate to demonstrate the inaccuracy of such accusations, in view of the nature of Appellants' attack upon the Congressional action.

At the outset it should be noted, as the Senate Committee report stated, that "[e]ach time Congress has considered minimum wage increases and expansions of coverage under the law, opponents to such action have raised the specter of economic doom," but economic studies prepared after each such action have shown "that the prophecies have proven false" (S.Rep. No. 93–690, 93d Cong., 2d Sess. pp. 9–10; see also statement of Senator Javits, Cong. Rec., vol. 119, part 19, page 24360.

These exercises in specter-raising have particularly characterized the coverage of State and local government employment. For example, in their brief to this Court in *Maryland* v. *Wirtz*, the plaintiff States, who were there challenging the Act's extension to public schools and hospitals, asserted that "[n]ever before in the history of this nation has the federal government presumed to enact a law which both in theory and in practice, serves as the basis for the utter destruction of the State as a sovereign political entity" (brief for appellants, No. 742, Oct. Term 1967, pp. 9–10). The actual experience in no sense has borne out this grim prophecy.

In 1970 the Department of Labor submitted to Congress detailed studies on the economic effects of the 1966 coverage of schools and hospitals.[2] As pointed out in the Senate Committee report, the conclusion expressed by the Secretary in submitting such studies was that:

> "Overall it can be stated that the educational and hospital sectors have had little evident difficulty adjusting to the minimum wages established by the 1966 Amendments." [S. Rep. No. 92–832, *supra*, p. 19.]

It is significant that although the National League of Cities testified before the Senate Labor Subcommittee in 1971 and the House General Labor Subcommittee in 1973 on this proposed legislation, it made no attempt whatever to refute this conclusion or the data upon which it was based.[3]

Consideration by Congress of extending the Act's coverage to other public enterprises was also preceded by a Labor Department study evaluating the feasibility of such an extension. *Nonsupervisory Employees in State and Local Governments*, U.S. Department of Labor, 1971, Report to Congress. One of the findings of this feasibility study was that the impact of extending the Act to other public enterprises would be even less than it had been on schools and hospitals. Thus, as set forth in the Congressional committee reports, the study concluded:

> "The nationwide survey of State and local governments (excluding educational and hospital institutions) indicates that wage levels for State and local government employees not covered by the FSLA are, on the average, substantially higher than those of workers already covered. Hence, if coverage under the FSLA is extended to those workers, comparable minimum wage and overtime standards would not have as great an impact as did the earlier extension of FSLA coverage to employees of State and local government schools, hospitals and residential care establishments." [S. Rep. No. 92–842, *supra*, p. 19; H. Rep. No. 93–913, *supra*, p. 28.]

In its feasibility study the Labor Department had considered the application of the Act's overtime requirements to State and local governments, and had pointed out that "[l]ong work weeks were most prevalent among employees in the public safety activity, which includes police and fire departments", with "[a] fifth of the public safety employees work[ing] over 40 hours" (see H. Rep. 93–913, *supra*, p. 29). In evaluating the overall impact of the overtime provisions, however, the study concluded:

> "During the survey week, only 2.3 percent of total nonsupervisory man-hours in State and local governments represented hours worked in excess of 40. If a 40-hour Federal overtime standard were in effect at the time of the survey, the premium pay required for these hours would have approximated one percent of the weekly wage bill. The actual impact of a 40-hour standard would have been less because a substantial proportion of the employees receive premium overtime pay."[4] [H. Rep. No. 93–913, *supra*, p. 29.]

With respect to the prospective impact of a minimum wage requirement, the Labor Department provided Congress in 1973 with updated figures showing that 389,000 state and local government employees were paid less than $1.80 per hour, including 75,000 of those who would be newly covered by the proposed amendments (the latter figure being raised to 95,000 when the proposed minimum wage was increased $1.90 per hour). The total first-year cost of increasing all covered state and local government employees—both those previously covered and those proposed to be covered—to $1.80 per hour was calculated at $128 million, representing an increase of only 0.3% of the total annual wage bill for such governments. See *Background Material on the Fair Labor Standards Act Amendments of 1973*, 93d Cong., 1st Sess., p. 220; S. Rep. No. 93–690, *supra*, p. 24; H. Rep. No. 93–913, *supra*, p. 28.

It is thus clear that Congress was well informed concerning the potential effects of the 1974 Amendments, and, contrary to Appellants' contention, Congress did not act on the assumption that there would be no impact on State and local governments.[5] It is also noteworthy that the testimony presented by the National League of Cities during the 1971 and 1973 hearings did not significantly contradict the Labor-Department data discussed above.

Although the League did oppose further extension of the Act's coverage to municipal governments on policy and constitutional grounds, and questioned the ability of many municipal governments to absorb or pass on any increased costs, it advised the Congressional committees, on the basis of its own survey, that the impact of the minimum wage requirement would be insubstantial and that the chief concern was with overtime pay for the firemen and policemen. Thus, with regard to the minimum wage, the League advised that of the total work force in the 141 cities that had responded to its survey, "22.2% are below the minimum wage," but that the dollar impact was regarded as "not substantial," the responses from the 141 cities indicating that "the additional cost would be $4.6 million at $2.00 an hour and $20.2 million at $2.25 an hour." With respect to overtime the League stated that its assessment of the potential dollar impact of the Act's coverage "is largely due to police and fire shifts," pointing out that "typically, firemen work 56 hours a week, as many as 24 hours a shift." It was for this reason that "the overtime provisions are of greater concern than the minimum wage," and that the "overriding concern is for firemen, and to a lesser extent, policemen." Hearings Before the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare on S. 1861 and S. 2259, 92d Cong., 1st Sess, pp. 1705–06, and Hearings Before the General Subcommittee on Labor of the House Committee on Education and Labor, on H.R. 4547 and H.R. 2831, 93d Cong., 1st Sess. pp. 153–54.[6]

In view of the National League of Cities' repeated statements to Congress that its chief concern was over the application of the 40-hour a week standard to firemen who typically work 24-hour shifts and 56-hour weeks, it is of particular significance that the measure which emerged from the final Senate-House conference was tailored with particular care to meet this very concern. This included the adoption of an entirely new provision—Section 7(k) of the amended Act (29 U.S.C. 207(k))—which, in the case of fire protection and law enforcement personnel, permits a substantial departure from the Act's traditional overtime requirements.

As explained in the Conference Report (S. Rep. 93–758, 93d Cong., 2d Sess., pp. 4–8), this provision is based on a "tour of duty" concept which Congress recognized as more appropriate to the actual working schedules of such personnel than the Act's customary "hours of work" concept. Moreover, it permits overtime to be calculated on the basis of a work cycle of up to 28 days—rather than the Act's customary workweek standard—thus permitting the avoidance of overtime payments through averaging the hours of tours and the granting of compensatory time off within this extended period. In addition, in order to provide ample opportunity to make any necessary adjustments, the overtime standard is applied at a phased-in rate, based upon 240 hours over 28 days—i.e., an average of 60 hours a week—beginning January 1, 1975. The ultimate standard, which will not be reached until January 1, 1978, is based on 216 hours over 28 days—i.e., an average of 54 hours a week—or such lesser number of hours during a 28-day period as the Secretary of Labor's survey shows to be the average tours of duty established by public agencies for fire protection and law enforcement personnel.[7]

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In short, Congress extended the Act's requirements to those public enterprises not previously covered only after receiving and considering well-documented studies—whose results were never disputed during the consideration of the Amendments although they were the subject of more than three years of hearings—which indicated that the impact would be small in terms of total payroll. In addition, Congress was careful to further soften the impact in the one area—overtime for fire protection and law enforcement personnel—which the representatives of local government had identified as presenting special problems.

B. Through the appropriation of Federal funds for assisting State and local governments Congress was well aware of both their budgetary needs and their ability to meet the act's additional costs

In assessing the ability of State and local governments to meet any cost increases resulting from the Act's coverage, Congress took account of the very substantial amounts of Federal funds contributed to such governments through a variety of revenue sharing and grant-in-aid programs (see, e.g., discussion by Senator Williams during 1972 floor debates (118 Cong. Rec. 24749, July 20, 1972.).

The fact is that Federal assistance represents a highly significant and growing portion of the budgets available to State and local governments. According to data summarized in *Trends in Fiscal Federalism, 1954–1974*, Advisory Commission on Intergovernmental Relations, 1975, pp. 2, 21, 27, Federal funds "accounted for 11.4 per cent of state-local general revenue in 1954 [and] expanded to 26.5 per cent of state-local general revenue in 1974." The total of such assistance in Fiscal Year 1974 was $46 billion, and increases are projected to $52.6 billion in Fiscal Year 1975 and $55.6 billion in Fiscal Year 1976 (see Executive Office of the President, *Special Analyses, Budget of the United States Government, Fiscal Year 1976*, p. 249).

A breakdown of such Federal assistance, appearing at pp. 246–251 of the foregoing publication, shows that such Federal funds flow to a myriad of government activities, including education, law enforcement and correction facilities, highways, water supply, sewerage and sanitation, transit, public welfare, employment security administration, housing and urban development, natural resources, parks and recreation, and libraries—categories which employ well over 90% of State and local government workers.[8]

The fact that Congress authorizes and appropriates the funds for such assistance demonstrates both its concern for the budgetary problems of State and local governments and its awareness of the ability of such governments to meet the increased expenditures which the Act's coverage might entail. This massive amount of Federal assistance also refutes the suggestion repeated throughout Appellants' brief that enactment of the 1974 Amendments deprives State and local jurisdictions of "ballot box control" of their budgets and decisions "on the extent and nature of State and City Government services" (see brief in No. 74–878, p. 113).

In view of the degree of dependence such jurisdictions have upon Federal funds, the notion that but for the Fair Labor Standards Act State and local governments would have absolute dominion over their own budgets and the level of public services they will provide is totally unrealistic. The fact is that whether this Act applies or not, an increasingly significant determinant of the level of State and local government activity has been, and will continue to be, the contribution of funds from the Federal government. The situation has been quite accurately summed up by the Advisory Commission on Intergovernmental Relations in its statement that "[t]here has been a sharpening of roles as the Federal government has become the dominant fiscal partner while the 'work' of government is carried on primarily at the state-local levels" (*Trends in Fiscal Federalism, 1954–1974, supra*, p. 2).

III. EXTENSION OF THE ACT TO PUBLIC EMPLOYEES IS NECESSARY TO EFFECTUATE THE ACT'S TRADITIONAL OBJECTIVES IN LIGHT OF PRESENT DAY CIRCUMSTANCES

A particularly significant development has been the ongoing—indeed, relentless—movement of employment from private industry to the State and local government sector. As shown by recent Commerce Department data, employment by State and local governments, computed on the basis of full-time equivalent employees, increased from 9.2% of private industry employment in 1955 to 12.7% in 1965, and 14.8% in 1973—an increase from 4.1 million in 1955 to 9.1 million in 1973.[9] As one report to Congress has pointed out, a major factor in this increase "is the proliferation of Federal grant programs resulting from Federal legislation concerning welfare and medical assistance, urban renewal, primary and secondary education, water and air pollution, highway construction, and regional development." *Nonsupervisory Employees in State and Local Government, supra*, p. 42.

This changing character of our national employment patterns underscores the need to cover State and local government employees if the Fair Labor Standards Act is to accomplish its traditional objectives. Indeed, as we show below, fulfillment of those objectives could otherwise be thwarted as the Act becomes applicable to a constantly decreasing portion of the total workforce.

A. Coverage of the growing workforce employed by State and local governments is warranted by the act's objective of eliminating substandard labor conditions which might otherwise lead to disputes disruptive of interstate commerce

As pointed out by this Court in *Maryland* v. *Wirtz*, one of the objectives of the original Act was "to promote labor peace by regulation of . . . wages and hours, out of which disputes frequently arise" (392 U.S. at 191). This same objective was no less present in extending the Act's coverage to employees of State and local governments. The Congressional concern on this score was summarized in Senator Javits' statement during the 1974 floor debates:

> ". . . [W]e are very resentful, very unhappy, when workers in the public domain threaten to strike. This is inevitably the result of the deep feeling that economic justice cannot otherwise be obtained, and I respectfully submit that we will go a lot further in getting tranquility in the labor field by giving them a minimum wage status and an overtime status than in almost any other way I can think of, and prevent the feeling on their part that the only way one can get justice is by rule of the jungle, to wit, by strikes and ceasing essential public services." [Cong. Rec., vol. 120, part 4, page 4708.]

Although Appellants claim that the legislative history of the 1974 Amendments contains no express finding that labor disputes involving public employees have an effect on interstate commerce (NLC brief, pp. 22–23), this Court has made clear than no such finding is needed. See *Maryland* v. *Wirtz*, 392 U.S. at 190, n. 13. There is certainly no reason to question the continuing validity of the original Act's finding, reaffirmed in *Maryland* v. *Wirtz*, 392 U.S. at 191, 194–5, that the existence of substandard labor conditions "leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce."

In *Maryland* v. *Wirtz*, this Court readily recognized that "[s]trikes and work stoppages involving employees of schools and hospitals, events which unfortunately are not infrequent, obviously interrupt and burden this flow of goods across state lines" (392 U.S. at 195). Significantly, the Labor Department release cited by the Court as evidencing the magnitude of the work stoppage problem (see 392 U.S. at 192, n. 25) showed that in 1966 there were 142 work stoppages by employees of state and local government, resulting in a total of 454,840 man-days of work lost. By comparison, for 1972 the same Labor Department source tabulated a total of 375 state and local government work stoppages with 1,257,000 man-days lost, and the data being published for 1973 shows an increase to 386 work stoppages with 2,299,300 man-days lost. *Work Stoppages in Government, 1972*, Report 434, U. S. Department of Labor, Bureau of Labor Statistics, p. 3.[10]

It is obvious, moreover, that work stoppages by government employees disrupt not only the commerce-related activities engaged in by their own agencies, but also the activities in commerce of those private enterprises which are dependent upon a variety of such government services as utilities, police and fire protection, bridge and tunnel operation, sewage and sanitation, road construction and maintenance, and transit services. In addition, the role that State and local government activities now play in the Nation's economy as a whole, including inevitably the level of engagement in interstate commerce, is so significant that interruptions of the normal activities of such government agencies are bound to have widespread repercussions upon interstate commerce.[11]

Thus, the plain facts are that both the size of the workforce employed by State and local governments and the problems of labor unrest among that workforce have increased markedly in recent years; at the same time the activities of State and local governments and their impact upon the Nation's economy have been expanding. It quite simply was no longer realistic for Congress to ignore this prominent sector of employment in establishing minimum wage and hour standards for American workers, if those standards are to serve their intended purpose.

B. The act's further objective of benefiting the national economy by increasing the purchasing power of low-paid workers and encouraging the spreading of available employment opportunities has equal application to both private and governmental employment

In finding, in the original Act, that the existence of substandard labor conditions "burdens commerce and the free flow of goods in commerce," Congress gave expression to another important objective. This was to improve the health of the economy as a whole—and thereby unburden commerce and the free flow of goods—by increasing the purchasing power of lower paid workers through use of the minimum wage and by spreading available work through imposition of a premium on overtime hours. As stated in the House Committee report on the 1938 enactment:

> "America does not suffer from a scarcity of goods or a scarcity of labor, but from a scarcity of purchasing power . . . The American farm and the American factory could supply much more adequately and abundantly the needs of our people if our people had the wherewithal to buy what the farm and factory can produce . . . A fair day's pay for a fair day's work will increase the purchasing power of American workers. It will enable them to buy more products from farm and factory. It will give increased employment in industry and on the farm to those now unemployed. (H. Rep. 1452, 75th Cong., 1st Sess., pp. 8–9.)

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Similarly, this Court has repeatedly pointed out that "[i]n a period of widespread unemployment . . . the economy inherent in avoiding extra pay was expected to have an appreciable effect on the distribution of available work," and accordingly, that ["r]eduction of hours was a part of the plan from the beginning." *Overnight Motor Transportation Co.* v. *Missel*, 316 U.S. 572, 578 (1942); see also *Walling* v. *Helmerich & Payne*, 323 U.S. 37, 40 (1944); *Southland Gasoline Co.* v. *Bayley*, 319 U.S. 44, 48 (1943).

These purposes similarly motivated the 1974 Amendments and their extensions of coverage as stated in one of the Senate Committee reports:

> "[By the] establishment of a minimum wage rate . . . [for] workers who do not currently enjoy such protection, and eliminating overtime exemptions where they have been shown to be unnecessary, the economy will be stimulated through the injection of additional consumer spending and the creation of a substantial number of additional jobs." [S. Rep. No. 93–690, 93d Cong., 2d Sess., p. 9]

It was recognized, moreover, not only that a higher minimum wage "means increased purchasing power in the hands of the poor and a greater demand for goods and services", but also that "[f]or the Government it means lower welfare costs" (S Rept. No. 92,842, *supra*, p. 8).

From the point of view of stimulating the economy, there is clearly no distinction to be made between application of the Act to private employment and to government employment. The effect upon the economy of increasing the purchasing power of low paid workers and encouraging the spreading of available employment opportunities is the same in either case. And, since, as we have already emphasized, employment by State and local governments has become an increasingly significant factor, achievement of this Congressional objective could well be frustrated if such employment were not covered.

It may be added that where a Congressional enactment based on the commerce power is directed, as here, at the overall health of the national economy—a matter inseparable from interstate commerce—then all activities which significantly affect that objective necessarily have sufficient relationship to commerce to be within the ambit of that power. This appears to be the teaching of this Court's decision in *Wickard* v. *Filburn*, 317 U.S. 111, 125 (1942), where it was held that insofar as an earlier Congressional enactment was designed to restore the health of the wheat industry, it could reach any activity, "whatever its nature . . . if it exerts a substantial economic effect" on commerce in that commodity.

This Court has also pointed out that "Commerce itself is an intensely practical matter . . . To deal with it effectively Congress must be able to act in terms of economic and financial realities." *North American Co.* v. *Securities and Exchange Comm.*, 327 U.S. 686, 705 (1946). It was on the basis of just such realities that Congress acted in the present instance to reach activities which have a substantial effect upon the entire economy—and hence, the commerce of the Nation.

C. To attempt to distinguish between activities which are "governmental" and those which are similar to activities in private enterprise would not only undercut the act's objectives, but would be totally impractical in application

California argues that the Act should not apply to activities which are "unique" to government, or which have no counterparts or competitors in the private sector (brief, pp. 47, 49). While the Solicitor General will undoubtedly discuss the reasons why such distinctions have no constitutional significance in view of this Court's prior rulings, we wish to stress that any effort to exclude significant portions of public sector employment from the Act's coverage would frustrate the objectives we have previously discussed. Moreover, it is appropriate to point out the utter impracticability of any such distinctions from the point of view of drafting or applying legislation. The simple fact is that the distinctions which California suggests exist, if at all, only in the most theoretical sense; in practical effect, they do not.

A review of the types of activities in which employees of State and local governments are engaged—education, hospitals, health services, utilities, transit operations, highway construction and maintenance, water transportation and terminals, libraries, airport operation, recreation facilities, state liquor stores [12]—readily demonstrates that scarcely any are "unique" to government, but in varying degrees have counterparts in the private sector. See *Indian Towing Company* v. *United States*, 350 U.S. 61, 68 (1955). Even police and fire protection services—which are obviously the main focus of Appellants' concern in this case—have counterparts in private fire prevention and control as well as private guard, detective, security patrol and other protective services.

Moreover, the actual occupations in which government employees work can almost all be readily identified in private employment.[13]

In such a context we believe it would be absolutely futile to attempt to draft legislation which can distinguish between activities or occupations, on the broad basis suggested by California. Of course, as already pointed out (p. 3, n. 1, *supra*), the 1974 Amendments did exclude not only executive, administrative and professional employees generally, but also elected and other policy-making officials. Beyond this, we agree with this Court's conclusion in *Indian Towing Company, supra*, that the " 'non-governmental—governmental' quagmire" involves "distinctions so finespun and capricious as to be almost incapable of being held in the mind for adequate formulation," [14] and that any attempt to invoke such distinctions would result in "the inevitable chaos when courts try to apply a rule of law that is inherently unsound" (350 U.S. at 65, 68).

CONCLUSION

For the reasons stated herein the decision of the Court below should be affirmed.

Respectively submitted.

Robert E. Nagle,
Lichtman, Abeles,
Counsel for Senators Harrison A. Williams, Jr. and Jacob K. Javits.

Anker & Nagle, P.C., 1730 M Street, N.W., Washington, D.C. 20036.

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FOOTNOTES

[1] See H. Rep. No. 93–913, 93d Cong., 2d Sess., pp. 6–7; H. Rep. No. 93–232, 93d Cong. 1st Sess., p. 6; S. Rep. No. 92–842, 92d Cong., 2d Sess., pp. 18–19; Statements of Senator Javits, 118 Cong. Rec. S24240, July 18, 1972 (daily ed.), and Senator Williams, 118 Cong. Rec. S24949, July 20, 1972 (daily ed.),

As the Court noted with respect to the 1966 Amendments, the 1974 legislation also "specifically exempts any 'employee employed in a bona fide executive, administrative, or professional capacity' " (392 U.S. at 193). In addition, it excludes elected officials of state or local government, as well as individuals not subject to the civil service laws of their jurisdiction, or who are selected or appointed by elected officials to be members of their personal staffs or to serve on a policy making level or to act as immediate advisers with respect to the constitutional or legal powers of an elected official's office (29 U.S.C. 203(c)(2)(c)). With these exemptions and exclusions the 1974 amendments extend the Act's protections to 3.4 million state and local government employees (as compared to the 2.9 million covered by the 1966 Amendments).

[2] *Economics Effects Studies: Hospitals*, U.S. Dept. of Labor, Wage and Labor Standards Administration, Submitted to the Congress, 1970; *Economic Effects Studies; Educational Institutions*, U.S. Dept. of Labor, Wage and Labor Standards Administration, Submitted to the Congress, 1970.

[3] See Hearings before the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare, on S. 1861 and S. 2259, 92d Cong., 1st Sess., pp. 1698–1711; and Hearings before the General Subcommittee on Labor of the House Committee on Education and Labor, on H.R. 4547 and H.R. 2831, 93d Cong., 1st Sess., pp. 148–158.

Other than the testimony of the National League of Cities, and a number of letters received from individual cities mainly concerned with firemen's schedules (see *infra*, p. 10, n. 6), no testimony was offered by any State or local government, or association of such governments, during the lengthy hearings held by both the Senate and House on the bills which led to this legislation.

[4] This last sentence had reference to the fact that the study had shown that "well over two-fifths of the nonsupervisory workforce" of State and local governments were already covered by premium pay provisions for overtime work (see *Nonsupervisory Employees in State and Local Governments, supra*, p. A–46, Table 44).

[5] Appellants' charge that Congress "seemingly acted largely upon the false representations of no impact" (NLC brief, p. 89) apparently has reference to a statement in a House Committee report that "[t]he actual impact on State and local governments . . . of a 40 hour standard will be virtually non-existent" (H. Rep. No. 93–913, 93d Cong., 2d Sess., p. 29). It should be noted that this statement was made at a time when the House bill excluded police and firemen from any overtime pay requirement. The Report noted that a tenth of nonsupervisory employees in State and local government worked over 40 hours during the Labor Department's survey week, but cited the Labor Department's conclusion that a 40-hour overtime standard would cost State and local governments substantially less than 1% of payroll, in view of the substantial number of such employees already receiving premium overtime pay. Pointing out that overtime hours were most prevalent among employees in police and fire departments, the House report quite naturally concluded that in view of their proposed exemption, there would be no significant impact from a 40-hour standard applied to other State and local government employees.

[6] The League's concern over a proposed overtime standard for firemen who work 56 hours a week was restated in a February 1973 letter to Senator Williams which appears in Hearings before the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare, on S. 1861 and S. 1725, 93d Cong., 1st Sess., 160a. Those same Hearings (pp. 225a–269a) also include letters from some individual cities stating that their objections to the proposed legislation were directed at this same problem.

[7] It is clear that Appellants' impact claims take little note of this provision. As pointed out in the Supplementary Affidavit of Jack I. Karlin, Appellants' cost projections are "based upon the assumption that a substantial percentage of the cities whose tours of duty for firefighters do not exceed the maximum hours permitted without premium pay (an average of 60 hours a week) will mistakenly fail to elect the provisions of the . . . Act which will permit them to avoid all overtime pay" (App. 840.)

[8] See *Public Employment in 1973*, U.S. Department of Commerce, Bureau of the Census, pp. 3, 9, 10 for numbers and percentages of State and local government employees in each category of activity.

[9] *Trends in Fiscal Federalism*, 1954–1974, *supra*, p. 31. See also data contained in *Man-*

power Impact of Purchases by State and Local Governments, supra, appearing in 119 Cong. Rec. S14057, July 19, 1973 (daily ed.), and *Public Employment in 1973,* U.S. Dept. of Commerce, Bureau of Census (1974).

[10] Since 1966 the data on total work stoppages at the State and local government level shows as follows:

Number of stoppages, man-days idle

Year	Number of stoppages	Man-days idle
1966	142	455,000
1967	181	1,246,300
1968	251	2,535,600
1969	409	744,600
1970	409	1,375,100
1971	327	893,400
1972	375	1,257,200
1973	386	2,299,300

[11] One aspect of this role is documented by a study—*Manpower Impact of Purchases by State and Local Governments, supra*—which was introduced and considered during the Senate debates on the 1974 Amendments. As stated in this study:

"State and local government purchases have grown substantially in the past decade, and in 1971 accounted for 13 per cent of the Gross National Product in current dollar terms. . . . As a result of this increased rate of spending, State and local governments were a major factor in the generation of jobs during the past decade. In the 1959–71 period, employment generated by State and local government purchases of goods and services accounted for nearly 35 per cent of the increase in jobs, with more than three-quarters of these directly on State and local government payrolls and the remainder primarily in the private sector. In 1971, State and local governments, directly or indirectly, accounted for approximately 16 per cent of the country's civilian employment. This means that, on the average, each $1 billion of State and local government purchases that year generated almost 100,000 jobs. With the continued channeling of large amounts of Federal funds to States and localities, the spending of State and local governments will continue to create significant demand on the national job market." [Cong. Rec., vol. 119, part 19, page 24816.]

[12] See *Public Employment in 1973,* U.S. Department of Commerce, Bureau of the Census, p. 9, Table 3.

[13] The point is well illustrated by the State and local government job listings which the Department of Labor's survey found to have entry pay levels below the minimum wage in 1969–70. See *Nonsupervisory Employees in State and Local Government, supra,* pp. 52–57. For example, the complete listing of subminimum wage jobs in the Arkansas State government is as follows: "Clerk, cook, custodial worker, dairyman, deckhand, elevator operator, farmworker, fish culturist, food service worker, forest towerman, foster grandparents, groundskeeper, highway bridge tender, housekeeper, keypunch operator trainee, laborer, laboratory aide, linen room worker, messenger, medical assistant, mental retardation aide, museum guide, public health clinic aide, revenue permit agent seamstress, skill trades helper, social service aide, stock clerk, switchboard operator, trapper, watchman."

[14] The fact that such distinctions are indeed "incapable of being held in the mind" is confirmed by California's attempt to illustrate the types of jobs it regards as "governmental." It is evident that many of the cited activities, including "historian specialists," "fire prevention officers," "highway equipment mechanics," "water use analysts," "airport environmentalists," and "property appraisers" are types of functions which are also performed in the private sector. See Calif. brief, p. 47, n. 24.

THE GOVERNMENT AND THE NATION'S RAILROADS

Mr. BROCK. Mr. President, George Will has written a very interesting article regarding our rush toward bailing out the Nation's railroads, rather than dealing with the immediate and the long-range problems and effects. I ask unanimous consent that Mr. Will's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE SOCIALISM TRACK

(By George F. Will)

When iron horses on ribbons of steel were welding this extensive republic into a continental market, railroads were symbols of the muscular American economy. Today the plight of some medicant railroads symbolizes the evolving relationship between the ailing economy and the muscular government.

Actually, railroads have never been the most inspiring examples of heroically independent enterprises. In their salad days they had a, shall we say, pragmatic relationship with government.

Recently, government policies—unreasonable rate regulations, benefits for trucks, airlines and barges that compete with railroads—have contributed to the railroads' myriad problems. But in the 19th century, when men were men and Congress was, even more than today, a retail commodity, government policies—especially cheap prices of land right-of-way—contributed mightily to the growth of the mighty railroad industry.

There was an American age of less than Augustan principles, when railroads owned the finest state legislatures (and hence, the finest U.S. senators) that money could buy. And Credit Mobilier, the construction company for the Union Pacific Railroad, was heavily financed by the government, and was memorably grateful to some of the wonderful people in Washington who made that possible.

The fragrant history of the relationship between railroads and government has been prologue. Today Thoreau's lament—"We do not ride on the railroads; the railroads ride upon us"—is, increasingly, national policy.

Congress is waist deep in the railroad quagmire: it has approved hundreds of millions of dollars in "emergency" aid for the Penn Central and other failing lines in a 17-state region. And now the government has seen a light at the end of the collapsing railroad tunnel. It has a plan to save the railroads.

The plan comes from the U.S. Railway Association, a government corporation. The plan calls for consolidation of the Penn Central and six other lines, and amputation of the most unprofitable 30 per cent (6,200 miles) of track.

In that marvelously droll way government agencies talk about profits, the USRA says: The new rail system will be profitable—making $32 million by 1978, $383 million by 1985—if the government provides about $10 billion in subsidies.

A huge sum will be for rehabilitating the track system. On some sections, trains cannot safely exceed 25 m.p.h. And the cost of a steel rail has recently risen 150 per cent.

Some people think the government should buy the tracks of the bankrupt railroads and charge a user's fee to those who want to run trains on the rails. They note that the government builds the highways on which trucks roll; the government maintains, with a variety of electronic and planning services, "highways in the sky" for airlines; and government maintains the system of inland waterways on which barges carry 16 per cent of the nation's freight.

Other people argue that government ownership of the tracks would be an intolerable step toward nationalization of the railroads. But let's call a spade a humble shovel.

The government is going to be involved—deeply, extensively, and forever—in financing and administering rail service, at least in the 17 state region, and probably elsewhere. That is semi-nationalization.

Some congressmen will favor more full-fledged nationalization, perhaps even above track level, when they feel the heat generated by the USRA's plan to withdraw unprofitable rail service from small towns. Congressmen know that when government owns something, there is no damned nonsense about profits.

No town wants to lose subsidized rail service, and no congressman can dislike a scheme, like nationalization, that enables him to take credit for saving a town's subsidized service.

Government involvement in the railroad industry typifies our new political economy: our evolving welfare state for industry socializes losses while keeping profits private. Note well: the USRA's plan has been called "nationalization with a Chamber of Commerce label."

In rowdier countries the coming of socialism is announced by the vanguard of the proletariat storming winter palaces. But here the coming socialism is announced by congressmen at Rotary meetings in small towns.

FINANCING THE DEFICIT

Mr. HUMPHREY. Mr. President, last week I announced a campaign to make the facts and figures on the financial aspects of the budget deficit available to Congress. One of the clearest, most complete, and easiest to understand statements of these facts and figures has been prepared by Sally S. Ronk, a financial economist in the Office of Debt Analysis at the Treasury Department. Ms. Ronk's analysis was presented in a talk to the National Economists Club and the Washington Chapter of the National Association of Business Economists on February 26.

Before joining the Treasury last year, Ms. Ronk was vice president and economist for Drexel Burnham & Co., and prior to that vice president of Bankers Trust, so she speaks from a background of great expertise on financial questions.

This is what Ms. Ronk concludes regarding the ability of the financial markets to handle Federal financing demands during the remainder of fiscal 1975:

> On the supply side of the equation, the major suppliers, i.e., savings institutions and commercial banks, have the funds available to absorb the amount of credit instruments demanded. Over the current half year, with demands for funds—except from the Treasury—still on the low side, the funds are available to finance the huge demands from the Treasury. . . . The problem in financing the Treasury's demands in the current half year will be mainly temporary and technical, and connected with the timing of issues rather than with saturation of the market.

With respect to the outlook for fiscal 1976, Ms. Ronk concludes:

> Virtually all sectors of the credit markets will be under greater pressures from (private credit) demands (than in 1975). The crucial question is will this confluence of stronger

> demands place the credit markets under undue strain so that rising interest rates will again be necessary in order for the demands to be financed? . . . The projections which I have made for the supply side foresee continued growth in savings flows in fiscal 1976, but not the very strong revival that we have witnessed in past post-disintermediation periods . . .

These projections suggest that the enhanced volume of funds to be raised in fiscal 1976 may be financed without much call on residual investors. In other words, the credit markets may be in position to absorb the financing without undue upward pressure on interest rates. Thus, there is reason to expect that interest rates will continue to decline through late this year and that thereafter there may be only moderate rises, unless the Federal deficit situation should worsen.

After reading Ms. Ronk's speech, one can only conclude that the Treasury's own expert does not share the Secretary's alarm concerning financial aspects of the budget deficit. While fully aware of the technical difficulties faced by the financial markets in 1975 and 1976, Ms. Ronk concludes after careful analysis that there should not be "undue upward pressure on interest rates."

I am informed that the only detailed analysis of expected credit market flows yet released by the Treasury is contained in the tables attached to Ms. Ronk's speech. In Ms. Ronk's expert judgment, these tables indicate that the financing of the deficit is manageable. It appears to me, therefore, that the facts as so far presented simply do not support the repeated assertions by the Secretary of the Treasury that we will face "vicious" competition for credit as a result of the budget deficit.

Mr. President, I ask unanimous consent that Ms. Ronk's analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

FLOWS OF FUNDS IN RECESSION AND RECOVERY

(Analysis by Sally S. Ronk)

The big question on many minds, ever since the Budget and the Economic Report were unveiled three weeks ago, is how the prospective deficits are going to be financed without either (1) driving up interest rates or (2) reviving inflation. I have addressed myself to that question by preparing a flow of funds forecast based on the economic outlook projected in the Economic Report and on the Treasury and Federal agency financing contained in the Budget. The attached tables showing my flow of funds projections are on a fiscal year basis. This serves to pinpoint the magnitude of the problem over the coming period when the brunt of the recession-induced deficits will be felt. Presumably, by the second half of the calendar year 1976, the economy will have revived and Treasury receipts will be beginning to pick up strongly.

The first observation one may make concerning the projections in the tables is that in the current fiscal year—fiscal 1975—private demands for funds are falling off sharply. Thus, even though Treasury demands are skyrocketing, total demands for funds are declining by an estimated 15 percent. The biggest reduction is, of course, in business loans from the commercial banks; business loan demands slackened noticeably last fall and have sloughed off week by week so far this year. If the inventory liquidation in sight materializes, it may be anticipated that business loan demands will be dampened even further in the period ahead. Other types of business borrowings, except those from the U.S. Government, are also dropping back noticeably. At the same time, consumer credit is still being liquidated. According to my projections, total short-term credit demands will decline from $94.4 billion in fiscal 1974 to $35.2 billion in fiscal 1975.

Total government demands for credit are projected as rising from $40.2 billion in fiscal 1974 to $77.4 billion in fiscal 1975. This rise would be even greater if it were not for the fact that Federal agency borrowings, which include GNMA pass-throughs as well as budget and sponsored agency issues, will probably be substantially smaller in fiscal 1975 than in fiscal 1974, as the Federal Home Loan banks retire debt during the current half year period. In all, during fiscal 1975 the increase in demands by government will fall short of the reduction in short-term demands by some $22 billion.

On top of that, long-term credit demands, in total, are estimated at some $12 billion less in fiscal 1975 than in fiscal 1974. True, corporate bond borrowings are surging, but mortgages—which still make up the larger part of demand in the long-term credit markets—have been registering smaller and smaller increases for the past two years. The mortgage market is now probably bottoming out at an annual rate of increase in mortgages outstanding of about $42½ billion, compared to the peak rate of increase of over $80 billion in the second quarter of 1973. However, any revival in the mortgage market is likely to proceed slowly, since the savings institutions are expected to utilize a large portion of their renewed savings inflows to pay off debt and rebuild liquidity.

Similarly, the disarray in the stock market has brought the net new issuance of stocks virtually to a halt; over the past half year, July–December 1974, net new issues amounted to only $1.2 billion, compared with peak annual rates of $13–14 billion three years ago. A much longer period of gain in the stock market than we have witnessed recently will probably be required before there is much strength in the new equity issues market.

This slackening in demands from the private sector during the 1975 fiscal year is currently being accompanied by improving savings inflows and a more expansive credit policy. The rate of expansion of bank credit was exceptionally low during the July–December 1974 period, and, even after the substantial step-up anticipated for the rate during the current half year, the rate for the entire fiscal year 1975 is estimated at a relatively low 7.5 percent compared with the 17 percent and 14 percent rates of the two previous fiscal years.

In sum, on the supply side of the equation, the major suppliers, i.e., savings institutions and commercial banks, have the funds available to absorb the amount of credit instruments demanded. Over the current half year, with demands for funds—except from the Treasury—still on the low side, the funds are available to finance the huge demands from the Treasury.

One indication that the problem in financing the Treasury's demands in the current half year will be mainly temporary and technical, and connected with the timing of issues rather than with saturation of the market, is the size of the residual on the supply side. During fiscal 1974, when funds were tightening up and the markets were under the pressures of heavy demands and restricted supplies, residual buyers of credit instruments—the household and non-profit sectors—were called upon to step up their purchases to the unusually high level of $23.4 billion. It is necessary for interest rates to rise sharply above customary levels in order for residual holders to be induced to make heavy direct purchases in the credit markets, and, as we all know well, the outcome was spectacular. The current period, according to my projections, is one during which residual holders will not, on balance, be net buyers of credit instruments; even though they will probably show net purchases of Treasury securities, their takings of other securities and credit instruments will probably be curtailed drastically.

But one may ask, is not the current period one representing the depths of a recession? What about the situation in fiscal 1976 when private credit demands revive and Treasury borrowings are still mounting? The economic assumptions in the Budget and Economic Report do not suggest a strong rebound in real growth, while at the same time, the rate of price increases is expected to be slackening (after the boost given prices by the oil import levy in calendar 1975). However, because of the depressed level of activity in calendar 1975, the growth of current dollar GNP in calendar 1976 is estimated at 12.6 percent. This represents the dimensions of the extra activity that will need to be financed in the credit markets.

For fiscal 1976, Treasury borrowings, which include borrowings to finance the lending activities of the Federal Financing Bank, are estimated at $63.7 billion in the Budget, while Federal agency financing will subside further to $14.7 billion. Even under the assumption that state and local government borrowings will virtually level off from fiscal 1974 to fiscal 1976, borrowings by government at all levels in fiscal 1976 will reach a whopping total of $95.4 billion, up $18 billion from fiscal 1975's unprecedented total of $77.4 billion.

At the same time, mortgage and short-term credit demands—the laggards currently—will undoubtedly pick up. The question is how strongly? For the mortgage market, I am in the camp that believes that the large overhang of housing inventory will inhibit the spurt in housing starts that usually follows the resumption of savings inflows to, and shoring up of liquidity positions of, the thrift institutions. Consequently, my projection for starts calls for only about a 1.3–1.4 million annual rate late in calendar 1975 and an average of 1.6–1.7 million during the first half of calendar 1976. This would bring the net new volume of mortgages issued only part way back to the fiscal 1974 total, which itself was considerably below the fiscal 1973 total.

Concurrently, in fiscal 1976, corporate bond offerings will probably begin to diminish, although the level will probably remain historically high. Even though their external requirements for funds for plant and equipment and inventories still remain relatively low, corporations will probably maintain a relatively high level of long-term borrowings in order to continue to increase their net working capital and liquidity positions. However, net new stock issues, which are currently almost nonexistent should begin to pick up. In all, long-term borrowings are projected as rising by nearly $12 billion, or 15 percent, in fiscal 1976.

The volume of short-term credit issued in fiscal 1976 should show an even stronger revival than long-term funds, if only because the fiscal 1975 level is so weakened. While business borrowings from the banks will probably strengthen from their current slack, a fairly substantial reversal will be required to bring the 1976 fiscal year's total above the level of fiscal 1975; this is because the current half year's flattening in bank loans to business was preceded by a period of moderate growth during the first part of fiscal 1975. With other types of business borrowings—open market paper, finance company loans and government and agency loans—still soft, total business borrowings will probably show a levelling off rather than an increase during fiscal 1976. Nevertheless, with consumer credit demands beginning to revive and security credit turning around, a strong—25 percent—increase in total short-term funds is projected for fiscal 1976. Thus, at the very time when Treasury demands are peaking, virtually all sectors of the credit markets will be under greater pressures from demands.

The crucial question is, will this confluence of stronger demands place the credit markets under undue strain so that rising interest rates will again be necessary in order for the demands to be financed?

The projections which I have made for the supply side foresee continued growth in savings flows in fiscal 1976, but not the very strong revival that we have witnessed in post-disintermediation periods. Bank credit, on the other hand, should increase smartly as the Federal Reserve's easing process continues an takes hold. The projected expansion of $51 billion for commercial bank credit in fiscal 1975 will come only if there is a large increase during the current—January-June 1975—period since there was a virtual halt in the growth of bank credit during the latter half of calendar 1974. For fiscal 1976, I have projected an increase in bank credit of $75 billion, which is considerably below the $88 and $82 billion increases, respectively, in fiscal 1973 and 1974. Such an increase would represent a 10.2 percent rate of growth, which compares with 7.5 percent in fiscal 1975.

My assumptions also include fairly strong foreign investment in the United States—$16.8 billion in fiscal 1975 and $17.4 billion in fiscal 1976—but these would still be below the record levels of fiscal 1971 and 1972.

These projections suggest that the enhanced volume of funds to be raised in fiscal 1976 may be financed without much call on residual investors. In other words, the credit markets may be in position to absorb the financing without undue upward pressure on interest rates. Thus, there is reason to expect that interest rates will continue to decline through late this year and that thereafter there may be only moderate rises, unless the Federal deficit situation should worsen.

I include attached tables:

TOTAL FUNDS RAISED IN U.S. CREDIT MARKETS, FISCAL YEARS

[In billions of dollars]

	1972 (actual)	1973 (actual)	1974 (actual)	1975 (estimate)	1976 (projected)
FUNDS RAISED					
Long-term funds:					
Mortgages:					
Home	34.6	44.9	37.0	26.7	34.2
Multifamily	9.2	10.8	7.3	6.6	7.5
Commercial	12.7	16.7	16.6	7.3	8.0
Farm	2.5	3.4	4.4	5.1	5.2
Total	59.0	75.7	65.2	45.7	54.9
Corporate securities: [1]					
Bonds	21.7	15.4	17.4	28.6	26.9
Stocks	14.3	12.2	7.1	3.3	7.5
Total	36.0	27.6	24.5	31.9	34.4
Total long-term funds	95.0	103.3	89.7	77.6	89.3
Government securities:					
U.S. Government	19.6	18.5	2.1	43.9	63.7
Federal agencies	8.7	14.4	21.3	17.6	14.7
State and local governments	15.6	12.6	16.8	15.9	17.0
Total Government securities	43.9	45.5	40.2	77.4	95.4
Short-term funds: [2]					
Business credit:					
Open market paper	2.9	1.6	15.0	10.0	4.0
Bank loans	11.2	40.9	40.5	10.6	14.0
U.S. Government loans	.3	.9	1.1	6.2	3.6
Federal agency loans	−.7	6.3	8.1	3.8	−.7
Other [3]	5.1	3.6	4.9	−5.6	2.7
Total	18.8	53.3	69.6	25.0	23.6
Consumer credit	14.5	23.3	16.3	1.7	7.0
Security credit	9.0	−3.2	−3.3	−4.0	1.0
Foreign loans:					
Banks	4.5	7.5	8.4	7.5	5.0
U.S. Government	1.1	2.1	1.5	1.6	2.9
Total	5.6	9.6	9.9	9.1	7.9
Other loans:					
Banks	2.3	1.7	−1.4	−1.8	.4
U.S. Government	.6	.6	.6	2.7	3.0
Policy loans	1.0	1.2	2.7	2.5	1.4
Total	3.9	3.5	1.9	3.4	4.8
Total short-term funds	51.8	86.5	94.4	35.2	44.3
Total funds raised	190.7	235.3	224.3	190.2	229.0

	1972 (actual)	1973 (actual)	1974 (actual)	1975 (estimate)	1976 (projected)
FUNDS SUPPLIED					
Savings institutions:					
Contractual-type:					
Life insurance companies	13.1	14.3	16.4	15.7	17.2
Private pension funds	6.4	6.9	7.0	9.4	10.0
State and local retirement funds	6.5	8.8	9.3	12.1	12.0
Fire and casualty insurance companies	6.5	6.2	4.7	4.4	5.0
Total	32.5	36.2	37.4	41.6	44.2
Deposit-type:					
Savings and loan associations	31.0	38.4	22.1	18.0	30.0
Mutual savings banks	10.3	8.6	3.7	3.0	7.0
Credit unions	3.0	3.0	2.4	2.7	2.5
Total	44.3	50.0	28.2	23.7	39.5
Other:					
Investment companies	−.2	−2.8	−1.3	1.9	2.0
Real estate investment trusts	3.9	4.8	3.0	−.2	---------
Total	3.7	2.0	1.7	1.7	2.0
Total savings institutions	80.5	88.2	67.3	67.0	85.7
Banking:					
Federal Reserve Banks	7.0	4.0	7.4	7.8	9.0
Commercial banks	57.8	88.0	82.0	51.0	75.0
Total banking	64.8	92.0	89.4	58.8	84.0
Business:					
Nonfinancial corporations	7.2	6.6	8.5	2.2	4.0
Finance Companies	5.8	12.2	6.8	1.1	2.0
Security brokers and dealers	3.7	−1.7	−1.3	−.7	2.0
Nonfarm noncorporation business	.6	1.2	1.0	1.4	1.1
Total business	17.3	18.3	15.0	4.0	9.1
Government:					
Federal Government	1.9	2.3	3.7	15.6	12.3
Federal agencies	7.5	12.1	21.2	19.1	15.8
State and local governments	1.7	.3	1.8	6.1	1.5
Total government	11.1	14.7	26.7	40.8	29.6
Foreign	18.1	13.3	2.5	16.8	17.4
Households (residual)	−1.1	8.8	23.4	2.8	3.2
Total funds supplied	190.7	235.3	224.3	190.2	229.0

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[1] Including foreign securities.

[2] Including bank term loans and long-term Federal credits.

[3] Finance Company loans to business and security RPs.

INTERNATIONAL TRADE NEGOTIATIONS

Mr. **HRUSKA**. Mr. President, on April 16, there was a public hearing conducted by the U.S. International Trade Commission in my home city of Omaha.

Under provisions of the Trade Act approved by the Congress last year, the Commission was required to get a wide range of public comment to be used in preparing for upcoming international trade negotiations.

It was my privilege to be asked to testify at the hearings in Omaha. Unfortunately, because of Senate business, I was unable to be in attendance. My comments, however, were presented to the Commission by a member of my staff.

I would like to share those remarks with my colleagues and others interested in this important topic. Mr. President, I ask unanimous consent that my testimony before the International Trade Commission be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

TESTIMONY OF SENATOR ROMAN L. HRUSKA

It is indeed an honor to be able to have my views presented to this distinguished commission. The concept of taking the government to the people is a good one. There are many persons here today who would not have had the opportunity to be heard had not the members of the International Trade Commission traveled to Omaha. This is one of several stops for the commission around the country to get the views, opinions and—I am sure—complaints of those who have a vital interest in our international trade laws.

Let me quickly add that everyone should be concerned about the international trade practices of the United States. We all have much at stake in the upcoming trade negotiations. The vitality of our nation's economy is determined by the trade relationships it has with other countries of the world.

The U.S. Congress recognized the importance of maintaining our tradition of fair and open trade with other countries of the world when it passed the Trade Act last year.

According to the provisions of the bill, the President is authorized "for a period of five years to enter into trade agreements with other countries for the purpose of harmonizing, reducing, or eliminating tariff and nontariff barriers to, and other distortions of international trade, subject to certain limitations and conditions. The Act gives strong emphasis to the need for establishing fair and equitable conditions of trade, including reform of the General Agreement on Tariffs and Trade."

This is a wide-sweeping mandate that I am sure will be exercised responsibly. The success or failure of the President's negotiators in upcoming trade talks will directly affect the prices and availability of products utilized or consumed by nearly every American.

With this in mind, it is important that the President and his negotiators receive information from the people of this country on how they believe the trade negotiations should be conducted, on areas of emphasis and on the ultimate effects of these talks.

Mr. Chairman, my contribution to this hearing will be to present my views on the most important part of my state's economy—agriculture. In addition, I will concentrate particularly on the beef cattle industry.

This is not to say that manufacturing and other activities to be affected by the trade negotiations are of little importance. On the contrary, many of those here today will be presenting their views on other significant elements of our economy. It is good that the State of Nebraska and its neighboring states have widely diversified economies.

It is my opinion, however, that in past international trade negotiations, agriculture has not been adequately represented. I am not here to pin blame for this unfortunate situation on anyone. I want to see that it is corrected. There are many factors and considerations that comprise successful trade negotiations. I fully realize that compromises must be made on all sides if bargains are to be struck.

The point I want to emphasize is that compromises made by United States negotiators at future trade talks should not be made at the expense of American agriculture. This has happened in the past, and should not be allowed to happen again.

Agricultural exports are our most spectacular success in international trade today, and we must continue this momentum if we are to avoid a major balance of payments deficit. U.S. farm products are today paying for most of our petroleum imports. In addition, with prospects for a huge crop of feed grains, soybeans and wheat in the offing, we must expand our international sales of these commodities if farm prices are to be strengthened and farm incomes maintained at a healthy level.

Using my home state of Nebraska as an example, the total value of all farm products exported during the fiscal year 1974 was an impressive $1.03 billion. This includes $261.4 million in wheat and flour, $496.7 million in feed grains, $75.8 million in soybeans, $32.1 million in lard and tallow, $24.7 million in soybean meal, $21.0 million hides and skins and $19.5 million in meat.

The total figure of $1.03 billion for 1974 is especially significant because it represents a substantial increase in foreign markets for Nebraska agriculture over the past few years. For example, in fiscal 1971, exports for farm products in the state totalled $286 million. The value of farm exports had increased to $565 million by fiscal 1973.

Thus, in two years, **agricultural exports** nearly doubled and in three years—from 1971 to 1974—the figure more than tripled.

It would not be in the best interests of the country to reverse that trend. That is why I urge the Commission to insure that nothing is done to hinder or restrict the increasing flow of agricultural products from the United States.

We have heard much about a "world food crisis." U.S. agriculture is willing and able to help solve some of the world's hunger. It must be given the opportunity to do so.

While many segments of American agriculture have prospered because of current world trade situations, one—the cattle industry—has not.

The cattle industry has suffered serious financial difficulties in the past two years. Total industry operating losses were $5 billion in 1974, and an incredible $20 billion in equity losses.

Depressed prices have reduced the inventory value of the nation's cattle herd from $41 billion to $21 billion in a single year—a drop of 48 percent.

The impact of these losses has been felt sharply in my home state of Nebraska. It is estimated that Nebraska cattlemen suffered operating losses of nearly $260 million in 1974, and equity losses of $1.1 billion. The fact that Nebraska ranks third in the nation in total cattle on farms—6.9 million as of January 1, 1975—it is easy to see how a depressed market has dealt Nebraska's agricultural economy a disastrous blow.

Some additional facta may help to emphasize the financial impact that current market conditions are having on the overall economy of my state. In 1973, cash receipts after expenses for all farm products were over $4.02 billion. Of that amount, cash receipts for the sale of cattle and calves amounted to $1.78 billion, or 44.2 percent of all farm production. Cattle receipts in Nebraska over the past few years have averaged 50 percent of all farm sales and is the leading industry in the state.

Not only does the depressed price of cattle hurt that industry, its effect reaches into the entire Nebraska economy. Many rural communities in the state are dependent on large feeder operations in their area. These operators purchase large quantities of grain, fuel and other products. Banks and local businesses rely on the money which cattlemen contribute to the economy in the form of hired help, transportation, and taxes. The losses of a single feeding operation could have a drastic effect on many rural Nebraska communities.

One basic difficulty for the beef cattle industry is that cattle prices are determined largely by supply and demand situations within the United States, while feed, fertilizer and other costs in recent times have been determined largely by world markets.

While the current slaughter situation is in a typical cattle-cycle phase—where increasing slaughter depresses prices and ultimately results in a reduction or leveling off of cattle numbers—it takes time to reduce an oversupply. Unfortunately, the natural cycle of approximately three years from breeding to fat steer sale must run its course before cattle supplies can stabilize.

These supply, and subsequently, price problems came to a head more quickly than expected in 1974. Higher feed grain costs, inflation, and recessionary pressures—including the 1973 disruptive price freeze—caused cattle slaughter to decrease at the very time total numbers were on the rise.

Exports of beef from the U.S. never have been a major market factor. It is doubtful that exports can be increased much in the short term, particularly in view of the world's current beef surplus.

With U.S. beef prices depressed, exporting nations have had little incentive to ship beef to this country, and imports decreased in 1974. With other major importing nations, however, having banned or restricted beef imports because of their own economic problems, the U.S. has been the only country with its borders wide open to imports; and, without restraints, imports could increase.

The term "dumping ground" has been used many times in connection with beef imports into this country. I feel it is an appropriate term to describe the situation. Without the Meat Import Act of 1964—which I was pleased to sponsor and support—the current problem might be worse.

Public Law 88-482, enacted in August 1964, provides that if yearly imports of certain meats—primarily frozen beef—are estimated to equal or exceed 110 percent of an adjusted base quantity, quotas are to be imposed on the imports of these meats. The adjusted base quantity for 1975 is approximately 1.074 billion pounds. The amount of estimated imports which would trigger impositions of quotas in 1975 is 1.181 billion pounds.

Last month Secretary of Agriculture Earl Butz estimated 1975 imports of meat subject to the Import Law at 1.18 billion pounds. This second quarterly estimate is 30 million pounds higher than the estimate announced on December 31, but just below the quantity that would trigger imposition of import quotas under the law.

As the Agriculture Department points out, imports of meat subject to the Meat Import Law have increased in recent months, totaling 233 million pounds for the first two months of 1975. This was 32.6 million pounds higher than imports during the same period last year.

We have been relying on "jawboning" and voluntary actions on the part of foreign nations to keep beef imports to this country down. They have not been very effective, I have to admit. Without the 1964 law, the import level undoubtedly would be much, much greater.

I know that cattlemen—a fiercely independent group who operate their businesses without federal subsidy—share with me the fundamental belief in free world trade.

But free trade must work both ways. As long as other nations involved in world trade of meat continue to impose unreasonable restrictions on American beef, then there is no choice but to restrain beef imports into our own country.

For example, neither Australia, New Zealand, Argentina or Canada permit American beef exports. Both Japan and the Common Market countries have subsequently refused to grant export licenses to American producers. Even when limited licenses were granted, an ad valorem duty of 20 percent was extracted from the importer in the Common Market and a 25 percent duty was charged in Japan. These high duties are compared to a maximum duty on canned corned beef in the U.S. of 7.5 percent.

The answer to this problem, of course, is good, hard negotiation on the part of U.S. representatives to change this blatant discrimination against the U.S. cattle industry. My main purpose today is to urge the Commission to relay to the President the urgency and necessity of bringing down these unfair and discriminatory foreign trade barriers. If this is done, the U.S. cattle industry can compete with any other country in the world in the quality and quantity of beef it can produce. Let us give the U.S. cattleman an opportunity to compete on a fair basis in the world market. That is all he asks. That is all that I ask. Thank you very much for giving me this opportunity.

CORETTA KING ON JOBS AND CIVIL RIGHTS

Mr. BAYH. Mr. President, on Tuesday, April 15, the Washington Star carried

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an interview entitled, "Coretta King on Jobs and Civil Rights."

This article appeared at a most appropriate time. For it was just 7 years ago on April 4, 1968, that Martin Luther King was murdered. During his lifetime, he maintained a firm commitment to achieving equality of justice and opportunity for all Americans. The achievements of his lifetime provide an enduring memorial to Martin Luther King, whose well-deserved recognition in this country was capped when he was awarded the Nobel Peace Prize.

While great strides were made toward civil rights during Dr. King's lifetime and in the 7 years since his death, the interview with Coretta King emphasizes that there is still much to do in the area of civil rights and equality of opportunity for our citizens. Mrs. King is continuing where her husband left off—working for a free and just society.

Dr. King devoted his energies to nonviolent means to achieve social justice and at the Martin Luther King, Jr. Center for Social Change in Atlanta, Mrs. King and others are carrying on the nonviolent tradition of Dr. King. They are looking for methods to reduce the amount of violence in our society in order to provide a climate for the creative development of the full potential of every person.

I would like to take this opportunity to congratulate Coretta King on her continuing work for equality for all Americans. I urge my colleagues to read the following interview with Mrs. King.

I ask unanimous consent that an article from the Washington Star be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, Apr. 15, 1975]

Coretta King on Jobs and Civil Rights

(Coretta King, co-chairperson of the National Committee for Full Employment and widow of Martin Luther King Jr., was interviewed by Washington Star Staff Writer Mary Ellen Perry.)

Question: How has the civil rights movement changed in the past few years? Do you see it taking on a larger economic role?

Mrs. King: Well, certainly one of the areas of our interest is this whole question of unemployment. If we're going to have a free and just society there must be jobs for all people in society who are eligible to hold jobs. And we feel that must be the responsibility of the government to guarantee these jobs. Jobs should be guaranteed as any other fundamental right. The job crisis affects many people, not just black people. It affects all people. When large segments of the population have to be laid off, like in the automobile industry, these people are not just black people, they're white people, too. So the civil rights movement is expanding to a movement for economic justice. As I see it, the civil rights movement indirectly spoke to this question all along.

Q: Are there any special problems in promoting this transition?

A: Well the civil rights movement was really in a stage where it was easy for other people to see that we didn't have civil rights. It was a matter of passing legislation which didn't cost anything—very little, nothing. Whereas now, if you pass legislation to guarantee jobs or to build houses or to do any of the other things that are really going to improve the quality of life for black and poor people, it's going to cost the government money—it's going to cost the private sector money—it's going to cost the nation a lot of money. It's much harder at this stage to get action. And part of the problem we face is educating the masses of people in understanding that it is possible through direct action and through the legislative process that they can affect social change in these areas.

Q: What would you like to see the Ford administration do?

A: The committee would like to see an effort toward developing a policy of full employment for the nation. This nation has never honestly dealt with the question of a peacetime economy and what it means in terms of the development within the country. We've had much greater employment during times when we've been engaged in war, so that there's been no thought given to this. We recognize that in the urgency of the unemployment crisis there must be immediate solutions, jobs must be provided immediately by the government, and of course the private sector. There could be a stimulus from the private sector, too.

Q: Any kind of jobs?

A: They must be meaningful jobs—jobs in areas where there are human needs and in areas of education, medical care, housing. Those areas where there is a great shortage in terms of meeting people's needs. We would like to see those things, but we would also like to see long range planning that would develop a policy from our government guaranteeing employment within the nation, and that the unemployment would be no more than 3 percent.

Q: Do you envision WPA type of programs, something like that?

A: I don't think that we have spoken in specific terms, but just in terms of this was a period in our nation's history when government did spend for what they called public works. But we're talking about public service now. The whole question of environmental protection and so on would be a part of what they did then—they planted trees. We're talking about something a little different from that in that there are not enough hospitals and there is not enough medical care provided for people. There are not enough public schools. There are not enough teacher aids—nursing aids and that kind of thing. If we built more hospitals we could put a lot of people to work just building hospitals for the sick people. Or building school buildings so that would—these would be areas of human needs. Jobs could be created. And there are others. It is possible for the nation to have full employment—that is a minimum of three percent unemployment without the inflation problem. Many people feel that you cannot have full employment without inflation, but we feel that it can be done. We have a task force of economists who are continuing to develop this program. We feel that ultimately it's going to have to be a legislative program.

Q: What are some of the other areas in which you are working?

A: I have been very much concerned about the problem of violence and crime in society. The Martin Luther King Jr. Center for Social Change in Atlanta is concerned with all forms of violence, not only what we call criminal kinds of violence but institutionalized violence. We are developing a program of non-violent studies at the elementary school level and at the same time we are developing an intern program for college students whereby we bring all the students into our center for a period of orientation. The whole emphasis is really on ultimately developing a program which would help to reduce the level of violence in our society. My husband was opposed to all forms of violence. We feel, for instance, that any form of deprivation is a form of violence. Starving a child is a form of violence. Depriving a person of a job is violence. There are all kinds of violence in our society that create negative feelings and do not promote good development of the human spirit. I think we have to find a way to provide the kind of positive, creative environment and climate that people can develop to their fullest potential.

Q: You're certainly a good example of that yourself. You and your children have been victims of violence. Have you and they developed a philosophy for understanding or for overcoming the experiences that you have had?

A: They are young and it is difficult to say how far they have gone into developing their own techniques for dealing with it, except that I believe that they've been given the kinds of values which will help them to do this as they grow up—as they find their own places in society. There's no bitterness—I've not observed any bitterness in any of my children toward what has happened to them. They are very concerned and loving human beings. I think that—what it appears now—they all will be going to service careers . . . careers that would give them an opportunity to help people. I see those tendencies in them now, and I'm very pleased about this.

Q: Has the women's movement brought a special perspective to helping people?

A: I think the women's movement is a very good thing, and I have always felt that in order to dramatize—to sensitize—people to an issue it needs to be dramatized. I think that aspects of the women's movement—have done that and is doing that. Perhaps we can disagree whether it ought to be done, but I think the fact is that it has to be done. Many women do not realize that they, too, were discriminated against—that they were part of the deprived of our society—whether they are white or black. As a woman, you have common problems. And then if you're black you have special problems as a black woman. I think black women and white women come to the women's movement from different perspectives. I think that's why it's been difficult for the so-called "women's liberation movement" to attract a large number of black women.

Q: How do you mean, different perspectives?

A: Black women historically have always been involved in leadership roles whether or not the nation or the community recognized these roles as important. They were important roles in terms of developing a family and they may not have gotten recognition publicly. The black woman has been the strong force in holding the black family together, therefore she's been a real leader and a strong person. And she's almost always had to work, whereas white women had the luxury of not working. So they had to fight about that. So we want equal pay and we want what we deserve for we always worked and we gave up a certain kind of freedom. So that I think, in a sense, our concerns have been very solid. Sometimes the concerns on the other side may not have been as important to us—so therefore we did not join. But on the question of equal pay for equal work, and the basic issues—child care—that's where we supported it.

Q. But these are different objectives, in your view?

A. I do have a particular slant. I'd like to see a woman's movement based around the issues that face mankind. I happen to feel that women have more compassion, they have a greater capacity for loving and caring. I think that with more women participating at the levels where the decisions are made—top-level decisions—they could have a great influence that would be a very positive thing for the whole human family. I would like to see women organize themselves around those issues, and in that way we would be doing something for ourselves, but we would be doing a lot for the rest of humanity. Yet I recognize that an individual has to free himself or herself before he can hope to free anybody else. So I think that's a later stage in the development of the women's movement, but I think that it's going to come. And I believe, with Mahatma Gandhi, that it will be the women who will save mankind if it is to be saved. He talked about woman being the silent leader, and I don't think that's the chauvanistic female attitude. But I believe that it's true and I think that it's a real challenge to us as women.

AMERICAN OPTIMISM VERSUS DOUBT AND GLOOM OVER OUR FUTURE

Mr. BROCK. Mr. President, a disturbing trend in recent years have been to replace the traditional American sense of optimism with doubt and gloom over our future and the future of the free institutions which have built this country. A penetrating analysis of this problem was given by Walter B. Wriston, chairman, Citicorp, before the Commercial Club of Boston on November 12, 1974.

According to Mr. Wriston, one reason for this pessimism has been the failure of the media to put matters in historic perspective. For example, the current inflation was not produced yesterday, but is the result of years of wrong monetary and fiscal policy reaching back through the Johnson years. We cannot blame high interest rates on the "secret meetings" of the Federal Reserve Board as was done in by Jack Anderson and others, reflecting more paranoia than perception.

But the media is not alone in their lack of historical perspective. Much of business itself supported the famous blue eagle of the National Recovery Act and wage-and-price controls during the Nixon administration. Business as well as the media and academia should have known better than to attempt to put reactionary 17th century shackles on a system which has developed the highest standard of living in the world.

In another vein, Mr. Wriston equates intellectual freedom with the rights of the men and women operating in a free market. He exhorts the business community to do more to articulate these rights.

Contrary to the illusion held by the critics of the business community, it is not possible to draft a law to protect every right, defend every privilege and anticipate every threat. The beauty of the free market system is that if the consumer does not want to buy vulgar or poorly made products, he is not compelled to; and his withholding patronage will force businesses to shift to new products or fail. As Mr. Wriston puts it, the rediscovering of the indivisibility of political and economic freedom will take time in a society which has become so accustomed to overreliance on government.

Mr. President, I ask unanimous consent that this excellent speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Even the Future Is Not What It Used to Be

(Remarks by Walter B. Wriston, chairman, Citicorp before the Commercial Club of Boston, November 12, 1974)

Much has been written and said about the mood of our country today. We are told that the traditional American sense of optimism has been replaced by doubt and gloom and that our expectations are now best summed up by Paul Valery when he said: "Even the future is not what it used to be."

I am not suggesting that we do not have troubles. We do. But we have had troubles before without wallowing in cynicism and pessimism. Why is the future, in our eyes, not what it used to be?

One reason is the omnipresence of the media. Any dispassionate assessment would have to conclude that in many ways our journalists are better than they have ever been. Often they offer a better product than they have ever offered before. But one indisputable fact stares us in the face: the profession as a whole lacks a sense of history which is essential to balance, to perspective and to optimism. This perhaps is what Katherine Graham intended when she wrote recently about the press: "How we perform, how much wisdom and energy and professionalism we display, will have a bearing on the nation's capacity to cope with some very serious matters." Without that wisdom and professionalism, fundamentals are often overlooked.

The current inflation, for example, was not produced yesterday. It is the result of years of wrong monetary and fiscal policy. The causes reach back through the Johnson years. The bad effects are now exacerbated by extraordinary climactic disasters, and the development of an oil cartel for political rather than economic utility.

This lack of a sense of history reveals itself as one of the most fundamental causes of pessimism. It ought to be evident that a machine which has rusted over the years cannot be repaired overnight by some dramatic thing like wage, price and profit controls—the economic equivalent of tying down the safety valve. Because the curbing of money supply by the Federal Reserve Board is not dramatic and is done "in secret," it is not perceived as having any real effect. Again and again the media succumbs to the ancient philosophical absurdity: if you cannot kick it, it does not exist. That is why fiscal and monetary restraint is "nothing," while controls, which are "something," seem better than "nothing." They can see it happen; therefore, it is real. If Jack Anderson has not alerted us, nothing has happened. But the significant realities are still invisible: they are the distortions and long-range disasters that cannot be instantly observed—and so are neglected.

There is another consequence of a deficient sense of history. The media peer into the future insistently. The present is not exciting enough, so they must see around corners and tell us what comes next. Their poor record as prophets rests upon the simplest engineering experience—a short baseline is fatal to useful extrapolation.

Journalistic prophecies are by no means all political. Before the recent fight between Foreman and Ali, reams were written upon the assumption that Foreman would defeat Ali. He had youth, some advantage in weight, packed a heavy punch—and on and on. More was written in prophecy than about the action itself.

The same game is played by the media with a presidential press conference. Why is he holding it now—rather than last week or next? What topics will he discuss? Is it possible to have "made available" to *The New York Times* his briefing books? They printed a preliminary draft of a Kissinger speech to be made a few days later in Rome. How the public interest was served by printing something not yet said, and perhaps never to be uttered is incomprehensible. If they could find "available" the President's briefing books for his press conference, how wonderful that would be! When the press conference is complete, instant analysis pours out of the TV tube to tell us at great length that the conference produced no surprises. He said nothing new; no new bold plan of action emerged. Clearly the press conference was a failure. Where in this incident is the "wisdom" that Katherine Graham urges?

Prophecy is not sound journalism because by this process, everything can be made to seem a failure. If the President goes to Kansas City, for example, we are told he failed to draw as large a crowd as was hoped for. If Jim Plunkett completes seven out of eleven passes, we are told that his performance was a failure; his average should be nine out of eleven.

Make the list of illustrations as long as you like. The technique can be used to prove that we never succeed—that cynicism and pessimism are justified. The process is corrosive.

I do not want you to think the media are alone in their lack of historical perspective. It was neither the media nor academia that gave us, years ago, the National Recovery Act—the famous blue eagle, supported whole-heartedly by business. That sally into an adaptation of Mussolini's corporate state would have been utterly destructive to our free enterprise system. We were saved from ultimate disaster by those famous "nine old men" who used the chicken case to bring our economy back toward sanity.

In like manner, businessmen who should have known better, approved the experiment with wage and price controls during the Nixon Administration. In that instance they were joined by academia and the media in a return to thinking that reached its zenith in the Seventeenth Century under Colbert in France. The central government then decided everything—even the size of a handkerchief. Yet here we are living in the last quarter of the Twentieth Century, putting Seventeenth Century shackles on a system which has developed the highest standard of living in the world.

There are only a very small number of people who truly want our form of society to fail, and fewer still want the First Amendment altered. On the other hand, there are many articulate people who would unwittingly destroy our freedom by promoting the demise of a market economy. The attack on the market system which has provided more people with the highest standard of living in the history of the world is unrelenting. The cry is that the economy must be planned and directed minutely by Washington.

The continuous assertion that the free marketplace will fail to provide goods and services at a fair price is not applied to the intellectual arena. Here in Boston, a bastion of academic freedom, it is taken for granted that Oliver Wendell Holmes was wise when he asserted that "the best test of truth is the power of the thought to get itself accepted in the competition of the market." The people who clutch this truism to their bosoms, at the same time do not apply the same standard to the vendor of goods. Somehow they reason that ideas are not injurious to your health, since the man on the street is perfectly able to sort out the stupid from the brilliant concept. The same man, however, is totally unable to be left to decide whether or not to buckle his seat belt.

Freedom to innovate is as necessary for the doer as for the thinker. Those innovations all the way from the cotton gin to the computer and the millions of novel techniques in between have had, in many cases, more beneficial social consequences than any legislation passed by Congress and administered by bureaucrats. It is an historical accident, but a happy one, that the Declaration of Independence and Adam Smith's *Wealth of Nations* were both published in 1776. Both were dedicated to the freedom of the individual to think his own thoughts, choose his own occupation and follow where thought led—to speech, to deed, to invention. Freedom is indivisible.

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One of the reasons that intellectual freedom has survived all of these years is not only that it is an older concept than market freedom, but also because the faculties of thousands of colleges and universities are articulate defenders for their own cause. It is a popular cause, as well it should be. When it comes under attack, however, the intellectual community doesn't act much differently from any other sector of society. When the late Senator McCarthy was at the height of his vituperative powers and was seeing a communist on every campus, there were depressingly few academics like Nathan Pusey who stood up to do battle with him. In the end it was a tough lawyer from Boston who finally brought him down. The lawyer had the silent cheers, but not much articulate support from the academic community, many of whom feared retribution from McCarthy's acid tongue.

The businessman has had no such guild to defend his right to free speech and free enterprise. Unlike the intellectual community, the businessmen of the world perceive that they are always under the threat of retaliation. Whether rightly or wrongly, they believe that this retaliation would be aided and abetted by those who do not trust the free markets in goods, but only promote one in ideas. A railroad executive who publicly attacks the corrosive bureaucracy of the Interstate Commerce Commission, which has been so largely responsible in regulating our railroads into bankruptcy, fears that his next plea for a rate increase will be prejudged. A merchandiser who dares challenge some arbitrary rule, promulgated by the Federal Trade Commission, fears that bureaucracy will live to fight him another day. A banker who suggests that the current regulatory attitudes on interest rate ceilings are designed to rip off the consumer fears that retribution will be visited upon him by the regulators in Washington. Many ardent defenders of freedom of speech argue that advertising copy for products and services is a fit subject for government regulation, lest the dumb citizen be bilked of his money by buying an inferior product. If inferior, doubtful or even false opinions and ideas are put between the covers of a book, published in the newspapers or flashed on television the citizen no longer needs the protection of government regulation. It is an interesting piece of intellectual hairsplitting based in part on our view of our own importance.

One thing that keeps us all going is that we view our own means of earning our daily bread as in some way making an important contribution to our world. Without bankers the economy would not function. Without bakers the world would starve. Without teachers there would be ignorance. Without politicians there would be anarchy. Make the list as long as you like and fill in the blanks with any known occupation. Raymond Aron put it this way: "A superficial explanation for their preference for free speech among intellectuals runs in terms of vertical interests . . . intellectuals are engaged in the pursuit of truth, while others are merely engaged in earning a livelihood. One follows a profession, usually a learned one, while the other follows a trade or a business." On the other side of the fence, some businessmen speak scornfully of intellectuals "who have never met a payroll."

The fact that I argue today for a free market in goods and services, and that such a market would benefit my company, does not make my argument unsound. Self-interest and public policy can and often do coincide. No one attacks a newsman demanding freedom of the press just because the pursuit of that objective is what puts money in his pocket and dinner on his table. No one attacks a professor arguing for academic freedom, although its absence might cause the scholar to lose his job.

It is anachronistic that many who champion everyone's right to dissent and to demonstrate without any government restraint whatsoever are often the most outspoken advocates of eliminating freedom in other markets.

Almost daily, *The New York Times* calls for economic controls over every sector of the society except itself. Its editors seem never to read the Amendments to the Constitution beyond the First. There is nothing in the record which would indicate that the business of publishing or of broadcasting for profit serves the public interest in any more honest or scrupulous a fashion than do other businesses. The reality is that any business of any kind which is not prudently managed or does not meet public demand will fail over time.

Those who would substitute the judgment of the bureaucrat for the judgment of the consumer inevitably forget that liberty is indivisible. The free market for goods and the free market for ideas stem from the same root—freedom. They are inseparable. It was no accident that intellectual freedom disappeared under the Nazis and did not reappear until the free market system was established in West Germany after the war. Russia and other communist countries that control their economies control their press and their professors. The road to serfdom is paved with demands for governments to take over more and more economic activity.

Why the attitude is so persistent that business should not share freedom is somewhat of a mystery. The late Chet Huntley, who was one of the most respected newscasters, wrote after his retirement: "One general characteristic of the American press which seems inexplicable is the basic antipathy toward business and industry which I believe exists in our journalism." Huntley suggested that a possible reason for this perceived antipathy is the assumption by the press that business is more concerned with making money than providing the people what they want. They forget that without money people cannot buy and if people do not buy, there is no business or products or jobs or tax revenues. The tendency to deplore profits stems from the medieval idea that all business is a zero sum game. That is, one person's profit is another person's loss. There is no question that there are shoddy practices in every profession and that our economy produces goods which are often vulgar or poorly made. The beauty of the system is that if the consumer doesn't want to buy them, the businesses that produce them will either shift to new products or they will fail.

The critics of the business and industrial community labor under the illusion that they can draft a law to protect every right, defend every privilege, and anticipate every threat. When regulation fails, as it inevitably does, they do not repeal the laws but amend them into infinite complexity until the purpose of the original law is lost. The use of the regulatory reflex merely feeds an insatiable appetite for power on the part of an expanding government bureaucracy. We have now reached the point where one-sixth of the American labor force works for the government, and government expenditures are approaching 40% of the gross national product. Even some of the regulators are denouncing other regulators as barriers to better productivity.

The hand of government touches every aspect of human productivity. It is not only wasteful, but serves to destroy incentive and to discourage ingenuity. The great Boston Justice of the Supreme Court, Louis Brandeis, wrote: "The greatest dangers to liberty lurk in the insidious encroachment by men of zeal, well-meaning but without understanding."

It is ironic that a society which looks to industry for the solution of many of its most pressing problems inhibits the ability of industry to respond. While present technology does not permit us to have surgically clean air and plentiful electricity at less cost at the same time, there is no reason to believe that future technology will not provide those benefits. The essential ingredient is freedom to act and an understanding that individual liberty is not only precious, but efficient.

The time has come for businessmen to do two things—restudy the philosophy of free enterprise and recognize that we have the same rights under the First Amendment as any other group in our society. The businessman, like the professor and commentator, has the right under the First Amendment to express his views to the public and to his elected representative. He is not a second-class citizen. Running a successful business enterprise calls for ethical men with the wisdom and patience to make prudent and responsible decisions in a highly competitive and fast changing market.

There are overwhelming reasons for kinship, instead of hostility, between the free market for intellectual life and the free market for economic life. There is an identity of interests, since both call for voluntary effort. Neither fraud nor coercion is within the ethics of the market system, since the competition of rivals provides alternatives to every buyer and seller. So, too, free thought in our society is preserved by open competition among scholars. Just as thought control is the great enemy of the freedom of inquiry in both the press and academia, economic controls are the great enemy of the entrepreneurial spirit.

Rediscovering the indivisibility of political and economic freedom will take time in a society which has become so accustomed to overreliance on government. The intellectual bias against the market is strongly entrenched, and there are some who always find a platform to continue to feed this bias out of hostility or a complete misunderstanding of the market function.

One cannot erode freedom in one sector of society without adversely affecting all others. All history argues that the media and academia have as great a stake in preserving a free market for goods and services as do businessmen in defending the free market for ideas. We need to have both or we may find ourselves with neither.

THE WARSAW GHETTO UPRISING

Mr. WILLIAMS. Mr. President, this April 19 marks the 32d anniversary of one of the most valiant struggles against tyranny that the world has yet witnessed. For 1 terrible month, the remnants of Warsaw, Poland's Jewish population withstood the might of Nazi Germany in a desperate fight for survival. Their act of defiance has become a classic study in personal heroism and sacrifice in the face of overwhelming odds.

The story of the Warsaw ghetto is one of terror and death, but it is also one of supreme courage which we must not forget. When the Nazis occupied Warsaw in 1939 they began a deliberate policy of persecution against that city's Jews, as they would do throughout occupied Europe. Harsh decrees were initiated for which the only penalty was death. Jews were restricted in employment; their property was seized; and all civil rights were denied as the Jews were declared outlaws.

On November 15, 1940, the Nazis sealed the ghetto against all communication with the non-Jewish section of the city. Into less than one-twentieth of Warsaw's area, they herded 450,000 Jews—fully

one-third of the city's population. The Jews were given an official ration of 184 calories a day. Epidemics of spotted fever and typhus raged almost uncontrolled and corpses filled the streets. But despite their suffering the Jews struggled to survive. They set up a large and intricate network of voluntary aid and cultural organizations which included soup kitchens, organized hospitals and clinics, extensive educational facilities, and even underground newspapers. A secret archives was maintained so the world could one day learn the story of their oppression.

By the summer of 1942, the Nazis had decided on a policy of outright extermination of all Jews in Poland. The Judenrat, as the governing body of the ghetto was called, was required to produce at first 5,000 men, women, and children a day for deportation from the ghetto. That number eventually reached 10,000. Told they were being "resettled in the East," the Jews were actually sent in huge human freight trains to the death camps of Auschwitz and Treblinka. Between July 22 and September 22, 1942, when the first series of deportations ended, 300,000 Warsaw Jews had been deported or shot.

During these deportations, the ghetto's Zionist youth groups had come together to begin planning resistance to the Nazis. They formed the Jewish Fighters Organization—ZOB. They carefully gathered what weapons they could. Small actions against the police began during the fall of 1942.

On January 18, 1943, the deportations started again. Only 40,000 to 60,000 Jews remained in the ghetto. Although the ZOB's plans were incomplete, a group of Jewish fighters struck at the Nazis, so surprising them that the deportations were halted after 3 days. Knowing that the Nazis would soon return to exterminate the ghetto entirely, the ZOB hurriedly completed their plans. Arms shops were set up, and defenses were built. On April 19, 1943, the Nazi forces attacked, and the men and women of the ghetto rose to defend themselves. The battle raged for 12 hours and finally the Jewish defenders forced their enemy to withdraw.

The Nazis returned to meet an organized, well-executed resistance that cost them hundreds of soldiers over the next week. The Germans were once more forced to retreat. When they returned once again they brought artillery and heavy machineguns, and began the systematic reduction of the ghetto. Organized resistance soon ceased but guerrilla warfare continued.

On May 8, the Nazis located the ZOB command bunker. Only 60 of the 200 defenders were taken alive. By May 16, the Nazis had caught or killed 56,000 Jews. Only eight buildings remained standing. Yet resistance continued as groups of Jewish men and women held out in the rubble as late as September 1943. Very few escaped.

The Jews of Warsaw had shown the world that the Nazis would be resisted in their policy of genocide. The supreme heroism of the Warsaw Jews to whom we pay tribute on April 19 should serve to refresh our memories of the Nazi holocaust and of its millions of victims. Our commemoration of the Jews' singular act of courage provides us with the opportunity to renew our dedication that never again shall we allow the horror of the holocaust to be repeated. We owe the highest respect for the heroic example set by the Warsaw Jews in their resistance to Nazi tyranny.

"TWO AMERICANS" IN VIETNAM

Mr. GOLDWATER. Mr. President, anyone who has watched the television accounts of the war in Vietnam and the attempts to get civilians out of the path of the hostilities should know the names of Ed Daly and Ken Healy. If they do not, let me explain that Daly runs a charter airline called World Airways, and Healy works for him as a pilot. And amidst the panic which swept Vietnam they stood tall as two American civilians trying to help those in trouble.

Both Daly and Healy could have fled from the trouble. They were Americans and they had the proper credentials. Instead they chose to remain and help as long as they could. These are names to remember because they belong to men America can well be proud of. Mr. President, the Arizona Republic of April 4 carried an editorial about these men and told of what they did, of their actions which were above and beyond any duty they might have felt to the Vietnamese.

I ask unanimous consent that this editorial entitled "Two Americans" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Arizona Republic, Apr. 4, 1975]

TWO AMERICANS

Ed Daly and Ken Healy. These are names to remember.

Civilians both of them, but heroes of the war in Vietnam.

Amidst the panic that has swept the country, while others were crying, "It's every man for himself," while soldiers were shooting women and children in a mad scramble for safety from the on-rushing Reds, Daly and Healy, two Americans, who otherwise might have lived and died in obscurity, stood tall.

They could have fled, too. This is not their war. The Vietnamese are not their people.

Had they fled, no one would have known. No one could have pointed a finger of scorn at them.

They chose, instead, to stay and save whom they could.

Daly runs a charter airline called World Airways. Healy works for him as a pilot.

They heard that Da Nang was crowded with refugees. They asked the South Vietnamese government for permission to get out as many as they could.

Instantly, they became enmeshed in red tape and half-buried in paperwork.

"Forget the clearances," Daly told Healy. "Let's go."

At Da Nang, hysterical soldiers poured into the plane, ripping off Daly's clothes, ripping off part of his skin. Healy had to lift the plane from the taxiway because the runway was jammed with soldiers.

Back at Tan Son Nhut airbase in Saigon, they asked the South Vietnam, Australian and American governments for permission to fly another mission of mercy—to fly out Vietnamese orphans waiting for adoption in Australia and the United States.

Again the red tape, the endless paperwork.

Without permission, they rounded up 57 children from orphanages run by the Seventh-Day Adventists and World Vision.

"Don't take off. Don't take off. You have no clearance," the airport tower ordered Healy. He took off anyway, with Daly serving as nursemaid for the kids.

"I just didn't get the message in time," he said later.

He was then in Oakland, Calif. The kids are safe; they will soon meet their adoptive parents.

Ed Daly and Ken Healy. Two men all Americans can be proud of.

A REAPPRAISAL OF THE PROJECT INDEPENDENCE REPORT

Mr. HUMPHREY. Mr. President, on March 18, the Joint Economic Committee heard testimony from Government and private witnesses concerning two critiques of the Project Independence report recently completed under sponsorship of the National Science Foundation. The witnesses were:

Eric Zausner, Acting Deputy Administrator, Federal Energy Administration.

Bruce Pasternak, Acting Deputy Assistant Administrator for Policy Integration and Evaluation.

Profs. Morris A. Adelman, Jerry A. Housman, Henry D. Jacoby, and Paul W. MacAvoy, Massachusetts Institute of Technology Energy Laboratory.

Dr. Samuel Globe, Battelle Memorial Institute, Columbus, Ohio.

Professor Adelman and his associates from the MIT Energy Laboratory testified that significant errors had been discovered in projections of the role of natural gas in the future U.S. energy economy. Because of faults in computer models, the demand, supply, and price of natural gas were seriously understated. The understatement of gas prices in an assumed environment of price deregulation resulted in an overestimate of total energy demand and an exaggeration of the role of oil, especially oil imports.

On the other hand, Professor Jacoby and Dr. Globe questioned whether rapidly expanding domestic production of oil, coal, and nuclear power foreseen under the report's "accelerated development scenario" would prove realistic in view of the many environmental, political, and technical obstacles. If not, the report's projections of oil import needs may prove low. The committee, however, questioned the realism of the report's low estimates of oil import availability from "secure" sources at high oil prices.

Professor Adelman commented that it probably is illusory to expect the world price of oil to move smoothly to a stable level of $7 or $11 or any other point, as assumed in the Project Independence report. It is more likely, he stated, that the world price will prove unstable, rising, and falling unpredictably with the effectiveness of the cartel. This would confront any policy of energy independence with added problems.

Eric Zausner, who directed the preparation of the Project Independence report, testified that the report was intended as a preliminary framework of data and analyses on which to build further studies and not as the last word

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on energy data. Bruce Pasternak, Zausner's assistant, stated that revisions were continuing in response to present criticism. He promised to supply the results of these revisions to the committee in the near future.

I ask unanimous consent that the testimony of Mr. Pasternak, Professor Adelman et alii, and Dr. Globe be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF BRUCE A. PASTERNACK, DEPUTY DEPUTY ASSISTANT ADMINISTRATOR FOR POLICY, FEDERAL ENERGY ADMINISTRATION

Thank you for the opportunity to appear before this Committee to discuss FEA's Project Independence Report. I would like to commend representatives from MIT and Battelle Memorial Institute for their thoughtful analysis and evaluation. As Deputy Project Manager of the Project Independence Study, which was an inter-agency effort led by the Federal Energy Administration and involving over 500 professionals, I am proud for what we were able to achieve. In an extremely short period of time, less than 8 months, we defined a very complex problem, performed a new set of analyses, developed a sophisticated energy forecasting and planning tool, uncovered and compiled a tremendous amount of information about energy and its relationship to the economy, exposed all our methodology, findings, and conclusions to public scrutiny, conducted over a dozen public hearings from Boston to Alaska, published over 20 volumes of information on every energy resource, on energy conservation, on research and development, and on such important interlocking factors as materials, equipment, transportation, manpower, finance, water resources, and environment.

The report did not attempt to answer all the questions about energy. It never even set out to do that. We did not attempt to derive an accurate predictor of our energy future—anybody who says he can do that is only misleading himself. We made some mistakes, and with the wisdoom of hindsight there are many things that I and others would no doubt change. We probably would not have tried to do as much as we ultimately attempted. We probably would have simplified our analysis and our ambitions. However, with the spirit of trying to do an almost impossible task in an extremely short period of time, we were able to generate the enthusiasm that made the project successful.

When we began the effort in March 1974 our goal was to analyze the supply and demand for energy on a regional basis understanding the interactions between supply and demand and the necessity for transporting energy from its producing location to its consuming area. We analyzed demand for each fuel, for each census region, and for each consuming sector—residential, commercial, industrial, transportation, and electrical generation. We analyzed demand as it is related to the price of energy and to the economy as a whole. We looked at a range of world oil prices from $4 a barrel to $11 a barrel in 1973 dollars.

We felt it was beyond our capability to predict with certainty the price of world oil given that in many instances the world oil price is a political, not an economic price. We recognized, and we showed, that the world price of oil dramatically effects both our energy supply and our appetite for energy. And, at higher prices we would only be importing a little over 3 million barrels a day in 1985, while at low prices we could be importing upwards of 20 million barrels a day in 1985.

We also looked at energy supply on a regional basis for each fuel and we assessed in great detail the building blocks, and materials, labor, and other resources required to develop our domestic energy supplies. We projected not only current energy supply, but supply from new areas in Alaska and the Outer Continental Shelf from synthetic fuels and from solar and geothermal energy. We developed supply curbs which showed the degree of production that would occur at varying prices of world oil and of different selling prices for the individual fuels. Once again, there is a market increase in the amount of domestic production as the price of oil stays high. We also looked at two cases, a business-as-usual case which assumed virtually no new federal actions and an accelerated development case which assumed that some of the institutional constraints which may retard domestic production would be removed.

In one of the more important areas of our analysis, we assessed the need for various resources as I mentioned earlier to achieve the levels of production which would otherwise be possible if the economy were unconstrained. We learned many interesting things in this analysis. For example, we learned that fixed and mobile platforms for developing domestic oil would be in very short supply over the next ten years and that production of these platforms would have to be rapidly accelerated in order to have any chance for meeting our projections. We learned that water resources while available in quantity in some of the Western areas of this country, faced many institutional problems and prior uses in that a large scale development of synthetic fuels would be unlikely unless these problems were overcome. We learned that certain environmental standards now in effect could limit the production of oil shale in the State of Colorado. We determined that the availability of labor, while a problem in the next 3–5 years, should not be a major problem in the 1980's if the proper training and the proper planning is accomplished. We also determined that additional oil from Alaska above that which would be produced from the Prudhoe Bay fields and delivered via the Trans-Alaskan pipeline, would have to be transported to areas other than the West Coast for it to be used.

In performing our analysis, we undertook a rigorous analysis of a whole range of energy conservation options to determine their effectiveness and their cost. Our approach departed from traditional practice by assuming that conservation would take place as a result of price and that any mandatory standards or new conservation measures would have to result in savings above and beyond that which would be caused by higher prices.

We also analyzed the international situation with respect to energy and the likely production and import requirements of the various nations over the next ten years. As the Project Independence studies were being conducted, we subjected the early drafts of the various reports to an extensive review by our Project Independence Advisory Committee, by public interest groups, by the Commerce Technical Advisory Board, and by other interested parties. After the report was completed we held a hearing under the aegis of the Energy Resources Council to evaluate its findings and to determine its impacts on energy policy. The major value of the Project Independence Report was that it identified the key trends in our energy future and enabled the decision makers both within the Executive Branch and as I have been pleased to learn in the Legislative Branch to concentrate on the major policy issues without arguing over the effects of various individual actions.

There is no question in my mind that our results do not accurately predict the future. There are errors, there are uncertainties, and as our fellow panelists have indicated we have made some mistakes. But, by and large, the report, and the forecast that has been derived, provide the basis for a new national energy policy. It has taught us a number of major points:

Within the next 2–3 years, there is very little we can do to increase domestic energy supply. Our supply is declining and any new fields or new technologies will take some years to develop. Thus, we have no other choice but to embark on a new and stringent energy conservation program. As a result of these findings, the President determined that he would pursue a vigorous energy conservation program.

To achieve our goals of increased independence from foreign oil, the conservation programs we start today must not only take effect today but must also begin to change our long-run patterns in the use of energy. The program proposed by the President, therefore, includes not only measures to reduce demand immediately, but measures such as national thermal efficiency standards, a thermal insulation tax credit, appliance efficiency goals, automobile fuel efficiency goals, and appliance and automobile labeling, to begin to change the structural patterns in our energy use.

The critical variable which is so uncertain in our energy predictions is the actual amount of oil that will be produced in this country in 1985. It depends on a number of factors and it is critical for us to begin to explore and develop our oil in frontier areas in Alaska and the Outer Continental Shelf to determine how much oil is really there.

Coal production while extremely constrained in the short run by manpower, equipment, financial and institutional difficulties, will in the long run be constrained by the available demand for coal and not the ability to produce coal. If the demand is there, the incentives will exist to produce the coal.

Unless we can resolve the financial problems in raising capital for investment in electric utilities, our goals to reduce our dependence cannot be met. In order to build the coal and nuclear plants we need—the plants which are most highly capital intensive and which take the longest to build—electric utilities will have to raise over $300 billion in the next ten years. Their ability to raise this capital is certainly in question at this time. In the long term, beyond 1985, this country is running out of oil and gas reserves. To satisfy our energy needs in the future we must do three things:

1. We must continue the conservation program as we begin today and improve upon them in the future;

2. We must increase production from synthetic fuels which can be replaced to some degree by domestic oil and gas;

3. We must develop the new technologies of solar and geothermal and new forms of nuclear power which do not expend our limited resources.

Mr. Chairman, one of the things we were able to forecast correctly during this study was that when the program would be completed the reviews would be far from unanimous in their approval. We correctly anticipated that we would be attacked on all sides for bias in all directions. And indeed, the coal industry said we were biased against coal, the oil industry said we had ignored a number of their key problems, the natural gas industry said that we had forgotten about natural gas, the nuclear industry said we were far too pessimistic in our projections of nuclear growth. Some groups said we were too high in our forecast of demand and others said we were too low, and some groups said we were too high in our forecast of domestic supply and other groups said we were too low, and many said we had talked away the problem of growing imports while others insisted we could become independent without taking nearly as many harsh actions as we suggested in the report. The witnesses today have indicated their opinions, the Commerce Technical Advisory Board indicated that they thought our estimates on domestic supply were too high and demand too low and there have been a number of other assessments which I would be glad to make available. In all, though, I feel that we accomplished what we set out to do and that we have focused attention on the key aspects of our energy problem and that the report is an important contribution to our foundation of knowledge.

TESTIMONY BEFORE THE JOINT ECONOMIC COMMITTEE ON THE FEA'S PROJECT INDEPENDENCE REPORT

(By M. A. Adelman, Professor of Economics, M.I.T.; Jerry A. Hausman, Assistant Professor of Economics, M.I.T.; Henry D. Jacoby, Professor of Management, M.I.T.; Paul W. MacAvoy; Henry R. Luce, Professor of Public Policy, M.I.T.)

The Project Independence studies carried out by the FEA during the past year are an important step in the nation's attempt to understand our emerging energy problems and to formulate policies to deal with them. We are happy to have the opportunity to participate in this discussion of the work, and its strengths and weaknesses.[1] The object of our comments is the Project Independence Evaluation System (PIES) which is the overall analytical apparatus developed by the FEA to support their studies.

The system consists of three groups of interrelated models and associated data. The centerpiece of the system is a large linear programming model which is used to estimate domestic energy consumption, production, prices, and imports for different regions of the country. This integrating model uses as input estimates from models of domestic demand and production of oil and gas. Other important inputs include price-sensitive estimates of coal production, estimates of the availability of other fuels (solar, geothermal, hydropower, nuclear), information on transportation costs between regions, and estimates of the associated requirements for equipment, labor, capital, and water. Submodels of the electric utility and refining sectors are included in the integrating model itself.

Once the integrating model has been solved for a given year, the results may by further analyzed to obtain information on macroeconomic and environmental effects, and on resource and financing requirements for the calculated energy production schedule.

The FEA uses the PIES apparatus to evaluate three broad policy strategies that the U.S. might adopt for the next ten years:

(1) A "Business as Usual" strategy, which assumes the removal of oil price controls in 1975, and phased deregulation of natural gas prices.

(2) An Accelerated Development strategy, involving removal of obstacles to the development of offshore oil and gas, synthetic fuels, and nuclear power.

(3) A Conservation Strategy, involving specific conservation initiatives—such as 20 mile-per-gallon auto standards and improved heating and lighting standards for new homes—and "demand management" measures which entail increasing electricity usage, with supply from coal-fired electric power.

Each of the scenarios is analyzed for the years 1977, 1980, and 1985. The basic external condition that influences the analysis is, of course, the price of world oil. The FEA study assumes that the world price will converge on some value in the near future, the precise level of that price being unknown. The comparisons are done under the assumption of world prices of $7.00 and $11.00 (in 1973 prices) delivered to U.S. shores.

The key results of the overall analysis are: if the world price settles at $11.00 in 1973 prices (which is roughly $13 to $14 per barrel in today's prices), then by 1985 under "Business as Usual" we will be importing 3.3 million barrels per day (about half of today's level). If the world price drops to $7.00 per barrel in 1973 prices (or roughly $8 or $9 in 1975 prices), then by 1985 our imports will be up to 12.3 million barrels per day. With conservation or accelerated development measures, these imports can be reduced by various amounts.

OVERVIEW OF THE FEA STUDY

Now since our testimony here is a critical review and evaluation, it does by its very nature tend to focus on specific points of weakness in the material being reviewed. It is well to start, therefore, by putting this work in context and commenting on the overall effort as a whole. Several points are worth mentioning. First, at the time the study began, there was no coherent data base for analysis of the many facets of the U.S. energy sector, its relation to the economy, and the federal and state policies that influence energy supply and utilization. Scattered data series existed, many collected by federal agencies, but for coordinated analysis such as that mandated for the Project Independence study, a massive effort of data collection and processing was required. No doubt PIES is only a step in the process of creating a data base adequate for federal analysis and monitoring of national policy; but it is a critical step.

Moreover, a set of analytical models has been formulated for utilizing these data to forecast future energy conditions. Heretofore there were scattered modeling efforts, both in and out of the government (indeed, given the time constraints, much of PIES had to be a patchwork of analytical models and associated data drawn from other sources), but nowhere within the government had it all been put together into a coordinated framework for analysis. Thus, although there are differences of opinion about the overall design of the PIES system (and below we level strong criticism at specific parts of its current structure), the fact remains that the various pieces have been brought into a coherent system. The PIES can provide a framework for managing data, coordinating judgments, and forcing consistency in the various assumptions required to formulate and assess national energy policy.

Having said that, we must look at the work as it stands and evaluate it from three points of view:

(1) Did the FEA study illuminate the most important questions, and did it adopt the proper set of assumptions and conditions to be analyzed?

(2) Was the analytical apparatus adequate to the task?

(3) Are the correct implications drawn from the analysis?

As you might anticipate, the reviews are mixed, and there is no clear answer to the effect "yes, they did it right," or "no, they did it wrong." But an attempt to answer these questions gives us a feel for how wide a band of error should be put around the FEA estimates, in what directions the possible bias may lie, and where more work must be done in order to do better in the future. Our list of the most important points to worry about is the following:

THE OIL AND GAS SUPPLY ESTIMATES

The supply estimates for domestic oil and natural gas are based on a modified version of a model developed originally by the National Petroleum Council. Under this procedure, oil and gas supply are calculated by asuming the amount of drilling that is profitable in each of 12 regions in each year, multiplying this by stipulated rates of reserves-added per foot drilled to get total reserves, and then assuming that reserves are produced at a certain rate. At higher oil or gas prices more drilling becomes profitable, and production rises. It is a method that is almost totally dependent on the judgment of the analyst feeding in drilling and discovery rates to the computer program.

There are systematic problems with this analysis. The method has been applied in a way that appears to underestimate the likely response of oil and natural gas supply to price changes. This occurs because, under the FEA procedure, an increase in price in 1975 brings about increased drilling only after 1980 or even later. This belies the activity we see taking place in the domestic petroleum industry today. In particular, the method seriously underestimates the likely level of exploratory activity for natural gas by basing the expected drilling rates on the experience of the early 1970's, when gas drilling was dampened by the effects of field-price regulation.

Taking these considerations into account, one can argue in the case of oil that the responsiveness of investment to price is underestimated in the model. On the other hand, it is not clear whether adequate weight was given to certain opposing influences—in particular, the declining responsiveness of supply to investment because discovery will continue its decline, and because improved recovery out of a given amount of oil in place will come at sharply higher real costs. On balance, then, there is little solid ground for arguing that the estimates are high or low overall. An M.I.T. model forecasts supplies very similar to the FEA results at $7.00, and other estimates are scattered above and below it. But the uncertainty is great, and we would not use the FEA forecasts for policy analysis without considering that the estimates of, say 11.9 million barrels per day in 1985 at $7.00 per barrel, can easily be off by 1.5 million barrels either way. In natural gas, on the other hand, the FEA analysis seems unduly pessimistic. Here the error band is also wide, but would extend from somewhere in the neighborhood of the FEA estimate [11.9 million barrels per day (oil equivalent) in 1985 at $7.00 per barrel] to two or three million barrels per day above this level.

Perhaps as important as the potential errors and biases in the FEA estimating method is the fact that the most important issue of the day, the effects of price controls on the supply of these fuels, was not satisfactorily analyzed. We have argued that the analysis tends to understate the importance of higher prices even in the $7 to $11 range. We also believe that continued price controls on oil and field-price regulations of natural gas would have a significant dampening effect on the domestic supplies of these fuels. Unfortunately, the fact that the study contains practically no analysis at all of the potential significance of price controls, coupled with supply estimates that show very little response to price, gives the erroneous impression that price deregulation is not an important issue influencing future U.S. energy sufficiency. We do not believe the FEA intends to convey this impression, but it is there nonetheless, given the structure of the

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[1] This testimony reflects the preliminary results of a review and evaluation of the Project Independence Report carried out by the Policy Study Group of the M.I.T. Energy Laboratory under contract to the National Science Foundation, Office of Energy A and D Policy. These comments also draw on other work by the Group over the past 15 months, which has been supported in part by grants from the Rockefeller Brothers Fund and several private donors.

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analysis, the particular assumptions made, and the scenarios chosen for detailed analysis.

THE ELECTRIC POWER SECTOR

One of the very good features of the PIES integrating model is the way it handles the electric power sector. The analysis is sound, given its assumptions. Unfortunately, the assumptions tested in the FEA analysis fail to illuminate the most critical problem of this sector and one of the key determinants of its future growth, i.e., the financial health of the investor-owned utilities. It is now apparent that without substantial rate increases allowed by the state regulatory commissions, it is unlikely they will be able to raise sufficient capital to expand their systems to the levela implied in FEA analysis, or with the technology mix assumed [i.e., heavy investments in capital-intensive coal and nuclear units]. These financial difficulties, if they continue, will lead to reduced levels of system reliability and reduce the desirability of electricity to consumers. This will curtail demands for this form of energy (and thus call into question the "demand management" strategy presented in the Project Independence Report), but may also raise demands for other fuels, most notably imported oil.

Of course, the FEA report discusses this problem; but it does not analyze its quantitative significance. The lack of analysis of this issue—its implications, and what it might be worth to avoid it occurring—is an important shortcoming in the FEA's study as it stands.

THE DEMAND ANALYSIS AND ITS INTERACTION WITHIN THE INTEGRATING MODEL

In estimating the future demands for energy in the U.S., the FEA used a three-step form of analysis whereby (1) aggregate national energy demand was estimated given a forecast of the average energy price, (2) this overall BTU demand was split up among fuels using a separate estimating model, and (3) national demands for specific fuels were divided among regions according to their historical proportions.

When applied to the data for U.S. energy—clouded as it is with regulatory interventions and rapid growth in the network of natural gas pipelines—this procedure did not yield results that were consistent with what one would expect to be the behavior of this sector under alternative prices. For example, the analysis showed natural gas demand falling in certain use sectors when prices of distillate oil rose. Since these two fuels are close substitutes for one another, one would expect the opposite result. Attempts were made to correct the deficiency (and this effort continues at the present time), but even given these efforts, the interaction of the flawed demand model with the integrating framework leads to an identifiable bias in the results.

In essence, the problem is that, since natural gas demand is assumed not to rise as oil prices rise, then the price of natural gas is never driven to levels that are consistent with the high price of the substitute fuels. In effect, the price of natural gas stays at a level appropriate to a world with $7.00 oil even when the price of oil from the world market (which determines the domestic price) is assumed to be $11.00. This means, in turn, that the price of an average BTU in 1985 with $11.00 oil is understated, and the overall demand is thus overestimated. When these problems are corrected, we expect the FEA will find that oil demand as estimated in the November report is biased upward, both due to the upward bias in overall energy demand, and due to the inaccurate representation of how much of this total demand will show up as a demand for natural gas.

Another problem that tends to an underestimate of the dampening effect of higher oil prices is the fact that the FEA was unable to take account of the fact that overall GNP growth will be affected in some measure by higher oil prices. No doubt, this is not a phenomenon that anyone has modeled very satisfactorily, but the fact that it does exist should be kept in mind when applying the appropriate error range around the FEA's forecast.

THE INTERNATIONAL ASSESSMENT

It appears that the FEA devoted the great bulk of its resources to the domestic aspects of the energy problem, and applied only a small fraction to the international phenomena that are the immediate cause of current difficulties and the driving force behind their evolution. The FEA analysis is based on a set of judgmental estimates of oil demand in the world and oil supply from non-OPEC countries, which yields a residual demand for the exports of the cartel. This net demand is then compared with the potential supply from cartel nations (which is very great, and at a cost far below current prices) in order to get an idea of how big a problem the cartel may have in avoiding a flooding of the market with oil, and consequent erosion of price. The analysis assumes that the world price will gravitate to one level or another; it may stay near $11.00 per barrel (in 1973 prices), or more likely it will settle to a price around $7.00 a barrel. These long-term price scenarios then provide the link between the international assessment and the domestic evaluation discussed above.

Unfortunately, this vision of a smooth evolution of prices to some stable value is a serious oversimplification of reality. In fact, there are forces at work in this market which make it more likely that the price will fluctuate over time. For example, as prices rise there are factors that tend to *reducc* supply and drive prices still higher. Oil-rich exporters find their revenue needs are easy to satisfy under rising prices, and they can more easily afford to cut production. Outside the cartel, in those nations where oil exploitation is in private hands, rising prices present serious equity problems due to the excess profits that accrue to private corporations. Governments of these countries are led to impose tax schemes which have the side effect of reducing the incentive to expand oil supply. (Our own struggle in the U.S. with this issue is all too evident; the problem is duplicated in Canade, in the nations surrounding the North Sea oilfields, and elsewhere.) To the extent these phenomena lead to reduced supply, it becomes easier to maintain high prices, or further increase them.

On the other hand, it is likely that prices, eventually will turn down from current levels, for in time high prices lead to reduced demand, to gradually increasing supplies from outside the oil cartel, and thus to a sagging demand from the cartel members. Once price begins to erode—perhaps due to a buildup of excess capacity and an attempt by some cartel members to compete for a larger share of a depressed market—forces are set in motion which tend to drive the price down further. Oil-rich countries will have built up domestic spending programs and high imports under high prices, and if prices fall these governments will be under strong pressure to increase oil production to pay the bills. Further price shading will be required to move larger quantities of oil, and so the process feeds on itself. Naturally, if the cartel should break, and prices fall considerably, immediate efforts would be made to reconstitute the cartel and raise prices again. There is no inherent reason why, over a short-run period, they should not once again be successful.

If in fact it proves true, as we believe it will, that this market and the cartel structure that dominates it are likely to prove unstable, then the world oil price could, over the period to 1985, fluctuate over a range significantly wider than the $7 to $11 range used by the FEA as a basic assumption of their work, and at the very least the price is unlikely to gravitate a level which is in fact stable, and which people *believe* is stable.

In these circumstances there is no reason to expect that a reduction or increase in import demand by any one country will have any effect on the world price. This is a persistent notion: one of the major conclusions in the Executive Summary of the *PIR* is that our actions to achieve self-sufficiency could have an appreciable effect in bringing the world price down to $7.00 per barrel. But there is no analysis in the FEA report to support this assertion, and we believe it is mistaken.

SUMMARY AND CONCLUSIONS

Considering the state of the data and available models when work began and the short time available, the FEA's Project Independence study is an impressive accomplishment. It seems clear that the government needs the in-house capability to do this kind of analysis, and that these efforts should be continued and improved.

In viewing the results of the work as of today, however, several points are worth keeping in mind.

(1) There is considerable uncertainty in the estimates of domestic supply and demand: net imports, being the residual, is subject to even greater uncertainty. However, given the assumptions behind the analysis, the FEA estimates of U.S. import dependence in 1985 appear to be biased upward. At $11.00 per barrel oil prices, the U.S. is more likely to be self-sufficient in energy than the FEA indicates: at lower oil prices, imports are likely to be smaller than forecast by the current PIES apparatus.

(2) Due to various shortcomings and difficulties in the PIES analysis, it appears that the likely responsiveness of the U.S. energy sector to price increases has been underestimated. Problems in the demand analysis, when corrected, are likely to show a stronger adjustment to price change, and the particular method used to estimate oil and natural gas supply tends to underestimate the effect of price on domestic fuel supply.

(3) The likely underestimate of supply responsiveness, coupled with the fact that the analysis does not deal with the effects of price controls on demand and supply, means that the Report as it now stands gives an inadequate appreciation of the stakes that are involved in current policy discussions about price control or decontrol.

(4) In the set of PIES results presented in the Project Independence Report, it is assumed there are no problems of capital availability that impede desired investments in the energy sector. There are several points where this assumption might be questioned (and where, indeed, the FEA study worries about it), but nowhere is it more limiting than in the case of the electric power sector, where some of our gravest energy problems arise. The study does not indicate the degree to which a faltering of investment in electric power may reduce the use of domestic coal and nuclear energy and increase dependence on foreign oil.

(5) The report focuses on policies to deal with an external world where there may be a threat of short-term market disruption (for example, through boycott) and a foreign exchange drain if prices are high, but where the price is reasonably stable and where investors and consumers have a stable expectation of what it will be in the future. This means the report as it stands does not provide the analysis to aid decisions on policy issues—such as tariffs, import quotas, subsidies and guarantees for synthetic fuels, etc.—that are required in a world of fluctuating uncertain oil prices.

STATEMENT TO THE JOINT ECONOMIC COMMITTEE ON THE PROJECT INDEPENDENCE REPORT

(By Samuel Globe, Columbus Laboratories, Battelle Memorial Institute)

In October of 1974 the National Science Foundation requested the Columbus Laboratories of the Battelle Memorial Institute to undertake a critical review of the Project Independence Report, which, for brevity, I shall hereinafter refer to as the PIR. This review was conducted under great pressure of time, much of it before the final draft of the PIR appeared. It was done under my direction by a project team of about 40 Battelle staff members, all of whom had worked in some area of energy research. The results of our review are contained in a report to the National Science Foundation dated January 10, 1975, and entitled "A Review of the Project Independence Report".

An earlier draft of the PIR was entitled "The Project Independence Blueprint", and much of its content was carried over into the PIR. However, the PIR differed in significant ways. Though we used the "blueprint" draft in the first part of our project, please understand that the final contents of our review apply not to the "blueprint" draft but to the PIR.

GENERAL REMARKS

As regards the PIR as a whole, whatever may be its shortcomings in assumptions, in conclusions, or in methodology, it represents a praiseworthy undertaking. In a world that is shrinking psychologically, but ever expanding in the demands on its resources, an attempt to take a rational view of the use of those resources is a proper concern of government. Energy is not just another resource; it is the central and seminal resource of our industrialized society. It is essential for the development or recycling of other resources, and indeed for the processes of life itself. A continuation of the type of analysis exemplified by the PIR is greatly to be desired.

Furthermore, although there were areas of disagreement between our reviewers and the PIR, sometimes with details and sometimes with whole sections, we felt that its conclusions were generally correct. The conclusions reached in the four scenarios considered in the PIR—business as usual, accelerated development, energy conservation and demand management, and emergency programs—accord with common sense. Although the PIR took no position of advocacy (and neither did our review), a sense developed among our reviewers that the authors of the PIR looked upon a combination of conservation and accelerated development as a proper course to follow.

While there may be legitimate debate about details of strategy, that combination course seems to agree with intuition and with the national need.

I shall turn now to some specifics.

OVERLY OPTIMISTIC CONCLUSIONS

In a number of areas our reviewers agreed generally with the conclusions developed in the PIR, but disagreed with the level of optimism expressed. For example,

(1) Our reviewers regarded as optimistic the estimates for the finding rate of new oil and for secondary and tertiary recovery of oil.

(2) More generally, we doubted that the predictions under accelerated development for oil and gas could be achieved in view of the high leasing, drilling and finding rates required, the constraints of equipment and material, and other difficulties.

(3) Likewise, our reviewers felt some doubts about the ability to expand coal production as rapidly as predicted under the accelerated development scenario, in view of equipment shortages, capital requirements, etc.

(4) In view of the diffuse structure of many American cities, we felt that the PIR is optimistic about the degree to which public transit would replace the automobile.

(5) The PIR appears to be overly optimistic about how much energy might be saved by changes in industrial processes, or in the operation of electric utilities.

AREAS DESERVING MORE STUDY

In some areas our reviewers felt that the PIR would have benefited from more detailed study. I shall refer briefly to a few of these.

(1) The costs associated with the transport of oil and gas could have been presented more accurately.

(2) Our reviewers felt that the PIR discussion on finance ignores certain factors, such as the impact of recession or depression, and does not treat sufficiently the potential problems in raising capital.

(3) The discussion of water availability ought to have considered a variety of additional factors, including seasonal variation and interregional conflicts.

(4) Our reviewers thought that the chapter on the international situation placed insufficient emphasis on the the possibilities afforded the United States for providing leadership to the oil consuming nations. The chapter also regards OPEC as a totally monolithic bloc, and does not discuss differing interests among its member nations.

(5) The general approach to the economic problems of the energy situation is correctly stated in the PIR, but our reviewers felt that more consideration might have been given to certain factors, such as, for example, the business cycle, and changes in tax base for local governments. Also, they questioned whether the macroeconomic impact of the changing requirements on the automobile industry would be small as the PIR suggests.

(6) The discussion of social impact deserves consideration of factors other than those produced by economics. Our reviewers thought that, especially under accelerated development, such social factors as health and safety, community character, boom town problems, and others, need study.

ADDITIONAL SUGGESTIONS

Our reivew also came up with suggestions, additional to those contained in the PIR, that may be significant for the energy problem. For example,

(1) In air transportation, we suggested several changes of policy or procedure that would reduce fuel consumption.

(2) Our reviewers offered additional suggestions that have potential for improving the fuel economy of automobiles.

(3) Our review suggests that research is desirable on the use of less energy-intensive designs and materials of construction for buildings, and on the application of life cycle accounting in the use of energy for operating buildings.

(4) So-called "on-site" or "total" energy plants which, by providing electrical and other power from an integrated installation, hold promise for much greater efficiency of fuel usage and deserve more intense study.

(5) Our reviewers note an additional advantage in reducing the size of American automobiles, namely, the savings of energy in manufacture of steel.

(6) Trained welders, roof bolts for coal mines, and certain ferroalloys in steel production are items that, in addition to those mentioned in the PIR, may be in short supply under conditions of accelerated development.

AREAS OF AGREEMENT

I hope I do not leave the Committee with the impression that we found nothing but fault with the PIR. There were in fact many areas of agreement, both in specifics and in generalities, as for examples,

(1) The coal market is, as the PIR indicates, demand limited at the present time.

(2) The PIR assessments about geothermal and solar energy are essentially correct.

(3) Our reviewers agree with the likely use of synthetic fuels by 1985.

(4) The country needs greater attention to a conservation ethic, and a public information program on the need and methods of conservation is desirable.

One of the difficulties of reviewing the PIR proved to be the degree of interlace our reviewers found between areas of agreement and areas of disagreement. Since the PIR attacked a problem of enormous complexity, and was itself produced under great pressure of time, it is no wonder that disagreements will arise, and that some—if not all—aspects of the problem can benefit from additional analysis. Such additional analysis in the development of future plans will certainly benefit the nation.

HIGH-RISK DIPLOMACY

Mr. PELL. Mr. President, diplomats may once—and I believe unjustly—have been referred to as cookie pushers and striped pants men. Today, though, theirs is proving a most dangerous and perilous profession. They are truly our lines of first defense and, like all forward lines, are suffering more than their share of casualties.

In this regard, I found an article by Benjamin Welles in the New Republic of March 22, entitled "High-Risk Diplomacy," of great interest and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. Welles knows whereof he speaks, both because of his long experience as a diplomatic correspondent and as son of Sumner Welles, one of the finest diplomats our Nation has produced.

EXHIBIT 1

ENDANGERED EMBASSIES

HIGH-RISK DIPLOMACY

(By Benjamin Welles)

An elderly American, wrapped in a grisly, hand-daubed flag marked "Muerte" (Death) lies murdered on a road outside the violence-wracked Argentine city of Cordoba. John Patrick Egan, 62, a retired American businessman who served his country as honorary consul for the princely stipend of $1,200 a year becomes the latest in a growing number of American diplomats abroad who, in recent years, have become victims of political fanatics.

High State Department officials worried a year ago about Egan's isolation in an Argentina torn by violence. Some suggested closing down the semi-official consulate but Egan said it would make little difference. He would live out his life in Cordoba, he told them; and even if they took the plaque down everybody would still know him as "el Cónsul Americano."

So they left him as he wanted to be left, trusting in the Argentine guards assigned to protect him. But they were removed a few weeks ago without notice and so Egan died. And now US Ambassador Robert C. Hill—a forceful and vigorous man—intends to find out from the Argentine government, why?

It was in 1965 that the State Department began seriously worrying about the safety of its ambassadors and mission chiefs, principally in the Southeast Asian war zones. In 1968 came the murder of US Ambassador John Gordon Mein, in Guatemala, and the emphasis shifted to Latin America. In the early '70s, with the rise of Middle East fa-

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natiscism, it became clear that this was a global—not a regional—problem.

Since 1965 13 American diplomats (State, AID, Pentagon, etc.) have been assassinated; 12 have been wounded; 20 kidnapped and later released. In Latin America alone, seven Americans serving the government overseas have died at the hands of politically motivated criminals, five have been wounded, 10, after being kidnapped, are still alive. All over the world diplomats are becoming an easy mark.

How easy it is to pistol-whip some middle-aged fellow; race him away in a U-Haul van; stuff him, blindfolded and drugged, into a cellar; and demand the release of "political prisoners."

The problem has preoccupied Dr. Kissinger (himself closely guarded by the Secret Service) and his top aides. Last summer L. Dean Brown, then deputy undersecretary for management, won from John J. Rooney, Wayne L. Hays and their congressional associates, $15 million to beef up security at the 140 or more overseas missions. The bulk of the money went to about 24 "high-risk" posts: Saigon, Pnompenh, Beirut, Nicosia, Montevideo, Mexico City and Buenos Airea among them.

Take Buenos Aires. Some 50 years ago it was the "Paris of Latin America"; a gracious fin de siècle city where three opera houses played simultaneously to packed houses. Today it is still gracious, still handsome, as befits a dowager; but its underclothes are tattered and, despite the bustle in the streets, there is a murderous undertone.

At least 50 persons have died by assassins' bullets in Argentina so far this year—many in Buenos Aires—and as in early Hitler's Germany the struggle escalates between the "death squads" of the left and right.

Foreign ambassadors are prime targets in this sanguinary madness—and not solely the US ambassador: the British, West German and Israeli ambassadors, among others, also are guarded around the clock.

Seven days a week US embassy security officer George Beckett, three civilian assistants and 14 marine embassy guards protect the life of Ambassador Hill, his family and senior assistants. In addition the Argentine government has assigned more than 40 plainclothesmen for protective duty. When Hill's wife, Cecilia, her children or her houseguests use the swimming pool on the residence grounds, at least two Argentine guards are in the surrounding shrubbery. The Hills, like other American diplomatic families in high-risk posts, accept these confinements as their duty.

Hill himself drives between his official residence and his chancery office in downtown Buenos Aires, preceded and followed by Argentine police cars carrying eight armed men. He and his family go nowhere without close coordination with the Argentine government.

A month or so ago Hill sent his embassy limousine to bring friends from a visiting cruise ship to lunch. Driving through the city's parks, the chauffeur stayed in constant contact with the embassy message center by radio-telephone. As the vehicle approached the residence, the iron gates were swung back by two burly men; two more—Argentine detectives—stood near Hill on the steps as he emerged to greet his guests. "How many guards did you see as you drove in?" Hill inquired. "Four? Great! There were at least a dozen more you didn't see—and that's the way we want it!"

Normally a government is responsible for the protection of diplomats accredited to it: two Vienna conventions lay out the rules. But sometimes an unsophisticated government in Africa or Asia will provide "guards" for the protection of the US mission so unkempt, undernourished or ill-trained as to be virtually worthless. Then the US itself will help feed, clothe, train and pay them. Even with relatively sophisticated Argentine detectives on hand, for instance, the yearly cost of protecting Hill, his family and top staff exceeds $800,000.

Buenos Aires, as I've said, is not the only high-risk post. A few years ago Ambassador Douglas MacArthur, II evaded two close kidnapping attempts by "leftists" in Teheran. Dean Brown, when envoy in Jordan, helped frustrate a Fedayen plan in early 1973 to set up a katusha rocket in a boarding house near the embassy, train it on the embassy snack bar, and fire it once it was filled with junior officers and secretaries.

Two years ago Thomas Enders, then chargé d'affaires in Pnompenh and now Assistant Secretary of State for economics, narrowly escaped death when a grenade thrown by a passing cyclist exploded near his official limousine. The heavy armor saved his life although a bomb fragment severed a gasoline line and the car blazed. It taught the State Department security experts a lesson.

Ever since the special armored cars bought for high-risk posts abroad now carry at least 800 pounds more special bullet-proofing. The engines are specially geared for fast getaways and the gas tanks, radiators and batteries now have extra protection.

The special limousine assigned Hill in Buenos Aires costs the U.S. taxpayer more than $50,000. Each tire weighs 150 pounds. The windows are two inches thick, as is the steel of the body. On the dashboard is a special switch that can envelop the car in foam in seconds in the event of a bomb or grenade attack.

Beside the chauffeur sits a karate-trained U.S. marine guard and once seated in the back, Hill—or other envoys in high-risk posts—are automatically locked in. No guerrilas blocking the car by a faked accident, for instance, could fling back the doors and get at the ambassador.

Victor H. Dikeos, the State Department's security chief and his assistant, Kenneth W. Knauf, have under their direction some 80 officers in at least 60 posts around the world. Some are experts in closed circuit television or electronics; others are men recruited from various police forces, from military security and intelligence agencies or directly from campuses. Their pay ranges from $12,000 to $36,000 yearly and it takes fixe to six years before a man is ready to direct security at a high-risk U.S. embassy.

Dikeos' office has begun recruiting women. There are four now, including Mary McAteer who guards Mrs. Kissinger on trips. In security work intelligence information is requisite so that liaison with the CIA, FBI, Secret Service, Interpol and foreign intelligence services is vital.

If Dikeos or one of his men hear, for instance, that the Swiss consulate in Beirut has reported the loss of passport blanks, security is tightened. The immediate suspicion is that the PFLP, or another Fedayeen group, may be plotting to infiltrate an agent into the U.S. with false Swiss travel documents.

It is a curious irony that the one region on earth where U.S. diplomats now feel—and are—perfectly safe is Communist Eastern Europe. The only American ambassador to whom no bodyguard is provided is Walt Stoessel, our man in Moscow.

RURAL ELECTRIC COOPERATIVES NEED ACCESS TO INSURED LOANS

Mr. METCALF. Mr. President, I regret that I was unable to join in a colloquy with my colleagues on April 10 with regard to the administration's ill-advised decision to deny to rural electric cooperatives access to insured loans. This subject is so important that I rise at this time to protest this action which is contrary to the will of Congress.

To the people of Montana, the rural electrification program is vital today, as it has been for many years. Modern farming, ranching and rural business could not exist without it. We have 25 rural electric cooperatives serving more than 69,000 consumers over 36,000 miles of line. That is an average of less than two consumers per mile of line, and this figure gives you some idea of how difficult it is to give good service, day-in day-out, year-in year-out, in all kinds of Montana weather, and over all kinds of terrain. Without co-ops and without the REA program, we could not have this service.

Our co-ops buy their power from a variety of sources including Bonneville, the Bureau of Reclamation, Washington Public Power Supply System, Montana Power Co., and a generation and transmission cooperative—Basin Electric in North Dakota.

Generation and transmission cooperatives, we have learned over the years, provide far more valuable service to us than is indicated by the amount of power they supply. The existence of GT cooperatives, and the option of starting a GT cooperative, provide the distribution systems a degree of leverage, a little bit of muscle in the power marketplace.

Therefore, many Montanans—and I included myself among them—look with strong disfavor on any action that tends to weaken the G. & T. part of the rural electrification program. The REA Administrator's announced decision to cut G. & T.'s off from the insured loan program except in extreme circumstances is just such an action. It is an action not justified by lack of loan funds. Congress has seen to it that adequate loan funds are available. In the past we fought successfully against illegal impoundments; now we must and do strongly oppose administrative changes in the program which are not consistent with the law and the expressed will of the Congress. I join in calling for a reversal of the change in loan policy that was announced March 11.

THE NEWSPEAK OF DÉTENTE

Mr. BROCK. Mr. President, a few days ago, the Nation watched on national television the annual Academy Awards. During those festivities, a furor began over a film entitled "Hearts and Minds" and some comments made surrounding an award given to its producers. All of this as we watch the crumbling of Southeast Asia.

George Will addressed himself to some of the current "thinking" surrounding these facts, and détente. I ask unanimous consent that Mr. Will's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEWSPEAK OF DÉTENTE

(By George F. Will)

At the Academy Award festivities the other evening an award was given to the people who made "Hearts and Minds." The film is what Hollywood smilingly calls a documentary.

It is what is called an "anti-war" movie. That is, it strongly questions the morality of shooting back at North Vietnamese forces. It is, arguably, the finest film of its genre since Leni Riefenstahl's "Triumph of the Will."

In accepting the award, one of the makers of the film said with relish that it was "ironic" he was receiving the award just as Vietnam was being "liberated." And he read what he described as a message from "the Vietnamese people."

What he read was a telegram from a Vietnamese Communist politician in Paris. The audience—the cream, such as it is, of Hollywood society—applauded.

The speaker was fluent in what obviously is his native tongue—Newspeak, straight out of George Orwells 1984. Ignorance is Strength. War is Peace. And, of course: Conquest is Liberation. The Communists are The People.

Orwell explained that Newspeak was designed to serve Ingsoc, the official ideology of Oceania:

"The purpose of Newspeak was not only to provide a medium of expression for the world-view and mental habits proper to the devotees of Ingsoc, but to make all modes of thought impossible.

"It was intended that when Newspeak had been adopted once and for all and Oldspeak forgotten, a heretical thought—that is, a thought diverging from the principles of Ingsoc—should be literally unthinkable, at least so far as thought is dependent on words."

The Academy Awards audience applauding the speaker was like the herd of bleating sheep in Orwell's Animal Farm:

Full belly twice a day, clean straw to roll upon;
Every beast great or small
Sleeps at peace in his stall . . .

Of course, honorable people of good will disagree about a wide range of matters concerning Vietnam. But only the intellectual and moral children of Joseph Goebbels talk the way the award-receiver talked, or applaud such talk.

It probably is not newsworthy that in Hollywood, as elsewhere, a lot of people have no moral objection to such talk, there being nothing salable to which people have moral objections. Such people are guilty of many things, but not of thought above the level of market research.

The incident at the Academy Awards ceremony reflects, like the shiny surface of a brackish lagoon, the temper of the era of detente, here and abroad. Anything is thinkable—except a rude thought about Communists.

Recently, Alexander Shelepin, former head of the Soviet secret police, the KGB, visited Britain as guest of the British Trades Union Congress: Shelepin is leader of Soviet trade unions. But there are no trade unions in the Soviet Union, so Shelepin has a lot of time to travel.

The spirit of detente has not completely saturated Britain: some people protested in the streets against the hospitality extended by Britain's free unions to this representative of the administrative side of the Gulag Archipelago. So Shelepin, whose reserves of tolerance are not limitless where protesters are concerned, cut short his visit.

This saddened and angered Jack Jones, one of Britain's most important union leaders. Jones declared that the British people should be out in the streets applauding the Soviet government's record of international neighborliness:

"Didn't you hear about 1939 and the war? For my money, people should be out there clapping and applauding these people, not demonstrating against them."

1939? Either Jones is confused or he harbors a remarkable animus against Poland. In 1939 the Soviet government signed a nonaggression pact with the Nazi government, and these allies promptly fell upon and carved up Poland.

But "the spirit of detente" (which is Newspeak for the lust for East-West commerce) involves forgiving and forgetting past offenses—and present and future offenses, too. So let's sing the song of detente, the song Orwell's protagonist, Winston Smith, heard at the end of 1984:

Under the spreading chestnut tree
I sold you and you sold me—

INTERNATIONAL FOOD SECURITY

Mr. HUMPHREY. Mr. President, I would like to share with the Members of this body a thoughtful essay by Dr. Addeke Boerma entitled, "Food Security—A Question of Will." Boerma, who is Director General of the Food and Agriculture Organization of the United Nations and a personal friend, presents an overall perspective of the world food situation which outlines the need for action.

The world food crisis presents a challenge which cannot be ignored. Recent statistics reveal the dependence of food supplies upon each year's level of agricultural production. However, the seriousness of the situation calls for new initiative rather than more prognostications of gloom.

The traditional practice of approaching world food needs on an annual basis is both obsolete and inappropriate. Dr. Boerma points out that the problem must be viewed from a long-range perspective in order to establish continuity and foster a collective food policy.

The Boerma article proposes that a strategy be mapped to meet the food challenge. He suggests that all nations must: First, accept their common responsibility to ensure adequate food supplies; second, attempt to build security through voluntary stockholding; third, communicate with each other through a system of regular consultation; and fourth, help underdeveloped countries to increase stockpiling and production via assistance and training.

It is quite clear that a solution to this pressing human concern requires international cooperation. The interdependence of the modern world provides a potential for consensus. A solid international "political will" on this subject will not come easily, but it is a goal which should be pursued.

The United States can assert a position of leadership on the food issue by undertaking both national and international initiatives. By establishing a U.S. food and agricultural policy, increasing our food aid, and assisting underdeveloped nations in their efforts to reduce population growth and increase food production; we can help begin the cooperative process.

Mr. President, I bring this informative essay to the attention of my colleagues in order to further the needed dialog on the world hunger problem. I ask unanimous consent that the the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD SECURITY—A QUESTION OF WILL

(By Addeke H. Boerma)

For roughly a quarter of a century, from the end of World War II until the beginning of the present decade, the increase in global food production generally kept pace with population growth. This sounds encouraging, but it ignores two related factors that conceal the magnitude of the problems ahead.

For one thing, even during this quarter-century, the world never came anywhere close to a situation in which everyone had enough food for an adequate standard of living. Some 10 years ago, the Food and Agriculture Organization of the United Nations (FAO) estimated that those whose diets do not provide them with enough calories to lead a healthy, active life amounted to between 10 and 15 percent of the world's population. A far greater number, whose diets do not provide enough protein, vitamins or minerals, were classed as undernourished. Today, FAO data indicated that the percentage figures mentioned above have hardly changed, which means that, in absolute numbers, there may well be more hungry people in the world—some 400 million or more— than there were 10 years ago. Rough as these figurea are, the order of magnitude should be aufficient to strike at the conscience of every civilized man and woman.

The second crucial but often ignored factor has been that increases in world food production during the postwar period stemmed largely from the grain-growing activities of a very few countries, particularly the United States and Canada, whose large surplus stocks provided the world with both a security reserve against shortages and comparative price stability for the main temperate zone foodstuffs. The consequence was a world drift into a dangerous degree of dependence on the prowess exercised on the plains of North America—and an illusion of safety. It was certainly an illusion as regards the less developed countries (LDCs), where the increases in food production just managed to stay abreast of the population growth for most of the period. This was a considerable achievement, but the situation was generally precarious. The vast majority of the world's hungry millions live in those countries. And, rather than improving, their food prospects have sharply worsened, particularly in the last two years. In 1972, food production increases in the LDCs fell way behind population growth, and, for the first time since World War II, there was an outright drop in food production not only in those countries, but in the world as a whole.

In 1973, for a variety of reasons—notably adverse weather conditions and unusually poor harvests in the previous two years, together with exceptionally large purchases of grain by the Soviet Union—the world was threatened with a food crisis. Reserve wheat stocks were at their lowest level for more than a generation. By the latter part of the years, wheat prices were three times what they had been in mid-1972. A crop failure in just one major producing area would have meant real trouble.

Fortunately, this did not happen. Efforts to expand production were favored by the weather and generally there were good crops around the world, except in part of Africa where drought continued to exact its merciless toll. But, despite the general rise in production in 1973, the world still is facing the threat of a food shortage. Exporters' wheat stocks have been falling. From the already dangerously low level of about 29 million metric tons in mid-1973—equal to only four weeks of the world's annual consumption—they were around 21 million tons in mid-1974, excluding those held in the Soviet Union. And prices were at high levels. So far as rice, that other main staple food

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for a very large part of humanity, is concerned, a dangerous situation was averted at the end of 1973 by a good monsoon in Asia which made possible a first-rate crop—but only temporarily averted. Consumption continues to increase along with population and incomes, and prices remain very high.

Thus, more than ever since World War II, the world depends on one year's current production for its basic food supplies, bearing in mind the fact that a continuation of recent trends would mean that reserve stocks of wheat will be gradually approaching the vanishing point. Production on the required scale will demand record crops. The FAO has estimated that, merely to meet the growth in the world's population in the 1974–75 crop season, wheat production in the world, apart from the Soviet Union, will have to increase by about 15 million tons—that is to say, about five percent or *twice* the increase in 1973, which was already a very good year. Even this would not allow for any replenishment of stocks.

Whether it will be possible to achieve increases in production of such magnitude will depend, once again, largely on the weather—and that is already uncertain enough. But, on top of this critical uncertainty, there is now a new handicap on the chances of increasing production sufficiently, if at all. This is the energy crisis. Higher oil prices are almost certainly going to affect food production in both developed and developing countries, notably since they will involve curtailment in the supply and use of fertilizers, which are, of course, essential to increased production. As usual, it will be the LDCs which are hardest hit. With their fragile balance of payments, they are the worst placed to import at higher prices either fertilizers or the raw materials needed for local fertilizer production. It has been estimated that, in 1974, India, for example, must make do with one-half million metric tons of fertilizer less than in 1973, which by itself could account for a drop in grain production of about five million tons—enough food for about 25 million people. How are they going to be fed? The LDCs are also the worst placed to increase imports of food to make up for shortages resulting from the cutback in fertilizers. Such imports would themselves be higher priced if the shortage of fertilizers leads to lower yields in the LDCs. All in all, the world food outlook, particularly for the LDCs, gives grounds for considerable anxiety.

These discouraging prospects are not yet, of course, reality. It may be that the weather's effects will be good, perhaps even sufficiently good to make up for the fertilizer problem. It may be that, as on past occasions, the world will muddle through to relative safety for another year. But, even if a full-scale crisis and mass starvation are temporarily avoided, it is abundantly clear that the general situation year after year has now become so precarious that the world can no longer afford the luxury of muddling through. This situation, with many millions of people subject to the fickleness of the weather or sudden changes in world economic affairs for their basic food supplies, is simply not good enough.

THE NEED FOR POLITICAL WILL

It is technically well within the world's grasp to increase agricultural production on an immense scale. But, so far, nations have not chosen to act in concert to do so in such a way that those who are the victims of hunger and malnutrition can really benefit. This is not only tragic, but dangerous. For the availability of sufficient food for all the people of this world is a vital component of world economic security. And, as such, it is increasingly a condition of world peace. In 1963, U.S. President John F. Kennedy told the first World Food Congress in Washington "we have the capacity to eliminate hunger from the face of the earth in our lifetime. We need only the will."

But that is just what has been lacking and is still lacking: the political will to make the kind of radical changes that are necessary if the less fortunate members of the human family are not to continue to go short of food, the most basic human need. If there is not the international will to solve this problem, where national interests can only be harmed if it is not solved, one wonders what problems the international community is capable of solving.

What needs to be done? In the first place, the world must take more energetic and intensive measures to slow down the present headlong rate of population growth, especially in the LDCs. While it is true that the world has the technological capacity to feed much more than the present population of this planet, the ghost of Malthus has not been exorcised. Technology is only one factor in the food-and-population equation.

Next, it is essential that the world's agriculture should be viewed in terms of the world as a whole and not, as at present, so largely through the perspective of the interests of individual countries.

Thirdly, the richer countries must increase their foreign aid, especially to the poorest and especially where it could lead to a really important breakthrough in agricultural production. It has been estimated, for example, that an investment of about 2.2 thousand million dollars for the elimination of the tsetse fly in infested areas of tropical Africa could open up seven million square kilometers to livestock and crop production.

Finally, every possible step must be taken to cure that vast and spreading plague of unemployment in the LDCs which, by depriving so many millions of people of purchasing power, is the most pervasive cause of hunger. Fortunately, there are some hopeful signs of awareness and action.

At FAO's biennial conference in Rome in November 1973, member governments approved an international undertaking on world food security. Basically, this proposal envisages that all countries—developed and developing—should, to the extent of their possibilities adopt national stockholding policies which, in combination, would enable them to share the responsibility for ensuring that adequate supplies of cereals are available in the world at all times. The object would be for developed countries to build up stocks sufficient for their domestic requirements and for regular commercial exports, and also, where appropriate, for food aid to meet crop failures or natural disasters in other parts of the world. In the case of the LDCs, the idea would be for them to build up reserves which would, over the long run, make them progressively more self-reliant and capable of withstanding crop fluctuations.

MAPPING A STRATEGY

There are four essential elements in this strategy. The first is that it is a common responsibility of the entire international community to ensure the adequate availability of basic foodstuffs—not only on humanitarian grounds, but also for the economic and social stability of the world. It is not a matter for exporters only; importers have a part to play as well, especially if they are wealthy. Even poor countries have a responsibility, circumscribed though it may be by low productivity and scanty resources.

The second element of the strategy is that the goal of world food security is to be achieved essentially through voluntary stockholding at the national level. Key decisions will be left to individual governments, which will be free to assess their self-interest in food stocks and the means available to them for establishing and maintaining stocks. The national component of the common responsibility will therefore be for governments of all countries to establish, review or adjust national stock policies for cereals, taking account of their respective national circumstances and requirements. Clearly, there are differing needs for stocks as between exporting and importing countries, and vastly differing means as between developed and developing countries. With a view to providing an international frame of reference taking account of such differences, FAO has proposed a set of voluntary guidelines for national stock policies, which governments are to consider for adoption.

The third element of the strategy comprises regular consultations among governments on the world stock position as revealed by national stock levels, and on any difficulties which may arise in safeguarding world food security. Only through such consultations can the common responsibility of the whole international community be exercised and discharged. The November 1973 conference instructed the FAO Council, a body representative of the FAO membership as a whole, to review the situation regarding national stock policies as reported by governments, to advise on further action considered necessary, and to initiate regular evaluations of the current and prospective world cereals stock position in the light of the objectives of world food security. Thus, for the first time in history, an international body has been formally charged with the specific task of trying to ensure that the world has sufficient food stocks in hand to cope with the uncertainties of the morrow.

The fourth element of the strategy is the need to help LDCs receive expanded and coordinated international assistance to enable them to participate in the national stockholding program to the fullest possible extent. Many LDCs may have to give highest priority to increasing the production, rather than the stocking, of food. But these two goals may be complementary to a considerable extent because of the incentive to producers provided by a stable price level, which a judicious stockholding policy can help to promote.

It has to be recognized that such a proposal can come into full effect only when the present threat of shortages is past and countries are in a position to build up sufficient well-distributed stocks. There is thus a time gap during which there could well be serious crop failures or natural disasters in vulnerable LDCs. The only answer to this is contingency planning on the part of the main grain-exporting countries. There is need for a commitment on their part during this period to continue food aid programs, at least at the same level as in recent years, and to earmark sufficient supplies from their new crops to meet the essential commercial import requirements of LDCs for direct human consumption.

ADJUSTMENT FOR THE LONG RUN

Even the world food security proposal, however, essential as it is for dealing with recurrent, temporary threats of food shortages, does not go to the roots of the world food problem. It is a measure designed to fill a fearful gap in the world's defenses against sudden assaults of widespread hunger—but it does not advance very far towards establishing a better balance in the present irrational and often unjust patterns of world agricultural production and trade which are the fundamental causes of food shortages and of various forms of economic and social stress.

In order to tackle this basic, long-term problem, FAO has been working for some time now on a more profound and far-reaching strategy known as international agricultural adjustment. The basic idea underlying this approach is that the time has come for countries to recognize that the world has become so interdependent that national agricultural policies in one country inevitably have repercussions on events in other countries. Many of these repercussions tend to be harmful, especially so far as the LDCs are concerned.

Another fundamental concept in this approach is that one cannot begin to tackle conflicts over agricultural trade, which are the sharpest manifestations of such differences, without tackling the production situations in individual countries which are at the root of these conflicts. This leads into a whole complex of problems. In the developed countries, for example, it raises issues such as the optimum size of farms, the reduction in the number of people who work the land, the attainment of better incomes for those who remain in farming, and the forms that government intervention should take. In the LDCs, the emphasis must continue to be on a radical increase in production and, in many cases, on a diversification of present production patterns.

Adjustment, of course, is a continuous process whereby agricultural supplies have to be constantly tuned to changes in demand as conditions and prospects themselves change. But this does not mean that there should be a reduction in output in any part of the world except in a few cases where, for example, demand has shifted permanently away from a particular product. Rather, the aim is for an orderly increase in both agricultural production and trade, which implies that the world must stop lurching between large surpluses and sudden deficits, that really effective measures must be taken to reverse the present trend in which the poorer LDCs' share of world exports has been falling, and that the composition of supplies should be adapted more closely to changing patterns of demand.

But the most vital and urgent objective in the whole broad scheme of international agricultural adjustment—and indeed going beyond it—is a massive increase in production in the LDCs. Without this, very little can be done to alleviate the appalling plight of the overwhelming majority of the 800 million people in the LDCs who live in circumstances which World Bank President Robert S. McNamara has described as "a condition of life so degrading as to insult human dignity."

FAO's emphasis on increased production in the LDCs does not deny the view of those who say that a main key to adjustment is freer trade. But it is clear that freer trade alone cannot bring about the kind of adjustment processes that are needed. The economic situations of the developed and developing worlds are so different that it is essential that conditions of stability should be created in which the LDCs can properly invest in building up their agricultural sector and thus be able to participate in a global approach to adjustment. In the past, the stability of reserve stocks and prices that existed—at least for cereals, which are the most basic commodity—was primarily due to the surpluses in North America. They are gone and that situation will not occur again. The world can no longer expect the United States and Canada to carry the whole burden. On the other hand, developed countries cannot expect to have a progressive reduction of measures which restrict free trade and, at the same time, hold back from full participation in the processes of international agricultural adjustment at a global level.

The convocation of the 1974 U.N. World Food Conference has provided the forum to test the will of governments to tackle the various problems of the world food situation with a far more serious sense of purpose than in the past—and to back up the necessary technical, economic and social solutions for the problems of world food and agriculture with hard political decisions. That means decisions involving specific commitments, whether in terms of financial resources or of willingness to scale down certain narrow features of national sovereignty such as import tariffs levied for purely fiscal purposes, which harm the agricultural exports of LDCs.

Since the conference has provided such a unique opportunity for a concerted exercise of political will on the part of the international community, it is essential that this opportunity be grasped and followed up with vigor.

NEEDED EVACUATION LEGISLATION

Mr. PELL. Mr. President, I fully support the measures reported today by the Foreign Relations Committee relating to the situation in South Vietnam: Authority for the President to use our Armed Forces to evacuate U.S. citizens and other persons under strictly limited circumstances, and a call for immediate efforts by the President to attain a cease-fire in South Vietnam.

I believe the proposals in this legislation strike a good balance between the necessity for withdrawing our own citizens and as many closely associated Vietnamese as can be done without any substantial escalation of hostilities, while at the same time definitely dropping the curtain on any further military assistance toward the prolongation of this war.

I believe that President Thieu should resign and Ambassador Martin should be withdrawn, or have some superemissary sent over him to Saigon, in order to make sure that this concluding chapter of our South Vietnamese adventure be made as bloodless as possible. I suggest and have suggested a congressional resolution along these lines. Perhaps because such an action would be an impingement upon the executive by the legislative branch of Government, this suggestion has not garnered support. I have heard little disagreement as to the merits of the question.

While the legislation does not provide anywhere near as much money as President Ford requested, it does provide the means to carry out the purposes Congress wishes to see fulfilled.

SERVING OUR COUNTRY

Mr. TUNNEY. Mr. President, if our democracy is to survive, American men and women must be willing to give of their time and their talent to participate actively and selflessly in government. In the dark shadow of recent governmental scandals, and in the distance that now seems to separate voters from the persons for whom they vote, many Americans have turned off to government. In the last national election, a majority of eligible voters did not go the polls. And no one knows the numbers of persons who might have sought office, but did not.

If our history trumpets one message, it is the necessity of Americans participating forcefully at all levels of government, a point eloquently emphasized in a speech by a distinguished Washington, D.C. lawyer, Mortimer Caplin, at Founder's Day ceremonies at the University of Virginia on April 14, 1975.

I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY MORTIMER CAPLIN

"A DEBT OF SERVICE"

As one whose life has been inestimably enriched by the University, I am deeply grateful to be a part of today's ceremonies to honor its founder, Thomas Jefferson. I must confess that, as a lawyer by training and teacher by tradition, I find it most refreshing—particularly at this time of year—to lay aside the income tax forms our government conveniently supplies and, instead, to reenter the world, the writings, and the remarkably vital life of Mr. Jefferson.

The man who avoided ceremony on all occasions, who asked only the simplest of memorials, would not want us to dwell today on his accomplishments—except perhaps as they might illuminate our journey along paths first laid out by him and his peers two centuries ago. Democracy and religious freedom are alive in this country, and his University thrives. These are the proper tributes to "Author of the Declaration of American Independence, of the Statute of Virginia for religious freedom, and Father of the University of Virginia."

But I do ask you to share with me a moment out of Jefferson's life and one sentence from his writings. I find them particularly relevant to each of us personally, to the goals of this institution, and to the future of our country.

It was the end of 1796, and Jefferson had been in semiretirement at Monticello since leaving President Washington's Cabinet nearly three years before. He did not regard it as a high point in his career. He had resigned as Secretary of State in part because he believed that Hamilton and the other Federalists were subverting the Constitution. Now, in December 1796, he anticipated that John Adams had narrowly defeated him for the Presidency.

Worse still, Jefferson guessed that as runner-up—under the unwieldy original provisions of the Constitution—he had been elected Vice President. Adams, himself the occupant of that position under Washington, had described the Vice Presidency as "the most insignificant office that ever the invention of man contrived or his imagination conceived." There was speculation that Jefferson would consider the Vice Presidency beneath him and would not accept.

At the end of the month, Jefferson wrote to Edward Rutledge, an old acquaintance and a signer of the Declaration of Independence. Jefferson complained of the personal abuse that had been heaped on him during the debate that preceded the electoral college vote. He envied Rutledge the comparative serenity of his life in South Carolina. At the same time, he chastised Rutledge for not taking a greater part in national affairs. Rutledge, like other members of his family, had served his home state of South Carolina faithfully and well. But Jefferson complained that his friend of the Revolution had not taken full advantage of the opportunity for national service.

At this point, Jefferson wrote the sentence to which I have referred: "There is a debt of service due from every man to his country, proportioned to the bounties which nature and fortune have measured to him."

Jefferson was expressing a conviction shared by the planters of colonial Virginia that "they constituted a class whose obligations to serve and to govern well must be fulfilled in return for the privileges which were their birthright." As an historian points out: "This was a part of their code; this duty of service to the state. . . ."

So he and other Virginians served: as Justices of the Peace, as members of the House of Burgesses, as diplomats, and as Presidents. They served, though often conscious of the heaviness of the burden of serving. In a moment of bitterness, Jefferson observed that "public employment con-

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tributes neither to advantage nor happiness. It is but honorable exile from one's family and affairs."

And sometimes he even faltered. Once, when for reasons which seem substantial enough from our perspective, Jefferson declined to serve in the Virginia House of Delegates, the Speaker of that House, John Tyler, felt compelled to remind him of his public obligation:

"I suppose your [reasons] are weighty, yet I would suggest that good and able men had better govern than be governed, since 'tis possible, indeed highly probable, that if the able and good withdraw themselves from society the venal and ignorant will succeed."

These words and attitudes on public service and public duty offer a sharp and poignant contrast to a statement—perhaps the most dramatic, and certainly one of the saddest—that emerged from the national trauma which we call Watergate.

I refer to a response made by Gordon Strachan during his testimony before the Senate Watergate Committee. Strachan, you will recall, had been an assistant to H.R. Haldeman and in that capacity had been caught up in the Watergate scandal. Asked by Senator Joseph Montoya what advice he had for other young men who come to Washington to work in government, Strachan replied, "My advice would be to stay away."

Strachan may have been thinking particularly of his White House experience, but his reply was taken across the country as being general. The thought conveyed was that the abuses of power were so pervasive, our system of government so corrupted and corrupting, that good men and women should shy away from public service lest they be caught in the vortex and engulfed. He seems also to have assumed that all his generation would be as easily beguiled by power and authority as he was. Even if I believed that this was so—which I do not—never would I urge good men and women to stay away from government. Particularly in the aftermath of Watergate, we remember the often quoted warning of Jefferson's contemporary, Edmund Burke: "The only thing necessary for the triumph of evil is for good men to do nothing."

For what would the state of our nation be if the "able and good" withdrew?

Nearly two centuries ago, John Adams, in drafting the Massachusetts constitution, spoke of establishing "a government of laws, and not of men." Inherent in these words is a concept—that this Republic, opposed to autocratic government, shall live under a system of law to be applied with a uniform standard to all alike. High and low, the governed and the governors, all are to receive evenhanded treatment, without favor, before our governmental bodies. And the standards of law are to apply equally to those whom the people have temporarily entrusted with the power to govern.

The institutions of government and the rule of law are paramount in the American system—not the personalities of particular individuals, not the political or economic interests of particular groups or factions. Our ideals reject the cynical epigram of Lenin that politics is just "Who does what to Whom."

To this day, our democracy has been symbolized by its institutions—our Constitution, our Bill of Rights, the judiciary and the Supreme Court, Congress, our executive branch including the Presidency. "We live by symbols," said Justice Oliver Wendell Holmes; and we have gained strength as a nation by our focus on these symbols of our democracy, by our faith in them, and in our efforts to keep them strong.

If our symbols be damaged or disgraced, our national life must suffer. This, ultimately, is the most egregious aspect of Watergate.

"Nothing is more destructive of good government," warned Chief Justice Earl Warren, "than the confusion of personal loyalty with institutional loyalty." At the root of the Watergate crimes was a misdirection of loyalties—a failure to understand the proper placement of loyalties; a failure to honor individual oaths to uphold the Constitution; a failure to faithfully discharge the trust and responsibilities that everyone, occupying a post in our government, necessarily accepts—responsibilities that are individual, that cannot be evaded by blind loyalty and suspension of personal judgment, moral or legal. And there were the loyalties seduced by deliberate lies and deceit—loyalties of decent men and women, many with long and unblemished public careers, who acted on the assumed honesty and good faith of those giving orders, only to learn that they had been misled and drawn into improprieties, even crime.

The shame of Watergate lies in the failures of men not institutions—an insensitivity of particular persons to our laws, our history and traditions; an unprecedented abuse of power, reaching out to all elements of the executive branch, and creating doubt and uncertainty throughout the country. To those who ask cynically, "Hasn't it always been done this way," let me say unhesitatingly that it has not. Nor is it so today.

Mistakes and errors in judgment we have had; aberrations and misdeeds by individuals—all these have occurred in the past, and are not unknown even today. But never in our history have we seen illegal acts so calculated, so widespread and from so high a level, and so threatening to our most respected institutions, as we have witnessed in recent years. "Crime like virtue has its degrees," said Racine. And it is the degree of corruption that marks Watergate.

Fortunately, however, our institutions withstood the strain throughout this critical time. With chance and fate playing a not insignificant role, the balancing forces built into our constitutional system functioned. The wrongs were identified. The necessary corrective processes were set in motion. President Ford picked up this theme in his very first words on taking his oath of office:

"My fellow Americans, our long national nightmare is over. Our Constitution works; our great Republic is a government of laws and not of men . . ."

But a government of laws requires the direction and guidance of good and able men. This is not a paradox. We have urgent need—and as long as we continue to exist as a nation, we will continue to have urgent need—for men of conscience, men of trust, men of integrity, men who are able to say "no" when the outer limits of their responsibilities are tested.

Let it not be forgotten that there were at hand during Watergate a number of such individuals—in the Congress, in the courts, in the executive branch, and also in the press. Special Prosecutors Cox and Jaworski, Attorney General Richardson and his deputy William Ruckelshaus, Senators Ervin and Weicker, Judges Sirica and Gesell, Congressman Peter Rodino, newsmen Woodward and Bernstein—good men who saw their moral and legal duty and who acted, quite literally, to save the Republic. There were the federal career employees, too, who earned special praise from President Ford:

"Whatever else, recent experience has proven one thing about the Federal Government. It can continue to function and move ahead even under the most difficult circumstances. This is due chiefly to more than two million career civil servants who, day-in and day-out, give of themselves in a thoroughly dedicated and efficient manner to assure this continuity."

Our institutions themselves should never be blamed for the manner in which a given group of men administer them. As Chief Justice Warren emphasized: "We have followed the wise injunction not to destroy good buildings because we have bad tenants." The bad tenants have been evicted. Now is the time to call to our public buildings the good and able to strengthen our institutions and to renew the faith of our people in the soundness of our form of government.

"Politics is dirty," some may say. Jefferson's response was "Politics is my duty"—and the particular duty of the educated citizen.

Rejecting John Adams' artificial aristocracy of birth and wealth, Jefferson looked to men of "virtue and talents," men of character and education, as the natural leaders of this country. He regarded them as our natural aristocracy, and he believed that the best form of government would be achieved by selecting the important officers of government from among them.

President John F. Kennedy spoke often of the responsibilities, not just the rights, of citizens of this country. Much like Jefferson, he too laid stress on the special obligations encumbent upon the educated citizen. He was a great admirer of Jefferson and leaned on his thoughts and writings often. I am sure you recall Kennedy's remarks at the White House dinner that he gave in April 1962 in honor of the Nobel Prize winners of the Western Hemisphere. This was the first time that members of this illustrious group had been invited to the White House, and the President greeted them warmly:

"I think this is the most extraordinary collection of talent, of human knowledge, that has ever been gathered together at the White House, with the possible exception of when Thomas Jefferson dined alone."

In emphasizing his admiration for Jefferson, he continued:

"Someone once said that Thomas Jefferson was a gentleman of 32 [in 1775] who could calculate an eclipse, survey an estate, tie an artery, plan an edifice, try a cause, break a horse, and dance the minuet."

I do not think that he meant that Jefferson did this all at once!

At Vanderbilt University, President Kennedy cited three of these obligations as outstanding: the obligation to the pursuit of learning, the obligation to uphold the law, the obligation to serve the public. The educated citizen, he urged, may give his talents at the courthouse, the State house or the White House, as a precinct worker or President, civil servant or Senator, candidate or campaign worker, winner or loser. But, above all else, he must be a participant, not a spectator, in our national life. He must "enter the lists."

Nor, in my opinion, should government service be viewed as a duty or obligation alone, nor as a sacrifice. Rather, I regard it as a privilege. Few experiences compare with a period of public service to add breadth and a renewed sense of purpose to one's personal life—a rare opportunity to devote all of your talents towards achieving expanded goals. As a former government appointee explained: "Even if you are painting with a small brush, you are painting on such a very large canvas." Always, the satisfactions and at times exhilarations of public service are more numerous and inspiring than the detractions.

Dean Acheson, our former Secretary of State, felt that "there is no better or fuller life for a man of spirit" than public service. His guide was the ancient Greek concept of happiness: "The exercise of vital powers along lines of excellence, in a life affording them scope." Justice Holmes expressed the thought in typically pungent language when he said: ". . . as life is action and passion, it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived."

For 150 years, alumni of this great University have served the public in almost every facet of government—in the Presidency, the

United States Supreme Court, the Congress, the Cabinet, other high offices at federal, state and local levels. Many more will continue to do so in the future. From them we have always expected the highest measure of honor and dedication to the public purpose. For they have shared in the spirit and learning of the University and of its founder, and clear to them are the obligations and loyalties required in service of the public. Traditions of honor, integrity, and candor are vital parts of this institution; and they have become a part of the heritage that each of us carries away from the University wherever he goes—in private as well as public life.

So, let us not "stay away" from government. Rather, let us continue to come—to honor the "debt of service due from every man to his country, proportioned to the bounties which nature and fortune have measured to him." Let us remember that, while ours *is* a government of laws, essential to its well-being are men and women of conscience and courage with a sense of the trust of public service and the moral obligations of power. And those who would serve the public could do no better than to keep in mind and set their course by the precept inscribed over the entrance of Clark Hall:

"That those alone may be servants of the law who labor with learning, courage, and devotion to preserve liberty and promote justice."

CHALLENGES TO BUSING

Mr. BROCK. Mr. President, whether we wish to acknowledge the fact or not, the issue of busing is still with us. Marquis Childs recently, in his column, wrote on the "Challenges to Busing." I ask at this point unanimous consent that Mr. Childs' article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHALLENGES TO BUSING

(By Marquis Childs)

Farewell to busing! The roughing-up that Massachusetts' favorite son, Sen. Edward M. Kennedy, got in Boston the other day was a symptom of the revolt against the forced exchange of pupils from one school to another.

Once No. 1 in the credo of every card-carrying liberal, the benefits of court-ordered integration during the past decade are seen to be highly doubtful. As the experience in South Boston has shown, racial antagonism is accentuated by the attempt to bring black pupils into virtually all white schools.

To challenge the goal was to be just another George Wallace standing in the schoolhouse door with a baseball bat. The tragic fallacy was in assuming that the profound inequities grown up in a society based on dualism of privilege and opportunity between black and white could be remedied by mixing the races in the public schools.

That the divide between the prosperous white suburb and the center city ghetto could be bridged in this way was a tribute to the idealism and the faith of those who over the years worked to that end.

But the inequity in education—the overcrowded, run-down schools and overworked teachers in the ghetto—was only one of the injustices in the dual society and not the principal one. Housing, open spaces, clean air, health, diet, these are the components of inequality that supersedes an impoverished education.

In several cities—Detroit, Indianapolis, Topeka, Wilmington, Cincinnati and Tucson, as well as Boston—court cases calling for enforced busing are still pending. A court inquiry has been ordered into 125 school districts in the South, although little is expected to come of this. Congress applied a restraint in a law specifying that pupils could be bused only to the nearest or the next nearest school serving an appropriate grade.

It has become increasingly apparent that behavior patterns, habits of study and thought, are fixed long before the earliest grades. The hope was that a transformation could be worked by bringing together the deprived young with those who had greater advantages.

That a change could be worked on preschool children was the concept behind a program initiated by Mrs. Lyndon Johnson. This was Head Start, which is observing its 10th anniversary. Beginning at the age of two or three, children from families at the poverty level were to get special training, and adequate diet and health supervision at day-care centers.

Today there are 379,000 children in the program on a budget of $414 million. Of this number, 70,000 are on an eight-week summer course. In response to a command from Congress, 10 per cent are handicapped or severely handicapped. The age range is from three to seven.

The total is between 10 and 12 per cent of children eligible at the poverty level for the special care. A drop in the bucket of need, the program has been criticized on the ground that the children, when they go to regular schools and when they return to the poverty of their background, soon lose the advantages of the two or three years spent in the day-care centers.

While this is not a civil rights program, approximately 60 per cent of the children are black. They are, for the most part, from city centers where schools are under the greatest handicaps.

Blacks in recent years have made rapid progress. This is true above all at the top level with a notable assist from federal requirements for minority hiring. Blacks hold a wide range of positions inconceivable a decade ago.

This progress, it is hardly necessary to add, means little in ending the dualism of suburb versus ghetto. As a beginning only a wide-ranging attack on segregated housing would insure a start on a more equitable order. In the present mood of the country, that is not about to happen.

Progress for the few is hardly convincing for the many at the bottom of the heap. Unemployment among young blacks in the center cities ranges from 20 to 25 per cent. Hopefully, they will get summer jobs. But that is a stopgap which can only postpone what must in some distant future be a day of reckoning.

DECRIMINALIZATION OF MARIHUANA POSSESSION

Mr. CRANSTON. Mr. President, yesterday the Senator from New York (Mr. JAVITS) and I introduced a bill, S. 1450, designed to bring about a decriminalization of marihuana use. The bill would remove the criminal sanctions in Federal law applying to the possession of small amounts of marihuana. A violation would be treated as a civil infraction, subject to a fine of not more than $100. The bill would not, however, change the Federal law regarding criminal penalties for the sale of marihuana for profit or for possession of more than 1 ounce.

Under present Federal law, Mr. President, marihuana offenses can be treated as either a felony or misdemeanor, depending on whether or not the defendant intended to sell the drug. Thus, even though a conviction for simple possession without intent to sell is a Federal misdemeanor, a defendant often ends up with a felony arrest record.

Mr. President, the time has come for Congress to legislate like it is. When we brand as "criminal" private behavior which has become socially acceptable, we undermine the credibility of law and justice in our Nation.

Our legislation proposes a moderate reform of our outmoded laws on the possession of small amounts of marihuana. The State of Oregon took this approach in 1973. Similar legislation has already passed the State Senate in California and is pending in over 20 other State legislatures. Public opinion polls show growing support for decriminalization.

To brand as a criminal act private conduct that 29 million Americans have engaged in, perpetuates an ivory tower approach to criminal justice.

According to the FBI, more than 1 million persons have been arrested for marihuana offenses in this country in the last 4 years. Eighty-eight percent were young adults under the age of 26; 62 percent were under the age of 21. Furthermore, two-thirds of all marihuana arrests were for possession of 1 ounce or less.

I can think of no area of criminal law where so-called crime and punishment are in such imbalance. Hundreds of thousands of young lives have been marked indelibly with criminal arrest or conviction records for the simple possession of marihuana. This injustice is compounded every time one of these young people sits down to apply for a job, membership in a professional organization, or even a driver's license.

For those punished with prison terms and denied civil liberties, the tragedy is deeper and the scars even greater.

Mr. President, in California alone, each marihuana arrest costs enforcement authorities approximately $1,400. At this rate, California spends more than $100 million annually trying to enforce unenforceable marihuana laws. The costs nationally are probably in excess of $600 million. In addition, marihuana prosecutions jam our courts, thereby effectively prohibiting due process of law for thousands of other cases and undermining, by delay, the deterrent effect sought by our criminal justice system.

This legislation proposes an important step toward restoring a reasonable balance between an individual's right to be free from government interference in private matters and society's right to protect itself from activities clearly detrimental to the common good.

The health hazard of marihuana use remains controversial. Several research findings reported in the past year have pointed to possibly damaging consequences for heavy users. However, much of the research conducted to date, according to Dr. Robert Dupont, Director of the National Institute of Drug Abuse—NIDA—and the Special Action Office on Drug Abuse—SAODAP—"is of a preliminary nature * * * some of the findings are frankly contradictory." There is accumulated evidence in one area—the ef-

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fect that marihuana use has on driving—which does demonstrate the marihuana has a detrimental effect. However, findings dealing with reduction in marihuana smokers' immunity system to disease, or a lowered production of the male hormone testosterone, are not conclusive. In fact, according to Dr. Dupont's November 1974 testimony, subsequent studies have been unable to duplicate these findings.

It should be stressed that the National Commission on Marihuana and Drug Abuse, when they recommended decriminalizing the user in 1972, did not presuppose that marihuana was totally harmless. And several members of the Commission have reiterated their conclusions since the Eastland hearings last fall:

> No drug is totally safe or harmless. In a sense, there is no human activity which is totally harmless. However, it is my opinion that marijuana involves only a minimal risk of harm to the user. Clearly the potential harmfulness of marijuana to the user is on a much lower order of magnitude than the potential harmfulness of such other drugs as alcohol, tobacco, amphetamines, barbiturates, and hallucinogens." J. Thomas Ungerleider, M.D., Presidential Appointee to the National Commission.
>
> Since publication of the Commission's Report in March 1972, numerous studies have been reported, some suggesting that the dangers from marijuana are far greater than the Report indicated, others demonstrating that its use produces relatively little harm. In short, work in the last two years has not fundamentally changed the data base on which the recommendations were made." Dr. Dana Farnsworth, Presidential Appointee to the National Commission.

Mr. President, while marihuana may not be harmless, it certainly presents far less of a health hazard when used to excess than does alcohol, tobacco, and a host of other drugs readily available in our society. Any risk to the user falls within the ambit of choice the informed individual should be allowed in a free society. So long as the research results warrant it, we should warn against the use of marihuana, but we should not criminalize those who ignore our advice.

Mr. President, it has been over 3 years since the National Commission on Marihuana and Drug Abuse urged decriminalization. So I do not in any way underestimate the difficulty of our task.

Simple justice is never simply achieved. But we owe it to our young people and we owe it to society as a whole to make this fight. I can think of no other single action which would more enhance the credibility of our criminal justice system and our overall law enforcement efforts. And I can think of no other single act which would more symbolically reach out to our youth, to tell them that our eyes and ears are open; that we are trying to conform our laws to what we see and hear, and to remove one unnecessary heavyhanded governmental incursion into individual freedom.

Mr. President, enactment of this legislation is one important way to rebuild faith in our government of laws so recently shattered by the harsh hypocricies of Watergate.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ADDITIONAL APPROPRIATION FOR THE VETERANS' ADMINISTRATION, 1975

Mr. MANSFIELD. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of House Joint Resolution 375, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A joint resolution (H.J. Res. 375) making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration and for other purposes.

The Senate proceeded to consider the joint resolution.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage of the pending business.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on final passage of the pending business occur at the hour of 1 o'clock.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Does the Senator ask that rule XII be waived?

Mr. MANSFIELD. Yes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the pending business, as I understand it, is the consideration of Calendar No. 78, House Joint Resolution 375, which would provide $638,038,000 for Veterans' Administration readjustment benefits.

This resolution passed the House without a dissenting vote. The Federal Government is legally and morally obligated to pay out every dollar we are providing in this proposal. It represents the culmination of the legislative initiatives we took last year to improve education, training and housing benefits for post-Korean veterans. Here is what the $638 million would do:

It would allow 500,000 veterans to continue their schooling at a cost of $618 million, which accounts for all except $20 million of the total amount. These men and women were made eligible for continued educational benefits when the Congress extended the post-Korean eligibility period from 8 years to 10 years in 1974.

It would provide disabled veterans who meet certain standards with an increased automobile grant of $3,300—up from the prior allowance of $2,800. Eligibility for these grants has been extended to additional disabled veterans and the definition of eligible equipment has been broadened.

It would make available increased housing grants for certain disabled veterans of $25,000 rather than the $17,500 level in effect before Public Law 93-659 passed last December 31.

It would provide an increased training allowance for those veterans receiving vocational rehabilitation or on the job training.

Let me reiterate that these are obligations the Federal Government must meet. They arise because of legislation passed within the past 12 months. Furthermore the funds must be provided by April 25 if the checks are to go out on time.

Before final passage, Mr. President, I want to point out that this supplemental appropriations bill brings total supplemental VA funding in fiscal 1975 to $1,530,993,000—more than $1.5 billion. And there will be another $500 million or so in the second supplemental appropriations bill. Most of this additional funding is mandatory and is caused by the passage of legislation expanding veterans benefits within the past 12 months.

None of us begrudges our veterans a fair share of the American economic pie. But I urge the Veterans Committees of both Houses to give thoughtful consideration to the impact on our budget deficit of additional proposals to expand veterans benefits as they act on further legislation.

Mr. President, I yield the floor.

Mr. YOUNG. Mr. President, I support the position taken by the distinguished chairman of the subcommittee (Mr. PROXMIRE). I commend him for the expeditious manner in which he has handled this resolution. I believe it just came from the House yesterday or the day before, and will be passed by the Senate today.

This is money that the veterans deserve, money which is much needed.

I am happy to see the bill acted upon now.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from North Dakota.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BUMPERS). Without objection, it is so ordered.

ORDERS FOR RECOGNITION OF SENATORS ON MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent on Monday next, after the joint leaders have been recognized, the distinguished Senator from Hawaii (Mr. FONG), the distinguished

Senator from Michigan (Mr. GRIFFIN), the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from Montana now speaking, be recognized for not to exceed 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12:35 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:35 p.m. today.

There being no objection, the Senate, at 12:07 p.m., recessed until 12:35 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

The PRESIDING OFFICER (Mr. BUMPERS). The Chair, in his capacity as Senator from Arkansas, suggests the absence of a quorum.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 93-568, appoints the following persons to be members of the Advisory Committee to the White House Conference on Library and Information Services: Mr. J. C. Redd, of Jackson, Miss.; Mrs. Margaret Warden, of Great Falls, Mont.; Mrs. Virginia Young, of Columbia, Mo.; and Mr. John T. Short, of Simsbury, Conn.

ADDITIONAL APPROPRIATIONS FOR THE VETERANS' ADMINISTRATION, 1975

The Senate continued with the consideration of the bill (H.J. Res. 375) making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT) and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

> On page 1, after line 9, insert the following:
>
> FEDERAL ELECTION COMMISSION
>
> SALARIES AND EXPENSES
>
> For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1974, $500,000.

Mr. MANSFIELD. Mr. President, as the Senate is aware, this commission has been created by the Congress. The nominations have all been received and approved, and the commission is in operation, in a sense. It has allotted vacant space. It has no authority or money to hire employees at the present time. The questions which they are receiving are piling up and the need for this unusual amendment, which is not to be considered a precedent, the need for it at this time is based on the facts which I have just enumerated. I urge the Senate to approve it.

Mr. PROXMIRE. Will the Senator from Montana yield?

Mr. MANSFIELD. Yes, indeed.

Mr. PROXMIRE. I understand that this amendment calls for $500,000 for the Commission.

The Chairman of the Commission, I understand, says he wants extensively more than that, $1,300,000, but the $500,000 would be for the rest of this fiscal year, would enable the Commission to get operating, would enable the Commission to hire staff which they cannot do now, enable them to perform the very important function which the Senate envisioned when it was created.

Is it true that there were no hearings on this particular provision?

Mr. MANSFIELD. That is correct, and there were none in the Senate. The request came to the leadership too late.

It was taken up by the members of the House Appropriations Committee, the distinguished Senator's counterpart body, and their figure was $500,000 which they would go for. If it approves of this amendment, the Senate will match that fund, which is not anywhere near as much as the Commission Chairman desired.

Mr. PROXMIRE. So we are simply matching what the House has already done on the basis of the record and on the basis of their deliberations, and not going over it.

Mr. MANSFIELD. No, the same amount.

Mr. PROXMIRE. Mr. President, I support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time.

Mr. HARTKE. Mr. President, as Chairman of the Senate Committee on Veterans' Affairs, I rise to urge this body to approve House Joint Resolution 375, which will provide a supplemental appropriation of $638 million so that the Veterans' Administration may continue to pay veterans readjustment benefits during this current fiscal year. These increased appropriations which in large part will benefit our younger Vietnam era veterans is a result of legislation reported from the committee, which I am privileged to chair and enacted last year. The bulk of these readjustment benefits will go for GI bill educational assistance benefits which my colleagues will recall were substantially increased by my bill which was enacted as The Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93-508) on December 3 last year. In addition, some of these additional funds will go for specially adapted automobile equipment and grants provided for in Public Law 93-538 reported from the Veterans' Affairs Committee. Other funds are for increased maximum housing grants for certain severely disabled veterans which was part of the Veterans Housing Act of 1974, which I also authored. Because there has been a heavy demand on the readjustment benefits account made by these programs, it is urgent that we act without delay. I would further urge the President to sign this bill immediately so that no veteran will suffer any delay in receiving his or her GI bill educational benefit check.

Mr. President, I urge that we approve House Joint Resolution 375.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL FOOD SERVICE PROGRAM FOR CHILDREN

Mr. ALLEN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1310.

The PRESIDING OFFICER (Mr. BUMPERS) laid before the Senate the amendment of the House of Representatives to the bill (S. 1310) to continue the special food service program for children through September 30, 1975, which was on page 1, strike out all after line 10 over to and including line 15 on page 2, and insert:

> "(j) Reimbursement rates established by the Secretary for meals served during the period May through September 1975 in service institutions operating special summer programs under section 13(c)(1) of the National School Lunch Act and in service institutions operating special summer programs under section 13(c)(2) of the National School Lunch Act shall be adjusted to the nearest quarter cent to reflect changes since the period May through September 1974 in the cost of operating special summer programs as indicated by the change in the series for food away from home of the Consumer Price Index of the Bureau of Labor Statistics of the Department of Labor for the most recent twelve-month period for which the Consumer Price Index has been established.
>
> "(k) No later than ten days following enactment of this legislation, the Secretary shall issue regulations pertaining to the operation of the summer food program during the months of May through September 1975: *Provided*, That such regulations shall in no way differ from regulations currently in effect, except for such changes as are necessary to implement the provisions of this Act.".

Mr. ALLEN. Mr. President, on April 9, 1975, the House of Representatives

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took up S. 1310, the Senate's bill to extend the section 13 summer feeding program for children for 90 days, that is, from July 1, 1975, through September 30, 1975.

The House amended S. 1310 as follows:

(1) Deleted the Senate's section 32 funding provisions;

(2) Added authorization for 1975 summer meal reimbursement rates to be adjusted to account for increase in food costs this past year; and

(3) Added requirement that 10 days following enactment of this bill, USDA must issue its regulations pertaining to the operation of this year's summer feeding program.

Neither amendment number (2) nor (3) would increase total expenditures for this year's summer feeding program. If amendment number (2) above were not included in this bill, some loss of participation could likely be expected, which would likely result in less money being spent. Inclusion of the amendment will likely insure that the participation and funding levels anticipated for this year will be accomplished.

Deletion of the Senate's provision authorizing the use of section 32 funds is of more serious nature, but I believe we have worked out another way to handle the funding without insisting that the House recede from its amendment.

The purpose for inclusion of the section 32 authorization in the Senate bill was twofold:

(1) To remove all uncertainty with respect to the availability of funds to finance this year's summer program; and

(2) To permit USDA to circumvent the formula now contained in section 13 of the School Lunch Act—which the Department must follow when using direct appropriations—which directs how the funds provided under this program are to be allocated among the various States. This formula has proven in recent years to be basically unworkable. Those States that need and can use the funds the most do not get enough to meet their requirements. On the other hand, those States that utilize the program the least, tend to get more money than they can use. When funds for this program are provided through section 32—rather than by direct appropriations—USDA does not have to abide by the section 13 State allocation formula.

We have proposed for consideration by the Senate Agriculture Appropriation Subcommittee that funding for this year's summer feeding program be added to the Second Supplemental Appropriations Act, which the House already has adopted and which will soon be taken up by the Senate Appropriations Committee. Included in our proposal to the Senate Appropriations Committee is some language which will address the section 13 allocation formula problem.

I also understand, Mr. President, that the House Appropriations Committee leadership also has agreed to providing the funds that will be necessary to finance this year's summer program.

Mr. President, I further have been informed that the USDA already has given its approval for the planning for this summer's program to proceed—on the assumption that S. 1310 is passed by the Congress, which authorizes this year's program, and that the funds required to finance this year's program will be appropriated before June 30, 1975.

Mr. President, I have discussed this matter with the majority and minority leadership of both our Senate Committee on Agriculture and Forestry and of the Senate. We have agreed to concur with the House amendments.

Mr. JAVITS. Mr. President, I commend the action of the Senator from Alabama (Mr. Allen), for his swift action and leadership regarding the summer food program.

Today's action, in accepting the House version of the summer food program extension, is one in which I concur. The beneficiaries of this necessary legislation will be the millions of needy children around the country. In this time of severe economic hardship, it is especially important that children from lower income families have available to them a nutritious noontime meal during the hot summer months.

By accepting the House version the Senate, in this particular instance, is agreeing temporarily to forego use of section 32 funds for this child nutrition program. This is being done solely in the interest of expediting passage and enactment of this measure, which is necessary in order to have the program continued this summer.

The entire question of the use of section 32 funds, for child nutrition programs and other purposes, needs to be explored in depth. Over the past several years, section 32 funds have become a valuable source of funding for child nutrition programs, and their future utilization may well be necessary to assure the continued success of these important programs.

Today's action in no way indicates an intent or a willingness on my part to retreat from the use of section 32 funds for child nutrition programs. The use of section 32 funds in child nutrition programs has been tremendously valuable in the past, and I expect that it will continue to be in the future.

But today's action, and the summer food program exension bill itself, is in the nature of an emergency action, primarily because the more comprehensive child nutrition bill will not be enacted in time to assure continuation this summer. It is because of that urgency, as well as my understanding that direct appropriations for this program will be taken up by the Appropriations Committee very shortly on the second supplemental appropriation bill, that I concur with the present action of the Senator from Alabama.

Mr. YOUNG. Is this a conference report?

Mr. ALLEN. These are House amendments to the Senate bill, and I want to make a motion that the Senate concur in the House amendments, in order that the bill can be sent to the President.

Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

ADDITIONAL APPROPRIATIONS FOR THE VETERANS' ADMINISTRATION, 1975

The Senate continued with the consideration of the bill (H.J. Res. 375) making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

The PRESIDING OFFICER (Mr. Johnston). The hour of 1 o'clock having arrived, pursuant to the previous order, the Senate will proceed to vote on House Joint Resolution 375. The joint resolution having been read the third time, the question is, Shall it pass?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the joint resolution (H.J. Res. 375) pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from Iowa (Mr. Culver), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from South Dakota (Mr. McGovern), the Senator from New Hampshire (Mr. McIntyre), the Senator from New Mexico (Mr. Montoya), the Senator from North Carolina (Mr. Morgan), the Senator from West Virginia (Mr. Randolph), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) and the Senator from South Dakota (Mr. McGovern) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Oregon (Mr. Hatfield), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Virginia (Mr. William L. Scott), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Pennsylvania (Mr. Hugh Scott) would each vote "yea."

The result was announced—yeas 82, nays 0, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—82

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Biden
Brock
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Curtis
Dole
Domenici
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin

Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
Metcalf
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—17

Bentsen
Brooke
Chiles
Culver
Eagleton
Eastland
Gravel
Hatfield
McGovern
McIntyre
Montoya
Morgan
Randolph
Scott, Hugh
Scott,
William L.
Symington
Weicker

So the joint resolution (H.J. Res. 375) was passed.

Mr. JAVITS obtained the floor.

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. JAVITS. I yield.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the 45 minutes, with statements therein limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR F. KEITH ADKINSON TO APPEAR AS A WITNESS IN THE CASE OF UNITED STATES AGAINST HERNDON, ET AL.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Washington (Mr. Jackson) has asked me to submit a resolution in his behalf and to ask for its immediate consideration.

I understand it has been cleared with the other side of the aisle.

On Mr. Jackson's behalf I submit and send to the desk the resolution and ask that it be stated.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution.

The assistant legislative clerk read as follows:

> A Resolution (S. Res. 132) to authorize F. Keith Adkinson, Assistant Counsel to the Senate Permanent Subcommittee on Investigations, to appear as a witness in the case of United States v. Herndon, et al.

The PRESIDING OFFICER. Is there objection to proceeding to its consideration?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record a copy of a letter written by John C. Keeney, Acting Assistant Attorney General, addressed to Hon. Henry M. Jackson as chairman of the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations under date of April 18, 1975.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of Justice,
Washington, D.C., April 18, 1975.

Re subpoena of F. Keith Adkinson in the case styled, United States v. Defense Services Company, Howard Emmett Herndon and Mitchell Livingston Werbell, IV; Northern District of Georgia; CR 75–59A

Hon. Henry M. Jackson,
Chairman, Permanent Subcommittee On Investigations of the Senate, Committee on Government Operations, Washington, D.C.

Dear Mr. Chairman: As you know, F. Keith Adkinson, Assistant Counsel of the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations has been subpoenaed by the defense to appear on April 21, 1975, in the case of *United States* v. *Defense Services Company, Howard Emmett Herndon and Mitchell Livingston Werbell, IV,* currently on trial in the Northern District of Georgia at Atlanta.

It is requested that if appropriate you take the necessary steps to permit Mr. Adkinson to honor the subpoena in the case so as not to invite a motion by the defendants to dismiss the case on the ground that they were not able to adequately present their defense.

Your cooperation in this matter is appreciated.

Sincerely,

John C. Keeney,
Acting Assistant Attorney General.

Mr. JACKSON. Mr. President, F. Keith Adkinson, assistant counsel to the Permanent Subcommittee on Investigations of the Committee on Government Operations, has been subpenaed by defendants to appear on April 21, 1975 in the case of *United States* v. *Herndon, et al.* (Criminal Docket No. 75–59A) in the U.S District Court, Northern District of Atlanta.

Pursuant to rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, information secured by staff members pursuant to their official duties as employees of the Senate may not be revealed without a resolution of the Senate.

The Department of Justice has made a written request that we authorize Mr. Adkinson to appear so as not to prejudice the Government's case by inviting a motion by defendants to dismiss the case on the ground that they were not able to adequately present their defense.

Accordingly, Mr. President, I have offered the resolution, approved by a majority of the members of the Committee on Government Operations, authorizing Mr. Adkinson's appearance before the U.S. District Court in the Northern District of Georgia, and I ask that the resolution authorizing his appearance be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 132) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

> Resolution to authorize F. Keith Adkinson, Assistant Counsel to the Senate Permanent Subcommittee on Investigations, to appear as a witness in the case of United States v. Herndon, et al.
>
> Whereas, in the case of United States of America v. Herndon, et al. (Criminal Docket No. 75–59A), pending in the United States District Court for the Northern District of Georgia, a subpena has been issued by such court and addressed to F. Keith Adkinson, Assistant Counsel to the Senate Permanent subcommittee on Investigations, directing him to appear as a witness and give testimony; and
>
> Whereas, during the course of his duties as an employee of the Senate, Mr. Adkinson came to possess information relevant to the activities which form the basis of the charges on which the defendant is indicted; and
>
> Whereas by the privileges of the Senate of the United States and by Rule XXX of the Standing Rules of the Senate, information secured by staff employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate; therefore, be it
>
> *Resolved* that Mr. F. Keith Adkinson is authorized to appear before the aforementioned court in the aforementioned criminal case and to testify as to any knowledge he may possess relevant to the activities which form the basis of the charges on which the defendant is indicted.
>
> The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the Northern District of Georgia.

Mr. ROBERT C. BYRD. I thank the Chair for the usual courtesy of the present occupant of the Chair.

ORDER FOR ADJOURNMENT UNTIL MONDAY, APRIL 21, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that orders have been previously entered for the recognition on Monday next—following the recognition of the majority and minority leaders or their designees—of the following Senators in the order listed, and each for not to exceed 15 minutes: Senators Fong, Griffin, Robert C. Byrd, and Mansfield; am I correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, APRIL 21, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders previously entered into for the recognition of Senators on Monday, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE ORDER OF BUSINESS FOR MONDAY, APRIL 21, 1975

Mr. ROBERT C. BYRD. I ask unanimous consent that at the conclusion of

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routine morning business on Monday, the Senate proceed to the consideration of the resolution dealing with evacuation and humanitarian assistance.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have just been advised that a bill and a resolution have been reported dealing with evacuation and humanitarian assistance, so I ask unanimous consent that either of the two or both be eligible to be called up after routine morning business on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There is no time agreement on either of them.

ORDER THAT NO ROLLCALL VOTES BE HELD PRIOR TO 4 P.M. ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday prior to the hour of 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT NO FINAL DISPOSITION OF RESOLUTION OR BILL DEALING WITH EVACUATION AND HUMANITARIAN ASSISTANCE OCCUR ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the final disposition of either the bill, the resolution, or both, dealing with evacuation and humanitarian assistance, not occur on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean, Mr. President, that action on amendments to the measures could be considered on Monday, with any rollcall votes ordered not to occur before 4 p.m., but that final disposition would not occur on Monday. Presumably, it could occur as early as Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE NOMINATION OF THOMAS J. MESKILL TO BE A U.S. CIRCUIT JUDGE FOR THE SECOND CIRCUIT MAY BE CALLED UP ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order for the leadership at some time on Tuesday to call up the nomination of Thomas J. Meskill.

The PRESIDING OFFICER. Without objection, it is so odrered.

ASSISTANCE FOR SOUTH VIETNAM

Mr. GRIFFIN. Mr. President, do I understand that I am recognized for 10 minutes?

The PRESIDING OFFICER. That is correct.

Mr. GRIFFIN. Mr. President, earlier today my vote was recorded as a member of the Committee on Foreign Relations to report a bill to provide certain assistance for humanitarian and evacuation purposes in connection with the situation in South Vietnam. I wish to indicate that while I voted to send the bill to the Senate floor, I have very serious reservations about it.

First of all, the amount provided in the bill is considerably less than the President requested for humanitarian purposes. Secondly, I think there is unfortunate language in the bill that could do more harm than good. We must keep in mind that the evacuation of Americans is a responsibility of the executive branch when and as that may become necessary.

I hope the bill as reported by the Senate Foreign Relations Committee can be modified so as to conform more nearly to the legislation that was reported by the House Committee on International Relations.

Mr. President, I yield the remainder of my 10 minutes to the distinguished Senator from Maryland (Mr. Mathias).

OUR POLICY IN VIETNAM

Mr. MATHIAS. I thank the distinguished Senator from Michigan.

Mr. President, it is patent today that many errors of judgment have been made in setting and in resetting our policy in Vietnam. I personally bear a share of the responsibility for one of the worst such errors made in 1964, when I joined with every other Member of the other body, the U.S. House of Representatives, in approving the Gulf of Tonkin resolution.

I did not, and I do not, believe that the mistake I made on August 10, 1964, in voting for the Gulf of Tonkin resolution, disqualified me from all further useful public service; and, as the record shows, it was not very long before my education on the subject of Vietnam had reached the stage when I recognized my error and, by 1967, I was one of the authors of GRID plan calling for gradual reciprocal identifiable deescalation and withdrawal from Indochina.

Thus it was that by 1969, when Henry Kissinger came to Washington, I had painfully acquired a firm and settled view of what our Vietnam policy ought to be.

This fact brought me into frequent discussion with Henry Kissinger, discussion in which we were often in disagreement. Although we engaged in frequent debate on a series of Vietnam issues, it was a dialog that was useful and, from my perspective, helpful in gaining a deep insight into the problems of Indochina. Not because we always agreed, but in spite of our disagreement, my admiration and my respect for Henry Kissinger have continued to grow.

But I think it is only fair to add that our discussions were not limited to Vietnam, just as Henry Kissinger's activities have certainly not been so narrowly limited. And it is in this area, the world beyond Vietnam, that I would like to recall some of the unique contributions of Henry Kissinger, although such a large part of our attention and our concern are directed today toward Vietnam.

But take, for example, our relations with the Soviet Union, where we have made progress through a wide range of important agreements. Our agreement at Vladivostok was a major achievement in arms control, putting a ceiling on strategic forces for the first time in the nuclear age. It provides the basis for further control measures and force reductions, and I am glad to have been the coauthor and cosponsor of the resolution supporting the agreement in principle reached at Vladivostok, which I think can have one of the most far-reaching effects on the world and I might add, parenthetically, on the American taxpayer in relieving him of the burden of the arms race, of the acts of statesmanship of which we know.

Our relations with the Soviet Union have included the foundations of new trading and cultural and scientific agreements. We have reduced the confrontation over Berlin to the point of near disappearance and the dangerous competition for influence in the third world has been cooled and set aside.

We have totally changed our relationships with the People's Republic of China and we have ended a generation of estrangement and confrontation. Stability in Asia and reduced tension in the world require our engagement with this one-quarter of the world's population. The relationship is on course and aimed at steady development toward more constructive ties in accordance with the Shanghai communique.

I think Henry Kissinger's unique imprimatur on our new China policy is unmistakable.

We have had our ups and downs in the Middle East, but the one thing that we have pursued with determination is peace for that region as well as for the whole world.

We negotiated a cease-fire between Egypt and Israel in 1970 and urged a return to pre-1967 borders. Following the Yom Kippur war Secretary Kissinger undertook an unprecedented displomatic endeavor which brought a ceasefire and disengagement between Israel and its Arab neighbors to the north and south—the first tangible progress in the conflict in 25 years, and which was an achievement, I must say, which surprised both friends and foes alike. Despite the recent interruption in the momentum toward peace, and I hope it is only a temporary interruption, the United States has pledged itself to a continuing active role to prevent a stalemate which would threaten world peace and stability. In the course of the U.S. effort in the Middle East, an end to the oil embargo was negotiated and the United States reestablished diplomatic relations with Egypt, Syria, and Algeria.

I think that Henry Kissinger's personal qualifications have been important to this. When in history has an American Secretary of State had the personal relationships that exist between, for example, Henry Kissinger and President Sadat of Egypt? I know of this relationship not from what Henry Kissinger may have told me, but from what President Sadat has told me about his feelings toward our Secretary of State.

This is an unusual and historic kind

of development in America's relationships with the developing world that I think can be laid to the credit of Henry Kissinger and to no other man.

Or take the case of President Assad of Syria. As every American who has visited Syria knows, a round of calls on government leaders brings on a chorus of harsh rhetoric against the United States and our policy generally and against Israel specifically. Before Henry Kissinger was Secretary of State, President Assad in his speeches spoke of Jerusalem and Tel Aviv as occupied territory. But in his latest pronouncements, he has come to the view that he not only recognizes the legal existence of the State of Israel, but that under certain conditions he would be prepared to see Syria enter into a treaty with the State of Israel.

A very far cry, a very great change, brought about in the point of view of the chief of state who a matter of months ago was still talking about Israel as occupied territory, and a change for which I think our Secretary of State deserves a large measure of credit.

In the domestic field, Henry Kissinger has also played a unique and an important role. At the time that daily revelations of Watergate crimes were rocking the Nation and shattering public belief in a whole array of leaders, the fact that the Secretary of State was on hand, equipped with skill and experience and knowledge, was a source of confidence to millions of Americans.

If any foreign nation or any native malcontent had attempted to take advantage of the national disarray, people felt that Henry Kissinger's influence would be brought to bear to insure that common sense would prevail over hysteria or panic.

I think this is a very special debt that is owed to Henry Kissinger.

Mr. JAVITS. Will the Senator from Maryland yield?

Mr. MATHIAS. I am happy to yield to the Senator from New York.

Mr. JAVITS. Mr. President, the Senator has made a most timely statement with respect to a public servant of enormous value to our country.

We must understand that when there is a failure or a difficulty, a man of great stature is bound to be assailed for it.

One newspaper in my State has called for Henry Kissinger's resignation, and I rise today to join Senator Mathias in stating that I hope he does not resign, that he has great usefulness to our country, that the unique combination of talent and skill which he possesses are enormously important to our country and the Middle East and the Far East, and I hope now applied very ardently to Latin America, Europe, and Africa.

Insofar as the Secretary of State is concerned, he is a very gifted man and because things have gone wrong, as they have in the Middle East and now in Southeast Asia, does not mean that we deal in such a way with a very able and, indeed, brilliant public servant as to nullify his usefulness.

I believe it is important for enough of us to express ourselves on the desire to keep Dr. Kissinger as Secretary of State.

Indeed, Mr. President, so many of us know that precisely because of the reversals he will be a better Secretary of State. It was impossible under the law of averages for him to continue to enjoy the straight succession of successes he did. You cannot be batting 1,000 or even 500 all the time. His record is still unbelievable.

As Senator Mathias has said, the sheer matter of pulling out our troops in Vietnam, a war that could have gone on and on until it would have split this country apart as badly as the Civil War, was enough to validate his enormous credentials to serve as Secretary of State. I hope very much he stays.

I must compliment my colleague from Maryland for having the good judgment and the excellent sense of timing to say what he has said precisely at this time.

Mr. MATHIAS. I thank the Senator from New York for his intervention. I thank him, too, for directing our attention to the future, because I believe the future is what is important now. I must say this to the Senator from New York and to the Senate: As much as Henry Kissinger has given and as much as he has achieved, yet more will be demanded of him.

We are obviously in a time of change. Such times are painful. But they are also times when great progress can be made toward long-deferred goals. The Congress is forging a new relationship with the executive branch. Under the pressure of economic crises and energy problems, the United States and their trading partners are necessarily learning to work together in ways never before imagined.

New international institutions are being created by necessity to deal with questions of population growth and food shortage, and with the increasing awareness that the nations of the world are being inexorably bound together in an interdependent global economy.

When such winds of change are blowing, it is good to have a knowledgeable and an experienced hand on board. Although we may not agree on everything in the future any more than we have in the past, I welcome the contributions that Henry Kissinger could make in the weeks, the months, and in the years just ahead.

He cannot guarantee success any more than any mortal can, as the Senator from New York has just pointed out. I would be the first to dispute any claim that he is always going to be right. But the debates in which he participates will be lively and educational. The jobs that he undertakes will be thoroughly done.

So I take this opportunity to salute the Secretary of State, Henry Kissinger.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains during the period of routine business?

The PRESIDING OFFICER. Until 10 minutes after 2.

Mr. ROBERT C. BYRD. I thank the Chair.

How much time does the distinguished Senator from North Carolina wish?

Mr. HELMS. No more than 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an additional period for the transaction of routine morning business, not to extend beyond the hour of 2:30 p.m. today, with statements limited therein to 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECRETARY KISSINGER'S PLAN FOR DE FACTO TRANSFER OF U.S. SOVEREIGNTY IN THE CANAL ZONE TO PANAMA

Mr. HELMS. Mr. President, I have received reliable information that the Secretary of State, Dr. Kissinger, has approved plans to turn over effective control of police and fire protection and postal services in the Canal Zone to the Republic of Panama. This action, I am informed, is planned without reference to ratification of the proposed treaty altering the status of the zone. In other words, Dr. Kissinger is once again proceeding to implement his unilateral plans without regard to the constitutional processes which his oath of office requires him to uphold.

The information I have received indicates that the Department of State now has begun circulating a new thesis in international and constitutional law to the effect that there is no legal precedent to prevent the transfer of de facto sovereignty to the Panamanian Government following the signing of a treaty draft, solely by Executive order, even in the absence of the advice and consent of the Senate through ratification. Thus eventual ratification, if it ever comes, would merely formalize an already existing situation. Meanwhile, the impact of de facto transfer would have such a devastating effect upon our presence in the Canal Zone, that opposition to the treaty at such a point would be a futile action.

Let us not underestimate the importance of the actions which are proposed. To those of us who live in a relatively tranquil and organized society, police, fire protection, and postal services are taken for granted. Yet for U.S. citizens living in the Canal Zone, the three taken together constitute the first line of personal security. Control over police and fire protection is absolutely essential in case of civil disturbance; and even in ordinary times, residents must have absolute assurance of swift and sufficient assistance in case of isolated emergencies. Such assurance cannot be guaranteed unless the United States itself retains control over security support facilities.

To understand the political significance of the withdrawal of protection, one need only recall the incident of a few months ago, in which the youth arm

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of the covert Communist Party in Panama organized and carried out an assault on the U.S. Embassy in Panama City with the tacit consent of the Torrifos regime. Windows were broken in the Embassy, and a civil disturbance continued around the Embassy premises for several hours before the Guardia National arrived. The nearest Guardia National encampment is no more than 10 minutes away from the Embassy.

Moreover, persistent reports come from Panama that the government is training guerrillas, or allowing guerrillas to be trained at the former U.S. facilities at Rio Hato. One wonders what the purpose is of such guerrillas.

As for postal service, the U.S. citizen working on the canal would have no security whatsoever in his communications with the United States mainland. No doubt U.S. officials would have the security of diplomatic pouches or military communications, but the ordinary U.S. citizen who is an employee of the Canal Company would be entirely cut off from private communication with his relatives and representatives in Congress There is no letter destined for the United States or coming from the United States that would be safe from the prying eyes of the Panamanian Chief of the G–2 section, Lt. Col. Manuel A. Noriega, who operates in close liaison with the Cuban Communists and exercises a sinister influence throughout the Torrijos regime.

Only a few weeks ago in this country there was a public outcry over revelations that our own CIA was exercising surveillance over a handful of letters communicating with suspected subversive agents abroad. Yet, we now contemplate exposing our own citizens who work for the Canal Company to constant surveillance by an anti-American dictatorship. The opportunities for reprisal would be limited only by the inventive mind of power of the Panamanian G–2 section.

The net result of the transfer of these functions to the government of Panama would be a rapid outflow of U.S. citizens from the Canal Zone. There would be few incentives for a U.S. citizen to remain in an uncomfortable and dangerous tropical post. Already, the U.S. community in the Canal Zone is demoralized and disheartened by the constant threat of the State Department goals and actions.

Mr. STONE. Mr. President, will the Senator yield for several questions?

Mr. HELMS. I am happy to yield to the distinguished Senator from Florida.

Mr. STONE. Is this impending action an attempt to do without the advice and consent of the Senate that for which the proposed treaty changes would have required the advice and consent of the Senate?

Mr. HELMS. I say to the distinguished Senator from Florida that no other face can be put upon it. He is exactly right.

Mr. STONE. Has the Senator from North Carolina heard the report that an airfield within the treaty zone has already been turned over unilaterally to the Republic of Panama, its Government?

Mr. HELMS. The Senator, once again, is correct.

Mr. STONE. Does the Senator from North Carolina know of any benefit or gain that is supposedly to be conferred upon the Government of the United States of America in return for these unilateral concessions or giveaways by us?

Mr. HELMS. To the contrary, I say to the distinguished Senator that I can see a disastrous net loss for the United States in the event of such a transaction, which I truly hope will not come to pass.

Mr. STONE. Does the Senator from North Carolina see a parallel in the embarrassment to the Government of the United States of America when actions were taken secretly in Southeast Asia by the executive branch and not shared with the Senate, and then the executive branch was not able to induce Congress to go along with those concessions and commitments and thereby suffered not only loss of face but possible loss of Southeast Asia as well?

Mr. HELMS. As is eloquently implicit in the Senator's question, this is compounding the folly that has now, as the Senator knows, brought distrust upon this entire country and a burden upon the conscience of all the American people as regards Southeast Asia.

Mr. STONE. I ask the Senator whether he feels that every signatory to the resolution submitted by Senator THURMOND, Senator HELMS, and others, urging that the State Department not continue the treaty giveaway, would feel just as the Senator from North Carolina does about these unilateral actions.

Mr. HELMS. Obviously, I cannot speak for the other Senators, but it would be this Senator's supposition that not only would the signatories to the resolution to which the Senator referred object to this proposed action by the Secretary of State, but they would resent it highly as well. I know that I do.

Mr. STONE. The junior Senator from Florida feels exactly as does the senior Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Florida for his questions and for his comments.

Such a precipitate action as proposed by Dr. Kissinger, according to the reliable information reaching me, would cause rapid disintegration of the U.S. work force in the Canal Zone.

It must be borne in mind that almost all the key executive and supervisory positions, as well as important security positions, are held by U.S. citizens. It is important that these key posts be held by U.S. citizens so that in an emergency the canal could be operated by supervisory personnel and the U.S. Army, if necessary. Operating the canal is a difficult and exacting task, where a few simple mistakes could close the canal for months. Any action which encourages the outmigration of U.S. personnel is tantamount to abdication of the U.S. presence there.

In short, Dr. Kissinger is contemplating the de facto surrender of U.S. sovereignty in the Canal Zone, in open defiance of the strong sentiment in the U.S. Congress, as just referred to by the able Senator from Florida. At the present time, the State Department does not have the necessary two-thirds majority to ratify a treaty which surrenders U.S. sovereignty. Thirty-seven Senators, including this Senator, have sponsored Senate Resolution 97, which expresses the sense of the Senate that there be no transfer of our sovereign rights whatsoever—period.

Specifically, the resolution says that:

(1) The Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indespensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) there be no relinquishment or surrender of any presently vested United States sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) there be no recession to Panama, or other divestiture of any United States-owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2, of the United States Constitution.

Mr. President, the question arises, What is Mr. Kissinger up to? What meat does this self-appointed Caesar eat? This Senator is sick and tired of it. Let the press heap upon this man all the flattery and all the praise, but I want to know where his successes are.

Henry Kissinger is like the emperor who has no clothes. Only one little boy stood and said, "I don't see any clothes." And I do not see the successes of Henry Kissinger.

In the matter to which I am referring, clearly the proposed actions have not been authorized by Congress, and in fact, are in direct contravention of the expressed opinions of a sizable bloc of Members of this body. I believe that any effort that the executive branch may take to arrogate to itself the rights provided in the Constitution to the Senate and the House of Representatives could lead to one of the most serious constitutional crises which our country has faced in the 20th century. I doubt very much that a majority of our colleagues in this Senate would tolerate such an arrogation of power by the executive branch, depriving Congress of its constitutional rights in a matter involving sovereignty over territories of the United States.

It seems evident that Dr. Kissinger's strategy was devised only because he realized that his proposed new treaty could not get through the Senate. Once more, Dr. Kissinger has promised what he could not deliver and should not deliver. It is typical of his style of diplomacy, couched in secrecy and calculated ambiguity, that he would devise a de facto arrangement to meet his goals when the constitutional processes precluded his desires. Too often, Dr. Kissinger acts as though his main opponent were not the intransigent enemies of the United States but rather, Congress and the people of the United States. He seems to think that Congress must be outwitted and that the American people must be thwarted. Obviously, he lacks trust in the constitutional processes of this Nation, and seems to have no feel-

ing whatsoever for our national goals and our national aspirations.

I call upon the President of the United States to repudiate this State Department plan to abrogate our sovereignty in the Canal Zone by de facto surrender of critical security functions.

ORDER FOR PRINTING OF COPIES OF SECURITIES ACT AMENDMENTS OF 1975—S. 249

Mr. STONE. Mr. President, on behalf of the Senator from New Jersey (Mr. WILLIAMS) I ask unanimous consent that S. 249, the Securities Act Amendments of 1975, as passed yesterday, be printed and that 300 copies be made available for the use of the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, inasmuch as I now have the floor I will state the program.

There will be no further rollcall votes today.

On Monday, the Senate will convene at the hour of 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the following order: Senators FONG, GRIFFIN, ROBERT C. BYRD, and MANSFIELD; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators allowed to speak for not in excess of 5 minutes each during that period.

At the conclusion of routine morning business, it will be in order for the leadership to call up either the bill or the resolution dealing with evacuation and humanitarian assistance. Both of them will be eligible to be called up during the day, and there will be no rollcall votes prior to the hour of 4 p.m., but rollcall votes may be taken on Monday with respect to amendments or other motions, appeals, or points of order in relation to either the bill or the resolution. The final disposition of either the bill or the resolution or both will go over until Tuesday.

It will be in order on Tuesday for the leadership to call up the Meskill nomination, and there is an agreement limiting time on that nomination. A rollcall vote on the confirmation of the nominee will occur.

It also should be stated that on S. 621, a bill to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and so forth, there is a time limitation agreement, and that that measure will be eligible to be called up any day next week.

I think that about wraps up the statement of the program for Monday. Other matters that have been cleared for action may also be called up.

ADJOURNMENT TO MONDAY, APRIL 21, 1975

Mr. STONE. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 noon on Monday next.

The motion was agreed to, and at 2:10 p.m., the Senate adjourned until Monday, April 21, 1975, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate April 18, 1975:

DEPARTMENT OF STATE

Laurence H. Silberman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Federal Republic of Yugoslavia.

THE JUDICIARY

William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida vice David L. Middlebrooks, Jr., resigned.

IN THE NAVY

Vice Adm. Thomas R. Weschler, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 18, 1975:

DEPARTMENT OF JUSTICE

Jerry N. Jenson, of Illinois, to be Deputy Administrator of Drug Enforcement.

George J. Long, of Kentucky, to be U.S. attorney for the western district for the term of 4 years.

Lawrence J. Semenza, of Nevada, to be U.S. attorney for the district of Nevada for the term of 4 years.

H. Brooks Phillips, of Mississippi, to be U.S. marshal, for the northern district of Mississippi, for the term of 4 years.

CIVIL AERONAUTICS BOARD

John E. Robson, of Illinois, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1977.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before and duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

DISTRICT OF COLUMBIA GOVERNMENT PROCLAIMS THE WEEK OF APRIL 13–19, 1975, TO BE "REALTIST WEEK" IN THE DISTRICT OF COLUMBIA

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. FAUNTROY. Mr. Speaker, the District of Columbia city government has officially designated the week of April 13–19 as "Realtist Week" in appreciation of the fine contributions that the Washington Real Estate Brokers Association has made over its 37-year history, here in the Washington community.

The Washington Real Estate Brokers Association was established in February 1938 by a small group of local real estate brokers who realized that their maximum ability to benefit themselves and the community they serve could be most realized through a united and organized effort.

The Washington Real Estate Association has demonstrated, through its many projects and functions in city development and product growth, to be cognizant and able to see the housing needs of the Washington area. It has also helped to maintain fair and democratic bargaining qualities in the ever growing competitive elements of the housing market.

I am pleased to join our City Council and Mayor in bestowing this accolade of achievement to the Washington Real Estate Brokers Association in recognition of superb community service.

The District of Columbia resolution adopted on April 15, 1975, is as follows:

[Resolution No. 1–62; Date adopted: April 15, 1975]

RESOLUTION OF THE DISTRICT OF COLUMBIA CITY COUNCIL, COUNCIL PERIOD ONE, TO PROCLAIM THE WEEK OF APRIL 13–19, 1975, TO BE "REALIST WEEK" IN THE DISTRICT OF COLUMBIA

Chairman Sterling Tucker Presents the following Resolution:

Whereas, in February 1938, a group of District of Columbia real estate brokers met to discuss problems and exchange ideas relative to their profession, and this meeting resulted in the formation of the Washington Real Estate Brokers Association; and

Whereas, the Washington Real Estate Brokers Association, whose theme is "Complete Community Involvement Now", is the realization of an organized effort by real estate brokers to create better relations among themselves and with the general public; and

Whereas, the Association seeks to assist its members in transacting the business of buying, selling, financing, managing and leasing real property to the best advantage of the real estate profession and the general public, to create democracy in housing and to provide better housing for the community.

Now, therefore, be it resolved by the Council of the District of Columbia that:

Section 2. The Council of the District of Columbia congratulates the Washington Real Estate Brokers Association on their many years of dedicated service to the community, and hereby proclaims the week of April 13–19, 1975, as "Realtist Week" in the District of Columbia.

Section 3. The Secretary of the Council of the District of Columbia shall transmit a copy of this Resolution, upon its adoption, to the Washington Real Estate Brokers Association.

RECORD OF COUNCIL VOTE

Aye

Tucker, Moore, D., Barry, Clarke, Coates, Dixon, Hardy, Hobson, Moore, J., Shackleton, Spaulding, Wilson, and Winter.

I hereby certify that this resolution is true and adopted as stated therein.

ROBERT A. WILLIAMS,
Secretary of the City Council.

Certified copies are available.

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INFLATION AND UNEMPLOYMENT: THE COMMUNIST PARTY'S NEW DRIVE—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the issues raised by the current economic recession are being used by the Communist Party, U.S.A.—CPUSA—and its Soviet masters to promote socialist programs in this country and at the same time encourage Government and business to make economic policy and trade agreements favorable to the Soviet Union.

In the first part of my report on the CPUSA's new mass united front, the National Coalition To Fight Inflation and Unemployment—NCFIU—I pointed out the development of the campaign for involving people in mass actions and demonstrations.

The new April issue of Political Affairs, the theoretical journal of the Communist Party, U.S.A., contains an article by CPUSA General Secretary Gus Hall, "Build a People's Front Against the Economic Crisis," which clearly sets forth the CP's tactical considerations in organizing to take advantage of the economic situation. Hall wrote:

> * * * it is more important to see how the present situation is *not* like the 30's than to talk about the similarities. * * * For instance, in the 1930's one of the most difficult obstacles, especially in the first years, was the tradition accepted by the people that the government has no moral or legal responsibility for the welfare of the people. During the first years of the crisis, welfare was something that only the churches handled. It was looked upon as a 'foreign' idea. It was called a 'dole.' But in today's crisis, in the minda of the people the question is not whether the government should do anything, but rather *what* it should be made to do.

Hall's article stresses the importance to the movement of the "Washington actions * * * including the UAW action of 12,000, the smaller initiative of District 65 and the Teamsters' conference of some hundreds of delegates." The Communist Party leader praises the militance of certain national figures saying:

> The fact that some unions have taken the initiative is of historic significance. Even Meany sounds like an old radical. * * * And Senators Mondale and Kennedy sound like leaders of the Unemployed Councils. But again, they only *sound* like them. We are going to see much more of this kind of development—broader forces, especially forces of the trade union movement, in action. Therefore the struggle starts from a higher level.

Hall predicts that the "Meanys and Abels will take the road of demogogic militancy in responding to the militancy and fighting spirit that are developing in the ranks of labor" to co-opt the CPUSA-led movement.

However, Hall sees how the Marxist-Leninists can take advantage of this attempt:

> Let me add a word of caution. At a moment when there is a spontaneous upsurge, even statements of demogogic militancy have a different quality to them. * * * we must see that in an explosive period they can light a match, even if those who make them have no intention of setting fires. How to use these statements is a very important question.

Hall calls upon the Communist Party's organization for infiltration of the trade unions, the National Coordinating Committee for Trade Union Action and Democracy—TUAD—to mobilize in this economic campaign.

> * * * TUAD should reflect this new situation. It should more and more call for broad united action. The TUAD must become a greater force, putting greater emphasis on influencing the trade union movement as a whole, without giving up the rank-and-file emphasis. It must call for trade union unity of a different basis now than in the past. It should now emphasize more those questions which unite the rank-and-file interests with the tendency towards struggle within sections of the leadership. It should take more initiative in the direction of helping the trade union movement to move into the stream of struggle.

Writing for his comrades in the Communist Party, Hall took pains to point out the importance of NCFIU to the struggle against the free enterprise system:

> As the crisis deepens, the need for organized forms of struggle becomes more urgent. One of the broadest and most active such organizations today is the National Coalition to Fight Inflation and Unemployment (NCFIU). For the present it is the movement that works to unite all forces, and in that respect the Coalition can play a very important role.

Hall continued in detail:

> It works to unite trade unions, housing movements, movements against high prices, movements of the unemployed, movements involved in the fight against racism, middle-class movements, movements of liberals, and students—in short, movements around all the various issues of the crisis. That is the nature of the Coalition. It tends to raise the issues that move in the direction of uniting these different sectors. It is important because for the moment it is the one united movement in the field.
>
> It is a movement in which Communists are active. Therefore our emphasis on the work of the coalitions in neighborhoods is a very key question. The call for a Washington mobilization is not only important as a mass action, but the call for it should also be used to set up neighborhood and city organizations of the Coalition.

Hall has ordered the Communist Party to set up "action centers" for the unemployed, elderly, et cetera. He said:

> Centers must be opened for the people's needs—action centers. There cannot be any hall or center where Communists are active that does not become an action center for the crisis victims. * * * It means simple, immediate organization, not something that is thoroughly planned or fully talked out in advance. When an organization puts out literature people should be told where they can go for help.

The CPUSA boss also made clear in his article the role the party played in the United Auto Workers rally in Washington. He cited as an example of party work "the UAW and Woodcock":

> At first, as we know, they did absolutely nothing. As a matter of fact, when the crisis hit, Woodcock and the UAW leadership were totally paralyzed, unable to say anything that made sense in any direction. This went on for a number of weeks. And then Woodcock made that most idiotic of all statements—that the automobile corporations' profits for the last year have been "paper thin." It is idiotic because the automobile corporations' profits are in the billions of dollars annually. But then, as a result of pressure from the locals there was the call for the Washington action. We have to understand this process.

Indeed, Mr. Speaker, we do have to understand this process which the CP boss has so thoughtfully set out for us. He said:

> We should not exaggerate, but we must recognize that Communists played an important part in this pressure. * * * Communist auto workers played an important part not only in getting the conference called, but also in making it bigger.

One of the main goals of the Communist Party and its Soviet masters is to weaken the defense capability of America's armed forces by encouraging ill-considered massive cuts in the military budget.

This is one of the stated goals of the NCFIU in the mass march scheduled for April 26 in Washington, D.C. In Gus Hall's words:

> Even when we support demands on the government we must raise the question of who pays for the concessions. * * * we must give this an anti-monopoly direction. Our demands must be not only for no tax cuts for corporations, but for the elimination of taxes on workers and the raising of taxes on the corporations. We must inject the idea that the money for the concessions must come from the corporations and the military budget.

In other words, the Communists are seeking not merely a continuation of deficit spending for welfare programs and "pork barrel" items, but an actual cut in replacements for outmoded weapons, research, and development for improved defenses, et cetera.

We in the Congress can expect to see an increase in pressure from groups consciously and unconsciously following the line determined by the Soviets and their agents in the United States. Before deciding to slash the defense budget, we should ask ourselves who is the ultimate beneficiary of such a move.

HOUSE RESOLUTION 358—A STEP BACKWARD

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. EDGAR. Mr. Speaker, the efforts of Mr. Ullman and the other members of the conference committee who labored indefatigably for 3 days on H.R. 2166, deserve the highest praise for their exemplary and dedicated efforts. While I have some reservations about some of the provisions of this legislation, the Tax Reduction Act, I am satisfied that Congress has acted responsibly. The tax cut package will help lower- and middle-income Americans who have been helpless victims of an economy that has been sputtering out of control, and provide immediate assistance to those who have been most affected by the tragic and devastating impact of inflation and recession. In conjunction with the emer-

gency jobs program recently enacted, this Congress now has an aggressive national program to minimize the suffering caused by our financial woes.

However, Mr. Chairman, I was deeply disturbed by the manner in which the conference report was approved. My colleagues in the House of Representatives were requested to vote their approval on $22.8 billion of legislation, perhaps the most significant, and certainly one of the most complex, bills which this body is expected to consider this session, without having the opportunity to study what we were voting on. My distinguished colleague from Hawaii, Mr. Matsunaga, introduced House Resolution 358 which, upon acceptance by a majority of Members. waived rule XXVIII of the House of Representatives. This made possible the consideration of the conference report of H.R. 2166 before 3 legislative days had expired.

Without slighting the work of my colleagues on the conference committee, which I highly praise and support, I was very displeased that a majority of Members accepted House Resolution 358. Rule XXVIII was not instituted to logjam and delay the legislative process, but to allow for a reasonable time to consider legislation agreed to in conference which cannot be amended. I felt that there was no great urgency to approve the report immediately without careful consideration. At the very least, it could have waited until morning. However, my colleagues apparently were more concerned about their recess than about their responsibilities in seeing that their constituents were being represented.

This is the only way I can interpret the motivation of my colleagues in short-circuiting the rights and duties of those of us on both sides of the aisle to have access to the conference report. When the report was finally distributed, the scene in front of the majority table reminded me of a flock of starved pigeons in Lafayette Square, fluttering around a tourist who was doling out stale bread. It was obvious to me that every Member who was on the floor desired to scrutinize as carefully as possible the contents of the report, in what little time he was afforded before he was to cast his vote.

I shudder to speculate about a hypothetical scenario that could occur later this session. What if a conference committee was threatening to continue negotiations through a House recess on a critical energy bill? Would a resolution be introduced by a colleague to approve the conference report not only before a report was in our hands, but even while the conferees were in the middle of negotiations?

I sincerely believe that approving House Resolution 358 was one step backward to the days when decisions of Congress were engineered by a powerful elite. It seemed to me that those who insisted on an immediate passage of the conference report were playing a cruel variation of the once-popular game show, "Beat the Clock." The winner would receive a trip back to his or her home district for a full 10 days.

Mr. Speaker, I supported H.R. 2166. But as I watched the legislative process, I now better understand what I have perceived as an alienation by many voters to the affairs of Government. I am not surprised that my distinguished colleague from Montana, Mr. Baucus, was asked to leave when he entered the conference committee meeting room.

The once closed doors of Government have been slowly opening. There is a mood of reform which may return the Government to the people. But what I saw and heard in this chamber on March 26, when we considered the conference report and House Resolution 358, leads me to recognize that we still have a long way to go to assure that the people will be heard.

TO REQUIRE EMERGENCY GENERATORS IN SENIOR CITIZEN HOUSING UNITS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ST GERMAIN. Mr. Speaker, today I am reintroducing a piece of legislation which has vital importance to the safety of our elderly, specifically a bill to provide emergency power equipment in federally assisted multifamily housing units designed for occupancy in whole or part by the elderly and also to authorize Federal loans to finance the installment of such equipment.

For too long there has been a tendency to build exotic, high rise buildings as housing units without providing proper safety facilities. Of particular concern to me are our nonambulatory senior citizens, housed in structures with elevators, but with no emergency generator power available. More than once I am sure it has happened that an elderly resident, unable to climb or descend stairs, has been trapped in an upper floor housing unit when a sudden power failure has stopped elevator service.

Unfortunately, history has demonstrated that Americans are an after-the-fact society and will overlook the necessity for the installation of this safety feature until events dictate otherwise. Unfortunately, it will probably take a catastrophe, perhaps a fire in which senior citizens must perish or suffer serious injury because there was no alternative escape route available, before action is taken.

It certainly would be both admirable and sensible for Congress to promptly consider the worthiness of this legislation.

Therefore, I am calling upon my colleagues to give this matter the serious attention which it requires.

In further reference to this issue, I would like to draw the attention of Members of the House to the following resolution passed in the General Assembly of the State of Rhode Island on the third day of April 1975, memorializing Congress to provide emergency generators in all housing for the elderly:

> Resolution
>
> Whereas, The housing for the elderly in many instances are above three floors and the elderly during a power failure are unable to use the elevators, and physically unable to use the stairs, emergency generators are necessary; now, therefore be it
>
> *Resolved*, That the general assembly of Rhode Island and Providence Plantations, now requests the congress of the United States to provide for emergency generators in all housing for the elderly; and be it further
>
> *Resolved*, That the secretary of state be and he is hereby respectfully requested and directed to transmit duly certified copies of this resolution to the President of the Senate of the United States, the speaker of the House of Representatives, and to the Rhode Island delegation in Congress.

REPORT SAYS HOUSE OFF TO FAST START

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. FLORIO. Mr. Speaker, in recent weeks the 94th Congress has been subjected to criticism for taking recesses, and criticized by the administration for not addressing the issues and for not reacting expeditiously to proposed legislation. As my fellow Members are fully aware, this Congress has been working very diligently and with great urgency.

I would like to present the following article from the Washington Post which will attest to the efforts made by this Congress and to share with my colleagues this information which is directly in opposition to the above-mentioned criticisms.

> [From the Washington Post, Mar. 27, 1975]
>
> Report Says House Off to Fast Start
>
> (By Mary Russell)
>
> During the first 10 weeks of the 94th Congress, the House put in more work days and passed more major legislation than in the first 10 weeks of any Congress in 30 years, according to a report by the Democratic Study Group, an organization of liberal and moderate House Democrats.
>
> As of the beginning of the Easter recess yesterday, the House was in session 45 days, three more than the previous 10-week high. As of Monday, the total of 61 record votes was more than double the previous high of 27 in 1973. And as of yesterday the House had passed 30 pieces of legislation ranging from a farm measure to the tax bill—a record the DSG said "easily exceeds all Congresses since World War II."
>
> President Ford has frequently chided the present Congress for not acting fast enough on energy and economic legislation and for taking time off.
>
> The DSG attributed the big output to several factors, including "an economic crisis, unmatched since the Great Depression, requiring fast congressional action to put people back to work and to stimulate economic recovery."
>
> It also credited a reform passed last year that required the House to organize for the January session in December, other reforms that "broke legislative bottlenecks" and "made committee leaderships more responsive and accountable", special Democratic task forces that began formulating policies early, and the '74 election that gave the Democrats a 2 to 1 majority.
>
> So far the Senate has passed its versions of 17 of the 30 measures passed by the House.
>
> Major legislation passed by both houses

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and sent to the President includes the tax cut, a suspension of food stamp price increases, a $3.6 billion foreign aid appropriation, and $347 million in emergency railroad relief.

Other measures awaiting Senate action or final action include strip-mining controls, $5.93 billion for emergency employment, a farm bill raising price supports, and a middle-income housing act.

IN SUPPORT OF GENERAL REVENUE SHARING

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. NOLAN. Mr. Speaker, nearly every local government official in the 6th District of Minnesota has urged me to continue general revenue sharing at its present level of funding and in its present form. Never in all my years of public service have I encountered a program that is more universally supported.

There are several sound reasons for the program's widespread support:

First. General revenue sharing has brought many of the hard pressed rural townships and villages in the farmlands of Minnesota from a point of near bankruptcy to a position where long needed repairs on community facilities can finally be given attention.

Second. General revenue sharing dollars are probably among the best used dollars that Congress appropriates each year. Local unit of government know-how to make the best use of these funds for a wide variety of concerns. A local government can expend its share of Federal dollars for repair of a vital bridge that has been declared unsafe or the upgrading of a township road that will allow farmers to use larger trucks for transportation of their produce and therefore reduce the cost of our agricultural produce. These decisions have an immediate impact on the rural areas, whereas the Federal Government decisions often have a less dramatic and more long range general effect.

Third. A greater percentage of funds are used for actual services to taxpayers, and less money is used for administrative costs. Programs designed to allocate revenue for specific Federal priorities must have guarantees that they will be used for that purpose. Thus, they generate administrative costs substantially greater than those generated by the general revenue sharing program.

Fourth. The needs of local governments will not go away if general revenue sharing disappears. General revenue sharing dollars have helped to stem the tide of tax increases. Especially considering recent efforts of the Congress to give the hard pressed taxpayer a boost. It would be foolish to force local units of government to tax away these rebates.

Rural America needs a strong and effective local government, and local government needs Federal general revenue sharing.

SHOULD DETERMINE ECONOMIC IMPACT OF REGULATORY AGENCIES

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. HOWE. Mr. Speaker, many businessmen and consumers are rightfully concerned about the financial and bureaucratic impact of the many agencies Congress creates to regulate various aspects of business.

The goals of these agencies—cleaning up the environment, improving the safety and quality of products and services, improving working conditions, and the like—are certainly worthwhile and laudable. But Congress has often been lax in foreseeing the ultimate cost to government, business, and consumers that setting up these agencies will entail. And Congress has also aften been lax in foreseeing the bureaucratic nightmare that setting up these regulatory agencies can sometimes create.

Congress, under the procedures of the new Budget Committees in the House and the Senate, now has the ability to determine the economic impact of a piece of legislation. In fact these Budget Committees are required to determine and set forth in their reports on legislation what the inflationary impact of the legislation will be, and what the estimated cost of the legislation of Government will be.

Obviously, the Budget Committee of the House and Senate should be especially thorough in making their inflationary impact and cost estimate determinations when they deal with legislation setting up a regulatory agency. It does no good to attempt to improve goods, services, and working conditions if the regulations attempting to make these improvements force the price of goods and services so high consumers can no longer afford them, or force the cost of producing goods and services so high business can no longer afford to produce them, or force the taxes required to finance the enforcement of supposedly beneficial regulations to an outrageously high level. Killing a business with prohibitively expensive regulations is no way to improve it.

Another area of concern is that regulatory agencies sometimes attempt to do their regulating with rules and regulations that businesses find extremely difficult or impossible to comply with, rules and regulations that are so vague the regulated business cannot understand them, rules and regulations that are unenforceable, rules and regulations that generate mountains of unnecessary paperwork, or rules and regulations that conflict with the rules and regulations set down by other agencies.

In view of the problems caused by the way these regulatory agencies sometimes attempt to do their regulating, Congress should certainly be more conscientious in spelling out exactly what an agency will regulate and how it will go about its regulating before its votes that agency into existence. And Congress should certainly be more conscientious in fulfilling its duty to oversee that agency's operation after the agency is established.

I am not accusing all regulatory agencies of operating in a capricious and unreasonable manner. Many agencies do their jobs well for the most part. But there are serious problems caused by the current fad of instantly creating a new regulatory agency every time a social ill is identified.

One of America's prominent business scholars who is concerned about these problems is Murray L. Weidenbaum, former assistant Secretary of the U.S. Treasury, and now director of the Center for the Study of American Business at Washington in St. Louis. Mr. Wiedenbaum discussed some of the problems created by regulatory agencies in a speech delivered at American University in Washington, D.C. on April 12. Mr. Weidenbaum's address was given on the occasion of the 20th anniversary of the establishment of American University's School of Business Administration. The Washington Post carried the following excerpt of Mr. Weidenbaum's speech on April 13:

> A massive expansion of government controls over private industry is clearly under way. Government officials are playing an ever larger role in what traditionally has been internal business decision-making. Yet the new wave of government regulation is not merely an intensification of existing activities: in good measure, it is a new departure.
>
> The traditional notion of government regulation of business is based on the model of the Interstate Commerce Commission. Under this approach, a federal commission is established to regulate a specific industry, with the related concern of promoting the well-being of that industry. Often, the public or consumer interest is subordinated, or even ignored.
>
> In some cases—because of the unique expertise possessed by the members of the industry or its job enticements for regulators who leave government employment—the regulatory commission becomes a captive of the industry which it is supposed to regulate. At the least, this is a popularly held view of the development of the federal regulatory process. In addition to the ICC, other examples of this development which have been cited from time to time include the Civil Aeronautics Board, the Federal Communications Commission and the Federal Power Commission.
>
> Although that type of federal regulation of business surely continues, the new regulatory efforts established by the Congress in recent years follow, in the main, a fundamentally different pattern. Evaluating the activities of these newer regulatory efforts with the ICC type of model is inappropriate and may lead to undesirable public policy.
>
> The new federal regulatory agencies are simultaneously broader in the scope of their jurisdiction than the ICC–CAB–FCC–FPC model. Yet, in important aspects, they are far more restricted. This anomaly lies at the heart of the problem of relating their efforts to the national interest.
>
> In the cases of the Environmental Protection Agency, the Equal Employment Opportunity Commission, the Consumer Product Safety Commission, the Federal Energy Administration, and the Occupational Safety and Health Administration, the regulatory agency is not limited to a single industry. In the case of each of these relative newcomers to the federal bureaucracy, its jurisdiction extends to the bulk of the private sector and, at times, to productive activities in the public sector itself.

> It is this far-ranging characteristic that makes it impractical for any single industry to dominate these regulatory activities in the manner of the traditional model.
>
> Yet in comparison with the older agencies, the newer federal regulators in many important ways operate in a far narrower sphere. That is, they are not concerned with the totality of a company or industry, but only with the segment of operations which falls under their jurisdiction. This limitation prevents the agency from developing too close a concern with the overall well-being of any company or industry. Rather, it can result in total lack of concern over the effects of its specific actions on a company or industry.
>
> If there is any special interest that may come to dominate such an agency, it is the one that is preoccupied with its specific task—environmental cleanup, elimination of job discrimination, establishment of safer working conditions, reduction of product hazards and so forth.
>
> Thus, little if any attention may be given to the basic mission of the industry to provide goods and services to the public. Also ignored may be crosscutting concerns or matters broader than the specific charter of the regulating agency, such as productivity, economic growth, employment, cost to the consumer, effects on overall living standards and inflationary impacts. At times, the process may seem to be epitomized by that proverbial dentist who sees his patient as merely two rows of teeth surrounded by a mass of miscellaneous material.
>
> The result of the new approach to government regulation of business may be the reverse of the traditional situation. Rather than being dominated by a given industry, the newer type of federal regulatory activity is far more likely to utilize the resources of various industries, or to ignore their needs, in order to further the specific objectives of the agency. My personal study of the activities of these new regulatory agencies reveals many negative aspects of considerable importance.
>
> To begin with, it is difficult to criticize their basic approach. One must possess the personality of Scrooge to quarrel with the intent of the new wave of federal regulation—safer working conditions, better products for the consumer, eliminating discrimination in employment, reducing environmental pollution and so forth. And the programs established to deal with these problems have at times yielded significant benefits.
>
> But no realistic evaluation of the practice of government regulation comfortably fits the notion of benign and wise officials making altogether sensible decisions in the society's greater interests. Instead, we find waste, bias, stupidity, concentration on trivia, conflicts among the regulators and, worst of all, arbitrary and uncontrolled power . . .
>
> The agencies carrying out federal regulation are proliferating . . .
>
> The administrative cost of this army of enforcers (approximately $2 billion a year to support a regulatory work force in excess of 63,000) represents but the tip of the iceberg. It is the costs imposed on the private sector that are really large, the added expenses of business firms which must comply with government directives, and which inevitably have to pass on these costs to their customers.
>
> A direct cost of government controls is the growing paperwork burden imposed on business firms: the expensive and time-consuming process of submitting reports, making applications, filling out questionnaires, replying to orders and directives, and appealing in the courts from some of the regulatory rulings. There now are 5,146 different types of approved government forms. Individuals and business firms spend over 130 million man-hours a year filling them out. . . .
>
> Another hidden cost of federal regulation is a reduced rate of technological innovation. The longer that it takes for some change to be approved by a federal regulatory agency—a new product or a more efficient production process—the less likely that the change will be made . . .
>
> The private costs of government regulation arise in good measure from the attitudes of the regulators. To quote a member of the Consumer Product Safety Commission, "When it involves a product that is unsafe, I don't care how much it costs the company to correct the problem." Nobody can fault the commission for not putting its money (and the public's) where its big mouth is.
>
> In one recent case where an offending company had not posted a label on its product bearing the correct officialese ("cannot be made non poisonous"), it was forced to destroy the contents. With little concern about costs, the commission apparently did not think about such economical solutions as pasting a new label on the can.
>
> An expected result of the lack of attention to the costs of regulation is the opportunity for bureaucrats to engage in all sorts of exercises in trivia and on occasion sheer nonsense. What size to establish for toilet partitions? How big is a hole? (it depends where it is). When is a roof a floor? What colors to paint various parts of a building? How frequently are spittoons to be cleaned? . . .
>
> Consider the plight of the small businessman who tries to deal with the Occupational Safety and Health Administration rules without paying for expensive outside assistance. The results stagger the mind. Start with a supposedly simple matter, the definition of an exit. The dictionary tells us that exit is "a passage or way out." For OSHA enforcers, defining exit is a challenge to their bureaucratic instincts and they are not found wanting. To OSHA, an exit is "that portion of a means of egress which is separated from all other spaces of the building or structure by construction or equipment as required in this subpart to provide a protected way of travel to the exit discharge."
>
> Obviously, you have to find out what is "a means of egress" as well as an "exit discharge." Exit discharge is defined merely as "that portion of a means of egress between the termination of an exit and a public way." But OSHA defines "a means of egress" as "a continuous and unobstructed way of exit travel from any point in a building or structure to a public way and consists of three separate and distinct parts: the way of exit access, the exit and the way of exit discharge. A means of egress comprises the vertical and horizontal ways of travel and shall include intervening room spaces, doorways, hallways, corridors, passageways, balconies, ramps, stairs, enclosures, exits, escalators, horizontal exits, courts, and yards."
>
> Unlike the dictionary, OSHA is unable to provide a definition of exit which does not contain the word exit in it. And exit is a comparatively easy one. Try ladder, where the reader literally has to cope with three renditions of the same tedious set of definitions plus one trigonometric function . . .
>
> The operation of the Occupational Safety and Health Act provides a pertinent example of how government regulation can lose sight of the basic objective. A company, particularly a smaller one without its own specialized safety personnel, which invites OSHA to come to the plant to tell the management which practices need to be revised to meet the agency's standards instantly lays itself open to citations for infractions of the OSHA rules and regulations. The law makes no provision for so-called courtesy inspections.
>
> In order to get around the problem, one regional office of OSHA has come up with a beautifully bureaucratic solution. They suggest that companies take photographs of their premises and send them to OSHA for off-site review. After all, if the inspectors do not actually "see" the violations, they cannot issue citations for them! . . .
>
> It is perhaps inevitable, but the proliferation of government controls has led to conflicts among controls and controllers. In some cases, the rules of a given agency work at cross purposes with each other. OSHA mandates backup alarms on vehicles at construction sites but also requires employees to wear earplugs, to protect them against noise, that can make it extremely difficult to hear the alarms. More serious and more frequent are the contradictions between the rulings of two or more government agencies . . .
>
> The simple task of washing children's pajamas in New York State exemplifies how two sets of laws can pit one worthy objective against another, in this case ecology versus safety. Because of a ban on phosphates in detergents, the mother who launders her child's sleepwear in an ecologically sound way may risk washing away its required fire-resistant properties.
>
> In 1973, New York State banned the sale of detergents containing phosphates in an effort to halt water pollution. Less than two months later, a federal regulation took effect requiring children's sleepwear to be flame-retardant. New York housewives now face a dilemma, because phosphates are the strongest protector of fire-retardency. They hold soil and minerals in solution, preventing the formation of a mask on the fabric that would inactivate flame-resistency. What does a conscientious mother do in a phosphate-banned area to avoid dressing her child in nightclothes that could burn up. Smuggle in the forbidden detergent? Commit an illegal act of laundry? . . .
>
> This is not a general attack on all forms of government action. A society, acting through government, can and should act to protect consumers against rapacious sellers, individual workers against unscrupulous employers, and future generations against those who would waste the nation's resources . . .
>
> Because of the very substantial costs and other adverse side-effects that they give rise to, society should take a new and hard look at the existing array of government controls over business. A substantial effort should be made to eliminate those controls that generate excessive costs. Rather than blithely continuing to proliferate government controls over business, alternative means of achieving important national objectives should be explored and developed, solutions that expand rather than reduce the role of the market . . .

PERSONAL STATEMENT

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. BURGENER. Mr. Speaker, on Tuesday, April 15, I introduced H.R. 5989 with a list of cosponsors which contained an error. I have today introduced a new bill with the correct list of cosponsors. I would like to draw my colleagues' attention to the fact that this bill is not cosponsored by Mr. Bolling of Missouri but is cosponsored by Mr. Meeds of Washington.

In order to avoid confusion I list here the actual sponsors of my bill to amend the program of assistance for local educational agencies in areas affected by Federal activity: Mr. Burgener, Mr. Hinshaw, Mr. Goldwater, Mr. Ford of Michigan, Mr. Van Deerlin, Mr. Meeds, and Mr. John L. Burton.

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IN RECOGNITION OF FOOD DAY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. RICHMOND. Mr. Speaker, today is Food Day. All across America people are learning about food—what it is, where it comes from, what goes into it, and how it gets to us.

In dozens of cities throughout the country today, nutritionists, community leaders, doctors, farm groups, and just plain people are talking about food, studying it, trying to understand our food economy, and trying to see where we can make changes in our national food and nutrition policy to better serve the needs of millions of Americans.

In New York City, for example, one activity planned for today is a rally at Bryant Park, in Manhattan, where thousands of people are gathering to hear speakers discuss our food problems, and pose solutions to these problems. I have been asked to speak at this gathering.

What I have to say about America's food policy is not pleasant to the ears of some, but the truth never is. I am inserting a copy of my remarks in the CONGRESSIONAL RECORD today so that others will know my feelings about our food economy, and how I view possible solutions to the problems I see. I hope that today, Food Day, is a day where we can take a few minutes and think about what our corporate food policy is doing to our country. Only by becoming aware of the vast problems facing us in this corporate, profit-oriented food economy, can we seek to provide solutions that will enable us to eat better, less expensively, and more healthfully.

My remarks follow:

WHO MAKES OUR FOOD POLICY

I'm glad of this opportunity to talk with you on FOOD DAY. Eating is such a built-in part of our lives that we don't often think about food.

What it is, where it comes from, what goes into it, and how it gets to us.

And, I'm afraid not enough of us think about why some of us don't have enough to eat.

What I think we need to talk about today is who sets the food policy in this country.

Who is responsible for the production, distribution, and sale of the food we eat?

Who decides why our supermarkets sell only the two most expensive grades of beef, and not the three economy grades?

Who decides to add artificial chemical flavors to our foods without asking us whether we want artificial flavor?

And, who decides to keep prices up when supplies are so great that farmers can't get rid of their crops?

Let's start by talking about something we all know about food—it costs too much.

Consumer prices have risen 40 billion dollars over the last couple of years. But, farmers receive only about 40 cents of the food dollar. A pound of bread contains only seven cents worth of wheat. The rest of the cost goes to the guys in the middle—the millers, the packers, the shippers, the bakers, and the retail stores.

There are some 32,000 food processing companies in the United States today. Fifty of them get over 75 percent of all the profits. The companies that control food processing are large conglomerates—huge corporations that not only force farmers to deal with them by controlling and dividing up markets, but stack price increases one on top of another, and force the consumer to accept them.

Large corporations are involved in all phases of agriculture—from making fertilizer to growing food, processing it, delivering it, and selling it. Their names include Standard Oil, RCA, Greyhound, Ralston-Purina, Illinois Central Railroad, and more. By virtue of their size, these firms control markets, set prices, decide what's in the stores, where it comes from, what it should look like, and, most of all, how much profit they make from it.

Therefore, the answer to the question of who makes America's food policy is not the farmer, not the consumer, but the large agribusiness corporations.

A study by the National Commission on Food Marketing has shown the size and power, and concentration of some of these corporations. For example, 4 firms, National Dairy Products, Borden, Carnation, and Foremost control 70% of all dairy product manufacturing in this country. Four firms control 90% of the breakfast food industry; 4 firms control 65% of the sugar industry; 4 firms control 80% of the canned goods, and just one company, Campbells, makes 90% of the soup.

No wonder food prices are high.

And while retail prices continue to rise, the farmer has been getting less and less. The American farmer is squeezed so badly that one million small, family-type farms have shut down over the last ten years. The corporations set the policy for farmers, too.

But why is all this happening? Why isn't the government promoting the most efficient production systems? Why aren't these large corporations being audited to see whether they are violating anti-trust laws? Who's checking to see how much profits are being made, and whether food prices are justified at their present high levels?

Well, one thing is certain, the Department of Agriculture, and Secretary Butz, who is a former executive of Ralston-Purina, aren't looking out for you, the consumer, or for the family farmer. Secretary Butz contends that corporate farming and corporate control of the food economy is good for you—and he has consistently worked to favor their interests—at your expense.

The Butz philosophy is one of encouraging the takeover of agriculture by the large corporations. Accomplishing this is apparently more important than worrying about driving farm families off their land or worrying about how much the consumer must pay.

Farmers are squeezed by higher fertilizer and energy costs on the one hand, and dominated by corporate control of wholesale farm markets on the other. And consumers, controlled by A&P, Bohacks and Safeway grocery chains, and expected to buy turkey from Greyhound, lettuce from Dow Chemical, or strawberries from Purex, don't have much to say in what they eat, how good it is, where it comes from, or what it costs.

We're forced to buy what we're offered at the price it's offered.

As the only urban Democrat on the House Agriculture Committee, I'm concerned about this exploitation. I fought to get on the Agriculture Committee because of the lack of consumer input in our food policy, and the absence of concern for the nutritional needs of the poor and elderly.

Consumers have not had a voice in setting our food policy, and it is high time the people who eat had as much to say as the people who make us eat it!

Consumers and farmers have been deliberately pitted against one another by the large corporations and by Secretary Butz, and it's time we stood up for ourselves and said: STOP!

When the farm economy gets out of control, as it is now with the secret finances and pervasive influence-peddling of profiteering middlemen, consumers suffer from high prices and shortages that may be deliberately contrived to drive prices even higher, while farmers get less and less.

That's why it's clear that neither farmers or consumers are controlling America's food policy.

What we need is a National Food Policy, that provides adequate production, fair consumer prices, a decent return to the farmer, stability in the marketplace, a thorough investigation of the corporate role in agriculture, and a successful humanitarian food assistance program both here and abroad.

When we're responsible for the food policy, then *we* can be held accountable for our actions. Right now, we must tell the corporate power-brokers that we will hold *them* accountable for *their* actions.

The USDA controls the Food Stamp Program, USDA provides lunches and breakfasts to our school children, USDA is responsible for certifying that our meat is free from contamination; and the USDA is in charge of the largest industry in the United States—food.

Now, it seems that just about every day the Department of Agriculture comes up with a new scheme to keep the profits of the large food processors. For example, I recently sent a letter to Secretary Butz asking him to delay the implementation of new beef grading standards that would make *less* expensive meat cost *more*. Thankfully, the pressure from consumer groups and others has resulted in a delay in these new standards, for the time being. But what we need is a Department of Agriculture that responds to us, not the corporations.

Corporate exploitation of consumers can be vividly seen, too, in the increased advertising for processed junk foods. The can that holds Pringles Potato Chips costs more than the potatoes.

Corporate food barons are responsible for training our babies to eat highly-sugared baby food, thus preparing them for a lifetime of eating excess sugar.

Convenience foods, snack foods, cereals for our most important meal that are nothing but sugar, air and chemicals—these are the products of our corporate food policy.

Food assistance programs, too, are in constant need of consumer vigilance, to prevent them from being emasculated by the Ford Administration and Secretary Butz, who feel that we must cut the budget by sacrificing the health of our children. We have had to fight in Congress to maintain the child nutrition programs that our children depend on. I introduced Senator McGovern's Comprehensive Child Nutrition bill in the House and, because of the work he has done, and the efforts of many Representatives, a bill is now before the House that will improve and expand these vital programs.

Next week, I will be introducing an emergency food stamp bill, designed to shorten the long lines at our food stamp application centers.

It is inhumane to make people wait months and weeks for food stamps when they need assistance now. This legislation will allow for on-the-spot certification of the most needy food stamp applicants. Also, stores, post offices and other public places will be required to display information and application forms for food stamps. It is estimated that only half of those eligible for food stamps are now receiving them, and we need food stamps for people who are hungry today, not two months from today.

The other food assistance program that needs changing is our Food for Peace Program. Food for Peace provides free food and also sells food at low interest rates to needy countries. Unfortunately, the Departments of Agriculture and State have been using this program to further our worn out foreign policy. The *suddenly* wealthy Arab oil nations are *suddenly* receiving more of our food assistance, while hungry nations in Africa and Asia, nations that are literally starving to death, are receiving less.

It is disgraceful to use humanitarian food assistance for political reasons.

I'm sure you won't be surprised to learn that this program is used, with the help of Secretary Butz, to finance corporate takeovers of agriculture in other countries.

So once again we see it is not farmers who are controlling our food policy, and it is not consumers, but it is the large agribusiness corporations.

It's time we stop the ITT's and Standard Oil's from controlling our food imports, as well as our domestic production.

That policy can be changed. Volunteers in my offices in Brooklyn are working on projects for New York City residents that hopefully will teach us more about food and the corporate food economy, and will provide more efficient food delivery at cheaper prices.

Most of the food that comes to New York come from far away, and it costs a lot to get it here. Fifty percent of our fresh fruits and vegetables come from Florida and California; only 20 percent of our eggs come from around here; most all our meat comes from west of the Ohio River, along with much of our processed fruits and vegetables. We get tomatoes from Mexico, because middlemen can buy them cheaper there. But, they wind up costing us more here in New York City.

There is no physical reason why New York State, New Jersey, which used to be known as the Garden State, or any other surrounding area could not provide more food to New York.

But we can change that. Right Now. We are working with farmers in upstate New York to set up a direct delivery system to New York City that can supply food cooperatives with fresh food for city tables.

We are devising an action handbook for residents to use to set up food co-ops.

We are trying to get funds for a pilot program to assist city people in home vegetable gardening. In these ways we hope to provide more fresh, wholesome foods to people without the wasted expenses of advertising, fancy packaging, unnecessary processing, corporate jets, and the self-serving rhetoric of profiteering big business.

We must prove that the corporate giants can be fought.

We need better nutrition information, too.

The government spends billions on medical research, hundreds of millions on animal research, and next to nothing on human nutrition research. How do we know what all these food additives do to us? How do we know what gas-ripened, pre-packaged, thick-skinned, chemically grown, tasteless, mass-produced tomatoes do to our insides?

It is time for a realignment of the nutrition priorities which our government practices.

The government hasn't listened to us, but they listen to the corporate special interests.

Until we as consumers, along with farmers, demand to be heard, we will be ignored.

There are several things we as consumers can do right now, to move down the road toward a sound national food and nutrition policy. In Congress, we can create a reserve program for grains and other basic crops, to prevent foreign wheat sales that drive our prices up; we can take the politics out of food aid.

We can improve and expand and coordinate Federal nutrition research.

We can investigate the concentration and lack of competition by large corporations in our farm economy.

We can limit Federal farm programs to family farmers, to prevent corporate conglomerates from getting government help.

And we can begin to look at each aspect of our food industry in terms of what would be a good food policy for America.

We must realize that we can work towards a good food policy, one, that represents your needs, not the needs of the agribusiness corporations.

Start with yourself. Become involved in a food co-op, start to see whether the large chain stores in your area keep their prices artificially high; grow a garden; find out about the food stamp program. Learn about who grows your food, who sells it to you, and what's in it. Learn who the corporations are that grow your chickens, your beans and your bread.

And, perhaps, there are some ideas, such as ones I have been discussing today, that we can begin to work together on, along with our friends on the farm.

We need a food policy that we can stomach.

We don't need a food policy that represents just corporate interests.

We don't need a food policy that represents just farmers.

We don't need a food policy that represents just consumers.

What we need—is a food policy—that represents all of us.

MEMPHIS' HIGH SCHOOL DRILL TEAM VISITS CAPITAL CITY

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. FORD of Tennessee. Mr. Speaker, I would like to call the attention of my colleagues to the Reserve Officers' Training Corps—ROTC—National Drill Team Convention which will be held Saturday, April 19, on the grounds of Fort Myer. Participating in this event, sponsored by the ROTC program at Georgetown University, will be some 55 teams from high schools around the Nation. I am especially proud to welcome to the Capital the ROTC drill team representing Woodale High School of Memphis, Tenn. This group of talented young women has attended the convention for the past 5 years and has consistently been one of the top award winners.

The drill competition will be based on the performance of a number of intricate formations executed, as always, with remarkable grace and precision. The afternoon will be highlighted by a demonstration of drill skills by the widely respected U.S. Army Drill Team stationed at Fort Myer.

While in Washington, D.C., the group from Memphis, escorted by Mrs. Irene Barnes and Lt. Col. John Torode, will be touring Arlington National Cemetery, Mount Vernon, and the White House as well as attending the performance of the celebrated Marcel Marceaux at the Kennedy Center for the Performing Arts.

I would also like to take this opportunity to complement the organizers of this convention for the long hours and outstanding work they have put into this affair. This Saturday's program provides these dedicated young people with a chance not only to display their well-developed drilling ability but also a chance to meet other students from across the Nation interested in ROTC.

Again, I extend a warm welcome to the Woodale High School Drill Team and invite the Members of Congress to attend the drill demonstrations this Saturday at Fort Myer.

FARM BUREAU PRESIDENT SAYS GOVERNMENT IS HAMPERING ECONOMY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ASHBROOK. Mr. Speaker, some people are counting on the Federal Government to solve our current economic problems. This is highly ironic. It is the Government that has created many of these problems in the first place.

William Kuhfuss, president of the American Farm Bureau, recently criticized the adverse role played by the Federal Government. Kuhfuss blasted the irresponsible Government spending and stifling bureaucratic regulations that are hampering our economy.

According to Kuhfuss:

> Government-fed inflation continues to push up farm production costs in the face of declining farm prices while wages and costs of processing keep retail prices high.

Yet some Congressmen are urging even larger spending measures.

In addition, Kuhfuss pointed out that the Federal regulatory bureaucracy must bear its share of the blame for the economic slowdown. Kuhfuss stated:

> The continuing growth of government regulatory bodies with its accompanying pyramiding of regulatory procedures, administrative law, and bureaucracy is strangling the efficient operations of both business and agriculture.

I agree with the comments made by Mr. Kuhfuss and I am including his remarks in the RECORD:

GOVERNMENT MONEY ACTIONS, RULES ARE HAMPERING ECONOMY

Inflation is still the number one problem for all segments of the U.S. economy—consumers, businessmen, and farmers—William J. Kuhfuss, president of the American Farm Bureau Federation, said March 24 in addressing a rural-urban dinner sponsored by the Steuben County Farm Bureau in New York.

"Government-Fed inflation continues to push up farm production costs in the face of declining farm prices while wages and costs of processing keep retail prices high," the national farm leader pointed out.

Kuhfuss said that prospects of a fiscal 1976 budget deficit of $100 billion or more is "brightening," but some members of Congress continue to press for even large spending measures than those recommended by the Food Administration.

Aside from being a major factor in inflation, Kuhfuss said, government borrowing to cover these deficits competes with private borrowers who need capital funds for plant construction, equipment, and housing.

"Currently 60 percent of total funds raised in the money market are absorbed by government borrowing—federal, state, and local—and the new deficit financing may boost this figure to 80 percent," Kuhfuss said.

"This drain by government does not leave much for private expansion and the development of resources. The competition of government and business for the limited number of dollars available in the money market led to the high increase rates of recent months."

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"Tax rebates and make-work projects are of nominal value in providing the capital needed to put the economy back on the road to recovery."

The continuing growth of government regulatory bodies with its accompanying pyramiding of regulatory procedures, administrative law, and bureaucracy is strangling the efficient operation of both business and agriculture, the loan leader said.

"According to a study made by Washington University at St. Louis, in a span of 15 years there have been 29 major enactments of laws which have swollen the regulators of business to a total of 63,000 bureaucracies at an annual cost of $2 billion.

"No one will ever know the part this gigantic growth of the federal regulatory bureaucracy has played in bringing the American economy to its present slowdown, or how much it has added to the cost of doing business—a cost that is ultimately borne by the consumer.

"In addition to hampering the day-by-day operations of farmers, the EPA hastened and intensified the energy crisis by reducing the efficiency of automobile engines, restricting the consumption of coal, and by delaying construction of atomic power plants and the Alaskan pipeline.

"It would seem that the obvious remedy would be at least a partial elimination of the suffocating regulation that has stymied our transportation system and discouraged the needed production of natural gas and oil.

"Take, for example, the price controls on natural gas. We are running out of natural gas and price controls are working against finding more. The average price of all controlled gas this year is 31 cents per 1,000 cubic feet in contrast, the city of Austin, Texas, is paying a Texas producer $1.90 for uncontrolled intrastate gas."

NATIONAL LIBRARY WEEK

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mrs. SPELLMAN. Mr. Speaker, on the occasion of National Library Week—April 13–19—I wish to pay special tribute to the librarians of the Greater Washington area, many of whom live and work in my district.

Library and information service is a vital part of our national heritage, and I, for one, am proud of the many excellent facilities which exist in the Metropolitan Washington area.

I would like to pay special tribute to all of the librarians in Prince George's County who have done so much to stimulate and encourage reading and who have excelled in enriching the cultural milieu of the residents of our county.

I would like also to honor the District of Columbia chapter of the Special Libraries Association, which counts among its members many librarians serving in federal agencies throughout the Greater Washington area.

The Special Libraries Association is an international nonprofit organization of more than 8,500 librarians and information experts. Special libraries serve not only the agencies of the Federal Government, but also industry, business, research, educational and technical institutions, newspapers, museums, and other organizations, both public and private, requiring or providing specialized information.

More and more, we as a nation—and indeed the whole world—are faced with an "information explosion," and how to organize this information, so that it is readily available to each and every person who may need it, is a monumental task. This is the task of librarians and other information specialists.

On the occasion of National Library Week, therefore, I urge all my colleagues to take cognizance of the important service rendered by all our Nation's libraries, the public libraries, the school and college libraries, and all the many special libraries. And I send special greetings to all the libraries and librarians in Maryland's Fifth Congressional District.

THE GREAT CANDY BAR CAPER

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ROSENTHAL. Mr. Speaker, the National Confectioners Association, NCA, has petitioned the Food and Drug Administration for permission to stop printing weight information on labels of candy bars weighing two ounces or less.

The association, whose members make 85 percent of the confectionery in this country and whose motto is "Eat candy the energy food," contends the removal of weight information will help consumers. The reasoning is that if candymakers no longer have to print new labels every time they reduce the size of the candy bar, they would not have to pass these printing costs on to their customers. With friends like that, consumers do not need any enemies.

Candy bars in the past few years have been shrinking steadily while the price has going in the opposite direction. It is nearing the point where the wrapper and cardboard stuffer soon will outweigh the candy.

The industry offers the familiar old threat that unless it gets its way it will mean "higher costs and less value for consumers because of a need to establish package weights at often overly conservative weight levels." This is a smokescreen behind which industry is trying to hide the fact from consumers that contents steadily are shrinking and will continue to do so. FDA files are full of letters from consumers expressing their alarm over shrinking contents of small candy bars. Some of these letters go back a decade or more.

NCA says this dispensation is necessary because raw material price fluctuations have forced rapid and frequent adjustments of size and price of these candy bars. It contends the new regulation will save money by avoiding the necessity to reprint wrappers each time the industry shrinks its candy bars.

Anyone who is so naive as to believe that any possible savings to manufacturers in this respect will be diverted to making larger candy bars instead of larger profits is diluting himself. Nevertheless, any possible savings consumers could conceivably receive by virtue of industry removing weight information from labels will be far outweighed by the enormous potential for consumer abuse.

An industry spokesman has told my office that a 1¼ ounce candy bar, for example, sells for $0.15, although the manufacturer could afford to sell a bar 20 percent larger—1½ ounces—for the same price. But it does not, he explained, in anticipation of possible future ingredient cost increases. In other words, the manufacturer is deliberately shortchanging consumers. In fact, NCA states that the combination of long leadtimes in printing wrappers and "gyrating ingredient costs" have resulted in "higher costs and less value for consumers because of the need to establish package weight at often overly conservative weight levels."

This is blatant admission that industry already is shortchanging customers and plans to keep doing so if it does not get its way—and then there would be no way for the consumer to police the marketplace for himself.

With weights printed directly on individual wrappers, consumers can know immediately the size of the candy bar. The industry suggests this be replaced by counter cards or larger containers with the weight information. This is wholly unrealistic. One need look at any candy counter to know why. This will cause enormous clutter and confusion, and no doubt be abandoned quickly.

Should this petition be granted, the Food and Drug Administration does not have the resources or, in my opinion, the inclination to enforce the new regulation. Evidence of this can be seen very clearly in enforcement of regulations requiring retail groceries that sell artificially colored oranges and potatoes to post a sign to that effect on sales bins or counters. This is not being done. In a letter dated January 20, 1972, to Dr. Michael F. Jacobsen of the Center for Science in the Public Interest, FDA Commissioner Edwards stated he considered lack of compliance with regulations covering artifically colored food to be "a minor labeling violation" posing "no health hazard" and therefore FDA has not enforced the law in that respect. It is entirely plausible that the same policy of nonenforcement would be extended to candy bars. That alone would be sufficient reason to reject the petition.

With removal of weight declarations from candy bars weighing two ounces or less which represent approximately 47 percent of the industry's annual sales, according to its own figures, consumers will have virtually no way to tell the contents are shrinking. This, in my opinion, is precisely the intent of the National Confectioners Association's petition.

As chairman of the House Government Operations Committee's Special Consumer Inquiry in 1969, I conducted an investigation of shrinking contents of consumer food packages, including candy bars. I have updated some of the results and they are attached. Briefly, they show, for example, that Peter Paul Almond Joy candy bars that cost $0.05 an ounce or $0.80 a pound in 1961 today are over $2.08 a pound. While price has been going up, quality has been going down; in 1965 the first ingredient listed was milk chocolate, today it is sixth in order of predominance, right after hydrogenated vegetable oil.

Today's consumer is becoming increasingly conscious of the cost and quality of the food he purchases and this includes candy bars. Removal of weight information on candy bars would be a great disservice to consumers and a setback to their ability to help regulate the marketplace. It is my understanding that even major segments of the candy industry do not support this proposal. Americans last year spent over $1 billion on candy bars, and $2 billion for dentists to fill cavities in their teeth. Candy is chocked full of empty calories and has negligible nutritional value.

I strongly urge Members and constituents to write to the Food and Drug Administration urging rejection of this self serving petition and thereby removing its enormous potential for serious consumer abuse.

The investigation of shrinking contents of candy bars follows:

	Unit of quantity	Price per—	
		Ounce (cents)	Pound
Peter Paul Almond Joy:[1]			
1961	2 oz/10¢	5	$0.80
1965	1¾ oz/10¢	6	.96
1969	1½ oz/10¢	6.7	1.07
1974	1¾ oz/15¢	9	1.44
1975	1.15 oz/15¢ [2]	13	2.08
	1.25 oz/15¢ [3]	12	1.92
Hershey's Milk Chocolate Bar:			
1960	1 oz/5¢	5	.80
1963	⅞ oz/5¢	5.7	.91
1968	¾ oz/5¢	6.7	1.07
1975	1.05 oz/15¢	14.3	2.29
Clark Bar:[4]			
1960	1⅛ oz/5¢	4.44	.71
	2 oz/10¢	5	.80
1965	1⅞ oz/10¢	5.3	.85
1967	1¾ oz/10¢	5.7	.91
1975	1.5 oz/15¢	10	1.60
Baby Ruth:[5]			
1960	2.9 oz/10¢	3.45	.55
1963	2.4 oz/10¢	4.17	.67
1968	2.1 oz/10¢	4.76	.76
1971	1.7 oz/10¢	5.88	.94
1975	1.7 oz/15¢	8.82	1.41
Life Savers:[6]			
1961	.9 oz/5¢	5.56	.89
1969	.81 oz/5¢	6.17	.99
1975	.65 oz/15¢	23	3.69
Peter Paul Mounds:[7]			
1961	2⅛ oz/10¢	4.7	.75
1965	2¹⁄₁₆ oz/10¢	4.85	.78
1969	1⅝ oz/10¢	6	.86
1975	1½ oz/15¢	10	1.60

[1] Today's price is 144 percent of what it was last year and 179 percent of 1969. In 1965—1st ingredient was milk chocolate, today it is 6th on the list of predominance.

[2] Vending machine.

[3] Counter sales.

[4] Today's price is 176 percent of what it was in 1967.

[5] Today's price is 186 percent of what it was in 1968.

[6] Today's price is 373 percent of what it was in 1969.

[7] Price today is 167 percent of what it was in 1969.

REMARKS ON H.R. 5901

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. LEVITAS. Mr. Speaker, although no recorded vote was taken, I would have voted in favor of the bill, H.R. 5901, the Education Division and related agencies appropriations for fiscal year 1976, which passed the House on April 16. I wholeheartedly endorse the continuation of funding for our Nation's education programs as they are a necessary and vital portion of the national fabric. While this Congress debates the economic problems of the present day, we cannot forget the future. This legislation is a major investment in that future to make it fuller, more productive and richer for our Nation's greatest resource—our children. Among our national priorities, education must continue to rank among the highest.

ANALYSIS OF THE NATIONAL OIL RECYCLING ACT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. VANIK. Mr. Speaker, in my earlier remarks in the RECORD on April 15 at page E1732 I outlined the critical need that exists for a national policy on waste oil recovery. To provide guidance to the Federal Government in this vital area of resource management, I have introduced with the sponsorship of 45 of my colleagues, the National Oil Recycling Act of 1975. I would like to explain briefly the major provisions of this legislation.

Sections 1, 2, and 3 of the bill provide the short title, a statement of findings, and the definitions for the legislation.

Section 4 makes some necessary tax changes to equalize the tax treatment of rerefined oil. Currently for nonhighway use of lubricating oil—an important market for the rerefiner—new oil is exempted from any excise tax. The IRS, in a decision of questionable merit, has determined that rerefiners cannot be similarly exempted from the payment of tax on new oil blended into their final product. As the result, the Federal Government is currently allowing off-highway sales of new oil to go untaxed, while imposing a partial tax on rerefined oil.

My legislation equalizes the tax treatment of rerefined oil by allowing rerefiners to claim an exemption on the new oil they use to blend with reprocessed used oil. I am gratified by the recent tentative decision of the Ways and Means Committee to accept this provision in the comprehensive energy legislation the Committee is currently drafting. It is estimated that the revenue loss from this tax change will be less than $10 million.

Section 5 directs all Federal officials to encourage the use of recycled oil through a government program of procurement and education.

Section 6 establishes a program of grants to states which submit to the administrator of EPA a qualified waste oil management plan. To qualify for grants under this section each State plan must:

First, require the licensing of waste oil collectors and recyclers;

Second, provide for State government procurement of recycled oil;

Third, require all persons who sell automotive oil within the State to maintain used oil collection facilities;

Fourth, prohibit the use of waste oil for dust control on roads; and

Fifth, educate the public and private sectors of the hazards of indiscriminate disposal of waste oil.

Each State would be limited to $200,000 per year in grant assistance under this section, and no State may collect more than $500,000 over a period of 5 years.

The intent of this section is to recognize that the principal responsibility for establishing waste oil recovery programs must fall to the State and local governments. The proper role of the Federal Government is to encourage the establishment of these programs but not to implement or subsidize them. For this reason the act provides that funding under section 6 be limited each year and that all Federal funding of State programs be terminated after 5 years.

Section 7 provides that Federal law shall not preempt those State laws which provide for the stricter regulation of the sale, use, and disposition of lubricating oil. The Administrator of EPA is responsible for making any such determination under this section.

Section 8 attempts to confront the problems that have arisen concerning the labeling of recycled oil. Currently, rerefiners under direction of the Federal Trade Commission must label their product "previously used." The intent of this FTC regulation is to prevent rerefiners from misrepresenting recycled oil as new oil.

Oddly, when the FTC issued this trade regulation in 1965, it avoided the issue of the public benefits of recycling as well as the issue of the quality of rerefined oil. As the Commission stated, in issuing its ruling,

> The value of the service rendered by this industry is not germane to this consideration, nor is the equality of reclaimed oil involved here. It is not necessary, therefore, for the Commission to pass on the relative merits of new and reclaimed oil.

In 1971 FTC Chairman Miles Kirkpatrick wrote me that the Commission would re-examine its position on the labeling rule when "valid, impartial scientific tests" are available which indicate recycled oil is equivalent in quality to new oil.

The labeling provisions of the National Oil Recycling Act will address the current difficulties in establishing fair and equitable labeling regulations for lubricating oil. The Administrator of EPA is given wide latitude in establishing labeling regulations on recycled oil which will preempt current FTC requirements. These regulations should reflect not only a resolution of the matter of rerefined oil quality but also the benefits to the public health and environment which will arise from the encouragement of oil recycling.

Section 9 provides for the regulation of nationwide retail sales of automotive oil. Currently, the EPA estimates that up to 45 percent of all automotive lube oil is sold over-the-counter at retail outlets, such as grocery stores, drug stores, and

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department stores. These sales represent about 500 million gallons per year.

Typically, consumers who buy lube oil at retail outlets are changing their own automotive oil. Because there is no convenient way of disposing of their used oil drainings, the "self-changer" usually gets rid of his waste oil in the quickest and easiest way possible—by dumping it down sewers, pouring it into bushes, or throwing it into a garbage pail.

By providing a resealable container—such as the plastic lid that now covers most coffee cans—the producers of lube oil can make it convenient to recycle their product. Further, according to an interview survey of lube oil consumers in California conducted by Teknekron, Inc., almost 80 percent of those people surveyed reported that they would return their oil container if the deposit on that container were up to 30 cents. On the basis of this research, the National Oil Recycling Act calls for a 30-cent-per-container deposit on all automotive oil sold over the counter.

Section 10 outlines a program of Federal research which is geared to resolving the major issues surrounding lubricating oil. Basically, this program is broken into two parts. First ERDA is directed to develop a solution to the controversy over lube oil quality. Already, the Bartlesville Energy Research Center has initiated a program to define economic testing procedures for evaluating the quality of rerefined oil as well as investigating new procedures for rerefining waste oil.

Unfortunately, up until now this research has been low key and underfunded. Currently the program is budgeted at about $220,000 per year. However, the program could effectively use a budget at least twice that much. Therefore, the National Oil Recycling Act calls for an expenditure of $500,000 for this research.

The second aspect of the act's research program directs EPA to investigate the public health and environmental impacts of various waste oil disposal practices. Although a good deal of research has already been done in this area, much of it has been inconclusive. More time is needed to assess the long-term health impacts of indiscriminate waste oil disposal.

In addition, EPA is directed to investigate the problem of sludge disposal from rerefining. Most rerefiners in business today use an acid-clay treatment process to rerefine their oil. Briefly, waste oil is mixed with sulphuric acid and then filtered through a bed of clay. The residue from this process is sludge composed of acid and other contaminants removed from the oil. If it is not carefully handled, this sludge can pose serious environmental hazards. For this reason the EPA is directed to find a satisfactory solution to the sludge disposal problem.

Section 11 prohibits contracts the intent of which is to discourage the recycling of used oil. For example, a serious problem could arise if the major oil companies, who are already reluctant to encouraging recycling of used oil, decided to use their market leverage with their branded dealers to prevent the sale of recycled oil at gas stations.

Section 12 addresses the problem of controlling waste oil generated by industry. By establishing a comprehensive recordkeeping requirement on all users of over 100 gallons per year of industrial oil, the act provides a means by which the fate of this oil can be traced. Already there is an incentive for many companies to recover their own oil through in-house recycling. For this reason more stringent regulations on industrial oil appear to be unnecessary beyond current pollution control laws.

Section 13 directs the Administrator of EPA to report to Congress on his research activities under the act. In addition, he is directed to file a comprehensive annual report to Congress which will profile the national waste oil problem. The annual report will also profile the State waste oil management plans funded under section 6 of the act. Separately, the Administrator of ERDA is directed to report to Congress on research his agency conducts under section 10.

Section 14 is designed to remove any obstacles to oil recycling which may arise from the withholding of patent rights. Under this section the Administrator of EPA is empowered to order the licensing of a patent—for example, a patent covering a new rerefining process—if he finds that such a step is essential to the accomplishment of the act's purposes.

Section 15 provides penalties of imprisonment of up to 6 months and fines up to $25,000 for each violation of the provision of the act.

Section 16 directs the Administrator of EPA to coordinate his activities under the act with other agencies involved in the waste oil problem: DOD, ERDA, Treasury, FTC, and the GSA.

Section 17 authorizes $4 million annually for each fiscal year through 1980 to be dedicated to the State waste oil management plans established under section 6. The section also authorizes $500 million each year to both EPA and ERDA in order to accomplish their research objectives under the act.

Section 18 generally provides that the effective date for the act shall be 90 days after enactment.

FOOD DAY

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. WEAVER. Mr. Speaker, today marks the commemoration of the first annual Food Day, organized by the Center for Science in the Public Interest to focus public attention on national and international food problems.

World food hunger is a very real threat. Mushrooming population growth is already putting a severe strain on food supplies in third world countries. Long-range climatic changes are cutting down on productivity. In England, a 1° drop in the yearly mean temperature has resulted in a 2 week shorter growing season. Drastic transformations can render entire regions agriculturally useless—the sub-Saharan droughts are a grim reminder.

I am deeply troubled by the specter of hunger. It is imperative that we use our food resources wisely. We can start by establishing national food reserves and monitoring the power of the huge food corporations. Also, we need to educate ourselves so we are no longer bound by food prejudices which prevent a creative use of vegetable proteins in our diet. Ten pounds of grain protein go into 1 pound weight-gain beef protein. Cattle can produce good meat on grass.

Now is the time for the United States to begin intelligent planning to avert a potential disaster, and Food Day reminds us that this is a priority.

CONTROLLING CHLOROFLUOROMETHANE—II

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ASPIN. Mr. Speaker, today I am reintroducing, with 24 cosponsors, legislation to prevent the potentially disastrous consequences of the continued use of chlorofluoromethane—freon—in the quantities now used.

Almost a year ago, the warning was sounded that chlorofluoromethane release might cause a reduction in ozone cover, with attendant severe biological effects. At that time, the industry response was to dismiss the warnings as "unfounded speculation." Since then, a great deal of experimental and theoretical investigation has been carried out. Stratospheric chemists all over the world have been looking at the original work in an attempt to discover a flaw. Some of the numbers have changed, as our knowledge of the chemistry of the upper atmosphere expands. But no fundamental challenge to the original work has been sustained.

Uncertainties remain in the quantitative estimates. Some unsuspected factor may still crop up to significantly change the conclusions of studies to date. But the idea that unlimited release of chlorofluoromethane into the atmosphere is perfectly safe is no longer really tenable. Our only responsible course is to proceed now on the assumption that some limitation is necessary, and work as best we can with the limited information available.

The bill I reintroduce today is designed to deal with that conception of the situation. This legislation attempts to respond to two potentially conflicting demands. The problem is serious and immediate, requiring speedy legislation. But the scientific background is not yet well known, requiring more investigation. The only solution is to enact now the criteria to be used in deciding how much freon the environment can stand, and let the quantitative limit be determined by the result of scientific inquiry.

This legislation would proceed in two stages. An evaluation would be made on biological, medical, and ecological grounds about how much reduction in ozone cover could be allowed without posing a substantial environmental threat. Then an estimate would be made of the amount of annual chlorofluomethane release which could be permitted each year without, in the steady-state situation, exceeding the ozone-reduction limit first established.

Both determinations would be made by the Environmental Protection Administrator, with scientific advice from the National Academy of Sciences and the National Aeronautics and Space Administration. Modest authorizations are included for the required studies. The Administrator would have 2 years to make an initial set of determinations. If administrative delays caused the determinations to be postponed beyond that date, a set of fallback numbers would go into effect, based on the best presently available estimates. The Administrator's initial determination would not close the matter; he would continue to have the authority to modify the numbers as more evidence came in.

Once we have determined how much chlorofluoromethane release should be permitted, there remains the further problem of making that limit effective.

We face a choice between trying to regulate in this area by administrative decree and making the market system work to solve the problem. Sometimes, regulatory authority is the only real possibility. But in this case, I think a simpler solution is feasible.

This bill proposes that licenses to produce chlorofluoromethane be sold at public auction. None of the substance could be produced without a license, and the number of licenses would be limited by the determination of the safe rate of release. The auction process would define an effective price for chlorofluoromethane which reflected not only the cost of production, but the use of another scarce resource: The limited ability of the atmosphere to absorb the substance without severe environmental effects.

High-priced freon would not be used as casualty as the low-priced freon of today. Measures would be taken to recycle the substance from old cooling units as they are discarded, rather than throwing them away and allowing the chemical to escape into the atmosphere. The use of chlorofluoromethane-propellant aerosol cans would be cut drastically, as the price of propellant skyrocketed. An economic incentive would exist to search for environmentally safe substitutes.

Such restrictions imposed suddenly, without warning, could cause severe economic dislocations. But this legislation provides for a 2-year delay between enactment and regulation. In addition to providing time for further study, this will allow orderly planning by producers and consumers.

Passage of this legislation would by no means provide a complete solution to the problem. The United States produces and consumes only half of the world's chlorofluoromethane. Eventually, a set of international agreements would be required to control a worldwide problem. But the control of the U.S. share of the problem, the incentive provided to U.S. firms to develop substitutes, and the U.S. example for other governments, would all make a substantial contribution to protecting the ozone layer from our unplanned interventions.

CONDOMINIUM CRACKDOWN

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. LEHMAN. Mr. Speaker, this week's Barrons business weekly contains an article by Ms. Shirley Scheibla that reviews the condominium hearings that were held in south Florida last March 24 at the request of the south Florida congressional delegation.

The article presents a very excellent review of the testimony presented as well as the problems and abuses that exist.

I believe my colleagues will find the article most interesting and informative:

CONDOMINIUM CRACKDOWN—BUYER COMPLAINTS SPUR STATES, FEDERAL GOVERNMENT TO MOVE

(By Shirley Scheibla)

WASHINGTON.—The condominium craze hit southeast Florida first and earned Fort Lauderdale the title of U.S. Condominium Capital. But when inflation started sending the Consumer Price Index (CPI) skyward, many condo buyers in that area suddenly became aware of the fine print in their purchase contracts, notably those containing 99-year recreation leases with escalation clauses tied to the CPI. This means that the buyers (and their heirs, or subsequent purchasers) are obligated to make monthly payments to the developers to compensate them for such amenities as swimming pools and saunas, and that the payments will go up, but not down, with the CPI. Moreover, failure to make such monthly payments can result in foreclosure and loss of the purchaser's investment.

Widespread in southeast Florida, the recreation lease is only one example of alleged abuses which now are stirring nationwide concern. The fear is that as Florida goes, so may go the rest of the nation, since the condo movement is far more advanced in the Sunshine State. Throughout the country, in any case, outraged buyers are turning to their state and federal legislators and the courts for protection and relief.

MATTER OF DISPUTE

Whether complaints about abuses are largely responsible for what is viewed as a genuine crisis in condominiums in Florida is a matter of dispute. What's clear is that 35,000 units are vacant in the Fort Lauderdale-Miami area. Some projects have stopped in the midst of construction, and foreclosures are mounting. Advance Mortgage Corp., a subsidiary of Citicorp, estimates that nationwide 250,000 condo units are vacant. Of nearly 300,000 completed last year, it says more than half remain unsold.

Other complaints, in Florida and elsewhere, include exorbitant charges for maintenance and ground leases, poor management and inadequate control by apartment owners, shoddy construction and lengthy, complicated purchase contracts which confound even lawyers. Another headache involves builders who accept deposits and then go bankrupt before completing construction, leaving the depositor at the end of a long list of creditors.

This is not to say, however, that all condos are bad, or that it is an idea which hasn't worked. Many buyers are pleased with their purchases, and mortgage bankers, savings and loan associations, insurance companies and builders, to say nothing of the federal government, are convinced that it will be the lifestyle of the future, with nearly half the population living in them by the year 2000. (In just the past two years new condo construction has totaled 461,000 units, more than during the previous two decades.)

After impassioned oratory and abortive attempts to legislate, Congress last year directed the Department of Housing & Urban Development (HUD) to investigate and report findings and recommendations by August 22, 1975. At the moment, no one, not even new HUD Secretary Carla Hills, knows what the Department will recommend.

"Don't quote me as making a suggestion, but I am particularly intrigued by the suggestion for rent control as a way of avoiding increases in leases," Robert R. Elliott, HUD general counsel, told Barron's. He is a member of a three-man HUD task force set up to carry out the Congressional mandate. Other members are Michael H. Moscow, assistant secretary for policy review and development, and David M. deWilde, acting assistant secretary for housing production and mortgage credit and acting FHA commissioner. Mr. Elliott also found interesting "the possibility of condemnation of recreational facilities by local governments to enable people to purchase them."

HUD has heard other suggestions, ranging all the way from keeping the federal government out of the picture to establishing a federal condominium regulatory commission with power to issue cease-and-desist orders. It already has drawn up a model disclosure statute and wants to see what will happen before recommending further action. It probably will have that opportunity, since Senator William Proxmire (D., Wis.), chairman of the Senate Banking, Housing & Urban Affairs Committee, does not expect legislation until 1976, at the earliest.

A few years ago, HUD tried to regulate indirectly by setting stringent requirements for condos to obtain FHA insurance. But fewer than 1% have it, and HUD is trying to find out why. Mr. Moscow thinks one reason is that "the protections we are requiring are very costly."

Meantime, the marketplace, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corp. (Freddie Mac), insurance companies and state legislatures already have come up with some answers and are working on other remedies.

SELF-REGULATION

Assistant HUD Secretary Moscow told Barron's that he was impressed with a form of self-regulation he found in Hawaii: mortgage bankers will finance no projects which stipulate recreation leases and/or long-term management contracts. Fannie Mae, which has drawn up rigid rules, will not provide a secondary market for condo mortgages unless its requirements are met. Freddie Mac is now revising its rules along similar lines.

Insurance companies are tailoring policies specifically for condominiums. They plan more careful scrutiny than usual to avoid underwriting shoddy construction, and expect to be particularly cautious about converted rental housing.

Approximately 10 states have passed condo laws, and the American Bar Association is working to obtain uniformity. Those enacted by Michigan, New York and Virginia are considered the most stringent.

In Washington, however, confusion reigns. The Federal Trade Commission says it is cutting back on its own condominium investigation of nearly a year because it duplicates the one launched by HUD. But Senator Proxmire has threatened to introduce legislation to force FTC to proceed as planned.

UMI

UMI

FORCE OF LAW

Meantime, the lawmaker is working on a revision of his bill introduced during the last session of Congress calling for fuller disclosure and more federal regulation of condos. On January 14, Rep. William Lehman (D., Fla.) re-introduced his bill from last session "to prohibit Federal Housing Administration insurance of blanket mortgages on condominium projects, and Federal National Mortgage Association purchases of conventional condominium mortgages, where the developer retains or will retain a leasehold interest in the common areas and facilities of the project involved." This would put the force of law behind what Fannie Mae already is doing and would prevent waivers of its rules. He soon plans to seek cosponsors.

Rep. Benjamin S. Rosenthal (D., N.Y.), chairman of the House Commerce, Consumer & Monetary Affairs Subcommittee, has introduced a bill which would create an assistant secretary of HUD for condominiums to administer national minimum standards for condo sales and conversions. Several other bills are in the hopper, and more soon will be.

The great diversity of views led Congress to ask HUD for findings and recommendations. But that's a bit like asking the one who unlocked the barn door what to do about the stolen horse. HUD's predecessor, the Housing & Home Finance Agency, provided the impetus for the condo movement. In the early 'Sixties, it drew up a model enabling statute, and persuaded all the states to enact laws based on it. An outstanding flaw, lack of safeguards, has now become glaringly apparent.

Where condo buyers have signed legal documents, there seems little the government can do without running into constitutional issues. While all the cures for future ills have also not yet been found, the experience to date constitutes a lesson and a warning to all who would become involved in condos.

Though condominiums may be office buildings, resort hotels or single family homes, national concern is focusing primarily on alleged abuses involving apartments. Basically, a buyer gets fee simple title to his apartment and part of a common interest in other facilities, including public hallways, elevators, grounds, lobbies and recreation. He may purchase his interest in such facilities outright or pay a monthly rental under a lease with a developer. The lease arrangement is more favorable to the latter, since it enables him to sell at a more competitive price and still receive residuals for as long as 99 years.

Jack Brokstein is vice president of an association representing the occupants of Century Village in West Palm Beach, which has 7,853 apartments. On March 24, he testified before the HUD task force in Fort Lauderdale that operating Century Village's recreational facilities cost the developer $1.2 million for one year and that he took in $2,748,550. "These windfall profits could continue for the rest of the 99 years (of the recreational lease). In spite of such profits, the developer recently sent demands for rent increases running as high as 45%," Mr. Brokstein testified. He added, "We have had the experience of two and a half years in the court at a cost of over $8,000 in legal fees. We gained nothing. We are now involved in three more lawsuits. . . ."

"INSTANT SLUM"

Contrariwise, Robert Shapiro, Miami attorney, testified before the HUD task force in Fort Lauderdale March 24: "You've heard about Century Village. Can you imagine having those 14,000 people without their own facilities? Who would build the parks, the tennis courts or the other recreational facilities? If you didn't have that complex and had nothing but row housing upon row housing, you've got (sic) a potential instant slum. What makes life worth living is the complete package of amenities, and the community usually looks to do it out of the tax dollar if it's not viably done."

Ernest Samuels is president of the Point East Condominium Owners Association of Miami. He testified in Fort Lauderdale: "We had a chart developed by one of our engineers. It showed that a $100,000 recreation lease payment in 99 years would produce the developer $200 million at the escalation of only 5% per annum." The Florida Supreme Court recently ruled that the Point East recreation lease is legal.

Why would anyone sign a purchase contract with a rec lease? According to testimony in Fort Lauderdale, only about 5% of the buyers were represented by an attorney when they signed contracts which often ran to 60 pages. But one of the unit owners who complained to the HUD panel about his own contract has been an attorney for 40 years. Several witnesses pointed out that at such signings, attorneys are concerned chiefly with obtaining clear title to the home and are not experienced in the relatively new field of condominium law.

In Florida, the buyers apparently were dazzled by what the Sunshine State offered—beautiful apartments at modest prices, plus well-landscaped grounds with enticing recreational facilities. In many instances when model apartments opened, developers had to call in the police to control the crowds. On a tour of condominium projects near Fort Lauderdale, we visited Hawaiian Gardens. Upon seeing a beautiful Japanese garden, we joked, "This is gorgeous; to heck with the fine print." Ben Saks, a resident and former New Yorker, said, "That's exactly how we felt when we signed."

Michigan and New York have enacted laws banning rec leases. Virginia limits developer control of a project to two years, and says a contract entered into during his control is binding only if renewed or ratified by a majority of the unit owners after they obtain control. Virginia also allows a buyer to revoke his contract for any reason within 10 days after signing. (Violators of the Virginia law are subject to a fine of $40,000 and a five-year prison term.)

A widespread complaint against the Florida law is that it establishes no agency to administer it and necessitates a great amount of litigation by the state attorney general and individuals. According to George Sipkin, former state condominium commissioner, "There are perhaps 1,000 lawsuits now in the state of Florida in connection with people suing their condominium developers."

Richard Pettigrew, attorney for the Condominium Executives Council of Florida, predicted that the next session of the Florida legislature might outlaw the rec lease. So far, it has only insisted on full disclosure, which, along with local publicity, apparently is having an effect. While the HUD team was in Florida, Fort Lauderdale and Miami newspapers featured large ads for condominiums boasting no rec or land leases.

BONE OF CONTENTION

Management and ground leases are another bone of contention because of escalation clauses and continuing developer control. Many run for as long as 25 years. Alleged abuses reported to HUD in Washington include creation by developers of subsidiaries to manage the project at excessive fees, but without adequate response to the needs of the apartment owners.

According to Russell B. Clifton, Fannie Mae vice president for mortgage programs, his agency will buy no condo mortgage involving a recreation, management or ground lease. He explained: "The owners' association must take control immediately after 51% of the units are sold. Meantime, we make sure there are no unfair voting rights by the builder in running the project. We are very particular about the quality of management, because we realize that a manager experienced in apartments often is not experienced in condominiums."

Since Fannie Mae's condo program started only a year ago, it is small. But Mr. Clifton considers it very successful and expects it to grow greatly. "The activity since the first of the year and in the pipeline being assembled far exceeds our expectations," he declared. He said the organization has made mortgage commitments so far on 32 condo projects with 4,656 units, with an average price of around $35,000. (Fannie Mae may not go above $55,000 per unit.)

"We've had many cases where we got the developer to give up the leases and give more control to the unit buyers' association. Also, our program is being followed by other lenders. A couple of representatives of REITs (real estate investment trusts), speaking before one of our national meetings, said if they had followed our guidelines, their projects would be sold instead of vacant," Mr. Clifton revealed.

Mr. Clifton noted that conversions of apartments to condos are particularly difficult to handle. They were not designed for purchase and often do not have sound-proofing and separate metering for utilities which Fannie Mae likes to see. While the agency would not turn down a mortgage on a building just because it lacked separate metering, it would make sure the utilities would be adequately budgeted and charged to the owners. He says Fannie Mae considers it good business to see that the unit buyers are happy.

Insurance companies now are tailoring special policies to cover the unique liabilities of condo owners. Allstate claims to be the first national company to offer a policy specially tailored for condominiums. While it issued its first such policy in August 1973, it says it still has some unanswered questions. For instance, sometimes a definition of a unit in a sales contract covers space but not the walls, and yet the same contract may require the owner to insure the walls. How can a person insure what he doesn't own? What if a fire destroys a common wall between two apartments? Who pays?

USE SAME INSURER

Frank Conrad, vice president of Marsh & McLennan Inc., a leading insurance brokerage firm, says his firm is recommending that the apartment owner place his insurance with the same company as holds the policy on the common property. What if the lobby burns up so that an owner cannot reach his apartment in a high rise? Insurance with the same company would answer the question of who pays. Liability of apartment owners also may extend to drownings in swimming pools and cases of racial discrimination in recreational facilities.

Says Mr. Conrad: "Most of our major markets are in the process of developing a condominium package policy designed to cover owners or have already developed it. Among the companies, in addition to Allstate, are Aetna Life & Casualty, Continental National American, Travelers and Chubbs & Son."

UPGRADING ZOOS AND AQUARIUMS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. WHITEHURST. Mr. Speaker, on January 15, 1975, I introduced H.R. 1154, a bill to provide assistance to zoos and aquariums in upgrading their facilities and to establish a Federal Zoological and Aquarium Board, which would set criteria for the accreditation of such facilities.

The Animal Welfare Act of 1970 provides a means whereby substandard zoos can be forced either to provide adequate care for animals or to close. H.R. 1154 takes up where the act leaves off. Parenthetically, let me add here that NIH is not represented on the Board I propose, despite published reports to the contrary.

One of the important features of H.R. 1154 is a provision for "survival centers," where endangered species could be given a secluded area in which to breed. The April 17, 1975, Washington Post reprinted an article from the Los Angeles Times by Robert Barkdoll, which describes the "survival center" already established by the National Zoo. I am introducing it at this point in the RECORD, in order to give further emphasis to the value of a bill such as H.R. 1154.

NATIONAL ZOO HAS A FARM CLUB

(By Robert Barkdoll)

High on a windy knob in the heart of Virginia's Blue Ridge Mountains roams a herd of 11 wary deer, abiding proof that dedicated men and a little bit of luck can save an endangered species.

They are rare Pere David deer, named for a French missionary who nearly a century ago rescued some of their few remaining forefathers from certain death within China's Forbidden City, then spirited them to the West.

Director Warren D. Thomas of the Los Angeles Zoo notes that "this animal has never been known in the wild by modern man." True, but the 11 descendants of Father David's deer, part of a world herd that has grown to 500 in captivity over the years, now live in all but the wild.

They are among the first inhabitants of a unique wildlife sanctuary—a 2,800-acre Conservation and Research Center recently opened by the National Zoo, where rare and endangered species will be bred and exchanged with collaborating zoos. S. Dillon Ripley, secretary of the Smithsonian Institution, parent of the National Zoo, views the Front Royal domain as "a 20th century Noah's Ark," with new animals being brought aboard as fast as paddocks and compounds can be built.

"In principle," Ripley says, "a zoo should be capable of acting as a gene bank, a place where rare stocks of animals held in captivity can be used for breeding purposes and for eventual release into the wild state—should wild conditions prove suitable in the future."

Chances of that are about 50-50 in the eyes of zoo men, and at least one of them, Dr. Theodore Reed, director of the National Zoo, doesn't even sound that optimistic.

Contemplating air and water pollution, man's disruption of the planet's ecology, plus his encroachment on animal territory, Reed shakes his head and says, "We are busily destroying our whole world." And that, he adds, is why zoos are forced to breed their own animals.

According to conservationists there are at least 1,000 species on the endangered list, with hundreds more ready to join it.

At the San Diego Wild Animal Park, the closest thing in this country to the new Virginia preserve, they have an 11-word sentence to jolt those who are unable, or refuse, to recognize man's devastation of nature.

"Each nine months a species of plant or animal becomes extinct."

Not too long ago rare species of animals were brought to American zoos by the shipload. In those days it was possible to say with Pliny the Elder that "there is always something new out of Africa," and Asia too, for that matter. But no more.

High on the endangered list are such creatures as the rhinoceros, the exotic antelope-like Arabian oryx and scimitar-horned oryx, the lesser panda (as opposed to the giant panda), Hawaii's nene goose, and that strange native of Mongolia, Przewalski's horse, a diminutive ancestor of the domestic horse.

Worse is threatened. Here's a prediction by International Wildlife, publication of the National Wildlife Federation:

"The Siberian tiger, the Asiatic lion and quite possibly the Asian elephant, the rhinoceros, and the cheetah are all animals that probably will not survive the next 25 years in the wild. The great apes will join this group, followed by the lemurs.

"Within half a century, no large predators will be able to tolerate the conditions man will have created in and around their natural habitats."

It is into this situation, as one zoo official put it, that the National Zoo has moved with its Virginia breeding farm.

Just a 90-minute drive from Washington, the farm is on a huge government-owned tract that for most of the 20th century at least has been devoted to the care and training of animals in one way or another.

Originally it housed the Front Royal Remount Depot, where horses were bred and trained for the U.S. Cavalry. During World War II, after Army horses had become all but obsolete, it was a prisoner of war camp and a training center for Army dogs. Subsequently it became a beef cattle research station for the Agriculture Department.

The National Zoo feels it was exceedingly lucky to acquire the property, since it came with sewage and water systems, plus barns and stables that can be easily converted to house those animals needing shelter.

After minor changes, one barn has already been converted as a shelter for Bactrian camels, the two-humped beast from Central Asia that is difficult to import because of the danger of hoof-and-mouth disease.

The public is barred from the farm, although provision probably will be made for visitors in the future. But everyone, from Zoo Director Reed to Peter Kibbee, 31-year-old administrative officer at the facility, is emphatic in stating that the animals always will come first.

"The center is going to be run on the animals' terms," says Reed.

"This is strictly for the animals," echoes Kibbee.

Some day Kibbee would like to see a visitors center where people would be shown in literature and talking pictures, and perhaps by employee guides, just what the center is doing with the animals that will then be roaming the preserve's mountainsides, and what it hopes to accomplish.

"We might also set aside a hundred acres where animals would be brought from herds for several weeks for public observation, then returned," says Kibbee. "Then there would be a viewing site—there's one mountain top with a commanding view—where visitors could look out at the animals through telescopes.

"But it would have to be clearly understood that the public would come here on the animals' terms. If it was a hot July afternoon and all the animals were down under the brush or deep in a gully and could not be seen, then that's tough, that's just too bad.

'To have the public in close proximity to the animals, you've got to make concessions and they usually come out of the animals' hides."

The Pere David deer were the first animals brought to the center and they still are everybody's pet. Zoo men tell the story of Pere David's deer at the drop of an antler, and young Kibbee is no exception. It is a classic among tales of endangered species.

Centuries ago the deer were native to the swamps of China, but gradually the swamps were turned into paddies and about 200 years ago, according to the best estimates, the deer fell before China's cavernous appetite for rice and became extinct.

"However in the late 1800s, before the Boxer Rebellion," says Kibbee, "Pere David, the French missionary out there, got wind that there were some strange animals inside the Forbidden City, in Peking.

"Somehow he got a skull and skin out and sent them back to France where they were identified as a heretofore unseen species of deer, and a rather large one at that. Then, some way, he got some out alive and sent them back to Europe.

"Lucky he did, for then came the Boxer Rebellion and all the deer in the Forbidden City were killed.

"England's Duke of Bedford now enters the picture. About 1912 he tried to identify all the Pere David deer in European zoos, and found they were scattered, mostly just a single individual here and there. He finally identified 12 that were of breeding age and took them to his estate in England. There are now about 500 in the world, all in captivity, and all descended from those 12."

At the Los Angeles Zoo, Director Warren Thomas cites a similar rescue of an endangered species.

"The legions of golden hamsters now kept as pets and used as laboratory animals are all descended from a pregnant female kept captive in Syria in the 1930s," he says.

He also points out that his zoo has a herd of 17 Arabian oryx, part of the "World Herd" of that large white desert antelope that has its headquarters at the Phoenix Zoo. There are some Arabian oryx at the San Diego Wild Animal Park and a few in captivity in Saudi Arabia. But Thomas says "their existence today in the wild is very much in doubt."

At the San Diego Wild Animal Park, they also are proud of their breeding success with captive animals.

"All the park's cloven-hoofed stock—giraffe, eland, cape buffalo and all species of deer and antelope—are captive-born," says Dr. James Dolan, general curator. "That is, none of the park's collection of these animals has been taken from the wild and many are second and third generation."

So it can be done, but not everyone agrees it should be.

There are those, such as Bernard Fensterwald, counsel to the Committee for Human Legislation, who put a pox on zoos and wants them phased out.

In an article in The Los Angeles Times last year he wrote that animals were too unhappy in zoos and "with the advent of movies and TV, zoos have become of minimal value as an educational tool."

But zoos refuse to be displaced by the 21-inch screen. At the Lincoln Park Zoo in Chicago, Director Lester E. Fisher says he is "very optimistic about breeding farms such as the one at Front Royal."

The Bronx Zoo already has acquired island land off the coast of Georgia for a facility like the National Zoo's Virginia farm.

At the St. Louis Zoo, Director Richard D. Schultz spoke for most zoo men when he said he had nothing to compare with the Front Royal facility, and was sorry.

"It's not because we don't want a breeding farm," he said. "It is because no one has offered to give us one, and we don't have the funds to develop it."

WE NEED "TRUTH IN SPENDING" LEGISLATION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ARCHER. Mr. Speaker, I have introduced H.R. 5911, a measure which would estimate the cost per taxpaying

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family of each spending measure passed by Congress. This bill is entitled the "Truth in Spending Act of 1975."

Congress has enacted a number of measures to better inform the consumer regarding the full amount of charges on credit purchases, and of provisions in warranties on products purchased. It is time that we in Government better inform our constituents—the taxpaying public—of how much each spending measure will cost the individual taxpaying family. The average taxpayer reads of Congress passing spending bills totaling billions of dollars without realizing the specific impact large Federal expenditures have on his or her personal budget. This proposed legislation will bring the massive spending of the Federal Government out into the open and allow all of us to understand its impact.

According to the Rules of the U.S. House of Representatives, a committee report must contain an estimate of the cost which will result from the enactment of any bill or joint resolution in the fiscal year it is reported. This is extended for the following 5 fiscal years or the authorized duration of the program if less than 5 years. Beginning with the 94th Congress, each report of a committee on each bill or joint resolution of a public character reported by the committee must contain a detailed analytical statement as to whether the enactment of the measure may have an inflationary impact on prices and costs in the operation of the national economy.

It is time to carry this information for the taxpayer one step further. My proposal would authorize the Congressional Office of the Budget to determine the total cost per taxpaying family separately for the authorizations and appropriations measures passed.

This office would also keep a running tabulation of Federal Government spending on each measure in each fiscal year. If Members of Congress are going to take credit for large spending bills passed, they should be willing to reveal to the taxpayer the additional tax burdens these proposals would add to the individual family's present tax obligations.

This amount per taxpaying family can be easily determined by multiplying the total cost of legislation by the percentage of the total Federal corporate and individual taxes attributable to individuals—73.6 percent. This figure is then divided by the average numbers of individuals in a family—3.6 members according to the Statistical Abstract of 1973.

If we look at the appropriations bills of last year, we discover that the huge $33 billion Labor/HEW Appropriations measure, Public Law 93–517, cost the average family $398.72. A First Supplemental Labor/HEW bill of $8.6 billion, Public Law 93–905, added $104.47 to this amount while a Second Supplemental Labor/HEW bill of $5.8 billion, Public Law 93–554, increased a family's tax burden by an additional $70.46. The Public Works Appropriations, Public Law 93–393, cost each tax paying family $54.37—$4.5 billion—while the Interior Appropriation, Public Law 93–404, increased each family's tax burden by $24.98—$2 billion.

The tax burden has been growing heavier on the individual American family. Our objective should be to seek a balanced Federal funds budget and to reduce the amount of inflation. Federal deficits and inflation hurt all taxpayers. It is essential that citizens be aware of the growing role of the Federal Government, and the increasing cost of Federal Government programs. This proposed "Truth in Spending Act of 1975" should make the members of Congress as well as the individual taxpayer acutely aware of the growing tax burden of the programs of the Federal Government.

NO GAIN IN RUSHING TO FIX VIETNAM BLAME

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. McCLOSKEY. Mr. Speaker, in a recent article for the Washington Star, our colleague, Mr. RIEGLE of Michigan has written a careful statement on the need to avoid recriminations and bitterness over the present tragic situation in Southeast Asia.

The gentleman from Michigan was a pioneer in the efforts to terminate U.S. involvement; he initiated the repeal of the Gulf of Tonkin resolution in late 1970, and he was a leader in the effort that finally ended the bombing of Cambodia on August 15, 1973.

It is easy to criticize on either side of the said dilemma now confronting the Congress. There will be people killed because of whichever option we choose. It is a time for thoughtful reappraisal, not emotional diatribe, and I think Mr. RIEGLE's comments are worthy of study by all of us.

The article follows:

NO GAIN IN RUSHING TO FIX VIETNAM BLAME

(By Donald W. Riegle, Jr.)

With the civil wars in Vietnam and Cambodia rushing toward brutal conclusions, it is understandable that American observers are elbowing one another in the rush to assign "the blame."

It is a stiff dose of medicine for Americans to see U.S. military adventures abroad turn into nightmares of miscalculation and chaos—where American personnel and our foreign clients are routed and sent scurrying for their very lives.

But it is well to remember that for many long years before direct American involvement there was warfare in Southeast Asia. When U.S. Marines landed in Da Nang in 1965 we did not begin the war; we did, however, profoundly and permanently change the war.

As we steadily Americanized the war—bomb by bomb, body by body—it took on horrible new dimensions. Whole countries were swept into the expanding war zone. The worst consequence was devastation—human and physical destruction so horrendous that in the end it touched every life in Southeast Asia.

By the time 500,000 American troops had been introduced and withdrawn and the countryside pulverized by 6,300,000 tons of U.S. bombs—the war had become a struggle the insurgents were certain to win. The only real question was how long it would take.

The Nixon-Kissinger administration acknowledged as much when they spoke privately of a "decent interval"—a year or two lag after the 1973 peace accords before American puppet governments in South Vietnam and Cambodia would likely be swept away. The daily reports of stunning reversals by government forces suggest events are on schedule.

Eyewitnesses describe "crack" battalions of South Vietnamese armed forces literally kicking aside civilian women and children in order to escape Da Nang on U.S. transport planes, rather than face enemy forces in combat.

They chose not to fight despite the fact that the South Vietnamese military is fully battle-ready. Of the U.S. Fiscal Year 1975 military appropriations for Vietnam of $700 million, only $525 million has been needed to date—the South Vietnamese have been armed to the teeth with American weapons.

The bitter truth is that retreating South Vietnamese soldiers apparently had everything to fight with, but nothing to fight for—no cause worth a life-or-death struggle. So they ran away.

It should surprise no one that what the South Vietnamese soldier finds unworthy of defending, the American public likewise finds unworthy of defending.

Crosby Noyes in a recent Star column disdains the mounting anti-war sentiment he senses in America, where Asian allies can be "sustained or disposed of as suits our convenience." He chides Rep. Donald Fraser, D-Minn., for "cheerfully volunteering his readiness to surrender millions of Asians to Communist subjugation," Would that it were so simple.

As a fellow member of the House Foreign Affairs Committee, I sat next to Don Fraser the day he deplored the administration "policy of war to the last Cambodian" in a terse exchange with Deputy Secretary of State Robert Ingersoll.

There was no cheerfulness in Fraser's voice, or in the room; only a cad would suggest so. He spoke with the evident sadness all thoughtful Americans have these days as we watch Asian civilians hopelessly caught in a crossfire not of their own making.

And yet American armchair analysis 12,000 miles safely removed from the realities on the ground in Indochina can decide nothing for the people of Southeast Asia. If we know anything after a decade of fruitless involvement in Southeast Asia, it is that we cannot dictate the geopolitics there. The Asians themselves must face and settle these questions.

What it seems America can do at this point is to lead our offices to secure a general cease-fire on whatever basis can be arranged. The only goal in Southeast Asia that I find worthy of continued American involvement is that of minimizing the loss of life at the citizen level.

We did not save villages by destroying them, neither are nations saved by annihilation. The only imperative now is to stop the killing.

RABBI ABRAHAM AND BEATRICE FELDBIN

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Ms. HOLTZMAN. Mr. Speaker, last month I had the privilege of seeing two of my constituents, Rabbi Abraham Feldbin and his wife, Beatrice Feldbin, and Congregation Shaari Israel, which is located in the 10th Congressional District,

honored by the Jewish National Fund for service to the East Flatbush community and tireless work on behalf of the State of Israel. I wholeheartedly share the sentiments expressed by the Jewish National Fund on the plaque awarded to the Feldbins and the congregation. The plaque read:

> Citation of Honor to Rabbi and Mrs. Abraham Feldbin and Congregation Shaari Israel:
>
> In appreciation of the exemplary leadership he has rendered to his city, his country and his people,
>
> For being a prime mover in making Shaari Israel one of the foremost congregations, not only of Brooklyn, but of the entire city,
>
> In recognition of his remarkable contribution to many causes and organizations serving our beloved State of Israel,
>
> In grateful acknowledgement of his dedication throughout his lifetime to the Jewish National Fund and to the sacred goal of the reclamation of the land of Israel, a Nachlach of fifty dunams of land will be reclaimed in the Arava, which will bear the names of Abraham and Beatrice Feldbin, and which will forever link this valiant couple of Congregation Shaari Israel with the hallowed soil of the Jewish Homeland.
>
> Presented on the occasion of the Twenty-Sixth Annual Dinner of the Brooklyn Division, Jewish National Fund, at the Malibu Country Club, Lido Beach, New York on the 16th day of March, 1975 (fourth day of Nissan, 5735)—Jewish National Fund [Keren Kayemeth Leisrael] Inc.

PEOPLE'S BICENTENNIAL COMMISSION—HUCKSTERS OF THE AMERICAN REVOLUTION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. McDONALD of Georgia. Mr. Speaker, most Americans today seem to have lost an explicit awareness of the intellectual and political foundations upon which our country was founded—let alone the fact that it was those principles that have made our country great.

Thus, as we approach the 200th anniversary of the American Revolution, people are celebrating its tradition but not the underlying political philosophy which made it possible.

Now, in any such celebration we would expect to see commercial hucksters, those attempting to cash in financially. The White House Bicentennial Commission is guilty of this in some degree. Unaware of, or unwilling to defend, the intellectual basis of this tradition, they have nothing else to promote than the celebration of people and events, without reference to their meaning.

This leaves the field wide open for those attempting to cash in intellectually and politically, the ideological hucksters of the American Revolution. This void is being filled by the People's Bicentennial Commission—PBC—a group of revolutionary Marxists. In the April 9, 1975, issue of the RECORD—page 9714—I outlined some of the methods and goals of the PBC, as well as identifying the background of some of its members.

I would now like to call the attention of my colleagues to an excellent article which gives a detailed analysis of the tactics employed by the PBC. Entitled "The Peoples Bicentennial Commission: Commissioned by Whom?" it was written by Erich Veyhl and appeared in the April 2, 1975, issue of ERGO, a weekly newspaper published by a group of students in Cambridge, Mass.

The PBC's modus operandi, according to Mr. Veyhl, is to present itself as falling within the tradition of the American Revolution, while distorting and misrepresenting the political philosophy of the Founding Fathers, which was based on inalienable individual rights, presenting it instead as a philosophy based on "democracy."

It is encouraging to note that many leftists apparently believe the American people are not yet ready to accept an explicit statement of their collectivist philosophy, and thus that it must be smuggled in by misrepresenting its nature. Nevertheless, it is unfortunate that the enemies of the American Revolution seem to understand its meaning better than its friends.

Hopefully, the PBC can serve as a lesson to those who wish to defend freedom and individualism.

The article follows:

THE PEOPLE'S BICENTENNIAL COMMISSION: COMMISSIONED BY WHOM?

(By Erich Veyhl)

Will "hucksters" corrupt the 200th anniversary of the American Revolution? So charges the Peoples Bicentennial Commission (PBC), a group set up in opposition to the "official", White House Bicentennial Commission.

The PBC contends that the Bicentennial should be a time to reflect on the meaning of the Revolution of 1776 and its relation to contemporary American Society. Unfortunately, it argues, "hucksters"—with the full cooperation of the White House Commission—are trying to use the celebration to make a fast profit peddling plastic red, white and blue souvenirs; "spirit of America" automobiles; *etc., etc.*—while ignoring what the Revolution was really about.

The PBC, on the other hand, says it is "dedicated to the ideals of the first American Revolution."

"As we near America's 200th birthday," PBC tells us of itself, "PBC continues to bring forth the principles of 1776. As our founders fought for economic and political democracy, so must we." PBC calls for "the Second American Revolution—the new grass roots movement to apply democratic principles to the economic life of our country." "The first American Revolution extended democratic principles to the art of government. The Second American Revolution in 1976 must extend those same principles to the economic life of our Nation."

And that should be more than enough to raise the question "Just who are the hucksters?" For while the PBC claims to be in the tradition of the (individualist) American Revolution, PBC is a socialist organization (as its "economic democracy" already indicates) trying to cash in on that tradition—in part by misrepresenting the tradition and in part by misrepresenting itself.

One more socialist organization seeking a "revolution" to enslave us on behalf of the collective has no special significance in itself—such groups have been around for a long time. But the deceitful methods of the PBC are obtaining for it a reputation and a support it does not deserve. The PBC tells us, in its literature, for example, that it has "developed educational materials and social action programs during the Bicentennial for organizations ranging from the National Council of Churches and Campfire Girls to the Child Care Council of America." Thousands of libraries, churches, fraternal clubs, schools, civil associations, *etc.*, are currently using materials and programs specially developed by the PBC. [*Voices of the American Revolution*, p. 249.]

A PBC promotional pamphlet quotes nationally syndicated columnist James J. Kilpatrick as follows:

"Judging by its literature, PBC is a lot closer to the true spirit of '76 than the promoters, politicians and public relations men in charge of the [White House] Commission. . . . While it may seem sorely out of character, let me put in a plug for the Peoples Bicentennial Commission . . . PBC publications breathe with fire and purpose and sincerity."

The founder of the PBC, Jeremy Rifkin, is described in a PBC promotional pamphlet as being a "coordinator of the Citizens Commission of Inquiry into U.S. War Crimes in Vietnam" and a "VISTA volunteer" in Harlem, N.Y. prior to his PBC activities beginning in 1971. Not mentioned in any PBC literature I have seen is a quote unearthed by M. Stanton Evans and printed in *Human Events* (2/8/75):

"The point of the exercise," wrote Evans, "was stressed a few years back by New Leftist Jeremy Rifkin, who declared that the Bicentennial should produce a 'campaign designed to create a revolutionary consciousness,' linking 'Thomas Paine, Sam Adams and Benjamin Rush with Lenin, Mao, Che and the struggle of all oppressed people in the world.' "

Whether the PBC turns out to be better or worse than "the promoters, politicians and public relations men in charge of the White House Commission" has yet to be seen; but it most certainly does not deserve a "plug" for its "sincerity."

To date the PBC's own publicity appears to have been in the form of public appearances on radio, TV and live "guerrilla theater" (such as last spring's well publicized "Boston Oil Party" on the 200th anniversary of the Boston Tea Party), a newspaper called *Common Sense*, and a variety of large wall posters. In January one of the PBC's leaders published a book called *Voices of the American Revolution*, consisting of an historical summary of the events leading up to the Revolution and a large selection of quotations from the Revolutionary era. Except for occasional overstressing and distortion of economic issues, the book is historically rather straightforward. But it ends by describing the PBC as being "dedicated to making this country live up to its revolutionary promise."

The most revealing PBC work to date is its book *Common Sense II: The Case Against Corporate Tyranny,* just published this month.

Thomas Paine's original 1776 revolutionary pamphlet *Common Sense* was described by the PBC in its first book as being "A pamphlet that would forever destroy the arguments that America had any other recourse than revolution . . ." "To say it was the most successful political pamphlet in history is to do it insufficient credit. *Common Sense* belongs in a category all its own." [*Voices of the American Revolution,* pp. 43, 47.]

Common Sense II is the PBC's pretentious, socialist imitation of the original. It is described by the latest issue of the PBC's newspaper as: "an open call for a new economic movement to complete the democratic revolution our founders began nearly 200 years ago."

The "Declaration of Economic Independence" ends with a call for a socialist state (without, of course, calling it that):

"Such is the necessity which compels us (through economic determinism?) to act in support of centralized economic enterprises, with control being shared jointly by the workers in the plants and by the local communities in which they operate—with similar patterns of shared representative

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control being exercised in a regional and national level to insure the smooth and efficient coordination of all economic operations." (pp. 101–2)

In *Voices of the American Revolution*, the PBC praises the writings of Jefferson and Paine for knowing "how to turn a phrase." The best one can say for the writers of the PBC is that they know how to turn a stomach.

Let us proceed to examine the tactics used by the PBC in more detail. Bear in mind that except for the book *Common Sense II*, the PBC literature (at least as much as I've seen) is usually not very explicit about the real goals of the organization; very often what it fails so say (about government is more revealing than what it does say (about "giant corporations"). Bear in mind also that like most socialist organizations, heavy use is made of legitimate, as well as mistaken, grievances of the people; and that these appeals are typically couched in popular and "bicentennial" terms. Moreover, the PBC often raises, on its own, legitimate points, for instance, the failure of contemporary Americans to recognize the Declaration of Independence and the alleged idea of one pragmatist to rewrite it so that it would appeal to those of all political views.

In *this* sense, the quotes used here are untypical; many an innocent person has been taken in by the PBC's general literature.

The postscript of *Common Sense II* describes the objectives of the organization:

"In 1976, we will observe the Bicentennial of the signing of the Declaration of Independence. To mark that occasion local Peoples Bicentennial Commissions have formed in communities across the country. Their objectives are fourfold: First, acquainting their neighbors with the democratic principles fought for during the American Revolution. Second, encouraging their fellow citizens to measure the founding principles of our republic against the authoritarian financial institutions that rule America today. Third, engaging in direct social action to challenge the dictatorial power that corporations presently wield over the affairs of our nation. Fourth, mobilizing public support for the transition of our economy from corporate rule to citizens' control." [p. 105]

The tactics of the PBC can be broken down as follows:

(1) To gain support for itself, the PBC claims explicitly, as we have seen, to be in the intellectual and political tradition of the American Revolution.

(2) The political philosophy of the Founding Fathers, which was based on inalienable individual *rights*, is misrepresented by the PBC and presented as a philosophy based on "democracy", *i.e.*, unlimited majority rule.

Ignored by the PBC is the meaning of natural rights as morally prohibiting coercion of the individual by any group or government institution. Ignored is the meaning of democracy, not as a mechanism for controlling the minority, but as a means of *implementing* legitimate principles of government by the consent of the governed. Ignored is the significance of the system of checks and balances designed to maintain the government, as far as is possible, as a *protector* of man's rights—whatever the moral character or statist goals of some particular government official and whatever the mood of the majority.

"When the framers of the American republic spoke of 'the people' ", wrote Dr. Leonard Peikott recently in defense of the Founders' individualism, "they did not mean a collectivist entity one part of which was authorized to consume the rest. They meant a sum of individuals, each of whom—whether strong or weak, rich or poor—retains his inviolate guarantee of individual rights. 'It is agreed,' says John Adams, 'that "the end of all government is the good and ease of the people, in a secure enjoyment of their rights, without oppression"; but it must be remembered, that the rich are *people* as well as the poor; that they have rights as well as others; that they have as clear and as sacred a right to their large property as others have to theirs which is smaller; that oppression to them is as possible and as wicked as to others.' " [*The Ayn Rand Letter* Vol. III No. 6]

When it becomes embarrassingly necessary to treat the right of "life, liberty and the pursuit of happiness," the PBC brazenly argues that these rights "assume" certain features of society: A certain social framework is needed to provide "access" to the means of sustenance. A social mechanism is said to be needed to "maximize" each person's "opportunity to choose the work life he would like [*sic*] to undertake." And pursuit of happiness requires a "range of work choices available to us [which] are potentially self-fulfilling and rewarding."

The PBC does not point out just who is to be forced to *provide* people with undefined "accesses", "opportunities" they would "like", and "ranges of work choices" somebody claims are "potentially self-fulfilling and rewarding." And the PBC doesn't bother to mention that the collectivism which it advocates would violate every one of these rights.

But the nature of man's rights is not something a collectivist can afford to say much about, and the topic is generally left rather vague. The impression is given that rights somehow presuppose the PBC's particular conception of "economic democracy."

In fact, the protection of man's rights requires the establishment of a government which *prohibits* the *initiation* of force against individuals or groups of individuals. (For a contemporary, Objectivist discussion of the nature of rights see Ayn Rand's essays "Man's Rights" and "Collectivized 'Rights' " in *The Virtue of Selfishness*.)

(3) With Communist rhetoric (not labelled as such), the PBC literature rails against "giant corporations" run by "the rich" at the expense of everyone else. The "giant corporations" are said to be the cause of all our ills, ills which are said to have been the "burning issues" of 200 years ago as well as of today. This is supposed to establish a common, traditional bond between us "workers" and the patriots of 1776, the common enemy being "the rich." Having painted the standard Marxist picture of American society—of both 1775 and 1975—as one polarized into two inherently antagonistic economic classes, "the people" versus "the rich," the PBC urges us to make "a simple choice: Corporate Tyranny or Democratic Representation." Because "we are now servants for the corporate lords" and have "rights to an equal voice and a fair share in the economic wealth of this country," we are urged to follow the alleged lead of the Founding Fathers and choose "democratic control" over economic decisions. [All quotes from *Common Sense II*]

Neither the Founding Fathers nor contemporary libertarians could sanction today's authoritarian, statist government and legally enforced monopolies. "If the Patriots of 1776 were alive today," the PBC correctly notes, "they'd be raising all kinds of Hell." But the PBC's Marxist portrayal of the rich versus factory workers has nothing to do with this (and is too asinine to comment on further).

But note the *theoretical* choice offered between fascism and socialism. Fascism is a social system in which private property exists in name only, with a central (government) power pulling all the strings. Socialism is a system in which property—the means of production, land, capital, *etc.*— is owned by the collective.

Both systems are authoritarian, one centralized, the other majoritarian. Both negate individual rights by subordinating the individual to the omnipotent power of the collectivist state. The real choice is between individualism versus collectivism.

The attempt to put over this false alternative of fascism vs. socialism is not new. The only new twist added by the PBC is its claim that the socialist side is a natural extension of the philosophy of the Founding Fathers, which claim is based on the attempt in step 2 above to misrepresent that philosophy as one not of individual rights, but of collectivist majority rule. (The equation of politics with economics, *i.e.*, force with trade, is a foregone conclusion for socialists.) From this misrepresentation and the false alternative, the PBC's conclusion follows easily.

(4) To smuggle in its collectivist ideology, the PBC is ever so careful in its choice of terminology. Terms used favorably, though with altered meanings, include "free enterprise," "property rights", and the rights of "life, liberty and the pursuit of happiness." In rare (for the American left) appeals to religious tradition we even see such phrases as "God-created properties" and a "God-given right to abolish these (man-made) institutions of tyranny (corporations)." And we have already seen how "democracy"—a very "safe" term, is useful to the PBC when used as a *primary*.

On the other side of the coin are the terms *not* used. Careful not to show its hand the PBC *avoids* criticizing "individualism" or "libertarianism"—as it so carefully avoids the terms "socialism", "collectivism", and "communism." Given the PBC's leaders' goals and ideology, this unusual choice to use favorably, and refrain from attacking, certain "cue words", while maintaining silence on others which would obviously *identify* themselves, could only have been a deliberate tactical choice to deceive, mislead, and smuggle in through distortion of the language certain ideas not acceptable when identified openly. (In part this is made possible by the already miserable state of our drifting culture in which many people *don't* have a clear idea of what the issues are. The PBC's tactics are only a cashing in on and a furthering of this.)

CASHING IN ON CONFUSION

(5) The PBC thrives on out of context and unrepresentative "documentation" from the Revolutionary Era set in a context of legitimate history and many very good Revolutionary quotations. Marx, Lenin, McGovern and other well known collectivists of varying kinds—people who are obviously part of the collectivist "movement"—are assiduously avoided.

This whole aspect serves to lend an air of legitimacy to the entire undertaking, provides historical "support" for the PBC's goals, and generally gets people accustomed to the idea of violence for political purposes (purposes to be concretized in the form of a collectivist putsch). The danger lies not in Revolution for the ideals of 1776, but in mindless violence breaking out in a society which is intellectually adrift.

What are the sources of the "documentation" cashed in on? One is that in any era there will not be unanimity of opinion. Another relates to the fact that this was only the *birth* of political individualism. The Founding Fathers did a magnificent job in essentials, but it is only to be expected that mistakes were made and that inconsistencies would creep in.

The central theme of individualism, however, is unambiguous and inescapable.

Such is the modus operandi of the Peoples Bicentennial Commission in its attempt to cash in on the tradition of the American Revolution—in order to promote its goals of binding you to the tyranny of a group of peers telling you what to produce, how to produce it, and how you are to be rewarded.

"If there is any way to confess one's own mediocrity," writes individualist Ayn Rand, "it is the willingness to place one's work in the absolute power of a group, particularly

a group of one's *professional colleagues*. Of any form of tyranny, this is the worst; it is directed against a single human attribute: the mind—and against a single enemy: the innovator. The innovator, by definition, is the man who challenges the established practices of his profession. To grant a professional monopoly to any group, is to sacrifice human ability and abolish progress; to advocate such a monopoly, is to confess that one has nothing to sacrifice." [*Capitalism: The Unknown Ideal*, p. 262]

If you still have any doubt as to the irrational mentality and lack of self-esteem of the PBC's leaders in their quest to bind us all into one collective entity, consider the following confession from *Common Sense II:*

"Tomorrow will belong to those of us who are willing to follow an *instinct*, to express a *feeling*, to pursue a *dream*, and to choose a course. *Commitment is ultimately based on faith in a vision* one has for oneself and society, and not on dispassionate calculations and reams of facts and figures [reason]. How much do we need to know, to know what we want? We want to participate in decisions that affect our lives. We want to live without fear. We want to feel that what we do and who we are has meaning for ourselves and those we care for. We want to count for something and we want to know that there is a reason for our being alive." [p. 77, emphasis added]

By what psychological process one achieves self-esteem and a reason to live through subjugating oneself to a collective, the PBC does not tell us.

This in the name of the achievements of the American Revolution and the period known as the American Enlightenment.

"Tradition as such," wrote Ayn Rand recently, "is not a proof of an idea's truth or falsehood; anyone is free to challenge any tradition. What is reprehensible is the attempt not to challenge, but to distort—to smuggle one's notions into people's minds by misrepresenting a tradition that deserves the respect it has earned." [*The Ayn Rand Letter*, Vol. III., No. 5.]

If the spokesmen for the PBC think that its goals are valid, then let them have the courage to drop the farce of placing the blame for all our ills on "giant corporations" while associating themselves with the American Revolution; let them have the courage to come out and proclaim openly to the people: "We are opposed to the individualism on which this country was founded; we are opposed to the idea of inalienable individual rights; we think the individual is subordinate to the collective—and that his life and work are to be dictated by the group's demands. We think the Bicentennial is a good time to destroy the last remnants of individualism and political freedom in this country—so that we can solve our self-esteem problems by being "equal" with everyone else and thereby feeling that we 'count for something'."

And let them see how far they get.

AVIATION SAFETY

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. GOLDWATER. Mr. Speaker, public concern for improving safety, particularly aviation safety, demands that we vigorously apply our technology whereever we can in seeking solutions to safety problems. NASA's aeronautical research programs have focused a portion of their effort on providing solutions to the operational safety problems which have accompanied the outstanding progress in air transportation. These problems fortunately often appear as isolated incidents, where remedial action is possible in the form of equipment improvement, adjustments in operational techniques and practices, or procedural changes to avoid further hazard.

NASA's contributions to safety improvement are mainly in the form of new or expanded knowledge and understanding of natural or engineering phenomena which form an accident-enabling situation. With this information, designers and operators can avoid hazards. Examples of NASA contributions are:

Improved understanding of tire hydroplaning on wet runways so that loss of aircraft control is minimized; improved understanding of wake vortex behavior and formulation of safe avoidance procedures for smaller aircraft following large aircraft in landing and takeoff operations; improved knowledge of the atmospheric gust environment in which aircraft operate, making possible rational design criteria to insure structural safety; understanding of the crash environment as it pertains to structural deformation, occupant survival, and the origin mechanisms of crash fires; and understanding of lightning hazards to aircraft fuel and electrical systems, to enable lightning protection to be designed into the aircraft system.

This knowledge and understanding has permeated virtually every aspect of aviation design and operation, worldwide, contributing to the good safety record aviation enjoys among transportation modes.

NASA's current research and technology efforts directly supporting aviation safety improvement address the areas of reducing opportunities for human error in the aviation system, control of aircraft on the runway, wake vortex hazard minimization, control and prevention of aircraft fires, understanding and avoidance of atmospheric hazards to aviation operations, stall-spin minimization, improved crashworthiness and passenger safety, and prevention of hazardous engine rotor disintegration.

This research and technology effort is well coordinated with safety programs of other agencies to insure nonduplication of effort and as much synergism as possible. NASA also provides consultation upon request to the FAA, the NTSB, and the DOD on aviation safety problems. NASA is budgeting $10.2 million in fiscal year 1976 for this effort, which will continue research to increase knowledge and understanding of safety problems, and to provide a technology base from which the industry and operational Government agencies may draw to prevent and avoid accidents.

AMERICAN POLICY IN SOUTHEAST ASIA AND THE WORLD

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ARMSTRONG. Mr. Speaker, as debate over Southeast Asia becomes increasingly emotional, we are rapidly losing perspective of the true nature of U.S. involvement and the implications of our past and future policies.

We Americans have become increasingly introspective in recent months, filled with self-doubt and questions. We ask whether the United States can or should try to be a world policeman. Have we given too much aid to Southeast Asia? Or too little? The wrong kind? Have we interfered too much in Asian traditions and politics? Or should we have insisted on sweeping reforms as a condition of our help in Vietnam and Cambodia? Did these nations deserve our help? What is our basic objective? Can it be achieved?

Such questions should have been asked long ago. Even now a healthy debate on such issues can be of immense value to our Nation in formulating future policy for Asia and elsewhere.

But such debate is futile, or worse, if we permit emotional overtones or attempts to gain domestic political advantage to obscure basic facts on which rational consideration must depend.

One overriding fact is this—it is the Communists who insist on continuing the war. Cambodia has fallen and the slaughter goes on in Vietnam because the Communists—North Vietnamese, Khymer Rouge, and Vietcong—insist on imposing their will on peoples who are doing nothing more than defending themselves.

This is not to excuse mistakes or misconduct of the former government of Cambodia, the Thieu regime in Vietnam, nor the tragic errors of judgment and policy by the United States. We will always bear these on our national conscience. And many Americans are haunted by suspicion that all of our efforts have gone to support governments which may be unworthy of our help, governments which do not deserve or have the respect and support of their own citizens.

But these considerations should not shift the blame nor divert attention from the fact that the war would have ended long ago if the Communists had abided by the peace agreement signed in Paris 2 years ago. They did not do so. Instead they systematically violated the treaty on a massive scale.

The Communists introduced hundreds of thousands of troops into South Vietnam to press their attack; with troops came huge quantities of war supplies, munitions, and weapons; the Communists have even constructed new roads and pipelines to support their attack—all for the sole purpose of subjugating the South Vietnamese and Cambodians, all in shameless violation of the peace agreement.

MILITARY AID

I supported the Paris agreement, negotiated a few weeks after I was elected to Congress, because it permitted the United States to bring American fighting men home and to obtain release of GI's held by the Communist regime. It seemed to offer an honorable basis for us to substitute purely economic support for the involvement of our own Armed Forces.

When it became obvious the Communists would not honor the peace agreement, I believed we had a moral obligation to continue furnishing funds

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for military supplies and fuel to permit our allies to continue their own defense. When the President requested such aid, I voted with a majority of Congress to grant it in 1973 and 1974.

Although the tactical situation has deteriorated, I see no fundamental change in the nature of our moral commitment, no change which permits me in good conscience to reject President Ford's most recent request for $722 million in military support and $250 million for humanitarian aid.

Whether such aid will enable the South Vietnamese to stabilize the military situation, I do not know. Frankly, I am pessimistic. But while we are being asked to send money—a relatively small sum compared with our previous expenditures—for our allies, it is their lives and country that are at stake. Under the circumstances I think it would be wrong for us to decide when the situation is hopeless, wrong for us to abandon their effort while they retain the will to resist. I therefore support the President's aid request.

HUMANITARIAN CONSIDERATIONS

I also support the President's efforts to evacuate Americans, and to the extent possible, those Vietnamese whose lives are in danger. I am gravely concerned by the Defense Secretary's recent estimate that 200,000 Vietnamese may be on Hanoi's death list because of their efforts to resist the Communist takeover and their association with the United States in this effort. Horror stories are already filtering out of territory recently occupied by the Communists. Of course, we all hope such reports reflect only isolated instances. If the Communists win an ultimate victory, perhaps they will be moved to mercy or, at least to exercise restraint. But past experience stirs the fears that Cambodia and South Vietnam will be brutalized, and executions may be ordered on a massive scale. The situation has already deteriorated to a point where effective American aid may not be possible; But as a matter of simple honor and humanity, I believe our country is obligated to evacuate as many as possible, if and when the time comes. To merely abandon those who have depended on us would be unworthy.

GLOBAL POLICY IMPLICATIONS

In conclusion, I would like to comment briefly on the implications of what is happening in Indochina and the probable effect on America's foreign policy elsewhere in Asia and throughout the world.

There may be room for disagreement about the exact consequences of recent developments in Southeast Asia. But clearly our allies are nervous about what has happened. In Korea, Japan, the Philippines, and throughout the NATO alliance, doubts are expressed about this country's faithfulness as an ally. We must not permit this concern to ripen into panic. We must make every effort to reassure our allies and to restore credibility of our policy.

American strength—our strength of purpose and diplomacy as well as military and economic strength—is the chief deterrent to aggression and violence in many areas of the world. The need to avoid further U.S. setbacks is correspondingly urgent. If our allies—to say nothing about our potential adversaries—perceive that we are weak or faltering in our determination to protect our interests and honor commitments to allies, they may be prompted to embark on military adventures while our allies, if they fear our steadfastness, may feel constrained to seek accommodations with our adversaries, a trend already well advanced in some parts of the world.

As we seek to shore up our worldwide alliances, the need to redefine and focus American interests and commitments will become increasingly clear. A decade ago, President John F. Kennedy told the world:

> Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, to assure the survival and success of liberty.

In these words, President Kennedy expressed what most thinking people of that time believed to be the right policy for the United States. No similar consensus exists today. Indeed, pangs of conscience over our well-intentioned but bungling foreign policy, and many practical considerations, underscore the widely held belief this Nation is overextended in its global commitments.

There is grave danger, in my opinion, that we may overreact to the tragedy of Vietnam and, as a consequence, shrug off our worldwide responsibilities. A disaster could result.

Many nations of the world are already skeptical of U.S. staying power and are gradually accommodating themselves to a future power alinement in which Communist Russia and Communist China are dominant. If a Communist regime is installed in Saigon, this trend will undoubtedly accelerate.

And what about the Middle East? With the remaining shreds of our foreign policy being further tattered, what will prevent Soviet domination of the oil-rich Persian Gulf and, successively, the eastern Mediterranean, the western Mediterranean and the ultimate collapse of Western Europe?

In short, how much more dangerous will the world become, particularly in those areas where America's dwindling strength is about all that prevents violence or subversion?

Redefining America's role in world affairs is a task of utmost importance to this Nation and the world, for, to a very large extent, the future of the entire world hinges on the wisdom of our decisions. I, therefore, commend the President for inviting Congress to join in a thorough review of this Nation's foreign policy. I trust this effort will proceed in a bipartisan spirit of cooperation and with full realization of the seriousness of the task.

Congress and the President also need the help and participation of the public in grappling with these issues. I hope thoughtful people throughout the country will study the options and contribute their ideas in a great national discussion which will reunify the Nation and strengthen our sense of purpose in formulating American foreign policy.

SECOND ANNUAL REPORT ON A DISASTER

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. VANIK. Mr. Speaker, on April 15, the day by which every citizen must file income taxes, the Treasury released its second annual Report on "the operation and effect of the domestic international sales corporation legislation." The report on this glaring tax loophole is a report on a continuing disaster, a report on a failure on tax policy which must be eliminated from the laws.

Basically, the report noted that it was impossible to determine whether DISC, which in fiscal year 1976 will cost the public over $1.36 billion, does anything at all to increase American exports.

As the report noted:

> Unusual and powerful forces have affected U.S. exports and the country's international economic and financial position.
>
> The impact of DISC on U.S. exports is virtually impossible to isolate.

The report did find that there were extraordinary profits for those using DISC's:

> The combined profit on manufactures may, therefore, have averaged as much as 16 percent of gross receipts.
>
> As noted in the 1972 DISC Report, DISCs and their related suppliers tend to earn a high rate of profit on sales. The combined profit of about 16 percent apparently earned by DISCs and their related manufacturing suppliers is substantially higher than the eight percent average for 1972 profits reported by manufacturing industries producing good exported by DISCs. The higher export profit margin may have resulted in part from the special circumstances of 1972 and 1973, especially the depreciation of the U.S. dollar. . . .

Who received these extraordinary profits? America—Mostly America's largest corporations:

> Since the great bulk of exports are shipped by large firms, it is not surprising that a major share of the tax benefits of DISCs accrued to large exporters. Some 72 percent of the net income of 1,510 DISCs with corporate owners for which asset size data were available accrued to the 12 percent of the parent companies (186 in number) whose gross assets exceeded $250 million.

The report also acknowledges that our major trading partners have filed a complaint against the United States with GATT because of DISC. Indeed, the report seems to indicate that the United States views DISC as an illegal response to possible illegal actions by foreign governments:

> The U.S. Government maintains . . . that the DISC legislation merely offsets the distortions of international competition caused by provisions of foreign tax laws or practices which favor export profits and thus put U.S. exporters at a competitive disadvantage.

In short, this second annual report is a description of a program that is:

First, costing the Treasury three or four times what was estimated when it was enacted by Congress in 1971;

Second, is providing extraordinary profits to;

Third, America's largest corporations;

Fourth, is a violation of international trading laws; and

Fifth, yet has no provable effect on American exports and is totally unnecessary during this period of a declining dollar and bargain basement prices on American products.

Mr. Speaker, we should resolve that before next year's tax day and before the next annual report on DISC, that this disastrous tax aberration will be repealed.

ANTITRUST SPEECH

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. REGULA. Mr. Speaker, my good friend, Congressman H. JOHN HEINZ, III, of Pennsylvania, on April 11 addressed members of the American Bar Association here in Washington. In his speech, he discussed some of the accomplishments of the House Republican Task Force on Antitrust and Regulatory Reform, of which I am a member.

Congressman HEINZ has served as chairman of the task force since it was established in May 1974 to scrutinize the antitrust issues and problems. The task force can claim substantial success in its mission, and it will continue to be active in further strengthening antitrust enforcement, Mr. HEINZ told his audience.

As a member, I know how important the work of the task force has been. I recognize, too, in this time of double-digit inflation, how important it is that we assure that regulatory agencies do not unnecessarily contribute to our economic problems. So that my colleagues may better become familiar with the work of the House Republican Task Force on Antitrust and Regulatory Reform, as well as related antitrust problems, I insert the text of Mr. HEINZ's speech in the RECORD.

ANTITRUST SPEECH

I want to thank you for the opportunity to talk to you today. As a Member of Congress, and a nonlawyer, I am not a member of your legal and antitrust fraternity . . . consequently, I feel a little like the diplomatic attache who's sent to listen and to steal as many trade secrets as possible.

I am also honored and privileged to be here to discuss Congress' mood and activities where antitrust is concerned.

At the outset, however, I ought to make it clear that my particular stake in antitrust activity does not grow out of a position on the House Judiciary Committee, but rather as chairman of the House Republican Task Force on Antitrust and Regulatory Reform—A 12 member study and advocacy group that came into being in the 93d Congress. It was caused after I polled the Republican membership on interest in antitrust. Some 62 Members, the vast majority of those responding, stated they were "extremely interested" in closed scrutiny of the antitrust issues and problems. Subsequently, the House Republican leadership, in May, 1974, approved the creation of the task force. Our stated purpose was and is to determine whether free, open and competitive markets exist, to strengthen necessary enforcement, to look for problems growing out of economic concentration and Government regulation; and to focus, when feasible, on problems involving particular industries.

We also saw that if we're going to strengthen competition and encourage efficiency among industries, we first must closely examine the agencies that control these businesses—particularly the Federal Communications Commission, the Interstate Commission and the Civil Aeronautics Board.

What's more, we committed ourselves to scrutinize the effectiveness of the Justice Department, the Federal Trade Commission and existing antitrust laws. Our activities have included the holding of hearings, though we have no subpoena power, or formal legislative authority. And although the group is extremely diverse geographically and includes the spectrum of the Republican Party, we have taken positions with substantial solidarity, and developed and introduced legislation.

Our task force, as is true of other Republican task forces, is necessarily an alternative forum, an alternative to the standing committee system which occasionally gets diverted from some of the concerns we try to make our exclusive and active focus. Considering the extremely modest resources of the typical Republican task force—and ours is no exception—I think we can claim substantial success in our mission. I think the members of the task force are quite proud that for this year and next, the House Republican leadership has designated our task force as one of 3 task forces to be continued in the 94th Congress.

As to the future . . . in the coming weeks, I expect our task force to press for giving the FTC standing to intervene as a party in the administrative and adjudicative proceedings of independent Federal regulatory agencies.

I also anticipate that the task force will be active in further strengthening antitrust enforcement, in advocating reform of specific regulatory structures, including the independent Federal agencies, and in developing proposals to ensure the viability of America's small businesses and their prospects for internal growth.

Overall, there are a number of important antitrust bills in this Congress. Some are new, others are old, but I foresee that many of them will have a harder road to travel than antitrust bills had in the 93rd Congress, when the relative . . . if inflationary . . . boom period of 1973 and 1974 particularly stimulated congressional concern about monopolies, consumer problems, costly regulation, and antitrust enforcement. Let me first review what happened in the last few months of the 93rd Congress and then I will try to cover the current legislative activity and discuss some of the reasons why things happen the way they do.

Shortly after your meeting last spring, both the antitrust division and Federal Trade Commission appropriations for FY 75 were considered by Congress. In both cases, the administration's requests had been severely cut by the House Appropriations Committee. I am happy to recall that I, along with other members of the Republican antitrust task force, successfully amended an increase to the Appropriations Committee's recommendation on the House floor.

With our action to give the division what was in fact the original administration request, that appropriation had the effect of allowing the division to increase its staff for the first time in 4 years. When the FTC approportion reached the floor later the same week, sentiment in the House was still running high.

Knowing that our task force planned to offer similar amendments may have been the reason the Appropriations Committee reversed itself on the House floor and recommended a substantial increase in the budget. That was last year. And I might add, that because Justice has asked for another increase this year, I would not be surprised to see a repeat of last year's floor fight. I would expect our task force to be involved in this fight's successful conclusion.

Our task force made another particularly significant effort last fall It appeared that the Antitrust Procedures and Penalties Act was about dead in the House Committee on the Judiciary—an inadvertent victim of the impeachment proceedings. Fortunately it did not die, but it passed only just before the final sine die adjournment bell. I like to think that the Republican Antitrust Task Force helped by a variety of means, including public advocacy statements, to convince Chairman Rodino to make that bill his top post-impeachment priority. While the ultimate credit must go to the chairman himself and his committee members, we feel our early stance encouraged committee consideration and also encouraged President Ford to specifically ask for the Congress to act on the bill in his economic summit message. As you probably recall, the act provided for broad disclosure in consent decrees, changes in the expediting act, and significant increases in criminal fines and prison sentences. I sincerely hope those increased penalties are bringing your clients into your offices before they do anything questionable—instead of their waiting until being informed of a pending investigation.

What is the overall legislative outlook in this new Congress you have heard so much about?

This year, numerous bills have already been introduced, which, if enacted, I suspect would cause major changes in your practice.

First, the House and Senate Judiciary Committees are both working on bills to eliminate so-called "fair trade" laws. In particular, the House Antitrust Subcommittee held hearings this week and has left the record open for additional information until April 21st.

Looking only on the House side for a moment, the House Antitrust Subcommittee has also scheduled markup on H.R. 38—the Parens Patrae bill, for April 17; and its current agenda includes H.R. 39—the administration sponsored amendments to the Antitrust Civil Process Act.

On a somewhat different front, the House Judiciary Committee is also seeking to obtain control over Department of Justice budget authorizations. At the present time, the only say is that of the House Appropriations Committee, whose experiences on the House floor I described a few minutes ago.

My own committee, the House Committee on Interstate and Foreign Commerce has a number of antitrust type bills assigned to it, but I do not anticipate immediate action on them due to so much left over business (on energy, for example) from 1974. These range from bills to break up the oil industry to the bill I introduced to create a National Commission on Regulatory Reform and which bill currently has over sixty cosponsors.

Also awaiting action in the House Commerce Committee is a bill to reform the FTC consent order procedures—H.R. 499, as well as a set of bills to limit the application of per se rules in some cases of market division. Only on the last set of bills has there been any action so far.

I should note that antitrust bills do not get assigned to the Judiciary Committee if they are labeled as amendments to the FTC act—our version of what you attorneys call forum shopping.

Turning to the Senate side, where activities are even less predictable, Senators HART and SCOTT have introduced an omnibus antitrust bill—S. 1284, whose stated purpose is to improve and facilitate speedy enforcement of our antitrust laws. Some of its features will probably not survive committee let alone the Senate or House floors. Some sections, I believe, will be considered and will probably pass.

In brief, one section of this eight part bill would require corporations with assets or

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sales of more than $100 million to give the Government 60 days notice of any merger or acquisition involving a firm worth $10 million or more—and should it care to file suit in that period, the Government could move to block the merger until the courts have resolved the issue.

The bill also contains "parens patriae" and C.I.D. sections similar to those being considered in the House. The bill would increase fines for not obeying FTC subpoenas or special orders from $100 to a maximum of $5,000 per day. Another section would make a nolo contendere plea in a criminal antitrust case admissible as prima facie evidence in private civil litigation and the final title would significantly broaden the applicability of the Robinson-Patman Act.

The items of legislation I've described are ones which Congress is going to look at and fully consider. Some here may feel this legislation, if all enacted, might wreck our economy. Others here may feel that the proposals don't go nearly far enough.

In this respect, we in Congress are no different than you. We see pluses and minuses in all legislation. After all, we are a representative body!

And we fully understand—because we try to know the conditions in each of our districts—that if inflation was the headliner last year, this year it is jobs—and the overall health of our entire economy.

Some people are fond of suggesting that there is an antibusiness philosophy abroad in the Nation and that the biggest businesses are being made the public scapegoats for our economic woes. It is true that there are those in Washington, including Capitol Hill, who engage in raising expectations by evangelizing antitrust as a cureall for inflation and unemployment. I think most Congressmen know better.

While Congress as a whole believes that strong antitrust enforcement is a good idea, Congressmen are inclined to be cautious—probably appropriately so—in uncertain economic times. And at such times, antitrust has a limited public constituency due to people's other more immediate preoccupations. I would disagree with those who say that there is a broad, aware public constituency for antitrust. Even with respect to the multinational oil companies. No one, at least yet, is breaking down congressional doors asking for action or enforcement the way the Sierra Club is currently lobbying for a stronger Clean Air Act. Or the way 10,000 unemployed auto workers have come to Washington asking for jobs and protection of their medical benefits.

Even the fact that the public record shows strong support for antitrust bills does not mean that they will automatically pass. For example, take fair trade law repeal. Repeal is strongly supported in the public hearings to date. The opposition does not want public exposure and is private—but may very well win out.

What I am suggesting is that Congress is in the peculiar position of making decisions that will strongly effect and change an already wobbly economy. Individual members really do have to worry how those changes will affect industries and jobs in their own district and States.

However, I think it is accurate to say that most of us are increasingly more willing to ask questions about the paradoxes and injustices in the regulation or the restrictions put on the competitive marketplace. We find it even harder to accept the idea that American consumers are spending tens of billions each year through hidden subsidies which have developed in our regulatory system.

We are beginning to ask persistent questions about the 45 regulatory processes which Hendrik Houthakker says contribute to inflation. Regulation of transportation alone costs consumers an estimated $16 billion a year, or an average of almost $300 per American family.

Most Congressmen know that a great deal is wrong with our present regulatory structure . . . and they know that regulated enterprise is not free enterprise, but a hidden subsidy that's costly to the public.

We are not sure exactly how much more people pay as a result of scores of Federal and State regulations that prohibit or prescribe all sorts of actions . . . from a ban on advertising the price of drugs to a requirement that airlines charge identical fares . . . but we are sure the public is paying a high price.

This is why we are at last seeing a movement to examine what's wrong, and why I think H.R. 2277, my bill for a regulatory reform commission, has acquired, with very little salesmanship to date, more than 60 cosponsors.

To me, it is clear that our transportation regulations need a drastic overhaul . . . bankruptcy of the railroads combined with both fuel shortages and inflation make this readily apparent. Increasing demand for a full scale national energy policy is focusing attention on the shortcomings and shortsightedness of the Federal Power Commission.

And our congressional task force will not be alone in working to help eliminate abuses that stifle competition among industries and contribute to our current economic problems . . . especially inflation.

To me, the most glaring examples of regulation gone awry are in the transportation industries. It is inconceivable in this time when we require fuel conservation and economy that we support such inefficiency and waste. This is why I am going to particularly stress and fight for reform in our transportation regulations. I think the ICC is ripe for reform now. And I hope, and I believe my colleagues in Congress will agree.

In today's turbulent economy, Congress *is* growing impatient with all hidden special interest subsidies—whether it's back door spending, privileged set asides or regulatory straightjackets—our number one priority is to reestablish a healthy economy without double-digit inflation. Strong law enforcement and respect for the law, open competition and an end to unjust regulation are absolutely necessary to achieving this goal, a goal that we in Congress are grateful to know you share and are deeply involved in achieving.

REGULATORY REFORM NEEDED NOW

HON WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. GRADISON. Mr. Speaker, the case of the Rock Island Railroad, which is now impounded in bankruptcy proceedings is a good example of the damage which can be done through excessive and inefficient Government regulation of business. The Rock Island case also shows how important it is for Congress to reform the system whereby the Interstate Commerce Commission regulates the railroad industry.

The bankruptcy of the Rock Island could in all likelihood have been avoided if the ICC had not delayed so long in considering a merger proposal for the Rock Island. Beginning in 1963, several railroads had petitioned the ICC to acquire parts or all of the Rock Island. Approval of one of the merger proposals would have allowed the operations of the Rock Island to be taken over by a more profitable railroad or railroads and thus would have provided a sounder financial base for these operations.

Incredibly the ICC delayed more than 11 years before finally getting around to deciding on the Rock Island case. By the time the ICC finally did decide on the case late last year, it was too late to save the Rock Island from bankruptcy.

Now that the Rock Island has been forced into bankruptcy, it appears as if the ICC is going to split up the railroad along the lines of the original merger proposals. The end result of all this is that the ICC has waited 12 years to take action where it was apparent long ago that prompt action was called for.

The accompanying article, which appeared in the Wall Street Journal on April 15, discusses in detail the Rock Island case along with other examples of how ICC delays have caused economic damage.

Clearly, the time has come for Congress to reform regulatory procedures. Instead of continually pouring more taxpayer's money into the railroads, we should be trying to correct the fundamental problems which have afflicted the railroads. One of these problems is the ICC.

The article follows:

DISMEMBERING THE ROCK ISLAND

(By Albert R. Karr and Lewis M. Phelps)

WASHINGTON.—It looked like a giant Monopoly game. Grown men in shirt-sleeves were seated on the floor of a suite at the Madison Hotel here, furiously trading property.

But they weren't playing. The heads of 23 railroads were engaged last month in the unusual exercise of splitting up a major competitor—the Chicago, Rock Island & Pacific Railroad. If the Rock Island collapses eventually, as is generally expected, the main outlines of the takeover plan worked out at the Madison probably will gain the ICC's backing. The road is trying to reorganize under bankruptcy law, but its chances of doing so are considered slim.

Whether the hasty carving up of a sick railroad by its competitors is the best way to go about such a complex piece of business is a matter of some dispute; many state officials and shippers think, in fact, that the Rock Island should somehow be preserved.

Even so, it's noteworthy that the two dozen roads accomplished, at ICC invitation and with its blessing, a splitting-up of the Rock Island in less than 24 hours—something the ICC has been trying to do, through a formal merger proceeding, for nearly 12 years.

Long ago, when the still-unfinished merger case began, the Rock Island probably could have been saved through a consolidation. But so much time elapsed while the ICC haggled that the Rock Island's condition worsened to the point that quick dismemberment became the only solution. The ICC defends the long time it has taken by saying it needed to protect all the conflicting interests in the case. Critics reply that it's preposterous that the commission couldn't say "Yes" or "No" in less than a decade.

"Several members of the ICC should be impeached for their role in this disaster and probably deserve to spend some time in prison," says Anthony Haswell, a Chicago attorney who has been involved in railroad cases.

Merger of the Rock Island into other railroads has long been considered necessary. The line has been in the red every year since 1965. It has suffered from excess rail capacity in the Midwest, slower routes than its competitors, management difficulties and a relative scarcity of noncompetitive routes.

By the early 1960s, merger became an obvious answer. The Chicago & North Western Railway, a direct Rock Island competitor, asked the ICC for a merger in 1963, and others joined the move. The ICC was presented with competing proposals.

YEARS OF TUSSLING

After years of tussling with the problem, an ICC administrative law judge took three years to issue a new merger plan of his own. The ICC rejected that idea, and last December finally approved a different plan, under which the Rock Island would merge into the Union Pacific, Santa Fe, Southern Pacific and Denver & Rio Grande Western Railroads. But the ICC laced its approval with all kinds of conditions involving other roads.

Nearly every party to the complex case protested the ruling, and the Union Pacific, fed up with the delay, indicated it was going to back out. Thus, the merger was probably dead.

Meanwhile, the recession brought the Rock Island to the brink of collapse. It sought a government loan, but was turned down on grounds the loan couldn't be repaid. Early last month the line said that it would have to close down on March 31.

Then came the twist. Larry S. Provo, president of the North Western, suggested to the ICC last month that there be a quick dismemberment of the Rock Island, with the North Western and other competitors picking up the pieces. The ICC, recognizing that the time had come to act fast, accepted the idea—even though it was without precedent in the ICC's 88-year history. The commission and its staff evidently welcomed the chance finally to do something useful about the Rock Island; many ICC people admit that their previous handling of the case has been disgraceful.

So the railroad executives gathered at the Madison Hotel March 17 and then finished their deal-making at ICC headquarters the next day. An ICC staff man who attended that final session says he found it inspiring to watch a group of men doing in a few hours what the commission had been trying, and failing, to do for years. Ironically, the Madison agreement was based on a plan suggested by the North Western and was fairly similar in important respects to its original merger proposal.

In keeping with the fresh spirit of the Madison exercise, the railroads suddenly moderated long-standing demands that had contributed to the merger delay. One participant in the hotel-room negotiations recalls Union Pacific President John Kenefick saying, "If we can work out a solution that will be acceptable to the shippers and politicians it will improve the credibility of the entire industry."

The negotiators also were spurred to agreement by the threat of an imminent shutdown of the Rock Island. "It showed what the private sector can do under pressure," says Asaph H. Hall, acting Federal Railroad Administrator. Asked if that pressure added up mainly to "fear and greed," Mr. Hall replies: "exactly."

Slowness is almost a way of life at federal regulatory agencies, sometimes producing ludicrous results. United Airlines asked the Civil Aeronautics Board, well before the 1973 Christmas season began, for permission to add more flights within the Hawaiian Islands to handle the coming season's mail rush there. The CAB dismissed United's petition the following February, on the ground that Christmas was over.

But the ICC is probably the slowest of the bunch. One commissioner there says the delays occur because his fellow members are afraid to act and spend too much time trying to balance one interest against another in complex cases. Frequently, this balancing act results in a decision, as in the Rock Island case, that none of the parties really likes. Additionally, he says there's a tendency to over-write the reports accompanying commission decisions. "The more you put in," he explains, "the more defensible the decision will be in the court, which is what everybody is worried about." But all that researching and writing takes time.

There are other problems. Regulatory agencies such as the ICC have only the vaguest of policies to guide them in making decisions. Instead, the agencies plod through their work on a case-by-case basis, mired much of the time in uncertainty. Furthermore, the ICC is so tied up with hundreds of routine cases that it's unable to move quickly on major ones. Some experts figure that 70% of the ICC's time is spent, for example, on trucker operating-authority matters, which a former ICC staff man says "paralyzes the agency in crap."

Whatever the reasons, the ICC's slowness causes considerable economic damage, if only because conditions often change markedly while the commission is deciding whether to approve a proposal. When the Illinois Central Railroad proposed renting an entire train to shippers for hauling grain for export shipments eight years ago, it had four or five big customers lined up. But by the time the ICC finally approved the bargain-rate plan two years later, all but one of the customers had pulled out because of uncertainty.

BYPASSING THE ICC

It's in railroad merger cases, however, that the deleterious effects of ICC delay probably are the worst. The Ford administration's pending railroad legislation likely will contain a provision to allow railroads wanting to merge or to engage in basic restructuring of routes to bypass the ICC in some cases and get quick approval or rejection from the Transportation Secretary.

ICC defenders can point out that a rail merger case involves considering a multitude of complex details, a chore that takes lots of time. But in one session at the Madison and then in one at the ICC, the men disposed of hundreds of such details. They decided, for example, that the Santa Fe would take over Rock Island's service between Tucumcari, N.M., and Amarillo, Texas, that the Burlington Northern would take over between Phillipsburg, Kan., and Omaha, and that the North Western would take over between Council Bluffs, Iowa, and Des Moines.

At the ICC the second day, felt-tipped pens in hand, the men sat before large maps, making more quick decisions about divvying up the Rock Island. One man asked another if he'd like to assume service to six grain elevators on Lake Michigan. "Sure, why not?" came the reply.

During a break, a Santa Fe lawyer remarked to an onlooker that "we've got guys who've spent three years arguing before the ICC about what side of the track we should serve in Enid, Okla."

The ICC could still reject some aspects of the Madison Hotel plan, and it may well attach some conditions to its acceptance. A road acquiring a profitable stretch of the Rock Island might have to accept a less-desirable segment along with it, for example. But the basic pattern the railroaders worked out seems certain to be followed.

There probably are good reasons why such quick dismemberment of sick railroads shouldn't become basic transportation policy. The process can be fairly arbitrary and it can overlook some aspects of what's known in regulatory circles as "the public interest"; it's precisely to avoid these effects that the federal regulatory agencies were established.

But the exercise at the Madison Hotel certainly does show that 12 years of ICC procrastination isn't the only way to deal with the problem of splitting up a railroad.

THREE FAMILY FUND

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. DODD. Mr. Speaker, it is unfortunate but true that a tragic incident often needs to occur before a community comes together in spirit and deed. The human inclination in these instances is to forget both differences and indifference in an effort to band together to help an individual or family in need.

Such a tragic situation has occurred to not just one but three families in the neighboring communities of Stonington and Groton, Conn. Due to the senselessness of a shooting incident, Guy Leroy Robinson suffered severe gunshot wounds and now requires 2 years of hospitalization and massive amounts of blood to enable him to regain the use of his arms; William Curtis Denton requires funds for medical aid—his mother, Virginia Mae Denton, dead as a result of the shooting, and her family of four children in dire financial need; and Mrs. Lorraine Moody's home was burned extensively by the gunman and all her possessions were lost.

February 22, the day following the shooting, cooperative efforts began taking place among individuals and organizations in the Groton-Stonington area. The effort became know as the "Three Family Fund," and among those attending that first meeting were Charlotte B. Dickerson, executive director, Groton Resources Organized; Karle Butler and Martha Edmond, from the Groton Area Black Caucus; and Norman Jason, headmaster, Pine Point School in Stonington.

Three days later, an organizational meeting of the Three Family Fund took place at Fitch Junior High School in Groton. Among the events planned by the fund-raising committee appointed at that meeting, in cooperation with groups including the students at Fitch Junior and Senior High Schools, were:

March 15: Cake sale and judo tournament organized by Fitch Senior High students.

March 21: Dance planned by Fitch Senior High students.

March 22: Cake sale organized by Groton Resources Organized.

March 23: Cake sale by GRO.

March 29: Car wash and cake sale by GRO.

April 19: Benefit dinner planned by Active Parent Youth Association, affiliated with Groton Resources Organized.

April 24: "Once Upon a Rhyme," performed by Pine Point School Players, and organized by GRO and the school.

April 26: Dance sponsored by Dolcom Center Minority Wives of the Submarine Base.

Since that sad day in February many residents and organizations in southeastern Connecticut have given generously of their time and money and blood to benefit those three needy families. I am proud of the efforts which have been made on their behalf by the community. I wish to place into the RECORD a list of

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some of those generous people who have given to help their neighbors.

LIST OF DONORS

Active Youth Parents' Association; Allyn, James H.; Bauman, Padma; Best, Maxine; Boatwright, Mary H.; Brown, Eugene; Burke, Mary C.; Butler, Christina; Butler, Karle; Butler, Mildred; Castle, Steven; Central Supermarket; Cole, Emma Aubert; Cornelius, Louis; Cutler Junior High School; Daukas, John B.; Desiderato, Dorothy; Dickerson, Charlotte; Dodson, Robyn; Edmond, Terry; Edmond, Martha; Eddy, William.

Faulkner, Dale; Ferguson, George F.; Fitch Junior High School; Fitch Senior High School; Groton Area Black Caucus; Groton Resources Organized; Hurlbut, Irene T.; International Association of Machinists & Aerospace Workers; Jason, Norman S.; Kaplan, Nancy; Lassen, Grover; Loftis, Geneva; Lyons, Michael; Martinez, Yvette; Martinez, Gladys; McCagg, Rosiland B.; Nagel, Cecilia C.; Noank Baptist Church; Palmer, Gregory; Palmer, Mary Lou; Pine Point School; Post, Milton.

Ramsey, Diane; Robinson, Yvonne; Robinson, Mr. and Mrs. William; Studevant, Hazel; Selden, George; Suisman, Shapiro, Wool & Brennan, P. C.; Thermos Employees; Turner, Elaine; Villejo, Nick; Vista; Wall's Temple A. M. E. Zion Church; Wilson, Naldi; Wilson, Albert E.; Wimpfheimer, Jacques.

RESOLUTION INTRODUCED

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. CHAPPELL. Mr. Speaker, in spite of recent reassurances by the President and the State Department that there are not any efforts within the administration to lay the groundwork for the United States entering into normal or friendly relations with Cuba, there are persistent rumors and news reports to the contrary.

Today my colleague, Congressman PEPPER, and I introduced a concurrent resolution against any entry of the United States into normal and friendly relations with Cuba as long as it is dominated by Castro and communism.

At Punta del Este in January 1962, the Foreign Minister of the O.A.S. declared:

> The present Government of Cuba has identified itself with the principles of Marxist-Leninist ideology, has established a political, economic, and social system based on that doctrine, and accepts military assistance from extracontinental Communist powers, including even the threat of military intervention in America on the part of the Soviet Union.

The validity of this declaration has been established in that this Communist regime of Castro has:

First. Trained guerrillas, including American citizens, to subvert and infiltrate governments including the United States. Examples of such activity is obvious in the terrorist Venceremas brigade and the distribution of the publication, "GRANMA" among Americans urging them to kill and steal;

Second. Ignored all law and human rights and has over 30,000 political prisoners in concentration camps and has executed some 27,000 in the last 15 years; and

Third. Allied Cuba with Soviet Russia and Warsaw Pact countries, from whom Cuba has received billions of dollars in weapons, including modern aircraft, and sophisticated munitions of all types with nuclear capabilities, although it is not known publicly whether or not nuclear warheads are in Cuba.

These actions by the Castro Communist regime are incompatible with the following basic principles of the Organization of American States and the American system:

First. Self-determination—of people by popular vote and democracy;

Second. Nonintervention—in any other government;

Third. Human rights—under constitutional and international principles; and

Fourth. Collective and individual defense—as provided by the Rio Treaty of 1947.

It is apparent to all who wish to see, and especially to us Floridians who are only 90 short miles from this Communist regime, that the continuous and systematic violation of these principles are incompatible with the American system. Obviously, "détente" is working only to the advantage of the Communists and any efforts to enter into friendly and normal relations with the Castro Communist regime would, in fact, be detrimental to the best interests and the security of the United States. The congressional determination expressed in Public Law 87–733, 87th Congress, dated October 3, 1962, is as valid today as it was in 1962. Therefore, Mr. Speaker, as long as the above situation and conditions exist in Cuba, any reduction of trade and diplomatic sanctions against, or normalization of relations with, the Communist regime of Fidel Castro is unacceptable and impossible.

In conclusion, I hope that the concurrent resolution introduced by Congressman PEPPER and I today will be overwhelmingly adopted by this Congress.

MAJ. GEN. WILLIAM LYON, NEW CHIEF OF STAFF OF AIR FORCE RESERVE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. PATTERSON of California. Mr. Speaker, I would like my colleagues to join me in congratulating the new Chief of Staff of the Air Force Reserve, Maj. Gen. William Lyon, of California.

I was privileged to attend the ceremony at the Pentagon on Wednesday, April 16, 1975, and to be present to witness the oath and duties of the office as administered to General Lyon by the Secretary of the Air Force, Dr. John L. McLucas.

The role of the Air Force Reserve is of paramount importance to our national security. I concur with the Secretary and with Gen. David C. Jones, Chief of Staff of the Air Force, in their decision that Maj. Gen. William Lyon, of California, will bring to his new position the combination of military expertise and concern for the well-being of our citizens and our country that is necessary to maximize the effect of the Air Force Reserve.

Prior to being sworn in as the Chief of the Air Force Reserve, General Lyon was awarded the Air Force Legion of Merit for outstanding performance of duty as mobilization assistant to the commander in chief, Strategic Air Command, Offutt Air Force Base, Nebr., a position he has held since March of 1974.

His other military awards and decorations include the Distinguished Flying Cross, Air Medal with two oak leaf clusters, Presidential Unit Citation, Air Force Outstanding Unit Award, Combat Readiness Medal, European-African-Middle East Campaign Medal, Armed Forces Reserve Medal with Hour Glass Device, Korean Service Medal with two battle stars, and Korean Presidential Unit Citation.

A native Californian, General Lyon attended the University of Southern California and later Dallas Aviation School and Air College. He enlisted in the Army Air Corps as a reservist in 1943 and continued as a civilian flight instructor until he received a direct appointment as a flight officer in June 1944. He served in the Pacific and European theaters before his return to the United States in 1946.

In 1953, Bill Lyon volunteered for a combat tour in Korea and flew 75 combat missions. He was assigned to various Air Reserve positions as flight commander and operations officer before assuming command of the 929th Tactical Airlift Group, March Air Force Base, Calif., from 1963 to 1969.

In June of 1970, the general was selected as mobilization assistant to the commander, Sacramento Air Materiel Area, McClellan Air Force Base, Calif. In February 1971 he became mobilization assistant to the commander, 15th Air Force, at March Air Force Base and in 1974 he was assigned mobilization assistant to the commander in chief, Strategic Air Command.

In civilian life he is president and chief executive officer of the William Lyon Co., engaged in land development and homebuilding of planned communities.

His civic affiliations include board of directors of the National Association of Home Builders; member of the Governor of California's building industry task force; member of the advisory board of St. Jude Hospital, Fullerton, Calif.; University of Southern California Associates; member, Attorney General's Volunteer Advisory Council of California.

VIETNAM: SETTING THE RECORD STRAIGHT

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. ARMSTRONG. Mr. Speaker, a few days ago I read a thought-provoking article which challenges virtually every widely held assumption regarding the

Indochina war and U.S. participation in it.

According to Sir Robert Thompson, a recognized authority on Southeast Asia, the great public debate on U.S. policy has been, and continues to be, based largely on a distorted view of events in Vietnam and Cambodia. In his book, "Peace is Not at Hand," Thompson undertakes a forceful point-by-point refutation of standard assertions which have been accepted by Members of Congress and the public.

I call attention of my colleagues to the following article from the May issue of "The Alternative: An American Spectator" which discusses this provocative book:

VIETNAM: SETTING THE RECORD STRAIGHT

In the past several weeks, the war in Vietnam has surfaced, once again, as a major item on the evening news. In a sense, this is quite surprising, for if there is one topic which both the media and the American public would rather ignore, Vietnam is surely it. Yet, like a sore that will not heal, the conflict in Southeast Asia refuses to go away; and so each night, sandwiched between vignettes on our impending economic collapse and the latest Watergate trial, we hear of it once again. The Communists, having taken such respite as they deem sufficient from the ceasefire, are actively re-engaged in the attempt to conquer the South. The United States Senate, in the meantime, debates whether even continued monetary support represents too great a commitment to our beleaguered SEATO ally. And in a related incident reminiscent of the late 1960s, a radical "underground" group has bombed the State Department to articulate its disapproval of American policy in Indochina.

Irritating as these reminders may be to those who would have the United States wash its hands of all responsibility and concern for the fate of South Vietnam, one can be sure that such individuals will have little trouble harmonizing these latest developments with the prevailing dogma on "the lessons of Vietnam." It is doctrine that American military involvement in Southeast Asia was the most tragic mistake of United States foreign policy in the postwar era, the *reductio ad absurdum* of a simplistic and rigidly anti-Communist cold-war ideology. It cost untold billions of dollars and the lives of fifty thousand American soldiers. It "alienated" and "disillusioned" millions of young people who learned that theirs was a government of secrecy and deception, given to the mindless, atrocious bombing of innocent peasants. All of this was done to support a corrupt, dictatorial regime against the otherwise irresistible force of a popular revolutionary movement which represented the legitimate aspirations of the Vietnamese people.

Only after years of such idiocy did America finally realize that its clumsy, heavy-handed intervention could not succeed, that the war was "unwinnable," that we could not and should not impose our parochial ideals of "freedom" and self-government on a populace whose cultural heritage left them totally uninterested in the airy abstractions of democratic political theory. Only then, in a transparent effort to save face, did the United States negotiate a settlement, and withdraw from Vietnam, to ponder the weighty, oft-proclaimed lesson that "America cannot be the world's policeman." And only the eventual fall of South Vietnam to the Communists (which, it is said with confidence, must surely occur now that American fighting men are no longer there to prop up the regime) remains to close out this sordid chapter in American history.

So runs the litany of "enlightened appraisal" of our Vietnam experience. It is now accepted, almost without question, by large majorities in Congress, the press, and academia. In a few years (if this is not already happening) it will be taught to a generation of high school students as "history." And in time, one supposes, it will no longer be subject to serious challenge. This will happen not because the viewpoint expressed is correct or especially perceptive—it is neither—but merely because America's intellectual community almost totally subscribes to it and will brook no dissent, while the rest of the country no longer wants to hear or think about Vietnam at all.

In this atmosphere, Sir Robert Thompson's *Peace Is Not at Hand* is an important, frustrating, and deeply disturbing book. It is important because it demonstrates, in detailed, articulate, and documented fashion, that the standard view of Vietnam is simply false. It is frustrating because one realizes that most people will completely ignore the book, and that those who read it will make little headway in combatting the current complacent majority view. And it is disturbing both in its eminently plausible analysis of the deleterious effects of Vietnam on America's strategic position, and for the necessary implications of that analysis about the ability of the United States to think and act with either seriousness or courage in a post-Vietnam world.

A large portion of *Peace Is Not at Hand* is devoted to a careful, virtually point-by-point refutation of the now standard assertions about the war in Indochina. Thompson, a British military expert who is intimately and personally acquainted with Southeast Asia, is particularly at home in this task. Even without attempting an exhaustive recapitulation of his arguments, it rapidly becomes apparent that his comment about the "abysmal ignorance" which marked Western attitudes towards the conflict is an understatement. Indeed, on the level of specific charges and allegations, one is led to doubt the intellectual integrity of many of those who reported to the American people on Vietnam.

Throughout the latter period of the war, for example, a great deal was made of "American atrocities," such as the incident at My Lai, or the occasional civilian casualties that resulted from the bombing of North Vietnam. Thompson readily concedes, of course, that these things occurred, but he points out something which should have been apparent to any observer but was in fact seldom mentioned, much less emphasized—namely, that My Lai was indeed an "incident," and "aberration," that civilian casualties were indeed both occasional and unintentional, and moreover, that both paled in significance next to the deliberate, continual inflication of civilian casualties by the North and the Vietcong as an element of calculated strategy. Only a few examples are necessary to demonstrate the point. Item: At Hue, in 1968, the Communists systematically executed fifty-seven hundred civilians (captured documents subsequently revealed, says Thompson, "much gloating" over these figures, qualified only by disappointment that more had not been killed). Item: After the battle of Quang Tri, the North Vietnamese killed or wounded twenty thousand civilians when they fired shells from 130mm Russian guns at the columns of refugees fleeing from the area. Item: In contrast to the American bombing of Hanoi, which was at some pains, using highly sophisticated missile technology, to zero in on military targets, the Communists at numerous times throughout the war indiscriminately fired rockets into the Saigon and Phnom Penh areas—with the result that the Communist attacks, though using weapons of much smaller explosive yield, resulted in much higher numbers of civilian casualties. And yet some reporters, as Thompson notes, would go on record as saying that there was no verifiable evidence of atrocities committed by the North or the VC against women and children. Thompson is content to reply by quoting from Alexander Solzhenitsyn: "The proven brutal mass murders in Hue are only noted in passing, almost immediately pardoned, because society's sympathy inclined to that view point. [sic] and no one wanted to go against this inertia. It was nothing short of scandalous that these accounts leaked out in the free press and for a [very short] time cause [precious little] embarrassment to the frenetic defenders of that social system."

Thompson similarly takes on the frequent allegations that up to two hundred thousand "political prisoners" were being held by South Vietnam. First, he points out that the highest total of all prisoners (save some twenty-seven thousand prisoners of war) held at any time from 1968 through 1972 was slightly under forty thousand. Moreover, of these, nearly half were "normal" criminal element (whose numbers, as a percentage of population, compared favorably with that of the state of Massachusetts), leaving the total number being held for investigation or for specific acts of terrorism at around twenty thousand—about 0.12 percent of a population of nineteen million.

As a final illustration, consider the famed brouhaha over the "tiger cages." The clear impression left by American media coverage was that these cages were part of an extensive, brutal penal system, in which men were literally treated like animals. After all, one only had to look at the pictures. In fact, the cages were merely a small disciplinary unit of an island penal colony (Con Son) where the vast majority of prisoners were kept busy at public works projects, while being allowed their own gardens, their own farm animals, and in general, relatively great freedom of movement. The cage-like construction was mainly to allow for greater ventilation in the tropical climate. Indeed, the cages were not even underground, despite the suggestion to the contrary one received from the staged photographs that appeared in publications like *Life* magazine. Ironically, the furor resulted in substitution of American-type prison cells, which, Thompson notes, turned out to be "ovens" for their inhabitants. Meanwhile, the "tiger cages" were "taken over by militia families as the coolest accommodation on the island!"

I have devoted some time to these specific examples of Thompson's refutation of standard assertions about the war for two reasons: first, to show point out how untrustworthy and documented such assertions are; and second, to illustrate that Thompson is both knowledgeable and adept at the patient and difficult task of taking on such widely and erroneously believed allegations one at a time to set the record straight. Far more significant, however, are his analyses of both the political situation in South Vietnam, and the military position of the North at the time of the ceasefire.

The former is generally and confidently reported as being a virtual dictatorship, characterized by little popular support and much (ruthlessly suppressed) internal opposition, tottering at the brink of collapse, and held up solely by American money and weapons. President Thieu is alternately described as a buffoon and a martinet. Again, however, the facts belie such "observations." Thompson carefully goes through the figures for every election of significance in South Vietnam since 1966—figures which reveal surprising popular support for the current administration, and more importantly, surprising commitment on the part of the South Vietnamese to the supposedly "alien" idea of democratic self-government. For example, in the 1971 elections to the Lower House, 1,239 candidates of all parties ran for 159 seats. Despite a necessarily long and complicated ballot, over five and a half million voters (out of seven million registered) voted in a nonpresidential election. The result was the election of some eighty to ninety government

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supporters, fifty-five to sixty opposition candidates, and about ten to fifteen independents. All this in what is claimed to be a "dictatorship." As Thompson notes, "The honesty of this election was never questioned but received little coverage." On President Thieu personally, one might consider the comment of a leading opposition senator that he (the senator) would prefer Thieu, even if he "became" (note the tense) a dictator, to takeover by the North. Finally, it is worth noting that this "corrupt" regime has *not* perished, though so many were sure it would collapse *post haste* following American withdrawal—this despite the fact that the North is continually violating the Paris agreement by moving more troops into the South, by replacing weapons and material at a pace greater than the "one-for-one" basis allowed by the accord, and by deliberate attack; and despite the fact that American troops are no longer in the South, and American aid has fallen off to the point that the South is unable to engage in replacement even at the permitted one-for-one level.

On the question of the military situation of the North at the time of the ceasefire, Thompson's documented conclusions are even more startling to one long steeped in American reportage. The supposed popularly based, unbeatable guerrilla movement turns out to have been nonexistent at the time of the signing of the ceasefire agreement. Indeed, the Vietcong were at that time a decimated and literally insignificant force (largely because North Vietnam, as revealed by its own documents, had deliberately thrown the VC to the wolves in several major battles to forestall any in-house competition for political supremacy in a conquered South). The last major military campaign before the ceasefire, far from being a "guerrilla" effort, was a full-blown and highly conventional invasion in force (much as the current activity, though on a somewhat smaller scale, is purely conventional). And most importantly, that pre-settlement invasion was simply defeated. By the time of the signing in Paris, the invasion itself had completely stalled (due in part to the destruction of bases in Cambodia in the much decried Nixonian "incursion"), and the North's industrial war-making capacity was virtually nil (due mainly to the equally decried Christmas bombing). Why else, Thompson asks those who are skeptical of his military data, would the North suddenly accept peace terms which they had casually and cynically rejected for years? And why else has it taken this long before the invincible North has felt capable of seriously attacking, once again, the supposedly tottering South?

The point of all this, according to Thompson, is not that we were on the verge of "wiping out" the North; such was never our objective. It is rather that North Vietnam was, for the first time, in a "can-lose, can't-win" situation—a predicament which brought them scurrying to the bargaining table. But by this juncture, Hanoi's politically strong position, particularly within the United States, was in striking contrast to its seriously eroded military situation.

In Thompson's words, the North had successfully continued to fight "until the American will had been so eroded that the terms of the settlement would not be enforced against the North, and continued American support for the South, after a settlement, would at least be doubtful." In short, the mindset described earlier in this review had, as we are all aware, firmly taken hold. Thus, President Nixon could not exploit the strong bargaining position in which he found himself after the final bombing of the North ceased on December 29, 1972. He was unable to press for withdrawal of North Vietnamese troops from the South, or for a supervisory commission with sufficient authority to police and enforce a settlement adequately. He was forced instead to accept a ceasefire-in-place (allowing the North to cash in on its frantic pre-settlement efforts to *get* in place) and an International Commission of Control and Supervision whose supervisory powers are laughable. He was forced, in other words, by "increased pressure in Congress and the United States to accept a ceasefire on any superficially acceptable terms which would immediately end direct American involvement." And as a result, we obtained not peace, but a two-year lull—during which the North has been able to rebuild its war-making capacity in preparation for precisely the activities in which they are now engaged.

The implications of the ultimate handling of our commitment in Vietnam, as *Peace Is Not at Hand* suggests, go far beyond the immediate results we may witness in Southeast Asia in the foreseeable future (although Thompson successfully debunks as well the rather naive view that the United States should blithely write off the vast territories and populations of that region since it "doesn't affect our interests").

Strategically, the book argues, we have put ourselves in the position where neither the Communists nor our allies have good reason to believe the seriousness of American commitments. The Communists have successfully established, in Thompson's words, "some advantageous ground rules" in their political struggles with the West. First, "Communist countries are off-limits while the rest of the world is a free-for-all." Second, "in a free-for-all, a Communist party (or a Russian ally) has only to win once." And third, "revolutionary parties know they will be supported (by Russia, China, or both) whereas threatened governments and peoples do not know whether they will be supported by the United States." Nor is this an empty exercise in rhetorical speculation—one need look no further than the Middle East to see a situation where all three factors, particularly the last, could easily prove critical in determining what happens to the interests of America and her allies.

Ultimately, the most disturbing feature of Vietnam, and of Thompson's book, is what they say about our national character. Thompson correctly points out that Americans have never really been tested in a situation calling for extreme and painful self-sacrifice—in contrast, for example, to the trials undergone by Great Britain in World War II. His further observation—that "Americans have always shown a desire to duck and have never been slow to find every excuse to do so, particularly if they can satisfy themselves that the main reason is moral"—is, perhaps, overly harsh. But who can blame a European observer for making such a statement? In twelve short years, the cry of the Presidential standard-bearer of America's majority party has changed from "we will pay any price, bear any burden" in defense of freedom to "I will crawl on my knees to Hanoi." Our leading intellectuals loudly dismiss the former statement as naive while ascribing huge measures of moral sensitivity to the author of the latter. More concretely, we are currently watching a treaty ally submit to what can only be described as an aggressive Communist invasion, in cynical disregard of an international agreement to which we are signatory, and it is highly doubtful that we will do anything to aid the resistance. And many of our citizens have persuaded themselves that this is a highly moral and laudable course for us to take. "How mature of us to 'recognize our limitations,' to 'have the courage to admit a mistake and get out,' how moral to eschew all involvement in anything as brutal and barbaric as an actual war." How perfectly fatuous of us to think that such superficial sloganeering represents even a serious approach, much less a correct one, to either Vietnam in particular or the more general strategic choices and commitments we must make in the remainder of this century.

One suspects that the only thing this rhetoric may have succeeded in giving us is that which all too many people (as Bert Gordon tells Eddie Felsen in *The Hustler*) are looking for—an excuse to lose. Moral excuses offer, no doubt, the highest potential for immediate personal gratification. But they are excuses nonetheless. Of course we are not going to "fall to the Communists tomorrow," or any such nonsense. Nor is the rest of the world "ripe" for an immediate "Communist takeover" or anything of the sort. But however silly the doomsday projections of the radical Right, they should not lead the rest of us to lose sight of one fundamental fact: for nations as well as individuals, acts do indeed have consequences. Whatever our current or future rationalizations, America's final policy in Vietnam will prove no exception—as a hundred disturbing possibilities today and thousands more disturbing choices in the future may well attest. In *Peace Is Not at Hand,* Sir Robert Thompson has amply demonstrated that lesson, while giving serious students of American foreign policy an excellent volume of historical exposition and analysis. One may yet hope, if only faintly, that it will find its proper audience in this country.

LOSING OTHERS' LANDS — IT SHOULD MAKE YOUR BLOOD BOIL

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. HUNGATE. Mr. Speaker, in light of the chaotic situation in Indochina, and other recent events throughout this troubled globe, I would like to call attention to 2 columns by Russell Baker, which may prove helpful as we consider revision of our entire foreign policy posture.

The column follows:

LOSING OTHERS' LANDS—IT SHOULD MAKE YOUR BLOOD BOIL

(By Russell Baker)

NEW YORK.—It was in the late 1940s that the United States finally succeeded in losing an entire country. In those years it lost China. It was an astounding feat, comparable to losing a bull elephant in a studio apartment.

Many Americans did not even know we had China until we lost it. I remember, at the time, meeting a politician. "Doesn't it make your blood boil that we've lost China?" he said. He said that if elected he would find it and, what's more, would punish the people who had lost it. I was too terrified to admit that I didn't even know we had had China.

I tried to bluff through my ignorance. "Where was it the last time you saw it?" I asked.

"Where was what?" he demanded.

"China," I said. "Are you sure we didn't leave it in the garage?"

"You must be an imbecile," he said, smiling happily and plastering a bumper sticker on my lapel. "Vote for me."

I did. After a while I heard we had lost Cuba. The politician came back and asked if my blood wasn't boiling. I told him I hadn't been so mad since my wife lost the car keys. People ought to be more careful with things like Cuba, I said.

"What an idiot you must be," he smiled. "Don't forget to vote."

I voted him back to Washington and sure enough, he came knocking at the door again. "They've lost Cambodia," he said. "Doesn't it make your blood boil?"

Actually, I didn't think losing Cambodia was anything near the same class as losing China, or even Cuba, but I said it was terrible and would certainly vote for him if he would give me some information. He agreed.

I asked him what other countries we had. "I never know we have these countries until you come around to announce that we've lost them," I explained. "I'd like to know what we've got in safekeeping so I'll know what to expect next time."

"We could lose Turkey, Portugal or South Vietnam any day unless I am elected," he said.

"Could we lose Russia?" I asked.

"What a half-wit!" he said with delight, and urged me to vote several times.

Shortly afterwards, I went to Washington to see if he had heard of any place interesting being lost. His secretary, hearing the reason for my call, sent me instead to the White House Lost and Found Nations office. "Lost any good countries lately?" I asked a brilliant, hard-working director with an impeccable dossier at the F.B.I.

He was outraged. "You don't just lose countries, you simpleton," he said. "A country is not like your eyeglasses. You have to work and plan for years in order to lose one."

"It must be fascinating work," I suggested. "Do you think I could do it?"

"You amateurs!" he snorted. "Tell me, what would you do if you were assigned to lose England?"

I told him I would take it up to the attic in my hip pocket and then get distracted going through some old trunks, during which time it would probably sneak out of my pocket, crawl downstairs and hide itself in the garage rafters.

"That's not the way to lose a country," he said. "The first thing you do is find out what the English people want. Then you locate a general who believes they have all been duped by Communism, and you finance him to pull a coup, suppress the newspapers, ship the Queen to Switzerland, jail the House of Commons and then hold free elections which give every Englishman the chance to vote for the general. "If you're lucky, some farmers will take down their guns and start shooting at his headquarters in Windsor Castle. You then ship him a billion tons of bombs and bullets to defend himself against rebel strongholds in York, Manchester, Birmingham, Leeds, Canterbury and Bogner Regis.

"When England is starved and decimated, you ship the general several millions for pin money, so he can build a heated swimming pool for himself and an unheated prison for anybody he doesn't like. As the populace rises en masse against him, you send him more bullets to honor your commitment, and in 10 or 15 years England is lost."

"Does it always work?"

"We've been doing it for 25 years, and it hasn't failed yet."

It made my blood boil, which didn't help those poor, lost countries one bit, but somewhere, I know, a politician smiled.

AMERICANS AND THE ELDERLY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. MURTHA. Mr. Speaker, a nationwide poll of attitudes toward the elderly has just been completed which I believe is extremely important. Not only does it provide a valuable guide for us as Congressmen in public attitudes toward Government aid to the aged, but the survey also helps greatly to offset some of the popular stereotypes about Older Americans.

I would like to submit for the RECORD the following article from the Washington Post which outlines the results of this poll:

[From the Washington Post, Apr. 16, 1975]

ATTITUDES ON AGING—AUTOMATIC RISE IN AGED AID IS FAVORED

(By Stuart Auerbach)

An overwhelming majority of Americans favor automatic increases in Social Security payments tied to the cost of living and oppose forcing workers to retire when they reach a certain age, pollster Louis Harris reported yesterday.

In the largest survey ever made of attitudes toward the elderly among the aged and the American public in general, Harris found that 81 per cent believe the government should use tax funds to help support the elderly.

He also found that the aged would like to keep working as long as they can and generally feel they are better off than the public imagines.

Harris conducted his $324,000 study for the National Council on Aging, which said it wants to destroy "sterotypes and cliches about growing old."

"This study is by far the most extensive ever conducted to determine the public's attitude toward aging and their perception of what it's like to be old in this country—and to document older Americans' views and attitudes about themselves," said Albert J. Abrams, president of the National Council on Aging.

Harris surveyed 4,254 persons for the study—1,457 between 18 and 60 years old and 2,797 over 65. The responses of the aged were weighted so they would not be overly represented in general questions, but the large number was needed to give an in-depth look at their attitudes, Harris said.

His national political surveys generally involve about 1,600 people.

The Harris finding that 97 per cent—as close to unanimous as you can get, he said—of all Americans believe that Social Security payments should include automatic cost-of-living increases runs counter to the opinion of some economists that the nation faces a taxpayer revolt because of rising Social Security taxes.

Moreover, it shows a lack of public support for President Ford's plan to hold increases in Social Security payment to 5.5 per cent—less than half of the 12 per cent jump in the cost of living last year.

"There is no indication that the public supports an arbitrary limitation on this increase," the council said.

The survey also showed that more than one-third of the nation's 21 million elderly were forced to retire and would have liked to continue working. Of the people surveyed who do hiring and firing for business, 87 per cent admitted that employers discriminate against the aged and 37 per cent said they disagree with mandatory retirement because of age.

The survey found that younger people have a different view of the elderly than the elderly do of themselves.

For example, 60 per cent of the people under 65 think the elderly are lonely, but only 12 per cent of the elderly think they are.

The same pattern holds true for illness. Fifty-one per cent of the people under 65 think the elderly are in poor health; 21 per cent of the aged agree.

While 68 per cent of the elderly think they are bright and alert individuals, only 20 per cent of the people under 65 agree.

"In the eyes of the public," the council said, "people over 65 spend a great deal of their time in sedentary, private and isolated activities. Actually the older public is far more active than imagined . . .

"Pastime activities of both young and old are very similar. Comparable numbers of the young and old, for example, spend a lot of time sleeping, reading, sitting and thinking, participating in fraternal or community organizations or going for walks.

"The only areas where the two groups part are (that) older people spend more time watching television than the young, while the younger group spends more time in child care, at a job or engaged in sports."

The public view of the elderly, said Harris, "is born of a great deal of guilt, and by taking pity the non-elderly portion of the population absolves itself for what it feels is a kind of mistreatment of older people."

In fact, Harris said, the survey shows that older Americans "are pretty alert . . . They feel full of life."

But, Harris said, while elderly individuals think of themselves as alert and active, they believe that they are exceptions and the rest of the people over 65 are different.

For Harris, this finding was "a great sadness."

"The aged have bought the stereotype of themselves as a group," he said. "They have heard the libel so often they have begun to believe it."

Among blacks interviewed in the survey, Harris found that movements to raise black consciousness and pride appear to have succeeded among the young while having little impact on older men and women.

MORE STATELY MANSIONS

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. NICHOLS. Mr. Speaker, for the past year and a half our Nation has been buried under the worst economic times in 40 years. We continually ask our constituency to "tighten the belt and bite the bullet" yet we now propose a Federal budget for fiscal year 1976 with built-in deficits ranging from $50 to $73 billion. Now to add insult to injury, the House Legislative Subcommittee on Appropriations is holding hearings on the possibility of appropriating land to construct yet another House office building.

The justification for all this is that the staff of the Members of Congress have grown as well as the committee staffs. Considering the economic times, I cannot think of a poorer proposal for Congress to consider.

All too well I remember reading of the construction for the Rayburn Building, completed in 1965, and, of course, the cost of completing the building. The total cost, by 1965 standards, was more than $125 million.

All I can do is close my eyes when I think of the cost of a new building today with inflated prices and construction costs.

As an example of the local opinion in Alabama, I would like to submit to the RECORD of this body and for the reading of all Members of Congress, an editorial published in a recent issue of an outstanding Alabama daily newspaper, the Birmingham Post-Herald.

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I would like to add that we should begin heeding our own words about holding down spending and reconsider any proposal with the cost potential such as this one. I expect that the sentiment expressed in this article is probably weaker that that held by the majority of the people I represent.

The editorial follows:

MORE STATELY MANSIONS

If Congress could expand the national economy as lavishly as it expands its own empire in Washington, we'd be on easy street.

When it comes to decreeing ever-larger office buildings for themselves and their proliferating staffs, our legislators make Kublai Khan look like Omar the Tentmaker by comparison.

Take the House, for example.

It now occupies three huge office buildings named for Speakers Cannon, Longworth and Rayburn. The Rayburn building is the newest and biggest. It was budgeted to cost $25 million, but the final tab was $125 million, which is a record for phony figuring even in Washington. It was presumed to fulfill any possible future needs. Now, of course, that foolish dream is outdated.

House personnel have swollen far beyond present office capacity, and the House has appropriated $17 million to renovate the FBI's old fingerprint storage building. But that's only a temporary expedient.

The next project is a fourth office building, to be built from scratch, that probably will cost $200 million by the time the last cuspidor has been installed. It will add a million square feet of space in the current House acreage.

This building is meeting with opposition from people who live near the Capitol, but not necessarily from Congress. If approved, the new building would mean 100 private property owners would be evicted and some handsome and historic homes would be bulldozed into oblivion.

These property owners hope they can raise enough public strength to stymie the project, but Las Vegas' Jimmy the Greek no doubt would rate the odds against them as astronomical.

Meanwhile, the Senate is enjoying growing pains, too.

The mammoth Dirksen building is being enlarged to the tune of $60 million. At least, that's the figure quoted now, subject to periodic boosts as work progresses.

The reason for all this preoccupation with desk space on Capitol Hill is that legislators' personal and committee staffs have grown enormously in recent years to the point where they now total 20,000 employes, many of whom are now functioning—if that's the word—in corridors and closets.

Of course, there's another answer to this problem, other than hastening to build more marble mausoleums.

Fire half the staff and committee hangers-on and the rest would fit nicely into existing offices and with the additional elbow room thus afforded they'd no doubt be twice as efficient.

But that's too simple a solution for our legislators. And far too economical, sad to say.

SECRETARY MORTON SPEAKS AT SOUTHEASTERN ELECTRIC EXCHANGE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. BROWN of Ohio. Mr. Speaker, not long ago, a good friend and former colleague, Rogers C. B. Morton, Secretary of the Interior addressed the Southeastern Electric Exchange in Boca Raton, Fla. With the thought that his remarks will be of interest to my colleagues, I include them in the RECORD at this point:

REMARKS OF SECRETARY OF THE INTERIOR ROGERS C. B. MORTON

It is a high honor to address the annual meeting of the Southeastern Electric Exchange. It would be a great pleasure and privilege to meet with leaders of the utilities industry anytime, but is more so at this critical period for your industry and for the nation.

The electric utilities industry is at a crossroads now, and the decisions made by the Congress and the Administration in the coming weeks will determine the future course of your industry for decades to come. To be able to focus at this time on some of the critical choices which the decision-makers of this industry is a rare and important opportunity.

I did not come here to tell you what's wrong with your industry. It is apparent that you have enough critics already. Rather, I want to reassure you that the Administration is fully aware of the difficulties you face. I also want to assure you—from the Administration's standpoint—of our firm intention to help remedy those ills as expeditiously as we can—and in a manner that will not permanently reduce the role of the private sector in meeting our power needs.

The electric utilities industry has been structured and designed to be the most reliable and stable industry in the Nation. The product it sells is irreplaceable, and the consumer must be assured that it is reliable and always available.

Historically, the growth patterns of power consumption have been constant and predictable. Consumption traditionally has increased at a rate of about 6% per year. The previously guaranteed rate of return and the predictability of growth made the industry's capital requirements relatively easy to meet.

Over the years, the American power consumer has received one of the great bargains of all time. As a result, we built an industrialized base heavily dependent on cheap power, and our homeowner became accustomed to, and heavily dependent upon, the often wasteful use of electricity. Unfortunately, we all took this cheap electricity for granted—never recognizing what a bargain it was.

For most of the years since World War II, the cost of electricity has steadily declined. Since 1969, however, it has begun to inch upward due to inflation and the increased capital costs associated with nuclear construction.

This country has been accused of ignoring the signs of the impending energy crisis. But, at the beginning of the last decade, this industry foresaw the day when petroleum would become too precious or too scarce to use as a source of electric power. The industry, together with federal government, undertook the research necessary to develop nuclear fission as a commercial power source. In the late sixties, the tremendous capital investment required for the installation of atomic power plants began to have its effects on power rates.

Then came the energy crisis. The Arab oil embargo lasted only about four months, but it disrupted our supply patterns, reduced our Gross National Product and shook our national confidence as never before. When the embargo was replaced by the sudden quadrupling of the world oil price, it set off a chain reaction; it affected the price of almost every basic commodity, it aggrevated our already serious inflation problems, and finally, it fostered the current recession.

For the utilities, the oil price increase and its economic effects have had a devasting impact. You have been met with increased consumer resistence to rate increases, an unprecedented shortage of investment capital, and unforeseen changes in consumption patterns.

Our hodge-podge system of regulated utilities has failed to come to grips with these new realities.

So now you are faced with an indecipherable growth curve, sky-rocketing costs, unhappy customers, insufficient or untimely rate relief, and severely limited sources of capital. As a result, power plant construction projects—so critical to the success of our national energy goals—have been postponed or cancelled at alarming rates. Until now, the word bankruptcy had never been mentioned in utilities circles.

It is obvious that industry and government must act, and act now, to begin to correct these problems. Our failure to take decisive action now will haunt us for years to come. Our failure to take the right kind of action could permanently alter the face of the industry.

The President has set forth a national energy program which includes measures aimed specifically at solving the problems of the utilities. I am certain you are familiar with them. Obviously, one of the key elements affecting you are the provisions dealing with existing regulatory procedures. Without a uniform, timely, and realistic basis for consideration of rate applications by the 2,000-odd regulatory authorities, there is little hope of restoring financial stability in your industry.

The President's program also includes amendments to the Clean Air Act to allow you to burn coal—our most abundant fossil fuel—without added danger to our health. We propose to streamline the procedures for siting and licensing power plants. The research program initiated by the President includes improved nuclear safety, stack emission controls, waste heat utilization, and the development of synthetic and exotic fuels—all of which are directly applicable to the utilities industry.

On the financial side, the investment tax credit for utilities was increased from 4% to 12% for three years. This will help reduce the cost of capital for needed expansion. The provision to allow deduction of preferred stock dividends will stimulate equity rather than debt financing.

If these measures were to be enacted by the Congress, many of your problems could be solved. However, in the reality of the political world, we cannot expect all of those provisions to become law in time to be of help with your immediate problems. We realize that additional measures may be required to solve your immediate and long-term problems—and such measures are now under active consideration in the Energy Resources Council. We are looking for solutions that will apply to the whole resource industrial sector, and not merely to the utility sector.

The proposals under consideration include, among others: loan guarantees and other government financing mechanisms, additional changes in the tax treatment of utility stock dividends, rebates on oil taxes and import fees, and cash rebates of unused investment tax credits. There have been no firm decisions made on what form these subsidies might take. But I can tell you this—it is my firm intention, as Chairman of the Energy Resources Council to find a system to help the utilities get out of the current crisis without getting government into the utilities business. It is also my firm intention that anything approaching a subsidy to the utility industry be tied to the requirement that the regulatory authorities adopt reform procedures along the lines of those prescribed in the President's energy program. Government subsidies are no substitute for responsible and realistic rate-setting.

Nor, for that matter, are possible government subsidies any substitute for sound management on the part of the utilities themselves. The federal government, with the help of Congress, may be willing to assist, but we do not intend to carry the full burden. If we are going to restore full health and vigor to your industry, you are going to have to develop better productivity, new technologies, innovative rate structures to encourage conservation, streamlined management systems, and cost monitoring procedures.

Before the consumer is going to willingly pay for the higher cost of electricity—he is going to have to be assured that you—the utilities—have done everything you can to provide that power at the lowest reasonable rate. If he is not convinced of your efforts, the pressures for more government involvement may be too great to withstand. Were that to happen, the result would be tragic—for industry, for government—and ultimately, for the consumer himself.

I want to take this opportunity to commend the utilities industries for their efforts to reduce their dependence on natural gas. I fully realize that the conversion to natural gas in power generators several years ago was a cost-cutting movement—at a time when gas was cheap and plentiful. It is no longer plentiful. In fact, if we do not encourage rapid expansion of exploration and conservation of this clean-burning fuel—the resulting curtailments could bring economic catastrophe to many regions of the country. The continued utilization of this fuel in power plants constitutes a gross misuse of the source. I encourage—and applaud—efforts to reduce its consumption by your industry.

The solution to the problems of the utilities does not lie solely with the federal government. Nor, do we expect that the industry can restore its health without some governmental remedy. The factors involved in the solution must include better management, increased consumer awareness, reformed regulatory procedures, an improved money market, and to a degree, government subsidies. However, our involvement should be limited in time and scope.

We want to help you do your job—we don't want to do your job for you.

Were it not for the extraordinary events of the past year and a half—and the shocking effects of these events on the electric utilities in particular—I would not be advocating any federal involvement. But we must be realistic—you do need help. The question remains: what kind of help—and for how long? We have already offered specific remedies in the President's program. You may not like them all, or you may not think they are sufficient. But as we look at the possibility of further government assistance, I ask that you be wary of the camel's nose under the tent. What may look like a solution to today's problem, may push you out of the tent tomorrow.

There are those in Congress who would offer a hand, only to grasp a handle. They must bear in mind that whatever policies we pursue, the public must bear the cost, either as the power consumer or as the taxpayer.

But if we use prudence, and if the industry does its part, we may be able to provide the immediate relief you need while laying the groundwork for the long-term reforms in the regulatory bodies. None of this can happen, however, if the Congress does not act. We cannot wait for this problem to go away. We need early and careful consideration of the steps we have already proposed, and I can promise you early decisions on further measures we have under consideration.

We all have a responsibility to the public. You have a responsibility to provide good service to your customers and make a profit for your investors. We have a responsibility to see that the Nation's interests are well served. The consumer has a responsibility to understand the problems the industry faces. And finally, the Congress has a responsibility to translate policy proposals into action . . . action that will provide the most benefit to the public—over the long haul.

Together, we must take the necessary steps to revitalize the industry and assure reliable sources of power on which to base America's continued growth and stability.

REPORTING FOOD ISSUES

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. VANDER JAGT. Mr. Speaker, mass media communication places a heavy burden upon individuals who prepare news stories. Millions of persons depend upon the accuracy of their reporting for an understanding of complex contemporary issues. The observance of Food Day provides an appropriate opportunity to emphasize the importance of accurate and objective reporting of nutrition issues of vital concern. Washington writer Robert J. Samuelson has published the following account of the dissemination of nutritional misinformation, a sobering reminder of journalists' responsibility for factual reporting. His analysis appeared in Nutrition Today, November–December 1974, reprinted from Columbia Journalism Review:

The article follows:

LET THEM EAT DOG FOOD?

(By Robert J. Samuelson)

In the world's wealthiest country, as much as one-third of the dog and cat food sold in city slums is being eaten by humans, a panel of nutrition experts reported today.—United Press International, June 19, 1974.

It's little wonder the UPI plucked this charge from a 178-page report on government food programs. The vision of millions of people eating dog food is an offensive spectacle. Columnist Jack Anderson took the story one step further:

"My associate Les Whitten tried some of the pet foods. . . . He found the canned pet foods, though edible, had a rank taste which made him queasy. The dry foods, sold in bulk quantities, were coarse tasting and hard to swallow. When he mixed them with water and salted them, they were at least palatable. Peanut butter or cheese spread made dog food easier to get down, he found. But the poor can seldom afford these tasty spreads."

A report that suggests millions of poverty-stricken Americans are eating pet food is a media "natural." Not only does it encourage editors to salivate over the melodrama of a family dining on Gravy Train laced with Ken-L-ration; it also appeals to the better side of human nature because it justifies a "good cause"—feeding the poor. But it is precisely such a story—in which reporters are fed dramatic conclusions wrapped in authority and inspiring sympathy—that should occasion journalistic wariness. Instead, such stories are precisely those in which reporters are most likely to surrender their skepticism.

In this case, unfortunately, the media was misled by a claim that had been reported so often by so many people that it was accepted as verified. The media had transformed casual conversation and mere guesswork into hard fact.

A "panel of experts" was the source of the story. On page 20 of their report, "National Nutrition Policy Study, Report and Recommendation—VIII" prepared for the spring hearings of the Senate Select Committee on Nutrition and Human Needs, they wrote:

"Experts at the Center for Science in the Public Interest estimated that as much as one-third of the pet foods sold in ghetto areas were being used for human consumption; for areas with high proportions of elderly poor, the estimates were even higher.

Ronald Pollack, chairman of the committee's panel of hunger experts and director of the Food Research and Action Center in New York City, says in support of the report's claim: "We know that a lot of people eat dog food." However, the claim that "one-third of the dog and cat food sold in city slums," Pollack said later, isn't verifiable. But he felt the panel wasn't to blame for the unverified assertion—it was only quoting another source.

A check with the source—the Center for Science in the Public Interest, a small public interest group in Washington—reveals, well, embarrassment. About a year earlier, one of the center's co-directors, Michael Jacobson, had written a short book, "Nutritional Scoreboard: Your Guide to Better Eating." In the meat section, Jacobson rated the nutritional value of Alpo dog food. Actually, Alpo did pretty well. With 30 "nutrition" points, it had finished just behind Navy beans (32), pot roast (33), and hamburger (34), and way ahead of McDonald's small hamburger (18), hot dogs (6), Span (4), bacon (4), and bologna (2).

Following the book's publication in July, 1973, Jacobson was interviewed by a Scripps-Howard reporter. The last line of the article, published in the Washington *Star-News* on July 25, 1973 said: "Dog food is included, Jacobson says, because one-third of dog food sold in ghettos is reportedly bought by the poor for themselves." Jacobson says he doesn't recall having made the estimate, but concedes that he might have.

Seven months later, the estimate surfaced again, this time in the official staff report from the Senate Select Committee on Nutrition and Human Needs. The estimate made its most recent appearance when the "panel of experts" put the same information into its hunger report.

The question, of course, is whether the estimate is accurate. According to the Center for Science in the Public Interest, not only does no documentation exist to support the claim, but it's probably impossible to get any—people won't admit they eat pet food, even if they do.

It's tempting to dismiss all this as a case of mistaken enthusiasm for a hollow horror story. Unfortunately, the pet food story was only a little less well-researched than other coverage given this Spring to the report of the "panel of experts" on federal food programs. The Washington *Post's* story, appearing on the morning of the Senate committee hearing, reflected the flavor of most of the coverage that followed. "Nation's Needy Seen Hungrier and Poorer" read the *Post* headline; it accurately reflected the story's substance:

A senate committee today is to begin the most comprehensive re-evaluation of the nation's hunger problem since the 1969 White House hunger conference, and its opening message is sobering. The main preliminary conclusion: Despite increasing billions of dollars poured into ever-expanding food programs, 'five years after President Nixon's promise to end hunger in America . . . the nation's needy are hungrier and poorer.'

The story was simple. Inflation had had a devastating impact on the poor, a depressing theme echoed in other papers' page one stories. The New York *Times*: "U.S. Needy Found Poorer, Hungrier than Four Years Ago." The Boston *Globe:* "Hunger in America: Suffering of poor increases." The Philadelphia *Bulletin:* "Food aid to poor soars, but they are eating less." All three network news broadcasts ran film pieces which, though less detailed, had the same message.

The stories reflected the media's susceptibility to a sophisticated form of sensationalism. Murders, rapes, and bank robberies don't automatically command the attention they

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once did. Not only have the tastes of some editors and reporters changed; their audiences have changed too. The media are expected to be more "serious" and offer higher caliber stories about meaningful subjects. The story that appears to be *both* serious and sensational satisfies the needs of respectability *and* readability.

The hunger report seemed to lull most reporters into passive acceptance of its conclusions. The report was not the product of in-depth research, but a well-informed, well-written public appeal authored largely by anti-hunger crusaders. Because most reporters treated the study as though it were Holy Gospel, the result was oversimplification and coverage that told only half the story—the half that the panel wanted told.

Testifying before the committee, panel chairman Pollack made a strong case. The poor, he noted, often can't economize on food by "spending down" to cheaper selections—from steak, for example, to hamburger—because they're already eating the cheaper selections.

Moreover, the price of food eaten by the poor—spurred by increased demands as more consumers "spend down"—has risen faster than the general index, he said. Finally, inflation has kept well ahead of one of the largest sources of income for the poor, payments from the Aid to Families with Dependent Children (AFDC) program. Between December, 1970, and December, 1973, those payments, he said, rose less than 15 per cent on a nationwide average.

While all this was reported extensively, the reporting fell down when it came to telling the other half of the story: the spectacular growth since 1969 in federal food programs, which, despite inflation, have improved the welfare of large numbers of poor—at least in terms of their power to purchase food. The heart of the government's anti-hunger program is food stamps. A few facts and figures about the program are revelatory. First, the number of participants in fiscal 1970 (the year ending June 30, 1970) and the estimates for fiscal 1974:

Average participants in food stamp programs in 1970, 4.3 million; amount spent, $578.2 million.

Average participants in food stamp programs in 1974, 12.9 million; amount spent, $2,730 million.

The stamps, in short, have quickly mushroomed into one of the government's large income assistance programs. By way of comparison, AFDC, which is the nation's major welfare program, cost in federal funds in fiscal 1973 an estimated $4 billion, aiding about 11 million people.

Under the stamp program, eligible families are entitled to receive enough food stamps to buy the Agriculture Department's "Economy Food Plan," which is the department's cheapest diet that theoretically provides needed vitamins and nutrients. Similar size families all receive the same amount of stamps (for a family of four, it's now $150 worth of stamps) but pay varying amounts for the stamps, depending on income. For example, a family of four with an income of $230 a month would have had to pay $65 for stamps that could be redeemed at grocery stores for $150 in food—an $85 "bonus," or subsidy. Someone with no income would receive stamps free. (Actually, real income can be higher, because the eligibility rules allow some deductions from income.)

Such a straightforward description—provided in few of the stories (the Philadelphia Bulletin came closest of all the stories I reviewed)—might have raised some doubts about the universal deterioration of the plight of America's hungry over the last five years. Common sense suggests that food stamp participants (especially the poorest) who weren't receiving anything in 1969 probably now have more food purchasing power than they did then. Even most of those in the program in 1969 are probably better off now, because, in late 1969, the Agriculture Department significantly liberalized benefits. The purchase price was lowered and the "bonus" was raised. On average, the bonus now represents about 60 per cent of the stamps' face value against about 40 per cent in fiscal 1969.

It is true, as Pollack pointed out in his testimony, that the stamps' face value hasn't kept pace with the torrid pace of food inflation. Pollack testified that from December, 1970, to March, 1974, the price of the "Economy Food Plan" had risen 42 per cent, but the value of the food stamps had increased only 34 per cent. It was a good point, one made in most of the stories, and it added to the impression that food stamps have been largely ineffective. What the stories didn't say is that food stamp allotments are now adjusted twice annually for inflation and that such an adjustment—of about 6 per cent—would take place within two weeks of the hearing. There is always a lag: the July 1 increase would reflect food prices at the end of February. But if the adjustments aren't perfect, they do provide some ongoing protection against inflation.

So the history of the last four or five years is a bit more complicated than "Nation's Needy Seen Hungrier and Poorer." Any reporter following normal practices—that is, checking with others for confirmation, qualification, or disagreement—could have easily found evidence to fill out his story. For example:

A year earlier, in May, 1973, the staff of the Senate committee had published its own staff report ("Hunger 197[illegible]"), which, though it found many faults and gaps in the program, also indicated substantial progress. Among other things, the report said: "Generally speaking, the Southern states, which included the poorest and hungriest of our Nation's poor in 1968, now are feeding a significant percentage of their poor."

A call to John Kramer, professor of law at Georgetown University, would have established his skepticism about the allegation that all the needy are "hungrier and poorer." Kramer's hunger credentials are solid: he was executive director of the National Council on Hunger and Malnutrition and has worked extensively on food stamp legislation. He says the charge is simply "phony," representing a "media hype"—a wild exaggeration, conscious or unconscious, by poverty advocates as a way of attracting media attention. Kramer's own conclusion is that most of the poor on food stamps are better off, and those who don't receive stamps—numbering in the millions—are much worse off.

A call to the Agriculture Department, which runs the food stamp program, might have provided at least some perfunctory balance to the report's conclusions. But if reporters felt obliged to call Ag, the stories didn't show it. Most don't even contain the standard line: "The Agriculture Department declined comment." (A call to the department might also have elicited another interesting insight—that the department's minimal participation in the hearings reflected its conviction that the hearings were politically motivated, designed to embarrass the administration.)

That reporters failed to solicit such routine reaction indicated implicit faith in the report's findings. The report promised a sort of sanitized sensationalism but, to keep that nice package, the media overlooked the background of the "experts."

Reflecting the views of anti-poverty and anti-hunger groups, the report's factual presentations marshalled evidence to support its political goals. The group wants food programs significantly liberalized. Specifically, they believe that eligibility procedures for food stamps should be streamlined, that the "bonus" should be increased, and that the purchase requirement—that is, the requirement that people pay to receive stamps—be eliminated. The report's authors were "experts" in that they were familiar with the food programs and the problems of the hungry. But they also had an ax to grind. There's nothing wrong with grinding an ax—as long as readers (and reporters) know it. In this case, the media appeared to be blinded by one of their favorite labels—"experts." "Experts" lend stories an aura of objectivity and authority which most reporters don't think they can provide independently. But "expert" is an ambiguous term, and, without knowing who the experts are and the basis for their specialized knowledge, it's virtually meaningless.

There were a number of superficially sloppy details that might have warned journalists to treat the report with some caution. At one point, for example, the report apologizes for the anecdotal nature of some of its research. More important, the critical element of time—the period of comparison used to measure the impact of the food programs—varied extensively in the report, in the press release, and in Pollack's testimony.

In his testimony, Pollack scrupulously adhered to a comparison over the last three or four years (he never pinned it down). The report itself doesn't even go that far. The closest it comes is a statement: "(T)he bald fact is that most of those counted as poor are less well-off today than they were several years ago." The five-year comparison came from a press release written by Pollack's own Food Research and Action Center, which has undertaken extensive litigation against the government involving food programs. Like the Post story, the press release began: "Five years after President Nixon's promise to end hunger in America, given during a major speech to the White House Conference on Food, Nutrition and Health in 1969, the nation's needy are hungrier and poorer." None of this is meant to dismiss the report, but simply to add some perspective.

Likewise, it's important to try to achieve some perspective on the plight of the poor. Despite all the experience of the last decade, poverty reporting is not easy. The temptation to sensationalize—to say that things are progressively getting worse—simply does not square with much of the available evidence. Over the past 15 years, government Figures (adjusted for inflation) have shown a rather dramatic decline in the number (and percentage) of the officially-defined poor. In 1959, the Census Bureau put 39.5 million Americans (22.4 per cent of the population) in the "poor" category. By 1973, that had declined to 23 million, or 1[illegible].1 per cent of the population. (Roughly speaking, someone is "poor" if his income isn't three times the total necessary to buy the "Economy Food Plan.")

But, not surprisingly, the constant reduction was halted between 1969 and 1971:

1969	24.1 million (12.1 per cent).
1970	25.4 million (12.6 per cent).
1971	25.6 million (12.5 per cent).
1972	24.5 million (11.9 per cent).
1973	23.0 million (11 per cent).

Citing the figures up to 1972—the 1973 figures didn't become available until several weeks after the hearing—might have provided some perspective, indicating both the long-term improvement and the immediate impact of inflation and unemployment. It is a confusing picture, which is precisely what the stories should have covered.

There remain huge gaps in the current knowledge of poverty, and, equally important, fundamental disagreements over how to define poverty. Many people instinctively see poverty as inequality of income—not absolute purchasing power or living standards. Statistical quirks can also cloud the picture. One recent study, for example, indicates that large numbers of people may be constantly moving in and out of poverty, so that statistics don't entirely portray reality. On the other hand, the Census Bureau's definition of income doesn't include food stamp bonuses, which means that many families' effective incomes are significantly understated.

Such are the perplexing realities of poverty and welfare. Unfortunately, the media's instinct is often to ignore, not respect, ambiguities. The risk is obvious—oversimplification and loss of independence. It is naive to believe that the press is simply a neutral bystander in Washington bureaucratic and congressional politics. The anti-hunger groups' critique of government food programs reflected their goal of liberalization, just as the Agriculture Department's more glowing reports of progress are intended to stem criticism. Naturally, each side would like the press—and the power of publicity—as its ally.

The hunger groups probably enjoy the media's natural sympathy, but they also consciously cultivate press attention. Pollack, for example, released his report to the Washington Post in advance of the embargo set by the Senate committee. Pollack explains this by saying that he was unaware of the committee's embargo but, whatever the details of the mixup, two things are fairly clear. First, some other reporters were boiling mad at the advance release (the Post's story ran the morning of the hearing. Both Pollack's own release and the committee's embargo set a release for afternoon papers of the same day). And second, having a front page story in the Post before the hearing began was probably the best advertisement possible to drum up extra coverage.

The press in this case lost its skepticism, something it can rarely afford to do. What happened was a sophisticated form of an old sin—press release journalism. The press release may have come in the form of a 200-page report, and the authors may not have been PR men, but basically, it was the same sad sin: rewriting handouts.

STATEMENT ON AID TO SOUTHEAST ASIA

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. NOLAN. Mr. Speaker, I rise at this point because I am shocked at the statements of this administration, and even some Members of Congress, concerning events of the past days and weeks in Southeast Asia.

Despite nearly $200 billion in American aid, half a million American troops—50,000 of whom gave their lives—to save the government of South Vietnam, and inestimable division and suffering in our country as a result, President Ford and Secretary Kissinger are ready now for our involvement to begin anew.

Listening to President Ford's speech of a few nights ago, and to Mr. Schlesinger, and Mr. Kissinger, I can close my eyes and easily imagine it is 1966, and that those voices are Johnson, McNamara, and Westmoreland, explaining our presence in terms of the dominoe theory, seeing the "light at the end of the tunnel," the spewing laudatory phrases about "preserving democracy" in Vietnam.

President Ford says another billion dollars in aid will "turn the tide." Does that sound familiar? Just a little more, and we can force negotiations by fall. Have you heard that before? If we desert Vietnam and Cambodia, the United States will lose its credibility as an ally. That statement is ludicrous, and an insult to American servicemen and taxpayers who have made incalculable sacrifices during the past 20 years to keep the Republic of Vietnam from collapse.

We stayed and fought long after the Canadians, the Australians, the Filipinos, and the Koreans declared they were through.

With our economy at home in depths not seen since the Great Depression, we continued to pour men, machines, and goods into South Vietnam and Cambodia at unprecedented levels.

Faced with a crippling oil embargo and one of the coldest winters in history in some sections, the United States continued to fuel South Vietnamese and Cambodian aircraft, ships, and land units at a rate of over a million gallons of fuel each day.

And now, President Thieu has the audacity to speak of U.S. "treachery" in refusing to continue to prop up his corrupt and repressive government, a government which has closed newspapers, jailed and tortured elected officials who dared to speak out, and made a mockery of free elections and the very word "democracy."

In past weeks, I have received thousands of letters, petitions, telegrams, and phone calls from people of the Sixth District of Minnesota, good citizens and taxpayers who realize more aid means more killing, more fighting, and nothing but darkness at the end of the tunnel.

We are all concerned for the welfare of the Vietnamese people. And I am equally disturbed that during the first half of fiscal year 1975, President Ford has spent only $8.29 million of the $90 million Congress authorized for humanitarian assistance to South Vietnam. In absorbing the congressional cut in overall aid, humanitarian assistance was slashed first and hardest, by $34.3 million.

Thus, it appears the administration is adhering neither to the wishes of Congress, the American people, in attempting to perpetrate a policy demonstrated as a frustrating and a costly failure.

Let us once and for all abandon the notion that the United States can, or must control the affairs of other nations in other parts of the world with saber rattling and military might.

Let us call upon the United Nations and other agencies of humanitarian relief to help negotiate an end to the bombing and killing and pray in time, that part of the world may again be as beautiful and peaceful as it once was.

BE PROUD OF YOUR LOYALTY

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1975

Mr. NICHOLS. Mr. Speaker, loyalty and affection for one's country is nothing to be ashamed of, but is rather something of which every American should be proud to proclaim. In recent years, however, I am appalled at those voices which would downgrade this great land of ours.

I am proud to say, however, that there are many patriotic organizations which have been more than willing to stand up for America. One of these groups is the Veterans of Foreign Wars, a dedicated group of Americans who have donated both time and service in defense of our country. I am proud to be a member of this great organization knowing that one of our chief aims is to recognize the responsibilities that go along with the freedoms which America provides and which are by far the most generous of any government past or present on the face of this Earth.

As in years previous, the Veterans of Foreign Wars have designated May 1 as a day in which Americans of all races, creeds, and persuasions should commemorate as Loyalty Day. Appropriate ceremonies, festivities, parades, and programs commemorating Loyalty Day will be sponsored by the Veterans of Foreign Wars in each of our 50 States, the District of Columbia, and in many foreign lands.

This is an admirable and truly patriotic task which the Veterans of Foreign Wars has undertaken and I am submitting for the RECORD an article about Loyalty Day, which I believe should prove to be interesting as well as inspiring reading for each Member:

BE PROUD OF YOUR LOYALTY

(By Raymond N. Price)

"No one loves his country for its size or eminences, but because it is his own."

The Roman statesman and philosopher, Seneca, made that statement about two millennia ago and it is just as true today as it was then.

The United States is our country; more so because each of us has a say in how it is governed. No other country has a system in which the people have such a strong voice in the day-by-day operation of their government.

Loyalty is all the United States asks in return for the freedoms and protection it offers. Not blind loyalty, but informed loyalty. Loyalty based on those freedoms provided in the past, those in effect now and those guaranteed to all Americans in the future.

Love of country is neither shameful nor sinful. It is one of the most respected sentiments of nature, and something of which each individual may be justly proud. Loyalty should be displayed proudly, without any discomfort, because without loyalty, friendships, families and nations could not endure.

Americans have much to be proud of, much that provides strong grounds for loyalty. Anyone who finds nothing in this nation to be proud of; nothing on which to base his loyalty, has his eyes, ears and heart closed to the real world. Love of country should come easily for the citizens of a nation that stands as a haven of blessed liberty in a world filled with oppression and despair. America is such a country. America also provides leadership and hope for all the peoples of the world.

May 1, the day that Congress and the President by Proclamation have designated as Loyalty Day, provides each loyal American an opportunity to publicly display his own personal loyalty to God, Flag and country.

Although Loyalty Day is important, it is not the only day of the year for Americans to show their loyalty to their country. And, it should not be treated as such. If we are to

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endure as a republic, periodic acts of patriotism, an on-again, off-again type patriotism, are not enough. Loyalty and patriotism are ideals that one should live by every day. Simply put, it means that each American needs to demonstrate his loyalty and allegiance to this nation throughout the entire year. This display need not be an overt demonstration, but one that unmistakenly indicates to other people that you are proud to be a loyal American. The proper display of our Flag at a place of business or a private dwelling is a simple, but obvious and meaningful, showing of patriotism.

Again this year, the V.F.W. is setting the example for the rest of the nation by providing leadership in parades, ceremonies, programs and festivities honoring Loyalty Day.

Millions of Americans will have the opportunity to observe and/or participate in the many programs, parades and events that will be held in communities throughout the 50 states and the District of Columbia. Loyalty Day activities also will be conducted in U.S. territories overseas and in many foreign countries throughout the world.

If you need assistance in preparing and conducting a Loyalty Day program, a special kit and other materials are available from the Americanism Department, V.F.W. National Headquarters, Broadway at 34th Street, Kansas City, Mo. 64111.

Remember that Loyalty Day is only the day set aside to publicly display the loyalty and patriotism you live by each day of the year. Loyalty and patriotism are displays of Americanism and Americanism is every American's business.

DÉTENTE—II: THE SUBSTANCE

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, April 18, 1975

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that an editorial from the April 17 issue of the Richmond, Va., Times-Dispatch be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DÉTENTE—II: THE SUBSTANCE

Any American government ought to be eager to seek negotiations with the Communist powers when it is in the national interest to do so. Reaching understandings that will help prevent a nuclear holocaust is one of the great missions of this age. But as an editorial in this space noted yesterday, a more precise and less confusing word than détente ought to be used to describe this process. Let's call it dialogue.

Peaceful commerce ought to accompany the task of preventing wars through dialogue. But in this area, we need to take another look at reality as well as rhetoric.

Détente has sometimes meant treating Russia as though it were a fourth-rate banana republic in dire need of generous doles of foreign aid. Thus, the infamous grain deal. Thus, the administration's efforts to extend liberal credits to the Russians to help them buy American wares, a deal rightly snafued by Congress for the wrong reason (the Soviet Union's internal policies on emigration).

A Central Intelligence Agency study that was declassified last week concludes that because of higher prices of oil, gold and other things Russia exports, the Soviets can afford to buy whatever their hearts desire on the world market in the next five or six years.

So if they want to shop in the capitalists' grocery store, let them pay. In hard cash or in gold from one of their slave-labor mines.

Additionally, however, American officials must determine what may be and what may not be *safely* sold to the Soviets. One deal now pending would permit Moscow to purchase 11 computers from the International Business Machines Corp., including one of IBM's most advanced models. Ostensibly, the computers would be used at the huge Kama River truck plant which is currently under construction 550 miles east of Moscow.

But let's be realistic about this. Computers are an essential component of systems that can place a nuclear missile on a city half a world away. Superior technology may be the only ace in the hole America has left to insure even a rough equality with Russia in overall military strength. Unless there are absolutely iron-clad safeguards against the IBM computers winding up in a missile-guidance system—and it's exceedingly hard to see how there could be—this deal ought to be nixed. Let's not sell our security for a paltry $10 million.

It is time—no, it is past time—for Vietnam-wearied, Watergate-weakened America to rub the sleep from its eyes and to start acting once again like a responsible, intelligent world power. Dialogue, yes; defeat disguished as détente, no.

A PRAYER OF PEACE

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. SCHEUER. Mr. Speaker, on Sunday, many of our colleagues in Congress joined me in participating in the stirring Solidarity March for Soviet Jewry at Dag Hammarskjold Plaza in New York City. Well over 150,000 people from all walks of life expressed the conviction that the plight of the Jews of the Soviet Union are the abiding concern of the people of America.

There was one particular voice heard that is a unique voice of Jewish history and Jewish life. Rabbi Moshe Feinstein is the revered Dean of Jewish Talmud scholars and a man of extraordinary humanity and humility. His is a voice that is generally heard in the study halls of Jewish life and in the lives of multitudes of people whose pain he has sensed and to whose aid he responds without regard for his own time and health. Yesterday Rabbi Moshe Feinstein spoke from the depth of pain in his heart and yet with the eternal optimism of his scholarly life.

His prayer, written in classic Hebrew, was read in translation by his son in law, Rabbi Moses Tendler, to the vast gathering in front of the United Nations.

The prayer follows:

Herein I express my blessings to all our brethren present, sons of Israel who labor with such love for all Jews, be they our brothers in the Holy Land, the land of Israel, or our brethren in each and every place wherein they reside. They are so desperately in need of our support and help in so many, many ways; support for their soul and spirit. We must offer to them in each and every way that is in consonance with the spirit of our Torah and faith in G-d, and in full sensitivity to the opinions and judgments of Torah scholars so that they may find pleasure in the works of our hands. There is also a critical need, a need that will determine the success of our efforts, a need to strengthen the bonds of love and affection and respect between all Jews, even those in our own communities. A great peace in Israel will bring peace to the whole world. This is our conviction. On this I come to sign in the name of Peace for all of Israel my name on the second day of Iyar 5735, Moshe Feinstein.

These words of a great Jewish sage represent the hopes and aspirations of all mankind.

SOUTHEAST ASIA

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. MAZZOLI. Mr. Speaker, in his state of the world address to the Nation last week, the President made three requests of Congress regarding Southeast Asia.

He asked for $722 million in additional military aid for South Vietnam.

He sought clarification from Congress of his authority to use U.S. Armed Forces to evacuate American citizens and foreign nationals from South Vietnam.

And, he requested $250 million for humanitarian relief for the war-ravaged peoples of Southeast Asia.

The people of South Vietnam are enduring unimaginable suffering. Their country is in turmoil. Everyday thousands are displaced and made homeless wandering refugees.

In my judgment, providing additional military aid—thus insuring a continuation of the war—would only add to the bloodshed and misery these gentle people must bear.

To attempt to solve the problems of Southeast Asia by means of war is a bankrupt policy. War never leads to a surcease of sorrow—only to more sorrow.

What then will do the job? I really wish I knew the answer to that fundamental question.

Maybe it is negotiations between the Vietnamese and the Vietcong. Maybe it is the forum of the United Nations. I just do not know.

But, there is one thing I do know. Further war is emphatically not the answer.

Because of the precarious state of things in Vietnam, prompt removal of all American citizens, except those essential to U.S. operations, is necessary.

I support congressional efforts to give specific authority to the President to deploy U.S. troops to safeguard the evacuation of all American citizens from South Vietnam.

However, the evacuation should be undertaken immediately so that possible armed conflict involving these troops is minimized.

I cannot, however, subscribe to the use of U.S. troops to protect the withdrawal of non-Americans from Vietnam. The risks inherent in a troop-supervised evacuation are acceptable for the removal of U.S. nationals but not for non-American citizens.

In summary, Mr. Speaker, though I oppose further military aid for Vietnam

I cannot forget the plight of the ravaged and brutalized people of this once lovely, once bountiful, once peaceful country.

Humanitarian aid—in the form of food, clothing, medical assistance, and the like—is desperately needed in South, as well as North Vietnam.

I have high hopes such aid will be forthcoming from the Congress and that it will be channeled through an international agency like the U.N. or Red Cross. Only in this way will it reach those for whom it is intended and not be siphoned off along the way.

It is time, Mr. Speaker, for the United States to abandon its shopworn and wholly ineffective policy in Southeast Asia.

It is time to develop a new foreign policy based on food, not weapons; on life, not death.

THE NEED TO REASSERT HUMAN LIFE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. ZABLOCKI. Mr. Speaker, a national opinion poll recently conducted by the highly respected national polling organization, DeVries and Associates, documented that nearly three out of four believe Congress should take action to correct the situation created by the Supreme Court decision legalizing abortion on January 22, 1973. Only one out of four thinks Congress should do nothing and let the Supreme Court decision stand. This position is basically consistent with the opinions of the constituents in my congressional district in the Metropolitan Milwaukee area, based on my own personal contacts and mail received in my office since the decision over 2 years ago.

In an article entitled, "Concept of Human Life as Inviolate Is Basic to Progress of Mankind," which appeared on April 8 in the Milwaukee Journal, Dr. Donald E. Chisholm, a Milwaukee ophthalmologist, makes some very poignant and relevant points in support of the need to reassert and to again safeguard man's basic right to human life. Dr. Chisholm eloquently underscores the irony that physicians at Milwaukee County General Hospital are presently experiencing, as a result of local judicial rulings in effect mandating death to thousands of unborn humans who do not meet the arbitrary age limits set by the Supreme Court in the Wade and Bolton decision.

Mr. Speaker, the people in the Milwaukee area and across the Nation are looking to Congress to reaffirm and to protect the basic human right to life, as provided in our very own Declaration of Independence nearly 200 years ago. Accordingly, I respectfully urge the Subcommittee on Civil Rights and Constitutional Rights of the House Judiciary Committee to commence hearings on my resolution, House Joint Resolution 248, and the other resolutions pending before the subcommittee calling for a constitutional amendment which would reaffirm man's basic right to life.

Mr. Speaker, Dr. Chisholm's article on this issue deserves the attention of our colleagues and other interested persons; therefore, I am pleased to incorporate Dr. Chisholm's article in the RECORD and recommend it to their reading and consideration:

CONCEPT OF HUMAN LIFE AS INVIOLATE IS BASIC TO PROGRESS OF MANKIND

(By Donald E. Chisholm)

"Whom shall I call upon?
Who will share with me
The wretched happiness of staying alive?"
—Sergei Yesemin, Russian Poet.

Life and death matters bring out the best of man and the worst in men. War has been the classic chronicle of man's deeds of good and bad. During the past two years the Supreme Court has made abortion the proper subject of mankind's life and death activity in America, and thereby has changed the previous priority that the right to life held in this country.

How this momentous decision of two years ago has affected the thoughts and actions of Americans can be spotlighted by the recent local dilemma that Milwaukee County General Hospital found itself in.

Federal judges have ordered that County General must provide physicians that will abort fetal life. According to present plans, the judicial branch of our federal government will insure that the administrators at the county level government will join with our local taxpayers to provide death to thousands of unborn humans who cannot meet the arbitrary age limits set by the Supreme Court on Jan. 22, 1972. So, in essence, judge, administrator and taxpayer will all have participated in a combined human act to take human life. Abortion has brought out the worst in men.

For one reason or another almost all physicians at County General Hospital have refused to perform abortions. Physicians in America are not agents of the government (at least at the present writing) and still have the right to form their own conscience and make their own decisions in life and death matters. Their reluctance could be on moral, economic or religious principles. Perhaps it was a natural human aversion to take life. We could hope that the physicians' reluctance to accept abortion came, at least in part, from a conviction that the greatest wrong a physician could do would be to deliberately take life. The abortion issue in this instance brought out the best of man.

JUDGES EMPLOY DOUBLE STANDARD

Abortion has presented us in our time and age with great and tragic ironies. There are judges who must facilitate the death of humans to preserve the vagaries of somewhat secondary rights. These same judges would have ruled it a criminal act to take the life of our 3 year olds during their fetal life four years ago.

There is irony in the concept that all of us as taxpayers must work hours or even days to provide tax monies to destroy other humans, though it is without our expressed consent through our Constitution and legislative bodies.

There is irony facing physicians that is even less subtle. Trained to preserve life, and until two years ago, faced with criminal indictment for performing an abortion, physicians must now agree to perform abortions or face employment discrimination in those hospitals under the control of the government.

It is the irony confronting all of us as we continue to support the taking of human life through our silence and taciturn acceptance of abortion. We all live with the irony as mature human beings that we were given protection during fetal life and yet have nothing to protect the millions that have been destroyed in the past two years. These millions were silent because of biological immaturity. There are other silent groups from the aged to the deformed that will soon be offered a similar "medical solution."

MUST CONTROL OUR INTELLIGENCE

Perhaps the task of present man could best be summarized as a control of his intelligence—an intelligence that still extends more effort and genius in the destruction of human life through instruments of nuclear war and abortion than in preserving and understanding and saving the most remarkable of all forms of existence: the human life.

If we are to take the giant step that would convert our intelligence to wisdom we must as an age recommit ourselves to the most basic concept that human life is inviolate. Only then will we move from the nuclear age to the age that was the best of man.

NATIONAL COMMISSION ON THE OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Ms. ABZUG. Mr. Speaker, I am pleased to note that the first meeting of the National Commission on the Observance of International Women's Year was held on Tuesday, April 15. The evening before the members of the Commission were invited to a reception at the White House, where they were addressed by President Ford. The Commission was also honored by the presence of Mrs. Ford.

The Commission was established on January 9 by an Executive Order signed by the President. It is responsible for promoting activities designed to observe International Women's Year in the United States. The Commission is composed of 39 members, 4 representing Congress, and 35 from private life, and is chaired by Jill Ruckelshaus.

I am honored to serve as a member of this Commission, along with my distinguished colleagues Mrs. HECKLER, Mr. BAYH, and Mr. PERCY.

Mr. Speaker, I would like to note that in its first official action, the Commission adopted a resolution favoring ratification of the Equal Rights Amendment. The resolution reads:

The National Commission on the Observance of International Women's Year, as its first public action and highest priority, urges ratification of the Equal Rights Amendment. We believe that prompt ratification of the Amendment is essential to the realization of full equality for women and to the fulfillment of American democracy. We commend the work of the thousands of men and women in and out of government whose dedication has brought the Amendment so close to ratification. As our main commitment to the observance of International Women's Year we pledge to do all in our capacity to see that the Equal Rights Amendment is ratified at the earliest possible moment. We urge all Americans to join us in this effort.

For the benefit of my colleagues, I am inserting the names of the Commission members, as well as the remarks of the President to the Commission members, in the RECORD:

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MEMBERS OF NATIONAL COMMISSION ON THE OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR

Jill F. Ruckelshaus, Rockville, Maryland, Director, Organizational Relations, National Center for Voluntary Action.

Alan Alda, actor.

Ethel D. Allen, Philadelphia, Pennsylvania, physician, surgeon and Philadelphia City Councilwoman.

Anne L. Armstrong, Armstrong, Texas, former Counsellor to the President.

Margaret L. Arnold, Sugerties on Hudson, New York, Executive Assistant to the Executive Director, National Retired Teachers Association, Washington, D.C.

Elizabeth Athanasakos, Fort Lauderdale, Florida, Attorney.

Barbara R. Bergmann, Bethesda, Maryland, Professor of Economics, University of Maryland.

Patricia T. Carbine, New York City, New York, Publisher and Editor in Chief Ms. Magazine.

Weston R. Christopherson, Lake Forest, Illinois, President, Jewel Companies.

Mary S. Coleman, Battle Creek, Michigan, Justice, Michigan Supreme Court.

Helen Copley, La Jolla, California, Chairman and Chief Executive Officer, Copley Newspapers.

Audrey Rowe Colom, Washington, D.C., Coordinator, D.C. Child Advocacy Office, Children's Defense Fund.

Richard Cornuelle, New York City, New York, Author.

Winfield Dunn, Nashville, Tennessee, Consultant, Business and Government.

Katherine (Casey) Eike, Lawrence, Kansas, Assistant to the Dean of Women, University of Kansas.

Paula Gibson, Four Lakes, Washington, Student, Gonzaga University, Spokane, Washington.

Gilda Bojorquez Gjurich, Montebello, California, President and Senior Partner, Los Amigos Construction Company, Santa Fe Springs, California.

Ella T. Grasso, Windsor Locks, Connecticut, Governor of Connecticut.

Hanna Holborn Gray, New Haven, Connecticut, Provost, Yale University.

Martha Griffiths, Farmington Hills, Michigan, Attorney.

Katherine Hepburn, Actress.

Lenore Hershey, New York City, New York, Editor in Chief of the Ladies Home Journal.

Velma Murphy Hill, New York City, New York, Assistant to the President, United Federation of Teachers.

Patricia Hutar, Glenview, Illinois, U.S. Representative to the UN Commission on the Status of Women.

Rita Z. Johnston, Bethesda, Maryland, U.S. Delegate and Vice Chairman of the Inter-American Commission of Women, Organization of American States.

Ellen Groves Kirby, Petersburg, West Virginia, Public Health Nurse, Grant County, West Virginia.

Dorothy Vale Kissionger, Mesa, Arizona, Co-owner and Manager, Sahuaro Lake Guest Ranch.

Clare Boothe Luce, Honolulu, Hawaii, Author.

William Crawford Mercer, Wellesley Hills, Massachusetts, President, New England Telephone and Telegraph, Boston, Massachusetts.

Ersa H. Poston, Loudonville, New York, President, New York State Civil Service Commission, Albany, New York.

Loel Read, Milwaukee, Wisconsin, President, Alverno College.

Betty Smith, Eugene, Oregon, Member, National Board of Directors, Y.M.C.A.

Barbara Walters, New York City, New York, Co-host of the Today Show, NBC.

Annia Dodge Wauneka, Ganado, Arizona, Member of the Navajo Tribal Council, Window Rock, Arizona.

Gerridee Wheeler, Bismarck, North Dakota, President, National Association of Mental Health.

Representative Margaret Heckler.
Representative Bella S. Abzug.
Senator Birch Bayh.
Senator Charles Percy.

REMARKS OF THE PRESIDENT TO THE NATIONAL COMMISSION ON THE OBSERVANCE OF INTERNATIONAL WOMEN'S YEAR, 1975

Members of the Congress, the House and Senate, Members of the Commission, distinguished guests, ladies and gentlemen:

I apologize for being a little late, but I have spent a good share of the afternoon with a substantial number of Members of two important committees of the Senate, so I am just late and I hope you will understand and accept my apology.

I obviously am delighted to welcome such a talented group of women and men to the White House. The group that I have met in there that I had the privilege of inviting specially here today, as well as all of you, represent a rich diversity of political, cultural and experienced background, but it is most important that your common concern for upgrading the status of women transcends any differences that you might have.

Your work to promote the observance of the International Women's Year begins tomorrow. And with a very broad challenge to promote equality between men and women, I think you have got your work cut out for you—to insure the full participation of women in the social-economic developments of this society as well as to recognize their contributions to the development of world peace.

Although the growing concern about the special legal and social problems of women has paved the way for many, many new laws and important court decisions, real change, as I see it, will depend upon the caliber and degree of enforcement. Laws alone, as we know in many, many instances, are not enough.

Statistics on the employment of women in Federal Government demonstrates, I think, the problems that remain in assuring true equal opportunity. While nearly one-third of all Federal employees are women, only 4.5 percent of the top level employees are women.

This Administration, as the records will show, recently reminded the heads of all Federal departments and agencies that a strong affirmative action is needed to see that everyone has the opportunity to compete with—or on a fair and equal basis.

The Federal Government, in my judgment, has a very special responsibility and a special opportunity to set an example and this we intend to do. I hear about that from Betty virtually every night. (Laughter) And I can assure you with that kind of prodding that this Administration will continue to vigorously pursue talented applicants on the basis of qualification alone.

One of the most refreshing by-products of the search to secure rights for women is the emphasis on freeing both sexes from restrictive stereotypes. Liberation of the spirit opens new possibilities for the future of individual Americans and the Nation.

I think there are several very critical areas that can benefit from your personal attention. When I look around this room, I know that the attention of this group can have a tremendous impact. One of these is the Equal Rights Amendment, which I wholeheartedly endorse, having already voted for it.

I have had a special opportunity to follow the debate of ERA because Betty keeps talking about it at night. (Laughter) But it would be my observation that it has too often degenerated into some frivolous nonissues. An amendment to the Constitution calls for a very serious evaluation of the impact and the meaning of a proposed change.

As state legislatures convene this year, the ensuing debate over ERA should be a vehicle to inform legislators, and the public as well, on the many complex legal problems women still encounter.

Myths about the protected economic status of women can be dispelled through serious discussion. The way can be, as I see it, open for the review of areas that will not be affected by ERA. You have a challenging and very critical task ahead. You can do much, in my judgment, to move the Nation along toward making justice and equality a reality for the American women.

The restrictions on the rights, the restrictions on the responsibilities to one American affects all of us. A Nation is only as strong, a Nation is only as creative as its citizens. The better we use the talents of all our people, women as well as men, the brighter and more secure the future of this great Republic will be.

I thank you for joining Betty and me, and we would like to jointly issue you an invitation to have refreshments in the State Dining Room.

Thank you very, very much.

I can tell who that applause is for but she said I did very well. (Laughter)

I want that on the record because I don't get that very often. (Laughter)

ALL MAJOR COUNTRIES USING METRIC SYSTEM EXCEPT UNITED STATES

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. SYMINGTON. Mr. Speaker, today, the United States stands alone as the only major country not using the metric system of weights and measures. Many of our foreign neighbors such as England and Australia are well into the process of conversion to the metric system.

The last Congress considered metric legislation and the Subcommittee on Science, Research, and Technology of the House Science and Technology Committee held extensive hearings on the conversion to the metric system. A wide cross section of the Nation was represented including consumers, industry, education, technical societies, the legal profession, labor, local government and Federal agencies.

The 94th Congress is now considering metric legislation. The Science, Research, and Technology Subcommittee will soon be conducting hearings on several metric bills which have been introduced in the 94th Congress. These include H.R. 254 introduced by Mr. TEAGUE of Texas; H.R. 492 introduced by Mr. HECHLER of West Virginia; and H.R. 627 introduced by Mr. McCLORY of Illinois. In addition, the administration has sent its bill to the Congress.

I am introducing today a metric bill which I understand involves the participation of labor in the support of conversion to the metric system. While this bill does not necessarily represent my views or the views of any other committee member, it does provide provisions which are valuable to the deliberations of the committee.

There is no question that the United States will change to the metric system. The question remains, however, as to whether this change will occur in an orderly planned manner within a reasonable time frame, or whether the country will slowly and inefficiently adopt

the metric system. If the 94th Congress passes appropriate legislation, the conversion to the metric system can proceed in a logical manner benefiting all segments of the Nation.

HOW WILL HANOI TREAT ITS ENEMIES?

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. CRANE. Mr. Speaker, while some Americans seem to welcome a Communist victory in South Vietnam, and speak of that victory in terms of "liberation" for the people of South Vietnam, the facts are quite different. What the people of South Vietnam face in the event of a Communist takeover is not "liberation." It is, instead, a campaign of terror in which hundreds of thousands will surely be killed.

We have undisputed evidence of what the North Vietnamese and the Vietcong do when they control an area. During the Tet offensive of 1968, the Communists occupied a portion of the city of Hue for 26 days. When they were driven out on February 24, some thousands of civilians were missing. In 1969, a series of mass graves containing the bodies of missing civilians were discovered. Some of the victims had been shot, some had been clubbed to death, some had been buried alive. The confirmed total ultimately rose to 2,750. Counting those still missing, and who must be considered abducted or executed, the estimated civilian toll comes to 5,700.

Unfortunately, the media in the United States wrote as little as possible about the Hue massacre. This caused Nobel prize winning author Alexander Solzhenitsyn, writing in the Norwegian newspaper, Aftenposten on September 11, 1973, to charge that the Hue atrocity "had been lightly noticed and almost immediately forgiven" in the West because "the sympathy of society was on the other side."

If some in the media, and some in the Congress, and some in other positions of influence in the American society believe that a Communist victory would produce anything other than the terror which was perpetrated at Hue, the evidence seems to be totally against their assessment.

Discussing the fate which lies ahead for the people of South Vietnam under a Communist regime, Douglas Pike, one of the Nation's leading experts on North Vietnam and the Vietcong and now a member of the State Department's Policy Planning Staff, said the following:

> There will be personal-vendetta killings by individual Viet Cong or Communist cadres to settle old scores—people that the Viet Cong want to hunt down and do in . . . As for the South Vietnamese who simply don't fit into the new Communist society . . . I expect Hanoi to show some restraint, at least at first . . . It's later that they start tightening the screws. Once they secure control of South Vietnam it will be a different story.

Mr. Pike noted that—

> The Vietnamese Communists are determined, sometimes fanatical persons dedicated to creating in Vietnam an entirely new social order . . . Part of the system is what they call revolutionary violence—in plain terms, killing persons who cannot fit into the new social system . . . If they remain they become a cancer in the body politic. Hence, one way or another, they must be eliminated.

I wish to share with my colleagues the interview with Douglas Pike which appears in U.S. News & World Report and insert it into the RECORD at this time.

HOW HANOI WILL TREAT ITS ENEMIES

(Interview With Douglas Pike)

Q. Mr. Pike, do you expect a quick and widespread blood bath in South Vietnam if the Communists take over?

A. There will be personal-vendetta killings by individual Viet Cong or Communist cadres to settle old scores—people that the Viet Cong want to hunt down and do in, even in the face of orders to the contrary from Hanoi. If these potential victims can get out of South Vietnam somehow, the number of killings will go down. If not, it will be high.

As for the South Vietnamese who simply don't fit into the new Communist society—middle or upper-class people that are regarded as "social negatives"—I expect Hanoi to show some restraint, at least at first. I don't expect the kind of quick and brutal behavior we saw in Hue, when Communist troops slaughtered more than 3,500 civilians and buried many in mass graves.

Q. Why would you expect any restraint now?

A. For a number of reasons:

One is that if they start shooting people in heavily populated areas, they will probably have riots on their hands by people who already are restless because of hunger. The overriding immediate interest is to keep things calm and quiet.

Then there is the problem of administering large populated areas with just a handful of cadres. The Communists are going around telling people, "We are not going to hurt you." They can't afford to antagonize people now.

Q. Do you expect this restraint to continue very long?

A. I don't think you can conclude anything about the Viet Cong's long-range behavior from what it does at first. It's later that they start tightening the screws. Once they secure control of South Vietnam, it will be a different story.

Q. Are the North Vietnamese likely to allow the "social negatives" simply to leave the country?

A. If Hanoi can get rid of them in a nonviolent manner—by evacuation—I think they may be willing to do it, up to a point. The one major force working against this is that many of these people represent very badly needed technical skills.

I'm not sure what level of evacuation they would tolerate—tens of thousands, maybe, but a million, no. But up to a certain point, and if it could be put on a class level, I think they might go along with it, even if they never openly agreed to it.

Q. What happens to the "social negatives" who refuse to leave? Will they eventually be liquidated?

A. Yes. That's what happened when the Communists took over in North Vietnam, and in villages of South Vietnam taken over by the Viet Cong. Some of these people were simply stubborn and rather courageous.

Q. Why do the Communists engage in widespread killing—revenge, control by terror, or what?

A. Communists consider themselves very moral. When they eliminate "social negatives," it's not done with glee or pleasure. They are not a bunch of monsters with fangs. Those who so characterize them do truth a disservice.

The Vietnamese Communists are determined, sometimes fanatical persons dedicated to creating in Vietnam an entirely new social order. They see what they have to offer as a total system. It cannot be bought piecemeal, because it won't work except as a complete package.

Part of the system is what they call revolutionary violence—in plain terms, killing persons who cannot fit into the new social system being created. If they remain, they become a cancer in the body politic. Hence, one way or the other they must be eliminated.

Q. How much violence was there in North Vietnam when the Communists took over in 1954?

A. Quite a bit. Estimates range as high as 50,000 killed. The toll would have been much higher if the nearly million people, mostly Catholics and middle class, had not escaped to the South.

Q. What will happen to those Catholics now in South Vietnam?

A. That's the biggest worry. Actually, the Vietnamese don't particularly see religion as much of a danger to the state. The only danger they see is in organizational terms. If they can keep their hands on the organizational throttle of the Church, as they do in North Vietnam, there may be no extra danger accruing to the Vietnamese because of their religion.

Q. Do you expect the ethnic minorities in South Vietnam to be treated harshly?

A. No, I think they will be treated quite well, so long as they don't give the Government any trouble.

Q. How do the Communists determine who their enemies are?

A. Once they take over, they divide a city into areas, which are further divided into blocks of 3,000 people, with a revolutionary committee to manage them. First comes a census of everybody in a block, with detailed information on each. The most important thing is to fix a person's social class—to decide whether a person is an exploiter or one of the exploited.

If you are in the exploiter class—the middle or upper class, roughly, in our terms—you are forever doomed, and your children are forever doomed. That was the pattern in North Vietnam.

The problem in South Vietnam is that there are so many in the exploiter class—particularly if not many get out—that there is going to have to be some kind of adjustment. If they go after the whole exploiter class, they may trigger open and armed resistance. Everybody in South Vietnam has a gun. I think one of the chief worries of the North Vietnamese will be how to head off the development of an incipient revolutionary guerrilla war—a very deadly kind of civil war.

Q. If there is extensive violence, how much will the outside world ever know about it?

A. Very little. The Communists will create a silence, and the world will call it peace.

VESTAVIA HILLS REFLECTS AMERICAN BEAUTY

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. BUCHANAN. Mr. Speaker, it was my pleasure to participate in the Annual Dogwood Festival which has just con-

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cluded in the city of Vestavia Hills, Ala., which it is my privilege to represent in the Congress.

It struck me as I toured this beautiful city how much this festival represents all that is good in the United States.

The efforts of each resident to make his or her own property as beautiful as possible and the joint effort by all citizens to beautify their city bespeaks the finest traditions of our great Nation.

Mr. Speaker, the spirit of drive and cooperation which makes this country strong is reflected in the people and the city of Vestavia Hills. They are and the city is as its Mayor J. T. Scates noted during the kickoff of the festival, among the most beautiful in the Nation.

REPRESENTATIVE SCHEUER DEFENDS HOWARD BEACH, LINDENWOOD, ROSEDALE, LAURELTON, AND CANARSIE FROM CONCORDE NOISE.

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. SCHEUER. Mr. Speaker, the following is the text of the testimony presented earlier today at FAA hearings at the Queens Playhouse in Flushing Meadow Park, concerning the prospect of Concorde flights in and out of JFK Airport:

TESTIMONY BY REPRESENTATIVE SCHEUER

I'm here today for many reasons. As an environmentalist, one who has long opposed the further pollution of our environment; as a legislator, one of the supporters of the National Environmental Policy Act of 1969 and the Noise Control Act of 1972; and, importantly, as a representative of the 11th Congressional District which encloses John F. Kennedy Airport and the surrounding communities, namely Howard Beach, Lindenwood, Rosedale, Laurelton, and Canarsie.

I wish to comment and challenge the Federal Aviation Administration recommendaiton to permit the supersonic jet airliner, Concorde, to land at J.F.K. But first I would like to speak on behalf of my friends and neighbors here in the District who live near the runways.

My neighbor—let's call him Jack Miller—owns a small and modest house barely a mile away from John F. Kennedy Airport. He chose his house ten years ago, in 1965. He knew that his neighborhood was a noisy one. But he decided, as did many of his neighbors, that "you get used to the noise."

There was in this last decade, however, a steady rise in the daily number of flights in and out of airports. What began as a peak noise in the early 60's became by the mid-sixties an intolerable and unrelenting cumulative noise level. There is today, barely a moment during the Miller family's waking hours that is not dominated by aircraft noise. The family's audio threshold has greatly increased, forcing them to speak in loud voices to each other at all times. The family's ability to concentrate, particularly the children's ability to study, is greatly impaired.

With each increase in the daily cumulative noise level emanating from JFK, fades the hope that any member of the Miller family or their neighbors will ever "get used to the noise."

Fortunately, during this past decade attention finally is being given to the noise pollution problem. Doctors, psychologists, environmentalists and world health organizations, who have written and spoken on the issue, maintain that there is a limit to the human tolerance of noise. There is a limit, psychologically and physically beyond which no human being should be subjected and still be expected to maintain his physical and mental health and well being.

During the last five years, the United States Congress has enacted two major pieces of legislation to protect man and his environment. In 1969 the National Environmental Policy Act was passed by Congress requiring each federal agency to issue an environmental impact statement prior to any major action of environmental significance.

The second major piece of legislation was the Noise Control Act of 1972. This was a detailed and comprehensive law which called for strict Federal agency regulations to limit noise pollution. And in 1969 the F.A.A. set specific noise standards—applicable at that time and now—for American subsonic aircraft: the legal noise limit was set at 108 decibels.

During the last decade, important technological progress was made. New planes were being developed that produced less noise than the old ones. The 727's, the DC–9's and DC–10's, eventually even the jumbo-jet, the 747—each produced a more tolerable noise level than the older 707's and DC–8's. The reduced noise for Jack Miller from these less noisy planes was marginal, however, because of the ever increasing number of daily flights.

Congress, having passed its well-intentioned pieces of legislation waited during the 93rd Congress to see how seriously the Federal agencies would take its intent.

In Section 2b of the Noise Control Act of 1972, it is stated:

"The Congress declares that it is the policy of the United States to promote an environment for all Americans free from noise that jeopardizes their health and welfare."

In its draft environmental impact statement, the F.A.A. states that:

"(1) On take-off alone the Concorde registers a noise level of 118—nearly 10 points above the level set by F.A.A. 36 governing subsonic aircraft.

"(2) The amount of carbon monoxide emission from the Concorde is 4 times the amount emitted by any subsonic aircraft.

"(3) The vibration caused by the Concorde is 5 times greater than that of subsonic aircraft."

Yet the F.A.A. recommends that the supersonic aircraft—namely the Concorde—need not be governed by its regulations for subsonic aircraft—that it should be permitted to land as a new category of plane! In other words, the F.A.A. recommends that the regulations governing the geese be abandoned for the gander.

Is this recommendation by the F.A.A. following the intent of Congress?

Why has the F.A.A. not chosen to set the same noise standards for the supersonic aircraft as it has for the subsonic planes? Why is the Concorde a "special case?"

My neighbor, Jack Miller, sees it like this: A new and foreign-made plane—despite the technology available in the last years to produce a plane with lower noise levels—will be roaring over his head, eight times a day—four on landing, four on take-off. These planes will be producing a noise level *peak* that is regarded by most environmentalists as detrimental to the physical and mental well-being of those residing in the airport's neighboring communities of Howard Beach, Lindenwood, Rosedale, Laurelton, and Canarsie. And as far as Jack Miller is concerned, the admission of these two planes is only the beginning.

If the F.A.A. is permitted to let the Concorde fly into JFK, initially on a four-flight a day basis, surely the number of flights will eventually increase and with it, a higher level of noise, a higher degree of pollution and a higher frequency of vibration.

Incidentally, the low frequency noise which induces the vibrations will cause pictures to shake, crockery to rattle and on occasion even glass to shatter. According to the F.A.A. draft environmental impact statement, on page 42, "this noise may disturb the occupants more than the transmitted primary sound itself because of the psychological influence of "private possessions being disturbed." And yet, no one has yet assessed the damage to a house whose structure vibrates to the take-offs and landings of supersonic aircraft. Nor has a study been made of the physical and psychological effect of "private possessions being disturbed" to the people who live in the house.

And who benefits from permission for the Concorde to land? As far as Jack Miller is concerned—neither him, nor his family, nor his neighbors. In addition he questions if the flights are really necessary. Should the quality of his life be sacrificed to the Concorde passenger? And who is the likely Concorde passenger? Most probably he is a representative of a wealthy, multi-national corporation who, courtesy of his company-provided expense account, would be able to jet to Europe and back in a few hours less time. Should Jack Miller and his family be expected, physically and spiritually, to underwrite the comings and goings of a small corps of high level corporate executives.

Neither Jack Miller, nor his neighbors, myself included, wish to exclude a plane because it is made abroad rather than in the United States. But, I must say to our good British and French friends who have developed the Concorde: We have reminded you many times over during these years to build a less noisy plane.

We have also reminded our own aircraft companies during these past years to retrofit their plans, that is, to refit their engines with additional sound absorbing material. The prime offenders of our communities' noise tolerance are the 707's and the DC–8's—jet aircraft manufactured, unfortunately, before our noise level laws came into effect.

May I repeat to our British and French friends here among you, our communities surrounding JFK do not discriminate. A noise by any name—be it Concorde or 707 or DC–8—must be reduced to a tolerable level.

And I wish to assure Jack Miller and his family and his neighbors living in our 11th Congressional District that surrounds John F. Kennedy Airport that I will make every effort to protect our communities from these intolerable noise levels. Our 91st and 92nd Congresses enacted laws to protect us from environmental pollution. Our present 94th Congress will see that these laws are enforced. Last month I introduced legislation requiring the F.A.A. to apply the same noise level standards to the supersonic aircraft as they devised for subsonic aircraft. I have also proposed legislation that would compel our older, noisier planes to be retrofitted with all possible speed.

We should tolerate neither domestic nor foreign-made aircraft, neither supersonic nor subsonic aircraft that do not conform to the law of the land. If loopholes exist in the legislation—or in the administering of these clearly articulated policies—then the Congress will have to pass additional and stricter controls.

I trust that the F.A.A. will see fit to regulate the noise levels of the Concorde and the older, non-conforming commercial jets with consistency and with all possible speed.

We do not wish to discriminate. We do wish to promote a healthier environment. The physical and mental state of Jack Miller—of each and every American—is our primary concern.

I am a long and strong supporter of technological progress. We must harness our technology for the public welfare, and that means all the public.

COUGHLIN BILL WOULD END INEQUITIES IN PRICING TO UTILITY CONSUMERS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. COUGHLIN. Mr. Speaker, I am today introducing in the House a bill which would end the inequities that penalize consumers who purchase energy supplies from utilities, only to find they are charged higher unit prices because they are cutting usage.

As incredible as it may seem, at a time when the President and congressional leaders are calling on the public to exercise conservation, there are taxpayers who are being punished for heeding the calls of their elected leaders. No wonder we have an ever-increasing skepticism by the public about the Government and its officials.

My distinguished colleague and good friend, the Honorable RICHARD S. SCHWEIKER, already has introduced the same measure in the Senate. He also published the text of an unfeeling and thoughtless letter from a Federal Energy Administration official to a Pennsylvanian who was being charged higher prices for propane since the citizen had reduced consumption. I urge your reading of the Senator's statement and the letter which appeared on page S5874 of the April 14, 1975, CONGRESSIONAL RECORD.

Despite assurances that the burden of our energy crisis would be equitably borne, consumers are more and more finding themselves being victimized by ramifications of some of our Federal energy policies and practices. Already being required in many States to shoulder the entire costs of higher fuel prices to utilities, the people throughout our Nation also face constant rate increases.

While all of us surely recognize the need for capital investment if our utilities are to build the needed facilities for the future, I am increasingly disturbed by the endless round of rate hikes that bedevil the taxpayers. It is true that the States can exercise their jurisdiction on such things as fuel cost passthroughs and rate increases, but it seems to me that the Federal Government must contribute in a leadership role if we are to have any semblance of spreading the burden of sacrifice.

The bill for which I seek your support is an attempt to remedy one facet of this multipronged dilemma. I submit it is an important effort.

Simply, the measure would require the Federal Energy Administration to prohibit, by regulation, any higher per unit utility charge for users whose consumption is lowered. It would encourage conservation by more than mere words by removing penalties against those who are conserving energy.

I would hope that the proper House committees, along with the agencies themselves, would begin a thorough reassessment of both our energy policies and regulations to bring about a fairer sharing of the burden which is now so unequally distributed.

THE WAR IS OVER

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. SANTINI. Mr. Speaker, as Congress debates President Ford's latest aid request for South Vietnam, I believe it is time—now more than ever—for the American people to be given a say in whether or not the United States should continue to pour large sums of money in arms, ammunition, and helicopters into a country with an army that has lost the will to fight and a government that cannot lead. If nothing else, perhaps our logic should be dictated by the fact that, when millions of our own citizens are in need, our national goals and priorities must come first. Nothing can speak this more eloquently, however, that the following letter I received from a constituent—a man who spent a year in Vietnam. Following are excerpts of that letter that I hope will be of interest to my colleagues:

DEAR REPRESENTATIVE SANTINI: I spent a year in Vietnam as a platoon leader and later a company commander. I was in the field, on a firebase in Long Khan Province, one area which is currently under siege by North Vietnamese troops. What more can be done? I, like thousands of my contemporaries, did my best, not only to act in a capacity of American military soldiers, but as teachers and instructors who made every effort to give the Vietnamese forces the skills they needed to carry on once our physical occupation ended.

I have seen South Vietnamese pilots, with thousands of dollars of flight training, pump aviation gas (refined only for piston engines), into jet-powered helicopters instead of jet fuel and think it was a joke; I have had South Vietnamese colonels approach me to make blackmarket deals on military equipment . . . and I have seen South Vietnamese troops selling raw, uncut heroin to U.S. troops on many occasions. I cite these examples only as indicators of the lack of professionalism and dedication of the South Vietnamese military forces at all levels. The recent abandonment of billions in military hardware in their flee from the Central Highlands is still another sign of their lack of true dedication and will to carry on. Quite frankly, the war is over. . . .

A massive injection of last minute military aid is not only fiscally wasteful, but tactically stupid. If these people cannot sustain their integrity in the field as troops . . . then $700 million or $700 billion won't do it for them. If we have learned anything from our involvement in Vietnam, we must realize that words like self-determinism, democracy, and representative government have little meaning to a country that has known nothing but conflict for forty years. We have nothing to be ashamed of, having committed an almost incomprehensible sum of dollars and lives in helping these people . . . it is now up to them. . . .

THE VISIT OF PRESIDENT KENNETH KAUNDA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. RANGEL. Mr. Speaker, today we extend the warmest of welcomes to an extraordinarily distinguished visitor who comes to the United States on a state visit that the New York Times on this morning's editorial page rightfully characterizes as long overdue.

Dr. Kenneth Kaunda, President of the nation of Zambia, arrives in Washington for his 2-day state visit at a critical period in this Nation's relations with black Africa. Former President Nixon and Secretary Kissinger, intentionally or unintentionally, have succeeded through a series of statements, omissions, and presumed policy shifts that can be described as inept at best, in alienating the historic feelings of friendship toward the United States of many of the nations of black Africa. I sincerely hope that President Kaunda's discussions with the President and the Secretary this weekend will result in an elimination of the present misunderstandings and the development of a more positive U.S. foreign policy toward black Africa.

Dr. Kaunda brings impressive experience, credentials, and skill to these important meetings. He is particularly known for his courageous positions and role in the struggle for independence and self-determination in southern Africa. Even before Zambia became independent, he was active in seeking support for a resolution of the question of majority rule in Southern Rhodesia by Britain at the same time that majority rule was being worked out for the other two areas of the federation.

When the United Nations agreed to impose economic sanctions on Southern Rhodesia, Zambia took extraordinary measures to observe them to the fullest extent, even though the economies of the two countries had been tied together under the colonial administration and Zambia was dependent on Rhodesia for its electrical power and its principal transportation links to the sea from its landlocked geographical position.

Zambia borders on seven countries: Zaire, Malawi, and Tanzania are independent. Mozambique and Angola will become independent from Portugal this year following lengthy wars of liberation; Southern Rhodesia and Southwest Africa—Namibia—are actively seeking liberation. President Kaunda has supported the liberation movements in neighboring countries by allowing Zambia to serve as a haven and base of operation for these movements. In addition, the first important statement by African governments on the liberation of Africa from colonial rule was made in Lusaka, the capital of Zambia.

Currently, Zambia has been at the forefront of secret negotiations, along with Tanzania, Mozambique, and Botswana, with the Smith regime in Zim-

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babwe and with South Africa's Vorster. These negotiations are intended to set in motion the terms of change to majority rule and independence for Southern Rhodesia and for Namibia.

President Kaunda is an important African leader who can help us forge a more creative and positive policy toward the nations of the African continent. I hope that all of my colleagues in the Congress will recognize the significance of this visit and join me in welcoming President Kaunda and wishing him, President Ford, and Dr. Kissinger fruitful conversations this weekend.

I enclose, at this point in the RECORD for the information of my colleagues, today's New York Times editorial on Dr. Kaunda's visit and a recent analysis by Graham Harvey of President Kaunda's role in southern Africa:

OVERDUE AFRICAN CALLER

If the United States is as anxious to improve relations with black Africa as Secretary of State Kissinger insists, the next two days will offer the best possible opportunity to make a fresh start. President Kenneth Kaunda of Zambia, one of two key figures in a new effort to achieve peaceful solutions for the remaining black-white problems in southern Africa, arrives in Washington today for an overdue White House visit.

When Dr. Kaunda last visited this country, in behalf of the Organization of African Unity and 54 governments that had just been represented at a non-aligned summit meeting in Zambia, he was unable to see President Nixon, then giving priority to campaigning for Republican candidates in the 1970 mid-term elections. Mr. Nixon was also unable to arrange time for Gen. Yakubu Gowon of Nigeria, who came as chairman of the 43-nation O.A.U. in 1973.

These snubs were only two of many factors that bedeviled American relations with black Africa in recent years. Most important was the Nixon Administration's decision, on recommendation of Henry Kissinger, to relax the traditional American opposition to perpetuation of white minority rule and exploitation in southern Africa—a decision based on the premise that whites were firmly entrenched in power everywhere in that area.

Last year's coup in Portugal exploded that premise by bringing moves for rapid passage of Mozambique and Angola to independence under black governments. The Portuguese watershed also led to historic contacts between Dr. Kaunda and South Africa's white Prime Minister, John Vorster, to explore possibilities for a peaceful resolution of the Rhodesian problem.

President Kaunda comes to Washington immediately after an O.A.U. meeting in Tanzania that sanctioned his continuing effort with Mr. Vorster to achieve a Rhodesian settlement. President Ford and Secretary Kissinger ought to benefit enormously from a visit as important as it is overdue.

[From the New York Times, Apr. 9, 1975]

MR. KAUNDA'S DÉTENTE

(By Graham Hovey)

Kenneth Kaunda is the man on the spot in black Africa.

In an effort to head off a catastrophic black-white conflict, Zambia's black President has reached out toward South Africa's white Prime Minister, hoping to find peaceful solutions for the major unfinished business in their part of the Continent.

There are risks for both men in this relationship; but the hazards for Mr. Kaunda are greater and more immediate than those for John Vorster.

It required courage even for Mr. Kaunda, one of the most passionate foes of racial apartheid, to establish the initial contact with the very symbol of that policy. Indeed, when he made his first approach in 1971, Mr. Vorster embarrassed him by making public their confidential exchanges.

For his part in trying to resolve the Rhodesian problem—top priority for both men—Mr. Kaunda had to force a merger of feuding black liberation movements and impose a cease-fire on black guerrillas bent on continuing the armed struggle against Rhodesia's white minority Government.

Zambia's initiative, though ostensibly backed by three other African leaders, has drawn sharp attack in the 43-nation Organization of African Unity and is under critical scrutiny from militants at an O.A.U. meeting now under way in Tanzania.

What motivates Mr. Kaunda to persist with an effort that carries great risks and only fair possibilities for even partial success? He often replies by citing with approval Mr. Vorster's assertion that it is imperative to negotiate because "the alternative is too ghastly to contemplate."

As Mr. Vorster now readily concedes, Mr. Kaunda is above all a man of peace. He tries to live by the Presbyterian creed learned from his missionary father. In the new Africa's political spectrum he is a moderate, dedicated to multiracialism.

Though deeply committed to self-determination and majority rule for Rhodesia, Namibia (South-West Africa) and finally South Africa, Mr. Kaunda has always hoped for a peaceful evolution that would accommodate white Africans as well as black.

He knows that violent liberation of the remaining bastions of white minority rule would exact an appalling toll in lives, inflict terrible physical and moral damage to all parties including Zambia; poison relations among Africa's races for decades, and even risk great-power intervention and wider war. Thus, he resents African leaders and others distant from the arena who scorn his efforts and demand a "military solution."

A new ballgame in southern Africa was created with the overturn of fascism in Portugal last April 25 and the decision of the new military rulers to launch negotiations for the early independence of Angola and Mozambique under black governments. Mr. Kaunda saw opportunities, as well as dangers, in the new situation. Contacts with Mr. Vorster followed.

In the early stages, Zambia unquestionably was impressed by the Vorster Government's restraint. Instead of intervening in Mozambique, where its economic stakes were enormous, South Africa promptly made clear that it accepted the transfer to black power and desired good relations with a revolutionary Government.

Instead of sending aid and comfort to Rhodesia's white regime—now faced with another potentially hostile black Government along a vulnerable, 700-mile eastern border—South Africa pressured Prime Minister Ian Smith to release long-imprisoned black political leaders and to negotiate realistically with them on a new Constitution looking toward majority rule.

To underscore his seriousness about a Rhodesian settlement, Mr. Vorster pulled several thousand South African military policemen back from guerrilla areas, where they had served for years with Rhodesian forces.

These actions encouraged Mr. Kaunda to move farther along the détente road. He told an African editor there was "no shadow of doubt" that Mr. Vorster, "in spite of the very difficult situation in which he finds himself," was determined to help bring peaceful change in southern Africa, including South Africa.

In making contact with a white Government despised in black Africa, Kenneth Kaunda at 50 embarked on his most hazardous adventure since he joined the liberation struggle in what was then Northern Rhodesia 25 years ago. He may fail. Many Africans fear he will; some, black and white, hope he will.

On his record, however, he is a man who can be trusted to work within the framework for peaceful evolution laid down by the Africans themselves in the Lusaka Manifesto of 1969; a man who will never buy détente at the cost of his own ideals or the vital interests of black Africans.

At any rate, he needs no lectures from such leaders as Algeria's ubiquitous Abdelazziz Bouteflika, Uganda's sadistic Idi Amin or Guina's volatile Sékou Touré. Nor, for that matter, from those Americans, mostly white, who are ever eager to fight—from their vantage points on Manhattan Island or a university campus—to the last African on the banks of the Zambezi.

"RADIO LIBERTY—ALIVE AND WELL"

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. ZABLOCKI. Mr. Speaker, the Committee on International Relations will soon begin hearings on the annual authorization request for Radio Free Europe and Radio Liberty. In this connection, I wish to call Members' attention to an article which appeared recently in the Milwaukee Journal, entitled: "Radio Liberty Lives in Munich," by Theo Richmond.

The author, who recently visited the operation headquarters of Radio Liberty in Munich, was evidently impressed by what he saw. RL, he reports, is not only alive and well, but is continuing to provide the peoples of the U.S.S.R. with vital information about developments in their own country as well as in the outside world.

The article also focuses upon Soviet "jamming" operations, which are estimated to cost the Soviet Government several hundred million dollars per year. The major cities are particularly affected by such operations, Mr. Richmond notes, leading to Alexander Solzhenitsyn's "wry comment that Moscow and Leningrad are the least informed places in the Soviet Union."

Even in the metropolitan centers, however, jamming is not all that effective. Radio signals behave in mysterious ways, the author points out, and it is often possible to receive a broadcast perfectly on one side of a building but to hear only static on the other. What is particularly noteworthy, however, is the lengths to which a listening audience will go in order to obtain basic information which we in the West take entirely for granted.

Finally, Mr. Speaker, the author discusses the role of Radio Liberty and its sister organization, Radio Free Europe, in an era of "détente." Does that concept imply, he asks rhetorically, that "one half of the world should be isolated from the other?"

Mr. Richmond's commentary, which I include in the RECORD at this time, clearly supports a negative response to that question:

[From the Milwaukee Journal, Mar. 9, 1975]

RADIO LIBERTY LIVES IN MUNICH

(By Theo Richmond)

In a modern office block in Munich, Germany, the studio cue light flashes and the young announcer begins to read the news—in Russian. The engineer seated behind a glass panel channels the broadcast to the station's master control room, a space age array of electronics in another part of the building, and from there it travels by landline across Western Europe to a tourist-free beach on the Costa Brava, where the antennae of the most powerful shortwave transmitters in the world, aided by the reflecting surface of the sea, beam the news up at the ionosphere, 200 miles above the earth.

It bounces off the ionosophere and comes down smack on its target area—the Soviet Union. Radio Liberty is on the air, with all the news that is not fit to print—or broadcast—inside Russia.

At the same moment, on the same wavelength, Soviet radio engineers are also broadcasting—not the spoken word but a sound designed to drown it: a continuous, jarring, roaring sound like a power saw. A radio signal, as someone once said, needs no visa. But it can be jammed. And the Russians have been jamming Radio Liberty ever since it first went on the air in the Cold War days of 1953.

Relations between the superpowers are warmer now. We are said to have entered the "era of detente." But still, the Soviet leaders ban, censor and jam in order to prevent their people from being contaminated by the West.

In September, 1973, detente did produce one concession from the Kremlin: The jamming of the Voice of America, the BBC and certain other "official" Western broadcasting organizations came to an end. Radio Liberty, however, remained on the black list, where it will no doubt stay until the Russian people are granted freedom of information.

Radio Liberty claims to have 35 to 40 million listeners a month in the USSR, an estimate they describe as "conservative." For all the resources and skills of Soviet technology, jamming has never been totally effective.

Somehow the broadcasts get through, as Alexander Solzhenitsyn has testified. In an interview he gave two American newspapermen in 1972, he said about Radio Liberty programs, "If we ever hear anything about events in this country, it is through them."

Listening conditions are particularly difficult in the major cities, where small ground-wave jammers back up the din coming from the long distance installations. This explains Solzhenitsyn's wry comment that Moscow and Leningrad are the least informed places in the Soviet Union, and that if people living there want to know what is going on, they have to ask country folk coming into town.

Another way around the problem has been developed by listening clubs, whose members make excursions into the countryside to record Western broadcasts. It is not against the Soviet law to listen to foreign broadcasts, but to record and circulate them can lead to serious charges.

Even in the big cities jamming is fallible. Radio signals behave in mysterious ways. According to Rachel Fedoseyeva, a former listener who is now a research editor at Radio Liberty, it is possible to receive a broadcast perfectly on one side of a building and get nothing but jamming on the other. She used to get the best results by placing her radio in a particular spot near her kitchen wall.

"Information! Information! You were deaf and dumb if you didn't have information." Now in her early '30s, Rachel Fedoseyeva was born in China of Jewish parents, came to Russia when she was an adult, and "never adjusted." In 1971 she was one of the lucky few allowed to emigrate.

"Nothing has changed there since then," she says. "You still can't buy the American or other independent newspapers." The radio was her link with the outside world.

Another listener turned broadcaster, Vladimir Matusevitch, described how, late at night, when reception was clearest, he would wander from room to room in his Moscow apartment, transistor radio held close to his ear, turning the set in different directions, sometimes stooping or lying down, until "suddenly, in an absolutely stupid place and with one's body in an absurd position, you could hear." He would remain listening in that position until his body was stiff. "I was hungry for information."

A former film critic and cinema historian in Moscow, Matusevitch defected in 1968 while he was on a study trip in Norway. Today he is chief editor of Radio Liberty's feature programs. He goes on the air twice a week to present his own programs about the cinema.

Leonid Vladimirov, another defector, is the head of Radio Liberty's London bureau. An ex-Soviet journalist and former inmate of a Stalin labor camp, he went to London on an official visit in 1966, walked into the Home Office and asked for political asylum. Now he broadcasts regularly to Russia from a small studio above Bond Street.

"Listening to Radio Liberty used to be my nightly diet," said Vladimirov. "At one time I had a job as a foreman in a factory, and even the workers used to come up to me in the morning to talk about things they had heard on Radio Liberty or the BBC. As I was the foreman, I had to pretend I never listened."

The defection of Anatoli Kuznetsov, author of "Babi Yar," stirred up worldwide publicity in 1969. He, too, now broadcasts regularly to his native land from Radio Liberty's London studio. Nearly 250 ex-Soviet citizens work for the station, most of them in Munich.

Radio Liberty does not go in for covert recruiting in Russia, and few of these people left with the idea of working for the station. They simply happened to be remarkably well qualified for their task as broadcasters in exile.

As ex-lecturers, scientists, economists and writers, they have a background which gives them special insights into Soviet society. They know their audience. They infuriate the regime by operating as a kind of uncensored "Home Service" rather than as a foreign station.

BBC and Voice of America broadcasting to Eastern Europe is tolerated by the Kremlin because it does not deal at length or in depth with Soviet internal affairs. However, even those stations cannot avoid upsetting the Kremlin on those occasions when they report events of international interest which the Soviet media carefully ignore.

Propaganda is not a tactful word to use when discussing Radio Liberty with the men who control the station—all of them American. The executive director, Francis S. Ronalds Jr., describes the station's main role today as the broadcasting of "objective, balanced information." Even during the Cold War years, he says, Radio Liberty broadcasters did not deserve the image of "people with wild eyes, their hair standing on end, crying for the overthrow of the Soviet regime."

The Kremlin remains unconvinced. The circumstances under which the station was born and the manner in which, for many years, it was run, could hardly avoid provoking Soviet hostility. Radio Liberty and its sister station, Radio Free Europe, were established separately as private, nonprofit organizations. Their financial backing was purported to come from business, industry and various foundations.

In 1971, Sen. Clifford Case revealed publicly what many had suspected all along: Both stations were financed and controlled by the CIA. "He blew our cover," said one Munich broadcaster. The Nixon administration never admitted or denied the CIA connection, but the long period of covert financing was over.

Today a newly formed Board of International Broadcasting, based in Washington, acts as a link between the stations and the government. Its members emphasize that the CIA has no say whatsoever in the stations' affairs. Budget appropriations are controlled by Congress. For the present fiscal year, Congress has voted the stations $50 million. American investment in the stations over the years totals half a billion dollars.

Radio Liberty and Radio Free Europe occupy separate headquarters in Munich, imposing premises with floor after floor of studios, offices, monitoring rooms, libraries, research departments, newsrooms. Each station has its separate bureaus in Paris, London, Washington and New York.

Worldwide, the stations employ over 2,000 people. Transmitting installations in Spain, Portugal and West Germany represent a formidable capital investment. Radio Liberty is on the air round the clock. It broadcasts in 17 languages of the Soviet Union, including those of the fast growing Moslem population of Soviet Central Asia.

From that modern building in Munich, the spoken word goes out in Kirkhiz, Tadjik and Uighur. The range of programs is broad. Understandably, news and current affairs play an important part. So too do the works of playwrights, novelists and poets banned in Russia. But there are programs on science, technology and life in the West. There is even a certain amount of religious broadcasting, for Christians, Moslems and Jews. Only the sound of music is rarely heard: Melody and jamming make poor partners.

Information is gathered as well as disseminated. Sophisticated monitoring equipment picks up the broadcasts of 60 stations in the Soviet Union. If an executive needs to know what Moscow One, for instance, is broadcasting at any time of the day or night, he simply dials a code number and Moscow One booms from his office speaker system.

While Radio Liberty broadcasts exclusively to the Soviet Union, Radio Free Europe beams its programs to five other communist countries: Poland, Bulgaria, Hungary, Romania and Czechoslovakia. Hungary and Romania, the most "liberal" of the five, have given up the costly business of jamming. The others remain implacably hostile.

There are men in Washington as well as Moscow who want to see these stations scrapped. Notable among them is former Sen. William Fulbright, one-time chairman of the Foreign Relations Committee. "Remnants of the Cold War," is how he once described them. He sees no useful role for them in the world today. Yet the Soviet leaders, for all the talk of detente, have made one thing clear: their intention to continue, even intensify, the "ideological struggle" on the international front.

Why then, say the broadcasters and their supporters, should the West scrap a means of communicating with and influencing the people of Eastern Europe? Is it a good thing that one half of the world should be isolated from the other?

Solzhenitsyn has described the suppression of information as a "rampant danger" to world peace. He said this in a speech he made when he accepted the Nobel Prize: a speech suppressed in his own country. Only

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those with a shortwave radio, tuned in to a certain station in Munich, were able to hear his words.

THE BALTIC STATES: FORGIVE THEM THEIR HELPLESSNESS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. CRANE. Mr. Speaker, those Americans who repeatedly refer to their own country as one which pursues a policy of "colonialism" and "imperialism" and who take the Communist countries at their own word, referring to them in the rhetoric they themselves have proposed, such as "progressive," would do well to look a bit closer at the world's reality.

Some Americans believe that a victory in Vietnam for the North Vietnamese and the Vietcong would, somehow, "liberate" the people of the South. These, of course, are the terms in which the Communists describe their own aggressive attacks. Why men and women in the West fail to see behind their rhetoric is difficult to understand. Perhaps they have some reason for overlooking the facts.

If anyone wants to observe the reality of what Communist "liberation" means he need only observe the Baltic States of Lithuania, Latvia, and Estonia.

Taken over by the Soviet Union by the use of force, these once proud and sovereign states are now part of the Soviet Union's own colonial empire. Every effort has been made to destroy the religious faith, the ethnic identity, and even the languages of these people. Such efforts, however, have failed. The people of the Baltic States have not shown themselves eager for their own "liberation."

Now, there are some in the United States who wish us to ratify the aggressive takeover by the Soviet Union of these states. Representative EDWARD DERWINSKI, my distinguished colleague from Illinois, has called for an inquiry into this proposal. I join him in urging that we not abandon the brave people of Latvia, Lithuania, and Estonia. No policy of "détente" which is purchased at the price of our own self-respect and our own belief in freedom and self-determination is worthy of our support.

In an editorial dealing with this subject, the Chicago Tribune declared that:

> We hope Mr. Derwinski's efforts succeed. Even in this toughened age of power politics, little countries should be forgiven the "sin" of helplessness.

I wish to share with my colleagues the editorial, "Forgive Them Their Helplessness," which appeared in the Chicago Tribune of April 5, 1975, and insert it into the RECORD at this time:

> FORGIVE THEM THEIR HELPLESSNESS
>
> Thirty-five years ago the independence of Estonia, Lithuania, and Latvia was crushed under the wheels of advancing Soviet tanks. What causes had these little countries given the Soviet giant to ravage them? Only these: They were tiny, they were there, they were coveted by Stalin.
>
> But the independence which was crushed never quite died. It lived on—in fact, flourished—in the memories and dreams of hundreds of thousands of people inside and outside those torn lands. And it lived in the fact that the United States never recognized the Soviet seizure.
>
> Our government had almost forgotten this until someone rediscovered the situation and decided it would be a lovely dentente "gift" to Moscow to recognize its claim that these freedom-loving lands had become Soviet "republics."
>
> Our columnist Bill Anderson recently disclosed that this wretched proposal was being made to President Ford and Washington has not been the same since.
>
> From a rolling avalanche of outraged telephone calls, telegrams, and letters the State Department learned a lesson it perhaps had forgotten or had never known: A nation's independence does not die under the wheels of tanks. It lives so long as freedom remains a burning hope in the hearts of its people.
>
> The Baltic people in the United States cling tightly to the hope.
>
> So, Rep. Edward J. Derwinski of Illinois, a long time friend of oppressed peoples, has called for an injury into the proposed sell-out and has been joined by 50 colleagues in a resolution to make it the sense of Congress that we continue to recognize these tiny countries' claim to be free.
>
> We hope Mr. Derwinski's efforts succeed. Even in this toughened age of power politics little countries should be forgiven the "sin" of helplessness.

RETAIN AN INDEPENDENT U.S. INFORMATION AGENCY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. McCLORY. Mr. Speaker, in recent months, a great deal of attention appropriately has been devoted to matters of foreign policy. The policies of this Nation have been, and should be subjected to periodic and intensive scrutiny, as should the mechanisms by which they are implemented.

One of our best known independent agencies, the U.S. Information Agency, has been subjected to critical review. A private panel, headed by Dr. Frank Stanton has undertaken to recommend USIA's dismemberment, and the dispersal of its present closely integrated functions among three other separate Federal departments or agencies.

The wisdom of these recommendations deserve serious testing—on the basis of USIA's past performance and record of useful service. I doubt that many individuals who have intimate knowledge of our overseas information program would reach such a drastic conclusion. Edmund Gullion, dean of the Fletcher School of Law and Diplomacy, a distinguished foreign service officer and member of the Stanton panel, and two former Directors of USIA, Carl Rowan, and Leonard Marks, originally a member of the Stanton Panel, disassociated themselves from the report.

Carl Rowan, now a national syndicated columnist, rejected the Stanton Panel recommendations in a recent article which appeared in the Chicago Daily News.

In his view, the Stanton plan, "would only destroy programs that are effective while creating a three-ring fiasco."

I believe his cogent and incisive thoughts deserve our most careful consideration. I am attaching the full text of Carl Rowan's illuminating article for the information of my colleagues and of the American public. The article follows:

> STANTON PANEL POINTS USIA IN WRONG DIRECTION
>
> WASHINGTON.—You've heard of the principle that a bureaucracy automatically expands to fill up whatever office space is available, no matter how large. Then, there's "the Peter principle" that bureaucrats and executives continue to rise until they reach a level where they no longer are competent.
>
> Add, now, "the Rowan principle: "Ask any panel to spend a few hours studying any governmental agency, and it will produce a recommendation for reorganization. The less the panelists know about the organization they are "studying," the more reorganization they will recommend.
>
> An example of this principle at work is the recent report of a panel headed by former CBS President Frank Stanton. It urged that the U.S. Information Agency be dismantled, wih "culture" and "information" going back to the State Department, and the Voice of America being put under an independent board of overseers.
>
> The Stanton panel wants all information and cultural functions placed under a "semi-autonomous" agency within the State Department. I once headed USIA and I've worked 2½ years in relatively top levels of the State Department. I wish Stanton or someone else would tell me what "semi-autonomous" means. The secretary of state either has the last word, or he doesn't.
>
> This is of more than trifling importance in an era when our Presidents tend to become isolated, with only a handful of people having access to their ear. There were several occasions when, as USIA director, I sent President Johnson memos taking a position opposite that of the secretary of state. And there were top aides of the secretary who said: "Thank God you have direct access to the President. Our voices are silenced because the Secretary has decided on the State Department's position."
>
> So what is needed is to restore some of USIA's voice in major policy considerations to get the USIA director back into meetings of the Cabinet and the National Security Council. We'd be a lot better off in the world if the "public relations" or "propaganda" implications of some of our foreign policy actions had been given proper consideration at the outset.
>
> Information — explaining, persuading through effective use of the communications media—has never been the forte of the State Department bureaucracy. The tendency, in fact, is to hide as much as possible and tell only what is necessary.
>
> Rep. John Slack (D-W. Va.), chairman of the House Appropriations subcommittee that handles overseas cultural and information programs, is absolutely right when he says that if information and public relations were put inside the huge, timid State Department bureaucracy, they would have lower priority than they now have under USIA.
>
> This back-to-State idiocy seems to have originated in the snob notion that the dispensing of information puts a propaganda "taint" on cultural programs, and so there ought to be a separation to ensure that the dancers and fiddle players don't have to rub up against those slightly unclean fellows whose job it is to joust with newspaper and TV people and other opinionmakers.
>
> It is significant that the member of the Stanton panel who knows the most about how USIA and the State Department function, here and abroad, refused to endorse the Stanton proposals. He is Edmund A. Gullion, a former State Department official and ex-ambassador who is now dean of the Fletcher School of Law and Diplomacy.
>
> Surely there is a need—there are ways—to strengthen our information and cultural programs. But the Stanton panel's plan would only destroy programs that are effective while creating a three-ring fiasco. The whole country will be lucky if no one, in or out of Congress, ever mentions the Stanton panel again.

DAY OF LEXINGTON AND CONCORD

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. MYERS of Indiana. Mr. Speaker, it is a long look backward over two centuries of the history of our American Republic. A long look and, sometimes, a blurred and clouded look, as people and events seem faint and indistinct through the haze and mist of time.

We cannot hear voices; we cannot hear the sounds of conflict. We must view them through old portraits and prints. We must depend upon the written word to know what they said, how they felt, what they did, and how they lived and died.

On April 19, 1975, Lexington Green and Concord Bridge will, aside from the commemorative ceremonies to be held there, be silent. There will be no drums beating the call to arms; there will be no rattle of musketry; there will be no hammer and thud of cannon.

But, I like to think, what happened there 200 years ago will in some way come alive.

For these were real people who took part in the momentous events of that day, two centuries past. These were real events. They marked the first clash of arms that set the American people on an irrevocable course that has led us to where we are today.

DIM DRUMS THROBBING

Gen. Thomas Gage—Honest Tom was what they called him—had been Commander in Chief of His Majesty's Forces in America since 1763. Now he was both Governor of Massachusetts and Commander in Chief of the British Army in North America. The British Government was pressing him to take stronger measures to stamp out what was quite probably, preparation for open revolt.

THE FIRST BRITISH MOVE

On February 26, 1775, Gage sent Col. Thomas Leslie, known to all Bostonians as an amiable and good man with 240 men to Salem to seize some brass fieldpieces stored there.

At the end of March, 1775, Brigadier Hugh, Earl Percy, was sent by Gage with an entire brigade to make a full circle through Watertown and Cambridge.

The Massachusetts Provincial Congress had reconvened in Concord, and took a serious view of the affair. A full brigade was a lot more than a company or two. A resolution was passed:

> Resolved that: whenever the Army under command of General Gage, or any part thereof to the Number of Five Hundred, shall march out of the Town of Boston, with Artillery and Baggage, it ought to be deemed a design to carry into execution by Force the late Acts of Parliament, the attempting which, by Resolve of the late Honorable Continental Congress, ought to be opposed: and therefore the Military Force of the Province ought to be assembled, and an Army of Observation immediately formed, to act solely on the defensive so long as it can be justified on the Principles of Reason and Self Preservation and (no) longer.

The resolution not only invoked the authority of the Continental Congress, but it went to other local congresses, with a plea to New Hampshire, Rhode Island, and Connecticut to put together armies of observation, like that of Massachusetts. In effect, Massachusetts was asking that an attack on Massachusetts be treated as an attack on them, as well.

And it made an eventual armed clash between Americans and British inevitable.

GAGE WRITES AN ORDER

Based on intelligence reports, General Gage knew there were large stocks of powder and arms in Worcester and Concord. King George had commanded in particular that all such stores were to be taken.

On April 5, 1775. Gage sent two men on a spy mission. Disguised as day laborers, they were to walk from Boston to Worcester and back by way of Concord. Upon their return, one of them warned about the determination of the people of Worcester but said Concord would be different.

GAGE GIVES AN ORDER

On April 18, 1775, Gage ordered Lt. Col. Francis Smith, a senior officer in his command—

> To march with the corps of grenadiers and light infantry, put under your command, with the utmost expedition and secrecy to Concord, where you will seize and destroy all the artillery, ammunition, provisions, tents, small arms, and all military stores whatever. But you will take care that the soldiers do not plunder the inhabitants or hurt private property.

Gage sent a group of carefully chosen officers to ride out and block all roads leading to Concord, so no rebel alarm could be carried through.

In Boston, British regimental drums sounded tattoo—tap-to, more correctly; originally it was the signal for taps in taverns to be turned "to" or "off"—and the soldiers garrisoned in warehouses and commandeered homes went to bed. They were not to be there long. They were awakened "by the sergeants putting their hands on them and whispering gently to them" and "conducted by a back way out of the barracks without the knowledge of their comrades."

Dr. Joseph Warren knew what was coming before the soldiers were out of their beds. He sent for William Dawes, another express rider. Dawes' assignment was to go through, if he could, the British sentry line on Boston Neck, that connected it with the mainland. That night he was on his way, safely, before the British were ready to move.

Slowly the soldiers formed, moving through the darkened streets to Boston Common. By 10:30 they had formed by companies at the edge of the water, waiting to be taken across.

PAUL REVERE'S RIDE

Around 10 o'clock Warren sent for Revere and asked him to ride at once to Lexington. Revere left, looking for Robert Newman, a leading Son of Liberty, who, since British officers were quartered in his mother's home, had gone to bed early but slipped out a window and over a roof and was waiting for Revere in the street. Newman and two others made their way to Old North Church, where Newman climbed the belfry and hung two lanterns, for a moment only, as a signal to the men in Charlestown. Revere headed for his own house, put on his short jacket and riding boots, and set off again. He was rowed across the river to the Charlestown shore, and was then alone. He made his way to Colonel Conant's, was told the roads leading to Cambridge and to Concord were patrolled, and was given probably the best horse in Charlestown, belonging to the wealthy John Larkin. In later years he would remember how good it was.

Into the saddle, and over the narrow neck of land that connected Charlestown to the mainland. It was around 11 o'clock.

In Boston, boat after boat was being rowed across the river, loaded with soldiers. The water was too shallow to get to dry land and the troops had to wade ashore. Somewhere between 600 and 800 men of Gage's grenadier and light infantry companies, were off to a bad start.

Dawes and Revere were speeding along. Dawes had no trouble, but not so with Revere. Forced to detour at one point when two British officers tried to stop him, he had to take the main road headed for Medford, waking roadside houses as he galloped along. At Medford he told Captain Hull to turn out the Minutemen. He roused Menotomy and the houses beyond, arriving in Lexington around midnight, and made straight for Parson Clarke's house, where Hancock and Adams were staying, where he pulled up in a shower of gravel. The sergeant of the guard tried to shush him, as the family inside were asleep. "Noise!" said Revere, "Noise!" "You'll have enough before long. The regulars are coming out!" Hancock and Adams prepared for escape.

Legend to the contrary, it was a signal from Revere, not to him; he had told Colonel Conant in Charlestown the Sunday before to watch for them. Newman then climbed out a window at the back of the church, and in a roundabout method went back to his mother's house and in again through the upper window.

Half an hour later Dawes came up. The two went on to Concord and along the way were joined by Dr. Samuel Prescott, of Concord, who had been in Lexington for a long evening, courting a Miss Millikan. About halfway between the two towns, four British officers stopped them. Prescott took his horse over a stone wall in a flying jump and got away. Revere headed for a woods, but ran head on into six other officers. Dawes spurred back for Lexington. Only Prescott got to Concord that night; it was the end of Paul Revere's ride.

Revere was questioned; he told them

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500 men were getting together at Lexington and gunshots were heard—alarm signals for the minutemen. Revere and three other captives, men sent from Lexington to watch for British, were marched toward Lexington and released. Revere went back to Clarke's, found Hancock and Adams and went with them to Burlington in a chaise.

LEXINGTON

Sometimes around 4:20 or 5 in the morning, Revere was back in Lexington, for whatever reason is not known to this day. With him was Hancock's clerk, who asked Revere's help to get a trunk from Buckman's Tavern that had Hancock's papers. As the two men went, they heard the rumble of William Diamond's drum, calling the minutemen to assemble. Thaddeus Bowman had spurred into town at half past four with the news that the British were less than half a mile behind. Buckman's Tavern emptied; other men came running from their homes. Some had no ammunition; they dashed to the meetinghouse, where Lexington's supply was kept. Finally 70 men at the most—a later survivor said 38—were drawn up on Lexington Green.

The leading files of Maj. John Pitcairn, second in the British command, could now see the formations on Lexington Green—the Lexington Minute Company, and the Alarm Company, made up of older men. Pitcairn ordered his men from march column into line of battle. The rear ranks dashed forward, shouting, as was customary; the militia thought they "rushed furiously." The British formed a line three deep in two sections, a little apart from each other.

Captain Parker looked again at the British. He could not possibly halt their march, and he gave the order to disband, and go home. What happened next has been argued about for two centuries and the truth will probably never be known. The best source was from—as he signed the report to Gage—

> Your most obedt humble Servant, JOHN PITCAIRN.

Now, Pitcairn was not writing for future historians. He was a steady, competent, brave officer, making a report to his superior. There is no reason at all for him to have colored his account nor given anything but the absolute truth. It is, of course, more or less American folklore that the British fired first. Paul Revere, incidentally, was a witness; he was in the attic of Buckman's Tavern, struggling with Hancock's trunk.

His observations—he and John Lowell got the trunk and lugged it right through Captain Parker's lines of minutemen—were brief: He passed close to Parker and heard him say:

> Let the troops pass by and don't molest them without they begin first.

This is probably the source for the famous line attributed to Parker, no doubt fictitious:

> Stand your ground. Don't fire unless fired upon, but if they mean to have a war, let it begin here!

Revere—

> A gun was fired. I heard the report and turned my head.

But he was already off the Green and could not see anything of the minutemen, only the regulars. "He saw smoke in front of the troops, they immediately gave a great shout, ran a few paces, and then the whole fired." Revere left, with the trunk.

Major Pitcairn later reported to General Gage:

> I gave directions to the Troops to move forward, but on no account to Fire, or even attempt it without orders; when I arrived at the end of the Village, I observed drawn up upon a green near 200 of the Rebels; when I came within about One Hundred Yards of them, they began to File off toward some stone Walls on our Right Flank—the Light Infantry observing this, ran after them—I instantly called to the Soldiers not to Fire, but to surround and disarm them, and after several repetitions of those positive Orders to the men, not to fire, some of the Rebels who had jumped over the Wall Fired Four or Five Shott at the Soldiers, which wounded a man of the Tenth, and my Horse was wounded in two places from some quarter or other and at the same time several Shott were fired from a Meeting House on our Left—upon this, without any order or Regularity, the Light Infantry began a scattered Fire and continued in that situation for some little time, contrary to the repeated orders of both me and the (other) officers that were present.

At any rate, someone fired a shot and for a few moments there was no order in the British ranks. Finally, the ranks were formed again, columns got back into shape, and they marched across the Green to the Concord Road. By then, Lieutenant Colonel Smith and his men had arrived; Smith had dawdled 2 hours after his troops had crossed the river, waiting for the unneeded rations. If he had moved when he was supposed to, the British would very likely have swept through Lexington with no trouble at all. And now Concord was 5 miles away.

ON TO CONCORD

That was to be a different story. For one thing, it was getting light. Riders, musket shots, cannon, and church bells had been sounding the alarm; there would not be merely a thin line of Americans to meet them there.

The militia had assembled during the night, under solid and experienced commanders. Around dawn, Reuben Brown, a veteran post rider, was sent galloping down the Lexington Road. He came back; he had seen the British and the skirmish on Lexington Green. The Concord companies formed up and headed for Lexington; their first sight of the British troops told them they could not possibly match them, so they marched back, to the beat of a drum. It was almost as if they were leading the British, who had their own musicians playing, too.

Smith ordered the Light Infantry to seize the South Bridge. Seven companies were detailed to guard the North Bridge; three were to stay and the rest to go on to a farm that had military supplies stored there. The grenadiers were put to work searching the town, which they did, by all accounts, with courtesy and consideration. They found sacks of bullets and flour barrels and began pitching them into a millpond. But they did not cut the sacks or knock holes in the flour barrels. After the British had left, most of it was salvaged.

At the North Bridge, there was not very much for the British guard to do but watch the skyline; every now and then they would see the outline of one or two Americans. The entire contingent had gathered on Muster Field, hidden from sight. Then, all at once, a column of two's showed; the militia were coming over the hill and heading for the bridge.

Captain Laurie, of the 43d Oxfordshires, had less than 110 men under his command. The 10th Lincolnshires and the 4th Royal North Lancashires, King's Own, were across the bridge; he recalled them and on the Concord side took up street fighting positions. They waited, as the Minutemen came on in column.

"THE SHOT HEARD 'ROUND THE WORLD"

This time there was no question of who fired the first shot. The leading British troops were momentarily wreathed in smoke and in the militia ranks men started to drop. A column of two's is not good for answering fire and men began to slip off to the left and right to reply.

Then, suddenly, Laurie's men broke and streamed back along the road that led to Concord. They met the grenadiers; they, too, turned around. So did the militia, heading back over the hill to Muster Field, except for some who kept on down the road.

Only two Americans were dead.

THE LONG ROAD BACK

Lieutenant Colonel Smith formed his entire command and headed back toward Lexington. Again, without command, the militia followed; very probably they wanted nothing more than to see the British depart.

At Merriam's Corner, leading out of town, there was a small bridge over which the troops had to pass. The grenadiers were bringing up the rear and for some reason the last of them turned and fired in the direction of the militia. It triggered a running fight. Militia rifles opened up.

The retreat went on. At times, the British ranks were in near panic. Lieutenant Henry ed Berniere wrote:

> The rebels kept the road always lined and a very hot fire on us without intermission; we at first kept our order and returned their fire as hot as we received it, but when we arrived a mile from Lexington, our ammunition began to fail and the light infantry companies were so fatigued with flanking they were scarce able to act . . . so that we began to run rather than retreat in order . . . we attempted to stop the men and form them two deep, but to no purpose.

There was no relief until they reached the long slope in the road that led down to Lexington. The rest of the Boston garrison under Major General Percy was there with a fieldpiece. The exhausted men broke through Percy's ranks and fell on the ground; another fieldpiece was being set up, as well. The militia fell back, out of range, and started to move to the British flanks.

As the British got closer to Cambridge, they began to get out of hand. There was looting; houses and barns were set afire. Around 3 in the afternoon the British stumbled into the safety of Charlestown. There, the militia stopped; since British warships, close to the shore, had run out their cannon through open gun ports.

The day of Lexington and Concord was over: 73 British were dead, 174 wounded, and 26 missing, for a total of 273 casualties out of around 1,800. The Americans lost 49 killed, 41 wounded, and 5 missing, 95 in all. By the best estimates, there were 3,763 Americans involved at one time or another. A sad commentary on marksmanship: Around 75,000 shots were fired, by the Americans, but only 1 man in 15 hit what he was shooting at, and only 1 bullet in 300 found its mark. Of course, the guns were not of the best, and lack of gunpowder made practice a rare event.

It was left up to a man named John Jones who arrived at Concord too late for the fighting but was soon stationed with his company in Cambridge, in Harvard College, to write what one historian calls the only universal truth of the day. From a letter to his "Loving Wife":

> Tis uncertain when we shall return . . . Let us be patient & remember that it is ye hand of God.

COMMUNICATION BETWEEN POLITICIANS AND EDUCATORS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. BRADEMAS. Mr. Speaker, the November 1974 issue of Phi Delta Kappan contains an excellent article by Samuel Halperin, director of the Institute for Educational Leadership at George Washington University, on the misconceptions politicians and educators hold about each other.

Dr. Halperin was Deputy Assistant Secretary for Legislation in the Department of Health, Education, and Welfare from 1966 to 1969. Before that he was assistant U.S. Commissioner for Legislation in the Office of Education.

Because Dr. Halperin and the Institute he heads have vigorously initiated efforts to bridge the communications gap between these two groups, I want to share his thoughts with my colleagues and insert the article at this point in the RECORD.

POLITICIANS AND EDUCATORS: TWO WORLD VIEWS

(By Samuel Halperin)

For over five years George Washington University's Educational Staff Seminar (and, more recently, related programs in the Institute for Educational Leadership) has been building bridges of communication and understanding between educators and political decision makers. Through a variety of educational formats—field trips, seminars, dinner/discussion meetings, etc.—we have brought these two groups of professionals together. We have done so in the belief that better educational policies for the nation hinge upon the ability of politicians to comprehend and to utilize the expertise of educational practitioners, while at the same time all kinds of educators must understand the political context in which major educational decisions are shaped.

We soon discovered that effective communication and understanding were generally frustrated by deep-seated animosities on both sides of the professional Mason-Dixon line.[*] While this finding is hardly novel, what did prove surprising was the intensity of feeling and the variety of allegations surrounding these animosities.

What follows is an attempt to detail the varied perceptions which are held by educators and politicians. Rather than report that "they don't think too much of each other," let us look at the actual language they employ to justify their shared disdain. The quotations which follow are composites I have experienced in various encounters with educators and politicians. Studying them, putting ourselves in "the other guy's shoes," and modifying our respective behavior patterns may help narrow the chasm between these key actors, whose fullest talents are necessary in order for our educational system to operate with a reasonable expectation of success.

THE EDUCATOR'S VIEW OF POLITICIANS

Here are the most commonly expressed complaints of educators:

1. Politicians have a short-term view of the world. They seldom deal with the broader picture, the longer range, the sophisticated interplay of social forces. Moreover, politicians are too pragmatic and too quick to compromise issues of great importance when they ought to stand on principle. They shoot from the hip when they ought to take time for careful analysis and reflection. Their narrow vision doesn't let them see the implications of their acts nor the interdependence of their decisions. Such behavior isn't unethical, but it certainly is unwise and, often, disastrous for education.

2. There's also an unethical or, at least, less ethical side to politicians' involvement with education. Politicians politicize everything they touch and view education only in terms of political fortunes and outcomes. They won't help education because it's right to do so, but only if they can get some political advantage out of it.

3. The politicians' primary interest is in their own constituencies and their narrow sectional, ethnic, regional, or economic interests. When do they consider the welfare of all the people in this country?

4. Politicians are poorly informed on educational issues. They seldom take the trouble to master the complex issues we have to deal with. Some of them think that just because they went to school themselves or have kids in school, they automatically possess educational expertise.

5. There isn't any continuity in the political process. Legislators pass a law and proclaim a policy. But we educators can't count on it because, in another year, the legislature forgets about last year's favored programs and passes on to new fads. Or else legislators don't fund the programs they've enacted. Or they move off the education committees to more attractive committee assignments. Or the understandings we reached with members and committee chairmen are forgotten when the new legislature convenes. Whatever the case, dealing with legislatures lacking an institutional memory or substantive commitment is like building a castle with drv sand.

6. Politicians tend to be arrogant and often show contempt for anyone who is not a political peer. Instead of acting as if public office is a public trust, to be exercised with humility, politicians seem to delight in throwing their weight around and in humiliating educators. Indeed, many politicians go out of their way to make us feel that we educators are the enemy of education.

THE POLITICIAN'S VIEW OF EDUCATORS

1. Educators are seen by many politicians as arrogant and, worse yet, sanctimonious. Educators act as if they are the only ones who have high standards and any sincere commitment to decent public service. They act as if educators have all the answers and frequently treat us as petty creatures, not very bright, not very honest. Educators see themselves as responsible professionals but view us as political hacks.

2. In order to frame social policy, we need facts, not generalities. We also need practical responses to immediate problems. Yet rarely do educators have the information we need to make sound policy. Sometimes we suspect that they withhold information we are entitled to.

3. Educators ought to know how to communicate, but there are few groups that speak less clearly, less concisely, and with more obfuscation. Instead of precise, comprehensible, here-and-now language, what we get is usually too olympian, too utopian, too abstract, or too fuzzy to be helpful. The other side of this talking over our heads in jargon and verbiage is a tendency of many educators to talk down to us. In either case, real understanding is seldom advanced by the way educators communicate with us.

4. Particularly at the federal level, there is practically no continuity among the educational policy makers with whom we have to deal. Most of us on the congressional education committees have been around 10 to 15 years; in that time we have seen a new commissioner of education and a new secretary of Health, Education, and Welfare every two years or less. Under such circumstances it is hard to take them or their promises very seriously.

5. Educators have little understanding of the legitimacy and importance of the political process. This ignorance is expressed in many ways:

Educators view our difficult work of negotiating, compromising, balancing interests, and refining or fine tuning public policies as dirty, underhanded, or even immoral. If we don't give eductors everything they want when they want it, they act as if incrementalism is evil, show little appreciation for the progress made, and damn us for letting the kids of America down.

Eduactors also run counter to sound political practice by splitting, that is, by playing off their part of education (higher, elementary/secondary, libraries, etc.) against other educational interest. Instead of a united educational front, we are faced with warring factions, a situation in which almost everyone loses.

If politicians suggest that educators build coalitions with powerful noneducator groups, educators respond with righteous indignation that they are *above* politics. The fact is that some of the most effective lobbyists for education are not educators but groups like organized labor, civil rights and church groups, and general citizens associations, depending on the issue.

Educators often play up to the executive branch bureaucrats and policy makers and even take sides against the legislatures. They seem oblivious to the fact that our various constitutions provide for coequal branches of government with basic policy supposedly being forged in the legislative bodies.

6. Educators only want more money. They seldom consider how to raise public revenues nor do they recognize that we live in a tough world with many competing priorities.

7. Educators give lip service to accountability but fail to do anything to bring it about. They are afraid to tell the taxpaying

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[*] There is probably nothing unique here to the field of education. I believe similar gulfs exist between politicians and other professional groups—scientists, physicians, etc.—and the language of their discord is not too dissimilar to that reported here.

public what it gets for its huge investments in education. They agree with the need for accountability, but then they tell us they are professional people and that we don't have to worry about their acting in a responsible manner.

8. Educators refuse to admit that, just like other groups, they are promoting their own interests, economic and professional. Sometimes it is hard for politicians to know whether what educators propose is good for education or merely good for them. They spend so much energy talking about the profession—when was the last time you heard them talk about what was good for kids?

A START TOWARD BRIDGE BUILDING

As we have seen, the grievances and gulfs separating educators and politicians are many. While it is neither feasible nor desirable to work things out by enrolling all of these combatants in encounter groups and other forms of interpersonal therapy, a start can be made if sincere attention is given to the troublesome world views which prevail today. Reaching out with some understanding of how "the other side" might view the meeting can't hurt. It might even help to forge a much-needed bridge over the troubled waters of contemporay educational policymaking.

GERARD SMITH ON ARMS CONTROL IMPLICATIONS OF VLADIVOSTOK

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. ZABLOCKI. Mr. Speaker, Mr. Gerard C. Smith, former Director of the Arms Control and Disarmament Agency and chief U.S. negotiator at SALT I, is clearly one of this country's most knowledgeable and respected authorities in the area of arms control.

On April 15 Mr. Smith testified before the Subcommittee on Arms Control of the Senate Foreign Relations Committee on the arms control implication of Vladivostok as well as certain related aspects of the current defense budget submission.

I am pleased to place his comments in the RECORD at this point and respectfully refer them to the full and careful reading of my colleagues:

STATEMENT OF GERARD C. SMITH BEFORE THE SUBCOMMITTEE ON ARMS CONTROL, INTERNATIONAL ORGANIZATIONS, AND SECURITY AGREEMENTS OF THE SENATE FOREIGN RELATIONS COMMITTEE, APRIL 15, 1975

I propose to discuss this morning some of the arms control implications of Vladivostok as well as certain related aspects of the current Defense budget submission.

I

The Vladivostok Accord

At the start let me say that I put forward these ideas tentatively, not categorically. I question that anyone can speak with certainty about the slippery issues surrounding strategic arms and their control. I admit to a bias in favor of a very strong defense but I believe that arms control can also advance the security of the United States and the world whether or not there is some relaxation of tensions between the U.S. and the U.S.S.R.

The Vladivostok accord should not be judged in and of itself—but in connection with the limit on defensive systems (ABMs) agreed upon in 1972 and other American-Soviet agreements relating to arms control. It may help in judging the significance of Vladivostok to see that accord as part of a process that has been going on for more than five years. The general strategic dialogue of the 1960s led to the specific SALT exchanges of 1969–72 at Helsinki, Vienna, Washington, and Moscow. Gradually the two sides developed somewhat better understanding of each other's strategic preoccupations. Concerns about accidental or miscalculated nuclear hostilities led to the first two SALT agreements in 1971—on measures to reduce the risk of outbreak of nuclear war and on measures to improve the Washington-Moscow direct communication link or "Hot Line." In 1972 there was a major breakthrough, the treaty limiting ABMs to two sites apiece, accompanied by the interim agreement to freeze offensive launchers at the approximate levels of 1972. These were followed in 1973 by the Nixon-Brezhnev agreed principles for offensive arms limitation and in 1974 the ABM Treaty levels were reduced to one site apiece. At year's end the Vladivostok accord foreshadowed limitations on offensive systems which although of relatively short duration may be considered as a counterpart to the ABM Treaty. In judging this latest agreement one should consider the cumulative effect of the entire SALT process which hopefully can be considered as a preparatory stage for the natural next steps—reduction in offensive force levels which the sides are now committed to negotiate and some limitation on improvements in weapons characteristics. A total ban on ABM systems should also be reconsidered.

I would not favor interrupting the current Geneva negotiations by introducing a proposal for reductions. I do not believe that reductions are negotiable now. The Soviet position since 1968 has called for first a limitation and subsequently for reductions. When and if the Vladivostok accord is converted into a definitive agreement the U.S. should promptly table a reduction proposal such as its 1970 SALT call for reducing strategic force levels by 700 launchers.

I think Vladivostok marks progress because the Soviets agreed that both sides should have the right to deploy an equal number of strategic launchers. This involved a Soviet withdrawal from its position maintained for more than five years that the alleged American advantage in forward based systems justified some Soviet advantage in numbers of strategic launchers. It also involved the waiving of the Soviet claim that U.S. submarine bases in Europe and French and British ballistic missile submarines justified larger strategic forces for the U.S.S.R. We probably have not heard the end of this F.B.S. argumentation. When one gets into reduction negotiations it is to be expected that the Soviets will revive this issue.

A word of caution—it will not be easy to convert the Vladivostok general accord into a definitive agreement clearly spelling out the details of what is controlled and how. There is a tendency to take for granted that there will be a successful outcome to the current Geneva negotiation. This is a poor background for any international negotiation.

The limitation on launchers at 2400 is admittedly high. But it is about the level that U.S. strategic launchers reached over 10 years ago. It is not far from the number that we would have settled for in 1971 during SALT I. It is substantially lower than some U.S. intelligence estimates of Soviet forces projected out to 1985 in the absence of agreement. If the Vladivostok accord evolves into a formal limitation agreement the United States will have good assurances of the maximum number of Soviet launchers over the next decade. That should eliminate what has been a driving force behind the strategic arms competition—from the American standpoint—uncertainty as to what Soviet future force levels would be. The elimination of this uncertainty should be a factor for stability in the American-Soviet strategic relationship.

I think the MIRV limit of 1320 launchers is less significant but I would recall that during 1969–1972 the U.S. would have settled for an offensive agreement with no MIRV limitation at all. It seems clear that the Soviets have a capability to deploy many more than 1320 launchers for MIRV missiles if not restrained by agreement. But it also seems clear that our hopes of moderating the threat to Minuteman by a MIRV control arrangement have not been fulfilled.

II

Minuteman vulnerability

As this subcommittee well knows Minuteman vulnerability has been a concern for a number of years. Recently it seems to me the Pentagon has been issuing rather uncertain signals on this score. For instance, testifying before this subcommittee on March 4th of last year, the Secretary of Defense said, "There is just no possibility that a high confidence disarming first strike is attainable for either side even against the ICBM component of the strategic forces on both sides." In January of this year at a press conference he said that should multiple missiles be "massively deployed" by the Soviet Union this would be a "potential source" of strategic instability and the U.S. would have to watch to determine whether "to take countermeasures to maintain the strategic balance."

In the statement of the Director of Defense Research and Engineering to the Congress this year, speaking of the proposed U.S. advanced ICBM, Dr. Currie said, "The pace of this program has been significantly reduced as a result of our judgment concerning the time scale of the threat to land based ICBMs . . ." But in the same report he says, ". . . there is little question that our present land based missiles deployed in fixed silos could be in jeopardy by the mid-1980's. The severity of this threat definitely has increased in the last year and my concern has consequently deepened." He seems to be saying in these two statements that although the proximity of the threat is lessened, its severity has increased. I suggest that this subcommittee make an effort to clarify present estimates about the future vulnerability of the Minuteman force and its significance. If the Minuteman force is to become so vulnerable that it cannot be relied upon even for the somewhat lessened role that the present concept of the Triad requires, it is hard to understand the substantial effort that we are proposing to make to develop a new ICBM especially if it is to be deployed in a fixed silo. If it is to be a mobile missile (and I note that General Brown in his report to the Congress states that mobile missiles will be permitted under the Vladivostok ceilings) would it be helpful in carrying out any "hard target" aspect of the "new strategy" of flexible response that we are pursuing? On this score I note that General Brown at page 15 of his statement says, "Reliability, accuracy and availability are reduced considerably by the problems inherent in mobility while operating costs including maintenance, security and positive control are substantially higher than those associated with fixed deployment." This hardly seems to be a good basing method for selective strikes. In any event the Minuteman vulnerability threat continues to be seen as a relatively long range future problem and not an unlimited danger to American ICBMs.

III

Mobile missiles

I am sorry to hear that mobile missiles are to be allowed under the Vladivostok formula. You will recall in SALT I that we made a major effort to rule mobiles out and

when the Soviets would not agree the U.S. made a formal statement "that the United States would consider the deployment of operational land mobile ICBM launchers during the period of the interim agreement as inconsistent with the objectives of that agreement." I feel that the Soviets would get more advantage out of land mobile missiles than the United States. The U.S.S.R. has substantially more uninhabited real estate and it has a population that is not in a good position to object to weapons deployments. I believe that if the United States decides to deploy mobile ICBMs, there will be a popular reaction similar to that in 1969 to proposed deployments of ABMs—even if the deployment is limited to military reservations. There may also be a verification problem in keeping accurate track of the number of mobiles deployed by the U.S.S.R.—especially if the so called garage technique is used.

IV

THE NEW STRATEGY AND CIVIL DEFENSE

I am concerned about the effect on the prospects for arms control of the U.S. moving more to an ICBM silo busting strategy. The general assumption behind the ABM Treaty was that with both sides possessing a capability to destroy the other, nuclear war could be deterred and that efforts to blunt a nuclear attack by missile defense could be destabilizing and in a crisis could set up pressures for a first strike especially if populations were defended. I believe a limited strategic war counterforce strategy could produce a similar result.

To make such a strategy credible the Secretary of Defense correctly has concluded that population protection from fallout will be necessary and the current defense budget calls for a development program which foreshadows a major shelter program in the years to come. Secretary Schlesinger says in his report to Congress: "One would expect that the recent shift in emphasis toward a more flexible strategic response policy . . . would be reflected in our civil defense program. That is indeed the case. We are seeking to reflect in our civil defense planning the wide range of response options that we are now introducing into our military planning." He then goes on to point out that the Soviet Union has given a good deal of attention to civil defense with shelter construction and plans for evacuation of a bulk of the population from major cities in the event of a crisis. He says, "We believe the United States should have a similar option for two reasons: (1) to be able to respond in kind if the Soviet Union attempts to intimidate us in a time of crisis and (2) to reduce fatalities if an attack on our cities appears imminent." I think that the Secretary of Defense's discussion of the shelter program requirements is well worth the attention of this subcommittee. It starts at page II–54 of his statement. In past years we have pursued a small civil defense effort as a kind of improbable contingency program but if civil defense is to become essential to the credibility of our new nuclear strategy we shall have to expect a major effort in this direction. A decision to enter a civil defense competition between the U.S. and the U.S.S.R. would need very broad support by the American people. Coming just after SALT agreements which are said to have reduced the risk of nuclear war a major civil defense program will need a great deal of explanation. Perhaps this is necessary but I think that we should enter such a program only with our eyes wide open to its implications.

There is one additional possible concommitant to the new strategy that I think warrants attention. As we get into a major civil defense program I think pressures will build up to abrogate the ABM treaty. It may seem illogical to be making major evacuation plans while depriving ourselves of the ability to directly protect our population by active defenses.

In addition to the possible loss of the ABM Treaty and the necessity for a major fallout shelter and evacuation program I notice that Mr. Currie at page V–10 refers to "the fact that we could in principle launch our ICBMs upon unequivocal warning . . ." If we are contemplating the possibility of striking the Soviet ICBMs in a limited strategic war with the reciprocal possibility of their first striking our ICBMs in a limited strike this, to my mind, pernicious concept of "launch on warning" will probably again become a matter of interest.

I am not arguing that there is no need to be concerned about the very large Soviet ICBM buildup with the prospect of a good part of these launchers having MIRVd missiles in the future. But the Soviet deployment strikes me as a form of psychological pressure by which the U.S.S.R. aims to get political value from a form of military power for which there can be no other rational use. Over the years the United States by many statements has proved how sensitive it is to this modern form of "force in being." Although it violates our ideas as to how the Soviet-American strategic relation should be managed, it does not seem surprising that the U.S.S.R. continues to press on this sensitive area.

I question whether trying to match the Soviet ICBM force would be a sensible course. One can assume with some confidence that the U.S.S.R. would not react to such an American deployment with statements expressing concern about the resulting vulnerability of their ICBMs. Perceptions around the world about the vulnerability of U.S. ICBMs that may have been generated by American statements would likely persist unmatched by similar perceptions about Soviet ICBMs.

Would it not be better to moderate our annual expressions of concern about Soviet ICBMs and get on with modernizing those elements of our strategic forces not threatened by Soviet ICBMs. Last year's clear acceptance of the Triad concept as not requiring each of the three components of U.S. strategic forces to be an independent deterrent force seems a step in the right direction. And if as the Secretary of Defense says the U.S.S.R. cannot mount a disarming first strike against Minuteman would it not be as reasonable to learn to live with their vulnerability to a lesser than disarming strike as to live with the present vulnerability of our cities?

V

United States in a reactive phase

I am struck by the fact that we seem to be in a reactive phase of strategic policy and programming. In past years I had the impression that the United States had the initiative in weapons design and strategy. Now we seem to be reacting more to Soviet moves. For example, since the Soviets seem to be deploying a force which may put our ICBMs in jeopardy in the 1980s we are taking preparatory steps to "match" it. The Soviets seem to be developing mobile ICBMs. We are preparing the way for such a force. It is said that the Soviets may be developing a strategy of selective use of nuclear weapons in a limited strategic nuclear war. We should follow suit. The Soviets have elected to have large throw-weight missiles. We may have to do the same—even though in the late 1950s we deliberately decided not to go that route.

It does not seem unfair to ask—if the U.S.S.R. starts to deploy battleships should the U.S. recommission its battleships? The U.S.S.R. has civil defense plans for evacuation of civilians. We should prepare to do the same—all this in good part to avoid perceptions abroad and at home that we may someday be second best. It seems to me that this concern has a large potential for being a self-fulfilling worry. People read and hear constantly about American concerns as to its strategic forces. The Soviets do not talk this language. People constantly read and hear from American sources about the threat from very large Soviet ICBMs and how American leaders in the future might have to give in to Soviet coercion, unless our weapons and strategy are changed. It would not be surprising if after years of this sort of public output people might begin to believe that U.S. strategic forces had lost their capability to deter war.

On this very important question of how people abroad and at home will perceive the relative strength of the American and Soviet strategic forces in years to come I am struck by the fact that in recent months it is our defense leadership that has done most of the estimating of future perceptions—estimating the future psychology of peoples is difficult business at best—and one in which non-defense officials, one would think, would have greater expertise. We have missed presidential foreign policy reports in 1974 and 1975 which should be the best vehicle for such gazing into the murky future. Let us hope this practice will soon be resumed.

Admittedly our Defense officials have a hard job to convince a somewhat complacent public of the need to support a very strong miltiary establishment. It is not my aim to make this task more difficult. But I recommend that much more be said about the immense and persisting deterrent power of our strategic forces.

CONCLUSION

In summary, I have tried this morning to make the following points:

The Vladivostok accord if converted into a sound agreement will mark another step in the long process of bringing strategic arms under control.

The Minuteman vulnerability problem needs continuing clarification. The threat to this force apparently is not near term and admittedly it is not possible for the U.S.S.R. to destroy this force.

Mobile ICBMs do not appear to be a good way to meet the vulnerability problem and their deployment could result in an advantage to the U.S.S.R.

The new U.S. strategy to be credible will require a major Civil Defense program. Will Americans support such a program?

U.S. strategy and development programs seem unduly reactive to Soviet moves and our rhetoric too defensive.

ROOKIE OF THE YEAR

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, April 18, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, for the second year in a row, a Rhode Islander has been named the top rookie of a professional basketball league. Marvin Barnes, of Providence, a member of the St. Louis Spirit, has been named the American Basketball Association's "Rookie of the Year."

Just a year ago, Ernie DiGregorio was named the "Rookie of the Year" in the National Basketball Association as a member of the Buffalo Braves. Both Barnes and DiGregorio are graduates of

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Providence College, whose basketball teams have sent many great players on to win national acclaim. One of them, Mike Riordan, plays right here with the Washington Bullets, second only this year to the Boston Celtics.

Rhode Island, though small in size, has contributed many of its sons and daughters to the national life of this country all out of proportion to any per capita reckoning. In sports, music, the arts, science, education, business, and government, the State of Rhode Island has been and continues to be a fountainhead for excellence and distinctive achievement.

Marvin Barnes deserves the congratulations of his fellow Rhode Islanders and I am happy to be able to convey to the Nation the warm feelings of all those who have followed his college basketball career and look forward to a brilliant record with the American Basketball Association.

SENATE—*Monday, April 21, 1975*

The Senate met at 12 noon and was called to order by Hon. J. Bennett Johnston, Jr., a Senator from the State of Louisiana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, who rulest in majesty and holiness above all the nations of the Earth, have regard for this Nation as we stand at the crossroads of history. Forgive our sins, override our faulty judgment, redeem our misspent energies, heal our divisions, and set our feet upon new pathways of progress and peace. Unite our hearts and minds to bear the burdens and make the decisions laid upon us in this place. Keep the fire of freedom's cause burning brightly on the altars of our souls that we falter not in dark days. As we look upon the stricken, bleeding, hungry peoples of the world, guide our hands and minds to heal and bind and build and bless. Light up every moment of this day with the awareness of Thy presence and bring us to its close with peace in our hearts.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 21, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. J. Bennett Johnston, Jr., a Senator from the State of Louisiana, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. JOHNSTON thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, April 18, 1975, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar for unobjected-to measures, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar under "New Report."

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

NATIONAL CREDIT UNION BOARD

The second assistant legislative clerk read the nomination of Joseph F. Hinchey, of Pennsylvania, to be a member of the National Credit Union Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

MILITARY ASSISTANCE FOR CAMBODIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 52, S. 663, be removed from "General Orders" and placed under "Subjects on the Table."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CESSATION OF HOSTILITIES IN VIETNAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 84, Senate Resolution 133.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

> A resolution (S. Res. 133) expressing the sense of the Senate that the President should undertake immediate efforts to obtain a cessation of hostilities in Vietnam through negotiations.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUGH SCOTT. Mr. President, this is a resolution from the full Committee on Foreign Relations. Its purpose is to call upon the President to undertake immediate efforts to obtain a cessation of hostilities in Vietnam through negotiation, to promote a political settlement between the contending Vietnamese parties.

The committee was in executive session on the 14th, 15th, 16th, and 17th of April and finally adopted—unanimously, I believe—a resolution offered by the Senator from Minnesota (Mr. Humphrey), together with the Senator from New York (Mr. Javits) and the Senator from Illinois (Mr. Percy), the resolution now pending, which was reported by voice vote, without dissent.

This resolution indicates the desire of the Senate to secure through negotiation a political settlement. There is a hope lying behind this resolution that it may lead to the saving of the lives of a number of South Vietnamese whose future otherwise would be seriously imperiled. I, of course, support the resolution.

Mr. MANSFIELD. Mr. President, I join the distinguished Republican leader.

I am of the opinion that the administration has been endeavoring to carry on negotiations of one kind or another during the past week or 10 days, perhaps longer.

I point to a statement I made before the Democratic Conference on Monday last, when the matter of aid was being discussed in that portion of the speech, and the suggestion was made that aid should be administered through international agencies rather than through governments. I mentioned, as specific examples, the International Red Cross and the Salvation Army. Lest anyone laugh at the idea of the Salvation Army, I point out that this is one organization which, to the best of my knowledge, is without blemish and which has operated in foreign areas, especially during periods of wartime. I think it would be well, should humanitarian assistance be extended, to give due consideration to an organization of this kind, small though it may be.

In the course of that statement, following up the discussion on aid, I said:

> It would seem to me, furthermore, that a prerequisite of any kind of aid-program, if it is to have a constructive impact in this critical situation, should be a good faith effort by the Saigon government to open urgent negotiations seeking to establish a tripartite Council of National Reconciliation under Article 12 of the Paris Peace Accords of 1973. On that basis, perhaps, the achievement of the cease-fire for which the President is seeking to enlist the cooperation of other nations may be attainable. At this point, there is no room for adamancy on the part of any individual in the Saigon government. It would be well to remember that what is at stake is not the reassertion of Saigon's control over the thousands of square miles of territory which its forces have abandoned.

Skipping a few lines, I say in the last sentence:

> What is at stake is the prevention of a final Gotterdammerung at Saigon.

I hope that the statements issued by the provisional revolutionary government in Paris, to the effect that it would be prepared to enter into negotiations with a government in Saigon, provided that President Thieu did not head it and that the Americans would withdraw, will be taken into consideration. President Thieu has stepped down voluntarily; and so for as the American evacuation is concerned, it has been stepped up, and it is proceeding at a far faster rate this week than it was last.

So it is my hope that the provisional revolutionary government and the government of Saigon will be able to get together for the purpose of maintaining a free, independent, and, hopefully, neutral South Vietnam.

Mr. HUGH SCOTT. Mr. President, I suggest, also, that since many of the refugees who originally came down from the north in that country some years ago were Catholics who were fleeing from aggression, the role of the Catholic Church should not be forgotten here, among the international agencies, as many of those who now will seek to escape from Vietnam undoubtedly will be members of the Catholic faith.

We should not lose track of the work that their organization has done, together with those few Protestant organizations that are available for the service. But a major number of the refugees who try to escape, I suspect, will be those who have been affiliated with the Catholic Church, which is not an organization which ranks very high in the eyes of the aggressors. I hope that they will work with them for the purpose of saving lives and, hopefully, for the purpose of establishing that they are willing to follow the Paris Accords in a spirit of conciliation.

Mr. MANSFIELD. Mr. President, may I say that in addition to the Catholic group, which I thoroughly approve of, there also should be included the Cao Dai and the Buddhist groups, because they are the three largest groups in South Vietnam and they, working together, could, I think, perform a service to their nation.

The ACTING PRESIDENT pro tempore. Is there objection to the resolution?

Mr. MORGAN. Mr. President, I have no objection as such to the resolution. It appears, on its face, to be innocuous and I assume that the administration is already doing all that the resolution requires that it do. I am somewhat reluctant to accept and vote for the resolution on the spur of the moment.

All that I know about what the Committee on Foreign Relations considered was what I heard in the news media or read in the newspapers. I received the report just a few minutes ago. I will vote for the resolution but I do so reluctantly, because I do think that those of us who were duly elected to serve in the Senate are entitled to be kept informed about the considerations of such vital matters before we are called upon to vote on them.

I heard the President's address on Thursday night a week ago, I believe, asking for specific action by last Saturday. Here again, I can only vote based upon a report of the committee, a one-and-a-half page report which was placed on my desk this morning. I will vote for it, but I wish the record to reflect that I do so without implying that the administration has not done or is not doing the things that are in this resolution.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I think both the Republican leader and I have indicated in pretty strong terms that it is our belief that the administration has been attempting to bring about negotiations for the past week or 10 days, if not longer.

Mr. HUGH SCOTT. Mr. President, I do wish to stress the fact that actually, for a considerably longer period than 10 days, the administration has been, I am informed, engaged in negotiations to obtain a cessation of hostilities through negotiation. These take various forms and, of course, they are not always made immediately public.

There has been a very clear recognition that the one hope of a peaceful solution without a continuance of the war for Saigon and the surrounding area lies in the possibility of some attempt, at the very least, at negotiation. This administration seeks peace and accord. I am not authorized to go beyond that. I will say personally, however, that I am relieved that President Thieu has resigned. I have thought for some time that he should.

I said with regard to Cambodia, long before Lon Nol resigned, that he should.

I believe the possibility for a credible activity on the part of the South Vietnamese Government lies in a change of the regime at the top. Tran Van Lam is the President of the Senate and it is that body which unanimously called on President Thieu to resign sometime ago.

This Government could not force the resignation of President Thieu. It would have been entirely contrary to our standard foreign policy. No one should interfere with the internal organization of the government of another country, but I am very glad that he has resigned. I think it is a step in the direction by which we can hope to have peace.

I think it should be made very clear indeed that the Senate is simply approving of what the President has been doing all along and the Senate wants it known that it favors that and that it believes that these efforts should be made in good faith to obtain a cease-fire and a political solution of the conflict. I do not think we can end the trauma of the American people regarding this matter unless we find a way out of it.

Particularly, I think it needs to be noted that the withdrawal of Americans has been proceeding quite rapidly; that by this Saturday, we should be down to a manageable situation, simply involving essential personnel; that these personnel can be gotten out under conditions and in a manner which will protect their safety and their dependents' safety.

The Committee on Foreign Relations has been working with the President in this regard. It does not deny that the President has been working on this before the Senate committee took up its resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

Mr. STENNIS. Mr. President, will the Senator yield for a parliamentary inquiry?

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. STENNIS. Who has the floor, please?

The ACTING PRESIDENT pro tempore. The Senator from Mississippi is recognized.

Mr. STENNIS. I thank the President.

If I may inquire of the majority leader, I have just gotten to the Chamber and seen this resolution for the first time. It seems to have been filed by consent.

Is the proposal now that the Senate pass the resolution at this point?

Mr. MANSFIELD. That is correct. This is essentially a Senate resolution which seeks to reinforce what we understand the administration has been attempting to do for the past week or 10 days, if not longer.

Mr. STENNIS. I was just thinking about the new development of Mr. Thieu's resignation. Certainly, that is a step in some direction; it is hard to say just what direction.

Has there been any notice given that this matter would be called up to be passed this morning?

Mr. MANSFIELD. Yes, the notice was given last Friday, after the Committee on Foreign Relations worked for 4 days on this and the humanitarian evacuation bill, which will be the pending business at the conclusion of the morning hour.

Mr. STENNIS. As I understand it, the administration has the duty of proceeding to evaluate these new facts as to Mr. Thieu's resignation. Is that the position of the administration now, that they approve the passage of this resolution before there is any chance to evaluate the consequences of Mr. Thieu's resignation.

Mr. MANSFIELD. I do not know

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whether they approve of it. After all, the committees of the Senate have an independent status. We do not have to ask the administration, any administration, as to what we wish to do down here. If the unanimous vote of the committee is in support of the administration, I think we are carrying out our responsibility and we do not have to ask any administration.

Mr. STENNIS. Clearly, I was not suggesting any such condition as the leader expresses. I am merely asking for facts about the matter, especially in view of Mr. Thieu's resignation, the news of which reached us only 4 or 5 hours ago.

Mr. HUGH SCOTT. If the Senator will yield, the administration is aware of the action of the Committee on Foreign Relations last week in reporting out unanimously this resolution. They have not asked me to ask for its delay or for it to be debated at length. I am the minority leader and I would feel that if they wanted a dely, I would be the one they would come to.

Mr. STENNIS. Yes.

Mr. HUGH SCOTT. They have not and if they were later to object, I think that is just too bad, because they have been on notice and they have received a copy of the resolution.

Mr. STENNIS. The Senator from Mississippi is just trying to get to the facts and to understand just what the picture is. I came to the Senate floor for that purpose, not knowing this resolution was coming up.

Mr. HUGH SCOTT. The point has been made that the President was doing these very things before the Senate committee acted, but the Senate is now urging him to do it. The facts are and the legislative history is that this is a continuing effort.

Mr. MANSFIELD. And this is evidence, an indication of support of what the President is seeking to undertake.

Mr. STENNIS. Mr. President, I thank the Senators and I yield the floor.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Minnesota (Mr. HUMPHREY) is a principal sponsor of Senate Resolution 133. He has prepared a carefully reasoned statement in support of the resolution. I ask unanimous consent that Senator HUMPHREY'S statement be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. HUMPHREY

The resolution before us represents an effort on behalf of my self, and Senators Javits, Percy and McGee to place the issue of negotiations squarely before the Congress and Executive branch.

Last week, during the many hours of deliberations by the Foreign Relations Committee, the members expressed their belief that insufficient attention was being paid to the issue of negotiations by the Administration. The resolution which was reported out of the Committee on Friday represents the unanimous sentiment that the President and the Secretary of State take efforts to begin negotiations towards a cease fire.

Mr. President, the resignation of President Thieu provides all Vietnamese parties to the conflict with an opportunity to begin negotiations before Saigon is overwhelmed at a tremendous cost of lives. We must not miss this opportunity to begin discussions which could prevent needless bloodshed.

In the past days there has been much discussion of "moral obligation" in Vietnam to those Vietnamese who need to leave the country in order to survive. While I certainly agree that such an obligation exists and while I want to support efforts to enable Vietnamese to reach safe haven, I believe we also have a moral obligation to use our good offices to encourage those elements in South Vietnam who want to negotiate instead of facing the inevitable military solution to the problem.

The Foreign Relations Committee clearly wants the President and Secretary of State to act to achieve the goals of S. Res. 133. I would hope that the Executive branch would take this issue seriously in the coming days. A military solution to this conflict will only mean more death and destruction. The path of negotiations may offer the hope of a cease fire, the saving of lives and a political settlement which will mean that the United States may begin to have a constructive role in the reconstruction of a war-torn country.

INVOLVEMENT FOR PEACE

Mr. McGOVERN. Mr. President, the resignation of General Thieu finally offers at least a possibility that the war can be ended without a final, bloody battle for Saigon.

It is no secret that I have long regarded President Thieu as a major obstacle to peace. In defiance of our policy, as solidified in the Paris agreement, he has seen continued war as his only hope for continued power. Hence he has demanded an endless flow of aid from us to underwrite his effort to bypass the Paris agreement. He has received far too much from American generosity, yet his response—even as he leaves office—has been to curse America for giving too little. Both we and the Vietnamese are well free of him.

But the conditions Mr. Thieu created still remain. Unless diplomatic opportunities are grasped quickly, we must face the prospect of a devastating military struggle for the remaining territory held by Saigon's forces.

Last week I urged Secretary Kissinger to make immediate contact with the Provisional Revolutionary Government and the North Vietnamese to explore the precise circumstances under which a final bloody battle could be avoided. I repeat that plea today.

As I suggested to the Secretary of State the administration may have once had its reasons for obscuring President Thieu's disruption of the Paris agreement, while highlighting violations by the other side, in order to secure more aid from a hostile Congress. But those reasons have disappeared. That political battle has been lost. There will be no more military shipments. It is clear that we could postpone the inevitable in Vietnam only by a renewed intervention of American forces, which neither the Congress nor the administration would support.

The prudent and humane course, therefore, is to test the PRG's expressions of support for the Paris agreement.

Last week, I requested and received an affirmation of that position from Madame Nguyen Thi Binh, the PRG Foreign Minister. She said in part:

> An administration really advocating peace, independence, democracy and national concord, and willing to scrupulously implement the Paris agreement on Vietnam (must) be set up in Saigon. The PRG is ready to enter into talks with such an Administration in order to rapidly settle SVN problems.

It is not necessary to take that statement on faith. It is plainly in the interests of the PRG to avoid the terrible costs of the battle which could lie ahead.

So if these steps have not already been taken, I once again urge the administration to contact the Provisional Revolutionary Government, to declare our full support for the Paris agreement, including specifically the political provisions of article 12 calling for an interim condition of reconciliation in Saigon and to explore all opportunities for the United States to mediate and advise the contesting parties on behalf of a peaceful solution.

Mr. President, I ask unanimous consent that there appear in the RECORD at this point a copy of my letter to Secretary Kissinger last week, together with my cable to Ambassador Dinh Ba Thi and the response from Minister Nguyen Thi Binh. Because Madame Binh's cable refers to 7- and 10-point PRG policy statements on Vietnamese who have been alined with the Thieu government, I also ask unanimous consent that those documents be printed in the RECORD.

There being no objection, the letter and cables were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 16, 1975.

HON. HENRY KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Last Friday by cable I asked the Provisional Revolutionary Government for an explicit statement of their position on the safety of American personnel remaining in Vietnam and on Vietnamese who have been allied with the Saigon government and the United States. I have received a response from Madame Nguyen Thi Binh, Minister of Foreign Affairs of the PRG. Copies of both cables are attached.

To address our concerns on these questions, as well as to do what we can to minimize bloodshed in Vietnam, I think it is time to recognize that there is an alternative to a final paroxysm of battle for Saigon and the remaning territory held by the Thieu government. The alternative is to provide some assurance that the political provisions of the Paris agreement will be carried out.

Our policy and plans for evacuation seem to move from the assumption that the other side, through its military activity, has totally repudiated the Paris agreement. I think it is closer to the truth to say that they have violated the cease-fire terms of the agreement because application of the political terms has been thwarted by the Saigon government.

I am sure you realize that Mr. Thieu's hands are not clean on this score; that from the time the agreement was signed, his government has tried in every way to rewrite the crucial points dealing with the establishment of a National Council of Reconciliation and Concord, guarantees of political freedoms, and elections to determine the political future of South Vietnam. Aside from their own military violations, Saigon has clearly obstructed the terms of the Paris agreement which were most instrumental in inducing the Democratic Republic of Vietnam and the Provisional Revolutionary Government of South Vietnam to sign it.

At one point the Administration may have had its reasons for obscuring these circumstances, in order to secure more aid for Saigon from a hostile Congress. But those reasons have now disappeared. That political battle has been lost. Congress will not supply any significant amount of military aid to Mr. Thieu's government. The reports we have received in the Foreign Relations Committee indicate that the military situation is so bad that even vast quantities of aid would make no real difference. And certainly neither the Congress nor the Administration will consider any renewal of a direct military involvement of any kind by the United States.

Therefore, regardless of how we might view the intentions of the PRG, I think the prudent and humane course is to test their expressions of continuing interest in the Paris agreement.

There seems to be little doubt that if it is their only option, the forces arrayed against Saigon can win militarily. Based on my inquiry to Madame Binh and her response, I think they would prefer to avoid that course if they can achieve similar ends through other means. It takes no trust, but only common sense to conclude that they would want to avoid the enormous human and material cost of pressing this struggle to a final military conclusion.

Therefore, I urge that you move as quickly as possible to initiate direct contacts with the Provisional Revolutionary Government, to explore in detail the circumstances under which they would deal with South Vietnamese parties other than Mr. Thieu. All parties in South Vietnam should be informed of the results of those talks.

We cannot dictate the decisions of any party in South Vietnam, but perhaps we can, even at this late hour, attempt to mediate and advise all parties, in order to avoid a still more tragic ending to a tragic chapter in American and Vietnamese history.

Sincerely,

GEORGE MCGOVERN.

[Cablegram, April 11, 1975]

Ambassadeur Dinh Ba Thi,
Gouvernement Revolutionnaire Provisoire, du RSV,
49, Ave. de Cambaceres,
91 Verrieres-le-Buisson,
Paris, France.

Text as follows:

As you know from the call placed today from my office, I believe it is urgently important at this time for the U.S. Congress and the American people to have an understanding of the position of your government on two issues.

First, it would be most helpful to have an affirmation now of your government's interest in full implementation of the political provisions of the Paris agreement on Vietnam as a preferred alternative to a costly military action against Saigon.

Second, we are concerned for the safety of the Americans who remain in Vietnam, and would welcome any assurance you can provide that they would be permitted to leave in safety. Also, would it be possible for Vietnamese who have been employed by American interests to be reassimilated back into Vietnamese society.

I believe it is essential that action be taken quickly to grasp any opportunity for a political or negotiated solution that would avoid further bloodshed on all sides. Therefore, if you could arrange for me to receive a cable from Minister Nguyen Thi Binh declaring the view of your government on these issues, I would like to read this message to my colleagues in the United States Senate, and also make it available to appropriate officials in the Executive Branch.

GEORGE S. MCGOVERN,
U.S. Senate.

APRIL 14, 1975.

Senator GEORGE MCGOVERN,
Senator Office Building,
Washington, D.C.

To the Honorable GEORGE MCGOVERN, Senator of the U.S. Congress.

DEAR SIR: Concerning the two issues your attention is drawn on, I have the honor to reaffirm as follows the position of my government.

(1) Yesterday, now, and tomorrow, as well as the Provisional Revolutionary Government of the Republic of South Vietnam, PRG, strictly respects and scrupulously implements the Paris Agreement on Vietnam and is determined to struggle in the political, military, and diplomatic fields to preserve the Agreement. The PRG firmly demands that the U.S. cease completely and definitively all its military involvement and interference in the internal affairs of SVN, withdraw all the U.S. military personnel in civilian clothes in accordance with the stipulations of the Paris Agreement. The Nguyen Van Thieu clique must be removed because it is the main obstacle to the settlement of political problems in SVN, and an administration really advocating peace, independence, democracy and national accord, and willing to scrupulously implement the Paris Agreement on Vietnam, be set up in Saigon. The PRG is ready to enter into talks with such an administration in order to rapidly settle SVN problems.

(2) With regard to Americans who still are in SVN, must specify they are members of the U.S. military personnel in civilian clothes left on the spot and illegally sent into SVN. According to the Paris Agreement, they should have already been withdrawn from SVN for a long time. If the U.S. government really wants to protect their lives, then it must pull immediately all of them out of SVN. Everybody knows that the population and the PRG have already insured the security of thousands of soldiers of the U.S. Expeditionary Army during their withdrawal from SVN after the signing of the Paris Agreement. As a matter of fact, there is no doubt that the withdrawal of 25,000 members of the U.S. military personnel in civilian clothes from SVN will not encounter any difficulty, any hindrance. However, the population and the PRG will not allow in no way whatsoever the Ford Administration to take the pretext of an evacuation to commit U.S. warships and marines in SVN.

Concerning Vietnamese who have collaborated with the U.S., including officers, soldiers, policemen, and functionaries of the Nguyen Van Thieu administration, and in conformity with the national reconciliation and concern of the National Front for Liberation, and with the spirit and the letter of the Paris Agreement, the PRG on March 25, 1975, issued its 7 point policy and on April 1, 1975, its 10 point policy with a view to realizing the great union and national concord to abolishing hatred and suspicion sown among Vietnamese by the U.S. and Nguyen Van Thieu. Presently, the inhabitants in the newly liberated areas are happily organizing a new life. This evident fact positively rejects stories fabricated about a so-called bloodbath. On the contrary, it is the so-called evacuation organized by the U.S. and Nguyen Van Thieu which is only a force displacement of the population and a kidnaping of Vietnamese children and which has caused numerous mourning and suffering to this population in SVN.

With my highest regards,

MME. NGUYEN THI BINH,
Minister for Foreign Affairs of the Provisional Revolutionary Government of the Republic of South Vietnam.

[New York Times carried their translation of this on April 3]

STATEMENT OF THE PROVISIONAL REVOLUTIONARY GOVERNMENT OF THE REPUBLIC OF SOUTH VIETNAM ON THE UNITED STATES-PUPPET SCHEME OF FORCIBLE CONSCRIPTION, UPGRADING OF PARAMILITARY FORCES INTO THE REGULAR ARMY, FORCIBLE EVACUATION AND CONCENTRATION OF THE POPULATION, SABOTAGE OF THE PARIS AGREEMENT AND CONTINUATION OF THE U.S. NEOCOLONIALIST WAR

ARTICLE 1

Let the entire people unite and resolutely foil all schemes of the United States and its puppets aimed at conducting forcible conscription, upgrading para-military forces into the regular army, carrying out forcible evacuation and concentration of the people, undermining the Paris Agreement and dragging on the neo-colonialist war of the U.S. imperialists:

(a) Every Vietnamese has the obligation and honor to unite and fight to frustrate the schemes of the United States and the Saigon puppet administration of forcible draft, upgrading, forcible evacuation and concentration of the population, and to protect the youth and not to let the enemy send his or her dear ones to kill their countrymen and oppose the fatherland.

(b) Those who oppose forcible conscription, upgrading, and forcible evacuation and concentration of the people will be wholeheartedly supported by the revolutionary administration. Draft dodgers and deserting soldiers will be protected and helped by the people to oppose the enemy and defend their lives and property. He who wants to take part in revolutionary activities will be entrusted with proper work. He who desires to cross over to the area administered by the revolutionary administration will be helped to earn his livelihood.

(c) Those who protect youths, persuade soldiers, officers and members of the puppet administration to act in the interests of the people and the country, and for the sake of the implementation of the Paris Agreement, will be commended by the revolutionary administration, and even be awarded for their service.

ARTICLE 2

With regard to families whose dear ones are in the military and administrative machines of the Saigon regime:

(a) Those families whose dear ones are in the military and administrative machines of the Saigon puppet regime, families of orphans and widows—unhappy victims of the neo-colonialist domination of the United States and its lackeys—if they do no harm to the revolution they will have the same rights and obligations as other citizen families. The Provisional Revolutionary Government welcomes all Vietnamese families which are sincerely united and struggle for peace, independence, freedom, democracy and national concord.

(b) Those families whose dear ones are in the Saigon military and administrative machines and who had no opportunities to contribute to the cause of the nation, but who now actively persuade their dear ones to struggle for the strict implementation of the Paris Agreement and oppose the U.S. imperialists and the warlike clique in the Saigon puppet army and administration, will be welcomed and commended by the revolution.

Those who encourage their dear ones to contribute to the revolution will be rewarded. Those families which persuade their dear ones to stage insurrections will be recognized as families of merit.

ARTICLE 3

With regard to those who are forced to join the "popular defense", "militia" forces and other para-military organizations:

(a) Those who are forced to join the "popular defense" and "militia" forces and other para-militsry organizations, if having done no harm to the people, will have the same rights and obligations as other citizens.

(b) Those individuals and units that have struggled against military training, guard duty, patrolling, laying ambushes, regular forces and cruel coercion, and helped youths to dodge the draft and soldiers to leave the Saigon army, and helped the people freely to earn their living and return to their native villages and together with the people struggle against the enemy, will be commended by the revolutionary administration for their meritorious action.

(c) Those individuals and units that surrendered their weapons to the revolution or

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joined the people's uprisings to punish cruel thugs, smash the enemy's coercion, destroy strategic hamlets and concentration camps, overrun posts and liberated hamlets and villages, will be properly awarded according to their merits.

(d) Those who ask to take part in revolutionary activities and join the revolutionary armed forces will be admitted and welcomed.

ARTICLE 4

Concerning soldiers in posts, units of militia, "civil guard" and regular forces, various arms and services and police of the Saigon administration:

(a) Those individuals, posts and units that have struggled against the harsh regime and exploitation of soldiers and their families, against upgrading of para-military forces into regular forces, demanded to be demobilized, left the Saigon army for home, protested against orders to conduct land-grabbing operations, to illegally erect posts and to herd the people into concentration camps, and opposed police operations and suppression of the people, and expressed their sympathy with and support to or join the people's struggle, will be welcomed and assisted by the people and the revolutionary administration.

(b) Those individuals, posts and units that staged uprisings, surrendered posts and weapons to the revolution, crossed over to the revolution with weapons and documents or together with the people rose up, punished tyrannical agents, overran posts, destroyed bases and depots which were staging-places of Saigon troops to commit crimes and sabotage the Agreement, and contributed to the liberation of their hamlets and villages, and those individuals and units which staged mutinies right on the battlefronts and together with the liberation armed forces punished the saboteurs of the Agreement, will be recognized as insurgent soldiers and insurgent units and will be duly awarded according to their merits. Those who were wounded while taking actions of merit will enjoy the same treatment as wounded revolutionaries, and if killed in action, they will be recognized as fallen soldiers.

ARTICLE 5

Concerning those members of the Saigon army and administration who are now in areas under the control of the revolutionary administration:

(a) Those soldiers, officers, policemen, war invalids, war veterans and personnel of the Saigon administration who left the puppet army and administration to live in areas under the control of the revolutionary administration and do no harm to the revolution and the people, and strictly observe the revolutionary administration's laws, will be helped to earn their livelihood.

Those who want to carry out agricultural production but are in lack of lands will be considered and alloted lands according to the enforced land policy.

Those who want to return to their native places will be helped to realize their desire.

Those who voluntarily take part in activities in localities will be encouraged and provided works according to their capacity.

(b) In newly liberated areas, those who voluntarily settle in and report to the revolutionary administration in accordance with its regulations will be encouraged and helped.

Anyone who cooperated with the revolution to protect public property, hand in weapons, dossiers and documents, find out stubborn agents in hiding to sabotage security and order, discover dumps and underground bunkers of the enemy, or together with the people called on other people to report, will be commended and awarded according to their merits.

Anyone who wants to contribute to building the new regime and to serve the people and the fatherland will be considered and provided with appropriate work.

ARTICLE 6

Concerning officers, generals and high-ranking officials of the Saigon administration living at home or abroad:

(a) The revolutionary administration welcomes all those who sincerely advocate peace, independence, democracy and national concord and together want to strictly implement the Paris Agreement without distinction to the past, political tendencies and positions.

(b) Those officers and generals who follow the tendencies and organizations of the third political force will be treated as other members of the aforesaid forces by the revolutionary administration.

(c) The revolutionary administration recognizes as insurgent officers, officers and high-ranking officers whose units under their command rose up or mutinied to join the revolutionary side and allows them to keep their old rank. It highly appreciates and awards those officers and generals who have merit in commanding their units to rise up or mutiny and to cross over to the revolution. Anyone who made special efforts will be considered and promoted.

(d) Anyone who for the sake of the national just cause, but having difficulties, comes to liberated area alone or with family, will be provided favorable conditions. Their own property will be respected. Anyone whose family comes to liberated area with capital and production tools to carry out business will be encouraged and assisted.

ARTICLE 7

Concerning captives and those criminals who sincerely repented:

(a) The people and the revolutionary administration will give humanitarian treatment to captives and fair treatment to those who surrender.

Those who want to return to their families to earn their living honestly or to participate in the revolutionary activities will be considered and helped.

(b) Those who committed crimes and now sincerely repent will be tolerated; if they made meritorious actions for their crimes they will be awarded according to their acts.

10-POINT POLICY OF THE PROVINCIAL REVOLUTIONARY GOVERNMENT OF THE REPUBLIC OF SOUTH VIETNAM REGARDING NEWLY LIBERATED AREAS

To preserve and promote the gains of the revolution, normalize the life of the people, actively safeguard and implement the Paris Agreement on Viet Nam, and bring the South Viet Nam revolution to new and yet greater victories, the Provisional Revolutionary Government of the Republic of South Viet Nam declares the following 10-point policy concerning the areas recently liberated:

1. The complete abolition of the regime and administration machinery, armed forces, all organizations, all regulations and all forms of repression and coercion of the puppet administration. The speedy establishment of the people's revolutionary administration at all levels in the newly-liberated areas.

All the offices of the former puppet administration will be taken over by the revolutionary administration. Functionaries under the puppet administration must seriously observe all the lines and policies of the Provisional Revolutionary Government.

All reactionary parties and other political organizations which collaborated with the enemy will be dissolved.

2. The achievement of democratic freedoms for the people, and of equality between the sexes.

The guarantees of freedom of belief and of unity and equality of religions. The people's freedom for religious worship shall be respected; pagodas and churches, holy sees and temples, shall be protected.

3. The implementation of a policy of great national unity, national reconciliation and concord, and opposition to the aggressive imperialism. The strict prohibition of all actions likely to give rise to discord, hatred or mistrust among the people or among the various ethnic groups.

All people, rich or poor, and irrespective of nationality, religion, or political tendency, must unite in mutual affection and assistance for the building of the liberated zone and for a new life in happiness.

Minority nationals are equal in all respects to their fellow-countrymen of the majority ethnic group. Devoted assistance will be provided to them to develop their economy and culture and improve their living conditions.

4. All people living in the liberated zone are free to carry on their occupations. They are duty-bound to help maintain law and order, and to support the revolution.

The people's revolutionary administration shall firmly and in good time deal with all schemes or actions of sabotage, or counter-attacks by the enemy. Severe punishment will be given to elements engaged in activities against the revolutionary administration, against law and order, against the lives, property or honor of the people, or against public property in the custody of the revolutionary administration.

5. The property left by the puppet administration will be managed by the Provisional Revolutionary Government of the Republic of South Viet Nam.

6. All industrial establishments, all handicraft shops, all establishment of trade, transport and communications, and all other public facilities must continue to operate to serve the national economy and the people in their everyday life.

Attention will be paid to the restoration of the production and to the normalization of the life of the people. Jobs will be provided to the unemployed and to other people capable of working.

Business associations are guaranteed to keep their ownership, and are allowed to continue to operate their businesses in the interests of the nation and the people.

Devoted care will be given to orphans, the disabled, and the aged.

7. Encouragement will be given to farmers to rehabilitate and develop agricultural production, and to fishing, salt-making and forestry enterprises. Encouragement will be given to the owners of industrial plantations and orchards to continue to do business.

8. All cultural, scientific and technical establishments, schools and hospitals will open again to serve the people. All agencies in service of the reactionary, decadent, enslaving culture of the U.S. imperialism and the puppet administration will be strictly banned.

All progressive national cultural activities are encouraged to develop. Talents in science and technology will be highly appreciated in the interest of national consrtuction.

9. The strict implementation of this policy adopted on March 26, 1975, by the Provisional Revolutionary Government of the Republic of South Viet Nam: all puppet officers and soldiers, policemen, disabled soldiers, veterans and civil servants who leave the enemy ranks and come to the liberated zone, or who stay in the liberated areas and report themselves to the revolutionary administration in strict conformity with the regulations of the revolutionary administration, will receive assistance to earn their living, to go home, or, if they wish, to serve in the new regime according to their capabilities. Their meritorious actions will be rewarded, but those who work against the revolution will be severely punished. Criminals who have sincerely repented will be pardoned.

10. The lives and property of foreign residents will be protected, All foreign residents must respect the independence, and sovereignty of Viet Nam, and must strictly observe all regulations and policies of the revolutionary administration.

Foreign residents who wish to contribute to the South Vietnamese people's struggle for independence, freedom and national construction are welcomed. South Vietnam, April 1st, 1975.

AMENDMENT NO. 358

Mr. McGOVERN. Mr. President, I also submit for appropriate reference an amendment to (S. 1484) the legislation recently reported by the Senate Foreign Relations Committee relative to humanitarian and evacuation assistance for Vietnam. The amendment, which I ask to have printed at this point in the RECORD, instructs the Secretary of State to begin immediate negotiations with the PRG and the North Vietnamese looking toward a negotiated termination of the conflict.

In view of the sense of the Congress proposal offered by the Senator from Minnesota (Mr. HUMPHREY) calling for negotiations, I shall probably not call up my amendment if the Humphrey amendment passes although I would prefer the mandatory language in my own amendment.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill insert the following:

"SEC. 8. The Secretary of State is directed to initiate immediately discussions with representatives of the Provisional Revolutionary Government of the Republic of South Vietnam and of the Democratic Republic of Vietnam to declare the support of the United States for all political goals of the Agreement and Protocols on Ending the War and Restoring Peace in Vietnam, including specifically the terms of Article 12, and to determine the precise conditions under which the Provisional Revolutionary Government and the Democratic Republic of Vietnam would agree to establishment of a ceasefire and to a political settlement of the conflict. Within seven days, the Secretary shall advise the United States Congress and appropriate officials in Vietnam, including the Legislative Branch of the government in Saigon and principal third force leaders, of the progress and results of these discussions."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 133) was agreed to as follows:

Resolved, That it is the sense of the Senate that the President should (a) request all Vietnamese parties to reopen discussion toward the implementation of the Agreement on Ending the War and Restoring Peace in Vietnam; (b) undertake immediately to encourage and support those elements in South Vietnam who are desirous of seeking a political settlement; (c) make known to all Vietnamese parties that the extent of present and future American assistance to all Vietnamese will depend on the degree of good faith efforts made by them to obtain a ceasefire and political solution to the conflict.

SEC. 2. It is further the sense of the Senate that the President should submit a report to the Senate within thirty days after the adoption of this resolution describing fully and completely the steps he has taken to carry out the purposes of this resolution.

SEC. 3. The Secretary of the Senate shall transmit a copy of this resolution to the President.

A TIME TO FACE THE TRUTH

Mr. MANSFIELD. Mr. President, the distinguished Senator from Colorado (Mr. GARY W. HART) has a commentary in today's New York Times which I think is worthy of the consideration of all Members of the Senate and, for that matter, all Members of Congress.

He has indicated that we have voted "a hodgepodge of tax rebates, tax reductions, investment tax credits, and tax reforms" which is open to question. He asks us to look ahead and consider conditions in the country 6 to 12 months from now and to assess the results if nothing happens in the meantime, because of the tax action taken by this Congress, which I disapproved of because I think it will be counterproductive.

He indicates a number of reasons covering relationships in industry, labor, and Government which are open to question and he calls for the "hard truth" about the economic pie, its shrinkage and why many of our present policies are "inherently inflationary."

He also advocates a number of proposals which, in his opinion, would form the basis for a sound policy, a return to fundamental values and would give a message of hope to the American people.

I agree with his recommendations and also with his statement that "the administration and Congress have merely taken the easiest course, the one most readily at hand." As he puts it, the hard questions have not been asked and the causes have not been identified which account for the present difficult economic situation in which we find ourselves at the present time.

Mr. President, the message of Senator HART's commentary is one which should be taken most seriously by all of us and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 21, 1975]

FREE LUNCH IS OVER

(By GARY HART)

WASHINGTON.—The thought seems hardly to have occurred to anyone, during our current scramble to cure the nation's economic ills, that we may be treating only the symptoms of the illness or, even worse, the wrong disease.

Congress has voted a hodge-podge of tax rebates, tax reductions, investment tax credits, and tax reforms—all representing "fine tuning" of an economic engine that requires a major overhaul.

Consider what the mood of the country will be in six to twelve months if these measures have gone into effect and nothing happens: inflation runs rampant and unemployment remains at recession levels.

Politicians and economists must realize times have changed. The creaking economic ship of state is taking on water from leaks that did not exist in the Great Depression or even more recent recessions:

1. Keystone industries have become increasingly concentrated and anticompetitive, and spend more money on sexy advertising campaigns than they do on innovation, invention, product quality and product safety.

2. New Deal regulatory agencies stifle competition, create bureaucratic nightmares, and are seduced by the industries they were designed to regulate.

3. Government procurement policies, particularly for military hardware, are political footballs that, with acquiescence by organized labor, have become tools for "economic stimulation" in favored regions.

4. Giant multinational corporations—chartered in this country, by owing allegiance to no flag—run roughshod over our foreign policy and dominate our economy through control of vast quantities of raw materials and productive facilities.

5. The tax structure is increasingly used as a subsidy mechanism in the amount of $92 billion a year, over half of which goes to powerful special interests.

6. Much of the nation's capital assets—railroads, seaports and shipyards, plants and productive capacity—deteriorate while we seek to "stimulate" an economy premised on wasteful consumption and planned obsolescence.

More than anything else, the nation cries cut for leaders who will tell the hard truth—that old-time, "fine-tuning" economic remedies are no better than leeches and snake oil in the last quarter of the 20th century; that the free lunch is over and, in fact, the economic pie is shrinking; that economic stimulation through weapons procurement is inherently inflationary; that a democracy cannot long survive with a tax system as inequitable as ours; that our "free-enterprise" economy is being eaten alive by big enterprise while the Government acquiesces; that the quality of life is more important than the quantity of goods consumed.

But those same leaders could offer a message of hope and a return to fundamental values. Translating these values into sound policy will require strong measures such as these:

Fiscal stimulation through rebuilding our national assets, not through weapons production; a return to true competition through strict antitrust action and public-interest regulation; stimulation of private savings and investment through programs to broaden private ownership of productive assets; subsidies dispensed above the table and not hidden in the tax laws; replacement of a paternalistic government's handout programs with guaranteed employment and income maintenance; and thorough review and reform of our economic institutions—the Federal Reserve Board and our monetary system, our planning and budgeting process, where progress has been made, our credit system, and our tax structure.

The Administration and Congress have merely taken the easiest course, the one most readily at hand. But the hard questions have not been asked and the causes have not been identified, and the people know it. The people know that a fundamentally sound structure is beginning to rot and decay through misuse and lack of maintenance.

The ACTING PESIDENT pro tempore. Under the previous order, the Senator from Hawaii (Mr. FONG) is recognized for not to exceed 15 minutes.

TRIBUTE TO THE LATE PRESIDENT OF THE REPUBLIC OF CHINA, HIS EXCELLENCY CHIANG KAI-SHEK

Mr. FONG. Mr. President, it was my high honor and privilege last week to participate as a member of the official U.S. delegation selected by President Gerald R. Ford and headed by Vice President NELSON A. ROCKEFELLER in the funeral ceremonies in Taiwan conducted for the late President of the Republic of China, His Excellency Chiang Kai-shek, who died on April 5 at the age of 87.

I am reporting today to my colleagues and to the American people on the journey we made half way around the world to pay tribute to the memory of a venerable leader whose life, philosophy, policies, and achievements played such an

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important role in the course of world history since the early 1920's.

I am also taking this occasion to remind the American people that President Chiang Kai-shek was always a staunch and steadfast friend of the United States—through thick and through thin—so that to this day the Republic of China remains a strong and viable ally of the United States.

In a world where with increasing frequency other nations have declined to carry the torch of freedom with America, the Republic of China never hesitated to stand up for freedom.

So it was altogether fitting that our Vice President should be asked by President Ford to lead the U.S. delegation to the funeral services on Taiwan last week. The Vice President was not only the leader of our delegation but he was also the highest ranking foreign dignitary present. In every respect Vice President ROCKEFELLER represented the American people with dignity and honor and grace. His presence was warmly appreciated.

From the U.S. Senate, our distinguished colleague, Senator BARRY GOLDWATER of Arizona and myself accompanied the Vice President. Mrs. Fong was invited to make the trip with us and she did.

From the U.S. House of Representatives, Congressman ROY A. TAYLOR of North Carolina was selected to attend and Mrs. Taylor accompanied him.

Ambassador Leonard D. Unger, the top U.S. diplomat accredited to the Republic of China, was of course designated a member of the official party.

In addition, the following other distinguished persons comprised the official party: Ambassador Walter P. McConaughy, former Ambassador to the Republic of China; Dr. Walter H. Judd, former Member of Congress; Mrs. Anna Chennault; Dr. and Mrs. Arnold O. Beckman; and Mr. and Mrs. Jack M. Eckerd.

In addition to appointing a high-level delegation, President Ford sent a letter to the new President of the Republic of China, His Excellency C. K. Yen, stating:

> President Chiang's death has been received with profound regret both by the American people and myself. As you assume the Presidency, in accordance with your Constitutional procedures, I want to express my sympathy to you and to the people of the Republic of China and to wish you well in your new responsibility.

Secretary of State Henry A. Kissinger, U.S. Ambasador Leonard D. Unger, 25 U.S. Senators, and former President Nixon also extended condolences. I ask unanimous consent that their messages be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FONG. Shortly after our official party arrived in Taipei, escorted by approximately 30 police officers, 26 on motorcycles, we proceeded to Sun Yat-sen Memorial Hall. There the body of President Chiang Kai-shek was lying in state in a casket which was raised and inclined for viewing on the stage of the auditorium. A large handsome color portrait of the late President hung at the rear of the stage. The stage was a garden scene of serenity and beauty with pine trees and banks and banks of chrysanthemums, asters and lilies.

Vice President ROCKEFELLER was first to ascend a platform in front of the catafalque area and, in the custom of the Chinese in paying respects, he bowed his head. The other members of the U.S. delegation, one by one, also stepped up, in turn, on the platform, to pay their respects.

The following morning, the U.S. delegation along with the delegations from 24 other countries joined Madame Chiang and other members of the family, Republic of China officials, and the people in memorial services to President Chiang.

Held at Sun Yat-sen Memorial Hall, which seats 3,000 persons, the services were most impressive and appropriate.

The funeral service began at 8 a.m. with President C. K. Yen officiating. After President Yen placed a wreath before the bronze casket, a eulogy of the late President Chiang Kai-shek authored by President Yen was read.

Then Madame Chiang, Premier Chiang Ching-kuo and Lt. Gen. Wego Chiang, sons of the late President, and other members of the bereaved family performed the encoffining rites by putting down the lid of the casket. Eight senior members of the Kuomintang Party, of which President Chiang was the director-general, draped the party's emblem over the coffin. On top of it was draped the national flag of the Republic of China. President C. K. Yen and seven other top government leaders performed the flag-draping ceremony. Then the mourners bowed low to the presidential casket three times.

The funeral service lasted about 30 minutes. This was followed by a 50-minute Christian memorial service performed by the Reverend Chow Lien-hwa. President Chiang was a Christian, having adopted this faith in mid-life through the influence of Dr. Sun Yat-sen, his wife, and his mother-in-law. He was a devout Christian through four decades thereafter, until his death.

A choir of 26 children sang "Nearer My God to Thee" and the Reverend Chow intoned the 23d Psalm from the Bible, "The Lord is my Shepherd, I shall not want."

Following the services, the coffin was taken in a flower-bedecked hearse, with the family and all the members of the official delegations following on foot for about 200 yards. From there, the official delegations dispersed and only members of the family and high government officials of the Republic of China accompanied the casket to Tsuhu, a scenic lagoon, about 60 kilometers southwest of Taipei, where the casket containing the late President's body was placed on a marble catafalque.

Christian memorial services were also held last week in Washington, D.C., on April 16 at the Washington Cathedral, with the Very Reverend Francis B. Sayre, Jr., dean of the Washington Cathedral, officiating; the Reverend Billy Graham delivering the meditation; Gen. Albert C. Wedemeyer, U.S. Army, retired, delivering a memorial tribute; the Reverend Fred T. Cheung, reciting the prayers, and a children's choir singing appropriate music. Such familiar hymns as "What a Friend We Have in Jesus" and "Onward Christian Soldiers" were included in the ceremonies.

I ask unanimous consent that Dr. Graham's moving statement and General Wedemeyer's excellent tribute be printed in full in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. FONG. Mr. President, a funeral, no matter how humble or how exalted the departed one, never fails to impress us with its reminder of how precious is the gift of life, how temporal is the stay of every human on this earth, and how our deeds survive us and write the testament disclosing whether we have worked for good or for evil.

There is a certain amount of symbolism and of ritualism involved as we mortals pay our respects to those who have passed away before us. And we feel a special affinity to God at such times.

There in Sun Yat-sen Memorial Hall, all of these moving factors were present. In addition, there were the special touches of the Chinese culture. The flowers, white and yellow chrysanthemums, white asters, and white lilies, were not just displayed for beauty, but they were arranged in banks ascending quite high to symbolize the mountains that are so typical of the China where Chiang Kai-shek was born and rose to leadership. Pine trees, symbolizing long life and strength no matter how bitter the winds of adversity, were artistically placed in the area of the coffin.

With the late President in the casket are four favorite books he loved and read daily in spite of his busy schedule. They are the Sam Min Chu I, or Three Principles of the People, the Bible, the Anthology of Tang Poems, and Stream in the Desert, a religious book written by an American Missionary, Mrs. Charles E. Cowman.

President Yen received all of the members of the official delgeation on the evening of the entombment of President Chiang.

The following morning Madame Chiang and Premier Chiang Ching-kuo met with each member of the delegation separately, where we could extend our condolences to them.

A little later, a few of us were invited to the family service at a small chapel which seats only about 200 people. Vice President ROCKEFELLER, Dr. Judd, Ambassador and Mrs. Unger, and Mrs. Fong and I were privileged to be among those attending. The memorial service was delivered in English and Chinese by the Reverend James Hudson Taylor III, and passages from the Bible were read in Chinese by the Reverend Chow Lien-hwa. A children's choir sang ecclesiastical music.

Long before his passing President Chiang had groomed able leaders to carry on the programs and adhere to the principles which had brought such astounding economic and humanitarian progress for the people of Taiwan. The new President, the Honorable C. K. Yen,

had served as Vice President and was prepared to take on the burdens of higher office following Chiang Kai-shek's death. The Premier, the Honorable Chiang-kuo, likewise is an able and experienced leader inculated with the teachings or Dr. Sun Yat-sen and the Christian faith which guided his father, Chiang Kai-shek.

In addition to President Yen and Premier Chiang, the people of the Republic of China will continue to have the advice and counsel of Madame Chiang, who had always been such a strong and faithful partner to her husband through the trials and tribulations and the victories and the successes of his eventful and productive career. Her keen mind, intellectual capacity, charm and leadership qualities will continue to inspire the people of the Republic of China, who loved their President so deeply.

Throughout the time we were in Taiwan we observed the tremendous respect and affection of the people for their late President. It was not perfunctory esteem or feigned emotion. The tributes and the sorrow were genuine indeed. In fact, Mr. President, of all the memorable impressions I brought back with me from this mission to Taiwan, the one that stands out most vividly is the great outpouring of grief of overwhelming proportions by the people at the loss of their revered leader. People of all ages—from all over Taiwan and from Chinese communities overseas—lined the funeral procession route six and eight deep, numbering several million in all, and as the flowered hearse approached them, most of them fell weeping upon their hands and knees in reverential tribute. As President Chiang Kai-shek had been ailing and semi-retired for several years, it was all the more remarkable to me to see how his death was deemed a personal loss to people in all walks of life.

Only a leader who had the esteem and respect and admiration and love of his people could arouse so much sorrow among so many people. To me the greatest tribute paid to the late President Chiang was that shown by the great sorrow so openly expressed by his people, whose destiny he guided for so long.

So Mr. President, I deem it most fitting at this time to review some of the achievements of President Chiang Kai-shek which earned him the great love and endearing respect of the people of China.

President Chiang Kai-shek's place in world history is secure.

He will be remembered as the Chinese leader and general who routed the forces of the Manchus and brought the powerful warlords into a shaky unification of China in 1928. Undoubtedly in such a vast country hindered by transportation problems, pockets of resistance remained. Four regional revolts were put down in 1929 and 1930. Then, in 1931 the Japanese forces invaded Manchuria to begin their 14-year-long attempt to dominate China.

He will be remembered for his great effort to establish a constitutional government for China, the first Republican experiment in Asia. But the war with Japan and internal conflicts prevented him from fully implementing it.

He will be remembered for successfully expelling Soviet influence from China during the early days of the Republic.

He will be remembered for the abolishment of extraterritorial rights and extraterritorial enclaves run by foreign governments in China.

He will be remembered as the great Chinese leader and general who with those other three great figures of history, Roosevelt, Churchill, and Stalin were the principal architects of Allied policy which led their forces to victory in 1945 against the mighty Axis forces in World War II. For 14 years—8 of them in hot war, 4 of which China fought alone and unaided against the disciplined and well-trained military machine of the Japanese empire—he struggled, and, when victorious, he generously extended peace to his foe, without vengeance or reparation, and quickly sent Japanese soldiers home. In sharp contrast, Stalin who had fought the Japanese for only a few days imprisoned Japanese soldiers for years, took the Kuril Islands, Sakhalin Island and four others and dismantled and carted home to Russia the industrial machinery of Manchuria.

He will be remembered as one of the principal architects of the United Nations.

He will be remembered as the leader who fought communism longer and harder than any other free world statesman, past or present.

He will be remembered for establishing a constitutional government in Taiwan and for his successful agrarian land reform—the most effective land reform ever implemented anywhere in the world.

Mr. President, today the Republic of China is a shining testimonial to the extraordinary skill and ability that President Chiang possessed in developing a rural society into an advanced industrial-political entity. Under his firm guidance and control, the energetic and dynamic people on Taiwan have turned that island into a thriving and prosperous economic oasis in Asia—second only to Japan in terms of the high living standards which its citizens enjoy.

Today, the economy of the Republic of China is one of the most stable in the world, and the country is enjoying a great degree of prosperity. Foreign trade totals more than $13 billion a year and Taiwan's economy is growing more than 8 percent annually.

Today, the Republic of China is one of the 10 best customers for American exports.

Today, the Republic of China exists as a strong showplace of freedom in Asia.

Today, the 17 million people in the Republic of China enjoy freedom, prosperity, and the opportunity to exercise their talents and skills.

Because of these accomplishments we can understand the sentiments expressed to Dr. Billy Graham by one of his close friends in Taipei in referring to the death of the great Chinese leader. By phone, Dr. Graham was told that "the announcement of his—President Chiang—death hit the people like a mighty emotional earthquake. Profound grief and a tragic sense of loss melted the people and caused the tears to flow among the rich, the poor, the young and the old. Their leader who had sat with the mighty Roosevelt, Stalin, and Churchill and outlived them all, was dead."

Mr. President, as one of the Big Four Allied leaders, President Chiang Kai-shek played a decisive and instrumental role in bringing about a successful conclusion of the Second World War for which China paid dearly. China suffered approximately 1,324,000 battle deaths—4½ times more than the 291,000 lives lost by the United States.

Notwithstanding China's tremendous contribution to an allied victory, many without an adequate background or historical perspective or because of a bias against President Chiang for having to give up Mainland China, have played up the shortcomings of the Nationalist forces without due consideration of the many obstacles then existent against him.

To understand the enormity of the task facing Chiang Kai-shek, we must review some crucial events of China's history in this century, starting with the Revolution of 1911, in which he participated as a freedom fighter to help overthrow the Manchus and the provincial warlords. An admirer of Dr. Sun Yat-sen, father of modern China, Chiang proved his dedication to the revolution for more than a decade and in 1922, he rushed to the aid of the beleaguered Dr. Sun during an ordeal lasting 56 days.

With the death of Dr. Sun Yat-sen in 1925, Chiang assumed the leadership of the Nationalist movement. He proved to be an able and resourceful leader. Yet to achieve the aims of Dr. Sun Yat-sen for national unity, sovereignty for the people, and improved livelihood for the peasants was, as General Wedemeyer termed it in his memorial tribute "a task of superhuman dimensions," for China was geographically, linguistically, ideologically, and governmentally fragmented.

On the one front, real power over much of the countryside was in the hands of the powerful warlords. Consequently, President Chiang had to do battle with the well-entrenched warlords who were determined to hold onto their pockets of power.

On another front, the Chinese Communist Party which previously had cooperated with the Nationalists, withdrew from the movement, organized their own army, and began to seek power for themselves, thus doing everything possible to frustrate and defeat President Chiang's efforts to unite China.

In addition to fighting the Communists and the powerful warlords, President Chiang had to contend with the ever-menacing Japanese who had for many years and were exerting strong pressure on yet another front. In 1915 Japan tried to force on China her 21 demands which would have made China a vassal state.

In 1919 a group of men sitting at Versailles took Shantung, the sacred province of China, and tried to award it to Japan. Japan invaded that province again in 1927. took Manchuria in 1931, and bit off 3 other pieces of Chinese territory in the next 6 years.

Not satisfied with all she had done. Japan in 1937—determined to prevent the development of a strong unified government in China—created an incident

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that led to war between the two Asian powers. China was no match for the well-trained and disciplined Japanese forces, especially since the Chinese troops were poorly equipped and underarmed. But for 4 years alone and unaided, China under President Chiang withstood the attack of the mighty Japanese and did not surrender.

With the attack on Pearl Harbor in 1947 and our declaration of war against Japan, one would think the outlook for supplies and arms from the United States to China would become bright. Unfortunately, this was not the case.

President Roosevelt and Prime Minister Churchill made the basic decision right after Pearl Harbor to hold defensively in the Pacific-Asian theater while going on the offense in Europe to dispose of Germany and Italy. Because this fundamental strategy was designed to beat Hitler first, the United States poured over 98 percent of our war supplies into Europe and sent less than 2 percent to Asia—of which only about 10 percent went to China. By March 1945 less than 5 months before Japan surrendered China had received only two-tenths of 1 percent of all the supplies the United States sent abroad to our allies.

On March 15, 1945, Congressman Walter H. Judd, in a stirring address before the House of Representatives, described the foregoing paucity of aid made available to President Chiang's forces and then placed China's efforts in proper perspective:

> Now, suppose Mr. Roosevelt and Mr. Churchill had reversed their desicion, had decided to beat Japan first and eent 93 percent of our aid to Asia. Where would England have been? She would have been gone long ago. Nobody would have cursed the British as cowards and worthless allies because they could not fight without arms. And Russia could not possibly have held as she did at Stalingrad, and she could not be doing what she is doing now, if she had not had help—lots of it. China did not get such help.

Congressman Judd said further:

> We and our western allies made a decision which gave brilliant results in Europe. But that decision inevitably led to almost disastrous results in Asia. If we take the credit for good results in Europe, in all fairness, there is no way we can escape some of the responsibility for the bad results in Asia.

Aside from the great sacrifice of lives in behalf of the Allied cause, the Chinese people under the generalissimo's leadership did a commendable job of holding the line against Japan so that we could concentrate on beating Hitler first. In addition, the Chinese pinned down a million Japanese soldiers who would have otherwise been available for deployment against America's fighting men in the Pacific.

The Chinese forces did their best to carry out the strategy determined by Roosevelt and Churchill—despite the fact that they did not like the Allied strategy since it put them last, though they had been fighting tyranny first, as Congressman Judd so aptly pointed out.

During the last two of those horrible World War II years, U.S. General Wedemeyer worked closely with Generalissimo Chiang. He pointed out in his memorial tribute that—

> Crisis after crisis occurred as Japanese aggression continued. Nonetheless, the Chinese kept fighting—even when the Japanese, alarmed by early American successes in the Pacific, twice offered the Generalissimo very favorable terms of peace.

General Wedemeyer reminded us that if Chiang "had accepted those peace terms, more than a million veteran Japanese soldiers who were fighting in China could have been released for immediate employment against American forces under Admiral Nimitz and General MacArthur."

No one knows how long Japan's war against the United States might have been prolonged had Generalissimo Chiang accepted Japan's peace offers. No one knows how many more Americans would have died or been wounded in that event. Certainly, America owes a debt of gratitude to President Chiang for sticking with the Allied Forces when the temptations for peace were dangled before him.

Yet how did the Allies repay China for its fidelity and assistance? At the Yalta Conference in 1945, Generalissimo Chiang was excluded—he was not invited to attend nor was China represented by anyone else.

Only Great Britain, the United States, and Russia participated—Russia who entered the Far East war only 7 days before Japan surrendered, whereas China under Chiang had been fighting the Japanese invaders for 8 years.

Far worse than the insult of protocol were the devastating and humiliating terms imposed by the three Allied Powers against China without China's knowledge or participation or consent.

Whereas in 1943, as the war in the Pacific and Far East raged, without Russia's participation as an ally, President Roosevelt and Prime Minister Churchill unequivocally recognized China's sovereignty over Manchuria, Taiwan, and the Pescadores, in 1945 near the war's end, the United States, Great Britain, and Russia gave the Soviet Union 50 percent control of the Chinese Eastern Railway in Manchuria and control of the Chinese territories of Port Arthur and Dairen.

Perfidy is not too strong a word for the capitulation of the United States and Great Britain at Yalta to Russia's demands against China—in agreements which were made in secrecy against a strong faithful ally.

Outraged as President Chiang and his people must have been, China did not turn against the United States. On the contrary, President Chiang cooperated with the United States in fashioning the United Nations organization in 1945, and under his leadership China remained one of the pillars of support for the United Nations, only to be expelled in 1971 when the People's Republic was given China's seat in the U.N. We live in an irrational world indeed.

Following World War II, President Chiang attempted to reconstruct China after the devastation and debilitation of the protracted struggle against Japan. While his forces had been fighting the Japanese invader, the Communist Party of China had been busy extending their sphere of influence. In the summer of 1937, when President Chiang made a shaky peace with the Communists and directed the full military strength of his forces to the task of defeating the Japanese, Mao Tse-tung controlled approximately 53,000 square miles of territory and roughly 1.5 million people out of a total population of 450 million.

By the time of the Japanese surrender in 1945, the Communists under Mao had consolidated their position to the point where they controlled about 225,000 square miles of territory with a population of over 65 million. The Communist forces had not been weakened by the war and immediately set about challenging the Chiang government. Civil war ensued, during which President Truman sent General Marshall to China insisting that President Chiang enter into a coalition with the Chinese Communists, instead of sending the arms and funds Chiang needed to rebuild his war-shattered country and unify the people in the postwar period.

Had President Chiang been allowed to remain leader of all of China, a China friendly to the United States, would there have been a Korean war, a Vietnam war, a Cambodian war, and the terrible toll those wars exacted not only on our Nation and our people but on the free people of Asia?

Instead, President Chiang and the anti-Communists were forced to flee to Taiwan. Even then, President Chiang did not turn against the United States. He turned his energies into putting into effect on Taiwan the three principles of Dr. Sun Yat-sen; national unity, the people's sovereignty—democracy—and the people's livelihood—increased economic opportunity, an equitable distribution of land, and the development of industry.

There in Taiwan, without internal warfare by Communists and despite armed attacks by the Communist regime on the mainland, President Chiang Kai-shek demonstrated the validity of Dr. Sun's three principles. There were many doomsday prophets who said the Republic of China was destined for failure on Taiwan. But under President Chiang's enlightened leadership, with an elective legislature, with land reform, and freedom for the people, the Republic of China on Taiwan succeeded far beyond expectations.

As the Reverend Billy Graham said at the memorial services for President Chiang: "Taiwan stands as a living memorial to him." To that I would add, "Taiwan stands as a beacon light of freedom in Asia."

Before closing my remarks, Mr. President, I wish to add a personal note. My friendship with the Chiangs dates back more than 20 years.

I first met Madame Chiang when she visited Hawaii in the 1950's when I was Speaker of the House of Representatives in the Hawaii Territorial Legislature. Her speech to a joint session of our Senate and House was most enthusiastically received. One has only to meet Madame Chiang to know that one is in the presence of a cultured, beautiful, and extraordinary person of great poise and intellect.

I first met President Chiang when I visited Taiwan in 1950 as a private citizen. Again, I knew I was in the presence

of an extraordinary person, a leader of exceptional dignity, wisdom, vision, and strength.

It was my good fortune to meet with President and Madame Chiang in Taiwan again in 1960 and to lunch with them at the Presidential residence. This was a year after I had taken office as the first U.S. Senator of Chinese ancestry. And several times there, and whenever Madame Chiang visited the United States, I visited with her.

Although our paths did not cross frequently, our friendship endured throughout the years to come.

My admiration and respect for President Chiang's leadership grew as he led the people of Taiwan toward outstanding economic progress. He instituted land reform for the people, and he established representative government. The people on Taiwan enjoy greater freedom and prosperity than ever before.

But more than that, President Chiang never faltered in his courage or in his tenacity to work for his goals. Whenever any territory of the Republic of China was attacked, he resisted and the military forces over which he was commander in chief fought valiantly and expertly. Last October, I reviewed some of the military units of the Republic of China, and I was mightily impressed by their training and by their spirit. If anyone seeks to conquer Taiwan by force, they will be met by a formidable adversary, well equipped, high spirited and disciplined.

While chaos and confusion frequently have marked the international diplomatic scene since World War II, with shifting alliances and incredible flip-flops among other nations, President Chiang never wavered from his advocacy of freedom for the Chinese people and freedom as the ultimate goal for all peoples.

Unfortunately, in recent years it has not been fashionable to be an outspoken advocate of freedom. It is more popular to talk about coexistence and détente and to sublimate discussion of freedom for people.

As the China news editor stated on Apirl 15 in the lead editorial "Day of Mourning":

> We live in a time of opportunism rather than principle. Men—even great ones—excuse their changes of direction by citing the need for realism.
>
> All is pragmatism. Virtue is transitory. Morality is old-fashioned. Idealism is foolish. Absolute values do not exist.
>
> President Chiang accepted none of this. He lived by the precepts he learned at his Mother's knee, the wisdom of Confucius, the guideline of Sun Yat-sen, the love and kindness of the gentle Jesus and the discipline and righteousness of Almighty God.

Mr. President, I ask unanimous consent that the entire editorial be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. FONG. Mr. President, to those who are willing to read history, without racial or ethnic bias and with an open mind, I commend the life and values of President Chiang Kai-shek. Surely we who revere our Founding Fathers and the giants of our leaders such as George Washington and Abraham Lincoln can appreciate the sentiments of the Chinese people who revere Dr. Sun Yat-sen and President Chiang Kai-shek.

By sending Vice President Rockefeller and a high-level delegation to the funeral services for President Chiang, President Ford paid a fine tribute to the late President of the Republic of China and to the Chinese people who loved him. Our President tendered an appropriate gesture of appreciation to a longtime friend and ally of America. For the American people to be so ably represented on this occasion has implications extending far beyond Taiwan, for all of Asia was watching to see whether the United States would live up to its tradition of honor and respect. President Ford has enabled our Nation to retain respect in the eyes of some very important nations and peoples in the Far East. Our presence was sincerely and truly appreciated by all the people of Taiwan, by Madame Chiang, Premier Chiang Ching-kuo, President C. K. Yen, officers of the government, and members of the other official delegations. People remarked that our delegation was large as well as important.

It was a privilege for me to participate in these solemn services which were carried out with dignity and decorum.

Mr. President, for those on whom the burdens of leadership now devolve, I wish every success in the Republic of China's march of progress. I am confident they will carry out their duties ably and conscientiously. And to the people of the Republic of China, I extend my heartfelt condolences on the loss of their revered leader. To Madame Chiang and Premier Chiang and to the members of the family, go my best wishes that they will find solace and comfort in the knowledge that President Chiang has a proud and honorable place in history which the ages can never diminish.

Mr. President, I ask unanimous consent to have printed in the Record following my remarks an editorial in the China News Supplement entitled "Chiang Kai-shek—Late President of Free China."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 4.)

Exhibit 1

Letters of Condolence on Death of Chiang Kai-Shek

U.S. Secretary of State Henry A. Kissinger:

Along with my countrymen, I was deeply saddened to learn of the passing of President Chiang Kai-shek. His courage and indomitable will during the difficult years of World War II are firmly fixed in the memories of my generation of Americans. His impressive achievements insure him a place in the history of our era.

Please accept my deepest sympathy on the passing of a respected friend of the United States.

U.S. Ambassador Leonard D. Unger:

In addition to conveying the enclosed letter from President Ford, on behalf of the United States Mission and all American residents in the Republic of China, I would like to offer my deeply felt condolences on the death of President Chiang Kai-shek. Soldier, statesman and builder, I know that his example will continue to inspire and guide the Republic of China.

As you assume your new office in these moments of sadness, I know the challenges and tasks will be many. I wish to assure you that the Mission which I have the honor to head will continue to devote all its efforts to maintaining the friendly, warm relations between our two peoples. I personally look forward to working with you and the Government of the Republic of China for the further enhancement of that relationship.

Former President Richard M. Nixon:

Over the years that began with our first meeting in 1953, I learned to know and respect President Chiang Kai-shek as both statesman and friend

I found him a man of keen intellect, of great gallantry and of unwavering dedication to those principles in which he so fervently believed.

"His leadership on the world scene, which spanned a full half century, has earned him a place as one of the giants of the history of our times."

"Mrs. Nixon joins me in extending our deepest sympathies to Madame Chiang, to Premier Chiang Ching-kuo, and to all who mourn, as we do, the passing of a great wartime ally of the United States and a courageous leader."

Telegram of 25 U.S. Senators on Death of President Chiang Kai-shek

Ambassador Leonard Unger,
American Embassy,
Taipei, Taiwan

Please read at the funeral of President Chiang Kai-shek:

The death of President Chiang Kai-shek left in grief the entire world. The memory of this great leader and fighter for freedom and independence of China and other people in the world will be with us for generations to come.

His enormous contributions to the free nations of the world and to millions of people who long for free and prosperous futures and who stand in defense of principles of justice and human rights will mark the pages of history for many decades and will leave a lasting effect on the future of humanity.

Each of us individually regrets that we cannot personally attend the funeral today. The Senate is in session and we would have been there had we been able to. We wanted to come. We express our deepest sympathy to Madame Chiang Kai-shek and to Prime Minister Chiang Ching-kuo as well as to the People of the Republic of China. Taiwan stands as a living memorial to President Chiang Kai-shek.

Strom Thurmond, John Tower, William L. Scott, Dewey Bartlett, Henry Bellmon, Bill Brock, James L. Buckley, Carl Curtis, Robert Dole, Pete V. Domenici, James O. Eastland, Paul J. Fannin, Clifford P. Hansen, Jesse Helms, Roman L. Hruska, James A. McClure, Herman Talmadge, Jake Garn, Paul Laxalt, J. Bennett Johnston, Ernest F. Hollings, William V. Roth, Jr., Vance Hartke, Milton R. Young, Ted Stevens.

Exhibit 2

Memorial Service for Generalissimo Chiang Kai-shek at Washington Cathedral

(By the Reverend Billy Graham)

When I heard the news on April 5 of the death of the President of the Republic of China I went to my study and closed the door to pray and meditate. It seemed as though the whole extraordinary life of this legendary leader passed in review in my mind

Only thirty years ago he was idolized by a generation of Americans with whom he had fought side by side through years of war. He was one of the "Big four" of the Allies in World War II, along with Roosevelt, Stalin and Churchill. I could not help but recall in my meditation that as a young revolutionary firebrand and disciple of Sun Yat-sen he

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had helped bring an end to the Manchu dynasty. Under his leadership China was united for the first time in a century and he was its leader for nearly twenty-one years.

I thought of his marriage to Soong Mei-ling one of the world's most intelligent and beautiful women. I remember how, during World War II, she addressed a Joint Session of the United States Congress and captivated all America. I remember how the Generalissimo had reluctantly joined hands with Mao Tse-tung and Chou En-lai in order to drive out the Japanese militarists from his native land. After years of battles, dissensions and difficulties that plagued all the countries that had been involved in the long war, he was forced to leave his beloved mainland China. He went to the poverty stricken but beautiful island of Taiwan. He turned it into an economic and political stronghold.

My wife was born and reared in China. My father-in-law went to China in 1916 as a medical missionary. During his years there he met and came to admire Generalissimo Chiang Kai-shek and later Madame Chiang.

I first met Generalissimo Chiang Kai-shek in 1952. The Korean War was in progress and I had gone to spend Christmas with the American troops. After I left Korea, I went to Taipei to be with missionaries, to preach to the Christians, and to visit hospitals and leprosariums on Taiwan. While there I unexpectedly received an invitation to dinner from Generalissimo and Madame Chiang Kai-shek. I was amazed that during my visit almost the entire conversation centered around Christianity.

I have been asked today to speak about the personal Christian faith of this great man. Close friends in whom I have confidence have shared with me what has been, up until now, confidential information about their experiences with the Generalissimo. I believe it would please him and honor our Lord if I share some of them with you today.

As you know, the people of Taiwan have experienced many sorrows. But week before last they experienced "the greatest" of them all. One of my close friends in Taipei said over the phone that "the announcement of his death hit the people like a mighty emotional earthquake. Profound grief and a tragic sense of loss melted the people and caused the tears to flow among the rich, the poor, the young and the old. Their leader who had sat with the mighty Roosevelt, Stalin and Churchill and outlived them all, was dead."

I talked with the Generalissimo and Madame Chiang Kai-shek about their personal faith on a number of occasions. I knew him to be a true believer. And I have heard others who knew him intimately for 50 years say with equal conviction that this indeed was true.

What kind of Christian faith did the Generalissimo have?

First, his was a personal faith. It was genuine. The news media have mentioned that the beatuiful Soong Mei-ling did not wish to marry him until he became a Christian. When he was courting her, her Godly mother was deeply concerned. She sought the help of her pastor to pray with her, and she gave Chiang a Bible to read. When Mei-ling urged him to believe and to embrace the Christian faith, he refused, saying that he was not ready. At that time he was fighting against the war lords in the north of China. On a short trip to Shanghai he told Mei-ling that he had read the New Testament twice but wished to read the Old Testament before making his commitment. In the weeks that followed he was caught up in a difficult military situation. In desperation he called on the "Christian God" of Whom he had been reading, and told Him that if he were delivered and his life spared, he would publicly confess Christ later. True to his promise, he did make a public profession of his faith in Christ and was baptized in 1933. His subsequent life of quiet devotion to Jesus Christ was a demonstration of the reality of his faith.

A short while before his death, holy communion was being served in the tiny church on his estate in Taiwan. He was too weak to attend. He asked the pastor to bring the bread and the wine so that together they could celebrate the Communion there in his room a few days before he died.

Second, his was a quiet faith. He never used his faith as a political tool in his public appearances in Taiwan. Nor did he exploit it for political purposes in his international negotiations. When he spoke politically, he did not mention religion; but when he testified to his Christian convictions in private, his witness was "clear cut" and "positive".

Almost immediately upon his arrival in Taiwan he erected a small brick chapel close by his home. Christian worship was observed there every Sunday. He invited members of his governmental staff and a few guests occasionally to worship with him.

But this was never publicized in the press. The chapel was a place for sincere worship by the Generalissimo and Madame Chiang and their friends.

Thirdly, his was an unashamed faith. For a number of years after moving to Taiwan, it was his custom to go on nationwide radio every Christmas Eve to give a message on the significance of the birth of Jesus Christ. Friends of mine who have heard him were grateful for his quiet but bold assertion that Christmas celebrated the coming of the Son of God to earth to die for men.

On Good Fridays he customarily delivered the sermon in his private chapel for friends and associates who gathered there. One of my close friends attended on several occasions. He said that the Generalissimo gave superb messages on the meaning of the Cross of Jesus Christ.

When Christian missionaries fled "the mainland" to Taiwan, the Generalissimo opened the door of the entire nation to them. As a result of this, the Christian churches in Taiwan have increased 2000% in numbers. Today Taiwan has some of the most dynamic, fastest-growing churches in the world.

One of his most important Christian decisions was made in 1951. Leaders of the Pocket Testament League, an American organization which, since World War I had been distributing New Testaments to military personnel, visited the Generalissimo in his office. They asked his permission to distribute Bibles to his Army. He replied instantly, "Good, good." He then voluntarily issued a statement that was publicized throughout the Army and throughout Taiwan. In it he said, "It always gives me pleasure to have people read and study the Bible, since the Bible is the voice of the Holy Spirit. It reveals the righteousness of God in His love. Jesus Christ our Redeemer gave His life and shed His blood to save those who believe in Him. His righteousness exalts the nation. Christ is the cornerstone of all freedoms. His love covers all sins: all who believe in Him shall have eternal life.

But he did not walk alone. Madame Chiang, his beloved wife, stood by his side in her Christian faith as well as in her work. For more than twenty years she has led a weekly prayer group of influential women in the city of Taipei. Offerings from this prayer group support Christian chaplains in the Army hospitals across the nation.

Fourthly, the Generalissimo was a man of the Bible. Following his conversion to Christianity he studied the Bible, seriously so that he might intelligently understand the Christian faith and the God whom he worshipped. From that time on it was his lifetime habit to read the Bible on his knees every morning. A longtime friend of mine preached at the Generalissimo's church sometime ago. He spoke on a theme that was new to the Generalissimo. Later as the Generalissimo talked to the speaker about the sermon, he called for his Bible. When my friend looked at it, he said he had never seen such a dog-eared, well-marked Bible; verse after verse was underlined with different colored pens. Chiang Kai-shek loved the Word of God and read it faithfully. His favorite verse was Matthew 10:28, "Do not be afraid of those who kill the body but rather fear the one who can kill the soul and body in hell." This fact alone speaks volumes concerning the reality of President Chiang's faith and confidence in God that sustained him through violence, war, and the many crises he endured.

Finally, Generalissimo Chiang was a man of prayer.

From his early days when he battled the war lords and the Japanese in China until the present, he quietly backed all of his activities and associates in prayer.

It was his personal habit to pray alone every morning after reading the Bible. At night he prayed with his wife.

When a Typhoon of great intensity threatened the island of Taiwan a few years ago, he retired to his room. He left orders not to be disturbed, and he went to prayer. A few hours later as the Typhoon swept harmlessly past the island into the sea, he returned from his room.

It is public knowledge among the leadership in Taiwan that just a few hours before the Generalissimo died he called together his wife, his son and five or six of the leading men of the Government.

This included the new President, Mr. C. K. Yen, also a Christian of many years.

He spoke to them about his last wishes; it was his verbal testament to his successors. The first words they heard from his lips on his deathbed were the words, "Jesus Christ." Then he talked to them of his lifelong struggle to bring to China the principles of Sun Yat-sen and the democratic revolution; and then in conclusion he said, "These things and my Christian faith I have never departed from."

If the Generalissimo were to speak for himself today, I think I know what he might say. He would remember the apostle Paul during the last days of his life. He was chained in the Mamertine dungeon in Rome, awaiting the executioner's final blow. As he waited, he wrote a last will and testament to young Timothy.

I think the Generalissimo would have joined him in one part of that letter and would leave for us an imperishable witness to his own life.

He would have said as Paul did: "I have fought the good fight, I have finished my course, I have kept the faith;" Today we do not say goodbye to President Chiang Kai-shek. But as Christians, we say "till we meet again."

CHIANG KAI-SHEK: DEFENDER OF FREEDOM

(Memorial tribute by General A. C. Wedemeyer, Washington National Cathedral, Apr. 16, 1975)

On the last day of October, 1887, in the Province of Chekiang, a boy was born who was destined to become one of the great leaders of China and the modern world. We pay tribute to him today. Chiang Kai-shek's forebears had worked the land for centuries, perpetuating the rich heritage of the "Good Earth." When the boy was eight, his father died, and his mother assumed full responsibility for his upbringing. He often recalled his mother's admonition, "All that I pray for you is that you love your country and preserve the good name of your ancestors, who were men of repute." He credited his mother with inculcating a strong moral code, a sense

of duty, and the ability to face hardships with stoicism. After studying in the village school, the youthful Chiang went to Fenghua for higher education. Later he went to Japan, and for four years led the Spartan life of a cadet in a Japanese military school. There he came in contact with students who, like himself, were interested in political and social as well as military affairs.

Japan also was the scene of Chiang's introduction to the progressive ideas then agitating his own country. He not only became acquainted with the well-known Chinese revolutionary, Chen Chi-mei, but, by an eventful turn of fate, met and favorably impressed Dr. Sun Yat-sen, Father of the Republic of China.

Dr. Sun Yat-sen's new order envisioned the application of three great principles—San Min Chu-I. The first principle referred to national unity. In order to overcome the forces that had kept China weak and divided, this principle would unify the masses in a spirit of common destiny. The second principle conveyed the importance of "the people's sovereignty" or democracy. It affirmed the ideal of universal participation of the people in the affairs of government. The third principle, "the people's livelihood," dealt increased economic opportunity, an equitable distribution of land, and the development of industry.

The intuitive Dr. Sun, pointing a finger at Chiang, told Chen Chi-mei, "That young man will one day be the hero of our revolution." And so it came to pass, Dr. Sun and Chiang, dedicated to the three noble principles, San Min Chi-I, collaborated as joint architects and builders of the New China. Dr. Sun in the role of philosopher and theoretician, Chiang in the role of strategist and doer.

The aims of the movement, as laid down in the three principles, were ambitious ones and worthy of the great humanistic traditions of East and West alike. To achieve these aims, however, in the context of the time and place. and under the politically fragmented conditions prevailing half a century ago in China, was a task of superhuman dimensions.

It was under such conditions that Dr. Sun and Chiang Kai-shek launched their program to implement the three principles—San Min Chu-I. Until 1925 they worked effectively in eliminating or gaining the support of the majority of powerful and independent war lords. Further, they boldly countered the sinister political influence of Russian Communists who had been accepted as purely military advisors.

After the untimely death of Dr. Sun in 1925, Chiang alone bore, with courage and dedication, the burdens of leadership. He instituted many constructive programs, always within the framework of Sun Yat-sen's three principles. Progress was notable—so much so that throughout the Far East the period 1927–1937 was often referred to as "the Golden Decade."

Tragically, all of these constructive steps were abruptly halted in 1937. The Japanese, determined to prevent the development of a strong, unified government in China, and aware of China's military weakness, created an incident that inexorably led to war. For four embattled years, Chiang and his people fought bravely. They were no match, however, for the modern, well-equipped, and numerically superior Japanese invaders, who advanced steadily. All the seaports and communications in the eastern third of the country were soon overrun by the enemy. China's future was bleak. Then in December, 1941, the Japanese attacked Pearl Harbor, an event which dramatically changed the entire array of forces in the Far East. The hard-pressed Chinese were no longer isolated in their struggle against aggression. The war had expanded to global dimensions.

President Roosevelt and Prime Minister Churchill enthusiastically accepted Generalissimo Chiang as a co-equal partner, and he was designated the Supreme Commander for the Allied Powers in the Far East. America and Britain began to send military supplies which, though limited in quantity, greatly heartened the Generalissimo and his people. Crisis after crisis occurred as Japanese aggression continued. Nonetheless, the Chinese kept fighting—even when the Japanese, alarmed by early American successes in the Pacific, twice offered the Generalissimo very favorable terms of peace. If he had accepted those peace terms, more than a million veteran Japanese soldiers who were fighting in China could have been released for immediate employment against American forces under Admiral Nimitz and General MacArthur.

Chiang attended the Cairo Conference in 1943 as a member of the Allied Big Four. It should be emphasized that Stalin was not present. During the deliberations, Mr. Roosevelt and Mr. Churchill unequivocally recognized Chinese sovereignty over Manchuria, Taiwan and the Pescadores. After one of the sessions in Cairo, I heard President Roosevelt describe Chiang Kai-shek as a man of great courage and vision, with a remarkably keen understanding of the problems of today and tomorrow.

The next conference of Allied leaders occurred almost two years later at Yalta. Chiang was not invited—nor was China represented. Completely repudiating the Cairo understanding regarding China, the conferees at Yalta granted the Soviet Union 50% control of the Chinese Eastern Railway in Manchuria, and control of the Chinese territories of Port Arthur and Dairen. Chiang was subsequently informed and reluctantly accepted these decisions, bitter and humiliating as they were. His foreign policy had uniformly been based on cooperation with reliance on the United States, China's traditional friend.

After eight long years of debilitating war, the Japanese were decisively defeated. Unfortunately, the victory celebration in China was short-lived. Chiang and his Nationlist forces were immediately confronted with another serious threat, the Chinese Communists. The Communists had not contributed to the defeat of Japan, but had used the long crisis to arm themselves, with the support of the Soviets, in preparation for the eventual seizure of power. Now in the hour of victory they struck. It soon became apparent to the Generalissimo that his government—which withstood for many years the savage attacks and exploitation at the hands of the Japanese—was no longer able to withstand the new onslaught. Weakened and demoralized, he and his loyal followers withdrew to the island stronghold of Taiwan and established a government in exile.

Today Taiwan exists as a showplace of freedom in the Far East. The same rehabilitation program which President Chiang had envisaged for mainland China at the close of World War II was promptly inaugurated on Taiwan. This program included land reform, compulsory education for all children, a modernized, well-trained army, and universal suffrage. Today the seventeen million people on Taiwan enjoy freedom, prosperity, and the unintimidated opportuntiy to exercise their God-given talents. Millions of Chinese have defected to Taiwan and elsewhere in the free world from mainland China, while millions more hopefully await their release from bondage and the opportunity to enjoy the freedom of San Min Chu–I.

May I briefly recount my personal experience with Generalissimo Chiang Kaishek during nearly two years of almost daily association as his Chief of Staff and American Commander. During the closing years of World War II, and several months thereafter, China experienced many problems, both military and diplomatic. During these difficult times, my respect and esteem for President Chiang as a gentleman, as a patriot, and as a dedicated leader steadily grew. People really come to know each other when they strive together to turn the millstones and grind out the decisions where the lives, the destinies, and the treasure of a nation are involved.

I pay tribute to this great man, Chiang Kai-shek, with deep and abiding sympathy for his bereaved widow and loved ones, and for the Chinese people. They, and we, have lost a friend who symbolized the hope of millions of liberty-loving people throughout the world.

Chiang knew that human freedom was the foundation on which the modern state must be built, just as he knew that in the larger sphere of international relations, where there is freedom, there is little danger of war and a greater possibility of peace. He once wrote:

"If when I die I am still a dictator, I will certainly go down into the oblivion of all dictators. If, on the other hand, I succeed in establishing a truly stable foundation for a democratic government, I will live forever in every home in China."

It was not given to him, during his life, to establish such a foundation on the mainland of Asia. Who can doubt, however, that he laid a cornerstone of freedom on Taiwan, a foundation upon which future generations can build with confidence?

EXHIBIT 3

[From the China News, Apr. 15, 1975]

DAY OF MOURNING

Tomorrow will be the Republic of China's supreme Day of Mourning. Not since the disciples of Confucius gathered to mourn their teacher has there been such an occasion.

Eulogies and elegies will praise the fallen leader in soaring language.

The great and the near great have come from all over the world to pay their tributes.

But it is the sorrow of the people that is most impressive.

There was no compulsion to file through the Sun Yat-sen Memorial Hall for a last farewell.

These people came from all over the island and from overseas Chinese communities abroad.

Many never saw President Chiang Kai-shek alive. But he was their leader, trusted and all-knowing.

With his hand at the helm they had no fear. They knew that right and justice would prevail.

The people's respect for Chiang Kai-shek is not a reflection of his successes, which were many, but of his principles.

In all his long and active life, he never wavered from belief in his own values and those he learned from Sun Yat-sen, the Founding Father.

We live in a time of opportunism rather than principle. Men—even great ones—excuse their changes of direction by citing the need for realism.

All is pragmatism. Virtue is transitory. Morality is old-fashioned. Idealism is foolish. Absolute values do not exist.

President Chiang accepted none of this. He lived by the precepts he learned at his Mother's knee, the wisdom of Confucius, the guidelines of Sun Yet-sen, the love and kindnes of the gentle Jesus and the discipline and righteousness of Almighty God.

The people's appreciation of this is deeply meaningful. They have not joined the existentialists in concluding that empiricism is all and that the metaphysical exists only in the imagination.

When a nation is made up of people of faith and conviction, all things become pos-

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sible. President Chiang's unattained goals are brought within reach by the people's singleness of purpose.

This Day of Mourning and National Memorial Services do not constitute a State Funeral.

That is reserved for the mainland with entombment at Nanking. In that moment the 800 million people of continental China will have their chance to join Taiwan's 16 million in expressing their feelings.

The postponement of the State Funeral until the mainland has been recovered is not a gesture. It symbolizes ability to complete the task to which President Chiang had devoted the last 25 years of his life.

Tomorrow the hearts of the people will brim over with sorrow. These tears will be the catharsis of the nation.

On Thursday, mourning will turn to resolution. Everyone with admiration and respect for President Chiang will turn to his work with new energy and confidence.

All of us, civilian and soldier alike, as the Generalissimo so liked to say, has our part to play in assuring that the China of tomorrow will belong to Confucius, Sun Yet-sen, Chiang Kai-shek and the Chinese people.

Exhibit 4

[From the China News Supplement, Apr. 15, 1975]

On the Passing of President Chiang

(Near midnight on April 5, President Chiang Kai-shek passed away after a heart attack in the wake of a lengthy illness that had sent him to semi-retirement for more than two years. At 87, he was the last among the four major World War II leaders to die. The others—Roosevelt, Churchill and de Gaulle—had long since left the world. In a way President Chiang was greater than any of the other three. For more than half a century, the life story of the late President was the history of the Chinese Republic itself. He was, most important of all, the only world leader to see the evil nature of Communism long before others did. In China he nearly succeeded in stamping out a Communist rebellion but for the Japanese aggression in 1937–45 that allowed the Maoist rebels to build up their strength and expand their area of control. The following is a brief summary of the life of President Chiang.—Ed.)

President and Generalissimo Chiang Kai-shek was unique among the chiefs of state in the modern world. He helped preside at the birth of the Republic of China, helped give special character to the first republican experiment in Asia. Then—as China's chief of state for forty years—he himself had been continuously regenerated in the fires of his own dedicated leadership.

Chiang Kai-shek is a name with which to conjure, a figure who stood among the very greatest of the 20th century. He took his place at the side of modern China's founding father, Dr. Sun Yat-sen, even before the Revolution of 1911. When the first shots were fired at Wuchang, he rushed home from Japan to join the revolutionaries on the barricades. A decade and a half later Sun Yat-sen was gone and it remained for Generalissimo Chiang to take the helm, defeat the warlords, and unify China.

For fourteen years—eight of them in hot war—he was the nemesis of militaristic Japan, then generously extended a peace without vengeance to the defeated Japanese. He fought Communism longer and harder than any other free world statesman, past or present. He was the colossus of freedom fighters, standing astride Taiwan and defying every undertaking of the Communists to dislodge him. Amidst the struggle he had built Taiwan into the strongest, most prosperous province in Chinese history.

This is the man who met with Churchill and Roosevelt at Cairo and with Mahatma Gandhi at Calcutta. This is a man who had never compromised either principle or ideal in his battle for the truth and in his endeavors to set his people free. This is the man who had pledged he would never leave the island of Taiwan until he returned to the mainland to liberate 700 million Chinese people from Communist tyranny.

Chiang Kai-shek, who was known to his countrymen as Chiang Chung-cheng, was born October 31, 1887, to a Chikow farm family in the district of Fenghua in the coastal province of Chekiang. His forbears had been farmers for generations, but his grandfather and father also acquired local renown for scholarship. He was only 8 when his father died and his mother had a strong influence on him during his formative years. Although a devout Buddhist who hoped her son would become a scholar, she understood and accepted his 1906 decision to go from high school in Fenghua to a military academy in Japan. The young Chiang, who as a little boy had liked to play at war games, had decided to be a soldier.

During his Japanese school years, he came under the influence of Chinese revolutionaries who had gone to Tokyo to escape the wrath of the Manchu authorities. He came to know revolutionary leader Chen Chi-mei as early as 1906, and in 190[illegible], the same year he was graduated from Japanese military school, he met Dr. Sun for the first time and joined the Tung Meng Hui (Society of the Common Cause), forerunner of the Kuomintang (Nationalist Party).

"That man," said Dr. Sun prophetically, pointing to military cadet Chiang, "will be the hero of our revolution."

Chiang joined the 13th Field Artillery Regiment of the Japanese Army as a candidate for admission to the Japanese Military College. But the Chinese Revolution began on October 10, 1911, and he could remain patient no longer. When he reached Shanghai, Chen Chi-mei gave him command of revolutionary forces attacking Hangchow, the capital of Che-kiang. His spectacular victory was the first in a lifetime of exceptional military exploits.

For the next 10 years he held various commands and steadfastly supported Dr. Sun in the confusing struggle of warlords versus freedom-seeking revolutionaries. In June, 1922, Canton warlord Chen Chiung-ming turned against Sun Yat-sen, who took refuge on a gunboat anchored off Whampoa. Chiang rushed to the side of the Republic's founder and stayed through 56 days of a dangerous ordeal. The common experience brought Chiana Kai-shek into a more intimate relationship with Dr. Sun, who in 1923 sent his young lieutenant to Moscow for a four-month look at the Soviet Union. Chiang returned with his famous "don't trust Russia" report. When the Whampoa Military Academy was established in 1924 to train officers for the revolutionary army, Chiang Kai-shek was named its commandant.

Sun Yat-sen died on March 12, 1925, aged only 59, in the old capital of Peking, whence he had gone to seek peace with the northern wardlords. The mantle of leadership fell on Chiang, who in the following year was named commander-in-chief of the National Revolutionary Armed Force and sent on the great March Northward that was to bring all of China under the National Government of the Republic. The campaign took two years. After the liberation of Shanghai in 1927, Chiang married Mayling Soong, the daughter of one of China's most distinguished families and a graduate of Wellesley College in Massachusetts. Soon afterward he joined his wife in the Christian faith, which has been a powerful force and source of inspiration in his daily life ever since.

During the years from 1928 to 1948, he held various official positions: President of the Executive Yuan, Chairman of the Military Council, and Chairman of the National Government. Conflict with Japan prevented constitutional rule during this period, and the Kuomintang and government exercised power under a plan of political tutelage that had been proposed by Dr. Sun. Four regional revolts were put down in 1929 and 1930. Then, in 1931, the Japanese invaded Manchuria to begin their 14-year-long attempt to dominate China.

War with Japan was formalized July 7, 1937, and entered upon a hot stage that was to last until 1945. Throughout those terrible, exhausting eight years—for half of which China doggedly fought the Japanese militarists alone and unaided—Chiang Kai-shek was the country's unyielding rock of reliance. He could have surrendered. Japan was looking for puppets. Not for a moment did he think of such a way out. He rallied the people and led the armies and kept the Japanese out of China's vast hinterland. With his other hand he held at bay the Communists, who were trying to stab the government in the back even as it grappled with the Japanese. Pearl Harbor sealed Japan's fate. But China was still the farthest front. Assistance to the Chinese remained scant right down to V–J Day. The people suffered grievously and devastation was widespread. The government had to face a thousand serious domestic problems as well as the Japanese and Communist enemies. It was the towering figure of Chiang Kai-shek, able administrator as well as victorious general, who held the nation together.

As 1945 neared an end, Japanese prisoners were forgiven and quickly sent home, a magnanimous gesture by Chiang that contrasted sharply with Stalin's imprisonment of every Japanese he could get his hands on. China had fought Japan for eight years, Russia for a few days. Tragically, the Republic was worn out, its economy war-wrecked, at the very moment the Communists were preparing to make an all-out bid for power. Russia's infamous Manchurian treachery strengthened the Chinese Reds for their final push. In violation of agreements made with the Chinese Central Government, the Russian Communists protected Mao's men as they moved into Manchuria and took over weapons of the defeated Japanese. The civil war raged on. Coalition was attempted and failed. American mediation proved futile. The Communists had decided on total power or nothing.

With the strong encouragement of Chiang Kai-shek, the journey toward Sun Yat-sen's goal of democratic constitutional government was resumed as soon as the Japanese were shipped home. Chiang believed more freedom, not less, was the way to combat the machinations of the Communists. China's Constitution was drafted, approved, and brought into force. On March 29, 1948, Chiang Kai-shek was elected by the popularly chosen National Assembly as China's first constitutional President. An elected Legislative Yuan, elected Control Yuan, and other instruments of constitutional government also began to function.

President Chiang showed the totality of his patriotism in January of 1949, when he temporarily retired from the presidency and went to his home town, hopeful that this would open the way to peaceful settlement of civil conflict. His unselfish gesture was of no avail; negotiations collapsed. Three months later the President was compelled to become active once more in a last attempt to save the mainland from Communism. Although he did not then resume his

presidential powers, he personally rallied resistance at Shanghai, Canton, Chungking, Chengtu, and other beleaguered cities. Almost single-handed, he kept the spark of the freedom fight alive for many months. He flew to the Philippines to confer with President Elpidio Quirino and to Korea to meet with President Syngman Rhee in a quest for free Asian anti-Communist unity and alliance. It was too late for the mainland. On October 1, the Communists proclaimed their so-called Peoples' Republic. In December, 1949, government forces made their last stand in Szechwan and the national capital was moved to Taiwan.

Superlative strategist that he was, Chiang already had prepared for the possible use of the island province of Taiwan as a last redoubt. Naval and air force units were sent to the Netherlands-size island 100 miles off the Fukien coast. Armies were withdrawn to Taiwan from Shanghai and Canton. Communist insurgents finally were stopped at the water's edge in a battle for the offshore island of Kinmen. The Legislative Yuan asked Chiang to resume exercise of presidential powers, and he did so on March 1, 1950, vowing to make Taiwan a model province and the bastion of counterattack and the national recovery. He had succeeded beyond all but his own expectations.

Militarily, the forces on Taiwan are the strongest in free Chinese history. Attacks on the offshore islands of Kinmen and Matsu, and in the Taiwan Straits, have been hurled back. The island is second only to Japan in terms of East Asian prosperity—a per capita income of $700 a year, foreign trade of more than $13 billion, and economic growth in excess of 8 per cent annually. Industry is growing at a rate of between 15 and 20 per cent. Agricultural production has doubled in the last two decades and is sufficient to feed a population of 16 million and leave a big export surplus.

Despite the unceasing Communist invasion threat, freedom has been expanded, not curtailed. Local and provincial governments are popularly elected by secret ballot. The 1966 session of the National Assembly authorized election of additional representatives from Taiwan to reflect free China's population growth in the organs of the Central Goverment. The Assembly also gave President Chiang emergency powers to direct the final phase of the struggle against the Communists, and authorized the creation of a special organ to assist him and to carry out civil government in recovered areas. President Chiang told Assemblymen they had strengthened "the source of national authority" while contributing "to a new Chinese constitutional era in which freedom and democracy go hand in hand with national mobilization to suppress the Communist rebellion."

As a boy, Chiang Kai-shek marveled at the courage of fish swimming against the raging currents of mountain streams near his home. "In the same way," he said, "men have to fight against the odds of life, often repulsed but never despairing." President Chiang's fight for a new and better China had endured through five score years. He had known victory and defeat but he had never despaired. His confidence in himself and in China's future of freedom remained resolutely unshakable to his last day.

Mr. CURTIS. Will the distinguished Senator yield?

Mr. FONG. I will be happy to yield.

Mr. CURTIS. Mr. President, I wish to express my gratitude to our distinguished friend, the Senator from Hawaii, for his statement today. We are grateful for the fact that he was included in the group that went to the funeral of the late Chiang Kai-shek.

Senator Fong today has, in a very concise way, set the record straight concerning this great and good man, Chiang Kai-shek. As long as freedom prevails anywhere in the world, men of good will who love freedom will remember the career, the work, and the principles for which Chiang Kai-shek stood.

I remember the day that Madam Chiang Kai-shek appeared before a joint session in the Hall of the House of Representatives pleading the cause of her people.

I have followed the public service of President Chiang Kai-shek and his good wife throughout the years.

Our world is a much better place because of them. Our history and our life have become different as their desires and their programs have prevailed.

I again express my gratitude to Senator Fong for his stating in a very concise way the importance, the contributions, and the greatness of this man who has done so much for the free world.

I join with the Senator and others in our expression of sympathy to Madam Chiang.

I thank the distinguished Senator for yielding.

Mr. FONG. Mr. President, I wish to thank the distinguished Senator from Nebraksa for his very kinds words.

I was indeed privileged to be a member of that delegation. When I started out to prepare the tribute to President Chiang, I was amazed to find there were so many things that I did not know. The more I went into the history of this man, the more I began to admire him.

Here was a good Christian who really fought for freedom, for justice, and for equality and who, instead of wreaking vengeance on the Japanese prisoners and exacting war reparations from the Japanse people, was magnanimous toward the foe he vanquished.

Here was a man who, even though he was doublecrossed, stood by America through thick and thin.

Here was a man who, if he had given in to the Japanese entreaties to lay down his arms and join with them, would have changed the course of history.

What would have happened if he had laid down his arms and released a million Japanese soldiers to fight against us in the Pacific? Probably we would have won the war with the atom bomb, but it would have been very, very costly. Imagine if we had given him the aid to really bring his war-torn country to where he could dispose of internal dissension, and imagine if all China had remained democratic and really adhered to the principles he demonstrated in his work on the Island of Taiwan. Where would this world have been?

Would we have had a Korean war? Would we have had a Vietnam war? Would we have had a Cambodian war? Would our country be in such dire economic straits as we are today?

I daresay if we had given him the aid we should have given him to reconstruct his war-torn country and put down insurgency, it could have been unified under a democratic, constitutional government, which he was trying to give to the Chinese people. History would have recorded a very different story and we would have had a better world.

It is too bad we were so shortsighted in our approach to the Chinese problem in the 1945–49 period following the end World War II.

I want to say again that it was my privilege to be a member of the delegation. All who read the story of Chiang Kai-shek's life cannot but admire him. He has a very bright place in the history of the world.

The ACTING PRESIDENT pro tempore. The Senator's additional 5 minutes have expired.

Mr. ROBERT C. BYRD. Does the Senator wish any additional time?

Mr. FONG. No, I do not.

The ACTING PRRESIDENT pro tempore. The Senator from West Virginia has 10 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana (Mr. Mansfield) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Mansfield I yield back the time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

ORDER FOR CONSIDERATION OF S. 1484

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business, the Senate proceed to the consideration of S. 1484, a bill to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VIETNAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an article by Anthony Lewis, "In Pursuit of Folly" in today's New York Times, and "The New Vietnam Myth" by Richard Holbrooke in yesterday's Washington Post be printed at an appropriate point in the Record.

There being no objection, the articles

were ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 21, 1975]

In Pursuit of Folly

(By Anthony Lewis)

To the end, Vietnam retains its mysterious capacity to bring out the worst in American leaders: to distort their vision and paralyze their judgment. It is a phenomenon that historians will have to try to explain.

The American people in overwhelming number, and Congress with them, have learned the lessons of folly. They know now that intervention in Southeast Asia was a mistake from the beginning. They know that the idea of building a nation on the American model in South Vietnam was a delusion. They know that it did not work and that no amount of arms or dollars or blood could ever make it work.

But the President and the Secretary of State have learned nothing. As their policy crumbles, they go on with their fantasies and their inventions. They tell us that more of what brought disaster will work. They praise the Saigon and Phnom Penh leaders who have turned out to be not only corrupt but inept. Solemnly calling for unity in this country, and no recrimination, they play the politics of blame and division.

"I wish to express my admiration for the Cambodian government leaders," President Ford said as the Lon Nol regime fell, adding an expression of "compassion" for the people of Cambodia.

Admiration! For politicians who fattened on American aid as their people starved. For military officers who made their soldiers pay for the rice sent by the United States—or supplied no food , so that some were reduced to cannibalism. For officials who forced United Nations relief agencies to pay $100,000 for the privilege of flying in powdered milk for government that, even as it fell, was arranging to have a New York bank pay $1 million to Lon Nol out of the Cambodian account.

Compassion! The word should burn in the mouths of American leaders after what we did to Cambodia. We dragged a peaceful country into a useless, devastating war—for our purposes. The Cambodian Ambassador in Washington, Um Sim, summed it up in poignant words:

"You took advantage of us, of our inexperience. As you are much cleverer than we are, you could induce us into this fighting. . . . If the United States had respected our neutrality, then the fighting, the killing and things might not have happened. . . ."

As to Vietnam, in the teeth of the evidence Mr. Ford goes on saying that more aid would have made the difference—or still could. Secretary of State Kissinger says darkly: "We shall not forget who supplied the arms which North Vietnam used to make a mockery of its signature on the Paris accords."

That piece of bombast was presumably meant to make the gullible think that China and the Soviet Union sent more arms to North Vietnam than we did to the South. But that was never so in the long history of the war, and has not been since the 1973 Paris agreement. C.I.A. figures show that China and the U.S.S.R. cut their military aid in half after the truce. Nor was there any Communist equivalent of the $1 billion in arms that we rushed to Saigon just before the truce.

"The United States did not carry out its commitment in the supplying of military hardware," President Ford said last week. That echoed his previous claim that we had "promised" to replace all of Saigon's arms losses.

But there was no "promise" or "commitment" of the only kind that can bind this country under our constitutional system: something known to Congress, which it approved or acquiesced in. Secret letters from Richard Nixon to Nguyen Van Thieu cannot commit this country; nor can presidential words of the kind cited by the White House when the claim was challenged—generalized statements that we "expect" to supply arms in unspecified amounts.

All this is worse than just verbal humbug. After the military collapse the only hope of saving something was negotiation, which first required a new government in Saigon. Instead Mr. Kissinger and Mr. Ford beat their breasts, talked of rebuilding Saigon's "strength" and propped up President Thieu. They did nothing serious to get Americans out until Congress forced action on them. And the weeks wasted in pursuit of illusions have probably foreclosed any chance of getting out significant numbers of Vietnamese.

But the words are also damaging in themselves. The credibility of American leadership can never be restored until some President stops trying to save face, until some Secretary of State tells the truth, until our leaders admit the mistakes of the past and try to learn from them for the future.

The world can see that as well as the American people can. The Sunday Times of London put it: "The massive lies involved in the Asian policy have done as much to damage American society and America's reputation as the failure of the policy itself."

[From the Washington Post, Apr. 20, 1975]

The New Vietnam Myth

(By Richard Holbrooke)

The anguish over the human suffering in Indochina is justifiable enough, and more should be done by the United States to deal with that problem. The concurrent anguish over the failure of American power, the growing feeling that Thieu's failure is our failure, strikes me as a dangerous theme, inaccurate and divisive.

Strangely. it has been the primary architects of our policy, including not only the present Secretary of State but also some of the more distinguished members of the Johnson administration, who have been most persistent in pursuing this theme. Almost every night for the last few weeks, it has been possible to turn on the television and find someone like Walt W. Rostow telling us that our refusal to come to Saigon's aid in its moment of maximum need is proof positive that our nation has lost its will and is on a long decline toward second rate status. Presumably one of the objectives of those pushing this pernicious line is to redirect the blame they fear will wash over all of us toward someone else—in this case Congress.

The effort is tragically misplaced. It overlooks recent history, closes its eyes to facts, and—most ominously—begins the creation of a new Vietnam myth.

History can begin almost anywhere in this long war, but the relevant benchmarks for the present situation are the Paris cease-fire agreements of January 1973 and the congressional vote to cut off all further American military activity after Aug. 15, 1973.

With the Paris agreements the Nixon administration told us that it was achieving peace with honor; all it actually did was exchange a withdrawal of our remaining forces and the cessation of bombing for the release of American prisoners of war. Each side made two important concessions during the talks: We agreed to drop our demand that North Vietnamese troops leave South Vietnam, and Hanoi agreed to drop its insistence that we dump President Thieu before the cease-fire. On that basis the deal between Hanoi and Washington was completed with one additional important, but highly ambiguous, section: Efforts would be made to get the two Vietnamese sides talking to each other.

This last clause was crucial. If movement were not made toward carrying it out, it was certain that the fighting would gather momentum again and that sooner or later it would explode into another offensive. No one who knew the North Vietnamese and their total, ruthless determination to win the war believed anything else, and the only debate was over when it would happen. Most people, including myself, thought it would come in 1976.

The American government had a choice before it at that point: how hard to push the Saigon government toward a compromise political settlement. For years some far-sighted people, like W. Averell Harriman, had advocated a far tougher line with Saigon. Recognizing the risks involved and the potential charge of American interference, he and others believed that the alternative of continuing the current policy was far worse in the long run.

That proposal had always run counter to the policy which apparently prevailed in the administration: keep American objectives unchanged (that is, seek a non-Communist South Vietnam), and try to strengthen the government for another and inevitable military showdown with Hanoi.

From the signing of the Paris agreements until the congressional vote, that policy, while highly misleading to the American public who thought we had gotten out of Indochina, was still possible. But when the Congress voted the absolute cutoff as of Aug. 15, 1973, and when Richard Nixon, reeling from Watergate disclosures and already too weak to challenge the resolution, signed it, the absolute limits on American involvement in Indochina had been set. The vote, which seemed important at the time more for its symbolic value and its impact on Cambodia, now can be seen in retrospect to have been one of the most important events of the whole war. A floor manager of the legislation in the House was Gerald R. Ford.

The world was now on notice that we could never return to Indochina with bombers or ground troops, or, even advisers. Militarily, for us it was over.

Yet through aid programs and words, through policies which no longer had the potential teeth of the threat of the use of force, we pursued our old objectives. I believe history will record that our failure to adapt our political strategy and objectives to the new limits set by Congress was one of the great blunders of the whole war.

In Saigon, meanwhile, instead of using all its influence, which was still considerable, to press Thieu forward into negotiations, the administration allowed itself to be lulled into hoping that Saigon would be strong enough.

Three times in the 1960s the North Vietnamese had come south in great numbers. Three times they had been beaten back only with massive American military muscle. In 1965, it took American ground troops and the air strikes in the north to stem the tide. In 1968, the Tet offensive came within inches of success; a half a million Americans and more air strikes saved the day. In 1972, it took the heaviest air attacks in the history of warfare to stop Hanoi. What, then, was the basis for the hope that the next time the South Vietnamese could do it without us?

We were banking on that perennial hope of American officials in Saigon; that the South Vietnamese Army was getting stronger and better and would be able to deal with the next military challenge from Hanoi without American help. Putting our hopes into this flimsy basket, the administration, without realizing what it was doing, placed itself as a hostage to the South Vietnamese Army.

When the disaster struck, it happened a year before most observers expected it and the speed of the disintegration of the South Vietnamese Army stunned virtually everyone. Ironically, it was those people least familiar with Vietnam who tended to be least surprised by the ARVN's collapse. "What else did you expect?" they would ask while veterans of Indochina would try to explain that the South Vietnamese Army had fought, and often fought well, in the past.

Whatever the reasons for the collapse, it confronted the administration with a wholly new situation, one with which it has dealt poorly. Rather than cut its losses, and accept what now appeared to be an inevitable defeat for its friends in Saigon and Phnom Penh, the administration insisted on advertising to the world its belief that the outcome, even if unavoidable, would be a disaster to America.

What better way to advertise the decline of American power? In fact, what better way to make the decline seem all too real—although in fact the "loss" of Indochina should no longer be regarded as our loss and the defeat of Nguyen van Thieu, if it takes place, should no longer be regarded as our defeat.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Johnston) laid before the Senate messages from the President of the United States submitting sundry nominations and also a message withdrawing the nomination of William I. Greener, Jr., of Virginia, to be an Assistant Secretary of Housing and Urban Development, which was sent to the Senate on January 23, 1975, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:39 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the joint resolution (H.J. Res. 375) making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

The message also announced that the Speaker has appointed as a member of the U.S. delegation to the Canada-United States Interparliamentary Group the gentleman from Ohio (Mr. Mosher) vice Mr. Horton, resigned.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Johnston):

A petition seeking a redress of grievances from the Statewide Committees Opposing Regional Plan Areas, of Butte, Mont.

A petition seeking a redress of grievances from the Statewide Committees Opposing Regional Plan Areas, of San Francisco, Calif.

LEGISLATIVE REVIEW—REPORT OF A COMMITTEE (REPT. 94–90)

Mr. CANNON. Mr. President, pursuant to section 136 of the Legislative Reorganization Act of 1946, as amended, I submit a report on the oversight activities of the Committee on Rules and Administration during the 93d Congress.

The ACTING PRESIDENT pro tempore. The report will be received and printed.

ORIGINAL BILL AND ORIGINAL RESOLUTION REPORTED DURING THE ADJOURNMENT OF THE SENATE

Under the authority of the order of Friday, April 18, 1975, Mr. Sparkman, from the Committee on Foreign Relations, submitted the following reports:

S. 1484. An original bill to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes (Rept. No. 94–88); and

S. Res. 133. An original resolution expressing the sense of the Senate that the President should undertake immediate efforts to obtain a cessation of hostilities in Vietnam through negotiation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CASE (for himself, Mr. Beall, Mr. Biden, Mr. Brooke, Mr. Griffin, Mr. Philip A. Hart, Mr. Hathaway, Mr. Mathias, Mr. McIntyre, Mr. Muskie, Mr. Pastore, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Roth, Mr. Schweiker, Mr. Hugh Scott, Mr. Stevenson, Mr. Weicker, and Mr. Williams):

S. 1485. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

By Mr. ROBERT C. BYRD:

S. 1486. A bill to amend the National Trails System Act by designating the Potomac Heritage Trail located in portions of Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia, as a component of the National Trails System. Referred to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1487. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes. Referred to the Committee on Commerce.

By Mr. YOUNG:

S. 1488. A bill for the relief of Dr. Timothy Kam-Hung Chung. Referred to the Committee on the Judiciary.

By Mr. BROOKE:

S. 1489. A bill for the relief of Elizabeth Cheng. Referred to the Committee on the Judiciary.

By Mr. MORGAN:

S. 1490. A bill for the relief of Ok Sun Yang. Referred to the Committee on the Judiciary.

S. 1491. A bill to amend the Internal Revenue Code of 1954 to provide that unmarried individuals shall be subject to the same income tax rates as married individuals filing joint returns. Referred to the Committee on Finance.

By Mr. LONG:

S. 1492. A bill to provide incentives and otherwise to encourage the utilization of home-dialysis and to encourage early kidney transplantation under the renal disease program authorized under section 226 of the Social Security Act. Referred to the Committee on Finance.

By Mr. MORGAN:

S. 1493. A bill to amend title II of the Social Security Act to increase to $3,600 the annual amount which individuals may earn without suffering deductions from their social security benefits on account of excess earnings Referred to the Committee on Finance.

By Mr. PACKWOOD:

S. 1494. A bill for the relief of Paul W. Williams. Referred to the Committee on the Judiciary.

By Mr. DOLE:

S. 1495. A bill to amend the Occupational Safety and Health Act of 1970 and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. DOMENICI (for himself, Mr. Moss, Mr. Hugh Scott, Mr. Case, Mr. Metcalf, Mr. McGovern, and Mr. Laxalt):

S. 1496. A bill to amend title XVIII of the Social Security Act to authorize expanded home health services under Medicare. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CASE (for himself, Mr. Beall, Mr. Biden, Mr. Brooke, Mr. Griffin, Mr. Philip A. Hart, Mr. Hathaway, Mr. Mathias, Mr. McIntyre, Mr. Muskie, Mr. Pastore, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Roth, Mr. Schweiker, Mr. Hugh Scott, Mr. Stevenson, Mr. Weicker, and Mr. Williams):

S. 1485. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

Mr. CASE. Mr. President, today I am introducing an amendment to the Internal Revenue Code to exempt State lotteries from the Federal wagering tax.

My amendment is cosponsored by Senators Beall, Biden, Brooke, Griffin, Hart of Michigan, Hathaway, Mathias, McIntyre, Muskie, Pastore, Pell, Percy, Ribicoff, Roth, Schweiker, Scott of Pennsylvania, Stevenson, Weicker, and Williams.

When the wagering tax was written into the code in 1951, there were no State lotteries. The original provisions of the statute called for a 10-percent tax on the gross revenues from wagers and a $50 occupational tax on "those engaged in receiving wagers." Last year, the Con-

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gress amended the statute to require a 2-percent excise tax and a $500 occupational tax.

The Internal Revenue Code now exempts from the excise and occupational taxes only those State lotteries in which the winners are determined by the results of a horse race. According to the Treasury Department, although the original New Hampshire lottery fell within this exemption, it is doubtful whether any of the 13 States currently conducting lotteries falls within the exemption at this time. These States are New Jersey, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New York, Ohio, Pennsylvania, and Rhode Island.

My amendment would exempt those lotteries "conducted by an agency of a State acting under authority of State law" where wagers are placed with the State agency or with its authorized employees or agents. Exemption from the excise tax is certainly important in terms of the profitability of New Jersey's lottery and the lotteries of the other States. And to require a $500 occupational tax from each of the lottery outlets in our State would have a devastating impact. I understand the Treasury supports this exemption, and I hope the Congress will act speedily on this matter.

I ask unanimous consent to include the text of my amendment at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "State Lottery Exemption Act of 1975".

SEC. 2. (a) Section 4402 of the Internal Revenue Code of 1954 (relating to exemptions from the wagering tax) is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) STATE-CONDUCTED LOTTERIES, ETC.—On any wager placed in a sweepstakes, wagering pool, or lottery which is conducted by an agency of a State acting under authority of State law, but only if such wager is placed with the State agency conducting such sweepstakes, wagering pool, or lottery, or with its authorized employees or agents.".

(b) Section 4462(b) of such Code (relating to exclusions from definition of coin-operated gaming device) is amended—

(1) by striking out "or" at the end of paragraph (1),

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", or", and

(3) by adding after paragraph (2) the following new paragraph:

"(3) a vending machine which—

"(A) dispenses tickets on a sweepstakes, wagering pool, or lottery which is conducted by an agency of a State acting under authority of State law, and

"(B) is maintained by the State agency conducting such sweepstakes, wagering pool, or lottery, or by its authorized employees or agents.".

(c) The amendment made by subsection (a) shall apply with respect to wagers placed after March 10, 1964. The amendments made by subsection (b) shall apply with respect to periods after such date.

By Mr. ROBERT C. BYRD:

S. 1486. A bill to amend the National Trails System Act by designating the Potomac Heritage Trail located in portions of Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia, as a component of the National Trails System. Referred to the Committee on Interior and Insular Affairs.

A BILL TO ESTABLISH THE POTOMAC HERITAGE TRAIL

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a bill to establish the Potomac Hertage Trail as a national scenic trail that would link superb natural and historical characteristics of four States and the District of Columbia.

Sixteen million people reside within 100 miles of this proposed route, and the millions of tourists who visit the Nation's Capital each year would have easy access to this trail. The bill I am proposing has the support of the Secretary of the Interior and the Bureau of Outdoor Recreation, which prepared the report on the 874-mile Potomac Heritage Trail.

The trail would follow the Potomac River from its mountain origin amid rugged, rocky slopes in West Virginia and the Laurel Highlands of Pennsylvania to Harpers Ferry, W. Va., There the trail would divide into two stretches. One stretch would parallel the Potomac River on the Virginia shore and extend to Smith Point on Chesapeake Bay. The other stretch would parallel the river on the Maryland shore, pass through the Nation's Capital in the District of Columbia, and continue to Point Lookout, Md., on the Chesapeake Bay. Famous battlefields, fortifications, historic homes, and the great national monuments in Washington, D.C., would be linked to such scenic areas as West Virginia's Spruce Knob, Seneca Rocks, and Dolly Sods area of Monongahela National Forest. Part of the trail would be the 180-mile towpath of the Chesapeake and Ohio (C. & O.) Canal National Historic Park.

Under the bill, the Department of the Interior would be responsible for overall trail administration. Comprehensive guidelines for planning, design, and management of the trail would be prepared by the Secretary of the Interior within 3 years of designation, and an advisory council would be formed to assist in trail development.

Mr. President, I have included the following language in section (3) of my bill:

> It is the sense of the Congress that the Secretary, with respect to his authority to provide certain facilities within the Potomac Hertage National Scenic Trail, should immediately utilize that authority to construct campsites, shelters, and related public use facilities within those parts of such trail which are located within areas of high unemployment.

I believe that, within those counties in States which have high unemployment, the creation of jobs to construct shelters and other needed components of this trail would be an excellent way in which to utilize public service employment funds, and it would provide permanent and lasting benefits for the citizens who will use this trail.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1487. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes, and ask unanimous consent that the letter of transmittal be printed in the RECORD with the text of the bill and also a notice that the Senate Committee on Commerce has scheduled hearings on this legislation on April 28, 1975, at 10 a.m. in room 4200 of the Dirksen Senate Office Building.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated for fiscal years 1976 and 1977 and for the transition period of July 1–September 30, 1976, between the two for the use of the Coast Guard as follows:

VESSELS

For procurement of vessels—

For fiscal year 1976	$28,842,000
For the transition period (July 1–September 30, 1976)	1,561,000
For fiscal year 1977	110,000,000

AIRCRAFT

For procurement of aircraft—

For fiscal year 1976	$36,000,000
For the transition period (July 1–September 30, 1976)	11,700,000
For fiscal year 1977	65,000,000

CONSTRUCTION

For construction of shore and offshore establishments—

For fiscal year 1976	$52,582,000
For the transition period (July 1–September 30, 1976)	2,841,000
For fiscal year 1977	25,000,000

SEC. 2. (a) For fiscal year 1976, the Coast Guard is authorized an end strength for active duty personnel of 37,901; except that the ceiling shall not include members of the Ready Reserve called to active duty under the authority of Public Law 92–479.

(b) For the transition period (July 1–September 30, 1976), the Coast Guard is authorized an end strength for active duty personnel of 37,990; except that the ceiling

shall not include members of the Ready Reserve called to active duty under the authority of Public Law 92–479.

(c) For fiscal year 1977, the Coast Guard is authorized an end strength for active duty personnel of 38,231; except that the ceiling shall not include members of the Ready Reserve called to active duty under the authority of Public Law 92–479.

SEC. 3. (a) For fiscal year 1976, military training student loads for the Coast Guard are authorized as follows:

(1) recruit and special training, 3,880 man-years;

(2) flight training, 92 man-years;

(3) professional training in military and civilian institutions, 372 man-years; and

(4) officer acquisition training, 1,143 man-years.

(b) For the transition period (July 1–September 30, 1976), military training student loads for the Coast Guard are authorized as follows:

(1) recruit and special training, 1,071 man-years;

(2) flight training, 23 man-years;

(3) professional training in military and civilian institutions, 93 man-years; and

(4) officer acquisition training, 277 man-years.

(c) For fiscal year 1977, military training student loads for the Coast Guard are authorized as follows:

(1) recruit and special training, 4,000 man-years;

(2) flight training, 96 man-years;

(3) professional training in military and civilian institutions, 385 man-years; and

(4) officer acquisition training, 1,165 man-years.

SEC. 4. (a) For use of the Coast Guard for payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges to permit free navigation of the navigable waters of the United States, $6,600,000 is authorized for fiscal year 1976.

(b) For use of the Coast Guard for payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges to permit free navigation of the navigable waters of the United States, $2,050,000 is authorized for the transition period (July 1–September 30, 1976).

(c) For use of the Coast Guard for payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges to permit free navigation of the navigable waters of the United States, $13,000,000 is authorized for fiscal year 1977.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 14, 1975.

HON. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a bill,

"To authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes."

This legislative proposal includes the Coast Guard's authorization of appropriation requests for fiscal years 1976 and 1977 and for the transition period of July 1–September 30, 1976, between the two. The requests for fiscal year 1977 have been included to meet the requirements imposed by the Congressional Budget Act of 1974 (88 Stat. 297). Section 1 of this legislative proposal is responsive to the requirements of section 1 of Public Law 88–45 which provides that funds may not be appropriated to or for the use of the Coast Guard for the construction of shore or offshore establishments, or for the procurement of vessels or aircraft, unless the appropriation of those funds is authorized by legislation. Section 2 of the bill responds to section 302 of Public Law 92–436 which directs that Congress shall authorize the end strength as of the end of the fiscal year for active duty personnel for each component of the Armed Forces. Section 3 of the bill responds to section 604 of Public Law 92–436 which provides that Congress shall authorize for each component of the Armed Forces the average military training student loads for each fiscal year. Section 4 of the bill authorizes funds for the use of the Coast Guard for payments to bridge owners for the cost of alteration of railroad and public highway bridges under the Act of June 21, 1940 (54 Stat. 497, 33 U.S.C. 511 et seq.), as amended, to permit free navigation of the navigable waters of the United States.

The individual items included in the categories of acquisition and construction have not been listed as in the past. However, in further support of this legislation, the cognizant legislative and budget committees will be furnished detailed information with respect to each program for which fund authorization is being requested in a form identical to that which will be submitted in explanation and justification of the particular budget request. Additionally, the Department will be prepared to submit any other data that the committees or their staffs may require.

Included in the authorization of appropriations being sought for fiscal year 1976 under the heading "Construction," is one project planned to take place at a non-Federally owned location. The project is Phase II of the relocation of Coast Guard units to Piers 36/37, Seattle, Washington. This location is currently leased by the Coast Guard, which has commenced purchase negotiations for the site involved.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation is in accord with the President's program.

Sincerely,

WILLIAM T. COLEMAN, Jr.

By Mr. MORGAN:

S. 1491. A bill to amend the Internal Revenue Code of 1954 to provide that unmarried individuals shall be subject to the same income tax rates as married individuals filing joint returns. Referred to the Committee on Finance.

BENEFITS OF INCOME SPLITTING TO UNMARRIED INDIVIDUALS

Mr. MORGAN. Mr. President, today I am introducing S. 1491 which would amend the Internal Revenue Code of 1954 to provide that unmarried individuals shall be subject to the same income tax rates as married individuals filing joint returns. For 27 years we have included in our tax laws an inexcusable inequity—the taxation of single persons at a higher rate than married couples filing a joint return on the same amount of taxable income. My proposal will remove this discrimination against widows, widowers, divorcees, and other unmarried individuals.

This discrimination in our present tax system can be traced back to 1913, the year the Nation's income tax law was passed. At that time, only those married couples living in so-called community property States— where each spouse by law owns half the couple's total property and income—could split their tax bill and pay tax on each half of their income at a lower rate. Over the years, couples in noncommunity property States who were not permitted to use this approach to taxation began to complain about this geographical inequality. To eliminate this inequity, Congress in 1948 passed legislation that allowed all married couples in the United States who filed a joint return to use the income splitting device regardless of where they resided. But in eliminating the inequity based on where people live, Congress inadvertently introduced a penalty into the tax laws on how they live. Now, the amount of income tax an individual pays is determined to a large degree by his filing status—whether he is single, married filing a joint return, married filing a separate reutrn, a surviving spouse, or a head of household. Of course, other factors such as the number of dependents and the size and kinds of deductions enter into the computation of tax liability, and arguments can be marshaled that these factors can also be unfair. But, in my opinion, the most glaring inequity is that of paying taxes based on marital status. My proposal would remove this inequity and at the same time greatly simplify our tax laws.

The complexity surrounding the filing status of an individual evolved from congressional efforts to eliminate the sizable differential between the taxes paid on the same amount of income by single persons and married couples who split their income. It soon became evident that in the 1948 legislation Congress had unwittingly discriminated against large numbers of unmarried taxpayers who maintained households, supported dependents, and incurred essentially the same expenses as married taxpayers.

In 1951 special head-of-household tax rates were added to the Internal Revenue Code. The rationale of Congress, at that time, was to give a portion of the split-income benefit to taxpayers not having spouses, but who were nevertheless required to maintain a household for the benefit of other individuals, such as a child or an aged parent. Individuals who qualified as head of households were allowed approximately one-half of the income splitting benefit given to married couples. They used a different tax rate schedule which, at any given level of income, produced a tax liability about halfway between the tax paid by a married couple filing a joint return and a single individual.

In recognition of the financial hardship accompanying the death of a spouse, Congress decided to provide relief during a period of adjustment. Thus, in 1954, as part of the comprehensive revision of the Internal Revenue Code, a provision was adopted permitting surviving spouses with dependent children to use the joint return tax rates with full income splitting for 2 taxable years following the death of a husband or wife.

These provisions not only did not eliminate the inequities in the tax laws for

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single people, but also introduced additional complexity in our already complicated tax laws because of the rules and definitions which must be met to qualify as a head of household or surviving spouse.

The most recent effort to reduce the discrimination in the tax treatment of single persons and married couples was in the Tax Reform Act of 1969. Although Congress believed at that time that some difference between the rate of tax paid by single persons and married couples filing joint returns was appropriate to reflect the additional living expenses of married taxpayers, it felt the differential was too great. At some income levels a single person's tax was as much as 42.1 percent higher than the tax paid on a joint return with the same amount of taxable income.

The 1969 act included a new, lower rate schedule for single persons which is designed to provide tax liabilities for single persons that are no more than 20 percent above those for a joint return with the same amount of taxable income. A new rate schedule was also provided for heads of household which is halfway between the new rate schedule for single persons and the rate schedule for married couples. The act made no change in the tax treatment of surviving spouses. It retained the prior-law rate schedule for single persons to be used for married couples filing separate returns and for estates and trusts. This was done to prevent married couples filing separately—especially those from community-property States—from using the new tax rate schedule for single persons and by arranging their affairs and income in such a way to achieve a combined tax that would be less than that on a joint return.

My bill would eliminate the continuing discrimination among various types of single persons in our tax laws by permitting them to use the same tax rate schedule as that used by married couples filing joint returns. It would eliminate the tax rate schedules for single persons and heads of household. It would also eliminate the definition and rules relating to the qualifications of a head of household and surviving spouse. It would retain the tax rate schedule for married couples filing separately and for estates and trusts.

For the taxable year 1972, over 3 million heads of household and over 17 million single individuals paid income taxes out of a total of 60 million taxable returns filed. I do not believe we should discriminate against one-third of our taxpayers because they are not married. Differences in family size should be taken into consideration by our tax laws, but the proper mechanism for that is the personal exemption, not the tax rate structure.

In the interest of justice, the Congress should act now to eliminate this discrimination against single taxpayers. My bill will accomplish this objective.

Mr. President, I ask unanimous consent that the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1491

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Internal Revenue Code of 1954 (relating to rates of tax on individuals) is amended—

(1) by striking out subsections (b) and (c);

(2) by redesignating subsection (d) as (b); and

(3) by striking out so much of subsection (a) as precedes the table therein and inserting in lieu thereof the following:

"(a) GENERAL RULE.—There is hereby imposed on the taxable income of every individual, other than an individual to whom subsection (b) applies, a tax determined in accordance with the following table:".

SEC. 2. (a) Section 2 of the Internal Revenue Code of 1954 (relating to definitions and special rules) is amended—

(1) by striking out subsections (a) and (b); and

(2) by redesignating subsections (c), (d), and (e) as subsections (a), (b), and (c), respectively.

(b) Sections 511 (b)(1) and 641(a) of such Code are each amended by striking out "section 1(d)" and inserting in lieu thereof "section 1(b)".

(c) Section 6015(a)(1)(A) of such Code (relating to requirement of declaration of estimated income tax by individuals) is amended to read as follows:

"(A) $20,000, in the case of an individual other than an individual to whom subparagraph (B) or (C) applies; or".

SEC. 3. The amendments made by this Act shall apply to taxable years beginning after Demember 31, 1975.

SEC. 4. The Secretary of the Treasury or his delegate shall prescribe and publish tables reflecting the amendments made by this Act which shall apply, in lieu of the tables set forth in section 3402(a) of the Internal Revenue Code of 1954 (relating to percentage methods of withholding), with respect to wages paid on or after January 1, 1976.

By Mr. LONG:

S. 1492. A bill to provide incentives and otherwise to encourage the utilization of home dialysis and to encourage early kidney transplantation under the renal disease program authorized under section 226 of the Social Security Act. Referred to the Committee on Finance.

Mr. LONG. Mr. President, I would like to introduce today a bill which would encourage the utilization of home dialysis and encourage kidney transplantation under the renal disease program established in the Medicare Act.

As a principal sponsor, I am extremely proud of the amendment to the Social Security Act of 1972 which covered under the medicare program many thousands of unfortunate Americans who have experienced kidney failure. Prior to passage of this amendment, many families were being driven into bankruptcy by the high cost of kidney dialysis and many other individuals simply could not afford the treatment to begin with and died as a result. This amendment has saved and prolonged the lives of many and has relieved many families of a crushing financial burden.

I would like to add at this point that I have been extremely impressed with the dedication and the hard work put forth by many renal physicians and others who work in this field, in assisting the Government in the implementation of this new program. Working through organizations such as the National Kidney Foundation, many concerned physicians and lay people spent endless hours cooperating with HEW personnel in getting this program off the ground. These people devoted this time and energy because they believe, as I do, that this program is important, not only for the survival and financial security of their patients, but also as a model for the kinds of things which will have to be accomplished when the Congress passes a broader health insurance program.

This program has now been operating for about 2 years. During that time it has become apparent that the program could be further improved by a series of amendments aimed at encouraging home dialysis and kidney transplantation. These amendments have been suggested to me by a number of people in the renal disease field and are supported by the National Kidney Foundation.

For many patients kidney transplantation or kidney dialysis performed at home is preferable to kidney dialysis performed in an outpatient center. In addition, home dialysis is far cheaper than that performed in dialysis centers. Certain features of the Social Security Amendments of 1972 seemed to work against those patients who might otherwise choose either kidney transplantation or home dialysis.

The bill I introduce today would act to change those features of the medicare law. First, I will discuss the amendments which affect kidney transplantation. The 1972 amendments said that payment would not be made for dialysis or transplantation until a 3-month waiting period following the onset of kidney failure had been met. However, there has been a trend toward early transplantation, often within the first 3 months after kidney failure. My bill would say that for people receiving a kidney transplant medicare coverage would commence with the month in which they were admitted to the hospital for purposes of transplantation, thereby waiving the 3-month waiting period in these cases. Additionally, my bill would extend coverage under medicare to 3 years following a transplantation procedure instead of the 1 year called for under the 1972 amendments. Initially it was believed that a patient's high medical costs would decrease dramatically a year following transplantation. However, many patients with successful transplants continue to have high medical expenses beyond the first year.

Now I will discuss the amendments which affect home dialysis. Since the advent of coverage of dialysis under medicare, there has been a significant shift away from the far less costly self dialysis in a home or in a self dialysis center to the much more expensive assisted dialysis in a hospital or center. The difference in costs are on the order of some $25,000 or more per year for assisted

dialysis as opposed to $6,000 or $18,000 a year for self-dialysis.

In order to encourage self-dialysis, my bill would do two things: First. The bill would waive the medicare deductible and the 20-percent coinsurance requirements applicable to reasonable costs or charges with respect to necessary items, services or supplies for self dialysis in the home or in a self dialysis center. Obviously, such reasonable costs or charges would have to be less than those applicable in a facility providing assisted dialysis.

Second. My bill would waive the 3-month waiting period for eligibility in those cases where a patient begins an approved course of training for self-dialysis within the first 3 months after kidney failure. Eligibility in these cases would begin at the onset of such a training program.

Mr. President, this bill would not result in all patients either being dialyzed at home or receiving kidney transplants. Many patients will continue to be treated at assisted dialysis centers. However, this bill would remove those features of present law which seem to make some patients reluctant to begin self-dialysis or to opt for early transplantation. I believe this bill will make a good program better and I am hopeful that Congress will act at an early date to approve this bill.

By Mr. MORGAN:

S. 1493. A bill to amend title II of the Social Security Act to increase to $3,600 the annual amount which individuals may earn without suffering deductions from their social security benefits on account of excess earnings. Referred to the Committee on Finance.

Mr. MORGAN. Mr. President, the Social Security Act now imposes an earnings limitation which in effect amounts to a 50-percent tax on earnings for social security beneficiaries under age 72 who wish to work. This tax is separate from the regular social security tax and income tax these social security recipients must pay. The reason such an inequity exists has to do with the provision in the law which requires a $1 reduction in social security benefits for each $2 above $2,520 earned annually by a beneficiary.

To modernize the social security law, I am introducing legislation today which would raise the amount of earnings a person could earn, and still receive his full social security benefit, to $3,600 annually or $300 a month starting in 1976. This amount subsequently would rise automatically as wages rise.

The change I am proposing would provide significant help to those people who can work and often must work to supplement their still inadequate retirement income. The earnings limitation discourages people who seek part-time employment. As the law now stands, beneficiaries sadly witness needed income slip away from them at the rate of $1 lost for $2 earned. This provision hits hardest those social security beneficiaries who live on limited incomes. First, they lose all of their benefits must faster because their benefits are lower to begin with. Also, income for these persons is more likely to consist only of earnings from work, so that all their income is subject to the earnings limitations provision, but low-income elderly are less likely to have such income which let them benefit from this exception.

For my own part, I have always believed that the retirement test, with all of its complicated features, should be repealed entirely. I realize, however, that such a change would be very costly—amounting to about $4½ billion in the first year alone. The earnings limitation ceiling of $3,600 which I am proposing is a reasonable compromise. It would, I believe, exempt most of the earnings for those people who must work to supplement their inadequate social security benefits. At the same time it would be less expensive, costing an estimated $0.7 billion in the first year.

We must realize that the people attaining age 65 today were born in this century, and have had the advantage of better health care than was the case in the earlier years of the social security system. This fact is contributing to the lengthening lifespan and the ability of people to continue with some kind of work after they have retired. Social security beneficiaries also are likely to have acquired more skills during their work life than was the case for prior generations. They are quite able and willing to work. Legislation, therefore, should encourage people to work.

Although Congress has made substantial improvements in the social security system in recent years, we must keep in mind that the earnings limitation is still a major inequity in the social security system. We must not penalize persons who are trying to supplement their retirement income. I do feel that we can afford, and are obligated, to make this modest increase which I am proposing.

Mr. President, I ask unanimous consent that the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraphs (1) and (4)(B) of section 203(f) of the Social Security Act are each amended by striking out "$200" and inserting in lieu thereof "$300".

(b) The first sentence of paragraph (3) of section 203(f) of such Act is amended by striking out "$200" and inserting in lieu thereof "$300".

(c) Paragraph (1)(A) of section 203(h) of such Act is amended by striking out "$200" and inserting in lieu thereof "$300".

(d) The amendments made by this Act shall be effective with respect to taxable years beginning after December 31, 1975.

By Mr. DOLE:

S. 1495. A bill to amend the Occupational Safety and Health Act of 1970 and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. DOLE. Mr. President, many of us in the Congress—both the House and the Senate—are very concerned about some serious consequences that have arisen from the application of the Occupational Safety and Health Act of 1970.

This act was heralded as a landmark piece of legislation, and certainly, its goal of a safe and healthful working place for all Americans is as important and desirable as ever. I heartily endorse that goal, but I am concerned that some of the application of the act is creating an adverse and unjustified impact on much of American industry.

ACTION NEEDED ON OSHA

Certain sections of the act need revision, and many of us have made efforts to effect such change. In fact, in the act's short history—only slightly over 4 years—well over 100 bills have been submitted.

All of these measures have met the same fate—whether in the House or the Senate; they have died in committee. It seems to me however, that any law so in need of amendment as to receive over 100 proposed changes in just a short period deserves to be aired in the full Congress rather than suffocated in a closed panel.

CHANGES IN ACT

Although I have been unsuccessful in a number of efforts to get some action on OSHA, I intend to keep trying. Consequently, today I am introducing a bill which would make a number of changes and additions in the Occupational Safety and Health Act of 1970.

These changes and additions are designed to make the law more workable, and its goals more attainable by making its application more equitable. The major provisions are for consultive services for employers; public disclosure of the social and economic impacts of OSHA standards on employers and consumers; modification of the procedures regarding violations and their correction; and renaming of the Occupational Safety and Health Review Commission.

BASIS FOR NEW NAME

That latter item may appear unimportant, but a study by my staff has indicated that very, very few employers are presently making use of the Commission. This is indeed unfortunate since it could play an important role in ameliorating the adverse impacts of the law, and in assisting employers to perform in a responsible manner.

The principal reason given for failure to utilize the Commission is the fear—obviously growing out of the similarity or names—that the Commission is simply an agent of the Occupational Safety and Health Administration. Accordingly, many believe that contact with the Commission and disclosure of information to it will lead to prosecution by the administration.

AWARE OF PROBLEM

The Commission is not unaware of this problem. They have, in fact, made repeated efforts in the last 4 years to publicize their mission and their independence from the administration—and they are among the first to admit that something else is needed.

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A complete change of name might be successful; however, there is considerable benefit in the name giving some indication of the function. Consequently, I believe that changing the name from Commission to court will maintain the association while strengthening the message of impartiality.

IMPACT OF NEW STANDARDS

Many of the other major provisions of my bill have been discussed at considerable length by myself and others in the course of the 100-plus other attempts to amend OSHA, and I do not intend to dwell on them again at this time. However, there are two items which need comment.

During the 4 years of application of the present act, a myriad of standards have been promulgated by OSHA. It has become obvious to even the most casual observer that the total impact of most of these standards was not realized or considered prior to their adoption.

In some instances, problems have resulted from application of the standards which were more serious than those they were intended to correct. Further, the public as a whole had no adequate means of measuring the impact of proposed standards even though they were offered the opportunity for comment.

CONTENT OF ANALYSIS

Such opportunity can be a hollow gesture at best if special knowledge or expertise is needed to properly judge the proposal. Certainly, it is only reasonable and proper that those most conversant with a proposal also provide, along with that proposal, an analysis of its impact on the people that will be affected.

It is also appropriate that this analysis include the secondary as well as primary effects, since they are not only more difficult to determine, but are also sometimes more severe in their impact. So, it is important that we amend the act to provide some guidance for those administering the act as they go about promulgating new standards.

CONSULTIVE SERVICE ESSENTIAL

The other item that needs elaboration is the matter of providing consultive help to employers to enable them to more effectively meet the requirements of the act. There has been a great deal of discussion in the Congress regarding this need.

In fact, it is the single deficiency in the act that has been most often cited both in the Congress and by the seemingly endless number of constituents who continue to bombard my office and that of many of my colleagues. The hue and cry on this particular item led to an authorization in the Labor-HEW appropriations bill last year (H.R. 15580) of up to $5 million for reimbursing States who provide consultation service to employers.

IMPORTANT FIRST STEP

This was an important and worthwhile step. However, it was just that—one step—and not the whole journey, for it would require annual renewal on the part of the Congress for a program that, by everyone's standards, needs to be a continuing effort.

It should be authorized in the parent legislation, as a continuing function of the Occupational Safety and Health Administration, in order that a meaningful, effective, long-range program can develop. This, then, is a key provision in my bill, which is designed to complement the $5 million provision incorporated in Public Law 93–517.

EFFORTS BY ADMINISTRATION

Mr. President, in our dealings with the Occupational Safety and Health Administration, we have found a sincere effort to correct many of the deficiencies that have been identified in the program. To some extent, they, like industry, are hamstrung by portions of the act which need amendment.

The prohibition against consultive services is a good example. And although some or OSHA's solutions may not be as complete as I envision, they do appear sufficiently productive to deserve support—and to temporarily, at least, alleviate the need for some legislative action that has been proposed earlier.

NEW MEASURES IN EFFECT

Specifically, I feel they are to be commended for the requirement for inflationary impact evaluations—in effect since November 1974—on new regulations. In addition, OSHA has produced two pocket-size safety and health standards digests, with plans for more. Although they do not use the industry-by-industry approach I would favor, they certainly deserve a trial period.

A third commendable effort by OSHA is the self-inspection program they are presently trying to develop. If such a system can be implemented, it might be an important aid to employers in their efforts to meet the requirements of the law.

Although I have not seen the actual details of such a system—and, in fact, final departmental clearances and public participation and comments must still be obtained—it is an approach that would seem to hold great promise. It is most encouraging to know that the Administration is searching for new approaches such as these.

CONSIDERATION LACKING

One final point which I touched on earlier: Although their have been numerous and repeated efforts to amend the Occupational Safety and Health Act, the Senate has taken practically no action on the bills introduced. Even in the House, where hearings were held and a committee report prepared, no legislation has been reported.

We appear to be listening only to power groups opposed to improvement in an otherwise desirable law. In the meantime, industry continue to struggle to meet the myriad of regulations by OSHA.

MUTUAL OBJECTIVE

Their objective, like ours, is to provide a safe and healthful workplace. However, their task is needlessly complicated and expensive because of our inability to enact needed changes in the law.

It is only reasonable that we make such changes when they will lead to better performance and better compliance on the part of employers. In that way, we will accomplish what everyone is seeking—the establishment of better conditions for employees.

DIFFICULTY IN COMPLIANCE

Mr. President, I doubt that any of us here realize fully how far-reaching the OSHA regulations are—or how difficult it is to comply. Even more interesting, though, is the philosophy that such regulation and impact is appropriate for everyone except us.

By this, I refer to the exemption of the U.S. Capitol, the Senate and House Office Buildings, and the Supreme Court and Library of Congress from the regulations, requirements, and goals of the Occupational Safety and Health Act. Perhaps the reason for such an exception is very simple: We could not pass the type of inspection we require of American business.

LET US TEST IT

Now, maybe that is not true, but I think we ought to find out—and at the same time learn just what we have imposed on industry. Therefore, Mr. President, I suggest that anyone who doubts the need to amend the act invite the Occupational Safety and Health Administration to make a de facto inspection of his own office.

Then, perhaps, we can join our fellow Americans in pursuit of a safe and healthful working place, and move ahead with this vitally needed legislation. Mr. President, I ask unanimous consent that the bill I am introducing, along with a section-by-section analysis, be printed in the RECORD following these remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Occupational Safety and Health Act Amendments of 1975."

SEC. 2. (a) Section 6(b)(2) of the Occupational Safety and Health Act of 1970 is amended by inserting at the end of the first sentence the following: "Such proposed rule shall be accompanied by a statement summarizing its social and economic impact on affected employers and consumers, including an estimate of the total costs which will be incurred by employers in each affected industry in complying with such rule, and a determination that the benefit to be derived from such standard justifies such proposal, giving due consideration to the prior work history of the industry in regard to the frequency and seriousness of past injuries, and to the available alternative means of providing employee protection from workplace hazards, and to the secondary financial and social impacts that may result."

(b) Section 8(b)(4) of such Act is amended by inserting "(A)" immediately after the subsection designation and adding a new subsection 6(b)(4)(B) as follows:

"(B). No standard adopted or promulgated under this section shall require any employer to phase out, change, or replace existing equipment or facilities before the normal useful life of that equipment or facility has expired unless failure to so phase out, change, or replace that equipment or facility prematurely would result in a serious violation as defined in section 17(k).

(c). Section 6(b)(7) of such Act is amended by inserting immediately after the period in the second sentence the following: "Such protective equipment, controls, and technological procedures may be utilized by the employer at his option where (a) the selected options will afford adequate protection to the employee and (b) the use of such equipment, controls, or procedures do not create a new danger to the health and safety of the employees affected."

(d). Section 6(c)(1) of such Act is amended by deleting the existing language and substituting the following language: "The Secretary shall provide, without regard to the requirements of Chapter 5, title 5, United States Code, for an emergency standard to take effect immediately after publication in the Federal Register if he determines (A) that there is clear and recognized evidence of employees being exposed to serious danger from exposure to substances or agents determined to be toxic or physically harmful or from new hazards, and (B) that such emergency standard is necessary to protect employees from such danger."

SEC. 3. (a) Section 8, subsection (b), (c), (d), (e), (f), (g) of the Occupational Safety and Health Act of 1970 are redesignated as subsections (c), (d), (e), (f), (g), (h) respectively. A new section 8(b) of such Act is added to read as follows:

(b) The Secretary shall provide at least twenty-four hours advance notice to the employer to be inspected that an inspection will be made where (1) such notice would afford the employer an opportunity to have qualified management personnel or consultants present during the inspection and (2) where the Secretary has determined that such notice would not unreasonably hamper or defeat the purposes of this Act."

(b). Section 2(b)(10) of such Act is amended to read as follows:

"(10) by providing an effective enforcement program;"

SEC. 4. (a) The first sentence of Section 9(a) of the Occupational Safety and Health Act of 1970 is amended by inserting before the period the following: "and should where practicable suggest a course or courses of action which if implemented would correct the violating condition or process".

(b) Section 9(b) of such Act is amended by adding at the end thereof the following: "Such posting shall not be required after such violation has been abated."

(c). A new section 9(d) of such Act is added to read as follows: "(d) A citation which is not issued in accordance with the provision of section 8(a) and 8(e) shall be of no force or effect."

(d) A new section 9(e) of such Act is added to read as follows: "(e) Any employer inspected under section 8 who has been found to be not in compliance with any rule or standard adopted or promulgated under section 6(a), (b), or (c) shall not receive a citation or penalty for such violation if he is able to show (1) that implementing such rule or standard would not materially affect the safety or health of his employees in the facility inspected or (2) that he employed alternative procedures to protect his employees from the hazards contemplated by the rule or standard which are as effective in protecting the safety and health of his employees as the procedures required by the standard would be; or (3) the employer furnished adequate notice and exerted all reasonable efforts, pursuant to such regulations as the Secretary may prescribe, to obtain the compliance of his employees and the violations of the Act was attributable to such employees and the employer could not otherwise have reasonably prevented the violation."

SEC. 5. (a) The first and second sentences of section 10(a) and 10(b), and the first sentence of section 10(c) of such Act are all amended by deleting the words "fifteen working days" wherever they appear and substituting in place thereof the words "thirty working days."

(b) The second sentence of Section 10(c) of such Act is amended by striking the word "modifying" and substituting in place thereof "reducing",

(c) Section 10(c) of such Act is further amended by adding immediately after the period at the end of that subsection the following: "Any employer who has notified the Court that he intends to contest a citation issued under section 9(a) or notification issued under subsection (a) or (b) of this section may withdraw the same at any time prior to conclusion of a hearing thereon and upon so doing the citation and assessment, as proposed, shall be deemend a final order of the Court and not subject to review by any other court or agency".

(d) Section 11(a) of such Act is amended by striking the fourth sentence and substituting therefore the following: "The commencement of proceedings under this subsection shall operate as a stay of the order of the Court for the lesser of 90 days or until such time that there is a ruling on the request for such stay".

SEC. 6. (a) Section 17(c) of the Occupational Safety and Health Act of 1970 is amended by adding the following provision at the end of present subsection (c) *Provided,* however, that no penalty shall be assessed for any such violation if it is the first violation for which the employer has been cited at that workplace.

(b) Section 17(b) of the Occupational Safety and Health Act of 1970 is amended (1) by striking the word, "shall", and inserting in lieu thereof the word, "may".

SEC. 7. (a) Section 21 of the Occupational Safety and Health Act of 1970 is amended by changing the heading to read as follows:

"TRAINING, EDUCATION, AND TECHNICAL ASSISTANCE"

(b) Section 21 of such Act is further amended by inserting at the end thereof a new subsection (d) to read as follows:

'(d)(1) In order to further carry out his responsibilities under this section, and the purposes of the Act in general, the Secretary shall visit the workplaces of employers for the purpose of affording consultation and advice to such employers. Such visits: (A) may be conducted only upon a valid request by an employer for consultation and advice at the workplace on the interpretation or applicability of standards or on possible alternative ways of complying with applicable standards, and (B) may, at the employer's option, be limited to the matters specified in the request. Where, after evaluating a request by an employer pursuant to this subsection, the Secretary determines that an alternative means of affording consultation and advice is more appropriate and equally effective, he may provide for such alternative means rather than on-site consultation.

(2) The Secretary should make recommendations regarding the elimination of any hazards disclosed during the on-site consultation. No visit authorized by this subsection shall be regarded as an inspection or investigation under section 8 of the Act and no notice or citation shall be issued nor shall any civil penalties be proposed by the Secretary as a result of such visit, *provided, however* that nothing in this subsection shall affect in any manner any provision of this Act the purpose of which is to eliminate imminent dangers.

(3) Nothing in this subsection shall be deemed to require the Secretary to conduct an inspection under section 8 of the Act of any workplace which has been visited for consultative purposes. The failure of the Secretary to give consultation visit shall not preclude the issuance of appropriate citations and proposed penalties with respect to that matter. Provided, however, that after an employer has submitted a request for consultation under this section no inspection of the workplace identified in the request may be made pursuant to Section 8 of the Act until at least 30 days after a consultation visit or other appropriate means of providing consultation and advice has been completed."

SEC. 8. (a) Section (2)(b)(3) of the Occupational Safety and Health Act of 1970 is amended by striking the word, "Commission" and substituting therefor the word, "Court".

(b) Section 3(2) of the Act is amended to read as follows:

"(2) The term "Court" means the Occupational Safety and Health Review Court established under this Act.

(c) Section 12 of the Act is amended by changing the heading to read as follows:

"The Occupational Safety and Health Review Court"

(d) All references in the Act to "the OS&HRC" are understood to refer to the Occupational Safety and Health Review Court.

(e) All references in the Act to "the Commission" are amended to read "the Court."

OSHA BILL—ANALYSIS

Sec. 1—Name (OSHA Amendments of 1975)

Sec. 2—(a) Requires economic and social impact statement for all new standards (*including secondary impacts*).

(b) Continue to use serviceable equipment as long as serious violation (as defined in Act) doesn't exist.

(c) Employer given option to use any adequate method to correct violation which doesn't create additional hazard. Presently OSHA requires "engineering" solution first.

(d) Clarifies need to "prove" an emergency exists—before issuing emergency standards.

Sec. 3—24 hours advance notice of inspections—when won't defeat purposes of Act.

Sec. 4—(a) When violations found during inspection, OSHA should recommend corrective measures. Don't want to make mandatory since inspectors won't always have answers.

(b) No longer require posting violation notice for 3 days after violation abated.

(c) Clarifies issuance of violations.

(d) Offers employer opportunity to prove that shouldn't have to correct violation.

Sec. 5—(a) Provides 30 days rather than 15, to file notice of appeal of violation notice.

(c) Prevents Review Commission from *increasing* fines on cases they review. Will only be able to sustain, reduce or vacate.

(b) Prevents Review Commission from *in*-out additional penalty.

(d) Provides up to 90 day "stay" in case of appeal.

Sec. 6—(a) Removes penalty for first offense on *non-serious* violations.

(b) On serious violations, changes mandatory penalty to discretionary.

Sec. 7—(a) Renames Section.

(b) Provides for free consultation.

Sec. 8—Renames Occupational Safety and Health Review *Commission* to *Court.*

By Mr. DOMENICI (for himself, Mr. MOSS, Mr. HUGH SCOTT, Mr. CASE, Mr. METCALF, Mr. MCGOVERN, and Mr. LAXALT):

S. 1496. A bill to amend title XVIII of the Social Secuirty Act to authorize expanded home health services under medicare. Referred to the Committee on Finance.

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ALTERNATIVES TO INSTITUTIONALIZATION

Mr. DOMENICI. Mr. President, I introduce for appropriate reference a bill to broaden the scope of medicare's home health coverage to include intermediate and basic nursing care and authorizing payment for senior citizens day care services.

As a ranking minority member of the Subcommittee on the Health of the Elderly and as an active member of the Subcommittee on Long-Term Care of the U.S. Senate Special Committee on Aging, I have had a unique opportunity to observe first hand the severe health problems confronting older Americans. Today's elderly are required to pay more and more in medicare premiums and copayments and at the same time medicare is paying less and less of their medical expenses. Medicare presently covers only 40 percent of their health expenses.

The shortcomings of medicare and our unfortunate and restrictive policy have been presented all too graphically in hearings before our committee. Last June, for example, the Subcommittee on Health of the Elderly received testimony from Mrs. Daphne Krause, executive director of the Minneapolis Age and Opportunity Center—MAO—with respect to the unique clinic they have opened in conjunction with Abbott Northwestern Hospital.

In November of 1973 this clinic began to offer free care for senior citizens with incomes $5,500 for couples and below $4,500 for single adults. To be more precise, medicare was accepted by the clinic as full and final payment for services rendered at the hospital. The hospital absorbed premiums, deductible and copayments—all of the out-of-pocket costs which are normally paid by the elderly themselves.

The response to this unusual initiative by MAO and Abbott Hospital was overwhelming. Some 7,000 senior citizens signed up for the program in the first 3 months. Abbott was hard pressed to find enough doctors and nurses to handle the tremendous demand. Only 3,000 of the initial 7,000 could be treated in the first 5 month of the program. The hospital began doing more EKG's in a week than it had done in the past year.

No one had imagined the pathology and the extent of the unmet medical need among the elderly. Some 85 percent of the 3,000 patients treated in the first 5 months required immediate medical attention. A random sample of a dozen patients disclosed the following problems:

A man admitted for heart surgery;

A woman with imminent gangrene of both feet;

A man suffering from rectal mass, anemia and rectal blood;

A woman who needed surgery to replace her left hip (she could not walk one-fourth block without pain);

A man in need of stomach surgery;

A man with congestive heart failure, edema, cataracts, marked tooth decay, and dementia;

A woman with incontinence, urinary infection, severe arthritis;

A man whose last contact with a physician was when he had his World War I physical;

A man who was blacking out because the batteries in his pacemaker needed replacement but who put off having the batteries changed because he was still paying for the installation of the pacemaker 3 years ago.

These disclosures were certainly shocking. I asked the witnesses why the elderly did not seek the care they needed, and was told it was primarily because they could not afford it. But even more shocking to me were our New York hearings on nursing home problems. I say this because for the infirm elderly we placed in facilities where they presumably could receive care, the taxpayers pay an average of $10,000 for the care of each patient in a New York nursing home. All too often we found the care to be minimal.

Early last year the Subcommittee on Health held hearings in my home State of New Mexico where we discovered yet another problem which reappeared during our subsequent New York hearings. At the present time all 50 States have a program underway of moving thousands of discharged mental patients into boarding homes or unlicensed "bootleg" nursing homes. While my own State seems to have the matter pretty well in hand with standards for boarding homes, most States have not faced the issue.

I hasten to point out that the hearings to which I refer and the problems they developed have one thing in common: in each and every case the problems could be prevented or postponed by the intervention of properly directed in-home or home health services.

Home health and supportive services can serve to maintain senior citizens in independence. Offered in time they will prevent or postpone the sharp incidence of multiple disability characteristic of nursing home patients. Given in time, home health services can maintain our elderly in good health, prevent or postpone the need for nursing home placement. In-home services are also considered by experts to be highly more favorable to those aged with mental disabilities than the simple, but heartless, abandonment or exile from society which is inherent in placement in an unlicensed boarding home.

The cruel irony is that while there is universal agreement as to the desirability and effectiveness of home health services, there is little emphasis on such services in our existing policy. This is very strange considering that home health services are presently authorized under both medicare and medicaid.

The medicaid home health program has been less than significant. We spent $24 million for medicaid home health in 1973. New York alone spent $15 million of this total; Wyoming on the other end of the scale providing benefits for only 12 people costing $3,39[illegible].

Medicare's contribution for home health has consistently totaled less than 1 percent of medicare's total outlays. This same pattern holds for fiscal year 1976. Medicare home health expenditures are slated to reach $148 billion.

There is presently no reason why medicaid home health services could not be greatly expanded. The statute, the result of an amendment by Senator FRANK E. MOSS in 1967, is very broad. All that is necessary is for a decision to be made that adequate money should be spent.

With respect to medicare, the statute limits home health coverage to those who qualify for skilled nursing care. This term has been defined very narrowly by the Department of Health, Education, and Welfare. Moreover, there is a prohibition against paying medicare home health moneys to agencies providing services to the mentally impaired. Neither day care or homemaker services for senior citizens is presently authorized.

The bill that I am introducing today attempts to solve these weaknesses in the medicare program. Specifically, my bill will:

First. Broaden the definition of covered nursing services under medicare's home health provisions—both part A and part B. In addition to "skilled nursing care" which is presently provided, my bill would authorize payment for "intermediate" and "basic" nursing care. This would mean that patients needing any level of nursing care from the most acute to simple nursing supervision would be eligible for services.

Second. Authorize payment for homemaker services. Essentially this means that payment could be made to aides who help the elderly out of bed, help them in getting dressed, with general housekeeping, making meals, eating or taking medications.

Third. My proposal allows an individual to receive part B home health services upon the recommendation by the home health agency's screening team made up of a physician, a nurse, and representative of other health professions.

Fourth. My bill authorizes day care under medicare. Family members could be brought to day care centers for therapy, recreation, and supervision and return home with their loved ones during the afternoon and evening hours.

Fifth. My bill removes the prohibition against making of payments to home health agencies providing services to the mentally disabled or impaired.

Mr. President, I am hopeful that this bill can be enacted and urge my colleagues' support. It would provide badly needed services to the estimated 3 million older Americans who are going without the care they need. As I have suggested there are many reasons why the bill should be enacted. Generally speaking it is the right thing to do. It should be our policy to help maintain the elderly in their own homes or with their loved ones where they most want to be. While these social policy arguments in favor of my bill are compelling, it should be pointed out that home health services constitute a less expensive option as well as socially desirable option to institutionalization.

To prove this point, Mrs. Krause provided the committee with numerous examples contrasting the cost of providing in-home supportive services at MAO as contrasted with the cost of nursing home placement. One such table was reprinted in our recent report, "Nursing Home Care in the United States: Failure in Public Policy." This cost comparison is very revealing. Others can be found in the appendix of our report. I ask unanimous consent that the table be printed in the RECORD at this time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Supportive Services for Mrs. M. R. over 3 years by MAO:	
Meals, including delivery charges (2 meals a day, 7 days a week	$3,385.00
Housekeeping services (3 services a month)	399.60
Counseling (average one a month)	324.00
Total Cost of MAO services	4,008.60
Nursing Home costs for 3-year period (projected cost):	
$450.00 per month for 3 years	$16,200.00
Less clients income of $115/month for 3 years (client would be allowed to keep $25 a month for personal needs)	—4,140.00
Remaining cost to be paid by Medicaid	$12,060.00
Less cost of MAO services	—4,008.60
Total MAO saved the taxpayers over 3 years with respect to a patient ordered institutionalized	$8,051.40

HOME HEALTH LEGISLATION

Mr. MOSS. Mr. President, I am pleased to join with Senator PETE DOMENICI in his important bill to provide expanded home health services under medicare. This bill is somewhat similar to my bill, S. 1163, which Senator DOMENICI cosponsored. Either of these bills, if enacted, would result in a significant improvement in the quality of life for the Nation's infirm elderly. There is no question but that home health services given in time can maintain a senior in independence, and postpone or prevent institutionalization.

Home health services are presently authorized to some degree under both part A and part B of medicare. However, restrictive regulations have limited expenditures under these programs to less than 1 percent of medicare's total. Senator DOMENICI's proposal would provide in-home services to a larger share of older Americans. The result will be cost savings to the Federal Treasury by utilizing home health care in lieu of more costly nursing home payments.

I would like to commend Senator DOMENICI for his active and productive service as a member of my Subcommittee on Long-Term Care. He has committed a great deal of his time to the study of nursing home issues, and I thank him for his support. I sincerely hope that his new bill will receive prompt and favorable consideration.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 143

At the request of Mr. MANSFIELD (for Mr. MAGNUSON), the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 143, a bill to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition.

S 549

At the request of Mr. MCGOVERN, the Senator from Montana (Mr. MANSFIELD) was added as a cosponsor of S. 549, a bill to provide additional incentives for farmers to produce wheat, feed grains, and cotton; to provide for the purchase of animals and animal food products for use in food relief programs; to provide for the establishment and maintenance of a reserve inventory of wheat, feed grains, cotton, and soybeans; to amend and improve the food stamp program; and for other purposes.

S. 815

At the request of Mr. STAFFORD, the Senator from Kansas (Mr. DOLE) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 815, a bill to provide for the public disclosure of lobbying activities with respect to Congress and the executive branch, and for other purposes.

S. 872

At the request of Mr. HATFIELD, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 872, to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates.

S. 1300

At the request of Mr. WEICKER, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 1300, a bill to revise title 23 of the United States Code, relating to highways, terminate the Highway Trust Fund, and amend the Urban Mass Transportation Act of 1964, in order to improve transportation.

S. 1358

At the request of Mr. WEICKER, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 1358, a bill for the relief of Simeon and Paca Zivkov.

SENATE RESOLUTION 134—SUBMISSION OF A RESOLUTION CONGRATULATING THE ASSOCIATION FOR SYSTEMS MANAGEMENT

(Referred to the committee on the Judiciary.)

Mr. GRIFFIN submitted the following resolution:

S. RES. 134

Resolution congratulating the Association for Systems Management, and urging that the week of April 27, 1975, be proclaimed "National Systems Management Week"

Whereas the systems professional has an effect in fashioning the daily lives of all Americans through the application of logic and technology to business, services, and government problems, and

Whereas the Association for Systems Management has contributed to the continuing upgrading and education of the system professional since 1947, and

Whereas the Association for Systems Management is holding its Annual International Conference in Detroit, Michigan, beginning April 27; Now, therefore, be it

Resolved, That the Senate of the United States extends its congratulations to the Association for Systems Management, and for its plans for its Annual International Conference in Detroit, Michigan; and, be it further

Resolved, That it is the sense of the Senate that the week of April 27, 1975, should be proclaimed as "National Systems Management Week."

AMENDMENTS SUBMITTED FOR PRINTING

VIETNAM CONTINGENCY ACT OF 1975—S. 1484

AMENDMENTS NOS. 353 THROUGH 356

(Ordered to be printed and to lie on the table.)

Mr. CLARK submitted four amendments intended to be proposed by him to the bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

AMENDMENT NO. 357

(Ordered to be printed and to lie on the table.)

Mr. CLARK (for Mr. KENNEDY and himself) submitted an amendment intended to be proposed by them jointly to the bill (S. 1484), supra.

AMENDMENT NO. 358

(Ordered to be printed and to lie on the table.)

Mr. MCGOVERN submitted an amendment intended to be proposed by him to the bill (S. 1484), supra.

AMENDMENT NO. 359

(Ordered to be printed and to lie on the table.)

Mr. SPARKMAN submitted an amendment intended to be proposed by him to the bill (S. 1484), supra.

AMENDMENT NO. 362

(Ordered to be printed and to lie on the table.)

CONTINUED FOOD RELIEF TO CAMBODIA

Mr. HATFIELD. Mr. President, I shall be brief. For some time now I have been concerned that the United States continue to provide emergency food relief to the innocent victims of war in Cambodia regardless of the government that claims its allegiance. As the bill now before us states:

> It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters.

I am offering an amendment to this bill to be sure that Public Law 480 food aid earmarked for Cambodia will be delivered.

As of last week, there were about 60,000 tons of Public Law 480 food aid earmarked for delivery in storage in Saigon. Another 30.000 tons were en route to

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Saigon for eventual shipment into Cambodia, principally Phnom Penh. I am concerned that this food aid be delivered to Cambodia despite the fall of that country to the Khmer Rouge, because the circumstances which prompted the allocation of the aid have not improved. We learned last Tuesday that food stocks in Phnom Penh were sufficient for 6 days. That time has now expired. It is imperative, therefore, that the Public Law 480 food aid we have already committed to humanitarian relief in Cambodia be delivered as soon as possible.

My amendment stipulates that the delivery of this food is to be accomplished through multilateral, international channels, in keeping with section 35(a) (7) of the Foreign Assistance Act of 1974. Of course, the delivery of this food is dependent upon a request for aid from the Government of Cambodia.

I should point out to my colleagues that shipment of this food to Cambodia will not leave Saigon without adequate supplies. By all accounts, there is more than a sufficiency of food in Saigon and those areas not under Communist control to feed the population in those areas.

Therefore, Mr. President, I urge the adoption of my amendment to assure the continued shipment of food to people in need in Cambodia, pending the request of the government of that country.

Let me draw the attention of the Senate to a letter I received from the State Department earlier, on March 27, 1975, stating, in the last sentence, their willingness to provide such humanitarian assistance to Cambodia under circumstances which now exist.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., March 27, 1975.

Hon. MARK O. HATFIELD,
U.S. Senate, Washington, D.C.

DEAR SENATOR HATFIELD: The Secretary has asked me to reply to your letter of March 7 on continued food aid to Cambodia. We, too, are deeply concerned that the humanitarian relief that we are providing in Cambodia reach those who suffer. In an effort further to demonstrate our concern, we have recently approved a Title II grant of up to 20,000 tons of rice for delivery to participating international and U.S. voluntary agencies such as Catholic Relief Services, Cooperative for American Relief Everywhere, Lutheran World Relief and World Vision Relief Organization. This donated rice will be used to support feeding programs for refugees, displaced persons and other needy Khmers. Unfortunately, at this time the FAA economic and PL 480 funding ceilings preclude immediate action to expand rice procurement; thus the 20,000 tons was provided for Title II by converting Title I rice which was in Saigon awaiting shipment to Phnom Penh.

With the deteriorating situation in Cambodia, the need for the Congress to increase the portion of the Cambodia ceiling applicable to economic and food obligations from $177 million to $250 million is now more urgent than ever. We need to respond to emergency humanitarian needs as they are identified either by providing Title I rice, Title II rice, Title II high-protein foods, or medicines financed from the Indochina Post-War Reconstruction account, along with funds to airlift these commodities.

Speeding action on lifting the economic and food assistance ceiling contained in Section 655 (a) of the Foreign Assistance Act or increasing it in adequate amounts is essential. Sufficient PL–480 authorization and appropriation already exist under present law. No additional economic appropriations other than the $100 million authorized in the 1974 Foreign Assistance Act are required.

The food, nutrients and medicines which can be procured if the ceiling is raised may save or extend the lives of thousands of Cambodians if the Congress quickly approves appropriate levels of military and economic assistance authority. In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Committee of the Red Cross, if for whatever reason bilateral aid is no longer possible.

If we can be of further service please do not hesitate to let me know.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary,
for Congressional Relations.

AMENDMENT NO. 363

(Ordered to be printed and to lie on the table.)

Mr. STONE submitted an amendment intended to be proposed by him to the bill (S. 1457), supra.

AMENDMENT NO. 364

(Ordered to be printed and to lie on the table.)

Mr. WILLIAM L. SCOTT submitted an amendment intended to be proposed by him to the bill (S. 1484), supra.

AMENDMENT NO. 365

(Ordered to be printed and to lie on the table.)

Mr. TUNNEY submitted an amendment intended to be proposed by him to the bill (S. 1484), supra.

SCHOOL LUNCH AND CHILD NUTRITION ACT AMENDMENTS OF 1975—S 850

AMENDMENT NO. 360

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.

Mr. MCGOVERN. Mr. President, today I am introducing, along with Senators CASE, HARTKE, HUMPHREY, ABOUREZK, HATHAWAY, MCGEE, TUNNEY, WILLIAMS, MONDALE, and RIBICOFF, an amendment to the School Lunch and Child Nutrition Act Amendments of 1975—(S. 850).

This amendment, which has already been passed by voice vote in the House of Representatives, is intended to aid children from working class families by mandating that schools offer the reduced price lunch program.

Presently, this program is optional.

Under this measure the reduced price lunch program will be made available to children from families of very moderate income, but who cannot receive a free lunch because their family income is too high.

With this amendment, I am trying to keep in the school lunch program some of those millions of children who have been dropping out over the last few years, most likely as a result of increased lunch costs.

No child should be denied a school meal merely because his or her family food budget is pinched. These families support the program with their tax dollar, and their children deserve a break.

Schools currently must offer a free lunch and a paid-for lunch. This amendment merely requires them to offer a reduced price lunch as well.

I ask unanimous consent that this amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 360

On page 3, line 2, insert the following:

SEC. 5. Section 9(b) of the National School Lunch Act is amended to read as follows:

"The Secretary, not later than May 15 of each fiscal year, shall prescribe an income poverty guidelines setting forth income levels by family size for use in the subsequent fiscal year, and such guidelines shall not subsequently be reduced to be effective in such subsequent fiscal year. Any child who is a member of a household which has an annual income not above the applicable family-size income level set forth in the income poverty guidelines prescribed by the Secretary shall be served a free lunch. Following the announcement by the Secretary of the income poverty guidelines for each fiscal year, each State educational agency shall prescribe the income guidelines, by family size, to be used by schools in the State during such fiscal year in making determinations of those eligible for a free lunch. The income guidelines for free lunches to be prescribed by each State educational agency shall not be less than the applicable family-size income levels in the income poverty guidelines prescribed by the Secretary and shall not be more than 25 per centum above such family-size income levels.

"Local school authorities shall publicly announce such income guidelines on or about the opening of school each fiscal year and shall make determinations with respect to the annual incomes of any household solely on the basis of a statement executed in such form as the Secretary may prescribe by an adult member of such household. No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced-price lunch shall be made by the school nor shall there be any overt identification of any child by special tokens or tickets, announced or published lists of names, or by other means: *Provided further*, That, beginning with the fiscal year ending June 30, 1976, State educational agencies shall establish income guidelines for reduced-price lunches at 100 per centum above the applicable family size income levels in the income poverty guidelines as prescribed by the Secretary, and any child who is a member of a househlod whose income falls between the State's free lunch standards (as prescribed in this section) and 100 per centum above the income poverty guideline prescribed by the Secretary shall be provided a reduced price lunch, not to exceed 20 cents."

AMENDMENT NO. 381

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. MCGOVERN. Mr. President, today, for myself and Senator JAVITS, I am introducing, an amendment to my own bill, the National School Lunch and Child Nutrition Act Amendments of 1975 (S. 850).

Since this bill has been introduced, measures have been taken to guarantee that the summer food program will continue through this summer, basically unchanged from previous years. As a result, I believe it is now timely to consider passing legislation which will revise in a major way the summer food program. If these changes become law, the U.S. Department of Agriculture will have 1 year to rewrite their regulations and guidelines for the summer program.

This section was not put into S. 850 originally because I thought it was necessary, because of the press of time, to pass relatively simple and uncomplicated legislation. This is no longer a major concern and I believe this amendment, which contains many of the recommendations made in a recent GAO study of the summer food program, will be a major step toward improving this program.

The second part of this amendment asks the Secretary of Agriculture to study and report to Congress on the current administrative staffing conditions of the child nutrition programs at the State and local level. Currently, there is little known about the size, makeup, training, classification, and allocation of staff for all of the child nutrition programs.

Given the size and importance of these programs, the many changes in recent years, and the innovations in S. 850, I feel it is imperative that USDA and the Congress get an idea of how these programs are being administered, what the funding and training needs are, and what steps need be taken to do effective outreach to insure participation by the most children.

Mr. President, I ask unanimous consent that this amendment and analysis be printed in full in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 361

SUMMER FOOD PROGRAM

SEC. 2. On page 6, line 2, insert the following:

"SEC. 12. Section 13 of the National School Lunch Act is amended to read as follows:

"(a) (1) There is hereby authorized to be appropriated such sums as are necessary for the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978, to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, and expand nonprofit food service programs for children in service institutions. For purposes of this section, the term 'service institutions' means nonresidential public or private, nonprofit institutions and residential public or private nonprofit summer camps that develop special summer programs providing food service similar to that available to children under the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 during the school year. To the maximum extent feasible, consistent with the purposes of this section, special summer programs shall utilize the existing food service facilities of public and nonprofit private schools. Any eligible service institution shall receive the summer food program upon its request.

"(2) Service institutions eligible to participate under the program authorized under this section shall be limited to those which conduct a regularly scheduled program for children from areas in which poor economic conditions exist, for any period during the months of May through September at site locations where organized recreation activities or food services are provided for children in attendance."

(3) For the purposes of this section, "poor economic conditions" shall mean an area in which at least 33⅓ percent of the children are eligible for free or reduced price school meals under the National School Lunch Act and Child Nutrition Act as shown by information provided from Model City target areas, departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending schools located in the area of summer food sites, or from other applicable sources. "State" shall mean any of the fifty states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands.

(b) Disbursement to service institutions shall equal the full cost of food service operations, except that such financial assistance to any such institution shall not exceed (1) 75.5 cents for all costs excepting administrative costs for each lunch and supper served, (2) 6 cents for administrative costs for each lunch and supper served, (3) 42 cents for all costs except administrative costs for each breakfast served, (4) 3 cents for administrative costs for each breakfast served, (5) 19.75 cents for all costs except administrative costs for each meal supplement served, and (6) 1.5 cents for administrative costs for each meal supplement served. *Provided*, That the above amounts shall be adjusted each March 1 to the nearest ¼ cent in accordance with changes for the year ending January 31 in the series for food away from home of the Consumer Price Index published by the Buearu of Labor Statistics of the Department of Labor. The initial such adjustment shall reflect the change in the series for food away from home during the period January 31, 1975, to January 31, 1976. The cost of food service operations shall include the cost of obtaining, preparing and serving food and related administrative costs.

Provided further, that no service institution shall be prohibited from serving breakfast, suppers, and meal supplements as well as lunches unless the service period of different meals coincides or overlaps.

(c) Disbursements shall be made to service institutions only for meals served during the months of May through September, except that this period limitation shall not apply to institutions which develop food service programs for children on school vacation at any time under a continuous school calendar.

(d) No later than June 1, July 1, and August 1 of each year, the Secretary shall forward to each State an advance payment for meals served in that month pursuant to subsection (b), which amount shall be no less than (1) the total payment made to such State for meals served pursuant to subsection (b) for the same calendar month of the preceding calendar year or (2) 65 per centum of the amount estimated by the State, on the basis of approved applications, to be needed to reimburse service institutions for meals served pursuant to subsection (b) in that month, whichever is the greater.

The Secretary shall forward any remaining payment due pursuant to subsection (b) no later than 60 days following receipt of valid claims. Any funds advanced to a State for which valid claims have not been established within 180 days shall be deducted from the next appropriate monthly advance payment unless the claimant requests a hearing with the Secretary prior to the 180th day. Provided, however, that those programs operating during nonsummer vacations during a continuous school year calendar shall receive advance payments on the first day of each month involved.

(e) Service institutions to which funds are disbursed under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost to children attending service institutions approved for operation under this section.

(f) The Secretary shall publish proposed regulations relating to the implementation of the summer food program by January 1 of each fiscal year, and shall publish final regulations, guidelines, applications and handbooks by March 1 of each fiscal year.

In order to improve program planning, the Secretary is authorized to provide service institutions with start-up costs not to exceed 10 per centum of the federal funds provided such service institutions for meals served pursuant to subsection (b) during the preceding summer. Any such start-up costs shall be subtracted from payments subsequently made to service institutions for meals served pursuant to subsection (b).

(g) Each service institution participating under this section shall, insofar as practicable, utilize in its program foods designated from time to time by the Secretary as being in abundance, either nationally or in the institution area, or foods donated by the Secretary. Irrespective of the amount of funds appropriated under this section, foods available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) or purchased under section 32 of the Act of August 4, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agricultural Act of 1965 (7 U.S.C. 1446a–1), may be donated by the Secretary to service institutions in accordance with the needs as determined by authorities of these institutions for utilization in their feeding programs.

(h) If in any State the State educational agency is not permitted by law or is otherwise unable to disburse the funds paid to it under this section to any service institution in the State, the Secretary shall withhold all funds apportioned under this section and shall disburse the funds so withheld directly to service institutions in the State for the same purpose and subject to the same conditions as are required of a State educational agency disbursing funds made available under this section.

(i) The value of assistance to children under this section shall not be considered to be income or resources for any purpose under any Federal or State laws, including laws relating to taxation and welfare and public assistance programs. Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

(j) There is hereby authorized to be appropriated for any fiscal year such sums as may be necessary to the Secretary for his administrative expenses under this section.

(k) The Secretary shall pay to each State for administrative costs incurred pursuant to this section an amount equal to 2 per centum of the funds distributed to that State pursuant to subsection (b): *Provided, however*, That no State shall receive less than $10,000 each fiscal year for its administrative costs unless the funds distributed to that State pursuant to subsection (b) total less than $50,000 for such fiscal year: *Provided further*, That States shall undertake effective outreach to inform institutions in low income areas of the availability of the summer food program and to reach the maximum number of low income children who are served free or reduced price school lunches during the school year.

NUTRITION PROGRAM STAFF STUDY

SEC. 3. On page 27, after line 11, insert the following:

"SEC. 17. The Secretary of Agriculture is authorized to carry out a study to deter-

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mine how States are utilizing Federal funds provided to States for the administration of the child nutrition programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966, and to determine the level of funds needed by the States for administrative purposes. The study shall report on: The current size and structure of State staffs, job descriptions and classifications; training provided to such staff; representation of minorities on staffs; and the allocation of staff time, training time, and Federal administrative dollars spent among each of the various child nutrition programs. The study shall assess State needs for additional staff positions, training, and funds, for each of the above areas, including additional State needs to implement adequately the provisions of this Act. The study shall also determine State staffing needs and training program support required to conduct effective outreach for the purpose of reaching the maximum number of eligible children in the special food service program and the summer food program. The Secretary shall review the study design with the appropriate congressional committees prior to its implementation, and shall report his findings together with any recommendations he may have with respect to additional legislation, to the Congress no later than March 1, 1978."

Section-by-Section Analysis—McGovern Amendments

THE SUMMER FOOD PROGRAM

This amendment extends the summer food program for children for three years, and makes a number of modifications in the program recommended by a comprehensive General Accounting Office study of the program released in February. The amendment contains nearly all summer feeding provisions contained in S. 850 and H.R. 4222, but also includes a number of additional provisions to reflect GAO findings and recommendations.

As in S. 850 and H.R. 4222, this bill allows summer camps for low income children to enter the program, provides for automatic adjustments in reimbursement rates, requires that final regulations be issued by March 1 each year to allow time for adequate planning and tighter program management, allows eligible summer feeding sponsors into the program upon request, and restores breakfasts to the list of meals that can be served in the program—with maximum reimbursement rates for breakfasts being set at the same maximum rate currently used in the school breakfast program.

This amendment differs from the summer food section of S. 850 and H.R. 4222 in that there are separate reimbursement maximums for food costs and for administrative costs, a practice that USDA now uses and that should be maintained to insure that food service companies do not get excessive reimbursements and that service institutions do not get reimbursed for excessive administrative costs.

The following changes—based on the GAO's findings—have also been made:

1. Provisions have been added for making advance payments to service institutions and for providing a limited amount of start-up costs prior to the summer in order that better planning, training of personnel, and general management can be done. The GAO report strongly recommends the use of advance payments in the summer food program. Advance payments are already used in the school lunch program.

2. States would receive, for their administrative costs in running the program, an amount equal to 2% of the funds used in a State for per meal reimbursement, and States would be required to inform institutions in low income areas of the summer food program's availability. The GAO report urges that administrative funds be earmarked specifically for summer feeding and be separated from general administrative funds provided to States for child nutrition programs. The GAO report also recommends that States conduct greater promotional efforts for the program.

3. Areas in which more than one-third of the children meet the State income guidelines for free or reduced price school lunches would be eligible to run summer food programs. (At present, USDA regulations require that areas must have over 50 percent of their children below these income guidelines to qualify for the summer food program, a requirement that keeps out many low income children who live in low income areas, but not quite low enough). The GAO report criticizes the summer program for failing to reach the overwhelming majority of low income children who receive free and reduced price school lunches during the school year. Only about 1.5 million children are reached by the summer program, while nearly 10 million participate in the free and reduced price school lunch program. According to the GAO, one reason these children are left out of the summer program is that some low income children live in areas that are not quite destitute enough to produce data showing that more than 50 percent of the children in the area are eligible for free and reduced price school meals.

The cost of the bill is about $8–$10 million above the summer feeding sections of S. 850 and H.R. 4222. All in all, the bill would add about $15 million to the total cost of the summer program. This would be the first such increase in several years—because of the limited size of this program, the amount of money budgeted for it has remained essentially unchanged since 1972.

THE NUTRITION PROGRAM STAFF STUDY

This part of the amendment directs the Secretary to study and report to Congress his findings on the ways that States are currently training, structuring, classifying, and allocating their nutrition staffs, so as to best correct any problems that now exist and to determine current staffing needs.

A staffing study of this kind is necessary for two essential reasons. First, as these programs have grown considerably in the last several years, the State and local administrative load and responsibilities have also grown. It is time that a survey be done to determine how the States are meeting their responsibilities in staff training, structuring, and resource allocation program by program to insure the orderly participation by the maximum number of children in each program.

Secondly, this particular bill, S. 850, places some new administrative obligations on the States. Funding techniques are changed in some programs, commodities added to many, new education and outreach efforts required, and the reduced price lunch program is mandated for the first time. In light of these and other changes, a staffing study is necessary to determine what new administrative needs the States may have or what changes may be required so that Congress can intelligently address that question in the future.

The goal of this study is to ensure that adequate staff and organizational development, management training, and other actions designed to improve managerial and operational skills take place at the State and local levels so that all child nutrition programs are administered in the most economical and professional manner possible.

This section will add no additional cost to S. 850 or last year's budget.

NOTICE OF HEARING ON PROPOSED REGULATIONS GOVERNING PUBLIC ACCESS OF CERTAIN MATERIAL

Mr. RIBICOFF. Mr. President, title I of Public Law 93–526, the Presidential Recordings and Materials Preservation Act, provides that the U.S. Government retain custody of the Nixon Presidential materials, and that the Administrator of General Services promulgate regulations governing public access to such materials, taking into consideration certain criteria set forth in the act. The act provides further that the Administrator, within 90 days following enactment, submit to the Congress such proposed regulations, together with an explanatory report, and that such regulations are to become effective upon the expiration of 90 legislative days following their submission, unless they are disapproved by either House of the Congress.

Public Law 93–526 was signed into law by the President on December 19, 1974. On March 19, 1975, the GSA Administrator submitted the proposed regulations and an explanatory report.

The Committee on Government Operations has scheduled a hearing on the proposed regulations on Wednesday, May 14, 1975, at 10 a.m. in room 3302, Dirksen Senate Office Building. Persons desiring to submit their comments and views to the committee should make any submissions by May 7, 1975.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee for the next 2 weeks:

April 22: Full committee, 10 a.m., room 3110, hearing, nomination of Stanley K. Hathaway of Wyoming to be Secretary of the Interior.

April 23: Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing, S. 984, Land Resources Planning Assistance Act, and S. 619, Energy Facilities Planning and Development Act.

April 23: House-Senate conference, 2 p.m., room S–128, Capitol, open, H.R. 25, surface mining legislation.

April 24: Environment and land resources subcommittee, 10 a.m., room 3110, hearing, S. 984, Land Resources Planning and Assistance Act, S. 619, Energy Facilities Planning and Development Act.

April 24: Energy Research and Water Resources Subcommittee, 2:30 p.m., room 3302, hearing, S. 1152, American Falls Dam bill.

April 25: Indian Affairs Subcommittee, 9:30 a.m., room 3110, hearing, S. 217, relating to the condemnation of certain lands in New Mexico; S. 209, for relief of Willard and Nicole Allen; and S. 557, land transfer bill.

April 25: Energy Research and Water Resources Subcommittee, 10 a.m., room 3302, hearing, information hearing on secondary and tertiary recovery of oil.

April 28: Full Committee and National Fuels and Energy Policy Study, 10 a.m., room 3110, hearing, oversight hearing on FEA programs.

April 29: Full Committee and National Fuels and Energy Policy Study, 10 a.m., room 3110, hearing, title III, re powerplant siting, of S. 984, Land Resource

Planning Assistance Act, and S. 619, Energy Facilities Planning and Development Act.

April 30: Indian Affairs Subcommittee, 10 a.m., room 3110, hearing, information hearing re Indian housing.

May 1: Indian Affairs Subcommittee, 10 a.m., room 3110, hearing, information hearing re Indian housing.

May 2: Environment and Land Resources, 10 a.m., room 3110, hearing, S. 984, Land Resources Planning and Assistance Act; S. 619, Energy Facilities Planning and Development Act.

May 3: Full Committee, field hearing, New York City, re Outer Continental Shelf development legislation.

May 5: Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing, information hearing regarding automotive research and development.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Mississippi (Mr. Eastland), I make the following statement:

Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary: Jervis S. Finney, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years, vice George Beall, resigning; Emmett G. Wyche, of Louisiana, to be U.S. marshal for the western district of Louisiana for the term of 4 years, vice Joseph W. Keene, deceased.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, April 28, 1975, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

GAS RATIONING

Mr. CANNON. Mr. President, Congress is beginning to consider a number of energy proposals to hopefully begin to solve this serious problem facing our Nation. Also, Congress, in its wisdom, appears to be opposed to gasoline rationing, but I am still concerned about any such possibility now or in the future.

I am opposed to any form of gasoline rationing and strongly feel that such action would be most devastating to our Nation's tourism and travel industry. The psychological impact alone of rationing could begin the process of crippling an industry that is considered one of the top three in most States and without a doubt the chief industry in my State of Nevada.

Nationwide, 4.5 million men and women earn their living in some way from the travel and tourism industry. In Nevada alone, more than 100,000 of the 260,000 working men and women derive their livelihood from the service industries. The unemployment rate in Nevada is fast approaching 10 percent; nationwide it recently was reported at 8.7 percent. Mr. President, I firmly believe that any sort of gasoline rationing would cause the unemployment rate in Nevada and nationwide to increase, and I do not think anyone wants that to happen.

Mr. Edward T. Hanley, general president of the Hotel and Restaurant Employees and Bartenders International Union, discuses this issue in very clear terms in the April issue of the union's magazine—Catering. Knowing that all Senators are analyzing and seeking information on this vitally important issue, I feel that reading and absorbing President Hanley's message will be well worth their effort.

I ask unanimous consent to have President Hanley's message printed in the Record so my colleagues, too, might benefit from his wisdom.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From Catering, April 1975]

Message

(From Edward T. Hanley, General President)

At our recent General Executive Board meeting all of us were concerned with the future of the nation's gasoline supply, and how it will be handled.

In a resolution adopted unanimously by the Board, we strongly opposed any form of gasoline rationing. Our reasoning, of course, is that any rationing of gasoline would put a crimp in American automobile travel, and the impact would be serious in all parts of industry that serve the traveling public either directly or indirectly.

Our half million members have a very direct and very personal interest in the way we handle the fuel shortage, if there is one. In addition to our members, there are another four million men and women earning their living in some way from the travel and tourism industry, and the contribution of their work to the national economy is sizeable, and indispensable. As Senator Daniel Inouye, of Hawaii, told the members of the Board and the representatives of Local Unions at the General Executive Board meeting, the tourism and travel industry is a major component of the entire economy.

Representative John Dent, who also spoke at the Board meeting, said there could be enough gasoline to supply our American automobiles, if we turn to alternative sources of power for other energy needs.

There is, in our view, no justification for further aggravating the recession by an arbitrary rationing of gasoline. The recession is being "fueled" by a lack of fuel.

Any slump in the economy has a tendency to hit our members first, and we're always the last to receive the benefits of any effective remedy. When a person doesn't have a dollar to spend, he isn't going into the neighboring saloon, or restaurant, or hotel. He's not going to travel for recreation or business.

And even after the economy has gotten back on its feet, there aren't many dollars left for the hotel or bar after the consumer has paid off the overdue bills at the grocery store, the loan companies, the furniture store and the department store.

Work is already under way in the White House and in Congress, of course, to deal with the twin problems of recession and energy costs.

There has been no shortage of criticism, from almost every possible quarter, including White House criticism of Congress, and vice versa.

If you criticize the Republicans, and you criticize the Democrats, and you criticize President Ford, who's left? You either take a position or you stand still.

The Board's resolution called on President Ford and Congress to set aside political considertions and to join in developing a rational and sane energy program. It also pointed out that AFL–CIO criticism of both Ford and Congress is untimely.

If the alternative to gasoline-rationing has to be price increases, then that's a price we'll have to pay. Before one of our members can buy a gallon of gasoline, whatever the price, he's got to have people at the bar stool, in the restaurant, hotel and motel.

First, bring us the customers. Then, if there's something left over, we'll buy the gasoline, but at least we have jobs. Today, that's what we've got to fight for, first and foremost.

VIETNAMESE REFUGEES

Mr. BUCKLEY. Mr. President, although it is apparent now that the South Vietnamese are fighting with what little they have left, it is clear that the events of the last few weeks make it a certainty that without meaningful military supplies, the Communist North Vietnamese will soon overrun that troubled country. I will not go into the reasons behind the psychological collapse of South Vietnam or the responsibility I believe we all must share for the current situation there.

Rather, I would like to address myself very briefly to one of the lessons we should be learning as we watch hundreds of thousands and perhaps millions of civilians flee from the Communist occupied areas into the teeth of the war itself. A few years ago the existence of large numbers of refugees was dismissed by those who criticized our role in Vietnam as evidence of nothing more than the fact that the threat of American bombing would result in the displacement of many innocent people. When some of us ask why these people were not fleeing the war to the north, we were always told that it was because of our bombs.

Well, American bombs are not falling in Southeast Asia at this time and an objective outside observer unfamiliar with the reality of communism in that country would have to say that the safest place to go would be north. But the refugees are not moving north; they are fleeing south as quickly as possible and in ever-increasing numbers. They are fleeing south not to escape the war but to escape the Communists advancing toward them.

This has caused some of those who opposed our involvement from the beginning to reconsider some of their earlier assumptions. I ask unanimous consent that there be printed in the Record a brief piece written 3 weeks ago by Mr. Albert Ettinger, a New York resident who was active for many years in the civil rights movement and who is willing to face up to the hard questions posed by the most recent developments in South Vietnam.

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There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A QUESTION OF RESPONSIBILITY AND NATIONAL HONOR

ARLINGTON, VA.,
March 28, 1975.

Author's Background: In 1948, the writer was a chapter chairman of the Congress of Racial Equality and, in 1959, a voluntary CORE organizer during the sit-ins. In 1950, he was elected National Executive Secretary of Students for Democratic Action, the former ADA youth affiliate. Shortly thereafter, he was a founder of the International Development Placement Association, private precursor of the Peace Corps. From 1955–1958, he was an Instructor of Political Science at the University of Vermont. Since 1960, he has been Executive Director of the Niagara Falls Human Rights Commission, Chief of Program-Planning for the Rochester Model Cities program, Executive Director of the Niagara County Community Action Program, and Housing Bureau Chief of the New York State Division of Human Rights. He is currently employed by HUD as Coordinator of its Voluntary Plans Division, Office of Equal Opportunity.

One of the most important debates in American history was initiated by Secretary Kissinger in his news conference of March 26. In a plea for continued aid to our allies in Southeast Asia, he said: "The United States cannot pursue a policy of selective reliability. We cannot abandon friends in one part of the world without jeopardizing the security of friends elsewhere."

These must be unsettling words to the liberal majority of Congress which has refused to extend military assistance to Cambodia and South Vietnam on several grounds: (1) Their governments are corrupt and unrepresentative; (2) we have already sacrificed too much in money and blood in their defense; (3) continued aid would merely prolong the bloody struggle.

I should like to address these issues from the perspective of a liberal who has spent most of his adult life working for human rights causes and agencies.

Made possible by the "surplus profit" of our capitalist economy, the decade of the '60s witnessed the most extraordinary reform movement the world has ever known. Indeed, I would submit that the reform impetus of the Kennedy and Johnson administrations was quite as relevant to Southeast Asia as it was domestically, and that the achievements and failures that occurred in both areas are also related.

That relationship has to do with the infectious spirit of freedom and self-determination, and the imperfect nature of man. Afflicted by our modern illusion of perfectability, many of us became disillusioned by the failures of our policies, and insufficiently aware of their accomplishments.

In the war against poverty and racism at home, good, decent people became slightly better off and remained good, decent people. Con artists became considerably better off and remained con artists. Social services and the housing supply improved significantly. The nation as a whole benefited immeasurably by throwing off the shackles of de jure discrimination, and thousands of liberal idealists, poor people, dedicated civil servants, and reclaimed radicals were busily employed in seeking the abolition of poverty and racial discrimination.

Unfortunately, the hard core unemployed were only marginally affected, prejudice was exacerbated by militant posturing, neighborhood schools became neighborhood battlegrounds, and rates of violent crime and drug addiction soared. These "failures" were generally ascribed to lack of sufficient funds, and most anti-poverty and civil rights warriors pointed to Vietnam as the culprit where a far less pleasant and more expensive war was underway. Rather than face the fact that constructive change comes hard and in pieces, and that wars always involve tragedy and miscalculation, many of us found it necessary to seek out scapegoats and villains to account for our unaccountable failures both at home and in Vietnam, where, according to one Senator, we were fighting "a tiny band of peasant guerrillas."

In our 1972 campaign, for example, a visitor from Mars might have thought that the alleged "Corrupt-Puppet-Dictator" Nguyen Van Thieu was the American Republican candidate for President, rather than Richard Nixon. Distortion and calumny was rife in respect to a democratically elected president of a foreign state with whom we were allied. Some newspaper editors appeared devoid of historical perspective, columnists wrote propaganda that would have put any Communist "agit-prop" to shame, peace demonstrators marched to the theme, and President Nixon took his countermeasures that led to Watergate.

Might we not now reflect hard on the popular rhetoric in respect to Cambodia and Vietnam—that Asian peasants are indifferent subjects of any government—and witness the hundreds of thousands of refugees of those countries who have repeatedly fled Communist invasion.

During the Communist offensive of 1972, many of us interpreted those flights in South Vietnam as attempts to escape American bombing. The mass emigration today cannot be so easily rationalized. While some would have us believe that these civilians were ordered to leave their homes by the South Vietnamese Army, Don Oberdorfer, a reporter who eschews rumor mongering in Saigon for field observation, wrote: "According to refugees from Hue, government officials announced by radio that the inhabitants were free to leave if they wish." Flee they did, and it wasn't toward their presumed Communist "liberators". Other reporters noted that even the firing on refugee columns by North Vietnamese troops failed to stop the flow. They flee with the desperate hope that they might be protected by the government that we now desert.

Another assertion—that Asians are incapable of democratic government—is belied by the fact that South Vietnam, under the most incredible pressure, has a government more democratic, by objective standards than any in Eastern Europe, Africa or Asia, excepting India, Japan and the Philippines. That it is an imperfect government and rife with graft is reminiscent of almost any large American city a mere fifty years ago.

Critics of Saigon's policy of jailing militant political opponents during a crisis of national survival might well consider what any other nation would do under the same circumstances. During World War II, with far less justification, the United States relocated 112,000 Japanese-American citizens to detention camps. North Vietnam, on the other hand, merely liquidates its potential opposition in advance of the overt act. Gerald Tongas, a French professor who remained in Hanoi until 1959, concluded his study of the Vietminh Land Reform Campaign as follows: "This indescribable butchery resulted in one hundred thousand deaths." The campaign slogan, as described by Dr. Nguyen Manh Tuong to the National Congress of the Fatherland Front in October 1956, was: "It is better to kill ten innocent people than to let one enemy escape."

Our frustrated reaction to events in Vietnam has extracted a toll in addition to that which could be reckoned in money or American lives. It is a toll of the spirit and national character. Today, in the United States Congress, the touchstone of American liberal foreign policy appears to be to cut off aid to allies engaged in a death struggle, as a "humanitarian act," in order to curtail bloodshed.

Yes, such action would undeniably save the lives of attacking Communist troops. But should not the decision to fight on or surrender be left to our allies, rather to us? We encouraged them to organize and fight in the first place, and three succeeding American administrations found that fight to be essential to *our* national interest. Thus, we are largely responsible for their present situation. They have sacrificed infinitely more in blood than we. Now that we have safely extricated ourselves, how can we possibly dictate their surrender by withholding arms. It would require an historian to recall a comparable act of cowardly national betrayal.

If we are truly interested in minimizing bloodshed, and discharging the responsibility that we initiated, there would appear to be but two alternatives: (1) Evacuate to the United States any and all South Vietnamese desirous of leaving, while simultaneously providing the requisite military cover. In effect, that is what France did on a more limited scale, and she has never regretted her Vietnamese citizens. They would set an example of productivity and family joy and responsibility that we could all emulate. (2) Provide the miltiary assistance necessary for the South to defend itself for as long as North Vietnamese troops remain there.

There are indications that we are preparing to abandon all American presence in Southeast Asia. "We don't belong there," is the sage comment, presumably because of racial and cultural differences. (In that case, we would limit mutual defense obligations to Canada, Great Britain, and Western Europe, and build a Maginot Line on the Rio Grande.) *But we once held forth the torch that other peoples eagerly grasped in that part of the world. There desire to remain free is not dead, and if we now abandon them on the grounds of Realpolitik, or any other grounds, we may irretrievably lose our credibility elsewhere, in addition to our raison d'etre as a nation.*

Should liberals persist in pursuing a policy of nonresponsibility for the presumed "sins" of their past administrations in South Vietnam, a startling turnover in the present composition of Congress is not inconceivable, for the mass of the American people *are* responsible, and in the past we have always responded when our nation's honor was on the line. I don't think we have changed, and the opposition may well lay at the feet of this liberal Congress responsibility for the butchery that lurks in the offing.

Surely there will be no end of scapegoats and self-destructiveness unless and until we come to grips with two fundamental propositions:

Freedom and democracy are both ideals and conditions of society that facilitate social progress. The conditions are never perfect, and they are ever threatened by the dogmatist's belief in utopia and simplistic solutions. We preserve and improve upon these conditions as our faith in their value persists, and progress within these conditions as our economy and human nature permits.

Our foreign and domestic policies are cut of the same fabric, but with a dual purpose. Détente and disengagement reflect a tolerant spirit believed essential to the survival of our democratic institutions at home and a structure of peace abroad. But if this policy is unilaterally pursued at the expense of our national honor in Southeast Asia, where will the erosion of freedom end, and how will we live with our guilt?

A. C. ETTINGER.

A HUMAN DIMENSION OF DÉTENTE: THE RIGHT TO EMIGRATE

Mr. JACKSON. Mr. President, on Sunday, April 13, more than 100,000 Americans joined together in New York to express solidarity with thousands of our fellow human beings who are in the Soviet Union only because they cannot get out. It was a demonstration in support of fundamental human rights affirmed by international law.

I had the privilege of participating in this Solidarity Day gathering, and I would like to share my remarks on this occasion with my colleagues in the Senate, which initiated the East-West trade and freedom of emigration legislation now on the U.S. statute books.

Mr. President, I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HENRY M. JACKSON

SOLIDARITY DAY

I am proud to join with you today in this great gathering in support of the rights of man.

Just a few days ago, agents of the Soviet government told a group of brave men and women in Moscow to give up their dream of emigrating from the Soviet Union. "Nobody cares about you any more," the KGB men said. "The West has forgotten about you."

Well, the KGB is wrong. And we here today are proving it.

For, unlike the Soviet Union, we take our laws seriously. And among our laws is a new statute—a new statute of liberty. It means that there will be no more U.S. government-sponsored credits and no most-favored-nation treatment for the Soviet Union without progress toward freer emigration. It is a law which gives substance to the human dimension of detente. Its purpose is written into the hearts of the American people and its fundamental principle is enshrined in the Universal Declaration of Human Rights.

By acceding to the "International Convention on the Elimination of All Forms of Racial Discrimination" in 1969, the Soviet Union acknowledged that emigration policy goes beyond the limits implied by the term "internal affairs." Soviet ratification of this convention ended once and for all the pretense that Soviet emigration policy is an improper subject for action by the international community. The Jackson-Vanik amendment, far from being an intrusion into anyone's internal affairs, is one small step along the road to an international community based on law.

And I want that message to be heard by President Ford. On Thursday he as much as told the Soviets not to bother qualifying under our new law. He encouraged them to believe that their bad faith will be rewarded by further concessions.

Well, he is wrong. And we are here today to tell him he is wrong.

The problem is not in the U.S. trade bill. The problem is in the Soviet Union, and the solution is in the Soviet Union.

When the Congress agreed with President Ford to a compromise on the Jackson-Vanik amendment, we did not know whether the Soviet Union would live up to its word. But we thought we could count on the President of the United States to live up to his.

The support that has come from the West for the brave people struggling to leave the Soviet Union will not diminish. They will not be bullied by Soviet brutality. And we will not forget them.

When I joined with you on Solidarity Day last year Sylva Zalmanson and Simas Kudirka were suffering in a Soviet prison camp. Victor Polsky was living under constant threats and harassment. Valery and Galina Panov were told they would be left to rot in the Soviet Union.

Today they are free.

And we will continue to fight until their friends can join them in a new land.

We have always had international law on our side in this great struggle. We have always had justice and right on our side. We have always enjoyed the support of the American people and their elected representatives. And today we can be proud to say that we have a new ally in our struggle. We have the laws of the United States of America.

A GREAT LEADER—CHIANG KAI-SHEK

Mr. GOLDWATER. Mr. President, as a member of this body who attended the funeral of Generalissimo Chiang Kai-shek in Taipei, Taiwan, I wish to to make a very short report.

It is never a pleasant thing to attend the final rites for a friend be he close, casual, or one hardly known. This was the case of a friend, a man whom I first knew in the early part of World War II, a friend with whom visits were not often nor long, but as time passed and I had the opportunity to observe him in action and in peace, in reflection and in philosophical moods, and I was privileged to watch the country grow that he settled in after losing mainland China, after watching the loyalty with which his men, particularly in the Air Force served, and as a final observation, the millions of people crying out in anguish because of his passing. I knew it to be a friendship of which I would always be proud.

He was truly one of the great leaders of the period that will be my life, and I will always feel privileged for having had the occasion to know him and to watch him. To my colleagues in this body who did have the opportunities that I have had to watch him or his country or to be associated with his countrymen as I have, I would remind them that probably our greatest source of friendly strength will be found among the 30 million Chinese who speak English in this world. They will be found among the Free Chinese who have always shown friendship and loyalty to the United States. I hope and I pray that in recognition of the friendship and these loyalties given to my country by the free country of China encouraged by the leadership of Generalissimo Chiang Kai-shek that my Government at this time nor at any time will turn their backs on these loyal people who are actually in truth our most numerous and our most loyal friends. I would hope as the President continues in his role of our chief foreign policy maker and in the Presidents to come that they will never feel tempted to deny the loyalty that friends should have established and enjoy among themselves.

A very memorable part of the services held was the sermon offered which was entitled "Another Witness." I ask unanimous consent that this sermon be printed in the RECORD as a symbol of the feelings that I, as one of two Senators who represented the Senate, brought home from a sad journey to Free China.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MESSAGE: ANOTHER WITNESS

"Wherefore, seeing we also are compassed about with so great a cloud of witnesses, let us lay aside every weight, and the sin which doth so easily beset us, and let us run with patience the race that is set before us, looking unto Jesus, the author and finisher of our faith . . .' Hebrews, chapter 12, verses 1 and 2a

The writer of the book of Hebrews in the New Testament urges Christians to lead a consecrated life, to endure and overcome trials and tribulations, to press on to the goal which God has set for them. He spurs them on with words to this effect: My fellow believers, go forward with faith. God guides them who believe. They that have faith shall change the course of history.

The heroes of faith in all time have effected the following:

Through faith, they have overthrown the chain of their enemies and enforce justice and truth in their reign;

Through faith, they have locked the jaws of lions, quenched raging fires, overcome the sword, and brook no compromise of their integrity;

Because of their faith, they have endured brutal scourgings, chains and imprisonment, and even death on the cross. These believers may sacrifice their lives but God is able to raise them up into life everlasting, life more abundant; and

Because of their faith, they are able to withstand hunger, deprivation, mockery, agony—physical and mental.

God has something definite in mind with regard to them that believe. He plans for their ultimate good. He is awaiting those who have faith to accept, assist, and accomplish His perfect will.

The writer of Hebrews raises many illustrations from the pages of history to support his irrefutable premises of faith. Particularly, he dwells on the Father of Faith, Abraham.

When Abraham was comfortably settled in his homeland, God called him to make a journey into faith to an unknown, unpopulated, and uncultivated land. God disclosed to him that this was the land he shall inherit, and it shall be the "Promised Land" to his children's children. Abraham obeyed God's will and set his face towards this unknown land. His only concern was submitting to God's will, not what sacrifices this would entail. He finally arrived where God intended him to be, and his children multiplied and prospered into a great people.

The mark Abraham and other great heroes of faith left on the annals of history is indelible. We can draw several parallels from these great believers mentioned in the Bible:

1. Their faith is unshakeable.
2. Their goal is definite—they know where God wants them to head, and step by step they press on heedless of the cost, to fulfill God's purpose.
3. Their attainment is sure. God will accomplish what he has set out for them to do.

The Bible calls these heroes of faith "witnesses" because they are a living testimony of this Biblical teaching: faith is the greatest motivating force. The writer of Hebrews said, "We are compassed about with so great

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a cloud of witnesses," namely, Abraham, Moses, and other disciples recorded in the Scriptures. Included among these witnesses are also the great heroes of faith throughout history, who all upheld the invincibility of faith. Today, in this memorial service as we contemplate the words and deeds of our beloved. President, there is no denying that he must be counted as one of these witnesses—another witness besides this host of witnesses. His name is blazen today on the honor roll of heroes of faith.

The stature of President Chiang is well-known to all and sundry; but more so, he is beloved of his people. The teeming millions who lined up outside the Sun Yat-sen Memorial Hall the past few days to pay their final homage to the President bespoke this truth. This is only to be expected, for he had nothing but love towards them. His memory shall live not only in our generation but shall glow with splendor undimmed by time.

Nonetheless, President Chiang's character and achievement are impelled by a great motivating force: that of faith. Today as we honor him and accord him the title "Witness of Faith," we are not merely adding a footnote to the chronicles of history but are viewing in proper perspective the rationale of his attainment: one inspired by faith.

I am constrained to say so because his last will and testimony stated that "there has not been a single moment that I have strayed away from Christian faith and Dr. Sun's ideals." I have been ruminating on the meaning of this passage for the past few days and concluded that his own words can best serve as an exposition:

The whole story of Jesus' life is one of incomparable suffering. He endured to the uttermost. His unquenchable love and compassion are true to the last. This is the greatest lesson I derived from his life. Dr. Sun Yat-sen was a Christian. What he got from Jesus was the will to bring deliverance to the weak, blessings to the suffering multitude. . . . This spirit of his lives on forever. Since I cast my lot with the revolutionary movement of China, my faith in Dr. Sun's convictions approaches a religious significance, for although they don't necessarily pertain to religion, they differ not in spirit from the code of faith. Hence I shall ever be a disciple of Dr. Sun's in his effort to save his country and his people. Now I am also a disciple of Jesus' who is the Saviour of all people. Thus I strongly believe that what makes a revolutionary is his character of faith. In times of hardships, he who holds to his character rather than his life is the product of faith. In other words, life is dispensable, but national integrity brooks no compromise. Our body can endure bondage, but our spirit must scar with freedom. This kind of attitude is but a reflection of one's faith. . . . Even as faith is to life likewise is conviction to revolution.

Chronologically speaking, President Chiang was first the disciple of Dr. Sun ere he became a disciple of Christ and embraced the faith. From Dr. Sun's way of life, our President knew that he was a Christian. Later, he himself was to be won over to the same faith and adopted Jesus' example of delivering his people. Ultimately his faith grew from the source which was Jesus.

The President always proclaimed that he was a Christian. One can glean the profundity of his belief when he said in his speech delivered at the Methodist Centennial Celebration, these opening words were: "Life cannot do without religious faith. That was my belief some ten years ago. But now I must again emphasize to you my brothers of the whole world that life cannot be, even for a moment, without religious faith."

Why does he put so much stock in religion? Because he is convinced that Christisn faith is the core of God's truth. It is a "must" in one's personal life, in the life of a society, and of a nation. Hence, he said:

What is the Truth of God? Jesus is the representation of God's Truth. One look at His selfless love on the Cross for the salvation of all sinners. His faithfulness, His courage, His spirit of sacrifice is to see the reality of God's Truth. And this same Jesus is the Source of our life, our true liberty.

When he perceived the sinfulness and immoralities of this day and age, he did his utmost to come up with solutions to combat the prevailing sickness of the day. Moreover, he discovered what Jesus' solution to the question of sin was. To quote the President: Christians should have an answer to the crux of the matter in this generation.

This solution can be found in the hearts of men. We often grow disappointed when we cannot live up to our ideals. For it is a fact that often men's character cannot sustain the trial of history resulting in the repetition of the same errors over and over again. The sins of the past magnified themselves and appeared in more hideous guise. It almost seems that men are fated to sink ever lower in the vortex of degradation—lost forever, without hope. But is it really true that we cannot escape this hapless fate? I can affirm with the greatest certainty, 'Of course, there is a way.'

Christ has pointed to us a way. Christianity believes in the conversion of human beings. This faith shows us where our hope lies: that the conversion of the world starts in the human heart. If each individual has a better life, the world would naturally become a more beautiful place.

How vividly I remembered his request for my visit on an occasion to find Bible verses pertaining to the terms "new man" and "new life" in order to serve as his reference for study. How he yearned for every one to become a new man, to live a new life!

President Chiang did not hold to a superficial, popular view of Christianity, such as believing in God will bring instantaneous blessings. What he believed was: this world is an arena where Truth and Evil, Light and Darkness, constantly struggled from the beginning of time. Each generation is but a manifestation of a bout with Satan. However, President Chiang was not discouraged or depressed. He once said, "My fellow believer, my compatriot, there is no evil on earth that can suppress truth for ever! Neither is the devil able to resist God's Truth without being ultimately destroyed." He also said. "These times of darkness, evil, and immorality cannot overcome us, for we know that these insults are but the price we must pay in order to build a new China of the people, by the people, and for the people based on the teachings of Christ."

What is his explication as to our national personal sufferings? To him they are but "trials"—a very important concept in Christianity. As I delved into the President's words and writings, I came up with numerous valuable material on the word "trial." These devotional thoughts can be considered almost on the par with Saint Augustine's and Thomas a Kempis'. They are the crystallization of President Chiang's personal experience and meditative life. His and Madam's daily devotion early in the morning, sharing the light received from God's Word, is something to be emulated by all Christian families. From his meditations in these morning quiet hours, one can find many quotable quotes on trial suffering. Among them are the following:

In loneliness, in sorrow, in despair can we see the love and grace of our Lord. Only He can disperse our loneliness, dispell our sorrow.

The more abysmal our trials, the sweeter our song of praise.

In trials and tribuations lies the secret of spiritual blessings.

A life abundant is a life tempestuous.

A thousand trials surround those who live by faith.

These soul-felt experiences can only be understood by thoughtful contemplations. Even as the blaze refines steel, likewise trials temper one's character until only what is true and pure remain. The many trials and tribulations in the President's life have wrought a truly noble, finely honed Christian character.

I say he knew despair but he overcame it. When he encouraged his countrymen, even those on the mainland, his message was inspired by confidence and hope. He said:

My compatriots on the mainland, take heart and be of good faith! Only an unshakeable belief can conquer a world of woe. Only a firm faith can turn darkness into light. As long as your faith in God and our Saviour Jesus Christ remains intact, as long as you resist the temptations of evil, defeat shall turn to victory. Do you not know that when night is the darkest, dawn shall soon break? When winter is here, can spring be far away?

President Chiang's main concern was the spiritual life of his people. He always bore in mind his brethren on the mainland. He said:

My fellow believers, your spiritual welfare is constantly in my prayers. Day and night my turmoil knows no surcease upon the remembrance of my brothers in persecution in suffering, in bondage.

Every year, on the birthday of the President, Madam and the Chinese Christian Women's Prayer Group under her leadership hold a thanksgiving prayer meeting. These ladies often asked the President what his prayer request might be. To my recollection, he never once requested any personal prayer, but the answer unfailingly would be, "Pray for our brothers on the mainland."

What he demanded of himself was to carry out the will of God. His personal suffering was beyond his consideration. Not only did he himself subscribe to this principle but urged others to do likewise, saying:

My fellow believer, not for a second can we depart from the eternal plan of God. Only believe and obey; accept the transient sorrows such as those of St. Peter and St. Paul; the trial of the cross, the baptism of Golgotha, the cup of Gethsemane, and the song of triumph will ultimately be yours after the long night of sorrow.

Today, our beloved President is laid to rest, but he has long since conquered death. He is wont to say: "Many thoughts that one must deny death in order to have life. However Christian belief teaches us to accept the reality of death, then overcome death to inherit life eternal."

As early as Oct. 23, 1930, when President Chiang was baptised into the Faith, he has already given himself to Christ on the Cross and in that sense was he entombed with Him. From that day on until the present he sought only to live for Christ, and to let Jesus live through him.

At this time I rceall a very appropriate passage in the Scriptures which gives the account of the death of God's faithful servant, the prophet Elijah. When Elijah was being taken into heaven, his disciple Elisha followed closely. "Elijah said unto Elisha, Ask what I shall do for thee. And Elisha said, I pray thee, let a double portion of thy spirit be upon me." And God granted this request of Elisha's, who picked up the mantle left by Elijah and became his spiritual successor.

Today, our President has likewise been received into glory. Before we even requested, he has already left us his last will and testimony. He desired that we carry on the great task of rebuilding our country. Whenever I read his will and see the signatures upon it (symbolic representation of all Chinese who accept this will) I am most impressed with the sentiment of concern, conviction, charity, and charisma expressed in every line. His faith in God deserves special attention, for I am sure he wanted to be remembered, beyond all else, as a true follower of Christ. In the darkest hour he held to his Faith, and his Faith sustained him.

May the spirit who moved our President likewise move every member in our government and every citizen. May we rise and don his mantle.

RETIREMENT OF ALEX C. CALDWELL, ADMINISTRATOR, COMMODITY EXCHANGE AUTHORITY

Mr. TALMADGE. Mr. President, Friday, April 18, marked the final day of service of Alex C. Caldwell as Administrator of the Commodity Exchange Authority.

Mr. Caldwell is retiring after almost 25 years of service to the Department of Agriculture, and I think it is appropriate that the Senate take note of his accomplishments.

Mr. Caldwell is a distinguished public servant, and his services to the Committee on Agriculture and Forestry and the Senate have been most valuable.

During the committee's consideration of the Commodity Futures Trading Commission Act of 1974, Mr. Caldwell worked closely with the committee and its staff in drafting provisions on many complex and controversial issues.

The 1974 Act makes extensive changes in the Commodity Exchange Act, brings under Federal regulation all agricultural and other commodities, goods, and services traded on boards of trade, and otherwise strengthens the regulation of the Nation's $500 billion commodity futures trading industry.

The changes made by the 1974 act include the establishment of the Commodity Futures Trading Commission, consisting of a Chairman and four other Commissioners. The act requires that the Commissioners be appointed by the President, by and with the advice and consent of the Senate. In enacting the law, Congress provided that the act was to become operational 180 days after enactment—or April 21, 1975. On that date, the Commodity Exchange Authority will become a part of the Commodity Futures Trading Commission.

Mr. Caldwell is respected and admired by his colleagues in the Department of Agriculture. In 1970, Mr. Caldwell received the Distinguished Service Award of the Department, "For outstanding leadership and sound judgment in developing a program of Federal regulation of rapidly expanding futures trading in agricultural commodities, and administering his program with a high level of economy and efficiency."

Mr. Caldwell was born in Ennis, Tex., on August 15, 1915. Mr. Caldwell's mother, Mrs. Emily Haynes Caldwell, lives with her son at their home in Alexandria, Va. His father, Robert Lee Caldwell, is deceased.

Mr. Caldwell attended Washington University in St. Louis, the University of Texas, and the University of California at Los Angeles. During World War II, he served in the Army. He entered the Army as a private and was discharged as a major.

Mr. Caldwell was employed by the Department in 1950, and performed commodity brokerage accounting audits and investigations in the Chicago and New York offices of the Commodity Exchange Authority. Prior to becoming an employee of the Department, Mr. Caldwell was a financial analyst and management executive in private industry.

In 1956, Mr. Caldwell joined the Washington staff of the Commodity Exchange Authority. Subsequently, he served as Assistant Director of the Compliance and Trade Practice Division, Director of the Compliance and Trade Practice Division, and Deputy Administrator.

On January 6, 1960, Mr. Caldwell was appointed Administrator of the Commodity Exchange Authority.

Mr. President, I was pleased to learn that after taking his oath of office in the White House on April 15, 1975, the Chairman of the Commodity Futures Trading Commission—William T. Bagley—made special note of Mr. Caldwell's outstanding career of service to the Nation and the Department of Agriculture. Secretary Butz, who presided at the ceremonies when the Chairman and the other Commissioners took their oaths of office, also praised Mr. Caldwell.

It is my hope that Mr. Caldwell's retirement will not mark the end of his service to the regulation of futures trading. Certainly, it will be of great benefit to the Nation if the new Commission will be able to make use of Mr. Caldwell's expertise as it enters upon its important and demanding tasks.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter I wrote Mr. Caldwell on behalf of the Committee on Agriculture and Forestry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 8, 1975.

MR. ALEX C. CALDWELL,
Administrator, Commodity Exchange Authority, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. CALDWELL: On the occasion of your retirement as Administrator of the Commodity Exchange Authority, I should like to extend you the best wishes of the Committee on Agriculture and Forestry.

Your career of service to the Department of Agriculture and the Nation has been outstanding. We are particularly appreciative of the able assistance you gave the Committee during its consideration of the Commodity Futures Trading Commission Act of 1974.

Your advice and counsel were most helpful, and you can, I believe, take justifiable pride in the role you played in the enactment of the legislation.

Although you are retiring, it is my hope that some mutually satisfying arrangement can be reached between you and the new Commission created by the 1974 Act under which your expertise and knowledge in futures trading regulation will be made available to the Commission.

With every good wish, I am
Sincerely,
HERMAN E. TALMADGE,
Chairman.

IN OUR COUNTRY'S SERVICE

Mr. WEICKER. Mr. President, I invite the attention of the Senate to a speech of genuine excellence, which was delivered at the Founder's Day ceremonies of the University of Virginia on April 14.

Its author, Mortimer Caplin, has blended in his own life that dedication to public service of which he speaks. A professor of law at the University of Virginia for more than a decade, he left the university to become the Commissioner of the Internal Revenue Service from 1961 to 1964. To this day, although engaged in the private practice of law, he continues his service to the Nation and association with the university through his position as visiting professor.

All who read this will recognize the extraordinary benefit this Nation has received from Mortimer Caplin's payment of his "debt of service."

Mr. President, I ask unanimous consent that the speech, entitled "Debt of Service," be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A DEBT OF SERVICE

(By Mortimer Caplin)

As one whose life has been inestimably enriched by the University, I am deeply grateful to be a part of today's ceremonies to honor its founder, Thomas Jefferson. I must confess that, as a lawyer by training and teacher by tradition, I find it most refreshing—particularly at this time of year—to lay aside the income tax forms our government conveniently supplies and, instead, to reenter the world, the writings, and the remarkably vital life of Mr. Jefferson.

The man who avoided ceremony on all occasions, who asked only the simplest of memorials, would not want us to dwell today on his accomplishments—except perhaps as they might illuminate our journey along paths first laid out by him and his peers two centuries ago. Democracy and religious freedom are alive in this country, and his University thrives. These are the proper tributes to "Author of the Declaration of American Independence, of the Statute of Virginia for religious freedom, and Father of the University of Virginia."

But I do ask you to share with me a moment out of Jefferson's life and one sentence from his writings. I find them particularly relevant to each of us personally, to the goals of this institution, and to the future of our country.

It was the end of 1796, and Jefferson had been in semiretirement at Monticello since leaving President Washington's Cabinet nearly three years before. He did not regard it as a high point in his career. He had resigned as Secretary of State in part because he believed that Hamilton and the other Federalists were subverting the Constitution. Now, in December 1796, he anticipated that John Adams had narrowly defeated him for the Presidency.

Worse still, Jefferson guessed that as runner-up—under the unwieldy original provisions of the Constitution—he had been elected Vice President. Adams, himself the occupant of that position under Washington, had described the Vice Presidency as "the most insignificant office that ever the invention of man contrived or his imagination conceived." There was speculation that Jefferson would consider the Vice Presidency beneath him and would not accept.

At the end of the month, Jefferson wrote to Edward Rutledge, an old acquaintance

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and a signer of the Declaration of Independence. Jefferson complained of the personal abuse that had been heaped on him during the debate that preceded the electoral college vote. He envied Rutledge the comparative serenity of his life in South Carolina. At the same time, he chastised Rutledge for not taking a greater part in national affairs. Rutledge, like other members of his family, had served his home state of South Carolina faithfully and well. But Jefferson complained that his friend of the Revolution had not taken full advantage of the opportunity for national service.

At this point, Jefferson wrote the sentence to which I have referred: "There is a debt of service due from every man to his country, proportioned to the bounties which nature and fortune have measured to him."

Jefferson was expressing a conviction shared by the planters of colonial Virginia that "they constituted a class whose obligations to serve and to govern well must be fulfilled in return for the privileges which were their birthright." As an historian points out: "This was a part of their code; this duty of service to the state. . . ."

So he and other Virginians served: as Justices of the Peace, as members of the House of Burgesses, as diplomats, and as Presidents. They served, though often conscious of the heaviness of the burden of serving. In a moment of bitterness, Jefferson observed that "public employment contributes neither to advantage nor happniess. It is but honorable exile from one's family and affairs."

And sometimes he even faltered. Once, when for reasons which seem substantial enough from our perspective, Jefferson declined to serve in the Virginia House of Delegates, the Speaker of that House, John Tyler, felt compelled to remind him of his public obligation:

"I suppose your [reasons] are weighty, yet I would suggest that good and able men had better govern than be governed, since 'tis possible, indeed highly probable, that if the able and good withdraw themselves from society the venal and ignorant will succeed."

These words and attitudes on public service and public duty offer a sharp and poignant contrast to a statement—perhaps the most dramatic, and certainly one of the saddest—that emerged from the national trauma which we call Watergate.

I refer to a response made by Gordon Strachan during his testimony before the Senate Watergate Committee. Strachan, you will recall, had been an assistant to H. R. Haldeman and in that capacity had been caught up in the Watergate scandal. Asked by Senator Joseph Montoya what advice he had for other young men who come to Washington to work in government, Strachan replied, "My advice would be to stay away."

Strachan may have been thinking particularly of his White House experience, but his reply was taken across the country as being general. The thought conveyed was that the abuses of power were so pervasive, our system of government so corrupted and corrupting, that good men and women should shy away from public service lest they be caught in the vortex and engulfed. He seems also to have assumed that all his generation would be as easily beguiled by power and authority as he was. Even if I believed that this was so—which I do not—never would I urge good men and women to stay away from government. Particularly in the aftermath of Watergate, we remember the often quoted warning of Jefferson's contemporary, Edmund Burke: "The only thing necessary for the triumph of evil is for good men to do nothing."

For what would the state of our nation be if the "able and good" withdrew?

Nearly two centures ago, John Adams, in drafting the Massachusetts constitution, spoke of establishing "a government of laws, and not of men." Inherent in these words is a concept—that this Republic, opposed to automatic government, shall live under a system of law to be applied with a uniform standard to all alike. High and low, the governed and the governors, all are to receive evenhanded treatment, without favor, before our governmental bodies. And the standards of law are to apply equally to those whom the people have temporarily entrusted with the power to govern.

The institutions of government and the rule of law are paramount in the American system—not the personalities of particular individuals, not the political or economic interests of particular groups or factions. Our ideals reject the cynical epigram of Lenin that politics is just "Who does what to Whom."

To this day, our democracy has been symbolized by its institutions—our Constitution, our Bill of Rights, the judiciary and the Supreme Court, Congress, our executive branch including the Presidency. "We live by symbols," said Justice Oliver Wendell Holmes; and we have gained strength as a nation by our focus on these symbols of our democracy, by our faith in them, and in our efforts to keep them strong.

If our symbols be damaged or disgraced, our national life must suffer. This, ultimately, is the most egregious aspect of Watergate.

"Nothing is more destructive of good government," warned Chief Justice Earl Warren, "than the confusion of personal loyalty with institutional loyalty." At the root of the Watergate crimes was a misdirection of loyalties—a failure to understand the proper placement of loyalties; a failure to honor individual oaths to uphold the Constitution; a failure to faithfully discharge the trust and responsibilities that everyone, occupying a post in our government, necessarily accepts—responsibilities that are individual, that cannot be evaded by blind loyalty and suspension of personal judgment, moral or legal. And there were the loyalties seduced by deliberate lies and deceit—loyalties of decent men and women, many with long and unblemished public careers, who acted on the assumed honesty and good faith of those giving orders, only to learn that they had been misled and drawn into improprieties, even crime.

The shame of Watergate lies in the failures of men not institutions—an insensitivity of particular persons to our laws, our history and traditions; an unprecedented abuse of power, reaching out to all elements of the executive branch, and creating doubt and uncertainty throughout the country. To those who ask cynically, "Hasn't it always been done this way," let me say unhesitatingly that it has not. Nor is it so today.

Mistakes and errors in judgment we have had; aberrations and misdeeds by individuals—all these have occurred in the past, and are not unknown even today. But never in our history have we seen illegal acts so calculated, so widespread and from so high a level, and so threatening to our most respected institutions, as we have witnesed in recent years. "Crime like virtue has its degrees," said Racine. And it is the degree of corruption that marks Watergate.

Fortunately, however, our institutions withstood the strain throughout this critical time. With chance and fate playing a not insignificant role, the balancing forces built into our constitutional system functioned. The wrongs were identified. The necessary corrective processes were set in motion. President Ford picked up this theme in his very first words on taking his oath of office:

"My fellow Americans, our long national nightmare is over. Our Constitution works; our great Republic is a government of laws and not of men . . ."

But a government of laws requires the direction and guidance of good and able men. This is not a paradox. We have urgent need—and as long as we continue to exist as a nation, we will continue to have urgent need—for men of conscience, men of trust, men of integrity, men who are able to say "no" when the outer limits of their responsibility are tested.

Fortunately, there were such individuals at hand during Watergate—in the Congress, in the courts, in the executive branch, and also in the press. Special Prosecutors Cox and Jaworski, Attorney General Richardson and his deputy William Ruckelshaus, Senators Ervin and Weicker, Judges Sirica and Gesell, Congressman Peter Rodino, newsmen Woodward and Bernstein—good men who saw their moral and legal duty and who acted, quite literally, to save the Republic. There were the federal career employes, too, who earned special praise from President Ford:

"Whatever else, recent experience has proven one thing about the Federal Government. It can continue to function and move ahead even under the most difficult circumstances. This is due chiefly to more than two million career civil servants who, day-in and day-out, give of themselves in a thoroughly dedicated and efficient manner to assure this continuity."

Our institutions themselves should never be blamed for the manner in which a given group of men administer them. As Chief Justice Warren emphasized: "We have followed the wise injunction not to destroy good buildings because we have bad tenants." The bad tenants have been evicted. Now is the time to call to our public buildings the good and able to strengthen our institutions and to renew the faith of our people in the soundness of our form of government.

"Politics is dirty," some may say. Jefferson's response was "Politics is my duty"—and the particular duty of the educated citizen.

Rejecting John Adams' artificial aristocracy of birth and wealth, Jefferson looked to men of "virtue and talents," men of character and education, as the natural leaders of this country. He regarded them as our natural aristocracy, and he believed that the best form of government would be achieved by selecting the important officers of government from among them.

President John F. Kennedy spoke often of the responsibilities, not just the rights, of citizens of this country. He, too, laid stress on the special obligations incumbent upon the educated citizen. At Vanderbilt University, he cited three of these obligations as outstanding: the obligation to the pursuit of learning, the obligation to uphold the law, the obligation to serve the public. The educated citizen, President Kennedy urged, may give his talents at the courthouse, the State house or the White House, as a precinct worker or President, civil servant or Senator, candidate or campaign worker, winner or loser. But, above all else, he must be a participant, not a spectator, in our national life. He must "enter the lists."

Nor, in my opinion, should government service be viewed as a duty or obligation alone, nor as a sacrifice. Rather, I regard it as a privilege. Few experiences compare with a period of public service to add breadth and a renewed sense of purpose to one's personal life—a rare opportunity to devote all of your talents towards achieving expanded goals. As a former government appointee explained: "Even if you are painting with a small brush, you are painting on such a very large canvas." Always, the satisfactions and at times exhilarations of public service are more numerous and inspiring than the detractions.

Dean Acheson, our former Secretary of State, felt that "there is no better or fuller life for a man of spirit" than public service. His guide was the ancient Greek concept of happiness: "The exercise of vital powers along lines of excellence, in a life affording them scope." Justice Holmes expressed the

thought in typically pungent language when he said: ". . . as life is action and passion, it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived."

For 150 years, alumni of this great University have served the public in almost every facet of government—in the Presidency, the United States Supreme Court, the Congress, the Cabinet, other high offices at federal, state and local levels. Many more will continue to do so in the future. From them we have always expected the highest measure of honor and dedication to the public purpose. For they have shared in the spirit and learning of the University and of its founder, and clear to them are the obligations and loyalties required in service of the public. Traditions of honor, integrity, and candor are vital parts of this institution; and they have become a part of the heritage that each of us carries away from the University wherever he goes—in private as well as public life.

So, let us not "stay away" from government. Rather, let us continue to come—to honor the "debt of service due from every man to his country, proportioned to the bounties which nature and fortune have measured to him." Let us remember that, while ours *is* a government of laws, essential to its well-being are men and women of conscience and courage with a sense of the trust of public service and the moral obligations of power. And those who would serve the public could do no better than to keep in mind and set their course by the precept inscribed over the entrance of Clark Hall:

"That those alone may be servants of the law who labor wtih learning, courage, and devotion to preserve liberty and promote justice."

TO BREAK THE OPEC CARTEL

Mr. PHILIP A. HART. Mr. President, more than 60 Representatives, led by BERKLEY BEDELL, Iowa, and 16 Senators, have introduced legislation which would establish the Government as the purchasing agent of imported oil. It would be done by secret, sealed bids. The object, of course, is to frustrate the cartel and bring about the lowering of prices.

On April 10, Representative BEDELL, in a very succinct fashion, highlighted the advantages of this approach to the energy crisis in a letter to the editor of the New York Times. I wish to call this to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 10, 1975]

TO BREAK THE OPEC CARTEL

To the Editor:

As a co-sponsor of legislation which would establish a government purchasing agent to break the OPEC cartel and drive down the price of foreign oil, I was somewhat disappointed by Prof. M. A. Adelman's categorization, in his March 25 letter, of this proposal as a "weak and counterproductive variant" of his plan for breaking the OPEC cartel.

Both the professor's plan and the Congressional proposal perceive that the time is right for exerting some kind of competitive pressure on the oil producing nations to drive down the international price of oil. Both plans constitute legitimate approaches to achieve this end. However, they do differ in one major respect.

Essentially, Professor Adelman would have the government establish an import quota and then sell import rights using a system of sealed bids. The idea is that the sealed bids will encourage the various members of the cartel to cut their price in order to increase their share of the U.S. import market.

The proposal that my colleagues and I have advanced would also use the sealed bid system. It would also provide the opportunity for the cartel members to lower their price without the other members knowing it. The major difference is that instead of auctioning off import tickets, under our plan the Government would simply require bids on the orders for oil, take title to the oil and resell it to domestic refiners and marketeers who then would physically import it.

Thus, under the quota ticket approach, the benefit of any price cutting would go, not to consumers, but to the U. S. Treasury. Importers would very likely end up bidding progressively greater amounts for their share of the import rights which would be sold by the U.S. Government. The U.S. Treasury would thus benefit from this upward bidding, and the importers could pass on these higher prices to the American consumer.

Under our plan, the Government would solicit sealed bids from the same entities that could bid for quota tickets under the Professor's plan—i.e. the OPEC countries' national oil companies, the multinationals, independents, brokers, and anyone else who has oil to sell. The difference would be that, with the U. S. Government as the sole purchasing agent for imported oil, the benefits of any price competition would be passed on directly to the American consumer.

Our energy problems are real, and they are serious. The immediate short term objective of our national energy policy must be to reduce our dependence on extremely expensive foreign oil without damaging an economy already in the throes of a recession. Our bill, by driving down the price of foreign oil and by passing on the benefit of this price reduction to the American consumer, will do just that. It does not preclude intensified efforts to encourage or to expand research and development on alternative sources of energy. It simply seeks to provide some immediate relief and some added flexibility to an economy which is in a very delicate and precarious state of transition.

BERKLEY BEDELL,
Member of Congress, 6th Dist., Iowa.
WASHINGTON, *March 28, 1975.*

REGULATING THE PETROLEUM INDUSTRY

Mr. BARTLETT. Mr. President, the March 1975 issue of World Oil contained an editorial which outlines the problems private industry, and in particular the petroleum industry, is having because of the confusing and often conflicting regulations of the various Federal agencies and laws of Congress. The editorial provides excellent insight into why planning for future operations is so difficult because of the unknowns of future governmental regulatory policies. My colleagues could benefit by reading this editorial and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GET OFF IT

(By R. W. Scott)

Between them, the three branches of the U.S. government have managed to completely foul up the U.S. energy picture. Certainly never before has the government been responsible for so many contradictory, complicated, costly and downright chuckleheaded edicts and laws pertaining to a subject that bears so heavily on the national interest. Undoubtedly, even an objective party (if one exists) exposed to recent antics of the Congress, the courts and the administration, must be totally confused and firmly convinced that idiocy prevails in the District of Columbia.

Excluding perhaps the more rabid environmental and consumer lobbies, even some anti-oil people occasionally agree that petroleum is a riskly and expensive undertaking, which often requires—in the normal course of events—long range decisions involving just scads of money. But now, these everyday decisions, as well as every conceivable sort of operating problem, have been magnified many fold. It has simply become impossible to make a move without running the risk of violating one more obscure regulation, command, writ or instruction issued by such federal bureaucratic morasses as FEA, EPA, USGS, FTC, SEC, CLC, FPC, a Congress which apparently is too thick-headed to understand the free enterprise system, the White House, the courts and 50 or 60 other similar protective homes for inept politicians.

It is bad enough that the industry spends millions each year just to satisfy whims of government agencies. But when government becomes so completely disorganized that agencies can't agree among or within themselves on almost anything, the situation borders on the chaotic.

Consider, for example, these gems from just the past few weeks:

Producers in Huston received—in same mail delivery—an invitation from the Interior Department to designate offshore Atlantic Coast acreage they were interested in leasing, along with cancellation of that same invitation.

The EPA publicly stated OCS "frontier area" lease sales should be postponed for two years. This was immediately followed by a "clarification" stating that it really meant to say that after leases were sold, development should be delayed for two years.

In response to a "consumer" inspired law suit, something called a "temporary emergency appeals court" in a 2–1 decision has ruled that the administration illegally decontrolled the price of "new" crude last year and now must set an "equitable" ceiling price on it. The decontrol was responsible for the greatest acceleration of drilling in U.S. history. The court's action took place just six weeks or so before the President was going to decontrol "old" oil, as well.

The President imposed his initial $1 tariff on oil imports—and then had the Congress pass a law postponing it for 90 days. At press time, the President was going to veto the bill, but faced having the Congress override it, maybe.

The EPA has suddenly discovered that sulfuric acid produced by catalytic converters it ordered be placed on all 1975 autos may pose a greater health hazard than the gaseous emissions the converters were supposed to control in the first place. The industry was required to produce and sell at virtually every one of its service stations unleaded gasoline for use in cars equipped with converters which may now have to be discarded.

These few conflicts are only symptomatic of the federal sickness that is delaying—not accelerating—development of the domestic industry. When the left hand isn't even remotely aware of what the right is up to, we end up in a confused mess. And just how the government can expect industry to overcome its normal day to day problems in face of continued meddling strains credulity.

For example, how can an operator possibly plan and develop economic guidelines for future projects when he can't know (1) what the price of old, new stripper, tertiary, dead or unborn crude will be next week; (2) whether we will have a $1, $2 or $3 import

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tariff to contend with in pricing; (3) whether or when the depletion provision will be repealed and adversely affect operating revenues; (4) whether or when the windfall profits tax will be enacted with or without a plowback provision; (5) whether or when federal acreage anywhere will be leased and, if it is, whether a development delay provision will be built in; (6) what other equally absurd situation that can impringe on economics will be forthcoming?

It is a ludicrous and a sad state of affairs when politicians responsible for running the richest, most powerful nation that has ever existed on this earth regularly squabble like spoiled brats. But it is not surprising, since juvenile mentalities seem to have permeated every level of a government that is 10 times as large and 40 times as inefficient as it should be—and still is growing.

We hate to make radical suggestions, but the political rascals either will have to be replaced, or be forced to get off their posteriors and work together towards a solution. If they don't, the United States is not going to recover from the spoiling fruits of their past ineptitude.

MEMORIALIZING CONGRESS TO REOPEN AND FULLY UTILIZE THE CUSTOMS FACILITIES IN PITTSBURG, N.H.

Mr. McINTYRE. Mr. President, I ask unanimous consent to have printed in the RECORD Senate Concurrent Resolution No. 7 of the New Hampshire General Court.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION No. 7

MEMORIALIZING CONGRESS TO RE-OPEN AND FULLY UTILIZE THE CUSTOMS FACILITIES IN PITTSBURG, N.H.

Whereas, many residents, visitors and commercial haulers and truckers of the North country of New Hampshire travel across the border to Canada at Pittsburg, New Hampshare; and

Whereas, the United States customs officials at Pittsburg were established through the strong influence, interest and support of the late U.S. Senator Styles Bridges; and

Whereas, said facilities at Pittsburg have been closed to residents, visitors and commercial users of New Hampshire and have caused much unnecessary travel and inconvenience because travelers and commercial users must reenter the United States at Beecher Falls, Vermont; and

Whereas, the Canadian government maintains twenty-four hour customs facilities across the border from Pittsburg, New Hampshire and will continue to do so; and

Whereas, the United States should be requested to re-open the customs facilities at Pittsburg; now, therfore, be it

Resolved by the Senate and House of Representatives, in General Court convened:

That the New Hampshire delegation to the United States Congress be requested to petition for the re-opening of the customs facilities at Pittsburg, New Hampshire on a twenty-four hour basis, or according to the same schedule of operation as is maintained by the government of Canada; and

That the Secretary of State shall send a copy of this resolution to each member of the New Hampshire delegation to the United States Congress.

VOTE FOR THE GOOD OLD DAYS

Mr. GOLDWATER. Mr. President, one day last week an old, respected reporter friend of mine dropped in for one of his monthly visits and he tossed a question at me that has prompted me to put together these remarks. The question was, how do you compare the Senate of this year with the Senates of the years when you first came here in 1953?

These remarks are made with all due respect to the majority leader and the majority whip because they are not responsible for the conditions which now prevail—which in my opinion have made modern-day Senates far less effective than those prevailing in the years past.

For example, the art of debate has vanished. Debate can no longer be practiced on the Senate floor. Unanimous consent is obtained on practically every amendment and bill that comes to the floor limiting the time and usually the time is so short that to attempt an explanation or debate would be ridiculous.

I recall the happenings in the final passage of the energy bill on Thursday of last week. Amendments were offered in the closing minutes of action on the bill and most of these amendments were agreed to, although any one could seriously cripple America's efforts to become self-sufficient in energy.

In thinking back to the old Senate when questionable amendments were thoroughly debated even if it took days with the thought in mind that it never was the intention of the Founding Fathers for the Senate to act in haste. The truth is that these Founding Fathers looked on the Senate as the responsible body that would curtail the impetuous actions of the House of Representatives, and now I must say this has reversed itself. If it continues we may find ourselves in a siutation similar to the Parliament of England with the Senate becoming comparable to the House of Lords and the House of Representatives becoming more and more like the House of Commons, a body which is looked upon for all responsible work in England.

When I first came here we had a generous morning hour. Members were required to introduce legislation from the floor, they were required to ask unanimous consent from the floor for insertions in the RECORD, and if a speech was offered to be printed in the RECORD without having been delivered, it would be printed in a different type to show it had not been actually delivered. Today, in order to make a speech, a Member must get unanimous consent and usually the time allowed is too short to accomplish the entire speech, so the balance of it is placed in the RECORD regardless.

Because the Senators had a better idea of what was going to take place in the old Senate from day to day, we did far more work in committees than we are able to do today. I do not think I am any different from the average Senator. I serve on four subcommittees of one important committee and on the full committee of another, plus a select committee. Time and time after time committee work is interrupted by votes called on the floor, and this is something, Mr. President, we really did not have to worry much about in those days. We have already had over 100 votes in the Senate this year. If memory serves me correctly, we had over 1,000 votes in the last Congress. Votes are called for even when the votes wind up 95 to 5 or 90 to 5 with very, very few close votes recorded in my memory. The "yeas" and "nays" used to be called for when an impression was needed to be made on the House. Today the House laughs at any effort on our part to try to persuade them that the vote is an indication of strength.

I, frankly, suspect that the great majority of legislation that is passed to the Senate floor is almost the total work of staff members of committees. This, too, is caused by the heavy commitments we have to the floor because of repetitious and almost constant voting.

Of course there is the matter of not calling for any rollcall votes of importance on Mondays until 4 or 5 o'clock. When I was running for the Presidency the long weekends we now have were very rare.

In studying the many votes of the Senate this year, it leads me to believe that the Democratic Caucus is where the bulk of the legislation is determined and not the floor of the Senate. One can predict within a vote or two the outcome of the decision on any piece of legislation that is backed by the Democratic Caucus. That is why the other day, in a facetious mood, I suggested that all Members have a copy of the rules of the Democratic Caucus because these rules are slowly becoming the rules of the Senate.

The old Senate actions may have appeared dilatory. Many words were spoken that might have been left unsaid, but my honest feeling is, and this is just the opinion of one, that the way the Senate used to be operated provided this country with far better legislation than we are providing the country with today. I repeat, this is not an accusation leveled at any one person or group of people. Republicans are just as responsible as the Democrats, and I do not believe for one single moment that I will see a change for the better in the years I have left in this body. I offer these remarks today just as an observation of one, and as one who is vitally concerned about the quality of work we are doing.

IRRIGATION PROJECTS IN THE DAKOTAS

Mr. McGOVERN. Mr. President, in South Dakota there has been considerable public interest in the development of the Oahe Irrigation Unit, a project parallel to the Garrison Unit in North Dakota.

Under the Pick-Sloan Plan which provided for the construction of the main stem dams on the Missouri River, irrigation was considered as one beneficial way to establish a favorable benefit-cost ratio for the project.

The first stage of the Oahe Irrigation Unit envisions the irrigation of land in Brown and Spink Counties in South Dakota. When totally completed, the project will encompass some 595,000 acres.

In recent years, however, a combination of landowners, wildlife, and environmental interests have raised serious objections to the total concept of the project, which has had the support of

the Congress and administration since its inception.

We need water on the semiarid great plains of South Dakota where rainfall is sometimes infrequent and inadequate. But as badly as we need moisture, the wise use of our land and water resources must be the foremost consideration in planning and developing such projects. It is, therefore, disturbing to read of the problems associated with the Garrison project in North Dakota and the attitude taken by the Bureau of Reclamation. These difficulties are reflected in an article in the March 1975, issue of the Audubon magazine. I ask unanimous consent that the article "Dr. Strangelove Builds a Canal" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DR. STRANGELOVE BUILDS A CANAL

In mid-September 1974 a huge section of the massive McClusky Canal—part of an enormous irrigation project being constructed in Dr. Strangelove fashion by the Bureau of Reclamation across half the state of North Dakota—collapsed. It was the tenth so-called "erosion incident" to plague the building of the canal. Previous earth-slides and erosion, which had carried away a total of almost half a mile of the ditch's towering slopes and had cost $750,000 to repair and restructure against new slumps, were officially blamed on inadequate cover growth and excessive rains. The September collapse, larger than all the previous ones, came after an extensive drought. It tore away 1,000 feet of bank, dumped thousands of tons of dirt into the mammoth cut, and completely blocked the canal bed lying more than 60 feet below the prairie. When winter snows brought an end to the construction season, repair operations had only begun, and much time—as well as hundreds of thousands of tax dollars—would still be needed for earthmovers to dig the canal out.

The episode was the latest in a series of engineering, environmental, human, and financial debacles that have marked this incredible but little-noticed federal project, whose ultimate cost to American taxpayers has soared from $212 million to almost a half-billion dollars (and is still rising). Its realistic benefit-cost ratio gives it the aspect of an elephant laboring to bring forth a mouse. Its pell-mell, and somewhat mad, construction activities are visiting high-handed ruin and injustice on numerous North Dakota farm families and destroying rich and productive farmland, precious wildlife habitat, and priceless natural resources. It has been called by its critics ludicrous, immoral, senseless, the biggest boondoggle in the United States, and—in the present time of inflation and the government's announced goal of cutting federal expenditures—an indefensible waste of the nation's funds.

Begun in July 1967 (and planned by the Bureau of Reclamation to go on abuilding into the 1990s), the project, known as the Garrison Diversion Unit, is a complex scheme for diverting 871,000 acre-feet of water annually from the big Missouri River reservoir, Lake Sakakawea, behind Garrison Dam in central North Dakota, 50 miles north of the capital of Bismarck. The water will be transported via a great network of more than 3,000 miles of open and pipe distribution systems—which will include 812 miles of canals and laterals, associated pumping stations, three large regulating reservoirs, and several channelized rivers and streams—for distances of up to 250 miles to different parts of northern and eastern North Dakota—all to provide irrigation for just 250,000 acres.

The immense project was initiated, and is being carried out, by the Bureau of Reclamation essentially as an irrigation undertaking. But its original benefits-cost ratio was so unfavorable (figured at only .76 to 1 by the Bureau of the Budget in 1960) that to gain authorization by Congress in 1965, Reclamation worked up the promise of additional "benefits." Part of the water, it said, could be used for fish and wildlife habitat, lake restoration, and recreation areas, and by 14 North Dakota municipalities and "several unidentified" industrial users. Most of these new benefits have themselves become controversial, and some have been labeled hoaxes, but Reclamation has continued to allocate to them 20 percent of the project's total cost.

What is most startling about the Garrison Diversion Unit, however, is the balance sheet between what Reclamation is destroying and what it hopes to achieve. Unlike other irrigation projects, this one will open no new lands to agriculture and, if it creates any "new" farms, they will only be consolidated from parts of ones that are already productive. Reclamation selected seven agricultural areas in North Dakota—all currently productive and prosperous—and superimposed its project on them, the intent being to increase and diversify production on those 250,000 acres. Because of the project's host of uncertainties (even including final decisions concerning which areas will receive the water), no one can estimate with any accuracy how many farms will eventually benefit. What is certain is that it will not be many. Reclamation guesses that it will be in the neighborhood of 1,300 farms. That is the highest estimate; others have posed a figure as low as 270 farms.

But to irrigate those farms, 5,000 individual parcels of land totaling 200,000 acres, including 70,000 acres that are now being farmed productively, will be acquired by the Bureau of Reclamation, through condemnation if necessary. In addition, the government will require easements on another 28,000 acres. Altogether, in order to irrigate only six-tenths of one percent of North Dakota's 42 million acres of agricultural land, the Garrison Diversion Unit will result in a net reduction of 8,148 acres of cropland and 34,172 acres of grassland in the state.

Nor is this all. The canals will drain and alter aquifers, drying up wells and bringing trouble to nearby homes and farms. In a state famed for its nesting and feeding places for huge populations of ducks and other wildfowl, the project will destroy or seriously damage 50,000 to 80,000 acres of prairie wetlands—and ruin seven major national wildlife refuges, the Audubon, Arrowwood, Sand Lake, J. Clark Salyer, Tewaukon, Dakota Lake, and Sheyenne Lake refuges, and a number of state wildlife areas. Its saline runoff waters will pollute the James, Sheyenne, Wild Rice, Souris, and Red Rivers—the last two, because they run into Canada, in violation of the Boundary Waters Treaty made with that nation in 1909. This has prompted a protest from Canada that has unsettled the Bureau of Reclamation.

The energy cost will be high: some 157 megawatts will be used annually to power the pumping plants and sprinkler systems, but the generation of another 420 megawatts a year will also be lost because of the diversion of water from Lake Sakakawea. Miles of tree shelterbelts, which the federal government encouraged farmers to plant and care for laboriously during the 1930s and 1940s as good conservation measures and protection against future Dust Bowls, will be cut up or bulldozed out of existence. Finally, the possibility has been raised that even the areas to be irrigated may be subjected to salinization that would ruin 250,000 acres of currently prosperous agricultural land.

Despite this array of adverse impacts, the Bureau of Reclamation has pushed the Garrison Diversion ahead with a speed that suggests a determination to reach a stage of investment and construction at which it cannot be stopped. Almost $80,000,000 has already been spent, principally on only two components—the Snake Creek Pumping Plant, which will lift water from Lake Sakakawea to raise the level of a smaller holding reservoir, Lake Audubon; and the McClusky Canal, which will carry the water eastward from Lake Audubon in a great loop through wetlands and rich cattle-and-grain country. The 73.7-mile-long canal will terminate at the Lonetree Reservoir, a fluctuating body of water that at full pool will flood 20,300 acres of rich bottomland at the headwaters of the James, Sheyenne, and Wintering rivers—and drown Sheyenne Lake National Wildlife Refuge.

The McClusky Canal—construction of which has pitched Reclamation into something of a state of war with numerous families whose farms it has sliced up and destroyed—will be only thirty miles shorter than the Suez Canal, and already looks like it. Its excavated banks will be cut in some stretches to a depth of 114-feet, more than the height of a ten-story building. Its water-level width will be 94 feet, and the water depth will be more than 17 feet. From side to side the McClusky Canal's right-of-way varies from 360 feet to almost half a mile.

So far, more than 60 miles of the canal have been completed or are under construction. Each week, despite the sobering slides and appeals by critics to halt the digging until engineering designs can be reconsidered, the great walking draglines, with booms as long as 200 feet and buckets of up to 13-cubic-yard capacity, extend the broad gash farther across the rolling prairie, slicing indiscriminately through grainfields, pastures, and marshlands.

The compulsion to race ahead with the irrigation scheme, inane as its balance sheet seems, stems in large measure from a long history of frustrations for its builders and their supporters. In 1889, the year North Dakota was admitted to the Union, the state began seeking federal help to construct a canal that would divert Missouri River waters to its eastern farmlands. The idea was ruled impractical by the U.S. Geological Survey, but North Dakotans continued to press for the canal. The drought of the 1930s aroused new interest, and in 1942 William G. Sloan of the Bureau of Reclamation proposed irrigating more than a million acres in North Dakota—though mostly in the more arid western part of the state—with water from the reservoir created by Fort Peck Dam on the Missouri River in Montana. At the same time, Brigadier General Lewis A. Pick of the U.S. Army Corps of Engineers unveiled an ambitious plan that included building six more major dams on the Missouri River, mainly to control floods and improve navigation.

To forestall the creation of a giant Missouri Valley Authority that would push aside both the Bureau of Reclamation and the Corps of Engineers, those two agencies combined their proposals in a so-called Pick-Sloan Plan, and won acceptance from Congress in the Flood Control Act of 1944. Authorized by the act were the building of the Garrison Dam—at that time the largest rolled-earth dam in the world—and Sloan's project for irrigating a million acres in North Dakota with water from Fort Peck Reservoir.

Garrison Dam was completed by the Corps of Engineers in 1955 at a cost of almost $300 million and to the accompaniment of numerous scandals, including the unconscionable bullying of the Indian tribes of Fort

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Berthold Reservation as well as non-Indian farmers, who were forced to give up 350,000 acres of rich bottomland for the reservoir. Meanwhile, Sloan's irrigation plan ran into trouble. Surveys showed that virtually all the acreage he had selected to receive water could not be drained satisfactorily because of soil characteristics.

But North Dakotans did not intend to stand by and see every other state receive water from the Missouri River reservoirs while their state, which was losing valuable land to two of the big dams, got nothing. Moreover, the Bureau of Reclamation had no thought of dealing itself out of the construction of a million-acre irrigation project. By 1957 it had come up with an alternate plan, the Garrison Diversion Unit, which would take water from Lake Sakakawea rather than the Fort Peck Reservoir and irrigate 1,007,000 acres in eastern rather than western North Dakota, while also supplying water for 41 North Dakota municipalities.

Arguments that irrigation for the newly selected areas made little sense because rainfall in those parts of North Dakota was adequate to produce a crop nine years out of ten, and that many farmers simply would not need or use the water, were brushed aside. In Washington, however, the huge cost of the project (estimated in 1957 at $529,000,000) led to delays within the Department of the Interior, as well as opposition by the Bureau of the Budget, which calculated the benefit-cost ratio at only .53 to 1. Again Reclamation went back to the drawing boards, and in 1959 came up with a more modest first step that would irrigate only 250,000 acres at an estimated cost of $160,000,000. Once more, the Bureau of the Budget objected, reckoning the new benefit-cost ratio still only .76 to 1. "The economic justification for undertaking the Garrison Diversion Unit at this time is at best marginal [and] the Bureau of the Budget cannot recommend favorable action on this project," wrote its director on January 9, 1960.

Within North Dakota, each frustration made the scheme more popular. A Garrison Diversion Conservancy District, composed of bankers, businessmen, farmers, and urban leaders, had been established by the state legislature in 1955 to make contracts with the Bureau of Reclamation and other agencies for the construction, operation, and maintenance of the irrigation projects, to operate and maintain the water supply at the projects, and "to promote the development of the Garrison Diversion Unit." With the power to levy taxes on all property owners in 25 North Dakota counties to finance its operations, the conservancy district soon became a high-powered lobby, both in Washington and among the citizens of North Dakota. Its extravagant claims of the prosperity and benefits that the Garrison Diversion would bring to the state (coupled with patriotic assertions of the state's need to utilize the Garrison water before other states laid claim to it) solidified support for the project.

To arguments that it taxed five counties, including the two most populous in North Dakota, which would receive no irrigation water; that about 95 percent of its tax receipts came from persons who would receive no direct benefit from the project; and that the legislature had arbitrarily given it the right to levy taxes without putting the issue to the voters, the conservancy district replied: "The impact [of the project's benefits] surely will accrue to some degree to all inhabitants . . . Consequently, they all should have the opportunity to contribute toward financing the water resources development from which the benefits accrue." Its success in smothering opposition was to complete that in 1966 Elwyn B. Robinson wrote in his History of North Dakota that no one in the state publicly questioned the benefits of diversion "any more than he would motherhood, virtue, or patriotism. Any doubters remained silent."

With the lobbying help of the conservancy district, the Bureau of Reclamation in 1962 made another try at winning approval. This time, more attention was paid to nonirrigation benefits—supplying municipal and industrial water, fish and wildlife conservation and enhancement, and recreation—and the benefit-cost ratio was raised magically to 2.51 to 1, even though the project's estimated cost had risen to $212 million. Finally, in July 1965, Congress accepted the proposal, and two years later construction got under way.

But as costs escalated, reality began to make a shambles of the bright promises of the Bureau of Reclamation and the conservancy district. To reach the favorable benefit-cost ratio, the bureau had used a 2⅞ percent discount rate as a charge for the money that taxpayers would have to advance. In 1972, with work on the McClusky Canal forging ahead, the Office of Management and Budget, successor to the Bureau of the Budget, announced that "earlier discount rates have been unrealistically low, inflating the apparent benefits." Though both OMB and the Federal Water Resources Council thought the rate should be at least 7 percent, and perhaps even 10 percent, it was recognized that the project would come to an immediate half if such a realistic interest were charged for its funds.

With the cost to irrigate 250,000 acres now nearing the half-billion-dollar mark, however, it became obvious how outlandish the Garrison Diversion scheme actually was. Even allocating only 60 percent of the outlay to the irrigation projects, the construction cost to irrigate each acre had soared to $1,376 per acre (almost a million dollars a section) and was still increasing. No farmer can repay anything like that—nor does the Bureau of Reclamation expect him to do so. The plan is to charge each farmer $77 per acre for his share of the construction costs, payable to the government over a period of [illegible]0 years. The farmer will also have to pay $5 to $6 per year per acre for his share of operation and maintenance costs, and will have to invest $40,000 to $50,000 per 160 acres for his irrigation system.

Such costs—far beyond the means of most small farmers—make it improbable that many small-scale family farms will agree to take the water, especially since their lands already receive enough rainfall in most years.

What the high costs seem to foretell, indeed, are results just the opposite of the announced intentions of the Bureau of Reclamation. Instead of helping small farmers, the project is likely to force many of them to sell out to bigger operators and even to large corporate farms (banned at present in North Dakota, but pushed continually by agri-business interests).

The difference between the farmer's $77 per acre payment and the $1,376 per acre construction cost is blithely planned by Reclamation to be met from surplus revenues of the federal powerplants at the big Missouri River dams (in effect, a subsidization by power users in North Dakota and other states). It is another glib assurance, however, for in March 1972 it was revealed by Comptroller General Elmer B. Staats that there were no surplus revenues from the dams. The cost will thus have to be met with an outright subsidy by the American taxpayer. What he or she will get for the money is the satisfaction of knowing that those North Dakota farmers who take the Garrison water will raise their present yield of feed and forage crops to fatten livestock, and diversify into potatoes, sugar beets, corn, pinto beans, and other cash crops.

It is a pleasant vision for a maximum of 1,300 farmers, but hardly a bargain for the federal treasury, which will be underwriting the most expensive and uneconomic agricultural production in the nation.

So far the Bureau of Reclamation has ignored these economic inanities, and has also overlooked a prior claim by the tribes of the Fort Berthold and Standing Rock reservations to the water in the Garrison Reservoir, including the 871,000 acre-feet earmarked for the Garrison Diversion Unit. Reclamation has been somewhat notorious in forgetting about Indians' rights to western waters, and then being hit with suits that upset the best-made plans. History is repeating itself.

There is another embarrassing question that the bureau has not been able to brush aside. After passing via gravity through the McClusky Canal and reaching Lonetree Reservoir, the Garrison water is to be conveyed in two directions. Some of it is to go north through the 84-mile-long Velva Canal, even longer than the McClusky Canal, to serve the Karlsruhe and Middle Souris areas, two of the even irrigation districts. The waters used on those farmlands would then drain into the Souris River, which flows northward into Canada. Other water will be conveyed eastward through two other long canals to serve the New Rockford and Warwick-McVille districts and the Devils Lake area in east-central North Dakota. Drainage from those districts, as from the Lincoln Valley area near Lonetree Reservoir, would reach the Sheyenne River, a tributary of the Red River (which also flows into Canada).

In 1973, after studying Bureau of Reclamation data, the Canadian Government made public its concern that the irrigation water draining into the Souris and Red Rivers would seriously degrade those streams, and that the pollutants and salts from the American project would be injurious to health and property in Canada, in violation of the Boundary Waters Treaty. A meeting with officials of the State Department and the Bureau of Reclamation proved unsatisfactory to the Canadians, and in October 1973 the Ottawa government registered a formal objection with the State Department, requesting a moratorium on further construction until Canadian and United States authorities could reach an understanding "that Canadian rights and interests have been fully protected."

The protest rattled the Bureau of Reclamation, the conservancy district, and North Dakota officials, for unless Canadian objections could be overcome as much as four-fifths of the Garrison Diversion Unit might have to be redesigned. The offending irrigation districts whose drainage would pollute Canadian waters represented 210,365 of the 250,000 acres; the Middle Souris area, the largest of all of the seven districts, alone accounted for 103,800 acres. Those areas would have to be discarded and other farmlands found to maintain the 250,000-acre total. (Drop an acre, and the cost to water each remaining acre goes up; drop 201,365 acres, and the Garrison Diversion Unit assumes the money-be-damned aspects of a Manhattan or man-on-the-moon project!)

To avoid interrupting construction, Reclamation made some hasty water studies of the Middle Souris district. The accuracy of its data, however, was questioned by the Canadians, and early in 1974 the State Department had to play an awkward stalling role by informing the Canadian government that no construction yet under way would affect Canada. Meanwhile, Reclamation began the hurried preparation of an array of new options to save the Garrison Diversion Unit, ranging from redesigning the Middle Souris district and lowering or controlling the pollution going to Canada, to finding substitute acreage to irrigate. (It bothered no one that Reclamation had already discarded all other areas in North Dakota as less feasible for irrigation; or that if Canadians were concerned about injury to health and property from polluted runoff, the United States government should show equal concern about polluted runoff within its own country, especially into rivers like the James that flows into South Dakota, which shares none of the claimed benefits.)

This unforeseen development brought a host of new uncertainties to the Garrison Diversion project, the chief of which is its survival once the Bureau of Reclamation's answer to the Canadian problem and its related costs are made public. (In mid-1974 the General Accounting Office reported that the alternatives Reclamation was considering would cost up to $31,000,000. At the same time, Representative Henry S. Reuss of Wisconsin noted that "the bureau has not yet told Congress about the dispute with Canada or the alternatives it wants Canada to accept"—a situation that still exists.) Moreover, if Reclamation has to find substitute areas for irrigation districts it would abandon, and if Congress approves the changes, where will the new canals and other construction features be situated? Whose farms will they disrupt and ruin? What wetlands will they destroy and degrade? What waters will they drain and pollute?

These unanswered questions have an increasingly urgent validity because of the conflict and dismay that two other aspects of the Garrison Diversion Unit have aroused, and that have led to its being accused, in addition to everything else, of being fraudulent and immoral.

The first controversy surrounds the program of wildlife "conservation and enhancement" that the Bureau of Reclamation concocted with the help of the Bureau of Sport Fisheries and Wildlife (now the U.S. Fisheries and Wildlife Service) to raise the benefit-cost ratio. Except for Alaska, North Dakota is the nation's most important wildfowl production center, its numerous shallow alkaline lakes, sloughs, prairie marshes, and potholes providing ideal breeding, feeding, and resting areas for an astounding number and variety of ducks, geese, shorebirds, gulls, and other wildfowl. Despite the fact construction details and precise sites would be subject to frequent modifications, thus many figures would have to be guesswork, the Bureau of Reclamation announced it would "affect adversely" only 39,533 acres of North Dakota's valuable wetlands. This loss through drainage, flooding, or pollution, it claimed, would be more than offset by developing 146,530 acres, including 56,175 acres of "water and marsh," in 36 major areas, plus a number of smaller areas dedicated to fish and wildlife production and management.

The promise of a net gain of 16,600 acres of water and marsh for wildfowl looked good to Congress and North Dakotans. But in December 1970, members of ENPRO, the Jamestown, North Dakota, chapter of the National Audubon Society, led by Gary Pearson, Glen Sherwood, and other biologists, and by the society's North Midwest representative, Edward M. Brigham III, began to punch holes in Reclamation's rosy vision. The figure of 39,533 acres of wetlands to be lost, they discovered, had little basis in reality: the toll could rise as high as 80,000 acres. Moreover, the 56,175 acres of "mitigation" wetlands would represent only 22,000 *new* acres; some 34,000 acres already existed! In actuality, there would be a net loss of at least 17,500 acres of wetlands. Furthermore, the additional 90,000 acres that Reclamation promised to develop were essentially upland areas that, in many cases, were already productive of wildlife.

Although top officials of the Bureau of Sport Fisheries and Wildlife continued to defend the plan, many of the agency's field biologists insisted privately that they had been "used" by the Bureau of Reclamation, that they had not been given enough information, and that they would not be held responsible for false claims of wildlife benefits. In January 1971, at the insistence of some of his staff, the director of BSFW's Northern Prairie Wildlife Research Center at Jamestown issued a memorandum. "At the time that this project [the Garrison Diversion Unit] was initially investigated and approved," he wrote, "our bureau had relatively little information on project benefits and losses insofar as fish and wildlife resources are concerned as compared to what is available today. In view of the fish and wildlife and environmental losses that will result from the project and that were not recognized and adequately compensated for previously, we recommend that the project be reviewed again with a view toward trying to correct those deficiencies that something can still be done about."

Though this warning was ignored, studies soon turned the Jamestown biologists' uneasiness into a conviction that North Dakota faced an environmental disaster. Across hundreds of miles of prairie, the Bureau of Reclamation would be draining shallow wetlands—some only two or three inches deep, some mere puddles that periodically dry up—and replacing them with large new ponds and lakes up to ten and twenty feet deep. Although these lakes were advertised as wetland "improvements," the main value of big, deep bodies of water is as resting and staging areas for migrating wildfowls. In contrast, the shallow, seasonal sloughs, puddles, and potholes are essential for duck production, for their dried-up period is a requirement for the recycling of nutrients and the growth of feed. Drain them, the biologists cautioned, and the waterfowl population might decline drastically.

The advice apparently was filed and forgotten by the Bureau of Reclamation. Since construction started, the McClusky Canal has created a swath of ecological calamities, drying up hundreds of acres of potholes, sloughs, marshes, and shallow alkali lakes. Everywhere along the canal, farm families testify already to the decline or disappearance of once-abundant waterfowl, although Reclamation believes the birds will return when its "enhancement" projects are developed.

Reclamation also promised that "no significantly unique natural resources or resource areas will be adversely affected by the construction of Garrison Diversion Unit." One wonders how the bureau interprets "significantly unique." At the head of the McClusky Canal, the raising of the level of Lake Audubon by fifteen feet certainly will adversely affect Audubon National Wildlife Refuge, which was created to compensate for valuable wildlife habitat destroyed along the Missouri River by the building of Garrison Dam. Nesting places for waterfowl will be inundated, as will be the habitat of antelope, deer, and other upland game. Farther along the canal, John's Lake, a beautiful marshy body of water more than a mile long and half a mile wide and considered a very important staging area for canvasback ducks, has already been drained and lies caked and barren of life. Altogether, the McClusky Canal will destroy almost 3,000 acres of wetlands, and simply as a huge, 74-mile-long ditch, it will be a disruptive and hazardous barrier to prairie wildlife.

But this is only a foretaste of the environmental devastation that will occur in other places affected by the Garrison Diversion Unit. In southeastern North Dakota, where the Oakes area is being readied to become, in 1978–79, the first district to receive irrigation water, Kraft Slough faces a different kind of death. A hub of wildfowl activity that should certainly qualify as "significantly unique," it is a famous breeding area for Franklin's gulls (there are only three such sites in the state) and a prime nesting area for yellow-headed blackbirds, black-crowned night herons, eared grebes, Canada geese, and an unbelievable variety of diving and dabbling ducks, including mallards, gadwalls, redheads, canvasbacks, ruddy ducks, pintails, blue-winged teal, and shovellers. More than 60 species of birds can be counted at one time on its shallow waters or among its cattails and hardstem bulrushes. But Kraft Slough will be drowned in the deep waters of a new fluctuating reservoir.

The Bureau of Reclamation falsely contends that the birds of Kraft Slough will go elsewhere. But all the nearby sloughs are being used to capacity biologists say, and these areas will also be degraded. In fact, only a few miles east of Kraft Slough is a major marsh complex on the upper watershed of the Wild Rice River, encompassing some 8,000 acres. The marshes provide important habitat for diving ducks, and prairie chickens still remain in the vicinity despite their nearly complete disappearance from the rest of North Dakota. The Bureau of Reclamation has decided to drain the entire marsh complex, including two state game management areas, and irrigate the land.

Similar ecological insults will be felt along the James and Sheyenne rivers and wherever else elements of the Garrison irrigation project are built. Moreover, by inflating the project's wildlife benefits and minimizing the losses, Reclamation has proven itself to be essentially deceitful. "About all that is certain," said one biologist, "is that whatever Reclamation says it will do about wildlife, you can bet that it will take water from where it should be and put it where it shouldn't be." Even top officials of the U.S. Fish and Wildlife Service have finally changed their stance. "It is not now appropriate for the service either to support or oppose the project," the agency announced on March 4, 1974.

More appalling than the project's environmental sacrifices is the Bureau of Reclamation's high-handed treatment of landowners whose farms and property stand in the way of the Garrison Diversion Unit. "No one likes to be told that he must do something, but someone's property must be acquired in the public interest or the development of our country would come to a standstill," a bureau information booklet told the people of North Dakota. "It is unfortunate," it added, "that a few persons must be inconvenienced for the welfare of all, but this happens to each of us, in one way or another, every day. This is the price of progress."

The booklet's warnings were understated. The "few persons inconvenienced" by the building of the McClusky Canal, for example, were to be limited to "a total of six owners or tenants" who would have to be moved out of the way, and the owners of 211 other properties whose "access" to their farm operations would be "altered." But the facts are considerably different. All along the 74-mile route and in the "take" area of the Lonetree Reservoir, Reclamation's dispossessions and "alterings" are bringing human tragedy on a wholesale scale, ruining farms, crippling the livelihood of their owners, and subjecting long-established families to nightmarish injustices.

By and large that part of North Dakota, stretching eastward from the Missouri River, is open, rolling, short-grass country, beautifully green in the spring, searing in the summer, golden in the fall, freezing in the winter, and windy much of the time. The people—most of them of German, Scandinavian, or Russian heritage—are proud, hardworking, and uncomplaining, used to the loneliness and climatic extremes of the big North Dakota prairies. Many of them are descendants of pioneers who first settled the area within the last hundred years. They have created a prosperous economy, essentially of wheat and cattle, and though it is a dry land, in most years the snow and rain are abundant enough

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to bring forth good crops, fill the prairie marshes and natural lakes and streams with water, and keep the landscape vibrantly alive with wildlife.

Trouble has come to their homes and farms because, according to the Bureau of Reclamation's land-acquirers, the canal has to go "just so, and nowhere else," and the bureau has the right to condemn exactly what it wants.

The average right-of-way that is taken is a quarter of a mile in width and usually cuts through the best bottom-land the owner possesses. There is no chance to resist, and none to force a compromise. Some farms are sliced into bits by access roads and other features in addition to the canal, and occasionally the builders do such a thorough wrecking job that the bureau has to buy out an entire farm. Usually, however, Reclamation refuses to take more than the right-of-way, even if it leaves a family farm maimed with the canal running through its center.

Compensation is decided by the bureau. If a farmer feels cheated, he can seek a better settlement from a court. Usually he will win an increase—but rarely enough to make up for what he has lost, which includes not only his land and, often, some or all of his improvements, but the basis of his livelihood, his plans for his children and his own retirement, and the dreams of his lifetime.

The cases of Reclamation's victims are legion. Five miles south of Mercer, North Dakota, Elbert and Pearl Wall had built up a farm for 30 years to turn over to their four sons. Gradually they had acquired seven sections, and by 1972 ran about 250 head of cattle, had some chickens and hogs, and grew wheat, oats, flax, native hay, and some seeded grass. They even had a large prairie pond of about 100 acres, called Hecker's Lake, near their homestead. It was clear enough for swimming and in the spring was full of whistling swans. The farm was neat and prosperous, reflecting the Walls' years of hard work, care, and planning. "Every nickel we ever made we put back into the place for the kids," Mrs. Wall said.

In 1972 the McClusky Canal sliced their farm in half, separating their feedlot, farmstead, and the only well from most of their pasture, and took Heckler's Lake from them. To get from their house and barn to the pasture, which is now on the far side of the canal, they must presently make a trip of 12 miles. Today, however, there is little reason to make the trip. The Bureau of Reclamation has also fenced off the pasture's water supply, and cattle cannot use it. The Walls, pleading for help and understanding, asked a bureau representative where they could put their cattle. "I don't give a damn where you put them. Put them in the middle of your yard, he replied.

"I bawled my share, believe me," Mrs. Wall said. She and her husband still live on the property, but the cattle herd has been cut, the family income has decreased, two of the Wall boys have had to take city jobs in Bismarck, and the dreams of a lifetime are gone. "We don't know what we're going to do." Elbert Wall said. "We're just hanging on."

The Bureau of Reclamation has frequently made its impact more painful than necessary by carrying out its dispossessions with a crudeness that bewilders its victims. Near the town of Turtle Lake, the McClusky Canal was routed so as to necessitate taking the entire farm of Mr. and Mrs. Leo Reiser. Compensation offered to the Reisers was not enough to allow them to relocate, and they had to remain in their home after it was condemned. Late on April 2, 1973, a project foreman appeared and notified them that canal construction would begin through their farmstead the next morning. After a frantic night of moving their livestock, the Reisers, together with a growing crowd of neighbors, watched at dawn as giant earth-moving machines began to cut through the prairie hills, heading steadily toward the Reisers' home.

With tempers rising amid an increasing threat of a confrontation, a television news crew drove up. Abruptly, construction halted. Soon, a Bureau of Reclamation official arrived, surveyed the tense scene, and told the Reisers that construction would be called off for at least several months because "you folks do have a problem here." As soon as the television crew and the neighbors left, however, there was another about-face. Alone, eating their lunch, the Reisers were startled by the roar of the earth-movers. Running outside, they stared in shock as bulldozers tore up the elms and apple trees in their shelterbelt and garden and pushed through a path for the canal within forty feet of their door. The Bureau of Reclamation had avoided bad publicity by the expedient of lie.

On another stretch of the canal 44-year-old Leland Vossler, the fourth generation of his family to farm in the area, had his prosperous beef and dairy operation all but destroyed. The parents of three boys and a girl, Mr. and Mrs. Vossler had bought their farm in 1955. "A few years ago the bureau came around and told us they needed about 75 acres." Mrs. Vossler said. "Later they increased it to 350 acres and we almost went berserk. They came in August 1972 and fenced off our lowland. We had to get rid of our dairy cows because we had no grazing land left for them."

For a time Vossler was able to make arrangements for adequate pasture elsewhere for his beef herd. Then in the spring of 1974, already suffering a serious decline in his income and facing the loss of the rest of his stock, he went to the Bureau of Reclamation and asked if he could raise a crop of hay on the lowland which had been taken from him and fenced off, but on which excavation had still not begun. An official at first refused, saying it was now government property but then suggested that Vossler talk to one of the private contractors who was going to excavate that section of the canal. Vossler did so and won permission to raise a crop of hay on the land in return for giving the contractor one-third of the yield—an incident that one might view as extortion committed with government property on a desperate farmer.

Other farmers were more vocal in resisting Reclamation's autocratic methods, and in return the bureau has cracked down on them with even greater ruthlessness. Ben Schatz, a World War II veteran who is 62, is one of of those who fought for his land and lost. The Schatz wheat and cattle farm, on which Ben and his wife, Ella Nora, raised six children, was cut in half by the McClusky Canal. "At first they came and told me that the canal would only be 25 feet wide," Schatz said. 'That didn't sound so bad, but they concealed from me that this was the bottom of the canal, and that the canal would be about one hundred feet deep going through my land and that the spoilbank and right-of-way would take my home and yard and buildings."

When the bureau offered Schatz $10,000 for the 80 acres it would take, he balked. Angry officials showed him a map of the canal's route and told him, "You're just a dot to us. When you are in the way, we move you." Schatz continued to object, and the bureau broke off negotiations. It moved the canal route slightly and then proceeded to dig right past Schatz's house, throwing up the spoilbank in his yard beneath his windows, and adding a road that cut his property into several pieces. Surveying what he had left, Schatz said bitterly. "It's worse than when I was shot during the war. At least I was young then and had a chance to start again. I've spent 50 years for this farm and my life's work has been ruined." Then, still fighting, he erected a billboard on one of the cut-up parts of his property for all to see. "My farm ruined by the U.S. Bureau of Reclamation," it reads.

Numerous stories of similar injustices could be related. Collectively they make the Garrison Diversion Unit, on top of everything else, a senseless human calamity. But this is only the beginning. So far, the Bureau of Reclamation has disrupted or destroyed some 300 parcels of land, mostly along the route of the McClusky Canal. But in time, a total of 5,000 parcels will be taken—all to benefit a maximum of 1,300 farms that will be watered by the irrigation project. Who and where the other victims will be has not yet been revealed. Some will definitely be in the vicinity of the McClusky Canal, for even though the canal's right-of-way may have spared them, Reclamation will be condemning still more farmland for the project's other "benefits"—the recreation areas and the large deepwater lakes that will be created in the prairie, supposedly to take the place of John's Lake and the other destroyed wetlands.

Most of the future dispossessions, however, will result from Garrison Diversion Unit components that have not yet been built. The Bureau of Reclamation has held detailed plans close to its chest and, in fact, has managed to reveal nothing precise even in its overall environmental impact statement, which was specific only about what had already become accomplished fact. The prospect now is that future impact statements for individual features of the Garrison project will be issued only after work has begun. "What is destroyed will be described after it's destroyed, if at all," said one angry farmer.

Reclamation's piecemeal approach has much to do with why there has been so little outcry against the Garrison project in North Dakota, and so little knowledge about it in the rest of the nation, for the bureau is pursuing a divide-and-conquer policy in which the adverse impact is felt in only one area at a time. Meanwhile, the propaganda concerning the benefits that will come to the whole state continues to be trumpeted so loudly and authoritatively elsewhere that no one can hear (or wants to hear) the appeals of the suffering victims. Through the influence of the conservancy district and its other boosters, the Garrison Diversion Unit has become a blind-faith symbol of future prosperity in North Dakota—as important to business and financial interests as to farmers.

SUPPORT FOR OUR FRIENDS

Mr. PACKWOOD. Mr. President, last week in his address to the Congress on the state of the world, President Ford once again reiterated a warning to the nations of the world regarding U.S. constancy when he said:

> Let no potential adversary believe that our difficulties or our debates mean a slackening of our national will. We will stand by our friends, we will honor our commitments, and we will uphold our country's principles.

Mr. President. I applaud this reaffirmation of our support for our friends, but I would suggest that the President direct these same assurances to our allies as well as our potential adversaries.

I speak particularly of Israel, an old and valued friend. With the "failure" of the recent episode in shuttle diplomacy, Israel, having refused an offer she could not afford to accept, was informed that the United States would reassess her policy toward the Middle East. Although the total picture was being reviewed, according to the President and the Secretary of State, and Israel in the context of the whole, usual pledges of U.S. support were conspicuously absent. Instead, it was suggested that Israel was, indeed, at fault and that her entrenched position had single-handedly defeated the Secretary's efforts.

Mr. President, I do not believe that. The indications are that Israel was being asked to give up a great deal more than she would get in return. For her land and oil holdings in the Sinai, she asked for political agreements from Egypt. She received none and, understandably, refused to trade her trump cards for less.

Certainly, the Middle East is of grave concern to all, and an accelerated effort towards defusing the potential tinderbox is in everyone's interest. What I do not understand is why we should have compromised our support of Israel. Why we allowed it to be a matter of speculation.

The two articles I am taking the liberty of inserting in the RECORD today suggest that one reason for the appearance of ambiguity in our relations with Israel stems from the enormous loss of confidence the United States has suffered in the realm of foreign affairs.

I think that my colleagues will find the article by Mr. George Will in the Washington Post of March 29, 1975, and "Who's To Blame" which appeared in the April 12, 1975, issue of the New Republic of interest and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 29, 1975]

"INTRANSIGENCE" AND "PEACE"

(By George F. Will)

A bewildered nation will not just give foolish answers to sensible questions, but also will seriously debate preposterous questions. Today Washington is seriously debating: "Did Israeli intransigence cause the failure of Secretary of State Kissinger's peace mission?"

Consider the words "peace" and "intransigence."

The Vietnam war provoked a "peace movement" that sought not peace but the evacuation of U.S forces from the fight against North Vietnam's war of aggression. But "evacuation movement" doesn't sound noble and looks lousy on lapel buttons.

Evacuation was achieved by the 1973 "peace agreement" that boggled the easily boggled mind of the Nobel Peace Prize committee. (There is no Nobel Evacuation Prize.) To his credit, the prize-winning negotiator of the peace agreement assumed that the war would roar along during the peace: Kissinger says he assumed Congress would continue to vote aid for South Vietnam's war effort.

So when you hear it said that Israeli intransigence caused the failure of a peace mission, remember that the word "peace" is used casually these days. In fact, Kissinger's objective was not peace in a region suffering from 3,000 years of tribal warfare. Rather, his objective was just an adjustment in the armistice agreement governing the Israeli and Egyptian armies in the Sinai.

Like the concept of peace, the concept of intransigence is getting a bit rumpled by Washington usage.

The Intransigents were the extreme Spanish republicans in the 19th century. An intransigent person is someone who is irreconcilable, uncompromising, and refuses to come to terms. Consider the nature and terms of the negotiations that failed, and consider the alleged intransigence of Israel.

When Kissinger is in the throes of "shuttle diplomacy" he is not just doing what lieutenants on horseback used to do. He is negotiator, not a mere messenger. But he only has leverage on Israel, which has only one ally. And because shuttle diplomacy is a de-institutionalized, personalized spectacle, success or failure is personal. So Kissinger has a special incentive to get an agreement—some piece of paper—as a symbol of success.

From the start Israel was prepared to take military risks in exchange for Egyptian political gestures. Israel's principal desire was an Egyptian declaration of non-belligerency that would signal, for the first time, Egyptian willingness to deal with Israel on other than military terms.

But Egypt would not give serious consideration to such a declaration. So Israel made an extraordinary offer.

Israel would return the Abu Rhodeis, oil fields that supply nearly half its energy; and Israel would agree to Egyptian forces moving forward to occupy the current U.N. buffer zone; and Israel would withdraw its forces half way through the key Sinai mountain passes.

In exchange for these substantial military and economic sacrifices, which would have left Israel without substantial negotiating chips in the next round of armistice negotiations. Israel asked for an Egyptian "non-use of force" declaration.

Technically, such a declaration would have added nothing to what Egypt agreed to do when it entered into the January 1974, disengagement. But Israel assumed that the declaration would involve some new Egyptian behavior—e.g., diminished diplomatic, economic, and propaganda war measures against Israel.

Egypt responded with what might be described as a frivolous demand for still larger territorial concessions. But there was nothing frivolous about Egypt's purpose.

Egypt saw that by turning the negotiations into a charade it could win something bigger than a tactical victory in the Sinai; it could win a political victory in Washington.

Egypt understands (as does Israel) that the U.S. international position is deteriorating, rapidly from Lisbon to Saigon. And Egypt probably—and not unreasonably—believes that the U.S. is desperate for a Mideast agreement—almost any agreement—that will give the U.S. the reassuring illusion of mastery.

The stake was worth the gamble: perhaps the U.S. would blame Israel for any failure to achieve a new Sinai agreement. Certainly no conceivable Sinai armistice adjustment could please Egypt as much as a "failure" of the Kissinger mission that poisoned relations between the U.S. and Israel.

The fact that Washington is debating whether Israel's intransigence foiled Kissinger's mission indicates that Egypt won its gamble. Egypt made Israel a frivolous offer that Israel had to refuse, and this refusal triggered a preposterous debate in the capital of Israel's bewildered ally.

[From the New Republic, April 12, 1975]

WHO'S TO BLAME

"History is politics"—which is why the current public discussion about who is to blame for the collapse of Dr. Kissinger's Mideast mediation efforts is so intense and even bitter. It is easy to dismiss such talk as an aspect of propaganda war. But in this case at least, serious examination of the negotiating positions of Egypt and Israel reveals a good deal about their intentions and about the political constraints and incentives—foreign and domestic—under which the two governments operated.

In this country, unhappily, the proper and inevitable review of what went wrong in the negotiations has been diverted from a consideration of the merits of the proposals made by Cairo and Jerusalem to an appraisal of whether, given Israel's dependence on the United States, Israel served the broader needs of American foreign policy. This foreign policy—in Indochina, Portugal, the eastern Mediterranean, and as it pertains to energy and trade—is now, thanks in part to Congress, such a shambles that some might think Israel should have done virtually anything (and everything) to provide Washington with a symbolic success in its shuttle diplomacy. To be sure, that's not what the Secretary of State expected; but we are told now almost daily by columnists Evans and Novak, who seem to be acting as Gerald Ford's interlocutors in the matter, that the President believes Israel let him down. This may not be much of a basis on which to build policy, but there are precedents in our history for diplomacy following the dictates of pique. Petulance played a considerable role in the foreign policy of Ford's spiritual ancestor, Dwight Eisenhower, and particularly for his Secretary of State, John Foster Dulles, when the issue happened to be the Middle East.

Mr. Kissinger, however, certainly knows that no permanent American interest will be served by bullying Israel. He has lectured too much on our responsibilities to allies to allow his disappointments and whatever concrete differences he may have had with Israel during the recent talks to undermine our historical commitment to a democratic society whose safety should be the burden of conscience to civilization. The Secretary feels this possibly more than anyone else in the administration; but there will be great pressure, if not to sacrifice Israel, then to squeeze that nation so much that in the end it is sacrificed. Powerful business interests will see pressure on Israel as a * * * Others will welcome it as a way of disengaging the U.S. from a problem that has come to seem chronic and contagious. Or they will want to punish Israel for frustrating a major American diplomatic initiative, on which more was at stake than the conflict between Israel and the Arabs.

No doubt President Sadat would have welcomed a second stage agreement in the Sinai if he had been able to win one wholly on his own terms. In that sense, it might be correct to say that he did not enter the talks hoping they would fail. But his own terms called for a series of major territorial and economic concessions from Israel—strategic mountain passes, considerable land and valuable oil wells—in exchange for vague and easily revokable assurances, not to Israel, but to the United States. He knew this would be wholly unacceptable to Israel, to any adversary in almost any conflict. But he hoped that the American need for a diplomatic achievement was so great that either the United States would succeed in imposing on the Rabin government a settlement that Rabin could not defend to his own people or, failing to do that, the United States would so reduce its support for Israel that in any future war the military advantage would be Egypt's.

Israel, in contrast, began the talks willing to make substantial geographical concessions—in fact just about what Egypt wanted—and tried during the process to elicit from Cairo political agreements that would justify giving up the two most important negotiating assets it holds in the Sinai. In the end Israel said it would give less territory for lesser political concessions, but Egypt wouldn't contemplate anything other than maximum geographic withdrawals. But, for a broad retreat from occupied lands, Israel wanted not just what has been derided as the meaningless legalistic or Talmudic formula of nonbelligerence. It sought a demilitarized buffer zone in the

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vacated areas, joint Egyptian-Israeli patrols and electronic surveillance units, a reduction of the economic boycott and propaganda barrage against Israel, direct passage for non-Israeli tourists from Cairo to Tel Aviv, telephone and postal relations—or at least some of these. Jerusalem's precondition for great military movement on its part was some political movement on Egypt's. Why were the Israelis so insistent on having this? Better: why were the Egyptians so insistent on rejecting this?

Egypt's refusal to give the agreement any political character whatever confirmed Israel's worst fears that the transaction Sadat wanted would be more conducive to the conduct of war than to the pursuit of peace. Indeed Egyptian foreign minister Fahmy admitted as much in an address to the Arab League Conference on March 24. "It is clear that what was being discussed was neither a partial solution nor a solution by stages. It is also clear that what was being discussed was neither a temporary nor a permanent political settlement. The new Republic aim was a military movement on an agreement with military coloring."

Egypt's negotiating strategies, to say nothing of statements by government officials and quasi-official journalists, indicate that Cairo is not yet willing or able to renounce the war option. The volatile Arab political community, which includes Syria, Iraq, the PLO and Libya, "the rejection front" as it is called, is the greatest factor in pushing Egypt to hold out for the possible dismemberment of Israel through military action or concerted diplomatic activity, using the leverage of oil on Europe and Japan. The Russians also are lurking to play an inflammatory role. In this context, it is good that the United States maintains friendly relations with Egypt, and that it does not engage in frivolous recriminations against Cairo. America, through Dr. Kissinger, remains the most plausible broker among the contending parties, particularly in the polemical jungles of Geneva. At the same time, Americans should not fawn on the Egyptians. Sadat's announcement that he would reopen the Suez Canal on June 5, greeted as "statesmanlike," was accompanied by notice that he would ban from Suez cargoes bound for Israel. As part of the first disengagement agreement, in which Israel released Egypt's surrounded Third Army and withdrew from the American banks or Suez, Sadat pledged in writing to President Nixon (and Nixon communicated it to Mrs. Meir) to allow cargoes bound for Israel through the canal. It is difficult to see how *The Washington Post* and Ambassador Robert Anderson see a gesture violating this promise as a "responsible move." It is certainly not a move destined to build Israeli faith in the credibility of Egyptian commitments, or in American guarantees of these commitments.

For the U.S. to pressure Israel is ill-conceived. Suspending arms deliveries to Israel as the Soviets are increasing their weapons supply to the Arabs will only encourage belligerence among Israeli's neighbors and tempt them yet again to war. Nor does hinting about Israeli intransigence, and inspiring in Jerusalem fear of abandonment, help sustain the deep trust Israel has had in America, trust that has allowed our country to play a critical and responsible role in its own interests and those of peace in the Middle East. Moreover, pressuring Israel is not warranted by dint of the fact that the Rabin government was willing from the outset to cede positions of tremendous strategic advantage to get another agreement, which would at best have been insubstantial. Even if the Egyptians had given in return whatever Israel wanted, decent people would still have held their breath for years.

There may still be room for an American initiative. Israel has made that evident, and Egypt is not anxious to merge its own concerns either with those of the extremist Arab *revanche* or the Soviets. An American initiative will only succeed if we make clear that Israel can't be pushed around simply because we have troubles everywhere else.

NATIONAL CONFERENCE ON RURAL AMERICA

Mr. CLARK. Mr. President, last week, over 1,200 delegates from 48 States gathered in Washington, D.C., to attend the first National Conference on Rural America. This conference was called to bring the concerns of rural citizens to the attention of the public, the Congress and the executive agencies of the Government, and to insure that rural America receives our attention as this country reevaluates our domestic and international policies in the months ahead.

The conference brought together experts on many issues of fundamental concern to the survival of rural America, and right now the proceedings of that conference are being incorporated into a comprehensive platform so that the various sectors of the Government can better know what they can do to help bring about equity in rural America.

The conference featured a number of speakers, and four Members of the Senate addressed the group during its sessions. Senator ABOUREZK spoke about the distribution of the Federal Government's resources, Senator KENNEDY spoke about rural health care, Senator McGOVERN spoke about the problems of nutrition and hunger in America, and I addressed myself to rural development, rural health care, and the need for people interested in rural Americans to organize themselves so they can be heard. These speeches each dealt with different subjects, but all of them stressed a very important message: Rural America has a disproportionate share of the country's problems, and the time has come to begin solving them.

Because these speeches have received a good deal of attention recently, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHERE DO ALL THE FEDERAL RESOURCES GO?

(Senator JIM ABOUREZK)

It's both ironic and appropriate that this, a National Conference on Rural America, should meet in one end of what all the demographers consider as the first American megalopolis—stretching from Boston to Washington and projected to contain nearly one-fifth of the nation's population by the year 2000. It's appropriate because this is where it's at, in terms of power as well as population. And this is where the actions will have to be taken if we are to do something other than wait helplessly for the results of "megalopolityana" to replace those of "metropolityana."

I think there is growing concern, if not recognition, that America's cities are getting too big and too misshapen for comfort, while our rural areas and small towns have been depleted and deprived, not only of large parts of their population, but of the amenities and the opportunities that would have kept people there. In the twenty years between 1950 and 1970, the urbanized areas of the U.S. tripled in size and the number of people living in metropolitan areas increased by 47% compared to 12% for the rest of the country. There is some evidence, I gather, that this trend may have ended. But I know of no one who is expecting any dramatic change away from the metropolitan concentration of our population.

In a free society—and ours is relatively free—the normal assumption would be that people live in metropolitan areas because they want to. But the public opinion polls do not support that assumption. In 1966, a Gallup survey found that only half the people interviewed preferred living in cities and suburban areas, although a far larger share of the population actually do live there. By 1972, Gallup's interviewers were finding that despite a continued increase in the number of Americans living in cities and suburbs, the share who said they preferred to live there had dropped to 44 percent. A survey done for the Commission on Population Growth in 1971 found that less than 40 percent of those living in "large urban" places preferred that as their residence. More than a third of them indicated that they would prefer to live in a rural area of a small town. By contrast, almost 90 percent of those living in rural areas and small towns said that was where they wanted to be.

Why is it that people live one place and say they'd rather live another? Is it because they're irrational or can't make up their minds, or because they lie to their pollsters, or is it because the grass is always greener elsewhere? I think it is because they really want a little of what each type of place has to offer and our society forces them to choose between them. If they want higher wages and decent social services, they have to take the urban crush, the smog, the ugliness, and the depersonalization of life that is characteristic of city life. If they like the friendliness, the greater personal identity, the more human scale of living that goes with smaller towns and rural areas, then they have to give up the expanded economic opportunities, the greater availability of education, health care, and other social services that are available only in cities. It appears that people have made the narrow choices offered them, but they aren't too happy with them.

The nature of the federal budget determines the direction in which the country goes. And it has determined not only to move people to the cities, but to keep them there. Rural America has 30 percent of the nation's population, but the budget allocates only 24 percent of federal outlays there. Most of the nation's poor housing is in rural areas, yet most of the money goes to the cities. The same is true for aid to poor people, manpower training programs, education aid, elderly assistance programs, and innumerable other areas.

Even tax loopholes are slanted toward city areas. Loopholes favor the rich, and the rich are concentrated in the cities.

Should the government encourage flight to the cities and away from rural areas? I say it should not. Such encouragement limits our freedom of choice, and it creates problems of over-concentration, which then requires more federal dollars to try to solve. It is a Catch-22 situation, a political and economic treadmill whose end is not in sight.

The aim of this conference, and its participants, is to reverse this destructive trend. While I do not want to be responsible for building new cities in the western plains, I would welcome the chance to more evenly distribute our national population.

A malaise has come upon our national character because of the way we have piled people on top of people. The cure is based on nothing more than an understanding of human nature—if people do not have to stumble over each other in their daily pursuits, they are happier and they function better.

While I have been a consistent opponent of the Vietnam War, I want to recall a phrase

attributed to President Lyndon Johnson. One of his policymakers once told President Johnson that in order to succeed in Vietnam, we must win the hearts and minds of the people of that country.

Mr. Johnson's reply was that if we would firmly grasp a vulnerable and painful part of the male anatomy, their hearts and minds would follow.

There was a time when the rural population had enough numbers to be politically strong. We no longer have that kind of political strength. We need to apply some gentle persuasion.

REMARKS BY SENATOR GEORGE McGOVERN

I am not certain how many words have been spoken about hunger.

I sometimes have the feeling that if words were food, no one on this earth would be hungry.

Yet those of us who speak of it here, though we may say many things, cannot truly sense either the evil or the danger of world hunger. For a world in hunger is composed of separate human beings, each of them as important as any of us, who know they are quite literally living their last days, and whose last days are a living death.

Each of them must be in our mind's eye as we enumerate the statistics of world starvation; otherwise, the statistics may cover up too much as they sum up all the facts.

Here then are some terrible truths of human hunger today.

There is now less food per person worldwide than there was in the midst of the Depression 40 years ago.

Every day 10,000 people die of malnutrition.

A third of the children in the poor countries die before the age of five, and hunger is the primary cause of half of these deaths.

Two-thirds of the children who survive are deprived by malnutrition of the opportunity to realize their full potential.

The poorest fourth of the globe is literally locked out of the agricultural economy, with its ability to compete constantly lessening.

This human toll is tragic. It is tragic because it is preventable. It is tragic because a few have more than they need, and so many have too little, or nothing at all.

Even within our own rich country, there is another country of hunger and malnutrition.

Each day 10 million American children must rely on a free school lunch, because they come from low-income families and cannot afford to purchase their noon meal. In many cases this is their only adequate meal at any time of any day.

The early results of medicaid screening tests show all of the most prevalent health problems of our children to be diet-related—tooth decay, anemia and obesity. Millions of them are unhealthy because they are malnourished.

America ranks below the top ten nations in the rate of infant survival; and the number of deaths at birth, low birth weights, and birth defects, all directly related to diet, are highest among the poor and minorities. We have heard it said that America must be second to none in the power to kill. But we will be a greater land when we decide that America must become second to none in the power to save the lives of our own young.

Here and abroad, this generation now faces a future of continued malnutrition, starvation, and human despair. This future is not fated for us, but chosen by us. We can choose otherwise. The earth has not failed: We have the capacity to produce the needed food. Policy has failed. We are not producing and distributing the food by the guidelines of common sense and integrity.

Our Food for Peace program, which I had the privilege of directing under President Kennedy, is the principal American source of help for the hungry beyond our own borders.

Yet in the last few years, Food for Peace has become too often a pawn of diplomacy, a means of war. Without debate, or votes by Congress, or public discussion, more than half of Food for Peace has been misallocated for political purposes in places such as Vietnam, Cambodia, Laos, Malta, and Jordan. Doing indirectly with food what it is forbidden by law to do with guns is a cynical twisting of the intent of Food for Peace.

Also our fertilizer aid has been misdirected. Over half of our scarce fertilizer aid in the last few years has been diverted to South Vietnam.

The donated commodities, or Title II foods, have been proportionally reduced in recent years, as shortages have set in. The number of people receiving this food has also declined. No one in government seems willing to discuss the steps necessary to insure an adequate supply of food during periods of shortage.

And when the Congress moved to prevent the political misuse of food assistance, the Administration responded by opening a loophole in the law. The legislative branch limited the amount of food shipments which could be sent to nations not on the United Nations list of the most needy countries to 30 percent of our total aid. The executive branch then raised the total so it could increase the amount of political aid. And now the Assistant Secretary of State has virtually admitted to the Foreign Relations Committee that increased food allotted to shortage nations will not in fact be shipped to them—due to "logistical difficulties" or "commodity availability." In this kind of technical gameplaying what is lost is human life. If administration officials can find the guns and the vehicles to carry them to a hopeless cause in Vietnam, then they can find the food and the transportation to take it to hungry people in South Asia.

The point is clear: Our overseas food aid effort must be made part of our national planning and production program, so that the American taxpayer and the hungry of the world know what to expect, and their expectations can be met. Food must be sent where it will alleviate suffering and develop agriculture, not to regimes with whom secret deals have been made, or dictatorships Congress has refused to aid.

The Administration's policy neglects hungry citizens at home as it rejects the needs of so many who are starving abroad. The most recent attack has been against the Child Nutrition Programs.

These programs feed thirty million American infants, school children and nursing mothers each day. They operate through schools, summer camps, preschool facilities, and health clinics. They improve the health of our sons and daughters, support the farmer by purchasing his harvests, and employ tens of thousands of people in local communities. I cannot think of a more decent, more sensible way to spend tax dollars.

Yet, this year the Administration has proposed eliminating many of the Child Nutrition programs and drastically reducing others. This would set back thirty years of progress in delivering food to that one-third of the nation which was ill-fed.

I have introduced legislation to sustain and strengthen the Child Nutrition Programs, and hearings will be held before the Senate Agriculture Committee next week. I am hopeful the Administration's cutbacks will be restored.

But this kind of fight is ridiculous. We should be working with the Administration to streamline food delivery, to cut down the paperwork, to assess the health impact of nutrition, to allocate more for those who are most in need. Instead, each year we have to rejustify our food programs, each year we barely hold our own, each year we lose another chance for long-term planning to protect our children, our farmers, and our consumers.

On child nutrition, it is appropriate to repeat a suggestion I made to Secretary Butz when he appeared before the Agriculture Committee a few weeks ago to answer our questions about his administration of food stamps.

These programs do not work as they should because a Secretary of Agriculture who philosophically opposes them does not want them to work. In fact, a Federal district judge recently used the words, "total failure," to describe the Secretary's compliance with Congressional directives on food.

Well, those directives are the law of the land. It is not up to the Secretary of Agriculture to decide which programs to carry out and which to ignore. His job is to administer the law. And I suggested to him earlier this year that if he doesn't like the law, then the proper answer is for him to resign, and perhaps run for Congress, so he can try to change the law.

In addition to supporting current programs, the United States must develop a comprehensive national nutrition policy.

We need a national nutrition policy to reap the blessings and lift the burdens, for example, of cyclical excess grain supply, by expanding humanitarian food aid and creating a federal grain reserve. We can also expand demand for filling empty stomachs in our own land.

By transferring food from the field to the domestic market of the poor, through the use of food stamps, child nutrition programs and the food program for the elderly, the hungry of America can be fed as the farmers of America achieve and maintain a decent income.

In addition, a national nutrition policy must deal with the concentration of economic power in the farm and food industries.

It is an old story for the farmer. Whether he buys or sells, he is dealing with prices that are dictated somewhere else.

Monopolies in farm machinery, fertilizer, and fuel inevitably stifle competition and inflate costs.

Once the food is produced, both the farmer and the consumer must deal with the raw economic power of giant corporations in between.

Now the same forces are moving on the farm as well. Farming has become a tax loss enterprise or investment for the wealthy. Processors have been buying in, to tighten still further their control of American food.

We must move in all of these areas to restore true competition. The question is not one of government intervention; it is whether government will intervene on behalf of the profiteers, or on behalf of the people.

Most of all, the foundation for a sound nutrition policy must be found in a renewed national commitment to the role of family agriculture.

Some Americans believe that bigger is invariably better; that economies of scale work endlessly; that the family farm must inevitably give way to factories in the field.

I believe just the opposite. For we know, and the experts are now beginning to admit, that the blessing of abundance can best be found on family farms.

That is true both at home and abroad—whether we are talking about South Dakota or South Asia. The promotion of large-scale capital intensive agriculture in less developed countries does the same thing it does here—it forces people from the land into the cities where there are no jobs, it inhibits food production, and it encourages an agricultural structure which exploits the many to earn riches for the few.

So we must continue to struggle to lift the curse of agribusiness from ourselves. At the

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same time, let us redesign our aid programs, so we will not inflict the same curse on others.

When agriculture is made to work in the common interest, then I believe a new life and spirit will enliven and prosper rural America.

So I want to say, finally, that what you have planned here for this week excites me. I hope this Conference marks the beginning of a permanent lobby organized around rural interests. No more important task exists. The message of rural America must be heard—heard now and finally heeded.

Thomas Jefferson long ago warned that a sound agriculture is indispensable to a strong economy and a vital society. Today a sound economy, a sound government, a sound nation must be based on an agricultural economy that is operated with compassion, that is operated with the purpose that all people here and abroad shall have enough to eat.

Only in this way can we protect our own standard of life. And more, we will help our country to earn the judgment of history that in a time of world famine, we renewed the promise of America—that when hunger moved across the earth, we became again the last, best hope of earth.

RURAL HEALTH CARE

(By Senator EDWARD KENNEDY)

I am pleased to be here today to discuss health care in rural America.

As you know, this is an area in which we have great problems. But it is also an area in which we can make great progress if we have the will.

We face two major problems with respect to health care in rural areas. The first is cost, and the second is availability of care.

The first major problem concerning health care in rural areas is that of high cost.

We hear a great deal about people in the United States who cannot afford health care. It is all true. Health care now costs Americans an exorbitant amount of money.

On the average, each American now pays—as insurance premiums, out-of-pocket payments, and taxes—more than $490 a year for health care.

An average seven day stay in the hospital now costs more than $990. The delivery of a child costs more than $950. An appendectomy, more than $2,000. Last year, more than 22% of American families experienced health care costs in excess of $1,000.

To meet these large expenses, most Americans have some form of health insurance: but this health insurance is diluted with sizeable deductibles and co-payments. And 25 million Americans have no health insurance at all.

The high cost of health care strikes rural residents especially hard.

First, many rural residents face the risk of health care without health insurance at all. While more than 75% of urban residents have health insurance protection, only 64% of rural non-farm, and 51% of farm, residents, have health insurance. The explanation of this deficit is not difficult. Rural populations are less readily enrolled in health insurance plans for administrative reasons. The great bulk of health insurance enrollment is done through organized groups of people—mainly the employees in a place of work. In small towns and agricultural regions, however, such organized groups are both fewer and smaller than in urban areas. Most rural residents work on the farm or in a small business—not for a large factory.

Second, the income of rural residents is significantly less than that of other United States citizens. The median income of non-farm rural families is 84% of the median for all U.S. families. For farm families, the median income is only 56% of the U.S. median.

Many rural families are then poor; they do not have as much money as urban families. Not as much for rent, for food, for gasoline and fuel oil. And not as much for health care.

The combination of lack of health insurance and low income is the first major problem of health care in rural areas. Millions of rural residents put off visits to the doctor—endure needless suffering—because the bill would be too high. The retired farmer with arthritis, the middle-aged farmer with a bad back, the child of a young farmer with a fever: all wait. Maybe it will go away. The doctor's bill will be too much.

The second major problem concerns the availability of health care in rural areas. The provision of health care in any area, of course, depends most heavily upon the presence of a physician. Without a physician, health services cannot be provided.

In rural areas today there is a great shortage of physicians. And the deficit is growing.

Throughout the Nation there is one physician for every 665 people. In rural areas, however, the figure is less than one physician for 1,250 people.

As a minimum standard, there should be one physician for every 1,000 people in a geographic area. This is the ratio that the Kaiser Health Plan, an efficiently managed HMO, finds necessary to provide quality care to its members. Similarly, the multi-county areas which have been designated by the governors and are called State Economic Areas are reasonable geographic areas in which to apply this standard. With 500 nationwide, the State Economic Areas are neither too small nor too large; within an area the size of a SEA the population should be able to receive more than 98% of its physician services.

The Department of HEW has surveyed the State Economic Areas to determine how many have one physician for every 1,000 residents. Only 200 of the 500 Areas meet the one per 1,000 ratio. 300 areas, almost without exception rural, fail to meet this minimum standard. Further study indicates that more than 19,600 physicians would need to be precisely placed in specific areas to bring all of the Areas to the one per 1,000 ratio. 19,600 physicians!

And the problem is getting worse. Between 1960 and 1970 half of the counties in the States of Alabama, Missouri, Nebraska, Pennsylvania, and Texas lost physicians. And almost two-thirds of the counties in the States of Arkansas, Iowa, Indiana, Illinois, Kansas, Mississippi, Minnesota, Oklahoma, and Ohio saw the physician-population ratio decrease. As the physicians who have been practicing in these areas since the 30s, even the 20s, retire, no one is taking their place.

So these are the two primary problems in rural areas. There are of course other problems. The quality of health care in rural areas is, as elsewhere in the country, erratic. The cost of health care in rural areas continues to escalate. Hospitals and services in rural areas are unnecessarily duplicated and often under utilized. And on and on.

But the two basic problems are cost and physician availability. If these two problems can be alleviated, we will have moved a long way toward providing quality health care for every citizen in rural America.

These two problems can be resolved. The passage of both the Health Security Act and my Health Manpower bill would do just that.

The key to the resolution of the individual cost problem is the principle that health care is a right for all and not just a privilege of a few. All of our effort on national health insurance must be grounded in the principle that every American must be assured decent health care in the same way that our society has guaranteed every American decent education.

The Health Security Act would do this. It would ensure that no American need ever worry about the cost of health care. The Health Security program would pay for all hospital care, all physician care, all laboratory and x-ray services. No co-payments and deductibles would be required. The Health Security program would be financed in an equitable manner from payroll and general revenue taxes.

Health Security would be of enormous value in rural areas. It would ensure that all—all—residents of rural areas would have comprehensive health insurance. No employment related groups would be required. No pools with their faulty incentives. No loop-holes or cracks for rural residents to fall through. Just comprehensive coverage for everyone. No one would be left out.

With comprehensive health insurance, without deductibles or co-payments, rural Americans would not need to spend their often meager incomes on hospital and physician services. Their limited resources could be reserved for better housing and better diets; for education for their sons and daughters.

Two features of the Health Security program would be of special importance to rural areas.

The first is the capitation mechanism utilized to distribute funds to the various geographic areas. The Health Security program divides the total funds available for health care nationwide among the various geographic areas on the basis of capitation payments.

Under our existing fee-for-service/indemnity-insurance system health care providers in the more affluent urban—and especially suburban—areas of the nation receive more payments, on a per capita basis, than providers in the less affluent inner-city and rural areas.

This system reinforces the maldistribution pattern: resource rich areas get richer while resource-starved areas do without. Any fee-for-service/indemnity-insurance system must operate this way.

But Health Security would provide equal funds per equal populations. Whether urban, suburban, or rural—an equal number of people would receive equal funds. Under this system, spending in rural areas would—for the first time—achieve parity with urban areas. For the first time, rural residents would get their fair share.

The second feature of the Health Security program of importance to rural areas is the Health Resources Development fund. This fund, equal in any year to 5% of the total expenditures for health services—$3.5 billion in FY 1976—is to be utilized to support programs which improve the health care system. Rural areas—along with inner-city areas—could expect to benefit from bulk of the expenditures from the Fund. Development of new group practices in small towns, the initiation and operation of Area Health Education Centers to tie rural areas to major metropolitan areas, the training of nurse clinicians for practice in rural areas—all would be supported by the Health Resource Development fund.

If cost is the first time major problem, the absence of physicians is the second. Just as Health Security addresses the first problem, my Health Manpower bill addresses the second. My Health Manpower bill directly addresses the need for 1[illegible],000 physicians in rural areas by tying expenditure of Federal funds to support medical education to a commitment by new physicians to provide service in underserved—rural and inner-city-areas.

The Health Manpower bill reported by the Senate Health Subcommittee last year required all of the graduates of health profession schools which receive Federal aid to practice their profession for two years in an under-served area. This service would be either as a member of the National Health Service Corps or in a private practice setting.

This bill—and it will be considered by the

Committee again later this spring—would alleviate the current shortage of physicians in rural areas. The program, when fully operational, would provide more than 28,000 physicians for service in underserved areas. If half were to be allocated to rural areas and half to inner-city areas, it would mean more than 14,000 doctors for rural America.

On a State-by-State basis, it would mean at least 200 doctors for underserved areas in West Virginia, 300 for Iowa, 600 for Missouri, and 250 for Kansas.

This program would work. Fresh from the completion of their post graduate training, these doctors would bring the latest in modern medicine to underserved areas. Sponsored and supported by the local community, the centers where they would practice would identify and respond to local needs and problems. Assigned to centers in small groups of four or more, supported by nurse clinicians and adequate clerical help, linked to urban medical centers by AHEC systems—these physicians' practice would be a model for primary care anywhere.

Many of the young physicians, once located, would be attracted to remain beyond their assigned years. Others would leave, but replacements would always be available.

Three other features of my Health Manpower bill would assist rural areas.

A new program to allocate physician residency training programs would insure that a much larger share of new physicians would be trained in the primary care specialties of family practice, internal medicine, and pediatrics. Primary physicians are, of course, much more likely to locate in rural areas than are specialists. This program would also tend to shift residency training positions from large urban areas to more rural areas of the Nation.

Additional funds would expand the Area Health Education Center systems. These systems link practitioners in rural areas to urban medical centers. By alleviating the professional isolation of rural practice, AHEC's make life in rural areas more attractive to physicians; they help rural areas retain their physicians. The AHEC program will be particularly valuable when linked with an enlarged National Health Service Corps.

Additional funds would also increase the number and size of programs to train nurse clinicians. Skilled in providing primary care, these professionals can extend the ability of physicians to care for patients over a large geographic area.

So the problems are clear. Health care is a great financial burden to residents of rural areas. There are not enough physicians in rural areas.

But these problems can be solved. The Health Security Act and my Health Manpower bill provide the basis for the resolution of these problems.

Any real solution, of course, lies at the local level. It is in the mountains of West Virginia, the plains of Kansas, and in the valleys of Washington State, that these problems will finally be resolved. And at the local level it will take commitment. The commitment of all of you here today, and thousands of more like you all over the Nation.

The Federal government can provide the tools. The Health Security Act and my Health Manpower bill would do that. But the use of the tools, the actual resolution of the problems, must take place at the local level. That is the challenge for you today.

SENATOR DICK CLARK'S ADDRESS TO THE NATIONAL CONFERENCE ON RURAL AMERICA

I certainly appreciate this opportunity to join you today. It's good to have the chance to see so many old friends and to meet so many new ones, and I'm especially grateful to Clay Cochran for extending the invitation to have lunch with you this afternoon.

You've come to the capital for this first National Conference on Rural Development during troubled times.

The domestic economy is still a shambles. More than eight million people are out of work, and it's likely to get worse before it gets better. In international affairs, the vanity and the bankruptcy of the last two decades of American foreign policy in Southeast Asia become more painfully apparent by the day—first with Cambodia and, now, with South Vietnam. And debate continues over whether the long-awaited end of this country's military commitment there will make us weaker or stronger in the eyes of Japan, Australia, and the European communities that find their security in the military strength of the United States.

For one, I am convinced that these allies saw the folly of it all long before we did and that they will find the United States strong now that the years of involvement are ending.

One thing is certain: the tragic years in Southeast Asia will leave a lasting legacy with this country. And most important may be the lesson in national humility that it teaches—that the United States cannot shape the future of other nations, that raw military power is not the only element of national security. Some people argue that the end of the American era in Southeast Asia marks the beginning of the isolation era in America. That will not happen—nor should it. The world is too small for isolation. But as we re-examine United States foreign policy, we also ought to take the time to re-examine those domestic policies that have long been neglected—in part because of the war in Southeast Asia that distracted our attention and drained our resources.

In one way or another, we're all here this afternoon because we think rural America deserves some of that attention and some of those resources.

Together, we represent rural America. Together, we share a sense of concern—for the people who live in rural areas, for the development and prosperity of America's farms and small towns, for the future of rural America. And together, we can do something to help ensure that our children's children will still have an opportunity to experience the richness, the vitality and the heritage of rural America.

Right now, rural America is in trouble. Decreasing farm prices and increasing production costs have forced thousands of farmers, cattlemen and dairymen into bankruptcy. The depressed economy has caused thousands of small businessmen to close up shop and lay off substantial numbers of rural blue collar workers. And, not enough housing units and poor health care have only compounded the problems.

Yet, with all of this many people believe that rural America is carefree, that the countryside has not been troubled by unemployment, inflation, a shortage of capital and essential materials. Just two weeks ago, for example, one major national magazine advocated spending all of the emergency employment money in the cities because farmers are well-off. But farm prices have gone down every month for the last five months. Nearly a million farmers have been forced to leave their farms every year for the last 30 years. And rural unemployment has nearly doubled in the past year. It hardly adds up to a picture of affluence.

With all of this, it is particularly appropriate that this first conference is in Washington, D.C., because in some ways the future of rural America will be shaped here. During the months ahead, Congress and the Administration will be developing national policies that have a direct impact on the rural economy, rural housing and rural health care and education.

What direction will we take in the next few years?

As a nation, will we encourage a policy of balanced national growth? Will we establish an atmosphere conducive to the prosperity of family farms? Will we help attract people to rural America and help provide the kind of housing and health care and schools that will keep them there? Or will we turn our backs on rural America?

Answering these questions will not be easy, and most of the answers will not be found in Washington, D.C. Most of them will have to come from you. That's why this conference and your efforts are so important—they will help ensure that rural America does not get left out But all the speeches and all the good intentions in the world will not guarantee assistance or attention for the countryside—it will take organization on your part. Rural people are a distinct minority in this country, and until their views are heard throughout this city in a more organized and effective manner, the problems of rural America will continue to be ignored.

This conference, "Metropollyana," begins with a myth: "the belief, usually tacit, that sooner or later all of the people will move to the big city and live happily ever after." It's much like the belief that Earl Butz and the Department of Agriculture represent the interests of small farmers and rural Americans. Both ideas are fairy tales. Fortunately, not all of us are going to move to the big city and not everyone is going to live happily ever after if they do—at best, the problems of rural America will become the problems of urban America; only the location will change.

For a moment, let's consider the complexion of rural America.

Right now there are less than three million farms in this country. Just about a million of them produce 90 percent of all our food and fiber. The rest are marginal. That means that most of the people who live in rural America are not farmers. And, they are not well represented in Washington. In the Congress, only one representative in three comes from a rural area. The ramifications of this urban majority are difficult to assess, but, by and large, when legislation is considered in the Congress it means that seldom is thorough and thoughtful consideration given to how well it will work outside the big cities and their suburbs. The net result, of course, is that rural America has been left behind.

That must change, and you have to help change it. Over the last few weeks, there have been some encouraging developments to build upon. When the emergency farm bill passed the House of Representatives, it passed because of the support of a coalition of rural and urban Congressmen who understand that consumers and farmers must be allies, not adversaries. Two out of every three freshmen supported the bill. In the Senate, the new budget committee has recognized that it does little good for the federal government to provide tax cuts when state and local governments—hard-pressed for revenue—have to raise taxes. So the committee has approved a special $4 billion revenue sharing plan to help state and local governments ride out the recession.

Compared to what needs to be done though, these gains aren't very significant.

We must develop an organized effort that persuades Congress and the Executive agencies to give rural Americans an equal opportunity to share in the nation's resources and abundance.

It's no secret that there is a penalty modern America extracts from most people living in rural areas. Health care is perhaps the best example of that.

As Senator Kennedy pointed out this morning, rural areas suffer from an acute shortage of health manpower. There are far fewer dentists, doctors, nurses, pharmacists and other health personnel in rural areas.

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Yet, the demand for health services is proportionately higher in rural areas because there are far more poor and elderly people who need more medical attention. And the poor and the elderly often do not have the ability to purchase health services even when they are available. The lack of public transportation in rural areas means that many people can't get to the doctor or hospital when they must. Emergency care services simply are not as accessible in rural areas as they are in our cities.

Because of all this, good health care is just not available to many rural people. This is more than just a problem—it's a tragedy. And you know its dimensions better than most people because you have the opportunity to see the results of the absence of health care in rural America every day. The difference between the best health care in the world and the worst can be just a few miles—or a few hundred dollars—and the difference that the miles and the dollars make is sometimes hard to believe.

Can we do something about it? I think we can.

First of all, we must continue to try to eliminate poverty wherever it is. Millions of people in rural America cannot provide for themselves or their children, and they are especially susceptible to the hazards of our health care system because they cannot afford an adequate diet, decent housing or enough medical care. The Health Security Act of 1975—introduced by Senator Kennedy and Congressman Corman—would guarantee health care as a matter of right by providing financial access to the health care system for everyone. Rural people need this legislation, and it needs your active support. But it can only be an important beginning. Much more must be done.

For example, the Congress should approve health manpower legislation so that doctors, nurses and other medical personnel will be available to rural areas. There is legislation before Congress today that would tie federal support for medical students to mandatory service in medically underserved areas. Under that plan, introduced by Senator Kennedy, each student would work two years in a medically underserved area to qualify for federal support in medical school. In effect, this legislation would guarantee that rural and inner city areas would have health personnel.

In concert with this legislation, the educational emphasis in our medical schools must switch from the training of specialists to the training of family doctors who have access to adequate specialty support when they need it. Medical students should be exposed to primary care training during their third and fourth years of school, and more primary care residencies must be established for them as well.

There are many, many other steps that must be taken to effectively solve the rural health care crisis, but it is essential that we reassess the way we pay for medical services. As long as insurance pays for hospital care but not office or home care, as long as it's more profitable to be a specialist than a family practitioner, as long as the system discourages organized group arrangements, as long as the potential and service of nurses and medics are not used to their fullest, then rural people will continue to experience the pains of inadequate health care.

Just as important, we must have the ability to analyze how various health proposals affect rural areas. I understand that the Health Planning Legislation and the Health Maintenance Organizations Act—two of the most important legislative achievements in health during the last Congress—have created a number of difficulties for rural areas because they do not reflect rural resources and rural needs. The way to prevent this from happening in the future is to review this legislation at the stage when it's being formulated in Committee. We can no longer afford just to react to health proposals once they're adopted in Committee and sent to the floor for approval. Instead, we must be prepared to improve the legislation from the beginning by offering amendments and testifying as to our concerns. In this effort, the Senate Subcommittee on Rural Development plans to review much of the health legislation taken up by the Senate Finance Committee and the Senate Committee on Labor and Public Welfare to assess its impact on rural areas. We are also planning a number of field hearings around the country so that we can more effectively reach those people who deal with rural health care every day. But we will not be able to accomplish all of this alone—we will need your help.

If there's any lesson to be learned from the legislative process, it's that the people who are the best organized and prepared—those who can make themselves heard in Congress—are the people who can get the legislative process to work for them. If you don't speak out, no one else will. As chairman of the Senate Rural Development Subcommittee, I am prepared to give you some help in that effort—and I know that many other Congressmen and Senators would do the same. Together, we can accomplish a great deal. We can improve this nation's health care system—bringing health services to those people and areas that need them.

And, we can help make rural development what it can be and what it should be in this country.

Two years ago, Congress approved the Rural Development Act, and committed itself to two fundamental propositions: first, that the federal government should help improve the quality of life for people living in rural areas; and second, that the best way to do this is to generate new jobs and new industry while at the same time ensuring a decent income for farm families.

Unfortunately, that commitment has not become concrete action. Program appropriations—the hard dollars—have not matched program authorizations. In fact, they have not even come close. The Administration has not exerted any leadership in rural development and, to compound the problem, the Congress has not fulfilled its commitment either.

Whether the Administration or the Congress realizes it or not, rural America has serious problems: no mass transportation, unemployment, insufficient housing and inadequate health care, and all of these have taken a heavy toll on the countryside. One way to prevent further deterioration is to fund and implement programs like the Rural Development Act.

That vital legislation has a number of provisions, but its primary emphasis is on jobs and improved community facilities. In addition, the Act gives the Secretary of Agriculture the authority to provide leadership for the overall rural development efforts of the federal government. Unfortunately, that leadership has not been forthcoming.

Let's look at five key areas of the President's fiscal year 1976 rural development budget. Together, they reflect the quality of this Administration's commitment to rural development and rural America.

For Rural Water and Waste Disposal grants, the program authorizes $300 million. The Administration's budget asks for half of that.

For Rural Water and Waste Disposal Planning, the program authorizes $30 million. The Administration has not requested a single dollar.

For Rural Development Research, the Rural Development Act authorizes $20 million. The Administration has requested $3 million.

For rural development grants, the program authorizes $50 million. The President's budget asks a fifth of that.

For rural development planning, the program authorizes $10 million. The Administration has asked for nothing.

Farmers Home guaranteed and insured loan programs fare about the same: little or no new money will be available. The President's budget also asked for rescissions—cutbacks in the current fiscal programs—of $3.75 million in the rural industrial grant program and $3.5 million in the rural fire protection program. Fortunately, the Congress has rejected these rescissions, and the money should be spent.

But all of this only emphasizes the fact that after more than two years, there's been virtually no significant return to the people of rural America from the Rural Development Act. There's a program on paper and there's an agency that's supposed to administer it, but that's not the real test of legislation. The real test is the benefits the legislation provides for people—on farms, in rural towns and communities. And by that standard, the Rural Development Act has not succeeded—not yet.

Many of the problems we've experienced with rural development do not relate only to the dollars spent. It's also a matter of emphasis and attention. There are many agencies within the government that ought to be playing a vital role in our efforts to help rural America—but they are not. So it's essential that we begin to monitor their activities more closely to be sure that they are fulfilling their duties and responsibilities to rural America under the law. In the next few weeks, it would be helpful for everyone here to take the time and effort to let the members of the Senate and House Appropriations Committees know that you recommend full funding for the Rural Development Act. I've already written the Senate Committee, and will be testifying before Senator McGee's Appropriation Subcommittee in the near future. But your support is one thing that can really make a difference.

We no doubt will not be entirely successful this year, but we should not be satisfied until we are. It will take a lot of persistence, but the result will be well worth the effort—equality for rural America.

There are many organizations you can align yourselves with to make your voices heard on behalf of rural people. In the past, some people have been suspicious of the various organizations representing rural interests, but it's not productive to squabble over minor details. Fragmented, battling forces within rural America will not help achieve equity and equality for rural America.

I will do everything I can to help achieve this goal, and I hope that all of you will join in this effort. You've made a good beginning. But let's not stop with noble words and good intentions. Let's commit ourselves to continue to work together—as a cohesive group—for the future of rural America.

HENRY BEETLE HOUGH'S BOOK ON MARTHA'S VINEYARD

Mr. BROOKE. Mr. President, early in January Senator KENNEDY and I introduced legislation to preserve and protect the lovely islands of Nantucket Sound. The legislation is the product of years of hard work amongst all islanders and their political representatives.

In a section of his recent book, "Mostly on Martha's Vineyard," the noted historian Henry Beetle Hough traces the development of our legislation from its inception in 1971 until the introduction of a companion State measure in 1973. For the benefit of my colleagues, whom I

hope will be considering the legislation soon, I would like to enter this section in the RECORD, as I think it will provide some useful insight into the problems with which we have been grappling for over 4 years.

Mr. President, I ask unanimous consent that pages 279 through 284 of "Mostly on Martha's Vineyard" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM "MOSTLY ON MARTHA'S VINEYARD"

I remember that bright, starry night in August, so warm but also a little cool as you walked through an occasional hollow, the path going down and then up. "Radiological cooling," the meteorologists would say in the morning. The strumming of the cicada and the cry of the black-crowned night heron overhead were lonely but also in an old companionship; the night air was softly fragrant with the scent of sweet pepper bush, bayberry, and sweet fern.

Graham and I completed our walk and arrived home much later than usual. The telephone rang, and it was Rose Stryon calling. She said Ted Kennedy was with them—I could imagine his young voyagers from the Cape bivouacking on the wide green lawn near the shore of Vineyard Haven harbor—and would I talk with him.

I had met him once long ago when Bob Carroll introduced us in front of the Coffee Shop in Edgartown when Bob had brought him to the Island to help his brother's campaign for the Senate against Henry Cabot Lodge. Now he came to the telephone and talked of the Vineyard and of his concern to protect its character and quality and resources lest all be changed in the onrush of development. He wondered about some concept that might be found for the purpose, something innovative, perhaps something drawn from the experience of the Old World. Then he added: "I'd be willing to stand considerable heat to do it."

I recognized, as one can at times, that he felt as I did; the Vineyard and the other islands were strongly in his youth, too, from the beginning, though his home port had been across the Sound on Cape Cod.

Preservation had been talked about more and more often on the Vineyard. There had been discussions and even studies. In 1964 a study by the National Park Service brought about by John B. Oakes resulted in a memorandum: "The blight of unbridled subdivision and the inroads of tasteless commercial exploitation are only just beginning on Martha's Vineyard." Maybe this was too complacent, but there was still time.

In October, 1969, the Dukes County Planning and Development Commission, just formed with federal funding, along with the Massachusetts Department of Community Affairs, contracted with the Boston engineering firm of Metcalf & Eddy for a comprehensive study and plan. Meantime the Interior Department took another look: "All preservation is obviously wrong, and all expansion is worse. The question is, how can we preserve an area in its natural state and then see how many people can use it without overusing it. . . ."

That wasn't helpful; when you go at some thing on the principle of maximum numbers you are under heavy pressure to let in more and more. But it was soon evident that the Interior Department wouldn't do anything at all.

We were in for some noisy, crowding, polluting, uneasy summers. Anthony Lewis, able votary of the Great Pond region of West Tisbury, wrote in the New York *Times*: "Privacy may be the most deeply felt interest. . . . Our parents and grandparents had a sense of space that will be quite beyond our children. . . . But need that mean that everyone has to live alike in an Aldous Huxley world, see alike, play alike? Will there be no isolated places, resistant, hard to reach? Are there no new forms of privacy to be developed? Must we lose variety, that beneficent result of private property?"

But the restlessness of growth and enterprise was on, and the ingrained faith that land was intended to be built on—for profit—found expression in direct and indirect ways. Open space, land, attracted a rising value in the market, no upper limit in sight. Cape Cod was built up, gone the way of "development" except for the National Seashore and an enclave here and there. Where could land speculation profitably feed now except on Martha's Vineyard?

After two years Metcalf & Eddy submitted a report that was, unexpectedly, a confrontation. Dukes County, "one of the few bastions of rural environmental splendor along the eastern coastline of the United States," was faced with clear and present danger from despoilers. The perils were defined: "contamination and loss by overpopulation and misuse; vehicular congestion and noise and air pollution; indiscriminate misuse and overuse of land and buildings; and loss and destruction of its animal and bird life, and danger to human life by people, vehicles, water pollution, and salt water intrusion."

The Commission hadn't asked for this. Federally funded reports are supposed to be bland or, better still, turgid. Had Metcalf & Eddy overlooked the phrase "Economic Development" in the Commission's title? The report struck squarely across the gospel of enterprise and growth and the preference for slick talk; across the shady side of the gospel, too, and the settled folk belief that Martha's Vineyard would always be Martha's Vineyard. Why should outsiders come here and tell us it won't?

So the Commission found "philosophic differences" with the report as well as "differences of opinion related to interpretation and emphasis." This could be translated as "We don't like what you said." A different set of planners was hired, with another infusion of federal money, and the way of enterprise was kept open.

This was how things stood in April, 1972, when Senator Kennedy introduced a bill to establish the Nantucket Sound Islands Trust to preserve and conserve Nantucket, Tuckernuck, Muskeget, Martha's Vineyard, No Mans Land, and the Elizabeth Islands because of their "unique scenic, ecological, scientific, historical, recreational and other values . . ." The bill was offered as a working paper and it looked toward "maximum coordinate action by state and local governments and private groups."

It wasn't to be expected that those who had found "philosophic differences" with the Metcalf & Eddy report would welcome the Trust bill, but the violence of opposition outran any reasonable prediction. The "elected officials"—a phrase that was to be used over and over as describing a degree of final authority—reacted with stinging resentment because they had not been consulted and because, in the ready-made cant of politics they denounced "federal control." Anyone who knew the Island could distinguish personal animosities, the special interest of "operators" and some of the landed gentry; and there was the silent complicity of which Professor Stein wrote in the *American Scholar*: the "question of threshold . . . precisely the key to the Zeitgeist that encourages and condones what otherwise would be consciously disavowed."

More general causes of opposition might be found in the nature of society itself following the abandonment of liberal education in the school except for lip service now and then, and the ascendancy of the sales pitch of television. ". . . The objective of most schools, including graduate schools, is social conditioning rather than development of the individual," writes René Dubos in *A God Within*. This is it precisely; and social conditioning comes out as conformity. Whereas "the satisfaction of every want creates a higher want" has presumably been true always in the life of man, this principle has heretofore operated in the slowest of slow motion as compared to the turnover and escalation of today.

No account of the Island controversy could satisfy anyone involved, but what history can record objectively is that in the two years following the introduction of the Trust bill, and the somewhat longer period following the Metcalf & Eddy report, the uniqueness of the Island's rural splendor was lost for good and all. The most that could be said from now on would be "There are still places worth saving." What was gone was the entirety.

The Island had gained a trailer park, grouped condominiums almost on the water's edge, summer homes barely perched above beaches, and such a host of "developments" that they outran ordinary observation. Wherever one went, new dirt roads led off to right and left, in almost every instance to gridiron or strip or spider-web subdivisions and developments, each lot representing not only a future house but prospective automobiles, congestion, and pollution.

The plains that Charlie Brown and Beriah Hillman had debated about years ago were captive to the speculative drive. A summer-resident landowner feared that "federal control" would reproduce the conditions of Fire Island on the Vineyard; but local control, which was the least control imaginable, had suddenly turned Lobsterville, site of the earliest up-Island fishing settlement, into a caricature of Fire Island.

Apart from the heat of controversy, the Trust bill offered no affront to local independence. It established three categories of land use—Forever Wild, Scenic Preservation, and Town Planned—with an administering commission heavily weighted toward local control but with participation by the Interior Department and ultimate effectiveness in land use and planning through the principle of compensation in proportion to the degree in which any landowner's right had been reduced.

It was said later by Senator Kennedy's aide in the matter of the Trust bill that there was "no obvious and compelling reason why the state could not legislatively provide for virtually everything" embraced in the bill. But the state hadn't and wouldn't; and it couldn't politically or any other way scrabble around for enough money—a proposed twenty million—to support the compensatory land provisions critical in such legislation.

When Governor Sargent and his young Commissioner of Community Services finally got around to framing a state bill, it was, in the Governor's phrase, "a planning measure and regulatory bill, not primarily a preservation bill"—and it had come into existence because the "elected officials" of the Vineyard wanted to countermeasure against the Trust bill. Politics and expediency required that the Governor and his Commissioner deal with the "elected officials" as a true arm of democracy rather than a special-interest pressure group conjoined with profit.

The new planners hired by the Planning and Development Commission produced in the fall of 1973 "An Economic Base Study," which differed most significantly from the Metcalf & Eddy report in its conventional language and documentation as to what shouldn't have happened but in the past few years certainly had happened. "Any economic expansion in Dukes County must be undertaken with considerable care so as not to damage the natural resources on which the lifestyle and economy is [*sic*] dependent." A man-in-the-street gave his own re-

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port: "This is getting to be like some place on the mainland—like New Bedford. That place is bombed out."

"Certainly the seasonal tourist economy, both vacationers and second home owners, is dependent upon the Island's rural nature," the Base Study said. But while this conclusion was being reached, the degree and character of development had been set in train which would change "rural nature" into suburban imitation.

The new planners embalmed their study in sixty-two pages of prose, statistics, graphs, exhibits, appendixes—but Edward J. Logue, talking to the Martha's Vineyard Garden Club, boiled everything down to a simple declarative sentence: "What threatens this Island is greed."

Somehow the experts had never got around to the truth poetically expressed by Emily Dickinson that under the scalpel "stirs the culprit—Life!"

KENTUCKY 4-H CLUB

Mr. HUDDLESTON. Mr. President, I wish to direct the attention of my colleagues to the fact that 217 members of the Kentucky 4-H Club attended an Older Youth Conference here in Washington April 12–18.

The conference was designed to help the delegates develop a better understanding and appreciation of our American heritage; affirm their commitment to the democratic way of life; develop a better understanding of our Federal Government; develop cooperative attitudes for living and working with others; and to aid them in gaining an appreciation and understanding of their role and responsibilities as individual citizens.

These students are outstanding Kentucky youth and I am sure you noticed their well-mannered, poised delegates at various points on the Hill. I commend the National 4-H for their contribution to the education of Kentucky youth.

OREGON AND INTERNATIONAL TRADE

Mr. HATFIELD. Mr. President, at the recent hearings in Portland, Oreg., by the International Trade Commission, the Port of Portland presented excellent evidence about the value of international trade to our State. Lloyd Anderson, the able executive director of the port, forwarded to me the statement given by Del Pearson, trade development coordinator of the Port of Portland.

Since trade issues come up before this body with some regularity, I think Mr. Pearson's material should be of interest to us all as we view trade-related legislation.

I ask unanimous consent that his statement at the March 20 hearings be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE PORT OF PORTLAND AND INTERNATIONAL TRADE

(By Del Pearson)

As a major World port, our activities at the Port of Portland are very closely linked with the flow of goods both into and out of the United States. Port revenues, employment and the frequency of service we secure from the steamship lines and airlines are dependent upon the volume of imports and exports passing through our marine terminals and airport facilities.

More importantly, however, we are concerned with the effect of World trade on the prosperity of our nation, state and community. In its State Charter, The Port of Portland is charged with responsibility for promoting the maritime commerce of the State of Oregon. Over the years, this international commerce has played an increasingly important role in the growth and diversity of business activity within our state.

In 1973, a total of $2.3 billion in exports and imports passed through the Portland Customs District. This represents a 125% increase since 1969. During this four year period, imports have increased by 31% to $605.2 million and exports have risen by 114% to a high of $1.7 billion. In terms of employment, it is estimated that more than 125,000 Oregonians or 13% of our labor force, work in jobs either directly or indirectly related to these international trade activities.

Foreign trade contributes to the industrial diversity and economic stability of this region. It contributes to the development of new markets and product lines in the manufacturing, retailing and wholesaling sectors. Our industrial base is significantly broadened by a variety of new companies being formed in Oregon to assemble components or otherwise complete steps in the final processing of goods prior to their distribution across our nation and abroad. Without these foreign trade activities and the resulting new industries, Oregon would continue to be economically dependent basically upon just two industries, wood products and agriculture, both of which are subject to serve fluctuations in times of economic uncertainty.

International trade will continue to play a key role in this region's economic growth and stability and the Port of Portland welcomes efforts by the United States Government to reduce trade barriers and further stimulate the expansion of international trade. We support free trade throughout the World and oppose unilateral artificial restraints such as embargoes, quotas, and tariffs. We support the adoption of national policies which will stimulate, not stifle, export expansion and which will eliminate artificial barriers to international trade.

REMARKS OF ROBERT F. KENNEDY, JR.

Mr. McGOVERN. Mr. President, on October 26, 1974, in El Paso, Tex., Robert F. Kennedy, Jr., delivered a speech to the delegates of the Catholic Youth Convention. It is a thoughtful and compelling statement of his view of our country and the world, and it echoes the sense of compassion and human justice that marked his late father's life.

I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SPEECH OF HON. ROBERT F. KENNEDY, JR.

I'm really glad to be here today. Back home it's cold and probably raining . . . Boston's a lot different from El Paso. The architecture is different, the way people talk is different, the whole pace of life is different. But there are a lot of things that unite El Paso and Boston; Texas and Massachusetts and the Southwest and the Northeast. We're both part of one nation, a nation that's in trouble.

We've just come out of a war that did no good for anybody. It killed more people than a mind can image, over 40,000 of them Americans. Even those that defended it then could find no joy in its memory now.

In the last year we've seen corruption and deceipt at the highest levels of Federal Government.

In the last year, the United States, a political Democracy known for its stability has experienced 2 Presidents. We've had 2 Vice-Presidents. Now, if we're not very careful we may get a third.

It has not, as you know, been a stable year from Washington to San Clemente, for any of us. And with good reason. In Boston as in El Paso, 4% of the population has $60,000 per year while the other 96% cling tenuously to whatever modest, constantly shrinking income they can manage. One-third of the county is at the poverty line or below. Another one-half, more than one-half, is made up of people who are doing the work that makes this the country called the Richest in the World. And yet who could say that, that many are appreciated with an appropriate and just due?

They are working in factories, in stores and offices. They are planting our crops and harvesting them. They are teaching our children, carrying our mail, driving our trucks. They are running our railroads, bottling our beer, paving our roads. They are keeping the rhythm of this country going.

In return for this, many of them live in fear of joblessness. In return for this, salaries, for some once reasonably adequate, are becoming less and less and less so by inflation, a "public enemy" no one seems able to shoot down. In return for this, an American working family can be destroyed, penalized for years by the sickness of one of its members: a child becomes ill and the parents have to face thousands of dollars worth of medical expense, when at best they can meet the cost of their groceries. What can the consequences be? Thomas Jefferson wrote, "Indeed, I tremble for my country when I reflect that God is just."

For do we provide justice for our own? We write tax laws which permit these conditions to exist, which invite their persistence. It's not only a matter of taxes being levied relatively heavily on working people—though it is hard. But the rich can jump through loopholes like trained acrobats, a businessman can go to the plushest restaurant in El Paso with a friend and after three courses and two drinks apiece write the whole thing off as tax deductible. Well that's great for him, his friend and the Alka-Seltzer people.

But when an ordinary working man takes time off from his job to take his child to a clinic for medical treatment, and decides to have lunch with that child in a cafteria, there is no free lunch, and no tax deduction. All there is, is several hours of lost pay and a bill for the treatment.

The Declaration of Independence states that as far as America is concerned, all men are created equal. Well we may all be created equal, but something seems to happen a little while after that when we find out our economic status. Today many of the more privileged youth of this country, think only of consolidating their nest eggs while millions of other young people worry about whether they'll find a job. Lincoln said that this nation could not endure permanently half slave and half free and that goes for the economically enslaved in America today as well. This nation must endure, and it is our duty, the young people's duty, to see that it does.

Among many young people in Appalachia, among Indian youth, Blacks and Spanish speaking youth the unemployment statistics are grim. Unemployment among all young people ranges from 30%–50% in America today as the young men and women of this country are faced with the near certainty of joblessness, or at best intermittent jobs, often of the most marginal kind. What has happened to the youthful idealism of the 1960's? My father noted in 1967 that—

"Not since the founding of the Republic—

when Thomas Jefferson wrote the Declaration of Independence at 32, Henry Knox built the artillery corps at 26, Alexander Hamilton joined the independence fight at 19, and Rutledge and Lynch signed the Declaration for South Carolina at 27—has there been a younger generation of Americans brighter, better educated, more highly motivated than this one. In the Peace Corps, in the Northern Student Movement, in Appalachia, on dusty roads in Mississippi, and narrow trails in the Andes, this generation of young people has shown an idealism and a devotion to country matched in few nations and excelled in none".

Where is that idealism now? In recent years we have been told not to worry about others but to secure ourselves, feather our own caps in whatever way we can. True, some politicians talk about sacrifice—but what we call sacrifice are efforts to win a war or beat inflation. Where are the sacrifices we must make so that there can be some justice in the lives of those who have never known it?

We find on the government level, our greatest welfare recipients are great industries which receive millions and more millions of dollars of support, and yet—if unemployed workers and their children are given some aid, and if some of us urge medical insurance for all Americans then one hears about the evils of government spending and talk of Socialism.

One hears that we must maintain a huge and powerful military in order to defend the free world. I agree. I only wonder about the company we keep in this free world. Does it include Franco? President Park of South Korea? President Thieu? The military junta in Chile? Or Brazil? Does it include the recent military leaders of Greece to whom we gave millions of dollars in military aid.

Money can be the greatest gift or the most terrible weapon in this society. The money that we gave to support these governments could have helped feed and school hungry children here at home and in other countries. It might have gone to inadequately staffed and supplied hospitals and schools or to those parts of the country where people receive virtually no medical care at all.

There is something tragic, in the truest sense of the word, about our sense of what is important, about what really matters.

Our leaders talk to us mechanically, showing fine self-preservation instincts. They seem to be milling in the dark, clinging to tarnished phrases from the Declaration of Independence and the Constitution without seeming to realize that both of these documents were the response of courageous and indignant men who were furious at the injustice and the oppression they saw and experienced.

That fury of idealism, those passions seem to be missing from American political life today. We as a country are lucky, for we still have options, just as Washington, Adams, and Jefferson had options. They were wealthy men who might of ducked the affair. But they moved to the only side they felt they could move to; the side of the persecuted. They chose to stand against the powerful, the rich and the unjust.

Today, our generation must take a stance and stand united—those who feel the pains of oppression as well as those who, because of a privileged position in this society, only see the oppression from afar. We must come together as a generation, come together to struggle against injustice and oppression, struggle together in a way which will mark a regeneration of the principles on which this country was formed. I hope that the young people who come together in such a struggle will be as various and diverse as our country is. Our legacy is too broad and too rich for any to believe that it doesn't belong to all of us. As long as we act the part of the living and hold it sacred by our deeds, it will not escape us. We must get together—poor and vulnerable black tenant farmers, Spanish speaking migrant youth, the young people of Appalachia, a region so long plundered of its wealth, wealth which has been stripped from the ground and carried elsewhere leaving those who did the work very little in return.

And in addition Indian youth and young native Alaskans are among the working youth of this country, the millions of men and women who are destined to give a half-century of their lives in labor to this nation, and who deserve more than they are now getting. Also the well-to-do and privileged youth of this country, so many of whom have their own troubles and fears and confusions. Whereas millions their age have virtually nothing they have everything—it seems, except a sense of who they really are and what they believe in. There are many young people in this country who are searching for ways to position themselves alongside those less fortunate.

They are the privileged in many ways, but the deprived in others. They have more, but they feel, I suspect, at loose ends. They are troubled by their own youthful sense of injustice, their Christian sense that it is simply not fair, or to use an expression that my father often used:

"It is not acceptable that a nation as rich as this, or as powerful as this continues to have so many serious social and economic injustices or inequalities".

And in the larger context of the world, those same young people, themselves so well off, may also sense how precarious their situation could be historically. After all, we as a nation make up 5% of the population of the earth, yet we consume 40% of its raw materials, and we are its wealthiest nation.

How long can such a state of affairs continue? How long can we keep ourselves insulated from the crying needs of people elsewhere as well as those right here among us.

The history of social struggle is a long one—I have already referred to the revolutionary origins of American society. But long before this country was founded, men and women fought against various tyrants and exploiters and always the same tyrants and the same exploiters clothed themselves in sweet sounding pieties and talk of their rights and their privileges, as if they were somehow beyond question. And always those who dare to question or criticize the status quo are called bad names or ostracized or hunted down as criminals. The story is an old one and it goes back to the dawn of history.

Almost two thousand years ago there lived a man who risked everything, and ultimately his life because he was willing to defy power and principalities to defy the rich and powerful men and their military supporters who ran one of the world's earlier empires.

This man who risked all, loved the poor, tried to feed them and heal them and speak for them and work on their behalf and console them and ultimately agitate against the wrong he knew afflicted them. He walked for long stretches, preaching, one might even say today, organizing. He was not afraid to condemn those he knew were wrong, however powerful or privileged they were. He allowed Himself anger and that judicious indignation that distinguishes mere observers, however well intentioned, from social and political activists who want to change the world as well as study it. His name was Jesus Christ. I would think one of the most significant moments in his life was when he appeared outraged in the temple at the excesses of the money lenders.

Somehow we who are young and live in this nation, 2000 years later must find a mixture of Christ's compassion and understanding, but also his clean anger, his willingness to commit his energies in a struggle on behalf of the downtrodden of this world.

"We are not to expect to be translated from despotism to liberty in a featherbed," Thomas Jefferson wrote. Our commitments must be to action, and we cannot expect it to be easy action. It will take all our energy, all our compassion, all our strength. We will need determination and faith, for truly it is our mission on earth. Without those, we are lost, but with them the big payoff and final reward will dwarf the millions that the selfish have hoarded and heal the divisiveness and the wounds already seared. It is our duty together, and together we must begin. For as my father quoted Albert Camus:

"Perhaps we cannot prevent this world from being a world in which children are tortured. But we can reduce the number of tortured children. And if you don't help us, who else in the world can help us do this?"

FAIR PLAY FOR FAMILY FARMS

Mr. HRUSKA. Mr. President, I have joined my distinguished colleague, Senator CURTIS, in cosponsoring S. 1173, a bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes.

S. 1173 addresses directly three matters of urgent concern to family farmers. I urge the Senate Committee on Finance and the House Ways and Means Committee to recognize the seriousness of these concerns and give the Congress an early opportunity to provide needed relief to many farm families throughout the Nation. Specifically, the bill would:

First. Increase the Federal estate tax exemption from $60,000 to $200,000;

Second. Increase the estate tax marital deduction from 50 percent of the adjusted gross estate to $100,000 plus 50 percent of the total value of the adjusted gross estate; and

Third. Establish a procedure whereby farm estates could choose to be assessed at their value for farming rather than at potential higher values for purposes such as housing subdivisions or industrial tracts.

Mr. President, the current Federal estate tax exemption of $60,000 was set in 1942. As the price level has risen over the past 33 years, the $60,000 exemption has become increasingly inequitable. The recent inflationary rise in land values has made a bad situation worse. Family farms are threatened with forced sales to raise funds to pay estate taxes. This was scarcely the intent of Congress in 1942 when it set the $60,000 exemption. We should amend the law now to remove what for all practical purposes can amount to a confiscatory situation for those who inherit a family farm.

The proposed increase in the marital deduction would merely give honest recognition to the solid contributions which the farmer's wife makes to the economic value of the family farm. I will let the good farm women of Nebraska speak for themselves on this point. They say, and I agree, that the current marital deduction provision:

> . . . unjustly discriminates against women who work in the home, on the farm or in a family business and make a contribution toward the acquisition of property held in joint tenancy or tenancy by the entirety with right of survivorship with their husbands. Even if both spouses contribute

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significant physical efforts to earnings over the years, and such earnings are the basis for increases in estate, at the time of death, the entire estate is considered to have been earned by the husband.

Justice and fairness dictate that this palpable inequity and inconsistency be corrected. There is no logical reason why women who make a contribution by working other than for salaries should be discriminated against.

The provision which would permit farm properties to be valued for estate tax purposes at their value for farming touches on some extremely complex issues regarding the power of the state to influence land use through taxation or other means. On one hand there are the imperatives of land development. On the other hand are the right and opportunity of a farmer to create and, through his heirs, continue an effective economic unit. Even more complex are questions of the relative economic efficiency of the family farm versus corporate agriculture or agribusiness. There are no easy answers as any member from a farm State can attest.

Precedents do exist for special farm assessment practices in tax laws adopted by many States and localities. Serious consideration of ways to bring Federal estate tax provisions into harmony with these State and local practices would appear both essential and long overdue.

Included in the property valuation provision are reasonable safeguards to prevent abuse or undue advantage. The property must have been in farm use during the 5 years immediately preceding the owner's death. It must continue to be used for an exemption qualifying purpose for 5 years immediately following the owner's death. Finally, if the lower value is elected for estate tax purposes, it would constitute the heir's income tax basis in the property. Thus, any future sale of the property above the base price would be subject to capital gains taxation.

Mr. President, when Senator CURTIS introduced S. 1173 he made an important point which puts this matter in clear perspective. He emphasized that the Federal estate tax produces less than 2 percent of our total Federal receipts and that we should not let this tax endanger the viability of the family farm which is already heavily buffeted by powerful social and economic forces.

I hope that we will see early action on this legislation of vital concern to rural America.

HEW'S POSITION ON S. 625—THE EMERGENCY HEALTH BILL FOR THE UNEMPLOYED

Mr. HUGH SCOTT. Mr. President, at the request of the administration, I ask unanimous consent that a letter from Secretary Weinberger outlining HEW's position on S. 625, the emergency health bill for the unemployed, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF
HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., April 17, 1975.

Hon. HUGH SCOTT,
Minority Leader, U.S. Senate,
Washington, D.C.

DEAR HUGH: This letter sets forth the Administration's views on S. 625, a bill to establish an emergency health benefits program for the unemployed, which is presently pending Floor action in the Senate.

S. 625 would provide to persons entitled to unemployment compensation continuation of the health insurance coverage they had during their employment. Premiums for this coverage would be financed through general tax revenues.

The Administration strongly opposes enactment of this proposal for the following reasons:

Cost: S. 625 would cost an estimated $1.5 billion if unemployment averages about 8%. If this program were to be extended for more than one year, costs would increase dramatically as it is likely that employers and health and welfare trust funds would cancel provisions in their policies which extend benefits into periods of unemployment.

Equity: With an unemployment of 8%, only about 3 million workers, or under one-half of the total unemployed, would be eligible. The proposal would cover only a small portion of the 25 million people who have no health insurance. It would not be fair for the Federal Government to pay premiums for persons eligible under both minimal coverage health plans and maximum coverage health plans. The proposal, in addition, directs benefits only to those receiving unemployment compensation. Those who need health insurance most, i.e., the lowest paid workers who are not covered by unemployment compensation, would not receive such benefits. It would not be equitable to force active workers with minimal or no health insurance coverage to pay for health insurance for the unemployed.

Administration: Eligibility is tied to entitlement to unemployment compensation. Already overburdened unemployment offices would have to carry out a complex and time-consuming enrollment and verification process. Mechanisms would have to be established to verify eligibility through previously existing health insurance contracts, to bring people on and off eligibility rolls rapidly, and to pay premiums to the appropriate carriers. Many workers would be eligible only for a few weeks. Administering the bill would require recruiting and training thousands of additional government employees. Adding an unfamiliar program of health insurance to existing unemployment office workloads would severely compound existing problems of paying cash benefits on time to eligible unemployed persons.

The best ways to aid the unemployed are through the UI program and by improving the economy so that jobs can be regained. Programs to assist the unemployed will cost about $20 billion. Congress and the Administration have approved expansions in unemployment programs to:

Provide benefits for certain categories of workers not previously eligible. During this year this will allow approximately two million people to be eligible at a cost to the Federal Government of $3.2 billion.

Extend the time during which covered workers are eligible for compensation up to 52 weeks and for a limited period up to 65 weeks at an annual Federal cost of $1.3 billion.

Provide for public service jobs for thousands of unemployed workers at an annual Federal expenditure of nearly $2 billion.

Adding in-kind programs will simply add to Federal deficits without achieving equitable benefits for people who need health coverage. Comprehensive health insurance is the way to provide uniformly adequate coverage for all individuals in need of health insurance. The Administration will submit a bill along the lines of its Comprehensive Health Insurance Plan for Congressional consideration next year and sincerely hopes that it will receive immediate attention.

Quick implementation of hurriedly conceived legislation can have long-term adverse consequences. It is neither feasible nor affordable to provide health insurance for the unemployed in a manner prescribed by S. 625. Therefore, the Department is opposed to S. 625 and we strongly urge that the Senate disapprove the pending legislation.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

TESTIMONY BY GOV. RICHARD KNEIP BEFORE THE INTERNATIONAL TRADE COMMISSION

Mr. McGOVERN. Mr. President, South Dakota Gov. Richard Kneip has presented testimony to the U.S. International Trade Commission field hearings in Omaha, Nebr. While strongly endorsing the maintenance of a policy of free, unrestricted international trade, Governor Kneip stressed the importance of assisting small manufacturers who wish to enter the global trade market.

Participation by small industries as exporters would be a boon to States of small industrialists, such as South Dakota, as well as to the entire Nation which always benefits from wide-range exportation. However, as Governor Kneip points out, these small manufacturers cannot even hope to compete without Government protection and help from State and Federal agencies. Governor Kneip suggests this be done through the reduction of trade barriers, both tariff and nontariff. In addition, he advises a reversal of the decision to cut back international programs of the Department of Commerce. As planned now, those cuts will adversely affect smaller manufacturers, preventing them from establishing solid ground in the export market.

Finally, Governor Kneip raises the question of beef imports and the serious threat they present to domestic beef producers. The livestock industry in South Dakota and around the Nation is already struggling to maintain economic survival. Prospective 1975 beef imports project further injury to U.S. beef producers and, as Governor Kneip makes clear, we must do something now to prevent that from happening.

Mr. President, Governor Kneip's insightful outlook contains important facts and information. I ask unanimous consent that his testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY GOV. RICHARD F. KNEIP

It should be realized at the outset that we in South Dakota are in favor of international trade and, in fact, greatly encourage free and unrestrictive trade throughout the world.

It is felt, however, in the eventuality of a particular domestic industry suffering due to unforeseen or uncontrollable circumstances, that a shelter by way of tariffs or other trade barriers should be erected for a short time. This will allow the industry to gain its strength and, hence, compete again with industries in other countries. While this is probably well recognized, the problem does still exist whereby these barriers tend to remain in force even after that industry has regained its strength and competitive edge. It is felt that every effort should be made to review these special trade barriers and duties periodically to ensure the favored industry does not become lax and uncompetitive. It is vitally important that the shelter exists for only as long as is necessary. An appropriate example is the South Dakota cattle industry which has already been discussed by South Dakota state government agricultural representatives at your March 19th hearing in Minneapolis, Minnesota. It should be noted that the cattle industry in the United States, and South Dakota in particular, is an ideal example of an industry that needs help and, in this case, can be protected during a severe crisis through the diligent use of a temporary import tariff or quota.

South Dakota is not greatly industrialized and thus inquiries made around the state have not found any one industry that is in particular need of, or can gain advantageously from, the increase or decrease of any particular trade barrier. The state is also fortunate in that its industrial economy is diverse and is not dominated by a single industry. Again, it should be noted that the economy of the state is agriculturally oriented and dominated and you are again referred back to the cattle situation and the comments made on that subject in the March 19th testimony.

The situation in the state is more a case of helping smaller manufacturers who wish to export and gain a footing in the international market. This is vital not only to the state but also to the country as a whole as it is through exporting that we are able to find greater markets and diversify the market place to which we sell.

Exports not only bring into the country valuable foreign exchange and thus help the balance of trade, they also provide needed jobs here in South Dakota. To this end, it is felt that the promotion of export through the reduction of trade barriers, both tariff and non-tariff, is essential for South Dakota. In particular, the removal of non-tariff barriers is more critical to us at this stage of our industrial history. Of particular importance is the assistance that can be given by both state and federal agencies to the smaller manufacturer who wishes to enter the export market.

We are particularly concerned about the cutbacks in the international programs of the Department of Commerce as envisioned for the next fiscal year. These cutbacks are non-tariff barriers in that most industrialized countries have even greater export assistance for their manufacturers than presently available in the United States.

We do feel that the cutting back of programs affecting smaller manufacturers will hurt us in South Dakota to a far greater extent than it would the larger industrial states. While this in itself is not a direct concern of the International Trade Commission, it should be realized by the Commission that this is a non-tariff barrier in that, without assistance, the small manufacturer is just not able to gain a good foothold in the export market.

It is suggested that the Commission consider the part played by the Domestic and International Business Administration of the Department of Commerce, as it refers to the smaller manufacturer. One should realize that the small manufacturer cannot afford, due to the size of his sales and professional staff, to have an individual devote himself full-time to the complexities of overseas sales, marketing and transportation. Help is available from the private sector, however, this help is expensive and, more importantly, it can be very difficult to obtain if the small entrepreneur is unfamiliar with the ways and means of exporting as, in fact, a newcomer would be. The Department of Commerce has a number of excellent programs to help the small manufacturer and the price of these services is well within his pocketbook.

South Dakota is not opposed to efforts to balance the federal budget. In view of this, it is suggested that if a cutback is to occur in the export promotion field, it should be implemented so that the small manufacturer is not at all hindered. As a suggestion, perhaps it would be possible to look at the sales, profit, product and size of company and determine from this the rate they should be charged for these programs. For example, a small company with few export sales and a low profit should be able to obtain the same help and information as a much larger company but at a far reduced cost. By the use of such a sliding scale, one would then encourage the smaller company to move into the exporting business. While the larger company can well afford to move along on its own, the Commerce Department programs would still be available to them if needed. Naturally, the larger company would pay its own way.

In terms of South Dakota, this would mean that the majority of our companies would be applicable for assistance in exporting as indeed they are at present. For the state to continue its growth in exports, we are in need of expertise in the international area and much of this assistance should come from state and federal agencies. The International Trade Commission, while not directly concerned with the Department of Commerce, should realize the Department of Commerce can affect non-tariff barriers and, as such, is of major importance to this issue of international trade.

Some specific examples of tariffs affecting industry in South Dakota now follow:

1. Native American jewelry, especially beadwork, made by the Sioux nation is seriously undercut by very cheap copies manufactured in Hong Kong. Efforts by the Sioux Indians to educate the consumer have failed as have efforts for better labeling. This is an excellent example of an industry in serious economic difficulty and, hence, in need of some tariff help. In this case the livelihood of many people involved in the Cottage industry is at stake. Urgent action by the International Trade Commission is needed in this case.

2. The various electronic manufacturers and assemblers find no problems from the Japanese as the cost of labor in Japan has risen considerably. A reduction in import tariffs is in order

3. Puerto Rico has 20% tax on electronic goods made in the United States and distributed in Puerto Rico. Such a tariff should be negotiated away/reduced by the United States since a similar tariff against Puerto Rican electronics does not exist in the United States.

4. Agricultural implement manufacturers have some competition from Canadian exporters who are subsidized by the Canadian government in their exports. Similarly, Canadian trade fairs and exhibits are fully subsidized. No action against the Canadians is recommended; however, note that the United States intends to cut back its partial subsidies on similar shows for U.S. manufacturers—a non-tariff barrier. I would recommend that this budget cut be reconsidered.

5. Belgium rugs are shipped to India where a tassle is added and then imported to the United States. This is done as import tariffs from India are lower than imports to the United States from Belgium. Is it necessary to force traders to go to these lengths to trade profitably?

The demand for beef in the United States is strong and growing—but U.S. production with the added factor of imports, can grow faster and break the back of the cattle industry. Until the cattle numbers cycle levels, the U.S. beef industry desperately needs special help.

In this section on the cattle industry the focus is on cattle meat, TSUS item number 106.10—including all statistical suffixes:

Beef with bone:	*Suffix*
Fresh or chilled	20
Frozen	40
Beef without bone	60
Other	80

High feed and other costs, and mainly very low cattle prices, are responsible for the unprofitable returns to cattle producers over the past 15–16 months. Prices for all classes of cattle remain below breakeven levels for most beef producers with financial losses of $100 a head not an uncommon figure in our state.

The inventory of all cattle and calves on January 1, 1975, was at nearly 132 million head, and was up three percent from the record high of a year earlier: nine percent higher than two years earlier; and more than 50 percent than the 1962 figure.

After months of financial loss, cattle feeders are not refilling their feedlots. Cattle on feed January 1, 1975 was down 26 percent below a year ago, despite more cattle. As a result, the demand for grain is off. In October, 1974, cash corn at Minneapolis soared beyond $3.30 a bushel; however, for the past few weeks, it has hovered around $2.80—a decline of 26 percent in four months.

Cattle on feed in the seven major states as of March 1, 1975, was at 5,463,000 head or *down 41 percent* from a year ago. California's total of 476,000 head was *down 55 percent*. Texas', at 1,076,000 head was *down 54 percent*. Number of cattle on feed have dropped through the floor even though the number available for feeding is record high.

Producers need every encouragement to get surplus cows to slaughter. If meat imports continue at their January 1975 rate, then the U.S. cow beef will continue to be priced so low that producers will be discouraged from culling so that the cattle number cycle can begin to diminish.

Because of domestic surpluses, plummeting prices caused the total value of cattle and calves on South Dakota farms and ranches to decline 56 percent during 1974; falling from $1.75 billion on January 1, 1974, to a $767 million total value figure in January of this year.

U.S. prices of choice 1100–1300 pound slaughter steers averaged only $33.88 per hundredweight on February 12. This is 27 percent less than cattle producers were receiving a year earlier and the lowest since November of 1972.

Choice 600–700 pound feeder steers at Omaha brought only $26.50 per hundredweight during the week ending February 8. This represents a drop of 47 percent, or $25.50 per hundredweight, from a year earlier and was the lowest weekly price since February 1968.

During calendar year 1974, the United States avoided becoming a dumping ground for excessive world beef supplies. This was because producers in most major beef exporting countries were still in good financial condition due to substantial returns in 1972 and 1973 and had excellent pasture which enabled them to withhold animals from slaughter in anticipation of future price improvements.

Last year, inshipments totalled less than 1.08 billion pounds—20 percent less than 1973.

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The U.S. should not be the only major producing country in the world still accepting beef imports, at least during the next few years while the industry makes the painful adjustments of clearing out a situation that will take years, not months, to work off. The U.S. cattle industry must get its numbers cycle turned around before it can cope with heavy imports.

Imports as sanctioned by Public Law 88–482 increased from 1.08 billion pounds in 1969 to 1.4 billion pounds in 1972. This growth has been checked, but if it should resume before the situation improves, a substantial share of American cattlemen surely will go bankrupt.

Meat imports in January, 1975, were 135.5 million pounds, despite attempts by the Administration to encourage supplying countries to hold down 1975 shipments. They were 30 percent above December 1974 and 15 percent over January 1974. Eleven of the exporting countries sent us less beef in January 1975, than in January 1974, but four shipped more. Two were: Australia which increased shipments to 87.4 million pounds—a 28 percent jump; and New Zealand which increased shipments to 25.4 million pounds—an 180 percent jump.

Finally, I would point out that United States Department of Agriculture figures indicated that in calendar year 1974, imported beef accounted for about 6.6% of all domestic beef consumption in the U.S.

Some of this testimony may not seem relevant to your inquiry but I am trying to make a case for a ruling by your Commission that projected 1975 beef imports will be a substantial cause of serious injury to the livestock industry in not only South Dakota. but the entire nation.

We have often been told that we import beef only because we do not have sufficient amounts of low quality meat, such as these imports represent, available in this country. This is certainly not true today. In fact, in South Dakota we have a movement underway among cattle producers to slaughter excess cows and put the meat in a "beef bank" to be stored and kept off the market. A program like this is new and indicates the seriousness of the situation.

Prospective 1975 beef imports now appear to be a substantial threat to serious injury to U.S. Beef producers already suffering from price-breaking domestic surpluses.

Under the Trade Act of 1974, the President may, through international trade agreements, increase, reduce, or eliminate these tariffs. He may eliminate duties that are not over five percent advalorem—or the equivalent and reduce higher duties by as much as 60 percent. Present duty on TSUS 106.10 from non-communist countries is three cents per pound.

I believe that under Title II of the Trade Act of 1974 your findings will show that 1975 beef imports, if they continue near the January rate, will cause additional serious economic harm to U.S. beef producers, thus requiring the President to increase duties, proclaim a tariff-rate quota, impose quantitative restrictions, negotiate an orderly marketing agreement, or take any combination of such actions.

President Ford reportedly promised cattlemen in the fall of 1974 that he would either obtain agreements from the major beef exporting countries in 1975 *or* would, if that failed, invoke quotas. Your finding of additional serious injury to beef producers will make it easier for him to act.

We request that you make such a determination. The meat import law of 1964 stands ready to aid the President and it provides for imposition of quotas, and its use provides precedence for negotiation of orderly marketings.

If, for any reason, the President should see fit to hold steady, reduce or eliminate the present duty on beef meat rather than increase it, he would have a *special* obligation to use the power of the meat import law of 1964 (PL 88–482) to help protect the U.S. beef producer.

I think an immediate embargo needs to be put on the importation of red meat. I would suggest that at a minimum a ninety-day moratorium be placed on the importation of beef and beef products. Your investigations may prove that the moratorium or "freeze" will have to remain in effect indefinitely and I am hopeful that you will make this recommendation if your investigations show it is warranted.

If at a later date a decision is made to lift the embargo on red meat imports, I would suggest that such an action be followed by the implementation of a sliding tariff schedule where the tariff increases as the amount of imports increase.

It is imperative that these actions be taken if we are to insure that adequate meat products are produced for the consumers of this Nation. Additionally such action is needed to insure the economic survival of those people involved in the business of raising livestock for human consumption.

In regard to grain and soybeans, export markets must be available to U.S. grain producers. An export prior approval system for U.S. grain exports, instituted in October, 1974, was ended by U.S. Secretary of Agriculture Earl Butz on March 6, 1975. When he terminated the prior approval system, Butz pledged that "U.S. farmers can now plant their 1975 grain and soybean crops secure in the knowledge that export markets will be fully available." (USDA wire 3–7–75). *This pledge must be kept.* The prior approval system coincides with the large drop in wheat, feedgrain and oilseed prices suffered by U.S. grain producers, and I believe the Secretary's action is partly responsible for this.

In conclusion, South Dakota is not adversely affected by any major trade barriers *in its industrial section.* The agricultural market is at present severely affected, particularly in the beef industry. There is a strong possibility, however, that the state will be badly hurt if the cuts to be made in the Department of Commerce are such that small industry is penalized. As a state of small industrialists, this major non-tariff barrier is critical to future exports and, hence, a strong future economy.

I thank you for the opportunity to state my views and I wish you success in all your future deliberations.

BATTLING THE BUDWORM

Mr. HATHAWAY. Mr. President, the current issue of Time magazine highlights a problem which has plagued us in Maine for the past 2 years. I hope it will evoke the sympathy and understanding of my colleagues to support our request for Federal support to help us get rid of this environmental and industrial disease.

Mr. President, I ask unanimous consent that the article from Time magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BATTLING THE BUDWORM

There is a biological time bomb in Maine's north woods armed with a fuse set to explode it in a month. Awakened by the warming sun, billions of tiny spruce-budworm larvae will hatch and turn into ravenous caterpillars, ready to eat all the needles and buds on spruce and balsam fir, hemlock and tamarack. Before their appetite is sated, the budworms are expected to chew their way through some 6 million acres of conifers. For 3.5 million of those acres—an area larger than Connecticut—this will be the third straight year of defoliation, and even healthy trees cannot survive such continuous attack.

DESCENDING CLOUDS

Though the budworm infestation has been a fact of Maine's forest life for years, it grew to epidemic proportions last July after the caterpillars became moths. In addition to Maine's native budworms, hordes more were swept southeast on prevailing winds from Canada, where 75 million acres are also infested. "Clouds" of the insects—one measured 64 miles long by 16 miles wide—were tracked by the U.S. Weather Service's radar operators. When the moths landed, they clogged factory ventilators and auto radiators, their crushed bodies coated highways with a slippery-accident-causing goo; in some places, people shoveled the bugs off their porches like snow. But most of the moths ended up in the vast forests where they quietly laid billions and billions of eggs in preparation for this spring's attack, which promises to be the worst in 56 years.

If the trees on the 3.5 million acres are killed, the U.S. will lose enough wood to have built 1.3 million houses or enough paper to have kept 92 million Americans in newspapers, tissues and wrapping for a year. That is not the only potential loss. Maine would be deprived for the 40 years needed for forest regeneration of at least $13.6 million a year in taxes from the forest-products industry. Workers and businesses serving the timber industry could lose another $106 million per year. Beyond that, Maine's $450 million-a-year tourist industry will suffer; no campers or hunters will want to go into a gloomy wasteland of dead trees. In the competition with the budworm, concludes Lester DeCoster, New England regional manager of the American Forest Institute, "man cannot afford to lose."

Trouble is, man's prospects for winning are not very bright. Ever since the use of DDT was banned in 1967, Maine has had few weapons in its battle against the budworm. Environmentalists have suggested gradually cutting down the spruce and balsam trees to deny the caterpillar its food and replacing them with hardwood varieties immune to attack. But that plan is not practical; spruce and balsam are best adapted to the north woods and, says Fred Holt, director of Maine's bureau of forestry, "they always come back when you plant something else." Biological controls—most notably one that involves spraying the foliage with a solution containing *Bacillus thuringiensus,* a bacterium that kills only caterpillars—are still too expensive to apply over a wide area.

That leaves only one immediate alternative; spraying with short-lived pesticides that do not harm other forms of wildlife. Assuming that Maine officials can find enough such chemicals to douse 3.5 million acres this spring, they still must face the fact that the insecticides will kill only a fraction of the moths and that others will take their place next year, attracted by the trees that survive this spring's onslaught. Thus Maine can only wage a holding action against the budworm and hope that nature will lend a hand with a caterpillar-killing cold snap next month.

NUCLEAR ECONOMICS: MORE IS LESS

Mr. GRAVEL. Mr. President, an increasing amount of attention is being given to the economics of nuclear power. I would like to call the attention of my colleagues to three recent analyses which suggest that the nuclear alternative is failing to live up to early promises of "cheap, abundant power."

The first is an item from the February 1975 edition of Technology Review, "The Economics of Nuclear Power," by Irvin C. Bupp of the Harvard Business School and three authors—Jean-Claude Derian, Marie-Paule Donsimoni, and Robert Treitel—from the MIT Center for Policy Alternatives.

Four main points are made in this article: First, that nuclear power is proving more expensive than had been expected; second, that cost estimation is still a very inexact business in nuclear power; third, that nuclear power costs reflect the public distrust of nuclear power safety; and finally, that despite several optimistic cost projections, nuclear power may prove more expensive than coal-generated electricity.

The report says in its introduction:

> It has been evident from the beginning of the commercial nuclear era that the key to nuclear economic success was to prevent a virtually certain fuel cost advantage from being wiped out by high construction costs. The fact is, however, that even though more than 200 LWRs (light water reactors) are on order, under construction, or in operation in the U.S., the long-term construction costs of nuclear power are still highly uncertain. All that we know with confidence is that large—more than 450 megawatts electric—LWRs are more expensive to build on a constant-dollar-per-unit output basis than it was believed they would turn out to be when the first machines were sold about nine years ago.

The report points out that capital costs for nuclear plants have jumped from about $130 to more than $700 per kilowatt of installed capacity. It points out that these high costs were not expected when utilities ordered the plants:

> We can conclude that the trend of reactor costs was more or less correctly anticipated, but the absolute magnitude seems to have been badly misestimated. For example, in 1968 the reactors were expected to cost only $180 per kilowatt electric. The average cost of reactors ordered that year is about $430/kw. This represents a misestimation of some $250/kw in 1973 dollars; moreover, it is evident that the difference has not been narrowing with time.

The report says further:

> If we look only at reactors ordered in 1968 and built or nearly built (today), costs appear to be going down. However, if we look at all reactors ordered between 1965 and 1970, costs are rising monotonically. Moreover, the rate of increase is more steep for plants ordered subsequent to 1970, of which virtually none is today complete or even in the final stages of construction.

The authors criticize two official reports on future nuclear costs:

> A recent study of nuclear power economics by the World Bank observes: ". . . Current cost estimates are thus likely to be more reliable than was the case in the past, a view supported by constracts presently being executed." This is simply not true. We just have little firm idea of what the actual cost in deflated dollars of reactors ordered subsequent to 1969 will turn out to be.
>
> The U.S. Federal Energy Administration's Project Independence "Blueprint" estimates the capital cost of an LWR ordered in 1954 to enter service in 1982–83 at $455/kw (1974 dollars). All of the evidence available to us strongly suggests that this estimate will prove to be too low—almost certainly by 25 per cent, probably by 50 per cent, and quite conceivably by 100 per cent (in constant dollars).

The most interesting conclusion of the report is the finding that rising nuclear costs reflect the safety difficulties of atomic energy, and the public debate and opposition to nuclear power:

> Intense concern about the safety of reactors persists. This concern has had two related effects which bear upon the capital cost problem. First, intervention of concerned organizations and individuals at the public hearing stage of the A.E.C.'s licensing procedures has directly caused delays of a year or longer in the construction of certain reactors—Vermont Yankee, San Onofre. The second and more general consequence has been a series of changes in reactor design criteria mandated by the A.E.C.

The report recognizes that concern about the dangers of nuclear power is unlikely to diminish, and it says this concern will continue to be reflected in atomic energy costs. The consequence, it says, is that energy sources which are judged to be inherently more desirable than nuclear power may, for that very reason, prove to be more economical:

> This is the real point about the relationships we have discovered between licensing delays and cost increases. The problem here is not administrative or technical in the sense that a somehow inefficient set of regulatory machinery has caused "artificial" cost increases. Rather, the regulatory process has been used as a device to give effect to the view that reactor technology is not as valuable to society as the anticipated cost of electrictly from the first-generation plans anticipated.

The second article, from the New Scientist magazine, is by Dr. Peter Chapman, director of the energy research group at Open University in England. The article, called "The Ins and Outs of Nuclear Power," concerns the proposed nuclear program in England, but it is of interest to us in America, where a rapid nuclear construction program is advocated by the President.

Dr. Chapman's article shows that, in building a large number of plants quickly, so much energy is required for such long periods of time that the program can exacerbate energy shortages rather than provide new energy. He also points out that a crucial ingredient in reactor economics is the energy ratio—energy used to build a plant against the energy it will produce—and that this in turn is heavily dependent on the grade of uranium ore available. Dr. Chapman's conclusion is as follows:

> Most nuclear programmes are designed on the assumption that each additional unit of capacity will be available to meet future increases in consumer demand and hence reduce fossil fuel requirements. The dynamic energy analysis shows that this is never the case. Under the worst conditions, the nuclear programme could either increase fossil fuel requirements or decrease the fuels available to consumers. Under better conditions, only a fraction of the installed capacity will be available to meet consumer demands; the rest will be absorbed by the nuclear industry itself.

The final analysis is by David Comey of the Chicago group, Business and Professional People for the Public Interest. Mr. Comey's article appeared in the Bulletin of the Atomic Scientists, and he has also provided an update with more recent figures.

Mr. Comey's analysis concerns the reliability of nuclear plants. Because the investment needed to build nuclear plants is so high, their reliability is especially important. If they fail to deliver as much power as they are expected to, there will be a significant effect on electricity rates. Utilities borrow money to build their nuclear plants, and this money plus interest must be repaid even if the plant is producing less income than expected. In addition, there is the cost of replacement power when a nuclear plant is unavailable.

Mr. Comey points out that nuclear capacity factors—that is, the amount of electricity actually generated in a year as opposed to the full rating of the plant—has been much lower than expected. Utilities were counting on 80 percent capacity. They have been getting less than 60 percent, on the average. Mr. Comey says this has meant higher costs for the ratepayer.

Mr. President, I ask unanimous consent that these four articles be printed in the RECORD at this point: "The Economics of Nuclear Power," "The Ins and Outs of Nuclear Power," "Will Idle Capacity Kill Nuclear Power?" and "Nuclear Power Plant Reliability: The 1973–74 Record."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Technology Review, February 1975]

THE ECONOMICS OF NUCLEAR POWER

It has been less than 20 years since a water-moderated and -cooled reactor began to produce 60 megawatts (Mw.) of electricity for the Duquesne Power and Light Co. of Shippingport near Pittsburgh, Pa. In that brief period the technology demonstrated by the Shippingport reactor appears to have achieved a stunning commercial success. A consensus has developed among affected businessmen and public officials in virtually all industrialized countries that nuclear fission is the only practical alternative to fossil fuels for the next 30 to 50 years. In many areas, light water reactors (LWRs) are already believed to be the most economically attractive technology for generating baseload electricity and are expected to remain so for the foreseeable future. These beliefs have now led to the commitment of the equivalent of many billions of dollars to construct several hundreds LWRs in the United States, western Europe, and Japan. In France, the government-owned power monopoly, Electricité de France, has contracted with the French subsidiary of Westinghouse to build 18 LWRs, each capable of generating 900 Mw. of electricity. In New England, the largest investor-owned power company, Northeast Utilities, has committed its entire baseload capital expansion program through 1985 to nuclear power. This decision alone represents an estimated $3 billion.

On the basis of this record the proponents of nuclear power might justifiably take pride in having brought about one of the 20th century's most important technological innovations in, as Glenn Seaborg has noted, "just the nick of time." Nonetheless, the controversy which has surrounded, if not overrun, the technology since World War II shows no signs of abating. Serious doubts about the value of nuclear power persist among influential people in all of the countries where reactors are being built (with the possible exception of France).

In the United States an area of growing concern to both supporters and critics of nuclear power is the cost of the LWRs now

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on order or under construction. Over the past ten years impressive evidence has accumulated to justify early predictions that the fuel cycle (or variable) costs of nuclear power would be low. This prediction has been remarkably accurate, absolutely as well as relatively. In 1965 LWR fuel cycle costs were estimated at 17–22 cents/million B.t.u. Today they remain at about 24 cents/million B.t.u. In the same period, fossil fuel costs have jumped staggeringly from 24 cents/million B.t.u. to more than $2.00 for oil and $1.00 or more for coal. These circumstances account for the fact that in many areas of the U.S., notably New England and the Middle Atlantic states, light water reactors are now the most economically attractive technology for generating baseload electricity.

The capital cost situation is far less reassuring. It has been evident from the beginning of the commercial nuclear era that the key to nuclear economic success was to prevent a virtually certain fuel cost advantage from being wiped out by high construction costs. The fact is, however, that even though more than 200 LWRs are on order, under construction, or in operation in the U.S., the long-term construction costs of nuclear power are still highly uncertain. All that we know with confidence is that large—more than 450 megawatts electric (MWe.)—LWRs are more expensive to build on a constant-dollar-per-unit output basis than it was believed they would turn out to be when the first such machines were sold about nine years ago. (In this report, "capital costs" will always refer to total costs, including interest, during construction.)

In 1965 it was supposed that large LWRs could be built for approximately $130 per Kilowatt (Kw.) Boston Edison's Pilgrim Station, a 660-MWe. boiling water reactor which went on line in 1972, cost more than $300/Kw. Somewhat larger (1,000 MWe.) plants now on order to go into operation in the early 1980s are estimated to cost about $700/Kw. Does this mean that LWRs have doubled in cost between 1965 and 1974 and will double again in less than ten years? Not necessarily. A cost comparison is obviously complicated by the fact that reactors are built over a period of several years. The cost record of any given plant is therefore a heterogeneous aggregate of different kinds of dollars. Consider, for example, a hypothetical plant ordered in 1967 and entering operation in 1974. The nuclear heart of the unit, the so-called "nuclear steam supply system" (NSSS)—reactor core, control rods, pressure vessel, etc.—may have been purchased and paid for in 1968 or 1969 dollars and the turbine generator in 1971 or 1972 dollars. The total capital cost of the plant as reported by the utility to the Federal Power Commission is an aggregate of these and other items, each expressed in (varying) current dollars.

A second problem in trying to understand how the real cost of LWRS has changed over time is that plants ordered in different years are not technically equivalent. Important design changes have been made in all LWRS to take advantage of economies of scale and to meet changing nuclear safety and environmental protection standards.

To develop a meaningful cost comparison of LWRS we want to know two things: What has happened to the capital cost of LWRS in real terms (constant dollars) in the decade since the first commercial orders were placed; and what is likely to happen in the coming decade?

In the U.S. there are approximately 60 LWRS which are either in operation or at a stage of construction such that they will be operating by the end of 1975. We have assembled the capital cost records of 48 of these reactors. We will use this data to attempt to answer the question about what has happened. We have also assembled cost estimates for an additional 25 reactors in initial or midstages of construction. We will use this less firm data to try to develop some sense of how the situation is changing. On this basis we will then try to sort out the causes of the trends we observe. A matter of special interest is the relative magnitude of the cost increases due to escalation of equipment and field construction costs as distinct from increases caused directly or indirectly by licensing or regulatory delays. Finally we will speculate upon the consequences of the situation revealed by this analysis for both the reactor manufacturing and construction industries and the electric utility industry.

A MEAGER U.S. REACTOR CONSTRUCTION EXPERIENCE, 1964–75

The development of the commercial power reactor industry in the U.S. can be roughly divided into three periods. First there was the precommercial experimental and prototype phase of the late 1950s and early 1960s. This was the period dominated by the A.E.C.'s still controversial "Cooperative Power Reactor Demonstration Program." The A.E.C. provided construction and operating subsidies for experimental reactors of various designs which were, upon completion, to be operated as part of the commercial generating systems. This program eventually involved five joint ventures between the A.E.C. and investor-owned utilities and four with cooperative and government-owned systems.

The initial phase of reactor development ended in the fall of 1963 when the Jersey Central Power Co. announced an agreement with the General Electric Co. according to which G.E. was to build and turn over to the utility at a fixed price a 640 MWe. boiling water reactor. The terms of this "turnkey" contract between Jersey Central and G.E. were such that the prospective "Oyster Creek" plant would generate base-load power at a lower cost to the utility than could an equivalent coal- or oil-fired plant. The first "turnkey" contract for a commercial scale LWR was quickly followed by several others. These arrangements were widely regarded as both proof of the commercial promise of nuclear energy and as vindication of the A.E.C.'s bitterly controversial promotional activities.

In fact, things were not quite so simple. It is now widely agreed that the contemporary estimates of the cost of electricity generated by the early "turnkey" plants were very optimistic. The reactor manufacturers, Westinghouse and G.E., more or less consciously risked substantial financial losses to secure market shares in what they viewed as the power generating technology of the future. Although the losses they ultimately incurred on the turnkey contracts almost certainly exceeded their expectations, the strategy was probably a success. Equipment costs did decrease as both manufacturers and utilities "learned by doing." But perhaps most important, the early turnkey reactors had a powerful demonstration effect upon the utility industry here and abroad, as their mere presence appeared to confirm the realism and imminence of civilian nuclear power.

The third phase of reactor commercialization began in 1965 when utilities placed the first orders for reactors without firm "turnkey" price guarantees by the manufacturers. This date is important: It means that in the U.S. there has been less than ten years' experience in constructing large LWR's on a completely commercial basis. Even this greatly overstates the case because of the time it has taken to build the plants which were ordered in that period. In 1965–66 it was expected that about six years would be needed to build the reactors then on order. In fact, most of the early non-turnkey plants are still not complete. By December 1973, only six of 30 reactors ordered in 1967 had entered operation. Of all 27 plants in operation by 1973, only 14 were non-turnkey.

Hence the firm information available to understand the current economic status of nuclear power is quite meager. Two sources of data are available to us: a fairly reliable but small set of cost records on completed plants; and a far larger but considerably less reliable set of cost estimates for plants on order or under construction. The distinction, though obvious, is nonetheless important, for surprisingly few published analyses of the economics of nuclear power systematically distinguish fact from expectation.

ALLOWING FOR INFLATION

The first problem is to control for the effects of monetary inflation. To do so we have deflated the available capital cost information by using regional indices of inflation and assuming:

Total expenditures for a given plant are spread over the construction period as follows: 15 per cent are incurred at the start of construction, 70 per cent by mid-construction, 100 per cent by the end of construction.

Costs incurred beyond 1974 are deflated by a flat 8 per cent per year. Although this is lower than current estimates of future inflation rates in the U.S., it is very close to the escalation rule used in 1973 when utilities and constructors made the cost estimates used in this analysis.

CAPITAL COSTS: INCREASE AND MISESTIMATION

We have summarized the capital cost situation of nonturnkey LWRS (see the bottom chart on p. 17), first from the reasonably firm data available (i.e., the record of 36 completed or essentially completed plants); and second, from a broader sample of 51 reactors ordered between 1965 and 1970 and completed (or expected to be completed) between 1971 and 1981. After inflation has been taken into account, we do observe an increase in nuclear plant cost of $27/Kw. per year on the reduced sample and an increase of $23/Kw. on the broader sample of 51 reactors.

Several points should be emphasized. First, only 14 non-turnkey plants larger than 450 MWe. had entered operation by December, 1973. Second, there is typically a very large range in the costs of plants entering operation in any one year. For example, of the six plants in our sample which entered operation in 1973, the least expensive cost $213/Kw. and the most expensive $4[illegible]8/Kw. (1973 dollars). Hence, the trend of average costs per year of operation only partially illuminates reactor construction experience in the U.S. Third, the 14 non-turnkey plants larger than 450 MWe. which had entered operation by December, 1973, represent only a fraction of all plants ordered between 1965 and 1968. Since they were the units which were built most rapidly, they are also likely to be, on the average, the least costly. A comparison of the cost trends for all reactors ordered between 1965 and 1968 with those ordered during the same period, but expected to be in operation by the end of 1975, illustrates this situation (see the figure above). If we look only at reactors ordered in 1968 and built or nearly built, costs appear to be going down. However, if we look at all reactors ordered between 1965 and 1970, costs are rising monotonically. Moreover, the rate of increase is more steep for plants ordered subsequent to 1970, of which virtually none is today complete or even in final stages of construction.

In the chart on the opposite page, we attempt to compare this increasing cost situation with the costs anticipated at the time reactors were ordered. From the similar shape of the two curves, we can conclude that the trend of reactors costs was more or less correctly anticipated, but the absolute magnitude seems to have been badly misestimated. For example, in 1968 the reactors were expected to cost only $180 per kilowatt electric (KWe.). The actual average cost of reactors ordered that year is above $430/Kw. This suggests a misestimation of some $250/Kw.

in 1973 dollars; moreover, it is evident that this difference has not been narrowing with time.

A recent study of nuclear power economics by the World Bank observes: ". . . Current cost estimates are thus likely to be more reliable than was the case in the past, a view supported by contracts presently being executed." This is simply not true. We just have little firm idea of what the actual cost in deflated dollars of reactors ordered subsequent to 1969 will turn out to be.

The U.S. Federal Energy Administration's Project Independence "Blueprint" estimates the capital cost of an LWR ordered in 1974 to enter service in 1982–83 at $455/Kw. (1974 dollars). All of the evidence available to us strongly suggests that this estimate will prove to be too low—almost certainly by 25 per cent, probably by 50 per cent, and quite conceivably by 100 per cent (in constant dollars).

CAUSES OF LWR COST INCREASES: CONFLICTING VIEWS

There is no scarcity of confident explanations for the failure of LWR capital costs to stabilize in the past few years. Utilities and the A.E.C. hold views which are perfectly contradictory (see p. 22). The generally accepted belief of the utility industry places the blame chiefly upon the effects of the A.E.C.-mandated environmental reviews, quality assurance programs, and safety related design changes. The A.E.C. on the other hand, points to poor labor productivity, equipment manufacturer performance failure and other construction problems as the principal villains.

Another cause of concern to some has been the structure of the reactor manufacturing industry. It is an industry whose most salient characteristic is a very high degree of concentration. It is also, however, widely recognized that the costs of the major manufactured actual components of LWRS have been decreasing, both absolutely (in constant dollars) and as a fraction of the total plant capital costs. There does appear to have been modest learning in the manufacture of the NSSS not withstanding significant design changes and scale modifications. The turbine generator has benefited from somewhat larger savings. Apparently we must look beyond the manufactured components—the so-called "balance of plant"—to identify the reasons that plant costs have exceeded expectations.

CENTRAL ROLE OF THE ARCHITECT-ENGINEER

The key position of the architect-engineer (AE) bears emphasis. It is the AE, strategically situated between the seller and buyer of the reactor, who combines three chief inputs—manufactured components, skilled engineering, and construction labor and raw materials—into a complete reactor. It is precisely that fraction of the total cost under the control of the AE that has been increasing. Let us look more closely at manpower and materials. First, the relative share of labor in the construction cost of reactors has sharply increased over the last few years, as is widely recognized. In addition to the direct effect of wage increases, the most common explanation for this situation has been a shortage of qualified manpower and a decline in labor productivity. A practical effect of this has been a steady increase in the number of man-hours per Kw. to build a reactor. Reactors going into operation in the 1970s required about 3.5 man-hours per Kw. to build, while those slated for the 1980s will require 8.5, according to an A.E.C. study.

But some would argue that what has happened with labor costs in the nuclear industry is not unique to this business. The same sort of increases have affected fossil-fueled generating plants and oil refineries—indeed, all large construction projects. If the increasing costs of reactors were indeed due to the way the AES manage the process of combining manufactured components, skilled labor, and raw materials into a finished reactor, the other things equal, we would expect two highly similar industries, conventional power plants and oil refineries, to show roughly equivalent rates of cost increase. It is evident that they do not, for nuclear construction costs have far outdistanced both fossil plant and oil refinery costs.

THE HIGH COSTS ON CONTROVERSY AND STRINGENCY

Clearly something special is going on in the reactor business. What this is cannot be particularly mysterious. Intense concern about the safety of reactors persists. This concern has had two related effects which bear upon the capital cost problem. First, intervention of concerned organizations and individuals at the public hearing stage of the A.E.C.'s licensing procedures has directly caused delays of a year or longer in the construction of certain reactors—Vermont Yankee, San Onofre. The second and more general consequence has been a series of changes in reactor design criteria mandated by the A.E.C.

For instance, in 1966 the question of effectiveness of the nuclear core's emergency core cooling system was first raised. The major effect of this was a tightening in 1972 of the criteria governing this system, resulting in a certain amount of incremental cost.

Similarly, the promulgation of radiation protection levels "as low as practicable" in 1971 contributed $3–5 million in incremental construction costs.

Another delaying and costly development was the so-called Calvert Cliffs Division which established that nuclear plants, like all other projects, had to file thorough environmental impact statements on their projects.

The quantities of materials used in reactor construction illustrate the effects of stricter regulation. In the earlier years of reactor construction, amounts of concrete and steel per Kw. decreased steadily, reflecting economies of scale. Between 1965 and 1970 this trend reversed, in spite of continuing increases in the total size of the reactors being built, and, thus, continuing increases in economies of scale. This is obviously a consequence of more stringent nuclear safety and environmental protection design criteria.

A more important factor affecting costs is the steady increase in reactor construction time during the last eight years. For reactors ordered in 1965 average construction time was about 85 months, rising to about 115 months for 1969-ordered reactors. What's more, comparisons of original estimates of construction time with most recent estimates show a gap similar in consistency to the one for cost estimates. As with costs, misestimation appears to have been increasing. These unanticipated delays could account for the gap between actual and estimated cost in three ways: First, delays imply additional unanticipated inflationary effects. To the degree that costs are actually incurred later than originally anticipated, the initial escalated dollar estimate of the magnitude of such costs will be in error. Second, delays imply additional interest on the funds borrowed by utilities to finance reactor construction. Finally, direct construction costs are also affected by delays.

A STATISTICAL ANALYSIS

This rapid survey of the possible causes of reactor cost increases underlines the complexity of the problem. There is no simple qualitative explanation. Clearly, the outcome we have observed is the result of a complex interaction among several partially offsetting and partially reinforcing factors (see p. 22).

In order to obtain a more precise quantitative sense of this situation, we have undertaken a modest statistical analysis of the simultaneous effects of several different types of factors, each of which we know to have influenced LWR capital costs in some fashion. These factors can be grouped into four categories:

Time-related factors: the year of reactor order, year of operation, etc.;

The characteristics of the licensing and construction period: total length of time from NSSS award to reactor operation, length of licensing procedure, length of construction on site;

The physical characteristics of the reactor, such as size in MWe.;

Geographical and site-related factors for the area in which a reactor was built (northeast, other areas), for the number of units of the same size, (one unit, several units), and for the cooling system used.

HIGHER COSTS—LICENSING PERIOD AND LOCATION

This analysis underlines the strong correlation between plant costs and total project length. But, while there is apparently no relationship between the on-site construction length and cost, the length of the licensing period is rather strongly correlated with costs. Moreover, nuclear plant costs appear to be significantly correlated with the ratio between licensing period and total length of the project. This means that for a given project length, the longer the licensing period, the higher the total cost.

As we already know, the year of operation is correlated with cost. A weak relationship between reactor size and cost appears to confirm that anticipated economies of scale have been partially offset by other influences. Among site-related variables the geographic location of the plant seems to have the strongest association with costs.

CAN COAL BE COMPETITIVE WITH NUCLEAR?

The capital costs of large light water reactors show no signs of stabilizing and, indeed, are apparently still climbing at alarming rates. The implications are very important: Will the fuel-cycle cost advantage of nuclear power over coal possibly be offset by the capital cost differential between the two technologies?

A statistical analysis of the cost of 102 coal-fueled power plants, built between 1960 and 1975 shows that coal plant costs have also increased—at an average rate of $13 per Kw. per year over the period 1969 to 1975. This figure, compared with a $31/Kw./year increase for nuclear plants, suggests that the capital cost differential between the two technologies is increasing at $19/Kw./year. The corollary with respect to fuel costs, of course, is that the breakeven price of coal is also increasing. The breakeven price is simply the coal price which equates the total cost of power produced by the two technologies for assumed values of the capital and operating costs of both methods plus nuclear fuel cost. If things continue as they have in the recent past, coal delivered to a plant at 58 cents/million B.t.u. could be competitive with LWRs in 1975. Coal delivered at 74 cents-92 cents/million B.t.u., depending on the assumptions made, could be competitive with nuclear power by 1980.

We should stress the empirical uncertainty of several critical matters. All estimates of future (indeed, even of present) capital costs of nuclear power are really little more than educated guesses. Second, the future cost of coal is far from certain, and very much depends upon, among other things, the politics of air pollution control. According to present estimates, anti-pollution devices needed to satisfy 1975 air pollution standards will add at least $50/Kw., and perhaps more than $100/Kw., to the cost of coal-fired plants. These possible extra costs are not taken into account in our analysis.

Finally, the breakeven cost calculation is sensitive to variations in the parameters whose values we have assumed: The fixed

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charge rate for capital amortization, the coal heat rate, and the capacity factor (see p. 24).

Obviously, these very rough analyses cannot support a definitive comparison of the present and future comparative economics of nuclear and coal base-load power. Some qualitative observations do, however, appear to be in order: The present trends in reactor capital costs are significantly narrowing the economic gap between the two technologies. It would be a great mistake to assume that the present economic advantage held by LWRS is permanent. The best available evidence points to the need for careful and continuing attention to the comparative base-load economics of nuclear and coal-fired plants.

INTERPRETING COST INCREASES: SOCIAL ACCEPTABILITY IMPORTANT

We believe the strength of "licensing" in the statistical explanation of nuclear plant cost changes is the most interesting result of that analysis. It may also turn out to be the most controversial. A few points are relatively clear. As we've said, increases in the licensing period obviously entail certain extra direct costs such as environmental assessments and reports, legal fees and other expenses incidental to public hearings and litigation. But these direct licensing costs represent only a very small part of the effect of the regulatory process upon reactor costs. For, in general, increases in the licensing time are the practical manifestation of a complex interaction among nuclear energy opponents, the utility applicant, and the A.E.C. regulatory machinery. This interaction results, among other things, in reactor design changes and new safety criteria. For a given reactor, the length of the licensing period is probably a good indirect index of the cost effects of such difficulties.

One example is the effect of some A.E.C. regulatory changes on the cost of the Northeastern Utility "Millstone #2" unit. In this instance, the A.E.C.'s regulatory apparatus responded to intervenors by ordering the retrofit of additional protection against pipe rusting outside containment. The cost of this requirement has been estimated to be about $5 million.

The importance of licensing in explaining cost increases is confirmed by the relationship between the total cost and the ratio of licensing period to total project length; as we have already noted, for a given total project length, the longer the licensing time, the higher the cost. This statistical result can be interpreted in the following way: A utility which is spending more time than expected on licensing doubtless tries to compensate for such delays by speeding construction as best it can. This certainly entails additional unforeseen costs, more intensive use of certain manpower, and drastic changes in planning, among other things.

This interpretation may also shed light on the absence of any relationship between nuclear plant unit costs and length of on-site construction: Apparently some compensating factors during construction period modify the normal variations in cost we might have expected when considering the effects of length of construction.

Finally, statistical analysis fails to turn up evidence of any systematic relationship between delays in construction schedule (the difference between actual and expected construction length) and reactor costs. This is, of course, in flat contradiction with one of the most commonly accepted beliefs about the capital cost problems of nuclear power. What it strongly suggests is that original estimates of reactor construction and licensing time are themselves little more than random guesses. Clearly, if initial estimates of the time necessary to build reactors are themselves unrelated (as we know them to be) to the actual time required, then any measure of "delay" based upon these estimates will necessarily also be unrelated to any consequences of schedule slippage. Architect-engineers and constructors either do not take into account changes in construction length, or poorly anticipate them.

The absence of any relationship between the year of NSSS order and actual cost, combined with evidence of high correlation between cost and year of operation, again highlights the crucial role of opponents of nuclear power in the cost picture. The obvious explanation for this apparent paradox is that intervention and consequent delays all began at roughly the same time (chiefly in the early 1970s), and in general affected reactors regardless of the year they had been ordered.

Let us now try to view all of these circumstances from a somewhat broader perspective.

A utility's view

Changes in project scope,
Environmental studies,
Safety questions,
A.E.C. question/answer requirements,
Additional radiation shielding,
Reactor protection system changes,
Radiation monitoring system changes,
Engineered safeguards,
Fuel cask decontamination and transportation,
Mechanical draft cooling towers,
Additional off-gas treatment,
Sharp rise in labor, materials and interest,
Delay of more than three years.

The A.E.C.'s view

Poor productivity of labor,
Late delivery of major equipment,
Change in regulatory requirements,
Equipment component failure,
Construction labor strikes,
Shortage of construction labor,
Legal challenges,
Factory labor strikes,
Rescheduling of associated facilities,
Weather.

NOTE.—Electric utilities and the Atomic Energy Commission hold perfectly contradictory views of nuclear reactor cost increases, each essentially blaming the other. The utility view represented here is that of Northeast Utilities, and the A.E.C. view is taken from a report in *Chemical and Engineering News*, November 26, 1973.

ENERGY PRICING A QUESTION OF POLITICAL POWER

The price of usable energy from oil, coal, or uranium now has little to do with the marginal production cost of any of these resources. Nor does it have much to do with the marginal cost of manufacturing and assembling the equipment necessary to convert the energy in these resources into consumable form. Instead, the price of energy from alternative technologies is the result of a complicated process of assigning relative values to a variety of energy-producing resources and technologies by those who either control or require these resources and technologies. This process is both intensely and inherently political. The last point bears special attention. Most of the world's governments have now accepted the need to develop energy policies. The purpose of such policies is commonly formulated in terms of a requirement to bring supply and demand into long-term balance, subject to various technical, economic, and political constraints. Often the "political constraints" are assumed to be somehow the least real. Hence, the belief, now widespread among affected businessmen and public officials, that political opposition to nuclear power will vanish as soon as the public has realized that this technology is the best available way for society to meet its energy needs.

But there is a strong (and perhaps growing) disagreement within American society on whether nuclear power does indeed represent a valuable way to generate electricity, in the face of what is perceived to be social costs.

Among the opponents of nuclear technology, two different attitudes are apparent:

Some consider that today's relatively cheap cost of electricity from reactors is not an acceptable indicator of the "net social value" of the technology. This "net social value" is today *overstated*, they contend, as some risks and social costs associated with nuclear power are not yet properly internalized in reactor prices. Therefore, these opponents have attempted to force the A.E.C.'s licensing apparatus to revise its safeguard standards. For example, the "as low as practicable" criteria, which is 1971 drastically changed the philosophy of radiation protection, is the result of such actions. However, additional costs imposed by stricter environmental safety standards should be seen as part of normal production costs, and hence eventually subject to reductions due to learning.

Others apparently consider that nuclear reactor technology can never be a reasonable way to produce electricity. They argue that whatever the increase in safeguard requirements, the potential dangers inevitably associated with nuclear power development are unacceptable. To those people the "net social value" of reactor technology is negative.

The arguments they have developed to support this second view are well known: Large scale development of nuclear power increases the risk of a major nuclear catastrophe: the management and storage of radioactive wastes will generate problems, the solutions of which are far beyond our present and likely future capabilities. Development of nuclear power on a world-wide basis means abundant Plutonium 239 to build nuclear weapons, thereby increasing dramatically the risk of a nuclear violence.

The American administrative and judicial processes afford both sets of critics ample opportunity to impede the rate of reactor commercialization. The principle consequence has been dramatic cost increases. The extreme critics of nuclear power have been at least partially successful in their efforts to force a downward re-evaluation of the social value of reactor technology.

This is the real point about the relationships we have discovered between licensing delays and cost increases. The problem here is not administrative or technical in the sense that a somehow inefficient set of regulatory machinery has caused "artificial" cost increases. Rather, the regulatory process has been used as a device to give effect to the view that reactor technology is not as valuable to society as the anticipated cost of electricity from the first-generation plants implied. The process by which opponents of nuclear power are trying to establish their views about the ultimate value of nuclear power to society is causing delays and costs which obviously can only be reduced by a reduction in the level of the controversy itself.

POLITICS MAY ENHANCE INTERFUEL COMPETITION

One very important implication of this interpretation is that engineering estimates of reactor capital cost are insufficient guides for predicting actual future costs. Second, as we discussed previously, a major consequence of this situation is an increased potential relative competitiveness for coal-fueled plants. Therefore, if present trends continue, it may turn out that in practice significantly fewer reactors than scheduled will be built in this country, because they will be challenged on strict economic grounds, by an alternate technology.

The possibility of an effective competition

between the two technologies depends, however, upon the future of the coal industry. It may be extremely naive to suppose that the long-term price of coal will remain very much below that of oil in terms of $/million B.t.u. Informed observers of the coal mining industry in the U.S. agree that the combination of environmental protection demands and union wage demands is virtually certain to bring about large increases in the cost of coal.

In addition, social costs are today associated to coal-fueled plant operation, and it is still difficult to assess how much higher generating costs from coal plants should be, to take properly into account these social costs.

In fact, the most disturbing aspect of the whole energy supply system is the absence of any force operating to keep costs stable, except some modest decline in demand when prices rise. Still, this should be small comfort for the nuclear industry. The economic advantage of reactors over coal- or oil-fired plants is based upon a fuel cycle cost advantage which is in great danger of being offset by the capital cost differential between the two technologies.

Our interpretation of the relationship between nuclear reactor cost increases and licensing has highlighted the fact that the issue here is not merely technical or economical, but is inherently political: Present trends in nuclear reactor costs can be interpreted as the economic result of a fundamental debate on nuclear power within the U.S. community. Beyond its economic effects, the real issue of this debate is the social acceptability of nuclear power; any discussion on the future possible contribution of nuclear energy to our country's energy supply system would be, therefore, entirely misleading without recognizing this reality and its technical, economical and social implications.

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Irvin C. Bupp holds Harvard degrees in public administration (M.A. 1968) and political science (Ph.D. 1972), and he now holds Harvard appointments in the Graduate School of Business Administration (Lecturer) and the Center for International Affairs (Research Fellow); his current research concerns commercial and political factors in the evolution of the nuclear reactor industry. Jean-Claude Derian shares Dr. Bupp's interest in technology policy issues—chiefly in the field of energy—as Research Associate in the Center for Policy Alternatives of the M.I.T. School of Engineering. Dr. Derian's degrees are from French educational institutions; the Master's degree in engineering from the National Institute for Applied Sciences and doctorates in applied science (1966) and the economics of research and development (1972) from the University of Paris.

They are coauthors of "The Breeder Reactor in the U.S.: A New Economic Analysis," which appeared in the July/August, 1974 *Technology Review*.

Marie-Paule Donsimoni, who holds a graduate degree in economics from the University of Paris, and Robert Treitel, who holds a graduate degree in Statistics and Economics from the University, are research staff members at M.I.T.'s Center for Policy Alternatives.

[From the New Scientist magazine]

The Ins and Outs of Nuclear Power

(By Dr. Peter Chapman)

If nuclear power grows too fast it consumes more energy than it produces. "This means that we cannot build enough nuclear capacity to make up for the projected decrease in oil supplies by the turn of the century."

The myth that nuclear reactors might require more energy for their construction than they produced in their lifetime is wrong. But energy analysis of nuclear reactors to find out the energy implications of various nuclear policies does show that some nuclear programmes will exacerbate fuel shortages. We are pointing to a dynamic problem associated with a period in which the total nuclear capacity is growing.

The first step in the analysis involves evaluating the energy ratio for a single nuclear reactor: that is, the ratio of the energy produced in its lifetime to the energy required for its construction. The energy output for a nominal 1000 MW(e) station is found by calculating the electricity generated (corrected for load-factor) and subtracting from this the distribution losses, the electricity used by the electricity industry, and the energy needed to refuel the reactor. Table I summarises this calculation for a Steam Generating Heavy Water Reactor of the type chosen for Britain's future nuclear power programme. The energy input is calculated by evaluating the energy that goes into producing the electrical equipment, the nuclear steam system, the buildings, the initial reactor core, and any special inputs such as heavy water. Table 2 summarises this calculation for the same 1000 MW(e) SGHWR as Table 1. Both tables include data for two grades of uranium ore and show that it requires substantially more energy to obtain uranium from a low grade ore (0.007 per cent) than from the high grade ore (0.3 per cent). The energy requirement for uranium does *not* include any theoretical energy content of uranium; it is simply the energy which has to be expected to convert material in the ground into a useful reactor fuel. For the initial core any electricity used in mining and enriching uranium is assumed to come from a fossil fuel fired power station (with 25 per cent efficiency), whereas electricity for refueling is assumed to come direct from the reactor.

TABLE 1.—ENERGY OUTPUT OF 1000 MW(e) SGHWR

Nominal net power		1,000
Load factor correction (life average 62 percent)		−380
Electricity generated		620
Lost in distribution		46-5
Used by electricity industry		23-3
Used to replace loss of heavy water		3-4
Used to refuel reactor (31-4 te fuel at 2-1 percent enrichment):		
(i) Uranium 0-3 percent ore	23-4	
(ii) Uranium 0-007 percent ore		291
Net power available (MW)	523-4	255-8
Total energy out in 25y (in 10^6kWh)	114,625	56,020

TABLE 2.—ENERGY INPUT TO 1000 MW(e) SGHWR

	10^6 kWh (thermal)	
Electrical equipment (£5ym at 33kWh/£)	1,716	
Buildings and services (£31m at 28 Wh/£)	868	
Nuclear steam system (£67m at 30kWh/£)	2,010	
Heavy water (250 tonnes)	2,150	
Initial fuel:	[1] 0-3	[1] 0-007
160 tonnes @ 2-percent enrichment:		
Mining 657 tonnes nat.U	252	12,319
Enrichment 320 SWU (0-25 percent tail)	3,130	
Fabrication	36	
Total energy inputs	10,162	22,229

[1] Percent.

TABLE 3.—ENERGY RATIOS FOR DIFFERENT REACTORS

	0.3 percent ore	0.007 percent ore
MAGNOX	12-18	0.3-1.2
SGHWR	9-13	2-1-2.9
PWR	8-19	0.5-4.8
AGR	8-12	1.3-1.9
CANDU	9-13	5-7.4
HTR	13-19	2.7-3.9

Table 3 gives the energy ratios of a number of different reactor types deduced by this sort of analysis. The errors in the analysis, due to the use of average energy coefficients, mean that there is no significant difference in the reactors for the high ore grade. (This assumes that we are using the correct reactor parameters and that terms not counted in the analysis will not significantly alter the energy ratios. Other workers have obtained energy ratios as low as 3 for high grade ores.) The range of values given for PWRs reflects the variation in quantities of fuel and enrichment levels in different reactor designs. For the low grade ores the CANDU reactor is significantly better than the others as it has much smaller uranium requirements. One conclusion of this type of evaluation is that there is clearly a grade of uranium ore at which no reactor is profitable in energy terms. One of our conclusions is that uranium below this cut-off grade should not be counted in estimates of total fuel resources.

The next step in the analysis is to evaluate the pattern of energy inputs and outputs when a series of reactors is constructed. The point here is that the energy input represents an energy investment that has to be made before any power is produced. Furthermore, the return on this investment—the output—is spread over 25 years. Thus, a nuclear programme in which the number of reactors is steadily increasing could find itself investing more energy each year in building new reactors than is available as output from those already constructed.

Figure 1 shows the time variation of annual energy (or power) for a reactor which has an energy ratio of 10. Figure 2 shows the variation in net power when one of these reactors is ordered each year. Up to year five the power input steadily increases as the number of reactors under construction increases from one to five. After year five work on one more reactor is started but work on an earlier reactor is stopped, so there are always five reactors under construction. In year six the first reactor produces an output and thereafter the output increases by one reactor per year. If the reactor has an energy ratio of 10, then the ratio of input power (P_i in Figure 1) to output power (P_o) will be 2 as the station produces power for 25 years but only takes five years to build.

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Thus, the rise in output after year six is twice as fast as the decrease between years one and five. This shows that the building programme produces a net power output after 8½ years. To show a net return on energy, we have to wait until the cumulative energy output equals the total energy investment in the first 8½ years. This means waiting until the area above the axis equals the area below the axis. These areas are shown shaded in Figure 2 and indicate that it takes 13 years to produce a net energy output.

TABLE 4.—*Doubling times of various projections of UK nuclear capacity*

[In years]

CEGB	4.3
UKAEA	6
OECD	4
UK historical (including AGR programme)	4.5

The case of linear growth in the number of reactors helps explain the principles of the method. However, in the real world the growth in number of reactors is expected to be much faster than this. For the next 20 years the projected growth rates of the number of nuclear reactors is very close to exponential. Table 4 gives the doubling times of the exponential projections made by various authorities. These growth rates are much faster than the growth in total energy demand because the projections assume nuclear power will substitute for oil and gas by the end of the century. Figure 3 shows the net energy curves, corresponding to different energy ratios (E_R), for a building schedule with a doubling time of five years. A surprising feature of this result is that a perfectly good reactor, with an energy ratio of 5, can become a net energy consumer with this type of building schedule. This is precisely the situation referred to earlier where the rate of growth is such that each year more energy has to be invested in building new reactors than is available from those already finished.

But this is not the end of the story. As John Price points out (Dynamic Energy Analysis of Nuclear Power by J. Price, Earth Resources Ltd, December 1974), even when a programme shows a net energy profit it may still be unacceptable because of the large fraction of output that has to go into new investment. This is illustrated in Figure 4 for different energy ratios and a range of doubling times in number of reactors. Using this Figure one can see that with a doubling time of five years and a reactor with an energy ratio of 5 requires 115 per cent of output to be invested: it is a net energy consumer. Even with an energy ratio of 10, this doubling time needs an investment of almost 60 percent of the output.

Together these results allow us to point to some of the energy implications of various nuclear policies. Most nuclear programmes are designed on the assumption that each additional unit of capacity will be available to meet future increases in consumer demand and hence reduce fossil fuel requirements. The dynamic energy analysis shows that this is *never* the case. Under the worst conditions the nuclear programme could either increase fossil fuel requirements or decrease the fuels available to consumers. Under better conditions only a fraction of the installed capacity will be available to meet consumer demands; the rest will be absorbed by the nuclear industry itself.

STEPS FOR A NUCLEAR POLICY

The steps which have to be followed in evaluating a nuclear policy are as follows. First it is necessary to find out the present uranium or grade and the minimum ore grade that will be available at the end of the programme. Armed with this data it is possible to evaluate the energy ratios for the chosen reactor at the beginning and end of the programme. These numbers are then used to work out the maximum rates of growth in nuclear capacity at the beginning and end of the programme so as to show a specified return on the energy invested. This, in its turn, will lead to an evaluation of the time before any energy profit is achieved, and the size of the initial energy investment.

Without this type of evaluation a nuclear policy could lead us into worse energy problems than those it is designed to solve. From our results, which are conservative in their evaluation of energy ratio, we consider that the rate of growth of nuclear reactors cannot be faster than a doubling time of 10 years if we want a positive energy contribution, and to be safe should have a doubling time of 15 years. This means that we cannot build enough nuclear capacity to make up for the projected decreases in oil supplies by the turn of the century.

Two topics recur in the discussion of our results. The first concerns the relationship between energy analysis and economic analysis. What energy analysis has shown is that provided you do not attribute any energy content to the uranium, then nuclear technology can convert about 1–2 kWh of oil energy into 1kWh of electricity. This shows an energy advantage over a conventional oil-fire station which requires 4 kWh of oil energy to produce 1 kWh of electricity. In this respect the energy and economic analyses are in agreement. Disagreements are due to people who interpret the economic advantage of nuclear power is proving that it must be a net energy producer. The fallacy in this is in comparing a nuclear power station with a power station which is a consumer of energy; after all, no one pretends that building more oil fired power stations is a way of avoiding oil shortages. If the uranium input to nuclear reactors is counted as a fuel input, with a theoretical energy content of uranium, then the nuclear reactor appears to be a poor energy converter ($E_r = 0.01$). Perhaps the correct view is to look upon uranium as a component in a new technology that allows us to produce 1 kWh of electricity from 1 kWh of oil and hence make oil reserves last four times as long.

The second issue concerns the introduction of breeder reactors to replace the "burner" reactors we have analysed. This is a complex issue, because in order to start a programme of breeder reactors one must first have a programme of burner reactors to produce the necessary plutonium. Furthermore, if one wants the number of breeder reactors to increase faster than a doubling time of 20 years, which is the fuel doubling time, then the burner reactor programme will have to continue while the stock of breeder reactors is built up. Thus the breeder reactor does not avoid the problems associated with a burner reactor programme and cannot even alleviate the problem for 20–30 years.

Finally, it must be emphasized that energy analysis does not tell anyone what they ought to do. Energy analysis tells you the energy implications of policies and thus indicates what can and cannot be done. Our analysis has shown that present nuclear technology cannot substitute for oil on the timescales currently envisaged. This implies that the only way of coping with any future reduction in fossil fuels is to pursue policies which will reduce overall demand for energy. These policies, like a nuclear policy, should be evaluated by energy anaysis—just to check that they do actually save fuel.

WILL IDLE CAPACITY KILL NUCLEAR POWER?

(By David Dinsmore Comey)

Nuclear plants have increased greatly in capital cost in recent years. When General Electric submitted its winning turnkey bid in 1963 to build the Oyster Creek plant in New Jersey, the cost was less than $100 per kilowatt. In 1973, ten years later, the cost of the Midland plant in Michigan was estimated to be in excess of $800 per kilwott.

Nuclear light water reactors have also turned out to be less reliable than originally forecast. American vendors have represented to electrical utilities both here and abroad that their light water reactors would operate at an availability factor in excess of 80 percent, and at an average capacity factor close to 80 percent.

By availability factor and capacity factor, I mean what the Atomic Energy Commission has defined as follows:

"Plant Availability [Availability Factor]—the percent of the total time in a given period that a plant (unit) was producing electricity. Plant availability is equal to the time the generator was on line divided by the total time during the period.

"Plant Capacity [Capacity Factor]—a measure of the total electrical energy actually produced by a plant (unit) during the period compared to the energy it might have produced had it operated at the licensed design power level for the entire period, expressed as a percent. Capacity factor is calculated by dividing the electrical megawatt-hours produced during the period by the product of the licensed design power level (in electrical megawatts) times the number of hours in the report period under consideration.[1]"

Thus capacity factor is a measure of what comes out of the business end of the machine, namely electricity, which is something electrical utilities are very sentimental about. They tend, therefore, to be more interested in capacity factors than availability factors.

There are additional reasons why availability factors are not very realistic for nuclear light water reactors. Many of the presently operating nuclear plants are restricted to less than design power levels for a variety of safety-related reasons. For example, the Palisades (Mich.) reactor is limited to 60 percent of its design power level because of steam generator tube leaks. Boiling water reactors built by General Electric in Illinois, Minnesota, New York and Vermont also have restricted power levels: Monticello (Minn.) and Dresden 3 (Morris, Ill.) have recently been held to 91 percent in order to have sufficient reactivity margin to "scram" (instantly shut down) the reactors; Nine Mile Point 1 (Oswego, N.Y.) has been limited to 81 percent of power because of reactor feedwater pump problems; and Vermont Yankee (Vernon, Vt.) has been restricted to 80 percent of power to avoid excessive radioactive gas releases.

These restrictions sometimes result in high availability factors but low capacity factors. For example, Millstone 1 (Waterford, Conn.) is restricted to only 80 percent of its design power because of reactor feedwater sparger vibration problems. As can be seen from Figure 1, even though it had a 100 percent availability factor during May, this restriction cut the capacity factor for Millstone to 78.7 percent for the month. Similarly, Figure 1 gives the record for Zion 1 (Ill.) for the same month. It has been operating at a limit of 68 percent of design power level because of defective check valves. Hence, although its availability factor was 70.2 percent for May, Zion 1 actually generated elelctricity at a capacity factor of 45.2 percent.

An additional reason for concentrating on capacity factors rather than availability factors is that nuclear plants are base-loaded, both for economic and safety reasons. The economic reason is that nuclear plants cost more to build than fossil-fueled plants, and at present their uranium fuel is cheaper than coal, gas or oil.[2] Because of this inversion of cost structure, utilities use the capital intensive nuclear units for base-load generation at as close to 100 percent capacity factor as they can achieve, and they use their fossil-fueled units for load-following[3] and peak demand. The safety reasons for limiting the load-following capability of nuclear plants has to do with controlling unacceptable reactivity transients[3] and preventing excessive thermal cycling of the reactor pressure vessel and related piping which might ultimately lower its resistance to rupture.

Footnotes at end of article.

A MEANINGFUL YARDSTICK

In view of all this, therefore, I believe that the meaningful yardstick to use for judging nuclear plant performance is its deliverability as measured in terms of capacity factors rather than availability factors. It does not make all that much difference, however, Using the plants set forth in Table 1, the differences are as follows:

[In percent]

	1973	*1974*
Average capacity factors	57.3	50.5
Average availability factors	69.2	59.2

The Atomic Energy Commission only began publishing capacity factor data for nuclear plants in May 1974, in a report entitled "Nuclear Power Plant Availability and Capacity Statistics for 1973."[4] From this report, I have reproduced in Table 1 the average capacity factors for all operating nuclear power plants larger than 100 megawatts electrical in size.

Because these 1973 data showed an average capacity factor of only 57.3 percent, I asked the AEC's Office of Operations Evaluations whether the 1974 data might not be higher. Subsequently, I was sent a computer printout with the data for the first six months of 1974. From this printout, I have included in Table 1 the data for all operating nuclear power plants larger than 100 megawatts electrical which were in commercial operation for the full six-month period from January to June of 1974. What this means in comparative terms is that the 1973 data are based on 26 nuclear plants, and the 1974 data include the same 26 plants plus the two additional plants that went into commercial service late in 1973—Zion 1 (Ill.) and Indian Point 2 (N.Y.)

Footnotes at end of article.

My reason for excluding plants smaller than 100 megawatts electrical is primarily because the AEC report excluded all but one, and complete data on these smaller plants are not available from the AEC. Moreover, these smaller plants are much older, not typical of present reactor designs, and have such numerous shutdowns that they would tend to lower significantly the deliverability statistics presented here. I have also excluded 11 plants which are in their power ascension phase (testing) or have only been in commercial operation for one or two months. They also have numerous outages that would tend to lower the reliability figures for operating nuclear plants.

Thus the data set forth in Table 1 represents a conservative calculation that accurately reflects the recent operating record of American boiling water reactors and pressurized water reactors in commercial service.

Since the data in Table 1 showed the 1973 and 1974 average capacity factors to be considerably less than 80 percent, a back-calculation was made to determine whether these two years were anomalies as compared with the full cumulative operating history of each reactor from the date it went into commercial service until June 30, 1974. The average cumulative capacity factors for the 28 plants in Table 1 is 54.0 percent, which compares with the 53.9 percent capacity factor average of the 1973 and 1974 data. Thus the latter time periods were not pathological.

The cumulative data were taken from a new AEC publication, "Data for Decisions," which is a monthly internal report for the AEC Director of Regulations.[5] To emphasize that the 1974 data in my Table 1 are representative, I have reproduced from this new publication the first two monthly graphs on capacity factors that the AEC ever produced (Figure 2). As an examination of these graphs will indicate, the average for May and June 1974 was in the range around 50 percent.

The AEC has stated elsewhere that "these data indicate that large light water-cooled nuclear plants have required a break-in period of about 3 to 4 years,"[6] and that after 3 to 4 years of operation, availability factors and capacity factors could be expected to reach or exceed the design objective of 80 percent. To test this hypothesis, the 1973 data in Table 1 were broken down according to plant age, yielding Table 2, which has been rendered in graphic form in Figure 3 (the 1973 data are represented by the solid line). Figure 3 shows clearly that the AEC hypothesis that capacity factors would remain in the 80 percent region after 3 to 4 years of operation is not supported by the data. The plants do reach a peak after 3 to 4 years, but decline linearly thereafter. The older the plants get, the more their capacity factor drops.

Suspecting again that 1973 might be an atypical year in this regard, Table 3 was similarly computed using the 1974 data. A similar pattern was detached, as the corresponding dotted line on Figure 3 reveals.

In order or determine why such a pattern should exist, I have undertaken an exhaustive examination of more than a thousand outage reports on these reactors. The findings of that study will be published in a later report. At this time, interim results indicate that the failure to meet the predicted high capacity factors in the first three years of operation is largely due to a carryover of construction-related quality assurance problems and insufficient development of operating procedures. Once these are sorted out and the bugs are worked out of the plant's systems, a peak in the 70 percent capacity factor region is reached, but shortly thereafter, corrosion problems set in, leaking fuel becomes a problem, and system components break down due to fatigue and other wear-related problems. An additional hazard is the accumulation of highly radioactive crud in the primary system, which means that any repair work on this system will consume enormous amounts of time and personnel in order to avoid excessive radiation exposure. In some instances, thousands of workers have had to participate in the repair of a single plant, and a worker can receive his maximum permissible exposure after working on the primary system for less than 60 seconds, thus burning him out for the next three months.

TABLE 1.—AVERAGE CAPACITY FACTORS FOR ALL OPERATING NUCLEAR POWERPLANTS LARGER THAN 100 MW

Plant name	Light water reactor type [1]	Net design power (megawatts electrical)	Date commercial operation started	Plant capacity factors: 12 mo 1973	Plant capacity factors: 6 mo 1974
Connecticut Yankee	PWR	575	Jan. 1, 1968	48	80
Dresden 1 (Illinois)	BWR	200	July 4, 1960	35	0
Dresden 2 (Illinois)	BWR	800	June 9, 1972	74	64
Dresden 3 (Illinois)	BWR	800	Nov. 16, 1971	55	32
R.E. Ginna (New York)	PWR	490	Mar. 1, 1970	87	22
Indian Point 1 (New York)	PWR	265	Oct. 1, 1962	0	63
Indian Point 2 (New York)	PWR	873	Aug. 1, 1973	NA	24
Maine Yankee	PWR	790	Dec. 28, 1972	52	76
Millstone Point 1 (Connecticut)	BWR	690	Mar. 1, 1971	35	76
Monticello (Minnesota)	BWR	545	July 4, 1971	68	47
Nine Mile Point 1 (New York)	BWR	610	Dec. 1, 1969	66	44
Oconee 1 (South Carolina)	PWR	886	July 15, 1973	43	57
Oyster Creek (New Jersey)	BWR	650	Dec. 1, 1969	66	48
Palisades (Michigan)	PWR	821	Dec. 31, 1971	41	0
Pilgrim 1 (Massachusetts)	BWR	664	Dec. 1, 1972	73	0
Point Beach 1 (Wisconsin)	PWR	497	Dec. 21, 1970	67	60
Point Beach 2 (Wisconsin)	PWR	497	Apr. 20, 1973	73	95
Quad Cities 1 (Illinois)	BWR	809	Feb. 18, 1973	73	37
Quad Cities 2 (Illinois)	BWR	809	Mar. 10, 1973	78	70
H.B. Robinson 2 (South Carolina).	PWR	707	Mar. 7, 1971	65	65
San Onofre 1 (California)	PWR	450	Jan. 1, 1968	60	74
Surry 1 (Virginia)	PWR	823	Dec. 22, 1972	53	48
Surry 2 (Virginia)	PWR	823	May 1, 1973	63	50
Turkey Point 3 (Florida)	PWR	745	Dec. 14, 1972	58	74
Turkey Point 4 (Florida)	PWR	745	Sept. 7, 1973	45	66
Vermont Yankee	BWR	514	Nov. 29, 1972	43	69
Yankee Rowe (Massachusetts)	PWR	175	July 1, 1961	68	51
Zion 1 (Illinois)	PWR	1,050	Oct. 2, 1973	NA	21
Average				57.3	50.5

[1] PWR equals pressurizedtwater reactor, BWR equals boiling water reactor.

TABLE 2.—1973 NUCLEAR PLANT CAPACITY FACTORS VERSUS AGE OF PLANT

Years of service	Number of plants	1973 average plant capacity factor (percent)
0 to 1	6	63
1 to 2	6	59
2 to 3	5	53
3 to 4	2	77
4 to 5	2	66
5 to 6	2	54
6 plus	3	34

TABLE 3.—1974 NUCLEAR PLANT CAPACITY FACTORS VERSUS AGE OF PLANT

Years of service	Number of plants	1974 average plant capacity factor (percent)
0 to 1	3	48
1 to 2	9	58
2 to 3	4	48
3 to 4	3	67
4 to 7	5	54
7 plus	3	38

The conclusion to be drawn from all this is that light water fission reactors cannot be expected to provide a reliable source of electricity during the period of interest to Project Independence. Reliance on them would only exacerbate the energy problem, not solve it.

As of June 30, 1974 the United States has 30,883 megawatts electrical of nuclear capacity either operating commercially or in the power ascension phase. We have an additional 57,842 megawatts electrical under construction and 135,584 on order or committed pursuant to a letter of intent. The total cost

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of the plants under construction, on order, or under letter of intent is approximately $116 billion. If these plants operate at an average capacity factor of only 54 percent as compared with the originally expected 80 percent then a considerable percentage of their capital costs will have been expended for capacity that will, on the average, produce no electricity. Thus those dollars will have been wasted.

Let us assume that there is zero waste if these plants operate with a capacity factor of 80 percent. Then the difference in capital cost between this 80 percent design objective and 54 percent may be considered as a "cost overrun." In the case of the 193,406 megawatts electrical on order, it comes to $30.2 billion, and if industry projections of an additional 500,000 megawatts electrical of nuclear capacity by 1990 are fulfilled, then a 54 percent average capacity factor will mean a total cost overrun of $121.2 billion. Similarly, if the average capacity factor is only 38 percent, the total cost overrun will exceed $195 billion (Table 4).

TABLE 4.—ESTIMATED CAPITAL—COST OVERRUNS FOR NUCLEAR POWERPLANTS NOW UNDER CONSTRUCTION AND PROJECTED FOR 1990

Nuclear capacity (kilowatt)	Unit Cost (dollars per kilowatt)	Total cost (billion)	Capital cost overruns in billions of dollars (difference between design and actual capacity factor)		
			80 percent	54 percent	38 percent
193,406,000[1]	600	$116.0	0	$30.2	$48.7
500,000,000[2]	700	350.0	0	91.0	147.0
Total		466.0		121.2	195.7

[1] Represents electric generating capacity of reactors now under construction, on order or committed through a letter of intent.

[2] Projected capacity by 1990.

The annual requirements for new capital for the entire electric utility industry have recently doubled from $5 billion to roughly $10 billion, and the industry is having grave difficulties raising even these sums. It is unlikely that the investment banking community will be receptive to cost overruns of the magnitude described above.

Since only the U.S. government is likely to be available for these capital requirements, it may very well be that the names of General Electric, Westinghouse, Combustion Engineering, Babcock and Wilcox, Consolidated Edison, Consumers Power and others will join Lockheed, Boeing and Grumman on the rolls of corporations bailed out of costly technological misadventures by the taxpayers.

FOOTNOTES

[1] Atomic Energy Commission, "Nuclear Power Plant Availability and Capacity Statistics for 1973," Report No. OOE–OS–002 (Washington, D.C.: The Commission, Office of Operations Evaluation, May 1974).

[2] Load-following is a term used to describe the ability to handle rapid swings in electrical demand, ranging from 10 to 100 percent of the plant's capacity.

[3] A momentary increase in the nuclear fission rate that may lead to overheated fuel or over-pressurization of the reactor piping.

[4] AEC, "Nuclear Power Plant Availability."

[5] AEC, "Data for Decisions: Operating Plants Status Report," (Washington, D.C.: The Commission, Director of Regulation, 1974).

[6] AEC, "Evaluation of Nuclear Power Plant Availability," Report No. OOE–ES–001 (Washington, D.C.: The Commission, Office of Operations Evaluation, January 1974).

Nuclear Power Plant Reliability: The 1973–74 Record

(By David Dinsmore Comey)

[Figures and tables are omitted in the Record.]

Although I know of only one published rebuttal[1] to my earlier report on nuclear power plant reliability,[2] I have been apprised of several unpublished memoranda in circulation within the nuclear industry. While I would prefer to answer rebuttals that have withstood the test of publication, the 1974 nuclear plant operating data have just been made available and offer an opportunity for answering some of the alleged criticisms leveled against my report.

The six most frequently made criticisms seem to be the following:

1. The 80% design capacity factor used by Comey is a "straw man"; no one ever expected nuclear plants to reach such levels of reliability.

The 80% design capacity factor was not created by me, but came from nuclear industry sources.

The basic source was the Final Environmental Statements prepared by the U.S. Atomic Energy Commission for the currently operating commercial nuclear power plants. In every one of the more than 20 such documents I examined, the cost-benefit calculations assumed an 80% capacity factor over the entire life of the plant. If this assumption is as invalid as industry criticism contends, then the analyses done by the AEC pursuant to the legal requirements of the National Environmental Policy Act may be invalid, and there may possibly be a legal basis for challenging the validity of the operating licenses for each of these nuclear plants.

It may be of interest to note in this connexion that a General Electric advertisement in the September issue of Power Engineering bore the headline, "The goal: 90% BWR availability. The payoff: lower energy costs." Capacity factors have traditionally averaged about 10% below availability factors.

2. Comey's use of the phrase "cost overrun" is misleading; the concept of "cost overrun" related to a differential between actual and design capacity factors has no meaning in evaluating the cost of nuclear power plants.

It may be helpful to consider a specific example. Commonwealth Edison is viewed as the leading nuclear utility, with seven operating nuclear plants. In 1974, these seven plants had an average capacity factor of 39.5%.[3] If their record turns out to be a norm for the industry, then twice as many nuclear plants will have to be built to produce the same amount of electricity as would have been produced had the plants operated at the 80% capacity factor on which the AEC's cost-benefit calculations were predicated. This means twice as many capital dollars expended, not to speak of additional operating costs.

I see no difference between this situation and a weapons system that only produces half the "bang for the buck" originally projected by the Pentagon. We call the latter "cost overruns"; I see no reason not to apply the same terminology here.

3. Data from one year (1973) are not a sufficient base for detecting a valid trend.

At the time the earlier BPI report was prepared, the only full year for which nuclear plant capacity factor data were available was 1973. Data for all of 1974 are now available.

In the following analyses of the 1973–74 data, I have excluded plants less than 100 MWe in size for the same reasons identified in the earlier report. I have also limited the data to those nuclear plants that were in commercial operation for the entire year 1974, so as to exclude plants in start-up testing or limited commercial operation. I emphasize this point, because some criticisms of the earlier BPI report mistakenly allege that it included plants not in commercial operation.

The data for the 28 plants that operated commercially for all of 1974 are set forth in Table 1, and their average capacity factors are set forth in Table 2.[4]

The 1974 data indicate a lower average capacity factor than was achieved in 1973, and the cumulative-to-date weighted average[5] is only 54.6%. The average for the two years taken together is 55.2%. These are quite close to the 54% capacity factor figure derived from earlier data and used for purposes of analysis in my previous report.

4. The biphasic curve showing a decline in capacity factors with increased plant age had as few as 2 plants in some age categories, thus making the curve highly contingent on the operation of a single plant during a single year.

To meet this criticism, Table 3 restricts the age categories to those containing three plants or more, and covers the two-year period 1973–74.

Figure 1, showing the biphasic curve based on Table 3, indicates that nuclear plants reach their peak capacity factors at the age of about 6 years of commercial operation and decline thereafter to 39%.

The latter figure is not markedly different from the 38% figure derived from earlier data and used for purposes of analysis in my previous report.

5. Comey makes capacity factors the only true criterion of nuclear plant performance, whereas availability factors are equally or more important as a performance index.

Since my earlier report explained in detail my reasons for considering capacity factors as a more valid index of nuclear plant performance than availability factors, I see no reason to recapitulate that argument here. It stands on its own feet.

An analysis of availability factor averages shows that even on this basis nuclear plants have not performed up to expectations. Table 5 gives the data for each of the 28 nuclear plants that operated commercially for the entire year of 1974, and Table 6 gives their averages. The 1973–74 weighted average is only 66.5%, and the cumulative-to-date weighted average is only 65.6.[6] This is far short of the 90% figure advertised by General Electric.

How do these averages compare with the availability factor averages of base-load coal-fired plants?

The answer is nobody knows. The Edison Electric Institute compilations, the only available published source of capacity and availability factor data for non-nuclear power plants, do not give breakdowns for base-loaded coal-fired plants or even coal-fired plants alone.

The closest data for purposes of comparison are as follows. According to the most recent EEI report,[7] the 894 fossil-fired units surveyed had a yearly average of 86.9% availability during the 10 year period from 1964 to 1973, and the cumulative-to-date average availability factor for the 158 plants larger than 390 MWe (presumably the base-loaded ones) was 77.1%.[7] It is highly probable the preponderate majority of those 158 large fossil-fired plants are fueled by coal rather than gas or oil.

These figures would seem to indicate that base-load coal-fired plants have a higher average availability factor—and are thus more likely to be available to support grid reliability—than nuclear plants.

6. If Comey's allegation that nuclear plants waste billions of dollars in idle capacity is true, it is important to ask—compared with what?

As I indicated in an earlier rebuttal,[8] the answer is: "Compared with coal-fired plants, since that is our cheapest domestic source of fossil fuel."

How do nuclear plants' average capacity factors in the 54.6–55.2% range compare with the capacity factors for base-load coal-fired plants?

Again, we do not have sufficiently specific

Footnotes at end of article.

data to make an exact comparison because the only fossil-fired data published come from the Edison Electric Institute, whose compilations do not separate out base-load coal-fired plants as such.

The closest data for purposes of comparison indicate, according to the most recent EEI report,[7] that the yearly average capacity factor for 894 fossil-fired power plants between 1964 and 1973 was 68.9%. The cumulative-to-date average capacity factor for the 158 of these plants larger than 390 MWe (presumably the base-loaded ones) was 63.2%.

In view of this apparent differential in average capacity factors between nuclear plants and coal plants, which type of plant is the rational choice for an electric utility to order to provide the cheapest electricity over the near-term (1980–1990)?

The most thorough and probative existing analysis of nuclear and coal-fired plant costs is the IRRC report entitled *The Nuclear Power Alternative.*[9] IRRC's report projects that for a 1000 MWe plant whose construction commences in 1975, a nuclear plant would cost $811.1 million and a coal-fired plant would cost $638.4 million. These are the capital costs of constructing the plants. In order to assign these capital costs to the per kilowatt-hour cost of generating electricity at the plants, IRRC prepared a table which reflects the fact that as the capacity factors decline, and the plants produce less electricity, the capital cost share per kilowatt-hour cost rises rapidly. By adding fuel costs and operating and maintenance costs to the capital cost per kilowatt-hour, we can get a projection of the total 1982 per kilowatt-hour costs of electricity from a 1000 MWe nuclear plant and a 1000 MWe coal-fired plant (see Table 8).[10]

Table 9 shows how the cost of electricity in mills per kilowatt-hour depends on what capacity factor each type of plant achieves. The per-kilowatt cost curves between nuclear and coal-fired plants cross at a capacity factor of 55%. (Figure 2) In other words, if nuclear and coal-fired plants each average more than 55% capacity factors, the electricity from the nuclear plants will be cheaper than the electricity from the coal-fired plants. Conversely, if they each operate at capacity factors less than 55%, the electricity from the nuclear plants will be more expensive than the electricity from the coal-fired plants.

If one assumes that the average capacity factors for nuclear and coal-fired plants continue into the future at their historical levels of 55.2% and 63.2% respectively, then the coal-fired plants will produce electricity at a cost of 30.0 miles per kilowatt-hour, compared with the more expensive 32.9 miles per kilowatt-hour cost from nuclear plants.

Even making the arbitrary assumption that nuclear plant capacity factors will increase a 20% above their present level, and coal-fired plants will increase by only 10% over their present level, the per kilowatt-hour cost would still be lower for coal-fired plants than for nuclear plants: 27.8 versus 28.2 miles per kilowatt-hour (see Table 10).

Unless nuclear plants dramatically increase their capacity factor record, the economic benefits claimed for them by their proponents are not likely to materialize.

Is it reasonable to expect that nuclear plants will be able to suatain such a 20% increase in their average capacity factor?

One factor, at least, suggests not. Because of the radioactivity of reactor and primary coolant systems in light-water reactors, repairs on these systems take more time and more workers than similar repairs on coal-fired plants. In order to avoid exceeding each worker's maximum permissible radiation exposure, a large number of men must work sequentially within a confined space to make repairs on nuclear reactor systems. For example, at Commonwealth Edison's Dresden Nuclear Power Station, a recent prolonged outage took 350 men to make repairs that 12 men could have done quickly on a fossil-fired plant.[11]

Since the radioactivity of these plant systems increases with plant age, repairs are likely to become even more time-consuming as the plant gets older, leading to longer outages and decreased capacity factors.

It is therefore likely that we will see a decrease in plant capacity factors as these plants age. In fact, the 1974 data already indicate this: the same 26 nuclear plants that produced 83,976,864 megawatt-hours in 1973 produced only 77,306,709 megawatt-hours in 1974 when they were a year older, a 7.9% decrease from the previous year.

Some critics believe that for reasons of safety alone, nuclear power plants should not be built. Others argue that it is unethical for two or three generations to consume electricity by producing radioactive wastes that present a hazard for 20,000 future generations.

I have tried to restrict discussion in my present analysis to the economic costs. On this basis alone, nuclear power plants seem to be at a disadvantage compared with coal-fired plants.

FOOTNOTES

[1] Dennis J. Chase, "Clouding the Nuclear Reactor Debate," *Bulletin of the Atomic Scientists*, February 1975, pp. 39–40.

[2] David Dinsmore Comey, "Nuclear Power Plant Reliability: A Report to the Federal Energy Administration" (BPI–7444). Testimony presented September 10, 1974 at the FEA Project Independence hearing on Nuclear Power and Advanced Energy Systems. The report was published in the November issue of the *Bulletin of the Atomic Scientists* under the title of "Will Idle Capacity Kill Power?", pp. 23–28.

[3] This is their average, weighted by MWe capacity; an unweighted average is 39.8%.

[4] The sources of the data in Table 1 are as follows:

The 1973 capacity factor data are taken from *Nuclear Power Plant Availability and Capacity Statistics for 1973,* U.S. Atomic Energy Commission Office of Operations Evaluation, Report No. OOE–OS–002, May, 1974. They evidently were rounded off to the nearest per cent.

The cumulative-to-date capacity factors are taken from the January 1975 "grey book," *Operating Units Status Report,* U.S. Nuclear Regulatory Commission, January 24, 1975. There is good reason to believe that these capacity factors may be higher than they should be because of the following change in the way NRC computes capacity factors.

Shortly after I delivered my testimony in September, 1974, NRC switched from the traditional basis of "design capacity" to "maximum dependable capacity" (MDC). The latter is defined by NRC as a plant's net output during the most restrictive seasonal condition for condenser cooling efficiency. This usually occurs only for a short time during the hottest month of the year, but NRC applies it to the entire year of the plant's operation, which is like computing a golfer's handicap solely on the score he got during a New Year's Day blizzard while hung over. Any Soviet factory manager would instantly recognize MDC as an implementation of the time-honored technique of "overfulfilling the norm" by setting the norm below expected production.

As a result of using MDC, the NRC managed to have four nuclear plants running at more than 100% capacity factors during December, 1974! For the 28 nuclear plants larger than 100 megawatts that operated commercially throughout 1974, the NRC's average weighted capacity factor is 54.4%. This is only 2% above the actual average weighted capacity factor of 52.4% computed using the standard definition of capacity factor. But if NRC continues this fiction, the 1975 figures will show an even greater spread: (1) nearly all the new plants coming on line are taking advantage of MDC to "derate" themselves; and (2) only 4 of the above 28 plants have so far significantly increased their capacity factors by using MDC, and the majority seem blissfully ignorant of its possibilities.

I do have faith in the 1974 capacity factor data, which I calculated myself using the original plant data filed by each of the utilities with the U.S. Atomic Energy Commission pursuant to Regulatory Guide 1.16.

Until the NRC converts back to a less biased method of computing capacity factors, the grey books should be used with caution.

[5] By cumulative-to-date average capacity factor I mean the average capacity factor for the entire time period for each plant since it went into commercial operation. The cumulative-to-date capacity and availability factor data in Tables 1 and 5 are taken from the January 1975 grey book, and I find some of them dubious. For example, the cumulative-to-date capacity data for Oconee-1, Surry-2, and Turkey Point-4 are higher than the two yearly averages recorded since they went into commercial operation, and Turkey Point-3 could have achieved its cumulative-to-date capacity factor only if it operated at 164% of capacity in 1972.

Thus the real cumulative-to-date capacity factor average figure for these 28 plants may be lower than the 54.6% computed using grey book data.

[6] The 1973 and 1974 availability factor data were calculated by myself using the original plant data filed by each utility pursuant to Regulatory Guide 1.16. The cumulative-to-date availability data were taken from the January 1975 grey book and are subject to the same *caveat* expressed in the previous footnote.

[7] *Report on Equipment Availability for the Ten-Year Period 1964–1973.* (EEI Publication No. 74–57), issued by the Edison Electric Institute, New York, N.Y., December 1974.

[8] David Dinsmore Comey, "Chasing Down the Facts", *Bulletin of the Atomic Scientists,* February 1975, pp. 40–42.

[9] *The Nuclear Power Alternative,* (Special Report 1975–A, January 1975). The 108-page report is available from IRRC, Inc., Suite 806, 1522 K St., N.W., Washington, D.C. 20005. It draws no conclusions about nuclear power, merely presenting the proponents' and critics' positions objectively. It is not only the best single document in existence on the nuclear power debate, but it is perhaps the finest piece of institutional research I have ever seen from an investment advisory service.

[10] To compute the capital costs, I used the table from p. 94 of the IRRC report, which is based on AEC estimates and an Arthur D. Little, Inc. report prepared for Northeast Utilities.

To compute the fuel costs, I used the 5.6 mills per kilowatt-hour figure for nuclear fuel projected by the AEC and multiplied it by the 1.78 differential factor between nuclear and coal fuel costs experienced by Commonwealth Edison (see footnote 8).

To compute the operating and maintenance costs, I projected Commonwealth Edison's present operation and maintenance costs for their nuclear and coal plants at an annual rate of increase of 9%.

[11] Radio TV Reports, Inc. transcript of CBS Evening News, January 16, 1975.

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CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

VIETNAM CONTINGENCY ACT OF 1975

The PRESIDING OFFICER (Mr. GARY W. HART). Under the previous order, the Chair lays before the Senate S. 1484, which will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 1484) to authorize the President to use the Armed Forces of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNFINISHED BUSINESS TEMPORARILY LAID ASIDE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the unfinished business be considered as having been laid aside temporarily and that it remain in a temporarily laid-aside status until the disposition of the pending matter or until the close of business today, whichever is the earlier.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield to me without losing his right to the floor?

Mr. SPARKMAN. Yes, indeed.

ADJUSTING TO CHANGE IN ASIA

Mr. MANSFIELD. Mr. President, the lead editorial in the Washington Post of April 20, 1975, is entitled "Adjusting to Change in Asia." It is an appropriate title for what, in my judgment, is a very perceptive grasp of what we need to be thinking deeply about in foreign policy at this time. In substance, the article deals with the impact of recent events in Indochina on other Asian nations and on our relations with them. Much of the article concerns the need for adjustments in the relationship between the Philippines and ourselves, as recently expressed by President Marcos. That we are confronted with the need for change in that relationship is not a development to be deplored; it is, rather, a development that needs to be understood and welcomed and acted on. In underscoring this point, the editorial expresses a concept with which I have concerned for several years.

The following paragraph states the view as it involves the Philippines with exceptional clarity:

> Mr. Marcos has drawn exactly the right "lesson" from Vietnam. Far from chiding him for pointing out that the American weight in the new Asian power balance is shifting, Americans ought to commend him for his plain speaking and clear vision and join forthrightly with him in the policy review he seeks. Considerations of national security along with the instinct of a savvy politician impel him to reposition himself within the volatile Philippine political spectrum—an oligarchy at one end, an insurgency at the other. Mr. Marcos rules by military law, but he is not so insensitive or invulnerable to political sentiments that he would, even if he could, ignore the powerful nationalistic forces at work in a country which has still to shake off the last traces of its American imperial heritage.

It would be my hope that in the impending negotiations regarding economic, trade and defense arrangements between the two countries, which should begin without too great delay, the negotiators will show a comparable grasp of the realities and the same kind of openmindedness with respect thereto. That is the only approach, in my judgment, which will permit adjustments that can preserve, extend, and elaborate what is worth preserving in the historic relationship between the two countries.

It would be well to remind ourselves, as a preliminary to these negotiations that we are no longer dealing with a dependency in the Philippines. We are dealing with a nation which while, as does every nation, stands in relation to other nations in greater or lesser intimacy, also stands on its own feet. It controls its own affairs as we do. If the negotiations are to be constructive to both they must be based on a contemporary understanding of the term "mutual respect" and a clear perception of "mutual benefit" as it is seen on balance by the people of both nations. For our own part, there is every reason of sentiment, self-interest and good sense to take that course in our dealings with the Philippine Republic.

Mr. President, I ask unanimous consent that the editorial referred to be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ADJUSTING TO CHANGE IN ASIA

The fall of one American-supported government in Phnom Penh and the tottering of another in Saigon has provoked a broad gauge policy review by other Asian governments dependent, to one degree or another, on the United States. This is cause for neither surprise nor alarm. Those governments would be ignoring their own plain interests if they did not try to measure what shifts in their diplomacy and domestic politics may now be necessary as a result of the physical shrinking of the American presence on the Asian mainland and the political crimping of the American taste for involvement in East Asia as a whole. Ideally, this policy review would have been conducted by a quiet, orderly, collective process involving the United States, its Asian friends and other concerned outside powers. But, of course, this is idle reverie. Governments rarely move before events force them to. This is how President Marcos of the Philippines, one of those Asian "dominoes" long considered a candidate for post-Vietnam falling, is moving now.

Mr. Marcos said the other day that the Philippines, heretofore representing an offshore position for the United States, was becoming a more vulnerable "front line" position as the mainland positions fell. He added that the developing American postmortem over Indochina made him question whether the U.S.-Philippines mutual defense treaty was still reliable and whether the major military bases granted the U.S. under that treaty were more of a liability for him than an asset. The Nixon doctrine of 1969 had pledged the United States to keep its treaty commitments while embattled Asians provided their own military manpower, he noted, "but the basis for U.S. policy in East Asia which is the Nixon doctrine is now laid wide open to question."

Mr. Marcos has drawn exactly the right "lesson" from Vietnam. Far from chiding him for pointing out that the American weight in the new Asian power balance is shifting, Americans ought to commend him for his plain speaking and clear vision and join forthrightly with him in the policy review he seeks. Considerations of national security along with the instinct of a savvy politician impel him to reposition himself within the volatile Philippine political spectrum—an obligarchy at one end, an insurgency at the other. Mr. Marcos rules by military law, but he is not so insensitive or invulnerable to political sentiments that he would, even if he could, ignore our powerful nationalistic forces at work in a country which has still to shake off the last traces of its American imperial heritage.

The new policy review evidently is to concentrate first on the large American military bases on Clark Field in Subic Bay. With the American opening to Peking, those bases lost a large part of one of their traditional justifications: containment of China. With the American fallback from the Asian mainland and, specifically, with the close of American involvement in Indochina, another one of their justifications dwindles. The American commitments to Japan and Korea and—elsewhere in the Pacific—to Australia and New Zealand remain in effect, but the question must be asked if these commitments cannot be maintained in their strategic aspect either by submarines at sea or by forces based, say, at Guam. No doubt the Pentagon has the usual 5 reasons why it is in the vital national interest to keep the Philippines bases, but others in Washington will surely take a calmer view. Pentagon tenseness, by the way, only gives extra cards to Manila in the bargaining over the bases that is soon to begin.

These negotiations will be of paramount significance to the Philippines. While the United States will be deciding whether or on what terms to maintain a particular military position 10,000 miles from home, the Philippines will be redesigning the very foundation of its national life. This makes it all the more important for the United States to take a patient and sympathetic attitude toward its former dependency. We owe Manila the opportunity to make its own best choice for its future. As for the United States, the negotiations will demonstrate to ourselves as well as others that we are capable of making reasoned judgment about our place in the world. The American objective should not be to hold, in a diminished and discreet form, the old imperial ramparts. It should be to cope with local Asian nationalism in a respectful spirit not dominated by the "strategic" considerations of the past. The principal test of American policy in the new, post-Vietnam Asia, after all, will not be simply whether we can live up to the letter of each and every past commitment but whether we can adjust to change.

Mr. MANSFIELD. Mr. President, I thank the distinguished chairman of the committee for allowing me this time.

Mr. SPARKMAN. Mr. President, let me say to the Senator from Montana that I, too, read those articles that he has referred to and I read them with great interest and with the feeling that we certainly did need to chart, shall I say, a new course. Certainly, to consider these things with the view of straightening out things, if I may use that expression.

I thought the matters in the articles were well stated and they gave us something to think about.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. MANSFIELD. I suggest that we have printed at this point in the RECORD that speech the Senator made covering the world situation as he saw it as chairman of the Foreign Relations Committee because I think it was and is a significant speech. I do not think it received the attention which it deserves and I would be most happy if the chairman of the committee would give this request his most earnest consideration and, in turn, if he does, that the Members of the Senate, the Congress and the administration read that speech, and that the press give it some consideration.

Mr. SPARKMAN. Well, I thank the leader and I will do as he suggests.

Mr. MANSFIELD. I appreciate it.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the speech referred to be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REFLECTIONS ON AMERICAN FOREIGN POLICY

Mr. SPARKMAN. Mr. President, the 94th Congress has convened at a moment of legislative resurgence in both foreign and domestic affairs.

This forward movement is both gratifying and sobering—gratifying in constitutional terms, but sobering indeed in the face of problems of unprecedented magnitude and complexity. Power and responsibility in our system are properly inseparable. Those of us who have been here through the convulsions of Vietnam and Watergate have participated in a process of constitutional adjustment which has brought the U.S. Congress to a degree of strength and independence greater than at any time in the last four decades, with powers probably exceeding those of any other parliamentary body in the world. We have acquired thereby for ourselves, and for the unusually large number of new members who join us in this 94th Congress, an unprecedented degree of responsibility for dealing effectively with the perplexing and dangerous issues that confront us at home and abroad.

Before turning to these foreign policy issues—which are my major concern today—a word seems in order as to the role of the Senate and its Foreign Relations Committee, whose chairmanship I have the honor to serve in this Congress.

The committee, I feel certain, will wish to give time and attention to a number of unresolved matters of legislation and oversight.

We will wish at the outset to implement the new oversight responsibility accorded the Foreign Relations Committee by the Foreign Assistance Act of 1974 to insure that the CIA engages in no foreign activities other than intelligence gathering without advance notice to the Congress.

We will renew our efforts to see that ambassadors are nominated—and confirmed—solely on the basis of merit and not as political rewards—an effort which we expect will be assisted by recently adopted campaign reform legislation limiting contributions.

We will give close attention to the Vladivostock agreements and their implementation, a subject to which I shall return in a moment.

We will also, I hope, advance upon previous initiatives toward the phasing out of grant military aid; the refocusing of economic aid toward a "grass roots" as against a "trickle-down" approach; the review and scrutiny of our large and growing military sales; and a reexamination of military and economic assistance to the still war-torn nations of Indochina.

The commitee may also this year wish to undertake a careful study of the findings of the Murphy Commission on the Organization of the Government for the Conduct of Foreign Policy, due to report later this year. It would seem especially timely to consider the adequacy of present processes in the State Department and other agencies for the coordinated conduct of foreign political and economic policies, particularly with regard to energy.

Important as these matters of legislation and oversight are, I have always believed—and continue to believe—that the primary foreign policy responsibility of the Senate is in its advice and consent function—the rendering of advice whether it is solicited or not, the granting or withholding of consent according to our own individual judgment. The essential requirement is independence. A Senator is constrained by no principle either of dissent or acquiescence. In rare instances of national emergency we may find it necessary to suspend judgment or delay scrutiny, but in all except these most extraordinary circumstances our duty toward the executive is one of fair but rigorous scrutiny. We have neither the authority nor the resources to participate in the day-to-day conduct of foreign policy, but we are entrusted with both authority and responsibility to define the objectives and determine the direction of foreign policy, according to our own best judgment of the national interest.

With these introductory thoughts, I turn now to survey briefly some of the principal foreign policy questions which are likely to engage the time and attention of the 94th Congress.

We meet in a time of convulsive change, the full extent of which can now be only dimly preceived. The world population explosion is catching up with the world's capacity to produce food and is threatening not only mass starvation but massive social distintegration. In the industrialized countries, a quarter-century of unprecedented economic growth—growth based on the accelerating and profligate use of finite resources—has been abruptly ended by the energy crisis. The dislocations caused by the sudden quadrupling of the price of oil in turn threaten the Western international political structure which was built so laboriously after World War II.

No nation can deal with these problems alone. Never was the fact of interdependence more glaringly self-evident.

All of this lends increased urgency to the national security issues, particularly in the field of strategic arms control, involved in our relations with the Soviet Union. Both the United States and the Soviet Union possess many times the number of deliverable warheads it would take to devastate the other; at present the United States has about 36 warheads—every single one of which can destroy a city—for each of the Soviet Union's 219 major urban areas. Each side also possess virtually invulnerable retaliatory submarine forces. In these circumstances it simply does not matter very much if the Russians have a greater number of missile launchers, as they do, or if we have a greater number of deliverable warheads, as indeed we do. In fact, we have three times as many warheads as the Russians, and as the Secretary of State has pointed out, it is warheads not launchers which blow up targets.

How are we to put a stop to this dangerous, ruinous rivalry? For a start we can simply recognize that overkill is overkill, that superfious weapons are indeed superfluous, and that many of the new systems being developed, though technologically fascinating, are redundant and unnecessary.

It is up to the executive and Congress to question and review our strategic arms programs, to eliminate the unnecessary old ones, refuse funds for unnecessary new ones, and in general limit our strategic arms to those which are strictly essential to our national security.

The preliminary agreement on strategic arms reached at the Vladivostok summit in November 1974 is useful as far as it goes, but its real value will depend upon its implementation and subsequent agreements. Since the agreement was concluded, Secretary Kissinger has said that, contrary to earlier assumptions, there is no obstacle to additional accords for force reductions to take place well before 1985, which is the projected timespan for the Vladivostok agreement. Members of the Foreign Relations Committee will await and encourage these further accords with keen interest. Commonsense and the national interest commend an all-out effort to carry the SALT talks far beyond the limited agreements thus far reached—including the ABM treaty, the interim agreement of 1972, the "threshold" test ban of 1974, and now the Vladivostok ceilings on strategic arms.

A word is also in order on a related aspect of Soviet-American détente, the gradual expansion of economic relations between the two superpowers. For both political and economic reasons there is much to be said for gradually increasing trade and investment between the United States and the Soviet Union. Here as in the SALT talks the guiding principle is the need for peace, and for the normal, businesslike, cordial dealings which can give nations a vested interest in peace.

Trade and investment may bring political as well as economic benefits but the transactions involved must in any event be based on sound economic principles because the political benefits can be no more durable than their economic underpinnings. The political benefits indeed are mutual: the Russians have as great a need of peace as we do. Neither side, therefore, should demand either special economic treatment or unusual political concessions as the price of its cooperation.

No less vital than Soviet-American détente to our national security is the continuing strength and cohesion of our alliance with the NATO nations and with Japan.

Unfortunately, these bonds are at present under strain, partly because of the move toward détente itself. It may not have been humanly possible for the United States to keep the Western Europeans aware of every step

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in the process of détente with the Soviet Union, but in any event the record has not been a really good one. The tendency has been to inform the North Atlantic Council after an action, rather than to consult or to notify in advance. An egregious example of this tendency occurred during the military alert of October 1973.

Our policymakers would be well advised not only to avoid public complaint and recrimination of the sort in which they have engaged on several occasions, but beyond that to consult and coordinate with our European allies on a continuing basis, never taking them for granted, and with due regard for their interests and attitudes, even when these do not coincide perfectly with our own.

It is especially urgent that we consult and cooperate with our European allies and with Japan on problems relating to the price and supply of oil and the major changes which are going to be required in international monetary and financial dealings in order to allow the consuming countries to pay for their essential oil imports. I shall comment further on this matter later, in my discussion on the Middle East.

High on the agenda of American-European relations for the coming years is the issue of our trying to maintain a large, costly conventional defense force in Western Europe at a time when the whole Western world is in an economic crisis. During the past year the United States has cut back some of its support forces in Europe while maintaining its combat forces. Let us hope that conditions will develop such that American forces in Europe can be further reduced, and substantially so, without detriment to the real fabric of our Western defense forces.

This is not to suggest for a moment that the United States can or should retreat from its NATO obligations. The Western Alliance is at the very core of our global security system. An American military force in Europe is essential as an earnest of our unalterable commitment, but the exact size and composition of that force must be determined in the context of our overall military and economic requirements, as well as those of our NATO allies.

In Asia as in Europe the United States has vital interests. Our commitment to Japan ranks in importance with our NATO commitment. The American security guarantee has provided a protected environment for Japan's economic resurgence, but this has not been a one-sided arrangement. The degree of cooperation which the Japanese Government has offered us on the entire range of economic and diplomatic issues is almost unparalleled. What this means is not that the Japanese are subservient to our requirements, but that to a remarkable degree the two nations have parallel interests—in peace and stability of Asia, in the counterbalancing of Soviet and Chinese power in the Far East, in the advancement of the developing countries, and—more recently but most urgently—in the devising of new world arrangements for reliable supplies of petroleum at costs sustainable by the oil-consuming countries.

Another Asian country in relation to which the United States has major interests is the People's Republic of China. One of the most significant accomplishments of the previous administration was the reopening of American contact with China. The process of normalizing relations which was set in motion by the Shanghai communique should be encouraged. For the past year, however, there has been little movement toward the fully normalized relations which had been envisioned. Whether the delays have been occasioned by our own or Peking's internal difficulties or by an undiminished American commitment to Taipei we can not know for certain. Whatever the reason, we would hope that the movement so promisingly begun will not be allowed to flounder.

A wise policy often consists of things one does not do as well as of what one does. Successive American administrations have shown excellent judgment in resisting whatever temptations may have arisen to fish in the troubled waters of Sino-Soviet controversy. American interests and world peace are served by the normalization of political, economic, and cultural relations with both China and the Soviet Union, coupled with scrupulous neutrality as to the issues between them.

By contrast with China and Japan, Southeast Asia is belatedly recognized as an area of limited American security interests. Whatever the merits of previously held positions during the long, acrimonious debate over Indochina, that is the consensus we have now reached, and it would be futile to raise again the question of American involvement.

Thus, now more than ever, the Vietnamese and Cambodian Governments will have to make their own way. The outlook in this respect is not encouraging. Even with vast amounts of aid at their disposal, they have steadily lost the confidence of their people and proved unable to cope with their adversaries. The recent loss by the Saigon government of an entire province near the Cambodian border signals a new and critical stage of the Vietnam war. It is evident now, even if it was not evident before, that the Paris Accords were essentially a basis for American withdrawal and the return of our prisoners, an arrangement for that "decent interval" beyond which the struggle for Indochina would go on among the indigenous parties.

Any administration requests for additional aid to South Vietnam and Cambodia should certainly receive close and careful scrutiny in Congress. The administration should be prepared to explain in what exact ways the national interest of the United States will be served by military assistance to enable the Saigon and Phnom Penh regimes to continue fighting in their respective countries. The administration should also be prepared to report on exactly what steps have been taken or are contemplated to bring about President Thieu's compliance with those provisions of the Paris agreements which call on him to join with the Communists' "Provisional Revolutionary Government" in a "National Council of Reconciliation" to organize elections for a new South Vietnamese Government.

Until and unless convincing reasons to the contrary are brought forward, it would seem advisable for the United States to focus its efforts in Indochina not on a continuation of the armed struggle but on promoting a political accommodation between the contending factions in both Vietnam and Cambodia.

The basic political issues, which were left unresolved by the Paris Accords of January 1973, have been given little or no high level attention since then, and our only present prospect is the expenditure of unlimited billions of dollars on civil struggles in Vietnam and Cambodia, struggles in whose outcome we have at best a doubtful interest. I would hope too that during the coming year the administration will bend its efforts toward a reduction of arms shipments by outside powers to all of the Indochinese factions.

I turn now to the Middle East, the area of the world in which the national interests of the United States are now most directly engaged and also most directly threatened. Here we are dealing with two related and interacting crises, that of the price and supply of oil, and the ever-volatile Arab-Israel conflict.

The oil crisis precipitated by the October war of 1973 has brought the industrial democracies of the world to a degree of jeopardy so great that their democratic systems as well as their economies are threatened. President Ford was not overstating the matter when he warned in Detroit on September 23, 1974, of a possible "breakdown of world order and safety." Italy and Great Britain seem to be in the vanguard, facing the imminent threat of bankruptcy. But other advanced industrial countries are threatened as well, including the United States; which has now been plunged into the worst economic crisis since the great depression of the 1930's.

Although the quadrupling of oil prices is by no means the sole cause of our current economic difficulties, it is certainly the major cause, and it has subjected the Western economies to pressures which the Organization for Economic Cooperation and Development calls "probably unprecedented outside time of war." The energy crisis must be recognized as an historic turning point in our economic history, requiring unprecedented measures of self-discipline and international cooperation.

Thus far the industrial nations have attempted to deal with the situation by scrambling for access and advantage. The crucial question was put by Secretary Kissinger in his address to the Washington Energy Conference in February 1974:

"Will we consume ourselves in nationalistic rivalry which the realities of interdependence make suicidal? Or will we acknowledge our interdependence and shape cooperative solutions?"

Various proposals for cooperation have been put forward, but none has yet commended a consensus. Careful consideration should be given to the Kissinger-Simon plan for a $25 billion lending facility for mutual assistance among the oil consuming nations, who together would be expected to reduce imports by more than 3 million barrels of oil a day. Immediate consideration must also be given to the proposal put forward by the finance ministers of the European Economic Community for a $10 to $1[illegible] billion recycling system to be administered by the International Monetary Fund.

Beyond that, it is essential that we undertake to save the international monetary system from collapse by attracting the surplus capital of oil-producing States to long-term capital-formative investments in the United States and other industrial countries. As noted in an important recent article jointly written by an international group of distinguished economists, the OPEC countries have a vital interest in the continuing economic prosperity of the oil-important countries if they are to be able to convert their exhaustible oil into permanent income. As the authors also note:

"Only those capital inflows to the OPEC countries which are attracted to productive investment elsewhere address themselves to the dual requirements of sustaining economic activity in the consuming countries and generating the ultimate means of payment."[1]

International economic cooperation is the only—and I emphasize only—feasible means of resolving the international aspects of the energy crisis. I see no merit, and great danger, in recent suggestions of the feasibility of military action. Secretary Kissinger was stating no more than the obvious when he said that force could not be ruled out if the industrialized world were threatened with "actual strangulation"—no nation can be expected to acquiesce in its own ruin. But precisely because that is obvious, no useful purpose is served by saying so in the present sensitive circumstances.

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[1] Khodadad Farmanfarmaian, Armin Gutowski, Saburo Okita, Robert V. Roosa, and Carroll L. Wilson, "How Can the World Afford OPEC Oil?" *Foreign Affairs*, January, 1975, p. 209.

In his speech to the World Energy Conference in Detroit last September 23 President Ford noted that—

"Throughout history, nations have gone to war over natural advantages such as water or food. . . ."

But he also took note of the crucial difference between the past and the present, nuclear age, in which "any local conflict may escalate to global catastrophe." Observers may speculate that the superpowers have come to recognize each other's vital interests, and that the Russians would therefore stand aside while the United States took military action in the Middle East just as we did when they invaded Czechoslovakia. These observers may well be right, but they may also be wrong; and if they were wrong, few of us would survive the miscalculation. They should also ponder the prospect that if we ever were to occupy the oil fields of the Persian Gulf, we should be prepared to occupy them permanently because we would have earned the undying enmity of the entire Arab world.

The other, related crisis of the Middle East is the Arab-Israeli conflict, which is probably the greatest single threat to world peace.

I commend the Secretary of State for his efforts and achievements thus far, and I urge him to intensify these efforts and also to enlist the cooperation of the Soviet Union for an equitable settlement. A stable peace in the Middle East will require a Soviet as well as an American guarantee; if the Soviet Union is to guarantee the peace, it must inevitably be a party to the drawing up of its specifications.

I turn finally to comment briefly on the "third world" of south Asia, Africa, and Latin America. Except for Latin America these are regions in which the United States has only minimal security interests. This is not to say that we ought to be uninterested in or indifferent to the Indian subcontinent and black Africa, but only to make the point that our major concerns in these regions are essentially developmental and humanitarian rather than strategic In all of these areas, therefore, including Latin America, it makes sense for us to abstain from political intervention and especially from military action or threat, and to channel our economic assistance through the United Nations and related international agencies such as the World Bank and the Inter-American Development Bank.

Some of the Latin American States themselves have recently taken a most commendable initiative toward the military neutralization of their region. Meeting in Peru in December 1974, members of the Andean group of Latin republics pledged to bring about "effective arms limitations" among themselves, and in particular to put an end to the purchase of offensive weapons from foreign suppliers. The declaration remains to be implemented by practical measures to be discussed in a further meeting at Caracas, in which it is hoped that Brazil, the largest and most powerful of Latin American States, will also participate.

The Andean initiative should be welcomed and scrupulously respected by the United States, which traditionally has been the largest foreign supplier of arms to the Latin American republics. More generally, but in the same spirit, the United States should reaffirm its commitment to the principle spelled out in article 15 of the Charter of the Organization of American States that—

"No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state."

There should be no further breaches of this solemn obligation, whether covertly as in Chile or openly as in the Dominican Republic.

The time has also come for careful consideration of making a change in our policy toward Cuba. Our policy of isolating Cuba has been a failure, and it is time to reexamine that policy with a view toward ending the futile economic boycott and restoring normal relations.

As we survey the complex and bewildering problems of a fast-changing world, we perceive one common attribute among all of the challenges that confront us: The inescapable necessity of cooperation among nations for global solutions. We will in a world bound together by unbreakable bonds of interdependence. Our economic well-being, and indeed our very survival, are linked indissolubly to the well-being and survival of others.

The world has become a community in its needs if not yet in its attitudes. Soviet-American détente has profound implications for the security of all nations, not just for the two superpowers. The security and economic stability of Europe and Japan are inseparable from the security and economic stability of the United States. The Arab-Israel conflict affects and is affected by the energy crisis, and it could also escalate into Soviet-American confrontation. The oil-producing states have as great a stake in the economic stability of the industrial nations, if their earnings are to have lasting value, as the industrial states have in reliable access to oil at manageable prices. The hopes of the developing countries are also inextricably linked to those of the advanced nations and the oil-producing nations.

We live in what has been aptly termed a "village" world; yet we remain divided by short-sighted rivalries and mean-spirited, obsolete nationalism. We are in need of international institutions for the solution of global problems, and most particularly of a strengthened and rejuvenated United Nations. The squabbling, powerless assemblages that convene in New York are not a fulfillment of the United Nations idea; they are rather the result of our neglect and contempt for that idea. It is time—indeed long past time—to act on the sound advice of Prof. Richard Gardner of Columbia University, who calls upon the rich and poor nations of the world to enter into a "mutual survival pact," to give international organization the chance that it has never really been given.

"Most important of all," Professor Gardner writes:

"We need a more principled approach to the conduct of foreign policy. Instead of citing the United Nations Charter and other sources of international law when it suits our short-term interest and ignoring them when it does not, we would recognize our long-term interest in strengthening the norms and processes of a civilized world community."

In Wilson's and Franklin Roosevelt's time the building of a world community was an ideal to be aspired to; it has now become an urgent, practical necessity.

Mr. NUNN. Mr. President, I ask unanimous consent that I may be allowed to speak for not to exceed 10 minutes out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL MILITARY ASSISTANCE TO SOUTH VIETNAM

Mr. NUNN. Mr. President, last Thursday, after considerable deliberation and debate, the Senate Armed Services Committee rejected all formal proposals for military assistance to South Vietnam. I believe it is important for the Members of the Senate to have a better picture of last Thursday's committee deliberations than has thus far been available.

At that time, I was against the President's proposal in the total amount of $720 million, as well as a proposal for $512 million.

I proposed and favored several motions for military assistance that were subsequently rejected by the committee. The first would have authorized an additional $50 million and the second would have authorized $70 million. Both motions were coupled with a resolution urging the Congress to appropriate the $300 million previously authorized by the Armed Services Committee and by Congress in the fiscal year 1975 authorization bill.

The fiscal year 1975 budget authorization bill of the Armed Services Committee authorized $1 billion in military aid, of which only $700 million has been appropriated by Congress. Many observers do not realize that $300 million of this authorization remains available for appropriation.

Eleven members of the committee voted in favor of varying levels of aid from $350 million to a total of $512 million. However, the members of the committee could not agree on the precise level of aid and, therefore, a majority could not be reached for any specific level proposed.

The committee votes as reported in the press were misleading since only 4 of the 16 Senators voted consistently against all levels of aid which were suggested. Only $30 million separated 11 of the 16 members of the Armed Services Committee from a consensus.

The Armed Services Committee received testimony from General Weyand which indicated that only $248 million worth of ammunition and critical supplies could be delivered to South Vietnam through June 1, 1975. An additional $100 to $150 million could be used to deliver more kinds of the same critical items through the end of this fiscal year. Any amount approved beyond the $350 to $400 million total would involve sending more heavy equipment.

The South Vietnamese already have $4 to $5 billion worth in U.S. equipment on hand. They have recently lost nearly $1 billion worth of equipment and supplies. Sending more heavy equipment before they have rallied and stopped the North Vietnamese troops means this equipment will certainly fall into Communist hands if South Vietnam falls.

I am puzzled by those who favored the President's proposal and then voted against urgently needed emergency supplies simply because funds for heavy equipment, which cannot be delivered until June and July, were not included. The real question now is whether the South Vietnamese Government can even survive until June.

The military assistance requested by the President or a Congressional compromise will not be the determining factor in deciding whether South Vietnam stands or falls. In fact, the request for $720 million was not made until after the situation had substantially deteri-

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orated. At this point, the South Vietnamese have lost two-thirds of their country to the Communists and are outnumbered at least two to one. The North Vietnamese have at least 12 divisions that are being prepared for an attack on Saigon itself which is defended by five, perhaps six divisions of South Vietnamese regulars.

Military assistance at this stage, while certainly of some material value, is more psychological than susbtantive. The resolution proposed with my motion, if it had passed, made it clear that the committee's action on future aid requests would be strongly affected by the ability of the South Vietnamese to develop the necessary leadership and morale to form an effective defense. This motion would have made it clear that this was not "terminal aid" with no further hope, but rather that American money and equipment cannot be an effective substitute for South Vietnamese morale. The burden is on South Vietnam to establish this morale.

Only a dim hope remains that there can be a rally by the South Vietnamese which could help bring about a political solution and avoid a bloodbath. President Thieu's resignation at least increases this hope. Resignation only makes a political solution a possibility—not a probability.

My vote for a realistic amount of military assistance in this desperate hour for the South Vietnamese is primarily based on:

First. South Vietnamese cooperation and a secure airport are essential in order to evacuate American citizens. There must be some degree of cooperation from the South Vietnamese Government in order to carry out any evacuation. Without this cooperation, there could very well be a catastrophe involving many American citizens. I remain unalterably opposed to the reintroduction of American troops in Southeast Asia for other than evacuation purposes, but if Marines are sent in for evacuation of Americans, I firmly believe they must be given the necessary authority to adequately defend themselves.

Second. The price of American involvement in South Vietnam has been high. We have lost 55,000 lives, suffered hundreds of thousands wounded, and spent $140 billion during 14 mistake-filled years. The final irony after this massive effort would be for America to be blamed for the ultimate downfall of South Vietnam. America's own national security will not be greatly affected by the fall of South Vietnam, but could be significantly affected by the perception of our allies and adversaries as to our final role in this continuing tragedy.

Mr. President, I yield back the remainder of my time, if I have any remaining.

VIETNAM CONTINGENCY ACT OF 1975

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1484.

Mr. MANSFIELD. And what is the title of the pending business?

The PRESIDING OFFICER. The clerk will state the title.

The assistant legislative clerk read as follows:

> A bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

Mr. CLARK. Mr. President, I ask that the Senator yield for a unanimous-consent request.

Mr. SPARKMAN. Yes, indeed.

Mr. CLARK. I ask unanimous consent that Mr. Brady Williamson and Marianne Albertson be granted privilege of the floor during consideration of S. 1484.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I ask unanimous consent that during consideration of Vietnam legislation Bill Jackson of my staff have the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, this bill (S. 1484) recommended to the Senate by a 14-to-3 vote of the Committee on Foreign Relations, is the most significant piece of legislation dealing with executive-legislative relationships in the field of foreign policy since Congress passed the war powers resolution over President Nixon's veto a year and a half ago. It is the first bill to give statutory authorization for the President to introduce the Armed Forces into hostilities, if necessary, since the passage of that resolution. Let me summarize the bill briefly:

It would authorize the use of the U.S. Armed Forces, if the President determines their employment is necessary, in the expeditious withdrawal of the remaining U.S. citizens and their dependents from South Vietnam and the withdrawal of foreign nationals who may be and their dependents.

The bill also authorizes creation of a Vietnam contingency fund of $100,000,000 which can be used during the remainder of fiscal year 1975 for humanitarian assistance in South Vietnam and withdrawal purposes.

Finally, it authorizes additional humanitarian assistance in South Vietnam and Cambodia in the amount of $100,000,000 to be dispersed through the United Nations, other international organizations, and voluntary agencies.

The significance of S. 1484 is not the money it authorizes but the manner in which it deals with the question of possible use of United States combat forces in evacuating Americans from South Vietnam. The bill will not satisfy everyone. It is too restrictive in the view of the executive branch. And I am sure that some Members of this body think it is not restrictive enough. But the committee believes that this bill contains adequate safeguards to prevent our military reinvolvement in South Vietnam except to the extent absolutely necessary to protect American citizens and their families as they leave.

The military situation in South Vietnam worsens daily and, as it does, the danger to remaining Americans and their families increases. As the danger increases, the possibility that United States military forces may eventually be needed to withdraw Americans also increases. The committee has recommended this bill to the Senate with the full expectation that Americans and their dependents in South Vietnam will be reduced as rapidly as possible to the bare minimum necessary to carry on essential functions of the U.S. mission in Saigon.

When the dimensions of the situation in South Vietnam become fully known to the committee through a report of its staff investigators on April 14, members of the committee sought to meet with the President to express their concern and to exchange views on the situation. Members of the committee deeply appreciate the President's willingness to meet with them. There has been a response by the executive branch to the committee's concerns.

Although there is a new sense of urgency being shown by the executive branch concerning evacuation of Americans, the committee, in ordering this bill reported, unanimously adopted the following resolution to emphasize the need for expediting the withdrawal operation:

> It is the sense of the Committee that all American citizens and their dependents, other than the minimum number of official personnel necessary to maintain essential functions of the United States Mission, should be withdrawn from South Vietnam as rapidly as possible.

Withdrawal of Americans should proceed with an urgency in keeping with the critical military situation facing the current South Vietnamese Government.

The principal purpose of this bill is to provide for the possibility that the use of the U.S. Armed Forces may be necessary to bring out the remaining small corps of the official American community, other Americans, and those Vietnamese who may be accommodated along with the withdrawal of the Americans. The committee fervently hopes that this authority will not be needed and that arrangements can be negotiated which will make U.S. military protection unnecessary. The committee expects that executive branch officials will actively pursue any possibility for a negotiated settlement to the conflict.

Concurrent with its action on the bill before the Senate, the committee unanimously approved a resolution—adopted by the Senate earlier today—which stresses the Senate's support for initiatives to reach a negotiated settlement. That resolution states:

> That it is the sense of the Senate that the President should (a) request all Vietnamese parties to reopen discussion towards the implementation of the Agreement on Ending the War and Restoring Peace in Vietnam; (b) undertake immediately efforts to encourage and support those elements in South Vietnam who are desirous of seeking a political settlement; (c) make known to all Vietnamese parties that the extent of present and future American assistance to all Vietnamese will depend on the degree of good faith efforts made by them to obtain a cease-fire and political solution to the conflict.

The resignation of President Thieu is a hopeful sign that may be the key to unlocking the door to negotiations.

The need for the contingent authority in this bill arises because of the existence of a number of restrictions on United States military involvement in Indochina which could be construed as prohibiting the use of U.S. military forces in a withdrawal operation, if involvement in hostile action might be encountered in carrying out the operation and due to questions relative to the extent of the President's inherent powers in this field.

This bill does not attempt to define the nature or scope of any inherent power the President may have under the Constitution to rescue endangered Americans abroad through use of the Armed Forces. However, it does recognize that, to the extent that such power may not exist, the situation in South Vietnam is of such gravity that specific authorization by statute is the proper course to follow.

In South Vietnam there are many American citizens whose Vietnamese dependents, without the authority of this bill, are in a vast grey area relative to any inherent authority the President may have in this field. The Department of State has issued a legal memorandum which contends that the President has authority to employ the Armed Forces in combat to aid in the withdrawal of American citizens and "a limited number of foreigners, if they can be evacuated in connection with an evacuation of Americans without materially changing the nature of such an effort." That assumed authority may be exercised to unforeseen lengths unless Congress imposes legal and political restraints, as the committee has recommended in this bill. Without congressionally drawn parameters the President could, under the view stated in the State Department memorandum, use forces in combat in connection with the evacuation process beyond the scope allowed in this bill.

In the event that full evacuation of Americans becomes necessary, the committee hopes that the use of our Armed Forces will not be needed to insure their safety. However, under the bill recommended by the committee, if the President determines that the use of military forces is necessary to withdraw Americans and their dependents, he could use Armed Forces to the extent they are essential to and directly connected with the protection of Americans and their dependents as they are being withdrawn. Every effort should be made by timely action to avoid creation of a situation where use of the Armed Forces seems to be the only course available. In the highly volatile conditions existing in South Vietnam, the use of U.S. Armed Forces could conceivably trigger hostile reactions which might be avoided if combat forces were not used.

If the President finds it necessary to use the Armed Forces, he must submit a report as required by the War Powers resolution. In addition to the information required by that resolution, the President will be required to certify to Congress that:

First. There existed a direct and imminent threat to the lives of American citizens and their dependents; and

Second. Every effort was made to terminate the threat to American citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

Third. American citizens and their dependents are being evacuated as rapidly as possible.

The certification required is almost identical to language in the Senate version of the war powers resolution, which passed this body by a vote of 72 to 18. The justification cited in the committee's report on that resolution bears repeating here:

> He (the President) may not use the circumstance of their (American citizens) endangered position to pursue a policy objective beyond safe and expedient evacuation.

The committee stresses the importance of the requirement that Americans be evacuated as rapidly as possible. This requirement is directly related to the committee's limited authorization to use U.S. military forces to bring foreign nationals out along with Americans. The President would be allowed to use the Armed Forces to assist in bringing out endangered foreign nationals along with the Americans only after he has certified to Congress that:

First. Every effort has been made to terminate the threat to the foreign nationals by the use of diplomatic and any other means available other than the use of the Armed Forces; and

Second. A direct and imminent threat exists to the lives of such foreign nationals; and

Third. U.S. Armed Forces will not be required beyond those essential to the withdrawal of citizens of the United States and their dependents; and

Fourth. The duration of the exposure of U.S. Armed Forces to hostilities will not be extended; and

Fifth. The withdrawal of the foreign nationals will be confined to areas where U.S. forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

The committee emphasizes the limited nature of this authorization. It is not intended, in any way, to authorize employment of the Armed Forces under hostile conditions to assist in evacuating vast numbers of Vietnamese but only such numbers as can be handled in direct connection with the rapid withdrawal of Americans. The bill does not allow the tail to wag the dog.

The committee is keenly aware of how events in a hostile climate can escalate out of control, despite the best intentions of policy makers. Neither the committee nor the President can foresee all of the pitfalls that may be encountered in connection with the withdrawal of Americans. Absent the strict guidelines in this bill, the pressures on military forces on the scene and on the President could conceivably result in hostile engagements which could lead to reinvolvement in a war which the American people would like to put behind them.

This bill, narrow and limited in scope, is designed to provide a legal framework within which the President can, if necessary, employ the U.S. Armed Forces, under hostile conditions, to withdraw the remaining Americans from South Vietnam and to allow foreign nationals to be brought out with the Americans under the conditions specified. It is not a broad grant of authority but an attempt to spell out the limits to the authority which the President may exercise in the withdrawal of the American community; and should the authority be abused, the bill specifically provides that the forces employed can be removed by direction of Congress through a concurrent resolution. S. 1484 is an effort to avoid a situation where events could seize and control American policy options. All too often events have ultimately controlled U.S. policy in Southeast Asia. This bill is designed to prevent that tragedy from happening again.

The committee is deeply concerned over this plight of the refugees and other unfortunate victims of the conflicts in both South Vietnam and Cambodia. The United States has a responsibility to provide humanitarian relief aid to refugees and other war victims. But in carrying out this responsibility, we must be realistic. The time has passed for the Agency for International Development to serve as the primary conduit for dispersing U.S. humanitarian relief in Indochina. Americans have already been withdrawn from Cambodia and are being withdrawn from South Vietnam. It does not make any sense for the United States to attempt to carry out a large bilateral humanitarian relief effort in South Vietnam under these circumstances. This is a job for the United Nations, other international relief organizations such as the Red Cross and the voluntary agencies.

Although the exact dimensions of the need for humanitarian aid in Vietnam and Cambodia are undefined, it is undoubtedly substantial. In both countries, the most promising way of providing humanitarian aid during this period of political change and uncertainty is through the U.N. agencies.

The committee has authorized an appropriation of $100,000,000 in addition to the Vietnam contingency fund of $100,000,000 which can be used for humanitarian relief aid throughout South Vietnam and Cambodia through the United Nations, other international organizations and arrangements, or voluntary agencies. The committee believes that the United States should turn to the United Nations to handle the primary responsibility for the relief effort in South Vietnam and Cambodia. The United Nations organization has a proven capacity to perform in delicate political situations. It plays no favorites and is acceptable to all sides.

The committee also recommends the authorization of a $100,000,000 contingency fund for the purpose of carrying out general humanitarian and withdrawal programs in South Vietnam. The funds

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could be spent as the President determines is in the national interest in dealing with the present emergency in South Vietnam. The funds could be used for both humanitarian relief purposes, such as to aid refugees within the country, as well as to help finance programs related to withdrawal of Americans and those associated with American interests. In recent years, the committee has been reluctant to grant the executive branch broad discretionary authority to use foreign assistance funds. This is a significant exception to the committee's traditional view but is justified by the critical circumstances affecting the large American presence in South Vietnam.

Mr. President, the committee hopes that the authority contained in this bill to use our Armed Forces for evacuation purposes will not be needed. But we are faced with a very practical problem. The President will, if necessary, use the Armed Forces to evacuate Americans and some foreign nationals whether Congress acts or not. It is Congress responsibility under these circumstances to set the parameters under which the President can use the Armed Forces in hostilities for this purpose, following the procedure sanctioned by the War Powers resolution.

The committee has recommended a tight bill which will insure that the United States does not get back into the Indochina quagmire through inadvertence.

I hope that the committee's recommendations will be approved by the Senate.

I ask unanimous consent that the section-by-section analysis and the appendices of the report be printed in the RECORD, along with the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title: The short title of the Act is to be the Vietnam Contingency Act of 1975.

Section 2. Vietnam Contingency Fund:

Section 2 authorizes the establishment of a Vietnam Contingency Fund, for fiscal year 1975, in the amount of $100,000,000 for the purpose of carrying out humanitarian and withdrawal programs in South Vietnam. The expenditure of funds authorized by this section would be governed by the provisions of the Foreign Assistance Act of 1961, as amended, and could be used as the President determines is in the national interest in dealing with the present emergency in South Vietnam. The funds could be used for both humanitarian relief purposes, such as to aid refugees within the country, as well as to help finance programs related to withdrawal of Americans and Vietnamese associated with American interests. The President would have discretion to use the funds as he sees fit in the national interest. In recent years, the Committee has been reluctant to grant the Executive Branch broad discretionary authority to use foreign assistance funds. This significant exception to the Committee's traditional view is justified, in the Committee's opinion, by the critical circumstances affecting the large American community in South Vietnam.

Funds authorized by this section can be used to finance the withdrawal of Americans and South Vietnamese. However, these funds cannot be used for general refugee support outside of South Vietnam. For example, if Vietnamese refugees are brought to the United States or a third country through use of these funds, these funds cannot be used for their general support after arrival. Funds made available under the Migration and Refugee Assistance Act should be used or new authorizations and appropriations sought for such purposes.

Section 3. Use of United States Armed Forces for Withdrawal of Americans From South Vietnam:

If the President determines that the use of U.S. Armed Forces is necessary to withdraw citizens of the United States and their dependents from South Vietnam, section 3 authorizes the President to use the Armed Forces in a number and manner essential to and directly connected with the protection of those U.S. citizens and their dependents while they are being withdrawn.

If he decides that it is essential to employ the armed forces in withdrawal operations he shall submit a report to Congress, as required under section 4(a) of the War Powers Resolution. The Committee has noted that the President has submitted two reports to Congress under the War Powers Resolution as a result of recent uses of U.S. Armed Forces in the evacuation of U.S. personnel from Cambodia and in the evacuation of Vietnamese refugees from the northern areas of South Vietnam.

In addition to the information required by this section under section 4(a) of the War Powers Resolution the President must certify that:

(1) There has existed a direct and imminent threat to the lives of the American citizens and their dependents. However, the Committee, as stated earlier, fully expects that normal commercial, chartered and military transportation, unaccompanied by any combat forces, will be used to evacuate as many Americans as possible, as long as these methods can be used with reasonable safety. The use of U.S. combat forces, ground, sea, or air, should be used only if the situation deteriorates to the point where a direct threat to the lives of Americans exists so that protection by U.S. combat forces is called for under the circumstances.

(2) The President must also certify that prior to the employment of U.S. Forces in a hostile situation for evacuation of Americans, every effort has been made to insure the safety of Americans and their dependents through diplomatic and other means.

(3) Finally, the President must certify that the Americans and their dependents are being evaluated as rapidly as possible. The primary objective of this provision is to insure that U.S. combat forces are not employed in a hostile situation any longer than absolutely necessary. The Committee has not attempted to impose a time limit but fully expects that the withdrawal operation will be carried out expeditiously as was the recent evaluation of the remaining American citizens in Cambodia.

This requirement for rapid completion of the withdrawal operation is an essential element in the limited authority allowed for use of the Armed Forces to assist in bringing out foreign nationals along with American citizens. The withdrawal of Americans, under this authority, cannot be delayed or otherwise stretched out in order to bring out additional South Vietnamese. This bill does not allow the tail to wag the dog.

Section 4. Withdrawal of Foreign Nationals Along With American Citizens and Dependents:

Section 4 authorizes the President to use the Armed Forces, within specific limits, to assist in bringing out endangered foreign nationals from South Vietnam along with American citizens and their dependents.

In order to use U.S. Forces for this purpose, the President must certify in writing to the Congress that five conditions have been or will be met.

First, as in the requirements for use of the Armed Forces in evacuating Americans, the President must also certify that every effort has been made to end the threat to the foreign nationals to be brought out through the use of diplomatic and other means.

Second, the President must determine that a direct and imminent threat exists to the lives of the foreign nationals.

Third, he must certify that U.S. Forces will not be required beyond those essential to the withdrawal of citizens of the United States and their dependents. The size of the residual American community to be taken out will govern the types of transportation to be employed for withdrawal and the size of the protecting combat forces.

Fourth, the President must certify to Congress that the duration of the exposure of U.S. Armed Forces to hostilities will not be extended by bringing out foreign nationals along with the Americans. This requirement works in conjunction with the requirement of section 3(c)(3) that Americans and their dependents be evacuated as rapidly as possible.

The fifth, and final, requirement is that the withdrawal of foreign nationals, in conjunction with the withdrawal of Americans and their dependents, be confined to areas where U.S. Forces are present for the purpose of protecting Americans and their dependents while they are being withdrawn.

Section 5. Removal of Forces by Concurrent Resolution:

Section 8(a) of the War Powers Resolution specifies that the authority to introduce U.S. Armed Forces into hostilities cannot be inferred from any provision of law in the absence of specific authorization within the meaning of the War Powers Resolution. This section constitutes that specific authorization.

Section 5(c) of the War Powers Resolution allows the Congress by concurrent resolution to direct the President to remove U.S. Armed Forces if they are engaged in hostilities outside the United States without a declaration of war or specific statutory authorization. Section 5 of this bill provides such an authorization. However, section 5 of this bill specifies that, notwithstanding the authorization for the introduction of U.S. Forces into hostilities, Congress may by concurrent resolution, within the framework of the War Powers Resolution, direct the President to remove troops employed in connection with a withdrawal operation. Thus, Congress retains control over terminating any involvement in hostilities our forces may encounter.

Section 6. Construction of Prohibitions Relative to Military Involvement in Indo-China:

Since June 1973, a number of provisions have been enacted into law designed to prohibit further U.S. military involvement in the conflicts in Indochina. The wording of the statutes varies somewhat, such as the prohibition on use of funds for "combat activities" contained in the current Department of Defense Appropriations Act, the prohibition on involvement in "hostilities" in the Case-Church Amendment to the Department of State Authorization Act of 1973, and, finally, the prohibition on financing of "military or paramilitary operations" in the McGovern Amendment to the Foreign Assistance Act of 1973. The texts of the prohibitions follow:

STATUTORY PROHIBITIONS ON UNITED STATES MILITARY INVOLVEMENT IN INDOCHINA

(In order of enactment, most recent listed first)

(1) Section 839 of the Department of Defense Appropriations Act, 1975 (Public Law 93–437) provides as follows:

SEC. 839. None of the funds herein appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

(2) Section 741 of the Department of Defense Appropriation Act, 1974 (Public Law 93-238) provides as follows:

SEC. 741. None of the funds herein appropriated may be obligated or expended after August 15, 1973, to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

(3) Section 30 of the Foreign Assistance Act of 1973 (Public Law 93–189) provides as follows:

SEC. 30. No funds authorized or appropriated under this or any other law may be expended to finance military or paramilitary operations by the United States in or over Vietnam, Laos, or Cambodia.

(4) Section 806 of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93–155) provides as follows:

SEC. 806. Notwithstanding any other provision of law, upon enactment of this Act, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress.

(5) Section 13 of the Department of State Appropriations Authorization Act of 1973 (Public Law 93–126) provides as follows:

SEC. 13. Notwithstanding any other provision of law, on or after August 5, 1973, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress. Notwithstanding any other provision of law, upon enactment of this Act, no funds heretofore or hereafter appropriated may be obligated or expended for the purpose of providing assistance of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized hereafter by the Congress.

(6) Section 108 of the continuing resolution enacted July 1, 1973 (Public Law 93–52) provides as follows:

SEC. 108. Notwithstanding any other provision of law, on or after August 15, 1973, no funds herein or heretofore appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.

(7) Section 307 of the Second Supplemental Appropriations Act, 1973 (Public Law 93–50) provides as follows:

SEC. 307. None of the funds herein appropriated under this Act may be expended to support directly or indirectly combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam or off the shores of Cambodia, Laos, North Vietnam and South Vietnam by United States forces, and after August 15, 1973, no other funds heretofore appropriated under any other Act may be expended for such purpose.

Section 6 of the bill states that the authority contained in section 3(a) may be construed to be in derogation of these prohibitions but only to the extent necessary to give effect to the provisions of that section. The Committee points out that the authority contained in section 4 may not be so construed. The prohibitions return to full force as soon as this construction is no longer necessary for the authority in this bill to be in effect.

Section 7. Humanitarian Assistance for South Vietnam and Cambodia:

Section 7 authorizes the appropriation of $100,000,000 for humanitarian relief assistance in South Vietnam and Cambodia.

Subsection (a) is a general statement of policy which states Congress' view that it is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition, the bill states that it is to be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia. To insure that the assistance is provided to such persons throughout both countries and through channels acceptable to all parties, the assistance authorized by this bill is to be provided under the direction and control of the United Nations or under the auspices of voluntary relief agencies.

Subsection (b)(1) authorizes the appropriation of $100,000,000 for fiscal year 1975 for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia. These funds could be used without regard to other provisions of law. This amount is in addition to the $100,000,000 to be authorized under section 2.

Subsection (b)(2) provides that the funds made available under this section are to be furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies.

Subsection (b)(3) provides that not less than ninety days after the date of enactment of the bill and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

(A) the amount of each type of economic assistance provided under this Act:

(B) the expected recipients of such assistance;

(C) the names of all organizations and agencies involved in the distribution of such assistance; and

(D) the means with which such distribution is carried out.

In stressing the importance of the United Nations as a conduit for humanitarian assistance to Indochina, the Committee noted the following statement made by the Secretary General of the United Nations:

STATEMENT BY SECRETARY-GENERAL ON HUMANITARIAN ASSISTANCE TO INDO-CHINA AT PRESS BRIEFING AT HEADQUARTERS ON APRIL 17

On the Occasion of the International Conference on Viet-Nam in Paris in February 1973, I emphasized that the United Nations stood ready to assume its responsibilities wherever and whenever it was called upon to offer useful and realistic assistance. At that time I also made it clear that "should the Governments of the area so desire, the United Nations and its family of organizations could play a significant role in receiving, co-ordinating and channeling international relief and rehabilitation assistance to the Governments and peoples of the area. Such aid would, of course, be provided without discrimination of any kind."

Ever since that time the United Nations system has been operating on this basis, providing humanitarian assistance without discrimination wherever and whenever requested. It has persevered successfully in this task despite the military situation which obviously makes it much more difficult to help the victims of this War.

On 31 March, I appealed to all concerned to do everything within their means to relieve the plight of innocent persons, including those who have been displaced. I also earnestly requested the governing authorities on all sides of the fighting to do their utmost to limit the suffering of innocent people.

In the following week, I met in Rome with the heads of all United Nations agencies and programmes who fully endorsed and supported the initiatives I had taken to mobilize increased humanitarian assistance throughout Indo-China. At this same time, I appointed Sir Robert Jackson, whose long and comprehensive experience in this field is well known, to co-ordinate at United Nations Headquarters all efforts of the United Nations system to respond to this humanitarian emergency. In particular, the United Nations Children's Fund (UNICEF) and the Office of the United Nations High Commissioner for Refugees (UNHCR), which have had continuing programmes of humanitarian assistance on both sides of the conflict in Indo-China, are intensifying their emergency operations in Indo-China.

The United Nations system has acted vigorously, positively and spontaneously to do all within its possibilities to be of assistance to the people of Indo-China. There has been no hesitation whatever, on my own part or on the part of any elements of the United Nations system, to take every possible initiative to provide the maximum assistance.

Although events in Indo-China during the past three weeks have evolved so rapidly that it has been virtually impossible to assess with precision emergency needs in specific areas, it is obvious that suffering is continuing and far greater humanitarian assistance is vitally and urgently needed. At this moment, personnel from the United Nations system are working round the clock in the field and at Headquarters in order to ascertain what supplies are needed most urgently and to determine how supplies can best be transported to areas where it is possible to deliver them. As each day passes, we should get a clearer picture of just what is needed and where it is needed.

Various governments have asked me to state what I would consider, at this time, to be a reasonable target figure for essential needs in the foreseeable future. After careful consideration, I believe that in this immediate phase $100 million is needed to meet essential, and I repeat essential, requirements excluding bulk food supply.

I therefore urgently renew my appeal to all who may be in a position to help to do everything within their means to relieve the plight of the millions who are suffering in Indo-China. I shall never cease in my own efforts, to ensure that the United Nations play its essential role in healing the wounds of those who have been the victims of war and disaster.

APPENDIX A

U.S. SENATE,
OFFICE OF THE LEGISLATIVE COUNSEL,
April 15, 1975.

Memorandum to: Senate Committee on Foreign Relations.
Attention: Norvill Jones.
From: Michael J. Glennon, Assistant Counsel.
Subject: Constitutional and Statutory Authority of the President to Evacuate Citizens of South Vietnam from South Vietnam.

You have asked our opinion (1) whether the President has the power under the Constitution, independent of any congressional authorization, to use the armed forces of the United States to evacuate from South Vietnam citizens of South Vietnam, and (2) whether such authority may be inferred from any statute.

1. CONSTITUTIONAL AUTHORITY

We have concluded that the President has no constitutional authority to do so if such use would introduce United States armed

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forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

The congressional understanding of the scope of the President's constitutional power in this area is set forth in section 2(c) of the War Powers Resolution. That section provides as follows:

"(c) The constitutional powers of the President as Commander in Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories, or possessions, or its armed forces."

It is a question of fact whether such use of the armed forces would introduce them "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." In the event such conditions do obtain, the Congress has expressed its belief that the Constitution requires either a declaration of war of specific statutory authorization for the President to use the armed forces for a purpose such as the one stated above.

The legislative history of the War Powers Resolution suggests that, notwithstanding the use of the word "only" in that subsection, a limited constitutional power may exist on the part of the President to introduce the armed forces into such situations in order to evacuate citizens of the United States.

However, nothing in the legislative history of the War Powers Resolution would indicate that this power was contemplated to extend to citizens of foreign countries.

Moreover, an argument that such a power exists notwithstanding the congressional understanding to the contrary, would be without constitutional support. A settled, unchallenged course of Presidential action may over the years raise a presumption that a constitutional power exists. In this instance, however, the course of action, insofar as it has been constitutional, has been characterized by uses of the armed forces connected with and required for the protection of an immediate, identifiable interest of the United States, as in the case of citizens of the United States or members of the Armed Forces threatened by hostilities. To the extent that the use of the armed forces is for the protection or vindication of a more remote interest, and to the extent that that use is undertaken without congressional concurrence, such use may be viewed as being beyond the President's constitutional power.

Accordingly, it is the opinion of this Office that, absent a declaration of war or specific statutory authorization, the President may not constitutionally use the armed forces of the United States to evacuate citizens of South Vietnam from South Vietnam if such use would introduce such forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

2. STATUTORY AUTHORITY

We have concluded that the President has no statutory authority to use the armed forces of the United States to evacuate from South Vietnam citizens of South Vietnam if such use would (a) introduce those forces into hostilities, or into situations wherein involvement in hostilities is clearly indicated by the circumstances, or (b) violate any statutory prohibition against the use of funds for certain purposes in South Vietnam.

Section 8(a)(1) of the War Powers Resolution prohibits the inference that a statute allows the introduction of the armed forces into situations involving hostilities unless the statute in question (1) "specifically authorizes the introduction" of those forces into such situations, and (2) "states that it is intended to constitute specific statutory authorization within the meaning of" the War Powers Resolution. Section 8(a)(1) provides as follows:

"SEC. 8. (a) Authority to introduce United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances shall not be inferred——

"(1) from any provision of law (whether or not in effect before the date of the enactment of this joint resolution), including any provision contained in any appropriation Act, unless such provision specifically authorizes the introduction of United States Armed Forces into hostilities or into such situations and states that it is intended to constitute specific statutory authorization within the meaning of this joint resolution;"

There is no statute which specifically authorizes the introduction of the armed forces of the United States into hostilities in South Vietnam, or which states that it is intended to constitute specific statutory authorization for such introduction within the meaning of the War Powers Resolution.

On the contrary, at least seven different statutes have specifically prohibited the use of funds for various military purposes in South Vietnam. (See appendix.)

Accordingly, it is the opinion of this Office that the President is without statutory authority to use the Armed Forces of the United States to evacuate citizens of South Vietnam if such use would (a) introduce such forces into hostilities, or into situations wherein involvement in hostilities is clearly indicated by the circumstances, or (b) violate any statutory prohibition against the use of funds for certain purposes in South Vietnam.

APPENDIX B

PUBLIC LAW 93-148—93D CONGRESS, H.J. RES. 542—NOVEMBER 7, 1973

Joint Resolution Concerning the war powers of Congress and the President

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This joint resolution may be cited as the "War Powers Resolution".

PURPOSE AND POLICY

SEC. 2. (a) It is the purpose of this joint resolution to fulfill the intent of the framers of the Constitution of the United States and insure that the collective judgment of both the Congress and the President will apply to the introduction of United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and to the continued use of such forces in hostilities or in such situations.

(b) Under article I, section 8, of the Constitution, it is specifically provided that the Congress shall have the power to make all laws necessary and proper for carrying into execution, not only its own powers but also all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof.

(c) The constitutional powers of the President as Commander-in-Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces.

CONSULTATION

SEC. 3. The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations.

REPORTING

SEC. 4. (a) In the absence of a declaration of war, in any case which United States Armed Forces are introduced—

(1) into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances;

(2) into the territory, airspace or waters of a foreign nation, while equipped for combat except for deployments which relate solely to supply, replacement, repair, or training of such forces; or

(3) in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation;

the President shall submit within 48 hours to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth—

(A) the circumstances necessitating the introduction of United States Armed Forces;

(B) the constitutional and legislative authority under which such introduction took place; and

(C) the estimated scope and duration of the hostilities or involvement.

(b) The President shall provide such other information as the Congress may request in the fulfillment of its constitutional responsibilities with respect to commiting the Nation to war and to the use of United States Armed Forces abroad.

(c) Whenever United States Armed Forces are introduced into hostilities or into any situation described in subsection (a) of this section, the President shall, so long as such armed forces continue to be engaged in such hostilities or situation, report to the Congress periodically on the status of such hostilities or situation as well as on the scope and duration of such hostilities or situation, but in no event shall he report to the Congress less often than once every six months.

CONGRESSIONAL ACTION

SEC. 5. (a) Each report submitted pursuant to section 4(a)(1) shall be transmitted to the Speaker of the House of Representatives and to the President pro tempore of the Senate, on the same calendar day. Each report so transmitted shall be referred to the Committee on Foreign Affairs of the House of Representatives and to the Committee on Foreign Relations of the Senate for appropriate action. If, when the report is transmitted, the Congress has adjourned sine die or has adjourned for any period in excess of three calendar days, the Speaker of the House of Representatives and the President pro tempore of the Senate, if they deem it advisable (or if petitioned by at least 30 percent of the membership of their respective Houses) shall jointly request the President to convene Congress in order that it may consider the report and take appropriate action pursuant to this section.

(b) Within sixty calendar days after a report is submitted or is required to be submitted pursuant to section 4(a)(1), whichever is earlier, the President shall terminate any sense of United States Armed Forces with respect to which such report was submitted (or required to be submitted), unless the Congress (1) has declared war or has enacted a specific authorization for such use of United States Armed Forces, (2) has extended by law such sixty-day period, or (3) is physically unable to meet as a result of an armed attack upon the United States. Such sixty-day period shall be extended for not more than an additional thirty days if the

President determines and certifies to the Congress in writing that unavoidable military necessity respecting the safety of United States Armed Forces requires the continued use of such armed forces in the course of bringing about a prompt removal of such forces.

(c) Notwithstanding subsection (b), at any time that United States Armed Forces are engaged in hostilities outside the territory of the United States, its possessions and territories without a declaration of war or specific statutory authorization, such forces shall be removed by the President if the Congress so directs by concurrent resolution.

CONGRESSIONAL PRIORITY PROCEDURES FOR JOINT RESOLUTION OF BILL

SEC. 6. (a) Any joint resolution or bill introduced pursuant to section 5(b) at least thirty calendar days before the expiration of the sixty-day period specified in such section shall be referred to the Committee on Foreign Affairs of the House of Representatives or the Committee on Foreign Relations of the Senate, as the case may be, and such committee shall report one such joint resolution or bill, together with its recommendations, not later than twenty-four calendar days before the expiration of the sixty-day period specified in such section, unless such House shall otherwise determine by the yeas and nays.

(b) Any joint resolution or bill so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) and shall be voted on within three calendar days thereafter, unless such House shall otherwise determine by yeas and nays.

(c) Such a joint resolution or bill passed by one House shall be referred to the committee of the other House named in subsection (a) and shall be reported out not later than fourteen calendar days before the expiration of the sixty-day period specified in section 5(b). The joint resolution or bill so reported shall become the pending business of the House in question and shall be voted on within three calendar days after it has been reported, unless such House shall otherwise determine by yeas and nays.

(d) In the case of any disagreement between the two Houses of Congress with respect to a joint resolution or bill passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such resolution or bill not later than four calendar days before the expiration of the sixty-day period specified in section 5(b). In the event the conferees are unable to agree within 48 hours, they shall report back to their respective Houses in disagreement. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than the expiration of such sixty-day period.

CONGRESSIONAL PRIORITY PROCEDURES FOR CONCURRENT RESOLUTION

SEC. 7. (a) Any concurrent resolution introduced pursuant to section 5(c) shall be referred to the Committee on Foreign Affairs of the House of Representatives or the Committee on Foreign Relations of the Senate, as the case may be, and one such concurrent resolution shall be reported out by such committee together with its recommendations within fifteen calendar days, unless such House shall otherwise determine by the yeas and nays.

(b) Any concurrent resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) and shall be voted on within three calendar days thereafter, unless such House shall otherwise determine by yeas and nays.

(c) Such a concurrent resolution passed by one House shall be referred to the committee of the other House named in subsection (a) and shall be reported out by such committee together with its recommendations within fifteen calendar days and shall thereupon become the pending business of such House and shall be voted upon within three calendar days, unless such House shall otherwise determine by yeas and nays.

(d) In the case of any disagreement between the two Houses of Congress with respect to a concurrent resolution passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such concurrent resolution within six calendar daya after the legislation is referred to the committee of conference. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than six calendar days after the conference report is filed. In the event the conferees are unable to agree within 48 hours, they shall report back to their respective Houses in disagreement.

INTERPRETATION OF JOINT RESOLUTION

SEC. 8. (a) Authority to introduce United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances shall not be inferred—

(1) from any provision of law (whether or not in effect before the date of the enactment of this joint resolution), including any provision contained in any appropriation Act, unless such provision specifically authorizes the introduction of United States Armed Forces into hostilities or into such situations and states that it is intended to constitute specific statutory authorization within the meaning of this joint resolution; or

(2) from any treaty heretofore or hereafter ratified unless such treaty is implemented by legislation specifically authorizing the introduction of United States Armed Forces into hostilities or into such situations and stating that it is intended to constitute specific statutory authorization within the meaning of this joint resolution.

(b) Nothing in this joint resolution shall be construed to require any further specific statutory authorization to permit members of United States Armed Forces to participate jointly with members of the armed forces of one or more foreign countries in the headquarters operations of high-level military commands which were established prior to the date of enactment of this joint resolution and pursuant to the United Nations Charter or any treaty ratified by the United States prior to such date.

(c) For purposes of this joint resolution, the term "introduction of United States Armed Forces" includes the assignment of members of such armed forces to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or there exists an imminent threat that such forces will become engaged, in hostilities.

(d) Nothing in this joint resolution—

(1) is intended to alter the constitutional authority of the Congress or of the President, or the provisions of existing treaties; or

(2) shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilites is clearly indicated by the circumstances which authority he would not have had in the absence of this joint resolution.

SEPARABILITY CLAUSE

SEC. 9. If any provision of this joint resolution or the application thereof to any person or circumstance is held invalid, the remainder of the joint resolution and the application of such provision to any other person or circumstance shall not be affected thereby.

EFFECTIVE DATE

SEC. 10. This joint resolution shall take effect on the date of its enactment.

S. 1484

A bill to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Contingency Act of 1975".

SEC. 2. There is established a Vietnam contingency fund for use during the fiscal year 1975 in the amount of $100,000,000 and there is authorized to be appropriated not to exceed such sums, to be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961, as amended, as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam. Such amount shall be available without regard to the provisions of sections 36 and 33 of the Foreign Assistance Act of 1974.

SEC. 3. (a) If the President determines that the use of United States Armed Forces is necessary to withdraw citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are being withdrawn.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) such citizens and their dependents are being evacuated as rapidly as possible.

SEC. 4. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 3 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out endangered foreign nationals if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(a) every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(b) a direct and imminent threat exists to the lives of such foreign nationals; and

(c) United States Armed Forces will not be required beyond those essential to the withdrawal of citizens of the United States and their dependents; and

(d) the duration of the exposure of United States Armed Forces to hostilities will not thereby be extended; and

(e) such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

SEC. 5. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of section 5(c) of the War Powers Resolutions, and as provided by such section 5(c) such forces shall be removed by the President if the Congress so directs by concurrent resolution.

SEC. 6. The provisions of section 3(a) of this Act may be construed to be in derogation of the prohibitions contained in section 839 of Public Law 93–437, section 741 of Public Law 93–238, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, and section 307 of Public Law 93–50, only to the extent necessary to give effect to the provisions of section 3(a).

SEC. 7. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia. To insure that the assistance is provided to such persons throughout both countries and through channels acceptable to all parties, the assistance authorized by this Act is to be provided under the direction and control of the United Nations or under the auspices of voluntary relief agencies.

(b)(1) Notwithstanding any other provision of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam and Cambodia, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $100,000,000 for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia.

(2) Funds made available under this section shall be furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies.

(3) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

(A) the amount of each type of economic assistance provided under this Act;

(B) the expected recipients of such assistance;

(C) the names of all organizations and agencies involved in the distribution of such assistance; and

(D) the means with which such distribution is carried out.

Mr. SPARKMAN. Mr. President, I call attention to an error in the printing of the report on this bill.

It is to be found on page 3 in the first paragraph on that page, in what is supposed to be the text of the committee resolution. The resolution consists of only the first sentence of that paragraph. The remainder of the paragraph belongs in the body of the report; it is not part of the resolution adopted by the committee.

I ask unanimous consent that our staff may be permitted to straighten that out for the RECORD.

The PRESIDING OFFICER (Mr. BROOKE). Without objection, it is so ordered.

Mr. SPARKMAN. I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. CASE. Mr. President, the chairman has made an admirable statement of the situation, including the proposed legislation. I shall not traverse the ground that he has already covered. However, I do wish to make a few remarks before I discuss the substance of the bill.

I wish to underscore what the chairman has already stated about the cooperation of the President with our committee in this matter. It was a good meeting. Frank views were exchanged on both sides. I know that the committee benefited, and I believe the President also benefited, as well as the Secretary of State and the Secretary of Defense, who were also there. I am very sure that the Secretaries, for example, got a better idea of what the committee felt its responsibilities were in this situation. All in all, the meeting was a very wholesome and important development.

We emphasized at that time, we considered all during the week that followed, and we reemphasize now, our deep concern about removing as quickly as possible all except the most essential Americans from South Vietnam. I think that our concern has now had an impact upon the executive branch, particularly those on the scene in Saigon. We certainly hope that it has. We shall continue to get reports up until the time we vote on this legislation, which, I understand from the majority leader, will not be until tomorrow some time, so we can keep current about the situation.

I know that the fact that, up until the time we voted on the bill on Friday, we had not received enough hard information about the evacuation policy and its implementation, is one reason why I believe, two of the three who voted against recommending this bill had that as their reason for doing so. They were not yet convinced that the evaluation was proceeding fast enough. But they will speak for themselves.

In addition to expressing my appreciation to the President for the way in which he has been handling this matter, I want to express, and I am sure I speak for all the members of the committee, my personal appreciation for the work that the staff has done, both those who went out to the Far East and made this recent study for us and those who remained here at home and have worked with great diligence and great skill and great care in guiding our deliberations and in preparing the report and the remarks that had been prepared. They worked with extraordinary dedication and effectiveness. I wish to say it was a great satisfaction to be part of this organization.

Lastly, for myself and the minority, I wish to express appreciation to the chairman for the job he has done in guiding this. Without any suggestions of obtruding on us, he has kept our nose to the grindstone. The committee has worked with intelligence and in a way that is in the best tradition that the committee has established over the years. It has been a considerable satisfaction to me.

On the substance of this matter I do not need to add much to what the chairman has said. It is a limited bill. It is not an attempt to produce a grandiose settlement of anything. It is a sad thing that we have to deal with a matter of this kind, and yet we have to deal with it. I am not one of those who thinks, either, that this could have been prevented by a great change in American policy at any time in the past or that we were engaged in a wrong kind of action until, perhaps, toward the end, and when it seemed clear to me that we should have terminated our activities somewhat sooner than we did. I think we went in there for a good purpose and did accomplish things. I do not think that a single American who died there died in vain. I wish to reiterate that, because we may hear some recrimination about that. I think that we did serve a useful purpose in stabilizing that part of the world after the war. I think if we had not done this, consequences which we can hardly foresee now, or even imagine, might have followed and that we would have had great trouble, which we did stop by our effort to provide stability there. If that is not a worthy purpose and a worthwhile result, I should like to know what is.

We did not go in to conquer people. We did not go in even to establish a government. We went in to provide stability and I think we accomplished that. I do not think that the American people need hang their heads in shame. No one who lost dear ones in that conflict should feel that those lives were lost in vain in any sense. I think that if we come to that realization, it may be easier for this country to continue in a sound direction after the very great disappointments that we have suffered there, without going through a period of bitter recrimination.

I think it is important to say this now, Mr. President, because we will be told that if we had given billions of dollars, South Vietnam, under its present government, or the late government, might have survived. But in reality there was an inevitability about what happened that no change in our policy or amount of money could have affected significantly. I am satisfied that somehow or other, not because of any one individual's great judgment or great sense, but because of the kind of sense of the American people, we did just about the right thing—maybe too slowly as far as termination goes. I do not think that any plan could have changed this result.

Yet, I say again, what we did was not in vain. What we did served a useful purpose, and I think that history will prove that that is so.

So we come to a period of termination. Our greatest hope is that it will not result in what some of us have feared, the kind of bloodshed, orgy of destruction, that has been held out as the inevitable

result of the termination of American assistance.

We shall do our best, and this bill is an effort to guide the administration, as far as we properly can, in bringing out all Americans and their dependents, and such Vietnamese whose lives are endangered as may incidentally be brought out with them. When I say "incidentally," I mean exactly that. That is what the bill provides. This is not an effort to evacuate great numbers of Vietnamese. It cannot be done by a military operation. I hope that all Vietnamese will receive decent treatment, and I hope that the negotiations which may now be possible will lead to this.

But we cannot—and we are not attempting it by this legislation; there should be no doubt about that—provide for the enforcement of that decent treatment by American military action. That could not be done without the reintroduction of our military forces in such numbers as would lead to a reinvolvement in the war itself.

We determined that that would not be our recommendation, as we feel the American people have made that determination already, for better or for worse. We have seen what a never-ending process the effort to run another country by military force is. And I think we have learned that it is not possible without losses that are unacceptable from our standpoint and losses that are unacceptable from the standpoint of the people whom we are trying to help.

Mr. President, as I have said, I am sure that not everyone will be satisfied with this legislation. It is not possible to draw legislation that is satisfactory in circumstances such as we face here. But I do believe that in its own way it does provide a kind of guidance for the sort of action that this country ought to take.

In respect of the $100 million humanitarian assistance fund, I thoroughly agree with the authorization for the expenditure of that through the United Nations and through private agencies as the right way to do it, and the only way to do it. Perhaps this will be a forerunner of an international relief effort to correct things there, and to help the people who have so grievously suffered the devastation of war for so many, many years.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. CASE. I am happy to yield.

Mr. HARRY F. BYRD, JR. Will the Senator from New Jersey give us the distinction as to the difference between the $100 million in section 2, to be used for humanitarian and withdrawal purposes, and the $100 million in section 7(b), which provides for humanitarian assistance to refugees and other needy people? How do those items mesh, one as to the other?

Mr. CASE. In a sense one could say that these are two different kinds of things, and yet it seemed to us quite appropriate to put them into one piece of legislation.

The second fund, that is, the fund I just mentioned myself, the one provided in section 7, I think it is, is purely for humanitarian relief, and would be spent purely as directed and through the United Nations and private agencies. It is not a government operation.

The first fund, the contingency fund, is for the purpose of effecting withdrawal. For that reason, and in accomplishing that purpose, the President can spend it for anything in the world. We want him to spend it, as far as he can, for humanitarian purposes, to the extent that that kind of expenditure will facilitate withdrawal. But this will be an American effort, the purpose being withdrawal, and the President is not limited to humanitarian expenditures.

Mr. HARRY F. BYRD, JR. So it will be for the purpose of withdrawing American forces, but in the process of withdrawing American forces it can be used for humanitarian purposes of Vietnamese nationals?

Mr. CASE. It could be used for exactly that. The purpose, as I said, is withdrawal of American nationals. Not American forces; I think the Senator spoke inadvertently when he said that.

Mr. HARRY F. BYRD, JR. Yes, American nationals, right.

Mr. CASE. And this money may be used for the benefit of South Vietnamese nationals for any purpose that the President finds—and we want him to have flexibility here—will be helpful in evacuating American nationals and their dependents. That is the purpose of that.

Mr. HARRY F. BYRD, JR. Then the other $100 million, it is envisioned, would be turned over to international organizations to expend on behalf of Vietnamese refugees and other needy people, as expressed here?

Mr. CASE. That is exactly right.

Mr. HARRY F. BYRD, JR. I thank the Senator from New Jersey.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. CASE. I am happy to yield.

Mr. HUGH SCOTT. I would like to make a couple of points. First, there are some of us who would prefer to have U.S. Government participation in the distribution of the humanitarian fund. I believe we could fully rely on their honesty and their capacity to do it, as against the distribution by international organizations. However, the main thing is to get the humanitarian aid there, the food and the clothing.

What I would want to be sure of in the administration of this legislation is that the food and clothing are not used for political purposes; that they are not used, for example, by someone in the United Nations who has a bureaucratic international job, who might seek to misuse the distribution to protect an ideology, or to give aid and comfort to one of the tribes there which have been hostile in some of their purposes.

I do not suppose we are going to get the protection I would like to have through the international organizations. However, the majority of the committee felt otherwise, and again I repeat, the important thing is to get the funds there.

As to the $100 million which the President can use in any way he sees fit, the purpose is to evacuate Americans and their dependents and such foreign nationals as may be evacuated as a part of the same overall general operation. That includes certain third country personnel, a small number of them, who are over there for various purposes including construction work. It includes contractors and their dependents, those who are aliens—that is, not American citizens or nationals—and it includes those Vietnamese, with their dependents, who can be evacuated as a part of this operation.

We did evacuate more Cambodians, actually, than we evacuated Americans in Operation Eagle Pull, although it was a much smaller operation.

The withdrawal process is moving quite rapidly. It is moving well. We will soon be down to the absolute minimum number of those who are deemed to be essential personnel. Those can be moved expeditiously under plans already existing.

Finally, I would not want it said the administration does not have or did not have a plan for withdrawal. They have had a plan for withdrawal for a very considerable period of time. The committee felt, some of them particularly, that that withdrawal should occur more rapidly, and urged that upon the President, who agreed, and has issued certain orders through certain cables to those in charge in which the instruction to expedite the evacuation was passed along. So the committee served this purpose also.

But there was a plan, and to say there was no plan, I submit, would be misleading. The plan is working. The plan worked perfectly in Cambodia, without loss to American personnel or their dependents. We hope and pray it will work as well here.

It has to be done in this fixed form of operation in order to assure safety. This operation is far better than an operation pell-mell, which might actually endanger American lives.

So I believe the committee has come up with a compromise, but that is, however, a representation of all we are going to get from the committee. It may be all we will get from the Senate, other than what the Senate Armed Services and Appropriations Committees see fit to send over.

Therefore, for those reasons, with some concern about some specific parts of the legislation, I intend to vote for it.

Mr. CRANSTON. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. HUGH SCOTT. I am glad to yield to the Senator from California.

Mr. CRANSTON. The Senator referred to getting down to essential personnel. I would appreciate it if he could explain what are believed to be essential personnel. It would seem to me that certain people would stay for some uncertain, perhaps everlasting, period of time.

Mr. HUGH SCOTT. Well, I could answer the Senator somewhat more in detail and could give him a more detailed answer off the floor because I do not want to say anything that would involve us here in a question of priority between (a) who go and (b) who stay.

Generally speaking, essential personnel are those essential to the operation

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of the Embassy, essential to the provision of security—I would assume, of course, that would include the Marine guards at the Embassy in that category—those who are essential for the preservation of documents and records until removed; those who are essential to the operation of the airlift itself and to other means of withdrawal of personnel and, perhaps, some of the contractor personnel who are essential.

Then there will be some essential aliens, aliens both to Vietnam and to the United States, but who will be maintaining Embassies there and may elect to ask that some of their personnel be withdrawn.

Mr. CRANSTON. I would like to ask another question, if I may. The Senator made some reference to plans that were well established for withdrawal at any time being necessary, apparently, for even those people. I understand that the land routes are now closed, that sea routes will probably be closed in a matter of some hours, and that air routes out are pretty uncertain and dangerous at this point.

Does the Senator really feel there can be assurance at all times that it is possible to evacuate those we wish to evacuate?

Mr. HUGH SCOTT. I feel if Congress enacts this legislation the answer would be, in my judgment, my best judgment, yes. Once we reach the figure of the essential personnel at some time later this week, and if the situation stabilizes through this week, yes; then I believe we could remove them and, if necessary, remove them all in a single operation.

Mr. CRANSTON. That would be with the possible use of American military personnel for that purpose, obviously?

Mr. HUGH SCOTT. Well, I think that would depend on the internal situation in South Vietnam at that time because I do not know of any American who would not want us to use every available method at that time. I do not think it helps us to speculate on what we might do because in Cambodia we do not have to do it.

Mr. CRANSTON. I recognize the fact obviously that every American wants all Americans to be able to get out if that becomes essential.

Is it the Senator's feeling that the important reason for passing this measure, however, is to provide fully and clearly the authority for use of American military personnel for that reason, if necessary, and the funding therefor.?

Mr. HUGH SCOTT. Yes. I would say to the Senator the answer is definitely in the affirmative. We are accompanying the protective authorization, the $100 million fund with another $100 million for humanitarian purposes: that the first $100 million can also include humanitarian purposes; that the combination ought to be sufficient to keep the situation so stabilized as to permit the withdrawal of all American personnel.

I agree with the Senator from California that I am sure he wants all of those people out just as fast as he can, consistent with the safety of each and every one of them.

Mr. CRANSTON. Yes.

Mr. HUGH SCOTT. I assure the Senator so do I. I am sure the Senator knows the full committee felt the same way.

Mr. CRANSTON. I thank the Senator very much.

I would like to ask the Senator from New Jersey one question.

What is the meaning of "dependents"? What are we referring to?

Mr. CASE. So that we do not have any problem later, I am not going to answer that off the top of my head. I want to get a technical answer here from our staff.

Spouse, mother and father of the spouse, minor children of the spouse.

Mr. CRANSTON. I thank the Senator.

Mr. CASE. Mr. President, I shall not hold the floor except for just one second. The Senator from Pennsylvania made one statement that I wanted to be sure was correct, for the purposes of legislative history, with regard to the disposition of the $100 million humanitarian fund. We do direct that that be spent under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements or voluntary relief agencies. It does not have to be the United Nations. Voluntary relief agencies may dispose of this under the terms of the bill.

I want it very clear so that there will not be any question later on with regard to the legality of that disposition, if the President should deem it the most desirable one.

I have kept Senator GOLDWATER from the floor for a long time. He has been most indulgent, and I look forward, as I yield the floor, to hearing his remarks.

Mr. GOLDWATER. The Senator from New Jersey need not worry about causing any undue delay on my part because I am not going to direct my remarks directly to S. 1484. But, during the course of my short remarks, I will comment on it.

Mr. President, I think the time has come that we put this whole subject into its proper order.

This came to me when I was recently in Taipeh to attend the funeral of Generalissimo Chiang Kai-shek, and while I was over there I read on the ticker that was made available to me in my quarters something about the following which pretty much covers it. The dateline was the Philippines, and the columnist was Mr. Teo Doro Valencia who had written, speaking of the Philippines:

> We shall remain friends with the United States, but such friendship must be based on her promise not to help us the way she helped Cambodia and South Vietnam.

Then, reading further from Manila, a quotation by a university professor in which he said:

> American power was a vehicle for spreading the beneficient aspects of Western Christian culture. In exercising their collective conscience in favor of a withdrawal, the Americans abandoned the opportunity to disseminate a value system that made theirs and other nations great.

I was writing this down, not knowing when the vote might come, and I said, "It may be by the time I am able to deliver this message, if you would call it that, or a speech, if one prefers, reaction on aid to Vietnam would have passed because I am writing this in Taipeh, and I may not get back in time for final action on the subject."

I opencd these remarks with these two quotes because I believe that the damage that will come to the United States will come from a repetition of this type of thinking all over the globe. Put that way, in my opinion, we are not voting on aid for South Vietnam. We are actually voting on aid for our country, the United States.

Mr. President, I had this brought home to me very forcefully in Taipeh. There were some 30-odd countries represented there, and during the course of the day and evening we were able to get together with representatives of other countries and, without exception, the discussion got down to the word of the United States and how much our commitments mean any more.

Mr. President, you see there are four different Presidents of our country who have made moral commitments to the South Vietnamese, commitments which have been heard around the world, and now we are giving every indication of reneging on those commitments.

Frankly. speaking from the military standpoint, I do not know if we voted the full amount it would mean any difference to the outcome in South Vietnam. Frankly, to use an old saying, I think they are "down the tube." So I do not look on this vote, if I am able to cast it—and I will—as a vote for that part of the world, but more importantly, as I have said before, a vote for my part of the world, the United States.

Are we going to become a nation known as renegers, double-talkers or, to put it a little more bluntly, liars?

So I do not want to even get into this aspect of this whole problem. I will not, either, join other who are trying to blame this particular Congress, or any Congress, for trouble. I do not think it is fair to blame a Democratic Congress, or for that matter Republicans who might agree with those on the opposite side who feel as they do, because to be honest I do not believe a Congress has had anything to do or much to do about what has gone on in Vietnam.

The purpose of this presentation then is to try in a brief way to trace where the blame might be put for the lamentable and sorry experience and, yes, let me add, humiliating experience that my country has gone through in our energy in Southeast Asia.

I am not a member of the Foreign Relations Committee, but I have a very natural interest in this whole dreadful experience because, in case some of you have forgotten, I sought the Presidency back in 1964, and I had to make a thorough study and obtain a thorough understanding of what we had committed ourselves to in South Vietnam and what we were doing about it.

Mr. President, I was subjected to all the violent attacks that my opponents could muster, opponents from both sides

of the aisle. I was called a warmonger. The question was asked, "Whose thumb do you want near the red button?"

I even watched commercial television displays which showed a little girl picking a daisy petal by petal only to be destroyed by an atomic bomb supposedly brought about by my own actions. So, I know something about this subject.

Mr. President, I doubt that any one people, a person who is actually actively engaged in day-to-day promulgation of our engagement in South Vietnam, could know any more. So I would like to share my feelings with my colleagues, whether they agree with me or not.

Now, the history of this whole debacle in Southeast Asia. Back in 1954 at the Geneva Conference, the United States did not sign the papers because it did not call specifically enough for a time of election where the two Vietnams might of their own free choosing come together again and disallow the division set up by the DMZ or the 17th parallel.

So President Eisenhower agreed—I would not say agreed—he said to the South Vietnamese, "If you get into trouble we will help you," and when they did get into trouble he sent some advisers. If my memory is correct, he sent about 1,600 advisers, some rather obsolete T–28 aircraft, some motorized equipment, but the man in uniform, who did not wear the uniform then—was there in the capacity of adviser.

Then, when President Kennedy came into power, he sent 16,000 troops to South Vietnam with the natural orders to shoot back if they were shot at.

Then, in 1965, President Johnson made it an almost unlimited war.

Now, that is the background of it. Each of those three men, plus President Nixon, made moral commitments to South Vietnam, also to Cambodia, and I believe to some extent to Thailand.

But, Mr. President, where we made our dreadful mistake, and history is going to record this as probably the worst fought war in the history of the world, when President Kennedy first sent men over there he did not at the same moment—the same moment—make up his mind to win that war.

Now, let me remind everyone that we do not get in a fight unless we intend to win it, we do not get into a war unless we intend to win it, but we got into a war with absolutely no intentions to win it, although we sounded like we wanted to.

My good friend from New Jersey has, I think, very correctly recognized that there was a lot of wisdom in what we did in getting there, but the wisdom ended with that decision.

We might ask, why were we not allowed to win the war? I will never be able to answer that completely, Mr. President, until the Pentagon will downgrade the classification on papers that are still held pertaining to the daily operation of this war. I am trying, trying, trying to get them made available to me so I can put them in the RECORD so my colleagues can read what were called the rules of engagement.

It will not be believed, particularly by any of the men who served in World War II or in Korea. They will not believe what Secretary McNamara forced down the throats of our fighting men in Southeast Asia. We nearly had a general officer courtmartialed because he ordered the destruction of a radar site which was vectoring MIG's into the destruction of our helicopters, and we were merely trying to evacuate wounded and to help people. The rules of engagement said we could not attack radar sites, we could not attack a SAM sight, we could not attack convoys on the road taking SAM's or ammunition, we could not attack unless a photograph was made of it and it was sent back to the United States and either the President or Secretary McNamara decided whether or not that target could be hit. By the time the orders got back, that target was not there.

Mr. President, I hope some day to be able to present to this body evidence of what I have been saying for the last 10 years: That we made no effort to win that war, that we could have won that war, in my opinion, within a matter of a few weeks, but we did not do it. We did not use our power, and I am not speaking of nuclear power; I am speaking of conventional weapons which finally brought North Vietnam to its knees. Had we had the proper kind of negotiations, punctuated with additional bombing, Hanoi would still, I am sure, be living up to the terms of its agreement.

Mr. President, in this bill there is constant reference to, although not particularly specific, the War Powers legislation passed, over my objections.

I would like to just call the attention of my colleagues once again to that part of the President's speech, the President of the United States, who said he did not believe under the law he had the right to protect American property or American lives. I warned about that in the debate on the floor and now when we are getting ready to debate it, and it will be debated, it will be explained; we will spell out to our potential enemies exactly what we will do and what we will not do.

If anyone has ever had to make an estimate of the situation, we will just welcome an enemy with open arms, telling what we intend to do, and that is precisely what we are doing.

We are talking about the withdrawal of people for humanitarian purposes and the question comes to my mind, what happens when the first C–141, the first C–5, the first DC–8 or 747 is destroyed by enemy action? I guess the President is going to have to come back to this body and ask permission to chase those nasty little people who shot up American equipment.

I think we are going to live to regret completely the day we ever passed that piece of legislation.

I heard reference here today that we could call on the United Nations. I have heard them called on and called on. I have never heard them answer. It is a splendid idea, but it is a case of "Let's you and him fight."

I can remember our friends the Turks, the Greeks, and the Australians, maybe a few more, coming to our aid in Korea, but no one else.

Mr. President, while I am trying to get this whole thing in proper perspective, and I do not know if I will, I do hope that during the course of the debate and the arguments on it that we will keep in mind what we are forcing. For the first time in the history of our country, in almost 200 years, we are forcing a President to come to this body for permission to do what he is charged to do under the Constitution—to protect the lives, the property, and the freedom of Americans.

Mr. President, after getting back from Taipei, I was interested in reading some of the things that have been printed in the press. We see Members of Congress, and some of them very responsible Members of Congress, suggesting several rather strange things. First, they say that the generals and the admirals made mistakes. I guess they did. I guess we all make mistakes. But I want to call attention once again, as I have tried to call to the attention of my colleagues I do not know how many times, to the point that the Pentagon, the generals, and the admirals do not declare war, nor do they call out the troops for any reason.

That has always been, up until recently, the sole responsibility and prerogative of the President, who is the Commander in Chief.

Let me repeat: No man in uniform can call out the troops. They are called out by a man in civilian clothes—the President of the United States. And then, Mr. President, they are controlled by people in civilian clothes—the National Security Council.

Oh, yes, they have a little bit to say, but I want to see us get away from this idea that the man in uniform is in any way at all responsible for what happened in Vietnam. He is not. I think we should admire them for what they had to put up with, and put up with in a way that a soldier always does.

Since the passage of the War Powers Act it now seems that some 530 civilians will have their hands in these decisions and the muddle and the mistakes will grow.

Another point that has been brought home by recent editions of the local press is that there must be other ways to wage war.

Let me say there are other ways. War is the ultimate instrument of national policy. It always has been. And before that, there are several other instruments. You can use the instrument of economic warfare which, frankly, Mr. President, we have never had the courage to use.

It would not do us any good to use it today because we are no longer the world's No. 1 economic power. But back in the days 20 years ago what we did with the economy of our country and the effect it could have on the economy of the free world, believe me, caused country after country to look and think twice before they did anything that might force us to take further steps.

And then we have the instrument of national policy we call political warfare. Frankly, I do not believe we have ever been enough of a globe-straddling Nation to try this approach.

Classic examples of this would be found with Great Britain, with her su-

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premacy of the seas, and more and more the Soviet Union as she is gaining more by political warfare than she ever gained by going to war.

But if these fail, then we have the instrument of national policy left, and we call it war. It is not to be engaged in lightly.

One of my colleagues in the Congress pointed out that a small nation living on the sandy desert of the Middle East was able to make the United States jump through the ropes.

Again let me remind my colleagues, and other who seem to have missed the point over the years, that when the United States was the world's No. 1 economic power, it could have used that power in the same way that the Arab countries are using theirs today. But, no, we could not do that. It might have offended somebody.

So we have always, or nearly always, left ourselves with the only prerogative and the only option in the pursuit of national interest and national policy wrapped up in foreign affairs, and that has been war.

Mr. President, I hope we have learned some lessons out of this experience in Southeast Asia. I think, frankly, it is one of the most dangerous things that has ever happened in the history of man. We are making it possible, with the fall of Cambodia and the almost imminent fall of South Vietnam, with Thailand having ordered us out, to see this domino theory work.

I know there are people who do not believe in the domino theory. But if there is 1 domino, 2 dominoes, 3, or 10, if you push one they all fall. If Thailand happens to fall, Mr. President, let me remind you that Red China, who has no navy but vast armies, can march all the way down the Thai Peninsula, to Malaya, to all the states down there that are amongst the richest areas in the world.

This was the target of Japan in World War II, but we were able to prevent that.

If they take power then, they are going to march the whole way. The parameter of the Pacific which has been our central focus of foreign policy for 100 years will no longer be because there will be no parameter of the Pacific that we can do anything about, except possibly the West Coast of South America, if they still believe us; Central America, Mexico, and maybe parts of Australia and New Zealand.

My purpose today is, one, to take the blame off the Congress. I do not believe my President is right in blaming the Congress for what has happened. If they have to put blame, I have named the people.

As I say, I have the documents that can further prove it, and I will stand in the Chamber and offer them so that all my colleagues can read them.

I would like to see this country forget this God awful thing we got into, agreeing with my friend from New Jersey.

It was a noble thing; it was a proper thing. But can we not just forget this and vote this up or down? I intend to vote for it, as I say not for South Vietnam but for the honor of my country. Let us get on with strengthening our foreign policy; finding out where we are weak in it; setting up ways that we can make ourselves understood around the world, and rebuilding our crumbling military to the point that the rest of the world will have to believe us if we only act in an honest way to those people to whom we have made promises.

I often think how I would feel if any Member of this body made me a promise and reneged on it. I would never trust them again.

I can tell you from personal experiences in Taipei, and from rather constant communication with friends around the rest of the world, this country is slipping and it is slipping fast. Whether or not we can stop it from going all the way I do not know. I hope and pray we can. I think we can. But it is going to take a decision of the American people and the Congress, both. We cannot do it alone. The President cannot do it alone. The American people have to join us.

We have reached the lowest point, in my opinion, that we have ever reached in our relations with the rest of the world. It will not surprise me one bit to see major allies begin looking for other places where they might put their allegiance in the absence of the once strong promise from the United States.

Mr. President, I will vote for this measure. As I say, I am going to vote for it for the United States, not for South Vietnam. I look forward to listening to what is said about this with great interest.

Mr. CLARK. Mr. President, I voted against the legislation (S. 1484) recommended by the Senate Committee on Foreign Relations and now before the Senate. Because of the rapidly changing political and military situation in South Vietnam, I certainly am keeping an open mind on the question until we have heard all the debate and until events become more settled.

By approving this bill, I feel the committee gave up the only real opportunity it had to compel the administration to accelerate the evacuation of Americans and their dependents who remain in Vietnam. Unfortunately, the administration has not been removing the Americans and their dependents at a rate commensurate with the increasing threat to Saigon. And the continued presence of more than 4,000 U.S. citizens and their dependents in South Vietnam cannot be justified any longer. Within the next week, the number of Americans in Vietnam should be reduced to a hard core of 800 to 1,000 people. A residual complement of that size could be withdrawn quickly and without any significant commitment of U.S. Armed Forces.

While I was willing to compromise on a number of points in the proposed legislation, I could not do so on the one which directly affects American citizens—namely, the evacuation. By approving this measure, the committee—and now perhaps the Congress—in effect leaves the rate of American evacuation to the discretion of the President and the U.S. Ambassador in Saigon, both of whom seem unduly optimistic about the current military situation in Vietnam.

We should not vote any additional aid or authority to use force for evacuation until the administration has demonstrated that it is, in fact, moving expeditiously to bring these people home. My objections to the legislation in committee did not end there, however.

The $100 million authorized by the bill for aid conceivably could be used for military purposes and "justified" on the ground that it was necessary to evacuate Americans. Such a rationale can be stretched too easily; and in this connection, it should be noted that even the Armed Services Committee apparently has decided that additional military aid would not be wise.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. TOWER. I point out that a majority of the members of the Armed Services Committee supported aid of some kind, but they were unable to come to an agreement on the amount.

Mr. CLARK. I understand that.

Mr. TOWER. And the form. So it would not be proper, I think, to say that any additional aid was rejected offhand by the committee.

Mr. CLARK. The Armed Services Committee defeated each aid proposal put forward.

Mr. TOWER. That is correct. But it was not tantamount to a total rejection of the idea, because the majority voted at one time for some form of aid.

Mr. CLARK. I understand that, but the result in each case was negative, and there was no final agreement among the Armed Services Committee that any additional authorization would be made.

The bill contains restrictions on the President's authority to use American troops to bring out South Vietnamese nationals. Those restrictions are wise, but they would not effectively limit the number of troops that could be employed or the dangers to which they might be exposed. Should any force be so employed, a danger of uncontrolled escalation would be created. And this concerns me as well.

I am not yet certain whether the contingency fund and such authorization should be approved—but it is my feeling that we should not act hastily, that we should demand that certain conditions be met before we act.

Let us take a look at the military situation as it stands today because the prospects for evacuation and its urgency depend on that.

First, we know now that Xuan Loc has fallen and that troops are moving along toward Bien Hoa and Saigon, not far away. We know that Bien Hoa is under heavy artillery attack, and it seems doubtful that it will survive this week. That means the loss of the South Vietnamese aircraft maintenance operation and much of its ammunition stores.

We know that Vung Tau is threatened and it seems doubtful that this one remaining route to the sea is going to be in existence for more than a matter of hours, perhaps a day or 2 or 3 at most. That would make it impossible to remove any Americans or others through the Saigon River and out to sea.

We know that Tay Nanh, just northwest of the capital, is no longer being defended. To the south of Saigon, not far away, North Vietnamese troops threaten to cut off Highway 4 and the rice road to the Mekong Delta.

We know, in short, that Saigon is surrounded. In some areas, the perimeter is 30 or 40 miles; in others, it is only 15 to 20. Few people any longer believe that the armies of the south will be able to hold out much longer—perhaps 5 or 6 days, perhaps 10 or 15.

All of this leads to one conclusion: the highest priority of U.S. foreign policy should be to evacuate the more than 4,000 Americans and their dependents who remain in Saigon right now. It may already be too late to get them out without the use of troops because the administration has failed to evacuate Americans at an expeditious rate. The difficult situation in South Vietnam has been clear now for more than a month; yet, until today, we have brought out only about 100 Americans each day. Meanwhile, many planes with empty seats continually leave Saigon, while nonessential personnel—both governmental and nongovernmental—remain behind.

It is impossible for us to determine who is responsible for this delay; for our purposes here today perhaps it does not matter. In any case, we find ourselves in a most difficult situation. Where does the evacuation timetable stand today?

Earlier today, on the floor of the Senate, someone mentioned that the administration does have an evacuation plan. I think that, in fact, we have had several plans. Each day, we have seen a different plan. None of those plans so far have been enacted. They may be under study, but none of them so far has been carried out.

As of Monday night, Saigon time, there still are more than 2,800 American citizens and 1,200 of their dependents in South Vietnam.

Today, we evacuated less than 500 Americans and their dependents, according to the Department of State; yesterday, only 170. That leaves more than 4,000.

There is supposed to be a plan to reduce that number to 2,000 by tomorrow night—just 30 hours from now. It seems most doubtful that plan now can be fulfilled. But whether it is or not, it is not nearly good enough, because even if that plan is successful, we will still have too many Americans and their dependents in South Vietnam.

Given this, the only influence this body has remaining is this bill. There are no other opportunities to insist upon a more rapid evacuation. It may well be that we should pass this measure, but we should not pass it today or tomorrow. I believe that we should delay the vote on this matter until we have evacuated all but 800 or 1,000—a number which is possible to take out with one sweep of the helicopters, as we did in Phnom Penh. No vote should be taken until we reach that stage.

Let us look very briefly at the proposed legislation. There are two particularly difficult sections. The first involves giving the President a contingency fund of $100 million to use as he sees fit.

It is quite true that on page 1 of the bill, lines 8 and 9, the committee adopted language stating that the money is:

> To be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961, as amended, as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam.

All of us are aware that the committee felt strongly that this money should be used for humanitarian and withdrawal purposes. But we also are very much aware that it need not be used for that purpose if, in the President's opinion, it can be used effectively in other ways in the national interest. It may well be necessary for us, to insure the evacuation of American citizens, to give the President this kind of authority and this kind of money. But I only caution that everyone understand that as we vote on this legislation. Everyone should understand that the money can be used for military purposes—for military aid.

The second section that warrants caution and care is the section that authorizes the use of American troops to bring out South Vietnamese nationals. Again, it may well be necessary to do this to get our own citizens out, but let us be aware of what we are doing.

There is no limit on how many troops the President can commit in this bill. There is a virtually limitless opportunity to commit an unspecified number of troops if, in the President's judgment, this seems necessary.

Now, there are many excellent restrictions—five, to be exact—on how those troops can be used. But we should be very much aware of the possibilities within that section despite the restrictions. I think we should not hurry to vote such a measure. The Gulf of Tonkin resolution was hurried through the Senate 11 years ago, with only 2 days' debate—only a few hours of debate on August 6 and 7 of 1964. I hope that we can spend more time, and look more carefully at a measure which has the import carried in this section of the bill.

Mr. CRANSTON. Will the Senator yield on that section before going on to the next one?

Mr. CLARK. Yes, I yield.

Mr. CRANSTON. I think he has raised some very valid concerns about section 4, quite apart from the general concerns that he has expressed about action on the bill at this time.

Is not subsection (d) of section 4 particularly wide open? It says, "The duration of the exposure of the U.S. Armed Forces to hostilities will not thereby be extended," relating to the efforts to get Americans out. That could well mean that Americans might be left in order to provide an everlasting period of time when American military personnel might be used, or kept there for the purpose of evacuating South Vietnam. Is not that a potential misuse of the intent of that particular subsection?

Mr. CLARK. The potential is clearly there. In our meetings with the President and other officials of the administration, however, it was my belief that there is no such intent. But certainly, the authority would be there, in my judgment, to do that.

Mr. CRANSTON. Of course, there is some reason to believe that some American personnel have been left there for a longer period than necessary because of the relationship of their presence to a possible evacuation of South Vietnamese citizens, is not that correct?

Mr. CLARK. A large number of nonessential American citizens have been in Saigon throughout this month and they have not yet been evacuated.

Mr. CRANSTON. I thank the Senator for his very helpful presentation, and I wish to say that I am delighted that he is now a member of the Committee on Foreign Relations, and he is doing very useful work there, not only for the committee but for the Senate.

Mr. CLARK. I think the Senator.

Mr. SPARKMAN. Will the Senator yield?

Mr. CLARK. I yield.

Mr. SPARKMAN. I cannot follow the reasoning of the Senator from Iowa and the Senator from California with reference to the point they have just been talking about, if I understand it correctly. Section 4(d), I believe, is the one they referred to: "The duration of the exposure of U.S. Armed Forces to hostilities will not thereby be extended."

In other words, we have tried to make certain that insofar as it is possible to bring these others out, it must be under these limitations of (a), (b), (c), and (d), every one of which, I think, works tying the evacuation of Vietnamese to rapid withdrawal of Americans.

Let me read a pertinent portion from the report:

> This requirement for rapid completion of the withdrawal operation is an essential element for rapid completion of the withdrawal operation is an essential element in the limited authority allowed for use of the Armed Forces to assist in bringing out for foreign nationals along with American citizens. The withdrawal of Americans, under this authority, cannot be delayed or otherwise stretched out in order to bring out additional South Vietnamese. This bill does not allow the tail to wag the dog.

We are making it as clear as we can that it is Americans we are trying to get out, that we will help Vietnamese who have been connected with us, to get out, under the strict limitations outlined, but not at the expense of delaying the evacuation of the Americans and Americans must be evacuated as rapidly as possible.

Mr. CLARK. Mr. President, as I said earlier, there is no question that the restrictions in the bill are wise. But there is no restriction on the number of troops, and there is no restriction on the amount of time that they may stay there as long as they fulfill these five restrictions. An unlimited number may stay there an unlimited length of time as long as they are taking American citizens out, and within these restrictions.

Mr. SPARKMAN. We do require that: "Such citizens," meaning Americans, "and their dependents are being evacuated as rapidly as possible." That is one of the conditions for the authority to use troops in the evacuation operation.

Mr. CLARK. That is true.

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Mr. SPARKMAN. I think the Senator will agree with me that we worked very hard in the committee trying to make this thing airtight.

Mr. CLARK. That is true.

Mr. SPARKMAN. I think we did a very good job.

The Senator knows that it was a wearing, tearing job over the days we worked there, trying at the same time to keep the pressure—and this is something that the Senator particularly urged—keep the pressure on our people in Saigon to make certain that they evacuated Americans just as fast as they possibly could. We did insist that we get progress reports, and the reports have been coming in.

Mr. CLARK. Mr. President, I certainly agree that the committee worked very hard and that, under the chairman's leadership, we did so with the greatest kind of urgency and seriousness and in the most democratic of procedures. I agree that if we are going to give the President the authority to use Armed Forces to take out South Vietnamese, it is difficult to imagine much stronger restrictions. I think each of them is wise and essential. However, before we take a vote, we should realize that even with these five restrictions—and they are very meaningful restrictions—if we give that authority we still are going to allow the President to use an unlimited number of troops to carry out that section of the bill and that there will be no specific time limit on how long they could be used. That was my only point.

Mr. SPARKMAN. The Senator realizes, of course, that the State Department issued legal memorandum to the effect that the President has inherent authority to employ the Armed Forces in combat to withdraw Americans and "a limited number of foreigners" if they "can be evacuated in connection with an evacuation of Americans without materially changing the nature of such an effort."

Mr. CLARK. Yes.

Mr. SPARKMAN. We thought that with that interpretation of the Presidents power we should write in limitations. That is what we proceeded to do, write in strict limitations trying to insure that the withdrawal operation did not lead to our military reinvolvement.

Mr. CLARK. Mr. President, I understand that. In fact, I just reviewed that State Department memorandum. But, frankly, I do not agree that the President has that inherent authority.

Mr. SPARKMAN. No, I do not, either. But I think the Senator agreed with us that since the question had been brought up, we had better seal it off; and that is what we did.

Mr. CLARK. Given the choice between the committee position and the position of the State Department in the memorandum, I would certainly agree with the committee position.

The bill as it came out of the committee, the bill before us, does a good job in restricting the use of troops. My only point is that we must remember that we are authorizing, under those restrictive conditions, the use of unlimited American troops for an unlimited period of time.

Mr. SPARKMAN. I thank the Senator.

Mr. CLARK. Mr. President, it seems to me unwise for us to go ahead with this matter too quickly. The situation in South Vietnam has changed very greatly just today—we now have a transitional government—and it is still unclear what the goals of the new government will be. Given that, I believe we ought to consider whether these two factors in the bill—granting additional aid that could be used for military purposes and granting additional authority to use American troops—are really in the interest of bringing about a negotiated settlement.

All of us hope that there will be a negotiated settlement but none of us knows how this bill will affect that negotiation.

Will it exacerbate the situation to give new authority to commit American troops, when we are in fact anxious to have a negotiated settlement? I do not know.

Does it in fact make conditions worse to say we are going to give additional aid, perhaps additional military aid, at a time when a new government may be searching for a negotiated settlement? Again I do not know.

But I do know that it would be a mistake to hurry through and vote on this measure the first thing tomorrow—when we have not had an opportunity even to see what the new government looks like, or what kind of assistance they may want or need, or whether it is necessary to give additional authority to the President of the United States to commit American troops.

Those factors ought to be considered, and considered carefully here, tomorrow and perhaps the day after. I am not trying to pick a specific time, but we ought to be sure, first, of the rate of evacuation, and second, we ought to be certain we are not doing something here that is going to be harmful to a negotiated settlement. For those reasons, I think we certainly should delay.

Lastly, I wish to say that everyone on the committee is committed to additional humanitarian aid. I am not sure $100 million is enough; perhaps it should be increased. We are all in agreement that we want humanitarian aid through multilateral organizations. That is not at issue. The other matters, I think, clearly are.

Mr. President, I yield the floor.

Mr. EAGLETON. Mr. President, the legislation we consider today seeks to deal with a vast human tragedy in South Vietnam. It seeks to provide the correct formula for America's withdrawal from that war-torn country. I believe it provides the legal framework within which solutions can be found to problems which do not yield easily to logic.

The United States does have a moral obligation to the people of Vietnam. It is not an obligation to provide more military arms for war, it is instead an obligation to provide humanitarian assistance to the victims of a war for which we hold some considerable responsibility. In the language of the legislation before us, "It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters." In providing $100 million for humanitarian assistance to be administered by international organizations and voluntary relief agencies, this bill responds to those traditional humanitarian concerns.

Mr. President, last Monday I presented a resolution to the Democratic conference which was intended to address the most vexing aspect of the President's Vietnam request—the need to authorize the use of the Armed Forces should they be needed for protection purposes during an evacuation. The bill before us adopts the same approach I recommended to the caucus. Needless to say, I strongly support the authority provisions of the committee bill.

The President's request to "clarify"—that is the word in his speech—his authority to use American forces to evacuate Americans and foreign nationals was complicated by a number of legal and substantive considerations. Why, for example, could not Americans be evacuated from Vietnam without using the Armed Forces? Should the President risk engaging our forces in hostilities to rescue foreign nationals? Does not the President have an inherent right under the Constitution to rescue American nationals in an emergency when their lives are endangered?

One week before the President requested authority to use the Armed Forces to rescue foreign nationals, he reported to Congress, under the war powers resolution, that an Ameircan naval vessel had entered the territorial waters of South Vietnam on April 3 to participate "in the refugee evacuation effort." The President made the following statement in describing the legal authority under which he acted:

> This effort is being undertaken pursuant to the President's constitutional authority as Commander in Chief and Chief Executive in the conduct of foreign relations and pursuant to the Foreign Assistance Act of 1961, as amended, which authorizes humanitarian assistance to refugees, civilian war casualties and other persons disadvantaged by hostilities or conditions relating to hostilities in South Vietnam.

This statement indicated to me that clarification of the President's legal authority to use the Armed Forces in Indochina was urgently needed.

In my opinion, Congress could not let stand a claim of inherent executive power to rescue foreign nationals.

In addition, the question of using U.S. forces to rescue American nationals in danger was also unclear. Most constitutional scholars consider the emergency rescue of Americans from hostile situations to be a legitimate power of the Commander in Chief. Nonetheless, the statutory prohibitions on combat activity in Indochina—the so-called Case-Church amendment—and the failure of the war powers resolution to cite the President's traditionally exercised rescue power further confused the legal situation. It was my view, therefore, that Congress had a responsibility to act to clarify these issues.

In considering the need for a statute authorizing the use of the Armed Forces in Indochina, even for the limited purpose of evacuating Americans, one cannot forget the lessons of the Gulf of Tonkin resolution. It is perhaps this unhappy experience which causes many in Congress to back away from any authorizing statute of this sort. But if the Constitution is to work, Congress cannot duck its responsibilities. And if we are to make sure that a use of force in Vietnam does not go beyond a rescue operation, we cannot forge the opportunity to carefully circumscribe the Commander in Chief's actions.

Mr. President, the bill before us requires the President to exhaust all other possibilities in seeking the safe withdrawal of Americans from South Vietnam before using the Armed Forces. I believe that the intent of Congress is clear in this regard. Parenthetically, had the administration acted more promptly to move Americans out of Saigon, this bill might have been considered earlier. The committee correctly held it up to encourage a rapid withdrawal. While this strategy has been somewhat successful as of late, earlier footdragging by the administration may have already made the use of the Armed Forces inevitable.

If it does become necessary to introduce American forces into South Vietnam for rescue purposes, the committee bill contains all possible safeguards to avoid their becoming engaged in hostile action. The bill contemplates the same rapid evacuation which took place in Cambodia. It should be emphasized, however, that tactical decisions are the sole prerogative of the Commander in Chief. Within the limits Congress prescribes, he must determine the most efficient—and in this case, the safest—means to carry out the objective.

The President's request for authority to use U.S. forces to evacuate foreign nationals was undoubtedly the most difficult aspect of this legislation. The humanitarian implications had to be weighed against the danger of involving U.S. forces in hostilities.

I believe that the committee bill addresses both considerations in a balanced way. The President may use the Armed Forces "to assist in bringing out endangered foreign nationals," but—and these are very important buts, Mr. President—but he cannot increase the number of forces beyond those required for the evacuation of Americans, he cannot keep them in Vietnam any longer than necessary for that purpose, and he cannot move them into areas where they would not be required to protect Americans.

Put another way, Mr. President, the evacuation of foreign nationals is very carefully circumscribed and limited to, in all instances, situations where we would be, in any event, rescuing American nationals. Some refer to this as the spare seat doctrine.

The military operation, therefore, cannot be expanded beyond the minimum necessary to rescue Americans.

Mr. President, the late and great Professor Alexander Bickel, who during his life placed his own imprint on the rejuvenation of Congress, understood well the constitutional role Congress must play. "There is no assurance of wisdom in Congress," he said, "and no such assurance in the presidency—the only assurance there is lies in process, in the duty to explain, justify and persuade, to define the national interest by evoking it, and thus to act by consent."

Mr. President, in these past days Congress has had to struggle with a crisis. We have had to seek answers to one apparent dilemma after another. And we have had to make choices between equally distasteful alternatives. History alone will judge the correctness of our actions, but whether or not we find the best possible responses, I believe that Congress has demonstrated the institutional capacity to deal with a crisis.

Mr. BARTLETT. Mr. President, in discussing S. 1484 it is important to make the distinction that the $200 million authorization responds only to President Ford's request for humanitarian and evacuation aid but does not address itself to his request for military assistance for Vietnam, first made to Congress on Jan. 28, 1975.

We must not pass this bill with the thought that it takes care of all obligations to our beleaguered allies, the South Vietnamese.

From an assessment of the military imbalance and the resignation of President Thieu, it is apparent that the situation in South Vietnam is grim; their future is questionable and may be hopeless.

I can understand President Thieu's frustration with the United States. While the Russians and the Chinese have been unswerving in their commitment to assist the aggression of the North Vietnamese, we have apparently not had the same dedication to the South Vietnamese in their fight to defend their freedom.

It will be interesting to see the Communists' reaction to President Thieu's resignation. For years, and up until the present, they have said that his resignation would lead to a political settlement. However, their record of keeping commitments has been a farce, and with a military victory in sight, there is no reason to believe they will settle for a peaceful solution.

In spite of the deteriorating situation in Vietnam, it is still important that Congress vote out a least a part of President Ford's request for military assistance. In the first place, I believe the American people want to help the dying, as well as the sick. In their hour of greatest need we should not turn our backs on our allies, the South Vietnamese.

While military aid at this late hour will probably not turn the course of events, it can buy time for the purpose of saving both American and South Vietnamese lives.

Additionally, it is particularly important that our allies around the world be sent a message that the United States intends to honor its commitments. That we are as committed today as we were in 1961 when President Kennedy stirred the hearts of freedom-loving people around the world with these words:

> Let every Nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty.

I intend to vote for S. 1484 because, No. 1, we obviously must safely evacuate our Americans living in South Vietnam. Second, we have a moral obligation to evacuate as many South Vietnamese as feasible and give humanitarian assistance to hungry, sick and dying people in South Vietnam.

But in addition to a moral obligation for the physical well being of the Vietnamese, I believe we continue to have a commitment to provide them with military aid. However hopeless, in their efforts to defend their freedom against Communist aggression.

The Soviet Union and China have supplied North Vietnam with an 18-month supply of ammunition and expendibles in South Vietnam for a sustained level of fighting.

Our insufficient aid for the past 2 years has resulted in the necessity for the South Vietnamese to ration ammunition, jet fuel, and gasoline for a year and one-half. Their current supplies of ammunition and expendibles approximate a 1-month supply for heavy fighting.

Additional ammunition and expendibles are essential to a safe evacuation of Americans and South Vietnamese as well as the creditability of the United States.

If we are to maintain our role as leader of the free world and, more important, of the freedom-loving people of the world, it is essential that our allies know that the word of the United States is still worthy of its great history.

PENDING BUSINESS LAID ASIDE TEMPORARILY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

(Subsequently an order was entered providing that the Senate recess until 10 a.m. tomorrow.)

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that when the Senate adjourns at the close of business today, it adjourn in legislative session.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW AND CONSIDERATION OF S. 1484

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes with Sena-

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tors permitted to speak for not in excess of 5 minutes each during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Thomas J. Meskill to be a circuit judge.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF THOMAS J. MESKILL OF CONNECTICUT TO BE A U.S. CIRCUIT JUDGE FOR THE SECOND CIRCUIT

The assistant legislative clerk read the nomination of Thomas J. Meskill of Connecticut to be a U.S. circuit judge for the second circuit.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Robert Herrema and Robert Dotchmin, of my staff, be permitted the privilege of the floor during the matter of the Meskill debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. BURDICK. Mr. President, I ask unanimous consent that two of my staff members, Mr. W. J. Weller and Mr. W. P. Westphal, be granted the privilege of the floor during the consideration of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Will the Senator yield to add to that list the name of Mrs. Parker, of Senator FONG's office, and J. C. Angetsinger and Eric Holtman, on behalf of the staff and my office?

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. ROBERT C. BYRD. Will the Senator from Nebraska yield for 1 minute?

Mr. HRUSKA. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no vote occur today on the Meskill nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Who yields time?

Mr. HRUSKA. Mr. President, I yield myself 20 minutes.

Mr. President, I rise in support of the nomination of Thomas J. Meskill to be a U.S. circuit judge for the second circuit.

The Senate Judiciary Committee reported the nomination favorably. It found the nominee to be fully qualified for the post. It found further that he is of high integrity and professional accomplishment.

My strong concurrence with the committee's report and findings is based upon full participation in the hearings held before the committee plus examination in detail of the testimony and documents in the record.

Notwithstanding the strong showing and the committee's favorable report, opposition is asserted to his confirmation.

Mr. President, the note should be sounded early that a heavy burden must be assumed and discharged by those who challenge a nomination to a judicial post. This is true not because a nomination, of itself, should be given great standing.

It is true because Presidential nominations to the Federal bench are not lightly or routinely accorded. Careful scrutiny from many aspects and sources precedes transmittal to the U.S. Senate. The processing is of considerable duration and range. The task is taken seriously, all concerned in it being aware of the virtual lifetime tenure, the importance of the duties the office entails, and the fact that the Senate must advise and consent.

Awareness that these factors exist and the concern that the responsibility be conscientiously discharged are not only constantly in mind, but are shared and participated in by a wholesome variety of similarly motivated persons.

Mr. President, these observations are offered by this Senator on the basis of more than 15 years service on the Senate Judiciary Committee. During this period, literally hundreds of nominations have been referred to the committee, almost 300 in the past 6 years alone. It has been my privilege to have served as a member of subcommittees in all but a small percentage of the nominations which came from five Presidents. It has been an interesting and rewarding experience.

Mr. President, permit me to sketch briefly the prenomination activities. Names proposed for consideration to the Department of Justice are first screened by staff on the basis of resumes furnished.

Tentative selection is submitted to references—some furnished by the nominee, others determined by staff. It is thus that estimates come to the file from members of bench, bar, and general public. The nominee is personally interviewed. He furnishes detailed information orally and in writing as requested. The Federal Bureau of Investigation makes a full field inquiry and submits its Report to the Department of Justice.

I might say, Mr. President, the process which I now describe is not peculiar nor did it originate with the present administration. It has been my good fortune to have served on the Judiciary Committee for a little over 15 years, serving under five different Presidents. The outline of procedure that I have given so far, and which I shall complete shortly, is that which has been worked out through the years, and has been following during my entire experience on the committee.

The accumulated result of staff work and FBI inquiry finds its way to the Deputy Attorney General and the Attorney General. Often additional information is requested and obtained before the recommendation goes to the President for his consideration. Further perusal occurs with the White House staff.

Then comes the nomination, for transmittal to the U.S. Senate.

Mr. President, this is a brief outline which has obtained generally in the years and under the five administrations of my committee service.

It is submitted that under such procedure any question about the result should bear searching scrutiny and burden.

In the instant case, even greater burden of proof is required. Few nominees have been examined as closely and extensively as Governor Meskill. Not only were the outlined procedures followed, but a great deal more. This included a second FBI inquiry and report, undertaken at the request of the ABA Committee. Also, State legislature committee investigation and report which were referred by the legislature committee of Connecticut to the State attorney general, and the Federal district attorney. All of these were with negative results with respect to a basis for any ABA contentions in the several aspects they originally raised.

All of this, Mr. President, clearly indicates: First, the burden on challengers to the nomination is heavy. It has not been sustained; second, that the ABA Committee has no monopoly as to concern for an able judiciary; nor even a concern of degree equivalent to the more seasoned, experienced, and balanced concern of those who process the nomination prior to its transmittal to the Senate.

There is one additional point which should be made:

Frequently, a President will submit the nomination of a man or woman he does not personally know, but who has been recommended to him by others.

In this case, President Ford was thoroughly acquainted with the nominee because of their service together in the House of Representatives during the period of time the nominee served in that body.

The President knew that he was nominating an honorable and capable man, one fully qualified for the position to which he is being named.

NOMINEE'S QUALIFICATION

The record of Mr. Meskill's professional career and statements of individuals to whom he has been known during his career indicate that he is fully capable in the field of the law and that he is well qualified to assume the duties on the bench.

A native of Connecticut, Mr. Meskill was graduated from the University of Connecticut Law School in 1956, following 3 years service in the Air Force during the Korean conflict. Writing of Mr.

Meskill's ability as a legal scholar, his former teacher, Professor Emeritus Edward L. Stephenson states:

> Governor Meskill's legal aptitude and scholarly capacity were evident in the classroom and are fully demonstrated by his elevation to the chairmanship of the Law Review, even though he was a transfer to the day division. He was a student of unusual maturity and promise.

Following graduation from law school, the nominee was engaged in the full-time practice of law in New Britain, Conn., until he embarked upon his public career. During this period and later as corporation counsel for New Britain, Mr. Meskill handled a wide variety of legal matters and cases involving trial litigation. Mr. Meskill also served for 2 years as mayor of New Britain. He was elected to the U.S. Congress as the representative from the Sixth District of Connecticut serving from 1967 to 1971. The nominee subsequently served as Governor of the State of Connecticut for 4 years until the expiration of his term, this past January, having not sought reelection.

PRACTICE OF LAW

Mr. President, Mr. Meskill's public career is well based on the solid foundation of his years in general practice of law. This practice, which has been described as a "country Connecticut practice," afforded him the opportunity to deal first-hand with the day-to-day legal problems which confront individuals in need of help and counsel. While his trial experience did not extend to the Federal courts, the 10 significant cases which the nominee was asked to list with the American Bar Association indicate a diversity of interesting legal matters in which he participated in the State courts. Commenting on the nominee's reputation in private practice, Paul J. McQuillian, past president of the New Britain Bar Association, stated:

> He was regarded by his fellow attorneys as a knowledgeable and hard-working lawyer who gave excellent representation to his client. On several occasions he was my adversary at trial and I considered him a worthy opponent.

Referring to Mr. Meskill's later service in the city's corporation counsel's office, Mr. McQuillian testified that—

> Mr. Meskill had the responsibility for all civil litigation involving the City. This duty required him to prepare and handle all trials on behalf of the City of New Britain, as well as to help in supervising the legal staff.

The hearing record well reflects the fact that the nominee is not without experience in the courtroom. His litigation experience and his general practice of law would indicate that he is versed in the adversary system of the law, a quality that will serve him well on the bench.

PUBLIC CAREER

Built on top of Mr. Meskill's solid foundation in the practice of law is his highly successful career in public service. This noteworthy and broad career includes the mayor's office for a city of some 90,000, membership in the U.S. House of Representatives, and subsequently, governorship of a highly complex and diversified State.

Mr. President, I wish to take note, as the committee did in its report, of Mr. Meskill's membership on the Committee on the Judiciary for 4 years while he served in the U.S. House of Representatives. That committee, in which Mr. Meskill was an active member, is much involved in legislation pertaining to the basic "nuts and bolts" of the Federal judicial system, as well as other substantive areas of the law. The experience gained by the nominee on that committee will be of great benefit when he ascends to the bench.

In receiving testimony regarding the nominee, the committee was particularly interested in the comments of the chairman of the House Judiciary Committee, Representative PETER RODINO of New Jersey, who stated:

> I found him to be the kind of individual who is high-minded, with a sense of the Constitution, a sense of responsibility, a sense of understanding, and I think these are qualities that can serve an individual who is to sit in judgment on people and who is to interpret the laws.
>
> For these reasons, and not to elaborate because I would be repeating myself, I endorse wholeheartedly Governor Meskill for this position of great responsibility.
>
> Mr. Chairman, my endorsement stands strong in the belief and in the full confidence that this is an able individual who assumes responsibilities and knows how to discharge them, who will be an asset and a credit.

Mr. Meskill's interest in the legal system continued while he was Governor of Connecticut. During the hearings on the nomination, the committee heard from Gerald F. Stevens, House minority leader of the Connecticut House of Representatives—and later majority leader—who, in discussing a number of improvements in the judicial structures which were instituted by Governor Meskill, stated that—

> Perhaps the major judicial reform brought about by the Meskill administration was the reorganization of Connecticut courts. Our State had a three tier-court structure, each with its own jurisdictional limits. In 1973, the Governor supported the creation of a commission to study the court structure and make recommendations for improvement. Its report called for a merger of the three trial courts into two courts and eventually a single tier structure. Much controversy was generated by this proposal. The Connecticut Bar Association was one of the groups adamantly opposed to the recommendations. The Governor gave his full backing to the commission's report and our State now has a two-tier trial bench. We are moving toward a single tier similar to that which I understand now exists in the District of Columbia. Were it not for the Governor's support, this measure would never have been enacted.
>
> Governor Meskill has not been hesitant to call for much-needed change in our State's judicial structure. He has brought about improvements that benefit all citizens utilizing our courts. Both the criminal justice system and the civil courts have been improved due to his efforts.

The testimony and documents received by the Judiciary Committee in its consideration of the nominee clearly indicate that he is a man who has devoted a lifetime to the diligent pursuit of the law. During his private and public careers he has amassed a considerable knowledge and understanding of this subject as a distinguished student, general practitioner, legislator, and administrator.

There are those who oppose this nomination, chiefly representatives of the American Bar Association, who do not feel that credence can be given to the experience gained in public office when considering the qualifications required for a judgeship. The American Bar Association position on this point was summed up by Mr. John A. Sutro, past chairman of the American Bar Association Standing Committee on Federal Judiciary, who in reference to Mr. Meskill said:

> He is a fine governor, he was a fine Congressman, he was a fine mayor, but that is for substitute either for legal scholarship or for courtroom experience.

The committee rejects this narrow position taken by the American Bar Association regarding judicial qualification, and I will elaborate more on this point later on. I share the thoughts rather of Gov. Philip W. Noel, of Rhode Island, who questioned whether the American Bar Association had—

> Overlook-[ed] the far greater "trial" experience that Mr. Meskill has gained and mastered in public office and service dealing with everyday trials, challenges and problems of American life and society?

I wish to say, Mr. President, that I fully concur in Governor Noel's thought. I might say further in the matter of considering public service of the nature which the nominee possesses in evaluating eligibility for the bench, this thought was also that of the Attorney General. It was that of President Nixon, it was that of President Ford. This reasoning is also held by the Judiciary Committee, not only on this particular occasion, but on other occasions when the American Bar Association and other opponents have sought to base their opposition to a nomination upon a rejection of that type of public experience.

Governor Noel went on to state:

> I can assure you, the American Bar Association, that the countless and often unexpected challenges that I have encountered in public service have been far more demanding and exacting than any that I faced when I worked in the trial courts. Does the American Bar Association honestly believe that the trial lawyer cross-examining a cab driver in an automobile accident case—or a wife in a divorce case—or the corporation lawyer claiming a patent is bad—have to make any greater or demand judgments than a United States Congressman; the Mayor of a large Metropolitan City or the Governor of the State of Connecticut? I submit, Mr. Chairman, that the lights that burn late at night in some public office building are seldom noticed and, when it's all over, the objection is made that Tom Meskill hasn't had too much trial experience. He has had better. He has had, and mastered the problems and experiences of life, society, and its needs. To me, when a person masters these, he is then . . . and only then . . . really qualified to judge the everyday problems and conflicts of society that end up in our courts.
>
> As I hinted earlier, I speak from respect and admiration for Tom Meskill as well as from personal similar experience. I am a lawyer by profession and I was considered a good trial lawyer. I also entered public service, and I have been honored by the confidence of the people in my home city and my home state. The challenge of crisis . . . decision and understanding . . . has been more demanding of me in public service than ever in the trial court. I would certainly look with suspect upon anyone who would in my years

> ahead object to my being considered for a judicial appointment because I interrupted my legal practice to serve as a Mayor and Governor . . . at great financial sacrifice.

POINTS IN OPPOSITION

JUDICIAL TEMPERAMENT

Opponents of the confirmation, in their separate views of the report, raise an "issue" which was really not an issue at all during the protracted hearings. That is the question of Mr. Meskill's judicial temperament.

As evidence of the nominee's alleged lack of judicial temperament, the opponents cite two incidents, one occurring while Mr. Meskill was mayor of New Britain and the other occurring during his service as Governor of Connecticut.

Mr. President, it seems to me the weakness of the case against confirmation could not be better demonstrated than by the opposition's resort to those two examples.

In one instance, authors of the separate views chide the nominee for objecting to the practices of a State-funded legal clinic in 5 cases out of 342. They say they agree with a witness who said Mr. Meskill "ought to stop and look at the facts."

Mr. President, I submit it is the opponents of this nomination who "ought to stop and look at the facts," and particularly in regard to these so-called issues.

Imagine. In a lifetime of public service, the opponents could scrape together only two instances where, acting as a chief executive of his city and of his State, the nominee behaved in a manner which the opponents allege showed a lack of judicial temperament.

The other case cited by the opponents hardly deserves discussion.

It is alleged that Mr. Meskill threatened to invoke his statutory authority of arrest in order to require a quorum of the New Britain Common Council.

The Separate Views make much of the fact that the nominee's "lack of sensitivity" to the distinction between a threatened action and the action itself.

Where have we heard those words, "lack of sensitivity," before? It has become the fashion that when one disagrees with another's policies or actions, we haul out too frequently the mysterious charge of "lack of sensitivity."

More typical of the comment of those on both sides of the political fence who closely observed Mr. Meskill's conduct in public office comes from Representative WILLIAM R. COTTER, Democrat of Connecticut, who stated:

> Whenever we have differed politically or on issues there has never been acrimony or personal recriminations. Tom Meskill is a man of character, integrity, and understanding. From my own observation, he has conducted himself as mayor of New Britain, as Congressman from Connecticut's 6th District, and as Governor of Connecticut, in a principled, ethical, and honorable manner.

Throughout the hearing record are found similar statements of other elected officials and members of the bar who have worked with Mr. Meskill, both Republican and Democrat, attesting to his integrity, decency and even-tempered manner.

APPEARANCE OF IMPROPRIETY

Again, the opponents fall back on "insensitivity" in trying to make a case of impropriety in the handling of Connecticut's program for leasing property for the use of State agencies.

Mr. President, for many years and through the administrations of several Governors, the State of Connecticut has been plagued by the subject of leasing practices. The lack of adequate statutory guidelines, standards or procedures led to loose handling, no doubt, and some abuses, and perhaps irregularities. The opponents say grave questions and doubts have arisen about the nominee, because he knew or should have known about such occurrences and should have done something about them but failed to do so.

Mr. President, I think it is very important to note that a former Governor of Connecticut and currently a colleague of ours in the Senate, ABRAHAM RIBICOFF, has had no hesitation to endorse the nomination of Mr. Meskill, and his endorsement is of record. Senator RIBICOFF, who served as Governor of the State of Connecticut from 1954 to 1961—leaving during his second term as Governor to become Secretary of Health, Education, and Welfare in President John F. Kennedy's administration—certainly is familiar with the problems of State leases.

Senator RIBICOFF has said he has decided to vote for Mr. Meskill "after careful review of the Senate Judiciary Committee's report on the nomination."

He added:

> I found nothing in the report or in his critics' charges to date that disqualifies him from sitting on the Court of Appeals as a Judge.

Mr. President, the testimony in its entirety shows the allegations about Mr. Meskill's failures to correct leasing procedures are false. As Governor, Mr. Meskill tried to deal with this matter directly by urging upon the Legislature the creation of a State committee to study building contracting and leasing procedures as a basis for legislation. The lawmakers refused to act. He did have some success in two instances. In 1973, Mr. Meskill supported and signed into law two bills approved by the legislature: One, requiring 60-day publication of advance notice that the State was in the market for a site or building; the second requiring public listing of all principals with real interest in all leases. The record contains a number of instances of complaints about leases to the Governor where he made prompt, proper reference to proper authority, resulting in discipline, or correction.

In view of all of the publicity and controversy surrounding this allegation against Governor Meskill, I think it is important to note that no witness testified to any specific wrongdoing or irregularity by the nominee.

Mr. President, it was much ado about nothing: Inquiries and investigations were made by: State legislative committees, the U.S. Attorney, the incumbent State attorney general—a member of the opposite party, I might add—and the Federal Bureau of Investigation, in two instances. One was the original FBI field investigation; the second was in response to the request of an ABA committee that the Senate should have further information about indicated conflicts of testimony, and about statements of certain individuals who had refused to be questioned.

The Senate committee agreed to request such information. Its chairman transmitted this request to the Attorney General by extended, specific letter. The resulting report was duly received, processed by the Senate committee in its regular form and was reported negative. Mr. President, all of the reports and investigations proved negative.

The opponents to the nominee have not made charges of illegal conduct or wrongdoing. They have contended themselves with general allegations of "serious" or grave questions as to his judgment, candor, and concern for propriety. In this they relied chiefly upon the fact that the nominee and some of his associates declined to be interviewed by an ABA committee. This reliance was highlighted by an innovative proposition given in testimony to the Senate committee:

> We submit that their refusal to discuss these transactions demonstrates a lack of candor and *it in itself an indication of their awareness of wrongdoing*. (Emphasis supplied.)

Mr. President, this outrageous comment is rebuked even in the separate views on Mr. Meskill's nomination. The authors say:

> Unfortunately, given the unique quality of this nomination, debate has often slipped from the consideration of specific facts into inaccurate overstatement. We believe that the American Bar Association itself committed such an error in its March 3 letter to the Committee, in which it commented on the refusal of certain individuals to discuss specific real estate leases in Connecticut. It erred when it stated that "We submit that their refusal to discuss these transactions demonstrates a lack of candor and is in itself an indication of their awareness of wrongdoing." We objected then, and we do now, to equating a "lack of candor" with an "awareness of wrongdoing."

During the hearings before the committee on Mr. Meskill's nomination, Senator EDWARD M. KENNEDY, a member of the committee and one of the authors of the separate views had this to say to an ABA witness about the ABA's tactics of innuendo:

> I think it was completely unfair and unjustified to reach those conclusions, and I want you to know it. And I think that the implications that you have drawn have been a disservice to him (Mr. Meskill).

Mr. President, the type of innuendo mentioned by Senator KENNEDY comes from a group of people who should know better. In other words, here is a group of attorneys deciding that a man's silence means that he is guilty of the allegation. This flies in the face of the law and our system of justice.

This same "charge" was made in the letter sent by the ABA leadership to members of its house of delegates after these admonitions had been extended to them during the committee hearing. What the letter did not say is that Mr.

Meskill had responded fully to the ABA committee's requests on several occasions over a period of more than a year, and then finally decided to decline. The declined request came at a time after the Judiciary Committee had assumed jurisdiction. In fact, the request came after its hearings had started. The nominee felt that it would be inappropriate while his nomination was pending before the Senate Judiciary Committee—which had exclusive jurisdiction—to appear before the representatives of any other body. Criticism, if any, is more properly directed against the bar committee for interposing such activity with the matter pending in the Senate committee, as it was at the time.

Before declining the ABA invitation, Mr. Meskill sought advice on the matter from the Department of Justice, which recommended he decline the ABA's request.

LEGAL EXPERIENCE

Mr. President, the legal experience of this candidate has also been the subject of some opposition and criticism.

In a letter to the chairman of the Senate Judiciary Committee, William Hughes Mulligan, a member of the Second Circuit Court of Appeals, wrote:

> I have met Meskill and have familiarized myself with his career. At law school he was Chairman of the Board of Editors of his Law Review which would be, I think, particularly to law professors and especially those teaching at his alma mater, an indication of a high degree of legal competence. He had a typical Connecticut practice, which is not a Wall Street practice, but I do not think that this bench should be limited to men who have had this type of experience. We have a wide variety of cases which run the gamut of legal problems and we are not primarily concerned with securities or corporate law. He has not had extensive trial experience, but neither did I. If that were the criterion for this appellate bench, then full-time law school faculty members, who devote their lives to legal scholarship, would be ineligible to serve. I do not think the professors would agree to this limitation.

And, Mr. President, I might say parenthetically that the witness, Judge Mulligan, was a law school faculty member and dean at Fordham Law School for some 25 years before he ascended the bench, where he has proven to be an excellent member.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HRUSKA. I yield myself 5 more minutes.

Judge Mulligan went on to say:

> This bench does now have an amalgam of legal experiences to which Meskill, through his actual legislative and administrative experience, will add a public law dimension which we presently do not have. Those who look only to trial experience as a criterion for appointment here, I think, lose sight of the values of his high level legislative and executive background.
>
> I am for him and look forward to his joining us as a colleague.

Professor Emeritus Edward L. Stephenson, one of the nominee's instructors in law school, wrote:

> His (the nominee's) years of public service, as Congressman and Governor, have provided a far more meaningful background than additional years of private practice or of sitting on the bench in negligence or divorce cases.

The Judiciary Committee rejected the narrow view that only legal scholarship can be accepted as a supplement to the practice of law in judging the fitness of nominees to the bench. So did the Attorney General when his Department of Justice completed its processing of the proposed nomination. And, so did the President of the United States in making the nomination in 1974. And again the second time in January 1975, when a President resubmitted the nomination after having had available the record of the hearings in September last year before the Senate Judiciary Committee.

It should be noted, Mr. President, that the Judiciary Committee of the Senate in the discharge of its constitutional responsibility evaluates many factors and often solicits wide and varied testimony regarding nominees. It should be noted further that in the past 23 years the committee has approved and the Senate has confirmed some 18 nominees of the Federal bench who were found "not qualified" by the American Bar Association.

Mr. President, in the final analysis it is the Senate under the Constitution which has the duty through its advise-and-consent powers to decide the fitness of nominees to the Federal bench. While the committee and the Senate should take all evidence into account, it cannot abrogate its responsibility to follow the dictates of a private, nonelected organization. Rather it must attempt to weigh all the evidence presented regarding a nominee and on this basis reach its final determination.

Mr. President, the standards of the American Bar Association have neither been set forth nor written down and promulgated, but rather, as the organization conceded in testimony before the Judiciary Committee, are applied on a case-by-case basis.

In recent years, the ABA, as was brought out in the hearings, has given its approval to some nominees who have spent virtually no time in the practice of law or had no trial experience.

But in this particular case, they say Mr. Meskill has not tried enough cases. This certainly is in contrast to those instances where the ABA has given its approval to judicial nominees with no trial experience, and in fact some with no practice of the law, as compared to the years of general practice of the law by the nominee in this instance.

It is contended by the American Bar Association and its supporters that, as an alternative to the practice of law, and litigation, the scholarly pursuit of the law is an adequate substitute.

Mr. President, while I agree that legal scholarship is a worthy supplement to the practice of law, I do not accept the narrow view that this is the only proper supplement. The committee is of the belief that a great disservice would be done to the bench were it deprived of those who have had political and governmental experience. And I agree wholeheartedly.

This sentiment of rejecting that narrow view of disqualifying candidates for public office was well put during the hearings by Representative ROBERT N. GIAIMO, a Democrat from Connecticut, who said:

> Nowhere do I see it written, nor would I want to see it written, that our judges should be selected solely from our most eminent trial lawyers and those with the greatest experience in litigation or in court work. Nor would I want to see our judges selected solely from those who have spent most of their lives in our law schools as teachers of the law and of jurisprudence. I think there are many experiences that we develop in life as lawyers and part of these unique experiences are to be great public servants as Governors and as Members of the Congress. In this instance, Tom Meskill has these unique qualifications. All of these contribute toward unusual qualifications for a good member of the judiciary.

It is a widely shared belief that the writing of the law and the administration of the law is at least equal to and in some cases preferable to the scholarly examination of the law in determining an individual's fitness to be a judge.

The experiences of Mr. Meskill have served him well. During the hearings on the nominee, Rhode Island's Governor Noel mentioned a very appropriate statement once made by Justice Felix Frankfurter:

> Not annointed priests but men with proved grasp of affairs, who have developed residence and spaciousness of mind through seasoned and diversified experience in a work-a-day world, visually in public life, are the judges who have wrought abidingly on the Supreme Court.

Mr. President, I can say it no better. And I am sure the same standard would and should apply to the second circuit.

ROLE OF THE AMERICAN BAR ASSOCIATION

Because of the American Bar Association's eminent position in the legal community, the administration and the Senate has traditionally welcomed the opinion of the ABA regarding judicial nominations, as well as the judiciary in general. This is a fine tradition and it is my hope that the Judiciary Committee and the Senate will continue to weigh the opinion of this organization as it considers such subjects.

It should be noted, however, that the opinion of the American Bar Association should be taken for what it is—the opinion of a nonelected organization. It is, as the authors of the Separate Views correctly observe, the Senate in the final analysis that must determine the standards to apply to judicial nominees and decide their applicabilty to individual nominees. In the past, the Senate has not felt constrained to accept the judgments of the American Bar Association and other groups in confirming such nominees. In the past two decades, as I mentioned earlier, the Senate has confirmed some 18 nominees who were found "not qualified" by the American Bar Association.

When the American Bar Association testified against the nomination of Mr. Meskill in September 1974, its opposition was based solely on the grounds of his lack of qualification due to insufficient litigation experience. While the majority of the committee rejects these qualifications, as I have outlined earlier, it

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nevertheless gave full consideration to the ABA opinion in reaching its decision.

During the last Congress, the committee did not, however, make a determination regarding the nominee's qualifications. While the nomination was under consideration, and after hearings had commenced, the committee was made aware of an investigation being conducted by the State legislature into State leasing practices. The inquiry covered some 54 leases by the State from 1960 through the period that Mr. Meskill was Governor, 1971 to 1974. Although the Senate committee had no information attributing any impropriety or involvement on the part of the nominee, out of an abundance of caution, we decided to withhold our decision until after the State probe was completed. The legislature's report was not completed prior to the end of the last Congress.

Mr. Meskill's name was resubmitted in January. The American Bar Association requested at the January 23 hearings that it be given until March 1 in order to study the legislature's report. The Judiciary Committee agreed to this request.

The committee carefully examined the report of the legislature and found nothing to implicate Mr. Meskill in wrongdoing or to impair his ability to serve on the bench.

Following the delay to permit the American Bar Association to evaluate this report and to make its own inquiry, hearings were resumed on March 5.

The testimony and report of the American Bar Association offered nothing of substance beyond that found in the Connecticut report. What did greatly disturb the committee and this Senator in particular was the allegation, which I referred to earlier, that Mr. Meskill's refusal to meet with American Bar Association representatives in their inquiry of the leasing question could be equated with his "awareness of wrongdoing." This statement quite properly evoked the concern of a number of members of the committee, both proponents and opponents of the nomination.

The disturbing element of the American Bar Association testimony that day, and its subsequent efforts, is that it has taken a strident tone, amounting to outright advocacy. In a highly unusual and deplorable action, the American Bar Association has subsequently mounted a vigorous lobbying campaign against the nomination.

To this end, the ABA leadership has written a letter which is highly biased and incomplete—to a degree which some Senators believe make it misleading—to some 300 members of its house of delegates across the country, urging them to contact their Senators for the purpose of encouraging a vote against the confirmation of this nomination. It is further disturbing that the American Bar Association continued in that letter to allude to Mr. Meskill's unwillingness to meet with their representatives as something sinister. This is particularly disturbing in view of the admonition given by the Judiciary Committee during its hearing on account of such allusion as already referred to in my remarks.

Several Senators, myself included, who were concerned about the house of delegates receiving incomplete facts concerning this matter, have sent a letter to these delegates in order to set the record straight.

Mr. President, as I have indicated earlier, I have no quarrel with the American Bar Association's letting the Senate know its opinion about judicial nominees. In this case, however, I am frankly dismayed by the association's widespread and such publicized questioning of Mr. Meskill's integrity. This is made particularly more dismaying because it is based upon innuendo and unsupported allegations, which contradict the results of the numerous investigations and inquiries conducted by State and Federal authorities.

CONCLUSION

Full and extensive hearings were conducted by the Judiciary Committee on this nomination. After carefully and deliberately sifting through all the evidence, the extent and completeness of which are attested to by the more than 600 pages of printed hearing record, the committee found no basis for attributing any improprieties or lack of sensitivity on the part of the nominee which would impair his ability to take a position on the Federal bench.

The committee patiently waited until all the evidence was in before reaching a decision—over 6 months. It was extremely generous of its time in affording delays for the American Bar Association and others to make inquiries into the issues at hand. Following the final hearings, a request was made of the Attorney General to direct the FBI to inquire into certain details which were left unresolved. After the receipt of the results of this investigation, the committee reached its decision to favorably recommend the nomination of Mr. Meskill.

This Senator wishes to note the extremely patient and helpful manner in which Mr. Meskill availed himself to the committee during the unfortunate period when his professional ability was questioned and his personal reputation attacked by means of speculation and unsupported allegations. During this time he displayed the admirable qualities of integrity and courage.

Mr. President, the bench is greatly in need of men who possess Mr. Meskill's qualities and abilities.

By all objective standards this nominee has the qualification to serve with distinction. He is a man particularly distinguished as a scholar in law school, serving as editor-in-chief of his law reviews. He engaged in the practice of law 11 years and was held in esteem in his community. He did not continue his career, however, to specialize in trial work or to join the faculty of a law school, the only two areas of experience the American Bar Association would have us believe qualifies one for the bench. He went on, rather, to a vastly more broadening experience in the law. As a legislator he wrote the law; as a mayor and Governor, he administered the law. As a "country lawyer," mayor, Congressman, and Governor, he has shown an ability to deal with the complex questions of the interaction of the law and the people. This ability will benefit him on the court.

Mr. President, as I have attempted to outline, full consideration and deliberation have been given to this nominee by the Judiciary Committee. He has been found to be fully qualified to the position for which he has been nominated. For this reason, I strongly urge my colleagues to vote to confirm his nomination.

Mr. President, I yield the floor temporarily.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. BURDICK. Mr. President, I yield myself such time as I may require at this juncture.

We are today asked to consider the nomination of Thomas J. Meskill of Connecticut to be a judge of the U.S. Court of Appeals for the Second Circuit. This nomination is placed on the Executive Calendar by a report of the Judiciary Committee which held 5 days of hearings inquiring into the qualifications of Mr. Meskill.

By the narrowest of margins—by an 8-to-6 vote—the Judiciary Committee reported the nomination favorably. Attached to the report of the Judiciary Committee are the separate and dissenting views of the six committee members, including myself, who opposed this nomination.

These six members of the Judiciary Committee were of one mind in concluding, on the basis of the factual record developed during the hearings, that the nominee does not possess the legal background and experience which would qualify him to serve in this high judicial position. His experience as a lawyer for a brief period of 8 years, plus 2 years of part-time law practice has been wholly at—what one might characterize as—the municipal court level. Nor does his background include any evidence of legal scholarship either in the academic field or in his public service.

Mr. President, the conclusions drawn by the six minority members of the Judiciary Committee were not lightly made. They are supported by factual material fully developed during the hearings and fully documented and supported by the footnote citations in our separate views.

Mr. President, not since 1965 has the Senate been asked to confirm a nominee to the circuit bench who has received a rating of "not qualified" by the American Bar Association Committee on the Federal Judiciary. For 10 years the Justice Department and three administrations have scrupulously submitted to the Senate only those persons who have demonstrated a degree of legal accomplishment which would earn for them the right to sit on the second highest Federal court in our Nation. Mr. President, the Senate should not depart from the standard of legal excellence which has been maintained for the past 10 years.

I would now like to summarize briefly the legal career of this particular nominee:

He graduated from law school in 1956. He was nominated in 1974. During that 18-year period, he spent 4 years as a

full-time Congressman and 4 years as a full-time Governor. Out of the other 10 years, he spent 2 years as mayor of New Britain, a city of 90,000 population, and so I infer that when he was mayor, he was only practicing law on a part-time basis.

Thus, to date, this nominee's career as a practicing lawyer has consisted of 8 years in the full-time practice of law and 2 years in the part-time practice of law.

Nor is it just a question of the length of time of the nominee's legal experience. It is also a question of the depth and breadth of that legal experience. I have suggested that this nominee's only legal experience was at the municipal court level.

Just how limited this nominee's legal career has been can best be seen from the nominee's response to a questionnaire put to him by the American Bar Association. Mr. Meskill himself explained this questionnaire as follows:

> The questionnaire which is supplied, either by the Justice Department or by the American Bar Association, I forget which, asked us to list the 10 most significant cases. It says the most significant cases, not more than 10. For that reason I did not list more than 10. And the 10 cases which were of most significance to me were all court cases and while they may have involved little people and the small amounts of money, I thought they were very important cases in my development.

The complete list of the 10 most significant cases appears at page 10 of our separate views to the report and at page 25 of the September 17 hearing. I would now like to review the cases on the nominee's list:

First case: Dunbar against Dunbar, a divorce action. We are not told why a divorce action should be "most significant," but in any event it was readily concluded by a 1-day trial.

Second case: In Matter of Cloutier is the only one listed in which the case was in a Federal court. It involved the question of whether a false financial statement affected the discharge in bankruptcy. It was one of the nominee's longer trials—it lasted 2 days.

Third case: Groman against New Britain involved a pedestrian who fell on a sidewalk. It was a 1-day trial.

Fourth case: State against Williams involved indecent assault. It was a 1-day trial.

Fifth case: State against Noel involved reckless driving. This is a case in which he and his partner, Mr. Dorsey, both participated. The nominee testified, page 192:

> I was co-counsel with my partner. I am not sure whether I tried the trial of the appeal, but I know I was active in the trial of that case. * * * I was active in the trial, I was in the courtroom. * * * I know I had sampled witnesses and argued, and whether or not my partner had examined any witnesses, I do not remember. I do not believe he did. I think he was with me on that one.

This must have been a very significant case if he could not even be sure whether he or his partner tried the case.

Sixth case: Kosakowski against Carlton involved an alleged breach of warranty for the sale of paint. The nominee tried this one alone.

Seventh case: Zackin against City of New Britain. Let me read from a part of the letter included in the hearing record on page 30. The letter is from Mr. Abraham S. Silver, the lawyer for Mr. Zackin. The pertinent portions of that letter are as follows:

> Several months ago I was questioned by an FBI Agent who was investigating Governor Thomas Meskill with respect to his recent nomination. The Governor had indicated that I had participated in one of the 10 most important cases in his legal career, namely *Zackin* v. *City of New Britain*.
>
> Mr. Zackin owned land abutting a city highway where the city widened the street and lowered the grade of said street in relation to the Zackin property. As a result of changing the grade, Zackin's abutting land lost lateral support. In order to prevent erosion and maintenance of his lawn, Mr. Zackin incurred the cost of a retaining wall.
>
> Mr. Zackin appeared before the City Claims Committee, but Meskill, the then Assistant Corporation Counsel for the City of New Britain, advised the Commission that the City had no legal liability.
>
> Mr. Zackin then retained my services. A complaint was served and returned to the Superior Court for Hartford County in New Britain. Attorney Meskill refused to discuss the merits of the Zackin case before trial, so we went to trial before Judge Howard Alcorn.
>
> Mr. Zackin recited the facts and I then put on a mason contractor who testified to the reasonable cost of erecting a necessary retaining wall. Meskill failed to put on a single witness. He offered no countervailing evidence with regard to reasonable costs or erecting the retaining wall and he made no argument of law. Judgment was entered for the plaintiff.
>
> The facts in the case were not in dispute and the legal principle of a property owner's right to lateral support of his land was clearly applicable. The only possible issue was the amount of damage and he offered no evidence in that regard.

In this Zackin case it appears that Mr. Meskill did not call a single witness and did not make any legal argument. How can this possibly qualify as a significant case? I suggest that it is on the list only because the nominee had difficulty in getting as many as 10 cases to put on this list.

Eighth case: Barreto against New Britain, another fall on the sidewalk case.

Ninth case: State against Cloutier. This was listed as a 1-day trial—but it actually turned out to be a guilty plea and not a trial.

Tenth case: Torello against Carfil. Involved breach of warranty on the sale of food, when the plaintiff bit into bone in a hamburger. The defendant's lawyer—one Mr. Montessoro recalled that this also was a case where the nominee's partner, Mr. Dorsey, had tried the case, page 64. When asked about this, Mr. Meskill admitted that Mr. Dorsey "examined most of the witnesses and I thought I examined some. It was my case. I wrote the questions."

Therefore, Mr. President, I suggest that the question we in the Senate must ask ourselves is whether a law practice, involving the types of cases I have just reviewed, evidences the degree of legal qualification which would justify the Senate in confirming this nomination.

In answering this question we should not overlook the fact that the majority of the Judiciary Committee felt hard pressed to overcome this nominee's scant legal experience. The majority report quotes a statement by one of the nominee's law professors—Professor Stephenson:

> His (the nominee's) years of public service, as Congressman and Governor, have provided a far more meaningful background than additional years of private practice or of sitting on the bench in negligence or divorce cases.

Mr. President, if serving as a trial court judge in negligence or divorce cases does not qualify one for the court of appeals, then certainly a brief period of law practice where the 10 most signicant cases are nothing more than 1- or 2-day trials of "negligence and divorce cases" does not qualify either.

Some of you may ask: "What is that degree of legal experience which would qualify a nominee to sit on a circuit court? What is the test? What is the standard?"

I can only suggest to my colleagues that a statement of the Senate's standard can be found in appendix A to the separate and dissenting views of myself and five of my fellow Judiciary Committee members. In appendix A, we have set forth a brief biographical résumé of each of the 63 circuit court judges who have been confirmed by the Senate in the past 10 years. Even the most cursory inspection of that list of 63 circuit judges will demonstrate that Mr. Meskill does not measure up to the standard which we, ourselves, have set over the past decade.

Reference to this list of judges will show that the great majority of these men had between 13 and 25 years' experience as a practicing lawyer before their name was submitted to the Senate for confirmation to a circuit judgeship. Contrast that record with the 8 years' full-time and 2 years' part-time legal career of this nominee.

In that entire list of 63 judges, there are only a few whose years of private practice of law are listed as 6 years, 7 years, and 8 years.

Judge Seitz of the Third Circuit is listed as having 6 years of private practice. But he also was an assistant tax attorney for 1 year, and spent 20 years as a State court judge, serving first as a judge and then as the Chief Judge of the Delaware Court of Chancery.

Judge Campbell of the First Circuit is listed as having 8 years of private practice. But he also served 3 years as an assistant attorney general, 2 years as an Associate Justice of the Superior Court of Massachusetts, and 2 years as a U.S. district court judge for the District of Massachusetts.

Those who support Mr. Meskill contend that his service as a Congressman from Connecticut compensates for his limited legal experience. Again, I would answer them by saying—look at the former Congressmen who are included in that list of 63 judges:

In the District of Columbia circuit is Judge MacKinnon who served one term as Congressman. But he is also credited with 29 years of practice as a lawyer, including 5 years as U.S. district attorney for Minnesota and 1 year as Special As-

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sistant to the Attorney General of the United States.

In the first circuit is Judge Coffin who served two terms as a Congressman from Maine. It is true he had only 7 years in the private practice of law. But he also spent 2 years when he first got out of law school as a law clerk to a U.S. district court judge in Maine. He also served for 3 years as Deputy Administrator of AID and 1 year as U.S. Minister and Permanent Representative on the Development Assistance Commission. While Mr. Meskill's only experience in Federal courts has been one or two small bankruptcy matters, Judge Coffin early in his career had 2 years of training at the feet of an active U.S. district court judge.

And for those supporters of Mr. Meskill who cite his service as a Governor, I would point out that the list of 63 judges also contains a former Governor. In the fourth circuit, Judge Russell served as Governor of South Carolina prior to his going on the Federal bench. He was even a member of this body for 1½ years. But he had also practiced law for 24 years, served 5 years as president of the University of South Carolina, and for 3 years during World War II in various executive branch agencies and departments of the Federal Government.

Mr. President, I could go on and review the biographies of all 63 of the judges whose names appear in appendix A. I could point out the extensive record of legal accomplishments of these individuals. I could point out that several of these judges proved their legal qualification to serve on our circuit courts by combining law practice and legal scholarships as professors in our Nation's law schools. Some qualified by reason of law practice plus experience on either Federal or State courts at the trial level, or by exhibiting competence in the practice of law by a good record as a U.S. attorney or in the Department of Justice.

Mr. President, the point is simply this: Mr. Meskill's legal career does not entitle him to be confirmed by the Senate to take a place alongside these 63 judges whom we, as a body, have confirmed in the past 10 years. Nor do I rest my point on Mr. Meskill's having practiced law only 8 years.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. BURDICK. I would like to finish my statement, but due to my fondness for the Senator, I will yield.

Mr. LONG. I am following the Senator's speech with great interest, but has the Senator at any point in his speech covered the question of whether or not this nominee has some commonsense? It seems to me that the greatest failing I know of in the Federal judiciary nowadays, and I think particularly that is the case from the top working down to the circuit courts, is the lack of just commonsense, just ordinary everyday commonsense, of which the Senator from North Dakota has a great surplus. But it is something, I regret to say, which is very much in demand in the high courts of our land.

Has the Senator given any thought to that aspect of the man's qualifications?

Mr. BURDICK. I certainly have. I would like to have a combination of commonsense and experience, and on the experience side it is very lacking.

Does the Senator realize that this man—in the 10 most significant cases he cited to us, not 1 was even a jury case—has never been in the Federal courts at the appellate level, or anything of that kind.

So commonsense is a great asset, but I would like to have a little experience with it.

Mr. LONG. Has the Senator reached the conclusion that the nominee is a man of good judgment, that he does have what some of us like to call just ordinary commonsense, reaching a logical conclusion when confronted with a problem?

Mr. BURDICK. There are things in the record that will be brought out very soon that will cast some doubt about even that.

Mr. LONG. Well, I am impressed by what the Senator said about experience, but what impresses me even more is bad experience. A person confronted with a problem has the way of doing the wrong thing or making a bad mistake. I would forgive anyone for making a mistake once in a while. I just think when one holds a position of passing judgment on any high tribunal it would be well that the person have good judgment to begin with.

That is what I am talking about in terms of commonsense.

Mr. BURDICK. We find ourselves in complete agreement on that, but that is only one of the necessary qualifications. He must have some background, some experience, and must know what he is talking about.

Mr. LONG. Well, I can agree with the Senator, but commonsense, I am sure, can overcome some of the other shortcomings.

I regret to say that there are some on the courts whom I have voted to confirm—which I say more in the spirit of confession than I do in that of boasting—who tend to be what I call upside-down thinkers.

In just looking back on it, while experience is a very fine guideline to go by, I think it would be as well sometimes if we would try to see the signs in advance of those who seem to reach some very old conclusions. Others of us in the lawmaking branch have very difficult problems trying to amend the Constitution to correct some judicial legislation which should have been avoided in the first instance.

I hope that the Senator has carefully studied this aspect of it, whether the nominee is one who tends to show up with a conclusion that makes good sense when confronted with a problem, because I regret to say that I have had experience with some of those who have not done quite that.

Mr. BURDICK. I might say to my good friend from Louisiana, later in my remarks I shall point to some situations that will cast some doubt on whether he has good sense, particularly during his term as Governor.

Mr. LONG. From my point of view, whether a person has good judgment or bad judgment, it is something we ought to be careful working with when we decide on voting to confirm or not to confirm a nominee for any high position, especially one nominated for one of the high courts.

Mr. BURDICK. I agree with the Senator.

Mr. LONG. I thank the Senator.

Mr. BURDICK. Mr. President, more than that, the point is that in that 8 years the quality and character of his law practice was such that he could cite to us the rather ignominious list of 10 cases. Ten cases which cannot be described as significant in anybody's law practice. Nor can he claim that he has had any experience with an appellate practice. He has never presented or argued a case before the Supreme Court of Connecticut. Nor has he ever appeared before the Court of Appeals for the Second Circuit or any other circuit.

I urge upon all Members of the Senate that Mr. Meskill's extremely limited legal experience compels the conclusion that a majority of this body should vote not to confirm him for the high judicial office to which he has been nominated.

Mr. President, I wish that the question concerning the Meskill nomination could be posed as concisely as I have just suggested for if the issue were of legal qualification alone, I, too, would be content, as our senior Senators from Michigan and Massachusetts are, to rest my opposition to this nominee solely on his failure to meet the minimum legal experience which any would-be circuit judge must have.

However, the issue before the Senate on the nomination of Mr. Meskill was posed for us by his prime supporter, my friend and colleague, the junior Senator from Connecticut. At the opening day of our hearings on September 17, 1974, while almost conceding that Mr. Meskill did not possess the legal qualifications for this post, he invited the Judiciary Committee to take into account his service as a mayor, Congressman, and Governor. At that time, we were told that:

> Two areas have been Tom Meskill's life, the law and the people. Not the law in the sense of standing before a judge and a jury in a courtroom, but the law in the sense of its creation, the law in the sense of its executive administration, the law as in a government of laws, the law as it is life in New Britain, in Connecticut, in the United States.

It was partially because of this invitation extended by my colleague from Connecticut that the Judiciary Committee was required to receive evidence concerning the performance by this nominee of the duties of the public offices which he has held. I say that this invitation was only part of the reason why the committee went into his record of performance as a mayor and a Governor.

In September of 1974, when we commenced the confirmation hearings, we were told that the General Assembly of the State of Connecticut had created a special committee to investigate certain practices within the State government of Connecticut relating to the leasing by the State of office buildings and other property for the use of State agencies. This investigation went into the State leasing practices not only during Governor Meskill's administration but also in the preceding Democratic administration. At the time of our first day of hearings on September 17, 1974, the special investigating committee of the Connecticut Legislature had been formed and its staff was engaged in the general investigation of the facts and public hearings were not scheduled to begin until the month of November 1974. While the general assembly's investigation commenced in November, public hearings continued until approximately the 19th of December, and as a result, the investigating committee filed a report in two parts. The first report was issued under the date of January 7, 1975, but in fact was not available to our Judiciary Committee and the Senate until several weeks thereafter. Furthermore, the report dated January 7, 1975, incorporated by reference an appendix which would be available on or about February 1, 1975. In truth, and in fact, the appendix was not released by the Connecticut Investigating Committee until February 15, 1975.

Mr. President, I mention the chronology of the efforts by the Connecticut General Assembly's committee because the Judiciary Committee of this body could not proceed to investigate Mr. Meskill's involvement, or lack of involvement, in any leasing practices until after the State body had completed its investigation and made its findings. This is the only logical way the Senate Judiciary Committee could have proceeded because it was not feasible for a committee of the U.S. Senate to itself undertake a detailed factual investigation of State practices and State activities.

Therefore, Mr. President, the hearing record will reflect that the 4 days of hearings held by the Judiciary Committee in January and March of this year on the Meskill nomination were in response to the invitation that the Judiciary Committee look to this nominee's record as mayor and Governor of Connecticut before it judged his qualifications to be a judge of the Second Circuit. While the hearing record compiled by the Senate Judiciary Committee encompassed the complete appendix and the complete report of the Connecticut committee, it is important to note that the inquiry made at the hearings of Mr. Meskill was directed to those specific instances involving State leases which were shown by the record either to have been expressly and directly called to the Governor's attention or which, under the circumstances, he should have known about.

So, Mr. President, I make the point that those of us who oppose this nominee were not engaged in any "fishing expedition" into State leasing practices but, on the contrary, were generally concerned with specific instances in which the Governor either knew or should have known of the questionable activity which was going on and, more particularly, in the specific actions which he took or failed to take in those specific instances.

Again, Mr. President, I would remind my colleagues that the Governor's action, or failure to act, in those instances is germane to our inquiry here today because we have been invited by this nominee's supporters to consider such facts in evaluating his qualification for judicial office.

Mr. President, I now turn to a subject almost as important as the nominee's lack of legal qualifications—his demonstrated lack of judicial temperament. In the separate and dissenting views filed by six members of the Judiciary Committee specific instances of the nominee's injudicious temperament are factually documented. While I believe they fully justify a finding that this man should not be vested with the pervasive discretionary powers of a Federal judge, I believe an even more obvious point, Mr. President, is that the specific instances of poor judgment cited in the separate views demonstrate that this nominee's record of performance in executive office does not strengthen his candidacy for judicial office; if anything, it detracts from his candidacy.

In January of 1963, while serving as mayor of New Britain, the nominee either actually had arrested—or threatened to arrest—members of the city council. The nominee described the incident to the Judiciary Committee in these words, which are quoted at page 12 of the committee report:

> First of all, the council was composed of 15 members, pretty evenly split, and there was 1 member of our party who would not support the budget ***.
>
> The council met as the clock tolled 8 and I gavelled the meeting to order, looking around the room, there were 14 members present. It was obvious from the composition, that the budget which I had proposed would be adopted because the member who had not voted with us before was not present. Several of the members from the other side immediately stood up and started to bolt the meeting to prevent a quorum to prevent action being taken on the budget. They assembled out in the anteroom. I sent word to them that under the charter of the city that they would be placed under arrest if they did not return because they were obstructing the adoption of the budget, and they had set the meeting date. The purpose of leaving the room was to avoid the quorum. Within about 10 minutes the 15th member arrived. They knew that they had enough votes to continue to block the budget that night. They came back into the hall and no one ever left the building, and no one actually was arrested although they were threatened with arrest.

Of significance, Mr. President, is the fact that one of the councilmen who was actually arrested—or threatened by arrest—described the incident to the committee in a sworn statement quite differently than did the nominee. I quote from the sworn statement of former Alderman Patrick C. Nolan:

> The meeting was to be called to order at 7:30 p.m., and a significant period of time prior to 7:30, and before several of the other members of the Board of Aldermen had arrived, including the Clerk of the Common Council, Alderman Moskus walked from the Chamber table toward the hall door and I got up and walked toward the door with him. As we arrived near the hall door, the Mayor, Thomas J. Meskill, called out "Sergeant, place these men under arrest. Don't let them leave the chambers." So the Sergeant came over and put his hand on my shoulder and said, "This is a very unpleasant task * * *." And the policeman who told us we were under arrest asked us to step to one side of the hall door, and he kept the two of us there while the other Aldermen arrived. The other Aldermen, as they arrived, were also placed under arrest. The accusation by the Mayor was that we were accused of breaking the quorum * * *.
>
> The arrest, of course, was really illegal because it was groundless and prior to 7:30, and, as I have mentioned, the arrest was ordered prior to the arrival of some of the Aldermen, including the Clerk.

Mr. President, although there is obviously a serious conflict on the facts between these two accounts of the incident, both accounts leave no doubt that the nominee threatened to arrest legislators for nothing more than seeking to avoid a quorum.

When I asked the nominee what authority he relied upon in making that threat he replied:

> There is a provision in the charter of the city of New Britain that says that the mayor may place under arrest for a period of 24 hours any person who obstructs him in the performance of his duties as mayor.

Mr. President, I think one should properly question the judgment exercised by a presiding officer who conceives that members of a legislative body, who attempt to avoid a quorum, are in some way violating the law and should be placed under arrest or threatened with arrest. It is inconceivable to me that anyone with any understanding of rights under the Constitution, would arrest or threaten to arrest a councilman for failing to make a quorum. The nominee, when asked to explain the incident, seemed to attach great importance to a distinction between having ordered an arrest and having threatened to order an arrest; he apparently never realized that even a threatened arrest under the circumstances he himself described might well have been a violation of the spirit, if not the letter, of the "provision in the charter" which he relied upon as his authority.

Mr. President, if an attempt to avoid a quorum can be held to be a violation of law, there are some of us in this body who might well have reason to be concerned if this "Meskill precedent" should be applied to Congress.

By the same token, I think you can well question the judgment evidenced by the nominee in attempting to deal with the question of what is the proper scope of activities of a legal clinic being operated by the State university's law school.

Rather than discussing the situation with the members of the law school faculty who were operating the legal aid clinic, the nominee precipitously advocated complete abolition of all State funding for the clinic. When questioned about this Meskill stated:

> I think * * * the issue * * * has been exaggerated somewhat. The law clinic was not closed. There was a *threat* of closing it for lack of funds, however. Not a threat from me, but either in my state of the Union message or my budget message, the first month I was Governor I stated something to the effect that we were not going to fund the clinic if it was going to continue with the practices at present. * * *

Again I fail to see any real merit in distinguishing between actually having closed the clinic and threatening to close it under these circumstances. Threatening an attorney with contempt, when a

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more judicious approach has not yet been attempted, may well be just as serious an abuse of discretion as actually finding him in contempt without adequate cause.

Mr. President, I refer now to those three matters which are extensively discussed and carefully documented by reference to the hearing record in the separate and dissenting views to the committee report on this nomination.

First, I refer, Mr. President, to the nominee's activities with reference to the Waterford Garage lease which, was given, during the Meskill administration, to the brother of the Governor's former law associate, Mr. Downes. While there was some conflict as to what was said at a meeting between Mr. Meskill and State Senator Gunther on May 23, 1972, the hearing record unequivocally indicates that on June 1, 1972, State Senator Gunther warned the Governor by letter of that specific lease and the specific financial arrangements involved in that lease.

Moreover, the hearing record unequivocally shows that 26 days later, the 27th of June, 1972, a civic leader, Mr. Toby Moffett, who is now a Congressman from Connecticut, also wrote the Governor complaining that the commissioner of public works would give him no information about the Downes lease. On September 7, 1972, the matter was again brought to the Governor's attention, or should have been brought to his attention, because the committee of the general asembly held a hearing involving this specific Downes lease, and in that hearing record there was testimony that Mr. Downes' nephew, a Mr. Gaffney, who was also chairman of the State Republican Party, had interceded with a State official on behalf of Mr. Downes, the lessee.

When questioned about these facts at our hearings, the nominee stated that he did nothing beyond asking one of his aides to contact Commissioner Kozlowski, who relayed back his opinion "that the lease was a good deal for the State." Perhaps if the Governor had been more sensitive to the proprieties of the situation and had made a more detailed inquiry into the circumstances under which a lease was going to be made to the brother of his former law associate and to the uncle of one of his political allies, the Governor might have reached the same conclusion as was reached by the general assembly investigating committee when it concluded that political influence was involved in the awarding of this lease and that the rental figure for the lease was high and excessive.

Second, I refer, Mr. President, to the situation described and detailed in our separate and dissenting views involving the so-called Phoenix Building in Hartford, Conn. The State of Connecticut needed a building to house a community college. The Governor, in fact, personally was aware of the State's interest in this building because he assisted in trying to obtain the building through a tax deductible gift from the insurance company which owned it. After the gift fell through, discussions were had between the college trustees and the owner of the building concerning possible acquisition by the State, which negotiations culminated on September 7, 1973, in a letter from the chairman of the commission on higher education to the Governor advising the Governor that the building could be purchased for $4.5 million. Let me read in part from the letter to the Governor:

> I have just returned from a meeting in Hartford and I wanted to bring to your attention an emergent matter.
>
> The New England Association of Schools and Colleges has expressed deep concern about the facility currently in use by some of our Regional Community Colleges.
>
> * * * * *
>
> Several months ago, the Phoenix Insurance building on Woodland Street came to our attention and the suggestion was made that it be secured as a grant from the Travellers Insurance Company. I understood that you attempted to obtain the building on this basis but that, for corporate reasons, the grant approach failed. *It is also my understanding that there has developed in the last several weeks the opportunity to purchase this property at a cost of somewhere around $4.5 million* for 235,000 feet or a cost of less than $20. per square foot. It would cost $1.5 million to renovate. The square foot cost of $25.50 for acquiring and renovating the property would be very favorable when one thinks of what the State is spending to build conventional buildings on a square foot basis, i.e. $40–45. I do not know how long this facility will continue to be available. While I do not feel we should rush into the acquisition of any property, I wanted you to know how seriously the Commission views the current situation of the college and to seek from you a policy decision to "go or no go" on this facility before it is lost by default.
>
> * * * * *
>
> I would be happy to talk with you on the phone or in person, but urge an early decision on this important matter. I hasten to add that I have viewed all of these points from a cost efficiency basis as well as the educational value involved.

The terms of the proposed lease called for the payment of $27.6 million in rental over a 25-year term with an option to the State after the first year of the lease, to purchase the building for $8.6 million, or almost twice as much as the figure at which the State could have purchased the property outright. It was not until March 4, 1974, and only after the attorney general had refused to approve the lease because of legal technicalities and "exorbitant terms", and only after these circumstances had received some publicity, that the Governor directed Manafort to cancel the proposed lease. Eventually, the State wound up purchasing the Phoenix Building from the private real estate firm for the sum of $7.35 million.

Third, Mr. President, I refer to the circumstances set forth in the hearing record involving a lease by the State of certain property at Newington, Conn., from the Riverview Realty Co., of which one, Angelo Tomasso, Jr., was president. Mr. Tomasso, as shown by the hearing record, was another of this nominee's political allies. The lease for this property, as shown on page 220 of the hearing record, called for the payment of $293,700 as annual rent for a 20-year period, or an aggregate total of over $4 million, with an option for purchase by the State at the end of the 20-year period at the figure of $1,104,000.

The attorney general of the State of Connecticut called these facts to the Governor's attention and because the lessor's initial investment was only $427,000, plus some unknown conversion costs, the attorney general suggested to the Governor that this lease involved a "policy question." While the attorney general's notice to the Governor occurred 6 days prior to the effective date of the lease, the Governor took no action, but instead regarded the attorney general's letter as an excuse to make political charges. In final analysis, it should be noted that the Newington lease investigation, conducted by the Connecticut special committee, concluded with the recommendation that the terms of the Newington lease were so excessive that the lease should be "reexamined, renegotiated, and, if necessary, broken."

Mr. President, it should also be pointed out that the Connecticut Legislature in its final report characterized the State leasing procedure, under both administrations, as being one which "has broken down because the people working it seized upon this means of real estate acquisition as a vehicle by which patronage, cronyism, personal spoils systems and friendship were substituted as the real system."

Mr. President, this finding by the legislative committee of the State of Connecticut so troubled me that in fairness to this nominee at our last day of hearings on March 6, 1975, I read that language to the nominee and I asked him:

> Do you have any comment about the findings of the legislative committee?

Mr. Meskill replied:

> I think that is essentially a fair statement.

Mr. President, and my colleagues of the Senate, I submit that in the light of the facts which I have previously summarized, the nominee could give no other answer. Certainly the three instances specifically called to his attention smacked of "patronage and cronyism" as charged by the Connecticut legislative committee.

So, Mr. President, I think the record is clear. There is nothing in this nominee's record as mayor or as Governor which adds to his qualification. So, in final analysis, we get back to the point where we started—legal experience or legal scholarship, either separate or in combination, are a necessary and essential prerequisite to service on an appellate court of the United States. Mr. Meskill possesses neither of these. I shall vote against him and I would urge Members of this body, after studying this record and after comparing the qualifications of this nominee to the qualifiactions of the 63 circuit judges which we, as a body, have confirmed during the past 10 years, will arrive at the same conclusion.

Mr. President, before I conclude this part of my presentation, I ask unanimous consent to have printed in the Record the following articles: One by the Wall Street Journal, an article written by Jerry Landauer, entitled "How Not to Pick a Judge," dated April 10, 1975"; another article appearing in the New York Times on September 18, 1974, entitled "Judicial Question"; another one appearing in the New York Times, dated January 27, 1975, entitled "The Meskill Nomination"; one appearing in the New York Times dated December 21, 1974, entitled "Qualifying a Judge"; one appearing in the Washington Post dated March 8, 1975, entitled "The Meskill Nomination"; another one appearing in the New York Times on the 20th day of October 1974, entitled "What Makes a Good Judge"; and an article from the Hartford Times entitled "Meskill Judgeship Opposed By Voter Margin of 5 to 3."

I wish to quote, before I close, from the first article that I mentioned, "How Not to Pick a Judge." I will quote from a portion of the article appearing in the Wall Street Journal on 10 April, which fairly well summarizes the judicial background and experience of the nominee:

> To this prestigious bench Mr. Meskill brings unimpressive credentials. The American Bar Association's 12-member standing committee on the federal judiciary unanimously considers him "not qualified" for the job. "No lawyer wants to argue a case in the appellate court before a judge who doesn't know what goes on in the courtroom," says John A. Sutro. the committee's immediate past chairman.
>
> In a statement he filed with the ABA, Mr. Meskill said the 10 most significant cases of his legal career included suing a food market on behalf of a housewife who bit into a hamburger containing bone fragments, handling two negligence claims arising from pedestrian falls on sidewalks, and defending the city of New Britain, Conn., against a claim for property damage arising from a city construction project. In the latter suit, says Mr. Meskill's opponent in the case, "the only possible issue was the amount of property damage."
>
> Considering this skimpy legal experience, why is the Senate Judiciary Committee recommending his confirmation to a bench from which he will have to render opinions on complex cases involving such matters as securities, bankruptcy, copyright and antitrust?

There being no objection, the articles were ordered to be printed in the Record, as follows:

How Not To Pick a Judge

(By Jerry Landauer)

Washington.—Thomas J. Meskill, the former governor of Connecticut, isn't much of a lawyer. Since his admission to the bar 18 years ago he has never argued a jury case in Federal Court. He has never handled any matter in the Courts of Appeals and he does not pretend to be a legal scholar.

Nevertheless, in a week or two the Senate seems likely to confirm Mr. Meskill for a vacant seat on the U.S. Court of Appeals for the Second Circuit, which is often deemed second in importance only to the Supreme Court. The circuit embraces the states of Vermont, Connecticut and New York, giving it appellate jurisdiction over an enormous variety of complex litigation arising in Manhattan, the nation's financial center.

To this prestigious bench Mr. Meskill brings unimpressive credentials. The American Bar Association's 12-member standing committee on the federal judiciary unanimously considers him "not qualified" for the job. "No lawyer wants to argue a case in the appellate court before a judge who doesn't know what goes on in the courtroom," says John A. Sutro, the committee's immediate past chairman.

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Meskill said the 10 most significant cases of his legal career included suing a food market on behalf of a housewife who bit a hamburger containing bone fragments, handling two negligence claims arising from pedestrian falls on sidewalks, and defending the city of New Britain, Conn., against a claim for property damage arising from a city construction project. In the latter suit, says Mr. Meskill's opponent in the case, "the only possible issue was the amount of property damage."

Considering this skimpy legal experience, why is the Senate Judiciary Committee recommending his confirmation to a bench from which he will have to render opinions on complex cases involving such matters as securities, bankruptcy, copyright and antitrust?

The answer lies mainly in an ancient custom known as "senatorial courtesy," a tradition more responsible for putting unqualified judges on the federal bench than any other element of the judicial selection process.

Senatorial courtesy dates back to the first years of the Republic, when the Senate recognized the need for solidarity to prevent unfriendly Presidents from appointing a Senator's political adversaries to high federal office. The result has been a refusal to confirm any judicial nominee if either Senator from his state opposes him. In fact, the Judiciary Committee won't schedule hearings on the nominee's fitness to serve until both Senators from his state have turned in "blue slips," signifying approval.

To a Senator of the President's political party goes the further prerogative of "suggesting" nominees to district courts in his state. For if a Senator can unquestionably block the President's choices he is also in position to insist on his own, or the vacant seat won't be filled. In effect, the Senate's collective responsibility to confirm presidential nominees becomes one Senator's power to appoint, and when vacancies occur on courts of appeals the Senators representing states within the circuit generally arrange to rotate appointments.

REWARDING SERVICES RENDERED

"There are enormous political pressures on the President and Senators to use federal judgeships as rewards for those lawyers who have labored in the political vineyard," according to Robert L. Trescher, another former chairman of the bar association's screening panel. "With respect to most appointments there is extensive political horsetrading . . . it's part and parcel of our system of government."

Regrettable, too, the Judiciary Committee rarely digs deeply into the backgrounds of the nominees it clears for Senate confirmation. Zealous scrutiny of another Senator's judicial selections bumps against the chamber's clubby, laissez-faire code. For example, the committee approved Mr. Meskill (8 to 6) without troubling to call any of eight ABA-suggested witnesses for testimony about whether the governor had knowledge of favoritism in the award of state leases to friends and campaign donors, and no Senator grilled him about his investment in property along with a real estate broker doing business with the state.

More recently, though, another tradition has taken root that tends to check the judge-picking influence of Senators. Since 1965, when Sen. Edward Kennedy was compelled to withdraw the nomination of crony Francis X. Morrissey for a seat on the Massachusetts District Court, no candidate has been confirmed who hasn't first received a "qualified" rating from the ABA committee. Indeed, the Nixon administration formally pledged in 1969 not to nominate anyone to the district or circuit courts who hasn't been cleared in advance by ABA screeners, acting as a confidential conduit for the "informed opinion" of the bench and bar.

These clashing customs—senatorial courtesy vs. the need for ABA approval—have kept a Connecticut seat on the appeals court vacant since November 1971. Early in 1972, Republican Sen. Lowell Weicker's gaze fell on Francis McCarthy, counsel to the Connecticut Republican Party. The ABA thumbed him down. Sen. Weicker waited nearly two years to come up with candidate Meskill—just as the political preconditions to break the ABA veto were crystallizing.

In March 1974, Gov. Meskill announced that he didn't care to run for a second four-year term. Sen. Weicker then sent his name to the Justice Department for prenomination investigations by the FBI and ABA. The Senator knew that Gov. Meskill wouldn't get a "qualified" rating (substantial trial experience or a record of legal scholarship is one prerequisite for approval) but he was confident of putting the governor on the bench.

"I recommended Tom Meskill to the President because his living of the law as an elected official has been of the excellence the law so desperately needs," Sen. Weicker explains, rejecting speculation that his true motive was to eliminate the governor from Connecticut politics. "I made the recommendation because he will bring life as it is being lived, loved and fought, to the deliberations of the court. Let others bring the expertise of practice or the ponderings of academia. Both are important. But let us also have the reality that is the daily experience of the politician."

Still, Sen. Wecker's confidence surely was based on more than the governor's "superb qualifications."

For one thing the Attorney General at the time, William Saxbe, had been a friendly Weicker seatmate in the Senate. As a Senator from Ohio, Mr. Saxbe had heard many GOP colleagues complain about the bar association's "stranglehold" over judicial nominations, about its supposed favoritism toward big-firm lawyers and about its disinclination to seat politicians needing jobs. "All this procedure does is substitute American Bar Association politics for senatorial politics," former GOP Sen. Marlow Cook of Kentucky had lamented.

As if to prove that point, the ABA panel subsequently let Republican Sen. Jacob Javits influence its consideration of Lark A. Costantino for a district court vacancy in New York. Sen. Javits chose Mr. Costantino as a favor to party leaders wanting "ethnic balance" on the Brooklyn bench. At first, the ABA "informally rated him "not qualified," but Sen. Javits' intervention helped with grudging approval from the ABA and Mr. Costantino was seated without trouble.

A NIXON SUPPORTER

Also helpful to Mr. Meskill's judicial ambitions was his personal standing at the Nixon White House. He was among the few gubernatorial candidates in 1970 to whom Nixon fund-raisers channeled campaign cash ($65,000). In turn, the governor loyally supported Mr. Nixon all through the Watergate affair. "Just a newspaper issue," the governor once called it; congressional investigations of the scandal were, in his opinion, "a waste of time."

At the same time, the American Bar Association wasn't making many White House friends. While Gov. Meskill's nomination was pending there, ABA President Chesterfield Smith was expressing "shock" that Nixon spokesmen wouldn't pledge in advance to obey Supreme Court rulings in the famous tapes dispute. On his last full day in office (after nominating 238 judges deemed "qualified" or better) Mr. Nixon defied the ABA, ignored his 1969 pledge and sent Mr. Meskill's name to the Senate for confirmation. President Ford resubmitted the nomination early this year.

"I think I'm up to it," says Mr. Meskill, who is 47 years old. "I am a young man. I think I learn fast. I don't claim to be an expert in any field, but I do feel that very quickly I can carry my weight, if the Senate confirms me."

On Capitol Hill, sponsor Weicker paved a path for Mr. Meskill's confirmation by deft dealing with Democrat Abraham Ribicoff, the senior Senator from Connecticut. With Sen. Ribicoff's concurrence in 1971 Sen. Weicker had elevated Judge William H. Timbers from the District Court in Connecticut to the Court of Appeals. Then Republican Weicker let Democrat Ribicoff fill the resulting District Court vacancy. Sen. Ribicoff chose his former administrative assistant.

When the Meskill nomination came along Sen. Ribicoff didn't wish to shatter these agreeable appointment-swapping arrangements, so he sent his blue slip to the Senate Judiciary Committee. But he withheld any endorsement of the nominee. Now, having yielded the one weapon that could have stopped Mr. Meskill at the start, Sen. Ribicoff is free to pacify vocal anti-Meskill constituents by casting a probably meaningless vote against the nomination on the Senate floor.

Judge Timbers, grateful for his promotion to the circuit court, also took unorthodox steps to help Sen. Weicker push Mr. Meskill. The judge arranged introductions or interviews for Mr. Meskill with most of the judges of the court and then he appeared before the Judiciary Committee to testify exuberantly that 13 of the 16 judges were supporting Mr. Meskill "in one form or another."

However, 11 judges of the Circuit Court promptly disavowed any endorsement of the nominee, saying they didn't have any basis for evaluating his qualifications; Mr. Meskill hadn't even been admitted to practice before the circuit judges who were supposedly vouching for him.

Indeed, the outcome of the forthcoming Senate vote to confirm or reject Mr. Meskill would largely depend on factors other than his legal skills or professional qualifications. Some Democrats and some labor lobbyists consider him too conservative. Some GOP Senators will vote for him solely because he's a dutiful Republican. And many Senators in both parties will vote for him simply to vindicate the custom of senatorial courtesy. There must be a better way to select a judge.

JUDICIAL QUESTION

The United States Court of Appeals for the Second Circuit—covering a complexity of cases that originate in the Federal District Courts of New York, Connecticut and Vermont—has always been regarded as second in importance only to the United States Supreme Court. When Learned Hand sat on this appellate court, he was referred to as the Supreme Court's "tenth man."

Against such a background, it is a matter of special concern that the nomination of Governor Thomas J. Meskill to that prestigious bench has been severely questioned by prominent members of the legal profession and the academic community. The Connecticut Governor's name was submitted by former President Nixon as one of his last official acts, only hours before his resignation, and has been reaffirmed by President Ford.

Last week, 35 law professors from the Yale and the University of Connecticut law schools made public a letter addressed to the Senate Judiciary Committee in which they held that "Governor Meskill has little professional experience as a lawyer, and none as a judge," and in addition lacked "the judicial temperament which might have compensated for his want of experience."

Since then, the American Bar Association's Committee on the Federal Judiciary has unanimously opposed the nomination, calling Mr. Meskill "not qualified." It is clearly the responsibility of the Senate Judiciary Committee to prevent the Federal bench from being considered a political consolation prize.

QUALIFYING A JUDGE

The Senate Judiciary Committee, the next Attorney General, and President Ford may yet shed themselves of an embarrassment—the job of denying a seat on the United States Court of Appeals for the Second Circuit to Gov. Thomas J. Meskill of Connecticut. Instead of the planned effort to place Mr. Meskill's name before the full Senate, the Judiciary Committee has deferred his consideration "without prejudice."

There is, actually much to prejudice the nomination—and it is not simply because former President Nixon made it. The ostensible reason for the delay is that the Governor, who did not seek re-election, has been accused of using political influence in certain state leases favoring Republican cronies, and the facts are yet to be aired. The question here is not whether he committed illegal acts himself but whether his judgment and sense of propriety meet the requisites of high judicial office.

More fundamentally, Governor Meskill has no qualifications to be a Federal Appeals Court judge handling the complexity of matters that originate in New York, Connecticut and Vermont. He has never argued an appeal or written an appellate brief or even tried a case of any significance. The American Bar Association, through its President-elect, Lawrence E. Walsh, regards him as highly unqualified and has called for a reopening of the hearings on his nomination. The better course would be for Governor Meskill to withdraw his name, enter the private practice of law, and gain some experience.

THE MESKILL NOMINATION

The Senate Judiciary Committee has wisely decided to give former Gov. Thomas J. Meskill of Connecticut his "day in court" before taking a vote on his nomination to sit as judge on the United States Circuit Court of Appeals for the Second Circuit. Instead of railroading through the Meskill appointment as a matter of Senatorial courtesy or blocking the nomination and leaving unanswered questions about his political dealings in Connecticut, fairness requires further disclosure about his past and possible future as a jurist.

Mr. Meskill's chief sponsor, Senator Lowell P. Weicker Jr., Republican of Connecticut, has accused "wealthy Wall Street lawyers" of blocking the nomination. This distorts the case. The nomination is opposed by the American Bar Association, the Association of the Bar of the City of New York, and a large number of law professors.

The central question is whether or not Mr. Meskill has the required ability to decide the complex appeals that originate in the Federal District Courts of New York, Connecticut and Vermont. The Second Circuit is widely viewed as second in importance to the United States Supreme Court because it is, in practice, the court of last appeal for many consequential cases.

The organized bar has charged that a "cloud" hangs over the Meskill nomination because of alleged political influence in certain state leases favoring Republican cronies of the former Governor. When the facts are brought out, the Senate Judiciary Committee will be able to decide whether that "cloud" has been satisfactorily removed.

Even if it is, however, Mr. Meskill's judicial potential and experience will have to be weighed. The Federal bench is no place to provide on-the-job training for judges.

THE MESKILL NOMINATION

The recent hearings on the nomination of former Connecticut governor and congressman Thomas J. Meskill to be a federal appellate judge were designed to establish his connection—or lack of it—with a set of highly suspect real estate leases. In our judgment, they did neither. Even if the Senate Judiciary Committee should eventually clear Mr. Meskill of any wrong-doing in this matter, however, his confirmation as a judge on the Second Circuit Court of Appeals remains in question.

This nomination was in trouble even before it was originally made. For Mr. Meskill was the only person nominated by Mr. Nixon for a lower federal court seat after being rated as unqualified by the American Bar Association. That alone assured a substantial struggle. The charges, beyond the leasing matter, are that Mr. Meskill has had insufficient courtroom experience, that he has not demonstrated either a great knowledge of or sensitivity to the law, and that he lacks the temperament of a judge.

In fact, Mr. Meskill has had almost nothing to do with courts throughout his career as a practicing politician. But, unlike the Bar Association and some who have joined with it, we do not believe this to be a disqualification for an appellate judge. The law and judging involve far more than courtroom or academic experience, the two areas from which the Bar Association believes judges should come. It is quite possible for a legislator or administrator or mere observer to be a good judge, particularly on an appellate court, which demands a broad grasp of the political as well as the judicial system. The Bar Association's argument to the contrary leaves us unimpressed.

The other charges against Mr. Meskill give us more trouble. There is little in his record to indicate he has thought much about the kinds of issues that federal appellate courts must decide. And there is substantial evidence that, when faced with such issues, he reacts more from emotion than from thought. Two examples may suffice. Urging that a legal clinic at the University of Connecticut be closed after it took two controversial First Amendment cases, he said it was an "agency subsidizing attacks on our institutions." Then, in a manner similarly cavalier, he told a public meeting that those who advocate abortion are accessories to murder. While actions of this kind—and there are others—may be good politics, it seems to us they do not reflect the kind of sensitive and careful judgment that a member of a federal appellate court ought to have. That, coupled with doubts about his role in leasing arrangements that brought profits to his friends, convinces us that this nomination should not be confirmed.

WHAT MAKES A GOOD JUDGE?

(By Anthony Lewis)

The character of any country's judges is one test of its civilization. In a country as saturated in law as the United States, the choice of who is to sit on the bench assumes particular importance—and is bound to arouse contention from time to time, as it is doing in the Senate on the nomination of Gov. Thomas J. Meskill of Connecticut to the Federal Court of Appeals.

In the Federal system the Constitution gives the appointing power to the President, with the consent of the Senate, and it is Supreme Court appointments that have naturally made the headlines, most recently President Nixon's failed nominations of Clement Haynsworth and Harrold Carswell. But the Supreme Court is so extraordinary an institution, and appointments to it so infrequent, that in a way it is a special case. The more general test of Federal judicial selection is in the appointments to the District Courts, the trial courts around the country and to the Courts of Appeals for the eleven Federal circuits, which have the final word except in the rare case that the Supreme Court reviews.

The Meskill nomination is a classic test of principle. The Governor, a Republican who is completing his term and is not running for another, has been named to the Court of Appeals for the Second Circuit, covering New York, Connecticut and Vermont. The appointment was made by Mr. Nixon in the closing hours of his Presidency. After extended consideration in the Senate Judiciary Committee, the nomination has now gone back to President Ford during the Congressional recess.

THE BRITISH WAY

The opposition to Mr. Meskill is led by the American Bar Association's Committee on the Federal Judiciary, which found him not qualified. The committee is hardly motivated by political opposition to this Administration, so its position raises broad questions of judgment on what should be the qualifications for the Federal bench.

One way to approach the problem is by comparing it to the practice in England. High court judges are picked by the Lord Chancellor from the lawyers who argue cases in court. There are only about 2,000 practicing barristers, and the leaders of the profession are all known to each other and to the judges.

The result of the English system is to produce a judiciary of high professional competence. Yet even there some doubts have begun to be expressed—a concern that the judges come too much from the same mold, the same class, with the same rather narrow outlook on social issues.

Picking judges from so thin a professional slice would evidently be totally unacceptable in a country where—unlike Britain—judges often pass on the most profound social and political questions. The duty to enforce the Constitution affecta the whole role of American judges, especially those on Federal courts, and it suggests that they should come from a diversity of backgrounds.

Consider the diverse origins of the following Federal judges, all highly regarded in the profession: Henry J. Friendly, senior judge of the Second Circuit Court of Appeals, was in corporate practice; Frank Coffin, chief judge of the First Circuit, was a Congressman and then a Federal official; William H. Hastie, senior judge of the Third Circuit, was dean of the Howard University Law School and governor of the Virgin Islands.

A VISIONARY MODEL

Learned Hand, who sat as a district judge and then for decades as a reverend member of the Court of Appeals for the Second Circuit, made the most ringing statement of the large view that a judge ought to bring to interpreting the Constitution. He should, Judge Hand said, "have at least a bowing acquaintance with Acton and Maitland, with Thucydides, Gibbon and Carlyle, with Homer, Dante, Shakespeare and Milton, with Machiavelli, Montaigne and Rabelais, with Plato, Bacon, Hume and Kant. . . . For in such matters everything turns upon the spirit in which he approaches the questions before him. The words he must construe are empty vessels into which he can pour nearly anything he will. Men do not gather figs off thistles, nor supple institutions from judges whose outlook is limited by parish or class."

That glorious statement, visionary even as to Supreme Court appointments, has to be read against other realities so far as lower Federal courts are concerned. Their judges simply must have the technical training, the legal interest and experience to get through enormous volumes of often highly complicated work.

Federal judges must, for example, grapple with the intricacies of the Internal Revenue Code, and the shadowy dividing-lines of the antitrust laws, and patents, and securities and the various administrative statutes. They must enforce the criminal law, with all its recent encrustation of constitutional considerations. The life of a judge does not consist of thinking in the abstract about great philosophical issues. Learned Hand's reputation rested in large part on his dazzling ability to do technical legal work—to analyze a record or dissect a statute.

The ideal for which judicial appointments ought in theory to strive, then, is a combination of craftsmanship, wisdom, philosophical vision and the experience of American life that brings social understanding. As in all spheres of life, the practical tends to fall somewhat short of the ideal.

In the last 20 years, the A.B.A. committee has won for itself a weighty role in the scrutinizing of Federal judicial appointments. The conservative history of the A.B.A. raised some doubts about that role, but on the whole the committee has satisfied most observers that it takes a nonideological view of nominees based on a not too narrowly professional judgment of their qualities. For example, the committee insists on trial experience for lawyers picked as trial judges. But it might give warm approval to the choice of a law teacher for the Court of Appeals, where his reflective qualities would be more appropriate.

In Governor Meskill's case, its objection is that he has political but very little legal experience. He was admitted to the bar 18 years ago but has spent more than half his career since then as Mayor, Congressman and Governor. He has never handled a trial or appeal in any of the major categories of Federal law that come before the Second Circuit.

The outcome of the Meskill nomination, like that of so many others in the past, may be determined more by politics than by any higher legal ideals. It is said that Governor Meskill supported Hugh Scott, the Senate Minority Leader, to be the Republican Vice-Presidential candidate in 1968 and 1972. Some have wondered why the Senate Judiciary Committee suddenly converted its usual three-member confirmation subcommittee to five in the case of Mr. Meskill, including Senator Scott and the committee's major conservative powers, Chairman James Eastland, John McClellan and Roman Hruska.

MESKILL JUDGESHIP OPPOSED BY VOTER MARGIN OF 5 TO 3

Voters in the state, by close to a five to three plurality, are opposed to the appointment of Gov. Thomas Meskill as a Federal Court of Appeals judge.

Former President Richard Nixon, as one of his last official acts before resigning, nominated Meskill to fill a vacancy on the prestigious Second Circuit U.S. Court of Appeals, which covers both New York State and Connecticut. The nomination has drawn fire from many quarters, including the American Bar Association on the ground that Meskill lacks the necessary legal credentials for a judgeship of such importance.

A recent Connecticut Poll, conducted exclusively for The New Haven Register and The Hartford Times by Decision Research Corporation of Wellesley, Mass., shows that voters in the state also tend to disagree with the nomination—disapproval of the appointment outweighs approval by a 47 per cent to 34 per cent margin, with 19 per cent not yet having reached a conclusion on the issue.

Interviewing for the poll was conducted by telephone between Sept. 27 and 29 among 750 Connecticut residents who say they are registered to vote and almost certainly or probably will do so in November.

As might be expected, reaction tends to run along party and ideological lines, but not overwhelmingly so.

Both Democrats and Independents oppose the appointment by about two to one, while Republicans are narrowly (by 47 per cent to 35 per cent) in favor.

Liberals, who traditionally have been most hostile to Meskill, are even more heavily opposed (they disapprove of the nomination by nearly four to one) than Democrats. The situation among middle-of-the-roaders, on the other hand, is far less clear cut—45 per cent are against the Meskill appointment, 33 per cent are for it. Meskill's fellow conservatives are also divided on the subject, favoring the appointment by a slim 48 per cent to 39 per cent plurality.

Reflecting the split along party lines, opinion in the Hartford and New Haven areas is more heavily against the nomination than is sentiment elsewhere. This is consistent with the fact that the Hartford and New Haven areas tend to be more Democratic than the rest of the state.

Similarly, young people, a higher proportion of whom are Democratic and liberal, show greater antipathy to making Meskill a federal judge than do their elders—opposition gradually scales down from about 60 per cent among voters under age 25 to 40 per cent among those over 65.

HOW VOTERS DIVIDED ON MESKILL JUDGESHIP

QUESTION VOTERS WERE ASKED: "DO YOU APPROVE OR DISAPPROVE OF THE APPOINTMENT OF GOV. THOMAS MESKILL AS A U.S. COURT OF APPEALS JUDGE?"

[In percentage]

	Approve	Disapprove	No opinion	Percentage base
Total Connecticut voters who say they just about certainly or probably will vote in November	34	47	19	(750)
Area of State:				
Greater Hartford[1]	30	52	18	(250)
Greater New Haven[2]	32	50	18	(250)
Rest of State	37	44	19	(250)
Political party (registration):				
Democrats	29	55	16	(283)
Republicans	47	35	18	(221)
Independents	25	53	22	(219)
Political outlook:				
Liberal	18	69	13	(160)
Conservative	48	39	13	(167)
Middle of the road	33	45	22	(379)
Age:				
Under 25	29	61	10	(59)
25 to 34	30	52	18	(167)
35 to 44	33	49	18	(154)
45 to 64	35	44	21	(260)
65 and Over	40	40	20	(106)

[1] Hartford County.

[2] Branford, East Haven, Guilford, Hamden, Madison, Milford, New Haven, North Branford North Haven, Orange, Wallingford, West Haven, Woodbridge, Ansonia, Bethany, Cheshire, Derby, Seymour, and Shelton.

Mr. BURDICK. I yield the floor

Mr. HRUSKA. I yield 20 minutes to the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Nebraska.

Mr. President, I wish to make a few comments relative to the matter before the U.S. Senate and they will not be long. I think I have spoken out during the course of the hearings as befits one who is a sponsor of this nomination. I have also written to my colleagues expressing my feelings on this nomination, so a long speech from me is not necessary.

It is my intention to respond to those who are in opposition, not in a negative personal sense, but rather, to make sure that the record stays very clear. That the traditional concepts we employ in judging a man fit or unfit for a position in Government are strictly adhered to and that we do not slop backward and forward between loose rhetoric and the strict traditional requirements demanded in ascertaining propriety, impropriety,

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sensitivity, insensitivity, or that which is properly political and that which is unconstitutional or gross.

I am very proud, Mr. President, of my State of Connecticut. If, indeed, I have spoken in years past of the pride that I have in our political systems and in the men and women who are a part of those systems and of the political parties, it is because I speak from experience. There are those who have, in the past, attributed to me a certain naivete as to what goes on in politics. I take that as a compliment. My entire, or most of my entire adult working life has been in the business of politics.

I am not naive as to what goes on. I am very proud as to what goes on. My experience in the State of Connecticut under Democratic Governors—two specifically, Governors RIBICOFF and Dempsey—and under a Republican Governor, Tom Meskill, and my experiences in the House of Representatives, with Republican and Democratic colleagues from Connecticut, my experiences as a State legislator with Republicans and Democrats in Hartford, Conn., my experiences as a first selectman or mayor, with mayors and first selectmen who were Republicans and Democrats, have brought to me a solid belief in the integrity, in the idealism, and in the decency of politics and, more particularly, politics in and government in the State of Connecticut.

I do not know what it is that everyone else is supposedly doing, either at the Federal level or in other communities and other States, but I know, when I say that politics is decent and idealistic and honest, that has been the case in Connecticut under both Democrats and Republicans. We have had clean government, and we have had good government.

Now, it is also true that in the State of Connecticut we have had hard politics, and we have had some of the best practitioners of the art. One gentleman's name comes particularly to mind, recently deceased, a man for whom I have expresced by administration many times in the past: the former chairman of the Democratic Party, John Bailey.

I knew John Bailey when I was in the State Legislature; and during the rest of my career. Yes, people called him boss, and they called him a consummate politician, and sometimes that was in a derogatory sense; but the man I knew practiced politics in the best way. His devotion of Connecticut and the United States was beyond question. The man gave his life to those institutions, not as a soldier in the military, but as a man today devoted to our politics and our Government.

That is not to say that his service and his dedication were any less than others who served outside of politics. We have had party levers in Connecticut, and had them up until several years ago. No one else in the United States had them; they were outlawed as being excessive politics. We have had them, and we still have the optional party lever. And, yes, there has been patronage in our State of Connecticut. But our State, like every other State, and indeed our Federal Government, withdraws farther and farther away from patronage. We have had patronage in the form of personnel and in the form of varied dealings within the State. I am glad that the leasing commission came out with its report. I think they are quite proper in their evaluation, that leasing in the State of Connecticut had too much of a political flavor, that indeed it should be removed from the political arena. I believe in that. But that was not the law, though it is what I believe in.

I believe, for example, that personnel in the State government, aside from those at the very highest appointive level, should be removed from politics and put under civil service. That has not been the case, but I believe it should be the case, not only in the State of Connecticut but also in the Federal Government. Slowly but surely, we have acquired a political maturity which has drawn us away from political decisions and political appointments except in the instances involving policymaking. So gradually we have arrived at that balance of being able to hold those who are running the government accountable in a political sense, but allowing those who actually do the detail work and the day-to-day administration to be free from the pressures of politics, so that they can best serve the entire constituency, regardless of political party.

But what is not correct and what has been done over the past months, is to be sloppy in the terms used, in the thinking applied, in trying to equate politics with illegality, politics with impropriety. That probably was one of the most difficult tasks during the past several years for those of us who have served on the select committee: to always make sure that what we were condemning was not normal politics, but that which was clearly illegal, that which was clearly unconstitutional, that which was clearly gross, and not to try to merge the legitimate and the illegitimate, so in fact there would be no impact as to the bad that did occur.

I think this important in everything we do, not just this nomination—how we view our agencies—how we view the actions of our Government: and that we carefully delineate between the valid and that which steps over the line.

I make no apology for the politics of the State of Connecticut. It has been a good politics. Oh, yes, there have been mistakes, but those of us who live in Connecticut and those who come to Connecticut know the quality of our State. Like any State, there is much to be done with our cities and much to be done for too many who still do not enjoy the advantages that so many Americans have. But take a look at the schools of Connecticut, the hospitals of Connecticut, the parks of Connecticut, the governments of Connecticut. It is a good State. You cannot manifest something decent out of a corrupt spirit. It was built by Republicans and Democrats, at the town level and at the State level. And the creation of something good belongs as much to Tom Meskill as it did to Governor RIBICOFF and Governor Dempsey.

So, yes, I get slightly vexed when I hear those outside the State of Connecticut tell us how we should run our State, or how we should have been running it. I make no apologies for what politics and government in Connecticut has wrought.

Mr. President, it is not up to me to prove the legality of a situation. It is not up to me to prove the propriety of a situation. It is up to those who allege illegal activity and improper activity to prove their case. That is the presumption in this country, and that is what has been so clearly violated in spirit time and time again by those who have spoken and acted against the Governor's nomination.

I was delighted to see both Senators KENNEDY and HART disavow that aspect of the minority report which related to insensitivity to impropriety. Indeed, they carefully drew the line. Because there is no proof. Indeed, there was no investigation of any substance by those who make those allegations, whether the American Bar Association or those who signed the minority report.

I do not think it is too much to demand a certain precision of those who would allege such wrongdoings—a precision that dwells on facts and the building of a case—not a newspaper editorial here or uncorroborated testimony there, one appearance here, a quick trip there. If we are going to place upon ourselves a judicial function, then we have to place upon ourselves the same rules and practices of the courts of this country, and that has not been the case with congressional committees. We are allowed broad license, but along with that broad license comes the responsibility to use it with care. And certainly in the matter of this nomination, insofar as too many people are concerned, it has not been used with care.

I shall read for the record at this time a statement by Mr. John D. LaBelle which appears in the testimony before the committee. Mr. LaBelle is the State's attorney for Hartford County. He is a Democrat. He was appointed, not by the Governor, but by the judges of the State of Connecticut. His statement is as follows:

> Mr. Chairman, my name is John D. LaBelle and I am the State's attorney for Hartford County. That office I hold is sometimes called in other States the district attorney or the prosecuting attorney.
>
> I have been acquainted with Thomas J. Meskill since about 1957. I knew him from having had matters with the State's attorney's office while I was a practicing lawyer and while he was corporation counsel of the city of New Britain and while he was mayor of the city of New Britain.
>
> When he went to Congress, I had some communications with him while he was a congressman. And when he became Governor, I have had matters with him concerning investigations, extraditions, and rewards.
>
> One of the highest responsibilities of a lawyer is to answer the call to public service and to hold public office. Thomas J. Meskill has been a city corporation counsel, mayor, Congressman, and Governor. He has been a leader in molding public opinion. He knows the feelings of the people concerning the problems of the day. His public service has limited his trial experience, but this should not be disqualifying. His experience in the decisionmaking process more than makes up for this lack.
>
> Our judges do not come from any one particular discipline. One may have been a corporation lawyer. Another may have represented labor unions. One may have been a law professor. Whatever the background, the good judge has a broad experience in understanding human nature and the ability to make fair decisions.
>
> I believe Thomas J. Meskill possesses these attributes in spades.
>
> I would like to talk to you a moment about the question of his integrity. The office that I hold as State's Attorney for Hartford County is an independent office. I am not elected. I am not appointed by the political process. I am appointed by the judges. Connecticut is the only State in the United States where the prosecutors in the State are appointed by the judges.

How is that—now moving off the statement of Mr. LaBelle—for getting out of politics?

> We are not under the jurisdiction of the Governor, we are not under the jurisdiction of the attorney general. Consequently we have a great deal of independence and a great deal of power—

Again I depart from the statement. Is it not amazing as Congress looks around after the miserable experiences with Attorneys General of the past years and tries to make them independent and have ombudsmen, that our State's attorneys have been independent in the State of Connecticut for many years—

> I have been State's attorney for over 15 years, and I was an assistant State's Attorney for some 3 years before that. In the course of holding this office, I have been called upon by various Governors to make investigations.
>
> Over the period of years, I have investigated the highway department, the transportation department, the motor vehicles department, and I have had to investigate the police department of the city of Hartford, the housing authority of the city of Hartford, and the zoning boards in the other communities. As an example of what I found to be the integrity of Governor Meskill, in 1973 I was called upon the day after the newspapers made a claim that the State Personnel Act was being violated by the Meskill administration. He asked me to come to his office, and he asked me to investigate the personnel department of the State of Connecticut. And of course, in the course of doing that, I had to go into practically every department to see whether or not the Civil Rights Act classified service was being violated.
>
> When he called me into his office, he said to me: I would like to have you make this investigation, and I want you to call it as you see it. And the other thing he told me was: I will see to it that every department makes available to you every single record that you want.
>
> That investigation took some 8 or 9 months, and when it was finished I made my report which became public and there were violations found. Most of them were technical violations. There is a criminal penalty in Connecticut for violations of the Personnel Act. I did not find sufficient violations, willful and intentional violations, to warrant any prosecution. But the findings of the investigation certainly did not help the Governor politically.
>
> In any event, I found that when he told me to make the investigation, and that he would see to it that I was given access to every single record in any department, that that was the fact, even though it may have ended up hurting him politically. When it was over and there were some areas that had to be corrected, he issued an order to the departments and to the personnel department to clear up these cases that were in violation.
>
> One other matter that I would like to discuss with the committee, Mr. Chairman, just briefly, is the matter of the American Bar Association committee's opinion with respect to qualification of judges. Now I am aware that Mr. Walsh is a very reputable and respected and highly successful attorney. I am aware that his opinion is important. But I am astonished by the investigation that was conducted that was the basis for Mr. Walsh's and that committee's conclusions.
>
> If I recollect his testimony correctly, it is my understanding that that committee consists of 12 members, one each from each of the judicial circuits, being nine, and a chairman, and apparently two other committee members at large, probably officers of the association, a total committee membership of 12. If I recollect his testimony correctly, he indicated that the judicial appointment in the particular circuit, in this case the second, is handled by the committee member from the circuit. And if I recall his testimony again correctly, he indicated that the committee member from the second circuit talked with 30 members of the bar to form the basis for the committee's report. After that member from the second circuit made his opinion known to the other members, they unanimously adopted his recommendation.
>
> Now, for the life of me, one of the things I would like to know is, what 30 members of the bar did they talk to? Who were they? Where do they live? Where do they practice? Do they practice in the second circuit? There has not been one word of what lawyers, who the 30 lawyers are that were supposed to be interviewed in order to be the basis for that opinion. I do not even know whether any of them were from Connecticut.
>
> I am a member of the ABA. I practice in the second circuit. My office has cases in the second circuit continually. I would guess conservatively that there is not a law firm in Connecticut that has more cases in the second circuit than my office. I have argued cases there myself many times. I am a member of the American College of Trial Lawyers. I would have thought that in this investigation, if they were going to talk to some lawyers in Connecticut, that I might have been one that might have been considered. I was not.
>
> I was considered appropriate for giving my opinion to the FBI.
>
> So I think that the method of the American Bar Association and the rigidity of their investigation does not make it inadmissible, but it certainly does affect the weight that ought to be accorded.
>
> I came down here because I thought my testimony might be helpful to this committee, and because I felt that the nominee was being attacked on flimsy evidence. I do not know Tom Meskill personally. I have never been out with him socially. I am not a member of his political party. I probably disagree with him ideologically on a lot of things. But from my dealings with him, I have found him to be an honorable man, and I think he is a good lawyer.

Now, I could just about quote those same words myself. Yes, I knew Tom Meskill personally, but I have never been with him socially. I am a member of his political party but, just probably like Mr. LaBelle, I disagree with him ideologically on a lot of things, probably most things; and, just like Mr. LaBelle, yes, I think he is an honorable man, and I think he is a good lawyer.

Now, Mr. President, we are not going to use, as long as I have a breath left in my body, our political and/or judicial processes to squash those with whom we disagree, and we are not going to use them on behalf of any special interest group, whether that interest group is political or outside the sphere of government.

Disagree, oppose, yes; speak out, yes, but with the mantle of authority granted us by the people—to use that in the stead of hard proof to smear a man—no. I am not just saying "No" on this floor now. I said it a year ago, and I said it the year before that. No

No lawyer, no lawyer in any court of law, could ever arrive at the conclusions this minority committee report arrives at, and consider himself a lawyer.

Six months of investigation, fair enough. And every single proper entity that has been called upon, including the Senate Judiciary Committee, when going over all the facts has come to the conclusion that this is an honorable man; that there is no blemish, and that there is no guilt. Yet both the ABA and others persist in saying or implying that there is guilt, each for its own purposes, some philosophical, some on the ABA because they do not want to lose their hold on the second circuit court of appeals.

The statement alone, that this is the second highest court in the land, should be very interesting to the rest of my colleagues, who have circuit courts of appeals that encompass their States. Now they know that apparently there are two levels of circuit courts. There are circuit courts of appeals for the West and Midwest, for the South and Southwest, but none quite so good as the circuit court for the second circuit. I reject that.

I have news for you. I think every judge is important; I think every circuit court of appeals is just the same as all the rest insofar as quality is concerned.

One high standard for all of our courts.

Never mind giving an ad hoc designation to what it is that this particular circuit is all about. In fact this particular circuit is all about ABA control. Oh yes, that is what it is all about. This man, Meskill did not receive the imprimatur of the ABA.

If there are those of my colleagues that lean heavily on the decisions of the ABA, I respect that, but then they should also take into account how it is the ABA arrived at its conclusions—in a most injudicious way—again, not imposing upon itself the very discipline it espouses for others in its public statements.

How well I remember the testimony of the president of the American Bar Association where, apparently, we have a new crime in the United States; that of a man remaining silent—which, in fact, Mr. Meskill was not. If a man remains silent, he is guilty.

I believe, if I am not mistaken, there was also the implication that because Governor Meskill was accepting counsel—in this case, the advice of the Senator from Connecticut who believes the sole jurisdiction over his nomination lies with the U.S. Senate, not the ABA, and so advised the Governor he should give all his evidence and testimony before that committee, I remember again the president of the ABA saying that just the fact Meskill had counsel implies wrongdoing.

Now, according to President Walsh one of the rights we are all granted in the Constitution has become a mark of guilt.

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Counsel in the sense, I might add, not in the sense of a lawyer, but just advice, advice. Apparently advice is a sign of guilt. No, no. We are not going to have any different standards of proof of guilt imposed—not, anyway I hope—by this body.

No imprecise standards set by the ABA. If one wants to call something politics, call it politics. If one wants to call it philosophical, call it philosophical. Swing hard, get as rough as one wants. But when we start using words like illegal, impropriety, insensitivity to impropriety, then, indeed, we become very loose with people's reputations in this country.

Mr. President, much has been made in derision of the Governor's law practice. Well, he is a young man. I think he is 45 or 46. We both started about the same time in our political careers.

Did he go for big cases? Big cases in that circuit get big fees. Big fees? No. There were no big cases and big fees.

Tom Meskill chose, as many of us in this Chamber chose, a small law practice, and then opted for public service.

I started off at $600 a year in the Connecticut State General Assembly; $7,200 to be first selectman of Greenwich.

That was nothing compared with my lawyer friends who, also quite properly, decided on no public service. They wanted to pursue the law and its monetary advantages. But Meskill is derided because he decided to take the fork in the road to public service.

I do not base his case on his law practice. The question is asked, what are his 10 most important cases? I think there are three areas we draw the judges from; the worlds of academia, practice, and government. How about 10 papers, how about telling of our most important 10 papers written on subjects of the law?

I do not think I could handle that because I have not been a member of a law school faculty. Yet that is a perfectly proper place from which to draw judges.

So when we come to a man who has devoted most of his life, the most productive years to government and say "Give me 10 cases" the question is irrelevant. No, ask about his 10 most important decisions when he was a Congressman or a Governor. That is fair enough. Those decisions are also grounded in the law. That is his area of expertise.

The question itself is limiting. To sit here and deride a man because he was not prospering in the sense of a large law practice, no, that is what this is all about.

Many have gone from our colleges to the bench. Ask the average college law professors how many cases they have tried. Does that eliminate them? No, because the inexperience is entirely different.

In the case of Tom Meskill, he probably had to pass the toughest test because in each case his judgments were subject to the judgment of his neighbors as mayor of New Britain, as Congressman, as Governor.

Times have changed. It used to be that one could ask the ABA to do one's homework. Now, we are being asked to do our homework for ourselves.

I notice the statement has been made that the ABA is not the issue. I wish they were not. But unfortunately, as the Senator from North Dakota knows, the ABA has not only been a witness, they have proferred staff assistance. They have lobbied actively.

It is one thing to designate their opinion of a man, but then to come in the offices of the U.S. Senate and participate as staff, to wear the mantle of an investigative agency to be jury after they had announced their opposition, what kind of justice is that?

In September, they said, "We are against the Governor," and in January they are out investigating the Governor to come up with an investigative report so they could substantiate what they said in September.

That is justice? Even in an ad hoc way, it seems to me to be totally contrary to everything this Nation stands for.

If investigations are to be done, it is in the Constitution of the United States who does them. That duty belongs to the Judiciary Committee of the U.S. Senate. That is the proper body of investigation. It is the proper body to listen to witnesses, to gather information.

The FBI, more particularly the Justice Department is a proper agency to investigate.

Out of curiosity, what differs the ABA's investigative efforts and smear from others outside the law in the past years?

The fact that they are a bar association?

It does not mean anything to me. The only thing that makes any difference is how a person behaves. I do not care what their self-imposed title is.

The qualifications of the Governor—lie in a career of public service. One that has not been rewarding in a monetary sense, but deeply rewarding in the sense of the job accomplished for his various constituencies.

If you choose to base your judgment strictly on 10 cases, the Governor does not come out well because he made a conscious, and I think a very proper, decision to forego the advantages of a lucrative law practice and, enter rather into the field of public service—in the making of law as a Congressman; and in the administration of the law as Governor of the State of Connecticut.

One last point before I conclude this evening. Is it not interesting that those who have known the Governor, who have known Connecticut, all of its laws, its customs, its politics, those who have worked with the Governor, find him to be outstanding in temperament and in the quality of his work?

Though not hearing opposition from the Connecticut Bar Association, and the Connecticut members of the Federal bench bar committee of the ABA, I have heard from New York lawyers who have never seen the Governor. I have heard from Peter Rodino, head of the Judiciary Committee in the House, who served with him 4 years and highly commended his work.

I have heard from my colleague, the distinguished senior Senator from the State of Connecticut, formerly Governor, who has announced his support of Governor Meskill.

I have heard from the Democratic State's Attorney of Hartford County as to the Governor's integrity. I have heard from Congressman Hungate, another Democratic member of the Judiciary Committee. I have heard from Judge Mulligan, who sits on the Second Circuit Court of Appeals, former dean of the Fordham Law School, advocating the Governor's nomination.

I have heard from Judge Timbers.

All those who have known him and worked with him do not question his integrity and do not question his ability. But the running of a few newspaper editorials and some self-serving statements by the American Bar Association occasions upon some of my colleagues to question the man's integrity and ability.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. WEICKER. I yield whatever time the distinguished Senator from Virginia may desire.

Mr. WILLIAM L. SCOTT. Mr. President, I do not want to take more than a minute of time, but I do feel, as one who sat in the House of Representatives with Tom Meskill, who does know him, who knows his wife, someone who is a friend, I believe, of the nominee, I should speak up in his behalf.

Mr. HRUSKA. I yield 5 minutes to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. I would not want the Senate to consider this nomination without my having said a word in favor of the confirmation of Tom Meskill.

Oftentimes we hear that someone is qualified. We just had a nominee to be Attorney General of the United States who had not practiced law. The Senate confirmed the nomination. He had been a law professor, a dean of a law school, and apparently a very fine individual.

As I recall, he was recommended on a voice vote by the Judiciary Committee and confirmed by the Senate in the same manner. No question was raised. This man had not practiced law, as I recall. He had served in a high capacity within the Department of Justice. He had been a dean.

Tom Meskill apparently has practiced law for 8 years. He has had the practice that a general practitioner ordinarily has in the first 8 years of his practice.

He served in the House of Representatives, I believe, for two terms. He was on the Judiciary Committee of the House.

He served as Governor of his State.

If being a law professor can qualify a person to be Attorney General of the United States, if it can qualify a person for a judgeship, it seems reasonable to me that if you have the foundation of 8 years of private practice and you have been in the House of Representatives, one of our legislative bodies, having served on the House Judiciary Committee and then having served as Governor of your State, that is worthy of consideration.

I feel that we should confirm Tom Meskill and do it by an overwhelming vote.

Insofar as I know, and I have served with him for 4 years, Tom Meskill's integrity is good. There is nothing wrong with this man. There is no reason not to confirm him. I just do not know why a group connected with the American Bar Association has seen fit to oppose his nomination.

As I recall, the Constitution provides for appointments to be made with the advice and consent of the Senate. I hope we do advise and consent to this nomination. The Constitution does not say a thing about the American Bar Association. I was a member of the American Bar Association until I came to the Congress, but I assure you, Mr. President, that I am still a lawyer authorized to practice in the trial courts of Virginia, before the supreme court of my State, in the U.S. district court, the circuit court of appeals, and the Supreme Court of the United States.

Mr. WEICKER. I thank the distinguished Senator from Virginia for his very on-point comments relative to the Governor.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. I believe we are still working under the 5 minutes, is that correct, just granted by the distinguished Senator from Nebraska?

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. I request 4 additional minutes.

Mr. HRUSKA. I yield 5 minutes to the distinguished Senator.

Mr. WEICKER. Let me give an example as to half-truths repeated by the distinguished Senator from North Dakota in reading the Wall Street Journal article. He quoted from Mr. Landauer's article. Mr. Landauer wrote: "To this prestigious bench"——

Mr. BURDICK. Will the Senator yield?

Mr. WEICKER. I yield.

Mr. BURDICK. Does the Senator believe I did not read it verbatim?

Mr. WEICKER. No; I contend that Mr. Landauer dealt in half-truths. I will now respond.

> To this prestigious bench Mr. Meskill brings unimpressive credentials. The American Bar Association's 12-member standing committee on the federal judiciary unanimously considers him "not qualified" for the job. "No lawyer wants to argue a case in the appellate court before a judge who doesn't know what goes on in the courtroom," says John A. Sutro, the committee's immediate past chairman.

That is lifted directly from the record.

Let me read you what the record said Mr. Sutro said so we get the whole picture. I will now quote Mr. Sutro.

> In this instance, over 30 judges and lawyers were interviewed by Mr. Connelly, and a very substantial number of those judges and lawyers were of the view that Governor Meskill does not have the legal background or experience as a lawyer to be a judge of the U.S. Court of Appeals for the Second Circuit.
>
> That court has appellate jurisdiction not only in respect to the district courts within the circuit but also with respect to a variety of Federal boards and commissions including the Tax Court of the United States, the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the National Labor Relations Board, and the Securities and Exchange Commission.
>
> The Chairman. Right there, I think that is proof that you need a man who has had some Government experience.
>
> Mr. Sutro. Senator Eastland, there is no question in the minds of this committee that Government experience is a valuable asset. We give due weight to that, as I will say later on in my statement, but we also recognize——
>
> The Chairman. I think you have put your finger on it.
>
> Mr. Sutro. But we also recognize that courtroom experience is a prerequisite to being a judge. No lawyer wants to go into court and try a case at the trial level before a judge who has never tried a case, and he certainly doesn't want to argue a case in the appellate court before a judge who does not know what goes on in the courtroom.

All of a sudden that fits in differently, does it not, as to what Mr. Sutro said?

This is the same Mr. Landauer who came into my office and said, without question in his mind, the ABA was doing a number on the Governor. I do not see that anywhere in the article, but that is what he told me face to face.

I think it is important that the entire record be read and that all points be emphasized, pro and con. But, more particularly, if there is an allegation of impropriety or illegality, it has to be proved point by point, and such proof is totally lacking here.

What we do have before us is an honorable career, one which has reached the highest level. Indeed for someone who chose politics, Governor is the equivalent of becoming a topnotch lawyer or the head of a department in a university.

I submit that that experience and that success are very much an issue before us. What is not at issue is the Leasing Commission. The Leasing Commission said there was no illegality. The Leasing Commission did say, "Politics exists in leasing in the State of Connecticut. We should not have it." I agree. As I said earlier, neither should politics be involved with the jobs of people who work for the State of Connecticut. But standards set by the distinguished Senator from North Dakota ex post facto, are not illegalities of improprieties.

Mr. President, I intend now to yield back the remainder of my time. Does the distinguished Senator from Nebraska require any time at this point?

Mr. HRUSKA. No.

The PRESIDING OFFICER. Who yields time?

ORDER FOR H.R. 4269 TO BE HELD AT THE DESK TEMPORARILY

Mr. BURDICK. Mr. President, I ask unanimous consent that H.R. 4269 be held at the desk temporarily.

Mr. WEICKER. Mr. President, reserving the right to object, may I consult with the leadership on this side?

Mr. BURDICK. Certainly. I understand that it has been cleared on both sides.

Mr. WEICKER. Will the Senator repeat the number?

Mr. BURDICK. H.R. 4269.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. BURDICK. Mr. President, I ask unanimous consent that H.R. 4269 be held at the desk temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at 10 a.m. After the two leaders or their designees have been recognized under the standing orders, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of morning business tomorrow the Senate will resume consideration of S. 1484, the Vietnam Contingency Act of 1975. There is no time limitation on that measure. Votes could occur on amendments thereto and conceivably on final pasage of the bill tomorrow.

If on tomorrow there is a period in which it appears that action will not go forward on the Vietnam Contingency Act, the Senate then could resume the consideration of the nomination of Mr. Meskill in executive session. There is a time limitation on that nomination and, therefore, a vote could occur on confirmation of the nomination. There will be no rollcall votes today.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BURDICK. Mr. President, in legislative session, I move, in accordance with the previous order, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:05 p.m. the Senate recessed until tomorrow, Tuesday, April 22, 1975, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 21, 1975:

Department of Health, Education, and Welfare

Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare, vice Charles C. Edwards, resigned.

National Institute of Health

Donald Sharp Fredrickson, of Maryland, to be Director of the National Institutes of Health. (New position.)

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U.S. NAVY

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

Lando W. Zech, Jr.
John B. Berude
Reuben G. Rogerson
Thomas B. Russell, Jr.
Cyril T. Faulders, Jr.
Elmer T. Westfall
Robert P. McKenzie
Paul C. Boyd
Henry P. Glindeman, Jr.
Charles S. Williams, Jr.
James K. Sanderson
Edward P. Travers
Gordon R. Nagler
William H. Ellis
Robert F. Schoultz
Ralph H. Blount
James B. Stockdale
Harold G. Rich
William J. Crowe, Jr.
George P. March
Robert S. Smith
Jeremiah A. Denton, Jr.
Richard A. Paddock
Donald P. Harvey
Roy F. Hoffmann
John D. Johnson, Jr.
William H. Harris
Robert K. Geiger
Robert H. Gormley
Kenneth G. Haynes
James H. Foxgrover
Kenneth M. Carr
Ernest E. Tissot, Jr.
Paul A. Peck
Gerald E. Synhorst
Ralph M. Ghormley
Carl T. Hanson
John T. Coughlin
William J. Cowhill
Carlisle A. H. Trost
Albert L. Kelln

MEDICAL CORPS

William J. Jacoby, Jr.
Robert G. W. Williams, Jr.
Paul Kaufman
Robert C. Laning
Robert L. Baker
William M. Lukash

SUPPLY CORPS

John C. Shepard
Carlton B. Smith
Thomas J. Allshouse
James E. McKenna
James R. Ahern

CHAPLAIN CORPS

John J. O'Connor

CIVIL ENGINEER CORPS

Robert F. Jortberg

DENTAL CORPS

George A. Besbekos

CONFIRMATION

Executive nomination confirmed by the Senate April 21, 1975:

NATIONAL CREDIT UNION BOARD

Joseph F. Hinchey, of Pennsylvania, to be a member of the National Credit Union Board for a term expiring December 31, 1980.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee on the Senate.)

WITHDRAWAL

Executive nomination withdrawn from the Senate April 21, 1975:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

William I. Greener, Jr., of Virginia, to be an Assistant Secretary of Housing and Urban Development, which was sent to the Senate on January 23, 1975.

HOUSE OF REPRESENTATIVES—*Monday, April 21, 1975*

The House met at 12 o'clock noon.

Rev. Edward G. Latch, D.D., offered the following prayer:

Commit thy way unto the Lord; trust also in Him; and He shall bring it to pass.—Psalms 37: 5.

Almighty Father, who are the light above our shadows, the love within our sorrows, and the life behind our struggles, shine in morning splendor upon us as we lift our hearts unto Thee. Bowing before Thee at this altar of prayer, we pray that the cleansing power of Thy Spirit may set us free from selfish interests and self-centered ambitions, enabling us to do our work with clear minds and clean hands.

Make us the kind of persons who are captured by the desire for human brotherhood and who are willing to work for peace on earth, good will among men. To this end grant us light for each step, courage for each task, strength for each duty, and wisdom for the way we take. Into Thy hands we commit our spirits. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1310. An act to continue the special food service program for children through September 30, 1975.

The message also announced that the Senate had passed with an amendment to which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 375. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 233. An act for the relief of North Central Educational Television, Inc.;

S. 234. An act for the relief of Arthur Rike;

S. 249. An act to amend the Securities Exchange Act of 1934, and for other purposes;

S. 510. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices; and

S.J. Res. 58. Joint resolution proclaiming the week of May 25 to 31 as "National American Institute of Banking Week."

The message also announced that the President pro tempore, pursuant to Public Law 93–568, appointed Mr. J. C. Redd, of Jackson, Miss., Mrs. Margaret Warden, of Great Falls, Mont., Mrs. Virginia Young, of Columbia, Mo., and Mr. John T. Short, of Simsbury, Conn., as members of the Advisory Committee to the White House Conference on Library and Information Services.

ADDITIONAL APPROPRIATION FOR FISCAL YEAR ENDING JUNE 30, 1975, FOR VETERANS' ADMINISTRATION

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H.J. Res. 375) making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Page 1, after line 9, insert:

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1974, $500,000.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

GRANTING AN ALIEN CHILD ADOPTED BY AN UNMARRIED U.S. CITIZEN SAME IMMIGRANT STATUS AS ALIEN CHILD ADOPTED BY U.S. CITIZEN AND HIS SPOUSE

The Clerk called the bill (H.R. 568) to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse.

There being no objection, the Clerk read the bill as follows:

H.R. 568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(b)(1)(F) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1)(F)) is amended—

(1) by inserting before "by a United States citizen" both times it occurs in such subparagraph the following: "by an unmarried United States citizen of good moral character or", and

(2) by striking out "who have complied" in such subparagraph and inserting in lieu thereof "who has or have complied".

Mr. KOCH. Mr. Speaker, I rise in support of H.R. 568, a bill I introduced to grant a child adopted by a single U.S. citizen the same immediate relative

status for immigration purposes as a child adopted by a U.S. citizen and spouse.

Under existing law, section 101(b)(1)(F) of the Immigration and Nationality Act allows only married U.S. citizens, and not an unmarried U.S. citizen, the right to petition for immediate relative status for an alien orphan intended to be or already adopted. The administrative rulings on this matter have prohibited an unmarried person from petitioning for immediate relative status for an otherwise eligible alien orphan.

This distinction in the law has caused much suffering. For example, the American unmarried aunt or uncle, either single, widowed, or divorced, of an alien orphan cannot now obtain immediate relative status for her or his orphaned niece or nephew. Furthermore, today there are many unmarried persons who would like to adopt Vietnam orphans, fathered by American soldiers. Although many States now allow adoption by an unmarried person, this adoption is thwarted by an antiquated immigration policy.

I originally introduced this legislation in September 1972 after the injustice of the present law was brought to my attention by a constituent. This particular young woman had adopted a Korean child. However, to her dismay and sorrow, she found that she could not bring the adopted alien orphan to the United States as an immediate relative solely because she was a single, unmarried parent. The bill passed the House in September 1973, but regrettably no action was taken during the 93d Congress by the Senate Judiciary Committee.

The report on H.R. 568 filed by the House Judiciary Committee, urging that the bill be passed, states:

> The Committee recognizes that there has been a continuing trend in state legislatures to enact legislation authorizing single persons to adopt children. In this regard, it should be emphasized that the impact of this legislation is properly limited to the extent that the laws of the various States or the applicable law in foreign jurisdictions permit a single person to adopt children.

The bill is particularly relevant now that there are so many more orphans from Southeast Asia that are available for adoption by single parents. And, the bill is designed to help these people and the children, but is not limited to any geographical area. I am hopeful that the Senate will take quick action.

Mrs. MINK. Mr. Speaker, I rise to offer my vigorous support for H.R. 568, a bill making immediate relative visas available to the adopted children of single parents.

I commend my colleagues, Representative Edward Koch, the sponsor of H.R. 568, and Representative Joshua Eilberg, the chairman of the Immigration, Citizenship, and International Law Subcommittee, for their tireless efforts and leadership in bringing this bill to the floor so early in the 94th Congress. The House passed an identical bill, H.R. 7555, in the 93d Congress only to have this needed and widely supported legislation languish and die in the Senate.

I urge the House today to renew its support for this bill. H.R. 568 equalizes the immigration procedures for single and couple adoptive parents and removes from our immigration laws a discriminatory provision that currently denies immediate relative visas to the adopted children of single parents.

Our immigration laws must keep pace with our domestic adoption procedures. Single-parent adoptions are accepted and increasing at home. Yet single parents who wish to adopt abroad still face procedural discrimination. Though recognized international adoption agencies will place a child with a single parent, our laws prohibit the issuance of an immediate relative visa to that child. Where nonpreference visas are difficult or impossible to obtain, the inavailability of immediate relative visas presents a grave obstacle to the successful, timely completion of these adoptions.

Our domestic laws reflect changes in adoption patterns and the recognition given single-parent adoptions. We must now amend our immigration laws to acknowledge and implement this fact.

I am confident the House will again exercise leadership in this matter and demonstrate its sensitivity to changing adoption patterns and immigration procedural needs. I do hope my colleagues in the other body note this renewed expression of our deep concern and likewise act expeditiously to remove a discriminatory impediment to single-parent, overseas adoptions.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE GRAND CANYON NATIONAL PARK ENLARGEMENT ACT

The Clerk called the bill (H.R. 4109) to amend the Grand Canyon National Park Enlargement Act (88 Stat. 2089).

There being no objection, the Clerk read the bill, as follows:

H.R. 4109

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of January 3, 1975 (88 Stat. 2089), is amended by inserting the following section and by renumbering section 11 as section 12:

"SEC. 11. Within two years from the date of enactment of this Act the Secretary of the Interior shall report to the President, in accordance with subsections 3(c) and 3(d) of the Wilderness Act (78 Stat 890; 16 U.S.C. 1132 (c) and (d)), his recommendations as to the suitability or nonsuitability of any area within the national park for preservation as wilderness, and any designation of any such areas as a wilderness shall be accomplished in accordance with said subsection of the Wilderness Act.".

Mr. TAYLOR of North Carolina. Mr. Speaker, the legislation now before the House is a noncontroversial measure which simply seeks to correct a technical error in the Grand Canyon National Park Enlargement Act of the 93d Congress.

Very briefly, let me explain that H.R. 4109 would insert into that Act a standard wilderness study provision for the enlarged national park. When that study is completed, it will be transmitted to the Congress for its consideration and actual designation.

This provision was included in S. 1296, as approved by the House during the 93d Congress. During the conference, it was discussed, and the managers for the Senate receded on the provision, but due to a technical error in the preparation of the papers it was inadvertently omitted.

Mr. Speaker, I urge the approval of H.R. 4109 by the House.

Mr. SEBELIUS. Mr. Speaker, this bill provides for a conventional wilderness study to be conducted for the newly enlarged Grand Canyon National Park. Much of this area has already been studied for this purpose under terms of the 1964 Wilderness Act, but since the boundaries of the park and some internal situations have been changed by legislation enacted during the last Congress, this bill will provide for an update and resubmission of the study and its recommendations. Consequently, no great amount of new effort should be entailed.

This new study will consider the new "Havasupai use lands," which were identified in the Grand Canyon National Park Enlargement Act enacted by the 93d Congress, and will also consider new lands not previously within the boundary of the park. It would also seem appropriate for this study to closely reappraise the conclusions of the earlier study which recommended against inclusion of the Colorado River and certain other lands, apparently due to the presence of motorboats and grazing, respectively. While from an ideal wilderness standpoint such activities may not be desirable, it does not appear that the 1964 Wilderness Act precludes the inclusion of these activities when they constitute prior existing uses.

Similarly, concern over the prospects of fire management of some forested lands would not seem contrary to consideration for "potential wilderness area" designation, if such activities are considered contrary to outright wilderness designation.

Mr. Speaker, the section of the Colorado River which runs through the Grand Canyon has, in recent years, experienced a phenomenal increase in popularity by river runners, with consequent ecological and social conflicts arising as a result of too many people descending upon the resource. Whether control of this situation is gained through means of wilderness designation or by some other means separate and apart from it, certainly it is in the best interests of all users now and in the future, and in the best interests of preserving a superlative resource, that some measure of control be attained. Such control should address both the ecological capacity of the resource and the social capacity of its users.

Mr. Speaker, this bill provides for the updating and completion of a most important wilderness study. Its results will be of significant benefit to the Congress for its later consideration as to the suitability of the designation of wilderness for one of the world's most unique and superlative natural wonders—the Grand Canyon.

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The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING JOINT RESOLUTION OF JULY 18, 1939 (53 STAT. 1062), PROVIDING FOR ACCEPTANCE OF ADDITIONAL LANDS FOR THE HOME OF FRANKLIN D. ROOSEVELT NATIONAL HISTORIC SITE

The Clerk called the bill (H.R. 2808) to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 301 of the joint resolution approved July 18, 1939 (53 Stat. 1062), is hereby amended to read as follows:

"Sec. 301. The head of any executive department may accept for and in the name of the United States, title to any part or parts of the said Hyde Park Estate and title to any contiguous property or properties located in the town of Hyde Park, Dutchess County, State of New York, which shall be donated to the United States for use in connection with any designated function of the Government administered in such Department.".

With the following committee amendment:

Page 1, beginning on line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That Title III of the joint resolution approved July 18, 1939 (53 Stat. 1062) is amended as follows:

(1) Amend section 301, to read as follows:

"Sec. 301. The head of any executive department may accept for and in the name of the United States, title to any part or parts of the said Hyde Park estate and title to any contiguous property or properties located in the town of Hyde Park, Dutchess County, State of New York, which shall be donated to the United States for use in connection with any designated governmental function in the administration of this area. The title to any such property may be accepted under this section nowithstanding that it may be subject to the life estate of the donor of any other person or persons now living: *Provided,* That during the continuance of any life estate reserved therein no expense to the United States in connection with the ordinary maintenance of the property so acquired shall be incurred: *Provided further,* That the acceptance hereunder by the United States of the title to property in which any life estate is reserved shall not during the existence of such life estate exempt the property from taxation by the town of Hyde Park, Dutchess County, or the State of New York as other real property in the said town, county, or State is taxed under the applicable laws relating to taxation of real property."

(2) A new Section 304 is added, to read as follows:

"Sec. 304. In addition to such amounts as have been appropriated prior to the enactment of this section, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, but not to exceed $104,000 for development purposes."

The committee amendment was agreed to.

Mr. TAYLOR of North Carolina. Mr. Speaker, H.R. 2808 would allow the Federal Government to accept, by donation, properties adjacent to the Hyde Park estate now managed as the home of Franklin D. Roosevelt National Historic Site at Hyde Park, N.Y. The acceptance of such contiguous properties would allow better protection of the character of the landscape surrounding this historic estate.

The National Park Service currently has pending an offer of some 24 acres of adjacent lands which could be donated to the Federal Government upon enactment of this legislation. The acceptance of this property will allow better protection of the estate itself. It will also allow the National Park Service to consolidate its administrative offices for both the Roosevelt Historic Site and the nearby Vanderbilt Mansion National Historic Site. The offices can be located in structures on the donated property, thereby freeing the historic structures in both areas from this use.

The Subcommittee on National Parks and Recreation received testimony in regard to this bill from the National Park Service Director during our recent oversight hearings. The Department of the Interior recommends enactment of this legislation. The Committee on Interior and Insular Affairs adopted an amendment substituting a revised text for the bill which incorporates three changes:

First, the language was changed in conformance with the recommendation of the Department of the Interior. This simply clarifies that any donated lands are to be used in conjunction with the purposes for which the area is administered.

Second, the original joint resolution enacted in 1939 contains a reference to a nonexistent section. This unnecessary phrase is deleted by the amendment.

Third, the amendment adds a limitation on the funds authorized to be spent for development of the national historic site. The original state had no limitation on the funds which could be appropriated. The estimated development figure of $104,000 was supplied by the National Park Service.

Mr. Speaker, H.R. 2808 represents an opportunity to enhance the protection of an important national historic site at very little cost. I urge its passage by the House of Representatives at this time.

Mr. FISH. Mr. Speaker, I rise in support of H.R. 2808, a bill I introduced to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site.

A joint resolution passed in 1939 provided for the establishment of the Franklin D. Roosevelt Library at Hyde Park, N.Y., and for the acceptance by donation of any additional portion of the Roosevelt estate by the Federal Government. The Hyde Park estate was designated a national historic site in 1944, and presently consists of approximately 240 acres, managed by the National Park Service.

The legislation that is before us today would amend the original joint resolution to permit the acceptance by donation of properties contiguous to the original Hyde Park estate, to be administered as part of the national historic site. Mr. Gerald Morgan, who owns property along the northeastern boundary of the site, has indicated a desire to donate approximately 24 acres of land as part of the site. Because the Morgan property was never a part of the Hyde Park estate, legislation is required to effect this transfer.

Acceptance of the Morgan property would enable us to better protect the Roosevelt estate from encroaching development in the area adjacent to the historic site. In addition, the administrative, maintenance and visitor reception functions for both Vanderbilt Mansion National Historic Site, also located in Hyde Park, and the Home of Franklin D. Roosevelt National Historic Site, are performed in historic structures at the Vanderbilt site. Structures exist on the Morgan property which are better suited to perform these functions for both historic sites. By relocating certain administrative and visitor use facilities to the adjoining Morgan property, we would allow all buildings on the Vanderbilt site which are of historical significance to be made available for public visitation.

I therefore urge all my colleagues to join with me in supporting this legislation to enable us to preserve this important national historic site.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ORGANIC ACT OF GUAM AND THE REVISED ORGANIC ACT OF THE VIRGIN ISLANDS

The Clerk called the bill (H.R. 4269) to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HINSHAW. Mr. Speaker, reserving the right to object—and I will not object—I merely take this opportunity to ask if there is someone in the Chamber who could answer a question or two on this bill, H.R. 4269.

Mr. LAGOMARSINO. Mr. Speaker, if the gentleman will yield, I will answer the gentleman's questions.

Mr. HINSHAW. If the gentleman could answer the question, could he tell me a little bit more about the reasoning for this request to amend the Organic Act of Guam and the Virgin Islands?

Mr. LAGOMARSINO. If the gentleman will yield, I might say that in practice the limited clerk hire allowance has proved inadequate for a variety of reasons, including the fact that because of their isolated and insular locations, the Governments of Guam and the Virgin Islands rely more heavily on the offices of their congressional Representatives and Federal relationships than on their State and local governments. So the main reason for the legislation is so that they can have better communications with the House and with their constituents.

Mr. HINSHAW. If the gentleman would answer another question. I notice that the Virgin Islands has a population of some 62,000 and Guam has a population of some 85,000. I assume that the feelings of the committee would hold true, notwithstanding the disparity of the populations of those areas as opposed to the typical congressional district.

Mr. LAGOMARSINO. Yes. As I pointed out earlier, they are more isolated. It is more necessary for them to make frequent trips than perhaps it is for some of us, and the committee felt that the request was justified.

Mr. HINSHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

H.R. 4269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

GUAM

Section 1. The Organic Act of Guam (48 U.S.C. 1421 and following) is amended by inserting after section 14 the following new section:

"Sec. 15. Notwithstanding any other provision of law, the clerk hire allowance and the transportation expenses subject to reimbursement under Federal law of the Delegate from Guam to the United States House of Representatives shall each be the same as allowed for Members of the United States House of Representatives.".

VIRGIN ISLANDS

Sec. 2. The Revised Organic Act of the Virgin Islands (48 U.S.C. 1541 and following) is amended by inserting after section 14 the following new section:

"Sec. 15. Notwithstanding any other provision of law, the clerk hire allowance and the transportation expenses subject to reimbursement under Federal law of the Delegate from the Virgin Islands to the United States House of Representatives shall each be the same as allowed for Members of the United States House of Representatives.".

With the following committee amendments:

Page 1, line 5. strike out "section 14" and insert "section 34".

Page 1, line 7, strike out "Sec. 15." and insert "Sec. 35."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the eligible bills on the Consent Calendar.

RESIGNATION AS MEMBER OF U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER laid before the House the following resignation from a delegation:

April 10, 1975.

Hon. Carl Albert,
Speaker,
House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Please accept my resignation as a member of the U.S. Delegation of the Canada-United States Interparliamentary Group. I very much regret not being able to participate as a member of the delegation for the meeting at Quebec City, April 24–26, 1975. I have a number of important longstanding commitments in my District which I must honor during that period.

With kindest personal regards,
Sincerely,
Frank Horton.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

APPOINTMENT AS MEMBER OF U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–42, the Chair appoints as a member of the U.S. Delegation of the Canada-United States Interparliamentary Group, the gentleman from Ohio, Mr. Mosher, to fill the existing vacancy thereon.

PROVIDING FOR FULL-SCALE GENERAL ACCOUNTING OFFICE AUDIT OF THE FEDERAL RESERVE SYSTEM

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, today I am introducing a seventh bill providing for a General Accounting Office audit of the Federal Reserve System. The continued support for this legislation has brought the total number of cosponsors to 109. It is very clear that the interest in this legislation indicates that effective legislation must be passed by the House to make the Federal Reserve more accountable to the Congress and the American people.

Therefore, in order to expedite consideration of such legislation, we are holding hearings beginning tomorrow morning, April 22, at 10 a.m., in room 2128 of the Rayburn Building.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by "non-record" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

CHANGES IN TRAVEL AND TRANSPORTATION ALLOWANCES FOR GOVERNMENT EMPLOYEES

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4834) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

The Clerk read as follows:

H.R. 4834

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Travel Expense Amendments Act of 1975".

Sec. 2. (a) Section 5701(2) of title 5, United States Code, is amended to read as follows:

"(2) 'employee' means an individual employed in or under an agency including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at $1 a year;".

(b) Section 5705 of such title 5 is amended by striking out "or individual" wherever it appears.

Sec. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. Pier diem; employees traveling on official business

"(a) Under regulations prescribed under section 5707 of this title, an employee while traveling on official business away from his designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regular place of business, is entitled to (1) a per diem allowance for travel inside the continental United States at a rate not to exceed $35, and (2) a per diem allowance for travel outside the continental United States, that may not exceed the rate established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rate may be allocated proportionately.

"(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty or, in the case of an individual described under section 5703 of this title, his home or regular place of business, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses to his designated post of duty, or home or regular place of business, as the case may be.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed $50 for each day in a travel status within the continental

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United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707 of this title.

"(d) Under regulations prescribed under section 5707 of this title, for travel outside the continental United States, the Administrator of General Services or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses; except that such reimbursement shall not exceed $21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

"(e) This section does not apply to a justice or judge, except to the extent provided by section 456 of title 28.".

Sec. 4. Section 5703 of title 5, United States Code, is amended to read as follows:

"§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving with pay

"An employee serving intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis, or serving without pay or at $1 a year, may be allowed travel or transportation expenses, under this subchapter, while away from his home or regular place of business and at the place of employment or service.".

Sec. 5. Section 5704 of title 5, United States Code is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to not in excess of—

"(1) 11 cents a mile for the use of a privately owned motorcycle;

"(2) 20 cents a mile for the use of a privately owned automobile; or

"(3) 24 cents a mile for the use of a privately owned airplane;

instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of such advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem. Notwithstanding the preceding provisions of this subsection, in any case in which an employee who is engaged on official business for the Government chooses to use a privately owned vehicle in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a Government vehicle.

"(b) In addition to the mileage allowances authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;

"(2) ferry fees;

"(3) bridge, road, and tunnel costs; and

"(4) airplane landing and tie-down fees.".

Sec. 6. (a) Section 5707 of title 5, United States Code, is amended to read as follows:

"§ 5707. Regulations and reports

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter, except that the Director of the Administrative Office of the United States Courts shall prescribe such regulations with respect to official travel by employees of the judicial branch of the Government.

"(b)(1) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees which engaged on official business, and shall report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator shall review and analyze among other factors—

"(A) depreciation of original vehicle cost;

"(B) gasoline and oil (excluding taxes);

"(C) maintenance, accessories, parts and tires;

"(D) insurance; and

"(E) State and Federal taxes.

"(2) The Administrator shall issue regulations under this section which shall prescribe mileage allowances which shall not exceed the amounts set forth in section 5704(a) of this title and which reflect the current costs, as determined by the Administrator, of operating privately owned motorcycles, automobiles, and airplanes. At least once each year after the issuance of the regulations described in the preceding sentence, the Administrator shall determine, based upon the results of his investigation, specific figures, each rounded to the nearest one-half cent, of the average, actual cost a mile during the period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than five working days after he makes his determination. Each such report shall be printed in the Federal Register. The mileage allowances contained in regulations prescribed under this section shall be adjusted within thirty days following the submission of that report to the figures so determined and reported by the Administrator.".

(b) The regulations required under the first sentence of section 5707(b)(2) of title 5, United States Code, as amended by subsection (a) of this section, shall be issued no later than thirty days after the effective date of this Act.

Sec. 7. Item 5707 contained in the analysis of subchapter I of chapter 57 of title 5, United States Code, is amended to read as follows:

"5707. Regulations and reports.".

The SPEAKER. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 129]

Anderson, Calif.
Andrews, N.C.
Archer
Ashley
Badillo
Biaggi
Bingham
Boland
Breaux
Brodhead
Buchanan
Burke, Calif.
Burton, Phillip
Chisholm
Clancy
Clausen, Don H.
Clay
Cochran
Conlan
Conyers
Daniels, Dominick V.
Dellums
Dent
Diggs
Dingell
Drinan
Duncan, Oreg.
Early
Edwards, Calif.
Eilberg
Eshleman
Evans, Ind.
Foley
Ford, Mich.
Ford, Tenn.
Frey
Fulton
Fuqua
Goldwater
Goodling
Hansen
Harrington
Harsha
Hawkins
Hébert
Heckler, Mass.
Heinz
Hightower
Holland
Howe
Jarman
Jenrette
Jones, Tenn.
Jordan
Kastenmeier
Krueger
Litton
Lott
McCormack
Macdonald
Martin
Mikva
Milford
Mills
Mineta
O'Brien
O'Neill
Pepper
Pike
Pritchard
Risenhoover
Rosenthal
Rostenkowski
Ryan
Santini
Scheuer
Shipley
Shriver
Skubitz
Snyder
Steiger, Wis.
Stokes
Taylor, Mo.
Udall
Ullman
Vander Veen
Wampler
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wirth
Wolff
Wydler
Young, Fla.
Zeferetti

The SPEAKER. On this rollcall 337 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON ARMED SERVICES AND ALL ITS SUBCOMMITTEES TO SIT TODAY DURING GENERAL DEBATE AND UNDER THE 5-MINUTE RULE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services and all of its subcommittees be permitted to sit this afternoon on H.R. 3689, the fiscal year 1976 Department of Defense appropriation authorization request, during general debate and under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERSONAL EXPLANATION OF VOTE ON YOUTH CAMP SAFETY ACT

(Mr. NEAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL. Mr. Speaker, I feel compelled to explain my "no" vote on the Youth Camp Safety Act last Thursday. My mind was so totally engrossed with our problems in Vietnam that I did not study the issue carefully. If I had realized at the time that the act set standards which, if met by the States, would not require Federal intervention, I would have voted "yes." If a conference report comes out along lines similar to the act which passed the House on Thursday, I intend to vote for it.

PERSONAL EXPLANATION

(Mrs. MEYNER asked and was given permission to extend her remarks at this point in the Record.)

Mrs. MEYNER. Mr. Speaker, I was unable to be present for rollcall No. 118 on April 14, 1975, a vote on final passage of H.R. 5398. I would like the Record to show that, if I had been present, I would have voted "aye" on this measure.

CHANGES IN TRAVEL AND TRANSPORTATION ALLOWANCES FOR GOVERNMENT EMPLOYEES

The SPEAKER. The gentleman from Texas (Mr. Brooks) is recognized for 20

minutes, and the gentleman from New York (Mr. Horton) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. Brooks).

Mr. BROOKS. Mr. Speaker, H.R. 4834, the Travel Expense Amendments Act of 1975, is very similar to a bill which overwhelmingly passed the House in the last Congress. That bill was vetoed by the President because it contained an amendment, proposed in the Senate, to increase the travel benefits of disabled veterans when visiting veterans' hospitals or other facilities. That provision has been removed from the bill that is before you today.

Another provision, inserted by the Senate, affected the allowances of Senators and Senate employees. That provision is not contained in this bill. We bebelieve the Senate will see fit to accept H.R. 4834 as we are presenting it to you today, but if not, we will certainly resist any provisions of this nature.

H.R. 4834 increases the maximum per diem and mileage allowances and reimbursement for actual expenses of Federal employees traveling on official business. In brief, the bill:

First, raises the maximum per diem rate for Federal employees from $25 to $35 per day.

Second, raises the maximum actual expense reimbursement from $40 to $50 per day. This is to be paid only in unusual circumstances, and in designated high-cost areas.

Third, raises mileage allowances for privately owned automobiles from 12 cents to 20 cents per mile, with corresponding increases for motorcycles and airplanes. Also allows adjustment by the Administrator of General Services, based on periodic determinations of average actual cost of operation of vehicles.

Fourth, for travel outside the continental United States, increases the maximum reimbursement for actual expenses from $18 to $21 per day, plus the prescribed locality per diem rate.

Fifth, provides interagency uniformity in the administration of the legislation by centralizing the authority to issue regulations in the Administrator of General Services.

I reiterate that the bill does not make any reference to veterans or to Senators or Senate employees.

This bill is supported by the Office of Management and Budget, the General Services Administration, and the various Federal employee union organizations.

This measure is extremely important to our Federal employees who are bearing the brunt of inflation under ceilings for travel expenses imposed some years ago. We all agree that Federal employees should not have to pay the cost of official travel out of their own pockets.

This is a reasonable bill which will remedy the situation, and provide a measure of uniformity in reimbursements for travel which the Government has not had before.

Mr. HORTON. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I rise in support of H.R. 4834, the Travel Expense Amendments Act of 1975.

Many Federal employees have had to subsidize official Government travel out of their own pockets because the per diem and mileage allowances were inadequate. This inequity must be rectified as soon as possible.

The present per diem of $25 was established in 1969 and the mileage allowance of 12 cents in 1961. Today these rates are grossly inadequate. This bill would raise the per diem to a rate not to exceed $35 and the automobile mileage allowance to a rate not to exceed 20 cents.

Another feature of the bill is that it permits flexibility in travel allowances to meet changing and unusual circumstances. GSA would be given the flexibility to raise the travel allowances up to certain limits to cover increased costs of travel and prevent the inequities of the past from developing in the future.

The bill provides for reimbursement of actual and necessary expenses up to $50 per day for travel to high cost areas such as New York and San Francisco.

H.R. 4834 has a long legislative history, but the problems encountered earlier have all been worked out. The bill before use today has the full support of the administration, GSA, and the Federal employee unions.

Mr. Speaker, I urge my colleagues to enact this urgently needed legislation to eliminate the inequities in the present law.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. Brooks) that the House suspend the rules and pass the bill H.R. 4834.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill, S. 172, to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, a similar bill, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 172

An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Travel Expenses Amendments Act of 1975".

Sec. 2. (a) Section 5701(2) of title 5, United States Code, is amended to read as follows:

"(2) 'employee' means an individual employed in or under an agency, including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at one dollar a year;".

(b) Section 5705 of such title 5 is amended by striking out "or individual" wherever it appears.

Sec. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. Per diem; employee traveling on official business

"(a) Under regulations prescribed under section 5707 of this title, an employee while traveling on official business away from his designated post of duty or, in the case of an intermittent employee, his home or regular place of business, is entitled to a per diem allowance for travel inside the continental United States at a rate not to exceed $35. For travel outside the continental United States, the per diem allowance shall be established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rates may be allocated proportionately.

"(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses until such time as he can again travel, and to the per diem allowance and transportation expenses during return travel to his designated post of duty.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, except that such reimbursement shall not exceed—

"(1) $50 for each day in a travel status within the continental United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high-rate geographical areas designated as such in regulations prescribed under section 5707 of this title; or

"(2) $21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

"(d) This section does not apply to a justice or judge, except to the extent provided by section 456 of title 28.".

Sec. 4. (a) Section 5703 of title 5, United States Code, is repealed.

(b) Item 5703 contained in the analysis of subchapter I of chapter 57 of such title is repealed.

Sec. 5. Section 5704 of title 5, United States Code, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to—

"(1) 8 cents a mile for the use of a privately owned motorcycle;

"(2) 15 cents a mile for the use of a privately owned automobile; or

"(3) 18 cents a mile for the use of a privately owned airplane,

instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of such advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem.

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Notwithstanding the preceding provisions of this subsection, in any case in which an employee who is engaged on official business for the Government chooses to use a privately owned vehicle when a Government vehicle is readily available, payment on a mileage basis is limited to the cost of travel by such Government vehicle.

"(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;
"(2) ferry fees;
"(3) bridge, road, and tunnel costs; and
"(4) airplane landing and tie-down fees.".

SEC. 6. Section 5707 of title 5, United States Code, is amended to read as follows:

"§ 5707. Regulations and reports

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter, except that the Director of the Administrative Office of the United States Courts shall prescribe such regulations with respect to official travel by employees of the judicial branch of the Government. Such regulations shall state the specific rate of the per diem allowance, within the dollar limitations prescribed in the first sentence of section 5702(a) of this title, and a specific rate of reimbursement for actual and necessary expenses of official travel to each high-rate geographical area under section 5702(c)(1) of this title, to which an employee is entitled.

"(b)(1) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator shall review and analyze among other factors—

"(A) depreciation of original vehicle cost;
"(B) gasoline and oil (excluding taxes):
"(C) maintenance, accessories, parts, and tires;
"(D) insurance; and
"(E) State and Federal taxes.

"(2) At least once each year, the Administrator shall determine, based upon the results of his investigations, specific figures each rounded to the nearest one-half cent, of the average, actual cost a mile during the period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than five working days after he makes his determination. Each such report shall be printed in the Federal Register. The cent figures contained in paragraphs (1), (2), and (3) of section 5704(a) of this section, or any adjustments previously made thereto and in effect under that section, shall be adjusted by the Administrator within thirty days following the submission of that report to the figures so determined and reported by him. Those figures shall not be less than the figures in effect under that section immediately after the enactment of the Travel Expense Amendments Act of 1975, nor shall those figures ever be adjusted to figures greater than—

"(A) 11 cents a mile for the use of a privately owned motorcycle;
"(B) 20 cents a mile for the use of a privately owned automobile; and
"(C) 24 cents a mile for the use of a privately owned airplane.

Those adjusted figures shall also be included in the regulations prescribed under this section.".

SEC. 7. Item 5707 contained in the analysis of subchapter I of chapter 57 of title 5, United States Code, is amended to read as follows:

"5707. Regulations and reports.".

SEC. 8. The seventh paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

SEC. 9. Section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), is amended—

(1) by striking out "actual transportation expenses incurred by employees" in subsection (a)(8) and inserting in lieu thereof "travel expenses incurred by employees"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) In accordance with regulations prescribed by the Committee on Rules and Administration, an employee in a Senator's office shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employee on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within the State (other than transportation expenses incurred by an employee assigned to a Senator's office within the State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occuring during the one hundred twenty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading 'Administrative Provisions' in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.".

SEC. 10. Any increases in expenses of per diem, travel, transportation, mileage, and subsistence incurred during fiscal year 1975 as the result of the enactment of this Act shall be absorbed by the departments, agencies, independent establishments, and other entities of the three branches of the United States Government and the government of the District of Columbia incurring such increases. No amounts shall be appropriated for fiscal year 1975 to pay for such increases.

MOTION OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BROOKS moves to strike out all after the enacting clause of S. 172 and insert in lieu thereof the provisions of H.R. 4834, as passed.

The motion was agreed to.

Mr. BROOKS. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, the provisions of H.R. 4834 which authorize an increase in the per diem and mileage expenses of Federal employees are just and essential. The current reimbursement rates, set in 1969, must be adjusted to meet 1975 costs.

We cannot let the administration's mismanagement of our economy fall on the backs of our public servants who now have to partially subsidize the cost of doing business for their employer, the Federal Government. Just this week I received the following note from a constituent:

> I am urging you to support the bill which will raise the per diem for government workers to $35. On my last trip to New York City, necessary because that was the only place the class was being offered, my room bill alone, at special federal rates, ran to $25.61 a day. As I felt the training was necessary, I was not overly upset about paying for some things on my own, but it is unfair and, in these times, occasionaly a burden.

This bill raises the maximum per diem rate from $25 to $35. I believe this is completely justified since the cost of food and lodging has increased 25 percent in the last 6 years. Similarly, the bill establishes the maximum actual expense reimbursement at $50, up $10 from the 1969 rate of $40. The maximum mileage allowance for privately owned automobiles under this bill would be 20 cents per mile. Several Government studies substantiate this increase over the 12-cents-per-mile 1969 rate. For example, the Department of Transportation estimates that the cost of operating an automobile today is 15.9 cents per mile.

Finally, H.R. 4834 stipulates that the same provisions regarding per diem allowances will be applicable to all persons traveling on official Government business. And it will reduce Government expenses by utilizing more effective controls over travel costs and provide for simplified and more uniform accounting procedures.

We all know too well the pain of inflation every time we stop at the gas pump or buy our lunch at a restaurant. We cannot ask Federal employees to pay their own way. We cannot ask them to "subsidize" the Federal Government. We cannot ask them to work for us at their expense. I urge my colleagues to join me in voting for this very essential bill.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4834) was laid on the table.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL HISTORIC PRESERVATION WEEK

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 242) to authorize and request the President to issue a proclamation designating the Calendar Week beginning May 12, 1975, as "National Historic Preservation Week."

The Clerk read as follows:

H.J. RES. 242

Whereas the two hundredth anniversary of the founding of this Republic approaches; and

Whereas an indispensable element of the strength, the freedom, and the constructive world leadership of this Nation is the knowledge and appreciation of our origins and history, of who we are, where we are, and how we arrived there; and

Whereas the houses where we have lived, the buildings where we have worked, the streets we have walked for more than three hundred years are as much a part of our heritage as the wisdom of the Founding Fathers and the works of art which succeeding generations of Americans have bequeathed to us; and

Whereas these buildings and places, great and humble, not only are our roots, but are also sources of pride in our past achievements and enrich our lives today; and

Whereas historic preservation today involves much more than period rooms in house museums, but means, rather, that old homes, public buildings, hotels, taverns, theaters, industrial buildings, churches, and commercial structures can be saved and put to contemporary use as living history to be treated with respect and incorporated within our planning as our towns and cities grow to provide the citizens of this Nation with an environment of quality and enduring interest: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation—

(1) designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week"; and

(2) urging Federal, State, and local government agencies, as well as citizens and private organizations, especially the preservation organizations, historical societies, and related groups, to observe that week with educational efforts, ceremonies, and other appropriate activities which—

(a) are designed to call public attention to the urgent need to have our historic landmarks for the enjoyment and edification of the citizens of this Nation, present and future; and

(b) will demonstrate lasting respect for this unique heritage.

The SPEAKER. Is a second demanded?

Mr. DERWINSKI. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentlewoman from Colorado and the gentleman from Illinois will be recognized for 20 minutes each.

The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, in bringing this proposal for a commemorative period to the floor, I am most pleased to report that the Post Office and Civil Service Committee last Thursday adopted criteria which will enable the Congress to handle commemorative legislation in a much more meaningful way.

The basic outline of the adopted criteria is that the committee will consider this type of legislation only twice each year—during the months of March and September—and will consider only those proposals concerning individuals, groups, and events with national appeal and significance, which shall be demonstrated by their potential to receive serious consideration as a national holiday and further, by written endorsement of a majority of the Members of the House.

Within the next few days each Member of Congress will receive a letter explaining in fuller detail what the new procedures will mean, but essentially, we have tried to restore commemorative days to their original purpose of giving national recognition to a life or event which is nationally significant, but which fails to meet the standards for approval as a legal national holiday.

Frankly, National Historic Preservation Week would probably not meet the newly adopted criteria. But it was a bill which was on our committee calendar for almost 1 month before we took action last Thursday, and it was felt that we should go forward with this bill.

Additionally, with the Bicentennial upon us, I believe that this bill is particularly appropriate, and I favor its approval.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 242, to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975 as "National Historic Preservation Week," was unanimously approved by the Committee on Post Office and Civil Service on April 17, 1975.

This resolution is, in my opinion, most timely, inasmuch as we are approaching the 200th anniversary of the founding of this Republic.

Old homes, public buildings, hotels, taverns, theaters, industrial buildings, churches, and commercial structures are not only part of our heritage which previous generations have bequeathed to us, but are also sources of pride in our past achievements and do much to enrich our lives today.

House Joint Resolution 242 would urge Federal, State, and local governments, as well as private citizens, historical societies, and related groups, to observe that work with educational efforts, ceremonies, and other appropriate activities which will call public attention to the urgent need to preserve our historic landmarks for the edification and enjoyment of the citizens of this Nation, present and future.

I trust this resolution will have the unanimous approval of my colleagues.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in support of this joint resolution. I think, more importantly, the House can now realize that we have at least, as the gentlewoman from Colorado (Mrs. SCHROEDER) has said, adopted a proper procedure for handling commemorative days. Whereas in the past there have been anywhere from 700 to 1,000 presented to the Congress each year, and just favored resolutions of the leadership came to the floor, we have tried to establish a procedure to make sure that these type of commemorative resolutions actually have purpose and genuine national scope. A substantial number of the Members of the House, will now be required to endorse such a resolution before we take it up every 6 months. This in my opinion is a step in the right direction. So I am pleased that our chairman of the subcommittee has mentioned, we finally have positive criteria. We wish to inform the House of our strong intention to make sure that we no longer engage in what in the past have been known as frivolous commemorative dates.

Mr. HENDERSON. Mr. Speaker, I rise in support of House Joint Resolution 242, designating the week of May 12, 1975, as "National Historic Preservation Week."

Our committee on Post Office and Civil Service felt this resolution to be of interest and importance to our Nation and ordered it reported by a unanimous voice vote.

A similar resolution was passed by both the House and Senate in 1973, and enacted into law by the President on May 5, 1973—Public Law 93–30.

A second National Historic Preservation Week observance occurred during the week of May 6 to 12, 1974, under the sponsorship of the National Trust for Historic Preservation in the United States, but without the benefit of a congressional designation or Presidential proclamation. I commend this outstanding organization for their leadership in acting when the Congress and the President failed to do so.

The committee feels that preservation of sites, buildings, and objects of national significance or interest is a vital component in our efforts for reawakening the spirits of America. Millions of our concerned citizens, I feel, would be greatly encouraged by passage of this resolution in their efforts to retain our landmarks as a means of demonstrating respect for our Nation's history.

The committee notes that with the Bicentennial approaching, it would be particularly appropriate to pass this resolution of our unique heritage.

The committee believes that enactment of this resolution would emphasize the desirability for Federal, State, and local government agencies—as well as for citizens and private organizations—to observe national historic preservation week with educational efforts and other appropriate ceremonies. Thus, we would call public attention to the urgent need to have our historic landmarks preserved for the enjoyment and edification of all citizens of this Nation—present and future.

Accordingly, I feel this resolution is meritorious and should be adopted by the House.

At this time, I would also like to comment the gentlewoman from Colorado, who chairs our Subcommittee on Census and Population, which has jurisdiction over holidays and celebrations. Under her leadership, the committee has adopted a policy, which she has just explained, relating to committee consideration of these types of resolutions. I believe the policy to be feasible, as well as

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equitable, and most important, it will result in a minimum effort and resources on our part, so that the Congress will be able to devote its time to matters of much greater importance.

The SPEAKER. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the joint resolution, House Joint Resolution 242.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the joint resolution (H. J. Res. 242) just passed.

The SPEAKER. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

HIGHWAY PROJECTS IN NEW YORK, VERMONT, AND CONNECTICUT

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3787) to amend section 109 of title 23, United States Code, relating to the preparation of certain statements on highway projects in the States of New York, Vermont, and Connecticut, as amended.

The Clerk read as follows:

H.R. 3787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (h) of section 109 of title 23, United States Code, is amended by adding at the end thereof the following: "Any detailed statement required by section 102(2)(C) of the National Environmental Policy Act of 1969 for any Federal-aid highway project in the States of New York, Vermont, and Connecticut which was prepared by the State on or after January 1, 1970, and which after analysis and evaluation has been adopted or is hereafter adopted by the Secretary of Transportation shall be deemed a statement prepared by the Secretary of Transportation for the purposes of the National Environmental Policy Act of 1969.".

The SPEAKER. Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New Jersey (Mr. HOWARD) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from New Jersey (Mr. HOWARD).

Mr. HOWARD. Mr. Speaker, over the past few months, the Nation has been experiencing unemployment to a degree reminiscent of the 1930's. There are now 8 million Americans out of work, and there is every indication that the situation will get worse before it gets better; 731,000 construction workers were unable to find work during the month of March.

In an effort to alleviate the unemployment situation, the President, on February 12, ordered the release of $2 billion in impounded highway construction funds, thereby raising the overall program level to 6.[illegible] billion for fiscal year 1975. States are now being permitted to obligate Federal-aid highway funds on a first-come, first-served basis, within existing apportionment limitations, for projects on which work can begin within 45 days after project approval. This strategy is intended to have maximum possible impact on unemployment in the highway construction trade.

On March 5 and 6, the Subcommittee on Surface Transportation conducted public hearings to determine if legislation was necessary to facilitate the obligation of funds during the remainder of the current fiscal year. A total of 19 witnesses were heard, including Members of this body, Governors, Federal and State officials, industry and environmental interest groups. On March 22, H.R. 3787 was reported by the committee and sequentially referred to the Merchant Marine and Fisheries Committee for action no later than April 12. On April 11, the Merchant Marine and Fisheries Committee reported unfavorably on our bill.

Mr. Speaker, what gives rise to the committee bill is a recent ruling by the U.S. Court of Appeals for the second circuit which held that the Federal Highway Administration must formulate and prepare its own environmental impact statements on proposed highway projects. The court ruled that NEPA places "primary and nondelegable responsibility" for the preparation of impact statements on the Federal agencies.

However, the court's ruling appears to controvert CEQ guidelines and Federal Highway Administration rules and regulations regarding the preparation of environmental impact statements. Since NEPA's enactment, the States have been preparing environmental impact statements under Federal supervision—a procedure which has been validated by five other circuit courts of appeal as complying with the purpose and intent of NEPA.

What the committee bill does is merely to confirm this procedure. The bill is not intended to make either a substantive or a procedural change in NEPA.

Mr. Speaker, it is my understanding that the Vermont case has been appealed to the Supreme Court. If the Court agrees to hear the case, the matter could be resolved by next February at the earliest. In the meantime, a cloud remains over the highway programs in New York, Vermont, and Connecticut, and thousands of workers remain unemployed.

Mr. Speaker, DOT and CEQ tried to work out an administrative solution; however, it is obvious that only legislative action will remedy the problem. Prompt action on this bill will permit the three States to move ahead with their highway programs as in the other States. Thousands of unemployed can be put back to work as a result of our action here today.

Mr. Speaker, I have received assurances from the chairman of the Public Works Committee in the other body that hearings are set for April 30 on this bill as well as H.R. 37[illegible]6, the committee's 100-percent matching bill which passed the House earlier this month. It is my understanding that no similar assurances have been given by the Senate Interior Committee for action on H.R. 3130.

Mr. Speaker, the Merchant Marine Committee's adverse report on H.R. 3787 attempts to justify their opposition to the bill by making the following allegations:

First. H.R. 3787 is too limited in scope;

Second. H.R. 3787 provides a remedy only for the Department of Transportation and neglects other Federal agencies;

Third. H.R. 3787 does not clarify what Congress intended under NEPA, is ambiguous, and may have the effect of increasing litigation; and

Fourth. H.R. 3787 represents an indirect attempt to amend NEPA.

I would like to respond briefly to these charges.

First, with regard to the application of the committee bill to three States, frankly, we felt that this approach would stand a much better chance of speedy passage than one dealing with all States. We were fearful that a more comprehensive measure could possibly run into problems with the other committee and the other body. Naturally, we were somewhat surprised to learn of the Merchant Marine Committee's opposition to this particular feature of our bill.

On the second charge, that the bill provides a remedy only for the Department of Transportation, it may very well be that the intent of H.R. 3787 should be extended to all Federal agencies and not to just the Department of Transportation. But this is a big step and may involve consequences and impacts not readily discernible on the other agencies. It would seem to me that extension of H.R. 3787 to all the other agencies should not be considered until exhaustive hearings involving all the affected agencies are held. The urgent need for enactment of H.R. 3787 does not afford the opportunity for such exhaustive hearings. Congress should accept H.R. 3787 for the remedy it provides in an emergency situation and then, if it so desires, undertake the intensive study which might very well justify broadening H.R. 3787's application to all agencies.

On point No. 3, that the bill is ambiguous and may have the effect of increasing litigation, I have to take exception with the other committee. In no uncertain terms, H.R. 3787 and its report indicate that the holding of the second circuit was wrong and the holding of the other circuit courts was right. On page 2 of our report, after stating that H.R. 3787 effects no substantive change in NEPA, we also state, "neither does the bill effect any procedural change in NEPA; it merely clarifies what that procedure has been and continues to be." What could be clearer than that?

On the other hand, H.R. 3130, in not making clear that existing FHWA practices and procedures under the CEQ guidelines adequately conform with NEPA, might well be considered the bill that is ambiguous and possibly could be a bill that increases the potential for litigation. That is one reason we are so anxious to enact H.R. 3787 in its very limited application.

On the final point, that H.R. 3787 is an indirect attempt to amend NEPA, again we have to take exception. H.R. 3787 does not attempt to amend NEPA in any fashion. It requires nothing new nor anything less than has been the past practice and procedure of the FHWA under CEQ guidelines in the preparation of environmental impact statements. With the exception of the second circuit, our courts across the land have held that those practices and procedures do conform with NEPA.

If in its allegation the Merchant Marine and Fisheries Committee is suggesting that the existing practice and procedure does not conform with congressional intent, I cannot begin to imagine the chaos that will result across the Nation on perhaps hundreds of thousands of projects approved since the enactment of the National Environmental Policy Act.

Clearly, H.R. 3787 does nothing more than ratify existing practice.

In conclusion, Mr. Speaker, we feel that many of the concerns expressed in the other committee's report on our bill are misleading at the very least. We think we have a good bill which offers the best potential for speedy enactment by both Houses of Congress. Our bill responds directly to the problem that has been raised by one court's ruling on the preparation of impact statements for highway projects without getting involved in other Federal programs. Although I have reservations about the other committee's bill, with certain amendatory and clarifying language, it also could be worthy of support along with H.R. 3787.

I urge the members to cast a favorable vote for H.R. 3787 to resolve this controversy and allow people to get back to the jobs which have been denied them because of this unfortunate court ruling.

Mr. SHUSTER. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this legislation. We have held hearings on it and we believe that the need is clear and pressing. Three States in this Union today, New York and Vermont and Connecticut, are denied access to highway funds which they otherwise would have available to proceed to construct much needed highways in their respective States. Even more importantly, the construction industry which is suffering well above the unemployment in the Nation as a whole is suffering in those three States additionally because the highway construction is virtually stopped.

This has occurred because the Federal judge sitting in the Second Circuit has ruled that the so-called environmental impact statement must be prepared, actually prepared by the Federal Highway Administration.

That was not the intent of the legislation at that time. We believe this is a distortion of the intent. The Federal Highway Administration need not actually prepare an environmental impact statement but rather must simply review it very carefully and participate in it and approve it.

This legislation today, therefore, is very simple and very narrow. This sets straight the intent and spells out that the environmental impact statement need not actually be prepared by a Federal agency. That is the sole purpose of this legislation, to clarify the point so that much needed transportation construction can commence again in New York and Connecticut and Vermont.

I would also point out the Members of this body from Pennsylvania and from New Jersey that the judge who handed down this ruling in the Second Circuit sits in the Third Circuit frequently in Pennsylvania. Consequently it is not at all beyond the realm of possibility that we could find ourselves faced with this kind of ruling in Pennsylvania and New Jersey as well. Therefore, I vigorously support this simple narrow clarifying legislation as necessary to clarify the intent of the Congress and permit the three States to bring about increased employment through getting their construction projects back in operation.

I thank the gentleman for yielding.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to point out why I demanded the second.

I am opposed to H.R. 3787 but I have high praise for the Public Works Committee for bringing this bill to the floor and for bringing this problem to the attention of the House. This is a very significant problem and one that is now affecting the three States named in the bill, but additionally the State of New Hampshire because of a district court decision there. As pointed out by the previous speaker, this problem can well affect other States in a very short time.

It is for this reason that I believe the approach of H.R. 3130 is far preferred, because it is a broader bill and takes care of the situation with all States and all agencies.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield for a question at this time?

Mr. FORSYTHE. Yes. I yield to the gentleman.

Mr. LEGGETT. The gentleman has indicated that he is concerned, of course, with the State of New Jersey. I am concerned with the State of California. Obviously, we want to resolve this problem where we do have a conflict between the circuits.

How would the present bill under consideration that refers to the States of New York, Vermont, and Connecticut, how would that help us avoid lawsuits in New Jersey?

Mr. FORSYTHE. That, I think, is the most important point as to the difference between these two bills, because that would assume that if we had the same problem arise in other circuits or in other States in the same circuit, we would have to come back with specific legislation.

I believe that it is far better to do it all at once and do it in a way that I fully believe will handle the problem for the three instant States and do it just as quickly as it can be done in H.R. 3787.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding.

I would point out that in five other circuits thus far Federal judges have ruled differently, to the contrary. Therefore, this need does not exist in these five other circuits thus far. However, beyond that point, I would emphasize that, with my colleagues in the Committee on Public Works, we are not opposed to the other bill, which we understand may be brought to this floor. Indeed, I am prepared to support it. It is a broader bill. It is a more encompassing bill. It goes beyond the highway question.

For that reason, we think it perhaps is going to be much more difficult to see that bill become law. We believe that each day, each week that goes by in which we are not able to solve this very specific real problem in these three States today, we are penalizing not only these States, but the many unemployed people in the construction industry by not letting them get back to work.

Consequently, I rise not to disparage the other bill. Indeed, I say for one I shall support it, but because it goes beyond highways, because it is more encompassing, there is a very serious question as to whether it will become law and if it does, how quickly.

Therefore, let us get this simple, narrow bill, which deals with an immediate pressing problem, let us get it passed and then deal with the broader question.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield for a further specific question?

Mr. FORSYTHE. I would prefer we keep our time better controlled.

Mr. LEGGETT. The gentleman has pointed out that, if we just want to resolve in the present bill the problems in the limited second jurisdiction, and I assume that all the other circuits will be rather homogeneous; unfortunately, as the gentleman from Pennsylvania is aware, we recently had a decision by a district court in New Hampshire which may have endorsed the second circuit rationale; so now we have a New Hampshire problem.

So, if we move with the pending bill, it is arguable that we will exacerbate the problems we have with the circuits and force the Supreme Court into accepting certiorari and then abating a a solution of the problem. This could take a considerable period of time. That is the only observation I want to make at this point.

Mr. FORSYTHE. Mr. Speaker, I yield

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2 minutes to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Speaker, I think it is obvious to all of us here that this legislation that we are now discussing should be passed. I have one hope that we do not get caught up in a battle between the two pieces of legislation we are considering.

The States that are involved in this first bill, of course, are in desperate need of the moneys. They can immediately move forward to help in jobs. Let me give the Members an example—a very small example, perhaps, in the total national scene, but very important in our own area:

In the city of Yonkers, N.Y., there are 2,000 jobs waiting for this particular piece of legislation on the so-called Nepperhan Avenue arterial highway. In the State of New York, there are 37,000 jobs waiting.

Mr. Speaker, if we think of the money we are talking about for public service employment and for all the benefit programs for people who are unemployed, here we have the money; the action has been taken properly and the Federal court, unfortunately, has made a ruling counter to the other courts. It seems to me that we must pass this legislation.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I agree with the gentleman completely. That is why we say it would be proper to pass both bills, because we do now have a commitment from the other body that hearings will be held in the middle of next week on the bill before us today. They may very well, under the understanding, include all States, but it could be acted on and back here and be on the President's desk a week from Friday.

So, I feel the reason why we brought this bill up is because we do have 2,000 jobs waiting and 37,000 other jobs waiting, and because of a different regulation placed on that from that placed on the other 47 States, it is unfair. We want to get these people to work, and that is why we want to get this bill passed, along with the other.

Mr. PEYSER. I thank the chairman of the subcommittee. We have a major matter at stake here for the building trades and for all the people involved. It is people and jobs we are talking about now. I hope we pass the bill.

Mr. FORSYTHE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Speaker, I wonder if the gentleman from New Jersey, the chairman of the subcommittee, will respond to some questions I have.

What kind of "analysis and evaluation" must the Secretary of Transportation perform in order to meet the requirements of H.R. 3787?

Mr. HOWARD. Mr. Speaker, if the gentleman will yield, I will be very happy to respond to this question.

There was some concern in the hearings as to whether, by stating that the responsibility lies for the preparation of the environmental impact statement with the States, we meet it in some way by relieving the Federal Highway Administration from the responsibility it should have.

Of course, we interpreted and added that only after analysis and evaluation has been adopted by that amendment of analyzing and evaluation to environmental impact is in compliance with the laws that have been passed in relation to the environment.

Mr. MOSS. Where a proposed highway is to be constructed in more than one State, who is to prepare the statement for the project and how is the Secretary supposed to evaluate and analyze the resulting statement

Mr. HOWARD. If it is in two States, it would be assumed that the portion that is within one State would do the environmental impact statement and hearings, and preparation of it on that segment. The portion in the adjoining State would do the same thing. Then, when it comes down to the Department of Transportation, the Federal Highway Administrator would be able to look at the two applications and the implications, not just for the segment being built, but what implications there may be for the surrounding area.

Mr. MOSS. Would H.R. 3787 have the effect, direct or indirect, of waiving any of the requirements of NEPA?

Mr. HOWARD. I would say very strongly to the gentleman that it would not. In our opinion, we state that the bill affects almost nothing in NEPA. Indeed, there was no substantive NEPA effect before the second circuit court in the case brought to it.

In a statement to the court, it was stated—

> In contrast to the procedural shortcoming of the EIS, the district court found that substantively the EIS was adequate. There is no appeal from this aspect of the district court opinion.

Mr. MOSS. Does the language "which was prepared by the State" refer to the project or to the statement?

Mr. HOWARD. I believe in answer to that, it would refer to the statement, and, of course, the statement would be an analysis of the proposed project.

Mr. MOSS. Finally, under the language of H.R. 3787, it is clear that the Federal official will continue to be responsible for: Full cognizance of the major environmental factors and impacts associated with the proposed action; careful consideration of the conclusions drawn from the statement in making his decision; a written record of his own evaluation of the consequences of the proposed action, and of the adequacy of the State-prepared statement?

Mr. HOWARD. It is a long question the gentleman asked, but I would say to the gentleman that I certainly do believe that this would not in any way relieve the Federal Highway Administration from a major responsibility.

The SPEAKER pro tempore (Mr. O'Neill). Under the rules, the time of the gentleman from California has expired.

Mr. HOWARD. Mr. Speaker, I yield 1 additional minute to the gentleman.

That is why we specifically put in, after the hearings on the mark-up, the words "evaluation and analysis" and we have in the hearings and in the report statements that we feel the Federal Highway Administrator shall have a major responsibility in this field.

Mr. MOSS. And this bill is limited strictly to highways?

Mr. HOWARD. Yes, this bill is limited strictly to highway projects in the second circuit.

Mr. MOSS. Mr. Speaker, I commend the gentleman.

Mr. HOWARD. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Speaker, I want to make clear initially that I believe both pieces of legislation to be unnecessary. I think it is important to recognize this fact. I say that to those who are environmentalists, which I regard myself to be, and to those who are not concerned with environmental issues.

Testimony in hearings both before the Committee on Public Works, of which I am a member, and before the Committee on Merchant Marine and Fisheries, which reported favorably on H.R. 3130, was to the effect that the Council on Environmental Quality feels that the problem can be remedied by administrative regulation. I believe that the Federal Highway Administrator testified to this effect as well.

Let us start with the proposition that this legislation reflects an overreaction to the conservation society decision, since the Federal Highway Administration authorized State highway officials to proceed. The failure to do so stems either from an overly cautious attitude by these officials or out of a desire to change NEPA by amendment. Both bills before us use new language, not presently in the NEPA statute. Whether the bill reads, as does the Public Works measure, in a manner which permits a statement prepared by a State, "which after analysis and evaluation has been adopted or is hereafter adopted by the Secretary of Transportation—to be—deemed a statement prepared by the Secretary of transportation," or whether it contains the provision, as does the merchant marine bill, that "if the responsible Federal official furnishes guidance and participates in such preparation and independently evaluates such statement prior to its approval and adoption. This procedure shall not relieve the Federal official of his responsibilities," we are dealing with new language. This is true even though the new wording originated in case law. The Public Works Committee bill changes the Highway Act, while the bill reported favorably by the Merchant Marine Committee deals directly with the NEPA Act, and would affect the requirements of environmental impact statements for HEW, the Department of the Interior and other Federal agencies. In both bills, the Congress is tampering with the impact of the NEPA Act, because the legislation goes beyond the issues raised in the court decisions.

The introduced language requires interpretation thereby encouraging litigation regarding its meaning. Such litigation could well result in prolonged delays, rather than expediting the initiation, processing, and completion of projects presently stalled. The ultimate hardship will be felt by those individuals who are assigned to work on those projects. The goal of stimulating greater employment will therefore be frustrated.

We do not need legislation to restate NEPA, either from the Committee on Public Works, of which I am a member, or from the Merchant Marine Committee, of which I am not a member. I fail to understand why the Federal Highway Administration has not issued clarifying regulations which would easily remedy the situation brought about by the Conservation Society decision. It can still do so. In any case, the procedure should be to vote both bills either up or down. There is no middle ground. Either we take the risks inherent in adopting this new language, or we allow the situation to be remedied administratively.

Mr. LEGGETT. Mr. Speaker, will the gentlewoman yield?

Ms. ABZUG. Yes, certainly, if the chairman will give me additional time when my original time expires.

Mr. LEGGETT. Mr. Speaker, the gentlewoman from New York (Ms. Abzug) pointed out that we have objected to an amendment of NEPA.

We do not like the amendment of a bill that originated in the Committee on Merchant Marine and Fisheries through another committee. The gentlewoman can well appreciate that, and she can well appreciate that she would not want us to amend the Highway Act in the Committee on Merchant Marine and Fisheries.

Ms. ABZUG. The gentleman from California (Mr. Leggett) can appreciate, as I can, that many people have an interest in the continuation of the strength of NEPA. I have a 100-percent record in the environmental arena. I do not know whether the gentleman does or does not. I am not going to embarrass him.

The SPEAKER pro tempore. The time of the gentlewoman from New York (Ms. Abzug) has expired.

Mr. HOWARD. Mr. Speaker, I yield 2 additional minutes to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, the gentleman from California (Mr. Leggett) and I agree—at least, I hope we agree—that whether the bill originates in the gentleman's committee or not, we do not want to weaken the impact of NEPA. The issue is NEPA, not jurisdiction. What it represents has to be sustained. I would hope that neither bill will result in weakening it, but I am not sure that they both do not have the effect of legislating changes in NEPA.

Mr. LEGGETT. Mr. Speaker, if the gentlewoman will yield further, she probably was one of the coauthors of the original environmental legislation. I know that she undoubtedly spoke on it. She has a 100-percent record on influencing that kind of legislation which, I am sure the gentlewoman knows, requires that Federal officials do a number of things to protect the environment. Among those are that in every recommendation or report or proposal for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible Federal official is required, et cetera.

Ms. ABZUG. I thank the gentleman for yielding.

Mr. LEGGETT. I can state that in this legislation which is currently before us the Federal official merely analyzes and adopts. I am sure that the gentlewoman is qualified enough in the law to understand that a separate act being enacted amending NEPA by saying that you do not necessarily have to independently decide these issues, but that one can merely analyze and adopt, would create a legislative issue and a judicial issue which may well require much further litigation. Of course, that is the whole thing we are trying to solve.

Ms. ABZUG. I am trying to avoid the box into which both bills would put us. I want to create a legislative record which clearly indicates that we want to maintain NEPA as it now operates, with State involvement, but also with serious review and responsibility at the Federal level. If we make this clear, then we will not hamper NEPA. Both reports claim that that is what we are doing, and I want to make the legislative record indicate that that is exactly what we are doing. We vote both bills up or we vote both bills down to take care of that particular question, and to avoid any ambiguity about our intent.

Mr. FORSYTHE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding and request permission to revise and extend my remarks.

Mr. Speaker, I rise today in wholehearted support of both H.R. 3787 and H.R. 3130. I wish to emphasize to my colleagues the urgency of the present situation imperiling over 200 highway projects in the State of New York and numerous projects in our sister States Vermont and Connecticut, brought about by the decision by the U.S. Court of Appeals for the Second Circuit—including New York, Vermont, and Connecticut which recently rules that environmental impact statements must be prepared by the Federal agencies and not by the States.

If this legislation is not swiftly enacted, New York State and other States will be prevented from sharing equally in the forthcoming distribution of $2 billion in recently released highway funds.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I will be glad to yield to the gentleman from New York (Mr. Fish).

Earlier this session, I introduced H.R. 4159 and H.R. 4160, similar to the bills presently before us.

Despite the fact that the Public Works Committee preferred to report out the measures presently before us, in lieu of my bills, I am pleased to support this worthy legislation and commend the committee for its diligent efforts in seeking to correct the existing intolerable situation. As a result of the Federal court's decision, over 200 public works projects in New York State are blocked and will be unduly delayed.

The second circuit court's decision has had a severe impact on my own congressional district in New York State. In Rockland County, the freeze brings to a complete halt the planning of the construction process on the Spring Valley Bypass, route 59, at a cost of $26.7 million, which construction has been scheduled for fiscal year 1976–1977.

In Orange County, in my district, planning work has been stopped on the second span of the Newburgh-Beacon Bridge valued at $98.3 million.

The excessive delays in construction resulting from the court's decision not only block the progress of vitally needed public works, but also impedes and imposes further burdens on our distressed economy and will result in inflated project costs.

Accordingly, Mr. Speaker, I urge my colleagues to fully support both H.R. 3787 and H.R. 3130.

Mr. FISH. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. GILMAN. Again, Mr. Speaker, I urge my colleagues to wholeheartedly support both of these measures, which will help not only the economy, but also add to the highway safety of our region.

Mr. FORSYTHE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Walsh).

Mr. WALSH. Mr. Speaker, I rise in support of H.R. 3787 and H.R. 3130. The point has been made that with the passage of H.R. 3130, there is no need for H.R. 3787. I disagree.

While 3130 is broader and more general than 3787, it creates the potential for future litigation because of the phrase requiring that responsible Federal officials participate in the preparation of the environmental impact statements.

H.R. 3787 does not change the existing law, but it does clarify it. It is precise, directs itself to a specific problem raised by a court decision, and offers a quick solution to the problem.

H.R. 3130 also deals with a problem, but on a much broader scale. It removes an obstacle in the way of certain public works projects and it, too, should be enacted. Since speed is of the essence, I sincerely urge adoption of both bills today. The President has released $2 billion in impounded highway funds and each of the three States involved, New York, Vermont, and Connecticut, should have an equal opportunity with the other States to compete for their use. A Vermont decision has effectively brought to a halt $1.27 billion of federally funded highway projects in New York State. This at a time when the unemployment rate in New York is approaching 10 percent. We do not seek a dilution of the national environmental protection act; what we seek is clarification. Both of these bills provide that. I urge the passage of these two bills which will permit the States to continue an efficient and effective transportation program that will protect the environment, preserve energy, and assist in the production of a prosperous economy.

Mr. Speaker, I urge the passage of both bills.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. WALSH. I am happy to yield to my colleague, the gentleman from New York (Mr. Kemp).

Mr. KEMP. Mr. Speaker, I rise in support of both pieces of legislation and I commend the gentlemen for their remarks in behalf of enactment of the bills to amend the National Environmental Policy Act, measures I had the privilege to help introduce to the Congress.

I urge prompt passage of this legislation for several important reasons, the foremost of which is to renew contruction, at the earliest possible date, on approximately $1.27 billion of federally-funded highway projects in New York State. At the time when unemployment in our State is approaching 10 percent, the impact of the December 11, 1974, decision of the U.S. Court of Appeals for the Second Circuit is unusually cruel to our constituents in the construction trades and to their families.

The effect of the court's decision is even more galling to these workers and to the building contractors because of the President's freeing of the previously-impounded highway funds, amounting to $2 billion.

To give the Secretary of Transportation and the Environmental Protection Agency officials the discretion to permit New York State and other States to prepare their own environmental impact statements required by present Federal laws, is not only a reasonable request. It is a necessity because of Federal Highway Administration and other Federal agencies lack both the expertise and the staffs to prepare such statements. I believe we in the Congress would be unwise and fiscally irresponsible to assign this responsibility to an already, top-heavy and costly federal bureaucracy when we have such staffing and experience in our respective States, closer to our communities and to our people.

It is in the spirit of our principles of federalism and it is commonsense for us to take what efforts are required to protect our local environments in the closest possible cooperation with our local communities. In our State of New York, our policy has been, and continues to be, predicated on taking every step necessary to protect our environment and to fully comply with Federal standards.

Mr. Speaker, it has been estimated that—by relying on Federal agencies to prepare the environmental impact statements which are more naturally and traditionally within the purview of the States—we will be delaying the employment of some 46,000 additional construction workers. In addition, according to economic experts, we will be delaying the hiring of an additional 25,000 persons in positions which would be created by a spinoff from the highway construction now stalled by the court's decision.

I believe it is important to point out that we are not abandoning our objectives to protect our environment, especially as those objectives are spelled out in the National Environmental Policy Act of 1969.

What my colleague and I are requesting in our legislation today is a simple clarification of NEPA to permit the States to prepare, or cause to have prepared, the required environmental impact statements. Such clarification is all the more urgent because of the adverse economic conditions and the need to provide better and safer highways for the people we represent in New York State and the other States either affected by the adverse ruling or subject to similar crippling court decisions.

Mr. FORSYTHE. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Hagedorn).

Mr. HAGEDORN. Mr. Speaker, I stand in support of H.R. 3787, which is before us at this time. I think that the Committee on Public Works and Transportation has presented a solution to the problem which this legislation seeks to correct in the three States of New York, Vermont, and Connecticut.

I wholeheartedly urge the support of all of the Members for passage of this legislation.

I yield the remainder of my time to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to ask a question of the gentlewoman from New York (Ms. Abzug) if I might:

I believe I understood the position of the gentlewoman from New York to be that we should either vote for both of these bills or against both of the bills?

Ms. ABZUG. The gentleman is correct.

Mr. SHUSTER. Mr. Speaker, I would ask the gentlewoman from New York whether she is for or against the bill that is on the floor now.

Ms. ABZUG. Mr. Speaker, let me explain this to the gentleman from Pennsylvania: that I find difficulty with the arguments in both bills.

Mr. SHUSTER. Mr. Speaker, I am simply asking whether the gentlewoman from New York is going to vote for or against the bill now on the floor?

I would hope that the gentlewoman would vote in favor of the passage of this legislation, so as to assist in creating some 37,000 construction jobs in New York.

Ms. ABZUG. I am always concerned about jobs. How I will vote is not for debate with the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentlewoman.

Mr. HOWARD. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Nowak).

Mr. NOWAK. Mr. Speaker, I rise in support of H.R. 3787. It was made eminently clear in subcommittee hearings that a different standard and criterion for preparation of environmental impact statements arose in the States of New York, Vermont, and Connecticut, due to the second circuit court decision.

I believe the appellate process was the correct avenue to resolve the apparent differences in circuit court decisions; however, the Federal Government did not choose to avail itself of this method, and also did not provide any administrative changes to resolve this issue. Therefore, congressional action becomes necessary.

Having concerns not to change substantively the requirements of NEPA, I offered the amendment in the subcommittee, which was adopted by the full committee, mandating that any statement prepared by the State had to be "analyzed and evaluated" by the Secretary of Transportation before adoption.

Detailed environmental analysis by the FHWA's own staff of "environmentalists"—biologists as well as engineers, ecologists as well as systems analysts—is the only way to assure that the FHWA fulfills its responsibility under NEPA to examine vigorously the environmental impact of construction of a proposed highway.

This legislation is drawn narrowly to clarify a specific problem which exists, as I am sure any district court within the second circuit looking for guidance on this question would look to the second circuit court decision for its case law. This legislation would solve this particular problem.

Since this legislation was formulated, a district court in the First Circuit in New Hampshire has handed down a decision paralleling that of the Second Circuit Court in Vermont.

I would therefore urge an amendment to have this legislation apply to all States, and also I express support for H.R. 3130, as it would clarify the requirements on projects in which other departments and agencies than FHWA are involved.

I heartily express the concern of many people within New York State, not only in the construction agencies, but throughout the total economic disaster that has befallen the State. I can see reasons for the extension of this on a nationwide basis. I certainly would urge support of both of these environmental impact bills.

Mr. FORSYTHE. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. Leggett).

Mr. LEGGETT. Mr. Speaker, I want to thank the gentleman for yielding.

I should like to preliminarily state that we are here on a rather strange procedure where we started out with H.R. 3787 before the Committee on Public Works in order to solve a problem created by a apparent conflict in the circuits, a decision by the Second Circuit Federal Court. The effect of this decision, very simply, was by one interpretation to require that State-prepared environmental statements which were adopted by a Federal Highway Administrator was not a sufficient response to the National Environmental Policy Act. The implication was that the statement must be totally prepared by the Federal agency. Of course, the result was this, No. 1: A

number of lawsuits to abate highway construction in all of the areas concerned; and, No. 2, the implication was perhaps to require the employment of thousands of Federal employees to actually prepare this statement at the Federal level. This was not the intention of the drafters of the National Environmental Policy Act.

Of course, as chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, we have asked that this legislation to resolve this problem be sequentially referred to our committee, the Committee on Marchant Marine and Fisheries, and thence to our subcommittee.

We have reviewed the legislation as presented to the subcommittee, and, unfortunately, we have had to reply negatively on the legislation. But we want to solve the problem, so we have come up simultaneously with an amendment to the bill introduced by the gentleman from New York (Mr. LaFalce) and that legislation, we think—which is the next bill coming up for consideration—is a better way to resolve the problem under consideration.

Essentially what we object to in the pending bill is that we are enacting legislation for three States.

How often do we enact class legislation for three States? It just is not a good method or procedure. These three States may have been discriminated against by the Second Circuit Court decision, but since that time the District Court of New Hampshire may likewise have discriminated against activities in that district by following the Second Circuit Court decision.

Likewise we believe that this is not just a highway problem and not just a Second Circuit Court problem. This is a problem that relates to the entire United States and relates to many Federal programs.

We have to have a procedure where the delegated agencies, to wit the States, collect the material and present it perhaps with their recommendation to the Federal agency but under the Federal law, under the act we have adopted in 1969 we require that the responsible Federal officials make a determination on the environmental impact of the proposed action, any adverse environmental effects the relationship between the local short-term uses on man's environment, and the other arguments under the National Environmental Policy Act.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEGGETT. Mr. Speaker, will the gentleman from New Jersey yield me 1 additional minute?

Mr. HOWARD. If I had not promised the time to the chairman of my full committee, I would be happy to honor such a request.

Mr. Speaker, I yield the remainder of my time to the chairman of the full Committee on Public Works, the gentleman from Alabama (Mr. Jones).

Mr. JONES of Alabama. Mr. Speaker, when the proposition first came to the Committee on Public Works we entertained the gentleman from California (Mr. Leggett) and he pointed out to the committee the very facts he has presented to the House today.

In response to his request we took into account in the drafting of the legislation, the National Environmental Policy Act of 1969, so as the gentleman from Pennsylvania pointed out, we included every provision of our bill to see that it was not a trespass upon the existing law.

Subsequent to the committee action, something additional was occasioned by the court's decision in that the Federal district court in New Hampshire ruled and rendered the same opinion as the Second Circuit Court of Appeals.

Why did we not go back to the committee and include that? The simple reason we did not is because we were in support in the Public Works Committee, most of us, of the bill that the gentleman is supporting today, H.R. 3130, because it would take care of the anticipated requirements of those other States. We have here today the presentation of two identical propositions, and if one is good the other is still better. So that will make sure, it will make doubly sure, that we do not miscalculate or do not err in making proper redress to see that the highway construction and highway projects that are presently scheduled under the $2 billion which the President has released becomes effective and will not be discriminated against in any of the States.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I am in support of the bill H.R. 3787. I think the Federal Highway Administrator is very much at fault for having overreacted to the second circuit court's opinion and stopping all highway construction in those three States. The fact that it was done presents us with a problem. In the fact of the 20- or 25-percent unemployment in New York State in the construction trades, we have this arbitrary action by the Federal Highway Administrator.

There is no question in my mind that the Federal Highway Administrator adopted to most narrow interpretation possible for the second circuit court decision. As the Council on Environmental Quality testified, he could have taken a broader interpretation, provided the assessment and evaluation of State-prepared impact statements as required by existing law and specified in this act, and avoided putting Congress to the trouble we presently are facing. That he failed to do so is deplorable. I think it probably is intentionally mischievous. The Federal Highway Administration has been the most uncooperative of Federal agencies in complying with the spirit and letter of the National Environmental Protection Act. Its environmental reviews have been too often cursary and inadequate. Its apparent intention in stopping all highway construction in New York, Connecticut and Vermont was to force an exemption from all of its environmental responsibilities. Indeed, the legislation it originally supported in response to this self-created crisis would have done just that.

It is much to the credit of the Public Works Committee that it rejected the Federal Highway Administration's destructive efforts both to treat interstate highways in segments for purposes of environmental review and to obviate Federal Highway Administration responsibility for such review. I testified against these loopholes. The bill, as reported by the Committee on Public Works, made the changes I requested. I therefore feel obligated to support its product.

Subsequent to this action by the Public Works Committee, the Merchant Marine and Fisheries Committee has reported out broader legislation more specifically stating the Federal responsibilities for guidance and participation in drawing environmental impact statements, as well as for assessment, evaluation and approval of the final product. In light of the fact that a decision has now been rendered by the Federal court in New Hampshire similar to that in the second circuit, and the Public Works Committee has indicated a resulting need to broaden this legislation to cover all States, I would hope that it will assure the Merchant Marine Committee's broader language is adopted in the final legislation and also that in the final version, it is made clear that the Federal Highway Administration will have to review its projects in their entirety, not segment by segment.

H.R. 3787 as presented to us now will permit Federal highway construction to proceed in New York, Connecticut, and Vermont. It preserves the Federal protections of the environmental policy act and should be approved.

Mr. McHUGH. Mr. Speaker, I rise in support of H.R. 3787. This bill, which I am pleased to have cosponsored, would authorize the Secretary of Transportation to release Federal highway funds on the basis of environmental impact studies prepared by State officials. The bill would overcome constraints imposed by the ruling by the Federal Appeals Court for the Second Circuit in December 1974, that the Federal Government must prepare such studies.

The impact of the court's decision in the three States of the circuit, Vermont, Connecticut, and New York, has been severe. In my State alone, approximately 200 highway projects have been suspended; 37,000 jobs have been affected at a time when unemployment has become, perhaps, our No. 1 national problem. The construction industry has been particularly hard-hit. The unemployment rate in the construction trades has reached 25 percent.

Immediate action is imperative. The President has released $2 billion in impounded highway funds for use on highway projects which can be started immediately. But as a result of the appeals court decision, the three affected States are placed at distinct disadvantage in competing for a fair allocation of the highway funds.

Mr. Speaker, I urge my colleagues to vote aye on H.R. 3787 to assure that everything possible will be done to alle-

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viate joblessness in the three States affected by the court's ruling.

Mr. SHUSTER. Mr. Speaker, I rise in support of H.R. 3787 as reported by the committee.

The case for legislation is virtually beyond dispute: unemployment in the construction trades, a backlog of highway projects, the release of $2 billion from impoundment, pending legislation to ease restrictions on the use of highway funds, and a court decision tying the whole situation in knots.

H.R. 3787 comes before you as a measure which in every respect has had the benefit of full consideration by the Committee on Public Works and Transportation. It therefore, merits consideration in terms of the problems addressed, its manner of dealing with them, and the reasons why the House should adopt it as reported by the Committee on Public Works and Transportation as promptly as possible.

The need for H.R. 3787 stems from a ruling of the Second Circuit Court of Appeals that the National Environmental Policy Act—NEPA—requires that the Federal Highway Administration—FHWA—as distinguished from the State highway agency responsible for planning, design, and construction of highways—prepare the environmental impact statement—EIS—for highway projects.

Concededly, opinion varies as to the interpretation of the court's ruling as to its consistency with NEPA, the guidelines of the Council on Environmental Quality, related guidelines of FHWA, and court rulings on the question in five other Federal circuits.

But the action of the Committee on Public Works and Transportation in reporting H.R. 3787 and that of the Committee on Merchant Marine and Fisheries in reporting H.R. 3130 reflect widespread congressional agreement that, as a practical matter, a legislative remedy is in order.

H.R. 3787, as amended, is a narrowly drawn, precise, and practical response to a problem requiring an immediate solution which only this bill can provide. Major highway construction projects in the three States of Vermont, Connecticut, and New York are threatened by the second circuit ruling in respect to the delegation of authority for the preparation of the EIS. There are urgent needs for highway construction and reconstruction in the affected States, a high rate of unemployment among workers in the construction trades and allied industries, and an opportunity to obtain relief through spending of those three States share of $2 billion in highway funds released from impoundment.

The legislation can be rightly regarded as a companion to H.R. 3786, reported by the Committee on Public Works and Transportation and passed by the House on April 10, temporarily waiving certain Federal matching and categorical requirements restricting the use of funds in the interest of accelerating construction.

H.R. 3786 would be cold consolation for the three States unable to take advantage of those provisions between now and June 30, 1975, the date by which funds must be obligated for projects qualifying under those provisions and under guidelines for availabiilty of the $2 billion.

This bill also has the virtue of targeting the legislative response precisely to the problem raised by this single court decision without opening up the entire issue of delegation under NEPA as it applies to a host of public works and other programs administered by numerous Federal executive agencies and under the jurisdiction of several committees of the Congress.

Before this body, in addition to our report on H.R. 3787, is the adverse report of the Committee on Merchant Marine and Fisheries. The latter committee recommends that this legislation not pass.

As grounds, the Committee on Merchant Marine and Fisheries argues that H.R. 3787 is limited to three States, deals only with the highway program, is vague and ambiguous, and would indirectly amend NEPA.

As to the first two points, we fully agree that this is a limited bill in terms of its application to the highway program in three States, but would argue that this is a virtue of the legislation. It tailors the solution to the problem, offers no potential for disruption of environmental procedures and offers the best prospects for speedy enactment by both Houses of the Congress.

There is a great deal of merit to arguments that legal problems raised by the second circuit decision can be resolved by the Supreme Court, which is being petitioned for certiorari. Therefore, our committee is content to limit action to the immediate problem on an emergency basis.

I would cite in this connection prepared testimony of Chairman Russell W. Peterson of the Council on Environmental Quality to the effect that, if the Congress deems a legislative remedy advisable, H.R. 3787 is the way to go.

As to specific intent, I would argue that H.R. 3787, as amended makes abundantly clear that the intent is to clarify and reaffirm what has traditionally been considered the intent of NEPA since its enactment as to preparation of environmental impact statements. The reported bill itself, the report of the Committee on Public Works and Transportation, and extensive colloquy in the hearing record leave no grounds for misinterpretation.

Specifically, the bill was amended to assure that there be no encroachment on the ultimate responsibility of the Federal agency under NEPA to evaluate, analyze and adopt a State-prepared EIS.

This legislative history, also reaffirming the holdings in five Federal circuits other than the second, also makes clear that highway procedures under NEPA are not being legislatively altered.

Aside from the merits of this legislation and the deficiencies of the adverse report, certain other considerations merit your attention.

The standing of the Committee on Public Works and Transportation to legislate in this matter is beyond dispute. The bill was referred initially to the committee, which took it up with dispatch. The fact of sequential referral in no way diminishes that standing.

Since every piece of legislation considered by this body has the possibility of impacting the environment, if we decide to adopt the reasoning of our good friends in Merchant Marine and Fisheries, they are entitled to a sequential referral of every reported bill. But it is my view, that such a result is not to be desired nor was it intended when we reorganized this body. Floor debate at the time of enactment of NEPA made it clear—in an exchange between Representatives HARSHA and DINGELL—that the responsibility for oversight and legislation regarding the environmental performance of agencies under their respective committees' jurisdiction would not be altered. The fact that the Committee on Banking, Currency and Housing dealt with the delegation question under NEPA in the Housing and Community Development Act of 1974 supports this contention. To determine otherwise would frustrate the orderly progress of legislation to the floor, for which this committee has traditionally exhibited a high regard.

To conclude, H.R. 3787 is an emergency measure in which time is the critical factor, and which stands the best chance of passage. It fully deserves favorable consideration by the House.

Mr. GIAIMO. Mr. Speaker, I intend to take the floor only once today during the debate on two bills concerning the drafting of environmental impact statements by State agencies.

I will support both H.R. 3787, a bill to allow delayed highway construction projects in three States to proceed, and H.R. 3130, a bill to allow State participation in the drafting of environmental impact statements.

I believe that the passage of these bills is necessary to clarify the existing law and to prevent further misinterpretation of the intent of the Congress as expressed in the National Environmental Policy Act—NEPA.

In December 1974 the second circuit court of appeals ruled that the policy of delegating the responsibility for preparing environmental impact statements to the appropriate State agencies failed to comply with the provisions of NEPA. As a result of the court's ruling, in January the Federal Highway Administration imposed a freeze on Federal highway projects in Connecticut, New York, and Vermont.

This freeze has suspended the construction of 50 highway projects in Connecticut with an estimated total cost of over $1 billion, including $16 million worth in the Third District which I represent. Potentially the impact of this ruling could spread throughout the entire country and could lead to the suspension of billions of dollars worth of other highway and public works programs.

The basic problem involves the unwillingness of the second circuit court of appeals to accept the practice of Federal agencies delegating to the States responsibilities for drafting environmental impact statements. The Federal Government has been following this policy for years, primarily because many agencies such as the Federal Highway Administration do not have the capability for preparing these statements themselves. This policy was acceptable to the judicial branch until the December 1974 decision, and has since been questioned by other courts.

The two bills under consideration today would formalize the previously accepted practice on both a limited and widespread scope. One bill, H.R. 3787, effectively states that State transportation agencies are allowed to draft environmental impact statements for highway programs for approval by the Department of Transportation. The other bill, H.R. 3130, would amend the National Environmental Policy Act to state that the drafting of an environmental impact statement by a State is not a solely sufficient reason to reject it as long as the Federal agency independently evaluates and approves such a statement.

I do not believe that the passage of either bill will destroy NEPA or the existing balance between environmental protection and economic growth.

I do believe, however, that the passage of these bills is necessary to remove the current freeze on already planned highway construction in Connecticut, New York, and Vermont. I also believe that the passage of these bills is necessary to prevent future court decisions which could halt other construction programs on the basis of this narrow and erroneous assumption.

Mr. Speaker, at the present time Connecticut is experiencing a 10-percent level of unemployment. The impact of the recession and this moratorium on the construction industry, however, is far greater. The Connecticut Construction Industries Association informed me that 33 percent of its 60,000 people are now out of work. An operating engineers local in my district has 35 percent of its members unemployed. The Connecticut Laborers' District Council of the Laborers' International Union of North America informed me that these stalled highway projects in Connecticut could provide "approximately 35,000 jobs in the construction industry, with a matched number in supportive industries, for a period of 3 to 4 years in the State of Connecticut."

I hope that my colleagues in the House will recognize the importance of these two bills to their States and will join me in supporting them.

The SPEAKER pro tempore (Mr. O'NEILL). The question is on the motion offered by the genteman from New Jersey (Mr. HOWARD) that the House suspend the rules and pass the bill (H.R. 3787) as amended.

The question was taken.

Mr. THONE. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Nebraska withdraw his point of order that there is no quorum?

Mr. THONE. Yes, I do, Mr. Speaker.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. PEYSER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. PEYSER. Mr. Speaker, do I understand that we will now vote on this particular suspension at the end of the day; is that the procedure to be followed on the particular bill (H.R. 3787)?

The SPEAKER pro tempore. There is one more suspension. When that is completed, the Chair will put the question.

STATE PARTICIPATION IN ENVIRONMENTAL ANALYSES

Mr. LEGGETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3130) to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements, as amended.

The Clerk read as follows:

H.R. 3130

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) is amended—

(1) by inserting "(a)" immediately after "SEC. 102."; and

(2) by adding at the end thereof the following new subsection:

"(b) A statement prepared after January 1, 1970, shall not be deemed to be legally insufficient solely by reason of having been prepared by a State agency or official if the responsible Federal official furnishes guidance and participates in such preparation and independently evaluates such statement prior to its approval and adoption. This procedure shall not relieve the Federal official of his responsibilities for the scope, objectivity, and content of the statement, nor of any other responsibilities under this Act."

The SPEAKER pro tempore (Mr. O'NEILL). Is a second demanded?

Mr. FORSYTHE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. LEGGETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3130. This legislation would amend the National Environmental Policy Act of 1969 to clarify certain procedures dealing with the preparation of environmental impact statements. It is the intent of this legislation to simply restate in statutory form what is presently the policy and practice established by the Council on Environmental Quality in its guidelines to Federal agencies.

The need for this statutory clarification stems from a recent decision in the Second Circuit Court of Appeals which held that certain actions taken by the State of Vermont Highway Department, with some Federal participation, were not in compliance with the requirements of the National Environmental Policy Act. This decision was interpreted by the Federal Highway Administration as requiring the halting of all federally funded projects in the States within the second circuit: New York, Vermont, and Connecticut. In an attempt to remedy this situation, several legislative proposals have been introduced and considered—some of which were drafted to amend the Federal Highway Act and others to amend the National Environmental Policy Act.

As chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, of the Committee on Merchant Marine and Fisheries, which has continuing responsibility to oversee the implementation of the National Environmental Policy Act, I am deeply concerned that any problems with the administration of its provisions be dealt with forthright and appropriately. Any act which has such a broad mandate to all Federal agencies requires continuous review to assure that its policies are interpreted and implemented to achieve national goals.

Two weeks ago, the subcommittee held hearings to consider several bills designed to remedy the second circuit situation. During the course of those hearings, there was extensive discussion of the question of whether or not any legislation is required. It appeared to be the general consensus that while legislation may not be needed in theory, the practical circumstances of the case make it highly desirable so long as the legislation will not create further problems requiring judicial review, and only if it is possible to design legislation that will avoid undesirable precedents. It is very much a matter of concern in this regard that the National Environmental Policy Act be retained intact, unless change is absolutely necessary. I am aware of no responsible support of any effort to make substantive changes in this act, and it was clearly not the intention of the committee to do so. Nor, in choosing the language of the bill, H.R. 3130 presently under consideration, have we done so.

H.R. 3130, as amended and reported by the committee, is intended to substantiate and reflect the basic purposes of the National Environmental Policy Act as signed into law on January 1, 1970. It upholds and ratifies the maxim that Federal officials are ultimately responsible for taking the full range of environmental factors into consideration prior to making any decision or taking any action which would significantly affect the

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quality of the human environment. The mere participation of a State agency or official in the preparation of an environmental impact statement where the responsible Federal official has retained supervisory responsibility and performs his own evaluation is not violative of the intent of NEPA. This is the law, and we intend that it shall remain the law.

Accordingly H.R. 3130 was most carefully examined and amended.

The subcommittee also held hearings and considered H.R. 3787, which was referred to us from the Committee on Public Works. That bill attempts to remedy the second circuit problem by amending the Federal Highway Act. As referred to our committee, H.R. 3787 would only have had application to three States. I understand that that particular language has since been changed. Nevertheless, H.R. 3787 is a piecemeal approach which I believe is highly unadvisable. If the present law is now unclear in light of the second circuit decision, then it would seem appropriate to clarify the matter for all agencies to avoid the necessity of further legislation for every other Federal agency. Moreover, the language of H.R. 3787 with respect to "analysis and evaluation" remains unclear as to who is to do such analysis and evaluation and precisely what is required.

As I mentioned earlier, the circumstances of this situation require carefully considered and explicit language to successfully remedy the existing ambiguities. It is my belief that the language and scope of H.R. 3787 would neither satisfy the second circuit predicament nor best serve the purposes of the National Environmental Policy Act. I feel that the passage of both H.R. 3787 and H.R. 3130 would not provide double protection, but rather would perpetrate a sense of confusion with respect to the proper role of the State in the preparation of environmental impact statements. Moreover, the pratical effect of enacting both bills would be to continue to defer the decision to the courts. I believe it is our job to take responsibility for the decision.

The last bill (H.R. 3787) was sequentially referred to my committee and relates to the exact same subject matter that H.R. 3130 does, save and except that the Committee on Public Works had limited jurisdiction to solve this problem. They did a good job. They called the problem to the attention of the Congress. They responded in a very quick manner. They heard testimony from all appropriate witnesses; but unfortunately, they were limited with respect to the solution that they could develop.

No. 1, they could only amend the Highway Act to solve a problem relating to environment.

Now, the Highway Department does a very good job with respect to environment most of the time. The Federal agency has a sheaf full of regulations that require a considerable amount of interrelation with State agencies and perhaps of environmental impact statements. There are virtually thousands of environmental impact statements being prepared all the time.

These regulations which are promulgated in conjunction with guidelines declared by the Council for Environmental Quality generally set forth what is required by the State agencies. The State agencies then collected the material. They collect the letters. They make the investigations. They interrelate with the Federal Highway Administrator and his office on innumerable occasions.

Eventually, a report is prepared, and under the law that report must be the report of the Federal Highway Administrator. Unfortunately, sometimes these agencies have been lax in their preparation. They have not done the job and have gotten involved in lawsuits, and problems have arisen.

Now, the Second Circuit Court has determined, in one of these suits, without deciding the merits of the case, that the report itself must be prepared by the Federal Highway Administrator. Obviously, that is a very difficult problem.

Many of us on the committee do not believe that this was really the holding of the case, and that has been spelled out in our report. However, what we believe and what the Federal Highway Agency does are two separate things. Right now, the Federal Highway Agency has directed its local administrators to proceed. The administrators are not proceeding, and there is some confusion in the agencies as to what law should be applicable and what requirements should apply.

As a result, the Committee on Public Works did the only thing it could, and came up with this limited solution. It is possible, if one is not a precise student of the law—which most environmental lawyers are—to sit back and say, "Well, we can pass both these bills."

I guess we can pass them both, but we certainly must enact them both. If the House passes them both, what would we be doing? We would be giving the option to the Senate to select which of the two approaches it wants.

Consider this: The Federal Highway Agency, when we asked them on H.R. 3787, the bill we just had before us, "Do you support H.R. 3787 in its present form," the answer was no.

Our reason was, it only applied to three States. I asked the lawyer for the Federal Highway Administration, "You understand that this law—NEPA—applies to education, to economic development, to a vast array of areas. As a legislator, if you had this problem for solution, would you relate the solution to just one agency or would you try to cover the gamut?"

He said, "Well, I would try to cover the entire area."

Third, the bill H.R. 3787 addresses itself to the problem of compliance with NEPA and of rationalizing the circuit decisions by stating in a separate amendment to the Highway Act—not the Environmental Protection Act—that we can resolve this problem if the States do the job and if that report then is adopted and analyzed by the Federal Highway Administrator in those three States. We do not believe, as technical lawyers and environmentalists and evaluators of the legislation, that adoption and analyzing are equivalent to compliance, with about two pages of law that we set forth in the report on our bill at pages 8 and 9, wherein we have specified exactly the requirements that are incumbent on any official in forcing NEPA in their rather extensive and their rather involved—"you do not comply with NEPA by saying that they are evaluated and analyzed. You have got to do more than that."

I think the Highway Administration has done more than that in a very, very great majority of instances. Their regulations are good. We are not complaining about the way they have promulgated, but I think this: That if we enact this bill, and when we vote for both bills we have to plan on them both being enacted. If we amend the Federal Highway Act that says the Federal Highway Administration just has to evaluate and analyze, or if we amend the National Environmental Policy Act, in essence we are saying that a statement must meet requirements of NEPA.

I will tell the Members that they are just breeding a thousand lawsuits by enacting both of these bills. I think the Committee on Public Works has done a great job in bringing this to the attention of the committee. I did not want to hold the public works bill up. That is why we have both bills on the floor today. But I would hope the House could exercise its discretion and recognize that we are really playing into the hands of those who want litigation by passing both of these bills.

I think we should vote down the first bill, 3787, and vote up the second bill.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The gentleman's whole tenor is in the vein that the committee of which the gentleman is a member is the only conscience we have for environmental quality for life in America and the Committee on Public Works is totally indifferent to the environment.

Yet it seems to me that that kind of a notion has been dissipated, because of the attention we gave to the gentleman in his presentation to the Committee on Public Works, and also the recognition of the history of the Committee on Public Works, starting with the Water Quality Act, the original Highway Act, and other acts.

The Committee on Public Works has been just as conscientious and responsible to the environment as any other committee in the House of Representatives.

Mr. LEGGETT. I want to agree with the gentleman that the gentleman's committee has; and I think that if the gentleman had the authority and jurisdiction to solve this problem the gentleman would have solved it, just as we propose to solve it by the enactment of 3130. I wish I could say I support generally the direction in 3787, and I testified to that effect when I was before the gentleman's committee. But I want to avoid further litigation in this area. I think if we enact both bills, we will only breed further litigation.

Mr. JONES of Alabama. Mr. Speaker, will the gentleman yield further?

Mr. LEGGETT. I yield to the gentleman.

Mr. JONES of Alabama. I do not see how a committee could be more solicitous than the Committee on Public Works has been of the gentleman's committee, its staff, and all of its people, in trying to work out a reasonable, rational solution to the entire problem.

Mr. LEGGETT. I think the fact that we have both bills here under suspension shows the great degree of cooperation between the committees.

Mr. JONES of Alabama. Then I assume the gentleman from California and I are in agreement, that we are supporting both bills.

Mr. LEGGETT. I have not editorialized against the gentleman's bill. I indicate I think the gentleman is going to get problems by pushing the highway programs ahead and getting both bills enacted.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield 30 seconds to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. That is extremely generous.

I would like to ask if the gentleman considers the language to be more than a restatement of the existing law.

Mr. LEGGETT. No, I do not.

Ms. ABZUG. I thank the gentleman.

Mr. LEGGETT. Mr. Speaker, I yield to the chairwoman of the full committee, Mrs. SULLIVAN, such time as she may consume.

Mrs. SULLIVAN. Mr. Speaker, I join the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment in urging our colleagues to support H.R. 3130, which amends the National Environmental Policy Act of 1969—NEPA—to clarify its procedures with respect to environmental impact statements in situations in which the agencies have drafted or participated extensively in the preparation of the impact statement. H.R. 3130 does not change the meaning of the act, it merely clarifies the language, and applies to all projects requiring an environmental statement, not just to the Federal Highway Act.

The basic issue addressed in H.R. 3130 is clear: it is the extent to which the Federal Government can properly permit a non-Federal organization to handle the gathering of information supporting an environmental impact statement—required under section 102(2) (C) of the National Environmental Policy Act—and further to participate in the physical preparation of that statement.

On December 11, 1974, the U.S. Court of Appeals for the Second Circuit issued an opinion in Conservation Society of Southern Vermont against Secretary of Transportation, concerning the problem of the division of responsibility between State and Federal officials for environmental impact statement—EIS—preparation. Some read the case as imposing an absolute burden on the Federal Government to perform the entire impact analysis, and others gave it a more limited interpretation. In view of the ambiguity of the decision of the circuit court, however, the Federal Highway Administration halted several federally funded highway projects: three States, New York, Vermont, and Connecticut. The issue required immediate clarification since Federal projects were involved which were halted with the attendant loss of employment.

The Committee on Merchant Marine and Fisheries, our committee, held hearings on H.R. 3130 and reported out the bill which amended the National Environmental Policy Act by restating the law and policy which the committee believes to have been in effect since NEPA was enacted. H.R. 3130 specifically rejects the concept that any environmental impact statement might be legally insufficient solely because it was prepared by a State agency or official, regardless of the extent of Federal guidance, participation, or independent evaluation which may have been present during the preparation of the environmental impact statement.

There is another bill to resolve this problem, Mr. Speaker, but on a much more restricted basis applying only to the highway projects in the three affected States. I commend the other committee for bringing this important matter to the attention of the House, but their approach does not solve the problem, only a narrow portion of it.

Enactment of their bill would not provide an answer if this same issue were to arise in a context other than Federal-aid highway projects. H.R. 3130 would.

As the Members know, the National Environmental Policy Act of 1969 originated in the Merchant Marine and Fisheries Committee and we have had jurisdiction since that time. Despite any disclaimers to the contrary, any other narrow approach to the problem is in fact impinging upon our NEPA jurisdiction inasmuch as it would indirectly amend the National Environmental Policy Act. I submit that this is improper and unnecessary and that the proper approach to the problem is to approach it on the broad scale and clarify the intent of NEPA itself.

It is an axiom of statutory construction that if there is ambiguity in a statute, the proper resolution is to clarify the ambiguity existing, and not attempt to address it indirectly by amending other statutes. H.R. 3130 does just this by restating the law and policy which the committee believes to have been in effect since NEPA was enacted. We are joined in this approach by the environmentalists and conservationists, who support H.R. 3130, and by the appropriate agencies of the Administration, namely, the Council on Environmental Quality and the Federal Highway Administration, which also support H R. 3130.

We urge our colleagues to vote in favor of H.R. 3130 because it is not restricted just to several States alone, or restricted to a single narrow problem-portion of the whole issue, such as Federal-aid highway projects, nor does it constitute an indirect solution to the problem—but instead, resolves the entire issue by addressing itself to the full scope of the problem, and makes clear the intent of the basic statute involved—the National Environmental Policy Act.

The Committee on Merchant Marine and Fisheries is aware of the urgency of this situation. To this end, I have spoken to the chairman of the appropriate committee in the Senate and the chief counsel of our committee has spoken to the appropriate staff people, and although final results cannot be guaranteed, we are assured that H.R. 3130 will be acted upon immediately.

In addition, your committee has inserted language in its report which, I think, explains any possibility of misinterpretation of the language of subsection (b) of the bill. In fact, any other approach to this problem than that taken by our committee does, in fact, while possibly solving the narrow problem, leave the broad scope of the issue still in question and unresolved. I have not been able to comprehend why two different bills were necessary when H.R. 3130 solves not only the narrow Federal-aid highway project aspect of this issue, but resolves the entire scope of the problem.

For the reasons set out in my statement, I feel confident that the Members will recognize the necessity of resolving this whole problem, not just part of it, and vote for the passage of H.R. 3130.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we have before us H.R. 3130, legislation which clarifies the intent of the National Environmental Policy Act. The need for this legislation arises from a decision of the Second Circuit Court of Appeals which was handed down on December 11, 1974. The court held in the case of the Conservation Society of Southern Vermont against Secretary of Transportation that the environmental impact statement filed on a federally subsidized highway in Vermont was not a detailed statement by the responsible Federal official within Section 102(2) (c) of the National Environmental Policy Act, because it was prepared by the Vermont Highway Department. The court found that the Vermont Highway Department's statement had been approved perfunctorily by the Federal Highway Administration (FHWA). The second circuit held that the FHWA must itself prepare the environmental impact statement, and that this responsibility could not be delegated to the State of Vermont.

The reason we have H.R. 3130 before us is the ambiguity regarding what the court means by "prepare." The FHWA has argued that the court meant a Federal agency must prepare an environmental impact statement from the ground up using its own personnel exclusively. The FHWA contends that the court's decision forbids the delegation of any information-gathering function.

Other organizations and Federal agencies believe that the court defined "prepare" by approving the guidelines of the Council on Environmental Quality, which read:

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> Where a federal agency relies on an applicant to submit initial environmental information, the agency should assist the applicant by outlining the type of information required. In all cases, the agency should make its own evaluation of the environmental issues and take responsibility for the scope and content of the draft and final environmental statements.

Thus, according to this interpretation, the court invalidated the impact statement in question, because the FHWA failed to conduct an independent evaluation of information supplied by the Vermont Highway Department. The FHWA, according to the court, simply rubber-stamped Vermont's work.

Because of the different interpretations which can be placed on the court's decision, the Merchant Marine and Fisheries Committee has reported H.R. 3130. This legislation clarifies the court's decision by declaring that no environmental impact statement—EIS—shall be invalidated simply because it was prepared by a State agency "if the responsible Federal official furnishes guidance and participates in such—EIS—preparation and independently evaluates such statement prior to its approval and adoption."

To the extent that the second circuit's decision may be interpreted as prohibiting any delegation of authority, H.R. 3130 rejects that construction. H.R. 3130 clearly permits delegation provided that the responsible Federal official conducts an independent evaluation of the State-supplied information.

In clarifying the intent of NEPA, H.R. 3130 is not limited to only those States affected by the second circuit court's decision. H.R. 3130 is applicable to all States and to all Federal agencies. During the committee's hearings, some witnesses argued in favor of a legislative approach limited to the three States within the second circuit—New York, Connecticut, and Vermont—and limited to the FHWA, the agency specifically affected by the second circuit's decision.

It is important, however, to note that the decision of the second circuit was written by a judge who was seated by designation from the third circuit. Further, since the second circuit's decision, the District Court for New Hampshire within the first circuit handed down a decision which was virtually identical to the second circuit's holding. Thus the question of NEPA's interpretation has extended to at least one other circuit and possibly two.

Similarly, it is possible that other agencies within the Federal Government could find themselves in a situation identical to that in which the FHWA now finds itself.

Thus, the committee determined that any legislation clarifying NEPA should be made applicable to all States and to all Federal agencies.

Another issue considered by the Merchant Marine and Fisheries Committee during its deliberations was whether NEPA itself should be amended. During the committee's hearings, many witnesses argued that the second circuit establishes standard delegation which is far different than that set in other circuits. Again, while different interpretations can be placed on these decisions, it seemed to the committee that it was appropriate to amend NEPA directly to clarify its intent and to insure that the same interpretation of this law was followed by all circuits.

To resolve these ambiguities on a universal basis, the Committee on Merchant Marine and Fisheries has reported H.R. 3130, and I urge its favorable consideration by the House.

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. Ruppe), the ranking member of our full committee.

Mr. RUPPE. Mr. Speaker, I rise in support of H.R. 3130 as reported by the Committee on Merchant Marine and Fisheries. This legislation seeks to clarify the intent and purpose of the National Environmental Policy Act. In passing NEPA, did the Congress intend that the responsible Federal agency prepare an environmental impact statement completely independently, relying only on its own personnel—or does NEPA permit delegation of information gathering, providing that the responsible Federal agency conducts an individual analysis of that information.

On December 11, 1974, the Second Circuit Court of Appeals, covering New York, Connecticut, and Vermont, handed down a decision which can be read both ways. On March 25, 1975, the Federal District Court for New Hampshire handed down a decision virtually identical to that of the second circuit. To resolve these ambiguities, the Merchant Marine and Fisheries Committee has reported out H.R. 3130 which clearly permits delegation provided that the responsible Federal official independently evaluates the environmental information so gathered.

By amending NEPA directly, H.R. 3130 resolves this interpretation question once and for all. Because it is applicable to all Federal agencies and all States, H.R. 3130 prevents a situation from arising between two States or agencies operating under different NEPA standards.

Mr. Speaker, I urge my colleagues to act favorably on H.R. 3130.

Mr. FORSYTHE. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. LaFalce), the sponsor of the bill.

Mr. LAFALCE. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise today in support of the effort to assure that the benefits of the Federal highway program, and the construction jobs which that program brings, are made available to all 50 States of the Union on an equal basis.

Back in February I learned about a court decision which, if left standing, would have seriously delayed a great number of highway construction projects in the States of New York, Connecticut, and Vermont. And my immediate reaction was that construction workers from those three States would remain unemployed and underemployed in substantial numbers.

I doubt if any of my colleagues, from any State, needs to be told how disastrous the country's economic conditions have been for the construction industry. In my district, unemployment in the construction trades in recent months has been well over 20 percent.

Nearly everything we have done so far in the 94th Congress has been addressed to reviving the stagnant economic picture. We have sought in many ways to stimulate production and jobs. We have passed a major tax reduction bill to increase purchasing power and thus encourage greater production. We have considered emergency agricultural, housing, and employment legislation, all designed to preserve existing jobs and spur new ones.

Yet the three States of New York, Connecticut, and Vermont, thanks to a well-intentioned but unfortunate decision by the Federal circuit court of appeals which has jurisdiction over them, were faced with the prospect of having nearly every major highway project in them delayed for months—possibly years—and of having the jobs that would have been created by them remain no more than hopes. People cannot live on hopes alone.

Two weeks ago Raymond Schuler, New York State's Commissioner of Transportation, testified before the Merchant Marine and Fisheries Subcommittee on Fisheries and Wildlife Conservation and the Environment concerning this problem. Commissioner Schuler's testimony contained some relevant facts. Consider—

The court's decision will mean the loss of some 300,000 jobs overall—122,000 in the construction trades—in New York State; and

The decision affects projects worth a total of $1.275 billion in the next 2 years, $3.3 billion if extended another 3 years, in New York State alone.

The New York State Chapter of the Associated General Contractors has estimated that the $3.3 billion worth of projects during this and the next 4 fiscal years would create jobs in the State with a total payroll of some $1.75 billion. A hefty share of that, of course, would go toward increased tax revenues for all levels of Government. And all of it would have a stimulative effect on the overall economy.

And the New York State Building Trades Council, AFL–CIO, noted that for every $300 million in highway construction halted or delayed, some 37,815 man-years of employment are affected. It is clear from statistics like these just how important it is for Congress to act, and act swiftly, to correct this inequitable situation and get the country back to a situation in which all 50 States receive highway program benefits on a completely equal basis.

At that time I had to make a basic decision as to what approach should be taken to cope with the problem presented by that court's decision.

I considered many possibilities, including the introduction of an amendment to the Highway Act or the introduction of an amendment to the National Environment Policy Act. I decided upon the latter alternative as the preferable one, as it would go directly to the problem; it would amend the Environmental Policy Act itself, and it would be applicable to all States.

Mr. LEGGETT. Mr. Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Speaker, I would like to take this time to commend the gentleman in the well (Mr. LaFalce) a freshman Member of the House, for pioneering this bill.

We did find it necessary to amend it some, but the gentleman certainly had the right solution. We needed an overall national clarification of the law to get this highway money into circulation, not only in the second circuit, but all over the country.

The gentleman has been immeasurably helpful to the committee. Again I want to thank the gentleman for addressing himself to this problem.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I thank the gentleman for yielding. I also wish to congratulate the gentleman for his efforts in this regard.

However, I was not sure whether the gentleman has taken a position in favor also of H.R. 3787, as it is before us today.

Mr. LAFALCE. I will explain that, I will say to the gentleman from New Jersey, as I proceed.

Mr. HOWARD. I thank the gentleman.

Mr. LAFALCE. Among those in the forefront of legislative action on this issue were my two distinguished colleagues from western New York, Congressman Nowak and Congressman Kemp. The three of us worked closely together, and it is appropriate for me to express the distinct pleasure I had working with them. Indeed, I am pleased as well at the degree of bipartisanship I have seen in working toward a legislative solution to this most pressing problem.

The need for a legislative solution existed because the court's decision left highway officials in the three affected States very uncertain, under the ruling in the case, about what they could and could not do with respect to the preparation of environmental impact statements—one of NEPA's major requirements. The court's ruling implied that the Federal agency involved has to do the actual preparation of the statement itself. These statements are often very complex—some can run from 300 to 400 pages and more—and the job of preparing them can take months and, in some instances, years. And the Federal Highway Administration's previous practice of letting the State agencies prepare them, under Federal officials' guidelines and supervision, meant that the expertise in preparing them was at the State level. The Federal Highway Administration was, and is, simply unable to take on the job and do it in a reasonably short period of time.

An appeal to the U.S. Supreme Court might have clarified the court's decision and made legislative action unnecessary. But appeals to that Court, even when granted by the Court—hardly a certainty—are also time consuming, as you all know. Yet the dollars were already flowing to the other 47 States.

I felt that any legislative solution was better than none. So I joined those who testified before the Surface Transportation Subcommittee of the House Committee on Public Works and Transportation and I expressed my support for the bill, H.R. 3787, which was reported out by that committee. H.R. 3787, an amendment to the Highway Act, accomplishes the same basic purposes as H.R. 3130 in terms of mooting the court decision and putting New York, Connecticut, and Vermont on an equal footing with the other States with respect to the highway program.

As I said at that time, and as I maintain today, the important thing is that we attack the immediate problem confronting the States of New York, Connecticut and Vermont.

As I said at that time, and as I say today, that is a bill I could be in favor of. I did have some concern about H.R. 3787 as initially prepared, first, because it was retroactive only, and it was not prospective in nature, and would not take care of statements prepared subsequent to its effective date. That has been cured by an amendment.

I was also concerned that it did not adequately provide for analysis and review of the environmental policy statement. That too has been cured by amendment.

I also was concerned, as I stated at the time that I testified, that it had applicability only to three States, and that since there were 14 other States where circuit courts had not ruled, that some of those States might have court judgments rendered which would bring them into the exact same situation as New York, Connecticut, and Vermont.

Since that time this very thing has happened in the State of New Hampshire. However, I am advised by the gentleman from New Jersey (Mr. Howard) that the Senate, when it considers H.R. 3787, should it be passed, would amend H.R. 3787 so that it would not be applicable just to the three States, but it would have application to all States, so that therefore there would be a prospective cure of H.R. 3787 through the amending process in the Senate.

H.R. 3787 was referred, along with H.R. 3130 and other bills, to the Committee on Merchant Marine and Fisheries. That committee's Subcommittee on Fisheries and Wildlife Conservation and the Environment held hearings on all of the proposed bills—I testified at those hearings as well.

I pointed out once again that my major goal was to make sure that New York and its neighboring States got their fair share of the Federal highway dollars, and that my preference as to what might be the "best" legislative solution to the problem should not take precedence if another way to solve it could be accomplished more quickly.

From the three States' perspective, either bill, it seems to me, would solve the problem and would allow the highway program to move forward. And the much-needed construction jobs could be filled.

The Merchant Marine and Fisheries Committee has made strong arguments in favor of an across-the-board solution, as opposed to one which deals with only one agency and one program. And the committee has also emphasized their desire to deal with NEPA directly rather than indirectly. I understand and sympathize with these positions, for they are fully consistent with my own thoughts when I first addressed the question of introducing legislation on this subject.

It is not inappropriate, at this time, for me to outline some of my other concerns when I prepared legislation to deal with this situation. I shall try briefly to outline them at this time.

First, it was important, in my judgment, that we not dilute the National Environmental Policy Act in any way when dealing with the circumstances which came about after the court's decision. I feel that NEPA was an exceptional piece of legislation which put on paper policies which governments should have been following in any event. I firmly believe that major proposed governmental actions should be carefully analyzed, before irreversible action is taken, to assure that they will be more beneficial than harmful to our environment, both in the present and in the future, and to give those working on them a chance to minimize, to the extent possible, as many adverse impacts as possible.

I feel that Federal officials involved in Federal programs must retain a large degree of the responsibility for the objectivity and completeness of environmental impact statements. And they must make sure that those with whom they are working, at State and local levels, carry out environmental impact analyses under carefully prepared guidelines and close Federal supervision. This is crucial. It is not crucial because Federal officials are more objective or "disinterested" than State and local officials, but rather because Federal programs should, in most cases, be more than mere conduits for money. Those of us at the Federal level have a responsibility, it seems to me, to make sure that Federal tax dollars are spent as wisely as possible, with as little waste as possible.

But I also feel that environmental impact studies will be better if they are prepared and reviewed by both State and local officials as well as Federal officials. We all know that Federal bureaucrats can, and all too often do, become less than totally responsive to local circumstances.

The effectiveness of the legislation we enact today, like NEPA itself, will depend on those who implement it at the Federal and State levels. This is as it should be. If laxness in enforcement of NEPA was one cause of the lawsuits under that law, then the lawsuits were perfectly in order. Congress should not maintain on one hand a need for strict adherence to environmental standards and, on the other hand, criticize delay-causing court cases where it is alleged, and all too often proved, that environmental concerns were not adequately considered.

So let the officials who are involved in the preparation of environmental impact statements be aware of the fact that they must carry out this responsibility with diligence. The alternative, in many cases, will be more time in court and additional delays in the programs they are charged with administering.

Mr. Speaker, already 10 weeks have passed since legislation was first intro-

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duced to rectify this situation. These have been 10 weeks of frustration for the construction industry in those States. Ten weeks of concern and confusion on the part of State highway departments. And 10 weeks of continued unemployment for construction workers in three States of the Union.

Clarification of NEPA is appropriate and timely, Mr. Speaker, and I urge my colleagues to join me today to help assure that the construction industry in the affected States gets back into the economic mainstream of American life.

We have two bills before us. I am going to vote in favor of both bills, although I do not think that both bills should gain final passage by both Houses, and be signed into law, and I think that someone is going to have to take a position at some point in time. I would have preferred that this could have been worked out between the two committees involved. I am sorry that that could not be done.

As I said before, I think that the environmentalists are in favor of the basic approach of H.R. 3130. I too feel that it is the preferable approach. Construction-industry people and those in the construction trades want a solution—a quick one. I also want the quickest approach. I think H.R. 3130 might be the quickest approach. I am not sure about that. I will vote for both bills.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FORSYTHE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Kindness).

Mr. KINDNESS. Mr. Speaker, the thing we are dealing with here this afternoon seems to me to be something like a giant bureaucratic worm. Really, we are talking about a nip of the worm's posterior. We have been dealing with two little quirks in the law which affect the tortuous path which has to be followed on every federally aided highway project. They are like two pebbles on that path. These quirks in the law are multiplied many times over when we stop to think about the statutory and regulatory provisions that affect Federal aid highway projects.

When we add one quirk, which is a little twist in the law, to another, we come up with something we might call a squiggle. Indeed, there are so many of these quirks and squiggles, we might even say that the law is rather squiggled up in this area.

What we need is relief from that current multiagony process by which federally aided highway projects progress. Indeed, there should be in a real sense in these days of high unemployment in the construction industry a moratorium on a part of the process which is slowing down the administration and expenditure of federally aided highway project funds.

Why should there not be a thorough study made of this multiagony process? Why should there not be a straightening out of some of the quirks and squiggles in the law?

Mr. Speaker, I would urge other Members who are concerned about the matters of unemployment, better transportation, spurring the economy, and progress along the lines of energy saving, to take a look at H.R. 4912 and consider their support of that measure.

I recently introduced H.R. 4912 which would place a 3-year moratorium on the requirement for a detailed statement on environmental impact on any federally aided highway project. In addition, it would establish an 11-member commission to investigate the entire process of planning and approving federally aided highway projects, and within 2 years the commission would have to make recommendations as to how the process can be streamlined so as to avoid costly delays.

We are all aware that there are at least five other statutory provisions provided by the Congress for the protection of the environment and sociological concerns relating to Federally aided highway projects. We must also remember that, as currently implemented, the environmental impact statement does not by itself provide any automatic protection for our environment. It is merely a catalog, as I see it, of environmental considerations.

Even though a statement points to serious environmental damage, the project may proceed as originally planned. A really more effective way must be found to protect the environment.

When the National Environmental Policy Act was passed in 1969, one of its most significant provisions was the requirement of environmental impact statements for projects involving Federal funds. The intent of Congress was obvious and well-founded; highway administrators must consider a project's potential environmental damage before construction.

But what has developed since then has been a tangle of bureaucratic clearances that have delayed almost every Federal highway project; some only briefly, but many for periods of 2 or 3 years. I am certain that all of us, at one time or another, have heard complaints from those involved in highway planning.

What happens when a project is delayed for even 1 or 2 years? With our current inflationary trend, a project which would have cost $8 million in 1973 cost the taxpayers $10 million in 1974. And, more importantly, while a project is in limbo, several hundred construction workers must look elsewhere for jobs.

On February 12, the President released $2 billion for expanding and expediting highway construction. It has been estimated that this would create 110,000 new jobs directly as well as an additional 140,000 job opportunities because of the positive ripple effect it would have upon the economy in a given locality. Our economy needs these jobs now; our communities need these highways; a delay of even 1 year tremendously raises our costs and stagnates employment.

In the consideration of the Emergency Employment Appropriations Act of 1975, we were deeply engaged in debate about how to speed up the availability of job opportunities, involving the appropriation of almost $6 billion for various types of projects. In many of those appropriations, there is involved the need for environmental impact statement consideration.

If the Congress is serious about providing new job opportunities with the appropriation of public funds, it would seem to me that the Congress would also support this legislation so as to allow the actual use of those funds for projects like those included in the Emergency Employment Appropriations Act of 1975.

I know that there will be some who feel that this legislation poses a threat to the environment, however, section 204 (c) of the Demonstration Cities and Metropolitan Development Act of 1966 authorizes designation of local and State review agencies and requires coordination of all Federal undertakings with such designated review agencies;

Section 106 of the Historic Preservation Act of 1966 authorizes establishment of a Council on Historic Preservation and a National Register of Historic Places and requires that the Council on Historic Preservation be afforded an opportunity to comment on any Federal proposal which affects a historic site on the National Register;

Section 15(a) of the Federal Aid Highway Act of 1966 and section 4(f) of the Department of Transportation Act of 1966 as amended by section 18(a) of the Federal Aid Highway Act of 1968, require the Secretary of Transportation to determine that there are no feasible and prudent alternatives to the use of land from a public park, recreation area, wildlife or waterfowl refuge, or historic site before approving a project using such lands and that all possible planning has been given to minimizing harm to such lands;

Intergovernmental Cooperation Act of 1968 authorizes establishment of metropolitan, regional, and State clearinghouses and requires that they be given an opportunity to review all Federal undertakings within their jurisdiction;

Section 24(a) of the Federal Aid Highway Act of 1968 amended existing public hearing requirements to add social and environmental considerations and a requirement that the highway agency determine that the proposed project is consistent with goals and objectives promulgated for the community. Previous legislation included only economic considerations;

Section 135(a) of the Federal Aid Highway Act of 1970 requires a report indicating the consideration given to economic, social, environmental, and other effects of the highway location or design, and various alternatives which have been raised during the hearing or otherwise considered; and

Section 136(b) of the Federal Aid Highway Act of 1970 requires promulgation of guidelines for assuring consideration of social, economic, and environmental effects of highway proposals, standards for highway and environmental effects of highway proposals, standards for highway noise levels, and guidelines for assuring consistency of the highway proposals with the approved State air implementation plan.

As you can see, there are ample provisions for environmental and sociological considerations.

We must also remember that, as currently implemented, the environmental impact statement does not, by itself, provide any automatic protection for our environment. It is merely a catalog of environmental considerations. Even though a statement points to serious environmental damage, the project may proceed as originally planned; a more effective method must be found.

But impact statements have had the effect, whether intended or accidental, of delaying the approval of grants for highway projects. In other words: the environmental impact statement process appears to have been used to slow down the expenditure of highway funds.

Our Nation can ill afford to continue the complex and time-wasting process currently in vogue, when jobs are so sorely needed in the hard hit construction industry. This multiagony process is a threat to the recovery of our Nation's ecomony.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FORSYTHE. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. Robert W. Daniel, Jr).

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I wonder if the gentleman from California (Mr. Leggett) would respond to two or three questions that I have.

Mr. LEGGETT. I would be pleased to.

Mr. ROBERT W. DANIEL, JR. As I understand it, one of the drawbacks in H.R. 3787, as you see it, is that it applies selectively to the three States of New York, Vermont, and Connecticut.

Mr. LEGGETT. If the gentleman will yield, that is right. I think when we enact laws for just three States, by implication we indicate that the law is different for the other 47, and that can create litigation by itself.

Mr. ROBERT W. DANIEL, JR. I would agree that selective applicability to certain States is probably an unsound characteristic of legislation. I will ask the gentleman from California if he intends to join me when we will have a chance to oppose what I regard as a pernicious piece of selective legislation; namely, the extension of the Voting Rights Act, or would he prefer to see this act applied uniformly to all States in the Union, or perhaps does he see this as a different situation?

Mr. LEGGETT. Obviously that is a different situation, but I would hope that we could have the same rights to vote enjoyed by all citizens of all the country on an equal basis, and if we have problems in all States I would then support solving those problems in that way.

Mr. ROBERT W. DANIEL, JR. I thank the gentleman.

Mr. FORSYTHE. Mr. Speaker, I have no further request for time.

Mr. LEGGETT. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. Oberstar).

Mr. OBERSTAR. Mr. Speaker, I thank the chairman of the subcommittee for yielding.

I commend the gentleman for the extraordinarily fine job of conducting fair and open hearings and allowing all the spectrum of viewpoints to be heard and for being unusually thorough and prompt in acting on this important piece of legislation.

As the chairman of the subcommittee knows, my concern has been that we should get this project under way to alleviate the unemployment problem.

It appears to me the work of this committee and subcommittee in reporting this bill out should clearly on a broad basis resolve this question of Federal involvement and Federal impact statement. If enacted, then as a result of this bill there should be no further legal or administrative or judicial barriers to the construction of highway projects now affected by the case, certainly as it relates perhaps to the Federal impact statements.

Mr. LEGGETT. Mr. Speaker, I thank the gentleman for his views on our committee.

I think the gentleman is exactly correct when he states the effect of the bill before the House. We do not intend to change the law. We do want to confirm that this is a delegable function but the delegator retains all his responsibilities under the National Environmental Policy Act which has long been the law.

Mr. LaFALCE. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from New York, the author of the bill.

Mr. LaFALCE. Mr. Speaker, is it not correct that one of the first concerns is the immediacy with which we could cope with the problem?

Mr. LEGGETT. Certainly I think we want to pass the bill in the quickest and most comprehensive way that will avoid further litigation on this issue.

Mr. LaFALCE. Is it not true we have been advised that H.R. 3787 will have to be amended on the Senate side to switch from a three-State approach to an across-the-board approach? Is that correct?

Mr. LEGGETT. At the present time the bill H.R. 3787 in its present form is opposed by the Federal Highway Administration. That was their testimony before our committee. So necessarily an amendment would be required in the Senate to conform that bill to the desires of FHWA, in order to be acceptable to that agency.

Mr. LaFALCE. Is it correct that the chairman of the Merchant Marine Committee has had a personal conversation with the chairman of the Senate Interior Committee, the junior Senator from Washington (Senator Jackson) and that counsel for the House committee has had conversation with counsel for the Senate committee saying there would be immediate hearings on H.R. 3130 on its passage?

Mr. LEGGETT. That is hearsay on hearsay and I cannot comment on that, but I think there have been general representations that H.R. 3130 would move quickly in the Senate. It is possible that with their nongermane requirements they could amend H.R. 3130 into H.R. 3787 on the floor so the bill of the gentleman from New Jersey (Mr. Howard) could go forward. There are all kinds of ways the problem could be resolved. We have the bill before us. I hope we can pass our legislation. If Members want to vote for both of the bills I suppose they can do that, too.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I want to ask a question of the gentleman from New York who posed a question about the fact that the other body may make this a national bill rather than a three-State bill. Is the gentleman under the impression that if this is done that would cause even 1 day's delay in the passage of the bill?

Mr. LaFALCE. No; the answer is "No."

Mr. LEGGETT. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Ottinger).

Mr. OTTINGER. Mr. Speaker, I think it is terribly unfortunate that we have to consider here today either of these pieces of legislation. As I indicated in my remarks on H.R. 3787, the Federal Highway Administrator, in stopping all the projects in New York, Connecticut, and New Jersey, was acting improperly; it is a blatant case of highway robbery from my point of view. I think he could and should have interpreted the Second Circuit Court of Appeals decision to read just exactly as these bills do read and could have proceeded with the projects in the three affected States. I think he held up those projects with the insidious intent to poke holes in the Environmental Protection Act. He has not succeeded in that, thanks to the alert action of the Public Works and Merchant Marine Committees.

I think both of these committees have done responsible work in providing and assuring that projects go forward and that the Federal Environmental Policy Act protections will still remain in effect.

I do hope that if an effort is made to amend the bill, H.R. 3787, to apply to all States, that the pitfalls of reintroducing the concept of segmentation will be avoided.

In an effort in that regard made by the chairman of the subcommittee, the language tentatively adopted does raise those problems. I hope it should be redrawn in such a way to avoid the segmentation problem, as the committee did when it reported H.R. 3787.

H.R. 3130 merely restates existing law with respect to preparation of environmental impact statements, assuring that the responsible Federal official "furnishes guidance and participates in such preparation and independently evaluates such statement prior to its approval or adoption." To the extent that court decisions can be interpreted to prohibit State preparation of the materials for environmental impact statements, subject to such Federal participation, review, and approval, the uncertainty is removed. The language of this bill set-

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ting forth the Federal responsibilities is more comprehensive than in H.R. 3787, and if the latter is amended to include all States, I hope this language will be adopted.

Either bill permits construction to proceed and essential environmental protections to be preserved, overcoming the pernicious effects of the stoppage by the Federal Highway Administration of all projects under its jurisdiction in the affected States. I therefore am glad to support H.R. 3130 as well.

Mr. LEGGETT. Mr. Speaker, I yield the remaining few seconds for a question from the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, do not the words: "Furnishes guidance and participates in such preparation and independently evaluates such statement prior to its approval and adoption," and "having been prepard by a State agency or official," constitute a restatement of the present NEPA statute?

Mr. LEGGETT. No. If the gentlewoman will allow me, H.R. 3130 says:

> This procedure shall not relieve the Federal official of his responsibilities for the scope, objectivity, and content of the statement, nor of any other responsibilities under this Act.

Ms. ABZUG. Does the new language require additional duties?

Mr. LEGGETT. Wait a minute. I have not yielded any further.

Ms. ABZUG. I am asking the question, anyway.

Mr. LEGGETT. I think we will have our highways easier and quicker in H.R. 3130 than in H.R. 3787.

I would ask that H.R. 3787 be defeated and that H.R. 3130 be passed.

Mr. LENT. Mr. Speaker, I rise in support of this legislation which would correct an inequity forced upon 3 of our 50 States—New York, Connecticut, and Vermont.

The problem is one of both time and content. The second circuit court ruling that State-prepared environmental impact statements do not satisfy provisions of the National Environmental Policy Act—even though the EIS is carefully reviewed by the Federal Highway Administration prior to its approval—in effect freezes 147 Federal-aid highway projects in these three States on which construction would begin in 1975 and 1976. Eighty of these projects are in New York. In addition, the court-ordered freeze stops the development of more than 200 projects in New York on which construction would commence in the 1977–80 period. While the second circuit court decision could be appealed, it probably would take 2 years before the Supreme Court hands down a decision. In the meantime, without a prompt solution, highways in the affected States would suffer enormous deterioration since much of the work involves reconstruction of existing roads.

In terms of dollars, the second circuit court decision blocks $1.275 billion in construction over the next 2 years. Extrapolating that to cover all projects affected by the decision, including those where EIS are either completed or being prepared, we actually are talking about a sum in excess of $3¼ billion.

In even more important terms of jobs in these recession times, we are talking about the loss of 1[illegible]2,000 construction jobs and roughly 300,000 jobs in all industry and business. In addition, millions of dollars already spent by the States in studies and plans for highway work would be wasted.

Recently President Ford released $2 billion in impounded highway construction funds. Even more recently Congress passed a $5.9 billion emergency employment bill. If legislation is not passed to permit Federal approval and adoption of EIS prepared by the appropriate State agency or official of New York, Connecticut, and Vermont, these States will suffer interminable delays in federally funded highway projects; receive none of the benefits of the $2 billion of highway funds; and receive less than an equitable share of the funds contained in the $5.9 billion emergency employment bill.

Mr. DODD. Mr. Speaker, I rise in support of H.R. 3130, which would amend the National Environmental Policy Act to clarify the degree of Federal involvement in the preparation of environmental impact statements intended by that act.

The need for this legislation has arisen from a decision handed down by the Second Circuit Court of Appeals in the case of Conservation Society of Southern Vermont against Secretary of Transportation, which dealt with the question of whether or not NEPA allowed any involvement by State agencies in the preparation of environmental impact statements. Although some people have interpreted this decision as reaffirming the State's past role in preparing environmental impact studies, others have read the decision to mean that a Federal agency must itself prepare an environmental impact statement and cannot delegate any part of the preparation to the State. As a result of this ambiguity, the Federal Highway Administration has imposed a halt to all federally funded projects in the States subject to the second circuit, namely, New York, Vermont, and Connecticut.

I would like to point out here that, in addition to being highly ambiguous, the decision made by the Second Circuit Court of Appeals is in direct contrast to the rulings handed down by virtually all other courts, which have held that the National Environmental Protection Act did not preclude the States from taking part in the preparation of environmental impact statements. Another pertinent consideration is the fact that the Council on Environmental Quality, which is charged with the administration of NEPA, has questioned the need for a halt in federally funded highway projects by the Federal Highway Administration, stating that the decision made by the second circuit court is not substantially different from opinions in other courts. Although the Council on Environmental Quality states that only minor administrative adjustments are necessary to deal with this matter, the confusion which has resulted from the Vermont decision has pointed to the critical need to clarify the degree of Federal participation intended by the National Environmental Policy Act.

The impact of the Vermont decision on my State of Connecticut is a prime example of the critical need for clarification of NEPA. The freeze imposed by the Federal Highway Administration on project approvals has delayed 13 projects estimated to cost $164,398,000 which had been scheduled to begin in 1975 and 37 projects estimated to cost $843,639,000 which are scheduled to begin in the years 1976–80. This freeze has resulted in the construction stoppage of 50 projects estimated to cost a total of $1,008,037,000. Undoubtedly, this construction halt has contributed to unemployment in the State of Connecticut, which in my district ranges from 5 percent in New London to 22.9 percent in Plainfield. In addition, the freeze on project approvals may preclude the States of Connecticut, New York, and Vermont from obtaining part of the $2 billion in impounded Federal highway funds released by President Ford on February 12. States are presently being permitted to obligate funds on a first-come, first-served basis, subject only to individual State apportionment limitations. President Ford released these funds with the idea of creating jobs in mind. However, due to the disruption caused by the Vermont case, the State of Connecticut has not been able to take advantage of these funds. With a June 1975 deadline for obligation quickly approaching, clarification of the National Environmental Policy Act is desparately needed—not just for the construction of highways in the State of Connecticut, but for all agencies and projects involved in environmental impact statements in every State.

Mr. Speaker, in considering H.R. 3130, we are only adding further clarification to existing provisions of the National Environmental Policy Act. As the Merchant Marine and Fisheries Committee states in its report, "This bill does no more than to restate the intention and purpose of NEPA." Under H.R. 3130, the objectives of NEPA would remain intact; the need for responsible Federal guidance and evaluation of environmental impact statements prepared by the States is outlined and emphasized.

I hope my colleagues will give their support to this very important legislation.

Thank you.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. LEGGETT) that the House suspend the rules and pass the bill (H.R. 3130), as amended.

The question was taken.

Mr. HOWARD. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from New Jersey withdraw his point of order that there is no quorum.

Mr. HOWARD. Yes, I do, Mr. Speaker.

POINT OF ORDER

Mr. ASHBROOK. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. ASHBROOK. Mr. Speaker, I understood that this was the last suspension of the day.

The SPEAKER pro tempore. The Chair was just about to make that statement.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 3787 and H.R. 3130.

HIGHWAY PROJECTS IN NEW YORK, VERMONT, AND CONNECTICUT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 3787, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. HOWARD) that the House suspend the rules and pass the bill H.R. 3787, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 275, nays 99, not voting 58, as follows:

[Roll No. 130]

YEAS—275

Abdnor
Adams
Addabbo
Alexander
Ambro
Annunzio
Archer
Ashbrook
Bafalis
Barrett
Baucus
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Bingham
Blanchard
Bolling
Bowen
Breaux
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Cleveland
Collins, Ill.
Collins, Tex.
Conable
Conlan
Cotter
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Devine
Dickinson
Dodd
Downey
Duncan, Oreg.
Edgar
Edwards, Ala.
Eilberg
English
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hammerschmidt
Hanley
Hannaford
Harsha
Hastings
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
LaFalce
Landrum
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lujan
McClory
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quillen
Railsback
Randall
Rangel
Rhodes
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Yatron
Young, Alaska
Young, Tex.
Zablocki

NAYS—99

Abzug
Anderson, Ill.
Andrews, N. Dak.
Armstrong
Aspin
AuCoin
Baldus
Bauman
Bedell
Biester
Blouin
Boggs
Bonker
Breckinridge
Brinkley
Buchanan
Burton, John
Burton, Phillip
Carr
Chisholm
Cohen
Conte
Corman
Cornell
Coughlin
D'Amours
Dellums
Derwinski
Downing
Drinan
Duncan, Tenn.
du Pont
Early
Eckhardt
Edwards, Calif.
Emery
Erlenborn
Fenwick
Fisher
Forsythe
Frenzel
Green
Gude
Hamilton
Harkin
Harris
Hayes, Ind.
Hechler, W. Va.
Holtzman
Johnson, Colo.
Kastenmeier
Keys
Koch
Krebs
Krueger
Lagomarsino
Leggett
Long, Md.
McCloskey
McCollister
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Moorhead, Calif.
Mosher
Moss
Nolan
Obey
Patterson, Calif
Quie
Rees
Regula
Reuss
Richmond
Roush
Roybal
Ruppe
Sarbanes
Schroeder
Seiberling
Sharp
Smith, Nebr.
Stark
Steelman
Studds
Thone
Thornton
Treen
Tsongas
Vanik
Waxman
Weaver
Whalen
Wylie
Yates
Young, Ga.

NOT VOTING—58

Anderson, Calif.
Andrews, N.C.
Ashley
Badillo
Biaggi
Boland
Brademas
Brodhead
Brown, Calif.
Burleson, Tex.
Clausen, Don H.
Clay
Cochran
Conyers
Dent
Derrick
Diggs
Dingell
Esch
Ford, Mich.
Frey
Fulton
Fuqua
Goldwater
Goodling
Hansen
Harrington
Hawkins
Heinz
Hightower
Holland
Howe
Jones, Tenn.
Jordan
Lott
McCormack
Martin
Melcher
Milford
Mills
Mineta
O'Brien
Pepper
Pritchard
Risenhoover
Shipley
Shriver
Skubitz
Steiger, Wis.
Stokes
Udall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wirth
Wydler
Young, Fla.
Zeferetti

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Dent and Mr. Holland for, with Mr. Zeferetti against.

Mr. Howe and Mr. Wydler for, with Mr. Biaggi against.

Until further notice:

Mr. Pepper with Mr. Badillo.

Mr. Hawkins with Mr. Andrews of North Carolina.

Mr. Wirth with Mr. Brown of California.

Mr. Brademas with Mr. Clay.

Mr. Diggs with Mr. Derrick.

Mr. Jones of Tennessee with Mr. Harrington.

Mr. McCormick with Mr. Conyers.

Mr. Fulton with Mr. Bob Wilson.

Mr. Fuqua with Mr. Wiggins.

Mr. Anderson of California with Mr. Martin.

Mr. Ashley with Mr. Goodling.

Mr. Boland with Mr. Skubitz.

Mr. Burleson of Texas with Mr. Don. H. Clausen.

Mr. Dingell with Mr. Heinz.

Mr. Ford of Michigan with Mr. O'Brien.

Mr. Charles Wilson of Texas with Mr. Esch.

Mr. Udall with Mr. Lott.

Mr. Stokes with Mr. Mills.

Mr. Shipley with Mr. Frey.

Mr. Mineta with Mr. Pritchard.

Mr. Hightower with Mr. Goldwater.

Mr. Brodhead with Mr. Shriver.

Mr. Risenhoover with Mr. Young of Florida.

Miss Jordan with Mr. Steiger of Wisconsin.

Mr. Melcher with Mr. Milford.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

STATE PARTICIPATION IN ENVIRONMENTAL ANALYSES

Mr. SPEAKER pro tempore (Mr. MATSUNAGA). The unfinished business is the question of suspending the rules and passing the bill (H.R. 3130), as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California, Mr. LEGGETT, that the House suspend the rules and pass the bill H.R. 3130, as amended.

The question was taken.

Mr. HOWARD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 370, nays 5, not voting 57, as follows:

UMI

[Roll No. 131]

YEAS—370

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holt
Horton
Howard
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Passman
Patman
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Winn
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

NAYS—5

Abzug
Hechler, W. Va.
Holtzman
Koch
Traxler

NOT VOTING—57

Anderson, Calif.
Andrews, N.C.
Ashley
Badillo
Biaggi
Boland
Brodhead
Burleson, Tex.
Clausen, Don H.
Clay
Cochran
Conyers
Dent
Diggs
Dingell
Evans, Colo.
Ford, Mich.
Frey
Fulton
Fuqua
Goldwater
Goodling
Harrington
Hawkins
Heinz
Hightower
Holland
Howe
Jones, Tenn.
Jordan
Lott
McCormack
Martin
Melcher
Milford
Mills
Mineta
Murtha
O'Brien
Patten
Pepper
Pritchard
Risenhoover
Schneebeli
Shipley
Shriver
Skubitz
Stokes
Symington
Udall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wirth
Wydler
Young, Fla.
Zeferetti

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Dent with Mr. Anderson of California.
Mr. Zeferetti with Mr. Andrews of New Jersey.
Mr. Pepper with Mr. Ashley.
Mr. Biaggi with Mr. Dingell.
Mr. Holland with Mr. Hawkins.
Mr. Risenhoover with Mr. Patten.
Mr. Howe with Ms. Jordan.
Mr. Diggs with Mr. Badillo.
Mr. Boland with Mr. Martin.
Mr. Mineta with Mr. Wirth.
Mr. Murtha with Mr. Lott.
Mr. Charles Wilson of Texas, with Mr. Schneebeli.
Mr. Udall with Mr. Don H. Clausen.
Mr. Shipley with Mr. Bob Wilson.
Mr. Symington with Mr. Heinz.
Mr. Stokes with Mr. Jones of Tennessee.
Mr. McCormack with Mr. Frey.
Mr. Melcher with Mr. Shriver.
Mr. Fulton with Mr. O'Brien.
Mr. Fuqua with Mr. Skubitz.
Mr. Ford of Michigan with Mr. Goldwater.
Mr. Evans of Colorado with Mr. Wiggins.
Mr. Brodhead with Mr. Young of Florida.
Mr. Burleson of Texas with Mr. Goodling.
Mr. Conyers with Mr. Harrington.
Mr. Clay with Mr. Milford.
Mr. Hightower with Mr. Mills.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. BEARD of Rhode Island. Mr. Speaker, I regret that on the day the vote on the youth camp safety bill was taken that I was not able to be present in the chamber. Although I spoke vigorously in support of this piece of legislation, I was forced to go back to my district in Rhode Island and it is really with regret that I could not be here for that most important vote.

Mr. Speaker, had I been present, I definitely would have voted "aye."

FURTHER CONGRESSIONAL ACTION NEEDED TO HELP ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Lloyd) is recognized for 15 minutes.

Mr. LLOYD of California. Mr. Speaker, the Congress began 1975 faced with the worst depression since 1941. Unemployment has been soaring and the energy shortage has lost none of its crisis proportions.

Looking back on the first 10 weeks of the 94th Congress, I can say that Congress has responded to meet the economic emergency with positive programs.

We cannot stop there, however. Congress must develop an energy policy that will reduce our dependency on foreign oil and at the same time insure adequate fuel supplies.

And, to assure long lasting economic health for America and Americans. We need to cut Federal spending by critically reviewing new spending programs and economizing in the current Federal budget.

Our unifying goal is renewed economic prosperity; that means full employment, careful growth and a strong free enterprise system. To accomplish economic recovery, however, we must look at the immediate situation. Emergency economic action was necessary by Congress, and in its first 10 weeks, Congress delivered.

Not unlike hospital emergency room doctors, Congress first had to stop the bleeding—the flow of money away from individuals. Congress passed and the President signed the $22.8 billion tax reform law granting rebates on 1974 taxes and cutting 1975 taxes so that Americans will receive more money in their paychecks after taxes.

This action will put money back into the hands of Americans, giving them increased purchasing power by which to stimulate production lines.

Tax reform will ripple favorably throughout the economy and help reverse the rising tide of unemployment, but we cannot afford to wait. Again, Congress has taken emergency action.

The House of Representatives has passed the Emergency Employment Appropriations Act. If approved by the Senate and signed into law by the President, some 900,000 new jobs will be created and thousands more will be generated.

This legislation provides for public service jobs, summer jobs for youths, work-study grants for college students, job training programs and employment programs for older Americans.

Helping the unemployed is the top national economic priority. The Federal deficit, now projected at $73.2 billion, would be erased or substantially reduced with full employment. If every American who was able to work could find a job, the Federal Government would have a balanced budget.

But, that is not the case. Our current rate of joblessness results in a loss to the Federal Treasury of about $75 billion, from both payouts in unemployment benefits and in lost tax revenues.

That $75 billion could balance the Federal budget, and if America had full employment, as it is capable of having, the deficit could be wiped away.

Employment, therefore, is clearly the key to solving our economic ills. Congress was equal to the challenge in its first 10 weeks and has taken the necessary emergency actions.

Economic problems take a variety of forms and are manifested in many areas of life. For some time, the housing market has been in serious trouble, and middle-income homeowners and would-be home buyers are caught in a terrible financial squeeze.

Millions of Americans are prohibited from buying homes because of the state of the economy, and millions of homeowners are increasingly unable to meet mortgage payments.

Putting the housing industry back on its feet would serve to instill vigor into the economy and at the same time improve the quality of life for Americans.

To meet this urgent need, the House passed the Emergency Middle-Income Housing Act to assist hundreds of thousands of homeowners with mortgage payments and provide for new home purchases at guaranteed low interest rates.

WHAT NEEDS TO BE DONE

I recently went home to my district in southern California and met with many of my constituents. They agreed that Congress' first 10 weeks demanded emergency action, but they wonder what Congress will do in the next several months regarding the economy and energy shortage.

Primarily, Congress must resist wasteful, open-ended Federal spending that will plunge us deeper into economic depression. The special Budget Committee was set up with the single-minded purpose of controlling spending and establishing accountability and responsibility for Federal spending.

Now, more than ever, we need to have cricital review of any measures that come before the Congress that would require additional spending. Programs which may have high merit might have to be turned away if they would cause further damage to the economy.

Congress has to get the taxpayers' moneysworth for Federal programs. The fat must be cut from the Department of Defense and other agencies, and the various Federal agencies must be prevented from duplicating each other's work at tremendous taxpayer expense.

From my office in Washington, it is easy to talk about the economy. However, my recent visit to my district reaffirmed my belief that what we are really talking about are the 210 million individual economies of Americans and their families.

There can be no doubt that energy is the key factor in the recovery of the family economy.

In the 35th District, gasoline is the lifeblood of the local economy. We don't nave rapid transit to ease us through another oil embargo; we need adequate supplies of gasoline at prices which will not destroy the already overburdened family budget.

We need an energy policy that will meet our long-term needs. This means increased supplies of petroleum immune from foreign embargos. At the same time, we cannot suddenly penalize motorists for consumption patterns which have evolved over decades of abundant and inexpensive energy. Americans have already cut down on the consumption of fuel, and we are moving to smaller and more economical cars and better insulated homes and offices.

It is senseless to add to the high prices we now pay for energy by imposing higher Federal taxes. This is not the way to cut consumption. I intend to oppose any measure that seeks to ration gasoline or which would raise taxes.

We all remember the Arab oil embargo that caused unprecedented chaos in our economy. We also know that record prices and lines at gas pumps were matched by record high profits by the oil companies. We must make sure that these companies now use those profits to find new supplies of oil. And, as supplies of oil increase and consumption remains conservative, we must have lower prices at the pumps, not gifts and gimmicks designed to increase sales and profits.

I believe our energy program must find a balance between prices, supplies, and economic incentives for the oil industry. However, this must not be achieved at the expense of the consumer who has just financed the best year for profits in the history of petroleum marketing.

We can achieve an equitable energy policy. We have the machinery to do it, so let us get on with it. America is still vulnerable as far as energy is concerned, and I do not like it.

SUPPORTING OUR MISSING IN ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. Fraser) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, The House of Representatives of the State of Minnesota adopted March 24, 1975, "a house concurrent resolution urging that a presidential commission be established to investigate the matter of American Prisoners of War and persons Missing in Action in Indochina." The Minnesota State senate concurred in this March 27.

This resolution was introduced by Representatives Gary W. Laidig, Peter X. Fugina, Ronald Evans, Richard J. Kostohryz, and Bruce Nelsen. It was received by this House April 14 and has been referred to the Committee on Armed Services. A copy of the resolution is reproduced below.

Mr. Speaker, I have written to the President endorsing the concept of a Presidential commission. I think this makes sense. It is the best way to re-
from the HydroLab to depths as great as
questions of the families involved.

STATE OF MINNESOTA LEGISLATURE

A house concurrent resolution urging that a presidential commission be established to investigate the matter of American Prisoners of War and persons Missing in Action in Indochina

Whereas, more than two years have elapsed since the Paris agreement that was to have ended American involvement in the Indochina war; and

Whereas, one of the conditions of the agreement was provision for a return or accounting for prisoners of war and persons missing in action; and

Whereas, more than 2,400 Americans remain unaccounted for with investigation of their status arrested by failure of North Vietnam and its allied political movements to cooperate and assist; and

Whereas, the sorrow, anxiety and frustration of the families of these men cannot be dispelled by delay or neglect; and

Whereas, several congressmen have proposed measures to stop administrative action on the status of these men until an authentic, comprehensive investigation of their fate has been completed; and

Whereas, this tragic problem requires the undivided and disinterested attention of a body established for the purpose; now, therefore,

Be it resolved, by the House of Representatives of the State of Minnesota, the Senate concurring, that the President of the United States should establish a Presidential Commission to investigate the status of the prisoners and missing, to do all it can itself to answer the questions surrounding their status, to secure the return of any living prisoners or persons missing, to secure the return of the remains of the dead, and to instruct the regular departments of government on proper action to take pending resolution of the questions.

Be it further resolved, that the Chief Clerk of the House of Representatives transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the chairman of the Committee on Foreign Affairs of the United States House of Representatives, the chairman of the Committee on Foreign Relations of the United States Senate and the Speaker of the House shall appoint a member of the House and the Senate Committee on Committees shall appoint a member of the Senate to deliver the resolution to the office of the Minnesota Representatives and Senators in Congress.

ADDRESS OF THE HONORABLE CARL D. PERKINS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. Natcher) is recognized for 10 minutes.

Mr. NATCHER. Mr. Speaker, my good friend and fellow Kentuckian, Representative Carl D. Perkins, has long recognized the integral part and unifying force a library can be in the life of a

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community. Since he has been a Member of Congress he has advocated the need throughout the country for a strong and free library system and as the very able chairman of the Committee on Education and Labor in the House he has worked diligently in support of all Federal programs which would accomplish this goal.

Some time ago Representative PERKINS accepted an invitation to speak to the Statewide Conference on Public Libraries at Lexington, Ky. His address was delivered earlier this month and at this time I enter his speech in the RECORD:

SPEECH DELIVERED BY THE HON. CARL D. PERKINS ON APRIL 12, 1975, TO THE STATEWIDE CONFERENCE ON PUBLIC LIBRARIES, HILTON INN, LEXINGTON, KY.

A few weeks ago, when someone asked me the title of this little talk of mine to the Friends of Kentucky Libraries. I said, without too much thought, "Federal Programs for Libraries: Past, Present and Future."

After I had a little time to reflect on it, it occurred to me that perhaps I would be a little presumptious in talking to this assembly about the origin of our Federal library programs.

The truth is, Friends of Kentucky Libraries was here when it all started. You supplied much of the impetus that got it going.

We in Kentucky have had a number of opportunities over the years to be in the forefront of national leadership of various fields. But I can think of no instance in which Kentucky's national leadership has been more forthright or more constructive than in the field of library development and service. This organization has carried the banner, and I am delighted to be here today to salute your accomplishments.

Nevertheless, I am not going to be lured away from any title. I am going to talk a little about the history of our library programs anyway. Because obviously, there is no one in this audience but me who remembers when Friends of Kentucky Libraries was organized 27 years ago. But you might have heard your grandparents talk about it.

Part of our story is told in a little volume, *Public Libraries for Everyone*, by Hawthorne Daniel, which I hope many of you have on your shelves.

After World War II, Kentucky, like the rest of the nation, had a long list of needs that had to be met. Many vitally needed projects had been put off because of the war, and of the Great Depression before that.

Not the least of these needs was for library services, but this need did not have a ready-made, built-in lobbying constituency. It is estimated that at that time, at least 75 million Americans had no access to public libraries or were not receiving library services that were adequate. Nowhere was the need greater than in our own state.

As in most other states, the need for libraries was greatest in Kentucky's small towns and rural areas. We were far down the list. Thirty-nine states provided library services for a greater portion of their population. In those days of 48 states, that meant we were ninth from the bottom.

It was against this background that the Friends of Kentucky Libraries came to be organized in 1948.

The first thing you did was raise money for six bookmobiles, and put them in the field. These six constituted a powerful and dramatic demonstration of the worth and value of library services. By 1953, the real dimensions of our need were coming into focus, and you began the great Kentucky Bookmobile Project.

The goal of this project was to buy a bookmobile for every county in the state, and to stock them with books. Each county was asked to hire drivers and maintain the bookmobiles, and to purchase more books as needed.

All this was done under the quiet but relentless leadership of Mary Caperton Bingham, and the project was a resounding success. No one who was living and present at the time can ever forget that September day at the 1954 State Fair in Louisville when 84 bookmobiles were turned over to Governor Lawrence Wetherby for service in the Commonwealth.

That was a proud day for Kentucky, and it was a demonstration of effort that had started months and years before Congress passed the Rural Library Services Act in 1956.

It was the Kentucky effort which encouraged me to start working for a Federal library program during my earliest days in the House of Representatives.

We almost passed a library assistance bill in the House as early as 1950. Although we failed on a 161-164 roll call vote, we came close enough to know that we would eventually prevail. And prevail we did, for in 1956 we passed and the President signed the first Federal Library Services Act.

It was a modest start, authorizing the expenditure of only $7.5 million a year. It excluded any construction projects, and provided funds could not be used in any place with more than 10,000 population.

This bill closely followed the pattern that had been set right here in Kentucky, and in a few other states. The state governments were obliged to show their interest and support in the form of matching funds.

The experience the nation had with this modest beginning was outstanding and beneficial. Thereafter, when the authorization expired, we were able to extend it and expand it here and there, until it became what we know today as the Library Services and Construction Act. It covers the entire country, provides funds for construction as well as services, and requires planning and coordination to give priority to the people and places that are still without access to library services.

No one knows better than you what Kentucky has accomplished under the impetus of the Library Services and Construction Act.

In every corner of the state, local people began to interest themselves in libraries. And if their community was without one, they petitioned for one and got it.

I am told that in library association meetings everywhere, they still tell the story of the Bell County library that had its first quarters in the Pineville City Jail. The books were stacked to the ceiling, and pretty soon Margaret Willis and her people in the State Department of Libraries had to stop sending books. They threatened to dislodge the prisoners from the other rooms of the establishment.

Now, of course, there is a bright, attractive library building in Pineville, thanks to local funds joined with Federal money from the LSCA.

There are many library success stories in Kentucky—and there is a good narrative in every one of the 39 library construction projects here in this state assisted by the Act. But I will forbear the recitation, since it is well known to you. I think I have made the point that the Library Services and Construction Act has been the foundation that has assured public library services in the most neglected parts of this commonwealth and of this country.

The Act is due for still another renewal by Congress, and I am sure of your help when the measure is taken up in the House next year.

There are still many many Americans who lack access to modern public library services—perhaps as many as 20 million. This cannot be endured in a modern society, barrelling down the road to the 21st Century.

We must continue to build on what we have accomplished, and make sure that every citizen, every boy and girl, is within easy reach of a library, no matter in what part of the country he lives.

I cannot stand here today and tell you that it will be a breeze to extend and improve the LSCA during this Congress. Notwithstanding the solid success we have to show as justification, we simply cannot count on the people who operate the day to day White House and the Office of Management and Budget. These are people who call for "zero funding" for many good educational programs, and who impound and delay the money that Congress appropriates for libraries.

They say revenue sharing will take care of library services, and then, like the funny paper librarians of old, hold up a warning finger to us and say, "Shhh! Quiet!" But all the while, they know that not one out of a hundred revenue sharing dollars ever gets close to a library door. Even if it does, that lonely dollar only substitutes for one previously dropped from the local budget.

These are the same people who criticize library construction projects and call them frills, at a time when carpenters and bricklayers and many other skilled craftsmen are among that unfortunate 8.7 per cent of the work force now unemployed.

Frankly, it is not going to be easy to extend and improve our Library Services and Construction Act. And when we do it, it is not going to be easy to get the Executive Branch to budget the funds we authorize for libraries. But we are going to do it.

And we are going to continue the school library programs. As you know, the school library resources program is now part of the consolidated Title IV–B of ESEA, Libraries and Learning Resources. The Administration asked for this consolidation and promised it would mean greater efficiency as well as more local latitude and decision making.

The Committee on Education and Labor now has before it the renewal and improvement of the Higher Education Act with its support under Title II for college libraries and training in librarianship and research and demonstrations.

This is another area of disagreement with the Administration. Spokesmen have complained before our Committee that the law requires them, as they put it, "to hand out $5,000 grants to every college library that applies, regardless of need." Well, I just don't happen to know of any college librarian—regardless of the size of his institution—who can't put an extra $5,000 to mighty good use. I know those grants are needed and are helping the institutions in my area of Kentucky.

Many of the issues I have just discussed will be resolved later this year during consideration of authorizing legislation. Within the next few days, however, certain issues will be resolved in the House during consideration of the 1976 appropriations bill for education.

As I have indicated, the Administration wishes to terminate the College Library Resources Program, and accordingly did not request FY 1976 funding. I am pleased to report to you that the House Appropriations Committee has rejected this Administration's proposal and the bill we will consider in the next few days continues the program at last year's funding level of $9,975,000. The House Appropriations Committee has also rejected the Administration's proposal to phase out the Library Services and Construction Act. Under the Committee bill which the House will consider, $46,749,000 is proposed for the Public Library Program. This is not enough, however, and I am fully supportive of an amendment which will be offered to increase funding for the public

library program and any other educational program.

The proposed amendment will add $487,000,000 to the amount approved by the House Appropriations Committee for education and related programs. $5,000,000 of that will be available for the public library program, thus bringing the level of financing up to last year's level. $10,000,000 of the amount in the proposed amendment will be added to the consolidated ESEA program which includes the Title II library program, bringing that total amount up to $147,300,000.

In my judgment, the House will next week—in rejecting the Administration's proposals—once again reaffirm its strong and consistent support for the continuation of Federal assistance for library purposes.

I have had to dwell so long on Congressional differences with the Administration that I am delighted to report on one program in which there is complete unity. The legislation providing for the upcoming White House Conference on Library and Information Services had bipartisan sponsorship—and President Ford himself introduced one of the bills for it when he was still Minority Leader of the House. (I wouldn't be surprised if there was a Friends of *Michigan* Libraries organization somewhere in the background.)

We have passed the authorizing legislation. Now it is up to the President to request the funds to make the appointments and set the dates and start the steps leading up to the White House Conference.

One of the important steps provided in the legislation, of course, is the State conference—one in every state before the general conclave in Washington. In some instances, there may be local meetings also.

These State and local meetings will be called to find out two things. First, what are the needs as the people at the State and local levels see them? What communities do not have libraries or do not have modern library facilities or do not have large enough collections of material to meet the community needs?

Second, how do the local and state people rank these needs? Which ones do they want to meet first, and how? How much money can they raise, and how much will they need from the Federal level or some other source?

The main White House Conference in Washington will bring together all this information. The needs for library and information services will be looked at from the national standpoint. The Conference will try to determine if library schools are turning out enough graduates, and if cooperation among libraries can be strengthened and encouraged. It will examine the impact on libraries of the communications satellites, cable television, computers and micro-publishing. And it will consider the cost of these new informational technologies.

I, for one, believe that the White House Conference will be very helpful to the Congress as it seeks to update the legislation in the field. We need to know how our programs are working—or not working—and what people think about them.

We need to know whether the consolidation I mentioned earlier is working, and if the people involved think it was a good idea. We need to get a fix on how much, or how little, revenue sharing is doing for libraries. In short, the feedback from the White House Conference will be a valuable legislative tool as we move forward into the 1980s.

Some of you may be wondering where the National Commission on Libraries and Information Science fits into the picture.

This is the permanent body created by Congress to review and assess the state of libraries and information services and their developing potential. The Commission will be running the White House Conference, with the help of a special National Advisory Council.

After the Conference, in 1977 and in the years beyond that, the National Commission will be on the job, we hope, supplying information and professional advice to the agencies of the Executive Branch and to the Congress. It will be an important link between the libraries of the past, the present, and the future.

Your organization is such a link, as are the Kentucky Library Association and the American Library Association, and especially its Washington office. Administrations change, and even Congressmen show occasional signs of mortality. But your organizations provide the memory of the past, and a view of the present and an outlook on the future that Government needs.

As long as my Maker and my friends of the Seventh District let me, I intend to stay on the job in Washington, working with you and your colleagues all across the country toward the goal of the finest of library service—for everyone in America.

IN REMEMBRANCE OF CRISPUS ATTUCKS AND DR. MARTIN LUTHER KING, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, on Sunday, April 20, the 10th annual Crispus Attucks-Martin Luther King, Jr., parade was held in my hometown of Newark before a cheering crowd of some 50,000 people. This event, always a high point in the New Jersey spring season, takes on an even more special significance as we move into the American Bicentennial year. For Crispus Attucks and Dr. King represent very important milestones in the history of our country.

How ironic it is that Crispus Attucks, a runaway slave, should be the first to die in the Boston massacre, that early tragedy symbolic of the need of all mankind to be free. How sad it is to recall. but recall we must, that the death of this man in the cause of freedom for all, brought no freedom from the bonds of slavery for his people. I wish that we could rewrite 200 years of history and backdate the end of human oppression in this country to that March day in 1770, but we cannot. It took a bitter Civil War years of struggle afterward, and the unparalleled leadership of Dr. Martin Luther King to make Crispus Attucks' first cry for freedom heard throughout the land.

Indeed, it is the perfect tribute to the quest for liberty made by black Americans throughout our history that the names of Crispus Attucks and Dr. Martin Luther King, Jr., should be paired in this annual event. For Attucks' death reminds us all of the early and important role of black Americans in the foundation of our Nation, while the echoed pleas of Dr. King from Selma, from Jackson, and from the very steps of our Nation's Capitol forced us to face the reality that despite their vital role in our birth, black Americans did not enjoy the same equal justice under law which we Americans rightfully expect as our national heritage. It was Dr. King and those joining him, who demanded that the birthright of every American from Attucks forward be extended to those who had been so wrongly excluded for so long.

The death of Dr. King by an assassin's bullet serves as a grim reminder that the struggle is far from over, that the time for vigilance has not passed. Yet, the lives of Dr. King and Crispus Attucks also serve, in a singular way, to point out the inherent strength of our system. For both men lived and died, as thousands have died before and since, for an ideal. That ideal is that all men and women must be free to determine their own destiny. That ideal is the bond which has held this Nation together for 200 years and will hold it together for 200 more.

So, it is indeed fitting that these men should be honored by a parade. For a parade is a celebration, and what better cause for celebration than the realization that we live in a society dedicated to the principles of liberty and justice for all. We are not perfect in our allegiance to these ideas, even now, but just as we tried to establish these basic tenets of democracy on that March day in Boston, we are still trying to this day.

AMERICA STEERS COURSE TO OFFSHORE OIL EXPLORATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, for the past 3 years the National Oceanic and Atmospheric Administration has been supporting a marine resources research program near Freeport, Grand Bahama. The Bahama Banks research program has utilized the undersea habitat, Perry HydroLab, and has resulted in over 300 aquanaut-scientists living and working on marine science and technology programs on the sea floor. Recent developments in undersea technology have now made it possible to extend the useful scientific diving time, and range of operations to combine the capabilities of undersea habitats and submersibles, and thus carry out undersea activities heretofore not possible.

The research submersible, underwater laboratory, and a variety of underwater safety stations, as well as surface vessels and facilities, have been marshalled for this month-long research project that began April 1 in the Bahamas. The purpose of the project is to enable scientist-divers to make concentrated studies of the vertical wall of a coral reef to depths as great as 250 feet.

Project SCORE—scientific cooperative operational research expedition—used saturation diving, deep air excursions and submersible lockout techniques for deep reef studies of fishes, corals, algae, and geology of reef environment. The project was carried out cooperatively by the Commerce Department's National Oceanic and Atmospheric Administration, The Harbor Branch Foundation, Inc., of Fort Pierce, Fla., and the Perry Foundation, Inc., of Rivera Beach, Fla.

The Perry HydroLab habitat provided diver teams with an underwater "home," and Harbor Branch's submersible Johnson-Sea-Link shuttled them from the laboratory to their research sites as far as a mile away and to depths 190 feet deeper than HydroLab.

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Program coordinator is Dr. James Miller, Deputy Director of NOAA's Manned Undersea Science and Technology—M.U.S. & T.—program. Operations director is Robert Wicklund of Perry Foundation, Inc., and director of submersible operations and training is Roger Cook of Harbor Branch Foundation, Inc. Dr. Morgan Wells of NOAA's M.U.S. & T. is chief specialist.

Four teams of diver-scientists saturated in the Perry HydroLab for 5 days each at a depth of 60 feet. The Johnson-Sea-Link picked up and transported two members of each team into deep water, where one locked out and descended to depths as great as 250 feet for up to 45 minutes. Other team members swam from the HydroLab to depths as great as 200 feet for 1 hour.

The use of air as a breathing mixture to these depths for extended times represents a significant advance in diving technology. The same techniques are expected to be used in the offshore oil industry in the near future at comparable depths, to avoid the expense and complications of exotic gas mixtures.

Scientists conducted experiments, made collections, and photographed the reef and its inhabitants. Scientific goals of SCORE were to:

Extend oceanographic, geological, chemical, and biological knowledge of the reef environment;

Supplement previous shallow-water studies of species composition, distribution, abundance, and dynamics;

Obtain environmental data on reaction of a coral reef community to natural and man-induced stresses.

Dives are uncommon below 200 feet for scientific research on coral reefs. Those that have been made yielded species of coral, fish, algae, and other marine organisms new to the area—some previously reported only from single dredge hauls elsewhere. Preliminary research on some of the deeper dives also showed that biological zones are very pronounced at depths in which most environmental conditions are relatively constant.

Data on the relationships between living organisms and their environment will assist scientists in identifying those factors that influence the distribution and abundance of the organisms, and their ability to survive under different types of environmental stress.

Seneca College of Applied Arts and Technology, King City, Ontario, provided support divers for the SCORE operation. Scientist-divers from France and Germany participated during two of the missions.

The decompression schedules for excursions from the Perry Hydro Lab and for lockout dives from Johnson-Sea-Link were developed by Tarrytown, N.Y., Labs, and extensively tested in the hyperbaric chamber facility at Duke University. Medical supervision provided by Harbor Branch Foundation, Inc., with assistance from the MacInnis Foundation of Canada.

Project SCORE brought together again, in a joint endeavor, two modern-day ocean pioneers, John H. Perry, Jr., and Edwin A. Link. In 1966 the two men collaborated in designing and constructing the Deep Diver submersible, the world's first commercial diver lockout submarine.

SCORE SCIENCE PROGRAM

Direct observation is accepted as the best method to study coral reef environments, and lightweight diving equipment enables scientists to extend their studies to deeper water for short periods of time. Underwater laboratories and lockout submersibles provide a major increase in the time, depth, and range over which the undersea studies can be conducted.

The combined use of Johnson-Sea-Link and Hydro Lab during SCORE will permit scientists to work longer at depth, and to cover a greater area. The combination will make it possible for the scientists to extend their studies of reef community structure and function, and to better define geological processes.

Many of the areas to be investigated during SCORE have been observed only briefly or not at all. SCORE has extended knowledge of the reef environment from the shoreline to a depth of at least 250 feet, and deeper via observation from the Johnson-Sea-Link. Such a program may also be useful in identifying the most significant environmental factors, and their function, in a reef ecosystem in order to provide an early warning and prediction mechanism to monitor and evaluate man's impact on this portion of the marine environment.

MISSION I, APRIL 1–5

Major objective of this mission was to collect data on the kinds and numbers of fishes that live along the vertical face of the outer wall of the coral reef. Earlier projects—Tektite, FLARE, the Bahama Banks research program, and others—supported studies in the Virgin Islands, the Florida Keys, and the Bahamas on fishes that inhabit the shallow areas of reefs. SCORE has extended this knowledge down to or beyond the compensation depth—the depth at which food production by plant photosynthesis balances its use by the resident plant and animal community.

The scientific team will investigate such characteristics as size of the range for various species, areas where they seek shelter, areas of hunting, and breeding and feeding behavior. Specimens will also be collected for stomach analysis.

Dr. C. L. Smith of the American Museum of Natural History and Dr. Robert Jones of Harbor Branch Foundation, Inc., conducted these studies.

In addition, a National Marine Fisheries Service biologist participated in this mission.

MISSION II, APRIL 8–12

Several previous Bahama Banks research program Hydro Lab missions have mapped the distribution and diversity of stony corals—Scleractinia—from the shoreline to a depth of 230 feet. At least 43 species were identified. SCORE scientists investigated the depth limits of the reef-building stony corals, and obtained information on how environmental characteristics—especially sunlight—affect their abundance and distribution at these depths. Their resistance to damage by chemical agents used by fish collectors, and their ability to produce food, will also be studied.

Dr. David Olson of the Bureau of Fisheries and Wildlife, U.S. Virgin Islands, and Walter Jaap of the Florida Department of Natural Resources conducted this study.

During the same mission, John Halas of Harbor Branch Foundation, Inc., investigated the populations of two species of stony coral at varying depths. He used photography and direct observation to record a little-known process whereby one coral interacts with another, covering it with filaments that inflict sometimes fatal injury.

MISSION III, APRIL 15–19

This mission extended knowledge of marine algae to depths of 200 feet and below. In particular, the scientists are interested in how deep these marine plants grow along the reef, and what interrelationships they have with herbivorous fish. They hope to document for the first time in this area the quality and quantity of light correlated with plant distribution. Collections of deep water plants were cultivated and preserved for later laboratory analysis, and special studies were made of green algae that live in areas of low light intensity.

The research was carried out by Dr. Sylvia Earle of the Los Angeles Museum of Natural History Foundation; Dr. Thomas Hopkins of the University of West Florida; and Dr. Gerd Schriever of the University of Kiel, Federal Republic of Germany.

MISSION IV, APRIL 22–26

The final SCORE mission complemented biological studies of the reef-building organisms with a geological study of reef-building processes. Scientists sought to determine the age and composition of rock samples from the surface and interior of the vertical reef wall, and analyzed the stony skeletons of calcareous algae, corals, and other plants and animals whose skeletons are incorporated in the reef. They also looked at the processes and rates at which sediments rain down from above the reef, are captured, locked into the reef, and eventually become part of the stony reef structure—the process of lithification. Detailed knowledge of deep reef structure and formation may assist scientists in better understanding the processes of hydrocarbon formation and deposition in coral reefs.

Diver-scientists on this mission were Dr. Richard Slater of the University of Northern Colorado, Dennis Hubbard of the University of South Carolina, and Dr. Jean Jaubert of the Laboratory of General Biology, Nice, France.

On the surface, Dr. F. T. Haxo of the Scripps Institution of Oceanography examined the effects of light quantity and quality on types and abundance of photosynthetic pigments in deep water plants, and Dr. Mario Pamatmat of Auburn University will study the metabolic rates of bottom communities and individual organisms.

OPERATIONS

Each team of diver-scientists were accompanied by a diving technician from Harbor Branch Foundation. After saturating at a depth of 60 feet in Hydro Lab, scientists made swimming excursions to depths down to 200 feet, using

closed circuit mixed gas—nitrogen-oxygen—breathing apparatus or conventional diving equipment for periods up to 1 hour. Tether equipment—Hookah—was used as backup breathing sources. These divers maintained communication with Hydro Lab.

Saturated divers entered the Johnson-Sea-Link and conducted lockout dives at depths down to 250 feet. Hookah provided primary life support, Maximum bottom time was 45 minutes. The submersible transported divers to a depth of 200 feet, where one was locked out and tethered for swimming to the maximum 250-foot depth for his investigations. This diver maintained communication with the submersible.

For diver safety, the undersea station Sub-Igloo, provided by the MacInnis Foundation was located at a depth of 90 feet, to provide logistic support for the excursion dives from Hydro Lab. Four underwater "talking stations" equipped with breathing air were placed along the bottom at prescribed decompression stops.

The primary decompression chamber was located aboard the surface support ship R/V Johnson, with a backup chamber at the Hydro-Lab base. The Johnson-Sea-Link is capable of mating while pressurized to the chamber aboard the support ship.

A list of personnel follows:

Key Operational Personnel

Program Coordinator, Dr. James Miller, NOAA.

Operations Director, Robert Wicklund, Perry Foundation, Inc.

Submersible Operations & Training Director, Roger Cook, Harbor Branch Foundation, Inc.

Safety Officer, Cdr. Laurence Bussey, USN; NOAA.

Chief Scientist, Dr. Morgan Wells, NOAA.

Scientific Advisor, Dr. Adair Fehlman, Ft. Pierce Bureau, Smithsonian Institution.

Hydro-Lab Operations Director, Richard Clarke, Perry Foundation, Inc.

Medical Officer, Dr. David Youngblood, Harbor Branch Foundation, Inc.

Associate Medical Officer, Dr. Joseph MacInnis, MacInnis Foundation.

Logistic Support Coordinator, Elliott Finkle, NOAA.

Support Diver Director, Robert Landry, Seneca College.

Support Ship Captain, Capt. Joseph Morgan, Harbor Branch Foundation, Inc.

AN END TO AN UNJUST, UNNECESSARY LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Harris) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, today I am introducing a bill to repeal a law affecting Federal employees which I believe to be ineffective, discriminatory, outmoded, and unnecessary.

My bill would eliminate the statutory requirement that appointments to the competitive civil service in Federal agencies located in the Washington metropolitan area be apportioned on the basis of population among the States. I believe that Congress must repeal this requirement for several reasons, and I am supported by the General Accounting Office of the U.S. Civil Service Commission.

First, the effect of this requirement has been minimal since the law's enactment in 1883 and the law is virtually meaningless. In December 1974, only 48,986 of the 341,000 Federal employees—14 percent—in the Washington, D.C., area were charged against apportionment. In January 1975, 41 States were in arrears and GAO says that this has been true for the past 25 years. This malapportionment resulted mainly because of the many exceptions under the law which made it almost meaningless. For example, apportionment does not apply to the excepted services; in Washington in 1973, approximately 70,000 of the 304,222 jobs were in the excepted service, says GAO. Moreover, all veterans—and they constitute 50 percent of all Federal appointees—are excepted. Furthermore, the requirement can be waived for a number of other employees: All clerk stenographers and clerk typists, specially qualified scientific and professional personnel and all GS–13's and above. Some personnel actions and positions are exempt: Temporary and indefinite appointments to the competitive service; any noncompetititve personnel action under which the employee will serve with career tenure; career reinstatements under which the appointee will have career tenure; positions in headquarters offices located outside the Washington metropolitan area; positions in agency field offices in the Washington area; and all positions in the Government Printing Office and all part-time and intermittent positions.

Second, hiring individuals on the basis of their residence has no place in a modern, bias-free merit system. Under this law, it is possible for an employee to receive preferential treatment merely because of where he or she lives. Furthermore, this law places agencies in an impossible conflict: on the one hand, they must hire on the basis of merit; on the other, they are required to consider the residence of an applicant in making the hiring decision, especially those applicants from States in arrears of their quota. Also, since veterans are exempt from the apportionment requirement, women, according to GAO, "have had to bear more than their fair share of the burden of apportionment."

My third reason for introducing this legislation is that this law is outmoded. It was enacted in 1883 as an expression of public policy to insure all sections of the country a proportionate share of Federal appointments and to provide varied viewpoints in Washington. Comparable representation of States is being achieved today by the rotation policies of many Government agencies, by open lines of communication, and by the increased mobility of the population. In the 1970's, many civil servants transfer from regional offices to Washington, providing varied points of view. Equally important, 20th century technology has brought us a more rapid exchange of ideas across the country than was possible in the 1800's. Visits and contacts between the various Government offices are much more frequent today.

The General Accounting Office in its November 1973 report entitled "Proposed Elimination of the Apportionment Requirement for Appointments in the Departmental Service in the District of Columbia," concluded that this legislation should be repealed. The Civil Service Commission concurs. It said:

> The Commission has long held that the apportionment requirement is outmoded, ineffective, and cumbersome to administer . . . the most objectionable aspects of apportionment, in our view, are its adverse effects on the merit system and on the achievement of equal employment opportunity objectives. . . . We do not believe that this requirement, enacted to meet the needs of a markedly different period in our civil service history, has any place in a modern, streamlined appointment system, the keystone of which is merit.

Finally, 15 departments and agencies surveyed by the GAO reported they favor eliminating the apportionment requirement. These agencies make the very valid point that it is cumbersome to administer, time consuming, and archaic.

Thus, I urge my colleagues to join me in removing this law from the books. Though perhaps well founded when enacted, it reflects adversely on the image and character of the Federal Government. Administering it is a waste of the taxpayer's money. And basically, it is unjustified and unjust.

IMMEDIATE ACTION NEEDED TO EXPEDITE AMERICAN EVACUATION FROM VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I am today joining with 45 of my colleagues in introducing a House concurrent resolution that expresses the sense of the Congress that, "The President should take immediate action to order Ambassador Martin to expedite the orderly evacuation of American nationals from Vietnam, and see that such prompt, orderly evacuation is accomplished." I have been very concerned about the slow pace of the evacuation effort for some time now. In the past few weeks, U.S. officials have not acted as quickly as they should have to get substantial numbers of Americans out of Vietnam, and reports from Vietnam indicate that Ambassador Martin has been largely responsible for the slow pace of the evacuation effort.

I am encouraged by today's figures which indicate that the evacuation rate has been stepped up over the weekend. However, I do not believe that we can afford to ignore Ambassador Martin's record in Vietnam. We must continue to do all we can to insure that the evacuation of Americans, too long delayed, continues in a responsible and timely maner.

The situation in Vietnam is extremely delicate. And, while we must recognize the dangers of a precipitous withdrawal of Americans from Vietnam and the need to guard against them, we must also realize that time is running out for South Vietnam and for the Americans that remain there. I am hopeful that the resignation of President Thieu will serve to stabilize the situation in Vietnam somewhat and lay the groundwork for the negotiation of a settlement. However, we cannot count on this eventuality. The stakes are too high.

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Current estimates suggest that Saigon could fall as early as May 1. Against this background, and the images of panic it invokes, we must recognize that once there is a breakdown of public order in Vietnam, the application of force to save Americans becomes no solution. It simply cannnot succeed.

Our goal, therefore, must be to reduce the number of American nationals in Vietnam to the barest minimum as quickly as is realistically possible. Such a minimum should include just a nucleus of essential Embassy personnel. The smaller the final American operation in Vietnam, the greater the chances that we will be able to get the remaining Americans out of that country safely once the final crunch comes.

In light of the past role that Ambassador Martin has played in Vietnam, I believe that it is imperative that the Congress advise President Ford that it holds him responsible for Ambassador Martin's conduct and that he should take immediate action to insure that Mr. Martin does in fact expedite the orderly evacuation of American nationals from Vietnam. The attached resolution is designed to serve that purpose.

The text of the resolution follows:

H. Con. Res. 245

Whereas the safety of American nationals in Vietnam is of great concern to the American people;

Whereas, it is currently still possible to evacuate those American nationals from Vietnam without the involvement of American combat forces;

Whereas reports from Vietnam indicate that Ambassador Graham Martin has not, and is still not, taking decisive action to expedite the evacuation of American nationals from Vietnam while it is still possible to do so without the involvement of American combat forces,

Whereas Ambassador Martin is accountable to the President of the United States;

Whereas the President of the United States is ultimately responsible for the safe evacuation of American nationals from Vietnam; Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

The President should take immediate action to order Ambassador Martin to expedite the orderly evacuation of American nationals from Vietnam, and see that such prompt, orderly evacuation is accomplished.

OLDER AMERICANS AND HEALTH CARE

The **SPEAKER** pro tempore. Under a previous order of the House, the genlteman from Indiana (Mr. Brademas) is recognized for 15 minutes.

Mr. BRADEMAS. Mr. Speaker, the recent and widely publicized investigations into the operations of nursing homes have made us all painfully aware of the many problems faced by the more than 1 million older Americans who live in intermediate and long term care facilities.

Indeed, Mr. Speaker, some of the findings of these investigations are staggering. The transcripts of the hearings held by the Senate Subcommittee on Long Term Care are replete with examples of cruelty, negligence, danger from fires, food poisoning, virulent infections, lack of human dignity, callousness and unnecessary regimentation, and kickbacks to nursing home operators.

These problems, Mr. Speaker, are made even more acute by the fact that presently there are few if any alternative forms of health care assistance available for the millions of elderly who need some type of health care service. And here, Mr. Speaker, I speak of alternatives which would allow elderly persons to live independently in their own homes.

The deplorable conditions in nursing homes and the lack of alternatives to institutionalization are serious problems which demand our immediate attention.

I should note, Mr. Speaker, that the House of Representatives recently passed H.R. 3922, the Older Americans Amendments of 1975, which, together with other members of the Committee on Education and Labor, I had the honor to sponsor. I mention this bill, Mr. Speaker, because I feel that it represents an important step toward remedying some of the problems which I have just enumerated.

Yet we are all aware that much more must be done.

It is with this background, Mr. Speaker, that I wish to submit for the Record a recent position paper written by Dr. Amitai Etioni and several of his colleagues at Columbia University which is entitled "Public Management of Health and Home Care for the Aged and Disabled."

Mr. Speaker, I feel that this paper is well worth the reading of all of my colleagues who are sincerely interested in resolving the complex health care problems which afflict millions of older Americans:

Public Management of Health and Home Care for the Aged and Disabled

PREAMBLE

This position paper speaks to the current crisis in nursing home care, how to disentangle ourselves from it and where to go next. Our primary concern is with the near future. Thus, rather than depict and advocate an ideal system, an approach we believe would fly in the face of existing economic and political constraints, we are suggesting an agenda for major reforms that would focus first of all on remedying the most serious abuses and on constructing a foundation on which later improvements could be securely constructed.

PURPOSES

In broad terms, we look toward a system in which services to the aged will be of higher quality, more efficiently dispensed, more equitably distributed, more compatible with human dignity and freedom of choice, and in which the initiations providing services will be much more open and publicly accountable.

More specifically, the *proposals to be advanced in this paper are directed at correcting the following three major ills* afflicting the entire system of health care and related aid for the elderly and disabled:

(1) The nature of the current patient assignment and cost reimbursement system both creates runaway costs and hampers effective cost control efforts. This is particularly true in that the cost-plus reimbursement formula in its several variations, including New York's cost-related system, encourages providers to continually claim to have upgraded services in order to receive a higher rate while inspection does not serve to verify whether services have in fact been upgraded. Not only does the present inspection system not perform this task, but the gargantuan size of the task under these conditions poses a serious obstacle to the design of more effective inspection procedures.

(2) We face a situation where people are often in the "wrong" facility: they may get either too little health care or care which they do not require; or they may be institutionalized when they ought not be, or deprived of institutionalization which is essential to their well-being.

(3) The abuses fostered by the two just mentioned conditions often remain invisible, that is, not only are they not corrected but they are often not even noted. The situation is such because the facilities are closed to public scrutiny. Patients' families, community representatives, and others who could serve as outside "watchdogs" are severely limited in their access to the facilities. The patients are in no position to defend their rights; in fact, those who are beginning to lose their capacities are often convinced to surrender their resources and rights, effectively prohibiting them from later seeking alternative sources of care should they care to do so.

BASIC OUTLINE OF AN APPROACH

Our main concession to the realities of financial abuse is to suggest that the state (and HEW) draw up a *fixed* annual budget placing a ceiling, on Medicaid expenditure for services to aged and disabled persons in need of public support in the next fiscal year; and that this ceiling guide the purchase of services, in contrast to the present approach, where services are bought on the basis of an open-ended budget. *Sensible planning requires prospective budgeting.* If the community is willing to do more for its aged and disabled, let the budget be set higher, but responsibility both to the taxpayers and to the aged and disabled requires that we not allow the providers to continue to determine the size of the public bill.

We therefore propose that as of July 1, 1975 all present reimbursement arrangements be declared null and void. (Where such termination would be in violation of contractual arrangements, contracts would have to be renegotiated.) This radical departure from current practice is necessary because the existing system of classification of facilities, methods of patient assignment, web of regulations, procedures for inspection and reimbursement etc., is so complex, wrongheaded and corrupt that, we submit, it would be self-defeating to try to correct it by means of piecemeal adjustments.

Instead, as of the start of the new fiscal year, all existing nursing homes and other relevant facilities (see below) wishing to continue to draw on public funds would have to agree to a new contract entailing the following:

(a) *The state as the purchaser of services would have the right to determine whether the services for which it is expected to pay are satisfactory and to refuse to pay for those that are not.* An institution providing unsatisfactory services would, after 30 days notice, cease to be eligible for public funds. The state might wish to provide preliminary warning, conduct a second inspection (to see whether facilities have been improved) or wait 60 or 90 days before final termination.

Nevertheless, the basic principle underlying the relationship between the state and the providers would be fundamentally, transformed to state the following categorically: No provider has a right or title to public funding. The right rests entirely with the state to confer or cancel eligibility for public funds according to judgments it makes on the basis of criteria it sets concerning acceptable or unacceptable services. The provider further agrees to waive *a priori* all rights to litigation on this matter. A book publisher's right to decide which manuscripts submitted to it are worthy of publication can serve as the legal model.

(b) All recipients of public funds, whether not-for-profit or proprietary, agree to conduct themselves as *open* institutions. They will be open to inspection and auditing by the state without prior notice, with respect both to residential and health care services. The institutions will also be open to inspection by prospective patients, by patients' relatives (with guardians to be appointed from among voluntary associations when the patient has no nearby relations) as well as open to review by civic monitoring groups. All state inspection reports are to be made readily accessible to the public. *Only one exception shall be made to the above: the right to personal privacy.* Individual medical records should be open both to state health authorities and to patients; however, statistical profiles of health data, following the model of PAS, should be required and the data analyzed and made public.

(c) The state would be required to inspect and recertify institutions annually. Strengthened inspection, with a clear mission, conducted with vigor and integrity, is a cornerstone of all reform in this field.

(d) The state would both *classify* and then *grade* institutions according to the level of care offered. Thus, institutions would be classified as providing (1) domiciliary service (personal care), (2) health-related facility (intermediate care), or (3) skilled nursing service (extended care). The category of convalescent homes and special facilities might be created as an adjunct to hospitals for *short* term, intensive health care (provided under Medicare) or for terminal patients. A new category of service flats would be encouraged so that those capable of remaining in the community with some aid could live in rental apartments where some nursing and social work services are available 24 hours a day either in the building complex or in a nearby neighborhood center.

Within each classification, two or three levels or grades of services would be specified. The lowest level would be acceptable, the higher levels would be specified as clearly offering superior service. Criteria for each would be announced and visible. The specification of grades within each classification would remove provider incentives to invent mini-service enrichments not necessarily related to overall service quality but presented as justifying increased payment. It is this which makes auditing too complex to be viable. A provider with ideas about how to enrich services in a given grade could submit them for consideration for the next revision in the grading system but he could not on his own implement changes and then expect reimbursement during that particular fiscal year. Nor could he preempt the state's priorities in determining the areas of enrichment for which limited resources are to be spent.

The provider could appeal to the state for review and reconsideration of his classification and grade. Citizens' monitoring groups would also have the right to appeal an institution's classification and grade. The state's ruling would be final.

(e) A new system for determining eligibility and assigning patients to specific levels of care should be devised. Without such system, efficient and effective resource allocation is not possible and needs estimates become meaningless. A system of patient channeling to facilities which would be responsive to patient needs, not to what providers have to sell, could be implemented in a new service unit either by state-retained nurses who would work under doctors' supervision, or perhaps under a contract with some kind of not-for-profit organization that would take contracts for the whole state or sections of the state. Such agents would, in effect, after proper patient evaluation, give the patient an admission ticket (or coupon) which would entitle him or her to receive the proper level (classification) of care. Obviously, the manner of payment would vary with eligibility for Medicare, Medicaid, social security, SSI, etc., as at present.

This would mean taking the decision about what level of care a particular patient should receive out of the hands of providers, whose financial self interest is closely tied to such determinations. Under the proposed system, the rate of payment would be determined by the type of ticket a person is issued. It is important to note, however, that this new system would require that the switching mechanism, which is at present so complex, needs to be streamlined to make it less difficult to move people from one level of care to another when their condition warrants such a change.

In addition, we need to make it easier to transfer people from institutional to in-home care and back again. The current lengthy and difficult process of establishing eligibility for care and reluctance to have to go through such a process again, and the difficulty in obtaining financial aid rapidly upon return to the community, is one of the major reasons for it being so difficult for nursing home patients to return home even if their physical condition should improve enough to make it possible. Equally significant, if not more so, is the difficulty in finding a place to stay, since current rules and procedures compel them to give their living arrangements when they enter into institutionalized care—that is, all except a relatively few affluent persons.

(f) The annual reimbursement for each classification and grade of care would be set at the beginning of the year. No increase would be allowed during the year or retroactively. Additional amounts could be allotted for the next year, taking into account improved services, inflation, etc. Thus, neither an across-the-board fixed rate nor cost plus would determine reimbursement. Rather the fee would be tied to the package of services offered, as defined by the grade. The proposed system is flexible, sensitive to quality, facilitates accountability, and defines clearly the focus of periodic inspection.

(g) Financial abuses would be penalized, as in the antitrust legislation, by an assessment of *triple* damages. Any lesser fine might constitute an inducement to cheat. As in the occupational safety field, operators would be *personally liable* for all abuses causing physical or psychic harm to patients.

(h) While it may not be attractive, it is necessary that the state not only regulate the quality of services and assignments to particular levels of care, but also that the state act *to ensure a sufficient number of facilities in various geographic regions*. Because institutions caught in major violations frequently cannot be closed because residents have nowhere else to go, the state also must either contract with not-for-profit organizations to run a few homes to be available for temporary placement or to run some of its own. (These also would give the state first hand information on actual costs.)

(i) The quality assurance and peer review mechanisms developed by New York City should serve as the prototype for the regulatory mechanisms to be utilized.

CONTINUITY AND BALANCE OF SERVICES: NURSING HOME VS. HOME HEALTH CARE

Background: Roughly 5% of the target population is presently in institutions of all kinds, while 25% live on their own and 70% reside with spouse or other relatives. Of those in institutions, 75% are in nursing homes and homes for the aged, 11% in mental health hospitals, and 14% in chronic disease hospitals. Most of the expenditures for health services are provided to the 5% who are institutionalized most of whom are in proprietary nursing homes, which are also where most of the abuses in current public focus are to be found.

We strongly favor an *expansion and improvement of in-home services because they may be more cost-effective and for many patients more humane. However, we strongly emphasize that it is an illusion to expect that most people currently in nursing homes could be sent home now*—even though many might have avoided institutionalization had the community resources been in place when they were admitted to the home. Studies show that 50% of these people have no close relatives; a high proportion is mentally impaired and/or limited in their physical mobility. A high proportion takes potent drugs requiring medical supervision. Moreover, among those elderly persons living in the community 8% are totally homebound and an additional 6% have very limited physical mobility. Thus, even if some nursing home beds were freed, there could still remain a strong demand for them. *Better selection of patients, and reassignment among institutions providing different levels of care, rather than a mass exodus seems to be the direction in which nursing home policy will have to move.* In the longer-run, the rate of admission may reflect strengthened community alternatives.

Nevertheless there are people presently in nursing homes who would prefer (and whose families concur) *and* are physically well enough to be cared for either in less costly facilities or at home (their own or their families') if more and better in-home services were available. Home services are often less costly and more humane than institutionalization.[*] In thinking about in-home services, attention also must be given to the planning which is now mandated for the states under the recently enacted Title XX of the Social Security Act. Between now and October 1, 1975, each state is required to develop a plan that will replace what is now offered under Titles IVA and XVI of the Social Security Act, to determine a delivery system, and to allocate the resources among the several components. One of the goals of Title XX is "preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care."

Experience in other countries suggests that it would indeed be feasible to place a much greater emphasis on in-home care including escort services for shopping, homemaker services for heavy cleaning, phone reassurance services (so home bound persons can be checked frequently to make sure they are all right) and perhaps other benefits such as a special allowance to pay for food to be delivered so that those with limited mobility can do their own cooking. Congregate meal arrangements could be expanded. Such a program might also provide eventually for other services like those in Great Britain, i.e., small sums out of welfare budgets to permit refurbishing of apartments and renovations of the sort that make it possible for old people to remain in their own apartments without hazard, such as special kinds of showers, baths, etc.—all expensive perhaps in the short run, but not in the long. We suggest in this connection that a minimal level of basic in-home services be provided to all those who need them before we undertake special programs seeking to provide a higher grade of services.

Next, given a fixed (and obviously limited) amount of resources, we further urge a *freeze* on the total number of nursing home beds, a re-classification for many facilities, *and* a reallocation of the funds thus saved, or additional ones appropriated to make

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[*] To the extent that Social Security, Supplementary Security Income, and Medicaid financial benefits are not flexibly available to support county care alternatives, New York State can and should advance appropriate proposals for revision in federal laws and regulations.

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available the set of *basic* in-home services proposed above.

Finally, it is well-established that the number of agencies which provide services to the aged and disabled is enormous (as many as fifty federal programs for the aged affecting nursing home alone have been recently identified). The resulting overlapping regulations often require a lawyer to sort them out, and even then, different lawyers may well reach different conclusions. We urge that procedures be greatly simplified so that patients, providers, and concerned citizens can find their way more readily. Older Americans Act and Title XX permit the creation of uniform and universally available information and referral services, as well as social centers which will assure that the several services needed by any one person are integrated around his/her needs.

FREEDOM OF CHOICE

Freedom of choice for the residents of nursing homes, who should be treated as consumers, not as inmates, is not only essential for human dignity but essential for "market" forces to do their work. Hence, once a person's eligibility for a facility of a given classification has been determined, each individual should be free to decide which specific facility he or she wishes to apply for. For this choice to be meaningful, it is necessary to have access to the above mentioned information on classification and grade, statistical profile and inspection data as well as open access to the institutions.

Also, nothing should be done to prevent a person from transfering, such as the signing over of property, etc. If needed, advocacy guardians should be appointed.

GUARDIAN OF THE PERSON

Older people using services and facilities usually are and should be treated as competent and self-managing. However, if they lose physical and mental capacities, they need protection. Any situation involving protective custody, signing away of one's Social Security or SSI check, assigning of resources, demands a protective intervention. Given conflict of interest, nursing home providers should not fulfill the role. Organized senior citizen groups should provide this service on a modest fee basis: all resource assignment, check signing, and adjustment of resource balance upon leaving home or death should require the outside guardian's intervention.

ROLE OF PUBLIC GROUPS

Many of the existing programs in the area, as well as several recent investigations and calls for reform implicitly assume a simplistic model of the state's role, as a powerful agent able to impose and enforce its policies, and do so in the public interest. Even if we had no previous experience or analytic reasons leading us to question this view, the whole record of nursing home regulation speaks loudly and clearly against it. The state is weak when confronted with well organized special interests, and it tends to reflect the public interest only fleetingly, when the public is aroused and attentive. Unfortunately, the public's attention tends to be mercurial, hence, we must expect that it will not remain focused on nursing homes much longer. In short, there is considerable danger that after a brief flurry of reform nursing homes will continue to be centers of profiteering, abuse, inhumanity and waste.

Good public policy, in terms of the goals outlined above, requires not just a vigilant press but also citizens groups to countervail and counter-act the influence of special interests, on the state.

We believe that, while the present reform mood lasts, steps should be taken to secure a permanent role for direct involvement by citizens (beyond their voting for the governor and legislature) in the conduct of health facilities for the aged and disabled. Several of the above mentioned steps, such as public access to information, and state classification of facilities, are *prerequisites* for such a public role.

Public monitoring should be encouraged. Much of what is needed could be built upon the active work of state-wide and local chapters of various voluntary associations and groups in the field of aging. Where such groups do not exist, they might be fostered. State funds should be made available to these groups for expenditures incurred. Also, if they take over the role of guardians (see above), this would provide additional tasks for these groups around which they can organize as well as a source of constant information and experience out of which they might build their advocacy. Such endeavors have been successfully undertaken by groups concerned with retardation.

This position paper does not provide, nor does it seek to, answer all the questions, spell out details of new programs, etc. Its purpose is to suggest a general direction in which we believe we should be moving. The details will have to be worked out as we proceed.

Position papers prepared and issued by the Center for Policy Research reflect the views of those who have authored them, not those of the Center. The Center facilitates the drafting, reformation and dissemination of position papers but takes no positions of its own.

CARL DUTCHER: EDUCATION, YOUTH LEADER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, on May 7, 1975, Carl W. Dutcher, director of recreation and physical education, will be honored by the Montebello Unified School District at a testimonial dinner. I am happy to join my Montebello constituents in congratulating Mr. Dutcher, who is retiring this June after serving over 35 years with the Montebello Unified School District as teacher, coach and recreation director.

Mr. Dutcher made many contributions to the school district and to the city of Montebello in the area of recreation and sports. His dedication to the youth of the school district generated much enthusiasm and resulted in a high quality athletic program with high level involvement.

His involvement with the Montebello Unified School District began in 1938, and he taught until 1952. He was appointed director of physical education for the school district in 1953—a position he has held to the present. The city of Montebello has benefitted from Mr. Dutcher's creative recreational projects, which include a program of junior high intramural games, promotion of the President's physical fitness program, a remedial physicial education program for the handicapped, and a Sportorama for community youth. By working closely with local and State governments, Mr. Dutcher has assisted the development of recreation facilities for use by the entire community.

Serving as chairman of the Montebello Parks and Recreation Commission three times and as vice-chairman four times, Mr. Dutcher worked for 16 years organizing and involving people in city recreation programs.

REDUCE TRUCK WEIGHTS TO SAFE, REASONABLE LEVELS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 52 cosponsors, I have introduced H.R. 1867, legislation reducing the allowable weight of trucks to their level of August 20, 1974. It was on that date that, because of the safety and highway maintenance costs, the House voted, 252 to 159, to remove a proposed increase in truck weights from the Federal Mass Transportation Assistance Act.

Unfortunately, a similar weight increase was included 2 months later under suspension of the rules, thereby precluding amendments, as part of the Federal Aid Highway Act.

My legislation would bring truck weights down to the safer, less costly level at which they have stood for 16 years, before they were hit and run over by the truck lobby.

The American Automobile Association has been in the forefront of the fight to guarantee highway safety by keeping truck weights at safe, reasonable levels. I am including for the information of my colleagues the following recent address by Charles Brady, director of the AAA's highway department, to the Tennessee Highway Transportation Conference at the University of Tennessee.

The address follows:

REMARKS OF CHARLES N. BRADY

On January 4, 1975, President Ford signed Public Law 93–643 which among other provisions contained a section permitting increases in truck axle and gross weights limits on the Interstate System. His action climaxed a long struggle between the trucking industry to secure what it termed more modern weights regulations and AAA and other groups which felt an increase in weights would jeopardize safety and accelerate the deterioration of our highway plant. AAA was so concerned over the possible ramifications of lifting the weight ceilings on the Interstate System that for the first time in its 72-year history it requested a President to veto a highway bill.

Congressional action on Public Law 93–643 came about in a manner which is sure to intrigue future students of legislative technique. After hearings in the Senate and House of Representatives, the House Public Works Committee included a truck weight increase provision in its version of the National Mass Transportation Assistance Act of 1974.[1] On August 20 these provisions were voted out of the transit bill by a roll call vote of 252 to 159.

Meanwhile, the Senate Public Works Committee reported out a highway bill (S. 3934) with truck weight increases in it. The truck weights section was adopted in the Senate by a vote of 59 to 24 on September 11 and sent over to the House Public Works Committee.

The highway bill under consideration by the House Public Works Committee was substantially different from that passed by the Senate and there seemed little chance that differences of the magnitude which existed could be resolved in conference. After numerous meetings the House Public Works Committee eventually scaled down its highway bill and sent it to the floor in the closing days of the 93rd Congress under a suspension of the rules, precluding amendments. Significantly, it carried the Senate bill number and did not contain any mention of truck weight increases.

Footnotes at end of article.

Despite warnings by Congressman Edward I. Koch (D.-N.Y.) that, if passed, the House bill would be married with the Senate highway bill containing the truck weight increase and the House would then be faced with a conference report which it could only vote up or down, the House supported the rule prohibiting amendments and voted out the bill on December 16. Efforts by Congressman Koch to have the House instruct its conferees to reject truck weight increases in the Senate bill were unsuccessful.

As predicted by Congressman Koch, the House conferees readily agreed to the Senate-passed weight increases. The conference report was then speedily passed by the Senate on December 18 and the Conference Committee disbanded under established procedures, since the bill bore the Senate number. A few hours later the House considered the Conference Committee report. The Conference Committee having been disbanded, the House did not have the option of returning the bill to conference. It could only vote the bill up or down. Since the bill also contained provisions for making the 55-mph speed limit permanent and additional Federal-aid for rural roads and off-System roads, there was not much doubt about the outcome. The House passed the bill the evening of December 18 and it was signed into law by President Ford on January 4.

The American Automobile Association, the General Federation of Women's Clubs, the National Society of Professional Engineers, the National Association of County Officials, the President's National Highway Safety Advisory Committee, and the Teamsters' Union all spoke out against enactment. Many newspapers editorialized against it. Protests were turned back with the charge that opposition was based primarily on emotion.

I can speak only for the AAA. I know why we opposed this legislation, and every federal attempt to increase weights and sizes of commercial vehicles since publication of the studies called for under section 108 (k) of the 1956 Highway Act.

We have opposed these efforts on two counts: unmeasured safety hazards and substantial increases in construction and maintenance costs for pavements and bridges.

AAA has been concerned for many years about the growing incompatibility of the passenger car-truck mix on the highways. A growing economy has led to an ever-increasing number of heavy vehicles whose operating characteristics are significantly different from that of the passenger car. The passenger car driver frequently does not appreciate the fact that these large, heavy vehicles accelerate more slowly and require significantly longer distances to stop than does the vehicle he operates. The thing he does understand is that if he is involved in a collison with such a large vehicle the likelihood that he will come off second best is very great. Hence, the general attitude on the part of the public that present sizes and weights of large vehicles are already too great and strong resistance to any increases. Evidence of this strong public resistance to size or weight increases is confirmed by the many polls that our affiliated AAA Clubs have taken over the years among its membership. Returns showing that 85 percent to 90 percent of the respondents are opposed to such increases are not at all unusual.

Efforts to determine the true safety effects of increasing sizes and/or weights usually result in a battle of statistics. However, there is little doubt that when a large vehicle impacts with a much smaller one, it is the occupants of the smaller vehicle who usually suffer the greatest harm. It is also generally accepted that trucks, as a group, are involved in fewer accidents per 100 million miles of operation than are passenger cars. It is when one attempts to determine the fatal accident involvement rate of large vehicles that controversy develops.

Combination trucks (truck tractors and semi-trailers) are probably the most visible and controversial of all trucks. Comprising .8 percent of registrations, less than a million vehicles in all, they account for 3.7 percent of the miles driven. Although they are involved in only 2.3 percent of all accidents, their involvement rate in fatal accidents is a surprisingly high 6.6 percent. The frequency with which they are involved in all accidents, 14.37 per million vehicle miles, is about 42 percent less than the automobile. However, the frequency with which they are involved in fatal accidents, 10.09 per hundred million vehicle miles, is 86.5 percent greater than the automobile. So, although combination trucks are involved in 40 percent fewer accidents, when they are involved, it is almost twice as likely that the accident will result in fatalities.

It is interesting to note that when all trucks are considered as a group the fatal accident involvement rate drops to 4.89 per hundred million vehicle miles of operation, slightly below the 5.42 rate for passenger cars. Vehicles weighing less than 10,000 lbs. account for 74 percent of all truck registrations.[2] They are mostly pickup and panel types. Almost 93 percent of all trucks are single unit two-axle trucks. Because these vehicles have operating characteristics and uses similar to passenger cars, their presence in this category apparently tends to mask the relatively poorer record of the large combination vehicles when any comparison is made between the accident involvement rate of trucks and passenger cars.

We all know that large, heavy vehicles require longer stopping distances than smaller vehicles. The Uniform Motor Vehicle Code requires passenger cars to stop in 20 feet from 20 mph. Trucks, however, are given 40 feet to stop from the same speed. Although some trucks can and do stop in shorter distances, there can be, and frequently is, as much as a 50 percent difference in stopping distances between the performance of passenger cars and trucks. In the past, many states recognized the safety hazards in this difference in performance characteristics and posted truck speed limits lower than that permitted passenger cars to compensate for that difference. With the uniform national 55 mph speed limit and heavier truck weights, we are concerned that there is likely to be an increased frequency of rear end collisions between trucks and passenger vehicles. Hopefully, the new braking standards for trucks which went into effect March 1 will reduce this disparity and eventually reduce the danger. However, it will be some time before any significant percentage of the truck fleet will be equipped with the new brakes. In the meantime, older trucks will be carrying these extra weights.

Another area which causes us concern over the safety implications of increasing truck weights is the hill climbing ability of heavy vehicles. According to testimony by Dr. James B. Gregory, Administrator of the National Highway Traffic Safety Administration, to the Senate Subcommittee on Transportation, the 10 percent increase in gross vehicle weight would reduce the speed of the *best performing trucks* on a three percent grade to about 26 to 28 mph. On such a grade, passenger cars can easily maintain 55 mph. A 30 mph differential in speed can be particularly hazardous. A Bureau of Public Roads study involving accidents on the Interstate System[3] shows that accident involvement rates increase some 800 times when speed differentials of 30 mph below the mean speed exist.

While Dr. Gregory qualified his reference to the best performing trucks, he made no reference to what could be expected from the average performance of the truck fleet. Hill climbing speed could be less than 25 mph and the speed differentials and accident involvement rates even greater when the average rather than the best performing trucks are considered.

Public Law 93–643 permits an increase in single axle weights on Interstate highways from the 18,000 lb. maximum limit in the 1956 highway law to a 20,000 lb. maximum. It increases the 32,000 lb. tandem axle limit to 34,000 lbs. Axle loads of vehicles have an important relationship to the useful life span of pavements. The $27 million AASHTO Road Tests conducted in compliance with provisions of the '56 Act revealed that a 2,000 lb. increase in single axle loads brings about a 60 percent increase in wear and tear on pavements. AASHTO witnesses before the Senate Subcommittee on Transportation testified last year, as they have in previous years, that the heavier weights incorporated into the law could result in an average loss of the remaining life of pavement of between 25 to 40 percent. While it is not expected that such serious damage will be done to the newer sections of the Interstate System, literally hundreds of thousands of miles of other roads which feed the Interstate could suffer major damage. At a time when construction and maintenance costs are on the increase and highway user revenues are declining, a decision which subjects such roads to early obsolescence seems to us untimely, at best.

It is important to note that although the new law reflects the original recommendation of the Secretary of Commerce to the Congress dating back to 1964, the then Bureau of Public Roads recommendation to the Secretary was that the maximum weight limits on the Interstate System remain at the 18,000 lb. single and 32,000 lb. tandem maximum then in effect.[4] A policy decision was made in the Secretary's office to go to 20,000 lbs. single, 34,000 lbs. tandem and that was what was eventually recommended. The Bureau decision was based upon its recognition of the substantial impact that heavier weights permitted on the Interstate System would have on other non-Interstate highways. The Bureau also recognized the administrative difficulties inherent in establishing and enforcing one set of weight limits for the Interstate System and another set for non-Interstate roads. Its recommendation, therefore, was that the 18,000 lb. single, 32,000 lb. tandem limits be applied to all Federal-aid roads in the interest of uniformity and facilitation of interstate commerce.

AASHTO meanwhile had adopted a 20,000 lb. single axle limit, designed primarily to accommodate axle weights required by new rear engine drive transit buses equipped with air conditioning, but for ten years held to the 32,000 lb. tandem limit. In 1974 AASHTO secured the necessary two-thirds vote of its member departments and adopted a 34,000 lb. tandem limit inclusive of all tolerances. AASHTO retained its policy calling for a rollback by 1975 in all states having heavier axle weights.

Since the new law is permissive and requires state action before it become effective in the individual states, it is too early to tell just what the ultimate cost will be in terms of additional maintenance or construction. The Arkansas Highway Department recently told its state legislature that the additional costs of moving to the weights permitted in Public Law 93–643 would increase its expenditures requirements for reconstruction, resurfacing and structures by $12 million per year—a jump of 24.6 percent. The heaviest burden would be felt on the Secondary System (+53.6 percent) and the Primary System (+35.4 percent). The Department noted that, "Over 70 percent of our 6,295 bridges on the State Highway System will become stressed by this weight increase." Missouri has estimated that the new weight proposals, if enacted, will increase annual road construction and maintenance expenditures by $24 million per year.

Although the data from Arkansas and Missouri could be considered fragmentary at

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best, it may represent only the tip of the iceberg. In 1969 the Department of Transportation testified that increases in truck weights would be acceptable only if stipulated modifications were made. Besides recommending that truck user fees, especially for large combinations, be increased and heavier vehicles be phased out over a seven-year period, DOT recommended that the size and weight limits be extended to all Federal-aid highways. Estimated cost of providing a road system capable of accommodating 20,000 lb. single and 34,000 lb. tandem instead of one designed to accept the gross axle loads of 18,000 lb. single and 32,000 lb. tandem was put at $1.8 billion. In 1973 that estimate would be $2.4 billion, according to figures supplied by DOT to the Senate Subcommittee on Transportation in 1974. Even though these weight increases have been characterized as "modest," we at AAA believe that a potential $2.4 billion investment in facilities to eventually accommodate such increases is far from modest.

Another major reason that AAA has been so adamant in its resistance to any liberalization of truck weights is the growing body of evidence of the deteriorating conditions of our bridges. Bridges represent an estimated 25 to 30 percent of total highway investment and, according to the Fourth Annual Report to Congress on the Special Bridge Replacement Program, prepared by DOT in December 1974, the cost of replacing some 32,420 deficient bridges on our Federal-aid systems is conservatively estimated at $10.4 billion. Over 7,000 of the deficient bridges are classed as structurally deficient. The report notes that 31,000 of the 32,420 deficient bridges have safe load capacities less than the road system of which they are a part and require load limit posting. One can only speculate and worry over how frequently the posted load limits on such structures are violated.

Deficient bridges on Federal-aid systems again appear to be only the tip of the iceberg. Earlier reports of the National Bridge Inventory revealed that almost 89,000 bridges were classed as critically deficient with over 78,000 of that number off state highway systems. Most such bridges were built before 1935 and were designed to carry gross loads substantially less than that provided for in the new law.

AAA believes there is just cause for legitimate concern over the dangers associated with increasing the weights to which all such structures will be subjected.

It is for these reasons that we are supporting Congressman Koch's efforts to repeal the truck weight increases provided in Public Law 93–643.[5]

AAA believes that any consideration of Federal legislation permitting truck weight increases should:

(1) consider the effects that such increases will have on all Federal-aid highway systems;

(2) provide that any increase granted constitute the maximum weights permitted on any Federal-aid system eliminating dual weight standards for Interstate and non-Interstate roads;

(3) require that states permitting heavier weights than the agreed upon maximums reduce such weights to the maximum within a reasonable time frame; and

(4) provide that any increases granted be linked to a proportionate increase in truck user fees.

FOOTNOTES

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[1] H.R. 12859—93rd Congress.

[2] 1972 Census of Transportation Truck Inventory and Use Study—p. 1.

[3] "Interstate System Accident Research Study II, Interim Report II," Bureau of Public Roads, Vo. 35, No. 3.

[4] Internal memorandum, Byron Nupp to Under Secretary of Transportation, April 28, 1964, unpublished.

[5] H.R. 1867, 94th Congress, 1st Session, Introduced January 23, 1975.

HOME HEALTH CARE—PART IX

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 84 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators FRANK MOSS and FRANK CHURCH, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, HUGH SCOTT, Senate minority leader, and Senators WILLIAMS, DOMENICI, and TUNNEY.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the RECORD several times a week by experts and lay persons commenting on the legislation.

This is the ninth in the series:

[From the Juneau, Alaska, Tundra Times, Nov. 28, 1973]

PROGRAM CAN HELP AGED, BLIND, DISABLED AT HOME

Why send your aging one away? For generations, Americans have sung the strains of "There is no place like home—home, sweet home."

Members of the helping professions have long known that the aging, the ill, the young, the incapacitated wither emotionally and mentally when they are sent off to be cared for by strangers, be they ever so kind.

Alaska has an agency founded on the belief that the home nurtures children and is the place where the aging generally are happiest.

Alaska Homemaker-Home Health Aide Service, Inc. is a private, non-profit, nonsectarian agency which provides in-home help to the aging, blind, disabled, motherless, and crisis-stricken by means of contracts with government agencies, private clients, and private organizations.

"We are not trying to build an empire," Mrs. Dove M. Kull, State Director explained, "but to train and supervise homemakers to work as part of a team with doctors, social workers, nurses, nutritionists, and therapists.

"Last year under a statewide contract with the Alaska Department of Health and Social Services we held together two-hundred homes located in towns and villages from Metlakatla to Point Barrow."

Who are the people served? A 71 year old man with a pacemaker. An 80 year old woman recovering from a stroke. Five children whose mother was in the hospital recovering from surgery. A cancer patient, a paraplegic, a depressed widow who attempted suicide, a blind man.

A couple who were in their 80s, married 59 years, too frail to fend for themselves, but loving their home, their neighbors, their village, and desperate at the thought of being sent off to a nursing home in which no one understands their dialect and their fondness for Native foods.

In the villages, service is provided chiefly by home helpers, untrained, who are assigned, instructed and supervised by professional representatives as State social workers, the physician in the nearby hospital, or a nurse.

The Home Helper in the village, more likely than not is Eskimo, Indian or Aleut; and more likely than not is a man because fuel is to be chopped or obtained and snow is to be brought in to melt for water.

Alaska Homemaker Home Health Aide Service, Inc. has one central office which is in Juneau, and three Regional Offices located in Juneau, Anchorage, and Fairbanks.

In these locations homemaker home health aides are trained and supervised by the staff of the Agency in coordination with related agencies involved in helping the individual or family served.

"We try to work ourselves out of a job by doing everything possible to help the clients to help themselves," according to Mrs. Patricia Fradley, Assistant Director in charge of the Fairbanks Office. "In times of stress, crisis or incapacity, families need someone in the home for comfort as well as for care," she added.

"A death, an accident, a heart attack, all of these threaten the strength of a family especially now that in many homes both the mother and father work outside of the home."

Helping a mother to give good care to her children is less traumatic and less expensive to the taxpayers than removing children from their homes because of neglect.

Once removed it is hard to get them back home. A homemaker can give this kind of help because she is there and she has access to specialists.

Homemaker Home Health Aides are trained by specialists in health, mental health, nutrition, and the level of living, home management and budgeting.

They strengthen and extend the service of the nurse who instructs in oil massages and exercise; the dietician who oversees a special diet; or the social worker who helps with mental health and emotional disturbance.

Homemaker and home helpers receive benefits as social security, unemployment benefits, and workmen's compensation. They are mature people who are concerned about others.

The Bureau of Indian Affairs has funded the training period of six weeks and travel for trainees who are Alaska Native. Vocational Rehabilitation also has helped some to be trained.

The long range plan of Alaska Homemaker Home Health Aide Service, Inc. is to train one per one thousand general population and one per hundred over 65.

More than half are Alaska Native. Some, after training, return to the villages for assignments. The need has been recognized and the service has been established, according to Mrs. Dove M. Kull, Director.

What is needed now is security for clients who are cared for in their own homes and security for the homemakers who wish to make a career of their work. This requires an even flow of contracts to prevent loss of homemakers who must work to support themselves and their families.

Generally the expense of keeping a couple in their own home is around $400.00 a month. Nursing home care generally for a couple is $2,500 a month.

This difference in cost was one of the chief reasons that motivated Congress to request de-institutionalization and prevention of institutionalization.

The United States population includes 21,000,000 citizens over 65, and the number is rising. Alaska's population includes 6,887 over 65. With scarcity of hospital beds and nursing home beds as well as the lack of adequate care, in-home care must be increased.

Anyone in the Fairbanks area interested in training or service, may call 452-3214.

[Editorial from Our Town, Apr. 11, 1975]

HOME HEALTH CARE ALTERNATIVE

If most of the people in our society were treated the way our society treats its elder members, there would be a swift and perhaps violent demand for change. The worse than second-class citizenship with which the aged American deals is one social ill which must be corrected.

One step in that direction is the National Home Health Care Act of 1975 introduced in Congress by Rep. Edward I. Koch. This piece of legislation is one of the most intelligent and humanitarian alternatives to

institutionalizing the elderly into frequently corupt nursing homes where the average life span of an elderly person is only 15 months. Koch's proposed legislation should be supported not only for its economic benefits, but because it is another needed step in the restoration of dignity to the elderly.

The premise of the legislation is simple: the government is already paying astronomical amounts of money in Medicare and Medicaid payments maintaining people in nursing homes, and an estimated 14 to 25 per cent of these people do not need to be institutionalized. Why not instead use the funds to help these aging persons to receive medical attention at home, and encourage health programs to reach out to the elderly.

At the moment, the Social Security laws favor institutionalizing as is well exemplified by the findings of the Stein Commission According to Koch, the average yearly cost of maintaining an individual in a nursing home in New York is $14,589. The cost of allowing a person to live at home and receive proper medical attention is estimated between $3,000 and $9,000. The saving to Medicare and Medicaid is evident; the saving of human dignity could be even greater.

There is something humiliating about removing a person and needlessly incarcerating him into an institution so that he can sit around and wait to die. By providing an individual the physical care he needs at home, the aging person can at least have the dignity of belonging to a space which is his own, as well as having the comfort of his being with his personal belongings.

Included in the Koch bill is an interesting provision where the child of a person in a nursing home or receiving home health care assistance makes a contribution to the care of his parent to the extent of five percent of the child's taxable income. Such a provision is welcome for just as a parent is legally entrusted with the care of a child, so should a child be legally responsible for the care of his parent. It is only a decent thing to do, just as taking care of a child is the decent thing to do.

Some of the other provisions of the home health care would provide the aging with help with their household tasks, shopping, walking, transportation to senior centers, and rent subsidies. Furthermore, the bill includes Medicaid and Medicare payments to hospitals for providing home care, appointment of a Home Health Patient Ombudsman in the Department of Health, Education and Welfare to ferret out program oversights, and a provision that no individual under Medicare and Medicaid will receive no more home health care benefits than he or she would have were they institutionalized.

The entire program as set forth by Koch and his Senate counterpart, Frank Moss, is a genuine and comprehensive response for a good alternative to the institutionalizing of the elderly. We suggest that public support be manifested for the bill, HR 4772; one effective way would be to write to Congressmember Koch and to Senator Moss expressing your support.

FORESTRY INCENTIVES PROGRAM A SUCCESS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the forestry incentives program, which Senator STENNIS cosponsored with me in the previous Congress, is providing immediate benefits on a national scale while strengthening the Nation's basic forest resource for future use. In 1974 the program generated 363,000 man-days employment in rural areas. Nearly 14,000 owners of nonindustrial land planted seedlings and improved growing conditions on 282,000 acres of rundown forests. About 7,500 acres were treated in Florida.

Forestry incentives are applied under a cost-sharing formula with Federal participation ranging from 50 to 75 percent as determined on a county-by-county basis. Federal expenditures for cost-sharing were $9 million in 1974.

North Carolina, Georgia, Alabama, Virginia, and Mississippi lead all other States in planting seedlings. Missouri, Arkansas, Michigan, Louisiana, and New York reported more timber stand improvement in their hardwood forests. All of the contiguous 48 States participated in the forestry incentives program.

These achievements nationwide in such a short time speak well of the splendid cooperation of all forestry interests—Federal, State, private, industry, consulting, conservation, and worker. The administrative procedures and channels of communication have been tested thoroughly. Consequently, I expect a substantial increase in accomplishments in 1975.

DID WE EXPEND 56,000 AMERICAN LIVES FOR THIS?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it is not possible to know, at this date, what the outcome in South Vietnam will be, but it appears the end of an era is close. The resignation of President Nguyen Van Thieu may be a prelude to a puppet government and a takeover by the Communists.

After we had expended 56,000 American lives and untold billions of dollars to help people in Southeast Asia retain freedom from Communist rule, we obtained a cease-fire of sorts under pressure of public opinion. This enabled us to get American forces out of the war. The Communists continued their invasion; Congress refused to provide weapons which we had promised and which were necessary for the South Vietnamese and Cambodians to continue their fight. Now it appears the unequal fight is all but over and a big part of the world with great productive capacity and millions of people will be behind Communist lines. Since they feel they cannot depend on the United States; the other nations of Southeast Asia are beginning to make accommodations with the Communists.

There is one lesson that should stand out and be forever engraved in our thoughts. We should never again get into a war we do not intend to win. In Southeast Asia, the Communists had all the advantages. They made the rules. We fought by their rules. It was an inexcusable situation for which the administrations in power must accept responsibility. The outcome is what is now anticipated, it will make all of the sacrifices, the deaths, the sufferings of the POW's, the loss of the MIA's, and the expenditures useless. It has been a sad chapter in American history.

WIND ENERGY PACKET MADE AVAILABLE

(Mr. STUDDS asked and was given permission to revise and extend his remarks, and to include extraneous matter.)

Mr. STUDDS. Mr. Speaker, I am making available to my constituents beginning today a package of information about windpower and wind energy systems that I feel may be of interest to every Member of Congress. This packet is designed to provide a variety of both general and specific information on windpower, and to encourage my constituents to become interested in and to begin experimenting with this unique, clean, and potentially inexpensive source of electric power. The contents of my wind energy information packet follow:

POWER FROM THE WIND: A PARTIAL SOLUTION TO THE ENERGY CRISIS

(By Gerry E. Studds)

I. The need for alternative energy sources

This nation needs new sources of energy. The National Academy of Sciences has estimated that the United States may exhaust its total resources of oil and natural gas within the next 25 years. We can expect that petroleum prices will remain high and that petroleum based products will continue to have a polluting effect on our air and water.

I believe that the United States must turn to alternative energy sources, including wind power, in order to meet its future energy needs. Members of the Administration and the private energy industries state constantly that wind power will not be commercially viable for at least another 25 years. If we all continue to repeat that prediction, it will come true. But if we begin to experiment and install wind generators on a broad scale with the very substantial technology that already exists, we will not have to wait that long.

This packet is designed to provide a brief over-view of the potential of wind energy, of the current role of the federal government in wind energy research, and to provide those interested in detailed research with a number of sources of information on this subject. I hope it will be helpful to you, and that you will not hesitate to write to my office for further information or assistance. I believe that the people of the 12th District are ideally qualified to help prove the "experts" wrong.

II. This packet contains

1) The latest information on my solar and wind energy legislative package.

2) A brief semi-technical essay on wind power by Professor William Heronemus of the University of Massachusetts. Professor Heronemus is the nation's leading expert on wind power.

3) A National Aeronautics and Space Administration fact sheet on Wind Energy Systems. This booklet explains the objectives of the N.S.F./NASA five year wind energy program and answers some general questions on wind energy.

4) A Program Solicitation Form on wind energy systems. This form is intended solely as a guide to what is expected of those wishing to obtain a federal research grant in this area. Although there are no formal grant programs open at the moment, the Energy Research and Development Administration (ERDA) is willing to examine unsolicited proposals at any time. Those seeking information in the future should contact the ERDA Solar and Geothermal Task Group at 1800 G Street, N.W., in Washington (20550) or my office.

5) A bibliography which lists some of the best sources that I know of on wind energy. In addition, I have included a list of com-

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panies which manufacture wind energy equipment.

III. What the Federal Government is now doing

In 1974, Congress enacted—with my support—the Solar Energy Research Development and Demonstration Act. In addition to its solar energy provisions, this measure authorized the National Science Foundation (NSF) to conduct a short-term program of research into wind energy.

The first phase of the NSF program will seek to assess the potential of wind energy systems both on a national scale and in particular regions and to identify the most attractive size range and application of wind systems. This phase consists of six separate contract awards. Thus far, these contracts have been awarded as follows:

Two $500,000 contracts to General Electric and Kaman Aerospace Corporation to design and examine modern versions of windmills at sizes ranging from 1000 kilowatts for use by small communities or farm cooperatives to three megawatts for possible connection into the power networks of large utilities;

A multi-million dollar contract to NASA to design, build, and test an experimental 100 kilowatt wind turbine generator at its research center in Ohio.

A $93,400 contract to Michigan State University to determine if wind energy can be used economically to support the electric needs of a small municipal utility in a city of 2500 people on the banks of Lake Michigan.

The second phase of the NSF program has been shifted to the Energy Research and Development Administration and will consist of 21 separate contracts for research and experimentation in more specialized wind power related areas. The research under this program should be completed within five years.

CONGRESSMAN GERRY E. STUDDS' LEGISLATIVE PROGRAM FOR SPEEDY DEVELOPMENT OF SOLAR AND WIND ENERGY

The use of solar energy to heat and cool buildings and the use of the wind to generate electricity have both been proven to be technologically feasible. Both technologies have very small operating costs, but require an initial capital investment much larger than for more conventional devices. I believe the following legislation will help to speed up the commercial marketing of reasonably priced solar and wind energy systems:

Tax credits or low interest loans for homeowners who install solar heating and cooling equipment in their homes. This would accompany similar legislation for homeowners who install improved insulation, storm windows and storm doors in their homes. Congressmen Charles Vanik and Gilbert Gude are the chief sponsors of legislation in this area, and I am co-sponsoring both of their proposals.

Create a special category of Small Business Administration loans to help small businesses finance the first stages of developing and marketing solar and wind energy equipment. Many of the break-throughs in solar and wind equipment have been made by individual inventors and small businesses. I believe it is appropriate to help them find financing through low-interest loans to aid them in getting their products on the market quickly.

Increase the ceilings on FHA, VA and other home mortgages insured by the federal government by the cost of solar heating and cooling equipment installed on the house. If these ceilings are not raised, the initial capital investment for solar equipment would make most of these homes ineligible for assistance under current federal housing programs.

Substantially accelerate and increase federally financed research and development of both small and large size wind generators. The technology exists, but additional product development is needed—particularly for wind generators large enough to be used by public utility systems.

[Presented at the 1973 Eascon of the IEEE, Washington, D.C., September 18, 1973]

WINDPOWER: NEAR-TERM PARTIAL SOLUTION TO ENERGY CRISIS

(By W. E. Heronemus, Member S.N.A.M.E., A.S.M.E., A.S.N.E., and M.T.S.)

The United States daily sinks deeper into a morass of dependence upon foreign fuel resources, exponentially increasing water and air pollution and addiction to escalating nuclear power costs and safety hazards while ignoring solar energy. Windpower, a solar energy driven process could be developed in the very near future as a partial but significant solution to our energy crisis. The total energy available to this country from the winds via practical windpower systems complete with necessary storage subsystems could total at least one trillion kilowatt hours per year. The most productive systems would be those installed offshore of New England and the Middle Atlantic coasts in the Westerlies, along the axes of the Great Lakes and through the Great Plains. Benefits starting with near freedom from pollution and ranging all the way through large numbers of factory jobs in areas of high unemployment together with economical electricity free from future fuel cost and safety system cost escalations could accrue to a national windpower program.

1. *The Concept.* Moving particles of air possess momentum and that momentum can be exchanged to do useful shaft work. Winds can turn electrical generators: this has been done for many years in many places at power levels varying from a few watts to over one megawatt. The momentum available in the wind is capricious in the short term: the total energy content in a wind at a location measured over the long term is very reproducible. If the electricity produced by the random wind can be used in some process that accepts random energy input, windpower is useful in a most simple system. Most past work in largescale windpower planning has been based on the simple process of saving fuel in central generating plants when and as the wind would blow. On that basis windpower cost cannot exceed the differential cost of fuel; a very difficult economic situation. If random windpower can be firmed by some storage scheme, then the total system cost can be compared in terms of the average cost of delivered electricity. If random windpower plus storage can be arranged to meet peak load requirements, then the total system cost can be evaluated in terms of peaking revenue in that system. Many significant windpower development programs were mounted in different countries in the past: none could ever show a significant economic advantage for windpower generated electricity except for very remote regions where oil or coal transportation costs dominated the cost of delivered electricity. The United States is now entering an era where projected fuel costs suggest windpower may have a significant economic advantage. Scarcely anyone paid any real attention to air and water pollution problems prior to 1968; the United States, at least, now recognizes that any energy conversion system free from air and water pollution effects should be credited with some added value, even through the mechanism for costing externalities has not yet been brought forward. Scarcely anyone has paid any real attention to the moral or ethical consideration involved in this plus the next few generations' burning up all the remaining fossile fuels and raising accumulated radioactivity levels far above natural background; many nations are now willing to at least mutter about these things, but very little action has yet been taken. A mature windpower technology albeit circa 1945–1950 exists: assembly line production of components could start in a relatively short time. Windpower could impact the U.S. energy market starting in as few as four years if treated as a national priority goal.

2. *The Resource.* Is there enough energy in the wind to make its development worthwhile? One fearless captain of U.S. industry has recently stated that "windpower could never amount to more than a drop in the bucket." He is wrong, absolutely wrong. Start with the annual average isolation of Earth: income energy averaging 3600 Quintillion But's each year at the earth's surface, 5000 per year at the outer boundary of the atmosphere. This must be placed in perspective by comparing against a projected *total World* energy consumption, year 2000, of the order of 10 Quintillion Btu's per year. A popular approximation of the *average* solar energy reaching Earth's surface is one kilowatt per square meter of surface area. How much of that received energy is converted into kinetic energy in particles of air? The estimates vary between 2 and 20 watts per m^2. Kung (1) computed a mean annual generation rate of 9.5 watts per m^2 over North America, and a winter rate of $15.4 W/M^2$. Palmen and Newton (2) state that those values may be high, although it is plausible that North America is an area of considerably stronger kinetic-energy production than most of the Northern Hemisphere regions. Other studies show that the distribution of the generation of kinetic energy in the atmosphere varies significantly from the equator towards the poles and in the Northern Hemisphere reaches a maximum flux in the 40 to 60 N. Latitude belt. Since this paper will speak to windpower systems lying between 42 and 48°N. Latitude, it is thought that Kung's hemispheric averages applied to that bone might still be conservative. Thus one might proceed to say that the generation of kinetic energy in that zone represents a conversion of at least one to one and one-half percent of the total incoming solar energy in that zone. The State of Wisconsin has a surface area of about 5.47×10^4 square miles $1.42 \times 10^{11} m^2$. The total kinetic energy available in the atmosphere over Wisconsin might then be said to average 3.53×10^6 megawatts. That is a rather large power plant. If one tenth of one percent of its annual yield were extracted, about 30 billion kilowatt hours would flow into the energy market each year. It is suggested that that is more than a drop in the Wisconsin energy budget. If it were possible to extract one percent, the bucket would certainly overflow, even if our wildest projections of electricity demand turn into reality.

Moving on from a physical quantification of the resource to an engineering quantification, one finds the method employed by Golding (3) to be of use. A wind generator of known or estimated net output power versus wind speed is placed in the wind regime at the site of interest and the annual productivity of that generator is calculated. Results of such calculations for three wind regions follow in a later section.

Several other general comments about the resource are in order. The productivity of a wind is a function of the cube of its speeds; and there is a certain minimum wind speed below which a wind generator will not produce anything. That "cut-in" speed is seldom lower than 6 mph and, unfortunately, is as high as 15 mph. So, much of the wind within the lower 60 feet of the atmosphere is of little use for power conversion. The velocity of the wind increases logarithmically with height above ground. By going up into the air most anywhere one can find moderate to strong winds. Going up 100 to 1000 feet in the air immediately presents two problems: (a) large numbers of wind generators can become objectionable to the human eye, and (b) the taller the support the greater the cost. Here one must face harsh reality: if lofty, visible wind generators are going to be objectionable in any area, then the entire proposition must be abandoned forthwith. Practical windpower systems simply can't assume a low profile. And if the high towers cost too much, again, forget it. The product is up there: if it can't be reached economically, it can't be sold.

3. *The extraction or Momentum Conversion Device.* It has been said that over 3500 "windmill" patents have been issued. A Chinese vase dated to 4500 B.C. shows a vertical axis windmill not too different from some operating in 1973. Wind momentum conversion devices represent the product of the most practical mehanic and of the most highly respected of the fluid mechanicians which society has produced. Many wind generators capable of continuous operation at conversion rates of 70 percent of the maximum theoretical rate have existed, and there is good reason to expect 75 to 80 percent conversion efficiency as new knowledge of high lift-low drag at law Reynolds Numbers is created. The last four years have brought a significant improvement in sailplane theory and practice, for example.

The capability of a wind machine to exchange momentum is a function of its aerodynamic shape (both design and nicety of manufacture) and size, its location in the windstream, whether or not its blades are fixed in pitch, controlled in pitch to maintain a synchronous shaft speed, or controlled in pitch to maximize momentum exchange, and whether or not there is any interference with optimum wake expansion. The best machines are the so-called modern high speed propeller machines with 3 or 2 very high aspect ratio, thin, carefully twisted blades. The less efficient the machine, however, the easier it is for it to start at a low cut-in speed; and the smaller the machine, the lower the cut-in speed. One can immediately see where cost becomes related to very high efficiency; but, machines of very good efficiency can be simple and thus relatively inexpensive and reliable.

The most simple configuration is probably that of a single modern high speed wind generator atop the tallest western cedar pole that can carry it in the expected wind regime, with account taken of storm and ice loadings. The best location for the most simple configuration is in a clear area. If the terrain is wooded, the machine will produce well depending upon how much clearance is provided between tree tops and the swept diameter. From the most simple configuration one can progress down the path of added complexity and cost and added productivity by grouping machines. Where the winds are light to moderate, arrays of large numbers of small machines can produce a significant annual yield whereas larger machines might not. Where the winds are moderate to strong, larger machines are more economic. Concepts for the placement of large numbers of small to medium size wind generators is that they share support most lead to (a) structural space arrays atop towers and (b) cable suspended arrays that would be analagous to hydro dams. The step-by-step transition from a single machine atop a pole to a large number of machines in cable suspension systems can be seen in Figures (1), (2), and (3).

The idea of multiple land usage enters this discussion at this point. It is contended that wind generators in vast numbers can be located without hindrance to the current use to which land is being placed. Grazing land, tilled land, either along fence rows or throughout the fields themselves, could carry large numbers of wind generators. The air space over secondary roads, if oriented essentially normal to the prevailing wind, could carry tens of thousands of miles of cable suspension systems with no adverse effect on the highways below. New tall buildings, if set far enough apart, could in some locations carry enough windpower array to make them self-dependent for energy. The hundreds of thousands of square miles of forest land, particularly the pulpwood farms and other commercial forest lands, could be surmounted by windpower arrays. The vast expense of East Coast continental shelf could support huge arrays of windpower extraction machines. Again, the contention is that this could be done without detraction from the primary land usage, and could be done so as to avoid aesthetic objection.

4. *The Total Windpower System.* The first two elements and probably the most expensive portions of any windpower system will be the momentum exchange device and the supports. From there nothing more or very much more must be added depending upon what the system's saleable product is to be. Table 1 shows some elements which could be built into windpower systems. Ten saleable products are shown in Column IX plus four other possible "special" saleable products (in which interest will quicken rapidly in the next few years!). To get from Column I to Column IX many different paths can be followed depending upon what the saleable product is to be. Each additional block on the Table that is entered will usually put another efficiency into an already long cascade of efficiencies from resource to product; unnecessary steps must be avoided. The provision of storage can be especially debilitating to overall efficiency but dependent of course upon the amount of storage needed as well as the nature of the storage subsystem. On the other side of the coin, however, lies the possible economic gain from providing storage. Peak power at the bus bar has traditionally been worth three times as much as base load power at that same bus bar; what that ratio will be in the future is a good question. But, one can afford considerable degradation of efficiency for that portion of the product that must go through storage, if one can realize peak power tariffs. Much hard work is required before the economics of very many of the possible paths through Table 1 can be set down with certainty. One grandscale windpower system has been calculated completely: the proposed Offshore Windpower System (4) in which the path through the columns was: I.D. to II, G to IIIA. to IVG. to V, G. to VI, G.8 to VIIG. to VIIE. producing IXC. Two byproducts IXF. and IXII. exist but were not treated as saleable.

TABLE 1.—ELEMENTS OF WINDPOWER SYSTEMS

I	II	III	IV	V	VI	VII	VIII	IX
Momentum exchange	Supports	Airscrew driven device	Power addition or collection feature	Inherent storage feature	Storage feature variations	Energy-transmission feature	Storable reconversion feature	Salable products
A. Very large numbers of small (5 kW) wind generators with 10 m.p.h. cut-in speed. B. Large numbers of moderate sized (20–30 kW) wind generators with 10 m.p.h. cut in speed. C. Fewer numbers of medium sized (100 kW) wind generators with 13 to 15 m.p.h. cut-in speed. D. Smaller numbers of large (2 mW) wind generators with 15 m.p.h. cut-in speed.	A. Relatively low single pole. B. Highest practical, single pole. C. Lattice tower, 150 feet height. D. Lattice tower, heights above 150 ft. E. Carrousel billboard array. F. Tower and cable suspension system. G. Floating supports, relatively low. H. Floating supports, relatively lofty. I. Floating tower and cable suspension.	A. Free-wheeling floating voltage d.c. generator. B. Controlled voltage, d.c. generator. C. Network synchronized a.c. generator. D. Hydraulic pump–stroked. E. Hydraulic pump–not stroked. F. Air compressor. G. Mechanical drive to water pump.	A. Single elect generator. B. Paralleling d.c. generators, large numbers, feeding larger synchronous a.c. generators. C. Paralleling a.c. generators, large numbers, feeding synchronous transmission net. D. Hydraulic pumps feeding larger hydraulic motor. E. Air compressors in parallel feeding a common accumulator. F. Water pumps feeding a common hydro reservoir. G. D.c. voltages switched to optimum array of electrolysis cells.	A. D.c. accumulator. D. Hydraulic accumulator. E. Compressed air storage. F. Pumped hydro storage. G. Hydrogen gas storage.	E. Compressed air: 1. Small HP gas containers. 2. Large HP gas containers. 3. LP storage in caverns. 4. MP storage in aquifer. 5. HP storage in exhausted gas wells. 6. Pressure-balanced storage under water. G. Hydrogen: 1. Small HP gas containers. 2. Large HP gas containers. 3. Tank storage as cryo. 4. Accumulation in metal matrixes as hydride. 5. LP storage in caverns. 6. HP storage in aquifer. 7. HP storage in exhausted gas wells. 8. Pressure-balanced storage under water.	A. Cable. B. Cable collection, transmission and distribution. C. Cable, collection, transmission and distribution. D. Piping. E. Piping. F. Piping and open channel. G. Piping.	A. Cold-air expansion turbine driving synchronous gen. B. Heated air expansion turbine driving synchronous gen. C. Hydraulic-motor driving synchronous gen. D. Hydraulic turbine driving synchronous gen. E. Hydrogen-air fuel cell feeding synchronous through inverter. F. Hydrogen-oxygen fuel cell feeding synchronous net through inverter. G. Hydrogen-air turbine driving synchronous gen. H. Hydrogen-air turbine driving synchronous gen. I. Hydrogen I.C. engine driving synchronous gen. J. Hydrogen-air hot air engine driving synchronous gen.	A. Electric power, fluctuating voltage d.c. or fixed voltage into synch. net whenever the wind blows (the fuel saver). B. Electric power, base load, into synch. net. C. Electric power, base interm. and peak load, into synch. net. D. Pure hydrogen gas. E. Liquid hydrogen F. Pure oxygen gas. G. Liquid oxygen. H. Pure by prod. water. I. Compressed air. J. Irrigation water. POSSIBLE SPECIAL SALABLE PRODUCTS K. Hydrogen and high sulfur coal yields either clean methane or clean liq. coal. L. Oxygen and high sulfur coal yields clean high Btu pipeline gas. M. Hydrogen and iron ore yields clean iron production. N. Oxygen and iron yield clean steel production.

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5. *Some Specific Estimates of Productivity and Economics at Certain Locations:* Windpower systems in three different locations have been conceptualized and the available resource data analyzed:

(a) *Region A.* A west to east belt of the United States and Canada, starting East of the Rockies in Montana, proceeding eastward through the Dakotas, Minnesota, Wisconsin, Michigan, lower Ontario and Lake Erie, upper New York and Lake Ontario, on into Vermont and over Maine out to sea. Within that very large area, specific attention has been given to Wisconsin and the bordering Lake Superior and Lake Michigan.

(b) *Region B.* Upper New York State and the U.S. portion of Lake Ontario.

(c) *Region C.* Wisconsin, Upper Michigan, and Northern Minnesota.

East station has been measured for annual productivity, annual plant factor, and annual storage amount. Annual productivity equals the number of kilowatt hours of electricity one could expect each year from each 20 KW unit. The annual plant factor is simply the annual productivity divided by 8760 hours times the generator rating; in other words the actual productivity divided by the maximum possible productivity if the machine worked at full rated capacity all year 'round. The annual storage amount is the maximum amount of continuous surplus or deficit over or under the line of average productivity per hour. It is the direct measure of the least amount of energy which must be stored if a constant power output is to be achieved from that windpower system at that site. All of the data are for a height of centerline of 100 feet above surface. Please refer to Table 2.

TABLE 2.—CHARACTERISTICS OF A SINGLE 32-FT. DIAMETER × 20-KW WIND GENERATOR AT AN AXIS HEIGHT OF 100 FT. ABOVE SURFACE

Station	Annual productivity, kilowatthour per year	Annual plant factor	Annual storage amount, kilowatthour per year
A. Prarie States Region:			
1. Huron, S. Dak	50,800	0.29	1.928
2. Fargo, N. Dak	53,818	.31	2,509
3. Casper, Wyo	63,892	.36	5,543
4. Great Falls, Mont	64,740	.37	5,297
5. Billings, Mont	46,881	.27	2,789
6. Wichita, Kans	77,804	.44	2,220
7. Topeka, Kans	45,061	.26	2,076
8. Tulsa, Okla	42,656	.24	3,189
9. Sioux City, Iowa	69,766	.40	3,338
B. Upper New York State:			
1. Buffalo, N.Y	42,189	.24	3,309
2. Over Lake Ontario	73,861	.42	10,151
C. Wisconsin, Upper Michigan, Northern Minnesota:			
1. Milwaukee, Wis	42,852	.24	3,484
2. Green Bay, Wis	57,144	.33	4,507
3. Duluth-Superior	49,166	.28	2,331
4. Over Lake Superior	69,031	.39	8,303

Windpower electricity generating systems in three different regions, all using the same

6. *Three Specific Wind-Electricity Systems.* storage loop, have been selected to demonstrate the economics of wind generated electricity:

(a) A Prairie States System, feeding both locally and into Chicago, with Sioux City, Iowa selected as "the generating site". Table 2 suggests that Sioux City is representative of a wind field that comes out of the foothills of the Rockies in Montana and Wyoming and down from the prairies of Saskatchewan and blows on out toward the Atlantic.

(b) An Upper Michigan System, feeding into the Green Bay-Fond Lu Lac markets. This is a small portion of a very extensive "Wisconsin Windpower System".

(c) An Upper New York State System, in the Lake Ontario Region, feeding all the way to New York City.

The Load Demand Curve, (Fig. 4) is assumed to be the same in all three regions, and is a sharply peaking curve which the 1970 National Survey thinks will be common by 1990. No seasonal variation in load demand has been taken into account.

The Block Diagram of the System is shown in Figure (5). This system uses gaseous hydrogen as its storable, and stores it underwater in pressure balanced storage farms. For the Prairie States and the Wisconsin system, the storage is to be in Lake Michigan, off Kewaunee, Wisconsin, in 850 feet of water. For the Upper New York State System, the storage is to be in Lake Ontario in 720 feet of water.

The wind station to be used in the first two cases is the lofty array of Figure (3), the Kingpost and Wire Rope Suspension System, Double Banked. The wind station to be used in the upper New York State system is that of a very lofty floating structural grid, in which 200 of the 20 kW wind generators are held, Figure (6).

For all three stations weighted averages for E_1, E_4, E_5, E_7, and E Delivered (refer to diagram, Figure (5), for locations 1, 4, 5, and 7 at which Energy per year, E, is calculated) are used.

Those numbers are set down in Table 3.

TABLE 3

Station	Sioux City, Iowa	Upper Michigan, Point de Tour to Munising	Over Lake Ontario
E_1	91,975 kWh/yr	94,790 kWh/yr	21.0[illegible]1 $\times 10^{6}$ kWh/yr.
E_4	3,386 kWh/yr	8,189 kWh/yr	2.20[illegible] $\times 10^{6}$ kWh/yr.
E_5	70,128 kWh/yr	71,390 kWh/yr	16.4[illegible]2 $\times 10^{6}$ kWh/yr.
E_7	63,115 kWh/yr	64,900 kWh/yr	14.9[illegible]0 $\times 10^{6}$ kWh/yr.
E delivered	60,590 kWh/yr	63,602 kWh/yr	14,3[illegible]5 $\times 10^{6}$ kWh/yr.
P average	8.00 kW	8.15 kW	1874 kW.
P peak	13.77 kW	14.02 kW	3222 kW.
Installed wind generator capacity	The single 20 kW machine	The single 20 kW machine	200 of the 20 kW machines.

For each of these three systems, costs have been calculated using these factors:

(1) A 20 kW wind generator, complete; will cost $110 per kW;

(2) Supports, if on land, of the double-banked kingpost and wire rope type, with electrical collection cables and training drives for each cluster of 20 generators, will cost $40 per kW;

(3) The floating supports, tower, tether, anchor, of the 4 mW floating system will cost $200,000;

(4) The overall efficiency of the storage loop is such that $E_3 = 1.96$; E_4 Electrolyzers will cost $25 per kWe input capacity, and hydrogen-air fuel cells will cost $100 per kWe output. (5), (6), (7), & (8). For this to be possible, large but entirely feasible development programs are required. Generators and motors were costed at $20 per kW.

Mixed costs, generation, have been calculated using a 15.5% fixed charge rate, which is probably much too high for regions other than New England, but which has been used as a standard by the NSF Solar Energy Panel. Costs associated with transmission lines and the storage loop which are strictly parts required for the generation system have been grouped together as "other generation costs". 10 mills per kWh were allowed for distribution, G & A and profit, for all three cases.

For the three systems, these results were found, 1973:

(A) The Prairie States System, delivering electricity on demand, in the Sioux City, Iowa area; required average revenue = 28 mills per kWh ;

(B) The Prairie States System, delivering electricity on demand, in the Chicago market; required average revenue = 31 mills per kWh;

(C) The Upper Michigan System, delivering electricity on demand, in the Green Bay, Wisconsin market: required average revenue = 28.4 mills per kWh;

(D) The Upper Michigan System, delivering electricity on demand, in the Chicago market: required average revenue = 29 mills per kWh;

(E) The Lake Ontario System, delivering electricity on demand, in the Oswego, N.Y. market: 31 mills per kWh, required average revenue.

(F) The Lake Ontario System, delivering electricity on demand in New York City: required average revenue = 32 mills per kWh.

Those required average revenues are higher than the 1973 midwestern prices. But midwestern prices are going to rise. It is foolish to think in terms of fuel costing less than ninety cents per million Btu by 1975, and clean-fuel-from-coal, or LNG will probably reach $1.50 per million by 1980. As for the costs of nuclear generated power, we have witnessed the ease with which that industry has moved from $163 per kWe at Dresden 1 up to over $450 per kWe at Yankee Vermont. And those who really understand the future of that situation (for example, United Engineers & Constructors and EBASCO) know that George M. Anderson's February 1972 projections of $600, $700 and $800 per kWe nuclear plants are already on the low side. And when the U.S. public receives a fair deal on the cost of enriched uranium fuel, that will have gone from 2 mills per kWh burn-up to closer to 8 mills per kWh burn-up.

Attention should be given to large scale windpower if only from the purest of capitalistic economic motivation.

7. *Conclusion.* It is proposed that significant quantities of electricity could be generated by windpower over very many portions of the country. In some areas this could be done to a total amount well in excess of predicted local demand and could thus become a very valuable export. The idea of states like Montana, the Dakotas, Wyoming, Kansas and Oklahoma, becoming purveyors of competitive wind generated electricity to the Chicago energy sink is advanced. Similar generating site-market combinations have been suggested. The resource is huge, and it can be tapped by relatively simple machines in large numbers sharing the existing scene, or by large wind barrages flung across the prevailing winds. The product is economic by 1973 standards ranging from 16 to 21 mills per kWh at the distribution yard. The latest and largest New England nuclear plant, Vermont Yankee, is charging 22 mills per kWh for power delivered to Vermont utilities and more for power delivered to the big market around Boston. The projected costs from future nuclear plants are much higher. There is good reason to feel that every portion of the suggested windpower systems will be made more efficient with time and much less costly if genuine mass production were undertaken. Every part of the system called out here in amenable to automatic production similar to that which produces automobile enginea for as little as $30 per kW. There is great opportunity here for new business.

And, the windpower resource is renewable, there would be *no* thermal pollution, *no* radioactivity of any kind, *no* air pollution of any kind, *no* fear of catastrophic accident, and *no* vying for other nations' petroleum resources, if it were to be used. It is suggested that U.S. industry stop their derision of this venerable source of clean energy and start using it, for the benefit of all of us here on Earth. Wind generated electricity could have a significant impact on our energy market in as few as four years if we so desire.

Acknowledgements. The author is greatly indebted to two of his students, Mr. Theodore Djaferis and Mr. Trent Poole, who did the calculations and the illustrating, respectively, for this paper. Mr. Djaferis joins the author in grateful acknowledgement of the support given to his continued education by Mr. Mark Swann of New Park, Pennsylvania. I also acknowledge with thanks the contributions of Dr. M. M. Miller in advancing the cable suspension system for large scale windpower systems.

WIND ENERGY SYSTEMS, A NONPOLLUTIVE, NONDEPLETABLE ENERGY SOURCE NASA OFFICE OF AERONAUTICS AND SPACE TECHNOLOGY FACT SHEET, MARCH 1974

The wind is plentiful, inexhaustible, and non-polluting. Researchers estimate that Earth's winds could supply a significant fraction of our nation's energy needs in the future. But they note that a determined, sustained effort would be needed to make wind-derived energy available on demand at reasonable costs.

The National Science Foundation (NSF) is responsible for carrying out the nation's solar energy program, of which is the wind energy effort is a part. NSF has asked NASA's Lewis Research Center (LeRC) in Cleveland, Ohio to assist in carrying the wind energy program.

PROGRAM OBJECTIVE

The objective of the NSF/NASA LeRC five year Wind Energy Program is to develop wind-driven energy systems to supply reliable energy at a cost competitive with alternative systems.

The program calls for:

1) Studies, construction, and testing of wind energy conversion systems (rotor, transmission, generator, tower, and yaw and pitch control mechanisms without provisions for storage.)

2) Studies, construction, and testing of energy storage systems (compressed air, electrolysis of water to make hydrogen, pumping water into elevated reservoirs for gravity flow, supplementing large electrical networks.)

3) Conducting meterological studies to estimate the wind energy in the nation and to determine favorable regions and sites for wind-driven energy systems.

4) Studies and identification of suitable applications for demonstration tests.

Planned accomplishments at the end of the five year program include:

1) The identification of cost-effective wind conversion systems.

2) Prototypes of wind conversion systems in operation.

3) Proven wind conversion components and subsystems.

4) Proven energy storage systems that are cost effective.

5) Demonstration systems for selected applications, with storage, ready for testing.

6) An accurate estimate of the nation's wind energy potential.

7) Developing techniques for selecting sites on which to place wind conversion systems.

8) The identification of regions having suitable winds.

The first step in the NSF/NASA program was a "Wind Energy Systems Workshop", held in Washington, D.C., in June 1973. The workshop brought together for the first time in more than a decade persons who were interested in wind energy. This included some of the pioneers who made important contributions to the technology in the past, and newcomers presently active in this effort. Purpose of the workshop was to exchange information and ideas and to determine the present state of the art.

PROGRAM QUESTIONS MOST FREQUENTLY ASKED

1) How many wind-generators will the country need to make an important energy contribution? Prof. William Heronemus, University of Massachusetts, calculated that about 350,000 wind-generators would be required to generate electrical energy equal to that used in 1969. Each unit would generate a maximum output of 1250 to 2200 kilowatts. This is not to suggest that all the electrical power be produced by wind generators. This calculation is meant to indicate the potential that exists for deriving a significant portion of the nation's energy from the wind.

2) How large will these wind generator (or wind conversion) systems be? Technology exists for building wind conversion systems with 200 foot long propeller blades on towers as high as 1000 feet. Or, a large tower system could be built to support many small rotor-generator units (30 to 50 ft. rotors). Cost is one important factor determining the size of a wind conversion system. Realistic costs will not be available until detailed studies are completed and actual systems built and tested. A determined and sustained effort of sufficient scope is needed before the most cost-effective wind generator is identified.

3) Won't a large number of wind conversion systems clutter up the landscape? This does not have to happen. An important consideration in the program will be the eye appeal of these systems. Every effort will be made to design these units as attractively as possible.

4) Will a large number of wind generators affect the weather by slowing down the wind? They would have no more effect than tall buildings, hills, mountains, bridges, and tall trees. The wind generator rotor slows down the wind that passes through it by about ⅓ when the rotor is operating at its greatest efficiency.

5) How do you see wind generators being used? The wind-extracted energy could be used to generate electricity directly. The electrical energy could be stored as hydrogen derived by electrolyzing water, or as water in an elevated reservoir. Or, energy extracted from the wind could be converted to and stored as compressed air and then used to drive air turbines. These turbines in turn would drive electrical generators whenever there was a demand for electrical energy.

RESEARCH ON WIND ENERGY CONVERSION SYSTEMS

SUMMARY

(NOTE.—Proposals under this solicitation have already been submitted and the contracts awarded. This item is included in the packet only because it describes the current federal research effort.)

The Research Applications Directorate of the National Science Foundation intends to provide approximately $3,000,000 for research on advanced systems, subsystems and associated problem areas related to advancing the capability of extracting useful energy from the wind.

Proposals are being sought in six categories. The first two categories involve the definition of requirements and assessment of applications for the large-scale generation of energy and each requires the addressing of a set of interrelated questions.

A-1 Wind Energy Mission Analysis

A-2 Applications of Wind Energy Systems

The remaining four categories involve research on advanced concepts, systems and subsystems, wind characteristics, and other wind energy related advanced research:

B-1 Wind Characteristics

B-2 Subsystems and components research and technology

B-3 Advanced or innovative system concepts

B-4 Advanced Farm and Rural use systems

Proposals for Category A-1 must be received by the Central Processing Section (Room 223, 1800 G Street, N.W., Washington, D.C. 20550) of the Foundation by 5:00 p.m. EDT, June 19, 1974, and will be considered firm for 90 days from that date. Proposals for all other categories must be received by the same Section and address, by 5:00 p.m. EDT, July 17, 1974, and will be considered firm for 120 days from that date.

The National Science Foundation is supporting research on several aspects of solar energy. These efforts include research in the following areas: Solar Heating and Cooling of Buildings, Solar Thermal Conversion, Photovoltaic Energy Conversion, Biconversion to Fuels, Wind Energy Conversion, and Ocean Thermal Energy Conversion.[1] This Program Solicitation concerns only research on Wind Energy Conversion Systems.

As general information to the proposer, the NSF Wind Energy Program also includes activities not contained within this program solicitation. In particular, the design, construction, test and evaluation of large-scale proof-of-concept experiments (POCE's) and extensive site specific wind surveys are not included in this solicitation. The NSF Wind Energy Program is being assisted by the National Aeronautics and Space Administration, Lewis Research Center in the POCE program elements. These POCE's and other reesarch elements will be handled by separate solicitations or other means.

OBJECTIVE OF AWARDS

The general objective of the Wind Energy Program is to advance the scientific and technological bases that are necessary for the development of reliable, practical, and cost competitive wind energy conversion systems as an alternative source of significant quantities of energy.

The specific objectives of awards based upon this solicitation are to determine requirements, assess applications and stimulate innovative research on the problems and technologies of wind systems to support achieving the overall program objective.

Proposals are solicited in several categories, each of which will be evaluated separately. Each proposal must be submitted for consideration in only one category; however, different proposals may be submitted in several categories by the same investigator or organization.

Proposal Categories A–1 and A–2 are concerned with the determination of requirements and the assessment of the potential of wind energy systems in various applications. Category A–1 considers the overall requirements and assessment of wind energy systems on a national scale and requires adherence to a detailed set of proposal requirements. Category A–2 considers requirements and assessment for proposer selected applications in particular regions and allows more flexibility to the proposer in this respect.

Categories B–1 to B–4 are concerned with research on (1) the capability to identify suitable wind system sites and predict the wind characteristics of such sites. (2) advanced subsystems, components and design methods, (3) advanced and innovative system concepts, and (4) concepts to advance the capabilities of smaller systems for farm

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[1] Program Solicitation 73-22, which closed on November 28, 1973, encompassed the Solar Heating and Cooling of Buildings Program. Program Solicitation 74–9, which will close on May 7, 1974 (for Category A) and July 9, 1974 (for Category B) encompasses the Ocean Thermal Energy Conversion Program. Copies of the latter Program Solicitation may be obtained by calling (202) 632–4128.

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and rural use. Categories B–1 to B–4 allow considerable flexibility to the proposer.

A–1 Wind Energy Mission Analysis

a. Introduction

The potential wide-scale use of wind energy systems is dependent upon numerous factors, the most significant of which are related to system economics and user requirements. Cost effectiveness of systems will vary widely as a function of size and of specific application, the wind characteristics of particular regions and sites, the availability and cost of competing sources of energy, the users requirements, interfaces and institutional constraints, and in some applications, the need for and availability of energy storage. The variability of these conditions requires careful attention. In particular, the degree of applicability of "standardization" or "standard sizes and types" requires investigation. The results of this study will be used to assist the development and planning of the Wind Energy Conversion Program.

b. Objective

The objectives of this study are to provide, on a national scale, an assessment of the potential for wind energy systems, an identification of high potential types of applications, and a definition of the variability of system and user requirements.

The specific objectives of the project are to provide:

(1) An assessment of the potential of wind energy systems on a national scale including the identification of the most attractive size/application/requirements combinations.

(2) The establishment of the general functional, performance, cost and operational requirements or goals for wind energy systems and the variability of those requirements.

(3) A preliminary assessment of the impact of the introduction and large-scale use of wind energy systems on energy suppliers, users and related industries including the energy balance and land use involved in an eventual large-scale use of such systems.

(4) An assessment of the institutional and non-technical problems involved with achieving acceptance of wind energy systems by the utility and other user groups, the manufacturing and supplier industries, financial and regulatory groups and the overall public.

C. SPECIFIC TASKS

Specific tasks shall include but are not limited to:

1. Identification of high potential applications:

(a) Develop a logical classification and analyze a matrix [or other analytical form] of applications for wind energy systems including, for example, but not limited to:

(1) Type output—electrical power of the several applicable voltages and types:

Direct pumping of water;

Hydrogen generation;

Other.

(2) Type user:

Farms, of various types and sizes including regional cooperatives;

Remote small communities and self contained bases or operations;

Municipalities of various sizes;

Electrical utility grids;

Individual industrial plants or other special uses such as mines, irrigation projects, processing plants, etc.;

Other.

(3) Types of uses for wind energy systems such as:

Independent vs. supplemental power source;

Base, intermediate or peaking power;

Conservation of water, fossil fuel or other considerations;

Multiple use.

(b) Develop criteria for the comparison and evaluation of applications, for example, overall magnitude of the application, cost goals, insensitivity to system size or output variations and so forth.

(c) Perform an initial assessment of applications and select, based upon the developed criteria, a manageable set of the most favorable applications for more detailed investigation. The proposer should indicate in his proposal the number of these applications which he expects to pursue within his proposed resources. Stress should be placed on the large-scale generation of electric power, but not to the exclusion of other applications. Included among the selected applications, (unless discussion of preliminary results during the project with the NSF project officer determine otherwise) should be:

supplemental electric power generation without storage;

applications connected with hydroelectric and/or reservoir storage systems;

applications connected with the joint use of farmland for food production and electrical power generation (in addition to the farms' power demands);

joint land or hardware use with other facilities. Examples could be transmission line systems and towers, radio and tv towers, possible solar thermal systems, or similar combinations.

2. Assessment of potential on a national scale.

(a) Perform an initial estimate based on available data of the overall magnitude of useable energy available in the wind over the continental U.S. and Alaska, Hawaii, Puerto Rico and other U.S. areas. Include, but maintain separately identifiable the use of offshore systems.

(b) Convert this to practical power output estimates for reasonably efficient systems, and alternative widely divergent assumptions of system implementation rates and unit spacing.

(c) Develop a map of the potentiality of regions based on wind potential.

3. Examine implementation alternatives for the high potential applications.

a. Determine related rates of production and capital investment for several alternative implementation rates.

b. Examine how such implementation might occur by the normal market mechanisms for several assumed system cost estimates.

c. Estimate the resources required in addition to capital investment for each implementation rate and the energy balance in terms of energy output (energy payback time). Identify material resources required, if any, which might become barriers because of scarcity and/or whose use at such rates might cause serious effects in other areas or industries.

d. Identify and provide an initial estimate of the major effects, on labor, land, utilities, manufacturers, and the general public associated with such implementation rates. Provide a comparison of wind energy systems with fossil fuels saved, balance of trade or changes in foreign dependence, based on an equivalent amount of energy supplied without the use of wind systems.

e. Examine institutional and regulatory constraints or problems and identify their effect on the design and requirements of wind systems and on strategies for the implementation of wind energy systems.

4. Definition of Requirements—For each of the high potential applications, establish the following:

a. System Functional Requirements—(1) Establish for each high potential application the general functional requirements of the system. Functions should include the interface with the user and parallel energy inputs to the user from other sources.

b. System Performance Requirements:

(1) Estimate the expected power output requirements for the overall application and identify logical unit sizes;

(2) Examine typical demand variations with time, typical wind system output variations, and associated energy storage considerations if appropriate;

(3) Determine typical user interface requirements including power conditioning, reliability, energy availability criteria, output characteristics and tolerances, lifetime and maintenance requirements, and constraints of wind system failures on the user and user system failures on the wind systems;

(4) Determine cost goals for systems, in terms of both capital and annual operating costs, to allow wind systems to be competitive with conventional fossil, hydroelectric, and nuclear systems in the 1980–90 time period;

(5) Examine the users costing, profit measuring, and investment decision techniques and criteria and provide an analysis of the effect of these factors on the design and requirements of wind systems; and

(6) Provide an analysis of the variations in requirements and constraints on wind systems for similar applications, identify the similarities and differences, and identify the logical grouping and classification of systems so as to assist in determining the sensitivity of system size and type to the varied market and applications.

Proposers should take special note of the following for Category A–1 only. All of the above tasks must be encompassed in the proposed project, although additional tasks and subtasks deemed by the proposer as necessary to achieve the project objectives may be added. Design of wind energy systems should not be included unless and only to the extent required to support the above tasks. The project tasks stated above need not be sequenced or grouped in the manner shown. The proposers plan should however, carefully identify each task and articulate how, in detail, he intends to organize, perform and execute the required activities.

It is contemplated that two awards will be made in this category. The awardees will be required to submit informal monthly progress reports and participate in review meetings with NSF program staff. The draft final report, all appendixed data, a formal briefing, and summarized presentation material for projects in this category will be due nine months from the award date.

A–2 Applications of wind energy systems

The effectiveness of large-scale wind energy systems is a function of the wind potential of a region, the particular applications considered and their demand characteristics, the availability and cost of other energy sources, and the need for or availability of energy storage. Thus the potential use of wind systems and their goals and requirements will vary in different regions and are more competitive in certain types of applications. The purpose of research in this category is to assess the potential and determine the cost goals and performance and user requirements for presently identifiable high potential applications. It is intended that research in this category be narrower in breadth and performed in more depth, and in the context of a particular application and region, than research in Category A–1. A "region" may be defined as any logical geographical area, state, power district or similar physical area. If a very small regional application is selected, emphasis should be placed on the generalizability of results to similar applications in other regions. Large regions may be viewed as a particular entity.

Research proposals should include an integrated plan which includes addressing all of, and at least, the following subjects:

Definition of the principal application to be considered (e.g. base electrical power, supplemental power, special industrial use, interconnection with existing hydroelectric systems or electric utility systems). The application or applications should not be biased by the particular examples stated here or in Category A–1;

Definition of the geographic region selected;

Preliminary assessment of the wind potential of that region based on existing data and selected measurements as required;

Determination of requirements for wind systems for this application and region including technical and operational requirements, capital and operating cost goals, user cost uncertainty requirements, interfaces with users or other power networks, and other economic and institutional considerations. Requirements should include demand and supply variations with time and energy storage requirements if applicable.

The proposal should define the selected application and region and include a rationale for why the principal application and selected region has a high potential for wind energy systems. The proposal should define how the requirements of the organization(s) construed as the user of such an application of wind systems will be developed. The proposal should concentrate on commercial or large-scale power; proposals for individual small farms or very small systems should be considered for Category B–4. The proposal should not include extensive site specific wind surveys or the detail design and construction of find energy systems.

B–1 wind characteristics

The objective of this category is to increase the technical capability to locate favorable wind systems sites, reduce uncertainty in the prediction or validation of the characteristics of sites, and assist the sizing and performance prediction of wind systems. Proposals in this category may include, for example, research on low-speed aerodynamics over terrain, boundary layer flow conditions and variations, temporal and areal variations of winds, and of gusts, storm, icing and other wind characteristics, methods for extrapolation of wind data, and techniques for minimizing the cost, time, and data required for site wind characteristics determination, application of modelling and analytical techniques, experimental verification of wind prediction theories, and similar research areas.

Proposals solely to measure in detail the wind potential of specific sites or areas and other than for the purpose of the research outlined above, will not be considered in this category.

B–2 subsystem and component research and technology

Proposals for research to advance the performance, lower cost, and assist the design of more advanced, but horizontal axis, rotor-type configuration wind energy systems should be focused on innovations, critical areas, or major design issues. Research may be analytical or experimental in nature. Research may also be directed toward the development of analytical tools or methods. Examples of research areas include but are not limited to:

Cost minimization techniques for subsystems and components,

Dynamics and aerodynamics of rotors,

Interference and interaction between rotors and structure or between systems,

Durability, fatigue and lifetime of subsystems,

Electrical generating equipment, power conditioning, and/or control systems,

Operations, maintenance, failure modes and/or failure prevention.

Fabrication, materials, structural, erection and/or manufacturing techniques.

Proposals in this category should not include the design of overall systems except to the degree necessary to support the specific research activity.

B–3 advanced or unconventional system concepts

Proposals for research on advanced, innovative or unconventional system concepts will be supported in this category. They should address concepts different from conventional, horizontal axis, single propeller type unshrouded rotor systems. Possible concepts could include, for example, multiple rotors, vertical axis or other axis devices, devices other than propeller type rotor blades, shrouds or other augmentation devices, or concepts without the equivalent of mechanical rotors or blades. Concepts in this category may interpret "wind energy" in the broad sense of the extraction of energy (and conversion to a useful form) from the initially natural flow of air in the atmosphere rather than just the mechanical extraction of kinetic energy.

Proposals must contain initial analyses and/or rationale to show the advantages of the concept, in terms of potential increased performance per unit cost or other characteristics over conventional systems; this analysis or rationale should include reference to prior research or literature relating to the concept.

Proposals should articulate the presently identified unknowns and problem areas and contain a sequenced plan for addressing and resolving these questions in a logical and efficient manner. Stress should be placed on early verification of feasibility and potential identification of problem areas. Proposed efforts may be analytical and/or experimental in nature and may be of a size commensurate with the necessary tasks, however, large-scale "pilot plant" proposals should not be considered at this time. Proposals may concentrate on only one portion of an overall system during the early phases of activity, if it can be shown that the remaining subsystems are not critical to the concept or that a logical sequence is desirable. Proposals for research solely for advancing energy storage techniques in such devices as batteries, fuel cells and electrolysis concepts will not be supported in this category.

B–4 advanced farm and rural-use systems

Proposals should consider research to minimize cost and/or expedite the use of wind energy systems of very small-sized systems (of the order of 5–50 KW) for use by small farms, rural and isolated homes, and similar applications. Systems may consider base load (including energy storage) or supplemental applications and many supply energy as electricity or in other forms (e.g. water pumping, hydrogen, direct mechanical and so forth). If other than standard electrical output is proposed, the application problems and market potential should be considered.

Projects should include definition of requirements of such systems such as cost goals, interfaces (with existing power supplies where appropriate), energy demand and other user requirements and construction and maintenance considerations.

Proposals may address the overall objective and problem or may elect to concentrate on specific portions thereof. Research may be analytical, experimental or combinations thereof. If a potential lower cost concept is proposed, preliminary analysis or rationale for the assumption should be provided.

REFERENCES

(These documents are not available from the National Science Foundation) The literature related to the several categories of this Program Solicitation is very diffuse. The following listing is illustrative and may be useful as a guide to additional sources.

Solar Energy As A National Energy Resource, NSF/NASA Solar Energy Panel, December 1972. Available from NTIS, Springfield, Virginia 22151. NTIS No. PB–221–659. $2.75 paper copy, $.95 microfiche.

NSF–RANN Energy Abstracts, A Monthly Abstract Journal of Energy Research. Published by Oak Ridge National Laboratory, P.O. Box X, Oak Ridge, Tennessee 37830.

NSF–NASA Wind Energy Workship, June 11, 1973. Available from the NASA Lewis Research Center, 21000 Brookpark Road, Cleveland, Ohio; 44135 Attn: Technology Utilization Officer, Mailstop 3–19.

WIND ENERGY BIBLIOGRAPHY AND LIST OF COMPANIES

Following is a list of books and articles, and commercial companies, which are frequently mentioned in wind energy literature. I have not seen all the books and articles listed, nor done business with the companies listed, so I am not specifically recommending them, but merely providing the list for your information.

BIBLIOGRAPHY

1. *Wind and Windspinners*, by Michael A. Hackleman and David W. House. Peace Press, Culver City, California, 90230. $7.50. Tells how to build a small S-rotor wind system.

2. *Electric Power from the Wind*, Henry M. Clews, Solar Wind Company, East Holden, Maine 04420. $2.00, 32 pages. Description of a home wind power system and its capabilities.

3. *Wind Energy Bibliography*, Windworks, Box 329, Route 3, Mikwonago, Wisconsin, 53149. $3.25. Bibliography on wind, windmills, aerodynamics, electrical equipment, towers, storage, conversion, hydrogen, catalogues.

4. *Simplified Wind Power Systems for Experimenters*, Jack Park, 15237 Lakeside, Sylmar, California 91342. $6.00. Advanced but simplified book on aeroturbine design and wind systems.

5. *Alternative Sources of Energy*, Route 2, Box 90A, Milaca, Minnesota. $5.00 for four quarterly issues.

6. *The Generation of Electricity by Wind Power*, E. W. Golding (New York: Philosophical Library). 1956. Out of print, but some libraries may have it.

7. *Popular Science*, "Wind Generators: Here's an Advanced Design You Can Build." November 1972, pp. 103–105. Hans Meyer's plans for windmill design.

8. *Wind Energy Conversion Systems*, NSF, NASA, workshop. December 1973. Ed.-J. M. Savino, NASA–Lewis Research Center, 21000 Brook Park Road, Cleveland, Ohio 44135.

9. *Energy for Survival: The Alternative to Extinction*. Wilson Clark, Anchor Press/Doubleday. (Garden City, New York, 1974). Wind-Chapter 8.

10. *Mother Earth News*. Monthly periodical. Often carries articles about wind and solar energy. $10 for one year subscription. P.O. Box 70, Hendersonville, North Carolina 28739.

11. *The Wind Power Digest*. $2.00 from Mike Evans, Route 2, Box 489, Bristol, Indiana 46507.

12. *Power of the Wind*, Palmer C. Putnam. (New York: Van Nostrand Co., 1948). Describes the large wind generator which operated in Vermont. Now out of print.

13. *Handbook of Homemade Power*, Ed.-John Shuttleworth, Bantom Books, Inc., New York, N.Y. 10019. $11.95. Good reference source for someone just becoming involved with wind power.

WIND ENERGY AND RELATED COMPANIES

1. Sencenbaugh Wind Electric, P.O. Box 11174, Palo Alto, California 94306. Plans and kits for home-built windmills.

2. Windworks, Box 329, Route 3, Mukwonago, Wisconsin 53149. Plans for home-built windplants, paper honeycomb blocks for windmill blades.

3. Dyna Technology, P.O. Box 3263, Sioux City, Iowa 51102. Manufacturer of the 200 watt, 12 volt "Windcharger," the only complete windplant manufactured in the U.S. at the present.

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4. Automatic Power Division, Pennwalt Corporation, P.O. Box 18738, Houston, Texas 77023. U.S. Distributor of the French Aerowatt wind-driven generators.

5. Environmental Energies, 21243 Grand River, Detroit, Michigan 48219. Area agent for Dunlite and Elektro windplants as well as other alternative energy equipment.

6. Real Gas and Electric Co., P.O. Box A, Guerneville, California 95446. West Coast agent for Dunlite and Elektro windplants and other alternative energy equipment.

7. National Weather Records Center, National Climatic Center, Federal Building, Asheville, North Carolina 28801. The major source of weather and wind data for many U.S. locations for the past 50 years.

8. Electro Sales Company, Inc., 100 Fellsway West, Somerville, Massachusetts 02145. Surplus rotary inverters, motors, and controls.

9. Nova Manufacturing Co., 263 Hillside Avenue, Nutley, New Jersey 07110. Large selection of electronic DC-to-AC inverters.

10. Brace Research Institute, MacDonald College, McGill University, Ste. Anne de Bellevue 800, Qubec, Canada. Many publications relating to simple and direct applications of wind and solar energy including a 32-foot windmill design.

11. Volunteers in Technical Assistance (VITA), 3706 Rhode Island Avenue, Mt. Rainier, Maryland 20822. Several designs for low cost windmills intended for use by developing countries.

12. Solar Wind Company, P.O. Box 7, East Holden, Maine 04429. New England agent for Dunlite, Elektro, Windcharger and other manufacturers of alternative energy equipment.

13. North Wind Power Company, c/o Don Mayer, Craftsbury Common, Vermont 05827, or c/o Dave Sellers, Warren, Vermont 05674. Sell Dunlite and Winco plants and accessories.

14. Energy Alternatives, Inc., P.O. Box 233, 8Leverett, Massachusetts 01054. Sells Dunlite, Winco, and Lubing windplants and accessories. Also distributes wind energy publications and plan.

STATE DEPARTMENT CONCERN WITH HUMAN RIGHTS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, as one of a substantial number of Congressmen who have criticized the State Department for its lack of attention to problems of human rights, I welcome the appointment by Deputy Secretary Ingersoll of James M. Wilson, Jr., as Coordinator for Humanitarian Affairs. At a meeting some weeks ago Mr. Kissinger informed a group of us that he planned to assign responsibility for human rights concerns to Deputy Secretary Robert Ingersoll, and today's announcement that Mr. Wilson will have this function as his full-time responsibility is another welcome sign that the Department intends to give increased attention to terror and repression abroad and make human rights considerations a more significant element in our policymaking procedures.

Over the past few years, perhaps as a result of our experience in Southeast Asia, Americans have become increasingly sensitive to both the activities and conduct of their Government abroad as well as those of other governments. Vietnam has brought a new awareness of the limits on America's ability to influence the course of events abroad and a corresponding interest in how our Government does seek to extend its influence, despite those limits. As the Bicentennial approaches, we have begun to remember that America was one of the first revolutionary countries and that the freedoms for which we fought then and have defended since we should not seek now to deny in other parts of the world, nor should we cooperate with those who would deny them.

Repressive regimes are nothing new in the world, nor is our support of them, however inconsistent that may be with our own principles. Our foreign policy is often articulated in terms of our national interest or our national security, both terms that tend to mean whatever we want them to mean at the time. What they have not generally meant, though, is any concern with the nature of the governments we are dealing with. Other governments and their peoples are seen as pieces in our own diplomatic chess game. Korea is vital to our security picture in Asia; Portugal and Spain are essential to NATO; a Communist government in Chile poses a threat to our hemispheric policy; South Vietnam is the lead domino in a chain extending across Southeast Asia, and so on.

Such a policy is not one of realism and careful assessment of our national security needs, as some would claim, but rather it is based on the same shopworn point of view that has so frequently characterized our policy in the past. It is based on a fear of any sudden change anywhere in the world, which often is immediately characterized as "Communist" or "Fascist" and therefore inimical to our interests without a pause to investigate the facts. It is based on a judgement that U.S. power and influence is and must continue to be global despite recent lessons showing the folly of this view. Finally, it is based on a judgement that the salient consideration in policymaking is another government's support for us rather than its support for its own people. This policy is neither new nor realistic, but it most assuredly misses some important points, the most compelling of which to my mind is the simple fact that the best and most stable governments are those which depend on popular support and which gain that support by offering their citizens the freedom to provide support or not as they see fit. It follows that the more such governments exist, the more realistic a goal of world peace becomes. Regimes which are based on the support of a tiny minority of privileged few or governments which manufacture and coerce enthusiasm do not last long and do not contribute to the cause of world peace and stability. Certainly our true national security interests are important, and I do not propose we ignore them. Support of totalitarian regimes may in given extreme cases be necessary, but history shows that what should be the rare exception has too often been the rule.

It is because of this simple fact that I have been prodding the State Department to be more cognizant of the governments we are dealing with and the human rights problems they create. A policy of ignoring these problems and tolerating terror and repression abroad has no good in it for the citizens of other nations, other governments, or our own image and influence. This policy puts us in the awkward position of defending practices which this country has condemned time and time again.

I believe it is time for our Government to inject into its foreign policy the same concern for human rights and liberties which we show to our own citizens. This does not mean we must seek to impose our own system of government on unwilling recipients, but rather that we must take a clear stand ourselves on violations of human rights and reconsider our support and encouragement of those regimes that continue to practice such violations. The way to begin is through the construction of policy guidelines by the administration. President Ford laid the groundwork for the effort when he made the following statement in proclaiming Human Rights Day and Week last December

America's concern with human rights is not something that ends at our borders. Benjamin Franklin wrote to a friend in 1789:

"God grant, that not only the love of liberty, but a thorough Knowledge of the Rights of Man, may pervade all the Nations of the Earth, so that a Philosopher may set his Foot anywhere on its Surface, and say, 'This is my Country'."

Franklin's spirit of universality has found rich modern expression in the Universal Declaration of Human Rights. The link between it and our Bill of Rights is clear. On December 10, we celebrate the twenty-sixth anniversary of the Universal Declaration of Human Rights adopted by the United Nations General Assembly. The General Assembly said that the Universal Declaration stands as "a common standard of achievement for all peoples and nations," reminding us that "recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world."

As I suggested above, such a policy is ultimately in our own interests—both political and security interests—because it will promote the existence of stable responsible governments rather than tyrannical ones. It is with this in mind that I welcome the renewed interest on the administration's part in human rights problems and express my hope that it will be a sustained interest which will have a substantive impact on policy.

THE REALITIES OF DEFENSE SPENDING

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, the Assistant Secretary of Defense for Program Analysis and Evaluation, the Honorable Leonard Sullivan, testified at length before the Committee on Armed Services on April 14 on the military budget and particularly on the effects that attempts to reduce defense spending might have on both the present budget and on long-range Government spending. This was a lucid and outstanding presentation, getting into facts that all Members of Congress should understand but which are seldom brought to public light. Therefore, I am inserting Mr. Sullivan's statement in the RECORD so that all Members will have an opportunity to see it. I have attached a statement from the Public Printer giving an estimate of the cost of such an insertion.

RATIONALE FOR THE FIVE-YEAR DEFENSE TOPLINE PROJECTION—TESTIMONY BEFORE THE HOUSE ARMED SERVICES COMMITTEE, APRIL 14, 1975

(NOTE.—Charts not reproduced in the RECORD.)

Good Morning, Mr. Chairman: It is a genuine pleasure for me to appear before your committee this morning to explain the rationale behind the Defense Department's Five-Year topline projection.

Despite eleven years in the Pentagon, I am a relative stranger to testifying before Congressional committees. My job, as you know, is to help the Secretary of Defense evolve the tightest, leanest, five-year plan that will satisfy national defense policy. My notoriety derives from my continuous harassment of the Military Departments to increase the effectiveness of their forces and the efficiency of their operations. I am an internal OMB, GAO, and Congressional staff all rolled into one, and I am seldom converted into the role of spokesman for our efforts.

Nonetheless, I am inordinately proud of my staff's efforts, and I believe we have the best five-year plan in town—bar none. And I am genuinely pleased to be here this morning because I believe it is absolutely essential to the future of our nation's defense posture that we share this overall plan with you, and that we convince you that the Defense Department is responsible, is working in the best interests of our country, and does have a reasonable plan that will in no way bankrupt our great—but troubled—country.

Unless the Congress comes to view our Defense efforts as a multi-year, multi-faceted operation, it is my sincere conviction that we will unwittingly permit our defense posture to be eroded away until there is no chance of staying "Number One" in the world today. And although it may sound corny, Mr. Chairman, the present Number Two is not on our side. There is no one left on our side to pick up the baton if we drop it.

At the risk of appearing overly dramatic, I see a parallel between the American Defense Department and the American passenger railroad system. The *route* structure has been established by national policy. The *rate* structure has been set by the Congress. The two do not quite match. Since we believe the size of our forces is the minimum reasonable—if not below that—*our* route structure is also fixed. As a consequence, when we receive inadequate funds, we let the "roadbed" go—our readiness declines—and we put off buying our new "rolling stock"—the weapons and equipment that would keep our forces modernized.

To continue the perhaps far-fetched parallel, we then look at our competition—just as the railroads must look at the federal highway program. In our case, we see the Soviets having no difficulty continuing the momentum of their military expansion, no difficulty getting the support of their political leaders, no shortage of funds pouring into their development, production, and maintenance. It is no accident that the railroads are no longer number one. It was preordained by years of minor neglect. Any long range planner for the railroads could see it coming. I think I can see it coming for our defense department too.

The key lies in looking further ahead. We cannot keep up our guard based only on an annual funding "auction"—if you will excuse my pejorative term. There will never be a good time to catch up in our funding. In 1970 and 1971 the country wanted a peace dividend. In 1972 there was a national election, by 1974 we were trying to defeat inflation by cutting defense—even though defense is at least as subject to the ravages of inflation. In 1975 there is talk about cutting the Defense Department to stimulate employment—an inconsistency itself, since such cuts will force us to lay off more people than can be hired to "rake leaves" at $7500 per year.

I am not objecting to the exercise of Congressional prerogatives. We recognize that you raise our Armies—or lower them, and that you also raise or lower our taxes. I am not claiming that our budget submittals are perfect either. We are sometimes over-optimistic, and sometimes get carried away in our anxiousness to provide "nothing but the best" for our military—after all they put their lives on the line. But what I do find depressing is that for every dollar you remove from our budget for good and just reasons, there was *another* dollar we could have proposed to spend instead. When one new program slips, there is always another existing program of which we could have produced a few more. Each year, we make the painful decisions concerning "rolling stock" and "roadbed." It is frequently our "rolling stock" investment funds Congress takes from us each year—70% of the $24 billion cut by the Congress in the past five years has been in this category. The problem is that we may have underfunded our "roadbed" expenditures to get that "rolling stock." In retrospect, perhaps we should have added more to maintenance and operating fund requests—perhaps those funds would have been more salable. . . .

But if we could once agree on an appropriate topline for defense spending—and for a several-year period (still subject to annual review, of course)—then perhaps we could spend more time with the Congress assuring the proper *allocation* of those funds, rather than defending against individual cuts. This is my fundamental belief, and this is why I welcome the opportunity to discuss how we reach our five-year defense topline projection.

Putting philosophy and the American railroads aside, now, let me take you through the process we use to determine our future needs. To me those needs are incredibly modest, given the size and dynamic nature of the operation we run, involving five million people and $250 billion worth of assets, and given the fundamental task assigned to us—keep America free. In short, we need what we asked the Congress for this year, and in each subsequent year we need to increase our budget in constant dollar terms by 2%—compounded—a rate slower than the projected growth in GNP or federal tax receipts, so we will consume less each year of our national treasure.

We must recognize the Defense Department as a long range continuum—there is virtually nothing that the Defense Department undertakes in either the people or machinery business that has only a single year impact. It takes six to ten years to get a new airplane into our inventory in quantity, six to eight years to bring a major new ship on line. It takes two to four years to readjust our force structure after a war, and it takes one to two years—sometimes three—to make major personnel level adjustments, and still the turbulence caused thereby.

My viewpoint of defense tends to span the 40 years from 1950 to 1990. I need to track what has happened to us in the past, and the options for the future. Very crudely, I plan our force levels and requirements out through 1990—because the actions we take today and throughout the five-year plan determine the composition of our operating forces in 1990, with very little room for subsequent innovation.

Let me digress for just a moment to demonstrate this point. This first chart is an example to show the mix of major weapons systems planned for the Army throughout the decade of the eighties. In the attack helicopter area, the AH-1—originally introduced into Vietnam in the late sixties—will still be the mainstay throughout the eighties. We are counting on augmenting it with the more capable AAH now in competitive development. Late in the 1980s—about 1986, we will have to begin to introduce the AH-1s successor since these older machines will have worn out by then.

Similarly, in the lower left, we show the UH-1 (Huey) family still being the mainstay throughout the eighties, with the UTTAS coming in to provide some more capable augmentation to that fleet. Again, by the late eighties we will have to replace the aging Hueys—and we would hope to do it with a variant of the same airframe developed for the light attack mission.

In the upper right we show the Army's primary air defense systems—we now plan to phase out NIKE HERCULES sooner—leaving only the improvements to the HAWK family to fill the gap until the SAM-D comes in. No other new high altitude defense systems will be introduced beyond SAM-D throughout that decade.

The picture is the same for tanks (in the lower right). The M60 family will still be the mainstay of our armored forces throughout the 1980s, with the SM-1 and its improved offensive and defensive capabilities falling less than 40% of the inventory by 1990. Congress is considering its future right now—I may not even still be alive fifteen years from now when it becomes a significant fraction of our inventory.

Now let me return to the beginning and show 40 years of actual and future defense budgets in FY 76 dollars. First let me note that we must look at our budgets in constant dollars. We simply cannot manage or project our future with inflation of completely unknown magnitude buried in our numbers. Second, we remove from the constant dollar topline those items which do not contribute to our ability to provide for our *future* defense posture. Wartime consumables, both for ourselves and our allies are thus removed. We also remove from our topline the costs of past wars—retired pay and their dependents' benefits. What's left is, in my terminology, "real program value"—our real purchasing power—although it contains some mighty dubious items which I will explain later.

What does history tell us? We have been declining in real program value since the last peacetime year before Vietnam at a rate of almost two percent annually. What has that meant? Substantially smaller forces and problems in readiness and modernization rates. If this decline continues, what will it mean? More of the same: smaller forces, lesser readiness, less modernization. In short, deteriorating forces. What do we need? A modest annual increase in real program value of about 2% per year—with those fringe benefits and uncontrollable inflation compensated for as it is in the social and welfare programs. Would that be enough? The Joint Chiefs of Staff would say no. They would like a step increase of about $10 billion more, and a considerably steeper slope. Would that satisfy them completely? No. The Service and JCS say that would only bring us to force levels with "prudent risk"—which sounds to me like "acceptable losses."

Now how do we in the Office of the Secretary determine just what shape this future projection should have? It is a long and continuous process, and I would be less than honest if I claimed that we proceed with the same simple logic that I will try to show this morning. However, you need not concern yourselves with the details of our process—only what we conclude.

This next chart attempts to show our logic roadmap and I will keep referring to it as I go

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along. As a first step, we attempt to relate national defense policy to a set of criteria by which we can judge the adequacy of our forces. This essentially requires establishing some rather arbitrary ground rules (for criteria) and then testing to see whether the force levels proposed by the Services can satisfy those criteria within our fiscal guidance to them. This, then, through a very tumultuous process, results in the determination of the force levels we think we need.

Let me summarize the rationale behind our current force posture recommendations:

We see no reason, based on recent world trends, to lower our military guard in the defense of our freedom.

Our *primary objective* in the strategic area is to maintain an evident balance in modern strategic forces and to encourage force reductions through further negotiations.

Until we get such further agreements, our plans are to maintain roughly constant strategic offensive force levels and manpower over the next five years, with RDT&E and modernization programs lively enough to maintain some technological lead—or at least avoid technological surprise.

The primary conventional threat to the U.S. and its Allies remains the Soviet Union, though we still plan against the possibility of PRC intervention in a renewed conflict in Northeast Asia.

The Soviet threat in Northeast Asia, while currently poised against the PRC, could present the same force requirements in that area if they joined forces with the North Koreans in an attack against South Korea.

We have no plans to take on the Soviet Union and the PRC at the same time, though we caution that the continuation of the Sino-Soviet rift depends in some measure on the PRC perceptions of U.S. strength.

The momentum of the Soviet build-up in military forces continues. We have already acknowledged nuclear parity, and we are striving—in concert with our Allies—to achieve and retain a conventional force balance in its own right. Continued U.S. force shrinkage cannot be justified by our analyses.

Our force levels and deployments are dictated primarily by the Soviet threat, which is gradually becoming a "world-wide" threat at sea, and on all portions of the Eurasian continent.

Practically no U.S. forces are planned to fight on or over the soil of our own continent. We must be able to deploy—and rapidly—to any threatened area essential to U.S. interests.

We believe it prudent to reserve and configure some forces in a high state of readiness suitable for unilateral intervention somewhere in the world—well beyond our own borders and shores.

We wish to retain a conventional balance with the Soviets—with prudent risk—during such a unilateral involvement. Hence, to use outdated terminology, we wish to sustain a 1½ war strategy—or perhaps more appropriately, a 1⅓ war strategy.

If, as we hope, Soviet military force levels stabilize near their current levels, and *if* our allies retain their presently planned military force levels and modernization programs, and *if* our allies will still all fight side-by-side, then we believe we can achieve this balance of conventional forces with:

16 active Army divisions, plus 8 reserve divisions with higher than present readiness

A Marine Corps of its present size and composition

An Air Force of 26 tactical fighter wings, fleshed out to their full organizational strength, with another ten wings in the reserves

A Navy with over 500 active ships. A considerably larger surface ship Navy is desired to lower shipping losses during the early resupply stages of a conventional war with the Soviets, and to maintain Allied freedom of the seas.

Air Force and Navy mobility forces of about their current size, but upgraded to their limit, and augmented by extensive civil assets.

In short we conclude that we cannot carry out defense policy as we understand it, with less than the current force levels. As a matter of fact, we believe we must increase our Army divisions within current manpower ceilings, flesh out the airplanes in our current existing 26 tactical fighter wings, add to the size of our Navy over a long period of time, increase the capability of our airlift/sealift forces, and hold our strategic forces at constant levels, but technologically modernized to keep pace with the Soviets, avoid technological surprise—at all costs, and keep the pressure on to lower the negotiated ceilings on strategic weapons. All of this we intend to do within the proposed five-year topline projection.

May I remind you, just ten years ago, our forces possessed a substantial strategic *superiority* in nuclear weapons, and we maintained conventional forces *supposedly* capable of fighting *"two* and a half wars" simultaneously.

Today, we have acknowledged approximate strategic *parity* with the Soviets, and we maintain conventional forces which *may* be able to fight one-and-a half wars near simultaneously with extensive help from our allies.

Having thereby established for planning purposes our minimum required force levels for the next few years, we look at current cost profiles for these forces, and see how they must change to accomplish these modest objectives. Very briefly, I will show you some general breakouts of how our budget is spent annually—in other than the standard one-year budget formats—to indicate some of the ways planners prefer to look at the budget. I think someday the Congress, including the new Budget Committee, will want to look at our five-year plan this way too.

The first chart here shows the distribution of spending between the various basic mission areas over the next five years; these basic categories are of course (1) our general purpose forces which will take almost two thirds of the budget, (2) our strategic forces which take less than one-fifth of the budget—even with TRIDENT and the B–1 included on their present production schedules, (3) a category called "BOTH" which includes everything from basic research to the Pentagon itself (with intelligence and communications also included), and last (4) a category which could have been labelled "NEITHER"—or NON-"Real Program Value" which are those inevitable costs for military assistance, retired pay and dependent benefits.

The next chart, to the same scale as the prior one, breaks out the general purpose functions, and time will not permit going through this in detail. The most interesting facet of this chart is that when one overlays the various missions performed by these forces, there is so much overlap, that even the reduction in emphasis on a single mission would not provide an opportunity to cut forces very much. Almost everyone has more than one mission to perform.

Lastly, I would like to show that we can also break out our general purpose forces regionally—except for some basic support and R&D which is indifferent to the region of employment of the equipment and personnel. Here we see the lion's share of our conventional forces are oriented towards deterring—or fighting—a major worldwide conventional war with the Soviet Union. Our forces dedicated to the defense of the Western Pacific cost a very small fraction of the total—and our strategic reserve is primarily to protect places such as Alaska, Hawaii, and the Panama Canal Zone if necessary. Also note that any forces to be used for unilateral intervention in some smaller war are essentially deducted from the forces planned for European augmentation.

There is no point in going into these graphs in any more detail today. I simply wished to demonstrate that we planners do not use the standard budget break-outs to determine the allocation of costs between the various missions and regions for which our conventional forces are planned. In looking towards the future, it is not appropriate to review planning in the detail of our internal defense "FYDP"—the trends are more evident from inspection of the bigger picture. You will note that in our five-year plan, there are not big bumps and gyrations in these various layers—in fact the impact of specific modernization programs—which we all love to look at and challenge—is small compared to the overall requirements to man, operate, maintain and manage those forces.

One last point here. If we are successful in getting a positive slope to our outyears, most of those funds will go towards modernization—by 1980 we would then have reduced the fraction of our budget going to manpower 56% (without that 5% pay ceiling cap) to a more reasonable 45% (?).

Based on these force levels, the Services prepare a five-year defense plan in excruciating detail—detail, I must admit, that would be totally worthless to the Congress for their review purposes. We are currently struggling to prepare some simplified version of this projection which would be useful to the Congress, but presently we are the victims of current computer programing systems.

Next we look out through the ten years following the five-year plan with the help of the Services. We try to estimate the production and operating costs of all the things we have in development now. Can we afford them? Can we operate them within manpower limits? Can we maintain them? When will we have to replace them? For most of you here who have to worry about your futures every two years, and for some of us who only stay in the executive branch for three or four, such longer range planning may seem the height of folly—certainly outside your attention span. But the future is there, gentlemen. We are generally committed to at least 90% of the machinery which we would carry into war out through 1990.

As part of this extended planning, we check to see what is happening to the average age of all our equipment. Ideally, in the aggregate, our equipment would be about constant age, with half its useful life remaining. Our "rolling stock" would not be "aging." Most of our extended planning forecasts show that we will not be able to keep our forces modernized unless we have modest positive slope to the investment curve. You should note well, gentlemen, that we are not talking about replacing *any* item or equipment in our inventory until its useful life has been exhausted 20 years for helicopters, 25 years for tactical aircraft and nuclear submarines, 30 years for patrol, and tactical aircraft, our bombers, and our first line ships, maybe 35 years for our strategic transports and tanker fleet, and 40 years for many of our support ships. Nothing is planned to be replaced solely because of the increased threat from Soviet weaponry—until its present life is consumed. This is important. You should understand that when we do start a new development, it is *not* just to counter a threat in 1980 or 1982. We are not retiring equipment with useful life remaining. We assume it must still be good enough to offset the threat out in the 1990s. That really strains even our vision, as you can well imagine.

Next we look at historical trends in the costs of our major weapon systems. This has been a fascinating exercise which I can touch on only briefly this morning. In fact, however, in constant dollar terms, we can demonstrate rather well, perhaps not conclusively, that our various major weapon systems have since the end of World War II grown at rates of anywhere from 2½ percent a year for light helicopters, to 4½ percent per year for major ships, submarines, carriers, and strategic missiles, to around 6% annually for attack helicopters, and front line fighters and attack aircraft.

New weapons that have grown at a faster rate than that—such as the MBT–70 tank, the ill-fated Cheyenne helicopter, or the B–70—have bitten the dust by your hand or our own, and those that grow significantly less than that—like, say the F–5E or the FB–111—have not been fully capable to do the jobs required of American forces. Hence, we have come to believe that the actual growth in major weapons systems on an annualized basis is somewhere in the neighborhood of 5.5% per year compounded.

I would like to expose you to three samples of these historical curves which indicate these cost growth trends. First let's look briefly at the cost of the 1000th tank—in constant dollars—of every version we have procured or developed since 1940. We start in the lower left with the Sherman tank of WW II fame which, in today's dollars would cost $140,000 in FY 74 dollars. You can see the increase in the M48, and the cost reductions associated with continuing to produce and improve that model. Then the M–60 family comes along, and finally you can see what we expect to spend for the XM–1. We have fared the best curve we can through these points and show a 4.8% annual compound cost growth (not including inflation). You will also note that if we had continued the MBT program, it would have raised that average—all by itself—to almost 5½%.

A similar pattern shown in utility and attack helicopters starting from 1950 and the H–19 of Korean fame. The UH–2 is "off the curve" because there was extensive "marinization" of the Army model for Navy-Marine use. The CHEYENNE was badly off the curve—and bit the dust. If we can bring the AAH and UTTAS in on target, we will be averaging a 4.3% compound cost growth due to increasing performance and sophistication required on the battlefield.

A similar pattern exists on the next chart for solid fueled ballistic missiles, showing the whole MINUTEMAN family, and the POLARIS-POSEIDON family. If the C–4 comes in on cost, as we believe it will—being one of Defense's best managed programs—our ballistic missile family will all have followed the 4.8% growth curve for almost 20 years.

Lastly, let me show you quickly what's happened in tactical fighter aircraft—simply because it is one where so much attention focuses. Here we only start from 1960 with the advent of the first really successful jet fighter, the F–4A/B. Clearly the F–111, the F–15, and primarily the F–14 established a pattern of excessive cost growth between subsequent aircraft as a result of the tremendous performance demanded from them. On the other end of the spectrum, the F–5E demonstrated that significantly lower costs were attainable, though of course there is virtually no comparison in their overall performance. Were it not for the current attempts to add the F–16 and VFAX to this chart, we would be showing fighter aircraft becoming more expensive at a compound rate of over 9% a year. Here, the acceptance of the "high-low cost mix" is paying great dividends; if we can bring in the F–16 and VFAX near their current estimates, we will have bent that overall growth curve down to a more credible 5.3% a year—assuming equal quantities procured between the two pairs. If either one of those newer planned aircraft greatly increases in cost, we will either have to go back to the drawing board or come back with our tails between our legs and admit that our five-year topline projection has not been adequate.

I recognize that this does not produce a totally convincing case at first blush. But the same trends are evident across fifteen or twenty different categories of weapons systems, and I find the combination of history and consistency to be overwhelming as far as making a future projection as short as five years. I would seriously doubt we could undo the trends of 30 years in the next five. I have been promising myself to provide similar data for the family station wagon and/or the average American home. I believe the same trends will exist there, but I cannot at this time substantiate it.

Next we try to look at a set of "readiness" indicators. Are our forces ready to fight? Are the units manned? Are the war reserves there? Are we keeping up on essential maintenance of our equipment and our installations? Answer: Well . . . pretty well. The personnel side is improving as turbulence diminishes, but over the long haul we are apparently getting lower readiness out of many of our aircraft, our war reserves are not up to snuff—particularly as we sell off modern equipments to other threatened friends and allies—and our base maintenance is little by little falling behind. Readiness estimating is an art—not a science. In our future planning, we try to make up for some of the obvious shortfalls, such as the increasing backlog of ships overdue for overhaul, while we hope that various as yet undetermined "efficiencies" will take care of the rest—such as improved aircraft maintenance policies. If these efficiencies don't materialize, the "roadbed" will continue to deteriorate . . . slowly.

As part of our planning process, we also check to see whether the fiscal demands we are building are excessive to what the nation can afford to pay—what they are willing to pay is of course something else. We find to our satisfaction however, that *none* of our planning requires eating better than we have been at the federal trough. Our rate of growth over the past ten years has been smaller than most other federal agencies or federal "functions." We are consuming a smaller and smaller percentage of our GNP and our federal tax receipts—which is useful to use only as a measure of what we are taking from the national treasury. (We have to use some yardstick for measurement.) What concerns me most, however, even though we do not seem to be "taking more than our share," is that we continue to be a highly visible fraction of supposedly "controllable" federal spending—almost 70% in fact—due to annual authorizations and appropriations. Let me cite two examples. The deficit this year will in all likelihood be larger than the outlays recoverable from the Defense Department if you authorized us NO FUNDS AT ALL in 76. Moreover, by the early '80s, total national spending for social and economic programs will *grow* annually by more than the total size of the defense budget—they will grow by over $75 billion just this year.

One of the truly great American myths today is that the Defense Department is "controllable" on an annual basis. We are reaching the point gentlemen—and many of you will still be here when it happens—that you could totally cancel the Defense Department and stave off the problems of national spending on social/economic problems by less than a year. In considerable measure, this drives my conviction that you must come to look upon defense spending over the longer run, and recognize that even if you decide to leave your country defenseless, you still would not have solved your total revenue problems for very long. Enough on this. I tend to move too easily from planner to zealot for my own cause.

Next we look at how statutory provisions impact on our own defense spending, and here again we find some anomalies which cause anguish to the planner. For instance, our personnel and personnel related costs are fully covered for inflation. Hence we have no choice unilaterally in adjusting or compensating for inflation in the personnel accounts. 50% of our budget, then, in *current* dollars, must automatically reflect the economy. We are now permitted by the Congress to allow for inflation in our procurement accounts. For some years this was discouraged, and as you know, we have a backlog of uncompensated accounts—primarily in the shipbuilding area, where we simply cannot build the ships which were authorized by the Congress back in '71, '72, '73, and '74 without a major inflation pay-back. Further, we are still proscribed by the OMB from inflating our O&M account for other than the civilian and military personnel involved. The other half of that account is not supposed to reflect the ravages of inflation. In crass terms we are supposed to "eat" that inflation through "management improvements." With 10% inflation, there is no way to do that. The consequence? A guaranteed gradual decline in the condition of our "roadbed."

Next, we look to see what the impact of national policy decisions has been on our budget in the past, and what we can expect in the future. These are things we would not have undertaken by ourselves, but to which we respond when so directed. Again, let me be clear about this. I am not complaining about doing these things, but they have a fiscal impact which requires further annual increases in our budget just to stay even. Let me give you a few examples, though their magnitude varies widely: we are being asked as part of our national energy problem to pay for the exploitation of some of our oil reserves. We spend over $200 million annually on environmental programs. We are now required to pay rent on our buildings to the GSA ($150M annually) and we now pay the Postal System for our franked mail ($130M). We are now paying perhaps $50M annually to comply internally with the requirements of the Occupational Safety and Health Act. There is no Defense resistance to these changes. They are part of the growth in the American way of Life in some cases; in others they correct some areas where Defense has been taking a "free ride," so to speak. The problem is simply that we cannot forecast these things, and when they come into being, they cost us money—money which either the Congress provides, or we take out of our hide. Either way, it appears that the Defense budget is growing, but only because we are following directions. They constitute one more reason, however, why we can't live with level funding.

Surely we can offset some of these increases through improvements in our own efficiency. Of course we can and we do. We have looked back briefly at some of the efficiencies that we have undertaken in response to fiscal pressure. We have cut our personnel by 173,000 in three years. We have whacked away at senior military officers even though we have one of the best ratios of generals to total personnel in the entire world—and considerably better than the Soviets, incidentally. We have reduced pilot and other expensive training. We have gone to more selective payment of incentive bonuses, or plan to. We are in the process of converting 16 major headquarters into combat units. We have closed a number of bases. We have reduced fuel consumption by 25%.

We are buying a high-low cost mix of aircraft and ships. We are proposing to consolidate some of our airlift assets—against some strong Congressional resistance. We are reducing the bomber/tanker strategic alert rate, and transferring tankers to the reserves. We have and are still reducing CONUS air defense missiles and aircraft. We are increasing tour lengths. We are reducing officer graduate education. We have cut down our major weapon system overruns—though

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not enough. We have improved the officer/enlisted ratios, etc., etc., etc. The net result: savings on the order of one-half to one per cent annually in cost avoidance. And our planning assumes that we will continue—somehow—to find more improvements. After all, that's one of my jobs.

Next, we look again over our shoulder at the competition—which is unquestionably the Soviet Union. We are sure they are outspending us, but cannot prove it to your satisfaction. We know they are outproducing us in most major weaponry areas and we *can* prove that. This chart indicates that very clearly. We note that their conventional forces are still growing while ours are declining. And we note that the momentum of their strategic developments and deployments has never been higher—and in fact is at least 40% greater than the peak of our missile developments in the early 1960s. Other than their willingness to entertain a cap on strategic forces—at a level higher than either of us currently has—we see no firm proof of that thing called detente. We hope it is there. We hope the State Department will do everything in its power to encourage it. Meanwhile, we in Defense will prudently, I believe, compare our plans to the evidence available of their force planning. Intentions are not my business, sir, as I am sure you realize. I conclude the Soviet planner has already convinced *his* government that an annual real program growth of 3.5% should be continued as it has been for at least fifteen years.

Based, now, on all these varied inputs, we are still short of a defense topline projection, but from here on it is relatively automatic. We feel that our force levels are marginally adequate, and we propose to flesh them out within current manpower ceilings. We know where the money is spent and what accounts must increase. We know based on history that we will be able to make *some* offsetting efficiency improvements, but we also know that new changes in national policy (such as suggesting the need to make all our capital ships nuclear propelled) will cost us money. We will be lucky if we stay even. We know that fifty percent of our budget will be automatically compensated for inflation; the rest will not. We know it costs us something over [illegible]% annually to keep up with the growth in sophistication and complexity of our first line weapon systems—driven of course by improvements (both qualitative and quantitative) in the capabilities of our potential adversaries. Other procurement items will grow in constant dollar cost at a much slower rate. When we combine the major and minor procurement items to the total 50% of our budget devoted to buying goods and services, we conclude—and OMB agreed, perhaps reluctantly—that one-half of our budget should be increased annually at the rate of 4%—the other half involving manpower directly should not grow at all. The net result: a growth in our topline real program value of approximately [illegible]% compounded annually.

LONG-RANGE FORECASTS AND PAY/PRICE ASSUMPTIONS

[In billions of dollars]

	Fiscal year—				
	1976	1977	1978	1979	1980
TOA:					
Military assistance	2.7	2.4	2.3	2.3	2.3
Military retired pay	6.9	7.9	8.9	10.0	11.0
Petroleum reserves	.2	.5	1.8	2.3	2.3
Other military functions	94.9	105.8	114.8	123.7	132.3
Total, current prices	104.7	116.6	127.8	138.3	147.9
Total, constant (fiscal year 1976) prices	104.7	107.4	110.9	113.6	116.0
Outlays:					
Military assistance	3.0	2.3	2.2	2.1	2.1
Military retired pay	6.9	7.9	8.9	10.0	11.0
Petroleum reserves	−.3	−.[illegible]	.7	1.4	1.4
Other military functions	83.2	93.[illegible]	107.2	116.5	125.5
Outlays, current prices	92.8	104.[illegible]	119.0	130.0	140.0
Outlays, constant (fiscal year 1976) prices	92.8	95.[illegible]	102.4	105.8	108.5
Composite pay/price:					
Assumptions (fiscal year 1976 equals 100):					
TOA	100.0	108.[illegible]	115.3	121.7	127.5
Outlays	100.0	109.[illegible]	116.2	122.9	129.0

But we are not quite through. We must then estimate the rate of growth in those items—primarily retired pay and military assistance to our allies—which do not directly contribute to our own future defense capabilities. Rough agreement has been reached between OMB and ourselves in both these areas. Finally, somebody—anybody—everybody—must estimate what the impact of inflation will be in the future. Nobody will probably guess right. Hence our projections have been submitted to the Congress on two bases—constant dollars, and OMB-estimated current dollars based on a reasonable decline in inflation rates over the next five years. This is summarized on this chart.

So there we are. I hope I have dashed any hopes that we could plan to reduce our defense budget each year and stay even with where we think we should be. The most important single impression I would like to leave is that the Defense Department, given a constant policy and constant resulting force levels, must still spend a little more every year in constant dollars to stay even. Any of you involved in any kind of business—or even involved in the process of running a family—will reach the same conclusion. Our operation is little different—except that the Jones' we are competing with are dead serious and clearly dedicated to becoming Number One.

What could change these estimates? How sure are we that we are right? If you were willing to grant us five year appropriations at this topline, would we stay within it? I say yes, sir, we would . . . *unless:*

Unless the Soviets continue and increase their own rate of military momentum

Unless we are in one way or another technologically surprised

Unless we turn out to be unable to keep the controls on cost growth that we now feel are working

Unless the world situation changes markedly, and other wars erupt in which we may be at least peripherally involved—at least as a provider unless national policies change and cause us greater—or less—spending which we have not planned

Unless the Congress really decides that our current naval shipbuilding plans are inadequate and we need a substantially larger Navy—which many of us do feel to be essential.

Unless the world's energy problems take another real turn for the worse

Unless the Congress determines that we should change our national commitments and international policies significantly

Unless the strategic arms limitations negotiations stall and are evidently abrogated

Unless our Allies can take over a bigger share of the burden—and I should note that they have all been increasing their defense budgets in real terms during the recent years when our has been declining.

In other words, so much for long range planning. Yet I do not wish you to leave with that impression. All long range (or short range) plans are made to be adjusted as world conditions change. But it is important, nonetheless, to have a plan—and to have it supported by our mentors. We very much need to know the will of the Congress concerning our Defense Department efforts over a longer than one-year period. I hope I have demonstrated that we cannot accommodate to a continuously decreasing real program value or purchasing power. If you wish us to defer some expenditures for a single year in view of the troubled economy, you must tell us so, and indicate whether we can restore those funds in the following years. If it is not your intention to provide some positive growth in the Defense Department's topline—totally independent of inflation—then we must change our own internal planning considerably. Basically, if that is to be our fate, then there are three choices:

1. We can maintain a force that is modernized in proportion to the threat and ready in proportion to world tensions but which is continuously diminishing in size, and if we are to diminish in size, we need advanced warning. We cannot sensibly cut our forces and expect to reap any benefits over a period of a few months, or even a year or two.

2. We can choose to maintain essentially constant force levels—which we believe are the minimum required to do the job—we can continue to modernize them in view of the threat, and we can allow their readiness to decline eventually to such an extent that it is doubtful that they could be effectively used.

3. We could choose to maintain our force levels along with the requisite readiness and war reserves and we could elect to defer the modernization of our forces. This is tantamount, eventually, to asking our own forces to risk going into combat with equipment that is not a match for that which we know to be in the hands of our most likely opposition or their client states.

None of these options appears attractive to us—and I doubt if they appear attractive to you. However, if the declining trend is to continue for several more years, and we have received no substantive guidance from you along these lines, then we will be forced to make minor compromises in each area each year. A few less forces, a little less readiness, a little less capability to take on the enemy. In any one year, you may not be able to notice the impact. However, the accumulative effects over several years will certainly make it very risky that we can implement our national defense policies as we now understand them.

What indications have we reached so far from the Congress as to their intentions concerning defense for FY 76? Only the House Budget Committee has reported out so far, but the handwriting appears to be on the

wall. They the recommending a TOA reduction in Defense in excess of $9 billion and an outlay reduction in excess of $5½ billion. The Senate Budget Committee is apparently not far behind. This is truly a staggering cut, particularly in outlays, compared to any recent years. Why do they wish to make a cut of this size? Because they feel there are more pressing social and economic problems. Because they would like to limit the size of the federal deficit this year. Because they, like so many others, believe that our Defense budget is inflated and bloated beyond that which the nation either needs or can afford.

With due respect to, Mr. Chairman, I do not share these views. As a matter of fact, I am far more concerned that the basis on which some of these cuts have been recommended are simply not factual. While I do not mean to use this hearing this morning as a means of rebutting the recent actions of another committee, I would like to mention a few areas which I believe are particularly inappropriate. They claim, for instance, that we can save $700 million in outlays by using funds available to transfer from prior years and by taking credit for sale of equipment which does not need to be replaced in our own inventories. In fact, if there are any outlays remaining from prior years, they will most likely be required to compensate for unanticipated inflation. Morever, as anyone can tell who reads the newspapers, most of the equipment we are now selling to our allies is first-line equipment which must be replaced as soon as possible. As a matter of fact, we only estimate that we will make sales in 1976 for which no replacement is required to the amount of a mere $60 million.

They have recommended cuts in our proposed increases in the stock fund cash balance. They apparently do not understand the degree to which inflation has reduced our essential working capital in this area and, moreover, they seem to have overlooked the fact that a good portion of the stock fund is used to buy essential war reserves. Indeed, in this case they have misrepresented the relationship between budget authority and outlays very significantly.

In another area, they have cut deeply into our planned replenishment of war reserves. Such cuts at this time in view of the tensions in the world, and in view of the dependence of several of our allies on our equipment, seems most inappropriate. In fact, we fear they have cut the same war reserve item here and from the stock fund account.

Perhaps worst of all, the House Budget Committee has accused us of overestimating our requirements for inflation in FY 1976. They appear to have misunderstood some presentation material which was provided to them as part of our FY 76 supporting data. In short, they claim that we used a 14+% rate where a 10% rate would have been more appropriate. In fact, Mr. Chairman, we used an 8% inflation rate although we would agree that a 10% rate now seems more appropriate. If in fact we were permitted to use the 10% rate, our FY 76 budget authority should be increased by $500 million and out outlays by $125 million.

In one last case, sir, they have recommended that our proposed growth in modernization be reduced by 90%, thereby saving $4 billion in TOA and $1.3 billion in outlays. Mr. Chairman, this is precisely the problem we have had in prior years. The assumption that what we got last year must be enough, so the same should do for next year. We are behind in our modernization, sir, in many areas. We have new systems which have just completed development and are now ready for production. We are counting on the production of these new systems to reverse the trend in aging in some of our fighter aircraft, in our depleted tank force, and in some of our ships and helicopter program. We recognize that cuts of this magnitude have been made by the Congress in TOA for the past several years. In no case have these TOA reductions produced the outlay reductions claimed by the House Budget Committee this year. Moreover, the loss of some $16.7 billion in investment funds through Congressional cuts over the past five years are seriously aggravating the modernization problems that we currently see with our forces.

In short, Mr. Chairman, these cuts appear to us to be very excessive. Over 80% of those cuts are in areas of interest to the authorization committees. I seriously request that you delve into these issues as deeply as time will permit. We know there are problems in the economy this year. There have been problems of one sort or another with our economy for many years, and if I may, sir, I must say there is no way for you to solve those problems by decrementing the Defense budget.

I would, in conclusion, Mr. Chairman, like to address the matter of the real controllability of our defense budget. As I have tried to outline in my discussion of our long range plan, none of our Defense Department ventures are really susceptible to large annual changes. As long as the Congressional authorization and appropriation process lags at the beginning of the fiscal year, it is impossible to achieve the outlay savings which you might desire within the given fiscal year in question. I would like to give you two examples of this. If the Congress, in its judgment, elected to stop all strategic research and development on the MX and D5 ICBMs, if you stopped our cruise missile programs, if you eliminated our antiballistic missile research programs and if you stretched out our Trident buy, if you cancelled our B-1, if you cancelled our AWACS, if you cancelled our SAM-D, if you cancelled our XM-1 tank development, altogether you could not save $1 billion in FY 76 outlays in that year. On the other side of the coin, sir, if you decide to try to save $1 billion through reductions in defense personnel, and you do not report out until October 1st of this year, which is the current schedule as I understand it, it would be necessary for us to lay off well over 300,000 people to save $1 billion in FY 76 outlays. As a matter of fact, if we started on the first day of the fiscal year and eliminated all military accessions for the year FY 76, we would not quite save that $1 billion. Let me assume that the use to which that $1 billion savings would be put would be to provide direct employment for some segment of our unemployed. At $7500 per year, $1 billion would provide employment for 125,000 people. It would not make much sense to me, Mr. Chairman, to get that money—that $1 billion—by putting out of work over 300,000 gainfully employed members of the Defense Department. I only provide these examples because they are indicative in fact of how uncontrollable the controllable Defense Department expenditures really are.

Mr. Chairman, planning for defense is my livelihood. I do it because I enjoy it, and because I feel strongly about it. I'm afraid I could talk on for hours, but I think it would be more appropriate for me to stop at this time and try to respond to any questions that you or members of your committee may have. My coverage of our five-year plan has been superficial at best. I can offer no more in an unclassified session with a 45 minute time limit—which I have exceeded. Thank you very much, Mr. Chairman, for your attention.

FIRE ANTS STING ALABAMA

(Mr. DICKINSON asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DICKINSON. Mr. Speaker, my district, Alabama, and the entire Southeastern United States have been suffering for more than a decade from attacks by the vicious imported fire ant. These stinging insects attack farmers, ranchers, livestock, and people living in the area. Speaking from firsthand experience I can state that the bite of this pest is extremely painful.

Recently the U.S. Department of Agriculture announced it would suspend the fire ant program June 30 of this year because "continuing Environmental Protection Agency restrictions placed on the pesticide used to kill fire ants have finally made the program unworkable."

EPA, of course, disagrees with the USDA assessment of the situation.

It appears that if we are to have a fire ant program USDA and EPA must get together and work out their differences, or the fire ant will continue to spread. I have contacted both Secretary of Agriculture Earl Butz and Environmental Protection Agency Director Russell Train to urge them to come together to work out their differences.

So that my colleagues and the public will be more aware of the existing dilemma I am taking this 5 minute special order to point out the differences in opinion that exist between these two agencies of Government and to show how my constituents feel about the situation.

On April 1, 1975 Secretary Butz issued this press release:

Fire Ant Control Program Suspended

> WASHINGTON, April 1.—The Department of Agriculture (USDA) said today that it will suspend the fire ant control program on June 30.
>
> Imported fire ants infest several southern states and their bite is a hazard to people, pets and livestock.
>
> "Continuing restrictions placed on the pesticide used to kill fire ants have finally made the program completely unworkable," Secretary of Agriculture Earl L. Butz stated. "The pesticide restrictions of the Environmental Protection Agency (EPA) makes the program costly, give only temporary relief from fire ants, and would force us to distribute persistent pesticides into the environment indefinitely. It has turned the USDA efforts into a control program of living with the ants rather than working toward an eradication program to wipe them out.
>
> "Imported fire ants can be totally eradicated with only neglible effects on the environment," Secretary Butz said. "Three treatments of less than a teaspoon of mirex chemical per acre spaced over 10 to 15 months will virtually eliminate the fire ant. We know this from experience with earlier successful eradication efforts that were very popular with people living in infested areas," Secretary Butz said.
>
> Currently EPA permits only one treatment per year, which the USDA says will not wipe out the ants. The USDA says that under the present restrictions fire ants will continue to spread and re-infest areas cleared of ants.
>
> "It is a question of whether we wipe out the fire ant with effective treatments, or dabble along controlling the fire ant here and there, applying pesticides forevermore at a continuing expense of millions of dollars a year," Secretary Butz said.
>
> The USDA said it will continue to work with EPA to find a solution to the problem. The USDA predicted that if fire ants aren't

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eradicted, they will spread to at least one-third of the United States.

Three days later EPA responded with the following letter to Secretary Butz:

U.S. Environmental
Protection Agency,
Washington, D.C., April 4, 1975.

Hon. Earl Butz,
Secretary of Agriculture,
Washington, D.C.

Dear Mr. Secretary: I appreciated your telephone call Tuesday to inform me of your decision to suspend the Cooperative Fire Ant Control Program on June 30. Because Mr. Train is the final adjudicator in the ongoing Mirex administrative proceedings, he has been advised by counsel to refrain from any *ex parte* communication on this subject; he has thus requested that I speak for him on all matters concerning Mirex. On behalf of EPA I do wish to express a number of comments in response to your decision and your press release.

Your press release indicated that USDA now favors a program directed at eradication of the fire ant rather than control, and that EPA restrictions prevent the undertaking of a program of this nature. I am surprised that the Department has suddenly chosen to favor that approach. It is our understanding that the USDA abandoned the concept of eradicating the fire ant prior to the imposition of EPA restrictions on the advice of scientists that this effort would be financially and logistically infeasible. A number of State entomologists testifying at current EPA fact-finding hearings on Mirex reaffirmed the conclusion that eradication is impractical if not impossible. Further, I understand that during the years 1962–1972, when no EPA restrictions were in effect and multiple applications of Mirex were being administered, the ant was not eliminated, nor in fact contained.

EPA has attempted to work with your Department in seeking a balance between the very important need to protect people, livestock, and farm equipment from fire ant hazards, and the need to minimize the threat to public health and the environment from excessive use of the persistent Mirex insecticide. The Agency has relied upon the expertise of USDA entomologists to guide the development of viable regulatory measures.

Further, EPA has been holding public hearings to explore the benefits and risks of the fire ant control program and to determine appropriate safeguards to protect the environment. USDA has participated actively, in these hearings since their initiation; USDA monitoring data, in fact, is felt to be a crucial input to assist in resolving the outstanding issues before the Hearing Examiner. I am disappointed and surprised that USDA has decided to abandon the fire ant control program prior to the conclusion of these important administrative proceedings.

I regret that USDA did not consult EPA concerning this impending decision or discuss potential problems with environmental protection requirements. The basic requirements of the Environmental Protection Agency were established in Mr. Ruckelshaus' Orders of May 3, and June 30, 1972, and have remained essentially unchanged since that time. The latest Orders were issued primarily as clarification of the original orders as needed. The Order of March 28, 1973, in particular, lifted the burden of certain constraints by better defining the aquatic and forested areas to be avoided during the application and was issued after a request for clarification from your Department. USDA has, then, carried out a program of fire ant control for several years with EPA restrictions in place and relatively constant, and it is thus difficult to see why this program should so suddenly be dropped without any consultation with EPA.

The USDA press release of April 1 indicates that environmental requirements were the complete cause for suspension of the program. This statement tends to bring undeserved criticism to this Agency when other considerations appear likely to have played a larger role in USDA's decision making. If I recall correctly, there have been questions raised by OMB and others regarding the overall benefit/cost aspects of this program as well as its success. Some States and scientists have also indicated that the program is ineffective. In the current times of national financial difficulty and governmental spending cutbacks, financial considerations seem likely to me to have been important in your decision to cut a program of this scope. I would be glad to hear from you whether the USDA press release fully expressed the total range of considerations that went into your decision.

EPA will continue to provide technical assistance to States in developing environmentally sound fire ant programs in the future, and we hope to work cooperatively with your Department in this endeavor.

We will be glad to discuss all aspects of this important matter with you further.

Sincerely,

John R. Quarles, Jr.,
Deputy Administrator.

Six days later USDA responded to EPA's letter:

Department of Agriculture,
Washington, D.C., April 10, 1975.

Hon. John R. Quarles, Jr.,
Deputy Administrator, Environmental Protection Agency, Washington, D.C.

Dear Mr. Quarles: Thank you for your letter of April 4 to Secretary Butz in which you expressed your concern over our plans to suspend the Imported Fire Ant Program on June 30, 1975. As you know, we have been troubled for some time about the restrictive conditions under which this program has had to operate. We have attempted to cooperate with your Agency as you exercise your responsibilities; however, our acquiescence to your demands has taken us to the point where the program is now relatively ineffective.

Careful analysis of the existing control program has caused us to conclude that it is too costly for the limited benefits it provides. Continued operation of the existing program under EPA restrictions would force us to distribute a persistent pesticide into the environment indefinitely in exchange for marginal temporary relief from the fire ant problem. In these circumstances, we could not in good conscience continue the existing program.

The most critical restriction presently imposed by your Agency limits treatments in any one area to one application per year. This restriction was incorporated in a label you approved in March 1973. It made permanent a temporary trial of the one application per year method which we began in 1971. The trial was initiated during a period when the Department was involved in litigation over mirex because of complaints filed by the Environmental Defense Fund and others. As you will remember, we were also about to file our first Environmental Impact Statement in a climate clouded by unproven assertions that mirex was a carcinogen. Our single application per year trial was an attempt to be responsive to those concerns even though we had doubts that such a program would be biologically sound. We did not foresee that, as a consequence of our action, you would require that we continue single applications per year indefinitely.

It has now been clearly demonstrated that single applications per year give only limited and temporary benefits. We are convinced by research on the subject that three applications of mirex bait within a 12 to 15 month period are the most effective and environmentally sound means of eliminating the fire ant as a pest. It is true that during the 1960's we had not yet decided on an eradication program. The multiple mirex applications we now favor are based on a research design developed in the late 1960's that establishes an effective method, appropriate to large-area programs for systematically eliminating the fire ant. This was demonstrated in connection with trial eradication efforts against infestations of the fire ant in areas of Georgia, Florida, and Mississippi using the multiple treatment approach. Earlier multiple mirex treatments did not have the benefit of such design and were aimed at long term control. Our report of the three year eradication trials in Georgia, Florida, and Mississippi was presented to the House appropriations subcommittee during the 1971 appropriations hearings. In retrospect, it can be seen that these results, justifying a 120 million acre program to eliminate the fire ant as a pest, came at a time and in a climate when our efforts were being strongly challenged.

In the interim, following bait application each season, we have discussed with officials of your Agency the problems caused by your restrictions. Modifications and clarifications have been requested, and we have been forced to reduce and adjust our goals in an effort to keep the program in operation.

The effect of these adjustments could be observed and evaluated only over a period of time. Operations during the past two fiscal years have established that the restricted program is not satisfying the public interest. Evidence of dissatisfaction can be found in the administrative hearing record. Recent control efforts have afforded only temporary relief from the fire ant because reinfestation occurs rapidly and in a more disseminated fashion, and the fire ant continues to spread to areas not previously infested.

It is not our purpose or desire to be contentious, but the long debate over the restrictions and the extended hearings are causing us to continue the program at a level we now know to be limited in its benefits. Considering the length of the hearings and the interminable discussions about this issue, we cannot understand why you believe our decision was sudden and surprising. Some State agencies have also indicated that the program being conducted provides only temporary relief *under the present conditions.* We have chosen to exercise our prerogatives responsibly by suspending the program until we can operate free of crippling restrictions. We ask that, as you exercise your responsibility, you take into consideration that to be environmentally sound the program must eliminate the ant as a pest.

This position has received the support of the Southern Plant Board, as expressed in a Resolution adopted April 4, 1975. We understand that a copy of this Resolution has been forwarded to you by the Board.

While we regret that your Agency may receive criticism because of our action, we feel that our press release was factual and that it represented the full range of considerations that went into our decision. Speculation that Office of Management and Budget or national economic considerations were factors is erroneous. EPA restrictions were the sole basis of our decision to suspend, as we will demonstrate if the restrictions are lifted.

We fully recognize your responsibility for protecting the environment. It is a difficult mission which often requires that you strive for a delicate balance between competing and conflicting needs. We, too, wish to act

responsibly and believe that we could have a program which is, on balance, environmentally sound. Surely, if we work together in good faith, we can see that both our missions are carried out for the good of all.

Sincerely,

J. Phil Campbell,
Under Secretary.

In the interim I requested and received from USDA an assessment of the situation and the information used to base the original press release announcing the suspension of the fire ant program. The following questions and answers from USDA should shed significant light on the situation:

IMPORTED FIRE ANT: QUESTIONS AND ANSWERS

1. Q. What is the imported fire ant?

A. The ant is an insect pest not native to the U.S. An aggressive mound builder with a vicious sting, it is a pest of agriculture, health hazard and nuisance to those living in heavily infested areas. When disturbed, ants will attack both humans and animals.

2. Q. How did the imported fire ant become an American pest?

A. The black form of the fire ant, *Solenopsis richteri*, apparently hitchhiked on a cargo shipped from South America to Mobile, Ala., in 1918. About 20 years later, the red form, *Solenopsis invicta*, invaded the U.S. The red type is now the dominant ant in most of the infested area. The ants are more serious here than in their countries of origin since there are few natural enemies in the U.S. to keep their populations in check.

3. Q. Where is the imported fire ant infestation located?

A. More than 133 million acres are currently known to be infested in nine states—Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.

4. Q. How far could the ants spread?

A. Unless an active control and regulatory program is maintained, the pest could continue to spread throughout the rest of the South, westward up the east coast and westward to the Pacific Coast States. The natural rate of fire ant spread is five to twelve miles a year.

5. Q. What do the ants look like and where are they usually found?

A. Imported fire ants are similar to ordinary house and garden ants in appearance—⅛ to ¼ inch long and reddish-brown to black in color. Colonies are readily identified by the large, crusty nests, or mounds the insects build. These mounds may be as large as three feet high and nearly three feet across. Since fire ants like open, warm and grassy areas, pastures, new roads, lawns, ditches, levees, and unused cropland are the most frequent sites of active mound-building. Pastures in heavily infested areas, for instance, may have as many as 50 mature mounds to the acre.

6. Q. What is the human health hazard from imported fire ants?

A. Fire ants are extremely vicious and will attack anything coming near their nests. Ant stings cause blisters that take as long as ten days to heal, leave scars, and may develop into secondary infections. Many people have been hospitalized from fire ant attacks and a few have died—primarily from allergic reaction to the stings.

7. Q. How many people actually have received medical treatment for the fire ant stings?

A. A poll of doctors conducted by Dr. R. F. Triplett during 1971 showed that over 12,000 people living in moderately and heavily infested counties of Mississippi, Alabama and Georgia sought medical assistance that year after being attacked by imported fire ants.

8. Q. What kinds of agricultural damage do the ants cause?

A. The main agricultural problem involves damage caused by farm equipment hitting the hard-crusted mounds. There have also been many instances of farm workers refusing to work in heavily infested fields. Minor damage occurs when the ants feed on crops or attack new-born livestock and poultry.

9. Q. Are the ants suburban and urban as well as rural pests?

A. Yes. Children and pets are occasionally hurt by ants infesting suburban lawns, parks and school yards. Mounds in suburban/urban areas can also result in costly damage to lawn mowers and other maintenance equipment.

10. Q. How has USDA been involved in treating fire ants?

A. A cooperative federal-state control program was begun in 1957, with a federal quarantine invoked in 1958 to stop artificial spread of the pest.

11. Q. What chemicals have been used in the control program?

A. Initial treatments involved the application of heptachlor and dieldrin. However, beginning in 1962, a specially developed insecticide bait, called mirex, was introduced as a safer, more effective tool for control of the fire ant.

12. Q. What are the control techniques?

A. Mirex bait is made up with corncob grits, soybean oil and the insecticide. This mixture is applied at the rate of 1.25 pounds per acre. Most of this poundage is the grits. Less than half a teaspoonful of the active chemical is actually applied over each acre.

Aerial treatment is the most effective method of applying the bait. The worker ants pick up the grits and take them back to the mounds, where the soybean oil is fed to the queen and her brood. Once the queen is dead, the ant colony begins to die—taking about two weeks or longer.

Federal and state officials supervise all treatment operations. Special care is taken to avoid marshlands, wildlife refuges and estuaries.

13. Q. Is there any check on the import of mirex in the environment?

A. Since the spring program of 1972, USDA has conducted a monitoring program to keep track of any residue build-up and also to test the efficiency of the insecticide bait. Twenty-five to 60 days after the bait application, APHIS personnel collect samples of various components of the environment—soil, vegetation, sediment, mammals, birds, fish and crayfish. Analysis of this material is carried out at the APHIS Environmental Monitoring Laboratory at Gulfport, Miss. Analyses of physical components show extremely low mirex residue levels and minimal movement of the chemical from treated areas. Residues in biological components are several orders of magnitude below laboratory determined acute and chronic levels found in toxicity studies.

14. Q. On what basis is acreage selected for control treatment?

A. The selection process begins at the local level when individuals or communities, no longer able to handle their fire ant problems, request state aid. If the state determines the need for control is real, federal assistance can be requested. USDA will not join in cooperative programs unless (1) local property owners are in favor and have requested such a program, (2) the outbreak is interfering with agricultural operations and/or is a health hazard and nuisance to people, (3) state or local funds are available and (4) USDA scientists determine that control can be achieved without endangering environmental values.

15. Q. What is the cost-sharing basis of the state-federal treatment program?

A. For control treatments, USDA matches the state's share on approximately a 50–50 basis. Different ratios of cost-sharing are in effect with different states in other areas of the program's activities, such as survey, regulatory. and methods improvement.

16. Q. How large has the treatment area been in the last few years?

A. The cooperative federal-state control program treated 10.2 million acres in six states during 1974. The treatment area covered 14.6 million acres in seven states during 1973, and 18.6 million acres in eight states in 1972.

17. Q. What has the cooperative control program cost thus far?

A. Since 1958, the cost of the cooperative program has been $86 million in federal funds and nearly $62 million spent by cooperators (principally state departments of agriculture). For the fiscal period, June 30, 1974 to July 1, 1975, costs are estimated at $9.0 million, federal, and $7.4 million, cooperators.

18. Q. This fire ant program has been in progress now for nearly 18 years, including 14 years before EPA began regulating the use of mirex. What makes USDA believe it can eradicate this pest now when it failed to do so before?

A. During a three-year period (1967–1970), large-scale test plots were established in Florida, Georgia, South Carolina, and Mississippi to determine if eradication was feasible. Although these studies showed that eradication was possible, problems of logistics and finances in the affected states made such a program not feasible at the time. There also were unanswered environmental questions. Since that time, application techniques have been further refined, and, affected states have shown increased interest in the problem including their willingness to fully cooperate in an overall approach to eradication. The Department's environmental studies indicate that actual damage to the environment from use of mirex is minimal. However, continued use over a long period, without eradication, could conceivably have adverse effects—in addition to wasting taxpayer's money.

IMPORTED FIRE ANT

1. Q. Control versus eradication—our original intent.

A. Congress appropriateed $2 million in fiscal year 1958 to initiate program. Eradication was the objective. Heptachlor was the principal chemical used. Conservationists opposed the program. Food and Drug Administration canceled all tolerances for heptachlor. This required exclusion of pastures and forage crops from treatment program. Program became one of suppression and control. Mirex bait discovered in 1961 and adopted as standard treatment in 1962. Renewed interest developed in eradication concept; however, some States were still providing only token financial support. Government Accounting Office (GAO) review, completed in 1964, recommended suppression and control. Southern Plant Board in 1967 proposed to the Department and the Congress a stepped-up, 3-year eradication effort. ARS endorsed proposal contingent on availability of Cooperative Federal and State funds when and where needed.

Large-scale eradication trials carried out in Georgia, Mississippi, and Florida, 1967–69.

Fish and Wildlife Service issued press release in September 1969 indicating mirex might be harmful to shrimp and crabs.

The same year, Department of Health, Education and Welfare Secretary's Commission on Pesticides and Their Relationship to Environmental Health included a need to reexamine mirex as a possible tumor inducing substance. In June 1970, the Secretary of the Interior released a policy statement declaring the use of mirex would be limited to U.S. Department of the Interior managed lands. In August 1970, Environment Defense Fund and the Committee for Leaving the Environment of America Natural filed com-

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plaint for injunction and declaratory judgment against the fire ant program in U.S. District Court, Washington, D.C. These issues and rising public opinion against the imported fire ant led to a statement of policy in the Environmental Impact Statement filed March 17, 1971, as follows:

"Mirex bait will be applied aerially to those areas where the ant is causing trouble, where the property owners have expressed concern, and where the State and local governmental agencies have requested Federal cooperation in a control program. Under the plan, forested areas which are not prime fire ant habitat and sensitive areas such as estuarine areas, and State and Federal game refuges will not be treated. In seven counties that we plan to treat in Mississippi only 25 percent of the land area will be treated in those counties compared to 100 percent under any eradication plan. Application pilots will be briefed with respect to all sensitive areas, including water, and instructed to avoid application to those areas. Compliance will be closely monitored by ground and aerial supervisions in scout airplanes."

March 17, 1971, Environmental Protection Agency (EPA) filed notice of cancellation of mirex registrations. Allied Chemical Company filed notice of appeal April 16, 1971. EPA reinstated mirex label March 3, 1972, accepted second mirex label March 28, 1973.

Current mirex label (EPA reg. no. 218–564) reads:

"Do not make more than one application to an acre in any twelve-month period. Aerial application is prohibited over heavily forested areas, which are defined as forest stands having 80 percent or more crown closure with trees of any size. All application, aerial or otherwise, is prohibited on or near aquatic habitats, which are defined as any aquatic system such as estuaries, rivers, streams, swamps, lakes, ponds or other bodies of water shown on U.S. Geological Topographic Survey maps at a scale of 1:24,000, including farm ponds used primarily for food production or human consumption, but excluding intermittent streams and other farm ponds. Farm ponds to be excluded from the definition of aquatic habitats are defined as man-made impoundments of water occurring on farms for utilization for purposes such as irrigation, stock-watering and recreation. Intermittent Streams are defined as those streams that have continuous flow during periods of heavy rainfall but with little or no flow during the remainder of the year. Do not apply to intermittent streams when flowing. Do not apply to water drainage areas where runoff or flooding will contaminate aquatic areas."

Clearly, eradication of the imported fire ant cannot be carried out under constraints of the present label.

2. Q. Where successful eradication trial done? When? What Acreage?

A.:

FIELD TREATMENT

State	Acreage	Percent of control		
		1st	2d	3d
Georgia	2,500,000	92.4	99.9	100.0
Florida	700,000	94.3	99.2	99.7
Mississippi	500,000	85.4	99.85	100.0

ERADICATION TRIALS

In calendar year 1967, large-scale tests were initiated in Florida, Georgia, and Mississippi to determine the feasibility of eradicating the imported fire ant.

Mirex was found to be highly effective and the electronic guidance system proved adequate. The tests showed that eradication could be accomplished with technology available at that time and under the existing conditions in the test areas.

Three treatments of 1¼ pounds mirex per acre were made spaced 4 to 6 months apart.

Some shortcomings of the technique were revealed. However, it was reasoned these could be worked out during the course of an eradication program. The first treatment was applied in the fall of 1967 in Georgia and the last treatments were made in Florida in the spring of 1969 and in Mississippi in the fall of 1969.

By 1975, hot spots of reinfestation had developed in the Georgia area but no retreatment has been done. The Florida area has become reinfested. In Mississippi, where no border treatments around the 500,000 acres were carried out, the area became reinfested and the entire block was retreated in the fall of 1974.

3. Q. Kinds of residues that have been monitored? What effects could be predicted? Are effects exaggerated by those opposing?

A. Since the spring program of 1972, USDA has conducted a monitoring program to keep track of any residue buildup and also to test the efficiency of the insecticide bait. Twenty-five to 60 days after the bait application, Animal and Plant Health Inspection Service (APHIS) personnel collect samples of various components of the environment—soil, vegetation, sediment, manuals, birds, fish, and crayfish. Analysis of this material is carried out at the APHIS Environmental Monitoring Laboratory at Gulfport, Mississippi. Analyses of physical components show extremely low mirex residue levels and minimal movement of the chemical from treated areas. Residues in biological components are several orders of magnitude below laboratory determined acute and chronic levels found in toxicity studies.

4. Q. Does Allied's position as sole source have any impact on what might happen to mirex?

A. Allied Chemical Company has use patent on how mirex is put into bait for the next 7 years. Therefore, Allied's position as sole source does have impact on what might happen to mirex. (Patented November 30, 1965, #3,220,921).

5. Q. Is there an evaluation that will show our program would have worked without EPA restrictions?

A. Based on our accomplishments in the eradication tests, 1967–69, especially in the Savnanah area where 1.5 million acres were cleared of fire ant, we believe we could have continued successful and progressive eradication across the entire infested area. This would have required full coverage of the infested areas with multiple applications of mirex. Full cooperation of all the States and adequate financing would have been a prerequisite to success also.

I would also like to bring to your attention letters from the Alabama Cattleman's Association and the Alabama Commissioner of Agriculture which express their feelings on this matter.

ALABAMA CATTLEMEN'S ASSOCIATION,
Montgomery, Ala., April 9, 1975.

Hon. WM. L. DICKINSON,
House of Representatives,
Washington D.C.

DEAR BILL: The cattlemen of Alabama are vitally interested in the Fire Ant Control Program now being conducted by the Alabama State Department of Agriculture in cooperation with the USDA. This pest is of serious economic concern to every cattleman and farmer in Alabama, and we were very disappointed to read that the USDA has announced that it will suspend the Fire Ant Control Program on June 30.

We are writing this letter to ask that you do everything possible to try to get the USDA to reinstate this Program. We have an excellent control program in Alabama which is financed cooperatively by the farmers and the State Department of Agriculture with the USDA. The discontinuance of this program will be a severe economic blow to agriculture in Alabama. We urge you to do everything possible to get this program reinstated.

The people of this nation must be informed that agriculture is the most important weapon we have and if we fail and cattlemen go broke . . . so goes our great country.

Thank you for all that you do for our great state.

Sincerely,

E. H. WILSON,
Exec. Vice Pres./Chief Exec. Officer.

THE STATE OF ALABAMA, DEPARTMENT OF AGRICULTURE AND INDUSTRIES.
Montgomery, Ala., April 10, 1975.

Hon. W. L. DICKINSON,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DICKINSON: You have undoubtedly heard that the United States Department of Agriculture announced April 1, that they are withdrawing from the Imported Fire Ant Cooperative Control Program on June 30, 1975. I am enclosing a copy of this news release.

The Alabama Department of Agriculture concurs with the United States Department of Agriculture's concept of eradication, but we realize that we have constituents within the State that need the control program that this department is currently conducting in cooperation with the United States Department of Agriculture. The infested states have legislative appropriations to control the Imported Fire Ant and these appropriations are based on federal matching funds. The withdrawal of federal matching funds will drastically affect the control program in the infested states. I urge you to request that the United States Department of Agriculture reconsider their position.

I have received no reports of adverse environmental effects resulting from the cooperative control programs. To deprive the inhabitants of the infested states of the program which gives some relief from the Imported Fire Ant without evidence of adverse effects on the environment is reprehensive. Please urge the Environmental Protection Agency to reduce their restrictions and permit a meaningful program acceptable to the United States Department of Agriculture.

Sincerely yours,

MCMILLAN LANE,
Commissioner.

Finally, I would like to insert in my statement a recent resolution passed by the Southern Plant Board which encourages EPA and USDA to reach an agreement and reinstate the program:

RESOLUTION NO. 1 OF SOUTHERN PLANT BOARD

Whereas the U.S. Department of Agriculture has seen fit to suspend financial support for the cooperative imported fire ant program, and

Whereas this agency has expressed their reasons for such action as being due to unnecessary and excessive restrictions placed on the application of mirex, the only effective pesticide available for the control of the imported fire ant, and

Whereas the Department has acknowledged the fact that the imported fire ant can be totally eradicated with properly timed multiple applications of mirex with negligible effects on the environment, and

Whereas they have indicated that they would participate in the cooperative program only on the basis of the eradication concept,

Now, therefore, be it resolved that the Southern Plant Board, in regular session at New Orleans, Louisiana, on April 4, 1975, fully agrees that the eradication concept is the most biologically and economically sound

solution to the imported fire ant problem with the least amount of long-term exposure of the environment to persistent pesticides.

However, be it further resolved that those Southern Plant Board States currently participating in the cooperative imported fire ant program recognize that the people they serve will demand that some relief be furnished by our agency to alleviate this most serious problem and, for that reason, the Southern Plant Board strongly urges the USDA to continue to fully support our efforts to furnish this relief, and

Be it further resolved that EPA be urged to accept the eradication concept as the most appropriate means of dealing with this serious pest and remove the restrictions that are currently blocking the implementation of this concept, and

Be it further resolved that if EPA will not accept this concept that they be strongly urged to remove such unnecessary restrictions so as to allow us to give relief to our mutually tax-paying constituents regardless of where they reside to the extent that will justify our expenditures on this most necessary program, and

Be it further resolved that the Secretary be directed to send copies of this resolution to the Secretary of Agriculture, the Administrator of EPA, and NASDA, the Chairman of the U.S. House Subcommittee on Agriculture Appropriations, Chairman of the U.S. Senate Subcommittee on Agriculture Appropriations, and sufficient copies to each board member to distribute as he sees necessary to his congressional delegation and organizations within his State that have shown interest in obtaining help with this serious problem, and

Be it further resolved that this resolution be sent to the National Plant Board urging its concurrence.

There is no doubt that what to do about the fire ant is a perplexing problem for USDA, EPA, and those persons living in the affected areas. Hopefully, now that this matter has been discussed here on the floor of the House it will be far easier for those concerned to sit down and work out agreements that will be acceptable to all concerned. Ideally, these agreements should be concerned with eradicating the harmful fire ant without doing irreparable harm to the environment.

Quite frankly, if some sort of fire ant control or eradication program is not carried out, Alabama could literally be knee deep in fire ants. I hope Secretary Butz and Director Train will soon reach an agreement.

LEGISLATION TO AID AND PROTECT LIVESTOCK PRODUCERS AND MARKETERS

(Mr. SMITH of Iowa asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SMITH of Iowa. Mr. Speaker, I have introduced legislation to prohibit chainstores and large packers from operating livestock feedlots where they feed and hold large numbers of livestock and are, therefore, in a position during times of surplus to interfere with the free market process and to use their leverage to manipulate independent producers' prices without passing the lower price on to the consumers.

When chainstores and large packers hold large supplies of livestock in their own feedlots and there is a surplus available, they can reduce the price they would ordinarily be paying to producers and to the extent they cannot buy livestock at these depressed prices, they can fill their needs from their own yards. After a few days of this kind of operation, producers will sell to them at artificially depressed prices. This kind of leverage could easily have caused an additional 10 percent reduction in producer prices in recent months and without passing that price advantage on to consumers.

In the past year, we have been going through another period where producers received lower prices and instead of these reductions being passed through to the consumers, the price spread has increased drastically. In addition to producers being hurt financially, this situation does not give the free market the opportunity to adjust quickly. When prices are driven down further than they need to be, the inputs into the business are curtailed further than they should be and as a result a surplus period is followed by a period of shortage.

A Department of Agriculture study issued in 1966 concluded that 1 out of 10 cattle fed in the United States at that time was being fed by a packer or an interest associated with a packer and that these cattle were being marketed in such a way as to have more than 10 times the downward pressure on the live cattle market which the same number of cattle would have if marketed by independent producers.

Since 1966, the percentage of cattle owned and controlled by packers and chain stores has obviously increased and thus the anticompetitive forces would be much greater. The obvious economic advantages are apparently becoming so great that those packers and chain stores that have not vertically integrated now apparently feel somewhat noncompetitive with others which have vertically integrated. As a result, several plans for large new feeding operations are now being considered by packers.

The study by the Department of Agriculture concluded as follows:

> In our studies, we have evidence of market power at work. At one of our important livestock markets, packer-fed transfera to slaughter by a large packer depressed the average weekly market price by as much as 25 to 50 cents per 100 pounds when compared with prices at other markets. During a period when this packer's transfer of his own cattle varied from zero to over 1,000 head per week, each additional 100 head of packer-fed cattle slaughtered per week lowered the price 5.8 cents per 100 pounds. The market leverage exerted here is dramatically demonstrated in the fact that an equivalent 100 head increase in salable cattle receipts at the public market had less than one-tenth the price effect of packer-fed transfers. This was during a period when the packer was supplying less than 10 percent of his cattle requirements from his own feedlots. Also, his feedlot transfers were equivalent to less than three percent of the salable receipts at the market. Our analyses lead us to believe that under current levels of packer feeding, market prices for cattle feeders are affected.

The number of cattle fed in feedlots in the United States is determined by the amount of feed which is available. Since it takes approximately 7 pounds of grain to produce 1 pound of beef, cattle feeders cannot pay as much for grain as can poultry producers—where the conversion rate is only 2 pounds of grain for 1 pound of broiler—and producers of cereal products—where the ratio is 1 for 1. In other words, cattle only eat what is left over after other consumers of grain secure whatever supply they want. The number of cattle fed will be approximately the same regardless of who feeds them but if they are fed by a vertically integrated concern, they may be marketed in a way which interferes with the free market system which both distorts and delays the adjustments which would normally take place in adjusting supplies to demand.

The bill will permit a packer to buy and hold livestock for a maximum of 20 days. This permits them to be assured of the supply necessary to operate at full capacity but this would not permit packers to keep the kind of supply in a regular feedlot for long periods of time which would enable them to use unfair bargaining power in dealing with independent livestock producers.

Since chain stores sometimes buy carcasses from the packer prior to the packer's buying the animals, and thereby indirectly can set the price, their ability to deliver livestock to the packer who is unable to buy at their offered price gives the chain stores the same leverage. Therefore, the bill includes prohibitions against chain stores' feeding livestock as well as packers' selling to other packers. Last year 700 feedlots fed more than half of all the cattle fed in the United States. As a result of the mergers, consolidations, and other alliances which have developed in the packing and retailing industry in the past few years, the industry has become so restructured that I believe the only way to preserve the free enterprise system of determining prices in the meat industry is to prohibit vertical integration. In other words, those who want to be in the processing end of the industry should not also be operating in the producing end of the industry. For many years packers have been prohibited from operating as retailers.

The Packers and Stockyards Division of the Department of Agriculture has numerous regulations which attempt to deal with parts of this problem. However, the authority granted to them to do so is limited and I am advised that they feel they cannot legally prohibit any anticompetitive activity which has not already been prohibited by regulations. Their regulations do not cover the additional problems which are encompassed in my bill.

My bill also prohibits packers from selling to other packers in order to prevent producers from having a better price available from another packer.

The bill also amends existing small business legislation so that producers of livestock and livestock products will not be ruled ineligible for loans just because some other agency could make such loans if it had the funds available.

My bill, H.R. 5982, has been referred jointly to the Small Business Committee and to the House Agriculture Committee. I am the chairman of the Small Business Subcommittee which will consider this legislation and as soon as adequate notice can be given to all interested parties and proper preparations can be made, I intend to hold hearings on this legislation.

Various aspects of the problems of livestock producers and the growing spread in this multibillion-dollar industry between producers and consumers' prices have been evidenced by some well-written articles, including a recent series in the Des Moines Register by the Register's Washington Bureau Chief, Clark Mollenhoff, and by George Anthan and James Risser. I commend these articles to the attention of my colleagues and in view of the importance of this legislation in a multibillion-dollar industry, I will have a copy of them reprinted in the Record following these remarks:

[From Feedstuffs, Sept. 23, 1967]

Packer-Fed Cattle Economics Evaluated

Lafayette, Ind.—"In considering policy alternatives toward packer feeding, it may be possible to adopt a course which would avoid the undesirable possibilities associated with the practice, yet preserve its efficiency, flexibility and potential for technological gain."

Dr. Paul L. Farris, Purdue University, made this suggestion in a paper on economic evaluation of cattle feeding by meat packers. The treatise, presented in a Purdue newsletter for Indiana farmers, began by reporting that U.S. Department of Agriculture statistics showed 11.5% of total fed cattle marketings in 39 states in 1965 was owned by packers and associated interests. Farris called this an important form of vertical integration in the livestock and meat industry.

In a National Commission on Food Marketing survey of cattle feedlots in 15 western states, it was found that nearly half of 1964 marketings from feedlots with 1,000 or more head capacities were owned by packers eight days or longer prior to shipment, according to Farris. He also said approximately 29% were owned by packers 8 to 30 days before shipment from the feedlots, and 19% were owned by packers for 30 days or longer.

Three large retail food chains, Acme, Food Fair and National Tea, had cattle slaughtering operations equal to 4.2% of fed cattle marketings in 39 states in 1964. These chains also were in the cattle feeding business, Farris pointed out. In 1964 they fed 64,000 head, which was about 8.5% of their own slaughter.

ASPECTS CONSIDERED

Farris noted that while conclusive evidence is not available to assess the full implications of cattle feeding by packers, some important economic aspects can be evaluated in considering alternative public policies toward the practice.

In considering the problem questioned in his paper, Farris presented arguments for and potential problems associated with packer feeding. Under the "for" column, Farris placed the reason that packer feeding increases plant operating efficiency in meat packing. He said packer feeding could allow plants, which have high fixed costs, to run with fewer production stops because of lack of animals. The total fixed slaughtering and processing cost would then be spread over fewer cattle, and the cost per head would rise on animals actually slaughtered.

Another "for" listed by Farris was that live cattle procurement costs might be lowered due to the need for fewer cattle buyers, possibly lower transportation costs and availability of animals to satisfy particular requirements.

Farris also suggested that reduction of risks due to the packer's ability to provide a given quality and uniformity of product might be another advantage. He noted that packers could draw on their own supplies when particular items were lacking, thereby possibly helping to reduce variations in market prices.

New organizational and technological innovations and the speed of their implementation might be faster with packer feeding, according to Farris. He said their increased knowledge in the field and availability of capital might make them more capable of doing such things.

And finally Farris said the freedom of packers to feed cattle appears consistent with public policy toward freedom of competitive enterprise. He suggested that prohibiting the practice generally could raise an issue of consistency in public policy toward other integrated arrangements, both in agricultural and non-agricultural sectors of the economy.

On the "problem" side of the ledger, Farris mentioned the possibility of market price manipulation. He noted, however, that more thorough understanding is needed of actual pricing processes for cattle and beef to judge whether supply and demand forces are reflected freely and openly in arriving at market prices.

Another disadvantage of packer feeding, also leveled against integration in other areas, is that it reduces the proportion of total supplies changing hands in the marketing channel and, consequently, the proportion of total market supplies that enters directly into the price-making process, according to Farris. He said this type of action could make prices unrepresentative of general supply and demand conditions and affect the knowledge needed to properly price items.

INDUSTRIALIZATION

Farris also said that, although it has been charged that packer feeding would help transform agriculture from a family farm operation to one of a more industrial nature, the largest increases in recent years have come in large feedlots, many having no connection with packers. Along the same line, it has been said that packers could support unprofitable feedlots with earnings from other divisions and thereby intensify industry price swings. Farris said that in considering situations like this, the National Commission on Food Marketing proposed public reporting of sales, expenses and profits in each division of large firms so that at least they would all be on equal footing as far as information about each other is concerned.

On the final potential problem of increased total volume of cattle fed if packers feed, Farris said that data are not available to answer the question definitively. He noted, however, that it seems unlikely due to the freedom of entry into and exit from the cattle feeding industry.

After stating that it might be possible to adopt a policy toward packer feeding that would avoid the bad and preserve the good factors, Farris said that one alternative would be to permit packers to feed or have custom fed for them a certain proportion of their slaughter capacity. Analysis of various considerations would best minimize adverse side effects while retaining efficiency advantages of packer feeding. Without better factual knowledge, he said, it may be desirable to place increased emphasis on supervising market practices of integrated firms more closely while determining whether it would be in the public interest to restrict vertical integration.

In a more general sense, he continued, the cattle and beef industry, like other branches of the food industry, is being essentially restructured. New competitive relationships are emerging. He pointed out that greater fundamental knowledge of changes and tendencies is now especially needed in that public policies followed at this particular state in history will have an important bearing on the developing course of industry organization in the next few years and on the effectiveness of competition in the longer run.

[From the Washington Post, Mar. 9, 1975]

The Meat Price Explosion and Chain Stores

(By James Risser and George Anthan)

In the mid-1960s, officials of the nation's largest supermarkets gathered quietly at confidential "meat clinics" sponsored by their trade organization, the National Association of Food Chains (NAFC).

Each participant was guaranteed anonymity. Neither his name nor his company affiliation appeared on any list. Officially, he was known to his colleagues only by a color-coded badge on his lapel. If he spoke out during clinic sessions, he could be identified only as a member of, for instance, "the red-striped badge group."

The system was developed, one NAFC official explained later, "for the purpose of encouraging people to speak out and not hold back" as the executives discussed complexities of buying and marketing meat at a profit. And, somewhat to their chagrin today, participants did speak freely.

One color-coded supermarket man declared that "it is about time we stopped passing along the savings in distribution costs to the customer. I think we ought to keep some of it for ourselves."

"The group seemed in general agreement with this thought," notes of the meeting said.

Last summer, those words and others uttered at the meat clinics came back to haunt the supermarket industry as a federal court jury in San Francisco handed six cattlemen a stunning $32.7-million verdict against the Great Atlantic & Pacific Tea Co. (A&P) in a lawsuit charging that major retail grocery chains had conspired to fix the price of beef.

During the trial, the chief meat buyer for A&P had denied he ever met with his competitors. But then the jury of four women and two men was shown a photograph of him meeting with other supermarket officials at an NAFC clinic. The impact on the jurors was powerful.

Their verdict was upheld 10 days ago by Chief U.S. District Judge Oliver Carter, who denied A&P's plea for a new trial. Judge Carter ruled the jury had received "sufficient evidence" to support its finding that A&P had plotted with other supermarkets to set the prices they pay for beef at a low level and the prices they charge customers in their retail stores at a high level. The jurors were justified in believing that, at the "various secret meetings," supermarket executives and meat buyers "met, not only to discuss prices of meat, but to forge agreement concerning fixing of those prices," said the judge.

A&P has termed the verdict "monstrous" and plans to appeal to the U.S. Circuit Court of Appeals. The decision has sent tremors through the multi-billion-dollar supermarket industry as cattlemen in other states have moved quickly to file similar suits. While the San Francisco case covers a period which began almost a decade ago, some cattlemen contend the alleged practices have continued.

Backed by some farm-state congressmen, the cattle raisers say large supermarket chains wield undue influence on wholesale and retail prices of meat. Rep. Neal Smith (D-Iowa) charges the chain grocers have replaced meat packers as the largest single force in the nation's food industry, saying they exert "tremendous leverage" over meat prices and can, in effect, dictate prices meat packers pay the cattleman for his live animals.

Smith is pushing legislation to limit the chains' involvement in production of meat, and some veteran industry regulators at the U.S. Agriculture Department agree privately that tough new laws are needed.

The farmers complain that low prices they are paid for cattle are not adequately reflected at the stores' meat counters. This has become one of the most curious aspects of the high food-price situation of recent months. How can it be that U.S. cattlemen have lost $100 to $200 on each animal sent off to the slaughterhouse, and yet consumers have had to pay higher prices for their steaks and hamburger?

Agriculture Department economists and statistical experts agree that if there is an economic villain, it's someone called the "middleman"—the meat packer, the processor, the packager, the shipper, the retail grocer. All have been getting an increasingly large piece of the action as beef makes its way from an Iowa farm or a Texas feedlot to the American dinner plate.

Agriculture Department figures show that in 1971 middlemen, including the retail supermarkets, added an average of 36.5 cents to each pound of choice beef they handled. This increased to 52.7 cents a pound in 1974.

A special department task force reported last August that meat price margins—costs added by middlemen—"exploded" late in 1973 and early in 1974 "while market prices for cattle and hogs dropped sharply and losses mounted for livestock feeders." General inflation, restrictive labor union practices, government regulations and market distortions caused by earlier federal price controls were factors in this "explosion" but not enough to "explain the surge," the task force stated.

Meat marketers, the unit's report said, had significantly increased their profits, partly to recoup earlier losses. "It appears that the recent increase in meat price spreads was caused partially by food retailers changing their pricing policies to increase profits in their meat departments," it said.

A series of recent hearings by the Congressional Joint Economic Committee also dealt a blow to the supermarkets' public image. First, the committee staff accused the chain stores of issuing "intentionally misleading" financial figures in order to "cover up" high profits. Then, several supermarket chains refused to testify before the committee unless forced to do so by subpoena.

Cattlemen's suits patterned after the California case are on file in Nebraska and Texas, and the filing of others is under consideration. A $1.4-billion antitrust action filed in Cedar Rapids, Iowa, by cattlemen there was dismissed recently, but strong efforts are being made to revive it.

An examination of the voluminous record in the six-week A&P trial in San Francisco shows that cattlemen's attorney Joseph M. Alioto (an antitrust specialist and son of San Francisco Mayor Joseph L. Alioto) was able to produce little clear or startling proof of an overt conspiracy. There was no document actually showing high grocery chain officials agreeing on price-fixing schemes. But there was massive testimony and statistical evidence that, at a time when beef demand was high, cattlemen were being paid low prices while supermarket profit margins were rising. And the jury apparently was convinced that the NAFC meat clinics were a cover for supermarket efforts to get together on pricing.

TWO CHAINS SETTLE

The case, filed in 1966, originally named as defendants A&P, Safeway Stores, Inc. and Kroker Co. The three firms had conspired to pay low prices for the beef they bought and to fix high prices for the beef they sold to customers, the petition asserted. The large supermarket chains, the cattlemen alleged, had divided geographical territories among themselves to reduce competition. They also had eliminated competition among themselves in purchasing meat products, and even among different stores of the same chain. Also, it was charged, they had exchanged information on prices, sales, margins and profit through their trade associations.

Safeway and Kroger eventually elected to avoid a trial and settled out of court by paying the cattlemen $90,000 for attorney's fees, though the two chains strongly denied the charges against them. A&P, however, decided to fight the case to the end.

After a six-week trial, the jury returned its verdict, finding that a price-fixing conspiracy had cost the six cattlemen 20 cents a pound on all the beef they sold from 1964 through 1967. As a result, they had lost a total of more than $10 million and, under federal antitrust law, were entitled to triple damages.

The plaintiffs produced witnesses to buttress their claim that the big supermarket chains had agreed, perhaps only through an informal "understanding," to pay packers uniform, arbitrary, non-competitive and artifically low prices for fresh meat and meat products.

Cattlemen told the jury they sold cattle for less than it cost to raise them, and that they were able to stay in business only with bank loans and by raising crops. Also, a former independent packer testified that he had been forced to pay cattlemen low prices because of "great pressure" from major food chains he dealt with.

Testimony showed that A&P followed a policy of buying 20 million pounds of meat a week—90 per cent of its total requirements—out of a single office in Chicago. Company officials acknowledged that such large buying power could not help but have a significant market impact, but they insisted "we do not determine prices."

But, in his closing argument to the jury, Alioto claimed: "It's more likely than not that they (the competing supermarket executives) got together, either by an understanding or an agreement or an invitation to some and an acceptance by others, to control the market. They talked about prices. The evidence is they talked about methods and procedures . . ."

Referring particularly to the photograph of A&P meat buyer Robert Carpenter meeting with his competitors Alioto commented: "First, several of them deny meeting each other, and then we have to show that and prove that in documents . . . Next, they say, 'Well, I didn't sit with him; I might have met him, but I didn't sit with him.' And then we have to get a picture . . . And then they say, 'Well, we didn't talk about prices or supply or anything like that,' and then it's all over these documents."

Arguing unsuccessfully that the jury verdict should be set aside, A&P contended that the NAFC sessions involved "wholly theoretical and legitimate discussions about retail marketing practices and consumer buying habits, but were not an attempt to fix prices or coordinate buying.

"Accusations of retail price-fixing before a jury of consumers in a period of high inflation were obviously highly prejudicial," A&P complained.

THE "YELLOW SHEET"

In addition to the NAFC meat clinics, evidence of some contact among competing food stores came in testimony of A. D. Davis, an official of Winn-Dixie stores. He said he had given his private telephone number to officials of some other firms to save them from making more expensive person-to-person calls when they wanted to speak to him.

The calls often related to handling of "excess supply" of beef, said Davis, who acknowledge that he may have told a competitor that Winn-Dixie was planning to "feature" beef.

Supermarket officials said that the NAFC often issued notices to its members, telling them of the existence of excess meat supplies, and asking them to conduct beef sales. But A&P lawyers said such sales had the effect of removing excess supplies and actually benefitted cattlemen.

The cattlemen who testified in San Francisco made it clear they don't feel that way. Courtenay C. Davis, who operates a 75,000-acre ranch at Horse Creek, Wyo., told the court that many cattlemen have been losing money since 1952. At about that time, he said, "a powerful new force emerged in the form of the concentrated buying power of fewer and fewer big chain store buyers, operating without restraint in the carcass beef market."

Supermarket officials testified that the four largest chains together were accounting for less than 20 per cent of carcass meat sales in the nation, but they acknowledged that much of the other 80 per cent represented "fragmented" purchases by locally oriented grocery, hotel, restaurant and institutional operations.

While noting that most of its 3,500 stores get most of their meat through a centralized buying office in Chicago, A&P strongly denied it sets prices it will pay to packers by relying on the so-called "Yellow Sheet." That publication, officially called The National Provisioner, is a daily compilation of wholesale prices in the meat industry. It bases its quotations on actual sales, but there have been allegations in the press and before Congress that the Yellow Sheet's figures sometimes are manipulated.

Also, during the California trial, the cattlemen contended that a Safeway decision to sell its New York City stores, A&P's decision to leave the Los Angeles market and a Kroger decision to abandon Washington were tied to efforts to lessen competition among the three in the purchase of meat.

C. W. McManamy, an official of the Omaha, Neb., Livestock Foundation and a longtime observer of midwestern markets, sees evidence large supermarket chains have been able to force some significant drops in prices farmers receive for their cattle.

One clue to this, he said, is a uniform price decline, on the same day at widely scattered markets. "When I look at a radical departure from normal patterns," he said, "then I have to look at market muscle as a possibility. I see six to eight major retail outlets. Against this, I see 3,500 packing plants, and producers market through all these plants. When I look at this picture, I can't escape the conviction that concentration in retailing would provide substance for suspecting that prices can be dictated where the power lies. Packers to a large degree don't sell meat to retailers anymore; the retailers order meat from the packers."

Testifying before the Joint Economic Committee last December, Irvin Bray, one of the plaintiffs in the California suit, said he had been unsuccessful in trying to sell cattle to packers early in the week until Wednesday to find out what Safeway, the dominant chain in his area, is willing to pay.

Safeway's buyers wait until then so they can determine through the Yellow Sheet what A&P has paid the previous day, he claimed. Bray said that in recent years there has been very little relationship between the prices paid to cattlemen and the retail beef prices charged to consumers.

Testifying later, Safeway denied the charge. Company lawyer Richard W. Odgers said Safeway does not utilize centralized buying, but purchases its beef through competitive "offer and acceptance" in which packers' offers are received and accepted separately through more than 15 meat-buying offices.

W. S. Mitchell, Safeway's president, was grilled before the committee by Sens. William Proxmire (D-Wis.) and Hubert Humphrey (D-Minn.) about the increasing concentration of economic power in a few of the big chains. Proxmire said he has "serious doubts about the competitiveness of the industry" and Humphrey asserted that the supermarket chains "went out for a killing" after food price controls were removed.

But Mitchell told the committee that "all those stories about price-gouging profiteering, ripoffs, price-fixing and monopoly are just not so." He strenuously resisted suggestions that Safeway, with its 2,200 stores and annual sales of some $6 billion, is able to drive out competition and keep its prices high. Net profits of most major chains have averaged around 1 per cent of total sales, Mitchell said.

A DEVASTATING CASE

Later, the committee staff issued a report calling such figures "irrelevant." Profit figures based on rate of return on sales have been "purposefully" used to "cloud the issues and obscure the industry's true performance," the report said. A more reliable measure of supermarket profits, it contended, is "return on equity" (earnings compared to the value of the of the stock owned by the companies' stockholders) because this shows how much money the supermarkets are making in comparison to their total worth. For the supermarket chains, return on equity is "strikingly higher" than return on sales, the report said.

Safeway's rate of return on equity, for example, was 11.2 per cent in September, 1973, and rose to 19.5 per cent in September, 1974, an increase of 74 per cent, the report said. Winn-Dixie's rate of return rose from 13.1 per cent to 21.4 per cent. Kroger Co. went from 6.1 per cent to 10.4, and A&P from a loss of 2.2 per cent to a profit of 3.2 per cent.

The figures, on the average, are "neither spectacular nor poor," but they refute the retail food stores' claims that they are doing poorly, the committee report said.

The NAFC continues to argue, nevertheless, that supermarkets make so little profit that, if their earnings were entirely wiped out, the average family's food bill would drop by only eight cents a week.

"Lowering food prices by reducing supermarket profits is like trying to pump water from a dry well," says NAFC president Clarence Adamy. As for meat specifically, the supermarkets generally have been unable or unwilling to provide figures, although A&P has acknowledged that its average markup on fresh meat nearly doubled between 1968 and 1973. Safeway says its gross profit on meat is lower than on other grocery products, and Jewell Companies, Inc., officials say the company lost $5 million on meat sales during the first half of 1974.

Proxmire said in December that his committee staff's field investigations showed that where a small number of supermarket firms dominate the grocery business in a particular city, as in Washington, food prices tend to be higher and often are identical in the various competing stores in that city. A sampling of 4,000 items in Safeway and A&P stores in Kansas City, Mo., turned up identical prices on 3,000 items, he said. The Wisconsin senator described the finding as "the kind of conduct you'd expect out of a price-fixing conspiracy."

Three weeks later, Proxmire announced that A&P, Kroger, Winn-Dixie and Grand Union Co. had refused to appear before the committee unless subpoenaed.

Proxmire said company records obtained from the 17 largest chains had been analyzed and "we believe that a devastating case has been made against the industry—especially that retail prices rose while farm prices fell and that actual price competition, as such, did not exist in about 60 percent of the items sold in the food chains."

Proxmire has since yielded the chairmanship of the Joint Economic Committee to Humphrey and the future status of the investigation is in doubt, as is the question of public release of the reportedly revealing company financial records.

The Federal Trade Commission has announced a probe of the food industry, but a congressional source who has followed the FTC effort says it is "in bad shape, partly because of lack of staff." The Senate Select Committee on Nutrition and Human Needs also has plans to investigate the food industry, including price fixing and other anti-competitive activity, later this year.

[From the Des Moines Register, Mar. 14, 1975]

CATTLE OFFICIAL RAPS BEEF FIRM ON FEEDING FACILITY

(By Arlo Jacobson)

An Iowa Cattlemen's Association official lashed out Thursday at a statement by Iowa Beef Processors, Inc., of Dakota City, Neb., defending its decision to open a cattle feeding facility.

Paul Engler, vice-president of the packing firm's carcass division, has said the venture was brought on by a continued decline in the numbers of cattle on feed—particularly in Iowa.

But Bill Schermer of Latimer, first vice-president of the cattlemen's association, said the question "is not whether enough cattle will be available for slaughter, but who will be feeding cattle in the future, farmers or meat packers.

"No beef packer . . . will have any trouble finding enough cattle for slaughter this year," Schermer said. "We presently have a glut of cattle available and slaughter figures in 1975 will reach record highs."

FIGURES DISPUTE

Figures released Thursday by the Iowa Crop and Livestock Reporting Services tended to dispute Schermer's contention, however.

These figures showed that the number of cattle on feed in the state on Mar. 1 was down 32 per cent from a year ago—the fifteenth consecutive month that the number was below year-earlier totals.

Officials said, however, that the number of cattle slaughtered has shown increases, indicating a higher percentage of grain-fed beef is available.

MORE SLAUGHTER

Schermer said that Iowa Beef told its stockholders that it would slaughter 20 per cent more cattle in 1975 than in 1974.

"The same number of cattle will be slaughtered whether IBP feeds cattle or whether farmers do," he said.

"IBP can neither add nor detract from the cattle supply, regardless of what action they take. All they can do is gain control of a larger portion of the cattle marketed."

With that control, Schermer said packers will not only be able to dictate prices to farmers but will also be able to determine the terms of sales.

"This can in no way figure to the benefit of the cattlemen IBP wants to keep as its friends," he said.

[From the Des Moines Register, Mar. 14, 1975]

15-MONTH SLUMP IN CATTLE ON FEED; 32-PERCENT DROP IN IOWA

(By Don Muhm)

The nation's potential supply of grain-fed beef continued to slump in February, with feedlots in the seven major beef-producing states containing less than two-thirds the number of animals being fed a year earlier.

There were 1,181,000 head of cattle on feed in Iowa on Mar. 1, down 32 per cent from the 1974 total, according to the Iowa Crop and Livestock Reporting Service. February was the fifteenth consecutive month in which cattle feedlot numbers were less than in the previous year, the service said.

Still, Iowa feeders had more cattle in feedlots than their counterparts in any other state for the second straight month.

DROP IN TEXAS

Texas, which in recent years had been the No. 1 beef-producing state, had 1,076,000 head in feedlots, a drop of 54 per cent from 1974 totals.

Just as significant was the fact that Iowans placed 162,000 head of cattle on feed during February—off 18 per cent from the same month in 1974—while Texans placed 134,000 animals on feed, a reduction of 47 per cent.

For the seven major states, there were 5,463,000 head of cattle on feed—down 41 per cent from a year ago.

Placements of cattle into feedlots in those states totaled 758,000 head, was down 29 per cent.

FEBRUARY MARKETINGS

Marketings for February were off somewhat less on a percentagewise basis. Iowans marketed 220,000 head last month, down 19 per cent; Texans sold 287,000 grain-fed animals, up 10 per cent.

Here are figures for the other top beef states: Nebraska—960,000 head on feed, down 34 per cent; Kansas—800,000 head, off 29 per cent; Colorado—667,000 head, down 29 per cent; California—470,000 head, down 55 per cent; and Arizona—304,000 head, off 40 per cent.

Placements of cattle on feed dropped 20 per cent in Nebraska, 15 per cent in Kansas, 28 per cent in Colorado, 38 per cent in Califormia; and 2 per cent in Arizona.

While cattle numbers in feedlots vary according to the time of year, Department of Agriculture (USDA) records show just how many fewer animals are being fed today in Iowa and Texas, the top two beef-producing states.

In November, 1973, the first month of the 15-month skid, there were 1,484,000 head of cattle on feed in Iowa and 2,359,000 in Texas.

A month ago, Iowans had 1,250,000 head of cattle on feed—off 41 per cent—and Texas had 1,237,000 head—off 58 per cent.

The decline in feedlot numbers relates to a combination of higher feed costs and lower market prices for about 18 months.

Officials said, however, that while the number of grain-fed cattle has declined sharply, slaughter statistics indicate a higher percentage of grass-fed beef is available.

"There still is about as much beef around," a USDA official said Thursday. "In fact, the number of cattle slaughtered has shown increases despite fewer grain-fed cattle marketed."

Marketing figures for February compared with the same month last year tended to be misleading because of a truck strike during a portion of February, 1974.

[From the Des Moines Register, Mar. 23, 1975]

OUTDATED RULES HURT LIVESTOCK PRODUCERS

(By Clark Mollenhoff, George Anthan, and James Risser)

WASHINGTON, D.C.—Dramatic changes have taken place in nearly every aspect of livestock marketing in the 55 years since the Packers and Stockyards Act was passed to assure cattle and hog producers fair play in the big packer-dominated terminal markets.

And many of those changes reveal that some aspects of the 1921 legislation are as outdated as the high adventure of riding the caboose of a cattle or hog train from Iowa to Chicago in the 1920s or 1930s.

STOCKYARD JUNGLE GONE

The jungle of the sprawling Union Stockyards in Chicago is gone, and the Big Four packers have lost the monopolistic control that made reform a necessity—but the new patterns for marketing cattle and calves, hogs, and sheep and lambs have brought new problems to independent farm producers.

Most of those problems center on policing the thousands of markets that have sprung up, or concern the threats of packing companies to gain control of cattle and hog production as well as slaughter.

Livestock marketing in the early 1920s was a $2.5-billion-a-year business locked to rail transportation and the central markets. Today it is a $30-billion-a-year industry passing through the interior markets and through hundreds of huge commercial feedlots with much of the livestock sold directly to the packers.

THE BIG FOUR

Prior to 1919, the Big Four packers exerted an anticompetitive control by dominating the stockyards, the feeding facilities and veterinarian services at the few terminal markets. In 1919, those Big Four packers signed a consent decree that barred the Big Four from operating a wide range of businesses they had been conducting on the fringe of their packing operations.

COURT DECREE

That the economic power of the Big Four meat packers has been considerably diluted over the past several decades is underscored by a little-noticed federal court decree in Chicago in January. That decree modified the historic consent decree of 1919, with a finding that once-powerful Swift, Armour, Wilson and Cudahy no longer dominate meat packing, and should be permitted to acquire interest in 33 previously forbidden lines of business.

In 1920 Swift, Armour, Wilson and Cudahy accounted for 46 per cent of the livestock slaughtered, and the top 10 packers in that era had about 70 per cent of the business.

By 1950, the meat packers that held the top four positions had only 39 per cent of the livestock slaughter, and in the last three years the top four packers have had less than 25 per cent of the livestock slaughter.

The top 10 packers, who had virtually all of the business in 1920, had less than 37 per cent in the last three years.

PICTURE CHANGED

By 1960, the number of packers had increased from 525 to more than 2,000, and in the last 10 years the entire picture of packer concentration has been changed by the swift rise of American Beef Packers, Iowa Beef Processors, Inc., and Missouri Beef Processors, Inc.

Cudahy, which was one of the Big Four for years, was not even in the top 10 packers in recent years. Swift, which for years held the Number One position with overwhelming percentages, dropped to 17 per cent of the nation's total by 1960 and by 1973 accounted for only 7 per cent of the total livestock slaughtered.

In 1973, the 10 major packers purchased more than 75 per cent of their slaughter cattle, hogs and sheep from farmer-producers or feedlots, and only 25 per cent from terminal markets and auctions, according to Agriculture Department figures.

SURVIVAL THREAT

In light of these changes in concentration, the Big Four complained that the 1919 consent decree's restrictions, which did not apply to other packers, were a threat to the Big Four's survival.

But the changed times seem to be an even greater threat to the livestock producers, particularly the cattle feeders.

The crisis in cattle marketing has driven more than 2,000 Iowa feeders out of business between 1973 and 1974, and this is only one manifestation of the trouble in the livestock producing industry.

IOWA FIGURES

Agriculture Department statistics show that Iowa had a peak of 50,000 feedlots in 1963. Although the number of feedlots had dropped to 46,000 in 1968, that was the year Iowa reached a peak of 4.7-million cattle on feed out of 23.3 million in the entire U.S. After 1968, there were sharp drops in the number of feedlots—down to 32,000 in 1974 when Iowa reported only 3.1-million fed cattle slaughtered.

Marvin McLain, administrator of the Packers and Stockyards Administration (P&SA), is one of those deeply concerned over whether the relatively small independent cattle feeders can compete in a field invaded by big grain companies and corporate feedlots (financed by what he calls "Wall Street cowboys" looking for a tax shelter) and influenced by packer-owned feedlots and mass buying by the big supermarkets.

While the changes in the marketing of livestock have affected hogs, sheep and lambs, and all types of cattle, the most startling changes have been in the marketing of steers and heifers, the most important part of the cattle feeding industry.

CONFIDENCE SHAKEN

Cattlemen's already limited confidence in the future of the industry was severely shaken a few weeks ago when American Beef Packers, Inc., of Omaha, the nation's second largest beef packer, was plunged into limited bankruptcy proceedings. Cattle and hog producers were left holding some $25 million in worthless checks and the company is still struggling to get back on its feet amid charges of managerial mistakes and fraud.

There are suggestions in Congress, from farm groups, and within the Agriculture Department that bonding of packers and tighter financial control is essential to avoid another American Beef calamity.

Some attempts to modernize the antiquated meat packing industry have generated unexpected problems. Iowa Beef Processors, Inc., has been highly successful with its "boxed beef" concept of turning beef cattle into cuts of steak and roast at the packing plant, but labor union opposition and other obstacles have blocked distribution in a number of major urban markets.

SHAKEDOWN RACKET

In New York City, the world's largest meat market, Iowa beef officials finally resorted to bribery in order to sell the pre-cut beef. The company and its top officer were convicted, but got off lightly because, the judge said, the firm was a victim of a New York shakedown racket.

While union rackets and packing company bankruptcy are the more sensational types of problems that influence the Iowa farmer's markets, the farmer is also faced with other more subtle pressures that encroach upon his ability to run a financially successful livestock feeding program.

The independent cattle feeder in Iowa, despite all of his advantages of location and tremendous feed grain production, is faced with these major pressures:

Startling increases in the number of big commercial feedlots that are for the most part farm factories. This development has been particularly significant in the last 10 years with Texas, Nebraska, Kansas and Colorado making the greatest changes. Iowa is still relatively unaffected by the swing to enormous feedlots of more than 8,000-head capacity.

The investments by those characterized as "Wall Street cowboys" in cattle operations that serve as tax shelters. This group includes doctors, lawyers and businessmen who are interested in deferring income more than in profit from investment, and this "funny money" creates an unreal competition for feeder cattle that has driven up the prices farmers must pay to obtain their feeder cattle. Some Arab oil money is reported to be involved, according to Agriculture Department sources.

Packer ownership of feedlots to assure a steady supply of livestock for slaughter has interfered with the normal supply and demand and has to some degree depressed the prices that farmers and ranchers receive from the packers.

The concentrated buying power of the big supermarket chains. The Agriculture Department reports that seven food chains are among the major slaughterers of livestock, and the economic leverage of the supermarket chains has been dramatized by recent litigation against the Great Atlantic & Pacific Tea Co. (A&P) by six cattlemen. A federal court jury in San Francisco handed down a $32.7-million verdict against A&P in an alleged conspiracy to set beef prices, in a case that has staggering legal and financial implications for the big supermarkets.

The purchase and operation of feedlots by the big grain companies, which amounts to a type of vertical integration, particularly when coupled with contract arrangements with packers and supermarkets.

What has happened in the total integration of the poultry industry demonstrates the serious problems that could face the Midwest's traditionally independent farmers if there is any large degree of vertical integration of cattle or hog production.

Both government and private experts warn that, if there is substantial integration, farmers may be forced to become contract producers, in effect working for the large agribusiness companies in order to have access to the markets.

Department of Agriculture economists producers throughout the South were forced to grow chickens under contract to large firms because, one by one, the independent poultry processing plants which once bought the farmer's chickens had been taken over by the large companies.

SOME LOSE MONEY

Studies have indicated that many contract farmers work for pennies an hour, and that some lose money. Southern poultry farmers are commonly referred to by many Agriculture Department officials as "laborers."

Now, there are reports that some large agribusiness companies are currently exploring the possibility of contract farming among the Midwest's independent cattle and hog producers.

Although the number of cattle feedlots in Iowa dropped from 34,000 in 1973 to 32,000 by the end of 1974, it still has by far the largest number of relatively small cattle feedlots in the country—those with under 1,000-head capacity.

The state with the second highest number of cattle feedlots is Nebraska, where there were 14,970 in 1974—460 with a capacity of more than 4,000 head and 14 with a capacity of more than 16,000 head.

While Texas had only 1,200 cattle feedlots in the 1974 figures, it had 199 cattle feedlots with more than 4,000 head capacity, including 38 with capacity of from 10,000 to 31,999 and another 31 with capacity listed at more than 32,000.

Iowa, which had ranked first in cattle feeding since such statistics were first kept in the early 1950s, hit its peak in 1968 and now ranks third behind Texas and Nebraska in total cattle production.

PANHANDLE GROWTH

In 1972, Iowa yielded first rank in cattle feeding to Texas because of a sudden growth in huge corporate feedlots in the Texas Panhandle.

In 1973 and 1974, Iowa dropped into third place behind Nebraska, which also showed a sensational growth in big commercial feedlots.

The Agriculture Department statistics on cattle on feed during 1973 and 1974 show Iowa as the westernmost frontier of the smaller independent cattle feeders, pushed up against the big corporate feedlots of Nebraska, Colorado, Kansas, Oklahoma and Texas. Corporate interests also dominate the cattle feeding in Arizona and California.

The law and regulations dealing with packer ownership and control of large custom feedlots were unclear in 1973 when Dr. Gerald Engelman director of industry analysis staff for the Packers and Stockyards Administration expressed concern over the potential anti-competitive effects of packer-custom feeding.

In custom feeding, which became a common practice in the 1950s, the cattle rancher keeps the calves for only a short time and then delivers them to a commercial feedlot where they are fed and sold directly from

UMI

that lot. Beginning in the 1960s, many custom feedlots came under the ownership of non-farm investors, many of them people looking for tax breaks. Also, packing companies have become involved in custom feedlot ownership, viewed by some critics as anti-competitive because the packer-custom feeder can sell fed cattle to its slaughtering plant at a lower price than to other competing packers.

"The growth in packer ownership of custom feedlots and selling fed livestock to other packers represents a type of multiple-stage business activity, not unlike that that characterized the meat packing industry in 1920," Engelman said.

Engelman, born and reared on a farm near Alleman, Ia., was concerned over "tendencies toward monopoly" that were developing that had "real potential for further decreasing competition in livestock procurement."

"The conflicts of interest which arise when packers sell cattle owned by clients of their custom feeding operations are also likely to further restrict competition for livestock," Engelman said.

Engelman, educated in agricultural economics at Iowa State University and at the University of Minnesota, had been director of livestock industry analysis since 1962 and had been engaged in marketing research for more than 30 years.

LAST 2 YEARS

"With the last two years, some packers have acquired or have planned to acquire custom feedlots, and some custom feedlots have acquired packing plants," Engelman said.

"Among the 17 firms that have made or proposed such acquisitions were the top four, the sixth and the eighth largest fed-cattle slaughtering firms in the country in 1972," the agricultural economist explained.

"Most of these 17 firms are major buyers in many states," he went on. "Together, these firms accounted for more than 60 per cent of the fed cattle slaughtered in Iowa, in Arizona, and in New Mexico. They accounted for more than 50 per cent of fed cattle slaughtered in Texas, in Oklahoma, and in Utah."

Engelman stressed the importance of this development, and warned: "It could have widespread effects on the competitive level of marketing fed cattle in most of the important cattle feeding states if packers carry out their custom feeding proposals.

COMPETITION DEPENDS ON BUYERS

"The level of competition depends on the number of buyers who are accessible to the cattle feeder," he said.

Engelman, sympathetic with the problems of the family farm in livestock marketing from his experiences as a youth on a 200-acre Polk County farm, went over the statistics and conclusions with McLain, a former Poweshiek County farmer.

McLain, also an Iowa State graduate, was equally concerned, and was in a position as administrator to take some steps to expand and clarify the packers and stockyards regulations dealing with packer purchases and control of custom feedlots.

A short time after McLain became administrator of the Packers and Stockyards Administration in 1973, it was called to his attention that one of the huge feedlot operations, the Arizona-Colorado Cattle Co., had made application for approval to construct a new packing plant.

VIOLATION APPEARED

McLain was advised that this appeared to be a violation of the Packers and Stockyards Act, but Department of Agriculture officials had been timid in moving against the big operators in the past.

"If it's a violation, we'll take steps to stop it," the outspoken former Iowa farmer declared. He set in motion the notice of new regulations that would flatly declare no packer should have any interest in any commercial feedlot, and that no feedlot should hold or acquire any interest in any packing house.

NEW REGULATIONS

Following extensive hearings McLain proposed a new regulation to bar packers from owning or financing custom feedlots, and to bar custom feedlots from owning or financing meat packers.

The rule, which met with the approval of the overwhelming number of congressmen, farm organizations, marketing organizations and producer organizations broadly declares:

"No packer, officer, agent, or employe of a packer, or person who owns a substantial interest in a packer, shall independently, or in combination with others, or through corporate or other devices" own, operate, finance or control a custom feedlot. The barrier to custom feedlot owners or operators having an interest in packers was just as broad.

There were 635 groups and organizations and individual farmers, congressmen and businessmen listed as supporting the regulation. A total of 59 groups and two congressmen were opposed, including 27 feedyards and 13 packers and packer organizations.

TOTAL INTEGRATION

The new packers and stockyard rules will permit a packer to own a feedlot for his own supply of livestock for slaughter, and is not intended to bar any farmer or feeder from raising and slaughtering his own livestock.

"Total integration is permitted because to bar it would prohibit a farmer from feeding, slaughtering, and marketing his own livestock," McLain said.

"What we hope we have done is make it clear that the big packers and big feedlots will not have interlocking directorates that can have a depressing influence on the cattle or hog markets," McLain explains. "I think it is about as much as we can do within the framework of existing law."

McLain said that he believes there should be some changes to provide for the bonding of packers, who are now exempt from the bonding provisions of the Packers and Stockyards Act.

McLain said the Packers and Stockyards Administration can use additional enforcement personnel, and that it is time for Congress to study the whole problem of livestock marketing to determine what direction the government should move to best preserve the independent livestock producers.

There is no question, in McLain's view or in the view of a majority of the congressmen and senators from the Midwest, that keeping the independent livestock producers in business is in the long-time best interests of the nation's consumers.

CHANGING TIMES: PACKERS GET OK TO ENTER OTHER FIELDS

(By Clark Mollenhoff and James Risser)

WASHINGTON, D.C.—Half a century ago, five meat packing companies had attained such a stranglehold on the nation's meat industry that, when the monopoly finally was broken by court decree, the companies were forced to "renounce forever" their ambitions to expand into dozens of other businesses.

Yet, a new court order signed quickly in Chicago a few weeks ago permits the same firms to enter 33 lines of business ranging all the way from structural steel to cigars.

WINDS OF CHANGE

The lack of opposition to modifying the historic "packers consent decree" of 1919 clearly demonstrates how the winds of change have swept through U.S. livestock markets in the past several decades.

For years after the "Big Five" packers signed the decree, and thereby avoided an open battle in court over their scandalous anti-competitive practices, there would have been howls of protest over any loosening of the court restraints.

After all, the Big Five (later reduced to the Big Four through a merger) had been the subject of criticism by the Federal Trade Commission, investigations by the Justice Department, and the target of antitrust litigation in what was the major industrial scandal of the day.

The so-called Big Five packers—Swift & Co., Armour and Co., Wilson & Co., Cudahy Co. and Morris Packing Co.—became the Big Four in 1923 when Morris sold out to Armour.

PUBLIC FUROR

The public furor generated by revelations of the "meat monopoly" led in 1921 to congressional passage of the Packers and Stockyards Act to protect farmers and consumers against frauds in the marketing of livestock.

When the Big Four packers claimed to have mended their ways in 1932 and sought permission to resume their economic empire-building, the distinguished Supreme Court Justice Benjamin Cardozo scornfully struck down their efforts.

Cardozo spoke of the packers' "evil eminence" and their past success in gaining "an unlawful monopoly of large part of the food supply of the nation."

The companies still were "in and persistently" in swallowing a position to starve out weaker rivals," he wrote. Moreover, the packers previously had "abused their powers so grossly, buying up stockyard companies, railroads, market journals, cold storage plants, and grain elevators that "extraordinary restraints" were required, said Cardozo.

The 1919 decree should remain in force forever unless on some future date the packers could offer "a clear showing of grievous wrong" in continuing it, the Supreme Court found.

TIME FOR CHANGE

Last Jan. 17, Federal District Judge Julius J. Hoffman of Chicago found that the time for change had come.

Market conditions had changed so much since 1920 that Swift, Armour, Wilson and Cudahy should now be permitted to expand into new areas, Judge Hoffman ruled at the urging of both the packers and the government's antitrust lawyers.

"The dangers of concentrated economic power that prompted the original prohibitions have as a result of changed conditions, "attenuated to a shadow," said Hoffman, quoting the test laid down by Justice Cardozo and known as the "Swift Doctrine."

The four packers "do not presently dominate the meat industry," Judge Hoffman found. In 1920, they slaughtered nearly half of all livestock and had only 525 minor competitors. By 1970, they had 2,000 competitors, and today none of the original four is in the top echelon of packing companies.

Swift itself, which as late as 1960 was still slaughtering 17 per cent of the U.S. total, accounted for only 7 per cent of the total slaughter in 1973.

The cattle and hogs no longer travel to Swift, Armour, Wilson and Cudahy plants at Chicago and other terminal markets. Instead, they are slaughtered and in some cases even cut and packaged into steaks and chops, at new modern packing facilities close to the farms and feedlots.

NEW GIANTS

The new giants of the packing industry are such firms as Iowa Beef Processors, Inc., Missouri Beef (now known as MBPXL Corp.), and the financially troubled American Beef Packers, Inc.

None of the current industry leaders appears to exert the control the Big Four once did. However, Dr. Gerald Engelman, director of industry analysis for the U.S. Packers and Stockyards administration, warns that "certain monopolistic tendencies exist in meatpacking even today.

Though there is no nationally dominant combine of packers, competition is slim in some localized areas where there is only a limited number of packers to whom producers can sell their animals, he noted.

"Iowa, Texas, and Nebraska, the most important feeding states, can be called concentrated markets in that the four ranking packing firms account for more than 50 per cent of total slaughter," said Engelman.

SOME LIMITATIONS

Hoffman's decree, which was signed without opposition at a court hearing, does not totally negate the 1919 decree.

The four packers are, for example, still barred from getting into the retail sale of meat and, in some cases, from acquiring manufacturing or wholesaling interests in various other food products.

PROHIBITION REMOVED

But the decree removes the prohibition against the four packers acquiring interests in many non-food businesses:

Cigars, china, furniture, bluing, starch, fence posts and wire fences, alfalfa meal, babbitt (a metal alloy), bar iron, binding and twine, brass castings for heavy ordinance, brick builder's hardware, bumping posts for railroads, cement, lime, plaster, doors and windows, dried brewer's grains, lath, pitting and fruit handling machinery, roofing, sand and gravel, shingles, soda fountains, structural steel, tile, and waste.

Where the packers once were restrained because of their monopolistic powers, letting them re-enter these fields now "is in the public interest because it will foster and promote competition," the government lawyers told Judge Hoffman.

"At the time of the (1919) decree," Hoffman wrote in his ruling, "the packers had apparently been making use of their dominance in meat and its consequent effect upon the railroads and other industries to attempt to unfairly enhance their status in these non-food industries.

ARMOUR EXAMPLE

"One example given is the control, at the time of the decree, by Armour over 90 grain elevators. Through these elevators Armour sold nearly one-third of the items listed . . . fence posts, wire fencing, builder's hardware, binding twine, lumber, millwork, cement, lime and plaster, brick, sand and gravel, and roofing," said Hoffman.

But "major changes in the meat and food industries have significantly curtailed the defendants' economic power" while, at the same time, some of the non-food industries have become "highly concentrated," the judge found.

Structural steel and cigars, for example, are each dominated by three large corporations, the court found.

"Freeing the packers to enter these highly concentrated product lines would have significant pro-competitive effects, since the dominant firms in these product lines would recognize the threat of the packers' potential competition," said Lewis Markus of the antitrust division.

ALL SUBSIDIARIES

Today, the Big Four packers all are subsidiaries of conglomerate corporations. Swift is owned by Esmark, Inc., a holding company with food, chemical, financial, energy and business service lines.

Armour is a subsidiary of Greyhound Corp.; Wilson is owned by Ling-Temco-Vought, and Cudahy is a subsidiary of General Host Co.

Also backing the modification of the 1919 decree were the American Meat Institute, which is the packing industry's trade organization, and the National Association of Food Chains, representing retail supermarkets.

Richard Lyng, president of the American Meat Institute, told the court that meatpacking has changed so that instead of a few large packers slaughtering and processing virtually all types of livestock, there are more packers and a tendency to specialize in one product line such as beef or pork.

The fact that buyers for retail stores also are increasingly specialized and deal with one product line means that a packer with many different products has no special advantage over competitors because he still must deal with a host of retail buyers from each retail store, said Lyng.

"NOT THAT BIG ANYMORE"

Cattlemen and feeders apparently did not fear any adverse effects from the loosening of the 1919 decree. Don Magdanz, who heads the National Livestock Feeders Association, said "the Big Four aren't that big anymore, and it's not fair to keep them out" of other product lines.

Magdanz said he would have had no objections if the decree had gone even further and permitted the four packers to engage in retail meat sales.

The four packers did not raise that issue, however, and Judge Hoffman simply noted that "the provisions of the decree against retailing meat and many of the specified food products continue in effect."

ACTS PROHIBITED

The Packers and Stockyards Act, which resulted from the meat monopoly controversy, prohibits any meat packer from any act that manipultes or controls prices, creates a monopoly, or restrains interstate commerce.

Packers also are barred from using a variety of unfair business practices, including making anti-competitive sales agreements with other packers, or discriminating against particular livestock dealers or areas.

They are required to keep a wide range of records disclosing all their transactions, and are bound by strict requirements governing the accurate weighing of livestock they buy and meat they sell.

PROTECTS CONSUMERS

The Agriculture Department's Packers and Stockyards Administration, which administers the 1921 law, says it "safeguards farmers and ranchers from marketing practices which would deprive them of the true market value of their livestock and poultry." It also protects consumers against unfair business practices, and shields members of the industries from unfair practices of competitors.

The changes in the meat industry since the days when the big packers were riding high have ended the monopoly they once held. Today, firms like Iowa Beef dominate meat packing.

But Iowa Beef's rise, primarily a result of its "boxed beef," has produced other problems, and the Dakota City, Neb., firm has recently found itself entangled in the seamy aspects of selling beef in the corruption-plagued urban markets.

HOW IOWA BEEF TURNED TO BRIBES IN NEW YORK MARKET

(By James Risser and George Anthan)

WASHINGTON, D.C.—The story of how Iowa Beef Processors got mixed up with New York City meat racketeer Moe Steinman offers a fascinating look at the obstacles that can face a firm that comes up with a new idea.

In Iowa's Beef's case, the idea was to modernize the antiquated meatpacking industry with "boxed beef." The obstacle was pervasive corruption in New York City, where racketeers, labor unions and supermarket chains had set up a system that barred outsiders like Iowa Beef.

The company, desperate in its aim to break into the world's biggest meat market as part of its rise to "number one" in meat processing, finally yielded to what it considered by realities of the marketplace and paid $1 million in "commissions" (bribes, a judge later determined) in order to sell its product in New York.

BENEFICIAL AIRING

The result was an embarrassing prosecution and conviction for Iowa Beef and its top officer a case that damaged the company's public image but that, in the long run, may have provided a beneficial airing of a situation that one high U.S. Agriculture Department official calls "damn near incredible."

Restrictive labor-management agreements in a number of major urban areas—including Chicago, Ill.; Minneapolis, Minn.; Kansas City, Mo.; and St. Louis, Mo.; still prohibit Iowa Beef and its competitors from selling cut and boxed beef.

Despite its proven inefficiencies, the old system of slipping uncut beef carcasses into those cities continues to prevail because, it is argued, butchers and other laborers who process the carcasses would be thrown out of work by the introduction of boxed beef.

The penalty for continuing the old-fashioned methods in New York was, according to the judge who reluctantly convicted Iowa Beef, 9 cent a pound in higher retail meat prices for New York City consumers.

When he found Iowa Beef and its co-chairman, Currier J. Holman, guilty last October of conspiring to bribe labor union officials and supermarket meat buyers, Judge Burton B. Roberts said Iowa Beef and Holman were "victims of extortion."

He fined the firm only $7,000, despite protests of the prosecuting lawyers and let Holman off without a fine or sentence. The convictions are being appealed.

VIVID PICTURE

Judge Roberts' decision paints a vivid picture of the "corrupt system" that he said governs New York meat sales—a picture that included conspiratorial meetings in darkened hotel rooms, a cast of "sleazy" characters and "cryptic" promises of "instant labor peace" for Iowa Beef.

The situation grew out of Holman's "dream" of revolutionizing the meat industry" by shipping meat from slaughterhouse to market in pre-cut, boxed form, eliminating useless bone and fat and cutting down on shipping costs, said Roberts.

"There were, however, two large holes in the grand design," he wrote. "The butchers unions and the chain store meat buyers were not quite as anxious to revolutionize the industry as was Iowa Beef. Union publications alluded to Iowa Beef as a 'monster' that would destroy members' jobs."

RESTRICTIVE CLAUSES

The results were union refusals to unload Iowa Beef shipments and restrictive clauses in contracts with the chain stores. The clauses, said Roberts, were "of questionable legal validity" but the supermarket meat buyers "understandably, were loathe to upset the unions" and went along with them.

Also, the meat buyers already were collecting "payoffs and kickbacks" from their currrent meat suppliers, the judge said.

Without the lucrative New York market, Iowa Beef's modern plants at Dakota City, Neb., and several Iowa locations "were turning out less than one-fourth of their capacity," he said. "If Iowa Beef was to survive, it had to sell to New York. In order to sell to New York, it had to join the corrupt system there. It was as simple as that and, of course, Holman knew it."

UMI

VERY DEEP TROUBLE

"We had trouble, very deep trouble," Holman later acknowledged to the district attorney.

In 1969, Judge Roberts recounted, Holman was introduced to Moe Steinman—"A furtive looking character out of 'Guys and Dolls' "—who was a New York meat broker and vice-president for labor relations for the Daitch-Shopwell supermarket chain.

Steinman said he could help Iowa Beef get into the New York market, and the next spring, he set up a meeting for Holman and other Iowa Beef officers with the labor union officials who were fighting boxed beef.

Meeting in darkened suite

The meeting was held in a darkened suite, with the blinds drawn, in the Stanhope Hotel in New York. Steinman, for a payment of 25 cents per hundredweight on all boxed beef, would see that Iowa Beef's product was accepted in New York City.

Later, he doubled his demand to 50 cents on grounds he "had to buy union people," Holman told investigators. "He had to buy meat people, chain store people, and he had to pay income tax."

According to Judge Roberts, the prospect of doing business with Steinman was "openly distasteful" to Holman and other Iowa Beef executives, but "they all felt that payoffs were necessary in order to do business in New York City."

EVERYONE A "CROOK"

Holman told investigators he believed "everyone in the meat business in New York City, including Steinman, was 'a crook,' " said Roberts.

Although Holman apparently did not know it, Steinman had been linked with John (Johnny Dio) Diguardi, listed by federal law enforcement officials as a Mafia member.

"Sadly, like a modern-day Doctor Faustus, Currier J. Holman sold his soul to Moe Steinman," said Judge Roberts.

ONE MILLION DOLLARS IN PAYMENTS

Iowa Beef agreed to the 50 cent rate and had made more than $1 million in payments to a firm set up by Steinman by the time Iowa Beef and Holman were indicted in March, 1973. Steinman, also indicted, was described in a related case as "a powerful figure with members of the underworld."

The Steinman firm handled no meat and apparently performed no services other than to collect the payments and clear the way for the Iowa Beef shipments.

Steinman's help "brought the orders for boxed beef rolling in," the judge wrote. "Almost miraculously, the once-fierce union opposition had ceased."

HOLMAN'S ARGUMENT

Holman later argued that he thought Steinman was a legitimate meat broker who only bragged about paying bribes in order to justify the high commission rates he was charging Iowa Beef. Therefore, Holman contended, he was not guilty because he had no intention of entering into a bribery conspiracy.

Judge Roberts rejected the defense. Holman was "not naive" and Steinman was "a shady character" with the appearance of "a hoodlum in a Grade B movie," he said. Nevertheless, the judge, in convicting Holman, expressed sympathy with his situation and expressed the hope that "Iowa Beef continues to flourish."

"I like you as a man," said Roberts. He went on to castigate the prosecuting attorneys for going after "minnows and sardines" (Holman) while "working a deal with the barracuda" (Steinman).

SHOCKED AT FINE

However, some government and law enforcement officials said privately that they were shocked at the light fine assessed against Iowa Beef and the lack of any fine for Holman.

"I was flabbergasted," one official said. "You almost want to shed tears over it. In my book, the guy who pays the bribe is almost as guilty as the one who takes it."

One longtime investigator who expressed his views publicly was Nicholas Scopetta, commissioner of investigation for New York City.

We deal too leniently

"We deal too leniently with white collar crime," he told a congressional committee last December. When the top officer of a firm like Iowa Beef has been "convicted and gone free," the prosecution has failed to have "any great deterrent effect," he said.

Too many businessmen consider bribes and other corrupt practices "a necessary cost of doing business," Scopetta said.

Scopetta proposed that the meat brokerage system in New York be broken up and that the government begin using antitrust laws to crack down on "extortions, bribery and sophisticated kick-back schemes" in meats and other foods.

"COMMISSIONS" CONTINUE

Despite its conviction, Iowa Beef has continued to pay the "commissions" to Steinman's firm on grounds they are legitimate payments and for the practical reason that if it quit paying the money it might be shut out of New York City.

Iowa Beef's counsel, William L. Heubaum, confirmed that the payments are still being made to the Steinman firm—C. P. Sales, Inc. "It's a fine company, and we're still doing business with them," said Heubaum. "They've done a good job for us."

Payment of the commissions, or bribes, has, however, gotten Iowa Beef into trouble with the Internal Revenue Service (IRS). The firm's recent annual report disclosed that the federal tax agents have "disallowed the deductibility of certain meat brokerage commissions paid during fiscal 1970, amounting to approximately $50,000, on the grounds that such commissions constitute illegal payments. . . ."

NOT IN TRIAL EVIDENCE

Iowa Beef takes the position that "such commissions are deductible unless the IRS is able to prove that some portion thereof was actually paid as a bribe, kickback or similar illegal payment. No such facts were in evidence in the trial resulting in the conviction . . ." the report said.

The company also said that IRS currently is examining its books for 1971 and 1972 and that IRS challenges to "substantially greater commissions" paid in those years could result.

Heubaum said Iowa Beef is contesting the IRS ruling and may eventually have to sue in U.S. Tax Court.

AGREED TO "DEAL"

At the time of the conviction of Holman and Iowa Beef, the state prosecutors acknowledged they had agreed to a "deal" made by Steinman with federal strike-force attorneys who wanted Steinman's co-operation in other prosecutions aimed at breaking up New York City meat graft.

Steinman since has pleaded guilty to conspiracy to bribe, although he contends he never actually passed along the Iowa Beef payments to the union leaders and meat buyers. Steinman is expected to be sentenced next month.

He faces a maximum of one year in prison and a $1,000 fine. According to a Wall Street Journal article last month, Steinman escaped more serious charges after two New York City detectives allegedly took $30,000 from him in exchange for leaking information to Steinman and other alleged racketeers about the prosecutors' investigation.

Union argues against savings

In addition to its problems in the New York case, Iowa Beef is contending with union arguments that boxed beef is not really the big consumer saving that the firm says.

The Amalgamated Meat Cutters and Butcher Workmen's Union told Congress last fall that Iowa Beef's production and transportation savings are "more than offset by the high costs of the special packaging materials required for such boxed beef." The special plastic bags and shipping boxes add 5 cents a pound, the union said.

Iowa Beef officials say the figure is absurd. "They're saying we're liars," Holman told The Register recently. "Our arithmetic is right; the savings are there."

Holman said union restrictions, and antitrust laws, which effectively bar Iowa Beef from entering the retail meat business, sometimes prevent the potential cost savings of boxed beef from being realized.

INCREDIBLE SYSTEM

Referring to the union restrictions and the resulting New York payoffs, Marvin McLain, administrator of the U.S. Packers and Stockyards Administration said: "It's damn near incredible that we have a system, which would permit this."

McLain's agency, which is charged with safeguarding fair markets for livestock producers, dealers and packers, became aware of Iowa Beef's New York commission agreement, investigated it, and then turned its files over to the New York prosecutors for use in their own probe and in the subsequent indictments and convictions.

Despite its legal problems, Iowa Beef's fortunes have continued to boom. A new plant was opened in Amarillo, Tex., last October, and the companys net earnings after taxes for 1974 were $16,5[illegible]8,000—up 35 per cent from the previous year.

That made earnings per share $5.84, a 31 per cent increase.

LARGEST IN WORLD

Iowa Beef is the largest meat processing firm in the world, with sales last year of $1.53-billion.

With its new plant in operation, Iowa Beef expects to slaughter 3.5-million head this year, a 20 per cent increase.

The huge operation really got launched in 1967 with the introduction of boxed beef. Actually, other smaller fabricators had sold boxed beef before that. And Monfort of Colorado, the nation's largest cattle-feeding business, has produced boxed beef in its packing operation since about 1960.

But Iowa Beef, under Holman's leadership carried boxed beef through to its logical conclusion with its huge "beef factory" at Dakota City. Company officials say one of their initial problems was to prove to buyers that Iowa Beef's boxed beef included top-quality cuts, not just the lower grade meats that had been associated with boxed beef in the past.

WAVE OF FUTURE

Iowa Beef executives still believe their boxed beef operation is the wave of the future. Half of the fresh beef in the U.S. now arrives at retail stores already cut, rather than in carcass form, they note.

Cost charts, used by the firm at the sales schools it conducts at the Dakota City headquarters for potential customers, report savings of between $35 and $50 a head by using boxed beef.

Butz booster of boxed beef

Agriculture Secretary Earl Butz is a booster of the boxed beef concept, saying it "clearly cuts costs" and has resulted in "improved meat quality."

"One of the great problems blocking boxed meat movement," said Butz in a speech last summer, has been "objections by labor unions," although he said that "resistance has diminished somewhat" recently.

For boxed beef to achieve its full cost-saving potential, improved, lower-cost packaging also is needed, Butz added.

He said that more complete acceptance of boxed beef may eventually benefit both cattlemen and retail consumers by reducing middleman costs as the beef travels from farmyard to dinner plate.

SUBSIDIARY TO OPEN

In the past, Iowa Beef has stayed out of the cattle feeding business and has purchased all its fed cattle for slaughter. However, the firm plans to open a cattle feeding subsidiary this year, to be known as Iowa-Southwestern Cattle Co.

The new operation will "stabilize and supplement the supply of raw materials needed by the parent corporation as a whole" and will "supply certain special raw material requirements for the Amarillo plant," the Iowa Beef annual report said.

The new subsidiary may form contractural arrangements or joint ventures with farmer-feeders and with commercial feedlots, to supply cattle at intervals to Iowa Beef, the report added.

Critical view of expansion

The announcement in early March was criticized by an Iowa Cattlemen's Association official, who viewed it as an attempt by Iowa Beef to "gain control of a larger portion of the cattle marketed" and to dictate prices to farmer-feeders.

"This can in no way figure to the benefit of the cattlemen Iowa Beef wants to keep as its friends," said association Vice-President Bill Schermer.

The objection was perhaps an early warning to Iowa Beef that as it expands its empire it can expect to come under some of the same scrutiny and criticism that focused a half-century ago on the "Big Five" giant packers of that area.

Bankruptcy Nipped American Beef Bid for $10-Million Loan

(By Clark Mollenhoff and James Risser)

Washington, D.C.—The January bankruptcy of American Beef Packers, Inc., abruptly cut off the firm's efforts to get federal backing for a loan of at least $10 million—money the company said it was seeking to build a new pork processing plant.

Just a few weeks before the giant Omaha-based packer filed for bankruptcy, it was actively seeking the guaranty from the Farmers Home Administration (FHA) rural development program.

Both Nebraska senators—Roman Hruska and Carl Curtis—were prodding the Agriculture Department to okay the loan guarantee. Curtis, in a personal letter to Agriculture Secretary Earl Butz, had urged it "be approved without further delay."

RECOMMENDING OKAY

FHA officials, apparently unaware of American Beef's financial plight, were recommending the request be granted.

Curtis, senior Republican of the Senate Agriculture Committee, told Butz that American Beef would use the money to construct a pork processing plant at Hastings, Neb.

In the letter to Butz and in another to Assistant Agriculture Secretary William E. Erwin, Curtis complained that weeks had passed since FHA officials had informed him that the plant would "provide a readily accessible market for Nebraska and Kansas hog producers" and "1,500 badly needed jobs in central Nebraska."

"At one time I thought it well to move cautiously on this application," Curtis wrote Oct. 10, 1974, in an indirect reference to hog market manipulation charges. filed against American Beef in 1972 by the Packers and Stockyards Administration. "But now I am satisfied that it is a good application," his letter said.

FEELS FORTUNATE

In view of what has now happened to American Beef—a bankruptcy proceeding and millions of dollars in outstanding debts to livestock producers—Curtis feels he was fortunate that the Agriculture Department did not move quickly in response to his plea on behalf of the firm's loan application.

American Beef originally asked for an $18-million loan guaranty to build and equip the plant, and Curtis said, "initially I was cautious because of the size of the loan." But the firm cut its request and made plans to lease the equipment.

Curtis said he "cooled" on the government-guaranteed loan when his office learned in May, 1974, that American Beef, its president, Frank R. West, and an associated livestock market agency, Farmland Enterprises, Inc., were in trouble with the Packers and Stockyards Administration.

"A few months later, I was advised that the packers and stockyards problem had been settled, and the Lincoln (Neb.) office of Farmers Home was again recommending approval," Curtis said.

FINANCIAL INQUIRIES

Ken Bowen, head of the Lincoln office, was enthusiastic about the application because of the potential for the central Nebraska area, Curtis learned. In addition to conferring with Bowen, Curtis made private inquiries in Omaha financial circles on the financial soundness of American Beef.

Receiving no indications of financial instability from those sources, Curtis said that since American Beef appeared to meet all the loan criteria the project should be approved without further delay.

Apparently no one except a few officials of American Beef realized the seriousness of the company's situation, Curtis said.

The FHA did not formally close the loan proposition until Jan. 30, 1975—three weeks after the firm went into federal court and filed for protection under Chapter 11 of the federal bankruptcy laws in an effort to find a way to pay its creditors.

DEEPER LOOK

By hindsight, the nature of American Beef's previous problems with the Packers and Stockyards Administration should have alerted FHA officials to look deeper into the firm's financial status.

The charges Marvin McLain, administrator of P&SA, filed against West, American Beef, and Farmland Enterprises, alleged fraudulent recordkeeping and manipulation of Omaha hog market prices.

The case was filed Nov. 27, 1972, and was not completed until June 28, 1974.

According to the Packers and Stockyards complaint, West was president and sole stockholder of Farmland Enterprises, and president, chairman of the board and "chief executive officer" of American Beef when those firms engaged in a pattern of activity described as "unfair, unjustly discriminatory and deceptive."

American Beef and Farmland engaged in illegal and improper boycotting and dry-docking activities and "falsely and fraudulently marked up the purchase prices on the 'buyers copies' of scale tickets issued by the stockyard covering" the weighing of hogs.

COMPLAINT EXAMPLES

The complaint set out examples of the alleged fraudulent record keeping and discriminatory boycotting. The practices were serious enough to be called to the attention of the United States attorney in Nebraska and to the attention of the criminal division of the Justice Department.

McLain's decision to accept settlement of the complaint against American Beef, Farmland, and West by a consent decree was in line with long-time practices. It was born to some degree from frustration getting prosecution decisions in cases involving big business organizations and men regarded as respectable business leaders.

"From our standpoint we felt it was better to wind things up with a consent decree in which the violators would correct the problem," McLain explained.

"The Justice Department was given the facts in these cases, and had the responsibility if they believed prosecution was warranted."

SETTLEMENT ORDERS

The settlement ordered West to sell his stock in Farmland Enterprises, and not to get involved in ownership of any other livestock marketing agencies because of potential conflict-of-interest.

It also suspended for 30 days Farmland's license to operate as a livestock buyer in Omaha.

Although American Beef itself received no punishment, the settlement ordered it not to repeat any of the alleged illegal practices, and forbade it from owning any market agency and from purchasing livestock for other packers.

The future status of American Beef—which was the nation's second largest meat processor—is far from clear. Attempts have been made to get the company's plants operating again and to work out a plan to pay the livestock producers and other creditors. But some see "straight bankruptcy" and liquidation of the company as the ultimate outcome.

In the weeks immediately after the enormity of American Beef's financial problems emerged, it became apparent that nearly every government agency that had dealt with the situation had been negligent in some respect.

Even farmers who were left holding more than $25 million in worthless checks had been unaccountably slow in recognizing the signs of fraud or financial instability that were in the public record.

UNMISTAKABLE EVIDENCE

The Agriculture Department may have been lax in failing to take effective action when confronted with unmistakable evidence of fraud or mismanagement in American Beef's purchases of hogs and cattle.

In retrospect, the price manipulations and other violations involving American Beef, West and Farmland Enterprises, should perhaps have been read as a signal of financial difficulties. This, in turn, might have led to a more intensive Agriculture Department investigation and warnings to farmers.

Officials of P&SA and FHA now concede they should have observed the warning signals, but justify their actions on grounds the Justice Department was handed the evidence and had the responsibility to determine if prosecution was warranted.

By hindsight, it appears that Justice was at fault in not aggregively pursuing the evidence of fraud, and perhaps unearthing the financial mess at American Beef before it cost farmers and ranchers multimillion dollars losses.

But each agency points to weaknesses in the laws and regulations, and to the normal practices of their agencies, as the reason for their actions.

CONSEQUENCE OF TIMIDITY

In the absence of any proven corruption in the case, the failures of Washington officials seem the consequence of a general timidity in launching a really thorough investigation.

From the standpoint of farmers and agricultural organizations that have said in the past meat packers should be more strictly regulated from a financial standpoint, the American Beef situation could turn out to be somewhat of a blessing in disguise.

Senators Curtis, Dick Clark (Dem., Ia.), and George McGovern (Dem., S.D.) have called for "a thorough review of state and federal regulation and legislation to determine if current laws and regulations are adequate to cope with situations like the failure of American Beef."

Because of the consistent opposition of packers, Congress has always rejected efforts to require obtaining a bond guaranteeing payment to livestock sellers should the packer go broke.

But Curtis and Clark now are drafting a new packer bonding bill, and hope the American Beef case will provide the impetus to get the bill through Congress this year.

Representative Charles Grassley (Rep., Ia.) already has introduced legislation in the House. It would require packers to obtain a bond and would give the Agriculture Department the power to go to court to prevent packers from issuing bad checks or engaging in other practices which might lead to the packer's bankruptcy.

The bill also would give livestock producers a higher legal priority in the list of creditors who divide up a bankrupt packer's assets.

Some packers have voluntarily bonded themselves, but American Beef had not.

BUTZ LETTER

Though he has given no formal endorsement of packer bonding, Agriculture Secretary Earl Butz said in a letter to Curtis in January that bonding, like that now required of livestock market agencies and dealers, "would tend to reduce such losses and provide greater financial protection to the livestock industry."

McLain has offered to meet with the Senate Agriculture Committee staff to review various ways of handling packer bonding and other proposals for giving producers more protection.

When packers successfully opposed bonding in the late 1950s, they argued there had been no major losses by producers and also said that to provide any meaningful protection bonds would have to be so large that the premiums would be excessively expensive.

Richard Lyng, president of the American Meat Institute, said recently that "complete bond protection would be so costly it probably would eliminate a very large number of packers from business."

CLOSE TABS

Proponents of bonding, however, reply that complete bonding is not needed. The real value of a bond, even if it covers only a portion of potential losses, is that it results in the bonding company keeping close tabs on the packer's financial condition, they say.

They suspect this may be the real reason for the packers' opposition to bonding—that they don't want bonding company auditors looking over their shoulders all the time.

Gerald Engelman, director of industry analysis for the Packers and Stockyards Administration believes the American Beef bankruptcy "illustrates a legal deficiency in the financial protection of farmers and feeders when selling to packers."

The farmer-feeder holding a bad check from American Beef has a lower-priority claim against the company than does General Electric Credit Corp., he noted. That is because G.E. Credit, as American Beef's finance agency, holds a lien against American Beef's inventory—in other words, a lien against the beef carcasses.

Thus, "a feeder who sells a string of 250 fed cattle for $100,000, probably most of his gross income for the year, has to wait until the mortgage creditor is satisfied," said Engelman.

"In the courts of bankruptcy," he said, "the money changers take their shares of the proceeds within the walls of the temple, while the feeder stands in the outer courtyard waiting, holding his rubber check."

CATTLEMEN ASSAIL SUPERMARKETS

(By George Anthan and James Risser)

WASHINGTON, D.C.—Whether they're profiteers or victims of inflation, the nation's supermarkets are receiving their heaviest criticism since the big stores drove out the corner groceries, virtually taking over a $120 billion industry.

Now, in addition to criticism from consumers over rising food prices, the stores are being shaken by charges from agricultural producers, especially cattlemen, who contend they have the power to fix cattle prices, and that they've used it.

The big retailers, in the words of Safeway president W. S. Mitchell, are nothing more than a "buying agent for consumers," paying the lowest possible wholesale price for food, then reselling at rates which cover their costs plus a "paper-thin margin."

CHARGES PILE UP

But the charges are piling up in Congress and in the courts that the national supermarket chains are able to dictate the prices they will pay for meat, in effect forcing packers to pay less to cattlemen.

Meat packers and many supermarket chains have registered healthy profit gains in recent months, while cattlemen have been in a state of economic depression.

Partly as a result of this, the supermarkets face investigations by the congressional Joint Economic Committee and by the Federal Trade Commission (FTC).

But one of the most troublesome situations facing the industry currently is a $32.7 million verdict against the Great Atlantic & Pacific Tea Co., (A&P) by a federal court jury in San Francisco, Calif.

"Meat clinics"

Six cattlemen charged in that case that A&P, Kroger, Inc., and Safeway stores had conspired to fix the price of beef. A vehicle of the alleged conspiracy was the National Association of Food Chains (NAFC), which represents the biggest national chains and which conducted "meat chains" attended by executives of competing companies.

Safeway and Kroger settled the case out of court, reportedly paying some $90,000 in attorney fees. A&P stayed on to fight, and is expected to appeal the district court verdict to the U.S. Court of Appeals.

In another federal court in Lincoln, Neb., recently, Safeway signed a consent decree agreeing to avoid alleged antitrust practices and to pay a $40,000 settlement in a suit brought by Midwest cattlemen. A&P remains as a defendant.

JURY UPHELD

A&P had hoped the jury verdict in San Francisco would be overturned by Chief U.S. District Judge Oliver Carter. But Carter upheld the jury of four women and two men and had some harsh words for the supermarket chains and for the national organization, the NAFC.

He declared that "the primary vehicle through which the price-fixing conspiracy was developed and effectuated" was the NAFC, and he noted that while a trade organization "may certainly perform legitimate functions, the mere fact of membership will not automatically provide a defendant with an impenetrable cloak of respectability."

Carter stated in his ruling that the cattlemen "introduced evidence that supports the conclusion that the NAFC provided at least a forum for the membership to discuss meat prices and profit margins," and he continued, "in a case such as this, where there does not exist an express price-fixing agreement, the opportunity to discuss prices is of paramount importance.

"The evidence presented . . . not only demonstrated the existence of such an opportunity, but indicated that prices had in fact been discussed," the judge said.

Not listed

The NAFC's meat clinics in the 1960's were marked by confidentiality. Each participant was guaranteed anonymity. Neither his name nor his company affiliation appeared on any list. Officially, he was known to his colleagues only by a color-coded badge on his lapel. If he spoke out during a clinic session, he could be identified only as a member of, for instance, "the red-striped badge group."

Evidence submitted at the trial in San Francisco indicates that one color-coded supermarket man declared during one of these sessions that "it is about time we stopped passing along the savings in distribution costs to the customer. I think we ought to keep some of it for ourselves."

Judge Carter stated that one of the most significant aspects of the case concerned the "aura of secrecy surrounding the NAFC meat discussions. The meetings, topica, agenda and minutes," he stated, "were labeled confidential and generally unavailable."

PHOTOGRAPHIC EVIDENCE

He added, "the reluctance of the A&P officials to admit their participation in the meetings was obvious throughout the trial. One high A&P official in charge of meat marketing went so far as to deny even meeting representatives of other retail chains under any circumstances—a denial that withered when confronted by photographic evidence in the contrary."

The cattlemen, said the judge, "attempted to paint the various representatives of A&P in hues of secrecy and deceit. To this end (they) may well have succeeded, and not without foundation."

The judge stated that "perhaps the most persuasive evidence presented by the (cattlemen) was that concerning the economic effects of the alleged conspiracy."

The livestock producers argued that during periods of heavy beef demand, their prices should rise, as should the retailers'. They said that when meat production exceeded demand, prices should fall.

"Wider gap"

According to the evidence, "the gap between consumption and production widened, yet the price per pound received by the cattlemen dropped."

The judge noted that beef prices to cattlemen went from about 26 cents a pound in 1959 to 24 cents in 196. There was a brief rise to 25 cents in 1962, then the price dropped again.

"At the same time the price received by the cattleman for for his beef was paradoxically dropping or leveling off in the face of increasing consumption, the gross profit margin of the retailer was greatly increasing," the judge's ruling states.

"It thus appears that the retailer was able to take advantage of the high consumption by selling his beef at higher prices and increasing the difference between the price he paid and the price he received."

A&P ARGUMENT

Judge Carter noted that A&P argued that its costs, including labor and distribution expenses, had increased at a rate even greater than its margin, and that this "affords a wholly legitimate explanation for the fact that the retailers share of the beef dollar has increased."

But he said this argument is intended to show only that the jury misinterpreted the evidence before it.

"As is usual in cases such as this," the judge stated, "there exists no proof of a formal agreement between A&P and the coconspirators: the (cattlemen's) case is undoubtedly circumstantial. Yet the law contemplates that seldom will direct proof of a conspiracy be available."

Lower prices

The judge said there was evidence that prices charged the packers were dictated by

the retailers and directly resulted in lower prices the cattlemen were receiving for their product.

He said also that "evidence supports the conclusion that the packers were merely tools utilized by the conspirators to artificially depress beef prices."

Officials of the chain stores argued in the California case, as they have before congressional committees, that they don't control enough of the nation's meat market to influence cattle prices.

The chief meat buyer for A&P stated in San Francisco that his company doesn't "determine the market." He also said, "we determine in a sense what we are going to pay for it, or what we can pay for it, or what we do pay for it."

MARKETS OBSERVER

C. W. McManamy, who retired recently as an official of the Omaha Livestock Foundation and a longtime observer of Midwest cattle markets, said:

"Packers to a large degree don't sell meat to retailers anymore; the retailers order meat from the packers."

Irvin Bray, one of the plaintiffs in the California case, has told Congress that he is unable to sell his cattle to packers early in the week because the packers have to wait until Wednesday to find out what Safeway (the dominant chain in the area) is willing to pay. The Safeway buyers are waiting to see, through a trade publication called the yellow sheet, how much A&P paid on Monday, said Bray.

In reverse

If his allegations are true, the marketing of meat is working in reverse. The price structure is starting with the retailer and working down to the cattlemen, rather than as it should, beginning with the cattleman who produces the cow and working upward through the wholesale-distribution-transportation-retail levels.

It also would illustrate why more cattlemen are beginning to view the retail supermarket chain as the source of their problems, rather than their more traditional foe, the packer. Fifty years ago, it was the squeeze that a few big packing houses put on farmers that resulted in a court decree breaking up the packers. But today, meatpacking is more dispersed, while supermarket economic concentration continues to grow.

The California jury determined that the supermarket conspiracy there cost cattlemen an average of 20 cents on every pound of beef they sold over a four-year period.

A&P has argued that while it's the largest single buyer of carcass beef in the U.S., it accounts for only 7 per cent to 8 per cent of total grocery beef sales. Such a percentage, the company says, "is clearly not power to fix markets."

MODERN MARKETPLACE

Judge Carter stated that A&P's "blatant asserting that 7 per cent to 8 per cent is 'clearly' insufficient fails to account for the realities of the modern marketplace. If a market is diverse, a relatively low percentage of total sales may be able to assert sufficient influence to allow regulation of prices."

He said what actually is involved is the charge that A&P, Safeway, Kroger, and such other big chains as National Tea Co., Winn-Dixie, Jewell Tea, Colonial Stores and others are able to control meat prices.

"The combined market percentage of these conspirators," the judge continued, "could, at least, support the conclusion that there existed sufficient economic power to control the wholesale price of beef."

Grocery bill

The supermarkets have fallen back, as a major defense, on their general contention that industry profits are meager. The NAFC says elimination of the stores' profits would reduce the average family's weekly grocery bill by pennies.

Donald Perkins, president of Jewell Tea, said the 29 major food retailing companies, with 1973 aggregate sales of $41.3 billion earned $310 million in profits. On the other hand, he emphasized, the 11 largest general merchandise retailers, with the same total sales, had profits of $1.4 billion.

MAGAZINE FIGURES

Some recent profit figures reported by Business Week magazine support the contention by supermarket executives that their industry isn't as profitable as other retail operations.

Safeway, for example, listed $79 million in profits on 1974 sales of $8.1 billion. J. C. Penny Co. listed profits of $180 million on sales of $6.8 billion.

Grand Union, another food chain, listed profits of $3.1 million on total sales of $1.6 billion. Walgreen, a drug chain, had more than double the profit on $1 billion of sales.

Staff report

However, the staff of the Joint Economic Committee issued a report in December calling such figures "irrelevant." The report stated that profit figures based on sales have been "purposefully" used to "cloud the issues and obscure the industry's true performance."

A more reliable measure of supermarket profitability, the report states, is "return on equity" (earnings compared to the value of the stock owned by the companies' stockholders) because this shows how much money the supermarkets are making in comparison to their total worth.

For the supermarkets, the committee staff stated, return on equity is "strikingly higher" than return on sales.

RATE OF RETURN

Safeway's return on equity, for example, was 11.2 per cent in September, 1973, and rose to 19.5 per cent in September, 1974, an increase of 74 per cent, the report said. Winn-Dixie's rate of return rose from 13.1 per cent to 21.4 per cent. Kroger Co. went from 6.1 per cent to 10.4 per cent and A&P from a loss of 2.2 per cent to a profit of 3.2 per cent.

These figures, on the average, are "neither spectacular nor poor," but they refute the retails stores' claims that they are doing poorly, the committee report said.

The committee is considering expanding its inquiry and releasing confidential profit data it obtained by subpoena from the 17 largest supermarket chains. Its probe, along with those planned by the FTC and by the Senate Nutrition Committee, could be of vital importance not only to livestock producers but to all supermarket shoppers.

BIG POULTRY FIRMS AID PUBLIC, HURT FARMERS

(By George Anthan and Clark Mollenhoff)

TRIMBLE, ALA.—From the standpoint of most consumers, corporate involvement in the poultry business has been a huge success.

The price of chicken at the supermarket has dropped since 1950 and poultry is readily available all year. No longer do people have to wait for the "spring chicken," once the by-product of the spring hatch from farm flocks of layer hens.

NOT HERE

The picture is different in these northern Alabama hills, where framers try to scratch out a meager living from the wooded, rocky terrain.

Economists at the U.S. Department of Agriculture (USDA) conceded that consumers have benefited at the expense of these small, once-independent farmers throughout the south.

In his book "Sowing the Wind," Harrison Wellford warns that the pyramiding of economic power in the chicken industry has created a vicious marketing system which can be turned against the consumer as well as the farmer. Up to now," he states "many of the benefits of the cost-reducing technology have been passed on to the consumer, but as concentration increases, this may cease."

Effect on farmers

Now, according to the department's Packers and Stockyards Administration, many of these farmers in effect are little more than laborers working for large, integrated corporations. They and members of their families, mostly wives and daughters, work through out the year raising chickens in many cases for little more than pennies an hour. Some of them go into debt in the process.

And there have been warnings from both the Justice Department and USDA economists that if corporate power continues to concentrate in the poultry industry, the companies involved could begin boosting prices to consumers. The Justice Department has charged this already occurred among members of a big poultry-producers association.

NOT ROAD TO GO

Many of the farmers in this area tell a Northern visitor that they have a message for farmers elsewhere. One farmer, who said he earned $340 for 10 weeks work by himself, his wife and his daughter, said. "You'd better tell them up there in Iowa. This is not the road to go."

He admits now to being a farmer in name only. "Chicken growers are the last slaves in this country," he said. They have nothing to say about when they get the chickens or how much they get paid. If the company thinks the farmer's getting out of debt and might be able to stop growing chickens, they'll find something for him to buy, and if he don't they'll cut him off and the bank'll just take the farm."

While its a long way from the Alabama hills to Iowa's fertile, rolling plains, some agricultural observers say there are indications of heavy corporate interest in the beef and pork industries in the Midwest.

USDA economists say investor-owned beef finishing companies with capacities exceeding 100,000 head may become commonplace in the cattle feeding business. Already, more cattle are produced by the corporate interests than by independent farmers in Oklahoma, Texas, New Mexico, Arizona, California, Idaho and Oregon, and the companies are making major inroads in Nebraska.

"ONE STEP"

A recent USDA report states that production contracts, similar to those in effect in the poultry-producing regions of the South, "represent one step in accomplishing for farming what the corporate structure did for industry."

An Ithaca, N.Y., poultry breeding stock company, which claims to hold 25 per cent of the market in the U.S. and Canada, has set up a Rochester, Minn., subsidiary for a move into the hog industry.

Its president, Bruce Babcock, has told The Register, "We see many parallels between the poultry and swine industries, and we think the pattern in poultry will be followed very closely in swine. . . ."

CAPTIVE MARKET

Roger Blobaum of Creston, Ia., an agricultural consultant, said moves into the Midwest's hog industry by corporations "are partly an attempt to get a captive market for feed. Most farmers who get involved keep it a secret. They have looked upon it as a last resort, driven to it by low market prices. In some cases, they've been steered to contract farming by bankers."

USDA economists said corporate control of livestock production in the upper Midwest, with its strong tradition of independent farm operations, is not likely unless free market prices collapse.

But faced with long periods of depressed prices, they say, many farmers might turn to

UMI

contracting with large feed companies as a means of assuring a livelihood.

Dr. Gerald Engelman, director of the industry analysis branch of the Packers and Stockyards Administration, says "the changing structure of agriculture within the last several decades is a matter of great concern to many farmers and other residents of rural communities."

"PRICE-RATE LABORER"

Vertical integration in the poultry industry, Engleman said, "has reduced the enterprising, managerial farmer to a piece-rate laborer who owns a broiler house."

He noted that "some have suggested that the entire food production and distribution system will soon be dominated by large-sized industrial conglomerates."

For many farmers in northern Alabama and in other poultry-producing areas, the promised financial rewards of corporate takeover have never been realized.

W. O. Thomas, who once tried without real success to organize farmers in this area for the National Farmers Organization (NFO) in a revolt against the poultry and feed companies, recalls how it was when he began raising chickens as a young man in 1936.

"I started raising a few chickens as a source of income between my cotton and truck crops. I'd get a loan from the banker, buy some chicks, raise them, then I'd take them down to Birmingham to sell them to one of the processing plants there."

He earned $25 or $30 a week raising chickens during the depression year of the 1930's.

CHANGE AFTER WAR

"Well, it started changing a couple of years after World War II. The big feed companies started coming in and telling people they'd supply the chickens and the feed and even the feed sack. In those days, a feed sack had a 25-cent value since the women could use the cloth to make dresses. They started out telling the farmer he could raise 2,500 chickens, under contract and at a guaranteed price. The company supplied the feed. All the farmer had to do was raise them, and put up the equipment, of course.

"Then, they started saying that the farmer could make a lot more money raising 10,000 chickens, then 20,000, then 40,000. Of course, he'd have to keep going to the bank to get the money for the chicken houses and the automatic feeding equipment and all."

Thomas, who is considered a leading "troublemaker" by the poultry firms in this area, continued, "at the same time, these outfits were going to the independent processing plants and telling them they'd guarantee these plants a supply of grown chickens, if they'd just sign up. Those that didn't were bought up. What they were doing is closing off the places an independent could market his chickens."

INDEPENDENTS GONE

The USDA reports that small independent poultry processors who dominated the industry as late as 20 years ago, now have virtually disappeared.

"I found out I couldn't go to Birmingham anymore and sell my chickens," said Thomas. "The plant I was dealing with had signed with the integrators. I looked around and went to some other places. It was the same story: nobody would buy my chickens."

Thomas raised chickens under contract to a large Midwestern feed company for a few years "to keep my wife and daughters busy." He said "I figured out where I wasn't making anything, and I wouldn't put in all the equipment they wanted me to, and I told them to get off. They've had it in for me ever since."

DEBT "TACTIC"

Many farmers in this area agree that an important tactic in keeping farmers growing chickens is the company's insistence on new equipment, and thus new debt.

One farmer who asked that his name not be used because he fears retaliation from "my company," said, "when I got started it looked like a pretty good thing since everybody was doing it. I had to put up three chicken houses and they cost me $10,000 apiece. I got a loan and put my place up. But they only gave me a contract for one growout (a single batch of chickens growing out over a 10-week period). When that contract was up I had to get another contract from them, or the bank would take my place. So, they were into me."

He continued, "Just about the time I'd get close to getting out of debt, they'd come in and tell me I needed a new chicken house, or that I'd have to switch from coal heat to gas, or that I'd have to insulate or put in new feeders. If I didn't do it, they wouldn't give me no more chickens, and I needed them chickens to pay the banker."

CONTRACT SYSTEM

Under the contract system, the farmer is provided with the chicks and the feed. He must provide facilities, heat, litter and labor. Most farmers interviewed produced contracts showing they were being paid from about 2 cents to 2.7 cents a pound, generally the same as a decade ago.

USDA studies indicate that farmers in recent years have earned as little as 1 cent an hour. Some of those interviewed said they earned up to $100 a week, but only during the summer months when heating expenses were at a minimum.

LOST MONEY

Several farmers produced meager financial records indicating that, when depreciation on their equipment was figured into the picture, they lost money.

Why do they do it? "I hate to say it," says Thomas, "but there are a lot of simple people around here. They don't have much education. I'm about the only guy around here who even owns a calculator; it doesn't take me long to figure out whether I'd come out ahead or behind. Most all these people know is work."

One farmer, for example, received $1,950 for a batch of chickens raised for a large firm, but his gas bill was $1,650. "When a fellow gets in debt so deep he don't know which way he's going, they can tell him what to do, and he does it," he said.

NEGATIVE NET

A farmer who stopped raising chickens said, "In 1967, my gross take on a $14,000 investment was $4,70[illegible]. My net on this was negative. Then I had a bunch of chickens I figured I made 33 cents an hour on. That was figuring nothing for depreciation."

Farmer Robert Scruggs said he didn't mind if his name is used because he, too, has gotten out of the business. "When I started out with the integrators about a dozen years ago, there were several companies to pick from. Then, about in [illegible]965, they got it down to where one company had your area, if you know what I mean. Well, then you had to knuckle under. I finally told them to take their chickens out since my debt was paid. I was making wages, that's about all."

WEAK POSITION

The USDA, in an unusually tough report prepared under direction of former Iowan Engelman, stated:

"The problem in the Southern broiler contracting is the weak bargaining position of the grower. He is ill-equipped to bargain vigorously and effectively with integrators. Low income of growers and vulnerability to offensive market practices are symptoms of the basic problem—lack of bargain power."

This lack of power, the USDA emphasizes, stems from the farmers' "lack of alternatives."

Backing up the experiences of Thomas and other once-independent farmers, the USDA report emphasizes "there is no market for live birds at the grower level. Unlike many farmers, the broiler grower can not choose between production for sale in an open market and production under contract."

Even after working nine or 10 weeks raising a batch of chickens for a company. USDA economists say, many farmers are paid based on the company's own calculations of how many pounds of chicken the grower turned in.

TRADEMARK INFORMATION

Settlement sheets, the USDA said, "Generally do not include adequate information."

One farmer near here said he recently was paid for a growout on the basis of 154,290 pounds, with the company listing 2,768 pounds as condemned by USDA inspectors.

"I went to the inspector and he gave me his condemnation sheet on my grow-out and it was for 952 pounds. I asked the company about this and they told me to take it or leave it. I just took it."

Even if three or four poultry companies are operating in an area, the USDA stated. "The grower may be effectively isolated" from competitor-integrators.

The department report states that "growers seldom, if ever, see the contract of another firm. In some cases, they do not even receive a copy of their own contract. A grower is reluctant to complain about what he considers to be unfair or offensive trade practices carried on by his contractor. He may fear the loss of his contract . . . he may be labeled a 'problem' producer and be unable to get a contract with another firm."

NO HELP

While pointing up the problems of southern poultry farmers, the USDA has not taken strong action to help them. Some officials argue there is little the agency can do. But farmers here emphasize that USDA poultry inspectors who honored a growers' picket line at some poultry plants in 1970 were officially reprimanded. Also, Agriculture Secretary Earl Butz and some of the USDA's top-level political appointees contend corporate involvement in agriculture is not a serious threat to independent farmers.

PRICE FIXING

The Justice Department, in a major antitrust action, has charged members of the National Broiler Marketing Association with conspiring to fix prices to consumers. The association, which claims to be exempt from antitrust laws, says its members are, in effect, farmers.

But court records on file in Atlanta, Ga., indicate the association's members include some of the country's largest poultry processing firms, feed companies and vertically-integrated agri-business operations.

The government charges in its suit that the marketing association members did "combine and conspire to limit the production of broilers," by exchanging market information among themselves.

HOW TIMES CAUGHT UP WITH 50-YEAR-OLD LIVESTOCK SALES ACT

(By Clark Mollenhoff, James Risser, and George Anthan)

WASHINGTON, D.C.—The law written more than 50 years ago to assure farmers they would be paid for livestock sold for slaughter has covered less than 2[illegible] per cent of the sales of fed cattle in the last three years.

When the Packers and Stockyards Act was written in 1920, less than 10 per cent of the fed cattle were sold directly to the packers, and Congress saw no need for requiring bonding, for the checks issued by the big packers were as good as cash.

The law—right at the time—was designed to cover the more than 90 per cent of cattle and other livestock marketed through terminal markets where the transactions were handled by stockyards and commission men.

Congress wrote the law to require bonding of livestock markets, market agencies and dealers operating in interstate commerce. It was required that the market agencies and dealers show they were financially solvent when they registered under the act, and it was demanded that they maintain solvency to be eligible to do business.

The exceptions to the bonding provisions were farmers, ranchers and feeders who were not regular dealers in interstate commerce but were buying to restock, and packer buyers.

Although packer buyers were required to register as dealers buying for slaughter purposes, they were not required to file even the minimum bonds required of livestock markets and agencies.

SHIFT TO DIRECT BUYING

The shift to direct buying of fed cattle by packers has been taking place over a long period of time, but no totally reliable statistics were available until 1969, Dr. Gerald Engelman, agricultural economist for the Packers and Stockyards Administration, (P&SA), asked that statistics on fed heifers and steers be broken out of the cattle marketed figures that included cows and bulls often sold singly or in small lots at stockyards or through auctions.

The 1969 statistics showed that 69.6 per cent of the steers and heifers were sold directly to the packers. Since then there has been a steady increase to 72.9 per cent in 1970, to 77 per cent in 1971, 81 per cent in 1972 and 82.4 per cent in 1973—the last year for which statistics are available.

Engleman said that the figures for 1974 are not available yet, but that there is no reason to believe the pronounced trend upward has not continued. He estimates that there are now in excess of 85 percent of the fed cattle marketed directly to the packers and outside the bonding protection of the Packers and Stockyards Act.

Periodically in the half century since the law was written there have been bankruptcies of small and medium sized packing firms, and there have been flurries of activities by farm organizations to broaden the law to require the bonding of packers.

But, losses by farmers were often small and usually confined to a relatively small region. The American Meat Institute and other packer organizations were able to convince Congress that packer exemption from the bonding requirements should be continued even as there was a steady increase in the number of fed cattle being sold directly to packers.

LEGAL WITNESSES

Weaknesses in the law had been apparent for some time to career economists and enforcement people in P&SA, but general prosperity had prevailed and made it seem unlikely that they would issue worthless checks.

In early January, the sudden collapse of American Beef Packers, Inc., of Omaha, stunned the industry, left financially distressed farmers and ranchers with more than $25 million in worthless checks, and prompted farm state legislators to take a new interest in packer bonding requirements.

Bigness alone was no protection for the farmer whose cattle had already been slaughtered and sold by the time the check had bounced.

The absence of packer bonding was only one of the legal weaknesses that became apparent in the crisis of wildly fluctuating prices in the livestock market.

Other weaknesses showed in more than 2,600 government complaints of violations by packers, dealers, and market agencies for not making timely payments, keeping false or fraudulent records, failing to give honest and complete weight records, or otherwise engaging in illegal or deceptive practices.

ENFORCEMENT PROBLEMS

There were more than 5,000 investigations conducted in the last year by the relatively small enforcement staff of the Packers and Stockyard Administration.

The wide dispersal of the changed livestock industry created one of the major problems for the P&SA staff. There are now literally hundreds of marketing locations scattered across the nation, compared with a relatively few terminal markets when the Packers and Stockyards Act was passed. To simply inspect the services, facilities and rates to assure reasonable services and nondiscriminatory rates is an enormous job for a total of about 200 people—essentially the same number as when the act was passed.

About 140 people are assigned to P&SA field offices, which includes about 40 auditors and results in few in-depth audits. Usually only spot checking occurs in an attempt to assure adequate and accurate records are being kept.

The same spot check system limits investigations of the scales and weighing procedurea used in livestock sales. Until the last two years, P&SA officials found spot check activity, combined with civil action to obtain consent decrees, adequate. Then financial instability and a greater inclination "to cut corners" created a situation in which it was recognized by P&SA Administrator Marvin McLain and others that there were not sufficient enforcement personnel to do more than a superficial job in following up most complaints.

Caught with the flood of complaints and slow action in case disposition at the Justice Department, P&SA has felt under pressure to obtain consent decrees on the best terms possible rather than press for criminal prosecution.

LEGAL REORGANIZATION

Only in the last few weeks, there has been a major reorganization of the Department of Agriculture legal staff that deals with the regulatory functions for the purpose of strengthening P&SA enforcement.

Harold Carter, who has been in charge of the regulatory division, has divided that section's 23 lawyers into two separate divisions and created five new legal slots to keep pace with increased enforcement problems.

Until about 18 months ago, most lawyers in the division had no specific responsibilities but were used on cases involving the Commodity Exchange Authority (CEA) and the Animal and Plant Health Inspection Service, as well as P&SA problems.

Carter mentions that in addition to the increased financial problems in the industry, the legal work for P&SA has been increased by the rise of the huge commercial feedlots, the efforts of packers to buy feedlots, and commercial feedlots purchasing packing houses.

He says he has no doubt Congress should examine the whole range of problems that have surfaced in connection with the Packers and Stockyards Act to determine what should be done.

"HAVE BEEN FORTUNATE"

"The livestock marketing industry has changed completely since the law was written, and we have been fortunate that it has worked as well as it has under the changed conditions," Carter said.

Carter agrees with Engelman, that the bankruptcy of American Beef illustrates legal deficiencies in the financial protection of farmer and feeders in addition to the lack of bonding requirements for packers.

Engelman has cited the case to illustrate that a farmer who sells a string of 250 fed cattle for $100,000, probably most of his gross income for the year, has to stand in line behind other creditors.

"Packers often need working capital lines of credit to cover the high value of the beef animals and carcasses they own for a period of ten days or two weeks until they are delivered to meat wholesalers or retailers," Engelman said.

"It is understandable that a finance agency, such as the General Electric Credit Corporation (the major financial creditor for American Beef) should require a lien on inventories of this high value product while it is being held, processed and delivered," Engelman said. "But they also keep a security position on accounts receivable."

"Where does this leave the farmers and feeders when about $25 million in checks start bouncing back from their bankers as the packers go broke?" asked Engelman. "Even though the feeder never was paid for his cattle, the carcasses from which they were derived are inventories subject to the prior claim of a working capital creditor."

CHARGE JUSTIFIED

Engelman believes some change in the law would be justified to give farmers a preferential claim on money derived from the carcasses of their own livestock, similar to the kind of priority liens that workmen have with regard to services they have performed.

"In the courts of bankruptcy, the money changers take their shares of the proceeds within the walls of the temple, while the feeder stands in the outer courtyard waiting, holding his rubber check, was how Engelman capsulized the unfairness.

Senator Dick Clark (Dem., Ia.) and Senator Carl Curtis (Rep., Neb.) are at work on a comprehensive legislative overhaul of the Packers and Stockyards Act, which they are expected to unveil within a few days. Both are members of the Senate Agriculture Committee that will have a major hand in framing the legislation that finally emerges.

The legislation will contain a proposal to require that packers be bonded.

Representative Charles Grassley (Rep., Ia.), a freshman member of the House Agriculture Committee, introduced a "Livestock and Poultry Protection Act of 1975" with the hope that it will be used as a framework for modernizing the Packers and Stockyards Act.

"My legislation would require all packers to be bonded, give the Agricultural Department authority to go to court to prevent **packers from engaging in practices that will ultimately lead to bankruptcy, and it would move the livestock producer forward in the long line of creditors waiting to get paid after bankruptcy is filed," Grassley said.**

"To wait any longer to overhaul the Packers and Stockyards Act which became law over a half-century ago, would only further endanger Iowa farmers," Grassley declared. "Livestock producers must know they will receive prompt payment so they can pay their own bills on time. Failure to pass this legislation could slow down livestock production, resulting in a rise of meat and poultry prices in stores."

SMITH'S PLAN

Representative Neal Smith (Dem., Ia.) is not so certain that federal law requiring the bonding of packers is the answer, or any part of the answer, to the enormous problems the livestock industry faces.

"Some type of bonding might be worked out, but the price would be prohibitive for full bonding of all transactions," Smith said.

Smith's own legislative package to deal with what he considers the most serious problems of meat packers would prohibit retail food operations from any involvement in livestock feeding. His measure would limit packers to owning or controlling no more than 20 days' supply of animals.

"I say packers and chain stores should not be in the livestock feeding business. They have grown so big and have such leverage available to them," Smith said.

"In times of surplus supply of livestock, they can drive the market down even lower. It's been quite a problem for some time. They can just tell the farmer that they won't buy any cattle unless he cuts his price. If the farmer doesn't agree, they'll just take the cattle out of the lots they control. Then, after two or three weeks of that, the farmer settles."

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Although there are likely to be wide ranges of opinion as to what is the most critical area to deal with in laws that govern marketing of livestock, there is no doubt here that farm state liberals and conservatives in the Senate and House are deeply concerned about the changing patterns in the $30 billion-a-year livestock industry and the lack of protection for the farmer.

The simple fact that 85 percent of the fed heifers and steers are now being sold directly to packers where there are no protective bond requirements demonstrates that the American Beef tragedy was in the mainstream of today's fed-cattle marketing.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Don H. Clausen (at the request of Mr. Michel), for today, on account of official business.

Mr. Gonzalez (at the request of Mr. O'Neill), for an indefinite period, on account of illness in his family.

Mr. Goodling (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Holland (at the request of Mr. O'Neill), until Thursday, April 24, on account of illness.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Shriver (at the request of Mr. Rhodes), on account of illness.

OFFICIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Robert W. Daniel, Jr.) and to revise and extend their remarks and include extraneous matter:)

Mr. Dickinson, for 10 minutes, today.

(The following Members (at the request of Mr. AuCoin) and to revise and extend their remarks and include extraneous matter:)

Mr. Lloyd of California, for 15 minutes, today.

Mr. Fraser, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Natcher, for 10 minutes, today.

Mr. Rodino, for 15 minutes, today.

Mr. Alexander, for 60 minutes, today.

Mr. Dodd, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Brademas, for 15 minutes, today.

Mr. Danielson, for 5 minutes, today.

Mr. Alexander, for 60 minutes, on April 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Taylor of North Carolina, to revise and extend his remarks, just before passage of H.R. 4269.

Mr. Taylor of North Carolina, to revise and extend his remarks, just before passage of H.R. 2808.

Mr. Sebelius, to revise and extend his remarks, just before passage of H.R. 4269.

Mr. Sebelius, to revise and extend his remarks, just before passage of H.R. 2808.

Mr. Koch, to revise and extend his remarks, immediately before the passage of H.R. 568.

Mr. Studds, to extend his remarks in the body of the Record, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,459.[illegible]0.

Mr. Price, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,251.

Mr. Dickinson, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $973.

Mr. Smith of Iowa, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $3,475.

(The following Members (at the request of Mr. Robert W. Daniel, Jr.), and to include extraneous matter:)

Mr. Broomfield.

Mr. Crane in seven instances.

Mr. Emery.

Mr. Derwinski in three instances.

Mr. Ashbrook in two instances.

Mr. Abdnor.

Mr. Whalen.

Mr. Frenzel in three instances.

(The following Members (at the request of Mr. AuCoin) and to include extraneous matter:)

Mr. Wirth.

Mr. Byron in 10 instances.

Mr. Annunzio in six instances.

Mr. Mottl.

Mr. Rangel in 10 instances.

Mr. Bolling in two instances.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Sisk.

Mr. Fraser.

Mrs. Mink.

Mr. Badillo.

Mr. Weaver.

Mr. Evins of Tennessee.

Mr. Roybal in 10 instances.

Mr. Dodd.

Mr. Clay.

Mr. Downey.

Mr. Mikva.

Mr. Harris.

Mrs. Meyner.

Mr. Giaimo in five instances.

Mr. Roe in two instances.

Mr. Stark.

Mr. Hungate.

Mr. Matsunaga.

Mr. Charles H. Wilson of California.

Mr. Murphy of New York.

Mr. Young of Georgia.

Mr. Jacobs.

Mr. Simon.

Mr. Kastenmeier.

Mr. Harrington in 10 instances.

Mr. McDonald of Georgia.

Mr. Flowers in three instances.

Mr. Long of Maryland.

Ms. Holtzman in 10 instances.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 233. An act for the relief of North Central Educational Television, Inc.; to the Committee on the Judiciary.

S. 234. An act for the relief of Arthur Rike; to the Committee on the Judiciary.

S. 510. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety and effectiveness of medical devices; to the Committee on Interstate and Foreign Commerce.

S.J. Res. 58. Joint resolution proclaiming the week of May 25 to 31 as "National American Institute of Banking Week"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. AuCOIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at two o'clock and 42 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 22, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

828. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years; to the Committee on Agriculture.

829. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations amending part B of the Education of the Handicapped Act, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

830. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for State-administered adult education programs under the Adult Education Act, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

831. A letter from the Freedom of Information Officer, U.S. Energy Research and Development Administration, transmitting a report on requests for records during calendar year 1974 from the former Atomic Energy Commission pertaining to research, development, and operational matters, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

832. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army (Corps of Engineers) to offer to sell certain services to the Government of Saudi Arabia, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

833. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate William C. Harrop, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

834. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Laurence William Lane, Jr., and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

835. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate John Louis Loughran, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

836. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Charles S. Whitehouse, and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

837. A letter from the Director, U.S. Information Agency, transmitting the 42d semiannual report of the Agency, covering the period January 1 through June 30, 1974, pursuant to section 1008 of the U.S. Information and Educational Exchange Act of 1948, as amended; to the Committee on International Relations.

838. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting the annual report of the Service for fiscal year 1974; to the Committee on the Judiciary.

839. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Marine Protection, Research, and Sanctuaries Act for 2 years; to the Committee on Merchant Marine and Fisheries.

840. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Water Pollution Control Act for 2 years; to the Committee on Public Works and Transportation.

Received From the Comptroller General

841. A letter from the Comptroller General of the United States, transmitting a report that controls on the use of psychotherapeutic drugs and improved phychiatrist staffing are needed in Veterans' Administration hospitals; jointly, to the Committees on Government Operations, and Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Texas: Committee on Rules. House Resolution 409. Resolution providing for the consideration of H.R. 6096. A bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes (Rept. No. 94–157). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 410. Resolution providing for the consideration of H.R. 4510. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations (Rept. No. 94–158). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 411. Resolution providing for the consideration of H.R. 5810. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations (Rept. No. 94–159). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURLESON of Texas (for himself, Mr. Abdnor, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Archer, Mr. Bafalis, Mr. Beard of Tennessee, Mr. Blouin, Mrs. Collins of Illinois, Mr. Collins of Texas, Mr. Edwards of Alabama, Mr. Eshleman, Mr. Grassley, Mr. Hagedorn, Mr. Hefner, Mr. Horton, Mr. Johnson of California, Mr. Jones of Tennessee, Mrs. Keys, Mr. Kindness, Mr. Krueger, Mr. Landrum, Mr. Mahon, Mr. Mathis, and Mr. McHugh):

H.R. 6178. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, Mr. Flood, Mr. Nichols, Mr. Patman, Mr. Pattison of New York, Mr. Perkins, Mr. Pickle, Mr. Regula, Mr. Roberts, Mr. Robinson, Mr. Runnels, Mr. Skubitz, Mr. Snyder, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Quie):

H.R. 6179. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. DOWNEY:

H.R. 6180. A bill to amend section 404(b) of the Federal Aviation Act of 1958 to provide that no physically handicapped individual shall be denied air transportation solely because of such physical handicap, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 6181. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. DOWNEY (for himself, Ms. Spellman, and Mr. Hannaford):

H.R. 6182. A bill to authorize the Secretary of Health, Education, and Welfare to establish a medical malpractice reinsurance program, and to conduct experiments and studies on medical malpractice; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 6183. A bill to amend the Bankruptcy Act and the civil service retirement law with respect to the tenure and retirement of referees in bankruptcy; to the Committee on the Judiciary.

H.R. 6184. A bill to amend section 40 of the Bankruptcy Act to fix the salaries of referees in bankruptcy; to the Committee on the Judiciary.

H.R. 6185. A bill to amend section 48 of the Bankruptcy Act (11 U.S.C. 76) to increase the maximum compensation allowable to receivers and trustees; to the Committee on the Judiciary.

H.R. 6186. A bill to raise the limitation on appropriations for the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

H.R. 6187. A bill to amend the Bankruptcy Act to abolish the referees' salary and expense fund, to provide that fees and charges collected by the clerk of a court of bankruptcy in bankruptcy proceedings be paid into the general fund of the Treasury of the United States, to provide salaries and expenses of referees be paid from the general fund of the Treasury, and to eliminate the statutory criteria presently required to be considered by the Judiciary Conference in fixing salaries of full-time referees; to the Committee on the Judiciary.

By MR. FINDLEY:

H.R. 6188. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed per se unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. FINDLEY (for himself and Mr. Peyser):

H.R. 6189. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on International Relations.

By Mr. FRASER (for himself, Mrs. Collins of Illinois, Mr. Fithian, Mr. Jeffords, Mr. Maguire, Mr. Moakley, and Mr. Tsongas):

H.R. 6190. A bill to amend section 1661 of title 38 of the United States Code in order to entitle veterans to 2½ months of educational assistance for each month of service on active duty and to extend the maximum entitlement to such assistance to 45 months; to the Committee on Veterans' Affairs.

By Mr. FRASER (for himself, Mr. Bingham, Mr. Udall, Mr. Bedell, Mr. Diggs, Mr. Edgar, Mr. Fithian, Mr. Nolan, Mr. Nix, Mr. O'Hara, Mr. Preyer, and Mr. Won Pat):

H.R. 6191. A bill to provide that all petroleum imported into the United States after September 1, 1975, shall not be available for purchase other than by the Government of the United States; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GUDE (for himself and Mr. Rosenthal):

H.R. 6192. A bill to prohibit further military assistance to the Government of South Vietnam; to the Committee on International Relations.

By Mr. HAGEDORN:

H.R. 6193. A bill to authorize the Secretary of Transportation to make a loan of $100 million to the Chicago, Rock Island, and Pacific Railroad Co.; to the Committee on Interstate and Foreign Commerce.

H.R. 6194. A bill to modify the project for flood protection on the Minnesota River at Mankato and North Mankato, Minn.; to the Committee on Public Works and Transportation.

By Mr. HARRIS:

H.R. 6195. A bill to repeal section 3306 of title 5, United States Code, to eliminate the requirement of apportionment of appointments in the departmental service in the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. HUTCHINSON:

H.R. 6196. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. KARTH (for himself and Mr. Evans of Indiana):

H.R. 6197. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Public Works and Transportation.

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By Mr. McCORMACK (for himself, Mr. BROWN of California, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. MILFORD, Mr. ABDNOR, Mr. BYRON, Mr. DUNCAN of Tennessee, Mr. FORD of Tennessee, Mr. GRASSLEY, Mr. GUYER, Mr. HARRINGTON, Mr. HICKS, Mr. JENRETTE, Mr. KOCH, Mr. LUJAN, Mr. McCLOSKEY, Mr. MAZZOLI, Mr. NIX, Mr. PRITCHARD, Mr. RODINO, Mr. ROSENTHAL, Mr. SISK, and Mr. STUDDS):

H.R. 6198. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; to the Committee on Science and Technology.

By Mr. McFALL:

H.R. 6199. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McFALL (for himself and Ms. HOLTZMAN):

H.R. 6200. A bill to establish an independent board which shall have the authority to require prenotification of price increases, delay proposed price increases, disapprove proposed price increases, and roll back excessive prices with respect to companies in concentrated industries, in order to reduce inflation in the United States; to the Committee on Banking, Currency and Housing.

By Mr. MATHIS:

H.R. 6201. A bill to repeal the Gun Control Act of 1968, to reenact the Federal Firearms Act, to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

H.R. 6202. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mrs. MEYNER (for herself, Ms. ABZUG, Mr. BINGHAM, Mr. JOHN L. BURTON, Mr. KOCH, Mr. ROSENTHAL, Mr. EDGAR, Mr. SCHEUER, Mr. MAZZOLI, Mr. FORSYTHE, Mr. HARRINGTON, Mr. OTTINGER, Mr. RODINO, Mr. CORMAN, Mr. TSONGAS, Mr. PATTISON of New York, Mr. BROWN of California, Mr. STARK, Mr. RICHMOND, Mr. SEIBERLING, Mr. MAGUIRE, Mr. MOFFETT, Mr. HARKIN, and Ms. HOLTZMAN):

H.R. 6203. A bill to provide additional humanitarian assistance authorizations for South Vietnam and Cambodia for the fiscal year 1975; to the Committee on International Relations.

By Mr. MURPHY of New York:

H.R. 6204. A bill to amend the Small Business Act to make loans available for small businesses suffering economic injuries as the result of the disruption of operations and services of public utilities; to the Committee on Small Business.

By Mr. PATMAN (for himself, Mr. MOTTL, Mr. HUGHES, Mr. CONYERS and SEIBERLING):

H.R. 6205. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches; to the Committee on Banking, Currency and Housing.

By Mr. QUILLEN:

H.R. 6206. A bill to provide that certain rural hospitals shall be exempt for a period of 18 months from the requirements and provisions of title XI of the Social Security Act relating to professional standards review organizations, and from the 1972 amendments to titles XVIII, XIX, and V of such act (and the recently approved regulations relating thereto) on utilization review and utilization control under the medicare, medicaid, and maternal and child health programs; and to provide for a 6-month study of alternative methods of utilization review and utilization control for such hospitals; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. RANGEL (for himself and Mr. ECKHARDT):

H.R. 6207. A bill to amend title 18 and title 28 of the United States Code to remove the possibility of abuse from the grand jury system without removing the effectiveness of the grand jury as a tool for investigating and returning indictments and for other purposes; to the Committee on the Judiciary.

By Mr. RICHMOND (for himself, Mr. BEARD of Rhode Island, Mr. DOWNEY, Mr. DUNCAN of Oregon, Mr. EDGAR, Mr. JENRETTE, Mr. MINETA, Mr. NOLAN, Mr. NOWAK, Mr. SCHEUER, and Mrs. SPELLMAN):

H.R. 6208. A bill making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1975, to provide additional funds for youth summer employment programs pursuant to the Comprehensive Employment and Training Act of 1973; to the Committee on Appropriations.

By Mr. ST GERMAIN:

H.R. 6209. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates; to the Committee on Banking, Currency and Housing.

By Mr. SIMON (for himself, Mr. DERWINSKI, Mr. MAZZOLI, Mr. STEIGER of Wisconsin, and Mr. FRASER):

H.R. 6210. A bill to provide for a program of grants for Vietnamese and Cambodian students at institutions of higher education; to the Committee on Education and Labor.

By Mr. STEIGER of Arizona:

H.R. 6211. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works and Transportation.

By Mr. ULLMAN:

H.R. 6212. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

By Mr. WHALEN:

H.R. 6213. A bill to protect news sources and information from compulsory disclosure by newsmen; to the Committee on the Judiciary.

By Mr. WHITEHURST (for himself and Mr. HARRIS):

H.R. 6214. A bill to direct the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense; to the Committee on Armed Services.

By Mr. YATRON:

H.R. 6215. A bill to suspend for a 2-year period the duty on vanadium pentoxide (anhydride); to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 407. Joint resolution making emergency supplemental appropriations for assistance to the Republic of South Vietnam for the fiscal year ending June 30, 1975, and for other purposes; to the Committee on Appropriations.

By Mr. ASPIN:

H.J. Res. 408. Joint resolution to direct the President to initiate immediate negotiations among major arms exporting countries with respect to limiting arms sales, particularly arms sales to Persian Gulf countries; to the Committee on International Relations.

By Mr. ABDNOR:

H. Con. Res. 243. Concurrent resolution to promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings; to the Committee on Public Works and Transportation.

By Mr. BEDELL (for himself, Ms. ABZUG, Mr. ASPIN, Mr. BALDUS, Mr. BAUCUS, Mr. BLOUIN, Mr. BRODHEAD, Mr. JOHN L. BURTON, Mr. CARR, Ms. CHISHOLM, Mr. CORNELL, Mr. DODD, Mr. DOWNEY, Mr. EDGAR, Mr. EVANS of Indiana, Mr. HALL, Mr. HANNAFORD, Mr. HARKIN, Mr. HARRIS, Mr. HECHLER of West Virginia, Mr. HOWARD, Mr. HOWE, Mr. HUGHES, Mr. JENRETTE, and Mr. KASTENMEIER):

H. Con. Res. 244. Concurrent resolution expressing the sense of the Congress with respect to the evacuation of American nationals from Vietnam; to the Committee on International Relations.

By Mr. BEDELL (for himself, Ms. KEYS, Mr. LLOYD of California, Mrs. LLOYD of Tennessee, Mr. MAGUIRE, Mr. MEZVINSKY, Mr. MIKVA, Mr. MILLER of California, Mr. MINETA, Mr. MOFFETT, Mr. NEAL, Mr. NOWAK, Mr. PATTERSON of California, Mr. PATTISON of New York, Mr. RISENHOOVER, Ms. SCHROEDER, Ms. SPELLMAN, Mr. WAXMAN, Mr. WEAVER, Mr. CHARLES H. WILSON of California, and Mr. WIRTH):

H. Con. Res. 245. Concurrent resolution expressing the sense of the Congress with respect to the evacuation of American nationals from Vietnam; to the Committee on International Relations.

By Mr. LONG of Maryland (for himself, Mr. REUSS, Mr. MURPHY of Illinois, Mr. LITTON, Mrs. COLLINS of Illinois, and Mr. WON PAT):

H. Con. Res. 246. Concurrent resolution with respect to the evacuation from Vietnam of American citizens; to the Committee on International Relations.

By Mr. DOWNEY (for himself, Ms. ABZUG, Mr. EILBERG, Mr. FORD of Tennessee, Mr. HARKIN, Ms. HOLTZMAN, Mr. RIEGLE, Mr. RODINO, and Mr. WAXMAN):

H. Res. 408. Resolution relating to food assistance for Cambodia; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

104. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to establishment of a national network of youth advisory boards; to the Committee on Education and Labor.

105. Also, memorial of the Legislature of the State of Nevada, relative to Bureau of Land Management programs in Nevada; to the Committee on Interior and Insular Affairs.

106. Also, memorial of the Legislature of the State of Nevada, relative to wild horses and burros; to the Committee on Interior and Insular Affairs.

107. Also, memorial of the Legislature of the State of Nevada, relative to acupuncture; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, and Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHN L. BURTON:

H.R. 6216. A bill for the relief of Del Monte Fishing Co.; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 6217. A bill for the relief of Angela J. Gingerich and Major Robert E. Bent; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

99. By the SPEAKER: Petition of Lawrence B. Cooper, Dennison, Ill., relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

100. Also, petition of Ivan Struk, Philadelphia, Pa., relative to the status of the Ukraine; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6096

By Mr. STARK:

Page 1, line 6, strike "$150,000,000" and insert in lieu thereof "$100,000".

Page 1, line 6, strike "$150,000,000" and insert in lieu thereof "$50,000".

Page 1, line 5, strike the entire of section 2, and make changes accordingly in the rest of the bill.

Page 1, line 7, strike ", notwithstanding any other provision of law,".

Page 2, line 2, strike the period and insert in lieu thereof, ", to be expended within 40 days of enactment of this bill."

Page 2, line 2, strike the period and insert in lieu thereof, ", to be expended within 30 days of enactment of this bill."

Page 2, line 2, strike the period and insert in lieu thereof, ", to be expended within 15 days of enactment of this bill."

Page 2, line 5, add after "93–126," "or" and on lines 6–7 strike "or any other comparable provision of law".

Page 2, line 21, strike the semi-colon and the "and" and insert in lieu thereof a period. Then strike Section 4(d), lines 22–25 (on page 2) and lines 1–5 on page 3.

Page 2, line 23, strike the colon and insert in lieu thereof ", not to exceed 150,000:"

Page 2, line 23, strike the colon and insert in lieu thereof ", not to exceed 100,000:"

Page 2, line 23, strike the colon and insert in lieu thereof ", not to exceed 50,000:"

Page 3, line 17, add the following new Sec. 8. "None of the funds authorized to be appropriated in this Act shall be used to provide military assistance to the Government of the Republic of Vietnam."

Page 2, line 12, strike "if possible," and strike the entire of line 13 and line 14 through and including "force,".

Page 3, line 5, after the period, add "*Provided further*, That such forces shall not exceed in number 10,000."

Page 3, line 5, strike the period and insert in lieu thereof a semi-colon, and add: "*Provided further*, That such forces shall not exceed in number 20,000."

Page 2, lines 19–21, strike subsection (c).

Page 3, line 17, add the following new Sec. 6. "None of the funds authorized to be appropriated in this Act shall be used to provide assistance of any kind to the Government of the Republic of Vietnam."

Page 1, line 3, after "the" strike "Vietnam Humanitarian Assistance and Evacuation Act of 1975" and insert in lieu thereof "The Gulf of Tonkin Resolution of 1975".

By Mr. WHALEN:

Delete section 3 of the bill H.R. 6096 (page 2, lines 3 through 9, inclusive).

EXTENSIONS OF REMARKS

SENATOR HOLLINGS RECEIVES AN AWARD FROM NATIONAL WILDLIFE FEDERATION: REVIEWS ENERGY DEVELOPMENT PROBLEMS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, April 21, 1975

Mr. RANDOLPH. Mr. President, in this time of uncertainty in our country it becomes increasingly important to maintain a sense of perspective with regard to our national priorities. The need to provide long-term, stable energy supplies and the need to end the economic recession result in great pressures to shunt aside some of our other goals.

If we are to successfully meet the multiple challenges of the 1970's our country needs leadership from men with the ability to rationally examine all sides of a situation and provide balanced answers to a series of very perplexing questions. One such citizen is our able colleague from South Carolina, Senator ERNEST F. HOLLINGS. He is a champion of environmental protection, but he also is aware that the United States must continue to develop if it is to prosper.

During the 93d Congress it was my privilege to be associated with Senator HOLLINGS in development of the Deepwater Port Act, a measure which gives proper weight to the needs of both energy supply and the environment. As chairman of the National Ocean Policy Study he is leading a comprehensive examination that will provide us with a firm foundation on which to base important decisions about the use of the seas.

Mr. President, Senator HOLLINGS' work recently was recognized by the National Wildlife Foundation which designated him as its 1974 Legislator of the Year. The award was presented at the foundation's 39th annual conference in Pittsburgh, Pa. At that time Senator HOLLINGS delivered a thoughtful and perceptive address, "Estuaries and Energy Development—Can We Have Both?"

I ask unanimous consent that the text of his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ESTUARIES AND ENERGY DEVELOPMENT—CAN WE HAVE BOTH?

(By Senator ERNEST F. HOLLINGS)

It is indeed an honor to be asked to address a group that has for years staunchly fought to protect and preserve our natural heritage. You folks have a long and consistent record of achievement that has had an effect on everything from our fine national parks system to the Clean Air Act and Water Pollution Control Act of recent years. You're involved; you are always on top of the issues and legislation of the day; and when your representatives come to testify on Capitol Hill, Democrats and Republicans, liberals and conservatives alike, listen with respect. Your approach has always been one of reason, and I consider it a pleasure to be associated with your activities here today.

If I had come before this groups three years ago, when my Senate colleagues and I were working to get the Coastal Zone Management Act passed, energy development in the coastal zone would have perhaps been among the last issues I would have discussed. The energy picture was rosy in this country at that time. We were still the proverbial land of milk and honey, of low utility bills and cheap gasoline. We could talk freely of preserving and protecting our environment in those days without fear of being charged with damaging the economy. Offshore development meant the Gulf of Mexico or Santa Barbara and supertankers were as unimportnt to us as our delapidated railroad system. And our main problem with protecting wetlands and estuaries along the coast was the press of heavy industry, tourism and second home development. We had no energy policy, we had no coastal zone policy and we felt that our economic policies were so resilient that we could not possibly backslide into another depression.

But this country is a very different place today than it was then. The energy situation has changed, our economy has changed, and our politics have changed. Let it never be said that this country can't adjust to change—with Watergate, the Arab oil embargo, a 11 percent inflation rate, $200 gas bills and 8.5 percent unemployment and still holding together—believe me, we can adjust to anything.

Anyway, I didn't come here to describe a situation that you, as American citizens, know only too well. Primarily, I have one message today: we can have the energy development we need in the coastal zone, and we can maintain productive estuaries and wetlands. These do not have to be mutually exclusive activities. Two seemingly incompatible systems—one manmade, the other natural—can, and must, exist side-by-side. But it cannot be done without proper information planning and regulation at all levels of government.

Development has been the touchstone to progress in the coastal zone for years. Until recently, State and local governments have sworn by it. Florida couldn't get enough tourism, motels, hotels; New Jersey couldn't get enough industry; and the Federal government couldn't fund enough highways to move people into the area. If the beaches were crowded and smokestacks were smoking, there was money in everyone's pocket and life was one big Disney World. Planning, in most cases, consisted of little more than local zoning and no one was taking a long look down the road to see where all of this was leading us.

And, of course, there was little emphasis on protecting wetlands and estuaries. They were in the way of development, and the motto of the day—perhaps coined by the Corps of Engineers—became "the only good wetland is a drained wetland." Get the water and the weeds out of the way, we said, and then we can build something on it!

The National Wildlife Federation knew about the economic and environmental significance of the wetlands and the academic community knew. You knew this about

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their productivity and their role in the food chain. But the message failed to reach the planners on the local level, the Corps of Engineers, and the Administration. Wetland preservation policies became the dregs of local, State, and Federal development policies.

Had we followed the recommendations of the Stratton Commission in the "60's" we would have developed a coastal zone management strategy long before 1972. But the Stratton Commission report was ignored by the Administration, and coastal zone management was placed on the back burner along with the other ocean policy recommendations. It was primarily through the efforts of Congress that we were finally able to get a National Oceanic and Atmospheric Administration established, and Congress alone led the fight for the Coastal Zone Management Act over the opposition of the Executive branch.

Now Congress, out of pure frustration over Presidential inaction, has established a National Ocean Policy Study to do what should have been done by the Administration 10 years ago. This study, which I have the honor to chair, has been operational for over a year now, and we are beginning to put all of the pieces of the puzzle together so that it makes sense. We've got a new Deepwater Port Policy, which has strong protective measures for coastal areas; we're taking a long, hard look at ocean programs to determine how they can better serve our purpose; and we've taken the lead on developing better policies for leasing and developing oil and gas resources on the outer continental shelf. Over half of the Senate is involved in this effort, and our momentum is growing daily. I think we will soon be able to put together an ocean policy that will serve both the environmental and economic interests of the country, and will bail the coastal zone out of the hot water it finds itself in today.

But until this policy is developed, our wildlife habitats along the coast hinge on our hopes for protecting the new remaining wildlife habitats along the coast hinge on the success of the coastal zone management program. All but one of the coastal states are presently participating in this new program and many are well down the road to developing their coastal zone management plans. Once these plans are developed and approved, the states will have the information and the governmental machinery to improve coastal decision-making. For the first time, states will have the ability to look intelligently at inter-relationships between human activities and the fragile coastal environment. And for the first time they will be in a position to establish some priorities as to what kinds of activities are in the public interest. More importantly, the rate and extent of wetland destruction and pollution can be closely monitored and dealt with accordingly.

It is perhaps one of the cruelest ironies of our time, that most human activities take place in our most fragile and finite of geological areas—the coastal zone. This is even more true when it comes to energy development. Where is most of the energy development in this country going to be in the next few years? Where will the support facilities for offshore oil and gas development be located? Where will the thousands of miles of pipelines, railroads and other transportation facilities have to be built to get the oil ashore and onto the consumer? And where will it be refined? The answer to all of these questions is only too obvious—the coastal zone will be asked to absorb it all.

This means the coastal zone management must play an active role in selecting sites suitable for energy development and identifying and protecting those that should not be developed at all. This is why the Ocean Policy Study has been spending so much time on the offshore oil issue, and it is why we have developed a legislative package to drastically reform our leasing and management policies and assume their coordination with state coastal planning efforts.

The Administration has had an amazingly simplistic view on offshore development which has done much to add to the confusion. I think if one factor stands out in our study of the OCS leasing program, it is that the Federal government and the coastal states do not have enough information on which to make decisions about development or to gauge the extent of its impacts.

Back during the energy crisis, the Administration suddenly decided that we needed to be self-sufficient in energy . . . a goal easier stated than attained. Secretary Morton, or someone in the Administration, came up with the idea that leasing large acreages on the OCS would somehow solve our problems. The figure 10 million acres was pulled out of the hat and we were on our way.

There were however a few things which Interior failed to consider in developing its program. For example, they didn't know how much oil was out there, what the coastal and marine impacts would be, or whether the oil companies could successfully develop 10 million acres a year considering the shortages of capital and tubular steel. In short, the whole program was half-baked and raised so many problems that it has taken Congress over a year to straighten it all out.

A striking example of what happens to estuaries, marshes, and wetlands along the coast when big oil moves in is right here on our doorstep. We have only to go to Louisiana and fly low over the area south of New Orleans. If we do, we will see mile after mile of destroyed wetlands . . . pipelines crisscrossing everywhere . . . a small oil spill here, a tank farm there . . . refineries, staging areas, dredging and filling . . . it's all there in living color.

And the development doesn't end there. It goes inland, up the Mississippi to Baton Rouge . . . over a hundred miles from the mouth of the Mississippi. One can travel that stretch of water in a boat and never lose sight of industrial development which either supports, or feeds off of, offshore oil.

So, let's not kid ourselves for a minute that offshore oil does not dramatically affect the coastal environment. In the last 40 years Louisiana's coast has become an oil coast, and as a result over 17 square miles of valuable productive wetlands are lost every year to some new pipeline or support facility. This is what the Atlantic Coast can expect, this is what California is now faced with, and it is why we have got to give greater attention to proper siting of facilities and protection of wetlands now, before the oil starts coming ashore.

And believe me, we don't have the luxury of debating whether or not offshore development is desirable. The Arabs have already made that decision for us. It is left for us to make the best of a bad situation.

As chairman of the National Ocean Policy Study, I have recommended a number of measures which I feel will help provide the balance we need between energy development and the environment. One bill I have introduced would establish a program of government-sponsored exploratory drilling so that we can determine before we lease exactly how much oil is out there, where it is located, and where it will be coming ashore. This system would provide coastal States with the necessary time and information to complete their coastal zone management programs and to get ready for what's coming. It would allow areas suitable and unsuitable for energy development to be identified, and planning and management decisions could be made in advance to assure wetland and estuarine areas are properly protected. More importantly, the offshore resources will be managed and leased according to national need rather than the whim of the oil companies.

Another bill I have introduced, S. 586, the Coastal Zone Environment Act of 1975, is aimed at assuring access to public beaches and preservation of islands. While these problems are not necessarily related to energy development, the expected onslaught of this development will increase the competition for the small amount of undeveloped land that is left . . . and I am concerned that the public just might come up holding the short end of the stick. So, my bill would amend the Coastal Zone Management Act to require State programs to include plans for providing citizen access to public beaches and for preservation of islands. Also the bill would provide up to $50 million a year in grant assistance to assist State and local governments in acquiring, if necessary, those undeveloped beach and island areas they consider important enough to preserve and protect.

Both of these bills are firmly based on the premise that offshore development activities, deepwater ports, or any type of energy facilities siting should be closely coordinated with the activities of State coastal zone planning agencies. In many States, the Coastal Zone Agency and the Wildlife Agency are one and the same. So the knowledge and expertise about local wetlands problems is there, and can be brought to bear in the decision-making. These agencies should be given the strong Federal support they need—financial, technical or otherwise—to get the job done. And they definitely should be consulted in the preparation of drilling programs for the OCS, because it will be they—and not the boys at BLM—who will have to shoulder the burden of ameliorating the adverse impacts associated with offshore development.

So, in response to the question, can estuaries and energy development exist together in the coastal zone, the answer is yes . . . but. Yes they can exist together . . . but not without proper planning, management, and information about offshore oil. The Coastal Zone Management Act already provides the necessary management structure, and the legislative program I have outlined to you today can provide the rest.

I am hopeful we can expedite this legislation and get a bill passed by summer. Clearly, we cannot live with the status quo, and we can't live with the oil companies making the big decisions about the future of our coastal resources. To continue in this manner could mean disaster for the few remaining productive estuaries on the east coast and could destroy the breeding grounda for thousands of species of wildlife and waterfowl.

EDUCATION APPROPRIATION VOTE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. EDGAR. Mr. Speaker, on Wednesday, April 16, when the House voted to appropriate $7.8 billion in funds for education programs, we did so without a recorded vote. I feel strongly that providing quality education must be one of the top priorities of our Nation, even and perhaps especially in times of economic difficulty. I would, therefore, like to say that I voted in favor of the passage of the education appropriations bill, and I would have done the same if the vote had been by rollcall.

HUMANITARIAN ASSISTANCE

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mrs. MEYNER. Mr. Speaker, on April 8, I introduced H.R. 5731, a bill to provide additional humanitarian assistance authorizations for South Vietnam and Cambodia for fiscal year 1975 in the amount of $100,000,000. Today, Representatives ABZUG, BINGHAM, and I are reintroducing the bill in the amount of $200,000,000 along with 21 cosponsors. The events of the past week have reinforced my opinion that humanitarian assistance for the suffering victims of war in Indochina should be provided, under the auspices of international organizations and private agencies, to all those in need.

The administration of relief aid by governments is ineffective when those governments are corrupt, or fighting for their lives. We have no more assurance that the Saigon Government will deliver relief assistance to people in need than that they will use American military supplies to fight rather than leaving them behind for the PRG. The Saigon Government is simply not trustworthy.

Furthermore, the extent of human suffering reaches far beyond the enclaves still controlled by Saigon. There are millions of refugees in dire need of food, medicine, and shelter in areas now controlled by the Khmer Rouge and the PRG.

Fortunately, there are several organizations that are already working to alleviate suffering in all areas of Indochina.

These include UNICEF, the U.N. High Commissioner for Refugees, the International Red Cross, the American Friends Service Committee, and the Mennonites. These organizations are already in place and can make good use of the funds authorized by this legislation.

I believe that the internationalization of humanitarian assistance is an idea whose time has come. I have been deeply disturbed by the tendency of this administration to use food aid for political purposes, instead of a means to reduce human suffering. If our purpose is to help those in need, it seems clear that we should give those funds to organizations which have established good records of impartiality, competence, compassion, and efficiency. The time to begin is now.

The following members of Congress have agreed to cosponsor this measure:

COSPONSORS OF H.R. 5731

Hon. John Burton (D-Calif.).
Hon. Edward I. Koch (D-N.Y.).
Hon. Benjamin S. Rosenthal (D-N.Y.).
Hon. Robert W. Edgar (D-Pa.).
Hon. James H. Scheuer (D-N.Y.).
Hon. Romano L. Mazzoli (D-Ky.).
Hon. Edwin B. Forsythe (R-N.J.).
Hon. Michael J. Harrington (D-Mass.)
Hon. Richard L. Ottinger (D-N.Y.)
Hon. Peter W. Rodino (D-N.J.).
Hon. James C. Corman (D-Calif.).
Hon. Paul E. Tsongas (D-Mass.).
Hon. Edward W. Pattison (D-N.Y.).
Hon. George Brown, Jr. (D-Calif.).
Hon. Fortney H. Stark (D-Calif.).
Hon. Frederick W. Richmond (D-N.Y.).
Hon. John F. Seiberling (D-Ohio).
Hon. Andrew Maguire (D-N.J.).
Hon. Toby Moffet (D-Conn.).
Hon. Tom Harkin (D-Iowa).
Hon. Elizabeth Holtzman (D-N.Y.).

POLITICAL ROLE REVERSALS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. BOLLING. Mr. Speaker, Rod MacLeish's article "Political Role Reversals" which appeared in the Washington Post, Friday, April 18, 1975, is worth reading and thinking about.

It follows:

POLITICAL ROLE REVERSALS

(By Rcd MacLeish)

One wondered who, precisely, was who.

Midway through the evening of April 10th a large, chattery gathering of Washingtonians—most of whom would have called themselves liberals—hushed to listen to Gerald Ford deliver his first State of the World message to Congress.

The television sets carried blurred pictures of Mr. Ford addressing a House chamber with many empty seats. His speech itself was wearily long, badly composed and riddled with the hortative cornballisms of high Rotarian style. It was also passionately meant and the most important Ford address since the first one he gave as President.

On the Hill, two Democratic freshmen walked out in protest.

At a banquet downtown, the dining room, conveniently equipped with television sets, was swept with snickers as Mr. Ford pleaded for more military aid to South Vietnam. The snickers became scattered guffaws as the President argued this country's moral obligation to "tens of thousands of . . . South Vietnamese intellectuals, professors and teachers, editors and opinion leaders. . . ."

My notes for that evening record one man's muttered complaint that his intelligence was being insulted and the half-plastered maunderings of another diner about "the goddam hick from Grand Rapids."

Given a change in years, a Missouri twang instead of the flat accent of central Michigan, a Congress numbered Eighty instead of Ninety-Four and one could have been sitting at a dinner of the National Association of Manufacturers in 1948 listening to Harry Truman broadcast an appeal for the Marshall Plan.

That evening symbolized an extraordinary role-reversal that time and Vietnam have created in Washington. The case for Mr. Truman's optimistic internationalism is now argued by a conservative, Republican President while the leadership of the liberal, Democratic Congress at times evokes the pessimistic shade of Robert A. Taft Sr.

The Marshall Plan was based on the assumption of a world susceptible to the ministrations of reason and assistance. Yesterday Secretary of State Kissinger appeared before the American Society of Newspaper Editors to argue, for the Ford administration, that the United States could still influence events through "our purposefulness, our perseverance, our creativity, our power and our perceived reliability."

The anguishing end of the American Indochina misadventure has led many Democrats to cosmic pessimism. "I know there's a blood bath going on," Senator Pastore is quoted as saying in the New York Times of April 8, "but I don't think we have the will in this country to change it in the least." The operative gloom comes in the word "will."

In the context of the moment, the role-reversal carries some logic on both sides.

Mr. Ford, as the last Vietnam-era President and as a contender for the 1976 Republican nomination against the likes of Ronald Reagon, wants the historic record to show that he did everything he could for the Indochina cause right up to its finale.

The 94th Congress, remembering the Tonkin Gulf con game and sick over the Vietnamese corruption that sopped up American lives, money and belief, rightly refuses any more military aid to any government headed by Nguyen Van Thieu and wants the present suffering to end swiftly in the only way now possible—with a North Vietnamese victory.

What bothers me about the role-reversal is not its application by the President and the Congress to the issues of the moment.

Rather, I am suspicious that the embrace of the principles of liberal internationalism by conservatives to the right of President Ford is just a respectable way of pursuing old anti-Communist passions by military means. And, in the scorn of liberals for Mr. Ford's current arguments, there is implicit scorn for the principles that he has co-opted—or to which he may be a genuine convert.

The grotesque result of great principles applied in wrong-headed ways or used as an excuse for persistence in inappropriate causes does not invalidate the principles themselves.

Vietnam was the logic of the cold war carried to gory and pointless extremes. The original logic of the cold war was created by liberal Democrats for the simple reason that they were the people in charge when Stalin began indulging his totalitarian lust all over Eastern Europe and the Balkans.

What liberalism tried to achieve in those years—in struggles against the Soviets abroad and the right-wing cynicism of McCarthy, Jenner, Nixon and Welker at home—was the possibility of a world that was both pluralistic and tranquil.

The confrontation with communism, in that liberal view, was not based on some missionary belief than Marx's arcane theories were heresies that needed expunging from the earth. Rather, the United States deployed its economic and military power against communism because it was the political device that the Soviet Union was using in its threat to peace and pluralism.

In the last words he ever wrote, Franklin Roosevelt warned that "we are faced with the pre-eminent fact that, if civilization is to survive, we must cultivate the science of human relationships—the ability of peoples, of all kinds, to live together and work together in the same world, at peace . . ."

That, to me anyway, is the central principle to classic American liberal internationalism. It is still an operable principle in the world's altered condition if it could be resurrected in its original form and forgiven the aberrations that have taken place in its name.

The principle is being mashed between the reversed roles of post-Vietnam Washington. Between its exploitation for the wrong reasons and its denigration by the disillusioned children of its liberal creators, American commitment to the tortuous arrangements for a world that is both pluralistic and peaceful faces extinction.

An old English music hall ballad sang of "The World Turned Upside Down." The title could be applied to the quality of belief in contemporary Washington. Knees are being jerked in disjointed ways hereabouts whereas minds should be devoted to long thoughts about where it all went wrong and how it can be set to rights.

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A CALL FOR RESTRUCTURE OF THE ELECTRIC UTILITY INDUSTRY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. HARRINGTON. Mr. Speaker, on April 17, I had the privilege of appearing before a joint session of the Senate Government Operations Subcommittees on Intergovernmental Relations and Reports, Accounting and Management for the purpose of presenting testimony on the administration's proposed Utilities Act of 1975.

There is certainly no question that we have a serious electric utility problem. Substantial changes in the nature of the utility business are making it increasingly difficult for utilities, relying on private money markets, to finance needed future construction at rates which their customers can afford.

I am strongly opposed, however, to the administrations approach to this problem and wish to share with my colleagues my reasons for taking this position. The text of my testimony before the Senate subcommittees follows:

Testimony of Congressman Michael J. Harrington Before the Senate Government Operations Committee, April 17, 1975

Mr. Chairman: I want to thank you for the opportunity to appear today to testify on the Administration's proposals regarding further regulation of the nation's electric utilities. Last month, the Subcommittees on Intergovernmental Relations and Reports, Accounting, and Management released findings that last year, utility bills rose by approximately $9.6 billion, of which about $6.5 billion was due to fuel adjustment charges.

These massive rate increases have created substantial hardships for consumers, especially those on low or fixed incomes, homeowners who have the misfortune to be dependent on electric heat, businessmen and industry.

But the legislation now before the Committee, the Utilities Act of 1975, is not designed to afford relief to overburdened consumers. Rather, in keeping with the policy of the present and former Administrations it is designed to increase utility bills still further in order to significantly increase stockholder returns, thereby alleviating what the Administration views as a financing crisis in the industry.

The White House, in its information packet which accompanied the State of the Union message, estimated that the Utilities Act, if approved, would raise the price of electricity by about 20% next year. Based on last year's utility revenues, this translates into approximately $7.2 billion in additional revenues for the nation's privately-owned utility companies.

This estimate may be conservative. An independent study by the Economics Division of the Congressional Research Service indicates that just the cost of allowing construction work and pollution control equipment in the rate base will cost consumers $7.8 billion next year, and that this sum will increase significantly in future years.

Is it necessary to give the utility industry a $7.8 billion shot in the arm next year at the expense of residential and industrial consumers? And, if so, are the proposals outlined in the Utilities Act of 1975 the proper vehicles for providing that relief? These are the questions which confront the Congress.

Section 702(a)(5) of the Act defines the problems as the Administration views it. It states: "Shortages and unreliable supplies of electricty caused by the financial problems of the utilities which now exist or are imminent and jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailments of vital public services."

Unquestionably, we do have a serious utility problem. Substantial changes in the nature of the utility business are making it increasingly difficult for utilities, relying on private moneymarkets, to finance needed future construction at rates which their customers will be able to afford.

But the available information does not indicate that there is a short-term danger of inadequate or unreliable supplies of electricity, or any short-term inability of utilities to finance needed construction.

The major utility problem right now in New England, and elsewhere, is an oversupply of electric generating capacity—an oversupply created by the combination of consumer conservation and general economic stagnation. Today, over half of New England's generating capacity is lying idle for lack of demand.

Utility net income actually increased nationwide by about 6% last year. Utilities are able to float their bond issues, and at declining interest rates. Stockholders are currently earning over 10% on equity, and recent utility stock issues have been successful.

The legislative proposals now before this Committee had their origins last summer when both the short-term and long-term outlook for the utility industry were indeed grim. Interest rates were skyrocketing; Con Ed's dividend was omitted; utility stocks were selling at half their book value; and bond issues were being sold at unacceptable interest rates.

Last July, John Sawhill invited state regulatory commissioners to a private meeting at the Federal Energy Administration to lobby them to speed up financial aid to the utilities. The meeting was postponed when consumer and environmental groups protested being excluded. However, work continued in the FEA and White House for ways to require state commissions to be more responsive to utility needs. The proposals contained in the Utilities Act of 1975 are the direct product of that concern.

The proper criteria for measuring the value of these proposals is whether they contribute to developing a rational and coherent regulatory policy—one designed to afford protection to consumers and investors.

In my opinion, the proposals with two possible exceptions, fail to meet this criteria. They represent arbitrary departures from well-established regulatory practices and procedures—departures whose primary purpose is to quickly jack up the paper profits of utilities. It also may represent an unconstitutional encroachment on traditional state regulatory powers. If I may, I would like to discuss each of the six sections of the Act.

Section 704 prohibits any state regulatory agency from suspending a rate increase for more than 5 months. If after 5 months a decision has not been reached, the rate increase automatically goes into effect subject to refund. The rationale behind this section is to lower financing costs by speeding up the regulatory process. In reality, it will not achieve its purpose.

State regulatory commissions simply do not possess the budget and staff expertise necessary to analyze a rate increase. The Massachusetts Department of Public Utilities, for example, has only one lawyer and two accountants on its staff. Its annual operating budget is lower than Massachusetts Electric's sales and advertising budget. Yet, in addition to regulating the billion dollar a year electric utility industry, the DPU must also regulate natural gas companies, the telephone company, water companies, and private transport carriers.

Since it is highly unlikely that private utilities will end their historic practice of padding rate increase requests, Section 704 will have two effects. One, it will result in unjustified rate increases for private utilities resulting from only a cursory examination of the filings. Two, it will allow utilities to put their full rate increases in effect subject to later refund.

As I learned in a recent New England Power Company case before the FPC, revenues collected by a utility which are subject to refund cannot be used to meet bond indenture, and other financial requirements. This means Section 704 will not make it any easier for utilities to raise revenues, or lower financing rates.

Nor will it speed up the regulatory process. The Federal Power Commission, a well-funded and staffed commission, currently has a maximum 5 months suspension period. At the present time, rate applications filed by Massachusetts utilities in 1971 and 1972 are still pending before the FPC, while the utilities themselves have been collecting the full yet unsanctioned rates from their customers. It hardly seems likely that sorely understaffed and funded state commissions will perform any better than the Federal Power Commission.

Section 705 of the Act requires state regulatory commissions to permit utilities to use fuel adjustment charges. In addition, it requires that the automatic pass-through reflect 100% or higher fuel costs.

As the Subcommittees on Intergovernmental Relations and Reports, Accounting, and Management pointed out in the recent committee print on the fuel adjustment clause, the 100% pass-through has led to significant abuse by private utility companies.

In my own state, Massachusetts, utilities using a two month billing cycle applied the second month's higher fuel adjustment factor to the first month's usage; thereby reaping excessive profits. In other states, companies owning their own coal mines have overcharged consumers by millions of dollars by applying the spot market price on coal to their own internally-produced coal. Other utilities have included such non-fuel costs as executive salaries and environmental charges in the fuel adjustment.

But these abuses, serious as they are, are not the main problem with the fuel adjustment clause. By permitting a utility to pass on 100% of its increased fuel charges, the incentive to resist price increases by fuel suppliers is undermined.

Just recently, federal investigators have uncovered massive overcharges by oil companies to utility companies. The amount of these overcharges may ultimately exceed one billion dollars. I strongly believe, that if the utility industry, which is as large and powerful as the oil industry, did not have the convenience of the fuel adjustment clause, many of these overcharges would not have taken place.

A number of state commissions, including West Virginia, Vermont, Florida, Montana, North Carolina and New York have limited the amount of pass-through under the fuel adjustment clause, or are considering the elimination of the clause in favor of expedited rate cases.

Section 705 will eliminate the possibility for fuel adjustment clause reform. And it will do so at the very time when fuel prices are beginning to stabilize, thereby eliminating the very rationale for which the fuel adjustment clause was initiated.

Section 706 makes it unlawful for any state commission to prohibit discounts for the off-peak sale of electric power. While I have no quarrel with the theory behind this section, which is to promote system efficiency by narrowing the differential between peak and off-peak demand, I do believe that decision making on rate structure must lie with the states—not the Federal government.

Different regions have different problems. Rate setting, despite claims of utilities to the contrary, involves decisions of social policy—how to allocate the burdens of paying for a necessary, and increasingly expensive resource. While I would hope that jurisdictions which prohibit off-peak price differentials will act to remove the prohibitions; I do not believe the Federal government should mandate such action.

Section 707, which requires state commissions to include construction work in progress in the rate base, adds one more layer of irrationality to a regulatory accounting system already replete with irrational and inconsistent procedures.

Simply stated, this section requires utility customers to provide utility investors with full profits on facilities which have been completed and are not providing any benefits to utility consumers.

For years the Federal Power Commission, and almost all state commissions, have rejected utility requests to include construction work in progress in the rate base. Now, the Administration, looking for any way possible to raise utility profits over and above what regulatory commissions have deemed proper levels of return, is attempting to force this artificial and unjustified accounting procedure on all regulatory commissions.

If this section is enacted, it will raise utility dividends by over $7 billion next year. This $7 billion will be taken from already overburdened consumers. But in addition to the economic effects of this section, it will have other effects as well.

In the future, any time a utility feels it wants a higher dividend rate, all it need do is begin construction of a new plant—whether or not that plant is needed. What little incentive that now exists to purchase electricity from an already operating plant with excess capacity will be eliminated, since no profit can be earned by a purchaser of power, but a profit can be earned by beginning construction of a new plant.

Section 708, which requires state commissions to permit utilities to earn a profit on environmental control devices, is another section, like peak load pricing, where I find myself in substantive agreement with the utilities and the Administration. A scrubber system, or a cooling tower ought to be considered as an integral and necessary part of a power plant. They are not add ons—they are a necessary component of a total power generating system, and should be treated in the same fashion as other capital outlays. Inclusion of pollution control equipment in the rate base might even have the helpful side effect of stemming the all out assault by utilities on our current environmental laws and standards.

But whether the federal government should, or constitutionally can, require state commissions to change their own regulatory standards, is another matter. I am frankly hesitant to establish a precedent for dictating regulatory policy to state commissions. For every worthwhile reform being proposed like peak-load pricing—which most state commissions permit any way—there seem to be two proposals designed to undermine regulatory effectiveness.

Finally, Section 709 requires state commissions to allow utilities to use the normalization method of accounting. Simply stated, this Section means that the savings a utility can realize through the use of special tax breaks cannot be passed on to the utilities' customers. The customers will continue to pay rates as if the special tax breaks did not exist, while the utility itself gets to keep the money generated by the tax break for its own use. This Section, like the construction work in progress section, is simply a gimmick to hike up profits at the expense of the consumer—profits which would not be legitimate if calculated under accepted accounting standards.

Early in my testimony, I raised the question as to whether the utility industry needed the kind of quick-fix increase in profits which this legislation will provide. If the current market is an indication, the answer is no.

But there is a very serious long-term problem regarding the delivery of electric power—a problem which this legislation does not address. The problem is that the private utility industry, relying solely on private financing, cannot provide the electric power every American needs, at rates which he will be able to afford.

There has been a fundamental change in the nature of the utility industry. A modern power plant now costs in the range of one billion dollars. Capital costs are continuing to rise steadily. The limits of economies of scale have been reached—marginal cost of new power is rising. The absolute need for power despite the recent slowdown due to conservation and the depressed economy—is rising. And the land use, safety, and environmental problems posed by modern power technologies are growing more and more serious.

The accounting changes proposed by the Ford Administration do nothing to address these fundamental problems. What we need is a basic rethinking of our policy regarding the financing and delivery of what has become a basic and indispensible necessity of industrial life.

The object of our rethinking ought not to be how to raise rates as quickly as possible, but how to stabilize rates so that all consumers can afford the power they need, and business and industry can expand their operations without incurring enormous power costs.

Senator Metcalf has taken the lead here in the Congress. The National Grid bill, which he has introduced in the last three Congresses, addressed this problem squarely. By integrating the national transmission network, thereby significantly increasing the efficiency of power delivery, and providing for public financing of new power facilities, the National Grid concept can stabilize the rate spiral.

In addition, there are a number of efforts across the country, including one in Massachusetts of which I am a sponsor, to create state power authorities to publicly finance and operate new power plants.

Like water, sewers, roads, police and fire protection, electric power is a public service that ought to be publicly-provided on a non-profit basis. The Ford Administration proposals reflect the fact that without artificially imposed increases in investor return, the private sector will not provide the funds for our new plant construction. What the proposals ignore, however, is whether the consuming public can afford the higher rates that these changes mandate. In my opinion, it cannot.

It is my hope that the Congress, after rejecting the Utilities Act of 1975, will begin a serious effort to fundamentally restructure the manner in which an essential commodity is delivered.

AMERICAN RED CROSS HONORS GILBERT L. GRILL

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is very gratifying to learn that one of my constituents, Mr. Gilbert L. Grill, of Paramount, Calif., has been named to receive the Red Cross Certificate of Merit which is the highest award given by the Red Cross to an individual who saves or sustains a life by skills learned in a Red Cross volunteer training program.

Mr. Grill, trained in Red Cross first aid, was at work on last September 9 when a fellow employee suddenly became rigid and collapsed. Upon determining that the man had stopped breathing, Mr. Grill immediately removed an obstruction in the breathing passage and began artificial respiration. Several minutes later the victim started to breathe, but when he suffered a relapse, Mr. Grill re-administered mouth-to-mouth respiration.

Because of Gilbert Grill's calm and courageous response to this emergency, the stricken man was able to be transported to the hospital where he successfully recovered from his heart attack. There is no question but that Mr. Grill's valiant action saved this man's life.

In this time when we read so often of persons who are taking life, it is reaffirming to learn about someone like Gilbert Grill with a reverence for human life.

RESULTS OF CONGRESSMAN WHALEN'S ANNUAL POLL OF CONSTITUENTS

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. WHALEN. Mr. Speaker, I am very pleased to report that my annual poll of Third Congressional District residents again has produced more than 20,000 replies.

I am gratified by the interest this response reflects in the issues facing the Federal Government in 1975. For the information of my colleagues, I insert herewith the responses expressed in percentages rounded to the nearest tenth of a percent:

1. Would you favor increased U.S. food contributions to starving nations if it meant that each American would have to consume less food?

Yes	39.8
No	45.2
Undecided	15.5

2. What is your position regarding the creation of an independent Federal Consumer Protection Agency?

Favor	61.0
Oppose	25.1
Undecided	13.7

3. What is your position regarding the Constitutional amendment proposed by Senator Buckley which would prohibit abortion except when "reasonable medical certainty exists that the continuation of the pregnancy will cause the death of the mother?"

Favor	31.4
Oppose	58.8
Undecided	9.8

4. What is your position regarding imposition of across-the-board wage, price, rent, interest, and profit controls as a means of combatting inflation?

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Favor	51.1
Oppose	36.0
Undecided	12.9

As a means of conserving energy, and thereby combatting one major cause of inflation, what is your position regarding:

5. A 20c per gallon tax increase on gasoline?

Favor	12.1
Oppose	82.0
Undecided	6.0

6. The implementation of a gas rationing program?

Favor	38.4
Oppose	50.5
Undecided	11.3

7. A tax on new automobiles in direct proportion to their engine inefficiency?

Favor	52.3
Oppose	35.3
Undecided	12.4

A YOUNG VICTIM OF C/F ASKS: "WHAT IS PURPOSE?"

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. CRANE. Mr. Speaker, it is easy for those of us who are in good health to live our lives as if we will continue indefinitely in our current patterns of existence. Only when illness strikes do we become aware of our own mortality and do we begin to think about the real meaning of our lives.

One young lady who recently lost her lifelong battle with cystic fibrosis, Debbie Bean, gave a great deal of thought to the question of what our real purpose is in this world.

Unfortunately, Debbie was unable to graduate with her class in Salem, N.H. She wrote a poem, however, which was found by her mother and presented to the class of 1974. This poem was printed in the class yearbook and later reprinted by the Cystic Fibrosis Foundation in its Winter 1975 news bulletin.

It is my hope that one day in the not too distant future a cure will be found for cystic fibrosis and young people like Debbie Bean will be able to live full and complete lives.

I wish to share with my colleagues the article concerning Debbie and the poem which she wrote as it appeared in the National C.F. News Bulletin's Winter 1975 issue and insert it in to the RECORD at this time:

DEBBIE LEAVES LEGACY—"WHAT IS PURPOSE?"

Debbie Bean did not graduate with her Salem, New Hampshire, classmates, but she left a legacy with them that is meaningful to everyone—the very young, the very old.

Debbie, who lost her lifelong battle with C/F prior to graduation, had written a poem found later by her mother, who presented it to the class of 1974 at Salem.

The poem was printed in the class yearbook, and the Foundation shares it now for the benefit it may bring to those who read it and in tribute to the wonderfully hopeful, courageous, and beautiful person who wrote it.

"People in this world need security and love.

They need to feel compassion and understanding for the human race.

That is what is lacking in our society today.

People have to be the same.

They are afraid that they will be laughed at if they are different.

I like to be different; what's wrong with being different?

I am my own self.

I love life and enjoy living and thinking what I want and not what everyone else wants.

Nowadays, so many kids are on dope and they put you down if you're straight.

I don't take dope because I want to live, not die, and if you need dope to be happy then that's not true happiness.

Happiness is waking up in the morning to people's voices and the smell of food, with sunshine streaming through the window.

It's the sound of laughter and smiling faces; twinkling eyes and beautiful people.

It's flowers, warmth, and birds singing in the spring and cold white ground, singing Christmas carols and building snowmen in the winter.

It's a loving family, lots of friends and exciting nights.

It's at times solitude and tranquility.

It is a wonderful gift God gave and no one has the right to give it away or take it from us except God.

Happiness is feeling, caring, loving, and understanding nature and people and thanking God for a wonderful gift that no one else can give us.

I asked God, "What is purpose?"

He said, "You are the purpose."

RHODESIAN CHROME ESSENTIAL FOR U.S. SPECIALTY STEEL INDUSTRY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. ASHBROOK. Mr. Speaker, unfortunately some Members of Congress are renewing their efforts to ban the import of Rhodesian chrome. The latest attempt is H.R. 1287, which has been approved by a subcommittee of the House International Relations Committee. I am strongly opposed to H.R. 1287 and any bill that would reimpose the chrome embargo.

Metallurgical grade chrome is essential for our defense needs and our domestic economy. It is the only grade economically suitable for steelmaking applications.

Approximately two-thirds of the world's supply of metallurgical chrome is located in Rhodesia. If Congress prohibits the entry of Rhodesian chrome, it would be a devastating blow to the U.S. specialty steel industry. Thousands of American steelworkers would lose their jobs.

And let us not downplay this fact. The major issue is American jobs. If Congress votes to reimpose the embargo, severe unemployment will result in the specialty steel industry.

Reliance on chrome from the Soviet Union—virtually the only supplier of metallurgical chrome to the United States if Rhodesia is eliminated—would mean a large increase in price. We have already been given an idea of what this would be like. In January of 1975 Soviet chrome merchants announced delivery cutbacks of 35 percent and price increases of 100 percent.

About 20 percent of the raw materials cost of stainless steel results from chrome. If our foreign competitors have access to low cost, high quality chrome, while we are forced to pay premium prices to Soviet suppliers, the American steel industry simply will not be able to compete against imported stainless steel.

Some argue that our purchase of Rhodesian chrome makes us the only nation violating U.N. sanctions. Compliance by other countries, however, is a myth. Although our competitors in the world steel market speak disapprovingly of our violation of the sanctions, they themselves openly or covertly import Rhodesian chrome.

It is also argued that Congress must support this bill because of the United Nations resolution imposing sanctions against Rhodesia. This argument is ridiculous. The United States is not subservient to any international organization. The U.S. Congress, not the United Nations. I would hope that every Congressman places American interests ahead of some United Nations resolution.

It would be sheer folly for Congress to adopt sanctions against Rhodesia when it would mean the loss of thousands of American steelworkers jobs. For the sake of the U.S. economy, our specialty steel industry and American jobs, I urge Congress to vote against H.R. 1287.

RESTORATION OF LITHUANIA'S INDEPENDENCE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. MOAKLEY. Mr. Speaker, the Lithuanian American Council of Boston has written to me in support of the restoration of Lithuania's independence. I join with my Lithuanian friends in Boston in supporting this restoration. For my colleagues' information, I am making available the resolution of the Lithuanian American Council of Boston marking the 57th anniversary of the restoration of Lithuania's independence:

RESOLUTION

We, the Lithuanian Americans of Greater Boston, assembled this 16th day of February, 1975, at the South Boston Lithuanian Citizens Club to commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1975, marks the 57th anniversary of the restoration of independence to the more than 700 year old Lithuanian State, which was won and protected by the blood sacrifice of the Lithuanian people during the wars of independence of 1919–1920, and recognized by the international community of States;

That the Republic of Lithuania was forcibly occupied and illegally annexed by the Soviet Union in 1940, in violation of all the existing treaties and the principles of international law;

That subjection of peoples to alien domination and exploitation constitutes a denial of the right to self-determination and the

other fundamental human rights; is contrary to the Charter of the United Nations, and is an impediment to the promotion of world peace and co-operation;

That so many countries under foreign colonial domination have been given the opportunity to establish their own independent states; while Lithuania having enjoyed the blessings of freedom for centuries is now subjugated to the most brutal Russian oppression and is nothing but a colony of the Soviet empire;

That though the Soviet Union, through programs of resettlement of peoples, intensified russification, suppression of religious freedom and political persecutions, continues in its efforts to change the ethnic character of the population of Lithuania, the Soviet invaders are unable to suppress the aspirations of the Lithuanian people for freedom and the exercise of their human rights.

Now, Therefore, Be It Resolved:

That we demand immediate release of all, withdraw its military forces, administrative apparatus and the imported Russian Colonists from Lithuania and allow the Lithuanian people to govern themselves freely;

That we demand immediate release of all Lithuanians who are imprisoned for political and religious reasons and who for years are lingering in various Soviet jails and concentration camps;

That in expressing our gratitude to the United States Government for its firm position of non-recognition of the Soviet occupation and annexation of Lithuania, we request an activation of the non-recognition principle by stressing at every opportunity the denial of freedom and national independence to Lithuania and the other Baltic countries.

PATAPSCO NECK PEOPLE WANT BRIDGE NAMED FOR KEY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. LONG of Maryland. Mr. Speaker, in September 1814, the new American Nation was in its portion of the Napoleonic war with its former colonial master, Great Britain.

Baltimore, Md., was the target of the British.

Baltimore did not fall.

By repulsing both land and sea attacks, in the Battle of North Point and the bombardment of Fort McHenry, Baltimore's citizen soldiers and the garrison at Fort McHenry gave new hope to the struggling Nation and the song which has become our National Anthem.

Schoolchildren everywhere know of Fort McHenry and the "Star-Spangled Banner." Few Americans know of the important battle which took place on the other side of Baltimore Harbor.

In a notable effort to bring out key historical events, the Patapsco Neck Historical Society and allied citizens in the Dundalk-North Point-Sparrows Point area are urging that the new bridge being built across the Outer Harbor to link Anne Arundel and Baltimore Counties be named for Francis Scott Key.

When the new bridge is built, you will be able to drive across and look almost straight down at the spot where Key's ship was anchored during the bombardment.

The society is also calling for a turnoff at the northern end of the bridge, so that visitors may see Fort McHenry, across the harbor, from the same perspective Key had.

I am pleased to present to my colleagues an account of the society's efforts which appeared recently in the Baltimore Sun:

PATAPSCO NECK PEOPLE WANT BRIDGE NAMED FOR KEY

(By Isaac Rehert)

Patapsco Neck, known to contemporary Baltimoreans as the home of Sparrows Point Steel Mills and other heavy industries, is memorable in United States history for the Battle of North Point.

Today, the superficial traveler along the main boulevards through and surrounding the town of Dundalk is most easily impressed with the tawdry atmosphere of automobile emporia and hamburger palaces.

During the War of 1812, those same boulevards, then pleasant curving country roads, were the path chosen by a seemingly invincible British Army bent on invading the metropolis of Baltimore and laying it waste.

That army was stopped at the Battle of North Point, which took place on land simultaneously with the bombardment of nearby Fort McHenry by sea.

Now, in 1975, throughout Patapsco Neck's population—off the main roads, where thinking, feeling people live—passionately proud devotees of this area's contribution to history have been organizing to make the outer world aware.

Their leader and spokesman is Ben Womer, founder and president of the Patapsco Neck Historical Society, who feels that on several counts, his beloved Patapsco Neck has been slighted in the records for posterity. And as the nation's bicentennial approaches, he has proposals for making amends.

Amends have to do with a new bridge that is now being built and with Battle Acre, a monument in Dundalk commemorating the Battle of North Point.

The bridge is one being built as part of the outer harbor crossing from Sollers Point to Hawkins Point. Mr. Womer and his colleagues in the society point out that, contrary to what many history books say, Francis Scott Key, when he wrote the Star-Spangled Banner, was not interned on a British vessel just off the coast of Fort McHenry.

Rather, he was on an American vessel no more than 200 yards from Sollers Point, on the Patapsco Neck side of the river.

Charles H. Echols, Jr., a Dundalk resident and history buff, has made a professional-quality slide show of the battle (which Rotary clubs are exhibiting in schools) and Mr. Womer has a map showing details of the battle: the fort at the end of Whetstone point, the battleships of the British fleet lined up in an arc spanning the harbor facing the fort and the spot where Key's ship was held, further down the river near the mouth of Bear Creek. (Remarkably, no one seems ever to have recorded the name of that ship.)

"Now," says Mr. Womer, "when they get this new bridge built here on the neck, you'll be almost able to look out of your car straight down on the point where Francis Scott Key's ship was anchored.

"There's nothing around here--not a building, not a road—that's been named after Francis Scott Key and we here on Patapsco Neck think this new bridge ought to be named after him.

"We also think they should build a turnoff at the entrance, so tourists could stop their cars and get out and look for a while."

The society has been pressuring. It has had support from the Baltimore County Council and received acknowledgement (but no commitments) from the state Department of Transportation.

On March 17, the state Senate and the House of Delegates passed a resolution approving the name, "Francis Scott Key Memorial Bridge," but the society still feels uncertain. They want everyone who agrees with their stand to write letters and keep up a barrage of public sentiment until the final naming is properly authorized.

On the matter of Battle Acre, Mr. Womer, who wants to clean up and repair the monument in time for the bicentennial, feels he has gotten lost in the maze of state bureaucracy.

The monument is an acre-large rectangle of land, with grass, an iron fence around it, concrete pillars in its center and an authentic cannon from the Battle of North Point.

Over the years, the site has been neglected. Cannonballs that used to be on display with the weapon have been stolen or lost; the gate is askew; the fence is broken in spots and the square, pitchdark at nightfall, has become a haven for youthful carousers and drinkers who leave their beer cans and bottles strewn around on the grass in an unsightly mess.

Once a year, Mr. Womer says, shortly before the Fourth of July, workmen from the State Roads Commission come and cut the grass. But when he asks that the proper steps be taken that would make it clean and orderly, he is told that for such functions, Battle Acre is the responsibility of the National Guard.

But, says Mr. Womer, the National Guard equally, unequivocally, also disowns the place.

"I know that acre belongs to the state of Maryland because I've seen the record," he says with his usual zeal. "It was donated by a man named Jacob Houck.

"But in my time, I haven't been able to find a single department in the government that is willing to take care of the place. All we're asking is a new American flag and a decent light, so we could keep it on all through the night, so that anybody passing by could see what was happening in there. That would stop a lot of the hooligans.

"The way it is, it's a disgrace. When the dean of Gloucester Cathedral came over here all the way from England wanting to see the battlefield where the Americans had turned his country's forces back, I was ashamed to show it to him, it was that bad.

"Now, with the bicentennial coming up, there are going to be people from all over the country arriving here wanting to visit all these historical sites.

"Patapsco Neck's important in American history and Battle Acre's where all the action took place.

"People are going to want to see it, but the way it looks right now, I wouldn't be willing to show it to them."

TRIBUTE TO THE HONORABLE JOHN A. BURNS

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. SISK. Mr. Speaker, it is with a deep sense of loss that I join with my colleagues in paying tribute on the passing of John A. Burns who served with us here in the House while he was the Territorial Delegate from Hawaii.

Jack Burns was a warm personal friend of mine and I had the honor of working very closely with him to secure statehood for Hawaii since we served to-

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gether on the Interior and Insular Affairs Committee and the Statehood Subcommittee.

He probably can be credited more than any other for the creation of the State of Hawaii, and was later its Governor and one of its most beloved citizens.

I have the privilege of being a member of the last congressional delegation to visit Hawaii before it became a State.

My deepest condolences go also to Beatrice Burns, his wife, and the entire family. Our last admitted State and, in fact, all the 50 States, will be a sadder place now that Jack is gone.

SEVENTY-FIFTH ANNIVERSARY CELEBRATION OF WAIPAHU ELEMENTARY SCHOOL

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mrs. MINK. Mr. Speaker, a few years ago I had the distinct pleasure of pointing out to the Members of this House that my hometown, on the outskirts of Honolulu—the town of Waipahu—was celebrating the 75th anniversary of its establishment as a sugar plantation camp. Many things have changed in Waipahu since 1897, and the sleepy plantation camp has become a residential and commercial center of some size for a good share of the population of rural Oahu.

Some things have not changed, though, and among them is the fact that the original plantation laborers, like Waipahu's present residents, placed a high premium on good, basic education. Thus it was that only a year or two after the plantation was established at Waipahu that an elementary school was set up to accommodate some 125 youngsters from Waipahu and the surrounding communities some miles distant at Pearl City, Ewa, Nanakuli, and Waianae.

That first school year, 1899–1900, these 125 young people were under the charge of just three teachers. They came to Waipahu Elementary School by buggy, on horseback, or on foot, in the best traditions of those young people from the early days of our country who thirsted for education and self-improvement.

Waipahu Elementary School is now the oldest school in the Leeward District of Oahu. There are now nearly 1,000 students enrolled there, and the teaching and service staff totals about 70 people. The school has been joined over the years by other elementary schools in the same area, and Waipahu also has a high school to serve the growing community. But, of course, there is only one original Waipahu Elementary School and the students and staff there are commemorating the 75th anniversary of their school's founding with several programs and publication of a creative writing booklet and news magazine.

I hope my colleagues will join me in saluting Waipahu Elementary School on this auspicious occasion, and commend all the students and faculty for organizing a grand celebration on June 4, 1975, as this 75th school year comes to a successful conclusion.

THE HANDICAPPED VERSUS THE ARCHITECTURAL BARRIER

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. ABDNOR. Mr. Speaker, today I introduce legislation making it the sense of Congress that all units of government expeditiously remove the many architectural barriers existing in our public places to the handicapped.

Although we have been moving in this direction in recent years, and many barriers have been removed, many remain preventing access and enjoyment by the handicapped.

The approaching Bicentennial anniversary will be celebrated by all of our citizens with many visiting historical landmarks and institutional centers personifying this Nation's underlying principles and development. The handicapped may not have access in many instances. We cannot allow this to happen. We should not allow this to happen especially when one considers the fact that our Constitution stipulates that the purpose of our Government includes the promotion of the general welfare, protects individual rights and fosters opportunities for all.

This Nation has the resources to remove existing barriers and to do so before our celebration starts. Many places here in Washington have made provisions for the physically impaired. There are generous quantities of information which will assist the handicapped in making their visit to Washington enjoyable and convenient. But, in a different sense, we still have present day impairments such as an individual in a wheelchair can visit the Washington Monument, but cannot see out the windows once there. The Lincoln Memorial is "inaccessible to wheelchair users" according to the National Park Service. Only one of the Smithsonian's museums provides extended displays for the blind? Why?

As the Bicentennial draws near, I am reminded of what government is supposed to do: "to do for the people what they cannot or will not do for themselves." The handicapped cannot provide their own access to public facilities, at least, not without great difficulties and resources. They are people too.

Following is the text of the concurrent resolution which I introduce:

CONCURRENT RESOLUTION

To promote and encourage the removal of architectural barriers to the access of handicapped persons to public facilities and buildings.

Whereas the approach of the bicentennial anniversary of the founding of this country calls all of us to reaffirm the principles attendant that foundation and guiding our growth as a Nation; and

Whereas the Constitution stipulates that the purposes of our government include the promotion of the general welfare; and

Whereas Members of this Congress have sworn to uphold and defend this most basic document and statement of principles; and

Whereas our handicapped fellow citizen have rights, not because of their disabilities, but rights which belong to all our citizens; and

Whereas many existing public buildings and facilities have architectural barriers to access and enjoyment by our handicapped fellow citizens; and

Whereas this country, as in no other time in its history, has the resources to provide for the well-being of all its citizens: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress—

(1) that the Constitutional Officers of the United States of America, administrators of institutions supported with public monies, and administrative officers of this Congress, should immediately survey facilities under their direction for all architectural barriers to the handicapped;

(2) that said officers and administrators should make available monies from their discretionary funds for the removal of architectural barriers to the handicapped; and

(3) that all other governmental units should be encouraged to make similar provisions for the handicapped citizen who reside under their jurisdiction.

ST. LOUIS GLOBE DEMOCRAT MAKES FOOL OF FBI

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. CLAY. Mr. Speaker, I rise to express my total indignation with recent activities of the Department of Justice as they have related to me under the guise of a "so-called" continuing investigation. The Department of Justice has trampled on my constitutional rights as a citizen and overreached itself in a manner which directly violates the principle of "separation of powers." Agents of the Department of Justice have doggedly harassed present and past employees of my staff, intimidated several business and labor leaders who made legal campaign contributions to me during the 1972 elections, and created conditions which interfere with the effective discharge of my responsibilities as a duly elected Member of Congress. Relative to an earlier stage of this seemingly endless probe, 84 of my colleagues signed a letter to the Attorney General requesting that, in fairness to me, the investigation should be concluded in one way or another, indictment or absolution. To date the Attorney General a month after receipt of the letter, had not seen fit to even respond.

Accordingly, today I registered by mail a strenuous protest to the Attorney General of the United States. I seriously questioned the manner, quality, and motivation for this "so called" continuing investigation. What started out as an investigation based on a complaint in the 1974 elections filed by a candidate has now, in my opinion, mushroomed into a full scale witch hunt. It appears that a St. Louis daily newspaper, the Globe

Democrat, has retained the Justice Department as its private detective agency. The most recent collaborative escapade between the Globe Democrat and the FBI smacks of harassment, coupled with incompetency and inefficiency.

This latest charade vividly points out how the Globe Democrat is effectively using the FBI in a nefarious scheme to impugn my integrity and destroy my credibility. However, in this instance the Globe Democrat made a complete fool of the Federal Bureau of Investigation.

In a Globe Democrat article dated March 27, 1975, the charge was made that:

> Nearly $3,000 in political contributions to U.S. Rep. William L. Clay's three 1974 Campaign Committees is not accounted for in campaign expense reports as required by law, records showed Wednesday.

Immediately, the Globe Democrat's private detective—FBI—rose to the occasion. On Friday April 11, FBI agents started interviewing the nine alleged contributors photographing the fronts and backs of the checks contributed. Agents even went further inquiring about 1972 political contributions made to me.

This in my opinion is harassment of the most gratuitous sort. That harassment has now been extended to include those who supported me in prior elections.

If the FBI had not been in such a hurry to accept as incontrovertible fact the Globe Democrat accusations, the truth might have been ascertained very simply. The agents needed only to have reviewed the records in the office of the Clerk of the House of Representatives, the respective chairmen of the two campaign committees or my office. By doing so. they would have learned that those contributions in question had been reported as required.

Instead. Mr. Speaker, the Department of Justice in a fashion all too common, assumed that I was guilty and set in motion an investigative juggernaut to prove it.

If a Member of the U.S. Congress is treated in such a shoddy, reckless, and irresponsible way, what chance then does an ordinary citizen in our society have to protect himself against the vendetta of a newspaper and the corresponding willingness of Federal agencies to flunky for such an unethical newspaper.

Mr. Speaker, I deeply resent what is happening and call on the leadership of this body to take the necessary action to prevent the encroachment of the Justice Department upon the rights and prerogatives of the Congress.

HANOI PREPARES A BLOODBATH

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. McDONALD of Georgia. Mr. Speaker, contrary to some of the prognosticators, who told us that a "bloodbath" in Vietnam would not occur, it is already taking place. State Department dispatches speak of such barbarities as running over refugees with Soviet trucks in order to make certain none of them escape to South Vietnamese-held territory. Selective executions, in order to establish a reign of terror, have already been taking place according to Henry Bradsher in the Washington Star of April 18. The reasons and background for this murderous train of events was recently set forth in a very succinct manner by Prof. P. J. Honey of London, the world's leading Western expert on North Vietnam, I commend this article, which appeared in the London Daily Telegraph of April 16, 1975, to the attention of my colleagues, because so many in the Congress and in the general population appear to be confused as to the true nature of communism. A bloodbath is a routine item in any Communist conquest. This was true in the case of Russia, Eastern Europe, Communist China, Cuba, and now Southeast Asia. It is a basic tenet of communism that all possible opposition has to be liquidated and/or imprisoned in order to consolidate the rule of the Communist Party. The article follows:

P. J. HONEY ON THE MEN AND POLICIES BEHIND NORTH VIETNAM'S DETERMINATION TO CONQUER THE SOUTH—HANOI PREPARES A BLOODBATH

The Vietnamese Communists are not a group of idealistic bare-foot peasants fighting with rudimentary home-made weapons to free Vietnam from foreign domination, or lovers of peace reluctantly forced into using violence against corrupt compatriots, sustained by American dollars, who are oppressing the Vietnamese nation. Sadly it is necessary to state this because so many people in the West unthinkingly accept that image, so diligently disseminated by Communists and fellow travellers, in the face of all the facts.

They are an aggressive expansionist movement who already control North Vietnam and the greater portion of the three neighbouring States of Laos, Cambodia and South Vietnam. They are the Prussians of south-east Asia who, despite their strictures on the South Vietnamese for accepting American aid, themselves depend wholly on Russia, China and the rest of the Communist bloc for military and economic supplies. They subject the North Vietnamese people to one of the lowest living standards in the world so that their armies may engage in military conquest abroad.

First, the régime in North Vietnam is totalitarian. That is to say the totality of power resides within a single political party, the Lao Dong or Communist party, which controls the Government, the Armed Forces, the security services, the Press, radio and television, the economy, labour, the movement of people and much more besides. Citizens of North Vietnam are not free to leave the country or even to travel within it without permission. Many essential goods are rationed, there is compulsory military service and labour may be directed whenever the Communist authorities wish. Arrest is arbitrary and there is no appeal against it, while sentences are frequently Draconian, as in the case of the young man sent to prison for 14 years and deprived of civil rights for playing Western music. Some senior officials, men such as Tran Dai Nghia, chairman of State Commissions, or the vice-president of Hanoi University, Dr Le Van Thiem, actively supported Hitler.

The régime is directed by 11 men who constitute the Politburo of the Communist party central committee and who between them take every major decision. The central committee, which meets periodically, "rubber stamps" these decisions while the Government is nothing more than the executive which carries them out. There is only one Communist party in Vietnam though a nominally separate party, the People's Revolutionary party, was set up for South Vietnam in 1962 to suggest to uninformed foreigners that the Viet Cong there are independent of the North Vietnamese. During the lifetime of Ho Chi Minh the Politburo tamely accepted his direction but, since his death, differences among the members have become apparent. These concern personalities and methodology, for there is no disagreement over the ultimate goal.

Vietnamese Communism is the creation of Ho Chi Minh, and the party still embodies the characteristics with which he endowed it. The popular image of Ho as a saintly, simple-living patriot concerned only with freeing his people from foreign bondage could scarcely be more misleading. A self-proclaimed Communist, he was ruthless enough to betray the nationalist leader Phan Boi Chau to the French authorities in Shanghai to rid himself of a rival and use the reward to finance his own political activities. The simple peasant garb and gentle manner he adopted quite deliberately when he noted the political impact of Mahatma Gandhi in India. Ho had the political shrewdness to exploit Vietnamese nationalism for his own Communist objectives, and he made the ideology more palatable by expressing it in homely Vietnamese language instead of stiff Marxist-Leninist jargon.

Possibly the most traumatic experience of Ho's long life, and one which made an indelible impression on him, was the Kuomintang's sudden turn against its Communist partner in 1927, when many Chinese Communists were killed and Ho himself escaped only because of the Russian passport he held. Subsequently in Vietnam he would never tolerate the sharing of power with non-Communists and he imbued the whole party with an almost pathological fear of this. Potential rival centres of power, whether institutions or persons, are always ruthlessly eliminated.

RECORD OF MURDER

Ho's seizure of power in Hanoi was characterised by the mass killings of political rivals among the Dai Viet, the Vietnam Quoc Dan Dang, and other nationalist movements, while outstanding State officials such as Pham Quynh and Ngo Dinh Khoi, the brother of Ngo Dinh Diem, were murdered, as was the Trotskyist Ta Thu Thau. In 1954 the so-called land reform, whose slogan was "It is better to kill ten innocent people than let one enemy escape," caused the deaths of an estimated 100,000 people and stirred unarmed peasants into open revolt.

The Vietnamese Communist leadership is fanatical, dedicated, and single-minded in pursuit of its aims. It regards its lengthy struggle as a unitary campaign embracing both the military and political, each of which must serve the interests of the other. Thus, when North Vietnam agreed to hold talks in Paris during 1968, it used politics to relieve military pressure on its defeated troops and to halt the bombing of North Vietnam, not to negotiate a compromise solution which would end the struggle. The late President Johnson failed to understand this.

Again, when Le Duc Tho made concessions to Dr. Kissinger in October, 1972, he did so to take the pressure off the retreating Communist troops. Later miscalculation by Hanoi resulted in the December, 1972, bombing, but that was halted by agreement to accept the draft cease-fire. Through the Paris settlement North Vietnam secured the withdrawal of America from 1Vetnam and the legal right to a military presence in South Vietnam. True, she agreed to withdraw her own troops from Laos and Cambodia and undertook not to engage in military aggression in the South, but these were merely tactical concessions of the movement which she had no intention of observing in the longer term. As the world has seen, the Vietnamese Communists have violated every article of the Paris cease-fire, just as I said they would at the time of the signing.

No matter how the United States Congress may rationalise; no matter how Communist apologists in the free world may argue; no matter what conciliatory promises Hanoi or "Liberation" radio stations may broadcast, a Communist victory in South Vietnam would result in killings on a vast scale. The whole past record of the Communist leadership, the murder or abduction of 5,800 civilians in Hue during the 26-day occupation by Communists in 1968, the ceaseless references to "blood debts" which "must be paid," to the "guilt" of "tyrants" or "lackeys" made by the Communists over many years, the awful events which followed the 1954 Communist takeover in North Vietnam, and the testimony of those sent from North Vietnam to implement the takeover leave no room for doubt.

First, the Communists will require foreigners to depart and then, behind closed frontiers, they will eliminate every person, group and institution which they believe to pose a threat to their regime. Vengeance will be extracted from the "guilty," whose sin was to serve the legally constituted Government of South Vietnam or oppose the Communists at any level, local, provincial, or national. Should the bloodbath come about, it will be no excuse for those who did nothing to prevent it to say they did not know. All who argue that the Vietnamese Communists will exact no retribution are ignoring the abundant and irrefutable evidence. They are gambling their personal opinions against the lives of possibly a million South Vietnamese.

IMPATIENT, FAITHLESS AMERICANS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. HUNGATE. Mr. Speaker, last week I introduced a column by Russell Baker which I felt may be instructive as we consider a different direction in our approach to foreign policy. Today I want to introduce a second column by Mr. Baker which may have the same benefit:

IMPATIENT, FAITHLESS AMERICANS

(By Russell Baker)

WASHINGTON.—Henry, very important at the State Department, was weeping when I arrived for our interview. I withdrew discreetly, embarrassed by those powerful tears, but he pursued me. "Ask me why I am weeping." he commanded. I did.

"I am weeping because our allies will no longer have confidence in us," he said. "Vietnam proves that the United States is not a reliable ally because it will not do enough to help its friends."

"But, Henry, surely it proves just the opposite."

"Don't talk like an imbecile."

"We gave them 150 billion dollars, Henry. Was that an act of bad faith?"

"Not entirely," he said.

"We sent them an American Army of more than 500,000 men and lost 50.000 of our men in combat for them."

"An army fighting out there for them twice as long as we fought in World War II."

"Of course we did," Henry sobbed.

"And to support that Army we ran budget deficits that started us on the road to one of the worst inflations in our history, but we were willing to do it because they were our allies and we wanted to stay reliable."

"That much was very decent of us," he agreed.

"We built and trained an army of their own for them and gave them guns, tanks, planes, cannon, trucks, helmets, rifles, bullets, khaki uniforms, metal helmets, and PX commissaries."

"Tell me something I don't know," said Henry.

"At home we let the country stew in bitterness, division and animosity as bad as anything we've had since the Civil War, and we let it happen because we were determined to honor our commitment."

"I'm not complaining about that."

"We had to throw out a President in order to keep faith with our Asian ally, but we did it."

"Lyndon Johnson," said Henry, "made a great sacrifice for the commitment."

"And then we elected Nixon to bring us together and give our Asian ally peace with honor, and we spent four years waiting for him to do it."

"It wasn't too much for an ally to expect of America," said Henry.

"To keep faith with our ally, we forced many young Americans to break from their families and live in exile and even pursued them with policemen to punish them for not upholding America's reputation for reliability as an ally."

"That was then."

"We let other young Americans sit caged for years in North Vietnamese prisons, sometimes being tortured, and all to show that we would not break in our resolution to keep our commitment."

"Those were brave young men."

"We blockaded Haiphong harbor and bombed Hanoi, which cost us considerable losses in our Strategic Air Command bomber force. We moved peasants from their villages into armed camps to prevent their subversion by enemy forces. We defoliated large parts of the country, even though it brought us into bad repute among a lot of our other allies abroad, and we did it because we were resolute about honoring our commitment."

"Well?"

"We made war on a neutral country in violation of the Constitution, and we knew it was not a completely good thing to do, but we sat still for it because we were the kind of people who mean it when we say we will honor our commitments."

"I know all about Cambodia," said Henry, "but it has nothing to do with the present case."

"Be reasonable, Henry. You can't just shrug off the 150 billions, the longest war in American history; the 500.000 man American Army, the 50.000 dead and all that bombing, defoliating, and blockading. As good allies, we were willing to turn out a President, violate our own laws, and see our prisoners tortured, our families broken, our economy weakened, our world reputation damaged and our country deeply divided, rather than refuse to honor our commitment. Doesn't all that count for something, Henry?"

"Sure," sobbed Henry, "but what have we done for them lately?"

CHILD NUTRITION PROGRAMS

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. MATSUNAGA. Mr. Speaker, I am in strong support, as are a majority of my respected colleagues, of legislation designed to expand and extend the existing child nutrition programs. Such programs are far too crucial to the health and well-being of America's youth to be allowed to succumb to the administration's proposal. As most of the Members of the House are aware, President Ford proposed replacing existing programs with a block grant consolidation; ending the general subsidy for lunches to some 15 million "nonneedy" children; and narrowing the eligibility for free or reduced-price school lunches.

I commend the chairman of the House Committee on Education and Labor, the gentlemen from Kentucky (Mr. PERKINS), for the speedy presentation of a school lunch program designed to bring a nutritious lunch to all the children of America—not just the very poor. Economic conditions today demand the establishment of programs with the specific goal of responding to the needs of the extremely hard-pressed middle-income families. As a result of this shift of emphasis—from a program which responded solely to the needs of the very poor, to one which responds to all of America's schoolchildren—we open and expand the program's support to include a much greater segment of our society. Therefore, the program which the committee offered to us last month is a stronger, more comprehensive proposal than the child nutrition programs of the past.

I am in complete agreement with the general thrust of the committee's proposal. Yet, certain inequities have come to light in the section of the legislation which requires the Federal Government to subsidize the difference between the maximum charge to students of 25 cents per lunch and the price of the school lunch as of January 1, 1975. The problems resulting from this proposal are as follow:

Schools which have operated inefficient and/or higher cost programs would be rewarded, because the Federal Government would pick up the tab for the difference between 25 cents and the price charged on January 1, 1975, with no limit on that subsidy.

Many local communities, such as my State of Hawaii, have set the price to the students of their school lunches lower than the cost, in effect, providing a local subsidy to insure low-cost nutrition to all of our children. These districts would be penalized for their initiative because the Federal payment is measured by the price of the lunch rather than the cost.

These inequities clearly are a result of funding based on price rather than on the actual cost of preparing a school lunch. By computing Federal payment according to this model we subsidize poor planning and punish efficiency.

In order to address this problem I have prepared an amendment which would alter the computation of Federal payment to the school districts, to base it on the average cost of preparing a lunch as of January 1, taking into account existing Federal payments and imposing a limit on the payment.

It is my belief that this proposal is one which can operate efficiently while not exceeding the cost of the old proposal. The inequities found in the earlier amendment would be virtually eliminated in this proposal.

As was pointed out during the debate last month on H.R. 4222, my State of Hawaii has long been committed to providing a nutritious lunch to all schoolchildren. No one pays more than 25 cents right now, although cost pressures are mounting. We must fashion a program that deals fairly with those school districts, like Hawaii, where local initiative has made the school lunch program a major part of the educational experience.

Finally, Mr. Speaker, I want to emphasize how much is at stake in this debate. Not only must we shape a viable framework for continuing the school lunch program, but the other nutrition programs contained in this measure must also be attended to. The WIC program—women, infants, and children—has met with major success in Hawaii and elsewhere around the country; it needs to be extended. The school breakfast and summer feeding programs have filled important gaps in nutritional programs.

I commend the Education and Labor Committee for its continued hard work toward achieving agreement on a national compromise measure which the House can approve expeditiously. I pledge my fullest personal cooperation in that effort.

Only America's schoolchildren can lose if this vital legislation, with the proposed amendments, is not quickly approved.

CABLE TELEVISION

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. JACOBS. Mr. Speaker, I insert correspondence between me and Mr. Ackerman of Becker Communications Associates concerning cable television:

APRIL 1, 1975.

Mr. JAMES F. ACKERMAN,
Executive Director, Becker Communications Associates, Indianapolis, Ind.

DEAR MR. ACKERMAN: With your implied permission, I am inserting your letter in the appendix of the Congressional Record. It is informative and, for the most part, persuasive.

I confess that I do not grasp fully the relevant arguments in terms of expansion or restriction of cable television in its competition with broadcasting. But your letter certainly is an element which contributes to my knowledge of the field.

Best,

ANDY JACOBS, Jr.

BECKER COMMUNICATIONS ASSOCIATES,
Indianapolis, Ind., March 19, 1975.

Congressman ANDREW JACOBS, Jr.
Longworth Building,
Washington, D.C.

DEAR CONGRESSSMAN JACOBS: The purpose of this letter is to call to your attention the fact that cable television, an infant industry of much promise, is being crucified by its competitors, and that the FCC, a federal agency created by Congress, has been an active and knowing accomplice to this crime.

I have been acting as a lender and financial consultant to the CATV industry for nearly 16 years. Over the years I have worked with approximately 20% of the CATV systems in the nation. In addition, I am also an active investor in several systems.

To date, the American people have clearly demonstrated that they desire the benefits of cable. In fact, nearly 15% of the nation's households now subscribe. While there has never been a documented case of a broadcaster suffering because of cable, the FCC has continually promulgated rules and decisions which are designed solely to protect vested broadcasting interests from any and all conceivable competition from cable. Unfortunately, the FCC's actions are preventing the remainder of the American people from enjoying the benefits of cable.

The FCC's actions are slowly strangling this promising infant industry.

Bear with me while I detail several examples of the FCC's version of "justice":

(A) I own a cable system which serves over half the population of Connersville, Indiana. The small town of Brookville (2900 population), which lies 20 miles to the south of Connersville, had requested that we serve them, thereby enabling them to view local Indiana television stations from Indianapolis.

Unfortunately, under the FCC's regulations, a small portion of Brooksville lies within the mythical "35-mile zone" of Cincinnati, Ohio. This has the drastic effect of doubling the cost of installing such system, while at the same time limiting the number of signals that can be carried. The net effect is that the residents of Brooksville—people who want and should have cable—could not be economically served.

Reacting to the illogic of the rules, we petitioned the FCC for a waiver which would have allowed us to install a normal system and to carry off-the-air Indianapolis signals. As could be expected, the FCC denied our request because a broadcaster in Cincinnati filed a protest. Unfortunately, the real "losers" are the people of Brooksville who will not have the cable service they requested.

(B) I serve as Executive Director of Becker Communications Associates, a $35 million fund devoted to CATV and communication investments. We are financing a CATV company which will serve areas immediately contiguous to Fort Wayne, Indiana. Under the FCC's rules, it was unclear whether the company would be entitled to import WGN from Chicago or an alternative station from Detroit. The company was willing to expend considerable sums of money to import *either* channel by microwave, but it would be clearly impractical for it to expend huge amounts necessary to import both.

With customary wisdom, the FCC in a Solomon-like manner, "split the baby" and allowed the company to utilize Detroit signals in one-half of its system and WGN from Chicago in the other half. The FCC had been informed that this was clearly unpractical, but that had no effect. Again, the people will be the only real "losers."

(C) A current rulemaking before the FCC could deal a death blow to the cable industry. Specifically, the FCC is considering ordering the deletion of distant sports programming from cable. Since this is one of the great attractions of cable, as well as all television, the cable industry would be decimated by such a rule. Again, the public is the "loser".

(D) One final example, the White House Office of Telecommunication, and Justice Department and the National Cable Television Association have all called upon the FCC to "deregulate" cable so that the nation might reap the benefits of this communications resource. Here, again, the FCC has dragged its feet, and any action it finally does take will clearly be "too little too late".

The above are just a few of the many examples I could cite which demonstrate that the FCC's actions are severely limiting cable's growth and may, in fact, be destroying this infant industry.

I sincerely solicit your help in informing your colleagues in Congress of the damage being perpetrated by the FCC under the guise of the Congressional authorization found in the Communications Act of 1934.

I apologize for the length of this letter, but I feel that our elected representatives must know what is taking place at the FCC. We are in constant touch with the FCC and are spending thousands of dollars every month with our attorneys. Frankly, we aren't making much progress.

I don't know what the answer is but I am hopefully that my representative—as well as the representative of the people in the cable areas—you might communicate your concerns to the FCC Commissioners, who I believe, are serving the interests of the broadcasters rather than the interests of the people.

If you have any questions, please don't hesitate to call me at (317) 923-2353.

Sincerely,

JAMES F. ACKERMAN,
Executive Director.

THE BLACK ECONOMIC DEPRESSION

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. YOUNG of Georgia. Mr. Speaker, Vernon E. Jordan, Jr., executive director of the National Urban League, recently commented on that organization's quarterly economic report on the black worker.

The report estimates that true black unemployment—including those out of work, working part time when they want full-time work, and those who have given up trying to find jobs—but are not counted in the Government's unemployment statistics—is about 25 percent.

As Mr. Jordan points out, there are as many blacks out of work today as in the worst days of the Great Depression. He also observes that "high white unemployment is also hidden by the official numbers game. In addition to the 6.9 million white workers officially counted as unemployed in February, add another 6.9 million discouraged workers, and people in part-time jobs who want full-time work."

I enclose in the RECORD Mr. Jordan's statement which concludes that the Nation is indeed in a real depression and it is time to "get to the business of ending it."

The statement follows:

THE BLACK ECONOMIC DEPRESSION

(By Vernon E. Jordan, Jr.)

Statisticians have discovered a remarkable way to move people in and out of the labor force. They call it "seasonal adjustment." And one way to make the unemployment figures lower is not to count people unemployed if they've given up looking for work in a job market where no employment opportunities exist.

UMI

The Labor Department's February unemployment figures showed a rate of 8.2 percent, or about 7.5 million people out of work. Those are seasonally adjusted figures, theoretical constructs to account for shifts in work patterns that occur from month to month.

But when real people are counted—bodies, not theoretical constructs—the picture changes somewhat. Then we have an unemployment rate of 9.1 percent and 8.3 million workers—real people with bills to pay and families to feed—out of work.

And even these figures are grossly misleading. In February, some 580,000 workers gave up looking for jobs. So long as they registered each week that they were actively looking for work, they were counted as unemployed. In February, after weeks of fruitless job-hunting and no leads or interview possibilities they gave up the search. They thus became, in the official statistics, non-persons, no longer part of the labor force and no longer counted as unemployed.

Seen from the vantage point of a person who wants to work in a society that has no work for him, these statistical exercises become a sort of shell-game deceiving the public, legislators and the Administration about the seriousness of the Depression.

I'm not calling it a recession any more, because we are currently living through an economic Depression. For black people, there isn't the faintest doubt about this.

One of the biggest barriers to getting the kind of federal action to end this Depression is the public's ignorance of the seriousness of the situation. The National Urban League's Research Department just released its quarterly economic report on the black worker, and, along with up-dating to cover the last month or so, it presents a devastating picture of the black economic Depression.

It estimates true black employment including those out of work, working part-time when they want full-time work, and those who have given up trying to find jobs, at about 25 percent, one out of every four black workers!

For black teenagers, the official rate is over 40 percent. In some urban ghettos, up to half the people are without full-time jobs they want.

And that's not all. There are as many blacks out of work today as in the darkest days of the Great Depression. About a quarter of the black unemployed have been out of work for at least four months. About 700,000 of the black unemployed are not eligible for unemployment compensation benefits, because their unemployment did not result from direct job lay-offs, a requirement for such benefits.

And one striking finding is that blacks, who comprise 12 percent of local government employees, make up almost of all local government workers who were unemployed, offering striking testimony to the disproportionate lay-offs of blacks by local governments, demonstrating lessened commitment to affirmative action.

Some people, noticing the concentration of black workers in the laggard auto industry, think that alone accounts for high black jobless rates. Not true. Far more blacks have lost jobs in the construction and food processing industries.

And this Depression is not confined to blacks, it cuts across the board. High white unemployment is also hidden by the official numbers game. In addition to the 6.9 million white workers officially counted as unemployed in February, add another 6.9 million discouraged workers, and people in part-time jobs who want full-time work and you've got a grand total of close to 14 million white people out of work today.

No amount of fudging can hide the fact that this nation is in a real Depression. It's time to stop haggling over what to call it and get to the business of ending it.

GUIDELINES FOR CLAIMING TAX CREDIT FOR PURCHASE OF NEW RESIDENCE UNDER THE TAX REDUCTION ACT OF 1975

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. MIKVA. Mr. Speaker, in an effort to aid my constituents in their understanding of the provisions of the tax credit for the purchase of newly constructed housing under the Tax Reduction Act of 1975, I am inserting the recently released Internal Revenue Service's guidelines for claiming the credit:

Technical Information Release Internal Revenue Service

Guidelines for claiming the credit for purchase of a new principal residence under the Tax Reduction Act of 1975 were announced today by the Internal Revenue Service. Taxpayers may rely upon the guidelines pending issuance of regulations.

Section 208 of the Act, new Internal Revenue Code section 44, provides a Federal income tax credit of 5 percent of the taxpayer's adjusted basis with respect to a new principal residence purchased or constructed by the taxpayer, if it is constructed, acquired, and occupied within specified periods. The maximum credit is $2,000 ($1,000 in the case of a married taxpayer filing a separate return), and the credit may not exceed the amount of the taxpayer's tax liability.

To qualify for the credit the following conditions must be met:

(1) The residence must be a new principal residence,

(2) The construction must have begun before March 26, 1975.

(3) The residence must be acquired and occupied as a principal residence after March 12, 1975 and before January 1, 1977,

(4) Except in the case of self-construction, a binding contract for the purchase of the residence must be entered into before January 1, 1976, and

(5) Except in the case of self-construction, the buyer must attach to his return a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale.

The property purchased must be a new principal residence of the taxpayer, the original use of which commences with the taxpayer. The term "principal residence" refers to the place where the taxpayer lives most of the year and has the same meaning as under section 1034 of the Code. The term "residence" includes a single family structure, a residential unit in a condominium or cooperative housing project, the taxpayer's portion of a duplex or a row house, and a mobile home. The residence must be new. A renovated building does not qualify as new for this purpose, regardless of the extent of the renovation. The "original use" of the new principal residence by the taxpayer means that such residence has never been lived in prior to acquisition by the taxpayer. For these purposes, a residence will be treated as never having been lived in prior to acquisition if the first occupancy was by the taxpayer pursuant to a lease arrangement pending settlement under a binding contract to purchase or pursuant to a lease arrangement where a written option to purchase was contained in the original lease agreement.

The credit applies only to a new principal residence the construction of which began before March 26, 1975. For this purpose, construction is considered to commence when actual physical work of a significant amount has occurred at the building site. A significant amount of construction requires more than drilling to determine soil conditions, preparation of an architect's sketches, securing of a building permit or grading of the land. However, digging of the footings, excavation of the building site, or similar work constitute a significant amount of construction.

Construction of a mobile home or a factory-built house is considered to commence when construction of important parts of the mobile home or factory-built house commenced. Construction or assembly of a minor portion of the components of the mobile home or factory-built house does not constitute commencement of construction.

The credit applies only to property acquired and occupied as a principal residence by the taxpayer after March 12, 1975, and before January 1, 1977. However, where the residence is acquired by purchase rather than self-construction, it must also have been acquired by the taxpayer under a binding contract entered into before January 1, 1976. For these purposes, a taxpayer has "acquired" a residence when legal title to it is conveyed to him at settlement, or he has possession of it pursuant to a binding purchase contract under which he makes periodic payments until he becomes entitled under the contract to demand conveyance of title. The credit may not be claimed until both the acquisition and occupancy tests have been satisfied. Thus, where a taxpayer meets the acquisition test set forth above after March 12, 1975, and occupies the property as a new principal residence before January 1, 1976, the credit is allowed on the taxpayer's 1975 tax return. Thus, a taxpayer may be entitled to the credit with respect to a residence where a purchase contract was entered into prior to March 13, 1975, so long as settlement and occupancy occur after March 12, 1975.

Taxpayers claiming the credit should attach new IRS Form 5405 to their tax return on which the credit is claimed. An announcement will be made when the form is available. Except in the case of self-construction, taxpayers must also attach a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale.

The following form of the certification statement will be accepted:

I certify that the construction of the residence at (specify address) was begun before March 26, 1975, and that this residence has never been offered for sale in a listing, a written private offer, or an offer by means of advertisement at a lower purchase price than (state price), the price at which I sold the residence to (state name, present address, and social security number of purchaser) by contract dated (give date).

(Date, seller's signature and taxpayer identification number.)

An offer to sell is limited to a listing, a written private offer or an offer by means of advertisement to sell a specified residence at a specified purchase price.

In determining whether a residence was sold at the lowest purchase price ever offered, appropriate adjustment shall be made for differences in financing terms and closing costs which increase the seller's actual net proceeds and the purchaser's actual cost. Where the sale to the taxpayer includes property which was not the subject of the prior offer or excludes property which was included in the prior offer, the amount of the prior offer shall be adjusted to reflect the fair market value of such property, provided that the taxpayer had the option to require inclusion or exclusion of such property included in the sale. The fair market value of any excluded property is to be determined at the time of the prior offer, while all additions are to be valued at their fair market value on the date of execution of the contract of sale.

The adjusted basis of the new principal residence on which the credit is computed

includes all amounts which are attributable to the acquisition or construction of the taxpayer's new principal residence, but only to the extent that such amounts constitute capital expenditures and are not allowable as deductions in computing taxable income. The adjusted basis is reduced by any gain from the sale of an old principal residence, which is not recognized due to the application of section 1033 or section 1034. Thus, if a taxpayer sells an old principal residence for $30,000 which has an adjusted basis of $20,000 and reinvests the proceeds by purchasing a new principal residence for $40,000 (including settlement costs which are capital in nature) and this purchase satisfies the statutory criteria under section 1034 for nonrecognition of gain, then the credit would apply with respect to $30,000 of the cost of the new principal residence. The credit allowable under this section does not in any way affect the taxpayer's basis in his new principal residence.

The Tax Reduction Act also increased the replacement periods provided in section 1034 from 1 year to 18 months in the case of purchase and from 18 months to 2 years in the case of self-construction. This provision applies to old residences sold or exchanged after December 31, 1974.

Where self-construction of a principal residence was begun before March 13, 1975, only that portion of the basis of the property allocable to construction after March 12, 1975 and before January 1, 1977, shall be taken into consideration in determining the amount of the credit allowable. Thus, if prior to March 13, 1975, a taxpayer who qualifies for the credit has constructed a portion of a residence at a cost of $10,000 and the total cost of the residence is $40,000, $30,000 will be subject to the credit.

Where a new principal residence is purchased by more than one taxpayer other than a husband and wife, the amount of the credit allowed will be allocated among the taxpayers in proportion to their respective ownership interests in such residence, with the limitation that the sum of the credits allowed to all such taxpayers shall not exceed $2,000. For this purpose, joint tenants with right of survivorship are treated as equal owners.

The credit is allowed with respect to only one residence of the taxpayer. In addition, the credit is not available for purchases from certain persons related to the taxpayer. Such related persons include the taxpayer's spouse, ancestors and lineal descendants and certain related corporations, partnerships and trusts described in section 267 and 707(b) of the Code.

The Act also provides for recapture in the event of a sale or other disposition of the residence within a 36-month period with exceptions for reinvestment in a new principal residence and for certain involuntary dispositions.

Civil penalties and criminal fines and imprisonment could result from false certification by a seller. If it is found that the price for which the residence was sold is not in fact the lowest price for which the residence was ever offered for sale, then the statute provides that a seller who certified that it was, is liable to the purchaser for damages in an amount equal to three times the excess over the lowest purchase price plus reasonable attorney's fees. No income tax deduction is allowed to the seller for two-thirds of any damages paid or incurred pursuant to a judgment entered against him in a suit brought by a purchaser on this issue. An individual who falsely certifies is liable for criminal penalties such as those under section 1001 of Title 18 of the United States Code.

In the absence of the taxpayer's participation in, or knowledge of, a false certification by the seller, the credit is not denied to a taxpayer who otherwise qualifies for the credit solely because the seller has falsely certified that the new principal residence was sold at the lowest price at which the residence was ever offered for sale.

FOOD DAY AND WORLD HUNGER YEAR

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. DOWNEY. Mr. Speaker, April 17 was World Food Day. It was a day during which many organizations throughout the world are highlighting the world's food shortage to those who can do something about it. Many of my colleagues in the House are participating in or benefiting from some of the Food Day activities taking place in Washington. I would like to commemorate this day by introducing to the Members of the House of Representatives an organization devoted to ending starvation at home and throughout the world. The organization, of which I am privileged to be a trustee, is called World Hunger Year, or WHY.

Already the dedicated people who comprise WHY have taken the initiative in making us aware of the extent of the food crisis. Last month I met with members of WHY here in Washington. Their purpose was to learn from us what can be done legislatively to ease the food shortages. I was pleased that my colleagues Representatives Pat Schroeder, Peter Peyser, and Paul Simon were able to join me in my discussions. We, and staff representatives from other congressional offices and committees discussed pending legislative approaches as well as what might be done in the future. We were also able to provide the people from WHY with specific information about existing Federal programs so that they can publicize these efforts, thereby heightening the general public's awareness and concern for world hunger.

Our meeting with WHY generated significant interest among many people on the Hill, and I would like to take this opportunity to encourage that interest. Therefore, at the conclusion of my remarks I insert WHY's statement of purpose, along with its address and telephone numbers, in the Record.

I urge my colleagues and others who are interested in aiding WHY in its work to contact them soon. The food problem is one that requires the creative and energetic talents that World Hunger Year has already so amply demonstrated. WHY deserves our personal and legislative support.

The statement follows:

WHY—World Hunger Year

P.O. Box 1975, Garden City, N.Y.

Tel.: (516) 742-3700; (212) 986-9676

WHY is a non-profit corporation devoted to ending starvation at home and throughout the world. WHY believes that:

It is unconscionable that anyone should starve or even be hungry in a world which can feed them.

The inequities stemming from an unjust distribution of the world's food have deep seated causes not easily solved by charity, and therefore we must treat the causes as well as the symptoms.

A basic change in human values is a necessary step toward achieving our goal, and grass roots educational efforts are an important means to begin that change.

A basic change in governmental priorities is necessary to implement a just end to starvation. The political, economic and logistical realities that exist in some of the most affected areas of the globe seriously limit much of the impact of well-intended aid.

Everyone is in a position to contribute to the final solution. Working together the people of the world can have a significant impact on the basic policy decisions that will decide whether millions of people will eat or not.

Our country's present efforts to relieve the economic problems and the hunger that exist in the United States are not incompatible with tackling the world hunger situation, and indeed, working on one demands working on both.

JOANNA MARIE BURLEY

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. BYRON. Mr. Speaker, 4 years ago, 14-year-old Joanna Marie Burley, of Cumberland, lay paralyzed after a knife attack on her way home from school. At that time physicians at West Virginia University Medical Center informed her parents that she would never walk again.

But Joanna was no ordinary girl and she refused to accept the fate outlined for her. Displaying unusual courage in the face of adversity Joanna has slowly conquered her paralysis and today, with effort and determination, she can take some steps without the aid of crutches.

This story of hope and courage was recently reported in a feature story that ran in the Cumberland News-Times and I would like to submit it now for the Record.

Joanna Burley, Paralyzed After Knife Attack, To Walk as Result of Medical Miracle, Hope

(By J. Suter Kegg)

When the Maryland State Police hold their dance next month at Clarysville Inn, all ears will be on Ronnie Dove, the country western-pop star from Nashville, Tenn. via Baltimore. But the eyes of the sellout attendance will be on a "walking dream."

Fourteen-year-old Joanna Marie Burley, a girl whose destiny four-and-a-half years ago was considered as bleak as an Arctic winter, will occupy a "seat of honor" at the annual frolic of Mountain Lodge 40, Fraternal Order of Police. If she so desires, the attractive blonde, blue-eyed South End girl will even stand—without the aid of crutches.

In April of 1971 such an undertaking would have been impossible. In fact, doctors at that time held little hope for her ever again standing alone.

As a vivacious youngster of 10, Joanna was struck down by a knife-wielding assailant enroute from Pennsylvania Avenue School to her home at 219 Memorial Avenue. The unprovoked attack by a youth who lay in hiding occurred November 10, 1970, the wedding anniversary of her parents, Mr. and Mrs. Chauncey Burley.

Paralyzed from the hips down as a result of the spinal slashing, Joanna was treated at

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Memorial Hospital, then rushed to the West Virginia University Medical Center at Morgantown for emergency surgery. It was there that her parents received the cruel prognosis—"Your daughter will never be able to walk again!"

Joanna herself, displaying a story-book type of courage, refused to accept the fate predicted for her. Arrangements were made to have her admitted to Children's Hospital in Baltimore, a veritable "house of Miracles." There she was fitted with braces from her waist to her toes and the long, torturous road to recovery began.

While progress has been slow, the plucky youngster never gave up hope, nor did she refuse to smile in the face of adversity. Under the faithful supervision and insistence of her mother, Stella, Joanna regularly went through prescribed therapeutic exercises at home. In addition, she received periodic treatments at the Allegany County League for Crippled Children and even enrolled in Red Cross swimming classes conducted at Allegany Community College by Lawrence Brehm.

Little by little, improvement in her condition was noted. She regained some movement in the lower part of her body and gradually need of the full, cumbersome braces diminished.

Last July 11, Dr. George O. Eaton, the celebrated Baltimore neurosurgeon, operated on her at Children's Hospital. A sliver of bone was removed from her right hip and fused onto the back of her right heel, forming a wedge. This is expected to compensate for a "drop" in that foot.

She remained in the hospital for a month and has worn three different types of braces. The only one she wears now extends only from the calf of her right leg to the foot and there's a strong possibility Dr. Eaton will order that one removed when he visits the League for Crippled Children here next month.

"I might even be able to wear almost any kind of shoes again," Joanna says wistfully. "After almost five years, I'm tired of saddle shoes."

Unable to attend ninth-grade classes at Fort Hill High School during her recovery, Joanna received private tutoring from the Board of Education at her home. She completed her year's studies April 1, her final report card showing two A's, a C-plus and a B.

When she re-enters Fort Hill next September as a sophomore, Joanna expects to be without any type of brace. She will, however, be required to use crutches for balance.

There is still some paralysis in the right leg from her hip to her knee but she can, with effort and determination, take a few steps without crutches.

Dr. Eaton, who smiles with pride every time he examines Joanna, wants her to practice these unaccompanied steps daily.

And Dr. Victor Weiss, the neurosurgeon who first operated on her at West Virginia Medical Center and since has established a practice at Memorial Hospital, regards the progress Joanna has made as "little short of a miracle."

The same goes for State and City Police who adopted Joanna as their symbolic sweetheart following her misfortune in 1970. She was four-feet-seven then and was confined to a wheelchair. Today, she's an attractive five-foot-four young lady who is extremely grateful to be able to stand on her "own two feet."

Detective Sgt. Bernard Chabot of the Cumberland Barracks of the State Police regards the scheduled appearance of Joanna as a bonus for guests at the May 24 dance. Sgt. Chabot is chairman of the committee on arrangements. Other members are Troopers Lester Lewis, Donald Maiers and Martin Tichnell.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. HARRIS. Mr. Speaker, on April 14, the Subcommittee on Employee Political Rights and Intergovernmental Programs of the Post Office and Civil Service Committee held a special evening public hearing on H.R. 3000, a bill with 57 cosponsors which will significantly revise the Hatch Act to allow Federal and postal employees to more actively participate in political activities as private citizens. Members of the subcommittee heard 24 witnesses—primarily Federal employees—who overwhelmingly supported passage of this bill. As a cosponsor of H.R. 3000, I want to share with my colleagues a statement by a Federal employee and one of my constituents, Mr. Arlof D. Hewson:

STATEMENT OF ARLOF D. HEWSON ON H.R. 3000

I am Arlof D. Hewson (Pete) from Springfield in Fairfax County Virginia. I am an Operations Research Analyst, in the competitive civil service, for the Department of the Army working at the Pentagon, where I have been employed for over four years. I am also fortunate to be associated with Common Cause, currently as 8th District Membership Coordinator and formerly as Campaign Coordinator between 1972 and 1974. Consequently, I have participated in a variety of both Federal, State and Local political campaigns on a non-partisan basis as well as having been in contact with much of the Northern Virginia electorate in both the 8th and 10th Congressional Districts.

During the course of my varied activities with Common Cause, I became concerned about the number of federal civil servants and military personnel who felt they could not participate in any political activity, even non-partisan political activity such as work for Common Cause, because of the federal government regulations. I would like to note that I am here to express my own opinion and not a Common Cause position, but I have been encouraged to testify as an individual. It is the basic Common Cause position to ensure maximum political participation for all citizens at every level in the political process. (Ref 1)

I would like to express my appreciation to my 8th District Congressman, Herb Harris, and his staff for informing me of the opportunity to testify before this Subcommittee. We in civil service and particularly in my district, are particularly pleased about Congressman Harris' participation on this Committee of Congress, so vital to federal employees' interests. I have also reviewed the January Common Cause Newsletter (Ref 2) to see the 1974 survey responses for those members of this Subcommittee as well as H.R. 3000 Cosponsors, and want to thank those present who have consistently supported Common Cause stands on open government and citizen participatory action.

I am here to endorse H.R. 3000, the "Federal Employees' Political Act of 1975". After carefully studying the draft legislation, I feel that the passage of this bill would greatly increase federal employee participation in our democratic election process without abusing employee protection from those few high governmental officials who might consider forcing or coercing us to perform political activities against our individual wishes. I would like to add that I personally have never witnessed any such abuses in the Department of the Army or in the Department of Defense and in fact have never heard of such abuses, and I am most thankful for this. Any concerns about this act on the part of my cohorts was only limited to its potential abuse and I cannot see any more possibility of this under H.R. 3000 than under the provisions of the "Hatch Act".

I believe that the non-participation of a large number of federal employees in the political process seriously erodes the capabilities of our State and Local government. In a recently published book "The Border South States" by Mr. N. Peirce, he notes in the chapter on Virginia (Ref 3) "Many of the most skilled residents of Northern Virginia work for the Federal Government and were prohibited by the 'Hatch Act' from taking part in any political activity".

While this is an erroneous statement since some political activity is authorized, it indicates that even some political writers do not understand the ramifications of the current law. Mr. Peirce goes on to say that No. Virginia has the lowest percentage of voters despite having the highest education level of any area in the state. This is true according to the U.S. Census of 1970 and is reflected by the total votes cast per district in the 1973 state gubernatorial election (Ref. 4).

The 8th District cast the least (approx. 46.5%) and the 10th cast the next fewest (approx. 48%). I would like to further note that Fairfax County, the fastest growing and best educated of any county in the Commonwealth, cast a relatively low vote (approx. 50%) in the 1974 Congressional elections compared to the rest of Virginia's districts, even though we had highly spirited and potentially close races. I believe this was caused by misapprehension over the "Hatch Act" although it was also caused by some higher transience in our population.

The major improvement I desire would be for additional federal legislation (but not in this bill) to provide equivalent broad political rights for military personnel. Many military persons as well as many civil service employees express their desire to further participate in the political processes but are certain that all activity is prohibited. In my opinion, the loss to the system of so many governmentally sophisticated individuals in the No. Virginia area has denied us meaningful political access, especially at the State level. For example, many military and civil service personnel bus or car pool to the Pentagon area over antiquated transportation networks, but primarily because of our lack of political status, we are unable to make our needs felt—namely to secure additional state funds to improve public transport and better highways/rail lines.

In a few instances, I have met superior federal employees, those with exceptional backgrounds and leadership capabilities, who should be encouraged to run as a candidate for office in one of the many of our elections. In every case they were discouraged because they could only run as an Independent. While Virginia is noted for a few Independent elected officials, the normal path for political success is through either political party and their caucuses. If this bill is passed, the impediment of not being able to participate in a party leadership position would be eliminated, and expertise, leadership and additional viewpoints would be added to the local Democratic and Republican party organizations.

In conclusion, I feel that the passage of H.R. 3000 will be a tremendous asset to the federal civilian employees as well as to Northern Virginia. I would anticipate its passage would increase the 8th and 10th Districts' voter participation by the thousands and political activists by the hundreds, which in my opinion will be beneficial to our area. I believe neither the Democratic nor Republican Party nor liberal/conservative ideology will gain particular advantage from this since federal employees in our area appear fairly equally divided politically.

I further hope that some day soon I will be able to testify in behalf of state public employees on Virginia legislation as far sighted as this bill. I appreciate your attention and will respond to any questions that the Members of the Subcommittee may care to ask.

BEAVER DAM DAILY CITIZEN ON SOUTHEAST ASIA

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. KASTENMEIER. Mr. Speaker, with the end to hostilities in Cambodia, and the daily deterioration of the strength of the South Vietnamese Government signaling the impending fall of that government, it is perhaps appropriate at this time that we take a broad view of what this final chapter to American involvement in Southeast Asia means.

For those of us who have felt that the conflicts in Cambodia and Vietnam were wars between local nationals fighting for control of their own countries, it is appropriate that these people finally be permitted to choose their own destiny without the great powers using them as pawns on a worldwide chessboard.

John Heilman, writing in the Beaver Dam, Wis., Daily Citizen, has offered a perceptive and thoughtful editorial on the meaning of our involvement in Southeast Asia and the positive value we still may gain from this tragic experience. I commend his comments to the attention of my colleagues:

FOR THE RECORD

(By John Heilman)

With the impending fall of South Vietnam, there are still some who sit and wonder what is going to happen next. These seem to include both President Ford and Secretary of State Kissinger, judging from statements regarding the domino theory in past weeks.

However, with recent developments, such as the bombing of the presidential palace, they may have some reason to change their minds. Still it is incomprehensible that anyone who has followed the war, especially the President of the United States and the Secretary of State, even in the most token gesture can hold such outmoded concepts to be of any value.

It seems almost poetic justice, that the fall coincides with the death of the staunch anti-communist leader Chiang Kai-shek, ally in World War II. What has happened and will eventually, when the whole of South East Asia, at least Vietnam and with all probability Cambodia, goes is only what has been expected since the war started turning sour in the late sixties. What has really come to end is the great era of Western Imperialism, which started in the 19th century. It is difficult to realize the dominance of the West over Asia has taken nearly one hundred fifty years, and countless lives of both segments of the world to work itself out.

It is even harder to realize in spite of two major world conflicts, the change in the entire political structure of the nations of the world during that time, the age old ideas of fear and nationalism are still treated as valid. What many fail to see in retrospect, is the entire conflict in the Far East has not really been the result of communist vs. free, but rather the question of local nationals to control and retain the right over their existence. In many respects this is what started in China when Mao was able to oust Chiang, and has been perpetuated in Vietnam. For years now, experts have been saying the monolithic notion of communism has been a fabrication of the Western mind.

The communist nations of the world are just as much at odds with each other as have been the Western ones. The attitudes of the people, from those who refused to support the nationalist government in China to those who could not find anything but apathy for the South Vietnamese, were simply indicating they didn't want Western domination, and were really politically indifferent. A thought very difficult for the politically minded Westerner to understand. Still, with the moment of truth at hand, there has to be some reflection on the events of the past two and a half decades, and the course which lies ahead.

There has to be one sound realization, that Western influence, American or otherwise, in Asia has come to an end. The great strongholds of Western integrity are gone. Chiang is dead, and regardless what some analysts might say, there is evidence his son will find negotiations with the mainland less distasteful than did his father. There is strong indication there may be a reunification, or at least a decline in hostilities between the two factions. This is equally true of the position of South East Asia. With the Western influence defunct, there again is strong reason to believe there may be solidification in that part of the globe. However, there are still the major national differences, and there is no doubt still the attitude of the leaders of various national groups not to want to be under the thumb of anyone.

It is difficult to find a veteran now who feels the war was worth it, or even felt that way over there. The bombs dropped on nowhere, shells fired into empty forests, attacks on unheld ground, as well as taking ground at heavy cost, only to lose it. These are things the Americans will have to live with for some time to come. They are tragic memories, but they may well begin a new era in not just U.S. foreign policy, but world policy as well. It may well be the age of unilateral strength is at an end, that no single power, or group of powers can play 19th century games. If that much is gained, if it took the Vietnamese disaster to learn it, there may be some hope all was not wasted.

EFFECTIVE HOME HEALTH CARE IN MINNEAPOLIS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. FRASER. Mr. Speaker, last month my colleague, Mr. STEELMAN, and I, along with 49 cosponsors, introduced legislation dealing with a significant, yet badly neglected aspect of a well-balanced comprehensive health care system—home health care.

At that time, we pointed out that though home health care is not intended to be a substitute for institutional care when institutional care is needed, home care offers in many instances a less expensive and more effective alternative to institutionalization.

Our bills, as well as legislation introduced by my colleague, Mr. CONABLE, providing for an optional program of long-term health care services within medicare, are bills worthy of serious consideration. The Conable bill, H.R. 2268, encompasses homemaker services, nutrition services such as meals on wheels, long-term institutional care services, day-care and foster home services, community mental health center outpatient services, as well as home health care services.

I was pleased that last week the House overwhelmingly approved H.R. 3922, the Older Americans Act Amendments, which contained a new title providing funds to public and private nonprofit agencies which agree to provide home health care and other home services to senior citizens.

In my home district of Minneapolis, dramatic savings to taxpayers are achieved daily by the Minneapolis Age and Opportunity Center, a nonprofit home health care organization, which, under the outstanding leadership of Ms. Daphne Krause, makes it possible for senior citizens to retain relative independence by remaining in the familiar surrounding of their own homes.

An interesting article on the age and opportunity center appears in the April issue of Family Circle magazine. It is a well-presented case for the need for home health care services and a good description of how home health care works:

AGED PARENTS AND DEPENDENT KIDS: THE MIDDLE-AGED DILEMMA

(NOTE.—In the seventh of its reports on "Today's Families and Their Money Problems," Family Circle tells how a unique, comprehensive agency serving the aged helped relieve the dilemma of a Minneapolis family with elderly parents who were no longer able to take care of themselves.)

When their doctor told Marie and Frank Butler that they would have to go to a nursing home, their daughter-in-law Joan spent a frantic day phoning almost every nursing home in Minneapolis. The doctor felt that Marie, 71 and suffering from diabetes, and Frank, 75, chair-ridden with emphysema, no longer could take care of themselves in their own home.

Joan found what she and her husband, Dick, considered to be a suitable nursing home—one run by a local church group.

Marie and Frank stayed less than three months and insisted on going home. After 45 years of their own apartments and then a house, they couldn't stand being limited to one room—one not even as big as just their living room at home. Moreover, proud people who survived the Depression of the 1930's, when Frank worked 78 hours a week for $22 as a butcher, they rejected the prospect that after they consumed most of their assets they would have to ask for state aid to pay the nursing home. Even that short stay cost Marie and Frank $3,000—a heartbreaking chunk of their life savings.

Marie is a sweet-faced lady with a gentle voice. Even when she tells her troubles she sounds as though she's explaining rather than complaining. "The care at the nursing home was wonderful," she relates. "But they put us in the infirmary. The people there were all senile. It was very expensive; $1,215 a month for the two of us. They tell you to borrow on your insurance and turn over your house. They allow you to keep only $750 in savings. Then you can go on relief. I haven't been on relief my whole life. I don't intend to go now."

If they had remained in the nursing home, state aid was inevitable. Their total income

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is only $360 a month, mostly Social Security and a pension from the Meat Cutters Union. Their prized house itself, an elderly frame dwelling in a downtown block of two- and four-family houses, might also have to be sold.

For Dick and Joan, their parents' refusal to remain in the nursing home created a guilt-edged dilemma that confronts most middle-aged and even youngish couples sooner or later. Having elderly parents remain in their own home or even in yours is no problem when they're physically capable. But caring for an invalid is another matter. The problem often occurs just when sons and daughters are collecting their own crises, including health difficulties and the needs of growing children.

Despite modern financial helps such as Medicare and state medical aid, the quandary of how to care for older parents is increasing. For one thing, average life expectancy is increasing—no society in history has had to care for such a large elderly population.

Another reason for the spreading concern over care of the elderly is that the proliferation of nursing homes, some launched to soak up increased government funds, has been matched by the increasing number of horror stories about their inadequate care.

When elderly people must enter a nursing home, adding to the inevitable guilt feelings of their relatives is the worry about the quality of care. Only about 20 percent of nursing homes are truly high quality, Senate experts say.

The basic puzzle is, where does an elderly person go? One study found that many who enter nursing homes do so not for unarguable medical reasons but because they simply have no other place to go. Over half of those now in nursing homes really need only some help in their activities.

The dilemma of care for the elderly inevitably has an emotional impact on their grown children. Relations between husband and wife are affected because of the financial help one spouse may give to an elderly parent, especially when it's without consulting the other. The needs of elderly parents also may cause discord among their sons and daughters by recalling old rivalries and jealousies. A common phenomenon is the resentment of those who help toward those who don't want to help.

Joan and Dick Butler themselves felt some of those concerns when Marie and Frank insisted on leaving the nursing home. Dick is 50—a big, patient man and a skilled machinist employed at the Honeywell factory in Minneapolis most of his work life. But he suffers from histaminic headaches which have affected his eyes. He had to leave work for seven weeks last fall with his only income from workmen's compensation.

Joan is a tall, lean woman with strong features and a ready smile who dresses in tailored, well-organized separates and runs a tidy, well-organized home. She's able to keep glued together despite the many demands she's had to meet in the course of raising seven children. There has never been any discord between her and Dick over what help they gave his parents, usually more in the way of services—such as doing their laundry—than in cash. In fact, Marie Butler told me she thinks of Joan and her own daughter-in-law, Molly, as her own daughters.

But as is often the case, one son or daughter usually assumes a major role in helping elderly parents. Sometimes it's the one living closest or who left home last. Dick's brother, Bill, two years older, moved to Texas and can no longer help.

Working couples like Joan and Dick rarely have the capacity to aid elderly relatives financially. There was never a time when Dick and Joan didn't have money problems. Today Dick makes around $14,000—before taxes. In earlier years, when his pay was much lower, they had to cope with such expenses as $4,000 for orthodontia for four of their young daughters.

For the past several months, Joan's been working as a supermarket cashier three days a week to bolster the family's finances. Therese, 19, lived at home until she recently married. Mark, 18, is enrolled in an auto-mechanics course that costs $82 a month.

Apart from financial help, with Dick's own health problems, he and Joan now lack even the physical capacity to give his parents the care they need. "We spent sleepless nights worrying," Joan relates. "At least we didn't have to feel we were the ones who pushed them into the nursing home. While they were there we saw to it that someone visited them almost every day. Even when they wanted to leave . . . if we were upset, it was only because they decided so suddenly. Within a day or two they wanted us to find a housekeeper and bring them home. Grandma was really bothered when she went into the nursing home. Emotionally, they're far better off at home."

At that point a four-alarm crisis would have erupted were it not for the availability of a pioneering agency for elderly people. This is the Minneapolis Age and Opportunity Center, which provides supportive services to help elderly people stay in their own homes rather than go to nursing homes.

The older Butlers' doctor had agreed to their leaving the nursing home only if they got the help of M.A.O., as local people call the Age and Opportunity Center. Marie had really been sick. She had—and still has—diabetic foot ulcers, a heart condition and a medically impressive list of related conditions. She also must care for Frank, who requires constant medication for the chronic bronchitis caused by his years of going in and out of meat-refrigerator rooms.

So when Joan and Dick had restored the older Butlers to their own home and settled them down, it was a great relief for all when M.A.O. took over.

M.A.O.'s services are tailored to the specific needs of its elderly clients. For Marie and Frank, M.A.O. delivers two meals a day—one hot dinner and one cold lunch for the next day. Marie need only prepare breakfast. In fact, it was her ability to prepare at least breakfast that convinced M.A.O. that with its two meals and other services, the Butlers could get along at home.

M.A.O. also sends a homemaker once a week to do the heavier cleaning, such as vacuuming and changing the beds, and a choreman to occasionally spruce up the small yard. Another vital M.A.O. service is transportation to clinics, including its own operated in conjunction with Abbott-Northwestern Hospital.

The transportation has been especially helpful for Frank. One of M.A.O.'s fleet of minibuses and station wagons brings him to the Veterans Administration clinic for periodic treatments. Last fall when he had to go into the hospital for four weeks, M.A.O. brought Marie there almost every day to visit him.

Dick and Joan's children, who range from 26 to 18, three married, supply any transportation that M.A.O. can't, and also do chores when they're in town or have time off from school or work. Marie has two brothers who also help with shopping and transportation.

It's this carefully dovetailed combination of services from M.A.O. and help from relatives that makes such care tolerable for relatives and financially feasible for M.A.O. But what cements the teamwork in this case is that the Butler children and their grandparents care for each other.

For others, M.A.O. also provides personal care if needed, such as help with bathing, financial counseling, information on resources like food stamps, an emergency food shelf and even emergency money, and legal services for wills and estates, Social Security eligibility and other legal problems of the elderly.

M.A.O. even has a handyman whom it sends over to build a wheelchair ramp, if needed, fix a furnace or small appliances, or provide other repairs elderly people often badly need. For Marie and Frank the handyman does any needed painting and puts up the storms and screens—the kind of jobs Dick and Bill used to do for them.

M.A.O. is the creation of an articulate, active, community volunteer, Daphne Krause, now its executive director. As a community worker she perceived the need for a multiservice organization for the elderly. She believes a crisis is developing in their care, for the senior population is increasing by 1,000 a day while the working population that must support the seniors has shrunk because of the low birth rate in the Depression.

The convenient solution of storing the elderly in nursing homes has been accelerated by recent changes in both laws and attitudes. Children are no longer held to be financially responsible for their parents. Frank Butler says 80 percent of the nursing-home residents had their expenses paid for by the State Medicaid program.

But Daphne Krause came to feel that many nursing-home residents could be cared for in their own homes if comprehensive support was available. She felt that both the seniors and the taxpayers, now footing a swelling bill for institutional care, could benefit greatly. She first took her concept to senior-citizen groups. They told her what seniors need and formed the first board of directors. Now it also includes representatives from labor unions, churches, medical groups, family agencies and community organizations such as the Junior League. Daphne also enlisted the Abbott-Northwestern Hospital in setting up a clinic and won the financial backing of community and government agencies and private donors.

The clinic and full services have been operating just since 1968, but already M.A.O. is getting national attention including from Congress. Senate experts see M.A.O. as a potential model for elderly-care and as an alternative to costly nursing homes.

Today, M.A.O. works on two simple but accurate premises. One is that medical services are not enough: The elderly need a full range of services and need to be able to get them all from one agency. The other concept is to tailor the care to help the elderly maintain various levels of independence.

Thus, M.A.O. even operates an employment service and places elderly people in good health in positions where they can help those in poor health, even as live-in companions.

Some of these activities are on a volunteer basis, such as part-time office work for M.A.O., shopping for other elderly people and so on. For others, such as the senior handyman project, retired men receive pay for repair work, painting, yardwork and similar jobs.

The elderly served by M.A.O. pay modest fees, if they can afford them. Marie and Frank pay only $1 a day for their home-delivered meals. Others may pay up to $1.85—M.A.O.'s cost. Partial payment can even be made in food stamps. There's no charge at all in some circumstances; if, for example, a senior citizen has high medical bills or a Social Security check has been stolen. The program is so carefully planned that the drivers who deliver meals are even coached on how to deal with any medical emergencies they may encounter. Also, there is no set rate for other services. M.A.O. tells clients its costs; for example, that homemaker and handyman services cost M.A.O. about $3.75 an hour. Users contribute whatever they can. (Some oldsters have contributed as little as 25¢.)

The clinic is a key part of the M.A.O. program, especially in a period of rising medical bills, when fixed incomes of older people especially have been eroded by the rise in living costs. In general, the proportion of medical expenses paid by Medicare has shrunk. This means that many older people are deprived of care. Doctors at the clinic found that many patients had not seen a doctor in years and that most needed immediate medical attention.

For that reason, since late '73 the clinic not only has expanded its services but provides them at no charge above the Medicare, Medicaid, or any insurance reimbursement for an individual whose income is $4,500 or less ($5,500 for a couple). There's no "means test." The clinic simply accepts the members' word about finances. The services even include prescriptions filled at hospital cost, nursing services at home when needed, specialist eye care, emotional counseling and blood-donor service. Some of the expenses of the clinic are absorbed by the Abbott-Northwestern Hospital.

The clinic also provides health checkups, which brought it temporarily into confrontation with Blue Cross, the Medicare supervisory agency in the Minneapolis area, because Medicare doesn't usually cover "routine checkups." But the clinic insisted that preventive checkups facilitate early and thus more effective treatment. This logic won the day but not before the issue became the subject of a U.S. Senate hearing.

DOLLAR-A-DAY FEE

It's only because Marie and Frank pay just $1 a day toward M.A.O.'s services that they can get along on their $360 a month. They buy no clothes. (The grandchildren provide Marie with housedresses.) Their biggest expense is her medicine. Frank gets his medicines through the V.A. and is still annoyed that the V.A. provided his medicines but the nursing home charged him 75 cents a day "for dishing it out."

Their other major expenses are about $50 a month for utilities, phone and heat; $20–$25 for food other than meals supplied by M.A.O., and $400 a year for property taxes, stabilized for them as senior citizens under local law. As one insight into the spending ways of seniors, they spend nothing at all on entertainment but about $250 a year on birthday and Christmas gifts. Still, the Butlers are in a race with inflation. Frank notes that "every time Social Security goes up, so does Medicare, so the increases don't help much."

If M.A.O. is the wave of the future, it has yet to reach most American towns (except for a similar agency in Athens, Georgia). Many of the individual components of the M.A.O. program probably are available in your area. But if you have the responsibility for the care of elderly relatives, you may have to assemble these fragments yourself, perhaps with the help of a local family service or senior citizens' agency, advises B. C. Fisher of New York's Community Service Society.

One of the most widely available services is "Meals on Wheels," like the M.A.O. program that brings Marie and Frank their meals. This service is partly financed by the Federal Government. In some cities the public school systems operate the "Meals on Wheels" program, putting the school cafeterias to useful double duty.

Many programs have been organized by Senior Citizen and Golden Age Clubs affiliated with the National Council of Senior Citizens, including the Senior Aides program of part-time jobs.

Another widespread service is telephone reassurance, sometimes called "Ring A Day." At prearranged times, volunteers—often seniors themselves—call elderly people living alone. If there is no answer, or in an emergency, the caller knows beforehand which doctor, neighbor and relatives to notify. A specialist in problems of widowhood, Dr. Virginia R. Coevering, has written a booklet, *Guidelines for a Telephone Reassurance Service*, published by the Institute of Gerontology. In the belief that this service can make a vital difference in the lives of isolated and elderly people, the Institute, located at 543 Church St., Ann Arbor, Mich. 48104, offers the booklet free.

Perhaps the most innovative self-help program is the Jamaica, N.Y., Service Program for Older Adults. It brought together community organizations and senior-citizen groups to provide services and activity programs, with the seniors themselves involved in helping elderly residents. A Senior Citizen Advisory Council helped identify what local older people themselves consider to be their primary needs and interests. The Council initiated a senior citizens' crime-prevention program; worked to get free checking accounts for seniors from local banks; helped sponsor health fairs and seminars, and distributed a "health passport"—a wallet card recording essential health data which might be needed in an emergency.

Seniors increasingly are helping others through the nationwide Retired Senior Volunteer Program. R.S.V.P. already operates in 600 communities with help from the Federal ACTION agency.

Homemaker and visiting-nurse services are also available. You can send a stamped self-addressed envelope for a local list of the National Council for Homemaker-Home Health Aide Services, 67 Irving Place, New York, N.Y. 10003.

One type of home care that elderly ill people probably can invoke more often is the home health visits by medical personnel available under Medicare and Medicaid programs. Such care must be approved by the patient's physician as part of a treatment plan. A government survey found this benefit under-utilized.

For Marie and Frank Butler, the availability of all these services in one agency has meant a chance to spend more years in their own home with the feeling of independence and dignity they prize. To Joan and Dick, this pioneering agency has brought peace of mind after years of worry over their parents, and more time to deal with their own health problems and their children's needs.

THE 20TH ANNUAL PERSONAL FINANCIAL STATEMENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. SIMON. Mr. Speaker and my colleagues in the House. Each year I have held public office I have made public my income in detail.

I insert into the RECORD the press release and the financial statement:

SIMON ISSUES 20TH ANNUAL COMPLETE PERSONAL FINANCIAL STATEMENT

WASHINGTON, D.C.—For the 20th consecutive year, Congressman Paul Simon, D-Carbondale, Ill., issued a complete personal financial statement Monday (4–21–75), along with financial statements for the five members of his staff earning over $15,000 per year.

The two-decade practice—believed to be longer than for any other public official in the country—spans the entire length of Simon's service as an Illinois state Representative, state Senator, Lt. Governor and Congressman from the 24th District.

The financial statement shows that Simon and his wife earned income totaling $10,895.82 in 1974, a drop of $33,000 from 1973. (The freshman Congressman campaigned virtually full time last year.)

The statement also shows assets of $238,366.19 and liabilities of $147,463.80, yielding a net worth of $90,902.39.

"In addition to my own personal statements," Simon said, "I've been advocating for the past two decades that all key elected and appointed officials be required by law to disclose their income, assets and liabilities.

"I'm not criticizing those public officials who don't make voluntary statements, but I believe legally required statements are the best way to solve the conflict of interest problems that have plagued government at all levels."

The staff disclosures issued with Simon's statement continue a practice he began as Lt. Governor of Illinois, when he became the first state official in the nation to require such disclosures of his employes.

1974 income Congressman Paul Simon and family

Income of Paul and Jeanne Simon:	
Fairchild Industries, dividend	$2.40
Sangamon State. University salary (services rendered through Jan. 15)	1,205.00
United Merchants & Manufacturers, dividends	11.20
National Industries, Inc., dividend	1.24
Crown Zellerbach, dividends	11.40
Maremont Corp., dividends	5.20
Christian Century Foundation, travel reimbursement	80.32
Metamora newspaper payment of $245.25 in principal and $128.75 in interest from sale of paper in 1965	374.00
Harper and Row, dividend	4.00
AT&T, dividends	8.00
Rohr Industries, dividends	2.72
Simon and Schuster, dividends	1.50
Fruehauf Corp., dividends	7.20
Brunswick, dividends	.40
Rental income, Troy home (subsequently sold)	1,750.00
Springfield Marine Bank, refund	7.75
Congressional campaign account reimbursements for travel, phone, lodging, etc	1,126.19
Olive Branch Lutheran Church, Okawville, talk	25.00
Book royalties	1,317.74
Ralston Purina, dividends	3.20
Marcor, dividends	8.00
Scott Paper, dividends	2.72
Bethlehem Steel, dividends	12.50
Polish National Alliance	1.36
Texaco, dividends	29.40
General American Life, interest	26.79
Chrysler, dividends	2.80
Norton Simon, dividends	3.40
Lear Siegler, dividends	18.75
Warner Lambert, dividends	3.36
Westinghouse, dividends	11.48
Mass Investors, dividends	18.08
National Steel, dividends	6.00
Lutheran Layman's League, Talk	30.00
Adams Express, dividends	51.98
State of Illinois, pension fund refund for Jeanne Simon (non-income)	180.00
Church Women United of Marion, talk by Jeanne	10.00
Refund of rent deposit, Carbondale	225.00
St. Peter and Paul Catholic Church, Collinsville, talk by Jeanne	25.00
Borg-Warner, dividends	13.50
Insurance refund on Springfield home	152.00

UMI

Reimbursement expense for editor's dinner	$44.37
Louisiana State University, $750 honorarium and $220.96 travel expenses	970.96
Northern Illinois University, travel reimbursement	137.70
Ludlow Corp., dividends	40.50
Travel reimbursement	11.96
National Aviation, dividends	61.48
Luthern Church in America, talk in Kansas City, honorarium and travel	233.25
Vandalia farm income	763.59
Steeleville Education Assn., travel expenses	20.00
Polish National Allliance insurance refund	30.38
Ill. State Treasurer's Office, for legal work by Jeanne	1,500.00
Interest, savings account, University Bank, C'dale	56.84
Interest, savings account, C'dale National Bank	16.21
Trinity Methodist Church, Salem, talk	15.00
Insurance refund on Troy house	217.00
Total	10,895.82
Income for Sheila Simon, 1974:	
Interest, United Savings and Loan, Troy	$20.09
Interest, Carbondale Savings and Loan	3.21
Dividends, Ford Motor	3.20
Dividends, AT&T	6.32
Total	32.82
Income for Martin Simon, 1974:	
Interest, United Savings and Loan, Troy	20.09
Dividends, Ford Motor	3.20
Dividends, AT&T	6.32
Total	29.42
Real estate sales, 1974:	
Springfield real estate—purchase price plus improvements, $49,830; sold in 1974 for	51,500.00
Troy real estate—purchase price plus improvements, $34,650; sold in 1974 for	47,500.00
Total	99,000.00

Statement of assets and liabilities of Paul and Jeanne Simon as of April 1, 1975

Assets:	
House, 511 West Main, Carbondale	$40,000.00
House, 11421 Falls Road, Potomac, Md.*	126,000.00
Balance, checking account, University Bank of Carbondale	137.66
Balance, checking account, U.S. House of Representatives, Washington, D.C.	2,636.30
Balance, savings account, University Bank of Carbondale	56.84
Note held in partial payment for sale of Troy home	20,000.00
Cash value, Illinois General Assembly retirement system	16,233.10
Cash value, Universities Retirement System, Illinois	2,425.63
Cash value, Congressional retirement system	831.09
Cash value, Gen. American Life Insurance policy	2,958.21
Cash value, Polish National Alliance Insurance Policy	$614.88
1974 Chevrolet, approximate value	2,800.00
1965 Ford Mustang, approximate value	250.00
Household furniture and Presidential autographs, approximate value	10,000.00
Balance still owed for sale of newspapers	5,000.00
Balance, savings acct., Carbondale, Nat. Bank	513.48
Stocks (see attached list)	7,909.00
Total assets	238,366.10
Liabilities:	
Mortgage on Carbondale home, University Bank of Carbondale	20,124.95
Personal loans, University Bank of Carbondale	8,198.24
Loan, University Bank of Carbondale	21,914.94
Mortgages on home in Potomac, Md. (Weaver Bros. Mortgage Brokers, $15,101.48; Mr. and Mrs. Thomas Fischer of Pennsyl., $53,467.71; Richard Gibson and Lee Glover, immediate predecessors as owners, $25,456.48)	94,025.67
Unsecured loan, First National Bank of Collinsville	3,200.00
Total liabilities	147,463.80
Assets	238,366.19
Liabilities	147,463.80
Net worth	90,902.39

*Like all newcomers to the Washington area, we went through the shock of learning real estate prices. We ended up paying more than twice what we had expected to pay for a home, a fairly common experience among newcomers to the Washington scene.

Not mentioned as a liability, but an obligation of Paul Simon is $13,500.00 borrowed from the Salem National Bank for his campaign committee. This deficit hopefully will be cleared up in the next campaign.

Not mentioned in this report but mentioned in the previous report is the small farm property owned south of Vandalia. This was sold in early 1975, with the details of the sale to be reported in the next annual statement.

Assets of Children: Assets held in the children's names are 10 shares each (for Martin and Sheila) of Mutual Real Estate Investment Trust; one share each of Ford Motor; two shares each of AT&T; one State of Israel Band each with a face value of $100; and the following amounts in savings accounts: Sheila—United Savings and Loan, Troy, $408.10, and Carbondale Savings and Loan, $207.29; Martin—United Savings and Loan, Troy, $405.33.

Stock Holdings

(Market prices as of March 27, 1975)

Shares and stock (stocks have been purchased through Newhard-Cook, Belleville, and I. M. Simon—no relative—of Carbondale):

50 Book of the Month	$1,018
40 Hardees	160
50 Ludlow	468
20 Borg-Warner	340
10 Harper & Row	75
49 Massachusetts Investors Growth	448
25 Mutual Real Estate, approximate	50
15 Simon & Schuster, approximate	50
6 Norton Simon	115
2 Norton Simon Preferred	85
121 Adams Express	1,104
111 National Aviation	1,179
2 American Telephone and Telegraph, preferred	107
5 Bethlethem Steel	172
8 Borman's	19
1 Brunswick	13
10 Chock Full of Nuts	37
2 Chrysler	$21
6 Crown Zellerbach	198
2 Curtis Publishing	2
8 Fairchild Industries	51
4 Fruehauf	63
8 Lear Siegler, preferred	183
8 Marcor	172
13 Maremont	157
3 National Inds., warrants	3
1 National Inds., preferred	11
2 National Steel	80
4 Pepsi Cola	239
4 Ralston Purina	160
3 Rohr Industries	24
4 Scott Paper	69
14 Texaco	346
8 United M&M	112
4 Warner Lambert	131
5 H.R. Weissberg, approximate	5
4 Westinghouse	58
2 Westinghouse, preferred	84
120 Jet-Lite, approximate	300
Total	7,909

FINANCIAL STATEMENTS, STAFF OF CONGRESSMAN PAUL SIMON (SUBMITTED TO CONGRESSMAN SIMON IN APRIL, 1975)

MARGARET BERGIN, ADMINISTRATIVE ASSISTANT

1974 income other than from government: dividends from Baxter Laboratories, AT&T, Reliance Electric Co., Mead Corp., General Public Utilities Corp., El Paso National Gas Co., Virginia Electric Power Co., totaling approximately $600; interest from Farm and Home Savings and Congressional Employes Federal Credit Union, totaling about $210.

Sources and amounts of indebtedness over $500: Community Bank of West Frankfort, Ill., $8,600; Congressional Employes Federal Credit Union, $3,673.03.

Stocks and bonds owned: AT&T, Mead Corp., Baxter Laboratories, El Paso National Gas Co., Virginia Electric Power Co., American Motors Inns, General Public Utilities Corp., Reliance Electric Co., totaling approximately $20,000; shares in Congressional Employes Federal Credit Union, totaling $6,658.

Property owned: one-third interest in a 133-acre farm in Midland, Virginia with farmhouse and barn, purchased in 1972 and valued at approximately $77,000 (total value).

RAY BUSS, DISTRICT ASSISTANT

1974 income other than government: $13,200, Paul Simon for Congress Committee.

Sources and amounts of indebtedness over $500: Salem (Ill.) National Bank, auto loan, $6,487.

Stocks and bonds owned: none.

Property owned: 1975 Dodge Monaco, approximate value, $6,000; household furniture, approximate value, $2,500.

RAY JOHNSEN, OFFICE MANAGER

1974 income other than government: $11,200, Paul Simon for Congress Committee; $58.88, General Motors dividends; $198.00, Roodhouse Record dividends, $115.90, Metamora Herald, int.; $13[illegible].30, Carbondale, S&L, int.; $300.00, Troy Tribune, int., $580.00, American S&L, int.; $[illegible].00, Sangamon S&L, int.; $80.00, General American Life, int.; $12.00, Metropolitan Life, int.; $220.70, sale of Metamora Herald stock; $3,000, sale of Troy Pub. Co., stock; $4,375, sale of Troy Security Bank stock; $2,060.00, rent from Troy property.

Sources and amounts of indebtedness over $500: Congressional Employees Federal Credit Union, $1,000; Washington & Lee Savings and Loan, $48,200.

Stocks and bonds owned: 100 shares Cottonwood Junction, Inc., $10,000; 24 shares, Watson Lumber Co., $7,200; 17 shares General Motors, $850; shares, Congressional Employes Federal Credit Union, $110.

Property owned: Ill. State Employes Retirement System, $1,77[illegible]; note, Troy Tribune, $2,000; house, Vienna, Va., $87,500; real estate, Troy, Ill., $28,000; household furnishings, $15,000; 1974 Chevrolet wagon, $3,500; 1971 Camaro, $1,000; balance, sale of newspapers, $4,800.

TERRY MICHAEL, PRESS SECRETARY

1974 income other than government: $4,675, Paul Simon for Congress Committee.

Sources and amounts of indebtedness over $500: auto loan, First National Bank of Springfield (Ill.), $1,480.

Stocks and bonds owned: shares, Congressional Employes Federal Credit Union, $101.

Property owned: 1973 Oldsmobile Cutlas, $2,400.

PAUL GAYER, DISTRICT ASSISTANT

1974 income other than government: $165, Benton Comm. Bank, int.; $335.30, W. Frankfort Comm. Bank, int.; $149.40, Bank of Ziegler, int.; 10.92, Metropolitan Life, int.; $7.35, dividends, Nat. Invest. Corp.

Sources and amounts of indebtedness over $500: $6,000, car loan.

Stocks and bonds owned: $3,500, U.S. Series E Bonds; 131 shares, Nat. Investors Corp., $622; 71 shares, Gayer Invest. Corp., $7,100.

Property owned: 1973 Ford Maverick, $2,100; 1974 Lincoln Continental, $6,000; home and lot, Ziegler, $10,000; vacant lot, Ziegler, $300; two-thirds interest in following Ziegler property—Grant & Maryland St., $2,667; 201 Church St., $460; 215 Church St., $200; 217 Church St., $200; Penn Street, $2,667.

POST CARDS WOULD NOT GET VOTERS TO THE POLLS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. FRENZEL. Mr. Speaker, today I received a resolution opposing the Federal post card voter registration bill from the International Institute of Municipal Clerks.

The institute is a professional organization of city, village, town, and township clerks in large and small municipalities in all 50 States. The majority of its members are the election administrators in their communities. It is important for us to listen carefully to their objections and concerns because, after all, they are the group most experienced in the registration and election processes. The people who know the process best say that the postcard registration bill will "result in many problems of administration and fraud and will not solve the fundamental question of getting voters to the polls."

The resolution and letter of transmittal follow:

THE INTERNATIONAL INSTITUTE
OF MUNICIPAL CLERKS,
PASADENA, CALIF., *April 17, 1975.*

HON. BILL FRENZEL,
House of Representatives,
Washington, D.C.

DEAR MR. FRENZEL: The International Institute of Municipal Clerks would like to express its opposition to Federal legislation which would establish a nationwide system of postcard registration. Such legislation will result in many problems of administration and fraud and will not solve the fundamental question of getting the voter to the polls.

The International Institute of Municipal Clerks is a professional organization of city, village, town, and township clerks in large and small municipalities in all 50 States. The majority of its members are the election administrators in their communities and they are aware of the necessity for simplified and fair registration procedures.

The International Institute of Municipal Clerks offers its assistance and resources to work for the overall improvement of our elections system. It welcomes' the opportunity to provide you with input from this experienced and concerned group.

Sincerely,

JOHN J. HUNNEWELL,
Executive Director.

STATEMENT ON PROPOSED FEDERAL LEGISLATION ON VOTER REGISTRATION BY POSTCARD SUBMITTED BY THE INTERNATIONAL INSTITUTE OF MUNICIPAL CLERKS, APRIL 16, 1975

The International Institute of Municipal Clerks is opposed to the enactment of Federal legislation which would require the use of postcard mailings in registration of voters for Federal elections.

The IIMC adopted this position after careful study by its legislative and executive committees and after thorough consideration by the membership at its 1974 Annual Business Meeting.

The IIMC is a professional organization of 2,600 city, village, town, and township clerks with representation in all 50 states and from all sizes of municipalities. The Municipal Clerk is traditionally the local election administrator, and the majority of the IIMC members have some responsibility in the conduct of local, state, and national elections.

Municipal Clerks are aware that people must be encouraged to exercise their right to vote. They continue to implement programs and techniques to make the registration procedure easier for eligible voters including simplifying procedures; opening their offices in the evenings and on weedends; hiring extra help and deputy registrars; conducting door-to-door, neighborhood, and high school registration drives; and utilizing radio, television, newspapers, and direct mail.

The IIMC supports all efforts which would increase participation in our election process at all levels of government. It, however, seriously questions the merits of a national registration program which would be imposed upon the individual state and local jurisdictions without thorough study and full debate.

A massive Federally-imposed postcard registration program is fraught with pitfalls. Some of the major difficulties that would be created by such legislation are:

1. A Federal registration program cannot be effectively integrated into the state laws and local ordinances which set forth the time tables and procedures in voter registration. Therefore, the procedure for registering through the mail for Federal elections will be a separate step to administer.

2. States wishing to conform the uniform requirements of Federal postcard registration to their own state ad local elections will have to change their election codes, possibly amending their constitutions. This would be a difficult and tedious process, especially if the legislature and the general public are skeptical of the merits of the program.

3. States not able to adopt the Federal postcard registration law for their own state and local elections will have to maintain separate voter eligibility records: one set for persons registered through the Federal postcard process and who would be qualified to vote only in Federal elections, and another set for persons who are qualified to vote in all elections. Confusion among the voters as to what election they are eligible to vote in would make the voting process more difficult for them.

4. A Federal Agency would prepare the voter registration forms and the U.S. Post Office would deliver the forms to potential voters, yet the local election administrator would be responsible for the administration of returned forms. This process is insufficiently controlled and involves needless duplication.

The election administrator would need to compare each postcard registration form to lists from previously returned postcards and to lists of registered voters. Often he would be unable to follow through on forms which had been improperly or illegibly filled out. There woud be no way to verify the accuracy of the information on the returned cards. The election administrator would also need to guard against disenfranchising qualified voters who for reasons he could not know or control had their postcard form returned as being undeliverable.

5. A massive mailing of such forms could tempt persons to obtain voter registration cards for a purpose other than voting. Minors could obtain them for use in purchasing alcoholic beverages or other activities requiring proof of age. Illegal aliens could obtain them as proof of citizenship and residency. There is no personal check to verify that the information provided on the card is indeed correct.

A voter registration card obtained in one state must be accepted as *Prima Facie* proof in another state that the person is a registered voter and a citizen.

6. The sudden imposition of a total nationwide postcard registration program would take priority over the ongoing and more effective state & local voter registration programs. The election administrator with limited resources at his disposal would have to concentrate the efforts of his office in carrying out the responsibilities of the Federal program.

7. Postcard registration is not the most effective manner to register new voters. An analysis of mail registration in New Jersey and Maryland reveals that voter registration was not substantially increased in either state as a result of the practice. In New Jersey, total registration for 1974 was less than it had been for the gubernatorial election of 1973. In one large Maryland County with voter registration by mail, the number of new registrants was less than it had been in 1970, the most recent comparable election year, despite the fact that the county had experienced substantial growth. In Minnesota, the third state which initiated a major program of voter registration by mail during 1974, it seems that more voters took advantage of election day registration at the polls than registration in advance by mail.

The IIMC suggests that the enactment of a nationwide postcard registration procedure at this time would cause more problems than benefits obtained. Instead, the IIMC suggests that Federal legislation be enacted which would be more productive in raising citizen interest in voting not just in registering.

The Federal government should offer a program of financial assistance and technical advice which would assist state and local jurisdictions to combat citizens apathy. This should include direct reimbursement to all state and local jurisdictions whose programs encourage people to register and to vote. The procedures and techniques developed in such program should be published and disseminated to election administration officials throughout the country.

The Federal government should also provide financial and technical assistance to states and local jurisdictions to improve their election administration and to implement innovative operational procedures and systems that improve the overall efficiency of election administration. This technical information and data, likewise, should be made available on a wide basis.

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The enactment of a nationwide Federal postcard registration program should be delayed until 1980 to allow study and input on state-operated registration by mail programs. A number of states are presently considering legislation to permit registration by mail which will make voters eligible for all types of elections. Since these programs will be designed to be most effective for the individual states, they should have the opportunity to implement and test their programs to produce the maximum results. This would allow any future Federal legislation in this area to apply uniform standards based upon a broader use of registration by mail.

Finally, the continuing decline of participation in elections is not solely related to persons unable to register. The Institute of Election Administration of the American University points out that "Vigorous efforts by election officials, decentralized voter registration, registration by mail in some states, and increasing use of voter information material by election boards have made it easier to register and vote". Since 1963, the pattern across the nation is one of reduced requirements for voting, simplified voter registration requirements and procedures and less frequent purging of the rolls for nonvoting.

Yet the voter turnout remains low. Voter apathy and not necessarily legal and administrative restrictions continues to be the prevalent reason for low voter turnout.

The IIMC respectively suggests that Federal legislation would be most effective in providing overall guidelines and assistance to state and local jurisdictions to meet the total challenge of sound election administration at the grass roots level of citizen participation. Citizen involvement in their election process can be increased by restoring confidence in our effective democratic system, not by mandate or by concentrating on only one aspect of the problem.

DEFENSE AUTHORIZATION BILL

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. WEAVER. Mr Speaker, today the Committee on Armed Services conducted hearings on a bill, H.R. 3689, which would authorize the expenditure of some $66 billion in the next 27 months for military weaponry.

Sixty-six billion dollars in an awsome figure. It is a sum of money that would be totally lost to our economy, for it will be spent to make goods which will not—we earnestly pray—be consumed by Americans.

The jobs created by these expenditures are quiet different from jobs in such industries as housing, medical care, or food production for in the latter the goods are purchased by our own people. The people who make weapons are paid to produce goods which are not consumed. Military spending is inherently inflationary.

Military expenditure then represents an extreme sacrifice to the well-being of our economy. Each dollar we spend in this field must be absolutely essential to our security.

We do need a strong military defense. It is in the nature of mankind to be aggressive and paranoiac as well as generous and compassionate. There are tyrants—even madmen—who command entire nations. We must maintain our guard.

But what constitutes a strong defense? To protect our shores and skies. To have reserves to enable us to aid when attacked people critical to our security, friendly to ourselves, and who are led by governments truly representing their governed. To keep us from feeling threatened.

But is it necessary to have the force to blow up the world 10 times over? Twenty times over? Is it necessary when we have the present power to unleash the ultimate destructive force to match our potential attackers in every weapon, in every sophisticated device to make the world an automated battleground?

Do we, I asked my colleagues in this Congress, need the B-1 bomber when we are already overarmed? We do not.

We have reached that state of military idiocy achieved in the middle ages by the feudal knight who was so burdened by his suit of armor he could no longer fight.

Then what of our preparedness in conventional warfare? We must choose our ground so carefully that further weaponry is not essential. As for limited nuclear warfare, that concept shows such an ignorance of reality it can lead only to the end of life on Earth for once the atomic weapon is used it will be countered and recountered until the world is no more.

If this Congress cuts this budget sharply—as I believe we should—does this mean we are becoming isolationists? Hardly. We are spending six times the rate for defense as we did in the 1930's when measured against the gross national product.

And will our adversaries take a budget cut as a sign of weakness and test us? They know, as we know, that we can end their existence. And they can end ours. But we should all understand the assumption that we own half the world and the Soviet Union the other half, is simply not true. The reality is that there are many, many people who do not like either of us and will resist—effectively—domination.

Vietnam has been one such place and I believe the Middle East is another. Certainly the Western democracies will count us a stronger partner now that the Indochinese issue has been decided and we are freed to consider matters of real importance to our security and to the well being of this Nation.

We know that inflation is a constant danger, our greatest threat. A sharp cut in the military authorization would be the surest stroke this committee could make in the fundamental defense of this Nation.

The well-being of our Nation rests upon a strong economy, a united people, and a spirit of accomplishment. We must no longer base our entire defense on weapons but must look to our people and their needs and aspirations as the source of our real strength.

OUR NATION SALUTES THE HONORABLE ALBERT ILLES OF WAYNE, N.J., INTERNATIONALLY RENOWNED FLORICULTURIST AND RECIPIENT OF 1975 AWARD FOR DISTINGUISHED SERVICE TO NEW JERSEY AGRICULTURE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. ROE. Mr. Speaker, it is indeed my privilege and honor to call to the attention of you and our colleagues here in the Congress the lifetime of outstanding public service that our people have received from a distinguished citizen of my congressional district, internationally renowned floriculturist, my good friend and neighbor, the Honorable Albert Illes of Wayne, N.J.

Al Illes has been a master artist in the agricultural world bringing the warmth of joy and wonderment to all with his expressions of beauty in flowers that he has seeded and nurtured from his youthful days in his native Hungary where he was educated in the floricultural sciences to his career pursuits since coming to the United States in 1922.

In civic affairs, his standards of excellence and richness of his wisdom have earned him the highest respect and esteem of all of us—always giving willingly and unselfishly of his time in helping to bring happiness and contentment to others through his benevolence and understanding particularly to those in need.

It may well be that his inner greatness was most poignantly demonstrated in the rare beauty and name of the flower that he discovered and called "America" which won first prize in the 1934 International Flower Show.

Mr. Speaker, by inserting, with your permission, at this point in our historic journal of Congress the citation of the New Jersey State Board of Agriculture for his distinguished service to New Jersey agriculture, I would like to share with you the pride of his wife Marie, his family and his many, many friends in his personal commitment and endeavors that have endeared Al Illes to all of us for his dedication and devotion toward improving the quality, and preserving the integrity of our environment. The citation reads as follows:

ALBERT ILLES

Flowers speak a meaningful language when people are born, marry, mark anniversaries, launch a ship or a new business, are sick, even at death. Our flower farmers provide a commodity that is almost as valued for the good life as is our daily bread.

Albert Illes, you have been a flower farmer all your life, pursuing a career not just for business, but as a fine artist whose purpose is to create masterpieces that give happiness and hope to others. As testimony to your natural talent and skillful practice of floricultural science in which you were educated in the School of Agriculture in your native Hungary, a previously unknown variety of lily you discovered and named "America" for your adopted land won first prize in the 1934 International Flower Show. You are held in

such high esteem that you were a judge on that prestigious show for 30 years.

Born in 1897, after college you apprenticed in floriculture in Vienna, and worked in European agriculture before coming to the United States in 1922. You managed a plant nursery in Connecticut and a leading florist business in New York City, until 25 years ago when you and your wife and helpmate, Marie, established the Circle Greenhouse at Wayne in Passaic County, New Jersey. There, under an acre of glass, you grew flowers until last year when the State Highway Department acquired the property which stood in the path of Interstate Route 80.

Active in many organizations, you served as president of the New York Florist Club, New Jersey State Florists Club, and the New Jersey Plant and Flower Growers Association. You are a member of Metropolitan Nurserymen's Association and the New Jersey Agricultural Society, and a former director of the New Jersey Farm Supply Cooperative. In 1959, you were elected "Man of the Year" by the Passaic County Florists Club. You also served as president, vice president and treasurer of the Passaic County Board of Agriculture, and are still active on that board.

A charter member and former president of the Wayne Rotary Club, and the Wayne Chamber of Commerce, you are also a member of the Passaic County Shrine Club, Little Falls Lodge of Free and Accepted Masons, Little Falls Square Club, Lakeland and Highpoint Shrine Club, Newark Royal Order of Jesters, and Newark Circus of Saints and Sinners Club of America.

To acknowledge and express thanks for your many contributions to the flower world, and to your community, county, state and nation, the State Board of Agriculture awards this citation for distinguished service to Albert Illes.

Mr. Speaker, this public recognition has been established by the New Jersey State Board of Agriculture for more than a century to record an official expression of deep gratitude from the people of the State of New Jersey to those who have responded unselfishly and effectively in the farming world and allied professions and commerce for their outstanding contributions of public service for the betterment of our industry and rural life.

Al Illes received the 1975 highest award for distinguished service to New Jersey agriculture and I know you and our colleagues will want to join with me now in congressional recognition and appreciation for his lifetime endeavors that have truly enriched our community, State, and Nation. We do, indeed, salute Al Illes, a distinguished citizen and great American.

WILLIAM H. BURKE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. CONTE. Mr. Speaker, I was deeply saddened by the news of the death late last week of one of my dearest friends and a man that I know has close ties with many of my colleagues, Mr. William H. Burke of Hatfield, Mass.

Bill Burke was a legend in Massachusetts politics. He was elected, in 1936, the youngest-ever chairman of the State Democratic Committee. But the scope of his power and influence extended to the national level as he worked behind the scenes as "kingmaker" at several national conventions.

Although for decades he was "Mr. Democrat" in the Bay State, he befriended a young Republican lad in the State Senate—and continued as one of my staunchest boosters ever since.

I will never forget the gesture he made in my last campaign as chairman of his home county "Democrats for CONTE" organization.

At this time, I extend my sincerest sympathy to Bill's sons William H. Burke III, and Robert E. Burke, and his daughter Diane, and the entire Burke family. At this point in the RECORD, I insert excerpts from the obituary report that was carried in the Springfield, Mass., Union:

W. H. BURKE WAS BOSTON PORT COLLECTOR

Mr. William H. Burke, 68, of 29 Main Street, Hatfield, a power in National Democratic politics for 40 years and this state's youngest elected Democratic state chairman who went on to become collector of the port in Boston died Thursday afternoon at his home.

Burke, during his 40 years in the national political arena, helped shape the course of major elections. He represented Massachusetts at national Democratic conventions during the 30's, 40's and 50's.

He was a great admirer of Franklin D. Roosevelt and supported his election campaign in the 1930's and was active in the 1944 campaign to oust Vice President Henry A. Wallace. The Democratic Convention in Chicago in July 1944 once again chose Roosevelt, but party leaders, including Burke led the fight to replace Wallace with Harry S. Truman, who was elected and became 33rd President after Roosevelt's death on April 12, 1945.

President Truman nominated Burke to the post of Collector of the Port in Boston. His nomination was confirmed by the U.S. Senate. During his tenure on the job, he was in charge of collecting taxes at the port of entry and regulating the port's processes.

While in the post that spanned eight years, Burke hired several young men from Western Massachusetts who were attending law school or college in the Boston area.

In 1936, he was elected this state's youngest chairman of the state Democratic Committee. He left the chairmanship during the period President Truman was in office and resumed it in 1953 after President Dwight D. Eisenhower defeated Adlai Stevenson in the Presidential election. He retained the position until the late 1950's.

Burke, a native of Hatfield, was a graduate of Smith Academy. Following graduation he went to work in a Northampton clothing store in which he had part interest.

He also took over the operation of his parents' tobacco and the largest onion farm in Massachusetts. Much of the land has been retained by his three children.

He was married to the late Nora Riley of Northampton. He leaves two sons, William H. Burke, III, a probation officer in the Northampton District Court, and Robert E. Burke, both of Hatfield, a daughter, Diane, of Boston, who is employed at the State House, and several grandchildren.

Presiding Justice Luke F. Ryan, of Northampton District Court and a family friend said, "Bill Burke will always be remembered in Western Massachusetts as a gentleman who enjoyed helping those around him."

In recent years, Burke had been confined to a wheelchair. But he seldom missed a local sporting event and frequently assisted neighbors confronted with bureaucratic red tape.

THE BLOODBATH BY THE COMMUNISTS IN SOUTH VIETNAM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. ASHBROOK. Mr. Speaker, debate has been taking place in the Halls on Congress and elsewhere on whether or not there would be a bloodbath by the Communists in the areas that they have taken over in Vietnam. Word is now coming in that the Communists in South Vietnam—like the Communists in the Soviet Union, China, Cuba, Czechoslovakia, Tibet, to mention only a very few countries—have begun the spilling of innocent blood. As a number of cables have been received in Washington detailing what is happening.

Part of one of the cables—the full text of which appears below—gives indications of what the North Vietnamese will do:

> The Cadre explained that the "PRG" takeover would have three phases:
>
> A. Military takeover.
>
> B. Handover by NVA to civilian administrative and investigative (security) cadre, and local forces.
>
> C. Lo Sat (the slaughterhouse) for all non-"PRG" leadership. The second (b) phase is in effect now."

At this point I include in the RECORD the text of four cables from Saigon:

[DEPARTMENT OF STATE TELEGRAM]

SAIGON.

Subject: NVA/VC treatment of people in recently captured areas

Ref: State.

1. A relatively high-ranking montagnard civil servant who lived with the "PRG" for a week in Dalat City and a week in Song Pha District Town (Ninh Thuan) on April 14 gave us the following information:

2. The GVN governmental apparatus was gone from the Dalal Arfa three days before the NVA came. Two or three NVN civilian cadre, with a couple of armed NVA or in some cases local-force VC, came to each hamlet in the environs and to each precinct of the city to announce the coming of the "PRG". Then they left. They came back the next day and took all but a few weapons.

The cadre left from ten to twenty weapons with the hamlet to be used against vandals, then left again (This was in the rural hamlets, not Dalat City where cadre remained after the first day). Three days later they returned to take all weapons saying that anyone who wanted a rifle could join the "PRG" and continue the fight against the Americans. There were few if any, volunteers.

During this period, the "PRG" cadre (mostly North Vietnamese, some central Vietnamese, a smattering of local Vietnamese and Montagnards) accused and publicly executed, without trial, a number of individuals for vandalism. This occurred in both Dalat and Song Pha.

Beyond political harangues from 1800 to 2000 each night, a prohibition against more than three or four non-family people gathering in the same house, and a compulsory short autobiography from each literate person, the North Vietnamese had taken few other organizational steps before informant left area.

The informant found himself living in the same house with a sympathetic Montagnard "PRG" cadre, in Song Pha. After two days the cadre told him to warn all official and traditional leaders of the local people to leave,

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because eventually they would be killed. The cadre expained that the "PRG" takeover would have three phases:

A. Military takeover.

B. Handover by NVA to civilian administrative and investigative (security) cadre, and local forces.

C. Lo Sat (the slaughterhouse) for all non-"PRG" leadership. The second (B) phase is in effect now.

NVA, local force and "PRG" cadre were all insistent on trying to learn the whereabouts of fulro elements and on eliminating them. Fulro is seen as dangerous to them, probably because the leadership is still around and appeals to Montagnards on a more direct basis than the GVN.

[DEPARTMENT OF STATE TELEGRAM]

SAIGON.

Subject: NVA/VC treatment of people in recently captured areas

Ref: State.

1. We have received report from GVN official who had interviewed number national police escapees from MR-1 that Communists have systematically searched out both national police and special branch personnel and in most cases had executed these personnel as soon as they were discovered. He cited example of district police official in MR-1 who was hiding near his home when place was pointed out to Communists by national policeman who was being detained by Communists. Official was pulled from his hiding place and executed on spot. When his mother complained that her son had done nothing to deserve execution, mother was executed by Communist soldier who fired single pistol shot into her head. Incident occurred on 30 Mar. Same source said other incidents were also being reported to him concerning Communist execution of national police personnel. Source reported his house in Danang city was surrounded by Communist soldiers on 30 Mar and was riddled by rifle fire because several national police personnel had been seeking refuge in house on 28 Mar. No one was killed because house was unoccupied. Several national police personnel were summarily executed in Danang city as they were discovered by Communists on 30 and 31 Mar. Source had not talked with anyone who escaped since 31 Mar.

2. Same source said Communists were forcing people to return to native areas and were using GVN military trucks which had been captured in Danang to move population back to home areas. Source said that as of 31 March, gasoline was available for sale in Danang for VN$900 per liter. According to same source, Communists were exchanging North Vietnamese money for South Vietnamese piasters at rate of VN$500 to one North Vietnamese dong.

3. Source also said that based on debriefings of escaped personnel, North Vietnamese had not permitted main force North Vietnamese soldiers into Danang City. Most Communist activity in Danang was being controlled for moment by Communist Viet Cong forces who immediately moved into city on 28 March and began segregating population into three categories, national police and police special branch and senior military officials; middle level GVN civil servants and junior officers in ARVN; and then the lower class and privates and lower ranking noncommissioned officers. These last were released by Communists to begin an exodus to Saigon and other areas under GVN control. Same source said these personnel would provide cover for infiltration of Communist sappers and terrorists into GVN controlled areas as well as spread Communist propaganda on Communist leniency toward captured personnel.—Martin

[Department of State Telegram]

SAIGON.

Subject: NVA/VC treatment of people in recently captured areas.

Ref.: State 4729.

1. Following are several first-person accounts, mostly eye-witnesses, of NVA/VC treatment of people in recently captured areas which were obtained by language qualified Emboff Whu interviewed scores of refugees who reached safety behind GVN lines after fleeing NVA/IH Central Highlands and coastal Lowlands of Mr 1 and Mr 2.

2. The highlands convoy, people who escaped from Phu Sen village, long a VC stronghold (Son Hoa District, Phu Yen) say that RVNAF soldiers captured from the convoy between Phu Tuo District town (Phu Son) and Sun Hoa District town were taken to Phu Sen for detention, rather than leave the necessary number of guards with the soldiers, the NVA shot them through the feet so they could not run away. The number of soldiers was put at "over two hundred".

3. A man from Pleiku said that enemy artillery destroyed a floating bridge just inside Phu Yen near the Phu Bun border before the last third of the convoy—about 100,000 people—were able to cross the rain-swollen river. He had lost track of the date, but believes this occurred on the 23rd or 24th of March. Enemy mortar and recoilless rifle fire continued to pour into the mostly civilian crowd from the rear and both sides, and people at the river's edge were driven into the water by their own panic and by the press of the terrorized crowd behind them. None made it across. The barrage and the river killed several thousand people, the informant said; all of the 100,000 were either killed or captured.

4. The enemy moved in and the fire stopped. While they were trying to separate out soldiers and military age men, and older men from women and children, VNAF fighter-bombers appeared overhead, aware of what was happening, the pilots dropped bombs around the edge of the mass of people. When this failed to defer the enemy's work, they began dropping ordnance in the crowd itself. Again frightened beyond control, they broke and ran into the brush while VC shot and killed as many as they could. Most not killed were recaptured, the man believes: a few like himself got far enough downstream to find a fording place. Most of these died of exhaustion or starvation before they reached Tuy Hua. He would not estimate how many people died on the banks of the river or in it, saying only "several thousand, several thousand". A nun who was near the front of the convoy now living with her order at regina paois in Saigon said that when the convoy passed near the downstream Qong Cam Dam, soldiers told her the water behind the dam was choked with bodies.

5. An ARVN engineer, part of the team trying to clear the way through the woods for the convoy when mines were struck, recounted the following massacre: the vanguard of the convoy stopped for the night short of Phu Tu Hamlet in Phu Yen, probably about the same time the massacre of the rear has ending at the floating bridge. About a thousand people near the front, most of them civilian families on Hondas, were impatient with the slow progress, driven by desperation, exhaustion, hunger and and the knowledge that they had crossed into the province that held the end of their journey, they snaked their way past the lead ARVN tanks the next morning and, en masse, ran into a VC ambush west of Phu Thu. The group was cut to pieces, despite its obviously being mostly civilian. All men (and most others) not killed were captured and taken away; the only people left were some women and children, who made it back to the main convoy in terror. It took the main convoy several days to fight its way past this point.

6. Several people from Kontum report that Fr. Cong, one of their priests, was killed on the spot when he walked out in front of a group of his parishoners to talk to Viet Cong who barred their way, somewhere between Pleiku city and Che Red (Phu Bon).

7. Ban Me Tuot, Tho Trong Hamlet near Ban Me Thuo was people entirely by 1954 refugees from the north, the Hamlet's Pf and Psof, with no outside help, held out under constant attack until two days after Ban Me Thuothf had fallen. A measure of the enemy's determination there is that six or seven tanks were committed and subsequently destroyed by Pf-fired laws before the Hamlet's ammunition ran out and all resistance disappeared, more enemy tanks rolled in then and shelled the church to rubble. All but a few of the surviving population had taken refuge, and died there. This information is from a woman who ran into the jungle when the fighting started and stayed until it was over.

8. A youth who fled from Ban Me Thuot in the early morning hours of 17 Mar, soon after the attack against the city started, found himself part of a mixed Rvnaf-civilian group of an estimated 5,000 or 6,000 people who were trying to get to the coast.

9. On the 14th, they ran into some enemy soldiers who ordered them to stop but who were too few in number to enforce the order. About a hundred of the group were caught but the rest evaded and gradually re-assembled along the logging road they had been following. Later in the day, in a clearing, they were surrounded by about fifteen Motolova trucks that began driving at high speed through the road, the drivers apparently trying to kill as many people as they could. The people broke out of the clearing and into the woods, but not before—according to the young man—about fifty or sixty were killed.

10. Danang two middle-aged men from Danang related the following: on the 28th, 29th and 30th of March, the enemy set up a mortar position near the city side of the Trinh Minh bridge and shelled people massed on the Quat, hoping for evacuation. The usual pattern was 20 to 30 rounds per hour, an hour's pause, and repetition. On the 29th, one of the two men in the crowd said that about fifty people were killed and many more wounded during a half-hour period before he panicked and left.

11. At 0400 on 31 Mar., a young Psof member returned to a house he shared with two older brothers in the brothers' 303rd Rf battalion dependents compound. An old woman stopped him at the compound gate and told him his brothers were dead and VC were waiting for him inside. He approached the house and fired in the air, two VC ran out and he says he wounded both but they escaped. Inside the house he found both brothers with their throats cut, and his two sister-in-laws bound, gagged and in shock. He took the women and their small children away, and in so doing was told that all Rf soldiers and some dependents caught in the compound had been killed the same way as his brothers. There is information, unconfirmed but considered reliable, that the same thing happened at the 44th Arvn Regiment (23rd division) near Hq and dependents area, near the Ban Me Thuot provincial airfield.

[DEPARTMENT OF STATE TELEGRAM]

SAIGON.

Subj.: NVA/VC Treatment of People in recently captured areas.

Ref.: State.

1. Following information was gathered in

conversation with a Saigon policeman (captain) who has been searching out escaped from Ban Me Thuot to find information about part of his family, presumed captured there. He relates the following events as he heard them from a buddhist monk, who witnessed them.

2. The monks in a Ban Me Thuot Pagoda were accused of helping people hide from the "PRG" (they had in fact sheltered and fed a number of escaped) and were led to the marketplace in Ban Me Thuot, the day after the fighting stopped. Several thousand other people were also assembled there. All were told to sit down. Then local "PRG" cadre walked through the crowd, pointing out GVN employees and police known to them. About 300, according to the monk, were selected and taken off to one side. The presiding cadre delivered a lengthy harangue, accusing them of being American lackeys and spies, and enemies of the people. They were all shot and killed.

3. Next, families of these men known to the local cadres were ordered to follow several armed guards. They were led out of town, and after a short distance the monk (who had been released and was following them out along the road to his pagoda) heard and saw explosions (probably mortars) in the midst of the people. Some were killed, others wounded. They panicked and ran into the woods on both sides, and the monk followed suit. He decided to keep going and, in the company of some others, eventually got to the coast and by boat to Saigon. While waiting for a boat, he found people who had been near the front of the column of dependents and who told him that, after the shelling they saw VC soldiers slightly ahead and to both sides of the column. As the families ran, they were shot at, chased after and shot at again.

4. Apparently, the "PRG" wanted to kill these families, not in executions in front of everyone at the market but as a subtler act of terror to frighten others: men would be persuaded that any anti-"PRG" sentiments would endanger their families as well as themselves. Since the mortar fire began a little early, some of the families managed to escape the ambush. There is no accurate estimate as to how many were killed. Many of those not killed and terrified of staying in Ban Me Thuot any longer may have eventually died somewhere along the foodless two-week trek to the lowlands.

EGG PRODUCERS AND THE CRISIS IN AMERICAN AGRICULTURE

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. FITHIAN. Mr. Speaker, I am very pleased to have received a letter from Mr. John A. Lait of Cedar Lake, Ind., concerning his analysis of the problems facing egg producers in northwestern Indiana. Like other farmers across our land, egg producers have found themselves caught in a squeeze between the prices they receive for their products and the increased prices they have to pay for all things they purchase. Egg producers, as well as corn, grain, and soybean farmers and cattlemen, are facing difficult problems due to the rapidly escalating costs of production. We as a nation should not ask our farmers to produce our food and fiber at a financial loss. I commend this letter by Mr. Lait to your attention. The letter is as follows:

LETTER

You honor me in asking for information concerning the shell egg business, and I shall be faithful in discharging this responsibility.

It has been generally reported that egg producers lost 8¢ per dozen in 1974, and they are looking for only a 5¢ loss per dozen in 1975. On the face of these figures, one is tempted not to believe it; however, it is true. How can these egg producers remain in business? For many this will be the last year, and many will continue due to the large investment they have made. Needless to say, these producers must have other sources of revenue, or utilize the loss in other business manipulations.

COST OF PRODUCTION

Feed		Feed required to produce 1 doz. eggs	
Cost per ton	Cents per pound	Pounds	Cents
$148.98 (fall purchased)	7.5	4.3	0.3215
$127.00 (cash market)	6.3	4.3	.2730
			[1].297
Cost of pullet: $2.15, will produce 20 dozen eggs (varies)			.11
Plant facilities labor, etc			.06
Cost to produce a dozen nest-run eggs			.467

[1] Cost per dozen.

EGG PRODUCERS

An egg producer who sells his product to egg processors receives an average of 15¢ below the New York price. This date that market is 57¢, or he receives 42¢ per dozen for all eggs sold on a nest-run basis. On a grade-yield basis the processor grades the eggs and pays 11¢ under, but he pays very little for the undergrades. It works out about the same.

The cost of production, less the sale of eggs, leaves him with a 4.7¢ loss per dozen produced. This is for a two-ounce egg "large" size, produced from a flock six months in lay. Consider the loss he has already sustained in producing the smaller sizes of eggs.

Herein, egg processors, lies a different story. He works on the 11 or 15 cents margin. His is just a business of buying and selling. On the grade-yield basis, he is suspected in down grading the eggs to further his margin. Terms like "pencil grading" are prevalent, and his honesty is suspect. Egg processors have had several excellent years in the business, and 1974 was one of the best they have had. His cost is 3¢ per dozen, plus the paper cost of 2 to 4 cents, and his pick up and delivery cost of 2 cents.

Hope springs eternal in the breast of every egg producer, and the "can do" attitude has kept him operating; however, it is apparent that at some point he will no longer exist. The future will be only producer-processor organizations. Then the profit margin will have to level off between the two phases.

In our particular situation, we both produce and process. Our cost is 46.7 cents plus the 3 cents for processing; and we have our eggs available at 49.6 cents. Marketing the eggs then becomes the problem. If we can sell the eggs retail, our margin can be 12¢, or at least 8¢. Inasmuch as we are a complete system, we can sell eggs of many different grades at different margins. Our excess eggs are sold to a large processor in the state of Michigan (this sale is generally at a loss). We are hopeful that enough of our eggs are sold at retail in order to offset the loss on our excess eggs. If we can ever get to the point where we can sell all of our eggs retail, then we will have a profitable operation.

LEGISLATION

At the present time, Indiana House has a Bill Number 1598, and the Senate has a Bill Number 583, that have passed. The object of these two bills is for the promotion of agricultural products.

The Indiana State Poultry Association, 1975 Legislative Committee, of which I am a member, is seeking the passage of enabling legislation which would allow the poultry industry to hold a referendum in Indiana in regards to a mandatory check-off for promotion, education, etc.

The Federal Trade Commission has a legal action against the National Poultry and Egg Board in reference to advertising against the cholesterol problem.

ITEM

There is growing interest in establishing the post of Secretary of Agriculture in the State of Indiana. As you know, Lt. Gov. Orr is the acting Secretary of Agriculture. If we could get the right man in this spot that would act vigorously and forcefully, this could do much for the furthering of the cause of agriculture. I would like to see him act as a farmer advocate.

SUPPLY AND DEMAND

Supply and demand have always controlled the egg industry, and a short while ago the annual per capita consumption was 401 eggs. Recently it was reported to be 230 eggs, and falling. As the demand decreases, so must the supply. This means that some producers will have to go out of business. Well and good if that is the proper trend; however, the demand has been tampered with, and the public has been ill advised by the medical profession, and has scared the public with inaccurate information concerning cholesterol. I feel that consumption will fall below the 200 eggs per year if the present trend continues. Consider what will happen then if the American people re-discover the egg as being an excellent source of food, and consume it at the previous rate of 401 eggs per year. The price of eggs would be astronomical, and it would take years to get the supply up to the demand. A real danger lies here, and many of us in the egg industry feel that every effort must be made to inform the public of the truth in the health scare, and keep the supply and demand at its proper level.

BYELORUSSIAN INDEPENDENCE

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. BADILLO. Mr. Speaker, Byelorussian-Americans recently celebrated the 57th anniversary of the proclamation of Byelorussian independence. It is truly unfortunate that Byelorussia's independence exists only in the minds and hearts of Byelorussians, and not in fact.

In January of 1919, the Soviet Union created the Byelorussian Soviet Socialist Republic. Since that time, uprisings have occurred expressing the desire of the Byelorussian people for independence.

It is important that we not forget the oppressed peoples of the world, and that we stop to remember the plight of the Byelorussian people.

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ASKS UNITED STATES TO INVITE ALEXANDER DUBCEK TO THIS COUNTRY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. MOTTL. Mr. Speaker, I believe that all of us admire and respect courage in the cause of human rights and freedom.

Therefore, I hope all members of this House will support my request that our Government extend an invitation to Alexander Dubcek of Czechoslovakia to come to live in the United States.

Alexander Dubcek, to refresh your memory, was head of the Czechoslovakian Government which relaxed some of the harsh restrictions on human liberty usually found in a Communist state.

You may remember how the entire free world was jolted in 1968 when Russian tanks and troops rumbled into Prague and extinguished this flame of freedom.

Once again, the darkness of repression—the rejection of freedom—the refusal to permit free speech and discussion—had fallen on Czechoslovakia.

Frankly, I was especially disturbed about this because Czechoslovakia is the land of my ancestors. Like millions of other Americans, while completely loyal to this country and fully appreciative of its opportunities and advantages, I have a certain sentimental attachment to my heritage.

After the night of repression fell on Czechoslovakia again, Alexander Dubcek became a virtual prisoner. He and his family were subjected to constant surveillance. He was assigned to work as an auto mechanic.

But he continued to speak out in favor of greater freedom for his countrymen.

This week, news dispatches reported that the present Communist government of Czechoslovakia had told Alexander Dubcek to either shut up or leave the country.

In other words, this outspoken courageous man is threatened with expulsion from his native land.

I totally disagree with Mr. Dubcek's commitment to communism, but I concur in his dedication to certain fundamental human rights.

I have sent the following letter to Secretary of State Henry Kissinger:

> I herewith request that the United States extend an immediate official invitation to Alexander Dubcek to take up residence in this country.
>
> Mr. Dubcek became a symbol of freedom when, as First Secretary of the Communist Party in Czechoslovakia, he liberalized the regime and recognized the human rights of the people of his country. His liberal policies were suspended when Soviet tanks rumbled into Prague in 1968.
>
> Since then, Mr. Dubcek has continued to speak out courageously in favor of human rights and freedom.
>
> Although I strongly disagree with his dedication to the cause of Communism, I respect and admire his devotion to the concept of human freedom.
>
> Since the overthrow of his government in 1968, Mr. Dubcek has been a virtual prisoner in Czechoslovakia. Despite constant surveillance and restrictions, he has continued to speak out in favor of freedom for the individual. This man who once headed his nation has been assigned to work as an auto mechanic.
>
> Gustav Husak, present leader of the Communist Party in Czechoslovakia, announced yesterday that his authoritarian regime would permit Dubcek to leave Czechoslovakia.
>
> I request that the United States Government immediately make it clear that Mr. Dubcek would be welcomed in this country. His arrival here would demonstrate to the world that the United States is still the land of the free to which people throughout the planet can look as a beacon and hope for a future of freedom.
>
> An invitation to Mr. Dubcek to find sanctuary here would confirm American's moral leadership of the free world.

I hope Dr. Kissinger will take quick and affirmative action on this proposal.

EMERGENCY HOMEOWNERS RELIEF ACT

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. DODD. Mr. Speaker, the most recent report from the Joint Economic Committee states that this country is now experiencing its highest rate of unemployment since 1941. There were 8 million persons unemployed in the month of March, 500,000 above the previous month and 3.1 million above August 1974, when joblessness began its rapid climb. The March increase in joblessness was shared by virtually all worker groups. Rates were near or above alltime highs for adult women, 8.5 percent; teenagers, 20.6 percent; whites, 8 percent; blacks, 14.2 percent; household heads, 5.8 percent; and full-time workers, 8.3 percent.

For my State of Connecticut, the unemployment level in February was 9.5 percent. In the eastern part of the State which I represent, double-digit unemployment predominates, with 10.6 percent in Norwich; 15.4 percent in Putnam; 22.9 percent in Plainfield; 5 percent in New London; 8.9 percent in Vernon; 10 percent in Willimantic; and 10.4 percent in Middletown. Needless to say, the loss of jobs reflected in these unemployment figures is causing serious economic problems in Connecticut and the entire country. One of the most serious is the loss of income to cover home mortgage payments, which leads to the ultimate foreclosure on the home and the loss of what is, in most cases, a lifetime investment.

H.R. 5398 which has been passed by the House and is now pending in the Senate would provide repayable emergency mortgage relief payments to homeowners unable to make mortgage payments due to current economic conditions. Under the provisions of the bill, the homeowner must have suffered a severe reduction in income due to involuntary unemployment or underemployment due to current economic conditions. Payments provided by HUD under this legislation may be in an amount up to the amount of the principal, interest, taxes, grounds rents, hazard insurance and mortgage insurance premiums due under the mortgage, but may not exceed the lesser of $250 per month or the amount determined to be necessary to supplement such amount as the homeowner is capable of contributing toward his mortgage.

I cosponsored an earlier version of this legislation because of the great number of people it will assist in safeguarding the investment they have made in their homes. The bill authorizes a total of $500 million for 1976 through fiscal year 1979, a level which would assist a total of 300,000 homeowners. I would like to emphasize that these mortgage payments provided by HUD under this legislation are loans, and must be paid back on terms and conditions set by HUD but at an interest rate no greater than 8 percent. HUD is required to obtain adequate security for the relief payments, including, if necessary, a lien on the mortgaged property. With these provisions written into this legislation, the enactment of H.R. 5398 would not be inflationary and, in fact, would help stabilize our economy during this recessionary period. Without these benefits, thousands of persons may lose their homes and be forced to seek public assistance, creating an additional tax burden on the working population.

In addition, this legislation will benefit our economy by preventing disruption of residential markets and construction activity because of distress sales of homes and by maintaining normal mortgage lending activity of financial institutions.

Mr. Speaker, the tragedy and hardship of this economic recession has been widespread and many people have suffered greatly. Often, our view of what is needed to bring us out of our current economic difficulties becomes clouded. However, we can be certain that, without the assistance which this legislation would extend to unemployed and underemployed citizens, many people will be unable to meet their mortgage payments and will lose their homes. The Emergency Homeowners Relief Act would prevent these tragedies from occurring, and will not have inflationary impact on the economy.

THE 35TH ANNIVERSARY OF KATYN MASSACRES

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. ANNUNZIO. Mr. Speaker, Aloysius A. Mazewski, the distinguished President of the Polish National Alliance who lives in the 11th Congressional District I am privileged to represent, spoke April 13 at a memorial program sponsored by the alliance in commemoration of the Polish victims of the brutal Soviet massacre in the Katyn Forest during the spring of 1940.

It is most fitting that we honor the memory of those courageous victims for as Mr. Mazewski points out we must learn the lessons taught by this monstrous atrocity and stand firm against continu-

ing Soviet attempts to enslave the free peoples of the world.

Mr. Speaker, I call the attention of my colleagues to Mr. Mazewski's remarks and include them in the RECORD at this point.

SPEECH OF ALOYSIUS A. MAZEWSKI

The Katyn Forest massacre of 4,423 Polish intellectuals—among them two generals, hundreds of scientists, doctors, professors, chaplains, judges, lawyers, engineers and students, remains as the last unpunished and largest ignored crime of genocide committed during World War Two. It was a part of the savage plan to deprive the Polish nation of its intellectual leadership.

The Katyn Massacre was not "just another war atrocity" executed in the blind fury of a battlefield. It was a premeditated, and long planned mass murder and should have been classified as a crime against humanity and brought to the docket of the International Wars Crimes Tribunal in Nurenberg.

It was conveniently overlooked by the Western Powers in order to placate the Soviet Union.

Then in 1951, the House of Representatives Select Committee to Investigate the Katyn Massacre, after a thorough investigation, formally accused Russia of the Katyn crime and asked the State Department to present the case to the United Nations. Here, again, it was deemed "inopportune" to offend the Soviet Union with incontrovertible facts. We owe a debt of gratitude to Congressman Ray J. Madden, Chairman, former Congressmen Timothy P. Sheehan and Roman Pucinski, and others, for their steadfast and relentless investigation.

Eugene Lyons, then roving editor of Readers' Digest, pointed accusing finger at the Western Powers when he wrote:

"Since Soviet Russia was an ally in the war against Germany—neither the United States nor Great Britain cared to look into the unsavory Katyn Forest facts. It was more convenient to accept Moscow lies and forget the matter".

Thus, the Katyn Massacre, one of the most shocking, cold-blooded crimes against humanity, committed during World War Two by totalitarian systems—is gather dust is our State Department and in other chancelleries of the free world.

This incomprehensible fear of offending the Soviet Union and its corollary—the naive, almost childish desire to accommodate the Russians in every area of international relations, persists throughout the decades of post war era.

There is no quid pro quo in American dealings with the Soviet Union.

All the Kremlin tyrants need to do in a dispute is to show truculency to win unwarranted accommodations from American diplomacy.

That was the way we lost the peace after winning the war. The Soviet Union expanded its tyranny and enslaved half of Europe in its Communist system.

Years of the cold war and Russian intransigence did not bring home the lesson, that the only thing the Russians respect is the show of power and determination.

Today, we have a new case in point,

Dr. Kissinger, whose personal diplomacy and shuttle forms of negotiations more and more appear as houses of cards built on the quicksands of history, allegedly promised the Soviet Union a new unwarranted concession during the planning of the Helsinki Conference on European Peace and Security.

It was the promise to formally recognize and accept by the United States the Soviet Union's war time annexation of the Baltic States and their summary incorporation in the Soviet empire.

The United States has been steadfast in non-recognition of this Russian conquest.

Thanks to the alertness and investigative zeal of the American press, this alleged promise Secretary of State Kissinger made to the Russians, became known to the general public. In the light of publicity it appeared as another one-sided concession to the Russians.

Recently, while discussing Congressional reluctance in providing further aid to South Viet Nam, Dr. Kissinger asked: —what kind of people are we?

The same question with even more relevancy can be applied to the luckily aborted plan of forsaking the Baltic people to the merciless tyranny of the Soviet Union.

What kind of people does Dr. Kissinger think we are?

Are we willing to condone the cynical, unwarranted and unrewarding abandonment of historic rights of entire nations, just to keep the Russians less truculent at the Helsinki negotiations?

And by what right did Dr. Kissinger attempt to seal the fate of the Baltic States?

The timely exposure of the American press of this autocratic promise saved the United States from a grievous international error.

Learning about it from the press and the spokesmen of the Baltic States, President Ford firmly stated that no such concession will be presented to the Russians at Helsinki.

And Dr. Kissinger may learn a valuable lesson. Namely, that the Russians will not withdraw from the international conference on this account and may become more civilized and reasonable when they find out that their theatrical truculence does not pay off.

There is also a talk about liquidating Radio Free Europe and Radio Liberty, to make it easier for the Moscow tyrants and their pro-consuls in the subjugated nations to suppress truth and extinguish the last remaining rays for hope for cultural and political freedom.

To this nefarious attempt I say:—we will be first to cheer the dissolution of the Radio Free Europe and Radio Liberty facilities, if such a dissolution would herald the restoration of the freedom of expression in the East and Central European countries, now dominated by the Soviet Union, and if a measure of personal freedom for the Russian people was the exchange value on the part of Moscow.

Under the present circumstances, however, Radio Free Europe and Radio Liberty are indispensable sources of objective information for the subjugated nations.

BAN THE HANDGUN—NO. 7

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. BINGHAM. Mr. Speaker, when Attorney General Levi announced the outline of a Justice Department proposal for handgun control on April 6, he added fuel to the already flaming controversy over the handgun issue. Many of us find the proposal much too weak; others, of course, believe that any Federal control over handguns is unacceptable.

I was pleased that the Ford administration decided to address the problem, but disappointed with the chosen approach. While Mr. Levi's idea is innovative, it will also be ineffective if enacted into law. In the Attorney General's own eloquent words, a handgun is "a mechanism that translates passion or passing evil intent into destruction." Although he clearly recognizes the menace posed by the availability of handguns, his proposal would do little to counter that menace.

On April 17, the Washington Post offered cogent criticism of the Attorney General's proposal. A description of the proposal, from April 7th's New York Times, and the Post editorial appear below:

[From the New York Times, Apr. 7, 1975]

LEVI SAYS UNITED STATES IS STUDYING WAYS TO CURB PISTOLS IN URBAN AREAS

(By John M. Crewdson)

WASHINGTON, April 6.—Attorney General Edward H. Levi said today that the Justice Department was considering a number of proposals that would reduce or eliminate the possession of pistols in metropolitan areas.

In a speech before the Law Enforcement Executives Narcotics Conference here, Mr. Levi outlined the measures that he said he believed might stem further increases in the estimated national supply of more than 40 million pistols and prohibit their possession in high crime areas outside the home or place of business.

The pistol, he said, "makes an individual in a city too powerful for his environment. It is a menace because it can be so readily hidden. It is a mechanism that translates passion or passing evil intent into destruction."

State, local and Federal laws regulating the impact and sale of pistols, the Attorney General said, "have proven to be insufficient" in affecting the "great carnage" and "even greater anxiety" he laid to their use.

MENTIONED AT CONFERENCE

At a news conference last week, Mr. Levi mentioned gun control as an example of the kind of social issue that he said ought not to be "swept under a rug" by society only to be "dragged out before a court" on a case-by-case basis and then resolved in an adversary proceeding.

He said that he had recently discussed the department's gun control study with President Ford, who "encouraged us to go ahead" with the attempt to find some mechanism that could be put into a legislative proposal.

One remedy under discussion within the Justice Department, Mr. Levi said today, is a system of taxes on "Saturday night specials"—cheap, low-quality pistols—that would "price this variety of weapon out of existence."

Mr. Levi cited a Treasury Department study showing that 70 per cent of more than 4,500 pistols used in crimes in four major cities were "Saturday night specials."

The Justice Department, he said, believed that an effective test could be devised to define such weapons "with sufficient clarity," based on such factors as size, barrel length and the metallurgical quality of the weapon.

One approach under consideration, he said, which would reduce the attractiveness of such weapons to potential purchasers, involves a "graduated tax" that would bring the price of each cheap pistol up to "some specified level," such as $100.

Mr. Levi pointed out, however, that "Saturday night specials are not the only weapons on the street," and that a prohibitive tax or even an outright ban on their manufacture or sale would not eliminate the threat caused by other pistols, cheap or expensive.

A second approach therefore under consideration, he said, involves the prohibition of the possession of any pistol outside the home of place of business if the local violent crime rate should rise above a certain level.

STATISTICAL AREA

As an example, Mr. Levi suggested that such a ban should take effect if the violent crime rate in a Standard Metropolitan Statistical Area was either 20 per cent higher than the national average or 10 per cent higher than the national average and 5 per

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cent higher than the previous year's local rate.

A Metropolitan Statistical Area is defined as a central city of 50,000 or more inhabitants and its surrounding political subdivisions.

Mr. Levi said that, under his suggested criteria, a Federal pistol prohibition law would have been put into effect in 62 such areas, including New York City, Washington, Chicago, Baltimore, San Francisco and Los Angeles.

Although Mr. Levi's address gave no clue as to the sort of proposal his department would ultimately recommend for translation into Federal law, he seemed to prefer the second approach of prohibiting street possession in high crime areas.

Such an approach, he said, "would avoid the problem encountered in so many cities whose neighboring suburbs do not control handguns strictly."

In addition, he said, it would "leave unaffected the use of handguns in vast areas of the nation, in cities where violence has not reached emergency proportions and in rural areas where handgun use is both less threatening and more legitimate."

Guns

Attorney General Edward H. Levi has taken an important step in the debate over the control of this country's proliferating store of handguns. In a recent speech to law enforcement officials, the new Attorney General made it clear he believes some form of handgun control is in order. That is a marked departure in viewpoint from that of his recent predecessors. The conventional wisdom has held in the past that the subject is so controversial that it is best avoided.

The need for handgun control is pressing, as each day's news readily demonstrates. One day we learn of a dramatic suicide, the next of a deranged man who walked along a highway looking for black faces. Each time he saw one, he fired a .45 caliber automatic at pointblank range, killing two and badly wounding four other motorists and their passengers.

Despite such incidents and the other compelling evidence of the need to stop a civilian arms race that results in the sale of 2.5 million new handguns a year, there are still powerful forces able to raise a political hue and cry at the suggestion these weapons should be controlled. Mr. Levi recognized that powerful lobby when he said: "The test of our government may lie in its ability to open thoughtful discussion on issues marked by deep emotional divisions." In the past, those divisions have been sufficiently emotional to keep those who should be speaking out from doing so.

Mr. Levi placed much of his emphasis on the problem of urban crime, arguing correctly that "a handgun makes an individual in a city too powerful for his environment." He went on to propose a complex remedy that is highly questionable in practical terms.

Mr. Levi has proposed what amounts to a gun-free zone. He would try to cast legislation in such a way as to make handguns illegal in high-crime urban areas while leaving undisturbed the present gun sale and ownership patterns in rural areas and those urban areas with significantly lower crime rates than the large cities. There are a number of reasons this will not work. To begin with, if we take the street sale of heroin as an analogy, Mr. Levi's model would say that there is no point in making possession and sale a federal offense in South Carolina, because South Carolina has no demonstrated heroin problem. Such a suggestion with regard to heroin would satisfy no one, and little more could be expected of such a plan with respect to guns.

The evidence suggests there is no way to use the law to create walls around jurisdictions. In fact, a study of several thousand guns seized from criminals in New York City in 1973 showed just that. Those guns were traced back to a small sporting goods store in South Carolina, a store that had become a major source of underworld fire power in New York. New York has one of the toughest guns laws in the Nation, and the oldest. It is, in effect, the very gun-free zone Mr. Levi is suggesting. Aside from private guards, only about 8,000 New Yorkers are legally entitled to carry guns. Yet, gun crime is climbing at an alarming rate in that city. The guns come from areas of the country, particularly the South, where there is almost no gun crime problem.

Focusing on the problem of high-crime areas ignores the damage done to people all over the country, because of the ill-advised possession of handguns. There is no piecemeal solution to the handgun problem. There is no one kind of gun which, once outlawed, will make the problem less serious. No one, two or dozen places can be isolated for legislative treatment. We need a national, comprehensive gun control law that banishes the handgun from all parts of the Nation. Nothing else will do the job. While applauding his courage in taking on the problem, we would urge Mr. Levi to give further thought to the question of what is the right remedy.

PONTIAC, MICH., TURNS TIDE ON CRIME

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. BROOMFIELD. Mr. Speaker, historically, the city of Pontiac, Mich., has had the rather dubious distinction of claiming the second highest crime rate among cities its size in the United States. Now, thanks to an ambitious crime prevention program made possible by Law Enforcement Assistance Administration funding and the hard work of private citizens and public officials, Pontiac is shedding the image of a high crime community.

In 1974 crimes against persons actually decreased by 11.7 percent in Pontiac, from nearly 2,000 the year before to just over 1,700. This figure becomes even more impressive when compared to the 15 percent rise in such crime across the Nation—for comparable cities—and the 13.6-percent rise for the rest of Michigan. Although the total crime index rose by 10.5 percent in Pontiac in 1974, this figure is considerably less than the national rise of 18 percent and the statewide rise of 23.4 percent.

The reason behind this dramatic crime-fighting success is the comprehensive crime prevention program, a program developed by the city manager's task force on crime prevention and implemented with the support of LEAA funds.

Ten project areas have been developed as a result of the work of the task force, including the establishment of a permanent citizens crime prevention advisory committee to continue the efforts of the task force. A school outreach program has been implemented to foster positive interaction between the police and elementary and secondary school students, and police officers have assumed counselor roles in schools to further improve these relations.

Other projects include:

A building security team program designed to provide advice and recommendations to individual citizens on how to make their homes and businesses secure from robberies and burglaries.

A neighborhood citizens watch program designed to supplement regular police patrols in residential areas by providing for volunteer "citizen watches" to report crimes or suspicious circumstances to police.

A street lighting improvement program designed to reduce potential criminal acts in locations where conventional street lighting is inadequate for crime detection.

A court administration reorganization program designed to improve and facilitate the activities of the 50th district court.

An improved court probation program designed to provide meaningful probationary services to persons convicted of crimes in Pontiac.

A silent observer program designed to elicit information from citizens with knowledge of the identities of crime perpetrators, through a system of monetary rewards.

A major project area has been the reorganization, and reallocation of resources, of the Pontiac Police Department under the leadership of Police Chief William K. Hanger. Platoons have been beefed up in relation to call-load volumes with the goal of responding to serious calls within 2 minutes at least 95 percent of the time. Patrol sectors have been realigned for more effective coverage, and the investigations division has been reorganized to help increase the conviction rate. The result has been a rise in the crime clearance rate from 14 percent to 48 percent, and a rise in the conviction rate from [illegible]8 percent to 84.4 percent.

Pontiac's comprehensive effort in the area of crime prevention utilizes the concept that just as crime itself is not the result of a single factor, effective crime prevention cannot be realized with isolated tactics. Mayor Wallace Holland has stated:

> The central theme running through Pontiac's approach has been to present as broad an effort as possible and to probe as many crime producing factors as money and manpower will permit.

The statistics prove that this comprehensive approach has been highly effective, and the city of Pontiac is much the better for it. Many people deserve credit for this successful fight on crime; City Manager Frank Smiley and his office's task force, Mayor Holland and the city commissioners, Chief Hanger, and others. But city officials are unanimous in their belief that the major ingredient for success was, and is, the presence of LEAA funding. Still, it is certainly to their credit that they have made the most effective use of these funds, and I am pleased to report of their accomplishments in this area.

BUCKING A NATIONAL HOUSING TREND

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. HARRINGTON. Mr. Speaker, it is a widely acknowledged fact that we face a national housing crisis. Housing production has drastically declined placing an added burden not only on the housing market, but on the already strained economy as well.

To a large degree, this crisis has been caused by an abdication of leadership on the part of both the present administration and its predecessor. The housing moratorium imposed in January of 1973, which for all intent and purpose is still in effect, has dealt a crushing blow to the hopes of many who took us at our word when the Congress committed this country to the housing goals set forth in the 1968 Housing Act. The direct impact of the moratorium can be measured in the dramatic decline in housing starts since 1973. The crippling economic effects caused by the moratorium are best measured in the growing unemployment lines across the country.

We are asked to believe that existing Federal housing programs such as sections 235 and 236 were inefficient, wasteful, and unworkable. Past production levels and quiet successes across the country, however, refute these claims.

The following article, written by Bill White, executive director of the Massachusetts Housing Finance Agency and a trusted friend, documents a successful integration of these Federal housing programs and those undertaken by Massachusetts under his leadership. The article, which appeared in the March issue of Urban Land, suggests that the existing Federal housing programs can and do work when properly administered, and that they should not be hastily shelved or replaced by untried programs. The article follows:

Mixed-Income Housing in Massachusetts— Bucking a National Trend

It has been generally assumed in this country that the residential integration of different economic and social groups is not possible. The historical basis of this assumption is subject to question, but there is no doubt that the idea has pervaded the housing development industry throughout the twentieth century. Relatively homogeneous housing in the same price range has traditionally been thought to be the key to a successful neighborhood.

Government involvement in housing has repeatedly been based on this assumption and has reenforced it over time. As early as the 1920s, with the enactment of zoning regulations, government supplied the legal basis for development of economically stratified neighborhoods.

In 1943 Congress authorized the federal government to conduct an experimental program of slum clearance and construction of public housing projects for poor people in cities. The Housing Act of 1937 authorized a public housing program and shifted the operational responsibility for it to the cities. Cost limitations restricting the design of buildings and income limits governing occupancy ensured that only the very poor would live in the projects. Residents with rising incomes were forced to leave their homes and seek shelter in the private market.

Whereas the public housing program was designed for the urban poor, construction of single-family houses was encouraged in the suburbs. The FHA insurance program made it possible for families who would otherwise have been unable to obtain a mortgage loan to purchase houses. The homeowners also received an indirect government subsidy based on the deduction of interest payments from the household's taxable income. This policy of publicly-owned projects in the cities and privately-owned houses in the suburbs was the core of the government's housing program throughout the 1940s, 1950s, and 1960s.

The stratification of income groups was also encouraged by the urban renewal program begun in 1949. Cities were authorized to take land, demolish buildings, and convey the sites to private developers who would replace the older, low-rent buildings with luxury housing. This created upper-income enclaves in the cities. Legislative refinements in the urban renewal program eliminated some of the inequities in the process, but the policy of building housing for a specific income group continued.

New programs introduced in the 1950s and 1960s extended government-assisted housing to moderate-income groups who were unqualified to live in public housing and unable to afford market rents or homeownership. Section 221(d)(3) and, later, Section 236, were added to the lexicon of programs aimed at specific income groups. Following the federal government's model, some states and cities enacted their own programs. Housing finance agencies authorized to make below-market interest rate loans were established.

In a few instances urban renewal programs were planned for a combination of income groups. But these were cautious experiments where separate buildings were designed for the specific income groups that would inhabit them. Such an "income mix" consisted of luxury housing at high rents on one site, moderate-income housing meeting the standards of Section 221(d)(3) or 236 on a second parcel, and public housing for low-income households on the remaining and, inevitably, least desirable piece of land in the urban renewal area.

In some cases these efforts provided replacement housing for the people displaced by the renewal process, but they did little to achieve integration of socio-economic groups. Instead of encouraging interaction, site planning tended to establish physical barriers separating different groups. Furthermore, design of the buildings and living units deliberately demonstrated that each building was for a different clientele.

As a result of the government housing policy, the residential patterns of the American people became increasingly segregated by income. Moreover, segregation by race was reenforced and extended. The low and moderate-income households which make up a disproportionate percentage of the black population were limited in their housing opportunities to a choice between older housing, often substandard, and new housing projects for low-income or moderate-income households. Minority groups were even excluded from some of the new projects. It took an executive order from President Kennedy in 1962 to outlaw discrimination in federally-aided housing.

Government policies had a disastrous effect on minority group families who could afford to buy a house in the suburbs. Between 1935 and 1950 discriminatory practices were not only condoned but actively encouraged by government agencies. Charles Abrams, in *The City is the Frontier*, said:

"The Federal Housing Administration's official manuals cautioned against 'infiltration of inharmonious racial and national groups,' 'a lower class of inhabitants,' or the 'presence of incompatible racial elements' in the new neighborhoods . . . Zoning was advocated as a device for exclusion, and the use was urged of a racial covenant (prepared by the FHA itself) with a space left blank for the prohibited races and religions, to be filled in by the builder as occasion required. The Home Loan Bank System—the federal agency which regulates savings and loan associations—urged similar practices.

For some sixteen years, then—a period in which more than 11 million homes were built—federal housing agencies pursued a concerted, relentless, and officially sanctioned drive to keep people living only with their own kind and to get them to oppose intrusion by anybody who was different."

In 1950, two years after the Supreme Court held the covenants to be unenforceable, the FHA manual was revised on orders from President Truman.

Considerable support for racial integration can be found in the sociological literature on housing, but most studies stop short of suggesting that economic integration is workable. In 1970 the U.S. Department of Housing and Urban Development asked for an examination of the subject. A Social Science Panel was created and charged with drawing together and assessing the behavioral and social science knowledge bearing on the feasibility and desirability of a policy of social mixing. The summary report entitled *Freedom of Choice in Housing: Opportunities and Constraints*, published in 1972, said:

"There is no evidence from field studies that socioeconomic mixing is feasible. The trend in the movements of urban population is toward increasing separation of socioeconomic categories. The tendency is manifested among blacks as well as whites."

Given the history of the nation's housing policies it is no surprise that the separation of socioeconomic categories is increasing. But to say that a trend sets the limits of feasibility is to suggest that this is the best of all possible worlds.

In a paper prepared for the Social Science Panel on "Social Stratification in Urban Areas," Cora B. Marrett questions the idea that low-income people desire to live only with their own economic group.

"Recognition that low-income residents have not consciously chosen to live in homogeneous communities is essential. Measures that widen their options may disclose a rather different pattern of preference than that previously evident."

But with respect to middle and upper-income people, the assumption that people prefer homogeneous communities goes unchallenged.

The absence of evidence that socioeconomic mixing is feasible is due to the fact that, until recently, no public policy of encouraging a socioeconomic mixture of residents in a neighborhood has been tried.

The creation of the Massachusetts Housing Finance Agency was the first legislative act to establish a clear public policy of encouraging the economic and racial integration of housing. The MHFA statute, passed in 1966 and amended in 1968, requires that 25 percent of the dwelling units in each development financed by the Agency be made available to low-income persons. The intent of the law is to promote the creation of low-income housing that is well-designed and well-managed. The need for public support of this goal is expressed in Section 2 of the law:

"Private enterprise, without the assistance contemplated in this act, cannot achieve the construction of decent, safe and sanitary housing at rentals which persons and families of low income can afford in situations where permanent betterment of living con-

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ditions is to be hoped for. Moreover, experience has demonstrated that concentration of low income persons and families even in standard structures built with public subsidy does not eliminate undesirable social conditions and does not permanently eliminate slum conditions."

In June 1969 the Supreme Judicial Court upheld the constitutionality of the Agency. The members and staff, fully committed to the successful development of the concept, began to finance mixed-income housing and to create the policies that would make it work.

From the beginning it was clear that MHFA-financed housing would have to be designed to compete in the private market for the middle-income residents who could afford the unsubsidized rents. By extending the same design and management quality throughout the development the Agency believed it would be able to fulfill its purpose of increasing the supply of good housing for households of low and moderate income.

MHFA's power consists in its ability to raise mortgage money through the sale of notes and bonds at tax-exempt interest rates and to lend the funds at below-market interest rates to private developers who agree to limit the profits they derive from the housing they build.

By the time MHFA had become operational, however, the costs of land and construction had grown apace. The Agency's tools were no longer adequate to meet the needs of low-income people. Even rent skewing, where a reduction in rents for 25 percent of the units is matched by an increase in rents for the market-rate units, was insufficient to reach households with incomes below the limits set for occupancy of public housing. And such a system would leave moderate-income people out in the cold.

For this reason MHFA turned to HUD for the rent supplements and public housing leasing money which would reduce rents for low-income residents and for the interest reduction funds through Section 236 of the National Housing Act which would serve the moderate-income households.

MHFA and HUD together created a flexible system for incorporating these funds into our developments without identifying which dwelling units would be inhabited by low, moderate, or middle-income households.

HUD also agreed to recognize MHFA processing of loan applications, a policy which prevented the duplication of red tape and saved years in processing time. HUD set aside funds that would be used only in housing financed by MHFA. This enabled the Agency to know in advance the level of production which would be possible.

In 1970 this system seemed to be a major breakthrough in the way government agencies do business with each other. In retrospect it is clear that its success resulted from the commitment of HUD officials in Washington, in the New England Regional Office, and in the Boston Area Office to produce well-designed, well-managed housing as rapidly as possible.

MHFA closed its first loan in January 1970. By the end of 1974 the Agency had financed 178 housing developments containing 26,575 dwelling units with loans totalling $604,337,076. Seventy-six percent of these developments are occupied; the remainder are under construction. In addition, more than $300,000,000 has been committed to finance approximately 11,500 units for low, moderate, and middle-income people.

The category of low income, defined by local housing authorities, varies from one municipality to another. Generally speaking, it means an income of less than $6,000 a year and includes families receiving public assistance and elderly persons living on a social security budget. The moderate-income group, again speaking generally, consists of households with income between $6,000 and $12,000 a year. Middle-income households paying the market rent may have incomes as high as $30,000 a year.

From the start of the program it was obvious that the selection of good sites would be a crucial first step in the production of successful mixed-income housing. A policy was established to accept only those sites where people, regardless of their income, would choose to live.

On the average, MHFA accepts one out of three sites proposed by private developers. As a result of this selectivity, MHFA housing is now situated in excellent physical and social environments in the best locations of cities, suburbs, and towns and in urban areas that show promise of improving.

MHFA also insists on good design. To avoid a stereotyped product the Agency requires an original design for each development that is financed. Plans for undeveloped sites seek to preserve the natural contours of the land and save as many trees as possible. In urban areas buildings are planned to relate well to their surroundings.

Great care is taken in arranging the buildings on the land to preserve open space and provide adequate recreational facilities, attractive landscaping, reasonable traffic patterns, and unobtrusive parking areas. The layouts of the residential units, community spaces, and public areas are designed with the daily needs of the residents in mind. Building materials of the highest quality are required.

The analysis of mortgage applications stresses the importance of operating budgets sufficient to support proper maintenance and management. Management policies are structured to promote the goal of economic integration; residents paying low, moderate, and market rents are mixed throughout the development. No distinctions are made in the quality of dwelling units for different income groups. All residents have equal access to the commuity spaces, social activities, day care centers, swimming pools, and tennis courts. Limited amenities, such as the best views, are distributed among the different income groups on a proportional basis.

These management policies are taken into account early in the site planning stage of the design review process.

From the beginning of the Agency's activity, we have been driven by the belief that what we are doing is socially and philosophically right. We found the concept to be acceptable in the marketplace. Our units rented well and developers became increasingly interested in the program. They, too, found that it works.

But as a public agency with responsibilities and obligations to the larger community, MHFA decided to sponsor a factual analysis by a source outside the Agency to measure the effectiveness of the program.

In early 1973 we developed a procedure to find a study team of the highest caliber to do a social audit of the MHFA program which would eveluate how well the socioeconomic mixture of residents is working.

A team of researchers was assembled under the direction of four housing experts: Dr. William Ryan, professor and chairman of the Psychology Department of Boston College: Alan Sloan, a housing specialist on leave for the duration of the study from Arthur D. Little, Inc.; Dr. Mania Seferia, a social psychologist and associate professor of City Planning at the Harvard Graduate School of Design; and Elaine Werby, formerly chief of Social Planning at the Boston Housing Authority.

The social audit team was given compete independence during the year-long study to investigate all aspects of the central question: does the MHFA mixed-income program work? How does the level of satisfaction of tenants of mixed-income housing compare with that of residents of housing that has a narrow range of income groups?

The question was complicated by the presence of factors other than income mix that affect levels of satisfaction. Random distribution of these characteristics could not be assumed, because some architects, builders, and managers consistently perform better than others. So the first task of the social audit team was to construct a research model that could be used to measure and control the other factors which affect satisfaction and, thereby, judge the independent effect of income and racial mix.

The model that was developed includes a number of objective and subjective variables such as location, design and construction, management practices, maintenance quality, and the characteristics of the resident population. It was assumed that each variable might be correlated with satisfaction and that the variables might be intercorrelated as well. Thus, the social audit asked the question: what are the determinants of satisfaction and, within the pattern of these determinants, what is the particular effect of income mix?

The team studied the first wave of MHFA production: 16 housing developments, the 3,200 households living in them, and the municipalities in which they are located. Interviews were held with developers, architects, managers, and municipal officials. The social audit team selected an outside group to evaluate the design and construction of the housing.

Intensive interviews were conducted with 200 MHFA tenants and with 125 residents of similar developments which house a more homogeneous population. These included publicly-owned housing for low-income households, moderate-income housing developed through Sections 221 (d)(3) and 236 of the National Housing Act, and market-rent housing financed by conventional sources.

The residents' own expressions of satisfaction or dissatisfaction with their apartments, housing developments, management, and neighbors were studied to determine whether the income and racial mixture are working.

We were delighted with the outcome of the study, which we believe has major national importance. The social audit found that mixed-income housing developments produce greater satisfaction at all income levels than do homogeneous housing developments which are either traditionally-subsidized or conventionally-financed.

The principal reason for the difference, according to the social audit, is that MHFA developments are superior in design, construction, and management. The study concludes that:

". . . income mix 'works' or does not 'work' according to whether the mix occurs in well-designed, well-constructed, well-managed developments. These latter factors are the crucial determinants of satisfaction. Income mix and racial mix are, in themselves, of no particular relevance."

The report states that MHFA tenants expressed an unequivocally higher level of satisfaction, a total of 89 percent satisfied and only 11 percent dissatisfied compared to the non-MHFA tenants, who were 78 percent satisfied and 22 percent dissatisfied. These differences are statistically very significant.

In addition to reporting higher overall satisfaction, MHFA tenants showed higher satisfaction with their aparements, with their developments as a whole, and with management. This higher satisfaction is also found in an analysis of responses from each income group, including the market-rent tenants.

A very important finding by the social audit team is that:

". . . contrary to conventional wisdom, people at different income levels display pretty much the same distribution of values, social attitudes, and life styles. Thus, the major theoretical reason for predicting difficulties around extensive income mixing—a dysfunctional clash in values and behavior—is probably based on misinformation."

The report also pointed to ways for MHFA to make improvements in its program. By ranking the 16 early developments according to the tenants' level of overall satisfaction, the study shows that several developments with less satisfied tenants (although more satisfied than the control group of non-MHFA tenants) could be classified as "traditional subsidized" housing.

These developments are set apart from those in the superior categories by several interrelated factors: they are predominantly subsidized, are located in poorer communities, and exhibit less successful design, construction, and management. The key factor in making this housing less successful in producing tenant satisfaction, according to the report, is the attitude of the developer that he is building a "traditional 236" all-subsidized development.

In contrast, the superior developments achieve a startlingly high level or tenant satisfaction as a direct function of the developer's intention to create housing which will compete successfully in the open market. But the report stresses that although these superior developments produce more satisfaction for tenants, they are not meeting the same magnitude of social needs as the "traditional subsidized" developments.

The report recommends that MHFA strive for a blend of the essential ingredients of the superior developments (development teams and sites that are geared to attract market tenants) with more attention to meeting the needs of large families and members of minority groups.

The study found that in the first wave of MHFA production significant changes in the patterns of racial segregation were not made; that "although some movement toward greater integration is evident, the pattern of racial distribution in MHFA developments is only moderately different from that in the general housing market."

Before MHFA had the conclusions of the social audit in hand we had already stepped up our efforts to monitor the affirmative marketing performance of the owners and managers of developments financed by us. We also instituted a practice of holding open some units until we were convinced that every conceivable step to achieve a racial mixture of residents had been taken.

The social audit report reenforced our belief in the wisdom of racial as well as economic integration. The study concludes that:

". . . for the individual, his expressed satisfaction with the development he lives in is associated with his evaluative reactions to the development itself and the way the management operates . . . (With regard to his neighbors) he is happier if they are friendly and well-behaved, but group characteristics appear to be irrelevant. In particular his own perception of how much income mix and how many minority families there are in the development has no association one way or another with his own personal level of satisfaction."

"(In the interviews) there were three questions asking, in general, whether in housing developments there should be social mixing or social similarity, that is, asking whether, with respect to race, age, and income, people should be different, the same, or it didn't matter. With regard to these three options the most commonly chosen response was that it didn't matter (30 percent). Thirty-six percent, overall, said that the tenants should be *different* from one another, 25 percent said they should be the same. This pattern was consistent for all three dimensions—age, race, income—across the three income levels and the two study groups—MHFA tenants and the comparison groups."

It is evident from this report that people of different backgrounds and economic conditions can live together harmoniously, in fact, with a much higher degree of satisfaction than is found in the traditional marketplace.

As a parting thought I would like to ask the reader to consider what it is that makes you satisfied or dissatisfied with your own housing. Do you like the town or city where you live? Is your neighborhood clean and attractive? Are the services good? Do you have the privacy you want? Are you disturbed by noise? Are your neighbors friendly? nuisances? well-behaved?

Is the location convenient to your job? to shopping? to friends who wish to visit you? Are the surroundings a secure place for children to play? Is your housing a good value for what you pay? Is it soundly built and safe? Could you find better value elsewhere?

Are your neighbors richer or poorer than you?

GUN CONTROL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. CRANE. Mr. Speaker, there are few issues in this country today that are more emotional or less understood than the question of registration and control of firearms. Indeed, the issue is not just a matter of personal safety; it also is a matter of practicality and of constitutional rights.

Those who favor firearms registration and control often make the argument that if you get the guns off the street, there would be less crime. They also point out that many shooting incidents arise from family quarrels that are definitively settled by quick recourse to a gun. Finally, pro-gun-control advocates suggest that easy access to a gun increases the chance of an impulsive suicide.

Taken simply, or together, and supported by statistics that tell only one side of the story, these arguments can sound convincing especially when coupled with an explanation that the second amendment does not really give everyone the right to bear arms, because it was only meant to apply to those in the militia or, as some would like to believe, the National Guard.

I sympathize with those who would like to see crime reduced. Certainly, I would like to see it reduced also. But, we need to be reasonable and practical when we assess the causes of crime, not emotional. The fact of the matter is, guns do not kill people unless people pull the triggers any more than alcohol makes people alcoholics, unless people drink it, or drugs make people commit suicide unless someone takes an overdose. Ultimately, people, not society or some inanimate object that has been created, are responsible for what goes on in this world and it is they who should take the blame.

The irony of all this is that those arguing for gun control are often the very same ones that talk and complain loudest about invasion of privacy, denial of liberty, or abridgement of free speech. Many who would deny that the Constitution does not really mean people have the right to keep and bear arms will argue to the bitter end that there should be absolutely no restriction on freedom of speech, even down to the right of the person to cry fire in a crowded theater. Worse yet, some of those making such claims do not see the inconsistency of their position any more than the fallacies of their other arguments or the holes in their logic.

Since this is the case, I would like to look at the arguments made in favor of gun control and try and replace some fiction with more facts and a bit of logic. First, let us take the argument that taking away everybody's guns will reduce crime.

I will agree that if everybody's guns were confiscated crime might go down, just as it would if all knives were confiscated. But, there are two problems. The first is the matter of getting "everybody" to turn in his gun. If criminals are willing to break the law by using a gun on someone else, they certainly are not going to turn it in—especially if they want to use it again. Even the Supreme Court ruled in 1968—*Haynes* v. *United States*, 390 U.S. 85—that people illegally possessing firearms could not be expected to turn them in, because that would violate their fifth amendment rights against self-incrimination. All gun control will mean is a bigger black market and, if people cannot protect themselves, an increase rather than a decrease in crime. Any streetwise person knows that the major deterrent to crime today is the fact many law-abiding people carry "heat" and "heat" is the great equalizer that even a criminal will respect. Take away from the law-abider his right to that protection and the criminals would have a heyday and our law-enforcement agencies would be so busy checking up on guns they would not have the time to do much about it. In short, gun controls would not only fail to reduce crime but, and this is the second problem, they are as impractical to enforce as prohibition. The logic that makes sense in this situation is not what you hear from the gun-control advocates, but what you see on the bumper sticker that reads: "If guns are outlawed, only outlaws will have guns."

In support of this logic, let me cite some figures my distinguished colleague Steve Symms presented recently to the House Judiciary Subcommitttee on Crime. Nationwide, there are over 20,000 firearms statutes in effect, yet the crime rate is still increasing. Hawaii, which has the lowest rate of gun ownership, has twice the crime rate of Wyoming, which has the highest rate of gun ownership. And in New York City, which has had a stiff gun registration and control law on the books for almost 50 years now, 21 percent of the Nation's robberies are committed.

But perhaps the best projection of what would happen if gun control were adopted nationwide can be gleaned from the experience of Operation Pass in

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Baltimore last fall. Operation Pass was a bounty program in which the city paid out $50 to everyone who turned in a gun and $100 for each tip leading to the confiscation of illegal firearms. By the time the program ended, the city had collected some 13,500 firearms and had spent over $675,000 but, despite the expenture, only an estimated 10 percent of the guns in the city were turned in. Moreover, in the first 2 weeks of the program, there were only 29 tips on illegal firearms despite the $100 reward. And, to top it off, Baltimore's police commissioner was forced to admit that during the first 39 days of the program the number of gun related murders rose more than 50 percent. From a rate of one murder every 2 days involving a gun, the city suffered three gun murders every 4 days.

Such statistics hardly constitute evidence that guns will either be turned in voluntarily or that turning them in will do any good insofar as crime is concerned. However, the statistics do indicate that gun control is an expensive proposition and one that will not only take up time from other law enforcement efforts, but also badly needed money.

As a matter of fact, Government sponsored research done back in 1968 indicated that it would have cost $72.87 to license each gun owner the way New York City does it. Now, with inflation, the cost would be over $100 a gun owner, and with 40 million gun owners holding some 200 million guns, that would mean an initial cost of $4 to $5 billion to say nothing of keeping up the records. Only the Social Security System has to do a more thorough job of recordkeeping than gun registration and control would entail. Certainly we have better things to do with our money, particularly in these times, than to spend it depriving people of their right to protect themselves, invading their privacy, denying them the right to use a gun for hunting or target shooting and violating the second amendment of the Constitution.

Much has been made about the reference to the militia in the second amendment by proponents of gun control saying it negates the constitutional argument that everyone has the right to keep and bear arms. However, the militia should not be confused with the National Guard, which was not formed until the 20th century, and even now title 10, section 311 of the United States Code states that—

> The militia of the United States consists of all able-bodied males at least 17 years of age and . . . under 45 years of age who are or who have a declaration of intent to become citizens of the United States.

Since I doubt that anyone wants to discriminate against women or people over 45, particularly since a good case can be made for members of each group needing a gun for safety more than males between 17 and 45, it seems to me that there should be no question about everyone having the right to bear arms. Certainly our Founding Fathers meant it that way as they considered the right to bear arms essential to individual liberty.

In writing his draft of the Virginia Constitution, Thomas Jefferson stated:

> No free man shall ever be debarred the use of arms.

Similar expressions were forthcoming from men like Patrick Henry, George Mason, and Samuel Adams. And, in 1790, George Washington said:

> A free people ought not only to be armed and disciplined, and their safety and interest require that they should promote such manufacturies as tend to remind them independent of others for essential, particularly military, supplies.

Despite what some might think, such a doctrine was not new even then. In fact, the right to bear arms was rooted in 17th century English Common Law thus clearly indicating that the intent of the Founding Fathers was to make that right inviolate under any circumstances. As a matter of further fact, men like Adams and Henry went so far as to protest that the Constitution, as first submitted, did not guarantee "the right of having arms in your defense." The fact that, subsequently, the right to bear arms became the second right to be enumerated and adopted in the Bill of Rights suggests just how important a matter it was to those who were the architects of our freedom.

Another irony of this whole discussion is the fact that organized crime, an element that gun control supposedly attacks, stands to gain the most from it. Along with the numbers racket, gambling, protection and drugs, gun running and manufacture would become a major source of income. Guns are both cheap and easy to make and organized crime would soon be supplying them not only to criminals but to everyday people who, after noticing that the criminals do not give up their guns, decide they need one for their own protection. When it comes to their own lives, or the lives of their families, who is to say that people should not be able to acquire guns for protection. If one does not have that right, then all our rights are in danger.

Which brings me to a final point. Guns are a symbol of our freedom and our existence as a democratic society. In a system of checks and balances, they represent the ultimate check, the check of the people against abuses by their Government. If those words in the Declaration of Independence about the right to rebel against tyranny are to retain their meaning, we must safeguard the means to rebel even if we never expect to be exposed to tyranny again. When you get right down to it, the ultimate question at stake is liberty. Without doubt, guns are dangerous and, in the wrong hands, can hurt people, but to take guns out of all hands is not the answer. A much better solution lies in dealing directly with the guntoting criminal. For his benefit, I have recommended legislation that would increase the penalty for using a firearm while committing a crime. To my way of thinking, putting the man who pulls the trigger in jail and keeping him there is a lot surer way of cutting down on crime than just doing away with some guns—more of which will always be available.

THE BLACK ECONOMIC DEPRESSION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. RANGEL. Mr. Speaker, as the economic situation continues to worsen, the plight of the poor becomes precarious. Unemployment in inner city communities far exceeds the national average. Youth and veterans, especially those who are black, cannot find jobs. Crime by men and women desperate for money to feed their families is on the rise since welfare and unemployment benefits do not keep up with the cost of living.

In conversations with many of the residents of the 19th Congressional District, I find growing despair over the failure of Congress to enact a full employment program which would guarantee a job for every American willing to work. The people's cynicism about the Federal Government's lack of concern and lack of action is also spreading.

The official statistics from the White House and the executive agencies minimize the breadth of our economic crisis. The impact of unemployment, inflation, and depression on the least visible members of our society—the poor, minorities, the aged—appears far less in the official reports than it is in reality. Perhaps the statisticians should spend more time in the field, talking with citizens, observing the true situation. The true figures may at least begin to push the White House and Congress into acting on pending legislation to finally deal forcefully with the crisis we face.

Vernon E. Jordan, Jr., executive director of the Urban League, has written a perceptive article on the situation which appeared in the Augusta, Ga., News-Review:

THE BLACK ECONOMIC DEPRESSION

(By Vernon E. Jordan, Jr.)

Statisticians have discovered a remarkable way to move people in and out of the labor force. They call it "seasonal adjustment". And one way to make the unemployment figures lower is not to count people as unemployed if they've given up looking for work in a job market where no employment opportunities exist.

The Labor Department's February unemployment figures showed a rate of 8.2 percent, or about 7.5 million people out of work. Those are seasonally adjusted figures, theoretical constructs to account for shifts in work patterns that occur from month to month.

But when real people are counted—bodies, not theoretical constructs—the picture changes somewhat. Then we have an unemployment rate of 9.1 percent and 8.3 million workers—real people with bills to pay and families to feed—out of work.

And even these figures are grossly misleading. In February, some 580,000 workers gave up looking for jobs. So long as they registered each week that they were actively looking for work, they were counted as unemployed. In February after weeks of fruitless job-hunting and no leads or interview possibilities they gave up the search. They thus became in the official statistics nonpersons no longer part of the labor force and no longer counted as unemployed.

Seen from the vantage point of a person

who wants to work in a society that has no work for him, these statistical exercises become a sort of shell-game deceiving the public, legislators and the Administration about the seriousness of the Depression.

I'm not calling it a recession any more, because we are currently living through an economic Depression. For Black people, there isn't the faintest doubt about this.

One of the biggest barriers to getting the kind of federal action to end this Depression is the public's ignorance of the seriousness of the situation. The National Urban League's Research Department just released its quarterly economic report on the Black worker, and, along with up-dating to cover the last month or so, it presents a devastating picture of the Black economic Depression.

It estimates true Black unemployment including those out of work, working part-time when they want full-time work, and those who have given up trying to find jobs, at about 25 percent, one out of every four Black workers!

For Black teenagers, the official rate is over 40 percent. In some urban ghettos, up to half the people are without full-time jobs they want.

And that's not all. There are as many Blacks out of work today as in the darkest days of the Great Depression. About a quarter of the Black unemployed have been out of work for at least four months. About 700,000 of the Black unemployed are not eligible for unemployment compensation benefits, because their unemployment did not result from direct job lay-offs, a requirement for such benefits.

And one striking finding is that Blacks, who comprise 12 percent of local government employes, make up almost half of all local government workers who were employed, offering striking testimony to the disproportionately lay-offs of Blacks by local governments, demonstrating lessened commitment to affirmative action.

Some people, noticing the concentration of Black workers in the laggard auto industry, think that alone accounts for high Black jobless rates. Not true. Far more Blacks have lost jobs in the construction and food processing industries.

And this Depression is not confined to Blacks, it cuts across the board. High white unemployment is also hidden by the official numbers game. In addition to the 6.9 million white workers officially counted as unemployed in February, add another 6.9 million discouraged workers, and people in part-time jobs who want full-time work and you've got a grand total of close to 14 million white people out of work today.

No amount of fudging can hide the fact that this nation is in a real Depression. It's time to stop haggling over what to call it and get to the business of ending it.

IS IT KISSINGER'S FAULT?

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. BOLLING. Mr. Speaker, George F. Will may have a different view of our Secretary of State than I do, but his column "Is It Kissinger's Fault?" which appeared in the Washington Post of Friday, April 18, 1975, contains a paragraph which states a truth all lovers of freedom and liberty should ponder. The paragraph says of Kissinger:

> He knows that, strategically, time is not on the side of the bourgeois societies of the West. Totalitarian regimes, for all their stupidities, have one strength—staying power. Open consumer societies, devoted to the manufacture and gratification of appetites, have no appetite for the disciplines and deferred gratifications that protracted international competition entails.

The full column follows:

IS IT KISSINGER'S FAULT?

(By George F. Will)

We are sliding into one of those tedious Washington debates that begin wrong and go downhill from there. The debate is about Henry Kissinger. To what extent is the state of the world—from Lisbon to Saigon—his fault?

It is another debate about a particular statesman, rather than the more troubling debate we should be having about the limits of democratic statecraft.

Kissinger's critics see him as the pilot in the following story:

A ship plying the coastal waters off Ireland picked up a pilot to guide the ship through the treacherously rocky waters. The ship's captain was appalled to learn that the pilot was drunk, but the pilot said: "Sir, I know every rock in these waters"—at which point there was the crash of hull hitting rock—"and, Glory be to God, there's one now."

Kissinger's critics tend to argue that if U.S. foreign policy is frustrated, some U.S. official must be to blame. This is unfair.

But Kissinger is partly to blame for the unreasonable expectations that he has raised and cannot fulfill. His direct, personal involvement in the short-run tactics as well as the long-run strategy of foreign policy encourages people to think that he expects his statecraft to subdue events.

For his own part, Kissinger feels like the 16th-century woman who was charged with witchcraft and was sentenced this way:

"The accused woman is to be thrown into the river—bound and gagged. If she sinks to the bottom and drowns, this will be proof of her innocence and she is to be given a proper burial; if she floats on the surface and breathes, this will be proof of her guilt, and she will be fetched immediately from the water and burned at the stake."

Kissinger has been critcized for an anti-institutional, over-personalized diplomatic style. And now that events beyond his control (beyond his congressionally diminished control) are unfolding unpleasantly, he is held personally responsible for them.

In fact, Kissinger's problems today are a web of paradoxes.

Political forces have their own physics: Kissinger's vanity has provoked a matching force from those he considers his tormentors, the insurgents in Congress. What Napoleon said of the French Revolution is true of Congress' revolution against Kissinger's domination of foreign policymaking: "Vanity made the Revolution; liberty was only a pretext."

Kissinger does not have humility in the face of Congress because, increasingly, he has humility in the face of history. Congress believes that when its members say "aye" to (say) a "model cities" program, model cities should result. Kissinger lives day-by-day with an even more turbulent world than the one which frustrates Congress' will for "model cities."

Kissinger is a strategic pessimist and a tactical optimist.

He knows that, strategically, time is not on the side of the bourgeois societies of the West. Totalitarian regimes, for all their stupidities, have one strength—staying power. Open consumer societies, devoted to the manufacture and gratification of appetites, have no appetite for the disciplines and deferred gratifications that protracted international competition entails.

But Kissinger, like a Confederate cavalry officer, believes that tactical daring in the short-run can partially compensate for the long-run weakness of a strategic position. This explains the fact that he is more ardent than discriminating in seeking agreements—pieces of paper.

The sobriety and pessimism of Kissinger's vision is, strictly speaking, unAmerican. It also is broadly correct: throughout history free societies have been short-lived rarities.

Kissinger's view also is, literally, unspeakable. No official of a democratic government can express such skepticism about the long-run toughness and wisdom of his society.

The gathering strength of the totalitarian movements substantiates Kissinger's unspoken strategic pessimism, but seems to contradict the tactical optimism that is his only permitted public posture. This poses the ultimate paradox:

The dangerousness of the world from Lisbon to Saigon, may produce the sobriety and cohesion without which no democratic nation can have a purposeful foreign policy. If you remember Lewis Carroll's poem "Hunting of the Snark" you know that nervousness has its uses:

But the valley grew narrow and narrower still,

And the evening got darker and colder,

Till (merely from nervousness, not from goodwill)

They marched along shoulder to shoulder.

SCHOOL SYSTEMS PUSH BLACKS OUT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1975

Mr. RANGEL. Mr. Speaker, our children are told continually that a good education is a requirement for jobs, success, and advancement. They are told that a solid educational base is crucial and that the best way to get that foundation is to begin in the years of early childhood. The schools are supposed to put these principles into action, yet it is tragic that—on the contrary—many school systems seem to operate to prevent children from getting an education.

As the following article from the Greensboro, N.C., Carolina Peacemaker, makes clear, thousands of school systems deny educational opportunity to students by suspending or expelling them for imagined or real infractions. A disproportionate percentage of the victims of these practices are black children. Regardless of race or ethnic heritage, pupils who are suspended or pushed out are often discouraged from continuing their educations. Many will drop out permanently and then find no opportunities for jobs, especially in times like these. Worst of all is the fact that these discriminatory practices deny thousands of our children the chance to develop to the full limits their abilities, interests, and talents.

The Congressional Black Caucus will continue to fight for equal educational opportunity for all children and for an end to practices which deny those opportunities to youth.

The article follows:

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SCHOOL SUSPENSIONS?—TWICE AS MANY BLACKS

WASHINGTON.—Black students are suspended from school at twice the rate of whites. That's the conclusion of a Health, Education and Welfare Department's survey of disciplinary actions during 1972–73, in 2,908 school systems across the country.

Black students, comprising 27 percent of the estimated 24 million students of all races at the 2,908 schools, accounted for 42 percent of all suspensions and 37 percent of all expulsions.

The report showed that 6 percent of the 6.5 million black students in the schools were suspended at least once, compared to 5 percent of the 9.1 million total for all minorities and only 3 percent of the 14.8 million whites.

The HEW survey pointed out that blacks, as a result of the suspensions and expulsions, miss an average of 4.5 days of school, compared to an average of 4.3 days for all minorities, and only 3.5 days for whites.

In Maryland school systems, for example, blacks in Prince George's County make up 28 percent of the total enrollment, but 43 percent of total suspensions. In Montgomery County, it was just as bad—blacks total 7 percent of the student population, but 17 percent of those suspended.

In the Virginia school systems, Arlington County which has a 13 percent black student body accounted for 41 percent of black suspensions. And in Alexandria, where blacks represented 37 percent of the total enrollment, the suspension rate was an unbelievable 64 percent.

The whole issue of suspensions, expulsions or "push-outs" has sparked serious debate among civil rights organizations.

At the helm is the NAACP's Legal Defense and Educational Fund, which has filed suit against the Prince George's County School system, alleging that the extremely harsh suspensions are depriving the black students of their educational rights.

The Supreme Court ruled in January, 1975, that students facing temporary suspension from public school have property and liberty rights and must be accorded due process in disciplinary cases.

SENATE—*Tuesday, April 22, 1975*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God of creation and love, as the miracle of springtime covers the Earth with a tapestry of beauty, show us that history has its resurrections, that springtime follows winter, day follows night and out of travail comes the birth of better days. In these dismal days when most news is bad news, save us from a cynical pessimism by the radiant belief that this time of sorrow is not the end of history but the time to assess enduring values. May no disappointment lead to despair, no failure extinguish the bright light of hope. Equip us for the role we must play in the making of a better world. Thus in this Chamber may the words of our mouths, the thoughts of our minds, the emotions of our hearts be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 22, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. FORD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, April 21, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

USE OF MONEYS DERIVED FROM THE DEVELOPMENT OF OIL SHALE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 82.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative Clerk read as follows:

A bill (S. 834) to provide that moneys due the States under the provisions of the Mineral Leasing Act of 1920, as amended, derived from the development of oil shale resources, may be used for purposes other than public roads and schools.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with an amendment on page 2, in line 6, following the word "development" strike the word "of" and insert the word "or" so to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: ": *And provided further,* That all moneys paid to any State on or after January 1, 1974, from sales, bonuses, royalties, and rentals of public lands for the purpose of development of or research concerning oil shale deposits may be used by such State and its subdivisions for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by the development or research activities.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE 15TH MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE

Mr. MANSFIELD. Mr. President, during the Easter recess—specifically, Holy Thursday, Good Friday, Holy Saturday, and Easter Sunday—representatives of the U.S. Congress participated in the 15th Mexico-United States Interparliamentary Conference, held March 26–31, in Campeche, Mexico.

A report on the conference is being released today.

As chairman of the Senate delegation, I want to draw special attention to this year's report and the work of the Conference. I ask that this matter be given special consideration not because the Conference produced any Earth-shaking results or any news of cataclysmic proportions. Indeed, the participants in the Conference did not "blast" anyone. They did not vehemently "denounce" anything; and, so far as I am aware, no one so much as "stalked" out of a meeting. In view of this, I suppose that by our press standards, the Conference was a "bust" in terms of its newsworthiness.

I strongly believe, nevertheless, that the work of the Conference deserves the public's attention:

Its accomplishments include increased goodwill between Mexico and the United States;

Its accomplishments include increased understanding of problems of mutual concern; and

Its accomplishments include increased friendship and trust between the people of our two countries.

I regret that accomplishments such as these are less newsworthy than the tragic events which fill our daily newspapers.

The United States is indeed fortunate to have a friend and neighbor like Mexico. The truth of the matter is that we could not hope for a better friend or a better neighbor.

I ask unanimous consent that the report of the Senate delegation on the 15th meeting of the U.S. Interparliamentary Group, held at Campeche, Mexico, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP—REPORT OF THE SENATE DELEGATION ON THE FIFTEENTH MEETING, HELD AT CAMPECHE, MEXICO

(By Senator Mike Mansfield, Chairman)

LETTER OF TRANSMITTAL

APRIL 18, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: In accordance with Public Law 86–420, approved April 9, 1960, I am transmitting herewith a report on the 15th meeting of the Mexico-United

States Interparliamentary Group, which was held in Campeche, Mexico, March 26–31, 1975.

Representative Jim Wright, acting Chairman of the House delegation, is submitting a separate report to the Speaker of the House.

As one who has had the honor of leading the United States Senate delegation on several Mexico-United States Interparliamentary Conferences, I want to emphasize the value of these annual meetings—fifteen to date. They have served to strengthen and solidify the traditional bonds of friendship and good will between the people of Mexico and the people of the United States. They have served to reduce the number of bilateral problems between our two countries—to the point where, today, there are no major problems confronting Mexico and the United States. And they have served to provide the legislators of both countries with a better understanding of the views and aspirations held by our respective governments on the major regional and international issues of our time.

These are *lasting* benefits, and though they do not lend themselves to a cost-benefit analysis, there is no doubt in my mind—and there should be no doubt at all—that the "dividends" from these annual conferences represent a multimillion dollar return on investment when compared to the actual cost of each conference.

At this point, I should emphasize that with Mexico playing an ever-larger role on the international scene, our annual meetings have taken on added meaning and new dimension. In this connection, I want to make special mention of President Echeverria's initiative on the Charter of Economic Rights and Duties of States, which was endorsed overwhelmingly during last year's United Nations General Assembly meeting. Though some of the industrialized nations, including the United States, voted against the Charter, I am hopeful that future negotiations will produce unanimity on this very important undertaking. As I recently stated in Mexico to President Echeverria: "The Charter of Economic Rights and Duties of States shall forever stand as a tribute to you and to the people of Mexico. With it, you have awakened the conscience of the world and the world has responded with thundering applause." I am confident that our interparliamentary meetings can make a significant contribution to resolving the few remaining differences on the Charter issue.

One of the reasons why our conferences are so successful is the contribution made to them by the delegates' wives. In addition to Mrs. Mansfield, the list of this year's delegates' wives included Mrs. Hartke, Mrs. Montoya, Mrs. Huddleston, Mrs. Griffin, Mrs. Percy, Mrs. Wright, Mrs. Badillo, Mrs. Wilson, Mrs. Rousselot, Mrs. Guyer and Mrs. Lagomarsino.

Last but by no means least, I want to convey my deepest personal appreciation to President Echeverria who honored us with his presence during the delegation luncheon on Easter Sunday. And, once again on behalf of the United States delegation, a special thanks to all our friends in Mexico who contributed to making this year's conference an unforgettable one indeed. In this regard, we are particularly grateful to Deputy Carlos Sansores Pérez, who so ably served as Chairman of the Mexican Delegation and to Senator Luis Farias, an old friend, who served as Co-Chairman. We greatly look forward to having all of our friends from the Mexican Congress with us next year in the United States.

Sincerely

MIKE MANSFIELD,
Chairman, Senate Delegation.

FIFTEENTH MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE

I. Background

United States participation in annual parliamentary conferences with Mexico was authorized by Public Law 86–420, approved April 9, 1960. The first such conference was held in Guadalajara in February, 1961. Subsequent conferences have been held in the United States in even-numbered years and in Mexico in odd-numbered years.

The United States delegates attending the 15th Conference, which was held in Mexico, March 26–31, 1975, were:

From the Senate:
Mike Mansfield of Montana, Chairman.
Stuart Symington of Missouri.
Jennings Randolph of West Virginia.
Vance Hartke of Indiana.
Joseph M. Montoya of New Mexico.
Walter D. Huddleston of Kentucky.
Robert P. Griffin of Michigan.
Charles H. Percy of Illinois.
Paul Laxalt of Nevada.

From the House of Representatives:
James C. Wright of Texas, Acting Chairman.
Herman Badillo of New York.
Charles Wilson of Texas.
John H. Rousselot of California.
Tennyson Guyer of Ohio.
Robert J. Lagomarsino of California.

Deputy Carlos Sansores Pérez served as Chairman of the Mexican delegation. Senator Luis Farias was Co-Chairman of the Mexican delegation. The other Mexican delegates were:

From the Chamber of Deputies:
Luis Danton Rodriguez.
Luis del Toro Calero.
Manuel Ramos Gurrion.
Gilberto Acosta Bernal.
Ignacio Carrillo Carrillo.
Abraham Talavera Lopez.
Alejandro Sobarzo Loaiza.
Mario Ruiz de Chavez.
Carlos Machiavelo Martin del Campo.
Horacio Labastida Muñoz.
Fernando Estrada Samano.
Jose Murat.
Fredo Guillen Castañon.
Luis Leon Aponte.
Joaquin Canovas Puchades.
Victor Cervera Pacheco.

From the Senate:
Victor Manzanilla Schaffer.
Alejandro Carrillo Marcor.
Aurora Ruvalcaba Gutierrez.
Guillermo Morales Blumenkron.
Gilberto Suarez Terres.
Martin Luis Guzman.
Francisco Aguilar Hernandez.
Ramon Alcala Ferrera.
Ignacio Maciel Salcedo.
Carlos Perez Camara.
Florencio Salazar Martinez.

II. Conference program

The United States Senate delegation arrived Campeche Airport at approximately 11:30 p.m., March 26. The following morning, the delegates attended an official flag-raising ceremony in the Plaza de la Republica and afterward, proceeded to the opening plenary session of the Conference. Committee meetings began immediately thereafter and lasted throughout the day, stopping only for a short luncheon break. Following the afternoon Committee session, the delegates attended a wreath-laying ceremony and fireworks display at Campeche's Juarez Statue.

On the morning of March 28, the delegates finished their Committee work and in the afternoon they attended the closing plenary session of the Conference. After the formal closing of the Conference, local city officials presented a key to the City of Campeche to each member of the United States delegation.

The following day, March 29, members of both delegations had an opportunity to take a bus tour of the coastal area south of Campeche.

Both delegations departed Campeche early the next morning, March 30, and arrived at 9:30 a.m., at Cancun International Airport, where they greeted the arrival of President Echeverria. After the President's arrival, an airport inauguration ceremony was held, followed by a luncheon in honor of the President and attended by delegates to the Conference.

At mid-morning March 31, members of the United States delegation departed Cancun for their return to Washington, arriving Andrews Air Force Base at approximately 4:45 p.m.

The work of the Conference was organized in two Committees which dealt with the following agenda items:

A. Committee I—Political Affairs:
1. The Inter-American System
(a) Cuba
2. Population and development
3. Law of the Sea
4. Charter of Economic Rights and Duties of States
5. Strengthening the United Nations
6. Multinational Corporations

B. Committee II—Economic and Social Affairs:
1. The Trade Reform Act of 1974
2. Balance of payments
3. Energy
4. Tourism
(a) Civil aviation
5. Narcotics
6. Science and technology

The Mexico-United States Interparliamentary Conferences do not take votes or pass resolutions, but in most years the chiefs of delegations have issued a joint statement. The statement issued in Mexico this year is printed elsewhere in this report, as are the reports on the discussions held in each of the two committees.

There follows the rules of procedure adopted annually by the Conference:

1. The United States co-chairman will designate a United States delegate to serve as chairman of each committee.

2. Each delegation will name a delegate for each committee to serve as official rapporteurs.

3. In each committee the Mexican rapporteur and the United States rapporteur will prepare a summary of the principal points and arguments made by the delegates of his country in that committee. Each summary will be included in the record of the meetings.

4. All meetings will start at the designated hour regardless of the number of delegates present. If the chairman is not present, a delegate designated by the chairman will call the meeting to order.

5. To assure maximum participation the chairman will recognize alternately members of each delegation in the order in which they indicate a desire to speak.

6. In order that as many delegates as wish may participate, a delegate may not speak for more than 10 minutes until each delegate who wishes to speak has had his opportunity.

7. A delegate who has been recognized shall not be called to order or interrupted during the time allotted him.

8. A delegate may participate in the discussion of a committee other than the one to which he is assigned in the same manner as a delegate assigned to the committee.

9. No votes will be taken.

10. It will be in the discretion of the chairman to determine that a subject has been discussed sufficiently and to recommend proceeding to the next subject.

11. The opening and concluding plenary sessions will be open to the press and the public, and a stenographic record will be made. All committee sessions will be limited to the delegates and to staff attached to each of the two delegations. In order to assure the maximum expression of views, it is understood that discussions in the committees

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will be considered as private and not for publication.

12. It is requested that delegates and staff wear their badges when attending meetings and other functions.

III. Committee reports

A. Committee I—Political Affairs

The United States members of the Political Affairs Committee were Senators Mansfield (Chairman), Symington, Montoya, Huddleston, Percy (Rapporteur), and Representatives Badillo and Wilson.

The Political Affairs Committee held three meetings, with morning and afternoon sessions on March 27 and a final morning session on March 28. The meetings were held at the National Social Security Union Building in the City of Campeche.

The six agenda topics assigned to the Committee were discussed at considerable length, with a variety of views presented on each one. The highlights of these discussions follow.

The Inter-American System and Cuba. In the course of the Committee's discussion on the Inter-American System, consensus emerged on the need for changes on both the Organization of American States and the Inter-American Treaty of Reciprocal Assistance. Though both have served the nations of the hemisphere well, they are products of the immediate postwar era—going back more than twenty-five years. While there was not sufficient time to reach agreement on recommended changes, there was agreement that the inter-American system could be made more responsive to the needs of the nations of the hemisphere.

In response to Mexico's initiative to bring the nations of Latin America together under the proposed Latin American Economic System (SELA), a member of the United States delegation voiced approval of the initiative providing this newly-proposed organization does not displace the Organization of American States.

With respect to the issue of Cuba, both delegations expressed the hope that there would be further reconsideration of rescinding the 1946 OAS sanctions. A member of the United States delegation said he thought the U.S. Congress would respond favorably to a rapprochement with Cuba and that he, personally, thought the United States should remove its economic embargo against Cuba.

Population and Development. During the Committee's consideration of this agenda topic, all of the delegates who addressed the subject emphasized the inter-relationship between population growth and economic development.

Members of the Mexican delegation stated that the core issue was economic justice for the developing countries, and they focused considerable attention on the disparity in prices between exports of raw materials from the developing countries and imports of manufactured goods from the industrialized nations.

A member of the United States delegation summarized U.S. assistance efforts in population and family planning, food and agricultural production, and economic assistance in general. He concluded by listing the specific undertakings agreed to by the United States at the World Population Conference held in Bucharest (August 1974):

1. To carry out the provisions of the World Population Plan of Action to the best of our ability.

2. To undertake a collaborative effort with other interested donor countries and U.N. agencies to assist poorer countries to develop low-cost basic preventive and curative health services, including maternal and child health and family planning services, reaching out into remote rural areas.

3. To join with other interested countries in a further collaborative effort of national research in human reproduction and fertility control covering biomedical and socio-economic factors.

4. To join other countries in order to seek increased funds for assistance to bilateral and multilateral health and population programs in developing countries that desire our help and to continue our voluntary contributions to the U.N. Fund for Population Activities.

Law of the Sea. In the course of the law of the sea deliberations over the last several years, held under United Nations auspices, the policy positions adopted by the United States and Mexico, respectively, have progressively moved closer together. Hence a member of the Mexican delegation noted that the two countries now agree on solutions to a majority of the oustanding law of the sea issues.

A member of the United States delegation listed the objectives of the United States during the law of the sea talks currently underway in Geneva; internationally agreed limits to the territorial sea; unimpeded transit through and over international straits; full utilization and conservation of fish resources; international standards defining rights and duties of states with respect to exploitation of marine resources; a satisfactory international legal system for the rational and efficient development of the mineral resources of the deep seabeds; marine scientific research rights and obligations; preservation and protection of the marine environment; and agreement on compulsory settlement of disputes.

Both delegations lamented the fact that the nations of the world had been unable to reach agreement on major law of the sea issues during last year's U.N. Conference in Caracus. Accordingly, they expressed the hope that this year's meeting in Geneva would produce an agreement in principle.

Charter of Economic Rights and Duties of States. The Mexican delegation expressed its disappointment that the United States could not have supported the Charter of Economic Rights and Duties of States during the 29th United Nations General Assembly and pointed out the reasons why in its opinin the Charter would serve the interests of a new international economic order.

A member of the United States delegation indicated that the initiative of President Echeverria in originally proposing the Charter had been applauded by the United States, and that the United States concurred with the general principles of the Charter. In fact, to demonstrate the close accord the United States and other developed nations had reached on most points with the developing countries (known as the Group of 77), the United States had insisted upon a separate roll call vote within Committee II of the United Nations on each major provision of the Charter. There were a record 73 roll calls. Of the 34 articles of the Charter, only a few were opposed by the United States and other developed countries, but these were considered highly significant as they dealt with such important matters as foreign investment and producer cartels.

The U.S. delegate outlined the very large private and public estimates made by the World Bank for economic development investment funds estimated to be required by the developing nations in future years, indicating that without modification the Charter might actually discourage rather than encourage the very flow of investment capital needed for developing countries to achieve their economic and social goals. The delegate reported that in private conversations with certain of the OPEC countries who had actually voted for the Charter so as to "go along with" the Group of 77, there were a number of negative comments regarding their willingness to invest needed development funds if certain of the controversial provisions of the Charter were to govern the conduct of developing nations.

An *ad hoc* committee of two delegates from each country was appointed to review points of differences, but for various reasons further progress could not be made.

The United States delegate suggested that the U.S. take the initiative at the Special Session of the 29th U.N. General Assembly to be held in September 1975, or at the 30th General Assembly immediately following (in accordance with Article 34 of the Charter) to discuss with certain developed as well as developing countries proposed modifications of the Charter. Such modifications would not alter the principles of the Charter, its objectives or goals, but could possibly attract universal support from both developed as well as developing nations, thus making the Charter more meaningful.

The United States delegation again commended Mexico on its initiative in proposing the Charter of Economic Rights and Duties of States, and it seemed to be the consensus of both delegations that relations would be further strengthened and understanding increased if the positions of the United States and Mexico could be brought closer together on the Charter.

Strengthening the United Nations. Both delegations agreed that it was incumbent upon their respective nations—and, indeed, upon every nation in the world—to help strengthen the United Nations. In praise of the organization, a member of the Mexican delegation emphasized the U.N.'s record on human rights, decolonization and economic development. In concluding, he stated, "To build confidence in the United Nations is to reaffirm our faith in the destiny of mankind."

Focusing attention on the issue of disarmament, a member of the United States delegation warned of the continuing and growing threat posed by the proliferation of nuclear weapons. "Together," he observed, "we can deal with this problem, but if we do not, it will 'deal' with us."

In assessing the U.N.'s overall performance in recent years, it was pointed out that there is a growing tendency on the part of some nations to use the organization as nothing more than a political sounding board, rather than as an instrument of international cooperation. If this tendency continues, disillusionment will eventually set in and place the future of the United Nations in serious jeopardy. To help avoid this situation, the suggestion was made that the U.N.'s methods, procedures and operations be reviewed at regular intervals. To this was added the suggestion that immediate consideration be given to changing the rules on voting.

Multinational Corporations. The Committee's discussion on foreign investment and the role of the multinational corporation was opened by a member of the Mexican delegation who observed that Mexico welcomes foreign capital providing it complements and does not displace local investment. Moreover, it must make a positive contribution to economic development and abide by the laws of the host country. In this connection a member of the United States delegation noted that often "Corporations which are not good citizens abroad are frequently not good citizens at home."

Despite the mixed record of multinational corporations, developing countries must recognize their importance as a prime source of investment capital. So long as public investment capital from the World Bank and the Inter-American Development Bank, for example, are unable to meet the investment needs of the developing countries, private capital from multinational corporations will be necessary and developing countries should provide a suitable investment climate in order to attract capital and technology.

B. Committee II—Economic and Social Affairs

The United States members of the Economic and Social Affairs Committee were Representatives Wright (chairman), Rousselot, Guyer and Lagomarsino, and Senators Randolph (rapporteur), Hartke, Griffin, and Laxalt.

The meeting opened with comments by a Mexican delegate on the effects, both in Mexico and throughout Latin America, of the recently-passed U.S. Trade Reform Act of 1974. The most controversial aspect of this law, the delegate noted, was the provision denying to all member nations of the Organization of Petroleum Exporting Countries (OPEC) the benefits of the proposed "General System of Preferences" (GSP). Although Mexico is not a member of OPEC, and may well benefit from this legislation, the Government of Mexico is obliged to support the common Latin American view that this restriction is discriminatory and unfair to such countries as Ecuador and Venezuela. These two OPEC members, it was pointed out, did not participate in the oil embargo imposed by that organization in 1973.

At the same time, satisfaction was expressed over the introduction of certain bills in the United States Senate, such as S. 394, which would exempt from Title V of the Trade Reform Act any developing country which did not participate in the petroleum embargo or in embargoes on other products; and S. 463, which would exempt all of Latin America from Title V restrictions. In general, the Mexican Government welcomed the Ford Administration's decision to include all of Latin America within its system of preferences. In the absence of more specific information, however, it was not yet clear which products of special interest to Latin America countries would be included in this category.

While acknowledging that United States policy toward Latin America had been characterized by a degree of neglect during the latter years of the 1960's and the early 1970's, a United States delegate noted that the focus of U.S. interest was shifting at this time toward Latin America. The principal goal of United States policy he indicated should be the attainment of economic self-sufficiency for Latin America, especially with regard to energy sources.

In this connection, it was pointed out by the United States delegation that exports from Mexico and all of Latin America are essential to the financing of domestic programs for the promotion of agriculture, education and agrarian reform. International trade is, therefore, of paramount importance to Mexico, as well as to the United States, which is Mexico's leading trade partner in Latin America. There is an obvious need to obtain a just market value for goods and services and a reasonable price structure for raw materials.

A United States delegate expressed the view that because of the current inflation of world commodity prices, together with the current recession and unemployment in the United States, stabilization of world prices could only be achieved by means of international agreements embodying directives for market and production controls. Agreement was desirable, another United States delegate suggested, in the area of monetary reform in order to reduce the wide fluctuations in exchange rates brought about by the present system of "floating" rates.

In this regard, a Mexican delegate noted that Section 106 of the Trade Reform Act provides a possible framework for the negotiation of multilateral agreements among producer and consumer nations. Such agreements could result in a lessening of restrictions which now inhibit the exchange of basic products and adversely affect Mexico's balance of payments. Again, concern was expressed that the Act's Title V limitations, referred to above, although not applicable to Mexico at the present time, could restrict Mexico's freedom of choice to join OPEC at a later date.

With respect to Mexico's balance of payments situation, discussion by both delegations focused upon specific import restrictions and prohibitions of the two countries. A Mexican delegate urged the enactment of legislation by the United States Congress which would equalize tariff conditions for Mexican products throughout the year. At present, seasonal fluctuations in U.S. tariff rates constitute a disruptive factor in Mexican production for export. Objection was also raised to the 20-year absolute ban on the importation of advocados from Mexico on the grounds that they were infected by plant disease. This disease, the delegate claimed, had long since been eradicated. Since Mexico has been purchasing 50% of its farm inputs (i.e. machinery, fungicides, and fertilizers) in the United States, he added the raising of tariffs, on selected Mexican products was considered inequitable.

A United States delegate responded that this was not a one-way street and that the impact of Mexico's import protection system on United States suppliers was significant. For instance, lemons, avocados and wine produced in the state of California have been consistently excluded from the Mexican market. The Mexican Government's import licensing system also presented a formidable obstacle to United States exporters. While an increase in the exchange of farm products between the two countries was clearly desirable, an easing of restrictions would have to be effected on a reciprocal basis. In this connection, a Mexican delegate noted that the creation of a world food bank, as proposed by President Luis Echeverria, could have the effect of bringing about a more equitable distribution of agricultural products to all nations of the world.

On the energy front, both delegations took note of the dramatic increase in oil exploration activities and production which has taken place in Mexico in recent years. As a result of the discovery of new oil fields in the Reforma district of Southeastern Mexico in 1972, Mexico now has the potential capability of doubling or even tripling its oil reserves. Under plans announced in December 1973, the Mexican state oil company—PEMEX—will spend over $1 billion on oil exploration and production during 1974–1976, with total company investments of about $3 billion over those three years. Whereas, in 1973 Mexico was still importing approximately 10 percent of its total oil consumption, production subsequently increased to the point where by September 1974, the country began exporting petroleum for the first time in many years. With the attainment of self-sufficiency in oil, Mexico could become an important oil exporter in the future.

Key features of the Mexican Government's official oil policy were summarized as follows: (1) Mexico has decided not to become a member of OPEC, but would not interfere with the prices established by that organization; (2) PEMEX would, in the future, accord greater emphasis to the exportation of refined oil products and petrochemicals than to the exportation of crudes; (3) the Government of Mexico is committed to a program of balanced growth, industrialization and the diversification of its economy. It does not intend to let its economy become dominated by petroleum.

By contrast, the United States continues to import up to 40% of its oil consumption. Faced with this situation, a United States delegate observed, it is not surprising that the United should use the leverage at its disposal, including the Trade Reform Act. United States resistance to the oil cartel's policy has, in fact, been based on the assumption that oil production of the non-OPEC countries, such as Nigeria and Indonesia (which have not benefitted from the OPEC-imposed prices), would increase and eventually force prices downward. This delegate suggested that consideration be given to the conclusion of a trilateral agreement among producer, consumer, and Third World countries as a means of guaranteeing present bilateral agreements and fixing a base price to enable countries like Mexico and Venezuela to improve their economic programs.

In this connection, a Mexican delegate pointed out that Mexico had supported an Algerian proposal in the United Nations for the convening of a world conference on raw materials. A United States delegate responded that under the right conditions, such an undertaking could be of great consequence to all nations of the world—particularly in the planning for conservation of non-renewable resources. Coal reserves, he noted, were sufficient for another 500 years, and a program was already underway to liquefy and gasify that abundant resource—not because such processes were needed at the present time, but because advance preparation was essential to meet future energy shortages. Over the short term, he proposed that a joint project be undertaken for economizing on the use of fuels and that funds be invested for the development of a solar energy capability.

Finally on this topic, it was pointed out by a United States delegate that although the United States was not self-sufficient in energy, it still retained a technological edge. He stressed the potential advantages for Mexico in exchanging its oil resources for such technology to the mutual benefit of both countries. To the extent that Mexico desired to participate in such an exchange, he suggested that consideration be given to the construction of a crude oil pipeline from Mexico to key market areas in the United States.

Turning to the subject of tourism, the Mexican delegation emphasized the high priority accorded by the Mexican Government to the development of a substantial tourism industry. Tourism is a particularly important factor in Mexico's overall trade balance, and it was for this reason that the Department of Tourism was elevated in 1974 to the status of a government ministry. From Mexico's standpoint, tourism is vital to the achievement of balanced economic growth; tourism promotes infrastructure works (highways, health centers, etc.), provides new employment opportunities, and fosters international communication and understanding.

In this regard, a United States delegate cited the experience of his home state in the development of tourism. Market research studies had demonstrated that group tours were the most remunerative, and a program was subsequently launched, involving the expenditure of over $1 million on advertising alone. Today, tourism accounts for 80% of that state's income. Both delegations agreed on the importance of "tourist-satisfaction"—which could produce either a positive or negative multiplier effect with respect to growth of the industry as a whole.

A major element in tourism promotion, it was agreed, was the availability of air transport. It was noted, for instance, that negotiations were still pending on a civil aviation agreement to replace the 1973 accord which had been extended until December 31 of this year. A Mexican delegate observed that United States insistence on the principle of unrestricted competition had resulted in

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U.S. control of about 70% of the air traffic between the two countries. Air transport, this delegate averred, constituted a potential source of wealth to which Latin American nations should be given a guaranteed level of access. Given the basic differences in the airline equipment of the two countries, a strict adherence to the concept of reciprocity in this field was inherently inequitable.

A United States delegate responded to these comments by noting the unfavorable financial condition of all private U.S. airlines at the present time. He also pointed out that the United States charges lower landing fees to foreign airlines than to its own national airlines and that this practice had placed U.S. carriers at a competitive disadvantage. Another factor to be taken into account, he added was the importance of ensuring adequate air transport service and customer satisfaction in the development of Mexico's tourism industry.

It was acknowledged by both delegations that all airlines, whether public or private had an obligation to provide satisfactory service to their clients and that any new agreement along this line should be drafted with this objective in mind. A Mexican delegate concluded the discussion of this agenda topic by calling for more cooperation and collaboration in the future to preclude duplication and even triplication of routes in some cases and a lack of service in others.

In the field of narcotics control, both delegations stressed the importance of continued cooperation between governmental authorities of the two countries in their joint efforts to deal with this problem. A Mexican delegate summarized recent developments in Mexico, including an intensified, government-sponsored, anti-narcotics campaign. The main features of this program included: (1) a massive informational and educational program, involving lectures and documentary films in many areas of the country; (2) increased public expenditure for treatment and rehabilitation of drug addicts under the National Public Health Plan; (3) air surveillance of illicit crop production and detection and closure of clandestine laboratories used for producing morphine and heroin (in this connection it was reported that flying interception squads stationed at a number of points throughout the country had achieved spectacular results and that the Mexican army had played an important role in this effort); (4) finally, the passage of legislation easing the penalties on first-time offenders but establishing harsher sentences for drug producers and traffickers—including the denial of bail to such offenders. In conclusion, it was pointed out by the Mexican delegation that every effort was being made to combat the illegal importation of drugs from Mexico into the United States and that charges to the contrary were unfounded. Hundreds of automobiles and dozens of light planes, all with American licenses, have been confiscated in recent months, it was reported, leading to problems over the return of these planes as well as over the confiscation of weapons by the Mexican authorities.

The United States delegates who responded on this topic stressed the following points: (1) The United States assigns a very high priority to narcotics control and has already expended enormous sums of money in furtherance of this program; (2) although drug addicts in the United States comprise one-half of one percent of the population—as compared with an estimated 10 million alcoholics—the cost to society of drug-related crimes has been disproportionately high; (3) United States authorities recognize that it is the substantial U.S. market for narcotics of all types which largely sustains the illegal drug traffic abroad. For this reason, the United States deeply appreciates the cooperation of the Government of Mexico and the recent intensification of the Mexican anti-narcotics campaign. Several United States delegates noted, in this connection, that Mexican courts have adopted a tougher and more realistic attitude toward prosecution of drug traffickers than have their counterparts in the United States.

Lastly, both delegations reaffirmed the importance of continuing scientific and technological exchanges between the two countries. Although the risks of excessive dependence on imported technology was clearly understood in Mexico, its importance to Mexico's agricultural and industrial development was widely recognized. A Mexican delegate noted that one of the significant results of the Mexico-United States Interparliamentary conferences had been the convocation of the First Meeting of the Joint Commission on Science and Technology, and it was hoped that the work of this body would lead to far-reaching benefits to both countries in the future.

IV. Joint statement by heads of delegations

1. Democratic principles guided the meetings held by the parliamentarians, who believe in democracy not only as a form of government but as a way of life designed to improve economic and social conditions and to create a spirit of understanding and cooperation among individuals and nations.

2. Both delegations affirm that the points of agreement between our respective countries are far more numerous and far more profound than points of disagreement, and both commend to their respective nations full consideration of this fact.

3. Both delegations recognize the need for changes in the Organization of American States and the Inter-American Treaty of Reciprocal Assistance in order to make them more responsive to the needs of the countries of the hemisphere.

In addition, the two delegations are convinced that the members of the OAS should continue the process of openly reconsidering the sanctions imposed on the Republic of Cuba and that all the countries of the hemisphere should encourage hemisphere cooperation so that problems of common interest can be solved.

4. Ocean resources constitute a basic source of food for human consumption. It is therefore necessary to rationalize exploitation of these resources so that optimum and lasting yields can be obtained. Consequently, it is essential that at this stage of the Third United Nations Conference on the Law of the Sea, presently being held in Geneva, a compromise formula be achieved. A broad-based law of the sea treaty, founded on the principles of justice and equality, must be concluded as soon as possible.

5. The delegates of both countries are of the opinion that only through the establishment of a new international economic order will it be possible to reduce the enormous gap separating the industrialized countries from the developing countries. Multilateral and bilateral assistance programs which serve to reduce this gap make a contribution to the stability and peace of the world.

6. The efforts currently being made by the United Nations Organization to put an end to colonialism are of great merit. The remnants of imperialism and colonialism constitute an obstacle to achieving world peace. The United Nations Organization deserves the recognition and applause of the Fifteenth Mexico-United States Interparliamentary Meeting because of its efforts to achieve world disarmament; because of its struggle in favor of the denuclearization of various areas of the world, emulating the example set by Latin America in subscribing to and promoting the Treaty of Tlatelolco, and because of its untiring efforts to establish worldwide respect for human rights and to eliminate discrimination and "apartheid" in every corner of the earth.

7. The representatives of both nations condemn the activities of multinational corporations when those activities constitute intervention in the domestic affairs of the countries in which they operate. It is only through reciprocal respect for political and economic independence that a climate of positive cooperation can be achieved in the international economic order. It was noted that, as a general rule, multinational corporations which violate basic standards of conduct do so not only in the host country but also in their country of origin.

8. Both delegations indicated interest in legislation which has been introduced in the United States Congress to make all Latin American countries eligible for benefits of Title V of the United States Foreign Trade Act, which authorizes a Generalized System of preferences.

Both delegations also expressed their interest in the preservation of Mexico's interests, as provisions of the Foreign Trade Act are implemented by the Executive Branch of the United States Government.

9. The delegations recognized the importance of tourism between the United States and Mexico, and agreed that this activity is of great social as well as economic importance. Full recognition was also given to the fact that tourism is an important factor in improving the balance of payments of both nations. The two delegations expressed the hope of increasing tourism between the United States and Mexico.

10. There was full acceptance of proposals to expand cultural, scientific, and technological exchanges that benefit both peoples, and it was agreed to promote the prompt application of effective measures to achieve these goals.

11. Both countries recognize the importance of continuing strict control of drug traffic within their borders and between both countries.

Appendix A

Prepared Statement by Senator Mike Mansfield, Opening Plenary Session

During the past fourteen years, our delegation has had the privilege of visiting a number of beautiful and impressive areas throughout Mexico. This is, however, our first official visit to Campeche.

Aside from its many and obvious attractions, Campeche is renowned for its warm hospitality (which we have already encountered in abundance) and for its atmosphere of comfortable "informality." For this reason, I believe, Campeche is a particularly appropriate setting for our 15th Interparliamentary Reunion.

One of the lasting benefits that comes from participation in these exchanges is the opportunity it affords us to communicate with one another—not only in scheduled committee sessions, but also in relaxed and informal circumstances which go far beyond the official agenda of this conference.

Indeed, we are here because we have grown accustomed to talking with each other as friends, not merely as delegates, and because we believe it is essential that the dialogue established over a 14-year period be continued. We are here to talk—but also to listen and to learn. . . . For my part, each visit to Mexico has enlarged my own knowledge of your country—of its physical beauty, its rich cultural heritage and its venerable history. In this regard, I particularly value the exposure these conferences have given all of us to areas and centers outside the capital cities.

On the substantive side, I note that we have a full and challenging agenda of topics to discuss—both of a bilateral and multilateral nature. Some issues we have dealt with before in this forum, while others are new. All, I believe are timely and merit our closest attention.

For instance, I understand that the United Nations Economic Commission for Latin America held its 2nd Consultation on Population in Mexico City earlier this month. I am certain that our delegates assigned to Committee I will be interested in any comments our Mexican colleagues are in a position to offer about developments in this important field of activity—which transcend national and even hemispheric boundaries.

The Law of the Sea is another item of pressing concern, not only to our two countries but to the entire community of nations represented at the Third U.N.-sponsored conference, which opened in Geneva on March 17. It is, perhaps, impossible to exaggerate the importance of that conference, which has been described by a leading U.S. newspayer as the world's "last chance to organize for orderly use and exploration, for the benefit of all mankind, of more than two-thirds of this planet that is covered by water."

There is also the all-important question of Cuba and that country's future relationship to the Inter-American system.

Appendix B

Prepared Remarks of Congressman Jim Wright, Closing Plenary Session

Fellow delegates, distinguished guests, ladies and gentlemen:

When we began this series of free and frank exchanges fifteen years ago, nobody could anticipate with certainty just where they might lead.

It probably would have been a mistake to expect too much, for naiveté could have led to disillusionment.

It would have been a far greater mistake to attempt too little, for cynicism would have led to despair.

Looking back upon the fifteen year evolution of these parliamentary conferences, I believe all of us can find abundant cause for enormous gratification.

If we have not solved every problem and solved every irritant that disturb our peoples, at least we have achieved far more in mutual understanding and in the fruits of actual accomplishment that have flowed from that understanding than even the most hopeful might have expected fifteen years ago.

Senator Mansfield has drawn my attention to significant changes which have occurred in the fundamental character of our dialogues, and perhaps it is not too much to hope that these changes hold out the promise of a *new era* in our interparliamentary relationship.

Over the years, the focus of our deliberations has subtly shifted from issues which were almost exclusively bilateral in nature to issues which are to a remarkable extent multilateral in scope.

A review of the discussions undertaken between us at the Guadalajara conference in 1961 reveals that we concentrated then upon the relatively narrower concerns of bilateral trade in specific commodities, United States investments in Mexico, individual border issues and cultural exchanges.

In sharp contrast, this year's agenda included twelve major topics, only three of which had a particular bilateral focus. The nine remaining agenda items were either of special interest to the nations of this Hemisphere, such as "the Inter-American System" and "Cuba", or they were full-fledged multilateral issues, including "The Charter of Economic Rights and Duties of States", the conservation and development of Energy, the "Law of the Sea" and "Strengthening the United Nations".

We, of the U.S. delegation would like to pay special tribute to our Mexican hosts for the ambitious and challenging agenda which they put before us. Since the number and severity of bilateral issues between Mexico and the United States has diminished, you have encouraged us to extend our vision to encompass the broader spectrum of regional and multilateral problems.

In view of our discussions during these past two days, perhaps it is not too much to hope that this group—the participants in this conference—can make a significant and positive contribution to finding lasting solutions to many of the heretofore elusive problems that confront the nations of this Hemisphere and the world.

To our fellow parliamentarians, we suggest the possibility:

That together we *can* make a contribution to devising an inter-American system which is more responsive to the needs of the Hemisphere, based upon the inherent rights of equality and local self-determination;

That together we *can* make a contribution to solving the inter-related problems of population growth, energy sufficiency and economic development which increasingly affect not only our hemisphere but all of the world's inhabitants;

That we *can* make a contribution to developing basic law of the sea principles which will ensure that all mankind shall benefit from the enlightened exploration and exploitation of this ancient legacy which is our new Frontier;

That perhaps we *can* make a contribution—if our patience can but match our zeal—to fashioning an economic charter of rights and duties of states, which can be accepted—without reservation—by every nation in the world; and finally

That conceivably we may hope to make some contribution to helping the United Nations to fulfill its difficult destiny, not merely as an arena for the exhibition of competitive nationalism and gladiatorial forensics, but as a forum of reason and a peaceful parliament of man.

Is this too much for us to hope? Perhaps it is. But what is not attempted will never be achieved.

The astronomer, Tycho Brahe, said: "Make no little plans. They have no magic to stir men's blood."

We can at least find hope and courage from the impressive list of accomplishments which this group has helped to achieve in finding solutions to the most troublesome of our own bilateral problems. Two of many which come immediately to mind are the Chamizal settlement and the Colorado River Desalinization Agreement, both of which were forged upon the anvils of our mutual good will and reasoned understanding after years of festering frustration.

Disraeli observed that "The secret of success is constancy to purpose." The fifteen-year history of this conference leaves little doubt about our "constancy to purpose." And the record we have established will, I know, sustain us in our journey ahead.

Perhaps from this experience we can help others to gain a better understanding of that profound truth expressed more than 100 years ago by your illustrious leader Benito Juarez that: "Among individuals as among nations, respect for the rights of others is peace."

On June 15, 1972, President Luis Echeverria in his appearance before a joint session of the Congress of the United States, said ". . . the nations of this hemisphere were born with a special destiny that needs to be nurtured within those fields which give man his greatness . . ."

Man was not created to be hounded by fear, or haunted by despair or torn asunder by hate.

Man was created to be inspired by faith, and nurtured by hope, and united by love.

On yesterday at sunset, while we stood at the feet of the towering Juarez monument, I looked into the faces of the humble, warm and trusting people who had gathered there.

In their expressions I saw mirrored the essential strivings and aspirations of all men and women everywhere. And in their eyes I believed I could discern the still burning candles of faith, and hope and love.

On this particular day, when millions throughout the world celebrate the death and life of a humble Carpenter of Nazareth, let us reflect in our works the truth He taught that all mankind is one, and let us dedicate our service anew to the fulfillment of that day when men shall beat their swords into plowshares and their spears into pruning hooks, and nation shall not lift up sword against nation, and neither shall they learn war anymore.

Appendix C

Prepared Statement of Senator Mansfield at the Luncheon in Honor of President Echeverria

Mr. President, Deputy Sansores, Senator Farias, Congressman Wright, fellow parliamentarians, distinguished guests and ladies and gentlemen:

On behalf of the United States delegation, I want to thank our hosts for this occasion and for all of this year's conference arrangements.

Once again, you have helped us broaden our knowledge of this great land of Mexico. For this, we are very grateful to you and we want to thank you from the bottom of our hearts for having taken us so graciously into your "home."

Occasions such as these serve to remind us, as Cervantes so wisely observed, "It is not the hand, but the understanding of a man, that may be said to write."

Through increased understanding, our two great countries have written a new chapter in Mexico-United States relations. And this group—the participants in this conference—have made a substantial, if not invaluable, contribution to it.

In this regard the Colorado River salinity issue and subsequent desalinization agreement came immediately to mind.

As I have noted before:

No other issue in recent times has so troubled our relations;

No other issue has so taxed our determination to seek mutually satisfactory solutions to common problems;

No other issue has so tested the sincerity and ingenuity of our diplomats; and

No other issue has so challenged the mutual respect and good will that we have for each other.

But in the end, our words matched our deeds. And the Colorado River Desalinization Agreement will forever stand as a lesson in understanding, cooperation and mutual accommodation—without sacrifice to principle.

These are the qualities that come from the determined leadership of our two nations.

It is leadership by example—the kind of example which President Echeverria and President Ford set during the discussions they held in October. There is no substitute for this kind of diplomacy—and there is no substitute for this kind of leadership.

Mr. President, just as you and the people of Mexico have our highest respect—and so, too, have you earned the respect and admiration of the world.

The Charter of Economic Rights and Duties of States shall forever stand as tribute to you and to the Mexican people. With it, you have awakened the conscience of the world and the world has responded with thundering applause.

As you know, my own government has worked closely with you and your representatives in an effort to achieve unanimity on the Charter. We shall continue these efforts until that goal is achieved.

Working together, as we have before—"We shall overcome."

Appendix D

Financial Statement

At the time of the filing of this report, the estimated total of the Senate delegation's official expenses for the 15th Mexico-United States Interparliamentary Conference came to approximately $3,500. A consolidated re-

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port showing all expenditures of the delegation at the conference will be filed later with the Senate in accordance with the law.

THE PRESIDENT

Mr. MANSFIELD. Mr. President, it was with great interest that I read the New York Times Magazine on Sunday last. In it is one article only and it is devoted to the President of the United States and his activities, covering the period of a working week. During that time, he was accompanied by the well-known author John Hersey.

I believe that the results of this cooperative undertaking are worthy of the consideration of the Senate and an audience far beyond the purview of the New York Times. It is the chronicle of an uncommon and extraordinary man who is the President of the United States—uncommon and extraordinary because of his candor, because of the frankness with which he answers questions, and because of his imperturbability. He can roll with the punches, he has his own views, and he makes his feelings known; but he does so in a way which is appreciated by those who disagree with him and in a way which sets forth how he feels about the particular questions involving his office and the welfare of the United States, both in a domestic and a foreign sense.

Mr. President, I ask unanimous consent that the entire article by John Hersey be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PRESIDENT

(By John Hersey)

MONDAY

(A stubborn calm at the center—"I get a lift from his awkwardness. I am glad that he is a hard case for the hired image-makers . . . The real Gerald Ford, for better or worse, will always be visible.")

Donald Rumsfeld, with a sheaf of papers under his arm, opens the staff door to the Oval Office and nods over his shoulder to me to follow him, and we walk in. The President, seated behind his desk, greets us; first names come easily to him, and because he and I have met before, he uses mine.

It is 8:33. Monday morning. A rainy day.

Rumsfeld pulls a chair up to a corner of the desk and puts the papers down. I sit against the curving east wall of the room, in a straight cane-backed chair. The President, holding a pipe to his mouth with his left hand, tips a butane lighter into it and puffs up a cloud.

The Assistant to the President begins talking and passing papers across the desk. A Navy steward in a red coat serves coffee. I am far too excited at first to be able to follow what is being said. I am conscious of the arching energy, on a table just to my left, of Frederick Remington's sculpture, "Bronco Buster," a cowboy bending to the rise of a violent caracole, the dark bronze horse under him seeming to explode with ferocity and joy. Not quite so sharply to my left is the utterly still figure beyond the desk, dark-suited, contained, reading some document his aide has handed him, pale drifting smoke the only motion there.

The President has given me permission to take a kind of voyage with him—to watch him closely through a working week. I have a unique opportunity, and at this moment its prospect staggers me. By the time the week is over, I will have been given access to a President of the United States of a sort no journalist has ever had. It is already clear that Mr. Ford is going to be even more open with me than was Harry Truman when, a quarter of a century ago, he allowed me a somewhat similar privilege. I will in fact be doing something that less than a handful of Mr. Ford's own staff of 533 has done: I will be with him, most of the time, hour in and hour out, through the whole week's range of his back-breaking routine.

I sit here trying to get my bearings. Charles Willson Peale's foxy and sexy old Ben Franklin is squinting disconcertingly at me from across the room through mod-looking spectacles. Over the mantel one of Peale's seven Washingtons, this portrait full-length, the face austere and disapproving, looks past me and straight at his distant successor, as if wondering, wondering. I am curious about the days ahead. I want to know what I suppose every citizen wants to know. Our country has been through agonies of failed leadership. Are we in the hands of steady men now? What is the quality of this quiet person murmuring to his aide? What is his style, and what secrets, if any, does it encode—or is all of him right out there on the surface? How does he make decisions? Is he bright enough? How stubborn is he? Is he at all flexible? Is the office changing him? Has he been able to lift his vision from the boundaries of the Fifth Congressional District of Michigan to the full sweep from Maine to Hawaii where the electorate lives that had no chance to choose him?

The figure behind the desk is drenched in the dazzling artificial light of this room. A dark pin-stripe suit, the lapels just the right width for this year; a tie slashed with bold diagonal stripes. I search the face, now tilting up from reading. There is a slignt tuck on the lower right cheek, not matched on the left. Higher on the left cheek are three barely visible bumps, suddenly folded now into the creases of a smile. Which fades quickly. At the foot of the long slope of the bald forehead there are stark, slashing horizontal lines of the skinfold over the deepset 61-year-old eyes that need no glasses, and, beneath, two darkish puffy semicircles. The eyes seek Rumsfeld's. The strong impression I get is of total relaxation: The hand guides the pipe as if the pipe were free of gravity.

Rumsfeld is explaining something. His hands, held out before him on a plane parallel to the desk top, sharply chop thumb to thumb, then cut away from each other, the fingers fanning. Ford listens, puffs, says, "Let's get them in here and talk about it."

9:05 a.m. Jack Marsh is in the chair where Rumsfeld sat. "You saw the letter," the Counselor asks, "from 37 Democrat freshmen opposing any further aid to Cambodia?"

"I read about it this morning."

The pipe is clamped in the right side of the mouth. The face gives no message. Strong eye contact is maintained.

"Here's a letter from 15 Senators"—Marsh reaches it forward; says it proposes a candidate for Under Secretary of Transportation; summarizes the man's record; makes it clear that he has been a good political soldier.

"Give it to Bill Walker, Jack."

Beyond the Presidential desk from where I sit, a head of Harry Truman thrusts its feisty challenge into the room. The bronze face looks pleased, as if saying: Who'd have thought I'd be one of three past Presidents represented here?

The third is Abraham Lincoln, who stands, slender and brooding, on a pedestal on the east side of the room, to my right. Ford chose this company of three: Washington, Lincoln, Truman. Mrs. Ford found the Truman head abandoned in the White House warehouse.

9:18 a.m. Rumsfeld, Marsh, Hartmann, Nessen and Friedersdorf enter for the daily session preparing Ron Nessen for his briefing of the press. Ever since Watergate days, reporters' questions in their briefings have been searching, prolonged, often fierce—the sum of all the questions being: Does a President ever tell the truth?

As the men draw chairs around the desk, the President rises—what a big man he is!—steps to a table behind him, picks up four brand new pipes, still in their store packages, and tosses one to each of the pipe smokers, Hartmann, Marsh, Rumsfeld and Nessen, who has just switched from cigarettes. "Someone gave me these. I don't much care for that type of pipe," he says. Bright-colored pipes with meerschaum or plastic bowls and elaborate cooling stems. Marsh and Rumsfeld, knowing each other's color preferences, make a swap. The steward is passing coffee again. The President, who drank tea at breakfast, now takes his second cup of coffee.

NESSEN (*glasses parked on top of his head*). On Cambodia. I think I'll be getting flak from some things Humphrey said on "Face the Nation" yesterday—that aid wouldn't help the situation even if it got there. Hubert said he'd seen some C.I.A. cables that came to the same conclusion.

The Plexiglas-covered globe of the earth beyond the President's desk suddenly seems to jump up into full scale. Cambodia. I am all ears. The President, who has in recent days seemed to be completely out of touch with the mood of the country on the everlasting suffering of the Asian wars, is in a tight struggle with Congress—yet again—over emergency funds for both Vietnam and Cambodia. I can imagine Truman's explosion if he had been crossed on a conviction of his in this way by an old friend. No—Ford's tone, when he speaks, is exactly the tone he used when he was talking earlier about a prospective Under Secretary of Transportation: his utterance is slow; he pauses long at his mental commas; he never uhs; he speaks as if he means just these words and no other words would do.

FORD. What I've said was that if no aid was sent, it would be inevitable that the Government would fall. If it was sent, there'd be a 50–50 chance of survival till the rainy season, or roughly that.

RUMSFELD. In the senior staff meeting, Brent Scowcroft said he knows what Humphrey saw, and it did not say that even if aid were sent the Government would fall. But I cautioned Ron about being too blunt here. There are bound to have been differing interpretations.

FORD. I agree. Point one (*he raises a straight right forefinger*), whatever Hubert saw, there could have been a phrase or a sentence that could have led him honestly to believe what he was saying, and point two (*his right hand comes up again, the forefinger and middle finger raised but bent; the hand is loose*), we don't know for sure everybody Hubert saw, or for that matter exactly what cables he saw.

HARTMAN. We do know that the public believes the President gets all the information and others only partial information. Don't call Hubert, a liar. Say something like, "The President's best judgment is . . ."

MARSH. It's significant that he did tip his hat to you for supplying more information than in the past.

FORD (*leaning back in shiny black leather swivel chair*). We made a conscious decision that Henry would go before Congress, or maybe a subcommittee, and give as much information as possible. That led Sparkman to come to his conclusion, which was to support the whole package, and it led Clifford Case to support substantially the whole package. Even in that group, though, who got a lot of facts, you have differences of opinion.

RUMSFELD. Ron, use Bob's point that we have all the information and various people using the same information can come to different conclusions.

NESSEN. Then I'll say, based on the facts you have, Mr. President, you've concluded that there's a 50–50 chance of the Government's being able to carry on till the rainy season if aid is sent—

FORD (*holding up an arresting hand*).—in time. Ten days or two weeks.

NESSEN. What do I say to questions about their dickering for a lower figure?

FORD. In our discussions they suggested a lower figure. We believe our figure is right. They have the authority to set the figure. Henry made the point to the group that we want no part of giving too little. Better an adequate figure and an honest effort than too little.

MARSH. Wasn't it Churchill: "Too little and too late"?

HARTMANN. The Sudetan Plan. It was when Hitler . . .

9:50 a.m. The Nessen group departs.

Behind the President's big black seat at the desk, between it and the tall south windows, stands a wide table, on which, backed by two delicate silver Argand lamps designed for tubular wicks that once burned whale oil but are now equipped with tiny, flame-shaped electric bulbs bravely glimmering in a sea of light, there are color photographs of Betty Ford; of all the Ford children at their father's swearing-in, with Jack in the foreground; of Mike and his wife Gayle; of Steve and his bright jeep; of Susan and her cat Shan; and of the family's golden retriever, Liberty, on the White House lawn. Papers that the President must read, most of them in separate blue folders, are stacked in front of these pictures on the table, and Mr. Ford swivels now to pick up the pile and lift it to his desk.

He takes a fresh pipe from the top right-hand drawer of his desk, packs it and lights it. The steward comes in to remove cups and rearrange chairs. The President reads a personal communication from Secretary of State Kissinger, who is away, shuttling; and a long briefing paper for a meeting the President is to have before lunch with Dr. Arthur Burns, Chairman of the Federal Researve Board.

After a time, Mr. Ford rings for Terry O'Donnell, the keeper of the staff door, and asks him to have some photographs delivered to Mrs. Ford, for her to autograph for friends. Later O'Donnell comes in with some commissions to sign, among them the certificates of appointment of Carla Hills, the new Secretary of Housing and Urban Development, who is to be sworn in at noon on this day, and of John Dunlop, the new Secretary of Labor, who is to be installed next week.

The President begins reading again.

I feel that no matter how still I sit, I am a distraction, and I leave the Oval Office.

I listen to Ron Nessen's briefing on a monitor in his office. It turns out that after all the time spent with the President on Hubert Humphrey and Cambodia, there is not a single question from reporters on the war. Instead there is a ferocious grilling that starts with a question whether the President had been informed at any time by William E. Colby, Director of the Central Intelligence Agency, or by any other C.I.A. official, "that the late Senator Robert Kennedy had told two associates that he had vetoed or been able to veto a plan—this question takes a long time to ask because it is a complicated thing—the C.I.A. plan to contract with the Mafia to assassinate Prime Minister Castro."

NESSEN (*after a pause for thought*): I am not going to say anthing about that, Jim.

Q: Will we ever find out anything about that, or the previous story about the C.I.A. assassination allegations which were asked about last week; that is, is the White House ever going to have anything to say about those stories?

NESSEN. Right now, I am not going to say anything about it, Walt.

Q: Last week you said a number of things. Why are you not going to say anything about it?

NESSEN. I can't.

All during the press conference, reporters keep coming back and back to this subject, and 14 more times Nessen says, in one phrasing or another, "I am just not going to talk about that."

11:51 A.M. During the meeting with the Nessen group, the President asked to see "the latest go-round on the Carla Hills thing," and now Bob Hartmann, who is in charge of speechwriters, and Bob Orben, one of them, bring in the final draft of the President's remarks for the swearing-in.

It suddenly seems that Cambodia and the C.I.A. might as well be on the moon.

"I thought I might have a little fun with Carla to disavow my male chauvinism," the President says.

"You have to be careful there, Mr. President," Orben says. "That's suddenly a *verboten* area. In no part of the speech do we refer to her as a woman."

"Betty's been out in front on this Equal Rights Amendment business, and I'd like to get something in. Can't we do something with the budget side of it? You know, like a household budget. Let's see." He looks at the text. "The budget gives her a lot more than was given to Jim Lynn"—her male predecessor still in the Cabinet as Director of the Office of Management and Budget. "That doesn't sound like male chauvinism to me. Why don't you fool around with that?"

12:07 P.M. He stands at a lectern on a podium in the East Room of the residence, alongside Secretary-Designate Hills and flanked by her husband, her children dressed to the nines, the Vice President, and a ceremonial delegation of Senators and Congressmen. The room is murmurous with standing guests. Television lights are on. The President places his speech on the lectern, and a respectful silence falls.

"I am in very good company," he starts out, "welcoming Carla into the Cabinet as Secretary of Housing and Urban Development. Carla; Mr. Justice White, who is about to administer the oath; HUD Under Secretary Jim Mitchell and I are all graduates of Yale Law School.

"Maybe I better not say that too loudly. I can imagine a dozen other prospects starting to practice the Whiffenpoof Song. (*Half-hearted laughter*). . ."

This voice is different from the relaxed one I have been hearing all morning. Of course, it is amplified; perhaps the amplifier has wooden parts. I have heard that Gerald Ford loves to make speeches. That he loves to sit for hours at luncheons eating bad food and listening to worse speeches than his own. That for years he has been flying here and there across the country carrying the Republican word. Recently he hired a former producer for CBS News, Robert Mead, to give him pointers, and Mead has been trying to help the President loosen up. He has urged speechwriters to provide texts early, so the President could read them out loud several times to get his mouth comfortably around the written words. "It's hard to vocal some of those long sentences," Mr. Mead says. He has been trying to stamp out some of Mr. Ford's Grand Rapids pronunciations: "guahrantee," "judgament." But Gerald Ford has very likely uttered five million words in speeches on and off the floor of the House, and as Vice President and President, and he is, I am beginning to see, a man of intransigent habits. Right now, introducing Carla Hills, he is his old speaking self. Besides, his arms and hands, which all morning have beeen gliding as gracfully as the smoke that played games around them, have gone rubbery—though it must at least be said that his gestures, unlike Mr. Nixon's, have a direct connection with what he is saying. I get a lift from his awkardness. I am glad that President Ford is a hard case for the hired image-makers. Here his stubbornness will help us all. It is likely that the real Gerald Ford, for better or for worse, will always be visible and audible to the citizenry, no matter how hard the experts try to disguise him.

Now he praises Mrs. Hills, refers to the Housing and Community Development Act of 1974, and says, "One of Carla's major jobs will be to implement this massive and, I believe, progressive program. Incidentally, Carla's budget for fiscal 1976 will be $7.1-billion. That is $1.6-billion more than was given to her predecessor, Jim Lynn. Now if that does not dispose of male chauvinism, nothing will." (*A pretty good laugh.*)

12:19 P.M. The President walks from the East Room along the brilliant red carpet of the cross hall, past the flags, past the aggressive Houdon bust of Joel Barlow, under the twinkling Adam chandeliers, past the proud Hoban columns like marble guardsmen—beyond whose picket line crimson-coated musicians of the United States Marine Band, their violins soaring to salute the chief, play from the score of a moving picture called "Villa Rides"—past black ushers, past uniformed aides, past Secret Service operatives with radio wires dribbling down from their right ears under their jacket collars, past notables and bureaucrats and toadies, breasting all the pomp with his brisk stride, which is loose-haunched and shoulder-floating, like that of a fettlesome quarterhorse.

In the State Dining Room he receives guests beside his new HUD Secretary, and he chats without haste with those who push their faces close to his.

12:36 P.M. He is back in the Oval Office, at his desk, his chin resting on his left hand. Dr. Arthur Burns, Chairman of the Federal Reserve Board, whose gray hair seems not to be receding but actually to be advancing down his forehead, leans over the end of the desk to the President's right, shuffling papers. David Kennerly, the President's personal photographer, who is bearded and brassy and who well knows that the most abashing eye on earth to men of power is the camera's winking lens, comes in to snap some shots. Kennerly, or one of his four assistants, makes a record of every appointment the President has, except for those with his closest staff. Perhaps these are "for history" in lieu of the Nixon tapes. Mr. Ford pleases many of his visitors by seeing that they receive photographs, later, of themselves in easy intimacy with the President of the United States.

The President has a number of questions he wants to ask: How soon will there be signs of economic recovery, and how strong will it be? Is the money supply going to continue to rise? Fast enough to promote recovery? Not so fast as to reignite inflation? Infation is slowing down—is this a permanent reduction or is there still an underlying problem of inflation that will reappear when the economy begins to turn around? What will be the effects of larger-than-budgeted Federal deficits?

Dr. Burns, in a quiet, rather high-pitched voice, gives the President a thorough explanation of monetary and economic trends the meeting, scheduled for 30 minutes, last 65. Dr. Burns has brought several charts: on some of them upwardness is visible.

1:41 P.M. Enter, breathelessly, Miss Shirley Cothran, of Denton, Tex., Miss America of 1975, who has had to cool her nifty heels for 40 minutes while the President and Dr. Burns were having their tête-à-tête. Miss America is accompanied by Doris Kelly, a young lady who is described as her chaperone; by her Congressman, Ray Roberts; and by Mayor Joseph A. Bradway of Atlantic City, where she was crowned.

The President, apparently bucked up by what he has heard about money, now seems to have no difficulty whatsoever wrenching his attention away from the economy.

FORD. Nice to meet you, Shirley.

MISS AMERICA (*memorization straining every sweet muscle of her face*): I have presents here, sir, for you, and also one for Mrs. Ford.

UMI

Ford. My wife and I watch the Miss America contest all the time. We really enjoy that on TV.

Miss America. I sure hope you saw it this year. That was the best year.

Ford. It sure was!

Roberts. My most famous constituent, Mr. President, and, I may say, my most beautiful one.

Ford. I thought all the girls down there in Texas looked like this, Ray.

Now comes a stampede of pool photographers with still and motion-picture and TV cameras, and with hooded lights on long wires. The President and his little party are herded toward the east side of the room. David Kennerly, who has grown familiar with his boss, says, "Would you mind putting her in the middle, please?" "Not 'her,' David," the President says. "Her name is Shirley. Where are your manners?"

Miss America runs off to the side to put down her purse, which may not look nice in the photos. While cameras click, the President, taking advantage of a briefing, which has informed him that Shirley had studied at North Texas State University and plans to be an elementary-school guidance counselor, is chatting with her in a low voice. "How long will that take? . . . That's wonderful. . . . Fine new buildings you have there. . . ."

"Thirty seconds, please," Assistant Press Secretary Bill Roberts calls out to the photographers. Then: "Lights, please. Thank you." And out goes the pool.

Miss America (in haste, sensing that she herself is being eased toward the door): As I travel around, people ask me about all kinds of things, Mr. President, and I'm only 22 years old, but I really can say that I support you in every single thing you do.

Ford. I really appreciate that, Shirley. Going back to school next fall?

Miss America. In January.

Ford. I'm certain that after a hard year it will be welcome.

Miss America. Sure hope you have a chance to visit North Texas State again, sir.

Ford. Real nice to see you, Shirley. Congratulations and good luck.

Miss America looks flustered and puzzled. The President realizes, why, before anyone else in the room does, possibly even before Miss America herself. "Hey," he says. "Better not leave your purse, Shirley. We've got some real bad characters around here."

1:45 P.M. The President has 15 minutes for lunch before the next scheduled appointment. He ducks into a small private room off the Oval Office that Betty Ford has been fixing up for him as a kind of hideaway.

I retire to the staff anteroom. So far I have had a sense of rushing after the President from one isolated fragment of administration or ceremony or politics or planning to another and another. I realize that I am still slightly agog, and that I have suddenly cut across the grain into a continuous timber of the Presidential process. But I wonder: When is policy made? When is thinking done? How have I missed scenes of the tense struggle over Cambodian funds? I have seen so many new faces; perhaps in time I can sort them out. I feel hurried. But here in the anteroom Terry O'Donnell, the young man who juggles people and papers in and out of the Oval Office, and Nell Yates, who keeps the logs and assists O'Donnell, are calm. Come to think of it, everyone I have seen today has been calm. And the center of the calm, its essence and source, has obviously been the President. With Truman it was all nervous energy, moral intensity, emotion in harness, history clamoring for expression. Here the strongest impression, so far, is of relaxation.

1:55 P.M. The President, it turns out, has taken only 10 minutes to eat. He calls me in and tells me that it will not be appropriate for me to sit in on the next meeting, which is to be in the Cabinet Room. "This isn't really my party," he says. "The Chief Justice asked if he could come in to see me, and we've got the leaders of Congress, too. This is an historic get-together. I don't know as there's ever been a summit meeting of all three branches of Government in the White House like this in recent times—certainly not in my memory since I became Minority Leader."

He motions me to a seat.

"Let me tell you about the meeting." I am impressed in these few minutes by the President's courtesy and trust; with one or two exceptions, members of his staff have been far more cautious or manipulative than he in dealing with me. He really does seem to be an open man. I am touched that he rushed his already meager lunch period in order to give me this time. I take note, too, as he talks, of his grasp of the briefing he has had.

"We have a tough decision," he says. "There hasn't been increased compensation for the Judiciary since '69 and there has been a 44.5 percent increase in the cost of living since then. This is particularly serious in the court system, because most real fine lawyers get more than the $40,000 District judges get, or the $42,000 that Appeals Court judges get, or even the $60,000 that Supreme Court Justices get, or the $62,500 the Chief Justice gets. The Chief Justice thinks the courts aren't getting, or else they're losing, their best judges on account of this. We have the same problem in the Executive Branch, where the ceiling is $36,000. We're losing top people in the military and the State Department. Congress is having similar problems. The Chief Justice strongly feels that Congress ought to separate out the Judiciary from Congress and the Executive, but I doubt if this will be possible. The political environment is not right for increases. Congress isn't in the mood for them. I myself have suggested a 5 per cent one-year cap on all Government increases. Under the present system the cost-of-living increase would amount to something like 9 per cent. If you coordinate that with 5 per cent increases in all three branches, the first-year cost would be $1,[illegible]59,400 for the Congress, $1,039,250 for the Judiciary, $1,496,725 for the Executive, and—I was astonished at this—$27,450,000 for the military. An arrangement like this wouldn't catch the Judiciary up, but it would give some relief and then keep them current. I don't know. We're going to have to work something out to keep our best people in Government."

2:01 P.M. He takes me into the Cabinet Room for the opening moments of the meeting, when the pool cameraman will in any case be present.

Chief Justice Warren Burger, Speaker of the House Carl Albert, Senate Majority Leader Mike Mansfield, Senate Minority Leader Hugh Scott, House Minority Leader John Rhodes are waiting for Mr. Ford. The warmth of the greetings is abounding. Cambodia, energy, taxes—all quarrels are forgotten. Here enemies seem to be in love.

Ford. All three branches—

A Senator. A three-ring circus.

Burger (*seeing the other two branches in such intimate embraces*): I feel as if I ought to be on the other side of the table.

Ford. In judgment?

Burger. In the dock!

Re-entering the Oval Office alone, I feel its great force.

This room is an egg of light. I have seen that each person who comes into it is lit up in two senses: bathed in brightness and a bit high. I have clearly seen each face, to the very pores, in a flood of indirect candlepower that rains down from a pure white ceiling onto the curving off-white walls and a pale yellow rug and bright furnishings in shades of gold, green and salmon. But there are also dazzling parabolas of power here; authority seems to be diffused as an aspect of the artificial light in the room, and each person who comes into this heady glow seems to be rendered over so slightly tipsy in it and by it—people familiar with the room far less so, of course, than first-time visitors, some of whom visibly goggle and stagger and hold on tight as they make their appeals; but even the old hands, even the President's closest friends, and even the President himself, sitting in a bundle of light behind the desk of the chief, seem to me to take on a barely perceptible extra shine in the ambiguous radiant energy that fills this room.

Gerald Ford wanted, and was entitled to, an Oval Office in his own style. His wife helped him achieve it. Only a few traces remain of the Nixon Oval Office, with its ostentatious expense-account taste: the Peale Washington; a picture by an unknown artist of the mid-19th century, called "The President's House"; the vulgar gold curtains behind the President's desk; the desk itself; and a few chairs. The vile bugs that fed the tapes are gone; when President Ford learned that a device, though dead, was still embedded in the desk, he had it rooted out. Mrs. Ford, assisted by the tasteful Curator of the White House, Clement E. Conger, planned a thoroughgoing redecoration, and while the Presidential couple was in Vladivostok, the transformation was made.

Some exquisite pieces were brought into the room—a Massachusetts Hepplewhite-style chest of drawers, for instance, on which the Truman head stands, with a serpentine front and fan inlay quadrants on the drawers; and a Federal card table made in Salem, Mass., about 1810, whose top is supported by a large, carved, gilded, spread-winged eagle—the only known table of its kind in America. Most beautiful of all, to my mind, is a grandfather clock, designed by John and Thomas Seymour of Boston in the early 19th century, with fluted columns at the corners and beautiful satin-wood inlays; its forceful ticking inexorably marks the moments of history—and of nonhistory—in this room of light.

And so the room now is elegant, but the President's own territory, on and around his desk, is simple, and is comfortable for him. Centered on the desk in front of him is a metal football, raised from a penholder base, with a plate inscribed "South High Football Club." It is from the teammates with whom he still has occasional reunions. To his right, next to the desk, is a side table with shelves for smoking things. Next to that, on the floor, is the brown suitcase in which he carries papers back and forth to the residence each evening and on weekends. His whole family is on the table close behind him.

3:19 p.m. The President is back. Secretary of Health, Education, and Welfare Caspar Weinberger and Rumsfeld enter.

The President and the Secretary have been to the same party last night.

Weinberger. Thanks for last night. That was fun.

Ford. Barbra Streisand's a real good entertainer.

Weinberger. She is. I'd never known much about James Caan . . .

The President, leaning back at ease in his big chair, and placing his hands together, fingertip to fingertip, praises the job that Cap, as he calls the Secretary, has been doing in H.E.W., and asks him to say on in the Cabinet.

Ford. Every President has to have his own Cabinet and his imprint on a Cabinet, but I never agreed with those demands for wholesale resignations in 1973.

Weinberger. That first Cabinet meeting after the '72 election was the most shocking thing I've ever been through. Such a contrast to your first meeting, Mr. President. There wasn't a person who'd been at that earlier meeting who wasn't impressed with the difference.

Secretary Weinberger thanks the President for the great honor of his invitation to stay. He says he is 57 years old, and for seven years he has been away from "an income-production situation." His wife, he says, has had a great deal of discomfort from osteoarthritis and is anxious to get back to California. . . .

"I didn't know Jane was that adversely affected," the President says. "I'm sorry, Cap. Betty has something like that, I guess you know. She's been having some trouble again this week. She has this pinched nerve, you know—gives her a whole lot of discomfort. She has a great deal of fortitude, though. She bounces back."

After some further exchanges the Secretary again thanks the President for the great compliment, and says he will give an answer very soon.

3:48 P.M. The President receives Bob Hartmann and three speechwriters, Theis, Friedman and Orben. Two speeches are in the works. One is to be a light affair at a dinner of the Radio and Television Correspondents' Association. "It's a fun occasion," Orben says. "Nothing serious. They're going to have Charlie Byrd, a jazz musician, then Bob Hope for 15 or 20 minutes; then you'll follow."

Ford (*with a laugh that is not altogether comfortable*): Why do I always have to be hooked up with Hope and these pros? (*Starts reading a preliminary draft. He again laughs: this is his infectious boomer. Then, after a pause*): What's this about Judge Crater? Who's Judge Crater?

Orben. That's a milking laugh after the big one—

Hartmann. Judge Crater was a prominent judge of the thirties who disappeared, and—

Ford. Why don't we leave that one out? . . .

A serious speach is scheduled for Notre Dame next week, and the President reads several pages of a draft. Then he breaks off.

Ford. The only problem I have with this—and maybe I misinterpret the attitudes of college students today—but I think they're moving away from the views of the last five years. I'm concerned about building rather than tearing apart. We don't want to repeat the mistakes of the sixties—or of the thirties. We want them to prepare themselves to avoid those mistakes. We need a subject that's meaningful—I'd think a foreign-policy topic. Not condemning the generation that ran things the last 10 years, but looking back to the mistakes of the thirties and fifties.

Theis. Father Hesburgh, who was a leader of the antiwar movement, strongly suggested we avoid Southeast Asia. The subject of hunger—

Ford. I'm not talking about Vietnam or Cambodia. I'm talking about a positive approach—that this generation of college students shouldn't fall into the trap of the college students of the thirties, of being oblivious to Europe's problems and those of the rest of the world.

Hartmann. The timing's bad. Cambodia is going to be coming to a head, and anything you say is going to be read by the press as another plea for aid.

The President has put his feet up on his pipestand side table. Suggestions from the speechwriters begin to swirl around him, but even I can see that an idea has lodged itself in his mind, and is there to stay.

"Higher education in the private sector . . ." "Office of liaison in the White House for higher education . . ." "College presidents . . ." "A quasi-governmental agency, where kids can buy tuition bonds . . ." "Going without dinners, eating rice in the dining halls . . ." "Notre Dame prides itself on bringing students from abroad . . ." "Peace between generations . . ."

The Presidential feet come down.

Ford. O.K. Let's think about the theme of staying involved in the world. You know, Kennedy made the Peace Corps proposal at Ann Arbor. I think the Peace Corps, with all its critics, has been a good program. The U.S. has had a great record of being humanitarian. The first foreign policy I voted for in Congress in 1945 was on the Marshall Plan—that was a great humanitarian one. If you go back to the post-World-War-II period—the Marshall Plan was nonmilitary. The best commencement speech I ever gave was at Mike's commencement at Wake Forest. I didn't want to lecture them but wanted them to be better than we had been. Disciplined freedom—here (*reaching for his brown suitcase*), I have it right here. My files are the only ones I trust. Here. (*He reads*:) "Of course, the young generation knows perfectly well that we senior citizens were never your age, that we were born on the threshold of senility, and that whatever we think we remember about our youth is inaccurate and irrelevant. . . ."

4:40 P.M. Rumsfeld, Marsh and Counsel Buchen talk with the President on sensitive matters of personnel. I am not present.

6:05 P.M. I sit by while Rumsfeld goes over a wide range of matters, many of which are ready for the President's initials. Mr. Ford writes with his left hand, the hand curving above the writing. My thrilled agitation of the morning has given way to dazed exhaustion. I am still profoundly disturbed by what seemed to me the aimlessness of the speechwriting session—though I realize there will be another round on the Notre Dame speech, perhaps several more rounds. I keep thinking, however, of a speechwriting session of Harry Truman's, at which most of his principal advisers, including Dean Acheson, were present, and during which policy was really and carefully shaped through its articulation. But now Rumsfeld, with his endless vocabulary of hand signals—stabbings, longfingered rounding out of abstractions, flat-handed layering of relationships, squarings off, chops, slaps, flicks, pinches, punches, piano playing and a bit of harp work—give concise and brisk explanations of items he raises, and President Ford, in no hurry, makes decisions as they are needed.

7:20 P.M. After 11 hours and 44 minutes of work in the West Wing (this does not, of course, include reading done in the residence between 5:30 and 7:30 in the morning, nor reading to be done there later this evening), the President goes "home."

TUESDAY

(Before breakfast—"Up since 5:30, as on most mornings," and well into the day's Washington Post.)

(A hard-edged conservative voice—"I have seen a first glimpse of another side of the man who has been so considerate. . . Is it an inablity to extend compassion far beyond the faces directly in view?")

7:40 a.m. The President, accompanied by two Secret Service men and a valet carrying the brown suitcase, arrives from the residence. He is dressed today in a flashy suit of bold vertical stripes of shades of gray; he looks a bit drawn this morning. It is raining again.

7:42 a.m. Brent Scowcroft goes in to show the President dispatches from Henry Kissinger and intelligence messages that have accumulated overnight. I am not invited to join them; the President, in setting the ground rules for my access to him, has specifically excluded these daily foreign-policy and security sessions.

Lieutenant General Scowcroft, who is 50, is Deputy Assistant to the President for National Security Affairs. This means—though you would never know it to look at him—that he is Henry Kissinger's administrative alter ego; when the Secretary of State is away, and he is often away, the general alone speaks for him to the President in foreign and national-security matters. Short, wiry, rooster-quick, with sparkling eyes, he seems a living model of a sprite that must surely dwell in Dr. Henry Kissinger, who cannot possibly be as heavy and lugubrious all the way through as he looks and sounds on the outside. As to point of view, Scowcroft does in some eerie way actually seem to inhabit Kissinger. The general is a rarity—an intellectual soldier. He has a Ph. D. from Columbia in international relations, he has studied at West Point, Lafayette, Georgetown, the Strategic Intelligence School, the Armed Forces Staff College and the National War College; and he has been an assistant professor of Russian history at West Point and professor of political science at the Air Force Academy.

8:30 A.M. Robert Trowbridge Hartmann, with whom I now enter the Oval Office, is one of the President's two Counselors; he is 58. His explicit areas of responsibility are speech-writing and, vaguely, politics, but he is a long-standing friend of Mr. Ford's and was his Chief of Staff during the Vice-Presidency, and he talks about all sorts of things with him now. Hearty, bluff, gray-haired, ruddy, he was once Washington bureau chief for The Los Angeles Times, and he is shrewd and accurate in assessing how the press will respond to whatever the President does. He has a mischievous look in his eye as he hands the President a strip of teletype, saying, "You'll be happy to see that Martha Mitchell is against you."

The President reads and laughs. "That's a cheery note at 8 in the morning, he says.

Hartmann hands him another item—some not-so-cheery news about conservative Republicans; and an announcement that the Senate is planning to recess for Easter in just 10 days—which allows a very short time for the struggles over taxes and Cambodian aid.

He tells the President that a delegation from the Gridiron Club—"the Privy Council of the Press"—seeks an audience with him to present a formal invitation to this year's dinner.

He gives the President a speech Ford had made at William and Mary, as possible background for an interview he is to have later in the day with the editors of Fortune, on the development of American institutions.

Then Hartmann says that Jack Stiles, a Grand Rapids newspaperman who collaborated with Ford on "Portrait of the Assassin," a book that was a by-product of Ford's service on the Warren Commission, wants some information from the President's personal files.

Now I have a moment of seeing the President as an author, with the look on his face of one who may have a deal in the works.

The Author. M-G-M contacted me about taking "Portrait" and making a documentary of it. Buchen turned them down. Then M-G-M contacted Jack, and he went to California for a day or so. They want to make three two-hour documentaries, using "Portrait" as a theme. Our book took the testimony of witnesses from the report, and it backed up the commission's finding that Oswald did it alone. Simon & Schuster's thinking of republishing it. Jack wants to find out how the radio and television rights stand. With all these charges of assassination plots against Castro and everything, there may be some interest. I still think the way we used the witnesses' testimony was: Number One (*the forefinger rises to the count*), more readable than the report and than the other books that were critical . . .

The President does not get beyond Number One.

8:35 A.M. The senior staff meeting is apparently lasting somewhat longer than usual this morning, and Rumsfeld's deputy, Richard Cheney, fills in for him while he is delayed.

Right away, Cheney brings up a sticky item. In his first State of the Union Message, in January, urging "energy independence," the President asked Congress to authorize full-scale commercial development of the naval petroleum reserve at Elk Hills, Calif. Out of the blue, a few days later, without having notified the Administration, the Standard Oil Company of California announced its intention of pulling its drilling rigs out of Elk Hills in order to avoid possible criticism of its role there. (Elk Hills was one of the reserves involved in the Teapot Dome scandal of 1922.) The Navy, Cheney says, has not yet found a new operator and he raises the question whether the reserve should be transferred from Navy to Interior Department control.

Ford. I'm more interested in getting action, getting production, getting oil, than I am in what agency runs the place. On my next trip west I want to go out there and see first-hand what Elk Hills looks like. I'm disturbed nothing's happening there. I'd like to get some action. We're interested in substance, not jurisdiction!

8:50 A.M. Donald Rumsfeld, who comes in now, is by far the most equal of the theoretically equal top members of Mr. Ford's staff. He is also, at 42, the youngest of them. His gift is for organization. He is the only member of the staff frequenting the Oval Office in whose eye I think I can see, now and then, behind his fashionable "aviator" glasses with their delicate black rims, a glint that seems to say, "That big leather chair on the other side of the desk looks comfortable. I wonder if it would fit me." He is bright, jealous, crafty and fiercely combative; he once captained the Princeton wrestling team. He served four terms in Congress, representing the wealthy North Shore above Chicago, and his voting record was almost identical with Gerald Ford's. He is a Nixon holdover—campaigned for him in '66, ran the Office of Economic Opportunity for him awhile, and in 1970 entered the White House as his Counselor and Director of his Cost of Living Council. To Rumsfeld's credit, he eventually was given the shudders by Haldeman and Ehrlichman, and he had himself shot out as far away from them as he could be—to Brussels, as Ambassador to NATO. President Ford called him home from there. His active hands move as if blown by every gust in his mind—always shaping, shaping, grasping bits of form out of the chaos of power.

Now, taking over from Cheney, he reviews the senior staff meeting and helps the President plan the rest of the day.

9:07 A.M. As Jack Marsh is about to enter the Oval Office, someone hands him an urgent cable for the President's eyes. Marsh reads it. He says to Terry O'Donnell, "Get General Scowcroft. The President's going to want to ask him some questions about this." He enters and hands the paper to the President. It is from Ambassador Frank Carlucci in Lisbon, and it informs the President of an uprising against the Portuguese Government by airforce units. Scowcroft is soon at attention before the big desk.

Ford (*Unflapped*): Do we have any information that their air force has been unhappy?

Scowcroft. Not particularly, as a whole. Two or three weeks ago there were some rumors of a possible coup, primarily, it was thought, in armed forces guarding—

Ford. Any philosophical differences between the air-force group and other army units?

Scowcroft. Not that we know of. As a practical matter, it would be difficult for the air force to mount a coup.

Ford. Keep me posted, Brent.

Scowcroft. I will, Mr. President.

Ford. I'm glad we've got Frank Carlucci over there. He's a good man. Any further word from Henry?

Scowcroft. Yes, sir. I'll bring it in later. From Turkey. Not particularly encouraging.

John O. Marsh, Jr., who is 48, and who, as counselor, is in over-all charge of the President's relations with Congress and with various sectors of the public, including businessmen, women, minorities and consumers, has a way of pointing at a photograph over the mantel in his office of his farm in the Virginia hills and, with a slanting look just above, and off to one side of, his interlocutor's forehead, saying, "That's my little shanty in Strasburg. I'm just a country lawyer." Roughly translated, this means: Watch out, my friend—take a good grip on your credit cards. Jack Marsh was in Congress with Gerald Ford—as a Byrd Democrat. Now calling himself an independent, he is ideologically much the most conservative man in the inner circle on the staff (in the 90th Congress, Gerald Ford voted 63 per cent of the time with the so-called conservative coalition of Republicans and Southern Democrats; Marsh voted with the coalition 98 per cent of the time), yet he seems personally the most sensitive and humane man in the group.

Marsh. Did you see that they've got this $6 billion bill up there to create jobs? They apparently put it together quietly in committee. . . .

By now I have noticed that whereas the Nixon insiders used the word "they" when speaking of hostile forces, the press, demonstrators, enemies, all who were considered threatening, this Administration uses it exclusively for a single, solid and frustrating entity—the Democratic majority in Congress.

Ford. Let's get some more information on the bill. . . .

Marsh. I've been talking with some folks from Chrysler, and they feel there's maybe too much bad news about the economy coming out of here. They were talking about boat shows. They've been doing real well, selling lots and lots of big craft. Sales are down on the blue-collar lines, the small boats, but they're real happy over-all. Chrysler boat sales are up and auto sales are down. Maybe we ought to take hold of some signs . . .

Now Marsh brings up a sensitive matter. The Washington Star has carried a story that Representative John Rhodes, the man who succeeded Gerald Ford as Minority Leader of the House and an old friend of his, has announced that House Republicans are going to develop a legislative program of their own, separate from the President's. He has been quoted to the effect that "the days Republicans can get elected on somebody else's coattails are gone, gone forever."

Marsh. I'm not that upset about it, Mr. President . . .

The President's face is a mask. I can see no surprise, no hurt, no anger.

9:20 a.m. The Nessen group comes in.

Nessen. I had a big go-round on the C.I.A. in yesterday's briefing. I'd like to ask you this: What are your personal views on the use of assassination?

Here I do see a moment's flash of the Truman style. Mr. Ford's answer is an immediate reflex.

Ford. (*leaning forward, striking the edge of the desk repeatedly with a forefinger*): I've been assured it's not going on, and I don't want it to go on.

Nessen gives a full account of the ferocity of the questioning in yesterday's briefing. The range of allegations, he says, is widening, to the point of speculation that the C.I.A. may have been involved in one or another Kennedy assassination, or both. What is he to say about all these things?

A long discussion ensues, about who is, or should be, checking out allegations of past plots by the C.I.A. The question is not settled here; it will be taken forward.

And I have seen one way in which policy is spurred, if not engendered.

The Rhodes embarrassment is discussed. Rumsfeld bitterly says he thinks the Republicans on the Hill have been watching the President slide in the polls and "are trying to put some light between them and you. Wait till the polls go up again: then they'll come running."

Ford. John's all right. I don't worry about him.

Hartmann. It's like when I was writing papers for the Republican Policy Committee—remember, Mr. President?—and we called them Constructive Republican Alternative Proposals. It didn't take those clever Democrat lads long to find out what the initials spelled.

Hearing this, I suddenly remember the parentheses marking deleted expletives marching like an army of ants across the Nixon transcripts, and I realize that I have yet to hear—except in Hartmann's acronym, to cheer the President up—a single four-letter word in this room.

Max L. Friedersdorf, Assistant to the President for Legislative Affairs, gives a report on how the President's request for $222-million in emergency aid for Cambodia stands in a Senate Foreign Relations subcommittee and in a House Foreign Affairs subcommittee, and the dickering on the tax-cut bill is coming along in the House Ways and Means Committee. Friedersdorf, a tall blond Hoosier, a former newspaperman, is in complete command of his material; he has preliminary counts on how the votes will go in various committees. The President, thoroughly at home with Congressional give and take, talks zestfully, predicting how this man and that man will finally come down. He names some who are dead set against him; he speaks their first names with fondness.

The prospects are bleak. It is hard to understand why the President, who has made so much of the need for this aid, is not upset.

10:50 A.M. The President receives a young lady who has been designated Maid of Cotton for 1975. This stunt is a replica of yesterday's reception of Miss America, except that it has more crassly commercial overtones.

At his press briefing a few minutes later, Ron Nessen tells the mediamen about the visit to the Oval Room of the Maid of Cotton, who in real life is Miss Kathryn Tenkhoff, of Sikeston, Mo.

Nessen. Secretary Butz also attended the meeting.

Q: Did Butz come over just for that?

Nessen. Cotton is his area of responsibility.

Q: How much cotton do they grow in Missouri?

Nessen. They grow cotton queens in Missouri. They grow cotton somewhere else.

11:01 A.M. The first sharp shock of the week is in store for me.

Assembled in the Cabinet Room are all the Administration's big guns on the economy and energy: the President himself; Vice-President Nelson Rockefeller; Secretary of the Treasury William Simon; the President's Cabinet-rank Assistant for Economic Affairs, William Seidman; the new Secretary of Labor, John Dunlop; James Lynn of the Office of Management and Budget; Chairman Alan Greenspan of the Council of Economic Advisers; Chairman Frank Zarb of the Enrgy Resources Council; Dr. Burns of the Fed; Rumsfeld, Hartmann, Scowcroft and some staff assistants.

The President asks Secretary Simon for a report on the status of the tax-rebate bill.

Simon. Mr. President, we're attempting to keep this to a temporary, one-shot thing. As you know, the House has proposed a $21.3-billion rebate using more or less our method, but lowering the income allowance. No one in his right mind believes that when they get going on this it'll be temporary. On the Senate bill, I went up and testified before the Senate Finance Committee, and I guess a ball-park figure of where they'll come out would be $25-billion, and you can bet your hat the House won't be able to resist matching those goodies. . . .

Ford. Any chance of lifting the $200 ceiling on individual rebates?

Simon. There's a fair shot of getting $500. Mr. President, this whole deal of theirs is more of a welfare thing than anything else.

They're making the assumption that low-income people should get more than their share of the giveaway. It's just a welfare thing, Mr. President.

Ford. Let me ask you this: I have two sons who worked last summer and earned about $1,500 each. Would they get $100 rebate?

Simon. In my judgment absolutely.

Ford. That's ridiculous.

Simon. If they're typical of young people who work in the summertime—

Ford. It's ridiculous.

Simon. I couldn't agree more, Mr. President.

Seidman. Essentially it gives them back their Social Security tax.

Simon. That's exactly what it does.

Hartmann. But if they go out and spend it—

Ford. They'll spend it, all right! (Laughter.)

A little later:

Ford. What's going on about the oil-depletion allowance?

Simon. I think they're cutting a deal up there right now. . . .

Ford (after more discussion). Our position should be that we do not want a Christmas-tree bill, with a whole lot of favors and gifts attached to it, and we've got to attack the whole issue of including cutting out the oil-depletion allowance in the tax-stimulus bill.

This was the first time I had seen the President and the Vice President in the same room. They now face each other on opposite sides of the center of the long Cabinet table. The President, as usual, is still, controlled, imperturbable. The Vice President, by contrast, is as active as a 2-month-old kitten. He slumps, shoots bolt upright, leans to one side, then to the other, whispers, nods when he agrees, shakes his head when he differs. Now he speaks up.

Rockefeller. Is it too late to propose an excess-profits tax on the oil companies with an allowance for plowback?

Simon. It is, sir. We've proposed a windfall-profits tax in preference to that.

Ford. I'm not sure I understand the difference between a windfall and an excess-profits tax.

Simon. Sir, the windfall tax aims like a rifle at crude oil, as opposed to an excess-profits tax which would cut across the whole range of an extremely complex system of profit calculation.

Greenspan. Trying to audit through the profits system of the multinationals would lead you into a hopeless maze.

The Vice President subsides like a balloon with the air escaping.

Ford. The main thing is to attach as few amendments as possible to the tax bill, so as to get the stimulus as soon as we can. . . .

The meeting lasts for an hour and 15 minutes and goes into great detail on issues that are quite technical: an intention to impose countervailing duties on European Community dairy products; proposed Export-Import Bank financing of liquefied natural-gas facilities abroad; negotiations with Chairman Albert Ullman of the House Ways and Means Committee on the energy bill, and what to do about "their" $5.9-billion Emergency Employment Appropriations Act.

Mr. Rockefeller with belling tones interrupts the Ex-Im discussion with a warning that supertankers carrying liquefied gas are extremely dangerous. If one blew up in an American port, he says, the whole city would go up. He paints a vivid picture of urban devastation.

The President's interventions are minor, until the discussion of the Democrats' big bill to provide jobs. Here his only interest is in keeping spending down. He proposes the preparation, as quickly as possible, of "an updated scoreboard" on the budget, reflecting Congressional proposals to spend more and more, and Congressional refusals to rescind or defer spending already authorized. He stresses more than once the need to dramatize "their" additions to the deficit.

Why am I shocked? Because in this discussion I have seen a first glimpse of another side of the man who has been so considerate, so open and so kind to me as an individual—what seems a deep, hard, rigid side. Talking here he has seemed a million miles away from many Americans who have been hard-working people all their lives and are now feeling the cruel pinch of hard times. What is it in him? Is it an inability to extend compassion far beyond the faces directly in view? Is it a failure of imagination? Is it something obdurate he was born with alongside the energy and serenity he was born with?

12:16 P.M. He takes Rockefeller into the Oval Office with him. To my regret I am not invited to join them—I would have loved to see the Immovable Object and the Irresistible Force collide.

I gather they talk about two things. First, the Domestic Council. This body, originally conceived as a planning unit in the Executive, devolved under Nixon and Ehrlichman into an operational clearinghouse that kept things moving. Ford and his staff early saw a need to restore its predictive function, because it was obvious that the President was not by nature a planner. Ford had had a long habit of juggling a multiplicity of problems in the Congress that demanded instant attention; everything was always on a day-to-day basis. And he succeeded to the Presidency, as his Counsel Philip Buchen puts it, "under a tyranny of urgency." And much as he would have liked to emulate Truman, he lacked Truman's sense of history—lacked feel for how a decision would look five—or 50—years hence. The thought was that Rockefeller, having put a Commission on Critical Choices to work after he resigned from the Governorship of New York, might bring a planning competence to the council. Ford appointed James D. Cannon, long a political adviser to Rockefeller, as director of the council, and the two men talk now about the early stages of Cannon's and the Council's work.

Second, the C.I.A. Who should investigate?

12:35 P.M. The President calls in Alan Greenspan to fill him in on the conversation yesterday with Dr. Burns. Alan Greenspan is a devotee of Ayn Rand ("The Fountainhead," "Atlas Shrugged"), the Objectivist philosopher, and, like her, he advocates pure-laissez-faire capitalism and "rational selfishness."

12:46 P.M. General Scrowcroft goes in for two minutes—presumably with the latest word from Dr. Kissinger.

12:48 p.m. Mr. Ford receives Frank Stanton, former vice chairman of the board of CBS, who for a year and a half has chaired a panel, set up jointly by the U.S. Advisory Commission on Information and the U.S. Advisory Commission on International Education and Cultural Affairs, reviewing the operations of the U.S. Information Agency, the Voice of America and the Bureau of Cultural Affairs of the Department of State.

Before each appointment, the President is given what is formally called a briefing paper; informally, a talking paper. It has three parts: a statement of the purpose of the appointment, background and "talking points"—actual language the President might appropriately use.

In this instance, Mr. Ford has been given the following talking points:

"(1) I understand that your panel has addressed some of the long-standing issues. . . . These activities play an important role. . . .

"(2) There have been a number of proposals in recent years for restructuring our information and cultural activities. . . ."

Mr. Stanton is then to be given a chance to make his recommendations—which, in the events, are that U.S.I.A.'s information functions be transferred to the State Department, that the long-range cultural functions of U.S.I.A. and State be combined within State and that the Voice of America be set up as an independent entity under a Government-and-public board.

"(3) The scope of your study and its recommendations are very impressive. I will want to have it studied very carefully. . . .

"(4) Thank you for your efforts. . . . You have made a most needed and timely contribution."

Actually, the exchange is far freer and a little less grammatical than this, but all the same, it's the way it goes.

1:10 p.m. The President retires for lunch. I join him for a few minutes in his two-room hideaway. One room is a small study, the walls of which are covered with mementos, including a huge Presidential seal, which is actually a rug, hooked for the President in Grand Rapids by his half-sister-in-law, Mrs. Richard Ford; in one corner there is a luxurious stuffed-leather Barcalounger, into which the President occasionally settles to read.

His lunch is served on a tray on a small table beside a desk in the other room.

Day in and day out, Mr. Ford eats exactly the same lunch—a ball of cottage cheese, over which he pours a small pitcherful of A-1 Sauce, a sliced onion or a quartered tomato, and a small helping of butter-pecan ice cream.

"Eating and sleeping," he says to me, "are a waste of time."

I tell him that it has appeared to me that he likes being President.

"I do," he says. "It's mainly the challenge, John. I always have enjoyed facing up to problems; it's always been a sort of way of life with me—and you certainly have them here. I really enjoy getting up every morning, looking at the schedule, seeing what the problems are. I don't long for the end of the day."

2:03 P.M. Secretary of Defense James Schlesinger and General Scowcroft are closeted with the President, to report on the deteriorating situations in Cambodia and Vietnam. After about half an hour, I am admitted.

They are talking about G.I.-bill education, which the President apparently wants to cut back, or perhaps cut out altogether. The tall, rugged-looking Secretary holds the line as well as he can.

Ford. You do get into a paradoxical situation. You have an all-volunteer service, but these benefits give an incentive to get out.

Schlesinger. They give an incentive to get in, sir. But many will stay. We're attracting a different sort of person.

Ford. Ever thought of offering a greater educational opportunity if they stay in?

Schlesinger. We do some of that now, Mr. President, but we're going to cut back on it. English grammar but not basket weaving, for which they've gotten credit in the past.

Ford. There are things I can do to cut off certain benefits. But we'll have to go to Congress sooner or later. There has to come a time when we end the so-called Vietnam war, and all its extras.

Schlesinger. We'll get up an options paper on the whole thing.

The two now discuss several other subjects—officers' pay, certain personnel decisions, Thailand, Diego Garcia, Turkey.

Suddenly the President leans forward, and with a vigor far surpassing any I have previously seen him show, his voice rising almost to a shout, his forefinger pounding on the edge of the desk, he adjures the Secretary to get the Navy going on the Elk Hills petroleum reserve.

Ford. Get up there and get the legislation, or we're going to give that whole deal to

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Interior. Tell 'em to get off their cushions up there at the Navy. The Navy damn well better get moving. I want you to get action. It strikes me the Navy likes the cushy little deal they've got out there. I'm going to go and see Elk Hills, and when I come back I'm going to be one of the few people who's actually seen the place, and I'm going to be in a position to tell 'em what's what. Now you get going.

Schlesinger (*to his Commander in Chief*): Yes, sir.

3:08 P.M. Rumsfeld, Cheney and William N. Walker, Director of the Presidential Personnel Office, come in to talk about some prospective appointments.

4:20 P.M. Marsh, Cheney, Cabinet Secretary James Connor and Dr. Robert Goldwin enter to warm Mr. Ford up for the Fortune interview. Dr. Goldwin has recently been appointed a consultant, with a mission of bringing intellectuals in to see the President. So far, he has exposed Ford to people like Irving Kristol, of the Department of Urban Values, New York University; Mrs. Gertrude Himmelfarb, historian, of City College, New York; Thomas Sowell, an eminent black economist, of U.C.L.A.; Herbert Storing, a political scientist, of the University of Chicago, and Edward Banfield, an urban specialist, of the University of Pennsylvania.

In preparation for this meeting, Dr. Goldwin has provided Mr. Ford with the Encyclopedia of American History, edited by Richard B. Morris, *et al.*, and the Encyclopedia of American Facts and Dates, edited by Gorton Carruth, with certain pages tabbed. Mr. Ford has done his homework. There is a meandering conversation on history—one which Mr. Truman would never have needed; or, had he heard it, would have called just too damned highfalutin.

4:55 P.M. Fortune editors in. Goes pretty well, Mr. Ford reports afterward.

5:40 P.M. Marsh, Friedesdorf, Cannon, Cheney, Lynn, Lynn's O.M.B. deputy, Paul O'Neill, and a couple of other staff members meet with the President to discuss the possibility of sending a message to Congress on a consumer protection bill.

Once again, as the group reviews a long options paper, I hear in the President's comments the distant, hard-edged, negative voice I heard this morning in the economy-energy meeting.

Ford. Is a consumer-protection bill in any form a violation of our new policy of limited spending?

Lynn. You're going to get a new law, no matter what you put in this. It's almost a certainty they'll have a law.

Ford. Then you get a question: Is it wise for me to go with a message?

Lynn. Well—to get out in front with the consumer. . . .

Ford. On page 2, we ought to hold this for further study . . . I'd be very hesitant about establishing a consumer-representative office in every department. Your agency head is going to lose control . . . We ought to get better titles for things. The Democrats come up with titles like Model Cities, and we come up with the Ocean Dumping Act. . . . (*Considerably later, after discussion of 19 of 24 options*): I must say, on the basis of what we've been talking about, I can't see justification for sending up a message on consumer protection. . . .

In the end, Marsh suggests that at a Cabinet meeting the President might "mandate the departments to concern themselves with consumer considerations." The President adds that he might then also write letters to the chairmen of the appropriate committees, on the need for certain reforms in the regulatory agencies.

So much for the faraway consumer.

6:55 P.M. Rumsfeld and Cheney come in together for the evening cleanup. At one point:

Rumsfeld. This is just something to think about, It occurred to me after our meeting this morning with Ron [Nessen] that began as a session where he could get guidance from you, and then the Congressional side came in, so Max [Friedesdorf] could get guidance, then other voices were added, so that now it has become a kind of senior staff meeting. This morning it was scheduled for 15 minutes and lasted an hour.

Ford. This morning the circumstances were rather special.

Rumsfeld. That's true That's true. But what I'm wondering is whether there should not be a regular senior staff meeting in place of that. And whether we shouldn't get in a somewhat different cast of characters—Jim Lynn, Brent, Jack, Bob. It's fine for Ron to come to you and get your position on things, beyond which he wouldn't go.

Ford. As long as he could get some input from you and others besides myself—

Rumsfeld. Sure. He does that all day every day. . . . Maybe the senior staff meeting should be followed by a smaller group in here with you.

Cheney. Or perhaps you should preside over the senior staff group.

Ford. Always remembering that I get more out of a meeting with several people than just one.

Rumsfeld. I'm just thinking of the most efficient use of your time.

Ford. Why don't you think it through and come up with a plan?

7:20 P.M. Mr. Ford leaves for the residence. Today he spent four minutes less in his office than yesterday.

WEDNESDAY

(Politics: "That's how it works"—"Why is he so quiet when he loses . . . as if nothing really has been lost—and that nothing would have been gained, either, if he had won?")

7:38 A.M. Here he comes along the walkway through another soggy dawn. He steps through a tall door into the brightness of the office in a newish three-piece suit, middling brown with a faint check, trousers cuffless, and when he bends down over the brown suitcase for some papers and then swings quickly toward his desk chair, coattails flying, you can see that the pattern of his silk foulard tie, riding a sliver of a tiepin, is repeated in the lining of the jacket. He has no less than three pens clipped in the vest pocket over his heart. The Presidential seal helps link his white cuffs.

Like everyone else in the vicinity, I am energized by the zest of this arrival. I feel the need of a lift. Some bad questions have been building in my mind. Whatever became of the motto of "communication, conciliation, compromise and cooperation" with the Congress that the President promised on the evening after his swearing-in? Why does everything here seem to present itself in terms of a contest with "them"? Yet when he loses and "they" win a round in that struggle, why is he so quiet, so unperturbed, as if nothing really has been lost—suggesting that nothing would have been gained, either, if he had won? What is the source and nature of the deep, hard sound I heard in this kind man's voice yesterday, the sound that troubled me so?

7:42 A.M. General Scowcroft and David Peterson, of the C.I.A. White House Support Staff, go in for the daily briefing.

8:02 A.M. Counselor Hartmann goes in for his daily appointment.

But this morning, I go to the senior staff meeting, in a sort of mini-Cabinet room, where Teddy Roosevelt glares down exultantly from over the mantel at the bully young chaps he sees at the long table. Ford's staff, befitting his constant yearning to be with friends, is horizontal in form. Nixon's was pyramidal; urgencies mounted the slopes to Haldeman at the apex, and then went in, maybe. Nine men of Ford's staff can walk into the Oval Office at any time—though there are obviously heavy constraints on their doing so: Assistant Rumsfeld, Assistant Kissinger (or Scowcroft), Counselor Marsh, Counselor Hartmann, Press Secretary Nessen, Counsel Buchen, Assistant (Economy) Seidman, Assistant (Budget) Lynn, Assistant (Domestic Council) Cannon. The senior staff comprises these men, and they or their deputies, and some others, like Frank ("the Energy Zarb") Zarb, Greenspan and Friedesdorf, attend. Secretary Simon is sometimes present, though not today.

Rumsfeld sits at one end of the long table, and he calls on one man after another. Whoever has something on his mind that he thinks the President either should know or should act upon speaks his piece; others take passes.

Budget's Lynn says that yesterday he took the liberty of telling some reporters that the Democrats' $5.0-billion emergency spending bill would overstimulate the economy and swell the deficit, and that he would urge the President to veto it; perhaps some of the staff have seen the story in this morning's Post.

Several have. There is some talk about "how high a profile" the President should have on vetoes at this stage of delicate bargaining. Up to this morning, he has vetoed 25 bills—has been the most veto-prone President since Grover Cleveland, the all-time record holder. Most of his vetoes have been standing up recently, however, and indeed, Friedesdorf now reports that yesterday the Democratic leadership decided it did not have the troops to override Mr. Ford's veto of the 90-day oil-tax delay.

"Just thought I'd toss out a signal to them," Lynn says.

Friedesdorf tells the staff he has some other good news, too, for a change—that the Senate Foreign Relations subcommittee dealing with emergency aid to Cambodia yesterday voted 4 to 3 in favor of giving the Cambodians $125-million, and a House Foreign Affairs subcommittee split 3 to 3 on a proposal for somewhat less aid; the Cambodian proposition is not dead. . . .

8:40 A.M. In the Oval Office.

Rumsfeld. The slot situation. As you know, we've been keeping periodic book on how we're doing on the 10 per cent reduction in the White House staff. We now have 533 permanents. We're aiming for 490, although we budgeted 500 for some leeway. It's very hard; there's constant pressure to add people. Last month we had 17 departures and 13 arrivals. We have a sizable percentage to reduce between now and June.

Ford. You'll just have to keep the pressure on.

Rumsfeld. We should be thinking about the problem of coordinating domestic and foreign policies. This has been a problem in our Government since the forties, at least. On that business yesterday of the countervailing duties on European cheese and so on, Simon went ahead on the basis of domestic pressures—no contact with State, which has to deal with the repercussions in the European Economic Community. Something to think about. . . .

9:00 A.M. One of Counselor Marsh's many duties is as White House overseer of plans for the Bicentennial in 1976. On the way in to his appointment, March, a Virginian chauvinist, whispers to me that he thinks of the whole forthcoming celebration not as Bicentennial but as Tercentennial—on account of Bacon's Rebellion against the colonial authorities in 1676.

Marsh (*to the President*): They're getting ready to go with a Wagon Train, a Freedom Train—all sorts of national programs, some O.K., some awful. The workload on the Bicentennial is getting pretty fierce, Mr. President, and I wonder if we could set up a task force on it? I'd suggest [Human Resources Assistant] Maris, Cheney, Goldwin, [Cabinet Secretary] Connor [Domestic Council Director] Cannon.

Ford. Good idea.

Marsh. Each state will have one week of national observance, with one night each in the Kennedy Center. With 50 states, that'll take just about the whole year. It's an idea that might suit me, but it sure might not suit you. Once a week!

Ford. The only thing that would suit you would be a 13-week celebration, for the original 13 colonies. Right?

Marsh. Of which Virginia, sir, was the first. Do you know that until 1937, Virginia was a colony longer than she was a state?

Ford. Some think longer than that.

Marsh. We've got to work out a role for you that won't pull you apart. . . . The 1876 Centennial theme was technology. Alexander Graham Bell introduced the telephone, up in Philadelphia, I think it was. There was the reciprocating engine. New processes. Men came on from St. Louis and Akron and Council Bluffs, and there was a great outward burst in technology. We need to get some sort of logos built into our planning.

Ford. Jack Stiles [co-author of "Portrait"] was talking to me about the idea of getting an American electronic and aviation and space-industry show set up at Cape Canaveral. They've got a lot of unused space down there since the cutbacks.

Marsh. A sophisticated Disneyland. That's a good idea.

Ford. I think it's a meritorious idea. . . .

9:19 A.M. Most of the discussion in the Nessen group this morning is political. Max Friedesdorf's slightly encouraging news from the Hill raises questions: how to push through as much Cambodian aid as will survive; how to get Congress to move on the tax bill; how to get "their" big-spending bill recommitted.

The President stirs with pleasure—it almost seems as if he has suddenly walked through a door into his real self. Familiar names: the old horse-trading routines. Even his hands seem independently to enjoy themselves now as they settle into the little enactments of bargaining they know so well—counting, weighing, arresting, a finger encircles a thumb (We have that man), knuckles rap the desk (Try again), the whole hand flaps (He's hopeless), reminiscences about motions to recommit like memories of great football games. The names like candies in his mouth: Frank, Gale, Hugh, John, Al, Herman, Gaylord, Barber, Mike. . . .

Ford. That Gale McGee is a stanch guy. I remember when Gale and I used to fight tooth and nail for foreign appropriations. In those days, old Passman was adamant against anything foreign. . . . What's the next step, Max?

Friedesdore. Well, the House subcommittee will vote again, of course, and the full Senate Committee will vote, I believe, on Monday.

Ford. Anything I can do?

Friedesdorf. Our present count on the probable vote in the full Senate committee is 7 to 7, with Senator Percy undecided. I think a call to the Senator would be most helpful.

Ford. Sure. I'll call Chuck.

Jack Hushen (*Nessen's deputy, who is going to have to take the briefing this morning, because Nessen will be sitting in on a scheduled Cabinet meeting*): What am I to say about this Republican loyalty oath, to you and the principals of the party, that Representative Anderson and Senator Percy are circulating? A kind of pledge of allegiance to the party.

Ford. Haven't seen it. I only saw the news story.

Friedesdorf. John Anderson mentioned it Monday night.

Rumsfeld. A value it does have is that it brings people out into the open, and it offsets that Rhodes stuff about a program independent of yours.

Ford. Let's say, I'm grateful for this show of strong support—

Hartman (*always the realist*): You don't have that yet.

Ford (*trying again*): I'm grateful for the support, and I hope as many as possible—

Marsh. "Loyalty oath" is not what it is.

Ford. I wouldn't use that term at all.

Friedesdorf. Or even "vote of confidence." . . .

Hushen. Jim Lynn came out in the papers urging you to veto the big emergency jobs bill. Do you want to say something about that?

Ford. I do feel an inclination to veto a bill for $5.9-billion. But I don't want to get too far out in front on that, because some of these smart politicians up there might tack onto the bill something we want a lot—this Cambodia and Vietnam aid. This word of warning from Jim Lynn, Director of O.M.B.—that's a pretty strong signal. That's as far as I'd want to go just now. . . .

9:46 A.M. Mr. Ford reads some briefing papers—Cabinet meeting coming. Across the room, the Seymour grandfather clock utters, utters, utters. . . .

10:17 A.M. The President goes to the Cabinet Room to greet 53 state and national winners of the 28th annual Voice of Democracy script-writing contest, sponsored by the Veterans of Foreign Wars and its Ladies' Auxiliary, for which, this year, half a million competing 10th-, 11th-, and 12th-grade students across the country have written short broadcast scripts on the theme "My Responsibility as a Citizen."

As the Chief Executive enters, these young presences fill the Cabinet Room with a vibrant energy, like that of a ravenous school of fish breaking water to feed. They surge forward, wink flashbulbs, blunt out heartfelt encouragement and advice. The President's cool soon quiets them.

Mr. Ford's talking paper has offered him some bland suggestions on how to greet these winners: "I want to thank . . . congratulate . . . I would like to hear each one of you. . . ."

Instead he strikes out on his own with a brief and basic civics lesson—so basic as to be, it seems, quite a few grade levels below those of his audience; yet he delivers the central passage of this simple lecture with an intensity of emotion that I have not heard in anything he has said up to this time:

Ford. I think this is a wonderful thing for the V.F.W., of which I am a member, and its Ladies' Auxiliary, to have done. You've been here for a week? Then I trust you've seen all three branches of the Government. This Government of ours has three coequal branches. First we have the Supreme Court, that's the first branch. Then the Senate and the House of Representatives, that's the second. And then we have the President, and the Executive branch, that's the third. We have a system of checks and balances. The founders of this Government, those who drafted the Constitution, had very strong feelings that the best way to protect individual freedom and to meet the challenges from day to day was to keep this system of checks and balances in each branch strong—and also to leave substantial powers in the hands of state and local governments. I hope you'll go back to your states and sooner or later you'll take some part in one of these branches, whether in the judiciary, or as a Senator or Congressman, or maybe right here as President. Have a safe trip home, and we'll see you back here one of these days, hopefully, running things.

10:22 A.M. General Scowcroft and Rumsfeld confer with the President in the Oval Office.

10:45 A.M. Mr. Ford spends a quarter of an hour preparing himself for the Cabinet meeting. 11:04 A.M.—The President enters the Cabinet Room. 11:05.—"Camera Opportunity": Photographers bustle and shove. 11:07 A.M.—Exit press.

11:08 A.M.

Ford. We have a very full plate today, and we should get started.

He greets two new Secretaries, Carla Hills of HUD and Bill Coleman of Transportation, and reserves time for a departing Secretary, Peter Brennan of Labor, to speak at the end of the meeting.

He tells the Cabinet that with the extension of the Clemency Board's period of activity, there has come a sudden flood of 11,000 new applications for clemency from draft evaders and A.W.O.L.'s, with 4,000 to 5,000 more cases expected before the deadline. To save money on the huge load of clerical work this will entail, he asks all the departments to lend staff personnel to the Clemency Board.

Now he calls on Vice President Rockefeller to give the Cabinet an account of the recent drama in the Senate over the filibuster. "I might add," Ford says, "that Rocky handled himself brilliantly."

The Vice President rises, brimming with joy, and Dick Parsons, a towering assistant of his, props up a large chart on an easel at the end of the room, and hands Mr. Rockefeller a wooden pointer.

Rockefeller. . . . On Jan. 10, I asked the President how he wanted Rule 22, which regulates filibusters, handled. The President decided that as the presiding officer of the Senate, it was my responsibility and that I should handle it as I saw fit. As you can see by the chart, there are essentially two strategies, referred to as the Northern and Southern route. . . . Mondale put two motions in one during this period, which is incorrect, and that was disallowed. Then Senator Allen put three motions in one which was also disallowed. Senator Byrd and Senator Griffin finally agreed on the wording of the motion, but Mansfield objected. . . . As we move through these series of steps outlined on the chart, alternating between the Northern and Southern routes and various motions, we reached a point where I asked for the clerk to call the roll. Senator Allen objected and raised a point of parliamentary inquiry. The Vice President again then asked for the roll to be called, and again Senator Allen raised the point of question of parliamentary inquiry and again I asked for the roll to be called. This is where the controversy really became a public feud. The Senators at that point gave me a very bad time. But according to Rule 19 in the Senate, on a point of parliamentary inquiry, the Chair is allowed, at his discretion, to recognize or not recognize the Senator. At any rate, we finally reached an agreement. There was a two-hour recess during which a compromise was worked out, and the final agreement was the Southern route, which is the way the majority wanted to go. Everyone was happy—the conservatives, the liberals, the Republicans and the Democrats have all generally turned out to be fairly happy about it. I have arranged a series of small dinners with various members of the Senate to make certain that there are no hard feelings. . . . I might add, Mr. President, that I am grateful for the support that you gave me during this period, both publicly and privately. I appreciate it, and I believe and hope I did what you wanted. . . .

Ford: At this time, I would like Earl Butz to tell us what has been happening to farm and food prices, and what we can expect for the rest of the year, Earl?

Butz. Well, Mr. President, it looks like this. There has been a 14 per cent increase in price of food in 1974 over 1973. Eighty percent of that increase has come after the product has left the farm. This can be accounted for by higher wages, higher transportation costs and higher fuel costs. While the increase has slowed down some, it has not stopped during the first quarter of 1975. It appears that food prices will be up 1½ per cent to 2 per cent over the last quarter of 1974. So the increase has slowed down markedly. It is interesting to note that the index of prices paid by farmers is up 12 per

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cent, but the index of prices received by farmers is down by about 15 per cent. The statistic that you will find interesting is that 17 per cent of the take-home pay of the average American will go for food. This is down slightly over 1973, and also interesting to note is that only Canada and the United States are nations below 20 per cent of take-home pay going for food. This can be attributed to several things. One-third of the meals are currently eaten outside of the home. Looking toward 1975, we anticipate a leveling off or decline in food prices. There will be more beef eaten by Americans this year by about 7 pounds per capita for the year. However, Americans will eat less pork and poultry per person, and the beef will be relatively cheap. Fruits and vegetables will generally be less expensive, and of course, Mr. President, you know about our peanut problem. We have had one for years. We are up to our ears in peanuts. The area where we will be shortest in everyday diets will be on grain-fed beef. Mr. President, you can expect a record wheat crop. Since 70 per cent of all wheat in America is winter-grown, that crop is already in. We have had a 6 per cent increase in acreage, and 400 million to 500 million bushels of grain above last year's crop, so we will have a record crop. We currently have four million acres in soybean cultivation. So we hope, as we look toward 1975, the escalation of food prices is behind us.

Ford. Are the farmers happy, Earl?

Butz. No, sir, they aren't.

Now the President introduces Administrator Russell Train of the Environmental Protection Agency to explain a controversial decision Mr. Train made last week, giving the automobile industry until 1978 or even—if Congress will approve—until 1982 to meet final antipollution standards.

Train. Thank you, Mr. President. As most of you know, it was a very complicated and controversial issue. . . . As you know, autos using catalytic converters cut down pollutants, give low operating costs, better gas consumption and have fewer maintenance problems; but it has been found that they also give sulphuric-acid mist, which is dangerous. So the decision was whether to hold standards, or to go with the higher standards and run the risk of putting the sulphuric-acid mist in the air. Our research indicated that the sulphuric acid was a very real and dangerous problem. While it isn't a national problem yet, it soon could be, and we really can't afford to play the numbers game. Through our research we found that desulphurization was not a good solution, for it would take some two years of research and testing to be prepared to do that on a regular basis. We also found that sulphate traps aren't a solution, and not something that our technology is readily able to produce. The real concern we had was if we moved to the new higher level of standard, which is the .9 California standard, we would actually be doubling the amount of sulphuric acid in the air. Therefore, after much thought and a lot of advice, the decision was made to stay with the 1975 interim standard, 1.5 per cent hydrocarbons as opposed to .9 per cent, the California standard. This of course caused considerable problems. The health-services industry was not happy, the auto people were not happy, and the Mayors and Governors were not happy.

There is considerable discussion of the catalytic-converter issue. Vice President Rockefeller, having had a nice chance to talk, is relatively unbouncy today, but soon he does sound another of his alarms.

Rockefeller. Mr. President, I fear that this could really become a serious political problem and perhaps a liability next year. I know we will have examples of garages catching on fire and people burning to death; cars catching on fire, gas stations exploding—all because of the catalytic converter. If someone wanted to make this a political issue in 1976 and brought out these gruesome details and stories, they would put the burden on your back, and they would be asking why you didn't tell them that this was a problem. . . .

Train (*later*): Mr. Vice President, what you say is true, perhaps to a certain extent, and if one carried it to the extreme it could become a political liability. However, the reports about fires, explosions simply don't have adequate information at this time to prove that this is true. If we do pull the catalyst off the automobile at his time, we will have an increase of three times in the level of pollutants.

Rockefeller. I would really like to see the President take the public into his confidence and include them in this information, so they feel like they are sharing in the decisions, and we can assist them in making their determinations, and this therefore will not become a political liability at a future date. . . .

Ford (*after 20 minutes' discussion*): Last October we decided that an inflation impact statement should be made about all new legislation which we were proposing, and the Congress was proposing. Maybe we can do the same thing here. It says something about my basic philosophy of government. I think that we have to implement this philosophy, and the consumer has a right to know what the exact impact, both pros and cons, will be of decisions which his Government is making. It's not just environmental regulations that raise this issue. There are literally thousands of examples. I recall the problem we had with the truckers' regulation issued by the Department of Transportation before you arrived, Bill. I had to make a decision on New Year's, when I was on vacation, to let a regulation go forward because we were so far down the road on it. To hold it up would have imposed economic hardship on the industry, which had geared up to implement the Federal rule. As a result, we are increasing the cost of trucks and trailers 5 to 7 per cent—it's some very large sum like $200-million dollars. I now understand that this regulation might force some companies out of busines. I have no doubt that many energy regulations create the same kind of dislocations. Therefore, when we submit legislation and proposals, we must make certain that we know both sides of the story and what the total impact will be, so we can inform the Congress and the public about everything to do with that particular problem.

Next the President calls on Secretary Schlesinger to brief the Cabinet on the situation in Cambodia and Vietnam.

The Secretary unwraps maps; there is some joshing, to the effect that he might simply use Rocky's fillibuster chart, which is still on teeasel, to make his case.

The Secretary's briefing, the discussion that follows it, and Secretary Brennan's swan song, uttered in the street hardened tones of Hell's Kitchen, Manhattan, conclude the meeting.

12:44 P.M. The President returns to the Oval Office for a chat with Secretary Morton. They discuss Morton's imminent transfer from Interior to Commerce.

12:58 P.M. Mr. Ford is joined by Congressmen John Rhodes and Albert H. Quie for a short prayer meeting. Mel Laird usually joins the group in these habitual devotions, which have continued intermittently for about seven years; he is unable to be present today. The three talk awhile, then each prays aloud and alone for about a minute, asking for guidance, giving thanks, weaving in his largest concerns, praying not only for his own interest or for those of the President, but also for the good of Congress and the country. Then the three intone the Lord's Prayer together.

1:10 P.M. Lunch: cottage cheese drenched in A-1 Sauce, and so forth. 1:20 P.M.—Mildred Leonard, Mr. Ford's executive secretary for 23 years, comes into the hideaway to assist him with private correspondence. 1:35 P.M.—Other paperwork. 1:57 P.M.—Major Robert E. Garrett, one of the President's military aides, in for three minutes on a personal errand.

2:03 P.M. For the third time today, the President enters the Cabinet Room, this time to receive the United States Commission on Civil Rights.

Chairman Arthur Flemming, former Secretary of Health, Education and Welfare, has asked for this meeting to discuss the current state of Federal enforcement of civil-rights law. The President has done his homework, and shows his familiarity with many of the questions Chairman Flemming and other commission members raise. It does not take him long to start talking about Congress:

Ford. Of course you know that I have recommended a five-year extension of the voting-rights law. We may have a problem up there on the Hill. You know the present act expires Aug. 8. I've noted that several interested and influential members of Congress think something ought to be added to the act for the benefit of Spanish-speaking citizens; others want to extend the act to some pockets in the North where you have alleged discrimination; others want to extend it to the whole country. I don't know what the impact will be, but there are knowledgeable and influential Senators and Congressmen. There could be a delay. There are some people who don't want any voting-rights law at all, and there are some who want it amended. If those two groups got together fortuitously, you could have trouble—you might not have the present law extended. . . .

2:45 P.M. The President makes his telephone call to Senator Percy.

Ford (leaning back): Hi, Chuck . . . I'm fine, how're you? . . . No. Say, I appreciate the initiative you and John Anderson and Bill Milliken have taken to support me up there, trying to get a few signers here and there. . . . Oh gee, that's good, I hadn't heard that. . . . You know, it's good to have a policy, but if you don't have 51 per cent of the vote! (*Laughs*). . . . Chuck, the reason I called, in addition to thanking you, was because of the vote that's coming up Monday, I believe it is, on Cambodia in the Foreign Relations Committee. You know about the 4-to-3 support we got in the subcommittee for a $125-million drawdown for economic and military support. . . . I'm hoping that if, after you've looked at it, you can see your way to help out in the full committee. It would be extremely appreciated . . . Chuck, I can't ask for anything more . . . I have not talked to—say, while I have you, I'm sure you're cognizant of the thing Jim Pearson and Frank Church . . . Yes, the three-year program, with termination, vis-a-vis South Vietnam. If we could satisfy both Frank as well as Jim, this might be a way of, if we can get them to agree. . . . You're a friend of Jim Pearson—could you see if you can. . . . Let us know, and we'll do our best to cooperate. . . . (*Big laugh.*) I can't disagree with that under any circumstances. . . . O.K., Chuck. Right. . . . Right. . . . That's good. Many, many thanks. Goodby.

He hangs up. He turns to me and says: "That's the way it works."

I remark that it sometimes sounds to me as if he misses the good old days in Congress.

Ford. When you've worked in a place 25 years you can't help missing the people—on both sides. It's different. Up there you're only one of 435. Even if you're a leader, you have to work with 434 very independent people. They can tell you no, and you can't do anything about it. Down here, the President is the final decision maker on a few

things, but you still have to work with those people—in a different relationship. My only ambition in all those years was to be Speaker of the House. Obviously that was not going to be. So now I'm here. I liked that, and I like this. I'm adaptable, I guess.

"That's the way it works." Suddenly, after this phone call, I have a sense of links—of a kind of chain that has been there all morning. Nostalgia about votes to recommit. "Strong feelings" about checks and balances, in the homily to the kids. "My philosophy of government"—in the Cabinet meeting—which seemed to come down to making sure the consumer understands "both pros and cons." Offering up prayers with his old friend John Rhodes—the very man who has just announced the plan for a House Republican legislative program independent of his. Doubts about survival of the voting-rights act in the give-and-take of the Hill—"knowledgeable and influential men." And now the phone call: "Chuck, I can't ask for anything more."

The adversary process of checks and balances in which Mr. Ford has become chained as President, all the more starkly because he deals with a Congress dominated by the opposition party, merely adds new links to old ones. He believes in this process. He has a long habit of playing the national poker game. It is of his essence. "I liked that, and I like this."

I go back to the press room, and someone digs out for me the text of the President's statement that evening after the swearing-in, and I find the catch. The full sentence reads: "As President, within the limit of basic principles, my motto towards the Congress is communication, conciliation, compromise and cooperation." Now I am beginning to realize the weight of the reservation.

What are the basic principles? This morning I heard the first name Barber in passing in the Nessen session. Who is Barber? He is Barber B. Conable Jr. And who might he be? He is the Congressman from New York who, in the last full year of Nixon's Presidency, distinguished himself by casting the greatest number of votes in favor of Nixon-backed bills of any member of Congress. For some reason Barber B. Conable Jr., is not now President of the United States. And what about the man who is President? When all the ayes and nays were counted, he was the second most faithful to Nixon of all the 435 members of Congress.

The basic principles are couched in the voting record over the years; *against* Federal aid to education (1956, 1961, 1963, 1965, 1969, 1970); against Federal support for water-pollution programs (1956, 1960); against creation of the Office of Economic Opportunity (1964); against mass transit (1973); against ending the bombing of Cambodia (1973). *For* defense spending (consistently); for revenue sharing (1972); for cutting off aid to students who participated in campus disruptions (1968); for the Civil Rights Act (1964) and the Voting Rights Act (1965)—but only after the failure of weaker substitutes, which he favored; for watering down of the Voting Rights Act (1969). In 1967 he gave a speech on the House floor entitled, "Why Are We Pulling Our Best Punches in Vietnam?" He supported Vietnamization. In 1970 he advocated the impeachment of Supreme Court Justice William O. Douglas.

Classical Republican conservatism is deeply implanted in Gerald Ford. The hard sound I heard yesterday was perhaps less a matter of coldness of heart than of glacial caution. Wariness is a word in which change is rampant. The aggressiveness of the defensive center—most valuable man on the team.

And above all, I realize there is this: Ever since he entered public life in 1949, Gerald Ford has been on the losing side. He has always been a member of the minority. He has a firm habit of losing—of shrugging off each setback and of turning to the next day's hopeless task.

"I'm adaptable, I guess." Now I wonder, how adaptable? In form or in substance? In ways of working or the set of the mind?

3.23, 3:34, 3:49, 3:55, 4:09 P.M. The President interviews a series of candidates for replacement of his military assistant. At the end of the session Dick Cheney, Rumsfeld's deputy, asks him his preferences.

Ford. Who-all on the staff interviewed them?

Cheney. Jack, Don, Brent, [Staff Secretary] Jerry Jones, Jim and I.

Ford. I'd rather wait and get your recommendations. (*After a pause*): I don't want to prejudice you.

4:25 P.M. The President calls me to his desk.

Ford. I want to tell you about Bob Orben, who's coming in next. In '68 I had to represent the Republicans at the Gridiron dinner. You're supposed to be funny for 10 minutes and serious for two, you know. I'd been to several of those dinners, and I'd heard two top people misjudge badly—Soapy Williams made a political speech, and John Lindsay told off-color jokes. So I thought I'd better get some help. I went to George Murphy, and he went to Red Skelton, and he got me Bob Orben, who'd been writing for TV comedians for years. Well, the speech turned out to be well-received. Of course, my opposition was Hubert, and he talked for 24 minutes. But Bob comes in nowadays on a consulting basis. He has an excellent style, and he's broadening me out in speech work.

4:30 p.m. Orben comes in with the text for a speech the President is to make at a Gridiron-like dinner of the Radio and Television Correspondents' Association tomorrow night.

Ford (*reading aloud from the text*): "I have only one thing to say about a program that calls for me to follow Bob Hope: Who arranged this Scoop Jackson? It's ridiculous. Bob Hope has enormous stage presence, superb comedy timing and the finest writers in the business. I'm standing here in a rented tuxedo—with three jokes from Earl Butz!"

Orben. I've been playing the tapes of your speeches. Your timing at the Alfalfa Club was fine—conversational. But other times you tend to be a little slow. Whenever you're doing humor, don't pause in a sentence. Watch Hope. You'll see he really punches through a line. Don't pause.

(*The President tries again.*)

Orben. That's better.

Ford. Is it moving?

Orben. You're moving right along. Put a slash in after "ridiculous." You could pause there. . . .

Ford (*a little farther on*). "And so far, this has really been a very exciting week in Washington. Particularly in the Congress. On Monday, Carl Albert picked up Bella Abzug's hat by mistake . . . put it on . . . and disappeared for three days!"

Orben. Very good.

Ford. If I get a laugh—would it be a good idea to gesture, as if I'm putting on a big hat?

Orben. I don't think it's necessary. They'll be getting a visual picture. But if you're more comfortable doing it that way—

Ford. It's a little demonstrative.

Orben. It wouldn't hurt.

5:00 P.M. Rumsfeld in the evening roundup. The astonishing range of an hour's business: the Cabinet meeting that morning; the C.I.A.; the meeting yesterday with Chief Justice Burger; the decision of the staff aides on the candidates for military assistant, and the roles, desired ranks, number and responsibilities of military aides in the future; a candidate for a Federal post; some procedural questions; the possibility of some time off for a staff member; tomorrow's schedule; a half-dozen schedule decisions for the future; some administrative questions concerning the President's secretaries; the recruiting of a new deputy for a Cabinet officer; the need for some guidance on management of an agency; Cambodia; trips that have been planned; details of an imminent visit to the West Coast; attendees at Cabinet meetings; urgent details of planning on the economy; some non-Government views on the economy; two personal matters. The President also "signs off on" the retirement of an Admiral and the promotion and reassignment of two other Admirals, and gives Rumsfeld three notes on matters that had come up in meetings he had had during the day, on which he want action.

6:00 P.M. Paperwork.

7:13 P.M. To the residence.

THURSDAY

Where, deep down, does the poor boy lurk?—"The junior in Deke, unable to make ends meet, driven to begging from his non-father of a father."

6:00 A.M. He is grinding out a mile on his exercise bike. It is a long mile, an uphill mile, because the brake screw is turned down tight. He is in navy blue pajamas and a light blue, short-sleeved, karate-style kimono.

"Henry exercises on one of these things," he tells me, "but while he's riding he props a book on the handlebars and reads."

We are in what can only be described, amidst the lavish decor of the rest of the White House, as the Fords' real home within the home. Mr. Ford, pumping away, tells me. "The Nixon's had separate bedrooms, this used to be his." But when the Fords moved in, Betty said she and Jerry had shared the same bed for 25 years, and she wasn't about to let that be changed. She is still asleep now in the big bed in the next room.

The President has been up since 5:30, as on most mornings. He has read part of The Washington Post before I arrived. He is chugging away now, his inner motor fully engaged, as alert and calm as if in a Cabinet meeting. He says he falls asleep at night in 10 seconds, sleeps soundly for five hours and wakes up fully refreshed. "Oh, very occasionally," he tells me, "Betty will say, 'Gee, you had a bad night,' but I'm not congnizant of it. She'll complain I was restless. Maybe it woke her, but it didn't wake me. I sleep very deeply, and I come back easily."

He dismounts the bike and moves to a machine for strengthening thigh and knee muscles; this stands between the bicycle and a tall corner cabinet, which holds the trophies of a lifetime of competition. He sits on the red leather platform of the machine and does 40 knee-lifts with each leg; on his left foot is a weight of 40 pounds, on his right 25 pounds. "This knee"—a hand indicates the right—"I favor a bit." Both knees suffered football injuries, and the left knee was operated on in 1932. "The other one gave me problems, for 30 years," he says. "It would begin to lock on me on the fairway, or it would go weak when I was skiing. So in '72, after I got back from China, I had it operated on, too. The usual cartilage-and-ligaments thing."

He gets down on the floor and does 20 push-ups and, prone, 20 lifts of his torso, with his hands behind his head, to harden his gut.

Then, a trifle winded, he drops into a blue leather lounge chair, an old favorite of his, made in Grand Rapids, and he lifts his slippered feet into a matching footstool and resumes reading The Post. "In the evenings," he says, looking over the edge of the paper, "I'll sit here, Betty'll sit there"—in an overstuffed chair close by—"and we'll read or watch television. It's just family in here." Resting on the spines of three photo albums in a magazine rack to his right, between the two chairs, is a remote-control push-button box for changing the channels on a television set and, under it, a paperback

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copy of "Plain Speaking: An Oral Biography of Harry S. Truman," by Merle Miller. The television set is in a huge console built into the corner next to the fireplace, which is to the President's left. Beside the President's feet on the footstool is a looseleaf notebook inscribed in gold letters: "The President's Daily News Briefing." The brown suitcase, for his official papers, is proposed open between the footstool and the fireplace.

I leave him while he reads the rest of the paper and the staff news summary; and gets dressed.

6:55 A.M. He joins me, in shirtsleeves, and we walk into an overpowering *ambiance* of history in the President's dining room. The walls are papered in huge, lush and wildly inaccurate scenes of the War of Independence—Washington in command at the Battle of Niagara Falls, the capture of Wechawk Hill by Lafayette, the surrender of Cornwallis at Yorktown, and Washington's triumphal entry into Boston—printed in France in 1854 by Jean Zuber. A tiny television set is on the dining table, off to the left of the President's placesetting. A scooped-out half pineapple serves as a bowl for chunks of its flesh; a tall glass of orange juice and a thermos-carafe of tea wait for him; a butler brings him a single toasted muffin with margarine. The New York Times is on a side table to his right, but this morning he does not read it. We eat and talk.

"I get my energy," he says, "from my mother. She was a tremendously energetic person, just fantastic. She probably had more friends than any woman I ever knew. Everybody loved her. She was a human dynamo in a womanly way. She wasn't a great career type. But she was the most thoughtful person, always writing to people—a note on a birthday—or calling on some who were in the hospital. She just had great compassion for people, plus this almost unbelievable energy."

"My very young years, I had a terrible temper," he says. "My mother detected it and started to get me away from being upset and flying off the handle. She had a great knack of ridicule one time, and humor the next, or cajoling, to teach me that anger—visible, physical anger—was not the way to meet problems. But then adversity in athletics also helped teach me. Adversity in my personal life; I thought I was madly in love with a very attractive gal. It didn't work out. One time, I thought that was the greatest catastrophe in my life. It just didn't turn out to be that way. But going back to my mother's input: She taught me that you don't respond in a wild, uncontrolled way; you just better sit back and take a hard look and try to make the best decision without letting emotions be the controlling factor."

He speaks deliberately, without emotion, sometimes pausing in midsentence to gather his thoughts, and using my first name often. He is concerned about whether I am getting enough breakfast. Dr. Lukash is very strict with him about his intake of calories, he says.

"Sometimes I do get angry," he says. "People feuding—and I guess this goes back to experiences I have had in athletics. A feuding football team never got anyplace. A feuding staff in the White House is never going to get anyplace. It's so senseless. Anything that's senseless is frustrating and upsets me. . . . Nothing is more frustrating to me, John, than to have staff jealousies. Nothing gets my mind off what I want to think about more than to have little petty jealousies in staff people. I just can't tolerate it, and it's more disturbing to me than anything. But competence, loyalty, hard work—I do think I get those things from the people on my staff."

We talk quite a lot about football.

". . . The last game we played was with Northwestern, and I had a very good day against a darned good Northwestern guard, Rip Whalen. I just gave him fits. I knocked him all over the field. . . . And on the way back from the Shriners game, Andy Kerr and Curly Lambeau spent a good share of time trying to talk me into playing for the Green Bay Packers. And then Pottsy Clark, who was the head coach of the Detroit Lions, who had seen some of the Michigan games, tried to get me to play for the Lions. . . . I'd learned a little about sitting on the bench. . . . In those days, the center had to pass the ball, not to a quarterback, but to a tailback. You really had to pass the ball; you had to lead the runner and had to block at the same time, and you played defense, too. . . . The people that I met. . . . I had some good teammates and good coaching, and I've kept those associations. . . . The actual competition is a pretty good character builder. . . . And football is as good a training-ground from the team-operation point of view as anything I can think of. . . ."

And now he tells a strange tale. I have known that Gerald R. Ford Jr. was not born with that name—that his mother and his natural father, then a Nebraska wool trader, were divorced when he was 2 years old and that not long afterward he was adopted by, and renamed for, the Grand Rapids paint salesman his mother married. The story: "I was, I think, a junior in high school in the spring, 1930. I worked at a restaurant across from South High called Skougis's. It was a 1929, 1930 hamburger stand with counters—a dilapidated place. Bill Skougis was a shrewd Greek businessman, and he hired as waiters the outstanding football players. He hired me my sophomore year. He paid me $2 plus my lunch—up to 50 cents a meal—and I worked from 11:30 to 1:00, through the noon-hour class periods, and one night a week from 7 to 10. I waited on table at one of the counters, washed the dishes and handled the cash register. My working place was right near the entrance. It was a long, narrow restaurant. You came in, and I was on this side washing dishes, checking people out. There was a candy counter on my side that went right down the room. There were tables and another counter. I was standing there taking money, washing dishes, and I also had to make cheese sandwiches behind the barrier. This man came in, and he stood over there. And he was a stranger. Strangers didn't come in often. This man stood over there against the candy counter. I was busy, yet I couldn't help but notice that he stood there for 10 minutes. Finally he walked over to where I was working. Nobody was bothering me. 'Leslie,' he said. I didn't answer. He said, 'I'm your father.' He said, 'I'm Leslie King, and you're Leslie King Jr.' Well, it was kind of shocking. He said, 'I would like to take you to lunch.' I said, 'Well, I'm working. I've got to check with the owner.' He said, 'I haven't seen you for a good many years. You don't know me.' So I went to Bill Skougis, and I said, 'I've got a personal matter. Will you excuse me?' And he did. My father took me out to his car, which was parked in the front—a brand-new Cadillac or Lincoln—and he introduced me to his wife. So we went to lunch. He was then living in Wyoming with his wife, and they had come out to buy a new Cadillac or Lincoln, which was a beautiful car for those days, and they had picked it up in Detroit and were driving back to Wyoming, and they wanted to stop in and see me. Which he did. And after he had finished lunch, he took me back to the school. I said good-by. He said, 'Will you come out and see me in Wyoming?' I said I'd think about it. . . . The hard part was going home that night, and how to tell my mother and stepfather. That really worried me, because I had grown up, since I could remember, with my stepfather. It was only a year or two before this that I'd learned I was not living with my real father. My relationship with my stepfather was so close that it never entered my mind not to tell him. It was real hard. That was the difficult part."

"My junior year at Ann Arbor," he says, "which would be '33–'34, when my stepfather's business had long gone to pot, he was hanging on by his fingernails, my father—my real father—had been ordered at the time of the divorce to pay my mother child maintenance, and he never paid any. I was having a terrible time. Sure, I was earning my board, and I saved some money working for my stepfather in the summer. But it wasn't enough. I wasn't able to pay my bills—the fraternity, the room where I lived. And I wrote my father and asked him if he could help. And, as I recall, I either got no answer or, if I got an answer, he said he couldn't do it. I felt that, from what I understod, his economic circumstances were such that he could have been helpful. I had that impression. From that Lincoln or Cadillac I'd seen that he'd bought. And then after I graduated from Michigan, I went to Yale, of course. And then one time, out of the blue, I got a letter, a phone call, or something, saying that he was coming with his wife, the woman I had met, with his son by the second marriage—he was really my stepbrother. And they were trying to find a school in the East for him, and could they stop by and maybe I could give them some advice. So they stopped. I did meet the son. And I went to dinner with them and gave them some thoughts about schools in the East and never saw them again."

"My stepfather," he says, "was the only boy in a family of three girls. His father died at a very young age, I think of a train crash. So Dad Ford quit school or had to—never went beyond the eighth grade. And he really lifted himself up by great effort, going step by step. He was probably one of the most respected people in the community for his civic-mindedness, his integrity, hard work. . . . He always saw something good in somebody, even people who had nothing in common with him. We got into a discussion about somebody one time, and I said, 'Oh, he's no good. He does this, or he does that.' And he said, 'Well, but he also does this, which I like—and you ought to like.' "

"At one stage," he says, "when I was 8 or 9, I had a slight tendency to stutter, very infrequently, and yet it did appear once in a while. Some people alleged at that time that my being left-handed also being partly right-handed, that the ambidextrous situation contributed to the stuttering tendency. I either outgrew it, or it wasn't well-founded. But this is an interesting thing: I never noticed it in myself, until one night I was sitting at dinner in Washington about six months ago, and this woman noticed I ate left-handed. She said, 'What else do you do left-handed?' I said, 'I write left-handed.' And she said, 'Do you throw, kick, play golf left-handed?' I said, 'No.' She said, 'You're one of the few odd people who do things left-handed when you sit down, but you're right-handed when you stand up.' I've never gone into it, but this woman really perked my interest."

"I spent a great deal of time for a period of about four years as a Boy Scout," he says. "I think scouting had a great deal to do with getting me on, and helping me stay on, some of the character attributes that I think I have, and that are important. Again, it was good associations—with leaders, with troop members. I was just very fortunate to get into a stream of athletics, student groups—a stream of people that was good, clear, strong."

He tells me another story: "As assistant navigator, I stood officer-of-the-deck watches. You had four hours on and then usually eight hours off. But it just so happened that about Dec. 16 or 17 of 1943, we got caught in that terrible typhoon off the Philippines. We

had spent the day before refueling and helping in the over-all task-force refueling operation. I had had the midnight to 0400 watch, and that was at the very high point in the typhoon. I was relieved and went down to hit the sack. And that morning I got about 45 minutes' sleep before we had our regular morning general quarters, a half-hour before sunrise. I then went back to bed, and I had gotten back to sleep again. I don't know how long. Not very long. All of a sudden, general quarters rang again. And I woke up, and several people were dashing down the passageway yelling, 'Fire, fire, fire!'—which I later learned had been caused by a plane breaking loose, not adequately tied down, and slamming against another, and that broke loose another. And pretty soon they were all rolling back and forth as the ship rolled at the height of the storm. And, unfortunately, somebody had left some gasoline in one of the planes, and friction sparked it, and the gasoline started a fire, and these planes as they were going back and forth bashed into the air intakes, so instead of fresh air going down to the boiler room, they took in smoke from the hangar deck. So we lost 10 or 12 people down in the boiler room and engine room who just never knew what hit them. . . . I woke up and I was down in officers quarters. And I started up—have you got a pencil there? Here's the carrier, and here is the island of the carrier, right here. My stateroom with another fellow was down here. When I heard general quarters, got out of the sack, saw people running, smelled the smoke—I always went out of my stateroom up to a ladder here and then went out a door there onto the flight deck and climbed up another ladder onto the island structure to my job as officer of the deck. Well, this time, the moment I stepped out on the deck, the ship rolled way over, and I lost my balance. I went sliding just like a toboggan. Couldn't have lasted more than two or three seconds, 'cause it was only one hundred and some feet wide. But anyhow, I spread out as much as I could. There was nothing to grab onto. But fortunately, around a flight deck, there's a little raised metal rim so that tools won't roll over the side. And I hit that with my feet, and it spun me around, and I dropped, half in and half out of the catwalk that goes all the way around just below a flight deck. I fell halfway in and halfway out. If I'd gone another foot, I'd have gone over the side We lost about five men overboard. For me, it was just one of those quirks. Pure happenstance. If I'd had a different angle, different speed. . . ."

"You know," he says, "I wasn't married until I was 35. Basically, two reasons. One, I was always so busy, never really had enough time to get involved, and I always had sort of a focus on, concentrating on something careerwise—focused in that area. And second, I had only one serious romance, other than the one I had with Betty, with this girl from Connecticut College, very superior girl—but it didn't work out. So I just forgot being too much interested in marriage. Then I met Betty, and she was very attractive. She added a sense of stability and serenity. And by the time I was 35, I was pretty well on course and wasn't preoccupied. I knew where I was going—at least where I wanted to try to go. And so our lives sort of fitted at that stage, plus a very excellent, broad, broad relationship. And she has done a super job, because in Congress, which our married life coincided with, she was strong, self-reliant, ran the family, gave me a chance to do things that broadened my relationships. And I think she contributed very substantially in the opportunities that materialized in my becoming President. Very loyal. She also has the capability of bringing you down to earth, once in a while, when you get some illusions. . . ."

"My gracious," he says, looking at his watch. "They'll be waiting for me."

7:42 a.m. He emerges from the family room, followed by a valet carrying the brown suitcase. In the elevator, I notice—since he now has a jacket on—that he is wearing a dark gray double-breasted suit with peaked lapels and a hairline pinstripe. A Secret Service man is waiting at the elevator door to the ground-floor corridor. The President briskly steps out onto the dazzling crimson carpet that ties together the tunnel-like chain of Hoban's massive groined arches, which seem designed to bear all the weight of the history overhead; in the recesses of these arches, first ladies hang. Claudia (Lady Bird) Johnson is right across the way as we start along.

Standing in an open doorway on the left, opposite Caroline Scott Harrison on the right, is Rear Adm. William M. Lukash, the President's physician, who, with his almost hairless head all tanned, his figure slim and lithe, seems to have the health and poise of a hungry leopard. A specialist in gastroenterology, he was named Assistant Physician to President Nixon in 1969, and, being a Michigander with a wife from Grand Rapids, he suits Gerald Ford to a T.

"Good morning, Bill," the President says, in a tone of voice that would make it absurd to ask how he feels. The concern, at the moment, is all for Betty, who has been suffering pain this week from the mysterious pinched nerve in her neck, which has bothered her off and on for years; and for Susan, who has had a touch of bronchitis.

Ford. How's Susan? Seen her this morning?

Lukash. Not yet. She had a little fever last night. She won't be going to school today. I'll be checking up soon.

Ford. Let me know how she is, and Betty, will you? Give me a call.

Lukash. Yes, sir. (*Seeing me with him:*) Did you do your exercises this morning?

Ford. Yes, doctor. Yes, doctor.

7:44 A.M. We pace along past Edith Galt Wilson and Sarah Childress Polk, and then out into the open air—the fourth rainy day in a row—along the covered walkway beside the former swimming pool, and around into the Oval Office. Fifteen minutes late.

7:47 A.M. Scowcroft and Peterson. 8:12 A.M.—Hartmann. 8:30 A.M.—Rumsfeld, 9:07 A.M.—Marsh 9:22 A.M.—Nessen, Hartmann, Rumsfeld, Friederdorf. All the words the President spoke at breakfast hang like a veil of gauze over these conferences. I keep looking closely at this man who had such an energetic, compassionate mother and two fathers—or none. Are there any traces at all of the temper tantrums? Where, deep down, does the poor boy lurk, to whom $2 a week earned at Skougis's dilapidated joint made such a difference? Nessen asks what he's to say about Scoop Jackson's proposal that Mike Mansfield go to China and negotiate with Sihanouk. This is an insolent suggestion—that the Democrats should simply take over foreign policy from the President. "The way it's being phrased," Rumsfeld says, not soothing the sting, "is, Why aren't you willing to try anything at this stage to get peace?" But Gerald Ford sounds, as always, totally serene. "I frankly haven't had a chance to talk with Brent about that," he quietly says. Friedesdorf mentions the bad setback yesterday in the House, whose Democratic caucus voted 189 to 49 against any additional military aid to Cambodia. "You can say," the President calmly tells Nessen, "that my reaction was tremendous disappointment"—which does not show at all—"that such an action would be taken despite the advice of the Congressional delegation that went out to Cambodia, onto the scene."

9:57 A.M. The President leaves for a courtesy tour, long overdue, of the East Wing, where Mrs. Ford's staff, the President's Military Assistant and aides, his organization for liaison with the Hill, and those who handle White House tours and visitors have their offices. On the way through the residence, he goes upstairs to see how Betty and Susan are feeling. When he reaches the East Wing, he shakes 63 staff hands, ranging from that of Nancy Howe, Mrs. Ford's personal assistant, to that of the young lady who answers the not inconsiderable number of letters addressed to Shan and Liberty, the Fords' Siamese cat and golden retriever.

On the way through the open hallway to the Legislative Affairs office, he suddenly comes on a group of about 50 students and teachers from Brady Middle School, which, I am soon told, stands on Chagrin Boulevard in Pepper Pike, Ohio; this happens to be the next batch, lined up behind a barrier, for a White House tour.

"My God, it's the President" a teacher gasps.

Mr. Ford, smiling benignly, unexcited, taking his time, walks into the group and shakes almost every hand, and asks earnest questions as he moves from one to another. The teachers are losing feathers in their flutter, but the kids take the whole scene just as calmly as he does. The news will spread like wildfire, first through Pepper Pike, then through all of Ohio, that President Ford personally greets every tour of the White House.

10:26 A.M. Back to the Oval Office. With all his leisurely motion through the morning, the President has made up the 15 minutes of tardiness and is now five minutes ahead of schedule.

10:30 and 11:30 A.M. The next two meetings are related to each other. The common situation is this:

The cost of postal operations has been going up. To get into the black, the Postal Service either will have to reduce its services and increase postal rates again in a few months, or will need to receive larger Federal subsidies. Wages account for 80 per cent of postal costs, and one reason it has been so hard to get the Postal Service out of politics is that nearly 1 per cent of the entire working population of the country is in the Postal Service; there are 700,000 votes there. Postal unions will soon begin negotiating a new contract; there is talk of a possible strike, even though it would be illegal. Would the National Guard be used in that case?

The President meets first with the chairman and ranking minority members of the House and Senate Post Office and Civil Service Committees, Representatives David Henderson and Ed Derwinski, Senators Gale McGee and Hiram Fong.

McGee. There's no way that the 30,000 post offices in this country can pay their way. We have to support them.

Ford. Could you justify a 10 per cent subsidy for those communities that have post offices? . . .

McGee. Congress doesn't think it can stand for another first-class rate increase, because we get so much mail on it. . . .

Fong. Would you designate someone on your staff for liaison with us on this?

Ford. We will do that . . . I'd like to give the signal that we don't want a strike, we'll do everything we can to reach an equitable labor contract. But if there is a strike—well, we must move the mail. . . .

McGee. Nobody loves us.

Ford. I'm learning that fast down here, Gale.

Meeting next with Postmaster General Benjamin F. Bailar, William J. Usery, director of the Federal Mediation and Conciliation Service, and some others, the President gets his message across more explicitly: He believes the users of the mails should pay for the service; he does not favor larger subsidies, which, he says, would transfer costs from postal users to taxpayers at large.

Myron Wright, vice chairman of the Postal Board of Governors, quietly points out that more than 80 per cent of all mail is "business-oriented," and suggests that the gen-

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eral public shouldn't have to subsidize that....

Ford (*toward the end of the meeting*): I want to say very firmly, we want equity, but we can't afford to have the inflation re-exploded. I expect the mails to be delivered. We hope the contract will be solved, but the mails (*strong emphasis*) will be delivered.

During these discussions, which have been long and intricate, three shadowy images have been hanging like smoke in my mind: of the junior in Deke at Ann Arbor, unable to make ends meet, driven to begging for money from his nonfather of a father; of the assistant navigator shooting across the tilted deck of the Monterrey and very nearly flying into the sea; of Michigan's center giving Northwestern's Rip Whalen fits, knocking him all over the field. . . .

12:20 P.M. The President receives 5-year-old Pamela Jo Baker, the model for this year's Easter Seal poster—a curly-haired child who has been crippled with cerebral palsy since birth, and who has learned to walk and talk through Easter Seal services. She wears braces on her legs; she totters; and she seems—understandably—very frightened. With her is Peter Falk, star of the TV show "Columbo," who is honorary national chairman of the Easter Seal drive, her father and her two Senators, Randolph and Byrd.

Ford. (*to Falk*): My wife and I watch your program a lot. I get very concerned about your personal security and safety from time to time.

Falk. Don't worry about me. I'll be all right. I have to come on the next week.

Ford. How many handicapped children do your services help?

Falk. Children and adults. Nearly 300,000 this year.

The President takes Pamela Jo up in his arms, and he talks to her softly. Then he asks where Liberty is. Somebody runs for the dog. Liberty romps wildly around the Oval Office, then suddenly lies down on her back at the President's feet.

Ford (*to Liberty*): That's not a very nice position for a lady to get into!

The President carefully pins a little brooch, with a Presidential seal on it, on Pamela Jo's dress.

When she leaves in her father's arms, the President calls, "So long, Pam." Her eyes are fearless now. She has obviously liked that quiet man who was holding her. With an effort, she waves.

12:44 P.M. Gen. William C. Westmoreland, former commander of U.S. forces in Vietnam and former Chief of Staff of the Army, pays a call, deferred since early in the year because the general had a heart attack on Jan. 5. He comes in as an office-seeker—or, as it is decorously put in a briefing paper from Henry Kissinger, to "discuss his opportunities for further Government service."

Ford. I was real sorry to hear about your heart attack, Westy.

Westmoreland. I was the lowest-risk sort of a person. No weight problem. Low cholesterol. . . .

Ford. I've been trying to get Betty to go along with me on buying a place near you down there at Hilton Head, but I'm not making much progress. How's that Kuwaiti project doing? Aren't they trying to develop the shoreline near you there?

Westmoreland. There was some opposition from environmentalists. But now the Jews have gotten into it—some highly respected people—and I believe several houses are under construction.

Ford. Like Hilton Head?

Westmoreland. Smaller and more exclusive. Something like Seabrook Island.

Now, for the first time, I have noticed something. There is a certain urge toward mimicry, an echoing effect, in Gerald Ford. He seems anxious always to please; one assumes that as a basic drive in all politicians. But the hint I am getting now is of something more, some sort of protean need and knack—some part of him becomes the person he is talking with. Westmoreland sits ramrod-straight; Ford is upright now. Westmoreland talks in cranky, clipped tones; Ford is growing more spare in his speech.

Ford. I'll keep my eyes and ears open, Westy. Some part-time commission.

The President mentions one possibility—on which it is obvious the general has had his eye—but Mr. Ford says there is no vacancy. He has just replaced one person on that group.

Westmoreland (*taken aback*). I was given to understand there was no statutory limit on the number of members—

Ford. Well, its chairman doesn't want it to get too big. I can understand that. We'll definitely keep you in mind, though.

Westmoreland. I've been decorated in 16 foreign countries. I know something about . . .

They begin to talk about conditions—about inflation and recession and energy and:

Ford. I've been having a hard time getting Congress to act responsibly on Indochina, Westy. I just learned a few minutes ago that the full House Committee on Foreign Affairs rejected the Cambodia package by a vote of 18 to 15.

Westmoreland. It's reminiscent of the early days of the German military threat. The North Vietnamese are the Prussians of the Orient. . . .

Sihanouk has no clout.

Ford. That's my impression, Westy.

Westmoreland. This Jackson proposal that Mansfield go out there and negotiate with Sihanouk—it's ridiculous.

Ford. Westy, they're all trying to find some way to do something that won't be enough to save the situation but'll avoid political blame. That's all there is to it.

Westmoreland. There is only one language that Hanoi understands, and that's force. If we'd just send our B–52's in there to bomb the supply trails and mine Haiphong harbor for a month, this whole atmosphere would change.

Ford. Unfortunately, the law says we can't do that, Westy.

2:18 P.M. Personnel Director Bill Walker and Phil Buchen in on a personnel matter.

2:35 P.M. Jim Cannon in to talk about the Domestic Council.

3:03 P.M. The President, Secretary of the Interior Morton, Lynn, Zarb, Cannon and O'Neill are disposed in sofas and chairs at the fireplace end of the Oval Office, talking about what the President calls "the politics of oil." In this case, of eking oil from the outer continental shelf, from under the sea off our shores. The question to be discussed today is not whether to drill the shelf for oil; the question is who is to get the revenues from the oil when it has been found. Maine and several other states have sued the Government, claiming they own the offshore shelf, and any oil in it. Secretary Morton is to testify before the Senate Interior and Insular Affairs Committee tomorrow, and wants guidance on what to say.

What interests me in this meeting is its big-business boardroom tone—one that I have heard several times in these days. The options sound strangely corporate: "We" could take all the revenue; or, if "we" were forced to, "we" could share it with the coastal states; or, at worst, "we" might have to share it with all the states. But the Supreme Court is probably going to decide that "we" own the whole smear.

Morton. O.K. Let's ride this out till the Court decides.

Lynn. Let's wait, and move from a position of strength. We'd want to see what we want to buy from the states with a sharing formula.

The whole style of an Administration is revealed in the phrases that it uses. Need we hear more than "take the hang-out route" and "twisting slowly, slowly in the wind" to conjure up the entire nightmare of the Nixon decline? The style of the Ford administration is different—it is the style of Middle American businessmen's in-group fast talk. Its root stock is Adam Smith laissez-faire wheeling and dealing, onto which is grafted, to produce strange fruit, the tone of voice of Eisenhower's Defense Secretary Charlie (What's good for General Motors is good for the country) Wilson. All week long I have been noting bell-wether words and phrases, spoken by Cabinet members and top advisers, and I have just added three new specimens here in the outer-continental-shelf meeting. Listen:

We're going to be nickel-and-diming the multinationals. He can bring most of his Indians along. Appearancewise. Programs coming down the pike. Down the road. Downstream. Ball-park figure. They won't be able to resist matching those goodies. Paint a bigger picture. Public posture. Big go-round. Signed off on. Shopping list. They're cutting a deal up there right now. We don't want a Christmas-tree tax bill. That aims a rifle straight at crude oil. Afraid that'll tilt the industry toward the foreign car. They're trying to put some light between themselves and you. We're kind of salami-ing it. That's just putting a different gown on the same doll. Consumerism, Naderism, clean-airism. He's John Dunlop's honcho. He's going to waffle it. Pick of the litter. God-dog it. Time to get our socks pulled up on that. This could get pretty auntsie-dancie in the next few weeks. I'm not married to the 5 per cent figure. I'm not in glue on how far we should go. Let's be stupid, if necessary—and I find that very easy, Mr. President. A game plan and a sound signal. Let's let Hollings and Jackson fight each other till they lie down. I think I can punt tomorrow. That's one frontier that's out of the ball game. That just won't fly. Maybe you can get that under the tent. Roll it around in that direction. That's a modification I think you could hang your hat on. We'll try to screw the thing down so that it doesn't come leaking out of the basement windows.

4:07 P.M. A young Congressman from Florida named Lou Frey comes in to talk with the President about the possibility of locating a new solar-energy research program at the Kennedy Space Center, to offset recent NASA cutbacks. Frey bitterly opposed a recent 730-man cutback in personnel at Patrick Air Force Base; unemployment in the Cocoa Beach area is running about 11 per cent. Frey is considered a Republican comer; he is chairman of the Republican Research Committee in the House, and he is thinking about running against Democratic Senator Lawton Chiles in 1976. The President, after hearing his appeal, says he can't make any promises, Lou. As to the cutbacks in Lou's constituency, they've been a response to Congressional bites out of the defense budget.

Frey suddenly starts talking with flashing eyes about something called "ocean thermal gradient research," a plan for getting endless amounts of energy out of differences in temperatures in the sea. He would like to start this going in a big way off Florida, in the Gulf Stream.

Ford (*taking Frey's fire calmly*): Very interesting.

4:30 P.M. Hartmann, Theis, Friedman, Orben, Casserly come in for another session on the Notre Dame speech—into which, in the long run, the old domino theory makes its weary way.

5:25 P.M. Mr. Ford goes downstairs for a haircut; he has one every 10 days or so. As Milton Pitts, the White House barber, goes to work in the brightly lit shop, the President glances at the afternoon Star and then reads over once again his gags for this evening's Radio and Television Correspondents' dinner. The texture of Mr. Ford's hair is ex-

tremely fine; Mr. Pitts tries hard to give it the dry look, full on the sides. A quirky coincidence has brought these two men together. One afternoon about five years ago, Mr. Pitts, who operated four Washington barbershops, one of them in the Sheraton-Carlton, was approached in his Georgetown shop by a young, well-dressed man who did not sit down in a chair but asked to speak privately with him. They went into a back room. The young man said President Nixon needed a new barber—would Pitts be interested? He was. The young man was Alexander Butterfield—who, some three and a half years later, blurted out to investigators for a Senate select committee, in apparent inadvertence, that everything that took place in Richard Nixon's Oval Office was recorded on tape. It can be said that Alexander Butterfield made possible the haircut that is now taking place.

6:07 P.M. Back to the Oval Office for some paperwork.

6:15 P.M. Maj. Gen. Richard L. Lawson, who is about to be replaced as the President's Military Assistant, brings his family in to say good-by.

6:24 P.M. Rumsfeld's roundup.

7:07 P.M. To the residence. Mr. Ford takes his supper on a tray on a small table in the bedroom, to be with his wife.

9:00 P.M. The President boards a motorcade on the curving driveway of the South Grounds. At 9:03, he arrives at the Statler-Hilton, where he's greeted by William W. Winspisinger, President of the Institute for Collective Bargaining, and by Postmaster General Bailar, and by others. At 9:04 he pauses in a holding area outside the hotel's Congressional Room, waiting to be announced. At 9:05 he goes to the head table where the famous labor negotiator Ted Kheel presents him with a sculpture entitled "Collective Bargaining: Out of Conflict, Accord" by George Segal, a representation of two men at a small table in head-to-head parley.

9:15 P.M. The President again boards the motorcade and rides to the Washington Hilton Hotel. At 9:27, in the Cabinet Room of the hotel, Charlie Shutt, Washington bureau manager of Hearst Metrotone News, presents him with a can containing a 16-mm. film entitled "Forward Together: Gerald Ford Assumes the Presidency." At 9:32, the President stops by at the Jefferson Room to pay his respects to a dinner party being given by the Storer Broadcasting Company for the wives of the radio and television correspondents who are concurrently banqueting in the International Ballroom—to which, at 9:42, he proceeds. He goes to the head table. At 9:45, President Marya McLaughlin of the Radio and Television Correspondents' Association introduces Bob Hope, who speaks for half an hour and is, fortunately for Mr. Ford, rather peevish and dull. At 10:23, the President begins speaking:

Ford (*he has listened carefully to Hope; he now really punches through his sentences*): I have only one thing to say about a program that calls for me to follow Bob Hope. Who arranged this? Scoop Jackson? (*An encouraging explosion of laughter.*) It's ridiculous. (*Slash—slight pause for comedy timing.*) Bob Hope has enormous stage presence, superb comedy timing, and the finest writers in the business. (*Slash.*) I'm standing here in a rented tuxedo—with three jokes from Earl Butz. (*Laughter and applause!*) . . .

10:31 P.M. Remarks concluded. 10:37 P.M.—President leaves head table, goes to motorcade. 10:48 P.M.—Motorcade arrives at South Grounds.

About 11:15 P.M. The President is seated in his blue chair, feet up on the footstool, reading a long and extremely complicated briefing paper from the Domestic Council on higher education; another, also complex, is on land use.

About midnight. The Iron Man goes to bed, and—if we can believe his own account, and I, for one, can, knowing at first hand that he started this day under a full head of steam 18½ hours ago and hasn't stopped once since—dives into deep, dark waters in 10 seconds.

FRIDAY

But on foreign policy, only Kissinger—"I have seen endless meetings of six, eight, ten advisers sitting with the President to hammer out domestic policy."

He comes in half an hour late this morning, in a dark blue pinstripe. The sixth rainy day in a row. He explains that he had a dental appointment on the ground floor of the residence at 7:15, and that cleaning his teeth took longer than expected. He smokes eight pipefuls of tobacco a day, he says, and that causes a lot of staining; sometimes he wishes he could cut down.

8:10 A.M. Scowcroft and Peterson go in.

I suffer now, more than the President ever seems to suffer, from a feeling of having got behind. My week as a watcher is drawing to a close, and so much that I have seen has flashed past me, as if in a speeded-up motion picture. I have a feeling of having missed many glimpses I should have been able to catch—and now, as Brent Scowcroft goes into the Oval Office, I am suddenly sharply aware of one of the unseen scenes; I have not had a single direct view, all week long, of a foreign-policy discussion, to say nothing of a foreign-policy decision.

Again this morning I attend the senior staff meeting, where I hear two suggestions put forward that exemplify the staff's efforts to grope their way, from day to day, toward efficiency.

Lynn. Every proposal to the President from a department should be tabbed with a rundown of the situation on the Hill with respect to the issue involved, and with a clear indication of what the department would intend to do on the Hill, either absent a decision from the President on the proposal, or with one . . .

Rumsfeld. Big issues that are going to be around, and that should come before the President, should be isolated so we make sure he has a chance to see them well ahead of time . . .

8:55 A.M. Rumsfeld in for his morning conference.

Rumsfeld. You have meetings scheduled for the afternoon to discuss policy on land-use and higher-education legislation. O.M.B. has been trying for a long time to get the Domestic Council to prepare option papers on these areas, but with the transition in the Domestic Council to the Rockefeller crowd, it's been a bit chaotic over there, and I'm afraid they got the papers to you very late.

Ford. Do I know it! I had to wait till after the radio-TV dinner last night to read them. Eleven-thirty at night ain't a time to read up on this very complicated higher-education problem.

Rumsfeld. I'd be for no decision. Let's get an orderly look at those issues. I'll put a stop on the two meetings, and I'll set up the meeting Jim Lynn has been wanting, to talk about the no-more-spending question. . . .

9:15 A.M. Marsh goes in; after him, walking haltingly with a cane, goes the President's Counsel, Philip W. Buchen; I am uninvited to follow—and I realize that another direct view I have missed this week (because everything the Counsel touches seems to be sensitive is that of a talk between Jerry Ford and Phil Buchen. Buchen is Ford's oldest friend and closest confidant in the White House. Three years younger than Ford, Buchen, while he was an undergraduate at Michigan, met the famous athlete at one of the house parties Delta Kappa Epsilon held each New Year's Eve in Grand Rapids; later he roomed with Ford while they both took summer courses at the Michigan Law School; later still, he became Ford's first law partner in Grand Rapids. He limps from a childhood attack of polio; seated, he lifts the weak leg over the strong one to cross them. His rheumy eyes blink, and the muscles around them move with a remarkable rippling effect, under a thin slanting hedge of white eyebrows. When he speaks it sounds as if he had BB shot rattling around in his larynx, and what he says is conservative, commonsensical, decent; the President listen to him. Something Phil Buchen has said to me one day, in talking about the coming to power of his friend, sticks in my mind as a kind of motto for the Administration: "This is not an era for change."

9:35 A.M. The prebriefing session, with Nessen, Rumsfeld, Marsh, Hartmann, Friedersdorf.

Nessen. Where do we go now, as far as legislative strategy on Cambodian aid is concerned?

Ford. Without knowing the details, I think we have to keep the pressure on. I strongly disagree with the position taken in the two Democratic caucuses. I hope that wiser heads will prevail in the end. . . .

Nessen tests the President on several other positions.

Suddenly there is a bad moment; it comes up from nowhere like a sudden whirling desert dust spout. Nessen has been reading from a newspaper column; "a White House source" has said something that Nessen says he thinks may need clarifying or correcting. The President seems to shrug it off.

Rumsfeld (*sharply*): Mr. President, I think you should read what it quotes Bob Hartmann as saying.

Nessen passes the clipping to Mr. Ford. He starts reading it. He does not light his pipe, does not lift his unlit pipe to his mouth. Hartman's flushed face slowly turns to the right; his lips are pursed, and the habitual twinkle in his eye is replaced by something dangerous, something that can scratch; I remember that he is rather proud of having a paperweight of carborundum, which is used in abrading steel, on his desk. The President hands the clipping to Hartmann without comment. Hartmann glances at it.

Hartmann. This is what we used to call in the trade "thumb-sucking." When a reporter doesn't have any facts he sucks his thumb awhile, and then he writes down whatever comes out of his thumb.

But Hartmann is crossing and re-crossing his legs. Rumsfeld's eloquent hands have a delicate tremor. I watch the President closely, mindful of what he told me at breakfact yesteday: "It's more disturbing to me than anything . . . ."

This is where I really see the scope and influence of his self-control. I am so fascinated by his face, which is perfectly peaceful, perfectly serene, that I do not catch the exact words he speaks to Don Rumsfeld, but I cannot miss the equable, firm, unreproachful quality of his voice. Then:

Ford (in silky tones): Any thing else, Ron

Nessen. What do I say about the conservatives who are calling Rockefeller a liability?

The nasty little twister has already passed one can hardly believe it was ever there; th air is as still as glass. The next time Rumsfeld speaks, his voice is completely normal. Hartmann rubs the bag under his right eye with the back of his right hand, and when he takes his hand away the benign look has returned.

10:15 A.M. Nessen group out. Paperwork.

10:52 A.M. The President goes into the Cabinet Room to receive a delegation of Soviet officials, led by (it should not be incredible that stereotypes sometimes actually do show up) a simulacrum of a bear, a great hugger of a Russian man, State Minister of the Food Industry Voldemar Lein. With him are the ministers of food production, all looking well fed, for the Ukraine, Belorussia, Estonia, Armenia, Kazakhstan, Uzbekistan and the Russian Republic. These men have

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just completed a delicious tour. They have been invited by Donald M. Kendall, chairman of PepsiCo—which has established a bottling plant in the Soviet Union and distributes Soviet vodka here—to see how food is processed in the United States, and from sea to shining sea they have visited plants of Hershey chocolate, Heinz soups and canned foods, Sara Lee frozen cakes and pastries, Kraftco cheese and margarine, Coors beer, Sun Maid raisins, Roma wine, Valley Foundry (winery equipment), Bird's Eye foods, Maxwell House coffee, Frito-Lay potato products, Tropicana orange juice, Pepsi-Cola bottling, and Philip Morris cigarettes.

While waiting for the President, the various national food ministers have been taking turns popping in and out of the chair with the little brass plate on the back which says, THE PRESIDENT, while a pal across the table takes snapshots of them in the highest seat of power. On the President's entrance everyone cools it and takes a Cabinet member's chair.

Of all the establishments the Russians visited, the one Minister Lein talks about with the most ursine joy is Disney World.

Ford. Did you go in the Haunted House?

Lein. (*rolling his eyes in terror*): Da! Da! Da!

The President makes a set speech, which is Russianized by an American translator: ". . . helpful and beneficial . . . General Secretary . . . Vladivostok. . . expansion of trade . . détente relationship. . . ."

Then Minister Lein makes a speech, which is Englished by a Soviet translator. Minister Lein, it seems, is accustomed to good long feasts of talk. He does not spare the courses. We learn a great deal from him about food processing, as practiced both in the Union of Soviet Socialist Republics and in the United States of America. He grows expansive on the benefits of mutual visitation, trade, friendship, cultural exchange and détente.

Mr. Ford, maintaining firm eye contact even during translational interludes, is growing larger and larger, his chin is jutting out farther and farther. At last the State Minister springs to his feet, and Mr. Ford springs to his feet. The State Minister snaps open a large suitcase of gifts—a huge buffalo carved from a root by a peasant, a scarf with

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("Pepsi-Cola" and "peace")

printed on it, an exquisite miniature samovar, a very large pipe, a cup and saucer, an ancient ruble and a bottle each of Ambassador and Stolichnaya Vodka. By the time he gets around to mentioning the vodka, Minister Lein's arms, elbows bent, are flapping.

Lein (*as translated*). When you are tired, President, drink a little from these two bottles and (*flap, flap*) you will be strong!

Ford (*elbows bent, but not quite flapping*). I will!

11:20 A.M. Secretary Schlesinger and General Scowcroft go into the Oval Office; I am not invited.

Once again, seeing Kissinger's deputy's back recede as the door closes, I begin thinking about what I have missed this week.

Why, I wonder, has this candid President opened the door so wide to me on domestic-policy meetings, and on appointments of all sorts, yet excluded me from every consideration of foreign affairs?

One answer, of course: Dr. Kissinger is away. Another: This has been a bad week—Cambodia, Vietnam, frustrations by the Congress.

But now I remember that when Mr. Ford first met with me a month ago to discuss this project, he told me (not then knowing that the Secretary would be in the Middle East this week), "The only meetings I can think of that you won't be able to sit in on are my talks with Henry." After that appointment Ron Nessen softened the blow of this exclusion by explaining to me that nobody, but nobody—excepting the Secretary's other self, Brent Scowcroft, and occasionally Secretary of Defense Schlesinger—goes in with Henry to discuss foreign policy with the President. General Scowcroft later confirmed this to me.

And now this idea suddenly bothers me, and even alarms me—not the idea of my own exile, I mean, but that United States foreign policy should be transacted man-to-man between Henry Kissinger and Gerald Ford. I have seen endless meetings of six, eight, ten advisers sitting with the President to hammer out policy on the economy and energy and Congressional tactics and everything else under the sun; there the President has heard numerous advisory voices. But foreign policy is apparently of a different order. Of course, Dr. Kissinger has the whole weight of the State Department behind him, and I am told that he does occasionally appear at senior staff meetings to brief the President's advisers; but in the formulation of settled policy, this President, who had a minimal exposure to foreign affairs before he came to office, hears, I am told, only one voice, and a mercurial voice it is, Henry Kissinger's. Yes, this is the most alarming thought I have had all week.

General Scowcroft has told me that the National Security Council—which consists of the President, the Vice President, the Secretary of State and the Secretary of Defense, with the director of the C.I.A. and the Chairman of the Joint Chiefs as attendant nonmembers—does not meet on a regular basis and does not set policy when it meets. Final policy, Scowcroft has told me, is set by the President in consultation with the Council's chairman, who is Henry Kissinger.

But that is not all there is to it. General Scowcroft is in there now with the Secretary of Defense; I can only speculate that they are discussing with the President the deteriorating military situation in Indochina. Earlier this morning General Scowcroft was in with David Peterson of the C.I.A. These couplings forcefully remind me of Dr. Kissinger's dual role—as Secretary of State and Assistant to the President on National Security Affairs.

Diplomacy, security, foreign intelligence—one daily voice for all? To advise a President with virtually no experience in those areas? Why are the President's domestic advisers, civilians, not present as a matter of course to speak for the citizenry on every occasion when foreign affairs and national security, with their horrendous potential for economic commitment and even armed conflict, are discussed?

Schlesinger and Scowcroft are in with the President for an hour and a half.

1:05 P.M. The Gridiron Club delegation, eight Grand Panjandrums of the Washington news corps, waits on the President with an invitation to their dinner. Photographs, standing with the President.

1:10 p.m. Winners of a White House Press Photographer's Contest in to stand beside the President and have their photographs photographed.

1:15 p.m. Lunch. That good old cottage cheese, drenched in that good old A–1 sauce.

2:03 p.m. The no-more-spending meeting. Lynn, Seidman, Marsh, Hartmann, Buchen, Nessen, Scowcroft, Greenspan, Cannon, Friedersdorf, Cheney, O'Neill.

In his State-of-the-Union Message two months ago, the President said, "I have also concluded that no more spending programs can be initiated this year, except for energy. Further, I will not hesitate to veto any new spending programs adopted by the Congress." Aware, for some time, of all sorts of proposals, major and minor, some of them meritorious or even obligatory, that were "coming down the pike," James Lynn of the Office of Management and Budget, has been trying to get a precise interpretation of these two sentences.

This is an uncomfortable meeting for the President, who finds himself on the spot for having given Congress a firm commitment which his advisers had obviously not thought through. He is pulled and pushed, in this discussion, by dissonant voices—humane, goading, "realistic."

O'Neill. If you go all the way with this, you're going to have to be against all kinds of things you may not want to be against—new medical devices, regulation of toxic substances. . . .

Lynn. Do you want to celebrate National Peanut Day?

Greenspan. The real problem is that there's no way, as an exact matter, to resolve this. . . . A substitute program isn't a "new" program. . . . Let's say that large spending programs are out, even if they have a future date on them—'77 or '78—but that you could get small programs under the tent. Of 1,000 programs, 950 would be small ones you don't care about. . . .

Ever since breakfast yesterday morning, I have been looking for signals of stress under the calm exterior. I have seen all week that it is not easy for Gerald Ford to be in the presence of contention; and that, by the same token, it is not easy for him to make what he refers to in the language of umpires, as "a tough call." Yet once he has made such a decision, he does not agonize over it; rather, he becomes convinced of its rightness and is stubborn in its defense, even when, as with the Cambodian-aid request, it is unpopular, politically hopeless and of most improbable efficacy.

I am beginning to be able to tell when the pressure is on. He has three laughs: a radiant, healthy and catching outburst of real mirth; a hesitant laugh, expressing slight embarrassment or uncertainty; and, rarely, a mild, monosyllabic utterance of a manly giggle, delivered as the immediate preface to speech—which, when I have heard it, has seemed to cover flickering anger. Also, when he touches his face in one of two ways: thumb under chin, index and middle fingers up along the cheek, ring and little fingers bent down across the mouth; a grasping of chin between thumb and forefinger.

2:56 P.M. He returns to the Oval Office with General Scowcroft, who is in for 20 minutes.

3:16 P.M. A few spare minutes, time to rehearse alone a speech he must make during his next appointment.

4:00 P.M. Mr. Ford goes to the residence—first to the East Room, where he delivers the speech, which is pleasantly bantering, to 250 editors and publishers of small-town and rural weekly and daily newspapers, convened in Washington for the 14th annual Government Affairs Conference of the National Newspaper Association; and afterwards to the State Dining Room, where drinks and a spread are furnished, and where he chats—he really does seem to enjoy these occasions—with some of the newspaper people and their families.

As he starts moving to leave, a moblet closes around him. He is besieged for autographs. The hallway is soon choked. He signs and signs, smiling and asking friendly questions. In a very few minutes, miraculously, he is swallowed by the elevator, off to the side of the cross hall.

"The secret in that kind of crowd," he says to me on the way back to the Oval Office, "is to keep your feet shuffling all the time. You get to your destination that way without offending anyone."

4:45 P.M. Personnel Director William N. Walker brings his staff of about a dozen into the Oval Office to meet the President. This is one small episode in Mr. Ford's obviously genuine drive toward accessibility and openness. He is charming to these staffers,

each of whom, in his or her way, works hard for him.

I have an opportunity to ask him whether his accessibility, of which I have been a beneficiary, has drawbacks.

Ford. It does in some respects. Don Rumsfeld and I are trying to do something about it. I really should have more time during the day just to totally concentrate without listening. My tendency is to be more open. Don's tendency is, thank God, to start closing doors. We've made headway. I think after another few months, we'll squeeze down the system, so to speak, so that I can have more time to actually think and contemplate. On the other hand—and I've argued this with Don—in many respects I think I'm a better listener than I am a reader. I have learned to read fast, and to absorb, but there are certain things you can't do quickly, without talking them out—at least, I can't. I need more time. We have to find time to study, to think.

5:00 P.M. To the Cabinet Room, to meet with retiring Secretary of Labor Peter Brennan and a group of leaders of the building-trades unions, to talk about the lamentable rate of unemployment—almost 20 per cent—among the members of some of those unions. These are big, hearty, tough men, and as always the President vibrates to strong chords that are struck near him.

Ford. Pete . . . Like to welcome your colleagues . . . loyal, dedicated fellows. . . . What we've tried to do—we think it's a better way, though not necessarily for the building trades, I realize—is with a tax cut, if we could just get the Senators and Congressmen to move on it.

Bricklayers' International President Thomas F. Murphy (*on the President's left, slamming the table with his hand*): Why don't you just send 'em home?

Ford. Sometimes I wish I could, Tom.

Here, as I watch Mr. Ford gradually rise to the level of intensity and decibels of these former hodcarriers and masons and plasterers and bricklayers, I also see them quieted by his final imperturbability. Thus, I am aware of a principle of reciprocating influences always at work with this man. He yields, but only to a certain point; beyond that point, he tranquillizes.

5:56 P.M. Former Governor William Scranton of Pennsylvania, an old friend, into the Oval Office to talk. This is the only strong advisory voice Mr. Ford will have heard all week long expressing views even slightly more liberal than his own. All the rest of his advice has come from people either as conservative as he, or more so.

6:24 P.M. Rumsfeld's deputy, Dick Cheney, and the Cabinet Secretary, Jim Connor, take the evening roundup today.

6:42 P.M. Paperwork.

7:11 P.M. The President emerges in his anteroom, ready to go home. But he is waylaid there by one of his military aides, who has been downstairs at a farewell party for General Lawson.

Aide (*putting an arm around the President's shoulders*): Be a good guy, Mr. President, and listen to just one song from this Air Force bunch we've got down there.

The President is willing to be a good guy.

The aide runs off and soon reappears with a quartet that calls itself The Winning Hand, belongs to the Arlington, Va., chapter of the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America, and comes in several shapes and sizes of the same light blue suit.

Ford (*pointing to Nell Yates, at the desk by the door to the Oval Office*): Sing a serenade to Nell there.

Out pops a pitch pipe. Then:

They say that—it's a woman's world, and
I believe it's true.
For women like to better men in everything
they do.
In politics, science and industry, the girls are
always right.
So I concede they're better than we—they've
earned the right to fight.
And I'll be on the pier handing out the
doughnuts
When we send the girls over there. . . .

7:17 P.M. The President leaves for the residence, taking me with him.

We go up to the family quarters on the second floor, and he settles me in the "living room" and excuses himself; he says he wants to check in with Betty. He goes into the bedroom.

This "room" I am in is really just a grouping of furniture—a sofa covered in bright flowered cotton quilting, some easy chairs, a brass-railed oval coffee table, superb porcelain lamps, four fresh flower arrangements, no books lying around—at the end of the long, long second-floor central hall; it seems a cozy room with one wall missing.

After a few minutes the President emerges and says he'd like to have me come in and meet Betty.

The bedroom is a cheerful place; it is in the northwest corner of the mansion, and it must fill up to the brim with sunlight, as with sweet cider, in the daytime—though, come to think of it, there has not been a moment of sunshine all through this week of Mrs. Ford's having suffered with neck pain. She is in the wide bed. She looks frail. Her head rests on a small cylindrical pillow. I have an impression of a sea of whiteness and lace.

Susan is standing beyond the bed, in jeans and a Norwegian ski sweater.

Mrs. Ford raises her shoulders with difficulty to reach and shake my hand across the expanse of the bed. I am really glad to meet her; I have admired her straightforwardness and courage, and I have had a sense that just as Bess Truman stood close behind her Harry's backbone, so this woman fans up the warmth in her Jerry. She has been watching television. The President snaps off the set as we talk.

Mrs. Ford (*To her husband*): Say! Lynda Bird Johnson Robb is writing a book, and she wants me to name the person I think is the most important American of all time. How about helping me?

The President seems about to make a suggestion, when she goes on:

Mrs. Ford. I thought of Lincoln, and Jefferson, and of course old George—

Susan. What about Hamilton? Adams? John Hay?

Mrs. Ford. (*looking up at Susan*): No, I was thinking only of the top people—the giants. (*She turns her eyes—mischievous now—back to the President's*) Would you buy Susan B. Anthony?

Ford (*with a peal of his good laugh*): There you go again!

The President, Susan, and I are seated now in the living room. He is on his second Beefeater martini on the rocks. The delicate subject of intellectual competence has come up.

Ford. Well, you know, it's an interesting thing, John. I don't know whether grades are the way to say somebody is bright or dumb or otherwise. But I've often thought—when I was in high school, where the competition was mediocre, I got a little over a B average. When I went to Michigan, I did the same.[1] I think at law school—the same.

I said that Myres McDougal, a professor at the Yale Law School, had told me Mr. Ford had fared pretty well there—had ranked about one-third of the way down from the top of his class.

Ford. Great guy. He was the Law School faculty member who was assigned to interview me as an applicant.[2] He—or somebody—told me that in the class I entered with, which had about 125, there were 98 or 99 who were college Phi Betes, of which I was not one. And they were extremely bright. Very able guys. . . . So I seem to have had a capability of competing with whatever competition there was at each level; and yet I could have enough outside activities to enjoy a broader spectrum of day-to-day living than some of them. But I must say I worked damn hard. And I happen to agree with people that grades are very important, but I don't think that's the final criterion by which to judge people.

Susan. Well, that's news!

Ford (to Susan). Yeah, I've been pushing you, beating you to get good grades, haven't I?

Susan. You put restrictions on, if my grades go down. . . .

We are at dinner. The table is lit by candles; dusk has fallen on the bold scenes from the Revolutionary War on the walls around us.

Ford. You watch, John. When they bring the dinner in, Susan's plate and mine will be all served—rations. But they'll pass things to you, and let you take as much as you want. You watch.

Susan. I've taken off 30 pounds.

The President's prediction is soon borne out.

Susan has been writing articles for Seventeen, and she and I talk awhile about Being Writers.

Susan. My second piece was about Mother's Day—really about the great job my mother has done all these years. Then they wanted me to do Father's Day for June. I said, "That's too much."

Ford. It's good discipline—writing for deadlines.

Hersey. Yes.

Susan. The August issue is going into the works already. They want me to write about my summer. How do I know what my plans will be? . . .

Mr. Ford talks about clothes. He gets about three suits every two years, he says. The one he has on, he says, was made by Lloyd's, a tailor in Grand Rapids to whom he went for years—it is out of style, the lapel is too narrow, he points out. He can never throw anything out. The blue shirt he is wearing, he says, is new—just got it from a Washington tailor, Harvey Rosenthal. The President is now getting his suits from Rosenthal's, he says; they come into the White House for fittings. One of the luxuries. . . .

We have butter-pecan ice cream for dessert. After it, Mr. Ford takes tea. He starts talking again about enjoying the Presidency:

Ford. I like meeting with one group to discuss this, and the next meeting to discuss that. I don't really object to anything unless it interferes with our family relationship. And that hasn't been too bad. Probably the major test was at Vail this Christmas, and it wasn't . . . I suppose somebody who is hypersensitive might say, "Gee, I couldn't do this, or that." But if you just

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[1] In his four-year Michigan career, Mr. Ford earned A's in Decline of Rome to 1648, Civilization from 1648, Labor I and American Government. He received C's in English Composition I and II, second-year French, Finance, Geography, Money and Credit, History of the South Since 1860 and Psychology of Management. He got B's in everything else.

[2] Professor McDougal's notes on that interview were: "Good-looking, well dressed, plenty of poise, personality excellent. Information background none too good, but he is interested, mature and serious of purpose. Intelligence reasonably high. I should predict a 74 or 75 average with us. I see no reason for not taking him." The professor's academic prediction was remarkably accurate. Ford's average in all subjects was 74.8. He got 78 in Constitutional Law, 74 in Federal Jurisprudence, 79 in Public Control of Business.

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relax and enjoy it, it doesn't make you tense, it doesn't make you irritable.

SUSAN. Just like when we were in Vail. Even though you did have the Cabinet meetings—when they were over, it was like you were back on your vacation.

FORD. It worked out very nicely.

SUSAN. Secretary Simon stayed, and we had a good time with him. He couldn't have been nicer.

FORD. The only thing that is disappointing—I guess any President has this. The President thinks he has the right answers. The facts of history are that he doesn't always—but he thinks he does. And he would like to implement, he'd like to execute—to get things done. But under our system, the Congress has a very definite partnership. Right now we are going through an extraordinary trauma in the relationship between the Congress and the President. I understand that. I've been on the other end of it. But if there was one part which I would really like to change, it would be the speed with which you could make decisions and carry them out—in foreign policy, particularly. . . .

We are in the family room now, he in his blue chair, I in the overstuffed chair next to it, and the time has come for me to ask him some direct questions.

Harry Truman seems to be much in his mind. What are the things he admires about him as President?

FORD. Well, he came from relatively humble beginnings. He obviously was a man who knew people, understood people, and worked with people. He had a lot of courage, was forthright, didn't hesitate to make decisions. Those are the things I admire.

What attributes does he feel he brings to the Presidency?

FORD. I don't like to talk about it. Maybe what I say is what I would like to have brought, but . . . I think I bring a responsible decision-making process, based on a great deal of fundamental knowledge of how things work in our Government. I consider myself very lucky that I bring this to the White House, that I have acquired, that I have retained, a great deal of background in the political process. I know I'm conscientious. I know I'm a person who can listen. I believe I bring out in people I work with their best qualities. I think I have a knack of picking people who have talent.

What would he like to be remembered for?

FORD. I think that America went through one of the most unbelievable periods in the last two or three years that we'd ever want to. And I found myself in a situation where somebody had to take over—internationally, domestically, governmentally—and handle circumstances such as had never transpired in this country before. And if I can be remembered for restoring public confidence in the Presidency, for handling all these transitional problems responsibly and effectively, for achieving decent results domestically as well as internationally, regardless of how long I serve, whether it's two and a half years or six and a half years, I think that's what I'd like on my tombstone.

He is restless. Maybe he is as dissatisfied with this last answer as I have been. He rings for a butler and asks for more tea for both of us.

Can he give, in a capsule, the essence of his political philosophy?

FORD. I happen to think that we should have great opportunity for people in this country to get ahead. Hard work should be rewarded. I don't think people who have had bad breaks should be penalized, but I don't think you can reward people who don't try.

Where does his conservatism come from?

FORD. I think it was the upbringing in my stepfather's family—he was a sort of a Horatio Alger in a limited sense. It was my upbringing in a family that had to live, not an austere, but a moderate life.

How conservative does he see himself as being?

FORD. Well, I'm conservative in that I believe in saving—I'm talking personally, now—I believe in saving, I believe in building through effort. On the other hand, I enjoy material things. This is a nice place to live, and there are many conveniences that are made available here. I enjoy belonging to Burning Tree. We were talking about clothes—I enjoy nice clothes, not flamboyant or extravagant. I enjoy doing nice things. But I enjoy these things because I worked for them.

Does he think that the material side of the Presidency, and its conveniences, won't get to him?

FORD. I don't think I've shown any evidence that they have, and I don't see why they should. I've had a long 60 years without any of this, so these aren't things that I couldn't get along without in the future.

What about the sense of power that comes with an office like this?

FORD. I don't enjoy it. I think I accept it as part of the responsibility. I recognize that it is there, and that I have to use it judiciously. I don't shy away from it.

Does he think of himself as a Middle American?

FORD. I do see myself as a Middle American. I have a Michigan background. I went to school in Michigan from kindergarten through college. But I've been fortunate enough to have exposures that broadened the spectrum, broadened the horizon.

How would he describe a Middle American?

FORD. A person who is moderate-to-conservative, philosophically; who yet has compassion for people less well-off than himself; who wants to have his country do what is right for everybody; who is concerned with the national security; who is willing to make sacrifices; who is willing to work; and who is a lot smarter than most politicians give him credit for being.

How can he use the word "compassion" so much—and ask for higher prices for food stamps?

FORD. The trouble with a lot of those programs, where compassion ought to be the main thrust, is that they get well beyond the properly intended scope. And the net result is that when you try to bring them back to focus on the people who need and deserve help—whether food stamps, or welfare generally—when you try to cut out the undeserving so you can give more to the people who are really in need, you can't be compassionate for the ones who get cut out, because they shouldn't have been in the program in the first place. And yet they're the most vocal; they're the ones who feel that because they were on something, they ought to continue. Really, the ones that are deserving of compassion are the ones that complain the least. It's the ones who are sort of the fringe people who cause the most trouble and get the issue confused.

Perhaps I phrased that last question badly. I am thinking back to Tuesday, when I was first surprised by what seemed to me the hard sound in his voice, the sound of distance from ordinary people—which seemed so contradictory to the direct and unfeigned kindness he was able to offer whomever he met face to face. Perhaps I can come at this from another direction—by way of another contradiction in him.

He was famous in Congress for his gift of compromise, but even some of his good friends say he is stubborn at times. How do these two things go together?

FORD. It is paradoxical. I try to rationalize that when I am stubborn, I am right, and therefore compromise seems fundamentally wrong. Now I suppose to somebody who's sitting on the other side, when I take a firm position, he says, "Well, he's just being stubborn—not necessarily 100 per cent right." But there are occasions where I will be very firm, and stubborn might be another term for it.

What are his feelings when he is criticized?

FORD. When I read or listen to criticism, I try to analyze whether it's legitimate by my standards; and if I think it's unfair and feel very secure in my judgment, sometimes I'm amused by the criticism, sometimes I'm irritated, but the last thing I'm going to do is let anyone know it. But as long as I feel that what I've done is right, I'm not going to be upset about it and fly off the handle or change my course of action. If the criticism is fair—and there are instances when I might have made a mistake—then I take it and look it over. If I've made a mistake, I don't hesitate to change.

Looking back, what mistakes?

FORD. Well, there's probably one incident in retrospect I might have handled differently, and this is the famous challenge to Bill Douglas. But at the time, I was faced with a very difficult practical problem within the Republican party in the House. Bill Douglas had made some decisions, and his married life was different than most—many conservative people were upset about him, and we had a very strong small group of very conservative Republicans in the Congress. And for a period of about a month or so, they kept telling me, "You either do something about it, or we're going to offer a motion of impeachment, which is a privileged motion of the highest, and we're going to force a vote." I tried to keep them from going off the deep end, and they kept pressuring and pressuring. And then this famous Evergreen publication came out, a very ill-advised article by the Justice in a magazine that I think is pornographic by any standards. And that upset me, plus the pressure from these others. So I said to myself, in order to keep the irresponsibles from forcing the vote, I will make this speech, and I will not say there should be impeachment but that there ought to be a study. Well, I did it. I never demanded his impeachment. I advocated a study. Well, in retrospect, forgetting the pressures that were existent then, I suspect it was the one thing that was a bit out of character.

What does he say to those who call him a plodder and a man without charisma?

FORD. I kind of resent the word "plodder." (*What is it that one can hear in the careful way he says these words? There is something gathering, something clotting, under the perfect control.*) I would put it another way. I'm a determined person. And if I've got an objective, I'll make hours of sacrifice—whatever efforts are needed. Some people call it plodding. The word is somewhat downgraded, but I'd rather be a plodder and get someplace than have charisma and not make it.

Now I realize that we have shared a moment of strong and puzzling feelings. Beneath the control, I can hear that he is angry with me, and I am glad of it. He has a right to be angry; I have asked him hard questions, and just now an insulting one. For my part, although I am deeply troubled by some of his policies, and by the long reach and rigidity of his conservatism, I have nevertheless come to like him as a man—he has been most kind and generous with me; his good laugh, when I have heard it, has filled me with its energy and warmth. And so I am grateful for this human moment, even though it is ugly, for I feel that at last we have really and truly met.

But it is only a moment, as I must hurry on to the next question.

Does he have any chance to talk to poor people?

FORD. In this job, I have had very little. When I was in Congress, a great deal. When I was in Congress, I made a maximum effort. I think that was helpful, both substantively and politically.

Wouldn't it be now, too?

FORD. Well, we've thought about that, and quite frankly I've been intrigued with the

program Giscard has, of having gone to dinner in the homes of citizens, or having people in. I'm a little hesitant about doing it, because it looks copycat. Now that I've talked about it, I think there's some merit in it. As to how you do it. . . . I don't know if you've ever heard about my trailer operation.

What was that?

FORD. That was the smartest thing I ever did. Grand Rapids was the main area of the district. After I'd been in Congress about six years, I found I was spending 90 percent of my time in Grand Rapids, and not doing much out in the smaller communities in the rural areas. I got the idea of having Jerry Ford's Main Street office. So we rented a trailer, and I would take it to Cedar Springs, and we'd advertise that I was going to be there in the morning. I'd speak, going to the high school and the grade school and talking to the kids, and then I'd speak at the Cedar Springs Rotary Club, or Kiwanis—this wasn't just campaign years, off-years as well. I'd walk up and down the main street for an hour or so, stopping at stores. And then from 2:30 to 8 o'clock I'd be in the trailer. And we would have anywhere from 25 to 125 people come and see me individually in the back room of the trailer. And I had my secretary or administrative assistant out front. In the course of two months in the fall, maybe three months, I'd do it in 25, 30 different places. We would have anywhere from 1,500 to 2,000 people who would stop in and see me, to criticize, to compliment, to give us problems to work on. We could always say that I had my office within 10 miles of every home in the district. People could never say they couldn't come and see me. It was the greatest political asset in a nonpolitical way.

This picture excites me, and I interrupt him to exclaim how good it would be if he had a trailer like that now. I imagine the Presidential trailer in remote hamlets, on hot city streets. He is not interested in my enthusiasm, and at once I realize how silly it is—the mobs, security, a nation isn't a district. . . .

Any yet, how good it would be if in some way he could speak—not just with Kissinger and Simon and Morton and Schlesinger, with Rumsfeld and Hartmann and Marsh and Buchen, with importunate politicians and selected intellectuals—but also, good listener that he is, inner mimic that he is, one-to-one with ordinary men and women, his constituents, from whom he has somehow drifted so far away.

FORD (*ignoring my interruption*): On some occasions I'd be in the trailer until midnight. It was interesting in that district. It had many strong, devout, Calvinistic Dutch people. Holland, Mich. Zeeland, Mich. In one area of the district, 90 per cent of the people were strong Protestants—not Dutch Reform but Dutch Christian Reform, which is a group that broke off from Dutch Reform because it was too liberal. I would have the ministers from these areas in, and sit down with them before they'd talk about a problem, and they'd say, "Can we have a few moments of prayer?" And we'd pray in the trailer—sincerely, very devoutly.

Somehow, thinking about the trailer, I have lost the thread of all the hundreds of questions this week has raised in my mind. Thinking about more than the trailer, really. Thinking about what seemed for a moment possible but obviously is not; thinking about the insistent sound of caution in all that Mr. Ford has been saying this evening; thinking about the hopes that so many citizens have had for a whole new era, after the Nixon debacle, in our national way of looking at things—hopes for a time of change that is evidently not going to be fought for, or even dreamed of, by this man, because in his view, and in that of his advisers, "this is not an era for change."

The brown suitcase, full of papers, sits there like a reproach. I sense that the President is itching to get down to work. I thank him for dinner, and for his time, and for his openness. He considerately goes all the way downstairs in the elevator with me, to make sure I will find my way back to the West Wing, where I left my coat early this morning.

FORD. Good night, John. See you in the morning!

SATURDAY

(The shot takes off for Atlanta, Georgia.)

This morning he indulges in what he calls "sleeping over"; this means that he doesn't show up at the Oval Office until 8:30. He has a light schedule today—a chance to clear his desk.

8:34 A.M. Scowcroft and Peterson in. 8:55 A.M.—Peterson out. 9:35 A.M.—Scowcroft out. 9:35 A.M.—Marsh in. 9:50 A.M.—Marsh out.

The day has dawned with an overcast sky, but the forecast, at last, is excellent. Now suddenly a dollop of sunlight falls like a promise through a rip in the clouds and dilutes with finer stuff the artificial brilliance of the Oval Office. No more is needed to make the President ring for Terry O'Donnell and tell him to line up some golfing companions for the afternoon.

9:50 A.M.—Cheney and Greenspan in. 10:15 A.M.—Greenspan out. 10:25 A.M.—Cheney out. 11:00 A.M.—Cheney in again. 11:35 A.M.—Cheney out again. Paperwork. GRANDFATHER SEYMOUR: Tock. . . . Tock. . . . Tock. . . .

1:35 P.M. A motorcade of four cars leaves the South Grounds: the President in a blue sedan, reading the afternoon Star as he goes; a Secret Service car, which follows the sedan closely; a staff car; a car for the photographic pool, going along as far as the entrance gate to Burning Tree—just in case.

The President changes in the locker room, then goes to the first tee, wearing now an old visored cap, brown-on-brown saddled golf shoes, green pants, and a blue windbreaker of the Pinehurst Country Club, which he picked up when he went there last year to visit the Golf Hall of Fame and played a round with the famed inductees. With him are his good friend William Whyte, a vice president and Washington lobbyist for United States Steel; Clark MacGregor, once a fellow Congressman with Ford, later John Mitchell's successor as chairman of the Committee To Re-Elect the President and now a Washington-based vice president of United Aircraft Corp. and Webb Hayes, a Washington lawyer and great grandson of President Rutherford B. Hayes.

Ford teams up with Whyte; the foursome settles on a "two-dollar Nassau"—a betting deal that can't hurt anyone much. The men do not use golf carts; caddies carry their clubs.

On the first few holes, the President has a bit of Oval Office in his swing. His long game is very strong; his chips and putts, more often than not, are too strong. He putts with a wide stance suitable for good hard clouts. The sun is fully out now. There is a breeze with sharp teeth that bite the flags on the greens. So discreet is Burning Tree Country Club that these flags don't even have numbers on them. One is conscious of several men, carrying odd-shaped cases, ranging in the woods on either side of the fairway, and far ahead. Following the foursome at a polite distance are Dick Keiser, Chief of the Presidential Protective Division of the Secret Service, who is often taken for the President in crowds; Lieut. Cmdr. Stephen Todd, the President's naval aide, carrying a walkie-talkie, to be in touch with the White House communications center at all times, and Dr. Lukash.

It is the seventh hole, par four.

Gerald Ford's huge tee shot takes off for Atlanta, Georgia, but the ball has a mind of its own and in midair veers left toward Charleston, South Carolina; on the way there, however, it hits a tall tree and, with distinctly Presidential luck, bounces out to a splendid lie in the left rough.

There, with a No. 2 wood, the President connects so hard that one is forced to wonder what that small sphere stands for in his mind. The ball rises and rises and flies as straight and true as Air Force 1 nonstop to the green, to within 10 feet of the pin.

The President cups his hands around his mouth and exultantly shouts to his partner across the fairway: "Hey, Bill, is that where I'm supposed to put it?"

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be permitted to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from New Mexico seek recognition?

Mr. DOMENICI. Mr. President, I reserve my time.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 15 minutes, with statements therein limited to 5 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, how much time has been allowed by the Senate for the conduct of morning business?

The ACTING PRESIDENT pro tempore. Fifteen minutes, with statements limited to 5 minutes each.

Mr. MANSFIELD. Mr. President, in view of the fact that Assistant Secretary of State for Far Eastern Affairs, Mr. Philip Habib, is appearing before the Committee on Foreign Relations at 10 o'clock to discuss the extent of the evacuation of Americans and related Vietnamese nationals, I ask unanimous consent that the time for the conduct of morning business be extended to 30 minutes, with the same proviso of 5 minutes per Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

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MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. FORD) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 11:16 a.m., a message from the House of Representatives delivered by Mr. Berry announced that the House has passed the bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills and joint resolution in which it requests the concurrence of the Senate:

H.R. 568. An act to grant an alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a United States citizen and his spouse;

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes;

H.R. 3130. An act to amend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements;

H.R. 3787. An act to amend section 109 of title 23, United States Code, relating to the preparation of certain statements on highway projects in the States of New York, Vermont, and Connecticut;

H.R. 4109. An act to amend the Grand Canyon National Park Enlargement Act (88 Stat. 2089);

H.R. 4269. An act to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands;

H.J. Res. 242. A joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 1310) to continue the special food service program for children through September 30, 1975; and the joint resolution (H.J. Res. 375) making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

The enrolled bill and joint resolution were subsequently signed by the Vice President.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. FORD) laid before the Senate the following letters, which were referred as indicated:

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

A letter from the Acting Secretary of Commerce transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce; to the Committee on Commerce.

PROPOSED LEGISLATION BY THE FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission transmitting a draft of proposed legislation to amend section 309 of the Federal Power Act and section 16 of the Natural Gas Act; to the Committee on Commerce.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation to provide for the participation of the United States in the African Development Fund; to the Committee on Foreign Relations.

REPORT OF THE SECRETARY OF COMMERCE

A letter from the Acting Secretary of Commerce transmitting, pursuant to law, a report on the achievements and activities of the Economic Development Administration during the fiscal year 1974 (with an accompanying report); to the Committee on Public Works.

PROPOSED LEGISLATION OF THE VETERANS' ADMINISTRATION

A letter from the Administrator of Veterans Affairs transmitting a draft of proposed legislation to extend the preference accorded Veterans' Administration medical and health personnel for attendance at Regional Medical Education Centers, and for other purposes (with accompanying papers); to the Committee on Veterans' Affairs.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. FORD):

Two joint memorials of the Legislature of the State of Idaho; to the Committee on Agriculture and Forestry:

"HOUSE JOINT MEMORIAL No. 10

"A joint memorial relating to the economics of the State of Idaho and the Nation and the cattle industry in particular; to the President of the United States of America, the Honorable Secretary of Agriculture, Honorable Members of the Congress of the United States, and to the Honorable members of the Idaho congressional delegation

"We, your Memorialists, the House of Representatives and the Senate of the State of Idaho assembled in the First Regular Session of the Forty-third Idaho Legislature, do hereby respectfully submit that:

"Whereas, the domestic beef cattle industry in the State of Idaho and the United States is in extreme critical financial circumstances because of continued depressed live cattle prices; and

"Whereas, the beef cattle industry in Idaho has maintained a leading position in the general economy that provides new wealth and many turns to the dollar investment in our daily lives; and

"Whereas, the United States Congress has created a loan security fund for livestock operations with a maximum of $250,000 for a three year period that began in 1974, which heretofore was not used to a great extent, but has now become a very possible salvation to the retention of many family ranching units; and

"Whereas, the loan security fund has an insufficient time limit remaining and an inadequate maximum amount to fulfill the urgent needs now facing those engaged in the beef cattle industry.

"Now, therefore, be it resolved by the First Regular Session of the Forty-third Idaho Legislature, the House of Representatives and the Senate concurring, that we most respectfully urge Congress to immediately extend the length of the cattle loan security program to a period of five or seven years and increase the limits of the guarantee to better allow recovery from the financial crisis now within the industry.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of Agriculture of the United States, and to the honorable members of the Congressional Delegation representing the State of Idaho in the Congress of the United States."

"HOUSE JOINT MEMORIAL No. 7

"A joint memorial to the President, the Secretary of State and the Secretary of Agriculture of the United States, and to the Senate and the House of Representatives of the United States in Congress Assembled

"We, your Memorialists, the House of Representatives and Senate of the State of Idaho assembled in the First Regular Session of the Forty-third Idaho Legislature, do hereby respectfully represent that:

"Whereas, in 1974 the farmers of the United States produced the largest crop of potatoes ever produced; and

"Whereas, this bounty of nature has resulted in millions of tons of potatoes being offered in depressed market conditions; and

"Whereas, the farmers of the United States who have produced these potatoes are receiving less than their cost of production; and

"Whereas, while this surplus of food exists in the United States there are millions of people in Africa, Asia and other parts of the world who are daily dying of starvation; and

"Whereas, the United States has in operation the Food for Peace Program which is designed to provide American food stuffs to our less fortunate neighbors in other lands; and

"Whereas, moneys are currently available from existing sources to fund the purposes proposed by this memorial; and

"Whereas, a great opportunity exists to use our surplus American potatoes to save the lives of millions of starving citizens of the world and to demonstrate most graphically that we are truly a Nation "with malice toward none and charity for all."

"Now, therefore, be it resolved by the First Regular Session of the Forty-third Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urgently request the President of the United States, the Congress of the United States, and all of the leaders of this great nation to support and include in the Food for Peace Program the purchase of at least fifty million pounds of dehydrated American grown potatoes for distribution to the starving peoples of Africa, Asia, and other parts of the world.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President, the Secretary of State and the Secretary of Agriculture of the United States, to the Speaker of the House of Representatives of the United States and to the President of the Senate of the United States."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Banking, Housing and Urban Affairs:

"RESOLUTION MEMORIALIZING CONGRESS TO PROVIDE EMERGENCY GENERATORS IN ALL HOUSING FOR THE ELDERLY

"Whereas, The housing for the elderly in many instances are above three floors and the elderly during a power failure are unable to use the elevators, and physically unable to use the stairs, emergency generators are necessary; now, therefore be it

"Resolved, That the general assembly of Rhode Island and Providence Plantations, now requests the congress of the United States to provide for emergency generators in all housing for the elderly; and be it further

"Resolved, That the secretary of state be and he is hereby respectfully requested and directed to transmit duly certified copies of this resolution to the President of the Senate of the United States, the speaker of the House of Representatives, and to the Rhode Island delegation in Congress."

A joint memorial of the Legislature of the State of Idaho; to the Committee on Commerce:

"HOUSE JOINT MEMORIAL No. 2

"A Joint Memorial to the Honorable Senate and House of Representatives of the United States in Congress Assembled and the Senators and Representatives Representing the State of Idaho in the Congress Assembled

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-third Idaho Legislature, do hereby respectfully represent that:

"Whereas, the condition of the Idaho salmon and steelhead runs has reached such a critical state of depletion that taking fish in Idaho waters has been severely restricted; and

"Whereas, the runs of these fish are a natural resource of this state and a part of the heritage to which our citizens are entitled; and

"Whereas, other jurisdictions, including other states and the United States government, must take immediate action if the future of the salmon and steelhead runs is to be protected; and

"Whereas, the United States Congress has considered legislation to extend the limits of American waters to a two hundred mile limit; and

"Whereas, the present limits are insufficient because they offer no protection against over harvesting by fishing vessels, under the flags of other nations, and completely beyond the control or influence of the state of Idaho; and

"Whereas, adoption of the two hundred mile limit should be a matter given highest priority by the Ninety-fourth Congress.

"Now, therefore, be it resolved by the First Regular session of the Forty-third Idaho Legislature, the House of Representatives and the Senate concurring herein, that we urge the Congress to act with dispatch to consider and adopt a two hundred mile limit in order to provide protection of the native salmon and steelhead runs.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and the Senators and Representatives representing the state of Idaho in Congress assembled."

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Commerce:

CONCURRENT RESOLUTION No. 1012

"A Concurrent Resolution Relating to the Rock Island Railroad; Memorializing the Congress of the United States To Make It the Sense of Congress That the Loan Application of the Rock Island Railroad on File With the United States Railroad Association Be Approved; and Authorizing Distribution

"Whereas, railroad transportation is a key ingredient to the economic success of industries vital to the people of the State of Oklahoma; and

"Whereas, the Rock Island Railroad presently maintains service to 154 communities, and 28 counties with over 1,000 miles of tracks in the State of Oklahoma; and

"Whereas, the Rock Island Railroad is the third largest carrier in the State of Oklahoma and enables the shippers of the state to avail themselves of rail transportation to markets not only in the United States but to ports for the world markets in agricultural and industrial goods; and

"Whereas, the Rock Island Railroad for the year of 1974 handled a gross tonnage of 5,661,007 tons which originated or terminated in the State of Oklahoma; and

"Whereas, due to deferred maintenance, the equipment and particularly the roadbed and tracks have reached a serious point of deterioration which in turn has decreased the normal efficiency attendant to rail transportation; and

"Whereas, during the past harvest season this carrier suffered over 200 derailments on mainline traffic, thus furthering their depletion of revenues; and

"Whereas, in this period of energy crises the One Hundred Million Dollars ($100,000,000) loan is small compared to the import of the higher cost of transportation which would result if traffic of this carrier were diverted to other modes.

"Now, therefore, be it resolved by the House of Representatives of the 1st session of the 35th Oklahoma Legislature, the Senate concurring therein:

"SECTION 1. That it is the firm conviction of the people of Oklahoma that the Congress of the United States make it the sense of Congress that the loan application of the Rock Island Railroad currently on file with the United States Railway Association be approved.

"SECTION 2. That duly authenticated copies of this Resolution signed by the Speaker of the House of Representatives and attested by the Chief Clerk shall be transmitted to the President Pro Tempore of the United States Senate and to both United States Senators from the State of Oklahoma and to the Speaker of the House of Representatives of the United States and to each member of the House of Representatives from the State of Oklahoma.

"Adopted by the House of Representatives the 19th day of February, 1975."

A joint memorial of the Legislature of the State of Idaho; to the Committee on Finance:

"HOUSE JOINT MEMORIAL No. 9

"A Joint Memorial to the Honorable Members of the House of Representatives and the Senate of the United States in Congress Assembled and the Honorable Members of the Congressional Delegation Representing the State of Idaho in the Congress of the United States

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-third Idaho Legislature, do hereby respectfully represent that:

"Whereas, there is now pending before the Congress of the United States S568, increasing the amount of the estate tax exemption for estate tax purposes; and

"Whereas, the increased limit proposed in this legislation of $120,000 is a realistic maximum in view of current property values; and

"Whereas, estate taxes now impose a heavy burden on the individual who may be faced with the loss of the family business because he cannot meet the immediate demand caused by estate and inheritance taxes; and

"Whereas, the increased limit would facilitate and strengthen the tradition of the family business in America, passing these businesses on to the family heirs to continue their operation.

"Now, therefore, be it resolved by the First Regular Session of the Forty-third Idaho Legislature, the House of Representatives and the Senate concurring therein, that we endorse the principles of S568, and the increased amount of estate tax exemption for estate tax purposes embodied in that legislation. We commend this legislation to the Congress of the United States and urge their favorable action upon it.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and is hereby authorized and directed to forward copies of this Memorial to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States, and to the honorable members of the congressional delegation representing the State of Idaho in the Congress of the United States."

A resolution of the House of Representatives of the State of Oklahoma; to the Committee on Finance:

"ENROLLED HOUSE RESOLUTION No. 1016

"A Resolution Memorializing Congress to Amend Public Law 92–603 of the Congress of the United States to Exempt Small Hospitals From Certain of Its Requirements and Requesting Suspension of Certain Rules Promulgated by the Department of Health, Education, and Welfare; and Directing Distribution

"Whereas, the Congress of the United States has through enactment of PL 92–603, created a Professional Standard Review Organization under the Department of Health, Education and Welfare; and

"Whereas, PL 92–603 and regulations promulgated by the Secretary of Health, Education and Welfare require that a doctor's utilization review committee check all patients receiving medicaid and medicare benefits within one day after their admission to a hospital; and

"Whereas, that same act requires that three doctors be involved in all operations; and

"Whereas, the impossibility of meeting these requirements would force the closing of many rural hospitals within the State of Oklahoma and thus deprive the residents of our rural areas of essential health care.

"Now, therefore, be it resolved by the House of Representatives of the 1st session of the 35th Oklahoma legislature:

"That the Congress of the United States be and is hereby memorialized to take action to amend PL 92–603 to exempt hospitals in communities of less than fifteen thousand (15,000) population and hospitals having less than sixty beds from its provisions.

"That rules promulgated under the provisions of PL 92–603 which affect such hospitals be suspended pending Congressional action; and

"That duly authenticated copies of this Resolution be forwarded to the members of the Oklahoma Congressional Delegation, the Speaker of the House of Representatives, the President Pro Tempore of the Senate of the United States, the President of the United States and the Secretary of the Department of Health, Education and Welfare."

A resolution of the Senate of the State of New York; to the Committee on Foreign Relations:

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"Senate Resolution No. 47

"Resolution memorializing the President of the United States to consider the plight of Soviet Jews and calling upon the Governor to proclaim April 13, 1975, as Solidarity Sunday for Soviet Jewry

"Whereas, In the Soviet Union men and women are denied freedoms recognized as basic by all civilized countries of the world and indeed by the Soviet Constitution; and

"Whereas, Jews and other religious minorities in the Soviet Union are being denied the means to exercise their religion and sustain their identity; and

"Whereas, The government of the Soviet Union is persecuting Jewish citizens by denying them the same rights and privileges accorded other recognized religions in the Soviet Union and by discrimination against Jews in cultural activities and access to higher education; and

Whereas, The right freely to emigrate, which is denied Soviet Jews who seek to maintain their identity by moving elsewhere, is a right affirmed by the United Nations Declaration of Human Rights, adopted unanimous by the General Assembly of the United Nations; and

"Whereas, These infringements of human rights are an obstacle to the development of better understanding and better relations between the people of the United States and the people of the Soviet Union; now, therefore, be it

Resolved, That the Senate of the State of New York, in the interest of justice and humanity, express its solidarity in requesting that the President and the Congress of the United States call upon the Soviet government to permit its citizens to emigrate from the Soviet Union to the countries of their choice as affirmed by the United Nations Declaration of Human Rights; and be it further

"Resolved, That the Senate of the State of New York express its solidarity, in urging that the United States government use all appropriate diplomatic means to engender the fullest support possible among other nations for such a request to the Soviet Union; and be it further

"Resolved, That the Senate of the State of New York express its solidarity with the people of Israel on its 27th Independence Day; and be it further

"Resolved, That the Honorable Hugh L. Carey, Governor of the State of New York, be and he hereby is respectfully requested to issue, publish and declare to the people of the State of New York an appropriate proclamation designating April 13, 1975, as Solidarity Day; and be it further

"Resolved, That in order to effectuate the purposes of this resolution, copies of this resolution be transmitted to the President, Vice President and Secretary of State of the United States, to the Secretary of the Senate and the Clerk of the House of Representatives of the United States, and to each member of the Congress of the United States from the State of New York."

A joint resolution of the Congress of Micronesia; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution No. 6–8

"A Senate Joint Resolution Respectfully Requesting the United States Congress To Allow the Micronesia Development Bank, When Established, To Administer and Manage Funds From the Economic Development Loan Fund (EDLF) of the Trust Territory

"Whereas, the objective of expanding Micronesia's economic base with maximum Micronesian participation depends primarily on the development of its private commercial sector, since development of the private sector will reduce the Territory's dependence on government expenditures and thereby create a mcre balanced economy, and since the development of key private sectors such as agriculture and marine resources will create important import substitutes; and

"Whereas, in order to provide the impetus and basis for the development of tha private sector, significant levels of development capital will be required over the succeeding five-year period and a study that has been undertaken points to a capital requirement of approximately $35 to $45 million for development of major sectors of the economy; and

"Whereas, in recognition of this fact, the Congress of Micronesia created the Micronesia Development Bank specifically to develop the economic base of the Trust Territory and to mobilize additional external financial resources to assist in closing the gap between capital needs and resources and to concern itself with providing financing for projects with development potential and long-term prospects for growth; and

"Whereas, the United States Congress, through annual appropriations to the Trust Territory, has made available the Economic Development Loan Fund to assist in initiating new enterprises and to help expand existing businesses which cannot finance themselves or obtain loans through conventional channels; and

"Whereas, the general lack of proper administration, supervision and servicing of loans under the EDLF program has significantly contributed to the high volume of delinquent accounts experienced by the Fund; now, therefore,

"Be it resolved by the Senate of the Sixth Congress of Micronesia, First Regular Session, 1975, the House of Representatives concurring, that the United States Congress is hereby respectfully requested to enact such legislation as may be required or proper to allow the Micronesia Development Bank, when established, to administer and manage the funds made available to the Trust Territory Government for the Economic Development Loan Fund; and

"Be it further resolved that certified copies of this Joint Resolution be transmitted to the President of the United States Senate; the Speaker of the House of Representatives of the United States Congress; the Chairman of the Committee on Interior and Insular Affairs of the United States Senate; the Chairman of the Committee on Interior and Insular Affairs of the United States House of Representatives; the Chairman of the Committee on Appropriations of the United States Senate; the Chairman of the Committee on Appropriations of the United States House of Representatives; the Secretary of the United States Department of the Interior; and the High Commissioner of the Trust Territory of the Pacific Islands."

A resolution of the Legislature of the Virgin Islands; to the Committee on Interior and Insular Affairs:

"Resolution No. 742

"To Petition the Congress of the United States To Amend the Revised Organic Act of the Virgin Islands

"Whereas Section 11 of the Revised Organic Act of the Virgin Islands (Public Law 90–496, 82 Stat. 839, 90th Congress Section 4) provides in part "* * * If no candidates receive a majority of the votes cast in any election, on the fourteenth day thereafter, a runoff election shall be held between the candidate for Governor and Lieutenant Governor receiving the highest and second highest number of votes cast.";

"Whereas Public Law 92–271, 86 Stat. 119, 92nd Congress, Section 2(a) provides in part "* * *. The Delegate shall be elected at large, by separate ballot and by a majority of the votes cast for the office of Delegate. If no candidate receives such majority, on the fourteenth day following such election a runoff election shall be held between the candidates receiving the highest and second highest number of votes cast for the office of Delegate."; and

"Whereas runoff elections create an unwarranted expense for the candidates and parties involved and unduly delay the electoral process; and

"Whereas runoff elections tend to impose an urgency for secreted bargaining between candidates and parties for electoral support; and

"Whereas the Legislature of the Virgin Islands finds this situation objectionable and not in the best interests of the people of the Virgin Islands; Now, Therefore,

"Be it resolved by the Legislature of the Virgin Islands:

"Section 1. That the Congress of the United States be and is hereby petitioned to amend the Revised Organic Aot of the Virgin Islands and Public Law 92–271 (86 Stat. 118) by replacing the provisions of said Acts which require candidates for Governor, Lieutenant Governor and Delegate to the House of Representatives to receive a majority of the votes cast in an election and which require runoff elections, with provisions which require such candidates to be elected by a plurality of the votes cast.

"Section 2. That copies of this Resolution be forwarded, immediately upon its passage, to the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman and members of the Senate Committee on Interior and Insular Affairs, the Chairman and members of the House Committee on Interior and Insular Affairs, the Secretary of the Interior and the Virgin Islands Delegate to the House of Representatives.

"Thus passed by the Legislature of the Virgin Islands on March 17, 1975."

A joint memorial of the Legislature of the State of Idaho; to the Committee on the Judiciary:

"House Joint Memorial No. 3

"A Joint Memorial to the Honorable Senate and House of Representatives of the United States of America in Congress assembled

"We, your Memorialists, the Senate and House of Representatives of the State of Idaho assembled in the First Regular Session of the Forty-third Idaho Legislature, do hereby respectfully represent that:

"Whereas, Juan Toledo, now deceased, was a natural born citizen of these United States; and

"Whereas, Juan Toledo and Beatrice Serrano were lawfully wed while Mr. Toledo was traveling in Mexico to visit relatives residing there; and

"Whereas, Juan Toledo was murdered by a gunman on the 6th of September, 1973, leaving behind his widow and their child; and

"Whereas, the laws clearly provide that if Juan Toledo had survived to bring his wife and child to the United States, the rights and privileges of citizenship would have been available to them; and

"Whereas, we believe that the laws of the United States are intended to be tempered with compassion, justice and humanity; and

"Whereas, Beatrice Serrano Toledo is now living in Boise, Idaho, arriving in the United States on a tourist visa, and is desirous of obtaining citizenship for herself and her child; and

'Whereas, Beatrice Serrano Toledo is a person of good character, modest and sincere, and well able to provide for her future support and the care of her child.

"Now, therefore, be it resolved by the First Regular Session of the Forty-third Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully urge the Congress of the United

States to consider the unfortunate circumstances of Beatrice Serrano Toledo, to consider the intention of her husband, a citizen of the United States, and to take the steps necessary to extend to her the rights, duties and privileges of citizenship in the United States.

"Be it further resolved that the Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress; and the Senators and Representatives representing the State of Idaho in the Congress of the United States."

A joint resolution of the Legislature of the State of Montana; to the Committee on Public Works:

"House Joint Resolution No. 58

"A Joint Resolution of the Senate and the House of Representatives of the State of Montana Urging the Congress of the United States, the United States Environmental Protection Agency, and the Governor of Montana To Uphold to the Fullest Extent the Existing State and Federal Air Pollution Control Laws and Regulations

'Whereas, the Environmental Protection Agency has established a national procedural framework to enable state action in the determination of air quality; and

"Whereas, the Montana Legislature recognizes the desire that any development and growth in Montana be controlled and clean; and

"Whereas, the Legislature recognizes the effect of air quality standards and regulations on land use planning and social and economic development; and

"Whereas, the Legislature recognizes the relatively pristine character of "Big Sky" air to be one of the state's most valued resources.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Legislature's concern that there be no further weakening of the Federal Clean Air Act be communicated to the Environmental Protection Agency and the United States Congress.

"Be it further resolved, that the Governor of Montana be encouraged to submit to the administrator of the Environmental Protection Agency a proposal to redesignate all national park, wilderness, primitive, and state park areas within Montana as Class I Air Quality Areas; and to allow no redesignation of any area within Montana to a Class III area under the EPA regulations effective January 6, 1975, Title 40, Chapter 1, C.F.R., Section 52.21.

"Be it further resolved, that the Secretary of State send a copy of this resolution to the State Board of Health, the Governor of Montana, the U.S. Environmental Protection Agency Administrator, and the Congress of the United States."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Public Works:

"Senate Resolution

"Memorializing Congress to authorize the United States Army Corps of Engineers to construct a dike along Cherry Brook at Union Village in North Smithfield

"Resolved, That this senate of the state of Rhode Island hereby memorializes the congress of the United States to authorize the United States Corps of Engineers to construct a dike along Cherry Brook at Union Village in North Smithfield; and be it

"Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the senators and representatives from Rhode Island in the congress and to the speaker of the United States House of Representatives and the president of the United States Senate."

A concurrent resolution of the Legislature of the State of West Virginia; to the Committee on Public Works:

"Senate Concurrent Resolution No. 10

"Requesting and insisting that the United States Army Corps of Engineers modify the structure and operation of its dam located on the Elk River near Sutton, West Virginia

"Whereas, The Elk River, one of the most scenic rivers in the State of West Virginia, was once rich in plant and animal life in, on and along the river and consequently was a mecca of fishermen, hunters, campers and vacationists; and

"Whereas, In recent years, particularly after the construction of the Sutton Dam was completed on the Elk River in 1961, the quality of the river degraded sharply causing an agonized outcry from West Virginia citizens and visitors to the State of West Virginia; and

"Whereas, The West Virginia Legislature, knowing that the loss of the Elk River as a scenic and recreational stream would be an economic disaster for the State of West Virginia as well as a great environmental loss for all persons who use the Elk River in any manner, caused a two-year study to be conducted to determine the reasons the river had degraded so rapidly and severely; and

"Whereas, The study, in the main conducted by the West Virginia Geological and Economic Survey, clearly indicated that the presence of the Sutton Dam on the Elk River and the way the dam is constructed and the manner in which it is operated are major factors contributing to the degradation of the Elk River because of rapidly fluctuating water temperature and increased turbidity and erosion below the dam which destroy private property, scenic and recreational values and the natural habitat and life cycles of plant and animal life in, on and along the river; and

"Whereas, Although the study indicated that it will be virtually impossible to return the Elk River to its original state, it did develop eighteen recommendations, which, if implemented soon, can greatly improve the water quality of the river for beneficial uses; and

"Whereas, Five of the recommendations must be implemented by the United States Army Corps of Engineers because they involve modifying the structure of Sutton Dam and its operation; therefore, be it

"Resolved by the Legislature of West Virginia, That the West Virginia Legislature hereby requests and insists that the United States Army Corps of Engineers modify the structure and operation of its dam located on the Elk River near Sutton, West Virginia, in accordance with the five following recommendations which resulted from the study of the Elk River conducted by the West Virginia Legislature:

"1. The rate of change of discharge from the dam be drastically reduced from the current guideline of 1-foot-per-hour change in water depth. All floodgate and sluiceway changes should be accomplished as gradually as possible;

"2. The Sutton Reservoir level be raised to summer pool level at a much slower rate;

"3. The start of lowering the Sutton Reservoir level be postponed until October 15 each year;

"4. A multiple-level intake structure be constructed for Sutton Dam to allow waters to be drawn off the top of the reservoir or mixed with deeper waters to produce discharges with lower turbidity, higher and less-variable temperatures;

"5. Reservoir pool levels be allowed to fluctuate slightly to reduce the range in water-depth fluctuations that occur downstream as a result of even medium-size storms; and, be it

"Resolved further, That the Congress of the United States take all actions appropriate and necessary to provide the United States Army Corps of Engineers with the authority and funds needed to implement the said five recommendations; and, be it

"Resolved further, That the Clerk of the Senate send copies of this resolution and the West Virginia Legislature's report of its study on the Elk River, "Improving Stream-Water Quality in the Elk River Basin," by the West Virginia Geological and Economic Survey, dated October 1974, to the Secretary of the Army; the Chief of Engineers of the Department of the Army; the District Engineer of the United States Army Engineer District, Baltimore, Maryland; the District Engineer of the United States Army Engineer District, Huntington, West Virginia; the President pro tempore of the Senate and the Speaker of the House of Representatives of the Congress of the United States; each member of the West Virginia Congressional delegation; and to the Governor of the State of West Virginia, the Honorable Arch A. Moore, Jr."

A resolution of the Senate of the State of Arizona; to the Committee on Veterans' Affairs:

"Senate Memorial 1002

"A memorial urging the Veterans' Administration of the United States to enact legislation establishing a national cemetery in Arizona

"To the President and the Congress of the United States of America:

"Your memorialist respectfully represents:

"The State of Arizona's one hundred seventy available National Cemetery burial spaces are totally inadequate to handle the potential demand of the more than two hundred fifty thousand veterans residing in the state.

"A deceased veteran who has expressed a desire to be buried in a National Cemetery must be transported to another state for burial thereby causing great hardships for his survivors.

"Veterans organizations within the State of Arizona have some six hundred forty acres of land in central Arizona available, without cost, for utilization as a National Cemetery and Memorial Park. Wherefore your memorialist, the Senate of the State of Arizona, prays:

"1. That the Veterans Administration give its most earnest consideration to the establishment of a National Cemetery in the State of Arizona.

2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Administrator of the Veterans Administration and to each member of the Arizona Congressional Delegation."

A joint memorial of the Legislature of the State of New Mexico; to the Committee on Agriculture and Forestry:

"A joint memorial requesting the Congress of the United States and the executive branch of the Federal government to take all necessary steps to remedy the economic plight and disaster being experienced by the cotton-producing sector of the agricultural industry

"Whereas, due to circumstances beyond the control of cotton producers the costs of cotton production have escalated to astro-

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nomical heights at the time that the price of cotton is declining; and

"Whereas, cotton producers have been unable to sell their 1974 cotton crop without taking a substantial loss, thereby rendering them unable to repay their loans, unable to pay their monthly living expenses and unable to plan for a 1975 crop; and

"Whereas, the oil and gas resources of this country are being used for the production of synthetic fibers which are competing with the use of cotton as a fabric; and

"Whereas, the cotton producers in the United States are faced with economic ruin and are in need of immediate and positive assistance, and the future control of cotton production by foreign interests is a distinct possibility;

"Now, therefore, be it resolved by the legislature of the State of New Mexico that the congress of the United States and the executive branch of the Federal government are hereby memorialized to take all necessary steps to implement the setting of a target price or loan escalation to a minimum of fifty cents per pound for one and one-sixteenth inch strict-low-middling for the entire 1974 cotton acreage; setting a loan price of a minimum of sixty cents per pound for one and one-sixteenth inch strict-low-middling for the 1975 cotton crop; and establishing more liberal collateral requirements for loans in order to pay off existing commitments with long-term repayment; and to seriously consider a limitation on the use of synthetics in textile manufacturing, as an energy conserving measure; a limitation on the importation of finished and semi-finished textile products as a means of improving the market for natural fibers; and a limitation on the exportation of fertilizers and chemicals needed for cotton production if such exports escalate their costs; and

"Be it further resolved that the secretary of agriculture is memorialized to immediately utilize his authority to establish higher support rates for 1975 cotton loans and that he, the congress of the United States and the executive branch of the federal government take all additional necessary steps to remedy the economic plight and disaster being experienced by the cotton-producing sector of the agricultural industry in the United States; and

"Be it further resolved that the congress of the United States and the executive branch of the federal government are also memorialized to limit the use of oil and gas in the production of synthetic fiber in order to increase the supply of oil and gas available for heating, transportation and industrial power; and

"Be it further resolved that copies of this memorial be transmitted to President Gerald Ford, the speaker of the United States house of representatives, the president pro tempore of the United States senate, each member of the New Mexico delegation to the congress of the United States and to Secretary of Agriculture Earl Butz."

A joint memorial of the Legislature of the State of Washington; to the Committee on Agriculture and Forestry:

"SENATE JOINT MEMORIAL No. 108

"To the Honorable Gerald R. Ford, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, Although timber resource areas of the United States have historically been susceptible to wide fluctuations in economic activity and employment, present unemployment and decline in economic activity in the forest products industry far exceeds the rate of unemployment in urban areas and regions with more than one industrial base; and

"Whereas, Workers in the timber resource areas of the nation often have little opportunity for employment and many are moving to the cities where their skills are generally not in demand; and

"Whereas, The movement of timber industry workers to the city increases the already difficult problem of finding work for the unemployed and will also make recovery of the timber industry that much more difficult when the current economic problems are over and the demand for forest products returns; and

"Whereas, A report to Congress by the Comptroller General of the United States entitled "More Intensive Reforestation and Timber Stand Improvement Programs Could Help Meet Timber Demands", published in February 1974, states that, since 1968, budget requests by the President and congressional appropriations have been less than United States Forest Service estimates of funds necessary to do the work, and much reforestation and timber stand improvement work needs to be done on national forests; and

"Whereas, Timber sold from the national forests over the years has returned substantial funds to the Treasury and investment in public timberlands has provided the taxpayers with forest products needed for housing;

"Now, therefore, Your Memorialists respectfully pray that the President of the United States support, and the Congress of the United States enact, laws appropriating funds for, and making such changes in statutes as are necessary or desirable to provide, an expanded program for reforestation and timber stand improvement work on the national forest lands as a priority effort to halt unemployment in the depressed timber resource regions of the country, and as an investment in the public timberlands to protect and enhance the productivity of this valuable national asset.

"Be it resolved, That copies of this Memorial be immediately transmitted by the Secretary of State to the Honorable Gerald R. Ford, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

A joint memorial of the Legislature of the State of Idaho; to the Committee on Commerce:

"HOUSE JOINT MEMORIAL No. 5 BY AGRICULTURAL AFFAIRS COMMITTEE

"A joint memorial to the President of the United States, to the Congress of the United States, and to the Secretary of the Interior of the United States relating to the use of toxic materials for the control of predators.

"We, your Memorialists, the House of Representatives and the Senate of the State of Idaho assembled in the First Regular Session of the Forty-third Idaho Legislature, do hereby respectfully represent that:

"Whereas, the range livestock business is the number one industry in the State of Idaho; and

"Whereas, the range livestock business is presently suffering serious losses and depredations caused by predatory animals; and

"Whereas, the game bird and game animal wildlife resources are also suffering serious losses and depredations caused by predatory animals; and

"Whereas, present control methods are not preventing these serious and irreplaceable losses.

"Now, therefore, be it resolved by the First Regular Session of the Forty-third Idaho Legislature, the House of Representatives and the Senate concurring, that we most respectfully urge the President of the United States to allow the Federal Fish and Wildlife Service of the Department of the Interior to use toxic materials to control predatory animals where these serious losses and depredations are occurring.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Secretary of the Interior of the United States."

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Finance:

"ENGROSSED SENATE CONCURRENT RESOLUTION No. 19

"A concurrent resolution relating to the oil depletion allowance; memorializing the Congress of the United States to make it the sense of Congress that the oil depletion allowance presently in existence be retained; and authorizing distribution.

"Whereas, this country is presently facing an energy crisis that threatens to increase in magnitude in the coming months; and

"Whereas, foreign oil producers have acted unreasonably and irresponsibly in imposing arbitrary prices on oil not commensurate with prices as determined by the market place; and

"Whereas, United States oil producers have concentrated their exploratory efforts in the continental United States with the resultant expenditure of million of dollars; and

"Whereas, if the United States is to become self-sufficient in its energy capacity, it is necessary to retain the present oil depletion allowance of twenty-two and one-half percent in order to provide domestic oil producers with an initiative to locate and utilize new sources of oil to be used for energy purposes.

"Now, therefore, be it resolved by the Senate of the 1st Session of the 35th Oklahoma Legislature, the House of Representatives concurring therein:

"Section 1. That it is the firm conviction of the 35th Oklahoma Legislature that the Congress of the United States make it the sense of Congress that the present oil depletion allowance of twenty-two and one-half percent be retained.

"Section 2. That duly authenticated copies of this resolution shall be transmitted to the President Pro Tempore of the United States Senate and to both United States Senators from the State of Oklahoma and to the Speaker of the House of Representatives of the United States and to each Member of the House of Representatives from the State of Oklahoma."

A concurrent resolution of the Legislature of the State of South Dakota; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 518

"A concurrent resolution, memorializing Congress to enact legislation presently before Congress for the reform of the federal estate tax.

"Be it enacted by the House of Representatives of the State of South Dakota, the Senate concurring therein:

"Whereas, the federal estate tax exemption structure has remained unchanged since 1939 at $60,000; and

"Whereas, an estate valued at $60,000 in 1939 would today average $180,000 due to inflation and changes in the nation's economy; and

"Whereas, the illiquidity of many farm and ranch estates causes the destruction of those farms and ranches as operating units because of the inadequate federal estate tax exemption structure:

"Now, therefore, be it resolved, by the House of Representatives of the Fiftieth Legislature of the state of South Dakota, the Senate concurring therein, that the United States Congress favorably consider legislation presently before Congress to provide for an increase of the estate exemption from $60,000 to $200,000 to keep pace with inflation, to increase the marital deduction to $100,000, and to provide alternative procedures for the valuation of farm and ranch land; and

"Be it further resolved, that the Chief Clerk of the House of Representatives forward copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and to each member of the South Dakota Congressional delegation."

A concurrent resolution of the Legislature of the State of Minnesota; to the Committee on Foreign Relations:

"STATE OF MINNESOTA LEGISLATURE RESOLUTION

"A house concurrent resolution urging that a presidential commission be established to investigate the matter of American Prisoners of War and persons Missing in Action in Indochina.

"Whereas, more that two years have elapsed since the Paris agreement that was to have ended American involvement in the Indochina war; and

"Whereas, one of the conditions of the agreement was provision for a return or accounting for prisoners of war and persons missing in action; and

"Whereas, more than 2,400 Americans remain unaccounted for with investigation of their status by failure of North Vietnam and its allied political movements to cooperate and assist; and

"Whereas, the sorrow, anxiety and frustration of the families of these men cannot be dispelled by delay or neglect; and

"Whereas, several congressmen have proposed measures to stop administrative action on the status of these men until an authentic, comprehensive investigation of their fate has been completed; and

"Whereas, this tragic problem requires the undivided and disinterested attention of a body established for the purpose; now, therefore,

"Be it resolved, by the House of Representatives of the State of Minnesota, the Senate concurring, that the President of the United States should establish a Presidential Commission to investigate the status of the prisoners and missing, to do all it can itself to answer the questions surrounding their status, to secure the return of any living prisoners or persons missing, to secure the return of the remains of the dead, and to instruct the regular departments of government on proper action to take pending resolution of the questions.

"Be it further resolved, that the Chief Clerk of the House of Representatives transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, the chairman of the Committee on Foreign Affairs of the United States House of Representatives, the chairman of the Committee on Foreign Relations of the United States Senate and the Speaker of the House shall appoint a member of the House and the Senate Committee on Committees shall appoint a member of the Senate to deliver the resolution to the office of the Minnesota Representatives and Senators in Congress.

A joint resolution of the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION No. 10

"Senate joint resolution—Memorializing the Congress of the United States to enact legislation authorizing various changes in the procedure by federal agencies in protecting, managing and controlling wild horses and burros on certain public lands, and to appropriate funds to the Forest Service of the Department of Agriculture to conduct a research program on wild horse ecology in cooperation with the University of Nevada.

"Whereas, The number of wild, free-roaming horses and burros on public lands administered by the Secretary of the Interior through the Bureau of Land Management and the Secretary of Agriculture through the Forest Service have become so abundant that they are presenting a threat to their own existence as well as that of domestic animals and other wildlife, because of the reduction of vegetation; and

"Whereas, The Bureau of Land Management and the Forest Service have no effective means for controlling or regulating the increasing numbers of wild, free-roaming horses or burros; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the Congress of the United States is hereby memorialized to:

"1. Enact legislation specifically allowing federal agencies charged with the responsibility for protecting, managing and controlling wild horses and burros to use aircraft and motor vehicles in carrying out their duties;

"2. Amend the federal law for the protection, management and control of wild horses and burros (16 U.S.C. §§ 1331 to 1340, inclusive) to permit a transfer of title to those wild horses or burros which the responsible federal agencies reasonably believe to be above the number of such animals the range lands will support;

"3. Enact a statute of limitations to apply to claims of ownership of branded or unbranded horses or burros; and

"4. Appropriate funds to the Forest Service of the Department of Agriculture for the purpose of conducting a comprehensive research program on wild horse ecology and management in cooperation with the University of Nevada; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted by the legislative counsel to the President of the Senate, the Speaker of the House of Representatives and the members of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

A joint memorial of the Legislature of the State of Washington; to the Committee on the Judiciary:

"HOUSE JOINT MEMORIAL No. 1

"To the Honorable Gerald R. Ford, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress Assembled

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, There presently exists a conflict between the provisions of federal law and the laws of many of the states in regard to the legal holiday designation of Memorial Day and Veteran's Day; and

"Whereas, There should be uniformity in the celebration of such holidays among all the people of this country; and

"Whereas, These holidays are established to honor those people who have given their last full measure of devotion in the service of their country; and

"Whereas, Memorial Day and Veteran's Day have a special meaning to millions of American veterans of the armed forces and their families; and

Whereas, The separate observance of these days has lessened their impact and meaning; and

"Whereas, It is necessary for these holiday to be celebrated in a manner which will preseve their importance and dignity;

"Now, Therefore, Your Memorialists respectfully pray that the Congress enact legislation providing for the uniform observance of Memorial Day and Veterans Day throughout the United States on their traditional dates of May 30th and November 11th respectively.

"Be it resolved, That copies of this Memorial be immediately transmitted by the Secretary of State to the Honorable Gerald R. Ford, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

A resolution of the House of Representatives of the State of Hawaii; to the Committee on Labor and Public Welfare:

"HOUSE RESOLUTION

"Requesting Congress and the President To Establish a National Network of Youth Advisory Boards

"Whereas, the Greater Miami Jaycees and Third Century, U.S.A. (Miami's Official Bicentennial Coordinating Organization) have proposed the establishment, by federal law, of a national network of youth advisory boards; and

"Whereas, the purposes of the boards would be to take an active part in governmental affairs at the local, state and national levels, to stimulate interest and participation by young people in civic affairs, to work with existing youth activities and programs to insure well-rounded programs and prevent duplication of effort, to participate in programs to develop leadership and good citizenship among young people and to develop new programs in places that presently have none; now, therefore,

"Be it resolved by the House of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that this comprehensive national network well merits encouragement and establishment by federal law and that Congress should speedily enact it; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the committees on Commerce and Labor and Public Welfare of the United States Senate, the Chairman of the committees on Education and Labor and Interstate and Foreign Commerce of the United States House of Representatives, the members of Hawaii's congressional delegation, and Mr. Stuart Alan Rado, Project Chairman of the Greater Miami Jaycees."

A joint memorial of the Legislature of the State of Washington; to the Committee on Public Works:

"ENGROSSED SENATE JOINT MEMORIAL No. 105

"To the Honorable Gerald R. Ford, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, to the Senate and House of Representatives of the United States, and to the Secretary of the Department of Transportation, in Congress Assembled

"We, your Memorialists, the Senate and House of Representatives of the State of

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Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, The stated policy of the National Administration is to significantly reduce fuel consumption below current consumption levels; and

Whereas, said reductions in fuel consumption will reduce state motor vehicle fuel excise tax revenues; and

"Whereas, Inflation within the highway construction and maintenance areas has been far in excess of the general level of inflation; and

"Whereas, Current federal statutes require state matching in order to obtain most federal highway funds; and

"Whereas, Current federal policies preclude access to all authorized and apportioned highway funds by limitations of obligational controls; and

"Whereas, Current federal statutes and policies preclude federal participation in state highways maintenance, administration and overhead costs; and

"Whereas, The courts have in the immediate past released a rather substantial amount of funds which were heretofore impounded; and

"Whereas, The states are hard pressed to meet current allocated funds and they will have greater difficulty in matching the released funds; and

"Whereas, All of the above financial conditions are exacerbated by increasing levels of unemployment and a general recession in the national economy:

"Now, Therefore, Your Memorialists respectfully pray that the Administration and Congress consider elimination of the state matching requirement for obtaining federal funds; and provide additional federal funds in lieu of said state matching requirement; and eliminate the restrictions of obligational controls; and in addition provide additional federal funds to finance no less than 50% of all maintenance costs of state and local highways on the Federal-Aid Highway System; and provide additional federal funds to compensate the states for administrative and overhead costs associated with the implementation of the federal highway programs.

"Be it further resolved, That copies of this memorial be immediately transmitted to the Honorable Gerald R. Ford, President of the United States, to the President of the United States Senate, and the Speaker of the House of Representatives of the United States, to the Secretary of the Department of Transportation, and to each member of Congress from the State of Washington."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Appropriations:

"SENATE JOINT RESOLUTION No. 11

"Senate joint resolution memorializing the Congress of the United States to increase the appropriations to the Bureau of Land Management of the United States Department of the Interior for those programs which will benefit public lands under the Bureau's control in the State or Nevada

"Whereas, Approximately 68 percent of the land of the State of Nevada consists of public lands managed by the Bureau of Land Management of the United States Department of the Interior; and

"Whereas, Deficiencies in the administration of these public lands are becoming apparent, with an exploding population and increasing user pressure; and

"Whereas, It will take nearly 200 years to complete the Cadastral Survey program in Nevada at the present rate the survey is being conducted; and

"Whereas, A recent court decision requires environmental impact statements to be made in connection with grazing programs, and this requirement will result in the need for additional experts; and

"Whereas, There are substantial delays in the consideration of applications for mineral patents because of a lack of personnel in the Bureau of Land Management have suffered for many years from inadequate funding; and

"Whereas, Many of the environmental problems of the State of Nevada are linked to the management of resources on public lands controlled by the Bureau of Land Management; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the Congress of the United States is hereby respectfully memorialized to make substantial increases in appropriations (to the Bureau of Land Management) of the United States Department of the Interior for the purpose of adequately funding programs which will correct existing deficiencies in the administration of the public lands in the State of Nevada under the control of the Bureau of Land Management and will lead to the achievement of long-range goals maximizing the potential usefulness of these public lands under the multiple use concept; and be it further

"*Resolved,* That this legislature urgently requests each member of the Nevada congressional delegation to exert his best efforts toward obtaining such increased appropriations, correcting such deficiencies and reaching such goals; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to the members of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

A joint resolution of the Legislature of the State of Nevada; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 5

"Assembly Joint Resolution—Memorializing Congress to adopt legislation requiring federal medical insurance programs to recognize treatments by licensed acupuncturists as a legitimate form of medical treatment and provide reimbursement therefor

"Whereas, The 1973 session of the Nevada legislature adopted legislation recognizing the practice of traditional Chinese medicine, which includes acupuncture, as a learned profession, beneficial to the health and welfare of the residents of Nevada; and

"Whereas, This legislation provides for a state board to license only those applicants who meet stringent educational and experimental criteria sufficient to satisfy the board of the applicant's competence to practice traditional Chinese medicine in such a manner that the public safety and welfare will be adequately protected; and

"Whereas, Federal insurance programs including (but not limited to) Medicare, Medicaid and Veterans' Administration Insurance programs, have refused to recognize traditional Chinese medicine as a legitimate branch of the healing arts, thereby denying reimbursement for acupuncture treatments unless such treatment was performed by a practitioner licensed in traditional western medicine; and

"Whereas, The policies of the federal agencies which administer these programs against reimbursing deserving recipients of benefits under such programs for treatment by acupuncturists are unreasonable in view of our regulatory provisions and unfair to the residents of our state; now, therefore, be it

"*Resolved by the Assembly and the Senate of the State of Nevada, jointly,* That the legislature of the State of Nevada hereby respectfully memorializes the Congress of the United States to adopt legislation requiring federal insurance programs to reimburse qualified recipients of benefits under these programs for treatment by acupuncturists; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to each member of the Nevada congressional delegation."

A resolution of the Council of the city of Delano, Calif., supporting the establishment of a national cemetery in Kern County, Calif.; to the Committee on Veterans' Affairs.

A resolution of the Council of the city of East Lansing, Mich., relating to the Southeast Asian conflict; to the Committee on Foreign Relations.

A resolution of the City Council of Parma, Ohio, urging Congress to provide a public works program; to the Committee on Public Works.

A resolution of the National Advisory Council on Supplementary Centers and Services calling for a White House Conference on Education in 1977; to the Committee on Labor and Public Welfare.

A letter from a citizen of Atlanta, Ga., regarding the unemployment situation; to the Committee on Labor and Public Welfare.

A resolution adopted by the Texas and Southwestern Cattle Raisers Association in opposition to H.R. 982; to the Committee on the Judiciary.

A resolution of the Council of the city of Vallejo, Calif., relating to cable television; to the Committee on the Judiciary.

A resolution of the Chamber of Commerce of Fort Stockton, Tex., relating to congressional adjournments; to the Committee on Government Operations.

A letter from a citizen of Orlando, Fla., seeking a redress of grievances; to the Committee on the Budget.

A resolution of the County Legislature of Suffolk County, N.Y., in support of H.R. 3637 and S. 850; to the Committee on Agriculture and Forestry.

A petition from the Statewide Committees Opposing Regional Plan Areas of Dennison, Ill., seeking a redress of grievances; to the Committee on Government Operations.

A resolution adopted by the Council of the County of Hawaii, Hilo, Hawaii, in support of the establishment of Honokohau Historical Park, Hawaii; to the Committee on Interior and Insular Affairs.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a Navada Assembly joint resolution on export controls, gasoline engine efficiency, and energy conservation be referred jointly to the Committees on Banking, Housing and Urban Affairs, Commerce, and Interior and Insular Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution is as follows:

ASSEMBLY JOINT RESOLUTION No. 9

Assembly Joint Resolution—Memorializing the Congress of the United States to refrain from imposing mandatory gasoline rationing as a fuel conservation measure and explore alternative conservation methods

Whereas, The American lifestyle, including work and recreation, is built around the private automobile; and

Whereas, Many sectors of the economy such as tourism and outdoor recreation are built upon the reasonable availability of gasoline fuel; and

Whereas, Some states and regions are far more dependent economically on gasoline fuel availability because average distances are great, public transportation is poor or nonexistent and because large percentages of jobs are directly tied to tourism; and

Whereas, Any uniform system of mandatory gasoline rationing will adversely affect certain states and regions far more than others; and

Whereas, The administrative costs of a rationing system will be excessive, the inequities will be both inevitable and great, the black marketeering that will result will mean higher prices for gasoline with no corresponding return to government at any level; and

Whereas, Other effective and equitable fuel conservation measures are possible such as more efficient gasoline engines, greater construction and use of urban and interurban mass transit, nonexportation of American oil supplies to foreign nations and greater study of alternate fuels for heat and the production of electrical power; now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada respectfully memorializes the Congress of the United States to refrain from imposing any form of mandatory gasoline rationing; and be it further

Resolved, That any program of energy conservation include the flexibility necessary to recognize the different fuel needs of different states and regions; and be it further.

Resolved, That every effort be made to develop alternate energy conservation measures such as the development of more efficient gasoline engines, the increased construction and use of urban and interurban mass transit, banning exportation of American oil to foreign countries, and the use of alternative fuels for the production of heat and electricity; and be it further.

Resolved, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and the members of the Nevada congressional delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 4481. An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 94–91).

PATENTS, TRADEMARKS, AND COPYRIGHTS—REPORT OF A COMMITTEE (REPT. NO. 94–92)

Mr. McCLELLAN, from the Committee on the Judiciary, submitted a report entitled "Patents, Trademarks, and Copyrights," prepared by the Subcommittee on Patents, Trademarks, and Copyrights, pursuant to Senate Resolution 255, 93d Congress, 2d session, which was ordered to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following House bills and joint resolution were each read twice by their titles and referred as indicated:

H.R. 568. An act to grant and alien child adopted by an unmarried U.S. citizen the same immigrant status as an alien child adopted by a U.S. citizen and his spouse; to the Committee on the Judiciary.

H.R. 3130. An act to amend the National Environmental Policy Act of 1969 in order to clarify the procedure therein with respect to the preparation of environmental impact statements; to the Committee on Interior and Insular Affairs.

H.R. 4109. An act to amend the Grand Canyon National Park Enlargement Act (88 Stat. 2089); to the Committee on Interior and Insular Affairs.

H.R. 4269. An act to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands; held at desk pursuant to the order of April 21, 1975.

H.J. Res. 242. A joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week"; to the Committee on the Judiciary.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 3787, an act to amend section 109 of title 23, United States Code, relating to the preparation of certain statements on highway projects in the States of New York, Vermont, and Connecticut, be referred jointly to the Committee on Interior and Insular Affairs and the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that H.R. 2808 be held at the desk until close of business on April 23. I have discussed this with the minority leader, who is agreeable, and with the Senator from Louisiana (Mr. JOHNSTON), who is on the subcommittee considering the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUGH SCOTT:

S. 1497. A bill to provide for the protection and preservation of the Gruber Wagon Works in Berks County, Pennsylvania. Referred to the Committee on Public Works.

By Mr. BEALL:

S. 1498. A bill to extend the authorization of appropriations for the National Institute of Education, to establish priorities on which the resources of the Institute will be concentrated, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. PHILIP A. HART:

S. 1499. A bill to establish a Mass Transit Development Bank to provide loan guarantees to business concerns which undertake the manufacture of rail or bus equipment; to stimulate new entry, reduce concentration, enhance competition and provide additional capacity in the mass transit manufacturing sector; to conserve energy, create new jobs, improve air quality, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JAVITS:

S. 1500. A bill to amend the Public Health Service Act to extend to commissioned officers of the Service the benefits and immunities of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended. Referred to the Committee on Labor and Public Welfare.

By Mr. GRAVEL (for himself and Mr. JACKSON):

S. 1501. A bill to extend the existence of the Joint Federal-State Land Use Planning Commission for Alaska. Referred to the Committee on Interior and Insular Affairs.

By Mr. RIBICOFF (for himself, Mr. PELL, Mr. KENNEDY, Mr. INOUYE, Mr. PASTORE, Mr. WEICKER, Mr. JACKSON, Mr. HUGH SCOTT, Mr. PHILIP HART, Mr. SCHWEIKER, Mr. BROOKE, Mr. WILLIAMS, Mr. STAFFORD, Mr. CASE, Mr. MAGNUSON, and Mr. LEAHY):

S. 1502. A bill to amend the Federal Unemployment Tax Act to provide a 5-year moratorium on application of the penalty imposed (through a reduction in the credit allowed employers against the Federal unemployment tax) by existing law on States which have failed to make timely repayment of certain advances made to the States unemployment account. Referred to the Committee on Finance.

By Mr. RANDOLPH:

S. 1503. A bill to amend the Fair Labor Standards Act of 1938 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service. Referred to the Committee on Labor and Public Welfare.

By Mr. MONTOYA (for himself, Mr. RIBICOFF, Mr. LONG, Mr. MCGEE, Mr. BURDICK, Mr. RANDOLPH, Mr. PHILIP A. HART, Mr. HUMPHREY, Mr. WILLIAMS, Mr. MONDALE, Mr. EAGLETON, Mr. CRANSTON, Mr. METCALF, Mr. HATFIELD, Mr. JACKSON, Mr. MCGOVERN, Mr. HOLLINGS, Mr. BEALL, Mr. MOSS, and Mr. JAVITS):

S. 1504. A bill to provide for coverage of certain drugs under medicare. Referred to the Committee on Finance.

By Mr. WILLIAMS:

S. 1505. A bill to declare a portion of the Delaware River in Burlington County, N.J., nonnavigable. Referred to the Committee on Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 1497. A bill to provide for the protection and preservation of the Gruber Wagon Works in Berks County, Pa. Referred to the Committee on Public Works.

Mr. HUGH SCOTT. Mr. President, I am introducing a bill to provide for the protection and preservation of the nationally registered Gruber Wagon Works which is located in an area of Berks County, Pa., scheduled for inundation by the Blue Marsh Lake.

The Gruber Wagon Works is extraordinary history.

"While there are a number of small 19th century factories in the United States that survive with their machinery and other equipment essentially intact, I know of no other where this is true to the extent that it is at Gruber's."—Mr. Robert M. Vogel, Chairman, Department of Science and Technology, the National Museum of History and Technology, Smithsonian Institution.

"In the opinion of the Historic American Engineering Record, the Gruber Wagon Works is the best example of a late 19th–early 20th century rural manufactory encountered during its national survey of historic industrial and engineering sites. The fact that it is 100 percent complete in plant and equipment and has not been modernized, aside from the period installations of a gasoline en-

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gine in 1906 and electric lighting in 1912, enhances its significance and probably makes the works unique. The Engineering Record strongly supports the desire to preserve this structure either in situ or at another suitable protected site. Furthermore, to separate the machinery and equipment from its physical plant would destroy the work's integrity and seriously jeopardize its historical significance."—Mr. A. R. Mortensen, Director, Office of Archeology and Historic Preservation, U.S. Department of the Interior.

Mr. President, walking through the Gruber factory is like taking a stroll to the days of yesteryear when a horse-drawn wagon was the principal means of transportation. It is this sense of history which prompted me to initiate action to assure the continued protection and permanent preservation of the Gruber Wagon Works and I urge my colleagues to join me in preserving the fabric and spirit of this survival—the only remaining monument to the craftsmanship of the American wheelwright.

I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1497

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for Blue Marsh Lake, Berks County, Pennsylvania,. a part of the plan for the comprehensive development of the Delaware River Basin, as authorized by section 201 of the Flood Control Act of 1962 (76 Stat. 1183), is hereby modified to authorize and direct the Secretary of the Army acting through the Chief of Engineers, to relocate and restore intact the historic structure and associated improvements known as the Gruber Wagon Works located on certain Federal lands to be inundated upon completion of the project.

SEC. 2. Upon completion of the relocation and restoration of the Gruber Wagon Works at a site mutually agreeable to the Secretary of the Army and the County of Berks, title to the structure and associated improvements and equipment shall be transferred to the County of Berks upon condition that such County agree to maintain such historic property in perpetuity as a public museum at no cost to the Federal Government.

SEC. 3. There are authorized to be appropriated such additional sums for the project for Blue Marsh Lake as may be necessary to carry out the provisions of this Act.

By Mr. BEALL:

S. 1498. A bill to extend the authorization of appropriations for the National Institute of Education, to establish priorities on which the resources of the Institute will be concentrated, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. BEALL. Mr. President, as the ranking minority member of the Education Subcommittee, I introduce legislation to extend the authorization for the National Institute of Education—NIE—and to designate priority areas on which the Institute will focus attention.

NIE was enacted in 1972 as a major research and development effort "to seek to improve education—in the United States." NIE was to address the fundamental education problems facing American education and to act as a cutting edge of education progress.

Since its birth, NIE has not been without problems or growing pains. In fact, it has been surrounded by controversy which at times seemed to threaten its very survival. There are numerous reasons for this including:

The inordinate delay in appointing the National Council on Educational Research which is the advisory body which has the responsibility of formulating general policy of the Institute.

The Institute has had leadership, management, and communication problems, particularly with the Congress. The Institute, viewed by some, was not addressing the real educational problem.

I am pleased that the President on April 5 nominated Dr. Harold L. Hodgkinson to be the new Director of the National Institute of Education. I am hopeful that the new Director combined with the legislation that Congress will enact will enable NIE to meet some of the expectations held by the education and research communities as well as the public.

I believe, however, that a caveat must be sounded to the Congress. Congress must be patient. Many of the educational problems confronting our country are most difficult; instant or magical solutions are not likely. Indeed, if they are, they probably would have been implemented. Yet, few will deny that assuring that our young people will receive an adequate education and training is critical. Although overall American education has an enviable, overall, good record, serious problems remain. The answers to many of these problems are not clear. We need basic answers with respect to the learning process and basic research in education so that we may gain the knowledge needed for the improvement and reform in education.

As a matter of fact, if there ever was a place for research, it is in the field of education. Considerable funds are being spent by Federal, State, and local jurisdictions as well as private organizations for educational purposes, but with so many of the funds being consumed for operating programs, these jurisdictions or organizations do not have funds adequate to support a research effort. Thus, the Federal Government should provide leadership and play an important role in educational research, just as we have done in the health area.

And it is good, Mr. President, for us to recall our efforts in the health research area. In research it is often difficult to measure the product. If we were to examine some of the projects of the National Institutes of Health, we as laymen, may wonder about the merits of a given project. However, it may be that this "questionable project" may produce the clue that leads to the cure for some disease or unlocks some mystery of the learning process.

In a 1973 floor speech I gave supportive of the funding of NIE, I pointed out the various expenditures on research as follows:

> In health our annual research and development represents 4.6 percent of the Nation's total expenditures on health. In agriculture it is 1 percent of the Nation's total expenditure for agriculture.
>
> But in education we are only spending three-tenths of 1 percent on research and development. In view of the importance of education and the size of our national efforts, current research and development seems inadequate.

Specifically the legislation I introduce contains four sections as follows:

Section 1 would identify priority research and development areas for the Institute. The problem areas the legislation identifies would include:

First. Improvement in student achievement in basic educational skills, including reading and mathematics;

Second. Overcoming problems related to the financing, productivity, and management of educational institutions;

Third. Improving the ability of schools to meet their responsibilities to provide equal educational opportunities for individuals from disadvantaged backgrounds and women;

Fourth. Preparation for persons to enter and progress in careers; and

Fifth. Improved dissemination and application of the results of educational research and development.

As the sponsor of the Reading Improvement Act, along with Senator EAGLETON, I am pleased that reading is identified as a priority area. During the hearings we will be focusing on the priority areas identified in the legislation to see if they are adequate or if some should be added or deleted. However, the bill's approach—to establish the general priority direction but not to be so specific as to straitjacket the Institute—is basically correct.

Section 2 provides for a number of perfecting amendments relating to the number of members of the National Council on Educational Research required for a quorum, the expiration date for the term of the members; and continuation of service of a member until his or her successor has been appointed and confirmed.

Section 3 authorizes the establishment and maintaining of fellowships at NIE similar to those successfully utilized by NIH.

Section 4 authorizes $80 million annually over a 3-year period. With respect to this section, I have serious questions with respect to the steady appropriations level. It is my understanding that the House Appropriations Committee is recommending $80 million for this fiscal year and although I believe in realistic authorizations, it would appear that higher authorization levels would be needed in the second and third years.

Mr. President, I am sure that the Education Subcommittee will be carefully examining NIE and this legislation providing for its extension.

By Mr. PHILIP A. HART:

S. 1499. A bill to establish a Mass Transit Development Bank to provide loan guarantees to business concerns which undertake the manufacture of rail or bus equipment; to stimulate new entry, reduce concentration, enhance competition and provide additional capacity in the mass transit manufacturing sector; to conserve energy, create new jobs, improve air quality, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

THE EMERGENCY MASS TRANSIT DEVELOPMENT ACT

Mr. PHILIP A. HART. Mr. President, as humans, we all have a tendency to look at the disappointments and frustrations of every day living as all bad. And, as a nation, we seem to do the same.

So kind words about the Arab oil embargo likely would raise some questions as to the sanity of the speaker. But that may be wrong.

For the embargo forced us to face problems in the energy area which most of us had been choosing to ignore. We had to recognize the finiteness of domestic energy supplies. We had to recognize the need to turn to mass transit as one means of saving domestic supplies and cutting dependence on foreign.

So if we act wisely based on this new awareness, the cloud of the embargo surely could turn out to have the silver lining we have been assured all dark clouds have.

Frankly, the promises mass transit holds are impressive—not only for the obvious benefits of saving energy and being less polluting, but for jobs and a boost to the economy.

Fortunately, Congress already started us down that road by enacting the National Mass Transportation Assistance Act last November. This provides $11.8 billion over 6 years for the cities to purchase bus and rail equipment. In addition, $800 million a year in Federal Highway Trust Fund revenues are being provided for mass transit.

Obviously, this is not sufficient to build quickly much in the way of mass transit systems. But it is a start. And, it already brings us up against a problem which has been spotlighted by Senate Antitrust and Monopoly Subcommittee hearings; the shortage of manufacturing capacity for buses and subway cars and the lack of competition in the industry.

Today I introduce the Emergency Mass Transit Development Act which is aimed at relieving both of those problems. Along with this, we should harvest the other benefits of increased employment, more pollution-free cities and energy conservation.

Mr. President, we are all sensitive to the charge that politicians tend to exaggerate—especially when listing the wonders of any piece of legislation they sponsor. So I am a bit hesitant in getting into the specifics of what turning to a balanced transportation system could mean. But, I assure you, the figures are conservative and as responsible as we could make them, based on input from several experts in the area.

Our estimates are based on shifting by 1985 one-fifth of our motor vehicle traffic to rail and bus transport. This is the mix of public and private transport alternatives currently available in European countries and in Japan.

If we did so, it is estimated we could gain:

More than one million new jobs. About 450,000 would be in manufacturing and about 50,000 in construction. The rest would come on stream as the vehicle did.

Almost 1 million barrels of oil conserved daily.

Unfortunately, we do not today have the capacity to produce the mass transit vehicles necessary.

Currently about one-half of all city buses assembled in this country come from one firm, General Motors. GM also manufacturers about 95 percent of all bus diesel engines, transmissions, and other power train components. So, at the moment, the price, variety and quality of the final product for the other two assemblers, Rohr and AM General, pretty much depends on their one supplier.

Last year, we produced about 3,500 full-sized city buses. At the same time Japan, with about half the U.S. population, produced 40,000. Currently there is an 8- to 18-month backlog in orders for buses and many of our cities are now shopping abroad.

Early last year, Mayor Tom Bradley of Los Angeles told the Senate Antitrust Subcommittee of the problems his city had in getting buses. He warned that—

> If the American bus manufacturing capability is unwilling to respond to the increased need, bus operators and undoubtedly the federal government, will have to turn to foreign firms for increased supply.

Today New York, Los Angeles and several other small cities operate buses built abroad.

In part this is because of the lack of suppliers here and in part because European builders offer more variety of choice. For example, double-deckers which carry more riders for less road space, and articulated—or multiunit—buses are available only from foreign suppliers. Ironically, both ideas originated in the United States.

The decline in America's rail manufacturing industry is no less disturbing. Once we were the leader in rail production—with hundreds of rail systems in our cities and a network of railroads linking the cities. It was a system envied worldwide.

Today, one firm, General Motors, builds 80 percent of our rail diesel locomotives—and no one builds the advanced, faster, more energy-efficient electric units which other nations use extensively. As a result, when Amtrak recently decided to purchase turbotrains for passenger service, it went to France. And if it should one day decide to buy the most advanced electric locomotives, it probably would shop in Sweden or Japan, where 150-mile-per-hour bullet trains have become commonplace.

Mr. President, there are many theories as to why the United States has fallen so far behind in production of mass transit. There are legitimate concerns to be examined. But the most important issue today as we seek to adopt the benefits mass transit offers is that we develop the capacity—and add the competition which history tells us produces the best products at the best prices.

This is the intent of the bill I introduce today.

Basically, this bill established an interagency Emergency Mass Transit Development Bank which could guarantee loans up to a total of $3 billion for new firms entering rail and bus production.

Guarantees would be available only to firms unable to obtain financing without them and only to new entrants in the phase of the industry being financed. Borrowers already engaged in mass transit assembly would be eligible to start up components manufacturing. Those in mass transit manufacturing would be eligible if they wished to enter assembly. Chrysler, for example, could apply for loan guarantees to produce mass transit components and/or assembly. American Motors, already a significant factor in bus assembly, could apply for a guarantee for engine production or any phase of rail production.

Special preference will be given to applicants who will make use of existing automotive facilities and manpower. You do not have to be a Senator from Michigan to know that the auto industry now has much excess capacity both in plants and personnel. This bill seeks to use both—as an efficient and effective way to get the mass transit building program underway quickly.

And what sense would it make to use Federal funds to underwrite overseas employment?

Mr. President, the bill is tailored to reflect concern for economy in Government. It would require no drain on the Federal budget—absent any defaults. It establishes no new agency, no new level of bureaucracy. The Bank would be composed of the Secretary of the Treasury, the Chairman of the Federal Trade Commission and three others appointed by the President upon the recommendation of the Senate and House Banking Committees, by and with the advice and consent of the Senate. The Bank would be located in the Treasury Department, utilizing those personnel and facilities. It has a life-span of 15 years, by which time it should complete its task and pass out of existence.

This measure is founded on strong precedent. At the outbreak of World War II, the Government feared that it would have to fight a war without an adequate supply of aluminum. At the same time, Alcoa dominated the production of this vital war time material and demonstrated little interest in expanding capacity. To stimulate new entry, the Government provided loan assistance through the Reconstruction Finance Corporation to business concerns interested in starting up aluminum production and fabrication. The program was a significant success. During the war, U.S. aluminum capacity increased sevenfold, up to 45 times in some fabrication stages. And competition, which for years had been silenced, was reborn as Reynolds and Kaiser entered production. Although the exigencies of war provided the backdrop for the Government's action then with respect to aluminum, the pressing need today for additional capacity in mass transit production would seem no less compelling.

Mr. President, what we have before us is the possibility of the rebirth of an industry. As we all know, two things are basic to making a market: a buyer and a seller. In recent years, the buyers for mass transit vehicles have been rather

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sparse. But, as the Federal Government recognizes the national interest in helping budget-bound cities make these purchases a significant demand will grow. Therefore, we could be most hopeful that sellers too would begin to appear. Unfortunately, after many years with the Antitrust Subcommittee, I am not hopeful this would develop without a comparable boost from Government. There are significant economic barriers to entry in this industry. Constructing and equipping a plant for making diesel bus engines, for example, would cost about $600 million.

And, unfortunately, there are other very real barriers to entry which come from the present structure of the industry. In the real world—the very real one bankers inhabit—it is highly unlikely that a new entrant could get a loan if he wished to enter a market where one company already had 90 percent of the market.

For these reasons, I suggest the wisdom in once more having the Government step in to encourage competition in an industry.

We could gain all the benefits talked of before and more: a well-balanced transportation system where autos are used for their special advantages of mobility and mass transit moves us back and forth in the inner city.

Mr. President, I ask unanimous consent that a section-by-section analysis of my bill be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS: EMERGENCY MASS TRANSIT DEVELOPMENT ACT

ESTABLISHMENT OF THE MASS TRANSIT DEVELOPMENT BANK

Sec. 3(a) establishes the Mass Transit Development Bank as an interagency lending guarantor located within the Department of the Treasury. It is placed in Treasury in order to benefit from that agency's experience in loan guarantee matters and to avoid the necessity of creating a new level of government bureaucracy. As the Bank will operate within his Department, it is appropriate for the Secretary of the Treasury to serve as its Chairman. To oversee the competitive impact of the Bank's financial operations, the Chairman of the Federal Trade Commission is included as a Bank member. Three additional members shall be appointed by the President from among individuals recommended by the Senate and House Committees on Banking, by and with the advice and consent of the Senate. Subsections (b) and (c) are self-explanatory.

Subsection (d) is designed to provide the Bank with expert advice on mass transit, energy and environmental matters as they relate to the Bank's loan guarantee responsibilities under this Act.

AUTHORITY

Sec. 4 authorizes the Bank to guarantee lenders against default by borrowers which qualify under this Act. In the event of default, however, the Bank would be required to seek an appropriation from Congress, pursuant to Sec. 13, analyzed *infra*.

LIMITATION AND CONDITIONS

Sec. 5(a)(1). The primary purpose of this Act is to stimulate new entry, expand capacity, and enhance competition in both the manufacturing and assembly stages of mass transit equipment production. To that end, subsections (A) through (C) disqualify prospective borrowers already engaged in the assembly or manufacturing activity for which loan guarantees are sought. An assembler of buses, therefore, could apply for loan guarantees to undertake the manufacture of bus components, such as diesel engines or transmissions, but not to expand its bus assembly operations. Likewise, a manufacturer of bus components would be eligible for loan guarantee assistance to undertake bus assembly, but not to expand its bus manufacturing operations. Bus assemblers and manufacturers could also apply for loan guarantees to undertake rail assembly and/or manufacturing, provided they were not already engaged in that production activity. The same limitations would apply to rail assemblers and manufacturers. Business concerns not engaged in mass transit assembly or manufacturing would be entitled to apply for loan guarantees to facilitate entry into either or both stages of mass transit production.

As indicated in subsections (A)(i) and (ii), borrowers would be required to undertake *domestic* assembly or manufacturing of mass transit equipment. However, foreign-based firms which sought to undertake mass transit production in the United States either de novo or through joint venture would be eligible for loan guarantees under this Act.

Subsection (D) specifies that loan guarantees be provided only if credit is not otherwise available to borrowers under reasonable terms and conditions. This requirement should be strictly construed against established enterprises which historically have encountered little difficulty in obtaining credit from the private capital market. This Act is designed to benefit new enterprises otherwise barred from entering bus or rail production due to the existence of high capital barriers. It is not intended as a subsidy for those firms which, already having secured a position of prominence in an industry, seek to expand capacity in an effort to deter new entry. Nor is it intended to provide government assistance to establish firms otherwise capable of financing entry into a new transportation field.

Subsection (E) and (a)(2) are standard provisions in loan guarantee measures of this kind.

DEFINITIONS

Sec. 6. Subsection (a) is self-explanatory. Subsection (b) defines "borrower" to include foreign as well as domestic business enterprises. Subsection (c) is intended to restrict loan guarantees to actual or prospective producers of state-of-the-art transit vehicles which are capable of being used in high capacity mass transportation service. It excludes, therefore, producers of school buses and other vehicles not intended for mass transportation. It also excludes producers of purely experimental hardware such as air-cushioned vehicles which could not be utilized in the immediate short term. Subsections (d) and (e) identify major groups of bus and rail components.

CONVERSION OF AUTOMOTIVE MANUFACTURING CAPACITY AND MANPOWER; PRIORITIES

Sec. 7. This section requires the Bank to give priority in its treatment of loan guarantee applications to borrowers which intend to convert excess auto facilities or manpower to mass transit production. It is assumed that conversion of these facilities and utilization of skilled automotive manpower would represent the lowest-cost means to expanded capacity and heightened competition in mass transit production.

SECURITY FOR LOAN GUARANTEES

Sec. 8. This section permits the Bank to exercise its own discretion on the issue of what constitutes adequate security for loans which it guarantees. The language employed was derived from the Reconstruction Finance Act of 1932, as amended.

REQUIREMENTS APPLICABLE TO LOAN GUARANTEES

Sec. 9 sets forth several safeguards whose intended purpose is to protect the interest of the government and the public with respect to guaranteed loans. Subsection (a)(2), for example, requires that while there is any principal or interest remaining unpaid on a guaranteed loan the enterprise may not declare a dividend on its common stock or make any payment on its other indebtedness to a lender whose loan has been guaranteed.

INSPECTION OF DOCUMENTS; AUTHORITY TO DISAPPROVE CERTAIN TRANSACTIONS

Sec. 10 authorizes the Bank to review and in some cases disapprove the transactions of a borrower which has received assistance under this Act. The Bank may use this authority only to the extent necessary to protect the financial interests of the government and to insure that the objectives of this Act are satisfied completely.

MAXIMUM OBLIGATION LIMITATION

Sec. 11 provides a maximum loan guarantee limit of $3,000,000,000 during the three year period ending October 1, 1978. This amount is based on estimates of the capital required for the establishment of bus and rail producers. Obligation limits as to individual borrowers and production activities are based on current estimates of start-up costs associated with bus or rail production entry.

ANNUAL REPORTS AND MAXIMUM OBLIGATION REQUESTS

Sec. 12. To provide Congress with appropriate and timely review of its operations, this section requires the Bank to submit annual reports of its activities and to submit requests for increased obligation authority at successive three year intervals.

EMERGENCY LOAN GUARANTEE FUND

Sec. 13 requires the Bank to collect a loan guarantee fee in connection with each loan guaranteed by it under this Act. It also establishes an emergency loan guarantee fund in the Treasury into which loan guarantee fees will be deposited and from which funds can be drawn in the event of borrower default. To the extend that a default exceeds the funds available in the emergency loan guarantee fund, the Bank is authorized to issue notes or other obligations in an aggregate amount not exceeding the amount approved in an appropriation Act. In short, the Bank would be able to guarantee loans without an appropriation; but it would need an appropriation from Congress in the event of a default which exceeded moneys available in the emergency loan guarantee fund.

FEDERAL RESERVE BANKS AS FISCAL AGENTS

Sec. 14 provides the Bank with a convenient nationwide network of fiscal agents to assist it in carrying out the purposes of this Act.

TERMINATION

Sec. 16 provides that the Bank shall terminate its operations approximately fifteen years after the date of enactment. This section reflects the belief that the Bank exists to solve a specific problem, namely, the absence of capacity and competition in mass transit production. The Bank is not intended to be a regulatory body and, when the problem of capacity and competition in mass transit is solved, it will pass out of existence. It is anticipated that a fifteen-year life will enable the bank to complete the tasks assigned it under this Act.

By Mr. JAVITS:

S. 1500. A bill to amend the Public Health Service Act to extend to commissioned officers of the Service the benefits and immunities of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, I introduce today a bill to insure that Public Health Service Commissioned Corps officers are provided the same treatment with regard to State income taxation as is afforded under the laws of the Federal government and the laws of the various States with respect to the members of the other uniformed services.

The PHS Commissioned Corps is governed by a personnel system—including appointment, promotion, pay, leave, and retirement—which is similar or identical to the personnel system of the Army, Navy and Air Force. Like officers of the other services, PHS commissioned officers are subject to assignment to any location in the world to which the Public Health Service orders them. To this extent, the Congress has recognized the similarity between service in the Public Health Service and service in the Armed Forces, and PHS officers enjoy many of the rights, benefits, and privileges provided members of the Armed Forces under Federal law. In addition, a male officer serving in the PHS Commissioned Corps could fulfill his selective service obligation when the draft was operative.

Unfortunately, the Commissioned Corps of the U.S. Public Health Service does not have available to it the provisions of the Soldiers and Sailors Civil Relief Act. As a matter of fact, on December 31, 1970, President Nixon signed into law a bill—Public Law 91–621—which extended to commissioned officers of the National Oceanic and Atmospheric Administration—NOAA—the provisions of the act, leaving the PHS Commissioned Corps as the only uniformed service not covered under this act.

A provision of the Soldiers and Sailors Civil Act of 1940—title 50, United States Code—war, appendix, section 574—provides, in effect, that for the purposes of State income tax liability a member of the military service shall not be regarded as having lost his residence or domicile in his "home" State solely because he is absent under military or naval orders; nor shall he be regarded as having acquired a residence or domicile in any other State solely because of such absence. It also provides that a State—other than "home" State—cannot tax the income of a member of a military service merely because he resides and/or performs his duties there. The act further provides that a member of a military service may continue to register and license his solely owned automobile in his State of legal residence provided that the license, fee or excise required by that State has been duly paid.

One of the basic elements of the Public Health Service Commissioned Corps is mobility. Commissioned officers spend many years of their careers at stations which are located in a State other than the home State. In many instances, this results in the officer's having to pay a State income tax in two or more jurisdictions. To this extent the officers involved receive a reduction in pay as compared to their fellow officers in the other uniformed services who are only required to pay an income tax in the State of their domicile, and then only if such State imposes an income tax.

In view of these circumstances, PHS officers should be provided this long overdue benefit and that is what this bill achieves. It would not entail the expenditure of any Federal funds and corrects an inequity in existing law.

By Mr. GRAVEL (for himself and Mr. JACKSON):

S. 1501. A bill to extend the existence of the Joint Federal-State Land Use Planning Commission for Alaska. Referred to the Committee on Interior and Insular Affairs.

Mr. GRAVEL. Mr. President, I am today introducing legislation which would extend the life of the Joint Federal-State Land Use Planning Commission for Alaska until December 31, 1978.

Established under terms of the Alaska Native Claims Settlement Act of 1971—ANCSA—the Commission has proved to be invaluable to the orderly implementation of the ANCSE in Alaska. The commission has been successful in working not only with village and regional native corporations established under ANCSA in treatment of problems and issues surrounding implementation of ANCSA but also with the executive and legislative branches of Alaska State government, various land user groups, conservation organizations, and private individuals. The commission has acquired a stable record of achievement in dealing with present and future issues surrounding the implementation of the act.

One key area of commission study and recommendation, which was specifically mandated by the Congress, is the addition of up to 80 million acres of land in Alaska to the four national conservation systems. Under the terms of ANCSA Congress has until December 18, 1978 to take final action on these so-called D–2 lands. In view of the valuable contribution of the commission to these decisions, which are of extreme importance to the State of Alaska and the Nation, it would be extremely unfortunate if the Commission were allowed to expire in advance of final congressional action on the D–2 lands. The legislation I have introduced today would insure that the life of the Commission is extended at least until consideration of this important matter is completed.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1501

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 (a) (10) of the Alaska Native Claims Settlement Act (85 Stat. 688, 708) is amended to read as follows:

"(10) The Planning Commission shall submit, in accordance with this paragraph, comprehensive reports to the President of the United States, the Congress, and the Governor and Legislature of the State with respect to its planning and other activities under this Act, together with its recommendations for programs or other actions which it determines should be taken or carried out by the United States and the State. A comprehensive report covering the above matter shall be so submitted on or before May 30, 1976. A final and comprehensive report covering the above matter shall be so submitted on or before December 31, 1978. The Commission shall cease to exist effective December 31, 1978.".

By Mr. RIBICOFF (for himself, Mr. PELL, Mr. KENNEDY, Mr. INOUYE, Mr. PASTORE, Mr. WEICKER, Mr. JACKSON, Mr. HUGH SCOTT, Mr. PHILIP HART, Mr. SCHWEIKER, Mr. BROOKE, Mr. WILLIAMS, Mr. STAFFORD, Mr. CASE, Mr. MAGNUSON, and Mr. LEAHY):

S. 1502. A bill to amend the Federal Unemployment Tax Act to provide a 5-year moratorium on application of the penalty imposed—through a reduction in the credit allowed employers against the Federal unemployment tax—by existing law on States which have failed to make timely repayment of certain advances made to the State's unemployment account. Referred to the Committee on Finance.

UNEMPLOYMENT LOAN EXTENSION

Mr. RIBICOFF. Mr. President, today I am introducing legislation to provide Connecticut and a number of other States with a 3-year extension of their loans from the Federal Government for unemployment compensation. This legislation would also suspend the penalty tax provisions which are now in effect for failure to repay the 2-year loans on time.

I am pleased that this legislation is being cosponsored by Senators PELL, KENNEDY, INOUYE, PASTORE, WEICKER, JACKSON, HUGH SCOTT, PHILIP HART, SCHWEIKER, BROOKE, WILLIAMS, STAFFORD, CASE, MAGNUSON, and LEAHY.

Connecticut workers and their families, and the business that employs them, face an emergency situation with respect to unemployment compensation. The most recent statistics available show that at least 137,100 Connecticut workers are unemployed. This amounts to a 9.5-percent unemployment rate.

The funds available to pay for the increased unemployment compensation claims have simply been inadequate to meet State needs.

As a result, Connecticut has already had to borrow $149 million from the Federal Government and has applied for $17 million more in order to pay unemployment claims.

A portion of the loans, which are made for a 2-year period, have already come due as of January 31, 1975.

Connecticut, because of high unemployment, has been unable to repay the loan. Under Federal law this means that a penalty tax of three-tenths of 1 percent is imposed on top of the present unemployment tax. Unless Connecticut repays the loans the penalty rate will continue in effect.

This means that Connecticut employers will have to pay as much as $15 million in penalties this year. At a time when Connecticut's economy is depressed, such penalties can do nothing to help revive the economy.

This problem does not just affect Connecticut. A growing number of jurisdic-

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tions are finding that their unemployment funds are running dry.

In fact seven States—Connecticut, Rhode Island, Washington, New Jersey, Michigan, Massachusetts, Vermont, and Puerto Rico have had to borrow to meet their unemployment compensation claims. And at least another seven with precariously low funds—Hawaii, Minnesota, Nevada, Maine, Pennsylvania, Montana, and Oregon will in all probability be forced to borrow by the end of the year.

Since January of this year the Federal Government has loaned a total of $491 million. The Labor Department estimates that between $850 and $2 billion in additional loans will have to be made to needy States this year alone.

Clearly the unemployment situation is not going to improve overnight. States will have to borrow more. That is why I am proposing this loan extension. Hopefully States will be in better financial condition and will have improved their own State unemployment tax mechanisms when the loan finally comes due.

In the last Congress the Senate accepted my amendment to extend the unemployment loan repayment provisions. Unfortunately the House refused to accept the Senate provisions. At that time the chairman of the Ways and Means Committee, Mr. MILLS, attributed Connecticut's problem to "the result of its failure to respond to the need to raise additional tax revenues in recent years. Mr. MILLS pointed out that unless action is taken at the State levels to increase unemployment compensation revenue nothing would be done at the Federal level.

Since that time the problem has grown more acute. The States are making good faith efforts to provide the revenues necessary to meet unemployment compensation needs. But in a declining economy this is a difficult thing to accomplish.

In Connecticut the general assembly is now taking steps to increase the wage base and/or the rate upon which the employer's contribution is determined. This will provide some relief in the future. But it will not remove the immediate repayment burden which Connecticut employers and their employees face.

The Ribicoff proposal will provide a 3-year breathing spell and remove the burden of the penalty tax.

I urge my colleagues to give this matter immediate attention.

By Mr. RANDOLPH:

S. 1503. A bill to amend the Fair Labor Standards Act of 1938 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service. Referred to the Committee on Labor and Public Welfare.

Mr. RANDOLPH. Mr. President, I introduce for appropriate reference a bill to exempt rural letter carriers from the overtime provisions of the 1974 amendments to the Fair Labor Standards Act.

On May 1, 1974, amendments were enacted to the Fair Labor Standards Act in Public Law 93–259. One of these amendments provided that the provisions of the act apply to Federal employees, including employees of the U.S. Postal Service.

Subsequently it was recognized that the rural carrier pay system was incompatible with certain provisions of the Fair Labor Standards Act. Both the rural carrier schedule and the heavy duty schedule are incentive-type systems with compensation based upon the mileage of the route, or on the weekly evaluation of the route, whichever schedule provides the greater salary. The Fair Labor Standards Act requires that overtime compensation is payable at 150 percent of the hourly rate for any week that an employee actually works in excess of 40 hours.

The current compensation for the Nation's more than 30,000 rural carriers is based upon the established rate for PS schedule 5, with a 42-mile route regarded as the equivalent of a 40-hour week. The current rural carrier schedule pays $28.50 per mile for those miles in excess of 42 miles. The average length of a rural route is 70 miles. The heavy duty schedule is computed on the basis of 150 percent of the PS–5 hourly rate for all evaluated hours in excess of 40 hours a week. Thus, the vast majority of rural routes already are compensated at an overtime rate for all hours worked in excess of 40 hours.

The compensation as described is guaranteed to a rural carrier regardless of the number of hours actually worked. It is a pay system which has proven to be beneficial to rural carriers and the U.S. Postal Service alike. Rural carriers understand that they will receive a specific annual wage to perform the duties of a particular route. The Postal Service is assured of having the work performed in a satisfactory manner with a minimum of supervision.

The Fair Labor Standards Act, as amended, now requires that a rural carrier shall be compensated at an overtime rate for all hours actually worked in excess of 40 hours in any week.

To comply with the provisions of the Fair Labor Standards Act, the Postal Service and the association have agreed on a memorandum of understanding to supplement the current national agreement. The basic principle of the memorandum is that rural carrier craft employees shall be paid the difference between the weekly earnings for the hours actually worked, computed at an overtime rate for all hours over 40 hours; or the weekly salary computed from the appropriate salary charts, except that no additional compensation shall be payable for any additional hours worked under 40 hours a week.

The National Rural Letter Carriers Association through its president, Rall M. Rainwater, contends that it is administratively impossible to tailor the many thousands of rural routes to a 40-hour week because of wide variations of terrain, weather, road conditions and geographic isolation. The association is requesting legislation to exempt rural carriers from the provisions of the Fair Labor Standards Act. Representative WILLIAM D. FORD of Michigan has introduced legislation (H.R. 3942) in the House of Representatives which would accomplish this change. The bill I introduce today is identical to H.R. 3942.

Louis A. Cox, General Counsel of the U.S. Postal Service, has outlined the Service's support for this provision. In a letter dated December 4, 1974, Mr. Cox wrote:

> Implementation of the Fair Labor Standards Act has created a number of problems for the Postal Service. Most of the problems seem on their way to solution. One problem, however, concerning rural letter carriers, appears intractable and requires the corrective legislation proposed for the reasons set forth below.

Mr. Cox then details the system of compensation under which rural letter carriers have operated since the beginning of this unique Federal service, concluding:

> The Postal Service likewise considers the present system highly satisfactory in providing effective rural mail service. In short, we believe that there are compelling reasons for retaining the present compensation system and rural carriers. To date, however, we have not been able to find a way to do so which clearly establishes compliance with the provisions of the Fair Labor Standards Act. Indeed, after discussing the problem with officials of the Wage and Hour Division of the Department of Labor, which has jurisdiction to administer the provisions of FSLA with respect to postal employees, it appears that corrective legislation is the only solution. Accordingly, we strongly support the enactment of this suggested amendment.

Mr. President, both the Postal Service and the rural carriers agree that it is impractical to adjust all the 30,000 rural routes in the United States to comply with the FLSA requirements. It would result in innumerable address changes to adjust such routes, and in disruption or curtailment of service to rural clients. There is no additional money authorization involved in this change since pay scales and route evaluations are built into the present Postal Service contract.

The memorandum of understanding under which the rural carriers are presently operating is only a temporary solution to the problems involved, and will terminate at the expiration of the national agreement. Negotiations on a new contract are scheduled to begin this month. Therefore, there is an immediate need for corrective legislation which will enable the two parties to negotiate their new contract on the basis of the existing compensation schedule. I emphasize that this legislation would be applicable only to rural carriers, because of their unique working conditions, and would not apply to other Postal Service employees who benefit from the protection of the Fair Labor Standards Act.

Mr. President, I ask that a copy of the proposed amendment to the act be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 207) is amended by adding at the end thereof the following new subsection:

"(o) Notwithstanding the provisions of subsection (a) of this section, any employee of the United States Postal Service occupying a position whose regular duty involves the collection and delivery of mail on a rural route may be paid at a rate of compensation established or determined under any collective-bargaining agreement made under chapter 12 of title 39, United States Code, between the Postal Service and any bargaining representative recognized under section 1203 of such title.".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to any collective-bargaining agreement between the United States Postal Service and any bargaining representative recognized under section 1203 of title 39, United States Code, in effect on or after the date of the enactment of this Act.

By Mr. MONTOYA (for himself, Mr. RIBICOFF, Mr. LONG, Mr. MCGEE, Mr. BURDICK, Mr. RANDOLPH, Mr. PHILIP A. HART, Mr. HUMPHREY, Mr. WILLIAMS, Mr. MONDALE, Mr. EAGLETON, Mr. CRANSTON, Mr. METCALF, Mr. HATFIELD, Mr. JACKSON, Mr. MCGOVERN, Mr. HOLLINGS, Mr. BEALL, Mr. MOSS, and Mr. JAVITS):

S. 1504. A bill to provide for coverage of certain drugs under medicare. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, in past years I have proposed legislation to afford some degree of protection to older Americans confronted with the need to purchase costly prescription drugs. At the very least, these drugs become a burden on the already tightly stretched budgets of the elderly. For some, the cost of medication is a financial catastrophe that has far-reaching effects both on the elderly person and on his family and friends.

Since last I worked on an out-patient drug insurance program, the cost of living, staple prices and inflation have cut deeper into small, fixed incomes. Now the cost to the old to heat their homes and provide warm security for their future is spurting upward. And drugs themselves, always a financial drain on the elderly, now cost more.

Today with 17 cosponsors I am again sponsoring legislation to provide what I believe to be a workable insurance program that would provide much needed assistance to millions of hard pressed elderly citizens with chronic illnesses. In the years since 1965, I have offered proposals substantially similar to this measure. Last year, this concept was endorsed by the Senate, but dropped in conference with the House. I sincerely feel that the time has come for a new look at the needs of the elderly who are chronically ill.

When I first introduced legislation to provide assistance for elderly persons confronted with costs of prescription drugs, I sought to have the costs of all drugs covered. During committee hearings, however, it became clear that the measure originally would have been prohibitively expensive. Costs were estimated at $2.6 billion. On the other hand, it became apparent to the committee that drug costs incurred by the elderly, especially continuing costs of chronic illness, are impossibly high.

As a result, modifications were made which reduced the expected cost of the legislation to $740 million yearly, while still providing protection for those who need it most.

I am sure every Senator is aware of the difficulties encountered by older citizens subsisting on the little income most of the elderly receive. These tiny amounts made up of pensions, social security and retirement benefits, at best are barely able to keep pace with the cost of living. While a person struck by a sudden illness may be forced to expend a great deal of his income over several months for drugs, his illness will usually be temporary and require short-term expense.

But a chronic, lingering malady, such as heart disease, can require such large and continuing expenses for medication that hopelessness and loss of zest for life ahead may set in. Instead of viewing medicine as preservers of life, many chronically ill elderly people see their lives as wearisome spirit-sapping treks from one costly prescription to the next.

We must provide those older Americans with the normal assistance they need. All but the newest Members of the Senate agreed last year on the necessity for this legislation. I trust we can do so again.

We must not be careless with the finances of the United States, but we must place this proposal for the elderly high on the national list of priorities. Such action is only humane. Moreover, the measure will eventually become law and its immediate enactment will lighten the burden the elderly must face every month until we act.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 226(c)(1) of the Social Security Act is amended by striking out "and post-hospital home health services" and inserting in lieu thereof "post-hospital home health services, and eligible drugs."

(b) Section 1811 of such Act is amended by inserting "and eligible drugs" after "related post-hospital services".

(c) Section 1812(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) the following new paragraph:

"(4) eligible drugs.".

(d) Section 1813(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) The reasonable allowance, as defined in section 1823, for eligible drugs furnished an individual pursuant to any one prescription (or each renewal thereof) and purchased by such individual at any one time shall be reduced by an amount equal to the applicable prescription copayment obligation which shall be $1."

(e)(1) Section 1814(a) of the Social Security Act is amended—

(A) by striking out "and" at the end of paragraph (6);

(B) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (7) the following new paragraph:

"(8) with respect to drugs or biologicals furnished pursuant to and requiring (except for insulin) a physician's prescription, such drugs or biologicals are eligible drugs as defined in section 1861(t) and the participating pharmacy (as defined in section 1861(dd)) has such prescription in its possession, or some other record (in the case of insulin) that is satisfactory to the Secretary."

(2) Section 1814(b) of such Act is amended—

(A) by inserting "(1)" after "(b)",

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B) respectively,

(C) by redesignating in subparagraph (A), as redesignated, clauses (A) and (B) as clauses (i) and (ii);

(D) by inserting "(other than a pharmacy)" immediately after "provider of services", and

(E) by adding at the end thereof the following new paragraph:

"(2) The amount paid to any participating pharmacy which is a provider of services with respect to eligible drugs for which payment may be made under this part shall, subject to the provisions of section 1813, be the reasonable allowance (as defined in section 1823) with respect to such drugs."

(f) Section 1814 of such Act is amended by adding at the end thereof the following new subsection:

"Limitation on Payment for Eligible Drugs

"(j) Payment may be made under this part for eligible drugs only when such drugs are dispensed by a participating pharmacy; except that payment under this part may be made for eligible drugs dispensed by a physician where the Secretary determines, in accordance with regulations, that such eligible drugs were required in an emergency or that there was no participating pharmacy available in the community, in which case the physician (under regulations prescribed by the Secretary) shall be regarded as a participating pharmacy for purposes of this part with respect to the dispensing of such eligible drugs."

(g) Part A of title XVIII of such Act is further amended by adding after section 1819 the following new sections:

"MEDICARE FORMULARY COMMITTEE

"SEC. 1820. (a)(1) There is hereby established, within the Department of Health, Education, and Welfare, a Medicare Formulary Committee (hereinafter referred to as the 'Committee'), a majority of whose members shall be physicians and which shall consist of the Commissioner of Food and Drugs and of four individuals (not otherwise in the employ of the Federal Government) who do not have a direct or indirect financial interest in the composition of the Formulary established under this section and who are of recognized professional standing and distinction in the fields of medicine, pharmacology, or pharmacy, to be appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Chairman of the Committee shall be elected annually from the appointed members thereof, by majority vote of the members of the Committee.

"(2) Each appointed member of the Committee shall hold office for a term of five years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, one

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at the end of each of the first five years. A member shall not be eligible to serve continuously for more than two terms.

"(b) Appointed members of the Committee, while attending meetings or conferences thereof or otherwise serving on business of the Committee, shall be entitled to receive compensation at rates fixed by the Secretary (but not in excess of the daily rate paid under GS–18 of the General Schedule under section 5332 of title 5, United States Code), including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) (1) The Committee is authorized, with the approval of the Secretary, to engage or contract for such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Committee such secretarial, clerical, and other assistance as the Formulary Committee may require to carry out its functions.

"(2) The Secretary shall furnish to the Committee such office space, materials, and equipment as may be necessary for the Formulary Committee to carry out its functions.

"MEDICARE FORMULARY

"Sec. 1821. (a) (1) The Committee shall compile, publish, and make available a Medicare Formulary (hereinafter in this title referred to as the 'Formulary').

"(2) The Committee shall periodically revise the Formulary and the listing of drugs so as to maintain currency in the contents thereof.

"(b) (1) The Formulary shall contain an alphabetically arranged listing, by established name, of those drug entities within the following therapeutic categories:

"Adrenocorticoids
"Anti-anginals
"Anti-arrhythmics
"Anti-coagulants
"Anti-convulsants (excluding phenobarbital)
"Anti-hypertensives
"Anti-neoplastics
"Anti-Parkinsonism agents
"Anti-rheumatics
"Bronchodilators
"Cardiotonics
"Cholinesterase inhibitors
"Diuretics
"Gout suppressants
"Hypoglycemics
"Miotics
"Thyroid hormones
"Tuberculostatics

which the Committee decides are necessary for individuals using such drugs. The Committe shall exclude from the Formulary any drug entities (or dosage forms and strengths thereof) which the Committee decides are not necessary for proper patient care, taking into account other drug entities (or dosage forms and strengths thereof) which are included in the Formulary.

"(2) Such listing shall include the specific dosage forms and strengths of each drug entity (included in the Formulary in accordance with paragraph (1)) which the Committee decides are necessary for individuals using such drugs.

"(3) Such listing shall include the prices at which the products (in the same dosage from and strength) of such drug entities are generally sold by the suppliers thereof and the limit applicable to such prices under section 1823(b) (1) for purposes of determining the reasonable allowance.

"(4) The Committee may also include in the Formulary, either as a separate part (or parts) thereof or as a supplement (or supplements) thereto, any or all of the following information:

"(A) A supplemental list or lists, arranged by diagnostic, prophylactic, therapeutic, or other classifications, of the drug entities (and dosage forms and strengths thereof) included in the listing referred to in paragraph (1).

"(B) The proprietary names under which products of a drug entity listed in the Formulary by established name (and dosage form and strength) are sold and the names of each supplier thereof.

"(c) Any other information with respect to eligible drug entities which in the judgment of the Committee would be useful in carrying out the purposes of this part.

"(c) In considering whether a particular drug entity (or strength or dosage form thereof) shall be included in or excluded from the Formulary, the Committee is authorized to obtain (upon request therefor) any record pertaining to the characteristics of such drug entity which is available to any other department, agency, or instrumentality of the Federal Government, and to request suppliers or manufacturers of drugs and other knowledgeable persons or organizations to make available to the Committee information relating to such drug. If any such record or information (or any information contained in such record) is of a confidential nature, the Committee shall respect the confidentiality of such record or information and shall limit its usage thereof to the proper exercise of its authority.

"(d) (1) The Committee shall establish such procedures as it determines to be necessary in its evaluation of the appropriateness of the inclusion in or exclusion from the Formulary, of any drug entity (or dosage form or strength thereof). For purposes of inclusion in or exclusion from the Formulary the principal factors in the determination of the Committee shall be:

"(A) the factor of clinical equivalence in the case of the same dosage forms in the same strengths of the same drug entity, and

"(B) the factor of relative therapeutic value in the case of similar or dissimilar drug entities in the same therapeutic category.

"(2) The Committee, prior to making a final decision to remove from listing in the Formulary any drug entity (or dosage forms or strengths thereof) which is included therein, shall afford a reasonable opportunity for a formal or informal hearing on the matter to any person engaged in manufacturing, preparing, compounding, or processing such drug entity who shows reasonable ground for such a hearing.

"(3) Any person engaged in the manufacture, preparation, compounding, or processing of any drug entity (or dosage forms or strengths thereof) not included in the Formulary which such person believes to possess the requisite qualities to entitle such drug to be included in the Formulary pursuant to subsection (b), may petition for inclusion of such drug entity and, if such petition is denied by the Formulary Committee, shall, upon request therefor, showing reasonable grounds for a hearing, be afforded a formal or informal hearing on the matter in accordance with rules and procedures established by such Committee.

"LIMITATIONS ON MEDICARE PAYMENT FOR CHARGES OF PROVIDERS OF SERVICES

"Sec. 1822. (a) Any provider of services as defined in section 1861(u), whose services are otherwise reimbursable, under any program under this Act in which there is Federal financial participation on the basis of 'reasonable cost', shall not be entitled to a professional fee or dispensing charge or reasonable billing allowance as determined pursuant to this part.

"(b) A fee, charge, or billing allowance shall not be payable under this section with respect to any drug entity that (as determined in accordance with regulations) is furnished as an incident to a physician's professional service, and is of a kind commonly furnished in physicians' offices and commonly either rendered wtihout charge or included in the physicians' bills.

"REASONABLE ALLOWANCE FOR ELIGIBLE DRUGS

"Sec. 1823. (a) For purposes of this part, the term 'reasonable allowance' when used in reference to an eligible drug (as defined in subsection (h) of this section) means the following:

"(1) When used with respect to a prescription legend drug entity, in a given dosage form and strength, such term means the lesser of—

"(A) an amount equal to the customary charge at which the participating pharmacy sells or offers such drug entity, in a given dosage form and strength, to the general public, or

"(B) the price determined by the Secretary, in accordance with subsection (b) of this section, plus the professional fee or dispensing charges determined in accordance with subsection (c) of this section.

"(2) When used with respect to insulin such term means the charge not in excess of the reasonable customary price at which the participating pharmacy offers or sells the product to the general public, plus a reasonable billing allowance.

"(b) (1) For purposes of establishing the reasonable allowance in accordance with subsection (a) the price shall be (A) in the case of a drug entity (in any given dosage form and strength) available from and sold by only one supplier, the price at which such drug entity is generally sold (to establishments dispensing drugs), and (B) in any case in which a drug entity (in any given dosage form and strength is available and sold by more than one supplier, only each of the lower prices at which the products of such drug entity are generally sold (and such lower prices shall consist of only those prices of different suppliers sufficient to assure actual and adequate availability of the drug entity, in a given dosage form and strength, at such prices in a region).

"(2) If a particular drug entity (in a given dosage form and strength) in the Formulary is available from more than one supplier, and the product of such drug entity as available from one supplier possesses demonstrated distinct therapeutic advantages over other products of such drug entity as determined by the Committee on the basis of its scientific and professional appraisal of information available to it, including information and other evidence furnished to it by the supplier of such drug entity, then the reasonable allowance for such supplier's drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(3) If the prescriber, in his handwritten order, has specifically designated a particular product of a drug entity (and dosage form and strength) included in the Formulary by its established name together with the name of the supplier of the final dosage form thereof, the reasonable allowance for such drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(c) (1) For the purpose of establishing the reasonable allowance (in accordance with subsection (a)) a participating pharmacy, shall, in the form and manner prescribed by the Secretary, file with Secretary, at such times as he shall specify, a statement of its professional fee or other dispensing charges.

"(2) A participating pharmacy, which has agreed with the Secretary to serve as a provider of services under this part, shall, except for subsection (a) (1) (A), be reimbursed, in addition to any price provided for

in subsection (b), the amount of the fee or charges filed in paragraph (1), except that no fee or charges shall exceed the highest fee or charges filed by 75 per centum of participating pharmacies (with such pharmacies classified on the basis of (A) lesser dollar volume of prescriptions and (B) all others) in a census region which were customarily charged to the general public as of June 1, 1972. Such prevailing professional fees or dispensing charges may be modified by the Secretary in accordance with criteria and types of data comparable to those applicable to recognition of increases in reasonable charges for services under section 1842.

"(3) A participating pharmacy shall agree to certify that, whenever such pharmacy is required to submit its usual professional fee or dispensing charge for a prescription, such charge does not exceed its customary charge."

(h) Section 1861(t) of such Act is amended—

(1) by inserting ", or as are approved by the Formulary Committee" after "for use in such hospital"; and

(2) by adding at the end thereof the following new sentence: "The term 'eligible drug' means a drug or biological which (A) can be self-administered, (B) requires a physician's prescription (except for insulin), (C) is prescribed when the individual requiring such drug is not an inpatient in a hospital or extended care facility, during a period of covered care, (D) is included by strength and dosage forms among the drugs and biologicals approved by the Formulary Committee, (E) is dispensed (except as provided by section 1814(j)), by a pharmacist from a participating pharmacy, and (F) is dispensed in quantities consistent with proper medical practice and reasonable professional discretion.".

(i) Section 1861(u) of such Act is further amended by striking out "or home health agency" and inserting in lieu thereof "home health agency, pharmacy,".

(j) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"Participating Pharmacy

"(as) The term 'participating pharmacy' means a pharmacy or other establishment (including the outpatient department of a hospital) providing pharmaceutical services, (1) which is licensed as such under the laws of the State (where such State requires such licensure) or which is otherwise lawfully providing pharmaceutical services in which such drug is provided or otherwise dispensed in accordance with this title, (2) which has agreed with the Secretary to act as a provider of services in accordance with the requirements of this section, and which complies with such other requirements as may be established by the Secretary in regulations to assure the proper, economical, and efficient administration of this title, (3) which has agreed to submit, at such frequency and in such form as may be prescribed in regulations, bills for amounts payable under this title for eligible drugs furnished under part A of this title, and (4) which has agreed not to charge beneficiaries under this title any amounts in excess of those allowable under this title with respect to eligible drugs except as is provided under section 1813(a) (4), and except for so much of the charge for a prescription (in the case of a drug product prescribed by a physician, of a drug entity in a strength and dosage form included in the Formulary where the price at which such product is sold by the supplier thereof exceeds the reasonable allowance) as is in excess of the reasonable allowance established for such drug entity in accordance with section 1823."

(k) (1) The first sentence of section 1866 (a) (2) (A) of such Act is amended by striking out "and (ii)" and inserting in lieu thereof the following: "(ii) the amount of any copayment obligation and excess above the reasonable allowance consistent with section 1861(aa) (4), and (iii)".

(2) The second sentence of section 1866 (a) (2) (A) of such Act is amended by striking out "clause (ii)" and inserting in lieu thereof "clause (iii)".

Sec. 2. The amendments made by the first section of this Act shall apply with respect to eligible drugs furnished on and after the first day of July 1973.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 67

At the request of Mr. Kennedy, the Senator from Illinois (Mr. Stevenson) was added as a cosponsor of the bill (S. 67) to establish the Nantucket Sound Islands Trust in the Commonwealth of Massachusetts, to declare certain national policies essential to the preservation and conservation of the lands and waters in the trust area, and for other purposes.

S. 288

At the request of Mr. Burdick, the Senator from Maine (Mr. Hathaway) was added as a cosponsor of the bill (S. 288) to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas.

S. 297

At the request of Mr. Cranston, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 297, to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of benefits.

S. 465

At the request of Mr. Kennedy, the Senator from Arkansas (Mr. Bumpers), the Senator from Iowa (Mr. Clark), the Senator from Minnesota (Mr. Humphrey), the Senator from Hawaii (Mr. Inouye), and the Senator from Pennsylvania (Mr. Hugh Scott) were added as cosponsors of the bill (S. 465) to provide for the application of the Generalized System of Preferences to Western Hemisphere countries.

S. 548

At the request of Mr. Proxmire, the Senator from Texas (Mr. Tower) was added as a sponsor of S. 548, a bill to prevent the Food and Drug Administration from regulating safe vitamins and minerals as dangerous drugs.

S. 635

At the request of Mr. Percy, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 635, a bill to establish an automobile efficiency tax incentive program.

S. 935

At the request of Mr. Kennedy, the Senator from Maine (Mr. Hathaway), the Senator from Wyoming (Mr. McGee), and the Senator from California (Mr. Tunney) were added as cosponsors of the bill (S. 935) to terminate embargo against trade between the United States and Cuba.

S. 1124

At the request of Mr. Buckley, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 1124, a bill to provide for the equity financing of minority business.

S. 1286

At the request of Mr. Beall, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 1286, a bill to amend title II of the Social Security Act to increase to $5,100 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings.

S. 1338

At the request of Mr. Percy, the Senator from Alaska (Mr. Gravel), the Senator from Colorado (Mr. Haskell), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of S. 1338, the Women's Equal Educational Opportunity Act.

S. 1343

At the request of Mr. Cranston, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 1343, a bill to insure the financial privacy of individual citizens.

S. 1367 AND S. 1368

At the request of Mr. Packwood, the Senator from Pennsylvania (Mr. Scott) and the Senator from Idaho (Mr. Church) were added as cosponsors of S. 1367, a bill to amend the Immigration and Nationality Act to eliminate the legal custody requirement and the requirement of residence and physical presence in the United States for the naturalization of children adopted by U.S. citizens; and S. 1368, a bill to confer U.S. citizenship on certain Vietnamese children and to provide for the adoption of such children by American families.

S. 1406

At the request of Mr. Montoya, the Senator from Mississippi (Mr. Eastland), the Senator from Utah (Mr. Moss), the Senator from Wyoming (Mr. McGee), the Senator from Vermont (Mr. Stafford), and the Senator from New Jersey (Mr. Williams), and the Senator from Iowa (Mr. Clark) were added as cosponsors of S. 1406, a bill to amend title 38 of the United States Code to provide that compensation and pensions for veterans and widows of veterans will not be reduced as a result of certain increases in monthly social security benefits.

S. 1436

At the request of Mr. Randolph, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 1436, a bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities.

S. 1456

At the request of Mr. Ribicoff, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 1456, the Comprehensive Medicare Reform Act of 1975.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. Curtis, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic nations.

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AMENDMENTS SUBMITTED FOR PRINTING

VIETNAM CONTINGENCY ACT OF 1975—S. 1484

AMENDMENT NO. 366

(Ordered to be printed and to lie on the table.)

Mr. TALMADGE submitted an amendment intended to be proposed by him to the bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

NATURAL GAS PRODUCTION AND CONSERVATION ACT OF 1975—S. 692

AMENDMENT NO. 367

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. TUNNEY. Mr. President, today I am introducing legislation I believe will break the legislative stalemate over development of our critical natural gas supplies. This legislation is an amendment in the nature of a substitute to the Natural Gas Production and Conservation Act of 1975.

My amendment, I believe, will assure accelerated development of critically needed natural gas supplies.

Basically, it would remove price regulation for newly discovered gas onshore, and provide more reasonable regulation for offshore.

Hopefully, my legislation will speed resolution of the long debate over a national policy on natural gas, and permit exploration and production of our most efficient and cleanest fuel.

My legislation is the product of scores of hours of intense study and discussion, and is anchored deep within my conscience. It is my conviction that the economic vitality and security of our Nation depends on development of natural gas, and I believe the proposed legislation (S. 692), as originally drafted, would shortchange America.

Let me elaborate on just how the country would be hurt:

Instead of encouraging increased production of natural gas, the original bill would, I believe, inhibit development and a chain reaction would follow. Shortages would lead to economic dislocation, and dislocation would lead to increasing Government intervention. Government allocation, instead of being a temporary condition of war or other national emergency, would be cemented into our bureaucracy as a permanent element of control.

By Government fiat, gas arbitrarily could be taken away from certain consumers and diverted, as it already has been from California, to other consumers, more favored by Federal allocators. As shortages increase, moreover, prices will inevitably rise, and so will our dependence on overseas fuel, particularly that controlled by the Arabian potentates.

The original bill, I believe, would mortgage American future to greater Government management at home and the potentiality of future oil boycotts from overseas. The increasing gas shortage will also mean employee layoffs. American wage earners would be put in a vast vise, squeezed between inflation, due to increasing foreign oil dependence, and recession due to lost jobs. Greater Government control would permeate our daily existence.

In deciding to oppose the original bill and to introduce a substitute, I have talked with scores of experts and the representatives, here and in California, of interest groups that span the entire spectrum of economic concern, and I am convinced, after looking at all the tables and projections, and after hearing all the arguments, the wellhead regulation of new natural gas finds on our lands should be deregulated.

The specter of shortage is my principal concern, because, particularly at this time in our history, when our economy is feeble and employment and the gross national product are falling, I do not believe the Nation should gamble with the supply of the one fuel that economically can keep factories open and homes warm.

Throughout the Nation, thousands of jobs are on the line because of the lack of natural gas. In California, 82 percent of the fuel needs for manufacturing are met by natural gas, and the State presently has more than 1 million men and women out of work.

In this tough decision, I am thinking particularly of the householders, who, when money is so tight, simply should not be forced to pull out their gas heaters, stoves, dryers and replace them with electrical appliances. The cost for each residence could run close to $1,000 or more, and this multiplied nationally, would mean enormous millions of dollars from American wallets.

The uses of natural gas are myriad and absolutely vital to our economy. It is an essential product base for fertilizer and a critical ingredient in the processing of billions of dollars of our food supply.

The natural gas shortage is rapidly becoming more severe, and, in many parts of the country, homeowners have not been able to obtain new natural gas service for several years. The interstate pipeline companies reported actual net firm curtailments of more than 1.3 trillion cubic feet—TCF, amounting to almost 10 percent of firm requirements, for the year September 1973 to August 1974.

Projected net firm curtailments for the September 1974 to August 1975 period are anticipated to be in excess of 2.3 TCF, almost 16 percent of projected requirements. And more than 1 million barrels of oil must be imported each day to compensate for the gas shortage. According to the Federal Energy Administration, the present shortage will increase fourfold in the next 10 years unless appropriate action is taken to significantly increase supply.

Beyond the grim consequence of increased shortages and their effect on Americans is my deep-rooted philosophic reservation about layering yet another strata of Government management on our economy.

The long-range interest of our Nation, I have concluded, lies in ending price controls on new natural gas produced onshore. This is the single most effective incentive toward increasing supply at reasonable prices to the consumer.

For years, the plodding bureaucracy of the Federal Power Commission has discouraged supply by artifically depressing the interstate's price of natural gas. The regulated price for new natural gas is currently 51 cents per thousand cubic feet, which is equivalent to $3.06 per barrel of oil. Extension of Government controls to intrastate gas prices, as proposed under S. 692, would further discourage production.

The heavy step of the FPC has been felt in many parts of the country. In southern California, the Commission diverted great quantities of our natural gas to States in the Middle West. As a consequence, electrical utilities had to switch to costly overseas oil, and every single southern Californian felt the bite in his monthly utility bill. On the other side of the continent, Danville, Va. was almost economically decimated when much of its natural gas supply was abruptly curtailed.

Now, because of increasing shortages resulting from cost-based price regulation, there is the strong likelihood gas companies serving consumers in California will soon begin cutting off supplies to homeowners. Shortages lead only to the quicksand of allocation and control. This is no answer for California. It is no answer for the United States.

Since deregulation affects only "new" gas—that is gas that will come into future production, not "old" gas currently in production—the price impact will be considerably cushioned. The fold-in of new gas will be spread over a number of years, so there will be no overnight wallop as there is when whole cities are suddenly caught by gas cutbacks and the forced conversion to oil. Additionally, only the wellhead price is affected, and this represents only a small percentage of the retail cost of gas.

Furthermore, the independent experts have concluded that price controls in the field are not needed to protect consumers because natural gas field markets are effectively competitive. If conditions in the field should change in the future, then the appropriate remedy is strict antitrust enforcement as opposed to massive regulation. As a general matter, I believe the Justice Department should step up its activities to enhance the overall competitive structure of the energy industry.

The development of "new" gas requires deep wells and, consequently, is more expensive and requires greater investment. This is particularly true of developing gas in the tight formations of the Rocky Mountains and in the tundra of Alaska.

There are still other costs of failing to deregulate. As worsening gas shortages force conversion to coal and petroleum, a number of important problems devel-

op. In California, where air quality problems are critical, the only acceptable substitute for natural gas is low-sulfur crude oil costing $16 per barrel and available only from foreign sources. Dependency on this oil worsens our balance of payments, endangers our national security, and degrades the quality of the environment. Even worse, this oil would cost substantially more than comparable quantities of natural gas under deregulation.

The need for onshore deregulation is supported by a formidable reservoir of solid data:

First, the shortage is already extremely serious and will grow rapidly much worse without appropriate legislative action. This winter, net firm curtailments by interstate pipeline companies are estimated at 919.4 billion cubic feet, an increase of 107 percent over last winter. As previously mentioned, the shortage on an annual basis already equals 16 percent of demand and is equivalent to over 1 million barrels per day of imported oil.

The Federal Power Commission has estimated that proved reserve additions would have to be 1½ times the 1956 record level in the lower 48 States of 24.7 trillion cubic feet—T ft^3—each year from 1974–1990 to achieve even a moderate growth rate in production. Similarly, the Project Independence Report of the Federal Energy Administration states that, to increase production from 22.4 T ft^3 in 1972 to 24.5 T ft^3 by 1985, the average annual increase in reserve additions would have to be 25 T ft^3, which is 165 percent greater than the average rate of annual additions for 1960–1972 and 250 percent greater than the rate of 1968–1972. On the other hand, without onshore deregulation, natural gas production may well decline by 40 percent by 1985, according to the report. In my view, the United States cannot have a 40 percent decline in natural gas production within the next 10 years without also experiencing serious economic dislocation.

The second major consideration to me was a breakdown on natural gas useage by category of consumer. Contrary to popular belief, most of the gas used in this country is not by residential consumers. Thus, the man on the street might feel the effects of the gas shortage in the following ways: First, his plant may have to slow down production and he will be laid off; second, where oil or coal is substituted for curtailed gas, the price impact on his electricity bill will be high and immediate; third, with pipelines operating way below capacity, his gas bill will rise, as well, to cover fixed costs. Some or all of these effects have already been felt in various parts of the United States.

Third, recent price and drilling data offer evidence of a strong price/supply relationship. For the past decade there has been an appreciable rise in exploration and development expenditures per TCF on nonassociated gas found. As reported by the Institute of Gas Technology, $5.5 million were spent per TCF of nonassociated gas found in 1965; $18 million were spent per TCF found in 1972. While geological uncertainty, as well as other economic factors, makes it impossible to predict the price that would balance supply and demand, there is general agreement that the amount of additional gas that could be economically produced at free market prices is significant.

The facts suggest to me that we would do the consumer a great misservice by freezing natural gas prices at low levels and extending controls to the intrastate market.

Consequently, I believe my substitute legislation will serve to stimulate debate and move us rapidly toward solution in the critical area of natural gas regulatory reforms. This legislation accomplishes two fundamental objectives. First, it eliminates wellhead price regulation for new natural gas produced from reserves not located on the Outer Continental Shelf. New natural gas is tightly defined to include only those supplies not currently produced. No windfall would accrue to producers of already flowing gas. Second, it reforms the regulatory system as it affects gas produced from the Outer Continental Shelf.

By eliminating the present unworkable system of cost-based regulation and substituting new standards for regulation, this bill recognizes that offshore regulation is still needed because of the extent to which offshore gas is found in association with petroleum, but that a new system of regulation is essential to stimulate optimum development of offshore resources. The new standards would be a balance between rates "necessary to encourage the optimum" level of development and those "that will protect consumers of natural gas" from price gouging and would require that gas prices be lower when gas is discovered with oil in a well.

I believe that provision must be made to ensure that the proceeds from increased wellhead prices as a result of natural gas regulatory reform be reinvested in activities which will increase this Nation's natural gas supplies. Plowback legislation is an essential ingredient of what I believe to be a sound and comprehensive approach to the stimulation of adequate natural gas supplies for the years ahead. Since the Senate Commerce Committee has jurisdiction over natural gas regulatory reform and the Senate Finance Committee has jurisdiction over plowback legislation, I do not wish to delay full Senate action on regulatory reform by including a plowback requirement in the legislation I am introducing today. I do intend to introduce separate legislation which would require that, in the event regulatory reforms of the nature proposed in my legislation are enacted, the increased proceeds resulting from these reforms are used for the purpose of finding and producing new supplies of natural gas.

This Nation must encourage the development of natural gas, rather than put restrictions in the way. It is the least costly and least environmentally hazardous of our fuels, and its use in the nation's plants and factories means jobs. And jobs, in the inevitable equation of the American economy, means buying power. In the final analysis, that means self-reliance, personal dignity and freedom.

I ask unanimous consent that the text of my amendment and the section-by-section analyses be printed in the RECORD.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 367

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Natural Gas Regulatory Act of 1975".

SEC. 2. Section 1(b) of the Natural Gas Act is amended by inserting at the end thereof the following: "Notwithstanding the provisions of sections 4 and 5 of this Act (15 U.S.C. 717c, 717d), a producer may charge any price for new natural gas for any contract term. As used in this section (1) 'producer' means a person who is engaged in the production of natural gas from natural gas reserves on lands other than any land or subsurface within the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a) natural gas production which is dedicated to and (2) 'new natural gas' means interstate or intrastate commerce for any contract term but which the Commission in its discretion determines was not dedicated prior to January 1, 1975."

SEC. 3. The Natural Gas Act is further amended by adding at the end thereof the following new section 25:

"SEC. 25. (a) With respect to the sale or delivery to a natural gas company on or after January 1, 1975, of natural gas from natural gas reserves located on lands within the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) the Commission shall, within 90 days of enactment and pursuant to rulemaking procedures under 5 U.S.C. 8 553, et seq., by regulation establish, for regions, ceilings for rates and charges for such sales using the following criteria, and only those criteria:

1. the rates and charges necessary to encourage the optimum level of exploration, development, production, gathering, and maintenance of proved reserves of natural gas;

2. the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraph (1) of this subsection; and

3. the degree to which natural gas is found in association or conjunction with petroleum or other commodities and thus the rates and charges necessary to achieve the objectives of paragraph (1) of this subsection are reduced.

"(b) As used in this section, 'region' means a separate and distinct geological area of the Outer Continental Shelf, as defined by the Commission.

"(c) The Commission shall, no less often than biennially after its first determination in accord with subparagraph (a) above, revise ceilings for rates and charges for new natural gas produced from offshore Federal lands, utilizing those standards set forth in subparagraph (a) above provided, however, that the Commission shall not, at any time, revise ceilings in a manner violative of Subsection (d).

"(d) The Commission may adjust, according to criteria provided herein, ceilings for rates and charges for the sale or delivery of natural gas from natural gas reserves located on any land or subsurface area within the

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Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), except that where the rate or charge for the delivery of natural gas by any person not engaged in the transportation of natural gas in interstate commerce shall have been previously determined by the Commission to be just and reasonable and such determination has become final and no longer subject to judicial review, the Commission shall have no power to order thereafter a decrease in the rate or charge made.

"(e)(1) The Commission shall have no power to disallow, in whole or in part, in the rates and charges made, demanded, or received by any natural gas company the amounts actually paid for natural gas, except as otherwise provided in subsection (e)(2).

"(2) In any case where a natural gas company purchases natural gas from an affiliate or produces natural gas from its own properties, the Commission may not disallow any portion of the cost thereof in the rate or charge made by such company which is not in excess of current prices paid for comparable gas to nonaffiliates. 'Affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any person. The Commission is authorized and directed to define the terms 'control' and 'ownership'."

SECTION-BY-SECTION ANALYSIS

Sec. 2 provides for the deregulation of new natural gas produced from natural gas reserves, except those reserves located on the Outer Continental Shelf. New natural gas is gas dedicated to commerce for the first time on or after January 1, 1975.

Sec. 3 eliminates the existing system of cost-based regulation of natural gas produced from reserves in the Outer Continental Shelf and substitutes a new system of regulation which will be administered by the Federal Power Commission according to three criteria. Under this regulation, the Commission will establish regional ceilings for natural gas rates and charges at levels which take into account:

(1) the rates and charges necessary to encourage the optimum level of exploration, development, production and gathering, and maintenance of proved reserves of natural gas;

(2) the rates and charges that will protect consumers from price increases that would, absent actual or anticipated shortages, exceed the rates and charges necessary to achieve the optimum amount of exploration, development, production and gathering, and the maintenance of proved reserves of natural gas;

(3) the extent to which natural gas is found in association or conjunction with petroleum and thus reduces the rates and charges necessary to achieve the optimum amount of exploration, development, production and gathering, and the maintenance of proved reserves of natural gas.

The Commission is directed to establish regional ceilings using these criteria and only these criteria and to revise these ceilings no less often than biennially.

This section also proscribes the Commission from decreasing rates or charges after they have become final and are no longer subject to judicial review.

Finally, this section provides that the Commission shall allow in a pipeline's cost-of-service arm's length, competitively negotiated purchases from a non-affiliated producer and from an affiliated producer.

NOTICE OF HEARINGS BEFORE THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, from April 29 through May 1 the Senate Committee on Banking, Housing and Urban Affairs will be holding hearings on the conduct of monetary policy pursuant to House Concurrent Resolution 133. These hearings will be the first hearings held to implement this historic resolution. The resolution calls for the Board of Governors of the Federal Reserve to consult with Congress at hearings about "objectives and plans with respect to the ranges of growth or diminution of monetary and credit aggregates in the upcoming 12 months." The hearings will begin at 10 a.m. on April 29 in room 5302, Dirksen Senate Office Building.

Anyone wishing to testify or to submit material for the hearings record should contact Mr. Bob Weintraub, room 5306, Dirksen Senate Office Building; telephone 224–7391.

NOTICE OF HEARING ON ACT TO AMEND SECTION 40 OF THE BANKRUPTCY ACT TO FIX THE SALARIES OF BANKRUPTCY JUDGES

Mr. BURDICK. Mr. President, I wish to announce that an open public hearing will be held by the Subcommittee on Improvements in Judicial Machinery on S. 582, an act which would restore to the Congress the sole and exclusive authority to fix salaries of the full-time bankruptcy judges.

The hearing will be held on the 1st of May 1975, in room 2228 of the Dirksen Senate Office Building, commencing at 10 a.m.

Today, in spite of the record number of cases, not a single bankruptcy judge receives the maximum $36,000 which was authorized by Congress in 1969. The effect of this 6-year salary freeze has endangered the quality of the bankruptcy court while the volume and complexity of Federal bankruptcy litigation has already risen to heights never before experienced.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building; telephone 224–3618.

NOTICE OF HEARING

Mr. McGOVERN. Mr. President, on April 10, many Members of this body engaged in a colloquy to protest the announcement of the Administrator of the Rural Electrification Administration that power supply cooperatives would no longer be eligible for insured loans under the REA program.

As I pointed out during that colloquy, I can find no statutory authority for the Administrator to institute so major a policy change on his own motion.

Accordingly, I am asking the Administrator and a few public witnesses to appear before the Subcommittee on Agricultural Credit and Rural Electrification, which I chair, at an oversight hearing at 10 a.m. on Wednesday, April 30, in the hearing room of the Committee on Agriculture and Forestry, 324 Russell Senate Office Building.

The hearing will give the Administrator an opportunity to explain REA Bulletin 20–6, and to allow interested parties to present their views.

NOTICE OF HEARINGS ON ACT TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce that open public hearings will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States. Hearings will be held on April 29 and 30 in room 2228 Dirksen Senate Office Building, commencing at 10 a.m.

The Commission on Bankruptcy Laws of the United States has recommended sweeping changes in the bankruptcy law. These recommendations are reflected in the provisions of S. 236. The National Conference of Bankruptcy Judges has also recommended substantial changes in the present bankruptcy law. These changes are reflected in the provisions of S. 235. At these hearings, we will hear from representatives of the National Conference of Bankruptcy Judges and the Commission on the Bankruptcy Laws of the United States.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building; telephone 224–3618.

NOTICE OF HEARING

Mr. JACKSON. Mr. President, for the past 2 days, the Committee on Interior and Insular Affairs has held hearings on the nomination of Stanley K. Hathaway to be Secretary of the Interior. Due to the many witnesses remaining who wish to testify, I would like to announce for the information of the Senate and the public that an additional hearing date has been scheduled by the Committee for Wednesday, April 30. The hearing will begin at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

The hearing originally scheduled on that day by the Indian Affairs Subcommittee will be held on Thursday, May 1.

Also, on May 3, the Senate Interior and Insular Affairs Committee had scheduled a field hearing in New York City concerning Outer Continental Shelf development legislation. This field hearing has been canceled until further notice.

NOTICE OF HEARING ON TOBACCO ACREAGE ALLOTMENTS

Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices of the Committee on Agriculture and Forestry will hold a hearing Tuesday, May 13, on S. 700, to authorize the leasing of type 13 Flue-cured tobacco acreage allotments or marketing quotas across county lines within the same State. The subcommittee will consider amending the bill to include types 11, 12, and 14 Flue-cured tobacco. The hearing will be in room 324 Russell Office Building, beginning at 10 a.m. Oral presentations will be limited to 10 minutes. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE OF HEARINGS ON ACT TO ESTABLISH A UNIFORM LAW ON THE SUBJECT OF BANKRUPTCIES

Mr. BURDICK. Mr. President, I wish to announce that open public hearings will continue for the Subcommittee on Improvements in Judicial Machinery on S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States. Hearings will be held on April 24, 1975, in room 6202, Dirksen Senate Office Building, commencing at 10 a.m.

The Commission on Bankruptcy Laws of the United States has recommended sweeping changes in the bankruptcy law. These recommendations are reflected in the provisions of S. 236. The National Conference of Bankruptcy Judges has also recommended substantial changes in the present bankruptcy law. These changes are reflected in the provisions of S. 235. At this hearing, we will hear from representatives of the National Consumer Law Center in Boston, Mass.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building, telephone 224–3618.

ADDITIONAL STATEMENTS

AN ESSAY BY MISS PAM SMITH

Mr. THURMOND. Mr. President, a young lady from Cuyahoga Falls, Ohio, Pam Smith, recently sent me a copy of an essay she had written on the subject of happiness. In this essay, the author points out that many of the paths that people follow thinking that they will lead to happiness turn out to be dead ends. Only faith in God, she states, will bring complete and lasting satisfaction. These sentiments are so true, and they are expressed so eloquently and with so many useful examples, that I wish others to have the opportunity to read them. Accordingly, I ask unanimous consent that Miss Smith's essay be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE SEARCH FOR LASTING HAPPINESS

There are things as we travel this earth's shifting sands
That transcend all the reason of man,
But the thing that matters the most in this world
Can never be held in our hands.

As we look around us, we see a very troubled world—filled with disease, poverty, crime, war, and hatred. It's little wonder that we often find ourselves and those around us on a continuous search for lasting happiness and contentment. Often this search causes us to travel paths of this world—paths that we can hold in our hands.

Many people mistakenly believe that the path of fortune will bring them lasting happiness and contentment. Jay Gould, the multi-millionaire said, "I am the most miserable man on this earth." Another man who found that happiness cannot be bought was Ivan Krueger, wealthy head of the world's largest monopoly, who committed suicide. The path of fortune does not satisfy the longing for lasting happiness—and the search goes on . . .

There are those who wrongly think that the path of fame will end their search for lasting happiness and contentment. Charles Lamb, the famous English essayist and critic, said, "I walk up and down thinking I am happy and knowing I am not." Another man who was unable to find happiness through fame was Stephen Foster. This famous American writer of plantation songs died a drunkard's death at the age of thirty-eight. The path of fame does not satisfy the longing for lasting happiness and contentment—and the search goes on . . .

As we look through the pages of history, we see that many people travel the path of power in hopes of finding lasting happiness and contentment but gain only sorrow. The ruthless empire builder, Napoleon Bonaparte, died a lonely, horrible death on the isle where he was exiled. Benito Mussolini, the Italian Fascist leader, was executed. Thus, we can see that the path of power does not satisfy the longing for lasting happiness—and the search goes on . . .

Another path that many people unwisely travel in this search for lasting happiness and contentment is the path of pleasure. After years of pleasure the Scottish poet, Robert Burns, wrote:

> Pleasures are as poppies spread,
> You seize the flower,
> The bloom is shed.

Lord Byron, the famous romanticist, lived a life of sinful pleasure. He also lived and died an unhappy man. The path of pleasure does not satisfy the longing for lasting happiness—and the search goes on . . .

Yet another path traveled by some in this search for lasting happiness and contentment is the path of beauty. Marie Antoinette, beautiful and arrogant wife of King Louis XVI of France, lost her head on the guillotine. Marilyn Monroe, modern symbol of lustful beauty, ended her life by taking an overdose of sleeping pills. For you see, physical beauty is only a temporary thing. It is like a rose that blooms in the summertime of life but must die when the winter of old age comes. The path of beauty does not satisfy the longing for lasting happiness and contentment—and the search goes on . . . .

Does this search ever end? Yes, but only by traveling the only constant path—a path that we cannot hold in our hands. This is the path of faith in God. It is not an easy way, but one that requires humility and courage.

Picture the year 1868; the impeachment trial of President Andrew Johnson is taking place. The radical Republicans in Congress have unjustly accused President Johnson and have threatened the Senators to vote for conviction. It is now the day when the vote is being taken in the Senate chamber. As the roll is called, it becomes apparent that only *one* vote will save President Johnson from conviction. In the midst of this turmoil Republican Senator Edmund Ross of Kansas bows his head at his Senate desk and asks God to show him what to do. When Senator Ross's name is called, he rises and replies, "Not Guilty." Senator Ross never again held public office, he was severely beaten, and nearly lost his life; but Senator Ross had peace with himself because he put his faith in God.

Recently I met a person who told me he had used many kinds of drugs in hopes of finding lasting happiness and contentment; but his search ended only when he met Christ and put his faith in Him.

Most of all, I know the miracles that God has performed in my own life and that only He can provide a lasting feeling of contentment. When I was fifteen, I developed a chronic ailment that lasted for three years. My parents took me to five different doctors, including two specialists; but it was only when I said, "Lord, I put this whole situation in Your hands," that I became better. When I was a senior in high school, I wanted to go to college but knew my parents were financially unable to send me. Out of a graduating class of 896 I received the only scholarship offered by the Education Association in our school district. Did I receive this scholarship because I was someone great or of superior intelligence? No, I realize that God gave it to me, because I put my faith in Him. I have learned that only Jesus can mend a broken heart and transform feelings of bitterness I felt towards the person who hurt me to ones of love and understanding.

Jesus said: ". . . *If ye have faith as a grain of mustard seed, ye shall say unto this mountain, Remove hence to yonder place, and it shall remove; and nothing shall be impossible unto you.*" (Matthew 17: 20).

I know that:

"Without Him I could do nothing.
Without Him I'd surely fall.
Without Him I would be drifting
Like a ship without a sail.

"Without Him I would be dying.
Without Him I'd be enslaved.
Without Him Life would be worthless;
But with Jesus—
Thank God, I'm saved."

The universal search for lasting happiness and contentment causes people to travel many paths to this world, such as fortune, fame, power, pleasure, and beauty. But the search ends only by traveling the only constant path of faith in God.

Yes, the thing that matters the most in this world can never be held in our hands.

—PAM SMITH.

THE PARABLE OF THE EQUALIZER

Mr. TALMADGE. Mr. President, I read with a great deal of interest and concern the thought-provoking "Hen House Story" which was placed in the CONGRESSIONAL RECORD last Friday by the distinguished Senator from Arizona (Mr. GOLDWATER). There came to my attention today an article entitled "The Parable of the Equalizer," which relates in most dramatic terms, as did the "Hen House Story," certain trends in government and in our Nation today that are most disturbing to me, and to all Americans who value the principles under which our Nation rose to greatness.

I bring this article to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PARABLE OF THE EQUALIZER

Once upon a time there were two men who lived on farms across the road from each other. One of these men labored from early to late to plant and tend his crops, care for his livestock, improve his buildings, and repair his machinery. His wife took part-time employment in the nearby town to supplant the family income and provide for the education of their children.

The other man preferred to rise at his

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own convenience, spent many of his days in the nearby town playing cards, talking on the street corner or relaxing in an air-conditioned bar. His crops—seeded later than his neighbor's—were infested with weeds. He had no livestock, for they were too much work, and his buildings were in too poor repair to keep them in. His wife joined him in town, or went her own way, letting the housework slide and neglecting the children.

By virtue of his efforts, enterprise and initiative, the first man harvested a good crop, his livestock and their products brought top prices, and his farmstead had a neat, orderly appearance. Because of his laziness and carelessness, the second man harvested little crop and his buildings deteriorated.

Then along came a being called Equalizer. He looked upon the second man, and said, "Your children are under-nourished and under-clothed; I will provide you with sustenance for yourself and them. You are poverty stricken because you have little income: I will give you more money. Your house is in poor condition; I will build you a new one."

He looked upon the first man and said, "You have more income than you require to provide your family with necessities; I will take the remainder from you. Your land and buildings and machinery are of great value; I will exact payment in relation to their worth. Your production has created a surplus; next year I shall restrict the acreage you shall plant. I shall take much of what you have and give it to your neighbor who is less fortunate than you."

Other neighbors heard what the being called Equalizer had to say, and they reasoned thus: "Why should we labor when the returns of our labor are taken from us? Why should we not do as we please, forsaking our labors, when this thing called Equalizer will care for our wants and educate our children? Let us then pursue the course of leisure and pleasure."

Now, the country in which this parable took place was called the United States of America, and the being called Equalizer was the Federal Government. And the people grew lazy and dependent upon the Equalizer, and he lost his power to sustain them and they disappeared from the face of the earth.—John Schwegmann, Jr.

HOW DANGEROUS ARE THE BUDGET DEFICITS?

Mr. JAVITS. Mr. President, the recent tax-reductions of $22.8 billion and congressional plans for additional Federal spending to pull the economy out of the recession have led many observers to express concern that the credit needs of the Federal Government will force private borrowers out of the market. The result would be a credit "crunch" which would exacerbate the already difficult problem of capital formation in the private sector. The alternative to a credit crunch is felt by some observers to be too great an increase in the money supply by the Federal Reserve, thus insuring a renewal of double digit inflation.

An interesting article by Mr. Ronald A. Krieger in the New York Times on Sunday presented the issues in this debate with great clarity. I commend this thoughtful article to my colleagues.

Mr. President, I ask unanimous consent that the article by Mr. Krieger from the New York Times of April 13, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Budget Deficit: How Dangerous?

(By Ronald A. Krieger)

Just 200 years after Paul Revere galloped through the countryside to alert an imperiled populace, cries of alarm are again troubling the slumber of nervous Americans. This time around the shouts of danger warn not of Redcoats, but of red ink.

From Washington to Wall Street, latter-day midnight riders are attempting to awaken the nation to the threat of an impending credit crunch. Unless swift action is taken, they warn, the economy may be permanently crippled by the strain of financing the massive Federal deficits contemplated for fiscal 1975 and 1976.

Like Paul Revere, those sounding the current alarm are clearly raising a valid issue. But unlike the Massachusetts patriot their timing is open to serious question.

According to legend, Revere was able to synchronize the start of his ride with the appearance of a reliable "leading indicator" on the opposite shore. His present-day counterparts, however, have no lantern in the Old North Church to guide them.

In the view of some economists, it is possible that today's alarmists have sent their message as much as a year too early. If so they may doom their cause since a premature alarm can fatally endanger credibility. If the worst does not happen, the counsel may be disregarded even when it does become timely.

Timing has thus become the key issue in the credit-crunch debate that has split economists and the financial community. The alarmists believe the danger is at hand and must be met without delay, while their calmer colleagues see no reason for quick action.

The ranks of those worrying most about budget deficits, although thin, include some vocal economists and Wall Street analysts, as well as an influential segment of the financial press and some middle and high Government officials. The recent nervous behavior of the credit markets indicates that many market participants find their case persuasive.

Their basic warning is that as the United States Treasury elbows its way into the capital markets to finance the Federal deficit, private borrowers will be crowded out. In the process, it is argued, interest rates will soar, private capital formation will decline, economic growth will be choked off and any recovery from the recession may well be aborted. Furthermore, the relative size and influence of the private sector will shrink as the Government grabs off a larger and larger share of the nation's stagnating output.

If this interpretation is correct, the only immediate solutions appear to be extreme on monetary expansion. Either the Government must curtail its deficit spending or the Federal Reserve must step in to finance much of the new debt with the printing press.

Neither of these alternatives holds much appeal for more moderate economists, who generally assert that the recession can be fought without re-inflating the economy. They believe there is plenty of room in the slack business situation for noninflationary financing of the deficit, at least through the end of 1975. And they do not see the Treasury displacing private borrowers from the capital markets until a broad economic recovery is well underway next year.

Therefore, moderates say, there is no reason to curtail deficit spending before it has been given a proper chance to stimulate the sluggish economy. In any event, the grim mood of Congress in the face of a rising unemployment rate seems to preclude a policy of fiscal restraint this year.

The greater fear of the middle-of-the-road group is that the Federal Reserve will nuckle under to the fears of a credit crunch despite the best intentions of Federal Reserve Chairman Arthur F. Burns. As it helps to finance the deficit by absorbing much of the new Treasury debt, it will pump reserves into the banking system at a rate guaranteed to rekindle double-digit inflation within a year or two.

The moderates believe the Reserve has plenty of room for a policy of vigorous monetary expansion without carrying it to an extreme. The money supply has grown only about 4 per cent in the past 12 months, and the monetary authorities could probably double that growth rate for a few months without overshooting a 6 to 7 per cent annual target.

It normally takes a year or two for changes in monetary growth rates to work themselves into the inflation rate, so there is not much chance of an inflationary explosion in the near future unless the Fed reacts to the most extreme fears of the alarmists and immediately monetizes the bulk of the new Government debt.

The policy disagreements of economists center, for the moment, on whether those fears are justified. Opposing viewpoints appear to arise in the main from conflicting interpretations over just what is happening today in the capital markets.

It is not hard to see why the markets are nervous over the red ink in the Federal budget. As the recession cuts into tax receipts and expands social spending, the projected deficit for the fiscal year that ends June 30 will probably come in some $10-billion above the $35-billion contemplated in President Ford's February budget message. For the fiscal year beginning July 1, the current median forecast is for a deficit around $80-billion.

The back-to-back deficits for fiscal 1975 and 1976 will thus require about $125-billion to be financed by Treasury borrowing in the two years. Even in inflated dollars the figure is staggering. By way of comparison, from 1965 through 1974 the total red ink generated by the deficit-ridden Federal budget was only about $100-billion, or $10-billion a year.

The Treasury plans to borrow more than $40-billion in the first half of 1975 and a similar amount in the second half, with further massive borrowing planned for 1976. In the process it is likely to absorb the major share of the funds supplied to the credit markets. This means, according to the alarmist interpretation, that it will draw off tens of billions of dollars that otherwise would have gone to corporate borrowers. In this view, some corporations have already been crowded out of the bond market by the Treasury. Those who fear that the credit crunch is already visible cite as evidence a number of corporate bond issues that have been postponed in recent weeks, including a $300-million debenture offering by Texaco, Inc.

"The crowding out is going on right now and has been for some time," says Norman B. Ture, a Washington-based economic consultant. "When you see company after company either withdrawing an offering or selling it at a deep discount, you know there is substantial displacement of private offerings by Treasury credit operations."

Such a displacement worries those who perceive it as constituting a threat to the capital formation that the private sector must generate to get the economy back on its long-term growth path. The sagging of bond prices in recent weeks has raised fears that many of the less creditworthy corporate borrowers will be pushed right out of the credit queue.

"For an objective indicator that crowding out is taking place, all you have to look at is what is happening to interest rates," says Mr. Ture. "They are on a continuous upturn, and I think the trend will probably accelerate."

Economists who minimize the threat of a credit crunch tend to interpret the evidence in a different way. There has to be a crowd before there can be any crowding out, they say. And even with the Treasury financing, the capital markets hardly resemble a mob scene.

Corporations borrowed heavily in the credit markets in the first quarter of this year, and it is not surprising that some companies are now dropping out, according to critics of the crowding-out interpretation. They note that much of the borrowing early in the year represented refunding of short-term liabilities in the long-term market, in response to declining long-term rates. Even if some of it represented hedging against a projected credit crunch, their subsequent retreat in the face of rebounding long-term rates does not mean that a crunch has arrived.

Why, then, have some borrowers postponed their bond issues? According to this interpretation, it probably just reflects expectations of lower long-term rates in the near future

"Texaco was not crowded out of the bond market," contends Roger Klein, director of economic research for the Securities Industry Association. "They just think long-term rates are too high relative to where they will be in the future. So for now they're borrowing short."

Mr. Klein, who monitors securities markets closely, expects little disruption to result from Treasury financing this year. He believes, in fact, that long-term rates will soon decline.

"There will be no interest-rate problem in 1975," says Mr. Klein. "Private demand for credit is weak and falling, and the government is just filling the vacuum."

Contrary to the crowding-out hypothesis, Mr. Klein regards the postponement of issues by corporations as positive proof that these institutions anticipate neither a credit crunch nor rising interest rates.

"If they really believed there were going to be double-digit rates, they wouldn't be postponing their issues," he says. "They would be buying their credit at the 'cheap' rates we have now before they get any higher."

If the moderates are right, the damage done by premature cries of alarm may be hard to repair. Most analysts agree that there will be an unmistakable credit crunch in 1976 as business loan demand picks up and the Treasury continues its large financing operations.

When that happens, voices of restraint will be desperately needed. They may, however, end up talking into ears of policy makers who will already be deafened by the premature cries of alarm.

AMTRAK: ADMINISTRATION VERSUS CONGRESS

Mr. CHURCH. Mr. President, numerous times in recent years the Congress has been faced with an executive branch which fails to heed, or distorts, the intent of the law. Once again, the administration is dragging its feet—this time on a matter of great importance to States seeking railroad passenger service.

Last fall, Congress agreed that preferential treatment should be given to States which currently have no passenger service in the designation of experimental Amtrak routes. Also mandated in that bill was the establishment of an experimental route through Idaho during calendar year 1975. On the eve of the signing of the bill, the Department of Transportation announced its decision for the fiscal year 1975 experimental route—a route which linked Washington, D.C., with Denver, Colo.—and which would not meet the test of service to unserved areas under the newly passed amendments. This announcement was a noticeable departure from the customary practice of announcing the fiscal year designation during the latter quarter of the fiscal year.

Now the administration has prepared legislation to replace the expiring Amtrak authorization. It would completely eliminate the experimental section—and as a result—would wipe out the provisions enacted by Congress last year.

This resistance to compliance with the law has forced Senators Hathaway, Muskie, McIntyre, and me to request a statement of planned action by the Department of Transportation. Because of the interest of all Senators in seeing to it that the intent of Congress is fully implemented, I take this opportunity to inform the Senate of our action.

Mr. President, I ask unanimous consent that the letter we have sent to Secretary Coleman be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., April 14, 1975.

Mr. William Coleman,
Secretary of Transportation,
Department of Transportation,
Washington, D.C.

Dear Mr. Secretary: Last summer, we and a number of our colleagues sponsored an amendment to the Rail Passenger Service Act to ensure some measure of Amtrak service to each of the forty-eight contiguous states. This amendment, which would have immediately made such service a part of the basic Amtrak system, was adopted by the Senate without opposition. There was no similar provision in the bill passed by the House.

Because of the concern of several conferees about making such routes an immediate part of the basic system, a compromise was devised in the Conference whose intention was to mandate such service, but to allow adequate time for phasing in the new routes and to allow them to be terminated if they were determined to be unfeasible after a fair test. This compromise took the form of a sentence added to section 403(c) of the Act (the "Experimental Route" section) which reads as follows:

"In carrying out the provisions of this subsection, the Secretary shall give priority to experimental routes designed to extend intercity rail passenger service to the major population area of each of the contiguous 48 states which does not have such service to any large population area designated as part of the basic system."

This language makes the initiation of such routes mandatory at the rate of at least one a year (as per the original experimental route subsection but leaves the Secretary with the flexibility to terminate them after two years if they do not meet the standards of the basic system. For your information, we have attached background material on the legislative history and intent of this provision.

We realize that the Administration has recently submitted a comprehensive Amtrak proposal which would, among other things, repeal the experimental route section and our amendment along with it. But assuming that DOT intends to comply with existing law, we would very much like to know of the plans made by your department for the implementation of the present experimental route provision.

We appreciate your consideration of this matter and will look forward to your response.

Sincerely,

Edmund S. Muskie,
Thomas J. McIntyre,
William D. Hathaway,
Frank Church,
U.S. Senate.

PLAN TO REDUCE NAVAL RESERVE SEABEE BATTALIONS

Mr. THURMOND. Mr. President, I rise to express my opposition to the Defense Department proposal in the current budget to reduce both active and Reserve Seabee battalions.

Presently there are 9½ active naval Seabee battalions and 17 Naval Reserve Seabee battalions. The fiscal year 1976 proposal is to reduce the active force to 8 battalions and the reserve to 8 battalions. This is a cut from 26 to 16 units.

This represents an active-duty manpower cut of about 782 men and a reserve cut of approximately 5,000 men, the latter figure mainly enlisted personnel. The Navy Department, which opposed this reduction, was directed to make these cuts because of "fiscal constraints" and increased reliance in the civil sector.

Past experience has shown that the Seabee units are among the earliest to be deployed in the event of an emergency and historically they have been in the 30-day callup zone. During the peak of our deployment in Vietnam, 12 Seabee battalions were located there, two of which were Reserve.

Mr. President, there are many reasons why this Reserve resource should not be cut in half as proposed in this budget. First, and more important, our defense plans have for years recognized the need for the 26½ battalions, Active and Reserve. In fact, some risk was assumed even with this size force, but in reducing the total Active and Reserve to 16, a substantial risk is involved. Further, the heavy cut of the Reserve units fails to recognize they can be maintained at about 20 percent of the cost of an active unit. The idea that civilian contractors can be expected to perform the functions of the Seabees is a weak one. While we had civilian contractors do some jobs in "safe" areas during an emergency such as Vietnam, only a military unit subject to call on short notice can really fill the defense requirement.

Additionally, further consolidation of the Seabee units will reduce the opportunity to train together and mold effectively into battalion size units.

At present, company and platoon size units are located in practically all States with permanent drill sites established for higher unit training. Once this program is reduced by 50 percent, greater travel time and expenses will result. This plan will not only eliminate a sizable amount of this relatively cheap resource, but it will impact unfavorably on the training of the remaining units.

While I recognize we must take actions to tighten our belts in all areas, these units are first line in that they usually

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deploy soon, are very productive and enjoy high morale. Further, these units already are well equipped and their maintenance involves mainly pay and upkeep.

The Seabee Reserve battalions represent the optimum use of Reserve forces. They can be deployed and perform almost immediately in any emergency. These individuals have various engineering skills which are often related to their civilian employment. While attaining a high level of readiness in an infantry Reserve unit is very difficult, such is not the case with an engineer battalion.

Further, the Congress should realize that it costs about $8.6 million annually to operate an active-duty Seabee battalion, as against less than $2 million for a Reserve battalion. Additionally, the Congress should know that of the 9½ active-duty battalions, 6 are already deployed overseas where they are performing important missions. If they were not deployed overseas, the costs of having civilian contractors perform their work is estimated to be about $8 million annually above the cost of these active-duty units.

Thus it is easy to see that this reduction is false economy, pure and simple. That this recommendation comes from the Department of Defense raises questions in my mind as to their commitment to a total-force policy. As I have said before, recent actions by the Defense Department are aimed more at a "total-force disaster" than a total-force policy.

While I would not favor reducing the active Seabee battalions, it does appear that if fiscal constraints demand some cuts, it would be better to eliminate one active-duty battalion and maintain the nine Seabee battalions in the Naval Reserve.

Mr. President, I urge the Senate, and especially my own committee, the Senate Armed Services Committee, to review this proposal carefully. Personally, I feel this reduction is unwise and uneconomical.

OUTSTANDING CAREER OF DR. PERCY LEVON JULIAN ENDS

Mr. ALLEN. Mr. President, on Saturday, April 19, death came to Dr. Percy Levon Julian, a native of Montgomery, Ala.

Although he was an internationally known research chemist, Dr. Julian's name was not widely recognized, even by those tens of millions of Americans who benefit from his work.

Those who suffer the pains of arthritis, skin diseases, and related illness have been helped through the use of synthetically produced cortisone which Dr. Julian discovered.

During World War II his invention of a firefighting foam derived from the soybean saved the lives of thousands of American airmen who crashed their planes in flames aboard Navy carriers.

His work with the soybean is comparable to the work which was done with the peanut by Dr. George Washington Carver of Tuskegee Institute, Tuskegee, Ala.

Mr. President, on Sunday, April 20, 1975, the Birmingham News published a lengthy article written about Dr. Julian by Walter Morrison of the Chicago Daily News, and on Monday, April 21, the Birmingham Post-Herald published a United Press International wire story about funeral services for this outstanding American scientist.

I ask unanimous consent that both of these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Birmingham News, Apr. 20, 1975]

STATE NATIVE FOUND FAME, TREASURE IN SOY PROTEINS

(By Walter Morrison)

(EDITOR'S NOTE.—Percy Julian came out of Montgomery and became a famous scientist. He is now 76 years old, and he can look back on improvements on our life that rival many scientists better known than he. This is his story.)

CHICAGO.—Young Percy Lavon Julian was bursting with pride as he hurried home from school in Montgomery. He had scored 80 on an arithmetic examination, and he waved the paper before his father.

James Julian's response was startling and instructive.

Julian said. "After this, make it 100.

"A son of mine must not be satisfied with mediocrity," the elder Julian said. "After this, make it 100."

Percy Julian, who has just celebrated his 76th birthday, has never been satisfied with mediocrity.

His research in chemistry has made him a famous man. From his laboratories have come wonders that have applications in medicine and in industry.

Julian is said to be most proud of his creation of a synthesis of cortisone, which has lessened the suffering of victims of arthritis.

"I have had one goal in my life," he has said, "that of playing some role in making life a little easier for the persons who come after me."

Julian, now ill, continues with some of his work.

His research amazed the scientific world in the 1930s and 1940s. He has, perhaps, been to the soybean what another black scientist, George Washington Carver, was to the peanut.

In the laboratories of the Glidden Co., Julian developed a process for the preparation of a soybean protein that could be widely used in coating paper.

During World War II, he found another use for soya protein, isolating a protein that was the basis of a fire-fighting substance, used in crash landings which Navy fliers affectionately called "bean soup."

Julian solved complex problems of isolating soya sterols. His work resulted in the artificial production of the female hormone, progesterone. This discovery was a great benefit to pregnant women threatened with spontaneous abortion.

Julian and his associates also demonstrated that soya sterols could yield as much testosterone, the male hormone, as could be obtained from cholesterol, increasing the possibilities for the production of testosterone from soya sterols.

Julian's research has not only made him famous; it has made him wealthy, too. But he has been modest in speaking of his fortune. "Through the grace of God, I am not a poor man," he once said, in a speech to black high school science students.

And he told that audience that he believed black success to be more dependent on the intellectual attainments of black scholars than on the amassing of wealth by blacks. He directed the message particularly to black athletes, who earn most of the "big money" paid blacks.

"The riches will only degrade them if they do not use them for the enhancement of the minds of the young," he said.

Percy Julian's road to fame and wealth has not been free of obstacles.

For he was born black and he began his career in an era when prejudice threw barriers across the path to ambition.

In his 76 years, he has no doubt had many occasions to remember his mother's advice: "Never cry, always smile. Tomorrow will be more beautiful than today."

Born in Montgomery in 1899, Julian received his bachelor's degree from DePauw University, Greencastle, Ind., in 1920. He was graduated at the head of his class and was the possessor of a Phi Beta Kappa key.

While in college, he fixed on a career in research in organic chemistry. He pressed on that resolve, although his mentor, Dean Willian Blanchard, sought to dissuade him, because of a belief that racial animosities would severely limit his opportunities.

Julian, despite his brilliant academic record and achievement, was passed over for a graduate fellowship. On inquiring, he was told that major universities had, in effect, said: "A Negro does not need a master's or a PhD to teach in the small Negro schools."

So Percy L. Julian, AB, went to teach at historic Fisk University in Nashville, the institution that had earlier been an academic home to W. E. B. DuBois.

After spending two years at Fisk, Julian was accepted for a fellowship at Harvard University. Entering Harvard in 1922, he took his master's degree a year later, and remained in Cambridge, Mass., until 1926.

Julian spent four years at Harvard as the holder of minor fellowships, then returned south to take a teaching post at West Virginia College an Institute, near Charleston, the state capital. West Virginia State was, for many years widely regarded as among the foremost public colleges for blacks, and later was a successful model of desegregation, after the 1954 U.S. Supreme Court decision.

In addition to his teaching duties, and with the encouragement of the college's president, the venerable John W. Davis, Julian undertook to reproduce in his crude laboratory the experiments of the famed Viennese chemist, Ernst Spath.

Spath was doing research on the natural conversion of simple organic compounds into complex structures, such as hormones and vitamins, and was seeking ways to copy the phenomena in the laboratory.

Julian's work in reproducing Spath's experiments earned him an appointment to the chemistry faculty of Howard University, the prestigious institution for blacks in Washington, D.C. He spent two years at Howard, serving as active head of the chemistry department and organizing the school's $1 million chemistry laboratory.

Still, Julian wanted to study with Spath. In 1929, aided by Julius Stone Jr., a Harvard classmate, and a general education board fellowship, Julian sailed for Vienna.

In Vienna, Julian at last began his work with Spath, who received him in his own home. He took his PhD at the University of Vienna in 1931, then returned to Howard, where he began work in a project that had baffled some of the most brilliant chemists.

What Julian and others sought was a way to synthesize the drug, physostigmine, important to the treatment of glaucoma. Scientists knew its chemical structure, but no one knew how to synthesize it.

Not long after Julian began his physostigmine research, his old professor, Dean Blanchard, asked him to return to DePauw to guide seniors in research.

Blanchard did more. He started a drive to finance Julian's research. Money was sought wherever it might be found—from alumni, the university's trustees, the Rosenwald Fund, the public.

Almost 30 years ago, the Reader's Digest provided a gripping description of Julian's final experiment on the synthesis of physostigmine.

"Here in a tube were natural crystals of physostigmine from the calabar bean. In another tube were crystals of Julian's synthetic chemical, built up in three years work. Identical melting points would give the final proof that the substances were the same. If the melting points were different, all his work had been in vain.

"Julian's assistant, Josef Piki, began heating the tube of natural crystals, Julian those of the synthetic. Prof. Blanchard watched hardly breathing.

"I'm melting!" cried Piki. "Me too!" shouted Julian. The two thermometers registered exactly the same.

"Then old Prof. Blanchard, white man from the deep South, and Piki, the German colleague, and Julian, the Negro, threw their arms around one another. Their eyes were dim with happiness."

Julian's breakthrough brought him acclaim throughout the scientific world. Still, when Blanchard boomed him for appointment as head of DePauw's chemistry department, making him the first black to be a professor of chemistry in a white institution, university authorities decided it would be "inadvisable" to give him the post.

In 1936, Julian joined the Chicago-based Glidden Co. The association lasted 17 years, during which Julian made many of the discoveries that made his name a legend. He later established his own corporations with laboratories in suburban Franklin Park.

Legend or no, Julian witnessed an outpouring of naked prejudice when he and his family moved into a home in suburban Oak Park in 1950.

In November, 1950, arsonists made two attempts to set the house on fire.

In June, 1951, a dynamite bomb was hurled from a moving car and tore up a flower bed four feet from the house. Julian and his wife were visiting Baltimore for the funeral of his father. A maid and the children still at home were not injured.

Threatening letters were received, and, for a time, the Julian children had to be guarded.

"We have no particular desire to live in Oak Park," Julian said during those difficult days, "but our religious, business and professional interests are all centered in that community."

He also said, "We're American citizens and we're entitled to this."

Julian's wife, Anna, a distinguished scholar in her own right, has said of those days: "We are pioneers facing the wilderness. Only for us, it was a human wilderness growing from bigotry."

The Chicago Daily News received a letter from Julian in 1951, which conveyed much of his simplicity and retiring nature.

"I am afraid," he wrote, "that I have been naive enough not to realize that when one's house is bombed and when one works out a new method for producing cortisone, one suddenly becomes 'news'. . ."

Though the vandals did their best (or worst), they did not drive Julian and his family from Oak Park. Leaders of the community rose up to put down the bigots among them, and Julian was later to say that Oak Park and its citizens had given him every possible honor.

[From the Birmingham Post-Herald, Apr. 21, 1975]

RENOWNED CHEMIST DIES; 76 YEARS OLD

OAK PARK, ILL.—The First Congregational Church will hold funeral services Wednesday for Percy Levon Julian, an internationally known research chemist who developed a low-cost synthetic method of producing cortisone. He died Saturday at age 76.

Julian, also known for his work with soybean extracts and sterols, discovered the means of synthetically producing cortisone in 1953. The medication is used in treating arthritis, skin diseases and other afflictions.

During World War II, he also invented a firefighting foam known as "bean soup" for putting out oil and gasoline fires. It saved the lives of hundreds of airmen who crashed in small planes on the decks of aircraft carriers.

Julian, born in Montgomery, Ala., was the grandson of a slave. He entered Depauw University at Greencastle, Ind., in 1916 as a "sub-freshman" because of his deficient educational background. He was graduated as class valedictorian.

Julian was a member of Depauw's board of trustees and the boards of five other colleges and universities.

Julian held a master's degree in chemistry from Harvard and a PhD from the University of Vienna. He taught at Howard University and established the chemistry department at West Virginia State College.

Julian later was named director of research for Glidden Co., Chicago, and in 1953 founded the Julian laboratories in Franklin Park, Ill., and Mexico City. He sold the labs eight years later.

OUR TIME TO CHOOSE

Mr. JAVITS. Mr. President, the following editorial appeared in the April 16 issue of the New York Amsterdam News, the Nation's largest black-oriented newspaper. I wish to applaud the editor, Mr. James L. Hicks, for his excellent and important message. I suggest we all make today "Our Time To Choose" and rededicate ourselves to the struggle against bigotry as we stand together in our mutual fight for human rights.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the (New York) Amsterdam News Apr. 16, 1975]

OUR TIME TO CHOOSE

During the turbulent civil rights marches of the Sixties, Jewish rabbis, Jewish politicians, Jewish scholars and Jewish laymen marched side by side with Blacks in the face of snarling dogs, howling lynch mobs and club swinging sheriffs.

Like the Blacks with whom they marched, many of them were spat on, degraded and brutally beaten; and some of them died by the side of Blacks on the civil rights battlefield.

These Jews who struggled and died with Blacks were fighting by their side because, although being white themselves, like the Blacks, they refused to accept the mythology that a white man is superior by birth to a Black man and therefore, has no rights in America that a white man has to respect.

It was an epic struggle which continues unto this day, and the contributions of our Jewish allies become all the more epic when one recalls that Jews did not have to enter into this fight at all.

Being white, and therefore more able to enjoy the emoluments of America's imperfect Democracy, the Jewish people, during the Sixties, could well have assumed a posture of "benign neutrality" in the Black man's struggle for equality and very few people would have held it against them.

But it is not in the tradition of Jews to take the easy way out in struggles involving the Brotherhood of man and the Fatherhood of God. They have never done so down through the pages of their colorful history, and the Jews of the Sixties were no exception.

Jewish leadership looked at America of the Sixties and determined from their own analysis that Blacks were on the side of right in their fight.

Then Jews had a choice to make. The choice was: To assume a benign neutrality posture and remain above and out of the fight, or to take the harder "right" path and stand and fight with the Blacks.

True to their heritage, they chose to stand, march, or die with Blacks against whites who would deny them their inalienable rights because of skin color.

Once the decision was made, frail Jewish rabbis left their synagogues, husky Jewish law scholars put aside their books, glamorous Jewish debutantes deserted the social swirls of the big cities, and hard working Jewish fathers joined hands with their families to match Blacks, step for step in a giant strike toward freedom.

We didn't win that war—it's not over yet.

But America is a better place today because that war was waged.

And because of the efforts of Jews and other whites who pitched in, Blacks, today, can see a brighter light at the end of that tunnel that leads to a better America.

Now as the battle continues, we have come to a new threat—a threat in which our gallant Jewish allies face a clear and present danger from another direction.

Despite what is being said, and has been said, there is a clear move on in this country, and indeed in the world, to once more cut down the Jewish people through a diabolic warfare known as "anti-Semitism".

It's not a new form of warfare. It is virtually as old as warfare itself.

But it takes various forms as the centuries go by, and the 1970 method of attack is to blame the Jewish people for the dismal poverty-ridden mess which our nation faces, and to first make Jews the targets of hatred so that they can once more be disposed of by the millions without too many outcries from Washington, Rome, Paris or Moscow.

That's the way, historically, anti-Semitism warfare has started, and that's the way it ends.

Blacks, in looking at what is being attempted in these times against their Jewish allies, have first a decision to make, and once having made that decision, are faced with a choice.

The decision is not difficult.

A Black simply has to ask himself: Can this nation blame the Jewish people for the mess it now finds itself in?

The ridiculousness of the question becomes clear as soon as it is verbalized.

Now in the name of all that is logic, can this nation blame Jewish people for the folly of Kennedy, Johnson, Nixon, Ford and Kissinger who led us into all this mess?

Thus, the decision for a Black has to be that we can't blame Jews for the present mess.

It simply is not right.

Having reached that decision, Blacks must then make their choice.

And that choice is whether to adopt a posture of "benign neutrality" and sit by, above, and out of the fight while Jews are made the scapegoats for something which they clearly did not do—or roll up their sleeves and join the Jewish people in fighting against a despicable conspiracy, which, if successful, will not only destroys Jews, but will end up with Blacks as the leading candidates to be the next victims.

"Benign neutrality"—or fighting on the side of right.

This is the Black man's choice today.

Jews faced the same choice in the Sixties. They chose to fight on the side of right.

Black people in 1975 can not afford to do less.

Finally we can think of no better place or time for Blacks to start than to start at noon, Sunday, April 13, at the United Nations Plaza across from the United Nations when thousands of Jews will rally together on "Solidarity Sunday" to speak out against the persecution which they have for so long endured.

THE FARMER'S EARNINGS VERSUS HIS COSTS—AN IDAHO PERSPECTIVE

Mr. CHURCH. Mr. President I have often heard people say that farmers complain too much about their incomes. I have heard comments made to the effect that farmers are getting rich. That is not the case as any farm State Senator knows.

Recently, the facts were brought home graphically with respect to the Idaho farmer in a study prepared by the Grangeville, Idaho, Charity Grange No. 294. The group pulled together the average prices they were receiving for their crops in 1973, 1974, and 1975, and compared the prices received with the costs necessary to produce.

The results of their work are quite informative and they do not tell a tale of excess profits for farmers. I think this effort by a small local grange is most informative. I commend it to my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the study was ordered to be printed in the Record, as follows:

Charity Grange No. 294,
Grangeville, Idaho, March 31, 1975.

Dear Congressman: The members of Charity Grange No. 294 decided to gather the enclosed information regarding the prices of the produce the farmers of this area have to sell and the price of the commodities necessary to raise said produce. This list of comparison prices will show the economics of farming in this area.

As you can see the items of main interest at the present time are the prices of cattle and the price of baler twine. The price of wheat is on the decline at this writing and appears to be headed for the list also.

We are sending this list to you in the hopes that you will be able to use it, or the information obtained therefrom, in any of the presentations you might present before any of the committee meetings that might help stabilize this situation.

Thank you for any attention you might give this matter.

Respectfully.

Dorothy Meyer, *Secretary.*

COMPARISON PRICES, GRANGEVILLE, IDAHO—UNION WAREHOUSE

[Wheat price Mar. 28, 1975, $3.68]

	1975	1974	1973	Percent
Market (high):				
Wheat (hushel)	5.01	4.56	2.33	+2.15
Barley (ton)	132.00	93.50	56.00	+2.36
A W peas (hwt)	7.50	9.00	3.25	+2.30
Cattle	21.50	55.00	57.80	−2.69
Fertilizer (per acre):				
Am. Nitrate, top-dress 100 lb	11.70	6.45	3.90	+3.00
Am. Sulfate, pasture 150 lb	10.80	5.70	4.35	+2.48
16-20-0-14, pasture 150 lb	13.80	9.22	5.85	+2.36
25-10-0-7, pasture 150 lb	15.30	10.05	5.85	+2.62
Aqua-40N	8.42	5.15	2.92	+2.88
NitroSul-10S	2.52	2.29	1.58	+1.59
Uran-17.7 N-top-dress 5 gal	4.50	3.75	2.30	+1.96
Chemicals (per acre):				
Bronate	7.12	5.24	3.57	+1.99
2-4-0	2.36	1.75	.98	+2.40
Avadex	6.56	5.95	5.15	+1.27
Carbyne	4.19	3.68	3.19	+1.31
Karmex	4.12	4.12	3.75	+1.10
Igran	6.80	6.20	5.70	+1.19
Pea weevil control	3.00	2.72	1.18	+2.54
Seed:				
Wheat (per acre at 70 lb.)	8.[illegible]0	8.05	4.15	+1.93
Barley (per acre at 80 lb.)	7.[illegible]5	6.80	3.85	+1.94
Alfalfa, 100 lb	188.[illegible]0	198.00	99.00	+1.90
Manchar Brome, 100 lb	90.[illegible]0	90.00	44.00	+2.04
Orchard grass, 100 lb	85.[illegible]	85.00	54.00	+1.57
Feed:				
Wheat, 100 lb	9.[illegible]5	6.70	4.60	+2.03
Barley, 100 lb	7.[illegible]5	5.50	3.70	+1.96
Oats, 100 lb	7.[illegible]5	5.50	3.70	+1.96
Mix feed, 100 lb	8.[illegible]0	7.00	5.00	+1.70
PMS, ton	145.[illegible]0	132.00	92.00	+1.58
32 percent cattle concentrate, 100 lb	8.[illegible]0	7.50	4.75	+1.68
Egg mash, 100 lb	10.[illegible]0	10.00	7.45	+1.37
Bailer twine: Sisal (per bale)	30.[illegible]0	21.95	8.35	+3.59
Grange supply				
Baier twine: Sisal (per bale)	30.[illegible]0	21.85	8.35	+3.59
Diesel fuel: Per gal. (300 gal or better delivered) (cents)	37[illegible]9	32.5	20.2	+1.87
Iron (steel): By the pound (cents)	[illegible]0	34	20	+2.00

MACHINE TOOL BUILDERS ASSOCIATION UNDERSCORES IMPORTANCE OF INCREASED PRODUCTIVITY

Mr. PERCY. Mr. President, the 73d spring meeting of the National Machine Tool Builders' Association was held in Washington last week. I had an opportunity to meet with the Illinois delegates to the meeting to discuss some of their interests and concerns.

The major topic was the importance of investment and investment incentives to improved productivity and thus real economic growth. The association's views on this topic were also expressed by James A. Gray, executive vice president, in his address to the delegates on April 9. Mr. Gray notes:

> The current inflationary recession has knocked the pins from under both real compensation and productivity and they both declined in 1974. This double downturn serves to underscore the interdependence of these two measures of national achievement. They move together like a pair of Siamese twins . . . The way to increase the real compensation of Americans is to increase our national productivity. As we have all learned so well during the past two years, the inflationary part of any wage increase soon becomes a hoax. The only portion of wages that is of lasting benefit is the portion based on improved productivity.

As the sponsor of legislation to create a National Center for Productivity and Quality of Working Life and as an author of the legislation authorizing the existing National Commission on Productivity which the new center would replace, I was pleased to see Mr. Grays' attention to this point. The Government Operations Committee held hearings March 20 and 21 on S. 765 introduced by me and S. 937 introduced by Senator Nunn of Georgia. These proposals are now awaiting full committee mark up.

In the past 12 months, the Nation's productivity has fallen by 2.5 percent. The United States now ranks ninth among all the industrialized nations in terms of its productivity gains. We must act now to improve our performance.

I ask unanimous consent that the full text of Mr. Gray's address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by James A. Gray

Thank you, Mr. President. Members and guests, welcome to the 73rd Spring Meeting of the National Machine Tool Builders' Association.

As you know, the theme for this 73rd Spring Meeting is "The Road to Recovery".

I realize that there are many people who might think this theme is a bit premature Perhaps it is, but I would rather be early than late. Furthermore, I am always optimistic so I do not mind "belling the cat". Besides, I have criticized the American press corps for directing us down "The Road to Ruin" because it seems more dramatic to report bad economic news these days. Frankly, I would like to see the media stress the good economic news and talk us into prosperity for a change.

Anyway, call it "Road to Recovery" or even the "Street of Dreams", but I have been looking for some positive road signs to recovery and, indeed, they are there.

For example, the stock market has been recovering for several months now. Since December, the Dow Jones industrial average has gone up 30 percent and that is a good sign. While the stock market has been rising the prime interest rate has been falling from its September–October high of 12 percent to its present 7½ percent level.

The wholesale price index has fallen every month since last December, and its decline has dampened inflation. In January the rise in the cost of living was the lowest since last April, and the forecasters say that signs are now pointing to an 8 percent inflation rate for the year compared to 11 percent for 1974. It isn't good, but it is a lot better.

The latest measurements indicate that our nation's inventories are lower after several months of contraction. This means that it will soon become necessary to start producing again just to meet minimum demand.

Of course, the tax legislation signed by President Ford about two weeks ago should give the economy another boost up that "Road to Recovery", particularly the 10 percent investment tax credit. I believe that we have finally convinced some members of Congress and some labor leaders that reasonable capital recovery is imperative. Even though a 10 percent tax credit is not as much as American industry needs, the increased tax credit will encourage more investment in the most modern, efficient, and productive tools our industry can produce.

But watch out! With the ink barely dry on the tax bill, someone will soon marshall the forces on Capitol Hill and start the tax reform campaign and try to take away the 10 percent credit. Industry will then be left again trying to sing bass after it has become a soprano. So we must continue to tell our story and to cement the need for a realistic capital recovery system in this country.

I hope that each of you will take time during this Washington meeting to visit your elected representatives. When you go to see your Congressmen, be sure to emphasize the need for investment in America and the role that the tax credit and the Asset Depreciation Ranges (ADR's) play in stimulating investment. If Congress fully understands how these capital recovery allowances directly benefit everyone in the United States, they will be more inclined to support the permanent tax credit and the ADR's when they come under fire.

This morning, I would like to talk about the relationships among investment, productivity, and the real compensation enjoyed by every American. Also, I am going to show you how the other nations of the world have been gaining on us, both in productivity and in real compensation, and why increasing our rate of investment is so

vital if we want America to remain a world leader.

Let us begin by looking at what has happened to the real compensation of Americans over the past 25 years. By real compensation, I mean deflated compensation.

Our real compensation has grown at a very steady rate of about 3 percent per year. As a result, our citizens' spending power has nearly doubled in the past 25 years, and we are all better off today because of our ability to grow and prosper.

This growth has not been fortuitous. The reason why we have enjoyed a steady increase in real compensation is that our national productivity has been growing just as steadily, and it has the same average growth rate—3 percent per year.

Of course, the current inflationary recession has knocked the pins from under both real compensation and productivity and they both declined in 1974. This double downturn serves to underscore the interdependence of these two measures of national achievement. They move together like a pair of Siamese twins.

So, this is the beginning of our story. The way to increase the real compensation of Americans is to increase our national productivity. As we have all learned so well during the past two years, the inflationary part of any wage increase soon becomes a hoax. The only portion of wages that is of lasting benefit is the portion based on improved productivity.

The best way to keep inflation from eroding compensation is to match the increases in compensation with comparable productivity increases. They show how low productivity growth led to the inflation of the fifties and how faster productivity growth helped control inflation in the early sixties.

Let us begin by looking at the period from 1950 through 1958. During these years, the productivity of workers in our manufacturing industries grew at an average annual rate of 2 percent. At the same time, compensation increased at about 5½ percent—the result was an increase in unit labor costs—and 25 percent inflation over this eight-year period. The whole spree ended with the recession of '58.

As we came out of the recession compensation continued to rise, but at a slower rate of 3.7 percent. Our rate of manufacturing productivity growth increased substantially to an average annual rate of about 4 percent, so the slope of these two lines was about the same. In short, from 1958 through 1965, the growth in productivity matched the growth in compensation, and the result was stable unit labor costs and controlled inflation, only 11 percent over this seven-year period. We all benefited from a period of prolonged prosperity and significant growth in real income.

Then we entered the modern era—1965 to date. Productivity continued to grow at about the same rate experienced during the period of prosperity; however, compensation went off into the wild blue yonder. The result is obvious. Without large increases in productivity to match the increase in compensation, unit labor costs in manufacturing began their rapid rise, fueling a prolonged period of ever escalating inflation which amounted to an outrageous 54 percent for the nine-year period. As we know only too well, the result of the gap between compensation and productivity was still another repeat of history—Recession!

We shouldn't have been surprised. The result was foreordained. Any time that our productivity growth does not match the higher wages that we pay our workers, we must pay the price in inflation and prolonged inflation leads inevitably to recession.

The only way our nation, or any other nation, can avoid severe inflation is to maintain the balance between wages and productivity. When a nation disciplines itself sufficiently to keep productivity growth in line with wage demands, everyone benefits, and conversely, when wages outrun productivity, everyone suffers.

So the question really becomes: How do we assure an adequate growing productivity for our country?

There are several factors that affect productivity growth, but there are two that outshine all others.

First, there is the quality of labor. On this point, we in America are in an ideal position. No question about it. We have a well-trained, well-educated, high quality labor force, but even this labor force has to be motivated, If we want steadily increasing real earnings; a clean, pollution-free environment; a cheap, efficient public transportation system; care for the needy; new energy sources; a strong national defense; and *soon—all* Americans need to be convinced that we must pay for these desirable things today. They cannot continue to be charged to the future. And if we can get that message across, that should be motivation enough to help improve productivity.

The second important factor that affects productivity growth is investment. This is by far the more important. Investment in new, more efficient tools and machines is the single largest contributor to improved productivity. Intelligent capital investment improves the productivity of every industry, whether manufacturing, transportation, or services. For more than 20 years, our national growth in productivity has traveled hand-in-hand with investment. Whenever we increase our investment in more efficient equipment, our productivity improves. Furthermore, the workers produce higher quality products, and they expend less effort.

So, the message is clear. If America is to continue to grow, we must continue to invest in equipment that will improve the productivity of our manufacturing, transportation, and service industries.

It is vital that we keep inflation under control and our productivity growing so that we will be able to meet our international competition at home and overseas. It is, I believe, an American article of faith that the United States will always lead the world in productivity, but there is a great change taking place in our time. Our world competitors have made incredible productivity gains over the past 25 years. Their productivity has been growing faster than ours. The U.S. still leads the world in output per man-hour, but the other industrialized countries have made incredible gains in the past 20 years.

For over 20 years, the U.S. has had one of the lowest productivity growth rates of any of the industrial nations. Why? Because, for the past quarter century, we have not had sufficient capital investment, and this reflects in our productivity standing.

How has it hurt us? Over the same periods, each of the industrial nations has benefited from a growth in real earnings that is proportional to its growth in productivity, and again, the U.S. is at the bottom of the list. And this brings us right back to square one. The drop in our productivity and real earnings position over the past several years is a result of our relatively low rate of capital investment.

The United States has had the lowest rate of capital investment of any of the western industrialized nations. So the need is clear. We must increase our investment in capital equipment.

Capital investment is dependent upon three interrelated factors: savings, profits, and capital recovery.

Sufficient savings are necessary to provide the low interest funds needed for investment. Savings are also essential to sustain the equity markets of America so that businessmen can obtain new capital for investment purposes. Therefore, it is important that we encourage more savings. At the present time, savers are penalized. They pay a heavy price for inflation. For example, last year a saver earning six percent on his money simultaneously lost 11 percent to inflation, so a saver ended with a net loss of five percent. To make savings more attractive, we must keep inflation under control.

The second ingredient necesary for a large increase in our national investment rate is profits. In order to attract equity capital, to support borrowing, and to generate funds that can be plowed into a business, the business must be profitable. As we all know, business in America has become gradually less profitable in recent years; therefore, it is vital that the importance of profits be impressed upon all of our citizens. Better profits are not required for the benefit of a few owners, but for the benefit of everyone in America.

The third ingredient for investment is the ability of a business to quickly recover its previous capital investment so that it can reinvest in the most modern production equipment. This is why a nation's entire capital recovery system becomes so important to economic health.

In summary, let's review. First, productivity has to keep up with compensation to keep inflation under control. Second, to keep productivity up, we must increase our investments in more efficient equipment. Third, consistent capital recovery is an essential element in stimulating that investment in more efficient equipment.

Ladies and gentlemen, this is the message we must get across to our Congressmen and to the voters that elect them. If they really understand the relationship between capital recovery and investment and productivity and compensation, then the permanency of the investment credit and the ADR will be assured. With an adequate permanent capital recovery system, American businessmen can really make long-term plans for investment in improved productivity. With an inadequate system, the investment pump will slowly run dry.

Our new capital recovery potential has been in effect less than two weeks, while our international competitors have had a more realistic capital recovery system for a long time. The ten percent tax credit is not going to cause a miraculous change in a short period of time.

Certainly, the ten percent credit and the twenty percent ADR's are a start, and they will help prime the investment pump. Over the past 14 years, the on-again, off-again tax credit, coupled with insufficient depreciation provisions, has cut back the flow of capital investments. You and I both know that what America needs now is an even stronger stimulus to get capital investments really flowing again. What we need and have needed for some time is a permanent 12 percent tax credit coupled with a 40 percent Asset Depreciation Range. With that combination, American industry would be able to recover about 75 percent of its capital investment in three years.

This would really start investment rolling like a snowball down a long, steep hill. The result would be a productivity improvement rate that is competitive with the rest of the world, and that would lead to an effective control of inflation and a higher standard of living for all Americans.

NEW ENGLAND REGIONAL COMMISSION RESOLUTION ON RAILROAD REFORM

Mr. KENNEDY. Mr. President, New England is deeply interested in the reform and renovation of the rail transportation system in the region and the Nation.

We recognize that improved rail

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transportation is vital not only to the economy of our area as the basic mechanism for moving freight but also to the achievement of a balanced transportation system. Concentration on the interstate highway system over the past two decades has paralleled the decline in the rail passenger service in America.

Many of us have fought that trend for many years. Highways are an essential element in an overall network of transportation modes; but we can no longer afford to give them preferred treatment. Instead, we must seek a balanced transportation system that effectively integrates all modes.

For that reason, it is important to note the views of New England Governors who recently approved a resolution setting forth their support for a basic reform and restructuring of the rail system.

The Governors, meeting as members of the New England Regional Commission, and with the support of the Federal Co-Chairman Russell Merriman, endorsed "the concept of public ownership and maintenance of the fixed facilities of the railroads in order to provide an equitable base of public support to all transportation modes."

Critical of the limited nature of the consideration of this issue in the United States Railway Association's Preliminary System Plan, the resolution urges immediate action to accomplish this goal.

I ask unanimous consent that the full resolution of the New England Regional Commission be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF NEW ENGLAND REGIONAL COMMISSION

A RESOLUTION OF THE NEW ENGLAND REGIONAL COMMISSION CONCERNING THE NEED FOR A NATIONAL RAIL TRANSPORTATION POLICY

Whereas, the New England Regional Commission has taken an active interest in the railroad industry of New England: and

Whereas, the analysis of the Preliminary System Plan of the United States Railway Association fails to make proper provision for the rehabilitation of the New England Rail System; and

Whereas, present national policy fails to meet the very urgent needs of the rail industry for capital for maintenance of the fixed plant; and

Whereas, the public supports all other transportation modes through subsidies to construction and maintenance of fixed facilities including highways, airports and shipping ports and channels;

Now therefore be it resolved by the New England Regional Commission that the Commission calls upon Congress, the Department of Transportation and the United States Railway Association to adopt legislation to provide public support to all modes of transportation; and

Be it further resolved that the Commission endorses the concept of public ownership and maintenance of the fixed facilities of the railroads in order to provide an equitable base of public support to all transportation modes; and

Be it further resolved that the Commission will develop specific legislative proposals to accomplish this aim, which proposals shall include the following elements:

1. Public acquisition of rail rights-of-way and other fixed facilities
2. Public maintenance of the rights-of-way and rehabilitation of presently deteriorated facilities
3. Leases to operating carriers to provide service over present routes with user charges
4. Establishment of a trust fund to finance rehabilitation and ongoing maintenance
5. An energy tax credit for use of fuel efficient modes
6. A program to increase productivity of rail labor
7. Reform of the process of regulation of the transportation industry to increase flexibility in competition and service

and;

Be it further resolved that the Commission directs staff to prepare draft legislation and such supportive documents as may be required for presentation to national authorities.

NAVY'S NUCLEAR SHIP PROGRAM

Mr. THURMOND. Mr. President, this year we are witnessing great pressure from the Budget Committee to reduce the Department of Defense request for the approaching fiscal year. In the past, such pressure to cut the Defense budget has resulted in actions which merely delay procurement of needed items. While this approach may appear to be a cut in defense, it is in reality delaying purchase of weapon systems into future years when costs are invariably higher. Thus, some of these reductions are false economy and should be revealed as such.

Further, the disruption of schedules and delay in purchasing long lead items for complicated systems, especially nuclear ships, should be cause for concern in the Congress. With the current price of oil, our nuclear ships have even greater application for the years ahead. Recently I wrote Adm. Hyman G. Rickover to obtain his personal views relative to our nuclear ship program because of the backlog in orders which have accumulated in recent years.

The admiral has responded to my letter and has also provided two charts which reveal an alarming trend in the numbers of weapon platforms in the Soviet Navy vis-a-vis the U.S. Navy.

While Admiral Rickover believes our surface Navy is more powerful than the Soviets' because of our aircraft carriers, he wisely points out that the navies have different missions and notes that the mission assigned to the U.S. Navy is far more difficult.

Mr. President, as the defense debate approaches, I believe it would be helpful for the Congress to have the benefit of Admiral Rickover's views.

Therefore, I ask unanimous consent that my letter to the admiral of April 15 and his reply of April 21, with the accompanying tables, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., April 15, 1975.

Adm. HYMAN G. RICKOVER,
Navy Department,
Washington, D.C.

DEAR ADMIRAL RICKOVER: You know of my deep interest in our naval nuclear shipbuilding program.

As the Senate approaches decisions in the Senate Armed Services Committee, I anticipate pressure to delay some ships because of the huge backlog which has accumulated in recent years.

This approach might be applied to the DLGN 42 and the nuclear attack submarines. Also, there is an interest in delaying some elements of the TRIDENT long lead funding.

I would appreciate very much having your comments reference the effect of any such delays.

With kindest personal regards,
Very truly,

STROM THURMOND.

DEPARTMENT OF THE NAVY,
NAVAL SEA SYSTEMS COMMAND,
Washington, D.C., April 21, 1975.

Hon. STROM THURMOND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR THURMOND: This is in response to your letter to me of April 15, 1975. You stated:

"I anticipate pressure to delay some ships because of the huge backlog which has accumulated in recent years. This approach might be applied to the DLGN 42 and the nuclear attack submarines. Also, there is an interest in delaying some elements of the TRIDENT long lead funding."

You requested my comments concerning the effect any such delays would have on the naval nuclear shipbuilding program.

In order to put my comments in proper perspective, I must first state that I am extremely concerned over the rapid progress being made by the Soviets in the design and construction of nuclear submarines in particular, as well as the rapid expansion and improved capabilities of their surface combatant fleet.

Unlike the United States, the Soviets are spending more of their military budget on procurement, research and development, and operations than on manpower. While about 53 percent of the U.S. defense budget pays for personnel only about 35 percent of the Soviet budget is required for personnel costs. The result is that in recent years, many new types of weapons systems have entered the Soviet arsenal, including new design planes and ships.

From 1968 through today the Soviet Navy increased both in numbers of ships and in capability. For example, the number of nuclear submarines in the Soviet fleet increased from 61 in 1968 to 130 today, surpassing us in this area by 1970. During the same period, the number of Soviet major surface combatants increased from 200 to 223 while the number of U.S. major surface combatants fell from 350 to 181. While their numbers continue to increase ours continue to decline. The U.S. Navy is scheduled to drop 27 ships from the active fleet in fiscal year 1976, including 2 carriers, 3 destroyers, and 1 submarine. The projected U.S. Navy active fleet level for fiscal year 1976 is 496 ships, the lowest since 1939.

Looking at the submarine situation, specifically, the comparison is particularly ominous. Currently the Soviets have a total of 335 submarines, consisting of 130 nuclear powered and 205 diesel powered, all of which have been built since World War II. The total U.S. force is 117 submarines with 105 nuclear powered and 12 diesel powered. A comparison according to types of submarines is included as enclosure (1).

In the critical area of strategic submarines, of the 50 Soviet nuclear ballistic missile submarines in operation, 34 are Yankee Class submarines which are the equivalent to our Polaris submarines except they are all newer than ours.

The Soviets also have at sea 8 ships of their new Delta Class ballistic missile submarines, with 16 more under construction. These ships are the equivalent to our Trident submarines, the first of which we will not even have until near the end of this decade. They have more nuclear powered ballistic missile submarines than we do and they are building new ones at a rate of 6 to 8 per year compared to our Trident rate of 1 or 2 per year.

The Soviets have the largest and most modern submarine yards in the world. They are credited with a nuclear submarine production capability of 20 ships a year on a single shift basis. Last year while not fully utilizing this vast building capacity, they produced 10 submarines; we produced 3. As late as 1966, the Russians had only two new construction yards building nuclear submarines; today they have four with this capability and further expansion of such facilities is currently in progress.

At present, while our Poseidon conversions are going on, the maximum U.S. capacity to build nuclear submarines is less than half that of the Soviets. Upon completion of these conversions—about 1977—the best we could do would still be far below their capacity.

Of even greater concern than total numbers is the fact that since 1968 the Soviets have introduced over eight new designs, besides converting older designs to improve their capabilities. They have introduced significantly improved versions of their attack cruise missile and ballistic missile nuclear submarine designs. In the last 7 years they have introduced more new submarine designs than have ever been put to sea, during a comparable period, in all of naval history. The U.S., on the other hand, has introduced only two new design submarines in the last 15 years.

This comparison should not be surprising since we spend less than 20 percent of our naval budget on submarines while the Soviets spend approximately 40 percent.

The trends in the surface navy are equally of concern. Today the Soviets have more major surface combatants than we, and many of their ships carry surface-to-surface missiles which our ships do not yet have. I have included as enclosure (2) a comparison of the U.S. and Soviet surface fleets for 1966 and 1975. This shows that they have 223 major combatants compared to our 181 and about 1,805 minor combatants compared to our 202.

Since 1962 the Soviets have built about 800 major and minor surface warships while the United States has built 170, a ratio of four to one.

Overall, I believe that our surface Navy is still more powerful because of our aircraft carriers. However, even this is not reassuring since, as a land power, they do not have to depend on sea lines of communication to conduct military operations. As a maritime power, we are dependent on being able to control sea lines of communication in order to conduct military operations overseas. The mission assigned to our Navy is a far more difficult task than the Soviet Navy mission of preventing our Navy from maintaining such control.

I have appended as enclosures (3), (4), and (5), information concerning the impact of deferring funds in the President's FY 1975 budget request for DLGN 42, the two SSN 688 Class attack submarines, and long lead funding for Trident submarines.

I deeply appreciate the opportunity to provide the information you requested. I would like to end this letter with an observation you may find useful. The long time to construct modern warships requires that we authorize today those ships we will need well into the future. In wartime we can improvise support ships if we must. We can take merchant hulls and fill them with machine tools to make tenders; we can take tankers and make them into oilers. We can improvise many things if we have to, but we cannot improvise sophisticated weapons systems. We cannot create nuclear warships after a war starts.

Respectfully,

H. G. RICKOVER.

COMPARISON OF UNITED STATES AND SOVIET SUBMARINES APRIL 1975

	Soviets	United States
Submarine type:		
Attack:		
Nuclear	40	64
Nonnuclear	158	12
Ballistic missile:		
Nuclear	[1] 50	41
Nonnuclear	22	0
Cruise missile:		
Nuclear	40	0
Nonnuclear	25	0
Total:		
Nuclear	130	105
Nonnuclear	205	12
Grand total	335	117

[1] Includes 34 Yankee class and 8 Delta class modern ballistic missile submarines.

COMPARISON OF UNITED STATES AND SOVIET SURFACE FLEETS

	Mid-1966		April 1975	
	U.S.S.R.	United States	U.S.S.R.	United States
Major combatants:				
Aircraft carriers	0	15	[1] 0	14
ASW carriers	0	8	0	0
Helicopter carriers	0	7	2	7
Cruisers	17	14	31	5
Frigates and destroyers	81	232	84	91
Escorts	87	42	106	64
Subtotal	185	318	223	181
Minor combatants and support ships:				
Missile patrol craft	133	0	135	0
Other patrol craft	695	4	550	14
Amphibious ships	103	152	100	58
Mine warfare ships	404	84	[2] 270	3
Auxiliaries	575	246	[2] 750	127
Command and control (CC's)	0	2	0	0
Subtotal	1,910	488	[2] 1,805	202
Surface fleet total	2,095	806	[2] 2,028	383

[1] The Soviet Union currently has 2 aircraft carriers under construction.
[2] About.

NATIONAL LIBRARY WEEK

Mr. EAGLETON. Mr. President, last week the Nation observed National Library Week, a special occasion that has been observed each year since 1958 when President Eisenhower issued the original National Library Week proclamation.

At that time, President Eisenhower said:

> Let National Library Week be a time for the appraisal of community needs for library service and of the means for meeting them.

And this year, President Ford called upon every library "to seek to improve, equalize and make more accessible its services to all."

Yet, at the same time that the President issued a statement celebrating Library Week, the executive branch appears to be moving in the opposite direction, according libraries a very low priority.

Recently, I have become increasingly concerned that the U.S. Office of Education is not carrying out the intent of Congress with respect to the way it administers the Federal library programs. As you know, there are three basic Federal library programs administered by the Office of Education: the Library Services and Construction Act which provides grants to the States for public libraries and for cooperation among all kinds of libraries; title IV-B of the Elementary and Secondary Education Act as amended, which provides grants to the States for school library and other learning resources; and title II of the Higher Education Act which provides grants for college library materials, plus training and research grants in library and information science.

In recent years, the Office of Education has downgraded the unit administering the library programs, detailed its staff to other programs, and generally not accorded the priority to library programs that we in Congress have long believed important. As a result, the Education Amendments of 1974 (Public Law 93-380) contained a provision mandating the establishment of a new Office of Libraries and Learning Resources. This office is to administer all programs relating to libraries and educational technology.

It has come to my attention that there is some doubt as to whether the Commissioner of Education has fully complied with this requirement of the 1974 Education Amendments. It would appear that the new Office of Libraries and Learning Resources, while officially established on paper, may be accorded no more priority by the Office of Education than was its predecessor, the Division of Library Programs.

Last week I wrote to the Commissioner asking for a report on the status of the Office of Libraries and Learning Resources, and I request that a copy of that letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. Mr. President, in my view, it is imperative that the Office of Education comply with the law in this regard. Libraries are a vital element of our educational system, and we cannot allow the Office of Education to continually assign it an inferior role.

I hope that when National Library Week comes again a year from now, the Office of Libraries and Learning Resources will have long since been fully established and staffed not only on paper but in reality, and that it will be clear to all that the Office of Education has complied with congressional intent.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 15, 1975.

Hon. TERREL H. BELL,
Commissioner, U.S. Office of Education,
Washington, D.C.

DEAR MR. COMMISSIONER: Your letter of October 29 to me, in which you assured me that you would implement the provisions of PL 93-380 establishing the Office of Libraries and Learning Resources, implied that the new Office would be upgraded from its former division status. However, it is my impression that steps in this direction are not being taken.

I noted in the January 13 Federal Register that the Office of Libraries and Learning Resources was officially established, but it appeared that the only change was to transfer the Division of Library Programs from the Bureau of Postsecondary Education to the Bureau of School Systems, changing its name from division to office in the process.

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Moreover, I noted that no reference was made to the Office of Libraries and Learning Resources in the organizational material dated March 1, 1975, which was submitted to the House Labor-HEW Appropriations Subcommittee in response to a request from Congressman Michel. Although this organizational material refers to the Office of Career Education, the Office of Indian Education, and Right to Read, among other units that are outside the bureau/division structure and report directly to the Commissioner of Education or the Executive Deputy Commissioner, no mention is made of the Office of Libraries and Learning Resources. This leads me to conclude that the Office of Libraries and Learning Resources continues to be accorded division-type status within the Office of Education despite its name change.

Finally, it is my impression that the staffing complement of the Office has been further eroded in recent months, with slots remaining vacant when resignations occur, while other staff are detailed to other functions altogether. In order to better understand the situation, I would appreciate your providing me with the following information:

1) the number of staff directly assigned to the former Bureau of Libraries and Education Technology, and to each of its successors, the Bureau of Libraries and Learning Resources, the Division of Library Programs, and the Office of Libraries and Learning Resources;

2) the number of support staff for library programs supplied from other bureaus, offices, or divisions;

3) detailed line-item cost estimates for each position as expressed in the fiscal year 1976 budget appendix, showing positions and man-years, for fiscal years 1971 through 1975.

In order to be meaningful, the information should be supplied in the same format for all of the various organizational changes during this same five-year period.

I would also appreciate knowing how many of the total number of staff now directly assigned to the Office of Libraries and Learning Resources are working today on library programs within that Office. Do you contemplate any changes in this staffing pattern? If so, please advise me of them.

I would appreciate receiving this information within the next week or so, in order that it may be useful in reviewing the education appropriations bill.

Very truly yours,

THOMAS F. EAGLETON,
U.S. Senator.

REAUTHORIZATION OF THE NATIONAL SICKLE CELL ANEMIA CONTROL ACT

Mr. TUNNEY. Mr. President, I am today cosponsoring legislation that will extend for a 3-year period the National Sickle Cell Anemia Control Act.

As the prime sponsor of this bill in 1971, I am pleased to see that the country has begun to achieve its commitment of ending the tragedy that affects thousands of black people each year. We have begun to offer the opportunity to learn the nature and risks of the disease.

Public Law 92–294 was only the beginning and I am determined to see that the benefits of this law are continued for another 3 years. The only major change in the bill being introduced today and Public Law 92–294 is an increased authorization to $185 million over a period of 3 years. The act specifies that grants and contracts will be authorized to assist in the establishment and operation of voluntary sickle cell anemia screening and counseling programs as part of existing health programs, and to support research in the diagnosis, treatment, and control of sickle cell anemia as well as in the development of information and educational material.

Mr. President, more than 60 years after sickle cell anemia was identified as the tragic killer that it is, we are finally beginning to become aware of its terrible toll. It is a blood disease resulting from the inheritance of a genetic factor relating to the so-called sickle cell "trait." It is a painful, deadly diseases. It kills over half its victims before the age of 20. Few survive beyond the age of 40 and most are crippled long before death.

The disease strikes approximately 1 of every 500 black persons. Medical researchers estimate that over 2 million Americans carry the so-called sickle cell "trait." These persons are generally not in danger of the disease itself, but the children of parents who both carry the trait run a high risk of inheriting the disease.

Since the enactment of the Sickle Cell Anemia Control Act, much has been accomplished as far as public awareness and voluntary testing of this trait. There is, however, much research which remains to be done. There is still no cure for sickle cell disease and it would be cruel for us today to promise one. Hopefully, the bill we are introducing here today will provide increased incentives and support for continuing and expanding research efforts. We must continue to educate the public on the nature and inheritance of sickle cell disease and to offer all persons the opportunity to learn if they carry the trait. We must continue to offer the opportunity to obtain a voluntary test for sickle cell trait at appropriate locations throughout the black communities. We must continue to provide the chance for every person to learn if he or she has the trait and put an end to the tragic unawareness which can be shattered by the birth of a child with sickle cell anemia.

Mr. President, the reauthorization of the National Sickle Cell Anemia Control Act offers to the Congress the opportunity to demonstrate tangibly our commitment to the health and welfare of all Americans. For years, sickle cell anemia has been the victim of tremendous neglect. With the enactment of Public Law 92–294 we demonstrated that much can be done to end the burden of uncertainty among black Americans who do not know whether they suffer from this disease or carry the sickle cell trait. We must persist in research and early action by Congress on this bill will provide the stimulus to continue in our efforts to fulfill our commitment to end the tragedy of sickle cell anemia.

A TRIBUTE TO DR. SARVEPALLI RADHAKRISHNAN, FORMER PRESIDENT OF INDIA

Mr. PERCY. Mr. President, the world has lost a great statesman and philosopher in Dr. Sarvepalli Radhakrishnan, former president of India and president of the United Nations Educational, Scientific, and Cultural Organization.

Mrs. Percy and I looked upon our friendship with Dr. Radhakrishnan as one of the most pleasant personal experiences we have had, and we have enjoyed our visits with him both in India and in Chicago. Many years ago he was a guest resident lecturer at the University of Chicago where he developed a close relationship with both faculty members and students.

Because the Washington Post of April 18 carried such an interesting article on his life, rather than recount personal experiences, I ask unanimous consent that the article be printed in the RECORD. I will conclude only by saying that I looked upon Dr. Radhakrishnan as a man of high principles and ideals whose wisdom enriched mankind.

There being no objection, the article was order to be printed in the RECORD, as follows:

SARVEPALLI RADHAKRISHNAN OF INDIA

(By Martin Weil)

Sarvepalli Radhakrishnan, 86, a philosopher and statesman who was India's president from 1962 to 1967, and a chief interpreter of his nation's spiritual heritage for decades, died early yesterday in Madras.

He had been hospitalized frequently during the past year. Death was attributed to heart and respiratory failure.

A former ambassador to Moscow, he served 10 years as India's vice president and had also been president of the United Nations Educational, Scientific and Cultural Organization.

Mr. Radhakrishnan was cremated last night with full state honors.

Indian Army bugles sounded as the funeral pyre was lit for the native of an obscure southeast Indian town who grew up to hold a professorship at Oxford University, be knighted by the king of England (he did not use his title) and win recognition as perhaps the leading interpreter to the West of India's religion and philosophy.

The Indian government closed its offices across the country and ordered a week of state mourning in memory of a man who was sometimes described as the 20th century's closest approximation to Plato's ideal of the "philosopher king."

As a result of his philosophical concerns and the largely ceremonial nature of the presidential office he held, Mr. Radhakrishnan was sometimes viewed as divorced from the hurly burly of day-to-day political life. But several observers found this image to be deceptive.

It was pointed out that in the major scholarly works that won Mr. Radhakrishnan distinction as an interpreter of Hinduism, there can be found a vigorous, almost combative, spirit of involvement in worldly affairs.

Although Hindu thought is sometimes considered to be fatalistic, Mr. Radhakrishnan did not appear willing to greet worldly events with an attitude of passive resignation.

"There is a beginning to time as well as an end," he wrote. "Between these two points, the beginning and the end, between the start and the finish, what happens is real and significant."

Mr. Radhakrishnan's efforts, from the vantage point of the Indian presidency, to influence what happened in his country, appeared most obvious during the premiership of the late Lal Bahadur Shastri.

On the death of Prime Minister Jawaharlal Nehru on May 27, 1964, Mr. Radhakrishnan acted decisively to control the battle for succession that erupted.

Summoning India's top politicians to his bedside, where the spare, white-haired scholar often transacted business, he impressed on them the importance of an orderly succession.

The influence and prestige he eventually threw behind the candidacy of Shastri was seen as playing an important part in his accession to the premiership.

With Shastri in office, it often seemed to some observers that the president, whose role by tradition was ceremonial, was actually helping to run the government.

In the turbulent months after Shastri came to power, Mr. Radhakrishnan traveled widely throughout the country, preaching a message of survival through hard work, cooperation and spiritual belief.

It was in many respects a message similar to the one brought by the gentle, bespectacled, much-traveled philosopher statesman to people all over the world.

The only way to Sino-Indian friendship and world peace, he told a rally in Peking in 1957, was through the "practice of virtue."

A fluent, eloquent orator, he spoke out urgently against war at the UNESCO conference in Paris in 1952, which elected him president.

". . . We must mobilize the great spiritual resources of mankind," he said.

At the 85th commencement of Howard University here on June 6, 1953, Mr. Radhakrishnan, in the United States on one of several speaking tours, said that the world needed the civilizing influence of religion.

"The great truths of religions are simple," he said, "but the practice of religions is difficult and sometimes requires a terrible cost."

India's "grand old man" was born in Tiruttani, near Madras, in southern India, to parents who, though high caste Brahmins, were relatively poor.

Although they were believing Hindus, his parents sent him to Christian missionary schools. His path to scholarly renown and the authorship of highly regarded philosophical works apparently began, according to his autobiography, "My Search for Truth," when he was "deeply hurt" by Christian missionary criticism of Hindu practices and beliefs.

Spurred by the criticisms to gain a deeper knowledge of his religion, he began the study and research that won him a full professorship at Madras Presidency College in 1916 at the age of 28.

Mr. Radhakrishnan had studied at Voorhees College in Vellore and held an M.A. from Madras Christian College.

After Indian poet Rabindrandrath Tagore won the Nobel Prize for literature, Mr. Radhakrishnan, still spurred by a desire to defend his culture, wrote a highly successful study tracing the roots of Tagore's work in Hindu doctrine.

That study, and a second highly praised work, "The Reign of Religion in Western Philosophy," which helped establish Mr. Radhakrishnan as a member of the idealist school, propelled him up the Indian academic ladder.

By 1926 he was lecturing at Oxford, on the threshold of decades of international fame.

In 1927, he published the second, and final volume of what was perhaps his major work—"Indian Philosophy." It made the subject accessible to students around the world.

Early in his scholarly career he was regarded as primarily a defender of Hindu doctrine against Western challenge.

Eventually he became a benevolent philosophical go-between, serving as a liaison between Eastern and Western philosophy.

His first major political role came when he served as ambassador to Moscow from 1949 to 1952 and was credited with helping develop India's nonalignment policy.

In 1965, while president, he put forward a proposal for an Asian or African peace making force in Vietnam.

Indian President Fakhruddin Ali Ahmed said he "personified the wisdom of India."

A widower for many years, he and his wife had a son and five daughters.

FOOD—THE FUTURE

Mr. McGOVERN. Mr. President, a distinguished Member of the other body, Representative UDALL of Arizona, recently delivered a very thoughtful and compelling address on what I consider to be the single most challenging issue of the coming decade—food.

While he supports emergency food assistance to overcome today's crisis, Mr. UDALL has correctly highlighted the need to develop a much broader national food policy, concentrating on the kind of research and technology transfers which will help developing countries produce more for themselves. There are dramatic opportunities in this sphere, yet it is one of the authorities granted in our food for peace law that has been sadly neglected, for far too long a time. Now it demands attention.

I welcome especially Representative UDALL's recognition that agricultural aid must be properly designed. He points out that,

> All too often, we have attempted to export to primitive, energy poor societies, farming technologies designed and perfected for our own conditions. Perhaps on the theory that what works for Iowa and Indiana, will work for India and Indonesia.

In fact, we have learned, and the experts are beginning to admit, that large scale, capital and energy intensive agriculture may not be the most efficient way to produce food, even for ourselves. Here and elsewhere, the promotion of large scale agriculture can drive people from the land into cities where there are no jobs, foster a system which exploits the many to benefit the few, and hamper food production at the same time.

Mr. UDALL has delivered an important address on an important topic, and I believe it deserves the attention of all Members of Congress. Therefore, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

FOOD—THE FUTURE

After four days of papers and discussions on this subject, I would venture to guess that many of you would share my feelings if I began my talk tonight by asking somewhat desperately, "Will the real world food situation please stand up?"

Indeed, the more I read and hear on this subject, the more I am reminded of the old story of the three blind men examining an elephant. Each describes accurately what he can perceive, but the resulting description provides us with nothing even approximating the reality.

The physical scientists see one picture. They focus on the natural resource factors. But the agriculturists, the plant biologists, the ecologists, and the agricultural engineers all look from different perspectives.

The social scientists see another picture. They focus on the human factors. But again, the population experts, the foreign aid consultants, the teachers, and the government planners all have a slightly different view.

And, of course, the economists disagree with everyone else—as always they have their own unique perspective.

I sense a few inward groans out there—"Oh my God," you're asking yourselves, "is he going to present us with another long list of uncertainties?" We don't know about the weather, about the impact of new technologies, about trends in prices, about the availability of fresh water. Well, it's true, we are not very sure about any of these things.

But there are some factors we can be sure about. What I would like to do tonight is to examine these factors and to attempt to draw from them some direction for a wise American agricultural policy. I will describe the situation as I see it, not as an expert, but simply as a concerned American. I call it—modestly—the point of view of the enlightened, long-range, practical thinker.

During 13 years in Congress, I have found that those in government are seldom afforded the luxury of knowing all the facts—of being sure of what they are doing—before they are forced to make *some* decision. This is where legislators envy the research scientist who can wait to publish until he is sure—to the best of his ability—that what he writes is correct.

Legislators cannot wait. As the world's problems grow more and more complex, and more and more intertwined, we find increasingly that if we wait to do something about a problem until we completely understand its parameters, and are certain of the correct solution, that then it will be too late.

In no area is this more true than in agriculture. In 1969, the United Nations Food and Agriculture Organization published a study of long-range agricultural development plans. Incidentally, it was entitled—"A Strategy for Plenty". Just 10 years ago, the United States had reserves of uncultivated farmland, and stocks of grain equivalent to 95 days of world consumption. Today, we have no land withheld, and grain stocks amount to only 26 days of world demand. In just the last year, four-fold energy price increases have triggered two- and three-fold increases in food and fertilizer costs.

So we cannot afford to wait for certainty, and we cannot afford to do nothing. Our best hope for at least coping with—if not conquering—the world food problem, is to initiate now the long-range policies we need to deal with 1980 and beyond.

I believe that we do know enough to begin. We can extract enough certainty from the conflicting predictions we hear to at least outline a sound, long-range American agriculture policy.

We must begin with population. This fall, the world passed an unhappy milestone: 4 billion people. Even with continuing population control efforts, world population in the year 2000 will be somewhat close to 7 billion. In this life and death calculus, there is more certainty about the numbers to be fed, than about any other factor.

Though population growth rates are declining in the developed countries, in the developing world—in Africa, Latin America, and Asia—they are still very high. Moreover, in the developing world, one half of the current population is under the age of 16. Inevitably, then, world population will grow, and grow massively, until at least the early decades of the next century.

Although world food production has outpaced population growth in the last two decades, the inexorable growth of population, combined with the limited availability of many of the essentials of food production, make population control a central element of any responsible and realistic food policy. This will not be easy. The freedom to choose how many children to have has long been regarded as an inviolable right of the individual. But throughout history, organized society has taken away rights once regarded as inviolable, in return for benefits. In its most harsh terms, the benefit we are speaking of here is the freedom from hunger and from starvation.

UMI

The United States has to accept the responsibility to promote world-wide population control measures, particularly in the developing world. This year, world expenditures for population control will total a meagre $3 billion. Contrast that to the more than $225 billion allotted to military expenditures, and you have some idea of the pitifully small effort now being made, and of the magnitude of the effort that could be made, should the countries of the world so decide.

One future policy option which I believe deserves serious consideration, would be to devise a system of bonuses, perhaps special trade concessions, to be awarded to those developing countries which make significant advances in control of their population growth.

An obvious corollary of continuing population growth, is the increasing world-wide demand for natural resources—particularly those essential to food production.

We must begin with land. Mankind has worried about running out of arable land, and eventually out of food, ever since the time of Malthus. Though new sources of land and improved technologies have increased production after each seeming threat of scarcity, the fear persists. Though only about one half of the world's total arable land is currently under cultivation, little new land is available where it is needed the most. In China, and in South Asia, there is none remaining Europe, a developed continent, has little land to put into production, and is highly dependent on external food sources. In fact, Europe consumes more of the international food trade, than the entire underdeveloped world.

Latin America and tropical Africa are highly touted as regions with an immense potential for expansion. However, the soils of many promising regions are very poor, and will require great care and large expense for productive cultivation. The huge central heartland of Brazil, for example, where the Amazon flows, has depleted and dried up soils.

Erosion takes a very great toll on land under cultivation today. For example, in Florida, a highly productive agricultural area, soil breakdown takes place at the rate of one foot per year. Topsoil erosion seriously damages around 15% of the world's agricultural lands. At least one half of India's soil is affected by such erosion, and it is estimated that within 25 years, one quarter of the topsoil of the tilled land will vanish. Though soil can be improved by careful cultivation, productive land is not the abundant resource it seems, and the increased future demand for food cannot be realized to any great extent through this resource.

Another item often taken for granted, at least by the layman, is fresh water. Though most people realize its importance, few appreciate the magnitude of water requirements for agricultural production. Wheat production requires 300 to 500 pounds of water per pound of organic matter produced. Potatoes need 600 to 800 pounds, rice 1500–2000 pounds, and vegetables 3000–5000 pounds. Meat requires a staggering 20 to 30 thousand pounds of water per pound of product On top of this, there are the continuing municipal and industrial water requirements, and the swiftly growing needs for energy production.

A growing body of experts now believes that water may be a more limiting factor than land. Underground supplies are being drawn down more rapidly than they are replenished. Most of the available rivers, have already been harnessed for irrigation, and local water shortages are appearing in increasing numbers in many countries. The Overseas Development Council has concluded that a scarcity of fresh water is now the principal constraint on the spread of the green revolution. The U.N. environment program has given top priority to problems of fresh water supplies, and has called for a world water conference in 1977.

Though the total amount of water available is fixed by the natural hydrological cycle, technologies are being developed to alter its distribution. However, many of these—rain-making, or the rerouting of rivers, etc.—may have profound and undesirable effects on world-wide climate.

The massive irrigation projects which have contributed so enormously to food production increases in the last two decades, have not only made use of all available surface water, but have tapped underground reservoirs faster than they can be replenished by nature, and this excess removal is now taking its toll.

The growing demand for fresh water, and its increasing scarcity, is another future certainty.

Another imperative in the system, though it is an ethical rather than a physical one, is the need to increase per capita food consumption in the developing world. 12% of the world's population—nearly half a billion people—are currently malnourished. Two billion people—nearly half of the world's total—are chronically hungry or undernourished. One third of the children born in the developing world die before the age of five.

The horror stories of undernourishment and starvation in Bangladesh, India, and the Sahel, have become so familiar that we tend to forget their tragic meaning. An old friend and colleague of mine, Senator Joe Tydings of Maryland, who is now special counsel to the U.N. Population Fund, recently toured India and wrote of his reactions to a visit to Calcutta: "No descriptions of Lucifer's regions by theologians or writers of the past are as utterly grim and grotesque. The sight of starving children struggling with ravens and emaciated dogs for scraps of food on rotten piles of garbage, or the late evening garbage trucks picking up corpses from the sidewalks in their daily cleanup, leaves you with a sickness of the soul and mind and spirit for weeks and weeks thereafter."

This is the world Americans never see, but for which, for our own sake, we must take some responsibility. The United States alone is the world's leading exporter of wheat, of feed grains, of rice and of soy beans. Together with Canada, we control a larger share of the world's exportable grain supplies than the Middle East does of its oil.

Nevertheless, we cannot and should not try to feed the world. The public debate in this country has aroused a great deal of emotion with chilling discussions of triage—the decision to give aid only to those for whom it will mean the difference between life and death; and the life-boat ethic—the decision to cast off the extra weight from an overloaded boat in order to save all the rest. But the focus of the debate is, I believe, fundamentally misplaced. Living in abundance, and amid great waste, we do have an obligation to provide direct food aid in emergencies, and to those countries in chronic serious need. But in the long run this is the wrong approach.

The only sound long-run policy, in light of inevitable increases in demand and unavoidable constraints on supply, is for the United States to shift its efforts from unilaterally providing direct food aid, to a massive, multilateral effort to develop and export agricultural technology. This is the key point I want to make tonight: whereas direct food aid was an appropriate international food policy for the United States in an era of domestic surpluses and moderate foreign shortages, it will not begin to solve the problems of the future. The sooner we realize this and shift our attention to fashioning a much broader national food policy, the better off we, and the rest of the world, will be.

A technical assistance policy would encompass three major components: creation of an internationally coordinated system for improving world food security; a massively increased effort in research in the biological, social and economic aspects of agriculture; and third, improvements in existing institutions for financial aid and technology transfer, and creation of new institutions for coordination of international development efforts.

Let me describe each one, in more detail.

An internationally coordinated system of grain reserves will be necessary to deal with the unavoidable shortages and acute emergencies that are certain to be a feature of the world food scene for the foreseeable future.

We have talked about some of the certainties of the agricultural system. One that should be added is the weather. It is certain to be uncertain. Our climate is a bewildering and still mostly mysterious system of interactions involving land, water, ice, winds, sunshine, clouds, precipitation, evaporation, the rotation of the earth and the angle of its axis, and probably some factors we can't even yet identify. There are some indications, however, that the world climate is entering a period of change. Last year's drought in the Great Plains, uncertain monsoons in India and Pakistan, excessive summer heat and unusually warm winters in parts of Russia, and severe droughts for many years in parts of Africa are all involved.

In fact, climatologists believe that weather patterns since the turn of the century have not been normal at all—they have been significantly more favorable than the historical record would give us any right to expect. Now there is evidence that our weather is slowly but steadily growing colder.

There is also some indication that the drought of the 1974 crop season in the Great Plains may have been just the first year of what seems to be regular 20-year drought cycles in the world's most productive grain producing region. Those of you who remember the dust bowl of the '30's know what that could mean. In short, we cannot ignore the fact that we have no control and little understanding of the most important single variable affecting food production. Unfavorable weather will inevitably cause crop failures in the coming years, and sizeable international stocks will be required both to provide a buffer against very large fluctuations in food prices, and to prevent unnecessary suffering.

A second necessary component of adequate world food security involves the development of an international information exchange system. Current gaps in world-wide agricultural data gathering and statistical analysis make it impossible for the FAO to predict food failures. The drought in the Sahel had persisted for four years before it received international attention. Another awful year elapsed before major aid arrived.

In the past, many governments, including the Soviet Union, have opposed the creation of such a system which would require them to disclose information on crops and stocks that has normally been held confidential. One of the most important achievements of the recent World Food Conference in Rome was the agreement to a resolution calling for the creation of a global information and early warning system to be run by FAO. Significantly, Russia, whose status as a major grain producer makes her vital to a successful effort, expressed support for the plan, even though she is not yet a member of FAO.

The second element of my proposed policy involves a vastly increased American effort in research programs. In 1947 agricultural research accounted for 4[illegible]% of the Federal research budget—today it has plummeted to a mere 1½. And yet, the opportunities are enormous, almost unbounded.

One way to get an idea of the size of the productivity increases new techniques can achieve, is to compare average yields of various crops to record yields: the ratio between the two gives an estimate of readily achievable productivity increases.

For soy beans and corn, the greatest recorded yield is more than 4 times average yield, for oats and barley the ratio is greater than 5, and for wheat and sorghum, record yield is more than 7 times average.

The payoff from a serious research effort will be immense. Techniques for desert and tropical agriculture are currently lacking. Consequently, large areas of these lands are not now under cultivation. Moreover, obtainable increases in productivity on the order of 100% are predicted for tropical lands that are already being farmed.

We also need new techniques for multiple cropping, and the development of new, more rapidly maturing grains to increase production and match changing weather patterns. Work is also needed to develop strains of grain capable of nitrogen fixation. These would not only increase yields, but would decrease the demand for fertilizer.

Research is needed in better methods to combat soil erosion, and in improved irrigation techniques. The new "drip" or "trickle" irrigation systems have already demonstrated that they can save great amounts of both water and energy. These new techniques also allow the cultivation of previously unusable hillsides and saline soils. They amount to what has been termed a "Blue Revolution", less well known, but potentially as important as the "Green Revolution". The most far-reaching results could come from research currently being conducted in efforts to increase the photosynthetic efficiency of crop plants. Food crops capture only one percent or less of the sunlight that hits their leaves. Researchers hope to increase this fraction, thereby increasing the energy available to the plant for its growth. The results could include shorter growth span, possibilities for simultaneous multiple cropping, and greatly increased yields.

Another neglected area is aquaculture: the development of methods to harvest food from the seas rather than simply hunting it. The oceans supply a major portion of world protein needs, but recent figures indicate that once again mankind may be on the verge of needlessly destroying an irreplaceable resource through reckless overuse. Tuna, herring, cod and perch are all decreased in numbers. Many minor fish species, especially in the North Atlantic, have already been wiped out. On the other hand, potential uses of the oceans for the systematic cultivation of both high protein plants and fish have been virtually neglected.

Many social problems also require research. For example, many years often elapse between the discovery of the scientific breakthrough, and its widespread application. Sometimes, however, acceptance of the new technology is virtually immediate. We don't know what accounts for the difference. In 1961, a technique was developed to mechanically harvest cherries—it took 12 years before it was generally adopted. A few years later, a mechanical technique for harvesting grapes was discovered. This time it only took 3 years for the same degree of acceptance. Or, in 1971, a new vaccine for treating a costly poultry disease was introduced, and world-wide use followed within 2 years. Whereas new strains of high-yielding rice discovered four years earlier have not even yet caught on—except in a few areas. Again, no one understands why. World food production would clearly benefit from the answers.

Another crucial need is the support of international research centers where agricultural techniques can be developed specifically designed to meet the needs of the Third World countries. Such techniques include labor-intensive, low-energy technologies, as well as methods for intensive small-scale cultivation, hillside cultivation and others already mentioned. Finally, there are a large number of research opportunities for developing new sources of badly needed protein. Plant protein can be upgraded for human use in a variety of ways. The proteins of cereals can be supplemented with the missing essential amino acids—the building blocks of the protein molecule. Various commercial firms are already engaged in the production of new protein foods from soy beans, cottonseed, and peanuts. In Guiana, the second most popular soft drink, right behind Coca Cola, is a soybean drink called puma, made by Monsanto. In Hong Kong, another protein drink, Vitasoy, controls 25% of the market. There is also a healthy competition underway in methods of producing SCP—single-cell protein. This is a general protein concentrate made from single-celled microorganisms grown on various petroleum sources, and suitable for human consumption as a general food supplement. These and other new processes hold out the promise of ending the tyranny of crippling protein-deficiency diseases, to which young children most often fall victim.

Let me tell you about just one more research project which I find particularly exciting, that is going on right near you at the Army laboratories in Natick, Massachusetts. Researchers there have developed a mutant strain of a fungus capable of converting cellulose to glucose sugar in very large quantities. Cellulose is the major component of plants and wood, and all products made from them; paper, newsprint, cotten, etc. Cellulose is produced through photosynthesis, in huge amounts, annually. The net yield is estimated to be 100 billion tons: approximately 150 pounds of cellulose per day for every one of the earth's 4 billion people. A great deal of this ends up as waste; in municipal trash, in animal feedlots, as wood waste, as agricultural waste. The waste can be collected and fed to these bugs, which make it into a virtually pure product—the sugar glucose. The glucose can then be used either to grow more microogranisms to make SCP, or it can be used directly as food, or it can be fermented to make ethyl alcohol, a valuable energy resource. If this process can be successfully developed and applied, it offers the hope of producing a valuable food product, and at the same time of eliminating an increasingly serious solid waste problem.

The third essential component of this new policy requires the strengthening of existing international institutions and the creation of new ones for a variety of purposes.

There is an unquestionable need for devising better arrangements for funding agricultural development projects. Global funding for agricultural development assistance currently amounts to only 1.5 billion dollars per year; only slightly more than the cost of a single Trident submarine. The minimum adequate sum for the next 5 years must be $5 billion per year; a sum which would surely not tax world resources.

At the Rome conference, Senator George McGovern proposed that all nations cut their military expenditures by 10%: allotting these funds to fighting a war on hunger and malnutrition rather than in preparation to fight wars on each other. With world-wide military expenditures topping $200 billion, this action would release more than $20 billion yearly, enough to fund the projects I have mentioned, and many more. The Conference adopted the proposal in a resolution—though unfortunately a non-binding one. The United States should follow through on this to the fullest extent possible, emphasizing the growing overcommitment of world funds to military purposes, and the urgent need for increased agricultural funding. I am not so fanciful as to harbor any hopes of such a plan actually occurring; its value lies only in its own inherent rightness, its service to the true self-interest of very nation on the planet.

In Rome, the American delegation also proposed that the OPEC Nations contribute $7 billion a year to this cause—approximately 10% of their new oil incomes. The oil nations did establish an agricultural development fund. Meanwhile, the developed countries were pushing for a new financing group managed through the World Bank and the U.N. agencies. No final resolution was reached, leaving the door open for the worst of all possibilities: two separate funds and two separate programs, one supported by the developed countries, the other by the newly rich oil nations.

This we cannot afford.

Increasingly, rich nations will depend on poor; developed on less developed, the North on the South, for energy, raw materials, and for markets. We must also depend on each other for "the preservation and wiser management of what we have finally come to realize are shared vital resources: air, fresh water, the ocean, and even the world climate.

One of the highest priorities, therefore, of our foreign policy in the coming months, must be to work for the creation of a single multilateral body, adequately funded, to coordinate and finance agricultural projects. The management of the group should be politically realistic, that is, it should reflect to some degree the contributions of individual nations to the world effort. Within these conditions, the choice of whether to utilize an existing institution, or a newly created one, is relatively unimportant.

On the home front, we need to turn our attention to a revitalization of the Agency for International Development—our primary government agency for foreign technical assistance. Over the years, AID has gradually lost its effectiveness as an instrument for agricultural technology transfer AID's force of agricultural experts has been replaced by loan officers, and economists, to the point where our agricultural assistance amounts to little more than international loans.

All too often, we have attempted to export to primitive, energy-poor societies, farming technologies designed and perfected for our own conditions. Perhaps the theory that what works for Iowa and Indiana, will work for India and Indonesia. Even the most simple agricultural planning seems to have been faulty. An America-funded project to raise chickens in the hungry nations of Mali, Maurentania, and Senegal, folded when it was discovered that these nations did not have enough grain to feed both their people and their chickens.

Nevertheless, I am confident that with the right staffing and project design, the United States can develop and deliver technological assistance programs, designed with the particular needs of individual nations in mind, and aimed at developing sound, self-reliant, agricultural systems around the developing world.

Our assistance programs must not only address problems of developing natural resources but food distribution and management problems as well. In the developing world, post-harvest crop losses consume an enormous fraction of production. Estimates commonly run as high as 20% to 25% of the harvested crop lost to insects, rats, birds, and rot—all due to faulty storage practices. In India, losses account for nearly $\frac{1}{3}$ of the total crop. If this problem could be solved, through simple programs designed for quick acceptance, the net gain would far outweigh anything that could be accomplished in the short run through cultivation of additional land, or introduction of new techlologies.

Let me summarize the major points I've tried to make tonight. First, we face an inevitably rising demand from both population growth and from needed per capita increases—particularly in the developing world. Second—there are definite constraints on many of the essential agricultural inputs. Some, such as the current worldwide shortages of fertilizer and pesticides, can be alleviated through new production programs. Others, particularly fresh water availability, present a much more serious problem that must be approached through much more careful and efficient use of the existing resource.

Third—there exist numerous opportunities for increasing production, through the cultivation of new land, and more importantly, through a large number of yet-to-be-developed technologies.

In short, there is both the need, and the opportunity, for major increases in world food production: but these increases must be made to happen. The United States, as the world's major food exporter, must take the lead.

In formulating our policy, we must remember that we can solve none of the problems alone, but that the world can solve none without us.

I have suggested that the guiding principle of our policy be a profound shift in emphasis from providing food on a unilateral basis, to providing technological assistance as partners in a multilateral effort.

We must promote serious international population control programs, and greatly increased funding for agricultural development assistance. We should support a massive multilateral agricultural research program—an effort comparable in scale and commitment to the Manhattan and Apollo Projects. We must help develop a global early warning system and an internationally coordinated grain stockpile to protect against crop failures and major fluctuations in food production.

I have noted that in the decades ahead, the developed countries and those of the Third and Fourth Worlds will become increasingly interdependent for food, energy, materials, markets, and the preservation of irreplaceable natural resources. There will be a widening gap between the food "haves" and the have-nots, and as the largest and richest of the "haves", it will be our responsibility to stimulate and encourage a new global network of functionally specific coalitions and multilateral projects, cutting across traditional military alliances for the benefit of all mankind.

REPORTED MURDERS IN VIETNAM

Mr. THURMOND. Mr. President, in order that the record might be complete with reference to what is taking place in South Vietnam, I wish to call to the attention of the Senate an article which appeared in the April 19, 1975, issue of the Baltimore Sun.

This article, entitled "Reds are Reported Executing Viet Foes," quotes Secretary of State Henry Kissinger's reference reports of mass murders taking place in South Vietnam.

In order that no one will be disillusioned about the character of the enemy our resources were attempting to contain, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REDS ARE REPORTED EXECUTING VIET FOES

(By Henry L. Trewhitt)

WASHINGTON.—Henry A Kissinger, the Secretary of State, said yesterday he had seen "some plausible reports" that Communist forces are executing local officials in South Vietnamese areas they have occupied.

For the longer term, he told the House International Relations Committee, "We expect to see the Communists try to eliminate all possible opponents."

The secretary's remarks were the first official reinforcement of increasing reports that victorious Communist troops were exacting the ultimate reprisal. These reports for the most part were filtered through the U.S. Embassy in Saigon, where Ambassador Graham A. Martin has remained strongly oriented toward the South Vietnamese cause in his analyses.

Another State Department official said accounts of atrocities had fallen into two broad groups: systematic execution of policemen and soldiers and multiple deaths in the heat of evacuation and occupation.

Some refugees, this source said, had reported the public execution of local police and military prisoners by the Viet Cong, insurgents native of South Vietnam. "Relations have never been good between the Viet Cong and the police," he said with understatement.

At another extreme, he said, refugees had reported mass slaughter by North Vietnamese of thousands of refugees. Other refugees according to these reports, were killed by South Vietnamese pilots attempting to bomb the North Vietnamese troops.

Other intelligence sources reported the beheading of national policemen in Da Nang. In the same city, these sources said, several South Vietnamese soldiers were tied together and grenades were tossed into their midst.

At yet another level, United States sources said, former civilian officials and military men were being segregated and issued identification cards in three groups according to their rank. Those of the highest rank, according to the reports, were not seen again by the witnesses. Those at the middle civilian level were said to be continuing in their administrative jobs.

The possibility of Communist reprisals has been a heated secondary element in the domestic U.S. debate over the war in Vietnam. Generally, the strongest critics of the U.S. role have argued that the potential for a bloodbath was small.

U.S. officials, citing the history of Communist revolutions, have treated the prospect of mass execution as a matter of course. Indeed, Communist statements never have promised immunity to Saigon loyalists who failed to defect before the war ended. Estimates of the number executed after the Communists took over North Vietnam in 1954 have ranged from 50,000 to about 250,000.

Even now U.S. officials doubt that the current sketchy reports of atrocities represent calculated policy by North Vietnam. Such reports relate almost exclusively to actions by the Viet Cong, while North Vietnamese troops are said to be tightly disciplined. Hanoi's policy in this regard, the sources said, will become clear only as it begins to consolidate its victory.

AMERICA'S WORLD ROLE

Mr. RIBICOFF. Mr. President, at a time of great pessimism, we must retain our perspective as to America's role in the world.

Adalbert de Segonzac, chief correspondent in North America for France-soir, is a thoughtful and aware observer of our country. His article in the Washington Post of April 19, 1975, is worthy of attention.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESTORING AMERICA'S WORLD ROLE

(By Adalbert de Segonzac)

Careful, don't bury America before it's dead.

To listen to the pessimists and read the press, you might believe that the United States has become a powerless giant. Certainly it's in trouble. Vietnam, the Middle East, Portugal, Cyprus, Greece and Turkey represent a series of bad blows. In consequence, because one has always expected a great deal of them, the credibility of the Americans has fallen throughout the world. But in judging them, it's necessary to keep a sense of proportion. The positive side of their global role weighs a good deal more heavily in the balance of their potential than the negative elements, in these last months.

The United States remains the greatest power in the world. It is going through an economic crisis. But the signs of recovery are appearing, and the inflation is beginning to slow down. Even amidst its troubles America remains a force without equal. The engine will inevitably pick up speed again, for there are vast basic forces asking only to be employed. Although the dollar has fallen, it remains the only base of the international monetary system. There is nothing else to replace it. It will be years before Special Drawing Rights, "paper gold," are capable of supplanting it. And militarily, thanks to an incomparable technology, the United States maintains its superiority over the Russians regardless of the agreements to limit nuclear arms.

In foreign policy, the probable fall of Saigon and the fall of Phnom Penh represents the first defeat of America in its 200 years of existence. But the loss of Czechoslovakia and China to the Communists, as well as the Korean War, were also severe reverses that the Americans overcame. The abandonment of Indochina is essentially the correction of a great error that divided America and would have destroyed it. The United States pursued this military meddling too long. The young people never understood why they died. Public opinion wants to forget a nightmare. The end of the American intervention in Southeast Asia could lead it to revise its priorities and concentrate on those areas that truly affect its national security, particularly Europe.

The Mideast is no disaster. The "step-by-step" policy is not over. Israel and Egypt are looking for a way to return to it, or at least to assure a primary role to the United States in their effort at rapprochement. This policy, in any case, enabled the United States to achieve a reconciliation with the more moderate Arab countries, which weakened the role of the Russians in the region.

Portugal is definitely a black mark. But the Americans are not out of it, and the Russians are being cautious.

Greece and Turkey, currently sulking about NATO, know they cannot dispense with Western support without falling into the hands of the Soviets. Eventually then, probably quite soon, things will straighten themselves out and the rupture in the southeast front of the Atlantic alliance will be repaired.

The Kremlin appears better able to judge the significance of the so-called defeats of the Americans than some of their allies. The Russians could take advantage of the situation to score some points. They have not done it. Detente, which is partly the cause of American difficulties, remains the base of Soviet policy. The Soviets continue to hope to get from Washington the growing economic exchanges that will give them the technological aid that they need. And they do not want to incite a backlash before the

summit conference on European security in which they look for so much.

Nor is China playing games. It needs good relations with the United States because of its dispute with the Russians. And it knows that it can establish its sovereignty, eventually, over Taiwan only with American approbation.

New circumstances, created in large part by the rising power of the small nations and the declining power of the two nuclear giants, meanwhile requires America to redefine its foreign policy.

John Kennedy pledged that his country would "pay any price" to defend liberty. Lyndon Johnson applied that policy in sending the GIs to Vietnam. Nixon promised to support, with arms and money, those countries that took up their own defense. Ford and Kissinger have yet to set their priorities. One of the most important will be to restore to Americans, burned by the divisions left by Vietnam and flirting with a kind of isolationism, the desire to play once again a constructive role in the world. But that rules out military interventions that are ill-considered or based on an idealism no longer suited to our times.

AMERICAN FOREIGN POLICY

Mr. BUCKLEY. Mr. President, this morning three young New York veterans of the Vietnam war presented me with a resolution in which they record their dismay at the costly failures of American policy. I share their belief that the United States has no right to commit its men to combat in a war it does not intend to win quickly and decisively.

I ask unanimous consent that the resolution be printed in the RECORD, and I commend it to the attention of my colleagues.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

VETERAN'S ASSOCIATION,
Farmingdale, N.Y.

Hon. JAMES BUCKLEY,
U.S. Senate,
Washington, D.C.

Whereas—American Servicemen are victims of U.S. Governmental indecision which resulted in the senseless loss of 50 thousand American lives in Viet Nam and

Whereas—That same lack of commitment has resulted in the crippling and maiming of more than 100,000 more loyal American Servicemen, and

Whereas—U.S. Governmental inept actions have resulted in the death, incarceration, torture and humiliation of members of our Armed Forces, and

Whereas—The U.S. Government continues to offer the blood of American citizen servicemen to appease Communist Aggression.

Be it therefore unanimously resolved this 11th day of April, 1975, that—

Never again should any American Serviceman be placed in a position of potential endangerment or incarceration by any foreign power or alien political faction, *unless* the United States Government is totally and without delay prepared to exercise any and all means necessary to protect American lives.

Be it further resolved that should American Armed Forces be attacked by any hostile foreign power or alien political faction that the U.S. Government act without delay in supporting a total effort on the part of our Armed Forces to achieve Victory.

We hereby request that Congressmen, Senators and members of the Executive Branch of the U.S. Government commit themselves to what we have resolved.

As your constituents and victims of the Viet Nam War we shall not see the same tragedy repeated. We enlist your support of our resolution and request its immediate adoption by all members of the House, Senate, and Executive branches of the government.

STEVEN J. RUGGLES,
President.

THE GENOCIDE CONVENTION AND WORLD OPINION

Mr. PROXMIRE. Mr. President, there is no denying that the failure of the U.S. Senate to ratify the United Nations Genocide Convention has had a detrimental impact on the opinion of many people of other nations.

In light of recent developments throughout the world, there is no better time than the present to reaffirm our commitment to fundamental principles.

In his appearance before the Senate Committee on Foreign Relations in 1970, Ambassador Charles W. Yost, U.S. Representative to the United Nations, spoke of these principles at length. I ask unanimous consent that a portion of Ambassador Yost's remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IMPACT ON WORLD OPINION

As regards world opinion, this convention has attained over the years since it was first drafted a position of unique symbolic importance as an act of worldwide condemnation of what is perhaps the most dreadful crime men can commit.

In the context of modern history it also stands for another principle of fundamental importance; namely, that whatever evils may befall any group or nation or people are a matter of concern not just for that group but for the entire human family.

It is almost needless to remind this subcommittee that these principles and human feelings lie very deep in the American tradition, and indeed express our Nation at its best. How exceedingly frustrating it is, therefore, that our country should for so long have stood aloof in the community of nations from this treaty which gives such powerful historic expression to our own feelings and principles!

I can assure the subcommittee that in my diplomatic life, at the United Nations and elsewhere, no question has ever been asked me about the policy of my country which has been more difficult to answer than questions about American inaction on this convention.

To answer once and for all such questions, to remove such a needless source of ambiguity and confusion from our foreign relations, would not, I believe, fail to serve the interests of the United States.

MASSACHUSETTS HOUSING PROGRAM WORKS

Mr. KENNEDY. Mr. President, in scanning the various housing development programs that have developed over the past decade, I am pleased that one of the most successful has operated in Massachusetts.

The Massachusetts Housing Finance Agency was created by the legislature to help promote low-income housing. Since its first loan in January 1970, MHFA has financed 178 housing developments with 26,575 units. More than $600 million in loans have been extended.

An additional $300 million has been committed to finance another 11,500 units.

Perhaps one of the unique aspects of MHFA is its commitment to socioeconomic integration in its housing developments. Its success is best shown by the far higher degree of satisfaction reported in recent polls by MHFA residents compared with similar groups in the general community.

Mr. President, I ask unanimous consent that an article by William J. White, executive director of the Massachusetts Housing Finance Agency, in Urban Land, describing the agency and its progress be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIXED-INCOME HOUSING IN MASSACHUSETTS: BUCKING A NATIONAL TREND

(By William J. White)

It has been generally assumed in this country that the residential integration of different economic and social groups is not possible. The historical basis of this assumption is subject to question, but there is no doubt that the idea has pervaded the housing development industry throughout the twentieth century. Relatively homogeneous housing in the same price range has traditionally been thought to be the key to a successful neighborhood.

Government involvement in housing has repeatedly been based on this assumption and has reenforced it over time. As early as the 1920s, with the enactment of zoning regulations, government supplied the legal basis for development of economically stratified neighborhoods.

In 1943 Congress authorized the federal government to conduct an experimental program of slum clearance and construction of public housing projects for poor people in cities. The Housing Act of 1937 authorized a public housing program and shifted the operational responsibility for it to the cities. Cost limitations restricting the design of buildings and income limits governing occupancy ensured that only the very poor would live in the projects. Residents with rising incomes were forced to leave their homes and seek shelter in the private market.

Whereas the public housing program was designed for the urban poor, construction of single-family houses was encouraged in the suburbs. The FHA insurance program made it possible for families who would otherwise have been unable to obtain a mortgage loan to purchase houses. The homeowners also received an indirect government subsidy based on the deduction of interest payments from the household's taxable income. This policy of publicly-owned projects in the cities and privately-owned houses in the suburbs was the core of the government's housing program throughout the 1940s, 1950s, and 1960s.

The stratification of income groups was also encouraged by the urban renewal program begun in 1949. Cities were authorized to take land, demolish buildings, and convey the sites to private developers who would replace the older, low-rent buildings with luxury housing. This created upper-income enclaves in the cities. Legislative refinements in the urban renewal program eliminated some of the inequities in the process, but the policy of building housing for a specific income group continued.

New programs introduced in the 1950s and 1960s extended government-assisted housing to moderate-income groups who were unqualified to live in public housing and unable to afford market rents or homeownership. Section 221(d)(3) and, later, Section 236, were added to the lexicon of programs

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aimed at specific income groups. Following the federal government's model, some states and cities enacted their own programs. Housing finance agencies authorized to make below-market interest rate loans were established.

In a few instances urban renewal programs were planned for a combination of income groups. But these were cautious experiments where separate buildings were designed for the specific income groups that would inhabit them. Such an "income mix" consisted of luxury housing at high rents on one site, moderate-income housing meeting the standards of Section 221(d)(3) or 236 on a second parcel, and public housing for low-income households on the remaining and, inevitably, least desirable piece of land in the urban renewal area.

In some cases these efforts provided replacement housing for the people displaced by the renewal process, but they did little to achieve integration of socioeconomic groups. Instead of encouraging interaction, site planning tended to establish physical barriers separating different groups. Furthermore, design of the buildings and living units deliberately demonstrated that each building was for a different clientele.

As a result of the government housing policy, the residential patterns of the American people became increasingly segregated by income. Moreover, segregation by race was reenforced and extended. The low and moderate-income households which make up a disproportionate percentage of the black population were limited in their housing opportunities to a choice between older housing, often substandard, and new housing projects for low-income or moderate-income households. Minority groups were even excluded from some of the new projects. It took an executive order from President Kennedy in 1962 to outlaw discrimination in federally-aided housing.

Government policies had a disastrous effect on minority group families who could afford to buy a house in the suburbs. Between 1935 and 1950 discriminatory practices were not only condoned but actively encouraged by government agencies. Charles Abrams, in *The City is the Frontier*, said:

The Federal Housing Administration's official manuals cautioned against 'infiltration of inharmonious racial and national groups,' 'a lower class of inhabitants,' or the 'presence of incompatible racial elements' in the new neighborhoods . . . Zoning was advocated as a device for exclusion, and the use was urged of a racial covenant (prepared by FHA itself) with a space left blank for the prohibited races and religions, to be filled in by the builder as occasion required. The Home Loan Bank System—the federal agency which regulates savings and loan associations—urged similar practices.

For some sixteen years, then—a period in which more than 11 million homes were built—federal housing agencies pursued a concerted, relentless, and officially sanctioned drive to keep people living only with their own kind and to get them to oppose intrusion by anybody who was different."

In 1950, two years after the Supreme Court held the covenants to be unenforceable, the FHA manual was revised on orders from President Truman.

Considerable support for racial integration can be found in the sociological literature on housing, but most studies stop short of suggesting that economic integration is workable. In 1970 the U.S. Department of Housing and Urban Development asked for an examination of the subject. A Social Science Panel was created and charged with drawing together and assessing the behavioral and social science knowledge bearing on the feasibility and desirability of a policy of social mixing The summary report entitled *Freedom of Choice in Housing: Opportunities and Constraints*, published in 1972, said:

"There is no evidence from field studies that socioeconomic mixing is feasible. The trend in the movements of urban population is toward increasing separation of socioeconomic categories. The tendency is manifested among blacks as well as whites."

Given the history of the nation's housing policies it is no surprise that the separation of socioeconomic categories is increasing. But to say that a trend sets the limits of feasibility is to suggest that this is the best of all possible worlds.

In a paper prepared for the Social Science Panel on "Social Stratification in Urban Areas," Cora B. Marrett questions the idea that low-income people desire to live only with their own economic group.

"Recognition that low-income residents have not consciously chosen to live in homogeneous communities is essential. Measures that widen their options may disclose a rather different pattern of preference than that previously evident."

But with respect to middle and upper-income people, the assumption that people prefer homogeneous communities goes unchallenged.

The absence of evidence that socioeconomic mixing is feasible is due to the fact that, until recently, no public policy of encouraging a socioeconomic mixture of residents in a neighborhood had been tried.

The creation of the Massachusetts Housing Finance Agency was the first legislative act to establish a clear public policy of encouraging the economic and racial integration of housing. The MHFA statute, passed in 1966 and amended in 1968, requires that 25 percent of the dwelling units in each development financed by the Agency be made available to low-income persons. The intent of the law is to promote the creation of low-income housing that is well-designed and well-managed. The need for public support of this goal is expressed in Section 2 of the law:

"Private enterprise, without the assistance contemplated in this act, cannot achieve the construction of decent, safe and sanitary housing at rentals which persons and families of low income can afford in situations where permanent betterment of living conditions is to be hoped for. Moreover, experience has demonstrated that concentration of low income persons and families even in standard structures built with public subsidy does not eliminate undesirable social conditions and does not permanently eliminate slum conditions."

In June 1969 the Supreme Judicial Court upheld the constitutionality of the Agency. The members and staff, fully committed to the successful development of the concept, began to finance mixed-income housing and to create the policies that would make it work.

From the beginning it was clear that MHFA-financed housing would have to be designed to compete in the private market for the middle-income residents who could afford the unsubsidized rents. By extending the same design and management quality throughout the development the Agency believed it would be able to fulfill its public purpose of increasing the supply of good housing for households of low and moderate income.

MHFA's power consists in its ability to raise mortgage money through the sale of notes and bonds at tax-exempt interest rates and to lend the funds at below-market interest rates to private developers who agree to limit the profits they derive from the housing they build.

By the time MHFA had become operational, however, the costs of land and construction had grown apace. The Agency's tools were no longer adequate to meet the needs of low-income people. Even rent skewing, where a reduction in rents for 25 percent of the units is matched by an increase in rents for the market-rate units, was insufficient to reach households with incomes below the limits set for occupancy of public housing. And such a system would leave moderate-income people out in the cold.

For this reason MHFA turned to HUD for the rent supplements and public housing leasing money which would reduce rents for low-income residents and for the interest reduction funds through Section 236 of the National Housing Act which would serve the moderate-income households.

MHFA and HUD together created a flexible system for incorporating these funds into our developments without identifying which dwelling units would be inhabited by low, moderate, or middle-income households.

HUD also agreed to recognize MHFA processing of loan applications, a policy which prevented the duplication of red tape and saved years in processing time. HUD set aside funds that would be used only in housing financed by MHFA. This enabled the Agency to know in advance the level of production which would be possible.

In 1970 this system seemed to be a major breakthrough in the way government agencies do business with each other. In retrospect it is clear that its success resulted from the commitment of HUD officials in Washington, in the New England Regional Office, and in the Boston Area Office to produce well-designed, well-managed housing as rapidly as possible.

MHFA closed its first loan in January 1970. By the end of 1974 the Agency had financed 178 housing developments containing 26,575 dwelling units with loans totalling $604,337,076. Seventy-six percent of these developments are occupied; the remainder are under construction. In addition, more than $300,000,000 has been committed to finance approximately 11,500 units for low, moderate, and middle-income people.

The category of low income, defined by local housing authorities, varies from one municipality to another. Generally speaking, it means an income of less than $6,000 a year and includes families receiving public assistance and elderly persons living on a social security budget. The moderate-income group, again speaking generally, consists of households with income between $6,000 and $12,000 a year. Middle-income households paying the market rent may have incomes as high as $30,000 a year.

From the start of the program it was obvious that the selection of good sites would be a crucial first step in the production of successful mixed-income housing. A policy was established to accept only those sites where people, regardless of their income, would choose to live.

On the average, MHFA accepts one out of three sites proposed by private developers. As a result of this selectivity, MHFA housing is now situated in excellent physical and social environments in the best locations of cities, suburbs, and towns and in urban areas that show promise of improving.

MHFA also insists on good design. To avoid a stereotyped product the Agency requires an original design for each development that is financed. Plans for undeveloped sites seek to preserve the natural contours of the land and save as many trees as possible. In urban areas buildings are planned to relate well to their surroundings.

Great care is taken in arranging the buildings on the land to preserve open space and provide adequate recreational facilities, attractive landscaping, reasonable traffic patterns, and unobstrusive parking areas. The layouts of the residential units, community spaces, and public areas are designed with the daily needs of the residents in mind. Building materials of the highest quality are required.

The analysis of mortgage applications

stresses the importance of operating budgets sufficient to support proper maintenance and management. Management policies are structured to promote the goal of economic integration: residents paying low, moderate, and market rents are mixed throughout the development. No distinctions are made in the quality of dwelling units for different income groups. All residents have equal access to the community spaces, social activities, day care centers, swimming pools, and tennis courts. Limited amenities, such as the best views, are distributed among the different income groups on a proportional basis.

These management policies are taken into account early in the site planning stage of the design review process.

From the beginning of the Agency's activity, we have been driven by the belief that what we are doing is socially and philosophically right. We found the concept to be acceptable in the marketplace. Our units rented well and developers became increasingly interested in the program. They, too, found that it works.

But as a public agency with responsibilities and obligations to the larger community, MHFA decided to sponsor a factual analysis by a source outside the Agency to measure the effectiveness of the program.

In early 1973 we developed a procedure to find a study team of the highest caliber to do a social audit of the MHFA program which would evaluate how well the socioeconomic mixture of residents is working.

A team of researchers was assembled under the direction of four housing experts: Dr. William Ryan, professor and chairman of the Psychology Department of Boston College; Allan Sloan, a housing specialist on leave for the duration of the study from Arthur D. Little, Inc.; Dr. Mania Seferi, a social psychologist and associate professor of City Planning at the Harvard Graduate School of Design; and Elaine Werby, formerly chief of Social Planning at the Boston Housing Authority.

The social audit team was given complete independence during the year-long study to investigate all aspects of the central question: does the MHFA mixed-income program work? How does the level of satisfaction of tenants of mixed-income housing compare with that of residents of housing that has a narrower range of income groups?

The question was complicated by the presence of factors other than income mix that affect levels of satisfaction. Random distribution of these characteristics could not be assumed, because some architects, builders, and managers consistently perform better than others. So the first task of the social audit team was to construct a research model that could be used to measure and control the other factors which affect satisfaction and, thereby, judge the independent effect of income and racial mix.

The model that was developed includes a number of objective and subjective variables such as location, design and construction, management practices, maintenance quality, and the characteristics of the resident population. It was assumed that each variable might be correlated with satisfaction and that the variables might be intercorrelated as well. Thus, the social audit asked the question: what are the determinants of satisfaction and, within the pattern of these determinants, what is the particular effect of income mix?

The team studied the first wave of MHFA production: 16 housing developments, the 3,200 households living in them, and the municipalities in which they are located. Interviews were held with developers, architects, managers, and municipal officials. The social audit team selected an outstanding group to evaluate the design and construction of the housing.

Intensive interviews were conducted with 200 MHFA tenants and with 125 residents of similar developments which house a more homogeneous population. These included publicly-owned housing for low-income housing for low-income households, moderate-income housing developed through Sections 221(d)(3) and 236 of the National Housing Act, and market-rent housing financed by conventional sources.

The residents' own expressions of satisfaction or dissatisfaction with their apartments, housing developments, management, and neighbors were studied to determine whether the income and racial mixture are working.

We were delighted with the outcome of the study, which we believe has major national importance. The social audit found that mixed-income housing developments produce greater satisfaction at all income levels than do homogeneous housing developments which are either traditionally-subsidized or conventionally-financed.

The principal reason for the difference, according to the social audit, is that MHFA developments are superior in design, construction, and management. The study concludes that:

". . . income mix 'works' or does not 'work' according to whether the mix occurs in well-designed, well-constructed, well-managed developments. These latter factors are the crucial determinants of satisfaction. Income mix and racial mix are, in themselves, of no particular relevance."

The report states that MHFA tenants expressed an unequivocally higher level of satisfaction, a total of 89 percent satisfied and only 11 percent dissatisfied compared to the non-MHFA tenants, who were 78 percent satisfied and 22 percent dissatisfied. These differences are statistically very significant.

In addition to reporting higher overall satisfaction, MHFA tenants showed higher satisfaction with their apartments, with their developments as a whole, and with management. This higher satisfaction is also found in an analysis of responses from each income group, including the market-rent tenants.

Table 1 shows the overall comparisons between MHFA tenants and the comparison group tenants for the five satisfiaction responses. Satisfaction with apartment shows a substantial difference between the two groups: almost three out of five MHFA tenants indicate that they are very satisfied compared with only two out of five comparison group tenants; 15 percent of the comparison group is dissatisfied compared with only 4 percent of the MHFA tenants.

TABLE 1.—SATISFACTION LEVELS OF MHFA RESIDENTS VERSUS COMPARISON GROUPS

[In percent]

	MHFA residents (N=197)	Comparison group (N=125)
Satisfaction with apartment:		
Very satisfied	56	41
Just satisfied	40	44
Dissatisfied	4	15
Satisfaction with development:		
Very satisfied	46	24
Just satisfied	42	51
Dissatisfied	12	25
Satisfaction with management:		
Very satisfied	41	28
Just satisfied	44	45
Dissatisfied	15	27
Satisfaction with neighbors:		
Very satisfied	32	30
Just satisfied	54	49
Dissatisfied	14	21
Total satisfaction:		
High	49	30
Medium	28	32
Low	23	38

Satisfaction with the development as a whole shows the greatest difference between the two groups: almost twice as many MHFA tenants are very satisfied; more than twice as many comparison tenants are dissatisfied.

Satisfaction with management produces less pronounced but still clear differences: 41 percent versus 28 percent very satisfied: 15 percent versus 27 percent dissatisfied.

The differences with respect to satisfaction with neighbors are relatively small and are not statistically significant although they show a clear advantage for MHFA tenants.

Measures of total satisfaction were derived by summing the four specific reactions, producing scores that could range from four (extremely high satisfaction) to 16 (extremely high dissatisfaction). Forty-nine percent of MHFA tenant scores were in the four to six range compared with only 35 percent of the comparison tenants; 38 percent of the comparison tenant scores were in the 9 to 15 range while only 23 percent of the MHFA tenant scores fall in the range of high dissatisfaction.

Table 2 shows the results for satisfaction with apartment broken down into the three different income groups: market-rent tenant, moderate-income tenants (with Section 236 subsidy), and low-income tenants. At all levels, MHFA tenants are more satisfied, but the differences are somewhat greater for low-income tenants.

Table 3 summarizes satisfaction differences with regard to reactions to the development as a whole, again showing considerable differences at all levels. In this case, the differences are greatest at the market level, least at the moderate-income level.

TABLE 2.—SATISFACTION WITH APARTMENT (BY INCOME GROUP)

[In percent]

	MHFA residents (N=40)	Comparison group (N=37)
Market-rent tenants:		
Very satisfied	58	43
Just satisfied	42	43
Dissatisfied	0	14
	(N=97)	(N=44)
Moderate-income tenants (sec. 236 subsidy):		
Very satisfied	51	36
Just satisfied	43	48
Dissatisfied	6	16
	(N=60)	(N=44)
Low-income tenants (rent supplement or public housing leasing):		
Very satisfied	63	43
Just satisfied	32	41
Dissatisfied	5	16

TABLE 3.—SATISFACTION WITH DEVELOPMENT (BY INCOME GROUP)

[In percent]

	MHFA residents (N=40)	Comparison group (N=37)
Market-rent tenants:		
Very satisfied	60	24
Just satisfied	38	57
Dissatisfied	2	19
	(N=97)	(N=44)
Moderate-income tenants (sec. 236 subsidy):		
Very satisfied	41	29
Just satisfied	43	48
Dissatisfied	16	23
	(N=60)	(N=44)
Low-income tenants (rent supplement or public housing leasing):		
Very satisfied	45	18
Just satisfied	42	50
Dissatisfied	13	32

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TABLE 4.—SATISFACTION WITH MANAGEMENT (BY INCOME GROUP)

[In percent]

	MHFA residents (N=40)	Comparison group (N=37)
Market-rent tenants:		
Very satisfied	55	39
Just satisfied	38	44
Dissatisfied	7	17
	(N=97)	(N=44)
Moderate-income tenants (sec. 236 subsidy):		
Very satisfied	34	27
Just satisfied	51	48
Dissatisfied	15	25
	(N=60)	(N=44)
Low-income tenants (rent supplement):		
Very satisfied	43	21
Just satisfied	37	42
Dissatisfied	20	37

Differences in satisfaction with management are to be seen in Table 4; at each level the MHFA tenants are more satisfied, the smallest differences being at the 236 level.

On the measure of satisfaction with neighbors, shown in Table 5, only the low-income tenants of MHFA housing show a noticeable difference. At the moderate-income level the satisfaction level of MHFA tenants is only a tiny bit higher than the comparison tenants, and at the market level, the distribution of satisfaction scores is almost identical.

On measures of total satisfaction as seen in Table 6, the greatest difference between MHFA residents and the comparison group was found at the low-income level, least difference at the 236 level.

With regard to the measures of satisfaction with neighbors, only the low-income tenants in MHFA developments expressed a noticeably higher level of satisfaction. For the moderate-income group the satisfaction level of MHFA tenants is only slightly higher than the comparison group, and at the market level, the distribution of satisfaction scores is almost identical.

A very important finding by the social audit team is that:

". . . contrary to conventional wisdom, people at different income levels display pretty much the same distribution of values, social attitudes, and life styles. Thus, the major theoretical reason for predicting difficulties around extensive income mixing—a dysfunctional clash in values and behavior—is probably based on misinformation."

The report also pointed to ways for MHFA to make improvements in its program. By ranking the 16 early developments according to the tenants' level of overall satisfaction, the study shows that several developments with less satisfied tenants (although more satisfied than the control group of non-MHFA tenants) could be classified as "traditional subsidized" housing.

TABLE 5.—SATISFACTION WITH NEIGHBORS (BY INCOME GROUP)

[In percent]

	MHFA residents (N=40)	Comparison group (N=37)
Market-rent tenants:		
Very satisfied	40	36
Just satisfied	50	61
Dissatisfied	10	3
	(N=97)	(N=44)
Moderate-income tenants (sec. 236 subsidy):		
Very satisfied	27	30
Just satisfied	58	50
Dissatisfied	15	20
	(N=60)	(N=44)
Low-income tenants (rent-supplement or public housing leasing):		
Very satisfied	36	26
Just satisfied	49	37
Dissatisfied	15	37

TABLE 6.—TOTAL SATISFACTION (BY INCOME GROUP)

[In percent]

	MHFA residents (N=40)	Comparison group (N=37)
Market-rent tenants:		
High satisfaction	59	35
Medium satisfaction	26	30
Low satisfaction	15	35
	(N=97)	(N=44)
Moderate-income tenants (sec. 236 subsidy):		
High satisfaction	44	27
Medium satisfaction	32	41
Low satisfaction	24	32
	(N=60)	(N=44)
Low-income tenants (rent supplement or public housing leasing):		
High satisfaction	51	30
Medium satisfaction	22	25
Low satisfaction	27	46

These developments are set apart from those in the superior categories by several interrelated factors: they are predominantly subsidized, are located in poorer communities, and exhibit less successful design, construction, and management. The key factor in making this housing less successful in producing tenant satisfaction, according to the report, is the attitude of the developer that he is building a "traditional 236" all-subsidized development.

In contrast, the superior developments achieve a startlingly high level of tenant satisfaction as a direct function of the developer's intention to create housing which will compete successfully in the open market. But the report stresses that although these superior developments produce more satisfaction for tenants, they are not meeting the same magnitude of social needs as the "traditional subsidized" developments.

The report recommends that MHFA strive for a blend of the essential ingredients of the superior developments (development teams and sites that are geared to attract market tenants) with more attention to meeting the needs of large families and members of minority groups.

The study found that in the first wave of MHFA production significant changes in the patterns of racial segregation were not made; that "although some movement toward greater integration is evident, the pattern of racial distribution in MHFA developments is only moderately different from that in the general housing market."

Before MHFA had the conclusions of the social audit in hand we had already stepped up our efforts to monitor the affirmative marketing performance of the owners and managers of developments financed by us. We also instituted a practice of holding open some units until we were convinced that every conceivable step to achieve a racial mixture of residents had been taken.

The social audit report reenforced our belief in the wisdom of racial as well as economic integration. The study concludes that:

". . . for the individual, his expressed satisfaction with the development he lives in is associated with his evaluative reactions to the development itself and the way the management operates . . . (With regard to his neighbors) he is happier if they are friendly and well-behaved, but group characteristics appear to be irrelevant. In particular his own perception of how much income mix and how many minority families there are in the development has no association one way or another with his own personal level of satisfaction."

"(In the interviews) there were three questions asking, in general, whether in housing developments there should be social mixing or social similarity, that is, asking whether, with respect to race, age, and income, people should be different, the same, or it didn't matter. With regard to these three options the most commonly chosen response was that it didn't matter (30 percent). Thirty-six percent, overall, said that the tenants should be *different* from one another, 25 percent said they should be the same. This pattern was consistent for all three dimensions—age, race, income—across the three income levels and the two study groups—MHFA tenants and the comparison groups."

It is evident from this report that people of different backgrounds and economic conditions can live together harmoniously, in fact, with a much higher degree of satisfaction than is found in the traditional marketplace.

As a parting thought I would like to ask the reader to consider what it is that makes you satisfied or dissatisfied with your own housing. Do you like the town or city where you live? Is your neighborhood clean and attractive? Are the services good? Do you have the privacy you want? Are you disturbed by noise? Are your neighbors friendly? nuisances? well-behaved?

Is the location convenient to your job? to shopping? to friends who wish to visit you? Are the surroundings a secure place for children to play? Is your housing a good value for what you pay? Is it soundly built and safe? Could you find better value elsewhere?

Are your neighbors richer or poorer than you?

TAX REFORM NEEDED NOW

Mr. PERCY. Mr. President, an editorial published in the Chicago Daily News of April 16 illustrates the work left to be done in the wake of the Tax Reduction Act of 1975. The editorial points out that the $8.1 billion tax rebate passed by Congress is nearly wiped out by a $7.1 billion increase in 1974 individual income taxes caused by inflation. If Congress does not act quickly on permanent tax reform legislation, the full burden of this $7.1 billion, plus the effect of inflation during 1975, will be felt by every taxpayer next January.

During Senate action on the Tax Reduction Act, I introduced a package of bills to provide $12 billion in immediate economic stimulus as well as permanent tax cuts—totally balanced by permanent tax increases—to lay the basis for future economic growth without inflation.

The major tax cut in my proposal was a permanent $16.5 billion reduction in individual rates. This would have offset the effect of inflation, forcing wage earners into higher and higher tax brackets and provided greater progressivity in the tax schedules. I ask unanimous consent that tables illustrating the effect of this proposal be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

EFFECT OF CHANGE IN PERSONAL INCOME TAX RATES, 1975 LEVELS

[In billions of dollars]

Adjusted gross income class (thousands)	Income tax paid under present law	Amount of income tax reduction	Percentage reduction in income tax percent
0 to $3,000	3	−.25	−83.3
$3,000 to $5,000	1.8	−1.20	−66.7
$5,000 to $7,000	4.0	−1.96	−49.0
$7,000 to $10,000	8.9	−3.38	−38.0
$10,000 to $15,000	21.9	−4.72	−21.6
$15,000 to $20,000	22.8	−2.70	−11.8
$20,000 to $50,000	44.4	−2.15	−4.8
$50,000 to $100,000	13.5	−.11	−.0
$100,000 and over	13.3	−.03	−.2
Total	130.9	−16.50	−12.6

TAX CHANGES ILLUSTRATED FOR A FAMILY OF 4

Adjusted gross income	Present tax[1]	New tax	Tax saving	Percent saving
$5,600	$185		$185	100.0
$7,500	402	$110	292	72.6
$10,000	867	518	349	40.3
$12,500	1,261	961	300	23.8
$15,000	1,699	1,478	221	13.0
$20,000	2,660	2,450	210	7.9
$30,000	4,988	4,837	151	3.0
$40,000	7,958	−7,028	130	1.6

[1] Calculated assuming low income allowance or itemized deductions equal to 17 percent of income, whichever is greater.

Mr. PERCY. Mr. President, I am gratified that Chairman ULLMAN of the House Ways and Means Committee has indicated his intention to begin work on comprehensive tax reform legislation in the near future. I hope that my colleagues will give whatever attention and effort is necessary toward the adoption of a bill this year.

I ask unanimous consent that the editorial from the Chicago Daily News be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX REBATE? LOOK AGAIN

The income tax deadline has come and gone, and this year the pain of April 15 is offset a little bit by the prospect of a cash rebate in May. Congress voted last month to refund $8.1 billion in individual taxes, which will bring most taxpayers checks ranging from $100 to $200.

But before anyone gets all choked up over this congressional generosity, it would be well to consider what Congress didn't do. Although it had the chance, it failed to readjust the tax tables to allow for severe inflation. As a result, according to the authoritative Congressional Quarterly, inflation's bite increased personal income taxes by $7.1 billion last year, or almost enough to nullify the so-called tax cut. What it comes down to is that taxes went up in 1974 even while the recession hit and real incomes were falling behind.

In somewhat oversimplified form, here is what happened: To compensate for inflation and the rising cost of living, millions of workers got pay increases, automatic or otherwise. But even if the pay increase matched the rate of inflation, workers came out behind, because the raise pushed them into a higher income tax bracket. The only winner turned out to be the government.

The hidden tax increase hit hardest in the low- and middle-income brackets, where a relatively small increase in income shifted the worker to a higher percentage when the taxes were figured. The spread becomes larger at the higher levels, so anyone in the upper brackets would be less likely to encounter a rise in the percentage tax payment.

Failure to change the standard deduction limit, the personal exemption figure, or the poverty-level cutoff point for taxes also caused inflation to bear more heavily on the poor. The Joint Committee on Internal Revenue Taxation has estimated that a family of four with income at the rising poverty level ($4,540 in 1973 and $5,039 in 1974) was subject to federal income taxes on $240 of earnings in 1973, but on $739 in 1974.

As another example, a family of four with a 1973 income of $20,000 would have needed an increase of $2,400 to keep pace with the 1974 inflation. But if it got that increase, its taxes rose by $640, leaving it that much in the hole on real income.

The tax on capital gain that isn't real gain at all, but just an inflation of price, also takes its toll, but that is another story. So is the effect on business when inflation produces "paper" inventory profits subject to taxation.

Clearly these are matters that deserve Congress' attention far more urgently than a "rebate" that is more symbolic than it is meaningful. And they should strengthen Congress' resolve to avoid the overspending that could force inflation back up to the double-digit rate that prevailed in 1974.

SIERRA LEONE CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, I take great pleasure today in saluting the nation of Sierra Leone which celebrated their National Day on April 19. As a nation, Sierra Leone has historically followed a policy of cordial relations with the United States. This relationship dates from the early part of the 19th century.

Under the constitution of 1971, Sierra Leone has an executive form of government. Executive authority is exercised by the Chief of State—the President—and a cabinet of ministers.

There is a Parliament of 97 members which elects the President. This unicameral House of Representatives is elected to a 5-year term.

The major export of Sierra Leone is diamonds followed closely by bauxite and titanium oxide.

The United States and Sierra Leone have consistently followed a policy of cooperation and through our foreign aid program—USAID—we have attempted to strengthen the educational system and agricultural capabilities in order to make Sierra Leone self-sufficient in those areas.

As our bonds of friendship grow stronger, we salute the President, Ministers, Government and people of Sierra Leone on her National Day.

THE CONCORDE SST SHOULD RECEIVE NO ENVIRONMENTAL EXEMPTIONS

Mr. PROXMIRE. Mr. President, on March 10, I introduced a bill, S. 1121, which would require all supersonic aircraft to meet current noise pollution standards before flying into the United States.

It is my firm belief that supersonic planes should be required to meet the same noise standards as our own subsonic planes. These standards were promulgated for the sole purpose of reducing the intolerable level or airport noise. To allow exceptions is to disregard completely the serious noise pollution which prompted the regulations in the first place.

In my remarks at the Federal Aviation Administration hearing on the Concorde in Washington last week, I explained in detail my concern over the high noise level of the supersonic jet. I ask unanimous consent that an abridged version of my statement to the FAA be printed in the RECORD.

There being no objection, the abridged statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WILLIAM PROXMIRE

Ladies and Gentlemen, I wish to express my appreciation to the Federal Aviation Administration for the opportunity to appear at the public hearing this morning.

As you may know, I was one of the chief opponents of the United States government-sponsored development of a commercial superconic aircraft. In 1971, funding for the American SST was cut off by Congress.

I opposed the American SST on several grounds. First and foremost, because the federal government should not have been sponsoring development of a plane that was strictly for commercial use and private profit.

Second, I opposed it because my calculations showed odds overwhelmingly against the SST being a successful privately financed commercial plane, and I feared that the SST would be a failure that could cost the federal taxpayer billions.

There were additional objections based on environmental concerns, and those are relevant to this hearing on the Concorde SST.

In February of 1971, I argued that no supersonic aircraft should be allowed to take off or land in the United States if there was a possibility of environmental hazard. That statement underlies my principal objection to the approval by the FAA of the airlines' pending petition.

I wish to state that I have no objections to supersonic aircraft flying into the United States as long as there are no adverse environmental effects.

CONCORDE NOISE POLLUTION

Unfortunately, the data supplied by the EPA and the FAA serves only to confirm my fears concerning the Concorde's effect on the environment. The Concorde's estimated noise level, in particular, is a major problem.

According to the FAA Draft Environmental Impact Statement, a noise comparison of the Concorde and other four-engine intercontinental transport category civil aircraft yields the following average figures in effective perceived noise decibels for takeoff, sideline and approach noise levels: Concorde—115, Boeing–707—111, Douglas DC–8—112, Boeing–747—110. Although the FAA says only that the noise levels of the Concorde are "not substantially higher" than the noisiest of jetliners currently in operation, and the EPA claims that the Concorde's noise is "roughly equivalent" to other aircraft, the fact is that the Concorde's noise level represents a 20 to 30 per cent increase in noise over the noisiest aircraft in our jet fleet.

Moreover, the gap between the Concorde and other subsonic aircraft will increase as newly manufactured subsonic jets meet the more stringent requirements of Federal Aviation Regulation, Part 36, and older, noisier aircraft are retrofitted to reduce their noise level.

The Concorde will average 9 decibels higher than FAR 36, which Congressional Research

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Service estimates will mean 100% more perceived noise to the human ear.

At least as important as the Concorde's noise level is the low-frequency content of that noise and the resultant acoustically-induced structural vibrations in nearby buildings. According to a study conducted by the Department of Transportation at the Fairbanks International Airport in Alaska, the Concorde's engines generate more low-frequency energy than comparable subsonic aircraft.

The FAA impact statement states: "vibrations measured on walls, ceilings, and windows of buildings under or near the departure and approach flight paths at Fairbanks were as much as five times greater for the Concorde than for subsonic long-range aircraft."

The FAA's assurances that "structural damage is not anticipated" as a result of Concorde-induced vibrations is hardly comforting. The description of extensive "household rattle, caused by dishes, pictures, lamps and other bric-a-brac being disturbed and vibrating against supporting surfaces," and the potential psychological effect on the household occupants, is just the opposite of reassuring.

Instead of detailing the potential danger posed by the low frequency noise, instead of assessing the secondary impacts on individual health and the likelihood of damage to public and private property, the statement says only that the impact of this noise is "dependent upon the number of flight operations. The more flights by Concorde, the greater the impact." These truisms are of little value to anyone.

The FAA also reports that the low-frequency noise penetrates conventional buildings more easily, resulting in higher noise levels inside structures, as high-frequency sounds are filtered out more effectively than low-frequency sounds.

Moreover, because of the low-frequency content of the Concorde's noise, the noise propagates within the audible frequency range to greater distances. In other words, because the low frequency sound energy is absorbed to a lesser extent by the atmosphere than is high frequency sound energy, the noise levels for the Concorde will be higher at greater distances.

Even assuming, as the FAA notes, that the low frequency impact is not as susceptible to computer analysis as high frequency noise, the FAA should more fully address the impact of low frequency noise before it makes its final recommendation on the airlines' petition.

Taking into account the Concorde's level of noise as measured in effective perceived noise decibels, and the low-frequency content of that noise, there is no denying that the Concorde is noisier than any existing subsonic jet. Indeed, there seems to be little disagreement on this point.

The FAA reports that, even if engine thrust reduction shortly after liftoff is employed for noise abatement purposes, the Concorde is noisier than subsonic jets. The EPA admits that "supersonic transports are inherently noisier than subsonic jet transports."

The disagreement between Concorde opponents and supporters over the exact noise level of the supersonic aircraft is minimal. The major disagreement is over the FAA judgment that, given the higher Concorde noise level, "the environmental consequences of the limited volume of Concorde operations requested are not so severe as to compel as refusal." EPA similarly contends that only "apparently modest" benefits in environmental protection "might be gained" by imposing "onerous restrictions" on the SST.

Implicit in these FAA/EPA judgments are two separate contentions: first, that the environmental consequences of the six flights into Dulles and Kennedy Airports will be minimal; and second, that forcing the Concorde to meet FAR 36 noise regulations would be somehow unfair.

I wish to examine each of these two points briefly.

MINIMUM FLIGHTS POSE ACCUMULATING DANGERS

First is the conclusion that the environmental effect of the limited number of flights will be minimal. An EPA report speaks in terms of incremental noise, concluding that "SSTs are likely to represent a minor threat to the environment, in terms of the incremental cumulative noise imposed on airport neighboring communities." It says further, "the introduction of an SST to major U.S. airports will not expose persons to a high level of noise who have not previously been so exposed." "Rather, the situation is one where some one exposed to a high noise level, with the introduction of an SST, may be exposed to an even higher noise level."

The message is clear: those who for years have put up with intolerably high levels of noise from subsonic aircraft can certainly put up with the small, "incremental" increase in the noise level attributed to the Concorde.

The findings of a Department of Transportation study, however, challenge the EPA contention that the Concorde will not expose more people to high levels of noise.

According to the DOT study, the Concorde, using the recommended landing strip at Kennedy Airport, would expose 55,000 people to noise levels of 100 effective perceived noise decibels—roughly the same noise level of a typical heavy-duty diesel truck at highway speed, at a distance of 50 feet.

In marked contrast, a Boeing–707 using the same runway would expose 35,000 people to the same noise, while a Boeing–747 would expose only 12,000 people.

Furthermore, it must be noted that Fairfax and Loudoun Counties have based much of their recent community planning efforts on a set of noise contours provided by the FAA which did not presume Concorde operations.

It is the opinion of the Metropolitan Clearinghouse of the Metropolitan Washington Council of Governments, that approval of Concorde flights into Dulles Airport would result in "a significantly greater noise exposure impact area than was envisioned by local governments at the time their plans were prepared."

Even if the Concorde would not expose more people to high levels of noise, the incremental "it's only a little bit worse" approach is, in light of the EPA's mandate under the Noise Control Act of 1972 to protect "the public health and welfare," nothing less than shameful.

The EPA and FAA continue to ignore their own findings that the level of aircraft noise in this country is wholly unacceptable. One FAA study reported in 1971 that "nearly 15 million Americans live within a zone of intolerable annoyance around jetports, where they are bombarded by take-offs and overflights every few minutes day and night."

FAA approval of the airlines' petition would only aggravate this intolerable situation.

For years doctors have been seeing patients who complain of headaches, nervous tension and other ailments, but who are unaware that their maladies are related to noise exposure. Even the EPA admits "the insidious nature of noise in a person's or community's psychological, social and economic well-being."

As the Department of Transportation predicted in a 1973 study, considerable adverse public reaction can be expected if the Concorde is permitted to operate into the U.S., because of the higher noise levels and the greater number of people exposed.

Already, the Montgomery County Council has voted to fight the Concorde because it does not pass noise and air pollution standards set by the federal government.

In addition, the Board of Directors of the Metropolitan Washington Council of Governments decided last Wednesday, by a vote of 17 to 2, to oppose the introduction of the Concorde SST into Dulles, Andrews and Baltimore-Washington International Airports until it meets the environmental standards established for subsonic aircraft.

The Port Authority of New York and New Jersey has flatly stated that the Concorde will not be allowed to operate at Kennedy Airport until it meets all legal requirements, including limits on noise.

Given the increased noise levels associated with the Concorde, and the uncertain impact of a 500% increase in low-frequency vibrations, approval of the airlines' petition is intolerable.

I emphatically disagree with the EPA/FAA contention that the noise increase attributable to the Concorde will be minimal. The evidence shows that the Concorde will expose more people to higher noise level. Moreover, given the existing level of noise, any increase—no matter how minimal—is unacceptable.

Of course, even assuming the limited noise impact of six flights per day—and the evidence suggests that is a tenuous assumption—there is no guarantee that the number of current-design Concorde flights to the United States will not increase. In fact, EPA and FAA would exempt all SSTs now flying or under development from the current noise pollution standards. EPA recognizes "the possibility that many more than 20 current SSTs will operate," and concedes that "even 20 or fewer current SSTs landing at and taking off from a small number of airports, or the same airport, can represent a significant noise impact in the environs of those airports."

It is obvious then, that although the hearing today focuses on the six flights per day proposed by the British and the French, much more is at stake here.

Approval of the Anglo-French petition currently before the FAA will establish a precedent difficult to ignore when future requests of a similar nature are submitted. Once the Concorde is allowed to land anywhere in this country, the EPA and FAA will use their incremental approach to justify approval of other supersonic flights into the U.S.

Whatever the eventual number of current-type Concorde flights, the noise created will aggravate an already intolerable situation by increasing the overall level of noise in the areas surrounding airports.

DO FOREIGN AIRLINES DESERVE SPECIAL TREATMENT?

Let me now turn to the second EPA/FAA contention, that forcing the Concorde to comply with FAR 36 noise regulations would be unduly harsh.

I strongly disagree with that view. There is no reason to give foreign airlines special privileges while Americans must comply with U.S. regulations. If we are to have standards, they should be the same for all parties.

Supersonic aircraft should not receive any exemptions or other special considerations from the noise standards established by EPA and the FAA. These standards were promulgated for the sole purpose of reducing the intolerable level of aircraft noise, which I have already discussed. To allow exceptions to the noise regulations is to disregard completely the serious noise pollution which prompted the regulations in the first place.

Both the EPA and the FAA suggest that the imposition of noise restrictions on the Concorde might have an adverse effect on our relations with Britain and France.

The EPA puts it most succinctly:

"Because of the large investment in both dollars and prestige, made by the govern-

ments supporting development of the SSTs, the U.S. Government is reluctant to take overt action that might be construed as being directly responsible for the failure of the current SST programs."

Admittedly, the British and French have much at stake. As a recent Washington Post article noted, the Anglo-French Concorde is a matter of national pride and proof that their aerospace technology can match that of the U.S.

However, as a United States Senator, I am unable and unwilling to assign more weight to the concerns of the British and French taxpayers than to the health and welfare of the people of the United States.

In summary, I disagree with the EPA/FAA judgment that current-design Concorde operations into the U.S. are acceptable. Moreover, I challenge the EPA/FAA contentions that the environmental consequences of Concorde operations will be minimal, and that imposition of existing noise regulations would be unduly harsh.

Accordingly, I have introduced a bill in the Senate, S. 1121, which would amend Section 611 of the Federal Aviation Act of 1958 by prohibiting any exemption for supersonic aircraft from the noise standards already established by the EPA and the FAA. Should the FAA proceed with implementation of this waiver, I will bring my bill to a vote in the Senate.

NOISE NOT THE ONLY PROBLEM

Before I close, it should be noted that there are other environmental concerns relating to supersonic flight.

The proposed four flights per day in and out of Kennedy would increase total aircraft emission pollution there by 4.4%. The two flights per day at Dulles would increase emissions there by 8.3%.

In addition, there is disagreement over the effect of supersonic flight on the stratospheric ozone layer, despite the completion of a Department of Transportation, Climatic Impact Assessment Program (CIAP) study on this subject.

While the CIAP study concluded that the presently planned fleet of about 30 SSTs would not pose a danger to the ozone layer, it also noted that improved technology would be needed to insure that an expanded fleet does not cause damage.

Just two weeks ago, the National Research Council of the National Academy of Sciences reported that operation of a fleet of 300 supersonic airliners would cause a 10 per cent decrease in stratospheric ozone and a 20 per cent increase in skin cancer, or an estimated 90,000 new cases of skin cancer each year. The exact environmental consequences of supersonic flight are not certain. Several areas require much more scientific investigation before environmental regulations should be seriously contemplated.

However, the U.S. Government has seen fit to impose certain environmental regulations, notably relating to the control of aircraft noise, to protect the health and welfare of the American people. There is no reason to exempt certain aircraft from those rules.

To exempt the Concorde from U.S. aviation rules would set a dangerous precedent.

SECRETARIES WEEK—APRIL 20–26

Mr. KENNEDY. Mr. President, for the 24th consecutive year, the week of April 20–26 has been set aside as Secretaries Week, with Wednesday, April 23, highlighted as Secretaries Day.

The purpose of this observance is to recognize the vital role that secretaries play in all facets of industry, business, and government.

This acknowledgment is made because the very existence of any successful business—whether it be private industry or government—relies extensively on individuals who dedicate themselves to knowing the most intricate details of all business.

Secretaries are only now beginning to be recognized as professionals. In common with other professions, secretaries must use their education, discretion, diplomacy, and commonsense in maintaining smooth working order in their relationships with both coworkers and their public constituencies.

Secretaries all over the country appreciate the flowers and candy that may accompany Secretaries Week; however, the time for monetary equality with other professions has come. Secretaries are a vital resource without which no government or business—public or private industry—could exist for even 1 day. The profession of secretary—which currently has an extremely high ratio of women to men—shares most of the other monetary needs of other professions, without the monetary sustenance that other professionals receive. The candy and flowers, in other words, do not make up for the fact that the cost of living index shoots higher every day, nor for the fact that secretaries are not given salaries commensurate with their true value in industry.

It is time for the secretarial profession to be treated with respect and for that respect to be validated by higher salaries. It is time we employers shared the wealth with our coworkers, without whom public and private industry as we know it today would cease to exist.

THE HUMAN TRAGEDY IN SOUTH VIETNAM

Mr. BUCKLEY. Mr. President, the enormity of the human tragedy that is befalling the people of South Vietnam is just now beginning to pierce the American consciousness. As we begin to learn of the beheadings in Cambodia and the atrocities being committed in the areas of South Vietnam that have fallen to the Communists, we have a picture of the bloodletting that is about to descend upon hundreds of thousands, even millions, of South Vietnamese whose crime it has been to love freedom and to place their trust in the steadfastness of the United States.

This morning I was visited by a dozen South Vietnamese children now living in the United States. Each of them has relatives living in Saigon who, without question, will be marked for execution because of their close association with the United States in the struggle of their own people to remain independent. I have been asked to try to help some of these relatives to find safety in the United States. I will do what I can through State Department channels, while recognizing that there are thousands upon thousands of others who have an equal claim to our help and compassion.

Mr. President, I ask unanimous consent to have printed in the RECORD letters given to me by two of these children.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ARLINGTON, VA.
April 22, 1975.

Senator BUCKLEY:

I would like for my relatives to come here to join me in the U.S. because the Communist might kill them. Thank you.

My relatives are: Nguyen Hay Thong, Nguyen Hay Thank, Nguyen-Thi Nhung at 99 Pham Dang Hung Dakao Saigon tel. 25710 (my father and step mother and half brother).

THONG

ARLINGTON, VA.
April 22, 1975

HON. JAMES BUCKLEY,
U.S. Sencte,
Washington, D.C.

DEAR SENATOR, Please help to bring my relatives to America so that they will not be killed by the Communists.

The names of my relatives are:

Nguyen Phuoc Dang, grandfather; Flo thi Lien, grandmother; Grang si Can, father; Fluynh Flo Fluong, mother; Crang si Cuovn Loc, brother; Cran thi Cuyet Nga, aunt; and Cran cong Mui, uncle and their children.

Thank you very much,

Respectfully,

JULIE BO HUONG LON DO.

NUTRITION

Mr. TUNNEY. Mr. President, this week the Senate Agriculture Committee is holding hearings on S. 850, the National School Lunch and Child Nutrition Act Amendments of 1975, introduced by my distinguished colleague, Senator MCGOVERN. I am happy to be cosponsoring this bill which will extend and improve such familiar child nutrition programs as school breakfast and school lunch, summer feeding, women and infant care—WIC—day care, and Head Start.

A human being's development, from the womb to maturity, depends upon a nutritious diet. As Dr. Charles Love, chairman of the Committee on Nutrition of the American Academy of Pediatricians has said:

> Hunger and malnutrition . . . result in a general retardation of the mental and physical growth of children. The symptoms are apathy, listlessness, loss of energy and inability to concentrate, slowness in comprehension, inattention, restlessness and behavior problems.

This bill furthers the effort to curb the bitter harvest of children suffering from malnutrition in this country. Without this type of effort, we are condemning many of our children to a life denied of its full potential by permanent damage resulting from malnutrition.

Evidence indicates that malnutrition is linked to the retardation of babies. Approximately 6 percent of the children born to malnourished mothers will be mentally retarded. Thus, there is a definite need to reach pregnant mothers and supplement their diets. Women and infant care, known as WIC, provides pregnant and lactating women, infants and children with selected foods to supplement their dietary intakes. This program, which also includes nutrition education and consumerism, reaches 33,000 women and children in California monthly. One clinic in California which

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has met with outstanding success with WIC wrote me that—

> At the local level, we have seen observable changes in the participants, including greater interest in the benefits of nutrition, increased knowledge regarding health care and services, and reduced incidence in anemia, poor diet, and poor growth patterns.

Results such as this are proof of the benefits which may accrue from this program.

S. 850 will strengthen WIC. It will become a permanent program with increased administrative funds and provisions for expanding nutrition education. Further, women will be allowed to continue to receive food for 6 months after birth, as opposed to 6 weeks, and children will be allowed to participate through the age of 5 instead of 4.

S. 850 also expands and improves the school lunch program. More children will be eligible to receive free lunches. The reduced price lunch provisions will become mandatory, allowing 3 to 5 million children whose parents earn enough to keep their children out of the free lunch category, but not enough to afford full price lunches, to participate in the program. Stories about the benefits of the school lunch program have been told before, but I think it is important to remember that the only decent meals that too many children in this country receive are the lunches they are able to eat 5 days a week in their school cafeterias.

The school breakfast program is also expanded through S. 850. The program feeds approximately 127,500 students monthly in California. A greater effort will be made to inform schools of the program, and they will be encouraged to participate.

The Head Start and day care nutrition programs will also be improved, and nutrition assistance will be extended to the previously forgotten children in orphanages and mental institutions, reflecting an effort to make all children eligible for the same nutrition benefits.

Hundreds of Californians have written to me in support of the continuation of child nutrition programs. Much of that mail has been in strict opposition to President Ford's bloc grant proposal which, as presented in the fiscal year 1976 budget, would "provide more funds than are presently available under all existing programs."

I do not know how the gnomes of OMB made their calculations, but the administration proposal would actually cut California's nutrition programs in half. Perhaps they simply do not like California, but I suspect that all of the other Members of this body could point to similar figures for the States they represent.

That proposal is no mistake. It is another step down the path which would place the burden of this country's economic crisis on the backs of those who are already suffering most. We have already thwarted the attempt to increase the price of food stamps, and now we have to fight for adequate nutrition for our children.

As I said earlier, S. 850 makes more students eligible for reduced price lunches. Under the bill, children from a family of four earning $9,000 would be eligible for a 20-cent lunch. Under the Ford proposal, the same lunch for children from the same family would cost 65 cents. For that family of four, over the course of a year, that is $200. Mr. President, we just voted a tax rebate of approximately that amount. Shall we give with one hand and take away with the other?

Unemployment is now at 8.7 percent, the highest monthly rate since 1941. Approximately 3.1 million heads of households are out of work. This is hardly the time to reduce vital nutritional assistance to children from these homes. Moreover, over 350,000 people are currently employed through child nutrition programs. The President's proposal could force as many as 120,000 food service employees, over one-third of those so employed, into unemployment lines. To me, that does not sound like an expanded new program as the Ford rhetoric would lead us to expect.

Recognizing the administration's proposal for what it is, or rather what it is not, not one of the 535 Members of Congress has introduced Mr. Ford's bill to date. I hope that it will remain in that limbo it so richly deserves.

Meanwhile, I trust that Congress will pass this measure quickly. The children of this Nation should not be forced to suffer the ills of a falling economy. If the Congress falters, long after the economy recovers we will face the terrible visage of retarded and ravaged children who will never recover.

EISENHOWER TRIBUTE

Mr. HUGH SCOTT. Mr. President, in the fall of 1951 the first Eisenhower-for-President political offices was opened in Seattle at a meeting of the Republican leaders of the Western States by my former colleague Robert R. Barry and by me. It seems altogether fitting, therefore, that he and I now join in paying further tribute to our past President by making a permanent record of a 1974 event of considerable significance.

At the Palm Desert Community Church formerly attended by President Dwight D. Eisenhower near his California home, a beautiful bronze bust of this former President, by sculptor Cyria Henderson, was dedicated by former U.S. Congressman Robert R. Barry. The dedication was presided over by Rev. Dean W. Miller who helped officiate at the Abilene funeral service of the late President. Unfortunately, then Vice President Gerald Ford could not attend the dedication ceremony. However, the Easter Sunday prior to the dedication the Vice President attended worship services at the church, sat in the Eisenhower pew, and had a preview of the handsome bronze bust.

Former Congressman Barry's remarks were very meaningful. I ask unanimous consent that they be printed in their entirety in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS

(By Robert R. Barry)

Greatness is a word with many meanings, but I seriously doubt that our history books will reflect the greatest attribute of Dwight David Eisenhower.

Rather than attempting to describe his attributes, let us by example of his own words peer into this man who once told me "the single most important motivating force within a man is what is in his heart." Therein seems to lie the secret of all human endeavor. It's a way of saying to put our heart into whatever we are doing—or conversely learning at our peril to go on toiling and pretending when our heart is not in what we are doing. I'll say it again, as each time it has more meaning, "The single most important motivating force within a man is what's in his heart." This from the Commander in Chief of the greatest Army ever amassed, from a former University President, and finally the President of the United States.

What exactly do you suppose he meant by "motivating force within a man." I'll tell you what I think he meant. He was saying that if you have motives to live a constructive life, to honor the Lord and your fellow being, then these forces compel and drive a man toward life's achievement and fulfillment. He may also be saying watch out what your motives are for they can project you into mediocrity or failure.

With all the tasks President Eisenhower took upon himself, he was forever known for his infectious smile which in a large way portrayed what the innermost motives of his own heart kept repeating. Perhaps it can best be described by his lifetime partner, Mamie Eisenhower, who after a most hectic day of meeting many people in the heat of his first campaign said, "You know we just couldn't stand this except for our love of people." "Our love of people"—yes, a lifetime of concern for the other man made Dwight Eisenhower the man that molded men to work as a team—uplifted from a lower echelon General by Gen. Marshall, President Roosevelt, and Winston Churchill to command the allied armies. Witness the "love and respect for his fellow man", an Eisenhower attribute. When Gen. Charles deGaulle finally brought his beaten-up free French forces to England in the face of a cool British and allied stance toward Free French participation, what did General Eisenhower do? He made a personal call on General deGaulle to welcome him, and thereby solidified an enduring relationship. Americans can ponder Gen. deGaulle's coolness to the outside world, but never forget that it was Gen. deGaulle who stood up first of all European Allies at the Bay of Pigs, and who persuaded the Africans to disallow overflights by the Soviets which helped cause a Soviet fleet turnaround in Mid Atlantic, and a U.S. diplomatic victory. This loyalty stuck to the end as Gen. deGaulle in declining health flew to the United States to attend Gen. Eisenhower's final rites.

President Eisenhower's humility, good will and love of his fellow man can never be better portrayed than in that moment of Republican National Convention victory over Senator Taft in 1952 when the General at the conclusion of the balloting turned and said, "I want to call on Senator Taft right now," and we snuck him up the back elevators for an historic meeting that paved the way for a close relationship between the President and the U.S. Senate, broken only by the untimely death of the distinguished Senator.

And so it goes, you and I—and millions like us—honoring today a great man and trying to glean from his life's experiences some kernel to sustain or to inspire us.

Perhaps in closing we can each learn more by re-thinking the last words of this great patriot.

"I have always loved my wife;
"I have always loved my children;
"I have always loved my country."

GOVERNOR BYRNE'S POSITION ON OCS LEASING

Mr. WILLIAMS. Mr. President, the recent Supreme Court ruling that the Federal Government has exclusive rights to any oil and gas resources on the Outer Continental Shelf dramatically underscores the need for legislation to protect the rights of the people in coastal States during the development of offshore reserves. Now that the Court's decision has removed the barriers which prevent the Department of the Interior from leasing tracts in the Baltimore Canyon of the Atlantic OCS for exploration by oil companies, I fear the leasing program may proceed at a less than prudent pace.

I have sponsored a series of bills to avoid the haphazard development of our offshore and onshore natural resources. These will safeguard the environment, insure orderly and efficient exploitation of offshore reserves, and allow for coastal State participation in both planning and financial returns. It is most critical that coastal State governments plan adequately to prevent the havoc that offshore oil drilling may bring.

Congress has provided for such analysis in the Coastal Zones Management Act of 1972. S. 470, a bill I introduced to postpone any offshore leasing programs until affected States are afforded the opportunity to prepare a coastal zone management plan, should enable these States to develop a plan to prevent damage to the adjacent land and preserve the fragile ecological balance in coastal areas.

The Coastal Zone Management Act, which requires Federal agencies to comply with State coastal plans, ought to be the vehicle for States to develop sound programs to offset the consequences of decisions made by offshore drilling advocates in the administration. A hastily conceived OCS development program can only lead to unnecessary delays, prolonged debate and disagreement between State and Federal governments.

In light of our critical energy needs, we must encourage the sound development of our resources. However, I agree with the stand of coastal governments that, until the quality of data available improves, no irreversible development program should commence prior to the completion of a coastal management plan. Although the Interior Department has made assurances that technology exists to exploit offshore resources safely, I am convinced that my own State of New Jersey deserves the opportunity to protect its coastline.

Mr. President, sound judgments must be made if we are to conduct responsible oil and gas exploration programs. I feel very strongly that the coastal States have not yet had time to make these judgments.

Most of these same issues have been raised by Gov. Brendan T. Byrne of New Jersey. In fact, several of the key proposals under consideration now by the Committees on Interior and Insular Affairs and Commerce were long advocated by Governor Byrne. These included full compensation for direct and indirect damages or impacts from OCS activities and full and effective State participation in federally directed OCS activities.

David J. Bardin, commissioner of New Jersey's department of environmental protection, testified recently on OCS legislation in behalf of Governor Byrne before the Interior and Commerce Committees. I ask unanimous consent that Commissioner Bardin's pertinent statement on behalf of Governor Byrne be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT SUBMITTED ON BEHALF OF GOVERNOR BRENDEN BYRNE OF NEW JERSEY

(By New Jersey Commissioner of Environmental Protection, David J. Bardin)

The State of New Jersey appreciates the opportunity extended by your Committees to participate in your consideration of these important bills. Your work is of the greatest moment for New Jersey and the nation, from the standpoints of both energy needs and environmental goals. We congratulate you on the joint efforts by your two standing Committees to reform our federal laws concerning continental shelf resources. We are encouraged by the leadership, constructive imagination, and dedication to reform in the public interest of your memberships.

The governing statutory law was passed over two decades ago. It is grossly inadequate in terms of the energy and environmental needs which experience has disclosed.

We are fortunate that leadership in the Congress has recognized these inadequacies and moved to correct them. Last year, Senator Jackson broke the inertia of more than 20 years with the introduction of S. 3221, the hearings on that bill, and its passage by the Senate. That bill articulated a comprehensive alternative to the inadequate legislation now on the books and to the weaknesses of its administration over the years. We should all be deeply grateful for Senator Jackson's initiative.

We are grateful, too, for the Commerce Committee's undertaking the National Ocean Policy Study and for the leadership and purpose that Senator Hollings has brought to that effort. His work has illuminated vital issues and he has personally aided New Jersey and other Atlantic Coastal States in our grappling with these issues.

We acknowledge, also, the invaluable assistance of the staffs of your Committees.

At your hearing on March 14 Governor Salmon of Vermont presented the position of the National Governors' Conference. We agree fully with that position. We shall try to supplement rather than repeat Governor Salmon's cogent remarks.

NEW JERSEY'S INTEREST

New Jersey's concern for the proper continental shelf resource management is twofold. First, we now depend heavily on the continental shelf, in particular the Gulf of Mexico, for our natural gas supplies, and we are extremely dissatisfied with the way in which existing law has been administered regarding that so-called mature area. Second, we are involved in the opportunities and the risks regarding oil and gas which possibly may be discovered in the so-called frontier area of the Atlantic Ocean off our shores, the Baltimore Canyon Trough area, indicated on the attached map. The map also shows the existing principal oil facilities (refineries and oil pipelines), as well as our New Jersey statutory coastal zone and the larger maximum area for which planning funds may be sought under the Federal Coastal Zone Management Act.

The Gulf of Mexico represents a comparatively known situation: many fields are already proven and we have every reason to believe that properly managed, there are excellent prospects for additional supplies. Proper management should include vigorous steps to bring about the production and sale of proven natural gas reserves and the prevention of contrived shortages.

Contrast the Baltimore Canyon Trough (as well as other portions of the Atlantic shelf) which may possibly yield oil and gas, but also may possibly yield only dry holes. Further, consider that the predictions of the optimists do not anticipate any actual production to help our energy situation until the decade of the 1980s.

Moreover, the Interior Department's own Geological Survey has estimated that the ultimate resources yet to be discovered in the Gulf of Mexico offshore far exceed those to be discovered in the entire Atlantic offshore.

New Jersey's concerns for our coastal environment must take account of our population of nearly 8 million people, who live at the highest average density of any state in the union. Our coastal environment is fragile and the more valuable because of the scarcity of natural areas. For example, in contrast to over 7 million acres of wetlands and marsh alone in the State of Louisiana which contribute to their water quality, wildlife, marine life and recreational opportunities, the entre state of New Jersey covers only 4.8 million acres, which includes our 330,000 remaining acres of wetlands.

The destruction of many valuable acres of wetlands prior to passage and implementation of our State Wetlands Act makes us the more sensitive to the value of those remaining.

Our ocean shore includes barrier beach islands and peninsulas which have been extensively developed for recreation. They mean much to tourism and to owners of private homes near the beach.

New Jersey's general position was recently expressed by Governor Byrne in two documents that are attached (letter dated February 26 and statement dated February 11 at the Interior Department hearings on the proposed environmental impact statement regarding continental shelf leasing programs).

In short, New Jersey's situation exemplifies the balance that you seek in your legislative efforts: we are still an importer of fossil fuels for our basic energy needs (although nuclear power is a growing factor in our energy economy). Our largest industries, petroleum and chemicals, include the most refinery capacity of any state on the East Coast. Our second largest industry, tourism, is dependent on beaches, surf and bay, clean, fresh air and the ambience of our Atlantic Shore. At the same time, our citizens value a quality environment and are seeking the path to orderly land uses and developments. We must seek a good balance.

THE NEED FOR NEW LEGISLATION

We acutely recognize the urgent need for a clear and specific legislative framework for the continental shelf. We need a framework of law that will guide—and bind—the federal agencies in decisionmaking, in regulation, and in timely implementation.

This year, in addition to S. 521 (the substantial re-introduction of last Congress S. 3221), we have two additional comprehensive measures: S. 426 (packaged with S. 586) introduced by Senator Hollings and cosponsired by Senators Case and Williams of New Jersey among others, and most recently S. 740 introduced by Senator Jackson. We also have a number of specialized bills, virtually every one offering improvements to

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the present situation. These include S. 825, S. 826 and S. 827 introduced by Senator Case and S. 470 by Senator Williams. In my judgment, the Congerss would do well to synthesize several key provisions of the various bills and include them in legislation which carries out a comprehensive plan for management of continental shelf resources.

Appropriate legislation will have to deal both with mature areas such as the Gulf of Mexico and frontier areas, not yet explored, such as the Baltimore Canyon Trough off New Jersey shores. As we have repeatedly stated, the same basic principles should guide us no matter what the outcome of the dispute between the Federal Government and the Atlantic "common counsel" States, argued last month before the United States Supreme Court in *United States* v. *Maine*.

PRESENT INADEQUACIES

My remarks will be addressed first to the shortcomings in the existing situation and then to the salient provisions which we in New Jersey believe appropriate legislation should be designed to include.

Existing legislation regarding continental shelf energy resources has not effectively governed the development and management of these resources. Federal practices have relegated most fundamental decisions, and even the informational basis for decision-making, to a relative handful of oil companies. Current practices have not provided adequate supplies of energy from continental shelf lands for the people of the United States.

Existing legislation has tolerated these practices, and has resulted in the following deficiencies.

(1) A failure to insure rapid exploratory work and timely and orderly development of continental shelf energy resources;

(2) A failure to recognize the wide range of adverse impacts—environmental, economic and social—that continental shelf oil and gas development inflicts on the residents of coastal states and their local state governments;

(3) A failure to adequately balance non-energy resource values of the continental shelf and coastal zone with their potential energy resource values:

(4) A failure of our tort liability system to compensate for all business and individual injuries suffered as an outgrowth of continental shelf exploration (e.g. the shore hotelman whose business collapses after an oil spill);

(5) A failure to guarantee that the public treasury receives full value for the public resources;

(6) A failure to view the energy resources of the continental shelf in the context of a coherent national energy supply policy or strategy; and

(7) A failure to share information with the public and to involve the public and its state and local representatives in key planning and key decision-making.

These failures account for the loss of public confidence in the federal continental shelf management program. They must be remedied, and they must be remedied quickly. In my view, the only way to accomplish this is through major revisions in legislation. Appropriate legislative reforms are essential to assure that administrative practices governing the continental shelf energy resources will be corrected, and that the public's faith in this program will be restored.

THE LEGISLATION WE NEED

We are not here today to discuss such parochial issues as the impact on New Jersey of oil and gas development in the Baltimore Canyon Trough. In the proper legislative framework, such matters will ~~be~~ recognized and properly assessed. What we are discussing today is a major revision and restructuring of the entire apparatus governing continental shelf leasing, exploration and development, both in "mature" areas such as the Gulf of Mexico and in the "frontier" areas such as the Atlantic Ocean.

We identify seven essential guiding principles:

I. Production from fields already discovered and further exploration in mature areas such as the Gulf of Mexico should be expedited

Energy policy should be emphasized in exploration and development of mature areas, rather than the Federal Treasury's grasping for quick, front-end lease bonus payments.

Significant oil and gas reserves are known to exist in certin already well-developed shelf areas; significant additional reserves, as yet undiscovered, are suspected to exist in such areas. It is mandatory that new legislation insure rapid production from these reserves. We must not suffer the economic damage that results from shut-in wells or delays in bringing known reserves from under the Gulf to market. At the least, the new law should prescribe a mandatory minimum scale of delay rentals, rising each year after leasing; the Executive Branch should be allowed to raise, but not to lower, that scale. Leases already issued must be policed vigorously and supervised by an agency the public can trust. The National Energy Production Board proposed by S. 740 could be that agency.

II. Exploration to determine the location and approximate size of oil and gas resources, at least in the frontier areas should proceed before any decisions as to commercial development and production

The existing system of leasing both exploration rights and production rights at the same time is seriously delaying exploration of the frontier areas. A clear separation of exploration from production will insure that:

(a) The broader energy policy planning which our nation so desperately needs will be based on known data rather than unknown guesswork.

(b) Timely steps can be taken both in assessing and in planning for the infrastructure needs on-shore and in avoiding or minimizing adverse impacts that accompany the development of such resources.

(c) The public treasury will receive full value for the development of what are, after all, the public's resources. (This can also be insured through significant major additions in the lease bidding options as proposed in both S. 426 and S. 521).

Once we separate the decision to explore from the decision to produce, we should separately consider the appropriate maximum tract size for exploration and for exploitation. We should also make it possible for natural gas deposits to be exploited by local or interstate gas companies, rather than by the oil companies. Similarly, the form of leasing will appropriately be revised to meet our objectives for each stage. In this regard, we would be concerned about a rule that any federal royalty share of oil or gas had to be auctioned off to the highest bidder; during the oil embargo royalty oil was put to good effect to assure supply to independent refiners. We have urged the President to do likewise as a means of relieving the most serious natural gas curtailment situations.

III. A Federal exploration role should complement the role of the private sector

Exclusive reliance on the private sector to conduct or to contract for exploration also delays the broadening of our known resource base. In our judgment new legislation should provide for comprehensive exploration programs (including exploratory drilling) by the federal government, in concert with continued exploratory activities by the private sector. The legislation should distinguish between the search for oil and gas and the commercial exploitations (including both development drilling and production) of the deposits that federal exploration discovers. Both S. 426 and S. 740 contain the essential elements for such Federal exploration programs.

IV. Well-designed and adequately funded environmental baseline and monitoring should be conducted throughout the period of both exploration and development

This is basically self-explanatory, but two points are worth noting. First, both S. 426 and S. 521 outline the content of the offshore portion of such studies (including, significantly, the explicit mention of "time-series data and trend information"); in addition, S. 426 also explicitly includes the coastal zone in the study program. We believe the importance of both the near-shore region and the land-use impacts in a broad coastal zone should be explicitly recognized in the final legislation. Second, and even more important, in my view, the scientific validity and utility of these studies will *not* be jeopardized if they are begun simultaneously with an exploration program. In other words, to avoid needless delay, it is *not* necessary to wait until a first benchmark/baseline study is done before beginning exploration.

V. Environmental impact statements, developed with the active participation of all interested parties, should accompany each significant stage in Continental Shelf energy activities

This, again, is self-explanatory, but it is worth noting that S. 426 has a good appreciation of the appropriate points for the preparation of impact statements, and also of where they are not necessary.

VI. Appropriate provisions must be included to compensate individuals and institutions damaged or impacted by any oil and gas activities

There are several potentialities for such compensation. First, recognizing that oil spills are inevitable from continental shelf activity it is mandatory that funds be available to defray the costs of the clean-up. Second, a large no fault liability fund is essential to compensate person, businesses, and governments for direct and consequential damages, including damages to the environment, due to such major catastrophes; access to this fund, particularly for small entrepreneurs, e.g., small resort owners) should be made as easy as possible. Finally, local and state governments should be compensated, under a properly-designed statutory formula, for the net costs borne by them in providing the infrastructure demanded by on-shore facilities related to and supporting offshore operations. Compensation should be made when the impacts occur, not at some later (or earlier) stage when revenue from nearby commercial leases happen to accrue to the federal government.

VII. Federal programs for the Continental Shelf should be designed and conducted with the full participation of all relevant Federal, State, and local agencies, as well as other segments of the public and private sectors

The lack of such participation to date has contributed to the delays in the current leasing program. Legislation should not only mandate consultation as a matter of policy, but also identify specific avenues for effective participation.

As an example, we suggest that your legislation require the creation of an advisory board for each region (e.g., the Baltimore Canyon Trough), composed of the Governors (or their designees) and other public representatives, together with all of the relevant federal agencies. Such boards should be actively involved in all stages of continental shelf energy resource development. They should be adequately funded and staffed. Not only should these boards be kept fully in-

formed and be regularly consulted by federal and private sources during the leasing, exploration and development stages, but they should also be authorized to hold regular public hearings and submit reports representing regional concerns. The statute should invalidate decisions made without effective consultation and sharing of knowledge throughout the planning process. Decision-making should actually involve all of the interested agencies and levels of government. Dissenting views should be published at the time of decision together with majority views.

From the State point of view, the key is early participation and full consultation, rather than review after all the planning is complete (even if the review power carries a chance to delay or even to veto). There is an opportunity to give States a real participatory role within a shorter time frame than the bills now provide. The creation of the multi-member National Energy Production Board proposed by S. 740 might prove a key toward establishing a proper relationship between Federal and State Agencies.

We deeply appreciate the opportunity to share with you our views on these important matters.

THE C–5A AND THE MIDDLE EAST AIRLIFT

Mr. PROXMIRE. Mr. President, the United States organized an airlift to assist the Government of Israel during the October 1973 Middle East war that has been described as one of the biggest airlifts in history. The C–5A cargo plane was used during the airlift and its apparent success at the time sparked a great many claims on its behalf by spokesmen for the Air Force and others. A few were so encouraged by the C–5A's performance that suggestions were made to reopen the production line in order to build more C–5A's.

My own immediate response was to suspend judgment until all the facts were in. It was indisputable that the C–5A had played a role in the airlift. The question was, how large and important a role? How many C–5A's were actually used? How many tons of cargo did they deliver? How many items of outsized equipment were delivered, and were the deliveries made in time to effect the outcome of the conflict?

GAO FINDINGS SOBERING

The General Accounting Office was asked to make a comprehensive review of the airlift and to evaluate the effectiveness of the C–5A. GAO has now issued its report and its findings and conclusions should be sobering to those who were uncritically beating the drum for the C–5A up to now.

MOST OUTSIZE EQUIPMENT DELIVERED AFTER CEASE-FIRE

The facts are that the C–5A did not make a significant contribution to the materiel needs of Israel during the October 1973 war.

The GAO report shows that except for the outsize cargo, the entire airlift could have been conducted using only the smaller C–141's.

As for the outsize cargo actually delivered by the C–5A, it was a classic case of too little too late.

The C–5A's delivered 29 battle tanks during the entire period of the airlift.

Only four battle tanks airlifted to Israel arrived before the cease-fire. The other 25 tanks were delivered afterwards when the fighting had already stopped.

Ten other items of outsized equipment were delivered before the cease-fire, in addition to the four tanks.

The GAO report states the following conclusion:

> The aerial delivery of combat tanks and other outsize cargo by C–5A's was an impressive use of airlift capability, and it is impossible to assess the psychological impact of demonstratng this capability. In our opinion, the relatively small quantities of outsize equipment delivered in this manner had no effect on the war's outcome.

SIXTY PERCENT OF THE C–5A'S INOPERABLE

It was also discovered that 60 percent of the C–5A's were inoperable during the airlift because they needed maintenance, repairs or parts.

Thirty-six of the C–5A's could not be used because they needed repairs, and 10 of the aircraft were grounded because they lacked parts.

Twenty-nine flights launched during the airlift had to be terminated because of mechanical malfunctions. The departure of 40 flights were delayed because of mechanical malfunctions.

While the number of C–5A flights that had to be terminated was a small percentage of the total number of flights, the termination rate was nearly three times the rate for the C–141—894 C–5A flights were launched during the airlift.

The GAO report concludes:

> The C–5s have been plagued by maintenance problems and supply support since they entered MAC's inventory, and the cannibalization of aircraft for parts has been abnormally high.

The GAO's findings and conclusions are further evidence of weaknesses and continuing problems in the C–5A program.

The Air Force has repeatedly made extravagant claims for the C–5A which have failed to materialize.

AIR FORCE PERSONNEL DID OUTSTANDING JOB

I do not intend by my remarks to criticize the crews and other individuals who played a part in the airlift.

They did a splendid job with the tools they had at hand, and in light of the many mechanical problems and structural weaknesses of the C–5A it is a tribute to the skill of our airmen that the airlift went as smoothly as it did.

WHY WAS C–5A USED IN MIDDLE EAST AIRLIFT?

But a serious question must be raised as to why the C–5A was used at all.

Why use such a mechanically weak and expensive aircraft in a situation where another aircraft with a proven record would serve as well or better?

The Air Force claims that a secondary purpose for using the C–5A was to give a "shot in the arm" for Israeli morale.

I question whether it was the Israelis whose morale needed to be boosted, or the people responsible for the C–5A.

WHY WAS C–5A USED IN VIETNAM BABYLIFT?

This question is doubly appropriate as a result of the recent C–5A crash in Saigon during the airlift of Vietnamese orphans.

There may have been more pressagentry involved than necessity in the dubious decisions to use the C–5A in these two situations.

ADDITIONAL C–5A'S NOT NEEDED

The GAO study should also answer those who believe that on the strength of the Middle East airlift we should build more C–5A's.

Less than half the C–5A's in the inventory were used and many of those used could have flown more flights.

In addition, the mission would have been accomplished just as well without C–5A's.

Before we build any new ones, we better make sure we know how to use the ones we have, and that they are safe to use in the first place.

I ask unanimous consent that the story on the Middle East airlift that appeared in the Christian Science Monitor, December 28, 1973, and excerpts from the GAO report on Airlift Operations of the Military Airlift Command during the 1973 Middle East war, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Dec. 28, 1973]

C–5—AMERICA'S SECRET WEAPON?

(By Dane Adams Schmidt)

Note.—The $1 billion United States airlift to Israel between Oct. 14 and Nov. 15 was not only the biggest military airlift in history but it was an extraordinary American technological achievement, the Pentagon believes. So extraordinary, indeed, that it had immediate military repercussions, is still having political repercussions, and is causing the Pentagon to dream dreams of global strategy buttressed by new giant transport aircraft.

WASHINGTON.—By the end of the first week of the fourth Arab-Israeli war the Egyptians and Syrians had the Israelis on the ropes. Premier Golda Meir was sending desperate messages to the White House for help.

Secretary of State Henry Kissinger says he tried hard to persuade the Russians to join the U.S. at that stage to freeze the movement of military supplies to the Middle East and that the Russians declined. The Russians began on Oct. 10, four days after the Egyptian-Syrian attack, a massive airlift to Egypt and Syria.

Another four days and the United States began its own airlift. The decision to do sc was taken by the President as chairman of the National Security Council.

Nine hours later the first American C–5 Galaxy transport took off for Israel.

The take-off marked the beginning of a billion-dollar airlift which Pentagon officials look back on as one of most successful of its kind in modern history.

A vast amount of war materiel was hoisted across the Atlantic Ocean, despite the refusal of most European nations to allow their port or airfields to be used. The gigantic C–5 aircraft—dubbed "Fat Albert" by the Air Force—convinced officials that despite the controversies surrounding their cost and design, it worked.

A NEW STRATEGIC DIMENSION

The planes are seen by many as giving the U.S. a new strategic dimension. If the U.S. had enough of them, for instance, it might be more inclined to come to terms with the Russians on a one-for-one withdrawal of forces from Central Europe.

In the month-long period of the Mideast airlift, 420 C–5 and 145 C–5 missions were flown via the Azores to Israel. Almost half of the materiel was carried by the C–5 which are 365 feet long and stand 6 stories high.

Thirty of the C–5 flights each carried an M–60 tank weighing 50 tons and seven 88-by-100-inch pallets containing ammunition and all kinds of arms. It was the first time that battle tanks had been flown across the ocean.

The 6,450 nautical mile flight to Tel Aviv took 16 hours, with crews breaking the journey with an eight-hour rest at the American-run NATO airfield in Lajes, in the Azores. From the Azores to Tel Aviv they flew with double crews so that they could make a quick turnaround (50 minutes for the C–141's and less than two hours for the C–5's) and have the second crew return the plane to Azores.

Relying on airlifts to speed supplies (and men, if necessary) into a threatened area is an integral part of the Nixon doctrine.

Though there are varying views on what the doctrine actually means, one element is that, with fewer U.S. troops stationed permanently abroad, other nations are urged to bear more to their own defense burdens—with the U.S. standing by with C–5 and other aircraft to jump back if a really serious emergency should arise.

ONLY PLANE OF ITS KIND

The C–5 is now shown to be the only U.S. plane capable of transporting tanks, helicopters and howitzers, and it moved its burden at 36 percent less cost in fuel than the noncontroversial C–141.

In existence now are 79 C–5's, which cost $4.5 billion dollars, including all research and the contracted cost of $3.4 billion.

An Air Force spokesman says that 51 of the 79 C–5's were used for the Israeli airlift. In the course of the thirty days of the lift, 12 of the planes were in maintenance, and 6 in training. The remaining aircraft were used for three joint chiefs of staff exercises, for redeployment from Southeast Asia, for support of Americans in Antarctica, and to carry out routine cargo-carrying missions.

During this period the Air Force found it necessary to hire civilian aircraft for additional missions, at a cost of $6.7 million.

It was the cost overrun followed by discovery of cracks in the wings that triggered Sen. William Proxmire's and others' early criticism of the plane. While additional planes would, of course, cost less, the unit price thus far works out at $55 million each for 81 planes completed at the Lockheed plant in California in May of this year. The metal fatigue cracks have been reinforced and caused no further alarm during the Israeli airlift.

With a cruising speed of 500 m.p.h., the range of this aircraft varies according to its load. With a moderate load of 100,000 pounds it could make Tel Aviv, but with tanks or similar heavy objects aboard the Azores or similar stopover points become essential. The alternative of aerial refueling is technically possible but has not been practiced hitherto with this aircraft.

Generally a C–5 transport can carry 3½ times more than a C–141. If available in sufficient quantities, it could also enable the United States to move an army overseas in short order.

According to studies made several years ago by the Air Force, it would take 10 days to set down in Europe an armored division including 324 tanks and 72 self-propelled howitzers if 70 C–5's and all the existing fleet of 234 C–141's were available to move the heavy equipment and selected commercial airlines provided aircraft to fly the men.

LARGE PLANE SOUGHT

Assuming that it would be politically inexpedient to reopen the C–5 assembly line, the Air Force now is encouraging development of an even larger jumbo transport.

Alternatively, the Air Force hopes to arouse commercial interest in a new design of the Boeing 747 airliner which would raise its payload from 10,000 to 1[illegible]8,000 pounds. Iran is said to be negotiating for just such an aircraft with a wide side door and a reinforced floor for tanks.

Memories in Congress of the original cost overrun on the C–5 make it far from certain that the assembly line can be reopened. Senator Proxmire told this newspaper:

"If the C–5 helped make our airlift mission to Israel a success, I say that is great. No one would be more pleased than me to know that the money invested in this program may have paid off in this case. But all the facts about the airlift are not yet known and it would be a serious blunder to leap to any premature conclusions.

"The fact that Kennedy Center for the Performing Arts has turned out to be an excellent place to perform ballet and symphonies does not necessarily mean we need to build another Kennedy Center in Washington.

"A careful analysis of the Middle East airlift is absolutely essential before any new programs are decided upon. How many C–5's were actually used in the airlift? How many C–5's weren't used? How many tanks were delivered? Were the number of tanks and other equipment delivered a significant factor or could they have been a significant factor in the outcome of the conflict? Would it have made any difference if we had more C–5's in the inventory, given the logistical problems and the ability of the Israelis to accept the deliveries? Can we extrapolate from the Middle East conflict to Europe, where we presently pre-position large numbers of tanks? The issue of withdrawing troops from Europe is not the same as the issue of withdrawing tanks and equipment. Would it help any future European conflict to have more C–5's or other kinds of cargo planes? These are some of the questions that need answers before new programs are launched.

PREPARATIONS

"In any event, it should go without saying that we should not tolerate the waste, mismanagement, concealment of costs, overruns, that characterized the C–5 procurement."

Air Force officers admit the speed with which they responded to the Israeli calls for help was partly because they were getting ready from the day the Russian airlift was reported under way.

But they make the point also that it was thanks to their array of 89 large, medium, and small computers that they were able swiftly to locate, to collect and route through six U.S. Air Force bases to the Air Force base at Dover, Delaware, the complex list of airlift items required from Army, Navy and Air Force. Everything had to go to Dover first for final check before departure.

Forty Air Force specialists in loading and unloading remained at Lod Air Force Base, Tel Aviv, and devoted themselves, with 100 Israelis, to unloading the aircraft.

Meanwhile 40 F–4 Phantoms were flown from Dover to Tel Aviv, refueled 10 times in the air by flying tankers sent out from the United States and American bases in Spain. Between 50 and 60 A–4's—Navy planes—were also sent to Israel, some by air, with even more refueling pauses, and some as cargo aboard ships.

By the end of the 30 day period the Americans had flown 22,800 tons of supplies to the Israelis. American intelligence analysts believe that this was somewhat more than the Russians managed to move by air in roughly the same period. The Russians flew a shorter distance—1,700 nautical miles—and almost twice as many missions in their smaller Antonov 12's and 22's.

But the Russians undoubtedly moved a great deal more by sea, as much as 225,000 tons according to some estimates, a figure which the United States would not approach even over a much longer period.

ONE PILOT'S RECOLLECTION

What the airlift was like for individual airmen is well told in the words of Capt. Joseph W. Croft Jr., navigator with the 30th Military Airlift Squadron of McGuire Air Force Base, N.J., as quoted by the Air Force Times.

On Saturday, Oct 13. "I was watching a football game on TV," he said, "and anticipating a night out with my wife when, around 3 p.m., I received a call which drastically altered my plans for the evening.

"Three hours later I was heading toward Lajes Field in the Azores—riding as a passenger to the point where I would be assigned a mission. Aboard the C–141 were the crew I would fly with later. . . .

"For the six-hour flight to Lajes we read, played . . . and speculated about where we were going. We reached the Azores early Sunday morning.

"About 15 hours later we were loaded with a cargo of arms for the Israeli Air Force and airborne. Toward the end of the seven-hour flight we began to be a little concerned as we neared the Israeli coast.

"Suddenly a desert-camouflaged Israeli F–4 appeared off our wing. The pilot locked into a tight formation with us—so close we could see his face and read the numbers on his plane—to escort us into Tel Aviv's Lod International Airport."

"On the ground we were treated royally." El Al Airlines provided soft drinks, and a hot meal. They gave the crew travel posters, post cards and El Al hats for their children. Many crews received key chains with charms engraved. With Appreciation, Minister of Defense, Israeli Defense Force, October, 1973. It became known as the Israeli Air Medal.

GREETED BY MRS. MEIR

One of the first crews arriving was met by Premier Golda Meir, who later spoke of it to a group of Jewish leaders as follows:

"For generations to come all will be told of the miracle of the immense planes from the United States."

Israeli school children meanwhile wrote letters of appreciation to crewmen at all the American air bases.

The military repercussion of the American airlift was that the Israelis, who had begun to worry about how many shells they had left, were able to resume an extremely high rate of fire. They also were embodied to throw all available reserves into the battle and succeeded in breaking through the Egyptian lines to the Cairo side of the Suez Canal.

It can be further argued that it was thanks to the American resupply that the Israelis were able to go on to seize Suez and to cut off the Egyptian 3rd Army. This Israeli success threatened the bridgehead the Egyptians had established on the Israeli side of the canal. The very center of all the claims to new equality with the Israelis, to military prowess on which the Egyptians had been building psychologically to justify negotiating with the Israelis for a settlement.

Because of Israeli refusal to relax their grip on the 3rd Army's supply lines the Egyptians threatened to refuse to go to a peace conference in Geneva, and for this the Egyptians are inclined to blame the great American airlift.

A by-product of the airlift is that the United States has become beholden to Portugal, which, with the Netherlands, was one of the only two European countries to permit American resupply flights to use their land or air space.

The American agreement with Portugal for the use of the Lajez Airfield in the Azores expires in February, 1974, and Washington fears Portugal will tie renewal to some kind of support for Portugal against its rebellious African territories.

Airlift Operations of the Military Airlift Command During the 1973 Middle East War

CHAPTER 3—ROLE AND OPERATIONAL PERFORMANCE OF THE C–5 AIRCRAFT

The C–5s played a major role during the airlift. Although they made only 147 of the 569 flights to Israel, they delivered nearly half of the total tonnage airlifted. These flights could have carried maximum loads from the United States directly to Israel if in-flight refueling capability had been available.

Forty-three of the flights carried outsize cargo. Most of this cargo did not arrive until after the cease-fire or until after the first ship had arrived. While it is impossible to determine the psychological impact of airlifting these items to Israel, we believe the quantities delivered were not significant enough to have affected the war's outcome.

Sixty percent of the C–5s were inoperable because they needed maintenance or parts. These problems did not prevent the accomplishment of any missions because the number of operable aircraft always exceeded the number required for missions.

C–5 AIRLIFT FLIGHTS

Of 170 C–5 flights involved in the airlift, 7 ended at Dover AFB, Delaware; 16 at Lajes Air Base; and 147 at Lod Airport. The latter delivered 10,757 tons of materiel to Israel. Most of the flights operated to Dover, then to Lajes. However, some flights operated from points in the United States directly to Lajes. In addition, one C–5 moved cargo from West Germany. All flights to Israel were routed through Lajes where the aircraft were serviced, refueled, and maintained, and where aircrews were changed.

The C–5 is capable of carrying 107 tons of cargo. The average load carried was 73.2 tons and the heaviest load was 98.7 tons. Maximum loads could have been carried from the United States directly to Israel if in-flight refueling capability had been available.

Without the use of en route facilities, the C–5s would have had to fly nonstop from the United States to Israel. This would have limited their payloads to only 33 tons. Furthermore, it is questionable, depending on headwinds and other weather conditions, whether the aircraft had the capability of returning without refueling. The C–141s could not even have made the trip without refueling en route.

Appendix VII lists the equipment and supplies loaded on the C–5s at the various locations in the United States, West Germany, and Lajes.

OUTSIZE EQUIPMENT AIRLIFTED

One unique feature of the C–5s is their capability to transport outsize cargo. Twenty-nine percent of the C–5 flights carried outsize equipment to Israel. These flights moved 9 percent of the total tonnage delivered by air. However, only 14 outsize pieces of equipment were airlifted before the cease-fire agreement.

Twenty-nine battle tanks made up almost 69 percent of the outsize tonnage airlifted. In airlifting 25 of these tanks after the cease-fire, MAC headquarters provided guidance for selecting the aircraft to be used. This was done to insure that aircraft with minimum restrictions, few flying hours, and few landings were selected for the flights. The movement of outsize equipment, before and after the cease-fire agreement, is shown in appendix VIII.

The first ship reached Israel on November 2, 1973, with 3,321 short tons of outsize equipment, including battle tanks, self-propelled howitzers, and cargo trucks. By that date C–5s had delivered 1,257 tons of outsize equipment. Outsize equipment airlifted and sealifted to Israel as of November 2 is shown in appendix IX.

Except for the outsize aircargo, the entire airlift could have been conducted using only C–141s. But this would have disrupted other MAC airlift operations. Furthermore, DOD officials stated that the airlift—especially the airlift of outsize cargo—demonstrated to all nations that the United States had not only the capability to airlift combat equipment and supplies but also the will to do so in an emergency. A secondary purpose was to provide a "shot in the arm" to Israeli morale. Photographs and characteristics of most outsize equipment airlifted are shown in appendix X.

INOPERABLE C–5 AIRCRAFT

An average of 46, or 60 percent, of the C–5s assigned to MAC were inoperable each day of the airlift.

22 percent were in depot maintenance.

25 percent were in unit maintenance.

13 percent were inoperable due to a lack of parts.

Thirty-five percent of the C–141 aircraft were inoperable for the same reasons. These problems did not prevent the accomplishment of any missions because the number of operable aircraft always exceeded the number required for missions.

According to MAC maintenance officials, several aircraft reported as inoperable could have been made operable within a short period, if necessary. Daily operational status reports estimated that an average of eight inoperable aircraft could have been placed in an operational condition within 12 hours of the reporting time. The operational status of the C–5s and C–141s is shown in appendixes XI and XII, respectively.

Aircraft in depot maintenance

Seventeen C–5s, or 22 percent of those assigned to MAC, were in depot maintenance for scheduled inspections, repairs, and modifications. The C–5s are flown to either Kelly AFB, Texas, or Dobbins AFB, Georgia, for such maintenance.

The depot maintenance program was not accelerated to provide more operational C–5s. Nor were C–5s withheld from depot maintenance to have additional aircraft available.

Aircraft needing unit maintenance

Nineteen, or almost 25 percent, of the C–5s were inoperable because they needed squadron- or wing-level maintenance. The Air Force has a standard of 24 percent for this kind of maintenance before 1970. The standard, however, was not accepted for the C–5s.

The maintenance rate for the C–5s exceeded that for the C–141s. MAC officials, explaining that a comparison of the rates for the two aircraft was not reasonable, said the sheer size of the C–5s increased maintenance problems. They explained that the C–5s' major systems and subsystems, as well as the airframes, are extremely complex and that their designs are at the upper limits of the state of the art.

Aircraft needing parts

Ten C–5s, or about 13 percent, were inoperable due to a lack of parts. The Air Force has not established a standard for this category of C–5 inoperability, but before 1970, it had a goal of 5 percent for most other aircraft. Although this inoperable rate was much higher than that for the C–141, MAC officials explained that the rates for the two aircraft could not be meaningfully compared.

The unavailability of spare parts for the C–5s stemmed, in part, from the concurrent development and production concept under which the aircraft were acquired. This precluded the accumulation of historical data on which to base a sound spare-parts procurement program. Many C–5 systems and subsystems were not fully developed, and it was recognized that they would be modified or replaced. Furthermore, in testing and in initial operations, many components had high failure rates. Therefore, to avoid a sizable investment in low reliability and unusable spare parts, a full range and depth of supply support was not procured. Moreover, the C–141s are tried and tested, having been in service more than 10 years.

Cannibalization

Cannibalization is the removal of a part from one aircraft, usually inoperable, for installation on another aircraft to make the latter operational to meet mission requirements. It is used either because a needed part is not available or because the part cannot be promptly provided by the supply system. Cannibalization is recognized as an acceptable and justifiable practice when properly controlled.

In October and November 1973, about 1,000 items a month were cannibalized for C–5 aircraft, or an average of 16.8 items for each aircraft. This was an increase over the preceding 3 months, when 600 items a month were cannibalized. The increase resulted mainly from an increase in C–5 flying hours. However, some of the increase resulted from "cannibalization for convenience," which occurs when a needed part is available in the supply system but is more accessible from another aircraft. Such action prevents excessive delay and/or transfer of cargo from one aircraft to another.

Terminated flights

Of 894 C–5 flights launched during the airlift, 30, or only 3.4 percent, were not completed. All but one of the terminated flights were caused by mechanical malfunctions, and two of the aircraft were diverted en route. Only 1.2 percent of the C–141 flights were terminated.

Delayed departures

Eighty-four C–5 flights were delayed 855 hours. Forty delayed departures were caused by mechanical malfunctions. The other delays were caused by such conditions as congestion, traffic control restrictions, weather, and saturation of servicing facilities. Of the C–141 flights, 119 were delayed 880 hours.

Turnaround time at Lod Airport

One important measure of the effectiveness of aircraft in an airlift is the time required to "turn an aircraft around"—the interval between landing and takeoff at a destination. Of the 147 C–5s which landed at Lod Airport, 80 were turned around in less than 2.5 hours. The times ranged from less than 1 hour to more than 40 hours. The average turnaround time was 3.6 hours. This included unloading; refueling, servicing; minor maintenance; and, in some instances, aircraft rest. The relatively short time is attributable, in part, to the C–5s capability to lower its cargo deck to within about 6 feet of the ground, to facilitate off-loading fore and aft and to allow self-propelled equipment to be driven off the aircraft. Turnaround time for the C–141s averaged 1.7 hours. Their average payloads, however, were only about 38 percent of those delivered by the C–5s.

CHAPTER 7—CONCLUSIONS AND RECOMMENDATIONS

MAC did an outstanding job of airlifting equipment and supplies to Israel even though advance planning was inadequate; certain European and African countries denied the United States vital landing, staging, and overflight rights; and MAC's authority to manage the airlift was limited.

Many of the problems MAC encountered during the airlift could have been prevented if DOD had developed a logistics contingency plan for support of U.S. interests in the Middle East prior to October 1973. General estimates of the type of support Israel would require in the event of another war could have been made despite Israel's refusal to provide detailed information regarding its armed forces. Furthermore, the fact that Congress had not approved the procurement of stocks for such a purpose was all the more

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reason why a plan should have been developed.

DOD should have realized that, in the event of another Middle East war, logistical support of Israel would have to be made from existing U.S. inventories. As a result, DOD should have developed a plan based on estimates of the types and quantities of materiel Israel would need, where such materiel was located, and how it could be delivered. Then MAC could have planned an airlift flow pattern to determine which en route stations would have to be used and what overflight restrictions, if any, had to be considered. MAC also could have evaluated the en route stations and determined their support requirements in terms of men, equipment, and fuel.

The aerial delivery of combat tanks and other outsize cargo by C–5s was an impressive use of airlift capability, and it is impossible to assess the psychological impact of demonstrating this capability. In our opinion, the relatively small quantities of outsize equipment delivered in this manner had no decisive effect on the war's outcome. Except for the outsize cargo, the airlift could have been conducted without the C–5 aircraft. However, this would have disrupted other MAC airlift operations.

Most of MAC's C–5 aircraft were inoperable during the airlift. This situation did not prevent the accomplishment or any missions because the number of operable aircraft always exceeded those required. In our opinion, the operable C–5s did an excellent job of expeditiously delivering needed munitions and other materiel to Israel.

The C–5s have been plagued by maintenance problems and supply support since they entered MAC's inventory, and the cannibalization of aircraft for parts has been abnormally high. The operational readiness of the C–5s should increase as more systems are stabilized and as adequate spare parts are purchased to support these systems.

The airlift had only a minor effect on MAC's normal peacetime operations and by no means taxed its overall capability. Only a small percentage of MAC's strategic airlift capability was used to deliver materiel to Israel. During the first 33 days of a conventional war in Europe, MAC and the Civil Reserve Air Fleet would be capable of airlifting an awesome number of men and amount of materiel to West Germany. In comparison, the deliveries to Israel were very small. Therefore, the Israeli airlift cannot measure the U.S. capability to respond to an all-out war.

The cargo-configured B–747, used to augment MAC's channel routes in the Pacific, demonstrated the ability to carry large payloads over long distances at low costs. Aircraft of this type, if needed, would be a valuable asset to the U.S. strategic airlift force in the event of a general war in Europe or Asia.

MAC and the Air Force did not bill Israel for all U.S. costs for the airlift services. The exclusion of costs for military pay, depreciation, aircraft major modifications, and interest on investment resulted in underbilling Israel about $45.1 million.

RECOMMENDATIONS

We recommend that the Secretary of Defense establish a contingency operation plan for the Middle East that would provide for overall logistic support, including strategic airlift to support U.S. interests in that area. MAC should be allowed to manage the movement of cargo and personnel and to control the flow of aircraft in future strategic airlift operations, within the overall limits established by higher authorities.

We recommend also that the Secretary of the Air Force and the Commander of MAC should continue to bill the Government of Israel for all costs—funded and unfunded—of the airlift services provided, including a factor for depreciation on a basis consistent with the method established by the Airlift Service Industrial Fund and industry practices.

We further believe that the Secretary of the Air Force should:

Improve the operational readiness of U.S. strategic airlift aircraft.

Provide in-flight refueling capability for C–5 aircraft.

Improve command-and-control operations for emergency situations.

SERMON RELATING TO INDOCHINA

Mr. HATFIELD. Mr. President, the Very Reverend Francis Sayre, Jr., delivered a sermon at the National Cathedral, here in Washington, on April 13, 1975, relating to Indochina. I wish to draw this to the attention of my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

SERMON BY THE VERY REVEREND
FRANCIS B. SAYRE, JR.

Scripture reference: Colossians 3: 1–3

I

A man is killed. I heard him die last Thursday. The thud as the Metroliner I was riding hit an unknown man who stepped out onto the track. The train slowed, then stopped. There was little disturbance among the passengers. Some betrayed no sign as they downed their snacks and drinks in that lead car. But on the stricken faces of others for a moment a shadow passed: a glance reaching out to life for life in others' eyes; lest death beseige them too and leave them all alone, each man in his emptiness.

There was no refuge from that sudden thud; I was stricken too: as for an instant all the busy foreground of life receded in the sere presence of Eternity. How small; how trivial; how full of nothing we really are: when the truth of God stands right there at the crossroad, and you shrink deep deep down within yourself.

II

As we sit here this morning, calmly riding the chariot of destiny which has by chance brought us all together, a nation is dying, violently. No one, anywhere, can avoid the sickening thud as Viet Nam is crushed; neither our President, nor theirs, neither the Congress, nor the American people, nor any of the riders on history's fast express, can ignore the tragedy which so unexpectedly at this moment, ends the promise and defeats the silent patience of a people which even now after all these years, remains unknown to us.

Viet Nam as we have pictured it, as we have fought for it and sacrificed, is dying, right there, beside the track. And all the panoply of busy dreams, the burden of countless plans, the bland belusions of many blind tomorrows: all is dwarfed, ripped away by the stark event that has stopped the train, and for a moment at least pierces the depth of our own soul.

How shallow we are: with all our talk of "moral obligation," our counting of bodies on the battlefields, and dollars in the black markets, and babies for the assuaging of our callous consciences!

Can President Ford really pretend that the corpse is not already dead, lying there back a mile or two? Or that three fourths of a billion dollars might revive it again? Or that brave Marines can any longer salvage any part of the disaster or help poor refugees American and otherwise who should have left long ago?

No, I'm afraid not. Not when Eternity stands at the crossroad: and our self-serving little plans are set at naught. The pretension of our Crusade under 5 Presidents against Red tigers mostly of our own inventing; the glasses we wore to see images of our own devising and a hero's role to please our righteousness amid the sad and very different realities of distant Indochina.

No, swim, swim as we might against the stream, the hard tide of truth: eventually we had to be carried down again upon the mighty river, even to the sea. And there, upon the Deep, each man, each nation must make its peace with almighty God, Ruler of death—and life.

This is the dread moment today when as the victim is smashed before our eyes, we die a little too; because we have not been honest enough with ourselves and therefore with others; because we have not been open enough to what might prove to *God's* plan for those distant people, instead of ours. Freedom is not bred of carpet-bombing; and no man can buy life for another with dollar-bills alone. In such have we trusted; by the same are we undone.

And as our brethren in Viet Nam pass through the shadow of death this day, so do we!

III

I would suppose that St. Paul must have been thinking of something like this when he exclaimed one time, to his friends in Colosse: "Ye are dead, and your life is hid with Christ in God." For beside our own, is always Christ's dying too. God's agony for our idolatry! That we would forever be mistaking power for peace; our little program for His great Providence! There, heaped upon the cross, is the unutterable hypocricy, and all the desperate misery of mankind through the ages: burning like a pyre; silent like a tomb; mirror of our shame; the crucifixion of Christ; His death between those thieves, one of whom is you, and the other me!

Yet were it not for Christ's death, how could we speak of death at all? Thud of each body as it falls: too terrible a threat for you and me, who likewise one day must fall! Debacle of Man's sincerest plans ever ending in the junkyards of history: too disparaging of every hope for any but a cynic to survive!

How shall any man reckon with such reality? How indeed except by the power of resurrection which also attended Christ's holy cross. The power of God to lift life up again! He who made it all: forgiving, redeeming, making new once more.

I went forward in the train last Thursday to see if there might be some prayer I could say with the dying man; but there was no body there, little that was earthly remained: just a spirit fluttering somewhere in God's keeping. And I knew that he was safe.

So must it be just now with the bleeding body of Viet Nam, and maybe Cambodia as well. The house is broken, but the soul shall live, invisibly to us perhaps, but cherished and fresh incarnate in the fathomless love of God. Who knows how Viet Nam will blossom again? No longer by our tending may that garden grow; but in God's keeping it will surely bloom anew.

For is not this the Easter miracle which God plants over and over each day; in all the countries of earth, in all despair, in all unfaithfulness, in the nothing of our deserving!

He who once has known the tingle of that liberated tomb; no longer *needs* to hide his emptiness, or disguise the fear and humiliation of his failure. He may rejoice instead that of what we call the end, God makes a new beginning. And so, as St. Paul went on to say: "If ye then be risen with Christ, seek those things which are above, where Christ sitteth on the right hand of God . . . When Christ who is our life shall appear, then shall ye also appear with him in glory".

NATIONAL SCIENCE FOUNDATION

Mr. PROXMIRE. Mr. President, I recently received a delightful little poem from Mrs. Dorothy Rupp Huey of Ocean Springs, Miss. In the poem entitled "A Report to the Nation or Ode to the National Science Foundation," Mrs. Huey comments on some of the useless projects funded by the NSF in the last few years.

Mr. President, I ask unanimous consent that this poem be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

A REPORT TO THE NATION OR ODE TO THE NATIONAL SCIENCE FOUNDATION

(By Dorothy Rupp Huey)

In this time of government woe and inflation,
I'd like to make a report to the nation
On how carefully and skillfully most of us ponder
What ways the tax pence we best may squander.
Research with these, graphs, and charts
Are all quite dear to our Congressional hearts.

In researching the Frisbee's spin, it's true
We have recently discovered what Newton knew.
We also have learned why Susies and Mikies,
Jimmies and Robbies fall from their "trikies".
The Frisbee and tricycles both follow the law—
Gravity now we consider with awe.

To prove our interest in things intellectual
We've agreed to the study of the frog that's bisexual,
So, we coddled the Poles and built them some roads
For permission to research their frogs and their toads.
(We're determining whom Froggie has as her mate
Lest prevalent conditions should exacerbate.)
Yugoslavs, too, have frogs, lizards and toads,
So we may decide also to build *them* some roads.
(Obfuscating the issue has danger, we see,
Unless we research all the frogs that there be.)

Instructive, too, are Pakistan boars,
Different from those known well on our shores.
Quite helpful, too are comparative logs
On the behavior of American and Zlotnikan hogs.
Nor do we want to scrimp and be
Ignorant of the language of the chimpanzee!
We've ducks that whistle in the dark, we know—
We don't need professors to tell us so,
But recently we learned something new,
There are whistling ducks in India, too!

To aid our great nation to prestige and détente,
We study minutely the Indo-Austrian ant.
Who scurries aimlessly hence and thence
With the appearance of purpose and a degree of good sense.

For those who have as their chief aspiration
Research on the odor of world perspiration
We have already provided a smell machine—
One that detects odors—is what we mean.
The Turks now have it—a present from us—
But may be persuaded without too much fuss
To lend it back for considerable rent
(One way to spend money that needs to be spent)
For we have discovered something unique—
Aborigines of Australia have the sweat smell we seek.
So for other fine projects proposed by our scholars
I suggest that we spend more millions of dollars.
For a lump-sum disbursement, it is my guess,
Our research-minded Congress will surely vote "Yes".

FLOOD INSURANCE

Mr. EAGLETON. Mr. President, later this week, I intend to offer an amendment to S. 1457, the mortgage foreclosure bill, to correct some of the worst inequities of the flood insurance program.

For nearly 2 years now, Congress has been debating a voluntary, grant-in-aid program to assist States which wish to undertake comprehensive land use planning. It is a highly controversial issue and one that is far from being resolved.

Even as that debate goes on, however, the Department of Housing and Urban Development is preparing to enforce one of the most stringent land use programs that could possibly have been devised, affecting fully 10 percent of the Nation's homes and businesses.

The power to require communities to adopt Federal land use standards in their floodplain areas was conferred upon the Secretary of HUD by a series of amendments to the Flood Insurance Protection Act which were adopted in the closing days of the 1973 session—by voice vote in the Senate. I am certain that few in Congress fully understood or appreciated the impact of those changes.

Briefly, the 1973 amendments directed that the following sanctions be applied against any community with a flood problem which fails to adopt HUD land-use standards in its floodplain by July 1, 1975.

First. Loss of all forms of Federal assistance for construction or improvements in the flood-designated areas.

Second. Loss of similar assistance from any bank, credit union, or savings and loan association which is insured or regulated by a Federal agency, as virtually all of them are.

Third. Loss of all but emergency forms of disaster assistance in the designated flood areas even if the disaster in question is a fire or tornado.

The flood insurance program was created in 1968 primarily to give individuals a better way of indemnifying themselves against flood losses than was provided by the now-abandoned, low-interest disaster loans and grants.

As a condition of receiving this federally subsidized insurance, communities had to agree to adopt certain zoning and building codes in their flood-prone areas which were designed to limit future flood losses and to avoid continued Federal payments to rebuild the area.

That made sense. It may even have been reasonable to carry the program a step further by providing that any community which did not agree to participate in the insurance program would not be eligible for future Federal construction aid in the flood-designated areas including flood disaster aid.

But the 1973 amendments did not stop there. They went well beyond any direct Federal investment in these areas or any question of general welfare to provide that communities shall do what the Department of HUD considers to be in their own best interests or else.

That "or else" amounts to a denial of all commercial construction credit in the flood-designated areas and loss of most forms of disaster-related help, regardless of the kind of disaster. In short, any community which does not adopt the HUD land-use standards will find it virtually impossible to develop or even maintain the areas involved or to rebuild after a disaster. Just as surely if a Federal bulldozer had cleared the banks of every river, lake, and coastal plain of this country, the application of these sanctions will do their work.

Mr. President, the Department of HUD estimates that some 22,000 communities have or will shortly be designated flood-prone, meaning they stand one chance in 100 years of suffering some flood loss. To date, only slightly more than 6,000 have agreed to adopt the HUD land-use standards. The rest will begin suffering the sanctions on July 1, a bare 2 months from now.

The Department of HUD confidently predicts that the rate of community participation in this program will pick up substantially after that date. Considering the severity of the sanctions involved, one would have to be naive indeed to believe otherwise.

The question, however, is whether the Federal Government ought to decide for local communities what is in their best interests in a matter that concerns only that community and its residents.

There are many good reasons why communities have not agreed to the HUD land-use standards, including the economic and social costs. But even where the reason may not be so good in the opinion of some at HUD, does the Federal Government have any proper voice in a matter of this kind, beyond protecting a direct Federal investment? I think not.

The amendment I am proposing would limit the sanctions under this program to those involving a direct expenditure or risk of Federal tax dollars. Accordingly, the amendment would eliminate the sanction against commercial bank credit in flood-designated areas which have not adopted HUD land-use standards. The amendment also limits the sanction against disaster relief assistance to flood disaster assistance only.

Mr. President, my amendment addresses one other major problem with this program. As it stands, flood insurance is available only on a community-wide basis. Unless an individual homeowner or businessman can convince the community as a whole to adopt the required land-use standard, he is not eligible to buy. Regardless of how willing he may be to comply with the HUD standards on his own property, he will be forced to pay the penalty which amounts to virtual confiscation of the value of his property.

Mr. President, this provision of the existing flood insurance program is grossly unfair to the individuals most affected by it. There are many legal and

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political reasons why floodplain residents have not been able to persuade the rest of their community to accept Federal land-use restrictions. In Missouri, for example, unincorporated communities have no independent authority to adopt floodplain zoning, but must seek that authority through communitywide referendum. The residents of Lincoln County, Mo., have tried that three times and three times have been beaten at the polls by a 2-to-1 margin.

The Department of HUD is opposed to this amendment because it says communities will have less incentive to participate in the flood insurance program. I dispute that since the sanctions against any Federal construction aid to nonparticipating communities is retained under my amendment and I believe that is ample incentive.

Beyond that, however, I would argue that making insurance available to any individual who is willing to comply with HUD standards will enhance the program and greatly increase the amount of insurance now outstanding. Despite the fact that this program has been in force since 1968, the Department of HUD reports that the number of individuals who have actually purchased flood insurance is less than 1 percent. That is an incredible statistic when one considers the flood insurance was supposed to be a substitute for other forms of Federal assistance.

Mr. President, the inequities and hardships created by this extraordinary land-use program are best expressed by those who are faced with these sanctions. I ask unanimous consent that following my remarks there be reprinted in the Record a number of typical letters I have received concerning this program. I also ask unanimous consent that the text of my proposed amendment to S. 1457 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Dear Senator Eagleton: Our newspaper reports that you and Senator Symington are making a survey of Missouri counties and cities which have flood-prone areas. You find that there are many questions and concerns. I want to encourage you to push the flood insurance program so that some of us who want it can have it regardless of what the county does.

One good argument in favor of government insurance for flood-prone areas, at least one like ours that cannot be protected by levees along a river, is that this area was flooded because the government, other agencies, and individuals, have continually built levees and dykes along the river higher and higher, thus the water is confined more and more into narrower river channels, so that a place like this along a creek, although over a mile from the river, may get more and more water backed up onto it. If the flood water last spring had been allowed to spread out naturally, our place would not have been under water.

Our county committee seems to be very slow to do anything to institute the insurance program. I hope you can introduce and pass legislation to make it possible for individuals to come under the insurance program regardless of what the county does.

I would like to be kept informed of progress made on this program. I wish to be protected by this government insurance as quickly as possible.

Other details and facts regarding my concern:

I am now past 70 years of age—just retired this past spring from teaching at Southeast Missouri State University. We bought this place 6 years ago, so you know we will have to consider selling the place within a few years.

Our home is more than a mile outside the city limits, in a north-easterly direction, along a creek in which water from the Mississippi River backs up. Last spring when the flood waters came, we had a levee around our home, but it broke and we had 16 inches of water in the house.

You can imagine now that one of my large concerns is: What will I be able to sell this place for, now that it has been flooded once? I bought it at a good price after feeling that it was out of danger of floods. Also, a related concern is: What bank or loan company would want to finance the loan on a place like this, if I don't have flood insurance, even if I might find a buyer?

You can be sure I checked relative to flooding prior to the purchase of this home and found from neighbors (one in his 70s, has lived here all his life) that flood water had never been high enough to reach this home. Who would have guessed that I should have checked the records as far back as 130 years to find that this area might have been flooded? Our acreage is not subject to flooding from heavy rains or flash floods, so it is actually not "flood prone."

Dear Senator Eagleton: This is in reply to your and Senator Symington's letter of August 2, 1974, concerning problems we may have concerning the flood insurance program.

Our City has been certified for the program and our building and zoning regulations are sufficient to effectively take care of the situation. However, our one big complaint is the wide areas of the city that the Federal people have designated as flood prone compelling a great number of our residents to acquire this insurance unnecessarily just to protect their right to have Federal financing available on their property.

These people feel and I concur, that the Federal people should at a very early date re-evaluate the flood prone designated areas and make corrections where it is found that their earlier designations were wrong.

Dear Senator: We are running out of time down here on the river. People in the unincorporated area of Lincoln County can't get floor insurance because the whole county won't adopt the required planning and zoning ordinances. We are now faced with a July 1 shutoff of all credit in the area that will make it impossible to buy or sell property and will wreck more damage than twelve feet of water. We have seen what has happened in certain areas of St Louis that have been blacklisted from credit and we don't want to see it here.

What can we do? We are too small a minority to force the whole county to change its will, and the state legislature has refused to consider empowering the couty judges to zone only part of a county.

We are now sitting ducks. Without flood insurance another big flood disaster will wipe us out. And without access to credit what the river doesn't take we will gradually lose anyway.

We do not feel the government ever intended this to happen. Many of us saw the SBA disaster relief program as a vote of confidence in the area. Why would the government have helped us rebuild our homes if it did not have confidence in the area? Why would we have been allowed to return unless the SBA felt sure its loans would be protected by flood insurance?

The Flood Disaster Protection Act of 1973 says specifically "it is in the public interest for persons already living in the flood-prone areas to have an opportunity to purchase flood insurance." Surely it is not in the public interest to arbitrarily exclude those in the unincorporated areas, who for the most part stand the greatest flood hazard.

We understand the need to regulate future development in the flood area and are willing to cooperate but have no practical way to do so. We can't carry the rest of Lincoln County in a vote on zoning, as was shown by last November's election.

Any suggestions you can give us will be appreciated. What sort of political action can we reasonably try to get? If political action is not practical, how can we get a court action started to enforce the intent of the Flood Disaster Protection Act? If you can help us get started in the right direction, we will organize and fight for our rights. River rats arise!

September 10, 1974.

Hon. Stuart Symington and Hon. Thomas Eagleton,
U.S. Senate, New Senate Office Building, Washington, D.C.

Dear Senators Symington and Eagleton: This is to respond to your recent letter enlisting my reaction to Public Law 93–234 requiring counties, as political subdivisions of the State of Missouri, to participate in a mandatory flood insurance program by July 1, 1975.

May I first express my personal appreciation to both of you for initiating your request. Such action indicates a keen sense of awareness of the problems local officials face in the implementation of the legislation at hand. Further, it reflects your continuing efforts to communicate with local officials both prior to and after enactment of legislation.

As presiding judge of Cole County, I request that you urge the Senate Bank and Housing Committee to hold hearings on the operation of this program for possible amendment of the Act for the following reasons:

1. It would appear from previous experience with the United States Department of Housing and Urban Development that, under the Act HUD through rules promulgated by the Secretary, could interpret the Act as requiring counties to submit copies of land use regulations and planning and zoning ordinances in order to qualify for flood planning insurance. Under Missouri Statutes this, in effect, would require citizens of every designated county to enact county-wide planning and zoning or be in non-compliance with the federal law. The Cole County Court placed the question of county-wide planning and zoning on the November ballot for citizens of this county since such land use zoning does not exist in this county. Should the voters reject the issue in November, the new county court may well be placed in the position of being forced to re-submit the issue to the voters until it is passed so that the county may comply with HUD's requirements. In effect, the question of local option of determining land use policies may be removed.

2. Cole Countians have historically been an independent lot and have properly endorsed the concept of "self-help" or local private initiative whenever possible. Permit me to cite a few examples: volunteer fire protection districts (non-tax supported which provide service virtually throughout Cole County); local private hospitals (St. Mary's Health Center, Still Osteopathic Hospital, Memorial Community Hospital) rather than a county tax-supported district; private nursing homes for the elderly in lieu of a county-wide nursing home; private ambulance and medical support service rather than tax suported districts; one of the lowest school tax rates in the United States in the Jefferson City public school district (less than $3.00 per $100.00 assessed valuation), with the result of good administration and a high percentage of students in the non-public schools; a low ratio of families receiving public assistance.

This "self-help" concept is underlined by a strong, basic belief that the less government intervenes at the city, county, state, or federal level, the better the citizens' rights are protected.

By removing local option for participation in the Flood Plain Act, the Department of Housing and Urban Development is directly affecting many other facets of the lives of the people of Cole County, if the end result is federally mandated or worse yet, federally administered land use planning requirements. The ramifications become far reaching when one recognizes that land use planning and development encompasses much more than the relatively small geographical area that would be affected in Cole County even under the 100-year flood standard for flood hazard area identification. Planning standards could affect many other areas of concern such as housing codes, optimum market value and other economic factors, as well as intervention of personal freedoms in other ways.

3. The concept of penalizing counties which refuse to participate in this land use program by penalizing the citizens within the counties is one which all civil libertarians should find repulsive. I cite Section 202(b) of Public Law 93–234 which states:

"Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations or similar institutions shall by regulation prohibit such institutions on or after July 1, 1975, from making, increasing, extending, or renewing any loan secured by improved real estate or a mobil home located or to be located in an area that has been identified by the Secretary as an area having special flood hazards, unless the community in which such area is situated is then participating in the national flood insurance program."

In effect, as we understand P.L. 93–234, veterans could be disqualified from receiving loans from the Veterans Administration; farmers could be prohibited from receiving federal loans from various federal agencies including those outside the United States Department of Housing and Urban Development such as the Department of Agriculture; levy control districts such as the legal entity established in Cole County in the Marion Bottoms along the Missouri River, could be disqualified from receiving any federal disaster assistance in future floods if the county does not qualify for flood insurance. Further, businessmen already established in flood program zones within Jefferson City could be drastically affected by the above Section 202 if Jefferson City and Cole County does not qualify by the deadline established. In short, no property owner that is not part of the program by July, 1975, will be eligible for any disaster relief! The citizens of Cole County would then be further penalized because the county itself would be subject to federal financial sanctions and the county would be ineligible for reimbursement for damage done to county roads in the event of flooding. It would appear that the Department of Housing and Urban Development could require more than minimal land use requirements to be in effect by July, 1975. These could include, all building and housing codes (electrical, plumbing, etc.) *and such other regulations as deemed necessary for the health, safety, and welfare of the people.* I can not imagine any broader guidelines for federal intervention being written for any federal agency.

In summary, it would appear that the federal government has now moved through the Department of HUD to require Cole County to adopt county wide planning and zoning whether or not the citizens want such regulations in order for the county to comply with the requirements of land use policies is repulsive to the very concept of local and state control and should be rejected. At least the Federal Land Use Act proposed this session in Congress was above board and visible to all affected. In contrast, HUD appears to have effectively drafted a "back-door" approach forcing county planning and zoning on flood-prone counties such as Cole through regulations it is permitted to establish. I ask for your joint consideration in urging the Senate Banking and Housing Committee to hold hearings on the operation of this program by HUD for possible admendment of this Act by retaining local option for participation and to establish review procedures with local citizens groups and elected officials on the ramifications of Public Law 93–234 for the citizens of Cole County and the State of Missouri.

February 28, 1975.

Senator Thomas Eagleton,
Federal Building,
St. Louis, Mo.

Dear Senator Eagleton: I read an article in the St. Louis Post-Dispatch on Feb. 24, 1975 regarding flood insurance for individuals. I want you to know I appreciate your efforts.

I wrote to you last spring about my parents, Mr. and Mrs. Charles Moses of Elsberry, Mo., and the terrible time they had with flooding in that area.

My parents are not allowed to buy flood insurance because they live in an unincorporated area (as you described in the bill you introduced). We will be watching the progress of your bill.

We are glad you are our Senator again. We all voted for you—you believe that!

October 1, 1974.

Hon. Stuart Symington and
Hon. Thomas Eagleton,
New Senate Office Building,
Washington, D.C.

Dear Senators Eagleton and Symington: Please refer to letter dated September 10, 1974 to your office concerning Public Law 93–234 on Mandatory Flood Insurance. Paragraph 2, Page 2 states "This 'self-help' concept is underlined by a strong, basic belief that the less government intervenes at the city, county, state, or federal level, the letter the citizens' rights are protected." Therefore:

Be it resolved by the City Council of Russellville, Missouri: That, we support the basic belief that the less government intervenes, the better the citizens' rights are protected. We neither need nor desire any mandatory legislation.

Please give this matter your careful consideration.

October 21, 1974.

Department of Housing and Urban Development
Federal Insurance Administration,
Washington, D.C.

Attention: Mr. George K. Bernstein, Federal Insurance Administrator

Re: 021562, IFO–1, Village of Marthasville, Marthasville, Missouri.

Dear Mr. Bernstein: I represent the City of Marthasville, who recently received a certified envelope from your department regarding the Flood Disaster Protection Act.

The envelope contained maps, applications, letters, pamphlets, and many other matters evidently regarding the Flood Disaster Protection Act.

The Mayor and the City Board threw up their hands in attempting to gleam any information or understanding from this voluminous package.

They have now turned the matter over to me, their attorney, to attempt to explain the Flood Disaster Protection Act to them.

After reviewing the enclosed matters, I also have thrown up my hands and have explained to the City Board that the enclosures were indicative of the way Washington D.C. does things. For the time it would take for me to digest these matters so that I could communicate in an intelligent manner the matters contained therein (if ever possible), they would have exhausted the entire income of the City in attorney's fees.

Therefore, my first impulse was to throw contents of the envelope in the wastebasket. However, it appears that the City has to participate to some degree in order for its citizens to obtain flood insurance. Because of that fact alone, I have kept the matters contained in the envelope and wish for you to make an appointment with me to come to a City Board meeting and explain what we should do. If, for some reason, you would be unable to attend, please advise who I might contact in this area who could be of assistance in this matter.

Elsberry, Mo.,
March 11, 1975.

Senator Eagleton,
Federal Building.

Dear Senator Eagleton: After reading an article in the St. Louis Post Dispatch of Feb. 24, 1975 regarding the flood insurance for individuals, we want you to know we surely appreciate your efforts. As you already know we are having a terrible time with flooding in this area. We are unable to buy flood insurance as we live in an unincorporated area which was mentioned in the article. It seems like we would be allowed to buy flood insurance. We have lived here for 15 years and are 81 and 74 respectively and are unable to leave here if we had a chance to sell which is out of the question. Seems like something could be done regarding our trouble. We are happy that you are our family's Senator again and wish you and your family lots of luck. We will be watching for more progress of your bill.

S. 1457

At the appropriate place in the bill insert the following:

Sec. .(a) Section 2(a)(4), section 3(a)(5), section 102(b), and section 202(b) of the Flood Disaster Protection Act of 1973 are repealed.

(b) Section 2(b) of such Act is amended—

(1) by inserting "and" after the semicolon at the end of clause (2);

(2) by striking out "; and" at the end of clause (3) and inserting in lieu thereof a period; and

(3) by striking out clause (4).

(c) Section 205(b) of such Act is amended by striking out ", and each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions,".

(d) Section 3(a)(4) of such Act is amended by striking out the semicolon at the end thereof and adding the following: ", and assistance provided under that Act for natural disasters other than foods: and".

(e) Section 1305(c) of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following flush sentence:

"In addition, notwithstanding the provisions of section 1315, the Secretary shall make flood insurance available for property located in any other State or area (or subdivision thereof), at the same rate or rates as are applicable to similar property located in a State or area (or subdivision thereof) which is subject to the preceding sentence, if the owner of such property located in such other State or area (or subdivision

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thereof) agrees to meet such land use and control measures or to construct such a flood protection system as the Secretary may prescribe."

(f) Section 102 of the Flood Disaster Protection Act of 1973 is amended by adding at the end thereof the following:

"(d) For the purpose of this section, an area will not be deemed to be an 'area in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968' as a result of the participation in the flood insurance program by any owner of property located in that area pursuant to the last sentence of section 1305(c) of the National Flood Insurance Act of 1968."

(g) Section 202 of such Act is amended by adding at the end thereof the following new subsection:

"(c) The provisions of this section shall not apply to any financial assistance or loan applied for by any person who is or will be participating in the national flood insurance program pursuant to the last sentence of section 1305(c) of the National Flood Insurance Act of 1968, notwithstanding the nonparticipation of the community in the area in which that person's property is located."

A PROPOSED CONSTITUTIONAL AMENDMENT ON PUBLIC DEBT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the Senator from Arkansas (Mr. Bumpers), and an attached resolution of the Arkansas General Assembly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Bumpers

The General Assembly of the State of Arkansas, during its regular session just concluded, adopted Senate Concurrent Resolution 13, expressing the concern of that legislative body with respect to the rapidly increasing federal debt. The Arkansas General Assembly requests that the Congress exercise its power under Article V of the Constitution of the United States to call a constitutional convention for the purpose of amending the Constitution to provide that no debt above the debt ceiling existing at the time the amendment is ratified may be created by or on behalf of the United States. Certain exceptions to this rigid rule would be provided under the proposed constitutional amendment. Additional debt could be incurred, for example, to repel invasion, suppress insurrection, defend the United States in war, or pay existing debt. Further, existing debt could be incurred with the concurrence of the legislatures of two-thirds of the states.

I am not certain that the approach recommended by this concurrent resolution is the only sound one to the problem, but I am convinced that the problem is one that should be attacked vigorously and promptly. I am concerned, as I know other Senators are, by the rapidly increasing level of the federal debt. The value of our currency is being depreciated daily, the federal establishment is growing, and the fiscal integrity of this country is being called into question. I will be actively working in the weeks ahead, as I know other Senators will, toward a solution to this problem. In the meantime, I would like for Senators to have the benefit of the thoughts contained in Senate Concurrent Resolution 13 of the Arkansas General Assembly.

Senate Concurrent Resolution

Whereas, the federal debt of the United States has risen steadily since World War II; and

Whereas, in 1974, the federal debt exceeded $486 billion and the federal deficit exceeded $3 billion; and

Whereas, the persistent and unbroken inflation that threatens the social, economic, and political stability of the United States is both caused and aggravated by the existence of the enormous federal debt; and

Whereas, the power to create the federal debt and to increase the debt ceiling of the United States is equivalent to the power to aggravate and accelerate inflation; and

Whereas, all the states that suffer the impact of soaring inflation should have a part in determining the debt policy of the United States; and

Whereas, the power to create the federal debt can be curbed only by amendment of the Constitution of the United States; and

Whereas, the states can be given a part in increasing the debt ceiling only by amendment of the Constitution of the United States; now, therefore be it

Resolved by the Senate of the Seventieth General Assembly of the State of Arkansas, the House of Representatives concurring therein:

That the Legislature of the State of Arkansas hereby memorializes the Congress of the United States to exercise its power under Article V of the Constitution of the United States and call a convention for the purpose of amending the Constitution of the United States to provide that no debt above the debt ceiling existing at the time the amendment is ratified be created by or on behalf of the United States, except to repel invasion, suppress insurrection, defend the United States in war, or pay existing debt, without the concurrence of the legislatures of two-thirds of the states; be it further

Resolved that a copy of this Resolution shall be forwarded to the President of the Senate and Speaker of the House of Representatives of the United States Congress and to each Senator and Representative in the Congress from Arkansas, with the request that this Resolution be officially entered in the Congressional Record as a Memorial to the Congress.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

VIETNAM CONTINGENCY ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1484. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

The Senate resumed the consideration of the bill.

RECESS UNTIL 11:15 A.M.

Mr. GRIFFIN. Mr. President, the Committee on Foreign Relations is now holding a meeting in connection with the legislation that is now before the Senate. With the authoriy of the distinguished majority leader, I move that the Senate stand in recess until the hour of 11:15 a.m.

The motion was agreed to, and at 10:46 a.m. the Senate recessed until 11:15 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Nunn).

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMANITARIAN-EVACUATION AID FOR VIETNAM

Mr. CHURCH. Mr. President, I voted last Friday in the Foreign Relations Committee to favorably report the pending bill to the Senate. It is my intention to vote for the bill if the limitations written into the legislation, relating to the use of U.S. Armed Forces are retained. Moreover, I am supporting the bill, only because of assurances by the administration that the removal of Americans is now proceeding at an accelerated pace, while time remains to bring them out, without the perilous resort to military intervention.

In his speech earlier this month, President Ford asked Congress to "clarify immediately its restrictions on the use of U.S. military forces in Southeast Asia for the limited purposes of protecting American lives by insuring their evacuation, if this should be necessary."

This request creates an impression which is at variance with the facts. No impediment exists in the law affecting the President's right to use U.S. military forces, if necessary, to insure the evacuation of American citizens and their dependents from South Vietnam. Indeed, President Ford has employed U.S. forces for this very purpose in Cambodia but a few days ago. No clarification of the law was needed or requested then.

Thus the President's real purpose in asking Congress to modify the law relates to the possible use of U.S. military forces to evacuate Vietnamese.

Which Vietnamese does the President have in mind?

He describes them as "those Vietnamese to whom we have a very special obligation and whose lives may be endangered should the worst come to pass." The number, we are told, may reach 175,000.

Here again, it is imperative to be plainspoken. If U.S. Armed Forces were used to rescue such a multitude, an American Army would have to be landed to hold a perimeter sufficiently large to permit another Dunkirk. I do not believe the President has any such plan in mind. But, having been burned once by the openended Gulf of Tonkin resolution, Congress must carefully limit any reintroduction of U.S. forces into Vietnam for any purpose other than giving protective cover to the evacuation of American citizens and their dependents. I am persuaded that the legislation we consider today is directed toward that prime purpose, and that any use of American forces to evacuate foreign nationals would be only incidental to the removal of the Americans.

The evacuation of 175,000 South Vietnamese cannot be accomplished through this legislation. Here again, let us speak the truth. It will not be possible to evacuate 175,000 South Vietnamese unless it is done by agreement with the North Vietnamese. In 1954, following the French defeat at Dien Bien Phu, the truce provided for a 90-day period during which those Vietnamese who had sided with the French were permitted to leave North Vietnam. Whether similar terms can now be arranged for those South Vietnamese who sided with us, I do not know. But, unless we are prepared to go back to war again, that is the only way so large a number of Vietnamese can possibly be accommodated.

If the President feels the need for a congressional clarification of his use of our Armed Forces to rescue Americans, then this bill provides it. However, the authority is narrowly limited to the purposes at hand. If need be, the President can send U.S. forces to the rescue of American citizens and their dependents, but only if need be. The legislation specifies, that in doing so, he must certify that "there existed a direct and imminent threat to the lives" of Americans and their dependents. He must certify that "every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces." And he must certify that these Americans and their dependents were already "being evacuated as rapidly as possible."

If U.S. Armed Forces are employed to rescue foreign nationals, the bill specifies that their evacuation may be effectuated only as an adjunct to the mission of removing Americans, no more.

The section dealing with removal of foreign nationals provides that the President may use U.S. forces for that purpose only if he determines and certifies in writing to Congress that:

> 1. Every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and any other means available other than the use of armed forces . . .
>
> 2. A direct and imminent threat exists to the lives of such foreign nationals . . .
>
> 3. United States armed forces will not be required beyond those essential to the withdrawal of citizens of the United States and their dependents . . .
>
> 4. The duration of the exposure of United States Armed Forces to hostilities will not thereby be extended . . .
>
> 5. Such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

For good measure, this legislation provides that American forces used in any evacuation "shall be removed by the President if the Congress so directs."

The humanitarian provisions in this bill should be broadly accepted because, as the languages notes, "It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters." But to remove any thought that this money might be used to prolong the Americanization of this heartache, the bill provides that this assistance to victims of the Cambodian and Vietnamese wars be supplied "throughout both countries and through channels acceptable to all parties," namely, "under the direction and control of the United Nations or under the auspices of voluntary relief agencies."

It is a sorry comment upon this period in our history that such precise precautions must be written into the law. But it is necessary because Congress has learned the hard way not to write blank checks.

Even now, the whole truth is not being told about the situation in South Vietnam. The American people are still being victimized by the same old shell game.

By now, they must be sick of it.

I know I am sick of it.

The President is still insisting on an additional $722 million for more military assistance to the Saigon government in order, in his words, "to stem the onrushing aggression," and "to stabilize the military situation" in South Vietnam.

How strange. Everyone knows that another three-quarters of a billion dollars cannot possibly "stabilize the military situation" or "stem the onrushing aggression" which threatens momentarily to engulf Saigon. No amount of additional military assistance can save the Saigon regime. President Thieu has resigned, his government has lost its battle, not for lack of aid from the United States, not because of any refusal by Congress to grant 11th hour Presidential requests, but because of its own failure to competently direct its defense, or to put to effective use the enormous quantities of weapons, ammunition, and supplies with which it had been furnished by the United States.

The sudden collapse of the Thieu government is not the fault of the Ford administration.

It is not the fault of Congress.

It is not the fault of the American people.

Never in history has one nation given so generously to assist another, as we have given—for more than a decade—to sustain the Government of South Vietnam. If any doubt still lingered on this score, it had to be dispelled by Thieu's own decision to turn over two-thirds of South Vietnam to the enemy, a decision which precipitated the rout of his own army, and the abandonment in the field of many billions of dollars worth of American-supplied weaponry.

Here, again, the administration has refused to level with the American people. Officially, we have been told that between $700 and $800 million worth of American-furnished equipment was left behind by the fleeing army. This figure is based on an estimated value that bears no relation to what the U.S. Government paid for the equipment when it was acquired or to today's replacement cost.

For example, we know from press accounts that the retreating South Vietnamese abandoned between 350 and 400 aircraft. The estimated value of these planes, as reported by the Pentagon to the Senate Foreign Relations Committee, comes to less than half a million dollars apiece. Anyone familiar with the price of military aircraft knows that the average acquisition cost had to be in excess of $5 million apiece.

So it would appear that the Pentagon is using a depreciation factor of around 10 percent of original cost in determining the value of the massive quantities of equipment abandoned in the field by the retreating army of South Vietnam.

This would mean that, in terms of the original cost to the American people, the arsenal left to the North Vietnamese would amount to something in excess of $5 billion, and, in terms of present day replacement costs, it would approach $10 billion!

By refusing to disclose the true figure, only the American people are misled. The Saigon Government knows how much it lost; the Hanoi Government knows how much it gained. The attacking North Vietnamese have taken possession of this vast arsenal. Even now, they are using captured American artillery to fire on the outskirts of Saigon. Why should the American people be misinformed?

Our ordeal in Vietnam has been fraught with deception through too many painful years. It will stay bitter in our mouths if we do not end it by being, at long last, honest with ourselves.

The war is finished.

The cause is lost.

The fault lies not with what we failed to do, but with a policy that was fatally flawed from the beginning. We backed a losing cause in Southeast Asia by embracing leaders who were identified, in the eyes of their people, more closely with the hated colonialism of the past than with the indigenous struggle for independence. If we seek to understand the mistake we made and change our policy accordingly, Vietnam may not have been in vain. But if we fail to learn its lesson and, instead, turn upon one another in senseless retribution, then we shall suffer the penalty of Vietnam for years to come and may even live to repeat, in some other Asian land, our awful mistake.

Mr. JAVITS. Mr. President, I think our chairman is on the floor and may desire to address himself to the bill, in which case I will gladly yield, if that is the chairman's desire.

Mr. SPARKMAN. I am sorry I did not understand the Senator.

Mr. JAVITS. I sought recognition immediately after Senator Church just to hold the floor as far as the committee is concerned.

I do wish to speak but, of course, I will defer to our chairman if he wishes to speak.

Mr. SPARKMAN. No, I have no desire to speak at this point. I presented my comments on this matter yesterday, and I do not care to speak at this time.

Mr. MANSFIELD. Will the Senator yield?

Mr. JAVITS. Yes.

Mr. MANSFIELD. So far as I can ascertain, and I am delighted that the acting Republican leader is here and the ranking member of the committee, there are no amendments in the offing that I know of, but there is no possibility of finishing the bill before us today.

What I would like to do, therefore, in

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view of that fact, is to set it aside at the earliest opportunity and return to the nomination of Governor Meskill to be a judge in the circuit court.

Mr. JAVITS. I would like to reserve time on this bill, as I mentioned yesterday.

Mr. MANSFIELD. The Senator will be on notice that if no one else desires to speak on this bill after the distinguished Senator from New York concludes, we will at that time lay the pending measure aside and return to the Meskill nomination.

Mr. JAVITS. Can the leader tell us when the pending measure will be brought before us again?

Mr. MANSFIELD. I did not hear the Senator.

Mr. JAVITS. Can the leader tell us when, in his judgment, this measure will be brought back?

Mr. MANSFIELD. I would say not before tomorrow. If I had my way, I would like to see it voted on today. But circumstances now being what they are, the joint leadership has no choice in the matter except to try and do what it can to keep the ball rolling.

Following the Meskill nomination, it will once again come back.

Mr. JAVITS. Does the Senator believe that the public is entitled to know what the word "circumstances" means?

Mr. MANSFIELD. Several Senators have indicated that they would not prefer action today. Having been here long enough to read between the lines, and the Senator from New York has also been here, I am sure the meaning is clear.

Mr. JAVITS. It is certainly clear as to today. There is nothing any of us can do about that.

May we assume, therefore, that the matter is one only of days rather than any length of time? Really, we should report this bill.

Mr. MANSFIELD. As I say, I would hope we would be able to vote on it today. I certainly hope we will be able to vote on it tomorrow. I would certainly believe that once the Meskill nomination is out of the way, our prospects will increase.

Mr. JAVITS. In other words, we will meet the issue tomorrow, once the Meskill nomination is voted upon?

Mr. MANSFIELD. As far as I understand, yes.

Mr. JAVITS. If other Senators want to hold it up, that is their privilege. But at least it will be open and everybody will know about it and why.

Mr. MANSFIELD. I do not know that they will know.

Mr. JAVITS. Well, they will see.

Mr. SPARKMAN. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. SPARKMAN. With reference to this bill, I will have to go away for the rest of the day, but I have a slight amendment. I do not find it on my desk. I submitted the amendment yesterday. It is a technical amendment.

Mr. JAVITS. Mr. President, if the Senator from Alabama (Mr. SPARKMAN) will yield momentarily, I would like to proceed on this bill.

Mr. President, the really key factor in respect of the measure which is before us is that it marks the first test of both a new policy, a really new point of departure in foreign policy for this country, and a new bill which opened the door to what has happened. That is the participation by the Congress in the development of foreign policy and in its implementation and action under it.

For the first time, Mr. President, under the war powers resolution, it is we who are joining in deciding what is to be done about a war situation. I believe this is a very long overdue reform in our national life, and a very desirable one. We fought that out when we overrode the President's veto of the war powers resolution.

Mr. President, this has engendered in the administration, in President Thieu, and others in South Vietnam, but primarily in President Thieu, an effort to fail to recognize what has occurred or to discredit it by heaping upon the United States terms of opprobrium about our being untrustworthy and unwilling to keep our commitments et cetera.

Mr. President, it was represented to the people of the United States, and President Thieu has plenty of people to advise him as to what takes place here—I am sure he was very fully apprised of it—that there were no secret agreements in respect of Vietnam.

The situation was clear when the Paris Peace Accords were signed, when the American troops were withdrawn, and we got some of our POW's back. That situation was that we had only such commitments as the Congress and the President were ready to undertake.

Mr. President, I am the first to say that having brought Vietnam into this very large-scale war through American aid and American encouragement because of that aid, including troops, when we pulled out we had some obligation with respect to the genuine efforts of the people of South Vietnam to secure their own freedom and right to self-determination.

That effort was based on two other considerations: One consideration was that the government which they had and which they allowed to stay in office was worthy of the task of bringing to them those things which we hoped to bring to them through our actions; and, second, that there would be an honest effort on the part of the South Vietnamese Government, even if North Vietnam sought to transgress the Paris accords—and it was not a bit unexpected that they would. At least, South Vietnam would stick to them. It would do its utmost to bring about their implementation.

In both cases, Mr. President, both in the case of the effectiveness and the nature of the South Vietnamese Government, there was failure, and in respect of the necessary negotiations, at least the willingness to negotiate within the letter and the spirit of the Paris Accords on the part of South Vietnam, bearing in mind fully that the North Vietnamese literally tore them up as scraps of paper.

We had a right to expect a really good faith effort to try to implement those accords.

It was only when we were disappointed, Mr. President, in both those conditions that the sentiment of the Congress of the United States hardened respecting military aid to the particular regime which was then in authority in Vietnam.

Mr. President, that is the clear fact. There were no agreements or understandings that we knew anything about. If they were going to mean anything, we had to know something about them because the representation was precisely to the contrary in respect of what we owed South Vietnam. I have stated it clearly.

I am deeply convinced that had the Thieu government run a reasonably efficient operation in terms of government and generalship, and had it done its utmost to implement the Paris Accords in accordance with their letter and spirit, there would have been no failure on the part of the U.S. aid to the full.

Indeed, we authorized $1 billion for military aid alone, and there still remains $300 million unappropriated for, thus indicating that all along, up until very, very recently, that was the attitude here with respect to South Vietnam.

I and others who are now taking the position that we are determined for this bill supported that legislation and voted for it.

So let the world know where the fault lies, because that is critically important to America's future.

Together with other members, I have just moved around the world. I went with a group that went to Western Europe and then to the Middle East, to Iran and Israel.

Mr. President, I find no evidence of an erosion of feeling that the United States is trustworthy and that its commitments are valid when they are made. The big difference now, Mr. President, with what took place in the past is that every nation must understand that to have a commitment of the United States you need the concurrence of the Congress and the President.

In considering the vicissitudes, the dangers, divisions, and difficulties in our own country and throughout the world which have been the heritage of the Vietnam war, this was a highly desirable development in American public life and in American law.

Finally, Mr. President, it should be clear that whatever may have been said about the constitutionality of the war powers resolution on the part of its detractors, the fact is that it is now recognized for what I and others originally said it would be, to wit, a methodology by which the Congress could be joined in the awesome decisions respecting peace or war, rather than to have the President take them unilaterally.

Congress has now demonstrated not only that it is ready to assume its role but also that it is ready to take the responsibility, and this is the most critical point. The fact is that, with full knowledge of the consequences, Congress determined that it would not give any material military aid for the purpose of sustaining the Thieu regime in the control of South Vietnam and in fighting that South Vietnam war. That is a heavy responsibility, a very heavy responsibility. Nonetheless, Congress took it; because it

recognized that if it wants the authority, it has to take the responsibility.

In the long corridor of history, whatever may be the verdict on our views and the action we took respecting Vietnam, I believe that something will emerge, and that is that in terms of the types of restraint on war and the making of war and the tremendous divisions and losses which are represented by war, the people of the United States now have a staunch aid in the war powers resolution and in the way it is being carried out.

I will say for the State Department that it has been very straightforward and entirely catholic in its application of the war powers resolution and in the various reports and other information which must be given to Congress under it.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield to the Senator from Mississippi, the coauthor of the war powers resolution. I have said many times, and I repeat, that if Senator STENNIS, in an act of high patriotism, had not seen fit to support the war powers resolution, it never would have been the law of the United States.

Mr. STENNIS. I thank the Senator from New York. What little I contributed, it was a pleasure for me to work with him. The Senator from New York is the principal author of that legislation, which I believe is historic.

The war powers resolution is the subject of my question. I ask this now, because the Senator has said that he must leave the Chamber shortly. Is the Senator from New York satisfied that the proposal now before the Senate does coordinate with and fit into the groove of the war powers resolution

Mr. JAVITS. It does.

Mr. STENNIS. I thank the Senator for looking into that matter. We had talked about it. He would have done it, anyway, of course. I asked him to do that, and to that extent he was representing me. If it becomes legislation, they will be coordinated fully.

Mr. JAVITS. Exactly. I shall point out how, briefly.

We have actually authorized the use of armed forces for the evacuation of Americans and their dependents and for limited evacuation of foreign nationals—all subject to the restrictions which are contained in this bill, which are very serious restraints, and subject to the continuing power of Congress, by concurrent resolution, to cause any troops that are put in to be pulled out.

We bore in mind the fact that once we commit any troops in a situation such as this, even a guard force, as we did in Phnom Penh, they may draw others in to rescue them, and so on ad infinitum.

So we made sure that the war powers resolution would continue to apply in terms of the authority of Congress over the Presidential act of inserting troops, even if they were inserted in the first place to back up a responsibility which we agreed we had—to wit, to rescue Americans from a war zone.

Mr. STENNIS. I thank the Senator.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HUGH SCOTT. Mr. President, I am very glad that the colloquy has brought out that we are proceeding strictly within the limitations of the war powers resolution, which I supported, and I supported the vote to override the veto of that measure.

This action of the Committee on Foreign Relations represents a great deal of hard work, a wide exchange of views, a broad consensus. It represents the recognition of our primary obligations—namely, the withdrawal of Americans and their dependents and the humanitarian purposes involved.

This morning, the Committee on the Judiciary unanimously approved the action of the Attorney General in exercising the parole authority vested in him to permit the entry into the United States of certain South Vietnamese and Cambodians.

Mr. President, I ask unanimous consent to have this letter printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUGH SCOTT. Mr. President, I bring this up so that the Senator from New York and other Senators may know that we have taken this action on my motion this morning.

The Senator from New Jersey has pointed out, as the Senator from New York is aware, that by the close of business today, we should be down to the absolute minimum of nonessential personnel in Vietnam.

The time is growing very short for the termination of the American presence. The sooner, the better. I am very doubtful of the efficacy of proceeding with further requests for military aid above and beyond that which already may have been authorized but not appropriated. We will look at what the Committee on Armed Services does in that regard.

We all know that we are in the last days of a tragic event. I believe that the Senate can do no less than to show its humanitarian concerns and to authorize the President to take those actions which may be necessary to conclude the evacuation of American citizens, their dependents, and such South Vietnamese and other nationals as may be withdrawn, consistent with our primary objective.

I thank the distinguished Senator from New York for yielding to me for this purpose.

EXHIBIT 1

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C.

Hon. JAMES O. EASTLAND,
Chairman, Senate Committee on the Judiciary, Washington, D.C.

DEAR SENATOR EASTLAND: I am writing to confirm our conversation of last evening regarding the exercise of the parole authority vested in me to permit the entry into the United States of certain South Vietnamese and Cambodians. I am grateful for your cooperation and concurrence in this matter.

As we discussed, I received late yesterday afternoon from Henry A. Kissinger, as Special Assistant to the President for National Security Affairs, an urgent request for the immediate parole of:

1. Up to 50,000 "high risk" Vietnamese refugees, and their families. These would include past and present U.S. government employees, Vietnamese officials whose co-operation is necessary for the evacuation of American citizens, individuals with knowledge of sensitive U.S. government intelligence operations, vulnerable political or intellectual figures and former Communist defectors;
2. Vietnamese nationals who are immediate relatives of American citizens or permanent resident aliens, estimated to number between 10,000 and 75,000;
3. Vietnamese already at Clark Air Force base provided they qualify as high risk individuals;
4. Approximately 1,000 Cambodians now in Thailand who had been evacuated from Cambodia by the U.S.; and
5. Approximately 5,000 Cambodian diplomats in third countries facing forcible return or expulsion.

The President agreed that parole is desirable for the foregoing classes. The Senate Committee on the Judiciary was advised in writing on April 18, 1975 of the proposal to parole those listed in categories 2 through 5, although at that time the request regarding Clark Air Force base was limited to 100.

We were advised that it was deemed essential to begin at once to assist the departure from Vietnam of appropriate individuals if such an effort were to be orderly and successful. However, there was reluctance to initiate such a program without the assurance that those so assisted could, if necessary, be admitted to the United States.

The foregoing was discussed with you and Senator Hruska and, as indicated, the Departments of State and Defense were prepared to assist in providing you with an immediate briefing on the developments which generated this request for parole. We greatly appreciate your concurrence on behalf of the Committee regarding the parole of the classes described above. Your counterparts in the House of Representatives also concurred in this proposal and I have exercised the parole power to authorize the entry of those classes.

We are advised, however, that every effort will be made to obtain international assistance for all Vietnamese and Cambodian refugees and to arrange their resettlement in third countries.

I regret that events have been such that it was necessary to take up these matters with you in this manner last evening. I greatly appreciate your assistance.

Sincerely,

EDWARD H. LEVI,
Attorney General.

Mr. JAVITS. Mr. President, I believe that the issue of the congressional power, now newly called into use under the war powers resolution, is so important that the record should reflect clearly exactly what we did.

The President, in my judgment—and I think the committee, by implication, felt the same way—has some constitutional authority to pull Americans out of a war zone and do what is required for that purpose. But where that authority, which he has, comes into the purview of the war powers resolution—to wit, when he commits forces of the United States in situations where there are hostilities or where there is imminent danger of hostilities—then the war powers resolution applies. If that persists for any period of time or engages any appreciable amount of Armed Forces of the United States, the power of Congress to terminate the President's authority, un-

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der the war powers resolution, comes into play.

We have always assumed—and that is why we passed the war powers resolution—that that interplay was about the proper adjustment between the power of the President under the Constitution and the power of Congress over the use of the Armed Forces of the United States in war situations or any hostility situations.

So we will have to monitor constantly what is done under this bill when it is passed, and the law fully provides for it.

In order to guide the President and to express the will of Congress, my colleagues should note particularly the provisions of this bill which relate to the conditions under which armed forces may be introduced. As to American nationals, they are found in section 3(c), and the conditions are three:

First. That there exists a direct and imminent threat to the lives of our citizens and their dependents.

Second. That every effort was made to terminate the threat by the use of diplomatic and any other means available, other than the use of armed forces.

Third. That the citizens and their dependents are being evacuated as rapidly as possible.

Section 4 deals with the problem of foreign nationals. There, the President has no constitutional authority which in train would carry the use of any Armed Forces of the United States. It is only by virtue of this law that he gets such authority. Not to send an airplane and pull out some nationals—let us assume that the Executive power will extend to that—but to use armed forces in the process, and by armed forces, we include military aircraft. It is not just the sending in of troops to do guard duty.

With respect to foreign nationals, the tests are as follows: that every effort has been made to terminate the threat with the use of diplomatic and any other means available, other than the use of armed forces; that the threat exists, and is imminent, to the very lives of those foreign nationals; that U.S. Armed Forces will not be required beyond those essential to the withdrawal of citizens of the United States and their dependents—in other words, that the cover for the withdrawal of foreign nations may be only the same cover as must be extended to American nationals already being withdrawn. That is a critically important restriction.

The next provision is that the duration of the exposure of our Armed Forces to hostilities will not be extended beyond what is necessary to evacuate Americans as a result of the exacuation of foreigners; that the areas where our forces are to be used or are present are also areas necessary for the purpose of protecting U.S. nationals and their dependents while they are being withdrawn.

Mr. President, these are very tight restrictions and in order further to secure its own power, section 5 gives Congress the authority to terminate the extent of the authority contained in this measure respecting the Armed Forces, as it would under the war powers resolution, if we feel that those forces are being too far extended in time, in number, and in the nature of their commitment. Mr. President, the scheme of the legislation, therefore, is very tight and very certain.

One final point, Mr. President, on this matter: When we reported the bill, which I strongly commend to the Senate as the most competent and effective way in which to deal with this situation which we find on the ground in Vietnam, we also reported out a resolution, the author of which was Senator HUMPHREY of Minnesota, and Senator PERCY and myself joined in its sponsorship, which called upon the use of the good offices of the United States in respect of encouraging negotiations toward the formation of some kind of a coalition government in South Vietnam. I hope the Senate will understand that it was our expectation that, just as we reported both this bill which is before the Senate and the resolution at one and the same time, both will be passed together, as we believe that they are necessary complements to each other in order best to represent the will of the Senate in this very vexing and difficult situation.

Mr. President, I close as I began. This is the first time in a long number of decades that the Congress of the United States is beginning to participate in this great issue of peace and war which the President alone for so long has been allowed to decide, and it is the war powers resolution which opened the door to that situation. So far, I believe that Congress has shown its willingness to take the responsibility and to acquit itself admirably in the discussion of that responsibility. Mr. President, we will make mistakes, but what President has not made mistakes? Of course, this is human. But one thing is now sure: The people have the right to feel that the greatest providence will be exerted by all of their representatives, the President, and Congress, in respect of the dread issue of peace and war and the use of the Armed Forces of the United States in any situation which may involve them in hostilities. I strongly commend the bill to the Senate and hope that it will be passed very promptly.

Mr. HUGH SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, the military situation in South Vietnam is very critical. Bien Hoa Airport is effectively closed, and Vungtau, the only route to the ocean through the Saigon River, is immediately threatened. North Vietnamese forces are only 15 or 16 miles south of Saigon.

Meanwhile the evacuation of U.S. citizens and their dependents has accelerated, but even now over 3,000 American citizens and their dependents remain in Saigon. It is clear that figure must be cut at least in half before we can accurately say that they can be removed with one helicopter mission, as was done at Phnom Penh. When we reach that point, which may be only a few hours away, then we will be in a position to make a decision on this legislation.

In addition, it is vital that we learn what kind of government develops in Saigon before we vote legislation that will affect its existence so directly. What purpose would it serve to vote an additional $100 million in aid—aid that could be used for military purposes and affect South Vietnam's future—without finding out what impact they think that aid would have on the prospects for a negotiated settlement? The legislation's additional authority for the use of American troops to bring out South Vietnamese may also hamper the possibility of negotiations. Before we act, let us be sure that we know the effect of this legislation, particularly the sections that deal with the contingency fund and the commitment of American troops to bring out South Vietnamese.

It also would be helpful to review the House of Representatives' action on its Vietnam legislation—the House will vote on it tomorrow. The House bill is not as restrictive as S. 1484. The authority it gives the President is broader. Since it will be necessary to go to conference with this legislation, we ought to have a very careful look at the House bill before the Senate proceeds.

There are other factors that must be evaluated as well: how will the administration interpret and implement the legislation we pass?

When Assistant Secretary of State Habib appeared before the Committee on Foreign Relations this morning, I asked him specifically if he felt that the contingency fund in section 1 of S. 1484 could be used for military purposes if the President determined that it was required in the national interest. He said that he did interpret it so that way—that, although he felt the fund probably would not be used for that purpose that its use as military aid certainly, should not be ruled out. I think his interpretation is an accurate one, and before we vote, each Member of the Senate ought to realize that that contingency fund may be used for humanitarian and, evacuation, or military assistance. The decision is left to the President.

In that regard, it was somewhat disconcerting to hear the President say last night that he believes a sizable American force will be required to bring out additional South Vietnamese. I am not sure whether the legislation before the Senate would give him that authority. Certainly, it does not restrict the size of the force that could be committed. Neither does it restrict the length of time forces could be kept there—except insofar as the action is subject to the War Powers Act.

In summary, I think we will be in a much better position to decide tomorrow whether we have fulfilled the evacuation plan, whether we have substantially reduced the number of U.S. citizens and dependents, and whether we do want to pass this legislation.

To hurry this legislation through the Senate would be a great mistake. We are all in agreement that we ought to have a vote on the matter, but it would be best to wait at least a few more hours to be sure we know what is involved.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. CLARK. Yes.

Mr. CRANSTON. What is the very latest figure on the number of Americans and dependents still there?

Mr. CLARK. We were asked by the Secretary of State not to give specific figures, but certainly it is accurate to say that over 3,000 Americans and their dependents remain inside Vietnam as of the last report, Tuesday Saigon time.

Mr. CRANSTON. I would just like to say that I fully agree with the Senator's analysis that leads him to the conclusion that we should not act at this particular moment on this measure, and I thank him for the part he played in preventing any over-swift action.

Mr. CLARK. I thank the Senator very much.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, if the Senator will yield, may I say that after listening to the discussion by the distinguished Senator from Iowa and the distinguished Senator from California, I would like to express the hope that it would be possible for the Senate to vote finally on the legislation reported by the Committee on Foreign Relations tomorrow. Personally, I think 3 days is long enough to spend on this bill, and I am delighted with the cooperation shown by the distinguished Senator from Iowa and the distinguished Senator from Delaware in my conversations with them in that respect.

A PULLBACK TO PRAGMATISM

Mr. CHURCH. Mr. President, the prospect of sending another billion dollars to Vietnam at a time when the smoke of battle is within sight of the capital, when more than $5 billion worth of military equipment has already been lost in a 2-week period, defies credibility. Is this a charade, a bluff, another in a long series of requests for the impossible from the Congress? After virtually rejecting a request for $300 million, can the Congress be expected to vote for a billion dollars?

Congress should have little compunction about turning down the President's request for all but humanitarian aid. It is time for the Congress to assert without apology what can only be described as a greater wisdom with regard to Indochina policy. I commend to my colleagues the words of Paul Duke, senior correspondent for the National Public Affairs Center for Television, who has written in the Washington Post,

> Capitol Hill now believes that it knows better than the White House what the country wants. . . .

He also points out that:

> The congressional assertion carries with it one significant new assumption—that Congress has earned the right to a meaningful voice in policymaking because of the Vietnam record of failures, bad judgements and deceptions.

I agree with Mr. Duke and would go one step further: Congress not only has earned the right to a meaningful voice in foreign policy but possesses that right by virtue of the Constitution.

Mr. President, I ask unanimous consent that Mr. Duke's article of April 4 be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PULLBACK TO PRAGMATISM

The criticism coming from Henry Kissinger and other officials about congressional meddling in foreign affairs reflects a striking misconception of the new tides on Capitol Hill.

Whether by design or not, the administration continues to ignore the essential reality: That a clear majority of House and Senate members now believes Congress has a national mandate to change the focus and direction of American policy. Until the administration comes to grips with this fundamental truth, there is little chance for any real rapprochement between the legislative and executive branches.

It is hardly surprising that policy planners would regard the congressional rebellion with angry distaste after years of executive domination. What is surprising, though, is the head-in-the-sand attitude that suggests either a naive obliviousness or a fumbling miscalculation about the revised rules laid down by the legislators.

Nothing illustrates this more than the resurrection of the stale arguments of the past in seeking additional military aid for Cambodia and South Vietnam. In trotting out the old familiar frights—the domino theory, the coming bloodbath, the loss of American credibility, the undermining of U.S. security—the administration acts as if nothing has changed and that somehow the reflex rhetoric of 10 years ago can be recycled to work one more time.

Nor does the administration show much political sagacity in contending that Congress will have to bear the blame for the fall of Indochina. Indeed, the neo-McCarthyist tactic only emphasizes how far out of touch White House spokesmen are. The implication that millions of Americans will indignantly cast revenge votes in 1976 flies in the face of opinion polls showing a vast indifference to the war's outcome. The paradox is underscored all the more by the outspoken stand taken by the large freshman class in the House, most of whom were elected on platforms to cut back on overseas commitments and to devote more attention to homefront problems. Far from a liability, they believe their anti-aid votes will be a solid plus in seeking re-election.

Moreover, in casting the congressional uprising in narrow political terms and invoking the Truman-Vandenberg bipartisanship era of the 1940s, the administration obscures one important detail. The movement for a greater congressional role in foreign policy is basically bipartisan, too, with Republicans as well as Democrats supporting most of the restrictions written into recent laws covering aid allocations and other issues. Their goal is a genuine partnership in contrast to the one-sided relations that existed after bipartisanship came to symbolize a complaint Congress acquiescing meekly in White House decision-making.

Notwithstanding these developments, the White House has plowed ahead into the storm. One group of congressional critics who visited President Ford the other day found him courteously attentive and sympathetic to the legislative mood, but they also came away with a sense that something was missing in the Oval Office. "He didn't have a smell of the streets for what the people really feel and want," was the way one Democrat put it.

This is the point. Capitol Hill now believes that it knows better than the White House what the country wants. As the legislators read the national mood, it is to let Indochina go, to accept limits on the deployment of American power elsewhere and to acknowledge that we no longer will pay the price necessary to police the world.

Accordingly, Congress sees its principal duty as twofold: To guard against a repetition of the mistakes of the past and to insist that U.S. power be used for purposes which the public will support. In short, the legislative branch is pressing for a new consensus that will bring foreign policy more in line with old fashioned American ideals and will be redefined by more realistic goals.

The administration may view this as a pullback to isolationism, but the congressional majority views it as a pullback to pragmatism. In any event, it obviously sounds the final knell for the old assumption that our main mission and priority is to "contain" communism.

The congressional assertion carries with it one significant new assumption that Congress has earned the right to a meaningful voice in policymaking because of the Vietnam record of failures, bad judgments and deceptions. Whatever restraints the lawmakers may have had were removed by Watergate, which shredded away the last vestige of an omnipotent presidency. Hence, the legislators believe all the more that they are justified in challenging White House authority on a broad front.

"Back in the 1950s and early 1960s the American people implicitly trusted their President," observes Republican Rep. Pierre duPont of Delaware, a member of the recently rebellious House Foreign Affairs Committee. "They believed what he did was clearly in the best interests of the country. Because of everything that has happened, this trust is gone. It's vanished. Now the people are saying to the Congress, you get involved because we'd like a balancing force on these questions."

The mandate had a notable irony. While President Ford and Secretary of State Kissinger dwell on the need to preserve credibility and trust abroad, Congress is more concerned about reestablishing credibility and trust at home.

There is little evidence the administration has got the message or that it will voluntarily veer from the old ways. The ship of state may indeed need only one helmsman in most matters, as Lincoln said, but Congress is determined to help chart the ship's future journey in foreign seas. Until the White House awakens to this fact, the outlook is for continued confrontation rather than cooperation and a new period of genuine bipartisanship.

EXECUTIVE SESSION—NOMINATION OF THOMAS J. MESKILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate turn to the consideration of the nomination of Thomas J. Meskill, of Connecticut, to be a U.S. circuit judge for the second circuit.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered. The Senate will go into executive session to consider the nomination.

The Senate resumed the consideration of the nomination.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time limitation agreement heretofore entered into be changed so as to provide that there will be 1½ hours allocated to the distinguished Senator from North Dakota (Mr. BURDICK), or whomever he may designate, and 1 hour to the distinguished Senator from Nebraska (Mr. HRUSKA) or whomever he may designate, the time

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to begin at 12:30 p.m. today, which would bring the vote up to 3 p.m. if all the time is used.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. HUGH SCOTT. Mr. President, will the Senator from Nebraska yield me 3 minutes?

Mr. HRUSKA. I yield 3 minutes to the Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, first of all, I have a letter from the distinguished Senator from Connecticut (Mr. WEICKER) under date of April 18, which I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUGH SCOTT. He points out in this letter—and I shall not read all of it—that the discussion of this nomination began in September of 1974, and he makes it clear that he has no quarrel with those who would vote against the Governor "because they feel that he lacks judicial qualification insofar as judicial qualification is defined as trial experience or previous experience on the bench."

I insert here that he, of course, did not agree with the contention, and neither do I, as to lack of experience or qualifications.

He continues:

> I have no quarrel with those who traditionally give great weight to recommendations of the American Bar Association. If either of those are the basis for a vote against Governor Meskill, so be it.

He points out the excellence of the achievements of Governor Meskill as mayor of New Britain, twice Congressman from the 6th District, and finally Governor of Connecticut; as student editor of the Connecticut Bar Journal, in service in the Armed Forces as an enlisted man and an officer, as corporation counsel of New Britain, and in 4 years of service on the House Judiciary Committee.

He adds:

> But it is precisely because his qualifications for this prestigious post do not center only around formal contacts with the law that I nominated him. Tom Meskill's life has been the law in the sense of its creation, the law in the sense of executive administration, the law as in a government of laws, the law as it is life in New Britain, Connecticut and the United States.

I wish to quote the committee's report with reference to the action of the American Bar Association in sending a list, including mention of the House of Delegates, which is a highly one-sided and it seems to me narrowly biased report of the proceedings, in which much essential information was omitted.

> The Committee is disturbed that the nominee's reputation has been under attack for the protracted period during which his nomination has been before the Senate by means of innuendo and unsupported allegations in regard to the issue of State leasing practices. The Committee is disturbed that the American Bar Association is continuing to question Mr. Meskill's integrity on this point. Not satisfied with testifying against the nominee during the Committee hearings, the American Bar Association has mounted what we feel to be highly objectionable lobbying effort. In furtherance of its opposition to the nominee, the American Bar Association leadership has written what we believe to be a biased and misleading letter to some 300 of its delegates across the country urging them to contact their Senators for the purpose of encouraging a vote against the confirmation of this nomination.

I point out, too, the letters of recommendation of Governor Meskill, include those from the chairman of the House Judiciary Committee, Mr. RODINO, from the other Senator from Connecticut (beside Mr. WEICKER) the distinguished senior Senator from Connecticut (Mr. RIBICOFF), from Representative GIAIMO of Connecticut, a member of the other party, and from numerous other persons.

The attorney general of Connecticut, also a member of the other party, specifically does not find any wrongdoing with regard to these so-called leasing practices on the part of the Governor; and, finally, neither does the legislative committee investigating the leasing practices.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. HUGH SCOTT. The Governor's nomination to the post should be confirmed. I thank the distinguished Senator from Nebraska.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., April 18, 1975.

HON. HUGH SCOTT,
Russell Senate Office Building,
Washington, D.C.

DEAR HUGH: As this will be my only written communication on the subject of Tom Meskill's nomination to be a Judge on the 2nd Circuit Court of Appeals, I would appreciate your giving it a few minutes of your valuable time.

This matter commenced in September of 1974. Hopefully, it will be concluded this month. The time between has provided some rather bleak moments for both the candidate and myself when it comes to traditional concepts of fairness, openness and candor. My faith in those concepts ultimately prevailing has been justified but not without considerable strain.

I have no quarrel with those who would vote against the Governor because they feel that he lacks judicial qualification insofar as judicial qualification is defined as trial experience or previous experience on the bench. I have no quarrel with those who traditionally give great weight to recommendations of the American Bar Association. If either of those are the basis for a vote against Governor Meskill, so be it.

I, however, do not define judicial qualification as deriving only from the world of the practitioner or academia. I include the world of politics/government. In that sense Tom Meskill has achieved excellently—Mayor of New Britain, twice Congressman from the 6th District, and finally Governor of Connecticut. He was also Chairman of the Board of Student Editors of the Connecticut Bar Journal during his third year in law school; went into the United States Air Force as an enlisted man and came out an officer; was Corporation Counsel of New Britain; served four years on the House Judiciary Committee. But it is precisely because his qualifications for this prestigious post do not center only around formal contacts with the law that I nominated him. Tom Meskill's life has been the law in the sense of its creation, the law in the sense of executive administration, the law as in a government of laws, the law as it is life in New Britain, Connecticut and the United States.

Insofar as giving weight to ABA recommendations, I quote the Committee Report:

"The Committee is disturbed that the nominee's reputation has been under attack for the protracted period during which his nomination has been before the Senate by means of innuendo and unsupported allegations in regard to the issue of State leasing practices. The Committee is disturbed that the American Bar Association is continuing to question Mr. Meskill's integrity on this point. Not satisfied with testifying against the nominee during the Committee hearings, the American Bar Association has mounted what we feel to be highly objectionable lobbying effort. In furtherance of its opposition to the nominee, the American Bar Association leadership has written what we believe to be a biased and misleading letter to some 300 of its delegates across the country urging them to contact their Senators for the purpose of encouraging a vote against the confirmation of this nomination."

Having lived through the ABA's behavior of the past months, that rebuke is mild in relation to their activities. I cannot help but note that even the Minority in their Report try to put a health distance between themselves and the ABA.

As to criticisms of the Governor's judicial temperament, they are picayune. Ask the Governors who served with Tom Meskill as to his temperament. Ask Peter Rodino who was his Chairman in the House. Ask our colleague, Abe Ribicoff. Maybe all don't agree with Tom Meskill but they certainly won't fault him on judicial temperament.

Now the last, and to both myself and the Governor, the most important point.

Investigation, deliberation, interrogation, opposition are all proper adjuncts to the nomination process. Presumption of or allusion to illegalities or improprieties in the absence of facts are not.

To disagree is one thing. To destroy a person in the name of disagreement is another. I believe my view on this has been forcefully consistent over the years.

Tom Meskill is a Republican. He is a conservative. He is blunt. He is not a public relations expert. He played politics hard. But none of that adds up to impropriety or insensitivity to impropriety. Not even by broad, informal Congressional standards has any blot been *proven* against Tom Meskill.

Therefore, the man stands honest and without blemish whether by presumption or fact. If that weren't the case, Tom Meskill wouldn't be before you—by his choice and mine.

With warm regards,
Sincerely,

LOWELL WEICKER, Jr.,
U.S. Senator.

The PRESIDING OFFICER. Who yields time?

Mr. PHILIP A. HART. Mr. President, the Senator from North Dakota (Mr. BURDICK) has a schedule conflict which will require his absence from the floor for about 30 minutes. During that period, I have agreed to administer, if that is the word for it, the time for those who wish to speak in opposition to the nomination.

Mr. President, I yield myself such time as I may use to state my own position.

It is hard enough, really, to pass judgment on the ability or the potential of anyone. It is really more difficult to express that judgment on one whom, while I have not come to know him well, I have had opportunity to visit with.

I find difficulties resulting from the

fact that I find Tom Meskill a very decent human being. Second, when the question is, Shall the Senate advise and consent to the nomination of a person to a court, if we are at all honest with ourselves, we must admit that short of God no one knows how anyone would perform as a judge. I assume that the Founding Fathers understood that limitation on fallible man also. Nonetheless, they said to us, "You will advise and consent with respect to people who go on the Federal courts." And so, having undertaken to discharge our oath, we are now confronted, this afternoon, with the decision, shall we advise and consent to the nomination of Governor Meskill to sit on the Second Court of Appeals?

I have not examined carefully the full record of the degree to which the Senate has sought in depth to evaluate nominations to courts other than the Supreme Court. I am told that since 1965 we have not approved nominees who have been rated other than qualified or better by the American Bar Association.

The American Bar Association in the case of this nominee reports that he lacks the qualification.

I do vividly recall in debating a Supreme Court nomination a few years ago where I was speaking against the nominee—it was in the case of Judge Carswell—and included in the comment that I was making was the suggestion that he lacked distinction. I did not myself use the term "mediocre," but my colleague from Kansas, Senator DOLE, asked if I would yield for a question, and I did.

In some place, probably back in my office, I have the page from the RECORD, but I think I fairly summarize it in this fashion:

> As a member of the Judiciary Committee and as a Member of the Senate over these years, what about other judges, not the Supreme Court, what about other judges, district courts, circuit courts of appeals, have you applied that test?

My answer was an acknowledgement that we had not. My answer was that we had generally accepted the opinion of our colleagues from the particular State of the nominee, and we had not pried, we had not carefully examined, as I was urging the Senate to examine Judge Carswell, with respect to what, in his background, would suggest a measure of excellence, a degree of distinction, a significant contribution in the development of the law. But I said we should have been doing that, and hereafter we ought to do it.

This is the first time we are put to test. My alibi when we were discussing Judge Carswell was the limitation of time in the Judiciary Committee, but that is not an excuse. I do not know how many people really will know what we do here today, but theoretically it is important that the public believe that the Senate seeks to insure that men and women with some mark of distinction in the law are approved for seats on the courts, because we expect the people to accept the judgment given at the hands of the people we do put on the courts.

Public confidence in the role we play results in public acceptance of the decisions of those whom we screen.

Now, today—and I repeat, I think for the first time since 1965 and the Carswell nomination—the Senate is put on notice by the American bar that we have had sent to us an individual who fails to meet their test of minimum qualification.

I have never turned over to the ABA my vote, but I respect and seek their counsel.

Those of us on the committee who have filed views in opposition to the nomination make very clear that we do so as Senators exercising our judgment according to our best appreciation of our role. So we have been put on notice from two sources: the American bar and six members of the Judiciary Committee.

I am not suggesting that the standards we seek to identify in nominees for courts other than the second circuit should be any less than those we suggest should be found in this nominee. But I think I am correct in saying that except for the Supreme Court of the United States, perhaps the most significant and burdened, in the sense of complexity of cases, court is the Second Circuit Court of Appeals.

Now, with that preliminary, I would urge my colleagues to say that this first time, after Carswell, and the practice that began in 1965 in the Judiciary Committee, we are asked to put on that significant court an individual who fails in the judgment of six of the members of the Judiciary—and speaking as one, that judgment is surely a fallible one, but it is strongly held—and the opinion of the American Bar Association, we are being asked to put on that court someone who does not meet the test.

I know that it is always possible to say, "Well, why didn't the President nominate somebody else?" Because there is always somebody else who could be described as more gifted, more promising, of deeper background in the law, of greater potential.

That is not the position of the six of us who oppose this nomination. We say there is a vast reservoir from which a man or a woman, with some marks of excellence in a career at the law, whether as a practitioner or as a teacher, could be found.

We say do not consent to this nomination, which would mean that the appointing authority would have to turn to that rather broad pool of talent which makes up the Second Circuit. We would be saying, "You can do vastly better than this, Mr. President." We could be saying, "The Senate means it when we a few years ago acknowledged, or some of us acknowledged, that we had not done a very effective job with respect to circuit and district judges in terms of evaluation," although I think, with few exceptions, men and women of distinction nonetheless went on those benches.

Again, Mr. President, the action we take in regard to this nomination will have important ramifications in the attitude that the public will have toward our courts and our legal system. If we consent, I guess is the word, to the Meskill nomination, there is and will be reason to believe, reason to wonder, that the Senate is not playing the effective role in the staffing of the Federal courts. What we will be doing if we do not consent is advising the President that he could do vastly better.

This thing came in, as our report makes clear, in the closing hours of the Nixon administration, as the last act of that President, and we know now for sure he was preoccupied. He could have done better.

The President in office now has returned the name. He could do better, vastly better, and I hope that we will send that message to him by voting not to advise and consent to this nomination.

I conclude as I began, I wish I were speaking about someone I did not know. I am sure he will understand motives that persuade me to urge my colleagues not to consent.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PHILIP A. HART. I wonder if we could agree to a quorum call not being charged to either side.

Mr. WEICKER. I would certainly agree.

The PRESIDING OFFICER. Is there objection?

Mr. PHILIP A. HART. I withhold that.

The PRESIDING OFFICER. Who yields time?

Mr. PHILIP A. HART. Mr. President, I yield to the Senator from South Dakota for 10 minutes.

Mr. ABOUREZK. Mr. President, as my colleagues know, I voted against the nominee, Thomas Meskill, in the Judiciary Committee and joined in the additional views attached to the committee report. I fully support those views and would like to add a few remarks at this time on how I arrived at my decision to oppose this nomination.

Those who support this nomination cite the following as sufficient experience qualifying Mr. Meskill for a position on the Second Circuit Court of Appeals; his tenure as mayor of the city of New Britain, Conn.; his service as a Congressman in the U.S. House of Representatives from the Sixth District of Connecticut; and his term as Governor of Connecticut.

The major criticism of those who oppose Mr. Meskill appears to center on his lack of courtroom and legal experience. Mr. Meskill has apparently handled only a limited number of minor cases. He has no exposure to the Federal Rules of Civil Procedure affecting the trial and appeal of complex cases, class actions, or multidistrict litigation. He has only appeared as an attorney of record in "one or two minor bankruptcy cases" in the Federal district court. He has never argued a case in the Federal appeals court or the Supreme Court of Connecticut. In fact, at the time of his nomination, he was not even admitted to practice in any U.S. court of appeals. As a result, he has had no experience with laws relating to securities, antitrust, patents, trademarks, copyright, admiralty, or major felonies, all of which make up the bulk of the litigation before the second circuit.

Unfortunately, the issues in this nomination have become clouded and the debate has shifted from an individual's qualifications to the personalities of his supporters and those who oppose him.

In my assessment of the issues, I have

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attempted to focus only on this individual's qualifications and whether they are sufficient background for someone who aspires to this high postion. The issue is not what is the best qualifying experience for an individual who is considered for a judgeship, but rather whether a particular individual's background has sufficiently prepared him to become a judge. In the final analysis it is not whether a person has spent sufficient time in a courtroom, classroom or legislative chamber that is the determining factor, but the depth and quality of an individual's experience which would prepare him for a judicial appointment. Invariably, this becomes a subjective determination and we all bring to it our own perceptions of what qualities a judge must possess. In arriving at my determination I considered what I believe to be the minimum standard for a Federal judge and measured this nominee against that standard. I am sure that every Member in this Chamber will go through a similar exercise in reaching a decision on Mr. Meskill. I have determined that Mr. Meskill's experience is simply not sufficient.

In saying this, I wish to stress that it is in no way a personal attack on Mr. Meskill, and I believe that it is extremely unfortunately that a vote against Mr. Meskill has been interpreted in that light. As a member of the Judiciary Committee, which first considered this nomination, and as a Member of this body, it is my duty and responsibility to insure that only the most qualified individuals are confirmed. This is not a responsibility to be taken lightly. I emphatically reject any suggestion that this is a partisan issue.

In fact, Mr. President, I have received letters from Republican lawyers in South Dakota, asking me to oppose the nomination of Mr. Meskill on the floor. One of the delegates of the American Bar Association from South Dakota is a prominent Republican attorney who has asked me to take that position.

The issue, in its simpliest terms is whether Mr. Meskill, the nominee before us, is qualified to be a judge on the Second Circuit Court of Appeals. That is the only issue that is being considered.

The Judiciary Committee examined this issue in depth and on the basis of that investigation I believe that this nominee should not be confirmed. I urge the Senate not to abandon the minimum standards it has used in the past to gage judicial nominations and consider the only issue which is determinative—is Thomas Meskill qualified? My answer to that question is that he is not qualified to be a Federal appeals judge.

I thank the Senator from Michigan for yielding. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, I yield myself such time as I may require.

First off, I would like to state my admiration both for the Senator from South Dakota (Mr. Abourezk) and the Senator from Michigan (Mr. Philip A. Hart) who have spoken against this nomination. They are both decent men and good men. They have in no way rendered personal judgments or judgments other than what they have actually indicated here in the Chamber as relates to the man's legal qualifications. But I do want to address myself in the main to some of the points raised.

Indeed, I think the function of the Senate has changed quite a bit since 1965 insofar as the examination of those nominated for judgeship.

I agree with the distinguished Senator from Michigan that it is not enough—it is not enough—that the two Senators from the nominee's home State be for the man, and that no further investigation or examination should take place. I think that change is for the good. I think it should continue. I am in complete agreement.

Mr. PASTORE. Will the Senator yield?

Mr. WEICKER. I yield to the distinguished Senator from Rhode Island.

Mr. PASTORE. I am going to vote to confirm Governor Meskill. Unlike those who are possibly in the unfortunate position of judging him without knowing him, I happen to know him.

He had an exemplary record in the House of Representatives as a Congressman.

Insofar as his term as Governor, while he is a Republican and I am a Democrat, I have had contact with him. I always found him to be honest and aboveboard. I always found him to be a man with his two feet on the ground; a man who understood people and knew of their problems; a man who, under any circumstances, could be fair in a judicial way.

In my humble opinion, any man who receives the approbation of his people to be the first citizen of his State as a Governor can sit as a U.S. Circuit Judge for the Second Circuit and render justice according to law.

Mr. President, unfortunately, there are times when those who raise their voices in opposition do not have the intimacy of knowing a man. To me, a man has to be a whole man, not an Encyclopedia Britannica.

For that reason, I feel strongly about this and I am going to vote for Governor Meskill because I think he deserves it and I think he will render good service to the court, to the Constitution, to his country, and to the people.

I thank the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Rhode Island for his comments and his insight into this matter.

Mr. President, I want to continue on that point raised by the distinguished Senator from Michigan with which I am in agreement.

It is not enough for the two Senators from Connecticut to say that this man is all right. Rather, he should be the subject of the most intensive investigation, both by the Judiciary Committee of the U.S. Senate and by the appropriate law enforcement agencies called upon to perform by that committee.

This matter, as I indicated, came up in September 1974. Here it is April 1975. The committee has held at least three extensive hearings, calling upon numerous witnesses.

The committee called upon the Justice Department and the Justice Department called upon the Federal Bureau of Investigation to conduct several investigations upon specifics raised in this matter.

I think what has happened has definitely met the criteria set forth, as a matter of principle, by the distinguished Senator from Michigan.

I have no argument with his final judgment, but I do not think we have done violence to what I think was a change for the better in the U.S. Senate when, indeed, we started to look at judgeships as not being something just to pass through but, rather, something deserving of our attention, deepest thought, and best effort.

Another change has happened since 1965. I know the distinguished Senator from Michigan has always been in the forefront of change. I hope that I will always be with him on that point. We used to accept as gospel the word of the ABA.

The only problem with the word of the ABA is that they never had any written criteria by which they would judge you. That should change. Nothing is in writing. So it depends on whims of a particular moment.

I think it is entirely proper to question the judgment of the ABA, especially in light of their activities on this particular matter. Indeed, they have run contra to many of the concepts of justice which they are supposed to not only espouse but by which to live.

To get to the criteria of qualification, yes, I think the public has a right to look at the Senate and demand from us that we base our decisions on distinction in the law.

The question then arises, what is distinction in the law? For example, is it proper that I, prior to nominating any of my colleagues, demand to see the 10 academic papers they have written as a proper basis for determining that they are qualified? Or is it proper for me to turn to a professor of law who has devoted his life to teaching law and say, "I want to see your 10 cases"? Or is it proper for me to turn to a practitioner and ask him to tell me the 10 greatest decisions he had to make that affect people governmentally?

What I am saying is that it is not only the practitioner who qualifies to become a judge, but also, it should be the professor from the law school and the individual who has served in government.

From my own experiences, since I have served in government, between my constitutional law class in the University of Virginia and my constitutional law class in the United States Senate over the past several years, I think I understand constitutional law as well as a practicing lawyer.

This, then, is part of the change that has taken place; the fact that we are going to scrutinize our candidates and are not going to take the home State senator's word. Good. But I think it is also true that the ABA no longer have a monopoly of approval. In this matter, the report of the majority very definitely could be considered a censure of the

American Bar Association. Since When has the U.S. Senate ever made a statement as follows relative to the ABA:

> The Committee is disturbed that the nominee's reputation has been under attack for the protracted period during which his nomination has been before the Senate by means of innuendo and unsupported allegations in regard to the issue of State leasing practices. The Committee is disturbed that the American Bar Association is continuing to question Mr. Meskill's integrity on this point. Not satisfied with testifying against the nominee during the Committee hearings, the American Bar Association has mounted what we feel to be a highly objectionable lobbying effort. In furtherance of its opposition to the nominee, the American Bar Association leadership has written what we believe to be a biased and misleading——

This is the U.S. Senate speaking to the American Bar Association, whose judgment we are asked to rely upon.

> In furtherance of its opposition to the nominee, the American Bar Association leadership has written what we believe to be a biased and misleading letter to some 300 of its delegates across the country urging them to contact their Senators for the purpose of encouraging a vote against the confirmation of this nomination.

Those are strong words, but I think they properly categorize the activities of the ABA.

I also agree with the distinguished Senator from Michigan and others that the ABA has a perfectly proper function to come before the U.S. Senate and give its opinion, just as, indeed, all citizens have a right to come forth and express their opinions. But what marks the difference here as to the American Bar Association activity is that they not only expressed their opinion; they then supplied staff help to those opposed to the Governor's nomination. They then conducted investigations, having already announced their opposition, to smear the Governor. They then launched a lobbying effort to try to make their earlier opinions stick. That is being prosecutor, judge, and jury rolled into one. That is the difficulty, not the fact of their testifying before the committee.

Mr. President, I reserve the remainder of my time.

(At this point, Mr. Hathaway assumed the chair.)

Mr. ABOUREZK. Mr. President, I yield 15 minutes to the Senator from California.

Mr. TUNNEY. I thank the distinguished Senator from South Dakota for yielding time to me.

Mr. President, I rise in opposition to the confirmation of the nomination of former Governor Meskill to be a U.S. circuit court judge. I do this reluctantly, because I would like very much to be able to vote in favor of this nomination, inasmuch as his name has been suggested to the President by my very good friend and distinguished colleague, the junior Senator from Connecticut, and because Governor Meskill, as a former Member of Congress and as a former Governor, has had a distinguished political career.

Under such circumstances, I would like very much to be able to support him as he seeks a position on the Second Circuit.

Also, I am reluctant to use an independent judgment as it relates to the qualification of a judge who is not seeking a position on the Supreme Court but is seeking a position on the U.S. Court of Appeals in a circuit that does not include my home State of California. I think we all recognize that Senators make suggestions to the President with respect to district judges within their States, with respect to circuit judges within the circuits in which their States are located, and very rarely do other Senators challenge those judgments—very rarely. As a matter of fact, this is the first time I have challenged a nominee who has come before the Senate for appointment to a district court or a circuit court.

I believe that in doing this, I am exercising my judgment in extraordinary circumstances. This would not be a typical pattern of behavior for me. Nonetheless, Federal judges in this country are vested with extraordinary powers, and once their nominations are confirmed, they occupy their seats on the bench for life.

I do not believe that Mr. Meskill satisfies the minimum requirements for such a position. I have made this independent judgment based on the record as it has been presented to the Committee on the Judiciary and as it has been presented very ably by the junior Senator from Connecticut, as he has argued in favor of Governor Meskill's cause. I shall summarize briefly the factors I have considered which bring me to this conclusion.

A special ad hoc subcommittee of the Committee on the Judiciary held at least 5 full days of hearings on this nomination. Although I am not a member of that special subcommittee, I participated extensively in those hearings and asked questions of the nominee in all the areas that I am going to discuss in my statement today. In addition, I studied transcripts of the hearings and met with the American Bar Association representatives and others, both opposed to and in favor of the nomination.

I also met informally with former Governor Meskill and stated to him then, as I have stated on the public record, that I have nothing against him personally, nor have I ever had anything against him personally, but I feel that his lack of legal qualifications does not warrant his appointment as a U.S. circuit judge on what many consider the most prestigious and important circuit court in the Nation.

This issue involved in this nomination have been discussed at length in the hearings, and that hearing record is before the Senate today. On the desk of each Senator is a copy of the hearing record. We have had a chance to look at the record in numerous executive sessions of the Committee on the Judiciary, and those of us who are on that committee have had an opportunity to weigh once again the nominee's qualifications as we submitted our report, both the majority report and the minority views, to the full Senate.

Moreover, as the debate began yesterday, Senators Hruska and Burdick set forth in detail the arguments for and against the nominee. While I am desirous of avoiding duplication of Senator Burdick's statement—and I believe he made an excellent statement yesterday—I feel compelled to summarize the reasons why long ago I reached the conclusions I have on this issue.

I. LACK OF LEGAL EXPERIENCE

Mr. Meskill has been a member of the bar for 18 years. The majority of that time has been spent in politics. In response to a request to indicate his 10 most important legal cases, he listed 7 civil and 3 criminal matters. None of these lasted any appreciable period of time. As a matter of fact, none of these trials was before a jury. He has tried only one case in Federal court, and that was a small bankruptcy matter.

The nature of the other cases include a divorce, three negligence cases involving a defective sidewalk, two cases involving breeches of implied warranties, one case of indecent assault, one case of reckless driving, and one case involving embezzlement and the fraudulent issue of a check.

The Second Circuit is one of the busiest courts in this country. It is called upon to hear appeals from the most complex cases, including class actions and multidistrict litigation, frequently involving Federal laws such as those relating to Securities and Exchange matters, antitrust matters, patents, trademark, copyright and admiralty matters. Mr. Meskill has had no experience in any of these fields. Federal judges are traditionally selected from the ranks of lawyers with significant courtroom experience or, on occasion, from the ranks of legal scholars. He has had virtually no courtroom experience. I do not think that anyone would suggest that he is a legal scholar. Indeed, his nomination is opposed by the current dean of his law school alma mater, as well as numerous other law professors in Connecticut.

He has had no experience with the Federal Rules of Civil Procedure. He has had no experience with the Federal Rules of Appellate Procedure. He has never argued a case before the U.S. court of appeals. He has not been admitted to practice in the Second Circuit, the court to which he has been nominated. He has never, as I have already indicated, tried a case before a jury.

Clearly, Mr. President, by any standard of legal experience, Mr. Meskill is not qualified for confirmation to the post to which he has been nominated. That in no way detracts from Governor Meskill's inherent intelligence. Just as we would not be appointing a person who is a medical doctor of great intelligence to the Second Circuit Court of Appeals, neither should we be appointing a person to the Court of Appeals who, although he happens to be a lawyer, has had no real courtroom experience and who has not had the opportunity to familiarize himself with the various and variegated principles of law, many of them esoteric, upon which he is going to be called, as a member of the court, to pass judgment.

It is just that simple: We should not put a person on the Second Circuit Court who needs on-the-job training. I have no doubt that over a period of years—perhaps 5, perhaps 10 years—Governor Meskill would begin to familiarize him-

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self with the esoteric principles of law that would enable him make sound judgments. But that is not the issue before us. The issue is not on-the-job training. The issue is whether or not we should appoint to a court which is extremely busy, which needs the very best in the way of diligence and hard work from every single member of that court, a person who has had so little experience as has Governor Meskill and who is going to have to go through many years of on-the-job training in order to take his place as a coequal member of that court from the point of view of scholastic experience and familiarity with the principles of law.

II. LACK OF JUDICIAL TEMPERAMENT

I also object to former Governor Meskill's nomination on the basis of his lack of judicial temperament. In January 1963, while serving as the mayor of the city of New Britain, Governor Meskill, according to his own testimony, threatened to order the arrest of members of the city council over the matter of the city budget. Conflicting testimony indicates that he in fact ordered the arrest of the members of the council, and the chief of police intervened to block his order. Certainly, this conduct, under either characterization, is highly unusual and ill-befits an elected official, let alone a nominee for a position on a high court within the Federal judiciary.

A second example occurred during Mr. Meskill's tenure as Governor. The University of Connecticut Law School's legal clinic represented a defendant involved in a controversial case. The case raised first amendment questions surrounding the display of a Vietcong flag in a public place. In his budget address before the Connecticut General Assembly, Governor Meskill charged that "This clinic costs $100,000 and amounts to nothing more than an agency for subsidizing attacks on our institutions and our Government." He urged the abolition of all State appropriations for the clinic. Apparently, his action was taken without consultation with the law school or university officials.

That, to me, is the type of heavy-handed procedure and lack of refinement of thinking which, in and of itself, would hold his nomination suspect. It is one thing to disagree with the actions of individual attorneys who are representing indigents; it is another thing to say that we want to wipe out an entire program of representation of indigents just because one does not like one specific case that was taken by those lawyers and one does not like the way they represented the case. I just cannot, in my own mind, see how Governor Meskill could have failed to distinguish them.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ABOUREZK. I yield 8 more minutes to the Senator from California.

Mr. TUNNEY. I thank the Senator.

Third, on January 24, 1975, Mr. Meskill testified before the Committee on the Judiciary and gave me the opportunity to examine some of his views that reflect, in my opinion, on his lack of appreciation of the need to have a balanced, reasoned judgment as relates to matters that may well come before his court.

Mr. Meskill admitted that, while Governor, he had approved a 1-year extension of the New Haven Legal Assistance Association sponsorship of VISTA volunteers on the condition that VISTA volunteers refrain from taking legal action against the State. Mr. Meskill further stated that the State already funded one program of legal services and there was no need to fund another to serve an identical need. The record, however, does not reflect that concern. In a letter to Mr. Romero A. Cherry, acting State director of the Connecticut action program, dated September 5, 1965, Governor Meskill approved the 1-year extension with the limitation, "On the condition that VISTA volunteers are in no way active in suits of law against the State."

Setting aside, for the moment, the wisdom of his 1965 judgment, I sought to discover how, in 1975, he viewed the problem in light of the pertinent rules of the American Bar Association code of professional responsibility. Specifically, while he was before the committee, I quoted from section 5–21 the following:

> The obligation of a lawyer to exercise professional judgment solely on behalf of his client requires that he disregard the desires of others that might impair his free judgment. The desires of a third person will seldom adversely affect a lawyer unless that person is in a position to exert strong economic, political or social pressures upon the lawyer. These influences are often subtle, and a lawyer subjected to outside pressures should make full disclosure of them to his client; and if he or his client believes that the effectiveness of his representation has been or will be impaired thereby, the lawyer should take proper steps to withdraw from representation of his client.

I continued:

> Disciplinary rule 2–103(d)(1) of the ABA provides in part that a lawyer:
>
> May cooperate in a dignified manner with the legal services activities of any of the following, providing that his independent professional judgment is exercised on behalf of his client without interference or control by any organization or person; (1) a legal aid office . . .

Disciplinary rule 2–107(b) says:

> Lawyers should not permit a person who recommends, employs or pays him to render legal services for another to direct or regulate his professional judgment in rendering such legal services.

The ABA Standing Committee on Ethics and Professional Responsibility, formal opinion 324, states:

> Furthermore, just as an individual attorney should not decline representation of an unpopular client or cause, an attorney member of a legal aid society's board of directors is under a similar obligation not to reject certain types of clients or particular kinds of cases merely because of their controversial nature, anticipated adverse community action, or because of a desire to avoid alignment against public officials, governmental agencies, or influential members of the community.

After I had quoted from the code of ethics to him in the same detail that I have outlined those positions today, I then asked Governor Meskill the following:

> Now, it would seem to me that the thrust of your letter—if not very precise language of the letter—would be to require a VISTA volunteer attorney to violate the code of professional ethics.
>
> Mr. Meskill. I do not agree, Senator.
>
> Senator Tunney. You do not think that by telling him that he can find employment in the VISTA program only so long as, and I quote, "that VISTA volunteers are in no way active in suits at law against the State," would fall with the purview of that?
>
> Mr. Meskill. Not at all. In fact, I think evidently the VISTA program requires a gubernatorial approval, or otherwise it would not have come to me for any kind of an approval, and it was a question of whether we would allow them in or not.

Mr. Meskill has subsequently supplied me with correspondence and relevant materials relating to this incident. They do not, however, reflect on whether his action was appropriate in light of the code of professional responsibility. Mr. Meskill apparently believes that if the State employs a lawyer on behalf of the poor, no impropriety is created by limiting the professional services that the lawyer can render, notwithstanding the lawyer's opinion on the best course of action in representing his client. The ABA Standing Committee on Ethics and Professional Responsibility has clearly stated the contrary viewpoint—and I think that it is important that we understand that the ABA Standing Committee on Ethics has stated a contrary viewpoint—that it is improper to reject particular kinds of cases because of their political nature. Most lawyers, I am sure, would agree with the ABA on this issue.

Mr. President, I believe that most Americans expect their judges to know the law, but they also expect wisdom and good judgment. Mr. Meskill's record reflects poorly on the issue of his temperment, and provides additional evidence why he should not be confirmed.

III. INTEGRITY

Much has been made of Mr. Meskill's involvement in the matter of leases in his State while he served as Governor. In his remarks on the Senate floor yesterday, Senator Burdick ably lays out the record which the committee was able to compile on this issue—and he points up all the questions still unanswered. I want to go on record as saying that although many questions were raised during the hearings as to the propriety of some of the State leases, I felt that the evidence was not sufficient to deserve great weight in the matter of his confirmation. I stated in committee that I had reached my conclusion to vote against Mr. Meskill's confirmation on the basis of his lack of legal competence, although I did agree with Senators Burdick, Abourezk, and Bayh that the unanswered questions concerning Mr. Meskill's involvement in questionable leasing practices should be noted in our joint minority views filed on April 15, 1975. In fairness to Mr. Meskill, however, the leasing issue, standing alone, is not enough to substantiate doubts about his integrity.

If Governor Meskill's nomination is confirmed by the Senate, I think it should be clear that at least as far as this Senator is concerned, the record is not sufficient to indicate that he acted in any dishonest or unfair way with respect to those leases; and so, as far as I am concerned, that issue should be put aside with respect to the question of whether or not his nomination ought to be confirmed.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ABOUREZK. I yield the Senator 5 more minutes.

Mr. TUNNEY. Mr. President, in conclusion, the issue before the Senate is whether Thomas J. Meskill should be confirmed as U.S. circuit judge. I have not attempted to discuss the entire matter today.

It would take far too long to go into all the mutations of arguments why, in my view, the nomination should not be confirmed. But I feel that it is important to highlight the basic points, and I hope that I have indicated at least the most important points.

Despite the fact that Governor Meskill is a nice man, despite the fact that he is a good politician, he just should not be eligible for a position which he has not had the training or experience to fill in an adequate fashion.

I cannot help but feel that the grounds for confirming Governor Meskill are insufficient, when you strip away the fact that he has been a Member of the House of Representatives and has been the Governor, and has been a friend of many of the Members of this body.

I recognize that partisanship sometimes plays a very important role when we talk about confirming individuals to high public positions. I know that in my own case, when an individual comes before this body nominated to a high position in the executive branch, and I have had a long history of association with him, it is very difficult not to be biased and prejudiced in favor of that person when it comes to a vote on the nomination. It is very difficult to separate one's personal friendship from what one considers to be that person's professional qualifications.

I bear no malice toward Governor Meskill. I bear him no ill will. If the Senate should, in its wisdom, vote to confirm the nomination, I shall wish him the very best when he takes his position on the court.

But it would be my sincere hope that the Members of the Senate would recognize that there are far better people available for service on the second circuit bench—far better people—and that it is not enough for us to put our hands over our eyes, hold our noses, and say we are just going to vote to confirm the man whose name the President sends up.

I think more is required of us, particularly as to a person who goes on to the Second Circuit bench. That circuit is charged with vast responsibility as it relates to the economic and civil affairs of men. We are not dealing with a municipal court, where the impact of a wrong judgment is going to be felt in a limited area with a limited population. We are talking about a court in an area which has a population of perhaps 24 million or 25 million under its immediate jurisdiction, where, because it sits in New York, which is the financial capital of the world, where so many commercial matters are constantly being litigated, it has the responsibility for adjudicating on appeal many such matters which involve, eventually, billions of dollars, not only to the parties litigant but to others who will be bound by the judgment.

I would say, in final appeal, that Governor Meskill, if he should take his position on that court, will not be able to pull his weight. He has had no training, and it is going to take a long time, given the press of circumstances, before he is able to pull his weight. This is a court which already has had its workload increased almost 100 percent in the last 10 years. Please, let us not make the Second Circuit Court of Appeals a training ground for one who has no background, no justification for serving on that court, other than the fact that he was a Member of the House of Representatives, the fact that he was a Governor of the State of Connecticut, and the fact that he is a good friend of many of us here in this Chamber and is also a good friend of the President of the United States. Mr. President, that is not enough.

The PRESIDING OFFICER. Who yields time?

Mr. TUNNEY. Mr. President, I ask unanimous consent that Robert A. Malson, of the staff of the Subcommittee on Constitutional Rights, be permitted to be present on the floor during the debate and votes on this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Nebraska yield me a half minute?

Mr. HRUSKA. I yield the Senator 1 minute.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that John I. Brooks and Philip Reberger of my staff be accorded the privilege of the floor during the debate on the Vietnam legislation, and that Philip Reberger be granted the privilege of the floor during the consideration of the Meskill nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. WEICKER. I yield myself such time as I may require.

Mr. President, I would like to raise one matter with my colleagues, as the matter apparently has been presented to some of the members, in that there is on their desks now an editorial published in the New York Times this morning, because I think it sets forth clearly the difficulties I have encountered throughout the consideration of this nomination.

The things I am about to say are said with apologies to some very fine people, be it E. Clifton Daniel, R. W. Apple, Felix Belair, David Binder, William M. Blair, David Burnham, Linda Charlton, Edward Cowan, John M. Crewdson, Edwin L. Dale, Jr., John W. Finney, Benjamin A. Franklin, Leslie H. Gelb, Bernard Gwertzman, John Herbers, Seymour M. Hersh, Nancy Hicks, Ernest Holsendolph, Majorie Hunter, E. W. Kenworthy, Bill Kovach, Richard D. Lyons, Christopher Lydon, Richard L. Madden, John D. Morris, James M. Naughton, Lesley Oelsner, James B. Reston, Anthony Ripley, William H. Robbins, Douglas Robinson, David E. Rosenbaum, Walter Rugaber, Harold Schmeck, Philip Shabecoff, Eileen Shanahan, William V. Shannon, Bob Slosser, Martin Tolchin, or Warren Weaver, Jr. The reporters of the New York Times, I think, do an exceptional job. I say these things not as a traditional enemy of the New York Times, which I believe is a great newspaper; but when they misstate the facts, then they should be called to account.

In an editorial in the New York Times today, the statement is made:

> The Attorney General of the United States has been asked to investigate and resolve factual issues about Mr. Meskill's questionable leasing practices in Connecticut. The information is still lacking. The Senate should reject Mr. Meskill, et cetera.

On page 7 of the committee report, the following statement is made:

> After the conclusion of the hearings on this Committee on March 6, the Committee requested of the Attorney General that the FBI make further inquiry into a number of aspects of the leases. A follow-up investigation was conducted, supplementing the already extensive investigation conducted by the FBI, into those areas requested.
>
> Based upon the testimony and evidence received by this Committee and the investigations completed by the FBI, this Committee finds no evidence to support the contention that the nominee had knowledge of or was involved in or benefited from any wrongdoing in the area of any State leases which were entered into during his term of Governor of Connecticut.

I believe the distinguished Senator from Nebraska will be able to supplement my remarks in this regard that this request, which was made, which is referred to in the Times, and which the Times said was unanswered, was answered in person by representatives of the Justice Department to Senator Kennedy who made the initial inquiry, and to every member of the committee.

Now, that is a plain misstatement of fact in the Times editorial and, I might add, interestingly enough, the same misstatement of fact that appears in the letter of the ABA.

In the resolution that accompanied the April 11 letter or one of the statements in there was:

> The Senate Judiciary Committee asked the Attorney General to inform the committee as to all relevant facts which the Department of Justice might provide on these matters; that he give his personal attention and personal conduct to these matters. There has been no response of the Attorney General to this letter.

That is misleading, and the editorial is a misstatement of fact. The problem is as you run down the chain, this is what happens when misstatements snowball.

You have a letter from ABA. I imagine somebody in the New York Times read it. They accept it as fact. Then, the Times writes an editorial totally contrary to the facts in the report. Even on the majority and minority side all would agree the response was forthcoming to the inquiries that were made. In fact, I well

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remember Senator KENNEDY's gracious remarks that he was totally satisfied on the basis of the response of the Justice Department as to the Governor's integrity on these matters.

But in the Times no matter that there was an investigation. How else do you resolve something in this country? It is not a matter of no investigation, but when a question is asked and the appropriate agency of Government of law enforcement responds to the question, and a statement is still made that the question goes unanswered, and the cloud hangs over someone, how do you resolve it in this country? What is wrong with this newspaper? Here they are the champion of civil liberties and of due process and of presumption of innocence, and yet without proof they claim a cloud hangs over Meskill on a question that has been answered by the Justice Department.

This editorial says, "Cloud Over Meskill." I think the cloud is over the somebody who would write this.

Why does the New York Times think many of us stand here on the Senate floor day after day insisting on due process, on presumption of innocence being observed? Why do they think we do this? Just lip service? Of course, so far as the Times is concerned, until it comes to a matter that concerns them and then all of a sudden these precepts and concepts go out the window.

Let me tell you, I do not care whether I agree or disagree with you, but I am not going to allow people's liberties to be stepped on. I am not going to see due process thrown out the window, whether you are a Republican or a Democrat or the New York Times, I am not going to see the presumption of innocence go out the window just because I disagree with you. I think, it is far more a measure of a man when he disagrees with an individual but stays with him or his constitutional rights.

We can joust around on opinions, but what we cannot joust around on is a clear misstatement of a fact in that editorial, and it should be so designated. As I understand, it is being thrown out here as a document to sway Senators, just like the report which is loaded with, misleading statements. And the ABA asks to be accepted as the arbiter of ethics, legal ethics, in the United States when by everybody's admission they issued an unethical statement.

Enough is enough. If people have proof of wrongdoing let them put it on. It is not up to me.

Do you want to know what the other great concept that is rolled over by the New York Times editorial?

> The former Governor has been accused of certain State leasing practices that allegedly favored his political associates. He has not responded adequately; nor has his chief sponsor, Senator Lowell P. Weicker, Jr., provided satisfactory answers.

Let me state one thing right now. I do not have anything to do with State leasing practices in Connecticut; I do not own any commercial real estate; do not deal with real estate.

But what is important is apparently accusation, according to the Times, means guilt, and I want to establish it again and again, it is up to those who accuse to prove their case. It is not up to any citizen of this country to prove his innocence.

Let us not get it balled up just because we happen to feel one way or another philosophically, personally or politically. That is exactly what that editorial does.

He has been accused, he has to respond. Oh, no. In this country you accuse, you prove. The presumption is on my side, and that is the second point that this little ditty thrown out on the table completely disregards.

This is, as I say, with apologies to the reporters of this paper, who are fine and decent people. This is a disgrace; it is a disgrace to the constitutional traditions of the Times. It is garbage and ought to be thrown out.

Now, one last point before I yield, Mr. President. If you want to know what it all boils down to or one aspect, I could not help but read yesterday's CONGRESSIONAL RECORD, and I note in the case against Governor Meskill to be a judge that part of that case is a poll presented by the distinguished Senator from South Dakota (Mr. BURDICK) as part of his case as to why the governor should not be nominated.

If we start to conduct polls on people being Republicans or Democrats or whether they are conservatives or liberals, is this what the decision is going to be based on?

The Senate, the Judiciary Committee of the U.S. Senate, as part of a case against a man to be a nominee presents a poll taken in the State of Connecticut?

Let me tell Senators the kinds of factors that come into play when polls are used to arrive at decisions. Let me read from the poll that was presented by the distinguished Senator from North Dakota.

MESKILL JUDGESHIP OPPOSED BY VOTER MARGIN OF 5 TO 3

Voters in the state, by close to a five to three plurality, are opposed to the appointment, are opposed to the appointment of Gov. Thomas Meskill as a Federal Court of Appeals judge.

Former President Richard Nixon, as one of his last official acts before resigning, nominated Meskill to fill a vacancy on the prestigious Second Circuit U.S. Court of Appeals, which covers both New York State and Connecticut. The nomination has drawn fire from many quarters, including the American Bar Association on the ground that Meskill lacks the necessary legal credentials for a judgeship of such importance.

A recent Connecticut Poll, conducted exclusively for The New Haven Register and The Hartford Times by Decision Research Corporation of Wellesley, Mass., shows that voters in the state also tend to disagree with the nomination—disapproval of the appointment outweighs approval by a 47 per cent to 34 per cent margin, with 19 per cent not yet having reached a conclusion on the issue.

Interviewing for the poll was conducted by telephone between Sept. 27 and 29 among 750 Connecticut residents who say they are registered to vote and almost certainly or probably will do so in November.

As might be expected, reaction tends to run along party and ideological lines, but not overwhelmingly so.

Both Democrats and independents oppose the appointment by about two to one, while Republicans are narrowly (by 47 per cent to 35 per cent) in favor.

Liberals, who traditionally have been most hostile to Meskill, are even more heavily opposed (they disapprove of the nomination by nearly four to one) than Democrats. The situation among middle-of-the-roaders, on the other hand, is far less clear cut—45 per cent are against the Meskill appointment, 33 per cent are for it. Meskill's fellow conservatives are also divided on the subject, favoring the appointment by a slim 48 per cent to 39 per cent plurality.

Reflecting the split along party lines, opinion in the Hartford and New Haven areas is more heavily against the nomination than is sentiment elsewhere. This is consistent with the fact that the Hartford and New Haven areas tend to be more Democratic than the rest of the state.

Similarly, young people, a higher proportion of whom are Democratic and liberal, show greater antipathy to making Meskill a federal judge than do their elders—opposition gradually scales down from about 60 per cent among voters under age 25 to 40 per cent among those over 65.

HOW VOTERS DIVIDED ON MESKILL JUDGESHIP

QUESTION VOTERS WERE ASKED: "DO YOU APPROVE OR DISAPPROVE OF THE APPOINTMENT OF GOV. THOMAS MESKILL AS A U.S. COURT OF APPEALS JUDGE?"

[In percentage]

	Approve	Disapprove	No opinion	Percentage base
Total Connecticut voters who say they just about certainly or probably will vote in November	34	47	19	(750)
Area of State:				
Greater Hartford [1]	30	52	18	(250)
Greater New Haven [2]	32	50	18	(250)
Rest of State	37	44	19	(250)
Political party (registration):				
Democrats	29	55	16	(283)
Republicans	47	35	18	(221)
Independents	25	53	22	(219)
Political outlook:				
Liberal	18	69	13	(160)
Conservative	48	39	13	(167)
Middle of the road	33	45	22	(379)
Age:				
Under 25	29	61	10	(59)
25 to 34	30	52	18	(167)
35 to 44	33	49	18	(154)
45 to 64	35	44	21	(260)
65 and over	40	40	20	(106)

[1] Hartford County.

[2] Branford, East Haven, Guilford, Hamden, Madison, Milford, New Haven, North Branford, North Haven, Orange, Wallingford, West Haven, Woodbridge, Ansonia, Bethany, Cheshire, Derby, Seymour, and Shelton.

So now we do not rely on our judgment, but conduct polls as to what we do on the Senate floor. If I had taken polls on some of the stands I had taken during the past year, and acted accordingly, I do not think I would have been worth much.

But the poll is according to some the result of 6 months of investigation.

Good heavens, I think—certainly I have the highest esteem for the Judiciary Committee, but I would hope if you found a good man or a good woman who was a nominee to be a judge, that your decisions would be based solely on that individual's integrity, on that individual's ability, and it would not make any difference as to their party or their philosophy.

Am I philosophically akin to Governor Meskill? You better believe, no. But that is not the basis for the appointment of a judge to the second circuit court of appeals.

Do I feel that a man can render justice? Do I feel he is going to be fair no matter who stands before him? Yes, and that is what matters far fairer than those who would go ahead and put this on a philosophical and partisan basis, and condemn a man's reputation for a lifetime.

I yield to the Senator from Nebraska.

Mr. HRUSKA. The Senator has called attention to a poll that was cited by one of the opponents of this nomination. May I inquire as to his judgment with respect to another type of poll which is even now in the process of being consummated. It is a poll based upon a letter sent by the ABA committee to some 300 members of their House of Delegates. That letter sought to outline the merits and the demerits of this nomination within three or three-and-a-half typewritten pages. It sought to summarize what is found in over 600 printed pages of hearings, which includes the testimony of nearly 50 witnesses and several scores of exhibits, which took place over a period of 5 hearing days. As a result of this ABA "poll" we now find letters and telephone calls from those delegates polled. and I might say that some of them are responding on the basis of that very incomplete and somewhat self-serving document sent out by the ABA leadership.

Would the Senator from Connecticut have any appraisal as to the value—not the propriety—we will leave that aside—which attaches to an opinion based upon that very light representation of the facts and the real issues surrounding this nomination?

Mr. WEICKER. I would be glad to respond to the distinguished Senator from Nebraska.

I would insist that the same precision that I demand from the Senate Judiciary Committee be demanded of every lawyer if he is going to inject himself into this matter.

Now, if we are going to take upon ourselves a judicial function—and indeed we have—if the bar association is asking its members to take upon themselves a judicial function, of determining propriety, impropriety, legality, illegality, then there cannot be any loose talk, there cannot be any polling. They have to have the precise standards that we apply to justice in this country. That is what I find so ridiculous. Apparently the leaders of the bar are asking men to make decisions on the basis of insufficient and, in fact, misleading representations.

One can go around and say, "I think this person is a conservative, I think this person is a liberal," and that does not bother me. But when a man's reputation is on the line, when how he stands in the eyes of the citizens, how he stands in the eyes of justice, we should be precise, we should be careful, and we should have the facts, all the facts, and we should not go ahead and tarnish a man for life off the top of our heads.

I agree. Do you know where all of this started? One man. One man made a report on the Governor for the bar association, a fellow by the name of Connelly. One man made the report. He contacted a few lawyers in Connecticut and elsewhere. One man made a report, accepted by his subcommittee and the whole bar association. It is not the in-depth investigation which the Committee on the Judiciary made, or which the Department of Justice made, or which the FBI made, the Attorney General and everybody else.

It has snowballed.

As I pointed out, there was the American Bar Association letter, the Times editorial, and then smear. Somebody should put a stop to this business and demand the facts.

It should not be incumbent upon me. I am accused in that editorial of not answering a subject I have no personal knowledge about

Mr. HRUSKA. Mr. President, I yield 10 minutes to the Senator from Hawaii.

Mr. FONG. Mr. President, I rise in support of the nomination of Thomas J. Meskill to be a U.S. circuit judge for the second circuit.

This nomination was before the Judiciary Committee, of which I am a member, during the 93d and 94th sessions of Congress. Two series of prolonged hearings were held on this nomination.

The attack on this nominee has shifted gears every time the strawman put up by his opponents was shown by the facts to be empty charges. During my 15 years on the Judiciary Committee, I have never seen a more concerted attack upon a nominee than upon Mr. Thomas Meskill.

Who is this Thomas Meskill?

Thomas Meskill served for 3 years in the U.S. Air Force during the Korean conflict.

Thomas Meskill is a graduate of the University of Connecticut Law School, class of 1956. True, he is not a graduate of Harvard or Yale, but he was editor in chief of the law review. One of his former instructors, Edward L. Stephenson, now professor emeritus, says of him:

> Governor Meskill's legal aptitude and scholarly capacity were evident in the classroom and are fully demonstrated by his elevation to the Chairmanship of the Law Review, even though he was a transfer to the day division. He was a student of unusual maturity and promise.

Thomas Meskill then practiced law in New Britain, Conn. He handled the usual run of cases in a local, small-town practice.

Paul J. McQuillian, past president of the New Britain Bar Association, says of him:

> He was regarded by his fellow attorneys as a knowledgeable and hard-working lawyer who gave excellent representation to his clients. On several occasions he was my adversary at trial and I considered him a worthy opponent.

Tom Meskill represented no Wall Street firms nor companies listed on the New York Exchange, but he "gave excellent representation to his clients."

Thomas Meskill, from 1962 to 1964, served as mayor of New Britain, Conn.

Thomas Meskill, from 1965 to 1966, was corporation counsel of New Britain, Conn.

As to these services, Mr. McQuillian testified:

> Mr. Meskill had the responsibility for all civil litigation involving the city. This duty required him to prepare and handle all trials on behalf of the city of New Britain, as well as to help in supervising the legal staff.

He must have done something right.

From 1967 to 1971, he represented the Sixth District of Connecticut in the U.S. House of Representatives. While in Congress, he was a member of the House Judiciary Committee.

Chairman PETER W. RODINO, Jr., chairman of the House of Representatives Committee on the Judiciary, testifying in support of Thomas Meskill's nomination, commented on Mr. Meskill's dedicated and superior legal qualification evidenced as a member of that well-respected committee.

Stating that it was a "privilege" for him to testify for Governor Meskill's confirmation, Chairman RODINO stated that—

> He did this in this case because I have a deep conviction that this is a very able nominee with great qualifications and who certainly would reflect great credit on the bench of the U.S. Circuit.

Chairman RODINO further testified:

> I learned to respect Governor Meskill as an individual, as a man who demonstrated to me a capacity for hard work, for the ability to listen, for the ability to do his homework, and his understanding of the responsibility that was his as a public servant when he assumed that public trust.
>
> I respected Tom Meskill also as a person, an individual whom I came to like as a friend—and we had many exchanges—despite the fact that he is not of my political persuasion. I found him to be the kind of individual who is high-minded, with a sense of the Constitution, a sense of responsibility, a sense of understanding, and I think these are qualities that can serve an individual who is to sit in judgment on people and who is to interpret the laws.
>
> For these reasons, and not to elaborate because I think I would be repeating myself, I endorse wholeheartedly Governor Meskill for his position of great responsibility.
>
> I am aware of the objections which I noted in the newspapers, but notwithstanding those objections, Mr. Chairman, my endorsement stands strong in the belief and in the full confidence that this is an able individual who assumes responsibilities and knows how to discharge them, who will be an asset and a credit.

From Connecticut, Congressman WILLIAM R. COTTER, Congressman RONALD A. SARASIN, Congressman STEWART B. MCKINNEY, Congressman ROBERT N. GIAIMO, Senator LOWELL P. WEICKER, JR., Senator ABRAHAM RIBICOFF, all supported Thomas Meskill's nomination as did Congressman HENRY P. SMITH, III, of New York, Congressman WILLIAM L. HUNGATE of Missouri, and the dean emeritus of the University of Connecticut School of Law, Bert Hopkins, and various members of the bar of Connecticut.

Even John A. Sutro, past chairman of the American Bar Association standing committee on Federal judiciary, while not endorsing Thomas Meskill for this nomination, was forced to concede:

> He is a fine Governor, he was a fine Congressman, he was a fine Mayor. . . ."

Mr. Sutro feels there is "no substitute either for legal scholarship or for courtroom experience," but even without prior

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experience, he concedes Thomas Meskill was "a fine Governor," "a fine Congressman" and "a fine mayor."

Being a great trial lawyer or a well-known corporate lawyer is fortunately not the only route to public service or judicial service.

The people of Connecticut after viewing Thomas Meskill's public service as corporation counsel, as mayor of New Britain and as Congressman in the U.S. House of Representatives saw fit to elect him their Governor.

As a lawyer for the past 40 years, as a public servant for almost 40 years, I have confidence in the people of these United States. I met Thomas Meskill, I know his testimony, I talked with him at length, I prefer my judgment, that of his associates in office and of the thousands of people who elected him, to that of a self-perpetuating committee on the Federal judiciary of the American Bar Association.

In the final analysis, article II, section 2, clause 2 of the Constitution of the United States provides the President—

> shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law.

I call upon my colleagues to exercise their constitutional duty and consent to the nomination of Thomas J. Meskill to be U.S. circuit judge, Second Circuit.

Mr. President, I yield back the remainder of my time.

The **PRESIDING OFFICER**. Who yields time?

Mr. **BURDICK**. Mr. President, we are expecting two speakers.

I suggest the absence of a quorum, and I ask unanimous consent that the time be charged to both sides.

The **PRESIDING OFFICER**. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **PERCY**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER** (Mr. BUCKLEY). Without objection, it is so ordered.

Mr. **PERCY**. Mr. President, will the Senator yield me 20 minutes?

Mr. **BURDICK**. Mr. President, I yield 20 minutes to the Senator from Illinois.

Mr. **PERCY**. Mr. President, after studying all the available information, I have regretfully decided to vote "nay" on the nomination of Gov. Thomas Meskill to serve as a judge on the U.S. Court of Appeals for the Second Circuit. I would like to express my views on the nomination and my decision to oppose it.

Governor Meskill's record as a mayor, Congressman, and Governor reflects impressive ability as a legislator and administrator. I know and admire Governor Meskill, and I believe the Federal Government would benefit from his service in any one of a number of important positions. But, in my opinion, his talents and the job to which he has been nominated have been mismatched.

My friend and colleague, Senator LOWELL WEICKER, strongly supports this nomination. I respect his determination. I know that "senatorial courtesy" may be interpreted as binding a Senator's support for a colleague's choice for the bench. But as Senator WEICKER has so forcefully stated on many occasions, individuals have responsibilities which are higher than political or personal loyalty.

The greatest gift one can offer a friend is a truthful opinion. To go along with a friend when one does not agree shows lack of respect. I have great respect for LOWELL WEICKER and my colleagues on the Judiciary Committee who voted to report this nomination favorably to the Senate. Because of that respect, and my duty to follow my own conscience, I must oppose this nomination.

The responsibility of the Senate to advise and consent to nominations made by the President is fundamental to our system of checks and balances. Because the judiciary plays such an important role in our society, this responsibility is especially serious in the case of Senate approval of lifetime appointments to the Federal bench.

Partly by accident and partly by design, the judiciary is the final arbiter of a wide range of disputes in our society. Social, familial, and sometimes even theological and philosophical questions are laid before the courts. Increasingly, the courts have sought to find answers. Many court rulings affect the lives of millions of people and sometimes are highly controversial. Public confidence in the courts, which is crucial to the success of our system of government, depends largely on the caliber of the judges who comprise the Federal court system.

The pivotal position of the courts—the power which they wield and the respect which they command—was dramatically illustrated during Watergate. The expertise, determination, and independence of the judges who presided over various Watergate matters was equal to the challenges launched against the rule of law during the scandal. This was especially true in the case of judges who ruled on various appeals which questioned fundamental yet sophisticated concepts of the separation of powers. The crucial importance of selecting only the most qualified lawyers for Federal judicial service was reaffirmed.

Excellence must be the sole criterion for fitness for judicial service. Excellence should be measured by high standards of legal expertise and personal integrity. This should be the foundation of the judicial selection process. The measure of fitness for service on various courts carries additional criteria. For example, extensive trial experience should be a prerequisite for service on the Federal district court because of the need for decisions on the rules of evidence in that capacity.

By contrast, extensive trial experience is not a prerequisite for service on the Supreme Court. An understanding of the complex theoretical and philosophical threads which are woven through the intricate pattern of the law is more important. Nevertheless, without a firm legal foundation, theory and philosophy drift aimlessly in court deliberations.

The appellate court is a mixture of the day-to-day issues of the trial court and the broader perspective of the Supreme Court. Appellate court judges review lower court proceedings and decisions. Familiarity with the basics of trial procedure and an appreciation for the rapid-fire nature of courtroom dialog helps equip appellate court judges. But appellate court judges take a view of the law which is wider than its application to a particular case. They must consider its impact on the whole circuit and, in fact, the Nation. This broad responsibility requires not only practical skills but also the curiosity of a scholar and the wisdom of a philosopher. As with all judges, the quality of an opinion depends on the quality of the research and reasoning behind the opinion.

Add to this the particular complexion of the Second Circuit, consisting of the States of New York, Connecticut, and Vermont. Cases involving securities, antitrust, patents, trademarks, copyrights, admiralty, and major felonies make up the bulk of the litigation in the Second Circuit. These are complex specialties of the law. Every judge on the Second Circuit cannot be expected to be proficient in each specialty. But a judge who lacks basic knowledge of most or all of these specialties could not do full justice to the responsibility imposed upon him.

The majority of the Committee on the Judiciary, in its report to the Senate, said that—

> It had found nothing . . . which would in any way disqualify the nominee or hamper his service on the bench.

I approach the question from a different perspective. I believe we should search the record to determine whether the nominee is fully qualified and whether he could achieve the level of excellence required for service on the U.S. Court of Appeals.

Nominees for Federal judicial service do not come before the Senate clothed in a presumption of excellence. Rather, they must be prepared to detail their qualifications for service on the bench. If they fail to show adequate qualifications, then, in my view, they should not be confirmed.

I have applied this test in my consideration of Governor Meskill for this high judicial office. He has devoted his talents and energy to public service for most of his adult life. He has held public offices which required legislative and administrative ability and a great deal of public confidence. This is valuable experience which qualifies Governor Meskill for many high-level Federal positions in the executive branch. But it does not necessarily qualify him for service on the court of appeals.

Governor Meskill's record at the University of Connecticut Law School and his selection as editor in chief of the school's Law Review indicate a bright and capable student. After graduation, he entered private practice. But instead of this being the beginning of his legal

career, it actually marked the end of it. After only a few years, he left private practice to enter public life. As a result, his legal experience is extremely limited.

I was greatly influenced in my judgment by evidence presented by Governor Meskill himself. In response to the American Bar Association request, he identified the 10 cases which he felt were most important in his development as a lawyer. These cases, none of which took more than 2 days to try, dealt with uncomplicated areas of the law such as negligence, divorce, and reckless driving. There is no indication from these cases, which the nominee cited himself, or from the record before the Judiciary Committee, that Governor Meskill has had qualifying experience in the areas of the law which are considered almost daily by the Second Circuit Court of Appeals.

Some have suggested that Governor Meskill's career has been devoted to the law. They cite his experience in making the law as a Congressman and administering the law as a mayor and a Governor. But different skills are required for success as a legislator, administrator, and judge. I know many Governors and Members of Congress who are lawyers who realize that there are limits in the experience gained in various public service positions. They recognize that their administrative or legislative experience alone does not qualify them for judicial service.

A career in government such as Governor Meskill's would be a valuable asset to a judge. It reflects a wide range of experience which would add to a judge's depth of understanding. But there is no substitute for intimate familiarity with the law itself.

The standing committee on the Federal judiciary of the American Bar Association unanimously found the nominee "not qualified" for service on the court of appeals. The committee decision was ratified by the ABA's board of governors. But the administration has continued to support the nomination. The Senate Judiciary Committee voted 8 to 6 in favor of the nomination. Instead of the usual voice vote, there will be a rollcall vote on what has become a very controversial nomination.

I know that many of my colleagues have been troubled by the role of the American Bar Association in this nomination. I share their concern. In addition to declaring the nominee "not qualified" for the second circuit, the ABA has actively lobbied for the defeat of the nomination. The ABA has made statements which are not in keeping with its traditions. It is unfair and unacceptable to suggest that a person admits wrongdoing by seeking the advice of counsel or by refusing to answer the inquiries of an unofficial body. The ABA should retract these improper statements.

Some may use this nomination to express their opinions on the role of the ABA in the judicial selection process. To do so, I believe, would be a mistake. It would be a severe dereliction of duty for a Senator to vote against Governor Meskill's nomination solely because the ABA found him "not qualified." However, it would be just as grave a dereliction of duty for a Senator to vote for his nomination just to thwart the ABA.

The question of the ABA's role in the judicial selection process should be separate from the question of this nomination. It is entirely valid for the Senate to debate whether the ABA should have veto power over judicial nominations, and I look forward to that debate. I have been helped greatly by the ABA in many areas, including judicial selection, but I have serious questions about some aspects of the ABA's criteria for judicial service. But this is not the issue before us now. The question with which we are faced is whether Governor Meskill should be confirmed as a judge on the Second Circuit Court of Appeals.

Because my opposition to this nomination is based solely on the nominee's lack of legal qualifications, I need not go into the questions others have raised regarding his judicial temperament or his integrity. I have never known Governor Meskill to be anything but an honorable man. No charges have been made against him and nothing has been proved. I do not, therefore, question his integrity.

Mr. President, this was not an easy decision for me. Governor Meskill is a friend and I hope our friendship will continue. I have great admiration for my distinguished colleague, Mr. WEICKER. I have great respect for the traditions of the Senate. But I also have deep regard for our system of government and our responsibility in the Senate to advise and consent. And that must come first. My duty, as best I see it, is regretfully to vote "nay" on this nomination.

The **PRESIDING OFFICER**. Who yields time?

Mr. **WEICKER**. I yield to the distinguished senior Senator from Connecticut such time as he may require.

Mr. **RIBICOFF**. Mr. President, the Meskill nomination is a controversial nomination. It is controversial on the floor of this body, and it is controversial in the State of Connecticut.

Tom Meskill and I come from the same town. We were both born and brought up in New Britain, Conn. He is a Republican and I am a Democrat. Tom Meskill, one could say, is a conservative, and I am a liberal. I must admit that the mail I have received and the people who have talked with me have been overwhelmingly against the choice of Tom Meskill for the Second Circuit Court judgeship. In analyzing my mail and talking to the people who have been against Tom Meskill, I have come to the conclusion that it is not based so much on his competence to be a judge, but they are in disagreement with the philosophy of Tom Meskill as a Governor.

I must confess that the decisions he made as Governor would not be the decisions that I would have made as Governor. My conduct of the Governor's office was dissimilar to his conduct of the Governor's office. But I say to my colleagues that Tom Meskill is a man of competence. He has devoted the major portion of his life to public service. Tom Meskill was a mayor of his city, a city of some 90,000 population. Tom Meskill was corporation counsel in charge of all the legal problems that a city would have. He served in the House of Representatives for two terms, a member of the Committee on the Judiciary. He was a Governor of the State of Connecticut for 4 years.

I reject and reject strongly the idea that a man who devotes himself to public life is incompetent to be a judge of a circuit court. The experience that a man gets in public life is a broad-gaged experience. He deals with the law, he administers the law. He knows people, he knows events, he knows economic and social problems. In looking over the record, I have been impressed with the approval that he has received from the dean of his law school and professor emeritus, Edward Stephenson. I wish to read the comment from Professor Stephenson:

> Governor Meskill's legal aptitude and scholarly capacity were evident in the classroom and are fully demonstrated by his elevation to the chairmanship of the Law Review, even though he was a transfer to the day division. He was a student of unusual maturity and promise.

It was my good fortune to be on the board of the Law Review at the University of Chicago Law School. All of us who went to law school realize that one makes the Law Review only if one is in the top echelons of one's class.

I read further:

> His career since law school has borne out that early promise. For a man less than twenty years out of school, he has had a remarkably varied experience in positions of responsibility. His years of practice were sufficient to give him the major benefits of that side of the law before reaching the point of diminishing returns. His years of public service, as Congressman and Governor, have provided a far more meaningful background than additional years of private practice or of sitting on the bench in negligence or divorce cases.

In this body, we have many men whose profession is that of the law. But they came to Congress or to the governorship or to the U.S. Senate in early years. Many of these men have devoted 20 and 25 years to public life, and all of us know that when one devotes that time to public life, one cannot engage in the ordinary practice of law or try cases.

How many men in this body, in the last 20 years of their public life, have tried a case? I know I have not. I doubt that there are any who have.

Tom Meskill is a man of competence. It is true that the second circuit court is an important court. Historically and traditionally, that court has been made up of six men from the State of New York, two from the State of Connecticut, and one from the State of Vermont. These are varied States—Vermont basically rural; Connecticut a mixed State of large cities, small towns, rural areas; and New York, basically an urbanized State. Many members of the New York bar, and I believe the ABA, fault a man like Tom Meskill because of what they say is the limited extent of his practice. But I know that in a city the size of New Britain, Conn., my home town and Tom Meskill's town, one does not have antitrust cases. The men and women who practice in New Britain, Conn., are basi-

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cally smalltown lawyers, with a varied practice.

While New Britain was my town, I practiced law in Hartford, Conn., the State's capital. I know that lawyers usually, in a State like Connecticut, are generalists. They are not specialists in antitrust cases. They are men who are able to practice law in all its phases and do it competently.

I am satisfied, myself, from studying the record and knowing Tom Meskill as a boy, as a young man, as a Congressman, and as a Governor, that he will make a competent judge.

It is said, too, that Tom Meskill does not have the experience on the bench. Let us be frank with one another. I should say that as Governor of the State of Connecticut, I probably appointed more men to the bench in the State of Connecticut than any other Governor in the State. The constitution of the State of Connecticut gives that right to the Governor.

The bar association in the State of Connecticut, during my term as Governor, wanted to make the determination as to the appointment and the method of appointing judges, and it was my contention that that was the responsibility of the Governor.

We also know that many men who are appointed to the bench learn from their colleagues and their peers. Tom Meskill will be one of nine judges on the circuit court. It is true that Tom Meskill does not come to that court with the same experience that other circuit judges have, but I reject the contention that you either have to be a legal scholar or a trial attorney in order to serve on the circuit court.

Tom Meskill was a man who did well as a law student. As a young man he entered the practice of law in New Britain, Conn. He joined the Air Force, and for the rest of his years, like you and me, he has been in the public service.

He acquitted himself well as a congressman and as a Governor—again may I say conservative Governor in basically a middle-of-the-road or liberal State. As a conservative Governor in a liberal State, he generated a lot of controversy. But because a man is controversial does not mean he is incompetent. It does not mean he does not have ability. I stand on this side of the aisle, and there are men on the other side of the aisle who do not think the same as I do philosophically, politically, economically, or socially. Yet I respect those individuals for their ability and competence.

I do not believe that we should pick a judge and vote for a judge because he happens to be a liberal or a conservative. Woe be to the bench in this country if all the judges were either liberal or conservative. What we need if we are really to have justice is a sense of balance and equilibrium.

My feeling is that Tom Meskill's experience in public life, his competence as an individual and as a student of the law, will make him a good judge. He will not, it is true, be able to write masterful decisions in his first few months on the bench. But I will predict that Tom Meskill as a sitting judge on the second circuit court will be a competent and a good judge. I am satisfied that Tom Meskill has the necessary ability and competence. I shall vote for his confirmation, and I hope that a majority of my colleagues will vote accordingly.

The PRESIDING OFFICER. Who yields time?

Mr. BURDICK. Mr. President, I yield 15 minutes to the Senator from Indiana.

Mr. BAYH. Mr. President, I rise today to offer the Senate my views as to the nomination of Thomas Meskill to be a judge of the court of appeals with some degree of reluctance. I say reluctance because I know that when the issue before the Senate is a personal one involving the character and past record of an individual, motives can become much more subject to misinterpretation, and emotions can become unusually highly charged. Because we are dealing with an individual's reputation, we have a special responsibility to reach our judgment only after the most careful weighing of all the factors involved. With this responsibility in mind, I have examined carefully the record before our committee. I have also tried to arrive at a standard which I believe the Senate is required to apply to nominations of this nature under article II, section 2 of the Constitution. I have been unable to conclude in good conscience that this nominee meets what I believe to be the minimum requirements.

In considering my vote, I first attempted to frame the standards against which I would measure the facts of this individual case. I found it helpful to turn first to what the framers had in mind in establishing the constitutional system of selection and approval of judges. Of primary importance is their basic outline of three coequal branches of Government. Two branches would be elected, some directly, some indirectly by the people. But how should the members of the third branch be chosen? The question had never arisen before since in earlier democracies the judiciary was part and parcel of the executive. Characteristically, the framers divided the power, more or less equally, they thought, between the executive and the legislature.

Over the years, however, practice and tradition have somewhat modified, though not eliminated, the nature of the distribution of this power between the two branches. Although both must still agree on the choice, actual selection of all Federal judges, save those on the Supreme Court, has passed to the Senate. We are all aware of how the system works.

Those Members of this body who are of the same party as the President have the principal voice as to who is nominated. Senators of the party which does not control the White House have a veto power, and by virtue of it, the opportunity to make satisfactory arrangements giving them a strong minority voice. I do not believe that this system is necessarily bad, and, in fact, if administered responsibly, it can serve a uniquely positive role in our Federal system. Its success, however, does require that we in the Senate recognize that we have a special responsibility to fulfill. Nomination by us of individuals to life-time appointments to a co-equal branch of the Government requires a careful evaluation of legal ability, qualities of judgment, and sensitivity to the appearances of impropriety.

As I look back over the last several years of American history, Mr. President, I believe our most serious problem has been a general and growing lack of confidence in all public officials. Every poll confirms a dramatic decline of public confidence in and respect for those of us in public life. As a Member of this body, the most serious obligation I feel is to do everything I can to reestablish the people's confidence in their institutions of government and those of us who run them. Although the reputation of the Congress and the President has declined in recent years, most Americans still apparently believe in the integrity and impartiality of our courts and judges. We must do what we can to keep it that way.

With the last point particularly in mind, I turn to the case at hand:

Over the past decade and more, the Senate has increasingly applied a requirement that nominees to the Federal bench have some significant working experience with the law either as a practitioner, scholar, or public official with direct legal responsibilities. While maintaining flexibility as to the types of legal background which will suffice, we have recognized that the law, like any other profession, is today sufficiently complex so that a certain basic familiarity with its procedures and substance is a prerequisite. Without going into detail, I believe that there can be no doubt that this nominee's experience as an active lawyer is insubstantial. He has never appeared in any Federal court, trial or appellate. He has apparently never been involved in litigation lasting more than 1 or 2 days, and he has never argued before a State court of appeals.

Since the case for the nominee must then rest on his service as an elected official, the question of public perceptions comes even more to the fore. The circumstances of this nomination require us to reach some judgment as to the qualities he displayed as a public official. The problem is that we are not reviewing his actions to decide whether we would vote for him for reelection as Governor or to some other office, rather we must take his actions as an elected official and attempt to measure them against a quite different standard of fitness or sensitivity for appointment to the judicial branch. This is difficult because it has occurred so rarely in our individual experience that we lack familiar benchmarks on which to judge it.

Separate views of the committee report to which I subscribed related a number of incidents which cast serious question on the nominee's temperament. These include his ordered arrest of members of his city council when he was mayor of New Britain in a dispute over obtaining a quorum, his attempt to close down the University of Connecticut Legal Aid Clinic because they were involved in controversial cases, his ignoring of the Connecticut Supreme Court in an

attempt to utilize a partial veto over actions of the State legislature, and what can only be regarded as intemperate remarks on a variety of issues.

The hearing record quite clearly demonstrates that the nominee had actual notice that highly lucrative leases for State facilities were being awarded to his close personal associates on the basis of prior knowledge of the State's needs and without competitive bidding. A State legislative committee subsequently has found these leases to be "excessive" in amount and in violation of established State leasing procedures. In other cases, the nominee had constructive notice of such arrangements through his highest political appointees, some of whom were directly involved in the questionable transactions. In one case, for example, a business partner of the nominee's earned substantial profits.

Those of us who subscribed to the separate views of the committee did not, contrary to the allegations of some, accuse the nominee of any illegal offense. No State official or agency, either executive or legislative, has yet conducted an investigation to determine individual responsibility in these matters, though such is apparently now in progress.

Thus, while the facts before the Senate fall short of proving any individual culpability on the part of the nominee, they do nevertheless demonstrate, in my view, an insensitivity to the appearance of impropriety which is unacceptable and inconsistent with our pressing responsibilities to engender confidence in the structure of American Government.

So, Mr. President, these are my reasons for arriving at what I hope is a well-considered judgment to cast my vote in opposition to this nomination. I wish Tom Meskill no ill in any personal sense. But each of us can only call them as we see them, and I am convinced that the best path for the Senate is to reject this nomination.

Mr. President, I must say that, because of the particular nature of the matter before us, I feel compelled to share some deep thoughts with my colleagues that go beyond the words of the printed remarks which have just been submitted for the RECORD.

I find the kind of issue before us right now the most difficult issue that ever confronts the Members of this body—when we are talking about qualifications of human beings, particularly former officials in high places, to sit on the courts of this land. In addition, we are dealing with a situation that ofttimes involves personalities which can be misinterpreted, and I say this as one who, I suppose, has been more intimately involved in this kind of confrontation than most of the Members of this body.

I recall well the kind of struggle that we had with former Attorney General Mitchell and former President Nixon relative to the qualifications of Justices that should sit on the Supreme Court of the United States; and it was awfully difficult to keep these issues from becoming involved in personalities.

I find myself in the position of following my very distinguished colleague and friend. the Senator from Connecticut, who has served this country in more capacities than any other Member of this body, who came to the Senate at the same time the Senator from Indiana did, and whose basic position on most issues I find great sympathy with. Following him and representing a contrary conclusion is a difficult position to be in. In addition, the junior Senator from Connecticut has spoken very eloquently on this matter. I feel he has made a contribution to this body in many ways, such that I find it difficult to oppose him. As he knows, I have struggled with this matter at some length.

I am deeply concerned, for a number of circumstances that need not be repeated here today, that the feeling that exists in this country toward public officials is one that should cause us a matter of considerable alarm, and is not totally unrelated to the issue before us.

I must say I have never sensed, in my some 20 years of public life, the present kind of disenchantment, frustration, and disbelief that our political institutions and any of us who function within those institutions have today engendered in our citizens. There is really a dangerous feeling out there that our institutions have lost their democratic characteristics. I think each of us have the responsibility to make our individual decisions as only we can, one at a time, and do what we can as individuals to try to reverse this trend, this tendency toward disenchantment, and to start shoring up faith in the political processes and institutions of this country.

I think this is particularly important as far as this nomination is concerned, because there seems to be a stronger feeling of belief and faith in the judiciary than in any other governmental institution, and we are now dealing with a nomination to one of the most significant courts in the land.

So I must say I, as just one Senator, look at the qualifications of this particular nominee not only in the traditional sense of law and sensitivity, but how his past background and his actions and reactions might be interpreted by our citizens as they look to see whether we in the Senate are establishing an appropriate standard, or if we are ready to go on with business as usual in the conduct of government.

I think it is important for us to be grateful that there is more confidence in the judiciary than in some other institutions, but to recognize the responsibility we have to strengthen that feeling, at least to keep it that way.

In my judgment, as I look at this nominee, what we are talking about is a very difficult quality to define: namely, judicial temperament. There is no dictionary that defines that term, and no legal book that describes it. It is rather a matter each of us must look at as individuals, and try to determine for ourselves whether the candidate has the ability to determine the pluses and minuses of a human situation in a court of law.

We are talking about a different quality than that which is required to sit in the Governor's chair or on the floor of the Senate. When we discussed this matter insofar as Supreme Court judges are concerned, we drew a distinction between the responsibility resting on the shoulders of a judge and the responsibility resting on the shoulders of a cabinet official. The cabinet official has to be a tenacious advocate. That is his role. A Governor, a Senator, or a Congressman must per se be advocates of certain programs. They are either good or bad advocates, but we, by our very nature, must advocate certain positions.

A judge, on the other hand, must show a degree of temperament that permits him to rise above advocacy and assess things on a broader basis. If this is true in any circuit, it is certainly true in the second circuit, with its tremendous complexity of cases that have a tremendous impact on many important interests in this country.

I concur in what my distinguished colleague and friend from Connecticut said, and salute him for saying it, that I do not think the time should ever come where service in public life should disqualify someone from sitting in high places. Anybody who has been sitting in the U.S. Senate, in a Governor's chair, or in a mayor's seat is not going to practice very much law; or, if he does, he is going to get himself into some significant conflicts of interest.

A man who has had Tom Meskill's background is not going to be expected to practice much law. I am willing to say to my colleagues in the Senate, on either side of the aisle, represented by the two distinguished Senators from Connecticut, an individual certainly can by the experiences and the day-to-day conduct of his responsibilities here, evidence a significant judicial qualification. I am willing to admit that.

But I am also suggesting we turn that coin over and say that just because someone has been a Senator or just because someone has been a Governor, that does not mean per se they have evidenced the kind of temperament that would make them a good judge.

What really concerns me is that, absent legal experience, when I look at the only thing I have to look at, namely, the record of the Governor and former congressman, I come to a little different conclusion than my distinguished colleague, the senior Senator from Connecticut.

I have not known Tom Meskill as a boy. I only know him as an individual, and I look at some of the facts that were the product of his governorship, and I must say I come down on the side of being concerned that these acts do not evidence the kind of judicial temperament that I think a judge should have.

This decision has to be made not on the right or wrong of various given issues. I think the Senator from Connecticut adequately described the differences in philosophy; that should not enter into it. But, as I look at certain of the decisions that Governor Meskill made, I am concerned that they evidence the wrong kind of temperament, and without belaboring these, I just, from the standpoint of making the record, want to point out three or four of them.

We have in our separate views reported these items, at least some of them. We do know that when he was Mayor, just to

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go back a step further, that he got into a confrontation with his city council and ordered their arrest in an effort to try to keep the council from disrupting a quorum. I am not too sure that that is the kind of act that shows a man has the sensitivity necessary to rise above petty differences of the moment.

He also attempted to close down the University of Connecticut Legal Aid Clinic because they were involved in controversial cases. Now, I do not think that evidences the kind of temperament that we ought to have on the benches of this land.

He ignored the Connecticut Supreme Court in an attempt to utilize a partial veto over actions of the State legislature, and has made certain other remarks publicly that, I think, without going into detail, because many of them are contained in the record, show a certain kind of temperament so far as judicial temperament is concerned.

There has been a great deal of discussion about this leasing matter. Certainly the record shows this issue has not been finally resolved, but certainly neither has there been any illegality proven as far as Tom Meskill is concerned. Looking at this from the temperament standpoint, I think there was enough advance notice so that a person who was really sensitive could have taken more steps than he took. But I find that in itself certainly not disqualifying. It is part of the pattern of insensitivity to the standard of conduct that I think ought to be represented in the judicial posts of this land.

I want to say, before concluding, that the matters I just alluded to might have been good policy from the standpoint of the Governor or mayor in the in-fighting between a mayor and his council, the in-fighting between a Governor and a legislature or the Governor and the supreme court of the State. That may make good policy from an administrative standpoint. But I think it is evidence of the lack of sensitivity that if you really are concerned about playing by the rules and having the temperament that considers certain human qualities that are very difficult to define, that that kind of temperament, that kind of quality does not exist there.

I say that with great regret not only because of the great respect I have for my two colleagues from Connecticut, but because I just hate to see this kind of thing which has to involve certain difficult-to-describe personal characteristics debated out here and, perhaps, be the cause of some embarrassment for a man who has served in several distinguished capacities.

Mr. President, let me say, in closing, that, as I said earlier, I think that the people of this country today are sick and tired of business as usual from governmental institutions, from the Senate, from the White House. Since indeed they do, apparently, have some respect remaining for the judicial branch of this country, I think we need to say, as Members of the Senate, we are going to stop looking at appointments to the judiciary as business as usual, and we will look for a man who has the kind of temperament to sit as a judge, not as a Governor or a mayor.

There are a lot of distinguished citizens in the State of Connecticut that, I am certain, have this kind of judicial temperament and sensitivity that, I think, are the kinds of qualifications we should look for today.

I want to say to the distinguished Senator from North Dakota, who has sort of been in charge of this particular responsibility, that I know from personal experience what a difficult load it is to carry, and I want to salute him for carrying this responsibility out in the manner in which he has. I think he has set an exceptional example for all of us to stand up and take on this tough battle because this one is not an easy one, I know from past experience.

The PRESIDING OFFICER (Mr. Buckley). Who yields time?

Mr. HRUSKA. Mr. President, we are in a little bit of a predicament here. I understand there are 9 minutes remaining for the proponents. How many remain for the opponents?

The PRESIDING OFFICER. There are 9 minutes for the opponents.

Mr. HRUSKA. It is the desire of the Senator from Connecticut to avail himself of that prerogative which a proposer of a nomination should have, which is to close the argument.

I ask the Senator from North Dakota has he any more speakers available and ready to go; not only willing but present?

Mr. BURDICK. I am in the unusual position today of being in the minority. The Senator is in the majority.

Mr. HRUSKA. Does the Senator have a speaker?

Mr. BURDICK. Not at the moment.

Mr. HRUSKA. Would the Senator waive his 9 minutes so that Senator Weicker can conclude the debate?

Mr. BURDICK. No; I will not waive any time, but I would certainly let him conclude the debate.

Mr. HRUSKA. Would the Senator give Senator Curtis a part of his time?

Mr. BURDICK. Not for the moment because I am expecting a speaker.

Mr. HRUSKA. Very well.

May I ask who the speaker is?

Mr. BURDICK. Senator Kennedy.

Mr. HRUSKA. The Senator from Massachusetts.

Well, Mr. President, I am waiting to hear his voice. In the meantime, I do not yield any time on my part.

The PRESIDING OFFICER. Is all time yielded back on both sides?

Mr. HRUSKA. Mr. President, I would object to that. I am ready to go. We are ready to perform.

I think it is a custom through time immemorial in this Chamber that the proponents of any measure or nominee will close the debate, and I do not think it should be violated now.

On the basis that there are 9 minutes left, I yield myself 4 minutes, and I reserve 5 minutes of the final debate to the Senator from Connecticut.

Mr. President, I have been a member of the bar for over 45 years. Most of those years I have been a member of the American Bar Association. I might say, somewhat facetiously, that I joined the ABA as soon as I was able to afford its dues and assessments and have since then continued my membership in this fine organization.

In light of my longtime membership in and respect for this organization, my criticism of the ABA is of a friendly and I hope constructive nature.

The Senate is being asked to accept the extremely narrow standards which the ABA requires of nominees to the Federal bench. The ABA would impose the requirement that a nominee for circuit judge be a trial litigation with extensive Federal court experience in order to be eligible for such position. The only exception to this standard is made sometimes for someone the ABA considers to be a brillant law professor and is also perhaps a member of the ABA, for some professors the trial experience requirement has been waived by the ABA altogether in past nominations. All other lawyers, no matter what discipline of the law they may be pursuing, would be barred from the bench by the ABA.

I contend, Mr. President, that the ABA's standard is too restrictive. It would prevent all but an extremely small number of the practicing lawyers from serving on the bench. Under such a formula, while we would have the service of those who had spent their years in the classroom and court room, which is fine experience, we would be denied the additional service of those who have dealt with broad questions of law and public policy on a day-to-day basis.

Mr. President, I certainly am not alone in the thought that the ABA's eligibility requirement is too narrow. It has been so construed not only by the Department of Justice staff but by the Deputy Attorney General, by the Attorney General, by the White House staff, and by the President who submitted this nomination. Additionally, the Judiciary Committee which favorably reported this nomination rejected the notion that trial experience or the teaching of law is the only basis for considering judicial nominations.

Therefore, it can be fairly said that there exists broad basis for assessing the other qualifications possessed by Mr. Meskill, which include distinguished public service, in judging his fitness to serve on the bench.

The ABA says, however, that we should rule out all these other qualifications. It would have us rule out, Mr. President, all the testimony of those who have known Mr. Meskill intimately throughout his career as a practicing lawyer, mayor, Congressman, and Governor, who speak so highly of his ability and integrity, among those being a substantial number of the Connecticut congressional delegation, members of the Federal bench and representatives from local bar associations in the nominee's home State.

Now, Mr. President, let me ask what weight should be given the ABA's position on this nomination when it is balanced against the considered judgment of all the other parties who have been interested in this nomination, to whom I have referred?

It seems fair to ask further, Mr. President, to what extent the ABA speaks for the legal profession in this country. It claims a membership of 185,866 members. Figures for the number of lawyers in this country vary widely. The Library of Congress says it lacks that information. The ABA says there are 385,000. The Bureau of the Census says the 1970 figure was 325,000. Other sources say there may be as many as 500,000. In any case, it is clear that the ABA membership is only about half the lawyers in America.

Nor is the ABA the only national association of lawyers. The ninth edition of the Encyclopedia of Associations, published this year, lists approximately 150 additional legal organizations with nationwide memberships.

I do not wish to be misunderstood, Mr. President. As I have said before, and as the committee report makes clear, the views of the ABA in connection with judicial nominations are welcomed by the committee and by the Senate.

But it should be borne in mind that those views are not, in and of themselves, controlling. They must be considered together with all the other information the committee and the Senate receives. And it is in that perspective that the ABA's position, either for or against a nominee, must be viewed.

Mr. President, I believe that it would be helpful in evaluating the testimony before us to take note of the process by which the ABA arrives at in making such decisions. The ABA committee member from the nominee's circuit, in this case the Second Circuit, makes an inquiry as to the nominee's background, writes a report, in which recommendation is made as to qualification, and circulates said report to committee members in the other circuits who are scattered over the 49 States. These other 11 committee members then vote on the report. So the basis for the report is an inverted pyramid. One man makes the inquiry, selects the material which is to go into the report, makes the recommendation and the vote is thus taken by the committee of 12. In essense, the determination as to eligibility is made by one individual.

That is not true in the case of the procedures, as I outlined yesterday in great detail, involved in the submission of a nomination to the Senate that have been applied not only under President Ford, but going way back until the administration of President Eisenhower. As I indicated yesterday, I have served on the Judiciary Committee for some 15 years, under five Presidents and have had the opportunity to observe closely the procedures involved in such nomination. There is a thorough processing by the FBI. This is followed by an intense screening by the Department of Justice staff, by the Attorney General, the White House staff, the President, and the Senate Judiciary Committee.

I submit, Mr. President, that the composite judgment of those people is to be preferred to a self-serving and very limited base of the report of a single man to a 12-member committee.

The PRESIDING OFFICER. The Senator's time has expired.

Is the Senator from Connecticut prepared to speak now? Who yields time?

Mr. HRUSKA. Mr. President, if there are no speakers on the other side, I ask unanimous consent that the Senator from Connecticut may conclude the discussion with the 5 minutes remaining to the proponents of the nomination.

The PRESIDING OFFICER. Is there objection?

Mr. BURDICK. I object.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Mr. President, do we have a standing order specifying what time the Senate shall resolve this matter by rollcall vote?

The PRESIDING OFFICER. There is no specific time stated, but if all time is used a vote will occur at 3 o'clock.

Mr. BAYH. I thank the Chair. For the information and edification of the Senate, what happens when neither side agrees as to who will go forward?

The PRESIDING OFFICER. Under the precedents, the time is charged equally against both sides. That is what is presently happening.

[Laughter.]

Mr. CURTIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Are these periods of silence shown in the Record by so much blank space?

[Laughter.]

I withdraw the inquiry, Mr. President.

Mr. HRUSKA. Mr. President, I yield 3 minutes to the Senator from Connecticut, if he wishes.

Mr. WEICKER. I thank the Senator.

I realize difficulties arise all the time. If there is some old rule from time immemorial that I have the closing time, perhaps it is time to change the rule. I will speak my piece now, and if Senator Kennedy can get the floor, fine; that will give him a chance to speak.

Mr. President, we now come to what is the end of a long road for the members of the Judiciary Committee, the nominee, myself, and the entire Senate. I want to make several points clear. It is not what Senator Weicker or Senator Ribicoff want. That is a tradition that I do not believe in. I think the nominee should be able to stand on his own feet. I believe he should be subjected to the most intensive investigation.

I do not believe in a custom which clearly is not relevant to our times, politically. And these times demand a rebirth of credibility insofar as all of us are concerned in our relations with the citizens of this country.

So it is proper that when a man gets appointed to a lifetime job it should be more than a scrap of paper or the say-so of his hometown Senators. Rather, he should be gone over with a fine tooth comb by all the Members of this body.

As I stated earlier, it should be reviewed by the appropriate agencies of Government, specifically the Justice Department and the enforcement arm which they utilize it in this investigation, the Federal Bureau of Investigation.

I believe we continue the traditions established in 1965 when judgeships were brought into the light of day and made the business of the entire country. But the fact is that Tom Meskill has withstood such scrutiny.

Reference has been made to the small law cases that he has engaged in. That is going to be so with most lawyers in the State of Connecticut. It certainly is going to be so with those who follow a path, a life's path of government such as most of the Members in this Chamber. My cases were all small cases, until I made that decision early in life, as did Tom Meskill, that public service would receive my dedication and my devotion.

Would we feel any better if, when he came to that fork in the road, if he chose the path of big cases and big fees? Is that really what the people of this country want?

Maybe it is more important that it was not fees and it was not the normal signs of affluence that he chose but, rather, service in the public area.

God knows, there are no big fees from being a State representative, a mayor of New Britain, or a general counsel.

Finally, yes, to the Congress and, finally, to the governorship, achieving the highest levels available to those of us who chose such paths of public service.

Mr. THURMOND. Mr. President, I rise in support of the nomination of Thomas J. Meskill, of Connecticut, to the Second Circuit of the U.S. Court of Appeals.

During the consideration of Governor Meskill's nomination by the Senate Judiciary Committee, two points were raised by the American Bar Association Committee on the Federal Judiciary concerning the nominee's qualifications to be a judge.

The first point raised by the ABA concerned leasing practices during Governor Meskill's administration. For many years and throughout the administrations of several Governors, the State of Connecticut has been plagued by this subject. The lack of adequate statutory guidelines, standards or procedures led to this problem.

Governor Meskill tried to cure these problems on an overall basis by urging the Legislature of Connecticut to create a State committee to study building contracting and leasing procedures as a basis for legislation. The legislature refused to act.

Mr. President, it is notable that no witness testified to any specific wrongdoing or irregularity by the nominee and the ABA committee, itself, made no charges of illegal conduct or wrongdoing by the Governor.

Mr. President, the second point raised by the ABA was in regard to the nominee's legal experience. The ABA contends that Governor Meskill is not qualified for this position because of his lack of legal experience.

In my opinion, Governor Meskill is fully qualified to be a judge on the Second Circuit Court of Appeals. He has

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served his State and Nation well as mayor of New Britain, as a U.S. Congressman, and finally as Governor of Connecticut. Through his years as a private practitioner and his broad government experience, Governor Meskill has proven himself to be capable of serving in this important capacity.

The ABA had the opportunity to present its views on Governor Meskill's nomination, and in reality, the ABA failed to make its case before the Senate Judiciary Committee.

Mr. President, I call upon my colleagues to approve the nomination of Governor Meskill to the U.S. Court of Appeals for the Second Circuit.

The PRESIDING OFFICER. All time of the Senator from Connecticut has expired.

Mr. BURDICK. Mr. President, in view of the fact that I assured my colleague (Mr. WEICKER) the closing words, I will waive the remainder of my time. At this time I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Thomas J. Meskill, of Connecticut, to be a U.S. circuit judge for the second circuit? On this question the yeas and nayes have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Kansas (Mr. PEARSON) is necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The result was announced—yeas 54, nays 36, as follows:

[Rollcall Vote No. 141 Ex.]

YEAS—54

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Brock
Brooke
Buckley
Byrd,
Harry F., Jr.
Byrd, Robert C.
Case
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Garn
Goldwater
Gravel
Griffin
Hansen
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Javits
Johnston
Laxalt
Long
Mansfield
McClellan
McClure
Metcalf
Moss
Muskie
Packwood
Pastore
Randolph
Ribicoff
Roth
Scott, Hugh
Scott,
William L.
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NAYS—36

Abourezk
Bayh
Bentsen
Burdick
Chiles
Church
Clark
Cranston
Culver
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Jackson
Kennedy
Leahy
Magnuson
McGee
McGovern
McIntyre
Mondale
Montoya
Morgan
Nelson
Nunn
Percy
Proxmire
Schweiker
Stafford
Stevenson
Stone
Talmadge
Tunney
Williams

NOT VOTING—9

Bumpers
Cannon
Humphrey
Inouye
Mathias
Pearson
Pell
Sparkman
Symington

So the nomination was confirmed.

[Applause in visitors' gallery.]

Mr. ROBERT C. BYRD. Mr. President, I ask that there be order in the galleries.

The PRESIDING OFFICER. The visitors in the gallery are reminded that they are here as guests of the Senate and they are not to make expressions of emotion.

The Chair recognizes the distinguished minority leader.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIETNAM CONTINGENCY ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now resume consideration of the Vietnam Contingency Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

Mr. FONG addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the Senator from Hawaii has the floor.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, before the Senate proceeds, will the Senator yield to me?

Mr. FONG. I yield.

Mr. MANSFIELD. I ask unanimous consent that there be a half-hour time limitation on an amendment to be offered by the distinguished Senator from Oregon (Mr. HATFIELD), to be equally divided between the sponsor of the amendment and the manager of the bill, or whomever they may designate.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

WAKE UP, AMERICA—ASIA AND THE PACIFIC ARE NOT EXPENDABLE

Mr. FONG. Mr. President, Saigon is fighting for its life.

The Communist blitzkrieg that swallowed Quangtri, Hue, Danang, Quihon, Pleiku, Xuan Loc, and other South Vietnamese cities is moving forward with unexpected speed, now threatening Saigon itself, and has forced the resignation of President Nguyen Van Thieu.

The current North Vietnamese offensive is taking clear advantage of American failure to provide emergency military assistance to South Vietnam in her desperate hour of need, just as North Vietnamese aggression against the people of the South over the past 2 years took clear advantage of U.S. failure to live up to its agreement to resupply South Vietnam on a one-for-one basis.

With the U.S. Congress turning an increasingly deaf ear to the plight of South Vietnam, is it any wonder her people have become increasingly demoralized?

With the rest of the free world closing its eyes to North Vietnam's flagrant violations of the Paris agreement and stepped-up invasion of the South, is it any wonder the people of South Vietnam have felt abandoned?

Where oh where have been the voices of moral indignation at the violence inflicted by the North Vietnamese and the Vietcong upon the people of the South? Their silence has been deafening.

Where are the marching protesters and the demonstrators who for so long were visible in the United States and other countries venting their outrage against what they called "the immorality of war"? No matter how callous the bombing and killing of civilian populations in Cambodia and South Vietnam by the North Vietnamese forces and the Vietcong, we have scarcely heard a peep out of those who used to decry the immorality of war.

With the rest of the free world unwilling even to give moral support to the people of South Vietnam while the Communist powers encourage and supply North Vietnam to the hilt, is it any wonder there is panic in South Vietnam?

Even on humanitarian assistance, the U.S. Congress is dillydallying while the aggressor pushes relentlessly on toward the capital of South Vietnam.

In his speech of resignation yesterday, former President of South Vietnam Nguyen Van Thieu said:

> The inhuman attitude of the United States is that of a great power fleeing from its responsibilities.

He charged the Paris cease-fire agreements in 1973 "led the South Vietnamese people to death."

There are those cynics and Thieu-haters who dismiss these statements as alibis of a vanquished leader trying to find a scapegoat for his nation's dire predicament.

But, Mr. President, who can deny the facts that we are today, and have been since the Paris accords were signed in January 1973, fleeing from our responsibilities?

Can we honestly say the United States has lived up to its responsibilities for military and economic assistance to South Vietnam after the withdrawal of our troops?

Since the Paris peace agreement was signed, Mr. President, here is what has happened. North Vietnam, aided by the Soviets and the People's Republic of China, has sent vast amounts of armament and military supplies into South Vietnam, well in excess of the 1-for-1 replacement level permitted by the Paris peace agreement. The number of their armored vehicles has tripled; their field artillery strength has increased more than 50 percent; their antiaircraft artillery strength has more than doubled; and their armament stockpiles have grown to the point that they could sustain an offensive on the scale of 1972 for over a year without further replenishment.

Over 170,000 North Vietnamese troops have infiltrated into South Vietnam and built up their main-force army in the South from roughly 220,000 at the time of the agreement to its current strength of approximately 300,000.

While the North Vietnamese and the Vietcong were arming to the hilt and pushing farther and farther into South Vietnam, the United States was not even meeting halfway its promise to resupply South Vietnam on a one-for-one basis.

Following the peace agreements, the President asked for $1.6 billion in military assistance for South Vietnam. Congress cut this by nearly 37 percent, appropriating only $1.027 billion.

That was in fiscal year 1974.

For fiscal year 1975, the President requested $1.45 billion for military assistance to South Vietnam. Congress cut that by more than 50 percent, appropriating only $700 million.

For fiscal years 1976, 1977, and 1978, the President proposed a total military and economic aid package for South Vietnam of from $5.5 to $6.5 billion. If it cost $6.5 billion, this would be only $31 per person in the United States over the 3-year period, only $10.30 per year.

No, Mr. President, I am not unmindful of the $150 billion the United States has given in assistance to South Vietnam, to say nothing of the 50,000 American lives lost and the enormous casualties. Our dollar aid alone is a tremendous amount, and certainly has been one of the factors instrumental in our Nation's high rate of inflation and our huge national debt.

At the same time, if South Vietnam's independence and freedom could be saved with $9.5 billion in U.S. aid over 5 years—and 5 years of continued assistance after the Paris agreement is all President Thieu requested—would this have been too high a cost for the United States of America?

What will be the cost to the United States if South Vietnam goes down to defeat at the hands of the Communists, with all the damage this will do to the United States in our relations with other countries around the world?

Congress has refused to grant military assistance of $722 million requested by President Ford and is quibbling over even a token amount.

If Congress were to provide $50 million in military assistance, this would be 24 cents per person in America. At $100 million, the cost would be only 48 cents per capita; at $150 million, only 72 cents per capita; and at $200 million, only 96 cents per capita.

Is it worth, say, 48 cents per American to give the South Vietnamese people a morale booster so they will be strengthened to continue to resist the Communists in an effort to stabilize the situation and improve their prospects for a negotiated settlement of the war rather than surrender?

Once again, the United States is repeating the grave error it made after World War II in the case of free China of withholding aid at a crucial time from a friendly ally—and allowing a hostile government to seize power by armed force.

As I stated yesterday here in the Senate, if the United States had persevered in its assistance to President Chiang Kai-shek and the free people of China after World War II, the course of history would have been far different. Under that scenario, we might have avoided the war in Korea, the war in Cambodia, Laos, and Vietnam, and America's economic and fiscal problems might not be so acute today.

Having encouraged the South Vietnamese to fight to retain their freedom and to resist Communist takeover and now reneging on our promise of help, we are, in fact, allowing freedom to be eroded in Southeast Asia.

Make no mistake about it. The United States and the free world have lost in Cambodia and are about to lose in South Vietnam.

Make no mistake about it either. The repercussions from this are extending like shock waves from an earthquake throughout all of Asia and the Pacific.

Mr. President, I am not speaking empty rhetoric. I am talking about U.S. stature. I am talking about the ability of the United States to lead other countries in the direction of freedom, nonaggression, and peace. I am talking about America's national security.

On April 13, when it was obvious Cambodia was going to fall, listen to what President Ferdinand Marcos of the Republic of the Philippines announced publicly. Remember, the Philippines were under U.S. tutelage from 1898 until their independence on July 4, 1946.

I quote from his press release of April 13:

> President Marcos said today (April 13) that peace in Asia was endangered by the disruption of the delicate balance of power in the region as a result of developments in the Indochina war.
>
> Because of this, the President said, it was time to restate the "basic principles of self-determination" and the government position that in the setting of national and international policy the "paramount" consideration was the national interest.
>
> These statements were made in his extemporaneous remarks at the farewell ceremonies for Romanian President and Madame Nicolae Ceausescu at the Manila international airport this morning.
>
> They came on the heels of a statement he made at a dinner he gave in honor of the visiting dignitaries in which he revealed that developments in Indochina have compelled the government to review its policies on security and development.
>
> High government sources had also disclosed that this review included a hard-headed reassessment of security ties with the United States, especially the presence of American bases.
>
> The same sources said that as of the start of the month, three government agencies had been reevaluating the usefulness of American military bases in the Philippines.
>
> "We in the Philippines today do not only confront the problems of development but must now, in addition to many other things, confront the problems of security," the President said in his remarks bidding goodbye to President Ceausescu.
>
> He said that the Romanian President's visit had given him the occasion for a "restatement and reassertion of the basic principles of self-determination, on non-intervention of any of the powers in the internal affairs of any country, non-aggression, settlement of disputes by peaceful means, renunciation of violence as an instrument of international and domestic policy, and the maintenance of the unity not only of the nation but also of small countries for the attainment of their national interests."
>
> He added, "and that in the setting of policy both national and international, one factor must be paramount and that is the national interest."
>
> He said that he had repeatedly stated the principles of interdependence. He said that interdependence was meaningless without peace and that this same peace is today endangered in Asia.
>
> "For that peace was dependent upon the balancing of the different great powers in this area." he said, "but today that balance may have been wrecked by the occurrences and the events of the last several months."
>
> The other night high government sources were quoted as saying that a serious reexamination of Philippine treaties with the United States was under progress.
>
> The same sources said that while this reexamination was a continuing process, this has assumed urgency in the light of the developments in Cambodia and Vietnam and also in the light of new perceptions of the American commitments to its allies especially in Asia.

Mr. President, I interrupt to raise this question: What does "new perceptions of the American commitments" mean in plain language?

It means you cannot trust the United States to keep its commitments.

I continue with the press release:

> The sources pointed out that commitments made by American Presidents seem to be nothing more than statements of intent that do not bind the American people, the Congress, or Government.
>
> They said that while the Philippines maintains a Mutual Defense Treaty with the United States which in theory says that an attack on the Philippines will be considered an attack on the United States, it is doubtful that this will protect the country enough.

Again Mr. President, I ask, What does this mean?

It means those countries with whom we have mutual security pacts no longer can be sure we will honor our treaties. And if they are not sure we will keep our

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word, why should they stick with the United States?

I continue with the press release:

> The sources were further quoted as saying that the Philippines should not continue to be involved in conflicts and animosities engendered by policies of other countries.
>
> Hence, the Philippine policy of self-reliance is proving to be the only correct approach to our relations with other countries, these sources said.

President Marcos, a longtime friend of the United States, has had the courage to say out loud what I am sure other countries are saying within their own councils; namely, that America is a fair-weather friend.

And if our friends doubt our credibility, our potential adversaries must also conclude America is unreliable toward its allies.

Besides the Republic of the Philippines reacting as it did, Thailand, our longtime ally, has also reacted. Thailand has asked that we remove our airplanes and troops from her soil. Make no mistake about it, Thailand understands clearly our failure to live up to our commitments to South Vietnam.

Only 11 days ago, in the Senate Foreign Relations Committee office in S. 116 of our Capitol Building just below this Chamber in which we are now meeting, I asked the Honorable Kiichi Miyazawa, foreign minister of Japan, "What do Asians think about our refusing to aid the Cambodians and the South Vietnamese?" He replied politely, "You have not lost the war, you have only lost a cause."

What is the cause that we have lost?

It is the cause of freedom.

It means America has had its leadership toward freedom and liberty for all people diminished and tarnished. If America cannot lead toward freedom and justice, which country will? And if America defaults in its leadership, will we have war or peace?

In 1950, after the U.S. Secretary of State declared Korea was beyond our defense perimeter, North Korea took that as a signal to invade South Korea without fear of U.S. intervention. And we were once again at war in Asia.

Now that the United States shows no further interest in helping South Vietnam to defend itself, will the North Koreans interpret this to mean they can move into South Korea without fear of U.S. assistance to South Korea?

If the Philippines decide to make accommodations with the socialist countries of Asia—that is, the Communist countries—how long can Indonesia hold out against Communist pressure?

And so it goes, Mr. President, on and on, the deterioration of the forces of freedom in the Asia-Pacific arena.

What does it mean when the President of the Philippines says his country is going to follow a policy of self-reliance and reevaluation of U.S. bases in the Philippines?

Will reevaluation mean no bases in the Philippines?

If we have no air base in the Philippines, we would only have one Far Pacific base—on Okinawa—and who knows how long we will have base rights there. That would leave us only Guam and after that Hawaii, Alaska, and the west coast.

And what about our naval base in the Philippines—5,000 miles deeper into the Pacific than Pearl Harbor.

If that ceases to be available, again we will have to rely on Guam, Hawaii, and the west coast.

What happens to the sea lanes in our important trade and commerce with the Far East, where in 1973 for the first time we sold more of our goods than we did to Europe. Trade and commerce are the lifeblood of the world's economy. They are not dirty words, Mr. President, as some who disparage commercial enterprise would have us believe. Certainly, for the United States, international trade and commerce are vital to our economic well-being and to our national security. International trade and commerce mean jobs for more people, incentives for capital investment, dividends for stockholders, and taxes to help run our Government.

Bit by bit, is America to be isolated, frozen out from Asia and the Pacific?

I ask you, Mr. President, what happens now in Okinawa where we have base rights. Will we be asked to leave? And what course is Japan, which since 1945 has relied on America's defense umbrella, going to adopt now?

Will Japan undertake a massive defense program of her own, or will she now seek closer accommodation with her Communist neighbors—or both? If America loses Japan as an ally, we lose one of the four greatest economic and industrial centers of the world.

(At this point Mr. Buckley assumed the Chair.)

Mr. FONG. And what about Taiwan? Are Taiwan's 17 million free people expendable?

As we go down the list, Mr. President, we can see our actions in Cambodia and Vietnam go far beyond the borders of Cambodia and South Vietnam and raise questions among friends and foes as to America's reliability and durability when the going gets rough.

We now come down to the basic question, Mr. President: Are Asia and the Pacific expendable? Shall we as a nation turn our back on the other nations of Asia and the Pacific? We tried this following the end of World War II by retrenchment of our Pacific forces, whittling down our national defenses, and our Secretary of State declaring that our defense perimeter runs from the Ryukyus to the Philippine Islands, thereby excluding the trouble spots of Korea and Taiwan. Only 6 months after that U.S. declaration, North Korea invaded South Korea and the United States was at war.

Less than a decade after truce was reached in the Korean war, President Kennedy announced U.S. support for Laos and Cambodia and the United States through that and succeeding administrations and through the Congress was committed to support the independence of the free nations of Indochina.

Initially and for some years, the majority of Americans supported these policies in Southeast Asia. As the war dragged on, however, opposition in America grew, the clamor for a negotiated settlement increased, so the Paris peace accords were signed in January 1973.

South Vietnam was reluctant to sign the accords, because nowhere did these documents call for the expulsion of North Vietnamese from South Vietnam. But on the U.S. promise to resupply the South's defense forces, South Vietnam went along with the Paris agreement.

Since then, the Congress has failed to provide the full amount of military assistance required, even though it was common knowledge North Vietnam was being resupplied by the Soviets and the People's Republic of China far beyond the one-for-one limit specified in the Paris accords.

At the same time the United States was defaulting on military assistance to South Vietnam, our own military force structure for economy reasons was being whittled down and our Nation was retrenching in the Asia-Pacific area. Our military posture in the Pacific has been retrenched to the point where we are stretched exceedingly, maybe dangerously, thin in air and sea power, as well as manpower. Once again it looks as if Asia and the Pacific are expendable.

In the Pacific we have Alaska, only a few short miles from the U.S.S.R. We have Hawaii in the mid-Pacific, the only one of our 50 States to have been hit by enemy bombers in World War II. We have Guam and the Trust Territory even farther west than Hawaii in the Pacific, but more to the south. And we have the great States of Washington, Oregon, and California, all Pacific States, just as concerned about peace in the Pacific as the Eastern States are concerned about peace in the Atlantic.

When it comes to Europe, the American people are in general accord that we must help our allies to remain strong, free, and viable, and maintain the balance of power.

We also are in accord that we must help Israel remain strong, independent, and viable. We also recognize in the Middle East that we must maintain a balance of power in the interest of peace.

Why is it not equally importance to help maintain strong, free, independent, and viable allies in Asia and the Pacific?

Why is it not equally vital to America to help maintain a balance of power in Asia and the Pacific?

It is easy to calculate how much we can save in dollars now by denying South Vietnam further defense aid.

But who has calculated the cost of the damage done to America's other allies in Asia and the Far East as well as to our own national security—should all of Indochina come under Communist rule?

Who has calculated the cost to America of our loss of credibility, not only in Asia, and the Pacific, but around the world?

I fear the American people will pay dearly for the mistaken course that Congress has charted toward Indochina over the past 2 years.

When are we in America going to learn that the United States is not only a member of the Atlantic community, but also a member of the Pacific community?

When are we in the United States of America going to learn that we should be as concerned about events in Asia and the Pacific as we are about events in Europe and the Middle East—and take as strenuous steps to avert war in Asia and the Pacific as we take to avert war in Europe and the Middle East.

In this very dangerous world in which we live, it is essential that the United States fashion war-deterrent policies as viable and as sustainable in the Asia-Pacific arena as we have in Europe and the Middle East.

The off-and-on, cold-and-hot policies the United States has pursued in Asia and the Pacific since the 1930's have proven to be nothing short of disastrous to our Nation. Three costly wars in the space of 30 years.

Because of three wars in 30 years, many Americans want to cop out of Asia and the Pacific area.

I say we can no more cop out of Asia and the Pacific than we can cop out of Europe or the Middle East.

I say, "Wake up, America, wake up" to our Nation's needs and responsibilities in Asia and the Pacific.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. FONG. I yield.

Mr. THURMOND. Mr. President, I just want to compliment the able and distinguished Senator from Hawaii for the excellent presentation he has just made on Vietnam and on our foreign policy in general.

The distinguished Senator from Hawaii has visited the mainland of China, he has visited in Taiwan, he has visited in Vietnam and other places, and to my way of thinking he has a true comprehension of the world situation and the importance of the United States maintaining a strong foreign policy and backing up such a policy.

Mr. President, I would just like to ask the distinguished Senator from Hawaii if he does not feel that if the United States had won the war in Korea instead of having a stalemate, we might have avoided this war in Vietnam?

Mr. FONG. Well, in answer to the distinguished Senator from South Carolina, I would like to go back further.

If we had given the aid to President Chiang Kai-shek when he really needed aid at the end of the Second World War so that he could suppress internal dissension, we would not have had, I believe, the Korean war, the Cambodian war, the Laos war, or the South Vietnamese war, and our economy would not be at this very critical stage.

Mr. THURMOND. In other words, if we had stood with Chiang Kai-shek, who stood for freedom——

Mr. FONG. Yes.

Mr. THURMOND. —at that time, and provided a reasonable amount of aid, instead of listening to some segments of the media who were talking about corruption more than they were talking about freedom, Chiang Kai-shek might have survived on the mainland, and if that had happened the war in Korea would not have happened, would it?

Mr. FONG. As we look at history, we will find when America was hit by Japan at Pearl Harbor, it was the decision of Mr. Churchill and Mr. Roosevelt that we take the offensive in the war against Hitler and maintain a defensive posture in the China and Asian war.

So 98 percent of the war supplies were sent to Europe and only 2 percent were sent to Asia. Of that 2 percent, Chiang Kai-shek only got 10 percent, so he was weakened by having to use his own materiel in defending China against the Japanese.

After the war in 1945, he needed aid to rebuild his weakened army, but he never got that aid. Instead, he was asked by the United States to enter into a coalition with the Communists, and while our Government was insisting on a coalition, we withheld assistance from Chiang for about 2 years. Meanwhile, the Communists continued building strong, well-trained forces, and finally, he was forced to leave the mainland of China.

If we had given him that aid, we would not be in this very precarious position we find ourselves.

Mr. THURMOND. And is it not a fact that governments which have become coalition governments have ended up as Communist governments?

Mr. FONG. There is no question about it. History proves if a country has a coalition government, it winds up with a Communist government.

We have seen when we enter into an agreement with Communists, that their entering into agreements with us is one of deception. If they have found that they cannot win at a particular moment, they enter into agreement with us.

It is like playing a football game, as former Congressman Judd said, if we cannot hit the line, throw a pass. If we cannot go through, call for time out, and after time out, pretend we are hitting the right end but instead hit the left end.

This is what the Communists have done. They did not give up. Even with the Paris agreement. We can see they were just waiting, just to get out, and they were violating the agreement by sending troops in, sending in all kinds of military material so that they could hit South Vietnam. They have not lived up to the agreement.

So every time we enter an agreement with them we find we are on the short end, that we come out the losers, and finally, when we wake up and find that, we have really been taken.

Mr. THURMOND. And because we participated in the Korean war, which was a no-end war, we only had a stalemate, we did not win, we did not lose, the world got the idea, at least the Communists did, that they could attack with impunity, and get a settlement any time they wanted it; whereas if we had bombed in places we should have bombed, such as the Communist installations, we could have won that war and that would have been a deterrent to the Vietnam war, would it not?

Mr. FONG. It would have been quite a deterrent to the Vietnam war.

We got into the war, so we should have tried to win. Instead, we gave the enemy a chance to build up and gave them a chance to decide what they would do, while we just reacted to what they did.

Mr. THURMOND. Later, President Kennedy sent people to Vietnam, followed by President Johnson with over half a million troops, and we were in Vietnam 10 years or more. We did not lose, we did not win, we stood there fighting with our hands behind our backs.

As a consequence, we lost 50,000 men killed, 300,000 wounded, and spent $150 billion in that war. We then reached a settlement, a very tenuous type of settlement, with North Vietnam long enough for us to get out. South Vietnam was left holding the bag.

When we got out, we promised South Vietnam we would give them a gun for a gun, a tank for a tank; and that we would supply them with all the material with which to fight. Although we had withdrawn our troops, we promised to give them the ammunition, the equipment, and weapons with which to defend themselves if the North Vietnamese violated the Paris agreement.

We failed to keep our promises. As a consequence, the South Vietnamese could not plan an attack themselves. They could not go on the offensive. They could not determine the time of attack, the place of attack, or the method of attack.

The North Vietnamese were able to make all those decisions.

With the complex equipment provided by the Soviet Union, radars, helicopters, rockets, planes, tanks, trucks, all kinds of modern war equipment, they came south. I want the record to show that it was North Vietnam that violated the Paris agreement and not South Vietnam. Although the United States was a party to the agreement, we stood idly by and took no steps to enforce it. Is that not true?

Mr. FONG. That is true. I want to say when the United States got out of the war in South Vietnam through the Paris agreement, we thought we had a stalemate and a ceasefire but, actually, as it now turns out we have lost the war. We have lost the war in Cambodia, and we are losing the war in Vietnam.

The sad part about the whole story is this: We have expended $150 billion in that war in South Vietnam. We have lost 50,000 of our boys. President Thieu said in Paris, "Give me 5 more years of aid" and our Presidents followed up by saying, "Let us give them about $9.5 billion more."

Former President Nixon and President Ford asked for a total of about $9.5 billion more in aid for Vietnam for the time of the peace treaty to 1978—1973 to 1978. Mr. President, $9.5 billion would mean $9 per American per year over 5 years.

We have expended over $150 billion in the Vietnam war, and President Thieu says, "Give us 5 more years of aid, and I think South Vietnam will be strong enough to be a viable, sovereign state."

We have thrown $150 billion down the drain. We have lost 50,000 of our boys. Now we are letting South Vietnam go, and the repercussions in Asia are going through these countries like a shock wave.

Mr. THURMOND. Is it not true that

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other countries in Asia and in other parts of the world are now beginning to look askance at this Nation and wondering whether or not they, too, can rely on the commitments of America?

I was in nine Asian nations between Christmas and the time Congress met this year. I talked personally with the heads of seven nations. I want to say that invariably the point was raised: What is America going to do about South Vietnam? Are they going to stand by their agreements?

These nations knew if we did not stand by South Vietnam it would be dangerous for them to feel they could rely on us if they got in trouble, too.

Does not the Senator feel that the impression all over the world is that it is doubtful if America will keep her agreements?

Mr. FONG. Not only our friends are asking that; our foes are asking that. Is America's word good? Is our credibility good?

Look what Philippine President Ferdinand Marcos said. Ferdinand Marcos and the Philippine Islands were under our tutelage for many years, almost half a century. We had governed the Philippines from 1898 until the time we gave the Philippines independence in 1946. For 48 years, they had been under American democracy.

This is what Ferdinand Marcos said in a press release just a few days ago, on April 13. He said that he is now reassessing whether he should keep the American bases in the Philippines. He is reassessing as to whether he should make accommodations with the Communist countries. His words are as plain as day that he does not trust the United States. He said that a commitment by the U.S. President is only a statement by the President and the President cannot keep it.

This is what a strong ally of the United States is saying out loud. If Ferdinand Marcos says this, what does the Senator think the other nations are saying?

Mr. THURMOND. Does not the Senator feel that, in view of the circumstances that exist today, other nations are going to begin to wonder whether or not to aline themselves with us, whether or not to look to us, whether or not to cooperate with us in the Free World? Or will they take the position that "Maybe we will have to make the best arrangements we can with whatever nations we can in order for us to survive as a nation"?

Mr. FONG. There is no question about that; this is going on in all of the councils of Asia. Let us look at what this could mean. Suppose President Marcos says, "Get out of my country; no more air base for you, no more naval base for you," where will we go? What will that do to Indonesia? Will Indonesia listen? What about Japan? They will say, "I, too, will make accommodations." Then where are our friends? We will have no friends in the Far East. We will have no friends in the Pacific. It is a sad commentary that we have come to this day in our life.

Mr. THURMOND. Is it not true that with Cambodia having fallen and South Vietnam upon the eve of falling, if that country falls, too, that the oil which is offshore in South Vietnam will go to the Communists? Is it not true that the 30 million people in Cambodia and South Vietnam will be under Communist control? Is it not true that the rice basket of that part of the world will go to the Communists? Is it not true that the waters in that part of the world will be controlled by the Communists, which will handicap us in the operations of our ships and commercial interests in trading throughout the world? Is it not true that our defense ships and carriers that have to travel in that part of the world may be jeopardized?

All of this could have been saved if we had just taken the steps, and boldly taken the steps, we should have taken. Would we not in the end have saved a lot more in cost than we probably will have to pay out in years to come?

Mr. FONG. What the distinguished Senator says is true. In 1973, America sold more goods to the people in the Orient than it did to the people of Europe. Who is going to protect our sealanes? Are we going to be able to sell to those people when we lose their friendship?

The concern of the distinguished Senator in this regard is a real one.

Mr. THURMOND. Is it not also true that when the North Vietnamese came down into Cambodia and were bombing American troops there, and our troops returned the fire, there were leaders in this country, in and out of the Congress, who were protesting when our troops were merely trying to save American lives? The North Vietnamese have now supplied the enemy, the Communists in Cambodia, and the enemy has taken that country. Although we induced Cambodia to cooperate with us, when they got into a pinch we let them down.

Mr. FONG. There is no question but what we have betrayed the Cambodians, and we have betrayed the South Vietnamese. There is no question about it. In my mind, there is no question that we have made our commitments and we have reneged on our commitments; we have not lived up to our commitments. The sad part, as I said, is another $9.5 billion would have seen us through.

Mr. THURMOND. Mr. President, I want to commend the distinguished Senator from Hawaii for his excellent presentation here. I wish each Member of the Senate could have heard it. I hope the people of the Nation will read his position and hearken to it.

Mr. FONG. Mr. President, I wish to thank the distinguished Senator from South Carolina for his incisive comments on this very crucial matter.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

AMENDMENT NO. 362

Mr. HATFIELD. Mr. President, I call up my amendment at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an amendment numbered 362:

At the end of the bill add the following new subsection:

(c) Notwithstanding any other provision of law, any assistance under title I or title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled for delivery to Cambodia on or before the date of enactment of this Act shall be delivered to Cambodia through multilateral, international channels, in accordance with section 35(a)(7) of the Foreign Assistance Act of 1974: *Provided*, That such assistance is requested by the Government of Cambodia.

The PRESIDING OFFICER. On this amendment there is a half hour, to be divided equally, 15 minutes to each side. Who yields time?

Mr. HATFIELD. I yield myself 10 minutes.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Delaware (Mr. BIDEN) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I shall be very brief concerning this amendment, because it is very simple. It merely puts into this bill the commitments made by both the executive and the legislative branches of Government over the past few months.

On January 28 of this year, the President of the United States presented to Congress his Vietnam and Cambodian supplemental appropriations requests, and he made this statement in the language transmitting the proposal:

> This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food for the victims of war and to prevent the economic collapse of the country.

Mr. President, I think it clearly can be implied that the requests made by the President constituted basically an objective of meeting the food requirements for the people who are the victims of war—namely, the citizens of the country of Cambodia—more especially, than to a political regime that might be in power at any given time.

On March 7, because of the concern that the Senator from Massachusetts (Mr. BROOKE) and I had on this subject, we wrote a letter to the Honorable Henry Kissinger, Secretary of State. In this letter, Senator BROOKE and I stated:

> Since raising the ceiling on economic aid will have an actual effect on the conditions there next summer rather than at present, we believe the Administration should explore all contingencies that may occur between now and then. One such contingency, of course, is the collapse of the Lon Nol government. It is our firm view that America should have a commitment for using those food resources destined now for Cambodia, and those added by the raising of the ceiling, to relieve the needy and malnourished thousands of Phnom Penh, regardless of what goverment is in power, provided that such humanitarian assistance is requested.

Then, on March 27, the Secretary responded to the letter, over the signature of Robert J. McCloskey, the Assistant Secretary for Congressional Relations. I ask unanimous consent that both letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 7, 1975

Hon. HENRY KISSINGER,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: We are deeply concerned, as are most members of Congress, that the necessary humanitarian relief for the sick and starving in Cambodia reach those who suffer there. In an effort to insure that such assistance is available to the people of Cambodia, we are prepared to support an increase in the legislative ceiling of our assistance to Cambodia specifically for this purpose. However, in practical terms, the raising of this ceiling will have little immediate effect on the situation in Phnom Penh, under present conditions. As long as the Mekong River is inaccessible, and as long as we send as much ammunition through the airlift as at present, little more food can reach Phnom Penh over the 600–700 daily tons being flown there now. Payment for this food is coming out of obligations already made under the ceiling.

Since raising the ceiling on economic aid will have an actual effect on the conditions there next summer rather than at present, we believe the Administration should explore all contingencies that may occur between now and then. One such contingency, of course, is the collapse of the Lon Nol government. It is our firm view that America should have a commitment for using those food resources destined now for Cambodia, and those added by the raising of the ceiling, to relieve the needy and malnourished thousands of Phnom Penh, regardless of what government is in power, provided that such humanitarian assistance is requested. Further, this course of action holds the hope of enabling us to exercise some moderating influence over any insurgent-dominated government likely to emerge in control of Cambodia. Therefore, we are willing to lift this ceiling on economic assistance provided the Administration indicates its willingness to make available such humanitarian aid to the people of Cambodia, even if the present government in Phnom Penh fails to survive.

Under this arrangement, such assistance would have to be distributed and channeled primarily through U.N. agencies, voluntary agencies, and other multilateral or private groups operating in Cambodia in accord with Section 35(a)(7) of the Foreign Assistance Act of 1974. In this regard, we have met with Dr. Francisco Aquino, Executive Director of the World Food Program. He has assured us that the World Food Program, which presently has an infrastructure in South Vietnam, will be ready and available to administer food aid to Cambodia in such a situation.

We would respectfully ask you for your immediate reactions to this proposal, with any suggestions or comments you have to offer.

Sincerely,

MARK O. HATFIELD,
U.S. Senator,
EDWARD W. BROOKE,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, D.C., March 27, 1975.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: The Secretary has asked me to reply to your letter of March 7 on continued food aid to Cambodia. We, too, are deeply concerned that the humanitarian relief that we are providing in Cambodia reach those who suffer. In an effort further to demonstrate our concern, we have recently approved a Title II grant of up to 20,000 tons of rice for delivery to participating international and U.S. voluntary agencies such as Catholic Relief Services, Cooperative for American Relief Everywhere, Lutheran World Relief and World Vision Relief Organization. This donated rice will be used to support feeding programs for refugees, displaced persons and other needy Khmers. Unfortunately, at this time the FAA economic and PL 480 funding ceilings preclude immediate action to expand rice procurement; thus the 20,000 tons was provided for Title II by converting Title I rice which was in Saigon awaiting shipment to Phnom Penh.

With the deteriorating situation in Cambodia, the need for the Congress to increase the portion of the Cambodia ceiling applicable to economic and food obligations from $177 million to $250 million is now more urgent than ever. We need to respond to emergency humanitarian needs as they are identified either by providing Title I rice, Title II rice, Title II high-protein foods, or medicines financed from the Indochina Post-War Reconstruction account, along with funds to airlift these commodities.

Speedy action on lifting the economic and food assistance ceiling contained in Section 655(a) of the Foreign Assistance Act or increasing it in adequate amounts is essential. Sufficient PL–480 authorization and appropriation already exist under present law. No additional economic appropriations other than the $100 million authorized in the 1974 Foreign Assistance Act are required.

The food, nutrients and medicines which can be procured if the ceiling is raised may save or extend the lives of thousands of Cambodians if the Congress quickly approves appropriate levels of military and economic assistance authority. In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Committee of the Red Cross, if for whatever reason bilateral aid is no longer possible.

If we can be of further service please do not hesitate to let me know.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

Mr. HATFIELD. Mr. President, I read from Mr. McCloskey's letter:

> In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Committee of the Red Cross, if for whatever reason bilateral aid is no longer possible.

The next document to which I refer is the document of the Foreign Relations Committee relating to S. 663, which was reported to the floor of the Senate on March 21. As Senators will recall, this bill was not acted upon finally because of the collapse of Phnom Penh, but the Foreign Relations Committee, in carrying this bill for the appropriation, said this:

> In approving the additional food aid the Committee has included language stating that "primary emphasis shall be given to relieving human suffering." Under the bill approved by the Committee humanitarian aid can be made available to any new government that may emerge from the present situation.

We have, further, the language of the pending bill, which says in section 7:

> It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia.

That being the documentary background to this amendment, I point out that the amendment simply does one thing—that is, it stipulates that the delivery of this food is to be accomplished through multilateral international channels, in keeping with section 35(a), subsection 7, of the Foreign Assistance Act of 1974. The aid we are talking about is simply 60,000 tons of rice which is now in Saigon and 30,000 tons enroute to Saigon, which is now located in Singapore, both of which total 90,000 tons, and together were designated for the people of Cambodia.

All we are attempting to do is to put into the legislation a restatement of what has been stated by the President, as I have interpreted it with his statement to Congress in January, what has been stated very clearly on behalf of the administration in response to a letter of inquiry as to whether or not this rice was a commitment to the people or to a regime, the statement by Mr. McCloskey, on behalf of Secretary Kissinger, which clearly stated that it is a commitment to people, not to a regime, and the language of the Committee on Foreign Relations. We are merely restating that concept in this bill through this amendment.

Let it be understood clearly by the legislative record made here today that this is not to be interpreted either to implement or to camouflage or in any way to become an instrument, directly or indirectly, for military policy or for foreign policy as it relates to the extrication and evacuation of Americans in Saigon. This is simply a statement of fact, that we are committed here with resources that are already over there, to let those resources be placed to meet the needs of the Cambodian people, provided that they are requested and provided that it is made through the aegis and under the auspices of the United Nations. This does not involve the United States in any way military or politically; but strictly from a humanitarian point of view, it is carrying out the implied and explicit commitments and promises made through both the legislative and the executive branches of Government.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. BROOKE. Mr. President, I commend my distinguished colleague for offering this amendment and for bringing this matter to the attention of the Senate. He has always taken a leadership role in these matters.

I believe this is an excellent amendment. I hope that the floor manager of the bill will see fit to accept the amendment.

I ask my colleague if he will add my name as a cosponsor of this amendment.

Mr. HATFIELD. Mr. President, I thank the Senator from Massachusetts for his generous remark. I will be very proud to have his name appear as a cosponsor.

I ask unanimous consent that the name of the distinguished Senator from Massachusetts (Mr. BROOKE) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

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Mr. HATFIELD. Mr. President, I have discussed this amendment with the ranking Republican member of the Committee on Foreign Relations, and my discussion with him indicated that it was not out of keeping with the record of that committee as I have referred to it today. I do not have any information from the chairman of that committee, but I assume that consultation has occurred between the ranking member and the chairman.

May I make an assumption? I should like to call my amendment up for a vote?

Mr. MANSFIELD. Mr. President, the amendment is acceptable to the Chair and to the ranking minority member of the committee.

Mr. HATFIELD. I thank the distinguished majority leader.

Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. I yield back the time on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that Senator CLARK of Iowa be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the pleasure of the Senate?

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts consider a time limitation on his amendment?

Mr. BROOKE. Yes, Mr. President, I shall consider a time limitation. It is a very short, very simple amendment, which I have reason to believe will be accepted by the floor manager of the bill and the ranking minority member of the Foreign Relations Committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that debate on the pending amendment not exceed 30 minutes, the time to be equally divided between the manager of the bill or his designee and the distinguished Senator from Massachusetts, the sponsor of the amendment.

Mr. BROOKE. Reserving the right to object; of course, I will not object; but if the distinguished majority leader will agree, I think we can dispose of it in 15 minutes.

Mr. MANSFIELD. Then I ask unanimous consent to make it 20 minutes, 10 minutes to a side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. If the Senator will not object, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROOKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 5, line 24, insert a comma and add the following:
>
> *Provided*, That distribution or provision of any services, commodities, goods, materials or other relief supplies made available pursuant to this section shall be made only under the direct supervision and control of representatives of such international organizations or voluntary relief agencies.

Mr. BROOKE. Mr. President, the purpose of this amendment is to establish necessary minimal guidelines for the utilization of the $100 million in humanitarian assistance proposed in this bill to be channeled through international or voluntary organizations.

This amendment assures that no portion of the humanitarian relief funds authorized by this section will be utilized to distribute relief supplies in South Vietnam unless the distribution is accomplished under the direct supervision and control of relevant international organizations or voluntary relief agencies. Without this statutory restriction, there is no way of assuring that the relief provided by this section will reach the refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia. Recent events in these two countries have clearly demonstrated the need for this amendment.

This amendment will require international organizations and voluntary relief agencies who agree to participate in the refugee relief operations to use their own personnel to monitor and directly supervise the distribution of relief supplies. Unless the various Vietnamese parties agree to permit representatives of the international organizations or voluntary relief agencies to supervise these efforts, this amendment will prohibit use of funds authorized by this act in areas under their respective control.

I believe that the majority of my colleagues accept the proposition that the United States has a responsibility to assist in humanitarian efforts to relieve the suffering of tens of thousands of Vietnamese. I congratulate the Senate Committee on Foreign Relations for reporting out this bill. At the same time, I am convinced that few if any in this body could support our extensive involvement in a multilateral aid effort that resulted in a misuse of our funds. We must do everything possible to limit the chances of this happening. I believe that my amendment, if accepted, will be an effective means of doing so.

Mr. President, I believe also that this amendment has the added virtue of by having members of the United Nations and voluntary organizations distribute this assistance in South Vietnam, opening the possibilty that they could serve as an inhibiting factor to reprisals and further destruction of life which could occur in the months ahead but which we prayerfully hope will not.

I have discussed this amendment with the floor manager of the bill and with the ranking minority member of the Committee on Foreign Relations and I am hopeful that the distinguished manager of the bill (Mr. CHURCH) and the distinguished ranking minority member of the committee (Mr. CASE) will accept this amendment.

Mr. CASE. Mr. President, on behalf of the manager of the bill and myself, I am willing—in fact, glad—to accept the amendment. I ask it be adopted without further delay.

Mr. BROOKE. I appreciate the Senator's words.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(An order was subsequently entered to provide that the Senate stand in recess each day this week.)

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow there be a period for the transaction of routine morning business after the two leaders or their designees have been recognized under the standing order, such period not to extend beyond 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE SENATE TO STAND IN RECESS EACH DAY THIS WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business each day this week it stand in recess, rather than in adjournment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1484

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate resume consideration of the Vietnam Contingency Act and that at that time the following time agreement, which has been cleared on both

sides of the aisle, be effective: That there be a limitation of debate on that bill of 2 hours, to be equally divided and controlled by Mr. SPARKMAN and Mr. CASE; that there be a time limitation on any amendment thereto of 30 minutes; a time limitation on any debatable motion or appeal or point of order submitted to the Senate or on which the Chair entertains debate of 15 minutes; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

> *Ordered*, That on Wednesday, April 23, 1975, at the conclusion of morning business, the Senate resume consideration of S. 1484 (Order No. 83), the so-called "Vietnam Contingency Act of 1975," and that debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motions, appeals, or points of order that are submitted or on which the Chair entertains debate shall be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, motion, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.
>
> *Ordered further*, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Alabama (Mr. SPARKMAN) and the Senator from New Jersey (Mr. CASE): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal or point of order.

RECESS TO 10 A.M.

Mr. STONE. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and at 4:25 p.m. the Senate took a recess until tomorrow, Wednesday, April 23, 1975, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 22, 1975:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Charles A. Cooper, of Virginia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years, vice Charles O. Sethness, resigned.

RENEGOTIATION BOARD

Richard C. Holmquist, of Connecticut, to be a member of the Renegotiation Board, vice William Scholl Whitehead, resigned.

CONFIRMATION

Executive nomination confirmed by the Senate April 22, 1975:

THE JUDICIARY

Thomas J. Meskill, of Connecticut, to be U.S. circuit judge for the second circuit.

HOUSE OF REPRESENTATIVES—*Tuesday, April 22, 1975*

The House met at 12 o'clock noon.

Rev. Douglas A. Patton, associate minister, Christ United Presbyterian Church, Canton, Ohio, offered the following prayer:

Thank You, Lord, for this day, for the blessings already received and for the blessings we will yet experience.

As we pause before You now, opening yet another session of this body, let us not take this day for granted. Rather, may we seek Your will and find Your blessings upon that which we say and do here today.

O Lord, as we seek Your will, each of us are very much aware of the great responsibilities placed upon us. May Your Spirit strengthen the one who feels weak; may You comfort the one who feels alienation; may You encourage the one who feels hesitant. May Your Spirit bring peace where there is confusion, mercy where there is debate, and truth where there is question.

Hear our prayer, O Lord, and take the decisions which we make today and use them to bless all that You have created. In Jesus' name I pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

REV. DOUGLAS A. PATTON

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, I am pleased to welcome today Rev. Douglas Patton, who has served as our Chaplain. He is from the 16th District of Ohio and has the distinction of being the associate pastor of the church in which President William McKinley, one of my distinguished predecessors in this body was married.

In addition, his appearance in the House has a personal note since Reverend Patton's father-in-law, Yancey H. Garner, is the Assistant Chief for Senate Police Personnel, the force that is responsible for Senate office buildings and surrounding areas.

Reverend Patton is a former chaplain of the U.S. Air Force. I am very pleased that he could be with us today as our guest chaplain.

AMERICAN NATIONALS AND THEIR FOREIGN DEPENDENTS STILL IN SAIGON

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, this morning's figures on American nationals and their foreign dependents still left in Saigon are over 3,000 in total. This again indicates the administration is not expediting the evacuation of these American citizens and their foreign dependents.

I was very distressed yesterday to hear a high administration official state that they wanted to keep American civilians over in Saigon as some form of stabilizing force. It was my thought that if that is the policy of the Department of State, it should be the high-ranking officials of the Department of State over there stabilizing the force, rather than these Americans, their wives, and their children.

Last night on CBS television the President stated to the American people:

> I have asked Congress to clarify my authority as President to send American troops in to bring about the evacuation of friendly South Vietnamese or South Vietnamese that we have an obligation to, or at least I think we do.
>
> There's no problem in sending U.S. military personnel into South Vietnam to evacuate Americans. That is permitted under the War Powers Act, providing we give adequate pre-notification to the Congress. That's what we did in the case of Phnom Penh and our personnel there.
>
> But if we are going to have a sizable evacuation of South Vietnamese, I would think the Congress ought to clarify the law and give me specific authority.

In view of this, I see no need to pass the legislation requested by the President; I do see a need to expedite the evacuation of Americans and their dependents while it can be done safely without force.

THE HEALTH SECURITY ACT

(Mr. MITCHELL of Maryland asked and was given permisison to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, our doctors are among the most competent and skilled in the world, our medical resources, research, and technology are first rate. Yet, the health of Americans is worse today that it was 20 years ago, compared with other modern nations. Among the developed countries, the United States ranks 20th in death of infants during the first year of life; 27th in life expectancy of males; and 12th in life expectancy of females. In all instances, we rank lower than we did a generation ago.

It is not unusual to find doctor-patient ratios as low as 1 to 200 people in the suburbs and as high as 1 to 10,000 or more in the inner city. Lack of access to health care is underscored by these facts: compared to others in our society, the poor have twice as much illness, four times as much chronic illness, three times the heart disease, five times the eye defects, and five times as much mental

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retardation. There is a wide variation between the death rate of white and nonwhite infants in the United States. In 1972, there were 16.8 infant deaths per 1,000—during the first year of life—among whites. The comparable mortality rate for nonwhite infants that year was 30.2 per 1,000.

We must pursue the right to adequate health care without regard to income or race. The Kennedy-Corman Health Security Act is the only program which will assure comprehensive, high quality care for all Americans. I urge my colleagues to give their full support to the passage of a strong bill, so that the United States may take its place among those nations which boast a healthy citizenry.

MR. DOWNEY OF NEW YORK COSPONSOR OF H.R. 5524—NOT MR. DOWNING OF VIRGINIA

(Mr. DOWNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNING. Mr. Speaker, the election of a large number of younger Members last fall has contributed to a number of changes in the image of the House. Personally I have been quite pleased to find in certain instances that my own image has undergone a change, a change which has been quite flattering to me. It seems that I am being confused with a handsome new Member who is still in his twenties.

All of this happened when the voters of the Second District of New York elected THOMAS J. DOWNEY as their representative. The names DOWNEY and DOWNING have a somewhat similar sound when spoken, and upon the new Member's arrival in Washington my office suddenly found that we were receiving mail and telephone calls intended for him. As soon as his office was opened, he started getting some of mine.

The confusion carried forward to the extent that packages intended for each of us wound up in the office of the other. And several thousand envelopes which he had ordered imprinted with his name were mistakenly imprinted with mine and dispatched to me. This has all been taken goodnaturedly by all concerned.

However, immediately prior to the conclusion of business before the Easter recess, it appeared that our distinguished majority whip had fallen victim to the confusion resulting in my being listed as a cosponsor of his bill, H.R. 5524. It developed that it was the gentleman from New York who had requested that his name be listed.

As flattered as I am whenever this confusion might lead me to feel that I am once again in my twenties, I cannot rightfully claim credit which is not due me. It is Mr. DOWNEY of New York who is the cosponsor of the legislation, not Mr. DOWNING of Virginia.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE CERTAIN REPORTS

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 132]

Andrews, N.C.
Ashley
Brown, Calif.
Chappell
Chisholm
Clausen, Don H.
Conyers
Dent
Giaimo
Goldwater
Gonzalez
Harsha
Hayes, Ind.
Hillis
Hinshaw
Holland
Hungate
Kemp
McCormack
McKinney
Mathis
Mills
Murphy, N.Y.
Pattison, N.Y.
Pike
Pritchard
Quie
Rhodes
Roncallo
Scheuer
Shriver
Steed
Stephens
Stokes
Teague
Udall
Walsh
Waxman
Wiggins

The SPEAKER. On this rollcall 393 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE SUPPLEMENTARY REPORT ON H.R. 49

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file a supplementary report on the bill H.R. 49.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SMALL BUSINESS EMERGENCY RELIEF ACT

Mr. SMITH of Iowa. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5541) to provide for emergency relief for small business concerns in connection with fixed-price Government contracts.

The Clerk read as follows:

H.R. 5541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Emergency Relief Act".

POLICY

SEC. 2. It is the policy of Congress to provide relief to small business concerns which have fixed-price Government contracts in cases where such concerns encounter significant and unavoidable difficulties during performance because of the energy crisis or rapid and unexpected escalations of contract costs.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "executive agency" means an executive department, a military department, and an independent establishment within the meaning of sections 101, 102, and 104(1), respectively, of title 5, United States Code, and also a wholly owned Government corporation within the meaning of section 101 of the Government Corporation Control Act; and

(2) the term "small business concern" has the same meaning as such term is given under section 3 of the Small Business Act.

AUTHORITY

SEC. 4. (a) Pursuant to an application by a small business concern, the head of any executive agency may terminate for the convenience of the Government or make appropriate modification in the terms of any fixed-price contract between that agency and such small business concern, upon a finding that—

(1) during the performance of the contract, the concern has experienced or is experiencing significant unanticipated cost increases directly affecting the cost of contract compliance; and

(2) the conditions which have caused or are causing such cost increases were, or are being, experienced generally by other small business concerns in the market at the same time and are not caused by negligence, underbidding, or other special management factors peculiar to that small business concern.

(b) If a small business concern in performance of a fixed price Government contract experiences or has experienced shortages of energy, petroleum products, or products or components manufactured or derived therefrom or impacted thereby, and such shortages result in a delay in the performance of a contract, the delay may be deemed to be an excusable delay under the terms of any default clause in the contract.

(c) A small business concern requesting relief under subsection (a) shall support that request with the following documentation and certification:

(1) A brief description of the contract, indicating the date of execution and of any amendment thereto, the items being procured, the price and delivery schedule, and any revision thereof, and any other special contractual provision as may be relevant to the request;

(2) A history of performance indicating when work under the contract or commitment was begun, the progress made as of the date of the application, an exact statement of the contractor's remaining obligations, and the contractor's expectations regarding completion thereof;

(3) A statement of the factors which have caused the loss under the contract;

(4) A statement as to the course of events anticipated if the request is denied;

(5) A statement of payments received, payments due and payments yet to be received or to become due, including advance and progress payments and amounts withheld by the Government, and information as to other obligations of the Government, if any, which are yet to be performed under the contract;

(6) A statement and evidence of the contractor's original breakdown of estimated costs, including contingency allowances and profit;

(7) A statement and evidence of the contractor's present estimate of total costs under the contract if enabled to complete, broken down between costs accrued to date of request, and runout costs, and as between costs for which the contractor has made payment and those for which he is indebted at the time of the request;

(8) A statement and evidence of the contractor's estimate of the final price of the contract, giving effect to all escalation, changes, extras, and other comparable factors known or contemplated by the contractor;

(9) A statement of any claims known or contemplated by the contractor against the Government involving the contract in question, other than those referred to under (8) above;

(10) An estimate of the contractor's total profit or loss under the contract if required to complete at the original contract price;

(11) An estimate of the total profits from other Government business, and all other sources, during the period from the date of the first contract involved to the latest estimated date of completion of any other contracts involved;

(12) Balance sheets, certified by a certified public accountant, as of the end of the contractor's fiscal year first preceding the date of the first contract, as of the end of each subsequent fiscal year, and as of the date of the request together with income statements for annual periods subsequent to the date of the first balance sheet; and

(13) A list of all salaries, bonuses, and all other forms of compensation of the principal officers or partners and of all dividends and other withdrawals, and all payments to stockholders in any form since the date of the first contract involved.

DELEGATION

SEC. 5. The head of each executive agency shall delegate authority conferred by this Act, to the extent practicable, to an appropriate level that will permit the expeditious processing of applications under this Act and to insure the uniformity of its application.

LIMITATIONS

SEC. 6. (a) The authority prescribed in section 4(a) shall apply only to contracts entered into during the period from August 15, 1971, through October 31, 1974.

(b) The authority conferred by section 4 (a) of this Act shall terminate December 31, 1976.

The SPEAKER. Is a second demanded?

Mr. J. WILLIAM STANTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. SMITH of Iowa. Mr. Speaker, this bill is noncontroversial and it should not take very long.

Mr. Speaker, the bill before us permits the Government, when it is deemed to be for the convenience of the Government and in the interest of the Government, to modify or cancel certain small business contracts which were entered into between August 15, 1971, and October 31, 1974. Members will recall that the period involved was one of very unstable prices and periodic shortages and that during this period our Government had an off-again, on-again price control policy which very seriously disrupted the supply and price of various products. Also an oil embargo caused unpredictable delays in the delivery of some products. It is now believed that prices have stabilized enough since last October 31 so that such special relief should be cut off as of that date.

During this period numerous small businessmen entered into fixed-price contracts. They depended upon price controls in some instances but they have since been lifted. Also, the energy shortage which has developed caused both huge price increases and a shortage or delay in delivery of some products. As a result some of these small businessmen will simply go broke and be unable to perform the contract anyway. In these cases the Government will face further delays and hinderances of obtaining the products it needs and letting a new contract will cost a lot more for the products. In some of these cases it not only is bad for the small businessman to be forced to the wall but also it is not in the interest of the Government.

It is general knowledge that big business contractors are almost all renegotiated in some form or another. In big contracts the Government generally changes the specifications or through some mechanism they are reopened. The small businessmen in these small fixed-price contracts have not been able to secure the same kind of relief. The only exception is where a Government agency can certify that a contract is essential to the national defense and very few of these small contracts involve a product which is essential to the national defense and which cannot be obtained from another source.

The Senate passed a similar bill in the last year. In the last Congress the jurisdiction in the House for this bill was in the House Judiciary Committee and they were so busy with impeachment and other legislation of overriding importance that they were unable to consider this bill. At the beginning of this Congress several Members introduced similar legislation. The Small Business Committee which now has jurisdiction readily held hearings and determined that a combination of various bills which had been introduced would be preferable. Therefore, this clean bill was introduced and it combines the essential parts of bills earlier introduced by several other Members. The bill was supported by the Small Business Administration and numerous small businessmen and small business associations. Although the GAO did not testify, they have informed us of their support for this type relief and the bill received overwhelming bipartisan support from the committee.

I believe this bill provides benefits for both the small businessman and the Government and that it is in our interest to pass this legislation at this time. I stress that many of these contracts are still in existence. Some of them are reaching a crucial stage where products are to be delivered in the near future and that the relief authorized in this legislation with regard to contracts entered into during the particular 3-year period involved is very badly needed. I urge the Members to vote in favor of this bill.

Mr. Speaker, one of the Members who has spent a great deal of time on this bill and has been interested in it from the very beginning is the gentleman from California (Mr. CORMAN). I yield such time as he may consume to the gentleman from California (Mr. CORMAN) to explain in further detail the bill.

Mr. CORMAN. Mr. Speaker, in 1974, with the ever-increasing problems small business contractors were having with their fixed-price contracts coupled with tremendous increases in the cost of goods, materials and labor, and the lack of availability of materials, it became obvious that there was a great need for more flexibility between the Government contracting agencies and the small business contractors.

Bills to relieve this situation were introduced in both the House and the Senate in 1974, but were not acted on. The contracting agencies of the Federal Government are not authorized under the present law to assist small businessmen, even though fulfillment of the contract may bankrupt the small contractor.

The proposed bill, H.R. 5541, will provide the Government contracting agency with the needed flexibility to modify or terminate, at the convenience of the Government and the discretion of the contracting agency, fixed-price contracts for the small business concerns. This bill requires the small business concern to request such relief and supply the contracting agency with documentation and certification as it is explained under section 4(c). Lack of the requested flexibility even prevents the Government from obtaining the product for which it has contracted.

Even when the criteria is met, it is still at the discretion of the contracting agency and he may examine the contractor's records to further satisfy the Government, if necessary. Thus, under the proposed bill, it is in the interest of the Government to adjust the terms of the contract since granting the Government the authority to make such price adjustments where justified, will permit the contracting agency to obtain needed materials and services in a timely fashion.

This bill applies only to fixed-price contracts entered into between August 15, 1971, and October 31, 1974. This authority would terminate December 31, 1976. During this time, fixed-price contracts were awarded by the Government agencies during a period when small businesses submitted their bids based upon prices then under some phase of price controls established by the Government. Subsequent to execution of these contracts, the Government lifted these price controls, which resulted in substantial unanticipated increases in labor and material costs and material shortages, while the fixed-price commitments of the small business concerns to the Government remained intact.

There is relief under existing law, Public Law 85–804, but its provision requiring essentially to the national defense eliminates almost all small business contractors caught in price squeeze and material shortage situations. Such administrative action is not applied uni-

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formly, is not Government-wide, and the questionable legality of such mitigating actions inhibits their use. Procuring agencies generally recognize the predicament of the small business supplier, who is caught in the price squeeze and material shortage; however, they are without authority under existing law to provide relief.

Failure to provide for relief in this situation will ultimately reduce the Government agencies' sources of supply and decrease competition for their requirements, thereby increasing future costs for such items to the Government. This is contrary to our national policy and the best interests of the small business Government contractors, the Government agencies, and the taxpayers.

In conclusion, H.R. 5541 presents a viable method of dealing with the problem of small business contractors who entered into fixed-price contracts with the Government during a period of severe inflation and material shortages. A lack of authority for the contracting agency to grant relief where justified may not only cause the demise of small business, but it may also hinder the Government by causing a delay in reprocurement and in the agency's obtaining vitally needed goods and materials.

Mr. J. WILLIAM STANTON. Mr. Speaker, the gentleman from Iowa stated that this bill passed out of our subcommittee and the full committee, I believe, unanimously. It is not what we might consider a major bill, but it is certainly of major importance to that select group of small businessmen who were involved in contracts with the Federal Government, starting August 15, 1971, and going through October 31, 1974.

This legislation, in my personal opinion, Mr. Speaker, is definitely needed. I rise in strong support of it.

I would like at this time to yield quickly first to the ranking minority member on the Committee on Small Business, the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, it is with both pride and urgency that I rise in support of this bill, the Small Business Emergency Relief Act.

I am proud, as the ranking minority member of the Small Business Committee, because this is the first bill ever to be reported out of the committee on small business. It is a good bill.

I speak with urgency because this bill provides emergency relief to many small business Government contractors who are currently in desperate straits.

I can cite one case from my own district. It involves the prime contractor for steel cleaning rods for the Army's M–16 rifle. In October 1973, this small business company, the Yankee Hill Machine Co. of Northampton, Mass., offered to make a quarter million cleaning rods for the Army at a cost of about 44 cents each.

For many companies, a $100,000 Federal contract may be relatively small. But for Yankee Hill and its 51 employees, this contract makes a very big difference.

Unfortunately, the cost of steel materials and heating fuels skyrocketed shortly after Yankee Hill signed the contract. It is now costing this small firm 55 cents to produce each cleaning rod, which means an 11-cent loss on each item made. Yankee Hill's net loss on this $100,000 contract, if it is not relieved of its obligation to perform, will be over $25,000. That is a lot of money to a small firm.

Yankee Hill has now delivered about one-third of its order. If the contract could be terminated today, its losses could be limited to about $10,000.

Unless Yankee Hill gets relief on this contract, it may think twice about doing further business with the Army. That would be a grave loss to all parties. As a loyal, dependable supplier over many years, Yankee Hill deserves better treatment from the Federal Government.

While this bill provides for emergency relief, I want to assure my colleagues it is not an open-ended, bail-out program. It provides relief only for contracts entered into between August 15, 1971, when price controls were first enacted, and October 31, 1974, when costs began to stabilize. Authority to grant relief only extends through the end of 1976, so this is not an on-going program that would be subject to abuse. And the relief that this bill provides is not mandatory.

It is designed to help small business firms that are direly in need of assistance. It provides the Federal Government with a degree of flexibility in managing its procurement contracts. This flexibility to terminate or renegotiate is present throughout the world of private enterprise, as many witnesses testified before the committee, but is sorely lacking in Federal procurement offices due to a lack of statutory authority.

The need for this bill in the small business community is urgent. I urge my colleagues to support its immediate passage.

Thank you.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague from Massachusetts yielding to me. I wish to compliment him on his leadership in this field and on this particular legislation. The small businesses of this country have been forgotten in many of the legislative efforts of this Congress in recent years.

To see this legislative product the first order of business of the newly organized committee, I think, is a good thing. I also am especially pleased because it repairs substantial damage that was done as a result of wage and price control legislation, in which we forgot many of the people that came in under fixed wage contracts during that time period. Now we finally correct that inequity.

I think the committee is to be complimented. I am especially pleased that my colleague from Massachusetts (Mr. CONTE) fought hard to retain strength in this committee, even though he serves effectively on other committees. I know there was a lot of juggling that went on, and I am grateful that he is there to maintain a strong position on behalf of all small business enterprises all over this country.

Mr. Speaker, I appreciate the committee bringing out this important legislation which is so desperately needed.

Mr. CONTE. Mr. Speaker, I thank the gentleman from California for his kind and warm remarks, and certainly appreciate all of his assistance with regard to this bill and other matters affecting small business.

Mr. J. WILLIAM STANTON. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I am pleased to rise in support of H.R. 5541, a bill which I cosponsored and which has been reported to the House by the Committee on Small Business.

While this bill is limited in its coverage and is not really a major bill for that reason, I can assure you that it is extremely important to the small businessmen who will qualify for relief under it.

The bill will give to our Federal contracting agencies an authority they do not now have. It will permit, but not require, those agencies to extend extraordinary relief to small firms which entered into a fixed-price contract during the period from August 15, 1971, through October 31, 1974. The contracting agencies will, upon finding that the contractor is experiencing significant unanticipated cost increases be able to either terminate the contract for the convenience of the Government or modify the terms of the contract.

This is indeed extraordinary relief, but it is badly needed in cases of fixed-price contracts entered into during the period August 1971–October 1974. The extraordinary relief is deemed appropriate by our committee during that period, because during most of that time executive agencies were requiring contractors to submit proposals on the basis of some phase of price controls. Escalation factors were not included in most Government contracts during that period. Bidders obviously tried to make allowances for cost escalation, but such allowances exceeding Presidential guidelines were openly discouraged.

When controls were lifted, material prices skyrocketed while fixed priced commitments remained. In addition to the escalation which naturally resulted from lifting controls, the small business contractor was faced with the results of the oil embargo, which led to higher energy costs and material shortages.

The consequent increase in the cost of doing business—in the cost of performing Government contracts—was not anticipated. It could not have been anticipated by either the Government or the bidders.

The Small Business Administration, in testifying in favor of this legislation, recognized this plight of the small contractor and also pointed out that the hardship really continued beyond the period of price controls. The Administrator of the SBA identified a period of unprecedented and unpredictable inflation which was well beyond normal business risk and which extended through October 31, 1974, when industrial commodity prices began to stabilize.

Mr. Speaker, I know a lot of people

become concerned when we start talking about relieving firms from contract obligations, but I want to emphasize that our bill provides several safeguards against abuse.

First, there is a safeguard in the time limitations themselves. Only contracts entered into before October of last year are covered. After that time costs could be more readily anticipated and the Government agencies began fostering the use of escalation clauses. In addition, if any relief is to be granted, application must be made and approved before December 31, 1976, when the authorization expires.

Second, even for the limited number of contracts covered, relief is not automatic. The contracting agencies may grant relief from the original contract terms, but they are not required to do so. If relief is found to be appropriate, it can be in one of two forms—either termination for convenience or modification of the contract terms. This too is left to the discretion of the Federal contracting agency, not the contractor.

Finally, the eligible contractor is going to have to sustain quite a burden of proof in order to qualify. Subsection 4(c) of the bill will require him to document his claim of unanticipated cost escalations and losses. He is going to have to document precisely what factors caused the loss under the contract and what will happen if the requested relief is denied.

He is going to have to submit evidence of payments received and payments due. He is going to have to submit evidence of his original estimated costs, including contingency allowances and profits. He is going to have to furnish balance sheets, certified by a certified public accountant. He is going to have to furnish evidence of profits expected from, not only other Government businesses, but from all other sources. Lists of all salaries, bonuses, and other compensations of principal officers and partners must be supplied.

Under section 4a(2), he is going to have to convince the Government agency that his unanticipated costs were experienced by other small firms in the market at the same time, and that they were not caused by negligence, underbidding, or other management factors peculiar to his firm.

In short, the bill recognizes a very real hardship, provides heretofore unavailable relief from it, and also provides safeguards against abuse.

I, therefore, wholeheartedly support this legislation and urge its passage.

Mr. J. WILLIAM STANTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, H.R. 5541, of which I am a cosponsor, is the least we can do for those small businesses who were caught in a squeeze last year between the terms of their fixed-price Government contracts and rapidly rising costs stemming principally from the oil embargo.

H.R. 5541 is similar to a bill passed late in the 93d Congress by the other body—too late, in fact, to allow for consideration by the House. Perhaps this is just as well because the bill reported by our Committee on Small Business is a much better bill. It has more flexibility in that it allows for modification as well as termination of contracts, provided that the contractor experienced significant unanticipated cost increases of a type experienced generally by other small business concerns and not caused by negligence, underbidding, or similar management errors.

This is the first bill to be brought to the floor by the Small Business Committee under its new legislative authority. It is a good omen and justifies the confidence the House placed in the committee. I commend its distinguished chairman, the gentleman from Tennessee (Mr. EVINS) and ranking minority member, the gentleman from Massachusetts (Mr. CONTE), as well as the chairman and ranking minority members of the subcommittee which handled this bill, the gentleman from Iowa (Mr. SMITH) and the gentleman from Ohio (Mr. STANTON).

H.R. 5541 will give Federal agencies the power to terminate or modify fixed-price contracts with a small business that were entered into between August 15, 1971, and October 31, 1974. This authority is carefully circumscribed to avoid giving an "easy out" to any firm suffering financial losses through its own mismanagement. To obtain relief, the contractor must submit a request giving the terms of the original contract, the factors causing the loss, the estimated consequences without relief, the estimated final price of the contract, and other related information.

In addition, the bill provides that delays resulting from energy or other shortages of materials may be deemed excusable under fixed-price contracts. The authority to terminate contracts will end on December 31, 1976.

After Federal price controls ended on April 30, 1974, many small businesses ran into serious difficulties in attempting to honor existing fixed-price Government contracts.

Cost increases for energy and raw materials and widespread shortages of materials created unavoidable delays. Many contracts suffered heavy financial losses.

Unless completion of project is essential to national defense, existing law requires the Government procurement agency to throw the contractor into default, buy from another supplier—usually at higher cost—and attempt to recover damages from the original contractor.

The committee estimates that enactment of H.R. 5541 will result in no additional cost to the Government. Any price increases under modified contracts are expected to be less than would be the cost of reprocurement, following a contractor's default, under present law.

I strongly urge my colleagues to vote for the motion to suspend the rules and pass this bill.

Mr. LAGOMARSINO. Mr. Speaker, I speak in support of H.R. 5541, the Small Business Emergency Relief Act.

When Federal price controls ended on April 30, 1974, many small businesses encountered serious problems in attempting to honor existing fixed-price Government contracts.

Cost increases for raw materials, labor and energy and shortages have caused delays that were unavoidable and in some cases great loss to the contractors.

Existing law, except for projects essential to national defense, requires the Government to default the contractor, buy from another contractor—generally at a higher cost—and attempt to recover damages from the original contractor.

Most small business contractors suffer higher prices and material shortages through no fault of their own.

Therefore, I believe governmental agencies should be authorized to modify or terminate the terms of fixed-price contracts.

H.R. 5541 would authorize the modification or termination of fixed-price contracts with small businessmen provided the contractor experienced significant unanticipated cost increases which are prevalent in the market and not the contractor's fault.

Any price increases from modified contracts will probably be less than the cost of replacement following the contractor's default under existing law.

Mr. BURKE of Massachusetts. Mr. Speaker, I rise in support of H.R. 5541, and I would like to make very plain my commendation of the members of the outstanding standing Committee on Small Business. In this, the first legislation to come from this committee in its 40-plus years of existence, they have done a great deal to insure the health of the small business sector of our economy. My colleagues, if this legislation is any example of what will continue to come out of the legislative efforts of this committee, the decision we made in the 93d Congress to elevate it from a select investigative committee to a standing committee will be one of the wisest decisions we have made in our attempts at self-reform.

In particular I would like to honor my good friend and colleague from the Commonwealth of Massachusetts (Mr. CONTE) for his efforts on behalf of small businesses over the years and for his work on this bill. SILVIO has been on the committee since 1965, representing the beautiful western half of Massachusetts, but in his long and creditable duration on the committee he has ably represented our entire State and the small businesses of Massachusetts and the Nation.

As the ranking minority member of the committee, he is in a position that I know he will use skillfully and honestly to continue his fine work on behalf of small businesses.

For it is the small businesses of the Nation which go somewhat unnoticed in the midst of the massive public relations blitzes of our multinational billion dollar corporations, as they show off their deeds in the battle against inflation with millions of advertising dollars. You will not see the small businesses coming up in front of the public very often to promote themselves, because in most times, and particularly nowadays, they do not have the dollars to spare. This bill only makes it possible for the Government to practice a policy of leniency toward those small businesses who signed fixed-price contracts with the Government between August 1971 and October 1974, and who now, due to the chaotic state of our economy, find it nearly impossible to live up to the letter of their bids and their contracts.

Without this legislation, they face default and/or deep debt, as price costs jump, while the fixed-price contract does not flex. It will only tighten like a noose around these small businesses, and they have a choice between two gallows—bankruptcy and default; obviously, no choice at all. The default loss of a Government contract means penalties and the probability that few contracts will ever come that way again.

To absorb increased costs means danger for the fragile small business.

This bill allows for merciful mitigation of circumstances of default—energy shortages or petroleum shortages. For problems under these hardships, the Government will be able to allow small business to terminate or adjust their fixed-price contracts, and it will allow extensions of deadlines, without the substantial penalties of the usual default and delay clauses. For those defaults or delays caused by negligence and underbidding, however, the contractor would still be liable. It is only for unforeseeable factors outside the control of the industry that this bill seeks to ease small business hardships.

I enthusiastically support this bill, and I urge my colleagues to join me in welcoming and endorsing this fine first legislative effort by the Small Business Committee.

Mr. HUNGATE. Mr. Speaker, it is with great pleasure that I rise in support of H.R. 5541, the Small Business Emergency Relief Act. This is not only an historic bill, but it is also a historic day for the U.S. House of Representatives. H.R. 5541 is the first piece of legislation reported to the House by the House Small Business Committee.

I was privileged to serve on the committee during the 91st, 92d, and 93d Congresses, when it was an investigative committee only. Now I am proud to serve in the 94th Congress on the Small Business Committee that is both the investigative and legislative voice for the small businessman in America.

H.R. 5541 is the result of our great concern with the plight of the small business contractor who entered fixed-price contracts with the Federal Government during the period August 15, 1971–October 31, 1974. Unanticipated cost increases, energy shortages, and the unavailability of certain petroleum products and products and components manufactured from petroleum affected contract performance costs. As a result, many small business contractors were unable to perform according to contract timetables.

This failure led to numerous cases of default. For many contractors the result was total financial ruin.

Under present law, the Federal Government may not assist bankrupted small businessmen except in a few limited cases under Public Law 85–804. Under this bill, extraordinary relief may be offered but only to contractors involved in projects which are essential to the national interest. The application of this law is extremely rare. As a result, we need legislation to allow Government agencies to grant relief to eligible small businesses at their discretion.

In my opinion, Mr. Speaker, H.R. 5541 presents the Government with a sensible approach to a very serious problem. The severe inflation of recent years has created havoc with our whole economic system. Certainly, in this instance, the people's representatives will see the wisdom of this legislation which will lend a needed helping hand to the small businessman of America.

Authority of the executive agencies to grant relief will terminate December 31, 1976.

H.R. 5541 was reported on April 10, 1975, by an overwhelming committee voice vote of approval and I urge its passage.

Mrs. FENWICK. Mr. Speaker, I rise in support of H.R. 5541. Small businesses have been caught in difficult situations which were in no way of their own making. Unprecedented price rises after the contracts were signed in many cases endangered the very existence of small business concerns, as testimony before our Small Business Committee showed.

This bill allows for renegotiation or termination of the contract, as may be in the best interest of the Government, giving the small business the chance to survive.

I urge support of this bill.

GENERAL LEAVE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 5541.

The SPEAKER pro tempore (Mr. PRICE). Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. J. WILLIAM STANTON. Mr. Speaker, I have no further requests for time.

Mr. SMITH of Iowa. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. SMITH) that the House suspend the rules and pass the bill H.R. 5541.

The question was taken, and the Speaker pro tempore announced the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 402, nays 0, not voting 30, as follows:

[Roll No. 133]

YEAS—402

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Biaggi
Biester
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clancy
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hightower
Hillis
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder

Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—0

NOT VOTING—30

Andrews, N.C.
Ashley
Bevill
Bingham
Boland
Clausen, Don H.
Conyers
Dent
Esch
Giaimo
Goldwater
Gonzalez
Hébert
Heinz
Hicks
Hinshaw
Holland
Jacobs
Levitas
McCormack
Mills
Murphy, N.Y.
Nichols
Pritchard
Roncalio
Sebelius
Shriver
Stephens
Stokes
Udall

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Dent with Mr. Ashley.

Mr. Giaimo with Mr. Don H. Clausen.

Mr. Hébert with Mr. Sebelius.

Mr. Murphy of New York with Mr. Stephens.

Mr. Roncalio with Mr. Esch.

Mr. Stokes with Mr. Andrews of North Carolina.

Mr. Udall with Mr. Shriver.

Mr. McCormack with Mr. Jacobs.

Mr. Hicks with Mr. Heinz.

Mr. Holland with Mr. Boland.

Mr. Nichols with Mr. Conyers.

Mr. Levitas with Mr. Goldwater.

Mr. Bingham with Mr. Bevill.

Mr. Gonzalez with Mr. Hinshaw.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL STATEMENT

Mr. LEVITAS. Mr. Speaker, during the course of the vote on H.R. 5541, the Emergency Relief for Small Business Concerns, I was on the floor of the House and inserted my card in the electronic voting recorder and voted affirmatively for the bill in the presence of my colleague, Mr. ADAMS of Washington. The final tally failed to record my vote in favor of the bill and I desire the record to show that I voted in favor of H.R. 5541, which I strongly support. I therefore ask unanimous consent that the record show that I voted in favor of the bill and that this statement be inserted in the record immediately following the recorded vote.

CONFERENCE REPORT ON H.R. 4296, EMERGENCY FARM PRICE SUPPORT

Mr. FOLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings in the House of April 16, 1975.)

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. The gentleman from Washington (Mr. FOLEY) is recognized.

Mr. FOLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report is virtually identical with the bill previously adopted by the House. In the conference, the House conferees held fast to their position and the Senate conferee receded on all but two minor provisions. The conference report was adopted by the Senate last Thursday. I urge that you give it your support today.

The House bill applied solely to the 1975 crops—the Senate version had proposed a 3-year bill. The target prices and the loan levels in the conference report are the same as the amended House-passed bill. The target prices are—for cotton, 45 cents a pound; wheat, $3.10 a bushel; and corn, $2.25 a bushel. Target prices are used as a basis for making payments to producers should market prices fall to lower levels. The loan levels provided in the amended House-passed version and incorporated in the conference report are—for cotton, 38 cents a pound; wheat, $2.50 a bushel; and corn, $1.87 a bushel. Both bills provide for a mandatory loan program for soybeans with support at $3.94 a bushel. The support price for milk is established at 80 percent of parity with quarterly adjustments to reflect changes in production costs—also the same as in the amended House-passed bill. The conferees deleted the provisions relating to tobacco price support and meat imports which had been included in the bill voted by the Senate.

The House conferees receded on a provision which stated that the Secretary of Agriculture should establish, insofar as practicable, the same terms and conditions relative to storage costs and interest rates on nonrecourse loans for upland cotton, feed grains, and wheat, but required the Department of Agriculture to conduct a study on the matter and submit its findings and recommendations to the Congress as soon as practicable.

The conferees agreed to extend the loan period for wheat and feed grains for an additional term of 6 months at the option of the producer—thereby making the loan period comparable to the period for cotton. In another minor change from the language of the House-passed bill, the conference report provides that the date of announcing the support prices for milk shall be not more than 30 and not less than 20 days prior to the beginning of each quarter. This is to provide appropriate administrative flexibility.

As a result of spiraling costs, loan, and target levels as established by the Agriculture and Consumer Protection Act of 1973 are woefully inadequate.

Agricultural production costs have surged by 35 percent in the past 2 years. In addition, the prices for many critical inputs have gone up much faster. Average fertilizer prices more than doubled, but many farmers had to pay 3 and 4 times more for fertilizer last year than just 2 years before.

Seed prices are up by 76 percent, machinery prices have zoomed while interest charges have in many cases doubled, and gas and diesel fuel to run the machinery has also soared.

All these increased cost factors are USDA statistics. The Secretary of Agriculture in recent testimony said the current Department production cost estimate for wheat is $2.50 a bushel, 45 cents more than the current target. For corn he said it costs about $1.79 per bushel to produce or 41 cents more than the current target. And to produce cotton, he said it costs 48 cents a pound, or 10 cents more than the current target price.

Data supplied by the land grant universities around the country place the total cost of production at even higher levels. They estimate the cost of producing wheat at between $2.65 and $4.10 per bushel; for corn, between $1.76 and $2.42 per bushel; and for upland cotton, around 52 cents per pound.

Current target and loan levels were established in 1973 before these cost increases were fully realized. Under existing law target prices and loan rates have been established at the following levels: For wheat, $2.05 and $1.37, respectively, for corn, $1.38 and $1.10; for cotton, 38 cents and 34.3 cents.

The purpose of established prices and loan levels is to lend stability to the markets for farm products. Without the stabilizing influence of realistic target prices and loan levels, producers face severe uncertainty, especially with higher production costs.

The major reason the administration has cited for opposing this legislation are the costs to the Government and the consumers. The idea that this legislation will be a burden to consumers ignores what the cost will be if we do not have adequate production. It also overlooks the fact that both the target and loan levels in H.R. 4296 are below current market prices for wheat and feed grains, as is the loan level for soybeans.

I ask unanimous consent that the joint staff estimates study be printed in the RECORD at this point. You will note that we estimate the net cost to the Government of H.R. 4296 as approximately $210 million over the present law. Net outlays are, of course, higher. The higher estimated outlays are the result of disbursements for loans. These disbursements are not a cost; they are really a bank account in kind. With reasonable management, the Government will be able to liquidate these commodities over time at a profit.

The table follows:

JOINT STAFF ESTIMATES OF OUTLAYS AND NET COST: CURRENT PROGRAM, H.R. 4296, AND SENATE AMENDMENT

[In millions of dollars]

Commodity	Current legislation	H.R. 4296	Senate amendment
Corn:			
Loan and inventory	52	52	52
Deficiency payment			
Disaster payment	83	100	100
Subtotal	135	152	152
Wheat:			
Loan and inventory			289
Deficiency payment			455
Disaster payment	75	113	123
Subtotal	75	113	867
Cotton:			
Loan and inventory	42	182	427
Deficiency payment	47	210	368
Disaster payment	75	88	119
Subtotal	164	480	914
Soybean loan outlays		709	709
Dairy price support purchases	334	407	493
Total	708	1,861	3,135

Note: Net increase is computed by deducting projected inventory and loan stocks from net outlays. (Stocks: Senate—$1,477,000, House—$943,000,000. See table below.

	Million dollars
1. (a) Net outlays of Senate amendment over present law	2,427
(b) Net cost of Senate amendment over present law	950
2. (a) Net outlays of House bill over present law	1,150
(b) Net cost of House bill over present law	213

The Department of Agriculture has said that the cotton program will result in extensive Government deficiency payments. The low price of cotton today is because of the total economic recession we are experiencing. With economic recovery this price will recover, and payments may not be necessary.

The Department of Agriculture has been confused in its estimates of costs. Each time an estimate was made, it was subsequently revised downward by the Department. An example of the frequent change in Department estimates is the estimate of milk prices and costs to consumers due to the dairy provisions of H.R. 4296. For example, an early estimate of Department officials suggested the consumer price of milk would increase 6 cents a gallon. Later this was dropped to 1 cent a gallon. For butter, they indicated a 15 cent a pound increase that was ultimately reduced to 1½ cents per pound, and the change for cheese fell from 7 cents to just over 1 cent per pound.

Mr. Speaker, at this point, I ask unanimous consent that a comparison of the various estimates by the Department of Agriculture for milk prices under H.R. 4296 be printed in the RECORD.

ESTIMATED INCREASE IN CONSUMER PRICES OF DAIRY PRODUCTS AS A RESULT OF H.R. 4296

INITIAL MILK PRICE UNDER H.R. 4296 (EFFECTIVE APRIL 1975)

[Base price for manufacturing milk received by farmers, Jan .3› 1975, $7.[illegible]4/cwt]

	80 percent parity	Change from base (cents)
Farmers price per hundredweight of milk:		
Original USDA estimate	$7.42	18
2nd USDA estimate	7.31	7
Last USDA estimate	7.31	7

IMPACT OF INITIAL PRICE INCREASES ON CONSUMER PRICES

	Average increase from base 80 percent parity (cents)
Fluid milk (gallon):	
Original USDA estimate	--------
2d USDA estimate	6.0
Last USDA estimate	1.1
Cheese (pound):	
Original USDA estimate	--------
2d USDA estimate	7.0
Last USDA estimate	1.3
Butter (pound):	
Original USDA estimate	--------
2d USDA estimate	15.0
Last USDA estimate	1.3
Nonfat dry milk:	
Original USDA estimate	--------
2d USDA estimate	--------
Last USDA estimate	.9

SUBSEQUENT QUARTERLY ADJUSTMENT [1]

	80 percent parity	Change from previous quarter (cents)
July 1975 farm price per hundredweight:		
Original USDA estimate	$7.59	17
2d USDA estimate	7.45	12
Last USDA estimate	7.37	6
Milk per gallon		.2
Cheese per pound		1.2
Butter per pound		1.1
Nonfat dry milk per pound		.7
October 1975 farm price:		
Original USDA estimate	7.76	17
2d USDA estimate	7.51	6
Last USDA estimate	7.35	−2
Milk per gallon		1
Cheese per pound		1.1
Butter per pound		1.1
Nonfat dry milk per pound		.8
January 1976 farm price:		
Original USDA estimate	7.93	17
2d USDA estimate	7.51	0
Last USDA estimate	7.31	−4
Milk per gallon		1
Cheese per pound		1.1
Butter per pound		1.1
Nonfat dry milk per pound		.7

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[1] Butter and nonfat dry milk made from same milk. Presently the milk price is allocated 45 percent to butter and 55 percent to nonfat dry milk. Example follows same division.

SUMMARY TABLE OF MILK PRICES PER H.R. 4296

AVERAGE PRICE PER HUNDREDWEIGHT OF MILK FOR PERIOD COVERED IN H.R. 4296

	80 percent parity	Change from base (cents)
Original USDA estimate	7.675	43.5
2d USDA estimate	7.445	20.5
Last USDA estimate	7.335	9.5

AVERAGE INCREASE OF CONSUMER ITEMS USING STAFF ESTIMATES FOR PERIOD COVERED IN H.R. 4296

Milk per gallon	1.92
Cheese per pound	2.83
Butter per pound	2.35
Nonfat dry milk per pound	1.60

SUMMARY AND COMPARISON OF PRICE ESTIMATES BY QUARTER

[In dollars per hundredweight]

	April	July	October	January 1976
80 percent of parity:				
Original USDA estimate	7.42	7.59	7.76	7.93
2d USDA estimate	7.31	7.45	7.51	7.51
Last USDA estimate	7.53	7.37	7.35	7.31

What this bill does is prevent depression in agriculture; it assures adequate food and fiber for all Americans and lends stability to a badly shaken economy. The Committee on Agriculture recommends the adoption of the conference report on H.R. 4296.

Mr. WAMPLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 4296.

Although this bill appears to have little prospect of being signed into law, I feel it is a constructive and responsible piece of legislation.

I feel it is constructive because it seeks to answer some of the most pressing problems in the grain-cotton-milk sector of our farm economy.

The farmers who produce these key commodities are faced today with all the ravages of inflation on the things they must buy and all the risks of recession on the things they must sell in order to survive.

This bill responds to that condition by raising loan, target and purchase prices in a moderate manner to give these producers, who contribute so much to our society, some fundamental confidence that a year of all-out production in 1975 will not toss them into a state of economic ruin.

I feel also that this bill is responsible legislation that tries to adjust to and meet the interests of all Americans.

I personally would support much higher levels of producer protection than what are provided for in this bill. As a Representative of a primarily rural district, I know that most people in my district understand and appreciate the need for farm programs and farm prosperity.

But I realize that is not the case in most districts in the House and in an effort to meet the concerns and the objections of many Members who represent such districts, the conference committee stayed pretty close to the House version of this legislation.

The other body had provided for a 3-year bill. It had increased cotton, wheat, dairy, and tobacco supports, and it included a 90-day beef embargo. All these provisions were dropped by the conference committee in an attempt to produce a bill with a minimum cost, with minimum consumer impact and with maximum benefit to farmers. That in brief is this conference report.

As I stated earlier, the bill would apply only to the 1975 crops. The target

prices and the loan levels in the conference report are the same as the amended House-passed version. The target prices are—for cotton, 45 cents a pound; wheat, $3.10 a bushel; and corn, $2.25 a bushel. Target prices are used as a basis for making payments to producers should market prices fall to lower levels. The loan levels provided in the amended House-passed version and incorporated in the conference report are—for cotton, 38 cents a pound; wheat, $2.50 a bushel; and corn, $1.87 a bushel. Both bills provide for a mandatory loan program for soybeans with support at $3.94 a bushel. The support price for milk is established at 80 percent of parity with quarterly adjustments to reflect changes in production costs—also the same as in the amended House-passed bill.

As pointed out by the chairman, the conference agreed to a provision in the House bill which stated that the Secretary of Agriculture should establish, insofar as practicable, the same terms and conditions relative to storage costs and interest rates on nonrecourse loans for upland cotton, feed grains, and wheat. Instead we required the Department of Agriculture to conduct a study on the matter and submit its findings and recommendations to the Congress as soon as practicable.

In conclusion let me say I do not know what fate will ultimately befall this bill. It may become law or it may not. If it does—or if it does not—it will not be either the end of the world or the end of farm bills. The chronic problem facing American agriculture simply will not be erased by the fate of this bill.

But in any event, I hope that our experience with this legislation will teach us some important lessons about the need for thorough hearings, for adequate preparation and for a responsible response to needs of our Nation for a strong agricultural economy.

Mr. SEBELIUS. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Virginia (Mr. WAMPLER), and as the other Member on this side who served on the conference I would like to commend the chairman (Mr. FOLEY) and all the members of the conference for trying to work for something that would be of real benefit to the American farmer.

Mr. Speaker, having the privilege of representing the world's largest wheat producing area, I rise in support of H.R. 4296, the conference report on emergency farm legislation.

Let me say first, as conferee I think the record of the joint conference was a good one; especially in terms of working together to recommend a report that is in line with the obvious need to reduce Federal expenditures. I personally feel the recommendations made by the conferees have been most commendable in terms of fiscal responsibility.

I would like to stress to my colleagues that this bill will not interfere with the free market or get the Government back into the business of subsidizing agriculture. Support levels, taking into account the tremendous increase in production costs on the farm, are no higher than the support levels in the present farm act signed into law in 1973.

There has been a 40-percent decline in grain prices and a steady 6-month decline in overall farm prices. We must enable our Nation's No. 1 industry to return to a profitable position. We have traveled down the farm policy trail to the crossroads. It is decisionmaking time. Let me stress again the fact the grain support levels in this legislation are below current market prices and below current production costs. The farmer will not be in the business of producing for the Government. These support levels are, however, realistic from the standpoint of giving farmers some protection and will encourage farmers to produce at optimum levels in line with our food and fiber needs here in this Nation and throughout the world.

Again, I wish to compliment my colleagues on both sides of the aisle for their work on a conference report that I feel can give our farmers some income assurance to meet the Government's call for full production and a bill that represents a fiscally sound approach toward farm policy.

Mr. WAMPLER. Mr. Speaker, I want the RECORD to show that the distinguished gentleman from Kansas (Mr. SEBELIUS) served as a very able member of this conference and made many contributions. I appreciate his kind remarks.

Mr. THONE. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Nebraska.

Mr. THONE. Mr. Speaker, I rise in strong support of H.R. 4296. As Chairman FOLEY has stated, this bill applies solely to 1975 crops. It was agreed to unanimously in conference and has been passed by the Senate. H.R. 4296 represents an earnest attempt to find a solution to our farmers' problems of tremendously high production costs and will not place an undue burden on our consumers. This legislation will lend stability to the market for farm prices. Without the stabilizing influence of realistic target prices and loan levels the farmers face severe uncertainty because of higher production costs.

Mr. Speaker, I urge all of our colleagues to vote for this bill, and it is my hope that the President will support the farmers of this Nation by signing into law H.R. 4296.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I would join with my colleagues in urging the adoption of the conference committee report. I think it is safe to state that the conference committee has bent over backwards to the end that this bill provides the barest minimum assurance that the farmers in our country are entitled to if they are going to produce the food and fiber needed, not only domestically but for export purposes as well.

I think it is fairly self-evident that if this proposal does not become law that we are going to find that prices to our consumers in the cities and suburbs are going to go up, rather than down.

So, for those of us who are primarily concerned with the well-being of the American consumers, I would urge a resounding yes vote in support of the conference committee's report.

Mr. FOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. VIGORITO).

Mr. VIGORITO. Mr. Speaker, I rise in support of the conference report on H.R. 4296.

The conference version that is before you today is, with relatively minor exceptions, the same bill that this House passed March 20. The bill as it comes from conference represents a sincere effort to produce a bill which can and should be signed into law. I would hope that the House will adopt this measure today by the kind of overwhelming majority that will serve as every encouragement to the President to sign it into law.

Actually, the conference bill does very little in a tangible way for the 1,400 hard-pressed dairy farmers of my district. The conference report retains the 80 percent of parity dairy support level currently in effect, foregoes the 85-percent figure that was approved originally by the House Agriculture Committee and by the Senate, and changes present law only to provide for quarterly adjustments in the support level.

The potential benefit to producers of other commodities is equally modest. The target prices and loan levels on wheat and feed grains, and the loan level on soybeans, are below current market prices. The 45 cents per pound target on cotton is below production costs in many production areas.

Nevertheless, the bill as approved by the conference can mean an immediate improvement, this year, in the confidence with which our farmers face the future. Because H.R. 4296 builds upon the target price-direct payment approach that was incorporated in the Agriculture and Consumer Protection Act of 1973, it can provide a measure of insurance to producers against market collapse without any substantial increase in prices to consumers. Actually, this legislation should benefit consumers as well as farmers, by imparting some certainty and stability to the agricultural sector and by fostering the continuation of a competitive, family farm system of agriculture in the United States.

Mr. Speaker, I would urge our colleagues to support this conference report, and to encourage the President to sign the measure into law.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I intend, as a Representative from a farm district, to vote against this bill. I am going to vote against it because it is tokenism for the dairy industry and because of the unconscionable misrepresentation of facts on the part of both the USDA and much of the press in this country which caused this House in the first instance, when this bill was before us, to take out of the bill the 85 percent parity adjustment which was contained in the original bill.

I am just profoundly amazed at the incompetence of much of the press, and most especially at the incompetence of the Washington Star, for its refusal to report what it ought to know are the new facts as far as the dairy section of this bill is concerned. The gentleman from Vermont (Mr. Jeffords), the very able ranking minority member on the dairy subcommittee, uncovered the fact that the consumer cost figures supplied by the USDA which were originally used by the AFL-CIO and by Common Cause and by the Consumer Federation and all the rest who oppose 85 percent of parity, were computed in accordance with the wrong formula. He discovered that, in fact, the cost to consumers of this bill at 85 percent of parity would be less—would be less than the cost estimate we originally received from the USDA for the bill at 80 percent of parity.

For example, the original cost estimate by USDA for a pound of butter, if the bill is at 85 percent, was 20 cents a pound. The new figures now granted by USDA are 5.8 cents, and the figures are much the same if we are talking about cheese and if we are talking about milk.

Yet, the Washington Star, as recently as last Saturday, continues to use in an editorial the old, discredited figures in urging defeat of this bill, when this bill does not even contain the 85 percent which these figures are talking about, and when those figures themselves are wrong.

I am told by a lot of people that to criticize the press and especially single out specific newspapers is the "illiberal" thing to do. I do not think that is "illiberal" at all. I think it is honest. I think the Washington Star, the Washington Post, the New York Times and all of the other press in this country which based their position on this farm bill on the erroneous information they received from the USDA, owe every dairy farmer in this country a public apology.

Mr. Speaker, I want to insert at this point a copy of the Washington Star editorial of April 19, which uses the outdated, erroneous, now discredited consumer cost figures and a table showing the new true costs as finally admitted by USDA:

Bad Farm Legislation

A farm subsidy bill approved by House-Senate conferees the other day no doubt soon will be on President Ford's desk. It ought to be vetoed.

The legislation is bad for several reasons. It comes at a time when the federal government has been trying to move away from the four-decades-old policy of controlling planting and prices and toward a policy of allowing the marketplace to do it. It also is likely to mean increased costs to consumers just when the price of food in grocery stores finally seems to be coming down a bit. And it will increase federal spending at a time when there is growing concern over the huge budget deficits projected.

The fact that Senate conferees retreated from the Senate's more costly version does not alter the essential wrongness of the legislation. They obviously gave in primarily because they hoped the milder House bill would escape a presidential veto.

The bill would raise government-guaranteed prices for a year on wheat, corn, cotton and dairy products. Agriculture Department economists claimed during earlier debate that it could mean an increase of up to 8 cents a gallon for milk, 10 cents a pound for cheese and 20 cents a pound for butter. One national consumer group estimated that overall the bill could cost American consumers $1 billion.

Agriculture Secretary Earl Butz, who certainly is no enemy of farmers, has said he will recommend a presidential veto. He estimates the legislation would increase federal costs nearly $500 million beyond the nearly $700 million outlay under current price-support programs.

Putting additional props under farm prices may be good politics in the farm belt, but those urban-area congressmen who are supporting the measure may find their consumer constituents won't be so happy about it the next time they go to the polls.

NEW CORRECTED COST FIGURES: IMPACT ON CONSUMER PRICES (MAXIMUM PROJECTED)

[In cents]

	At 80 percent of parity		At 85 percent of parity	
	Incorrect reading of bill old projections	Correct reading of bill new projections	Incorrect reading of bill old projections	Correct reading of bill new projections
Fluid milk (per gallon)	6	1.1	8	5.0
Cheese (per pound)	7	1.3	10	5.7
Butter (per pound)	15	1.3	20	5.8
Nonfat dry milk (per pound)		.9		3.9

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Speaker, if I understood the gentleman from Wisconsin correctly, it is his position that the dairy farmers of the United States would be better off with present legislation and supports as they are now than they would be if this conference report becomes law. Am I correct on that point?

Mr. OBEY. No, that is not my position. My position is that I think this Congress and this administration owed it to the dairy farmer to support the bill at 85-percent parity rather than 80 percent of this bill. Because I think this bill represents tokenism for dairy, I am going to vote against it.

Mr. FINDLEY. I thank the gentleman for his clarification.

It is my impression, based on the latest estimates of USDA, dairy farmers can expect very little difference in terms of market income in consequence of this bill; so the dairy section, in my view, no longer should be regarded as a crucial provision of the bill. The bill, in fact, might properly and accurately be entitled "the King Cotton Relief Act of 1975," because its main effect has to do with the cotton industry and the cotton producers. It will definitely increase Government costs very substantially for cotton, raising these costs by about $500 million.

These are costs. Not takeover value, but costs representing increased payments that the Department expects to make as a result of this bill.

It has one other very adverse feature, and that is the provision on soybeans. Since the House approved the original bill, Brazil has announced its intention to clear 50 million acres of cropland and, with the guaranteed worldwide price for soybeans built into this bill under which Brazil can get pretty good financing for crop expansion, we can expect most, if not all, of that 50 million acres to be planted in soybeans in competition with the U.S. producers.

The effect of this will, of course, not only hurt income of farmers; it will hurt the jobs of people who work in the soybean milling business and in the transportation and merchandising activities related to soybeans.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding and his pointing out to the House the impact this bill could have on jobs, especially in the farming community.

But more important, we have heard so much concern expressed about the impact of various acts of this Congress on consumers. We hear many voices raised by taxpaying citizens about congressional programs that increase the prices that our constituents pay in the marketplace. Is it not true that this bill is going to increase prices for the consumer?

Mr. FINDLEY. It is interesting to hear the gentleman from California (Mr. Phillip Burton) argue that we should pass this bill; otherwise, consumer prices will go up. It is a little bit hard to follow that line of argument, when the bill provides for higher nonrecourse loan rates for the major crops of cotton, feed grains and wheat, and also establishes, for the first time, a nonrecourse loan rate for soybeans. The effect of that would be to press prices up somewhat, if the higher rates have any effect on market prices at all.

Mr. ROUSSELOT. In other words, a vote for this bill is a vote to increase prices that the housewife has to pay in the marketplace?

Mr. FINDLEY. Even the adjusted figures for USDA would show that, to some extent.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am opposed to the conference report on H.R. 4296, the emergency farm bill. It would mean higher consumer costs and increased Federal spending. It would also mean a return to the unwanted Government surpluses of years gone by.

I am especially disturbed by the target prices and loan levels that have been established for cotton. Despite passage of the years, H.R. 4296 shows that cotton is still king in America.

H.R. 4296 raises the target price for cotton from 38 cents to 45 cents a pound. The loan level is increased from 34 cents to 38 cents. In other words, the Federal Government would be providing farmers an even greater incentive to grow cotton than currently is the case.

Ironically, however, our Nation does not need increased cotton production. In fact, it is a glut on the market. The Department of Agriculture has forecast that by August of this year the United States will have approximately 6 million bales of excess cotton in storage. This is enough to meet the country's needs for a year. Furthermore, world supplies are projected to be at record levels.

What does this mean? It means that farmers would plant cotton for Government purchase rather than market consumption. It means that farmers would be encouraged to produce an unneeded, nonfood crop rather than food crops which could be grown on the land.

Does it really make sense for American taxpayers to provide financial incentives to farmers to produce more cotton when additional cotton is neither wanted nor needed? I do not think so. I think it makes far better sense to have the land used for crops that are needed for human consumption and for feeding our livestock.

I would also like to bring to the attention of my colleagues the views of William J. Kuhfuss, president of the American Farm Bureau. Kuhfuss has stated that "the multibillion-dollar farm subsidy bill voted by the House and Senate is a tragic mistake." In his opinion farmers should not be trapped "by promise of misguided Government incentives" into the production of price-depressing surpluses.

According to Kuhfuss:

> There is little doubt that the proposed bill would bring a return to the government surpluses of recent years which cost taxpayers $1 million per day in storage costs and $4 billion per year in farm subsidies, but it won't necessarily mean lower retail food prices.
>
> Farm prices have been dropping steadily for the past three months, but few of the lower farm costs have been passed on to the consumer. Government-fed inflation has continued to push up processing, distribution, and marketing costs of food.

I urge my colleagues to reject this costly conference report.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Speaker, this is strictly a no-help agriculture bill that we in the House of Representatives should not be cowed into. There is not a grain of truth, incidentally, in the statement that this is a consumer bill or a farmer bill.

What we need is full production from the farms and not more programs that will lead us right back into the programs of the 1930's.

Much is being made of the fact that the House held its position against the Senate conferees. After looking what the Senate came into that conference with, they must have been fooling or something to put that bill together.

The cost of that bill to the taxpayer would have been in the billions of dollars this year. I do certainly want to compliment our conferees for not buying that kind of package. On the other hand, it was a ridiculous package to start with.

Mr. Speaker, it has become very evident—and my friend, the gentleman from Wisconsin (Mr. Obey), has brought this out—that there are some real questions on the figures that are being used by both sides of this argument.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I will yield to the gentleman from Wisconsin for a minute, yes.

Mr. OBEY. Mr. Speaker, let me just make it clear: the gentleman used my name. I do not want anybody to think that he and I have the slightest area of agreement on agriculture. I do not think there is any farm bill in the country that the gentleman would vote for.

Mr. PEYSER. Mr. Speaker, I thank the gentleman for his comment. That is not the truth, but I thank him for the comment.

I think that the very fact that there are real questions on the figures involved on both sides is obviously for the reason that there was a lack of hearings and a lack of study, and we should not act on this kind of legislation. I believe that we ought to send this bill back to committee by voting against the conference report. I really feel, my friends, that if we do not vote against this conference report, we will all have egg on our face.

Mr. de la GARZA. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Richmond).

Mr. RICHMOND. Mr. Speaker, I rise in support of the conference report. We cannot listen to President Ford on this farm bill—he has been unwilling to take a stand on it, and will not even make his position clear to his own party.

We cannot listen to Secretary Butz on this farm bill; he does not want to help farmers; he does not care about consumers. He has misled the Congress with figures that change every week; he has misled the Congress with a new version each week of what the Department is doing to undermine the bill.

This House has done a responsible job of legislating a fair and reasonable bill. The conference has retained the House provisions of this bill. Farmers need encouragement; consumers need protection; consumers and farmers must work together—against the corporate agribusiness interests, against Secretary Butz, and for a sound food economy.

This bill will help stabilize prices and encourage full production. It is important to consumers and farmers. I urge you to vote for the conference report. We must show the President and the Secretary of Agriculture that we care about our farmers and our consumers and that we rural Congress people and we urban Congress people can join together in establishing a fair food policy for both family farmers and all consumers.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Minnesota (Mr. Hagedorn).

Mr. HAGEDORN. Mr. Speaker, I would like to urge my colleagues in the strongest terms possible, to lend their support to H.R. 4296, the emergency farm legislation reported by the House-Senate conference committee.

The overriding argument in favor of increasing the target prices and loan rates for certain agricultural commodities is simply that agricultural production costs have increased so tremendously over the past year that the old levels are no longer adequate. The primary purpose of the farm bill enacted by the 93d Congress was to assure adequate supplies of reasonably priced goods by assuring producers that expanded production would not result in depressed prices for their commodities. In that act, the Congress set up the established or "target" price concept to provide farmers with the needed assurance. The law provides that when the average price received by all farmers in the first 5 months of the marketing year is below the target level, the difference between that average and the target price will be paid to program participants. The payment rate is limited to the difference between the loan rate and the target price level.

Unfortunately, the target price and loan rate levels established in the 1973 bill are no longer adequate to achieve the goal of maximum production with protection for farmers. The reason is simply that the inflation which has so devastated virtually every sector of our economy has been especially harsh on American farmers. Fertilizer, propane fuel, diesel fuel, and baling wire are just some of the examples of goods which have skyrocketed in price but without which farmers cannot operate at a profit.

Farmers are being called upon, from all quarters, to produce at maximum levels this year. The administration has been particularly adamant in urging farmers to produce, often giving assurances that foreign exports will prevent the domestic market from being flooded with goods, thus depressing prices. In view of this fact, and keeping in mind that the target price program mandates no payments so long as our prices stay above the target price level, it is difficult to understand the administration's opposition to this bill. To put it another way, if those who are advising the President are truthfully confident that there will be a market for this all-out production in domestic plus export use, then there need be no fear of an exhorbitant drain on the Treasury.

Mr. Speaker, I am a farmer myself. I know firsthand that the American farmer wants nothing more than to produce at maximum levels and thus remove the possibility of exhorbitant prices and shortages at the shopping counters. But we simply cannot have it both ways. We simply cannot ask farmers to bear the brunt of current interest rates and high costs of production without some assurances that the Nation will share with them the risk of overproducing and bringing these prices back to disastrously low levels.

Mr. WAMPLER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Vermont (Mr. Jeffords).

Mr. JEFFORDS. Mr. Speaker, I rise in report of the report, reluctantly and with serious reservations. I will restrict my remarks to the dairy provisions of the conference report. The facts and circumstances surrounding this section of the bill are now very different from what they were—or were thought to be—when the bill was first presented on the floor for debate and vote.

These changes in circumstance disturb me greatly. I am sorry that the confer-

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ence committee, having been made aware of the changes, failed to adjust the dairy provisions to reflect what I feel was the clear intent of the House. This adjustment could have been made by simply acceding to the Senate version of the dairy section of the bill, which would set the base price which farmers receive for milk at 85 percent of parity.

As you may remember, there was considerable debate on the House floor as to whether the support price for milk should be set at 80 percent or 85 percent of parity. The proponents of 80 percent based their arguments primarily on figures released by the U.S. Department of Agriculture, projecting the impact the legislation would have on consumers. They indicated that at 85 percent of parity, the price of fluid milk would rise 8 cents per gallon, cheese 10 cents per pound, and butter 20 cents per pound. These figures, you may remember, were hotly contested by the proponents of the 85-percent figure. Those of us who wanted 85 percent argued that the USDA projections were inaccurate because they ignored certain facts regarding marketing conditions, and, with respect to butter, were based on support methods which would never actually be used.

Since that time, in an effort to provide the Conference Committee with accurate, up-to-date figures, I sought verification of certain statistics from the USDA. To my dismay, when I checked with the people at the Department who prepare the figures, I found that an entirely new set of figures was available. This was not merely a minor adjustment of the USDA projections on the impact of the legislation. The new figures are not even close to those on which we based our floor debate.

The new USDA projections show that at 80 percent of parity, this legislation does little for the dairy farmer, and has virtually no impact on consumer prices of dairy products.

Even more significantly, the USDA now admits that even at 85 percent of parity, this legislation would have less impact on farmers or consumers than would have been the case at 80 percent, if the earlier projections were to be believed.

In other words, if we set parity at 85 percent, we are doing less than we thought we were doing when this House voted for 80 percent of parity.

You may remember that the advocates of 80 percent of parity at that time, using the USDA figures which were then available, indicated this would be the minimum amount of relief farmers need to carry them through this difficult period. That argument totally disintegrates under the new USDA projections.

Before summarizing these figures for you, I would like to remind you that the comparable support price for milk in March of 1974 was $8.11 per hundredweight.

At 80 percent of parity, as adopted by the House, the old figures indicated that the base price farmers receive for milk would go to $7.42 per hundredweight upon enactment of the bill, and rise gradually to $7.95 by next year. The USDA said at that time that this increase would result in retail price increases of 6 cents a gallon of fluid milk, 7 cents per pound of cheese, and 15 cents per pound of butter. Of course, the proponents of 85 percent of parity disagreed with these figures.

The new USDA figures for 80 percent of parity suggest that the support price for milk will rise from the present $7.24 to $7.31 upon enactment. Subsequently, the farmer's price would rise only slightly, to $7.37, then go back to $7.31 a year from now.

The impact on the consumer, the USDA now says, would be price rises over a year of 1.1 cent per gallon of milk, 1.3 cents per pound of cheese, and 1.3 cents per pound of butter.

At 85 percent of parity, the figures originally supplied by USDA indicated the price support for milk would go to $7.91 per hundredweight and then rise, gradually, to $8.19 a year from now. In other words, the projection at that time was that, a year from now, farmers would be getting about the same base price as they received in March of 1974, if Congress would set parity at 85 percent. Even working under those figures, many of us thought that was a modest request.

But the new figures are radically different. The USDA now says that even at 85 percent of parity, support prices for farmers would go only to $7.76 per hundredweight, rise slightly, then return to $7.76. It is now clear that the modest request of dairy farmers has become even more modest.

It should be pointed out that the final price under 85 percent of parity, $7.76 per hundredweight, is 17 cents less than what had been estimated for 80 percent of parity during our floor debate earlier this year.

As for consumer prices, the USDA now says that at 85 percent of parity the price of fluid milk would rise by 5 cents per gallon, cheese by 5 cents per pound, and butter by 5.8 cents per pound. This is obviously less than the price increases which the floor proponents of 80 percent of parity had said they were willing to accept. The impact of the legislation at 85 percent is less than what it was thought to be at 80 percent.

It should also be noted that even these new USDA figures are vulnerable because they ignore certain market conditions, such as the fact that present fluid milk prices are substantially above the base price in most areas of the country.

The most distressing aspect of this situation is that the incorrect USDA figures were based, largely, on a misreading of the bill. The USDA has had ample time to study and interpret the language of the dairy section, as virtually identical legislation was passed by the Congress in 1974, and then vetoed.

In summary, the Dairy Subcommittee wanted to give the dairy farmer a loaf of bread, just barely sufficient to sustain him during very difficult financial circumstances. The House, based on erroneous USDA figures, felt the dairy farmer could survive on half a loaf. Now, it appears he must accept a quarter of a loaf, because otherwise there will be a Presidential veto, and the dairy farmer will be lucky if he gets a crust of bread tossed out by the good Secretary of Agriculture. I might add that if history repeats itself, the crust is likely to be week-old Rye Crisp.

I do intend to vote for the conference report, in hopes that it will not be vetoed. The bill does little, if anything, to alleviate the dual problem of decreasing farm income and increasing farm costs. It does, however, provide some minimal protection against further increases in production costs.

I am not at all happy with the bill. But, given the alternative, I support adoption of the conference report, to establish the principle of quarterly adjustments. I do not consider this action to be the last work of the session on behalf of the beleaguered dairy farmer. It should be viewed as an interim step, while we seriously search for a more permanent means of guaranteeing an adequate supply of reasonably priced milk for consumers.

I include the following:

SUMMARY OF PRICE PROJECTIONS (FOR MANUFACTURING MILK PER HUNDREDWEIGHT—PAID TO FARMERS)

[Present support price based on 80 percent of parity as of Jan. 1, 1975—$7.24. Departmental projections are based on quarterly adjustments]

	As previously released by USDA	Incorrect reading of farm bill, new comparable figures by USDA	Correct reading of farm bill, new figures by USDA
At 80 percent of parity:			
April	$7.42	$7.31	$7.31
July	7.59	7.45	7.37
October	7.76	7.51	7.35
January 1976	7.93	7.51	7.31
At 85 percent of parity:			
April	7.91	7.76	7.76
July	7.98	7.91	7.82
October	8.13	7.97	7.79
January 1976	8.19	7.97	7.76

IMPACT ON CONSUMER PRICES (MAXIMUM PROJECTED)

[In cents]

	At 80 percent of parity		At 85 percent of parity	
	Incorrect reading of bill, old projections	Correct reading of bill, new projections	Incorrect reading of bill, old projections	Correct reading of bill, new projections
Fluid milk (per gallon)	6	1.1	8	5.0
Cheese (per pound)	7	1.3	10	5.7
Butter (per pound)	15	1.3	20	5.8
Nonfat dry milk (per pound)	--------	.9	--------	3.9

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Speaker, I neglected to mention in my earlier remarks the provision of the conference report which shows that the House receded on a provision relating to storage costs and interest rates on nonrecourse loans. This was sponsored in the House Committee on Agriculture by the gentleman from New York (Mr. Richmond) and I applauded it because it represented a long overdue reform. For many years cotton producers have had an unjustified advantage under administrative procedures of the Department of Agriculture. Under this unjustified advantage they have been able to shift

most of the storage costs and interest rate costs to the Government, whereas feed grain producers and wheat producers have had to meet those costs personally.

This amendment sponsored by the gentleman from New York (Mr. Richmond), would have ended that form of discrimination.

I should like to raise the question, if anyone would care to respond, as to why this provision was dropped, a provision which I understand, if kept, would have saved the taxpayers probably $20 to $30 million.

Mr. BOWEN. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Mississippi.

Mr. BOWEN. I thank the gentleman for yielding.

At the time that amendment was adopted in committee, we did not have access to the records on this matter. Since that time we have, and after a thorough discussion in conference, we were able to see very clearly that the unusually high cost involved in the storage of cotton in warehouses, because of flammability and other problems, had justified the Department of Agriculture's practice over the years. In fact, this was balanced against the special advantages that have been given to grain producers; namely, the low-cost loans made by Commodity Credit Corporation, in the range of 4 percent, for bins to store grain on the farms.

Some $900 million worth of loans have been made to grain producers for bins so they might store their grain on the farms. These are loans subsidized by the taxpayers, while the cotton farmer is required to store his cotton in insured warehouses. The warehouse charges are paid at the time the cotton is sold by being included in the price of the cotton.

The SPEAKER. The time of the gentleman has expired.

Mr. WAMPLER. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois.

Mr. BOWEN. Mr. Speaker, if the gentleman from Illinois will yield further and allow me to finish my statement, the grain farmer has had an opportunity to get low-cost bins and surplus bins so that he might store his grain on the farm. This is not possible in the case of cotton.

The acceptance of the language the gentleman is referring to, by requiring prepayment of warehouse charges, would have lowered the value of the loan by almost 2 cents per pound. If the gentleman from Illinois would be prepared to see the loan increased by that 2 cents, then I am sure we would be quite willing to retain that language.

Mr. FINDLEY. I want to say to the gentleman that the basic principle, I think, should be established that producers be treated alike, whether they be cotton producers, wheat producers, or feed grain producers. They have not been up to now. We ought to treat them all alike with respect to storage rates and interest costs.

Mr. FOLEY. Mr. Speaker, I yield myself 1 minute for the purpose of amplifying the gentleman from Illinois' question.

The conference report did remove the amendment which required that these loans be treated as nearly as possible in the same manner, but we substituted for that a direction in the request to the Department to study the various storage rates and interest costs of the various commodity programs and to come back to the Congress with a recommendation from the Secretary on what they would recommend should be done in the way of adjusting any of these storage rates and loan rates. I want to assure the gentleman that the conference did not eliminate any particles of this subject and asked for the study for the purpose of deliberation, if the gentleman or any others would like to make it a part of any future legislation.

The SPEAKER. The time of the gentleman has expired.

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Speaker, I remain firmly opposed to this bill, and I urge my colleagues to vote against this conference report.

This bill was already sour when it passed the House. I regret to note that the conference committee has done nothing to improve the recipe. Instead, it has stirred the potion just enough to speed up the fermentation process. This may seem like heady brew to farmers this year, but I guarantee, my colleagues, that farmers will be back next year for a hangover cure.

The conference committee has come back to us with a few more loopholes added to the bill passed by the House. For instance, the committee adopted a 6-month extension for wheat and corn loans, so that these farmers, like cotton farmers, can have an additional way to avoid the $20,000 payment limitation.

Over the weekend, I received a "Dear Colleague" that demonstrates why this bill should be rejected and recommitted. The letter was from the gentleman from Vermont (Mr. Jeffords), the ranking minority member of the Dairy Subcommittee, and a proponent of the bill.

The second paragraph of his letter says, and I quote:

> Before you vote to accept or reject the conference report, you should know that the Department of Agriculture has come up with new estimates as to the impact of the dairy section of this bill. These figures make it clear that the dairy supports you will be voting for next week are not what you thought you were approving at the time of original consideration of the farm bill.

So, Mr. Speaker, you are not voting for what you thought you were voting for. Worse yet, the gentleman also concedes that—

> This development is very disturbing, as it appears that the farmer who most needs immediate assistance will be getting very little if any help.

So, the House is not voting for what we thought we were voting for, and the farmer that we are trying to help is getting very little, if any, help.

Mr. Chairman, if the Congress passes a bill under such circumstances, the legislation would be no better than the amendment I offered that would have allowed farmers to grow subsidies on trees and send their nuts to Butz.

We have this problem with the dairy section of the farm bill because it was hastily written by the committee without a moment of hearings. I called for dairy hearings in January, and I would be very pleased to see the Dairy Subcommittee come to New England.

The soybean section is similarly plagued by the lack of information stemming from the absence of hearings. So if the Congress is plagued by conflicting statements and misinformation on this legislation, let us not blame the Department of Agriculture. USDA did not cause the informational vacuum.

Instead, let us think constructively. I urge my colleagues to defeat this bill today, send it back to committee, order hearings that will resolve the many problem areas, and start a new markup with a clean slate.

I urge my colleagues to defeat this conference report.

Mr. WAMPLER. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Speaker, I intend to vote for this conference report and I wish to commend the conferees for the work they performed in securing agreement with the Senator.

Mr. Speaker, I could hardly believe my ears a moment ago when I heard somebody on this floor make the statement that Secretary Butz was not for the family farmer. Nothing could be further from the truth and I suggest that this Member take a look at the record. I can recall serving on the House Committee on Agriculture when I first came to the Congress and the failures of other programs advocated by past Secretaries of Agriculture. I know what the prices for agricultural commodities were under these Secretaries. I can recall when a certain Secretary of Agriculture used to feed "out of condition" corn onto the market every time the price of corn reached $1 a bushel. I can recall when we had wheat piling up in storage bins all over this country and the only persons making any money out of agriculture were the owners of the storage facilities. Under Secretary Butz the farmer has gotten a little better return for his efforts and his tremendous investment than he received under other Secretaries of Agriculture we served under since coming to the Congress. I might say our distinguished Speaker is aware of the small return our farmers received in former years as he was a member of the House Agriculture Committee during the time I served on this important committee.

So I could hardly believe my ears, Mr. Speaker, when I heard somebody condemning the policies of Secretary Butz. Naturally, I have disagreed with some of his positions and I have disagreed with some of the positions taken by this administration—especially on export controls—but basically the farmer has received a better share of our GNP for his efforts under the leadership of Secretary Butz than under any Secretary of Agriculture we have had during the 18 years I have been a Member of Congress.

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I support this conference report today notwithstanding the fact that the Secretary has given some logical reasons for opposing it. Why is he opposed to this bill? He is opposed to it because he is fearful that the prices set forth in the bill will eventually become the market prices and they will not afford the floor for prices we are attempting to structure. I am just praying we will be right and he will be wrong in this instance because no one wants lower farm prices and a return to producing for Government warehouses.

Today the market price for wheat is $3.54; for corn, $2.94; for soybeans, $5.87; and for cotton, 44 cents. With the exception of cotton, these prices—which are not high enough—are considerably above the loan prices in this bill.

Hopefully, we will never get down to these loan and target prices under Secretary Butz, but if we do, this economy is really going to be in trouble and the farmer is going to need some help provided by this bill.

I am voting for this conference report as I also believe the present loan and target prices are unrealistic today. If the present target and loan prices were realistic when they were adopted, who can say they are realistic today when you consider the increased cost of production and the increased cost of living since then?

To say that we should not increase these prices in view of these facts fails to come to grip with reality. I am supporting the conference committee report and praying our farmers will never have to use the loan and target prices provided therein.

Mr. WAMPLER. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. FOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. Bergland).

Mr. BERGLAND. Mr. Speaker, I would like to commend the gentleman from Ohio (Mr. Latta) for his analysis of this conference report. I think he has provided us with the kind of information we need in considering these matters. He has proven to my satisfaction and, I hope, to all who have doubts, it will not, in fact, cost the taxpayers of the United States any money, nor will it increase the cost to consumers.

As a matter of fact, Mr. Speaker, this is a consumer bill. The 3 million farmers in the United States are in and of themselves consumers, the largest consumers in the United States. It is my view and my judgment that the best interests of the consumers of this country can be served by having full production. The days of the soil bank and set asides for these basic commodities is a day of the past. This report does not contain devices designed to restrict production.

If the welfare of the United States is to be best served it is imperative that we have maximum production on all commodities. The concern out in my country in the Midwest is that we have seen boom and bust prices of grain crops in the last 2 years. These wild price swings are governed by external forces, frequently matters over which farmers have no control. The farmers must make critical choices. Should they borrow high interest money to buy fertilizers to apply to these lands to obtain maximum yields or should they not. In the absence of some modest guarantees, my fear is these farmers will be forced to curtail the amount of fertilizer applied and reduce the acreage of these critical crops. Should that come about, the results will be even higher prices than are currently the case in the market.

I believe if we are going to do real service to the producers and consumers, we need the introduction of an element of stability to avoid the boom and bust policy being forced upon both the farmer and the consumer.

Mr. Speaker, I urge the adoption of the conference committee report.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. Hughes).

Mr. HUGHES. Mr. Speaker, I rise to support the conference report on the Agriculture Act amendments and to commend the House conferees for prevailing, as they often do, in conference with the Senate.

I intend to vote for the 1-year program of target prices and farm loans while recognizing the reservations expressed to me by members of the New Jersey Farm Bureau in a recent visit to my district.

The New Jersey Farm Bureau and its national organization, the American Farm Bureau, are opposed as a matter of philosophic outlook to the establishment by the Federal Government of subsidy, surplus, and target price programs. It is also feared that by buying up grains and other commodities the Federal Government might at some future point flood the market and drive prices down.

Well, I would like to say to my friends in the farm bureau that the situation today is much changed from the conditions existing in the days of the New Deal.

We have no surplus problem today but rather a demand for agricultural products for both domestic and international sale. The target prices set in this compromise bill are well below prevailing market prices and have been set in the hope that we can avoid the boom and bust cycle that prevents many farmers from planning their yearly crop level.

The increasing sale of American agricultural commodities in international trade also has attractive benefits from the perspective of heading off a trade deficit, recycling petrodollars, and using our food sources to obtain concessions from other nations.

Let us not kid ourselves, if the Arab nations thought that there was a lot of clout in oil, they ought to consider the day when they may turn to this Nation for agricultural products.

For those concerned with cost, it has now been determined by the House Agriculture Committee staff than no more than $210 million will be spent on this 1-year program, far less than the scare figures promulgated by Agriculture Secretary Earl Butz and his staff last month.

For this we owe special thanks to our colleagues James M. Jeffords of Vermont and Dave Obey of Wisconsin who caught the USDA in overestimating by as much as 70 percent the cost of some commodities to consumers.

To the argument that this bill does little to directly aid the farmers in my own district, I would say that Members from inland agricultural areas who voted for ConRail and Amtrack funds and for urban mass transit systems did little to benefit their constituents.

They did so in recognition of national interests.

So do I.

Mr. BEDELL. Mr. Speaker, I would like to take just a brief moment to voice my support for the 1-year emergency farm bill which we are considering today.

Many individuals worked long and hard on this bill—Senators, Congressmen, and staff. They should be commended for their effort, for I believe that we have before us here today a responsible and necessary piece of legislation that transcends narrow regional interests and embraces the greater national interest.

H.R. 4296 is an emergency measure which would establish a realistic and meaningful price support program for the 1975 crop or commodity year for upland cotton, wheat, feed grains, soybeans, and milk. It is designed to lend greater stability to an increasingly fluid and unstable agricultural market. If enacted, it will provide insurance for the farmer against falling prices and time for the Congress to take an in-depth look at our production and consumption policies and to construct a comprehensive national farm policy that will effectively and responsibly deal with the highly volatile agricultural market. The stability it will provide is essential for producers and consumers alike.

This is a very important point. During House debate on the emergency farm bill, a great deal of misunderstanding arose about the impact which this bill would have on consumer prices. Much of this misunderstanding was directly attributable to misleading information released by the U.S. Department of Agriculture.

If this bill is signed into law by the President, it woud have an impact on the consumer cost of grade A milk of 1.9 cent per gallon at the very most, as compared to the 2 cents per gallon originally claimed by the USDA. Butter might go up as much as 2.9 cents per pound, not the 20 cents previously maintained by the Department. The fact of the matter simply is that his bill will not substantially increase the cost of food at the retail level.

Also, this bill does not guarantee huge profits for agricultural producers. It is basically an insurance policy for America's farmers. It does not change the present target price and program, but merely makes it more responsive to current market conditions. It seeks to assure that, should the bottom fall out of the market because of a possible large surplus, the farmer would have some guarantee that his losses will not be as catastrophic as under the 1973 Farm Act now in effect.

I would like to take a moment at this point to comment on the administration's role in the development of this legislation. I must confess that their conduct in this matter has been one of

the greatest disappointments of my short tenure in the Congress.

At the outset, the administration opposed the emergency farm bill, arguing that it was inflationary and irresponsible. They attempted to support this contention by releasing misleading and inaccurate figures which grossly overexaggerated the potential cost of the bill.

When this tactic failed, and the bill was passed by comfortable margins in both the House and the Senate, the Secretary of Agriculture announced that he had recommended that the President veto the proposal. Now, apparently in an attempt to soften the impact of such a veto, and obfuscate the reasons for it, the Secretary has taken an incredible public posture. Last night, he stated that the President may veto the bill and then increase target prices and loan levels by administrative action. Why, 18 hours before the conference report comes before the House, has the administration decided on a 180-degree turn?

The House Agriculture Committee held extensive hearings and markup sessions on this bill earlier this year in response to the real and pressing need for some type of assurance for farmers against falling prices and rising costs. At every point during these deliberations, our efforts have been opposed by Secretary Butz and the Agriculture Department. If indeed, the Secretary believes that raising target prices and loan levels is a good idea, why did he not work with us in the first place? In light of the administration's previous track record on this issue, I fear that with all else having failed, the Secretary has determined that it has become necessary to subvert the work of the Congress and the needs of the farmer through a last ditch and desperate public relations gimmick. The confusion displayed by the administration simply illustrates the inherent justice and wisdom of our legislation.

Let me conclude by repeating that I firmly believe that H.R. 4296 is a responsible and necessary piece of legislation. I was very disappointed by the attempts which were made during previous consideration of this bill to split the House into urban and rural, and consumer and producer factions, and I was extremely gratified when these attempts failed in both the Senate and the House. The conferees have toiled diligently to reconcile the difference between the Senate and House versions of the bill. In so doing, they have done an excellent job in meeting the objections of the administration and in reducing the cost of the bill. It is now time for the administration to recognize the need for this bill. I hope that the House will adopt the conference report on H.R. 4296 by an overwhelming margin and that the President will sign the bill into law with a minimum of delay.

Mrs. HECKLER of Massachusetts. Mr. Speaker, the conference report on H.R. 4296 is virtually the same bill which passed the House on March 20, and it still has the same deficiencies as the original bill. I was opposed to H.R. 4296 then, and I am opposed to it today.

This legislation was hastily conceived and rushed through the committee and the House without any semblance of adequate consideration. Target price increases of 50 to 70 percent are mandated without any solid evidence presented that the increases are justified by increased production costs.

Perhaps the most glaring inadequacy is the cotton provision, which provides a direct stimulus to cotton production at a time when there is a worldwide glut of cotton. Even worse, the nonrecourse loan available to cotton producers who cannot sell their crop is extended an additional 8 months, prolonging the liability of the U.S. Government.

This is a nonsensical policy for us to enact. In the short run, we are committing the Government to buying a crop which we know in advance is surplus to our needs. In the long run, we are increasing the likelihood that the boom-bust farm cycles will be repeated, with too much production leading to oversupply, followed by production limits, followed by shortage and the need for stimulus. What does the cotton farmer gain from all of this? What improvement results for our economy? These are the questions which we ought to consider before passing this type of provision.

Mr. Speaker, it is this lack of study, this headlong rush which disturbs me most. We are committing the Government to spend $500 million in direct payments to farmers, and another $1.3 billion in Commodity Credit Corporation loans and inventory costs in the next fiscal year, without any idea what the real effect on agriculture will be.

As a member of the committee, I favor comprehensive hearings on all these questions. I want to look at the increasing farm-retail price spread, the structure of our agriculture production and distribution sector, the question of monopoly. We cannot legislate a farm policy that is in the national interest without consideration of these questions.

Instead, we have before us an ill-conceived bill, costing over a billion dollars, and providing no assurance that the instability in our farm economy will improve.

Mr. KASTENMEIER. Mr. Speaker, although I am reluctantly voting in favor of this bill, the relief offered to dairy farmers by the bill is little more than a charade.

The quarterly adjustment provision is a plus for dairymen. In the present inflationary spiral, the mechanics of computing parity will reduce the percent of parity for a given support price by almost 1 percent a month. "Freezing" a support level in dollars per hundred-weight for an entire year as in the past, would be highly inequitable to dairy farmers and to the entire dairy industry. Because quarterly adjustment would help to keep milk price support levels more current with increases in production costs, this aspect of the bill would serve as a partial hedge for farmers against inflation. My support of this bill is support for quarterly adjustment.

Setting a parity level of 80 percent is a mistake. The January 1975 grade A blend prices in major Wisconsin producing areas averaged $7.25 per hundredweight with grade B prices averaging $6.80 per hundredweight. These figures are $1.35 to $1.80 below the cost of production, a situation that has been duplicated in other parts of the country. Farmers will not absorb losses of $1.35 to $1.80 per hundredweight for long. Instead, they will cut back production, or go out of milk production entirely—and once out, its difficult to get back in. Consumers will also lose if this trend is accelerated. A continuing decline in milk production will mean shortages with resulting higher prices.

The March 1975, parity price equivalent for manufacturing milk was $9.14 per hundredweight. At that figure, an increase in parity from 80 to 85 percent would only cause an increase in the retail price of milk of 4 cents per gallon—if the increase were entirely passed to the consumer. There is evidence that part of the increase would be absorbed by the manufacturer.

This bill has a life of 1 year. During the next year, Congress must act more vigorously to develop and pass legislation that deals with the cost-price squeeze facing American Farmers. If we continue to allow parity prices to be established that we know will force increasingly more farmers out of business, we are really establishing a national policy that will cause the United States to lose its self-sufficiency in dairy production and face shortages of milk at highly inflated prices.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, the House recently passed H.R. 4296, the Emergency Agricultural Act of 1975. On final passage, I found that I could not vote for this piece of farm legislation.

Today we are considering the conference report; and after careful study, I find that I will have to cast a "no" vote on this report.

As a farm operator myself, I know that farmers, like many other Americans, are suffering under serious economic hardships of inflation and recession. When the price of food goes up in the grocery store, the farmer rarely gets much of the extra money.

While the American farmer needs help, the Emergency Agricultural Act is not the kind of help he needs. While this bill would put a little more money in the pockets of some farmers, it could take a lot of money out of the pockets of every American consumer and taxpayer.

According to the U.S. Department of Agriculture, this bill would increase milk prices by 8 cents per gallon, cheese by 10 cents per pound. and butter by 20 cents per pound. Altogether, Americans would pay $900 million extra each year in increased food costs.

This bill would also cost the American taxpayers an additional $6 billion or more in payments to farmers by 1977 if the proposed changes are continued. This extra $6 billion would be added to the Federal budget at a time when every dollar added to the Federal budget adds to the fires of inflation.

This bill would force U.S. farm goods out of world markets, weaken our competitive position in world trade, and destroy the benefits to our economy of record-high farm exports.

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Perhaps worst of all, this bill would bring more Government intervention in farming. Once again we would pay American farmers not to grow crops rather than encouraging them to grow them. Today food prices are rising and there is a growing worldwide shortage of food. What farmers need are economic incentives to produce as much as they can.

Two years ago, the Congress made a significant change in the American farm program that provided economic incentives to produce. Since that time farm net incomes have risen to reach high levels across the Nation. Although the average farmer still does not make a sufficient income, he is better off under the current program than he was before.

At the same time, the cost of the farm program to the taxpayer has declined by over $3 billion. This is not the time to turn the clock back by rashly enacting a bill because it has an attractive title. The Emergency Agricultural Act of 1975 should have been more appropriately titled, "Rob the Taxpayer Blind Bill" or "Cause More Inflation Act."

Hopefully, the so-called Emergency Agricultural Act will not receive final approval. If it does, we will all suffer.

Mr. GRADISON. Mr. Speaker, I rise in opposition to the conference report on H.R. 4296, the emergency farm price support bill.

While the conference should be commended for rejecting the higher Senate loan support and target prices in favor of the House figures, this bill at least is as bad as when we first voted on it.

However, it is fortunate that we are allowed another chance to consider this bill, because the first time the serious defects in this bill were glossed over for the sake of doing something in this "emergency." Well it is a month later, the bill is still labeled emergency legislation, and the problems with the bill are as great as ever.

I believe that this bill is a good indication of what happens when a bill is rushed through the legislative process, in some areas without even having hearings held. The resulting confusion over the effect of this bill should be a warning to us to consider all legislation carefully before acting.

Let me summarize some of the harmful effects this bill would have on farm production in the future:

First, increased food prices to the consumer up to $500 million. While the USDA has revised their figures for increased prices downward, the resulting increases are still substantial—4.5 cents per gallon for milk, 5.25 cents per pound for cheese, 5.3 cents per pound for butter. The fact that the Agriculture Committee and the USDA both misunderstood the impact of the dairy section of the bill points to the need for thorough hearings in Committee.

Second, discourage the production of food crops, especially soybeans, in favor of cotton where there is already an oversupply. The loan support price for cotton is set so high that farmers will be better off producing cotton for the Government, not the marketplace, thus adding to the 6 billion pounds of cotton reserves.

Third, wreck the Federal farm policy of increasing food exports because such price increases will erode our competitive position. Since 1972, U.S. farm exports have grown from $[illegible] million to an estimated $22 billion this year. In addition, the cost of Federal subsidies has been reduced to $500 million from $3.9 billion. Raising the loan supports to the proposed levels would put a halt to these trends.

I believe we need a policy on agricultural production which recognizes the needs of both farmers and consumers, not a short-sighted gift to the farm lobby.

Mr. BOWEN. Mr. Speaker, there have been some remarks here earlier referring inaccurately, I am afraid, to figures on the cost of the cotton program in this conference report. In point of fact, the maximum possible cost to the taxpayer of the cotton program in this legislation, under the worst of circumstances, would be only $180 million.

By looking at the allotment for each State which grows cotton and the intentions to plant figures as reported by the Department of Agriculture, we can arrive at a cost per penny of exposure of the Federal Government of approximately $45 million. What that means is that for every penny of the difference between the loan level and the target price, and this figure is adjusted for the $20,000 limit on payments, there would be a cost of $45 million.

Since cotton always sells for at least 3 cents more than the loan level, a loan of 38 cents for middling inch cotton would mean a 41-cent average price. The difference between that and the 5-cent target price is 4 cents. Hence, four times the $45 million maximum cost would be $180 million, rather than the exorbitantly high figures mentioned earlier.

At this time, prices are rising for cotton, and there is every reason to believe that the cost to the Government will be less than the figures I have mentioned.

For example, the November futures for cotton are running at 46 to 47 cents. If this trend continues, there might be no cost involved at all to the taxpayers in this legislation.

Cotton is temporarily down, but, as we recover from our general recession and our textile recession, demand for cotton will accelerate. A drastic cutback in cotton production and a sharp increase in demand will put America back on the roller coaster of high and low prices which this legislation is intended to prevent. The consumers of America have as much interest in achieving stable prices for cotton as for any other farm commodity.

Mr. Speaker, I simply feel that we should get the record straight on this matter.

Mr. FOLEY. Mr. Speaker, I only wish to take a moment or two to express my appreciation to the distinguished ranking minority Member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER) and his colleagues, the gentleman from Kansas (Mr. SEBELIUS), who were minority conferees, and the majority conferees, the gentleman from Texas (Mr. POAGE), the gentleman from Tennessee (Mr. JONES), the gentleman from Minnesota (Mr. BERGLAND), the gentleman from Mississippi (Mr. BOWEN), to say that we have attempted in this conference report to bring a conference report back that expressed the will of the House.

I wish the figures could have been higher in many respects and I share the views of those who feel that this is a minimal bill; but I would also argue that it is a bill that is moderate by any definition and little enough to do at this time to encourage farmers around the country to answer to the full production call that has gone forth from the Government in this year, as in years past.

I am also deeply appreciative that this bill has been bipartisan in the committee, bipartisan on the floor and bipartisan in the conference report.

I hope it will have an overwhelming vote of approval in this House.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FOLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 248, noes 166, not voting 18, as follows:

[Roll No. 134]

AYES—248

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Biester
Bingham
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Casey
Chappell
Chisholm
Clay
Cochran
Corman
Cornell
D'Amours
Davis
de la Garza
Derrick
Diggs
Dingell
Dodd
Duncan, Oreg.
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Giaimo
Gibbons
Ginn
Grassley
Green
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hefner
Henderson
Hicks
Hightower
Hillis
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Keys
Kindness
Krebs
Krueger
LaFalce
Landrum
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Tenn.
Long, La.
Lott
Lujan
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
Madden
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mineta
Mink
Moffett

Mollohan
Montgomery
Moore
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nolan
Nowak
Oberstar
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Poage
Pressler
Preyer
Price
Quie
Railsback
Randall
Rangel
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Rooney
Rose
Rostenkowski
Roush
Runnels
Ryan
St Germain
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Staggers
Stanton, James V.
Stark
Steed
Steiger, Wis.
Stuckey
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Ullman
Vander Veen
Vigorito
Waggonner
Wampler
Waxman
Weaver
White
Whitten
Wilson, Charles, Tex.
Winn
Wirth
Wright
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

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Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Archer
Armstrong
Ashbrook
Bafalis
Barrett
Bauman
Beard, Tenn.
Bell
Bennett
Biaggi
Blanchard
Boland
Brodhead
Broomfield
Brown, Mich.
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Cederberg
Clancy
Clawson, Del
Cleveland
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Delaney
Dellums
Derwinski
Devine
Dickinson
Downey
Downing
Drinan
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Eshleman
Fascell
Fenwick
Findley
Fish
Ford, Mich.
Forsythe
Frenzel
Frey
Gaydos
Gilman
Goodling
Gradison
Gude
Haley
Hansen
Harrington
Harris
Harsha
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holt
Holtzman
Horton
Hutchinson
Hyde
Jacobs
Jarman
Johnson, Colo.
Kelly
Kemp
Ketchum
Koch
Lagomarsino
Lent
Lloyd, Calif.
Long, Md.
McClory
McDonald
McKinney
Madigan
Maguire
Mazzoli
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Calif.
Mosher
Mottl
Nedzi
Nix
Obey
O'Brien
O'Hara
Peyser
Pike
Quillen
Rees
Regula
Rhodes
Rinaldo
Robinson
Roe
Rogers
Rosenthal
Rousselot
Roybal
Ruppe
Russo
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Shuster
Spellman
Stanton, J. William
Steelman
Steiger, Ariz.
Stratton
Studds
Symms
Talcott
Van Deerlin
Vander Jagt
Vanik
Walsh
Whalen
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wolff
Wydler
Wylie
Yates
Young, Fla.
Zeferetti

NOT VOTING—18

Clausen, Don H.
Conyers
Dent
Eckhardt
Esch
Goldwater
Gonzalez
Hinshaw
Holland
Macdonald
Mills
Murphy, N.Y.
Pritchard
Roncalio
Shriver
Stephens
Stokes
Udall

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Conyers against.

Mr. Murphy of New York for, with Mr. Macdonald of Massachusetts against.

Mr. Shriver for, with Mr. Hinshaw against.

Mr. Holland for, with Mr. Goldwater against.

Mr. Roncalio for, with Mr. Mills against.

Until further notice:

Mr. Stephens with Mr. Stokes.

Mr. Esch with Mr. Udall.

Mr. Don H. Clausen with Mr. Gonzalez.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

TO ESTABLISH AN AD HOC SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution, (H. Res. 412), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 412

Resolved, (a) That pursuant to rule X, clause 5, the Speaker is authorized to establish an ad hoc Select Committee on the Outer Continental Shelf to consider and report to the House on the bill H.R. 6218, a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes, and on any related matter on this subject within the jurisdiction of the three committees named in part (b) of this section which may hereafter be referred to it by the Speaker.

(b) The select committee shall be composed of 16 Members of the House appointed by the Speaker from the following committees: (1) the Committee on Interior and Insular Affairs; (2) the Committee on the Judiciary; (3) the Committee on Merchant Marine and Fisheries. The Speaker shall designate one of the members as chairman.

SEC. 2. Insofar as applicable the provisions of rule XI, clauses 1 and 2 shall apply to the select committee.

SEC. 3. To enable the select committee to carry out the purposes of this resolution, such committee is authorized to utilize the services of the staffs of those standing committees of the House from which Members have been selected for membership on the select committee.

SEC. 4. (a) The select committee is authorized and directed to transmit its findings and report to the House on such matter as may have been referred to it and on which it has acted as soon as practicable, but no later than January 31, 1976.

(b) Any bill and accompanying report of the select committee shall be subject to the rules of the House in the same manner as though it had been reported from a standing committee of the House.

SEC. 5. The committee shall expire upon completion of the legislative process, including final disposition of any veto message, with respect to all legislation reported by the committee.

The SPEAKER. The gentleman from Massachusetts (Mr. O'NEILL) is recognized for 1 hour.

Mr. O'NEILL. Mr. Speaker, this resolution is for the purpose of establishing an ad hoc select committee of 16 Members of the House of Representatives to be appointed by the Speaker from the House Committee on Interior and Insular Affairs, the Committee on the Judiciary, and the Committee on Merchant Marine and Fisheries. The Speaker will also designate the chairman.

The purpose is to enable the Select Committee to carry out the purposes of this resolution, which are to study the Outer Continental Shelf lands with regard to the drilling that is going to take place for oil and other such materials.

There are no funds provided for in the resolution at this particular time, and if the select committee should need funds, then it will have to go to the Committee on House Administration.

This resolution also has the agreement of the leadership on the other side of the aisle.

Mr. MURPHY of New York. Mr. Speaker, I seek the support of my colleagues for the passage of the resolution introduced today by the majority leader. This resolution would create a select committee to consider and report to the House a bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; and to amend the Outer Continental Shelf Lands Act and on other matters related to these subjects within the jurisdiction of the Committees on the Interior, Merchant Marine and Fisheries, and Judiciary.

We in the House face a situation where at least six and perhaps even more committees have relevant jurisdiction over the development of our oil and gas reserves in the Outer Continental Shelf. The establishment of this select committee will prevent major jurisdictional problems which would occur because of vast overlapping jurisdictions in these areas.

The membership of this select committee is made up of members from the three committees which have jurisdiction in this area.

This select committee is to last only as long as it takes to transmit its findings and report to the House on the legislation referred to it. It shall expire upon completion of the legislative process with respect to all legislation reported by the committee. The mandate of the committee will be to report to the House this session and to begin action on the legislation referred to it immediately. The need for quick action is clear. The country clearly needs to develop new sources of petroleum. With the recent Supreme Court decision clearing the way for offshore leasing along the Atlantic Coast and other frontier areas, it is more urgent than ever that we make the needed changes in the basic law governing offshore drilling before the accelerated leasing program of the administration is launched. Therefore, it is intended, by

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this select committee to report to the House as early as possible this session and its mandate will not extend past January 31, 1976.

Dozens of bills have been introduced and referred to the many committees involved. An example of the vast jurisdiction involved is shown by the following list of bills introduced during the 94th Congress related to the management of Outer Continental Shelf oil and gas.

Mr. Speaker, I include a Library of Congress analysis I have had made of this at this point in the RECORD:

HOUSE BILLS OF THE 94TH CONGRESS RELATED TO THE MANAGEMENT OF OUTER CONTINENTAL SHELF OIL AND GAS

(By Martin R. Lee)

H.R. 376: "Marine Resources Conservation and Development Act." By Mr. Chappell, January 14, 1975. Identical to H.R. 4920.

Referred to: Judiciary, Merchant Marine and Fisheries and Interior and Insular Affairs Committees.

This bill establishes a Marine Resources Conservation and Development Fund for use by the Secretary of the Interior for various marine programs. It requires that monies collected from Outer Continental Shelf leases by deposited into the fund with a certain percentage to be returned to the States.

It also creates regional review boards to assess the impact of regulations designed to protect the Outer Continental Shelf.

H.R. 1363: "Outer Continental Shelf Lands Act Amendment." By Mr. Peyser, January 14, 1975.

Referred to: Committees on Merchant Marine and Fisheries, and Interior and Insular Affairs.

A National Marine Minerals Resources Trust comprised of all unleased Outer Continental Shelf lands is established by this bill. It also authorizes the Secretary of the Interior to develop a plan for the management of the Outer Continental Shelf which minimizes potential environmental risks.

H.R. 2772: "Outer Continental Shelf Energy Policy Act." By Mr. Bingham, February 4, 1975.

Referred to: Committees on the Judiciary, Merchant Marine and Fisheries, Interior and Insular Affairs, and Science and Technology.

This bill amends the Outer Continental Shelf Lands Act to direct the Secretary of the Interior to prepare plans for the leasing of tracts and development of energy resources on the Outer Continental Shelf within the context of a national energy policy. In addition, it authorizes research and development programs in conjunction with plan preparation. It also establishes strict liability for damages in connection with oil spills and discharges from operations on the Outer Continental Shelf.

H.R. 2892: "Outer Continental Shelf Lands Act Amendments of 1975." By Mr. Howard, February 5, 1975.

Referred to: Committees on the Judiciary, Merchant Marine and Fisheries, Interior and Insular Affairs, and Science and Technology.

This bill revises the Outer Continental Shelf Lands Act to establish a policy for the development and management of oil and natural gas on the Outer Continental Shelf, while protecting the marine environment. It directs the Secretary of the Interior to establish an exploratory program to develop potential oil and gas leases, and it directs the National Oceanic and Atmospheric Administration to assume responsibility for preparation of environmental impact statements. It also revises bidding and leasing administration procedures.

H.R. 3079: "Amendment to the Outer Continental Shelf Lands Act." By Mr. Bell, February 6, 1975. Identical to H.R. 4658.

Referred to: Committees on Interior and Insular Affairs and Rules.

This bill amends the Outer Continental Shelf Lands Act to establish a procedure for Congressional disapproval of offshore oil and gas leases issued by the Secretary of the Interior.

H.R. 3982: "Coastal Zone Management Act of 1972 Amendment." By Mr. Murphy, February 27, 1975.

Referred to: Committees on Merchant Marine and Fisheries, and Interior and Insular Affairs.

This bill amends the Coastal Zone Management Act of 1972 by setting up provisions for the monitoring and assessing of the environmental impacts of OCS drilling. It also establishes an Outer Continental Shelf Leasing and Development Plan in the Department of the Interior and an Oil and Gas Exploration Plan.

H.R. 4658: "Outer Continental Shelf Lands Act Amendment." By Mr. Bell, March 12, 1975. Identical to H.R. 3079.

Referred to: Committees on Interior and Insular Affairs and Rules.

This bill amends the Outer Continental Shelf Lands Act to establish a procedure for Congressional disapproval of offshore oil and gas leases issued by the Secretary of the Interior.

H.R. 5222: "Outer Continental Shelf Lands Act Amendment." By Mr. DuPont, March 19, 1975.

Referred to: Committees on the Judiciary, and Interior and Insular Affairs.

This bill amends the Outer Continental Shelf Lands Act to provide for an interstate advisory board in the matter of granting oil and gas leases.

H.R. 5588: "Outer Continental Shelf Lands Act Amendments." By Mr. Hughes, March 26, 1975.

Referred to: Committee on Interior and Insular Affairs.

This bill declares a moratorium on the sale of leases in the frontier areas of the Outer Continental Shelf.

BILL NUMBER, SPONSOR AND DATE, AND REFERRAL

H.R. 376: Chappell, January 14, 1975; Merchant Marine, Interior and Insular Affairs.

H.R. 1363: Peyser, January 14, 1975; Merchant Marine, Interior and Insular Affairs.

H.R. 2772: Bingham, February 4, 1975; Judiciary, Merchant Marine, Interior, and Science and Tech.

H.R. 2892: Howard, February 5, 1975; Judiciary, Merchant Marine, Interior, and Science and Tech.

H.R. 3079: Bell, February 6, 1975; Interior and Insular Affairs, Rules.

H.R. 3982: Murphy, February 27, 1975; Merchant Marine, Interior.

H.R. 4658: Bell, March 12, 1975; Interior and Insular Affairs, Rules.

H.R. 5222: DuPont, March 19, 1975; Judiciary, Interior and Insular Affairs.

H.R. 5588: Hughes, March 26, 1975; Interior and Insular Affairs.

It goes without saying that our Nation is in dire straits if we do not begin our program of developing our own energy resources. We are working to do this in many ways and it is a difficult process. However, in the case of OCS oil and gas development we are ahead of the game. We have the technology. We have the capability of retrieving the oil and gas. The Nation is anxious to become more self-sufficient and the States and the Federal Government are anxious to get moving. The only problem is to provide a fair and safe mechanism to allow for the development. A mechanism that will provide to the greatest possible extent for the protection of our marine and coastal environment while at the same time allowing for speedy development of the resources.

I believe the Congress is in unison with these goals.

The Senate is moving quickly to work out these solutions.

We must not allow for a delay in the legislation developed by the House just because of a complicated jurisdictional problem. Therefore, I ask your support of this select committee made up of Members of the Congress who are dedicated to solving our Nation's energy problems. I ask your support for this committee which will work to provide the means, in a way agreeable to all segments of our population, to provide for the development of our Outer Continental Shelf oil and gas resources.

Mr. O'NEILL. Mr. Speaker, I have no further requests for time.

I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6096—VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 409 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 409

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes, and all points of order against sections 3 and 6 of said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on International Relations now printed on page 3, lines 11 and 12 of the bill notwithstanding the provisions of clause 5, rule XXI. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 409 provides for an open rule with 3 hours of general debate on H.R. 6096, the Vietnam Humanitarian Assistance Act of 1975.

House Resolution 409 waives points of order against clause 2(L)(6) of rule XI of the Rules of the House of Representatives (the 3-day rule). If this rule was not waived, the bill could not be brought up until Thursday.

House Resolution 409 provides that all points of order against sections 3 and 6 of the bill for failure to comply with the provisions of clause 5, rule XXI (prohibiting appropriations in a legislative measure) are waived.

House Resolution 409 provides that it shall be in order to consider the amendment recommended by the Committee on International Relations now printed on page 3, lines 11 and 12 of the bill notwithstanding the provisions of clause 5, rule XXI.

H.R. 6096 provides an authorization to the President for the fiscal year 1975 of up to $150 million to be used, notwithstanding any other provision of law, on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam.

Mr. Speaker, I urge the adoption of House Resolution 409 in order that we may discuss and debate H.R. 6096.

Mr. Speaker, I now yield to the distinguished gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the able gentleman from Texas (Mr. YOUNG) has explained the provisions of the resolution.

Today, Mr. Speaker, we are facing a very terrible crisis in South Vietnam. The Communists have gone to the gates of Saigon. They are on their way to capturing that city and the remaining area in South Vietnam. Cambodia has fallen.

When I came to the Congress in 1963, the war over there—although not called a war—had commenced. The Gulf of Tonkin resolution was passed in 1964, as I recall.

Since that date hundreds of thousands of Americans have served with bravery and with courage in that country. More than 55,000 men died for a cause. Hundreds of thousands were maimed and injured and disabled. Others were taken from their homes and from their habitats and learned new ways of life.

Now tragedy is upon us. The war, in my opinion, is at an end and it is up to the Congress of the United States, yes, the House of Representatives this afternoon or at the latest tomorrow to provide evacuation aid for the Americans remaining over there and for others who have supported those men who have given their lives for freedom and who tried to bring about a lasting peace. We cannot as a Congress or as individual Members of Congress sit idly by and see damage come to or see destruction of Americans there in South Vietnam because it is our obligation to evacuate and bring those people home.

When we get to the bill following the adoption of the rule, this will be authorizing legislation. This provides $150 million for evacuation aid and for humanitarian aid and it also frees under the Foreign Assistance Act of 1974 an additional $177 million to be used by the President for evacuation and humanitarian aid.

There is not one red cent of military aid contained in this resolution, although it gives the President authority to send in men for the safety of our people over there. I would say that whatever our position might have been in the years past, as Members of this Congress our situation has changed. Today, we face the cruel fact that our people are there, the war has ended, the Communists are closing in, and we may face a revolt within the ranks of the South Vietnamese army itself.

So I think we should vote for this resolution, we should vote for this aid knowing full well that there is no military aid as such in this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, I am going to vote against waiving the rules of the House of Representatives so this measure can be considered today, because that is what this rule does. This rule waives the rules of the House of Representatives not by a two-thirds vote but by a majority vote.

I would like to address myself to a point made that we need this measure to get the Americans out of South Vietnam. President Ford last night on television stated that there is no problem in sending U.S. military personnel into South Vietnam to evacuate Americans. That is permitted under the War Powers Act providing we give adequate prenotification to the Congress. That is what we did in the case of Phnom Penh with our personnel there. But—and I would like Members to listen to this—if we are going to have a sizable evacuation of the South Vietnamese the President said he thinks the Congress ought to clarify the law and give him the specific authority

That is what this bill does.

A Los Angeles County supervisor was notified by Government agencies yesterday to expect as many as 600,000 South Vietnamese to be brought over into the harbor areas of Los Angeles. That is well and good, but I do not think we should give authority for U.S. troops to go over there and do that.

The President has stated that he does not need this authority to get the Americans out. What they really need is a more up-to-date ambassador that would not have empty Pan Am planes leave Saigon half full, that would let World Airways go out empty, not have planes bringing in military cargo every day and then leaving empty every day.

We are down to figures I have of some 3,000 Americans and their foreign dependents.

We were told yesterday that they could be out in a couple days, but we were told by a highranking official that they thought it was necessary to keep Americans there as—and I use the term "hostages," because that is what I think they are—so that there could be some political stability.

At that time I thought that it might be well for Dr. Kissinger and his aides to be there for some measure of political stability and not these GS–8's and their families. It was not until the committee of the other body made a record because one of their staff people heard in South Vietnam that the Ambassador was told by the Secretary of State that he better start expediting the evacuation and stop impeding the evacuation of Americans from Saigon, because we know it is a matter of record that Graham Martin was telling people not to go and discouraging people from going. Then Dr. Kissinger was informed there was such a record made in the other body, that if anything happened the proof would be that it was the State Department that was discouraging the evacuation of Americans.

I think this bill should be acted upon by the House. I think it should be done by the procedural requirements in our rules, that: First, it lay over 3 days, which means tomorrow; that second, we do not appropriate in a legislative bill, that that appropriation go through the Appropriation Committee process, because again the President has stated that when he was acting in Cambodia that he had the constitutional right to get Americans out and the only reason he needs this legislation was for the sizable evacuation of South Vietnamese.

I think we can approach this thing in a regular legislative process. What we are doing here, we are not passing a rule. We are waiving the rules of the House. I am not going to vote to do that, because I really see no need for this legislation to get the Americans out. If we do want to pass legislation to allow the introduction of military personnel to get them out of South Vietnam, I think that should be done in a little bit more deliberative process.

We can just take the President's word for it, and it is in the transcript of the CBS conference with the President, at the bottom of page 3 and the top of page 4, where the President stated that there is no problem in sending U.S. military personnel to South Vietnam to evacuate Americans, that that is permitted under the War Powers Act, but if we are going to have a sizable evacuation of South Vietnamese, the President said that he thinks Congress ought to clarify the law and give him this authority.

Members of Congress, that is the authority we are being asked to give. I think we ought to do it in accordance with the rules and not in waiving the rules.

Mr. QUILLEN. Mr. Speaker, I would remind the House not to fiddle while Rome burns. A tragedy could be occurring over there to Americans on Vietnamese soil at any minute. It is imperative the House act now.

Mr. Speaker, I now yield 5 minutes to the distinguished gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I

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would like to commend the members of the Committee on International Relations for the urgency they have so rightly attributed to this important piece of legislation and for the responsible, constructive attitude that has characterized our deliberations.

Perhaps it takes a tragedy such as that now unfolding in Vietnam to jolt our national consciousness and restore a shared sense of purpose to our foreign policy actions. As we seek to deal in a dignified manner with the final chapter of our long and emotional involvement in Vietnam, I hope all Americans can learn from the experience and apply the lessons to the challenges of the future. We have an opportunity to turn this time of trial into a new beginning for American foreign policy.

As a cosponsor of the Vietnam Humanitarian Assistance and Evacuation Act of 1975, let me stress two main themes in support of this legislation. First, it is decidedly not a blank check for renewed military intervention in Vietnam. Talk of a return to the days of the Tonkin Gulf resolution or an open door for a new, active military involvement beyond the limited objectives provided for in the bill is simply out of place and out of character with the spirit of our deliberations.

We are treating with the urgent business of saving human lives, American and Vietnamese. And we are attempting to relieve a small measure of the human suffering occasioned by bitter and protracted warfare.

I can think of no precedent in American political history to suggest that an administration would try to use a tragedy of this dimension for devious purposes unacceptable to the American public and to Congress. Certainly, Congress has no legitimate reason to question the ultimate intentions of the Ford administration in requesting funds for evacuation and humanitarian assistance.

The legislation before us meets any reasonable safeguard criteria: It is specific in the categories of persons to be evacuated and emphasizes that use of U.S. Armed Forces in any potential evacuation is to be a last resort. This bill is not a Trojan horse of reinvolvement in Vietnam. It is a considered appraisal of what is required to evacuate Americans and friends of America from a potentially fatal situation and to help ease the human tragedy of Vietnam.

A second, equally significant characteristic of the resolution is its flexibility. It does not tie the administration to a specific amount for either evacuation or humanitarian assistance. It provides a total dollar figure—$150 million—to deal with dual, related emergencies and implicitly says to the administration: Here are the tools; get to work. The sooner the better.

The successful evacuation in Cambodia suggests that a last-minute evacuation in difficult circumstances can be undertaken quickly and effectively. The situation in Vietnam is admittedly of far greater magnitude and complexity, but it is rapidly becoming manageable. In his speech before the Congress, President Ford used the figure of 6,000 Americans in Vietnam. Today, this figure has been reduced by more than half, and it will go lower.

With proper planning and—let us be frank to admit—a measure of good fortune, we will soon have most of our people out of Vietnam and the threat to American lives will be reduced accordingly.

In the event of a smooth evacuation of Americans, the administration will be able to use funds provided in this legislation to evacuate additional Vietnamese whose very lives are in jeopardy and to provide humanitarian assistance. I sense strong support in Congress for these objectives, regardless of one's previous views on Vietnam.

For these reasons, and in the interest of an honorable, humane ending to a divisive national experience, I urge support for the Vietnam Humanitarian Assistance and Evacuation Act of 1975.

Mr. YOUNG of Texas. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. Stark).

Mr. STARK. Mr. Speaker, my colleagues, I urge the Members to vote against the rule and support the remarks of my colleague, the distinguished gentleman from California (Mr. John L. Burton). As a practical matter, understanding that the rule may pass and that many Members may, as I have in the past, feel that they must vote the rule and get to the substance of a bill, I would urge the Members to consider that this is perhaps the time to revise that stand.

If needed, I intend at the appropriate time to offer two amendments to the bill. One would put on a 30-day limit and delete authorization of any military force. Secretary Kissinger has told us that it would only take 15 days to evacuate the endangered people. As he said, it does not limit the President's constitutional authority because he already has that to use troops to take Americans out.

My second amendment would prohibit the use of troops for evacuation of foreign nationals, rather than allow possible use of troops for up to 175,000 Vietnamese or of unknown Europeans. The committee authorizes the evacuation of all those who are under direct and imminent threat.

When there is a war it seems to me that everybody within 100 miles is under "direct and imminent threat." I do not want to see us send 50,000 Americans in there to involve us in another war which, had we thought about it 10 years ago, we would not have today.

I urge the Members to beware of the Gulf of Ford resolution. It is a snare and a delusion. It opens the way for more senseless killing.

The Ambassador has been of no help.

He has had the Pan Am flights going out half empty every day. I have no objection to providing money for humanitarian use, but I want to make it very clear that we should in no way permit our troops to go back to Vietnam.

I will place my amendments in the Record at this point.

The first amendment will delete the language presently in the committee bill—page 2, lines 12–14—authorizing the use of military force to evacuate, and will redefine "evacuation" to limit such evacuation to 30 days.

This amendment will not, of course, affect the President's constitutional authority to use American troops—or force—to evacuate Americans. Secretary Kissinger has stated that evacuation will take "less than 15 days." My amendment will insure that troops do not remain in Vietnam past their stated use, and will express the reluctance of Congress to involve them in activities other than American evacuation.

The second amendment will prohibit the use of American troops to evacuate Vietnamese nationals or other foreign nationals. Congress thus will implicitly authorize troops to evacuate Americans, but will explicitly prohibit their involvement in any other activities. This amendment will amend section 4(d) by deleting the proviso on line 22 and inserting in lieu thereof a prohibition against the use of U.S. troops to evacuate foreign nationals.

On page 2, lines 11–14, delete "as expeditiously," the entire of lines 12 and 13, and line 14 through and including "necessary force," and insert in lieu thereof: "within 30 days from enactment of this Act,".

On page 2, line 22, delete the last word.

Delete the entire of lines 23, 24, and 25, and lines 1, 2, and 3 on page 3. Insert in lieu thereof:

> "That nothing in this section shall be construed to authorize the use of U.S. Armed Forces to evacuate foreign nationals whose evacuation is authorized under subsections (c) and (d) from South Vietnam."

I urge you to vote against this rule and come back with a better bill.

Second, if we do deliberate the bill under the rule, then support my amendments. In case the bill were to pass, it would prohibit us from making the foolish mistake we made years ago with the Gulf of Tonkin resolution.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I thank the gentleman for yielding.

How much time does the gentleman think the Committee on International Relations would have to report back a better bill? Why not adopt the rule and try to modify the bill under the gentleman's proposal, rather than defeat the rule? Because if we defeat this rule, the bill has to go back to committee, and consideration of this important issue will be delayed and delayed and delayed.

I suggest to the gentleman that he support the rule and try to modify the bill by amendment.

Mr. STARK. Mr. Speaker, I appreciate the gentleman's suggestion. I think that the danger in the bill is so great that each procedural step must be taken to insure that we do not involve ourselves once again to committing troops.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Speaker, as a member of the committee, I will have more than enough to say on the bill and the amendments that will be forthcoming. I would at this point limit my remarks specifically to the issue before us, which is the adoption of the rule.

The chairman of the Committee on International Relations has properly pointed out that if we reject the rule, we create a delay which would be required by new consideration in the committee.

Mr. Speaker, I would suggest to those Members who may read their own mail that we have been flooded with "Dear Colleagues" communications the last 48 hours from Members who intend to propose amendments to this measure. It may well be that by the time we finish the amendment procedure we will not recognize the bill as originally introduced; so that all that would be achieved by rejecting the rule would be an unfortunate delay that could be seriously misunderstood abroad.

The facts of life are that there are Americans, dependents of Americans, and Vietnamese endangered, and every delay in this Congress merely creates the interpretation that no practical American assistance would be available even in this specific situation where Congress has shown a basic intent to help.

I would think the far more logical course of action this afternoon would be to adopt the rule, commence the general debate, and then properly offer amendments to the bill.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, I rise in strong opposition to this rule. I think it is inappropriate under the particular circumstances, and I would like to spell out my reasons for saying so.

We—at least those of us who were here in the last session of Congress—have seen the labor and the deliberation and the effort that was required, slowly and painfully, to put restrictions on U.S. military involvement in Indochina.

This bill, which gives the President a blank check to make war, proposes to remove those restrictions without going through the regular procedures. I think it is important to go through the regular channels in order first, to permit those who think this bill can be perfected to draft the appropriate perfecting amendments; and, second, to insure that the bill goes through the normal appropriations process.

This bill allows the President to spend $150 million abroad, "notwithstanding any other provision of law," as he deems necessary. There is $10 million in this bill for a construction program in South Vietnam.

Mr. Speaker, I would like to know how there can be any construction of anything when the Saigon government is about to fall imminently.

I think we ought to be concerned about the way the money is spent under this bill and for what purposes, instead of just allowing tax dollars to wind up in Swiss bank accounts or in bars of gold that are only going to be sent out of South Vietnam.

Therefore, I think the normal procedures are required on this bill.

Let me address one other matter that disturbs me. We are giving the President authority to use military force not only to evacuate Americans, which he already has the authority to do, but to evacuate others.

Somebody said in debate that we ought to end our involvement in a humanitarian way. This bill surely does not accomplish that objective. It means we will fight our way out of Vietnam with, it seems to me, the same tragic consequences we experienced from fighting our way into Vietnam. It seems to me that we ought to have learned that there are other techniques that might work better and might even save more lives, such as just trying to work out a peaceful settlement for orderly withdrawal and evacuation.

I want to point out the problems and the loopholes in this bill very quickly so that the Members sitting here can understand why this bill gives the President a blank check.

First, there is no time limit whatsoever on the military operational authority given to the President. There is no time limit specified for ending operations. The 60- to 90-day termination provision of the War Powers Act would not apply to military operation for evacuation. There is no time specified for starting military operations. In fact, if this bill were passed in its present form, the President would have the authority, 3 or 4 months from now, to send in troops to evacuate foreign nationals.

Mr. MORGAN. Mr. Speaker, will the gentlewoman yield?

Ms. HOLTZMAN. Not at this time; let me finish my statement.

Mr. MORGAN The gentlewoman knows that there is a limitation in here of June 30.

Ms. HOLTZMAN. I decline to yield.

There are no limits in this bill on the numbers of South Vietnamese to be evacuated. Item (d) calls for the use of military force to evacuate everyone who is facing a direct and imminent threat to his life. Since South Vietnam is now engulfed in war, it seems to me that everybody in that country would qualify, and the President is being given authority to use military force to evacuate them. This bill also would give the President authority to evacuate South Vietnamese the PRG-occupied territory.

Also, this bill has no limits on the use of force. The bill authorizes whatever force may be "necessary" for evacuation. It does not put any limit on the number of troops. It does not limit the nature of the force to be used. There is no prohibition against the bombing of Hanoi or Saigon or any city. There are no geographical limits on the use of force. We could bomb Cambodia and Laos and North Vietnam if the President determined that it was necessary to evacuate all foreign nationals in South Vietnam.

Furthermore, the bill waives the protections of the War Powers Act that we passed last year over Presidential veto. First, under the War Powers Act, a Presidential military operation that was not authorized by Congress would have to terminate within 60 to 90 days. Because this bill specifically authorizes the President to undertake military operations, that provision of the War Powers Act does not apply.

A second protection of the War Powers Act will also not apply. Although this bill allows a concurrent resolution to disapprove any Presidential military operation, the provisions of the War Powers Act expediting such concurrent resolutions do not apply.

I think it is important to point out that under this bill evacuation will not necessarily be to places outside of South Vietnam. Place of safety to which persons could be evacuated could be on the mainland of South Vietnam. In fact the committee report on this bill refers to temporary refugee sites which will be set up on the "mainland" of Indochina. The bill thus authorizes the creation of "enclaves" or "sanctuaries" permanently secured by American troops.

Finally, the bill specifically waives—for an indefinite time—all of the laws we carefully enacted in the last 2 years to prohibit American military involvement in South Vietnam, Laos, Cambodia, and North Vietnam.

The dangers of the bill are real and serious. It will authorize indefinite warfare in South Vietnam and renewed war, if not bombing, in all Indochina. It is incredible to think that the 10-year lesson of the Gulf of Tonkin Resolution has been forgotten.

I urge defeat of the rule.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 minutes to the distinguished chairman of the Committee on International Relations, the gentleman from Pennsylvania (Mr. Morgan).

Mr. MORGAN. Mr. Speaker, first I rise to make one observation, and that is that at the request of the leadership, I have agreed that today we would proceed only with general debate on H.R. 6096, and stop after general debate. That means that the reading of the bill for amendments and all votes will take place tomorrow. This will add 1 day before action on the bill will be completed. That should overcome the objections of those who oppose the waiving of the 3-day rule.

Mr. Speaker, I also want to comment upon some of the remarks made by the gentlewoman from New York (Ms. Holtzman). If the gentlewoman had read section 5 of the bill, she would know that this bill does not bypass the war powers resolution. The bill specifically states the war powers resolution applies and continues in force and is in no way altered by this bill.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. Mr. Speaker, I refuse to yield to the gentlewoman from New York because the gentlewoman refused to yield to me.

Mr. Speaker, this bill is not a blank check. If one reads the limitations that have been placed in the bill on the authority granted by it to the President, one can see this immediately. I do not think the gentlewoman from New York has read the bill, because if she had, she would know it is full of provisions

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containing specific limitations. Section 4 of the bill has been deliberately drafted with extreme care. I want to read it to the Members:

> SEC. 4. For the purposes of section 2, evacuation shall be defined as the removal to places of safety as expeditiously as possible, without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force, . . .

And then it spells out the four categories of people who may be evacuated.

The provisions of subsection (a) of this section also limit the amount of force that can be used.

Moreover, the bill also has a time limitation in it. It authorizes appropriations for fiscal year 1975 only. The end of the fiscal year is June 30, 1975. That is 69 days away.

Finally, section 3 of the bill waives certain limitations on the use of funds— and those waivers will expire as soon as the evacuation authorized in this bill is completed.

In addition, powers granted by the bill can be rescinded by Congress by the passage of a simple concurrent resolution.

I might add that the chairman of the committee is going to look with favor on some of the amendments that will be offered tomorrow, proposing to improve the bill.

In conclusion, Mr. Speaker, I just want to suggest to the gentlewoman from New York (Ms. Holtzman) that she carefully read the bill.

Mr- QUILLEN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I rise in support of the rule. I support the rule despite the fact that I was one of seven members of the Committee on International Relations who opposed passage of H.R. 6096.

Mr. Speaker, like a majority of Americans, I support humanitarian assistance to South Vietnam. Like a majority of Americans, I support a safe evacuation from South Vietnam of all Americans, and as many South Vietnamese as possible who wish to leave that country. I certainly would support appropriations to provide for these two purposes.

My principal concern, however, is the inclusion of section 3 in this measure. As I am sure the distinguished Speaker knows, this section eliminates the provisions enacted by the Congress which prohibit the use of combat forces in Indochina. My fear is that by waiving these restrictions we will open the door to the introduction of U.S. forces in hostile situations with the attendant loss of life.

Thus, Mr. Speaker, I intend, at the appropriate time, to present an amendment which would delete section 3 from the bill.

Mr. Speaker, let me direct my comments specifically to the rule. The rule contains three elements. First, it calls for 3 hours of general debate. This issue is probably one of the most important ones to confront the 94th Congress since it involves possible loss of life. In view of this, ample time should be devoted to the consideration of H.R. 6096.

Mr. Speaker, while 3 hours may not be enough, the time allotted for general debate probably is adequate to permit a full debate on this question.

Second, we are asked to waive the 3-day rule.

Mr. Speaker, the situation is so critical and so fluid in South Vietnam that I think we should begin immediate consideration of this measure.

As a practical matter, as the chairman, the gentleman from Pennsylvania (Mr. Morgan) has pointed out, since we will have only general debate today, we will not vote on amendments, and the bill itself, until some time tomorrow.

The other waiver deals with appropriations specifically applicable to section 3. Since I am going to introduce an amendment which would delete that section, I suppose that defeat of this waiver would aid my cause. However, Mr. Speaker, I feel that the House should go ahead and work its will on this particular question.

It is for this reason that I urge that the rule be adopted, so that today, and particularly tomorrow, the House will have an opportunity to consider all of these questions and work its will.

I urge adoption of the rule.

I yield to the distinguished gentleman from Pennsylvania (Mr. Morgan).

Mr. MORGAN. I thank the distinguished gentleman for yielding.

I just want to congratulate the gentleman on his courageous stand on the rule. I know how deeply he felt about section 3. He offered an amendment in the committee to strike it from the bill, and he made a good case. I think the stand he has taken on the rule is very courageous.

Mr. WHALEN. I thank the gentleman. We will debate section 3 tomorrow.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. Riegle).

Mr. RIEGLE. I thank the gentleman for yielding.

Mr. Speaker, I want to disagree with the remarks of the previous speaker with whom I often agree, because I think we have written and brought to the floor a bad bill. I think the sooner we set it aside and go back and draft a better bill, an acceptable bill, one that is to everyone's advantage, and particularly the people out in Southeast Asia that we speak about, the better it will be for everyone. The quickest way to do this is to defeat the rule. We are not even going to vote on this bill today; we are going to vote on it tomorrow.

If we defeat the rule today, the Committee on International Relations, on which I serve, can go back this afternoon, and we can write a bill that makes sense. If this Congress instructs us by defeating the rule that they do not like this bill—and you can read all of the dissenting views in the committee report—we can go back to work this afternoon. We can waive the rules and come back in here very quickly with a bill that does make sense.

What is in this bill right now is a grant of war powers. Yes, they are wrapped up in evacuation and wrapped up in humanitarian assistance, but those two items are not the real issue. The real issue is a grant of war powers.

We took 10 years to get the war powers back into the hands of Congress where they belong. We finally got them back, and now this bill gives them all way. It says the President can decide these things. Who knows what he is going to decide? I happen to like this President. We worked with him here in the House. But that is not his responsibility under the Constitution of the United States; that is ours.

If we waive these provisions, we need to have our heads examined. We can bring in a good bill with humanitarian assistance, with whatever we need in it that is necessary to safely evacuate Americans. I happen to think the President has the authority to evacuate Americans right now. He had it 2 weeks ago. The question is, why hasn't he gotten it done?

I do not want 40,000 or 50,000 American troops going back into Vietnam to take out 100,000, 500,000, a million South Vietnamese. That can happen under this bill. What if they get trapped there and we cannot get them out? Will we need 10,000 more American troops. We have been down that road before. That is not right; it does not make sense.

Let us defeat this rule today and instruct the Committee on International Relations to come in tomorrow with a reasonable bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. Mr. Speaker, I would like to take some time on this rule to discuss both the rule and the bill which it makes in order. First, it will be noted that this rule contains three waivers. The first waives the 3-day rule. Since this measure was reported on April 18, we would ordinarily have to wait until tomorrow to consider it. The second waiver covers both sections 3 and 6 of the bill which could be construed as appropriating on an authorization since these sections do make funds available for purposes other than those for which they were originally appropriated. Specifically, under section 3, the President would be permitted to use American forces in the evacuation effort whereas five previous provisions of law prohibit the use of appropriated funds for American military forces in Indochina. The waiver on section 6 is necessary to both remove the existiing ceiling on humanitarian assistance in Indochina and to permit the transfer of funds authorized for other purposes to humanitarian assistance efforts.

Mr. Speaker, I have often been critical myself of overusing and abusing the waiver of House rules, but I think this is one clear instance in which such waivers are necessary because of the emergency nature of the situation. I appreciate the fact that some Members view the waivers in section 3 as some kind of blank check for the reinvolvement of American forces

in hostilities in South Vietnam. But I think a careful reading of both the bill and report will indicate that forces may only be used for the limited purpose of evacuating Americans, their dependents and other foreign nationals in an expeditious manner. Moreover, we have here a double safeguard in the retention of the provisions of the War Powers Act and the authority under section 7 of the committee bill to revoke the provisions of the bill at any time by concurrent resolution of Congress. There are those who argue that the section 3 waivers are not necessary in that the President, as Commander in Chief, has the inherent authority to take appropriate action to protect and rescue Americans who are endangered. That may well be. But, as Chairman Morgan pointed out in his testimony before the Rules Committee, while the President may have such authority, he clearly is prevented by five different statutes from expending any funds for that purpose. Now how the President could carry out an emergency evacuation using American troops without expending a penny is beyond me. The President has correctly asked for a clarification by Congress of existing restrictions on using American forces in the evacuation effort. The International Relations Committee has provided such a clarification in this bill. The waiver is necessary because the law now clearly states that no funds may be expended for using such forces in Indochina, for whatever purpose. This bill permits their use, if necessary, in the evacuation effort only.

In conclusion, Mr. Speaker, as one who voted for the Gulf of Tonkin resolution and now regrets it, I can understand the apprehension of many Members about any legislation which involves American troops in South Vietnam in any way, no matter what the intended purpose. But I would submit that the authority of the President is narrowly proscribed by this legislation and that the Congress has adequate safeguards in law to check in excesses or abuse of that authority. The important issue before us today is the safety and security of Americans and their dependents in South Vietnam, and the need to give the President the limited yet necessary tools to insure that they are not abandoned to an uncertain fate at the hands of the North Vietnamese and Vietcong. I therefore urge adoption of the rule and the bill it makes in order.

Mr. Speaker, it is surely a measure of the degree to which our entire Nation, and more particularly every Member of this body who has served in this Congress, particularly through the last decade of our involvement in Vietnam—it is truly a measure of the extent to which we have been traumatized by that experience that we would hear otherwise reasonable and sensible men step to the well of this House and suggest that the President of the United States by some artifice, by some device, by some Machiavellian cunning, is seeking to obtain from this Congress under the guise of humanitarian aid and the power to evacuate American nationals and loyal South Vietnamese from that country, the power somehow to reinvolve the United States in the war in Southeast Asia. How, I ask my colleagues, can we begin afresh and erect a bipartisan foreign policy that we so desperately need in this country as we face problems all over the globe when we have Members who stand here in the well and publicly challenge the word of our Chief Executive and our President, and suggest that he would stoop so low as to seek to use this measure calling for humanitarian aid and evacuation assistance to mask yet another effort to involve our country in war in Southeast Asia? My ears can scarcely believe what I have heard on the floor of this House this afternoon from men who ordinarily speak with logic and with prudence and with common sense.

I want to point out what the distinguished chairman of the House International Relations Committee has pointed out already. Have the Members read the resolution? Have they read the language of H.R. 6096 when they make these ridiculous charges? One would not even know, from some of the speeches I have heard in this last half hour, that we have a War Powers Act on the books of this country. One would not know that in section 7 it says that any of the provisions of this act may be rescinded by concurrent resolution of the Congress.

Does the gentleman from Michigan think for 1 minute that if this President tries to commit 50,000 troops, as the gentleman suggested might be possible under this resolution, commit them to Vietnam, that there is not going to be a concurrent resolution over in the Clerk's hopper within 10 minutes and does he not think there is going to be a revolt on the floor of this House and a resolution would be adopted rescinding any authority whatever to use the force of this Government to achieve an evacuation of personnel?

I wonder how many people have read the piece on the editorial page of the Post this morning by Neil Sheehan about the responsibility that we may have, indeed the moral obligation that we may have to rescue some of those who have pledged literally their lives and their fortunes and their sacred honor in behalf of the United States.

I was down at the White House this morning and as I left a member of the press, from one of the television national networks, asked me:

> What can I do to go back to the Hill and convince some of the Members of Congress that they ought to give some authority to bring out some of the loyal South Vietnamese who have been working for us?

And that man was talking about not even an agency of the U.S. Government but about one of the television networks.

In conclusion I just hope that Members this afternoon are not going to be so deluded by the argument that this is a Gulf of Tonkin resolution that they are going to send out, by turning this down, a message to the rest of the world that we in the Congress are so utterly spineless, that we in this country have lost our will so completely that we would even defeat this very modest effort to provide in this hour of extremes some humanitarian aid, some modest assistance to the President of the United States to help evacuate the Americans and South Vietnamese to which this resolution refers.

Mr. YOUNG of Texas. Mr. Speaker, I yeild 4 minutes to the gentlewoman from New York (Ms. Abzug).

Mr. RIEGLE. Mr. Speaker, will the gentlewoman yield?

Ms. ABZUG. I yield 15 seconds to the gentleman from Michigan.

Mr. RIEGLE. Mr. Speaker, I thank the gentlewoman for yielding.

The gentleman from Illinois talks about putting in a concurrent resolution if the President has put 40,000 to 50,000 troops into South Vietnam.

That is too late. That is too late. I do not want any troops going into Vietnam unless the President comes here first and not after the fact. Let us wake up.

Ms. ABZUG. Mr. Speaker, I do not have very much time.

I rise in opposition to the rule. I realize the reluctance of the Members of the House to vote against a rule but it is not a vote against the Rules Committee and it is not a vote against the International Relations Committee. In this case we are being asked to waive any rights that we would normally require in the process of this House. We are being asked to waive our expressed will and the expressed will of the American people not to go back to Vietnam with military force and not to use funds for this purpose. That is actually what is involved in this waiver. We are not just being asked to waive a day, although 1 day can make a great difference as to what happens in Vietnam

In reality, we are being asked to waive some significant laws of this country as passed by this House. These laws, the Foreign Assistance Act of 1973, the Department of State Appropriations Authorization Act of 1973, the Military Procurement Authorization of 1974, the continuing appropriation for fiscal year 1974, and the Department of Defense Appropriation Act of 1975, prohibit us from returning the military to Vietnam, and from extending funds to support U.S. military activity in Indochina. Yet, H.R. 6096 would give the President authority to do as he pleases, wiping out these prohibitions we worked so hard to achieve.

The provisions in those laws are really what this rule is asking us to waive when it requests a waiver of points of order against sections 3 and 6. Our decision on the rule is therefore at the very heart of the legislation which this rule covers. Do not think this is just a technicality, my friends. By waiving the points of order, we would, in effect, be changing existing legislation. The laws I previously noted forbid us from doing the very things authorized by H.R. 6096. If we do not make the objections in the forms of points of order to sections 3 and 6, then we will invalidate that prior legislation with this new bill. We cannot allow such a substantive change to be effected in the guise of a procedural waiver. The usual reluctance of many Members to vote against proposed rules should not play a part under these circumstances.

The basic request in this legislation is not to bring out Americans. That has already been admitted. The President ad-

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mitted it last night on TV. The basic request in this legislation is not to give humanitarian aid. We all have expressed our willingness to give humanitarian aid. Those of us who oppose the rule and the bill will approve humanitarian aid under international auspices.

It was stated in testimony yesterday by Mr. Habib that the administration wants to maintain a presence in Vietnam, instead of taking people out of Vietnam in order to maintain control. Control of what? To bring in the minimum troops undefined, to bring out the maximum number of Vietnamese undefined. The fact is that the testimony before this House and the statement of President Ford that we are not having trouble evacuating Americans, reveals that Americans can come out of South Vietnam without the use of military forces. We should be considering a piece of legislation which directs the President and the Secretary of State to bring back all the Americans and their relatives who want to leave, to see to it that negotiations are conducted directly face to face with the PRG, and to assist in the formation of a new government which guarantees the security of the South Vietnamese.

This legislation is just an excuse to enable the United States to remain in Vietnam and to use military force if necessary, to maintain control. What kind of control? I submit political control, so that if we do not happen to like what happens there we can again reengage the United States in the affairs of that country, instead of allowing the Vietnamese to determine their own future.

I challenge the rule. It should be defeated. The enactment of this rule will permit a bill which is untenable. It borders on a new Gulf of Tonkin resolution.

If indeed negotiations are beginning, we should wait and see what the situation is. We could see how our representatives of the State Department will do in negotiations and then call for special relief, if that is necessary.

Furthermore, I oppose H.R. 6096 in its entirety and feel that no amendments can improve it. It may be acceptable to the administration but it is far from acceptable to the American people. Every poll taken in the last year has shown the deep distrust our people feel for their own Government—brought on in large part by the lying and deception that has characterized our involvement in Southeast Asia.

Now we learn that there was indeed a secret agreement between Mr. Nixon and Mr. Thieu, promising a swift response from the United States if the war went against him. The Congress had no part in that agreement but we are now being asked to put a stamp of approval on it by this legislation which apparently conforms to it.

The Defense Department, according to CBS news last night, is discussing the possibility of bombing. President Ford says it may take "a fairly sizable number" of U.S. troops to evacuate everyone he would like to evacuate. There are some 20 million people in South Vietnam. How many troops would that take? How many bombs, to kill all the PRG troops?

This bill would give the President authority to do as he pleases, wiping out congressional prohibitions we have worked so long and hard to achieve. We are asked to authorize $150 million "on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam." But there is nothing to prevent the use of all the funds for evacuation. Evacuation would include "such other foreign nationals to whose lives a direct and imminent threat exists." The President could determine that a threat exists to the lives of all South Vietnamese.

They are to be removed "to places of safety." Where? For how long?

If the use of force "should become necessary and essential" it is to be "a minimum use of force." How much is "minimum?"

I am very much afraid that Mr. Nixon's carryover administration is still committed to keeping his secret agreement. Assistant Secretary of State Habib repeatedly stated yesterday that without a U.S. "presence" in Vietnam, there can be no "controlled situation" for negotiations. When is the United States planning to release its control? When are we going to honor our pledge of self-determination for the Vietnamese?

Secretary of State Kissinger and Members of Congress should go to Paris at once and meet with all concerned parties. We should continue removing those Americans and their dependents who wish to leave, but the process should be expedited by removing the layers of bribes now reportedly necessary to secure clearance.

If the President feels that he must send troops to keep our former allies from turning upon our citizens, he has all the authority he needs under the Constitution as Commander in Chief with the responsibility for protecting American lives. Cambodia provides the precedent. Evacuation there was conducted swiftly and peacefully. Congress was not asked to approve or disapprove.

Now the administration is in effect asking Congress to throw aside all prohibitions on reinvolvement and approve an unlimited use of military force—to choose a military rather than a political solution.

If we pass this bill, we will regret it as much as the Tonkin Gulf Resolution was later regretted. That was interpreted as the congressional stamp of approval for the war; this would make Congress a party to reinvolvement. Let us not get ourselves so entrapped.

Mr. Speaker, I again urge that we vote against this rule, because a vote against the rule is the essence of this bill.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Speaker, I rise to ask most urgently that no amendments be brought, although they are withdrawn, that will suggest a subtle form of racism, that will suggest anything like that. Certainly we know that our first responsibility is to our own American citizens who may be there; but I pray most urgently that we will not be caught by any resolution or amendment that will suggest that the Vietnamese, too, are not people, that we have not also responsibilities to those who have risked a great deal and now are in danger.

I think they are not second-class human beings. They are people who need our loyalty and our help. They are people for whom we must provide. This is part of the whole emphasis, it seems to me, of the New World. We must not fall into any amendment that could be so interpreted by the nations of this world.

We must somehow cling to the thought that we are, indeed, all brothers, that we owe them an equal sense of responsibility and compassion, that humanitarian aid is more than just feeding some of them.

Mr. MOFFETT. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. Well, yes, I will yield briefly.

Mr. MOFFETT. Mr. Speaker, under the bill as it has come before us, is there any way for us to know how we are going to define or the President will define who will get out, who are the people who have been loyal to us and are in danger?

Mrs. FENWICK. I think probably also we have to expect that the people who are in danger are the teachers, the journalists, the priests, the police captains and those who have been working in American facilities and in our embassy and perhaps even in some of our humanitarian efforts.

Mr. MOFFETT. Does not the bill give open-ended license giving very broad definition on that point?

Mrs. FENWICK. I think my time has expired. I wish the gentleman could go on.

Mr. YOUNG of Texas. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Minnesota (Mr. Fraser).

Mr. FRASER. Mr. Speaker, I rise in support of the rule. It seems to me that the only question before us is whether we feel we have a responsibility to try to get some of the South Vietnamese out who have worked with our people in South Vietnam over this past decade. One of my own staff people has a very close friend who worked with him in one of the Delta provinces. He is convinced that he is a marked man, but he is still working for the U.S. Government there. It would be helpful if he and his family could get out.

Mr. Speaker, I would not want to live with myself if I had a hand in denying to the President that range of discretion which would enable him, in his best judgment, to try to bring out those whose lives would be at severe risk if we make no effort for them, if we deny the authority given in this bill. Those who say that this is in derogation of the War Powers Act are wrong. This bill is an exercise of the War Powers Act.

We say to the President, "You must come to Congress and get our consent if you are going to introduce armed forces into places where hostilities are imminent."

That is what he is doing; he is coming to us. We are granting authority to him. It is circumscribed in a number of very

important ways. I hope tomorrow that it will be circumscribed in several more ways. I intend to vote for several amendments that will add to the restrictions so as to tie this down.

But, fundamentally, we cannot run that operation over there. I think the President did a good job in Cambodia where forces were put on the ground. I am willing to give him some discretion because that is the only way I know of to discharge what I regard as our responsibility.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I yield to my colleague from the State of Wisconsin.

Mr. OBEY. Mr. Speaker, let me just say that as one Member of this House who has opposed defense budgets for 5 years because they contained money for South Vietnam, I think the gentleman in the well is right. I think we do have a responsibility to people we have led—or misled, whichever way the Members want to interpret it—and I would urge support for the bill and for the rule.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from New York.

Mr. RANGEL. Mr. Speaker, at the risk of appearing to be antihumanitarian or racist, could the gentleman explain to me who these American nationals are that we may have to send in troops for, and what if any impediments he sees today on having them come back to the United States?

Mr. FRASER. I see no problem in getting the Americans out. I think we can take them all out tomorrow and wash our hands of the situation and be done with it; no problem.

Mr. RANGEL. If the gentleman sees no problem——

Mr. FRASER. I decline to yield further. If that is what the gentleman wants, I think he ought to vote against the bill and we can say that we have no concern about the Vietnamese we leave behind. I have such a concern, and that is why I am going to support the bill, but with certain additional restrictions which will be offered tomorrow which I think, will be wise.

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from South Dakota (Mr. Pressler).

Mr. PRESSLER. Mr. Speaker, I rise as an Army veteran of the Vietnam conflict to indicate that I cannot support further military assistance to that country at this time. I feel that the $200 million presently in the pipeline is sufficient. The Pentagon has informed us that there is no shortage of guns, ammunition, or bombs. For this reason, I find the request for additional military aid more of a melodramatic exercise in guilt than a substantive act of support. Of course, should South Vietnam fight on and be in danger of exhausting its military supplies, I would be inclined to rethink my position.

I do encourage efforts to evacuate Americans from Vietnam. However, I remain very dubious of the utility of a large-scale Vietnamese evacuation. It is true that many South Vietnamese have worked closely with American efforts in Vietnam; but there is no real way to evacuate all those people. My observations during my 19 months there as an Army lieutenant lead me to believe that any evacuation attempt will serve only the rich Vietnamese.

Also, I am not persuaded that our economy can absorb substantial numbers of aliens, or that the cultural benefits of transplanting the people in question outweigh the difficulties and traumas inherent in such an operation.

If there were evidence of an imminent bloodbath, perhaps my reasoning would be different, but there is no such evidence; and I do not believe a large-scale removal of South Vietnamese serves the interests of humanity.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Speaker, I think the House ought to adopt this rule this afternoon. We need a free debate on some very major questions which have been before the people of America for a great many years. In recent years, some of the truisms have been blotted out by the flood of rhetoric we have heard from those who would have us retreat in the world; retreat philosophically; retreat politically, and retreat in our determination to survive. In many cases, we have retreated while economically, we are finding ourselves whipped on many fronts. Witness the oil boycotts, the embargoes; the cost of foreign materials to us.

Mr. Speaker, now there are those who would have us, as we evacuate from Vietnam, leave behind, not just guns and ammunition, but leave people behind; leave behind living, loyal Americans and others who have been loyal to America.

If we are to have any credibility left we must not abandon Americans seeking to leave Vietnam.

But regardless of how individual Members feel, Congress ought to take the time, by adopting this rule, to debate this issue and maybe make some decisions.

As we look at what has happened in Southeast Asia, as we look at what has happened in the Mediterranean, as we see what has happened recently in Portugal, as we see what is happening in the Philippines, it seems to me that Americans and people in the free nations of the world have some very important decisions to make; and make soon. It seems to me we must decide whether or not we are going to compete, whether or not we are going to stand up to communism, and if we are, where are we going to do it?

We must eventually make that decision. I think we have to make that decision pretty quick. I believe we ought to adopt this rule and, with this 3 hours of debate, discuss these very important questions that face our Nation today.

Mr. QUILLEN. Mr. Speaker, let us not bury our heads in the sand; let us be brave with determination; let us have courage with compassion; let us act with a prayer in our hearts for the benefit of our fellowman.

Let us adopt this rule, let us adopt the resolution. Let us provide evacuation aid, let us provide humanitarian aid, before it is too late, before there is a chance for slaughter.

Mr. Speaker, I have no further requests for time, but I reserve the balance of my time.

Mr. LEVITAS. Mr. Speaker, I support the resolution which would grant the rule to permit debate and consideration of H.R. 6096, a bill that would provide for the authority requested by President Ford to provide armed protection, if necessary, for the evacuation of Americans and certain other persons from South Vietnam and which would authorize humanitarian assistance to the people of South Vietnam.

I believe the least we in Congress can do is to proceed immediately with the debate on this bill; amend it if necessary; let those who favor it vote for it, and those who oppose, vote against it. But, for Congress to reject this rule and further delay consideration of this vital bill would be inexcusable.

If anything Congress has delayed too long and dragged its feet too much. The American people are complaining that this institution seems paralyzed and incapable of action one way or the other. Two weeks ago the President asked for consideration of legislation similar to this. We owe it to him as Chief Executive; we owe it to the people of Vietnam; and we owe it to the American people to take some action. Congress must act. If it fails to act at all, it fails as an institution.

I, therefore, urge a favorable vote on this rule so that immediate debate can proceed.

One final word is in order which should never be forgotten: the final stages of the war in Vietnam consist of monumental human suffering for the Vietnamese people and of deep anguish for most Americans. It is not a political game. What is happening there is the final chapter in the unraveling of a decision and policy that was taken several years ago and not within the last few months. Ever since the Paris accords of 1973, events have transpired which have led to this result. When this Nation and its leaders made the decision to withdraw from Vietnam, what since transpired should have been foreseen by all who know the facts. The recent military collapse and debacle of the last 2 months provided no means or possibility for the United States or anybody else, other than the South Vietnamese themselves, to change the final result.

Now, there are some persons on both sides of the aisle here and in the highest offices of the executive branch who seek to place blame and point fingers. Most Americans will reject and deplore any attempt to politicize the final stages of this war. Anyone in Congress or in the White House or presiding over the other body who chooses to make a grandstand play or take political advantage of this tragedy deserves the condemnation of all decent Americans.

I warn those who would dare engage in that base and lowly effort, that they are slaking their political thirst with the gore of thousands of lives and they will choke on it.

Mr. YOUNG of Texas. Mr. Speaker, I

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yield the balance of the time for the purpose of closing debate to the distinguished gentleman from Missouri, a member of the Committee on Rules, Mr. BOLLING.

Mr. BOLLING. Mr. Speaker, this is one of those rare times when I wish that I could come up with some kind of witticism or joke that would lessen the tension. The tension is much too high for the matter that is before us.

I would like to talk a little bit about procedure. The matter was reported from the Committee on International Relations by a vote of 18 to 7. When it was heard by the Committee on Rules, no member of that committee appeared against the rule. There was clearly every opportunity. The one member of the committee who appeared and spoke against a provision of the bill was the gentleman from Ohio who preceded me in the well and spoke in favor of the rule.

Second, everybody has been talking about the rule being necessary to get to the debate on the matter tomorrow. That is not correct. I know that the Member proposing the resolution said Wednesday. He was informed erroneously. The rule makes it very clear that the 3 days runs from the time the report is available, and the report was not available until Monday.

So we are talking about not delaying from today until tomorrow, which has already been done by arrangement; we are talking about delaying it until Thursday.

There has been a great deal said about how quickly the 18 to 7 can be turned around upstairs in the Committee on International Relations and we can come back again. I think, in realistic terms, that probably means until Friday.

The second thing that is quite important is that I checked with the chairman of the committee—I have known him for a very long time—and he is telling me the truth when he tells me that there is not a dime of money appropriated in this bill. All of the money that is involved in this bill will have to be appropriated by this House. So we are not taking the final step.

There is no question that there are important waivers here. But what we are really talking about today is just one thing:

Do we choose to start consideration of the matter today? I would say only that having had a small amount of experience in messy places a very long time ago, I know that there is not a person living in the United States of America who knows what the situation in South Vietnam is today. There is no way to know. There is no way to know the intentions really of anybody.

Mr. Speaker, I do not believe that very many Members of this House want to be in the position of having voted against a matter which provides only for the consideration of the main matter. It seems to me very clear that we should adopt this rule and proceed to vote on the amendments to the bill and on the bill itself. If any Member does not find himself satisfied with the bill at the end of the process, he should vote against it. However, that is the point at which to express the decision on the adequacy of the bill and the decision on what the Congress should do.

We should not get ourselves trapped in a procedural matter.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JOHN L. BURTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 325, nays 95, not voting 12, as follows:

[Roll No. 135]

YEAS—325

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Carter
Casey
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conlan
Conte
Corman
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Dickinson
Diggs
Dingell
Dodd
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holt
Horton
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Leggett
Lent
Levitas
Litton
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Melcher
Meyner
Michel
Mikva
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Obey
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Ruppe
Russo
Ryan
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NAYS—95

Abzug
Anderson, Calif.
AuCoin
Badillo
Beard, R.I.
Bedell
Blouin
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chisholm
Clancy
Clay
Collins, Ill.
Collins, Tex.
Cornell
Cotter
Davis
Dellums
Devine
Downey
Drinan
Early
Edgar
Edwards, Calif.
Ford, Tenn.
Green
Gude
Haley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Helstoski
Holtzman
Howard
Howe
Hungate
Jenrette
Johnson, Colo.
Jones, N.C.
Karth
Kastenmeier
Latta
Lehman
Lloyd, Calif.
Long, Md.
McCloskey
Maguire
Mazzoli
Metcalfe
Mezvinsky
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Moss
Oberstar
Ottinger
Patterson, Calif.
Rangel
Rees
Richmond
Riegle
Risenhoover
Roe
Rosenthal
Roybal
Runnels
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Shipley
Stanton, James V.
Stark
Stokes
Tsongas
Vanik
Vigorito
Waxman
Weaver
Wilson, Charles H., Calif.
Wirth
Young, Ga.

NOT VOTING—12

Conyers
Dent
Eshleman
Goldwater
Gonzalez
Hinshaw
Holland
Mills
Murphy, N.Y.
Pritchard
Shriver
Stephens

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Conyers against.

Until further notice:

Mr. Gonzalez with Mr. Holland.

Mr. Murphy of New York with Mr. Stephens.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

The SPEAKER. Pursuant to the provisions of rule X, clause 5(c) the Chair appoints as members of the Select Committee on the Outer Continental Shelf the following Members of the House: Mr. MURPHY of New York, chairman; Mr. UDALL of Arizona; Mrs. MINK of Hawaii; Mr. EILBERG of Pennsylvania; Mr. KAZEN of Texas; Mr. BREAUX of Louisiana; Mr. STUDDS of Massachusetts; Mr. AUCOIN of Oregon; Mr. DODD of Connecticut; Mr. HUGHES of New Jersey; Mr. RUSSO of Illinois; Mr. FISH of New York; Mr. FORSYTHE of New Jersey; Mr. DU PONT of Delaware; Mr. YOUNG of Alaska; and Mr. BAUMAN of Maryland.

VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6096, with Mr. PIKE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. MORGAN) will be recognized for 1½ hours, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 1½ hours.

The Chair now recognizes the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I yield myself such time as I may consume.

I come before the House today with a heavy heart.

During the night, another page was written in what now seems to be the final chapter in South Vietnam's short, but tragic, history.

Two more towns has fallen under the relentless pressure of North Vietnamese and Vietcong forces.

The security of the major air force base at Bienhoa has been breached.

The ring of invading forces has tightened around the besieged city of Saigon.

Only a short distance—and possibly even shorter period of time—appear to separate the capital of the Republic of Vietnam from its impending fate.

In the meantime, the human tragedy continues.

Nearly a million refugees, displaced by war, are in need of food, shelter, and basic medical care.

Their ranks are being swelled each day.

And in Saigon, thousands of anxious men, women, and children—including nearly two thousand Americans—are awaiting removal to places of safety.

During the past 2 weeks, our committee has studied and debated the rapidly changing situation in South Vietnam.

Both our Subcommittee on Investigations, chaired by the gentleman from Indiana (Mr. HAMILTON) and the full committee, have carefully considered the different options facing the United States.

We have listened to the President's recommendations and sought the advice of many policymakers in the executive branch.

Last Thursday, after some 6 hours of markup, the committee reported the bill which is now before the House—H.R. 6096.

Although events in South Vietnam are moving faster than most of us expected, and may render some of our proposals obsolete before they can be implemented, we believe that the bill merits careful consideration and approval of this House.

The bill basically does four things:

First, it authorizes an appropriation of not to exceed $150 million for humanitarian assistance and an evacuation in Vietnam.

Of this amount, up to $73 million is intended for aid to the estimated 1 million refugees who have resulted from recent events in Vietnam.

Those people need food, clothes, shelter, and medical care. In some cases they need transportation. Ultimately, if circumstances permit, they must be resettled. This legislation could help to provide for the needs of these war victims.

Second, this bill lifts dollar ceilings and other restrictions in the Foreign Assistance Act of 1974 relating to Vietnam.

This would permit about $177 million in funds authorized for Indochina economic aid—but not yet appropriated—to be used for refugee aid.

The House Appropriations Committee yesterday recommended that $165 million be provided for this purpose.

Third, out of the $150 million in new funds authorized, at least $77 million is provided to help pay evacuation costs.

Although the President did not ask for funds for evacuation, it became clear during the committee hearings that evacuation costs right now are being incurred—for such things as the orphan airlift.

In addition, funds are needed to pay the interim costs of supporting the many people being evacuated.

If all of this money will not be needed for evacuation, it will not be used.

It seemed wise to the committee, however, to take into account all possible contingencies. Otherwise, too little and too late evacuation funding could result in hardship—or even tragedy—for Americans, their dependents, and others.

A fourth purpose of this legislation is to modify certain restrictions in law which affect the use of funds to pay for the reintroduction of U.S. Armed Forces into Vietnam hostilities.

The waiver is proposed in the bill for the sole purpose of making possible a humanitarian evacuation, under specific limitations, of four carefully defined categories of persons.

They are—

First and foremost, American citizens;

Second, dependents of American citizens and of permanent residents of the United States;

Third, Vietnamese nationals eligible for immigration to the United States by reason of their family relationships to American citizens; and

Fourth, third country nationals and Vietnamese whose lives are in eminent and direct danger, but only to the extent that they can be removed without the introduction of force additional to the requirements of an evacuation of persons in the first three categories.

The use of American Armed Forces to carry out the evacuation of these four groups of persons has been carefully defined—and limited—in the bill.

Those restrictions include:

First, a clear statement in the bill that, so far as possible, an evacuation must be peaceful.

Second, if force is ultimately required, it should be the minimum necessary to accomplish the evacuation—and the evacuation only.

Third, no authority is given for any military action or conduct which is not essential to carry out or protect an evacuation.

Fourth, the evacuation is strictly limited as to the categories or persons who can be evacuated—which sharply reduces the numbers involved.

Fifth, any military evacuation is subject to the provisions of the war powers resolution, including a requirement for prior consultation with Congress, a detailed report, and an automatic cutoff of activities after 60 days.

Sixth, U.S. involvement in any hostilities which might result could be cut off immediately by the passage of a concurrent resolution under the war powers resolution.

Seventh, the bill itself provides that any of its authorities may be repealed—also by the passage of a concurrent resolution.

Some Members have criticized the restrictions in the bill because they do not set a time limit, or tell the President what weapons he can use, or set a ceiling on the number of troops he may deploy.

The committee did not believe it wise to encumber the President with such re-

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strictions. The situation in Vietnam is very fluid.

A restriction imposed today may be clearly seen as unwise tomorrow—or even as putting American lives unnecessarily in danger. We have tried to avoid such mistakes.

Because of the many statements made during the past couple of days about this bill—some of which are included in the views attached to the committee report—I would like to take a moment to make it clear what this bill is not, and what it does not do.

First of all, this bill does not authorize any military assistance to South Vietnam.

Military assistance to South Vietnam is not within the jurisdiction of our committee.

We do not act on it.

And we have made certain that no provision in this bill can be interpreted to provide—either directly or indirectly—that type of assistance to South Vietnam.

Nor is there any loophole through which excess military equipment would be turned over to the Vietnamese under this legislation.

Second, this bill does not authorize U.S. military involvement in South Vietnam—except for the very narrow purpose of making emergency evacuation possible.

This is not—as some have claimed—a second Gulf of Tonkin resolution.

As one who sponsored the Gulf of Tonkin resolution in the House—and also its repeal—I can assure the Members that we are dealing here with an entirely different piece of legislation.

The Gulf of Tonkin resolution authorized the President to "take all necessary steps, including the use of armed force," to protect South Vietnam from North Vietnam.

It was—or rather it came to be used as—the equivalent of a declaration of war.

The bill before us today would do nothing of that sort.

It does authorize the President—by removing restrictions on the use of certain funds—to employ the Armed Forces, of the United States—but only for evacuation of Americans, their dependents and relatives, and a limited category of other nationals—and only as last resort.

Mr. Chairman, in the 3 hours of general debate which will follow my opening remarks, the House will have an opportunity to examine each and every provision of the bill before us, to offer amendments, and to work its will.

I will not attempt now, therefore, to anticipate all the questions and issues that may arise.

I will simply try to finish with these thoughts:

The issue of providing humanitarian assistance to the refugees in South Vietnam should not trouble us—even though events may make it impossible for most of such assistance to be delivered.

If the conditions prevent the use of the aid authorized in this bill, the aid will not be delivered, and the funds will not be spent.

On the other hand, by approving this authorization, we will have shown our willingness to help the people who have suffered so very much in recent weeks.

I believe—and my committee believes—that they deserve our humanitarian concern.

The issue of enabling the President to use U.S. Armed Forces for the evacuation of Americans as well as South Vietnamese, is different.

Here many Members are troubled—and some would rather not make this decision—or would rather make it in such a way that could tie the President's hands in an emergency.

I do not believe that the U.S. House of Representatives can—or should—try to duck this hard decision.

Our committee has worked hard to produce a bill which is both responsible and workable.

We have carefully limited any possible use of force—American force—in South Vietnam.

And we believe that the President should be given the limited authority provided in this bill.

We believe that the Congress must exercise its constitutional responsibility in this area.

To do anything else would be to abdicate our authority and to withdraw from the partnership which has to exist between the Congress and the executive in the area of foreign policy.

Mr. Chairman, many mistakes have been made in the course of the Vietnam war.

We cannot undo them.

It would, however, add to those errors if the Congress would not fail to act with respect to the crisis situation in South Vietnam.

During the past 24 hours, nearly 700 American citizens—and some 400 foreign nationals—have been evacuated from Saigon.

By midnight today, the number of Americans present in South Vietnam will drop down below [illegible],000.

We hope and pray that those remaining Americans—and at least some of the South Vietnamese whose lives will be forfeited when the Communists take over Saigon—will be removed without the use of force.

If this cannot be done, then force will have to be used.

That decision will be made by the President—hopefully within a policy framework approved by the Congress.

I urge that we approve that framework by approving the bill before us.

While far from perfect, it attempts to meet the responsibilities of the Congress in a measured and constructive way.

It deserves—and I hope that it will receive—our support.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield for one question?

Mr. MORGAN. I will yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the distinguished chairman for yielding.

Does the chairman agree with the President's remarks of last night that he does not need legislation to evacuate Americans but he needs legislation to evacuate those from South Vietnam, who would want to move to safety, who are not American?

Mr. MORGAN. Mr. Chairman, I did not hear the President's message last night. The first discussion of it I heard was when the gentleman spoke in the well during the debate on the rule.

But the title of the bill is very clear. I do not think the committee has ever said the President does not have the constitutional right to go in there and protect Americans, to remove Americans. I will just read the title of the bill. It says:

> To authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina.

I do not think the President has the authority to use funds for the deployment of U.S. Armed Forces in Indochina under the language of the five different statutory restrictions on the use of funds passed here in 1973 and 1974, when this Congress, in its will, enacted those restrictions on the use of military force in Indochina.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the chairman of the committee for answering the question. I would respectfully register a disagreement.

Mr. ROSENTHAL. Mr. Chairman, I am greatly distressed by the Vietnam Humanitarian and Evacuation Act of 1975.

It not only shows a tragic disregard of the lessons of 20 years of American involvement in Southeast Asia, it also threatens to expand the conflict and thrust American troops once more into the midst of the desperate battle. In its ambiguity and potential for disaster, the bill recalls the Tonkin Gulf resolution.

I object to the purpose, necessity, scope, and substance of the bill. My opposition falls into four principal areas.

First, the bill surrenders to the administration broad areas of discretion over the evacuation of Americans and South Vietnamese. It reflects the outworn view that the administration alone can make responsible decisions in foreign affairs. The bill leaves to the administration the determination of how many persons should be evacuated, where they should be resettled, over what period of time the evacuation should take place, and how much should be spent in the process. Despite the steady deterioration of the military situation, the bill makes no attempt to set a timetable or formulate a plan for the evacuation.

Second, the bill allows the reinvolvement of American troops in Southeast Asia. It opens the door to the engagement of American troops in hostile military action with attendant risk of capture, injury and death. The bill places no limitation on the duration or breadth of such military activity. Under section 3 of the bill, which waives all provisions of the law covering military involvement in Southeast Asia, the administration could arguably resort to the bombing of North Vietnam or even Cambodia in a distorted view of what will best serve the evacuation efforts. The potential for escalation is frighteningly limitless. Far from aiding the evacuation, a reserve of evacuation funds usable at the administration's discretion discourages its taking the

prompt action which will alone insure a safe and orderly withdrawal.

Third, the Congress would be giving all of the above authority needlessly. Authority for evacuation was not sought by the administration. As is evidenced by the assistance of our Armed Forces in the evacuation of Americans from Cambodia, the President derives what authority he requires from the Constitution and the War Powers Act. The unnecessary inclusion of added power to commit American troops only invites recourse to such use.

Fourth, the humanitarian aid is to be channelled through the Saigon government. Under the best of circumstances, the venality and corruption of officials of that government suggest that a large portion of the aid would not reach its destination. Given the chaos and confusion which are accompanying the departure of General Thieu, the influx of hundreds of thousands of refugees, and the prosecution of a war at their doorstep, the Saigon government agencies, even if well-meaning, could not be expected to attend to the difficult tasks of maintaining refugee camps and supplying food and medical supplies.

Moreover, none of the aid will reach the equally needy Vietnamese whom the war has placed outside the reach and authority of the Saigon regime. The humanitarian aid should be distributed wholly through such international bodies as the U.N. Indochina Peninsular Liaison Group and private relief agencies such as the International Red Cross which have served so effectively in Southeast Asia in the past.

The present bill is grievously misconceived. It gives broad license to the administration to make critical policy decisions without formal congressional input; it permits and may even be said to encourage a new American military presence in Vietnam; it gives unsought and unnecessary authority to the President; and it provides an inadequate method for the distribution of humanitarian aid. I respectfully urge that the bill in its present form be defeated.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, over the years the United States has invested over $150 billion in Vietnam; the price in terms of human life, suffering, and national unity has been even more staggering. The experience of Vietnam has cost us dearly. It is not going to end the way we might have hoped, but it has taught us some important lessons. In a short time, the Vietnam era will be irrevocably behind us, for better or for worse. We will have an opportunity to take a fresh look to the future, to regroup the vital energies of this democracy for the challenges of the coming decade. We must not permit disillusionment over the past, or the promise of the future, to stand in the way of writing an honorable last chapter to our involvement in Vietnam.

Today we debate the Vietnam Humanitarian Assistance and Evacuation Act of 1975—$150 million, an additional one-tenth of 1 percent, a moment's interest on our total investment—required to enable us to withdraw our people and specified categories of Vietnamese before it is too late. As a decade of American involvement in Vietnam touching on four administrations draws to a close, we debate the authorization of funds for relief which may, in a very small way, make the end of hostilities slightly less painful for some of the victims.

Yet even during the final stages of debate on Vietnam, surely the longest running and most divisive national issue of this century, we are hard put to find a measure of trust for one another. We are concerned that the legislation before us will, through some black magic, become a ticket to renewed American intervention in Southeast Asia. It is a measure of how far we have come, how deeply this Nation has been divided, that trust and confidence are at a premium even now.

The end of American involvement in Vietnam is immediately upon us. We have a requirement to do what is necessary to avoid a final, senseless tragedy—the loss of more American lives in Vietnam. We have an obligation to bring out as many Vietnamese as possible whose lives are in danger because of their association with us. And we have a duty as people of compassion to help relieve suffering in Vietnam. These are the purposes of the legislation before us, and it merits our support and urgent approval.

But we also have an obligation to ask some questions about how we came to this situation, and to ponder the answers.

We must ask how Soviet and Chinese supply of military assistance to North Vietnam on a scale enabling Hanoi to undertake an unprecedented, massive, armored invasion of the South squares with the policies of détente and the opening to China, both of which are significant benchmarks of our diplomacy in recent years.

Détente, by its very nature, means a policy of mutual restraint, a shared willingness to look for areas of common concern and accommodation. There can be no double standard in détente: both parties must play by the rules or a policy of reduced tension between the great powers and a search for understanding will inevitably prove unworkable.

I am not suggesting that what has transpired in Vietnam is sufficient reason to back away from détente and return to an era of confrontation. But, as a test of détente Vietnam has been a failure, and we should be frank to admit it.

The administration and Congress will have to keep a close watch over our policies of mutual accommodation and relaxation of tension in other areas of the world. Détente is clearly the preferred pattern of relations for the future, but only if it works.

A time of testing new concepts, détente among them, is not the time of become careless about our national defense posture, to strike out in frustration over past policies. If détente is to succeed, the United States must remain strong and secure. Any indication of weakness or lack of resolve on our part is an invitation to others to renew confrontation, to test our will under changed circumstances. The events in Vietnam must not be permitted to lead to a sense of despair in America. They must reinforce our commitment to remain strong and prepared, and to monitor closely the status of our relations around the world.

There are few events in the international arena, no matter how catastrophic they may at first appear, which do not contain the potential for constructive action. The 1973 war in the Middle East created the best possibility to date for a peaceful settlement of that dispute; the oil embargo produced an awareness in this Nation of the dangers in relying so heavily on imported sources of energy. There is an element of hope in the rapidly developing tragedy in Vietnam, and in the legislation we are considering today to help deal with that situation. It is the hope that the divisions and frustrations of Vietnam will at last be over for this Nation; that we can reestablish a coalition of purpose and dedication in our dealings with other nations.

We can increase our prospect for success in the future by acting promptly on the bill before the House. We can ill afford a situation in which another tragic chapter is written to the history of America and Vietnam.

Putting aside the divisions of the past implies a renewed sense of trust in the administration and those charged with carrying out our foreign policy. I believe the administration has earned this trust, that it can be counted upon to act responsibly and in accordance with the will of Congress in the last moments of our Vietnam experience. There is nothing devious in the proposal before us.

Prompt and favorable consideration of the Vietnam Humanitarian Assistance and Evacuation Act of 1975 will signal our faith in the good will of the administration and the urgency which we attribute to the problems at hand. It could well be the first step in a process of domestic reconciliation, a process in which we cease looking over our shoulder in suspicion, and turn instead to the problems of the future, united and confident in our ability to solve them.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I rise in support of H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975.

There has been some talk that this bill is unnecessary in dealing with the present crisis in Vietnam and, indeed, that any congressional actions are unnecessary because of the war powers resolution.

As the House sponsor of the war powers resolution, I have been dismayed by such statements. I just cannot understand the reasoning of the people who say that this legislation is not necessary because we have a statute called the war powers resolution.

It is not because the war powers resolution has not proven its value during the events of recent days. It has. For example, the President has promptly reported to the Congress the two recent instances when U.S. Armed Forces have become involved in evacuation efforts in Danang and in Phnom-Penh.

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These reports have served a very useful purpose: that is, requiring the executive branch to examine the administration's legal authority for each action taken. Further, the administration has focused on details of the military involvement which have given us a clear picture of the operations in question.

While the war powers resolution has shown its utility, it cannot, however, perform functions which it was never meant to perform.

It cannot and does not provide congressional guidelines for Presidential action in meeting crises such as the one which faces our Nation in Vietnam today. It does not answer the request of the President for clarification of his authority to evacuate Americans and foreign nationals from Vietnam. The war powers resolution holds no answer to how the restrictions in some of the fine provisions of law affect the use of funds for use of the U.S. Armed Forces in Vietnam evacuation. The war powers resolution, Mr. Chairman, is designed to come into play once the President has acted within his constitutional authority to commit American forces into combat or other specified situation. It is reactive. It does not attempt to define the President's power for us.

At the same time, however, the war powers resolution from the very beginning has contemplated that the Congress would be consulted. In section 3 it specifically says, To the extent possible, Congress must be consulted before the President has acted to involve military forces.

Section 3, I repeat, is very clear on that point, and it is my understanding the President fulfilled that function when he contacted the leadership of Congress and, indeed, to some extent when he came before Congress, to ask for authority from Congress to conduct a humanitarian evacuation from South Vietnam.

Since that time administration officials from the Secretary of State on down have spent hours on Capitol Hill before at least four committees in the House and before such groups as the Democratic Study Group and the freshmen Members on this issue. Their effort has been one of consultation in a very difficult situation, both from a practical and from a legal standpoint.

The response of the Committee on International Relations has been to report H.R. 6096, the bill which is before us today. On this measure I agree fully with my chairman, the gentleman from Pennsylvania (Mr. Morgan) and I associate myself with his statements that it is fully consistent with the intent of the war powers resolution. In fact, it is the kind of participation with the Executive in making foreign policy decisions that is envisaged in the war powers resolution.

Mr. Chairman, the Members will note the reference in the measure to the war powers resolution, and that is on page 3, section 5. It was placed there to leave no doubt that this bill is not meant in any way to supersede that act, but, rather, to complement it, and I repeat this particularly for the benefit of the gentlewoman from New York. It is not meant in any way to supersede that act but, rather, to complement it.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

One of the things that concerns me, and which I am sure concerns the gentleman, is that the war powers resolution says that the provisions on automatic termination do not apply when there is specific authorization for the use of troops. Under the war powers resolution there is a 60-day automatic or a 90-day automatic termination provision. Since this bill, H.R. 6096, is a specific authorization for the use of troops—and I have just discussed it with counsel of the gentleman's committee—it would seem that the automatic termination period of the war powers resolution would not apply.

I would like to have the gentleman's clarification, because I think this is an extremely important point.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

On that point, I noticed the gentlewoman's point during the debate on the rule. I think she has a point that perhaps should be corrected by an amendment which I think could be very readily done. Certainly I am sure the gentleman in the well will agree with me that it was not the committee's intention in any way to suspend the operation of the War Powers Act. I am currently working on a simple amendment to section 5 that I think would make that clear.

Mr. ZABLOCKI. The gentleman from New York has accurately stated the committee's intent regarding the war powers resolution. It is the intent of H.R. 6096 to lift the restrictions that five pieces of legislation place upon the President prohibiting the use of appropriated funds. Although he has the constitutional authority to use military—that is, armed forces—to evacuate and safeguard the transfer of American nationals that are in jeopardy, the President does need, however, the funding for that purpose, and these restrictions prohibit funding.

Further, I believe that the President does need authority to use armed forces to evacuate foreign nationals, which H.R. 6096 provides.

The foreign nationals may be evacuated, however, only to the extent that these foreign nationals are evacuated at the same time that our own U.S. nationals are evacuated. In other words, our U.S. Armed Forces cannot be employed for any purpose in excess of the evacuation of our own American nationals, their dependents, and their relatives.

But let me reply to the question of the gentlewoman from New York. In the War Powers Act, section 4 provides for reporting. As I pointed out in my remarks, the President, in the case of Danang and Phnom Penh, reported under section 4(a)(2) of the war powers resolution because the executive branch believed hostilities were not imminent there. Indeed in his report the President said that if there was any possibility of ships in Danang being attacked they were to withdraw to international waters. So that report did not trigger congressional action under section 5 of the act. If it develops that our troops in Vietnam would meet hostile fire during an evacuation effort and they would have to fire back, there would be combat. The President would have to report to Congress under section 4(a)(1) which would immediately trigger section 5.

Apparently the gentlewoman from New York (Ms. Holtzman) has concern that section 5(b) of the War Powers Act gives specific authorization to employ U.S. Armed Forces. Section 5(b) of the War Powers Act clearly applies to section 5(a). Section 5(b) states:

> Within 60 calendar days after a report is submitted or is required to be submitted according to section 4(a)(1), whichever is earlier, . . . the President shall terminate any use of the United States Armed Forces with respect to which such report was submitted (or required to be submitted), unless the Congress (1) has declared war or has enacted a specific authorization for use of such United States armed forces.

This language troubles the gentlewoman. But, as I say, H.R. 6096 is not a specific authorization within the meaning of section 5. In other words that section means that if the President wants authority to keep troops in combat longer than 60 days, the Congress must declare war or must by specific statutory authority give him that permission.

Ms. HOLTZMAN. Mr. Chairman, if the gentleman will yield further, I am pleased by his reassurance. In other words, he is saying the provisions of the war powers resolution apply to this bill.

Mr. ZABLOCKI. Absolutely.

Ms. HOLTZMAN. So, if troops are used in Vietnam, within 60 days or 90 days the automatic provisions of the War Powers Act would apply to terminate the use of those troops?

Mr. ZABLOCKI. I want again to make it very clear, if there are hostilities the President under the War Powers Act would have to report under section 4(a)(1) and the provisions of section 5 triggering congressional action would be mandatory.

Mr. Chairman, in my opinion, if Congress is going to reclaim its rightful role in the formulation of our Nation's foreign policy, Congress must be willing to act affirmatively.

We must say we will share with the executive branch our involvement.

Standing on the sidelines urging the President to action and criticizing him when he stumbles is not responsible legislative action.

Yet there are those in this Chamber who advocate such a course.

Let the President act as he sees fit to conduct an evacuation, they say, we still have the war powers resolution to invoke if we do not like what he does.

There is sad truth to that. It is sad because such an attitude will never gain for the Congress the kind of respect which it must have from the American

people if it is to be a strong and effective parliamentary body.

I hope we will vote for H.R. 6096.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, as we discuss and debate the specifics of the bill before us, it is only too obvious that the overriding question is the painful reappraisal of the many developments which have brought us to this difficult and tragic point; namely, the possible loss of all of Indochina to Communist dictatorships.

Let the record be clear that the problem in large part developed when President Lyndon Johnson, abused by the leftwing forces in his party and abused by the well-organized appeasement lobby, failed to effectively use U.S. military power to halt the aggression from Hanoi. Instead, President Johnson tried to negotiate with an enemy whose only goal has been conquest and who is determined to eradicate any of the anti-Communist forces in Indochina, be they pro-Western, legitimate Asian nationalists, or those based on Buddhist or other religious organizations.

Basically, President Nixon and Secretary Kissinger repeated the same mistakes. The so-called peace agreement of June 1973, was immediately ignored by the Communists, while the Congress failed to provide minimum U.S. support of the Saigon regime as contemplated in the agreement. The apparent victory of the Communists is in large part the result of the inability of four American Presidents to implement an effective policy due to the political harassment they have suffered from those groups in the United States who are either extremely naive or actually welcome the further expansion of communism.

There is no doubt in my mind that a bloodbath will occur immediately following a Communist takeover in South Vietnam. The issue before us this afternoon is to take practical steps to carry out the evacuation of all Americans, their dependents, and any Vietnamese whose support of American troops, American programs or whose services to individual Americans would result in their certain death. The reports slowly reaching the Free World of Communist atrocities committed in Cambodia and the areas of South Vietnam that have recently fallen to the Communists make it necessary that we act in a practical fashion this afternoon.

Therefore, I support the South Vietnam Evacuation Act as the minimum step that Congress should take at this point.

Mr. Chairman, at this point I wish to quote excerpts from a letter I received—and I assume all Members received the same letter—from the distinguished President of the AFL–CIO, Mr. George Meany, expressing his views on the situation which exists in South Vietnam:

> "In the last several days, cables from South Vietnam to our State Department relay shocking accounts of systematic Communist terrorism against civilian populations.
>
> "These grim developments, reviewed in the light of North Vietnam's long history of using systematic terrorism to consolidate its power, suggest that the bloodbath many of us have feared would follow a Communist takeover of the South has in fact begun.
>
> "New reports of atrocities pour in by the hour. They underscore the very real personal danger that tens—if not hundreds—of thousands of Vietnamese face at this moment. I refer not only to government officials (down to the hamlet and village level), military personnel and the like, but to trade union leaders and independent political and religious figures. Moreover, should Hanoi seek to duplicate its forced agricultural collectivization program in the South, countless more will be liquidated.
>
> "For many years to come Americans will debate whether we should have got involved in Vietnam in the first place or whether we should have withdrawn as we did. But in this tragic hour I believe these questions must be put aside in the interest of concentrating on the most important issue now before us: *saving the hundreds of thousands of Vietnamese who face certain destruction because they stood by our side.* We have a moral obligation here that cannot be denied. If we do not stand by these desperate people, how can we ever claim to conduct a credible foreign policy?
>
> "Even if the Congress has decided—wrongly in our view—to write off the country of South Vietnam, it simply cannot and must not abandon the masses of human beings who will pay with their lives for their loyalty to us. If the doctrine of 'detente' retains any meaning, then let it now be put to the test. Let us make it clear to the Soviet Union and China that we expect their cooperation in restraining Hanoi, and that detente will never survive the slaughter of our friends in South Vietnam.
>
> "I urge your support for whatever steps are necessary, including the use of American troops, to facilitate the evacuation of our entrapped allies. Bold and forthright action by the United States, right now, in behalf of our own moral principles, would send a message to our allies and 'potential adversaries' throughout the world and perhaps restore some of that sense of hope in America's role in the world that has been so badly damaged in recent months."

Now, frankly, Mr. Chairman, this is the purpose of the legislation. It will, of course, permit an evacuation of all Americans.

It goes on to specify in section 4 in terms of priority: American citizens; dependents of American citizens and of permanent residents of the United States; Vietnamese nationals eligible for immigration to the United States by reason of their relationships to American citizens; and such other foreign nationals to whose lives a direct and imminent threat exists.

If anyone is under the delusion that there are not thousands and hundreds of thousands of people whose lives are in danger, they are not being realistic about the developments there.

I suggest when we look at amendments to be offered tomorrow that we do so recognizing that the great human suffering will afflict those South Vietnamese who have been loyal to us all these years.

This bill is a practical approach to trying to solve at least part of the tragic dilemma that will be afflicting thousands of people.

Mr. Chairman, may I again reemphasize my support for this bill.

Mr. MORGAN. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. Bingham).

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding me this time.

I am in a difficult position personally as far as this bill is concerned. I find a number of things wrong with it. I hope that some of the amendments that I know will be offered tomorrow will be adopted and I will support them.

Specifically, I think that, for example, we should have a shorter time limit than is provided by this bill and to that end I will support an amendment for a 30-day limit that will be offered by my colleague, the gentleman from New York (Mr. Solarz).

I would also like to see adopted an amendment that would require the President before making any use of armed forces for the purpose of evacuation to explore the possibilities of accomplishing the evacuation by agreement through negotiations with the other side. The President indicated in his interview last night on CBS that, indeed, some other governments were being approached. I think this is an encouraging thing. I hope it is successful.

I think it would be wise to include in this legislation some assurance that armed forces would not be used until all the other possibilities of achieving the desired evacuation have been exhausted.

I also believe that the humanitarian assistance that is authorized under this bill should be extended, insofar as is feasible, through international agencies and through private agencies. We do not want to see any more assistance given to the corrupt government that has been in power in Saigon. I will support an amendment to that end that will be offered by the gentlewoman from New Jersey (Mrs. Meyner).

I think there may well be room for a technical amendment with respect to the war powers question so as to make absolutely sure that the authority contained in this bill with regard to the use of armed forces for purposes of evacuation is not the "specific authorization" of the use of armed forces that is referred to in the war powers resolution. I think we can make that abundantly clear with an additional sentence.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, will the gentleman say how he proposes to do that? I concur with what he is trying to do, but I do not see how it is going to be worded.

Mr. BINGHAM. The amendment would add a sentence to section 5. I have not worked out the language exactly, but it should say something like, "the authority provided in this act with regard to the use of Armed Forces is not to be construed as authorization for hostilities such as is referred to in section so and so of the war powers resolution."

Mr. du PONT. I thank the gentleman.

Mr. BINGHAM. Having said these things, Mr. Chairman, I also want to say that the Congress is confronted with the necessity of passing a bill here. My main reason for saying that, is that I think the Congress must clarify just

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what authority the President has with respect to the use of Armed Forces for the evacuation of American nationals.

In the committee, there was no difference of opinion that the President should, if necessary, use Armed Forces for the evacuation of American nationals. But there were some who said that the bill was not necessary because he already has that authority under the Constitution. I would like to read to the Members a sentence from the dissenting views of the gentleman from Michigan (Mr. Riegle) in which he says:

> There was general agreement in the committee that the President already has sufficient power under existing law and legal precedent to use whatever U.S. military resources are necessary to carry out the safe evacuation of all Americans now in South Vietnam.

Mr. Chairman, there was certainly not general agreement to that effect in the committee. I, for one, did not agree to it. The administration has come to us saying that they believe the President has that authority under the Constitution, but that the matter is not clear.

In our several bills that we passed in 1973, the Congress attempted to take precisely that power away from the President and to specify that the President cannot engage in military operations in Indochina.

What I am really amazed at is that my friend from Michigan and others are arguing precisely the case President Nixon argued in the last 2 years of the Vietnam war, that he had the authority to do virtually anything in the way of military action in order to get the American forces safely out of Vietnam. That was the rationale he used, that he had that power under the Constitution; and that was the rationale he used to justify even the invasion of Cambodia. Now it seems strange that we should be asked to have the Congress adopt that same reasoning.

In contrast, I suggest we should spell out just what authority the President has by statute, and not invite the President, who has asked us to spell out that authority, to disregard the prohibitions which we put into the law books in 1973.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Michigan.

Mr. RIEGLE. I thank the gentleman. Mr. Chairman, the reason I chose to state my dissenting view the way I did, in terms of general agreement and not unanimous agreement, was because I remember clearly the gentleman from New York did feel contrary to that, but I am repeating again that this issue was thoroughly argued. It is in the committee transcript.

It was very clearly the broad sense within the committee that the President could now use whatever he needed to safely evacuate Americans and, in fact, he had just done so in Cambodia. Fortunately, in Cambodia nobody happened to shoot at anybody else. But that was well discussed in the committee.

I would say to the gentleman—and I will stand by my assertion—there was a very large majority in the committee who supported that viewpoint.

Mr. BINGHAM. Let me say this to the gentleman. He has expressed great concern that in this bill we are giving the President a blank check in the use of force. Yet in his dissenting views he says the President already has the authority to use "whatever U.S. military resources are necessary to carry out the safe evacuation of all Americans in South Vietnam." That sounds like a blank check to me. The gentleman is interpreting the Constitution to give the President that authority, when we tried in 1973 to say specifically that he did not have that authority under the Constitution, that he did not have the authority to engage in military operations in Indochina.

Mr. RIEGLE. I will just say to the gentleman, if he will yield further, I think I said as a matter of law and legal precedent. I would again say I think the President can use whatever resources he can use to safely evacuate some 2,000 Americans.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Chairman, the attendance at this moment would hardly indicate that the legislation that the committee is now undertaking has to be regarded as one of historic importance. I believe I am correct in stating that never in American history has the Congress ever authorized the introduction of military force or the use of military force specifically to rescue other than U.S. nationals.

It may be that the Congress has authorized the use of military force specifically to rescue U.S. nationals, but, frankly, I do not know of such an instance.

Mr. JOHNSON of Colorado. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

At the time the point of order was made, the gentleman from Illinois (Mr. Findley) had been recognized. The gentleman from Illinois has 4 minutes remaining.

Mr. FINDLEY. Mr. Chairman, to the best of my knowledge and belief this is the first time in American history in which the Congress has acted, or has been requested to act giving specific authority to the President to use military force in order to secure the safe rescue of foreign nationals. There have been, I am sure, instances in which a U.S. President has rescued foreign nationals both in times of peace and in times of war, but to the best of my knowledge he has never before acted or requested specific authority for this type of rescue.

For example, during the Korean war our forces helped to evacuate a number of Korean nationals. The war was considered a police action. There was never any declaration of war. Had there been, certainly I think all would agree that the President under the authority conveyed to him under a declaration of war, would have had the authority as well as responsibility to effect the safe rescue of nationals of other countries, allies, perhaps even other people.

Therefore I feel it is greatly to the credit of our President that he has seen fit to call upon the Congress to help decide this question of fundamental policy. He could have gone ahead and used the power he obviously has, citing the Korean experience, and he would have been roundly criticized, I am sure, by many people had he done this. As it is, he has placed before the Congress this fundamental question. I think this has to be regarded not only as an historic legislative exercise in terms of the precedent on the part of the Congress, but also in terms of the precedent on the part of our Chief Executive.

Some years ago the Honorable John McCormack, the Speaker of the House at the time, ordered a study of the reserve powers of the President as Commander in Chief. This was often cited during our consideration of the war powers resolution a couple of years ago. But even that study left unclear just how far the President could go in terms of the rescue of even U.S. nationals. In these circumstances, despite the restrictions written in the five statutes, the President, probably would feel that he has an overriding constitutional responsibility under the reserve powers of the Presidency to move in with military forces to rescue our own nationals. But certainly no reading of the reserve powers study, or anything else I have seen, would clearly give the President the authority to move into South Vietnam under these circumstances for the purpose of rescuing the people of other nations.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I want to commend the gentleman on his very illuminating statement which he is making here today, and also to commend the gentleman for the leadership role which he took with respect to the enactment of the War Powers Act. I want to share with the gentleman the thought that there is no issue which is more prominent in the minds of the Members of this House today than that of the welfare of American citizens who are remaining in South Vietnam, plus the relatives of American citizens, or those who have legal residence in the United States, including wives of American GI's, the women married to these GI's when they served honorably our Nation in Vietnam.

I just want the assurance of the gentleman that this legislation does endeavor to provide for the evacuation not only of American citizens——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. McCLORY. If the gentleman will yield further—but likewise the relatives of American citizens, plus the relatives of those Vietnamese nationals who now have permanent residence in the United States, people who are entitled to permanent residence in the United States as wives of Americans. It does include all those persons; does it not?

Mr. FINDLEY. That is my interpretation of it. In fact, it has that very clear objective.

Mr. McCLORY. I thank the gentleman.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

I would like to congratulate the gentleman for stating the bill, as I see it, a measure that would have Congress give a permission or sanction to the President for the utilization of American forces for the evacuation of non-Americans from South Vietnam. I think it is very important that we understand what the issue is in this bill. I commend the gentleman for stating the issue as I see it, although we may differ on our vote. I think that is the issue that is in the bill.

Mr. FINDLEY. I hope the gentleman will agree with me that it is much to the credit of the President that he asks that we share the decision on this fundamental issue.

Mr. JOHN L. BURTON. I would say it is to the credit of the President that he would not try to use American troops without permission to go into a foreign land to evacuate foreign nationals, because I am not sure that that would be a proper and a legal act. So I am glad that at least we are dealing in legislative process.

I thank the gentleman.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Delaware.

Mr. du PONT. I thank the gentleman for yielding.

The gentleman from California states the situation as I understand it, but when he talks about non-Americans he should realize that he is including in that class of people dependents of Americans who are not citizens.

Mr. JOHN L. BURTON. If the gentleman will yield, I understand that, and I understand in the Cambodian exercise that the non-Americans outnumbered the Americans about 3 to 1 in the Operation Talon Hook, or whatever it was called when we lifted them out. So I understand what those numbers are, and I believe on a space-available basis they could have been evacuated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware (Mr. du Pont).

Mr. du Pont. Mr. Chairman, I rise in support of this legislation. I think we ought to keep in mind what the purpose of the legislation is, and I would like to address myself to one aspect of it that I think has generally been ignored by the speakers who have spoken so far.

But first let me just make a couple of points. This bill only gives the President the power and the money to evacuate people from South Vietnam and to provide some humanitarian aid in the process to others who are in South Vietnam.

There is no new commitment here. America is not committing herself to do anything other than provide humanitarian relief, which I think we can all support, and also evacuate Americans and dependents and others who may lose their lives.

The bill is very carefully limited. The War Powers Act is still in effect.

If the gentleman from New York (Mr. Bingham) feels that an amendment is necessary to make that perfectly clear, I will certainly support him on it.

The bill also has other restrictions in it. First there is the "minimum use of force" which is spelled out in the legislation. Secondly, it is clear the Armed Forces can be used only for the evacuation of troops. So the bill is not a Tonkin resolution. It is not a grant of a broad and vast power to the President. It is a specific grant for a specific purpose.

But I think some of the arguments we have heard here today overlook the most important point of all, which is that maybe the President has the power to use Armed Forces to evacuate Americans. I believe he does, but there may be some legal question about that. Maybe he has the power to evacuate dependents of Americans, although I think that is less likely. And maybe he even has power to bring out Vietnamese who are in extremis and who want to come out, and that question is open also.

But the important point is not whether the President has the legal power. The important point is that the Congress of the United States and the President must act as one, act as the Government of the United States in reinforcing our determination to get these different kinds of people out.

Who has the legal power is not the issue. The point is that we have got to act together. The Congress as a coequal branch of the Government has got to step forward with the executive branch and come to a policy that we can agree on. I think that is the most important thing we are discussing today.

This is a sensitive question. We have seven resolutions we have passed in the Congress of the United States limiting what the President can do in Indochina, which are enumerated in the bill. And regardless—regardless—of the legal implications of those seven acts, it is important that we reaffirm that we are behind the Executive in making this decision.

I think the Congress has to take a position. The Congress is a coequal branch of the Government. We certainly cannot say to the President: "You go ahead and do it, President Ford, and we will criticize you later on?" We are all in it together from the beginning and there ought to be a united position by both branches of our Government.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I compliment the gentleman from Delaware for emphasizing this point so effectively. Lately we have had too many people attempting to conduct too many different foreign policies for the United States. It is important that we have one united and coordinated foreign policy rather than a fragmentation. I thank the gentleman for emphasizing this point so effectively in his remarks today.

Mr. du PONT. I thank my friend, the gentleman from Florida.

He raises another point which is a good one in regard to the Congress making foreign policy. Some Members of Congress came before our International Relations Committee and urged us to do nothing, because it was too complicated an issue. I pointed out to those Members that we had set limits on the Cambodian bombing; we had set limits on the Indochina war; we had dealt with the emigration of Jews from the Soviet Union; and we had dealt with the situation on Cyprus. Congress never before had been bashful about stepping forward and putting our seal of approval on actions we thought were important.

So I say this situation into the same category. It is very important, regardless of the legal technicalities and regardless of whether we dot all the "i's" and cross all the "t's" that we take some action to show the United States speaks with one voice on this matter.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Chairman, does the gentleman have any idea of the numbers of people we are talking about? I do not mean dependents and those people eligible to emigrate but strictly Vietnamese citizens? I have estimates of about 150,000. That came out of the State Department.

Mr. Chairman, does the gentleman have any idea what numbers we are talking about?

Mr. du PONT. My information is from the newspapers, and I suppose it is as good as the gentleman's. I am sure there are many thousands; but if the figure is around 150,000, I do not think there is a chance we can get that many people out of there. We certainly may get some out.

The CHAIRMAN. The time of the gentleman from Delaware has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. du PONT. We ought to get as many people out as we can, even though those who might want to leave might run to hundreds of thousands.

Mr. JOHN L. BURTON. Even though as the President stated last night, "if it

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appears there is a military conflict still going on and if either one side or the other showed displeasure about this—the use of our military—and if we decide to do it," there are a number of "ifs" in that; but yes, there would have to be a fairly sizable U.S. involvement, on a short term; very precise, military involvement because of that.

Mr. du PONT. Well, I would hope not. I would hope the evacuation which is now going on, which has brought out nearly 4,000 Americans since the President spoke in the House Chamber, would continue at that pace as long as it can and when the situation gets impossible, we will have to abandon it.

Mr. JOHN L. BURTON. I would hope it would happen at a more rapid pace.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentle- from California.

Mr. ANDERSON of California. Mr. Chairman, to follow up on the previous speaker's comment on the numbers, obviously we want to bring out all the Americans and Vietnamese loyal to our people there.

Last night on the radio in Los Angeles I heard a very responsible supervisor make an estimate of 600,000 that would be brought in, most of them into the Los Angeles and San Francisco area. Now, I realize this would take time, but I wonder if we have set any kind of limit; have we talked about what we will do with them when we get them there? Just to keep these people for a year would cost probably a billion dollars. Who is going to take responsibility for this? Is this a Federal responsibility or are we going to put this on the taxpayers of San Francisco and Los Angeles, where we have enough problems now with unemployment and overcrowding?

Mr. du PONT. Let me make one comment. I think those kinds of numbers are absolutely out of the question, as a practical matter.

Mr. ANDERSON of California. Well, these are the kinds of figures that responsible people are speaking about.

Mr. du PONT. Second, the purpose of this bill is to permit the evacuation of these people from South Vietnam and it does nothing beyond that.

Mr. ANDERSON of California. I think it does. Once we have these people here, who is going to take care of these people?

The CHAIRMAN. The time of the gentleman from Delaware has again expired.

Mr. BROOMFIELD. Mr. Chairman, I yield the gentleman an additional 2 minutes.

Mr. du PONT. Mr. Chairman, I yield to the gentleman from New York (Mr. Fish).

Mr. FISH. Mr. Chairman, in regard to the question just put by the gentleman, I would like to point out the difference between evacuation and bringing refugees into the United States. There are two different figures involved here. The Subcommittee on Immigration of the Committee on the Judiciary has been involved in hearings on this matter since a week ago Monday and has had several meetings with members of the Justice Department in terms of agreeing to parole, but the figures on parole have no relationship to the figures on evacuation, which would be directly to points in the United States and is a matter that is under active consideration with the High Commissioner of the United Nations and several other nations in the world, to see where resettlement of these evacuees can take place.

So we should treat this as two separate matters.

Mr. du PONT. I thank the gentleman for that explanation.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. How many of these approximately will come to the United States to be resettled, first?

Second, it is my understanding and others in the Chamber may have more accurate information than I; but it is my understanding that the cost of relocating someone from Israel is $30,000 per refugee. If that is the case and there is roughly a comparable number here, if we are talking about 100,000 people, that is $3 billion.

Mr. du PONT. I would say that there is nothing in this legislation about resettlement. There is nothing about that in this bill. There is no money for that. It is solely a bill to allow the evacuation to take place.

Mr. SHUSTER. Mr. Chairman, if the gentleman will yield further, I would like to ask, once we bring them out, then what do we do with them? We are stuck with the problem and we cannot turn our backs on it if it is here on our shores. We have got to think it through, it seems to me, and have a plan from start to finish.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Chairman, I rise in opposition to this bill. I find it surprising that Members of Congress should be saying that they wonder why so many people are getting involved in foreign policy questions. As a Member who has been here for 5 years, I must say that we would not have had the U.S. Armed Forces removed from South Vietnam if it had not been for the many people who are Members of Congress. It should certainly have been clear to all of us when the President spoke behind this podium only a week ago last Thursday that if it had been up to Nixon, we would not have gotten the U.S. military forces out of Vietnam. If it had been up to Kissinger and the Defense Department, we would not have gotten our troops out of Vietnam. They only came out of Vietnam because of actions that we consistently took to compel their withdrawal in this Chamber.

We are now coming up to the final act, and it is important that those of us who were here then and those of us who have come since then do not suffer from a failure of nerve, and that we continue to carry out the intent of what we started to do many years ago. It was clear to all of us that the policy of Vietnamization of the war was not going to work even as we mandated that the forces of the United States be withdrawn. It was clear to us that the time was going to come when South Vietnam's Government was going to lose, and we would come to the point where we would have to face the consequences of our decision. We are at that point now.

We should recognize that we should have taken our American citizens and their dependents out of South Vietnam. If we have not done it, then we should do it quickly.

Now, the question comes up of what we do with those Vietnamese nationals who were sympathetic to us and who are caught in the defeat in South Vietnam. The answer being proposed by the committee is that we send in military forces in order to get them out. Clearly, all that this can do is get us involved again in military action and clearly this is unacceptable.

I submit to the Members that we should go back into the experience that we had when the precise situation came up in the case of Cuba and Mr. Castro. The Members will remember that in the Bay of Pigs incident we had sent in some people to try to recapture Cuba. Those who had been supported by President Kennedy were captured, and there were many who wanted to come out. What Congress did was not to pass a resolution from the Foreign Relations Committee to have the American troops from Guantanamo Bay go into Cuba and get them out, but instead Congress passed the Migration and Refugee Assistance Act of 1962, which was passed by the Committee on the Judiciary on which I serve now.

That bill provided that there were certain refugees in the Western Hemisphere who should be brought out, "when the President determines that such assistance will contribute to the defense and the security or to the foreign policy of the United States."

Congress provided funds for resettlement in other parts of Latin America, or for settlement in the United States. That is why we now have over 300,000 Cubans in Miami. Under this bill, we worked out the program with the regime of Premier Castro, and under that program it was possible for those who wanted to leave Cuba to come into the United States or to go into other countries of Latin America. That is the way we met our responsibility to those nationals of Cuba toward whom we felt we had an obligation because they had sided with us is a losing cause.

Now, too, there is a feeling that we have a responsibility to those in South Vietnam, who supported our cause and who are left behind. I say to my colleagues that the procedure we followed in the Cuban episode is the way to meet that responsibility.

I say this because these are only two possibilities of what can take place: First, the North Vietnamese will oppose the evacuation and we will be required to use our military forces and be back at war in South Vietnam to complete the evacuation. I do not believe that we should support legislation that permits this possibility or that we would want to do so. Second, the North Vietnamese will agree to permit the evacuation to take place in a peaceful manner in

which case we would not need this particular legislation but would need legislation similar to the Migration and Refugee Assistance Act of 1962 which would establish the same resettlement and refugee airlift in a peaceful manner, as we did with Castro's Cuba.

Nobody here should be trying to evade responsibility. In fact, what we should do is follow through and accept the responsibility for our actions. We said years ago, over and over again, that we wanted no more American troops in Vietnam. We have stood by this position up to now. Let us continue to stand by that, and within that framework provide the help for those who need it. That can be done if we follow the precedent of 1962.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. I thank the gentleman for yielding.

Mr. Chairman, as we withdraw from South Vietnam, I think that we should seek to attain three objectives:

First. We should seek the safe evacuation of all Americans and their dependents from South Vietnam.

Second. We should seek to remove all or as many of those South Vietnamese citizens who feel that their lives might be jeopardized with the fall of the present government.

Third. We should accomplish these evacuations without the loss of life, or at least with the minimum loss of American lives.

Mr. Chairman, as I analyze this bill, I think that section 3 inhibits the attainment of this third objective. What does section 3 do? Section 3 waives five congressional acts which prohibit the use of U.S. combat forces in Indochina.

What are we doing when we waive these prohibitions? We are saying, in effect, "Mr. President, you can use an indeterminate number of U.S. troops for an indeterminate period of time in a hostile situation to remove South Vietnamese citizens and nationals of other countries."

Mr. Chairman, I object to the waiver of these restrictions, as provided by section 3, for three reasons: First, by allowing the introduction of U.S. forces in hostile situations, we may provide an incentive to delay evacuation of Americans and others until the last possible moment; second, this could result in the substantial loss of American lives, both military and civilian; and third, this possibility could lead to the introduction of even more U.S. combat forces in order to salvage a deteriorating situation.

Mr. Chairman, at the appropriate time tomorrow I shall introduce an amendment which would delete section 3 from the bill. The effect of this would be to retain the present combat restrictions which are in law.

I think this would have two distinct advantages, Mr. Chairman, if this amendment were adopted. First it would hold the administration's feet to the fire, in effect. It would require the administration to accelerate its evacuation plans before hostile situations develop. Second, in so doing, passage of this amendment would result in a minimal or, indeed, no loss of American lives.

I would certainly hope, Mr. Chairman, that when this amendment is considered it would receive the support of the majority of the membership of this body.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding, and I would like to ask the gentleman how we are to construe that part of section 3, which not only refers to specific laws that are mentioned there, but says that it also waives any other comparable provision of law. What are the limitations of that? Does the gentleman have any idea?

Mr. WHALEN. The administration has indicated in its report to the Committee on International Relations that, insofar as they know, these are the only applicable laws.

Mr. SEIBERLING. There is a related provision in section 2 that says "notwithstanding any other provision of law." That relates to the authorization.

Mr. WHALEN. Again, that is traditional legislative language; and as far as we know, there are no other applicable provisions of law.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I thank the gentleman for yielding. I certainly intend to support his amendment tomorrow because I think it is an important one.

May I ask this: If that were passed, the President would still have the ability to go ahead and safely withdraw American troops, would he not, even with that section taken out of the bill?

Mr. WHALEN. I listened with great interest to your colloquy with the gentleman from New York (Mr. Bingham). Historically, it has been conceded that the President, as Commander in Chief, does have the authority to use American forces in combat situations to evacuate American citizens and their dependents. Therefore, it would seem to me that that was the case in Cambodia, the President did have the right, the authority, to use troops to evacuate Americans under combat conditions. If section 3 were deleted from the bill, he would not have this authority with respect to the evacuation of South Vietnamese under combat circumstances.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Whalen) has expired.

Mr. BROOMFIELD. I yield the gentleman 2 additional minutes.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. If the gentleman's amendment were to be adopted and section 3 stricken, what would be the gentleman's view as to the inherent remaining power of the President to use troops, if necessary, to remove dependents of American citizens who are Vietnamese?

Mr. WHALEN. I would presume that if they are accompanied by their parents, he would have this authority.

Mr. LAGOMARSINO. The gentleman presumes that, but I think the President would like to know, and I think that is one of the reasons this legislation is before us. Will the gentleman answer?

Mr. WHALEN. If they are not American citizens and, in my opinion, if they are not accompanied by an American citizen, by a parent, I would not think that he would have that authority.

Mr. LAGOMARSINO. We are not talking about just people who would be accompanied by a parent. It could be a wife or perhaps a husband, in some cases.

Mr. WHALEN. If they are not American citizens, he would not have the authority. Again, of course, I think this is the interesting part of this whole bill. There are many complex situations, as has been pointed out, that cannot be determined specifically by legislation.

It would be my impression that the President would not have authority to evacuate dependents in the absence of American citizens.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Delaware (Mr. du Pont).

Mr. du PONT. Mr. Chairman, I was under the impression that the gentleman made a very important slip in saying that he thought the President had inherent authority to withdraw dependents of Americans.

Mr. WHALEN. I did say that, if the dependents were accompanied by their parents.

Mr. du PONT. I do not see that anywhere in the Constitution. That is why we need the legislation.

Mr. WHALEN. Let me say, Mr. Chairman, with respect to the Constitution, that it has never been determined by the Supreme Court, nor has there ever been a constitutional determination that the President does have this power, even with respect to American citizens. Historically, however, this has been accepted over a period of time.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Michigan (Mr. Riegle).

Mr. RIEGLE. I would say to the gentleman from Delaware that the authority is the same authority that was just used in Cambodia. It is exactly the same as the authority the President used a week and a half ago. Or did he behave illegally a week and a half ago?

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, I have been reading the afternoon papers during the debate in order to keep myself up to date.

I find the following: That the South Vietnamese Parliament met today, and they called for an immediate cease-fire and negotiations with the Communists. The leaders of the four major South Vietnamese religions, Buddhist, Roman Catholic, Cao Dai, and Hoa Hao, issued a joint demand for an immediate cease-fire and negotiations with the Vietcong

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to bring about a political solution for a long and real peace in Vietnam as soon as possible.

Dr. Kissinger was reported yesterday—it is also on the front page of this paper—to be working with various elements finally seeking some way in which there could be contact with the North Vietnamese and the Vietcong for a cease-fire so that there could be negotiations.

This debate in the House takes place in an Alice-in-Wonderland atmosphere. Here our Government is talking about making contact for the purpose of negotiating with the new government which we expect will make contact with the Vietcong and North Vietnamese to negotiate a peaceful solution, and yet here we are about to authorize the President to introduce troops to take out South Vietnamese.

If there is anything that will interfere with any return of peace to that country and any negotiations it is support for this kind of legislation.

I cannot believe this great committee—Mr. Chairman—the International Relations Committee, could walk in so opposite a direction from what policy really requires.

If indeed the policy of our Government now is at long last to use its influence in international chanels as the President is reported to be doing by seeking contacts with the Vietcong and North Vietnamese to find a method whereby there can be a political settlement, then the introduction of a proposal to bring troops in to evacuate South Vietnamese has just got to be either total misunderstanding, or a misreading of the political situation. Otherwise we would have to consider it evil, and I would not think that of this committee.

The fact is that we have had an opportunity to hear testimony from the President on the radio, and testimony from the Secretary of State and his Under Secretaries, saying they have had no trouble taking out the Americans, they have had no trouble even taking out the South Vietnamese people, just as they took out the Americans and Cambodians in Cambodia without any interference. But they admit they want to maintain an American presence and explain that this would keep a controlled situation during the transfer of power.

I can assure the Members that any effort to make a meaningful contact with the Vietcong and the North Vietnamese or anyone else, if we insist on keeping Americans there so that we can introduce troops to exercise control over any political settlement will fail. So we have got to make up our minds that inherent in this bill is a contradiction to what must be our immediate goal. That is why one has to oppose this bill. And the idea that we should lift the prohibition against the use of funds to voluntarily permit the President to introduce troops into South Vietnam to evacuate people is to me quite abhorent. I want to cooperate with the President. I think we should have coequal powers. As a matter of fact, I think we have paramount powers when we have a nonelected President and a nonelected Vice President.

I think it becomes the responsibility of the Congress to act to reflect the position of the people who have decided against any more involvement in that area. I think it becomes the responsibility of the Congress to demand and direct the President of our country and our Secretary of State to immediately bring our involvement to an end, to negotiate and use their influence in whatever way we can to see to it that we negotiate the safety of Americans, the safety of those who remain in Vietnam, and those who might want to leave Vietnam.

The CHAIRMAN. The time of the gentlewoman has expired.

Ms. ABZUG. Mr. Chairman, does the chairman of the committee, the gentleman from Pennsylvania (Mr. Morgan) desire to yield me some more time?

Mr. MORGAN. Mr. Chairman, I am sorry, but I do not have any more time.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 6096. Not that I particularly like the bill; in fact, I am sorry that it is necessary, and I hope parts of it will never have to be used. My concern is for what may happen if this bill or a similar authorization is not enacted. To put it in the most basic terms, my concern is for those Americans and their dependents who are still in Vietnam.

I was among the many Members who announced some time ago that I could not support further military assistance to South Vietnam. I have seen no evidence to cause me to change that position. I believe further military assistance would be futile at this time. This bill provides no military assistance to South Vietnam.

The funds authorized in this bill are specifically limited to humanitarian assistance, that is, food, shelter, and medical care for those who need it, and for the evacuation of Americans, their dependents, and some South Vietnamese. It also authorizes the use of American military forces to accomplish such an evacuation, under carefully defined restrictions and limits.

What this bill is, is an insurance policy. Depending on the circumstances, it may become necessary in the near future to mount an immediate and total evacuation as described above. If such a situation occurs, we may not have the luxury of deliberation; delay on almost any grounds could cause a tragic loss of American lives. So it is important that we act now to clarify the options available to us.

If someone can come up with a better bill, I would be glad to consider it. There may well be a more effective way of meeting the problem. But time is of the essence in this case, so I hope those who oppose the plan will come forward now and present an alternative. In the absence of any other choice, I feel we have only one choice, and that is to approve it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, the bill before us today deals with a tragic situation but we must be aware of what the Communists are planning and carrying out in South Vietnam.

A few months ago talk of possible bloodbaths in Southeast Asia was derided. A former Presidential candidate who is a Member of the other body inserted a statement which denied the likelihood of any such events.

Today the reality of a bloodbath by the Communists in Indochina is there to be seen for those whose gaze is not diverted by ideological blinders. Cables out of Saigon point to what is happening. Yesterday I put in the Record four such cables. Others are available. These cables show that the Communists are executing South Vietnamese.

In addition the North Vietnamese have picked out whole segments of the population that they plan to eliminate. One cable relates how the Communists themselves describe the three stages to their plan:

> A. Military takeover.
>
> B. Handover by NVA to civilian administrative and investigative (security) cadre, and local forces.
>
> C. Lo Sat (the slaughterhouse) for all non-"PRG" leadership. The second (B) phase is in effect now.

We should not be surprised with current killings and executions by the Communists in South Vietnam. In the 1968 Tet offensive they slaughtered approximately 5,000 people in Hue and threw their bodies in mass graves. Captured Vietcong documents of the 1960's detail numerous other terror campaigns.

Numerous North Vietnamese and Vietcong documents have been captured in the past which list those who would be assassinated. One typical list contains the following 15 categories:

> 1. Enemy personnel in fields of espionage, police, public security, special forces, psywar, including covert organizations.
>
> 2. Members of reactionary political parties and organizations, and parties working behind a religious front (i.e., Dai Viets, VNQDD, Cao Dai, Hao Hao).
>
> 3. Members of enemy military and paramilitary organizations.
>
> 4. Puppet government officials, from inter-family level upwards.
>
> 5. Leading and key popular organization leaders (i.e., village organizations such as farm cooperatives, women's and youth organizations; trade unions).
>
> 6. Members of the enemy's cultural, art, propaganda and press establishment.
>
> 7. Leading and key members of religious organizations still deeply superstitious (i.e., Catholics).
>
> 8. Thieves, assassins, gangsters, prostitutes, speculators, and fortune tellers.
>
> 9. Defectors who have given information to the enemy, who have taken with them automatic weapons or important documents, or who are suspected of having done same; or who were cadres or officers.
>
> 10. Members of the exploiter class and their spouses who have not specifically sided with the workers. (The communists in Viet-Nam as elsewhere divide society into exploiter and exploited.)
>
> 11. Individuals with backward political tendencies including those who do dishonest and corrupt deeds, yet try to justify them.
>
> 12 Relatives of persons engaged in enemy espionage, security, special forces or psywar organizations; relatives of important members or leaders of reactionary political parties or religious groups still deeply superstitious, families of military above the rank of private; members of families of government officials from village level upwards.
>
> 13. Relatives of persons who have been punished by the Revolution (i.e., in earlier years) and who subsequently have grumbled about the Revolution; relatives of those jailed by the Revolution for spying.
>
> 14. Deserters or AWOL's who have returned to the Revolution but without clear explanation (i.e., who may be government penetration agents).
>
> 15. Individuals with suspicious background or record of past activity.

In the face of these brutalities—like the road from Ban Me Thuot lined with the dead bodies of refugees who were attempting to flee the Communists but were shelled and shot down by them instead—those who loudly criticized the U.S. soldiers who used what they thought to be excessive force are strangely silent when the Communists are doing the killing.

Instead, the large, mainly Eastern, media regale us with articles on the malcontents in this country who have applauded the Communists and derided the United States and our way of life. The New York Times headlines a story on Tom Hayden, husband of Jane Fonda—who is known as Hanoi Hanna because of her broadcasts from Hanoi—as "Hayden, Long a Peace Advocate." Hayden himself has met with the Communists in Paris and Hanoi to reportedly map strategy to be followed here in the United States. In part, he states:

> I see things as a result of something we've been working toward for a long time. Indochina has not fallen—it has risen.

The millions of refugees in South Vietnam would not seem to agree.

The same newspaper, the New York Times, on the same day, brings us another article on its Op-Ed page "purportedly" by Bernardine Dohrn of the Weather Underground Organization known for its bombings and terrorism in this country. Miss Dohrn is on the FBI's 10-most-wanted list.

Miss Dohrn writes of American efforts in Vietnam:

> We can never forget what we have seen and understood: the brutality and violence of the United States military Establishment, the lies and hypocrisy of the Government, the moral corruption of an official system of murder, rape, torture, and now the kidnapping of a nation's children.

These people, the Dohrns and the Haydens, now are coming back to public view because of media attention. Their alliances with the killers of North Vietnam result in the New York Times describing Hayden as "a peace activist."

The present situation in South Vietnam has resulted from a drastically mistaken foreign policy. This foreign policy allows the Communists a free hand while it weakens the will to resist in the free world. One thing does stand out.

Détente is dead. The policy of détente, based on a number of supposed interrelationships, simply has no basis. The Communists in the Soviet Union and mainland China used the rhetoric of détente to further their own goals.

The Paris Peace Agreements of 1973 were based on a concept of relaxed relations with the two Communist superpowers in which they would act as a restraining influence on North Vietnam. Instead, they gave North Vietnam an arsenal that could rain bombs, rockets, and bullets on the peoples of South Vietnam, Cambodia, and Laos.

Secretary of State Kissinger misread Communist aims and Communist means. In the place of realism he substituted wishful thinking and pressure on the South Vietnamese which was a major contributing factor to the present tragedy. We now are seeing the costs to the Vietnamese and Cambodian peoples, the loss of their freedom and of their lives. We yet have to see what it will cost the United States as a result of the events in Southeast Asia and as a result of the various SALT agreements with the Soviet Union which also are based on a mistaken notion of détente.

It is time for Kissinger to retire to the academy from which he came. Back at Harvard he can reread some of his own earlier books and perhaps come at long last to an understanding of the Communist threat that faces the United States—the threat he forgot while in power.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. Blouin).

Mr. BLOUIN. Mr. Chairman, I do not know how many Members paid attention to what the gentlewoman from New York was saying, but she made one point that I think should be repeated a dozen times, if it is necessary, to get the Members of this House to understand what we are really doing.

I sat through a 2-hour session with Mr. Habib from the Department of State last night, and I could not believe my ears. To have the Department of State tell us in so many words that they have no intention of evacuating Americans totally and completely out of Saigon leaves me with no alternative but to assume that they are there as some kind of bartering tool that Mr. Kissinger has used and dreamed up as a way of trying to force Hanoi to the negotiating table.

If that is their real psychology, their real plan, to use a few hundred American lives as a way of forcing them to sit down, they do not need our stamp of approval. They may well need our condemnation, but they do not need our stamp of approval. And they most certainly do not need this piece of legislation.

All this does is give Henry Kissinger the power militarily to back out if he proves wrong in his poker game, and we are using American lives to play that same stupid song again.

How many years of errors and money and death do we have to look back on before we realize the kind of madness our foreign policy or lack of it is dragging us into? I think we are witnessing a new kind of feeling and mood in this country. People are tired of our Government, our Nation trying to continually form and mold a world into something it does not want to be. Any effort to continue that is simply to continue the laughs at the existence of this body.

Whether my colleagues know it or not, the Congress across this Nation is a laughing-stock among the citizenry, and it is this kind of legislation and this kind of debate and this kind of aimless wandering through a foreign economic policy that continues those guffaws.

I think this bill deserves and demands a resounding defeat, to be replaced with nothing, but to get our people out of there immediately.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. I yield 5 minutes to the gentleman from California (Mr. McCloskey).

Mr. McCLOSKEY. Mr. Chairman, I wonder if I could direct some questions to the chairman of the committee.

I am deeply disturbed by this legislation. I voted against the rule because I was not certain that a debate on this floor could do anything but further demean the dignity of this Congress if we attempted to cope with a situation which is essentially one that can be handled only by the executive branch of the Government.

As I understand it, the President now has the authority to use American troops to protect American lives even in Southeast Asia. Could the chairman comment on that point?

Mr. MORGAN. In the opinion of the chairman of the committee, the President has the constitutional authority now to evacuate American citizens. But there are two separate issues involved here. One deals with the authority of the President and the other deals with funds. Under the Constitution the President has authority to send troops to Vietnam to protect and evacuate Americans. There is no question about that.

The problem is, he does not have funds to exercise that authority, or to evacuate South Vietnamese nationals unless the restrictions mentioned in section 3 are waived.

Mr. McCLOSKEY. Then may I ask the chairman, why is the sum of $150 million necessary? If we are evacuating 2,000 Americans, certainly it does not require $150 million. There is nothing in this bill which indicates the portion which will be for humanitarian assistance and which will be for evacuation. If the President can authorize the use of force to evacuate Americans and the power already exists to evacuate them, cannot we come in with a supplemental appropriation to evacuate them without subjecting this issue to congressional debate?

Mr. MORGAN. We found during our hearings that the evacuation could run into millions of dollars over what was authorized and appropriated in the foreign assistance bill last year.

Mr. McCLOSKEY. But, Mr. Chairman, time and time again we have come in with supplemental appropriations to accomplish sudden impacts on the executive branch. If that is the purpose and the money is there in funds already appropriated but not yet used, certainly we can authorize this at some future time.

Mr. MORGAN. But the contractors who provide transportation, emergency food and shelter to the evacuees, and so on, do not want just promises, they want to see something in writing that they will be paid. They are not going to go into debt for millions of dollars if they are not going to be paid.

appears there is a military conflict still going on and if either one side or the other showed displeasure about this—the use of our military—and if we decide to do it," there are a number of "ifs" in that; but yes, there would have to be a fairly sizable U.S. involvement, on a short term; very precise, military involvement because of that.

Mr. du PONT. Well, I would hope not. I would hope the evacuation which is now going on, which has brought out nearly 4,000 Americans since the President spoke in the House Chamber, would continue at that pace as long as it can and when the situation gets impossible, we will have to abandon it.

Mr. JOHN L. BURTON. I would hope it would happen at a more rapid pace.

Mr. ANDERSON of California. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentle-from California.

Mr. ANDERSON of California. Mr. Chairman, to follow up on the previous speaker's comment on the numbers, obviously we want to bring out all the Americans and Vietnamese loyal to our people there.

Last night on the radio in Los Angeles I heard a very responsible supervisor make an estimate of 600,000 that would be brought in, most of them into the Los Angeles and San Francisco area. Now, I realize this would take time, but I wonder if we have set any kind of limit; have we talked about what we will do with them when we get them there? Just to keep these people for a year would cost probably a billion dollars. Who is going to take responsibility for this? Is this a Federal responsibility or are we going to put this on the taxpayers of San Francisco and Los Angeles, where we have enough problems now with unemployment and overcrowding?

Mr. du PONT. Let me make one comment. I think those kinds of numbers are absolutely out of the question, as a practical matter.

Mr. ANDERSON of California. Well, these are the kinds of figures that responsible people are speaking about.

Mr. du PONT. Second, the purpose of this bill is to permit the evacuation of these people from South Vietnam and it does nothing beyond that.

Mr. ANDERSON of California. I think it does. Once we have these people here, who is going to take care of these people?

The CHAIRMAN. The time of the gentleman from Delaware has again expired.

Mr. BROOMFIELD. Mr. Chairman, I yield the gentleman an additional 2 minutes.

Mr. du PONT. Mr. Chairman, I yield to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, in regard to the question just put by the gentleman, I would like to point out the difference between evacuation and bringing refugees into the United States. There are two different figures involved here. The Subcommittee on Immigration of the Committee on the Judiciary has been involved in hearings on this matter since a week ago Monday and has had several meetings with members of the Justice Department in terms of agreeing to parole, but the figures on parole have no relationship to the figures on evacuation, which would be directly to points in the United States and is a matter that is under active consideration with the High Commissioner of the United Nations and several other nations in the world, to see where resettlement of these evacuees can take place.

So we should treat this as two separate matters.

Mr. du PONT. I thank the gentleman for that explanation.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. How many of these approximately will come to the United States to be resettled, first?

Second, it is my understanding and others in the Chamber may have more accurate information than I; but it is my understanding that the cost of relocating someone from Israel is $30,000 per refugee. If that is the case and there is roughly a comparable number here, if we are talking about 100,000 people, that is $3 billion.

Mr. du PONT. I would say that there is nothing in this legislation about resettlement. There is nothing about that in this bill. There is no money for that. It is solely a bill to allow the evacuation to take place.

Mr. SHUSTER. Mr. Chairman, if the gentleman will yield further, I would like to ask, once we bring them out, then what do we do with them? We are stuck with the problem and we cannot turn our backs on it if it is here on our shores. We have got to think it through, it seems to me, and have a plan from start to finish.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise in opposition to this bill. I find it surprising that Members of Congress should be saying that they wonder why so many people are getting involved in foreign policy questions. As a Member who has been here for 5 years, I must say that we would not have had the U.S. Armed Forces removed from South Vietnam if it had not been for the many people who are Members of Congress. It should certainly have been clear to all of us when the President spoke behind this podium only a week ago last Thursday that if it had been up to Nixon, we would not have gotten the U.S. military forces out of Vietnam. If it had been up to Kissinger and the Defense Department, we would not have gotten our troops out of Vietnam. They only came out of Vietnam because of actions that we consistently took to compel their withdrawal in this Chamber.

We are now coming up to the final act, and it is important that those of us who were here then and those of us who have come since then do not suffer from a failure of nerve, and that we continue to carry out the intent of what we started to do many years ago. It was clear to all of us that the policy of Vietnamization of the war was not going to work even as we mandated that the forces of the United States be withdrawn. It was clear to us that the time was going to come when South Vietnam's Government was going to lose, and we would come to the point where we would have to face the consequences of our decision. We are at that point now.

We should recognize that we should have taken our American citizens and their dependents out of South Vietnam. If we have not done it, then we should do it quickly.

Now, the question comes up of what we do with those Vietnamese nationals who were sympathetic to us and who are caught in the defeat in South Vietnam. The answer being proposed by the committee is that we send in military forces in order to get them out. Clearly, all that this can do is get us involved again in military action and clearly this is unacceptable.

I submit to the Members that we should go back into the experience that we had when the precise situation came up in the case of Cuba and Mr. Castro. The Members will remember that in the Bay of Pigs incident we had sent in some people to try to recapture Cuba. Those who had been supported by President Kennedy were captured, and there were many who wanted to come out. What Congress did was not to pass a resolution from the Foreign Relations Committee to have the American troops from Guantanamo Bay go into Cuba and get them out, but instead Congress passed the Migration and Refugee Assistance Act of 1962, which was passed by the Committee on the Judiciary on which I serve now.

That bill provided that there were certain refugees in the Western Hemisphere who should be brought out, "when the President determines that such assistance will contribute to the defense and the security or to the foreign policy of the United States."

Congress provided funds for resettlement in other parts of Latin America, or for settlement in the United States. That is why we now have over 300,000 Cubans in Miami. Under this bill, we worked out the program with the regime of Premier Castro, and under that program it was possible for those who wanted to leave Cuba to come into the United States or to go into other countries of Latin America. That is the way we met our responsibility to those nationals of Cuba toward whom we felt we had an obligation because they had sided with us is a losing cause.

Now, too, there is a feeling that we have a responsibility to those in South Vietnam, who supported our cause and who are left behind. I say to my colleagues that the procedure we followed in the Cuban episode is the way to meet that responsibility.

I say this because these are only two possibilities of what can take place: First, the North Vietnamese will oppose the evacuation and we will be required to use our military forces and be back at war in South Vietnam to complete the evacuation. I do not believe that we should support legislation that permits this possibility or that we would want to do so. Second, the North Vietnamese will agree to permit the evacuation to take place in a peaceful manner in

which case we would not need this particular legislation but would need legislation similar to the Migration and Refugee Assistance Act of 1962 which would establish the same resettlement and refugee airlift in a peaceful manner, as we did with Castro's Cuba.

Nobody here should be trying to evade responsibility. In fact, what we should do is follow through and accept the responsibility for our actions. We said years ago, over and over again, that we wanted no more American troops in Vietnam. We have stood by this position up to now. Let us continue to stand by that, and within that framework provide the help for those who need it. That can be done if we follow the precedent of 1962.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. I thank the gentleman for yielding.

Mr. Chairman, as we withdraw from South Vietnam, I think that we should seek to attain three objectives:

First. We should seek the safe evacuation of all Americans and their dependents from South Vietnam.

Second. We should seek to remove all or as many of those South Vietnamese citizens who feel that their lives might be jeopardized with the fall of the present government.

Third. We should accomplish these evacuations without the loss of life, or at least with the minimum loss of American lives.

Mr. Chairman, as I analyze this bill, I think that section 3 inhibits the attainment of this third objective. What does section 3 do? Section 3 waives five congressional acts which prohibit the use of U.S. combat forces in Indochina.

What are we doing when we waive these prohibitions? We are saying, in effect, "Mr. President, you can use an indeterminate number of U.S. troops for an indeterminate period of time in a hostile situation to remove South Vietnamese citizens and nationals of other countries."

Mr. Chairman, I object to the waiver of these restrictions, as provided by section 3, for three reasons: First, by allowing the introduction of U.S. forces in hostile situations, we may provide an incentive to delay evacuation of Americans and others until the last possible moment; second, this could result in the substantial loss of American lives, both military and civilian; and third, this possibility could lead to the introduction of even more U.S. combat forces in order to salvage a deteriorating situation.

Mr. Chairman, at the appropriate time tomorrow I shall introduce an amendment which would delete section 3 from the bill. The effect of this would be to retain the present combat restrictions which are in law.

I think this would have two distinct advantages, Mr. Chairman, if this amendment were adopted. First it would hold the administration's feet to the fire, in effect. It would require the administration to accelerate its evacuation plans before hostile situations develop. Second, in so doing, passage of this amendment would result in a minimal or, indeed, no loss of American lives.

I would certainly hope, Mr. Chairman, that when this amendment is considered it would receive the support of the majority of the membership of this body.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding, and I would like to ask the gentleman how we are to construe that part of section 3, which not only refers to specific laws that are mentioned there, but says that it also waives any other comparable provision of law. What are the limitations of that? Does the gentleman have any idea?

Mr. WHALEN. The administration has indicated in its report to the Committee on International Relations that, insofar as they know, these are the only applicable laws.

Mr. SEIBERLING. There is a related provision in section 2 that says "notwithstanding any other provision of law." That relates to the authorization.

Mr. WHALEN. Again, that is traditional legislative language; and as far as we know, there are no other applicable provisions of law.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I thank the gentleman for yielding. I certainly intend to support his amendment tomorrow because I think it is an important one.

May I ask this: If that were passed, the President would still have the ability to go ahead and safely withdraw American troops, would he not, even with that section taken out of the bill?

Mr. WHALEN. I listened with great interest to your colloquy with the gentleman from New York (Mr. BINGHAM). Historically, it has been conceded that the President, as Commander in Chief, does have the authority to use American forces in combat situations to evacuate American citizens and their dependents. Therefore, it would seem to me that that was the case in Cambodia, the President did have the right, the authority, to use troops to evacuate Americans under combat conditions. If section 3 were deleted from the bill, he would not have this authority with respect to the evacuation of South Vietnamese under combat circumstances.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. WHALEN) has expired.

Mr. BROOMFIELD. I yield the gentleman 2 additional minutes.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. If the gentleman's amendment were to be adopted and section 3 stricken, what would be the gentleman's view as to the inherent remaining power of the President to use troops, if necessary, to remove dependents of American citizens who are Vietnamese?

Mr. WHALEN. I would presume that if they are accompanied by their parents, he would have this authority.

Mr. LAGOMARSINO. The gentleman presumes that, but I think the President would like to know, and I think that is one of the reasons this legislation is before us. Will the gentleman answer?

Mr. WHALEN. If they are not American citizens and, in my opinion, if they are not accompanied by an American citizen, by a parent, I would not think that he would have that authority.

Mr. LAGOMARSINO. We are not talking about just people who would be accompanied by a parent. It could be a wife or perhaps a husband, in some cases.

Mr. WHALEN. If they are not American citizens, he would not have the authority. Again, of course, I think this is the interesting part of this whole bill. There are many complex situations, as has been pointed out, that cannot be determined specifically by legislation.

It would be my impression that the President would not have authority to evacuate dependents in the absence of American citizens.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Delaware (Mr. du PONT).

Mr. du PONT. Mr. Chairman, I was under the impression that the gentleman made a very important slip in saying that he thought the President had inherent authority to withdraw dependents of Americans.

Mr. WHALEN. I did say that if the dependents were accompanied by their parents.

Mr. du PONT. I do not see that anywhere in the Constitution. That is why we need the legislation.

Mr. WHALEN. Let me say, Mr. Chairman, with respect to the Constitution, that it has never been determined by the Supreme Court, nor has there ever been a constitutional determination that the President does have this power, even with respect to American citizens. Historically, however, this has been accepted over a period of time.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Michigan (Mr. RIEGLE).

Mr. RIEGLE. I would say to the gentleman from Delaware that the authority is the same authority that was just used in Cambodia. It is exactly the same as the authority the President used a week and a half ago. Or did he behave illegally a week and a half ago?

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I have been reading the afternoon papers during the debate in order to keep myself up to date.

I find the following: That the South Vietnamese Parliament met today, and they called for an immediate cease-fire and negotiations with the Communists. The leaders of the four major South Vietnamese religions, Buddhist, Roman Catholic, Cao Dai, and Hoa Hao, issued a joint demand for an immediate cease-fire and negotiations with the Vietcong

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to bring about a political solution for a long and real peace in Vietnam as soon as possible.

Dr. Kissinger was reported yesterday—it is also on the front page of this paper—to be working with various elements finally seeking some way in which there could be contact with the North Vietnamese and the Vietcong for a cease-fire so that there could be negotiations.

This debate in the House takes place in an Alice-in-Wonderland atmosphere. Here our Government is talking about making contact for the purpose of negotiating with the new government which we expect will make contact with the Vietcong and North Vietnamese to negotiate a peaceful solution, and yet here we are about to authorize the President to introduce troops to take out South Vietnamese.

If there is anything that will interfere with any return of peace to that country and any negotiations it is support for this kind of legislation.

I cannot believe this great committee—Mr. Chairman—the International Relations Committee, could walk in so opposite a direction from what policy really requires.

If indeed the policy of our Government now is at long last to use its influence in international chanels as the President is reported to be doing by seeking contacts with the Vietcong and North Vietnamese to find a method whereby there can be a political settlement, then the introduction of a proposal to bring troops in to evacuate South Vietnamese has just got to be either total misunderstanding, or a misreading of the political situation. Otherwise we would have to consider it evil, and I would not think that of this committee.

The fact is that we have had an opportunity to hear testimony from the President on the radio, and testimony from the Secretary of State and his Under Secretaries, saying they have had no trouble taking out the Americans, they have had no trouble even taking out the South Vietnamese people, just as they took out the Americans and Cambodians in Cambodia without any interference. But they admit they want to maintain an American presence and explain that this would keep a controlled situation during the transfer of power.

I can assure the Members that any effort to make a meaningful contact with the Vietcong and the North Vietnamese or anyone else, if we insist on keeping Americans there so that we can introduce troops to exercise control over any political settlement will fail. So we have got to make up our minds that inherent in this bill is a contradiction to what must be our immediate goal. That is why one has to oppose this bill. And the idea that we should lift the prohibition against the use of funds to voluntarily permit the President to introduce troops into South Vietnam to evacuate people is to me quite abhorent. I want to cooperate with the President. I think we should have coequal powers. As a matter of fact, I think we have paramount powers when we have a nonelected President and a nonelected Vice President.

I think it becomes the responsibility of the Congress to act to reflect the position of the people who have decided against any more involvement in that area. I think it becomes the responsibility of the Congress to demand and direct the President of our country and our Secretary of State to immediately bring our involvement to an end, to negotiate and use their influence in whatever way we can to see to it that we negotiate the safety of Americans, the safety of those who remain in Vietnam, and those who might want to leave Vietnam.

The CHAIRMAN. The time of the gentlewoman has expired.

Ms. ABZUG. Mr. Chairman, does the chairman of the committee, the gentleman from Pennsylvania (Mr. Morgan) desire to yield me some more time?

Mr. MORGAN. Mr. Chairman, I am sorry, but I do not have any more time.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 6096. Not that I particularly like the bill; in fact, I am sorry that it is necessary, and I hope parts of it will never have to be used. My concern is for what may happen if this bill or a similar authorization is not enacted. To put it in the most basic terms, my concern is for those Americans and their dependents who are still in Vietnam.

I was among the many Members who announced some time ago that I could not support further military assistance to South Vietnam. I have seen no evidence to cause me to change that position. I believe further military assistance would be futile at this time. This bill provides no military assistance to South Vietnam.

The funds authorized in this bill are specifically limited to humanitarian assistance, that is, food, shelter, and medical care for those who need it, and for the evacuation of Americans, their dependents, and some South Vietnamese. It also authorizes the use of American military forces to accomplish such an evacuation, under carefully defined restrictions and limits.

What this bill is, is an insurance policy. Depending on the circumstances, it may become necessary in the near future to mount an immediate and total evacuation as described above. If such a situation occurs, we may not have the luxury of deliberation; delay on almost any grounds could cause a tragic loss of American lives. So it is important that we act now to clarify the options available to us.

If someone can come up with a better bill, I would be glad to consider it. There may well be a more effective way of meeting the problem. But time is of the essence in this case, so I hope those who oppose the plan will come forward now and present an alternative. In the absence of any other choice, I feel we have only one choice, and that is to approve it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, the bill before us today deals with a tragic situation but we must be aware of what the Communists are planning and carrying out in South Vietnam.

A few months ago talk of possible bloodbaths in Southeast Asia was derided. A former Presidential candidate who is a Member of the other body inserted a statement which denied the likelihood of any such events.

Today the reality of a bloodbath by the Communists in Indochina is there to be seen for those whose gaze is not diverted by ideological blinders. Cables out of Saigon point to what is happening. Yesterday I put in the Record four such cables. Others are available. These cables show that the Communists are executing South Vietnamese.

In addition the North Vietnamese have picked out whole segments of the population that they plan to eliminate. One cable relates how the Communists themselves describe the three stages to their plan:

> A. Military takeover.
>
> B. Handover by NVA to civilian administrative and investigative (security) cadre, and local forces.
>
> C. Lo Sat (the slaughterhouse) for all non-"PRG" leadership. The second (B) phase is in effect now.

We should not be surprised with current killings and executions by the Communists in South Vietnam. In the 1968 Tet offensive they slaughtered approximately 5,000 people in Hue and threw their bodies in mass graves. Captured Vietcong documents of the 1960's detail numerous other terror campaigns.

Numerous North Vietnamese and Vietcong documents have been captured in the past which list those who would be assassinated. One typical list contains the following 15 categories:

> 1. Enemy personnel in fields of espionage, police, public security, special forces, psywar, including covert organizations.
>
> 2. Members of reactionary political parties and organizations, and parties working behind a religious front (i.e., Dai Viets, VNQDD, Cao Dai, Hao Hao).
>
> 3. Members of enemy military and paramilitary organizations.
>
> 4. Puppet government officials, from inter-family level upwards.
>
> 5. Leading and key popular organization leaders (i.e., village organizations such as farm cooperatives, women's and youth organizations; trade unions).
>
> 6. Members of the enemy's cultural, art, propaganda and press establishment.
>
> 7. Leading and key members of religious organizations still deeply superstitious (i.e., Catholics).
>
> 8. Thieves, assassins, gangsters, prostitutes, speculators, and fortune tellers.
>
> 9. Defectors who have given information to the enemy, who have taken with them automatic weapons or important documents, or who are suspected of having done same; or who were cadres or officers.
>
> 10. Members of the exploiter class and their spouses who have not specifically sided with the workers. (The communists in Viet-Nam as elsewhere divide society into exploiter and exploited.)
>
> 11. Individuals with backward political tendencies including those who do dishonest and corrupt deeds, yet try to justify them.
>
> 12. Relatives of persons engaged in enemy espionage, security, special forces or psywar organizations; relatives of important members or leaders of reactionary political parties or religious groups still deeply superstitious; families of military above the rank of private; members of families of government officials from village level upwards.

> 13. Relatives of persons who have been punished by the Revolution (i.e., in earlier years) and who subsequently have grumbled about the Revolution; relatives of those jailed by the Revolution for spying.
>
> 14. Deserters or AWOL's who have returned to the Revolution but without clear explanation (i.e., who may be government penetration agents).
>
> 15. Individuals with suspicious background or record of past activity.

In the face of these brutalities—like the road from Ban Me Thuot lined with the dead bodies of refugees who were attempting to flee the Communists but were shelled and shot down by them instead—those who loudly criticized the U.S. soldiers who used what they thought to be excessive force are strangely silent when the Communists are doing the killing.

Instead, the large, mainly Eastern, media regale us with articles on the malcontents in this country who have applauded the Communists and derided the United States and our way of life. The New York Times headlines a story on Tom Hayden, husband of Jane Fonda—who is known as Hanoi Hanna because of her broadcasts from Hanoi—as "Hayden, Long a Peace Advocate." Hayden himself has met with the Communists in Paris and Hanoi to reportedly map strategy to be followed here in the United States. In part, he states:

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The same newspaper, the New York Times, on the same day, brings us another article on its Op-Ed page "purportedly" by Bernardine Dohrn of the Weather Underground Organization known for its bombings and terrorism in this country. Miss Dohrn is on the FBI's 10-most-wanted list.

Miss Dohrn writes of American efforts in Vietnam:

> We can never forget what we have seen and understood: the brutality and violence of the United States military Establishment, the lies and hypocrisy of the Government, the moral corruption of an official system of murder, rape, torture, and now the kidnapping of a nation's children.

These people, the Dohrns and the Haydens, now are coming back to public view because of media attention. Their alliances with the killers of North Vietnam result in the New York Times describing Hayden as "a peace activist."

The present situation in South Vietnam has resulted from a drastically mistaken foreign policy. This foreign policy allows the Communists a free hand while it weakens the will to resist in the free world. One thing does stand out.

Détente is dead. The policy of détente, based on a number of supposed interrelationships, simply has no basis. The Communists in the Soviet Union and mainland China used the rhetoric of détente to further their own goals.

The Paris Peace Agreements of 1973 were based on a concept of relaxed relations with the two Communist superpowers in which they would act as a restraining influence on North Vietnam. Instead, they gave North Vietnam an arsenal that could rain bombs, rockets, and bullets on the peoples of South Vietnam, Cambodia, and Laos.

Secretary of State Kissinger misread Communist aims and Communist means. In the place of realism he substituted wishful thinking and pressure on the South Vietnamese which was a major contributing factor to the present tragedy. We now are seeing the costs to the Vietnamese and Cambodian peoples, the loss of their freedom and of their lives. We yet have to see what it will cost the United States as a result of the events in Southeast Asia and as a result of the various SALT agreements with the Soviet Union which also are based on a mistaken notion of détente.

It is time for Kissinger to retire to the academy from which he came. Back at Harvard he can reread some of his own earlier books and perhaps come at long last to an understanding of the Communist threat that faces the United States—the threat he forgot while in power.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. Blouin).

Mr. BLOUIN. Mr. Chairman, I do not know how many Members paid attention to what the gentlewoman from New York was saying, but she made one point that I think should be repeated a dozen times, if it is necessary, to get the Members of this House to understand what we are really doing.

I sat through a 2-hour session with Mr. Habib from the Department of State last night, and I could not believe my ears. To have the Department of State tell us in so many words that they have no intention of evacuating Americans totally and completely out of Saigon leaves me with no alternative but to assume that they are there as some kind of bartering tool that Mr. Kissinger has used and dreamed up as a way of trying to force Hanoi to the negotiating table.

If that is their real psychology, their real plan, to use a few hundred American lives as a way of forcing them to sit down, they do not need our stamp of approval. They may well need our condemnation, but they do not need our stamp of approval. And they most certainly do not need this piece of legislation.

All this does is give Henry Kissinger the power militarily to back out if he proves wrong in his poker game, and we are using American lives to play that same stupid song again.

How many years of errors and money and death do we have to look back on before we realize the kind of madness our foreign policy or lack of it is dragging us into? I think we are witnessing a new kind of feeling and mood in this country. People are tired of our Government, our Nation trying to continually form and mold a world into something it does not want to be. Any effort to continue that is simply to continue the laughs at the existence of this body.

Whether my colleagues know it or not, the Congress across this Nation is a laughing-stock among the citizenry, and it is this kind of legislation and this kind of debate and this kind of aimless wandering through a foreign economic policy that continues those guffaws.

I think this bill deserves and demands a resounding defeat, to be replaced with nothing, but to get our people out of there immediately.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. I yield 5 minutes to the gentleman from California (Mr. McCloskey).

Mr. McCLOSKEY. Mr. Chairman, I wonder if I could direct some questions to the chairman of the committee.

I am deeply disturbed by this legislation. I voted against the rule because I was not certain that a debate on this floor could do anything but further demean the dignity of this Congress if we attempted to cope with a situation which is essentially one that can be handled only by the executive branch of the Government.

As I understand it, the President now has the authority to use American troops to protect American lives even in Southeast Asia. Could the chairman comment on that point?

Mr. MORGAN. In the opinion of the chairman of the committee, the President has the constitutional authority now to evacuate American citizens. But there are two separate issues involved here. One deals with the authority of the President and the other deals with funds. Under the Constitution the President has authority to send troops to Vietnam to protect and evacuate Americans. There is no question about that.

The problem is, he does not have funds to exercise that authority, or to evacuate South Vietnamese nationals unless the restrictions mentioned in section 3 are waived.

Mr. McCLOSKEY. Then may I ask the chairman, why is the sum of $150 million necessary? If we are evacuating 2,000 Americans, certainly it does not require $150 million. There is nothing in this bill which indicates the portion which will be for humanitarian assistance and which will be for evacuation. If the President can authorize the use of force to evacuate Americans and the power already exists to evacuate them, cannot we come in with a supplemental appropriation to evacuate them without subjecting this issue to congressional debate?

Mr. MORGAN. We found during our hearings that the evacuation could run into millions of dollars over what was authorized and appropriated in the foreign assistance bill last year.

Mr. McCLOSKEY. But, Mr. Chairman, time and time again we have come in with supplemental appropriations to accomplish sudden impacts on the executive branch. If that is the purpose and the money is there in funds already appropriated but not yet used, certainly we can authorize this at some future time.

Mr. MORGAN. But the contractors who provide transportation, emergency food and shelter to the evacuees, and so on, do not want just promises, they want to see something in writing that they will be paid. They are not going to go into debt for millions of dollars if they are not going to be paid.

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Mr. McCLOSKEY. What portion of the $150 million is for humanitarian purposes and how much is for evacuation? If we do not know in the Congress how much is for evacuation, we will not know how many will be evacuated.

Mr. MORGAN. There is up to $73 million for humanitarian purposes and at least $77 million, if needed, for the cost of civilian evacuation.

Mr. McCLOSKEY. How many people will be evacuated with $77 million? The problem is, that by this vote we are deciding who will live and who will die.

Mr. MORGAN. If the gentleman will look at section 4, he will see the categories of people listed here.

Mr. McCLOSKEY. But we have seen estimates that section 4(d) could include up to one million people. Section 4 (d) reads:

> ... such other foreign nationals to whose lives a direct and imminent threat exists...

We may have their relatives and dependents also.

Mr. MORGAN. Figures of anywhere from 100,000 to 200,000 people have been used.

Mr. McCLOSKEY. What is the figure that was used to make this estimate?

Mr. MORGAN. The figures in the bill relate to all kinds of contingencies. They are difficult to estimate. With respect to Americans, we have a daily report on those still in South Vietnam. Here is today's report: There are 977 United States military and civilian employees plus 79 dependents; there are 582 U.S. Government contractors there plus 218 dependents; then there are other United States citizens such as business people and news and media people, church groups, and so forth, for a total of 375 plus 10 dependents.

Mr. McCLOSKEY. But, Mr. Chairman, if I may interrupt for just this question. The numbers of people that the chairman is referring to could be evacuated in the next 48 hours and long before this Congress could ever act and have this bill written into law.

So why is there need for this Congress to act if we are concerned only with those categories of American citizens, under section (a), or their dependents, section (b)? What we are really talking about is how many people this $77 million extends to in categories (c) and (d), Vietnamese nationals and such other Vietnamese as may be threatened by a North Vietnamese victory.

I think we are debating an issue with no facts before the Congress. We are going to make a decision as to who lives and who dies without proper information.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. RIEGLE).

Mr. RIEGLE. Mr. Chairman, I would like to begin by responding to the question raised by the gentleman from California who was just in the well. There is absolutely no estimate of any meaning that exists today as to the number of South Vietnamese that the United States could be committed to evacuate on the basis of a Presidential decision.

The gentleman from Delaware (Mr. DU PONT) earlier was asked a question by another Member as to what the anticipated figure is and, of course, he cannot answer it, either.

One quoted figure from our American Ambassador in Vietnam, a quoted figure in print, is 1 million. That is what he said he is going to bring out before he comes out. So whether it is a million or 200,000 or more than that, I would just say there is no way of knowing what that number is. That is one of the blank check aspects here. Also a decision has to be made as to who does and who does not get out. Look, let us not kid ourselves. We know who the people are who will get out of South Vietnam if we pass this. It is not the little guy, the guy who is the foot soldier down at the bottom. It is the people at the top of the structure, those who can pay for it, those with power, those with special privileges and advantages.

I might say one other thing that occurs to me at this time. The very day the administration came before us to ask for $73 million, the figure the chairman referred to, $73 million for economic assistance, and basically it is for nation building. If we read this report of the administration, let me read one paragraph of what we are appropriating and authorizing this money for:

> With respect to the rapidly growing needs of the urban unemployed, we would begin developing, together with the GVN, programs to provide assistance to the urban destitute and to provide work for the unemployed and underemployed, whenever feasible. We propose a program costing $10 million.

If we are going to spend money on the "urban unemployed" it should be spent here at home. Let me say that I have an unemployment rate in my district of 21 percent. Detroit is 35 percent. We ought to be spending that money on the unemployed in the United States. What they are talking about is nation building. I am willing to appropriate a modest amount of humanitarian assistance for emergency needs—but not any money for nation building under these circumstances.

I say to my friends on the Republican side, read the administration report. Find out what this money is being spent on for economic assistance.

The very day they came in and asked for another $73 million of U.S. economic assistance for South Vietnam the story was published nationally across the country that, coincidentally, $73 million worth of gold bullion was out at the airport in Vietnam that some of the leaders in Vietnam were trying to get shipped out of Vietnam to some safe haven where they could pick it up later.

If we think the American people are going to sit out there while we are asking to send $73 million of their money into South Vietnam the very day the leaders of the Government of South Vietnam are shipping $73 million worth of gold bullion out of South Vietnam, that is nonsense. That is absolutely ridiculous.

I am not here to take issue with the motives of the people in the White House, those around the President and the Secretary of State. I do not think it is a question of judgment. They have been buried in this problem so long that they cannot think about it in a new or fresh way.

I think the same thing is true with the American Ambassador we have in South Vietnam today. He does not have any objectivity left. His life has been invested in this problem, as has Henry Kissinger's, and they cannot break out of this group-think process.

The economic program outlined in this bill really gets us back into a nation-building process. Read the report. It is right here. Just take a look at it.

So far as American troops going back into South Vietnam, let us be very clear. The President of the United States, if we approve this bill and it gets a Presidential signature, can put as many U.S. troops in Vietnam as long as he wants to.

If anyone wants to stand up and say it is not true, let them do so. I will take issue with them because, in fact, it is true. He can put them in as long as he wants and in whatever number he wants.

Like others, I want to take out as many South Vietnamese as we can without the use of U.S. military combat forces. We should have been doing it before now. But we did not take them out, who knows why? There is not any good answer to that question as far as I can see.

If the Members ask me how many men from my district I am going to send back in there, into combat to be killed or to become prisoners of war, to take out some undefined number of South Vietnamese for an unlimited period of time, my answer is, that I cannot and will not vote to send them back to Vietnam. The President does not know how many he wants or how long they will be in combat, so he does not ask for specific limited authority, because he does not know—he just does not know. He wants a blank check. And thats what we are asked to provide here.

We did that 10 years ago with the Gulf of Tonkin resolution. The Members know what it bought us. It has nearly ruined this country. Let us not be dumb enough to do the same thing again.

Mr. Chairman, at this point I wish to insert in the RECORD the text of my dissenting views which appear in the committee report accompanying this bill:

Dissenting Views of Hon. Donald W. Riegle, Jr.

This legislation is another Gulf of Tonkin Resolution that poses the gravest dangers for the United States. If this legislation is passed, it would wipe away four years of carefully drafted legislative restrictions by the Congress which have brought our American military role in Southeast Asia to an end. I was astonished that the Committee would ever recommend the passage of such legislation.

If we grant the President the authority specified in this bill we give him a complete blank-check to plunge the U.S. into the war by reintroducing as many U.S. combat troops into Vietnam as he wishes, for as long as he wishes.

There are absolutely no limits in this bill on the amount of U.S. troops the President can send back into Vietnam, how long he can keep them there, or how much money he can spend in the process. This means, of course, there are absolutely no limits as to the number of American troops that might eventually be killed or captured.

Moreover this blanket grant of authority would also allow the President to resume the American bombing of North and South Vietnam—in contravention of legislative safeguards and limitations previously enacted but which are set aside by this legislation—if the President were to decide that such bombing was necessary to safely evacuate several hundred thousand South Vietnamese.

Furthermore there is no limit established as to the number of South Vietnamese that the President can commit the United States to evacuate. And again, the President is granted the authority for the unlimited use of American military combat resources to evacuate these South Vietnamese. While the Administration has tentatively spoken of withdrawing some 200,000 South Vietnamese, the President is free to announce that the target figure is 1,000,000 or more.

The Congress, in my judgment, would be foolish to the point of irresponsibility to grant any President the sweeping powers outlined above.

There was general agreement in the Committee that the President already has sufficient power under existing law and legal precedent to use whatever U.S. military resources are necessary to carry out the safe evacuation of all Americans now in South Vietnam. As to the evacuation of South Vietnamese, it is my contention that we should commit ourselves to evacuate only as many as can be safely withdrawn without the use of American military combat forces. This would mean we should be evacuating as many as possible at the present time.

There are other serious deficiencies in this bill. One is that we persist in trying to channel humanitarian assistance through what is left of the government of South Vietnam. The current chaos and endemic corruption of that regime dooms any serious effort to properly administer and distribute humanitarian aid at the citizen level. A ranking Administration witness actually reassured us that U.S. AID personnel in South Vietnam would insure any humanitarian assistance was properly administered—despite the fact that we are presently working against the clock to safely evacuate these same AID people.

It is my view that some humanitarian assistance should be made available to the citizens of South Vietnam and Cambodia but only through international relief organizations.

Finally, having listened to a number of top Administration officials testify over the past several days, it is my belief that the Administration has not been honest with the Congress on the matter of the evacuation of Americans from South Vietnam. It is my conviction that the Administration has moved much more slowly in evacuating Americans than seems to have been possible or prudent. Whether by accident or design, the remaining Americans have become hostage to a deteriorating set of events—which not only endanger their safety, but may later require a major U.S. military effort to secure their safe withdrawal. I don't know who is responsible for this failure in judgment—whether the American Ambassador in South Vietnam, the Secretary of State, U.S. military advisers, or the President himself—but a failure of this kind is inexcusable.

There are many former colleagues who now deeply regret their decision to vote for the original Tonkin Gulf Resolution. This legislation is Tonkin Gulf Resolution number 2—and I hope and pray that this 94th Congress will be wise enough to not make the same mistake again ten years later.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. JOHNSON).

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, I thank the gentleman for yielding to me. I would like to ask this question of the chairman of the committee, whom all of us respect for his work in the past several months.

However, this question bothers me. The language of his bill provides that the President can use such military force as is necessary to evacuate, in the first three categories, American citizens, their dependents, and their relations. We ascertain that figure is less than 4,000 people.

It might take a battalion of Marines or less today to evacuate 4,000 Americans and their dependents, but 3 weeks from now it might take five divisions of U.S. Marines. The North Vietnamese could close Tanshonhut Airport tomorrow and they are on the verge of taking the seaport of Vung Tao.

Thus in 3 weeks the amount of forces necessary to evacuate Americans might involve large numbers of troops and the entire U.S. Air Force. Then, if I read the statute correctly, since five divisions could be necessary to evacuate Americans, the President would be empowered to use five divisions and the entire Air Force, if necessary, to evacuate Vietnamese.

Certainly, it is not the intention of this committee or this House to give this kind of blank check to the President. May I inquire why this language is so broad as to permit the President to delay the evacuation of Americans to a point where it would require much greater use of force?

Mr. JOHNSON of Colorado. Mr. Chairman, I yield to the chairman of the committee to respond to the question.

Mr. MORGAN. Mr. Chairman, of course I disagree with the statement of the gentleman from Michigan a while ago. This is in no way a blanket authority for the President to wage war in Indochina. It is no blanket authority to use troops in Indochina.

I think the language in the bill, in section 4, is very clear, in that the evacuation must be carried out without use of force, if possible. Second, if the use of force becomes "necessary and essential"—I repeat, "necessary and essential"— only the minimum force necessary can be used.

Mr. McCLOSKEY. Mr. Chairman, does the chairman have a commitment that the United States will get the 4,000 Americans and their dependents and relations out in the next 4 days?

Mr. MORGAN. We have no commitment, but they got 676 Americans out last night. According to figures I received this afternoon, there will be less than 2,000 Americans left in South Vietnam by midnight, Saigon time, tonight. Our Ambassador says there will be less than 1,700. His figures are lower than the Department's because things seem to be moving faster than the reports coming in.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I would like to find out, because we were with Mr. Habib yesterday, and the chairman of the committee was there. The chairman of the committee just made a statement that they needed the money infusion to execute the evacuation.

Mr. Habib stated very clearly, in the presence of the chairman, that the money was not needed for evacuation purposes. I think there were many people in the room there at that time. Would the chairman correct that statement, please?

Would the chairman correct that statement for us, please?

Mr. MORGAN. The administration would not have come up in front of the committee and testified.

Mr. BEDELL. Did Mr. Habib testify yesterday?

Mr. MORGAN. I did not hear him make that statement. I must confess to the gentleman from Iowa I did not hear him make that statement. It would contradict the information given to our committee.

Mr. BEDELL. Were there other people who appeared who did make that statement?

Mr. JOHNSON of Colorado. Mr. Chairman, I take back my time.

Mr. BEDELL. Perhaps we could see the hands of those who did hear him make the statement.

Mr. JOHNSON of Colorado. Mr. Chairman, I want to make a comment, first of all, that the debate has gotten down to the point where it is crucial and informative, and I think the last few speakers made a contribution to the tone of the debate.

I would like to point out what we do not know about this bill, because I think that is the crux of the situation we are talking about. The chairman said there are 2,000 people remaining after midnight tonight. We do not know what plans there are to evacuate them. There has been some intimation that we are going to leave them there as hostages. We do not know whether that is true or not. We do not know how many Vietnamese they are talking about bringing out. Some people have talked in terms of hundreds of thousands.

So when we talk about hundreds of thousands of Vietnamese to bring out, I would like to know—and I do not have time to get a specific answer to every one of these questions, but I would think this should be considered before we get on with the final vote on the matter—what harbor facilities are available, if any? What airports are available, if any? How long would it be anticipated they would be open, and what is required to keep them open? Is it going to take air power? Is it going to take naval gunfire? Is it going to take a couple of battalions?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

So when we are talking about evacuating hundreds of thousands of people, do the Members remember the Dunkirk operation in World War II? One does not just whisk a couple hundred thousand people off of a beach head. One does not just land a couple of C5As and whisk

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them away to safety. How many Marines are we going to have to commit when we are talking in terms of "minimal use of necessary force?"

Are we not talking about an absolute? Are we not talking about a force that cannot be defined when we are saying the force that is necessary, not minimum force, but force that is necessary? When we are talking about bringing out hundreds of thousands, we just do not do that without a major commitment of troops and a major commitment of air power.

Are we willing to commit troops again to bring out hundreds of thousands of Vietnamese? That is the real question we are talking about. That is the authorization of this bill.

Until it is more specifically clarified, I cannot vote for that.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman.

Mr. MORGAN. I think the gentleman from Colorado has made some very valuable points in the debate.

First, I want to assure the gentleman that we have been assured that no Americans will be left there as hostages. We might follow the same procedure that we did in Cambodia, where the number of people to be moved was reduced and reduced step-by-step until the last ones then were evacuated in our operation. But there will be no Americans left there as hostages.

As the gentleman knows, there are certain Americans, as long as there is a chance of negotiation, who have to stay there. There has to be intelligence on the ground, and some diplomatic pressure, until the last minute. But I want to assure the gentleman there will be nobody who will be kept as hostages in there. We do not intend in this bill, under section 4, to leave any Americans there who do not want to stay on their own—or to leave them then until tomorrow if we can bring them out today.

There are, of course, some Americans who chose to stay behind the lines, when North Vietnam moved on the offensive. They are members of church groups and American Friends, and we do not know much about what has happened to them; but we feel they are still doing their duties as they see them.

Getting down to category (D), when we reach that category, we may be talking about a figure of 170,000 which was mentioned 2 weeks ago. On the other hand, when we met with the Assistant Secretary of State yesterday, I had the impression that that figure is gone and does not apply under present circumstances in South Vietnam.

There seems to be no possibility that we are going to evacuate that many people under present conditions. Even out of the 170,000, there were only about 17,000 hard-core South Vietnamese nationals involved. Their families and dependents swelled that number to 170,000.

Mr. BROOMFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, years must pass before historians will possess sufficient perspective to adequately assess our country's role in the grim and bloody drama now playing its course in Vietnam.

Some persons whose sensitivities and sense of outrage are always aroused at aggression from the right seem surprisingly incapable of seeing any danger from the left. So long have they opposed our involvement in shoring up South Vietnam's resistance to Communist aggression from the North that they have a vested interest in the defeat of our Vietnamese allies. I use the word "allies" loosely, Mr. Speaker, because our pitiful effort today to give them too little too late is hardly the way to treat an ally. One disgusting example of this perverted glee at a brutal bloody Communist takeover was the remarks made by movie producer Bert Schneider over national television April 8th when, in accepting an Oscar for his pro-Vietcong propaganda documentary "Hearts and Minds" he exulted over the "liberation" of South Vietnam by the Communist gangsters.

Oh, I have heard the pontifications of many leading opinion-molders today, both in the media and in Congress that we have given enough, that if in expending $150 billion and 53,000 lives we could not save the South Vietnamese, then nothing more we do will matter.

But of course the lives and treasure invested in Southeast Asia were wasted by a military strategy that deserves to be cited in textbooks for centuries to come as the most stupid, inept way to fight a war in history. To fight a defensive war, thousands of miles from home, on the Asian continent, in the hopes of wearing down our Asiatic adversaries was sheer nonsense. We should have dealt severely, swiftly, and massively with North Vietnam, and thus punished aggression effectively. To escalate the war by increments and never to threaten the ports or the cities of North Vietnam was outrageous folly and most Americans predictably got weary over the whole mess.

However, all that is past. But it cannot be argued that we had a large contingent of allies in Southeast Asia whom we encouraged to resist Communist aggression, and which countries put their own troops and treasure on the line in far greater proportion to their population and wealth than we did. And yet we have turned our backs to them in their most desperate hour and have denied them the fuel, the arms, and ammunition to defend themselves. More than that, we have denied them any sense of support, muttering that the South Vietnam Government was corrupt and authoritarian, thus hoping to absolve ourselves of any sense of guilt at our betrayal. How soon we forget our own history of abridgement of civil rights in wartime, how quick we are to gloss over our own talent for governmental corruption in demanding that South Vietnam conduct itself as a model of virtue and tolerance even though is has not known a peaceful moment in the last 35 years.

Now that American liberalism is triumphant, we can only wonder at the spectacle of our dwindling posture as leader of the free world. We can wonder at the dwindling of the free world, for that matter, as literally billions of Asiatics will fall under Communist control.

It is ridiculous to charge the South Vietnamese with loss of the will to resist. Since the Paris Agreement, the North has had the strategic initiative, since it need not waste resources in defending itself from attack. But the South has had to spread its soldiers and supplies over the whole length of the country in a defensive position.

And what of détente, Mr. Chairman? It has proven to be a one-way street, with all of the benefits going to China and the U.S.S.R. and none to us. Both of these totalitarian regimes have never stopped supplying their client-state, North Vietnam, while we have lost our will to support our ally.

How often I listened to the Senator from Minnesota when he was Vice President, and he made impassioned pleas for our supporting South Vietnam. He emphasized that our strategic interests were locked in with the non-Communist masses of Asia, and the balance of power could never be permitted to pass over to hostile hands. Well, this is just what has happened. The Philippine Government is reassessing its relations with us. Japan watches uneasily as our influence in Asia reaches its lowest ebb in two decades.

Our ability to make guarantees in the Middle East is eroded because no one can speak for the new partner in foreign policy—the Congress of the United States.

The world is one strategic theater. This lesson of World War II ought to have been learned, but it is ignored by our new isolationists who presently rule Congress. And as we abandon Southeast Asia to its fate, and as night falls on Lisbon, I can only think, with sadness and foreboding, of the words of Sir Robert Thompson:

> The American retreat before Moscow, like that of Napoleon, is beginning to litter the route with corpses.

Mr. Chairman, I vigorously support this bill, even though it is too little and probably too late.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Illinois (Mrs. COLLINS).

Mrs. COLLINS of Illinois. Mr. Chairman, I thank my committee chairman for yielding this time, even though I voted against the bill in committee, and he knows I rise in opposition to H.R. 6096, because I fear that it does not provide humanitarian aid to all of the recent refugees in Vietnam who so desperately need help. It could result again in American casualties while trying to save the necks of corrupt, top South Vietnamese officials and, most important, it will not help to bring about an end to this tragic, bloody war in Vietnam.

First of all, let us look closer at what this bill really does. It authorizes $150 million in new money in a lump sum for two different purposes: To evacuate Americans and South Vietnamese and to provide economic assistance through the Government of South Vietnam. Section 6 of this bill frees $177 million already authorized, but not appropriated in the Foreign Assistance Act of 1975, and this money is to be used for humanitarian aid. This makes a grand total not of $77 million or $150 million, but of $327 million to be used for the dual purpose of evacuation and humanitarian assistance.

In the committee report, it is stated that the $77 million of the total is intended—intended only—to cover the cost of evacuation. In the original bills the administration did not even ask for this money. They did not ask for any money for possible evacuation. The administration asked only for the $250 million to be used for economic and humanitarian aid in South Vietnam.

The committee has taken that figure of $250 million and tacked on an additional $77 million so that, as I said, this bill has greatly increased the amount of money over what was even asked for in the first place.

I do not even know where the figure of $77 million came from. As a matter of fact, I do not remember hearing any testimony whatsoever asking or seeking any $77 million in evacuation money.

Mr. Chairman, I do not object to evacuating Americans and their dependents and the Vietnamese who have relatives in the United States. As a matter of fact, I believe that our Government had until very recently been dragging its feet in getting this done. To that extent, the administration has, in a sense—and I disagree with the chairman—been using Americans as hostages to pry money out of Congress to be used to get out Vietnamese people. I hope and pray that it is not too late to get them all out now.

The fourth category of people to be evacuated is under section 4. These are foreign nationals to whose lives a direct and imminent threat exists.

I have a great many problems with this section. As a matter of fact, I have an amendment that I am going to offer tomorrow and hope that it will be passed because it will assure that no military force whatsoever will be used for this purpose.

Here again, I fear that if push comes to shove, only the top officials of the corrupt Thieu regime will get out of South Vietnam. They will take care of themselves and not the ordinary people who may be in danger because they work for Americans or U.S. agencies.

Make no mistake about it, the purpose of this bill, as I see it, is as much to give the President authority to evacuate non-Americans as it is to provide humanitarian aid. The President already has the authority to evacuate Americans in any kind of situation whatever. He even, in fact, has authority, I believe, under the Migration and Refugee Assistance Act of 1962, to evacuate non-Americans.

He does not have the authority to take out non-Americans where U.S. troops will have to be fired upon. That is the reason I think this bill is before us, to give the President that authority. I cannot condone such a practice.

I am very concerned about the possibility that U.S. troops may be fired upon while rescuing discredited members of the Saigon regime and that is one reason why I want to avoid using U.S. troops to evacuate these people. I firmly believe that too many American lives have already been lost in Vietnam. By not using our troops we now can at least try to end the slaughter that has gone on for so long.

As for humanitarian assistance, my only objection on this point is that the bill does not provide aid to all of those who have so recently suffered from this cruel war. The bill channels aid through the South Vietnamese Government. As I see it, aid given without strings would simply support whatever government exists in Saigon. It seems to me that our policy ought to be one of using whatever levers we can to promote the formation of a coalition government.

The administration estimates that about 1 million Vietnamese have been made refugees in the latest offensive. But, according to newspaper reports, there are probably a similar number of refugees in that part of the country controlled by the PRG. They too need help; yet since this bill channels all of our aid through the South Vietnamese Government, these people will receive no assistance.

The only decent alternative is to give humanitarian aid through the United Nations and private voluntary groups acceptable to either side. We can and should insist that there be some safeguards to insure that help gets to all of those who need it.

To reiterate, I firmly believe that we now have no other choice but to try to end the agony of the Vietnam people by encouraging the formation of a coalition government and providing humanitarian aid to all of the victims of the war in the south, regardless of which regime they are controlled by.

If this could come to pass, perhaps there will be no need for any mass evacuation of Vietnamese. It is worth a try; our present policy is at a dead end.

The CHAIRMAN. The time of the gentlewoman has again expired.

Mr. DU PONT. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I have asked for this time in order to propound a couple of questions to the chairman of the full committee, Mr. MORGAN, if I might have the gentleman's attention.

The title of this bill is cited as the:

> Vietnam Humanitarian Assistance and Evacuation Act of 1975.

All of the debate thus far has dealt with evacuation. There is a definition of evacuation on page 2. But, I do not find a definition for the words "humanitarian assistance" anywhere in the bill. On page 3, in section 6, it says:

> Funds heretofore or hereafter made available under section 36 of the Foreign Assistance Act of 1974 may be used for humanitarian assistance purposes without regard to limitations contained in sub-sections * * *

and so forth.

I would ask the chairman, the gentleman from Pennsylvania (Mr. MORGAN) what was intended by the use of the words "humanitarian assistance"?

Mr. MORGAN. If the gentleman will yield, in the report, on page 4, he will see the proposed humanitarian aid program. Of course, the outline in the committee report is tentative. The objective is to help refugees insofar as food, shelter, medicine, and transportation are concerned. I do not believe that one can define the specific amounts that may be needed for humanitarian assistance with the problem of continuing instability, continued fighting, and increasing number of refugees. There are some 1 million refugees there now.

There is also the possibility that if things change there rather rapidly, or fold up rapidly, that a great deal of the money authorized in the bill will not be used, because there may not be any way to use the money.

I referred to that in my opening statement.

Mr. WYLIE. Are the funds provided for in section 6 in addition to the $150 million provided for in section 2 of the bill?

Mr. MORGAN. The answer is yes. But they were previously authorized.

Mr. WYLIE. Section 6 funds are in addition to section 2 funds?

Mr. MORGAN. That is correct.

Mr. WYLIE. The section 6 amount is open ended; we cannot be sure of the amount?

Mr. MORGAN. Is the gentleman talking about the approximately $177 million involved in section 6?

Mr. WYLIE. I am asking is the amount about the $177 million?

Mr. MORGAN. The amount is certainly fixed—not open ended. I might add in reply to the question of the gentleman from Ohio that when we passed the foreign aid bill last year, we wrote ceilings on the separate categories of aid: $90 million for humanitarian aid, so much for a rural program, and so on.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DU PONT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. WYLIE. The distinguished chairman, the gentleman from Pennsylvania, has used the words things might "fold up rather rapidly." If things over there did fold up rather rapidly, and the North Vietnamese were to take over the Government of South Vietnam, does the authority for humanitarian assistance under section 6 terminate, or does it continue?

Mr. MORGAN. Let me begin by pointing out that last year the committee authorized $617 million for Indochina postwar reconstruction——

Mr. WYLIE. What I really want to know is does the authority under section 6 continue without limitation or is the use of the funds terminated if South Vietnam falls?

Mr. MORGAN. If the gentleman will permit me to continue: When the Committee on Appropriations acted, they only appropriated $440 million. That is where the $177 million difference that we mentioned earlier comes from. Now this authorizing legislation had some restrictions, and section 6 just removes some of those restrictions and makes that money available for humanitarian assistance——

Mr. WYLIE. Would the President have authority to render humanitarian assistance to the country of South Vietnam if it came under the control of the North Vietnamese Government or the Vietcong?

Mr. MORGAN. There are restrictions in the Foreign Assistance Act prohibiting that money from going to any Communist government. Section 620 of the Foreign Assistance Act, among other provisions of law, contains restrictions on the furnishing of assistance to various Communist governments.

Mr. WYLIE. Can we be assured by the colloquy between the gentleman from Pennsylvania and myself that none of this money for humanitarian assistance would be intended to go to North Vietnam if things folded up or if South Vietnam fell to the Communists?

Mr. MORGAN. The gentleman means for any country that may be conquered by the North Vietnamese?

Mr. WYLIE. Yes.

Mr. MORGAN. I can assure the gentleman the committee is against this. I am opposed in that case to any type of humanitarian assistance unless it goes to some form of international organization like the International Red Cross or something of that kind.

Mr. WYLIE. Would the United Nations have a role in providing humanitarian assistance to South Vietnam or to North Vietnam if South Vietnam falls to the North Vietnamese?

Mr. MORGAN. The United Nations has not been very active in that respect. It has not provided assistance there, but they have some people in there at the present time.

Mr. WYLIE. They do.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DU PONT. Mr. Chairman, I yield 3 additional minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding the additional time.

The United Nations does not have a strike force, and it can not put down insurrections any place in the world. If the U.N. has a role in world affairs, it seems to me it is in providing humanitarian aid to people who find themselves in the situation of the people of South Vietnam if North Vietnam ultimately prevails and if South Vietnam folds up, as the gentleman from Pennsylvania put it.

The United States has already provided about $20 billion to the United Nations, and it seems to me we ought to be able to call on the U.N. to provide humanitarian assistance to the people of South Vietnam.

Mr. MORGAN. The gentleman knows very well we have not had a very good track record in the United Nations in the last 2 years. I feel that if we are going to do what he proposes, we would have to get away from the bilateral approach emphasized here. I would prefer to do it without going directly to the United Nations.

Mr. WYLIE. To go back for a moment, it is the gentleman's position, then, that if and when the North Vietnamese or the Vietcong take over or triumph that any humanitarian assistance provided for under the provisions of this bill will terminate?

Mr. MORGAN. Would the gentleman from Ohio repeat that question?

Mr. WYLIE. Is it the gentleman's position that if the North Vietnamese or the Vietcong take over or triumph in South Vietnam, which now appears to be a certainty, that any humanitarian assistance provided for in this bill will terminate?

Mr. MORGAN. Of course, this bill is not in its final form. It has not run the gauntlet. Also, this is only an authorization; it also has to run the gauntlet in the Committee on Appropriations; so there will be a double check on the money.

Mr. WYLIE. I do not believe that answer was really responsive. Section 6 says, "Funds heretofore or hereafter made available are provided without regard to limitations contained in certain subsections of the Foreign Assistance Act."

We passed a rule here a little while ago which waived another rule which says that the International Relations Committee cannot report a bill which appropriates money. So, I think we are appropriating money or making it available to the administration in this section 6 provision. Am I right about that?

Mr. MORGAN. No, the gentleman is not right as it pertains to the $177 million we discussed earlier. I am sure we would have had a witness from the Committee on Appropriations here today defending their jurisdiction if they thought we were appropriating those funds. But some other changes—like the lifting of the earmarking for the evacuation of orphans—could be construed as appropriations. They are relatively minor.

Mr. WYLIE. What does the language in section 6 mean then where it says, "Funds heretofore or hereafter made available * * *."?

Mr. MORGAN. I tried to answer that a few moments ago, but the gentleman tried to hurry me, because his time was up. When we authorized Indochina aid, we earmarked $90 million for humanitarian aid; we earmarked some for rural development. It was all earmarked. Principally, section 6 removes these restrictions in the authorization. It would also let the President use for humanitarian aid any funds that may be saved and reprogramed in Cambodia and South Vietnam.

Mr. WYLIE. That was the point I was making. The gentleman has said that the President will have authority to use at least $440 million without any further action on the part of this Congress for humanitarian aid.

Mr. MORGAN. All we are principally doing here is removing ceilings or limitations contained in subsections 36(a)(1), 36(a)(6), and 36(a)(1) of the Foreign Assistance Act of last year, signed into law sometime in December 1974.

Mr. WYLIE. I thank the gentleman for his answer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, a little while ago it was said in this well, I think by the gentleman from New York (Mr. BINGHAM), that it was desirable that the powers of the President be made more certain through passage of a bill of this nature, and I think I am correct in saying that the gentleman from Wisconsin (Mr. ZABLOCKI) had indicated that a provision extending additional powers to the President was contained in section 4(d), related to "such other foreign nationals to whose lives a direct and imminent threat exists."

I think the gentleman from New York (Mr. BINGHAM) is not sure that the Constitution would permit the removal of other persons besides those contained in (d). The gentleman from Wisconsin (Mr. ZABLOCKI) seems to feel that is the only section that requires additional authority.

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield, that section of course, but we also need section 3 to lift the limitations on the funding and money that was appropriated.

Mr. ECKHARDT. I understand that, but since my time is so short I think that does not go to the basic question I am trying to raise here. The point I am raising is that this bill is framed in terms of permitting evacuation and then it has certain definitions of the term "evacuation." I am not altogether sure whether section (d) gives additional authority beyond existing constitutional authority or not. It simply defines what evacuation is.

It would seem to me that if powers permitting engagement in hostilities which the President cannot exercise without congressional authority are to be granted, that those powers should be clearly granted, not merely by the inclusion of a statement that evacuation can take place, then a definition of evacuation which might include evacuation of some persons in addition to U.S. nationals, and authority to use necessary force to evacuate them.

Frankly I would not necessarily conclude that the Constitution does not permit the evacuation of some nonnationals in connection with the protection of American citizens. So I am not altogether sure at all that this bill does anything more than authorize activities within existing constitutional authority.

I, therefore, submit that the bill does not clarify, indeed I think it more or less obscures. I believe it was No. 69 of the Federalist Papers where Hamilton describes war powers of the Congress and of the Presidency. He seems to envisage the President's power as essentially the same with respect to directing the troops as the power, the King of England had at the time, except that the President, unlike the King of England should not have the power of declaring war and of raising troops. In no place did he say that the powers of the President were limited with respect to the direction of troops to protect the nationals of the country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DU PONT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I rise to oppose this so-called Humanitarian Assistance Act for South Vietnam for

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four reasons: First, because we, the American people, have more than fulfilled any duty to South Vietnam.

After expending over $150 billion, 50,000 American lives, and untold American suffering, I reject absolutely the notion that we have not done more—more than any conceivable duty. I reject absolutely the notion that we should bring several hundred thousand Vietnamese refugees to America. Think it through. Where will we put them? How will they live? What jobs will they have? How much will it cost? These are the tough questions that must be answered before we let an emotional desire to do good sweep away our commonsense. The cost of relocating 100,000 refugees is over $3 billion and then our problems only begin. It is time we thought about our duty to the American people.

Second, I oppose this bill, because our Government can evacuate all American personnel and dependents quickly and without this legislation. It is not needed to evacuate our Americans.

Third, I oppose this bill, because it waives five different statutes which prohibit sending American troops into combat in Indochina. This bill gives open-ended authority to the administration to reinvolve America in this malignant Asian land war.

Fourth, I oppose this bill, because it would give much of the $150 million in aid to the Government of South Vietnam and we have no assurance that the needy people would ever see it. Remember—not 2 weeks ago the corrupt leaders of South Vietnam tried to fly over $70 million in gold bullion to Switzerland to their secret bank account.

In conclusion, we have a solemn duty here today, and it is not to vote another $150 million for Southeast Asia, while reopening the possibility of sending American troops back into combat. Our duty is to stop bleeding America with this malignancy. We have no further duty. I urge the defeat of this ill-conceived legislation.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, I rise in opposition to the bill. I have a great deal of respect for the chairman of the committee and for his members and for their work; but I find in this case that it is more than a bit disappointing in some respects and shocking in others.

I speak specifically today to the provisions for evacuating South Vietnamese. I would hope our Members would examine the motivation for the committee's putting that in for our consideration.

Why should Americans take the sole burden of evacuating and assisting those who would like to leave the country? Is it because we are a compassionate people? Is it because we are a charitable people? Surely, in some respects; but it is also because too many of us view our country as the sole defender of freedom, as the last defender of freedom and too many of our leaders indulge in the paranoid bitter view of our country being the last one left to help people such as the South Vietnamese who want to leave.

Is there an international mechanism available to help those people? Indeed, there is. I think the gentleman from Ohio on this side of the aisle raised that. There is an international mechanism and we cannot ignore that fact.

Tomorrow I shall offer an amendment to require the President to use that mechanism, the United Nations and its Office of Migration and Refugee Affairs to bring about that evacuation; but even if that amendment is successful, I find it hard to believe there is any good reason to support this legislation.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, there is something interesting in today's paper with respect to that, that is what the Attorney General told Chairman JAMES EASTLAND that he has authorized entry into the United States of up to 50,000 "high risk" Vietnamese refugees and their families, including past and present U.S. Government employees, Vietnamese officials, "whose cooperation is necessary for the evacuation of American citizens," that the administration has been reluctant to initiate a massive evacuation of South Vietnamese "without the assurance that those so assisted could, if necessary, be admitted to the United States."

So that we are here dealing with a whole discussion about using the military to evacuate the South Vietnamese.

The Attorney General is talking about bringing in 130,000 at least and he wants to be sure we are prepared to receive these South Vietnamese in the United States, even though the United States hopes the burden can be shared with other nations.

Mr. MOFFETT. Mr. Chairman, again, with all due respect, it seems to me the main reason for the conclusion of the Americans being solely responsible for evacuating the South Vietnamese is because the Government sees its role in the world in that frame of reference.

Ms. ABZUG. There is so much panic over there, there is another item about Thieu's wife:

> Thieu's wife, meanwhile, called the packers to Independence Palace to crate her collection of rare porcelain jars and vases.

I wonder if that is included in our plans for the evacuation of the South Vietnamese.

Mr. MOFFETT. I appreciate the comment of the gentlewoman.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I rise in support of H.R. 6096 and urge that it be passed.

Mr. Chairman, I believe that the Committee on International Relations has done a much more careful job than is recognized in this body in the framing of this piece of legislation. It could not, by any stretch of the imagination, be considered another Gulf of Tonkin resolution.

Why? May I appeal, first of all, to my colleagues to take some cognizance of the good faith of the President of the United States and the Secretary of State who, it is perfectly apparent, have no intention under Heaven of involving us in some new adventure in Southeast Asia. Nothing could be further from their minds. It seems to me that this is apparent and manifestly clear.

Second, I point out that the provisions of the War Powers Act would preclude such a consequence, and indeed I would agree with the remarks earlier of the gentleman from Minnesota (Mr. FRASER), that in a very real sense the President's action in coming to us and asking for this authority was a response to the War Powers Act and in complete line with it.

But, I would also point out that the provisions of this legislation itself are much tighter, I think, than is recognized. It has been pointed out that the President might send 50,000 or 100,000 American troops to rescue South Vietnamese. It simply could not be the case under the terms of this legislation as written.

We have said that the money which we would authorize may be used for the evacuation of American citizens, dependents of American citizens, and permanent residents of the United States, Vietnamese nationals eligible for immigration to the United States by reason of their relationships to American citizens, and such other nationals to whose lives a direct and imminent threat exists. However, we have stated that only such forces to accomplish the evacuation of the first three categories may be used.

We have said further that they may not use force except as a last resort. We do have, also, a time limitation, by the expiration of the fiscal year. The practical fact is that nobody intends in this bill any kind of military adventures on the part of American soldiers.

I would support, however, our fulfillment of our responsibilities to American citizens, their dependents, and those people who are eligible for immigration as a matter of moral responsibility, and I would endorse the idea of our doing what we can for those other Vietnamese who, by their long association with us, by, in some cases, their relationships to people who have now become wives of American soldiers or former soldiers in Vietnam, those whose lives may be on the line, because of an association in good faith with us over a period of years, or relationships to American citizens. We have a clear and firm moral responsibility to do what we can for those people.

It would appear to me that the limitations intended by the committee and written into the bill, coupled with the war powers resolution, coupled with section 7 of the bill which states that any of the provisions of this act may be rescinded by concurrent resolution of the Congress, that these things together comprise a very clear set of limitations marking the clear intent of the committee, which I must assure the Members is the clear intent of the President and administration, that we simply do not involve ourselves in another military intervention in Southeast Asia.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

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Mr. BUCHANAN. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I wanted to ask questions on two points the gentleman has raised. I am not discussing intentions, because sometimes the best intentions lead to results contrary to those intentions.

Let me just ask the gentleman with respect to the concurrent resolution provision in section 7 of this bill, is it not a fact that there is no expedited procedure for the consideration of this concurrent resolution as there is under the War Powers Act, and that the expedited procedure of the war powers bill will not be available under this act? Section 5(c) of the war powers resolution says that such expedited procedure for a concurrent resolution is not available where Congress has specifically authorized the use of force. Since we are specifically authorizing the use of force in H.R. 6096, the availability of the expedited procedure for consideration of the concurrent resolution would not be available.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BIESTER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BUCHANAN. May I say to the gentlewoman again, the only authorization for the use of force is for American citizens and dependents, and those people eligible for immigration. Those are the only individuals for whom we are authorizing the introduction of American forces.

Ms. HOLTZMAN. Is not force authorized in section (d), to evacuate "such other foreign nations to whose lives a direct and imminent threat exists"?

Mr. BUCHANAN. "Provided, that United States Armed Forces necessary to carry out their evacuation do not exceed those necessary to carry out the evacuation of (a), (b), and (c) above."

Ms. HOLTZMAN. Let me ask the gentleman if his understanding is the same as mine. It seems to me the only limitation, with respect to the use of military force in section (d), is that we cannot use more troops in evacuating the people under (d) than we use in (a), (b), and (c), and that if we use 10,000 troops in evacuating Americans and their dependents, we cannot use more than 10,000 troops in evacuating foreign nationals, but we can bomb and use other military tactics with respect to evacuation under (d), and there is no limitation in respect to that? Is that the gentleman's understanding?

Mr. BUCHANAN. My understanding there is that, as the gentlewoman knows, at the beginning of section 4, "For the purposes of section 2, evacuation shall be defined as the removal to places of safety as expeditiously as possible, without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force," it seems to me that those restrictions come to bear in this instance.

We are saying to them, "Do not use force beyond that which is essential. Do not use more than the number required to move the Americans."

As a practical matter, I will say to the gentlewoman, I think it is very unlikely we will have major forces involved or a major number of forces involved in the evacuation of Americans and their dependents.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield further?

Mr. BUCHANAN. I yield to the gentlewoman.

Ms. HOLTZMAN. I thank the gentleman for yielding.

While I agree that it may not be likely, the problem that I am concerned about is what happens if military force is used? And I am concerned that there are not the limitation that the gentleman expects and intends, perhaps, in this bill, on how that force is used once it is introduced.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BIESTER. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. May I say to the gentlewoman that our colleague has indicated he will offer an amendment which would clarify this situation, which I understand the chairman indicated he would look to with some sympathy. I want to underline the intent of the committee, the pragmatic possibilities that I think are very strong, that no one intends a new adventure in Southeast Asia.

Finally, I would urge the gentlewoman to have more faith in her President.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. SCHEUER. Is it not true that the administration, weeks and weeks and weeks ago, the President, under the emergency war powers, could have commandeered the entire civilian aviation fleet, every 747 in the United States could have been at work 2 weeks ago or 3 weeks ago or 4 weeks ago evacuating not only American personnel, but the Vietnamese personnel as well? Could not that have been done? And why was it not done?

Mr. BUCHANAN. I will say to my friend that there have been Americans there, AID people and church people and those in other voluntary agencies who have been working with refugee relief and humanitarian programs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BIESTER. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. These people have been working in various places, and many of them thought they should continue working.

I will say, second, that kind of action might have placed a greater danger on American citizens there than any other kind, because of the panic reaction that might ensue and because of the reaction on the part of not only Communist forces but the South Vietnamese themselves, and especially the government.

It would seem to me that the process of evacuation has been conducted in good order and that many who remain have been doing humanitarian work that is very important in the midst of all of the human suffering that does exist within Vietnam.

Mr. SCHEUER. Mr. Chairman, I thank my colleague, the gentleman from Alabama (Mr. BUCHANAN).

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman. I stand before the House as someone who has lived with this bill for 24 hours, literally 24 hours. The chairman of the committee was concerned that some of the newer Members and some of the Members who are opposed to this legislation had not read it. I would like to assure the chairman of the committee that I have not only read this legislation, but compared it with the Senate legislation; and I stand here to oppose this legislation.

I think a lot of debate has been shared in this Chamber today about evacuation, about the use of force, and about a lot of other things that are of concern to me in this particular legislation. However, I would like to focus on just one aspect of the bill which I think is particularly objectionable, and it concerns humanitarian aid.

This bill authorizes the use of $250 million worth of humanitarian aid. It authorizes the use of $73 million aid from the bill itself, from the initial $150 million. It also authorizes an additional $177 million from section 6 of the bill, and this is printed clearly on pages 3 and 4 of the report.

Let us look at page 4 of the committee report because I think there is a great example of why this humanitarian aid is ill-conceived. On page 4 there are listed examples of how this aid might be used by AID, and they state in this report that the first priority is the emergency transportation of refugees to temporary sites within South Vietnam. That is at a cost of $10 million.

Then it lists the possible second priority of setting up nine sites housing 100,000 persons each, again at a cost of $10 million each for a total of $90 million.

It occurs to me that if we in fact evacuate all U.S. citizens from South Vietnam, there will be no AID employees or other representatives of the U.S. Government in South Vietnam to set up these sites, operate and maintain them, and otherwise administer the humanitarian aid.

Tomorrow I plan to introduce a substitute bill, a bill that will be a substitute for the entire committee bill. The main thrust of that bill is to deal with the humanitarian aid, and my substitute authorizes that $150 million be authorized through international agencies and not through either the AID program or the Government of the United States or through the activities of the Government in South Vietnam.

I am concerned about this particular piece of legislation. I think it is ill-conceived. I think that there is bad wording and bad language in many aspects of the bill, and I think each section of this bill needs to be totally revamped or soundly defeated.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. HARRINGTON).

Mr. HARRINGTON. Mr. Chairman, I thank the chairman for yielding.

I apologize if I trespass on what has been discussed earlier.

I suppose that the most disheartening part of attempting to address this kind of issue is the recognition that its passage in some form is almost assured by virtue of what happened in the Committee on Foreign Affairs last Thursday. Therefore, rather than cover ground which I think has already been covered rather thoroughly in the course of the hearing of the Committee on Rules and during the afternoon, I would like to address a somewhat broader problem which I think is of as great concern to everyone.

If one can go back 2 weeks, to the memory of the President standing here in this Chamber and delivering a state of the world message rather hastily conceived and composed; if one can return further in time to the impromptu press conferences of the preceding week, taking place during the Easter vacation on the west coast; if one can remember the words of NELSON ROCKEFELLER on foreign policy, while flying back from the funeral of Chiang Kai-shek, and the observations about the implications for American politics; or if one can go back to last night to that televised conversation with the President in the confines of his quarters at the White House, I do not think that there is any doubt at all that there is a common denominator that each person in this Chamber shares.

I believe that we want to do the right thing for the people over there, even though there may be differences in philosophy and outlook. I believe that we want to do the right thing, and that we want to do it on terms that recognize reality.

If I can go once again behind those closed doors which are so familiar to us in the Congress, and listen to General Weyand's remarks concerning a truncated Saigon surviving with the oil deposits off the coast and with rice surpluses in the delta, and then listen to Mr. Habib or other surrogates of the Secretary of State tell us why we are being asked to do these things, I think it becomes clear that source of the problem is not us as an institution, or the American people, but persistant unwillingness to face reality that has characterized the last 20 years.

The part that concerns me most is that if we offer aid—and I think we will—we can do it on terms that have some relation to reality. We must face the facts, and not selectively, as I think the President did 2 weeks ago, when he suggested that there is no other way to go except to pass the kind of bill we now have before us.

I have no particular problem in understanding the administration's concern for accomplishing in Saigon what they did in Cambodia a few days ago. But I do have a problem with the demonstration of intransigence involved in the attempt to force this particular package down the throats of the Congress and the American people.

So, what I am trying to do today is not to look at the punctuation and the fine points of the language, but to draw the attention of the Congress to the broader realities that exist both in Southeast Asia and here at home. I refer to the very real concern, a public reluctance to get back into this issue, and an awareness that somehow we have not alined ourselves with history, with nationalism, or even with what is right, and that we continue to do what we have been doing instead of what should be done. We have to adopt a commonsense approach, and not join in the free embrace of unreality which has characterized the Chief of the Army and the Secretary of State, the President, and his various deputies who have appeared before us over the course of the last 2 weeks.

It is that kind of thinking that causes this sour political debate, in a sorry political arena, and which does us little credit in the view of the rest of the world.

So, I hope we can get this behind us in the next day or two, approaching the issue with a truly humanitarian concern, and give this bill the kind of relevancy that has, so far, escaped the Congress, the President, the Secretary of State, and those who would speak in behalf of this administration.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, in a society such as ours I have learned long ago in my more than 17 years of political life that we must compromise and accept what appears to be best for all concerned. We weigh the good against the evil of any measure. I think this is what we need to do here.

I have been sitting here for more than 2 hours listening to the pros and cons of the resolution before us. Both the good and evil of the pending resolution have been presented with much eloquence. Let us, therefore, look at what good it does. It provides for humanitarian assistance. That is good. Although it is not defined, I think we can depend upon the President to define it properly. So that is good. It provides for an evacuation program, again to be determined by the President of the United States.

But then the resolution further provides for the evacuation of four classifications of persons: One, the evacuation of American citizens. That is good, but the President does not need the authority of this resolution to do that. He already possesses that authority.

Two. "Dependents of American citizens and of permanent residents of the United States." I think we can all agree that this is a good provision, because the President must have the authority of this resolution to evacuate such permanent residents and dependents who are not American citizens. So let us go along with that.

The third category: "Vietnamese nationals eligible for immigration to the United States by reason of their relationships to American citizens," I believe is good. The actual number is limited and certain and relationships can be readily proved. So I think we can all accept category 3.

But let us look at category 4: "Such other foreign nationals to whose lives a direct and imminent threat exists."

Of course, there is a proviso in section 4(d) that the U.S. Armed Forces necessary to carry out their evacuation shall not exceed those necessary to carry out the evacuation of categories (a), (b), and (c)—that is, one, two, and three, which I mentioned earlier.

Does this fourth classification under 4(d) include political prizes like President Thieu, whose life definitely would be in direct and imminent danger? If we were to use such force as would be authorized under section 4(d) to evacuate President Thieu, we would probably need a division—not a squadron, not a company, not a battalion, or regiment, but most likely a division to evacuate President Thieu. Are we going to authorize our President to do that? And who is to determine whose lives are in direct and imminent threat? Are we to set up an examining board to do this? What limitations in number are we to set?

There are so many questions raised here, it appears that the questions raised make the evil far outweigh the good that the pending resolution can bring about.

I do intend during the 5-minute rule to offer an amendment to delete section 4(d). If this is done, and if the amendment carries, I might yet be able to support the measure. But there are other evils such as no limitation on the number of troops, no limitation on the time in which the President may exercise the authority granted him under this resolution and others which have been mentioned by those who preceded me to the floor. Unless amendments to correct these omissions are adopted, the resolution before us has more potential for evil than good, and should be voted down.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I thank the distinguished chairman of the International Relations Committee.

Certainly, I recognize the good faith and sincerity of the distinguished chairman of the Committee on International Relations and the members of that committee. But we have short memories, Mr. Chairman. It was only 2½ years ago that we watched the Secretary of State on television saying, "Peace is at hand."

And we all know that 6 weeks later President Nixon ordered the most ferocious bombing of the entire war.

How many times in past Congresses—and I hope this will be noted particularly by new Members of the House—when we tried to put a cutoff on American military involvement, did we hear it argued: "Oh, you cannot cut off the funds, because we must protect our troops that are already there"? Every expansion of the Vietnam war by President Nixon was rationalized on the grounds that it was needed to protect the American troops who were already in Vietnam.

Have we forgotten how hard we fought to get the restrictions that section 3 of this bill would waive? And how President Ford, who was then House minority leader, working with the Secretary of State, fought tooth and nail to prevent the adoption of these very restrictions until finally they saw the handwriting on the wall and accepted them?

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Are we now going to waive the very restrictions that ended our military involvement in Vietnam? Can we trust the assurances of those who fought against their original adoption by the Congress?

This bill sets no limits on the number of troops. It sets no limits on the numbers of Vietnamese nationals we would evacuate. It sets no limits on the time it would take to evacuate them. Is it not obvious that as long as any Vietnamese nationals are being evacuated under subsections 4 (c) and (d), American citizens will have to remain in Vietnam in order to screen those nationals to determine which ones should be evacuated? And as long as American citizens remain, this bill would allow American troops to remain.

The bill sets no limits on the kinds of activities American military forces could carry on to protect the evacuation.

It waives limitations in any law "comparable" to those mentioned in section 3—whatever that means—that would limit the availability of funds for use of the Armed Forces for the purpose of carrying out the evacuation of Americans and Vietnamese.

In short, this bill would permit an unspecified number of U.S. troops to conduct undetermined kinds of military actions in Vietnam for an indefinite period of time.

Mr. Chairman, unless these dangerous features of this bill are eliminated by appropriate amendment, I will be compelled to vote against it, and I hope a majority of the House will do likewise.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Hawaii (Mrs. Mink).

Mrs. MINK. Mr. Chairman, sometimes it is very difficult to make a distinction between intentions and reality and commonsense. There is certainly no doubt that those who drafted this resolution had good intentions in their efforts to try to express what I am sure is in the consciences and in the thoughts of most of us, that in this closing hour of this desperate history Americans would want to extend some kind of helping hand.

The mischief of this legislation is that it invites again into public controversy a question as to whether we will by this vote authorize a military involvement in an area which the Congress has already clearly spoken about and said that it should not permit.

The section with respect to evacuation in my view clearly permits the use of military force to remove South Vietnamese political refugees—not only dependents of American citizens or permanent residents or those in some way connected to people already in this country. And this dangerous authority is a very serious defect in the legislation.

This bill is not necessary. We all witnessed no problems in the withdrawal of Americans in Cambodia. If there were some difficulty which some law presented to that situation, I could understand the haste with which a bill needed to be reported in order to avoid that difficulty in South Vietnam. But we all know that in Cambodia there was no such difficulty and our Americans together with some Cambodians were removed quickly and without incident. That being so, we have to assume that the same could occur in South Vietnam.

The basic question we must ask is: Why has it not occurred? Why has not the evacuation of Americans occurred when there are so few remaining?

I have to harken back to the words of Mr. Habib and the meeting we had last night, that it was imperative in the view of the administration to retain in South Vietnam a certain control group of Americans in order that we may have an input in the negotiations or whatever settlement may come about in the next few days.

And this is the crux of our dilemma. It is not merely the afterthought of humanitarian assistance or the afterthought of paying for an evacuation which perhaps was not properly funded, but it is the presence of a policy staring us in our faces tonight which suggests to us that the administration's retention of Americans in Saigon deliberately prolongs our involvement, and greatly risks the need to use military forces which this bill authorizes.

This is what will trigger our renewed military involvement. For this reason we must vote down this bill.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Chairman, I have pointed out previously the serious flaws in this piece of legislation. I have studied this bill very carefully. This bill gives the President a blank check to use large-scale military force for an indefinite period of time, and not only in Vietnam, but in all of Indochina, undoing all the painstaking work of prior Congresses to limit and end our military involvement there. This bill is a 1975 version of the Gulf of Tonkin resolution.

I do not want to discuss the specific flaws of this legislation at this time. I have done so earlier today. I do want to talk about the theoretical flaws.

The question that confronts us is why this House is considering a bill at this time to allow a military effort to evacuate the South Vietnamese.

Some people say we must be humanitarian; do we not care about the South Vietnamese? That is not the issue, because what this bill says is: "Yes, we care. We will go in and save you and to do that we will shoot and we will kill and we will bomb." Who will we shoot and kill and bomb to evacuate 175,000 South Vietnamese? Other South Vietnamese. Can anyone call this effort humanitarian?

Second, this bill talks about military force. Have we not learned after 10 years of brutal but useless fighting in Vietnam that there has got to be some other way to solve international problems, aside from using military force? Is there one word in this bill that addresses itself to anything aside from the use of military force? Is that not a fundamental flaw in this legislation?

I think it is crucial to point out that there is nothing in this bill that talks about speeding up the evacuation of Americans who are already there. There is nothing in this bill that addresses itself to the gross negligence of this administration in failing to evacuate Americans more rapidly. There is nothing in this bill that addresses itself to the failure of this administration to evacuate South Vietnamese more rapidly.

Last night I met with Assistant Secretary Habib and he told me specifically that Americans are being kept in South Vietnam to insure the evacuation of South Vietnamese. They are being, in other words, held hostage for the purpose of evacuating large numbers of South Vietnamese. I think that is irresponsible, to say the very least.

If we have not learned by now that there is some other way to save people aside from destroying them in the process—as this bill in essence would do by permitting a large-scale military intervention to save untold thousands if not millions of South Vietnamese—and if we have not learned by now to try to settle problems such as this in a peaceful way, then it seems to me this bill is the ultimate bitter commentary on all our failures in South Vietnam.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. BIESTER. Mr. Chairman, I yield the gentlewoman 1 additional minute.

Ms. HOLTZMAN. I yield to the gentleman from Minnesota (Mr. Fraser).

Mr. FRASER. Mr. Chairman, if there were a staging area set aside for the Americans and Vietnamese and we were to ring that with a perimeter, with no shooting at all except in self-defense, would the gentlewoman agree to that?

Ms. HOLTZMAN. Can we do that in evacuating 75,000 Vietnamese?

Mr. FRASER. I think this was the statement of Secretary Habib, that if hostile conditions were not present, we could take out 75,000.

Ms. HOLTZMAN. Did the gentleman's committee hear a single word of the testimony about the number of troops necessary to implement this bill. Is it not a fact that not a single word of such testimony was heard?

Mr. FRASER. I was not here when it was marked up, but I would make the point that neither the gentlewoman nor I know what the circumstances are going to be.

Ms. HOLTZMAN. That is why this bill is so bad.

Mr. FRASER. I do think we care about people who have risked their lives for us.

Ms. HOLTZMAN. I think that is true, but——

Mr. FRASER. But I have not seen any evidence of it.

Ms. HOLTZMAN. The gentleman needs to be reminded of the very famous statement by an American officer when we bombed a village to smithereens. The officer said we must destroy the village and its people in order to save them. Can the gentleman seriously maintain that we care for those people we destroy?

Does the gentleman not understand that by authorizing a war to evacuate large numbers of South Vietnamese we are risking the lives of the potential evacuees, the lives of our soldiers, and the lives of other South Vietnamese? Since military force is the central thrust of this bill, the gentleman, if he honestly cares about people, ought to oppose it.

Mr. MORGAN. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. Stratton).

Mr. STRATTON. Mr. Chairman, I take this opportunity to rise in support of this legislation. I think the chairman of the committee deserves a great deal of credit, and the majority of the members of the committee deserve a great deal of credit for having brought this legislation out, certainly as a partial response to the appeal of the President of the United States to this body a few days ago.

This is going to provide humanitarian aid, and it is going to provide some evacuation assistance. As far as I can judge from having listened to about 2½ hours of the debate this afternoon, both of those things are favored by this House, and apparently by a majority of the other body. The thing that obviously has caused most of the commotion in the past couple of hours has been the provision of section 3, which would introduce American military troops to provide some of this evacuation, if necessary. I judge from what has been said that a number of efforts are going to be made tomorrow during the 5-minute rule to try to repeal that section. I think that if those efforts are successful—and I would gather that perhaps they are going to be succesful—that the obvious answer to this is that we cannot have, as the gentleman from Minnesota (Mr. Fraser) has just pointed out, we cannot have humanitarian aid in a declining military situation. We cannot have evacuation services unless we have some kind of military protection to keep the airfield open, to keep the airfield from being rocketed, to keep the South Vietnamese off the airfields and the helicopter pads we need.

So, I think for those who do not want to run the risk of getting American Marines into the situation, the obvious answer is that we have got to provide the military aid that the President of the United States requested. I intend, Mr. Chairman, tomorrow during the 5-minute rule to offer an amendment which would provide that opportunity.

It is perfectly ridiculous to think that we can evacuate anybody if the North Vietnamese have taken over the Tansonnhut Airport. It is perfectly ridiculous to think that we can provide humanitarian aid to anybody if they are rocketing or mortaring or shelling it at the time we are coming in with that humanitarian aid.

So, we need to provide at least enough protection around the perimeter of this area to get the people out that we want to get out and to get the humanitarian aid in that we want to get in. Everybody else in this body apparently wants to provide those two things, but somehow we think this is going to happen immaculately, without any military assistance.

I propose on tomorrow, Mr. Chairman, to offer an amendment at the appropriate time to make this possible.

I would strike out on page 1, line 6, the figure "$150,000,000" and insert the figure "$300,000,000."

On page 2, line 2, I would delete the period at the end of the line, insert a semicolon and add the following: "Provided that $150,000,000 of such sum shall be available to the President solely to provide such protection as he may deem necessary to insure the delivery of the humanitarian assistance and evacuation programs authorized in this section."

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from Rhode Island (Mr. Beard).

Mr. BEARD of Rhode Island. Mr. Chairman, there has been an awful lot of talk about what we should do and what we should not do. I know one thing, that the war has gone on too long for us. I think that the President waited too long. We do not need legislation to get the Americans out. That is what the American people want. He has wasted enough time.

I think we could have taken a lesson from that play of Harry Truman and make a decision. I think that is what he should do, make a decision. We do not need any legislation. This is a lot of baloney.

We have to face the fact that we have lost. We have lost. If we were to look in the mirror tonight and say, "We have lost," then that is it. We should get out, and get out now, and not spend another dime because the whole regime over there is corrupt. That is the truth. That is what the people want, and it is our responsibility to represent the people.

Mr. MORGAN. Mr. Chairman, I yield the remaining time to the distinguished new member of the Committee on International Relations, the gentleman from New York (Mr. Solarz).

Mr. SOLARZ. Mr. Chairman, I find myself in a rather awkward position this afternoon by virtue of my disagreement with a number of my colleagues for whom I ordinarily have great respect. But I think it would be useful, as this debate draws to a close, to put the differences of opinion with respect to this legislation in their proper perspective.

We have heard a lot of talk this afternoon about how this bill, like the Gulf of Tonkin resolution, constitutes an open-ended authorization for the involvement of American troops in Vietnam.

I happen to have both the Gulf of Tonkin resolution, as well as the bill, with me at this moment, and I would submit that anybody who examines both would conclude that there are sharp and significant differences between them.

The Gulf of Tonkin resolution was an open-ended authorization for the use of American troops in Vietnam in order to repel aggression. There were no limitations in that resolution on the number of troops that could be deployed to repel aggression. There were no limitations in the Gulf of Tonkin resolution with respect to the manner in which the troops that were used as a consequence of it could be deployed. And there was no provision in the Gulf of Tonkin resolution by virtue of which the Congress could repeal that resolution without having it run the gauntlet of a Presidential veto in the process.

The bill before us today is different from the Gulf of Tonkin resolution in a number of fundamental respects. It is a very carefully circumscribed piece of legislation. For one thing, it authorizes military action if necessary, not for the purpose of repelling aggression, but solely for the purpose of effectuating an evacuation.

Second, it limits the number of troops that can be used to the number that are necessary in order to evacuate Americans, their dependents, and their relations—not the number of troops that are necessary to evacuate 200,000 Vietnamese, but the number of troops that would be necessary to evacuate the number of Americans that will still be in Vietnam by the time this bill is passed which, according to the best estimates we have, should not be more than 1,000 or 2,000 at the most.

Third, the bill is limited in the sense that it limits the deployment of troops that are sent into Vietnam only to those activities which are essential to the evacuation of Americans and their dependents—not to the bombing of Hanoi and Haiphong, not to the invasion of Cambodia and Laos, but only to the evacuation of those people covered in the bill itself.

Fourth, the resolution explicitly provides that the evacuation should take place without the use of force, if possible, and with the minimum use of force, if necessary.

And, last, the resolution provides that at any time, by a joint resolution of the Congress, not subject to a Presidential veto, its provisions can be repealed.

It so happens that I think this legislation could be strengthened in a number of important respects. I intend tomorrow to offer two amendments which would require the President, before utilizing Armed Forces in order to effectuate an evacuation, to first make a good-faith effort to negotiate an agreement with the Provisional Revolutionary Government of South Vietnam, and the Democratic Peoples Republic of North Vietnam, to provide for the orderly evacuation of those covered by the bill, thereby making unnecessary a resort to force, assuming such an agreement could be worked out.

Second, an amendment which would provide for a 30-day limit on the amount of time that American Armed Forces could be utilized in Vietnam once they are sent in, if they have to be sent in, for the purposes of effectuating such an evacuation.

However, the complaints and criticisms about this bill really deal, I think, not so much with the extent to which it can turn into another Gulf of Tonkin resolution, because I think it is relatively clear that after the loss of 56,000 American lives and the expenditure of over 150 billion American dollars, that neither the President, and certainly not the Congress, would permit our reentry into the war.

Mr. Chairman, I think the real issue before us this afternoon is the extent to which we want to help thousands and thousands of South Vietnamese whose

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lives may be in danger once the Communists come to power.

Most Americans would agree that the President, under existing constitutional authority, can already send in troops in order to evacuate American citizens and their dependents. But few Members of this House would disagree, I think, that the President lacks the authority to do that in order to effectuate the evacuation of South Vietnamese—and that is really what this bill is all about. The fact of the matter is that if the evacuation of Vietnamese nationals is opposed by the PRG and the ORV, we are not going to be able to get substantial numbers out, but in the event that an orderly and controlled solution to this conflict can be brought about, if a negotiated settlement can be achieved, then without this legislation the President will not have the authority to evacuate those Vietnamese nationals who, at that time and place, would have permission to leave South Vietnam.

We have heard a lot of testimony before our committee to the extent that once the Communists come to power, hundreds of thousands of Vietnamese will be massacred. Others, with equal vehemence and apparently equal knowledge, have contended that at best or at most, only a few thousand would be massacred. The fact of the matter is that nobody in this Chamber, nobody in the Congress, and nobody in the country knows how many will be killed. However, to the extent that any may be killed, to the extent that there is a possibility that thousands upon thousands of South Vietnamese could be executed, it seems to me that we have an obligation to help them out. We encouraged these people to fight. We provided them with the resources to fight. If it had not been for us, this war would have ended a long time ago.

Mr. Chairman, I hate this war. I fought to bring this war to an end for over 10 years now; but it seems to me, as the final curtain falls on this tragic conflict—and it is going to be over one way or the other within a matter of weeks—let us at least leave with our conscience intact. Let us not turn our backs on the thousands of Vietnamese whose lives are in danger because they fought on by virtue of the fact that we encouraged them to do so.

I want this war to end. I am against any additional military assistance. But it seems to me that this is not at all incompatible with an effort to meet our humanitarian obligations in the carefully circumscribed manner provided for in this legislation.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I appreciate the gentleman's yielding.

The gentleman has been calling this particular resolution the Gulf of Tonkin resolution. It can be called a resolution by any name.

However, I do not see that that is the issue. It is quite speculative to suggest that our role in Vietnam at this stage is to provide military assistance against the contingency that certain Vietnamese may have difficulty when a new government comes into power. It is also totally completely outside of the range of our obligation. Is it not our obligation to avoid upsetting any possibility of negotiating a secure situation there?

Was the gentleman here earlier when I noted that the papers today reported that all of the elements in Vietnam are calling for a cease-fire and for negotiations with the Communists? Why in this House does the gentleman from New York (Mr. SOLARZ) say that we should bring in the military in order not to upset the people there?

The CHAIRMAN. The Chair will state to the gentlewoman from New York (Ms. ABZUG) that the time is presently controlled by the gentleman from New York (Mr. SOLARZ).

Ms. ABZUG. If I remember, Mr. Chairman, the time was yielded to me, and I do not know why you interfered with his yielding me that time.

The CHAIRMAN. The Chair will state that it appeared to the Chair that the gentleman from New York was seeking to use his own time.

Mr. SOLARZ. The interpretation of the Chairman is correct. I was seeking to regain my time so as to answer the question of the gentlewoman from New York.

Ms. ABZUG. Thank you, Mr. Chairman. I appreciate your interpretation, but I did not yield.

The CHAIRMAN. The Chair again will state that control of the time presently belongs to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I think, if I may respond to what I thought was the question raised by the gentlewoman from New York, the purpose of this legislation quite clearly on the face of it, is not to repeal aggression, or prop up the current regime in Saigon, but is only to provide for the evacuation of those American citizens and Vietnamese nationals who desire to leave.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BIESTER. Mr. Chairman, does the gentleman from Ohio (Mr. HAYS) desire me to yield time to him?

Mr. HAYS of Ohio. I would appreciate it if the gentleman from Pennsylvania would yield me time.

Mr. BIESTER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I would like to make the record clear in response to the remarks of the gentlewoman from New York (Ms. ABZUG) in which the gentlewoman attempted to say that the gentleman from New York (Mr. SOLARZ) wished to introduce troops, and then the debate and counterdebate developed, and got a little loud, and I could not hear exactly what the gentlewoman did say from there on.

I do not believe the gentleman from New York (Mr. SOLARZ) said that he wished to introduce any troops into South Vietnam, or to declare war on anybody. The gentleman from New York (Mr. SOLARZ) made his position quite clear in the debate in the committee, where the gentleman testified that he did not want to see a shot fired, and he did not want to see any hostilities occur, but that he did think we had a moral obligation, and I think that he said that today, and I happen to agree with the gentleman, that we had a moral obligation to take out as many South Vietnamese people who fought on our side as we can get out without engaging in another war.

Now, I have heard all kinds of arguments around here about why we should not spend any money, and we should not do this or we should not do that. You know, we do have an obligation to these people, and we do have an obligation to see that as few of them as possible are slaughtered by the North Vietnamese when they take over. The record is pretty clear on what they will do. We know what they did when they took over the city of Hue. As I say, I think we have a moral obligation within our limitations without going to war again, and without introducing massive numbers of troops to do whatever can be done. I repeat that we have a moral obligation to get out as many of those people as we can.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, I happen to agree with what the gentleman from Ohio has just said. But, I wonder in the legislation or in the committee debate was there any discussion that this legislation would authorize the use of B–52s, for example, if that were necessary?

Mr. HAYS of Ohio. I do not think that question ever came up, because I do not think anybody wants that, and certainly I do not believe that the President of the United States is going to do that.

Mr. McCLOSKEY. I did not think that in the Gulf of Tonkin resolution that the President would use force, and he did.

Mr. HAYS of Ohio. There is no comparison between that and this.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. RIEGLE. Mr. Chairman, would the gentleman from Pennsylvania yield an additional minute or two to the gentleman from Ohio, so that I might have a minute for a further response to the question that was just raised?

The CHAIRMAN. Does the gentleman from Pennsylvania, Mr. BIESTER, desire to yield additional time?

Mr. BIESTER. Mr. Chairman, I yield the remainder of the time to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I appreciate the gentleman from Pennsylvania yielding me this time, and I yield to the gentleman from Michigan.

Mr. RIEGLE. I think that during the discussion in the committee the gentleman from Ohio at one point raised the prospect of the use of tactical nuclear weapons over there.

Mr. HAYS of Ohio. Stop right now.

Mr. RIEGLE. It is in the RECORD.

Mr. HAYS of Ohio. It is in the RECORD. I want to say that what I said you know I said, and the gentleman is one that I am not going to let misrepresent what I said, if anybody here.

I said if the President said to the North Vietnamese that we are sending in 1,500 Marines, they will be armed with tactical weapons, that there would not be a shot fired, no matter how many people we wanted to take out of there. That is what I said.

That is what I said, and that is it, and that remains a fact. If the gentleman wants to go further with what I said, it is that this guy is no Harry Truman and, therefore, he will not do that. That is the whole story.

Mr. RANDALL. Mr. Chairman, 1954 marked a turning point in the history of Vietnam. Not so much for the Vietnamese, but more for the United States. It was after the signing of the Geneva accords of that year that we decided to aid the tottering regime of Bao Dai in hopes of keeping South Vietnam out of the Communist camp. The government has changed hands many times since then but unfortunately our policy has not. We supported then and continue to support now, corrupt and unpopular regimes. Even the most vocal supporters of our Vietnam policy over the years are hard pressed to characterize the regimes of Diem and Thieu as "popular."

H.R. 6096 provides that $327 million should be approved by Congress so that these funds could be used for humanitarian assistance in and evacuation from South Vietnam. Specifically the committee says that $250 million would be used for humanitarian aid and $77 million to meet the nonmilitary costs of evacuation. The committee also has given the President authority to make use of the military forces in order to protect American citizens who are attempting to leave South Vietnam.

For the past 6 years, I have been involved in efforts that would extricate the United States from the conflict in South Vietnam. It was my belief that we had given too much in manpower and money to a government for which its own people were unwilling to fight. The support which the people failed to illustrate was proof to me that their indifference about their existing government went quite deep. In spite of all this, the United States stayed and fought with our own men, supplies and dollars.

Frustration was growing in this Nation as a result of our participation in this effort. Those who believed we should give more to maintain this regime in power were bitterly opposed to those who believed that the regime was corrupt and thus we should not be associated with it. This debate was carried over into the Halls of Congress, where it became quite lengthy. Finally after years of emotional debate, those arguing against our involvement were victorious in passing legislation which ended our involvement and specifically delineated circumstances under which U.S. troops could be called into future action by the Government in that part of the world. Now the President seeks to circumvent the congressional directive in this area by claiming that this bill is needed to successfully evacuate those remaining Americans and to stabilize the chaotic situation in South Vietnam.

The Vietnam problem must be left to the Vietnamese. Foreign intervention will only further exacerbate the controversy. Recommitting any type of aid at this point could lead to another situation whereby the Congress winds up giving the President a "blank check" to carry on activities in that area without the necessity imposed upon him of coming back to us for congressional approval. That error cost us dearly in an earlier episode; let us not go down that path again.

With the recent fall of President Thieu, a negotiated settlement is not far off. At this time we should be attempting to get both sides to come to the negotiating table and reconcile their differences. This goal of a negotiated settlement would be frustrated by the passage of the bill. I urge my colleagues not to undo all that those of us opposed to our initial involvement in Vietnam fought so long to achieve. Congress has expressed itself on this issue. I strongly implore my colleagues to close the book tightly on any further U.S. entanglement in South Vietnam. Vote "no" on this bill.

Mr. FRENZEL. Mr. Chairman, I am troubled by H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975 granting $327 million to South Vietnam for humanitarian aid, evacuation funds for Americans and endangered South Vietnamese and U.S. troop authorization to aid in that evacuation, if necessary.

My concern about this bill arises not only from the dollar amount allocated for such aid. With U.S. personnel and welfare agencies evacuated, there seems to be no assurance that the needy in South Vietnam would receive the assistance. More so than in the past, we would have no way of knowing whether or not the South Vietnamese Government would provide such aid directly to the needy citizenry of that country. The granting of aid through international organizations sounds as though it would be a good choice, but no international organizations are in place in Vietnam or capable of distributing the aid in the way we intend. The only effective humanitarian organizations in that area have been largely evacuated at this time.

Also, it seems likely at this point that a North Vietnamese takeover is imminent. The question then becomes, Should the United States be granting assistance to a country run by the North Vietnamese. Do not the North Vietnamese and/or the Chinese and Russians then assume direct responsibility for rebuilding that fallen country? We have no assurances that the North Vietnamese would look kindly enough on U.S. funds to use them as we request. Our responsibilities do not automatically disappear, but they are changed by these conditions.

Probably the most significant drawback to the bill is the stipulation that U.S. troops can be dispatched to aid both in the evacuation of Americans—who should have been already returned before troops could be dispatched—and in the evacuation of endangered South Vietnamese. There is no qualifier in the bill as to number of troops dispatched and the specific ways in which they would be utilized. Even if there were a limit on troop number and specific lists of those citizens eligible for evacuation, it seems to me that the negatives far outweigh the positives in this situation. I believe we do have some responsibility to evacuate those citizens whose lives may be in danger due to associations with U.S. authorities in South Vietnam, but I do not believe that responsibility extends to use of U.S. troops. Those citizens requested our assistance in the first place and accepted positions with the U.S. Government in South Vietnam with the caveat that they might someday be faced with such a crisis. Here again, most of us, including me, will acknowledge our responsibilities, but those responsibilities are not unlimited. They must be defined reasonably in accordance with the present circumstances.

Mr. Chairman, I believe in the purposes of this bill, and I acknowledge ongoing U.S. responsibilities in South Vietnam, but, in view of the uncertain conditions in South Vietnam, I am unwilling to vote for it now.

Mr. WOLFF. Mr. Chairman, I am prepared to support funds for humanitarian assistance and evacuation programs in Vietnam if we can sharply define the extent, nature, and intent of this funding. I can support a funding authorization for specifically defined humanitarian and evacuation programs, but I cannot support the blanket authority that is given the President by virtue of the catchall phraseology and ambiguity of H.R. 6096. By failing to define the extent or limits to the President's authority and by waiving existing provisions of law which seek to place a necessary check on Presidential authority, H.R. 6096 fails to provide the vitally important safeguard against any type of renewed military commitment or involvement on the part of the United States in Vietnam.

The bill fails to define in any way what will be involved in our evacuation programs. It sets no limit on the number of troops that can be used in the evacuation effort. Will we send in 5,000 troops, 10,000, or 20,000? Will we be caught up in a continuing spiral—sending 5,000 troops in to rescue the people, then 10,000 to protect the 5,000, and then perhaps 20,000 more to rescue them? The bill sets no time limit on the evacuation process, nor does it establish any restrictions on, nor even define, the kinds of activities in which our troops can engage under the cloak of an evacuation manuever. In noting this lack of safeguard especially, I recall a statement that was made during the height of our involvement in Vietnam. "We had to destroy a town in order to save it."

This measure specifically waives the restrictions in section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–176, and section 10b of Public Law 93–52. Thus, it negates the efforts of the Congress to bring the Vietnam episode to a close. Yet, this is not the most serious flaw in the bill, for we will be able to determine the ramifications of this waiver. The bill goes further and extends this waiver to "any other comparable provision of law"; a blank check which I am not prepared to sign. I think my colleagues will find the following excerpt from the International Relations Committee meeting of April 16 to be of interest. Mr. Leigh is the legal adviser to the Department of State:

Mr. WOLFF. This phrase "or any other com-

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parable provision of law," do you have any other law that you feel are restrictive at the present time?

Mr. LEIGH. I don't know of any. I think it was put in as a matter of draftsmanship, but let me include that in the submission I make for the record.

Mr. WOLFF. Would you mind our deleting that portion from the bill?

Mr. LEIGH. Well, if we can't find any examples of it, I think we would be hard pressed to object to deleting it.

That was done on an inter-agency basis and I can't be sure what provisions the lawyers in the Defense Department as well as lawyers elsewhere may have had in mind.

In addition, this bill appropriates $150 million to be used "notwithstanding any other provision of law . . ." With this catchall phraseology, we have no idea what laws the administration can or will waive and thus what authority it will use in the name of implementing evacuation programs.

This bill, in essence, gives the administration blanket authority to implement "evacuation programs." While I do not believe that the administration seeks this authority to reinvolve our Nation in this conflict, we must remember that when the Tonkin Gulf resolution was approved, it was not considered to be congressional approval for openended involvement in the war. After the divisive experiences of the past 10 years, it would be the height of irresponsibility for us to again approve such broad brush legislation granting the same type of unchecked authority which prevailed during the long years of our involvement in Vietnam.

This bill limits funding to $150 million. However, by waiving existing provisions of law, it opens an avenue for the possible transfer of unlimited military equipment to the ARVN, who, I might note, have demonstrated an adeptness for transferring our equipment to the Vietcong and the North Vietnamese. It should also be noted that we have already authorized $450 million for Vietnam in the Foreign Assistance Act of 1975. Of this $450 million, only $282 million has been appropriated and allocated—leaving $168 million available for appropriation.

We can, I believe, legitimately question why Congress needs to give this blanket authority to the President if we are talking simply about evacuating Americans from Vietnam. I believe if we examined the Constitution, and the intent of the Constitution as determined by the Founding Fathers, we would see that the President has the authority, without this bill, to evacuate Americans from Vietnam to insure their safety. To quote from James Buchanan, "the Executive cannot immediately resort to force without direct authority of Congress, except in resisting and repelling hostile attacks." I believe we would find that the President has the authority to act in an emergency situation if the safey of Americans is threatened. Thus, I seriously question the need for the all-encompassing waivers of law as contained in H.R. 6096, and I urge its defeat.

Mr. MOORE. Mr. Chairman, I rise in very reluctant, very limited, and highly conditional support of the bill. I think by now that nearly all Americans agree that we never should have become in combat activities in Vietnam and other parts of Indochina. I also think that most Americans have now come around to the conclusion that once having made this misguided commitment, we should have gone in to win and not tied the hands of our military commanders in the field with the sort of political decisions which led to an untold number of additional American deaths in that far-off corner of the world.

Instead of giving them the means to defend themselves, we took over the fight and let them down. The last Congress not only pulled out our troops, but also refused to give the Vietnamese sufficient resources to continue their fight for freedom from Communist control. Now we are pulling out the last of our people, and I guess it is the only thing we can do, given the deteriorating military situation. To do otherwise would jeopardize the lives of some 2,250 Americans still left in Vietnam plus several thousand Vietnamese dependents of both American citizens and of permanent residents of the United States.

The President can use his powers under the Constitution to evacuate American citizens. These powers might extend to dependents of American citizens as well. The case is somewhat more doubtful with respect to dependents of permanent residents of the United States, and certainly there is no constitutional authority for evacuation of Vietnamese nationals who might be threatened by a Hanoi victory. Also, the President's constitutional authority does not amount to much if he does not have the funds to carry out the evacuation.

The committee bill allows the use of appropriated funds and makes it clear that all four categories of persons may be evacuated. Nonetheless, the evacuation portion of the reported bill could stand some improvement. The American people want and are entitled to some assurance that this will not reescalate into American involvement in another major war effort. For this reason, I plan to support an amendment which will be offered to limit the overall evacuation to a maximum of 30 days.

As far as the so-called humanitarian aid part of the bill is concerned, I have very grave reservations. I frankly doubt that any aid we might send will get to the people who need it. However, I have been given assurances that the President will not spend the money authorized by this bill if it cannot get there in time. By "in time" I mean before the entire country is taken over by the Communists. At that point our obligation ends. I am not thrilled with our foreign aid program as it is, and I certainly see no reason why we should give any to the Communists. I will therefore back amendments to insure that none of the humanitarian funds in the bill are given to or administered by North Vietnam or the Vietcong. Similarly, I will oppose efforts to channel these funds through the U.N. or other international organizations. I think a Communist government in Vietnam should look to its allies—to China and Russia—to help its people. We have our hands full trying to help our friends. I see no need to expiate some sort of guilt feeling by attempting to buy off the conscience of the American people in this manner.

I also will back amendments telling the world that the reason we are spending all this money is because Hanoi and the Vietcong have flagrantly violated the Paris Peace Agreement and calling once again for an accounting of our missing in action.

Mr. Chairman, I do not like trying to buy the love of the world with American dollars, and I do not like the so-called humanitarian provisions of this bill. I resent the cynical way in which this bill is fashioned, because I do want to be sure we can evacuate our countrymen and endangered allies. Since the two parts of the bill cannot or will not be separated, I am left with no choice but to vote for its passage. I reserve final judgment, however, until I see what we are left with after the dozens of amendments are disposed of. Also, whatever my vote on final passage, I will oppose the conference report if the evacuation has by then been completed or if we are giving aid to a Communist government in South Vietnam.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PIKE, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 6096 which we have just debated.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

HOUSE JOINT RESOLUTION 407, MAKING EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR ASSISTANCE TO THE REPUBLIC OF SOUTH VIETNAM FOR FISCAL YEAR ENDING JUNE 30, 1975, AND FOR OTHER PURPOSES

Mr. MAHON, from the Committee on Appropriations, reported the following privileged report on the joint resolution (H.J. Res. 407, Rept. No. 94–166), which

was referred to the Union Calendar and ordered to be printed:

H.J. RES. 407

Joint resolution making emergency supplemental appropriations for assistance to the Republic of South Vietnam for the fiscal year ending June 30, 1975, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes, namely:

CHAPTER I

DEPARTMENT OF DEFENSE—MILITARY

MILITARY ASSISTANCE, SOUTH VIETNAMESE FORCES

For an additional amount for "Military Assistance, South Vietnamese Forces", $165,000,000.

CHAPTER II

FUNDS APPROPRIATED TO THE PRESIDENT

INDOCHINA POSTWAR RECONSTRUCTION ASSISTANCE

For an additional amount for "Indochina postwar reconstruction assistance", $165,000,000.

Mr. YOUNG of Florida reserved all points of order.

MEMBERS OF CONGRESS SHOULD VISIT RHODESIA BEFORE REPEALING BYRD AMENDMENT

(Mr. ICHORD asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ICHORD. Mr. Speaker, during the Easter recess, I traveled with Congressman JOHN DENT and HAROLD RUNNELS to Rhodesia and South Africa primarily for the purpose of finding out the facts surrounding the attempt to repeal the Byrd amendment, which now permits the importation of chrome and a few other strategic minerals from Rhodesia, and also to study the coal-gasification process which South Africa is now successfully utilizing.

It is my hope that other Members will go to Rhodesia and find out the facts surrounding the Byrd amendment repeal before they vote on the same. I feel very strongly that no objective Member can see what I saw and still vote for the repeal of the Byrd amendment. The repeal of the Byrd amendment will do irreparable damage to the national security and economic interests of our Nation and will make the United States virtually dependent upon the Soviet Union for chrome. Members of Congress who are considering voting for the repeal of the Byrd amendment should go to Rhodesia and see how virtually every nation in the world except the United States is carrying on extensive trade in violation of the extremely ineffective U.N. sanctions. The repeal of the Byrd amendment is indeed a hypocritical issue. For example, the streets of the beautiful city of Salisbury are lined with new 1975 Toyotas and Volkswagens.

At the request of Congressman DENT I submit the following report written by him with which Congressman RUNNELS and I concur. It is my intention to provide the Members with a further detailed report on what we find out in Rhodesia at a later date:

REPORT OF CONGRESSMAN JOHN DENT ON STUDY TRIP TO RHODESIA AND SOUTH AFRICA

PURPOSE

Specifically the trip was undertaken to investigate a number of contentions and observations that are frequently made concerning Southern Africa, and most importantly the minority governments of South Africa and Rhodesia.

Obviously South Africa has developed into a powerful economic and strategic force in the world community, and as such deserves our attentions. For this reason most of our interest was in economic and strategic developments in South Africa. Additionally, one is immediately struck by certain social conditions as maintained in South Africa, and we made it a point to address ourselves to important questions concerning the policy of separate development, and its present implementation.

Rhodesia could be said to have economic and strategic concerns, but not to the extent that South Africa has such concerns. Rhodesia's problem is one more of politics in the world order, than of any overriding economic conditions that they might influence.

FINANCES

The South African trip was financed by Mr. Werner Ackerman, of Pretoria, South Africa, a businessman primarily in land development and tourism. The Rhodesian trip was financed by the Rhodesian Promotion Council, an alliance of businessmen in Rhodesia interested in promoting Rhodesia as a business center. Financing included hotel accommodations, meals, and airline and ground transportation.

Sometime around the middle 1950's I first heard about a project being built through American Technical Knowledge in South Africa for the conversion of coal into liquid petroleums and gas. It was difficult to get any information on it from any regular sources but I was at least able to find that it was not only possible but entirely desirable for this country to move toward that type of energy and fuel supply.

Accordingly, during my first years in Congress in the late 1950's, I discussed the proposal with the late John Saylor from the 12th district of Pennsylvania, which borders my own district. Together we worked up legislation which eventually became law, establishing within the Bureau of the Mines in the Department of the Interior a research program for exploration and research into new and other uses for coal, other than burning it in its mined state or making coke from it.

Many times during these years I have expressed the desire to learn more about the South African project, however. Progress seemed to be slow in coming from the U.S. research program. With the coming of the oil embargo and the hardships which followed it, and the triggering of dangerous economic perils within our country, I was even further motivated towards learning more about South Africa's SASOL project, and further learned that a similar operation was going on in Scotland. Some of them expressed a keen interest in the matter and I spoke about the invitations that had come my way to visit South Africa. Two of my colleagues, Congressmen Harold Runnels of New Mexico and Richard Ichord of Missouri, agreed to accompany me after I had received a definite invitation from South Africa through an individual who is committed to promoting South Africa throughout the world.

We discussed the added possibility of learning more about the social structure of South Africa as well as those conditions of the neighboring nation of Rhodesia. On the 22nd of March we departed for South Africa. After approximately 11 days of intensive meetings, on-site inspections and private conversations with many individuals both of government and opposition parties, we returned to Washington on Saturday, April 5.

Congressman Runnels has been in the oil business and is also vitally interested in the conversion projects since his state has already been designated for two, and perhaps as many as four, coal conversion plants. I felt that Congressman Ichord was probably one of the best informed men on subversion and Communism, which rumors had told us were being applied in South Africa and Rhodesia by both Red China and Communist Russia.

I believe each of us had the same determination to explore, with an open mind, this area of the world which may be one of the most important to the free nations. This area is especially important to the USA because of the large and varied deposits of minerals for almost every requirement of industry, economics and security. While there is a temptation among us to discuss at length with our colleagues and the public the internal social structure and the conflicts generated within these countries both from the inside and outside their borders, we will only touch upon the highlights of this aspect because our main interest was to bring back a report on the success or failure of the operation of South Africa's coal gasification processes and how we might help expedite our own projects in this area in the face of the energy crisis and its disastrous impact on our economy both at the present time and in the future.

South Africa is very close to self sufficiency in energy because of the operation known as SASOL (South African Coal, Oil and Gas Corporation Limited).

The products of SASOL cover many of the energy and chemical needs of South Africa, including an increasing amount of the countries motive power needs. SASOL is an obvious example of what can be done when it becomes necessary for a nation to become independent of most outside sources of energy. South Africa has not chosen an ostrich's tactics in regard to energy, however as evidenced by the Natref project which they have entered into with Iran. Natref is South Africa's blending process, which upgrades gasification petroleum products by combining it with natural crude from Iran.

This is a short introduction to the story of SASOL.

The opertion provides a total of 112 direct byproducts of the process. Its cost represents a capital investment of R300 million, approximately one half billion dollars, and consumes 18,000 tons of coal a day from one of the most mechanized of mines. The coal is fed from the mine to the factory bunkers in a conveyor belt system, which transports the coal from the mine to the surface for a distance of two kilometers overland to the 55,000 ton capacity bunkers which directly feed into the flow production of the plant. The process produces its own electricity for the whole factory complex from its power stations.

I shall, if I may, reproduce a layman's view of the whole process. Not the least of the ingredients of the process is fresh air, as it requires 13,000 tons of air compressed and cooled down in order to separate the oxygen and nitrogen. We all know that the world is faced with an ever-increasing shortage of fossil fuels, particularly oil. It would be our opinion that South Africa is less vulnerable in this respect than most of the industrialized countries, including the USA.

As South Africa is dependent upon indigenous coal for almost 80% of its energy needs, it still, like ourselves and other nations recognizes that, apart from bulk energy requirements, the only effective source of individual motive power is still oil. South Africa has tended to this matter, for aside from a leading position in oil from coal technology, SASOL is tied in with the National Iranian Oil Company in a refinery at Sasolburg, Natref, which makes South Africa one of the few fuel consuming countries to share downstream activities with an oil producing country.

Engineers and prospectors are leaving no stones unturned in their search for energy independence. Great emphasis is put upon oil from shale. The list of chemicals that flow from both SASOL and the joint oil complex cover the widest range of requirements for their economy. Their research teams are many and efficient. SASOL II, which will be a plant with most of the emphasis being on petrol for the motive power needs, will be using new processes using local raw materials for the synthesis processes which will place less importance on imported products now required for synthesis.

SASOL also has a training program that develops its staff with an internal trading program that costs, R1 ½ million or $2¼ million annually. SASOL is run by an administrative team all the way down to the lowest classification of workers without outside interference of any kind, dedicated solely to the production of South African energy requirements and products.

Later we hope to be able to provide data that may help Congress in its decisions, when, as we surely must, come to grips with the development of alternative sources of energy that will make us independent of imported oil and oil products.

Excerpts from the official publication of SASOL are included for any further information which might be of interest.

SASOL enables men and machines to do useful work. That is its task: the supply of energy—energy in the form of fuel, chemical products and know-how.

PETROLEUM FUELS AND PRODUCTS

SASOL is directly involved in all phases of fuel production. A complete range of fuels and other products are manufactured from coal, crude oil and naphtha.

CHEMICALS

SASOL is the producer of a wide range of petro-chemical products without which the sturdy growth of the domestic industry would not be possible. The most important South African chemical industries have established themselves around the SASOL complex to manufacture vital products such as fertilizer, rubber and plastics.

GAS

SASOL is also the largest manufacturer of industrial and domestic pipeline gas in the country. This is achieved by means of coal gasification which is playing a role of ever increasing importance in the technology of energy supply.

KNOW-HOW

SASOL has brought together scientists, technicians, workmen and dedicated experts in the petro-chemical field. Training and development programmes are continually arranged for them. They form a working-team that has brought into being the first profitable oil-from-coal project in the world. Their knowledge and skills are SASOL's major asset and comprise a development potential of national importance.

SELF-SUFFICIENCY

SASOL has made South Africa self-sufficient in respect of a large number of essential goods and has precipitated independent development of the petro-chemical industry in the Republic.

The establishment of SASOL was the result of many years of study on the subject of oil-from-coal production. A White Paper on the subject was published in 1927 and in the Thirties valuable pioneering work was done by the Anglo-Transvaal Consolidated Investment Company Ltd (Anglovaal).

The required legislative framework for the establishment of an oil-from-coal industry was laid down in 1947. The great capital outlay required for the erection of a plant was, however, beyond the means of Anglovaal. This led to the founding in 1950 of SASOL (South African Coal, Oil and Gas Corporation Ltd). SASOL was registered as an ordinary company in terms of the South African Companies Act. The share capital was provided by the Industrial Development Corporation on the government's behalf.

The ideal site for the oil-from-coal plant proved to be the northern corner of the Free State, where a vast coal field exists close to the Vaal River and the concentrated market of the Witwatersrand. Here SASOL acquired more than four thousand hectares of farmland for the erection of its factory complex and the establishment of the township of Sasolburg.

Shaft-sinking at SASOL's coal mine and the planning of the plant and the township commenced in 1951. In 1955 reaction was accomplished for the first time in the synthesis reactors, and by the end of that year the first motorists filled up their tanks with SASOL petrol at the now familiar blue pump.

Since then improvement and expansion programmes have been initiated and successfully completed. In 1964 SASOL began to produce butadiene and styrene for the manufacture of synthetic rubber. In the same year ammonia was first produced synthetically for the large-scale production of nitrogenous fertilisers. In 1965 SASOL's first naphtha craker was commissioned to supply ethylene, the most important feedstock for petro-chemical industry.

Meeting the ever growing demand for its fuel was not the only challenge facing SASOL; nor was the provision of industrial gas to the Southern Transvaal via a 175-kilometre pipeline. SASOL became the hub of South Africa's chemical industry, and during the Sixties an extensive petro-chemical complex was developed at Salosburg in conjunction with the oil-from-coal plant.

An important milestone was reached in 1966 when SASOL decided to enter the field of crude oil refining in addition to its oil-from-coal operations. This decision led to the founding in 1971 of National Petroleum Refiners of South Africa (Pty) Ltd (Natref) in which the French Total group and the National Iranian Oil Company share as partners.

At its coming of age SASOL could look back over a period of growth in which its highest expectations had been realised. Today the people at SASOL know that unequalled opportunities and challenges await them in an exciting future.

As a result of its experience and sustained research in the field of gas- and oil-from-coal, SASOL today commands a store of knowledge and know-how which is being made available on a consulting basis to prospective producers of gas and oil from coal in the USA and elsewhere. The application of the Fischer-Tropsch process to the liquefaction of natural gas is another field in which SASOL's know-how is being solicited. As a result of the world's growing demand for energy and its limited oil resources, coal is steadily regaining its former status as a prime source of energy.

The SASOL Factory comprises a group of 30 interlinked plants representing a capital investment of R300 million. It is an industrial giant—based on millions of tons of coal under the surface.

Sigma, Sasol's coal mine, is one of the most highly mechanised coal mines in the world and has a production capacity of 18 thousand tons of coal per day. An extensive conveyor belt system brings the coal to the surface and then transport it over a distance of two kilometres to the factory's bunkers which have a capacity of 55 thousand tons and from which SASOL's two power stations and its gasification plant are supplied with coal.

Almost two-thirds of the power stations' steam-raising capacity is used for process steam, inter alia for the gasification of coal. The turbo generators in the power stations have a capacity of 102 megawatt—enough to sustain a city—and supply electricity to the whole factory complex.

In the gasification plant, coal is fed into 13 massive pressure chambers in an atmosphere of steam and oxygen under a pressure of 2,700 kilopascal. The coal is thus gasified and converted into feed material for the purification and synthesis processes.

Gas production is a primary function of the SASOL factory. Apart from coal gas, which is a final product as well as the material from which oil and petrochemicals are derived, the factory produces in separate plants such gases as oxygen, nitrogen, ethylene, butadiene, propylene and others with numerous applications.

In SASOL's air-separation plant—one of the largest in the world—about 13 thousand tons of air is compressed and cooled down to minus 190° C every day in order to separate the oxygen and nitrogen and recover them in liquid form.

The production of 225 thousand cubic metres of pure synthesis gas per hour requires more than 50 thousand cubic metres of oxygen, 230 thousand kilograms of high-pressure steam and 250 tons of coal. From the gasification plant the synthesis gas goes to the gas purification plant where it is scrubbed with methanol to remove the sulphur, carbon dioxide, oil and benzole vapours, ammonia, cyanides and other impurities.

A substantial portion of this yield is utilised as industrial gas for the high-pressure pipeline which serves the industries in the Vaal Triangle and on the Witwatersrand.

The largest portion, however, undergoes the Fischer-Tropsch synthesis process: the combination of hydrogen and carbon monoxide with the aid of an iron catalyst. A stream is fed direct to the synthesis plant where a stationary pelletised catalyst is used. This unit consists of five reactors operating in parallel. The remainder of the feed gas together with the tail gas from the synthesis plant is fed to a gas reforming plant where the methane in the gas reacts with steam and oxygen over a nickel catalyst at a temperature of about 1,000° C and is converted into a carbon monoxide and hydrogen. The reformed gas goes to another synthesis plant which consists of three large reactors using a catalyst in powder form. Through these reactors, also operating in parallel, the catalyst is circulated in suspension in the reacting gas stream at a rate of about six thousand tons per hour. Progressively more use is made of unreformed gas in this process which is known as the Synthol process.

The world is faced with an ever-increasing shortage of fossil fuels, particularly oil. At present South Africa is less vulnerable in this respect than most industrialised countries as she is dependent on indigenous coal for almost 80% of her energy needs. Oil, however, apart from its use as bulk energy for heating, cooling and power generation, remains for all practical purposes the only effective source of motive power.

Apart from having established a leading position in oil-from-coal technology, SASOL has taken far-reaching decisions in the field of natural petroleum. In securing the participation of the National Iranian Oil Company in the Natref refinery at Sasolburg, SASOL has ensured that South Africa is one of the first consuming countries to share down-stream activities with an oil producing country. SASOL is also actively involved in the search for oil and natural gas in South Africa through its 50% interest in Soekor,

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and co-operates closely with the organization responsible for the country's strategic oil shortage.

Having entered the field of crude oil refining and with its established production of oil from coal, SASOL can now ensure optimal utilization of the available raw materials for the production of a full range of oil products.

From the oil streams produced in the synthesis processes at the oil-from-coal factory, liquid fuels are extracted—petrol, diesel, and other fuel oils and liquid petroleum gas. This is the only commercial operation of its kind in the world and, owing to the growing demand for petroleum and rising prices, the economic viability of the Fischer-Tropsch process is steadily improving. SASOL is leading the world in the technical know-how it has developed in this field and its research is directed towards still more economical oil-from-coal processes.

The Natref refinery, constructed jointly with National Iranian Oil Company and the Total group, processes crude oil for SASOL to petrol, diesel oil, kerosene, jet fuel and a variety of other products. The crude oil is pumped to Sasolburg through a pipeline from the coast. To facilitate the discharge of crude oil from large oil tankers, SASOL, in conjunction with other oil companies, operate a single buoy mooring facility which was constructed off Durban in 1970.

With the founding of SASOL the domestic petrochemical industry was firmly established.

The gasification of coal yields a range of co-products including tars and tar acids. From the aqueous streams that flow from the synthesis reactors, alcohols, ketones and organic acids are recovered.

A variety of waxes is also produced for application in the manufacture of matches, candles, polishes, cosmetics, plastics and other products.

Ammonia is produced by compressing a gas mixture of hydrogen and nitrogen to 48,000 kilopascal to react the presence of an iron catalyst. A portion of the ammonia is oxidized to nitric acid over a platinum catalyst in a different plant. The nitric acid is combined with ammonia to produce a solution of ammonia nitrate from which limestone ammonium nitrate is made. These synthetically produced nitrogenous products, together with the ammonium sulphate produced in the plant for gas liquor purification, are used mainly in the South African agricultural industry.

Petroleum naphtha is cracked to produce a range of chemical intermediates including ethylene and propylene which are the feeding stock materials for the plastics industry. Butadiene, used in the manufacture of synthetic rubber, is also recovered in the process. Styrene, the other base material of synthetic rubber, is made from ethylene, and benzene obtained from the nearby steel industry.

As the demand for these materials is increasing, the erection of a massive petrochemical complex at the coast in conjunction with BP and Shell is being studied. The complex will produce ethylene, styrene, butadiene and aromatic compounds. Interesting facts about SASOL:

1. Operations and Profit Results of SASOL—

In 1955/56—Sasol's first production year—the turnover was R1 300,000. By 1960 a profit of R1 364,000 was made. Profit and turnover figures developed as follows:

Taxed profit

1960	$1,364,000
1970	3,546,000
1971	4,092,000
1972	6,652,000
1973	9,435,000

Sales turnover

1960	$16,400,000
1970	72,200,000
1971	81,500,000
1972	180,500,000
1973	196,400,000

2. Personnel and labour—

SASOL's personnel and labour force, including Sigma Colliery, SMC and SDB, totals approximately 7,000.

3. Sasolburg—

Development from grass roots started 1952. Total population today: 35,000. Total capital invested in Sasol, Natref other chemical industries and townships: R500 million.

4. Range of production—

Motor gasoline
Automotive diesel fuel
Kerosenes
Light and heavy furnace oils
Aviation turbine fuel
LPG
Bitumen
Sulphur
Industrial pipeline gas
Ethylene
Propylene
Butadiene
Styrene
Methane/Ethane
Liquid and gaseous nitrogen
Liquid oxygen, argon and carbon dioxide
Olefins for biodegradable detergent manufacture
Paraffin waxes, including high congealing-point waxes
Oxidized waxes
Waxy oils
Ethyl, propyl, butyl, and amyl alcohols
Acetone and MEK
Aromatic/Aliphatic solvents
Creosote
Rhode tar prime
Coal tar pitch
Tar acids
Gasifier and fly ash
Anhydrous ammonia
Ammonium sulphate
Nitric acid
Limestone ammonium nitrate
Ammonium nitrate solution
Sodium nitrate

We would not make a fair report if we did not inform the House that this area of the world, the subcontinent of South Africa, is without a doubt the richest in strategic materials, both for peace and war.

It would be our recommendation that Congress immediately start creating a proper agency to develop government-supervised and government participation in an extensive chain of energy production both for motive and non-motive uses whenever we find we have a sufficiency of the ingredients: coal, water, air, open spaces.

Any lack of appreciation by this nation, regardless of outside or other compelling influences of the need of a review of our policy toward South Africa would be extremely shortsighted and could create irrevocable harm to the future of this country. I believe we can safely say that the South Africans are very much aware of the need for close cooperation with the U.S. and its western allies, as they have expressed as much to us.

RHODESIA

We would have been less than honest to the Congress and the country if we had not made an attempt and succeeded in going into Rhodesia for a first-hand look at that land-locked nation which has come so far in self-sufficiency in meeting its everyday requirements in less than 100 years. The first exploration into Rhodesia was by the pioneer column which trekked into Rhodesia in 1890. They found a population of approximately 450,000 blacks covering an area about the size of California, with a climate with land and water conducive to extremely high production in agricultural products. They found extensive supplies of minerals, which parallel, if not in quantity, at least in quality and variations, those their neighbor South Africa.

Rhodesia's production was practically nothing but raw materials, outside of some manufactured products for their own use, both in agriculture and in the mineral field, until UN sanctions 9 years ago and Rhodesia's need to survive, combined to help them come a long way in making themselves independent from outside sources for any manufactured products.

During this time the Rhodesian people have made sacrifices and developed means and methods of carrying on a growth factor which would be the envy of industrialized and independent states in the world. As one Rhodesian put it:

"While nobody likes sanctions, and very few persons or countries enjoy the animosity of other nations, yet in a sense the sanctions have produced a closer harmony than the outside world can possibly believe, and advancement in both the fields of agricultural production and industrial expansion. Before the sanctions, chromite was found as a raw product creating little labor, but now we are on the brink of converting most of our chrome into ferrochrome, which has opened up many jobs and employment opportunities for our black and white populations."

We personally visited a ferrochrome plant of 1,400 employees, 200 whites and 1,200 blacks, where blacks participated in every phase of production from the raw material to the finished product. Conversion of chromite ore to high and low sulphur ferrochrome is a very specialized field. The blacks in a few short years have mastered the technical, as well as the physical jobs required for this sophisticated production facility.

Each job in this facility is time scheduled for a black to take over. For example, by Christmas the last remaining white hot metal crane operator will be replaced by a black.

All of the operations around the fixing of the coke, coal, ores and other ingredients are performed by blacks with black foremen and any control in the mix control, dealing with highly technological and sophisticated machinery, is operated by black technicians. This is not to say that the problem of interraction between the black and white is not tremendous. With some of the outside influence operating within the country, it certainly poses a dangerous situation for the entire population.

Cattle raising is one of the largest of agricultural endeavors and over one half of the five million head herd is owned by the black population. All cattle to be used in domestic or foreign trade is treated alike, both in price and distribution through a cooperative situation. They appear to have a sufficiency of meat with some now available for export—pork, veal and some lamb. Being landlocked, they only have fresh water, inland fishing, which supplies a fair amount of protein for their diets. Unlike most nations, their diets are not overbalanced with carbohydrates.

The nation has grown from about 450,000 blacks plus some whites in 1890 to almost six million. The nation has known no slavery and the road into the future, if their intentions are followed and adhered to, will create an integrated nation, and with South Africa now promoting detente, could help to stabilize all of the African peoples economically so that they may enjoy the great bounties found naturally in almost every area of human need somewhere within the continent.

We believe it will do no harm and may even do some good, if before we act hastily, more Members of Congress who have an interest in this field, either pro or con, will have an opportunity to see for themselves just what has been done, what is being done and what can be done in this area of the world for all of the peoples concerned.

ITINERARY OF SOUTH AFRICAN AND RHODESIAN TRIP

MARCH 1975

Saturday 22

19.30: Depart New York Kennedy International on S.A. 208 flight to Johannesburg, S.A.

Sunday 23

16.40: Arrival of flight S.A. 208 from New York at Jan Smuts Airport. Proceed to the Tollman's Airport Hotel Book in and discuss the programme.

Evening at leisure.

Monday 24

7.30: Proceed by Tollman's Airport Hotel bus to Jan Smuts Airport.

8.15: Departure of flight S.A. 305 for Cape Town.

10.10: Arrive at DF Malan Airport. Proceed to Kirstenbosch Botanical Gardens for tea.

12.00: Proceed to the Mount Nelson Hotel and book in.

12.30: Lunch at the Grill Room, Mount Nelson Hotel.

14.45: Proceed to the Houses of Parliament.

15.00: Interview with Dr., The Hon. C. P. Mulder, Minister of Information and of the Interior.

16.00: Proceed to President Hotel.

Evening at leisure.

Tuesday 25

9.00: Interview with the Hon. M. Viljoen. Minister of Labour and of Posts and Telecommunications.

10.00: Proceed to Bellville.

10.45: Interview with Dr. R. E. van der Ross, Rector of the University of the Western Cape.

11.30: Proceed to the Mount Nelson Hotel.

12.00: Luncheon interview at the Grill Room, Mount Nelson Hotel, with Mr. L. Murray and Prof. N. Olivier, United Party Members of Parliament.

14.00: Proceed to the Houses of Parliament.

14.30: Interview with the Dr. The Hon. P. G. J. Koornhof, Minister of Mines, of Immigration and of Sport Recreation.

15.30: Return to the Hotel.

Evening at leisure.

Wednesday 26

9.00: Proceed to Silver Mine.

10.00: Visit Silver Mine. Meet Commodore D. K. Kinkead-Weekes, SM, Commandor of Naval Operations.

12.00: Proceed to Simonstown.

12.30: Luncheon interview at the Officers' Mess, with Admiral J. J. Johnson, SM DOS, Chief of the South African Navy.

15.00: Visit the Dockyard. Meet Lieutenant E. P. Kapp.

17.00: Proceed to D. F. Malan Airport.

19.30: Departure of flight S.A. 340 for Johannesburg.

21.10: Arrive at Jan Smuts Airport.

Thursday 27

7.45: Breakfast appointment with Rhodesian Representatives.

8.45: Interview with Major-General J. H. Robertze, SM DSO, Director of Strategic Studies.

10.00: Proceed to Jan Smuts Airport.

11.50: Depart Johannesburg on Flight S.A. 020.

13.15: Arrive Salisbury. Party to be met by: Mr. C. G. Tracey, I.C.D., Chairman, The Rhodesion Promotion Council, Mr. D. H. Brewer, Director, The Rhodesian Promotion Council, Col. A. M. Oscroft, Chief of Protocol, Mr. C. Schofield, Director Alpha Omega Investments (Pvt.) Ltd., and Mr. J. Bott, Director, Alpha Omega Investments (Pvt.) Ltd. Party adjorns to VIP room.

Clear Immigration and Customs.

13.45: Proceed by car to the Monomatapa Hotel.

14.15: Arrive Monomatapa Hotel. Book in.

14.50: (Men only) Depart Hotel by car accompanied by Mr. C. G. Tracey and Mr. C. Schofield.

15.00: Appointment with Mr. D. W. Young, I.C.D., M.C. Secretary to the Treasury, in the Treasury Conference Room, Milton Building, Jameson Ave. Tea will be served.

16.00: Depart Milton Building.

16.15: Discussions with the Minister of Transport & Power, The Hon. R. T. R. Hawkins, I.C.D., M.P. 1st Floor, Compensation House, Fourth Street.

17.15: Depart Compensation House for Monomatapa Hotel.

17.30: Attend Cocktail Party (men only) in OPHIR Room. Hosts: The Rhodesian Promotion Council. (See Guest list).

19.00: Evening free.

Friday, March 28, 1975

Visit to the Farm of Mr. C. G. Tracey—"Handley Cross"—Chakari.

8.15: Party to assemble in foyer of Hotel to be met by Mr. John Bott, Director, Alpha Omega Investments (Pvt.) Ltd.

8.30: Depart by car for "Handley Cross."

10:30: Arrive "Handley Cross to be met by Mr. and Mrs. C. G. Tracey.

Lunch

16:30: Depart "Handley Cross."

18.30: Arrive Monomatapa Hotel.

Evening free.

Saturday, March 29, 1975

Visit to Victoria Falls—Bumi Hills—Kariba.

6.20: Assemble in foyer of hotel (dress informal) To be met by: Mr. J. Bott.

6.30: Depart by car for Rhodesia, United Air Carriers (RUAC offices (Airport).

6.50: Arrive RUAC offices.

7.00: Take off in twin-engine Beechcraft Barons (2). Captain Colman Myers (Cole) Managing Director RUAC and Captain Mike Green. Coffee and breakfast boxes on board.

8.45: Arrive "Sprayview Airstrip", Victoria Falls to be met by Mr. Alan Martin, Chairman of the Publicity Association, and Mrs. M. Newman, Courier.

Tour the falls.

10.15: Return to Victoria Falls Hotel for coffee/tea, sandwiches.

11:00: Proceed to Crocodile Farm. Tour. turn to Sprayview Airstrip.

12.15: Take off in aircraft for Bumi Hills.

13.15: Arrive Bumi Hills.

13.50: Lunch—After lunch, game viewing.

16.00: Return to airstrip.

16.20: Take off in aircraft.

16.50: Fly over Kariba Dam Wall and Township. Proceed back to Salisbury.

17.50: Arrive RUAC offices. Proceed by car to Hotel Monomatapa.

18.30: Arrive Hotel.

Evening free.

Sunday, March 31, 1975

8.30: (Men only) Assemble in foyer of hotel to be met by Mr. G. Wilde, Managing Director, The Discount Company of Rhodesia Ltd., Member of the RPC Management Committee, and Mr. J. Bott.

8:35: Depart for RUAC.

9.00: Arrive RUAC.

9.15 Take off in 2 twin-engine Beechcraft Barons: Captain Stan Murray and Captain Mike Green. Overfly Mazoe Dam, Mazoe Citrus Estates, Concession Grain silos, Trojan Nickel Mine.

10.00: Arrive Bindura airstrip to be met by military transport. Proceed to JOC Headquarters, Bindura. Attend briefing.

12.00 appx.: Return to airstrip. Depart in twin-engine Beechcraft Baron aircraft (2).

12.30: Arrive Mkumbura to be met by the District Commissioner for Mount Darwin. Packed lunches and refreshments will be available on the aircraft. The party will view protected village, security fence, base camp.

16.30 appx.: Depart Mkumbura. Overfly Chieweshe. View African protected villages from the air.

17.30: appx. Arrive RUAC.

18.00: Arrive hotel.

18.30 approx.: Attend drinks and dinner at the home of Mr. C. A. Bott, 1 Hill Road off Kent Road, Highlands.

Monday, March 31, 1975

Visit to Gweld.

7.25: Assemble in flyer of hotel Monomatapa (wives accompany) to be met by Mr. John Bott, Mr. Mark Rule, Managing Director, Univex (Pvt.) Ltd. Proceed to RUAC Offices.

7.50: Arrive RUAC Offices.

8.00: Take off in two twin-engine Beechcraft Barons—Captains Peter Barnett and Charles Bewes.

9.10: Overfly Sable Chemical Industries Ltd., then Rhodesian Iron & Steel Ltd., (RISCO) Que Que.

9.25: Land at Thornhill. Cars will await you.

9.30: Depart for Rhodesian Alloys Ltd.

9.45: Arrive Rhodesian Alloys Ltd. to be met by Commander Gordon H. Peters (R.N.) Managing Director. Attend briefing and tour factory.

11.25: Return to offices of Commander Peters.

11.30: Depart by car for Selukwe.

12.00 apprx.: Arrive Seluke—Rhodesian Chrome Mines Limited.

Lunch—Then tour mine.

15.40: Depart Rhodesian Chrome Mines Ltd.

16.20: Arrive Thornhill

16.30: Take off in twin-engine Beechcraft Barons (2).

17.30: Arrive RUAC Offices.

18.00: Arrive Monomatapa.

19.15: Assemble in foyer of Hotel Monomatapa.

19.30: Dinner as guests of the Rhodesian Promotion Council Rhodes Room.

20.00: Maikles Hotes (Men only).

Host: Mr. C. G. Tracey.

APRIL 1975

Tuesday 1

8.35: Assemble in foyer of hotel (men only) to be met by Mr. C. G. Tracey and Mr. D. H. Brewer.

8.45: Depart by car for the University.

9.00: Meeting with Dr. G. Chavunduka, Secretary General of the African National Council (ANC) in his rooms at the Faculty of Social Studies. Room No. 115 (near main library).

10.30: To be advised.

12.00: Meeting with the Prime Minister, The Hon. Ian D. Smith, I.D., M.P. in his office, Milton Building.

12.45: Lunch. Hosts: Mr. J. Bott and Mr. C. Schofield, 92 Montague Avunue.

14.15: Return to hotel.

14:45: (Men only) Assemble in foyer of hotel .

15.00: Appointment of Bishop Abel Muzorewa, President of ANC 5th Floor, Reliance House, Speke, Avenue.

16.30: Assemble in foyer of hotel Monomatapa.

16.45: Depart by car for Airport—International Departures.

17.15: Arrive Airport. Book in for Flight S.A. 033. Adjourn to VIP room where drinks will be served.

18.00: Depart on Flight S.A. 033 for Johannesburg.

19.30: Arrive Johannesburg—Jan Smuts Airport.

Tuesday 1

18.00: Departure of flight S.A. 033 for Johannesburg.

19.30: Arrive at Jan Smuts Airport. Proceed to the Carlton Hotel and book in.

Wednesday 2

9.00: Meet Mr. T. Makaya, Mayor of Soweto and Mr. L. Mhlonzi of the Urban Bantu Council of Soweto and Leader of the Opposition at the Hotel.

11:00: Interview with Mr. J. A. Grobbelaar,

Secretary of the Trade Union Council of South Africa (TUCSA).

12.30: Men only.

Guests of Mr. R. G. du Plessis, Chairman of the Employers Consultative Committee on Labor Affairs, at the New Club.

Other guests:

Mr. E. Drummond, Director of the Steel and Engineering Industries Federation of South Africa (SEIFSA).

Mr. A. J. van den Berg, General Manager of the Industrial Development Corporation (IDC) and a Representative of the Afrihaanse Handelsinstituut.

Mr. F. Lock, Director of the National Association of Automobile Manufacturers in South Africa.

Mr. D. Paxton, Representative of the Association of Chambers of Commerce (ASSOCOM).

Mr. G. Taylor, Director of the South African Millers Association.

Mr. J. M. Burger, Assistant Director of the Federated Chamber of Industries in Pretoria.

Mr. J. Grotius, Assistant Director of the Building Industries Federation of South Africa.

Mr. D. Dawson, Representative of the South African Civil Engineering Contractors.

15.15: Interview with Mr. L. A. Schmidt, North American Area Manager of the South African Foreign Trade Organisation (SAFTO).

Evening at leisure.

Thursday 3

8:30: Proceed to SASOL in Sasolburg.

9:30: To be met by Miss R. A. Pienaar, Public Relations Officer of SASOL.

Programme will be available on arrival.

Tour of SASOL includes the oil from coal plant and Natref (crude oil refinery).

Lunch: Guests of senior officials of SASOL.

Late afternoon—Return to Johannesburg.

Evening: At leisure.

Friday 4

10.15: Interview with Mr. P. W. Penzhorn, Director of the National Development and Management Foundation.

12.30: Lunch at the Three Ships Restaurant, Carlton Hotel, with Mr. Werner Ackermann.

15.15: Interview with Mr. R. S. Lawrence, Vice President of the Chamber of Mines of South Africa.

16.15: Return to the Carlton Hotel.

19.30: To be met by car and driver. Proceed to Jan Smuts Airport.

21.45: Departure of flight S.A. 207 for New York.

AQUANAUT—COWBOY OF THE LAST FRONTIER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, the aquanaut is the cowboy of the last frontier—undersea exploration. As the industrial nations began to come to grips with the reality that many of the resources needed to sustain an affluent society are finite, running out, many of the leaders in science, government, and industry are turning to the sea. For the ocean is the last frontier for man to explore and to extract the raw materials needed to turn the wheels of commerce and to provide the requirements of civilization. The current energy crisis is just one example that has focused attention to oil exploration of the Outer Continental Shelf which promises to reduce U.S. dependence on foreign oil. Our capacity to succeed in exploring the last frontier depends on undersea technology.

Dr. James W. Miller, Deputy Director, Manned Undersea Science and Technology, National Oceanic and Atmospheric Administration, has devoted his talents and energy to exploring the last frontier. Recently, he presented a paper "Diving—A Key Element in Offshore Development," to the American Oceanic Organization in Washington. Dr. Miller points out that many problems must be resolved to insure success. New legislation is needed. A sense of urgency exists. I recommend Dr. Miller's presentation on the state of the art to my colleagues in the Congress.

DIVING—A KEY ELEMENT IN OFFSHORE DEVELOPMENT

(By James W. Miller, Ph.D.)

ABSTRACT

Our continental shelves and adjacent deep waters present us with both tremendous challenges and responsibilities. While numbering in the hundreds, or at best, a few thousand, commercial divers are essential to the multibillion dollar offshore industry. The leasing of progressively deeper areas of the seafloor for exploration by the U.S. Government is taxing our capability to operate safely and competitively on an international basis. Dr. Miller will discuss these questions in terms of diver safety and health; current, and pending legislation, existing programs, the division of responsibilities, and the present emphasis in other countries having diving research and development programs.

INTRODUCTION

The first offshore drilling platform was in the Ellwood Field, off Santa Barbara in 1924. No further offshore development took place until 1947, when a 1,200 ton structure was erected in 20 feet of water in the Gulf of Mexico in 1947. By 1970, energy requirements and developing technology resulted in the installation of a 7,000 ton platform in 373 feet of water, also in the Gulf of Mexico. At the present time, over 2,800 fixed structures exist in the Gulf alone. There currently is an exploratory well in the Santa Barbara Channel, at a depth of 1,497 feet. Plans are now being developed to erect fixed drilling platforms in depths of water approaching 1,000 feet by at least 1981. Designs are already completed for fixed 850-foot platforms. While the technical obstacles overcome to-date, by the offshore industry, are indeed impressive, we are as yet only seeing the tip of the iceberg.

It is estimated that the U.S. continental margins, i.e., submerged lands between the shorelines, and 2,500 meter depths, amount to 1.4 million square miles or 890 million acres. The continental shelves (200 meter depth) account for about 560 million acres. The shelf area is equal in size to almost half the continental U.S.

Of the 10.6 million acres which have been leased for oil and gas exploration since 1953, about 5.65 million are still under active leases.[3] Most of this acreage is under water less than 200 meters deep. During this period, 1,500 leases have been made, resulting in 10,500 drilling holes and about 1,939 producing platforms.[4] Approximately 274 million acres, however, are thought to be within reach of today's technology.

The Presidential Directive of January 23, 1974, proposed to lease an additional 10 million acres for oil and gas development in 1975, including U.S. continental and Alaskan areas. However, according to sources in the U.S. Geological Survey, there currently is some doubt as to the actual amount of land that will be leased between 1975 and 1978. Slightly over one million acres were leased in the Gulf of Mexico in 1974, which according to the U.S. Geological Survey could result in 150–250 new platforms.[3] The depth of the leased acreage is a critical factor. From an environmental standpoint, the further from shore, the better. From a technical and production standpoint, the closer to shore the better. For example, shallow leases in 400–600 feet can result in peak production from a fixed platform, being reached in 5–6 years, whereas at depths of 1,000 feet, it may take 8 years or more.[2][3]

DIVER POPULATIONS

At the present time, there are about 1,000–1,300 U.S. divers operating in the offshore industries in U.S. waters. In addition, there are about 300–400 U.S. divers working the oil fields in foreign waters, particularly in the North Sea. Most oil-field divers currently are not members of a union. By contrast, most nonoil-field divers (about 950) in the U.S. are members of the Carpenters and Joiners Union. This is not surprising when we are reminded that until 1947, commercial diving was primarily associated with construction-pile driving, etc.

DIVER PAY SCALES

Pay scales for offshore divers vary. In the Gulf of Mexico the pay is about $100–$125 per day, for a 12-hour day, to depths up to 50 feet, plus additional pay for overtime and depths beyond 50 feet. The take-home depth bonus runs from about 60 cents per foot for depths between 50–100 feet, to $6.00 per foot for depths exceeding 300 feet. In the North Sea, the pay is about $75.00 per 12-hour day, plus a depth bonus. Working 2 weeks on and 2 weeks off, the average diver will earn $1200–$1400 per month. Divers who are saturated at depths up to 550 feet earn about $400–$500 per day, with no depth bonus.

OPERATIONAL DEPTHS AND EQUIPMENT

In the Gulf of Mexico the average depth at which divers are operating is 200–300 feet, with the maximum depth being 500–550 feet. The deepest production platform was 385 feet until hit by a hurricane. In the North Sea, the average platform depth lies between 300–400 feet. The deepest production platform is located at a depth of 600 feet. The deepest real working dive, of which I am aware, is a 640-foot dive made in the fall of 1972, in the North Sea, although work to depths of 600 feet is now becoming commonplace. It is now anticipated that working dives up to 1-hour will be conducted at 1,000 feet this year, associated with exploratory drilling rigs. Dives associated with platform construction of 1,000 feet and deeper will not begin for about 2 years.[10]

Until recently, the development of diving equipment by industry has been on a piecemeal basis. All too often, it was a "quick fix" or an instant adaptation of existing equipment to get the job done. The long-term systematic development of diving equipment was supported in the past by the Navy. This situation, however, has changed. The diving industry is now leading the way and is taking a much broader "systems" view of the equipment needs of the diver. According to Kenn Wallace, "A progressive diving contractor must be prepared to reinvest a large share of his earnings in the design and development of new equipment and training people in how to use it properly." A number of new masks, helmets, and suits have recently been introduced along with improved communications equipment, and specialized tools. While much remains to be done, the effectiveness of the working diver has increased significantly in the past few years. This may be attributed in part to improved training programs by the commercial and university-based diver training schools. Tasks are becoming sufficiently complex, however, so that these graduates must

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Footnotes at end of article.

still serve an "apprenticeship" before they can perform effectively in the field.

Until about 7 years ago, all diving was "bounce diving," i.e., a diver descended—performed a task, and returned to the surface decompressing as needed. This kind of bounce diving should not be confused with Scuba-bounce diving, in which divers descend and return to the surface with no decompression. Beginning in 1966, saturation diving was used for some jobs at depths of over 150 feet. Because of long decompression times following a saturation dive, bounce diving is again being studied extensively. It has been found that by adding nitrogen to mixtures of helium and oxygen, some of the serious physiological problems associated in the past, with rapid, deep compressions can be overcome. Bounce diving, where feasible, is particularly attractive when diving from platforms. If, for example, a major accident occurs that requires the platform to be evacuated, the divers in a decompression chamber with several days to go are, to say the least, in a precarious position. Some experts feel that bounce diving can be extended to depths of 1,000 feet. The reduced decompression time required, as compared to saturation diving, could save as much as $300,000 per year, per rig, operating in this depth range.[3]

PHYSIOLOGICAL PROBLEMS

A problem often cited is that competition in the diving industry is such that decompression procedures, breathing mixtures, etc., frequently are not shared. The victim in such instances is the diver, who may be exposed unnecessarily, although not intentionally, to hazards by one company, when safer practices exist in the files of another. Because the same physiological principles apply no matter what company is doing the research, the difference in procedures may be more imagined than real. Consequently, this is becoming less and less a factor. It does, however, illustrate the importance of agreeing upon uniform standards and regulations.

Physiological hazards are by no means limited to immediate symptoms of inadequate decompression such as bends. Equally serious in the long run, but not as patently obvious, are problems relating to pulmonary and vestibular function, brain damage, hearing loss, and dysbaric osteonecrosis. The latter is a disease which, in the opinion of many, is caused by tiny bubbles lodging in the small blood vessels nourishing the bones. The result can be likened to severe arthritis ending in a crippled limb or joint. The incidence of this condition is significant among offshore divers—being reported at 30 percent in the Gulf of Mexico.[1] A recent 7-year study in Japan found an incidence of over 60 percent amongst divers in the fishing industry.[5] Osteonecrosis is also a recognized problem in the tunneling industry, although no reliable epidemiological data are currently available.[6]

DIVER INSURANCE

The medical problems just mentioned, in addition to the inherent dangers of working in the hostile open-sea environment, have had a profound effect on offshore operating costs, in general, and insurance costs in particular. The costs of providing adequate insurance protection for the employer and employee in offshore diving are, in some instances, staggering, and can range from 7–30 percent of payroll costs. Instances of 50 or even 100 percent can be cited. This wide range indicates a lack of understanding, and a clear need for educating those responsible for setting insurance rates. Improvements in operating practices, medical procedures, and the availability of reliable actuarial data might result in significant reductions in insurance premiums. It is extremely difficult to obtain accurate accident data from diving companies. One recent report has cited a 4 percent death rate among divers in the North Sea.[4] There is evidence, however, indicating that this figure may be too high. One of the problems is that offshore diving falls under the Jones Act in U.S. waters, which has no limit of liability, as does the Workman's Compensation Act. This can result in extremely high settlements in the event of litigation. For example, a single recent claim for a diving accident resulted in a settlement of several million dollars.

This situation has resulted in the use of retrospective insurance, which involves paying additional premiums if projects not initially planned for are carried out, or if previously agreed-upon coverage is exceeded. Insurance for offshore diving is handled in the same manner as marine insurance.

FOREIGN DIVING PROGRAMS

The emphasis in the development of diving and diving-related programs varies considerably from one country to another. I have been fortunate to learn of some of these programs on a first-hand basis. In Japan, of 5,000 commercial divers, 2,500 are associated with the fishing industry. Their work is related to setting and tending large nets. Although Japan does have national regulations and standards, including decompression tables, the incidence of decompression sickness and osteonecrosis is extremely high (60–65 percent), because the regulations are usually not followed. Each fishing group has its own "secret" procedures. There is a very small but capable group of hyperbaric physiologists in Japan trying to cope with these problems. Research is also being conducted on the physiology of deep diving leading to a 200-meter saturation dive later this year.

Diving research in Sweden is heavily oriented towards shallow depths, less than 100 meters, except for specific salvage and military projects. Much excellent work on the physiology of deep-air diving and diver performance has been conducted over the past 10 years.

Diving research in France and the United Kingdom is well known, and is primarily oriented towards deep diving (200–600 meters) associated with offshore development and military requirements. Nonmilitary diving programs to date in the Eastern countires, i.e., USSR, Bulgaria, Rumania, etc., have been generally shallow-water oriented, (less than 100 meters) although Soviet divers made helium-oxygen dives to 200 meters as early as 194, and to 300 meters in 1956.[9] There have been several habitat programs, particularly in the USSR over the past 8 years. The last two habitat programs were conducted jointly with the Bulgarians off the Southern coast of Bulgaria. Here, the emphasis was on hydro-optical studies, fishing and aquaculture. There is evidence, however, that the Soviets are developing new deep hyperbaric facilities, and plan on extending their efforts to a working capability of at least 1,000 feet. Their interest in these areas was further explained on May 9, 1973, when A. S. Monin, Director of the USSR Institute of Oceanology, announced a five-country cooperative program to study the oceans.[7] This program includes the USSR, Bulgaria, East Germany, Poland, and Rumania. As part of this program, a joint Soviet-East European man-in-the-sea research facility will be established probably at Varna, Bulgaria. No evidence of such a facility was, however, visible during my visit to Varna in November 1974.

DIVING RELATED LEGISLATION

The earliest legislation affecting today's diving industry dates to 1838, at which time the Coast Guard was charged with inspecting and testing pressure vessels (boilers) on steamboats. Current legislation, for example, Title 46, U.S. Code 392, also requires a periodic inspection and hydrostatic testing of unfired pressure vessels, including those used as personnel transfer and decompression chambers located on U.S. flag vessels. Facilities located on foreign vessels or drilling platforms are not covered by this legislation.

On December 29, 1970, the Occupational Safety and Health Act (Public Law 91-596) was passed, which included the establishment of the National Institute for Occupational Safety and Health (NIOSH), in the Department of Health, Education, and Welfare. The intent of this Act is "to assure so far as possible every working man and woman in the nation safe and healthful working conditions and to preserve our human resources." Although the Act authorizes NIOSH to "develop and establish recommended occupational safety and health standards," and to conduct the necessary research, none have as yet been developed or established for diving-related activities.

Numerous attempts, however, have been made over the past 5 years to obtain agreement on diving procedure, decompression, physical examinations, diver qualifications, and training. Ironically, several other countries, having far fewer divers, do have such regulations. These countries include Japan, Australia, Norway, and the United Kingdom. The latter, in 1974, developed regulations for North Sea operations, which went into effect on January 1, 1975. These regulations, entitled "Offshore Installations (Diving Operations) Regulations 1974," Statutory Instrument No. 1229, affect the establishment, maintenance, repair, and all diving activities carried out from British offshore installations and connected pipes, etc. "They lay duties upon concession owners and installation owners, installation managers, masters of vessels and employers of divers relating to the provision of necessary equipment and the procedures to be followed in diving operations. They provide for the appointment of diving supervisors to exercise immediate control of diving operations and for the keeping of logbooks. They require that divers shall be certified fit for diving and shall, unless experienced, only dive after instruction and under close supervision by another diver. Requirements are imposed for periodic testing and daily examination of diving equipment and for the provision of rescue services." Pipelaying barges and dredges are exempt from these regulations. Norway will probably adopt these new British regulations for its offshore work.

While no comparable official regulations exist today in the U.S., the Association of Diving Contractors has recently (August 1974) compiled a "Manual of Safe Practices in Diving Operations." This manual, although having no official sanction, is intended to provide guidelines to the diving industry, and to serve as the basis for forthcoming regulations. It is well written and covers medical certification, diver qualification, diving procedures, diving equipment, sample medical forms, and a list of regulations affecting diving operations.

NIOSH is sponsoring a program managed by the Marine Technology Society in conjunction with the American National Standards Institute, which by the end of 1975, is expected to result in the issuance of regulations by the Department of Labor (Occupational Safety and Health Act) covering all commercial diving by U.S. divers. The labor unions and the Association of Diving Contractors are assisting the Marine Technology Society in this effort.

NIOSH has plans under development which should lead to physiological research programs associated with offshore diving. This research will probably include long-range epidemiological studies as well as basic studies related to decompression procedures and other deep diving problems. The Navy has over the past few years been gathering data from Naval personnel on the incidence of bone necrosis. NOAA has, and will continue, to provide such data on NOAA-supported divers to the Navy. To my knowledge, however, there is no existing legislation which addresses the safety and well-being of commercial divers.

There are pending bills, which include sections relating to the health and safety aspects of diving, such as the "Energy Supply Act of 1974" (S–3221).

Senator Long of Louisiana, in a letter to the Secretary of Health, Education, and Welfare, recommended the establishment of a "National Center for Occupational Hyperbaric Research," which would address, primarily, the needs of undersea endeavors, but would also consider the related needs of various onshore tunneling activities. Whether such a center will become a reality is unclear.

SUMMARY

It is apparent that there are many unsolved problems directly affecting offshore diving development, which could be classified as medical, technical, administrative, or legislative. From a medical and safety standpoint, some agencies point out that diving as a national problem, has a low priority because of the small numbers of divers involved. Although they are small in number, these "few" divers are absolutely essential to a multibillion dollar energy industry that is our Nation's top priority. Consequently, there is an urgent need to further develop safe effective methods for conducting offshore diving operations.

As the government continues to lease deeper and deeper acreage on the outer continental shelves, there is an obligation to assure that those working under the resulting hostile conditions are protected in the same way as are other industrial workers, such as in mines, factories, etc.

Because of the complexity of the problems, plus the fact that we are continually operating at the edges of medical and technical knowledge, long-term studies are required, especially in hyperbaric medicine, which are not likely to be performed by individual diving companies. Studies of osteonecrosis, decompression sickness, vestibular malfunction, and hearing loss are but a few of the medical problems facing us. If the government does not supply the necessary research support, the insurance costs, claims, and legal fees associated with injuries and liability may create a situation where the U.S. diving industry cannot compete internationally with companies receiving national subsidies. Private industry is making giant strides to protect the diver, but their resources and capabilities are limited.

The existing legislation, if not totally absent, is not adequate. Although safety cannot be legislated, the government should support the research necessary for the development of adequate, safe practices for the working diver which are consistent with the needs of the diving industry and our national energy requirements.

FOOTNOTES

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REVISING VOCATIONAL EDUCATION ACT OF 1963

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 15 minutes.

Mr. QUIE. Mr. Speaker, I am today introducing, "by request," the administration's bill "to revise existing authorities under the Vocational Education Act of 1963 in order to create an improved means of providing Federal assistance to States for vocational education."

I am using this form of introducing the bill in order to indicate my strong disapproval of the proposed annual authorization level of $523 million for each of 5 fiscal years. This compares with authorizations under existing legislation—including part F of the Education Professions Development Act—of $964.5 million and an actual appropriation for fiscal year 1975 in excess of $546.9 million for the vocational education programs covered in the administration's bill. In my judgment vocational-technical education is or ought to be the No. 1 priority in American education and I favor increased—not diminished—financial support for it at local, State, and Federal levels.

This bill, apart from cutting back Federal financial support for vocational education, would leave absolutely no flexibility for growth in the program. Although only $419.6 million of the vocational appropriations are subject to a dollar-for-dollar State and local matching requirement, State and local vocational expenditures this year are in the neighborhood of $2,500,000,000—or a ratio of nearly 6 to 1 for the funds required to be matched and nearly 5 to 1 for the entire Federal appropriation. So in this program we get a very substantial "bang for the Federal buck." The history of State and local expenditures for these programs since enactment of the Vocational Education Act of 1963 has been that they kept pace with increased Federal expenditures, increasing approximately 10 times over this period.

Nevertheless, we are still far from meeting the vocational education needs of young people and adults in a job market in which the projected employment requirements for 80 percent of all jobs will be for education and training other than that which leads to an academic degree—in brief, the vast majority of people will need vocational-technical education. So I find the authorization level in this bill short sighted in the extreme, even taking into account the budgetary crisis in which the Federal Government finds itself. More than any time in history we must address ourselves to priorities, and in my judgment vocational education is a very high priority for Federal assistance.

I think this authorization level is particularly regrettable because the administration bill has some admirable features which could be lost sight of in a controversy over funding levels. The bill—and particularly the State plan provisions—is extremely well drafted, concisely and clearly setting forth the scope and requirements of the proposed new act. It consolidates into a single, broad, and flexible authorization virtually all of the categorical programs now found in existing law. It has some excellent provisions such as one authorizing the reimbursement of employers for necessary additional costs incurred in providing training through work experience, which increasingly is found to be one of the most effective devices for vocational education.

While there are these and many other good features in the administration proposal which deserve careful consideration by our committee and by the Congress, there are unfortunately some other provisions which I personally could not support. One of these is the elimination of construction of facilities as an allowable expense—matched dollar-for-dollar—under part B of the existing act. The construction of facilities has made a major contribution to the expansion of this program and to providing more ready access to it. The authority has not been abused, amounting to only 16.2 percent of part B funds in fiscal 1971 and declining to 9.3 percent in fiscal 1973.

There continues to be a need for this authority despite the continuing tapering off of its use as facilities needs are met. Some 27 States have indicated that they would utilize construction funds in fiscal 1976—if they still have the authority—in a total amount of $35 million in Federal funds—or about 8½ percent of the fiscal 1975 appropriation for part B of the act. I think the States should continue to have the flexibility of using Federal funds to meet construction needs as they occur. I also question the relative emphasis placed on innovation, research, and curriculum development in earmarking $160 million of the $523 million annual authorization to support 3-year projects in these fields. This compares with $35.7 million made available for similar purposes in fiscal 1975. While I feel that innovation is extremely important and needs continued support, I am convinced that it is equally important to provide continued basic support for good programs which are self-adjusting in terms of the needs of people and the requirements of the job market.

The bill I am introducing today would continue and somewhat expand the emphasis in the existing act of serving people with special needs—such as handicapped and disadvantaged persons—who cannot succeed in the regular vocational programs unless those needs are met. It also continues, I feel in a more workable form, the requirements in the existing act that Federal funds be distributed in

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Footnotes at end of article.

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accordance with need factors spelled out in the bill. I strongly approve the thrust of the bill relating to both these provisions.

With the introduction of the administration bill there will now be before our committee a wide range of suggestions embodied in bills introduced by Chairman PERKINS and myself, together with other Members, and representing views of such organizations as the American Vocational Association, the American Association of Community and Junior Colleges, the American Personnel and Guidance Association, and the National Association of State Universities and Land-Grant Colleges. My hope and expectation is that our committee will carefully review all of these and draw upon the findings of the extensive hearings we have been conducting for over a year and put together a completely bipartisan committee bill which will advance and extend the progress which has been made in recent years in reaching the goal of providing high-quality vocational-technical education for all those who need it in every part of our Nation.

The following is a section-by-section analysis of the administration bill:

SUMMARY OF THE VOCATIONAL EDUCATION ACT OF 1975

TITLE I—GENERAL PROVISIONS

Section 101 of the bill would state the purpose of the Act as being to provide a variety of vocational education programs and services designed to provide that anyone, regardless of educational attainment, may prepare for employment or enhance occupational proficiencies.

Section 102 of the bill would authorize the appropriation of a total of $523,000,000 to carry out the Act for the fiscal year ending June 30, 1976, and for each of the four succeeding fiscal years.

Section 103 requires each State which desires to participate in the programs provided by this Act to designate a single State agency ("State board") responsible for the administration of such programs. The State board may delegate to any other State agency any of its functions under this Act except those of developing policy and developing and submitting required annual and long-range plans. The State board would be required to adopt appeal and hearing procedures for use in the event that local educational agencies or other institutions are dissatisfied with any action of the State board.

Section 104 would retain the current part B formula for the allotment of funds among the States. That allotment would apply to all funds appropriated for basic programs under title III and 50 percent of the funds appropriated for innovative programs under title IV. (The remaining 50 percent of title IV funds would be for the Commissioner's discretionary projects under section 404.)

Section 105 would continue in existence the Presidentially-appointed National Advisory Council for Vocational Education. The bill would specify ten interest areas which must be represented among the 21 members of the Council. The functions of the Council would include advising the Commissioner of Education with regard to the development of regulations, assisting in the assessment of national vocational education needs, evaluating the effectiveness of Federally-assisted vocational education programs, and making recommendations for the improvement of such programs.

Section 106 would require each participating State to establish a State Advisory Council for Vocational Education appointed by the Governor or an elected State school board. The section would specify 18 interest areas which would be required to be represented on the State Council. The functions of the State Council would include advising the State board on the development of annual and long-range plans and evaluating vocational education activities in the State which are assisted under the Act. The Commissioner would be authorized to pay to each State Council out of the annual appropriations for the Act, an amount not to exceed the reasonable amount expended by the Council in carrying out its functions. Such amount could not exceed one percent of the State's allotment under section 104, but no State would receive more than $150,000 or less than $50,000.

Section 107 would prohibit the use of any payments under the Act for religious worship or instruction or for support of so much of any facility as will be used for sectarian instruction or religious worship. The section would also prohibit residential vocational education schools supported under the Act from being used to incarcerate delinquent juveniles.

Section 108 would provide definitions for the numerous terms used in the bill.

Section 109 provides that the effective date of this Act would be July 1, 1975; and the Vocational Education Act of 1963, the Vocational Education Amendments of 1968, and part F of the Education Professions Development Act (relating to training programs for vocational education personnel) would be repealed as of that date. Any fiscal year 1975 funds carried over into fiscal year 1976 would be required to be expended in that year pursuant to the provisions of this Act.

TITLE II—PROGRAM PLANNING

Section 201 would require the Commissioner to conduct and publish in the Federal Register an annual assessment of the status of vocational education in the country in order to determine critical national needs and high national priorities for vocational education. The Secretary of Labor would provide information on manpower needs to the Commissioner, State officials, and advisory councils charged with responsibilities under the Act.

Section 202 would require each State to prepare a five-year forward plan for vocational education in the State. Such plan would have to (1) be prepared in consultation with the State Advisory Council and other appropriate State planning agencies, (2) provide a long-range assessment of vocational education needs in the State and establish long-range objectives to meet those needs, (3) take into consideration the requirements of persons with special needs for vocational education, and (4) provide for the involvement of other appropriate public and private agencies, organizations, and institutions in the development of the plan. The first forward plan would be required to be submitted to the Commissioner not later than June 30, 1976, and would be updated as necessary.

Section 203(a) requires each State to submit to the Commissioner an annual program plan for vocational education. Such plan would be submitted in accordance with procedures set forth in section 434(b) of the General Education Provisions Act (relating to the simplified State application for State-administered programs), if applicable. Subsection (b) would require the Commissioner to approve the annual program plan for any State if he determines that the plan—

(1) has been prepared in consultation with the State Advisory Council and other appropriate organizations;

(2) has been submitted only after it is made reasonably available to the public and opportunity has been provided for a public hearing on the plan;

(3) describes the present and projected vocational education needs of the State and sets forth a program designed to meet those needs;

(4) indicates how the annual program plan relates to the national needs determined by the Commissioner and how it will carry out the objectives set forth in the State's long-range plan;

(5) sets forth a detailed plan for use of funds provided under the Act, including a description of all innovative projects and activities to be carried out under title IV;

(6) provides an assessment of State and local resources available to meet the vocational education needs of the State and indicates how those resources will be used to carry out the annual program plan;

(7) provides an assurance that not less than 25 percent of (A) the State's allocation under title III, (B) the State's allocation under title IV, and (C) the State's required non-Federal contribution under title III will be used to provide vocational education opportunities to persons with special needs;

(8) details the policies and procedures to be followed by the State in allocating funds under the Act to local educational agencies in the State with due consideration being given to (A) current and projected manpower needs, (B) needs of various population groups in the State, particularly those with special needs, (C) the financial ability of various local educational agencies and (D) costs of vocational education activities in various areas of the State;

(9) takes into consideration the State's comprehensive manpower plan developed under the Comprehensive Employment and Training Act of 1973; and

(10) provides an aggrieved local educational agency with notice and opportunity for a hearing before disapproving its annual program plan or before terminating assistance to the States for failure to comply with its approved plan. Judicial review by the appropriate United States court of appeals would be authorized. Subsection (d) of section 203 would authorize a local education agency to obtain judicial review of any final action by the State board in the appropriate United States court of appeals.

Section 204 would authorize the use of funds made available to a State under title III for planning activities by the State.

TITLE III—VOCATIONAL EDUCATION PROGRAMS AND SERVICES

Section 301 would authorize the Commissioner to make grants to States to assist them in establishing and carrying out vocational education programs and services designed to provide individuals in all communities in the State with high quality vocational education. This Federal share of the cost of such programs and services would be 40 percent.

Section 302 would authorize the use of grants for the following programs:

(1) vocational-technical programs of instruction, including those related to homemaking and home economics occupations, designed (A) to prepare students for immediate employment, (B) to prepare students for advanced occupational, vocational, or technical programs, (C) to provide additional occupational proficiencies for those who have left school, (D) to enable those who have entered the labor market to enhance their occupational proficiencies or to improve their advancement opportunities, (E) to provide skills to the unemployed, and (F) to provide bilingual vocational education.

(2) work experience programs including cooperative instructional programs and placement and related activities;

(3) vocational education personnel development and training, including programs designed to update the competencies of vocational education personnel, in-service training programs, and curriculum development programs; and

(4) programs to implement innovative activities developed and successfully demonstrated under title IV.

Section 303 would authorize grants to a

State under title III to be used for the following vocational education services related to the programs authorized under that title:

(1) vocational guidance and counseling;

(2) the provision of vocational education opportunities for individuals in private vocational training institutions;

(3) supporting area vocational technical schools and residential facilities;

(4) administration of vocational education programs;

(5) data acquisition, analysis, and dissemination;

(6) exchanges of personnel;

(7) use of diversified media and other techniques of student, parent, and citizen involvement in vocational education;

(8) operation by schools of business activities in connection with vocational education programs;

(9) placement and follow-up activities;

(10) maintenance and operation of industrial arts courses related to the purposes of the Act; and

(11) work-study programs.

TITLE IV—GRANTS FOR RESEARCH INNOVATION AND DEMONSTRATION

Section 401 sets forth the purpose of this title, which is to authorize grants to States to encourage research into problems relating to vocational education, development of innovative vocational education activities, and the demonstration of promising new vocational education activities.

Section 402 authorizes the Commissioner to make grants to States out of the amount allotted to each State for the purposes of this title. Grants under title IV could be used to pay up to 100 percent of the cost of carrying out innovative projects and activities.

Section 403(a) sets forth the types of activities to be carried out under title IV, including (1) research in vocational education; (2) experimental, developmental, and pilot programs designed to test the activities of research findings; (3) demonstration and dissemination of innovative projects; (4) development of new vocational education curricula; (5) establishment of cooperative arrangements for training and retraining vocational education personnel; and (6) evaluation of projects funded under this title.

Section 403(b) sets forth the priorities for which title IV funds must be used. Projects assisted under this title must be directed toward one or more of the long-range vocational education needs identified in the State's forward plan, and (1) one or more of the critical national needs identified by the Commissioner in his annual assessment of vocational education needs, or (2) one or more of the following legislated priorities:

(A) vocational education programs for urban centers;

(B) rural manpower development;

(C) guidance and placement centers;

(D) programs for persons with special needs;

(E) correction of sex-role stereotyping;

(F) programs directed at the needs of unemployed youths and adults;

(G) improving the correlation between labor supply and demand; and

(H) bilingual vocational education programs.

Section 403(c) would provide that title IV funds could be used only to support the initial three years of a project or activity and that the annual program plan must indicate the disposition of a project before funding can be approved for the terminal year.

Section 403(d) would prohibit the use of title IV funds for construction or administration by the State board.

Section 403(e) would require title IV projects to include an evaluation component.

Section 403(f) would authorize the use of title IV funds for short-term training necessary to implement a project.

Section 404 would provide the Commissioner authority to make special grants (without regard to State allocations) for projects of national significance which hold promise of making a substantial contribution to meeting either one of the critical national needs identified by the Commissioner or one or more of the legislated goals set forth in section 403(b)(2). The Federal share of the cost of such projects would be established by the Commissioner in accordance with a schedule of priorities published not later than July 1 of each year. Such share could range from 75 to 100 percent of the cost of any project or activity in its first year and 50 to 100 percent of such costs in the second and third year. Any application for a grant under this section would be required to be submitted to the appropriate State board for their review and comment, but not approval.

CONGRESS SHOULD REVIEW REDUCTIONS, RELOCATIONS OF FEDERAL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, today I am introducing a bill to require Federal agencies to report to Congress when they plan to close, relocate, or reduce a governmental facility when that action will substantially displace Federal civilian employees.

The purpose of this legislation is to give the House and Senate Post Office and Civil Service Committees advance notice of relocations and reductions and the opportunity to review such actions and their consequences. Currently, agencies are required to provide notice only to employees and within 30 days of the effective date of the action. Under my bill, the agencies would be required to report to the two committees and to employee organizations 4 months before such an action is taken, issued, or adopted.

Reductions or relocations of large numbers of Federal employees often victimize the employee. Many employees, who find themselves subject to a move or dismissal, have nowhere to turn. Often they have developed a unique specialty with the Federal Government and have put in many years of service which just "goes out the window," especially during this time of high unemployment. This bill is of particular importance in the Washington metropolitan area, the center of our Government, where mass reductions and transfers take a severe toll. My bill, with its 4 months of notice, will give the employee ample time to search for a new job.

But this bill will not just help Federal employees in the Capital area. Reductions and transfers hit especially hard in areas across the country where there is one or a few Government installations and little opportunity for another civil service job. And many of these areas have severe unemployment problems. These employees often must uproot their families or begin new careers, a difficult task.

Decisions on reductions and relocations should not be made in isolation. Congress should have a role in evaluating the rationale for these actions and their consequences.

INTEROCEANIC CANAL PROBLEM: BISHOPS MISLED ON PANAMA ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, an interesting feature in the study of the conduct of U.S. Isthmian policy are the new angles encountered. One of these was the release on February 24, 1975, by the administrative board of the National Conference of Catholic Bishops of a resolution urging the giving of full control over the U.S.-owned Canal Zone and Panama Canal to the Republic of Panama as a "matter of elemental social justice."

Ths action was not overlooked in the United States by competent students of the canal problem, among them Maj. Gen. Thomas A. Lane, U.S. Army, retired. One of the Nation's leading strategists and military analysts, General Lane, in his active career, served a tour of duty in the Canal Zone and is thus familiar with the subject at firsthand.

In a recent article in the Wanderer, a highly respected Catholic weekly publication, General Lane exposes the fallacies in the indicated action of the bishops, brings out some very important points, asks some very searching questions, and condemns the Kissinger proposal to surrender U.S. sovereignty over the Canal Zone as the "height of irresponsibility, a reaching for disaster."

In order to make the indicated article available to the Congress and the Nation at large, I quote it as part of my remarks:

[From the Wanderer, St. Paul, Minn., Apr. 4, 1975]

BISHOPS MISLED ON PANAMA ISSUE

(By Thomas A. Lane)

On February 24, 1975 the Administrative Board of the United States National Conference of Catholic Bishops issued "A Resolution Regarding Panama", based on an assumption that the United States Canal Zone is Panamanian territory occupied by the United States under terms of a treaty made in 1903. The Board urged that the treaty be revised as "a matter of elemental social justice" to deliver full control of the Canal and Canal Zone to the Republic of Panama.

We realize that our bishops are men of God, fully committed to preaching the Gospel, and that they are not and cannot be authorities in the things of Caesar. In fields foreign to their experience, they are guided by the studies of staff assistants, often as inexpert as the bishops, provided only that the proposition presented is plausible. In this matter of Panama, the Administrative Board has argued from erroneous premises to reach an erroneous conclusion.

The erroneous premises of the Board are drawn at least in part from the cited statements of Archbishop Marcos McGrath of Panama. We find it not exceptional that the statements of Archbishop McGrath are slanted or colored to favor the claims of the Government of Panama. A bishop should speak for his country as well as his Church. But I do take exception to the Church in the United States citing such misrepresentation of the issue when correct information is plentifully available in the Congressional Record as well as in the archives of the United States. Our own bishops should show a keener sense of the United States interest and a better knowledge of U.S. history. They may be disposed to transfer U.S. wealth to

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poorer countries, but they should not make league with our enemies to do so.

The first point to be made is that the Canal Zone is U.S. territory, not Panamanian territory. It was bought and paid for just like the Alaska Purchase, the Gadsden Purchase and other U.S. acquisitions of territory by purchase. Its status has been litigated and has been confirmed by the U.S. Supreme Court. This is U.S. territory. Any discussion of this territory as though it were under lease from Panama is false and misleading. Archbishop McGrath's discussion is of this kind.

The Administrative Board believed that the treaty of 1903 acquiring this territory was "of dubious validity" because it was drafted when international affairs were settled by precepts of power. The treaties of the period are not invalidated by such considerations; but these considerations do not in any event have any application to this issue. The facts are simple. The United States had alternate options to build an interoceanic canal at Panama in Colombia or at Nicaragua. When Colombia rejected a proposed Panama Canal treaty approved by the Senate of the United States, and it appeared that the United States would build at Nicaragua, the province of Panama seceded from Colombia and negotiated with the United States to build the canal at Panama.

The French builders had failed at Panama. There was no assurance that the Americans would succeed. It would be a great and costly venture and it would endure as long as human civilization survived. Only the United States could assure the continuing availability of this waterway to the ships of all nations. That is why U.S. sovereignty was and is essential to the project.

Panama entered the treaty of 1903 not only freely but eagerly. The Canal Zone was at the time a disease-ridden jungle area. If the canal were built at Nicaragua, Panama would remain a sparsely populated, poverty-stricken area. One has only to look today at the canal route in Nicaragua to see how worthless undeveloped canal routes can be. Panama acted prudently in its own interest and has benefited greatly from its decision to transfer the Canal Zone to the United States.

We can now see the transparent misrepresentation in the Board's citation from Archbishop McGrath. The $1.9 million paid annually by the United States to Panama is the continuation of a payment made by the Panama Railroad before the railroad was taken over by the United States. It is not a lease payment for territory held. It is as irrelevant and misleading to speak of paying lease money to Panama for land the United States owns in fee simple as to speak of paying lease money to Russia for Alaska or to France for the Louisiana Purchase.

As to the complaint about limited use of Canal Zone territory, this is caused by forcing commercial organizations to base in the Republic of Panama and limiting the Zone to uses related to Canal security and administration. The United States is blamed for promoting the commercial interests of Panama! Of course the commercial activities would prefer to be located in the Canal Zone.

In this light, the discussion of justice by the Administrative Board is beside the issue. If the Canal Zone were territory of Panama and the United States were in adverse possession, there might be point to the discussion—but it is not. The Republic of Panama has full sovereignty over its own territory but not over the territory it has transferred to the United States. Panama is divided into two separate parts by the Canal Zone; but the United States has spanned the Zone with bridges and highways available to Panama which make these two elements closer to each other than to their own interior territories.

It is, moreover, a corrupted view of justice which criticizes the United States for making this international waterway available to the world at less than the cost of producing and protecting it; but would give Panama untrammelled authority to exploit this U.S. project for whatever the traffic would bear.

The Marcos McGrath depiction of injury to Panama from U.S. construction and operation of the Canal is sheer mythology. It has no basis in law, history or justice.

The people of Panama (or some of them) have been greatly enriched by the treaty of 1903, but now they are claiming the goose that laid the golden eggs.

The United States has accepted an obligation to keep the Panama Canal open to world commerce. It cannot fulfill that obligation unless it retains sovereignty in the Canal Zone. Sovereignty is the ultimate control of territory. The conveyance of sovereignty to Panama would give that government the power to close the Canal at will, as Egypt closed the Suez Canal, all treaties with the United States to the contrary notwithstanding; or to convey sovereignty to the Soviet Union.

It seems strange that this Church solicitude for Panama should be evoked when the country is in the hands of a dictator who suspended constitutional process and evicted the duly elected President of the Republic. Our bishops have been critical of right-wing dictatorships in Latin America but they seem to take a more kindly view of left-wing dictators. Are they simply going along with the State Department in its effort to suppress all information of leftist brutality which challenges the Kissinger mythology of détente? Or is the Church bureaucracy so conditioned by the pretensions of socialism that it can no longer see the evil of the movement?

It is plain enough that Dictator Omar Torrijos of Panama is hostile to the United States and in sympathy with Castro and Moscow. He is playing the communist game, perhaps because U.S. foreign policy makes it profitable for third parties to side with our enemies. Whatever the cause, he will use the power of Panama against the United States insofar as he dares. It would be a tragic blunder to give him more.

Despite all pretensions of détente, the ongoing aggression of totalitarian communism is the most serious threat to civilization since Attila withdrew from Rome. There is no prospect whatsoever that this threat will be ameliorated in the forseeable future. The Soviet Union is expanding its military power and extending its naval reach to all the oceans of the world. In these circumstances, for the United States to surrender its sovereignty over the Canal Zone would be the height of irresponsibility, a reaching for disaster.

The Administrative Board of the U.S. Catholic Conference of Bishops should be better informed before it ventures to counsel Caesar.

CONGRESSIONAL INVESTIGATION OF CIA, FBI, AND IRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 5 minutes.

Mr. FITHIAN. Mr. Speaker, Congress has historically exercised its powers of appropriations initiation and approval and its oversight responsibilities. In recent years, however, the Congress has neither provided a sufficient check on unwarranted Federal spending, nor utilized its oversight powers to see that the Federal Government is properly administered. At present, the Congress is conducting an investigation into the CIA, FBI, IRS. Unfortunately, the Congress did not take the initiative in these investigations until the news media, both print and electronic, brought the abuses of these agencies to public view. Now the Congress has taken up the issue. I hope the Congress will come to a judicious review of these agencies' activities and suggest corrective legislation which will provide lasting assurances that abuses of Federal powers and the rights of individuals will never again occur. The debt which the Nation owes to the fourth estate is, indeed, great. Excellent investigative reporting acts to safeguard the liberties and freedoms that all Americans cherish. Responsible government that is honest and efficient is in the best interest of all Americans.

I would like to take this opportunity to reprint an excellent editorial, written by Peter Gruenstein, and placed in the Valparaiso Vidette-Messenger on April 2, 1975. I commend it to your attention. The editorial follows

CONGRESS' CONSISTENT FAILURE

Congress is now in the unprecedented position of having undertaken simultaneous investigations of the three most powerful agencies in all of government—the Central Intelligence Agency, the Federal Bureau of Investigation and, most recently, the Internal Revenue Service.

After exposés in the news media revealed abuses of power by the FBI and CIA, congressional committees fell all over themselves in the rush to investigate the gumshoes.

In doing so, they inadvertently revealed the most scandalous aspect of the investigation: Congress' consistent failure to oversee and control the activities of these two powerful and vital agencies.

The IRS case fits almost too neatly into this pattern. First, there were a number of accounts of political influence being sucessfully exerted within the tax agency; then The Vidette-Messenger's Washington bureau reported that the IRS Mid-Atlantic regional office had failed to pursue charges of bribery and other illegal activities by IRS personnel; and then the Miami Herald revealed that the IRS had established "Operation Leprechaun" in Miami which resulted in spying into the personal lives of taxpayers.

And, most recently, ABC aired a one-hour investigative documentary on the IRS. Like CBSs excellent 60-Minute program, the ABC special gave the viewer a rare glimpse of television's great potential as a news medium.

Specifically, ABC showed that taxpayer returns are really not confidential, that the advice given to taxpayers by IRS employees is often not reliable, and that the IRS has in some cases abused its confiscatory powers by seizing property without due process of law.

ABC also further documented charges of political influence by showing how special investigative files irrelevant to tax collection had been kept on a variety of organizations, including the League of Women Voters.

The commentary at the end of the program was also on the mark. It deplored the consistent absence of any congressional oversight of the IRS, noting that the committee primarily responsible for such oversight—the Joint Committee on Internal Revenue Taxation—had not held so much as one day of hearings on the IRS's internal operation.

Even IRS chief Donald Alexander, the man who would be the subject of congressional inquiries, was critical of Congress' lack of scrutiny of his own agency.

Congress' response to the sundry IRS press disclosures again mimicked the CIA and FBI cases. A Senate Finance subcommittee began an investigation, a Senate investigations subcommittee prepared to open hearings on the IRS and a House Ways and Means IRS oversight subcommittee actually

began hearings; two other subcommittees expressed interest in looking into the tax agency.

Thus, while for the past 20 years congressmen have shown about as much enthusiasm for digging into the IRS as for cutting their own salaries, they are now approaching the task with nothing less than missionary zeal.

Better late than never. But why should the press, which does not have the power to subpoena documents or command public officials to appear before it, have to do the work which Congress exists to do—insuring that the federal government operates efficiently and honestly?

GAO REPORT ON ENERGY SAVINGS IN FEDERAL OFFICE BUILDINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK), is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, during the past year and a half of the energy crisis, I have had the opportunity to visit a number of Federal office buildings. On occasion I thought that with a little more effort, considerable energy savings could be achieved. Indeed, there have been times when I felt that the persons in charge of these buildings were making absolutely no effort to hold down energy consumption.

On February 12, 1975, I asked the GAO to compare the energy used in five Federal office buildings during January, April, July, and October of 1972—the last pre-energy crisis year—and the amount of energy used during those same months in 1974.

I am pleased to report that the GAO generally found significant energy savings. I do not want to say that this report indicates that the General Services Administration is doing the best it can—but it is doing a good job and should be commended. I would hope that the managers of the buildings mentioned in this report would be commended for their efforts—and that all GSA building managers would be encouraged to continue and increase their efforts for energy conservation in the coming months.

Energy conservation is not only important for the national goal of energy independence, but it is an important way to cut down on Government expenditures. While there was often a net increase in energy costs between 1972 and 1974, without the energy conservation effort, the cost increases would have been much more severe. I have calculated that because of the energy conservation, the taxpayers are saving $1,092,000 on just these five Federal office buildings. The nationwide savings is obviously significant.

The energy figures do demonstrate the staggering impact of recent price increases. For example, in Los Angeles, the use of electricity was cut by 40 percent but its cost increased 62 percent. This is another way of saying that the price of electricity doubled in 2 years.

I might add, Mr. Speaker, that I have checked the average temperatures for 1972 and 1974 in these five cities. There is no apparent or significant difference between these years that would materially affect the conservation figures.

I would like to enter the full text of the GAO report in the RECORD at this time. I believe that the description of why the building managers felt that they were able to reduce energy demands may be helpful to others in State and local governments and in private industry in reviewing their energy conservation efforts.

The report follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., April 18, 1975.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: On February 12, 1975, you asked us to compare the energy used in five Federal Office Buildings during January, April, July, and October of 1972 with the energy used during the same months of 1974.

Energy consumption and cost information is presented in enclosures for the five buildings, which include the Anthony J. Celebrezze Federal Building in Cleveland, Ohio (formerly the New Federal Office Building). All the buildings are similar in size, age, and use. We obtained the information from utility bills or General Services Administration (GSA) records but did not verify the information. The enclosures also contain the views of GSA building personnel as to the reasons for changes in energy use, and a description and photograph of the building.

Energy use in the five buildings—principally electricity and steam—was substantially lower in 1974 (although cost was in some cases higher) than in the same months of 1972. Following is a summary of the data we obtained:

	Percentage over (under) 1972			
	Electricity		Steam/gas	
Location of building	Quantity	Cost	Quantity	Cost
Cleveland, Ohio	(16)	32	(40)	(15)
Boston, Mass	(24)	38	(22)	79
Kansas City, Mo	(25)	(10)	(36)	(12)
Los Angeles, Calif	(40)	62	(79)	(70)
Washington, D.C	(37)	42	(3)	6

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours.

R. G. ROTHWELL,
for F. J. SHAFER,
Director.

ENCLOSURE I—ANTHONY J. CELEBREZZE FEDERAL BUILDING, CLEVELAND, OHIO

ENERGY CONSUMPTION AND COSTS

The energy used in the Anthony J. Celebrezze Federal Building is principally in the form of electricity and steam. The energy consumed and the costs are as follows:

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Electricity used (thousands of kW hours):[1]				
January	1,933	1,720	(213)	(11)
April	1,857	1,559	(298)	(16)
July	2,759	2,241	(518)	(19)
October	1,769	1,489	(280)	(16)
Total, 4 months	8,318	7,009	(1,309)	(16)
Cost of electricity used[1]				
January	$28,195	$30,295	$2,100	7
April	28,142	35,223	7,081	25
July	37,991	55,214	17,223	48
October	27,577	40,336	12,759	46
Total, 4 months	121,905	161,068	39,163	32

[1] Electricity figures for 1972 were taken from GSA utility records and for 1974, from the utility bills.

Information provided by GSA building personnel on electric consumption

Electricity is used for lighting and air conditioning the building and for powering equipment. Steps taken to reduce electricity requirements are:

Raising thermostat settings during the summer months;

Removing about 26 percent of the building's fluorescent tubes; and,

Shutting down unnecessary equipment.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Steam used (thousands of pounds):[1]				
January	11,138	7,271	(3,867)	(35)
April	4,547	2,494	(2,053)	(45)
July	1,195	873	(322)	(27)
October	2,968	1,192	(1,776)	(60)
Total, 4 months	19,848	11,830	(8,018)	(40)
Cost of steam used:[1]				
January	$22,893	$19,249	($3,644)	(16)
April	16,147	8,519	(1,628)	(16)
July	2,656	3,358	702	26
October	6,674	4,746	(1,928)	(29)
Total, 4 months	42,370	35,872	(6,498)	(15)

[1] Steam figures for 1972 were taken from GSA utility records and for 1974, from the utility bills.

Information provided by GSA building personnel on steam consumption

Steam usage, for heating the building, has been reduced by such steps as:

Lowering thermostat settings during the winter;

Repairing steam traps;

Manually controlling the heating system as the weather dictates; and,

Using electric heaters instead of the entire system for off-hours work.

BUILDING DESCRIPTION

The Anthony J. Celebrezze Federal Building, fully occupied in 1967, has a gross area of 1,490,000 square feet in 32 stories (plus mezzanine and penthouse) above grade and two basement levels. Glass makes up about 56 percent of the building's exterior walls. There are 28 elevators and two escalators. About three-fifths of the gross area is assignable office space and the remainder is primarily public use and mechanical areas.

ENCLOSURE II—JOHN F. KENNEDY FEDERAL BUILDING, BOSTON, MASS.

ENERGY CONSUMPTION AND COSTS

The energy used in the John F. Kennedy Federal Building is mainly electricity and steam. The consumption and costs are given below. Limited quantities of diesel fuel power certain generators in the building. We did not obtain usage and cost information for this fuel in view of the indicated small quantities used.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Electricity used (thousands of kW hours):				
January	1,310	934	(376)	(29)
April	1,346	956	(390)	(29)
July	1,544	1,262	(262)	(22)
October	1,288	1,040	(248)	(19)
Total, 4 months	5,488	4,192	(1,296)	(24)
Cost of electricity used:				
January	$25,508	$25,779	$271	1
April	27,270	37,308	10,038	39
July	29,360	48,063	18,703	64
October	25,672	37,867	12,195	48
Total, 4 months	107,810	149,017	41,207	38

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Information provided by GSA building personnel on electric consumption

Electricity is used for lighting and power for equipment. Electric consumption was reduced by measures such as:

Changing the working hours of the cleaning force from 3:30 PM to midnight to 11:00 AM to 7:30 PM so that lights could be turned off earlier;

Removing 11,000 of 50,326 fluorescent tubes; and,

Shutting down five elevators except for use during morning and evening peak periods.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Steam used (thousands of pounds):				
January	12,493	10,421	(2,072)	(17)
April	8,875	5,859	(3,016)	(34)
July	14,404	10,663	(3,741)	(26)
October	5,525	5,330	(195)	(4)
Total, 4 mo	41,297	32,273	(9,024)	(22)
Cost of steam used:				
January	$28,587	$40,893	$12,306	43
April	20,715	29,663	8,968	43
July	23,859	47,780	23,921	100
October	11,664	32,356	20,692	175
Total, 4 mo	84,825	150,712	65,887	78

Information provided by GSA building personnel on steam consumption

Steam is used for heating and cooling. Steam consumption was reduced by measures such as lowering temperature controls from a range of 72 to 76 degrees F to 65 to 68 degrees F during the heating season, and raising temperature controls from a range of 70 to 74 degrees F to 76 to 78 degrees F during the cooling season. The Building Manager gave no specific reasons for the fluctuations of the percentage decreases in steam consumption. He said implementation of energy conservation measures began in 1972.

BUILDING DESCRIPTION

The John F. Kennedy Federal Building, fully occupied in 1966, has a gross area of approximately 1 million square feet. The building consists of twin rectangular towers 26 stories high, a four-story low building (not visible in picture on next page), a continuous ground floor and a continuous basement level. About 70 percent of the exterior walls are glass. There are 14 elevators in the twin towers, and five elevators and four escalators in the low building. About three-fifths of the gross area is used for offices and the remainder is for public use and mechanical equipment.

ENCLOSURE III—FEDERAL BUILDING, 601 EAST 12TH STREET, KANSAS CITY, MO.

ENERGY CONSUMPTION AND COSTS

The energy used in the Federal Building, 601 East 12th Street, Kansas City, Missouri, is mainly in the form of electricity and steam. The consumption and costs are as follows.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Electricity used:				
January	1,890	1,368	(522)	(28)
April	1,901	1,364	(537)	(28)
July	1,940	1,883	(57)	(3)
October	2,074	1,262	(812)	(39)
Total, 4 mo	7,805	5,877	(1,928)	(25)
Cost of electricity used:				
January	$33,262	$26,875	($6,387)	(19)
April	33,018	27,929	(5,089)	(15)
July	34,260	34,623	363	1
October	36,034	33,303	(2,731)	(8)
Total, 4 mo	136,574	122,730	(13,844)	(10)

Information provided by GSA building personnel on electric consumption

Electricity is used primarily for lighting and for operating fans and pumps. About 2,900 lights were removed to conserve electricity.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Steam used (thousands of pounds):				
January	11,750	6,695	(5,055)	(43)
April	10,330	4,830	(5,500)	(53)
July	15,070	12,620	(2,450)	(16)
October	11,292	6,913	(4,379)	(39)
Total, 4 months	48,442	31,058	(17,384)	(36)
Cost of steam used:				
January	$13,595	$8,696	($4,899)	(36)
April	11,509	7,114	(4,395)	(38)
July	16,029	18,840	2,811	18
October	12,173	12,297	124	1
Total, 4 months	53,306	46,947	(6,359)	(12)

Information provided by GSA building personnel on steam consumption

Steam is used for the building's forced-air heating system, and for the chillers which air-condition the building. To reduce steam use temperature controls were set at 65 to 68 degrees F during working hours and at not more than 55 degrees F during nonworking hours, and during the cooling season, temperatures were not maintained lower than 78–80 degrees F.

BUILDING DESCRIPTION

Completed in 1965, the Federal Building has a gross area of about 1,210,000 square feet on 21 floors two of which are basements. A three-story, 160 x 138-foot extension is attached to the north side of the building (not visible in picture on next page). About 19 percent of the exterior walls are glass. There are 19 elevators and six escalators. About half the gross floor space is used for offices and the other half for purposes such as public use and mechanical equipment.

ENCLOSURE IV—FEDERAL BUILDING, 300 NORTH LOS ANGELES STREET, LOS ANGELES, CALIF.

ENERGY CONSUMPTION AND COSTS

Electricity and natural gas are used in the Federal Building, 300 North Los Angeles Street, Los Angeles, California. The consumption and cost are as follows.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Electricity used (thousands of kW hours):				
January	1,995	979	(1,016)	(51)
April	2,048	1,018	(1,030)	(50)
July	2,240	1,576	(664)	(30)
October	2,202	1,511	(691)	(31)
Total, 4 months	8,485	5,084	(3,401)	(40)
Cost of electricity used:				
January	$15,170	$19,584	$4,414	29
April	15,661	25,527	9,866	63
July	17,553	31,437	13,884	79
October	17,286	29,659	12,373	72
Total, 4 months	65,670	106,207	40,537	62

Information provided by GSA building personnel on electric consumption

Electricity is used primarily to operate air conditioning chillers and for lighting. Measures to reduce electric consumption included:

Removing about 6,500 of the building's 16,206 lights to reduce lighting levels;

Raising thermostat settings from 72 degrees to 78 degrees F during the air conditioning season;

Using ventilation fans alone, when possible, rather than air conditioning to cool the building;

Changing custodial hours from nighttime (5:00 PM-1:30 AM) to daytime (11:30 AM-8:00 PM) eliminate the need for all but minimum lighting; and,

Completely shutting down the air conditioning plant between the hours of 8 PM and 4 AM on workdays and all day on weekends.

Fluctuations in percentage decreases in electric use were caused by varying air conditioning requirements. Air conditioning requirements are minimal in January and April compared to July and October. To properly cool the building during the cooling season, the air conditioning system is sometimes started early in the morning.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Natural gas used:				
January	4,205	659	(3,546)	(84)
April	2,654	502	(2,152)	(81)
July	1,677	520	(1,157)	(69)
October	2,212	533	(1,679)	(76)
Total, 4 months	10,748	2,214	(8,534)	(79)
Cost of natural gas used:				
January	$2,407	$523	($1,884)	(78)
April	1 518	437	(1,081)	(71)
July	959	341	(618)	(64)
October	1,270	517	(753)	(59)
Total, 4 months	6,154	1,818	(4,336)	(70)

Information provided by GSA building personnel on natural gas consumption

Natural gas is used to run boilers for heating, air conditioning and hot water. Natural gas consumption was reduced by lowering thermostat settings from 72 degrees to 68 degrees F during the heating season, and by lowering the hot water temperature from 130 degrees to 90 degrees F. Heating plants were completely shut down between the hours of 8 PM and 4 AM on workdays and all day on weekends. The percentage fluctuations in natural gas consumption were attributable to use of boilers during the air conditioning season to reheat chilled air.

BUILDING DESCRIPTION

The Federal Building, opened in 1965, has about 1,175,000 square feet of gross floor area with eight floors, a basement and subbasement. About 35 percent of the building's exterior is glass. There are 18 elevators and three escalators. About three-fifths of the gross floor space is used for offices and the remainder is primarily for public use and equipment.

ENCLOSURE V—FEDERAL BUILDING 10A, 800 INDEPENDENCE AVENUE, S.W., WASHINGTON, D.C.

ENERGY CONSUMPTION AND COSTS

The energy used in Federal Building 10A is mainly in the form of electricity and steam. The consumption and costs are tabulated below. Besides steam and electricity, some natural gas is used in the cafeteria and one laboratory in the building. Because of the small amount of natural gas used and the time it would take to retrieve figures for 1972, we are omitting natural gas consumption data.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percent
Electricity used (thousands of kW hours):[1]				
January	1,728	1,210	(518)	(30)
April	1,859	1,181	(678)	(36)
July	2,906	1,593	(1,313)	(45)
October	1,916	1,334	(582)	(30)
Total, 4 months	8,409	5,318	(3,091)	(37)
Cost of electricity used:[1]				
January	$17,851	$21,780	$3,929	22
April	18,953	27,890	8,937	47
July	31,015	42,182	11,167	36
October	21,517	35,135	13,618	63
Total, 4 months	89,336	126,987	37,651	42

[1] The General Services Administration receives 1 electric bill for buildings 10A and 10B. We prorated the electricity used by the buildings based on the net square feet of the 2 buildings. According to the building manager this is an acceptable method for prorating the bill.

Information provided by GSA building personnel on electric consumption

Electricity is used to operate air conditioning chillers, and to provide light and power. Electric consumption decreased in 1974 due to steps such as:

Reducing lighting in all areas (28,000 fluorescent tubes were removed);

Maintaining temperatures in summer months between 78 and 80 degrees F compared with 70 to 72 degrees F in 1972;

Cutting back ventilating fans in the basement garage during off-duty hours; and,

Shutting off down escalators.

Month	1972	1974	Over (under) 1972 Amount	Over (under) 1972 Percen
Steam used (thousands of pounds):				
January	9,055	12,668	3,613	40
April	4,571	5,658	1,087	24
July	4,544	2,647	(1,897)	(42)
October	6,438	2,877	(3,561)	(55)
Total, 4 months	24,608	23,850	(758)	(3)
Cost of steam used:				
January	$22,547	$31,543	$8,996	40
April	11,382	14,088	2,706	24
July	11,315	7,941	(3,374)	(30)
October	16,031	11,508	(4,523)	(28)
Total, 4 months	61,275	65,080	3,805	6

Information provided by GSA building personnel on steam consumption

Steam is used for the building's forced-air heating system, and for hot water. Steam use in January and April increased due to deteriorated equipment such as pipes, valves and traps. The Building Manager said that repairs are now continually being made to the equipment but he could not attribute the reductions in steam use in July and October 1974 to any specific repairs. Efforts to conserve steam during 1974 included:

Reducing hot water temperatures for the health clinic and cafeteria from 135 to 115 degrees F, and for areas such as rest rooms from 125 to 105 degrees F;

Eliminating the need to reheat chilled air to bring it up to the desired temperature level by maintaining chilled water at 53 degrees F instead of 42–43 degrees F; and,

Maintaining the temperature in heating months at 65 to 70 degrees compared to 74 to 76 degrees in 1972.

BUILDING DESCRIPTION

Federal Building 10A, completed in 1964, has 1,175,150 gross square feet of floor area in ten floors above grade, two penthouse levels, one rooftop heliport, and two basement garage levels. About 60 percent of the exterior walls are glass. There are 20 elevators and six escalators. About two-thirds of the gross floor area is assignable office space and the remainder is primarily for public use and equipment.

COMPREHENSIVE HEALTH CARE INSURANCE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FULTON) is recognized for 30 minutes.

Mr. FULTON. Mr. Speaker, one of the more current cliches has it that nothing is so inevitable as an idea whose time has come. People are particularly prone these days to apply this bromide to national health insurance—an idea whose time has come.

But ideas are like babies: a good deal happens between the moment of conception and the child's readiness to enter this troubled world.

Off and on, the Government and the Nation have been considering, rejecting, and shelving the idea of national health insurance since the days of Presidents Roosevelt and Truman.

During the past decade, the Congress has detected a fetal heartbeat. It has now reached the point where the labor pains are coming more frequently and we are about to put the water on to boil, preparatory to our role as legislative midwives.

I must confess to occasional impatience during these long, arduous years of deliberation, debate, and copious testimony before the responsible congressional committees. It has seemed, at times, as if nothing more could be said, much less should be said.

The bound record of the testimony that has been given before the Ways and Means Committee, for example, is exhaustive.

And yet this long, drawn-out process has been of tremendous value.

We are now at the point where almost all of us agree that national health insurance is needed. We have resisted the proposition—less prevalent these days than it used to be—that any form of national health insurance would be better than what we have today.

For it is not true, Mr. Speaker, our present system of health care delivery brings more high quality medical care to more people than any system in any other nation in the history of the world. As Bert Seidman of the AFL–CIO has observed, in its scientific and clinical aspects, medicine in America "has no peer."

The system is nonetheless flawed. It falls short in such areas as manpower shortages and maldistribution; cost that prices it beyond the means of many; ease of access for many more of our citizens; and so on.

Aware of these problems, we have been frequently tempted to legislate the needed reforms in one fell swoop. I am glad we have resisted that temptation, for it boils down to this:

The right kind of NHI can accomplish a world of good. The wrong kind can do irreparable damage.

It seems to me that certain principles are essential to any law we pass if we are to make NHI a success in the delivery of quality care to everyone—rich, poor or middle-income—without bankrupting the Nation.

First, the benefits of any plan must be comprehensive. They must include care inside the hospital or out of it; skilled nursing facilities; emergency and outpatient services; across-the-board medical care, whether it be diagnostic, therapeutic or preventive; home health services; full dental care for children and emergency dental care for everyone; ambulance services; institutional and outpatient psychiatric care; well-baby care; immunizations; X-ray, laboratory and anesthesiology services.

Second, a responsible NHI bill must be comprehensive in its coverage. There are still Americans who do not receive adequate medical care because they cannot pay for it.

And there are still American families going bankrupt because a father, a mother or a child is unfortunate enough to undergo a long-time, expensive illness. This must be stopped, and the sooner the better.

Third, we must build on the very diversity of our present system, which I view as its great strength, not its weakness. Americans receive their health and medical care through a variety of delivery methods: private practitioners, closed panel clinics, HMOs, and so forth.

No single method of delivering care can fit every community, every circumstance, every patient's need. The one-size-fits-all approach can never work in a nation so large for a population whose requirements differ so vastly.

Fourth, we must build on the structure of group health insurance which is today—right now—providing sound basic coverage for a vast majority of Americans at no cost to the Government. It is easier to remedy whatever deficiencies exist in this mechanism than to junk it in favor of a new and elaborate Government structure that would have to be created from scratch. I say it is easier, Mr. Speaker. It would also be considerably less traumatic for Americans to remain with a familiar system than to adjust to a new program designed and operated by the Federal Government.

According to Consumers Union, it would "take years" for any new Federal NHI agency—numbering an estimated 70,000 employees—to achieve full, efficient operation. Furthermore, there is no evidence that such an agency would be one whit more efficient than private insurers in the handling of claims.

The fifth principle we must incorporate into any national health insurance law is particularly timely at this point in our history:

Can we afford the plan we devise?

Members may reply that we must afford it because action by the Government is so clearly called for; and because without that action we will not rectify the inadequacies of the present system.

I am completely sympathetic to those who call for action. If I were not, I would not be introducing the bill I am describing for you today. But I remind my friends that unemployment is frighteningly high, inflation remains unchecked, the economy is in the doldrums, a large deficit in the budget is staring us in the face, and the Congress has been sufficiently alarmed to cut taxes by $22.8 billion.

So I say that whether or not we can afford the actions we take in the creation of an NHI program is very much to the point.

Democrats and Republicans alike are fond of expressing their allegiance to the maxim attributed to Abraham Lincoln. He held, as all of us recall, that it was the duty of government to do for the people what the people could not, or could not do so well, for themselves.

The majority of Americans can and do manage to afford the purchase of comprehensive health insurance from private insurers. Good for them. These are not the people who are at the heart of our concern.

Which brings us to the concept of need. It is essential, in my view, that we use our Federal resources to help those who need help the most. The measure I

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am introducing would do just that: it would focus on those with the greatest need.

Now, Mr. Speaker, bearing those five principles in mind, I invite my colleagues to test the proposal I am introducing against the yardsticks of comprehensive benefits, comprehensive coverage of our population, diversity in the means through which care would be provided, use of the present system to the degree that this is desirable, and the affordability of what we propose to do.

But before I get into a summary of this bill, I hope my friends will permit me one brief digression.

I alluded earlier in my remarks to the mass of testimony given before the Ways and Means Committee and the continuing scrutiny and debate which has occupied Congress over the years in its considerations of national health insurance.

Members may recall that I have been a principal sponsor of an NHI measure called medicredit, which embodied the thinking of the Nation's physicians.

The bill I introduce today is one that again reflects the thinking of the Nation's doctors. But it is substantively different from medicredit, one of whose main provisions relied heavily on the use of tax credits, applied on a sliding scale, to help our citizens defray the costs of buying their own health insurance.

The tax credit provision of the bill I introduce today is, by comparison, very modest. So this is not simply a tinkered-with version of medicredit. On the other hand: it represents the evolution of the doctors' thinking on this complex subject; and it demonstrates that the continuing process of discussion and debate has influenced the doctors as, indeed, it has influenced the thinking of Congress.

With that preamble, Mr. Speaker, let me summarize the measure entitled the "Comprehensive Health Care Insurance Act of 1975":

SUMMARY COMPREHENSIVE HEALTH CARE INSURANCE ACT OF 1975

CONCEPT

The basic concept of the draft proposal is full health care for all and, except with respect to those covered by Medicare, such health care shall be furnished entirely through a private health insurance policy or plan. Such comprehensive health care coverage (including catastrophic illness protection) would be made available:

(1) under mandated coverage for employees;

(2) under a program for the self-employed and the non-employed, providing subsidy of premium for those with limited income; and

(3) under a program to equalize benefits for persons eligible for Medicare by making supplemental coverage available to them and subsidizing premium.

MANDATED EMPLOYER COVERAGE

Most persons will receive their health care protection under a mandated employer program fully financed by premium paid by employers and their employees. Participation will be optional for the employee. At least 65% of the premium will be payable by the employer for the benefit of the employee and his family; the employee will pay the balance.

An individual will be eligible for the employee benefit if he is hired on a full time basis, or if he is expected to work at least 20 hours a week for at least 26 weeks, or has in fact worked 20 hours per week for 26 weeks of the preceding year. Employers must advise employees of the program but may not induce or encourage employees to accept or reject coverage.

Coverage will begin one month after employment and continue for 30 days after termination (or may end sooner if the employee obtains corresponding coverage — an individual time to replace coverage he had in his previous employment. The employee will also have the right to continue the coverage at his own expense for 60 days.

SELF-EMPLOYED, NON-EMPLOYED, AND THE ELDERLY

Medicredit principles will apply with respect to insurance for the non-employed and the self-employed. The individual or family buys "qualified health care insurance," that is, insurance which meets federally established standards of benefits and policy conditions; and for those whose income comes within a defined subsidy level the federal government contributes toward the cost of premium on a scale related to income.

Government contribution to premium will be made in the form of a credit against income tax or a certificate of entitlement issued by the government and acceptable by the insurer for payment of premium. An individual or family subsidy in any year is based on taxable income, measured by income tax liability, for the preceding year.

A table incorporated into the bill will show the percentage of premium allowable. Limited income individuals or families having no tax liability will be entitled to a tax credit (or certificate) for the full amount of the insurance premium. For other eligible persons, the entitlement will range from 10% to 99% of the premium. Nontaxable income will also figure in the determination of the credit. If the family had nontaxable income, the percentage determined above would be reduced by 1 percentage point for each $100 of such income, excluding the first $4,000 of pension or social security income.

Non-employed persons aged 65 and over who are eligible for Medicare are also eligible for federal subsidy on the same basis and in the same manner as provided above. This subsidy, however, is made specifically applicable to premium for "qualified supplemental coverage" which is designed to equalize the available benefits for the elderly as for all others. Such supplemental insurance will be the same in content as the full insurance policy for persons under 65, but will contain a clause for exclusion of all benefits which are obtainable by Medicare eligibles under Parts A and B of the Medicare program. The supplemental insurance will not cover for deductibles and coinsurance under Medicare, but will require no deductible or coinsurance payments for the supplemental benefits.

INSURANCE FOR THE UNEMPLOYED

A terminated employee who is eligible for compensation under a federal or state unemployment compensation program will be entitled to continuation of his employer-sponsored insurance. Premium on such insurance will be paid by the federal government from general revenues to cover periods of unemployment. This would provide coverage until the employee became newly employed, but if the period of benefits under unemployment compensation should expire before any such new employment, he would be eligible immediately for coverage under the subsidy program for the non-employed, with full subsidy of the premium for the remainder of the calendar year.

BENEFITS

Benefits for a 12-month period will include: 365 days of hospital inpatient care; 100 days of inpatient care in a skilled nursing facility; emergency or outpatient services customarily provided by a hospital; all medical care (diagnostic, therapeutic and preventative) regardless of where such services are provided; all home health services; full dental care for children with emergency dental care for all persons; and ambulance services. Institutional and outpatient psychiatric care, well-baby care, immunizations, physican examinations, X-ray and lab, and anesthesiology services will be contained in the benefit package. Personal comfort items, eyeglasses, hearing aids, and custodial care will not be reimbursable under the policy. Cosmetic surgery, except for repair of accidental injury or improvement of the functioning of a malformed body member will be similarly excluded. Health services paid for under a Workmen's Compensation law are also not covered.

COINSURANCE AND CATASTROPHIC COVERAGE

No deductible is provided. Coinsurance will apply at a rate of 20% on the cost of all covered benefits, within a ceiling limit. The poor will pay no coinsurance, and for others the coinsurance maximum will be 10% of the individual or family income reduced by a "coinsurance deduction." The amount of such deduction would vary according to family size, and would be set at $4,200 for a family of four. Thus a family of four earning $15,000 would have a coinsurance limit of 10% of $10,800 ($15,000 less $4,200), or $1,080. In no case, however, could coinsurance for a year exceed $1,500 for an individual or $2,000 for a family.

The ceiling on coinsurance would trigger catastrophic expense protection. All benefits under the insurance policy would thereafter continue for the remainder of the policy with no further obligation for coinsurance.

GENERAL PROVISIONS

Under some of the special provisions of the bill—

An individual entitled to coverage as an employee cannot elect coverage under the program for the non-employed. As an equalizer, however, he could claim a credit against tax (or a certificate) in the amount by which his contributory share of the premium as an employee exceeds what he would pay as a nonemployed person under the subsidy program;

Employers whose payroll costs are increased by more than 3% as a result of purchasing mandated coverage for employees would receive a cash (or tax credit) subsidy: 80% of the excess cost in the year and continuing on a descending scale for four years following. A continuing study by HEW would establish any need for future subsidies;

Employers who failed to comply with the mandate will be liable for reimbursements to employees for expenses incurred by reason of the employer's noncompliance, and subject to a fine of up to two times what the employer would have spent in compliance;

Premium for employee groups will depend in part on the size of the group. Employers of large groups (more than 100 employees) will negotiate premium with the carrier. Smaller group (1–100) premium may also be negotiated, but the premium may not exceed 125% the estimated average premium per employee in large groups throughout the state;

For non-employees, and the self-employed, the maximum premium will also be 125% of the average per employee premium for all large group employers in the state;

An assigned risk pool would be established in each state, if deemed necessary by the state. All carriers in the state would participate, and would accept risks assigned to it;

Persons who fail to enroll for or obtain insurance at the time of eligibility will have to wait until the next open enrollment period to do so. A 30-day open enrollment period is provided every six months;

The federal government is prohibited from interfering with the practice of medicine;

A fund is created for the redemption by carriers of federal certificates of entitlement applied toward payment of premium;

A continuing program of public education will advise the public on the need for and the availability of health care insurance;

A 15-man Health Insurance Advisory Board will be created. Its membership will include the Secretary, the Commissioner of Internal Revenue, and at least 6 practicing doctors of medicine, one doctor of osteopathy and one doctor of dentistry. The Board will prescribe regulations as necessary, establish federal standards for use by state insurance departments in regulating insurance companies, consult with carriers, providers and consumers in planning and developing program for quality medical care, and review and report to the President and Congress annually on the effectiveness of the program;

Physician services will be reimbursable at "usual and customary or reasonable charges." Hospital services payments will be determined by a state agency, after consultation with providers, on a "reasonable cost basis under acceptable methods of reimbursement including appropriate prospective rate determination systems". Other costs will be paid on a reasonable charge or a reasonable cost basis, as appropriate;

Carriers will offer assistance to individuals in the preparation and filing of applications for certificates of entitlement, and will also provide prompt health insurance coverage pending the issuance of the certificate. The federal government will guarantee payment of premium for the intervening period. As added requirements, carriers will identify expenditures as medical or institutional or other expense classification, and assure confidentiality of patient medical records;

Since self-employed persons do not qualify legally as employees (as do management employees of a corporation), no business deduction is normally allowable with respect to self-employed persons' health care insurance premium. By specific provision, therefore, self-employed persons will be entitled to a business deduction of 65% of such premium; and

In an action for damages against a medical provider, no liability will be recognized with respect to the costs of health care which are payable under this program or any other health care program in the Social Security Act.

Mr. DUNCAN of Tennessee. Mr. Speaker, today I bring to the attention of the public and to Congress a new plan for national health insurance proposed by the Nation's doctors—the Comprehensive Health Care Insurance Act of 1975.

Of all major proposals for NHI in the last several Congresses, this latest doctors' plan is the only one presented to this Congress with significant changes. These changes reflect a willingness on the part of the medical profession to propose new legislation that keeps in step with the times and altering needs of the Nation.

And times and needs have indeed changed. The needs of our Nation and its people are not those faced by the 92d Congress or 93d Congress. The pressures of inflation and recession are much greater today than those faced by earlier Congresses. The need for spartan fiscal integrity has probably never before been so great as it is today.

But at the same time the need for a comprehensive national health insurance program has not diminished. These days, the great question is: "How can the Congress write an NHI plan that will meet unmet national health needs, yet at the same time preserve the fiscal integrity of the National Treasury?"

I believe the doctors' plan does the best job to date in identifying the line between national bankruptcy and national parsimony in expenditures for national health insurance.

The doctors' plan provides Federal assistance on the basis of need. The most help goes to those who need it the most. The least help goes to those who need it the least.

If NHI is to be viable, then it must be prudent—prudent enough to focus Federal resources on those areas that contain the greatest needs. To apply Federal funds broadly across the whole spectrum of health care would serve little purpose other than to dilute the Federal Treasury.

This new NHI proposal is designed to put real patient needs first and foremost on the scale of national health priorities.

Those Americans who lack financial access to quality care would no longer be faced with such barriers.

The fear of catastrophic illness that plagues even well-off Americans would be removed, for the plan provides catastrophic as well as basic coverage for the entire population.

Benefits for any 12-month period would include the following: 365 days of hospital inpatient care; 100 days of inpatient care in a skilled nursing facility; emergency or outpatient services customarily provided by a hospital;

All medical care—diagnostic, therapeutic, or preventive—regardless of where such services are rendered;

Full dental care for children, and emergency dental care for anyone;

Home health benefits;

And many other services, including psychiatric treatment, well-baby care, and X-ray and lab tests.

Certainly this comprehensive list identifies the first and foremost health needs of Americans.

And certainly it does not attempt to restructure our entire health care system. It builds upon its present strengths. At the same time, it corrects one of its major weaknesses by removing the financial barriers that in the past have denied some Americans access to the system.

You will recall that former proposals of the medical profession for NHI depended largely upon a tax-credit concept. Many critics of the old proposal—which was called medicredit—branded the tax-credit concept as inflationary, an incentive—or temptation, perhaps—to purchase excessive health services.

The tax-credit concept in this new NHI proposal has been considerably scaled down. Only the self-employed and the unemployed would be given tax credits for NHI premiums paid.

Of course, for people with no income, or low income, premium costs would be subsidized by the Government.

Both the credits and the subsidies would be scaled according to income, so that the less people can pay, the less they would pay.

However, under the new proposal the great bulk of the American population would be covered under an employer-employee financial arrangement. Employers would be mandated to provide health insurance coverage for employees. Under the plan, employers would pay at least 65 percent of the premium costs for NHI Employees would, however, not be mandated to participate in such an arrangement.

The medical professional plan remains essentially voluntary as opposed to a compulsory plan where everyone would be compelled to pay into one system, compelled to accept coverage under one system.

Patients would retain the right to choose what form of health insurance they desired.

While participation would be mandatory for employers, the system would be essentially private.

Significant options would be retained for both patients and providers.

As a consequence, a large measure of pluralism in the administration and financing of any NHI program would be preserved.

It is precisely this pluralism—the creativity of the private sector supplemented, not supplanted, by the Government sector—that has made the quality of American medicine the finest in the world today.

The medical profession's NHI plan would be administered by the existing "third-part-payor" system of our insurance industry, the Blues and the commercials.

A 15-man Health Insurance Advisory Board would be established, and its membership would include the HEW Secretary, the Commissioner of Internal Revenue, and at least six practicing physicians.

The Board would prescribe regulations; establish Federal standards for use by State insurance departments for the strict regulation of insurance companies; consult with carriers, providers, and consumers in planning and developing programs for quality medical care and review of that care; and report to the President and the Congress annually on the effectiveness of the program.

Positive cost controls would be built into the program. Emphasis would be placed on realistic preventive care and ambulatory care rather than hospital care. And competition between health insurance carriers would be fostered.

Most important, the cost control mechanism of "coinsurance"—except for the poor—is incorporated into the plan. Experience has shown beyond the shadow of a doubt that a health care system without some regulatory control of usage is soon overwhelmed by the "worried-well" who crowd out those who truly need care.

A recent Rand Corp. study has shown that any NHI program will increase the demand for ambulatory services; and that the greater the dollar coverage for such services, the greater the demand.

Regulatory controls of usage—such as coinsurance—are of paramount importance to the fiscal integrity of any NHI program. Such controls are written into the doctors' NHI plan.

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Now I am going to make some personal observations about NHI.

Any NHI plan will have, of necessity, three parts: benefits, financing, and administration.

There is no great disagreement in this chamber, or in the Nation, on the benefit package. As a matter of fact, I am told the doctors' plan has as broad a scope of benefits as any current proposal before this body.

The great division of opinion on NHI occurs in the areas of financing and administration. The two are frequently inseparable.

If the Federal Government is to finance NHI—through general revenues or payroll taxes, or a combination of both—then the Federal Government will administer the program. No ifs, ands, or buts.

If the Congress chooses to go this route—and I deplore the very thought of it—then health care in this country will be totally governed by bureaucracy—probably by the already overwhelmed and beleaguered Social Security Administration. Redtape would pyramid. And Government would find itself unable to respond to individuals with any degree of sensitivity, or indeed with many of the promised benefits of the program. This inability of Government to respond to individual need on a one-to-one basis has been demonstrated time and time again.

Perhaps an even sadder result—if the Congress chooses to go the route of total Federal financing and administration of an NHI program—is the inescapable fact that the health care of the American people would compete within the Federal budget with defense spending and other high priority items. This has happened in Sweden and the United Kingdom. And invariably in those countries health care budgets have come out second best, or worse.

No, any NHI plan to be viable must depend heavily on the private sector for its financing and administration. The Federal Government should limit itself to the provision of funds for those Americans in need and to the establishment of the necessary authority to regulate the program at high standards.

The private sector and the governmental sector have been able to work hand-in-hand in the past, and must continue to do so in the future.

And last, Mr. Speaker, another personal observation.

These are troubled times. And not the least of these troubles is our grave concern for the fiscal integrity of the Nation. Any NHI program, no matter how modest, will be a major social venture calling for staggering expenditures of the Nation's resources.

As I have said, the benefits of this proposal are generous and far-reaching. The cost of the doctors' health care plan, while substantial, would be met, in large part, by the private sector; and the burden of new Federal taxes would be accordingly lighter.

I commend to you careful consideration of the medical profession's plan for health insurance for all Americans.

Mr. MURPHY of New York. Mr. Speaker, the first principle for any national health insurance program should be that it is comprehensive in both its coverage and its benefits.

There are Americans who do not receive adequate medical care because they lack the funds to pay for it. And there have been American families reduced to bankruptcy through the tragedy of catastrophic illness.

These are two gaps in our present system that can and properly should be redressed through national health insurance.

A national plan for health insurance ought to provide financial coverage for a broad range of basic medical care. It ought to insure all persons against the prospect of financial ruin, as a result of long or expensive illness.

It must provide for continuation of coverage for the unemployed. Certainly our current economic experience is presenting stark evidence of the need for such a provision.

It ought to underwrite the costs of mental illness.

It ought to provide supplemental coverage for nonemployed medicare enrollees, to bring their medicare benefits up to the level of others covered by the bill.

Health insurance should cover a full range of dental care.

It also ought to offer realistic preventive care. Preventive health care fills a social need, and it also represents a sound investment that pays dividends in lower total costs. Such a program should include well-baby care, physical examinations, immunizations and innoculations, outpatient psychiatric care, and X-ray and laboratory work.

The Comprehensive Health Care Insurance Act of 1975, which I have introduced today, offers every one of these things.

And it controls costs by limiting Federal help to those in need, by requiring coinsurance—except for the poor, by providing preventive care, and by promoting competition among insurance carriers and providers.

In short, it does about what the Federal Government can afford to do at this particular time. It will not be legislation that overpromises and underperforms.

I don't believe that any form of national health insurance is preferable to none at all. The right kind of program can accomplish much; the wrong kind could actually do harm. I do believe that the House Ways and Means Committee should have as many different substantive proposals before them for consideration, and that the legislation which is ultimately reported should be a reflection of the needs of this country and the capabilities of the Federal Government to satisfy these needs as soon as possible.

If national health insurance is to have any validity, it must focus Federal resources on those who have the greatest need. My bill does this with a graduated scale of Federal assistance to low-paid workers, as well as the unemployed. A worker will not lose all benefits because his income rises slightly.

As with most comprehensive health legislation there are some provisions that are controversial. My bill is no exception and that is why I have attempted to coalesce the needs of all segments of Americans into this bill. Prompt and complete hearings should reveal any alterations that are advisable and I call on the appropriate committee chairman to proceed with their hearings as quickly as they can.

By introducing this bill at this time, I am not proposing limits on a shared responsibility for all Americans' well-being. A large Federal role might be necessary at some time in order to manage and finance national health care.

At this time, however, this bill offers a comprehensive range of health-care coverage at a cost that available Federal funds can provide.

The need is immediate. Because the program utilizes the existing structure of the private insurance industry, there can be a fast start-up. There will be a minimum of administrative costs and bureaucratic delays.

This is the place to start; a sound foundation of comprehensive health services available to all Americans, and at a reasonable cost.

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and include extraneous matter on the subject of the special order today of the gentleman from Tennessee (Mr. Fulton).

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Indiana?

There was no objection.

TO CLARIFY THE SHIPPING LAWS WITH RESPECT TO THE CERTIFICATION AND INSPECTION REQUIREMENTS WHICH APPLY TO ARTICULATED TUG-BARGE SYSTEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Murphy) is recognized for 15 minutes.

Mr. MURPHY of New York. Mr. Speaker, I am today introducing a bill to clarify the shipping laws with respect to the certification and inspection requirements which apply to articulated tug-barge systems. This legislation is designed to provide specific statutory provisions concerning inspection and certification of the Tug-Barge Articulated Combination—ARTUBAR—by the U.S. Coast Guard.

ARTUBAR is an innovative system of marine transportation consisting of improved devices for the connection of tugboats to barges for the purpose of pushing, in full ocean operation as well as for coastwise and protected waters. This push-tug system is the accumulation of years of intensive engineering and research, and represents a remarkable advancement in efficient, high-speed, tug-barge operations.

While ARTUBAR is a patented design, it contains no novel or untried equipment or principles and the complete system has proven itself at sea after many months of testing and analysis. The concept involves a semirigid mechanical

system used to connect the propulsion unit—tug—with the cargo carrying unit—barge—by means of pins approximately 48 inches in diameter that are mechanically projected outward from the tug and linked into a notch on the barge. The tug is normal in all respects, capable of independent operation in excess of 15.5 knots with stability ranges under the worst conditions well in excess of 90°. All mechanical connections can be fully retracted so that the tug can operate as a standard independent tug.

Tugs have been pushing and towing barges for years, with pushing the most efficient and by far the safest arrangement of the tug and barge combination. In the ARTUBAR system, the disconnection is accomplished by remote control in seconds without the necessity of manual labor to disconnect cables, wires, or pulleys. Reconnection in open seas can be accomplished in approximately two minutes. Unlike present methods, when the ARTUBAR system disconnects, it is guided free of the barge through adjoining parallel surfaces on the barges. The economics of the push-tug system have led to many types of tug-barge connections, but only in ARTUBAR has an independently operating tug been able to remain in the push position throughout a voyage on the open seas.

In addition to greater safety, ARTUBAR also has numerous economic advantages including greater cargo capacity and shorter repair times, as well as decreased construction, maintenance, and crew costs. The units also have considerable ecological value. Operating, for instance, as an oil tanker, the tugs can be disconnected at the site of a spill and quickly deploy containment devices and perform salvage work.

Because of these advantages, there are a number of barge operators throughout the country who are interested in initiating new systems of marine transportation based on the ARTUBAR concept. However, construction of actual units has been hindered by a reluctance of potential users to accept a Coast Guard ruling that the propulsion unit—tug—and the cargo unit—barge—constitute a single vessel for certification and inspection purposes under the provisions of title 46, United States Code sections 224(a) and 367. The Nilo Bargo Co., for example, after spending considerable time and money, abandoned its ARTUBAR project, which was well underway, following an adverse ruling by the Coast Guard concerning inspection requirements.

Under section 224(a), all vessels navigating on the high seas of less than 200 gross tons are exempted from officer certification requirements and under section 367, all seagoing vessels propelled by internal combustion engines of less than 300 gross tons are exempted from inspection regulations. Potential operators argue that under these provisions, any tug which separately is under 200 gross tons should not be subject to onerous inspection and certification by the Coast Guard. In fact, the Coast Guard originally agreed with this premise and was willing to exempt, for certification and inspection purposes, any tug unit under 200 tons capable of independent operation. However, this interpretation was later rescinded and the Coast Guard decided that the entire system, the motor powered tug and the non-self-propelled barge, should be considered a single vessel. Because the entire system is well over the exempted weights of 200 and 300 gross tons, respectively, sections 224(a) and 367 are called into play thus subjecting ARTUBAR to unnecessary inspection and certification requirements.

While recognizing the Coast Guard's substantial contributions to marine safety, a cause the agency has championed over the years, I believe the innovative ARTUBAR system has been proved significantly safer than any system presently in operation and that its operation would be of great advantage to U.S. shipping. It constitutes a means whereby the faltering U.S. merchant fleet can compete with foreigners, not only in the carriage of goods, but also in the construction of the vessels used. It is a distinct possibility that the advantages of this linkage system may be stifled by the Coast Guard interpretation and force potential users to abort the entire concept. Plain commonsense indicates that the tug when in the notch and pushing the barge should not be subject to any more inspection and certification requirements than such a tug is presently subject to. This seems especially so when one considers the safety potential of the system. The record of the Coast Guard with respect to safety on our national waters is well known. That is why Coast Guard insistence on inhibiting this safety oriented concept is all the more puzzling.

It is the purpose of this bill to remove this discrepancy and to provide that tugs in the ARTUBAR system, capable of all the independent operations and capabilties of standard tugs, should be considered as independent units and thus controlled under the same regulations that are in effect for standard tugs. It would be a tragedy for American shipping if the system failed to get off the ground because of Coast Guard policy of treating the entire system as a single vessel. The potential applications for U.S.-flag services are nothing short of phenomenal. This bill will enable this safer and more economical system to operate under the American flag and compete successfully with foreign-flag ships. I ask unanimous consent at this point that the full text of the legislation be printed in the body of the Record.

H.R. 6243

A bill to clarify the shipping laws with respect to the certification and inspection requirements which apply to articulated tug-barge systems

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4438a of the Revised Statutes of the United States (46 U.S.C. 224a) is amended—

(1) by redesignating subsections (14) and (15) as subsections (15) and (16), respectively; and

(2) by inserting immediately after subsection (13) the following new subsection:

"(14) For purposes of this section, the method of linkage between any tug and any barge in an articulated tug-barge system shall not be deemed to establish the weight of the tug. With respect to tonnage assignments, any tug which is capable of independent operation shall be deemed to be a separate unit for certification purposes."

Sec. 2. The first sentence of the first section of the Act entitled "An Act to apply laws covering steam vessels to seagoing vessels of three hundred gross tons and over propelled by internal-combustion engines", approved June 20, 1936 (49 Stat. 1544, 46 U.S.C. 367) is amended by striking out the period at the end of the last proviso thereto and inserting in lieu thereof the following: ": *Provided further,* That for purposes of this section, the method of linkage between any tug and any barge in an articulated tug-barge system shall not be deemed to establish the weight of the tug; and with respect to tonnage assignments, any tug which is capable of independent operation shall be deemed to be a separate unit for inspection purposes."

JOHN M. BAILEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. Giaimo) is recognized for 10 minutes.

Mr. GIAIMO. Mr. Speaker, John M. Bailey, a Democratic leader of consummate skill, probity, and accomplishment, lost his long battle with cancer on April 10 and died at the age of 70. At the time of his death, he was serving his 29th year of consecutive service as chairman of the Democratic State Central Committee of Connecticut, a record unique in the State's long political history, a long and distinguished record likely to remain unchallenged and unequaled.

During his long tenure, John Bailey transformed the Democratic Party from the minority party to the dominant political force in Connecticut. A man of considerable political intelligence, he helped to shape the history of his State and, as chairman of the Democratic National Committee for many years, the Nation as well.

John Bailey was, unabashedly and in the highest sense, a politician. A master of conciliation, he understood the intricacies of Connecticut politics and was able to work with people to achieve his stated objective—winning elections and providing good government. A consummate politician, John Bailey was also a warm and compassionate man and the mentor of countless Democrats in State and national politics.

But, perhaps John Bailey's greatest characteristic was his uncanny ability to recognize talent. He was an early supporter of Gov. Chet Bowles and Senator Bill Benton. In 1948 he successfully persuaded Abraham Ribicoff to run for the U.S. House of Representatives, and in 1956 he helped the now senior Senator from Connecticut become New England's first Jewish Governor.

One of the earliest supporters of Senator John F. Kennedy for national office, he helped elect the Nation's first Catholic President in 1960. Under his strong leadership and persuasive style, he capped his distinguished political career with the election of Gov. Ella Grasso in 1974, a former Member of the House of Representatives and the first woman to be elected Governor of a State in her own right.

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John Bailey utilized his political skills not in the narrow sense but for the development of his party as a strong vehicle for solving the State's problems. He demonstrated this belief in the search for outstanding candidates to assume the burdens of public office and in support of legislative programs to benefit the people of Connecticut.

My relationship with John Bailey extended over a period of more than 25 years. I admired his gifts as a political leader and his warmth and humanity as a person. I cherished his friendship. He was indeed a unique man who compiled a unique record for the State he loved and served so well these many years.

I am pleased to call to the attention of my colleagues a news article about Mr. Bailey which was written by Jim Mutrie, Capital bureau chief of the New Haven Journal-Courier, and an editorial from the New Haven Register. The text follows:

[From the New Haven Journal-Courier, Apr. 11, 1975]

JOHN BAILEY DIES AT 70 OF CANCER

(By James Mutrie, Jr.)

HARTFORD.—John Moran Bailey, Democratic state chairman for the past 28 years and a former national chairman of his party, died in Hartford Hospital Thursday afternoon at the age of 70.

Bailey, who served as national chairman for eight years during the administrations of John F. Kennedy and Lyndon B. Johnson, helped make Kennedy the nation's 35th President.

For the past seven months, Bailey had been in and out of the hospital as he stubbornly fought a battle with throat cancer. The ailment, however, had not stopped him from calling some of the shots for the 1974 gubernatorial campaign from his hospital bed, and he had later scorned the advice of his doctors to make appearances at the January inaugural ball and the Democratic Jefferson-Jackson Day dinner in March.

There was little secret to the fact, even then, that Bailey was a dying man, but politics and the Democratic party comprised the lifeblood of his existence and he refused to stay away. His health had actually begun failing nearly three years ago.

A lawyer, Bailey is survived by his wife, Barbara; a son, John Michael, of Colchester; and three daughters—Mrs. Barbara Kennelly of Hartford, Mrs. Louise Kronholm of Hartford and Mrs. Judith Perkins of West Hartford.

Possessor of one of the keenest political minds Connecticut has yet seen in its 300 years-plus history, Bailey was the proverbial politician's politician.

Viewed by many during the change-loaded years of the latter 1960s and early '70s as the typical cigar-smoking, patronage-peddling political boss, Bailey really wasn't that. He could wheel and deal with the best in patronage matters, but Bailey was far from the autocrat that most political bosses are.

One of the chairman's chief attributes was his uncanny knack for conciliation. Knowing how to calm troubled waters is an ability that few politicians really possess, but Bailey clung to that quality and used it masterfully in guiding his Connecticut party through crisis after crisis for nearly three decades.

A man of wealth who never really knew what it was to be poor, Bailey, nevertheless, could deal skillfully and sympathetically with those at the lower end of the financial ladder. He sometimes seemed to enjoy as much his contacts at the Hartford ward level of politics as he did the rubbing of elbows with presidents, governors, congressmen and cabinet members during his tenure as national Democratic chairman.

Bailey never forgot Hartford—the city where he was born and reared—even when he was operating on the national level. He refused to give up his state chairmanship during those years and always managed to keep his hand in the operation "back home."

An only child, Bailey was the son of a doctor who came to own a sizeable amount of downtown Hartford property. He naturally inherited a considerable sum on the death of his parents.

By then, however, he had already prospered well through his own law firm—Bailey and Wechsler—with his growing string of political contacts helping along.

A graduate of Catholic University in Washington, D.C., where he was a top-notch baseball player, Bailey went on to win his law degree from the Harvard Law School. As a young lawyer in his native city, he wasted no time plunging into politics in 1929. It was onward and upward from there for the Irish-descent lawyer.

By 1946, Bailey had worked his way through several state and local campaigns and was named state chairman that year just in time to take a staggering party into a campaign it was destined to lose. The unmerciful beating Democratic gubernatorial nominee Wilbert Snow took in 1946 taught Bailey a lot, and the chairman was to go on to win six of the next eight contests for Connecticut's top office.

Chester Bowles, Abraham A. Ribicoff, John M. Dempsey and Ella T. Grasso were the winning Democrats over those years but all freely conceded that the chairman had more than a minor role in their triumphs.

Bailey started as what might be considered a New Deal liberal of the Franklin D. Roosevelt school, but as the years passed by it became ever more clear that philosophical nuances in the business of government were never his strong suit. Gesturing with his cigar and poking his finger in the air—familiar Bailey mannerisms over the years—the balding political leader had only one real philosophy: winning elections.

Liberalism or conservatism, Bailey could take or leave alone. What he always wanted were candidates with appeal and issues that attracted votes. He had a canniness that usually had him coming up with winners on both counts.

John Bailey once ran for public office himself, and the result was disastrous. Seeking the Hartford probate judgeship, he was badly beaten and decided that calling the signals from behind the scenes was much more his cup of tea.

The Hartford Probate Court's loss—assuming Bailey would have made a good judge—turned out to be the Connecticut Democratic party's huge gain.

Although he relished his party's conventions and the excitement of electioneering, Bailey's first love seemed to be the maneuvering, the cajoling and the bargaining intrinsic to sessions of the General Assembly. He enjoyed to the very end roaming the halls of the State Capitol—always intent on outfoxing the Republican opposition and having a voice on what bills were allowed through the legislative process.

In the last few years, there was little doubt that the old Bailey power had begun to slip a bit—the ravages of time, changing philosophies of questioning young Democrats and the chairman's own advancing illness.

[From the New Haven Register, Apr. 11, 1975]

JOHN M. BAILEY

The death of John Moran Bailey leaves a power vacuum in Connecticut politics. Although this master of the art of politics had to some extent relinquished his hold on the State Democratic Party in the late stages of his fatal illness, he still wielded great influence. Perhaps his last great triumph was the instrumental role he played, despite the poor state of his health, in putting together the ticket that resulted in the election of Gov. Ella Grasso.

Once again the Democratic chieftain had returned his party to power—achieving another historic "first." His candidate was the first woman governor to win office on her own in the history of the nation. Once again, Bailey had successfully taken a reading of the public pulse, realizing that the idea whose time had come—and that he had the candidate to materialize the idea.

One reason that Bailey kept an iron grip on the party for so long was his uncanny ability to back appealing candidates. Although he sometimes seemed to be more interested in the success of the party rather than public policy, he used his wheeling and dealing skills to reconcile various elements of the party. So he offered candidates who represented "pioneer" developments and who responded to the climate of the times.

Bailey backed Abraham Ribicoff, the first Jewish governor of Connecticut, a candidate who was re-elected by a record-high vote. And Ribicoff achieved some of the most "impossible" reforms in the history of the state—including reform of the court system that had been perpetuated by politics.

Bailey was instrumental in the election of President John F. Kennedy, first Catholic to serve as the nation's Chief Executive. The Connecticut political strategist made important contributions to the Kennedy campaign.

At the peak of his power, John M. Bailey was chairman of both the national and state Democratic Parties. His genius for politics had a major impact on the national level.

Bailey was not above using party discipline and trading tactics typical of the political boss. Yet he was a complex figure who was more than a patronage dispenser. He had a keen understanding of political trends and the changing times. And so through almost three decades as the leader of his party, John Moran Bailey gained the respect of politicians of every stripe. He was party welder and kingmaker whose candidates responded to public demands.

The political scene seems so different today without the powerful presence of John M. Bailey.

CAMBODIAN AND VIETNAMESE REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, during the past few weeks there has been a definite lack of available information concerning which categories of Vietnamese nationals will be eligible for admission to the United States in the event they are able to depart from South Vietnam.

At the same time, there are several questions which have arisen regarding the procedures which have been developed by the Departments of State and Justice in order to facilitate the admission of Vietnamese nationals, particularly those who are related to U.S. citizens and permanent resident aliens. Several measures have been taken to expedite the admission into the United States of those individuals who are the beneficiaries of approved relative petitions which have been submitted in their behalf by U.S. citizens and permanent resident aliens. Likewise, the use of the parole authority under section 212(d)(5) of the Immigration and Nationality Act has been recommended by the President in

order to provide for the entry into the United States of certain categories of Vietnamese nationals. The House Committee on the Judiciary was kept advised concerning the development of these procedures as well as the proposed use of the parole authority by the Attorney General for the various categories of Vietnamese nationals.

I wish to insert into the RECORD at this point letters which I have received from the Commissioner of the Immigration and Naturalization Service, Leonard F. Chapman, describing these procedures and the actions undertaken by the Department of Justice:

OFFICE OF THE COMMISSIONER,
IMMIGRATION AND
NATURALIZATION SERVICE,
April 21, 1975.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to inform you of those special actions taken by the Service in the current Vietnam and Cambodian crises. These special actions are presented below:

1. Our field offices have been notified to withhold the forcible departure of natives of Vietnam and Cambodia now in the United States and to permit such aliens to accept gainful employment, if necessary.

2. Authorized the parole of some 2000 orphans for whom appropriate visa petitions had been filed.

3. Authorized the parole of some 3000 Vietnamese relatives who are in Vietnam with their United States citizen or lawful resident alien relatives.

4. Authorized the parole of about 3000 Vietnamese relatives for whom visa petitions have already been processed by relatives in the United States.

5. Undertaken action to assure that those Vietnamese and Cambodian children paroled into the United States whose "orphan" status has not yet been clearly established are under proper supervision and that no action looking toward their adoption is undertaken until a satisfactory inquiry is completed showing them to be "adoptable".

6. Instructed all of our field offices to expeditiously process visa petitions and verifications of lawful entry filed on behalf of Vietnamese relatives now in Vietnam and to inform the American Embassy in Saigon of such action immediately.

7. Agreed to have our field offices act as an intermediary in transmitting information on relatives or friends in Vietnam from persons in the United States to the American Embassy in Saigon.

You will be kept informed of other actions in this regard as they occur.

Respectfully,
L. F. CHAPMAN, Jr.,
Commissioner.

OFFICE OF THE COMMISSIONER,
IMMIGRATION AND
NATURALIZATION SERVICE,
Washington, D.C., April 22, 1975.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Supplementing my letter to you dated April 21, 1975, concerning special actions taken by this Service in the present Vietnam and Cambodian crisis the following additional special actions have been taken.

1. Authorized the parole of some 10,000 to 75,000 natives of Vietnam who are the immediate relatives of United States citizens or the close relatives of lawful permanent resident aliens. This latter group includes parents of lawful resident aliens and unmarried brothers and sisters living with the parents.

2. Authorized the parole of some 50,000 natives of Vietnam who are in the "high risk" category because of their close association with the United States Government in Vietnam.

3. Authorized the parole of some 1000 Cambodian diplomats who were airlifted by the United States Government to Thailand.

Interested persons in the United States should contact the closest Immigration and Naturalization Service office which will be prepared to assist them to have their relatives in any of the classes enumerated above identified for parole. The information obtained will be cabled to the American Embassy in Saigon to assist that office in arranging for the person's parole. Presentation of Form I–151 (Alien Registration Receipt Card) will be accepted as evidence of lawful permanent residence in these cases. Further, Service files not showing sufficient evidence of the required relationship will nonetheless be approved conditioned upon satisfactory proof of relationship to the Consular Officer. In the event an individual requires assistance for persons not within the enumerated classes, our field offices are instructed to record such information and furnish it to the American Embassy in Saigon for whatever help it might be to the officials there.

Respectfully,
L. F. CHAPMAN, Jr.,
Commissioner.

ELK HILLS PRODUCTION TO INCREASE OIL INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. The House will consider H.R. 49 on Tuesday, April 29, which will bring added oil production from public lands of the United States including up to 300,000 barrels daily from Elk Hills Naval Petroleum Reserve in California. The House Rules Committee today approved a rule for H.R. 49 which also allows consideration of H.R. 5919 as a substitute and which is a bill approved by the Armed Services Committee.

There are several major differences between the two bills and the House will be given the opportunity to decide on the best approach:

KEY DIFFERENCES

HOUSE INTERIOR COMMITTEE H.R. 49	HOUSE ARMED SERVICES COMMITTEE H.R. 5919
Secretary of Interior (after consulting with Sec. of Defense concerning Naval reserve) develop plan subject to veto by Congress.	Production under control of the Navy.
Alaskan Petroleum Reserve No. 4 explore only. Development subject to future Congressional action.	Alaskan Petroleum Reserve No. 4. Exploration and development by Navy.
Elk Hills production to 160,000 bbls/day quickly, then to 300,000 bbls/day—the maximum efficient rate of recovery.	Elk Hills production held to less than 200,000 bbls/day.
Oil produced to be sold commercially at competitive bids and at terms to permit independent refiners to have access to it or to be used by military as needed by military.	Oil produced for use by military or if sold funds to be used by Navy for exploration, development, and production in Naval reserves.
Treasury to receive $1 billion per year when Elk Hills production to 160,000 bbls/day less $1/bbl. cost of production (basis current cost of comparable oil at California docks).	Production held to below 200,000 bbls/day. Estimate Treasury to receive less than ½ billion dollars/year and that to be in earmarked Navy fund.
Favorable balance of payments of $1.4 billion/yr.	Favorable balance of payments of $.6 billion/yr.
Petroleum reserves under civilian control.	Petroleum reserves under Navy control.
Production of Elk Hills on basis of joint civilian and military need.	Production of Elk Hills for military use or for sales or exchanges for special fund for furtherance of Naval exploration, development and production (no production in Alaska).
Production to continue as needed (except Alaska).	Elk Hills production limited to three years.

There is no question about the need to assure our military adequate fuel supplies under any circumstances. That assurance is provided now, and would be provided in the event of any future emergencies such as another Arab oil embargo, under the Emergency Petroleum Allocation Act. It provides the military with "100 percent of current requirements." The Federal Energy Administration assures me that large additional allocations could be made within 2 weeks from any and all supplies available.

At the same time there is authority for the Federal Energy Administration to allocate petroleum products to the military, even for overseas delivery, under the Defense Production Act.

In case of a national emergency our Armed Forces need first call on fuel supplies and they have it under existing law. Oil underground at Elk Hills or other reserves is of little value in a national emergency but if the field is developed and being produced it will help the country in peace or war.

A third bill presented by the administration would also open Elk Hills. Our Interior Committee asked the Justice Department to compare H.R. 49 on legal issues concerning development of Elk Hills and protecting the public interest in commercial sale of the oil.

Here is their answer which clears H.R. 49 on several key points.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., April 18, 1975.

Hon. JOHN MELCHER,
Chairman, Subcommittee on Public Lands, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: Your request that the President advise on certain legal issues H.R. 49, or the Administration Bill H.R. 2633, has been referred to me for response.

You ask whether in supporting either H.R. 49 or H.R. 2633 the Unit Plan Contract between the Government and Standard Oil Company of California would be abrogated by the opening of Elk Hills to commercial production.

The Unit Plan Contract respecting Naval Petroleum Reserve No. 1 (Elk Hills), hereafter NPR No. 1, essentially gives the Secretary of the Navy the right to control the amount of production from lands owned not only by the United States but also those owned by Standard Oil Company of California within NPR No. 1. But the Secretary of the Navy is limited by the contract terms, as well as by statute, to only produce such amounts as are necessary to protect, conserve, maintain, or test NPR No. 1 unless there is a Joint Resolution of Congress authorizing greater production. See Recital (8) of the Unit Plan Contract, and 10 U.S.C. sec 7422(b)(2).

H.R. 49 is not inconsistent with the Unit Plan Contract since under it the Secretary of the Interior would be authorized to establish the circumstances under which any portion of NPR No. 1 taken into a "national petroleum reserve" should be produced. Accordingly, the Secretary could, and presumably would, establish terms and conditions consistent with the Unit Plan Contract. The Secretary of the Interior would under H.R. 49 "assume the responsibility of the Navy under any contract which now exists . . . ." See Sec. 2.

H.R. 2633 would amend 10 U.S.C. sec. 7422 (b)(2) to substitute certain determinations by the President for the present "Joint Resolution" requirement. This satisfies the Unit Plan Contract Joint Resolution provisions (Recital (8)) since the enactment of the bill would be tantamount to a Joint Resolution.

Implementation of either H.R. 49 or H.R. 2633 could be contrary to the Unit Plan Contract if production was ordered from NPR No. 1 at such rates as to result in physical loss of hydrocarbons which might be recoverable under lesser production rates. The Unit Plan Contract states its purpose is to secure "maximum ultimate recovery of oil, gas, natural gasoline and associated hydrocarbons from the Reserve." See Recital (6)(d)(vi), and Section 3 (b)(4). However, the legislation proposed is not inconsistent with the Unit Plan Contract in and of itself.

Another aspect of the Unit Plan Contract must be kept in mind when legislation affecting NPR No. 1 is considered. The Unit Plan Contract guarantees Standard Oil Company of California that it will receive its pro rata share of production under the Contract, such share benig measured by the hydrocarbons underlying Standard's lands. In other words the legislation should not impinge upon the right of Standard Oil to its pro rata share of production.

H.R. 49 does not so impinge. It only contemplates the Secretary of the Interior disposing of such production as is owned by the United States. See Sec. 3(c). H.R. 2633 also leaves intact the right of Standard to take its pro rata share of NPR No. 1 production. Sec. 102(h) leaves 10 U.S.C. sec. 7430(a) in effect and this only envisions sale and control of production owned by the United States.

Another feature in the Unit Plan Contract which might be important in implementing either H.R. 49 or H.R. 2633 is that which only permits Standard Oil Company to receive ⅓ of the oil which underlies its land. See Unit Plan Contract, Section 5(d)(3). This limitation currently appears in 10 U.S.C. sec. 7426(d). H.R. 2633 eliminates the ⅓ limitation in the statute (Sec. 102(g)). But the limitation is still in the Unit Plan Contract. In the event of substantial production of NPR No. 1 the contractual ⅓ limitation in the Unit Plan Contract might come into play with respect to Standard taking its share of production. The proposed bills do not conflict with the Unit Plan Contract in this regard, but if they were implemented by substantial production from NPR No. 1 they could precipitate contractual questions with respect to how this ⅓ limitation should be applied. For example, Section 5(f) of the Unit Plan Contract provides that if Standard has received its ⅓ share of a particular zone, it would be permitted to receive production from other zones. Does this mean that production would have to take place from other zones? In any event, the proposed bills themselves do not conflict with the Unit Plan Contract.

You also ask whether support of H.R. 49 or H.R. 2633 impede the Antitrust investigation currently in progress in the Department of Justice. As I unequivocably stated in my testimony before you support of either bill will not jeopardize our investigation.

Finally, you ask whether passage of either H.R. 49 or H.R. 2633 will resolve at least some of the issues raised by the Cory Report and the Antitrust investigation conducted by the Department of Justice.

One of the principal concerns of the Antitrust investigation and of the Cory Report has been the extent to which independent producers or refiners are excluded from access to the intrastate system of pipelines, which would appear to be an essential competitive asset in transporting crude petroleum from oil fields in California to refineries. Both bills would appear to remedy any denial of access, to the extent it may exist, and would resolve at least this important issue in the competitive market in California.

Sincerely yours,

Keith I. Clearwaters,
Deputy Assistant Attorney General Antitrust Division.

NOVEL SOLUTION FOR RAILROAD ILLS PROPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Danielson) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker, I recently received a letter from an attorney who is an old friend, Mr. William E. Gummerman, with some unique suggestions as to how we might solve some of the problems of our railroad system.

I am not making a judgement as to his proposals, but they are novel and clearly delineated. I would like to share them with my colleagues at this point in the Record.

Hutington Beach, Calif., *April 14, 1975.*

George Danielson,
Member of Congress,
Washington, D.C.

Dear George: I have been particularly concerned about the direction to which we are turning nationally in the handling of our railroads. I do not feel that nationalization is the answer as we will simply perpetuate the incompetent and corrupt management which is the basic rule for our problems now.

Obviously a good dose of competition would do more to clear out the wrong people than anything else either of us could think of. My suggestion is that the sound alternative remaining is that of nationalizing the railroad rights of way as we have our highway system. Local lines could be placed in the hands of the state and county, again as we do with our highway system.

Traffic on these public rights of way would be scheduled much as we schedule airplanes in and out of the airports, the only complication required as against our public highways. There would of course be a charge for the use of the right of way as with the airports so that the cost of acquiring and maintaining these rights of way could be put on a self-sustaining basis as we do with both our airports and our public highways.

The money for the condemnation of the rights of way could be fed to the railroad companies over a period of time in order to provide the capital for the replacement and expansion of the rolling stock which would make them more competitive. The fact that any railroad company, now existing or formed by such competition as trucking companies, could operate on any right of way at any time, provided only that its rolling stock keep out of the way of the other rolling stock, would create conditions as we have with the trucking companies today.

The introduction of competition and the injection of capital should result in vastly superior railroad service being offered at every level, long-haul versus short-haul, freight versus passenger. It would also put us in a position where the bankruptcy of any one or more inefficient and ineffective railroad companies would create no more problems than a similar phenomenon with trucking companies.

You might keep in mind that many of the fee titles of lands under railroad rights of way, particularly in the West, are already owned by the Federal Government because of the fact that they are land grant rights of way, and the total cost of condemnation would be minimized to that extent.

Very truly yours,

William E. Gummerman.

HOME HEALTH CARE—PART X

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 84 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the Record several times a week by experts and lay persons commenting on the legislation.

This is the 10th in the series:

The Presbyterian Hospital,
New York, N.Y., June 12, 1972.

The following is a summary of the proceedings of the symposium on "Planning Home Care Services for the Chronically Ill" which was held on April 18, 1972, at Columbia-Presbyterian Medical Center.

The enclosed material is based on a tape recording of the meeting and is a summarization of the ideas expressed. It is hoped that the data will be helpful in pursuing our goal toward a coordinated system of home health care services, and you can be sure that we shall do all we can to achieve this end.

Most of the participants viewed the symposium as a beginning, and a number of suggestions have been made as to the direction of our future efforts. We are turning over these suggestions to the Advisory Committee and the School of Public Health for their con-

Dr. Richard L. Masland,
Chairman, Department of Neurology;
Director of Neurological Service.

A Symposium on Planning Home Care Services for the Chronically Ill, Tuesday, April 18, 1972

PROGRAM

Greetings: Dr. Carl R. Wise, Assistant Vice-President, Professional Services to Patients, Presbyterian Hospital.

Dr. John H. Bryant, Associate Dean & Chairman, School of Public Health & Administrative Medicine, College of Physicians & Surgeons, Columbia University.

Considerations for planning home care services: Dr. Richard L. Masland, Chairman, Department of Neurology; Director of Neurological Service.

Problems in financing and coordinating services: Mr. Walter Wenkert, Executive Director, Genessee Regional Health Planning Council, Inc., Rochester, New York.

Discussion: Agency Representatives, questions from the floor.

Implementation of services: Panel Discussion.

Moderator, Mr. Frank Van Dyke, Professor of Administrative Medicine, Columbia University School of Public Health.

Panelists: Dr. Lura Dustan, Assistant Commissioner for Nursing, New York State Department of Health.

Dr. Robert Morris, Director, Levinson Gerontological Policy Institute, Brandeis University.

Dr. Claire Ryder, Chief, Home Health Branch, Health Administration, U.S. Department of Health, Education & Welfare.

ADVISORY COMMITTEE

Richard Masland, M.D., Chairman, Director, Neurological Institute.

Ione Carey, Director of Education and Training, Visiting Nurse Service of New York.

Noreen M. Clark, Curriculum Coordinator, Continuing Education, Columbia University School of Public Health.

Jean E. Collard, Associate Director, Social Service, Neurological Institute.

Norman Gerber, Supervisor, Social Service, Neurological Institute.

Martha Haber, Assistant Director of Nursing, Neurological Institute.

Ann Kent, M.D., Health Officer, Manhattan N.Y.C. Department of Health.

Alene Lemat, Staff Associate for Health, Community Service Society.

Francis C. Lindaman, Director, Continuing Education, Columbia University School of Public Health.

Dulcy Miller, Administrator, Miller Center for Nursing Care.

Helena Mullins, Nursing Consultant, U.S. Public Health Service, region II.

Carolyn J. Murphy, Assistant to Deputy Director, Special Services for Adult Program, N.Y.C. Department of Social Services.

Bernard Shiffman, Executive Director, Community Council of Greater New York.

Jerry Shroder, Executive Director, Citizens Committee for the Aging, Community Council of Greater New York.

Alice Varella, Associate Director, Contract Implementation, Health Insurance Plan of Greater New York.

Summary on the Symposium on Planning Home Care Services for the Chronically Ill

INTRODUCTION

On April 18, 1972 a Symposium on Planning Home Care Services for the Chronically Ill was held at Columbia-Presbyterian Medical Center in New York City. Participating in the Symposium were over 200 professionals from acute and chronic care hospitals, nursing homes and extended care facilities, community health and home care centers, and social planning and service agencies. The facilities which they represent share responsibility in the organization of care services for the chronically ill and elderly, and the participants came together as a result of their concern about the failure of the present network of community and home care services to relate appropriately to this group of our population.

The Symposium resulted from discussions, over several months, by a small group of administrative persons brought together by the Neurological Institute and the Columbia University School of Public Health. The members of this group represented institutions, agencies and governmental departments concerned with a need to develop an effective program of home care services. Focus of their meetings was on basic issues on which orderly and successful planning depends. In planning the Symposium the aim was to provide a forum where the problems of the current fragmented and often inappropriate pattern of services could be investigated, and goals and guidelines for a more comprehensive and workable program could begin to be developed.

The Symposium offered the opportunity for the professionals present to meet with a small knowledgeable group of speakers who had given substantial thought to, and had previous experience in, home health planning. It was hoped that such joint participation would stimulate interest in the possibility of coordinated planning and action. This summary represents the joint contribution of the speakers and the professional participants who attended the day-long meeting. It is not intended as a verbatim record of what was said, but rather a summarization of the ideas presented and of the diverse options available for change.

PHILOSOPHICAL CONSIDERATIONS

The inadequacy of home health care was seen as a major deficiency in our present health delivery system. For many years we have invested our health care dollars in "the bricks and mortars" of institutional care. Funding mechanisms which fail to offer a financial base for an adequate system of home care services have channelled our elderly and chronically ill citizens into hospitals and nursing homes and have encouraged deterioration of inter-generational family relationships. The time has come for our society to change its priorities to permit the elderly and the chronically ill to be maintained with dignity in their own homes and communities.

DEFINITION OF HOME CARE SERVICES

A clearer definition of what we mean by home health services was called for at this Symposium. Mr. Walter Wenkert emphasized that home care is more than a substitute for in-patient hospital care and asked that we be pragmatic in relating it to the actual needs of the chronically ill. He said that in Rochester more than 40 possible home care servicea had been identified. For example, the services of an electrician or a friendly visitor may be just as essential to an individual home care plan as the commonly recognized professional health services. Variously stated, it was pointed out that a narrowly conceived professional program may overlook "the need for human warmth and clean floors" and "run the risk of turning people into patients". It was also pointed out that the professional services now provided through home health agencies may be almost useless unless we can finance a reasonable standard of living for the chronically ill. As discussion proceeded, it was clear that many professionals view home care services as involving income maintenance as well as professional health care services.

In relation to the need for expanding our concept of home health services, Dr. Claire Ryder suggested that the use of the term "in-home services" might avoid confusion with hospital based home-care programs. She said that the goal of the Public Health Service in home care is to provide for all who need it preventive services, care, rehabilitation and maintenance. This discussion revealed the extent of the need and its diversity. Its potential cost has not been defined—a fact which complicates the problem of inducing government and insurance carriers to assume responsibility in this area. Yet an effective in-home program could materially reduce the costs of other health services. Any program developed must recognize the necessity to set definable limits to the financial obligation involved as a part of the total "medical care" budget.

PLANNING AS A BASIS FOR HOME HEALTH SERVICES

Basic to the development of a coordinated and inclusive delivery system of home care services is planning. Dr. Richard Masland highlighted the nature and complexity of the problems involved, reporting on the results of the study of unmet needs of patients discharged from Neurological Institute over a four month period. Inadequate home health care was found a major factor in hospital discharge delays. He pointed out the need to define the services to be included in an in-home program. Although recognizing the probability of a major revision of health delivery services, he urged that this conference address itself to the question *"What can a community accomplish by the fullest and most effective utilization of facilities and resources now available?"*

Mr. Wenkert recommended a sampling procedure as a method of determining what services people need. He also advised that to get under way a community bring together the people who understand the needs, the providers, and such third-party payers as the insurance groups. Depending upon the community and its assessment of needs, the providers, and the insurance organizations involved, it is possible to build a program including a variety of services. The foremost consideration would be to develop a realistic budget and to plan for providing those services for which there is a budget available. As yet experience is lacking in terms of cost and organization of how to expand. According to Dr. Laura Dustan we are novices at costing out the maintenance of the disabled at home. If we are to get policy makers to change priorities we must provide them with the facts and figures which would show the practical effects of policy shifts.

FINANCING

There is at present no adequate base for the financing of home health services needed by the elderly and the chronically ill. Financing agencies, both governmental and private, find it easier to finance in-patient institutional care. This is paradoxical because in-patient care is more expensive on a per diem basis than home health services. Dr. Ryder suggested Medicare as an example of the mistake made in assessing the health care needs of the elderly. Medicare has fallen down because it has been restricted to acute hospital and time-limited extended care. The original conditions for participation of home health agencies in Medicaid was established as a floor, but the floor has became a ceiling. Thus, at its peak, 2% of the Medicaid dollar was spent on home health services, now the percentage is 0.71%.

A major factor in the financing of home health services is that such services are difficult to measure and define in terms of a logical beginning and end. It will take homework to develop a logical conceptual framework and to say how much it will cost. An example of the fragmentation of financing home health services was illustrated by three bills passed by the legislature:[1]

1. A bill that would allow school cafeterias to feed the elderly.

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[1] The first two have been signed by the Governor, and the third is still pending.

UMI

2. A bill which would permit school buses to transport the elderly.

3. A bill which would place home health agencies under the supervision of the New York State Department of Health.

Dr. Ryder pointed out that we are unlikely to have a coordinated financing mechanism on a national basis to provide adequate and effective home care services in the immediate future. This does not, however, mean that a beginning cannot be made. Using the full range of voluntary and governmental funding resources presently available, this may involve all kinds of agencies to provide in-home services as well as inter-agency cooperation and contractual agreements. Currently there are about twenty different sources of funding which are being or could be used to pay for existing services and to begin and to expand such services.

SERVICE NEEDS & ORGANIZATIONAL OPTIONS

There was considerable consensus regarding the range of services required to make possible "a life of dignity" for the elderly and handicapped at home. Among these were medical services, nursing care, physical therapy, homemaker, visiting aide services, social service, medical supplies, and equipment, budgeting, diet and nutrition assistance, meal-on-wheels transportation services, safety devices, cleaning services, adequate housing, recreational and friendly visiting. Some of these services would be provided by the family, others by volunteers, or other organizational neighborhood groups. It is not felt that all of these need to be paid services or performed by professionally trained groups. Other retired persons, high school students and church groups could also be utilized. However, such services need to be organized around some responsible agency headed by an individual capable of seeing that the needed services are provided.

The question of under whose auspices, and under what organizational structure could comprehensiveness of services and coverage best be provided brought up the possibility of a number of options. Mr. Wenkert's opinion was that it does not matter who provides these services, but rather that they be provided in an orderly way through communitywide planning. Dr. Ryder concurred that as a practical matter it would not be initially practicable or advisable to give one agency the exclusive right to provide such services. There are currently a variety of agencies now offering parts of in-home services and an overall plan could be achieved through cooperative planning and inter-agency contractual agreement. Several agencies reported on their current efforts in providing more adequate services:

1. Mrs. Eva Reese, Director of the Visiting Nurse Service of New York, said that her service now provides nursing, social service, physical therapy, speech therapy, and home health aide services. It is committed to expand services in the provision of equipment and supply, as well as transportation for medical services. They are now examining how physician services can be built into the V.N.S. structure both as a consultation service and as a direct service to patients. V.N.S. is also hoping to experiment with provision of laboratory services. It was pointed out that new federal financing of nutrition services offered possibility for services to homebound patients. Mrs. Reese also commented on nursing's commitment to prepare nurses for a broader role in nursing care.

2. Miss Katherine Hillary of the Kingsbridge Center, New York City Department of Social Services, said that her agency in this area is now prepared through their service unit to coordinate home health services available to residents in the area, including not only current welfare recipients, but also those not on public assistance. Some start has already been made on gathering the necessary data for planning and also in bringing together service groups that need to be involved. It is also planned that the Neighborhood Youth Corps will also be employed in this effort. Miss Hillary stressed proper use of Title 16 of the Social Security Act (Grants to States for the Aged, Blind, Disabled or for such aid and medical assistance (Medicaid) for the aged) in providing care.

3. Mrs. Selma Crane of Beth Abraham Hospital, mentioned their interest in home care services that her chronic hospital might provide in conjunction with Montefiore Hospital. They also want to work out a well-conceived day care program to postpone the necessity for institutionalization and alleviate pressures on the family by providing such care. Some of the nursing homes are also experimenting with a day care program under Sub-Title H of the New York State Nursing Home Code.

4. Mr. Pete Velez of Circle Manhattan Group, Health Insurance Plan of Greater New York, commented on the need of the large teaching hospitals to take more responsibility for patients discharged to their homes. The Health Insurance Plan offers a somewhat limited home care plan to its subscribers in cooperation with the New York City Department of Social Services and the Visiting Nurse Society. However, better coordination of services by all groups offering service is necessary if patients are to receive better care at home.

5. Most of the municipal hospitals in New York City have formal hospital home-care programs and, in addition, under a New York State grant on Services to the Aging, Bellevue Hospital and Coney Island Hospital have established out-reach programs for the elderly, as well as Brooklyn-Cumberland.

6. The Associated Hospital Service (Blue Cross) has contracts with a number of the hospitals to provide home care services.

Dr. Laura Dustan spoke in support of a network of community based health agencies. She felt that these agencies should have clear territorial boundaries and a full range of services. Such an agency should provide care within its jurisdiction for all who live there. She said that hospital-based home care programs run into difficulties because they are not responsible for the care of those living in their area, and because their patients often live far from the hospital. Other speakers were interested in hospitals exploring their role further in the area of home care. The suggestion was made that they might even work out arrangements for providing low cost meals to the elderly. Dr. Ryder saw the final evolution of the structure of home health services in the nation as still in the future, and emphasized that for the time being we need all kinds of agencies in our initial effort to meet the need. A new delivery system Dr. Robert Morris of the Levinson Gerontological Policy Institute has developed at Waltham, Massachusetts, is described more fully in the next section.

PERSONAL CARE ORGANIZATIONS

Dr. Morris said that Worcester, Massachusetts, has begun the steps necessary to establish a P.C.O. The State Department of Public Welfare is planning to secure a waiver from the federal government to spend Medicaid money for a P.C.O. The Department of Social Services in Worcester will determine the appropriate clientele. The Department will then enter into a contract with providers based upon levels of disability of the clients. The contract will be on a capitation basis. The providers would determine what to provide including relocating families if necessary. An outside body would evaluate the P.C.O. Evaluation would focus upon the ability of the provider to recruit manpower and assign them effectively within the bounds of a capitation method.[1]

Dr. Morris said that a P.C.O. would add a fourth dimension to the classic Prevention, Treatment and Rehabilitation. The new dimension would be Maintenance. He pointed out that maintenance, although largely ignored by funding agencies in home health services, is fully paid without question in an institutional setting. We must get this fourth dimension as an integral part of home health services.

NEXT STEPS

More than two-third of the participants at the symposium who responded with evaluation sheets recognized the meeting as a first step in attacking a complicated problem and said they would like to attend further meetings. Specifically, considerable interest was expressed in an action program with specific steps which would be needed to achieve goals outlined. Suggestions included the role of specific professional groups of the community, of para-professionals, and of patients, consideration of funding sources and methods, and the use of present resources. Others were interested in how home care services fitted into the medical care system and the role of the hospital in such a continuum of care. Question was raised as to the willingness of the Medical Center to give leadership in developing a knowledge base, perhaps through the Columbia University School of Public Health's Center for the Community Health Service Systems. The need for analysis of cost-defined programs, for know-how regarding funding sources, for options and guidelines so that each community can choose how best to meet its own needs, and for model systems based on various of the suggestions brought out in today's meeting was recognized.

We need also to watch the development of the Worcester P.C.O. and transfer their experience to our needs. Through cooperation with Comprehensive Health Planning Organizations we need to develop a political awarness of how to organize and fund home health services.

(Summary of Proceedings prepared by Jean Collard, Associate Director, Social Service Neurological Institute; and Frank Van Dyke, Professor of Administrative Medicine, Columbia University School of Public Health.)

VIETNAM AND RECRIMINATIONS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, now that President Thieu has resigned and the South Vietnamese Government appears to be crumbling in the face of a Vietcong takeover, we have already begun to hear the discussions of how the United States "lost" Vietnam. In President Ford's recent address to the Congress on foreign affairs, he seemed to be giving with one hand and taking away with another. That is, he offered to Congress the olive branch of cooperation in the formulation of foreign policy but then demanded an outrageous sum for military assistance to the crumbling and corrupt Thieu regime.

As the Congress today considers H.R. 6096, a bill to provide humanitarian and evacuation assistance, it is important that we keep in mind the advice of former Undersecretary of State George W. Ball who in Newsweek's "My Turn" column this week wrote:

The myth-makers have been at it again with a helping hand from the President. It raises doubts whether we will ever learn from experience.

I hope that the United States can learn from experience. It was not the United States that lost Vietnam, but the Vietnamese Government itself. It was the Vietnamese Government that was riddled by corruption. It was the Vietnamese military which evacuated strategic positions for no apparent reason. It was Vietnamese soldiers who fired upon civilians in their attempt to hitch a ride on evacuation boats before the civilians could esacpe. And it was President Thieu who called the United States "untrustworthy" while he tried to find ways to smuggle over $70 million in gold bars out of South Vietnam; meanwhile Vietnamese babies starved in the streets of Saigon.

The administration should treat our termination of involvement in South Vietnam as the end of a tragic and mistaken epoch in our history and an opportunity to concentrate our resources and attention more effectively to our real interests. I hope that the U.S. Government and this Congress will have the good sense to follow Mr. Ball's advice of turning a self-assured face toward the world.

I include the text of Mr. Ball's Newsweek column in my remarks for the benefit of the readers of this Record:

Stop the Breast-Beating

(By George W. Ball)

The myth-makers have been at it again, with a helping hand from the President. It raises doubts whether we will ever learn from experience.

Soon after Chiang Kai-shek's precipitate flight to Formosa in 1949, the myth was fabricated that we had "lost" China through betrayal. Had treacherous advisers not blocked full support for the Generalissimo, it was claimed, he could have halted Mao Tse-tung's motley legions. No matter that the Kuomintang regime had been riddled by corruption, that its military commanders had cared more for internecine feuding and the posh life than fighting the enemy, and that the Generalissimo's government had lacked broad support in the countryside. To suggest such blasphemies was "disloyal."

It took years for the truth to emerge. But such brilliant works as Barbara Tuchman's book on General Stilwell finally dispelled the lingering fantasies of the Generalissimo's apologists. That Chiang would inevitably have been driven to ground, no matter how much blood and treasure we might have wasted on the Asian mainland, seems no longer in doubt.

INEVITABLE COLLAPSE

Yet, in the aftermath of the Vietnam collapse, we are in danger of repeating our China aberration. Like the regime of Generalissimo Chiang, General Thieu's government is corrupt and ineffective. In spite of the timid nagging of a succession of Washington administrations, Thieu has refused to broaden its base. Vietnam is a far smaller theater than China and, by the application of fantastic firepower, the sacrifice of 55,000 Americans killed and over 150,000 seriously wounded, the destruction of as many as 415,000 civilian lives and the creation of approximately 6 million refugees, we were able, for a protracted period, to keep Hanoi from overrunning the country. But, once we withdrew our soldiers and our bombers, it was inevitable that the house of cards would come tumbling down. Having promised an "honorable peace," the authors of the Paris Accords hoped that the debacle could be postponed for a "decent interval." But, because the interval has lasted only 26 months, they are now seeking a scapegoat. The new myth is simple enough: had Congress not balked at continuing the flow of military supplies *ad infinitum*, the crash would never have occurred.

Myths of perfidy are reckless and insidious and anyone who helps propagate them—including the President—should have his mouth washed out with soap. The myth that the Democrats betrayed China created Joe McCarthy and ushered in the most disgraceful period in American history. The myth that the German Army did not lose the first world war but that Germany was "stabbed in the back" by the Social Democrats gave Hitler the tool he needed to climb to power.

If domestic harmony is corroded by such myths, our world position could be dangerously undermined by lamentations that question America's probity. "What kind of a people are we?" one leader has asked, if we refuse to prop up an unworthy regime for the indefinite future. "How can other nations believe our commitments elsewhere in the world" if we do not continue to arm our client regimes in Saigon and Phnom Penh?

In response to the first question, I would answer only that we show our maturity by cutting our losses in an enterprise destined to failure from the beginning. In answer to the second, I would point out that our so-called "moral commitments" to South Vietnam and Cambodia were in no way comparable to undertakings elsewhere and that if we only stopped yammering, our friends would discern no similarity.

RHETORICAL EXUBERANCE

How can one compare moral assurances to the Vietnamese never made to them in treaty form but merely uttered by Presidents in moments of rhetorical exuberance in a situation only marginally touching America's interests, with solemn treaty obligations to such areas as Japan or Western Europe, involving interests of central strategic importance?

President Assad of Syria recently showed how to turn such a specious comparison against us. Since, he argued, America's actions in Vietnam had shown that it would ultimately tire of supporting Israel, why should the Arabs now make any concessions? Because Assad was anxious to block a partial settlement between Israel and Egypt, he had a clear motive for challenging our constancy but it was irresponsible of our leaders to confirm that challenge in their eagerness to push the blame for Thieu's failure onto the Democratic Congress.

What is occurring today in Vietnam and Cambodia involves human tragedy on a vast scale, and anyone with an ounce of humanity must feel deeply saddened. But, although it is a great human tragedy, it need be a major political disaster for America only if we make it so. Rather than playing domestic politics with our own good name, sound diplomacy requires that we formulate America's position so as to minimize the breakage from the Vietnamese disintegration. Thus, we would do well to recall the conditions under which President Eisenhower in 1954 first committed us to aid South Vietnam.

FAILED TEST

Those conditions were spelled out in a carefully drafted letter in which he made it clear that the United States would help President Diem's government only so long as the South Vietnamese continued to prove they could help themselves, with the ultimate objective of bringing about a Vietnam that could stand on its own feet. Two decades later, in spite of our vast expenditures of lives and money and General Thieu's disposal of armed forces much larger than those of the north, it is clear that his regime has failed the critical test. For that we need make no apologies. No nation ever did more for a small beleaguered country than we have done for South Vietnam.

So let us, for heaven's sake, stop the breast-beating, particularly since most nations and peoples are still inclined to take us at our own valuation. Almost without exception, they have come to regard America's preoccupation with South Vietnam more as an obsession than a policy, and most of them are relieved that we are now free to pay attention to more vital concerns. If we turn a self-assured face toward the world, it will be good for America as a whole. So let us stop the search for scapegoats. There is enough blame to go around for everybody.

OPENING HOUSE-SENATE CONFERENCE COMMITTEE MEETINGS: LET THE SUNSHINE IN

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the Record.)

Mr. MIKVA. Mr. Speaker, on behalf of Mr. Frey, Mr. Frenzel, Mr. Baucus, and me, I am today introducing a resolution which provides that House conferees may conduct business only at conference meetings open to the public. The sole exception would be where the House, by majority vote and in open session, shall vote to close such meeting or meetings.

The public has the right to know how the peoples' business is being conducted. Yet at present, the meetings of the joint House-Senate conference committees—from which decisions are made ultimately affecting the fate of all major legislation—are closed. It seems illogical for House bills to be considered in open committee hearings, open committee markup sessions, and open floor proceedings only to be finally amended and shaped in conference committee meetings with the Senate which are closed.

Mr. Speaker, we are of course aware that the House only recently changed its rules in an attempt to provide for open conferences. Yet, of the seven bills considered by conference committees during this Congress—including the farm bill, the tax reduction act and the foreign aid appropriations bill—six have been written in closed sessions. The primary reason, as Members of the House are painfully aware, is that the House rule is not effective until the Senate adopts a similar rule. Further, and more disturbing, the House rule would allow the conferees of either the House or Senate to close each and every conference. Thus, Senate conferees could vote to close a conference meeting even if all the House conferees, or the full House of Representatives for that matter, fervently sought an open conference meeting. Congressmen Frey, Frenzel, Baucus, and I, and we hope a majority of the House, believe that the Senate should not impose its policy of secrecy upon the House of Representatives.

This effort to open the conference system is bipartisan. Mr. Frey is the chairman of the Republican Research Committee and Mr. Frenzel is the chairman of the Republican Task Force on Reform. Both committees have recommended that conference committees be

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[1] Subsequent developments between the Executive Office of Elder Affairs and the Massachusetts Department of Public Welfare may alter details of the plan.

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open to the public. Mr. Baucus is the chairman of the Democratic Freshmen Committee for the More Active, Effective Congress, a committee strongly supportive of open meetings at all stages of the legislative process. We hope that other Members of the House from both sides of the aisle will join us in this effort.

Mr. Speaker, we urge the Rules Committee to give prompt consideration to this resolution. We think the Congress and the country deserve no less than the transition of the people's business in meetings open to the public.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. Fenwick (at her own request), for 3 days, on account of official business at the suggestion of the minority leader.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Kindness) to revise and extend their remarks and include extraneous matter:)

Mr. Duncan of Tennessee, for 30 minutes, today.

Mr. Quie, for 5 minutes, today.

(The following Members (at the request of Mr. Sharp) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.
Mr. Harris, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Fithian, for 5 minutes, today.
Mr. Dodd, for 10 minutes, today.
Mr. Vanik, for 10 minutes, today.
Mr. Fulton, for 30 minutes, today.
Mr. Murphy of New York, for 15 minutes, today.
Mr. Giaimo, for 10 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Melcher, for 5 minutes, today.
Mr. Zablocki, for 5 minutes, today.
Mr. Danielson, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rosenthal to insert his remarks on H.R. 6096 immediately following the remarks of Mr. Morgan.

(The following Members (at the request of Mr. Kindness) and to include extraneous matter:)

Mr. Wampler.
Mr. Crane in two instances.
Mr. Carter in two instances.
Mr. Derwinski in two instances.
Mr. Rhodes.
Mrs. Fenwick.
Mr. Walsh in two instances.
Mr. Jeffords.
Mr. Lagomarsino in two instances.
Mr. Latta.
Mr. Robert W. Daniel, Jr.
Mr. Abdnor.
Mr. Gradison.
Mr. Cochran.
Mr. Spence.
Mr. Ashbrook in two instances.
Mr. Emery.

(The following Members (at the request of Mr. Sharp) and to include extraneous material:)

Mr. Harris.
Mr. Hechler of West Virginia.
Mr. Burke of Massachusetts.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Mottl in three instances.
Mr. Rosenthal.
Mr. Patten in three instances.
Mr. Carr in two instances.
Mr. Kastenmeier.
Mr. Evins of Tennessee in two instances.
Mr. Fithian.
Mr. Dodd in two instances.
Mrs. Schroeder.
Mr. Helstoski.
Mr. Teague in five instances.
Mr. Moffett.
Mrs. Sullivan.
Mr. Zeferetti.
Mr. Jenrette in two instances.
Mr. Gaydos in two instances.
Mr. Murphy of New York.
Mr. Drinan in two instances.
Mrs. Spellman in two instances.
Mr. Nix.
Mr. Cornell in five instances.
Mr. Phillip Burton.
Mr. Russo.
Mr. John L. Burton in two instances.
Mr. Milford.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 23. Concurrent resolution to authorize the printing of additional copies of "The Congressional Program of Economic Recovery and Energy Sufficiency"; to the Committee on House Administration.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4296. An act to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes; and

H.J. Res. 375. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1310. An act to continue the special food service program for children through September 30, 1975.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 375. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

ADJOURNMENT

Mr. SHARP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 23, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

842. A letter from the Secretary of the Treasury, transmitting the annual report of the National Advisory Council on International Monetary and Financial Policies for fiscal year 1975 (H. Doc. No. 94–110); to the Committee on Banking, Currency and Housing and ordered to be printed.

843. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce.

844. A letter from the Acting Secretary of Commerce, transmitting the annual report of the Economic Development Administration for fiscal year 1974, pursuant to section 707 of the Public Works and Economic Development Act of 1965 (Public Law 89–136); to the Committee on Public Works and Transportation.

Received From the Comptroller General

845. A letter from the Comptroller General of the United States, transmitting a report on improving federally assisted family planning programs; jointly, to the Committees on Government Operations, Ways and Means, Interstate and Foreign Commerce, and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. Supplemental report to Report 94–81, Pt. I on H.R. 49. A bill to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes. (Rept. No. 94–98, Pt. III). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 1244. A bill to establish procedures and regulations for certain protective services provided by the U.S. Secret Service; with amendment (Rept. No. 94–105, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRADEMAS: Committee on House Administration. House Resolution 390. Resolution to provide for the printing of additional copies of the "Report of the Special Subcommittee on the Middle East of the Committee on Armed Services, House of Representatives", Committee Paper No. 94–3, Rept. No. 94–160). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 177. Concurrent resolution providing for the printing as a House document a revised edition of the publication entitled "History of the United States House of Representatives" (Rept. No. 94–161). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 178. Concurrent resolution to authorize the printing of the hearing on amnesty (Rept. No. 94–162). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 16. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Income Security for Americans: Recommendations of the Public Welfare Study" (Rept. No. 94–163). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 17. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Subsidy Programs" (Rept. No. 94–164). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. Senate Concurrent Resolution 31. Concurrent resolution authorizing the printing as a Senate document of the prayers offered by the Chaplain of the Senate, Rev. Edward L. R. Elson, S.T.D., during the 93d Congress (Rept. No. 94–165). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 407. Joint resolution making emergency supplemental appropriations for assistance to the Republic of South Vietnam for the fiscal year ending June 30, 1975, and for other purposes; with amendment (Rept. No. 94–166). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 416. Resolution providing for the consideration of H.R. 49. A bill to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes (Rept. No. 94–167). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 417. Resolution providing for the consideration of H.R. 4114. A bill to amend the Public Health Service Act to revise and extend the National Health Service Corps program (Rept. No. 94–168). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 418. Resolution providing for the consideration of H.R. 4115. A bill to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training (Rept. No. 94–169). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 419. Resolution providing for the consideration of S. 1236. An act to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes (Rept. No. 94–170). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 5970. A bill to provide, through tax incentives in the Internal Revenue Code of 1954, that all future employment-based group health insurance plans extend coverage to workers who become unemployed and receive unemployment compensation benefits, with a temporary program financed through a trust fund and a temporary assessment on group health insurance arrangements to cover workers who are currently unemployed and receiving unemployment compensation (or who become unemployed before the applicable health insurance plans are modified to cover them), and for other purposes to the Committee on Interstate and Foreign Commerce for the period ending not later than May 7, 1975. (Rept. No. 94–171, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MURPHY of New York (for himself, Mrs. Sullivan, and Mr. Rodino):

H.R. 6218. A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes; to an ad hoc Select Committee on the Outer Continental Shelf.

By Mr. EDWARDS of California (for himself, Mr. Rodino, Mr. Seiberling, Mr. Drinan, Mr. Badillo, Mr. Dodd, Mr. Roybal, and Ms. Jordan):

H.R. 6219. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years to make permanent the ban against certain prerequisites to voting, and for other purposes; to the Committee on the Judiciary.

By Mr. ABDNOR:

H.R. 6220. A bill to amend title 38, United States Code, to allow certain increases in the per annum full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ASPIN:

H.R. 6221. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for adoption fees and related costs incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. FULTON (for himself, Mr. Carter, Mr. Duncan of Tennessee, and Mr. Murphy of New York):

H.R. 6222. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BOWEN:

H.R. 6223. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator with the consent of the farmer, and for other purposes; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself, Mr. Pattison of New York, and Mr. Rooney):

H.R. 6224. A bill to amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor; to the Committee on Post Office and Civil Service.

By Mr. CONABLE:

H.R. 6225. A bill to amend the Internal Revenue Code of 1954 to encourage the preservation of coastal wetlands and open spaces and to encourage the preservation and rehabilitation of historic buildings, and for other purposes; to the Committee on Ways and Means.

By Mr. DAN DANIEL:

H.R. 6226. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deducation, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself, Mr. White, Mr. Harris, and Mrs. Spellman):

H.R. 6227. A bill to amend title 5, United States Code, to provide Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct; to the Committee on Post Office and Civil Service.

By Mr. DRINAN:

H.R. 6228. A bill to guarantee the free flow of information to the public; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Ms. Abzug, Mr. Anderson of California, Mr. Brown of California, Mr. John L. Burton, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Edwards of California, Mr. Florio, Mr. Hannaford, Mr Hawkins, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Ms. Holtzman, Mr. Jeffords, Mr. Krebs, Mr. LaFalce, Mr. Maguire, Mr. Miller of California, Mr. Mitchell of Maryland, Mr. Obey, and Mr. Ottinger):

H.R. 6229. A bill to amend the Internal Revenue Code of 1954 to deny the deduction of any expenditure of any oil company for advertising not directly related to the sale of products or services; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Rangel, Mr. Richmond, Mr. Roe, Mr. Rosenthal, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Thompson, Mr. Waxman, and Mr. Charles H. Wilson of California):

H.R. 6230. A bill to amend the Internal Revenue Code of 1954 to deny the deduction of any expenditure of any oil company for advertising not directly related to the sale of products or services; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 6231. A bill to amend the education amendments of 1974 to delay the effective date of certain amendments to the act of September 30, 1950 (Public Law 874, 81st Cong.), and for other purposes; to the Committee on Education and Labor.

H.R. 6232. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the

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Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HELSTOSKI (for himself and Mr. Pike):

H.R. 6233. A bill relating to the income tax treatment of charitable contributions of inventory and certain other ordinary income property; to the Committee on Ways and Means.

By Mr. HILLIS:

H.R. 6234. A bill to amend the Fair Labor Standards Act of 1936 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. JONES of Alabama (for himself, Mr. Roe, Ms. Boggs, Mr. Zeferetti, Mr. Stark, Mr. Stokes, Mr. Won Pat, Mr. Hungate, Mr. Carr, Mrs. Sullivan, Mr. Blanchard, Mr. Cotter, and Mr. Chappell):

H.R. 6235. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. McCORMACK:

H.R. 6236. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

H.R. 6237. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

By Mr. McFALL:

H.R. 6238. A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of income from the production and sale of geothermal steam and associated resources; to the Committee on Ways and Means.

By Mr. MITCHELL of New York (for himself and Mr. Randall):

H.R. 6239. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to health professionals of the uniformed services; to the Committee on Armed Services.

By Mr. MITCHELL of Maryland (for himself, Mr. Hechler of West Virginia, Mr. Badillo, Mr. Moakley, Mr. Harrington, Mrs. Boggs, Mr. Dellums, Mr. Stark, Mr. Rangel, Mr. Ford of Tennessee, Mr. Ottinger, Mr. Stokes, Ms. Schroeder, Mr. Davis, Mr. Diggs, and Mr. Fraser):

H.R. 6240. A bill to direct the Secretary of Housing and Urban Development and the Secretary of Agriculture to provide assistance, under existing programs, with respect to 3 million new dwelling units for low-income individuals within a 3-year period; to the Committee on Banking, Currency and Housing.

By Mr. MITCHELL of Maryland (for himself and Mr. Fauntroy):

H.R. 6241. A bill to provide for the participation of the United States in the African Development Fund; to the Committee on Banking, Currency, and Housing.

By Mr. MOORE:

H.R. 6242. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 6243. A bill to clarify the shipping laws with respect to the certification and inspection requirements which apply to articulated tag-barge systems; to the Committee on Merchant Marine and Fisheries.

H.R. 6244. A bill to establish a program of comprehensive medical, hospital and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MYERS of Pennsylvania (for himself, Mr. Anderson of Illinois, Mr. AuCoin, Mr. Blouin Mr. Brown of Michigan, Mr. Broyhill, Mr. Burgener, Mr. Cornell, Mr. Van Deerlin, Mr. Edgar, Mr. Edwards of Alabama, Mr. Emery, Mr. Eshleman, Mr. Forsythe, Mr. Goodling, Mr. Gradison, Mr. Guyer, Mr. Hannaford, Mr. Hechler of West Virginia, Mr. Horton, Mr. Kindness Mr. Keys, Mr. Lagomarsino, Mr. McCollister, and Mr. McKinney):

H.R. 6245. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

By Mr. Myers of Pennsylvania (for himself, Mr. Martin, Mr. Mazzoli, Mr. Mikva, Mr. Miller of Ohio, Mr. Miller of California, Mr. Moakley, Mr. Moorhead of California, Mr. Mosher, Mr. Ottinger Mr. Pattison of New York, Mr. Rousselot, Mr. Steelman, Mr. Vander Jagt, Mr. Whitehurst, Mr. Krebs, Mr. Heinz, Mr. Gude, Mr. Ketchum, Mr. Carr, and Mr. LaFalce):

H.R. 6246. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office; to the Committee on Post Office and Civil Service.

By Mr. NOLAN:

H.R. 6247. A bill to amend title 39 United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. OTTINGER:

H.R. 6248. A bill to amend section 8(b) (4) of the National Labor Relations Act, as amended, with respect to strike at the sites of construction projects; to the Committee on Education and Labor.

By Mr. OTTINGER (for himself, Mr. Badillo, Mr. Brown of California, Mr. Downey, Ms. Holtzman, Mr. Metcalfe, Mr. Richmond, Mr. Stark, and Mr. Harrington):

H.R. 6249. A bill to amend the Federal Food, Drug, and Cosmetic Act to make the provisions of that act relating to cosmetics applicable to hair dyes; to the Committee on Interstate and Foreign Commerce.

By Mr. PRESSLER (for himself, Mr. Abdnor, Mr. Duncan of Oregon, Mrs. Fenwick, Mr. Ford of Tennessee, Mr. Gilman, Mr. Hechler of West Virginia, Mrs. Meyner, Mr. Riegle, Mr. Santini, Mr. Thone, and Mr. Treen):

H.R. 6250. A bill to amend the Revised Statutes of the United States to permit any Federal officer or employee to waive the receipt of any portion of his/her compensation; to the Committee on Post Office and Civil Service.

By Mr. QUIE (by request):

H.R. 6251. A bill to consolidate existing authorities under the Vocational Education Act of 1963 in order to create a more efficient mechanism for Federal assistance to States for vocational education; to the Committee on Education and Labor.

By Mr. RYAN:

H.R. 6252. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SCHNEEBELI:

H.R. 6253. A bill to amend the tariff schedules to provide for mixed animal feeds containing soybeans; to the Committee on Ways and Means.

By Mr. SCHNEEBELI (for himself, Mr. Archer, and Mr. Conable):

H.R. 6254. A bill to provide for the temporary suspension of duty on the importation of Fluorspar; to the Committee on Ways and Means.

By Mr. STUDDS (for himself, Mr. Beard of Rhode Island, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Hicks, Mr. Krebs, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Ottinger, Mr. Roe, Mrs. Spellman, and Mr. Stark):

H.R. 6255. A bill to amend the Coastal Zone Management Act of 1972 to authorize and assist the coastal States to study, plan for, manage, and control the impact of energy resource development and production which affects the coastal zone, and for other purposes; to the Committee on Merchant Marine and Fisheries.

Mr. STUDDS (for himself, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Harrington, Mr. Hicks, Mr. Krebs, Mr. Leggett, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Pattison of New York, Mrs. Spellman, and Mr. Stark):

H.R. 6256. A bill to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes; jointly to the Committees on the Judiciary, Merchant Marine and Fisheries, Interior and Insular Affairs, and Science and Technology.

By Mr. WHITE:

H.R. 6257. A bill to amend chapter 83 of title 5, United States Code, to grant a surviving annuitant the right to elect within 1 year after remarriage whether such annuitant's new spouse shall be entitled, if otherwise qualified, to a survivor's annuity upon the annuitant's death; to the Committee on Post Office and Civil Service.

By Mr. WYLIE:

H.R. 6258. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide a comprehensive program of health care by strengthening the organization and delivery of health care nationwide and making comprehensive health care insurance (including coverage for medical catastrophies) available to all Americans, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. YATRON:

H.R. 6259. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. CORNELL:

H.R. 6260. A bill to encourage greater participation in Federal elections by designating election day a national holiday; to the Committee on Post Office and Civil Service.

By Mrs. HOLT (for herself, Mr. Badillo, Mr. Bauman, Mr. John L. Burton, Mr. Chappell, Mr. Dellums, Mr. Derwinski, Mr. Gilman, Mr. Jenrette, Mr. Ketchum, Mr. Lent, Mr. Long of Maryland, Mr. Lott, Mr. Mitchell of Maryland, Mr. Montgomery, Mr. Mazzoli, Mr. Nix, Mr. Roe, Mr. Whitehurst, Mr. Winn, and Mr. Jeffords):

H.R. 6261. A bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries, and to provide for transportation of bodies to a national cemetery; to the Committee on Veterans' Affairs.

By Mr. DAN DANIEL:

H.R. 6262. A bill to provide for the removal of a barricade on abandoned Virginia Route 776 at Philpott Lake, Va.; to the Committee on Public Works and Transportation.

By Mr. FOUNTAIN:

H.R. 6263. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Mr. FRASER:

H.R. 6264. A bill to provide for the conversion of the United States to the metric system; to the Committee on Science and Technology.

By Mr. GUDE (for himself, Mr. Rosenthal, Mr. Koch, Mr. Conyers, Mr. Rodino, and Mr. Downey):

H.R. 6265. A bill to prohibit further military assistance to the Government of South Vietnam; to the Committee on International Relations.

By Mr. HARRIS:

H.R. 6266. A bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 6267. A bill to suspend until June 30, 1978, the duties on magnesium and magnesium alloys; to the Committee on Ways and Means.

By Mr. JONES of Oklahoma (for himself and Mr. Young of Alaska):

H.R. 6268. A bill to provide for the development and conversion into electric energy and usable energy materials of the potential hydroelectric resources of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KINDNESS:

H.R. 6269. A bill to replace the program established under the Food Stamp Act of 1964 with a 5-year federally financed program established by the States; to the Committee on Agriculture.

By Mr. KOCH (for himself and Mr. Richmond):

H.R. 6270. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the recall or detention of food, drugs, devices, and cosmetics which are adulterated or misbranded or otherwise fail to comply with the act, and to otherwise improve the administration and enforcement of the act; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Hannaford, Mr. Blanchard, and Mr. Hawkins):

H.R. 6271. A bill to require Federal employees to file with the Office of the Federal Register a statement with respect to certain gifts made or received by such employees; jointly, to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. KOCH (for himself, Mr. Drinan, Mr. Frenzel, Mr. Moore, Mr. Stokes, and Mr. Wirth):

H.R. 6272. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Duncan of Oregon, and Mr. Wirth):

H.R. 6273. A bill to amend part of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to require contributions by adult children toward their parents' nursing and home health care expenses under the medicaid program, to provide expanded Federal funding for congregate housing for the displaced and elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mrs. MINK:

H.R. 6274. A bill to provide for the appointment of a Governor for American Samoa; to the Committee on Interior and Insular Affairs.

H.R. 6275. A bill to make the Trust Territory of the Pacific Islands eligible to participate in certain Federal fisheries programs, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PIKE:

H.R. 6276. A bill to amend the National Housing Act to transfer the responsibility for setting income limitations and rent income ratios from the Federal Government to State and local agencies; to the Committee on Banking, Currency and Housing.

By Mr. QUILLEN:

H.R. 6277. A bill to suspend for a 3-year period the duty on typewriter parts; to the Committee on Ways and Means.

By Mr. REES:

H.R. 6278. A bill to authorize the Secretary of Housing and Urban Development to establish national thermal efficiency standards for newly constructed residential and commercial buildings; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN:

H.R. 6279. A bill to establish an Office of Counsel General in the legislative branch of Government, and for other purposes; to the Committee on House Administration.

By Mr. STEIGER of Wisconsin (for himself, Mr. McCloskey, Mr. Perkins, Mr. Brown of California, Mr. Howard, Mr. Risenhoover, Mr. Duncan of Tennessee, Mr. McEwen, Mr. Bevill, Mr. English, Mr. Obey, Mr. Hicks, Mr. Murtha, Mr. Krebs, Mr. Martin, Mr. Beard of Tennessee, Mr. Cornell, Mr. Baldus, Mr. Esch, Mr. Hastings, Mr. Jenrette, Mr. Kindness, Mrs. Spellman, Mr. Mitchell of New York, and Mr. Kemp):

H.R. 6280. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. STEIGER of Wisconsin (for himself, Mr. Bergland, Mr. Rose, Mr. Anderson of Illinois, and Mr. Traxler):

H.R. 6281. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mrs. SULLIVAN (for herself, Mr. Leggett, Mr. Murphy of New York, and Mr. Forsythe):

H.R. 6282. A bill to extend the Marine Protection, Research, and Sanctuaries Act for 2 years; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNG of Georgia:

H.R. 6283. A bill to amend the Social Security Act to establish a national health care program for all Americans under which all existing health care programs for the aged and poor are consolidated, to provide for the administration of the national health care program and the existing social security programs by a newly established independent Social Security Administration, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H.R. 6284. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER:

H.J. Res. 409. Joint resolution proposing an amendment to the Constitution of the United States to permit voluntary participation in prayer in public schools; to the Committee on the Judiciary.

By Mr. DIGGS (for himself, Mr. Brown of California, Mr. Carr, Mr. Conyers, Mr. Ford of Tennessee, Mr. Fraser, Mr. Ottinger, Mr. Rangel, Mr. Reuss, Mr. Roe, and Mr. Won Pat):

H.J. Res. 410. Joint resolution to protect U.S. domestic and foreign policy interests by making fair employment practices in the South African enterprises of U.S. firms a criteria for eligibility for Government contracts; jointly to the Committees on Government Operations, and the Judiciary.

By Mr. MAZZOLI:

H.J. Res. 411. Joint resolution restoring citizenship posthumously to General Robert E. Lee; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.J. Res. 412. Joint resolution authorizing the President to proclaim the week of June 8 through 14, 1975, as National Fraternal Week; to the Committee on Post Office and Civil Service.

By Mr. RHODES:

H.R. Res. 413. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

Mr. ZABLOCKI:

H.J. Res. 414. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on Post Office and Civil Service.

By Mr. BEDELL (for himself, Mr. Conyers, Mr. D'Amours, Mr. Harrington, Mr. Jacobs, Mr. Neal, Mr. Roe, Mr. Seiberling, Mr. Stark, and Mr. Won Pat):

H. Con. Res. 247. Concurrent resolution expressing the sense of the Congress with respect to the evacuation of American nationals from Vietnam; to the Committee on International Relations.

By Mr. CHAPPELL:

H. Con. Res. 248. Concurrent resolution to disapprove 5 percent ceiling on social security cost-of-living increases; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself, Mr. Anderson of California, Mr. Beard of Rhode Island, Mr. John L. Burton, Mr. Chappell, Mr. Davis, Mr. Fauntroy, Mr. Harris, Mr. Howard, Mr. Lloyd of California, Mr. Lagomarsino, Mr. Martin, Mr. Sisk, and Mr. Van Deerlin):

H. Con. Res. 249. Concurrent resolution expressing the opposition of the Congress to any change in the present method of providing financial support for military commis-

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saries through appropriations to meet their payroll costs; to the Committee on Armed Services.

By Mr. O'NEILL (for himself and Mr. RHODES):

H. Res. 413. Resolution to provide for additional staff assistance for the leadership; to the Committee on House Administration.

By Mr. HUGHES (for himself, Mr. BLANCHARD, and Mr. HANNAFORD):

H. Res. 414. Resolution to create a select committee to make investigations and studies relating to natural gas and petroleum reserves; to the Committee on Rules.

By Mr. MIKVA (for himself, Mr. FREY, Mr. FRENZEL, and Mr. BAUCUS):

H. Res. 415. Resolution to amend the Rules of the House of Representatives to provide that House conferees may conduct business only at conference meetings open to the public; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

108. The SPEAKER presented a memorial of the Senate of the State of Hawaii, relative to allowing U.S. island States, territories and possessions to control immigration; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LUJAN:

H.R. 6285. A bill for the relief of certain residents of Apodaca, N. Mex.; to the Committee on the Judiciary.

By Mr. PIKE:

H.R. 6286. A bill to extend the term of U.S. Letters Patent No. 2,835,331; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.R. 6287. A bill to create a body corporate known as Daughters of Union Veterans of the Civil War, 1861–1865; to the Committee on the District of Columbia.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

101. By the SPEAKER: Petition of the Hawaii County Council, Hilo, Hawaii; relative to the establishment and funding of the Honokohau Historical Park; to the Committee on Interior and Insular Affairs.

102. Also, petition of John La Due, Tucson, Ariz., and others, relative to humanitarian assistance to South Vietnam; to the Committee on Internal Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4115

By Mr. REGULA:

Page 1, line 5, strike out "Training" and insert in lieu thereof "Education".

H.R. 6096

By Mr. ASHBROOK:

On page 3, line 13, add the following section 7 and renumber the following sections accordingly:

"SEC. 7. No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG."

By Mr. JOHN L. BURTON:

On page 3, add section 8:

"The Secretary of State is directed to initiate immediate discussions with representatives of the Provisional Revolutionary Government of the Republic of South Vietnam, to declare the support of the United States for all political goals of the agreement and protocols on ending the war and restoring peace in Vietnam, including specifically the terms of Article 12 and to determine the precise conditions under which the Provisional Revolutionary Government would agree to establishment of a cease-fire and to a political settlement of the conflict. The Secretary is further directed to discuss with the Provisional Revolutionary Government of the Republic of South Vietnam the status of any Americans who are presently listed as missing in action in Vietnam.

"Within seven days, the Secretary shall advise the United States Congress and appropriate officials in Vietnam, including the legislative branch of the government in Saigon and principle Third Force leaders, of the progress and results of these discussions."

On page 3, add section 8:

"This Act will expire 15 days after its enactment or when the President or the Secretary of State certifies to the Congress that categories A, B, and C have been safely evacuated, whichever comes first."

By Mrs. COLLINS of Illinois:

Page 2, strike out lines 21 through 25 and insert in lieu thereof the following:

"(d) other foreign nationals—

"(1) to whose lives a direct and imminent threat exists, and

"(2) whose evacuation does not require any combat activity, any involvement in hostilities, or any military or paramilitary operation by the Armed Forces of the United States which is not required for the evacuation of persons described in paragraphs (a), (b), and (c) above."

By Mr. EDGAR:

Strike out everything after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Vietnam Humanitarian Assistance and Evacuation Act of 1975'.

"SEC. 2. The President is directed to evacuate from South Vietnam within ten days of the enactment of this Act the following categories of persons:

"(1) United States citizens;

"(2) dependents of United States citizens and of permanent residents of the United States; and

"(3) Vietnamese nationals eligible for immigration to the United States by reason of their relationships to United States citizens.

"SEC. 3. All United States citizens in South Vietnam shall be informed that the United States Government will not be responsible for the evacuation of United States citizens who have refused the opportunity for orderly evacuation provided for in this Act.

"SEC. 4. In keeping with the tradition of the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters, it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam. To insure that the assistance is provided to such persons throughout South Vietnam through channels acceptable to all parties, the funds made available under this section shall be furnished to international agencies, such as the United Nations, its specialized agencies, the International Red Cross, and voluntary relief agencies.

"SEC. 5. (a) There is authorized to be appropriated to the President of the United States for the Fiscal Year 1975, to remain available until expended, $150,000,000 to be used for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

"(b) Not less than 90 days after the date of enactment of this Act and not later than the end of each 90-day period thereafter, until the funds have been expended, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

"(1) the amount of humanitarian assistance provided under this Act;

"(2) the expected recipients of such assistance;

"(3) the names of all organizations and agencies involved in the distribution of such assistance; and

"(4) the means with which such distribution is carried out."

By Ms. HOLTZMAN:

Amendment in the nature of a substitute: Strike out everything after the enacting clause and insert in lieu thereof the following:

"The President is directed to evacuate from South Vietnam all United States citizens and their dependents forthwith, subject only to such delay as may be necessary to protect the lives of any such citizens or dependents.

"SEC. 2. The President is authorized and directed forthwith to enter into negotiations to secure the safe and orderly evacuation of other foreign nationals who are presently in South Vietnam.

"SEC. 3. There is authorized to be appropriated for the fiscal year 1975 not to exceed $150,000,000 to be used for humanitarian assistance to South Vietnam: *Provided*, That all funds authorized by this Act shall be distributed only through voluntary, nonprofit agencies and international relief organizations."

Page 2, line 11, insert immediately after "safety" the following: "outside of Vietnam".

Page 2, line 11, insert immediately after "removal", the following: "outside of Indochina".

Page 2, strike out lines 23 through 25 and insert in lieu thereof the following: "their evacuation shall be carried out only by those United States Armed Forces already engaged in evacuating persons described in subsections (a), (b), and (c) of this section and shall be simultaneous with and incidental to the evacuation of persons described in subsections (a), (b), and (c) of this section: *Provided further*, That this Section shall not be construed to permit the evacuation of any person who engaged in war crimes or corruption, or who misappropriated United States funds.".

Page 2, line 17, insert immediately after "United States;" the following: "and"; line 20, delete "; and " and insert in lieu thereof a period; strike out lines 21 through 25.

Page 3, strike out lines 4 through 6 and insert in lieu thereof the following: "Sec. 5. All of the provisions of the War Powers Resolution (Public Law 93–148) shall apply to any military activities carried out pursuant to this Act."; page 3, strike out lines 13 and 14.

Page 1, line 7, strike out ", notwithstanding any other provision of law,".

Page 1, line 8, strike out "on such terms and conditions as the President may deem appropriate".

Page 2, strike out lines 3 through 9, and renumber sections 4 through 7 accordingly.

Page 3, strike out lines 7 through 12, and renumber Section 7 accordingly.

By Mr. McCLOSKEY:

At page 2, strike all of line 3 down through and including line 3 on page 3 of the bill.

By Mr. SOLARZ:

Page 1, line 5, insert "(a)" immediately after "Sec. 2.", and page 2 immediately after line 2, add the following new subsection:

"(b) Notwithstanding any other provision of this Act, no funds appropriated under this or any other Act may be used to finance, directly or indirectly, any combat activity, any involvement in hostilities, or any military or paramilitary operation, by the Armed Forces of the United States in, over, or off the shores of South Vietnam after the end of the 30-day period beginning on the date of enactment of this Act."

Page 3, line 3, immediately after the end of the sentence, add the following new sentence: "Notwithstanding any other provision of this Act, no funds appropriated under this—or any other Act may be used to finance, directly or indirectly, any combat activity, any involvement in hostilities, or any military or paramilitary operation, by the Armed Forces of the United States in, over, or off the shores of South Vietnam for the purpose of evacuating from South Vietnam any person described in paragraph (d) of this section unless the President—

"(1) first makes a good faith effort to work out an agreement with the Democratic Republic of South Vietnam, the Provisional Revolutionary Government of South Vietnam, and such other parties as the President deems appropriate, providing for a safe and orderly evacuation of such persons from South Vietnam; and

"(2) has determined on the basis of such effort that such an agreement cannot be reached."

By Mr. STRATTON:

Page 1, line 6; strike out "$150,000,000" and insert "$300,000,000".

Page 2, line 2; delete the period at the end of the line, insert a semicolon and add the following: "*Provided*, That $150,000,000 of such sum shall be available to the President solely to provide such protection as he may deem necessary to insure the delivery of the humanitarian assistance and evacuation programs authorized in this section."

EXTENSIONS OF REMARKS

ANDY YORK—"MR. LEGIONNAIRE"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. GAYDOS. Mr. Speaker, I take great pride and personal pleasure in officially recognizing before the Congress of the United States a remarkable gentleman from Pennsylvania who has spent more than half a century in service to America's veterans—Mr. Andrew York, of Clairton, Pa.

Although Mr. York is 78, his dedication to the principles and objectives of the National American Legion and his energy and interest in achieving those goals belie his age. He is a man of many titles.

Those who know him, call him "Andy." The city of Clairton refers to him fondly as "Mr. Legionnaire." Allegheny County claims him as its own "Sergeant York" and every man calls him "friend."

The work of this quiet, unassuming gentleman was finally brought to the attention of the general public by District 36 of the Pennsylvania Department of the American Legion. The district awarded Andy its "Blue Cap of the Year" award in appreciation for his outstanding service. Consequently, "Andy" will represent district 36 in the competition for the statewide Legion title when the Pennsylvania Department holds its annual convention this summer.

District 36 Commander Fred Felix, who presented the award, declared:

> I know of no other Legionnaire more deserving of the honor than Andrew York.

Commander Felix was right on target for in his 54-year span of service to the American Legion, "Andy" has spent at least 44 of them as an officer of Daniel Keffer Post 75 in Clairton.

He served as post commander in 1935 and again in 1944. He also spent 10 years as post historian, another 10 as its service officer, 20 years as its adjutant and, since 1973, he has been its finance officer. "Andy" also has been active in post-sponsored activities and has participated in every Memorial Day observance held by the city's veterans, more often than not serving as program chairman or parade marshal.

"Andy's" career with the American Legion began a short time after he returned from a tour of duty with the Army in France during World War I. He was discharged with the rank of sergeant, which explains his link to the national hero, Sergeant York, and in 1921 joined Legion Post 99 in Braddock, Pa. Two years later, he transferred to Post 75 in Clairton where he has become almost a living legend.

Mr. York's love for America and his desire to serve those who served their Nation in time of war was transcended to his sons, Kenneth and Raymond. Both men have held various offices in the post, including commander, with Kenneth serving in the position on four occasions.

Mr. Speaker, I believe James Falk, the present commander of Post 75, best described the esteem in which "Andy" York is held by those who know him. Commander Falk said:

> Andy York is a man whose life reflects great credit not just upon himself but also upon his family, his community, his comrades in Post 75 and the national American Legion. He has won more than just their respect and admiration; he was won their hearts.

ROLE OF FOREIGN EMISSARIES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. CRANE. Mr. Speaker, it has been my impression that foreign emissaries, whether from the career service, or so-called political appointees, should be selected on the basis of their personal ability to represent the President in a foreign capital.

Obviously, some individuals do this with greater, and some with lesser capabilities. However, it seems to me to be an extraordinary state of affairs when a U.S. envoy abroad, speaking in a foreign capital to a mixed American and foreign audience, addresses himself not to matters with which he and the administration are in agreement, but rather extends his arguments to include political positions on pending legislative issues with which he is sympathetic, but which do not represent the viewpoint of the administration.

The specific incident to which I have reference is a recent speech given by the Honorable Frank Carlucci, the U.S. Ambassador to Portugal. While serving in a very difficult and challenging assignment, Ambassador Carlucci brings many capabilities to bear in his new role as Ambassador. Regrettably, one of those abilities does not seem to be a sense of propriety.

My specific objection, Mr. Speaker, is that Ambassador Carlucci addressed himself to the desirability for the Congress to act with regard to certain domestic political questions in a certain manner. This seems to me to be improper for a U.S. Ambassador before any audience overseas. However, it is particularly improper when the Ambassador's viewpoints do not reflect those of the administration of which he is a part.

With the very unsettled situation that currently exists in Portugal, I would commend Ambassador Carlucci's attention to the matters at hand and permit the Congress and his former colleagues in various governmental agencies here in Washington to worry about domestic matters while he concerns himself with those matters which properly fall within his domain.

I insert the relevant portion of Mr. Carlucci's speech in the RECORD at this point:

> Let me leave you with one final thought. We are all troubled by expressions of anti-American sentiments in Portugal. Much of it is part of a well-organized international campaign which takes advantage of misunderstandings and knowledge about the United States. For example, people readily believe that the United States has the same kind of capitalism that existed here in Portugal under the authoritarian regime. Nothing could be further from the truth. We have free and active labor unions and indeed these unions are very powerful. We have effective unemployment insurance programs, our social security expenditures run in the neighborhood of 75 billion dollars, and we have programs that provide direct assistance to the handicapped, to bilingual children, to the mentally retarded, to the homeless, to the elderly and to the poor. Federal expenditures for health programs to low income people are on the order of 20 billion dollars. Families on welfare in some states receive as much as six or seven thousand dollars a year. Between 1969 and 1975 benefit payments for individuals went up from 25 percent of the Federal budget to 45 percent. During the same period defense expenditures dropped from 42 percent to 27 percent.
>
> 27. Whether you agree with the concept or not, the United States is only a year or two away from a national health insurance program which will guarantee to every American access to our health system no matter what his income. We already have a system of Federal scholarships that guarantees to any qualified student that he can go to college no matter what his family income. And we are debating and some day will enact, in my judgment, a guaranteed annual income program under which no family, for

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whatever reason, can fall under a certain income level.

28. Irrespective of what your political philosophy might be in the United States, it seems to me that these are the kinds of things we ought to be talking about with our Portuguese colleagues. Most of the problems of the world stem from inadequate communication and a lack of understanding. In difficult situations such as exists today in Portugal we all need to place greater emphasis on communicating directly and frankly with our Portuguese friends. Now is not the time to draw back. It is the time to move forward.

GROWING OLD GRACEFULLY

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mrs. SPELLMAN. Mr. Speaker, I have long been concerned with problems attending retirement and the general treatment of retired persons. Quite rightly, we are very concerned with the plight of our elderly who must exist on fixed incomes while the cost of living continues to soar. Our system encourages our senior citizens to adopt a bleak, despairing, and passive outlook.

It takes a brave, innovative soul to adapt to the waning years and its accompanying indignities and inequities with perserverance and good-humored courage.

Mrs. Polly Francis is one of those persons. In an article she wrote for the Washington Post and which was printed in its Outlook section on March 16 of this year, she speaks with the serenity of wisdom, the confidence of experience, and the eloquence of a person with a well-defined and beautiful personality.

I think her studied remarks will be of benefit to Members of this body, to the elderly, and to those who have yet to look forward to senior years.

THE AUTUMN OF MY LIFE

(By Polly Francis)

> What a baffling thing old age is! It doesn't bring the peace we were led to expect.
>
> I find it hard to drift with the stream; all along the way there are problems which obstruct the smooth flow of life. The area which lies between the "here" and the "hereafter" is a difficult passage to travel. One must make the journey to fully understand it.
>
> The pattern of life today is such that, at a certain point, it seems desirable that we should leave the main stream and be channeled into a small tributary where the flow is at a gentler speed. But even here there are obstacles. While our responsibilities lessen, our limitations and frustrations increase—and certain humiliations can be painful.
>
> Our young folk want to be kind to us, I'm sure. But they don't know what we want and they don't know how we feel. What I crave is withheld, so I go winnowing my way around problems and trying to avoid a head-on crash.
>
> The young people may think that we are unreasoningly demanding. It seems to them that all our needs are met. We are comfortably housed, well fed, protected from hazards, provided with companionship and divertisements. What else do we need?
>
> Our greatest need is not met. It is one that we never outgrow: It is the need to feel cherished by someone—to know that there is a place where we "belong." This is something that no retirement home, nursing home or hospital can provide. These institutions are staffed by dedicated people, but it is not their function to soothe our yearning hearts. The emotional strain would be too heavy.
>
> I've been told that I must not succumb to the facts of my age. But why shouldn't I? I am now in my 91st year and I doubt that my activity, for example, in civic affairs, could restore my spirits to a state of bouncing buoyancy. Lack of physical strength alone keeps me inactive and often silent. I've been called senile. Senility is a convenient peg upon which to hang our nonconformity.
>
> Age creeps up so stealthily that it is often with shock that we become aware of its presence. Perhaps that is why so many of us reach old age utterly unprepared to meet its demands. We may be a bit rebellious about accepting it; I want to cry out that the invisible part of me is not old. I still thrill to the beauties of this world—the dew upon the rose at dawn, the glow reflected by the sun on passing cloud when day is done—but unremitting age goes on.
>
> My interest in the goings on in the world outside my ever-tightening barriers has not been withdrawn. It is not interest that I have lost, but rather the means of getting around and the physical stamina to sustain me as I go.
>
> It is my task now to build a new life. My renunciations are many. The component parts with which I shall build are sometimes unfamiliar and often unappealing. At first a bleak stretch of nothingness seemed to lie before me; I yearned for my comfortable deep furrow dug by my habits of many years.
>
> In earlier times, I didn't look beyond the move of the moment. Each move seemed almost fixed and final. But now all feeling of permanency has slipped away. The thought of where I shall go from here lurks in my consciousness. Will it be to a nursing home, or to a hospital or shall I go directly with no stopovers? Whichever it will be, I shall look upon it with no dread.
>
> My new life is taking shape. The barriers of my little world are closing in on me. I am not sad or discontented—just very tired. If I sit alone at twilight it is because I need solitude and rest. My solace is my memories, left untouched by the devastating hand of time. Tears, too, help—tears of tenderness; tears of grief have dried away. I do not mourn "good old days." I've had them, I've enjoyed them and my memory will preserve them.
>
> The room in which I spend my days and nights is quiet, pleasant and comfortable, with a large window looking out over the treetops toward a distant, jagged horizon. It is not merely an enclosure where my few remaining possessions are stored and where I am safe from the common hazards of living alone; it is the setting of a new kind of life to which I am trying to adjust.
>
> A new set of faculties seems to be coming into operation. I seem to be awakening to a larger world of wonderment—to catch little glimpses of the immensity and diversity of creation. More than at any other time in my life, I seem to be aware of the beauties of our spinning planet and the sky above. And now I have the time to enjoy them. I feel that old age sharpens our awareness.
>
> I sit by my window and watch a thing of great beauty die with the setting sun. It is gone forever. Time loses its importance. On a bright, clear day, what a challenge to my imagination is the sight of an azure sky with balls of white fluff tumbling and rolling and gathering and dispersing and endlessly forming fantastic patterns.
>
> In the quiet of the night, a siren sounds. A pang of compassion strikes into my heart. I want to rush to the scene of distress, but how utterly useless I've become. I look out at the red lights blinking reassurance to the night travelers streaking through the sky. What emotions these planes carry!
>
> My window has become a showcase of ever-changing wonderment. The objects in my room take on different aspects with the shifting sun. Like actors on a stage, each thing has its moment in the limelight.
>
> I pick up a much-read book and in it I find new delights. I watch an ant persistently toiling with a tiny bit of something and I realize that a spark of the Great Universal Will keeps it going undespairingly. I look at a cobweb and wonder at the spider's weaving skill and engineering know-how.
>
> The telephone rings. My heart leaps. For a few minutes I listen to a beloved voice. Distance is wiped away. I am no longer on alien ground. I am where I "belong."
>
> When my courage turns limp, I ponder my past. I try to find a yardstick with which to measure the merit of a life. I become so confused that I cannot tell right from wrong. They come so close together and dance so fast from side to side that I am unable to grasp them firmly. And that is where faith comes in. We cannot know; we can only believe.
>
> Old age is not all pain and limitations. It holds its own joys and satisfactions. The time has come when musing replaces activities—when the sleepless hours are filled from the harvest of a well-stored mind. Even though our means are scant, we know that our material needs will, somehow, be met. But an impoverished soul is a saddening thing.
>
> One of my joys is the spontaneous kindness of people everywhere—in the home where I live, in the shops, in the street—wherever my faltering step is noticed. It fills me with a warm glow. The quickness of the young boys and girls and the zest and nonchalance with which they offer help give me the feeling that they are trying to minimize my helplessness. I admire them without reservation.
>
> The common expression, "so-and-so is failing," is tossed around too freely. In aging we gain as well as lose. The autumn of human life, like the autumn of nature, can bring richness of beauty. It's a time when our spiritual forces seem to expand. A life of the heart and of the mind takes over while our physical force ebbs away.
>
> I find my thoughts reverting more and more to days long passed. I relive so many poignant experiences, brief and fleeting, the imprints of which lie deep and clear in my heart. I have outgrown my morbid sensitiveness and have broken away from the bondage of my vanities. I look upon the follies of my fellow men with a more tolerant eye, without denying all evil. The restraints of law and of society will change, of course, but they will continue to be a powerful check on man's behavior.
>
> Considering the inequalities of man's capabilities, I have come to a more benevolent attitude toward the world. I've learned also that "success" is a vague term and dwells, not always at the lofty peaks, but often at our feet in the fertile valley.
>
> What time is it? I don't know. My life now is regulated largely by impulse. The clock plays a minor part. Routine has been done away with. I have nothing to do, no one is waiting for me, I am needed by no one. Soon another day will be here, and another and another—all alike. One thing old age teaches us is to tolerate monotony.
>
> Length is only one dimension of life. So I try to avoid an exaggerated concern about my state of health—and I refuse to deny myself some little pleasures I am told are not good for me. If I want to drink a cup of coffee at midnight or go without my rubbers, what of it? A little private rebellion now and then can relieve a harmful tension. I've been indiscreet all my life and I'm still around as I begin my 91st year.
>
> Pain and struggle have not been lacking, but on the whole, my life has been a rich experience. As I travel on toward the unknown, the winds of change sweep through vast areas, and I am aware of the death agonies of an obsolete civilization. While my confidence in many of my old beliefs is crumbling, I cling to the belief that the destiny of man points upward.
>
> When the bell tolls for me, I shall go willingly, with no bitterness, but with tenderness toward my fellow travelers on my long journey.

A MOMENT OF HEROISM

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. WALSH. Mr. Speaker, on April 10 a devastating tragedy struck a tiny community in the 33d Congressional District of New York. Shortly before 7:30 that morning, a gasoline tanker carrying 10,000 gallons of gasoline lost its brakes traveling a downhill curve into the Cayuga County hamlet of Locke. The truck smashed into the community's bank and exploded. The resulting fire destroyed 11 buildings including the bank, post office, restaurant, and several houses.

Fortunately there were no deaths and no serious injuries.

The remainder of that day was filled with stories of acts of kindness and sacrifice by residents of the ruined Main Street and surrounding areas. As in all such disasters, the human spirit seems to rise to the occasion and Locke was no exception.

However, there was an act of heroism that stands out above everything that happened that day. A life was saved. A short sidebar article in the Ithaca Journal entitled, "I Heard This Horn," describes what happened:

> Morris Allen was standing in front of his house, directly across the street from the bank when it began.
>
> He heard the tank truck sounding its horn as it came down the hill; "I heard this horn and I turned and saw the gas truck coming and I knew he'd lost his brakes," Allen said.
>
> There was a tractor-trailer stopped beside the bank. The tank truck driver saw it and when it didn't move, "he put it into the bank," Allen said.
>
> After the impact, sparks ignited the gas. "I ran across the street and pulled the driver out and dragged him around behind the bank where there was a snow bank," Allen said. "I had caught on fire, and rolled in the snow bank."

What Mr. Allen failed to mention in his modest reenactment of the incident was that he did not roll in the snowbank until he was sure that the truck-driver had not also caught fire.

This was a heroic rescue and Mr. Allen has already, and justly so, been honored by the Auburn Lions Club for pulling that driver out of the burning tank truck.

It is incidents like these, when one man is willing to put his life on the line to save a total stranger, that makes me optimistic that, despite all the problems we face today, we still have the will and the ability to solve those problems and make the world a decent place in which to live.

HIGHWAY CONSTRUCTION

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. MOFFETT. Mr. Speaker, while I am pleased that the House yesterday passed H.R. 3130, I am at the same time very disappointed that a related bill, H.R. 3787, was also passed. The passage of both bills represents the continuation of an important jurisdictional dispute, since the Merchant Marine Committee's bill embodies a clear, consistent approach to the problem of who should prepare environmental impact statements, while the Public Works Committee's bill attempts to solve the same problem in an incomplete and potentially detrimental manner.

H.R. 3130 would amend the National Environmental Policy Act to clarify and restate the original intention of that law. The need for this clarification arose when the Federal Highway Administration issued a moratorium on highway projects in Connecticut, Vermont, and New York. This action came in response to a Second Circuit Court of Appeals' decision that a certain impact statement concerning highway construction in Vermont was invalid, because the State, rather than the Federal Highway Administration, had prepared it. It appears that the Highway Administration overreacted to this decision, and in doing so, rendered an administrative solution impossible. Consequently, in order to free up funds for highway construction in these States, I supported H.R. 3130.

I do not, however, wish to dilute the National Environmental Policy Act. I believe that strong safeguards are necessary to insure Federal responsibility for the preparation of environmental impact statements. The very purpose of NEPA would be destroyed if Federal agencies were simply to rubber-stamp State-prepared impact statements. For this reason, I supported H.R. 3130 over H.R. 3787. The former states that the responsible Federal official must furnish guidance and independently evaluate any such impact statements as may be submitted by a State agency or official. This is applicable to all agencies and all States. It seems to me that such a uniform approach is clearly preferable to one which deals, as does H.R. 3787, with only three States and one agency. We must address ourselves to the larger issue if a genuine solution is to be found.

What we have here is largely a jurisdictional dispute between two committees. The House has demonstrated its inability to address the issue, and has acted irresponsibly in passing both pieces of legislation. Yesterday's actions will surely serve to further confuse the issue, and I hope my colleagues will reconsider their decision.

AID TO HELP VIETNAM AND CAMBODIAN STUDENTS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. SIMON. Mr. Speaker, yesterday I introduced a bill, with cosponsors from both sides of the aisle, which would provide some emergency help to Vietnam and Cambodian students who find themselves in an extremely difficult and awkward situation right now in the United States.

In the current debate over events in Indochina broad parallels are being drawn to earlier events in China. Those comparisons may or may not be valid. But parallels can be drawn in fine lines as well as broad strokes and one such parallel should be drawn—the economic plight of Chinese nationals, who were studying in our colleges and universities at the time of the collapse of China, and their Vietnamese and Cambodian counterparts.

In the 1948–49 academic year there were 3,900 Chinese students in the United States, supported mostly by private funds from China. As the Communist forces became increasingly successful, these funds were cut off and the impact was immediate and devastating. The Chinese students were unable to meet living and college expenses. They could not get jobs because they held student visas. Nor could they return to China with safety. The colleges and universities generously extended some aid but they had limited resources and had to give priority to American students.

As the situation deteriorated, appeals were made to Congress by the colleges, the State Department, and concerned citizens. Some initial contingency funds were made available and Representatives Walter Judd of Minnesota, John Kee of West Virginia, and MIKE MANSFIELD of Montana put together a legislative package that provided for long-term assistance of grants for tuition and living expenses. The bill passed both the House and the Senate unanimously and was signed into law on October 6, 1949.

During the life of the program, from 1949 to 1955, grants were given to 3,498 eligible Chinese students at 572 institutions. The cost, including administration, came to $7,899,828. Follow-up studies have indicated that the program was highly successful and that most grantees either found secure jobs in the United States after graduation or returned to Nationalist China.

The parallel in the current situation is obvious. There are over 2,500 Vietnamese and Cambodians enrolled in American colleges and universities. They are heavily dependent on family or private funds or support from their government. It is unlikely that they will be able to return home. They are unable to get jobs because they are in this country on student visas. And even if they were free to seek work, few have marketable skills because they have not yet finished their degrees. Their situation is, at best, wor-

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risome. They may soon be destitute, trapped in an alien land, unable to find employment or continue their education.

I hope that the Congress sees fit to continue the parallel—that it will respond now as it did 25 years ago. To that end, I have introduced legislation somewhat similar to that enacted under the trying times of the Chinese collapse. Historians may argue about the broad sweeps of cause and effect, and others may assess blame and call for recriminations. I hope no one has cause to denounce the Congress for neglecting those students stranded in America by events beyond their control.

YELENCSICS TO RECEIVE HUNGARIAN SERVICE AWARD

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. PATTEN. Mr. Speaker, Anthony M. Yelencsics, one of the most active and respected citizens of Middlesex County, N.J., will receive the Distinguished Service Award of the American Hungarian Foundation, on April 26.

"Tony" Yelencsics has dedicated his life to helping people, so it is especially gratifying to me that he will receive the distinguished service award. His activities and achievements are so extensive, it is almost impossible to list them. Above all, "Tony Yelencsics is a leader—and we need more like him in America.

On Tuesday, April 15, 1975, the Home News, of New Brunswick, wrote an article on the award he will receive. so I insert it in the CONGRESSIONAL RECORD with pride and gratitude for all he has done for so many people—including me:

YELENCSICS TO RECEIVE HUNGARIAN SERVICE AWARD

Anthony M. Yelencsics, chairman of the board and a founder of John F. Kennedy Medical Center, and former mayor of Edison, will receive the distinguished service award of the American Hungarian Foundation at the 12th annual Carousel Ball at the Battleground Country Club in Freehold April 26 at 7 p.m.

The event will benefit the American Hungarian Foundation, which maintains a program of grants, scholarships and research fellowships at various universities and colleges. A current, major project of the Foundation, is to research and publish the history of the Hungarian pioneers and immigrants and their families in the United States, and to record their contributions to American life since colonial days. The national headquarters and library of the foundation are located at 177 Somerset St., New Brunswick.

Yelencsics is being recognized for his public service, extensive philanthropic endeavors, and his efforts to promote and encourage the appreciation and understanding of the Hungarian cultural heritage in America. The award also will honor the memory of his parents who were of Hungarian birth.

For over 20 years, Yelencsics has been president of Boro Motors, in Metuchen. He served as mayor of Edison for 12 years. He has served as chairman of community cancer and mental health fund drives, the annual blue badge award dinners, and has been an active supporter of cerebral palsy drives.

For ten years, he was chairman of the Middlesex County Democratic Annual Governor's Day. He has been a delegate to the Democratic National Convention, and has been the campaign manager for the numerous successful campaigns of Rep. Edward J. Patten.

Yelencsics is a member of the Board of Directors of the American Hungarian Foundation. He is president of Middlesex County American Hungarian Democratic organization. He is past president of the Edison Chamber of Commerce and member of several service clubs and lodges.

PROTESTS FREEDOM TRAIN'S EXCESSIVE ADMISSION CHARGE FOR CHILDREN AND SENIOR CITIZENS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. MOTTL. Mr. Speaker, I would like to place in the RECORD a copy of my letter of protest to the American Freedom Train Foundation concerning their excessive admission charges.

I hope other Members of this House will see fit to make similar protests in behalf of their constituents.

My letter follows:

MR. JON A. FOUST,
President and Chief Executive Officer,
Bailey's Crossroads, Va.

DEAR MR. FOUST: In behalf of my constituents and the American people, I wish to make a most emphatic protest against the excessive admission charge for the Freedom Train.

The Freedom Train was concealed as a means of emphasizing this country's traditions of fairness, freedom and equality in rights.

It contains many valuable documents and historic momentoes which are owned by the people of the United States, and are ordinarily on view without charge in such places as the Smithsonian Institution and the National Archives.

Such documents as George Washington's copy of the Constitution, Abraham Lincoln's preliminary draft of the Emancipation Proclamation, and Delaware's ratification of the Bill of Rights belong to all the citizens of this country—and should be available for examination by them at no charge.

This "no charge" policy should apply with special force for young schoolchildren, who we hope to impress with the ideals and history of our republic, and to older people on fixed incomes, who have made a great personal contribution to this country as members of our work force.

It seems to me that the admission charge of two dollars for adults and a dollar for children in effect bars millions of our fellow citizens from access to the Freedom Train.

"Stay away!" it tells them. "The Freedom Train is only for the affluent."

This is, I submit, absolutely contrary to the basic concepts of our country.

I understand that a group of public-spirited businessmen are raising a fund to provide free admission for school children and senior citizens when the Freedom Train stops in my home city of Cleveland next month.

I applaud them for their generosity and concern about the real meaning of the Bicentennial celebration.

But I ask you to strike down the barriers and make the exhibits of the Freedom Train available without admission fees to schoolchildren and senior citizens from coast to coast.

Sincerely,

RONALD M. MOTTL,
Member of Congress.

GOV. JOHN A. BURNS OF HAWAII

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. NIX. Mr. Speaker, it was with great sorrow that I learned of the death of an old friend, John A. Burns, former Governor of Hawaii and former delegate from Hawaii to the House of Representatives.

Jack Burns served in this House from 1956 to 1959, and was an effective and popular spokesman for statehood for Hawaii. In 1959 his dream came true as Hawaii was admitted to the Union as our 50th State. Very seldom in our history has one man been so influential in gaining admittance for a new State.

I had the privilege of serving with Jack Burns when he was in the House, and it was a great privilege, indeed. In his warmth and generosity and kindness he exemplified that "aloha" spirit we associate with the citizens of our youngest State. His dedication to serving his constituents won him the respect and admiration of his colleagues. For the statehood issue he was the right man at the right time. Few Members of Congress could resist his powers of persuasion and the logic of his arguments.

The present Governor of Hawaii, the Honorable George Ariyoshi, has called Jack Burns the architect of Hawaii as we know it. For Jack Burns, bringing Hawaii into the Union was only the beginning of his efforts for that great State. He returned home, and after one losing election, was elected to three consecutive terms as Governor. In his service as Governor, Jack Burns led the way in the great economic development of the State. He laid great emphasis on the development of education and social programs for the citizens of the islands.

Jack Burns did more than exemplify the aloha spirit. He actively worked to spread that spirit. We know that in many times and places, the existence of diverse ethnic and racial groups in a society can bring out the worst qualities in human nature. In Hawaii, with the assistance of the wise leadership of Jack Burns, ethnic diversity has been turned into a great source of strength. All of us can learn much from Hawaii about how people of different origins and cultures can work together to build a democratic and great society. No small part of this lesson is due to Jack Burns.

Mr. Speaker, all of us who knew Jack Burns will miss him, as will the citizens of his beloved Hawaii. We have some consolation in knowing that Jack will never be forgotten. For he has the greatest monument that any man could hope for—the 50th star in our national flag.

RELATIONS WITH THE SOVIET UNION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. DERWINSKI. Mr. Speaker, last fall I had the pleasure of meeting Prof. Joseph A. Mikus of Georgian Court College in Lakewood, N.J., at a program sponsored by my good friend, Senator CLAIBORNE PELL of Rhode Island.

The meeting dealt primarily with foreign affairs, especially U.S. relations with the Soviet Union. Since that meeting, Professor Mikus has written a detailed memorandum on the subject of détente and the struggle of power between the two different systems of government.

I believe this article to be quite thought provoking and especially timely. Therefore, I insert Professor Mikus' comments in the RECORD at this time:

BREZHNEV'S DÉTENTE AND OUR FOREIGN POLICY

(Comments by Prof. **Joseph A. Mikus**, M.C.L., J.D.)

The confrontation of the United States of America with the Soviet Union on a worldwide scale is and will remain one of the basic realities of the 20th century. These two powers representing different, competitive, and antagonistic systems of government and economy are facing one another in a cold struggle for influence in the world. The vicissitudes of this struggle act not only upon other governments, but, indeed, upon the mind of every citizen of the world.

The Soviets have a long-range goal, their own strategy and tactics to win that struggle. Their goal is to create a world proletarian state to be controlled by Moscow. It is the socialist version of the old Russian Messianism. All their strategic maneuvering on all continents are being inspired in this objective. Their tactics consist in carefully combining time and space in order to gradually attach new countries and territories to the Marxist-Leninist creed and to its power center, Moscow. By their class-interpretation of politics, they seek to rally the working class of all other countries to the communist point of view and to destroy the bourgeois leadership where it still exists.

The actual Soviet influence in the world is threefold: (1) direct domination of the multinational Soviet state from Moscow; (2) reduction of a number of neighboring countries to a satellite status; (3) Finlandization of other countries. It is evident that these forms of influence result from a power imposed upon its victims by violence, and not from their free consent.

(1) The Soviet Union is not a nation; it is a conglomeration of nationalities and small ethnic groups among which the Great Russian nationality is the strongest. The latter has identified itself to the highest point with the imperial objective of the Soviet Union. At the present time, the non-Russian nationalities constitute a majority. The whole structure has no resemblance to the American federal system resting upon the consent of its components.

There is no doubt that many of the Soviet nationalities are in opposition to the very idea of the Soviet Union. In the first place in this respect is the Ukraine with 45 million; then come the Baltic countries, Esthonia, Latvia and Lithuania, with about 8 million. Several Soviet socialist republics in Asia, particularly those of Islamic civilization, are trying to affirm, against all the adversities of the Soviet system, their own culture and identity. Marxism-Leninism, generated in Moscow and enforced by a stiff police power, keeps the Soviet Union together.

(2) The reduction to a satellite status, particularly of the countries of East-Central Europe, is one of the historical achievements of the Soviet system. Poland, East Germany, Czecho-Slovakia, Hungary, Rumania, and Bulgaria are the visible victims of the Soviet drive for power in that sector of Europe. The Brezhnev Doctrine serves as a means of enforcement of the Soviet political and economic supervision over them. Moreover, there are other clients-satellites of the Soviet Union in the world: Cuba, Algeria, and Syria. So was Chile until 1973. Red China, in spite of the present divergencies, was created as a Soviet satellite in 1948 by Stalin.

(3) Finlandization is a conspicuous effort of the Soviet Union to break in certain countries resistance to Communism through socialist-centered coalition governments (Finland), through favorable international treaties (West Germany, India) or through neutralizattion (Austria). France's political equilibrium is very shaky as have proved the last presidential elections. In Italy a left wing coalition has a nearly 50:50 chance. Portugal seems to be on the road toward Communism, while the fate of Spain is uncertain.

These are, in sum, the results of the Soviet Foreign Policy since its precarious beginnings in 1917. Alexander Solzhenitsyn, a sort of "universal man" of our times, has expressed in *Letter to the Soviet Leaders* his amazement at the Soviet successes and the effacement of the West in the world in these realistic words:

"/Soviet diplomacy/ knows how to make demands, exact concessions, simply get things, in ways that Czarism never knew. In terms of its actual achievements, it might even be regarded as brilliant; in fifty years, with only one large-scale war, which it won from a position no whit more advantageous than that of the other participants. it rose from a country riven by civil strife to a superpower before which the entire world tremble."[1] "No less an achievement than Stalin's have been the successes of Soviet diplomacy in recent years; for the Western world, as a single, clearly united force, no longer counterbalances the Soviet Union, indeed, has almost ceased to exist . . . Europe appears to have exhausted itself for a long time to come."[2]

To any observer Soviet Russia resembles, indeed, Nicolai Gogol's "swift troika galloping to an unknown goal", while "all the peoples of the world stand aside respectfully to make way for the recklessly galloping troika to pass."[3]

Until when, we ask ourselves, shall the peoples of the world stand aside inactively? Who has the courage to finally stop the foolish run of Soviet Russia for power? This question is all the more justified since the Soviet Union contains many latent forces aiming at its disintegration. For Andrei Amalrik, one of the Soviet dissenters, dissolution of the Soviet Union is unavoidable: . . . "Marist doctrine has delayed the break-up of the Russian Empire . . . but it does not possess the power to prevent it."[4]

In his booklet already mentioned above, Solzhenitsyn, aware of the overextension of the Soviet empire and consequently of its fragility, admonishes the Soviet leadership to wisdom. His first advice is: "throw away the dead ideology (Communism) that threatens to destroy us militarily and economically"; the second: "throw away all its fantastic alien global missions and concentrate on opening up the Russian Northeast . . ."[5] "[T]here is one way out for us . . . namely, for the (Soviet) state, continues Solzhenitsyn, to switch its attention away from distant continents—and even away from Europe and the South of our country—and make the Northeast the center of national activity and settlement and a focus for the aspirations of young people." And in a footnote, he makes this addition:" Of course, a switch of this kind would oblige us sooner or later to withdraw our protective surveillance of Eastern Europe. Nor can there be any question of any peripheral nation being forcibly kept within the bounds of our country."[6]

This is then a global view of Communism and of the Soviet Union as a world power, a view, expressed by a Great Russian who knows the arcana imperii better than anybody else.

Whoever reads the booklets of Amalrik and Solzhenitsyn, must, consequently, be amazed at our policy of détente toward the Soviet Union. Détente means simply for the Kremlin leaders a way of achieving international recognition for all the states, nations and territories, conquered by the Soviet Union, to get some western credits for the development of the poorest areas of that big empire, and a respite for the final reckoning of accounts with capitalism. By endorsing détente, our leaders may believe they are making a step on the road of "convergence" between the two systems. This is sheer exercise in wishful thinking. Our Foreign Policy would thereby only contribute to the consolidation of the Soviet power in the world.

The perseverance of the Soviet Union to arrive at a détente with the United States is, in its general meaning, comparable to the effort of Czar Alexander I to establish after the Napoleonic wars, particularly with the help of Metternich, the Holy Alliance to control smaller countries and nations. This comparison, like any other, may not be entirely correct, but there is something to it. Brezhnev may, indeed, feel to be Alexander I offering to Henry Kissinger the role of Metternich. What is important for Brezhnev is to strengthen the Soviet Union and to make America an accomplice in its unholy project of world domination.

Leonid Brezhnev is a typical Russian tactician. He thinks one thing, says another, and does something entirely different. He does not say like Khrushchev "We'll bury you"; but he thinks it. When he came in 1973 to Washington, D.C., he was irradiating self-confidence. Those, however, who know something about Russian shifty mentality, could not let themselves be deceived by Brezhnev's smiling face. He too much resembles Khlestakov, the hero of The Inspector General by Gogol. He is shrewd, pretentious. double-talking. He gladly receives luxurious cars from capitalist governments. Running a passive, inhuman, empire, he would like to secure from the West some elements of political and economic solvency for his doubtful regime. Should we really fall into his trap? What kind of guarantee do we have? What kind of leverage?

The United States, as the leader of the West, has a historical responsibility: to come out with a long range, comprehensive, policy, able to counteract, instead of endorsing and legalizing, the Soviet conquests. Our Foreign Policy has to adopt and proclaim to the world the Great Wilsonian principle of self-determination for all peoples of the globe, including the subjugated peoples of the Soviet Union.

The principle of self-determination is the only moral foundation on which a permanent peace in the world may be built. We have regretfully neglected it in the case of Katanga, Biafra, and Bangla Desh. Our previous secretaries of state, and Mr. H. Kissinger as adviser on Foreign Policy to President Nixon, have sided with the established governments of those multinational or multitribal countries and have mishandled all those cases. Or, to give another example, who cares for the sad fate of the Kurds, oppressed as they are by the Soviet Union, Turkey, Irak and Iran? In our opinion, those peoples

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Footnotes at end of article.

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should have been encouraged to achieve independence, which policy loudly proclaimed to the world, would have had an electrifying effect upon the non-Russian nationalities of the Soviet Union. Such an attitude would have restored some of our lost prestige in the world. We would have, undoubtedly, overtaken the Soviet Union as a moral leader within the community of nations.

The Soviet Union suffers from a hypertrophy of power. The danger of the Soviet power can hardly decrease, if we become partners to Soviet designs. Consequently, after decades of experimentation, the sense of our Foreign Policy should be to reduce the Soviet Union, according to the ideas of Amalrik and Solzhenitsyn, to Russia properly, i.e., more or less to the Great Russian ethnic territory.

With the Soviet Union, we have, too long, been playing a game that Karl Deutsch from Harvard compares to a chase of the rabbit by the greyhound. The Russians have, throughout history, developed the zig-zaging tactics of a rabbit. All the czars, the Soviet leaders, nearly all Russian writers and their literary heroes are marked by this unpredictable tactic. While we respect the old Roman principle *Do ut des* ("Give and take"), the Russians do not.

Consequently, the United States, with its superior armaments but a heavier, slower, system of movements and decision-making, has been reduced in the world politics to the role of the greyhound." The rabbit may rapidly change its course, whereas the greyhound, which runs faster but is heavier, has more difficulty in controlling its own momentum."[7] Hence our inability, our lag, to catch the rabbit, which is the Soviet Union. Since in this game our changes have been adverse, we have to pass over to another policy, less dialectical and more principled, that of the dissolution of the Soviet Union, as recommended by a Great Russian, Alexander Solzhenitsyn. For the proclamation of the principle of self-determination that the Soviet Union not without hypocrisy also adheres to, she can not wage a war on us, and she can hardly use orbital missiles against her own populations.

Our Foreign Policy, restated in this sense, would put all the subjugated peoples of the Soviet Union, all her satellites and the countries about to get Finlandized on our side. In addition, we would save Soviet Russia from the Khlestakov-like megalomania of her present leaders.

FOOTNOTES

[1] Aleksandr I. Solzhenitsyn, *Letter to the Soviet Leaders*, Harper & Row, New York, 1974, p. 10.

[2] Ibid., p. 11.

[3] Fyodor Dostoyevsky, *The Brothers Karamazov*, Random House, New York, 1950, p. 845.

[4] Andrei Amalrik, *Will the Soviet Union Survive Until 1984?*, Harper & Row, New York, 1970, p. 65.

[5] Solzhenitsyn, *Letter*, p. 28.

[6] Ibid., pp. 31–32.

[7] Karl Deutsch, *Politics and Government*, Houghton Mifflin Co., Boston, 1974, p. 173.

ARMENIAN MARTYRS DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. FLORIO. Mr. Speaker, in the year 1515 most of Armenia and its people were annexed by the Ottoman empire. During those hundreds of years hence, under the rule of the sultans, the Armenians were denied rights and debased by a series of racial and religious recriminations. Being repeatedly oppressed and plundered, the Armenians' sufferings often resulted in loss of life itself. But unfortunately, this was merely a small indication of the magnitude of the tragedy which was to transpire in 1915.

In the latter part of the 19th century, the Armenian fervor for self government surfaced decisively. The desire for equality and justice under Turkish law was demanded, and aid to continue this initiative was solicited from other European countries by the Armenian people.

Meanwhile, the Turkish government was devising their own policy to deal with the "Armenian problem." On April 24, 1915, all prominent and outspoken members of the Armenian populace were arrested, imprisoned, and executed. This initial group of victims numbered in the thousands. The wholesale massacres continued until an estimated 2 million Armenians had been dessimated through execution, famine, forced conversion to Mohammedanism, and deportation, to a few hundred thousand survivors. Taking advantage of the diversion offered by the war raging throughout Europe, the Turks were able to undertake this hideous plan with relatively little outrage from the international community.

April 24 is the 60th anniversary of Armenian Martyrs Day, and it is with great sorrow that this event is retold. But it is also with great pride that we remember the determination and cohesiveness of the Armenian people who paid with their lives because they demanded their just degree of human dignity and freedom. May I take this opportunity to call on my fellow Members to join with me in this moment of tribute to the Armenians and our Armenian-American friends.

VERMONT STRENGTHENS BEVERAGE CONTAINER LAW

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. JEFFORDS. Mr. Speaker, last Friday the General Assembly of the State of Vermont, by an overwhelming vote, passed legislation which substantially strengthens the State's law requiring a deposit on beverage containers. This action clearly demonstrates the widespread support the people of Vermont have given the bottle law since it was first implemented in the fall of 1973.

Because several beverage container deposit bills have been introduced in the Congress, I am hopeful that Members of this Chamber will take note of the action by Vermont's legislators.

This legislation, usually referred to in Vermont as the "bottle ban," was once highly controversial in my home State. It was defeated by the State general assembly several times, and finally passed, by a narrow margin, in 1972. In 1973, before the law took effect, it barely survived a repeal effort.

But the Vermont law, which requires a deposit of at least 5 cents on each beer and soda container sold in the State, is no longer controversial. Reflecting this, the bill to make the "bottle ban" more effective passed the Vermont House on a vote of 110 to 31, and the Vermont Senate by 29 to 1, and is expected to be signed this week by Gov. Thomas P. Salmon.

Under the new legislation, as of January 1, 1977, nonrefillable beverage bottles, "flip-top" cans, and plastic ring binders will be banned in Vermont.

If enacted on a national scale, the benefits of a "bottle ban" would include savings of an estimated energy equivalent of 150,000 to 279,000 barrels of oil a day, as well as millions of tons of steel, aluminum, and glass. But even without the benefits of scale, Vermonters have found the deposit system to be very worthwhile, if only as an antilitter measure.

Opponents of national deposit legislation have raised a variety of arguments, including a contention that the consuming public will not stand for the "inconvenience." These same arguments were raised in the past in Vermont. But, having lived with the deposit system for over a year and a half, the people of Vermont now give it their overwhelming support. Mr. Speaker, I believe the American people as a whole would react likewise, if given the opportunity.

TRIBUTE TO UNICO AND TO DR. JOSEPH A. BUDA, UNICO'S CITIZEN OF THE YEAR

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. HELSTOSKI. Mr. Speaker, on April 12, the Fort Lee, N.J., chapter of Unico National honored Dr. Joseph A. Buda of Englewood as its 1975 "Citizen of the Year." It was my privilege to attend this special dinner and awards ceremony and I would like to take a few minutes to pay tribute to Fort Lee Unico and to Dr. Buda.

For years, Unico National and its Fort Lee chapter have played a dynamic role in keeping mankind's most fundamental virtues vibrantly alive. "Service above self," Unico's motto, has become a mandate for action, and members have helped spread the principles of integrity and charity throughout the Nation.

The members of the Fort Lee chapter particularly deserve to be commended for their outstanding work. Not only have they recognized the importance of developing a strong mind in a strong body, but through their programs they have helped many young people further themselves intellectually and athletically.

This year, once again, they have selected one of New Jersey's most outstanding men to receive their coveted citizen of the year award. As director of surgery at Presbyterian Hospital in New York, Dr. Buda has emerged as one of the most widely respected medical men in the country. Through his outstanding work and dedication to helping others, Dr. Buda has made countless friends throughout New Jersey and the Nation.

The selection of Dr. Buda for this honor is a fitting tribute to a man who has personified charity, integrity, and neighborliness, three of the principles to which Unico is dedicated. Dr. Philippo Mazzei, for whom the award is named, was deeply involved with the American colonists in their effort to secure freedom, and Dr. Buda has evidenced a similar commitment to the well-being of his fellow Americans.

Unico's Civil Illustris Medal is for achievement in the arts and sciences and for patriotism and excellence in research. Mr. Speaker, I therefore want to congratulate the members of Fort Lee Unico for the excellent choice they have made in selecting Dr. Buda, and to commend and thank them for the outstanding contributions they have made to America.

FANTASIES OF FAMINE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mrs. SCHROEDER. Mr. Speaker, in recent months our attention has been increasingly drawn to what has been called the "world food crisis." There has been much debate about the question of how to solve the problem of world hunger and malnutrition. Although some see the question only in terms of "scarcity," I believe that the real problem goes beyond "scarcity," and into the issues of uneven distribution, and disproportionate use and waste of the world food supply by developed countries.

I am happy to be a cosponsor of the Food Research and Development Act of 1975 introduced by my colleague, Mr. Seiberling of Ohio. I believe that this bill is a substantial step toward alleviating this pressing international dilemma. The bill would provide funds for development of new techniques of protein production, new irrigation methods, and new types of animal feed and fertilizer. The need to find alternatives to America's almost exclusive reliance upon meat for a source of protein is a central concept of the bill.

Mr. Speaker, the February 1975 edition of Harper's magazine included an enlightening and perceptive analysis of the need to make more efficient use and distribution of our Nation's agricultural resources. The article points to the fact that we have failed to recognize our protein production and consumption as an "institutionalized system of waste." Waste in protein production is demonstrated by the fact that the average steer consumes 21 pounds of protein in grain feed for every 1 pound of protein in our steaks and roast.

In the United States alone, 78 percent of harvested grain is used to feed livestock—as much grain as all the people in China and India consume in 1 year. The Food Research and Development Act will provide funds that would enable us to develop alternative methods of feeding so that surplus grains will instead be available for direct human consumption by those in needy countries. Waste in consumption is also prevalent. As Ms. Lappé's article demonstrates, it is not just livestock that waste protein—the average American eats about twice the protein his or her body can use or even store. It is this kind of unnecessary use and waste of food supply that pushes grain prices up beyond the reach of those in serious need. If our agricultural resources were used rationally and distributed equitably, there would probably be enough food to feed the world.

I insert for the attention of my colleagues the Harper's magazine article entitled "Fantasies of Famine," by Frances Moore Lappé. Because of space limitations and to avoid unnecessary expense to the taxpayer, I am inserting the first half of the article today with the conclusion to be inserted in tomorrow's Record. The first part of the article follows:

Fantasies of Famine: The Case for Modest Optimism About a Man-Made Disaster

(By Frances Moore Lappé)

Why are most people in the world hungry? Americans usually perceive the answer in a series of visual images: a cartoon depicting crowded bodies ready to burst off a tiny earth; a picture in yesterday's paper of a peasant trying to scratch one last meal from a parched and depleted plot; a gray recollection of a TV special on flood victims in Honduras. Again and again our minds conjure up images of overwhelming numbers and unrelenting disaster.

Journalists convey these images to us because they believe one picture is worth a thousand words. Indeed, by evoking a personal, emotional reaction they *do* engage us—for to focus on one hungry family in Africa is to tell the story of famine. Or is it?

The opposite may be true: these photo-images may actually paralyze us into frustrated inaction. It can then require thousands of words to *undo* the intuitive but false conclusion of hopelessness drawn from a picture and replace it with the complex but real sense of roots of hunger, a reality that can neither be photographed nor caricatured. How could a photograph capture a global system of production and use that operates to create scarcity? No picture could convey a system that in the all-inclusiveness of its scope and the banality of its everyday operation appears so normal as to be almost God-given—while in fact it is condemning most of humanity to continual hunger.

HOW TO GET RID OF IT

To begin to understand the world's food problems we must temporarily remove ourselves from those mental scenes of starving Asian or African children. We must start right here in America.

During the past three decades the United States itself has experienced a green revolution that is totally unrecognized by young Americans born since 1940, who have learned to take agricultural abundance for granted. Bolstered by genetic seed improvements and the widespread use of fertilizers and pesticides, the productivity of American farm land has soared. Yields per acre from some crops have dramatically increased, even trebled, as in the case of corn. But just as in the latest green revolution in Asia, the American economic environment did not welcome the "good news" from our super-exploited natural environment. Given the sharp inequalities in wealth here and abroad, it was impossible to sell profitably all of our newly enlarged food resources. The challenge confronting American agriculture soon became one of disposal—how to get rid of it all.

We have been phenomenally successful. So successful that today, in a world hungrier than ever before in history, we find ourselves trapped in a system that institutionalizes waste—a systematic waste, so ingrained in our agricultural practices and in our attitudes and nutritional doctrine that we are all but blind to it.

By far the easiest way to get rid of the problem of having "too much" was just not to grow the food at all. As late as 1972, one acre was held out of production for every four-and-one-half acres we harvested. (In that year farmers were paid $3.6 billion to hold land out of production, enough to pay our current food-aid bill three times over.) The government helped in another way by sponsoring concessionary food sales under Food for Peace legislation, a "surplus disposal" program according to agriculture textbook terminology.

College professors were also assigned to tackle our food "problem." Recently a Purdue agricultural scientist, Dr. Edwin T. Mertz, recalled that during the 1940s he received a state grant "to figure out some way to use up all that food in a nonfood manner." Dr. Mertz was not too successful in producing nonfood; but then he didn't need to be. The perfect solution was found elsewhere—in the American steer.

Being the least efficient of ruminants as a converter of plant to animal protein, yet able to put high-demand food on the table, the steer was ideally suited to our needs. The average steer is able to reduce twenty-one pounds of protein in feed to one pound of protein in the expensive steak or roast on our plates. The other twenty pounds? It becomes inaccessible to us: the animal uses it to produce energy and make parts of its own body (such as hair) that we don't eat, or excretes it in manure. The Department of Agriculture has estimated that the manure from American livestock contains as much protein as our entire highly prized soybean crop.

To enhance this special capacity of the steer, we perfected a mass-production concept: the feedlot operation. Here the steer, in concentrations of several hundred thousand, is taught the business of getting rid of more than a ton of grain and several hundred pounds of high-protein feed. Unnatural to an animal accustomed to forage and freedom, this "force-feeding" is aided by the administration of hormones and antibiotics. All these devices are intended not to increase the protein content of the meat but to increase the fat content by which the animal will eventually be graded. "Prime" meat is the most heavily marbled, while "Good" grade is a lean and presumably less tasty cut of beef.

The capacity of American livestock turned out to be so great that we now can get rid of the production from over one-half of our agricultural land by feeding it to animals. It has also been helpful to label as "feed" not only highly nutritious grain and soybeans but considerable quantities of milk products, fish meal, and wheat germ as well. In any other time and place this "feed" would represent valuable human protein resources. (To understand the global scheme of protein loss through livestock conversion, see the box entitled "Wasting Protein.")

WASTING PROTEIN

Commodity	Average protein content (percent)	Proportion fed to livestock (percent)
World production:		
Grain	8–14	33–50
Oilseeds (peanuts, palm kernels, etc)	26–40	60–70
Fish	15–25	40–50
Milk products	3–33	25–40
U.S. production:		
Corn, barley, oats	4–10	80–90
Soybeans	35–40	90–95
Wheat	11–14	33
Milk:		
Liquid	3–4	[1] 2
Solids	30–33	
Total crops		50

[1] 2 percent of U.S. milk production is the equivalent of 1,700,000,000 lbs. of milk, 1,400,000,000 lbs. of nonfat milk solids, and 63,000,000 lbs. of milkfat.

The plan for shrinking our protein supply worked so well that by 1973 American live-

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stock consumed the equivalent of six times our human consumption. Today we annually feed our livestock as much grain as all the people in China and India eat in a year.

But the waste goes far beyond even what these figures would indicate. There is also the waste of the unique potential for which ruminants were originally domesticated. Ruminants like the steer and the hog don't have to eat any humanly edible protein at all in order to produce it. All they require is a nitrogen source (even urea will do) and a carbohydrate to convert cellulose to protein—orange pulp and coffee grounds into meat and milk.

It is not just livestock that waste protein. People can, too. I used to think that since I am not fat and don't (God forbid!) leave food on my plate, I, of course, could not be wasting food. That was before I learned about protein. Paralleling the increase in crop yields of the late 1940s, American beef consumption doubled after 1950, even though it was then already sufficient to fill our protein needs. The average American now eats about twice the protein his body can use. And since the body can't store protein, the remainder is either used as energy (when an ecologically efficient carbohydrate would have sufficed just as well) or excreted. Americans eat so much unnecessary protein that we could reduce our livestock population by one-quarter and still feed very one of us half a pound of meat a day—enough to meet our entire protein allowance from meat alone (not to mention the protein we also get from dairy and grain products, beans, nuts, and vegetables).

We have failed to recognize our protein production and consumption as the very institutionalization of waste because "waste" is a concept only in relation to unmet need. And since our economic system does not recognize need, but only "effective demand" (an economist's euphemism for ability to pay), we have been totally unable to recognize waste. In fact, we are so far from seeing that our whole system is constructed on waste, that we have actively promoted our "efficient" agriculture as a model for the poor countries to follow. A tragic illusion. The world is well beyond the point of being able to support its population with the level of waste on which our diet is based: there is currently only about one acre of arable land per person left in the world, compared with the three-and-one-half acres necessary to sustain our meat-centered diet.

To help solve an economic problem, we have blindly created various myths concerning the necessity of large quantities of meat for our nutritional well-being. If we could convince ourselves we really needed all that protein, then it could not be called waste. These myths (see box, page 89) are still being communicated as "fact" in nutrition classes, advertisements, and newspaper "health" columns.

In truth, waste is so much a part of the given in American food production and in our diet that the prospect of merely reducing waste provokes cries of scarcity. "After decades of surplus food . . . it comes as something of a shock to find that we, too, but, more particularly, the poorer nations, face acute scarcities in available resources." So says Edward Kennedy, in all sincerity.

Hearing a statement like this, you or I might be tempted to indulge in the almost pious feeling that—ah, well—in the face of the Earth's finite limits, in the ultimate man-versus-land squeeze, we all, rich and poor alike, sail humbly in the same boat. In one sense we might, but "Spaceship Earth" is, after all, just like another big ship, divided into three classes—rich, not-so-rich, and poor. And when a ship begins to go under, the third-class passengers don't share a common fate with the first-class passengers. When the Titanic sank, 56 percent of the third-class women passengers drowned, while only four out of the 143 first-class passengers lost their lives. The well-to-do rarely if ever share the fate of the poor. More commonly they determine it.

The pious feeling that we are all facing scarcity helps us hide from ourselves the fact that we are actually helping to create scarcity. Read the daily paper's report on the global food situation—it is hard to avoid its frightening image of the poor world's heavy burden on the common food supply, isn't it? In reality, though, it is we—the rich world—who place the greatest burden on the Earth's agricultural productivity. Although industrialized nations comprise only one-third of the world's population, they consume two-thirds of the world's food.

We tend to think of the poor world as heavily dependent on the rich for imports of food for survival. In the poor world as a whole, however, only 7 percent of domestic consumption is supplied by imports. The rich countries are the major food importers.

The Great American Steak Religion

Myth: Meat contains more protein than any other food.

Fact: About 25 percent of meat is protein. On a 0 to 50 percent scale of protein content in various foods, meat ranks in the middle, together with some beans, cheese, fish, and nuts. (See "The Protein Continuum.")

Myth: Eating lots of meat is the only way to get enough protein.

Fact: The "average" American eats almost twice the protein his body can actually use. Most Americans could completely eliminate meat, fish, and poultry from their diets—and still get almost the recommended daily allowance of protein (fifty-three grams) from other protein-rich foods.

Myth: Meat is the sole source of certain essential vitamins and minerals.

Fact: There are eleven important vitamins and minerals. Non-meat foods provide more than half our intake of eight of them. Meat is not the sole source of any of the others.

Myth: Meat has the highest quality protein of any food.

Fact: "Quality" is an unscientific term. The proper standard is usability: how much of the protein eaten is actually used by the body. The usability of egg and milk protein exceeds that of meat. (See right side of chart, "The Protein Continuum.")

Myth: Because plant protein lacks certain essential amino acids, it can never equal the quality of meat protein.

Fact: All plant foods commonly eaten as sources of protein contain *all* eight essential amino acids. Plant proteins do have deficiencies in their amino acid patterns that make them generally less usable by the body than animal protein (see right side of chart). However, by combining plant foods, you can balance their amino acid patterns and create protein usability equal to that of meat.

Myth: Plant-centered diets are dull.

Fact: There are basically five different kinds of meat and poultry—compared with about fifty kinds of commonly eaten vegetables, twenty-four kinds of peas, beans, and lentils, twenty fruits, twelve nuts, and nine grains. Plants obviously have a greater variety of flavor, texture, and color.

Myth: Plant foods contain a lot of carbohydrates and are therefore more fattening than meat.

Fact: Ounce to ounce, most plant foods have either about the same calories (as in bread) that meats do, or considerably fewer. Many fruits have one-third the calories, cooked beans have one-half, and many green vegetables have one-eighth the calories that meats contain.

Myth: Our meat-centered diet is more nutritious than the poor world's.

Fact: In fact, we eat too much of the wrong foods. While consuming 50 percent more protein (much of it wasted) than the average Indian does, we eat four times as much sugar, eight times as much fat. If we ate more plant food and less fat and sugar, our diet might actually be improved.

A FINAL TRIBUTE TO HASKELL SHORT, OHIO NEWSPAPERMAN

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. MOTTL. Mr. Speaker, I ask my colleagues in the House of Representatives to join with me in tribute to the late Haskell Short, who passed away yesterday after a 17-month fight with cancer. I ask my colleagues to offer their sympathy to the Short family.

Mr. Short was an aggressive, hard-nosed newspaperman who won the admiration of friends and foes alike during his long, eventful career. He worked for United Press International for 17 years before joining Scripps-Howard in Columbus, Ohio, in 1966.

He headed the six-man Scripps-Howard Bureau until his untimely death.

Mr. Short's love for his profession was only exceeded by his devotion to his family and to his church. Even though he had five operations for cancer beginning in December 1973, he continued to resume his newspaper duties until only a few days before his death.

A Final Tribute to Haskell Short

Columbus.—Haskell P. Short, widely known newspaperman who was chief of the Ohio Scripps-Howard Bureau, died today of cancer. He was 52.

Short had been ill since December 1973 when the disease was first discovered. He underwent five operations, but each time, through sheer courage, he was able to resume his duties, although on a limited basis.

He died at his home at 219 Sanbridge Circle in suburban Worthington.

Short's loves were his family, his church, North Community Evangelical Lutheran, and the newspaper business in which he was a skilled reporter and writer, specializing in politics.

He loved covering the Ohio Statehouse, national political conventions and governors' conferences. He wrote intimately of Ohio governors and state problems.

Until nearly the end, he attempted to keep abreast of what was going on politically. Only several weeks ago, Gov. Rhodes said at a press conference:

"In our own midst here in the Statehouse, we have a man who's putting up probably the most courageous fight—five operations—and he's never complained, keeps a smile on his face, who has all the intestinal fortitude. I hope we in our prayers can help Haskell."

Short was appointed head of the bureau by the editors of the Columbus Citizen-Journal, Cincinnati Post & Times Star and Cleveland Press Jan. 1, 1969.

The bureau covers state government and major Ohio stories for the Scripps-Howard newspapers and also the Canton Repository and Youngstown Vindicator.

In the bureau, Short was responsible for the widely read Ohio Calling, a weekly column devoted to exclusive happenings in state government and the political arena in general.

He came to the Scripps-Howard Bureau

in 1966 from United Press International, where he had logged 17 years.

Short was a board member for 18 years of Sigma Delta Chi, national journalism fraternity. He was a past president of the organization.

Short, who was born in Jackson County, Ky., is survived by his wife Eileen, two sons, James, a junior at Marietta College, and Tom; his parents and two brothers.

REPORTER OBSERVES ANNIVERSARY

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. RUSSO. Mr. Speaker, recently a small but thriving newspaper in my area celebrated the completion of 15 years of publication. The Reporter was founded by a fine couple, the late Edward E. Roelofs and his wife Mary in 1960, and since that time it has demonstrated an excellence and vitality that any newspaper might look upon with envy. I am pleased to congratulate Mrs. Roelofs and the fine staff of the Reporter on their journalistic achievement and I am placing into the Record their anniversary editorial:

Reporter Observes Anniversary

(By Pat Bouchard)

The Reporter is 15 years old. With this issue we begin the 16th year of publication of a newspaper founded by the late Edward E. Roelofs and his wife Mary in 1960.

In the beginning, our publishers pledged to bring readers the best news coverage of the area. With the aid of a dedicated staff the Reporter has strived to fulfill that pledge.

No matter how dedicated a newspaper is, however, it would be out of business without a large and loyal readership. Thus we recognize a debt to our more than 25,000 subscribers who have helped to make us what we are today.

In addition, both we and the readers must recognize that this newspaper would not have been rolling off the presses for 15 years without continued support of our advertisers.

This edition would cost readers over $1 per copy were it not for the revenue realized from the advertising displayed on these pages. Our advertising revenue reduces the cost per copy to 25 cents and enables us to employ a large staff which brings you comprehensive coverage of local news.

As an independent community newspaper we are a member of an endangered species. In the last year over 129 newspapers have closed their doors leaving some communities with nothing covering their area but throwaway ad sheets that offer no news.

Our advertisers, cognizant that people who purchase a bona fide newspaper are more apt to read it than to read a throwaway freebie, display their wares on our pages. In so doing they perform a double service. They draw your attention and patronage as well as contribute to keeping you well informed about community happenings.

On our 15th anniversary we rededicate our efforts to holding reader interest by offering something for everyone: news, sports, social events, student achievement, religious programs, entertainment, and political activities. We shall also continue our policy of extensive photo coverage of the area. This is our way of saying thanks to our readers and advertisers for their loyalty and support.

RETAINING SKILLED MEDICAL PERSONNEL BY VA A NECESSITY

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. ABDNOR. Mr. Speaker, today I introduced a bill which will allow the Administrator of the Veterans' Administration to increase the pay of any physician, dentist, or nurse employed on a full-time basis by the Veterans' Administration Department of Medicine and Surgery by an amount not to exceed 25 percent of the per annum salary rate of such person. With $36,000 as the upper ceiling which these personnel may draw, the Veterans' Administration is not able to recruit or retain the needed number of medical personnel to operate our veterans hospitals in the manner which our disabled veterans deserve.

On March 31, 1974, the President in a nationwide radio broadcast directed a thorough investigation of the quality of care and conditions in our Veterans' Administration hospitals. One of the recommendations of the special task force which studied the problem associated with the recruitment and retention of skilled professionals at our veterans hospitals was to lift the $36,000 per annum ceiling on title 38 physicians, dentists, and nurses. Also recommended was the need to implement a sabbatical leave program which would enhance not only retention of these specialists, but also improve their medical skills. The task force stated that without enactment of these provisions there will be an acceleration of resignations and conversions to part-time employment for economic reasons by Veterans' Administration medical personnel.

Therefore, I have introduced the following bill which will allow the Administrator of the Veterans' Administration to increase the base salary of doctors, dentists, and nurses up to 25 percent and allow those same personnel with 7 years' service a 6-month sabbatical and a 3-month sabbatical for each additional 5 years of service.

I realize the need for economy; however, I also realize the need to provide adequate health care to our veteran population. Following is the text of my bill:

H.R. 6220

A bill to amend title 38, United States Code, to allow certain increases in the per annum full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 38, United States Code, is amended by adding at the end of section 4107 the following new subsection:

"(f) In order to attract or retain the services of highly qualified physicians, dentists, and nurses in the Department of Medicine and Surgery, and notwithstanding any other provision of law, the Administrator, under such regulations as he may prescribe, may pay to any physician, dentist, or nurse employed on a full-time basis by the Department of Medicine and Surgery an amount not to exceed 25 per centum of the per annum salary rate of such individual, in addition to any other pay or allowance to which such individual is entitled."

Sec. 2. Chapter 73 of title 38, United States Code is further amended by—

(1) adding at the end of subchapter I the following new section:

"4118. Leave for pursuit of studies

"Each physician, dentist, or nurse in the Department of Medicine and Surgery who has completed seven years of full-time service in such Department may be granted leave with pay, under such regulations as the Administrator may prescribe, for not more than six months for study in his or her specialty; and thereafter may be granted leave with pay for a three-month period for such purpose upon the completion of each additional five years of such service (disregarding time spent on leave pursuant to this section in the computation of such five years)."; and

(2) inserting in the table of sections at the beginning of such chapter—

"4118. Leave for pursuit of studies."

immediately after

"4117. Contracts for scarce specialist services.".

PITTSBURGH POST-GAZETTE URGES LOBBYING REFORM

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. KASTENMEIER. Mr. Speaker, I wish to call to the attention of my colleagues the Pittsburgh Post-Gazette editorial of March 3, 1975, which endorses the goals of H.R. 15, the Public Disclosure of Lobbying Act:

Who's in the Lobby? What Lobby?

A lobby disclosure bill introduced this week by Edward Kennedy, Charles Percy and four other senators, like the bill earlier introduced by Reps. Tom Railsback and Robert Kastenmeier, are tough measures worthy of support. The similar bills before both houses would plug the holes in the 1946 disclosure law.

That act doesn't now apply to executive-branch lobbying. Nor does it cover persons who lobby in their job capacity as, say, corporate or trade-association officers but who are not hired specifically as lobbyists.

We favor the legislation not because we believe lobbying is wrong. Actually, it represents a perfectly constitutional way for an interest group to make its wishes and the rationales behind them known to lawmakers. With the ax that they bring to grind lobbyists also present useful, if sometimes skewed, facts and figures.

What's wrong with lobbying now is secrecy. The public has a right to know who is attempting to influence what legislators and in what way. Hidden special-interest money can be—indeed, too often is—used to corrupt the public process. The suitcases full of cash revealed during the Watergate inquiries are illustrative but not unique.

The disclosure bills would require lobbyists to report who pays them and how much, to itemize what they spend, to reveal the names of persons in the Congress and the executive branch with whom they've gotten in touch and to identify the issues for which they've lobbied.

Lobbyists, furthermore, would have to reveal the names and activities of anyone lobbying on their behalf and disclose how much they gave or lent to public officials and what favors they extended.

Both bills appear, then, to be on target. They would satisfy the right to know who's spending what. Citizens should know because, as Common Cause Chairman John

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Gardner has said, "The price of their food, their heating bills, the safety of the toys their children play with and a great many other things may be affected" by what is now often secret lobbying.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. HARRIS. Mr. Speaker, I would like to share with my colleagues the testimony of one of my constituents on H.R. 3000, the bill I am cosponsoring which will revise the Hatch Act to allow Federal and postal employees to more actively participate in political activities as private citizens. Mr. Joel C. Mandelman, a member of the Alexandria Young Republican Club, spoke at the April 14 hearing of the Subcommittee on Employee Political Rights and Intergovernmental Programs in Annandale. In his statement, he quite vividly points out the chilling effect of the Hatch Act on Federal employees wishing to participate in partisan politics:

STATEMENT OF JOEL C. MANDELMAN

My name is Joel C. Mandelman, and although I am a member of the Alexandria Young Republican Club, I am testifying only on my own behalf, a point that must be reemphasized, for it speaks volumes as to why the Hatch Act ought to be substantially modified. I speak only for myself because members of our organization, a substantial majority of whom are federal employees, and are thus vitally interested in this matter, were afraid to have the Club take a position in this matter. They were afraid that, because of the Hatch Act, if it became known that they belonged to an organization that had sought its repeal, reprisals might be visited upon them, even though it is their statutorily protected right to do so. Some of our members are so intimidated by this law that when they join the Club they are afraid to even acknowledge that they are federal employees for fear of repercussions or reprisals based upon a misuse of the statute. That is how all pervasive is the chilling effect of the Hatch Act upon federal employees' rights of free speech. Two Club members stated that, for this reason, they would resign from the Club were it to take any position on this matter. So I am here tonight, speaking on my own behalf, because others are afraid to speak.

As to the merits of the matter, it is my view that the Hatch Act is not only unworkable, but that it is also unnecessary. So long as the Civil Service System remains intact, and so long as stringent provisions are added to the new statute prohibiting supervisory personnel from coercing or soliciting the political support of the subordinates, the danger that the federal bureaucracy will become improperly politicized, is minimal.

The unworkability of the Act, indeed its inherent absurdity, is clear to anyone who has had to work under its restrictions. What danger is there in an employee circulating a nominating petition or expressing his opinions to a stranger on a political matter. A federal employee can already express his opinions to his wife (or husband), his neighbors or his children. Why should he be precluded from making the same statements to a stranger? Why should the fact that they had not been previously acquainted prevent a federal employee from speaking out? If an employee's Senator takes a position on an issue, that employee can write a letter to the editor of a newspaper disagreeing with that stand. Why should that right suddenly be curtailed because that Senator is now a candidate for his Party's Presidential nomination, and such a letter, signed or unsigned, is now construed as being illegal partisan political activity under the Hatch Act?

A government employee may have a cocktail party in his home, during which some political discussion takes place. This is perfectly legal. Yet were he to send out invitations stating that a political discussion would occur, the party becomes illegal, a violation of the Act.

Similarly absurd results are reached because of the provisions of the current law that permit political activity on behalf of candidates for local offices, if they are not the candidates of any recognized major political party. Thus, in Arlington County, neither major party runs candidates for seats on the County Board of Supervisors. Instead, both parties support "independent" candidates who run with the "endorsement" of one of the major parties. Do such Alice-in-Wonderland results make any sense, to anyone?

In order to prevent abuses from occurring, I would suggest the following changes be made in the proposed Bill:

First, language should be added expressly prohibiting any supervisor from soliciting either the views of his subordinates on political matters, or their support, financial or otherwise, for any candidate or cause.

In this regard, I would also favor a provision granting to any candidate for federal office, standing to sue and obtain both injunctive and monetary relief, for violations. This, as much as anything, would prevent supervisors from abusing their authority for political purposes. Similar languages should be added covering federal employees themselves.

Third, a strict prohibition against employees of agencies such as VISTA, the Job Corp, and the Office of Economic Opportunity, from, in any way, attempting to organize their clients for any form of political activity, or from expressing their political views to their clients, should also be added.

With these additional provisions, I believe the anachronistic Hatch Act can safely be repealed, and the First Amendment rights of nearly two and one-half million federal employees can be restored.

BICENTENNIAL

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mrs. SPELLMAN. Mr. Speaker, the Bowie, Maryland American Revolution Bicentennial Committee has initiated innovative steps to celebrate the Bicentennial next year. I would like to share these plans with you and my other colleagues in Congress.

The committee's goal is to produce an act of lasting value to be enjoyed by all of the people of the area and by Bicentennial visitors. Toward that end, it has set as its first project the partial restoration and refurbishment of the Belair Mansion, its grounds and cemetery, and the Belair Stables for year-round use by the public and by civic organizations.

Other projects planned are multitudinous, but I will mention only a few. They include: cleaning and maintaining Bowie's cemeteries and repairing and replacing gravestones; holding a town meeting; displaying 18th century weaponry; arranging an archeological "dig" and displaying artifacts found; compiling and publishing the history of Bowie; holding a colonial fashion show; developing an exhibit of tobacco farming; holding summer concerts; establishing tourists information centers; painting fireplugs to resemble toy soldiers of the Revolution; and developing bike paths.

I commend the efforts of Assistant City Manager Al Lucchi and members of the committee working with him to make our Bicentennial celebration a worthwhile effort and wish them every success.

STRIP MINING RESOLUTION

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. WAMPLER. Mr. Speaker, I continue to receive letters from my constituents and others who oppose the severe restrictions in the Surface Mining Control and Reclamation Act of 1975 now in conference.

Today, I received a resolution from the Virginia Automobile Dealers Association, headquartered in Richmond, Va., also in opposition to this legislation. I call the resolution of this association to the attention of my colleagues in the House in order that the depth of the opposition in Appalachia and the harmful effects of these bills to its people can be appreciated.

The petition resolution follows:

VIRGINIA AUTOMOBILE DEALERS
ASSOCIATION,
Richmond, Va., April 18, 1975.

Hon. WILLIAM C. WAMPLER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN WAMPLER:

Whereas, the Congress of the United States is now considering legislation which would impose new and stringent regulations on strip mining, and

Whereas, the legislation, Senate Bill 7 and House Bill 25, if implemented, would severely damage the economy of Southwest Virginia and adjacent states, resulting in widespread unemployment, business losses and personal hardships, and

Whereas, the legislation also would further impair the nation's coal supplies in a time of continuing and growing energy shortages, and

Whereas, the impact would be felt most severely in the region generally known as Appalachia, which has long been a target area for federal assistance designed to improve the economy and the quality of life, now, therefore, be it

Resolved, That the Virginia Automobile Dealers Association does express its opposition to Senate Bill 7 and House Bill 25 and further, that the Virginia Automobile Dealers Association petitions the Congress of the United States to modify the legislation to avoid those adverse results set forth above, be it further

Resolved, That, the Congress failing to so modify the legislation, the Virginia Automobile Dealers Association petitions the President of the United States to veto said legislation.

Sincerely yours,

J. RONALD NOWLAND
Executive Vice President.

ITALIAN-AMERICANS AND GOVERNMENT INSENSITIVITY

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. ZEFERETTI. Mr. Speaker, the term "ethnic politics" has a negative connotation, usually used to explain too strong an emphasis on a minor issue that affects a relatively small number of people. The politician is faulted with "blowing up" the issue for his own political purposes.

Most observers decry the use of "ethnic politics," however, without really understanding that many times it is a logical and direct result of Government policies—or lack of them—which seriously affect many members of society. I believe that when Government policies affect millions, an outcry is necessary. This is the case in the protest to, and successful removal of the highly offensive Government-sponsored film entitled "The Uncle Sam Caper." It was an outrage to the 15 million Italian-Americans throughout the Nation.

The 13½-minute movie, sponsored by the U.S. Treasury Department and shown to all Federal employees, involved a supposed hoodlum named Barcardi who complained about the high cost of overhead in the crime business. He was interrogated by Kojak, a sympathetic law enforcement official who advised Barcardi to invest his ill-gotten gains in U.S. Savings Bonds. Barcardi was intrigued by the idea, and while discussing the economic advantages of such bonds, absentmindedly divulged the names of his accomplices in a long series of crimes. What is most important about this story is the list of names supplied by Barcardi; they are all Italian.

The Treasury Department professed to be proud of its film, which was being shown not only to Federal employees but to private promotional agents for the savings bond drive as well. Therefore, it was only after the most vigorous and repeated protests by myself and other Members of Congress, to the film's prejudicial and stereotypical portrayal of Italian-Americans, that the film was withdrawn from circulation.

Whenever matters like this arise and command the public eye, there are always those who decry the concern of people like myself. They tell us not to be upset, not to overreact. I refuse to take such advice. There are vast areas of our Nation, inhabited by scores of millions of Americans, with little or no contact with or knowledge of our Italian-American community other than what they read or see on television or in the movies. In such areas and minds, after commercial films first create certain images, federally-sponsored promotions only serve to reinforce already preconceived notions.

Today, untold numbers of our fellow citizens, when encountering the question of the Italian-American image in the national collective mind, conceive of mobsters. They must believe that half of our community belongs to professional criminal societies engaging in murder, extortion, gambling and drug traffic, while the other half pays them off or covers for them. As such images are commercialized and semiofficially reinforced by the Federal Government, they are growing stronger in the public mind rather than weakening with the passage of time. This is not merely a social outrage upon a major segment of the public, but further guarantees weakening of the social fabric of our society.

Few of our fellow citizens have any comprehension of the history behind the great migration to America of Italians from 1880 to 1920. Driven by poverty, hunger, a desire for work and a chance to flee various forms of oppression, these people came here in search of an unfulfilled dream. Many Sicilians and Neapolitans among them fled because of criminal societies in southern Italy which they despised and with which they refused to cooperate. Once they landed in America, however, they were treated to the full range of discrimination, backbreaking labor and exploitation of our immigrant experience.

How many Americans know of the infamous "padrone system," which brought workers here who spoke no English, exploited them as contract laborers, and wrung every last drop of sweat from them for a mere pittance? Where is the producer who will make that film? About 16 hours a day, 7 days a week, they worked. These were the people who hewed America's wood and drew her water, finally escaping to create some of our land's largest construction companies. Yet in the public mind, an Italian name on such a company means to many that "the mob" has another front. What they do not know is that the men who lead such companies would not let a mobster inside his office door.

No one writes about or informs the public about teeming slums in which these immigrants struggled to survive, raised families and taught their religion to the children. Yet to millions of Americans, Italians remain those people whose sons are good enough to die in America's wars, but whose public image can be commercialized and blackened in the most unfair manner. Are people, like myself, to remain silent in the face of such insults and use of Federal tax dollars to perpetuate such images in the popular mind? Never.

Many of my constituents are of Italian extraction. For a long time now, my district has sent a steady stream of its children into military service. Many have not returned. Recently, the Congressional Medal of Honor was awarded to S. Sgt. John R. Cavaiani, a former POW, and WO Louis R. Rocco. The Air Force recently presented awards to several former POW's. Capt. Gerald Venanzi received the Silver Star, Legion of Merit, and Air Force Commendation Medal. Capt. Ralph Galati received the Bronze Star for Valor and Air Force Commendation Medal. Capt. Michael Martini received the Bronze Star for Valor. At Fort Hamilton, which is within my congressional district, Col. Angelo Perri, commanding officer, presented the Silver Star, two Bronze Stars, and an Army Commendation Medal to former S. Sgt. Richard R. Perricone, a POW from July 1967 to March 1973.

These men are merely a few of many Italian-Americans around the country who are worthy of honor. They will swiftly melt back into the Italian-American community, and live productive lives without killing a single American—without extorting a single dollar—without running a single Nevada gambling casino—without attending a single meeting of gangsters. But nobody will publicize this. Yet, millions of Americans, if encountering any of them, even casually, might wonder what "mob or family" he belongs to.

This is why I pray fervently that the Federal Government, at least, will no longer indulge in throwing away taxpayers' dollars by selling U.S. Savings Bonds through efforts to be cute at the expense of more than 15 million Italian-Americans. They are like any other group in America. All they ask is that they either be portrayed fairly or not at all.

RED CROSS CERTIFICATE OF MERIT RECIPIENTS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the fact that two of my constituents from Ventura, Calif.; Mr. Gilbert S. Kim and Mr. Charles E. West have been named to receive the Red Cross Certificate of Merit and accompanying pin. This is the highest award given by the American Red Cross to a person who saves or sustains a life by using skills and knowledge learned in a volunteer training program offered by the Red Cross in first aid, small craft, or water safety. The certificate bears the original signatures of the President of the United States, honorary chairman, and Frank Stanton, chairman of the American National Red Cross.

On July 27, 1974, Mr. Kim and Mr. West, both trained in Red Cross first aid, were first at the scene of an automobile accident. At once they went to assist. Even though gasoline fumes permeated the wrecked vehicle, Mr. Kim entered and applied pressure to control the massive bleeding from the passenger's leg wound. Mr. West partially entered the crashed vehicle through a rear window and applied pressure to control the bleeding from the victim's head injury. Te fire department arrived and cut away part of the vehicle so that the severely injured woman could be removed. The victim was taken to a hospital and recovered. Without doubt, the use of their skills and knowledge by Messrs. Kim and West saved the life of the seriously injured woman.

This meritorious action exemplifies the highest ideals of the concern of one human being for another who is in distress.

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THE OLDER AMERICANS ACT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. ZEFERETTI. Mr. Speaker, property taxes are pricing many older citizens out of their homes and apartments. It is critical that we recognize this situation and begin doing somehing about it. H.R. 3922, a bill to provide Federal aid to States for alleviation of these tax burdens on the elderly has been introduced. I support this bill, entitled the Older Americans Act amendments, and urge my colleagues to do likewise.

I feel that it is critical to insure that this measure is implemented on behalf of our older citizens immediately. This is not a tax bill. Rather, it is a State grant program to aid States in financing property tax relief for homeowners and renters who are 65 years and older.

H.R. 3922 solves the problem of accommodating each State's financial circumstances and preexisting programs. Its guidelines are broad, allowing each State to receive support for the program of its choice. And, where a State needs a program but lacks one, there is incentive in the form of Federal assistance.

Without going into the intricacies of the program, which have been explored, examined, discussed, and dissected in many other forms, I feel that one central point should be stressed. We must, where humanly possible, allow older Americans to maintain themselves in their own homes or apartments. No better method than the one envisioned in this bill has emerged or will be found to allow this to happen.

Under its provisions, older citizens will be able to retain their home or apartment status, obviating the need for removing them from familiar, traditional surroundings, which so often is the case today. For example, how often have we heard this tragedy: An older couple or person will work a life-time to maintain a house, on which a revenue-hungry municipality will suddenly raise its taxes. Therefore, the older person, usually desirous of remaining in that house can do so no longer and ends up living with children in the suburbs, a nursing home that may be substandard, or as a public charge. This is a tragedy, not only for the older person, but a tragedy and burden for society as well. We can avoid this by allowing the elderly to remain in their homes and maintain stable lives.

I vehemently oppose creating ghettos for the elderly. These people should not have their lives disrupted simply because they have grown older. We must be able to allow them to continue to live as they choose, and in this case, alleviate what is rapidly becoming a proliferating evil. Federal aid to States for such tax relief is one of the best investments, human and economic, that our country can make. Above all, instead of ringing our hands over the fate of the elderly, we can, through such bills as H.R. 3922, do something about it. And we can do something at minimal cost.

COMPREHENSIVE HEALTH CARE INSURANCE ACT OF 1975

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. CARTER. Mr. Speaker, today I recommend to you and to my colleagues for your most careful consideration, a national health insurance bill submitted by the Nation's physicians.

The Comprehensive Health Care Insurance Act of 1975 provides all Americans with broad health care coverage—both basic and catastrophic—yet at the same time places much of the administration and financing of the program squarely on the shoulders of the private sector.

This new proposal would mandate employers to provide health insurance coverage for employees—not less than 65 percent of it paid for by the employer. Thus, the great bulk of the American population would be covered under employer-employee financial arrangements. Much of this private-sector financing system exists today.

At the same time, the doctors' plan corrects one of the major weaknesses of our present system. It removes the financial barriers that in the past have denied some Americans access to high quality care.

Under this NHI proposal, the Federal Government would purchase care with general revenues for the poor and the unemployed who would receive the same benefit package as everyone else.

While participation for employers would be mandatory, the system would remain essentially private. The employee is not mandated to accept his employer's insurance plan. He retains the right to choose the type of health insurance he believes best.

The proposed health insurance coverage, provided by the existing health insurance industry, would be strictly enforced under State and Federal standards. Other significant options would be preserved for both patients and providers. Thus, a large measure of pluralism is retained in the administration and financing of the proposed program. And it is precisely this pluralism—the creativity and sensitivity of the private sector, supplemented only where necessary by Government—that has made the quality of American medicine the finest in the world.

Let us take a look at the benefits of this proposed program:

First, the plan provides catastrophic protection for the entire population. It would remove—once and for all—that gnawing fear of bankrupting illness.

Second, it provides, during any 12-month period, for the following:

There is 365 days of hospital inpatient care; 100 days of inpatient care in a skilled nursing facility; emergency or outpatient services customarily provided by a hospital; all medical care—diagnostic, therapeutic, or preventive—regardless of where such services are rendered.

Also full dental care for children and emergency dental care for everyone; home health benefits; and many other services, including psychiatric treatment, well-baby care, and X-ray and lab tests.

The cost control mechanism of "coinsurance"—except for the poor—is incorporated into the physicians' plan. There is incontestable evidence that any health care system without some regulatory control is soon bogged down by the "worried-well."

But the coinsurance factor will deprive no one of needed care. The absolute maximum that any individual would have to pay would be $1,500; the absolute maximum for any family would be $2,000 in any given year.

Mr. Speaker, for any national health insurance plan to be viable we must depend heavily on the private sector for its financing, administration, and expertise. The Federal Government must limit itself to the purchase of health care for only those who need such care. We cannot afford to squander our national treasure on those who can afford to purchase their own health care. We must be prudent. I urge your careful consideration of this proposal's great merit.

THE DOORMAN'S ANNUAL KNIGHT NIGHT

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. JENRETTE. Mr. Speaker, I would like to note that on Tuesday, April 29, 1975, the U.S. House of Representatives Doormen's Society will hold their annual Knight's Night at 7:30 p.m. in suite 345 of the Cannon House Office Building—the caucus room.

This occasion will honor our colleague, Representative Mendel J. Davis. Congressman Davis is a former doorman himself and an enthusiastic supporter of the society.

Also, Dorothy A. Ellsworth will be honored as Woman of the Year for her unselfish work in behalf of others. She is with the Brotherhood of Railroad and Airline Clerks.

Mr. Chairman, I might take this opportunity to note that Mendel Davis was once my page when I was a member of the South Carolina house. Now I find that he is senior to me in the U.S. Congress. I expect him to send me on an errand any day now. I congratulate Mendel and remind him that he would never have made it to the House had he not learned from me when I was his boss.

After Mendel was elected, I decided that if a former page and doorman could make it, then I might have a chance.

But quite seriously, Mendel is a fine Congressman and I feel that those of us who knew him back when can honestly say we saw those qualities in him that would make him an able public servant when he was a young man.

The others of our colleagues who will participate in this program include my distinguished colleague from Missouri, William L. Hungate, the master of ceremonies, and the distinguished majority leader, Thomas P. O'Neill Jr., who will hand out the awards.

The ceremonies will include the induction of the Honorable Charles J. Carney and the Doorkeeper of the House, James T. Molloy, and Frank D. Langstroth, formerly the vice president of the Magnavox Corp., as honorary members of the society.

Previous Knight's Night celebrations have been warmly praised by the Capitol Hill community for the delicious food and the goodhearted merriment in abundance. We expect more of the same this year.

THE PUBLIC HEALTH SERVICE ACT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. RHODES. Mr. Speaker, I have received a letter from Secretary Weinberger of the Department of Health, Education, and Welfare, indicating his opposition to H.R. 4115, the Public Health Service Act.

The letter specifies the areas that HEW opposes in this legislation. For the benefit of my colleagues when this legislation is considered on the floor, I am taking the liberty of inserting Secretary Weinberger's letter in the Record. The text follows:

The Secretary of Health, Education, and Welfare,
Washington, D.C., April 17, 1975.
Hon. John Rhodes,
Minority Leader, House of Representatives, Washington, D.C.

Dear Mr. Rhodes: We expect that H.R. 4115, a bill to amend Title VIII of the Public Health Service Act to provide for support for nurse training, as reported by the Interstate and Foreign Commerce Committee, will be considered by the House sometime in the next two weeks. I enclose a copy of the President's Memorandum of Disapproval of H.R. 17085 (93rd Congress), a bill very similar to the one before you for consideration. Moreover, I would like to reiterate the Department's strong opposition to H.R. 4115 and strongly recommend that the Congress enact H.R. 4717, the health professions education legislation recently submitted by the Department.

Although the Subcommittee on Health and Environment reduced somewhat the authorizations in H.R. 4115 from those in the disapproved bill, H.R. 17085, they are nevertheless, still far in excess of the President's budget requests for FY 75 and FY 76. The Subcommittee bill would authorize $134.7 million for FY 75 and $161 million for FY 76 while the President's budget requests are $50.4 million and $34.5 million respectively. Moreover, the funding levels proposed for FY 77 and FY 78, i.e., $186 million and $211 million, cannot help but raise expectations far beyond what could reasonably be expected to be available for these activities.

In addition, the reported bill does not meet in any significant measure any of the programmatic issues which concern the Administration. Continued emphasis on capitation for this undergraduate field is costly, inefficient, and unnecessary. Capitation subsidies to encourage enrollment expansion are not needed in view of the sizeable increase in the aggregate supply of nurses already achieved, as well as those projected to occur in the future. Capitation grants, moreover, represent on the average less than 10% of the annual education costs in participating nursing programs—amounting to only about $200 per student per year—and thus can reasonably be met from other sources of revenue, such as increased tuition. Further, continuing the nursing capitation mechanism diverts scarce Federal resources from addressing higher priority national needs such as special ventures targeted on schools and students in underserved areas.

The construction authority in the bill is not needed in view of the growth in teaching capacity already achieved, and the general student assistance provisions are largely duplicative of existing undergraduate student programs offered by the Office of Education and are unnecessary.

We strongly object to H.R. 4115 because of its unreasonable authorizations and because it is not a part of a comprehensive health professions authority aimed at addressing the problem of geographic maldistribution. I strongly recommend that the Congress act favorably on H.R. 4717, the Administration's comprehensive health manpower proposal.

We are advised by the Office of Management and Budget that there is no objection to the submission of this report from the standpoint of the Administration's program, and that enactment of H.R. 4115 would not be in accord with the program of the President.

Sincerely,

Caspar W. Weinberger,
Secretary.

Memorandum of Disapproval of the White House

I have withheld my approval from H.R. 17085, a bill that would amend Title VIII of the Public Health Service Act to provide support for the training of nurses.

This measure would authorize excessive appropriations levels—more than $650 million over the three fiscal years covered by the bill. Such high Federal spending for nursing education would be intolerable at a time when even high priority activities are being pressed to justify their existence.

I believe nurses have played and will continue to play an invaluable role in the delivery of health services. The Federal taxpayer can and should selectively assist nursing schools to achieve educational reform and innovations in support of that objective. The Administration's 1976 budget request will include funds for this purpose. Furthermore, I intend to urge the 94th Congress to enact comprehensive health personnel training legislation that will permit support of nurse training initiativea to meet the new problems of the 1970's.

This act inappropriately proposes large amounts of student and construction support for schools of nursing. Without any additional Federal stimulation, we expect that the number of active duty registered nurses will increase by over 50 percent during this decade.

Such an increase suggests that our incentives for expansion have been successful, and that continuation of the current Federal program is likely to be of less benefit to the Nation than using these scarce resources in other ways. One result of this expansion has been scattered but persistent reports of registered nurse unemployment particularly among graduates of associate degree training programs.

Today's very different outlook is not reflected in this bill. We must concentrate Federal efforts on the shortage of certain nurse specialists, and persistent geographic maldistribution. However, this proposal would allocate less than one-third of its total authorization to these problems. Moreover, it fails to come to grips with the problem of geographic maldistribution.

Support for innovative projects—involving the health professions, nursing, allied health, and public health—should be contained in a single piece of legislation to assure that decisions made in one sector relate to decisions made in another, and to advance the concept of an integrated health service delivery team. By separating out nursing from other health personnel categories, this bill would perptuate what has in the past been a fragmented approach.

The enrolled bill would also extend various special nursing student assistance provisions of current law. Nursing students are overwhelmingly undergraduates, and as such should be—and are—entitled to the same types of student assistance available generally under the Office of Education's programs for post-secondary education. These include, in particular, guaranteed loans and basic educational opportunity grants for financially hard-pressed students. Categorical nursing student assistance activities are not appropriate and should be phased out, as the Administration has proposed.

Gerald R. Ford.

The White House, *January 2, 1975.*

FEDERAL AERONAUTICAL RESEARCH MARKS 60TH ANNIVERSARY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. TEAGUE. Mr. Speaker, few people would argue that the United States leads the world in the field of aviation. Seventy percent of the civil aircraft used by the free world are produced in the United States. Our military aircraft are recognized as technologically superior to, and in some cases, a generation ahead of their foreign counterparts. Yet, this leadership in aviation has not always been enjoyed by this country, nor did it come about accidentally.

Only six decades ago, the United States had one of the world's most unimpressive "air forces"—23 planes, compared to Russia's 800, Germany's 1,000, and France's 1,400. Then, in April of 1915, just before World War I, an agency was established that would revolutionize aviation. This agency, the National Advisory Committee for Aeronautics, was to have a profound influence on U.S. civil and military aviation programs and on the Nation's early space experiments. Although operating with a relatively small staff and budget, the agency's fundamental research was instrumental in creating the world's greatest commercial air transportation network shortly after World War I and the world's strongest air force in World War II.

Continually pushing to the frontiers of aeronautical knowledge, NACA's research led to the threshold of space with the historic X-series of rocket research aircraft. When the Nation responded to Sputnik in 1958, it turned to NACA to supply the backbone for the newly created National Aeronautics and Space Administration.

Mr. Speaker, because April marks the 60th anniversary of the founding of NASA's forefather institution, and because of the important role NASA has

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played in securing America's dominant position in the field of aviation, I am inserting a NASA newsletter commemorating this anniversary into the RECORD at this time:

FEDERAL AERONAUTICAL RESEARCH PROGRAM 60 YEARS OLD THIS MONTH

(By Kenneth Atchison)

April marks the 60th anniversary of the founding of NASA's forefather institution, the National Advisory Committee for Aeronautics, an agency that had a profound influence on United States civil and military aviation programs and on the nation's early space experiments.

For nearly half a century the small, little-known federal agency was largely responsible for setting the national pattern for aeronautical research. When NACA began, the U.S. had the dubious distinction of being the only major world power without a flight research program and also of having one of the world's most unimpressive "air forces"—23 planes, compared with a reported 1,400 planes for France, 1,000 for Germany, 800 for Russia and 44 for England.

NACA's first committee meeting was held in the Office of the Secretary of War on April 23, 1915, just before the U.S. entered World War I. Its own research program began when the Langley Memorial Aeronautical Laboratory at Hampton, Va.—built at a cost of less than $85,000—was dedicated June 11, 1920. The dedication featured the first appearance of a wind tunnel for aeronautical research. At that time, the NACA research staff was made up of some 20 people supported by an annual budget of $175,000.

Basic aircraft design was revolutionized repeatedly by the organization's research in following decades. Early wind tunnel research, for instance, culminated in the unique NACA cowling (for which NACA received the Collier Trophy in 1929), and the family of wing shapes that would dominate generations of aircraft from the 1920s into the 1940s.

These features led to the low-wing, multi-engined air transports such as the Boeing 247 and Douglas DC–3 and to the B–17 bomber plane of the 1930s. The P–51 "Mustang," known as the best single-engine fighter aircraft of the second World War and designed in 90 days in 1940 to British specifications, was based on NACA's famous laminar-flow wing.

NACA's fundamental research and its direct application to industrial, military and civil aviation helped create the world's greatest commercial air transportation network for the U.S. before World War II, and the world's strongest air force during that conflict.

Yet NACA remained small and inconspicuous. As late as 1939, its total complement was 523 people, 278 of whom were engaged in research. Its budget was $4½ million. It was not until the early 1940s that NACA secured the authorization and funding needed to support a greatly increased effort in propulsion and structural materials research. Two new laboratories were constructed, one in California named after physicist Joseph S. Ames; the other in Ohio, named after George W. Lewis, for 28 years NACA's Director of Research.

The value of the NACA and the national aeronautical laboratory concept perhaps was best reflected in a statement by the late Frank Knox, made when he was U.S. Secretary of the Navy:

"New ideas are weapons of immense significance. The United States Navy was the first to develop aircraft capable of vertical dive bombing; this was made possible by the prosecution of a program of scientific research by the NACA. The Navy's famous fighters—the Corsair, Wildcat, and Hellcat—are possible only because they were based on fundamentals developed by the NACA. All of them use NACA wing sections, NACA cooling methods, NACA high-lift devices. The great sea victories that have broken Japan's expanding grip in the Pacific would not have been possible without the contributions of the NACA."

After the war, new and more complex research programs resulted in the creation of the Wallops Flight Center at Wallops Island, Va., and the Flight Research Center at Edwards Air Force Base, Calif. By the mid-forties, the NACA staff had grown to about 6,800, its annual budget was about $40 million and its facilities were valued at more than $200 million.

NACA's fundamental aeronautical research led to rocket propulsion and to the threshold of space by the end of World War II. The historic X-series of rocket research aircraft began in 1944. In 1947, the NACA-USAF X–1 made the first flight at a speed faster than that of sound.

The reputation for originality and thorough research that NACA quietly built in the interwar period continued to grow. The agency metamorphosed in 1958 into the National Aeronautics and Space Agency. The Act that created the new space agency stated that "all functions, powers, duties, and obligations" of NACA would be transferred to NASA. By that time, the agency staff had grown to 8,000 workers.

Aviation technology continued as a major facet of the NASA program. The results of years of aeronautical research and technology, first by NACA, then by NASA, are clearly reflected by the nation's dominant position in world military and civil aviation. Seventy per cent of the free world's civil aircraft are U.S.-produced, which means that aviation makes a major and irreplaceable contribution to the national balance of trade. NASA, well aware of the importance of continual development and improvement of the U.S. air transport fleet, places a heavy emphasis on research programs designed to reduce fuel requirements for jet aircraft, particularly commercial transport vehicles.

ARE HAIR DYES HAZARDOUS?

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. OTTINGER. Mr. Speaker, I am introducing legislation today designed to eliminate the exemption of hair dyes from various provisions of the cosmetics section of the Federal Food, Drug, and Cosmetics Act of 1938.

I am deeply concerned over certain provisions of the law which specifically exempt hair dyes from the color additive regulations requiring that all dyes used in food, drugs, and cosmetics be safety-tested before marketing. The exemptions, originating in the 1938 law, were continued under the stronger Kefauver amendments of 1962.

Recently, a possibility that hair dyes may cause cancer and birth defects has been raised by the results of laboratory tests conducted at the University of California. Although tests on higher organisms will be necessary to determine the precise nature of this danger, an extraordinary amount of scientific attention has been drawn to this potentially disastrous hazard because an estimated 20 million Americans use hair dye products regularly.

Mr. Speaker, only if incontrovertible evidence were discovered that these dyes cause cancer in humans could the Food and Drug Administration remove them from the market under existing law. A far greater protection could be afforded the public if these dyes were required to be safety-tested, like all other dyes not found in hair products, before the FDA could allow them to be marketed. This is impossible under current law.

My bill would repeal the assorted hair dyes exemptions found in sections 601 (a) and (e), 602(e) and 706(a) of the United States Code, title 21. For the benefit of my colleagues and their constituents, I have included the text of this bill in the RECORD, along with a New York Times article of Tuesday, March 18, 1975, which discusses this potential hazard in detail:

A bill to amend the Federal Food, Drug, and Cosmetic Act to make the provisions of that Act relating to cosmetics applicable to hair dyes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 601(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 361(a)) is amended by striking out all after "usual" and inserting in lieu thereof a period.

(b) Section 601(e) of such Act (21 U.S.C. 361(e)) is amended by striking out "it is not a hair dye and".

(c) Section 602(e) of such Act (21 U.S.C. 362(e)) is amended by striking out the last sentence.

(d) Section 706(a) of such Act (21 U.S.C. 376(a)) is amended by striking out "other than a hair dye (as defined in the last sentence of section 601(a))".

LINK TO CANCER AND BIRTH DEFECTS HINTED IN TESTS OF 150 HAIR DYES ON BACTERIA

(By Jane E. Brody)

A possibility that hair dyes may cause cancer and birth defects has been raised by the results of laboratory tests on bacteria conducted by a University of California biochemist.

Although tests on higher organisms will be necessary to determine the precise nature of the hazard, if any, bacterial tests are widely regarded as a sensitive initial method of screening chemical and consumer products for possible toxic effects.

However, the California tests have drawn more than ordinary scientific attention because they involved a product used regularly by an estimated total of 20 million Americans.

The findings on bacteria also raise serious questions about the adequacy of Federal laws governing the marketing of cosmetics, which need not be cleared for safety before they can be sold. In addition, hair dyes are exempted from the color additive regulation requiring that all dyes used in foods, drugs and other cosmetics to be safety-tested before being marketed.

As a result of commercial pressures, in the 1930's, hair dyes were declared exempt from the dye regulations of the original Food, Drug and Cosmetic Act of 1938 and the exemption was continued under the stronger Kefauver amendments in 1962.

Scientists of Clairol, Inc., the leading manufacturer of hair dyes, in a statement issued to The New York Times yesterday that, "looking at all the data, we can only conclude there is no evidence of cancer risk from hair dyes."

GENETIC TRAITS CHANGED

In the California test, developed and conducted by Dr. Bruce N. Ames, 150 of 169 different permanent hair dyes were found

to change the genetic characteristics of bacteria called Salmonella typhimurium, a common cause of food poisoning.

Since its discovery of a few years ago, the bacterial test has become a widely used screening food in several countries.

Dr. Ames, who is a member of the National Academy of Sciences, who is regarded by colleagues as a thorough and careful scientist, has submitted a paper on his findings to the academy's publication, Proceedings. The editor of the journal, Dr. Robert Sinsheimer, said yesterday that "in the ordinary course of events, the paper will appear in the May or June issue."

The products Dr. Ames tested (all those he could find in two drug stores in Berkeley) were made by eight companies—Clairol Inc., Revlon, Alberto-Culver Company, Tussy Cosmetics, Inc., Cosmair, Inc., The Gillette Company and Roux Laboratories, Inc. Clairol, with whom Dr. Ames has been in close contact throughout most of his year-long experiments, accounts for about half of the $250-million-a-year hair dye market.

Dr. Ames tested the dyes as they came out of the bottle and after they had been mixed with hydrogen peroxide. He also tested the eighteen individual chemicals found in these dyes. He judged that nine of them were mutagenic on his test; that is, they changed the genetic characteristics of the bacteria.

RELATIONSHIP DISPUTED

The relationship between mutagenicity and carcinogenicity (cancer-causing ability) is still a matter of considerable scientific controversy. In previous studies, Dr. Ames found that 70 to 75 per cent of chemicals that are known carcinogens also are mutagens in his test. Only about 10 per cent of compounds thought not to be cancer-causing are mutagenic in the Salmonella test, he reported.

Since the chemicals in the hair dyes are closely related to substances that are known carcinogens in man or animals, Dr. Ames has concluded that "each of the hair dye compounds we have found to be mutagenic has a high probability of proving to be a carcinogen."

In addition, he said, since the chemicals could damage genetic material, they "may be hazardous to humans by causing mutations in the germ line," possibly increasing the risk of birth defects.

Accordingly. Dr. Ames has recommended that, on the basis of his findings, large-scale studies should be initiated to see if people who dye their hair regularly face more than the usual risk of cancer and if babies born to such women have a higher incidence of birth defects.

His concern is supported by two very preliminary findings. In three studies, beauticians were found to have a higher rate of bladder cancer than expected, but the increased risk was not proved and the reason for it is unknown.

ANOTHER LINK SUGGESTED

In addition, a New York internist, Dr. Nathaniel Shafer, has noted that an unusually high percentage of his patients who developed breast cancer had been regular users of hair dye. In reviewing the case histories of nearly 100 breast cancer patients, he said in an interview, 87 per cent proved to be term users of hair dye, whereas only a quarter to a third of other of his patients of the same age used hair dye.

According to Clairol, 30 per cent of women between the ages of 13 and 60 use hair dye, with the percentage rising from 20 for the younger ages to 50 for the older women.

Dr. Shafer's report is regarded as a clinical, not a scientific observation and larger and more careful studies must be done to confirm or refute it. One such study will be done by Dr. W. Robert Bruce, cancer epidemiologist at the Ontario Cancer Institute in Toronto.

* * * relationship between birth defects and the use of hair dyes.

The National Institute for Environmental Health Sciences, spurred by Dr. Ames's findings, has also begun a study to see whether hair dyes cause genetic damage.

The effects of hair dyes and their chemicals have already been the subject of considerable animal experimentation, much of it conducted by the industry and some by the National Cancer Institute and the Food and Drug Administration.

ABSORBED THROUGH SKIN

The studies were begun in 1970 following the finding some years earlier that the chemicals in hair dyes could be absorbed through the skin and were regularly found in the urine of women who dye their hair.

In addition, one major hair dye chemical, 2,4-toluenediamine, was shown in a Japanese study to cause liver tumors when fed to rats and muscle tumors when injected under the animals' skin. This ingredient was subsequently eliminated from commerical hair dye preparations, but Dr. Ames pointed out that 167 million pounds of it are used each year in producing polyurethane foam—thus raising a question of possible hazard to exposed workers.

Thus far, animal studies of the hair dye chemicals now in use have not indicated any hazard. Dr. Ames maintains, however, that tests to date have not involved enough animals or been conducted for long enough to rule out a possible risk.

Dr. John Menkart, a vice president at Clairol, who is chairman of the scientific advisory committee of the Cosmetic, Toiletry & Fragrance Association, disputed Dr. Ames's conclusion that some animal studies had indicated a possible cancer risk. Dr. Menkart said that Dr. Ames had misinterpreted the reported findings.

FURTHER STUDY FAVORED

The Food and Drug Administration is taking the Ames finding in stride. According to Dr. Herbert Blumenthal acting head of the agency's toxicology division, the data point to a need for further study not immediate regulatory action.

"We've already begun testing the chemicals that were most active on Dr. Ames's test," Dr. Blumenthal said in an interview yesterday. "We should not take any regulatory action until we analyze all the animal data. We have got to be able to sustain in court any suspension of a cosmetic agent, and I don't think we could do so strictly on Dr. Ames's data."

Cosmetics can be banned only after clear demonstration that they are "poisonous and deleterious to health," Dr. Blumenthal noted. He said his agency has been asking Congress for the last five years for stronger regulations governing cosmetics. The agency wants to be able to require premarket safety testing as it now does for drugs.

Dr. Ames, who spent 10 years developing his bacterial test system, said that "anything that is to be used in such large amounts as hair dyes should have a cancer test done on it before it is introduced commercially—especially if it is in a class of compounds that is suspect to begin with."

Many of the hair dye chemicals are aromatic amines and diamines, which are chemical cousins to known carcinogens, including benzidine which causes cancer of the bladder.

Dr. Ames noted that he had happened upon the mutagenic activity of hair dyes "quite by accident."

"I was conducting a class experiment and I had the students bring in chemical products to try out my Salmonella test," he explained. "All the products were negative except one—hair dye—and that was highly active. That started us looking at all the dyes we could get."

Although Dr. Ames focused on dyes that use peroxide (they account for 75 per cent of the hair dyes sold), he also used 25 semi-permanent dyes that color directly without peroxide and found that "most of these were mutagenic as well."

JUST THE FACTS MA'AM

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. BURKE of Massachusetts. Mr. Speaker, one of Israel's most outstanding sons here in America is Mr. Albert Schlossberg. Mr. Schlossberg is the president of the Jewish Community Council of Metropolitan Boston. As such, he has been actively and intimately involved in the noble struggle to preserve Israel's place as a strong and independent nation of the free world. He is expertly versed in the complexities of this struggle, and knows full well the importance of Israel to our own security here in America.

Mr. Schlossberg's whole life is devoted to Israel's survival. For that reason, it is only natural that he would not remain silent when developments such as those which have recently unfolded come into existence. He recently wrote an article which appeared in the April 10 edition of Jewish Times, and which is fully deserving of the most serious consideration of each of my colleagues. Mr. Schlossberg's article cuts through the complexities which so often distract the basic issues, and comes to grips with the very heart of the problem; which is the need for full recognition and diplomatic acceptance, on the part of all Arab nations, of Israel as a permanent and viable nation in the Middle East.

Mr. Speaker, I urge each of my colleagues to give their full attention to Mr. Schlossberg's article, and I ask permission to have that article printed in the CONGRESSIONAL RECORD at this point:

THINKING OUT LOUD: JUST THE FACTS, MA'AM . . .

(By Albert Schlossberg)

If the boys in the Kremlin had planned it, events on the international scene could not have worked out better for them—so it appears on the surface. The foreign policy of the United States over the past decades has come apart like a cheap umbrella in a hurricane. In the Mid-East the personalized diplomacy of the good Dr. Kissinger has failed to produce the brilliant success that he had hoped for. Indo China speaks for itself. In the southern half of this hemisphere serious doubts are being raised with respect to the value of a Kissinger grand-tour through Latin and South America. Greece, Turkey and Cyprus give off their own odors. All may not be lost, but one would have to be a super optimist to see any light at the end of the proverbial tunnel.

To clear the decks I'll address myself to Indo China first. Despite the words of President Ford and his Secretary of State, there are very few similarities in the Vietnam and the Middle East situations. America's private interest in Indo China has never been clearly spelled out by the late President John F. Kennedy or by all of the presidents who followed him. Whether their collective policy was right or wrong, is a moot point at this time. The trauma and suffering of a million

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human beings fleeing from advancing Communist armies in Vietnam should be enough to cause us to stop arguing amongst ourselves and concentrate on the humanitarian aspects of the problem.

If we are to say our al chaits, we should also admit that when the Paris peace agreements were negotiated the U.S. had only two concerns, get our POWs back and get our troops out of Vietnam. All of the rest of the words at the Paris meetings were just window-dressing. There is another al chait and to whom it belongs will have to be decided at a later date. Neither Dr. Kissinger or any other representative of the U.S. government has denied the report that the Vietnamese leaders were promised that if the North Vietnamese and Viet Cong attacked in force, the U.S. would react with military force to stop the violations. Dr. Kissinger may have intended to comply with this promise. The Congress of the United States, by legislative fiat made this impossible. Was Vietnam a political, military or diplomatic fiasco, is the question that historians will be debating for a long time to come.

Despite the loud cries of anguish from President Ford and the thinly veiled words of Henry Kissinger, Israel is not South Vietnam. I get tired of repeating myself, but Israel has never suggested that she wants American men spilling their blood and guts on the sands of the Sinai or on the snows of Golan. Israel is not South Vietnam. The government of Israel is the result of a democratic process that involves all of the people, Jew and non-Jew alike, in an elective system that determines who the leaders will be. Israel is not South Vietnam. In Israel all ablebodied men and women beyond the age of 18, (with a few specific exceptions), serve in the armed forces of their country. Israel is not South Vietnam.

Until the Yom Kippur War Israel paid in hard-earned, hard-cash currency for the military supplies that she received from the United States. Unlike South Vietnam, the Israelis have accepted financial burdens upon themselves that make all other nations in the world seem like utopian societies. High taxes, high prices for consumer products, lower wage levels, devalued currency and almost no luxuries.

The Middle East is not Indo China in other ways. The strategic importance of the area has never been questioned. The NATO agreements would not be worth the proverbial powder to blow them to Hell if Israel did not exist. If Soviet hegemony were to be extended to the entire Middle East area the United States and Western Europe would be at the complete mercy of the Kremlin bosses. The U.S. Sixth Fleet, now woefully undermanned and under-equipped, would be driven out.

The Mediterranean, the Indian Ocean, the Persian Gulf and the Red Sea would become Soviet lakes. The oil-rich sheikhdoms would soon be completely dominated by Russia and the oil embargo of a year ago would look like child's play. The economies of Western Europe, Japan, and all other nations except the United States would be subject to Soviet strangulation. We, the U.S.A., could very well survive the loss of the 8 percent of our total energy needs that we now receive from the Arab countries, but because our present trading partners would suffer economic chaos, we would have no markets for our goods and products and Fortress America would soon be in serious trouble.

But there is a single glaring example of the Vietnam fiasco that does have relevance to Israel and the Middle East. Kissinger's secret deals and promises. Let us assume that the good Dr. Kissinger intended to follow through on his pledge to come to the aid of South Vietnam when and if the North Vietnamese attacked in violation of the Paris agreements. Let us further assume that he would have similar intentions with respect to any promises that he might make to the Israelis. Dr. Kissinger and the Ford Administration would have no better chance of guaranteeing such assistance to Israel than they had with South Vietnam. Given the mood of the U.S., given the trend that suggests a return to isolationism, given the election campaign of '76, Israel would have to be a damned fool to even consider secret agreements as a viable solution of their problems.

The Israelis have the right and the only idea that's worth a damn. Open agreements between the parties directly involved in the conflict. Step-by-step is fine. Deal with Egypt first, Jordan next, Syria, Lebanon and any others in any other order, O.K. But unless the Arab countries are willing to sit across a table from the Israelis and admit that Israel is there to stay, to be dealt with as a political reality, to like or not to like, but to be accorded political recognition, economic freedom and diplomatic acceptance, all of the shuttles, all of the words, all of the machinations will prove to be in vain. These are the facts, and all of Sadat's facade of new-found moderation and presumed good will not change a thing.

SMALL BUSINESS LEGISLATION

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. ZABLOCKI. Mr. Speaker, last Congress I joined Chairman ULLMAN and several other colleagues in cosponsoring H.R. 15062, a bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old age, survivors, and disability insurance purposes, and for other purposes. This measure would provide relief to the owners and operators of small businesses and assist in our effort to reduce the rate of inflation in our economy. It would change the quarterly wage reporting system for social security purposes, IRS form 941, to an annual system utilizing the existing W–2 form. It would also result in substantial paperwork reduction and form simplification, and in appreciable clerical and accounting savings to small businesses.

The owners and operators of small businesses are hard hit by the crush of inflation which increases the cost of doing business, and reduces the income essential to continuing in business.

The economy of our country is based on the prosperity of 8.8 million small businesses nationally, including nearly 200,000 in Wisconsin. If these firms fail, then so shall our economy fail. Many of these small businesses are now struggling against the pressures of reduced income and increased costs as inflation takes its toll.

We have the opportunity to reduce one of the costs of doing business by reducing the burden of paperwork through the legislation that I have introduced today.

There will be no reduction in revenue essential to the social security system if my legislation is enacted by this Congress. In addition, the Internal Revenue Service favors the bill as they see no need for companies to file quarterly.

Small businesses will realize a savings of time and money, and one of the many pressures will be eased for this very important and necessary segment of our economy.

The cost of doing business, naturally, is passed on to the consumers, and anything we can do to reduce that cost will just as naturally reduce the need to increase costs of goods and services to consumers.

Mr. Speaker, we have been examining and we will consider many recommendations to amend the tax laws to assist the people of America during this period of inflation and recession. Some of these proposals may cause a reduction in revenue or add to the burden of taxation in one way or another.

The bill I introduced will cost the U.S. Treasury nothing—but it will contribute greatly to the incentive of investing capital and labor in the small businesses of America.

I urge my colleagues to consider the proposed amendment to the Internal Revenue Code and support this legislation.

PROPOSED LEGISLATION FOR GREATER PARTICIPATION IN VOTING

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. CORNELL. Mr. Speaker, in recent years much has been done to reduce and eliminate barriers to voting, such as simplifying registration procedures, ending questionable restrictions, and reducing residency requirements. Today, I am proposing legislation which would deal with another probable disincentive to voting and would encourage, hopefully, greater participation on the part of our citizens: Making election day a national holiday. The voter turnout in the United States has always been a subject of considerable embarrassment to us since we are consistently lower than Western European democracies as well as Japan and Israel.

Because I consider the participation by as many of our electorate as possible a highly desirable goal, the designation of election day as a national holiday—and not just a legal holiday—will enable persons who have had difficulty in casting their vote because of limited polling hours, irregular work shifts, commuting distances, et cetera, to exercise this great democratic privilege.

Every vote is important and we have only to look at the still undecided New Hampshire Senate race to realize that every vote makes a difference. The November 1974 election had several other races which were decided by very small margins and since only approximately 40 percent of the persons of voting age went to the polls, we do not know if the outcomes would have been different had more people turned out to vote. I realize that there were other mitigating reasons for the unusually low voter turnout in November of 1974, but even in the best

year for congressional elections in recent time the voter response was only 58 percent. In Presidential elections, the high of the last 15 years was 63 percent in 1960 and this is contrasted to the low of 55.7 percent in 1972.

If we compare these U.S. percentages with the Western European countries, we find France with the low of 79 percent to Italy with 93 percent—1972 figures. Austria, 92.4 percent in 1971; West Germany, 91 percent in 1972; and Italy require election day to be either on Sundays or legal holidays. Belgium, 91.5 percent in 1971, has a compulsory participation law for elections which are also held on Sundays. Israel holds its election on a special public holiday, and the turnout was 81 percent in 1969. Japan does not have a specific law designating election day, but 11 out of the last 17 elections have taken place on Sunday. In the 1968 election, 68.9 percent of the eligible Japanese voted in a Sunday election while in 1959, only 58.7 percent turned out on a Tuesday.

Several of my House colleagues have already introduced bills calling for the Congress to designate election day every 2 years a legal or national holiday. I am hoping that Congressmen CARNEY (H.R. 289), PEYSER (H.R. 846), RAILSBACK (H.R. 5611), and WALSH (H.J. Res. 315) will work with me to get House passage of this proposal in time for the 1976 election. Senator HUMPHREY has introduced a companion bill in the Senate although his bill, which is cosponsored by Senator GOLDWATER, changes election day to Wednesday.

It is my belief that we in the United States have become complacent about our voting habits, and have taken this precious privilege too much for granted. Every effort must be made to get a much greater participation in our electoral process. I am hopeful that this legislation will serve that end.

AN INSIDE VIEW OF REVENUE SHARING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. RANGEL. Mr. Speaker, shortly the Congress will begin to study the revenue-sharing program. There has been much written on this program and how it might be improved to better deal with the issues and people it was intended to serve. As the House commences this task of reviewing this program, I think my colleagues should have the benefit of the views of a former General Counsel of the Treasury.

In his speech, Mr. Pierce looks at the effect of revenue sharing upon minorities. His analysis is important in that, according to the framers of the act, minorities were to be the chief beneficiaries of the program, since their localities were theoretically going to have control over the funds for projects which these groups needed. I offer the speech in the RECORD at this point for my colleagues so that when the issue comes to the floor, all Members will be aware of the ramifications of their actions when they are called upon to vote.

The speech follows:

THE EFFECT OF REVENUE SHARING UPON MINORITIES

For many years State and local governments have been under severe financial strain. Many Governors and Mayors throughout the land have been unable to keep pace with the growing financial pressures thrust upon them. State and local revenues have been insufficient to meet the rising costs of services rendered by these governments.

Between 1955 and 1970, the general expenditures of State and local governments more than tripled—from 33.7 billion dollars to 131.3 billion dollars. The dramatic increase in spending at State and local levels has come about in response to a number of developments. Increases in the sizes of our cities as well as in the general population have been accompanied by the need for more social and economic services. Moreover, the effect of a rising inflation has added greatly to these costs. Since 1966, for example, prices paid by State and local governments for goods and services have risen about one third.

Adding further to the financial problems of the localities has been the flight of middle and high income people from cities to the suburbs. This has left more cities with the pressing burden of providing services to large numbers of people with low incomes who are able to pay only a small share of the cost of government services.

I hasten to add, however, that financial problems are not confined to the cities. Small communities, including many in rural areas, are also encountering financial distress, particularly where their inhabitants are poor and the tax base is limited.

It was against this need by State and local governments for additional revenue that the Nixon Administration acted to make revenue sharing a reality. In his address to the Nation on domestic programs on August 8, 1969, President Nixon stressed the necessity for implementing a revenue sharing system as soon as possible. In a series of successive moves, the Nixon Administration and legislative supporters introduced Revenue Sharing Bills, and these efforts culminated, in the Fall of 1972, in the enactment of the State and Local Fiscal Assistance Act, popularly called the Revenue Sharing Act.

EMOTIONAL AND PHILOSOPHICAL DIFFERENCES

In the wake of the passage of the State and Local Fiscal Assistance Act of 1972, revenue sharing became an emotional issue whose purview far transcends that of the Act itself. Proponents have hailed the concept as a panacea. Others are much less enthusiastic. Many minority leaders look upon revenue sharing with wary eyes. They are skeptical. They see it as a device or means that may be used to reverse and set back the progress that has been made in civil rights, or as an instrument that may be employed for the benefit of the middle class and rich to the detriment of the poor.

More specifically, some minority leaders have pointed to certain features of the Revenue Sharing Act to support their skepticism. They have noted, for example, that while the Act permit local governments to use revenue sharing funds for a tremendously wide variety of governmental expenditures, the Act prohibits localities from using these funds for operating and maintenance expenses for education or for welfare payments. They argue that, on its face at least, such a prohibition is discriminatory. They ask, "Why should those particular categories, which are so important to minorities and to the poor, be excluded?"

Furthermore, the expenditure choices of recipient governments have given minority leaders little to be happy about. Preliminary surveys inidcate that, by far, the most popular use of revenue sharing funds has been for capital projects, while the category given the least attention has been "social services for the poor or aged."

Probably the most profound distrust, however, is based on more philosophical grounds. Revenue sharing gives money and power back to the States and localities, levels of government where civil rights traditionally were stifled. Civil rights groups fear revenue sharing as a return to "States Rights," a concept under which the civil rights of minorities were frequently denied.

The categorical grant programs, loudly decried by revenue sharing partisans, were aimed at specific Federally designated problem categories, more often than not in the areas of urban blight and poverty. Revenue sharing funds, on the other hand, may be spent in a much broader area, inuring to the benefit of the taxpayer at large in a given community. Thus, to some, revenue sharing has become "code" language for the transfer of Federal commitment from the poor ghetoo dweller to the middle class taxpayer and his allies in town halls and state houses all across the Country.

AN OVERVIEW OF THE ACT

For all of the philosophical debates it has engendered, the Revenue Sharing Act is fairly straight forward. I shall not discuss all of the provisions of the Act, but will point out some of its highlights with particular emphasis on those provisions that affect my overall discussion of revenue sharing.

The Act provides for the distribution of 30.2 billion dollars of Federal funds over a five year period to the States and more than 38,000 of their general purpose governmental subdivisions. The monies are distributed according to an allocation formula which takes into account such factors as population, per capita income, and tax effort of the recipient government. Each State government shall be entitled to receive one third of the total amount allocated to the State. The remaining two thirds of the State's allocation shall be divided among the units of local government.

The Act contains certain prohibitions and restrictions which apply to all governments. Among those is a provision prohibiting discrimination on the ground of race, color, national origin, or sex. There are also provisions which permit the Secretary of the Treasury and the Attorney General to take action against those governments which violate the Act's restrictions against discrimination.

Local governments, as opposed to State governments, must spend their monies within eight broadly defined "priority expenditure" categories. These categories include operating and maintenance expenses for public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration. The Act also allows recipient local governments to spend entitlement funds on any ordinary and necessary capital expenditure authorized by law. State governments are not limited to spending revenue sharing funds within those categories.

Each recipient government must file with the Treasury Department a non-binding report on its planned or proposed use of funds, and publish that report in a newspaper of general circulation within its area.

Each government must also submit a report to the Treasury on how it actually spent the funds. Before a government receives its entitlement funds, it must file a statement of assurances with the Treasury that it will comply with the general expenditure provisions and the restrictions and prohibitions of the Act.

Recipient governments must place their revenue sharing monies in an accountable trust fund, and they must spend their reve-

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nue sharing funds only in accordance with the laws and procedures applicable to the expenditure of their own revenues. They must also keep sufficient records of their expenditure of revenue sharing funds so that the Treasury or Comptroller General can audit the expenditure of the funds. If a recipient government spends any of its entitlement funds in violation of the Act, the Secretary of the Treasury or the Attorney General may take certain legal action against the culpable government.

COMMENTS ON THE CRITICISMS OF REVENUE SHARING

Many of the criticisms of revenue sharing are either unfounded or placed in an improper context. Other criticisms represent a valid skepticism concerning questions whose answers only time will ascertain.

A close examination shows that the provisions in the Act which give cause for concern are not as detrimental to the interest of minority groups as they seem at first blush. The legislative history of the Act reveals that exclusion of welfare assistance was put in because, through the abundance of HEW programs, it was felt that enough Federal attention was given to that area. Operating and maintenance expenditures for education were excluded from the priority expenditures category since many local governments do not finance education, either because education is carried out by special school districts supported by special school taxes or levies, or because it is financed by State governments.

A major cause for concern has been the revenue sharing regulations regarding the non-discrimination provisions, particularly when compared with regulations which govern the categorical grant programs. Section 122(a) of State and Local Fiscal Assistance Act states that no person shall, on the ground of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with entitlement funds. The revenue sharing regulations set forth the specific discriminatory acts which are prohibited, and permit governments to take specific action to ameliorate an imbalance of services or facilities, where the purpose of such action is to overcome prior discriminatory practice or usage. Recipient governments are required to assure the Treasury that all programs and activities funded in whole or in part with entitlement funds will be conducted in compliance with the non-discrimination provisions of the Act.

The regulations further provide for the processing of complaints and for compliance reviews. If the Secretary of the Treasury determines that a recipient government has failed to comply with the regulations prohibiting discrimination, and within 60 days of that determination the Governor fails or refuses to secure compliance, the Secretary has several alternative actions available to him. He may refer the matter to the Attorney General with a recommendation that appropriate civil action be instituted; or he may exercise certain administrative remedies, including terminating or refusing to grant or continue entitlement payments, or demanding the forfeiture, repayment or withholding of entitlement funds; or, he may take any other action that may be authorized by law.

In addition, whenever the Attorney General has reason to believe that a State or local government has violated the non-discrimination provisions of the Act, he may bring a civil action in a Federal District Court for such relief as may be appropriate.

The philosophy of Section 122 relating to non-discrimination, and its accompanying regulations is that Federal funds will not be used to foster or to perpetuate discrimination. So long as the local citizenry is vigilant, the procedures as previously outlined should prove adequate to meet the desired goal.

The fact that preliminary surveys show the most popular use of entitlement funds to be capital expenditures is not necessarily indicative of the priorities on the State and local level. Entitlement funds have only increased the budgets of recipient governments by a factor of about 10 to 15 percent, which is not enough to bring about greatly increased capabilities in State and local governments to expand services, or to necessarily change the priorities of these governments. Furthermore, the uncertainty as to the duration of revenue sharing would mitigate against the use of entitlement funds to start new programs, since the possibility of discontinuation of revenue sharing in 1976 could cause the termination of a popular local program. On the other hand, capital projects do not have the potential for such disruption.

Putting money and responsibility into the hands of State and local officials is a different proposition in 1973 than it was a decade or so ago. A plethora of Federal statutes and court decisions have struck down many of the practices which local leaders were able to avail themselves of in maintaining power and subjugating minorities. In addition, provisions of the Act help to insure that there is a large degree of popular and legislative input into the decision-making process. The Act requires that a recipient government spend its entitlement funds only in accordance with the laws and procedures applicable to the expenditure of its own revenues. This provision was inserted so that the entitlement funds would go through the legislative appropriation processes of recipient governments. In many instances this will involve public hearings which will give local citizenry, including minority groups, an opportunity to influence how the funds will be expended.

In the interest of public participation, the Act and Regulations also require a government to publish its planned or proposed use of revenue sharing funds in an area newspaper of general circulation prior to filing it with the Treasury. Recipient governments must also advise the news media, including the minority and bilingual news media, of planned use reports and provide copies of these reports to the news media on request. Also, each recipient government must make available for public inspection the planned use report filed with the Treasury and such further information as is necessary to support the report. The purpose of this requirement is to give local citizens an opportunity to make their "inputs" known to their governing bodies before the funds go through the appropriation process while matters are still in the proposed or planning stage.

CONCLUSION

In conclusion, then, there has been substantial skepticism and criticism on the part of some about the effect of revenue sharing on minorities. Though much of this negative criticism lacks merit, some of it is justified. Just how right or wrong these skeptics are, only time will tell.

Generally speaking, I do not believe minorities will be adversely affected because of revenue sharing *per se*. They may be hurt because certain Federal programs are discontinued or cut back. However, revenue sharing in and of itself should generally be helpful, not harmful to minorities.

I say this because the greatest portion of revenue sharing funds will go to the more densely populated States and to the larger cities. These are the areas where most minorities are located, and many of the social and economic services in these areas are already geared to aid minorities. Revenue sharing funds will, at the very least, help to keep these services alive, and in some instances may even provide the means of expanding those services or even creating new ones.

Although I do not believe that minorities will be harmed by revenue sharing, I think the degree to which minorities will benefit in any given State or locality will depend on just how politically active and alert minority groups are in the particular area. To be effective they must be keen observers of the processes by which their governments plan and spend revenue sharing funds. They must be watchful for violations of the Revenue Sharing Act. Whenever such a violation is uncovered or is reasonably suspected, they must communicate this to the Treasury or to the Department of Justice so that appropriate legal action may be taken. They must be highly vocal in their demands, and be able to place the necessary political pressure upon their elected representatives and other government officials to effect their goals.

My message, then, is I believe there will be a direct correlation between the political activity and alertness of minority groups and the degree of success minorities will enjoy under the present revenue sharing system. To the extent these groups are active and effective in this arena, minorities will secure better services. If these groups are inactive or inert, minorities may gain very little under revenue sharing.

IN SUPPORT OF ISRAEL

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. MURPHY of New York. Mr. Speaker, the administration is presently engaged in a "reassessment" of U.S. foreign policy in the Middle East, following the breakdown of the second-stage negotiations between Egypt and Israel. Any reassessment must result in a reaffirmation of our support for a secure Israel, a position that is vital to America's national interests and to a peaceful settlement in that troubled part of the world.

Israel, a democracy founded on principles shared by the United States, is a dependable ally in the strategically important eastern Mediterranean. A strong, secure Israel serves as a bulwark against Soviet domination in the Middle East. If Israel were to be overcome, the U.S.S.R. would obtain unprecedented control and influence in the area. The Soviet Union has poured increasing numbers of weapons and war materiel into the Arab States. While I was in Israel in November 1974, I saw the level of sophistication of the Soviet weaponry captured by the Israelis during the 1973 war. I am convinced that these modern armaments must be counterbalanced by appropriate equipment from the United States to assist Israel in inhibiting an Arab attack and protecting her security.

The thrust of our Middle East policy has been aimed at achieving a peaceful settlement in which Israel can exist as a free state within secure borders. The potential for such a settlement depends upon the ability of Israel to negotiate from strength. Only a strong Israel can persuade the Arab leaders to seek a peaceful, negotiated settlement rather than a military solution to the present impasse.

I have heard reports that the administration is delaying sending Israel military equipment which has already been contracted for. Not to send such material

is a dangerous signal to Israel's adversaries, subjecting American intentions to misinterpretation. I, therefore, call upon the administration to provide Israel with the sophisticated armaments she needs, now and in the future, to maintain her security and the balance of power in the area.

I hope that the Arab States will demonstrate an increased willingness to take steps leading to peace. Final reconciliation must be based upon mutual recognition, derived from direct negotiations between the countries concerned and must include normal relations.

Continued American support and friendship for Israel will promote this goal and, indeed, promote our own national interests and the world's interest in peace.

NATIONAL SOLIDARITY DAY FOR SOVIET JEWS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. DRINAN. Mr. Speaker, Sunday, April 13, marked the fourth annual National Solidarity Day for Soviet Jews. In New York, over 150,000 men, women, and children of all faiths marched and rallied in a massive outpouring of support for Soviet Jews.

I would like to bring to the attention of my colleagues the message delivered by Sister Ann Gillen, executive director of the Interreligious Task Force on Soviet Jewry, and the public statement of Cardinal Terence Cooke of New York:

MESSAGE OF THE NATIONAL INTERRELIGIOUS TASK FORCE ON SOVIET JEWRY

(By Sister Ann Gillen, SHCJ, Executive Director)

Today it is my privilege to bring you greetings from the National Interreligious Task Force on Soviet Jewry, a group of Catholics, Protestants, and Jews who have been working together with you to free Soviet Jews since March, 1972.

Last summer I represented the Task Force in a special pilgrimage, going first to the home of our sister, Anna Frank, where her memory is enshrined; then to spend a day of remembrance and reparation at Dachau, steeping my soul in the terrible silence of Dachau, where the outcry of the Holocaust victims continues to echo. Only then did I go to meet Soviet Jews, bringing them the pledge of Christian help in their human rights struggle. They gave me this message: "Tell people everywhere in the free West that our only hope is in their hands." Let us remember their trust in us!

In the USSR I met leaders who are already free because they are Jews who have overcome fear, paying the price to demonstrate and protest publicly so their repression would be known to us. Their fearlessness is based on faith in the God of Exodus and in the human family freed by the Passover experience. Their families in the Soviet Union still face fearful problems; they will not be physically free until we help them to leave. Let us not forget that their Exodus right is our Passover responsibility!

Today we rejoice that our sister, Sylva Zalmanson, is freed, but she will not be fully free until her husband, brothers and friends are all free. We pledge ourselves to remember those Prisoners of Conscience, including Yury Fedorov and Aleksy Murzhenko, two Christians condemned with the Jews in the Leningrad trials. Their freedom is our special inter-faith responsibility. We call on you to help us free them, too; we call on churches and synagogues to co-adopt such prisoners as Edward Kuznetsov, Sylva's husband, and Yury Fedorov. They share the same cell and sentence; we must share responsibility to free them all!

Today our delegation includes Christian representatives from national and local churches. An interreligious delegation outside St. Patrick's included Monsignor James Rigney, rector of the Cathedral and two Roman Catholic nuns whose Mother General waited more than a year to obtain her passport in Czechoslovakia—until Jews and Christians worked together for her release. These sisters know now in a new way—your fight is our fight and they are with us as part of thousands of women who belong to an interfaith Sisterhood of Conscience. They know that the freedom to leave is not and cannot be restricted to the "internal affair" of any single nation; it must become the internal affair of the hearts and minds of the human family everywhere!

At the invitation of the National Interreligious Task Force, His Eminence Terence Cardinal Cooke issued the following statement for this occasion on behalf of the Roman Catholics of this great city of New York. Let his words serve now as the renewal of Christian commitment for this great human rights cause.

STATEMENT OF HIS EMINENCE TERENCE CARDINAL COOKE

In this Holy year of renewal and reconciliation, it is fitting that we should join together with our Jewish friends and neighbors on behalf of Soviet Jews and other persons who are denied their human rights in the Soviet Union. Their struggle is our struggle. Christians and Jews both share the Exodus experience, and we are both committed to the struggle for physical and spiritual liberation.

In our own beloved land all of us can strive with confidence for political and religious freedom as the heritage of those other oppressed people who came here in search of liberty and because we, their children work in harmony to safeguard these precious freedoms.

In the spirit of love and human fraternity we call on the leaders of the Soviet Union to free all prisoners of conscience who were sentenced only because they sought to exercise their legitimate human right of freedom of religion or freedom of emigration. We also appeal to Soviet leaders to end all harassment of people who apply for exit visas which would allow them to be reunited with their families.

Let the ancient Biblical cry, "Let my people go" be our united prayer and purpose on Solidarity Day. May the God of freedom and human dignity bless our efforts.

AN ESSAY BY LINDA HUGHES

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. COCHRAN. Mr. Speaker, with the trials our Nation is currently enduring, and the seeming lack of a national self direction, I take comfort in the enthusiasm and optimism of our young people. They have an outlook and vigor that is not dulled by the cynicism and bitterness that often color the opinions of their elders.

I recently conducted an essay contest in my congressional district to solicit the opinions of our youth on why the Bicentennial is important to America. Their answers were all refreshing, and dealt with the ways in which the upcoming celebration could help direct our future. Because I believe so strongly in the wisdom these essays held, I would like to share the winning essay with my colleagues in the House.

The following piece was written by Miss Linda Hughes of Centreville, Miss., a junior at Centreville Academy.

ESSAY

(By Linda Hughes)

On July 4, 1976, the United States will celebrate its two-hundredth anniversary as a nation. Amid the plans and preparations for the upcoming national event, there is an ever-increasing sentiment among the citizens of this great land concerning the ways and means of properly celebrating the important day. As a result, there are a growing number of television programs and literary works focused on the bicentennial. The world may gaze with wonder and a certain degree of understanding at these Americans and yet the world does not understand why Americans feel and act as they do regarding the bicentennial. The reasons Americans deem it necessary to celebrate such an important event are numerous, but, if the need arose, the reasons could be summarized into three main points.

The first point is the growing interest many Americans have in studying the early history of the nation and the anecdotes, often amusing, their research reveals. Through this research many minute and often forgotten bits of information about America's glorious, and sometimes not so glorious, past are found which give us hope for the future of this country. It is discovered that the men who were once thought to be godlike were, in actuality, only men. Because the Constitution of the United States still requires that the nation's leaders be members of the human race, it follows that the leaders of today, like the ones before them, will make mistakes. However, this should not hinder them from trying to be perfect, for as the poet tells us, ". . . a man's reach should exceed his grasp, on what's a heaven for?"

George Washington himself was no god, though he is sometimes believed to be one. Jefferson, Franklin, Hamilton, Adams—great men in their own right—were not gods either. These men, through hard work, determination and the threat of possible death, pooled their thoughts and ideas, their opinions and judgments on freedom, liberty and justice in the joint creation of the United States of America. They left behind a heritage that Americans should be proud to be a part of, no matter how small a part it may be.

Part of that rich heritage takes form in the State Papers. The Declaration of Independence, the Articles of Confederation, which laid the groundwork for the Constitution, and the Bill of Rights were all written by men through the inspiration of an all-mighty and all-powerful God. As they were written and created by men through the grace of God, they are not perfect. However, the words, so painstakingly written on parchment many years ago, mean more than just words, and because of this the State Papers hold a revered place in the minds and hearts of millions of Americans. During the bicentennial celebration many people who once tended to forget the State Papers and the men who were so willing to die for the chance of writing them, are now rediscovering their importance to their national heritage. For the reasons stated above, historical interest is the first point of consideration in the celebration of the bicentennial; the other two are just as meaningful and important as the first.

The second point is the national pride the bicentennial stimulates in the accomplishments of past generations. America belongs to the people, and because of this the citizens of America should be proud of every square inch of it. The past contains numerous misjudgments and mistakes, but the United States has always prided herself in displaying those mistakes to the world and not hiding them in the forgotten files of an anonymous Washington office. The United States of America is the greatest democracy yet known to man and because of this, Americans should be proud to celebrate the two-hundredth birthday of their country.

The last reason Americans should celebrate the bicentennial is, in essence, the hope it provides that man may build on the mistakes of yesterday to create a better tomorrow. In the creation of this government, the early leaders made many mistakes, some of which have in recent years been rectified either through Amendments to the Constitution or Supreme Court decisions. Yes, America is imperfect since it is composed of mortal men, but she is striving toward a better and more peaceful existence, if not a perfect society.

Thus the reasons for celebrating the American bicentennial have been stated and explained. They range from interest in the past to hopes for the future. The years between 1776 and 1976 have been filled with wars and times of peace, depressions and financial booms as well as demagogues, who tried to rule the world, and saints, who only wished to make it a better place to live. The years were important and the bicentennial is an important event. The United States, a gallant and brave country, has faced it all: she has suffered through depressions, revolutions, assassinations and the attempted depositions of presidents, war, both civil and world-wide, and national scandals, and yet through it all she has survived because God is her watchman and man His servant. Americans should be proud of this great heritage and the beauty in land as well as people that she possesses, and because of this pride in America, they should celebrate her two hundredth birthday with enthusiasm and a firm belief that, despite all the bad times America has faced and will face in the future, she will survive. They should take heart in the words voiced by the famous Mississippian, William Faulkner, who once said, ". . . man will not only survive, he will prevail." The bicentennial is more than just the birthday of a great land—it is the living and breathing testimony to the free world, that the ideals once sacred to America's forefathers are still sacred today and that as long as Americans can think, they will continue to be. This is not a hope or a dream—it is a fact.

SMITHVILLE, N.J.

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. HUGHES. Mr. Speaker, on May 2, the Historic Towne of Smithville, N.J., will celebrate its 23d anniversary by dedicating the Old Village in the Historic Towne of Smithville, a faithful recreation of a typical southern New Jersey working crossroads community of the early 1800's. During the past two decades, the Towne's founders, Mr. and Mrs. Fred W. Noyes, Jr., have served as an inspiration to all who strive to preserve our heritage and historic significance. They have collected venerable structures from throughout South Jersey and brought them to Smithville for restoration and appropriate placement.

It has become one of New Jersey's outstanding attractions, providing employment to more than 600 persons. The Towne is visited by millions of people and it is a moving experience for all who believe that opportunity awaits those who are willing to work to achieve their goal.

From their original investment of less than $4,000 and 7 acres of land on which there stood a neglected, forlorn, forgotten building that had been a stagecoach stop in 1787. Fred and Ethel Noyes developed the Towne to where it now occupies some 2,300 acres of land, scores of restored buildings and early American village shops, working farms, a small motel, an FAA and VA approved airfield, and three great inns capable of serving 1,850 diners at one seating. In July the Smithville Theatre will open a 9-week season presenting the greatest stars of the world of entertainment in a 2,600-seat tent theater.

The Old Village is truly a dream come true for Fred and Ethel Noyes. It has been their desire to present to the world a community that had been but will never be again. They wished to preserve a bit of the area's heritage for future generations, and this they have accomplished to the plaudits of historians and educators everywhere. The "residents" in the Old Village will be working and living just as folks did more than a century past.

In addition to being a great tourist attraction, it is already proving its value as an educational institution. Atlantic Community College conducts South Jersey history classes at the one-room schoolhouse in the Old Village, and Stockton State College is preparing various activities so that its students may take fullest advantage of this historical bonanza. Bicentennial organizations feel also that the Historic Towne of Smithville is in reality the Bicentennial of southern New Jersey, if not of all of the State.

Last fall, the American Broadcasting Co., recognizing the excellent potential of the Historic Towne of Smithville as an investment for that company, and appreciating the accomplishments of Fred and Ethel Noyes, acquired the complex known as Historic Smithville Inns, Inc. In the acquisition they made certain that the plans projected by the Noyes would be continued. Fred W. Noyes, Jr., is president of HSI, and Ethel Marie Noyes is executive vice president. They are working hand in hand with John E. Campbell, president of ABC Scenic and Wildlife Attractions, and other ABC executives, to develop Smithville so that it will be one of the Nation's finest restoration attractions.

The story of Fred and Ethel Noyes is a warm and inspiring one for all who believe in our Nation—past, present, and future. It is also to the great credit of the American Broadcasting Co. that this tremendous organization had the foresight to appreciate and encourage what has been accomplished. They have in a most meaningful manner also indicated their faith in the future of southern New Jersey. This may very well serve as a guide to other national firms seeking to expand or diversify their activities.

ELIMINATION OF COMMISSARIES COULD CAUSE UNJUST HARDSHIP ON MILITARY PERSONNEL

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. HANNAFORD. Mr. Speaker, unless Congress takes positive action, a gross inequity to our military families could develop through the elimination of Federal support of commissaries.

In the guise of austerity the Department of Defense has proposed a 50-percent reduction in Federal support of commissaries to be implemented by October 1, 1975, and a total elimination of support by October 1, 1976.

I believe that the added sacrifice that will be required of men and women in active service as well as retired disabled, and veterans is unwarranted and unjust.

Generally I would applaud any action by the Department of Defense to reduce its huge expenditures. However, in this case, I believe that this action would unduly penalize the welfare of our deserving military families.

I am, therefore, reintroducing today a resolution with several of my colleagues to express the sense of Congress in support of commissaries.

This proposed cut is especially wrong when we consider that the budget for commissaries is extremely small compared to the total proposed defense budget. In fact, it would be like cutting a 25-cent item from a $[illegible]4 purchase.

Without the Federal support, commissaries are not in a position to be self-sustaining and still offer the same benefits to their members. Therefore, the added costs for operational costs would have to be passed on to their patrons. This could result in an abrupt increase of 19 percent to the family food budget. Needless to say, in these difficult economic times, this increase would be another burden upon the nearly 8 million military personnel.

For the retired and the disabled on fixed incomes this increase in food costs would be cruelest of all. For many it may mean the acceptance of poorer qualities of certain items, for others it may mean the reduction or elimination of proper nutritional items.

Mr. Speaker, I believe that such additional hardships are unwarranted. In this time of spiraling inflationary costs, we have a moral commitment to men and women in active service, and military retirees who have invested many years of dedicated service, at low pay, and who have come to depend on the fringe benefits the armed services have promised them.

I feel it is our moral obligation to keep our commitments to military members as they have kept theirs to us.

The military has not received the income increases given to civilian workers to reflect increases in the cost of living. And there are many civilian jobs with comparable pay available that do not require long separations from family and friends, overtime without pay, transfers every 3 to 5 years and long months in hostile areas with the possibility of death or injury. People who have given much already in service to their country should not be made to give up more.

When the moral obligation to our military personnel is weighed against the small economic gain I would hope that our concern for the welfare of people has a higher priority.

I should like at this point to compliment Congressman WILLIAM WHITEHURST for his efforts to preserve our commissaries, and I would like to encourage my colleagues to join me in cosponsoring this important resolution. For the RECORD I should like to insert a list of the names of those who have already joined in sponsoring this resolution:

Glenn Anderson of California.
Herman Badillo of New York.
Edward Beard of Rhode Island.
John Breckinridge of Kentucky.
John Burton of California.
Bill Chappell of Florida.
Norman D'Amours of New Hampshire.
Mendel J. Davis of South Carolina.
Don Edwards of California.
Walter E. Fauntroy of District of Columbia.
Harold Ford of Tennessee.
Herbert E. Harris II of Virginia.
James J. Howard of New Jersey.
John Jenrette of South Carolina.
Robert Krueger of Texas.
Jim Lloyd of California.
Marilyn Lloyd of Tennessee.
Robert Lagomarsino of California.
Jim Martin of North Carolina.
Donald Mitchell of New York.
Parren Mitchell of Maryland.
Fernand St Germain of Rhode Island.
B. F. Sisk of California.
Gladys Spellman of Maryland.
Floyd Spence of South Carolina.
Lionel Van Deerlin of California.
Antonia Won Pat, Guam.
Gus Yatron of Pennsylvania.
Don Young of Alaska.

DANGER IN $100 BILLION DEFICIT

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. LATTA. Mr. Speaker, the House is scheduled to consider the first concurrent resolution of the budget next week. A majority of the members of the House Committee on the Budget voted to report this resolution notwithstanding the fact that it envisions a deficit of $73.2 billion for fiscal year 1976. I was not one of those voting to report the same.

Accompanying this resolution is our figures indicating that the fiscal year 1976 deficit could reach $100 billion rather than the $73.2 billion contained in the resolution if certain outlined programs are enacted. Deficit spending of $73.2 or $100 billion will have a disasterous effect on our economy and must not be permitted. The only way this can be avoided is to vote against appropriation bills which exceed the budget as they come along during the weeks ahead. The Toledo Blade pointed out some of the dangers of such deficits in an editorial dated April 19, 1975. I am pleased to set it forth below for the benefit of the Members as they ponder this important matter:

[From the Toledo Blade's Pages of Opinion]

DANGER IN $100 BILLION DEFICIT

With the House Budget Committee, a body set up ostensibly to inject some sense of coherence into congressional budget-drafting, endorsing a massive $73.2 billion federal deficit for fiscal 1976, President Ford's warning of the dangers of renewed inflation becomes increasingly pertinent.

Certainly if the budget unit can approve a red-ink figure of these mind-boggling dimensions, there is precious little hope that the full Congress will exhibit any more self-discipline in holding down spending. The indications are, on the contrary, that it is likely to go even further in permitting expenditures far in excess of what the President and his economic advisers deem prudent.

That dismal outlook looms because of the elemental and historical fact that members of Congress are political animals who jealously fight, barter, and connive to protect their pet programs, promote their individual or committee fiefdoms, and exalt their own egos regardless of the cumulative effect on the budget of such tactics. And while the ultimate value of the budget committees in both House and Senate has yet to be determined, there is not a great deal of optimism that they can influence the traditional processes of authorization and appropriation as handled now by the standing committees of each house.

The disturbing prospect, as spelled out by Treasury Secretary William Simon, is that Congress may have come up with too much too late with its nearly $25 billion tax cut and is risking another inflationary surge by flirting with a deficit that could reach $100-billion. At a time the economy has begun to show some faint signs of recovery—as evidenced by a reduced rate of inflation, increased consumer spending, and lower interest rates—measures of that magnitude could well be calamitous.

As Mr. Ford cautioned in urging Congress to try to stay within $60-billion figure, "any larger deficit will consume money available for the private sector (through government borrowing), drive up interest rates, and regenerate more inflation."

The effects of the recession—business retrenchment and a high level of unemployment—obviously cannot be ignored. But to rekindle the fires of inflation by overspending in the name of saving the country from recession could only be expected to make matters worse. A little fiscal restraint now, as bitter a pill as that would be for Congress, is most certainly called for.

TESTIMONY PRESENTED AT THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS IN OPPOSITION TO THE CONFIRMATION OF HON. STANLEY K. HATHAWAY AS SECRETARY OF THE INTERIOR DEPARTMENT

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. HUGHES. Mr. Speaker, on Tuesday I testified at the Senate Committee on Interior and Insular Affairs in opposition to the confirmation of former Wyoming Gov. Stanley Hathaway to become Secretary of the Interior Department.

What this Nation needs is a Secretary who shows bias toward neither industrialist nor environmentalist. We need someone who will strive to achieve sound planning and overall balance whether it be in strip mining or offshore oil drilling.

Mr. Hathaway, by his past statements and actions, regrettably does not foot that bill.

Three times the Supreme Court found the giant El Paso Natural Gas Co. in violation of the antitrust laws and ordered it to divest itself of the Pacific Northwest Pipe Line Co.

It took 10 years for this major antitrust action to succeed. Governor Hathaway was among those who would have had the Government look the other way on an antitrust violation.

We need a diminution, not a growth, in the power and influence of the multinational oil companies. And just as importantly we need a Secretary of the Interior who shows either a record of a willingness to fight the concentration of monopolistic power in the energy industry.

The statement follows:

STATEMENT BY WILLIAM J. HUGHES

Mr. Chairman, Distinguished Members of this Committee:

Today I bring no sensational disclosures, no exhumed documents to challenge or discredit the President's choice for Interior Secretary.

Instead, I seek to question the nomination of Stanley K. Hathaway on the very terms proffered by President Ford and Secretary Morton—that the nominee is a man who will strike a delicate balance between growth and conservation.

In short, that Stanley Hathaway is by belief and through experience a good choice to settle the inevitable conflicts between this country's need for energy and protection of its environment.

Let me preface my remarks by saying that while concerned with environmental issues, I neither sought nor won election last November as an environmentalist spokesman.

The southern third of New Jersey—the geographically large and economically diverse constituency which I represent—is experiencing an unemployment crisis without parallel since the Depression, as high as 80 percent in some trades.

We have been attempting in recent months to balance economic and environmental necessities to pull the state out of a recessionary period more severe than is being experienced in most parts of the country.

I can sympathize, therefore, with the pressures of high unemployment and dwindling state revenues that moved former Governor Hathaway to seek accelerated industrial growth for Wyoming in the eight years he served.

So, apparently, did a solid majority of Wyoming voters who elected him twice by substantial margins.

I have no quarrel, then, with reasonable compromises initiated by the governor to achieve economic recovery in Wyoming.

I shall also leave for others to discuss his more controversial positions such as shooting golden eagles to protect sheep and charting plans for jetting more skiers into Grand Teton National Park.

What prompts me to make this appearance here this morning, as one member of the House of Representatives' Judiciary Subcommittee on Monopolies and Commercial Law, is to raise the question of what kind of policy we might expect from the next Interior Secretary in dealing with the monopolists that manipulate our energy resources.

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I hope to be appointed along with 12 of my colleagues this week to an ad hoc Committee of the House to study and make recommendations concerning the future development of frontier waters for gas and oil exploration.

Last Friday Senator Case gave me the somewhat sobering news that O.C.S. leasing in the Atlantic combined with floating and shore side nuclear plants and Deepwater Oil Ports project New Jersey to be an unrivaled center for energy generation in the immediate future.

Oversight of O.C.S. development will be perceived in my state as a major responsibility of the next Interior Secretary.

We are particularly concerned in New Jersey because, frankly, in the past two years the job has been badly botched.

Today the Mid-Atlantic states—with New Jersey in the forefront—are feuding with the federal government over timetables for development and the percentage of revenues to be shared with the states.

No less than three reports—the last and most damning issued March 19 by the Government Accounting Office—take to task the assumptions and conclusions drawn by the Interior Department when it announced a 10-million acre leasing target through the President in 1973.

Despite these criticisms, we are faced with the inevitable prospect of offshore drilling in immediate steps for change are taken, will only enhance and enlarge the stranglehold that a handful of major multi-national oil companies hold on new sources of gas and oil.

Eight major oil companies—through vertically integrated ownership—today effectively control two-thirds of the domestic oil market from the production stage through the retail operations.

These same firms control an even higher percentage of the production of existing fields along the Outer Continental Shelf.

Unless changes are made by the new Interior Secretary in bid procedures, or failing that by the Congress, competition for leases in frontier waters will be minimal and this nation will have suffered another setback in the effort to reduce the power and influence of multi-national oil companies in dictating energy policies.

The relationship of the new Interior Secretary to this energy cartel can markedly enhance or impede efforts to restore competition in the production, refining, transportation and retail sale of energy supplies.

And what might we expect from an Interior Department headed by Mr. Hathaway?

On three separate occasions—in 1964, 1967, and 1969—the U.S. Supreme Court ordered the El Paso Natural Gas Company to divest itself of Pacific Northwest Pipeline Company.

El Paso was no struggling firm but by 1970 the largest natural gas pipeline in the United States with total assets of nearly $2 billion and dominance in supplying the gas markets in 11 Western states and other interests ranging from insurance to shipbuilding.

Despite the Supreme Court, El Paso continued to resist divestiture citing the classic monopolist's argument—that it could supply 35 million consumers with natural gas at a cheaper price than in competition with other firms.

Each new order was greeted with a fresh failure to divest, locking the Justice Department and El Paso in protracted litigation.

Until 1969. In that year the Supreme Court issued its third ruling. But vigorous prosecution had ceased.

John Mitchell was the new Attorney General and some saw more than coincidence in the fact that his former law firm of Nixon, Mudge, Ross and Guthrie had benefited by $771,129 in legal fees from El Paso Natural Gas.

With Justice Department enforcement relaxed, an effort developed in 1971 and 1972 to overturn the Supreme Court rulings by securing an exemption from the Clayton Act from Congress.

Among those pressing Congress to act was Governor Hathaway.

In a letter to Senate Commerce Committee Chairman Warren G. Magnuson dated January 27, 1971, the Governor wrote:

"El Paso Natural Gas Company as a product of the merger (with Pacific Northwest) has long been a singularly concerned and constructive member of the Wyoming basin community. I am fearful that business activities important to the economic well being of the people of my state would be seriously reduced if the El Paso-Pacific Northwest merger were to end."

Eighteen months later Governor Hathaway went to a step further in attesting through a statement read to a House commerce subcommittee that he viewed the antitrust action as a "major step backward . . ."

John O. Callahan, who represented the Governor at that hearing on June 15, 1972, agreed with the observation of a member of the subcommittee who summed up the state's position as (quote) "what was good for Wyoming was good for El Paso and what was good for El Paso was good for Wyoming."

Despite intensive lobbying by Governor Hathaway and other friends of El Paso, the Clayton Act exception was not granted and in February of last year the Justice Department finally succeeded in enforcing the three orders of the Supreme Court.

Needless to add, the apocalyptic predictions of El Paso Natural Gas Company have not come to pass.

In my opinion, Governor Hathaway showed a shocking insensitivity to the concentration of monopolistic power in one of the most vital segments of the economy.

I don't know whether Mr. Hathaway would take a pro-monopoly bias into the policy making levels of the Interior Department. At this crucial time in American history we can't afford to take that risk.

We need a diminution not a growth in the power and influence wielded by the multinational oil companies in key government positions. The consequences are great not only in developing remaining O.C.S. reserves but in regulating ownership and development of coal fields and other alternative fuel sources as well.

In a sense, I am more impressed by the total lack of opposition by those in the energy business with Mr. Hathaway's nomination than by the great number of environmentalist organizations scheduled to speak against confirmation.

If there is one general feeling which many concerned groups hold, it is that industry has already had its hearing—in private, with the President, Secretary Morton and his advisors.

We often hear, at confirmation hearings, that barring a major scandal the President's nominee must be approved on the grounds that, after all, he needs a man or woman he can live with.

I respectfully submit, Mr. Chairman, that in this case the country needs a man we can all live with who shows bias toward neither industrialists nor environmentalists. We desperately need someone who will strive for sound planning and overall balance.

In my judgment, that person regrettably is not Mr. Hathaway and I urge this Committee to examine very closely the nominee's views on past market practices of the oil and gas industry and their role as he sees it in the future.

Thank you.

DAVID F. SAYRE—PORTRAIT OF A WATERMAN

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. BAUMAN. Mr. Speaker, those Members who represent coastal areas can appreciate the great honor it is for me to represent the Chesapeake Bay and Potomac River regions. Perhaps one of the outstanding characteristics of the people in my part of Maryland is the strong character and self-reliance of the hearty band known as the "watermen." For many years one of the leaders amongst Maryland watermen has been David Sayre of St. Mary's County. In many ways he typifies the spirit of independence and self-reliance which is characteristic of watermen.

I include at this point an article written by Jack Kershaw regarding Mr. Sayre:

DAVID SAYRE: PORTRAIT OF A WATERMAN

(By Jack Kershaw)

Culling his oysters alone in the middle of St. George Creek, he doesn't look like the president of anything—except maybe the group he leads.

Opinionated, firm but reasonable, eccentric but negotiable, vulnerable but cunning—all of these descriptives have captioned the picture of the man telling his story with his hands and accenting his points with increased decibels.

David Franklin Sayre, just recently reelected for the 14th consecutive year as president of the St. Mary's County Watermen's Association, has been described by his enemies as well as his friends as being surly. But both sides agree there's leadership there, too, "and how in the hell could you be president of the watermen if you weren't a little rough?" says one of Sayre's board members in the association.

"I used to paint houses a little to make ends meet but now I crab in the summer, fish in the fall and oyster in winter," the 58-year-old Sayre says. Criticized time and again for not being a full-time waterman by industrial developers and deep seaport explorers, Sayre believes local waters will eventually clean themselves with the efforts of groups like his fighting against the very possibility of pollution.

Fifteen years ago there was no County Watermen's Association "and it was dog eat dog . . ." the St. Mary's Countian says seriously. "Everyone had a different thought about how to make a living."

Being more candid, he chuckles and hesitates a bit as he explains how it all came about. "It used to be that we just weren't working with one another, and Sen. (J. Frank) Raley (former senator from St. Mary's County) and I started working on organizing the group."

Along with Sayre and Raley was a waterman from Ridge, Mace Burch, and two other watermen, Allen Thompson of Avenue and Harry Huseman from near Seven Gables. These men brought the watermen together and the group's first president elected in 1962 was David Sayre, the same man the watermen reelected for the 14th time two weeks ago.

Culling oysters on his culling board this winter, as he has since he was seven, Sayre is all work and sureness. A cigaret, three quarters burned, hangs dead out of the left

corner of his mouth. His back bent in a position watermen claim you never become accustom to, he breathes heavily through his mouth.

As a boat pulls alongside to buy a bushel of oysters, he continues to pick and choose until his visitors hang their rig against his. Looking up, he takes off one of his gloves and says "howdy" with a strained look on his unshaven face. His gloved hand catches the small of his back and he stretches slightly. The visit is over and Sayre has said little, but listened, and he's quickly back at work.

In the past 14 years this short, lean man has walked the legislative halls of Annapolis and politicked for whatever he and his association believed to be good for the watermen.

Sayre, like many of his membership, are known on a first-name basis at the Potomac River Fisheries Commission in Colonial Beach, Va. But some of them have wondered openly whether the Potomac River Compact would have ever been signed if their association had been alive then. Sayre only says he generally is pleased with most of the work they produce.

Looking back over his shoulder he remembers, "I was looking for soft crabs and nippin' for oysters when the Virginians would come over here dredgin' oysters." He remembers long ago when several of the "commonwealth's chosen few" went up the St. Mary's River and found a spot to proceed with their illegal dredging. "Now you've got to remember, we didn't have a whole bunch of police then. But old man Cullison (a marine policeman) came up on them."

Sayre describes what must have been quite a chase until the Virginians ran their 40-foot boat aground just off the end of the island. "They climbed out of the boat and left there and walked ashore," Sayre says, "and although we're not sure if they were ever caught, we do know they hitchhiked back to Virginia by way of Route 249."

Born on St. George Island, Sayre says, "I live 150 yards today from where I was born." From the back porch of his home a person can look out onto the creek and know what kind of day will face him. The walk from the porch to the water is short and the view allows a look almost to the end of the creek.

For the cosmopolitan skeptic, professional watermen still do exist, and Sayre would have to head that list of professionals. "The main thing is that we are able to preserve how we do make a living," he says.

Sayre's father Robert E. Sayre died in 1943, but because of a stroke he was an invalid for 15 years before he passed away, and David crabbed and oystered then, doing what his father was no longer able to do. "Before his stroke he was a waterman, too, just like me."

Times have changed the way of life for the watermen, Sayre believes, but the basic way these men with their weather-lined complexions have made their living in the past is the way they are still making their living today and their pride will not allow them to change this way of life.

With Sayre, though, it appears to be more than only pride because he is their president. There is also prestige that sometimes in the past 14 years, he has admitted, is the only thing that kept him and his fluctuating membership going. Today there are about 350 active, paid-up, members, according to Sayre, but in the past several years membership has been up and down, depending upon what the issue was. Today there is no issue as such.

The only bubbling issue still on the back burner for a while is the possibility of an oil refinery being built within a couple of miles of his home.

During the referendum battle last year which defeated the refinery and forced the issue into court, Sayre campaigned against the refinery and claimed time and time again, "We are fighting for our very existence—we're fighting for the right to make a living that big business is trying to take away from us."

Sayre—the fighter, the waterman, the islander. A proponent of the refinery said after the refinery question was killed two to one, "Man, you put David Sayre and Paul Bailey (retired senator from St. Mary's and Charles counties) out there against you, and you haven't got a damn chance."

But Sayre doesn't consider himself a politician—only a waterman. Those persons who have listened to his impassioned pleas to State representatives, such as the one he offered Gov. Mandel in the governor's reception room last year when asking him for the right to allow the County to have a referendum, know he can bring tears to the eye.

"You know what really pleases me is many sports fishermen are just as concerned about our waters and the pollution as we are, and that's great," Sayre says.

From sunup to sundown Sayre works the water and with the hundreds of miles of it around the County, he works long, hard hours but admits he loves his work and the water.

David Sayre—the professional.

IMPROVE NATIONAL SECURITY WITHOUT INCREASING SPENDING—PROHIBIT MARV

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. BINGHAM. Mr. Speaker, MARV, a maneuvering reentry vehicle, is one of the most technologically impressive but destabilizing military devices man could create. Fortunately, we are still at least 5 to 10 years away from having the technology which would make the deployment of MARVed missiles inevitable.

I propose that we prohibit American testing of MARV missiles and, through negotiations, obtain Soviet agreement to a similar prohibition on their part. If this is done, we can spare ourselves and the rest of the world the agony of an ever spiraling arms competition, with its resultant deleterious effects on world security.

Yesterday, I testified before the House Armed Services Committee on the implications for our national security of the testing and deployment of MARV's. I proposed an explicit ban on U.S. initiation of MARV testing, to be coupled with efforts to reach agreement with the Soviets to prohibit MARV testing and deployment.

Because of the impact that MARV may have on our future security, I am inserting my testimony in the RECORD at this point:

STATEMENT OF THE HONORABLE JONATHAN BINGHAM, BEFORE THE HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman and members of the House Armed Services Committee, I appreciate this opportunity to appear before your distinguished Committee.

Since World War II the capabilities and effectiveness of our military forces have grown by leaps and bounds. The purpose of such growth is of course to increase our national security.

But there are cases in which increased capabilities and effectiveness have actually led to a decrease in our national security. I am here today to talk about such a case, in the hope that another such mistake can be avoided.

I want to emphasize that I am not talking simply about saving money. As you may know, I have in the past supported a number of floor amendments to military procurement authorization bills when I believed the weapon systems in question were not worth the money we were asked to spend. But today, I am here to talk about a much more serious problem: the possibility that in developing a new technological capability, for its own sake, we may not only waste taxpayer dollars but decrease the military security of the American people as well.

For perhaps the past decade, the United States and the Soviet Union have been in the position of two scorpions in a bottle: either could strike the other a lethal blow, but before dying the victim would be able to strike an equally lethal blow against the aggressor. This mutual second strike capability, this balance of terror, has certainly not been the ideal way to avoid a nuclear war, but it has worked, and it is far preferable to the alternatives.

But in 1968 and 1969, a move taken unilaterally by the United States began to destroy this balance and to put both the major powers on a roller coaster heading toward a state of instability and mutual insecurity, where "counterforce" and first strike have become increasingly real possibilities.

At that time, we tested Multiple Independently-targeted Reentry Vehicles (MIRV). Why did we do it? We didn't need MIRV to overwhelm a Soviet ABM; the Soviets had no deployed ABM which was an effective defensive system, and they do not to this day. We didn't need MIRV for a first strike against Soviet ICBM silos, because we insist that isn't our policy. Instead, it appears we simply proceeded to test MIRV because we found it technologically possible to do so.

As I am sure you know, MIRV has two peculiar characteristics: First, it makes a first strike against the other side's missile silos at least theoretically possible. If you have one warhead on each ICBM, it makes no sense to launch a strike against the other side's ICBMs, since you only impose on yourself attrition equal to that you impose on him; in fact your own attrition will be greater because some of your missiles will not be successful. In contrast, MIRV enables one aggressor's missile to take out several of the victim's silos. This assumes, of course, that the system has sufficient accuracy and yield—I will return to this question in a moment.

Second, MIRV deployment is not verifiable. You cannot look at a missile from the outside and tell whether it is MIRV'd or not. A test of MIRV, in contrast, is verifiable. So in 1969, we faced this choice: We could refrain from testing MIRV and make a vigorous effort at the SALT talks to secure a total ban on MIRV testing by ourselves and the Soviet Union. Since our MIRV technology was five years more advanced than the Soviets', they would have had a strong incentive to cooperate in such an effort, and such an agreement might well have been achieved. Alternatively, we could press ahead with MIRV testing. Once we had done this, there would be no way we could ever convince the Soviets that we were not deploying MIRV; therefore, there would be no way to reach an agreement preventing them from developing and deploying MIRV in return.

We chose the latter course, with highly unfortunate consequences for national se-

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curity. Today the Secretary of Defense and many other experts are highly concerned over the possibility that the Soviet MIRV may eventually give them a first strike capability against our silos. This is a self-created peril. If we had waited before testing MIRV, if we had recognized that national security can sometimes be served better by a negotiated agreement than by development of ever more sophisticated military technology, there would be no Soviet MIRV today, the Secretary would have no cause for concern, and you would be spared my testimony.

Now, as I suggested a moment ago, MIRV in itself does not give a first strike anti-silo capability. Such a capability requires a sufficient combination of accuracy, numbers of warheads, and yield. Of these three factors, accuracy is by far the most important, numbers of warheads is intermediate, and yield or explosive power is least important. Specifically, accuracy is generally recognized to be as important as the cube of yield. This means, for example, that if our ICBM accuracy is three times that of Soviet missiles, in order to offset this advantage they will need a yield advantage of three cubed, or 27. Since their total megatonnage is only 4 to 6 times our own, and our accuracy is estimated to be about three times as good as theirs, it is clear that we have far more counterforce capability than they do.

Another specific example is the large new Soviet ICBM, the SS–18, which is said to have warheads of one or two megatons. Let's assume it is two megatons in order to make a worst case analysis. If this missile has an accuracy or circle of equal probability (CEP) of 3 10's of a nautical mile, which is a reasonable generous estimate, it will have a kill probability of 50% aaginst one of our missile silos. In contrast, consider one of our Minuteman III warheads with a much smaller yield of only 17% of a megaton, or 170 kilotons. If this warhead has an accuracy of 1/10 of a nautical mile, its kill probability against a Soviet silo is approximately 65%. So, a relatively smaller missile with more advanced technology is superior to a large missile with lesser accuracy.

This brings me to my reason for coming before you today, which is MaRV: Maneuverable Re-entry Vehicle. MaRV is one component of the Advanced Ballistic Reentry Systems program, authorized at $112 million in FY 1975 and proposed at $101 million in FY 1976. It is in a relatively early stage of development and no testing has taken place. MaRV is a strategic missile warhead which homes in on its target with extremely high accuracy, perhaps on the order of 100 feet; using a TV, radar, or infrared terminal guidance system. At this level of accuracy, a relatively small Minuteman III warhead has better than 99.9% kill probability against a Soviet silo. A much smaller warhead, for example a 40 kiloton Poseidon warhead, would still have better than 99% kill probability.

Terminally guided high accuracy MaRV could be the most technologically impressive military device in many years. It could give us a huge improvement in capability and enable us to destroy a hardened missile silo with a single warhead. But would we be safer as a result? I submit that we would be less safe than we are today.

MaRV could completely change the strategic environment. Since ballistic missile defenses are limited by the ABM treaty, and most ICBMs in the US strategic arsenal and planned for the Soviet strategic arsenal will be capable of carrying three or more warheads, MaRVed missiles deployed by both sides would be able to render the land-based systems of the other side vulnerable to a successful surprise attack. If MaRVs were installed on submarines, this would be especially significant for the Soviets, since it would enormously increase the anti-silo effectiveness of their submarine-based missiles, which today are not considered a major threat. Such a capability would avoid the problem of excessive warning time which today besets the Soviet ICBMs and which would allow U.S. bombers to get safely into the air before the ICBMs arrived. The short flight-time of SLBMs, armed with accurate MaRVs, would not permit this and would make possible a simultaneous strike against our bombers and ICBMs. Furthermore, MaRVs would present verification problems similar to those which MIRVs are presenting to the SALT negotiators: testing of the system can be verified by national means, but deployment—both initial and total—cannot.

Psychologically, politically, and militarily, the impact of a high accuracy MaRV capability would be substantial. At a minimum, possession of a MaRV capability by one side would cause the other to develop MaRV; at a maximum, it would fuel development of other offensive capabilities—land-mobile systems, strategic cruise missiles, and more exotic systems—and of new defensive systems which would render the ABM treaty meaningless. During this qualitative race, driven by suspicion of each other's intentions and the lure of technology, vast sums of money would be expended—without any corresponding increase in strategic stability and most likely with a corresponding decrease in international confidence in the stability of the strategic balance.

Mr. Chairman and members of the Committee, I submit that national security will be best served if we can prevent the Soviet Union from deploying terminally guided high accuracy MaRV. This can only be done by international agreement and such an agreement is possible only if the Soviet Union can have high confidence that we have not deployed terminal MaRV. They can have this confidence only if they know we have not tested terminal MaRV.

Therefore, it is of vital importance that the United States not test terminal MaRV so that such an agreement can be attained.

Fortunately, the time frame available to us is rather generous. I understand we will not have the technology for a terminal MaRV test for at least five years and possibly ten. The Soviet Union is probably several years behind us. So, we have time.

But we must give the Soviet Union high-confidence assurance that we have not tested terminal MaRV and this is where your Committee and the Congress can and should play a role. I urge you in the strongest possible terms to insert language in the procurement bill stating that "no funds is authorized to be appropriated under the Act shall be used for testing of maneuvering re-entry vehicles (MaRV) on ballistic missile systems." This will not take one cent out of the $25 million in the bill for terminal MaRV research, since there is no testing planned in the coming year. But it will serve as clear assurance to the Soviet Union that such testing is not being conducted. At the same time, if our terminal MaRV program has value as a bargaining chip, we still hold the chip.

Before closing, let me deal with two possible objections to my proposal.

First, it may be said, "what if we reach a SALT ban on MaRV testing and the Soviets continue to do research and development on MaRV, get it right up to the point where they are ready to test, then they abrogate the treaty and begin to test and deploy at a rapid rate? Won't this give them an immense advantage over us?" It is because of this potential problem that I have not advocated reducing research and development. We also can carry our terminal MaRV program right up to the pre-testing stage. If the Soviets abrogate the treaty and begin to test, we will know it and can carry out tests ourselves.

Second, there is the question of the evasive MaRV, which is a low accuracy ABM-evasion device now part of the Trident program, and which has recently been tested on a very small scale. Evasive MaRV is not a counterforce system, but an evasive MaRV test can be used to disguise a terminally guided high accuracy MaRV test. Therefore, I recommend that evasive MaRV testing be banned as well, and my proposal is worded accordingly. Since the Defense Department has no plans to deploy evasive MaRV, we can afford to put this system on the shelf while we seek further SALT agreements.

In summary, the Congress now has an opportunity to significantly improve the military security of the American people without spending a cent. Such opportunities are few and far between, and I urge the Committee to take full advantage of the opportunity that is now before us. Thank you.

REPRESSIVE NATURE OF MARTIAL LAW IN THE PHILIPPINES

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. JOHN L. BURTON. Mr. Speaker, for many months many Members of Congress have expressed their concern over the repressive nature of the martial law regime of President Ferdinand Marcos of the Philippines. This dictatorship's suppression of all civil and human rights is symbolized by the continued imprisonment of more than 3,500 Filipinos without trial, without specific charges, and often without access to legal assistance. Most noteworthy among the prisoners are Senator Benigno Aquino, prominent publisher Eugenio Lopez, Jr., and Sergio Osmena III, son of the late presidential candidate against Marcos.

All of these men have been in prison for 2½ years. All have spoken out against the excesses of the Marcos dictatorship. All have been denied even the most elemental due process. All three have been accused of crimes without proof and without trial. Last November, Lopez and Osmena went on a hunger strike protesting the detention of all political prisoners. They ended their fast after 11 days on the promise that political prisoners would be released—including themselves. Some prisoners were released, but the most prominent—including themselves—were not. Senator Aquino has been physically dragged before a military tribunal for questioning. Last week, he too, went on a hunger strike, in protest. Recent newspaper reports state that he is very weak and ill.

It is time for the American Congress and the State Department to tell the Philippines in no uncertain terms that a nation which maintains a concerted policy of denial of human rights is not a proper recipient of American aid. We have seen to our dismay the unfortunate results of assistance to dictatorial regimes. If America's long history of friendship for the Filipino people is meaningful, we should not assist those who repress the rights of those people.

The cases of Lopez, Osmena, and Aquino are not isolated incidents, but

these men serve as a symbol of the opposition to the Marcos dictatorship. These three men have had the courage—even from behind prison walls and the legal limbo Marcos has created—to speak out against the repressive system. The dictatorship is all pervasive and is accomplished in many ways:

The press and media are fully controlled by the President, his friends and relatives. The newspapers and media networks were seized and turned over to these friends. The fact that Lopez published the second largest newspaper and was president of the largest media network is no coincidence.

The judiciary is the handmaiden of the President by the simple expedient of ordering all judges to submit undated resignations. The fact that Aquino's claim that military tribunals have no jurisdiction over him has been undecided by the Supreme Court for almost 2 years is no coincidence.

Marcos refuses to call elections or convene the interim assembly provided for in the Constitution he promulgated. The fact that the father of the imprisoned young Osmena is a potential candidate against Marcos is no coincidence.

It is my hope that President Marcos will heed the cry for human civil rights and bring martial law to a prompt end. However, we see no evidence that he will do so. If he does not we must respond by recognizing the gross abrogation of basic human rights and halting American assistance to his dictatorship.

TO EXPAND THE REDWOOD NATIONAL PARK

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. PHILLIP BURTON. Mr. Speaker, I have introduced a bill to finish the work Congress left incomplete in 1968 in fashioning a durable Redwood National Park. I call the attention of my colleagues to this bill, H.R. 5193.

After 4 years of controversy, the Congress compromised in 1968 on boundaries for the Redwood National Park in the hope that this Nation's heavy investment in virgin redwoods for such a park could be protected by leaving it to the Secretary of the Interior to do whatever was necessary to safeguard them from logging and erosion on nearby lands. I regret that this House, in particular, pressed the Senate into believing that protection for the park's watershed could be obtained by some sort of cooperative agreements with the lumber companies.

NO PROTECTION GIVEN

Now, however, 6½ years have passed and nothing has yet been achieved to realize the hope that such protection would materialize. It is an illusion, I submit, to think that anything substantial will ever come of these hopes. Since Congress created the Redwood National Park, no Secretary of the Interior has used the authority we gave him to protect the Redwood National Park. No one has used section 3(e) of the Park Act (32 Stat. 931) to protect "the timber, soil, and streams within the boundaries of the park." No Secretary has entered into a contract to protect the park, nor signed a binding cooperative agreement, nor received a donation from any landowner, nor acquired an interest in the lands in tributary watersheds. None of these steps have been taken to assure that logging will not "adversely affect the timber, soil, and streams within the park."

FOREST ENDANGERED

But in the intervening years, the timber, soil, and streams of the park have been adversely affected. More than 10,000 nearby acres have been logged in watersheds tributary to the park; large quantities of soil have moved off the slopes and into the streams of the park; huge quantities of gravel are moving into the streambottoms of Redwood Creek and Bridge Creek. Key flats, such as the one supporting the world's tallest trees, are in jeopardy; the toe of the slopes along Redwood Creek may soon be undercut by an aggrading stream choked with sediment. If the slopes are undercut, all of the thick forests above may come sliding down to choke the streambed even more.

INTERIOR INDIFFERENT

The record of the Interior Department over the past 6 years reveals a pattern of indifference, indecisiveness, and frustration. It clearly shows that the Interior Department can no longer be looked upon to solve the problems that Congress passed on to it in 1968. The Department began by trying to turn their duty to protect the park from logging into an innocuous plan for cooperative fire control agreements with the adjoining lumber companies, with only the slightest restrictions on the size of clearcutting swaths along the park boundary in Redwood Creek. These proposed agreements never were made final.

By the end of 1971, the National Park Service was moved to review the situation more critically. An internal evaluation concluded:

> Without application of special forest management practices to control present clearcutting methods, remaining old growth redwood within the park will be subject to windthrow. Steep slopes will erode severely producing major slides in unstable soils known to exist in the area. Water quality of park streams will deteriorate as a result of siltation. It is essential therefore that a buffer zone comprising about 10,000 acres be established to protect the Redwood Creek area of the park.

The Department, however, never released this document which was only obtained later as a result of a freedom of information suit by a conservation organization—nor did it formulate a proposal to submit to Congress along these lines.

REPORT IGNORED

Instead, it launched a more detailed study of the impact of logging on the park, with the cooperation of the U.S. Geological Survey. The main conclusions of that study were embodied in a report finished in February of 1973, which also saw the light of day as a result of a lawsuit by a public interest group. That report found there were extremely high erosion hazards surrounding the main unit of the park in Redwood Creek which were being activated by bulldozer logging, clearcutting, and massive road construction. The study warned:

> There is nothing to prevent the tributaries in the Park from becoming the nightmarish tangle of debris and downed trees as were observed along some of the tributaries above the Park.

The report concluded that it was necessary to move beyond an 800-foot buffer to control and minimize disturbance of obvious landslide-prone areas and timber along key sidestreams. In setting forth three alternative plans for extending control beyond the existing park boundaries, the study called for various combinations of less-than-fee and fee title acquisitions. When Secretary of the Interior Rogers Morton sent these proposals to the Office of Management and Budget, they turned them all down, asserting it was the responsibility of the State government to prevent erosion. And under the administration of Ronald Reagan, the State was not willing to do anything. And there the matter died, in a deadlock. I should add, though, that the Secretary is being sued by the Sierra Club for failing to do anything definite to protect the park, and other suits have also been brought to slow down the devastation in Redwood Creek. And indeed with a new State administration, the lumber companies are now being required to write environmental impact reports on their logging.

CONGRESS MUST ACT

It is clear, however, that only Congress can now do something meaningful to rescue us from this debacle. It was a failure of insight by Congress in the first place that created the opportunity for this confusion. The political problems have been too overwhelming for any Interior Secretary to deal adequately with them. This Nation has a major investment in the Redwood Park which it must protect. We have already waited too long for someone else to do our job. The time has come for Congress to correct its original mistake.

EXPANSION REQUIRED

It is for that reason that I am introducing a bill to expand the boundaries of the Redwood National Park from 58,000 acres to 132,000 acres. The expansion would be entirely within the southern unit of the park in Humboldt County—11,200 acres would be added at the northern end between Lost Man Creek and Prairie Creek State Park, and 62,720 acres would be added at the southern end of this unit. The main body of the expansion would be designed to embrace the lower reaches of Redwood Creek within the redwood belt, and would be particularly aimed at bringing the highly erodible eastern slope of Redwood Creek entirely within the national park as far upstream as Lachs Creek, which is one of the principal nearby sources of sediment. The expansion would also bring the drainages of Bridge Creek and Devils Creek within the park to prevent further

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damage from being done to their watersheds—Bridge Creek is being severely damaged. The additions would be divided into two categories: First, areas of natural significance which would become part of the natural area category of the National Park System; and second, areas, which may not have any remaining natural values of significance to the National Park System, but which must be managed in a fashion to protect the resources within the national park. This second zone would be called the park protection zone. Of the acreage added, 26,240 acres would be in this zone.

SAFETY MEASURES

Because of the amount of erosion that logging has already induced, huge amounts of gravel are already present in the channel of Redwood Creek upstream from the present boundary. This bedload of gravel must be managed to regulate its movement along Redwood Creek through the park and into the ocean. Within the park protection zone, the National Park Service would be directed to undertake measures to assure that the gravel moves at a rate which does the least possible damage to the park. Additional research may be necessary to determine the best means for accomplishing this goal, but it is urgent that attention be devoted to this problem. A considerable length of streambed is furnished to provide enough space to manage this gravel bedload, which is moved along by peak winter storms. If it moves too quickly, a disaster could befall the groves within the park. The Park Service would also be directed to restore and stabilize the already disturbed slopes. And the balance of the redwood timber in the Redwood Creek drainage would be acquired to prevent any more disasters. Any hope that the lumber companies can be relied upon to restrain themselves, or to work with the Interior Department cooperatively, has now vanished.

ACTION NOW

It is not clear how much this expansion of the Redwood National Park would cost. It might cost as much again as we have already paid. I am confident that we will learn a great deal more about this when we receive testimony and departmental reports at hearings on this bill.

But if we fail to act, it may cost us the price of all that we have already paid for the Redwood National Park. Its trees may simply slide down and be washed into the sea over the course of time. And if they do, we can never replace them or buy others. This is the last major forest left. Let us move now to keep faith with those whose vision began this historic work, and do the job right.

ENERGY TAXING PREFERRED TO RATIONING

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. MILFORD. Mr. Speaker, colleagues in the Congress, I would like to take this opportunity to share with you some statistics learned about my district in regards to upcoming energy proposals.

Earlier this year, I polled people at their places of employment—major manufacturers in the Dallas-Fort Worth metroplex. Thirty-five hundred of these people responded, and I must say that many expressed surprise that a Congressman would seek out their opinion on a matter of national as well as regional importance.

Of these 3,500 employees, 60 percent travel more than 10 miles—that is one-way—to work.

Ninety-eight percent of these men and women use cars to travel to work. One-third of them are already carpooling; 43 percent said they could carpool, and 20 percent emphasized a desire for mass transit running through the mid-cities area of the metroplex.

These are people, ladies and gentlemen, who are the bulwark of our economy. They are union members, management, and midmanagement. They wear white collars and "blue collars." They pay taxes and vote. They are the conscientious supporters of our exonomic and political system.

And this is what they said:

If a form of fuel conservation is necessary, 21 percent said they favored a gasoline tax and 30 percent favored a horsepower tax. That gave the taxing measures a majority over the 43 percent who wanted gas rationing.

As the people in my district, I too believe that a form of fuel taxing is preferable to rationing as we try to encourage energy conservation.

But while we are encouraging individual consumers to conserve, it is incumbent upon us to encourage—through the goals outlined in the congressional Democrat's task force—to mandate miles-per-gallon standards for automakers. The automakers are aware of the need to make more gasoline efficient cars if they are going to sell American-made cars.

Consumer encouragement could come through a tax rebate that is geared to the gasoline efficiency of the model purchased. In addition, we could reinstitute fuel allocations down to the service station level.

However, all of these energy conservation proposals must meet two requirements:

First, they must produce conservation of fuel and reduce our need for crude oil imports.

Second, the full burden of conservation must be shared equally by all sections of the United States. No one section should be spared a share of the cost of conservation, while another section of the country would be forced to pick up the additional burden.

Specifically, I am referring to attempts to exempt the New England areas from having taxes on heating oil, if a tax on fuel is voted in. I for one do not think that areas of the country such as ours and other Western States which depend on the automobile for transportation over sizeable distances should be the only ones taxed, thus the only ones encouraged to conserve.

There is no reason a New England family or business cannot turn down their heating thermostats to conserve their fuel oil.

A reasonable tax—equitably distributed—would be an acceptable tool of conservation. That is the only way in which we as individuals have a choice. We can determine how much of our income we want to spend in heating and cooling our homes, or driving our cars.

I think that Chairman ULLMAN's proposal of exempting the first 9 gallons a week, or 40 gallons a month from higher taxes is reasonable. Yet, the tax rate must also be reasonable, such as 5 cents a gallon.

Such a tax could be highly beneficial in funding energy research and the development and implementation of sophisticated mass transit systems in areas such as Dallas-Fort Worth.

Simultaneously with legislating methods of consumer conservation of fuel, we need to legislate obligations on auto manufacturers to increase their fuel efficiency, develop cars which are powered by other forms of energy, such as electricity—as a recent bill introduced by Chairman TEAGUE proposes—and energy efficient construction of homes and businesses.

Our day of wasting energy is over. Let us recognize this by imposing reasonable and prudent taxes to develop an energy efficient Nation. I urge you to recognize what 3,500 people in my district are saying.

And that is, "let us have our freedom of choice, legislators, on how we spend our income and for what purposes—tax us but do not erect another burgeoning bureaucracy to impose rationing on us."

SPECIAL COMMITTEE PROPOSED FOR THE OUTER CONTINENTAL SHELF

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. DODD. Mr. Speaker, I rise in support of the resolution offered by Majority Leader O'NEILL to establish the Ad Hoc Select Committee on the Outer Continental Shelf. I believe that it is absolutely necessary to establish this special committee, if the Congress is to coordinate its consideration of legislation providing for the orderly planning and development of oil and gas leases on the Outer Continental Shelf.

The recent Supreme Court decision regarding Federal ownership of offshore oil and gas resources now makes it possible for the Department of Interior to go ahead with its accelerated leasing program for offshore properties. However, since 1952, the Department of Interior has leased only 10.2 million acres on the Outer Continental Shelf. The Department of Interior now plans to lease to private oil companies more than 6 million offshore acres in 1975 alone. In fact, calls for nominations from oil companies that want to bid on properties in the Baltimore Canyon off the Mid-Atlantic Coast have already been issued by the Department.

Estimates vary as to the actual amount of oil and gas which exists on the Outer Continental Shelf. However, the U.S. Geological Survey estimates that offshore oil reserves amount to between 80 and 150 billion barrels and that offshore gas reserves range from 490 to 900 trillion cubic feet. These offshore oil and gas reserves are now owned by the American public, and before these resources are sold to private companies, I want to make sure that all Americans will benefit. Quite frankly, the private oil companies have not treated the American consumer well. The history of exorbitantly high profit levels, collusion in pricing, and deception is not something that I would like to see result from the leasing of frontier areas on the Outer Continental Shelf.

Before we turn these public lands over to private oil companies for development, I would like to know how much oil and gas we can expect to obtain from the property we lease; what will be the rate at which it is produced; and what steps will be taken to safeguard the environment and to reduce the adverse impact on coastal States. For example, I would like to know if it is actually necessary, as the Ford administration claims, to lease 6 million off-shore acres this year in order to obtain the additional oil and gas resources we need.

I also want the United States to have at least the opportunity to purchase all of the oil and gas produced on the OCS. The Department of Interior is currently issuing offshore leases that do not require that oil drilled on our Outer Continental Shelf be sold to the United States.

Additionally, I think Congress must provide coastal States with the assistance they will need to meet the new demands that accelerated off-shore drilling will place on them. Legislation is needed to protect coastal areas from environmental damage to inland estuaries, wetlands, and coastal regions; from disruption caused by increases in demands for public services, and from economic dislocations.

At present there are four different committees dealing with the problems of offshore drilling. The Ad Hoc Select Committee which we are considering today provides the best opportunity to coordinate consideration of legislation concerning offshore drilling, because its membership will be drawn from legislative committees with jurisdiction on this issue. I support Majority Leader O'NEIL's efforts to establish the Ad Hoc Committee and urge the passage of the resolution.

METHANOL: OUR NEW SUPER FUEL

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. EMERY. Mr. Speaker, you need to know about methanol. Within 3 or 4 years, it may be powering your automobile, lighting your lights, and heating your home. And, at the same time, it may be providing thousands of new jobs in your home State, disposing of thousands of tons of biodegradable solid waste, and cleaning up our air and water. Fantastic? Yes. Too good to be true? Absolutely not. Methanol is easily manufactured from renewable resources, is less expensive than gasoline, is safer to handle and store, and is easily adaptable to most uses. And the technology currently exists to produce it in large quantities.

Here are some questions and answers that may help you understand methanol, and which, hopefully, will convince you to encourage its widespread use.

WHAT IS METHANOL?

You may already be familiar with methanol. It is also known as methyl alcohol, wood alcohol, or dry gas. It is also the flammable ingredient in Sterno, and many other fuels for coffee warmers, camp stoves, and so forth.

WHAT IS IT MADE FROM?

Methanol can be made from about any biodegradable substance—production efficiency depending on the characteristics of the material to be processed. It can also be made from other fuels. Most methanol currently marketed is made from natural gas—a petroleum product. This source, of course, is not acceptable for our purposes, but methanol can easily be made for commercial purposes from three particular sources: coal, waste, and wood.

Any type or grade of coal can be converted to methanol. The conversion process—the partial combustion of coal in an oxygen atmosphere—eliminated sulfur and other undesirable pollutants by the formation of "syngas" which is then converted to methanol. The burning of many types of coal as a solid fuel is undesirable because of its high sulfur content—sulfur dioxide is a bad atmospheric pollutant. Coal liquification, as this process is sometimes called, is one method of using vast low-grade coal reserves which have been previously less desirable as fuel than higher-grade coal. The potential for increased employment in America's coal mining regions is obvious.

Interestingly enough, municipal wastes of all kinds—except, of course, metal, glass, and other nonbiological materials—are also a source of methanol. The pyrolysis process—partial combustion with oxygen—reduces trash, garbage, and even sewage to a sterile ash, plus "syngas" which can be converted to methanol. This process has the potential of solving the extremely costly problem of municipal waste disposal by markedly reducing the volume of solid mass to be disposed of, eliminating its unsanitary and pollution-causing characteristics, and reducing the system's operating costs through the sale of its methanol output. This claim is not a theory. The city of Seattle, Wash., is now planning the construction of such a system.

The term "wood," as used herein, refers not only to cord wood, but generally to all cellulose fibers—cornstalks, grass, brush, all parts of trees, including sawdust, bark, roots and stumps, slash and leaves, and in fact any part of any plant. Complete use of our forest resources is practical not only by using waste material for energy production. but also by harvesting forests not suitable for lumber or paper, and by using diseased wood or the burned remains after a forest fire.

WHAT ARE ITS CHEMICAL PROPERTIES, AND HOW DOES IT COMPARE WITH GASOLINE?

Methanol is an alcohol, similar in chemical structure to other alcohols. Its formula is CH_3OH. Its fairly simple molecular structure partially accounts for its extremely clean burning properties—as contrasted with the much more complicated gasoline molecule—and thus is a more environmentally desirable fuel. As a practical matter, methanol to be used as fuel would contain small amounts of other alcohol fuels as impurities—ethanol, isobutanol, propanol, among others. These impurities actually enhance its value as a fuel, and add to its energy content.

Most methanol proposals call for its mixture with gasoline for sale as a motor fuel. When the percentage of methanol in the mixture with gasoline is between 10 and 15 percent, it actually improves the combustion qualities of the gasoline, providing a cleaner burning fuel with a higher energy output.

Other characteristics include: a higher autoignition temperature—467C as opposed to 222°C—higher octane number—106 as opposed to 90 to 100—and solubility in water—gasoline is not.

HOW MUCH DOES IT COST TO PRODUCE?

Of course, the cost of producing methanol will vary according to the size of the production facility and the characteristics of the substance from which it is to be made. However, the following production cost estimates are believed to be accurate. Bear in mind that these figures do not include company profits or various taxes. Also, remember that the materials to be converted to methanol are not usually the "cream of the crop" and thus do not command a premium price. After all, would you really want to use low-sulfur coal or high-grade timber for methanol production? Of course not.

1 gallon of methanol from: Wood (and plant fibers generally) 25¢; Coal, 14¢; and Waste* 29¢.

1 gallon of gasoline from: Domestic crude oil, 29¢; and Imported crude oil, 38¢.

WHAT ARE THE DRAWBACKS?

One might ask, "If methanol is so good, why has it not been used before?"

It has. Methanol was commonly used as a motor fuel in Europe during World War II. It is now in common use as a fuel for race cars where its high octane-low impurity characteristics are very advantageous. Methanol has probably not been available in large quantities everywhere at low cost. Now that times have changed, however, it is reasonable to expect methanol to receive much greater acceptance.

Drawbacks? Initially, of course, there will be relatively few plants producing methanol, thus causing the price to be somewhat higher than it would be at a full and adequate level of production.

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*If we apply the present cost of municipal waste removal, etc., to this figure, the figure is reduced to 14¢.

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Because methanol is water-soluble, varying amounts of water—depending upon humidity and temperature—may cause the methanol to separate from the gasoline with which it is mixed, causing "skipping" or uneven burning. Care must be taken to keep the methanol "dry." In actual practice, however, this is not a great problem. It can be solved by mixing in water-absorbing additives to remove the moisture.

Although we propose to use methanol as a 15-percent ingredient in a gasoline mixture—which requires no carburetor adjustments—use of a greater proportion of methanol, or its use alone, would require some easily done adjustments and the possible investment of about $100 for parts—not really a substantial cost for the value and benefits, however.

Another consideration is the fact that methanol produces about half the energy per unit volume as does gasoline—however, it is the nearest to gasoline in energy content of all practical liquid fuels. Thus, if used alone—assuming no effort is made to make the engine itself more efficient—nearly twice the amount of fuel would be necessary for the same application. Again, this is not the plan. We propose a mixture. The key factor is availability and stable cost—areas in which gasoline cannot compete.

WHAT METHANOL PROJECTS PRESENTLY EXIST?

The following is a summary of recent developments in the use and production of methanol as a synthetic fuel:

Seattle: The city of Seattle—Mr. R. G. Sheehan, phone: 206–583–5792—has now issued "A Request for Proposals From Industry for Project Participation or Long-Term Product Purchase." This calls for companies in the petrochemical or related industries to submit specific proposals on production of methanol or ammonia from Seattle's solid waste. Five alternatives for plant ownership, operation or product purchase are suggested, including total industry ownership and operation, total city ownership with industry operation of plant and industry product marketing, and others.

Maine: The State of Maine Office of Energy Resources—Robert A. G. Monks, 103 Exchange Street, Portland, Me. 04111—published March 21 "Maine-Methanol: Collected Working Papers on the Production of Synthetic Fuel From Wood." This document looks at the volume of waste wood available in Maine, the energy cost of harvesting wood, and the technology and cost of converting this wood to methanol.

California: Assemblyman Greene has introduced amended assembly bill No. 443, Synthetic Fuels: Solid Waste Conversion. This bill provides for manufacture of methanol from municipal waste or agricultural and forest waste, mandates addition of 5 percent synthetic fuel to all gasoline sold in California after January 1, 1980, and authorizes financing of $2.3 billion through the Resource Recovery Finance Authority. Hearings were schedule for April 8, but have been postponed.

Is is not interesting that these first steps toward utilizing an energy source which is relatively clean, widely available, and continuously renewable, are being taken by States and cities? Meanwhile, the Federal Government continues to look for our primary energy supply to coal, nuclear and oil, each of which possesses major drawbacks.

HOW SOON CAN WE EXPECT TO HAVE A SUITABLE SUPPLY OF METHANOL?

Our ability to produce depends solely upon our ability to encourage private industry to manufacture it. Research and development funds are not the immediate problem—the necessary techniques are already known. Some work must be done to assure efficient layout and design of methanol plants, but this is presently being done. Congress and other levels of government must establish an aggressive energy policy including a serious effort at finding economically feasible substitutes for petroleum products. If we are to do this, in my opinion, we should be producing substantial quantities of methanol by 1980.

WHAT SHOULD CONGRESS DO?

I will shortly be presenting a package of methanol legislation designed to encourage its production and use. It will include:

First. A tax credit on the purchase of machinery and equipment to produce methanol commercially;

Second. A tax exemption on methanol purchased as a motor fuel;

Third. Low interest loans and federally guaranteed loans to companies engaged in production of methanol for use as a motor fuel; and

Fourth. Require that all petroleum companies offer for retail sale a fuel containing an appropriate mixture of methanol—10 to 15 percent by 1980.

These ideas, among others, deserve consideration by this Congress as a means of limiting our dependence on petroleum by encouraging the development of alternative energy sources.

I have been asked by many Members of Congress, as well as by representatives of business and industry, to provide further information on methanol production. The following is a list of recent research material, technical papers, and other documents that will provide a useful background for further examination of the feasibility of methanol production:

A. Methanol: A Versatile Fuel for Immediate Use (T. B. Reed and R. M. Lerner. "Science" Vol. 182, No. 4119, December 28, 1973).

B. Use and Production of Methanol as a Synthetic Fuel (T. B. Reed, Solid State Div., Massachusetts Institute of Technology).

C. Maine Methanol: Collected Working Papers on the Production of Synthetic Fuel from Wood (Robert A. G. Monks, Former Director, Maine Office of Energy Resources, 103 Exchange Street, Portland, Maine).

D. Methanol or Ammonia from Municipal Solid Waste (R. G. Sheehan, City of Seattle, Wash.).

E. California Assembly Bill No. 443, 1975–76 regular sessions (Introduced by Assemblymen Greene, Kapiloff, Keene, and Tucker).

WE SHOULD STRENGTHEN TIES WITH FREE CHINA

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. SPENCE. Mr. Speaker, recently South Carolina's largest newspaper, the State, ran an especially timely and thought-provoking editorial concerning our relationship with Taiwan.

I have a number of personal friends in the government of free China, and the fortunes of that brave country have been a special interest of mine for many years. Because I know that many of my colleagues are similarly concerned about the future of our allies on Taiwan, I insert this thoughtful and perceptive editorial in the RECORD at this point:

WE SHOULD STRENGTHEN TIES WITH FREE CHINA

The death of Generalissimo Chiang Kai-shek, the anti-Communist strong man of the Far East, has come at a crucial time in the adjustment of Asian-American relations.

Even as Chiang died, the United States was witnessing what may be the distintegration of South Vietnam, an Asian nation which owes its very existence to American military, economic and diplomatic support. Since American aid also bolstered Nationalist China in the early years of its independence from Mao Tse-tung's Communist domination of the mainland, the question naturally looms: Will the United States now turn its back on Taiwan?

It is a question which admits of only one answer—a resounding "No!" Despite the dramatic but somewhat less than triumphant Nixon overtures to Red China, the American people still look upon the Nationalist Chinese, not the mainland Chinese, as their traditional friends. (That is not merely an editorial assumption, it is a conclusion verified by a recent Gallup poll of American sentiment.)

To their credit, the Nationalist Chinese in recent years have developed a viable, productive economy and a stable government which makes them the envy of many a developing nation throughout the world. Furthermore, as was pointed out by a recent official visitor from Taiwan to Columbia (Dr. Frederick F. Chien), the Republic of China has managed to narrow the financial gap between the upper and lower economic brackets on Taiwan without abandoning the essentials of a relatively free economy.

Americans also should remember that Nationalist China offered to aid the United States during the ordeal of this nation's military involvement in Southeast Asia—an offer which was ignored for reasons which seemed persuasive in Washington if not in the United States at large.

As the mantle of leadership in Nationalist China passes from Chiang Kai-shek to his 66-year-old son, Chiang Ching-kuo, the United States should do nothing to further weaken the bonds existing between the two anti-Communist nations. Indeed, the United States would be well advised to repair some of the damage done by the ousting of Free China from the United Nations, a move set in motion by former President Nixon's initiatives, toward Red China.

At the same time, this may be the moment for the Nationalist Chinese to abandon Chiang Kai-shek's cherished dream of retaking the mainland. Instead, a sense of realism should move the new regime in the direction of continuing the development of Taiwan into a thriving, independent, and

self-respecting bastion of freedom in an Asia increasingly threatened by the relentless march of Communisim.

Just as the Nationalist Chinese need our friendship and understanding, so, too, do we need theirs.

THE FUTURE OF REVENUE SHARING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my March 28, 1975, Washington report, "The Future of Revenue Sharing":

THE FUTURE OF REVENUE SHARING

A heated debate is expected in the Congress when it confronts the subject of reviewing federal general revenue sharing. The Congress must determine how well federal revenue sharing has worked and whether it should be continued, revised, or ended before the program expire in December of 1976.

Enacted in 1972, the 5-year, $30 billion landmark General Revenue Sharing Act has already returned over $17 billion in federal revenues to more than 38,000 state and local governments. Its goals were to help meet public needs at the state and local level, to stabilize or reduce state and local taxes, to decentralize government, to increase state and local discretion in spending, and to bring "power to the people" by getting those closest to the problems to deal with them.

The President and a bipartisan group of mayors, governors, and county officials strongly endorse an extension of revenue sharing until 1982 at an additional cost of $40 billion. But there are plenty of indications that renewal of the program, at least as it presently exists, will be neither automatic nor easy.

Supporters of revenue sharing point to state and local tax reductions, improved school programs, better public safety and transportation programs, and job creation as evidence of the program's success. Yet critics raise a number of questions about the impact and fairness of revenue sharing and say that funds are eroded by inflation, that social-welfare programs are short-changed, and that distribution rules are unfair.

Who gets what revenue sharing funds is a basic question in the assessment of the program. By means of a complex distribution formula, the law allocates one-third of total shared funds to the states and the rest to local governments and then divides those portions on the basis of population, per capita income, and local tax effort. In general terms, metropolitan cities have received more funds than surrounding suburbs, poorer states have been favored over richer ones, and local governments of under 5,000 people have benefitted most. For 1972, the first year of revenue sharing, Indiana received 2.1% of total shared funds, 87% of its federal tax contribution to the program.

How revenue sharing funds are spent is another major concern, especially whether the money is being used for new spending or for substitute spending to cut taxes or limit tax increases, to balance budgets, or to avoid borrowing. Local governments, on the average, have used 58% of their funds for new spending, three-fourths of it for capital projects. State governments have allocated only 36% for new spending, in comparison, and have tended to use more of their funds for tax reductions.

One criticism of revenue sharing is that it is too difficult to track down the uses of revenue sharing funds, and tighter restrictions and better reporting procedures on their use have been recommended. Others feel that the basic concept of revenue sharing should be maintained and that there are already too many 'strings' attached to the limited funds available. Many state and local governments are also concerned that revenue sharing allotments, which were intended as additional 'new money,' have to be used to supplement programs for which other federal funds have been cut.

The political effect of the revenue sharing program on state and local governments has been recognizable but hard to evaluate. Although the law mentions nothing about citizen involvement, a number of groups and individuals have become interested and involved in the budgetary process and the use of shared funds, particularly in jurisdictions where revenue sharing money is treated separately. In other governmental units the tendency is to treat shared revenue just as any other money.

Other criticisms of the program are that citizens' needs go unmet while funds are spent for low-priority purposes, that intergovernmental cooperation has been damaged in some cases, that inefficient local governments are propped up artificially, that the federal money goes to affluent as well as financially strapped local governments, and that anti-discrimination standards may be ignored.

Some conservatives see the program as a prime place to cut the budget, and some liberals do not like turning over federal money to state and local governments with no direction as to how it should be spent. But State and local support for revenue sharing remains strong because the program funnels large amounts of unrestricted money to state and local governments. These officials believe it has served the nation well by assisting financially distressed state and local governments at a relatively low administrative cost.

I have supported revenue sharing in the past, and I continue to think it is a sound approach to a strengthened federal system. Congress should take a careful look at the first years of experience with the program, examine the questions it raises, and make improvements where necessary to assure that the promise of revenue sharing be fulfilled.

BANNING CREDIT DISCRIMINATION BY REASON OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, OR AGE

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mrs. SULLIVAN. Mr. Speaker, under the chairmanship of Congressman FRANK ANNUNZIO of Illinois, the Subcommittee on Consumer Affairs of the House Committee on Banking, Currency and Housing this morning began a series of hearings into H.R. 1065, which I introduced on the first day of this Congress, and which Chairman ANNUNZIO reintroduced on February 20, as H.R. 3386, cosponsored by me and by Representatives SPELLMAN, BARRETT, GONZALEZ, FAUNTROY, NEAL, FENWICK, and REUSS.

The two identical bills would prohibit discrimination in extensions of credit by reason of race, color, religion, national origin, or age. They would also strengthen very significantly the provisions of the Equal Credit Opportunity Act of October 28, 1974, which takes effect next October, banning discrimination in credit by reason of sex or marital status.

I was delighted this morning to hear Dr. Arthur S. Flemming, Chairman of the U.S. Commission on Civil Rights and Administrator of the Administration on Aging of the Department of Health, Education, and Welfare, present a strong and forthright statement before the subcommittee endorsing all of the major provisions of H.R. 1065 and H.R. 3386. Dr. Flemming, former Secretary of HEW, was also an effective witness before the subcommittee last year when the subcommittee first took up this broadly based legislation as H.R. 14856 of the 93d Congress.

Strong support for the legislation also came this morning from the Federal Trade Commission, represented by Sheldon Feldman, Assistant Director for Special Statutes for FTC's Bureau of Consumer Protection. Mr. Feldman is in charge of the FTC's enforcement responsibilities under the Truth in Lending Act and the Fair Credit Reporting Act, and will also have major responsibility for enforcement of the Equal Credit Opportunity Act.

MAKING THE LAW SUIT ITS TITLE

Mr. Speaker, as I stated to the members of the subcommittee this morning shortly after the hearing was convened by Chairman ANNUNZIO, H.R. 1065 and H.R. 3386 are intended to make the Equal Credit Opportunity Act which Congress passed last October into a law which really carries out the promise of its title. The law enacted last October, as a nongermane Senate rider on an unrelated House bill dealing with bank deposit insurance, is a weak abbreviation of the kind of bill we should have passed last year as H.R. 14856, after extensive hearings and investigation by the Subcommittee on Consumer Affairs.

Before the full committee could complete action on H.R. 14856, and after only 1 hour of full committee markup last October 1, the House conferees on the bank deposit insurance bill, from another subcommittee, went ahead on their own and agreed to the limited Senate version of antidiscrimination legislation—and now we have to pick up the pieces and repair the damage. And I hope we will do so forthrightly, as consumer groups have called upon us to do, so that when the Equal Credit Opportunity Act finally takes effect in October of 1975, it protects all groups in the economy subject to unfair and unreasonable credit discrimination.

The present act applies only to credit discrimination based on sex or marital status.

H.R. 1065 and H.R. 3386 expand the coverage to include race, color, religion, national origin, and age. There was absolutely no reason to exclude those categories last year, as our hearings at that time fully established. The stated reasoning behind the Senate version limiting the protections only to sex and marital status was to make it exclusively a "woman's" bill. But it is not much help to a woman from a minority group—black, Puerto Rican, Mexican American, Indian, Cuban American, or one under 25 or over 60 or 65—to tell her that while she cannot be discriminated against for credit because of her sex or marital status, she can be discriminated against with impunity on other equally unreasonable and prejudiced grounds, no matter how creditworthy she may be.

The same thing is true for creditworthy men. The present law may help the divorced male but it will not help him, or any other male, if he is black, Puerto Rican, Mexican American, Indian, Cuban American, under 25, or over 60 or 65, no matter how creditworthy he is.

The only protection men and women in these minorities have now in the credit field is in obtaining a mortgage for the purchase of a home—under the title of the Civil Rights Act of 1968 known as the Fair Housing Act. And the testimony we received last year, and which I am sure will be duplicated in these hearings, is that the Fair Housing Act, like the present Equal Credit Act, is a weak reed. Neither law applies to age discrimination at all.

OVERCOMING WEAK ENFORCEMENT PROVISIONS OF 1974 ACT

The deficiencies of the Equal Credit Opportunity Act of 1974 go beyond the limited categories of discrimination prohibited and extend primarily to the strength, or rather weaknesses, of its enforcement provisions.

It has only a 1-year statute of limitations. As we established last year, it often takes governmental enforcement agencies in this field at least that long to discover that a violation has occurred and initiate an enforcement action. H.R. 1065 and H.R. 3386 give an aggrieved applicant up to a year after a Government enforcement agency has uncovered and clearly established a violation involving that consumer to sue for damages, provided the Government agency has initiated an enforcement action within the specified 1-year period. In that way, a consumer is not kept out of court on a legitimate complaint merely because the Government was slow in investigating and uncovering and clearly establishing violations. This extra time is particularly necessary in those instances where the consumer does not find out that he or she had been a victim of discrimination until, under the present law, it would be too late to sue for damages.

H.R. 1065 and H.R. 3386 also empower the Attorney General to institute actions on his own initiative when he finds a "pattern and practice" of violations. This provision—on page 7 beginning at line 8—was patterned on the most effective enforcement tool of the 1964 Civil Rights Act, and was vigorously recommended to us in our hearings last year by the head of the Civil Rights Division of the Department of Justice. It protects the public in those instances where a Government agency with enforcement powers under the act is lackadaisical in investigating possible violations. Under the present law, the Attorney General presumably can act when an enforcement agency formally certifies a case to the Justice Department, but even that is implied rather than explicit in the law. H.R. 1065 and H.R. 3386 spell out that procedure also.

The most controversial thing in H.R. 1065 and H.R. 3386 is the provision dealing with class actions. The present law establishes an unrealistically low ceiling on recovery for punitive damages in class actions of $100,000 or 1 percent of net worth, whichever is the lesser. Considering the inherent complexities and difficulties of even getting into a Federal court on a class action now, under rules laid down recently by the Supreme Court, the present law virtually rules out class actions as an effective enforcement tool. The potential recovery is not worth the work. The consequences will probably be a multitude of individual cases, adding to the expenses of both plaintiffs and defendants and the time of the courts. H.R. 1065 and H.R. 3386 bring usefulness to class actions in credit discrimination cases while reducing court congestion, by setting a realistic ceiling on punitive damages of $50,000 or 1 percent of net worth, whichever is the greater. For a very large creditor, the 1-percent ceiling can be an extremely effective deterrent against violations, while the $50,000 limitation protects very small businesses from catastrophic judgments.

OTHER STRENGTHENING AMENDMENTS

H.R. 1065 and H.R. 3386 correct another glaring deficiency of the present law by removing the provision which forces a consumer to elect to pursue remedies under either the Federal law or any State law on the same subject. Many of the State antidiscrimination laws provide primarily for mediation of disputes between consumers and creditors. These laws are spelled out in part 2 of last year's hearings. If a consumer so much as asks a State human rights commission or similar agency to look into a credit discrimination complaint, he or she is then foreclosed from utilizing the remedies of the Federal law.

That is indefensible. H.R. 1065 and H.R. 3386 prevent recovery of damages under the Federal law if recovery has been had under a State law on the same subject, but allows an aggrieved consumer to seek redress under both State and Federal law as long as damages are not collected twice.

There are other significant improvements made by these bills in the 1974 statute. The Federal Reserve Board would be required to establish an advisory committee under this bill, similar to the successful advisory committee structure set up under truth in lending. Also, as in the case of truth in lending, the Board and the Attorney General would be required to make annual reports to Congress on their work under this act, including an assessment by the Board of enforcement work by the various Government agencies having enforcement responsibilities.

Of great importance to creditors participating in programs to assist economically disadvantaged groups in the economy in obtaining credit on special terms to meet special social needs, section 1 of H.R. 1065 and H.R. 3386 make clear that such programs, if expressly authorized by law, or administered by nonprofit groups for their own members, or by profitmaking organizations conforming to standards set down by the Board, would not thereby be held in violation of this statute.

Other changes from the existing law called for in H.R. 1065 and H.R. 3386 are largely technical, to improve the clarity and fairness of the statute.

As the principal author of this broad bill in the last Congress, and as one who has worked long and hard to bring about equal credit opportunity both as former chairman of this subcommittee and as a member of the National Commission on Consumer Finance which brought the problem to national attention, I feel it is important to spell out what the bill is intended to do.

REMEMBERING THIEU

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. ANDERSON of California. Mr. Speaker, it is rather disturbing to read recent accounts of the situation in South Vietnam, especially Nguyen Van Thieu's reasoning as to why his beleaguered government is apparently doomed.

The former President's claims that the United States "forgot their humanitarian promises and led the South Vietnamese people to death" is also quite disheartening.

However, just as annoying, one might recall, are vivid recollections of the Thieu regime during American military involvement in Southeast Asia. In the 1967 presidential election, for instance, one remembers President Thieu gathering less than 35 percent of the votes cast, over 60 percent going to candidates advocating some kind of peace platform. It remains mysterious why the candidate with the second largest number of votes, Truong Dinh Dzu, was soon thereafter imprisoned where he remains until this very date.

Another bizarre incident occurred in August of 1972, 1 year following Thieu's "reelection" to the Presidency in a one-man race. Thieu reportedly not only stifled the opposition press, but virtually banished it altogether. In this devious move, each newspaper had to put up a large sum of money as a bond against any future fine that might be levied against the paper for expressing sentiments that might be regarded as antigovernment. The sum was usually large enough to prohibit the papers from going to press, thus putting them out of business. One month later, Thieu was quoted as saying that democracy in South Vietnam had become "too disorderly."

Mr. Speaker, I could dwell on and on about similar shady events during Thieu's administration. The former President's attitude toward the United States is disappointing and, I feel, unwarranted.

As I have stated before, I believe with the loss of over 56,000 American lives,

and the expenditure of billions upon billions of American taxpayer dollars, we have met our obligations to that country.

MERRILL GRANGER—"THE CURBSTONE COACH"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. GAYDOS. Mr. Speaker, practically every community in this country has a sports figure it calls its own. Someone the fans look upon as something extra special.

Pittsburgh, for instance, has the smilin' Irish twins: cigar-chewing Art Rooney of the Steelers and tobacco-chawin' Danny Murtaugh of the Pirates. New York has "Joltin' Joe" DiMaggio; Boston, the "Splendid Splinter," Ted Williams; Vingar Bend, Ala., has our former colleague, Wilmer Mizell, and McKeesport, Pa., has "The Curbstone Coach," Merrill W. Granger.

Now, it is just possible some of my colleagues have not heard of "Kirby" Granger. His fame may not have spread the length and breadth of the land. But, there is no sports fan worth his salt in the entire Mon-Yough Valley of Pennsylvania who does not know this dean of sportswriters.

His column, "The Curbstone Coach," has been a fixture in the valley for 40 years. It is the sports fan's bible. Kirby's word on the outcome of any sporting event is law. It is based on information surreptiously obtained by his own special agent, "Operative K–2," who lurks in the shadows of the sports world.

Merrill Granger is 65 and for 44 of those years he has pounded out stories on the sports beat for the Daily News of McKeesport, where he now reigns as executive sports editor.

Once a week Merrill speaks as "The Curbstone Coach" and his words of wit and wisdom are a much-awaited and popular feature of the paper.

Through his column, Merrill extols the praises of the high school athletes of today and recalls the heroic feats by those of yesterday. He gives the young a memento for the future; the old, a memory of the past. I doubt if any sportswriter in western Pennsylvania knows so much about so many as does "Kirby" Granger, who has been on the scene since 1929.

He was born in Coal Valley, a community across the Monongahela River from Glassport Borough. After the death of his parents, "Kirby" was raised in Glassport by an aunt and uncle. In 1929 he graduated from the old red high school in the Otto section of the borough—the last class to attend that school.

As a student, "Kirby" helped publish a mimeographed newspaper for the school while working part time for the Daily News. After graduation, he joined the newspaper as a reporter and in 1931, at the age of 20, he became its sports editor. His "Curbstone Coach" column first appeared in 1933 and, except for brief interruptions caused by World War II and illness, it has been a regular feature since. In 1971, "Kirby" was named to his present post.

Merrill Granger was—and is—an avid fan of high school sports. He created many of the nicknames still carried by area teams: The McKeesport Tigers, the Clairton Bears, the East McKeesport Rams, and the original Glassport Gladiators. He also has advised and initiated many area sports projects, including the establishment of the Helen Richey Field and the introduction of professional baseball to McKeesport in the mid-1930's.

Mr. Speaker, it is said the greatest reward a man can receive for his toil is not what he gets for it, but what he becomes by it. If that be true, Merrill W. Granger, "The Curbstone Coach," has been richly rewarded. He has become a man with countless friends and, in his own lifetime, already is a page in the history of the area he wrote so much about and loved.

DOCTORS PRESCRIBING CURES FOR THE ECONOMIC ILLS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. LAGOMARSINO. Mr. Speaker, when a doctor writes a prescription, he includes specific instructions on how it is to be taken. If the directions are not followed, the effectiveness of the remedy is lost. There are many "doctors" prescribing cures for the economic ills of our Nation, including many in this House. But we should be cautious in accepting their pronouncements without looking to the original source for confirmation. The following is an article which appeared in the Washington Post April 19, and discusses the often neglected side of the Keynesian prescription for economic recovery. The author, Oliver H. Jones, is an economist and writer in the field of housing:

> As an economist, I was put through my academic paces at a time when the classical laissez-faire economics was grudgingly giving ground to the new economics of John Maynard Keynes. Having viewed both systems in the academic and in the workaday world, I can only wish that Keynes were alive today to defend his principles from the abuse of his disciples, the ignorance of the media and their lop-sided application by the politician.
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> The classical economist's world is a special case in the Keynesian's world. The free-market system works effectively only when the economy is operating at a full employment level. If resources are unemployed or if the currency has been debased, it does not respond in a predictable way to price changes, including interest rates.
>
> Keynes was a capitalist, a very successful one. He believed in the classical system and the powers of free markets to adjust to the millions of economic decisions you and I make every day. But, he realized that when full employment was not present the economy would not adjust automatically and return to full employment—at least not without serious human hardship and long delays. Thus, he was a proponent of government spending to stimulate economic recovery. But he was also a proponent of restraint to stop inflation. He clearly pronounced his view that an economy approaching full employment developed an inflationary bias and that full employment could not be maintained solely by flooding the economy with credit.
>
> What Keynes, at least the younger Keynes, did not fully foresee was that the politician in a free society would find it very easy to adopt his prescription for stimulus and nearly impossible to accept his prescription for restraint. As a result, each recession brings on a new fit of federal spending and credit expansion. Many of the expenditure programs remain on the books and when a next fit of federal spending takes place, it starts at a higher level. Restraint in the form of tax increases, is used only when no alternative remains. When the Federal Reserve stands alone on the bridge, attempting to reduce inflation by regulating the expansion of credit, it is attacked on all sides.
>
> Thus, we follow only one side of the Keynesian prescription and damn his very existence rather than admit that it is our unwillingness to live within our means. We refuse to admit that it is our greed and our political leaders' willingness to capitalize on that greed that leads us into inflation and recession. It is in this way that we have built a federal budget that dominates the economy, assures further inflation, and, we are told, is largely irreducible.
>
> One can recognize the need for the federal government to meet its commitments without accepting the conclusion that those commitments can only be met by spending money . . . or that we must load new long-term commitments on today's budget . . . or that we continue to spend without generating a product.
>
> How many fathers have made a commitment to send their children to college only to find that the inflated cost of a higher education is now out of sight? Is such a father's commitment any more or less sacred than the governments? Given the circumstances, he is likely to say: "Son, I'm going to help you as much as I can, but you will have to go to work and help earn the money we need to pay for your education."
>
> Can the Congress do less as it attempts to order the nation's priorities and avoid the massive expenditure program now on the horizon?
>
> The nation's commitment to housing provides a different kind of example. Two years ago, the Nixon administration under James Lynn's leadership, had no difficulty in abruptly terminating the nation's commitment to house low-income families. New programs were promised but they are still promises.
>
> Today, in utter disarray, the Congress proposes to spend far more taxpayer dollars to subsidize middle-income families. But, note, this big expenditure is not made to meet the nation's commitment to housing as much as it is a desperate attempt to bring off a Keynesian recovery by federal spending. The effort adds to the middle-income home buyer's problems by supporting higher costs and by increasing the federal deficit that inflated those costs.
>
> In housing and elsewhere, this nation desperately needs to reorder its priorities and to find ways to meet its commitments that are alternatives to more spending.

ROCK ISLAND RAILROAD

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. CRANE. Mr. Speaker, Americans are both frustrated and concerned these days about the problems facing our Nation's railroads. The frustration stems from the fact that the American taxpayer is being asked to subsidize private corporations while the concern arises

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from the potentially adverse impact on employment and commerce if major railroads should go out of business.

I share both the frustration and the concern, but I am also worried that we are not looking in the right direction for a solution. Instead of looking to the Government and the taxpayer for answers, it seems to me we should give the companies involved a chance to put their own houses in order without Government interference. After all, the Interstate Commerce Commission has been regulating the railroads, ostensibly in the public interest, for almost 90 years now, and with too few exceptions both service and profits have been steadily declining. If regulation has not worked in all that time, it is obvious it never will and, instead of continuing to rely upon it, I think the time has come to give the free market system a chance to work out its own solutions.

An excellent example of what Government intervention has done to, rather than done for, the railroads can be found in the case of the Chicago, Rock Island & Pacific Railroad, affectionately known to us who have lived in the Midwest as the Rock Island. Years ago, the Rock Island was one of the Nation's most successful railroads but, with the coming of airplanes, trucks, and taxpayer-financed interstate highways, times got tougher and eventually the Rock Island began to look towards the possibility of a merger. Other railroads, including the Union Pacific, began looking in the same direction.

As a consequence, the Interstate Commerce Commission has been considering merger proposals involving the Rock Island since 1963 and the Rock Island has had a merger agreement with the Union Pacific since 1964. However, in the decade that followed, ICC was never able to make a decision on the Rock Island, leaving the railroad in the position of planning on a merger but never getting the benefits of it.

The ultimate irony and tragedy of the situation is that, by the time the ICC got around to giving tentative—and conditional—approval of the merger last fall, the physical and financial condition of the Rock Island was such that the Union Pacific was no longer interested in the merger. Subsequently, the Rock Island has had to file for bankruptcy, the Chicago Regional Transit Authority has had to approve an $840,000 emergency grant to keep the Rock Island's Chicago commuter trains running until June 30, and just last Thursday the Illinois Commerce Commission had to order the shutdown of one of those commuter lines because, in the commission's estimation, the physical condition of the track made it unsafe for commuter use. Some 6,000 commuters will be inconvenienced and, unless some way is found to come up with the $728,000 that the Rock Island estimates is needed to repair the track, they will continue to be inconvenienced for some time to come.

A number of solutions to the Rock Island situation have been proposed, both inside and outside Congress. The three most frequently mentioned are: First, a Government loan; second, a Government-financed public works program that would upgrade existing railroad track; and, third, an ICC directed redistribution of the Rock Island system. The latter would only take place if the Rock Island reaches the point where it is no longer able to operate. Personally, I am opposed, in principle, to Government loans to bail out private businesses or to public works jobs to bail out private individuals, and I see no reason, after the record the ICC has compiled in handling this case, for allowing a Government regulatory agency to have another opportunity to procrastinate over the Rock Island situation.

Instead, I would recommend that the ICC expeditiously approve, or that Congress pass legislation requiring the ICC to expeditiously approve, the sale of parts, or possibly all of the Rock Island line to whatever railroad makes, in the Rock Island's estimation, the best offer. That way, other railroads would be put on notice that they cannot just sit back and wait to pick up the pieces in the wake of an ICC redistribution decision. Furthermore, such a course of action would give the Rock Island an opportunity to make a deal for part of its 7,500-mile system that could give it the capital necessary to upgrade and operate the remainder in a profitable manner. And, even if a partial sale could not be arranged that would allow the Rock Island to continue independent operation, the sale of the entire railroad to one or several companies would mean an orderly transfer of business in reasonable amount of time. The employees of the Rock Island would, by and large, be able to continue working, but for another company, while the businessman who depends on the Rock Island for shipping would have a better idea of what the future held in store and could plan accordingly. A free market solution would certainly bring to an end the suspense and uncertainty that has plagued employees, commuters, and customers of the Rock Island a whole lot quicker than any Government-mandated decision. One need only look at the history of this entire case to see that.

Finally, expediting ICC approval of the sale of parts, or possibly all, of the Rock Island would set a precedent for the future. Such a solution would show the American public that their interests are better served by a reduction rather than an increase in governmental regulation. Moreover, it would indicate to the American taxpayer that he or she should not have to ante up every time this type of situation presents itself. In short, this approach would cure part of the problem—which is Government regulation—rather than temporarily and ineffectively treat the symptoms. No disease was ever cured without killing the germs or by exposing oneself to further infection by the same virus.

Last Tuesday, the Wall Street Journal printed an article that deals extensively with the viruses affecting the Rock Island and concludes that one of the most potent ones was, and is, the ICC. Since, as the article indicates, the Rock Island situation is far from unique in ICC annals. I recommend it to my colleagues not only as an information source on the Rock Island problem, but also as a barometer by which to judge the overall performance of the ICC.

Unless Congress and the American taxpayer want to be confronted with more and more instances where the choice seems to be between a taxpayer subsidy or a loss of vital services, it behooves us to reeamine the role of the ICC and ask ourselves if we, as a nation, would not be far better off without it.

Mr. Speaker, at this time, I would like to request unanimous consent that the April 15 article by Albert Karr and Lewis Phelps, which appeared in the Wall Street Journal, be included in the RECORD:

DISMEMBERING THE ROCK ISLAND

(By Albert R. Karr and Lewis M. Phelps)

WASHINGTON—It looked like a giant Monopoly game. Grown men in shirtsleeves were seated on the floor of a suite at the Madison Hotel here, furiously trading property.

But they weren't playing. The heads of 23 railroads were engaged last month in the unusual exercise of splitting up a major competitor—the Chicago, Rock Island & Pacific Railroad. If the Rock Island collapses eventually, as is generally expected, the main outlines of the takeover plan worked out at the Madison probably will gain the ICC's backing. The road is trying to reorganize under bankruptcy law, but its chances of doing so are considered slim.

Whether the hasty carving up of a sick railroad by its competitors is the best way to go about such a complex piece of business is a matter of some dispute; many state officials and shippers think, in fact, that the Rock Island should somehow be preserved.

Even so, it's noteworthy that the two dozen roads accomplished, at ICC invitation and with its blessing, a splitting-up of the Rock Island in less than 24 hours—something the ICC has been trying to do, through a formal merger proceeding, for nearly 12 years.

Long ago, when the still-unfinished merger case began, the Rock Island probably could have been saved through a consolidation. But so much time elapsed while the ICC haggled that the Rock Island's condition worsened to the point that quick dismemberment became the only solution. The ICC defends the long time it has taken by saying it needed to protect all the conflicting interests in the case. Critics reply that it's preposterous that the commission couldn't say "Yes" or "No" in less than a decade.

"Several members of the ICC should be impeached for their role in this disaster and probably deserve to spend some time in prison," says Anthony Haswell, a Chicago attorney who has been involved in railroad cases.

Merger of the Rock Island into other railroads has long been considered necessary. The line has been in the red every year since 1965. It has suffered from excess rail capacity in the Midwest, slower routes than its competitors, management difficulties and a relative scarcity of non-competitive routes.

By the early 1960s, merger became an obvious answer. The Chicago & North Western Railway, a direct Rock Island competitor, asked the ICC for a merger in 1963, and others joined the move. The ICC was presented with competing proposals.

YEARS OF TUSSLING

After years of tussling with the problem, an ICC administrative law judge took three years to issue a new merger plan of his own. The ICC rejected that idea, and last December finally approved a different plan, under which the Rock Island would merge into the Union Pacific, Santa Fe, Southern Pacific and Denver & Rio Grande Western Railroads. But the ICC laced its approval with all kinds of conditions involving other roads.

Nearly every party to the complex case protested the ruling, and the Union Pacific, fed up with the delay, indicated it was going to back out. Thus, the merger was probably dead.

Meanwhile, the recession brought the Rock Island to the brink of collapse. It sought a government loan, but was turned down on grounds the loan couldn't be repaid. Early last month the line said that it would have to close down on March 31.

Then came the twist. Larry S. Provo, president of the North Western, suggested to the ICC last month that there be a quick dismemberment of the Rock Island, with the North Western and other competitors picking up the pieces. The ICC, recognizing that the time had come to act fast, accepted the idea—even though it was without precedent in the ICC's 88-year history. The commission and its staff evidently welcomed the chance finally to do something useful about the Rock Island; many ICC people admit that their previous handling of the case has been disgraceful.

So the railroad executives gathered at the Madison Hotel March 17 and then finished their deal-making at ICC headquarters the next day. An ICC staff man who attended that final session says he found it inspiring to watch a group of men doing in a few hours what the commission had been trying, and failing, to do for years. Ironically, the Madison agreement was based on a plan suggested by the North Western and was fairly similar in important respects to its original merger proposal.

In keeping with the fresh spirit of the Madison exercise, the railroads suddenly moderated long-standing demands that had contributed to the merger delay. One participant in the hotel-room negotiations recalls Union Pacific President John Kenefick saying, "If we can work out a solution that will be acceptable to the shippers and politicians it will improve the credibility of the entire industry."

The negotiators also were spurred to agreement by the threat of an imminent shutdown of the Rock Island. "It showed what the private sector can do under pressure," says Asaph H. Hall, acting Federal Railroad Administrator. Asked if that pressure added up mainly to "fear and greed," Mr. Hall replies: "exactly."

Slowness is almost a way of life at federal regulatory agencies, sometimes producing ludicrous results. United Air Lines asked the Civil Aeronautics Board, well before the 1973 Christmas season began, for permission to add more flights within the Hawaiian Islands to handle the coming season's mail rush there. The CAB dismissed United's petition the following February, on the ground that Christmas was over.

But the ICC is probably the slowest of the bunch. One commissioner there says the delays occur because his fellow members are afraid to act and spend too much time trying to balance one interest against another in complex cases. Frequently, this balancing act results in a decision, as in the Rock Island case, that none of the parties really likes. Additionally, he says, there's a tendency to over-write the reports accompanying commission decisions. "The more you put in," he explains, "the more defensible the decision will be in the court, which is what everybody is worried about." But all that researching and writing takes time.

There are other problems. Regulatory agencies such as the ICC have only the vaguest of policies to guide them in making decisions. Instead, the agencies plod through their work on a case-by-case basis, mired much of the time in uncertainty. Furthermore, the ICC is so tied up with hundreds of routine cases that it's unable to move quickly on major ones. Some experts figure that 70% of the ICC's time is spent, for example, on trucker operating-authority matters, which a former ICC staff man says "paralyzes the agency in crap."

Whatever the reasons, the ICC's slowness causes considerable economic damage, if only because conditions often change markedly while the commission is deciding whether to approve a proposal. When the Illinois Central Railroad proposed renting an entire train to shippers for hauling grain for export shipments eight years ago, it had four or five big customers lined up. But by the time the ICC finally approved the bargain-rate plan two years later, all but one of the customers had pulled out because of uncertainty.

BYPASSING THE ICC

It's in railroad merger cases, however, that the deleterious effects of ICC delay probably are the worst. The Ford administration's pending railroad legislation likely will contain a provision to allow railroads wanting to merge or to engage in basic restructuring of routes to bypass the ICC in some cases and get quick approval or rejection from the Transportation Secretary.

ICC defenders can point out that a rail merger case involves considering a multitude of complex details, a chore that takes lots of time. But in one session at the Madison and then in one at the ICC, the men disposed of hundreds of such details. They decided, for example, that the Santa Fe would take over Rock Island's service between Tucumcari, N.M., and Amarillo, Texas, that the Burlington Northern would take over between Phillipsburg, Kan., and Omaha, and that the North Western would take over between Council Bluffs, Iowa, and Des Moines.

At the ICC the second day, felt-tipped pens in hand, the men sat before large maps, making more quick decisions about divvying up the Rock Island. One man asked another if he'd like to assume service to six grain elevators on Lake Michigan. "Sure, why not?" came the reply.

During a break, a Santa Fe lawyer remarked to an onlooker that we've got guys who've spent three years arguing before the ICC about what side of the track we should serve in Enid, Okla."

The ICC could still reject some aspects of the Madison Hotel plan, and it may well attach some conditions to its acceptance. A road acquiring a profitable stretch of the Rock Island might have to accept a less-desirable segment along with it, for example. But the basic pattern the railroaders worked out seems certain to be followed.

There probably are good reasons why such quick dismemberment of sick railroads shouldn't become basic transportation policy. The process can be fairly arbitrary and it can overlook some aspects of what's known in regulatory circles as "the public interest"; it's precisely to avoid these effects that the federal regulatory agencies were established.

But the exercise at the Madison Hotel certainly does show that 12 years of ICC procrastination isn't the only way to deal with the problem of splitting up a railroad.

IS THIS ANY WAY TO RUN A RAILROAD?

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mr. WALSH. Mr. Speaker, after voting, earlier this year, to send hundreds of millions of dollars in additional Federal aid to the Penn-Central, Erie-Lackawanna and other bankrupt railroads in the Northeast, I was particularly chagrined to read a recent article in the Washington Star-News. That article detailed how the trustees of the bankrupt Penn-Central had doled out more than $200,000 in raises to the railroad's executives. My immediate reaction after reading the article was the proverbial question, "Is this any way to run a railroad?" I would like to share this article with my colleagues and see if they are prompted to ask the same question:

DESPITE LOSSES, PENNSY TRUSTEES AWARDED RAISES

(By Stephen M. Aug)

Trustees of the bankrupt Penn Central Transportation Co., who earlier this year threatened to shut down the huge rail system unless it received hundreds of million of dollars in federal aid, passed out raises last year to most of the railroad's executives, records on file at the Interstate Commerce Commission show.

The Penn Central last year lost about $198 million on revenues of more than $2.2 billion, an increase in losses from the $189 million in 1973 when the railroad took in nearly $2 billion. Congress earlier this year approved a $347 million aid package for Penn Central, including up to $197 million in cash grants to be shared with other bankrupt eastern rail lines.

The railroad's annual report to the commission—a copy of which the Company provided to the Star—showed that of the 44 operating executives earning at least $40,000 a year, 37 received salary increases ranging from $2,000 to $20,000 a year. The raises totaled about $208,000. In some instances the increases were accompanied by promotions or changes in responsibilities.

By COMPARISON, at the prosperous Washington-based Southern Railway, 30 of the company's 53 executives earning at least $40,000 a year received increases in base pay last year ranging from $1,000 to $5,000.

Southern officials, however, received sizable increases under a bonus plan the railroad has had in effect for several years, based on the railroad's financial performance.

At Penn Central, however, the railroad's performance plays no part in the increases. William A. Lashley, Penn Central vice president for public affairs, said that since the railroad's bankruptcy in 1970 its unionized employees have had cumulative increases amounting to 46.5 percent.

"During this same five years our very top people have had only one general increase and that was five percent," Lashley said. "He added that those in the $50,000–$70,000-a-year range have received two raises in the last five years—5 percent in March 1972 and 5 percent in January 1974.

Lashley contended that even with these "token" increases the railroad has lost executive talent to other companies: 650 executives, managers and supervisors have gone to other firms, including railroads and government agencies, since 1970, he said.

"Our management has tried to do all it can within reasonable limits to keep people that they need to keep things rolling, and as you can see we haven't done very well," Lashley said.

Some senior executives at another financially troubled transportation firm, Pan American World Airways, which has been teetering at the brink of insolvency for more than a year, took a 10 percent pay cut as of Jan. 1, 1975. This meant a cut of $18,432 for William T. Seawell, Pan Am's president and, at $184,319 a year, its most highly paid employee.

Pan Am pilots last December agreed to an 11 percent pay cut on 1975 wages, and its flight engineers voted to take an 8.1 percent pay cut for 11 months starting next Feb. 1.

By contrast, neither Penn Central executives nor its employees has offered to take a pay cut. In fact, members of the Brotherhood of Railway and Airline Clerks have threatened to strike the nation's railroads—presumably including the Penn Central—Friday night. The clerks said four other unions have termed inadequate a proposed three-year contract with wage and fringe benefits totaling 41 percent.

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Among Penn Central executives, Jervis Langdon, Jr., who moved from being one of the three trustees to president early last year, was awarded a $5,000 increase to $100,000.

The largest increase, $20,000, went to A. M. Schofield, who was promoted from vice-president reorganization planning at $55,000 a year to senior vice president for operations at $75,000.

Another $20,000 went to Robert W. Blanchette, who was appointed a trustee of the railroad at $95,000. He had been counsel to the trustees at $75,000.

Other substantial increases included $16,000 to B. J. Gordon, who won $8,000 in January on his promotion from chief engineer for maintenance of way to chief engineering officer, and a second $8,000 in November, bringing him to $54,000.

C. W. Owens, who was promoted from assistant general manager of the eastern region to general manager of the central region in March 1974, was given $10,000 and then another $4,000 in November to $46,000.

R. B. Hasselman was given a $13,000 raise to $68,000, when he was advanced from assistant vice president for transportation to vice president for transportation. D. K. McConnell moved up $10,000 in two steps to $52,000. His title was changed from administrative officer to the trustees to administrative officer and counsel to the trustees.

One top executive took a pay cut when his job changed. William R. Divine gave up the vice presidency for finance and accounting at $89,000 a year and became financial adviser at $85,000.

A LEGAL COUNSEL FOR THE CONGRESS OF THE UNITED STATES

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1975

Mrs. SPELLMAN. Mr. Speaker, I am introducing legislation today to establish a legal counsel for the Congress to assist the legislative branch in the performance of its duties.

In the past Congress has always depended upon the courts and litigation to serve as a check upon the Executive, and upon the Justice Department, which is merely another arm of the Executive, to represent the view of the Congress before the courts. However, in view of the extensive changes which have taken place in recent years the time has now come to equip Congress with the tools needed to challenge the growing supremacy of the Executive in this area.

There have been cases in which there has been a sufficient conflict of interest between Congress and the Executive, or sufficient special interest by Congress to make it desirable for special counsel for the Congress to be appointed to appear before the courts as amicus curiae.

In an era where Executive powers have become so extensive, the courts should be eager to seek the point of view of Congress on its laws in order to offset the growing power of the Executive, and it should be the practice of Congress to present its views before the courts if it so desires.

Congress needs such a voice after legislation has been passed. That voice is one of a lawyer who will go before the courts and represent the Congress just as a private lawyer does, but he will not, except in unusual cases such as contempt of Congress, actually intervene or initiate a case. Like a private lawyer, he will have functions as an advisor to Congress and in the presentation of legal opinions to committees or Members of Congress he will indicate whether the laws which Congress has adopted are being respected by the executive branch of Government.

Specifically, under my bill the counsel for Congress will perform functions at several stages of the legal process subject to "such rules as the Committees on the Judiciary of the Senate and the House of Representatives may prescribe jointly from time to time."

First of all, the Congressional Counsel General would "perform such duties with respect to legislative review of executive actions as shall be prescribed by such rules." Congress often fails to take into account all the factors which later arise in the administration of legislation. In order to encourage the administrative agencies and departments to respect congressional legislation, Congress must do a far better job of oversight. Thus, the counsel of Congress could assist Congress in the initiation of new and corrective legislation. By reviewing the actions of courts and administrative agencies, he will uncover areas of policy where there is no existing legislation, where the existing legislation is unclear, or where legislation is in effect being made by the executive. Each year the counsel could present to the Congress an agenda of law revisions with recommendations and alternatives to be considered.

Second, the counsel of Congress would "render to committees and Members of Congress advice with respect to the purpose and effect of provisions contained in acts of the Congress or to be inserted in proposed legislative measures." Thus, the counsel would provide upon request confidential advisories on the effects and constitutionality of proposed legislation during the legislative process so that legislation will have more likelihood of having effect and being enforced.

Third, the counsel of Congress would "render to committees, Members, and disbursing officers of the Congress, and to the Comptroller General, legal opinions upon questions arising under the Constitution and laws of the United States."

Fourth, the counsel would "appear as amicus curiae, upon the request, or with the approval, of the Committee on the Judiciary of the Senate or House of Representatives, in any action pending in any court of the United States in which there is placed in issue the constitutional validity or interpretation of any act of Congress, or the validity of any official proceedings of or actions taken by either House of Congress or by any committee, Member, officer, office, or agency of the Congress." The courts will still have the right to determine who may appear as amicus curiae, but this section will make it possible for the courts to accept the Congressional Counsel General in the capacity of lawyer for Congress.

Fifth, the counsel would "represent upon the request, or with the approval of the Committee on the Judiciary of the Senate or House of Representatives, either House of Congress or any committee, Member, officer, office, or agency of the Congress in any legal action pending in any court of the United States to which such House, committee, Member, office or agency is a party and in which there is placed in issue the validity of any official proceeding of or action taken by such House, committee, officer, office or agency." The Congressional Counsel General would be authorized to replace the Attorney General in this capacity.

In summary, the proposal to create a Congressional Counsel General is not a new one, but one which is necessary by the growth of administrative bureaucracy. It is a means to assist Congress internally by assisting it in performing its oversight functions, by review of executive and judicial acts as well as by assisting in improving its legislation. It is also a means to assist Congress externally by keeping the administrative departments and agencies responsive to Congress from which their authority is derived. In both his internal and external functions the Congressional Counsel General will assist in making Congress a more effective branch of Government and strengthen the concept of separation of powers.

Senator VANCE HARTKE of Indiana has introduced identical legislation in this area in the Senate.

SENATE—*Wednesday, April 23, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Vice President.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father-God, we would live this day under Thy grace and in the fullness of Thy spirit. Remove from us all that obscures Thy presence. Grant us clean hands, pure hearts, and worthy motives. In the spirit of the Servant-Lord, help us to go about our tasks doing good, healing our broken humanity, binding up the wounds of those who suffer, restoring right relations with our fellow man, and doing all in our wisdom and power to bring the day of Thy kingdom.

We pray in His name who was servant of all. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, April 22, 1975, be approved.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

SENATE ACTION ON THE VIETNAM CONTINGENCY ACT OF 1975

Mr. HUGH SCOTT. Mr. President, ever since the President's state of the world message, in which he urged action by Congress by April 19, proceedings have dragged on through the Committee on Foreign Relations, which worked very ardently and arduously on this matter. But, even so, in the committee and after the bill has been reported to the floor, there seems to be a singular lack of sense of urgency.

I had hoped that the Senate would act on this bill yesterday. I certainly hope it will act today. Every day that goes by imperils the safety of those Americans and their dependents who remain in Saigon.

I hope that we will be able to say, paraphrasing the words of a dying king, that nothing so becomes our situation in Vietnam as our manner of departing from it. I think we should do this with grace and dignity and, above all, with compassion and concern for those whose security is at stake and on the line in South Vietnam.

I do not see why we should not act on this bill today. I understand that some people do not want to act on it. I think that the greater good and the greater need is to accept the sense of urgency, to vote on this bill, and to send it to conference with the other body, which is likely to vote on a somewhat similar bill today.

I am bound to say—although I had hoped to restrain myself from saying it—that I do not see this sense of urgency being exhibited by the Senate. I regret very much the risk which is needlessly being taken by not clarifying the extent of the willingness of Congress to extend humanitarian aid and to extend authority to the President to bring about the earliest possible withdrawal of the remaining Americans and their dependents and such South Vietnamese nationals as may be able to withdraw. I wish we could convey the urgency which is felt among the people and in the press and which, Lord knows, must be felt on the part of our Americans overseas. I hear it everywhere I go.

When we had the Bangladesh situation, we did not hesitate to extend humanitarian aid. We had problems in Africa. We hurried to extend humanitarian aid with the droughts and famines in India and elsewhere. We hurried to extend humanitarian aid. We brought 650,000 people out of Cuba.

Can the reason be that these are people who have lived under a regime or in an area of a certain sort, to be differentiated from those who lived under a regime or in an area of a different sort?

I think it is highly graceless for us not to act within this sense of urgency. I am going to plead again with my colleagues that we try to get rid of this bill today. There really is no reason for delaying it of which I am aware. The distinguished majority leader made the same plea yesterday, that he hoped we could vote on the bill today.

I believe that we are endangering the safety of Americans in Vietnam by the slow pace of the Senate of the United States. I have such pride in this body that I never like to be critical, but I think now is the time.

Mr. GRIFFIN. Mr. President, will the minority leader yield, to allow me to add a thought?

Mr. HUGH SCOTT. I yield.

Mr. GRIFFIN. As a practical matter, it should be observed that if we could pass the bill today and if the House should pass its version today, as expected, there is at least a hope and a possibility that a conference agreement might be completed this week and that we could have final action. But if it goes over until tomorrow in the Senate, then the prospects of a final vote on a conference report fades into sometime next week, which certainly is no evidence of a sense of urgency.

Mr. HUGH SCOTT. Some of the Senators who have been critical of the use of the filibuster should avoid the kind of foot dragging which I think I have observed in committee and since the bill has been reported to the floor, which in a sense amounts to a minifilibuster against mercy, whether so intended or not.

I hope that Senators will take this with the utmost seriousness, because our American people in Saigon must be wondering whether the Senate of the United States has the message of their dire peril and of the risky situation with which they are confronted.

I want to stay within the limits of restraint, because this is in no sense political. Some of this unwillingness to move may exist on my side of the aisle, for all I know; but wherever it exists, my point is that it should not exist.

Mr. MANSFIELD. Mr. President, first may I say that, in my opinion, a minifilibuster is not being conducted on the floor of the Senate against the unfinished business, nor was a filibuster taking place in the Committee on Foreign Relations during the consideration of this measure last week. Frankly, if it had not been for the delay in the Foreign Relations Committee, the evacuations which already have taken place would be behind the schedule which has been maintained since the active interest of the committee was displayed.

Also, I think we should not compare this legislation to assistance in Bangladesh, in Africa, in India, and elsewhere, because in those places we were not involved militarily or semimilitarily.

Members feel that we should be most careful in facing up to the situation in South Vietnam, to the end that there will be no way for a possible military reinvolvement by this country. Therefore, they have a responsibility and a right to study legislation of this nature, covering evacuation and humanitarian assistance, with the utmost care.

May I say, Mr. President, that in my opinion, the President has the authority under the Constitution to use the military for the evacuation of Americans, period. Furthermore, I think, as far as the Department of Defense is concerned, that it has plenty of funds to use for evacuation purposes extending far beyond the $100 million in this bill, and it is my understanding, from reading the public print, that they have in the South China Sea, off the coast of South Vietnam, at least a dozen warships of various categories, and additional ships, as well.

It is my understanding, again from reading the public print—I have not seen the report of the State Department as yet as to the status of the evacuation process—that on yesterday, Saigon time, we did reach the level of 1,500 essential personnel who are supposed to remain there—in that vicinity. Frankly, I find it difficult to understand why there should be 1,500 essential Americans in an area of increasing danger, and I hope that that number will be decreased considerably.

I do not know just how effective the evacuation is, because it seems that we have people landing in every part of the United States and in friendly countries, as well. Clark Air Force Base is overloaded at the present time. They are talking of tens of thousands being sent to Guam, and at least 100,000, I assume, maybe much more, eventually being sent to this country.

So, while I should like to get to a vote on this measure as soon as possible, and I say this as one who voted against it in committee and intend to vote against it on final passage, I should have liked to see it voted on Monday or Tuesday. But I think that the Senate has a right to study this most carefully.

It is possible that this bill will be finished today. If not, I hope that it will be possible to reach an agreement to vote at a time certain sometime tomorrow morning. But I think every Senator is entitled to be given the consideration from the leadership which the leadership would expect from every Senator.

Mr. HUGH SCOTT. Mr. President, I wish to have the record show that the figure of Americans alone is rather close to what the distinguished majority leader said. The figure of Americans plus dependents still there is somewhat higher, because at least 300 additional dependents, I am informed, were discovered yesterday coming in from various sources to ask for an opportunity to withdraw from the country.

I have to stand by what I said. The President does not have the authority to evacuate those South Vietnamese nationals, without our action in Congress, some of whom have extraordinarily secret intelligence information, some of whom are Communist defectors who would undoubtedly be slaughtered if they do not get out, some of whom have committed themselves and their lives and their future careers to the assistance of the Americans when our military presence was there. We should, I think, assist

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all those to get out that we can, just as we have shown mercy and consideration with regard to people who are in flight from oppression and aggression in other parts of the world.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes so that I may discuss a few matters with the distinguished Republican leader.

There being no objection, the Senate, at 10:15 a.m., recessed until 10:18 a.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. FORD.)

PRIVILEGE OF THE FLOOR

Mr. CRANSTON. Mr. President, I ask unanimous consent that Jon Steinberg and Murray Flander of my staff may have the floor during consideration of the Vietnam bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask unanimous consent that Betsy Moeller and Dayton Olson of my staff may have the privilege of the floor during the consideration of S. 1484.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

NOMINATION OF STANLEY K. HATHAWAY

Mr. HASKELL. Mr. President, I ask that the record show that I would like to be consulted on any potential unanimous-consent requests involving the nominaiton of Stanley K. Hathaway to be Secretary of the Interior.

MESSAGE FROM THE HOUSE

At 10:03 a.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 percent of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 4296) to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 percent of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

The enrolled bill was subsequently signed by the Vice President.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL APPROPRIATION TO PAY CLAIMS AND JUDGMENTS—(S. Doc. 94–40)

A communication from the President of the United States transmitting a proposed supplemental appropriation request of $34,338,038 to pay claims and judgments rendered against the United States; to the Committee on Appropriations, and ordered to be printed.

PROPOSED APPROPRIATION LANGUAGE CHANGE—(S. Doc. 94–38)

A communication from the President of the United States transmitting a proposed appropriation language change for the fiscal year 1975 for the National Commission on Supplies and Shortages; to the Committee on Appropriations, and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF STATE AND THE USIA—(S. Doc. 94–39)

A communication from the President of the United States transmitting proposed supplemental appropriations for the fiscal year 1975 in the amount of $11,056,000 for the Department of State and the U.S. Information Agency; to the Committee on Appropriations and ordered to be printed.

REPORT OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

A letter from the Acting Chairman, Equal Employment Opportunity Commission, reporting on further violations under section 3679 of the Revised Statutes; to the Committee on Appropriations.

APPROVAL OF LOAN TO CORN BELT POWER COOPERATIVE

A letter from the Administrator, U.S. Department of Agriculture, reporting, pursuant to law, approval of a loan to Corn Belt Power Cooperative of Humboldt, Iowa, in the amount of $3,296,000 for the financing of certain generation facilities (with accompanying papers); to the Committee on Appropriations.

ESTIMATE OF SUPPLEMENTAL APPROPRIATION

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, on the need for a supplemental appropriation for the Department of Health, Education, and Welfare for "Special Benefits for Disabled Coal Miners"; to the Committee on Appropriations.

STATISTICAL SUPPLEMENT, STOCKPILE REPORT

A letter from the Acting Assistant Administrator, General Services Administration, transmitting, pursuant to law, the Statistical Supplement, Stockpile Report, for the period ending December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

REPORT ON PROPERTY ACQUISITIONS OF EMERGENCY SUPPLIES AND EQUIPMENT

A letter from the Acting Director, Defense Civil Preparedness Agency, transmitting, pursuant to law, a report on property acquisitions of emergency supplies and equipment; to the Committee on Armed Services.

EXIMBANK LOAN, GUARANTEE AND INSURANCE TRANSACTIONS

A letter from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank from November 1, 1974, through January 28, 1975, to Communist countries (as defined in sec. 620(f) of the Foreign Assistance Act of 1961, as amended) (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Vice President, Government and Public Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the average number of passengers per day on board each train, and the on-time performance at the final destination of each train operated, by route and by railroad, for the month of February 1975 (with an accompanying report); to the Committee on Commerce.

REPORT OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES

A letter from the Chairman, National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, a report of the Council covering the period July 1, 1973, through June 30, 1974 (with an accompanying report); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office released in March 1975 (with an accompanying document); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report discussing the ineffectiveness of Federal attempts to coordinate juvenile delinquency programs (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on improving federally assisted family planning programs, Department of Health, Education, and Welfare (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on controls on use of psychotherapeutic drugs and improved psychiatrist staffing needed in Veterans' Administration hospitals (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on questionable effectiveness of the 8(a) procurement program, Small Business Administration (with an accompanying report); to the Committee on Government Operations.

PROPOSED REGULATIONS AMENDING PART B OF THE EDUCATION OF THE HANDICAPPED ACT

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, proposed regulations amending part B of the Education of the Handicapped Act (with accompanying papers); to the Committee on Labor and Public Welfare.

REGULATIONS GOVERNING THE COMMUNITY SCHOOLS ACT

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, regulations governing the Community Schools Act—notice of proposed rulemaking (with accompanying papers); to the Committee on Labor and Public Welfare.

FINAL REGULATIONS FOR THE FOLLOW THROUGH PROGRAM

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Follow Through Program under title V of the Economic Opportunity Act of 1964, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

FINAL REGULATIONS FOR STATE-ADMINISTERED ADULT EDUCATION PROGRAMS

A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for State-administered adult education programs under the Adult Education Act, as amended (with accompanying papers); to the Committee on Labor and Public Welfare.

PRESENTATION OF A PETITION

Mr. PASTORE. Mr. President, I send to the desk for myself and my colleague, Senator PELL, a resolution adopted by the General Assembly of Rhode Island memorializing Congress to subsidize the Rhode Island utility companies if their continued existence is jeopardized by the reduction of rates for the elderly and ask that it be printed in the CONGRESSIONAL RECORD and referred to the proper committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolution, which was referred to the Committee on Commerce, is as follows:

RESOLUTION

Resolved, That the members of Congress of the United States be and they are hereby respectfully requested to study the possibility of subsidizing the Rhode Island utility companies if their continued existence is jeopardized by the reduction of rates for the elderly; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the senators and representatives from Rhode Island in the Congress of the United States.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976—REPORT OF A COMMITTEE (REPT. NO. 94–77)

Mr. BUCKLEY, from the Committee on the Budget, submitted part 2 of Report No. 94–77, which was entitled "Errata of Additional Views," which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Ramon M. Child, of Utah, to be U.S. attorney for the district of Utah.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 2808, to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, which is at the desk, be considered to have been read twice by its title and referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2808) was referred to the Committee on Interior and Insular Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. METCALF:

S. 1506. A bill to designate a segment of the Missouri River, Montana, as a component of the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

By Mr. BENTSEN:

S. 1507. A bill to amend Title 38, United States Code, to establish the per annum full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. McINTYRE (for himself, Mr. KENNEDY, Mr. HUMPHREY, Mr. MONDALE, and Mr. BAYH):

S. 1508. A bill to require that certain information about gasoline be disclosed to consumers. Referred to the Committee on Commerce.

By Mr. MONDALE (for himself, Mr. MAGNUSON, and Mr. MOSS):

S. 1509. A bill to prohibit pyramid sales transactions, and for other purposes. Referred to the Committee on Commerce.

By Mr. BROCK:

S. 1510. A bill to increase the appropriation authorization relating to the Andrew Johnson National Historic Site, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONTOYA:

S. 1511. A bill to amend the Internal Revenue Code of 1954 to insure the confidentiality of individual income tax returns and to provide procedural safeguards governing access to such returns by government agencies. Referred to the Committee on Finance.

By Mr. SPARKMAN (by request):

S. 1512. A bill to provide for the participation of the United States in the African Development Fund. Referred to the Committee on Foreign Relations.

By Mr. RANDOLPH (for himself and Mr. BAKER):

S. 1513. A bill to extend the Appalachian Regional Development Act of 1965. Referred to the Committee on Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METCALF:

S. 1506. A bill to designate a segment of the Missouri River, Montana, as a component of the National Wild and Scenic Rivers System. Referred to the Committee on Interior and Insular Affairs.

Mr. METCALF. Mr. President, the Subcommittee on Minerals, Materials, and Fuels of the Senate Committee on Interior and Insular Affairs has scheduled a meeting on June 4.

We plan to hear Ambassador John R. Stevenson, Special Representative of the President for the Law of the Sea Conference. He will have recently returned from the current session of the United Nations Law of the Sea Conference in Geneva.

Members of the subcommittee, and of other committees invited to attend, will be interested in his report on specific progress toward international agreement; the probability by the end of this year of an agreement with which the United States can live, and recommendations for domestic legislation either to implement a treaty or to permit the United States to exercise at least some measure of control over our nationals as they head seaward for resources vital to our economy pending international agreement in this complex area.

I have called this hearing to the attention of the chairmen of the Senate Committees on Armed Services, Commerce, and Foreign Relations. We will welcome their participation and that of their staffs.

The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

Mr. President, I am today introducing legislation which would honor the Nation's Bicentennial celebration by preserving the only remaining unspoiled portion of the mighty Missouri River. I refer to the 175-mile segment downstream from the city of Fort Benton, Mont., otherwise known as the "Missouri Breaks."

Equally as important as its unspoiled character, the segment also includes intact the original route traversed by Merriweather Lewis and William Clark when they explored the upper reaches of the river over 170 years ago. It contains 14 original campsites used by the famous trailblazers, plus the magnificent panorama which they described in their journal of travels.

The bill which I introduce today has benefits for all Americans, including Montanans generally and those farmers and ranchers who pursue their livelihood along the banks of the Missouri. The legislation insures for recreationalists a glimpse of unrivaled beauty and history revisited. It also protects the pastoral way of life for inhabitants of the affected zone by banning indiscriminate commercial development which would intrude upon that life.

There is no question about the untrammeled beauty and physical variety of this historic segment of the Missouri. Here the river forces its way through a

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rugged and relatively wild area, passing down through a succession of rapids and through a valley which is in places rocky, compressed and barren and in others broad, alluvial and pleasantly timbered with willows and cottonwoods. This essentially step-like nature of the river has caused it to be known as "the breaks of the Missouri."

This section of the Missouri also provides one with views of a variety of wildlife, including antelope, mule and whitetail deer, bighorn sheep, beaver, and muskrat. One can also see eagles circling high over the river and observe blue herons and numerous species of waterfowl. And, of course, the fishing is excellent.

Mr. President, I have modified this legislation since its initial submission in 1971 so as to afford to the area's farmers and ranchers the greatest possible protection of their agricultural interests. The bill specifically provides that the area in question shall be administered in accordance with the provisions of the Taylor Grazing Act. It provides for continued withdrawal of water from the river for agricultural purposes.

It makes provision for the construction of a much-needed bridge to service agricultural communities in central Montana. It specifically forbids the Secretary of the Interior from condemning lands except in limited access situations. I believe these changes are constructive and strengthen the legislation. I have received expressions from individual members of the farming and ranching community and look forward to additional suggestions and comments when hearings are held on the measure later this summer in Billings.

Getting into the specifics of the legislation, Mr. President, the bill provides for the acquisition of not more than 180,000 acres of land and interests therein along the Missouri. Of the total acreage, 7.6 is State property, 36.4 is privately owned, and 56 percent is Federal land currently administered by the Bureau of Land Management. It may not be necessary to use the entire 180,000 acres, but a generous figure is supplied in order to insure rim-to-rim protection of the river. Normally, components of the National Wild and Scenic Rivers System are fast-moving streams which flow through forested areas and hence need only narrow corridors for protection. The Missouri, however, meanders through different types of terrain; its corridor will vary considerably in width.

The bill encourages State and local zoning consistent with the purposes of the National Wild and Scenic Rivers Act and it provides for hunting and fishing within the boundaries of the project.

The Missouri Breaks have been the subject of numerous studies by various Federal agencies since 1960. It is my understanding that the Bureau of Outdoor Recreation of the Interior Department has completed a staff study recommending preservation of a significant portion of the Breaks area. Any administration proposal which might flow from the Bureau of Outdoor Recreation study would not be expected to contain the concessions to the agricultural community contained in my bill.

Since I introduced my original proposal in 1971, it has received strong endorsements from an impressive number of local, State and national organizations, as well as from a great many private citizens in Montana and elsewhere.

I emphasize again, Mr. President, my conviction that there can be no more worthwhile and fitting way for us to celebrate our Bicentennial year than by placing this historic and beautiful section of the Missouri River in Montana under permanent protection.

I introduce the bill at this time and ask unanimous consent that its text be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1506

A bill to designate a segment of the Missouri River, Montana, as a component of the National Wild and Scenic Rivers System

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Wild and Scenic Rivers Act (82 Stat. 907), as amended (16 USC 1274(a) et seq.), is further amended by adding at the end thereof the following new paragraph:

"(11) Missouri, Montana.—The segment from Fort Benton one hundred and seventy-five miles downstream to Robinson Bridge, as generally depicted on the boundary map entitled "Missouri Breaks Scenic Recreation River", dated February, 1975: *Provided*, That such river segment shall be administered by the Secretary of the Interior in accordance with the provisions of this Act, and in accordance with the provisions of the Taylor Grazing Act (48 Stat. 1269), as amended (43 USC 315), with any other authorities available to him for the management and conservation of natural resources and the protection and enhancement of the environment, and under principles of multiple use and sustained yield, where such Act, authorities, and principles are consistent with the purposes and provisions of this Act: *Provided further*, That there are authorized to be appropriated such sums as are necessary for the purpose of this river segment."

Sec. 2. After consultation with the State and local governments and the interested public, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall, pursuant to section 3(b) of the Wild and Scenic Rivers Act and within one year of enactment of this Act, established detailed boundaries of the river segment designated as a component of the National Wild and Scenic Rivers System pursuant to section (1) of this Act (hereinafter referred to as the "river") determine, in accordance with the guidelines set forth in section 2(b) of the Wild and Scenic Rivers Act, which of the three classes—wild river, scenic river, or recreation river—best fit portions of the river and so designate such portions; and prepare a management plan for the river area in accordance with such designations.

Sec. 3. (a) The Secretary may acquire lands and interests in land within the river area: *Provided*, That he shall not acquire fee title to more than 180,000 acres, providing rim-to-rim protection, on both sides of the river: *Provided further*, That, in recognition of the public ownership of more than 50 per centum of the entire acreage within the river area, in accordance with section 8(b) of the Wild and Scenic Rivers Act, the Secretary shall not acquire fee title to any lands by condemnation under the authority of this Act or the Wild and Scenic Rivers Act, except that the Secretary may use condemnation when necessary to clear title or to acquire scenic easements or such other easements as are reasonably necessary to give the public access to the river and to permit its members to traverse the length of the area or of selected segments thereof: *Provided further*, That all other restrictions on the acquisition authority of the Secretary provided in section 6 of the Wild and Scenic Rivers Act shall be fully applicable to this Act.

(b) To the extent feasible acquisition and development of campsites and historical sites shall be given priority in expenditure of funds pursuant to this Act.

Sec. 4. (a) Consistent with the provisions of this Act and the Wild and Scenic Rivers Act, the Secretary may issue easements, licenses, or permits for rights-of-way through, over or under the lands in Federal ownership within the river, or for the use of such lands on such terms and conditions as he deems necessary.

(b) The Secretary shall permit the construction of a bridge across the river in the general vicinity of the community of Winifred, Montana, in order to accommodate the flow of north-south traffic. Such construction shall be in accordance with a plan which is mutually acceptable to the Secretary and State and local highway officials, and which is consistent with the purposes of this Act and the Wild and Scenic Rivers Act. The Secretary is further authorized to permit for agricultural purposes only pumping facilities and associated pipelines within the river area as may be necessary in order to assure the continuation of an adequate supply of water from the Missouri River to the owners of lands adjacent to the river.

Sec. 5. The Secretary shall permit hunting and fishing in the river area in accordance with applicable Federal and State laws, except that he may designate zones where, and periods when, no hunting or fishing shall be permitted for reasons of public safety or administration.

Sec. 6. Nothing in this Act shall affect the applicability of the United States mining and mineral leasing laws within river area except that—

(i) all prospecting, mining operations, and other activities on mining claims in the river area which have not heretofore been perfected and all mining operations and other activities under a mineral lease, license, or permit issued or renewed after enactment of this Act shall be subject to such regulations as the Secretary of the Interior may prescribe to effectuate the purposes of this Act and the Wild and Scenic Rivers Act;

(ii) subject to valid existing rights, the perfection of, or issuance of a patent to, any mining claim affecting lands within the river area shall confer or convey a right or title only to the mineral deposits and such rights only to the use of the surface and the surface resources as are reasonably required to carrying on prospecting or mining operations and are consistent with such regulations as may be prescribed by the Secretary; and

(iii) subject to valid existing rights, the minerals in Federal lands which are part of the river area or are situated within one-quarter mile of the bank of any river portion designated a wild river are hereby withdrawn from all forms of appropriation under the mining laws and from operation of the mineral leasing laws including, in both cases, amendments thereto.

Regulations issued pursuant to paragraphs (i) and (ii) of this subsection shall, among other things, provide safeguards against pollution of, and unnecessary impairment of the scenery within, the river.

By Mr. BENTSEN:

S. 1507. A bill to amend title 38, United States Code, to establish the per annum full-pay scale for certain personnel of the Department of Medicine and Surgery of the Veterans' Administration; to make a career in the Department of Medicine and Surgery more attractive, and for other purposes. Referred to the Committee on Veterans' Affairs.

Mr. BENTSEN. Mr. President, I am introducing today a measure which addresses a problem of growing concern within our Veterans' Administration hospital system.

Since January 1971, medical personnel in the VA have been subject to a salary freeze of $36,000 per annum. As of last October, some 1,850 VA physicians and dentists were locked in at that maximum. Many had been held at the $36,000 level throughout the entire 4-year period, a time in which the cost of living increased 31 percent. Moreover, with last year's 5.52 comparability pay increase, an additional 835 medical personnel were brought up to the maximum level. Thus, no less than 40 percent of the VA's full-time physicians and doctors are now subject to the freeze.

The salary freeze has resulted in severe professional personnel problems within the VA. Many highly skilled, experienced doctors have left, or will soon leave, the VA to take comparable, but better paying, positions elsewhere. In many instances, these dedicated individuals choose positions with the armed services, the Public Health Service, or university hospitals to continue their life's work, and I would emphasize that none of those institutions impose similar salary restrictions.

Not only have well qualified, broadly experienced medical personnel thus been lost, but during the past 5 years the VA has also experienced growing difficulty in recruiting young medical graduates to serve in its hospitals. Administrators throughout the system report reluctance on the part of nearly all potential applicants to accept positions with the VA. Those administrators also report particular difficulty in attempting to recruit medical specialists. At many facilities, radiologist, psychologist, neurologist, pathologist, and other specialized services are now available on a part-time basis only because the inability to attract full-time specialists has led to wholesale use of sharing arrangements with nearby non-VA institutions. Such sharing arrangements should never be more than a temporary solution to a crisis situation, and yet if present trends continue, I fear that nearly all of our VA facilities will have to rely on medical specialists who can provide only a fraction of their work day.

Increasingly, the VA has had to turn to foreign-trained medical personnel. No less than 31 percent of the total full-time physician force in the VA are foreign graduates. Foreign graduates now comprise one-third of the VA's full-time psychiatrists and nearly one-half of its pathologists and physical medicine specialists. According to data gathered by the House Veterans' Affairs Committee, foreign medical graduates already constitute from 50 to 60 percent of the full-time staff in many VA facilities, and in some, the number has reached 90 percent.

Many of the foreign-trained doctors in the VA are providing skilled, dedicated service, but the record indicates that many are apparently less than fully qualified. Of all the foreign graduates hired as full-time VA physicians last year, only 9.2 percent were board certified. Moreover, in many instances, language barriers now exist between veteran patients and some of these foreign physicians. Patient-doctor communication is absolutely essential to guarantee adequate care, and yet too frequently, foreign-trained doctors not fluent in English fail to understand the veteran's medical complaints or the veteran patient fails to understand the doctor's explanation of his illness.

The growing attrition of experienced doctors, the difficulty in recruiting and retaining skilled specialists, and the growing reliance upon foreign-trained medical personnel can translate, I fear, into a serious decline in the quality of medical care provided by the VA. Local administrators across the country are making valiant efforts to overcome these obstacles, and dedicated medical personnel are foresaking more rewarding positions to provide a continuity of quality service. But their efforts may soon no longer suffice.

Last autumn, the Veterans' Administration submitted a report on the quality of patient care in VA hospitals and clinics across the country. The report noted—

> The most critical problem confronting the Department of Medicine and Surgery is the recruitment and retention of an adequate staff of well qualified personnel essential to providing high quality health care . . . health care personnel are all affected adversely by the current pay schedules and for physicians and dentists the problem is accentuated by the limitation of salary levels to $36,000 per annum. The situation is now becoming critical because the country is experiencing its worst period of inflation in two decades and opportunities for better renumeration are readily available elsewhere.

It urged the Congress to lift the $36,000 ceiling and provide new incentives for attracting and retaining top-flight personnel.

Last month, the Veterans' Affairs Committees received testimony from a number of veterans' organizations. Several of these also commented on the serious consequences of maintaining the current salary freeze. Harold B. Say, of the Veterans of World War I of the USA, Inc., stated the case most forcefully—

> It is essential to up inducements to hold competent doctors and technicians, and we feel the Congress should take steps to accomplish this end.

I am, therefore, today introducing a measure which addresses this serious problem. My bill, introduced by Congressman David Satterfield in the House as H.R. 1545, provides for an incentive system granting an increase of up to 25 percent for those physicians and dentists currently at the maximum allowable salary. That would permit an increase in maximum salary to $45,000 a year, a level approaching the top-grade levels in the Armed Forces and the Public Health Service.

The measure also provides for a paid sabbatical of up to 6 months for a physician, dentist, or nurse who has served full time for 7 years with the VA. A similar 3-month period is authorized following completion of each additional 5 years of service. That is an important incentive for the recruitment and retention of quality personnel, and it will also enhance the quality of care provided by encouraging mid-career personnel to expand their research and to take additional professional courses.

By Mr. McINTYRE (for himself, Mr. Kennedy, Mr. Humphrey, Mr. Mondale, and Mr. Bayh):

S. 1508. A bill to require that certain information about gasoline be disclosed to consumers. Referred to the Committee on Commerce.

CONSUMER FUEL DISCLOSURE ACT OF 1975

Mr. McINTYRE. Mr. President, today I am introducing a bill that will do a number of positive things. First, it will end the confusion that exists in the purchase of gasoline by requiring that octane numbers for gasoline be posted on gasoline pumps and in new car manuals. Second, it will save consumers money. Third, it will cut down on the amount of lead in the air, and last, it will save energy.

This bill, the Consumer Fuel Disclosure Act of 1975, is something that will cost us very little.

First, this bill will have a strong pro-consumer effect. It will end what has come to be known as "overbuying."

In the past, buyers of gasoline have tended to buy gasoline with a higher octane than needed for proper operation of their cars. For instance, a buyer with a car that runs on regular grade gasoline, 94 research octane number, has been taught that his car will run better if he buys a higher octane, premium grade, 100 research number, gasoline.

This is untrue. Not only is the consumer buying gasoline with an octane higher than the car can effectively use, but he is paying an extra 4 or more cents for the privilege. He is overbuying.

Second, to this end, I would require that gasoline octane numbers be explicitly stated, both on the gasoline pump and in a new car auto manual.

I estimate that this alone could save the consumer who is overbuying gasoline an average of $24 a year.

Third, according to information from the Public Interest Campaign, my bill will have a strong, positive environmental effect.

Today, most cars use leaded gasoline. To increase the octane number of gasoline, it has generally been necessary to increase the amount of lead in gasoline. Reduction in overbuying of gasoline could conceivably cut lead emissions from automobiles by as much as 35 percent, according to the PIC. Clearly, this is an

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environmental boon with no cost to the consumer. And it would help to meet a 65 percent reduction in lead levels as required by the Environmental Protection Agency in 1980—and we could do it now.

Lastly, we should achieve a savings of energy with this bill. According to information put together by the Public Interest Campaign, we use an extra 63,500 barrels of oil every day because of overbuying. It also takes another 7,900 barrels of oil per day to produce that unneeded high octane gasoline. That, I am told, means that we are wasting enough oil to produce 1.24 million gallons of gasoline every day.

HISTORY OF OCTANE POSTINGS

The need for octane posting has been seen for a long time. As early as 1937, Consumers Union recommended octane posting on gasoline pumps. But it was July 30, 1969, before the Federal Trade Commission published a notice of proposed rulemaking to require octane posting on pumps. Then in December 1970, almost 18 months later, the FTC published a rule that research octane numbers must be posted on gasoline pumps by June 28, 1971. But on April 13, 1971, the FTC postponed octane posting because of questions raised by Texaco about the reliability of research octane numbers alone as the measure of gasoline octane. Then in August, the FTC postponed octane posting indefinitely. On December 16, 1971, almost 2½ years after the original proposal, the FTC promulgated that octane posting according to the Texaco system become the law on March 15, 1972. Four days after that, on December 20, 34 oil companies asked for injunctive relief from the FTC regulation. On February 9, the courts stayed the FTC rule, and in April ruled that the FTC had exceeded its authority. So octane posting was postponed.

But all was not lost. On June 27, 1973, the court of appeals ruled that the FTC had not exceeded its authority, but the oil industry appealed that decision on July 13, 1973, to the Supreme Court. Last year the Supreme Court refused to hear the case.

But in the meantime, the Cost of Living Council promulgated a rule requiring octane posting. I prodded the Council with a letter, and I ask unanimous consent to have my letter inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS,
June 28, 1973.

Dr. JOHN T. DUNLOP,
Director, Cost of Living Council,
Washington, D.C.

DEAR DR. DUNLOP: It is my understanding that in an effort to increase domestic gasoline supplies a number of oil companies are cutting the octane levels in their products.

A recent article in a petroleum trade publication, THE OIL DAILY, indicated that a number of companies have, in fact, decreased the octane content of gasoline and, in so doing, have increased gasoline production. THE OIL DAILY reports that the estimates of increases in gasoline production through cutting octane levels may be as much as 3% to 5%. The article goes on further to state that "An old rule of thumb at the wholesale level was one-eighth cent a gallon per number." The relationship between the octane level in gasoline, the quality of the product, and the corresponding profit on production of lower grade gasoline is obvious. My information indicates that several oil companies, including B.P., Mobil, Gulf, Citgo, Union "76", Ashland, and Tenneco, have begun reducing octane levels.

While it is clearly necessary to resolve our present supply situation regarding gasoline and other petroleum products, it seems unfair to the consuming public to be called upon to pay the present high price for a "watered down" product. What apparently is happening is that the refiners are cutting octane in order to increase production while, at the same time, selling this lower grade product at the price normally charged for higher grade gasoline.

In view of the fact that there is presently a Federal price freeze in effect, it would appear that by lowering the octane rating of gasoline, the net effect is that the company so doing is obtaining a direct price increase. If this practice is allowed, the companies engaged in this activity will be charging the American consuming public a price based on one quality of product when, in effect, a lower grade is being sold.

I urge that the Cost of Living Council immediately investigate this situation to determine whether the lowering of octane levels in gasoline products is not, in fact, a price increase.

Sincerely,

THOMAS J. MCINTYRE,
Chairman.

Mr. McINTYRE. After that, in August 1973, the Cost of Living Council instituted its regulation. But rather than use straight research octane number postings, the COLC required the use of the Texaco formula, which is an average of research octane number and motor octane number. This resulted in octane postings that were about four numbers below the research octane number that we had all used for years.

Then the COLC regulation expired with the COLC in 1974.

Now, the Federal Energy Administration has required posting of octanes under its authority, using the same formula, on February 11. While I have not seen many of the octane postings that the FEA is requiring, I have questions about the FEA system—the same questions I had about the COLC system.

IMPROVING THE FEA SYSTEM

The FEA system, like the COLC system, uses an average of research octane number and motor octane number—the same system proposed by Texaco in 1971. This means that the numbers that should be posted on gas pumps are these: premium—about 96; regular—about 90, and economy—about 86 to 88. Unleaded regular is about 87.

While this system has technical merit, I am told, because it maintains a balance between research octane number and motor octane number, it gives the consumer information that could mislead him. It gives him an octane number that is about four below the research octane number that everyone is used to.

Research octane numbers have traditionally meant that premium equals 100, regular 94, and economy 91. Many owners' manuals specifically state that a new car engine requires at least 91 octane, meaning research octane. But if the FEA system is used, many owners will feel that they must use high-octane gasoline because that is the only gasoline under the FEA system that would have an octane number over 91.

To solve this problem, I propose that we require by law, rather than regulation, that the FEA require gasoline octane posting and that the power pass to its successors if the FEA ceases to exist. In that way we do not see a replay of the end of the Cost of Living Council.

Second, I require, by formula in this bill, that the number four be added to the total now posted on pumps. This will mean that motor octane number and research octane number are balanced in the gasoline, but the consumer will see a number that he has known for years when he buys his gasoline.

Clearly, one system is better than the several systems we have today. New car manuals, for instance, sometimes recommend the FEA system, others recommend an American Petroleum Institute number, still others recommend the use of research octane number, and so on.

Mr. President, the time has come to clear this up with law. We cannot depend on regulation.

I ask unanimous consent that the full text of the Consumer Fuel Disclosure Act of 1975 together with a table be printed in the RECORD at this point.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 1508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Fuel Disclosure Act of 1975".

SEC. 2. The purposes of this Act are——

(1) to assist consumers in avoiding the purchase of automotive gasoline with octane ratings unnecessarily high for the proper operation of their automobiles; and

(2) to enhance competition in the sale to consumers of automotive gasoline.

SEC. 3. As used in this Act, the term—

(1) "Administrator" means the Administrator of the Federal Energy Administration or any successor agency;

(2) "automobile" means any vehicle driven or drawn by mechanical power manufactured primarily for use on the public streets, roads, and highways, except any vehicle operated exclusively on a rail or rails;

(3) "consumer" means any person who purchases gaoline for an automobile for purposes other than resale;

(4) "gasoline" means gasoline used in automobile engines, but does not include fuel dispensed for use in airplane engines, boat engines, or other engines used in non-automotive forms of transportations; and

(5) "interstate commerce" means commerce between any place in a State and any place in another State, or between places in the same State through another State;

(6) "octane rating" means the measurement of the anti-knock characteristics of gasoline for use as an automotive fuel, measured as one-half the sum of research octane number plus the motor octane number plus four;

(7) "retail distributor of gasoline" means a persons who sells gasoline to a consumer; and

(8) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, and American Samoa.

PROVISION OF FUEL INFORMATION

SEC. 4. (a) (1) After the effective date of this section, the shipment, transportation, or sale of gasoline in interstate commerce, or the shipment, transportation, or sale of gasoline which has been shipped in interstate commerce, is prohibited unless the person offering such gasoline for shipment, transportation, or sale to one other than a consumer has certified in writing at or prior to the time of delivery of such gasoline to the person receiving such gasoline for resale or distribution the octane rating.

(2) After the effective date of this section, the sale to a consumer of gasoline which has been shipped, transported or sold, or is offered for sale, in interstate commerce, is prohibited unless the person offering such gasoline for sale to consumers has affixed to the unit from which gasoline is dispensed to the consumer a label clearly stating the octane rating.

(3) After the effective date of this section, no gasoline which has been shipped or transported in interstate commerce shall be sold or offered for sale to any consumer unless all advertising and other promotional information about such gasoline clearly discloses the octane rating and such other information about such gasoline as the Administrator shall by regulation prescribe.

(b) No automobile manufactured after the effective date of this section which has been manufactured, shipped, or transported in interstate commerce shall be sold or offered for sale to a consumer unless the manufacturer of such automobile provides written information to the buyer of such automobile stating the octane or octanes of gasoline appropriate for use in the engine of such automobile.

(c) The information required to be disclosed under subsection (a) shall meet such requirements as to form and content, and any label required to be displayed shall be affixed in such location on the unit from which gasoline is dispensed, as the Administration shall by regulation prescribe. The information required to be disclosed under subsection (b) shall be posted in or on the automobile or included in literature furnished by the manufacturer to the buyer of the automobile, or both, as the Administrator shall by regulation prescribe.

PENALTIES

SEC. 5. (a) (1) Violation of the provisions of section 4(a) (1) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $5,000 for each day in which any delivery of such gasoline is made.

(2) Violations of the provisions of section 4(a) (2) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $100 for each day on which any sale of such gasoline is made.

(3) Violation of the provisions of section 4(a) (3) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $5,000 for each publication of an advertisement.

(4) Violation of the provisions of section 4(b) of this Act or any regulation promulgated pursuant to such section is a misdemeanor punishable by a fine not in excess of $300 for the sale of an automobile by a manufacturer, and not in excess of $100 for the sale of an automobile by a person other than the manufacturer.

(b) Violation of any provision of this Act or any regulation promulgated under this Act is an unfair or deceptive act or practice in commerce under section 5(a) (1) of the Federal Trade Commission Act.

STANDARDS, STUDIES, AND ENFORCEMENT

SEC. 6. The Administrator shall—

(1) establish standard methods to measure octane and to establish other methodologies and testing procedures to insure the purity and content of gasoline;

(2) conduct a full and complete study of gasoline of which substantial sales in interstate commerce are made, the impact of such gasoline on automobile deterioration, and the feasibility of standardizing gasoline formulas, and report the findings of such study to the Congress; and

(3) perform spot tests of the quality of various brands of gasoline which have been moved in interstate commerce or in commerce affecting interstate commerce, and provide semiannual reports on such testing procedure and the results disclosed by such tests.

TIME FOR ISSUANCE OF REGULATIONS

SEC. 7. The Administration shall issue regulations prescribing the form, content, and location of the information required under section 4 not later than six months after the enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 9. Sections 4 and 5 of this Act shall take effect one year after the date of enactment of this Act.

TABLE I.—ESTIMATED GASOLINE OVERBUYING BY OCTANE GRADE AND CONSUMER NEED, BY YEAR

	1970	1971	1972	1973	1974 (as of Jan. 1)
Premium (100 RON):					
Percentage of cars needing premium	32.3	30.2	27.1	24.0	22.3
Percentage of gas needing to be premium	32.3	27.0	20.1	14.6	12.3
Percentage of gas sold as premium	42.6	41.1	38.1	35.1	33.6
Premium overbuying (percent)	10.3	14.1	18.0	20.5	21.3
Regular (94 RON):					
Percentage of gas needing to be regular	67.7	61.75	52.8	44.4	40.8
Percentage of gas sold as regular	57.4	53.9	56.9	59.9	61.4
Regular overbuying (percent)			4.1	15.5	20.6
Economy (91 RON):					
Percentage of gas needing to be economy	0	11.25	27.1	41	46.9
Percentage of gas sold as economy	0	5	6	5	5
Economy underbuying (percent)		6.25	22.1	36	41.9

By Mr. MONDALE (for himself, Mr. MAGNUSON, and Mr. MOSS):

S. 1509. A bill to prohibit pyramid sales transactions and for other purposes. Referred to the Committee on Commerce.

Mr. MONDALE. Mr. President, I am today introducing a revised and improved version of a bill which received the overwhelming support of the Members of the Senate during the 93d Congress. The bill, which was S. 1939 during the 93d Congress, prohibits the so-called pyramid sales scheme, which has rightly been called America's No. 1 consumer fraud problem.

Although it is impossible to accurately estimate the number of victims of this fraud or the amount of money lost to the pyramiders, we must regard the estimate of the former Chairman of the Securities and Exchange Commission—that these enterprises have taken over $300 million in investment money from the American public—as conservative when we see the SEC recently charging a single company with bilking 80,000 people of more than $250 million.

Suffice it to say that, as the vice chairman of the consumer protection committee of the National Association of Attorneys General has stated to me, these operations are "perhaps the most serious pending consumer fraud problem." In the words of business writer Sylvia Porter, pyramid sales schemes are—

> Among the most vicious and pervasive of all "business-opportunities" swindles flourishing in the United States today.

Although the basic scheme has as many variations as there are companies, the pattern is essentially the same. The pyramid sales organization is composed of a number of different marketing levels. Consumers are encouraged to make an initial investment in a lower level of the organization. This investment yields an inventory of the product which the organization is ostensibly selling—an inventory with an actual value usually considerably below the investment.

The initial investment is usually sought at a high-pressure sales meeting, featuring such tactics as intense peer pressure, the use of shills, inflated promises, and fast-talking speakers.

Once the initial investment is made, the consumer is encouraged to move up along the various marketing levels of the company—by, of course, investing more and more money—on the promise that he will be able to share in the promised, lucrative profits to be earned through the recruitment of still others to join the scheme.

It is consistently made clear that the real "riches" come to those who recruit others to join, not to those who sell the product. Pyramiding is not concerned primarily with retailing a product, but instead with the right to sell the right to sell. Although the pyramiders may push products that range from soaps, cosmetics, cleaning agents, and clothing to gasoline additives, food supplements, burglar alarms, and personality improvement courses and may entice victims through advertisements, mail solicitations, buttonholing on the street, or invitations, their primary concern is with selling the right to recruit.

The pyramid sales scheme presents the innocent consumer with several problems.

First. These operations almost universally use the high-pressure sales tactics of the rally or meeting. The fast-talking, enormous-promising salesman spellbinds

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the audience with visions of wealth and rhetorical doubletalk. One pyramid sales organization advised their recruiters to "buy a Cadillac, assure everybody you are making a fortune, hand out big checks at opportunity meetings, advise people they better get in fast because only a few slots are left." Prospective investors bombarded with carefully staged selling talks are misled through the use of shills, making a rational choice impossible.

Second. As readily becomes obvious, there are simply not enough bodies around to keep the promised chain in motion. Assume one consumer is successful in recruiting six "friends" into his scheme, and these friends recruit six more friends. The repetition of this process only nine times would result in a chain of 10,077,696 persons. Obviously, this is a process which cannot be sustained. Simple mathematics makes the pyramid scheme self-defeating. An investigator in New York found that, if all of the people in a single pyramid organization operating in that State were able to make the promised profits, there would be 150 million distributorships in New York alone at the end of the second year.

Finally, although some early investors do occasionally make a profit, the pyramid sales schemes invariably result in large losses for the consumer. In the case of a single company which told its investors to expect $45,600 per year for part-time work and $108,000 per year for full-time work, the SEC found that "90 percent of all investors are currently inactive, while the remainder average a total return of less than $1,000." An investigation of a single company operating in Pennsylvania revealed that only about 26 percent of the money invested in the company was ever recouped by investors. Millions and millions of dollars are lost to pyramid promoters every year.

There are, of course, many ways to deal with a problem like this. Unfortunately, the remedies currently available are woefully inadequate. While the Federal Trade Commission and Securities and Exchange Commission have taken important steps to deal with the pyramid problem, their procedures are time-consuming, their statutes are not specifically tailored to deal with this scheme, and their personnel are limited.

Many States have good laws already on the books to use in their fight against pyramiders. Many States, including my own State of Minnesota, where Attorney General Warren Spannaus has been a leader in vigorously pursuing pyramid sales companies which have taken millions of dollars from Minnesota citizens, have made a sincere and successful effort to eliminate pyramiders. However, their efforts have frequently been frustrated by neighboring States with no law covering these organizations or no enforcement efforts. Pyramiders simply flee to States with weak or nonexistent legislation.

It is because there is now no specific, effective way to promptly deal with pyramiders that I introduce this bill today. I am proud to say that this legislation is cosponsored by the distinguished chairman of the Commerce Committee (Mr. MAGNUSON) and the distinguished chairman of the Consumer Subcommittee (Mr. MOSS).

In brief, the bill imposes criminal and civil penalties on those fraudulent pyramid sales operators who prey on the public with unfounded presentations of future earnings through endless chain promotions.

Specifically, the bill provides for a fine of up to $10,000 or imprisonment for up to 1 year, or both, for those selling or attempting to sell a participation in a pyramid sales scheme.

In addition, any person who induces another person to participate in such a scheme is made liable to that person for three times the amount of the consideration paid, as well as court costs and reasonable attorneys' fees.

Pyramid sales schemes are specifically defined by the bill. I sincerely believe that the definitional language isolates out the fraudulent pyramid sales operation without affecting the hundreds of legitimate companies which do business using commission arrangements or franchise organizations, in which the primary aim is sales to the consuming public rather than recruitment of additional persons into an endless chain.

The bill also provides that either the Department of Justice or the chief law enforcement officer or attorney general of any State in which an illegal pyramid sales practice has occurred may seek injunctive relief in the U.S. district court.

The combination of remedies—prosecution by the Department of Justice for criminal violations, action by an aggrieved person to recover treble damages plus costs and legal fees, and suits brought by either Federal or State authorities to gain injunctive relief—affords the variety and flexibility of procedures necessary to protect the consuming public.

This piece of legislation has been developed in consultation with Federal authorities, State authorities, trade associations, and individual companies. During hearings during the 93d Congress, it received the endorsement of the National Association of Attorneys General, the Securities and Exchange Commission, and the relevant trade associations—the Direct Selling Association and the International Franchise Association.

The legislation also received the approval of the Consumer Subcommittee of the Senate Commerce Committee, the full Commerce Committee, and passed the full Senate during the 93d Congress. I am confident that it offers real promise of ending this enormous consumer fraud.

By Mr. MONTOYA:

S. 1511. A bill to amend the Internal Revenue Code of 1954 to insure the confidentiality of individual income tax returns and to provide procedural safeguards governing access to such returns by Government agencies. Referred to the Committee on Finance.

Mr. MONTOYA. Mr. President, during the past 2 years it has become increasingly evident that the return filed by every American taxpayer has not been afforded the confidentiality and privacy such an individual and personal document deserves. This was borne out in the hearings of the Senate Watergate Committee, the House Judiciary Committee in its investigations into impeachment of former President Nixon, and the IRS oversight hearings of the Senate Appropriations Committee held only a year ago. All three of these investigations disclosed random and sometimes politically motivated disclosures of the tax returns of many individual taxpayers. Clearly, the tax return is not a confidential document.

Our tax laws, in fact, do not even pretend that tax returns are confidential. Instead, the Internal Revenue Code states that "returns constitute public records." This condition of publicity and disclosure of the most private of our financial lives as represented in our income tax returns is something the Congress may not permit to continue.

Therefore, I am now reintroducing a bill to prevent unauthorized intrusions into the the private lives of the American taxpayer. On August 21 of last year, I introduced S. 3935, my tax return access bill of 1974. The measure I offer today is essentially the same bill, with certain improvements. Under my bill, the IRS and other Federal and State bodies will be prevented from making unnecessary and unwarranted exchanges and disclosure of tax returns and information from tax returns without the knowledge and consent of the taxpayer concerned. Clearly, there are those situations where Government agencies or even individuals must have tax returns or information for purely legitimate purposes. My proposal provides returns for these legitimate purposes, but denies unconsented to examination of tax returns for other than legitimate purposes.

The first part of my bill provides that tax returns are no longer to be considered public records. Hereafter, the income tax return each of us files will be considered confidential. Furthermore, under present law, the President or Secretary of the Treasury can allow any agency or persons to receive and inspect any tax return, or any group of tax returns. Under my bill, such authority would be denied them. The bill would take away this power and leave tax returns open to inspection only in those situations Congress determined were just. The privacy of tax returns requires statutory solidarity, not the flexibility or easily changed structure of the current law.

The first part of my bill also provides that the Commissioner of Internal Revenue may release all the statistical data he desires from tax returns, without disclosing the identity of taxpayers considered. This will be for those agencies who argue that they need tax returns for statistical purposes, including the Bureau of the Census and the Department of Commerce. Their functions will not be impaired, but the sanctity of the indi-

vidual taxpayer's return will be preserved.

The second part of my bill provides that no tax return may be given by the IRS to an individual or agency without written notice and consent of the taxpayer being investigated. This provision, however, does not apply to all agencies. As I stated earlier, some agencies would seem to have legitimate interests in tax return information, interests which weigh equally with the taxpayer's right of privacy. For this reason, excepted from this provision of the bill are the IRS, the Department of the Treasury, which implements so much of our tax policy, and the Department of Justice, when it is dealing with tax matters. Other agencies may get tax returns or tax return information where required for investigations of criminal activities under Federal law. These agencies will be able to get tax returns without notifying the taxpayer simply by proving to the satisfaction of a judge of any U.S. district court that such information is necessary and that there is probable cause to suspect a crime has been committed. If they have no such probable cause or do not really need the tax returns, then they may not get them without the taxpayer's consent. But if they do not really need returns or if there is no probable cause, do we want 15 or more Government agencies looking at our tax returns?

The same provision of my bill also statutorily adopts the broad definition of "return" adopted in the regulations under the Internal Revenue Code. This statutory codification will cement the broad scope of the protections afforded tax returns under this new bill, and lend further assurances to the taxpayers that their returns are, indeed, confidential.

I am sure that certain agencies will protest that this provision is too severe. But, the private facts and confidential information each of us is required by law to divulge to the Government in our tax returns should and must be protected from disclosure in all cases except those where revelation of some of it is absolutely imperative. As Commissioner of Internal Revenue Donald C. Alexander stated, tax return confidentiality is a "balancing of two competing interests." The balance struck by this bill favors neither interest at the expense of the other. The Government will be able to function just as well when tax information is only available in instances of true necessity, and taxpayers will finally be secure in the privacy of their tax return.

Furthermore, agencies requiring only statistical data will be able to get it freely from the Commission. Those requiring tax information for criminal investigations will be able to get it via a summary proceeding in any Federal district court by a mere showing of need and probable cause. Other agencies can get the returns with the consent of the taxpayers, or by going to court. If this is inconvenient to the agencies, then the inconvenience would appear small compared to the necessity of insuring the confidentiality of income tax returns.

The third portion of my bill increases the penalties for violations of these guarantees of confidentiality. Under current law it is only a misdemeanor to knowingly disclose tax returns or return information in violation of the guarantees of confidentiality of the Internal Revenue Code. My bill would make the crime a felony, with the attendant potential for loss of civil rights under some State laws. Furthermore, my bill would increase the penalties to a fine of up to $10,000 or imprisonment of up to 5 years, or both. Furthermore, while the current law punishes the discloser of tax information, though only mildly, it does not punish the person who knowingly receives tax information given him in violation of the law. My bill would add a new crime of unauthorized receipt of tax returns or return information, with penalties equal to those of the unauthorized disclosure crime.

The provision of my bill would bring a new sense of confidentiality and security to all Americans in connection with the tax returns we are required to file each year. It would permit disclosure of such returns to agencies and individuals, only with the knowledge and consent of the taxpayer, except for the cases where some other legal means is required by the operations of the criminal justice system or where only statistical data is needed. This bill strikes that "balance" Commissioner Alexander referred to, and provides both a workable means for agencies requiring tax information to obtain it and the privacy and confidentiality currently unavailable to the American taxpayer.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tax Return Privacy Act".

SEC. 2. AMENDMENT OF SECTION 6103.

(a) RETURNS AS CONFIDENTAL.—Section 6103 (a) of the Internal Revenue Code of 1954 (related to public records and inspection) is amended—

(1) by striking out the caption of subsection (a) and inserting in lieu thereof the following: "Confidential Nature of Returns.—", and

(2) by striking out "public records" each place it appears in paragraph (1) and (2) and inserting in lieu thereof "confidential records".

(b) INSPECTION OF RETURNS BY GOVERNMENT AGENCIES.—Section 6103 of such Code (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended by adding at the end thereof the following new subsection:

"(g) TAXPAYER CONSENT.—

"(1) GENERAL RULE.—In addition to the requirements imposed under any other provision of this section and except as provided in paragraph (2), (3) or (4), no person and no agency of the Government of the United States, or of any State or political subdivision of a State, shall be permitted to inspect a return of tax filed with the Internal Revenue Service by a taxpayer unless—

"(A) the Secretary or his delegate notifies the taxpayer in writing of the request to inspect such return, and

"(B) the Internal Revenue Service receives written consent from such taxpayer to such inspection.

The notice required under subparagraph (A) shall specify the name of the person or agency requesting permission to inspect the return, the address of such person or agency, and the reason set forth by that person or agency for such request.

"(2) TAX ADMINISTRATION AND OVERSIGHT EXCEPTIONS.—

Paragraph (1) does not apply—

"(A) to the inspection of a return under subsection (b)(2) by a State body or commission solely for the purpose of administering State income tax laws,

"(B) to the inspection of a corporate tax return by a shareholder in that corporation under subsection (c),

"(C) to the inspection of a return by the House Ways and Means Committee, the Senate Finance Committee, the Joint Committee on Internal Revenue or a select committee of the House or Senate under subsection (d), or

"(D) to the inspection of a return by an employee of the Department of the Treasury or Department of Justice in connection with the administration or enforcement of this title.

"(3) CRIMINAL INVESTIGATION EXCEPTION.—

"(A) Any Federal officer or employee charged with the enforcement of any Federal law for the violation of which criminal penalties are provided may apply to the appropriate district court of the United States for an order granting him access to the return specified in the order.

"(B) The district courts of the United States have jurisdiction to hear, determine, and issue orders directing the Secretary or his delegate to permit the inspection and copying of return for the inspection of which application is made under subparagraph (A). A district court shall issue such an order, setting forth the return or other information associated therewith, only if it is satisfied that there is probable cause to believe that the information contained in the return, or such associated information, is necessary for the investigation or prosecution of a violation of Federal law punishable by criminal penalty and that no alternative source for such information is reasonably available to the officer or employee seeking the order.

"(C) The Secretary or his delegate shall make such returns and other information held by him and described in the order available to such officer and employees upon the issuance of such an order.

"(4) PROSPECTIVE APPOINTEES BACKGROUND CHECK.—Whenever the President, in a written request personally signed by him which sets forth the name of an individual and the office for which he is being considered, asks the Secretary or his delegate to furnish such information, the Secretary or his delegate may transmit to the President or to any employee of the executive office of the President information concerning an individual who is under consideration for appointment by the President to Federal office as to—

"(A) whether that individual has filed a return of income tax for each of the preceding 3 taxable years of that individual,

"(B) whether that individual has incurred any penalty or has been the subject of a deficiency proceeding at any time within the preceding 3 taxable years of that individual, and

"(C) whether that individual has been the subject of an investigation for failure to comply with any provision of this title during the last 3 taxable years of that individual.".

(c) Definitions.—Section 6103(e) of such Code (relating to declarations of estimated tax) is amended to read as follows:

"(e) Definitions.—For purposes of this section—

"(1) Return.—The term 'return' includes declarations of estimated tax, information returns, schedules and lists accompanying or supplemental to such declarations and returns, and information obtained by the Secretary or his delegates in the administration of this title (other than information which indicates that a taxpayer may be in violation of any provision of title 18).

"(2) To inspect.—The term 'to inspect' includes a request for information contained in a return (other than information which does not relate to a particular taxpayer, or from which a taxpayer cannot be identified).".

(d) Statistical and Other Information.—Such section 6103 is amended by adding at the end thereof the following new subsection:

"(h) Disclosure of Certain Information.—

"(1) Social security and railroad retirement taxes.—The Secretary or his delegate shall furnish to the Social Security Administration and the Railroad Retirement Board information derived from returns of the taxes imposed by chapters 2, 21, and 22.

"(2) Federal agencies and state tax authorities.—Upon the request of the head of any department or agency of the Federal Government or of the principal tax official of a State, the Secretary or his delegate is authorized to furnish statistical information derived from returns to such department or agency or such State. Any information so furnished shall be compiled by employees of the Internal Revenue Service. A reasonable fee for compiling and furnishing such information may be charged.".

Sec. 3. Penalties.

Section 7213 of the Internal Revenue Code of 1954 (relating to penalties for unauthorized disclosure of information) is amended—

(1) by striking out the matter in subsection (a)(1) beginning with "; and any person committing an offense" through the period and inserting in lieu thereof a period and the following: "Violation of the provisions of this paragraph is a felony punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both. In addition, if the offender is an officer or employee of the United States, he shall be dismissed from office or discharged from employment.";

(2) by striking out "misdemeanor" each place it appears in paragraphs (2) and (3) of subsection (a) and inserting in lieu thereof "felony";

(3) by striking out "$1,000" and "1 year" each place they appear in such paragraphs (2) and (3) and inserting in lieu thereof "$10,000" and "5 years", respectively; and

(4) by redesignating subsection (e) as (f) and inserting after subsection (d) the following new subsection:

"(e) Unauthorized Receipt.—No person may knowingly accept receipt of any material which is disclosed in violation of the provisions of this section. Violation of the provisions of this subsection is a felony punishable by a fine not to exceed $10,000, imprisonment for not more than 5 years, or both.".

Sec. 4. Audit of Agencies Using Tax Returns.

The Comptroller General is authorized to investigate the use of Federal tax returns by any agency of the Federal Government or of any State or local government in order to ascertain whether appropriate procedures are used to insure that such returns are treated as confidential records.

By Mr. SPARKMAN (by request):

S. 1512. A bill to provide for the participation of the United States in the African Development Fund. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to provide for the participation of the United States in the African Development Fund.

The bill has been requested by the Department of the Treasury and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record at this point, together with the letter from the Acting Secretary of the Treasury to the President of the Senate dated April 17, 1975.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 1512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "African Development Fund Act".

Sec. 2. The President is hereby authorized to accept participation for the United States in the African Development Fund (hereinafter referred to as the "Fund") provided for by the agreement establishing the Fund (hereinafter referred to as the "agreement") deposited in the Archives of the United Nations.

Sec. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor, and an Alternate Governor, of the Fund.

(b) The Governor, or in his absence the Alternate Governor, on the instructions of the President, shall cast the votes of the United States for the Director to represent the United States in the fund. The Director representing the United States and his Alternate, if they are citizens of the United States, may, in the discretion of the President, receive such compensation, allowances, and other benefits not exceeding those authorized for a Chief of Mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended.

Sec. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Fund to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Fund under paragraphs (5) and (6) of subsection (b) of section 4 of said Act, as amended, shall be included in the first report made thereunder after the United States accepts participation in the Fund.

Sec. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States:

(a) agree to an increase in the subscription of the United States to the Fund;

(b) vote for or agree to any amendment of the agreement which increases the obligations of the United States, or which would change the purpose or functions of the Fund; or

(c) make a loan or provide other financing to the Fund, except that funds for technical assistance may be provided to the Fund by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

Sec. 6. (a) There is hereby authorized to be appropriated without fiscal year limitation, as the United States subscription, $15,000,000 to be paid by the Secretary of the Treasury to the Fund in three annual installments of $5,000,000 each.

(b) Any repayment or distribution of moneys from the Fund to the United States shall be covered into the Treasury as a miscellaneous receipt.

Sec. 7. Any Federal Reserve bank which is requested to do so by the President shall act as a depository for the Fund, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

Sec. 8. For the purpose of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico by or against the Fund in accordance with the agreement, the Fund shall be deemed to be an inhabitant of the Federal judicial district in which its principal office or agency appointed for the purpose of accepting service or notice of service is located, and any such action to which the Fund shall be party shall be deemed to arise under the laws of the United States, and the district courts of the United States (including the courts enumerated in title 28, section 460, United States Code) shall have original jurisdiction of any such action. When the Fund is defendant in any action in a State court, it may, at any time before the trial thereof, remove such action into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

Sec. 9. The agreement, including without limitation articles 41 through 50, shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon the acceptance of participation by the United States in, and the entry into force of, the Fund. The President, at the time of deposit of the instrument of acceptance of participation of the United States in the Fund, shall also deposit a declaration that the United States retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Fund to its citizens or nationals and may deposit a declaration providing for reservations on other matters set forth in article 58.

The Secretary of the Treasury,
Washington, D.C., April 17, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft bill "To provide for the participation of the United States in the African Development Fund."

The African Development Fund (AFDF) was established in June 1973, after several years of discussion and negotiation, with pledges of about $80 million from other industrialized nations. The purpose of the AFDF is to complement the activities of the African Development Bank (AFDB) by providing concessional financing for high priority development projects in Africa.

The African Development Bank was created in the early 1960's to assist in the economic and social development of Africa's newly independent nations and to promote economic cooperation on the continent. Membership—now 40 countries—is open to African nations. The AFDB represents a significant self-help effort to build a strong, on-going institution.

In 1966, the Bank undertook discussions with the United States and other developed countries concerning the establishment of a concessional loan facility to be funded in substantial part by wealthier nations. The U.S. played an active role in the drafting of the Agreement establishing the African Development Fund, which started operations June 30, 1973. The participants in the Fund are various donor nations and the AFDB. Half of the members of the Board of Directors of the Fund are chosen by the Bank and half by the donor countries, six for each group.

Since the Fund's establishment, donor nations have pledged contributions of about $102 million in concessional loan resources. The AFDB has contributed another $5.5 million. Our proposed contribution of $15 million, which represents less than 14% of the contributions thus far pledged, would bring the level of total contributions to about $123 million. We would be only the fourth highest contributor, after Canada, Japan and Germany, each of which has pledged over $16 million.

Since its inception in mid-1973, the Fund has been very active in providing assistance to the drought affected countries of the Sahel, making 9 of its 17 loans to date for long term development projects in this hard hit area of Africa. Twenty five million dollars of loans have been made to Mali, Mauritania, Chad, the Gambia, Senegal and Upper Volta for projects such as village wells, roads, earthen dams, and rice development.

The attached bill authorizes the President to accept participation for the United States in the African Development Fund and further authorizes the appropriation without fiscal year limitation of $15 million to be paid to the Fund in three equal annual installments as the U.S. subscription. The bill provides that the President, by and with the advice and consent of the Senate, shall appoint a Governor, and an Alternate Governor, of the Fund, and that the Governor, on the instructions of the President, shall cast the votes of the United States for the Director to represent the United States in the Fund.

The President has, on several occasions, expressed his support for U.S. participation. Our relations with Africa have assumed greater significance as U.S. investors and traders have been drawn increasingly to the region. Participation in and support of the Fund is consistent with our concerns for African development and would be perceived by the African nations as an indication of our interest in their growth and prosperity.

Furthermore, under the Articles of the Fund, procurement of goods and services for fund projects may only be made from member nations. Thus, until the United States joins the Fund, we will be precluded from this potentially substantial source of export earnings.

The present impact on the U.S. budget of the proposed $15 million contribution to the Fund will be quite small. Initially, we would contribute in the form of non-interest bearing letters of credit, which would become budget outlays only when cashed as needed. Outlays would be spread over a number of years, and probably total only about $2 million in the first two fiscal years of our participation, and about $4 million in the next two.

It will be appreciated if you will lay the enclosed draft bill before the Senate. An identical draft bill has been transmitted to the House of Representatives.

The Office of Management and Budget advises that there is no objection to the presentation of this legislation for the consideration of the Congress and that its enactment would be in accord with the President's program.

Sincerely yours,
Stephen S. Gardner,
Acting Secretary.

By Mr. RANDOLPH (for himself and Mr. Baker):

S. 1513. A bill to extend the Appalachian Regional Development Act of 1965. Referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, I introduce, for myself and the Senator from Tennessee (Mr. Baker), a bill to extend the Appalachian Regional Development Act of 1965.

This is the draft legislation recommended by the administration. I present this measure with Senator Baker to encourage debate for I have serious reservations about many of the proposed amendments. In particular, I have grave doubts concerning the highway proposal contained in this legislation. This bill will serve as a basis for further testimony as the Committee on Public Works continues its consideration of the future of the Appalachian program. I ask unanimous consent that the bill and the executive communication accompanying the proposal be printed in the Record at the conclusion of my remarks.

Mr. President, 10 years ago last month, President Lyndon B. Johnson signed into law legislation creating the unique Federal-State partnership we know as the Appalachian regional development program.

For the past decade the Appalachian program has been a major force in the 13 States that comprise the region. Its mission was, simply stated, to transform Appalachia from a "pocket of poverty" into a full participant in the general prosperity of America.

On March 10, 1975, the Committee on Public Works began hearings to determine the extent to which this effort has succeeded. The past 10 years have produced their share of frustrations for those of us who are concerned with life in Appalachia. Because we knew the magnitude of the problems and their impact on the people, the fact that they have not been overcome as quickly as we might have wished is not necessarily a sign of failure for the program. Solid advances have been made in improving the quality of life, diversifying the economy and providing the basic facilities for future improvements. In the process we have seen the establishment of intergovernmental relationships more innovative than any developed in this country for many years.

My concern with the Appalachian regional development program is twofold. As chairman of the committee with legislative responsibility for this activity, I must make certain that its pursuit is in the national interest as well as for the benefit of the region.

Second, as a Senator from the only State wholly in the designated Appalachian region, my concern is intensely personal. I know Appalachia; I know its people and their problems. I know—as I did 10 years ago—that a major commitment of time and resources is imperative if our goal is to be achieved.

Mr. President, I am—quite frankly—pleased that this administration has finally given support to this program, recommending that it be extended. In this context, as we consider various proposals to extend this legislation, or modify its direction, it is more critical than ever before that the involvement of the region's Governors be personal and direct. The active involvement of the 13-State governments from the very beginning has been considered essential to the success of the Applachian experiment.

While I am a believer in the concept and goals of the Appalachian program, I also recognize that there may well be deficiencies in its organization and administration which must be remedied if the Appalachian regional program is to continue.

A principal predicate for its extension is the willingness of the State partner to demonstrate to the Congress its commitment to policies and programs—and their responsible execution—which are compatible with the national interest in a time of severe economic instability, and a preeminent concern for respecting and fostering that special spirit of the Appalachian people who have made such a tremendous contribution to the quality of American life.

In early June, the Committee on Public Works, Subcommittee on Economic Development, will resume its inquiry into the details of the legislative proposals now before us. We will examine as well the commitment of the State partners to demonstrate their responsibility and accountability in this Federal-State partnership.

In connection with these hearings, Mr. President, I ask unanimous consent that committee questions submitted on April 7, 1975, to the ARC Federal Cochairman Donald W. Whitehead; the State cochairman, Kentucky Gov. Julian M. Carroll; and Executive Director Harry Teter, Jr., be included in the Record at the conclusion of my remarks since the response to these questions will form the basis for our hearings in June.

There being no objection, the questions were ordered to be printed in the Record, as follows:

Questions Concerning the Appalachian Regional Commission Addressed to the Cochairman

1. With the decisions of the Commission to adopt a "single allocation" approach, what function does the Commission retain?

2. How are regional priorities set by the thirteen Governors at their monthly meetings?

3. How does the project approval process work at the Commission's Table? The project review process?

4. What is ARC's development plan?

5. How are the factors used in determining allocation formulas for Commission funds established?

6. The Committee did not receive much

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testimony during the hearings about the States as partners and their progress in developing the capability to manage their own growth and development. How should the Commission assist in strengthening and modernizing State management?

7. What have state and local governments done with revenue sharing funds to improve public services in Appalachia?

8. How have you involved local community groups in the process of setting priorities for the region? What are their proposals for the work of the Commission?

9. In the document submitted at the hearing to support and explain your legislative proposals, section 3 refers to the "growth center investment strategy" of the Commission and the Commission's intention to relate this strategy to an areawide development approach.

In the statement submitted for the record by Governor Arch Moore, Gov. Moore said the growth center concept is outmoded—that "they do not fit West Virginia or any part of Appalachia."

Does this mean the growth center strategy is being abandoned—as Gov. Moore suggests—or expanded as the legislative program document indicates?

10. In your opinion, what is the single greatest unmet need in Appalachia today?

11. How critical is the completion of the Appalachian Highway System to the implementation of the Appalachian Development Program?

12. Does the Commission assign construction priorities to the design highway corridor schedule? Does the Commission recommend that one corridor or segment have priority over another?

13. In 1971, John M. Munro reported to the ARC on the region's proposed highway program criticizing both the quality of ARC's highway planning efforts, and the lack of a reasonable analytical foundation for their highway placement plans. He said, "the need for, and probable effects of, the development of a regional highway system have never been set forth." He concluded that it has "not been demonstrated how the highway system would stimulate economic growth and development, or how the alleged lack of highways hindered it." How do you relate those criticisms to the recommendations of the Commission that funds be authorized for the completion of the highway system?

14. How does the Commission allocate access road appropriations among the 13 states? How does this process differ from the allocation of funds from the Highway Trust Fund among the 13 States?

15. To what extent have the Commission health programs remedied the previous deficiency of health care facilities? Are these facilities sufficiently staffed with competently trained personnel? With the increase in facilities availability, what has been the improvement in the delivery of health services?

16. Although time did not permit to hear your statement in regard to the Commission's budget proposals, your written testimony has been reviewed. The Committee is particularly interested in your request for $10 million to finance a housing renovation program. Could you give us some details?

17. Implementation of the 1973 National Flood Insurance Program is moving forward and proposed regulations were published in the Federal Register on March 26, 1975. Has the Commission had an opportunity to evaluate the impact of the flood insurance program on the development of the Appalachian region?

18. The allegations in the Louisville *Courier-Journal* articles of March 17 and 25, 1975, are serious. They reflect on the performance of a member of ARC's Executive Committee. The Commission certainly could not afford to create the appearance of condoning any inappropriate behavior on the part of the representative of one of the two managing partners, or any attempt to cover up possible improprieties.

Have you satisfied yourself that there is no evidence to substantiate the allegations? If there is evidence, how have you acted on it?

19. It has been alleged in the *Courier-Journal* and elsewhere that Commission personnel had been ordered not to discuss matters relating to the allegations surrounding the States' Regional Representative, John Whisman, nor to disclose relevant documents. To your knowledge, were Commission personnel so instructed and by whom?

To your knowledge, have any threats of reprisal or dismissal been made against current or former personnel for providing information to States, law enforcement agencies, Congressional Committees, or, upon request, to the press?

QUESTIONS CONCERNING THE APPALACHIAN REGIONAL COMMISSION ADDRESSED TO THE STATE COCHAIRMAN

1. With the decision of the Commission to adopt a "single allocation" approach, what function does the Commission retain?

2. How many meetings of the Appalachian Regional Commission have you attended each year? Who has represented your State at each meeting in your absence, and to whom in your State government does that person report?

3. What does the Appalachian Regional Development program provide in the governmental processes in federal/state relations that was lacking prior to its existence?

4. How are regional priorities set by the thirteen Governors at their monthly meetings?

5. How does the project approval work at the Commission's Table. The project review process?

6. What is ARC's development plan?

7. How are the factors used in determining allocation formulas for Commission funds established?

8. The Committee did not receive much testimony during the hearings about the States as partners and their progress in developing the capability to manage their own growth and development. How should the Commission assist in strengthening and modernizing State management?

9. What have state and local governments done with revenue sharing funds to improve public services in Appalachia?

10. Have you involved local community groups in the process of setting priorities for the region? What are their proposals for the work of the Commission?

11. Describe the relationships—the lines of communication—between state government, the local development districts, and local units of government.

12. What does an LDD (local development district) provide in the governmental process that prior to its existence was lacking?

13. Would you advocate a more important role for the LDDs? If so, what would you like for them to do that they are not now doing?

14. The Committee heard some criticism of the "areawide action planning" proposal on the grounds that it enhances the power of local development districts at the expense of state government power. How do the States view this potential shift in power?

15. How does the planning process function in your State?

16. In the document submitted at the hearing to support and explain your legislative proposals, section 3 refers to the "growth center investment strategy" of the Commission and the Commission's intention to relate this strategy to an areawide development approach.

In the statement submitted for the record by Governor Arch Moore, Gov. Moore said the growth center concept is outmoded—that "they do not fit West Virginia or any part of Appalachia."

Does this mean the growth center strategy is being abandoned—as Gov. Moore suggests—or expanded as the legislative program document indicates?

17. There is a suggestion before this Committee to increase the Commission's role in the field of timber development. What would be the most meaningful contribution the Commission could provide to enhance the economic potential of the timber resources of your State?

18. Have local units of government made the maximum effort to raise revenues to meet the needs of the area?

18(A) In your opinion, what is the single greatest unmet need in Appalachia today?

19. Does the Appalachian Highway System in your State reflect a route selection which, given a longer time frame, would have been constructed with Federal-aid or State highway system funds, anyway?

20. How critical is the completion of the Appalachian Highway System to the implementation of the balance of your State's Appalachian Development Program?

21. Does the Commission assign construction priorities to the design highway corridor schedule? Does the Commission recommend that one corridor or segment have priority over another?

22. How does the Commission allocate access road appropriations among the 13 states? How does this process differ from the allocation of funds from the Highway Trust Fund among the 13 States?

23. In 1971, John M. Munro reported to the ARC on the region's proposed highway program criticizing both the quality of ARC's highway planning efforts, and the lack of a reasonable analytical foundation for their highway placement plans. He said, "the need for, and probable effects of, the development of a regional highway system have never been set forth." He concluded that it has "not been demonstrated how the highway system would stimulate economic growth and development, or how the alleged lack of highways hindered it." How do you relate those criticisms to the recommendations of the Commission that funds be authorized for the completion of the highway system?

24. To what extent have the Commission health programs remedied the previous deficiency of health care facilities? Are these facilities sufficiently staffed with competently trained personnel? With the increase in facilities availability, what has been the improvement in the delivery of health services?

25. What are the still unmet needs for medical services in your part of the Appalachian region?

26. How does a section 202 Health Council in your State relate to the developmental planning process?

27. Are the medical and nutritional deficiencies disclosed through the child development screening process remedied completely or partially through the ARC health programs in your State?

QUESTIONS CONCERNING THE OFFICE OF THE STATE'S REGIONAL REPRESENTATIVE

1. The expenditure of the States' money to staff the States' office of ARC is a matter for the States to regulate, monitor and direct in a manner similar to the standard prescribed for the expenditure of State funds in each of the member States.

However, when the expenditures of such State funds in connection with the operation of ARC reflect poorly on the institution itself, then the Congress is obligated to be real or alleged (as reported in the Louisville *Courier-Journal* of March 17 and March 25, 1975), be investigated and dealt with in a manner which satisfies all concerned, especially the public, that any abuses have been corrected and, most importantly, that safeguards have been instituted to prevent possible abuse.

What have the States done in response to the allegations outlined in the *Courier-Journal* of March 17 and March 25?

2. The allegations in the article are serious. They reflect on the performance of a member of ARC's Executive Committee. The Commission certainly could not afford to create the appearance of condoning any inappropriate behavior on the part of the representative of one of the two managing partners, or any attempt to cover up possible improprieties.

Have you satisfied yourself that there is no evidence to substantiate the allegations? If there is evidence, how have you acted on it?

3. Your representative, Dean Charles Haywood, is quoted as saying, "He (Whisman) as an individual should be protected if charges are not found to have merit, or if they are not brought in a proper way."

Is your representative suggesting that if these serious charges were not brought in a manner deemed appropriate by Mr. Haywood, the charges should not be investigated?

Since this is allegedly a matter involving State funds, how should such a problem be brought to the attention of the States? What is the procedure for dealing with such a charge?

(NOTE.—In evaluating this matter, it would be helpful for the Committee to have copies of the Haskins and Sells "general review" of the State's accounts, as well as the report prepared by Lynn Currey, Commission Representative of the Commonwealth of Virginia, upon which many have apparently relied for on account of the States' investigation of these charges.)

4. It has been alleged in the *Courier-Journal* and elsewhere that Commission personnel had been ordered not to discuss matters relating to the allegations surrounding the States' Regional Representative, John Whisman, nor to disclose relevant documents. To your knowledge, were Commission personnel so restricted and by whom?

To your knowledge, have any threats of reprisal or dismissal been made against current or former personnel for providing information to States, law enforcement agencies, Congressional Committees, or, upon request, to the press?

QUESTIONS ADDRESSED TO THE EXECUTIVE DIRECTOR

1. What, in your opinion, is the single greatest unmet need in Appalachia today?

2. Would you advocate a more important role for Local Development Districts? If so, what would you like for them to do that they are not now doing?

3. How does the project approval process work at the Commission's Table? The project review process?

4. What is the Commission's Development Plan? Please provide the Committee with a copy of the ARC Development Plan.

5. What has the Commission done to encourage reforms among the member states with respect to local and state corporate tax policies?

6. What are the proposals of citizen groups throughout the Appalachian region for their communities and the region? How have they been involved in the decision-making process of delineating priorities and approving projects for the ARC?

7. How frequent are the Commission's contacts with other basic Federal agencies to coordinate funding and planning?

8. Do you provide other agencies with copies of the Appalachian Development Plan for their guidance in planning?

9. What do you view as the role of the Washington-based Commission staff in the administration of Program. How is that relationship reflected in organizational staffing patterns?

10. Where should line administration of Appalachian programs be accomplished? Please describe the function of each level of bureaucracy—local, LDD, state, commission and Federal agency staff in this administrative scheme.

11. Under what arrangements are Washington-based staff made available to local units of government?

12. Who in the Commission staff has ultimate responsibility for the assimilation of the Appalachian Development Plan?

13. The following questions arise from the March 21, 1975, Memorandum by Kenneth L. Shepard, Director, Finance and Administration, submitted in response to the Committee's request for information on the Commission's allocation of personnel and administrative resources:

(a) "Steno reporting for Commission Meeting—$7,000." Recent news reports indicate a "minutes recorder ($17,000)" is also on the staff of the Information and Publications division. How do the functions of these positions differ? (Attachment I, page 4)

(b) (Attachment I, page 4): "Staff training—$5,000." Please describe this function.

(c) (Attachment II, page 1): Please explain the duties of "State Liaison Specialist".

(d) (Attachment II, page 3): Please describe the role of the Planning and Evaluation Division?

(e) Five Divisions of the Program Operations Groups are headed by "Acting Directors". Why?

(f) (Attachment II, page 4): What is the function of the Community Development Division?

(g) (Attachment II, page 4): Why is the Acting Director, Division of Natural Resources under contract rather than on the staff?

14. The allegations in the Louisville *Courier-Journal* articles of March 17 and 25, 1975, are serious. They reflect on the performance of a member of ARC's Executive Committee. The Commission certainly could not afford to create the appearance of condoning any inappropriate behavior on the part of the representative of one of the two managing partners, or any attempt to cover up possible improprieties.

Have you satisfied yourself that there is no evidence to substantiate the allegations? If there is evidence, how have you acted on it?

15. It has been alleged in the *Courier-Journal* and elsewhere that Commission personnel had been ordered not to discuss matters relating to the allegations surrounding the States' Regional Representative, John Whisman, nor to disclose relevant documents. To your knowledge, were Commission personnel so instructed and by whom?

To your knowledge, have any threats of reprisal or dismissal been made against current or former personnel for providing information to States, law enforcement agencies, Congressional Committees, or, upon request, to the press?

Mr. BAKER. Mr. President, I am very glad that President Ford has recommended extension of the Appalachian regional program.

As the ranking Republican member of the Committee on Public Works, I am pleased to join with Senator JENNINGS RANDOLPH, chairman of the committee, in introducing the administration bill to extend for 4 years the Appalachian regional program. Senator RANDOLPH was an original sponsor of the Appalachian Regional Development Act of 1965, and his continued strong support and leadership over the years has been invaluable.

As I stated in the Senate on March 7, I strongly support and will work for extension of the Appalachian program. In fact, the Senate Public Works Committee has already held 3 days of hearings in March, receiving testimony from the Federal cochairman, Governors and their representatives, and local groups and citizens—all of whom are familiar with the problems and promise of the region and of the Appalachian program as it has performed over the last decade. The committee will, of course, be considering this bill along with other recommendations and the testimony already received by the committee, as the chairman has pointed out.

Mr. President, the Appalachian program—begun 10 years ago—was innovative from the beginning. While it has experienced some setbacks and had its share of criticism, the Appalachian program has worked and worked well. Now it is time to complete the unfinished task so well begun.

While improving the quality of sadly inadequate human services remains a first priority, it is also time to approach the new challenges and problems faced by Appalachia in a changing world. For example, energy supply has most recently become a high national priority. Appalachian coal is now widely recognized as a major national asset. As the most important producer of our largest domestic source of energy, Appalachia now confronts the future in the extent of this new relationship to the Nation.

It is vitally important that we develop our energy resources. It is equally important that they be developed in an orderly fashion, conscious of the critical factors of regional growth and in a way that protects the economic, environmental, and social fabric of life in the several Appalachian States. It is my belief that the Appalachian Regional Commission is uniquely situated to make a contribution during the formulation and implementation of national energy policies and programs. It could coordinate and represent the interests of the States and people of the region before the Federal agencies and councils involved in energy resources decisions: and in turn, it could make known to the region the consequences and opportunities of alternative applications of national energy decisions.

While the crucial energy needs of our country present Appalachia with a new opportunity to assist the Nation, there may also be a new responsibility to assist the region so as to assure that accelerated coal production will lead to sound development, conservation, and self-sustaining economic growth. The twin goals of national self-sufficiency in energy, and regional self-sufficiency in economic well-being, can be better and more quickly approached through recognition of their correlation, and through the kind of Federal-State-local cooperation which

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the Appalachian Regional Commission exemplifies.

We have the opportunity now to provide a diversified and more flexible economic future for the Appalachian region while helping to fulfill the Nation's energy needs. The Commission could help guide the growth generated through the "coal boom" to achieve a better quality of life and economic viability.

If, on the other hand, we fail to grasp the opportunity before us—to plan carefully through a Federal-State partnership—the risks are very high. The wealth extracted from the region could again flow out; the land, waters, air, and heritage of the region could be degraded; the significant progress of recent years could be set back. If ever there were a time to guide changes in long-term growth and development, it is now and here. If ever there were a time to protect against short-term dislocations of current economic patterns, it is here and now.

Mr. President, I see hopeful new patterns of economic performance emerging in Appalachia—providing we keep sight of the objectives established at the beginning of the Appalachian program in 1965, and if we continue to build upon the significant accomplisments to date while meeting the future challenge brought on by the changing world, I am very hopeful that, with foresight, we may exploit the promising potential for the betterment of Appalachia, rather than its energy wealth at the expense of Appalachia. Otherwise, in hindsight, we may pay dearly and regret the opportunities lost.

I am sure these hopes and aspirations are shared by my colleague, the distinguished chairman of the committee, Senator RANDOLPH, and I look forward to working closely with him in extending and improving the Appalachian regional program.

Mr. President, I ask unanimous consent that the letter of transmittal from Donald W. Whitehead to Vice President ROCKEFELLER, together with the bill and a section-by-section analysis be included in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE APPALACHIAN REGIONAL COMMISSION,
Washington, D.C., April 17, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There are enclosed four copies of a draft bill, "To extend the Appalachian Regional Development Act of 1965."

The Appalachian Regional Development Act of 1965 authorizes a program to assist the Appalachian Region to meet its special problems, promote its economic development, and to establish a framework of joint Federal and State efforts to provide the basic facilities essential to economic growth in Appalachia. A Congressional objective of the original Act was the generation of a diversified industry which will enable the Region to support itself through the workings of a strengthened free enterprise economy.

The existing law authorizes the Appalachian Development Highway Program through Fiscal 1978. The Commission's other, non-highway, programs are authorized through June 30, 1975. The present Act authorizes expenses for administration of the Commission and the Federal Cochairman and his Federal staff through June 30, 1975.

While the bill proposes no extension or increase in authorizations for the highway program, it does propose a new, more flexible funding provision to stimulate the construction of Appalachian projects. Section 104(2) would amend subsection (f) of Section 201 of the Act by adding a new provision. The new provision would raise the percentage limit on the total Federal share of any construction project's costs from 70 percent to 90 percent where a State uses title 23 U.S.C. Federal-aid highway funds in combination with Appalachian highway funds in any one of a specified range of ratios. Under this new provision, assuming the State provides only its minimum 10 percent matching share, the combined Federal funding could range from a combination of a maximum of 60 percent of project costs in Appalachian highway funds with a minimum of 30 percent title 23 funds to a minimum of 45 percent in Appalachian funds with a maximum of 45 percent in title 23 U.S.C. funds. The State would remain free to elect to provide a larger State contribution.

The proposed bill would extend the non-highway programs authorized by the Act through September 30, 1979, and authorize $267 million for FY 197–77 and $267 million for FY 1978–79 for such programs. The proposed bill also would authorize such sums as may be necessary for the administrative expenses of the Commission over the same period.

In the main, these other programs would be extended with some refinements in the existing statutory language to make the Commission's programs more flexible and responsive to the Region's needs. Most of the changes are amendments to existing sections of the Appalachian Act; however, several new sections would be added by this bill.

Section 113 of the proposed bill would add a new Section 225 which would incorporate into the existing Act the Appalachian State development planning process, the role of the Local Development Districts, and provisions for the coordination of local and State planning. This section would formally recognize in the Act the planning process and working relationships between local and State governments which the Commission has developed and fostered under the Appalachian Program.

Section 104(4) would add two new subsections. The first, 201(i) directs the Commission and the Secretary of Transportation to issue guidelines to emphasize the development purposes of the Appalachian Development Highway System and calls for special efforts during the design and construction of the highway system to identify, preserve and assist in establishment of development sites. The second, 201(j), would provide authority for grants for the planning, engineering and development of sites for such uses as housing and community development, industry, energy conservation and production, recreation, tourism, and environmental improvement.

The remaining changes in the Act are, as noted above, refinements of the existing program. Some of the more important of these are as follows:

Section 112 of the Act would amend Section 224 to eliminate prohibitions against financing industrial or commercial facilities or machinery, or facilities for the generation, transmission or distribution of electrical energy or gas. These changes are sought to eliminate any doubt as to the extent of the Commission's authority to provide assistance for the development of industrial parks, to provide technical assistance to business, and to permit assistance to industrial demonstrations designed to make better use of the Region's energy and other resources.

Section 106 amends Section 204 to add (to existing loan authority) grants for timber development organizations for planning, equipment, construction and operations, including individual forest management contracts. Section 107 broadens Section 205 by permitting strip mine reclamation on lands owned by non-profit entities and permitting waivers of required releases upon appropriate indemnification agreements. Section 108 amends Section 207 to expand the types of housing programs which can be assisted to include all Federal or State programs for low- or moderate-income housing and to authorize the Commission to provide funds to the States for making the same types of grants and loans as authorized for the Secretary. Section 109 would confirm and clarify the breadth of the scope of demonstration projects under Section 211(b). Section 110 would amend Section 214 to broaden the range of programs that can be supplemented. Section 114 would amend Section 302 to provide special grants for State management and technical assistance to strengthen the Appalachian Development Planning process; make land acquisition an eligible cost; and place emphasis on demonstrations for enterprise or service development activities, rural transportation, and the balanced use of natural resources of the Region.

Section 117 of the Act would repeal Section 104 of the Public Works and Economic Development Act which now prevents the coordination and cooperative funding of projects by ARC and EDA.

We have been advised by the Office of Management and Budget that the enactment of this legislation would be consistent with the Administration's objectives.

Sincerely,

DONALD W. WHITEHEAD,
Federal Cochairman.

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Appalachian Regional Development Act Amendments of 1975".

Sec. 102. Subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows:

"To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, such sums as may be necessary.".

Sec. 103. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "June 30, 1975" and inserting in lieu thereof, "September 30, 1979".

Sec. 104. Section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended as follows:

(1) The first sentence of subsection (c) is amended by inserting "under subsection (a) of this section" after the parenthesis following "acquisition".

(2) Subsection (f) of such section is amended by:

(i) inserting "subsection (a) of" after "under"; and

(ii) adding the following sentence: "Notwithstanding any provision of law, including the foregoing, limiting Federal assistance to any such construction project, where a State uses funds appropriated under subsection (g) of this section for at least 45 per centum and not more than 60 per centum of the costs of such project, the State is authorized to use funds available under title 23, United States Code for not more than 45 per centum

of such costs, but in no event shall the Federal assistance to any such project exceed 90 per centum of such costs.

(3) Subsection (g) of such section is amended as follows: by inserting, in the first sentence "excepting subsection (j)," after "section,".

(4) Such section is amended by adding at the end two new subsections, as follows:

"(i)(1). In order to obtain the maximum benefit from the public investment in the Appalachian development highway system and accelerate the potential for economic development afforded by such system, the Secretary and the Commission shall jointly develop and issue guidelines designed to assure that, in the location, design, and construction of any development highway, full account shall be taken of the development objectives of such system and the scarcity of sites suitable for development in many areas of the Appalachian region, and that special effort shall be made to identify and preserve any such sites, and assist in the establishment of additional sites.

(2) The Secretary may authorize any state highway department in the Appalachian region to transfer or convey any land in the region acquired by such department for the development highway system, when no longer needed for highway purposes, to any state or other public or private nonprofit entity for carrying out a development program approved by the Commission. Any transfer or conveyance or subsequent disposition of such lands shall be subject to such terms and conditions as the Secretary and the Commission shall prescribe, and may be without monetary consideration; *Provided*, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual."

"(j)(1) The Commission is authorized to make grants to public bodies and non-profit entities for planning, engineering, and reasonable site acquisition or development costs, including necessary offsite improvements, whenever such a grant is required for specific projects, such as the expansion and stimulation of industry, energy conservation and energy production and resource development, recreation and tourism, community development and housing, or associated projects contributing to the protection or improvement of the environment, which are essential elements of a development program approved by the Commission.

(2) Such grants shall be paid solely out of funds appropriated to carry out this subsection and the Federal share shall not exceed 80 per centum of the total costs thereof.

(3) For the purposes of this subsection—

(A) "planning" may include site identification, evaluation, utilization or financial feasibility studies and technical assistance;

(B) "site acquisition" costs shall not exceed the reasonable value of the real property and expenses incidental to its acquisition or, in the case of publicly owned lands which cannot be made available without monetary consideration, the amount required to reimburse the costs of such land to its owner;

(C) "site development" costs may include clearing, moving utilities, grading and drainage, land stabilization, flood protection, storm sewers, sanitary sewage systems, water systems, access and internal distributor roads, rail spurs or other ancillary facilities."

(4) Whenever any state or other public body or private non-profit entity shall undertake to secure lands required for a development program approved by the Commission, and when it has been determined by the Secretary that such state or other entity is unable to acquire such lands, or is unable to acquire such lands with sufficient promptness—

(A) The Secretary, upon the request of such body or entity and the approval of the general purpose local government in which such lands are located, the Governor of the State, and the Commission, is authorized in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931 (46 Stat. 1421));

(B) Such body or entity shall pay the non-Federal share of all expenses of said acquisition and any award that may be made under a condemnation proceeding, including costs of examination and abstract of title, certificate of title, appraisal, advertising, and any fees incident to acquisition. Pending such payment, the Secretary may expend from any funds made available to him from appropriations to carry out this subsection such sums as may be necessary to carry out this subsection. To secure payment, the Secretary may require any such State or other entity to execute a proper bond in such amount as he may deem necessary before acquisition is commenced.

(C) The Secretary is further authorized and directed by proper deed, executed in the name of the United States, to convey any lands or interests in land acquired in any State under the provisions of this subsection to such body or entity under such terms and conditions as the Commission shall prescribe; *Provided*, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall acrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual."

Sec. 105. Section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended as follows:

"(1) The second sentence of subsection (a) is amended by (a) inserting, "of land and" after "acquisition", and (b) by striking "made in accordance" and inserting in lieu thereof "compatible"

(2) The third sentence of subsection (c) of such section is amended by inserting "and title XX" after "title IV, parts A and B,".

Sec. 106. Section 204 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 204) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order that the region shall more fully benefit from the timber stands that are one of its prime assets, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") is authorized to provide technical assistance and make grants to States, other public bodies, and timber development organizations, for the planning, equipment, operation, and the construction of necessary facilities, of non-profit timber development organizations established under state law for the purposes of carrying out long-range timber development programs on a self-supporting basis that will improve timber productivity and quality thereby increasing returns to landowners, by providing such services and activities as (A) good forest management, including continuity of management, good cutting practices, and marketing information and services, (B) consolidation of small holdings or administrative consolidation for efficient management under long-term agreement, and (C) reforestation of cut-over lands and afforestation of strip mined lands."

(2) Such section is amended by redesignating subsection (b) as a subsection "(g)" and inserting after subsection (a) the following new subsections:

"(b) No grant under this section for planning necessary to the establishment of timber development organizations or for equipment, or construction shall exceed 80 per centum of the total costs thereof.

"(c)(1) Grants under this section for operation (including initial operating funds and operating deficits) of a timber development organization, may be made for up to 90 per centum of the costs thereof for not more than two years of operation. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No such grants shall be made for operations of a timber development organization after five years following the commencement of the initial grant for operation of the timber development organization.

(2) Such operation grants also may include costs of financial assistance by timber development organizations under agreements of not more than ten years with owners and occupiers of lands in the Appalachian region for carrying out programs approved by the Commission which will provide for the reforestation of cut-over lands or afforestation of strip mined lands and intensive multiple purpose management of forest resources; *Provided*, that such financial assistance shall not exceed 75 per centum of the costs (including labor) of carrying out a program on 500 acres of land of an owner or occupier unless the Commission determines, in consultation with the Secretary of Agriculture, that assistance on a greater acreage, or in excess of such percentage, is required in furtherance of this Act.

"(d) Any Federal grant contribution referred to in this section may be provided entirely from funds appropriated to carry out this section or in combination with funds provided under other Federal grant-in-aid programs for assistance related to the programs and activities of a timber development organization. Notwithstanding any provision of law limiting the Federal share in such other programs, funds appropriated to carry out this section may be used to increase such Federal grants to the maximum percentage cost authorized by the applicable provision of this section.

"(e) The Secretary is authorized to make loans under the applicable provisions of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1926 et. seq.) for not more than half of the capital requirements of timber development organizations (including but not limited to costs of construction, equipment and operations).

"(f) No grant or loan under this section shall be used for the construction or acquisition of facilities for manufacturing of forest or wood products".

Sec. 107. Section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended as follows:

(1) The first sentence of subsection (a)(1) is amended by striking "and to control and abate mine drainage pollution" and inserting in lieu thereof, "to control and abate mine drainage pollution; and for planning or engineering for any such activities".

(2) The first sentence of subsection (a)(2) is amended by inserting "planning, engineering, or" after "project for".

(3) The second sentence of subsection (b) of such section is amended by inserting "(including, but not limited to sand, clay, stone, culm, rock, spoil bank and non-combustible materials)" after "materials".

(4) Subsection (c) is amended to read as follows:

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"(c) Whenever a State, local government or other nonprofit applicant agrees to indemnify the Federal Government, or its officers, agents, or employees, for all claims of loss or damage resulting from the use and occupation of lands for a project assisted under this section, the Secretary may waive all requirements for the submission of releases, consents, waivers, or similar instruments respecting such lands, but the Secretary may require security as he deems appropriate for any such indemnification agreement.".

(5) Subsection (d) is amended to read as follows:

"(d) (1) No moneys authorized by this Act shall be expended for the purposes of reclaiming, improving, grading, seeding, or reforestation of strip-mined areas, except on lands owned by Federal, State, or local government bodies or by private nonprofit entities organized under State law for public recreation, conservation, community development and housing, or industrial, commercial or other economic development purposes.

(2) The transfer or conveyance of lands reclaimed under this section shall be subject to such terms and conditions as the Commission shall prescribe. Such terms and conditions may permit a transfer or conveyance without monetary consideration or require that any proceeds be applied to purposes specified in paragraph (1): *Provided*, that to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to any firm, association, corporation, or other entity organized or operated for profit or as profit to any individual."

SEC. 108. Section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended, as follows:

(1) Subsection (a) is amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations, and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government, in any area of the Appalachian Region determined by the Commission.".

(2) Subsection (c) (2) is amended to read as follows:

"(c) (2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary off-site improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of housing, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of housing shall exceed 10 per centum of the reasonable value of such rehabilitated housing, as determined by the Secretary.".

(3) Subsection (e) is amended by inserting before the period at the end, the following: "and may provide funds to the States for making grants and loans to non-profit, limited dividend or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section".

(4) By adding the following new subsection (f):

"(f) Programs and projects assisted under this section shall be subject to the provisions cited in Section 402 of the Act, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income housing.".

SEC. 109. Section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (b) (1) is amended by striking out everything after "operating" and inserting in lieu thereof, "education projects which will serve to demonstrate area-wide education planning, services and programs, with special emphasis on vocational and technical education, career education, cooperative and recurrent education, guidance and counseling, and the involvement of all sectors of the community, including industry and labor.".

(2) Subsection (b) (2) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(3) (a) The first and third sentences of subsection (b) (3) are amended by striking out "vocational and technical"; and

(b) The fourth sentence of subsection (b) (3) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(4) Subsection (b) (4) is amended by striking out "a vocational and technical" and inserting in lieu thereof, "an".

(5) Subsection (b) (5) is amended to read as follows:

"(5) No grant for planning, construction, equipment or operation of an education demonstration project shall be made unless the facility is publicly owned, but this shall not be deemed to preclude training or on-the-job employment activities away from such facility if the project is administered through a public body.".

SEC. 110. Section 214 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended as follows:

(1) The first sentence of subsection (a) of such section is amended by inserting after "projects", where it first appears in such subsection, "or activities (hereinafter referred to as projects)".

(2) The first sentence of subsection (c) of such section is amended to read as follows: "The term 'Federal grant-in-aid programs' " as used in this section means those Federal grant-in-aid programs authorized on or before December 31, 1978, by this Act and Acts other than this Act for the acquisition or development of land, the construction or equipment of facilities, or other community or economic development or economic adjustment activities, including but not limited to grant-in-aid programs authorized by the following Acts: Federal Water Pollution Control Act; Watershed Protection and Flood Prevention Act; titles VI and XVI of the Public Health Services Act; Vocational Education Act of 1963; Library Services and Construction Act; Federal Airport Act; Airport and Airway Development Act of 1970; part IV of title III of the Communications Act of 1934; titles VI (part A) and VII of the Higher Education Act of 1965; Land and Water Conservation Fund Act of 1965; National Defense Education Act of 1958; Consolidated Farm and Rural Development Act; titles I and IX of the Public Works and Economic Development Act of 1965; and title I of the Housing and Community Development Act of 1974.".

SEC. 111. Paragraph (2) of section 223 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 223) is amended to read as follows:

"(2) The Commission has approved such program or project and has determined that it meets the applicable criteria under section 224 of this Act and the requirements of the development planning process under section 225, and will contribute to the development of the region, which determination shall be controlling.".

SEC. 112. Section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) is amended as follows:

(1) Subsection (b) of such section is amended to read as follows:

"(b) No financial assistance shall be authorized under this Act to be used to assist establishments relocating from one area to another or to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors.".

(2) Such section is amended by adding at the end the following new subsection:

"(c) Funds may be provided for programs and projects in a State under this Act only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the state within the region, will not be diminished in order to substitute funds authorized by this Act.".

SEC. 113. There is inserted after section 224 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 224) a new section as follows:

"APPALACHIAN STATE DEVELOPMENT PLANNING PROCESS

"SEC. 225. (a) Pursuant to policies established by the Commission, each State member shall submit on such schedule as the Commission shall prescribe a development plan for the area of the state within the region. Such plan shall (1) describe the state organization and continuous process for Appalachian development planning, including the procedures established by the state for the participation of local development districts in such process, the means by which such process is related to overall state-wide planning and budgeting processes, and the method of coordinating planning and projects in the region under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State, and local programs; (2) set forth the goals, objectives and priorities of the state for the region, as determined by the Governor and identify the needs on which such goals, objectives, and priorities are based; and (3) describe the development program for achieving such goals, objectives, and priorities, including funding sources, and recommendations for specific projects to receive assistance under this Act.

"(b) (1) Local development districts certified by the state under Section 301 of this Act provide the linkage between state and substate planning and development. In carrying out the development planning process, including the selection of programs and projects for assistance, states shall consult with local development districts and take into consideration the goals, objectives, priorities, and recommendations of such

districts. The districts shall assist the states in the coordination of areawide programs and projects, and may prepare and adopt areawide plans or action programs.

(2) The Commission shall encourage and provide incentives for the preparation and execution of areawide action programs which specify inter-related projects and schedules of actions together with the necessary agency fundings and other commitments to implement such programs. Such programs shall make appropriate use of existing plans affecting the area.".

"(c) To the maximum extent practicable, Federal departments, agencies, and instrumentalities undertaking or providing financial assistance for programs or projects in the region shall (1) take into account the policies, goals and objectives established by the Commission and its member States pursuant to this Act; (2) recognize Appalachian State development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district certified under this Act which the Governor may designate as the area-wide agency required under any such program undertaken or assisted by such Federal departments, agencies, and instrumentalities.".

SEC. 114. Section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) (1) The President is authorized to make grants to the Commission for—

(A) state management, technical assistance, and other activities to strengthen the state development planning process for the region and the coordination of planning under this Act, the Public Works and Economic Development Act of 1965, and other Federal, State and local programs;

(B) administrative expenses, including the development of areawide plans or action programs and technical assistance activities, of local development districts certified under section 301 of this Act; and

(C) investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical or managerial assistance, training programs, enterprise or service development activities, demonstrations, and the acquisition or development of lands and the construction of necessary facilities incident to such activities, which will further the purposes of this Act.

"(2) The Federal share of grants under paragraphs 1(A) and (B) shall not exceed 80 per centum of such expenses and the non-Federal share may be in cash or in-kind, fairly evaluated, including but not limited to space, equipment, and services. Grant funds under this section may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal grant-in-aid programs or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage thereof authorized by this section.".

(2) Subsection (b) is amended to read as follows:

"(b) The Commission is directed to give special attention to demonstrations and other activities focused on the improvement of rural transportation in the region. In order to assist in meeting national priorities for increased food and energy production, the Commission shall conduct, in cooperation with other appropriate agencies and organizations, research and demonstrations designed to utilize in a balanced manner the water, land and mineral resources of the region.

SEC. 115. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $267,000,000 for the two-fiscal-year period ending September 30, 1977; and $267,000,000 for the two-fiscal-year period ending September 30, 1979.

SEC. 116. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "July 1, 1975" and inserting in lieu thereof, "October 1, 1979".

SEC. 117. Section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121) is repealed.

SUMMARY—AMENDMENTS TO THE APPALACHIAN REGIONAL DEVELOPMENT ACT

BILL SECTION NUMBER AND AMENDMENTS

101—Short Title.

102—Amends Section 105, ARDA:

Authorizes such sums as may be necessary for administrative expenses of Commission and Office of Federal Cochairman.

103—Amends Section 106, ARDA:

Extends Commission authority to lease office space to September 30, 1979.

104—Amends Section 201, ARDA:

Raises the percentage limit on the total Federal share of any construction project's costs from 70 percent to 90 percent where a State uses title 23 U.S.C. Federal-aid highway funds in combination with Appalachian highway funds in any one of a specified range of ratios. Under this new provision, assuming the State provides only its minimum 10 percent matching share, the combined Federal funding could range from a combination of a maximum of 60 percent of project costs in Appalachian highway funds with a minimum of 30 percent title 23 funds to a minimum of 45 percent in Appalachian funds with a maximum of 45 percent in title 23 U.S.C. funds. The purpose of this provision is to stimulate construction of Appalachian highway projects by providing more flexibility in funding options and lessening the matching burden on the States to 10 percent.

Directs Secretary of Transportation and the Commission to jointly issue guidelines emphasizing development purpose of highway system and scarcity of developable sites in region and calling for special effort to identify, preserve, and assist in establishment of additional sites.

Provides that Secretary may approve the disposition of excess highway lands to carry out development programs approved by Commission, including conveyances without monetary consideration but precludes accrual of profits to profit-making entites.

Authorizes Commission to make grants under such terms and conditions as it shall prescribe to public bodies and non-profit entities for planning, engineering, and reasonable site acquisition or development costs, including necessary off site improvements, where required for specific projects to stimulate industry, energy conservation and energy and resource development, recreation and tourism, community development and housing, or associated projects contributing to the protection or improvement of the environment, which are elements of development programs approved by the Commission. Grants will be subject to general program authorizations in Section 401 (non-highway); and no grant may exceed 80 percent of cost. Federal acquisition of lands would be authorized upon request of applicant for assistance and approval of general purpose local government, the Governor, and the Commission, where necessary because of limitations in state law.

105—Amends Section 202, ARDA:

Confirms that acquisition authority includes authority to acquire land needed for health projects and, as provided in Section 223, that grants are to be compatible with applicable provisions of basic Acts.

Adds reference to Title XX of Social Security Act among programs which can be used in combination with Section 202(c).

106—Amends Section 204, ARDA:

Provides that Secretary of Agriculture (in addition to providing technical assistance) may make grants to states, other public bodies, and timber development organizations for planning, equipment, operation and the construction of necessary facilities, of non-profit timber development organizations established under state law for the purpose of carrying out long-range timber development programs that will improve timber productivity and quality, and increase returns to land owners.

Grants for initial planning, and for construction of necessary facilities, and equipment may not exceed 80 percent of cost. Operating grants may not exceed five years from start of initial operations and may be for up to 90 percent of costs for operations (including operating deficits) for the first two years but may not exceed 75 percent of such costs in last three years.

Operating grants may cover costs of financial assistance, by timber development organizations through contracts with individual land owners for improved forest resource management programs. Such contracts may not exceed ten years nor seventy-five per centum of costs of such programs on 500 acres of land, unless the Commission, in consultation with the Secretary of Agriculture, increases the percentage or the acreage.

Grants under this section may be used with other Federal funds up to the percentage cost allowable under this section.

Strikes language limiting authority for loan assistance to "initial" capital requirements, and defines capital requirements to include, but not be limited to, the costs of construction, equipment and operations.

Eliminates language prohibiting the use of funds for the construction or acquisition of facilities for processing or marketing forest products (but retains the prohibition against the construction or acquisition of facilities for manufacturing of forest products). Also eliminates language restricting use of funds for the physical consolidation of small timber holdings.

107—Amends Section 205, ARDA:

Makes clear that separate grants may be made for planning or engineering mining area restoration projects.

Makes clear that necessary costs for clay, sand, stone, non-combustible materials, clum, rock and spoil bank materials are eligible project costs.

Provides that Secretary may waive requirements for obtaining releases, consents, and waivers re lands if state or applicant agrees to indemnify Federal government from claims and secure performance as required by Secretary.

Permits strip-mine reclamation on lands owned by private, non-profit entities organized under state law for public recreation, conservation, industrial, commercial or other economic development purposes, community development and housing (in addition to lands owned by Federal, state or local bodies of government as now permitted); authorizes disposal of reclaimed lands on such terms as

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ARC requires, which may include conveyances without monetary consideration, or require that proceeds, if any, be used for development purposes but provides that no part of difference between fair market value and actual lower consideration can accrue as profit to any entity operating for profit.

108—Amends Section 207, ARDA:

Expands types of housing programs which the Secretary of Housing and Urban Development may assist with "seed money" grants or loans and site development grants to include any Federal or State program of assistance for low- or moderate-income housing.

Makes HUD regulated limited divident or cooperative organizations eligible (in addition to public and nonprofit grantees now eligible) for site development grants.

Provides that off site improvements may not exceed 10 percent of the cost of any housing construction project, and in the case of housing rehabilitation projects, may not exceed 10 percent of the reasonable value of such rehabilitated housing, as determined by the Secretary.

Authorizes Commission to provide funds to the states for making the same kinds of grants and loans as the Secretary is authorized to make under this section.

Makes programs assisted under Section 207 subject to provision in Section 402 of Act to same extent as provided in housing laws.

109—Amends Section 211, ARDA:

Broadens scope of area-wide demonstration projects from strictly vocational and technical education to "educational projects, with special emphasis on vocational and technical education, career education, cooperative education, recurrent education, guidance and counseling, and community involvement, including industry and labor."

Makes clear that present requirement that facilities of a demonstration project be publicly owned, does not preclude training or on the job employment activities away from such facilities if the demonstration project is administered through a public body.

110—Amends Section 214, ARDA:

Program activities presently eligible for supplementation include only land acquisition and construction or equipment of facilities. Amendments broaden eligible activities to include land development, and community or economic development or economic adjustment activities, and make clear that eligible programs also include Titles I and IX of the Public Works and Economic Development Act of 1965, Title I of the Housing and Community Development Act of 1974, and the Consolidated Farm and Rural Development Act.

111—Amends Section 223, ARDA:

Makes clear that programs and projects to be assisted under this Act must meet the Appalachian development planning process requirements in Section 225 of the Act.

112—Amends Section 224, ARDA:

Strikes language prohibiting assistance to finance the cost of industrial plants, commercial facilities, machinery, working capital, or other industrial facilities such as facilities for the generation, transmission or distribution of electrical energy, or facilities for the production, transmission or distribution of gas.

Provides that programs and projects may be assisted under the Act only if the Commission determines that the level of Federal and state financial assistance under other laws, for the same type of programs or projects in the portion of a state within the region, will not be diminished in order to substitute funds authorized by the Act. Similar provision presently appears in Section 214 of the Act with respect to assistance under that section.

113—Adds New Section 225, ARDA:

New section incorporates in the Act the Appalachian state development planning process; describes the role of local development districts; specifies that, in carrying out such process and selecting projects for assistance, states shall consult with and take into full consideration the objectives, priorities and recommendations of local development districts; and directs the Commission to encourage and provide incentives for the preparation and execution of areawide action programs which specify interrelated projects, schedules of actions and funding, and appropriate commitments.

Provides that, to the maximum extent practicable, Federal departments and agencies undertaking or providing financial assistance for programs or projects in the region shall (1) take into account goals and objectives established by the Commission and the states; (2) recognize Appalachian state development programs approved by the Commission as satisfying requirements for overall economic development planning under such programs or projects; and (3) accept the boundaries and organization of any local development district which the Governor may designate as the area-wide agency required under such programs or projects.

114—Amends Section 302, ARDA:

Establishes program of 80 percent grants for state management, technical assistance and other activities to strengthen the Appalachian state development planning process and the coordination of planning under the Act and other Federal, state and local programs.

Makes clear that grants for administrative expenses of local development districts may include costs for development of area-wide plans or action programs and technical assistance activities, and increases maximum Federal share from 75 percent to 80 percent.

Makes clear that demonstrations may include the acquisition or development of land incident to such activities (in addition to the construction of necessary facilities now eligible); also makes clear that demonstrations may include enterprise or service development activities.

Directs Commission to give special attention to demonstrations and other activities for the improvement of rural transportation in the region and for balanced use of water, land and mineral resources of the region.

115—Amends Section 401, ARDA:

Authorizes appropriations to the President for Appalachian Act programs (but not including administrative expenses under Section 105 and highways under Section 201(g) for which separate authorizations are provided) of $267 million for each of the two fiscal-year periods FY 1976–77 and FY 1978–79.

116—Amends Section 405, ARDA:

Extends termination date of Act, except for highway program, to October 1, 1979 (presently July 1, 1975).

117—Amends Public Works and Economic Development Act of 1965:

Repeals Section 104 which now prevents cooperative funding of ARC and EDA projects.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 276

At the request of Mr. FANNIN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 276, a bill to repeal the Davis-Bacon Act and related provisions of law.

S. 451

At the request of Mr. BAYH, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 451, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer.

S. 474

At the request of Mr. HOLLINGS, the Senator from Alabama (Mr. SPARKMAN) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 474, a bill relating to changes in status of members of the uniformed services who are in a missing-in-action status as a result of their service in Indochina.

S. 681

At the request of Mr. MOSS, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 681, a bill to allow the use of certain funds authorized to be appropriated for expenditure from the highway trust fund and apportioned to the States pursuant to title 23, United States Code, without matching State or local funds.

S. 1196

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 1196, a bill to amend the Higher Education Act of 1965 to establish a student internship program to offer students practical involvement with elected officials on local and State levels of government and with Members of Congress.

S. 1216

At the request of Mr. TALMADGE, the Senator from Tennessee (Mr. BROCK) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1216, a bill to amend the Federal Water Pollution Control Act.

S. 1293

At the request of Mr. METCALF, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range, the Charles Sheldon National Wildlife Range and the Kofa National Wildlife Range as part of the National Refuge System, and for other purposes.

S. 1309

At the request of Mr. CASE, the Senator from California (Mr. CRANSTON) and the Senator from Utah (Mr. MOSS) was added as a cosponsor of S. 1309, a bill to amend the National School Lunch Act, as amended, to assure that the school food service program is maintained as a nutrition service to children in public and private schools, and for other purposes.

S. 1336

At the request of Mr. CASE, the Senator from Oregon (Mr. HATFIELD) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 1336, a bill to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

S. 1406

At the request of Mr. MONTOYA, the Senator from South Dakota (Mr. MCGOVERN) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 1406, a bill to amend title 38 of the United States Code to provide that compensation and pensions for veterans will not be reduced as a result of certain monthly increases in social security benefits.

S. 1454

At the request of Mr. JAVITS, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 1454, the National Venereal Disease Prevention and Control Amendments of 1975.

SENATE RESOLUTION 135—SUBMISSION OF A RESOLUTION PROPOSING THE DESIGNATION OF NORWEGIAN-AMERICAN DAY

(Referred to the Committee on the Judiciary.)

Mr. MONDALE. Mr. President, on behalf of Senators HUMPHREY, JACKSON, NELSON, BENTSEN, and myself, I am today introducing a Senate resolution proposing the designation of October 9, 1975, as Norwegian-American Day.

From the earliest explorations of the North American continent nearly 1,000 years ago until the present day, the sons and daughters of Norway have made important contributions to our country and its culture. Nearly a century and a half ago on October 9, 1825, the sloop *Restaurationen* arrived in New York Harbor. This ship brought the first organized company of Norwegians to the United States. Today there are more than 3 million citizens of the United States who were either born in Norway or are of Norwegian descent.

Foremost among the ancient Norwegians whose names are well known in our history was Lief Ericson, who in 985 discovered Greenland and 15 years later landed on the North American coast, naming it Vinland. Later, in 1355 Paul Knutson set sail for Greenland. One scholar has argued that a part of Knutson's expedition may have continued on to America and been responsible for the Kensington Rune Stone (1362) in northern Minnesota.

The influence of other well-known Norwegians has spread to America, particularly of noted writers such as Ibsen, of musicians of the caliber of Edward Grieg and Ole Bull, and of diplomats such as Trygve Lie.

Americans of Norwegian origin have from the early 19th century played an important role in the development of our Nation, including its literature, politics, education, business, and science. Knute Nelson, Laur Larsen, Ole Rolvaag, Thorsten Veblen, and Victor Lawson are but a few of the distinguished Americans of Norwegian descent.

The Norwegian Parliament—Storting—has designated July 4, 1975, as a day for commemoration of the 150th anniversary of the sailing of the sloop *Restaurantionen* from Stavanger, Norway. To increase our own appreciation of the immense and important contributions of the Norwegians to American life, I am hopeful that the Senate will approve the resolution we submit today for the designation of Norwegian-American Day.

Mr. President, I ask unanimous consent that the full text of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 135

Whereas the first organized company of Norwegians arrived in New York on October 9, 1825 on the sloop *Restaurationen*; and

Whereas there are now more than three million people in the United States who were either born in Norway or are of Norwegian descent; and

Whereas the Norwegian-Americans have contributed significantly to the argricultural and industrial development of the North and West; and

Whereas the Norwegian-Americans have made equally significant contributions in the fields of arts and letters, religion, education, and politics; and

Whereas the Norwegian Parliament (Storting) has set aside July 4, 1975 to commemorate the 150th anniversary of the sailing of the sloop *Restaurationen* from Stavanger, Norway: Now therefore, be it

Resolved, that it is the sense of the Senate that in order to help the Congress and the Nation to gain a better understanding of the immense and important contributions of the Norwegians to American life, the day of October 9, 1975 be designated Norwegian-American Day.

SENATE RESOLUTION 136—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. MONDALE. Mr. President, the months since the resignation of Richard Nixon as President of the United States have witnessed an improvement in executive-congressional relations of real importance.

Yet despite this improvement, substantial problems remain in assuring executive branch accountability to the Congress. Policymaking in some vital areas to the Nation remains chaotic, and too often the existing congressional committee structure is unable to pinpoint responsibility for these policy decisions. The problem of overlapping and inconsistent Cabinet department jurisdictions continues to hamper the effective operations of the executive branch. And the relationship of key employees within the White House and the Cabinet officers still poses problems in assuring accountability of the executive to the legislative branch.

The events surrounding the Watergate affair revealed the dangers inherent in the ability of a few men on the White House staff—responsible to no one, mostly without the sobering experience of electoral politics, and beyond the reach of Congress—to control policy. And these events have led to a rethinking of the respective roles of the legislative and the executive branches.

As part of this rethinking, we should attempt in as many ways as possible to increase Congress' ability to conduct meaningful dialog with those officials in the executive branch in whose offices responsibility for policymaking decisions should rest. This attempt should focus on keeping both Congress and the Cabinet officers and agency heads in better touch with each other.

By making those executive branch figures whose confirmation by the Senate is required by law more accountable to the people—through the Congress—we will encourage the shift away from a White House staff of a few unelected and unresponsive individuals and reassert the proper role of the Congress and the Cabinet officers.

As one step in this process, I am submitting today a Senate resolution to provide for the establishment of a question and report period, somewhat analogous to that in use in many parliamentary systems around the world. This resolution is similar to one which I submitted in June of 1973.

This is neither a new or a radical idea. It was given notice by the first Congress, which in creating the Office of Secretary of the Treasury, declared that "he shall make, report and give information to either branch of the legislature either in person or in writing" as either House might require. Indeed, during this first Congress, Cabinet officers appeared before the House 8 times, and before the Senate 14 times.

In 1864, a select committee of the House and in 1881, a select committee of the Senate recommended the right to the floor of both Houses for Cabinet officers both to answer questions and to participate in debate. In 1912, President Taft, in a message to Congress, made virtually the same recommendation. And throughout the 1940's and 1950's, Senator Estes Kefauver championed the idea of a "question hour" and first introduced legislation of the type I am introducing today.

Nor does this proposal affect the constitutional doctrine of separation of powers. The Constitution clearly gives the President the power to "require the opinion in writing of the principal officer in each of the executive departments upon any subject appertaining to the duties of their respective offices." This proposal would not diminish this right in the slightest. It merely would allow an additional dimension to the role of these executive officers—that of spirited and productive dialog with members of the legislative branch.

The proposal does not call for the subpenaing of executive officers to appear before the Senate. It is framed in terms of "requests" to appear, because the central thrust of this proposal is to increase—rather than decrease—the dialog between and mutual responsibilities of Cabinet-level officers and the Senate.

Under terms of this proposal, the heads of executive departments and agencies would be requested to answer orally, both written and oral questions propounded by Members of the Senate. Such a question period would occur at least once every week when the Senate is in session, and would last for no more

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than 2 hours. Senators would submit written questions to the committee having jurisdiction over the subject matter of the question, and if the committee approves the question, it would be transmitted to the head of the department or agency involved, with an invitation to appear before the Senate.

The Committee on Rules and Administration would also receive a copy of the question, along with a request for allotment of time in a question period to provide for the answering of the question. The Rules Committee will determine the dates and length of time of each question period, and will allot the time in such period to the department or agency head who has indicated his readiness to answer. To conserve time and consolidate questioning in subject-matter areas, any one question period shall be taken up by questions approved by one committee.

In the latter half of each question period, oral questions may be asked, but they must be germane to the subject matter of the written questions. The time in this latter hour will be equally controlled by the chairman and ranking minority member of the committee which has approved the questions.

Senators will be given advance notice at least 2 days before the question period by printing of the time of each question period and the written questions to be answered in the RECORD, and the proceedings of the question period will be printed in the RECORD.

In addition, the resolution provides that question period proceedings may be televised and broadcast on radio live. In an era of mass communication, it is important to provide for both print and electronic media coverage to insure wide dissemination of the proceedings conducted under provisions of this resolution.

During the early 1940's, Walter Lippmann noted that—

> The two branches of Government (executive and legislative) will quarrel endlessly at the expense of the Nation, depriving it of the unity it needs and the collective wisdom it should have, as long as the responsible men at both ends of Pennsylvania Avenue deal with one another suspiciously and at arm's length.

That remark remains true today. Never has there been a greater need for a regularized procedure during which Congress can question the policies of the executive branch, and the executive branch's responsible officers can defend their proposals and actions. Essential to this process is its openness. In contrast to congressional investigative committees, the entire Senate—not just a few Senators—will be able to question and hear the executive branch's defense.

Hopefully, this system of close questioning of Cabinet-level officers will result in Cabinet posts being filled with men and women whose responsibility for defending articulately the proposals or actions of an administration will lead to a greater involvement for those individuals in formulating the policies and actions of their departments.

Most importantly, this resolution will enable Congress and the people to secure the Nation's right to have free and open debate on the central policies guiding us.

As Arthur Schlesinger, Jr., has observed, a question and report period of the type which I am introducing today could have "quite extensive consequences for the traditional system:

> As for the President, a question hour could subtly alter the balance of his personal power both as against his cabinet, whose members would have the chance to acquire new visibility and develop their own relationships with Congress and the electorate, and as against Congress, which would have the opportunity of playing off his own Cabinet against him.

This legislation is not without risks. It will mean a rearrangement of institutional relationships whose consequences we cannot totally foresee. But it is certainly worth these risks in order to enable the Congress to increase the respect of the President and his principal agents for the ability and willingness of the Congress to carefully scrutinize their actions.

My proposal will not—and was not designed to—replace or supplant any of the valuable committee procedures now available to this body. In fact, the proposal, as I have outlined it, specifically preserves for committees the right to approve questions before they are brought to the attention of the executive officer whose answer is requested by a Senator.

Rather, this proposal is designed to give the Congress—and the American people—the right to information concerning important policies and actions of the executive branch, in a forum carefully controlled by time and germaneness so as to insure that productive questioning results.

When Senator Kefauver proposed question-period legislation in the mid-1940's, the support of the American people for this idea was clearly evident. A Gallup poll conducted in the fall of 1943 showed 72 percent in favor of the proposal, and only 7 percent opposed.

Clearly, this idea has new and more crucial relevancy today. In recent years, the faith of the American people in their Government has fallen steadily.

We must stop this decline of trust in Government. We must, at this crucial juncture in relations between the executive and legislative branch, attempt to restore both Congress power to know and the power of Cabinet officers—rather than White House staff—to formulate policy and publicly defend that policy.

The resolution which I am introducing today is certainly not the entire solution to this monumental problem. But without it, the trust of the American people in their Government may continue to erode. And as the late Adlai Stevenson noted:

> Public confidence in the integrity of the government is indispensible to faith in democracy; and when we lose faith in the system we have lost faith in everything we fight for.

We must begin restoration of this public trust in Government. And, as a select committee of the Senate noted in 1881, the question period may enable us to begin this task:

> This system will require the selection of the strongest men to be heads of departments, and will require them to be well equipped with the knowledge of their offices. It will also require the strongest men to be the leaders of Congress and participate in debate. It will bring these strong men in contact, perhaps into conflict, to advance the public weal, and thus stimulate their abilities and their efforts and will thus assuredly result in the good of the country.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 136

Resolved, That rule X of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. There shall be held in the Senate, on at least one day in any one calendar week in which the Senate is in session, a question and report period, which shall not consume more than two hours, during which heads of each department, agency or independent instrumentality within the Executive branch are requested to answer orally, written and oral questions propounded by Members of the Senate. Each written question shall be submitted in triplicate to the committee having jurisdiction of the subject matter of such question, and, if approved by such committee, one copy shall be transmitted to the head of the department or agency concerned, with an invitation to appear before the Senate, and one copy to the Committee on Rules and Administration with a request for allotment of time in a question period to answer such question. Subject to the limitations prescribed in this paragraph, the Committee on Rules and Administration shall determine the date for, and the length of time of, each question period and shall allot the time in each question period to the head of a department, agency or instrumentality who has indicated to the committee his readiness to deliver oral answers to the questions transmitted to him. All written questions propounded in any one question period shall be approved by one committee. The latter half of each question period shall be reserved for oral questions which shall be germane to the subject matter of the written questions by Members of the Senate, one-half of such time to be controlled by the chairman of the committee which has approved the written questions propounded in such question period and one-half by the ranking minority member of such committee. The time of each question period and the written questions to be answered in such period shall be printed in two daily editions of the Record appearing before the day on which such question period is to be held, and the proceedings during the question period shall be printed in the Record for such day. Live television and radio coverage of proceedings authorized under this paragraph shall be permitted. The Committee on Rules and Administration shall make all appropriate arrangements and establish appropriate procedures for providing such coverage."

SENATE RESOLUTION 137—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF THE COMPILATION "MAJORITY AND MINORITY LEADERS OF THE SENATE"

(Referred to the Committee on Rules and Administration.)

Mr. MANSFIELD submitted the following resolution:

S. RES. 137

Resolved, That the compilation entitled "Majority and Minority Leaders of the Senate", prepared under the direction of the Secretary of the Senate, Francis R. Valeo, by the former Senate Parliamentarian, Floyd M. Riddick, shall be reprinted, with any revisions and certain tables, as a Senate document, and an additional two thousand copies shall be printed for distribution by the Secretary of the Senate.

SENATE RESOLUTION 138—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES FOR THE COMMITTEE ON APPROPRIATIONS

(Referred to the Committee on Rules and Administration.)

Mr. McCLELLAN submitted the following resolution:

S. RES. 138

Resolved, That the Committee on Appropriations is authorized to expend from the contingent fund of the Senate, during the Ninety-fourth Congress, $200,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

SENATE RESOLUTION 139—SUBMISSION OF A RESOLUTION TO DESIGNATE APRIL 30, 1975, "ARMENIAN DAY"

(Referred to the Committee on the Judiciary.)

Mr. TUNNEY (for himself and Mr. GRIFFIN) submitted the following resolution:

S. RES. 139

Resolved, That it is the sense of the Senate that the President should issue a proclamation designating April 30, 1975 as "Armenian Day", and call upon the people of the United States and interested groups and organizations to observe such day as a day of remembrance for the outstanding contributions made by Armenian Americans to the social, intellectual, religious, and cultural life of the United States.

Mr. TUNNEY. Mr. President, I am introducing today a resolution urging the President of the United States to issue a proclamation declaring April 30, 1975, as "Armenian Day," a day of remembrance for the outstanding contributions made by Armenian Americans to the social, religious, intellectual, and cultural life of the United States.

It is particularly fitting that we choose this day as a day of remembrance, since it is one the Armenians themselves commemorate as the anniversary of the Armenian diaspora, a symbol at once of both past suffering and of future hope.

Through the years, hope and faith have marked the course of the Armenian nation. Despite great suffering arising largely out of ethnic prejudice and political repression, the Armenian people—exiles from their native land, citizens in an adopted homeland—have managed to preserve their rich heritage. It is the heritage of a proud, determined, resourceful people exemplified by the words of one of Armenia's great poets, Archag Tchobanian:

> Thou shalt come forth triumphant from these shades;
> Stars shall thine eyes become, and sparkle bright;
> Thy wounds to radiant roses shall be changed,
> And from thy whitened hair shall spring forth light.

Mr. President, the Armenian people have indeed emerged triumphant from the shadows. Today, in California as throughout the United States Armenian Americans are making outstanding contributions in all walks of life. They are among the most respected and concerned members of their communities. They have produced men of distinction in the arts, business, and government as well as many other fields of endeavor. I think it is incumbent upon us as representatives of the American people to pay tribute to the valuable contributions these people have made to the American way of life. They have unquestionably made California a richer State and America a richer Nation.

SENATE RESOLUTION 140—SUBMISSION OF A RESOLUTION RELATING TO EXPENSES OF THE COMMITTEE ON APPROPRIATIONS

(Referred to the Committee on Rules and Administration.)

Mr. McCLELLAN submitted the following resolution:

S. RES. 140

Resolved, That within the limit of funds appropriated for expenses of inquiries and investigations for the Committee on Appropriations, the committee may expend such sums as it deems appropriate and necessary for the procurement of the services of individual consultants or organizations. Such services in the case of individuals or organizations may be procured by contract as independent contractors, or in the case of individuals by employment at daily rates of compensation not in excess of the per diem equivalent of the highest gross rate of compensation which may be paid to a regular employee of the committee. Such contracts shall not be subject to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) or any other provision of law requiring advertising.

SENATE RESOLUTION 141—SUBMISSION OF A RESOLUTION AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

(Referred to the Committee on Rules and Administration.)

Mr. McGOVERN submitted the following resolution:

S. RES. 141

Resolved, That Section 3 of S. Res. 50, Ninety-third Congress, agreed to February 22, 1973, as amended, is further amended by striking out "$275,000" and inserting in lieu thereof "$276,100".

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY HOUSING ACT OF 1975—S. 1483

AMENDMENT NO. 368

(Ordered to be printed and to lie on the table.)

Mr. MONTOYA (for himself, Mr. MANSFIELD, Mr. METCALF, and Mr. ABOUREZK) submitted an amendment intended to be proposed to the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENTS NOS. 369 THROUGH 373

(Ordered to be printed and to lie on the table.)

Mr. DOLE. Mr. President, today I am submitting amendments to S. 200, the Consumer Protection Act of 1975, two of which would alter provisions of the bill as reported by the Senate Government Operations Committee with regard to the term and removal of the Administrator, and with regard to the Agency's interrogatory power.

TERM AND REMOVAL

The limited removal power contained in S. 200 has in the past been restricted to regulatory agencies which are headed by commissions composed of multiple members. The Agency for Consumer Advocacy, however, is a nonregulatory Agency to be headed by one person and not by a commission. It is completely without precedent and very undesirable from the perspective of administrative law, to cloak the head of an administrative agency with the kind of tenure in office which has been previously reserved to members of commissions in which the commissioners serve staggered terms and in which agency judicial-type decisions are carried out by voting—not by the decision of one person.

It is vital that the ACA remain accountable and responsive to the needs and desires of all consumers and the potential for abuse by an ACA Administrator exists if the removal provisions of S. 200 are allowed to remain as presently written. In my opinion the best mechanism by which public accountability can be insured is to provide for the normal removal power of the Administrator at the discretion of the President. Therefore, I feel that it is imperative that the bill be amended to restore to the President the routine capacity to remove the head of an agency within the executive branch for reasons that may legitimately fall far short of the present S. 200 test.

DIRECT INTERROGATORIES

The second amendment I am submitting today changes the bill with regard to the Agency's interrogatory power. In proposing this amendment I am attempting to establish equality and parity between the Agency for Consumer Advocacy, private enterprise, and any other private interest. My amendment places them in the same position before Federal agencies and with the same powers. Under this proposal, the Agency has no direct interrogatory power. Rather it places the Agency in substantially the same position as any other party to a regulatory or administrative proceeding. This has the effect of putting consumer interests, voiced through the Agency for

Consumer Advocacy, on a level equal to, but not greater than, business interests.

This amendment follows the principle of parity used in drafting the substitute amendment to S. 707 I introduced last year that was nearly passed by the Senate then. Equality and fairness are traditions in our Government and I strongly believe this amendment would restore a large amount of those characteristics to this bill.

FCC EXEMPTION

The third amendment would exempt radio and television license renewal proceedings in the Federal Communications Commission from the provisions of S. 200. The increasing frequency of license challenges by citizens' group and others has greatly increased the cost of successfully getting a broadcasting license renewed. Some metropolitan stations are spending literally hundreds of thousands of dollars every 3 years just to maintain their licenses. This amendment would assure that a federally funded agency could not interject itself into these renewal proceedings, thus further confusing the already-confused license renewal process.

DISCLOSURE OF TRADE SECRETS

The fourth amendment would restore the language concerning the release of trade secrets to that of the substitute I introduced last year. The language of the present bill puts disclosure of trade secrets under the provisions of the Freedom of Information Act. The disclosure provisions of that act could cause a great deal of expense and large number of court cases for private enterprises. It would be inappropriate to put disclosure rules for ACA under the Freedom of Information Act in view of the extensive information gathering powers the bill would give to the agency.

DISCLOSURE OF DAMAGING INFORMATION

I am also submitting an amendment to require a determination of "imminent and substantial danger to the health or safety of consumers" prior to immediate release of information that would be damaging to any person. This amendment would not preclude the release of such information but simply strengthens the safeguards that the authority of ACA to release information immediately will not be abused. This amendment is consistent with another safeguard already in the bill relating to the small business exemption from the agency's interrogatory power.

These amendments would significantly improve the bill and help insure an effective and workable agency for consumer advocacy. I hope they can be adopted when S. 200 is called up for debate.

I may submit additional amendments to S. 200 at a later date, together with more detailed explanations for these provisions.

Mr. President, I ask unanimous consent that these amendments be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 369

Beginning on page 4, line 25, strike the words "coterminous with the term of the President, not to exceed four years." and substitute therefor the words "of four years.".

On page 5, line 14, delete the sentence "The Administrator may be removed by the President for inefficiency, neglect of duty or malfeasance in office.".

AMENDMENT No. 370

Beginning on line 7 of page 22, delete all of Section 10(a) and add the following:

SEC. 10. (a)(1) The Administrator is authorized, to the extent required to protect the health or safety of consumers, or to discover consumer fraud or substantial economic injury to consumers, to submit to any Federal agency written interrogatories or requests for reports and other related information, within the scope of that agency's authority, for prompt transmittal under such agency's authority to specified persons engaged in a trade, business, or industry which substantially affects interstate commerce and whose activities the Administrator has determined may substantially affect an interest of consumers. Such submission to the Federal agency shall set forth with particularity the consumer interest sought to be protected, and the purposes for which the information is sought. The Federal agency shall promptly transmit, as submitted, such interrogatories and requests for reports and other related information to the specified person or persons unless the agency determines that the interrogatories and requests—

(A) seek information that does not substantially affect the health or safety of consumers, or are not directed to the discovery of consumer fraud or substantial economic injury to consumers;

(B) are not relevant to the purposes for which the information is sought; or

(C) would be unnecessarily burdensome to the Federal agency or any specified person.

If the Federal agency determines not to transmit the interrogatories or requests, such determination shall be accompanied by a statement of the reasons therefor. Upon receipt of any responses to the interrogatories or requests, the agency shall promptly transmit them to the Administrator. Nothing in this subsection shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions.

(2) The Administrator shall not exercise the authcrity under paragraph (1) of this subsection if the information sought—

(A) is available as a matter of public record; or

(B) can be obtained from another Federal agency pursuant to subsection (b) of this section; or

(C) is for use in connection with his intervention in any pending agency proceeding against the person to whom the interrogatory is addressed.

(3) In the event of noncompliance with any interrogatories or requests transmitted by a Federal agency pursuant to paragraph (1), enforcement proceedings may be instituted in the manner provided by law. If the Federal agency fails to promptly commence such enforcement proceeding, the Administrator may, upon ten day's written notice to such agency, commence such enforcement proceeding in the Agency's own name. In any judicial proceeding concerning any interrogatories, requests for reports or other related information, the Federal agency may move to substitute the Agency as party in interest and thereafter, at the discretion of the court, the Federal agency shall cease to be a party to the proceeding.

(4) The Administrator shall not have the power to require the production or disclosure of any data or other information under this subsection from small business. For the purpose of this paragraph, "small business" means any person that, together with its affiliates, including any other person with whom such person is associated by means of a franchise agreement, does not have assets exceeding $7,500,000, does not have net worth in excess of $2,500,000, and does not have an average annual net income after Federal income taxes, for the preceding two years in excess of $250,000 (average net income to be computed without benefit of any carryover loss). Nothing in this paragraph shall be construed to prohibit the Administrator from requesting the voluntary production of any such data or information. The Administrator shall, not later than eighteen months after the date on which this Act becomes effective, submit to Congress a detailed report with respect to the effect of the limitation contained in this paragraph on the purposes of this Act, for such action as the Congress may deem appropriate.

AMENDMENT No. 371

On page 36, line 20, after the comma, insert the following: "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

AMENDMENT No. 372

On page 28, beginning on line 14, strike out through line 2 on page 29 and insert in lieu thereof

"SEC. 11. (a) No officer or employee of the Agency shall disclose to the public or to any State or local agency—

(1) any information (other than complaints pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential unless the Administrator determines that the release of such information is necessary to protect health or safety; or"

On page 29, line 3, strike "(b) No officer or employee of the Agency shall disclose to the public or to any State or local agency" and insert in lieu thereof "([illegible])".

On page 29, line 14, strike "(c)" and insert in lieu thereof "(b)".

On page 30, line 1, strike "11(b)" and insert in lieu thereof "11(a)(2)".

On page 31, line 1, strike "(d)" and insert in lieu thereof "(c)".

On page 31, line 6, strike "(b)" and insert in lieu thereof "(a)(2)".

AMENDMENT No. 373

On page 30, line 22, strike "protect the health or safety of the public" and insert in lieu thereof "prevent imminent and substantial danger to the health or safety of consumers".

DETERMINATION OF THE CONGRESSIONAL BUDGET—S. CON. RES. 32

AMENDMENT NO. 374

(Ordered to be printed and to lie on the table.)

Mr. BUCKLEY (for himself, Mr. McCLURE, and Mr. BROCK) submitted an amendment in the nature of a substitute intended to be proposed by them jointly

to the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

EMERGENCY HOUSING ACT OF 1975—S. 1483

AMENDMENT NO. 375

(Ordered to be printed and to lie on the table.)

Mr. JAVITS submitted an amendment intended to be proposed by him to the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. JAVITS. Mr. President, the amendment I have introduced would give the States and local agencies more flexibility to administer their State housing programs. It would authorize the State or local agency to set the maximum income limits and the percentage of income paid by the tenant in those State-financed housing projects which are receiving section 236 housing assistance payments. It is important to recognize that these mortgages are not insured by FHA and the only HUD function is providing the interest reduction payment.

What is here proposed is consistent with the Housing and Community Development Act of 1974. It brings back to the local area the responsibility for determining those who are eligible for the subsidized rental accommodations and the percentage of income which the tenant must pay. It will make it possible for the State and local agencies to create rental structures which are consistent with the communities' housing needs and housing plans.

This will not result in any added expenditure by the Federal Government. The interest reduction contracts and subsidy payments are fixed amounts and would in no way be modified by this amendment. It would also mean that the tenant would have to pay at least the basic rental, unless rent supplement payments had also been authorized for the low income families, since the basic rentals are in no way affected. Furthermore, the tenant would not have to pay in excess of the fair market rental which gives no effect to the subsidy payment.

By giving the State and local agencies this added flexibility, it will be possible for them to approach the matter on a project by project basis and to adapt housing projects to meet community needs in a much more refined manner. In order to make certain that none of the present tenants are affected, the amendment would prohibit any increases as to them, except for a pass through of increased operating expenses. As an additional safeguard, the State or local agency will be required to certify to HUD that the income limits and rentals are the lowest which can be fixed for maintaining economic feasibility of the project.

The ability to match the availability of housing to the tenant demand in the particular community will also go a long way toward reestablishing the viability of State housing projects which are experiencing financial difficulties. This will allow the State or local agency an opportunity to eliminate vacancies due to lack of eligible tenants and bring the mortgages out of their financial straits. It will help reestablish the credibility of the State or local agency funding of housing projects on which our current housing programs for disadvantaged persons are so heavily dependent. And all of this would be done at no added cost to the Federal Government.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 17

At the request of Mr. ABOUREZK, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of amendment No. 17, intended to be proposed to the bill (S. 490) relating to the payment of travel expenses for persons traveling to and from the Veterans' Administration facilities.

AMENDMENT NO. 365

At the request of Mr. TUNNEY, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of amendment No. 365, intended to be proposed to the bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

NOTICE OF HEARINGS ON CONGRESSIONAL OVERSIGHT OF EXECUTIVE AGREEMENTS

Mr. ABOUREZK. Mr. President, as chairman of the Subcommittee on Separation of Powers of the Committee on the Judiciary, I am pleased to announce the scheduling of hearings before the subcommittee on the subject of congressional oversight of executive agreements and commitments. These hearings are the continuation and extension of hearings held by the Subcommittee on Separation of Powers in the 92d Congress under the direction of Senator Sam J. Ervin, Jr.

The hearings will be held May 13, 14, and 15, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m.

Before the subcommittee are two bills which will be the focus of the hearings, S. 632 introduced by Senator BENTSEN and S. 1251 introduced by Senator GLENN. I invite the participation of all interested Senators.

Those who wish to testify or submit a statement for inclusion in the record should contact Irene Margolis, Staff Director, telephone 224-4434, or write to the Subcommittee on Separation of Powers, 1418 Dirksen Senate Office Building.

NOTICE OF HEARINGS ON S. 1267, FINANCIAL INSTITUTIONS ACT OF 1975, AND S. 1475, TO AMEND THE FEDERAL CREDIT UNION ACT

Mr. McINTYRE. Mr. President, I wish to announce that the Subcommittee on Financial Institutions of the Committee on Banking, Housing and Urban Affairs will hold hearings on S. 1267, the Financial Institutions Act of 1975, and S. 1475, to amend the Federal Credit Union Act, beginning at 10 a.m., May 14, 15, and 16, 1975, in room 5302, Dirksen Senate Office Building.

Anyone wishing information concerning these hearings should contact Mr. William R. Weber, room 5300, Dirksen Senate Office Building, 224-7391.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, April 30, 1975, at 10:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Rex E. Lee, of Utah, to be an Assistant Attorney General, Civil Division, vice Carla A. Hills, resigned.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The hearing will be before the full Judiciary Committee.

ANNOUNCEMENT OF PUBLIC HEARINGS BEFORE THE INDIAN AFFAIRS SUBCOMMITTEE OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ABOUREZK. Mr. President, I announce for the information of the Senate and the public, the change in scheduling of a public hearing before the Indian Affairs Subcommittee of the Senate Interior and Insular Committee.

The 2-day hearing which was scheduled for both Wednesday, April 30, and Thursday, May 1, in room 3110 of the Dirksen Senate Office Building, has been changed and combined into a 1-day hearing to be held only on Thursday, May 1, beginning at 10 a.m.

This is an informational hearing, the purpose of which is to carefully review the present Indian housing situation in the United States. The subcommittee will receive testimony from the various Federal agencies responsible for the delivery of Indian housing units on trust land, several tribal organizations, and other Washington based groups with considerable expertise in the area of Indian housing. We hope to conduct a series of field hearings this summer to receive more extensive public testimony.

If you wish to submit a written statement for the record or have any questions regarding these hearings, please contact Mr. Forrest Gerard of the subcommittee staff at 224-7143.

NOTICE OF HEARINGS ON HEARING AIDS

Mr. McINTYRE. Mr. President, I wish to announce that the Subcommittee on Government Regulation of the Senate Small Business Committee has scheduled hearings on the economics of the hearing aid industry on May 20, 21 and 22 in room 1114 of the Dirksen Senate Office Building beginning each day at 10 a.m.

ADDITIONAL STATEMENTS

FOREIGN CURRENCIES AND U.S. DOLLARS UTILIZED BY U.S. SENATE PARTICIPATION IN PARLIAMENTARY MEETINGS

Mr. McCLELLAN. Mr. President, in accordance with the Legislative Branch Appropriation Act, 1961, section 105(b), Public Law 86-628, I ask unanimous consent to have printed in the RECORD the reports of U.S. Senate participation interparliamentary meetings concerning the foreign currencies and U.S. dollars utilized by them in calendar year 1973 in connection with foreign travel.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS, MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1974

Name and country	Name of currency	Lodging		Meals		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Delegation expenses:											
Official meals and receptions	Dollar				6,372.47						6,372.47
Transportation	Dollar						3,268.78				3,268.78
Hotel offices	Dollar								102.0		102.03
Interpreter fees	Dollar								504.2		504.23
Reporter fees	Dollar								31.4		34.44
Postage	Dollar								14.2		14.29
Miscellaneous	Dollar								106.9		106.97
Total					6,372.47		3,268.78		761.9		10,403.21

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Public Law 86-420	$10,403.21

Mar. 10, 1975.

MIKE MANSFIELD, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1974

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency
John Sparkman: United Kingdom	US$		1,104.33				54.02		1,158.35
Birch Bayh: United Kingdom	US$		880.09				87.09		967.18
Lloyd Bentsen:									
United Kingdom	US$		588.41		82.25		40.82		711.48
France	Franc	697.50	150.00	1,502.41	323.10			2,199.91	473.10
Germany	D. mark			3,196.18	1,294.00			3,196.18	1,294.00
Thomas Eagleton: United Kingdom	US$		870.51				47.21		917.72
Ernest F. Hollings: United Kingdom	US$		831.02				40.49		871.51
Henry M. Jackson: United Kingdom	US$		926.67				22.65		949.32
J. Bennett Johnston: United Kingdom	US$		896.18				46.07		942.25
Edward M. Kennedy: United Kingdom	US$		58.38						58.38
Mike Mansfield:									
United Kingdom	US$		718.37				26.46		744.83
France	Franc	703.50	151.28	191.80	41.24	34.70	7.48	930.00	200.00
Claiborne Pell:									
United Kingdom	US$		256.41				46.50		302.91
United Kingdom	Pound			123.53	294.00			123.53	294.00
Ted Stevens: United Kingdom	US$		811.98				38.12		850.10
John V. Tunney: United Kingdom	US$		730.63				48.04		778.67
Rachel Bostick: United Kingdom	US$		507.87				13.13		521.00
Robert Feyer: United Kingdom	US$		518.66		32.60		66.15		617.41
Donald Henderson: United Kingdom	US$		687.20		60.00		42.04		789.24
Robert E. Hunter: United Kingdom	US$		407.33		12.50		36.44		456.27
Arthur M. Kuhl: United Kingdom	US$		764.49				28.15		792.64
Mary McLaughlin: United Kingdom	US$		805.27		19.99		102.54		927.80
Joanne Novins: United Kingdom	US$		518.30		7.00		12.81		538.11
Octa Watson: United Kingdom	US$		688.79				5.30		694.09
Delegation expenses:									
Official meals			2,924.74						2,924.74
Transportation					14,315.03				14,315.03
Hotel offices			1,471.14						1,471.14
Stationery supplies							96.03		96.03
Miscellaneous							66.33		66.33
Total			18,268.05		16,481.71		973.87		35,723.63

[1] If foreign currency is used enter U.S. dollar equivalent; If U.S. currency is used enter amount expended.

RECAPITULATION

	Amount
Appropriated funds: Total	$35,723.63

Mar. 14, 1975.

JOHN SPARKMAN, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, U.S. GROUP, INTERPARLIAMENTARY UNION, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1974

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]	Foreign currency	U.S. dollar equivalent or U.S. currency [1]
Carl T. Curtis:									
Greece	US$		163.30				16.50		179.80
Romania	US$		212.02						212.02
France	US$		124.51				.13		124.64
Hiram Fong:									
Japan	US$		100.79				.03		100.82
Japan	Yen			123,515.	411.85			123,515	411.85
Robert P. Griffin:									
Greece	US$		174.50				16.50		191.00
Romania	US$		239.25						239.25
France	US$		91.90						91.90
Vance Hartke:									
Japan	US$		188.34				.03		188.37
Hong Kong	US$		35.09						35.09
U.S. (Hawaii)	US$		92.87				1.03		93.90
Roman Hruska:									
Greece	US$		124.30				16.50		140.80
Romania	US$		124.89				5.51		130.40
Joseph M. Montoya:									
Greece	US$		175.10				19.20		194.30
Romania	US$		216.28				1.55		217.83
France	US$		71.38				.50		71.88
William Roth, Jr.:									
Greece	US$		147.83				16.50		164.33
Greece	Dr.	1552.	51.67					1552.	51.67
Romania	US$		170.35				12.47		182.82
Romania	Lei	2136.	150.13				5.00	2136.	155.13
Hugh Scott:									
Greece	US$		313.29				22.10		335.39
Romania	US$		302.13				10.75		312.88
William Scott:									
Greece	US$		231.60				22.10		253.70
Romania	US$		248.67				7.16		255.83
France	US$		147.50				1.83		149.33
Japan	US$		182.36						182.36
Hong Kong	US$		92.06						92.06
U.S. (Hawaii)	US$		78.87						78.87
John Sparkman:									
Greece	US$		228.47				29.66		258.13
Romania	US$		217.37						217.37
France	US$		83.46				3.00		86.46
Robert T. Stafford:									
Switzerland	US$		165.40						165.40
Greece	US$		164.70				16.50		181.20
Romania	US$		244.69				8.99		253.68
France	US$		44.93						44.93
Japan	US$		433.55				15.30		448.85
Hong Kong	US$		35.09						35.09
U.S. (Hawaii)	US$		82.03						82.03
Charles Schaller:									
Greece	US$		84.23						84.23
Romania	US$		182.69						182.69
John W. Kimball:									
Japan	US$		476.70		1,002.10		5.80		1,484.60
U.S. (Hawaii)	US$		78.47				6.18		84.65
Mary McLaughlin:									
Greece	US$		128.90				30.20		159.10
Romania	US$		124.36				8.91		133.27
France	US$		117.15				39.27		156.42
Japan	US$		272.71						272.71
Hong Kong	US$		74.30						74.30
U.S. (Hawaii)	US$		62.40						62.40
Delegation expense: U.S. (Hawaii)	US$		234.26						234.26
Octa Watson:									
Greece	US$		116.00				21.97		137.97
Romania	US$		41.05						41.05
France	US$		43.23						43.23
Susan McMahon:									
Japan	US$		385.46				6.20		391.66
Japan	Yen	7634.	25.50	3952.	13.20	2892.	9.66	14,478.	48.36
Germany	DM			2,618.05	984.60			2,618.	984.60
U.S. (Hawaii)	US$		69.13						69.13
Darrell St. Claire:									
Switzerland	US$		380.37		1,217.00		71.72		[2] 1,669.09
United Kingdom	US$		53.00		4.80		26.40		84.20
United Kingdom-United States	US$				30.00				30.00
Greece	US$		145.95				28.10		174.05
Greece	Dr.	25,799.	859.96	299,118.	9,970.70	3562.	118.67	328,479.	[2] 10,949.33
Turkey	Lr.			25,626.	1,848.00			25,626.	[2] 1,848.00
Romania	US$		1,022.85				12.85		1,035.70
Romania	Lei			98,425.	6,929.91			98,425.	[2] 6,929.91
Bulgaria	US$						8.65		8.65
Bulgaria	Leva	2753.	1,645.00	337.	228.00	56.01	34.00	3146.	[2] 1,907.00
France	US$		219.92				19.70		239.62
France	US$		79.02						[2] 79.02
France	Fr.			10,472.	2,159.26			10,472.	[2] 2,159.26
Japan	US$		811.07		984.60		63.29		1,858.96
Hong Kong	US$		86.02				8.00		94.02
Hong Kong	US$		436.65		591.64				[2] 1,028.29
U.S. (Hawaii)	US$		94.61						94.61
U.S. (Hawaii)	US$		293.85		558.71		26.88		[2] 879.44
Total			14,595.14		26,934.37		794.29		42,325.14

[1] If foreign currency is used, enter U.S. dollar equivalent; If U.S. currency is used, enter amount expended.

[2] Delegation expense.

[3] $108 of this amount reimbursed to IPU by Darrell St. Claire.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$25,238.31
Appropriated funds	17,086.83
Total	42,325.14

Mar. 26, 1975.

JOHN SPARKMAN, Chairman.

UMI

QUEEN ISABELLA DAY

Mr. HUMPHREY. Mr. President, I invite the attention of the Members of this body to the fact that April 22 has been proclaimed as Queen Isabella Day by many of our Nation's Governors.

This commemorative endeavor relates to the coming Bicentennial Celebration when we pay tribute to the historical foundations of our country. It is important that we do not lose sight of our history, because of the accomplishments and promises which it contains.

The recognition of April 22 as Queen Isabella Day by various State executives, including Minnesota's Wendell Anderson, reflects the important role which Isabel of Castile played in the destiny of America. As a financier and supporter of Christopher Columbus, the Queen had a part in the daring voyage which changed the course of history.

Her example demonstrates that a ruler can guide the events of time and leave a mark upon that era. By supporting a bold new initiative, she confirmed that dreams and forward-looking adventures can be realized.

It is appropriate, therefore, that we pay tribute to Queen Isabella today on the 524th anniversary of her birthday and recall her contributions and accomplishments.

THE LABOR-MANAGEMENT RELATIONS EXEMPTION IN THE AGENCY FOR CONSUMER ADVOCACY BILL

Mr. JAVITS. Mr. President, in the coming weeks the Senate will once again take up the bill to create an independent Agency for Consumer Advocacy—ACA. We all know that it has had a turbulent history. During the past 5 years, it has evoked strong opposition from many who argue that it is unwarranted interference with and disruption of our governmental processes. In my more than 25 years in Congress, I have seldom seen a lobbying effort which was as intense and well organized as the one against this bill.

Now after 5 years of refinement and carefully developed functions and powers Senator RIBICOFF, Senator PERCY, and I, the principal sponsors of this legislation, believe that we have an extremely sound and workable bill. It is a product of compromise with broader support throughout the Senate than that enjoyed by our earlier bills. As a matter of fact, the case for the bill has been so strongly made, that some opponents of the bill are now concentrating virtually all of their fire on a secondary provision of the bill in order to destroy the whole measure. They wish to extend the authority of the ACA into the field of labor-management relations, despite the fact that such efforts were defeated by a large Senate majority last year.

The focus of this effort for a more far-ranging grant of authority to the ACA is the provision stating that the ACA shall not intervene in labor-management disputes before the National Labor Relations Board, and its sister agency, the National Mediation Board. Opponents of this narrow exemption which, by the way, is as much a business exemption as it is a labor exemption argue that a consumer agency should participate in Federal agency activities involving labor inasmuch as wages contribute significantly to the ultimate cost of consumer products.

It is important to stress that this language does not exempt business or labor or labor issues from the purview of the ACA. Rather, it prohibits ACA involvement in those Federal suits and Federal agency activities designed to ease labor/management negotiations or prevent unfair practices by either side. Unions that deal directly in the product and service market are as much subject to S. 200 as any other person.

While the collective bargaining process over the years may well have resulted in labor contracts causing increases in the costs of labor, under the basic definition of "interests of consumers" in S. 200 and the scope of the National Labor Relations Board authority, the ACA would be powerless to affect the terms of labor contracts. More to the point, there has never been any lawful authority to regulate private wages by the Federal Government. The fundamental touchstone of our bill is that the ACA must attach to the regulatory process in order to have its intervention powers. The area for intervention by the ACA is the public sector. If we open up labor-management relations by removing this exemption, we go deep into the private sector. That would require enormous budgets and a wholly different bill than we now have.

During the last 40 years it has been acknowledged that labor-management bargaining could not work effectively unless the parties were left to negotiate without outside interference. The labor laws in this country have accordingly been carefully developed over the years to accommodate this realization. Thus, the National Labor Relations Board—NLRB—and the Federal Mediation Service—the only two agencies which touch the bargaining process—may not determine or dictate in any way, shape or form the parties' demands or the terms of their settlement.

The NLRB was created to protect employees' rights to select bargaining representatives without management interference and to bargain collectively. Beyond that, the NLRB does not have the authority to affect the actual outcome of the bargaining process. Indeed, the Supreme Court just 5 years ago expressly held that the Board may not intervene in that process or dictate any of the substantive terms—including the economic impact on consumers—of collective bargaining agreements.

Justice Black, speaking for the Court in *Porter* v. *NLRB*, 397 U.S. 99, 106, 107–108, has this to say about the Board's role:

> It is clear that the Board may not, either directly or indirectly, compel concessions or otherwise sit in judgment upon the substantive terms of collective bargaining agreements * * * and that Sec. 8(d) (in particular) was an attempt by Congress to prevent the Board from controlling the settling of the terms of collective bargaining agreements * * * It is implicit in the entire structure of the Act that the Board acts to oversee and referee the process of collective bargaining, leaving the results of the contest to the bargaining strengths of the parties.

Since Congress has determined that the Board is not to assess the "substantive terms of collective bargaining agreements," it would be mischievous to empower the ACA to intervene before the Board to argue issues which are outside the scope of the Board's jurisdiction.

Opponents of the exemption also argue that the NLRB handles cases arising under section 8(b)(4) and 8(e) of the National Labor Relations Act where the question in dispute is whether a strike say to prevent an employer from using prefabricated materials is lawful, and that the outcome of such cases indirectly affects consumers. Indeed, this is the dominant theme of those who would empower the ACA to enter NLRB proceedings.

In a New York Times editorial of March 14, 1975, it was inaccurately stated that—

> The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest, pushing up prices or limiting competition.

The only concrete class of Board cases ever referred to have been *Woodwork Manufacturers Association* v. *NLRB*, 386 U.S. 612, which involved a strike by carpenters, who had traditionally done the job of cutting and fitting doors, to protest their employer's attempt to deprive them of that work by using precut doors, and its progeny. In fact, the Board's role in deciding these section 8(b)(4) and 8(e) cases is indistinguishable from its role in adjudicating the collective bargaining cases already noted.

The Supreme Court, in affirming an NLRB finding that in the circumstances of the Woodwork Manufacturers case, section 8(b)(4) and 2(e) had not been violated, stated the purpose of those provisions was "limited to protecting employers in the position of neutrals between contending parties" (386 U.S. at 625).

The task entrusted to the Board is not to weigh economic effects. It is to determine whether the strike is really directed at the striking employees own employer; namely, is a primary strike protected by sections 7 and 13—or is it directed at an employer who is a "neutral bystander"; namely, is a secondary strike prohibited by sections 8(b)(4) and 8(e). (See 386 U.S. at 645–646.) Indeed, the Supreme Court stressed:

> The Woodwork Manufacturers Association and amici who support its position advance several reasons, grounded in economic and technological factors, why (work preservation strikes) should be invalid in all circumstances. Those arguments are addressed to the wrong branch of government. It may be that the time has come for a re-evaluation of the basic content of collective bargaining as contemplated by the federal legislation. But that is for Congress. Congress has demonstrated its capacity to adjust the Nation's labor legislation to what, in its legislative judgment, constitutes the statutory pattern appropriate to the developing state of labor relations in the country. Major revisions of the basic statute were enacted in 1947 and 1959. To be sure, then, Congress might be

> of opinion that greater stress should be put on . . . elimination of more and more economic weapons from the . . . (Union's grasp . . . But Congress' policy has not yet moved to this point . . . Labor Board v. Insurance Agents' International Union, 361 US 477, 500. (386 U.S. at 644.)

If, by chance, the Porter Co. and Woodwork Manufacturers decisions are deemed an insufficient demonstration that the ACA should not intervene in NLRB and NMB proceedings because Congress has determined that those agencies should decide carefully defined legal questions and not evaluate possible economic effects on the product and service market, section 4 of the National Labor Relations Act is certainly dispositive. From its establishment until 1940, the NLRB had utilized the services of a Division of Economic Research to engage in general economic research and to obtain economic data and similar material for use in Board cases. In that year the division was abolished. (See S. Min. Rep. No. 105, pt. 2, 80th Cong. first session, p. 33.) But in 1947 Senator Taft and Representative Hartley were so intent on assuring that the Board would attend to the law, and not to potential economic consequences, that they added to section 4 the proviso that—

> Nothing in this Act shall be construed to authorize the Board to appoint individuals for the purpose of * * * economic analysis.

The point that under our present national labor policy the ACA has no place in NLRB or National Mediation Board proceedings could not be more forcefully put.

Similarly, there is no role for the ACA to serve before the Federal Mediation and Conciliation Service which was created simply to offer mediation services to parties in labor disputes to help them resolve their disagreements peacefully. It has no regulatory functions. The FMCS cannot impose its services upon unwilling parties nor dictate the outcome of negotiations where their services have not been solicited.

Historically, Congress has studiously followed a course of noninterference with free, give-and-take collective bargaining and has sought only to preserve the delicate balance between organized labor and business management. While some people may believe that the time has come to readjust this balance, the place to do so is not in the consumer agency bill. Any legislative tinkering with the collective bargaining process or the potential economic strength of the respective parties will require a thorough analysis of all labor laws and the amendment of many of their provisions. The relative state of labor peace we have achieved in this country by allowing two evenly matched, albeit economically powerful, parties to engage in unencumbered negotiations is not to be so cavalierly discarded.

REVISED LOAN LEVELS FOR FARM CROPS

Mr. STENNIS. Mr. President, press accounts of the last 2 days indicate that the Secretary of Agriculture expects that the farm bill, which has been sent to the White House by Congress, will be vetoed.

These accounts also indicate that the Secretary intends to raise loan levels for farm crops, as a substitute for the vetoed bill.

I am informed that it is within the administrative capability of the Secretary to adjust loan levels for wheat, corn, and other feed grains, but that the statute on cotton precludes such action.

I believe that the problem of target prices and loan levels is not well understood by the public at large, outside of the agricultural community, and that every opportunity should be taken to clarify them.

Accordingly I have written a letter to the Secretary of Agriculture on this subject, seeking clarification as to his views as to a remedy for the unrealistic level of cotton loans, and urging him to recommend to the President that he sign the farm bill. I am writing to the President to urge that he give the bill his approval and signature.

I ask unanimous consent that my letter to Secretary Butz be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 23, 1975.

Hon. EARL L. BUTZ,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: You have been quoted in the press as saying that you consider the existing loan rates for corn and wheat to be unrealistically low, and that you expect that they will be administratively raised as a means of softening the impact of a veto of the Farm Bill.

No mention is made of a similar intention to raise the loan level for cotton. I am informed that no administrative remedy is available to you to correct the unrealistically low level of cotton loans, because the statute provides that they shall be statistically computed, based on the three year world market average price for cotton.

The intent of the Farm Bill, as you know, is to adjust target prices and loan levels for cotton as well as wheat and feed grains. If it is your intention to accomplish administratively the loan level adjustments set forth in the legislation on emergency price supports for 1975 crops, and to use this action as justification for a veto, then I believe that you should address clearly the question of whether or not you are precluded from administrative adjustment of loan levels for cotton.

If you are so precluded, which is my understanding, is it your intention to submit separate legislation to bring cotton loans to a realistic level?

This crucial question is of great importance to thousands of farmers, and will have a profound impact on a substantial part of American agriculture production. I believe that the admininistrative remedies you propose in lieu of the Farm Bill are inadequate for the purpose, so far as cotton is concerned. On behalf of clear public understanding of the issues involved in the Farm Bill, I believe your intention with respect to the loan level for cotton requires clarifictaion.

I will appreciate receiving your views on this matter, and I strongly urge that you recommend to the President that he sign the Farm Bill.

Sincerely yours,

JOHN C. STENNIS,
U.S. Senator.

THE HELLS CANYON NATIONAL RECREATION AREA BILL—S. 322

Mr. PACKWOOD. Mr. President, the consideration of S. 322, to establish the Hells Canyon National Recreation Area, will no doubt become a subject for this body to act upon in the coming weeks. My colleagues are aware that the House recently held hearings on the Hells Canyon NRA bill, which Congressman ULLMAN has introduced, H.R. 30, and may be interested that there were actually no new arguments presented against passage of this fine legislation. In line with that comment, I think the Seattle Times, April 14, 1975, editorial on the House hearings offers a well-made point on the congressional deliberations over the long awaited passage of the Hells Canyon National Recreation Area legislation.

Mr. President, I ask unanimous consent that a copy of the Seattle Times, April 14, 1975, editorial entitled, "No Need for Hells Canyon Delay," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Seattle Times, Apr. 14, 1975]

NO NEED FOR HELLS CANYON DELAY

The question of whether to open up the scenic Hells Canyon area on the Idaho-Oregon border to power-dam construction, one of the longest-lived public issues in Pacific Northwest history, was back before Congress last week.

A House national parks and recreation subcommittee heard testimony on the bill to preserve the canyon and establish a large national recreation area on the Middle Snake River.

Prolonged hearings ought not to be necessary. The arguments pro and con that already have been made in this seemingly everlasting controversy could fill enough volumes to span the canyon itself.

The record has been made. And it is quite clear that majority sentiment in the Pacific Northwest, as expressed by most of the region's congressional delegations and the governors of Washington, Oregon and Idaho, favors retaining what has been described as the deepest natural gorge on earth in its present, relatively natural state.

The advocates of the dam are dead right, of course, in their contention that the Northwest needs the power that damming up Hells Canyon would provide.

But there are other power-generation projects, both hydroelectric and thermal, to which Pacific Northwest utility capital, both public and private, could be applied.

Hells Canyon is, as described by Idaho Governor Andrus, "a unique and magnificent natural treasure," and it should be preserved.

The preservation bill represents important business at the present session of Congress because a moratorium on dam-building in the Middle Snake expires this year.

A STRONG AND SELF-ASSURED AMERICA

Mr. HUMPHREY. Mr. President, we are fortunate to have men of the quality of the former Under Secretary of State, Mr. George W. Ball. In a recent article in the Newsweek of April 21 entitled "Stop the Breast-Beating!" George Ball has placed into proper perspective the recent turn of events in Indochina. His splendid article speaks eloquently for a strong and self-assured America,

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and it properly chastises those who see in the Indochina tragedy a failure on the part of our country. I urge every Member of Congress to read this thoughtful article. George Ball has exhibited good commonsense in his straightforward talk, and I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Newsweek, Apr. 21, 1975]

STOP THE BREAST-BEATING!

(By George W. Ball)

The myth-makers have been at it again, with a helping hand from the President. It raises doubts whether we will ever learn from experience.

Soon after Chiang Kai-shek's precipitate flight to Formosa in 1949, the myth was fabricated that we had "lost" China through betrayal. Had treacherous advisers not blocked full support for the Generalissimo, it was claimed, he could have halted Mao Tse-tung's motley legions. No matter that the Kuomintang regime had been riddled by corruption, that its military commanders had cared more for internecine feuding and the posh life than fighting the enemy, and that the Generalissimo's government had lacked broad support in the countryside. To suggest such blasphemies was "disloyal."

It took years for the truth to emerge. But such brilliant works as Barbara Tuchman's book on General Stilwell finally dispelled the lingering fantasies of the Generalissimo's apologists. That Chiang would inevitably have been driven to ground, no matter how much blood and treasure we might have wasted on the Asian mainland, seems no longer in doubt.

INEVITABLE COLLAPSE

Yet, in the aftermath of the Vietnam collapse, we are in danger of repeating our China aberration. Like the regime of Generalissimo Chiang, General Thieu's government is corrupt and ineffective. In spite of the timid nagging of a succession of Washington administrations, Thieu has refused to broaden its base. Vietnam is a far smaller theater than China and, by the application of fantastic firepower, the sacrifice of 55,000 Americans killed and over 150,000 seriously wounded, the destruction of as many as 415,000 civilian lives and the creation of approximately 6 million refugees, we were able, for a protracted period, to keep Hanoi from overrunning the country. But, once we withdrew our soldiers and our bombers, it was inevitable that the house of cards would come tumbling down. Having promised an "honorable peace," the authors of the Paris Accords hoped that the debacle could be postponed for a "decent interval." But, because the interval has lasted only 26 months, they are now seeking a scapegoat. The new myth is simple enough: had Congress not balked at continuing the flow of military supplies *ad infinitum*, the crash would never have occurred.

Myths of perfidy are reckless and insidious and anyone who helps propagate them—including the President—should have his mouth washed out with soap. The myth that the Democrats betrayed China created Joe McCarthy and ushered in the most disgraceful period in American history. The myth that the German Army did not lose the first world war but that Germany was "stabbed in the back" by the Social Democrats gave Hitler the tool he needed to climb to power.

If domestic harmony is corroded by such myths, our world position could be dangerously undermined by lamentations that question America's probity. "What kind of a people are we?" one leader has asked, if we refuse to prop up an unworthy regime for the indefinite future. "How can other nations believe our commitments elsewhere in the world" if we do not continue to arm our client regimes in Saigon and Phnom Penh?

In response to the first question, I would answer only that we show our maturity by cutting our losses in an enterprise destined to failure from the beginning. In answer to the second, I would point out that our so-called "moral commitments" to South Vietnam and Cambodia were in no way comparable to undertakings elsewhere and that if we only stopped yammering, our friends would discern no similarity.

RHETORICAL EXUBERANCE

How can one compare "moral" assurances to the Vietnamese never made to them in treaty form but merely uttered by Presidents in moments of rhetorical exuberance in a situation only marginally touching America's interests, with solemn treaty obligations to such areas as Japan or Western Europe, involving interests of central strategic importance?

President Assad of Syria recently showed how to turn such a specious comparison against us. Since, he argued, America's actions in Vietnam had shown that it would ultimately tire of supporting Israel, why should the Arabs now make any concessions? Because Assad was anxious to block a partial settlement between Israel and Egypt, he had a clear motive for challenging our constancy but it was irresponsible of our leaders to confirm that challenge in their eagerness to push the blame for Thieu's failure onto the Democratic Congress.

What is occurring today in Vietnam and Cambodia involves human tragedy on a vast scale, and anyone with an ounce of humanity must feel deeply saddened. But, although it is a great human tragedy, it need be a major political disaster for America only if we make it so. Rather than playing domestic politics with our own good name, sound diplomacy requires that we formulate America's position so as to minimize the breakage from the Vietnamese disintegration. Thus, we would do well to recall the conditions under which President Eisenhower in 1954 first committed us to aid South Vietnam.

FAILED TEST

Those conditions were spelled out in a carefully drafted letter in which he made it clear that the United States would help President Diem's government only so long as the South Vietnamese continued to prove they could help themselves, with the ultimate objective of bringing about a Vietnam that could stand on its own feet. Two decades later, in spite of our vast expenditures of lives and money and General Thieu's disposal of armed forces much larger than those of the north, it is clear that his regime has failed the critical test. For that we need make no apologies. No nation ever did more for a small beleaguered country than we have done for South Vietnam.

So let us, for heaven's sake, stop the breast-beating, particularly since most nations and peoples are still inclined to take us at our own valuation. Almost without exception, they have come to regard America's preoccupation with South Vietnam more as an obsession than a policy, and most of them are relieved that we are now free to pay attention to more vital concerns. If we turn a self-assured face toward the world, it will be good for America as a whole. So let us stop the search for scapegoats. There is enough blame to go around for everybody.

BIG GOVERNMENT AND OUR ECONOMIC WOES

Mr. FANNIN. Mr. President, in the current issue of the Reader's Digest is one of the most lucid explanations I have seen of the economic problems we face today. Secretary Simon presented the facts demonstrating how big government has come to dominate the lives of our citizens, and how that as Government regulation grows the quality of life for Americans deteriorates. The Secretary points out that we are now at a crossroads. The time is near when we will make irrevocable decisions as to whether we will allow private enterprise to meet the needs of the people or whether we will have a centralized government dictatorship controlling every aspect of our economy and, eventually, our private lives.

Mr. President, I ask unanimous consent to have this article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Reader's Digest, April 1975]

BIG GOVERNMENT AND OUR ECONOMIC WOES

(By William E. Simon, Secretary of the Treasury)

For more than 40 years, we in the United States have turned increasingly to the federal government to solve our problems. Yet, as the government has enlarged its dominion over our affairs, it has become increasingly apparent that concentrating power in Washington can be inefficient, wasteful, and ultimately destructive of our freedoms. Indeed, the forces of Big Government—however well-intentioned—bear significant responsibility for creating the woes we have in the economy today.

Before we turn still further toward centralization, it is urgent that we take a hard look at ourselves:

Item: Just before the New Deal, government spending took 12 percent of our gross national product. Today it takes a third. If present trends continue, it will take 60 percent by the year 2000.

Item: It required 186 years for the federal budget to reach the $100-billion figure, a line crossed in 1962. Only nine more were needed to reach the $200-billion mark, and then only four more years to reach $300 billion. The sums are almost beyond comprehension. If $400,000 had been spent every day since Christ was born, the total would still not come to $300 billion.

Item: Excluding the war years, the federal budget ran a surplus about four out of every five years until the 1930s. When we close the books on this fiscal year, we will have had 14 deficits in the last 15 years.

Item: One out of every six working Americans is employed by federal, state or local governments. The government has become the nation's biggest boss, with more employes than the auto industry, the steel industry and all other durable-goods manufacturers combined.

It is clear to me that we have more government than we need, more government than most people want, and certainly more government than we are willing to pay for.

Big Government is not undesirable *per se* any more than bigness in any organization is undesirable *per se*. But Big Government has become Bad Government because of what it has done to our economy and to our personal freedoms.

INFLATION CAUSE

Much of today's inflation can be directly traced to excessive government spending. A widely accepted theory of economics is that when the economy is weak, deficit spending by the government helps to pump it up. Conversely, however, when the economy is strong, the government should discipline itself to achieve budgetary surpluses and stabilize prices.

Instead, in our incessant desire to buy more than we can afford, we have slipped into deficit spending almost *every* year, good and bad. And because the economy was booming during much of the past decade, federal budget deficits have become a major source of economic instability.

Moreover, heavy government borrowing to cover these deficits has helped drive up interest rates and deny industry the private capital it has traditionally borrowed to expand and to employ new workers. During the coming fiscal year, government borrowing will total 80 percent of the capital market, leaving only 20 for private industry.

Another inflationary element in this witches' brew has been our monetary policy. Between 1955 and 1965, the money supply grew at a rate of about 2½ percent a year, and we enjoyed a period of reasonable price stability. Since 1965, however, the annual rate of increase in the money supply has more than doubled, to nearly six percent. This has been far beyond the level needed for stable economic growth, and the only way that extra money could be absorbed was through higher prices.

Fueled by the government's excessive fiscal and monetary policies as well as exploding food and oil prices, inflation hit record peacetime levels in 1974 and, as it did, it had a secondary effect: it tipped the economy downward toward recession. Rising prices caused the biggest drop in consumer spending since World War II. Similarly, as inflation drove up interest rates, housing—one of the nation's largest industries—fell into a horrible slump. In short, inflation has been a major cause of the recession and *remains* our most fundamental, long-term problem.

IMPACT ON PRODUCTION

Closely related to government-created inflationary pressures are the impediments that restrictive government policies place on production. Federal regulation of natural gas is a classic example. For more than two decades, despite repeated warnings by experts, the Federal Power Commission has kept the wellhead price of natural gas at an abnormally low level, in order to hold down prices for consumers. But this has reduced the incentive to develop new domestic supplies, and today there is much less natural gas available than we need. Government regulation has, in effect, created a national shortage.

We might also benefit strikingly if greater competition were introduced in the Postal Service. For almost two centuries government has enjoyed a monopoly over first-class mail, but with irritating frequency we have had to endure second-class service. By contrast, we have permitted private competition in parcel-post delivery, and in the past decade, because of better service, private delivery services have attracted away almost half of all packages delivered. If we were willing to cut the government umbilical cord, we might have much the same result in first-class mail.

Another particularly vexing problem arises from the federal regulatory agencies, which now exercise control over air, rail and truck transportation, power generation, television, radio and the securities market—industries that account for ten percent of everything made and sold. While initially set up for sound reasons, the regulatory process has become enormously complex, cumbersome, inefficient and overly protective of the industries it regulates—all at the expense of the consumer. The Interstate Commerce Commission, for instance, now has on its books some 40 trillion rates, and 400,000 new tariff schedules are proposed each year to tell the transportation industry what it can charge.

Economic wastage from government regulatory processes ranges into the tens of billions of dollars. For example, the government allows some trucks to carry cargo in only one direction, and others to carry only a small range of commodities on the return trip.* Regulated truckers travel some 30 percent of their routes with empty "backhauls," costing consumers $5-to-$10 billion. Another example: It is 200 miles farther from San Francisco to Los Angeles than from New York to Washington, yet the air fare from San Francisco to Los Angeles is almost a third lower. Why? Airlines operating within California are intrastate and thus compete in an unregulated free market; prices on the East Coast flights are regulated by the government. Or look at the railroads. In deep financial trouble, they are required by the government to maintain upward of 50,000 route miles no longer needed—excess trackage that drives up costs. These are but three of hundreds of government impositions on our system that raise the cost of living for all of us.

SMALL PROFITS, SMALL GROWTH

To pay for the rising costs of public programs, we have transferred mounting sums of our wealth from the most productive part of our economy, the private sector, to the least productive, the government. To put people back to work, we must not only provide public-service jobs, but, more important, we must return to economic fundamentals.

When adjusted for the effects of inflation on inventory and depreciation, after-tax corporate profits have actually declined by 50 percent since 1965. It is not unfair to say that the country has entered a "profits depression." Moreover, for more than a decade, capital investments have been at the lowest level of any major industrialized country in the Free World, and the growth in productivity of American workers has been just over half as large as in France and Germany, and less than one third as large as in Japan.

It is imperative that we make better provisions for the future. We must begin to shift the long-run balance of domestic priorities away from consumption and government spending and toward investment and increased productivity. History will ultimately judge us not just on our immediate success in coping with recession—and we will succeed in that endeavor—but on our ability to deal with the more fundamental problems of resource allocation and capital formation. If we fail to address these challenges, we will fail to attain the rising standard of living that should be our goal.

Some people argue that the answer to the current economic crisis lies in more governmental control. Looking at what Big Government has done to our economy, I believe it is time to say "No." Two approaches in particular are objectionable.

One: Greater federal spending. The drumbeat for still bigger spending programs can be heard regularly along the corridors of the Capitol. Because of the continuing threat of inflation, however, this recession must be treated quite differently from those of the past. Unbridled spending could set off a new cycle of inflation and recession that would be far more severe. Thus, the President proposed a tax cut to strengthen the forces of recovery, but to ward off further inflation he is also seeking to curb the momentous growth of federal spending.

Two: Wage and price controls. Public-opinion polls show that a majority of Americans now favor controls. That's discouraging. Controls have been tried over and over again, and not once have they worked. They may yield short-term gains, but within a matter of months they begin to create significant distortions and inequities within the economy. Our 1971–74 experience with them should have taught us that, instead of eliminating inflation, wage-price controls only conceal it—eventually it returns in much more virulent form. Advocates of a planned economy argue that prices remained fairly stable under controls in World War II, but they fail to point out that when controls were phased out after the war, wholesale prices shot up nearly 30 percent in one year.

If we are seduced once again by the siren song of controls, within two years we will face a cruel dilemma: whether to lift the controls and uncork horrendous problems of inflation and unemployment, or stick with controls for good and gradually stifle the free-enterprise system. That is a choice we can avoid if we avoid the controls themselves.

THE BETTER WAY

There are other ways to attack our long-range problems—ways that will work without concentrating still greater power and influence in Washington. For once, let us attack the causes of our problems and not the results.

With revenues falling off sharply and expenditures rising inexorably, large federal deficits are inescapable in the immediate future. Thereafter, however, as the economy regains its health, we must restore much greater fiscal and monetary discipline so that we do not have deficits during years of boom.

We must overhaul the government's regulatory system. This will be extremely difficult because the special interests benefiting from regulation are much more powerful and united than their opponents. But we can no longer afford the waste and inefficiencies that excessive regulation creates.

We continue to need tax reforms. For both individuals and businesses, inflation increases the effective tax rate even though they are no better off. In addition, most of our major trading partners have largely eliminated the traditional two-tier tax system in which income is taxed once at the corporate level and again on the dividends received by stockholders. For our own economic health, we should ask whether it is good for us that the burden of business taxation here is heavier than in almost any other major industrialized nation.

OUR BASIC DECISION

Overall, the most critical economic decision we face is whether we want to leave our basic freedoms in the hands of private citizens. The nation has now reached a crossroads. In a very basic sense, we must choose either to restore a more competitive, more open society or to commit ourselves—perhaps irrevocably—to a society in which the large decisions about our economic and personal welfare are made by a central government.

History surely teaches us that the system of free enterprise, despite its many flaws, is the system most compatible with the protection of rights and liberties as well as the one that is most productive of material goods. Equally so, recent history shows that government, despite its splendid intentions, is incapable of matching the vitality, the wisdom and the ingenuity of free men.

CO-OP MOVEMENT IN VERMONT COULD SPARK RURAL REVIVAL

Mr. LEAHY. Mr. President, the Department of Agriculture recently estimated that the country will lose one-half of its dairy herds by 1980. In human terms this means thousands of family farmers squeezed out of business or forced to consolidate, many of them in Vermont. During the hearings in the Agriculture Committee last February on the recently passed emergency farm legislation, Secretary Butz confirmed this estimate in response to questions I asked of him.

A year ago, the University of Vermont Agricultural Experiment Station projected that 10 percent of the State's

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* See "Highway Robbery—Via the ICC," The Reader's Digest, January '75.

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commercial dairy farmers would soon be out of business. Farming is a $200 million a year industry in Vermont, one of the most rural States in the Nation. When the family farmer can no longer survive, it has a massive impact on our economy.

Today, many Vermont farmers are in a very precarious position. For some, selling off their land is the only way to survive. And when Vermont farmers go out of business there is no guarantee that the land will be kept open for agricultural use. Because of Vermont's natural attractions this land often falls into the hands of out-of-State interests. Today, nearly half of all the land in Vermont is owned by out-of-staters. Unfortunately when land is paved over or when it is chopped up for real estate developments, it is lost to agriculture forever. And if the land passes we will also see the passing of a unique way of life in my State. As two members of the Agriculture Extension Service stated in a recent report:

> Farmers have a genuine love of the land, a respect for it, and a desire to protect and preserve it. This attitude is not mercenary; it has roots that are almost religious.

Mr. President, the disappearance of the family farm does not indicate progress. Department of Agriculture studies have shown that large-scale farming is not more efficient than family farming. Despite this, Federal policies over the last three decades have resulted in the loss of 3 million small farms since World War II. As the power of large corporate agricultural concerns grows, monopolies are formed that leave consumers with no choice but to pay higher prices set by so-called agribusiness. In 1972 the Federal Trade Commission found that consumers were being overcharged more than $2 billion a year for food because of monopolies in 13 food lines. This figure grows yearly. As corporate farms replace family farms, these monopolies could leave consumers with no choice but to pay higher prices set by agribusiness.

Mr. President, during the last century, Vermont was the granary and the orchard of New England. Our agriculture was diversified. In part due to Federal policies, this is no longer so. Vermont farmers depend on a single product—milk—for almost 80 percent of their income. Seven out of every eight dollars received by Vermont farmers come from dairy products or the sale of cull cattle.

During my campaign for the U.S. Senate, I promised Vermonters that if elected I would seek membership on the Senate Committee on Agriculture and Forestry. When I first met with the distinguished majority leader shortly after my election, that was the first request I made of him. I am grateful it was granted. I am hopeful that as a member of the committee I can help to fashion a fresh approach to our agriculture and food problems—an approach which will preserve the family farm structure of the Nation—an approach that will eliminate the heavy rural service bureaucracy and corporate crust that now holds the family farm system in thrall and limits its ability to develop to its full potential. I do not expect this to happen overnight. However, I firmly believe that the time has come to consider anew our agricultural problems and the proper role for the Federal Government to play in helping to solve them.

Mr. President, in the Washington Post of April 20, 1975, appeared a very interesting article entitled "A Rural Revival, Farm Impact on Vermont Economy Eyed," by William Claiborne. Mr. Claiborne, succintly pointed out many of the problems faced by Vermont farmers. He described a new and growing grassroots movement in my State that is attempting to bring about a self-sufficient agriculture economy. No one has all the answers to existing farm problems. But the young people who are involved in the comparatively recent cooperative movement may have some of them. Their work and its progress merits the attention of all who are interested in the problems of agriculture. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A RURAL REVIVAL

(By William Claiborne)

PLAINFIELD, VT.—This sparsely populated town and nearly a dozen like it in central and northern Vermont are experiencing revival of the farmers' cooperative spirit that helped make New England the breadbasket of the East in the 19th Century.

In a sagging old Grange hall behind the local volunteer firehouse, thousands of pounds of cheese, flour, wheat, honey, dried fruit, and other foods are sold each month at market wholesale prices that total over $250,000 a year.

In tiny towns like Barton, Randolph, Morrisville, Franklin, and West Lebanon, the scene is being repeated in a federation of new cooperative food markets.

Orders are written at rickety, old desks alongside potbellied stoves in an atmosphere that reminds the oldest rural Vermonters of the once flourishing cooperative that became extinct with the decline of the farm and the advent of the supermarket years ago.

But the impetus behind this co-op movement comes not from the old timers, but from young refuge-seekers from out of state who came here looking for an alternate life-style and decided the system needed changing.

Usually clad in denim bib overalls, they are distinguishable from their native Vermont neighbors by their long hair, beards and counterculture mannerisms. As "flatlanders," they are far from becoming assimilated into the locals' culture.

But their presence here is being increasingly accepted by the conservative fourth and fifth-generation Vermonters whose per capita income ranks among the lowest in the nation and whose family budgets have been strained because of inflation and high taxes.

The young newcomers are also behind a small but growing movement that is trying to turn Vermont away from a policy of tourism and industrial development toward a self-sufficient agricultural economy, and there are signs that the young voices from the state's newly established food cooperatives are being heard in the government.

"The politicians are beginning to get the scent of which way the wind is going. People in this state are really quite friendly to the notion that farming can be revived here," said Larry Gordon, one of the operators of the fledgling Plainfield Cooperative.

In an interview in his statehouse office in nearby Montpelier, Gov. Thomas P. Salmon seemed to support Gordon's contention.

Although in the past he has been identified more closely with bringing manufacturing and tourism to Vermont than he has been associated with farming, Salmon said he intends to appoint a self-sufficiency commission that will devise a plan for recouping some of Vermont's dormant agricultural land.

He spoke of a "throwback to the 'victory garden' spirit of the war years," and said the state should make it easier for small, family owned farms to survive.

Vermont legislators—some of them young, urban emigrants—have been sprinkling their statehouse debates with longing references to the state's heyday of diversified agriculture.

New public interest associations and groups of young political activists are becoming more vocal about Vermont's "colonialism" and its dependency upon out-of-state business interests, and are pushing the theme of self-sufficiency.

A century ago, the state's leading industry was sheep-raising, and there used to be big cattle drives along the Connecticut River toward the stockyards of Boston.

Wheat grew abundantly in some parts of the state, and in the early 1900s the dairy industry began to flourish.

But because of a combination of low profit margins and spiraling land values, Vermont's farm economy hit the skids after World War II, going from about 30,000 farms in 1950 to 12,000 in 1960 and 7,000 in 1970. It is estimated that the state is losing 400 crop farms a year now, leaving the bulk of the farm economy to the dairy industry.

At the same time, Vermont began to experience a metamorphosis in which absentee ownership of the state's land and resources escalated at a startling rate.

Ski areas—most owned by non-Vermonters—mushroomed throughout the state, and land that sold for $15 an acre in the 1950s began to sell for $1,000 and more in the southern counties.

The state's population, which is now 475,000, shot up 14 percent in the decade of the 1960s, and home construction—dominated by the second home industry—went up 25 percent during the same period.

A study by the Vermont public interest Research Group of Warren—the Mad River valley site of the huge Sugarbush Ski Center—showed that 70 percent of the undeveloped land sold between 1968 and 1971 was bought by out-of-staters, and 84 percent of the vacation homes were owned by non-Vermonters.

Not all of the absentee ownership could be attributed to the recreation industry.

A study conducted by students at Goddard College in Plainfield, revealed that insurance companies, banks and industrial concerns own almost all of the state's commercial enterprise and undeveloped land.

The study showed that only three of the state's 21 plants employing more than 500 people were owned by Vermonters, and that most of the profits were being siphoned out of the state.

The state's largest landowner is the New York City-based St. Regis Paper Co., owner of much of the northeast corner of Vermont. Moreover, of all the major mineral companies, only one is Vermont-owned.

One of the most outspoken critics of the state's absentee ownership, Goddard College economics professor Lee Webb, said in an interview here that absentee ownership was to blame for much of Vermont's poverty.

Noting that the state ranks 42d nationally in per capita income but has the third highest state tax debt, Webb said, "If we were in the South, we'd be equated with Louisiana and Georgia. But since we're in New England, we're quaint."

The flaw in the Salmon administration's economic strategy, as Webb sees it, is that out-of-state-owned manufacturing industries rely on cheap labor and are prone to move elsewhere—especially to the South—if pressure is exerted to raise per capita income in the state.

As for the recreation industry, Webb said most employment involves low-paying, service-type jobs, and businesses that spring up around new ski areas generally are owned and managed by people who move from out of state after the development begins.

He cited the Warren study, which showed that 88 per cent of the jobs created by the ski center development were held by people who moved into the town after the development began.

These are the newcomers who run the restaurants and shops that are popular with the skiing crowd but do little to alleviate the poverty of the original residents, Webb said.

He said the recreation industry is concentrated in only a tenth of the towns in the state, leaving Vermont's 10.3 per cent unemployment rate inequitably distributed elsewhere. The unemployment in some towns, such as St. Albans, reportedly is as high as 25 per cent.

It is against this economic backdrop that the new cooperative markets and the farm revival movement was begun here and in other towns inhabited by young urban escapees seeking a return to Mother Earth.

"The co-op is finding people who want to go self-sufficient, including some old, conservative types who haven't said much," said cooperative operator Gordon.

When the Plainfield Cooperative began three years ago, Gordon said, its buyers were almost exclusively young people, many of whom were attracted by the organic food that the market sells.

Now, he said, the co-op buyers "cut across all economic lines," including many native Vermonters, or "woodchucks" as they are sometimes called here. About a fifth of the buyers use food stamps supplied by public assistance programs.

The cooperative takes about 2,000 food orders a month, and for the time being is forced to truck most of its purchases from New York and Boston. It is sold to co-op members at about half the normal supermarket retail price, Gordon said.

The cooperative plans to contract with area growers, many in the Champlain Valley, for 60,000 pounds of wheat and beans, Gordon said. If an agricultural development program is undertaken in a serious way by the state government, he added, the cooperative will expand its local purchases.

"Three acres of vegetables is an enormous amount of vegetables. We'd like to spend our money in Vermont if we can," Gordon said, adding, "I envision the day when most of what we buy will be grown here."

WHAT PRICE PEACE?

Mr. DOMENICI. Mr. President, recently 15 of my colleagues and I introduced Senate Joint Resolution 69 relating to POW/MIA's and the United Nations. In an excellent editorial, Mr. Howard Flieger of the U.S. News & World Report speaks eloquently on the same subject. His editorial entitled "What Price Peace" provides an instructive recap of the dismal record of the North Vietnamese in failing to provide information about Americans unaccounted for in Southeast Asia.

The Department of Defense lists nearly 1,000 individuals still classified as missing in action. The United States cannot continue to put up with this deplorable situation. The resolution I referred to previously would put an affirmative duty on the United Nations to attempt, in a legitimate humanitarian undertaking, to help account for these men. This Nation should not expect nor require less of the United Nations.

I ask unanimous consent that this fine editorial by Mr. Flieger be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT PRICE PEACE?

(By Howard Flieger)

Will American governments never wake up to the tragic futility of negotiating "peace with honor" with Communists?

Their violation of the Vietnam armistice is so massive its cynicism is overwhelming. Lost in the debacle is one point that is symbolic of the calculating way the Communists will exploit anything they sense as an advantage handed them in good will.

Consider the case of the 1,300 Americans still listed as missing in action in Indo-China. What has become of Hanoi's solemn agreement to help account for them?

Nothing. Instead, it is possible that many of them and their families are being used as pawns to try to wring further humiliating concessions out of the United States.

It might not be a bad idea for all of us to refresh our memories on the deal with the Communists that terminated America's direct combat role in the Vietnam War.

An "Agreement on Ending the War and Restoring Peace in Vietnam" was signed in Paris on Jan. 31, 1973, providing an immediate cease-fire. Imbedded in Article 8 of that agreement is this stipulation:

"The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and expatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

At a White House news conference, Henry Kissinger, then President Nixon's adviser on national security affairs, said "the accounting of the missing in action is unconditional and will take place within the same time frame as the American withdrawal."

But, once the deal was signed, the Communists didn't even bother to pay lip service to their pledged word. They did exchange war prisoners. They returned the bodies of 23 Americans who had died in captivity. But they did nothing about the missing in action then. They have done nothing about them since.

It must be said that, so far as anything is visible on the record, the U.S. Government has done little to try to force the Communists to keep their word.

Despite Mr. Kissinger's statement, no actual deadline was set for getting the information from Hanoi. Families of those missing who have appealed in person to the Communists have gotten nowhere. Hanoi has refused to permit searches in North Vietnam or any areas under its control for graves, crash sites or physical evidence of what might have become of the missing Americans.

Maybe most of them perished. Perhaps some are still captive. It is always possible that a few have been subverted and gone over to the Communist cause.

The tragedy is that nobody in the U.S. knows. And nobody is finding out.

Last September, President Ford declared "the record shows that there has been almost no compliance with these humanitarian provisions" of the Paris agreement.

Are the Communists playing a cruel game—using the issue to try to coerce further concessions? There are hints of that.

North Vietnam's Foreign Minister, in a letter to Sen. Edward Kennedy early this year, said Hanoi still was gathering information on Americans missing in action and hoped, eventually, to ease the anguish of their families. Hanoi clearly implied that the Communists know more than they've told about the missing 1,300, at least some of them.

The fate of those listed as missing in action was left to the good will of the Communists. Their fate is unknown. There is a lesson in this for Americans.

FOREIGN POLICY

Mr. RIBICOFF. Mr. President, Eugene Rostow, sterling professor of law and public affairs, Yale Law School, and former Undersecretary of State for Political Affairs, is a thoughtful and knowledgeable man in the field of foreign policy. His most recent book on foreign affairs is "Peace in the Balance: The Future of American Foreign Policy."

His recent address before the Los Angeles World Affairs Council on April 4, 1975, should be read and considered by each one of us.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NIXON-FORD-KISSINGER FOREIGN POLICY

(By Eugene V. Rostow)

My argument today is somber—not pessimistic, not grim, but decidedly somber, and I have no desire to conceal it in blandness. In preparing this talk, I have tried to suppress habits of circumlocution established by six years in our foreign affairs bureaucracy, which George Ball once called "The Fudge Factory."

My thesis is paradoxical. Despite the flurry of bad news during the last few months, I should contend that our basic security position is strong—stronger in many ways than has been the case since 1945. The posture of basic American strength in world affairs has developed because the increasing pressures of Soviet policy, and the implacable logic of the nuclear weapon, have forced Western Europe, China, Japan, and many other countries to recognize that their security interests and our own are indivisible, and will remain indivisible for the indefinite future. Despite that fact, however, the United States is in danger, and the danger is increasing with every passing day. How can it be that we are stronger, but feel weaker, and indeed are allowing our advantage to erode? My explanation for the paradox is that the prevailing American perception of world politics, still reeling under the impact of Korea and Vietnam, has been deeply confused by the Orwellian vocabulary President Nixon and Secretary of State Kissinger have employed in explaining foreign policy to the American people. President Ford has not yet liberated himself from this feature of his inheritance. Therefore we must still talk of the Nixon-Ford-Kissinger foreign policy, and not yet of a Ford-Kissinger foreign policy. And the atmosphere of politics is still dominated by the strange and misleading language Nixon used when he talked to us about foreign affairs.

As a result, we are passive and timid, where we should be firm and strong. We are cutting our military strength, at a time when our military and political capabilities in world politics should be increasing. We hesitate, when our willingness to act in defense of our interests should be obvious to those who would challenge them. We are retreating when we should be standing fast—consolidating our alliances, and developing new relations of cooperation with many other coun-

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tries around the world. And we are bitterly divided, when we should be a united nation, confronting grave national problems together with all the energy, optimism, and practical common sense which have always characterized American foreign policy at its best.

Our Secretary of State has spoken recently about "a crisis of authority" from which he believes the democracies of the world are suffering. I do not agree. We are indeed in a crisis. It is not a crisis of authority, in my view, but a crisis of understanding and of will.

The only rightful source of American policy is an informed public opinion. No President, however gifted, can carry out an effective foreign policy without the support of public opinion. And none of us would have it otherwise. I have complete faith in the fortitude and good judgment of the American people, their instinct for reality, and their willingness to accept any burdens for the sake of the nation. It may be that we are hopelessly caught up in a mood of irrationality and illusion like that which dominated the Thirties, but I do not believe it. Certainly no one could draw such a conclusion from the elections of the last decade. I see no reason to doubt our ability to restore a strong and realistic bipartisan concensus about foreign policy. In any event, I am certain that we must try with all our might to do so. If we fail, the future will indeed be ominous, for the tide of events is running strongly against our national interests in world affairs.

The key to the possibility of success in that effort is simple, but not easy. The crystallization of a sound public opinion in any democracy, and especially in our democracy, requires a frank dialogue between the government and the people—sustained, intense, detailed, and thorough. It is nearly impossible for public opinion to understand the patterns beneath the flow of events unless our leaders trust the people, and explain the world with which they have to deal in the direct and unvarnished language of Harry Truman: with the bark on; without hedging or fudging; and above all without partisan bias.

Watergate was not in my judgment Richard Nixon's only offense against the moral code of our constitutional order. Mr. Nixon's way of talking to us about foreign policy also violated the principles of democratic ethics which should govern the relationship between the President of the United States and the American people.

As the news makes more obvious with every passing day, from Portugal and the Middle East to the struggle in South East Asia, President Nixon did not achieve "détente" with the Soviet Union. To me the only possible meaning for the term is a condition of world politics dominated by the habit of full respect for the rules of the United Nations Charter regarding the international use of force. We can hope to reach that goal only by building and maintaining a stable balance of power, on the basis of which we could deter Soviet expansion, and ultimately persuade the Soviet Union to respect the rules of the Charter of the United Nations.

Détente with the Soviet Union in this sense is a state of affairs every American President has sought since the time of President Franklin Roosevelt. It should always be a major goal of our foreign policy. But the promise of "détente" has not been realized. Nixon claimed that he had brought the Cold War to an end, and reached a new and stable system of world peace. This claim now has a hollow sound. We are not living in a condition of "détente" with the Soviet Union. There has been no improvement in our relations with that country. The only changes that have occurred have been in the realm of public relations, not of diplomacy. Soviet policy is exactly what it has always been, except that its pressures are greater and more diverse than ever, and more difficult to deal with. Our problems in Portugal today, for example, are far more complex than those of the Berlin blockade, or the threats to Greece in the late Forties. "Negotiation" has not replaced "confrontation" in the policies of the Soviet Union, which continues to pursue programs of expansion backed by military budgets which have been increasing at the rate of 5% a year, in real terms, and have no parallel in modern history.

Until President Ford frees us from the incubus of President Nixon's excessive claims about what he accomplished, the agony and the triumph of Watergate will have been in vain. Until President Ford takes that indispensable step, there can be no foundation for the confident, agreed, and bipartisan foreign policy we must restore as the predicate for effective national action. Until that happens, we shall not enter the Post-Nixon era.

As a student in London forty years ago, President Kennedy wrote a book called "Why England Slept." Its thesis was that if Britain, France, and the United States had roused themselves in time, World War II, and all that flowed from it, could have been prevented. President Kennedy was surely right. But the Western powers, including the United States, are walking in their sleep, as they did during the Thirties. Will it take another Pearl Harbor to wake us up? Can we respond, on the basis of reason alone, in time to prevent another world catastrophe? That question is the heart of my talk today. It is the question on which the shape of our future depends.

We have had several warnings already quite as clear as Pearl Harbor, notably the war of October, 1973, in the Middle East. Thus far, at any rate, we have refused to recognize those events as Pearl Harbors.

II

I propose to illustrate my argument here largely from the circumstances of the Middle Eastern crisis, which remains, in my opinion, potentially the most dangerous of the current threats to our vital national interests and concerns. To view the Middle Eastern crisis in the perspective of our foreign policy as a whole, however, I should start by briefly recalling two or three preliminary points.

The main lines of American foreign policy have been constant since President Truman's time, and they will remain constant, for reasons rooted in the nature of things, unless we should suddenly decide to commit national suicide. Each of our post-war Presidents has had a different style. They have differed in ability, in temperament, in eloquence, and in luck. But the constant themes in their policies have been far more important than the variations. The continuity of our policy reflects the continuity of our national interests, and the necessities of world politics.

How should we define the American national interest in world politics? Some discuss the problem as if foreign policy were a luxury, an optional activity we can turn on and off at will, a form of philanthropy through which we help democratic nations whose policies we approve, and refuse to assist other nations, even against aggression, because we find their social or political systems unattractive, their leaders unsympathetic, or their habits corrupt.

I should make it clear that I reject such formulations of the problem. I am convinced that foreign policy is a serious subject, a necessity and not a matter of choice, and, in these troubled times, the first and most urgent of our national priorities. Foreign policy, like other kinds of policy, is always a matter of adjusting our hopes to our capacities. As Lord Salisbury remarked a long time ago, speaking of the Boer War, "the money will have been well spent if it teaches the British public they can't have the moon just because they want it." In my view, our foreign policy should be dominated by a concern for the national interest, and only for the national interest.

The essence of the American national interest in world politics is a world order in which we can live and prosper as a democracy at home—a world of wide horizons, and not a nightmare. The goal we must seek, however, is not order alone, but peace. For the century between 1815 and 1914, the United States did not really need a foreign policy. We lived in a system of peace maintained by the Concert of Europe. But for the last sixty years, we have learned that peace is not a gift of nature, or a blessing conferred on us by our two oceans, but the painful achievement of politics and law. Thus since 1945 the goal of American foreign policy has been not simply to achieve and maintain a deterrent balance of power, but on that indispensable foundation to help restore a system of peace. That condition—the state of peace—will be realized when world politics is characterized by the expectation that the basic rules of the United Nations Charter will be generally, and reciprocally, obeyed and enforced. The ideal of law has been the organizing principle guiding the evolution of American democracy at home. In this small, contracting, and turbulent world, it is the only possible first principle for the foreign policy of a democracy which aspires to remain a democracy. Our two broad oceans are no longer enough to protect us. Indeed, they never were. Today, they have shrunk to the size of brooks.

Thus it is not accident that under all our post-war Presidents, our foreign policy has had the same four guiding ideas. The first, which we used to call the policy of containment, is that we should seek to prevent the balance of world power from being irreversibly altered by the outward thrust of Soviet policy. The second is the policy of economic reconstruction and development. From the days of Bretton Woods, the Marshall Plan, and the Point-Four program, we have tried to build a progressive worldwide economy, embracing the developed and the developing countries alike, and, more recently, the communist countries as well. The third has been the effort to control nuclear weapons. Starting with the Baruch Plan proposals in 1947, we have never stopped pushing for international agreements that would take nuclear weapons and nuclear science out of world politics. Finally, beginning at least in 1940, we have sought, year after year, to separate China from the Soviet Union.

Each President has had to cope with a different configuration of events. For Nixon, the fact of overriding importance was China's decision to turn to the United States for protection against the Soviet Union. That decision was difficult for the Chinese Communists to make, even as a tactical zig or zag. It was a response to the steady Soviet military build up in Siberia, and the military and political penetration of Southern and South Eastern Asia by the Soviet Union. Soviet forces in Siberia rose from about four divisions in the mid-Sixties, to twelve in 1969, and something like forty or forty-five in 1971, when the Chinese move occurred. The Soviet mobilization on the Siberian border is the most important fact in world politics today. Soviet forces in Siberia are still increasing in size and power. Taken in conjunction with Chinese and Soviet rivalry for leadership of the world's revolutionary impulse, and China's nuclear capability, China perceived the Soviet military buildup in Siberia as a mortal threat, and turned to us as the only force on earth that could deter a Soviet attack.

Nixon responded well to the Chinese move, at least in the first instance. He explained both to China and to the Soviet Union that we wished to have equally good relations with each, and that we did not wish to enter

into an alliance with one against the other. We opposed hegemonial dominance in Asia as we did in Europe, and for the same basic and eternal reasons of national security. And, Nixon made clear, there must be no war.

China's rapprochement with the United States is the most significant and potentially the most constructive change in the structure of world politics since 1949. If China, with a formidable nuclear arsenal, needed an ongoing security relation with the United States in order to prevent Soviet aggression, the lesson for Western Europe, Japan, and many smaller states was obvious. The magnetic field of world politics is being redefined. A new constellation of shared interests was manifest, based on fear rather than hope, but not less real for that. A more stable equilibrium in world politics seemed distantly possible. President Nixon, indeed, proclaimed that such an equilibrium had already been achieved.

To this development, the Soviet response was clear-cut. First, the Soviets tried to show the Chinese how futile their move had been, by their full support for the spring offensive of 1972 in Vietnam. When that attack failed, Nixon was enthusiastically received in Moscow, in order to make quite certain that China and the United States were not in fact secretly allied against the Soviet Union. In this setting, the brave promises of détenté were made, in May of 1972. The Declaration of Principles and the communique issued at that time proclaimed that in conducting their relations the two governments would proceed from the common determination that in the nuclear age there is no alternative to peaceful coexistence. To fulfill that principle, they promised to work together to achieve peaceful solutions for situations of tension in many parts of the world, to exercise restraint in their mutual relations, and to negotiate and settle all differences by peaceful means. Specifically, both nations undertook to bring peace to Indochina, and the Soviet Union promised to cooperate fully with Ambassador Jarring in negotiating a political settlement in the Middle East, pursuant to the principles and provisions of the Security Council's Resolution 242 of November 22, 1967.

The state of tension in the Soviet-Chinese-American triangle and the success of our military efforts during 1972 led to the Indochina cease-fire agreements of January, 1973, which were "guaranteed" by the major powers in the Declaration of Paris in March, 1973.

From the American point of view, those agreements were entirely satisfactory—on paper. Despite a few minor ambiguities around the edges, they confirmed the positions for which we and other nations had suffered so bitterly in attempting to carry out their obligations under the SEATO Treaty and the Charter—that North Vietnam and South Vietnam were separate states, and that the war in Indochina was therefore an international war, not a civil war; and that North Vietnam would evacuate Laos and Cambodia, withdraw from South Vietnam, and refrain from any interference, military or political, in the affairs of South Vietnam. On that basis, we should withdraw from South Vietnam, and peace would return to that tortured land. The Soviet Union promised once again to carry out the agreement it had made with us in 1962—the agreement, that is, finally to get the North Vietnamese out of Laos and Cambodia.

The Soviets have never pretended that the 1973 agreements for peace in Indochina were being carried out. And our government, weak and uncertain, did not even protest strongly against the fact that it was being cynically double-crossed by the Soviet Union as well as by the North Vietnamese. In the shadow of Watergate, Nixon and Kissinger were prisoners of their own "détenté" rhetoric. They remained silent, and hoped for the best.

The only modern analogy for Soviet behavior in relation to the Indochina agreements of 1973 is the invasion of Czechoslovakia in contempt to the Munich agreements of 1938. That dire event was a clear signal of Hitler's intentions in the Thirties. The fate of the Indochina agreements of 1973 has the same significance to the policy problems we face today.

At some point during 1973, once we had withdrawn our troops from Vietnam, perhaps not until the late summer, when Congress had passed and the President had signed the Resolution forbidding all American military activity in Indochina, the Soviets decided to strike against the risk that the Chinese-American rapprochement might genuinely restrain their ongoing programs of expansion. The main theatre they chose for their first attack was the Middle East. It has always been the pattern of Soviet policy, when disappointed or frustrated on one front, to move ahead on another.

Soviet behavior before, during, and since the Middle East war of October, 1973, like their failure to carry out their promises with regard to Indochina, made nonsense of the pledges the Soviets had given to Nixon during his Moscow visit of May, 1972, and their later reiteration of those pledges. Instead of pressing for a diplomatic settlement in the Middle East in accordance with the Security Council Resolution, as they had promised, the Soviets helped to prepare and equip the Arab attack of October 6, 1973, supported the oil embargo, and urged distant Arab states to enter the fray. And, at the end, they threatened to intervene themselves in order to prevent the total destruction of the Egyptian and Syrian armed forces. Again, as they did in Indochina, Nixon and Kissinger concealed what was happening from the American people. In order to preserve the illusion of "detente," they covered up the Soviet role in the October war, both by what they said and by what they did not say. Mr. Kissinger has told us that Soviet behavior before, during, and after the October war was "not unreasonable," and "less obstructive than in 1967," and that our "detente" relations with the Soviet Union contributed to an agreed settlement.

III

American interests in the Middle East rank high on any list of issues which require a national, and not a sentimental or a partisan approach. What is at stake for us in that feverish area should be examined in the perspective of the national interest, not of sympathy either for the Arabs or the Israelis. We can sympathize with both Arabs and Israelis, caught up in a web of history they did not make. But events in the region, and at other points on the periphery of NATO, are approaching a flash point. Vital security interests of the United States are in peril. They should be analyzed, and protected, as such.

What are the interests of the United States in the Middle East? The first and most basic is the geo-political importance of the Middle East to the defense of Europe. Our alliance with Western Europe is absolutely essential to the balance of world power on which the primordial safety of the United States depends. On this proposition, there is nearly complete unanimity in the United States. But the larger part of public opinion is not yet fully conscious of the fact that Middle Eastern conflicts are not isolated regional problems, but are integral to the security of NATO.

For twenty years, the Soviets have pursued a strategy of enveloping NATO. They have exploited Arab hostility to the existence of Israel as an important weapon of that strategy. The Arab-Israeli conflict is not, of course, the only arrow in their quiver. As the Soviets say, they "push at every open door." They have tried to take advantage of every political and military opportunity that served their purposes, if it did not involve excessive risk or cost. Thus they have probed in Iceland and Norway. They are now moving on a large scale in Portugal. They have a naval base at Conakry, and have explored possibilities in many other places on the marches of Europe.

By playing on the Arab-Israeli conflict, and other issues, the Soviets have made considerable progress in the Middle East, from Iraq and Aden to Algeria. And their investment in that effort is by now massive. They have supplied Arab states with billions of dollars worth of arms and economic aid. And their technical assistance, especially in the military sphere, often become participatory. If the Soviet Union were to achieve domination of the Mediterranean, North Africa and the Middle East, it would outflank the NATO defenses in Central Europe, and threaten Europe from its soft under-belly, as President Pompidou once remarked. It has been painfully obvious since October, 1973, that hegemonial control of the oil, the space, and the mass of the region by the Soviet Union would carry with it dominion over Western Europe as well. NATO would be dismantled. Europe would be reduced to the status of Finland, at best—a major supplier of technology and consumer goods to the Soviet Union, and a political eunuch.

In this context, the American and the NATO interest in Israel is of critical importance. It has two aspects, related but distinct.

The first is the immense historical responsibility we share with other nations for the existence of Israel. Israel came into being in reliance on the solemn promises of the world community. Depending upon those pledges, nearly three million people have come together, refugees and idealists from the ends of the earth. They have forged a living democratic community, state, and nation. While Arab public opinion is changing, it probably still believes that the creation of Israel was an injustice to the Arabs, beyond the powers of the League of Nations and the United Nations. But the United Nations have emphatically reiterated the judgment that Israel exists of right, and that the Arabs must at long last make peace. The most recent and most fundamental assertion of this judgment was the decision of the Security Council stated in Resolution 338 on October 22, 1973. It is morally and politically unthinkable that the United States and its allies, and many other nations as well, could stand by and allow Israel to be destroyed. On this issue, the verdict of history, however debatable, is irreversible. On such an issue, we pass beyond the realm of the balance of power, and the classic game of power politics, to the true sources of our being: to the ultimate and abiding question, what manner of men are we? The United States, Great Britain, France, and Germany all made the answer clear in their responses last fall to the threats of Arafat in the General Assembly of the United Nations.

The second aspect of our national and NATO interest in the fate of Israel in the use the Soviets have made of the Arab-Israeli conflict in their programs of imperial expansion. In the late forties, the Soviets supported Israel, in order to help drive Britain out of the Mediterranean. A few years later, they changed sides. With massive arms supplies and political backing, they dangled before the eyes of the Arabs the irresistable temptation of an opportunity to drive out the Israelis, as the Crusaders had been driven out many centuries before. The wars of 1956, 1967, 1969–1970, and 1973 could never have taken place without Soviet support for Arab

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policy. Were that policy to succeed, the Soviets believe, the Arabs would be irrevocably committed to their protection. Against the background of history, the destruction of Israel would release convulsive political forces, in Europe and elsewhere, whose impact no man could predict or control. Before the incalculable storm the destruction of Israel would provoke, the Arabs would have no other choice.

Our political and strategic goal in the Arab-Israeli conflict, therefore, should be to convince the Arabs that their flirtation with Soviet policy can bring them nothing but tragedy, and to insist on a fair and evenhanded peace, which both Arabs and Israelis could welcome and live with. The Soviet interest is to prolong and envenom the Arab-Israeli dispute as long as possible, provided that the risks do not become excessive. They have profited greatly from it. Sometimes Israelis think that Israel would be better protected by territorial acquisitions than by unequivocal peace treaties. The United States and its NATO allies must always favor peace as the goal of their policy for the Arab-Israeli dispute—a fair peace, a balanced peace, but peace, nonetheless, and not a truce, an armistice, or a modus vivendi. American and allied interests in the Middle East will not be automatically safeguarded by peace between Israel and its Arab neighbors. Many other complex and difficult programs will be required to assure that end. But our common interests cannot be safeguarded without an Arab-Israeli peace. This has been a principal theme of our Middle Eastern policy, and of Allied policy, whenever there was one, since 1948.

The goal of peace between Israel and its neighbors has been blocked, from that day to this, by Egypt's persistent refusal to make peace. Journalists, scholars, and diplomats talk vaguely of missed opportunities for peace. They often reproach the United States and Israel for failing to discover or to invent the formula which might have persuaded Egypt to make peace. Two and a half years of direct and responsible experience with the problem, and a good deal of study since, have convinced me that these reproaches miss the point. No doubt mistakes have been made in conducting the complex diplomacy of the Middle East problem, many of them serious. But there has been no "intransigence," no "arrogance," no lack of imagination. Dozens of approaches to Egypt, some of the most important based on terms Egypt had professed to offer, all met the same fate: with full Soviet support, Egypt simply said "No." In the nature of Arab political life, it was impossible for Jordan or Lebanon to make peace, in the absence of action by Egypt.

In 1957, after the Suez Crisis, we were persuaded by Nasser to push Israel out of the Sinai without peace, in exchange for a long list of glittering promises which were made to us as well as to Israel, and were not kept. In 1957, we deferred to Nasser's sensibilities by acting as the broker of an agreement between Israel and Egypt. The terms of the agreement were put forward in a series of apparently unconnected statements at the United Nations and in the capitols. I still have the printed volume of State Department documents on the subject, supplied to me during the 1967 crisis. It is decorated by fifteen or twenty paper clips. I was instructed that the pages marked by the paper clips constituted the peace agreement of 1957. Israel withdrew from the Sinai in reliance on assurances that the Strait of Tiran would be kept open; guerrilla attacks from Egypt would cease; Israel would be allowed to use the Suez Canal; and peace would be made in due course. And it was expressly understood that if Egypt ever closed the Strait of Tiran, Israel would be entitled to respond with force as an act of self-defense. This is why no majority could be brought together in 1967, either in the Security Council or the General Assembly, to condemn Israel's attack, which responded to Egypt's blockade of the Strait of Tiran, general Arab mobilization, and the threat of a Holy War to destroy Israel.

This experience is reflected in the Resolutions adopted by the Security Council both in 1967 and in 1973.

Resolution 242, which was adopted in November, 1967, rests on a simple reality: the Israelis are afraid the Arabs will never make peace; and the Arabs are afraid the Israelis will never withdraw from any of the territory they have occupied in the course of the endless war. Therefore, the powers finally decided, the two problems should be linked. The fate of the 1957 agreement determined the structure of the 1967 Resolution. Israel is not required to withdraw one inch from the territories it holds as the occupying power until its Arab neighbors have made peace. This is the famous "package deal" of Resolution 242—withdrawal for peace, and no withdrawal without peace. The Resolution requires the parties to negotiate peace agreements which prescribe security arrangements, including demilitarized zones; provide guarantees for maritime rights through all the international waterways of the region; deal justly with the refugees; and establish secure and recognized boundaries—which need not be the same as the Armistice Demarcation lines of 1949—to which Israel would withdraw.

In the diplomacy of Resolution 242, it has been understood since 1967 that the transition from the present armistice regime to a regime of peace would take time, perhaps a good deal of time, and that Israeli withdrawals, and the development of peaceful relations, should be accomplished in stages. The Egyptians particularly have stressed that the agreements of peace called for by Resolution 242 should be built around a "time-table," which spelled out in advance exactly what each party would do at each stage of the process.

After the 1973 war the 1967 Resolution was reiterated, and made mandatory. It was adopted under the pressure of Israel's brilliant victory, in time to prevent that victory from leading to the complete destruction of the Arab armies. Mr. Kissinger himself rightly insisted on the key provision of Resolution 338 of October 22, 1974, before agreeing to the cease-fire itself. Resolution 338 is one of the Security Council's rare "decisions," imposing a binding legal obligation on all members of the United Nations. Legally and politically, it has the extraordinary status of the Security Council Resolutions on Namibia (the former South African mandate for German Southwest Africa) and Rhodesia. Resolution 338 commands the parties concerned to negotiate a just and durable peace "immediately and concurrently with the cease-fire," in accordance with the principles and provisions of Resolution 242. Equally, it commands every other member of the United Nations to help the parties fulfill these difficult instructions, and to do nothing to prevent them from being carried out.

This quick review should permit some judgment about where we are, and where we should be going. And it permits us to understand why Secretary of State Kissinger's step-by-step diplomacy failed, except as a device of delay.

It failed, I believe, because it abandoned the two key Security Council Resolutions, and the implacable realities of history and world politics embodied in those Resolutions. Secretary Kissinger has been trying to repeat John Foster Dulles' tactics in 1957: to get the Israelis out of the Sinai without peace. Nearly twenty years, and at least three wars later, that tactic could not, and did not work.

The only approach to peace which has any chance of success is one firmly based on the Security Council Resolutions. This was the flaw in Secretary Kissinger's plan—its fatal flaw. Under the Security Council Resolutions, as I said, Israel is assured the right to remain in the occupied territories until peace agreements are made. Israel's willingness to deviate from this position in recent months, as it did, in order to cooperate with the Secretary's plan of step-by-step diplomacy was a major political concession on its part, and a risky one, in view of the past history of the conflict. There is no ground therefore for criticizing Israel for intransigence, stubbornness, and inflexibility in refusing to enter into a major territorial withdrawal without more tangible assurances of progress towards peace. We never should have proposed such concessions in the first place.

IV

Our foreign policy agenda is formidable in every field, from monetary and energy problems to those of nuclear weapons, alliance relations, and food. In my opinion, effective programs of action on all these subjects are within our reach, if, but only if we soon come to a common and agreed answer to the preliminary questions I tried to pose at the beginning of this talk—What is our foreign policy for? And what means should we use to carry it out?

I think I can claim to be the only bureaucrat who ever went up and down the country making official speeches to the effect that our most important foreign policy problem was to resolve a Jungian tension between our collective unconscious and the facts of life. Our collective unconscious preserves a beautiful vision in our minds—the vision of nineteenth century America, isolated and aloof, without entangling alliances, and entirely neutral in the various conflicts of world power politics. We must finally liberate ourselves from this dream. The nineteenth century is over. The nations which maintained the general peace of the nineteenth century no longer have the power to do so. Unless we take our share of responsibility for the process of peace, there will be no peace. World politics will degenerate into conflict after conflict until we and other nations react, as we did a generation ago, when we felt threatened by hostile forces that would become overpowering unless we struck out against them. The basic cause of war, as Thucydides pointed out many centuries ago, is fear. What made the Peloponnesian War inevitable, Thucydides wrote, "was the growth of Athenian power, and the fear which this caused in Sparta."

We are living in the midst of a comparable process today. We are the only people on earth who can arrest that process in time to prevent war, by proceeding calmly, patiently, and steadily in the pattern of firmness and conciliation which has characterized our foreign policy since President Truman's time. To accomplish this goal will require a great national effort—in the first instance, an effort of thought, a debate, and then a series of votes on defense, and aid, and other hard subjects.

The United States should be the master, not the victim, of its fate. The will of our people cannot be mobilized unless the President, every official of the Executive branch, every member of Congress, and every citizen, addresses these issues with words and deeds adequate to their gravity. The dangers before us demand a sharp and dramatic turn in the direction of our policy. That turn will not come in time to prevent war unless we face the issues directly and soberly, without partisanship, in the spirit of civic responsibility which is the genius of our democratic society.

Some of you here will recall, as I do, Leopold Amery's great outburst in the House of Commons in 1939, to a speaker who was dithering about Britain's response to the invasion of Poland. "Speak for England," he shouted. Amery's words helped to precipitate a new state of resolve in Britain, and throughout the free world. We are at a point where Amery's cry should be heeded again. For eevry one who speaks, or writes, or votes on issues of foreign policy, the only rule should be "Speak for America."

THE ECONOMIC SITUATION: THE RISKS OF PREMATURE OPTIMISM

Mr. HUMPHREY. Mr. President, every newspaper I pick up has an article about the "bottoming out" of the recession, or the "light at the end of the tunnel," or the "patches of blue" in the gray sky. I even hear arguments that we have already "overshot the mark", that the tax cut was "too big, too late", that it is now time to start worrying about slowing the economy down so that economic policy will not be overstimulative when we return to full employment.

Now, I agree that there is light at the end of the tunnel. There is every reason to hope and expect that the decline in output will end within the next few months.

But that does not mean all our troubles are behind us. The recovery has not started yet. We have no absolute certainty that it will come soon. We do not know how strong it will be nor how long it will last. Yes, there is light at the end of the tunnel, but the tunnel is a long one and the light is pretty dim. The few patches of blue in the sky are still surrounded by a lot of very dark clouds.

The notion that we have overshot the mark, stimulated the economy too much too late is, frankly, ridiculous. If policymakers become convinced of this and base policy on this fallacious analysis of the economic situation, it will be a tragic mistake. By almost everybody's calculation, even if the recovery begins immediately and proceeds vigorously, the unemployment rate will remain above 7 percent through the end of next year. It will probably be sometime in 1979 at the earliest, before the unemployment rate is brought down to 5 percent. And that is if we are very lucky. If the recovery falters anywhere along the way, unemployment will remain higher and for a longer period.

Many of the recent statistical indicators on the economy suggest, unfortunately, the economy is not poised for a really vigorous recovery. The task of policy in the months ahead will be to watch those indicators closely and to provide additional fiscal and monetary support for the economy, if it is needed to initiate and sustain—I stress sustain—a strong recovery.

We have by now all read or heard what happened to the gross national product in the first quarter of this year. Real GNP fell at an annual rate of over 10 percent. Coming on top of the 9-percent rate of decline in the previous quarter, this adds up to the sharpest drop in real output since we began keeping quarterly records in 1947. During those two quarters the gap between actual and potential output widened from 7½ percent in the third quarter of 1974 to 14 percent today. Employment fell by 2.6 million persons, and the unemployment rate rose from 5.8 percent last September to 8.7 percent this March.

But those statistics relate to what has already happened. The question now is what lies ahead. Have we fallen so far that we have nowhere to go but up? Does the suddenness of the drop in output insure that we will bounce back with equal swiftness? I would like to think so, but unfortunately the evidence is not convincing. Let me review the available information.

Business inventories, as expected, dropped sharply in the first quarter. This means that the situation in which current consumption could be met from inventories rather than from new production is fading. It is therefore a hopeful sign that there will soon be some pick-up in production. How much of a pick-up will depend on how consumers behave in the months ahead. How much will they increase their purchases?

The tax cut we have just enacted will bolster consumer incomes and encourage them to increase their spending. However, we do not know for sure how much of this increased income they will spend and how much they will save. The benefits of the tax cut will be in part offset by drops in consumer income due to the still rising level of unemployment and to the exhaustion of supplementary unemployment benefits in the automobile industry and elsewhere. Some pick-up in consumer spending can be expected in the months ahead, but we cannot be sure how strong it will be.

What about the investment sector? There the outlook is far weaker than in the consumer sector. In our national accounts, investment is divided into three main components—business fixed investment, business inventories, and residential construction. All three of them remain on a downward path.

Manufacturing capacity utilization fell to 68 percent in the first quarter. Naturally, businesses are going to cut back on investment plans when such a low percentage of their existing plant is being utilized. Recent forecasts show business fixed investment continuing to fall in real terms for at least another 6 months.

Business inventories will probably fall again in the second quarter and perhaps for an even longer period. At best, they will grow only slowly. Certainly, there is little prospect for the kind of situation in which the need to replenish inventories can make a strong contribution to the growth of output.

This leaves residential construction, the third component of investment. We have only to look at what happened to building permits last month—when they declined further from already extraordinarily low levels—to know that we cannot look to the housing sector to play an early role in recovery. The annual rate of 710,000 building permits in March was about half what it was a year ago. In the past 4 months building permits have averaged 732,000—again, little more than half the year earlier period. Even if permits pick up rapidly beginning next month, it will inevitably be several months before this is reflected in housing starts and actual construction activity. Furthermore, consumer uncertainty, high unemployment, and continued high interest rates cast doubt on how strong any housing recovery will be.

In sum, none of the major sectors of the private economy can be relied on as a sure bet to spark a strong economic revival. We in Congress must keep this in mind as we debate the budget resolution during the next few weeks. The economy needs support. We must keep watching and studying to determine how much support. It requires output growth of about 4 percent per year just to keep even with the growing labor force and rising productivity trends; that is, just to hold the unemployment rate constant. We do not want to hold the unemployment rate constant. We want to bring it down. Quickly. We must be sure economic policy remains as supportive as necessary to do the job.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, because of long standing commitments I made which required my presence in Alaska, I was unable to participate in the rollcall votes on March 21 and March 26 regarding H.R. 2166, the tax reduction bill and H.R. 4296, the farm bill. For the record, I would like to indicate how I would have voted had I been present:

How I Would Have Voted

VOTES ON H.R. 2166, TAX REDUCTION BILL

Vote No. 92: Modified Hart unnumbered amendment—nay.

Vote No. 93: Motion to table motion to reconsider the vote by which the modified Hart unnumbered amendment was agreed to—nay.

Vote no. 94—Tunney amendment no. 153—yea.

Vote no. 95—Modified Domenici unnumbered amendment—yea.

Vote no. 96—Javits unnumbered amendment—yea.

Vote no. 97—Helms amendment no. 186—nay.

Vote no. 98—Percy amendment no. 195—nay.

Vote no. 99—Hathaway amendment no. 137—nay.

Vote no. 100—Cloture motion—yea.

Vote no. 101—Dole unnumbered amendment—yea.

Vote no. 102—Chiles unnumbered amendment, motion to table—nay.

Vote no. 103—Bumpers amendment no. 271, motion to table—yea.

Vote no. 104—Brooke amendment no. 259, motion to table—yea.

Vote no. 105—Brooke amendment no. 172, motion to table—nay.

Vote no. 106—Gravel amendment no. 129, motion to table—nay.

Vote no. 107—Kennedy amendment no. 205—nay.

Vote no. 108—Allen amendment no. 138, motion to table—yea.

Vote no. 109—Allen amendment no. 179—yea.

Vote no. 110—Mathias amendment no. 155, motion to table—nay.

Vote no. 111—Long unnumbered amendment—nay.

Vote no. 112—Final passage of H.R. 2166, Tax Reduction Bill—nay.

Vote No. 117—Agreement to Conference Report, Tax Bill, H.R. 2166—nay.

VOTES ON H.R. 4296, FARM BILL

Vote no. 113—Moss amendment no. 306—nay.

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Vote no. 114—Moss amendment no. 305—nay.

Vote no. 115—Moss amendment no. 304—nay.

Vote no. 116—Final passage of H.R. 4296, the Farm Bill—yea.

LAWS OF THE 93D CONGRESS AFFECTING ADVISORY COMMITTEES

Mr. METCALF. Mr. President, the 93d Congress passed no fewer than 53 laws establishing, authorizing, or otherwise affecting Federal advisory committees, commissions, councils, boards, panels and other advisory bodies.

This finding results from a cooperative search by the staff of the Subcommittee on Reports, Accounting and Management and two units of the Congressional Research Service: the American Law Division and the Government and General Research Division.

The legislative output of the 93d Congress should be measured against the declaration by the 92d Congress in enacting the Federal Advisory Committee Act—Public Law 92–463—that "new advisory committees should be established only when they are determined to be essential and their number should be kept to the minimum necessary."

To implement that declaration, section 5(b) of the Federal Advisory Committee Act says the following about the responsibilities of Congressional committees:

> In considering legislation establishing, or authorizing the establishment of any advisory committee, each standing committee of the Senate and of the House of Representatives shall determine, and report such determination to the Senate or to the House of Representatives, as the case may be, whether the functions of the proposed advisory committee are being or could be performed by one or more agencies or by an advisory committee already in existence, or by enlarging the mandate of an existing advisory committee. Any such legislation shall—
>
> (1) contain a clearly defined purpose for the advisory committee;
>
> (2) require the membership of the advisory committee to be fairly balanced in terms of the points of view represented and the functions to be performed by the advisory committee;
>
> (3) contain appropriate provisions to assure that the advice and recommendations of the advisory committee will not be inappropriately influenced by the appointing authority or by any special interest, but will instead be the result of the advisory committee's independent judgment;
>
> (4) contain provisions dealing with authorization of appropriations, the date for submission of reports (if any), the duration of the advisory committee, and the publication of reports and other materials, to the extent that the standing committee determines the provisions of section 10 of this Act to be inadequate; and
>
> (5) contain provisions which will assure that the advisory committee will have adequate staff (either supplied by an agency or employed by it), will be provided adequate quarters, and will have funds available to meet its other necessary expenses.

The 93d Congress did create a number of commissions, and it may be pointed out that commissions can be given broad statutory powers which liken them more to operational, decisionmaking units of Government than to advisory bodies. However, it does not follow that because a statutory entity is labeled a commission it may be presumed to be an operational, independent instrumentality of the Federal Government. Indeed, some labels are quite misleading.

For example, the 93d Congress created three interagency committees which one might assume to be composed wholly of full-time officers or employeees of the Federal Government and therefore beyond the reach of the Federal Advisory Committee Act. It turns out that is not the case:

First, members of the Interagency Committee on Emergency Medical Services—created by Public Law 93–154—and the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism—Public Law 93–282—will, by law, include five individuals from the general public;

Second, the Architectural and Transportation Barriers Compliance Board—Public Law 93–112—was established within the Federal Government and will not have public members, but it was announced in the Federal Register on April 7, 1975, that the Board will appoint a consumer advisory panel.

Not all of the 53 laws actually established advisory bodies, but of those that did, some established two or more. For example, the Juvenile Justice and Delinquency Prevention Act of 1974—Public Law 93–415—not only established a National Advisory Committee for Juvenile Justice and Delinquency Prevention, but directed its chairman to designate subcommittees to be known as the Advisory Committee for the National Institute for Juvenile Justice and Delinquency Prevention, and the Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice.

In principle, there can be no quibbling about the potential value of collecting citizens' ideas and opinions about Federal activities through the use of advisory committees. Yet it is fair to ask at any time, given the policy and provisions of the Federal Advisory Committee Act, whether the Congress resorts to them too readily.

As of the end of December, there were 1,242 advisory committees, which operated in calendar 1974 at a cost of $42,380,636. It would make little sense for the Congress to add to that number and cost unnecessarily while encouraging executive departments and agencies not to create unneeded advisory committees and to terminate existing panels that have outlived their usefulness. Any suggestions from any quarter about how the Congress could better scrutinize its own performance with respect to advisory committees would be welcome.

Another problem arises from the willingness of the Congress to exempt statutory advisory committees from one or more of the provisions of the Federal Advisory Committee Act. For example, four laws identified in the list below expressly suspended the act's requirement that advisory committees terminate in 2 years unless their duration is otherwise provided for by law. Here are two other instances:

First. The law extending the lifetime of the National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance—Public Law 93–609—exempts the Commission from the open meeting, records, reports, and transcripts requirements of the act so that it may examine the transcripts and logs of wiretaps while maintaining the privacy of those whose conversations have been recorded;

Second. The Trade Act of 1974 —Public Law 93–618—provides that general policy advisory committees established for industry, labor and agriculture shall be exempt from the open meeting, public notice, public participation, and public availability of documents requirements of the Federal Advisory Committee Act "whenever and to the extent it is determined by the President or his designee that such meetings will be concerned with matters the disclosure of which would seriously compromise the Government's negotiating objectives or bargaining positions on the negotiation of any trade agreement."

By contrast, the Federal Energy Administration Act—Public Law 93–275—broadened the definition of advisory committee to include virtually any group established or utilized by the Administrator of the Federal Energy Administration, even when the group's function is "to formulate or carry out" an agreement or plan of action. It also provided that meetings of these advisory committees may be closed to the public only in the interest of national security, and required the public availability of all records, reports, transcripts, memorandums, and other documents prepared by or for an advisory committee.

When the Subcommittee on Reports, Accounting and Management—formerly the Subcommittee on Budgeting, Management and Expenditures—continues the Federal Advisory Committee Act oversight hearings that were held in November and December 1973, and in February 1974, it will explore these matters in full. It may well be that the act needs strengthening with respect to the responsibilities it assigns to congressional committees, as well as to those it assigns to the President, to the Office of Management and Budget, and to agency heads.

Here is the list of 53 laws of the 93d Congress affecting advisory bodies. Any omissions should be brought to the attention of subcommittee staff.

I request unanimous consent that this list of 53 laws of the 93d Congress affecting advisory bodies be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LAWS OF THE 93D CONGRESS AFFECTING ADVISORY COMMITTEES

Public law, section, and provision affecting advisory bodies:

93–29, 205, establishes Federal Council on the Aging.

93–43, 1001, establishes Veterans' Administration Advisory Committee on Cemeteries and Memorials.

93–82, 301, establishes Advisory Committee on Structural Safety of Veterans' Administration Facilities.

93–112,[1] 501, 502, establishes an Interagency Committee on Handicapped Employees and an Architectural and Transportation Barriers Compliance Board.

93–113, 405, establishes National Voluntary Service Advisory Council.

93–129, 3, establishes Board for International Broadcasting.

93–151, 505, authorizes establishment of National Childhood Lead Based Paint Poisoning Advisory Board.

93–152, Art. VIII, establishes Arkansas-Oklahoma Arkansas River Compact Commission.

93–154,[2] 1209, establishes Interagency Committee on Emergency Medical Services.

93–155, 701, establishes Defense Manpower Commission.

93–179, 3, 10, establishes American Revolution Bicentennial Advisory Council, and an American Revolution Bicentennial Board.

93–197, 4, establishes Menominee Restoration Committee.

93–203, 414, 502, authorizes use of advisory committees or boards in connection with the operation of the Job Corps and establishes National Commission for Manpower Policy.

93–247, 6, establishes Advisory Board on Child Abuse and Neglect.

93–251, 54, establishes Shoreline Erosion Advisory Panel.

93–275, 17, spells out balanced membership requirement for advisory committees established or utilized by the Administrator of the Federal Energy Administration; provides that meetings of advisory committees may be closed only in the interest of national security; and requires that all records, reports, transcripts, memoranda and other documents prepared by or for an advisory committee be available for public inspection and copying.

93–282,[2] 103,201, establishes an Interagency committee on Federal Activities for Alcohol Abuse and Alcoholism and a National Panel on Alcohol, Drug Abuse, and Mental Health.

93–296, 462, establishes National Advisory Council on Aging.

93–311, (b), prescribes objectives and functions of the National Commission on Productivity and Work Quality (formerly known as the President's National Commission on Productivity).

93–320, 204, establishes Colorado River Basin Salinity Control Advisory Council.

93–348,[3] 201, establishes National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research.

93–352, 201, establishes President's Biomedical Research Panel.

93–353, 306, establishes United States National Committee on Vital and Health Statistics.

93–354, 3, establishes National Commission on Diabetes.

93–383, 605, directs the Secertary of Housing and Urban Development to appoint a National Mobile Home Advisory Council.

93–387, 2, authorizes establishment of a Council on Wage and Price Stability.

93–406,[3] 512, establishes Advisory Council on Employee Welfare and Pension Benefit Plans.

93–415, 207, 208, establishes National Advisory Committee for Juvenile Justice and Delinquency Prevention and directs its chairman to designate certain subcommittees.

93–426, 720, establishes National Commission on Supplies and Shortages and authorizes Commission to establish advisory committees.

93–428, 8, establishes Egg Board.

93–431, 4, establishes Boston National Historical Park Advisory Commission.

93–443, 310, establishes Federal Election Commission.

Footnotes at end of the list.

93–445, 15, establishes Actuarial Advisory Committee with respect to the Railroad Retirement Account.

93–492, 107(a), defines "representative of the general public" on National Motor Vehicle Safety Advisory Council to mean an individual (a) who is not an employee of, or is not holding "any official relation" to, a manufacturer, dealer, or distributor, or supplier thereof, of motor vehicles or motor vehicle equipment, or (b) who does not own stock or bonds of substantial value in such firms, or (c) who is not in any other manner directly or indirectly pecuniarily interested in such firms. Motor Vehicle and Schoolbus Safety Amendments of 1974 also require annual publication of the Council's membership and identification of those members designated as representatives of the general public.

93–495, 201, establishes National Commission on Electronic Fund Transfers.

93–516, 302, establishes National Planning and Advisory Council to provide guidance and planning for the White House Conference on Handicapped Individuals.

93–523[3], 1446, establishes National Drinking Water Advisory Council.

93–526, 202, establishes National Study Commission on Records and Documents of Federal Officials.

93–531, 12, establishes Navajo and Hopi Indian Relocation Commission.

93–535, 8, establishes an advisory council for the Cascade Head Scenic-Research Area.

93–541, 6, establishes Federal Savings and Loan Advisory Council.

93–556, 2, establishes Commission on Federal Paperwork.

93–568, (c) (1), (e) (1), establishes National Commission on Libraries and Information Science to plan and conduct a White House Conference on Library and Information Services, and estabishes as advisory committee of the Conference to assist and advise the Commission.

93–573, 201, establishes in the Library of Congress a National Commission on New Technological Uses of Copyrighted Works.

93–579, 5, establishes Privacy Protection Study Commission.

93–580, (a), establishes American Indian Policy Review Commission.

93–609[4], 1st Sec., extends lifetime of National Commission for the Review of Federal and State Laws on Wiretapping and Electronic Surveillance.

93–618,[5] 135, directs President to establish Advisory Committee for Trade Negotiations and authorizes President to establish general policy advisory committees for industry, labor and agriculture.

93–626, 6, establishes Canaveral National Seashore Advisory Commission.

93–640, 3, establishes National Commission on Arthritis and Related Musculoskeletal Diseases.

93–641,[3] 1503, establishes National Council on Health Planning and Development.

93–644, 236, establishes Intergovernmental Advisory Council on Community Services.

93–645, 1st Sec., establishes Lowell, Mass., Historic Canal District Commission.

FOOTNOTES

[1] Both are established within the Federal Government and will not have public members. However, it was announced in the Federal Register on 7 April, 1975, that the Architectural and Transportation Barriers Compliance Board will appoint a Consumer Advisory Panel.

[2] This is an interagency committee, but by law its members will include five individuals from the general public.

[3] Expressly suspends Federal Advisory Committee Act requirement that advisory committees terminate in two years unless their duration is otherwise provided for by law.

[4] Section 2 exempts the Commission from the open meeting, records, reports and transcripts requirements of the Federal Advisory Committee Act so that it may examine the transcripts and logs of wiretaps while maintaining the privacy of those whose conversations have been recorded.

[5] Section 135(f) provides that these general policy advisory committees shall be exempt from the open meeting, public notice, public participation and public availability of documents requirements of the Federal Advisory Committee Act "whenever and to the extent it is determined by the President or his designee that such meetings will be concerned with matters the disclosure of which would seriously compromise the Government's negotiating objectives or bargaining positions on the negotiation of any trade agreement."

Note: This list does not include advisory bodies established or authorized to serve states or the government of the District of Columbia. Other entities created by the 93rd Congress include the Solar Energy Research Institute, the Board of Trustees of the Harry S Truman Scholarship Foundation, and a Joint Board for the Enrollment of Actuaries.

FORBES ARTICLE—KENNECOTT DIVESTITURE

Mr. BAKER. Mr. President, the May 1 issue of Forbes magazine contains an article regarding Mr. John Samuels III, of Houston, the principal owner of ICM/Carbomin International Group, a bidder along with the Tennessee Valley Authority for Peabody Coal Co. which Kennecott Copper Corp. must sell under an order of the FTC.

While that article may contain worthwhile information regarding Mr. Samuels and his effort to acquire Peabody, it contains one bit of information which is entirely incorrect.

The article states that I have expressed opposition to TVA's proposal to acquire Peabody. I have not.

My position is now, as it has been since last fall when TVA first made public its desire to purchase Peabody, that the proposal involves issues so fundamental to the mission and scope of TVA that it must be subjected to congressional scrutiny. I called then for a hearing on the matter and that hearing is now scheduled for Tuesday, May 6, before the Senate Public Works Committee.

I expect that that hearing will shed a great deal of light upon the coal purchasing policies of TVA and upon the market impact of TVA ownership of the Nation's largest coal company.

If the issues resolve in TVA's favor, as they well may, then I can see no impediment to TVA's consummation of this transaction.

Indeed, many of the economic arguments which have bolstered TVA's role in the electricity market apply equally to a TVA role in coal production, especially with the current prospect of a greatly expanded energy role for domestic coal production over the next several decades.

Mr. President, I ask unanimous consent that the Forbes article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOUNG KING COAL?

(The front-runner among the billion-dollar bidders for Kennecott's Peabody Coal Co. is an obscure young Wall Street lawyer.)

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In his hometown of Galveston, Tex., few people seem to have heard of John Samuels III, let alone Samuels II or I. The city's largest realtor and several local newspaper reporters say they have never heard of the family, even though Samuels' father is a former U.S. Assistant Postmaster, his brother-in-law runs a local savings & loan and he himself owns one of the city's most prominent houses, a "steamboat gothic" three-story structure that occupies half a city block along Galveston's widest tree-lined street. Nevertheless, Samuels III is bidding anywhere between $1 billion and $1.4 billion for the world's largest coal company: Kennecott Copper's Peabody Coal Co. The other bidders: Cities Service Co. and the Tennessee Valley Authority (FORBES, *Apr. 1*).

About all that's known publicly about the potential King of Coal is that he is a handsome, 41-year-old Harvard Law School graduate who now lives in New York and who a few years ago put together a prosperous coal trading company. How prosperous? Very. Samuels says that ICM/Carbomin International Group, of which he owns 80%, netted $30 million last year on sales of $360 million. If that figure is correct, Samuels is well on his way to becoming a latter-day Henry Clay Frick, the turn-of-the-century Pennsylvania coal magnate.

If he's so rich, how come Samuels isn't better known? He's not a flamboyant type, and besides, former law associates (at Manhattan's Chadbourne, Parke, Whiteside & Wolff) remember him as a lone wolf. Says one: "When we'd go out to lunch, John Samuels wasn't among us."

Clearly, however, Samuels was a hungry wolf. In 1971 he borrowed $2 million (from whom he won't say) and set up Carbomin. Since then he has bought three small metallurgical coal companies in West Virginia and Pennsylvania, and is now spending $40 million to increase their output plus $45 million more to build a bulk storage and shipping facility near Philadelphia. Peabody Coal, with $504 million sales and $29 million net, would make him a true King Coal.

The Federal Trade Commission, in a culmination of a six-year antitrust action, has given Kennecott until Oct. 1 to divest Peabody. Apparently, the billion-dollar-plus price tag doesn't bother Samuels. Lounging around his palatial stained-glass-windowed office originally built as an American headquarters for the Cunard Line, Samuels says he has formed a syndicate of five stockholder-owned steel and natural resource companies—three from Europe and two from the U.S. He refuses to name them, claiming that final terms will not be worked out until the FTC decides how much foreign ownership it will permit.

Samuels says he plans to have perhaps as many as two separate companies run Peabody: one to mine its 9 billion tons of coal reserves in the U.S. and Australia and another to market it both in the U.S. and abroad. Each of the five companies would get a share of the two operating groups, with Samuels serving as the principal administrator.

The five corporations will put up the equity—perhaps as much as $250 million; the rest of the purchase price will be payable over five years. Samuels will get shares in the consortium at a reduced insider price.

Are Samuels and his anonymous friends real? He smiles a Robert Redford smile and says: "Anonymity is an extraordinary point of leverage."

The FTC is taking him seriously; so is Kennecott. The FTC's Compliance Division is conducting an active inquiry into Samuels, his background and his partners.

Meanwhile, his chances of ending up with the Peabody seem better than at least his two chief competitors—the TVA and Cities Service. Already, Senator Howard Baker (Rep., Tenn.) and other powerful lawmakers are on record against TVA buying Peabody, because the price is "too expensive." And they don't want the Government in the coal mining business.

In addition, Kennecott executives say privately that they figure the FTC will reject Cities Service's bid, because too many oil companies already control coal subsidiaries. That leaves Samuels.

NEW BIDDERS

Of course, the FTC and Kennecott have alternatives. For example, the FTC could decide that Kennecott should spin off Peabody to its stockholders—but Kennecott would fight this; it wants the cash. Or, the FTC could invite new bidders. For example, two huge consortiums have sprung up and expressed interest in entering the bidding. One consists of 40 U.S. utilities, and the other revolves around four natural resource companies (Newmont Mining Corp., Texasgulf Inc., Williams Cos. and Cleveland-Cliffs Iron Co.). Both new groups have submitted bids to Kennecott, and it is likely they will be forwarded to the FTC if Samuels is ruled out.

Samuels professes neither surprise nor concern over the possibility of such huge new combines getting into the act. He sees such deals as the wave of the future: "You are," he says, "going to see in coal what you see in oil—the gathering together of various capital groups or corporations to form a single consortium." This can be nothing but good news for the handful of men like Samuels who have the contacts and knowledge to put together such a deal. John Samuels' anonymity will not last much longer.

GREENSPAN TESTIMONY BEFORE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on February 6, 1975, Mr. Alan Greenspan, Chairman of the Council of Economic Advisers, appeared before the Joint Economic Committee to discuss the annual economic report of the President. Members of the committee appreciated the opportunity to have Mr. Greenspan's views on current economic conditions, the outlook, and policy.

In his testimony, Mr. Greenspan projected a decline of about 3 percent in real GNP from 1974 to 1975. He said:

> It is very likely that real GNP will show another large decline in the current quarter (1st) but overall output should be reversing direction around the middle of the year and should turn decisively upward in the second half.

Mr. Greenspan cited the liquidation of excessive inventories as the principal factor in the first quarter's severe production decline. With stocks now falling, by midyear shifts in inventory investment should be contributing to rising overall production. Mr. Greenspan also looks for a recovery of business investment in the second half of 1975, although fixed investment for the year is expected to show a substantial decrease from 1974 to 1975.

According to Mr. Greenspan, the consumer holds the key to the strength of the economic recovery. If consumers respond as expected to the tax cuts, real GNP should register a good-sized advance in the second half of this year.

The objective of economic policy at present is to halt the decline in production and employment so that a sustainable growth of output can resume. The President's proposals try to follow what Mr. Greenspan believes is the optimum path between the need for stimulus and the possible financial and inflationary consequences which such policies entail in the future. In his opinion, those who advocate a further increase in stimulus, beyond what the President has recommended, are posing the risk of a severe financial strain and the possibility of reigniting inflationary pressures during 1976 and beyond.

The subsequent report by the Joint Economic Committee on the February 1975 economic report of the President, contains important critical commentary on Mr. Greenspan's arguments.

Mr. President, I ask unanimous consent that the full statement presented by Mr. Greenspan before the Joint Economic Committee on February 6, 1975, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD as follows:

REMARKS BY ALAN GREENSPAN

We are pleased to appear before the Joint Economic Committee today to discuss the Annual Report of the Council of Economic Advisors. I will not take up your time with a lengthy discussion of the Economic Report. Instead I would like to make some brief remarks on behalf of the Council about current economic conditions and policy, our expectations for the balance of the year, and close by touching very briefly on some of the other issues which we have covered at greater length in the Report.

In my testimony before this Committee on January 6, I noted several of the salient characteristics of the outlook for 1975. I pointed out that the sharp decline in production must be expected to continue through the first quarter. The very suddenness of the decline has made developments beyond the first quarter very difficult to gauge but essentially we foresee a bottoming out in economic activity by midyear. I noted further that the timing and the degree of strength of the ensuing recovery was still very uncertain. I would like to emphasize that thought again this morning. There is, obviously, a much greater than usual degree of uncertainty in any forecast for 1975 and we do not believe that ours is any exception. As we note in the Report projections for 1975 are subject to an unusually wide margin of error but we believe that ours are realistic and based upon the best information available to us at this time.

The most pressing concern of economic policy is to halt the decline in production and employment so that a sustainable growth of output can resume. So far in 1975 production and employment have experienced sharp declines while unemployment has risen markedly. There is enough momentum in the ongoing recession to suggest further declines in economic activity over the next several months.

The rate of inflation has continued at an unacceptably high level. Nonetheless one can observe significant declines in prices of crude industrial materials and a slowdown in the rate of price advance among major categories of goods in retail and wholesale markets. Farm product prices, instead of continuing the advance of the second half of last year have instead softened substantially.

Although we have projected a decline of about 3 percent in real GNP from 1974 to 1975, it is important to call attention to the pattern of change within the year. We believe it very likely that real GNP will show another large decline in the current quarter but overall output should be reversing direction around the middle of the year and should turn decisively upward in the second half.

The change in inventory investment is having a major effect on economic activity right now and will continue to be a dominant influence on the course of production through the year. The fourth quarter of 1974 witnessed an involuntary accumulation of stocks and at the end of 1974 the ratio of real nonfarm stocks to real GNP is the highest since the end of World War II. Businessmen are now trying to reduce stocks and they will probably be successful in these efforts in the current quarter. This shift—from a heavy buildup in the fourth quarter to liquidation in the first quarter—is the key factor in the current quarter's severe production decline. These developments are highly visible in the automobile industry but they are occurring—in a milder fashion—in many other industries as well. Stocks are likely to fall through the year because even with the recovery in the second half the ratio of stocks to output will remain high. Nonetheless, by midyear shifts in inventory investment should be contributing to rising overall production.

Business fixed investment in real terms is expected to show a substantial decrease from 1974 to 1975 but the proposed liberalization of the investment tax credit and the turnaround in economic activity should lead to a recovery in investment in the second half of this year. The decline in investment in the fourth quarter of last year centered in automobiles and trucks but businessmen began to reduce their orders for other types of machinery and equipment which will show up as reduced deliveries in the first year. Ordinarily the effects of the liberalization of the investment tax credit would not be felt to any appreciable extent for about a year. However, the Administration's proposal for a one year increase in the tax credit gives a special incentive for business to undertake investment in 1975 and 1976.

Wtih savings flowing back into thrift institutions and with improved conditions in mortgage markets, housing should contribute to rising economic activity after early 1975. The Administration foresees starts approaching a range of 1.6 million to 1.7 million annual rate in the fourth quarter of 1975 as compared to a rate of about 1 million units at the end of last year.

The consumer holds the key to the strength of the economic recovery. If consumers respond as expected to the tax cuts proposed by the Administration for the spring and summer, real GNP should register a good-sized advance in the second half of 1975. Although employment is now declining the loss of income is being partially offset by large increases in unemployment benefits. This year such benefits are expected to total more than $18 billion.

Consumers should be aided by a slower rate of inflation in the second half of 1975 as compared with the first. Although inflation is receding the rate of price increase, as measured in the various price indexes, will be highest at midyear but this will be a reflection of the impact of the higher energy costs embodied in the President's program. Even though the energy program will be adding to the level of prices throughout the year, the annual rate of price increase will taper off considerably to approximately 7 percent by late 1975.

The slower rise in prices will occur at a time when personal income will be strengthening as a result of rising employment. This combination will yield rising real personal income. That improvement will be greatly reinforced by the tax cuts this spring and summer so that the second half of 1975 should witness a substantial increase in real disposable income following a decline that started in early 1974.

The President has proposed measures that will help end the decline in the economy and help initiate a recovery during the second half of the year. In our effort to provide support to the economy we must not forget, however, that inflation, and the urgent need to bring it under control, was a major cause of the recession of 1974–75. In 1975 we must not remake past mistakes. We must support the economy but this must be done in a manner that will prevent another cycle of inflation-recession a year or two down the road.

The formulation of economic policy is complicated by the need for much stronger actions to deal with the Nation's energy problems. New policies have been proposed which will provide an enduring framework for the energy adjustments which began after the embargo. Both the energy problem and the policies proposed to deal with it are dealt with in various parts of the Report. The energy program will raise prices at a time when inflation, though declining, is serious. The higher costs, however, will be rebated to the economy through a series of offsetting tax reductions and increases in government expenditures, leaving total purchasing power pretty much the same. On the other hand to the extent that oil imports and hence the transfer of purchasing power to foreign producers is reduced the demand for domestic goods will be increased. Although the energy program has costs it will also provide important benefits.

If the President's program is adopted and quickly implemented our forecast implies a stabilization of the decline around midyear and then a recovery which takes on fairly good proportions during the second half of the year.

In adopting an expansionary policy we must not overlook the need to turn the economy around in a way that will avoid sowing the seeds of a reacceleration of inflationary pressures during 1975 and beyond. We must be aware of the problems that will arise in financing both the very substantial deficit and the considerable volume of off-budget items. The evaluation of these problems is neither simple nor straightforward. The amount of Treasury financing in the period immediately ahead is, in fact, a good deal larger than implied by the actual deficit. Those who advocate a further increase in stimulus either through a larger tax reduction or a larger increase in expenditures are posing the risk of a severe financial strain. There is a point beyond which conventional stimulus, because of its impact on the financial markets, no longer leads to higher production and employment.

It is our view, as stated in the Report, that the deficit as now estimated can be financed during 1975 without severe problems in the financial markets. I would be suggesting more to you than I actually know if I said that it was going to be easy. The reason is that despite the decline in the economy the rate of inflation is still high. It is the nominal growth in GNP that must be financed and prices are still rising rapidly enough to prevent the credit demands of the private sector from declining as sharply as was the case during past recessions when the rate of inflation was much lower. The smaller than usual decline in the private demand for credit makes the large increase in Treasury borrowing especially worrisome—if not in 1975 then certainly in 1976 and thereafter. A further enlargement of Treasury borrowing either from a larger rise in expenditures or from a larger tax reduction would add considerably to the risk of higher interest rates, financial market pressures and a reigniting of inflationary pressures.

I cannot say that we or anybody else at this point have accurate answers to this question. One must make judgments about the size of the risks and the possible consequences. Obviously both the risks and the consequences depend upon both the state of the economy and the private demands for credit. We can be sure, however, that both the risks of financial market pressures and the consequences for a reignition of inflationary pressures become progressively larger as the size of the budget deficits increase. This will be especially true when the economy recovers as we anticipate during the second half of 1975. The President's policies try to follow what we believe is the optimum path between the need for stimulus and the possible financial and inflationary consequences which such policies entail in the future.

Those who argue for more stimulus in 1975 are, in effect, proposing larger risks for 1976 and beyond than I believe are prudent if we are to achieve a further reduction in inflation. There is also the very basic question whether the relationship between the unemployment rate and stimulus, or measures to expand aggregate demand is the same as it used to be. In the largely noninflationary economy of the early 1960's a significant increase in the amount of stimulus in current dollar terms was usually converted fairly completely into increases in production and employment and hence resulted in a declining unemployment rate. We no longer are in a situation where we can be sure that fiscal or monetary stimulus will have a corresponding effect in lifting production and reducing unemployment. As I evaluate the current trade-off between stimulus and unemployment, however, I do not give great credence to the idea that a significant and enduring reduction in unemployment will be caused by a stimulus greater than that proposed by the President—at least until we see clear and more compelling evidence that the forces that have caused inflation have indeed been brought under meaningful control. I do not say there would be no impact upon unemployment but we would be trading off some small short-term reduction in unemployment against much greater risks of significantly higher rates of inflation in the longer-run and in turn for a higher average rate of unemployment in the future.

Elsawhere in our Report we present our assessment of the background and the origin of the inflation of the past decade. We find these underlying causes in governmental policies that were overexpansionary on balance. There is also a discussion of how inflation has distorted the tax structure and has tended to offset or moderate the working of the automatic stabilizers. The unemployment chapter analyzes the meaning of the unemployment measures and decomposes in some detail the overall measures of unemployment into various categories, origins, and causes and also presents some international comparisons. The unemployment differentials that exist among various labor market groups and other aspects of this relationship are discussed.

The chapter on Government Regulations deals with the problems and the costs of current regulations on several sectors of the economy and summarizes the Administration's efforts to achieve a significant degree of regulatory reform. The chapter on Food and Agriculture reviews developments in 1974, analyze longer-term developments and the policy issues they raise. International developments in 1974 are examined in the final chapter of the Report.

TRIBUTE TO JOHN A. BURNS

Mr. FONG. Mr. President, it is with a sad heart that I rise to pay tribute to a distinguished American of the 50th State, John Anthony Burns. Jack Burns, who rose from humble beginnings to become Governor of Hawaii, died in Honolulu on April 5 at the age of 66. He succumbed to cancer which disabled him through the final 15 months of his third 4-year term in office.

Born in Montana, Jack Burns was taken to Hawaii as a child Thereafter,

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he made Hawaii his lifelong home and became a "kamaaina" like a true native son of the islands.

He grew up to become a police officer and retired from the Honolulu Police Department with the rank of captain. He then chose to enter politics, a decision which did not appear very promising at the time, shortly after World War II.

He joined the Democratic Party, which was almost defunct, and ran for the office of Delegate to Congress from the then Territory of Hawaii. Political success for Jack Burns came with a great deal of struggle. He failed in two attempts to be elected Delegate to Congress but finally, in 1956, he won election to that office.

Like his predecessors, he concentrated his energies toward achieving statehood for Hawaii. In 1959 Congress made Hawaii the 50th State, crowning Jack Burns' efforts with success and bringing to a climax the long, long campaign of Hawaii's people for statehood and first-class citizenship.

In the meantime, he was able to unify various elements of the electorate into a new young, vigorous political party. In 1954, his party for the first time took control of the Hawaii Territorial Legislature and since then has dominated Hawaiian politics.

In 1962, after initial defeat as a gubernatorial candidate in the first Hawaiian statehood election of 1959, Jack Burns was elected Governor. Statehood gave Hawaii a tremendous boost, and, with Burns as chief executive for the next 12 years, the islands experienced unprecedented growth. Her economy, her population, her educational and social institutions flourished beyond nearly all expectations. Jack Burns dreamed large dreams, and he attained most of them.

Although he was of another political faith from mine, I do not recall any instance in our relations of long-standing where Jack Burns exhibited petty partisanship or political malice. He acted according to the rules of fair play and good sportsmanship. I appreciated his personal friendship over the years, and he reciprocated my feelings.

He will be missed by all who saw him as a dedicated public servant who gave his heart and mind to the betterment of his beloved island State.

The people's outpouring of affection and respect for Jack Burns was impressively demonstrated at his funeral and burial in the National Memorial Cemetery of the Pacific in Honolulu and during the period when his body lay in state in the Capitol courtyard. It was a most touching tribute to a great citizen.

To his loving and devoted wife, Beatrice, and to the family, my wife, Ellyn, and I extend our sorrowful and heartfelt aloha. We pray that they will find in the greatness of the man solace for now and continued pride and inspiration for an enduring future.

The record of Governor Burns' achievements has been eulogized in an editorial in the Honolulu Star-Bulletin, captioned "John Burns—Maker of History." I ask unanimous consent to have this editorial of April 7, 1975, printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JOHN A. BURNS—MAKER OF HISTORY

John A. Burns, dead at 66, will go into history as one of the great shapers of Hawaii—a role few would have predicted for him 30 years ago when he was rounding out 11 years as an honest cop in a corrupt police department.

This uncommon common man was an erect, stern father figure publicly, sometimes called Stoneface, but a warm person privately who built his intensely loyal following through individual conquests, rather than by grandstand oratory at which he was no good.

He was ruggedly self-disciplined, and coped stoically with fates that were far from kind. His father abandoned his family when he was young. His wife was disabled by polio. His constituents at the moment of his greatest triumph, Statehood, rewarded him with political defeat.

His last misfortune was to leave the governorship in December, 1974, an ill man fated for death instead of the pleasant Oahu-Big Island retirement he had planned.

He was a daily attendee at Catholic Mass, a nondrinker in his later years, a leader whose personal honesty was never questioned, even when some of his adherents were in the hottest of water.

Montana-born, he grew up in Kalihi and always was proud of the scrappy connotation that being "a Kalihi boy" implied.

Out of World War II police work he brought not only his reputation for honesty in a force where prostitution and gambling payoffs were rampant, but the beginnings of a political power base among Issei and Nisei citizens, whom he befriended and defended when their loyalty to America was under challenge.

Later he was to be the leader as this base was expanded to include organized labor, returning Nisei war veterans and varied citizens of liberal persuasion—a powerful bloc that swept to political control of Hawaii in the elections of 1954 and 1956, and ended a business domination of Hawaiian politics that had started with the revolution of 1893 that overthrew the monarchy.

Leaders shape events, and events shape and produce leaders. John Burns was the right man at the right place at the right time.

Hawaii was overdue for change, but he turned out to be the steersman at the helm, and steady enough that the transition was surprisingly smooth and successful.

As one of his admirers has written, he helped to fortify the belief that politics is indeed a noble profession, that it constitutes public service in the finest sense.

His politics often was over the breakfast table, seeking quiet agreements instead of public confrontation. To some the "smoke-filled room" connotations of these sessions were offensive, but there was no denying their effectiveness or the fact that they usually built consensus.

The list of accomplishments in a political career of less than 30 years, begun after the mid-point of his life, is long:

1. At a substantial personal political risk, he brought the 25-year long Hawaii Statehood fight to a successful conclusion in 1958–59 by setting Hawaii's case aside and allowing Alaska, with a much weaker case, to be admitted first. Later when President Dwight D. Eisenhower neglected to invite him to the White House Statehood signing ceremonies, he made no public complaint.

2. By winning the support of Lyndon Johnson, then Senate majority leader, he brought about the creation of the East-West Center at the University of Hawaii.

3. To weld labor into the coalition that gave Hawaii Democrats their majorities, he faced the issue of Communist infiltration of the ILWU. At great political risk, he identified the Democratic Party and himself as Delegate to Congress with those elements of labor that were seeking no more than fundamental political and social reform in Hawaii. This included accepting alliances with labor leaders who had been identified as former Communists. His judgment proved historically correct. There is no Communist Party in Hawaii today.

4. As Governor beginning in 1962, he presided over a diffusion of power in Hawaii brought about by the application of anti-trust laws to business, the attraction of many outside investors to the State, the diversion of Hawaiian companies into activities outside the State, and a wider sharing of political power than had existed previously.

5. While seeking reform, he retained an underlying conservatism on issues such as land, and came to be considered a friend of business for his help in resolving many problems such as the interlocking ownership of Matson Navigation Co. There, he intervened with federal maritime authorities to work out the sale of Matson assets to a single owner, Alexander & Baldwin.

6. As Governor he brought all races into both his cabinet and the judiciary, completing the demolition of a historical imbalance in favor of Caucasians.

7. He committed State resources to education on a scale far beyond that of his predecessors.

8. He followed a policy of deference to the legislative will in approving bills passed by the Legislature, and used his veto primarily when errors were found in bills. This policy received its most agonizing personal test for him, as a devout Catholic, when the Legislature sent him a bill legalizing abortion. He allowed it to become law without his signature.

Burns also sowed a few seeds that have not yet borne the fruits he would have liked . . . a foreign trade zone to stimulate Hawaii's role in Pacific commerce and an infrastructure of public works on the Kona Coast of the Big Island to lure development there and away from Oahu. But both may pay off bigger in years to come.

While dealing with the tides of development, Burns also concerned himself greatly with specifics.

He wanted a grand State Capitol to inspire respect for government. He fought for a subsidized athletic program at the University of Hawaii and a new stadium at Halawa to build community pride through sports. He rejected a traditional gubernatorial membership in Pacific Club because of the Club's restrictive racial policies, which have now been eased.

He ended the social ostracism of Jack W. Hall, the ILWU regional director who had been convicted on Smith Act charges (later reversed) of conspiring to overthrow the government. He had Hall as a regular visitor at Washington Place, in turn, won community-wide respect as both a labor leader and a civic do-gooder. By the time of his death in 1971, the Communist charges had long since been forgiven if not forgotten.

The totality of Burns' record is overwhelmingly impressive, but it might have been even more so if he had not been persuaded to run for a third and final term as governor in 1970. The final years were stagnant compared to the first two terms. His programs had been largely accomplished. His health was failing. And he had centralized the decision-making power so greatly in his office that when he was not on top of things there was rudderless drift.

By the time Burns left office his liberal revolution had become conservative. He had more critics on the left than on the right.

Even his critics, however, joined in a widely-shared bipartisan respect and affection for him that welled up in such moments as his final appearance before the Legislature last year—where he spoke movingly even though with great difficulty and pain.

If life for John A. Burns was harsh in many respects, it was good in one. While he still lived, the community demonstrated in many ways that here is a leader who always will be admired, loved and honored.

LOBBYING ENTERS THE COMPUTER ERA

Mr. RIBICOFF. Mr. President, the Senate Government Operations Committee is holding hearings on lobbying reform legislation.

Today's Washington Post contains an article by Jack Anderson and Les Whitten disclosing that the U.S. Chamber of Commerce has developed computerized files listing Congressmen and home State businessmen who might influence legislators.

This points dramatically to the need for new legislation that will control lobbying practices. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 23, 1975]

LOBBYING ENTERS THE COMPUTER ERA

(By Jack Anderson and Les Whitten)

The delicate art of influencing legislation—popularly known as lobbying—has been moved a great distance from the days when professional pleaders prowled the Capitol corridors twisting legislative arms.

Today, the U.S. Chamber of Commerce uses a computer to keep track of the members of Congress who may need a little gentle persuasion. The infernal instrument identifies not only the legislator who may require some quiet pressure but the businessmen back home who can best apply it.

This scientific system is now being brought to bear upon consumer legislation. With a whirring of little wheels, the electronic mastermind is helping the chamber to deploy its forces most effectively to kill the Consumer Protection Agency bill.

The chamber's chief lobbyist, Hilton Davis, has developed computerized files that list members of Congress and the home-state businessmen who have the most influence over them.

"What I'd like you to do," he wrote to corporate executives whose names went into the computer, "is indicate those senators and representatives with whom your company has a constituent relationship . . . That will permit me to signal the right people when special need arises for assistance with a specific legislator."

Then the big names are brought in from home states to make the personal contacts. They are guided unerringly to the right doors by the clocking, whirring machine in the chamber's headquarters.

We have now cracked the secret code on the chamber's master computer, which sorts the wheat from the chaff on Capitol Hill not by name but by number. To the computer, for example, Senate Democratic leader Mike Mansfield is "S0605" and Senate Republican leader Hugh Scott is "S0851." Speaker Carl Albert, who presides over the House, is "H0055."

The chamber's chief defender on Capitol Hill, Sen. James B. Allen (D-Ala.), is depersonalized into "S0036," while consumer champion Sen. James Abourezk (D-S.D.) has been assigned the James Bondian code number of "S0010."

The system works this way:

Suppose the chamber wanted to put the squeeze on pro-consumer **Sen. Mark O. Hatfield** (R-Ore.). The computer operator would punch Hatfield's code, "S0451." The machine would spit out the names of all chamber members who own businesses in Oregon and who might be enlisted to join in pressuring Hatfield.

The computer would automatically address tabs or envelopes to these key businessmen. Clerks would insert specially prepared chamber instructions, calling upon the businessmen to make personal phone calls and write letters to Hatfield. The ones with the most influence upon Hatfield would be hauled to Washington for personal visits.

The chamber even encourages executives to enlist their employees in the pressure campaign to defeat the consumer bills that would protect the employees.

Davis assured us there was nothing sinister about the chamber's computerized lobbying, although he conceded the computer's codes and records were "confidential."

Davis said the system will merely cut mailing and clerical costs by getting out appeals selectively instead of to the general membership. "It doesn't frighten me at all," he said.

TESTIMONY OF ARTHUR BURNS BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on February 7, 1975, the Joint Economic Committee was privileged to hear testimony by Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System. He acknowledged that our Nation is today suffering from severe economic recession and inflation at the same time. Mr. Burns pointed out that there is an immediate need to cushion the impact of recession, yet one cannot ignore the longrun implications of policy on the rate of inflation.

Concerning the immediate economic situation, Mr. Burns stressed that financial conditions have eased in a variety of ways over recent months. The liquidity of banks and other thrift institutions has improved; short-term interest rates have dropped sharply; a large volume of long-term securities has been successfully marketed; uncertainties afflicting financial markets earlier last year have diminished; and of late stock prices have been rising.

Despite this marked improvement in financial markets, he pointed out that further decline in economic activity has to be expected. Consumer willingness to spend is likely to be held back by the effects of widespread unemployment on personal incomes; business spending for fixed capital and inventories will be adversely affected by the deterioration in sales, profits, and internal cash flows. Mr. Burns believes, however, that corrective measures are already underway in the form of price rebates on automobiles and other products, and increased unemployment compensation. He sees an upturn in business activity later this year.

Mr. Burns stressed that in considering solutions for immediate economic recovery, policymakers should not lose sight of longrun economic implications. He sighted the decrease in productivity as a problem of major concern and attributed this decrease to a decline in business profits to a level too low to finance growth and improvement of our Nation's industrial plant.

Inflationary pressures are the major reason for the economic turmoil that our Nation is experiencing and must be given high priority in formulating economic policy, according to Mr. Burns. He recommends that Federal expenditures be scrutinized in an effort to cut back spending below the levels projected in the President's budget message. Similar considerations should guide the course of monetary policy in the months ahead. Mr. Burns assured Congress that growth in the monetary aggregates should improve, but emphasized that the Federal Reserve had no intention of permitting an explosion in money and credit no matter how large private or public financing demands may become.

Mr. President, Chairman Burns' testimony clearly indicated that the Fed is more frightened by the potential for serious inflation than by the fact of disastrously high rates of unemployment. His testimony indicated a complete unwillingness to share with Congress the specific plans of the Fed with regard to expanding the supply of credit. It also demonstrated that the Fed has no intention of expanding the money supply at the 8- to 10-percent rate recommended by virtually all of the other experts who have testified before the committee. He is clearly out of step.

Nonetheless, because of the importance of his testimony, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT

(By Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System)

I am pleased to meet with the Joint Economic Committee once again to present the views of the Board of Governors on the condition of the national economy.

Our nation today is suffering from a serious economic recession. It is also in the midst of an inflation that is threatening the very fabric of our society.

Public policy is thus confronted with a grave and profoundly difficult problem. There is an immediate need for measures to cushion the recession. Yet, we cannot ignore the longer-run implications of our actions for the rate of inflation or for the other adverse trends that in recent years have hampered the nation's economic performance.

Let me turn, first, to the immediate economic situation and then move to some of our longer-range economic problems.

Since last fall, general business activity has deteriorated. The decline in the real gross national product in the fourth quarter was unusually large. Reductions in production and employment over recent months have been about as rapid as at any time in the postwar period. Cutbacks in activity have been especially sharp in the auto industry, but they have been substantial also in the production of other consumer goods, business equipment, construction products, and industrial materials.

Total employment increased during the first ten months of 1974; but there has been a marked decline in recent months, and unemployment has risen sharply. Overtime work has also been reduced and an increasing number of workers have been able to find only part-time employment.

As so often happens in a recession, consumer demands for autos, furniture, house-

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hold appliances, and other durable goods have declined sharply. Sales of domestic-type autos in January—although up from December—were at an annual rate of only 6.6 million units, nearly one-fourth below last summer's pace. Weakness in consumer demand has extended also to clothing and other nondurable goods. Total retail sales expressed in current dollars fell more than 3 per cent from the third to the fourth quarter of last year, and the decline in real terms was even larger. Actually, the physical volume of retail trade has been moving on a downward trend since the spring of 1973.

Residential construction was notably weak throughout 1974. New housing starts in December were at an annual rate of only 870,000 units, the lowest rate since 1966. However, conditions in the mortgage credit markets are rapidly improving, and there has been some tendency for new building permits to stabilize recently. Thus, we may reasonably expect some upturn in home-building before very long.

Business capital spending, on the other hand, will probably decline this year in real terms—although dollar outlays may be rising moderately further. Of late, business firms have been cancelling or postponing plans for construction of new facilities and for the purchase of new machinery and equipment. This has resulted in a drop of new orders for capital equipment, and of contracts for commercial and industrial construction.

The decline in final sales during recent months has been unusually large—when we allow for the advance in prices—so that inventories continued to pile up despite substantial cutbacks in production. However, business firms are working strenuously to cut back excess stocks—through further curtailments of output, special promotions, and price concessions—and it appears that we are now moving into a period of inventory liquidation. This adjustment of inventories will have a temporary depressing effect on production and employment, but it is an essential precondition for an upturn in business activity later on.

As the economy weakened during the course of 1974, the behavior of prices began to reflect it. Sensitive prices of industrial raw materials started to decline in the spring of last year. Last fall, the effects of declining business activity began to show up in wholesale prices of intermediate materials, supplies, and components, and later on in prices of finished goods. In December, wholesale prices of industrial commodities were unchanged, agricultural prices declined, and the over-all wholesale price index turned down.

The rise in consumer prices has also slowed, partly because the run-up in prices of energy items associated with the rise in the cost of imported crude oil has been tapering off. There have also been substantial price concessions by automobile dealers and other retailers to help stimulate sales and thus bring inventories down.

It would be premature to conclude, however, that the menace of inflation is, or soon will be, behind us. Agricultural products are still in short supply, in large part because of a series of disappointing crop harvests both here and abroad. Also, in some sectors of the economy, such as the service area, prices are continuing to respond to past increases in costs.

A major source of inflationary pressure now is the run-up of wage rates. Recent increases in wages greatly exceed the long-run growth trend of productivity. To make matters worse, productivity has declined substantially over the past year, and unit labor costs consequently rose by almost 15 per cent in 1974.

Other industrial countries have also been beset by the dual problem of recession and inflation. With the notable exception of Germany, the rate of inflation in other industrial nations has been about the same or higher than in the United States. Most major countries also experienced a leveling off or decline in employment and output last year, and these tendencies were increasingly apparent as the year progressed.

Despite the weakening in economic activity around the world, our export markets held up well last year. Merchandise exports increased considerably, even after allowance for the rise in prices. Our trade balance would have improved, had it not been for the higher price of imported oil, which moved it into substantial deficit. And the exchange value of the dollar has slipped in recent months, due in some measure to capital flows caused by the sharper decline of market interest rates here than abroad.

Mainly because of higher oil prices, most oil-importing countries have had large current account deficits during the past year, and some have experienced difficulty in obtaining needed financing. For poorer countries, financing problems have become particularly acute. Recent international understandings to extend the oil facility of the International Monetary Fund, to increase Fund quotas, and to create a $25 billion safety net among member countries of the Organization for Economic Cooperation and Development will help to cope with the international financial problems of 1975. But new strains could develop in international financial markets. Private banking systems handled a huge volume of international financing last year, and it is unlikely that they can repeat this performance in 1975.

Both here and in other industrial countries, monetary policy has responded to the weakening in economic activity by encouraging easier conditions in financial markets. In the United States, that easing has proceeded somewhat faster than has generally been the case abroad. Federal Reserve open market operations began to be more accommodative last summer, and short-term market interest rates began to move down from the exceptionally high levels reached in July. As the year progressed, evidence accumulated that economic activity was weakening and that advances in commodity prices were beginning to moderate. Open market operations were, therefore, steadily directed towards a more ample provision of reserves to the banking system.

More recently, open market policy has been reinforced by other monetary instruments. The discount rate was reduced on three occasions—in early December, early January, and again this week—from 8 per cent to 6¾ per cent. Reductions in member bank reserve requirements were also ordered—in September, November, and January, releasing a total of nearly $2½ billion of reserves and thus helping to improve the liquidity position of the banking system.

Since last July, these policy actions—together with weaker demands for credit by business and consumers—have resulted in a sharp decline of short-term market interest rates. Downward movements have continued in recent weeks, even though Treasury financing needs have grown and market participants have begun to anticipate massive Federal deficits that, unhappily, are now in prospect.

Long-term interest rates have also declined, but much less than short-term rates. Lenders are still demanding a sizable inflationary premium to supply long-term funds. Moreover, corporations have issued in recent months exceptionally large amounts of long-term bonds—in part reflecting their need to lengthen debt and thereby improve their liquidity position. Demands for long-term capital by State and local governments have also been well sustained.

The beneficial effects of easier conditions in financial markets are not all registered in the movement of interest rates. For example, member banks responded initially to the greater availability of reserves by repaying their borrowings from the Federal Reserve and by taking other steps that improved their liquidity. Banks became overextended during the 1971–74 credit expansion, and an improvement of their financial position was needed to lay the basis for subsequent expansion of lending. Reductions in the prime rate of interest, therefore, have lagged behind the decline in open-market rates, as banks encouraged businesses to meet their credit needs in the open market.

Growth of the monetary aggregates has reflected this cautious behavior on the part of banks. Despite a series of expansive monetary actions, the narrowly-defined money stock (M_1) grew at an annual rate of only 1½ per cent in the third quarter of 1974 and 4¼ per cent in the fourth quarter. In January of this year, moreover, a decline occurred in M_1, probably because demands for bank credit were unusually weak during the month.

Broader measures of money have shown more strength than has M_1. With interest rates declining, net inflows of consumer-type time and savings deposits at banks and at nonbank thrift institutions have improved markedly. Growth in M_2—which includes consumer-type time and savings deposits at commercial banks—rose at an annual rate of about 7 per cent in the fourth quarter, compared with a 4½ per cent rate in the third. Expansion in M_3—a still broader measure of money that includes also deposits at nonbank thrift institutions—showed similar acceleration. Furthermore, the volume of large denomination certificates of deposit and other liquid instruments bought by major investors has continued to increase at a brisk pace.

Enlarged inflows of deposits to savings and loan associations have permitted these suppliers of home mortgage funds to reduce their borrowing and to replenish liquid assets, thereby laying the base for renewed expansion in mortgage lending. The full benefits of these developments will not be felt for some time, but the improved deposit inflows have already had an effect on mortgage interest rates. Rates on new conventional home mortgages have declined by almost a full percentage point from the peaks of early autumn, and lenders are also more active now in seeking out borrowers.

In short, financial conditions have eased in a variety of ways over recent months. The liquidity of banks and other thrift institutions has improved; short-term interest rates have dropped sharply; a large volume of long-term securities has been successfully marketed; uncertainties afflicting financial markets earlier last year have diminished, and stock prices of late have been rising again.

Despite this marked improvement in financial markets, some further decline in economic activity has to be expected. Consumer willingness to spend is likely to be held back by the effects of widespread unemployment on personal incomes; business spending for fixed capital and inventories will be adversely influenced by the deterioration in sales, profits, and internal cash flows; even residential construction activity may remain depressed for a short time in view of the continuing decline in housing starts.

Evidence is accumulating, however, that the corrective forces needed to lay the basis for economic recovery are already underway. Price rebates on autos and other products are helping to stimulate sales. Consumer incomes are being sustained by enlarged unemployment compensation as well as an expanded public service employment program. The adjustments in financial markets to which I have referred should be of major benefit in supplying funds for housing and for other purposes. And the upturn in the stock market is serving to improve the state of confidence.

For their part, businessmen have responded to declining sales and profits by making strenuous efforts to work off excessive inventories, by concentrating production in more efficient plants, and by economizing on labor and materials. In the manufacturing sector, productivity actually improved somewhat during the last quarter of 1974, despite a sharp decline in output. This is a most encouraging development.

Thus, while business activity is likely to slide off further in the months immediately ahead, there is reason to expect an upturn later this year. The stimulative fiscal actions proposed by the President would serve to increase the likelihood of a turnaround in the course of the economy. The personal tax rebate, if enacted promptly, should have a stimulative effect on spending by late spring or summer, and the effects on business capital expenditures of a liberalized investment tax credit should soon follow. The resulting expansion in investment would help to provide more jobs later this year, and would also contribute to moderating inflation over the longer-run by improving the capacity and efficiency of our industrial plant.

I cannot stress strongly enough the importance of measures to increase productivity at our nation's business enterprises. This is the first of several longer-range problems to which I want to direct the Committee's attention.

For some time now, the trend of productivity in the private non-farm economy has tended to flatten out. During the past decade, the average annual increase in output per manhour was less than 2 per cent, compared with nearly 3 per cent in the previous ten years. Within the past decade, the rate of improvement in productivity has diminished also. This development has a significant bearing on the living standards of our people, and also on the impact that rising wage rates have on costs of production and prices.

The unsatisfactory record of productivity improvement stems in large part from inadequate investment by business firms in new plant and equipment. Business profits have fallen increasingly short of the amounts needed to finance the growth and modernization of our nation's industrial plant. Environmental and safety regulations, while desirable in their own right, have often delayed fulfillment of capital spending plans and at times have forced adoption of less efficient methods of production. Productivity improvement has also been hampered by changes in the attitude of the labor force and some laxity in management. Workers nowadays are well trained, but many of them work with less energy than they should, and absenteeism has become a more serious problem.

These changed attitudes toward work are to some degree the outgrowth of a second disturbing trend in our economy—namely, the fact that taxes have progressively reduced the rewards for working, while government at the same time has increased the share of national output going to persons who are not productively employed. Twenty-five years ago, a typical worker with three dependents gave up about 1 per cent of his gross weekly earnings in Federal income and social security taxes. Since then, that fraction has risen steadily and reached 13 per cent in 1974.

Any large increase in the absorption of private incomes by government poses a threat to individual incentives—all the more so when taxes are levied on persons who work and produce, and the funds are then transferred to others who remain idle. Over the past twenty-five years, transfer payments by all governmental units—in such forms as public welfare, social security benefits, unemployment insurance, and other public assistance—have risen about twice as fast as total wages and salaries. These transfer payments now amount to almost one-fifth of the aggregate of wage and salary disbursements, and the fraction is steadily increasing. A society as affluent as ours can ill afford to neglect the poor, the elderly, the unemployed, or other disadvantaged persons. But neither can it afford to neglect the fundamental precept that there must be adequate rewards to stimulate individual effort.

Besides weakening individual enterprise, massive increases in governmental expenditures—for social welfare, defense, and whatnot—have been a major cause of intensifying inflationary pressures. This is the third of the longer-run problems that our nation must confront. Inflation has been a problem in this country through most of the postwar period; however, the upward march of prices began to accelerate during the middle 1960's, when our Government embarked on a highly expansionary fiscal policy. Since 1965, total Federal expenditures have risen about 50 per cent faster than the gross national product; budget deficits have become chronic; interest rates have soared to unprecedented heights; expectations of rising prices have gotten built into wages and other contracts; and inflation has emerged as the most dangerous economic ailment of our time.

There can be little doubt that inflation is the principal cause of the decline in economic activity in which we now find ourselves. The havoc wrought in our economy by inflation, however, goes well beyond the immediate loss of production and employment. Because of its capricious incidence on income and wealth, inflation has caused disillusionment and discontent among our citizens. And because of its distorting effects on business decisions, inflation has brought into question the liquidity of some major business and financial institutions.

There is no way out of the inflationary morass into which we have allowed ourselves to sink. Unwinding from an inflationary process built up over a decade will take time, and will cause further hardships for our people. But defeat of inflationary forces must remain a major goal of public policy. We cannot realistically expect to regain lasting prosperity until business and consumers glimpse some end to the inflation that has been damaging our economy.

Lasting prosperity will also require steps to reverse the deterioration in corporate profits that has taken place over the past decade or more. This is another longer-run problem of major importance.

The condition of business profits is widely misunderstood. Profits are thought by some observers to be ample, or even overabundant. The fact is, however, that profit margins of nonfinancial businesses have been declining rather steadily for many years, and profits in the aggregate have been far too low in recent years to supply the financing needed for a vigorous expansion in capital investment.

The major source of confusion about the recent behavior of coroprate profits is not hard to find. Last year, the estimated pretax profits of all nonfinancial corporations from their domestic operations were 16 per cent higher than in 1973 and 46 per cent higher than in 1972. The dominant factor in this rise, however, was an enoromous increase in inventory profits—an element of earnings that is illusory. It stems from the fact that the accounting practices of many corporations still do not allow for the fact that inventories used up in production must be replaced at higher prices during a period of inflation. As a consequence, costs of operation have been understated, and fictitious profits have been created that are being taxed by the Federal Government.

Excluding this illusory inventory profit, the after-tax domestic profits of nonfinancial corporations did not rise last year. On the contrary, they declined by 20 per cent, and were smaller than eight or ten years earlier—when the dollar value of the output of these corporations was about half of what it is today.

Last year, in fact, the after-tax profits of nonfinancial business corporations—adjusted for inventory gains—were no larger than the amount of dividends these firms paid to their stockholders. Worse still, when allowance is made for the fact that depreciation schedules for fixed capital are also based on historical costs—and thus contribute yet another illusory element to book profits, these firms actually paid out more in dividends to their stockholders than they earned from current production.

As I noted earlier, this slump in corporate profits is a major reason why business capital investment has been impeded and why the rate of productivity improvement has been sluggish. But there has been another ominous conesquence of deteriorating business profits—namely, some decline in the financial strength of our nation's business firms. This is the fifth long-run problem to which this Committee's attention should be directed.

Years ago, when their profit positions were more adequate, our nation's major business corporations financed much of their capital investment from internal sources rather than from borrowed funds. However, dependence on borrowed funds has been rising steadily for more than a decade. In the past five years, funds borrowed in the money and capital markets by all nonfinancial corporations averaged nearly 70 per cent of the amount raised internally, and in 1974 their borrowings appear to have exceeded their internal funds.

This growing reliance on borrowed money has brought with it a steep rise in the amount of debt owed by business firms relative to their equity positions. In 1950, total liabilities of manufacturing corporations amounted to less than half of the book value of stockholders' equity. Today, the magnitudes of debt and equity for manufacturing corporations are almost equal. Moreover, a large part of the indebtedness piled up by business firms has been in the form of short-term debts, and these in turn have grown much more rapidly than holdings of current assets. The liquidity position of nonfinancial businesses has thus been weakened.

These are disturbing trends. The balance sheets of many of our business corporations have become distorted by the need to finance capital investment from external sources. Moreover, the issuance of new stock has been inhibited by unreceptive markets and by tax considerations. The consequence has been that margins of equity have been significantly reduced, and many large businesses no longer have the resiliency they once had to resist economic and financial adversity.

The sixth longer-range problem of major concern to the nation is the foreign exchange value of the dollar. Actually, the dollar began weakening many years before its formal devaluation in 1971. Earlier, there had been an enormous rise in the dollar holdings of foreign central banks, because our balance of payments was in deficit for a prolonged period. Capital outflows—some of them speculative—were large, and they were not offset by surpluses in our current account because costs and prices in the U.S. were rising rapidly. The devaluation of 1971 and also that of 1973 were thus a consequence of trends that had been underway for many years.

Following the second devaluation in 1973, the foreign exchange value of the dollar has fluctuated fairly widely, but without much net change Such fluctuations make it more difficult for foreign traders and investors to make rational plans for the future. We must bear this in mind, and also the fact that any appreciable decline in the external value of the dollar would add to our domestic inflationary problem. The Federal Reserve and other central banks can and occasionally do intervene to smooth out movements in exchange rates. But a substantially

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greater degree of exchange rate stability will not be achieved until underlying economic and financial conditions have been put in better order.

Let me now turn, in conclusion, to the implications for public policy of our immediate and longer-range economic difficulties. The most urgent need at the present time is for measures to cushion recessionary forces. But great care must be taken to avoid aggravating the underlying inflationary forces that have produced our present problems.

Action to reduce income taxes temporarily is an appropriate course at the present time. Because of inflation, many individuals have moved into higher tax brackets, even though their real incomes have declined or remained unchanged. Unless personal tax rates are reduced, that trend will continue, and the automatic budgetary stabilizers we normally count on to moderate recessionary tendencies will therefore not function effectively. Also, action is needed to reduce business taxes in view of the serious deterioration in corporate profits, and the taxing of illusory profits by the Federal Government.

The President's fiscal program recognizes the need to deal with the current recession and yet avoid releasing a new wave of inflation. Both the tax rebate to individuals and the increase in the investment tax credit will provide a temporary boost to aggregate demand without adding the Federal deficits over the longer run. Moreover, increases in Federal expenditures are to be limited in several ways—by postponing new program initiatives apart from the energy area, by various rescissions and deferrals of spending for existing programs, and by ceilings on increases in social security benefits and on Federal pensions and salaries. Even so, Federal expenditures should be scrutinized with special care in an effort to hold spending well below the levels projected in the President's budget message. Such a step would improve the prospects for moderating the rate of inflation, and would also bolater the confidence of our people by indicating the clear intent of the Congress to stick to a course of fiscal prudence.

These same considerations must guide the course of monetary policy in the months ahead. The Federal Reserve intends to encourage recovery by providing for an adequate expansion in supplies of money and bank credit. Relatively soon, growth in the monetary aggregates—including the narrowly-defined money supply—should strengthen. Let me assure this Committee, however, that we have no intention of permitting an explosion in money and credit no matter how large private or public financing demands may become. Such a reckless course of action might hold short-term interest rates down for a time, but it would before long plunge our economy into deeper trouble.

This Committee would be well advised to focus a large part of its attention on the course of public policy needed to cope with the serious longer-range problems facing the nation. The issues at stake are large and complex, and solutions will not be readily found. Besides a major national program to deal with the critical problem of energy—which I have not discussed—it seems clear that efforts to gain a better measure of discipline in Federal finances have become a matter of great urgency. Ways must be found to curb the ever increasing share of the national income absorbed by governmental programs—especially programs that transfer funds from persons who work to those who are not productively employed. Ways must be found also to strengthen business profits and the state of business finances, and to increase the incentives for expansion of productive capacity and for modernization of our nation's industrial plant.

Above all, ways must be found to bring an end to inflation, and thus lay the basis for a lasting prosperity at home and a strengthening of our position in international markets. Our people are weary of inflation; they are confused and disturbed by the huge budget deficits that are in the making this fiscal year and next; and they are anxiously awaiting evidence that their government can and will take the necessary steps to restore economic and financial stability.

RURAL AMERICA

Mr. ABOUREZK. Mr. President, the first National Conference on Rural America was held this week in Washington. Colman McCarthy, in an article that appeared on the editorial page of the Washington Post on Tuesday, April 15, portrays in a very moving way the plight of some of the people of rural America.

Mr. President, I ask unanimous consent that Mr. McCarthy's article "Ignoring Rural America," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Ignoring Rural America

(By Colman McCarthy)

When officials of the Rural Housing Alliance sent out invitations to its four-day conference on rural America being held this week in Washington, this reply came back from a social worker at the Cheyenne River Sioux Reservation, Eagle Butte, S.D.

"Dear Sirs: I seriously doubt if you will be able to fit 60 million rural Americans into the Sheraton Park Hotel in Washington, D.C., even if they could afford to come and listen to your tin-horn colleagues pontificate about them. Besides that, your population figures are inaccurate. I just buried three rural Americans who had been referred to five different social service agencies for protective services. Two little girls burned to death—no adults present—during a recent blizzard which was itself largely unreported. The third casualty was a five-week-old boy who starved to death during the storm. In both cases the families had been referred for protective services due to chronic alcoholism. No services were provided . . . Volunteer firemen transported the burned little girls to Eagle Butte in green plastic trash bags, the only things they could find. Tell that to your experts."

The bitterness of this letter will doubtlessly be dismissed as strident by many in Washington where conferences, commissions and committees are the exercise bars on which "social problems" are forever getting free workouts. But for a few who are here this week, the sentiment from Eagle Butte needs to be heard. It is a pained cry of isolation, a resentful call from the rural America that Eastern romantics call "the heartland," even though in parts of South Dakota and elsewhere little of America's lifeblood flows from the great urban centers to the townships, hollows and outbacks.

Only a few decades ago, the sum of those small and quiet parts of American life added up to most of what the nation treasured in itself. Pavement had yet to come between people and their feel of the land. But it has now, blocking not only feelings but also vision, as though the horizon of human need stopped at the city limits and the 60 million citizens beyond them were suddenly uncomely and unremembered. At this week's conference, some facts are being discussed that reveal how severe the isolation of rural America has become.

Since 1960, 146 bus companies have ceased operating—nearly all in cities of less than 25,000. According to Ira Kaye, formerly a rural specialist at OEO, "little help has been available from the government." He notes that "the Department of Transportation, during most of its life, has maintained it was not authorized to help rural communities meet their transportation problems. About $10 million has been made available by Congress for demonstration public transportation projects in rural areas but the guidelines for the use of these funds have been slow in coming. The National Mass Transportation Act of 1974 provides that not more than $500 million of the $11 billion authorized shall be available in rural areas." Kaye has been in government for some time but even he was unnerved by a recent example of federal logic: "When DOT evaluated some OEO rural transportation projects, it found *demand* for rural transit services low—because people couldn't *afford* to pay for it!"

Although people living outside metropolitan areas are one-fourth of the total population, about half the nation's poor are among them. According to the Rural Housing Alliance, "HEW laid out more than $6 billion for income maintenance assistance and 75 per cent of it went to Metropolitan areas. The Department of Agriculture distributed food stamps worth more than $2 billion and 67 per cent wound up in the cities."

Slums have come to be identified with the inner-city but the shacks and tin-roof shanties in rural areas comprise 60 per cent of the country's substandard housing. A fifth of America's population lives in nearly half of its counties, but in this half there is no public housing authority. Some 140 rural counties have no doctor; Rep. William Alexander says this is an increase of 43 per cent since 1963. The alliance reports that "the largest expenditure of HEW in 1973 in the field of health was headed 'Health Services Delivery.' Approximately $175 million was expended, of which less than $7 million went to non-metro areas."

All these figures—and many more exist, from the $1,654 per capita income of migrant farmworkers to the 1,000 acres a week lost to strip mining—document the devastating discrimination constantly demeaning the sharecroppers, mountaineers, independent farmers and others whose sanctuary is rural America. But the figures and facts can easily become the marbles that social scientists occasionally roll around in their mouths when double-talking their way through problems, solving them on paper and photocopying the results for colleagues. Meanwhile, rural lives continue to be degraded and aspirations doomed.

Why does so little federal money go for rural needs? Is it because the people there pay less taxes than in the cities? The answer is the opposite: If anyone is paying less taxes, it is the corporate and absentee farmer, precisely the one who doesn't need tax breaks.

Many of those at this week's rural conference will share the despair of the letter-writer from Eagle Butte, but they will still articulate worthy and sound ideas about the response that needs to be made. In "Our Land Too," a book on rural America that is in the tradition of the work of James Agee and Robert Coles, Tony Dunbar writes:

"The essential responsibility is not the poor man's to try to adapt himself to 'opportunities' which in fact are not generally provided by the solutions of the outsiders; rather it is the responsibility of the nation, as represented by government and business, to pay off the debt owed men and women who, after well-serving the builders of the 20th century, have found that they have had taken from them virtually all of the things which were important and all the things which made them important in the eyes of the world. Whatever the form of the repayment, it must be more substantial than increased 'opportunities.' It might be enough if the debt were admitted and the process halted—the process by which people are used and then discarded for the sake of production and progress."

However finely expressed those words are, and however useful the papers and speeches at the conference will be, all of them fall short of what the voices from the rural, unpaved places are capable of saying well themselves: Life exists out here, too—don't do anything for us; help us to do something for ourselves.

VOTE ON THOMAS J. MESKILL

Mr. McGOVERN. Mr. President, the Senate has confirmed the nomination of former Gov. Thomas J. Meskill to be a judge of the U.S. Circuit Court of Appeals for the Second Circuit. After studying the opinion and the recommendation of the American Bar Association and the South Dakota Bar Association, I voted in opposition to Governor Meskill's confirmation.

The information and reasons upon which I based my decision are included in letters from three well known and highly respected South Dakota attorneys. I ask unanimous consent that their letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Canton, S. Dak.,
April 2, 1975.

Hon. George McGovern,
U.S. Senator, Washington, D.C.
Hon. James Abourezk,
U.S. Senator, Washington, D.C.

Dear Senator McGovern and Senator Abourezk: I have been advised that the name of Thomas J. Meskill will be presented to the Senate for appointment as Judge of the United States Circuit Court of Appeals for the Second Circuit and that this may be considered during the week of April 14th, 1975.

I have been advised of the background of Mr. Meskill in respect to the practice of law and conduct in my profession and I earnestly urge you from the evidence presented to vote against the confirmation of Mr. Meskill. A lifetime appointment to the Federal Judiciary is of paramount importance to the entire nation as well as to the profession which I serve. I ask you to review the Meskill record and I am sure you will be convinced as am I that he is not a proper person for such an appointment.

Very truly yours,

Sam W. Masten.

Rapid City, S. Dak.,
April 14, 1975.

Hon. George S. McGovern,
U.S. Senator,
Senate Office Building,
Washington, D.C.

Dear Senator: Former Governor Thomas J. Meskill has been nominated to be a Judge of the United States Court of Appeals for the Second Circuit. As you are doubtless aware, this is probably the second most important and prestigious court in the nation. It handles all federal appeals on cases originating in Manhattan Island as well as surrounding territory constituting the financial capitol of the country.

This appointment would ordinarily have no significance to me whatsoever as I have never had a case in the Second Circuit and it is highly unlikely that I shall ever have such a case. However, the basic efficiency and integrity of our judicial system is a matter of concern to every lawyer and to every citizen.

The Standing Committee on the Federal Judiciary of the American Bar Association has unanimously reached the conclusion that Mr. Meskill is not qualified for this appointment. Reasons for that conclusion may be found in the enclosed letter of March 28, 1975, addressed to the House of Delegates of the American Bar Association by the chairman of that committee and three immediate past chairmen.

It is my understanding that the Board of Governors of the American Bar Association has passed a resolution in opposition to this appointment. There is obviously nothing of a partisan political nature involved. Historically and traditionally, the majority of the upper echelon in the American Bar Association are and have tended to be of a Republican persuasion, and this is definitely a Republican nomination.

Any lawyer, however, reviewing the findings of the committee could scarcely avoid the conclusion that the nominee is totally lacking in the breadth of experience and the professional standing as a lawyer which should be required for serious consideration for appointment to such a court. In addition, you will observe from the enclosure that Mr. Meskill's political life has touched upon certain practices of a highly questionable nature and that the explanation of such matters has been far from satisfactory.

Senator Abourezk, together wth five of his distinguished colleagues on the Senate Judiciary Committee, opposed the nomination in committee but were outvoted eight to six.

I earnestly urge your careful consideration of this nomination when it reaches the Senate floor and I hope you will feel constrained to oppose confirmation.

Best personal regards.

Yours very truly,

Geo. A. Bangs.

Sioux Falls, S. Dak.,
April 2, 1975.

Hon. George McGovern,
U.S. Senate,
Washington, D.C.

Dear George: It is very seldom I write to members of either House with reference to matters pending before them. However, as you may know, I served for 12 or 15 years as a member of the Federal Judiciary Committee of the American Bar Association and during that time took a very active part in the matter of members recommended for the Federal Judiciary. The ABA committee is sill active, and in its many years of service, there have been but few times when the President and/or the Attorney General have gone counter to its recommendations as to qualifications of the persons recommended for federal judicial appointments.

Last week the United States Senate Judicial Committee, by a vote of 8 to 6, voted to confirm the nomination of former Governor Thomas J. Meskill of Connecticut as a member of the United States Circuit Court of Appeals for the Second Circuit.

The investigating committee reported with reference to Governor Meskill that he spent less than eight years after being admitted to the Connecticut Bar, and according to his own statement, his ten most significant cases in which he participated consisted of seven civil cases and three criminal cases, none of which were tried to a jury, and all were concluded in less than three days time, seven in one day and three in less than two days. Of the civil cases, three involved defective sidewalks, two involved a breach of warranty relative to the purchase of food and paint, one was a divorce case and one a bankruptcy. The criminal cases were one involving indecent assault, one reckless driving and one issuance of a bad check. The governor has never argued an appeal in the Supreme Court of Connecticut or in the United States Circuit Court of Appeals, and at the time of his nomination, he had never been admitted to the Circuit Court of Appeals.

In addition, there is pending an investigation by a legislative committee inquiring into the state leasing practices employed during Mr. Meskill's term as governor. His own personal involvement in these leases is in question, and statements made by him are in conflict with those made by other state officials.

The Second Circuit Court of Appeals is one of the most prestigious and hardest working courts in the United States. The American Bar Association Committee found Mr. Meskill wholly unqualified by reason of experience, and his personal involvement in the leasing practices employed during his term as governor would seem to raise serious doubts as to his integrity.

There was just recently released from federal prison a former Illinois governor, who had served as a member of the Seventh Circuit Court of Appeals and who, during his term as governor, became involved in fraud connected with stock ownership in horse tracks located in Illinois.

We are still feeling the reverberations of Watergate trial. This would seem to be a poor time to confirm a selection to the Circuit Court of Appeals where so many doubts have been raised as to both qualifications of the individual nominated as well as to his personal integrity. The American Bar Association committee felt he was wholly unqualified, and I hope you will study the report of the Senate Judicial Committee with care before you cast your vote on this matter.

With personal regards, I am

Sincerely yours,

Roy E. Willy.

DOD—SPENDING MORE, GETTING LESS

Mr. ABOUREZK. Mr. President, the April 15 issue of Forbes magazine had an excellent article on the reasons behind the Pentagon's record budget for fiscal year 1976.

As we consider the defense budget and the spiraling costs of new weapons systems and quality manpower, it is imperative that the Congress not lose sight of our true objective—to provide the best defense of our country with the greatest amount of cost efficiency possible. Although we have continued to provide for the best defense, there is little question that cost efficiency has never had too great a priority. The Forbes article dwells on this problem and offers an excellent analysis on its complexities.

Mr. President. I ask unanimous consent that the article in Forbes be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Spending More, Getting Less

(Defense Secretry Schlesinger is worried—not only about the cuts Congress might make in his budget. He isn't satisfied with the way Congress and the services are spending the money.)

The Defense Department's record budget—$104 billion for fiscal 1976—will get a rough working over from a Congress disgusted with Indochina and worried about an unmanageable federal deficit. But Congress will have to think twice about cutting defense sharply; for there is no longer any doubt that the U.S.' relative military strength is declining while that of potential enemies is increasing in both size and sophistication. If nothing else proved this, the latest Arab-Israeli war did. Soviet arms in the hands of the relatively inept Egyptians and Syrians made the best showing yet against American weapons wielded by the highly skilled and motivated Israelis.

The worrisome fact is that most of the

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Pentagon's record budget will provide little in additional military power in return for its fantastic cost. Militarily, the U.S. is having to run faster and faster just to stand still. The problem is not simply financial: The entire American system has become frighteningly cumbersome.

The Defense Department itself is part of the problem—as Secretary of Defense James R. Schlesinger concedes. And so is Congress and the defense industry. All have been deeply committed to ever more complex weapons to the point where it is no longer possible for the strained U.S. economy to provide such weapons in needed numbers. How can it be that the richest nation cannot afford an efficient defense establishment?

Run through our catalog of weapons: "deep-penetration" fighter bombers; aircraft carriers; manned strategic bombers; surface-ship-based antisubmarines warfare systems. All of these carry frightening price tags. A single new aircraft carrier costs $1 billion. Whereas World War II fighters like the P-47 cost $89,000 each, a modern F-15 fighter costs $15 million. In the Middle East the situation was even worse: In three weeks of warfare, the two sides lost between them some 2,200 tanks. The U.S. bill for making up Israel's losses: $2.2 billion, over $700 million for every week of the fighting. Not even the U.S. could afford this tremendous kind of loss for long.

Costly and complex as many of our weapons are, it is difficult to defend them against relatively cheap and simple counterweapons. During the Yom Kippur war, for example, multimillion-dollar Israeli aircraft were shot down by relatively cheap Soviet-built ZSU-23/4 cannon and Strela missiles. The U.S. missile most comparable to the Strela, the Redeye, costs only $24,000. We have no cannon as good as the ZSU-23/4.

Particularly during the first few days of the war, significant numbers of Israeli tanks were destroyed by Soviet-built RPG-7 shoulder-fired rockets. The American counterpart to the RPG-7, the LAW rocket, costs about $75

Countermeasures and countertactics to the RPG-7 and other antitank weapons have been devised, but there are already counter-countermeasures. The point is that the balance is swinging away from the tank toward the relatively cheap antitank weapons.

To compound the problem, the expense, long development times and slow production rates of many big-ticket weapons mean that the U.S. will be forced to depend on them for 20 or 30 years into the future—well after technological advance makes them obsolete.

Until recent years, the U.S.'s technical and economic edge was so great the nation could afford to be sloppy about how it allocated its defense resources. The draft provided a reserve of low-cost high-quality manpower. In any *really* bad crisis, the U.S. could threaten to use its overwhelmingly superior arsenal of nuclear weapons. The Cuban missile crisis seemed to prove that in a crunch the Soviets would be forced to back down.

That's all over. In the Mideast confrontation in 1973 the Soviets did *not* back down. The U.S. will probably never again attain anything greater than nuclear "parity" with the Soviet Union. And the volunteer Army means that the military is being forced to pay more for lower quality manpower. Unlike almost any other enterprise, defense has become *more*, not *less* labor-intensive; military pay and allowances will take 55% of the 1975 defense budget compared with 43.3% in 1964.

Which makes it all the more important that the dollars left over for hardware procurement and research and development actually go to buy practical weapons. Unfortunately, this is not necessarily the case.

The Navy's reliance on the aircraft carrier is a good example of this problem. The carrier was indispensable to the defeat of the Japanese in World War II. Since then, the surface Navy has been built around the carrier; most of its ships are organized around the carrier task forces.

The Navy is committed to having at least 12 attack carriers from now until the end of the century. At a capital cost of about $1 billion for each new nuclear carrier, plus the cost of aircraft, escort ships and operations and maintenance costs, that's quite an investment.

That investment becomes shakier every day. In 1967 the Egyptians proved the vulnerability of the large surface ship by sinking the Israeli destroyer *Eilat* with a Soviet-built "cruise missile." A cruise missile is a guided missile equipped with a jet engine and wings, in contrast to the ballistic missile, which has a wingless body and uses a rocket engine. It is not a terribly expensive or complex weapon. A French cruise missile, the Exocet, costs at most $400,000.

Since the sinking of the *Eilat*, the Russians, the French and the Israelis have made available cheap antiship cruise missiles to many countries. The missiles have become more accurate and longer ranged. The Navy argues that a carrier is hard to sink. That may be, but even one hit by a conventional warhead on the flight deck of a carrier could take the ship out of action for at least four months.

Even Senator Barry Goldwater, a staunch supporter of military spending, says, "It is generally conceded among strategic thinkers that the day of the carrier is past. Particularly in the Mediterranean, where it faces Soviet land-based aircraft, the carrier is at a loss." Privately, many high Defense Department officials agree.

Rather than seriously reevaluating the usefulness of the carrier and other surface ships, however, the Navy and its allies on Capitol Hill are buying increasingly expensive and dubious ways of defending them. The F-14 is one of these. At $20 million, fully armed, it is the most expensive fighter plane ever built. Will it do the job? There are doubts. Alton Quanbeck, a Ph.D. in aeronautical and astronautical engineering who was formerly with the Office of the Secretary of Defense, says: "It's theoretically possible, but very unlikely, that the F-14 would be able to defend the carrier against missile attack."

By the end of fiscal 1976 the U.S. will have lavished more than $1.5 billion on the F-14. In return, it probably will have acquired only a marginal improvement in the ability of carriers to defend themselves.

At the same time that the Navy is lavishing so much attention on an asset of declining value, it has been neglecting some very useful programs—particularly land-based antisubmarine warfare aircraft.

Dr. Quanbeck has this to say on the subject: "The Navy spends a lot of money on surface ships, largely for antisubmarine warfare. They like them partly because they give a lot of command opportunities to officers—there are a lot of men on the bridges of those ships. But the most effective antisubmarine warfare systems are *land*-based aircraft and hunter-killer subs.

"The Navy, though, is not interested in land-based aircraft—too much like the Air Force. They don't even buy enough sonobuoys [detection devices] for the land-based planes they do have."

Some high Defense Department officials agree. One says that "land-based aircraft are looking better and better these days for a lot of missions, including antisubmarine warfare."

The Navy isn't the only service guilty of misplaced enthusiasm. The Air Force's emphasis on acquiring the most versatile and sophisticated fighters possible is making it difficult for the U.S. to afford to match the Soviet Union's growing air power.

For example, the Air Force's new McDonnell Douglas F-15 fighter costs nearly $15 million a copy, more than three times the cost of the F-4 fighter that it is replacing. Dr. Richard L. Garwin, an IBM Fellow at the Thomas J. Watson Research Center and an occasional consultant to the Defense Department, points out the paradox involved in this expensive weaponry: "While the F-15 can beat the improved Soviet MIG-21 on a one-to-one basis, an equal cost force of MIGs would just eat up the F-15, because the advantage of numbers is so great." (It is estimated that a MIG-21 would cost $2 million to build here. Thus the cost of a single F-15 would buy seven MIG-21s.)

The F-15 is expensive partly because it is supposed to be able to perform not one, but two difficult missions. One is the shooting down of other fighters. The other is delivering bombs deep inside hostile territory. Many defense experts doubt whether the "deep-penetration" bombing capability is worth the expense.

For the price of one F-15, the Air Force could buy at least two less ambitious but very effective aircraft, which between them could do the job: the General Dynamics F-16 light-weight fighter and the Fairchild A-10 attack aircraft. Senator Goldwater, a former Air Force Reserve Major General, thinks that "we should take another look at the F-14 and F-15 and possibly switch to the lightweight fighter. It's lower cost, and in some respects superior."

What has happened up to now is a classic bureaucratic compromise: The Air Force has agreed to take the F-16, but it wants F-15s as well. Its justification for this is the "need" for a "high-low mix" of expensive and cheap planes. One very senior Pentagon official, when pressed by a Forbes reporter, dismissed the "high-low mix" as a "budgetary gimmick" to sell the compromise to Congress and the public. It's as though someone decided to economize, not by trading his Cadillac for a Volkswagen, but by keeping the Cadillac and buying a VW as well.

Even the F-15 is easier to rationalize than the proposed M-1 strategic bomber. Nobody knows how much each will cost; Defense Department estimates are beginning to creep toward the $90-million mark. It's supposed to be a "follow-on" aircraft to the B-52, which will probably be going out of service in the 1980s.

The B-1 is supposed to be able to penetrate Soviet air defenses and launch short-range missiles or bombs against ground targets. While it is designed (at great expense) to be able to fly at supersonic speed, it doesn't carry enough fuel to go that fast while performing its mission. In other words, there has been built into it, at great expense, a capability it can rarely if ever use.

IBM's Dr. Garwin claims the B-1's military objectives could be achieved much more cheaply. Says he: "The missiles the B-1 carries have just short enough a range so that the airframe launching them has to be inside enemy airspace. If you used longer-range cruise missiles, you could carry them in a slow, cheap transport aircraft, stand outside enemy airspace, and launch them in comparative safety.

"But the Air Force generals wanted a new bomber. After all, whoever got promoted commanding a fleet of expendable missiles?" Dr. Quanbeck estimates that "over a period of ten years we could save $20 billion by using cruise missiles launched from transport aircraft rather than the B-1."

Secretary Schlesinger doesn't really argue with this reasoning. "I share Dick Garwin's enthusiasm for the potential of the cruise missile," he says. Schlesinger hedges only slightly: "But before I commit myself, I'd like to see a working missile."

The Air Force and Navy are already working on long-range air- and sea-launched cruise missiles. They will probably have good working models before long. In fact, there's little reason to believe that the relatively

inexpensive transport aircraft/cruise missile system won't be ready by the time the B-52 needs to be retired. In that case, the B-1 will be obsolete, at least in a cost sense, before it even gets into service.

Even at $84 million, however, the B-1 isn't the most expensive plane that's in this year's budget. That honor belongs to the $111-million Airborne Warning & Control System (AWACS), known in some Pentagon circles as the BBO, which is The Boeing Ball-Out.

The original idea behind the $4-billion AWACS program was to build a long-range "look-down" radar into a Boeing 707 and use it to detect Soviet bombers attacking targets in the U.S. and Canada. Unfortunately, just as the tremendous technical problems of building the radar and its computers into a 707 were solved, the Defense Department concluded that the Soviet bomber threat was not all that serious after all. The AWACS became a plane in search of a mission.

After a little head-scratching, the defense spenders found a "mission." The AWACS was to be deployed in Europe, where its radar and computers would be used to coordinate NATO's tactical air forces. This would be a useful function for some plane to perform—but many doubt the AWACS could do the job.

Charges one defense analyst, "It was a classic case of taking something designed for one mission and trying to get it to perform another." Early this year the General Accounting Office attacked the AWACS in an Air Force-censored report. The report pointed out that the Soviets are *already* able to jam AWACS' radar, and that the large, slow plane would be very vulnerable in any serious European conflict.

THE SHORTEST DISTANCE

It would be unfair to place all the blame for poor management on the Pentagon. Some of the worst examples of waste are systems forced on the military by congressmen pushing their own whims or their constituents' products.

Last year, for example, the powerful Texas congressional delegation wanted the Air Force to spend $300 million to buy LTV's A-7 attack aircraft and General Dynamics' F-111 fighter-bomber.

The Pentagon, however, did not really want the planes. The A-7 had been proved by field trials to be less cost-effective than the new A-10. The F-111 was one of the great procurement disasters of the Johnson Administration; military men really wanted the program to come to an end. Whatever their other faults, though, the planes had one great virtue in the eyes of some congressmen: They were built in Texas.

Congressmen are frequently unwilling to support economy measures proposed by the Defense Department civilian leadership. They tend, for example, to support the closing of military bases anywhere but in their own districts.

The Trident ballistic missile submarine is a good example of congressional gold-plating. These $500-million boats were designed to replace the aging Polaris submarines. Last year, appalled by their cost, Secretary Schlesinger came up with a $350-million alternative design: the SSBNX submarine.

Congress didn't take the hint, and decided to continue the Trident program. "I can't understand it," Schlesinger commented to Forbes. "I suppose strategic nuclear forces have a certain fascination."

It would be easy to conclude from these examples that Pentagon procurement is a hopeless mess. There are, however, some encouraging signs of rationality creeping into the system. While he was Deputy Secretary of Defense, Hewlett-Packard co-founder David Packard managed to get the idea of efficiency and cost-consciousness into some brass-hatted heads. According to Schlesinger, "A lot of the credit for the introduction of an inexpensive, effective lightweight fighter belongs to Dave Packard."

LEAVE MANAGERS ALONE

Packard, now back as board chairman of Hewlett-Packard, says: "I came to the conclusion that the only way out of these procurement problems was to put good men in charge of programs and leave them alone. The Pentagon and Congress were just getting too involved in detail. The contractors should be given a relatively simple set of performance specifications, and then left to compete over putting together the best system. The lightweight fighter is a good example of how this system can work."

Despite some success, though, Packard eventually resigned his job, frustrated by the Potomac paper wars. As one Assistant Secretary of Defense puts it: "The trouble with Dave Packard was that he thought the shortest distance between two points was a straight line."

Since taking over the Department in 1973, Secretary Schlesinger has been doing some straight-line thinking himself. His "new products manager," Director of Defense Research & Engineering Malcolm R. Currie, is doing his best to keep sophistication-for-its-own-sake out of future weapons programs.

Currie and some career military officers are pushing the development of affordable weapons. "I'm convinced," Currie told Forbes, "that we can arrive at new systems that are high-quality, but that aren't so elaborate. We're also looking at the weapons we already have and what we can do to stretch out their useful lives."

That sounds like ordinary common sense, but it's a revelation to a lot of people in the defense business. Economy-minded defense managers have already had some successes. Several new systems are coming into production that were "designed to cost"—contractors were actually forced to count their pennies like the rest of us.

The new F-16 lightweight fighter Dave Packard thinks so highly of is one example of a weapon designed with tight budgets in mind. So is the Fairchild A-10 attack aircraft. Both of these are effective weapons, despite the fact that the contractors were forced to work with limited budgets.

There are also new weapons developments that are actually *cheaper* than the systems they'll replace. For example, expensive, manned combat and reconnaissance aircraft may be partly replaced by "remotely piloted vehicles" (remotely controlled planes). Not only are the RPVs cheaper, since they don't need all the life support equipment of a manned plane, but they can maneuver better and stay up longer. Teledyne Ryan's new Compass Cope reconnaissance aircraft can stay in the air for over 24 hours, since it has no human pilot to tire out.

Which contractors will be helped by the shifts in defense technology and which ones will be hurt? The answer is obscured by the Pentagon practice of handing out contracts more on the basis of its traditional suppliers' need for business than their efficiency and cleverness.

A shift toward cost-conscious contracting and larger numbers of cheaper weapons could actually *help* the defense industry. In recent years companies such as Grumman and Lockheed have had their profit margins eaten up by the gross inefficiencies in their military programs.

Better controls could clearly work to their advantage as well as the Government's. Also, since the real money in defense contracting is in programs with long production runs, inexpensive weapons that can be made in large quantities could improve defense contractors' returns on equity.

BUDGING THE BUREAUCRACY

However well-intentioned, Schlesinger, Currie and their allies are a very thin layer on top of a frequently unresponsive bureaucracy. As one Washington observer puts it: Schlesinger is probably the best prepared Defense Secretary we've had, but he hasn't really been able to take control. He really needs stronger top and middle management."

It takes time and political support to build that kind of organization. Schlesinger lacks both: Defense Secretaries come and go, but the bureaucracy and military-minded congressmen seem to go on forever. As Schlesinger points out: "I'm working now on 1980 weapons procurement programs that were initiated in 1965." If he follows the pattern of most Defense Secretaries, he'll be leaving in a year or two. Under those circumstances, it's hard to give the Pentagon machine more than a slight push in the right direction, whereupon it usually slips back. In the meantime, as Schlesinger himself laments, "I am devoting 80% of my time talking with Capitol Hill and with the press."

There is more at stake here than money. The basic problem with nearly all defense establishments is that they are not in a competitive business. Waste, politics as usual, bureaucracy and empire-building don't seem to matter much in the military—not, that is, until the moment of truth arrives on the battlefield. And then it is too late. Congress will do well to remember this when it finally makes up its mind on the defense budget this year.

RETHINKING FOREIGN ASSISTANCE

Mr. HUMPHREY. Mr. President, there is no more fundamental issue confronting the United States today than the question of our future relations with the world. Events in recent days around the globe have served to remind us as never before that America faces a wide range of challenges and obligations, all of which are in flux.

The President has called for a reassessment of our foreign policy, and in the coming weeks and months all aspects of our military, security, economic, and humanitarian assistance programs overseas will come under review. In this context, I hope particular attention will be paid by the administration—as it is today in the Congress—in reviewing all aspects of our foreign assistance effort, particularly in the Third World.

Recently, a distinguished former Administrator of the Agency for International Development, William S. Gaud, delivered a thoughtful address to a conference on "The World Food and Population Crisis: A Role for the Private Sector" in Dallas, Tex., on April 3, 1975. Entitled "A 'Developed Nation' Rethinks Its Relationship With the World," Mr. Gaud's speech makes a number of important recommendations regarding our relations with the developing world based upon many years of experience in both AID and the World Bank.

Mr. President, I believe Mr. Gaud's thoughtful review of our foreign assistance program, and the new directions and priorities it must take, deserve the attention and consideration of the Senate. I ask unanimous consent that the full text of his address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

A "DEVELOPED NATION" RETHINKS ITS RELATIONSHIPS WITH THE WORLD

(by William S. Gaud)

When I was asked to talk to you today I was rather taken aback by the breadth and

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scope of the subject I was given: a "developed nation" re-thinks its relationships with the world. Quite a mouthful! So I am sure you will not fault me if I concentrate on only a few aspects of this very broad subject.

And let me give fair warning at the outset: don't expect too many answers. As another speaker once said, it is my role not to dispense truth, but to suggest problems, raise doubts and disturb thought.

To begin with, what developed nation? They come in all shapes and sizes, and fit no common mold. Some may be more developed than others, but even under the best of circumstances development is an uneven and never-ending process.

The United States, which is the developed nation I shall talk about, is no exception. In some respects we have indeed reached a high level of development and have much to be proud of. Yet at home many of our citizens suffer from hunger and malnutrition, many lack jobs and equal opportunities for employment and advancement, and many of our economic and social problems are unresolved. And abroad we have in many ways not come to terms with the world around us—including what has come to be called the Third World.

It is principally our relations with the developing countries making up the Third World about which I wish to talk. If I seem from time to time to stray from the fields of food and population, I won't actually be straying very far. I say this because our attitudes and our actions on the matters I will discuss will have a direct bearing on how effectively we deal with the food and population problem.

There was a time when the world did not matter so much to us—a time when we lived within our own continent and let the rest of the world go by. We stayed at home and grew rich and prosperous. Our attitude towards other nations was very simple: Let them fight their wars, play their diplomatic games and do whatever they wish—just so long as they obey the "Keep Out" signs tacked up around the Western Hemisphere by President Monroe.

No longer do we enjoy any such freedom of action. Our relative isolation from the rest of the world was shattered temporarily by World War I and irrevocably by World War II. Today, like it or not, we are in the world up to our eyebrows. And that's the way it's going to be from here on out.

Do not make the mistake of thinking we are enmeshed in world affairs just because we are a powerful nation and as such must play an important role in the world. That may have been the case at the end of World War II, or even in the 1950s when the Cold War was at its coldest and Secretary Dulles was busily flying round the globe trying to rally the free world to help him fence in Communism.

But it's not that simple in the 1970s. Our present involvement in the world is due to something much more basic.

Consider the issues that concern us today. Without trying to list them all, here are a few: food shortages, population growth, the international monetary situation, inflation, energy, the arms race, raw material shortages, pollution of the seas and the air.

Can we solve these problems by ourselves? Not a chance. We do have purely domestic problems which we are free to deal with as we see fit. But we are also faced with a host of urgent problems which defy solution at the national level and can be dealt with only on a multinational basis. That is the real reason we're stuck to the world—just as tightly as Br'er Fox was stuck to the tar baby.

We have a word for it, a fifty cent word—though in these inflationary times maybe we should call it a two dollar word. That word is interdependent—we live in an interdependent world. Just one three-letter word, oil, is proof of that.

To live in such a world is a strange and novel experience for a nation which has always been supremely confident of its powers and accustomed to going it alone. The adjustment will not be easy. But make the adjustment we must. And this requires that we re-think our outlook and our policies—many of which were fashioned to meet the requirements of a very different kind of world—to ensure that they are consistent with the realities of the 1970s.

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To illustrate the kind of re-thinking that is needed, let me say something about our foreign aid programs, which, in my view, are not suitable for the world of the 1970s.

As you all know, foreign aid was originally fashioned as a prime weapon in the Cold War. The purpose of the Marshall Plan, the Truman Doctrine, U.S. aid to Greece and Turkey—the purpose of all the early foreign aid programs—was clear and unequivocal: to help buttress the Free World against Communism.

During this early post-war period there were only two worlds: the Free World and the Communist World, and security considerations were paramount in our aid program. Development assistance as we speak of it today—giving assistance to the countries of the Third World for the express purpose of enabling them to get on with their development plans and improve the lot of their citizens—was not our objective.

As time went on, however, it began to be thought that it was not enough to support the front line against Communism when poverty and hunger among two-thirds of the world's people in the emerging Third World created a situation in which Communism might appear in the rear. On this premise foreign aid began to take new forms and go in new directions. But it was still primarily Cold War oriented, and security considerations were still paramount.

It was all very well to design an aid program in those terms when there were only two worlds. But such programs alone cannot meet the needs of the whole host of countries which make up the Third World of the 1970s.

Those countries, large and small, all face in varying degree such problems as poverty, illiteracy, disease, lack of housing—as well as those other problems I have mentioned that we ourselves are facing. Like the United States in earlier days, they are seeking to achieve sufficient strength and independence to devote their energies and resources to a single task—their own development.

In today's complex and interdependent world, our welfare—not to mention world stability—depends to a very considerable degree upon the welfare of the Third World. Even putting aside all considerations of decency and humanity, which alone should be enough to move us, it is in our own interests to support the efforts of the developing nations to give their people a better life.

Of course, we have done, and are doing, much to support their efforts. But too often still in narrow terms of our own national interests and our own national security. Even though the East-West confrontation is still with us, it is no longer enough for us to think and plan only in those terms. We need to bring our foreign aid program up to date in both quantity and in content.

If we are talking in terms of quantity the need is clear. Since 1968 total U.S. economic assistance to developing countries has dropped substantially when viewed in constant dollars. You will all recall that some years ago the U.N. General Assembly set a target of 0.7% of GNP for official development assistance. None of the industrialized nations has reached that target yet. But the U.S. is going backwards. Since 1967 the percentage of our GNP that is devoted to official development assistance has dropped from 43% to 23%. Despite the fact that it is the richest country in the world, the United States ranks fourteenth out of the seventeen OECD nations in the percentage of its GNP devoted to official development assistance.

In terms of content, our present foreign aid program can only be called a hodgepodge. We are carrying on in the name of foreign aid a whole host of varied and often unrelated activities with different and sometimes conflicting objectives: development assistance, disaster relief, food aid, military aid, Cold War programs intended to bolster our position against Communism, payments for base rights and heaven knows what else.

Lumping these activities together in a single program and indiscriminately calling them all foreign aid is confusing, frustrating and bewildering. No wonder people are puzzled as to what foreign aid is all about and what it is intended to accomplish.

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Let me say a few words about food to illustrate the kind of confusion I am talking about.

Our farm policy has traditionally been considered a domestic matter. As recently as the early 1960s we were concerned mainly with maintaining farm income in the face of continuing surpluses. Since then population growth, changing consumption patterns, droughts, detente and other factors have created a drastically different situation. Today, we need a farm policy that not only meets domestic considerations, but also takes into account world food needs, provides for the creation and maintenance of reserve stocks for world use and recognizes that food grown by U.S. farmers is a vital international resource.

We must do all we can to help the developed countries increase their agricultural productivity. That is essential to the solution of the world food problem in the long term. But for some time to come the United States and other nations in a position to do so must maintain programs of food aid, provided on concessional terms and in ways and on terms that will encourage rather than discourage agricultural development in the recipient countries, in order to help alleviate worldwide food shortages and nutrition deficiencies.

We have provided considerable food aid to other nations in the past, and are still doing so. Food for Peace, we call it. But too often the nature, the extent and the recipients of our food aid have been determined not on the basis of need, but by other factors. Such as, for example, the existence or balance of payments considerations, the desire to develop foreign markets for our farm products, our government's wish to acheive a diplomatic objective, or the desire to strengthen the military resources of an ally.

There is nothing wrong in trying to achieve these various goals. But it is wrong to do so under the pretense that we are carrying out a Food for Peace program to help the needy.

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A similar conflict of motives, with consequent confusion and a need for serious rethinking, can be seen in our activities as a supplier of arms to other nations.

Other parts of the globe may be inhabited by warmongers and troublemakers, but we Americans picture ourselves as a peace-loving people to whom war is abhorrent. Yet the United States is currently the undisputed leader in furnishing and selling to other countries arms, military training and related technical services.

During fiscal year 1974, leaving aside Vietnam and the rest of Indo-China, we provided military assistance and sold weapons to 60 odd-nations to the tune of $10 billion. About $8.5 billion of this represents sales of hardware ranging from the conventional rifle of the infantryman to advanced aircraft and sophisticated electronic devices. It was furnished partly through our military aid program by way of government grants, credits

or guarantees, and partly through commercial sales licensed and approved by the government.

To say that we treat non-nuclear arms as articles of commerce rather than as weapons of war might be an exaggeration. But it boggles the mind to read in the press that a United States sale of sophisticated military equipment to Pakistan—if paid for by a loan made to Pakistan by an oil-producing Arab country—would be an admirable way of recycling oil dollars to this country.

Why do we engage so extensively in this traffic in arms? Many reasons are advanced to justify our doing so: to assist our allies; to obtain leverage in diplomatic negotiations; to help us acquire bases, overflight rights or other special privileges; to maintain good relations with key foreign leaders; to benefit our balance of payments.

But at what cost, whether in terms of the extent to which the supply of arms will increase regional or world tensions, or in terms of how they may be used—a matter over which we have no effective control, as we have seen to our sorrow in the Asian subcontinent and in Cyprus, to cite only two instances? Furthermore, since when have our moral standards sunk so low that we can justify arms sales on the ground that they put money in our pockets?

Many people find convincing another argument that is often advanced to support arms sales, namely, if we don't make the sale the Russians, the French, the British or someone else will. I don't buy that argument, even if it's true. It doesn't meet the moral issue.

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I hope I have said enough to show what I mean when I say that our foreign aid and related programs are confusing and contradictory, and why they need to be re-thought. There is a very simple way in which that can be done.

The various components of foreign aid fall into two broad categories. In one group are those whose primary purpose is to serve some political or military objective of the United States. In the other are those whose primary purpose is to assist the development of other nations.

It is time to separate those purposes in our thinking and to determine our priorities.

In the area of food aid, for example, we must decide whether our food aid is to go first and foremost to the hungry and the needy, or whether—even at the cost of neglecting people whose food needs are greater—some part of it is to be treated as an article of commerce, a diplomatic tool, or a military weapon. Hopefully, this would lead us to adopt a food policy truly responsive to world food needs. We could then do away with the existing patchwork program under which a large part of our food is shipped abroad for commercial and diplomatic purposes when it is needed for humanitarian purposes.

In the same way we need to determine our priorities in other parts of our aid programs. We can only do this if we first draw a clean and clear distinciton between security-connected programs on the one hand and development assistance on the other. This will lead to a fuller understanding on the part of both the people and the Congress of what our foreign assistance programs are all about. We must abandon the existing practice of lumping them all together and, for purposes of appropriations, treating them as though they were freely interchangeable.

As for our trade in arms, why should we not sit down with the other arms-supplying countries (there aren't that many of them) and make a serious effort to define the limits within which we will not supply arms, or certain types of arms, in specified parts of the world?

A dream? Maybe. I can't see much hope of doing this at the present time in the case of Vietnam or the Middle East. But how about trying to make a start elsewhere, say in Latin America or Africa? Why not give it a try? What can we lose? As someone said the other day about the Middle East: everything else has failed—why don't they try peace?

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There's something else we can do that will help draw a distinction between security-oriented assistance and development assistance and so make our whole aid efforts more effective.

The question has been asked repeatedly in recent years whether the capital assistance portion of the United States development program—that is, long-term development loans—should continue to be handled on a bilateral basis, directly between the United States and the recipient countries, or whether it should be channeled through multinational organizations such as the World Bank and similar regional bodies like the Inter-American Development Bank and the Asian and African Development Banks.

On the basis of my experience in the development business, split almost evenly between the United States Agency for International Development and the World Bank Group, I have no hesitation in saying that I would go the multinational route. And I base this conclusion on the nature of the relationship between the developed and the developing worlds.

Consider, first, the standpoint of the developing countries. Those countries are for the most part very young, less than a generation old. Conscious—often over-conscious—of their new independence, they are distrustful and suspicious of anything that smacks of imperialism or economic colonialism.

The developing countries tend to see development as a continuation of their struggle for independence—as a means of creating a new national identity and of breaking old restrictive ties without acquiring new ones. Development without dependence. That is the goal of every developing country.

When assistance is given on a bilateral basis, the donor government frequently finds it difficult to ignore political, military or security considerations even if it wishes to do so—and it often doesn't. Decisions on whether aid should go to this or that country, or be used for this or that project, are frequently affected by considerations which are quite irrelevant to the recipient country's development needs.

Capital assistance provided by multinational institutions is much more likely to be free of political or other bias than capital assistance furnished bilaterally. Also, if the aid recipient and other developing countries are members of the multinational institution and have a voice in its decisions—and this is usually the case—there is less risk that the giving of aid will lead to the strained relations and friction that sometimes arise between individual recipients and individual donors.

I am not suggesting that bilateral aid be eliminated. Not at all. What I am saying is that here, too, we should not confuse our motives and our objectives. Let us recognize the distinction between programs intended primarily to benefit the donor, and programs intended primarily to benefit the recipient, and plan and act upon these two types of programs separately.

If an aid donor has important national security, political or other interests that it feels can be served by carrying out a bilateral aid program, well and good. To the extent, however, that the objective of the donor is development rather than the accomplishment of a national policy, the argument for channeling its assistance through international institutions seems to me to be conclusive.

* * * * *

I have said nothing about population, which is one of the two subjects to which your conference is addressed.

My silence on that subject is attributable not to any desire to downgrade its importance—it is a matter of the highest priority for all of us—but rather to my belief that it does not come within the same category of need to re-think our relationships with the world as those matters I have talked about. In the population field the problem is not so much a matter of confused objectives, or of policies that have outlived their usefulness, as it is of trying to find the most effective way or ways to do the job.

* * * * *

Well, it's easy to criticize—and I've done my share of it today—but where do we go from here? How do we deal with these problems, and many others that we have no time to discuss, and create a workable order for this untidy world? More specifically, how do we see to it that our government adopts and carries out the policies that will be most effective in solving the food and population problems?

That is where the private sector comes in. And in this context I define the private sector rather broadly. By my definition it includes not only business corporations and non-governmental organizations of all kinds, but you, me and all our fellow citizens.

It is clear that many of our existing policies should be re-examined and redirected. It may also be that new international institutions will have to be created to deal with some of our present problems. And the impetus for all this must come from us. It is our future that is at stake, and it only we who can control the course of our government.

A few weeks ago I attended one of those Washington conferences at which businessmen from all over the country come together to hear at first hand what the Administration is thinking and planning. As the conference was about to end, the Chairman asked the representative of the Administration who was at the microphone two questions. First, when he had before him an issue affecting business, were the views of businessmen on that issue adequately presented to him. Second, whether he had any suggestions as to how the views of businessmen could be better presented to the Congress and the Administration.

The reply was direct and pointed. If the issue was a narrow business isssue, the official said, the appropriate trade association or other representatives of the affected business group presented the business viewpoint to the queen's taste. On such issues he was never in doubt as to where business stood or what it wanted. On the other hand, he continued, if the issue was a broader one—if it was an issue which affected businessmen as citizens rather than as textile manufacturers or builders—he never even heard from business.

Businessmen are no better and no worse in this respect than the rest of us. We rarely speak up unless our own narrow self-interest is involved. And that, ladies and gentlemen, is the heart of the problem.

To illustrate what I mean, let me remind you of the chart used by Governor Peterson this morning to show that in fiscal year 1975 the amount of money devoted by the United States to population programs was less than was the case in several prior years. Why was this, in view of the urgency of the problem and the increasing demands for assistance on the part of developing countries? The answer is very simple. The Administration asked for $137 million for population programs. However, the Congress cut this by $27 million, appropriated only $110 million to population programs and added the $27 million to the military assistance programs.

You may agree with this Congressional view of priorities or you may not. My point

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greater degree of exchange rate stability will not be achieved until underlying economic and financial conditions have been put in better order.

Let me now turn, in conclusion, to the implications for public policy of our immediate and longer-range economic difficulties. The most urgent need at the present time is for measures to cushion recessionary forces. But great care must be taken to avoid aggravating the underlying inflationary forces that have produced our present problems.

Action to reduce income taxes temporarily is an appropriate course at the present time. Because of inflation, many individuals have moved into higher tax brackets, even though their real incomes have declined or remained unchanged. Unless personal tax rates are reduced, that trend will continue, and the automatic budgetary stabilizers we normally count on to moderate recessionary tendencies will therefore not function effectively. Also, action is needed to reduce business taxes in view of the serious deterioration in corporate profits, and the taxing of illusory profits by the Federal Government.

The President's fiscal program recognizes the need to deal with the current recession and yet avoid releasing a new wave of inflation. Both the tax rebate to individuals and the increase in the investment tax credit will provide a temporary boost to aggregate demand without adding the Federal deficits over the longer run. Moreover, increases in Federal expenditures are to be limited in several ways—by postponing new program initiatives apart from the energy area, by various rescissions and deferrals of spending for existing programs, and by ceilings on increases in social security benefits and on Federal pensions and salaries. Even so, Federal expenditures should be scrutinized with special care in an effort to hold spending well below the levels projected in the President's budget message. Such a step would improve the prospects for moderating the rate of inflation, and would also bolster the confidence of our people by indicating the clear intent of the Congress to stick to a course of fiscal prudence.

These same considerations must guide the course of monetary policy in the months ahead. The Federal Reserve intends to encourage recovery by providing for an adequate expansion in supplies of money and bank credit. Relatively soon, growth in the monetary aggregates—including the narrowly-defined money supply—should strengthen. Let me assure this Committee, however, that we have no intention of permitting an explosion in money and credit no matter how large private or public financing demands may become. Such a reckless course of action might hold short-term interest rates down for a time, but it would before long plunge our economy into deeper trouble.

This Committee would be well advised to focus a large part of its attention on the course of public policy needed to cope with the serious longer-range problems facing the nation. The issues at stake are large and complex, and solutions will not be readily found. Besides a major national program to deal with the critical problem of energy—which I have not discussed—it seems clear that efforts to gain a better measure of discipline in Federal finances have become a matter of great urgency. Ways must be found to curb the ever increasing share of the national income absorbed by governmental programs—especially programs that transfer funds from persons who work to those who are not productively employed. Ways must be found also to strengthen business profits and the state of business finances, and to increase the incentives for expansion of productive capacity and for modernization of our nation's industrial plant.

Above all, ways must be found to bring an end to inflation, and thus lay the basis for a lasting prosperity at home and a strengthening of our position in international markets. Our people are weary of inflation; they are confused and disturbed by the huge budget deficits that are in the making this fiscal year and next; and they are anxiously awaiting evidence that their government can and will take the necessary steps to restore economic and financial stability.

RURAL AMERICA

Mr. ABOUREZK. Mr. President, the first National Conference on Rural America was held this week in Washington. Colman McCarthy, in an article that appeared on the editorial page of the Washington Post on Tuesday, April 15, portrays in a very moving way the plight of some of the people of rural America.

Mr. President, I ask unanimous consent that Mr. McCarthy's article "Ignoring Rural America," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IGNORING RURAL AMERICA

(By Colman McCarthy)

When officials of the Rural Housing Alliance sent out invitations to its four-day conference on rural America being held this week in Washington, this reply came back from a social worker at the Cheyenne River Sioux Reservation, Eagle Butte, S.D.

"Dear Sirs: I seriously doubt if you will be able to fit 60 million rural Americans into the Sheraton Park Hotel in Washington, D.C., even if they could afford to come and listen to your tin-horn colleagues pontificate about them. Besides that, your population figures are inaccurate. I just buried three rural Americans who had been referred to five different social service agencies for protective services. Two little girls burned to death—no adults present—during a recent blizzard which was itself largely unreported. The third casualty was a five-week-old boy who starved to death during the storm. In both cases the families had been referred for protective services due to chronic alcoholism. No services were provided . . . Volunteer firemen transported the burned little girls to Eagle Butte in green plastic trash bags, the only things they could find. Tell that to your experts."

The bitterness of this letter will doubtlessly be dismissed as strident by many in Washington where conferences, commissions and committees are the exercise bars on which "social problems" are forever getting free workouts. But for a few who are here this week, the sentiment from Eagle Butte needs to be heard. It is a pained cry of isolation, a resentful call from the rural America that Eastern romantics call "the heartland," even though in parts of South Dakota and elsewhere little of America's lifeblood flows from the great urban centers to the townships, hollows and outbacks.

Only a few decades ago, the sum of those small and quiet parts of American life added up to most of what the nation treasured in itself. Pavement had yet to come between people and their feel of the land. But it has now, blocking not only feelings but also vision, as though the horizon of human need stopped at the city limits and the 60 million citizens beyond them were suddenly uncomely and unremembered. At this week's conference, some facts are being discussed that reveal how severe the isolation of rural America has become.

Since 1960, 146 bus companies have ceased operating—nearly all in cities of less than 25,000. According to Ira Kaye, formerly a rural specialist at OEO, "little help has been available from the government." He notes that "the Department of Transportation, during most of its life, has maintained it was not authorized to help rural communities meet their transportation problems. About $10 million has been made available by Congress for demonstration public transportation projects in rural areas but the guidelines for the use of these funds have been slow in coming. The National Mass Transportation Act of 1974 provides that not more than $500 million of the $11 billion authorized shall be available in rural areas." Kaye has been in government for some time but even he was unnerved by a recent example of federal logic: "When DOT evaluated some OEO rural transportation projects, it found *demand* for rural transit services low—because people couldn't *afford* to pay for it!"

Although people living outside metropolitan areas are one-fourth of the total population, about half the nation's poor are among them. According to the Rural Housing Alliance, "HEW laid out more than $6 billion for income maintenance assistance and 75 per cent of it went to Metropolitan areas. The Department of Agriculture distributed food stamps worth more than $2 billion and 67 per cent wound up in the cities."

Slums have come to be identified with the inner-city but the shacks and tin-roof shanties in rural areas comprise 60 per cent of the country's substandard housing. A fifth of America's population lives in nearly half of its counties, but in this half there is no public housing authority. Some 140 rural counties have no doctor; Rep. William Alexander says this is an increase of 43 per cent since 1963. The alliance reports that "the largest expenditure of HEW in 1973 in the field of health was headed 'Health Services Delivery.' Approximately $175 million was expended, of which less than $7 million went to non-metro areas."

All these figures—and many more exist, from the $1,654 per capita income of migrant farmworkers to the 1,000 acres a week lost to strip mining—document the devastating discrimination constantly demeaning the sharecroppers, mountaineers, independent farmers and others whose sanctuary is rural America. But the figures and facts can easily become the marbles that social scientists occasionally roll around in their mouths when double-talking their way through problems, solving them on paper and photocopying the results for colleagues. Meanwhile, rural lives continue to be degraded and aspirations doomed.

Why does so little federal money go for rural needs? Is it because the people there pay less taxes than in the cities? The answer is the opposite: If anyone is paying less taxes, it is the corporate and absentee farmer, precisely the one who doesn't need tax breaks.

Many of those at this week's rural conference will share the despair of the letter-writer from Eagle Butte, but they will still articulate worthy and sound ideas about the response that needs to be made. In "Our Land Too," a book on rural America that is in the tradition of the work of James Agee and Robert Coles, Tony Dunbar writes:

"The essential responsibility is not the poor man's to try to adapt himself to 'opportunities' which in fact are not generally provided by the solutions of the outsiders; rather it is the responsibility of the nation, as represented by government and business, to pay off the debt owed men and women who, after well-serving the builders of the 20th century, have found that they have had taken from them virtually all of the things which were important and all the things which made them important in the eyes of the world. Whatever the form of the repayment, it must be more substantial than increased 'opportunities.' It might be enough if the debt were admitted and the process halted—the process by which people are used and then discarded for the sake of production and progress."

However finely expressed those words are, and however useful the papers and speeches at the conference will be, all of them fall short of what the voices from the rural, unpaved places are capable of saying well themselves: Life exists out here, too—don't do anything for us; help us to do something for ourselves.

VOTE ON THOMAS J. MESKILL

Mr. McGOVERN. Mr. President, the Senate has confirmed the nomination of former Gov. Thomas J. Meskill to be a judge of the U.S. Circuit Court of Appeals for the Second Circuit. After studying the opinion and the recommendation of the American Bar Association and the South Dakota Bar Association, I voted in opposition to Governor Meskill's confirmation.

The information and reasons upon which I based my decision are included in letters from three well known and highly respected South Dakota attorneys. I ask unanimous consent that their letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CANTON, S. DAK.,
April 2, 1975.

Hon. GEORGE McGOVERN,
U.S. Senator, Washington, D.C.
Hon. JAMES ABOUREZK,
U.S. Senator, Washington, D.C.

DEAR SENATOR McGOVERN and SENATOR ABOUREZK: I have been advised that the name of Thomas J. Meskill will be presented to the Senate for appointment as Judge of the United States Circuit Court of Appeals for the Second Circuit and that this may be considered during the week of April 14th, 1975.

I have been advised of the background of Mr. Meskill in respect to the practice of law and conduct in my profession and I earnestly urge you from the evidence presented to vote against the confirmation of Mr. Meskill. A lifetime appointment to the Federal Judiciary is of paramount importance to the entire nation as well as to the profession which I serve. I ask you to review the Meskill record and I am sure you will be convinced as am I that he is not a proper person for such an appointment.

Very truly yours,

SAM W. MASTEN.

RAPID CITY, S. DAK.,
April 14, 1975.

Hon. GEORGE S. McGOVERN,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Former Governor Thomas J. Meskill has been nominated to be a Judge of the United States Court of Appeals for the Second Circuit. As you are doubtless aware, this is probably the second most important and prestigious court in the nation. It handles all federal appeals on cases originating in Manhattan Island as well as surrounding territory constituting the financial capitol of the country.

This appointment would ordinarily have no significance to me whatsoever as I have never had a case in the Second Circuit and it is highly unlikely that I shall ever have such a case. However, the basic efficiency and integrity of our judicial system is a matter of concern to every lawyer and to every citizen.

The Standing Committee on the Federal Judiciary of the American Bar Association has unanimously reached the conclusion that Mr. Meskill is not qualified for this appointment. Reasons for that conclusion may be found in the enclosed letter of March 28, 1975, addressed to the House of Delegates of the American Bar Association by the chairman of that committee and three immediate past chairmen.

It is my understanding that the Board of Governors of the American Bar Association has passed a resolution in opposition to this appointment. There is obviously nothing of a partisan political nature involved. Historically and traditionally, the majority of the upper echelon in the American Bar Association are and have tended to be of a Republican persuasion, and this is definitely a Republican nomination.

Any lawyer, however, reviewing the findings of the committee could scarcely avoid the conclusion that the nominee is totally lacking in the breadth of experience and the professional standing as a lawyer which should be required for serious consideration for appointment to such a court. In addition, you will observe from the enclosure that Mr. Meskill's political life has touched upon certain practices of a highly questionable nature and that the explanation of such matters has been far from satisfactory.

Senator Abourezk, together wth five of his distinguished colleagues on the Senate Judiciary Committee, opposed the nomination in committee but were outvoted eight to six.

I earnestly urge your careful consideration of this nomination when it reaches the Senate floor and I hope you will feel constrained to oppose confirmation.

Best personal regards.

Yours very truly,

GEO. A. BANGS.

SIOUX FALLS, S. DAK.,
April 2, 1975.

Hon. GEORGE McGOVERN,
U.S. Senate,
Washington, D.C.

DEAR GEORGE: It is very seldom I write to members of either House with reference to matters pending before them. However, as you may know, I served for 12 or 15 years as a member of the Federal Judiciary Committee of the American Bar Association and during that time took a very active part in the matter of members recommended for the Federal Judiciary. The ABA committee is sill active, and in its many years of service, there have been but few times when the President and/or the Attorney General have gone counter to its recommendations as to qualifications of the persons recommended for federal judicial appointments.

Last week the United States Senate Judicial Committee, by a vote of 8 to 6, voted to confirm the nomination of former Governor Thomas J. Meskill of Connecticut as a member of the United States Circuit Court of Appeals for the Second Circuit.

The investigating committee reported with reference to Governor Meskill that he spent less than eight years after being admitted to the Connecticut Bar, and according to his own statement, his ten most significant cases in which he participated consisted of seven civil cases and three criminal cases, none of which were tried to a jury, and all were concluded in less than three days time, seven in one day and three in less than two days. Of the civil cases, three involved defective sidewalks, two involved a breach of warranty relative to the purchase of food and paint, one was a divorce case and one a bankruptcy. The criminal cases were one involving indecent assault, one reckless driving and one issuance of a bad check. The governor has never argued an appeal in the Supreme Court of Connecticut or in the United States Circuit Court of Appeals, and at the time of his nomination, he had never been admitted to the Circuit Court of Appeals.

In addition, there is pending an investigation by a legislative committee inquiring into the state leasing practices employed during Mr. Meskill's term as governor. His own personal involvement in these leases is in question, and statements made by him are in conflict with those made by other state officials.

The Second Circuit Court of Appeals is one of the most prestigious and hardest working courts in the United States. The American Bar Association Committee found Mr. Meskill wholly unqualified by reason of experience, and his personal involvement in the leasing practices employed during his term as governor would seem to raise serious doubts as to his integrity.

There was just recently released from federal prison a former Illinois governor, who had served as a member of the Seventh Circuit Court of Appeals and who, during his term as governor, became involved in fraud connected with stock ownership in horse tracks located in Illinois.

We are still feeling the reverberations of Watergate trial. This would seem to be a poor time to confirm a selection to the Circuit Court of Appeals where so many doubts have been raised as to both qualifications of the individual nominated as well as to his personal integrity. The American Bar Association committee felt he was wholly unqualified, and I hope you will study the report of the Senate Judicial Committee with care before you cast your vote on this matter.

With personal regards, I am

Sincerely yours,

ROY E. WILLY.

DOD—SPENDING MORE, GETTING LESS

Mr. ABOUREZK. Mr. President, the April 15 issue of Forbes magazine had an excellent article on the reasons behind the Pentagon's record budget for fiscal year 1976.

As we consider the defense budget and the spiraling costs of new weapons systems and quality manpower, it is imperative that the Congress not lose sight of our true objective—to provide the best defense of our country with the greatest amount of cost efficiency possible. Although we have continued to provide for the best defense, there is little question that cost efficiency has never had too great a priority. The Forbes article dwells on this problem and offers an excellent analysis on its complexities.

Mr. President, I ask unanimous consent that the article in Forbes be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPENDING MORE, GETTING LESS

(Defense Secretry Schlesinger is worried—not only about the cuts Congress might make in his budget. He isn't satisfied with the way Congress and the services are spending the money.)

The Defense Department's record budget—$104 billion for fiscal 1976—will get a rough working over from a Congress disgusted with Indochina and worried about an unmanageable federal deficit. But Congress will have to think twice about cutting defense sharply; for there is no longer anv doubt that the U.S.' relative military strength is declining while that of potential enemies is increasing in both size and sophistication. If nothing else proved this, the latest Arab-Israeli war did. Soviet arms in the hands of the relatively inept Egyptians and Syrians made the best showing yet against American weapons wielded by the highly skilled and motivated Israelis.

The worrisome fact is that most of the

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Pentagon's record budget will provide little in additional military power in return for its fantastic cost. Militarily, the U.S. is having to run faster and faster just to stand still. The problem is not simply financial: The entire American system has become frighteningly cumbersome.

The Defense Department itself is part of the problem—as Secretary of Defense James R. Schlesinger concedes. And so is Congress and the defense industry. All have been deeply committed to ever more complex weapons to the point where it is no longer possible for the strained U.S. economy to provide such weapons in needed numbers. How can it be that the richest nation cannot afford an efficient defense establishment?

Run through our catalog of weapons: "deep-penetration" fighter bombers; aircraft carriers; manned strategic bombers; surface-ship-based antisubmarines warfare systems. All of these carry frightening price tags. A single new aircraft carrier costs $1 billion. Whereas World War II fighters like the P–47 cost $89,000 each, a modern F–15 fighter costa $15 million. In the Middle East the situation was even worse: In three weeks of warfare, the two sides lost between them some 2,200 tanks. The U.S. bill for making up Israel's losses; $2.2 billion, over $700 million for every week of the fighting. Not even the U.S. could afford this tremendous kind of loss for long.

Costly and complex as many of our weapons are, it is difficult to defend them against relatively cheap and simple counterweapons. During the Yom Kippur war, for example, multimillion-dollar Israeli aircraft were shot down by relatively cheap Soviet-built ZSU-23/4 cannon and Strela missiles. The U.S. missile most comparable to the Strela, the Redeye, costs only $24,000. We have no cannon as good as the ZSU–23/4.

Particularly during the first few days of the war, significant numbers of Israeli tanks were destroyed by Soviet-built RPG–7 shoulder-fired rockets. The American counterpart to the RPG–7, the LAW rocket, coats about $75.

Countermeasures and countertactics to the RPG–7 and other antitank weapons have been devised, but there are already counter-countermeasures. The point is that the balance is swinging away from the tank toward the relatively cheap antitank weapons.

To compound the problem, the expense, long development times and slow production rates of many big-ticket weapons mean that the U.S. will be forced to depend on them for 20 or 30 years into the future—well after technological advance makes them obsolete.

Until recent years, the U.S.'s technical and economic edge was so great the nation could afford to be sloppy about how it allocated its defense resources. The draft provided a reserve of low-cost high-quality manpower. In any *really* bad crisis, the U.S. could threaten to use its overwhelmingly superior arsenal of nuclear weapons. The Cuban missile crisis seemed to prove that in a crunch the Soviets would be forced to back down.

That's all over. In the Mideast confrontation in 1973 the Soviets did *not* back down. The U.S. will probably never again attain anything greater than nuclear "parity" with the Soviet Union. And the volunteer Army means that the military is being forced to pay more for lower quality manpower. Unlike almost any other enterprise, defense has become *more*, not *less* labor-intensive; military pay and allowances will take 55% of the 1975 defense budget compared with 43.3% in 1964.

Which makes it all the more important that the dollars left over for hardware procurement and research and development actually go to buy practical weapons. Unfortunately, this is not necessarily the case.

The Navy's reliance on the aircraft carrier is a good example of this problem. The carrier was indispensable to the defeat of the Japanese in World War II. Since then, the surface Navy has been built around the carrier; most of its ships are organized around the carrier task forces.

The Navy is committed to having at least 12 attack carriers from now until the end of the century. At a capital cost of about $1 billion for each new nuclear carrier, plus the cost of aircraft, escort ships and operations and maintenance costs, that's quite an investment.

That investment becomes shakier every day. In 1967 the Egyptians proved the vulnerability of the large surface ship by sinking the Israeli destroyer *Eilat* with a Soviet-built "cruise missile." A cruise missile is a guided missile equipped with a jet engine and wings, in contrast to the ballistic missile, which has a wingless body and uses a rocket engine. It is not a terribly expensive or complex weapon. A French cruise missile, the Exocet, costs at most $400,000.

Since the sinking of the *Eilat*, the Russians, the French and the Israelis have made available cheap antiship cruise missiles to many countries. The missiles have become more accurate and longer ranged. The Navy argues that a carrier is hard to sink. That may be, but even one hit by a conventional warhead on the flight deck of a carrier could take the ship out of action for at least four months.

Even Senator Barry Goldwater, a staunch supporter of military spending, says, "It is generally conceded among strategic thinkers that the day of the carrier is past. Particularly in the Mediterranean, where it faces Soviet land-based aircraft, the carrier is at a loss." Privately, many high Defense Department officials agree.

Rather than seriously reevaluating the usefulness of the carrier and other surface ships, however, the Navy and its allies on Capitol Hill are buying increasingly expensive and dubious ways of defending them. The F–14 is one of these. At $20 million, fully armed, it is the most expensive fighter plane ever built. Will it do the job? There are doubts. Alton Quanbeck, a Ph.D. in aeronautical and astronautical engineering who was formerly with the Office of the Secretary of Defense, says: "It's theoretically possible, but very unlikely, that the F–14 would be able to defend the carrier against missile attack."

By the end of fiscal 1976 the U.S. will have lavished more than $1.5 billion on the F–14. In return, it probably will have acquired only a marginal improvement in the ability of carriers to defend themselves.

At the same time that the Navy is lavishing so much attention on an asset of declining value, it has been neglecting some very useful programs—particularly land-based antisubmarine warfare aircraft.

Dr. Quanbeck has this to say on the subject: "The Navy spends a lot of money on surface ships, largely for antisubmarine warfare. They like them partly because they give a lot of command opportunities to officers—there are a lot of men on the bridges of those ships. But the most effective antisubmarine warfare systems are *land*-based aircraft and hunter-killer subs.

"The Navy, though, is not interested in land-based aircraft—too much like the Air Force. They don't even buy enough sonobuoys [detection devices] for the land-based planes they do have."

Some high Defense Department officials agree. One says that "land-based aircraft are looking better and better these days for a lot of missions, including antisubmarine warfare."

The Navy isn't the only service guilty of misplaced enthusiasm. The Air Force's emphasis on acquiring the most versatile and sophisticated fighters possible is making it difficult for the U.S. to afford to match the Soviet Union's growing air power.

For example, the Air Force's new McDonnell Douglas F–15 fighter costs nearly $15 million a copy, more than three times the cost of the F–4 fighter that it is replacing. Dr. Richard L. Garwin, an IBM Fellow at the Thomas J. Watson Research Center and an occasional consultant to the Defense Department, points out the paradox involved in this expensive weaponry: "While the F–15 can beat the improved Soviet MIG–21 on a one-to-one basis, an equal cost force of MIGs would just eat up the F–15, because the advantage of numbers is so great." (It is estimated that a MIG–21 would cost $2 million to build here. Thus the cost of a single F–15 would buy seven MIG–21s.)

The F–15 is expensive partly because it is supposed to be able to perform not one, but two difficult missions. One is the shooting down of other fighters. The other is delivering bombs deep inside hostile territory. Many defense experts doubt whether the "deep-penetration" bombing capability is worth the expense.

For the price of one F–15, the Air Force could buy at least two less ambitious but very effective aircraft, which between them could do the job: the General Dynamics F–16 light-weight fighter and the Fairchild A–10 attack aircraft. Senator Goldwater, a former Air Force Reserve Major General, thinks that "we should take another look at the F–14 and F–15 and possibly switch to the lightweight fighter. It's lower cost, and in some respects superior."

What has happened up to now is a classic bureaucratic compromise: The Air Force has agreed to take the F–16, but it wants F–15s as well. Its justification for this is the "need" for a "high-low mix" of expensive and cheap planes. One very senior Pentagon official, when pressed by a FORBES reporter, dismissed the "high-low mix" as a "budgetary gimmick" to sell the compromise to Congress and the public. It's as though someone decided to economize, not by trading his Cadillac for a Volkswagen, but by keeping the Cadillac and buying a VW as well.

Even the F–15 is easier to rationalize than the proposed M–1 strategic bomber. Nobody knows how much each will cost; Defense Department estimates are beginning to creep toward the $90–million mark. It's supposed to be a "follow-on" aircraft to the B–52, which will probably be going out of service in the 1980s.

The B–1 is supposed to be able to penetrate Soviet air defenses and launch short-range missiles or bombs against ground targets. While it is designed (at great expense) to be able to fly at supersonic speed, it doesn't carry enough fuel to go that fast while performing its mission. In other words, there has been built into it, at great expense, a capability it can rarely if ever use.

IBM's Dr. Garwin claims the B–1's military objectives could be achieved much more cheaply. Says he: "The missiles the B–1 carries have just short enough a range so that the airframe launching them has to be inside enemy airspace. If you used longer-range cruise missiles, you could carry them in a slow, cheap transport aircraft, stand outside enemy airspace, and launch them in comparative safety.

"But the Air Force generals wanted a new bomber. After all, whoever got promoted commanding a fleet of expendable missiles?" Dr. Quanbeck estimates that "over a period of ten years we could save $20 billion by using cruise missiles launched from transport aircraft rather than the B–1."

Secretary Schlesinger doesn't really argue with this reasoning. "I share Dick Garwin's enthusiasm for the potential of the cruise missile," he says. Schlesinger hedges only slightly: "But before I commit myself, I'd like to see a working missile."

The Air Force and Navy are already working on long-range air- and sea-launched cruise missiles. They will probably have good working models before long. In fact, there's little reason to believe that the relatively

inexpensive transport aircraft/cruise missile system won't be ready by the time the B–52 needs to be retired. In that case, the B–1 will be obsolete, at least in a cost sense, before it even gets into service.

Even at $84 million, however, the B–1 isn't the most expensive plane that's in this year's budget. That honor belongs to the $111-million Airborne Warning & Control System (AWACS), known in some Pentagon circles as the BBO, which is The Boeing Bail-Out.

The original idea behind the $4-billion AWACS program was to build a long-range "look-down" radar into a Boeing 707 and use it to detect Soviet bombers attacking targets in the U.S. and Canada. Unfortunately, just as the tremendous technical problems of building the radar and its computers into a 707 were solved, the Defense Department concluded that the Soviet bomber threat was not all that serious after all. The AWACS became a plane in search of a mission.

After a little head-scratching, the defense spenders found a "mission." The AWACS was to be deployed in Europe, where its radar and computers would be used to coordinate NATO's tactical air forces. This would be a useful function for some plane to perform—but many doubt the AWACS could do the job.

Charges one defense analyst, "It was a classic case of taking something designed for one mission and trying to get it to perform another." Early this year the General Accounting Office attacked the AWACS in an Air Force-censored report. The report pointed out that the Soviets are *already* able to jam AWACS' radar, and that the large, slow plane would be very vulnerable in any serious European conflict.

THE SHORTEST DISTANCE

It would be unfair to place all the blame for poor management on the Pentagon. Some of the worst examples of waste are systems forced on the military by congressmen pushing their own whims or their constituents' products.

Last year, for example, the powerful Texas congressional delegation wanted the Air Force to spend $300 million to buy LTV's A–7 attack aircraft and General Dynamics' F–111 fighter-bomber.

The Pentagon, however, did not really want the planes. The A–7 had been proved by field trials to be less cost-effective than the new A–10. The F–111 was one of the great procurement disasters of the Johnson Administration: military men really wanted the program to come to an end. Whatever their other faults, though, the planes had one great virtue in the eyes of some congressmen: They were built in Texas.

Congressmen are frequently unwilling to support economy measures proposed by the Defense Department civilian leadership. They tend, for example, to support the closing of military bases anywhere but in their own districts.

The Trident ballistic missile submarine is a good example of congressional gold-plating. These $500-million boats were designed to replace the aging Polaris submarines. Last year, appalled by their cost, Secretary Schlesinger came up with a $350-million alternative design: the SSBNX submarine.

Congress didn't take the hint, and decided to continue the Trident program. "I can't understand it," Schlesinger commented to Forbes. "I suppose strategic nuclear forces have a certain fascination."

It would be easy to conclude from these examples that Pentagon procurement is a hopeless mess. There are, however, some encouraging signs of rationality creeping into the system. While he was Deputy Secretary of Defense, Hewlett-Packard co-founder David Packard managed to get the idea of efficiency and cost-consciousness into some brass-hatted heads. According to Schlesinger, "A lot of the credit for the introduction of an inexpensive, effective lightweight fighter belongs to Dave Packard."

LEAVE MANAGERS ALONE

Packard, now back as board chairman of Hewlett-Packard, says: "I came to the conclusion that the only way out of these procurement problems was to put good men in charge of programs and leave them alone. The Pentagon and Congress were just getting too involved in detail. The contractors should be given a relatively simple set of performance specifications, and then left to compete over putting together the best system. The lightweight fighter is a good example of how this system can work."

Despite some success, though, Packard eventually resigned his job, frustrated by the Potomac paper wars. As one Assistant Secretary of Defense puts it: "The trouble with Dave Packard was that he thought the shortest distance between two points was a straight line."

Since taking over the Department in 1973, Secretary Schlesinger has been doing some straight-line thinking himself. His "new products manager," Director of Defense Research & Engineering Malcolm R. Currie, is doing his best to keep sophistication-for-its-own-sake out of future weapons programs.

Currie and some career military officers are pushing the development of affordable weapons. "I'm convinced," Currie told Forbes, "that we can arrive at new systems that are high-quality, but that aren't so elaborate. We're also looking at the weapons we already have and what we can do to stretch out their useful lives."

That sounds like ordinary common sense, but it's a revelation to a lot of people in the defense business. Economy-minded defense managers have already had some successes. Several new systems are coming into production that were "designed to cost"—contractors were actually forced to count their pennies like the rest of us.

The new F–16 lightweight fighter Dave Packard thinks so highly of is one example of a weapon designed with tight budgets in mind. So is the Fairchild A–10 attack aircraft. Both of these are effective weapons, despite the fact that the contractors were forced to work with limited budgets.

There are also new weapons developments that are actually *cheaper* than the systems they'll replace. For example, expensive, manned combat and reconnaissance aircraft may be partly replaced by "remotely piloted vehicles" (remotely controlled planes). Not only are the RPVs cheaper, since they don't need all the life support equipment of a manned plane, but they can maneuver better and stay up longer. Teledyne Ryan's new Compass Cope reconnaissance aircraft can stay in the air for over 24 hours, since it has no human pilot to tire out.

Which contractors will be helped by the shifts in defense technology and which ones will be hurt? The answer is obscured by the Pentagon practice of handing out contracts more on the basis of its traditional suppliers' need for business than their efficiency and cleverness.

A shift toward cost-conscious contracting and larger numbers of cheaper weapons could actually *help* the defense industry. In recent years companies such as Grumman and Lockheed have had their profit margins eaten up by the gross inefficiencies in their military programs.

Better controls could clearly work to their advantage as well as the Government's. Also, since the real money in defense contracting is in programs with long production runs, inexpensive weapons that can be made in large quantities could improve defense contractors' returns on equity.

BUDGING THE BUREAUCRACY

However well-intentioned, Schlesinger, Currie and their allies are a very thin layer on top of a frequently unresponsive bureaucracy. As one Washington observer puts it: Schlesinger is probably the best prepared Defense Secretary we've had, but he hasn't really been able to take control. He really needs stronger top and middle management."

It takes time and political support to build that kind of organization. Schlesinger lacks both: Defense Secretaries come and go, but the bureaucracy and military-minded congressmen seem to go on forever. As Schlesinger points out: "I'm working now on 1980 weapons procurement programs that were initiated in 1965." If he follows the pattern of most Defense Secretaries, he'll be leaving in a year or two. Under those circumstances, it's hard to give the Pentagon machine more than a slight push in the right direction, whereupon it usually slips back. In the meantime, as Schlesinger himself laments, "I am devoting 80% of my time talking with Capitol Hill and with the press."

There is more at stake here than money. The basic problem with nearly all defense establishments is that they are not in a competitive business. Waste, politics as usual, bureaucracy and empire-building don't seem to matter much in the military—not, that is, until the moment of truth arrives on the battlefield. And then it is too late. Congress will do well to remember this when it finally makes up its mind on the defense budget this year.

RETHINKING FOREIGN ASSISTANCE

Mr. HUMPHREY. Mr. President, there is no more fundamental issue confronting the United States today than the question of our future relations with the world. Events in recent days around the globe have served to remind us as never before that America faces a wide range of challenges and obligations, all of which are in flux.

The President has called for a reassessment of our foreign policy, and in the coming weeks and months all aspects of our military, security, economic, and humanitarian assistance programs overseas will come under review. In this context, I hope particular attention will be paid by the administration—as it is today in the Congress—in reviewing all aspects of our foreign assistance effort, particularly in the Third World.

Recently, a distinguished former Administrator of the Agency for International Development, William S. Gaud, delivered a thoughtful address to a conference on "The World Food and Population Crisis: A Role for the Private Sector" in Dallas, Tex., on April 3, 1975. Entitled "A 'Developed Nation' Rethinks Its Relationship With the World," Mr. Gaud's speech makes a number of important recommendations regarding our relations with the developing world based upon many years of experience in both AID and the World Bank.

Mr. President, I believe Mr. Gaud's thoughtful review of our foreign assistance program, and the new directions and priorities it must take, deserve the attention and consideration of the Senate. I ask unanimous consent that the full text of his address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A "DEVELOPED NATION" RETHINKS ITS RELATIONSHIPS WITH THE WORLD

(by William S. Gaud)

When I was asked to talk to you today I was rather taken aback by the breadth and

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scope of the subject I was given: a "developed nation" re-thinks its relationships with the world. Quite a mouthful! So I am sure you will not fault me if I concentrate on only a few aspects of this very broad subject.

And let me give fair warning at the outset: don't expect too many answers. As another speaker once said, it is my role not to dispense truth, but to suggest problems, raise doubts and disturb thought.

To begin with, what developed nation? They come in all shapes and sizes, and fit no common mold. Some may be more developed than others, but even under the best of circumstances development is an uneven and never-ending process.

The United States, which is the developed nation I shall talk about, is no exception. In some respects we have indeed reached a high level of development and have much to be proud of. Yet at home many of our citizens suffer from hunger and malnutrition, many lack jobs and equal opportunities for employment and advancement, and many of our economic and social problems are unresolved. And abroad we have in many ways not come to terms with the world around us—including what has come to be called the Third World.

It is principally our relations with the developing countries making up the Third World about which I wish to talk. If I seem from time to time to stray from the fields of food and population, I won't actually be straying very far. I say this because our attitudes and our actions on the matters I will discuss will have a direct bearing on how effectively we deal with the food and population problem.

There was a time when the world did not matter so much to us—a time when we lived within our own continent and let the rest of the world go by. We stayed at home and grew rich and prosperous. Our attitude towards other nations was very simple: Let them fight their wars, play their diplomatic games and do whatever they wish—just so long as they obey the "Keep Out" signs tacked up around the Western Hemisphere by President Monroe.

No longer do we enjoy any such freedom of action. Our relative isolation from the rest of the world was shattered temporarily by World War I and irrevocably by World War II. Today, like it or not, we are in the world up to our eyebrows. And that's the way it's going to be from here on out.

Do not make the mistake of thinking we are enmeshed in world affairs just because we are a powerful nation and as such must play an important role in the world. That may have been the case at the end of World War II, or even in the 1950s when the Cold War was at its coldest and Secretary Dulles was busily flying round the globe trying to rally the free world to help him fence in Communism.

But it's not that simple in the 1970s. Our present involvement in the world is due to something much more basic.

Consider the issues that concern us today. Without trying to list them all, here are a few: food shortages, population growth, the international monetary situation, inflation, energy, the arms race, raw material shortages, pollution of the seas and the air.

Can we solve these problems by ourselves? Not a chance. We do have purely domestic problems which we are free to deal with as we see fit. But we are also faced with a host of urgent problems which defy solution at the national level and can be dealt with only on a multinational basis. That is the real reason we're stuck to the world—just as tightly as Br'er Fox was stuck to the tar baby.

We have a word for it, a fifty cent word—though in these inflationary times maybe we should call it a two dollar word. That word is interdependent—we live in an interdependent world. Just one three-letter word, oil, is proof of that.

To live in such a world is a strange and novel experience for a nation which has always been supremely confident of its powers and accustomed to going it alone. The adjustment will not be easy. But make the adjustment we must. And this requires that we re-think our outlook and our policies—many of which were fashioned to meet the requirements of a very different kind of world—to ensure that they are consistent with the realities of the 1970s.

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To illustrate the kind of re-thinking that is needed, let me say something about our foreign aid programs, which, in my view, are not suitable for the world of the 1970s.

As you all know, foreign aid was originally fashioned as a prime weapon in the Cold War. The purpose of the Marshall Plan, the Truman Doctrine, U.S. aid to Greece and Turkey—the purpose of all the early foreign aid programs—was clear and unequivocal: to help buttress the Free World against Communism.

During this early post-war period there were only two worlds: the Free World and the Communist World, and security considerations were paramount in our aid program. Development assistance as we speak of it today—giving assistance to the countries of the Third World for the express purpose of enabling them to get on with their development plans and improve the lot of their citizens—was not our objective.

As time went on, however, it began to be thought that it was not enough to support the front line against Communism when poverty and hunger among two-thirds of the world's people in the emerging Third World created a situation in which Communism might appear in the rear. On this premise foreign aid began to take new forms and go in new directions. But it was still primarily Cold War oriented, and security considerations were still paramount.

It was all very well to design an aid program in those terms when there were only two worlds. But such programs alone cannot meet the needs of the whole host of countries which make up the Third World of the 1970s.

Those countries, large and small, all face in varying degree such problems as poverty, illiteracy, disease, lack of housing—as well as those other problems I have mentioned that we ourselves are facing. Like the United States in earlier days, they are seeking to achieve sufficient strength and independence to devote their energies and resources to a single task—their own development.

In today's complex and interdependent world, our welfare—not to mention world stability—depends to a very considerable degree upon the welfare of the Third World. Even putting aside all considerations of decency and humanity, which alone should be enough to move us, it is in our own interests to support the efforts of the developing nations to give their people a better life.

Of course, we have done, and are doing, much to support their efforts. But too often still in narrow terms of our own national interests and our own national security. Even though the East-West confrontation is still with us, it is no longer enough for us to think and plan only in those terms. We need to bring our foreign aid program up to date in both quantity and in content.

If we are talking in terms of quantity the need is clear. Since 1968 total U.S. economic assistance to developing countries has dropped substantially when viewed in constant dollars. You will all recall that some years ago the U.N. General Assembly set a target of 0.7% of GNP for official development assistance. None of the industrialized nations has reached that target yet. But the U.S. is going backwards. Since 1967 the percentage of our GNP that is devoted to official development assistance has dropped from .43% to .23%. Despite the fact that it is the richest country in the world, the United States ranks fourteenth out of the seventeen OECD nations in the percentage of its GNP devoted to official development assistance.

In terms of content, our present foreign aid program can only be called a hodgepodge. We are carrying on in the name of foreign aid a whole host of varied and often unrelated activities with different and sometimes conflicting objectives: development assistance, disaster relief, food aid, military aid, Cold War programs intended to bolster our position against Communism, payments for base rights and heaven knows what else.

Lumping these activities together in a single program and indiscriminately calling them all foreign aid is confusing, frustrating and bewildering. No wonder people are puzzled as to what foreign aid is all about and what it is intended to accomplish.

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Let me say a few words about food to illustrate the kind of confusion I am talking about.

Our farm policy has traditionally been considered a domestic matter. As recently as the early 1960s we were concerned mainly with maintaining farm income in the face of continuing surpluses. Since then population growth, changing consumption patterns, droughts, detente and other factors have created a drastically different situation. Today, we need a farm policy that not only meets domestic considerations, but also takes into account world food needs, provides for the creation and maintenance of reserve stocks for world use and recognizes that food grown by U.S. farmers is a vital international resource.

We must do all we can to help the developed countries increase their agricultural productivity. That is essential to the solution of the world food problem in the long term. But for some time to come the United States and other nations in a position to do so must maintain programs of food aid, provided on concessional terms and in ways and on terms that will encourage rather than discourage agricultural development in the recipient countries, in order to help alleviate worldwide food shortages and nutrition deficiencies.

We have provided considerable food aid to other nations in the past, and are still doing so. Food for Peace, we call it. But too often the nature, the extent and the recipients of our food aid have been determined not on the basis of need, but by other factors. Such as, for example, the existence or balance of payments considerations, the desire to develop foreign markets for our farm products, our government's wish to acheive a diplomatic objective, or the desire to strengthen the military resources of an ally.

There is nothing wrong in trying to achieve these various goals. But it is wrong to do so under the pretense that we are carrying out a Food for Peace program to help the needy.

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A similar conflict of motives, with consequent confusion and a need for serious rethinking, can be seen in our activities as a supplier of arms to other nations.

Other parts of the globe may be inhabited by warmongers and troublemakers, but we Americans picture ourselves as a peace-loving people to whom war is abhorrent. Yet the United States is currently the undisputed leader in furnishing and selling to other countries arms, military training and related technical services.

During fiscal year 1974, leaving aside Vietnam and the rest of Indo-China, we provided military assistance and sold weapons to 60 odd-nations to the tune of $10 billion. About $8.5 billion of this represents sales of hardware ranging from the conventional rifle of the infantryman to advanced aircraft and sophisticated electronic devices. It was furnished partly through our military aid program by way of government grants, credits

or guarantees, and partly through commercial sales licensed and approved by the government.

To say that we treat non-nuclear arms as articles of commerce rather than as weapons of war might be an exaggeration. But it boggles the mind to read in the press that a United States sale of sophisticated military equipment to Pakistan—if paid for by a loan made to Pakistan by an oil-producing Arab country—would be an admirable way of recycling oil dollars to this country.

Why do we engage so extensively in this traffic in arms? Many reasons are advanced to justify our doing so: to assist our allies; to obtain leverage in diplomatic negotiations; to help us acquire bases, overflight rights or other special privileges; to maintain good relations with key foreign leaders; to benefit our balance of payments.

But at what cost, whether in terms of the extent to which the supply of arms will increase regional or world tensions, or in terms of how they may be used—a matter over which we have no effective control, as we have seen to our sorrow in the Asian subcontinent and in Cyprus, to cite only two instances? Furthermore, since when have our moral standards sunk so low that we can justify arms sales on the ground that they put money in our pockets?

Many people find convincing another argument that is often advanced to support arms sales, namely, if we don't make the sale the Russians, the French, the British or someone else will. I don't buy that argument, even if it's true. It doesn't meet the moral issue.

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I hope I have said enough to show what I mean when I say that our foreign aid and related programs are confusing and contradictory, and why they need to be re-thought. There is a very simple way in which that can be done.

The various components of foreign aid fall into two broad categories. In one group are those whose primary purpose is to serve some political or military objective of the United States. In the other are those whose primary purpose is to assist the development of other nations.

It is time to separate those purposes in our thinking and to determine our priorities.

In the area of food aid, for example, we must decide whether our food aid is to go first and foremost to the hungry and the needy, or whether—even at the cost of neglecting people whose food needs are greater—some part of it is to be treated as an article of commerce, a diplomatic tool, or a military weapon. Hopefully, this would lead us to adopt a food policy truly responsive to world food needs. We could then do away with the existing patchwork program under which a large part of our food is shipped abroad for commercial and diplomatic purposes when it is needed for humanitarian purposes.

In the same way we need to determine our priorities in other parts of our aid programs. We can only do this if we first draw a clean and clear distinciton between security-connected programs on the one hand and development assistance on the other. This will lead to a fuller understanding on the part of both the people and the Congress of what our foreign assistance programs are all about. We must abandon the existing practice of lumping them all together and, for purposes of appropriations, treating them as though they were freely interchangeable.

As for our trade in arms, why should we not sit down with the other arms-supplying countries (there aren't that many of them) and make a serious effort to define the limits within which we will not supply arms, or certain types of arms, in specified parts of the world?

A dream? Maybe. I can't see much hope of doing this at the present time in the case of Vietnam or the Middle East. But how about trying to make a start elsewhere, say in Latin America or Africa? Why not give it a try? What can we lose? As someone said the other day about the Middle East: everything else has failed—why don't they try peace?

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There's something else we can do that will help draw a distinction between security-oriented assistance and development assistance and so make our whole aid efforts more effective.

The question has been asked repeatedly in recent years whether the capital assistance portion of the United States development program—that is, long-term development loans—should continue to be handled on a bilateral basis, directly between the United States and the recipient countries, or whether it should be channeled through multinational organizations such as the World Bank and similar regional bodies like the Inter-American Development Bank and the Asian and African Development Banks.

On the basis of my experience in the development business, split almost evenly between the United States Agency for International Development and the World Bank Group, I have no hesitation in saying that I would go the multinational route. And I base this conclusion on the nature of the relationship between the developed and the developing worlds.

Consider, first, the standpoint of the developing countries. Those countries are for the most part very young, less than a generation old. Conscious—often over-conscious—of their new independence, they are distrustful and suspicious of anything that smacks of imperialism or economic colonialism.

The developing countries tend to see development as a continuation of their struggle for independence—as a means of creating a new national identity and of breaking old restrictive ties without acquiring new ones. Development without dependence. That is the goal of every developing country.

When assistance is given on a bilateral basis, the donor government frequently finds it difficult to ignore political, military or security considerations even if it wishes to do so—and it often doesn't. Decisions on whether aid should go to this or that country, or be used for this or that project, are frequently affected by considerations which are quite irrelevant to the recipient country's development needs.

Capital assistance provided by multinational institutions is much more likely to be free of political or other bias than capital assistance furnished bilaterally. Also, if the aid recipient and other developing countries are members of the multinational institution and have a voice in its decisions—and this is usually the case—there is less risk that the giving of aid will lead to the strained relations and friction that sometimes arise between individual recipients and individual donors.

I am not suggesting that bilateral aid be eliminated. Not at all. What I am saying is that here, too, we should not confuse our motives and our objectives. Let us recognize the distinction between programs intended primarily to benefit the donor, and programs intended primarily to benefit the recipient, and plan and act upon these two types of programs separately.

If an aid donor has important national security, political or other interests that it feels can be served by carrying out a bilateral aid program, well and good. To the extent, however, that the objective of the donor is development rather than the accomplishment of a national policy, the argument for channeling its assistance through international institutions seems to me to be conclusive.

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I have said nothing about population, which is one of the two subjects to which your conference is addressed.

My silence on that subject is attributable not to any desire to downgrade its importance—it is a matter of the highest priority for all of us—but rather to my belief that it does not come within the same category of need to re-think our relationships with the world as those matters I have talked about. In the population field the problem is not so much a matter of confused objectives, or of policies that have outlived their usefulness, as it is of trying to find the most effective way or ways to do the job.

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Well, it's easy to criticize—and I've done my share of it today—but where do we go from here? How do we deal with these problems, and many others that we have no time to discuss, and create a workable order for this untidy world? More specifically, how do we see to it that our government adopts and carries out the policies that will be most effective in solving the food and population problems?

That is where the private sector comes in. And in this context I define the private sector rather broadly. By my definition it includes not only business corporations and non-governmental organizations of all kinds, but you, me and all our fellow citizens.

It is clear that many of our existing policies should be re-examined and redirected. It may also be that new international institutions will have to be created to deal with some of our present problems. And the impetus for all this must come from us. It is our future that is at stake, and it only we who can control the course of our government.

A few weeks ago I attended one of those Washington conferences at which businessmen from all over the country come together to hear at first hand what the Administration is thinking and planning. As the conference was about to end, the Chairman asked the representative of the Administration who was at the microphone two questions. First, when he had before him an issue affecting business, were the views of businessmen on that issue adequately presented to him. Second, whether he had any suggestions as to how the views of businessmen could be better presented to the Congress and the Administration.

The reply was direct and pointed. If the issue was a narrow business isssue, the official said, the appropriate trade association or other representatives of the affected business group presented the business viewpoint to the queen's taste. On such issues he was never in doubt as to where business stood or what it wanted. On the other hand, he continued, if the issue was a broader one—if it was an issue which affected businessmen as citizens rather than as textile manufacturers or builders—he never even heard from business.

Businessmen are no better and no worse in this respect than the rest of us. We rarely speak up unless our own narrow self-interest is involved. And that, ladies and gentlemen, is the heart of the problem.

To illustrate what I mean, let me remind you of the chart used by Governor Peterson this morning to show that in fiscal year 1975 the amount of money devoted by the United States to population programs was less than was the case in several prior years. Why was this, in view of the urgency of the problem and the increasing demands for assistance on the part of developing countries? The answer is very simple. The Administration asked for $137 million for population programs. However, the Congress cut this by $27 million, appropriated only $110 million to population programs and added the $27 million to the military assistance programs.

You may agree with this Congressional view of priorities or you may not. My point

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is, however, that decisions such as this are made over and over again without your voice or my voice being heard. We must make these problems our business and make our views and our desires known in Washington. If we are to have the kind of world we want, we have to work for it—it is not going to come down the chimney at Christmas time.

RATIFICATION OF THE EQUAL RIGHTS AMENDMENT

Mr. BAYH. Mr. President, it has been just over 3 years now since the Senate passed the equal rights amendment, guaranteeing equality before the law to members of both sexes. During those 3 years, 34 States have ratified the amendment. It is my firm belief that before the remaining 4 years expire to make this amendment a part of our Constitution, we will see more than the requisite four States joining the ranks of those States which have successfully ratified.

I believe that the proponents of the ERA will achieve success in making the ERA part of our Constitution, not merely because I led the fight for the ERA here in the Senate, but because I have faith in the ultimate wisdom of the American people.

Those that have opposed the ERA have attempted to mislead the general public with lies and half-truths as to the possible ramifications of the ERA. The opponents use a variety of scare tactics which are designed to obscure the actual benefits for both men and women that will result from the ERA. Those of us who support the amendment, have an obligation to combat these tactics and to raise the level of public understanding as to the need for and implications of the ERA.

Sadly, we have not been able to raise the level of public understanding in time to prevent such a debacle as occurred in North Carolina last week. A recent New York Times article by Tom Wicker captures the unfortunate level of debate that is occurring in many States on this most important issue. Mr. President, I ask unanimous consent that the article by Mr. Wicker be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 18, 1975]

"ONE MORE SPRING"

(By Tom Wicker)

RALEIGH, N.C., April 17.—Spring has come to North Carolina in the annual riot of color. Along the highways and in the well-tended front yards of towns and cities, dogwood, azaleas and redbud are blooming brilliantly against the green backdrop of pine trees. No state is more beautiful in the season of renewal although here as elsewhere rejuvenation seems more the property of Mother Earth than of her human creatures.

North Carolina's spring blossoming is nowhere more beautiful, for instance, than in the carefully tended square surrounding its relatively new Legislative building. Inside that edifice, as if unaware of change, growth, new times, as symbolized outside by the pansy and tulip beds adding their flaming colors to the pink and white of dogwood and the deeper tones of azaleas, the legislators are exhibiting the same old fears and confusions and perplexities that seem to beset humankind without seasonal adjustment.

This is not just because the legislators defeated ratification of the Equal Rights Amendment this week, thereby probably preventing the addition of that amendment to the national Constitution in 1975, but because of the way they did it—in a welter of misinformation, false apprehensions and emotional pressures. That is the way it seems to go on this remarkably volatile matter, which arouses passions as almost nothing else can, and which here as elsewhere has found its opponents presenting their opposition in the guise of protecting rather than oppressing women.

Tuesday, the resolution favoring the E.R.A. passed, 60 to 58, in a preliminary vote in the House of Representatives. Wednesday, it failed a final passage in the same body, 62 to 57: which more or less repeated the story of 1973 when the E.R.A. first passed, then was defeated in the North Carolina Senate by two last-minute vote switches.

This time there were three overnight changes from yea to nay (and one nay voter who was absent on the first test). One changed vote was that of a woman, Representative Myrtle E. (Lulu Belle) Wiseman, who tearfully explained later that her switch was caused by a flood of phone calls from friends and neighbors back home in Avery County.

"I know they don't know what E.R.A. is all about," Mrs. Wiseman was quoted as having said to the press services, "but I just couldn't in my own heart vote against my people."

Most of the other opposed legislators also were claiming to have "voted their districts," which may be what they thought they were doing; but the truth may be more nearly that they went along with the people who made the most noise and brought the most pressure, since a recent Gallup Poll showed that even in the South a slight majority of respondents favored E.R.A.

Besides, all of the usual far-fetched fears had been aroused here—not that women were getting too uppity but that the amendment guaranteeing them equal rights "might" somehow lead to dire results—maybe homosexual marriages, even, or women being slaughtered on the battlefield, or bisexual toilets. Former Senator Sam J. Ervin Jr., this state's favorite oracle, testified in opposition with impressive consequences. He gave opponents both intellectual cover and the "civil rights" theme that the section of the E.R.A. authorizing Congress to legislate to enforce it somehow was one more usurpation of power by Washington.

Democratic Majority Leader C. Kitchin Josey of Halifax, by all reports, used the draft issue to gory effect. A wounded veteran himself, he discoursed on combat as "living hell" and said he had a "gripping fear" that E.R.A. would draw women into it. This was topped by Republican Representative Fred Hutchins of Forsyth, who said he didn't "mind my boy being cannon fodder but I don't want my 18-year-old daughter being cannon fodder." This caused one of the thirteen women members, Representative Patricia S. Hunt of Orange, to wonder whether "the mother of those children would ever make that statement."

Nevertheless, the Equal Rights Amendment is dead in North Carolina until at least 1977, when no doubt another round of emotional appeals and pious protests will ill conceal the basic fact that the women's rights amendment is having a hard time in virtually all-male legislatures. Obviously, a lot of women are opposed to E.R.A., too, and no doubt some men are sincere in their desire to protect women from exploitation.

But that is all the more reason to remember that, except for the enforcement section, all the amendment says is that "equally of rights under law shall not be denied or abridged by the United States or by any state on account of sex."

EDUCATION AND AMERICA'S FUTURE

Mr. HUMPHREY. Mr. President, I was recently privileged to address the United Federation of Teachers and to receive the John Dewey award at their annual convention in New York. In my remarks I outlined the necessity and direction for a new education policy for America.

The serious inadequacies of the administration's budget proposals for education require early attention and action by Congress. Their plans ignore pressing problems within the American educational system. By reducing funds for education, the administration is placing an additional burden upon local governments and undermining educational systems and vital new programs across the Nation.

In my remarks to the UFT, I outlined important steps toward establishing a new education policy for America. These include measures incorporated in bills I have introduced in the 94th Congress—the National Education Investment Act, and the Education Reorganization Act.

A basic theme of my address was that there must now be a clear recognition of the critical role of education in defining the future of our Nation. We must make a firm commitment to give all our children and youth every possible opportunity for self-development in achieving lives of meaning and purpose.

Mr. President, I ask unanimous consent that the text of my remarks, as prepared for delivery, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY

It is a great pleasure and privilege to be here with the members of the United Federation of Teachers and your leader—Albert Shanker. Of course, Al likes to have me around—he's the President of so many organizations, he really appreciates someone who can only claim to have been a *Vice* President.

As a former professor who taught political science and international affairs in Minnesota, I particularly enjoy meeting with teachers. And as an educator, it is indeed a great honor to be presented with the John Dewey award and to join such an illustrious list of past recipients as Herbert Lehman, William O. Douglas, A Philip Randolph, and Cesar Chavez.

Dewey's name, of course, has become synonymous with the progressive education movement—not only in the United States, but in the rest of the world as well. And for Dewey, political democracy rested on public school education.

He saw the public school as a training ground for democracy—as the child learned cooperation and participation in group work.

For Dewey, the public school provided an opportunity for children to escape from limitations imposed by birth. Here the student encountered a broader environment and could gain liberation from the effects of social inequalities.

Dewey's vision of the potential of the public school remains valid today. And a sound educational policy for America should aim to realize that vision.

It is only in recent years, however, that we have spoken with conviction of the right to a quality education to the full extent of capability and need. Many forces in a world of rapid change have pressured us into the dramatic evolution of our educational resources. But there has also been a fundamental force operating within each of us, impelling us to achieve the goal of providing the best possible learning experience for all our children and youth.

I speak here of that basic discontent abroad in our nation about the quality of human life. The fantastic pace of technological change explained the original extensive federal investment in our educational resources a decade and a half ago. But now we are looking to education itself as a force for change—a decisive movement for ending the inequality of human life in America.

The hard task of enacting laws to redress the denial of civil rights and to break the cycle to poverty afflicting millions of our ctizens brought us to a new understanding of basic human rights. The confrontation of these realities in the midst of unparalleled affluence produced a national commitment to the enrichment of human life in an entirely new context.

Expressed in direct terms, we are saying today that our children and youth in and of themselves are a precious national resource—not to be either coddled or selectively pruned, but to be given every possible opportunity for self-development in achieving lives of meaning and purpose.

And yet, precisely at the time we have come to this conclusion, our local school districts and institutions of higher education are stating that they have reached an absolute limit in financial resources. Local property taxes, devoted primarily to meeting the rising costs of public elementary and secondary education, have reached the saturation point.

Our colleges have had to escalate their tuition fees simply to meet the costs of staying in business, much less undertake critically needed expansion.

Both this national commitment and this financial reality demand the establishment of a new education policy for America.

That policy should be directed toward paying the cost of a quality education at all levels, as a national investment that will be fully repaid.

It should promote multiple approaches to providing educational opportunities that give the fullest recognition to the needs, problems, and abilities and interests of each child and young person.

It should enable every adult to achieve self-sufficiency and respect as a contributing member of society.

Finally, there should be a deliberate policy of innovation in educational processes and administration.

But while this demand for a new educational policy ought to be self-evident, it is equally clear that the present Administration is marching to the beat of a different drum—a drum that singals retreat, rather than the advance that is essential at this critical time.

The President's education budget is woefully inadequate to meet our needs. In the elementary and secondary education programs alone, the fiscal 1976 budget request is almost $600 million below the 1975 appropriations for the programs—and almost $1 billion lower if double digit inflation is considered.

The requested reductions spell tragedy for the nation's school children:

Impact aid—down $390 million;

Desegregation aid—down $160 million;

Bilingual education—down $15 million;

Follow Through—down $12 million;

Vocational and adult education—down $34 million;

Library resources—down $53 million.

And the list goes on: drug abuse education, environmental education, reading improvement funds—all down.

The budget actually reduced federal support for elementary and secondary education from 8 percent of total public education outlays in fiscal 1975 to an estimated 6 percent in fiscal 1976.

This is an intolerable burden to shift to state and local governments who already will be required to spend an additional $4 to $5 billion just to maintain the current level of human resource services.

The Administration's proposals rob the nation of the potential productivity of the young people and adults to which these programs are directed.

The White House plan to cut back the federal budget for education ignores the correlation between education and productivity. According to some estimates, education was responsible for almost 25% of the economic growth in the second half of the 1960's. "Knowledge-based" industries have since become an even more important part of our economic life.

I find the Administration's funding reductions totally indefensible. A fundamental commitment must be made to increasing the federal investment in education to one third of all public resources.

As a necessary first step in this commitment, I have introduced in the Senate the National Education Investment Act of 1975 (S. 960).

This legislation would meet the serious problem of inadequate, obsolescent, and rundown school facilities by providing loan guarantees for modernization and new construction.

Under my bill, a national education trust fund would be established, from which payments would be made to state and local jurisdiction applicants which agree to substantially reduce or eliminate the property tax as the means for financing elementary and secondary education.

This program would promote progressive tax reform in the states and improve and balance per pupil expenditures among all local school districts, without penalizing high expenditure districts. The trust fund would enable schools to know in advance what funds would be available, and these resources would be free from zealous budget cutters.

The National Education Investment Act proposes direct measures to solve profound problems—the need for up-to-date school facilities and for ending the unconscionable inequality where a child's education is made dependent on the wealth or poverty of his or her community.

This legislation also pinpoints special education needs of children which for too long have received a totally inadequate response—including the needs of pre-school children, of mentally or physically handicapped children, and of educationally deprived children in areas of poverty.

The National Education Investment Act presents clearly defined measures and a definite time schedule for addressing all these problems—not through just providing more federal dollars, but through using federal assistance as leverage to promote counterpart efforts by state and local governments and by the private investment sector. It calls for a total national effort on behalf of our children.

A new educational policy for America must establish education as a high national priority in the protection and development of our human resources. For this purpose, I have introduced the Education Reorganization Act of 1975 (S. 754) to establish a Cabinet level Department of Education.

We must give education an advocate at the highest levels of government and have the means to consolidate and coordinate all educationally-related programs.

We are the only major nation in the world that lacks a Cabinet-level post in education. The present Department of Health, Education, and Welfare has outlived its usefulness in supervising education programs. Its mountainous bureaucracy serves only to impede rather than to expedite administration.

Inadequate as the education budget is, it is still equal to the combined budgets of the Department of Commerce, Interior, Justice, and State. But without a Department of Education, there is no overall coordination or direction. There is no effective check on duplicated effort or wasted money. There is no way to fix responsibility properly.

Congress itself would benefit from the creation of a Department of Education. We should begin to deal with educational problems systematically, instead of piecemeal and haphazardly. Better information on education legislation would be available. We could more accurately determine whether a given program required strengthening, modification, or abolition.

In short, we could expect a more responsible and more responsive execution of education policy.

Passage of legislation along the lines of the National Education Investment Act and the Education Reorganization Act would mark the beginning of a new era in education. But it would just be a beginning.

New programs need to be established: comprehensive early childhood development centers, vocational and career training centers, and adult education centers.

We also need to be thinking more about the rights and needs of classroom teachers. They observe the opportunity and assurance for professional enhancement and a decent income commensurate with the cost of living. And teachers need an adequate retirement program which would solve the problem of teacher mobility.

But in demanding the best education for our children, we must also demand the best of our society. Values imparted in the classroom too often seem hypocrisies in the outside world. By intensively examining what, how, and why we teach our children, we may discover answers to education's ills that also can help heal the sicknesses of our society.

At root, we must rededicate ourselves to the unique worth and the kinship of every man as a fundamental truth in education and as a basic explanation of what America is all about.

This is why we must look upon education as a total social experience. Progressive learning cannot take place in an atmosphere of hostility, fear, racial bitterness, and deprivation.

The education of a child is the sum total of that child's native ability, the experience in an education system, and the social environment in which that child lives and grows—the neighborhood, the community, and the nation, and indeed, the world. He is conditioned by it.

The best in education—facilities, teachers, books—is diminished by the inadequacy of the surroundings and the inadequacies of the social environment.

Likewise, the capacity to learn is affected by the condition of one's health, the adequacy of one's diet, and the sense of mental peace in which one lives.

Therefore, educators have a greater responsibility than just to advocate better teachers, teaching methods, modernization of school plant and facilities, and the use of the most modern techniques including modern educational technology.

The true educator must be a spokesman for social justice, a crusader against the evils of poverty and deprivation, and an advocate of communities that are wholesome and safe.

Let us resolve here and now to make education in America the finest in the world. We in Congress need your help now if this job is to be done. But you will also be committing

yourselves to a task of the highest importance to all the people of this great land of opportunity.

AID TO SOUTH VIETNAM

Mr. MONDALE. Mr. President, in a statement on the House floor, my colleague from Minnesota, DONALD FRASER, recently indicated that he would be prepared to support additional military aid to South Vietnam as a means of bringing stability to the battle lines and providing an opportunity for an orderly political settlement of the war.

DON FRASER previewed recent events in South Vietnam by noting that former President Thieu had lost the confidence of the South Vietnamese people. The Minnesota Congressman went on to say that he felt that additional U.S. military aid should be accompanied by a change in political leadership in the Southeast Asian country.

Mr. President, many Minnesotans are strongly opposed to more military aid for South Vietnam and DON FRASER took his stand knowing that his position would not be widely supported by his constituents. Those of us who have followed DON FRASER's political career know that he has never hesitated to speak out on issues that concerned him deeply. While we may not always agree with him, we have great respect for his integrity and thoughtfulness.

The Minneapolis Tribune recently commented on DON FRASER's position on the Vietnam aid question. I ask unanimous consent that the Tribune editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DONALD FRASER'S CONCERN

Anyone who has visited Saigon and made friends among the South Vietnamese can share Rep. Donald Fraser's concern for their immediate future. Unless some orderly political settlement of the war can be arranged, Fraser warned the House of Representatives on Wednesday, "the withdrawal of American citizens and the disengagement of the United States from that war is going to be painful and bloody, making asylum difficult or impossible for Vietnamese whose lives will be in jeopardy." "Perhaps," he told us later, "I shouldn't have gone out to Saigon (in late February). It just reminded me of what decent people some of them are."

It was in this context that Fraser, a respected senior member of the Foreign Affairs Committee, told the House that he might be willing to support the Ford administration's request for $300 million in military aid for the Saigon government—if the administration changed its policy of "unqualified support for President Thieu."

Fraser conceded that Saigon's collapse is inevitable, but, he said, the fact of congressional approval of aid might "bring some stability to the battle lines. . . . It might slow down the onrush (of the North Vietnamese), and we could work out some kind of political arrangement." Thieu is not willing to settle politically—and the Provisional Revolutionary Government will not deal with Thieu—so that is why Thieu must step down, Fraser said.

The kind of political arrangement Fraser has in mind is the 1954 Geneva agreement, which followed the French defeat at Dien Bien Phu. Under that settlement, between 800,000 and 1 million Vietnamese were allowed to leave the north. There was some violence against individual Frenchmen and their families, but most of those who wanted to leave got out unscathed.

Congressional rejection of the aid request, Fraser fears, would trigger Saigon's collapse and lead to widespread violence against those Americans still in Vietnam and among the Vietnamese. There are as many as 100,000 to 150,000 Vietnamese—government officials, military commanders, people who worked with the Americans—who, it is feared, might be marked for reprisals by the North Vietnamese and the Provisional Revolutionary Government. "I don't understand," said Fraser, "why some people are happy to see the North Vietnamese take over."

Fraser—as he has done so often before—is running against the tide of American public opinion on the Vietnam War. But all along, his concern has been for the Vietnamese, and now, in a last-ditch effort to ease their pain and suffering, he is urging that one more attempt be made to create some kind of negotiating situation. His anguish over Vietnam is deep and genuine. But no matter what happens in Congress, it does not appear likely that anything America does can stave off Saigon's eventual collapse. We think Congress is right in turning its attention to aiding the refugees.

FINANCING THE DEFICIT—PART III

Mr. HUMPHREY. Mr. President, last week I placed in the RECORD excerpts from statements made by witnesses before the Joint Economic Committee during our annual hearings relating to the problems of financing the large Federal deficit. These witnesses were emphatic in their view that, given proper monetary policy, the deficit could be managed and that worries about the financial markets should not deter Congress from adopting the fiscal policy necessary to get the country out of the recession. I also placed in the RECORD an analysis made by the Treasury's own expert on financial markets, Dr. Sally Ronk, which indicated that the "crowding" of credit markets was much less severe than seems to be popularly imagined.

As I announced last week, I have written to the Secretary of the Treasury asking him for full facts and analysis of the credit market situation. I have also written to a number of private experts and asked for their analyses. Today, I want to announce that three leading private experts in the field of monetary economics have agreed to testify before the Joint Economic Committee this Thursday, April 24 at 10 a.m. in room 1114 of the Dirksen Office Building, on the credit market outlook and on monetary and debt management policy. These experts are:

Dr. Andrew Brimmer, Harvard University.

Dr. Franco Modigliani, Massachusetts Institute of Technology.

Dr. James Tobin, Yale University.

It will be very helpful to the Congress to get the advice of these experts on what the size of the deficit should be and how monetary and debt management policy should be conducted. I will, of course, make their testimony available to all Members of Congress just as soon as possible.

Naturally, the Joint Economic Committee is not the only group in Congress investigating this issue. The Budget Committees have also been seeking expert advice. Last Wednesday, excerpts from statements sent to House Budget Committee Chairman BROCK ADAMS by 13 leading bankers and financial experts were printed in a story by Hobart Rowen in the Washington Post.

The overwhelming majority of these experts felt that a deficit in the range of $70 to $80 billion in fiscal 1976—which, of course, is the range presently under discussion—could be financed with little adverse impact on the financial markets. For example, Richard W. Everett, vice president, Bank of America, says:

> The deficit could be substantially larger than proposed—say by $10 to $15 billion—without generating new inflationary pressures.

And Walter E. Hoadley, executive vice president, Bank of America says:

> We are not pessimistic about the ability . . . to meet even the huge projected deficits for the next year or two. We are increasingly concerned, however, that such deficits not be continued, because to do so would unquestionably weaken basic confidence in the dollar and in time the financial integrity of the United States Government.

I, too, am concerned that such large deficits not be continued. So, I am sure, is every Member of Congress. If the fiscal policies we adopt this year are appropriate and if monetary policy is cooperative, the deficits will not continue. The main cause of the deficit, after all, is the high level of unemployment and the low level of taxable personal and corporate income. As soon as the economy begins to grow vigorously, incomes will rise and the deficit will diminish. Recovery and high employment are the only way we will get rid of the deficit. That is why it is so important to stick with policies which will promote a strong, sustained recovery.

Another interesting analysis of the credit market situation appeared in an article in the New York Times, Sunday, April 13, 1975, entitled "The Budget Deficit: How Dangerous?" by Ronald A. Krieger. In this article, Mr. Krieger quotes Roger Klein, director of economic research for the Securities Industry Association, as saying:

> There will be no interest rate problem in 1975. Private demand for credit is weak and falling, and the government is just filling the vacuum.

I suggest that this is an issue on which we can trust the expert judgment of a professional employee of the Securities Industry Association. It is crucial to examine the Government demand for credit in the context of the other demands that will be made on the credit markets. As Mr. Klein points out, these private demands are weak. That is why there is room in the credit markets for a large Government deficit. As the economy recovers, private demands for credit will pick up. But as the economy recovers, the Federal deficit will diminish. The changes will be offsetting. So long as the deficit stems from unemployment and depressed earnings, it will be the kind of deficit which the credit markets can handle. A deficit if we were at full employment would be quite a different thing, and I think we all realize that. The fiscal policies recommended to us by our Budget

Committees are designed to produce a surplus in the full employment budget by the end of next year. This distinction between the actual deficit and the deficit as it would be at full employment is crucial. It seems complicated to many of us, but we must learn to understand this distinction and to shape policy in light of it.

Of course, not every article in the press takes the view that the deficit is manageable. In order that I not be accused of presenting only one side of the story, I want to bring to my colleagues' attention an editorial from the Wall Street Journal of March 13. This editorial argues that "crowding out" could be severe. However, as was pointed out in a letter to the Journal by Larry Chimerine, manager of U.S. Economic Forecasting for IBM, this editorial overstates the probable demand by business firms for loans to finance new investment. The Journal editorial forgets the point I was just making, that if private demand for credit picks up this means a recovering economy—and a lower Federal deficit. The Journal's logic is simply not internally consistent.

Mr. President, I ask unanimous consent that Hobart Rowen's April 16 article from the Washington Post, Ronald Krieger's article from the April 13 New York Times, a Wall Street Journal editorial from March 13, and Mr. Chimerine's response to the editorial, published in the April 2 Wall Street Journal, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 16, 1975]

BANKERS SEE NO PROBLEM WITH DEFICIT

(By Hobart Rowen)

A federal deficit of $70 to $80 billion in fiscal 1976 could be financed with little adverse effect, according to the preponderant view among 13 bankers questioned by the House Budget Committee.

This consensus—not shared by a few who express alarm if the deficit should exceed $50 billion—runs directly contrary to the view of Treasury Secretary William E. Simon, who terms such deficits "horrendous."

Simon has said that in order to finance the deficit, Treasury borrowing will result in a "crowding out" of private borrowers, forcing long-term interest rates into the double-digit range.

As a consequence of the fears expressed by Simon, House Budget Committee Chairman Brock Adams (D-Wash.) asked a group of economists for leading banks for their views on the impact of the large federal deficits. Their full comments were made available to the Washington Post.

A summary of their views, given to the committee by staff economist Nancy Teeters, is that "the really difficult problem . . . is not financing the fiscal 1976 deficit, but what happens in fiscal 1977 when the recovery is expected to be well under way."

For example, former Budget Director Charles J. Zwick, now president of the Southeast Banking Corp. of Miami, responded that the key problem "will be developing an adroit policy once the economy turns around and private demand for funds starts to pick up again."

One of the key differences between Simon and the bankers group seems to be timing. Where Simon believes that a federal deficit of $80 billion would push private borrowers out of the way this year, most of the bankers argued that this could happen only if the economy spurted in a way no one expects.

Leonard J. Santow of the Schroder Capital Corp. of New York told Adams that "there should be no major problem through the rest of this calendar year of pushing creditworthy borrowers out of the financial markets. The softness in the economy and the large inflows at financial intermediates will mean considerable elbow-room in the financial markets."

Robert T. Parry, vice president and chief economist of the Security Pacific National Bank of Los Angeles, said that a $70 to $80 billion deficit would not produce more than "moderate upward pressures" on interest rates this year.

This is "a long way from the fears of some analysts" that the deficits would lead either to double-digit interest rates or "a financial and economic collapse," Parry said. The data he submitted showed total available savings at $275 billion and gross private domestic investment at $205 billion.

Even an $80 billion federal deficit could be absorbed "without significant distortions in the sources and uses of gross savings," Parry concluded.

Other views given the committee were as follows:

Dimitri N. Balatsos, vice president of the Manufacturers Hanover Trust Co. of New York: "Credit will be available, but its price will have to rise, undermining in the process the economic recovery."

Donald C. Miller, executive vice president of the Continental Bank, Chicago: ". . . total credit demands, even with the significant fiscal stimulus, are going to be only moderately higher than was the case in 1974. The real concern surrounds the permanency of any tax reduction or expenditure increase. . . . The crux of the problem is balancing currently pressing short-run needs with the still dangerous prospect of longer-term inflation."

M. Dutton Morehouse, economist, Robinson-Humphrey Co., Inc., Atlanta: "The much larger (than $50 billion deficit) figures now appearing in the press would be financed, but only at the risk of serious disruption to the private demand for funds and an almost inevitable dangerously high rate of inflation by 1977 or earlier."

Albert M. Wojnilower, vice president of the First Boston Corp., New York: ". . . budget deficits on the order of $40 billion for the current fiscal year and $80 billion for fiscal 1976, or even somewhat larger ones are unlikely to produce a revival of economic activity (or inflation) strong enough to create general financial congestion until 1977 at the earlist . . . Until there is a substantial economic recovery, we should be talking about 'substitution' of federal for private borrowing, rather than about 'crowding out'."

Richard W. Everett, vice president, Chase Manhattan Bank, New York: ". . . the deficit could be substantially larger than proposed—say by $10 to $15 billion—without necessarily generating new inflationary pressures."

Walter E. Hoadley, executive vice president, Bank of America: "We are not pessimistic about the ability . . . to meet even the huge projected deficits for the next year or two. We are increasingly concerned, however, that such deficits not be continued because to do so would unquestionably weaken basic confidence in the dollar and in time the financial integrity of the United States government."

George L. Whyel, American Bankers Association: ". . . great caution should be exercised in enacting any measures which would expand the projected fiscal year 1976 deficit beyond, say $50 billion."

Morgan Guaranty Co., New Yok: ". . . while it is understandable that concern should exist in the fact of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated."

Donald E. Woolley, vice president Bankers Trust Co., New York: ". . . such an abrupt and steep jump in Treasury borrowing as that now in the offing is bound to create problems for the financial markets . . . Inflationary expectations could well strengthen during the course of this year . . ."

[From the New York Times, Apr. 13, 1975]

THE BUDGET DEFICIT: HOW DANGEROUS?

(By Ronald A. Krieger)

Just 200 years after Paul Revere galloped through the countryside to alert an imperiled populace, cries of alarm are again troubling the slumber of nervous Americans. This time around the shouts of danger warn not of Redcoats, but of red ink.

From Washington to Wall Street, latter-day midnight riders are attempting to awaken the nation to the threat of an impending credit crunch. Unless swift action is taken, they warn, the economy may be permanently crippled by the strain of financing the massive Federal deficits contemplated for fiscal 1975 and 1976.

Like Paul Revere, those sounding the current alarm are clearly raising a valid issue. But unlike the Massachusetts patriot their timing is open to serious question.

According to legend, Revere was able to synchronize the start of his ride with the appearance of a reliable "leading indicator" on the opposite shore. His present-day counterparts, however, have no lantern in the Old North Church to guide them.

In the view of some economists, it is possible that today's alarmists have sent their message as much as a year too early. If so, they may doom their cause since a premature alarm can fatally endanger credibility. If the worst does not happen, the counsel may be disregarded even when it does become timely.

Timing has thus become the key issue in the credit-crunch debate that has split economists and the financial community. The alarmists believe the danger is at hand and must be met without delay, while their calmer colleagues see no reason for quick action.

The ranks of those worrying most about budget deficits, although thin, include some vocal economists and Wall Street analysts, as well as an influential segment of the financial press and some middle and high Government officials. The recent nervous behavior of the credit markets indicates that many market participants find their case persuasive.

Their basic warning is that as the United States Treasury elbows its way into the capital markets to finance the Federal deficit, private borrowers will be crowded out. In the process, it is argued, interest rates will soar, private capital formation will decline, economic growth will be choked off and any recovery from the recession may well be aborted. Furthermore, the relative size and influence of the private sector will shrink as the Government grabs off a larger and larger share of the nation's stagnating output.

If this interpretation is correct, the only immediate solutions appear to be extreme on monetary expansion. Either the Government must curtail its deficit spending or the Federal Reserve must step in to finance much of the new debt with the printing press.

Neither of these alternatives holds much appeal for more moderate economists, who generally assert that the recession can be fought without re-inflating the economy. They believe there is plenty of room in the slack business situation for noninflationary financing of the deficit, at least through the end of 1975. And they do not see the Treasury disciplining private borrowers from the capital markets until a broad

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economic recovery is well underway next year.

Therefore, moderates say, there is no reason to curtail deficit spending before it has been given a proper chance to stimulate the sluggish economy. In any event the grim mood of Congress in the face of a rising unemployment rate seems to preclude a policy of fiscal restraint this year.

The greater fear of the middle of the road group is that the Federal Reserve will knuckle under to the fears of a credit crunch despite the best intentions of Federal Reserve Chairman Arthur E. Burns. As it helps to finance the deficit by absorbing much of the new Treasury debt, it will pump reserves into the banking system at a rate guaranteed to rekindle double-digit inflation within a year or two.

The moderates believe the Reserve has plenty of room for a policy of vigorous monetary expansion without carrying it to an extreme. The money supply has grown only about 4 per cent in the past 12 months, and the monetary authorities could probably double that growth rate for a few months without over shooting a 6 to 7 per cent annual target.

It normally takes a year or two for changes in monetary growth rates to work themselves into the inflation rate, so there is not much chance of an inflationary explosion in the near future unless the Fed reacts to the most extreme fears of the alarmists and immediately monetizes the bulk of the new Government debt.

The policy disagreements of economists center, for the moment, on whether those fears are justified. Opposing viewpoints appear to arise in the main from conflicting interpretations over just what is happening today in the capital markets.

It is not hard to see why the markets are nervous over the red ink in the Federal budget. As the recession cuts into tax receipts and expands social spending, the projected deficit for the fiscal year that ends June 30 will probably come in some $10-billion above the $35-billion contemplated in President Ford's February budget message. For the fiscal year beginning July 1, the current median forecast is for a deficit around $80-billion.

The back-to-back deficits for fiscal 1975 and 1976 will thus require about $125-billion to be financed by Treasury borrowing in the two years. Even in inflated dollars the figure is staggering. By way of comparison, from 1965 through 1974 the total red ink generated by the deficit-ridden Federal budget was only about $100-billion, or $10-billion a year.

The Treasury plans to borrow more than $40-billion in the first half of 1975 and a similar amount in the second half, with further massive borrowing planned for 1976. In the process it is likely to absorb the major share of the funds supplied to the credit markets. This means, according to the alarmist interpretation, that it will draw off tens of billions of dollars that otherwise would have gone to corporate borrowers. In this view, some corporations have already been crowded out of the bond market by the Treasury. Those who fear that the credit crunch is already visible cite as evidence a number of corporate bond issues that have been postponed in recent weeks, including a $300-million debenture offering by Texaco, Inc.

"The crowding out is going on right now and has been for some time," says Norman B. Ture, a Washington-based economic consultant. "When you see company after company either withdrawing an offering or selling it at a deep discount, you know there is substantial displacement of private offerings by Treasury credit operations."

Such a displacement worries those who perceive it as constituting a threat to the capital formation that the private sector must generate to get the economy back on its long-term growth path. The sagging of bond prices in recent weeks has raised fears that many of the less creditworthy corporate borrowers will be pushed right out of the credit queue.

"For an objective indicator that crowding out is taking place, all you have to look at is what is happening to interest rates," says Mr. Ture. "They are on a continuous upturn, and I think the trend will probably accelerate."

Economists who minimize the threat of a credit crunch tend to interpret the evidence in a different way. There has to be a crowd before there can be any crowding out, they say. And even with the Treasury financing, the capital markets hardly resemble a mob scene.

Corporations borrowed heavily in the credit markets in the first quarter of this year, and it is not surprising that some companies are now dropping out, according to critics of the crowding-out interpretation. They note that much of the borrowing early in the year represented refunding of short-term liabilities in the long-term market, in response to declining long-term rates. Even if some of it represented hedging against a projected credit crunch, their subsequent retreat in the face of rebounding long-term rates does not mean that a crunch has arrived.

Why, then, have some borrowers postponed their bond issues? According to this interpretation, it probably just reflects expectations of lower long-term ratea in the near future.

"Texaco was not crowded out of the bond market," contends Roger Klein, director of economic research for the Securities Industry Association. "They just think long-term rates are too high relative to where they will be in the future. So for now they're borrowing short."

Mr. Klein, who monitors securities markets closely, expects little disruption to result from Treasury financing this year. He believes, in fact, that long-term rates will soon decline.

"There will be no interest-rate problem in 1975," says Mr. Klein. "Private demand for credit is weak and falling, and the government is just filling the vacuum."

Contrary to the crowding-out hypothesis, Mr. Klein regards the postponement of issues by corporations as positive proof that these institutions anticipate neither a credit crunch nor rising interest rates.

"If they really believed there were going to be double-digit rates, they wouldn't be postponing their issues," he says. "They would be buying their credit at the 'cheap' rates we have now before they get any higher."

If the moderates are right, the demand done by premature cries of alarm may be hard to repair. Most analysts agree that there will be an unmistakable credit crunch in 1976 as business loan demand picks up and the Treasury continues its large financing operations.

When that happens, voices of restraint will be desperately needed. They may, however, end up talking into ears of policy makers who will already be deafened by the premature cries of alarm.

CROWDING OUT

Understanding the economy in 1975, unfortunately for those of us with enough on our minds already, requires an understanding of an esoteric economic debate over something called "crowding out."

Treasury Secretary Simon sounded the first guns in this debate by warning that financial markets cannot finance both the huge federal deficit and the needs of private borrowers. Some economists have described his fear as "hysterical." In a letter to The New York Times, six prestigious liberal economists said the problem would be handled through an "accounting identity." But in recent weeks, independent analyses have been conducted by Norman B. Ture, a Washington based consulting economist, and Allan H. Meltzer of Carnegie-Mellon University. Each reports that, until he got the numbers down, he could not believe things are as bad as they are.

The crux of the matter is that when the federal government borrows to cover its deficits, it competes with private borrowers who need funds to invest in plant construction and housing. Both government and private needs must be met from the savings pool, which consists of business savings (profits plus depreciation and other "capital consumption allowances"), personal savings and inflows of foreign funds. Allowing for special factors and statistical error, the two totals will always be the same: this is the "accounting identity."

The problem is that if you plug some reasonable 1975 projections into this equation, it is very hard to get the totals to come out equal. This suggests that as the heavy government borrowings come on stream in the second half, the economy may well be in for some type of severe shock now only dimly foreseen. A typical projection, with calendar year 1974 as a base, would look something like this:

[In billions of dollars]

1974

Invest. + Deficit Eq. Bus. Sav. + Per. Sav. + For. Inv.
208.9 + 5.9 Eq. 136.5. + 7[illegible]7 + 3.6
Total 214.8 Eq. total 216.3.

1975

203 + 70 Eq. 130 + 2[illegible] + 10
Total 275. Eq. 240.
Eq. means equals.

First, a word about the estimates. Private investment may fall off more rapidly, but so may corporate profits. Personal savings may be higher if the savings rate rises but will be lower if personal income falls. The net inflow of foreign funds may increase, but the above estimate already provides a tripling in a year's time. The estimate of a $35 billion gap is essentially a conservative one, and the question is, how will this gap be closed?

Part of the gap—and in a sense the whole debate is over how much—will be filled by the Federal Reserve System's purchases of federal debt by in effect printing up new money. Over the course of a normal year, the Fed will buy federal securities, thus injecting reserves into the banking system and making the money supply grow. It's easy enough to calculate roughly the relationship between the Fed's purchases and money growth. At a 6% growth in the narrowly defined money supply, the Fed would buy about $7 billion in new federal debt. If the Fed closes the gap by buying the whole $35 billion, the money supply would grow by about 30% over a year's time.

Before we go one sentence further, let everyone understand that money growth anything like the latter figure will not only rekindle inflation, but will make interest rates go up, not down. As soon as lenders and borrowers see that kind of money growth coming, they will start to crank higher inflation estimates into their calculations. Mr. Ture expects the Fed to monetize the bulk of the deficit, for example, and talks in terms of a prime rate of 20% by the end of 1975.

If the Fed pursues reasonably moderate money growth, the deficits will still make interest rates rise, though not so astronomically. The normal operations of the market would balance the equation through higher interest rates, discouraging borrowing and encouraging savings and foreign inflows. But with a $35 billion gap to close, this implies interest rates that still might be high enough to cause severe problems.

A drop in business investment below $205 billion implies a much deeper economic decline than so far predicted. Even the pessimistic predictions of the Council of Economic Advisers looked for a small increase, not decrease, in private investment.

Alternatively, the $80 billion in personal savings is based on a savings rate of 7.9% of a disposable income of $1,049 billion. Over the last 25 years, the savings rate has ranged from 4.9% to 8.2%. To generate an extra $35 billion it would have to leap to an implausible 11%.

Finally, the interest rates necessary to force savings up and investment down by such an amount might themselves be high enough to prevent a recovery. The effect on the housing sector, in particular, is entirely predictable.

The long and short of the analysis is that substantially greater than the nearly $50 billion and a federal deficit of $80 billion the string snaps. To maintain the "accounting identity," you are all but forced to assume the economy will unwind in one way or another. You can make the same kind of analysis not through the National Income Accounts as above, but through a different "flow of funds" methodology. Salomon Brothers did this earlier in the year, coming to this conclusion:

"The consequences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized. Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise the budget deficit would either lead to a vicious struggle for funds between private borrowers and the government, or the Federal Reserve would have to supply funds without regard to its long-range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of government, by crowding out medium to lower rated borrowers, many of whom are already in peril, and mortgage borrowers as well thus aborting recovery in housing activity."

Last week Walter W. Heller, a valued member of our Board of Contributors, cited the Salomon Brothers analysis as reason not to worry about crowding out. But by now the Salomon Brothers analysts are well aware the deficit for calendar 1975 will be far above $50 billion. The St. Louis Fed puts the calendar year deficit at $62 billion merely on the basis of administration proposals, which included (on a fiscal year basis), $16 billion in expenditure reductions and a tax cut of only $16 billion.

But suppose for a minute that Mr. Heller is right about 1975 and that the gap is filled by a heavy combination of events. Suppose money growth is moderate, and the Fed takes up some debt. Falling inflation means lower interest rates, and suppose this effect is powerful enough that non-destructive rates can balance the supply and demand for funds. There still remain two problems.

One is simply that private borrowers will still be crowded out, that private investment will decline. In other words, because of the huge deficits, we have a lower rate of capital formation and thus slower economic growth in future years. Assuming that the deficits cannot be reduced, this is the smallest price we can possibly pay.

The final problem is 1976, or whenever recovery does get under way in earnest. At that point, the investment needs of business and housing will go up, not down. If the government is by then still running $70 billion deficits, this will call for an even more impossible-looking increase on the savings side of the ledger. At that point, high deficits will again threaten to abort the recovery. This destruction of capital formation, excessive monetization of debt and aborting of real growth is essentially what has already happened in Great Britain.

Yet Congress goes its happy way, adding to expenditures, increasing tax cuts, charting tax bills that discourage saving instead of encourage it, secure in the knowledge that there is a recession on, and in that case Dr. Keynes always assured them that budget deficits are a free lunch. Didn't he?

LETTERS ON DEFICIT FINANCING

SOME PROBLEMS

Editor, The Wall Street Journal:

In your editorial "Crowding Out" (Mar. 13) you reached the conclusion that the large federal deficit expected in calendar 1975 cannot be financed without causing interest rates to rise above the peaks of last summer and without forcing out other borrowers. Your conclusion was based primarily on a projected "imbalance" in the savings-investment identity of $35 billion, and that a 30% rise in the money supply would be needed to finance this gap; anything short of that would put upward pressure on rates and result in crowding out of private borrowers.

There are several problems, however, with the data you presented. First, your projection of total private investment for 1975 of $205 billion is completely inconsistent with what current data suggests. Private investment in the National Income Accounts has three major components; shown below are actual data for 1974 and our projection for 1975, for each of these:

[In billions of dollars]

	1974	1975
Residential construction	46.0	37.9
Change in business inventories	13.4	−8.1
Business fixed investment	149.5	146.5
Total	208.9	176.4

Our total for 1975, $175 billion, is nearly $30 billion below the figure presented in your editorial. Without knowing the components of your aggregate number, I do not know in which category(ies) the discrepancy lies. However, it is difficult to imagine anything less than the decline shown above in residential construction in 1975, given the recent sharp decline in housing starts and permits. Even if starts improve later in the year, the effect shows up in expenditures with a lag. With stocks as high as they are, one cannot expect a repeat of last year's inventory accumulation; inventory decumulation is already underway and is likely to continue for most of the year. That leaves business fixed investment; even the recent Commerce Department Plant and Equipment survey projects only a 3% rise for 1975, nowhere enough to offset the decline in the other two categories. Our projection of a small decline in this sector is consistent with recent orders data.

In addition, your projection for consumer savings implicitly assumes that the tax cuts and income-supplementing federal expenditures will be spent this year at the normal spending rate—otherwise savings will rise. Our projection is that savings will be $15 billion above your number.

These differences more than wipe out the $35 billion gap your numbers show. Furthermore, if your numbers for savings and investment turn out to be correct, they imply a level of economic activity well above what is currently taking place and what most forecasters expect for 1975 as a whole—if that's the case, the deficit will be considerably less than currently expected because of higher tax receipts. Most of this year's deficit (about $35 billion for calendar 1975 on a national income basis) results from the weakening of the economy rather that from tax cuts or major new spending programs. In addition, with the kind of economic activity your numbers imply, were they correct, additional stimulative measures might not be necessary.

One last point about the calculations you presented. Even if your $35 billion gap is correct, the increase in M1 needed to finance it is 12%, not 30%, based on current money statistics. And unless you assume that the banking system will hold substantial excess reserves, or that massive leakages will occur, about a $14 billion increase (12%) in the monetary base would be necessary to support this rise in the money supply.

You also make reference to a flow of funds analysis done by Salomon Brothers, which suggests that financing the deficit will cause some strains on credit markets. However, some of the estimates of private credit demands in the study probably have to be scaled down because of the deteriorating economic situation. Other more recent studies, including our own and those by U.S. Trust, Manufacturers Hanover, and Morgan Guaranty, suggest that the large Treasury borrowings will be possible, without crowding out private borrowers, with only a moderate increase in the money supply. Even the Salomon Brothers quote in your editorial states that a larger than $50 billion deficit "could be reasonably financed only if the economic contraction this year is much greater than we expect" . . . the contraction is, in fact, much greater than they expected.

Despite my obvious disagreement with your analysis for 1975 as a whole, it is clear that late in the year and early in 1976, total credit demands will rise, even with some decline in the federal deficit. Some upward pressure on rates will likely occur at that time; however, the rise will not match that of last summer, nor will it be large enough to choke off the economic recovery.

LARRY CHIMERINS,
Manager, U.S. Economic Forecasting, International Business Machines Corp.
ARMONK, N.Y.

THE AMERICAN NURSE

Mr. RIBICOFF. Mr. President, I am pleased that the Senate has passed legislation to provide continued assistance to the nursing profession.

Nurses are in the front line of our health care system. As we develop national health insurance, the need for nurses will increase. Let us get on with the job so that we will have the manpower available to provide the care under a national health plan.

Recently the American Nurse, a publication of the American Nurses' Association, printed an interesting article about congressional action in the health field. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR KENNEDY AIDE SPEAKS TO HEALTH LEGISLATION

(By Norman J. Ornstein)

Nurses' involvement in political action is a vital issue as federal legislation and administrative regulations affect more and more areas in health care. Following is an interview with LeRoy Goldman, staff director of the Subcommittee on Health of the Senate Committee on Labor and Public Welfare. The health subcommittee, chaired by Senator Edward M. Kennedy (D-Mass.), is deeply involved in formulating a wide range of health related policies.

The interview, conducted by Norman J.

Ornstein, Ph.D., political science professor, The Catholic University of America, and free lance political writer, was arranged through the cooperation of N-CAP.

Goldman has been with the subcommittee since January 1971. Before that, he was director of federal liaison for the Association of American Medical Colleges. From 1964 to 1970, he worked for the Department of Health, Education and Welfare. In 1969–1970, he held an American Political Science Association Congressional Fellowship.

As the interview makes clear, Congress and President Ford were at odds over a number of health issues in 1974. The same situation is likely in 1975 over issues such as the Nurse Training Act, Health Revenue Sharing and Health Services, and Health Manpower Training. The role of nurses could be a crucial one. Through political action and legislative organization, nurses can have an important effect on the process by which these vital bills are formulated and passed into law. Goldman notes the next several years will produce decisions on the general directions our health policies will take for decades to come.

Ornstein. A good place to begin, perhaps, would be with the committee and the health subcommittee. Could you describe the committee and the subcommittee and their roles in formulating health policy in Congress, as well as a bit about your own role?

Goldman. In the last Congress, the committee consisted of 16 members, 10 Democrats and six Republicans. The health subcommittee consisted of 15 of the 16 members of the full committee, making it an extraordinarily large subcommittee.

The committee's jurisdiction is very broad—it covers all health programs except those financed through the Social Security tax system such as national health insurance, the most important area, and the Medicaid program.

The subcommittee's legislative areas include legislation in the health planning area, health, maintenance organization legislation, health services programs for migrants and Indians, community mental health centers and neighborhood health centers. All the health manpower legislation, all the legislation affecting the National Institutes of Health, and legislation affecting hospital construction through the Hill/Burton Program, goes through the subcommittee which also oversees the Food and Drug Administration.

Ornstein. National health insurance is covered by the Finance Committee. Does your committee affect national health insurance legislation in any way other than that Senator Kennedy has, himself, been a leader?

Goldman. Senator Kennedy has been the leader in Congress, I think, on the health insurance issue. He has been the principal sponsor of S–3 the Health Security Act, which he reintroduced to the new Congress.

The committee plays an important role because one of the most important questions in connection with any health insurance program is what impact will the financing mechanism have on the organization and delivery of health care. Health care organization and delivery and issues surrounding it is really the "bag" of this subcommittee. The attitudes and views of the subcommittee will be made evident in one way or another in any national health program legislation.

Ornstein. What is the committee staff role?

Goldman. The role of staff is really to do the preparatory work on legislation which comes before the subcommittees. We have a staff of five to draft bills, write amendments to bills, and arrange and prepare for all of the public hearings the subcommittee conducts. When the subcommittee conducts extensive hearings, as we did in 1971, staff has responsibility for that. We do the background work for any foreign efforts. We prepare initial drafts of speeches the chairman of the subcommittee gives in the health area, and consult with people in the health care area: academicians, DHEW and organizations like the AFL–CIO and the American Medical Association.

Ornstein. We read a lot in the papers now about the tremendous impact the 1974 elections had in changing the makeup of Congress and what that might mean for policy. In your opinion, what impact will the election and makeup of the new Congress have on the health subcommittee and health issues?

Goldman. The change is much more profound in the House than it is in the Senate. I don't think there will be any great change in the Senate or in the makeup or attitude of the health subcommittee because, it is a large subcommittee, and it has only two vacancies, so the opportunity for significant departure from the attitude of this subcommittee really does not exist.

I'm not as knowledgeable about the House as I am about the Senate. There are 74 or 75 new Democrats there who have made their views felt in a very substantial way, and I suspect that trend will continue. The broadening of the membership of the House Ways and Means Committee will probably substantially increase the chance of that committee moving in the area of national health insurance. That would be, I think, the most important change.

Ornstein. In the last days of the 93rd Congress, several health bills were passed by Congress and then vetoed or pocket-vetoed by the President. We could begin with the Nurse Training Act. Does the health subcommittee plan to follow up on this in the 94th Congress, and do you contemplate any changes in the substance of what was passed?

Goldman. I can't speak definitely on that yet because I have not had a chance to talk with the chairman of the subcommittee. My best guess today would be that Senator Kennedy and the vast majority of the members of the subcommittee will reintroduce the bill in precisely the form in which it went to the White House in December, that the bill that comes to this committee will be acted on very promptly, perhaps without even the need to hold public hearings, and that the bill would then be voted on and passed in the Senate, would go to the House to be acted on there, and would be returned to the President so that he would have to act on it without the option of pocket veto.

Ornstein. How high a priority does this have in the Senate?

Goldman. If the members of the committee decide they do not wish to change the substance of the bill, I think it would have the highest priority and would be the first bill to be acted on by the subcommittee.

Ornstein. Maybe we could turn now to some Health Revenue Sharing and Health Services questions, which is something which was also vetoed. What about its future?

Goldman. I think its future is precisely the same as the Nurse Training Act, and as a matter of fact, there is the distinct possibility that the bill that Senator Kennedy will introduce later this week will be a combined bill incorporating the features of both of those previously pocket vetoed measures.

(Editor's Note. The combined bills were introduced by Senator Kennedy in January and were sent to the Senate without committee hearings.)

Ornstein. This bill contained provisions to expand home health services; do you see this as a trend for the future, and do you see this as something good?

Goldman. I certainly see it as something good, whether its a trend, I don't know.

Ornstein. The Health Planning bill and the Nurse Training Act both suggest, increasing development of nurse practitioners and nurse clinicians. Do you see a trend developing for nurses in that role in primary care?

Goldman. Yes; I think so, I think that's really the motivation behind the nurse practitioner program. I think because of that very fact, that program has received wide support in the Congress and I suspect their support for it will grow.

Ornstein. What about nurse practitioners vis-a-vis paramedics in the eyes of the subcommittee? Are they mutually exclusive?

Goldman. No; they are not mutually exclusive. I think, in general, members of the subcommittee feel any way possible to expand the number of primary care health professionals in this country is something that should receive as much support as possible.

Ornstein. Maybe we could turn now to health education. What directions do you see health education moving in for the next few years?

Goldman. I think the fundamental issues, with regard to health manpower education are issues surrounding the geographic maldistribution of health professionals, especially maldistributions of physicians and the increasing reliance this country faces on foreign medical graduates. I think the legislation this committee will report to the Senate will deal with these problems in an effective way. Those are the issues which have to be solved in order to maintain the continued flow of federal funding to health education institutions.

Ornstein. You feel the subcommittee is going to move in this direction in the next few years?

Goldman. Yes. As you know, the subcommittee reported a comprehensive Health Manpower Training bill last year which dealt with these problems, but the bill was not successful. It will be a high priority item in the 94th Congress.

Ornstein. In much the same form?

Goldman. I would expect so.

Ornstein. Last year Kennedy and Javits, in the Health Professionals Educational Assistance Act, pushed for mandatory service for students in health professions following graduation. Will Kennedy push this mandatory provision in the 94th Congress?

Goldman. I suspect he will.

Ornstein. For nurses as well as for doctors?

Goldman. He believes there ought not to be any discriminating features in the Health Professions Act and because of that, he feels the obligation to do something about geographic maldistribution of health professions should fall equally on all professions. He does not support the provision excepting nurses from such a requirement.

Ornstein. Do you think this will be pushed in much the same form as it was in the 93d Congress?

Goldman. I don't know whether it will take precisely the same form. I think what is predictable is that the members of this subcommittee will continue to want to develop legislation which will meet this problem.

Ornstein. Maybe you would talk about the move toward catastrophic insurance, although I realize much of this lies in the purview of the Finance Committee and not Labor and Public Welfare. Is catastrophic insurance being pushed as a substitute for comprehensive national health insurance for the short term?

Goldman. I'm sure it is pushed as a substitute for comprehensive programs by the proponents of catsstrophic health insurance. But there are a number of members of Congress who believe that is not the direction in which we ought to go.

Ornstein. What do you think is going to happen?

Goldman. I think that either a comprehensive program will pass in the 94th Congress, or no program will pass.

Ornstein. Do you think there is a conscious effort to build in the preventive component in health care?

Goldman. Unquestionably there is, the whole effort of the Congress, which culminated not too long ago in the passage of the Health Maintenance Organization Act, is the most explicit example of growing concern in the Congress for doing something about preventive care. As a matter of fact, I think even the Administration recognizes this in the HEW's Forward Plan for the next five years. They stress very heavily the need to have the government increase its effort in the preventive area, recognizing it as an area where important gains can be made in improving health status and reducing morbidity and mortality for probably the lowest cost, rather than dealing with acute and chronic diseases.

Ornstein. What do you think the subcommittee will do on this in the future, or in what fashion will they try to deal with this question?

Goldman. I think it's too early to know. I think this is one of the more important items the subcommittee will want to discuss once it is organized and we know who our new members will be.

Ornstein. What do you see as the future role of HMOs in the United States health care delivery system?

Goldman. I think in the long run it will be an important competitor to the fee-for-service solo practice system. It will be a very healthy model in that it will, for the first time, promote diversity in this country's health care system. At the present time the system is essentially a mbnopoly for solo fee-for-service. The change is a process which will take decades to achieve.

Ornstein. In general, what outside groups in health have the greatest influence on health policymaking in the Senate?

Goldman. I think a host of outside groups have an awful lot to do with the shape of legislation in the Senate as well as in the House. I would say the group which has the most to do with shaping legislation is probably not one you envisioned when you asked the question: the Executive Branch. I think it is, without question, clearly the most potent organization in shaping legislation from the substantial number of lobbyists each department has, from the fact that acting through the single voice of the President of the United States it can command great attention in the press, from the fact that the President's budget is probably the single most important determiner of Congressional priorities, and a host of other activities.

In terms of non-governmental groups, I think the AFL–CIO and the United Auto Workers are a potent force in shaping health legislation; as is the American Medical Association.

Ornstein. How important have the nurses been?

Goldman. I don't know that I'm in a position to comment on that in great detail. I think it is unquestionably the case that nurses and nursing organizations have expressed considerable interest in legislation which affects nurses directly, in our case that means Title VIII of the Public Health Service Act and the Nurse Training Act.

Ornstein. What can nurses do to influence legislation and shape policy?

Goldman. I think if you look at the more active groups such as the American Medical Association and the AFL–CIO, you will see that they tend to have large, highly-organized staffs and they play very active roles in political campaigns.

Ornstein. We talked about the bills that were vetoed in the 93rd Congress, pocket-vetoed and otherwise, that they will have somewhat high priority in the 94th Congress. Do you envision these bills passing again and being vetoed again by the President?

Goldman. My best guess, and it's only that is that the bills will pass in either precisely the same form or substantially the same form in which they passed the 93rd Congress. While I would like to believe that the President would enact them into law, I suspect that they will be vetoed again.

Ornstein. Is there a good chance that the vetoes could be overriden?

Goldman. The likelihood of the veto being overridden is directly correlated to the efforts of the groups affected by this legislation in bringing to the members of Congress their views on the merits of the bills.

Ornstein. Including nurses?

Goldman. Including nurses indeed.

Ornstein. Senator Kennedy has expressed interest in the past in getting consumers onto Professional Standards Review Organizations boards. What will the Senator do in a concrete way in this regard?

Goldman. It's too early to know, that issue is still under consideration by the Senator, it is one which he will probably act on directly early in the 94th Congress, but final decisions have not yet been made.

Ornstein. Has he considered putting other health professionals, as well as consumers on expanded PSRO boards?

Goldman. Yes.

Ornstein. Then that is one possible direction in which he might move?

Goldman. It is a possibility.

Ornstein. One other question: I wanted to ask you about the relationship between the House and the Senate, particularly between your committee and the relevant health subcommittee and the commerce committee in the House. What is the relationship between these two units, and what is their relevant impact on health policy?

Goldman. The two subcommittees are the ones which have the same jurisdiction as I described it earlier. They are the two subcommittees which meet to work out the differences which ultimately and inevitably exist in measures which pass in the House and the Senate. This is called the meeting of the Committee on Conference.

The relationship between our two committees has always been cordial, although it is fair to say that the two committee's outlook on health legislation tends to be different. The committee in the Senate tends to be liberal and activist, the committee in the House tends, I think, to be a more conservative and less activist. This frequently produces legislation from the bodies which is different. The net results of the Conference Committees on legislation like this is about 50/50, sometimes we win and sometimes we lose.

I might point out the description that I have just rendered may not be at all valid in the 94th Congress; the rule changes over there have had the effect of increasing the ratio of Democrats to Republicans on all committees. That will be reflected on the subcommittee for health. There are a number of changes of personnel which will affect the House subcommittee. As I recall, one or more Democratic members of that subcommittee will not be returning to the 94th Congress, or will move from one committee to another, and several members from the Republican side are also not returning. I think it's really too early to tell what the nature of that subcommittee will be in the 94th Congress.

SHELTERED EMPLOYMENT OPPORTUNITIES IN MINNESOTA

Mr. HUMPHREY. Mr. President, the importance to handicapped individuals of employment and training opportunities in sheltered workshops or work activity centers cannot be overstated. There are incalculable benefits to be gained from leading these people to self-improvement to the maximum levels of capability.

The workshops are demonstrating the solid capabilities of handicapped people, and they stimulate a vital sense of self-fulfillment and achievement in their everyday work.

These individuals are enabled to experience dignity and self respect. For many of them, the need for financial support or public assistance is progressively reduced, and a substantial number move from public dependency to become tax-paying wage-earners and contributors to society.

Minnesota has been a significant leader in establishing sheltered workshops and work activity centers. These workshops enable the disabled person to determine the area in which he can gain the greatest amount of competence. Minnesota has some 38 sheltered workshops at present, attended by a minimum of 1,400 clients, and it has 56 different work activity programs.

The sheltered employment programs in Minnesota resulted in contract and sales income of over $6 million in fiscal 1974. Total wages paid to handicapped employees in fiscal year 1974 amounted to just over $3 million.

In a recent statement in the Senate, I described an innovative sheltered employment program, the Occupational Training Center, in St. Paul, Minn.

Solid accomplishments are also being achieved by other types of programs in our State. One of the best examples is Opportunity Workshop, Inc., located in Richfield, Minn. This program also provides supervised residential services.

My concern is well known that handicapped persons be enabled to experience a maximum sense of dignity and self-sufficiency through receiving an adequate income. Sheltered employment programs, such as I have described, are continuing to make major progress in meeting this need. More remains to be done, of course, and I intend to continue pursuing legislative efforts in this area toward finding the most appropriate and effective means of assistance.

Mr. President, I ask unanimous consent that the text of a booklet describing Opportunity Workshop programs, be printed in the Record.

There being no objection, the booklet was ordered to be printed in the Record, as follows:

Opportunity Workshop, Inc.

FOREWORD

The philosophy of Opportunity Workshop is based on the belief in the personal worth and the right for full personal dignity of each and every individual. It is felt that an individual should be able to improve his position and achieve as much as his potential makes possible. It appears that many of our vocationally handicapped people fail to develop their potential because of lack of opportunity and are consequently too often underestimated in their abilities. It is felt that a sheltered workshop environment along with contact with professional rehabilitation personnel can help the person to achieve his potential.

Opportunity Workshop has the following objectives:

(1) To evaluate the vocationally handicapped person and to determine his vocational and social potential.

(2) Through subcontract work, vocational training, and contact with professional personnel, to provide the individual with the experiences necessary to change his behavior in order to reach his vocational goal.

(3) To place the client in competitive employment up to his level of abilities.

(4) To provide extended employment for individuals who are unable to function in competitive employment.

(5) To provide a work activity setting where individuals who are unable to engage in significant employment can develop their social and personal potential through meaningful activity.

(6) To provide supervised residential services to enable individuals to reach their full potential for independent living.

PROGRAMS OF OPPORTUNITY WORKSHOP

(As of August 1973)

A. Current programs of the workshop

Presently Opportunity Workshop offers seven programs: (1) Diagnostic Vocational Evaluation, (2) Work Adjustment Training, (3) Skill Training, (4) Extended Employment, (5) Job Placement, (6) Work Activity Center, and (7) Residential.

(1) Diagnostic Vocational Evaluation: This program is designed to provide a comprehensive picture of the client's employability and appropriateness for services toward vocational rehabilitation. To accomplish this, an assessment is made of the person's personal, social, educational and vocational strengths and weaknesses, along with his physical or health status. Traditional psychological and vocational evaluation techniques are employed (testing, interviews, history review, etc.) but evaluation of the individual in real work is the primary method of assessment. The client's independent living skills are evaluated through communication with parents or residential facilities staff. A comprehensive report is prepared including recommendations for further services and a conference is held to discuss these recommendations with the involved professionals and family. The duration of this program is four weeks and its average is from ten to fourteen persons in evaluation at any given time.

(2) Work Adjustment Training: Again, the primary medium through which this service is accomplished is the client's programmed experiences in real production work. The staff attempts to correct problems or deficiencies in work adjustment or work experience through selective assignment to work stations, intensive training in work techniques, and an individualized, treatment-oriented, supervisory-worker relationship. Vocational planning develops concurrently through counseling interviews. Classes and tutoring are provided as needed in such skills as personal hygiene, grooming, practical arithmetic, budgeting, social-recreation skills and work habits. The average length of this program is currently fourteen weeks. The average census is thirty trainees.

(3) Skill Training: Provides a planned, systematic sequence of instruction under competent supervision which is designed to: (1) impart predetermined skills and knowledge in specific occupations, and (2) assist the individual to adjust to a work environment through the development of appropriate patterns of behavior.

The four areas in which skill training is offered are:

(1) Janitorial
(2) Nurse's Aide
(3) Kitchen occupations
(4) Service Station Attendant

The goal of this program is competitive employment in the occupation for which training is given.

(4) Extended Employment: Any vocationally handicapped adult who has been prepared for employment by Opportunity Workshop or other qualified agencies is eligible for employment in the Workshop, provided that he:

(a) Can produce at a level equivalent to 30% of normal production and can perform a great enough variety of tasks so that he would be working at least 70% of the work week.

(b) Can conduct himself in such a manner that he does not substantially interfere with the production of others.

(c) Can work relatively continuously without needing an excessive amount of supervisory time.

The work is light, simple, repetitive production work (packaging, collating, assembly), laundry and janitorial. Each client is paid at a rate corresponding to his productivity and wage rates are reviewed regularly according to Wage and Hour Standards. An individual may work for Opportunity Workshop permanently, provided that he continues to meet the above criteria. Approximately 125 people are served in this area daily.

(5) Job Placement: Opportunity Workshop has a full-time Placement Specialist who makes business and industry contacts to find jobs for those who have been sufficiently trained and are judged to be ready for competitive employment. When an individual is placed in competitive employment, follow-up contacts are made with the employer and the placed client until satisfactory adjustment is made. Job placement is available to sheltered employees as well as trainees. Approximately 50–75 persons are placed into steady, full-time community employment each year.

(6) Work Activity Center: The objectives for this program are:

(a) To prepare the mentally retarded, who have the potential, in the necessary skills and adjustment for more advanced programs such as workshops and vocational training centers.

(b) To help the mentally retarded make the important transition into adult living through training in adult living skills and adjustment.

(c) To work with the parents to help them understand, accept, and develop the new role of the retarded adult in the family.

(d) To provide an alternative to institutional living.

(e) To provide the mentally retarded with a socially acceptable pattern for daily living.

Program activities include: Subcontract production work, recreational and social activities, arts and crafts projects, and basic academic instruction. The Center currently is operating at its full capacity of 100 persons.

(7) Residential: Opportunity Workshop operates a 60-bed residence with 24-hour supervision. This service includes programming in social development, recreation, and independent living. Program plans are tailor-made for each individual, the objective being to progress to the most independent living situation possible. Respite care is an additional service of the residence. This program offers all the facilities of the residence, on a short-term basis, for families whose retarded member lives at home but needs some other placement for a few days or weeks.

We also arrange for housing for out-of-town trainees, who do not require special programming, in semi-supervised boarding homes approved by the Hennepin County Welfare Department and in cooperation with the county welfare caseworkers.

Transportation to Opportunity Workshop on a daily basis is by public bus for all individuals whether they live at home or in a residential setting. Those who are not initially able to travel in this manner are trained to do so.

B. Eligibility

Any handicapped person of working age who can benefit from the services of Opportunity Workshop is eligible for admittance. Priority is given to the mentally handicapped but individuals with other handicapping conditions may also be admitted.

The determination of eligibility is a joint decision made by Opportunity Workshop staff, the applicant and his/her family, and the referring agency representative. The criteria upon which this determination is based varies according to the objectives of the particular program of Opportunity Workshop being considered. For example, to be eligible for Skill Training, the applicant should have a demonstrated capability to be competitively employed whereas, to be eligible for admittance to the Evaluation Program, this characteristic is not a primary factor.

In general, the basic eligibility criteria are that the applicant is:

(1) Vocationally handicapped
(2) Of working age
(3) Capable of socially competent behavior
(4) In need of one or more programs of Opportunity Workshop
(5) Capable of benefitting from our services.

C. Intake

Upon receipt of a referral from another agency (in most cases, DVR), the following intake steps are taken:

(1) The referral information is reviewed to ensure that complete information has been included. If not, contact is made with the referring agency requesting additional information.

(2) When complete information has been received, the applicant, the referring agency representative, and other relevant agency representatives receive letters setting an appointment for an orientation interview.

(3) The orientation interview is conducted by the Opportunity Workshop staff who will be assigned to the applicant if he is admitted. The parents or guardian are also asked to accompany the applicant.

(4) If the decision is that the referral is appropriate, the applicant is notified and a starting date scheduled.

Walk-in applicants, not referred by an agency, are given a tour of the facility and their questions are answered to the best of our ability. The applicant and the family are then advised to contact the State Division of Vocational Rehabilitation for guidance, before any choice is made regarding enrollment at Opportunity Workshop. If the rehabilitaton counselor requests our services, we proceed with intake.

D. Division of Vocational Rehabilitation

Opportunity Workshop is one of the facilities from which DVR secures the rehabilitation services for the vocationally handicapped. The partnership between DVR and Opportunity Workshop has been mutually beneficial—DVR having the legal responsibility for providing services to the handicapped and Opportunity Workshop operating specialized programs to assist DVR in fulfilling its charge. DVR purchases these services for eligible clients by paying a fee based on the cost to Opportunity Workshop of providing the service. Almost all clients are sponsored by DVR. Those who are not eligible for such sponsorship are also accepted and another sponsor is found to cover the fee.

FINANCIAL STATEMENT OF SENATOR AND MRS. MONDALE

Mr. MONDALE. Mr. President, I ask unanimous consent that a statement of my estimated net worth as of December 31, 1974, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Financial statement of Senator and Mrs. Walter F. Mondale, December 31, 1974

Assets:	
Residence in Washington	$65,000
Automobile	1,050
Cash in deposits	2,373
Household and personal goods	6,000
Cash value of life insurance	5,865
Personal contributions to Federal Employees Retirement System	29,027
Total assets	109,315
Liabilities:	
Mortgage on residence in Washington	34,349
Miscellaneous personal bills	1,900
Bank loan	6,000
Balance of 1974 State and Federal taxes due on April 15, 1975	4,000
Total liabilities	46,249
Estimated net worth	63,066

SECRETARY KISSINGER WILL NOT VISIT CHILE

Mr. MONDALE. Mr. President, on March 27, I and five of my colleagues wrote to Secretary of State Kissinger concerning his scheduled visit to Chile. At that time, we urged him to postpone that visit because it would be detrimental to the growing concern for human rights and would place the administration in the position of seemingly giving legitimacy to military junta and its activities.

The actions of the military regime headed by General Pinochet continue to be the subject of condemnation by both individual countries and international organizations alike. An impressive example of the indignation being shown against Chilean abuses of human rights was the recent decision of the Paris Club to refuse renegotiation of Chile's foreign debt.

I did not feel that the "quiet diplomacy" often mentioned by the State Department was sufficient in making known the deep revulsion of American citizens to the terror tactics employed against the Chilean people by their own government.

However, late last week, the Department of State announced Secretary Kissinger would not be going to Chile during his upcoming visit to Latin America. I commend this decision as one that not only strengthens international concern for human rights, but also fortifies recent moves on the part of the executive and legislative branches to work more closely together in a spirit of cooperation on foreign policy matters. I believe this action is another positive indication that will reinforce both goals.

I ask unanimous consent that an article from today's Washington Post, entitled "U.S. Seen Pressing Chile on Human Rights," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. SEEN PRESSING CHILE ON HUMAN RIGHTS

(By Lewis H. Diuguid)

Secretary of State Henry A. Kissinger will not visit Chile on his long-awaited Latin American tour because the ruling junta has not responded to his efforts to obtain a liberalization of Chilean civil rights, according to an official close to Kissinger.

The State Department announced last week that Kissinger's trip, which starts April 23, will include Argentina, Brazil and Venezuela. Visits to Chile and Peru, planned earlier, would be postponed because of the pressing time demands of the Indochina situation, the announcement said.

From the first mention of the trip last year, however, the Chile stopover was considered contingent on some major civil rights concession by the military government.

Chile's rulers have taken no such initiative since President Augusto Pinochet announced in September that many jailed leftists would be allowed to go into exile. "Had they responded more dramatically," said the official, Kissinger could have followed through on his intended visit.

The suspended but still active Chilean Christian Democratic Party sent an envoy to Washington to buttress the State Department's insistence on obtaining some meaningful step from the junta.

Christian Democrats, including former President Eduardo Frei, are concerned about what they describe as increasing repression.

"It would mean nothing, for instance, if the junta announced an end to press censorship while the same pressures remained on editors to exercise self-censorship," said the party's envoy recently. In any case, he said, only pro-junta papers now are permitted to print.

The party, Chile's largest, ruled from 1964 to 1970 under Frei but was then defeated by the coalition backing Salvador Allende. When the coup against Allende came in 1973, the party's official reaction was that it was lamentable but necessary.

Now, the party leadership feels that the military, having jailed Marxist leaders or driven them into exile, is turning its repressive machinery on the Christian Democrats.

A document issued after a secret party meeting in Santiago, as "a right-wing dictatorship with facist manifestations and a tendency towards perpetuity."

The former party president, Renan Fuentealba, was forced to leave the country after he granted a critical interview to a foreign correspondent.

The party's candidate against Allende in 1970, Radomiro Tomic, former ambassador to the United States, is living in Washington.

Frei's last finance minister, Andres Zaldiver—whom Allende's supporters accused of trying to sow economic chaos in the last days before Allende took office—recently was forced out of his job with the Chilean Savings and Loan Association because the military objected to his political activities.

The party lost both its newspaper and radio outlets after the junta suspended the parties that had opposed Allende and dissolved those that had backed him.

Frei, who has remained in Chile, is described as increasingly restive under what he feels is an enforced silence. The party's president, Patricio Aylwin, issued strong denunciations of junta moves against the party-owned radio only to be rebuked by the rulers.

With all means of mass expression choked off, Frei and Aylwin were banking on Kissinger to force a letup by the junta.

The junta is treated as a pariah by most governments because of documented accounts of torture and arbitrary detention of thousands of leftists.

The U.S. government, which is the main exception, has granted $237 million in aid and has offered international support while hinting that it has quietly worked for respect of human rights in Chile.

Kissinger said two months ago that he "was not uninvolved" in the release of the former ambassador to the United States, Orlando Letelier, after a year in prison.

A canvass of sources in the State Department produced no evidence of Kissinger initiatives, however. Instead there was wide agreement that efforts by Latin American governments and private U.S. interests influenced the junta's decision to release Letelier.

Nevertheless, State Department officials indicate continuing efforts on human rights in Chile. "We're keeping our oar in," a policy planner said, pointing to the postponed Kissinger visit.

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. McGEE. Mr. President, during the past 3 weeks, we have heard considerable criticism within the Congress of the executive branch's response to the situation in Indochina, particularly as it relates to the enormous refugee problem.

Therefore, I think it is appropriate at this time to place the situation in its proper perspecive. For my part, I want to take the opportunity to express my appreciation to the many employees of the Agency for International Development who have devoted tremendous time and energy in coping with the tragic refugee situation in South Vietnam under most difficult and oftentimes nearly impossible circumstances.

In particular, I want to pay tribute to Mr. Daniel Parker, Director of AID and the President's Special Coordinator for International Disaster Relief. Faced with numerous requests to testify before the Congress on the situation in Indochina, Dan Parker has nevertheless spent 18 hours a day, for nearly 3 weeks, in directing the Agency's effort. It would be difficult for me or my colleagues to find one in our midst willing to keep this grueling pace for such an extended period of time.

It is easy to criticize another's operations, particularly when we are not on the so-called hot seat. Lesser men would most probably have given up in the face of a nearly hopeless situation.

After the North Vietnamese offensive was launched, Dan Parker established within AID the Indochina Humanitarian Relief Center which continues to operate as the central data collection point where critical information is disseminated to other elements of the executive branch and to the public at large. Operating around the clock, these AID employees have been faced with the monumental task of determining how best private and public resources may be put to use to meet a variety of pressing humanitarian needs in South Vietnam. Supplementing this operation has been a team of AID employees who have manned another communications center specifically established to answer and respond to thousands of public inquiries which have poured into the Agency. I know the American public response has been enormous; and 2 weeks ago, I requested information on these operations—information which I received from the Agency on April 11. It might interest my colleagues to know, for example, that over one 5-day period, 32,000 phones calls from concerned Americans were received by AID's especially established telephone center—American citizens, which I might add, represent our constituency. At this point in my remarks, I ask unanimous consent to be printed in the RECORD a profile of these calls which might be useful to those of us in the Senate in gaining a greater insight into the concerns of our constituents.

There being no objection, the profile of calls was ordered to be printed in the RECORD, as follows:

PUBLIC INQUIRE TELEPHONE CENTER—INDOCHINA RELIEF

[In percent]

Subject of inquiry	April 3 Thursday	April 4 Friday	April 5 Saturday	April 6 Sunday	April 7 Monday
1. Adoption percent of total	99	99	99	95	90
Responding to need	50	45	40	20	1
Want a child	50	55	60	80	99
2. Other calls percent of total	1	1	1	5	10
U.S. citizen with Vietnamese	45	45	45	50	50
Wife wants to get her—					
Children to United States	50	50	50	50	50
Parents to United States	25	25	25	25	25
Sisters, brothers to United States	25	25	25	25	25
How can I help?	20	20	5	5	5
Where can I send money?	10	10	10	20	40
Volunteering services	25	25	40	25	5
Relatives of AID State employees—whereabouts	.01	.01	.01	.01	.01
C5A crash	0	.01	.01	.01	.01
Total	100	100	100	110	100

	A.M.	P.M.	Total calls serviced
Thursday	10:00	7	2,700
Friday	8:30	7	4,950
Saturday	8:30	7	7,178
Sunday	8:30	7	7,975
Monday	8:30	7	9,240
			32,043

First time there was no backlog was 4:00 P.M. Sunday. From time to time during Monday we were caught up, although at other times (the telephone company reports) 3,000 calls an hour were being "blocked". The pattern seems to follow time zone changes.

Telephone company reports that last Friday 1,800,000 long distance calls were received in the D.C. area instead of the usual 700,000.

Mr. McGEE. AID's humanitarian relief center is closely interlinked with AID's Vietnam mission. Thus, I would like to turn to the other arm of the Agency's operational response to the plight of the Vietnamese. The resources which have been mobilized since the beginning of the North Vietnamese offensive to meet the needs of refugees has indeed been impressive. It is almost staggering to consider how much work, coordination, and dedication by AID employees and the private voluntary organizations in Vietnam has gone into the movement of huge quantities of emergency supplies mobilized for Vietnam's refugee support. I am sure my colleagues have received substantial quantities of mail, as I have, asking what our Government has done to help the refugees.

Therefore, I ask unanimous consent that a sample of the supplies which have been mobilized for this effort as of April 9 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Emergency Indochina Humanitarian Relief Committee: Situation Report No. 7

ORPHANS

Operation Babylift

Orphans Departed: Saigon, 1,348; Phnom Penh, 68; Clark, 480.

Orphans Arrived: Clark, 517; 1311.

(See Annex A for flight details.)

At Presidio: 492.

Vietnam

Six (6) orphans departed Clark AFB on Medivac Flight No. 552 today. Three (3) orphans will join the flight at Hickham AFB for a total of nine (9) orphans arriving at Travis AFB at 0800 hours this morning.

Cambodia

The airlift of Cambodian orphans remains fluid and confused. The current situation is as follows:

Sixty (60) orphans along with thirteen (13) escorts were scheduled to be airlifted from Phnom Penh at 1500 hours. (Late report at 0600 hours indicates plane is holding at Phnom Penh because of weather.)

We understand that two C-141's are available at Utapao to transport Cambodian orphans from Utapao to Clark AFB with a scheduled departure of 1800 hours local time April 9.

Through a series of telephone calls throughout the evening from Don Sohlin to Askin the situation and number of orphans kept changing. Early reports stated that Phnom Penh was planning to load 130 Cambodian orphans on April 9 with 90 additional orphans to follow on April 10, all of whom would be sent to Utapao for C-141 connections to Clark AFB. Additionally, it was planned to transport the 22 WVRO sponsored Cambodian orphans now in Bangkok to Utapao for inclusion in the Utapao/Clark flights. According to Sohlin, there were last minute changes and problems with the Cambodian release of the 130 with the result that the GKR failed to grant release for 70 orphans who presumably were ready to depart on April 9. Askin has requested the Khmer Support Office in Bangkok or Phnom Penh to cable as soon as firm figures are available and to include information on health status and ages of orphans if and when available.

The Cambodian Children's Relief Organization (J. Hutchinson and M. McKenzie) needs to be notified soon with respect to numbers and U.S. entry point. Apparently facilities at Long Beach, California are being prepared to receive the Cambodian orphans. Hutchinson is under the impression that facilities at Andrews AFB are also being readied for receiving the Cambodian orphans. This needs to be checked out carefully in terms of establishing a precedent.

GVN orphan policy (Saigon 4525 and 4560 (Lou))

The Mission says the GVN would find itself unable to give a blanket authorization for a large number of additional orphans since the backlog of children in the adoption process has been exhausted. Informally, the Minister of Social Welfare has indicated that he would allow the seven registered agencies to take groups of perhaps up to 50 under blanket authorizations without referring the matter to the Prime Minister and the full cabinet as in the case of the 1400 orphans already transported. The Mission feels this means the orphan airlift will continue.

Orphan Health Status

Numbers in Bay Area hospitals: 89.

Numbers in military hospitals: Clark, 22; Trippler, 15; Travis, 3.

Total, 129.

VIETNAM REFUGEES (SAIGON 4512)

Unloading at Phu Quoc Island continues to move slowly, but ships released from there are now available in sufficient number to begin moving people from other concentrations. Improved security has reportedly made movement less urgent.

Some 30,000 refugees are reported at Phan Rang but are not being moved at this time as there is no immediate necessity and as local forces are seeking to get reorganized and to separate troops from the refugees before loading them. Food will be shipped to the refugees ASAP.

Another concentration of between 100,000 and 200,000 refugees is located at Ham Tan. It is proposed to start moving 60,000 of them ASAP to Vung Tau by ship and then by road to camp sites in Phuoc Tuy, Bien Hoa, and Gia Dinh or Binh Duong. A number of details remain to be worked out but movement commencing April 9.

Slowness in unloading ships at Phu Quoc is expected to improve today with the arrival of more security personnel on the island.

Medical problems that were developing among the landed refugees are being met by the dispatch of both foreign and Vietnamese medical teams. Two malaria spray teams are scheduled to go tomorrow. A dispensary is available to care for the acutely ill, but early reports suggest that skin infections, conjunctivitis, diarrhea and dehydration are the principal problems. An inoculation program against measles, typhoid, and cholera will also be started. Other events of the day introduced some delays in supply movement.

CAMBODIA RICE AIRLIFT

The DC-8 rice lift into Pochentong resumed on the morning of April 9. Adverse weather at Pochentong caused some delays in aircraft flow. It is estimated 16 to 20 loads of rice will be delivered April 9.

EMERGENCY RELIEF SUPPLY SUMMARY

(Summary of Attachment C.)

Aid/W procurements

Commodity and volume:

Title II Rice, 100,000 Tons.

Title II Blended Rice, 13,500 Tons.

Shelter material, 4,000 Rolls.

Medical supplies, 670,000 Doses vaccines, quantities of medicine, needles.

Initial mobilization in Saigon

Commodity and Volume:

Canned fish/meat, 160 tons.

Rice, 119 tons.

Blended foods, 223,000 bags.

General supplies, detail attached.

Placed at refugee camps

Food, water, general relief supplies, over 1,700,000 lbs.

ATTACHMENTS

A. Operation Babylift.

B. Refugee Situation.

C. Refugee Supplies.

D. Chronology of Sea Movements.

E. Phu Quoc Island Situation.

F. International and Third Country Humanitarian Relief Assistance.

Mr. McGEE. Mr. President, I would hope we might view the Agency's efforts in their proper perspective. As we conduct our hearings and hold our sessions with senior members of the executive branch who are involved in dealing with the refugee effort, it might behoove us to look at these people and pause for reflection. These individuals are really many individuals; the person who mans the telephone bank at AID listening to the concerned voices of our constituents wondering what they can do to help; the person who has worked day after day, 18 hours a day, requesting, supplying the necessary information to Government agencies, the Congress, and to U.S. citizens in the field who are working to meet the refugee needs; the person in the field, whether an AID employee or the member of a private voluntary organization, who have to make that critical determination of what and how much is needed for an ever increasing number of refugees.

It is easy to criticize when one does not have to shoulder these responsibilities. I for one believe AID deserves our appreciation for a job which is being done very well under very difficult and trying circumstances. Once again, I want to pay tribute to Dan Parker who has tirelessly and concientiously carried out his responsibilities, well beyond the requirements of his position. For this, my respect for him and the Agency which he directs has been further enhanced.

NEED FOR A CONSUMER AGENCY

Mr. RIBICOFF. Mr. President, because this body will soon consider legislation creating a new Agency for Consumer Advocacy—ACA—I would like to pass along the thoughts of the Hartford Courant on the matter. I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record as follows:

Ribicoff Consumer Bill—Again

Senator Ribicoff's bill to establish an independent non-regulatory Agency for Consumer Advocacy (ACA) was recently reported to the Senate floor. It is certain to receive strong opposition, but it appears now that the proponents will have the 60 votes needed to gag the sort of fillibuster that killed it last year.

Last Fall, the vote was close—only two votes short of the required two thirds necessary to end the debate and bring the measure to a final vote. The bill would most certainly have passed the Senate if that body were to vote on the contents of the bill itself: the House had already passed a similar consumer-agency bill by a wide margin a year ago.

The upcoming action in the Senate will be the fifth attempt in a year to rescue the legislation from fillibusters. The persistence of Senator Ribicoff in fighting for the agency has so far been topped by the persistence of the opposition, but why the opponents have become so determined is difficult to understand upon reading the bill.

The agency would be a voice for the consumer and although it would have little legal leverage it would in effect help to offset the influence of the highly-paid lobbyists and lawyers representing American industry and commerce.

The agency would be authorized to advocate the interests of consumers before federal agencies and the courts, and would provide information about consumer matters. But the ACA would have no authority to issue standards or other regulations; it could not impose fines or penalties; or force any businesses to change their practices. In its appearances before regulatory agencies or the courts, the ACA would be subject to the same rights and restrictions as any other parties to the proceedings.

The ACA would also act as a complaint clearinghouse, according to the Ribicoff bill, and would be required to notify businesses of all complaints against them, and then to transmit the complaints to the appropriate federal or state agencies if action is warranted; it would also maintain an up-to-date file for public inspection of all complaints, along with responses filed by any companies in answer to the complaints.

ACA could obtain information from other agencies concerning corporate consumer problems, but is prohibited from access to certain information including tax records, trade secrets and internal policy recommendations.

While some corporations have come out in opposition to the Ribicoff bill, others have endorsed it, as we have when the bill has come before the Senate in the past. The free enterprise system has been under attack for years, often by those who feel they have no influence over its products and its policies. Given an agency to speak for the consumers, an agency that should increase communications and understanding between the buyers and the sellers in the marketplace, American corporations are certain to gain the kind of public confidence they need if the economy is to be improved.

DISCLOSURE OF THE STOCK HOLDINGS OF LARGE INSTITUTIONAL INVESTORS

Mr. BENTSEN. Mr. President, I supported S. 249, the Securities Acts Amendments of 1975, which passed the Senate last Thursday, and I would like to specifically commend Senator Williams, the distinguished chairman of the Securities Subcommittee, for including in this bill provisions requiring greater public disclosure of the holdings and stock transactions of large institutional investors such as large bank trust departments, insurance companies, and pension funds.

In 1973, I first called for legislation to require greater institutional disclosure. Indeed, regular and comprehensive institutional reporting was one of the major legislative recommendations of the SEC's Institutional Investor Study undertaken pursuant to a joint resolution of the 90th Congress.

That study concluded that—

> Gaps in information about the purchase, sale and holdings of securities by major classes of institutional investors should be eliminated and recommends that the Securities Exchange Act of 1934 be amended to provide the Commission with general authority to require reports and disclosures of such holdings and transactions from all types of institutional investors.

Furthermore, the securities industry study of the Senate Subcommittee on Securities concluded:

> That the SEC should obtain regular and comprehensive information regarding institutional transactions which contribute to unusual price movements, so that it will be continuously in a position to impose or recommend appropriate restrictions if they are required.

There is a clear need for increased disclosure of the activities of bank trust departments and other institutional investors.

Since 1940, mutual funds have been required to disclose on a quarterly basis their substantial holdings and transactions. Under State statutes, insurance companies face similar requirements. However, the biggest institutional investors of them all—the bank trust departments with investments in tens of billions of dollars—are free from such public scrutiny.

Greater public disclosure of institutional investments would serve several important functions.

First, institutional disclosure would promote a greater degree of confidence among individual investors in the integrity of our stock markets. Many individual investors believe that it is not possible to make informed investment decisions on a security without information related to the likely market activity and the degree of institutional concentration in the security.

Second, it would provide greater information as to the extent to which a few large institutions concentrate their investments in the shares of a few select stocks. The extent to which institutions concentrate their pension investments in a few select stocks raises disturbing questions about the extent to which institutions can exercise control over the economy.

Third, disclosure would provide meaningful information necessary for the formulation of sound public policy so that Congress and Federal regulatory bodies can more effectively safeguard the public interest.

HUMAN RIGHTS IN THE PHILIPPINES

Mr. ABOUREZK. Mr. President, I have become increasingly concerned about the reports of repression of human and civil rights in the Philippines, particularly as symbolized by the continued imprisonment of Eugenio Lopez, Jr., Sergio Osmena III, Senator Benigno Aquino, and several thousand others. Prior to martial law Lopez was the publisher of the Manila Chronicle, president of the largest radio-television network, and nephew of Philippine Vice President Fernando Lopez, whose position has since been abolished. Young Osmena is the son of Sergio Osmena, Jr., opposition presidential candidate in 1969, and grandson of the first postwar President, who accompanied General MacArthur in the landing at Leyte in 1944.

My concern led me to write to Philippine Ambassador Romualdez on January 6. I soon received a response dated January 8 from the Philippine Chargé d'Affaires enclosing a speech by Philippine President Ferdinand Marcos delivered December 11, 1974, to the Philippine people. I regret to inform the Senate that in both the letter and the speech the Philippine Government was less than candid. Some of Marcos' claims and the true facts are illustrative.

The Chargé d'Affaires and President Marcos both stated that the President ordered that Mr. Lopez have "the privilege to visit his home."

The fact is, however, that neither Mr. Lopez nor Mr. Osmena have been allowed to visit their homes, but both remain under guard at the military hospital which is their prison.

The Chargé d'Affaires and President Marcos both state Lopez—as well as Osmena—were charged August 19, 1973, with involvement in eight attempts on the life of President Marcos, that the government has confessions of the "co-accused"—including Osmena—and that the President has ordered Lopez and Osmena tried before a civilian court as common criminals.

According to reports outside the Marcos government, however, Lopez and Osmena were arrested separately in November 1972, shortly after martial law was declared. More than 5,000 Filipinos have been arrested and detained in this fashion. Lopez and Osmena remained in prison without charges being presented against them until they began a "hunger strike" on November 18, 1974. They smuggled out statements protesting the continued detention of "political prisoners," including themselves, and other alleged abuses under martial law such as the absence of a free press and an independent judiciary. On the 10th day of the hunger strike they were informed that they had been charged with involvement in a conspiracy to assassinate the President, and that the charges had been filed in August 1973.

On the 11th day of the hunger strike the two men ended their fast upon an understanding that many of the "political prisoners" would be released, that they would be released shortly and that the charges against them would be dismissed.

On December 1, 1974, the Philippine press published the alleged "confession" of Osmena. Osmena claims it is a fraud, but in any event it contains no confession of any involvement in any assassination plot and does not mention Lopez at all.

The same day the Philippine press also published a statement of an unidentified "suspected participant" that contends that young Osmena, his father, and young Lopez were involved. It is a rambling, disconnected tale which strains one's credulity.

But even were these charges believable, despite the President's claim that he had ordered a trial of the two men, no steps have been taken toward bringing them to trial despite their repeated demands for a public, impartial trial on the merits.

According to President Marcos' speech, Lopez and Osmena "broke their fast upon being confronted with the evidence against them."

To this day the two men have not been presented with any evidence against them. They ended their hunger strike based upon the promises of the Philippine Secretary of National Defense that they and other political prisoners would be released. The Secretary has since denied making these promises, but I have a copy of a letter he wrote to Lopez on the last day of the hunger strike agreeing to let Lopez be free on "pass every now and then" and agreeing to work toward house arrest by Christmas "and in due time, hopefully, your temporary release from detention." Lopez' attorneys, who met with the Secretary at the time, claim there was a further promise of full release by February.

Since this case has attracted the attention of many of my colleagues, numerous inquiries by Members of Congress and by the State Department have been made to the Philippine Government through the Philippine Embassy. The Philippine Secretary of Public Information and other officials regularly replied that the two men had been given rights to visit their homes while preparing "their defense." I regret to say that this, too, was not true. Neither man has been allowed home visits and as to preparing their defense neither has been permitted to see his counsel even in prison. This, too, has been verified by the State Department.

These are not the first examples of misinformation promulgated by the Philippine Government in the case of the Lopez family. In December 1972, the Washington Star-News reported that "Sources close to Marcos" had implicated the elderly father of the imprisoned Lopez, Eugenio Lopez, Sr.—who now lives in the United States—as a member of a "rightist plot" against the President. This information was reportedly the result of investigations by the Philippine Government and the Federal Bureau of Investigation. In response to a query by a Lopez attorney, acting FBI Director L. Patrick Gray replied in writing that "the FBI conducted no investigation" concerning Eugenio Lopez, Sr.

In the speech of December 11, President Marcos responded to continued claims by Philippine religious groups, Amnesty International, the foreign press, and others that many of the political prisoners had been tortured and even murdered. Marcos stated that—

> No one, but no one, has been tortured.

Nevertheless, pressure mounted for an investigation. On December 28, Manila Archbishop Jaime Sin demanded an impartial investigation of the torture claims. On January 2, 1975, President Marcos ordered the military to investigate and 2 weeks later they admitted that there had been incidents of torture and recommended stern measures to correct the situation. No corrective measures have been reported but the admission is at least some progress. President Marcos has misinformed the American people as to the true state of affairs in the Philippines in regard to other aspects of human and civil rights. In an interview by Edwin Newman on the NBC "Today" show, September 20, 1974, he was asked:

> Is it correct that there is still about 5,000 of your political opponents in prison?

Marcos replied:

> Of course, not. We have just released the last of the detention prisoners who are not facing criminal charges.

Nevertheless, in his December 11 speech President Marcos stated —

> In our jails today, there are 5,234 people under detention in direct consequence of the martial law proclamation. Four thousand sixty-nine of these are ordinary criminal offenders. One thousand one hundred sixty-five are political detainees.

This less than 2 months after he had said there were none. Fortunately, Marcos has ordered the release of a total of more than 1,500 of these prisoners which is more than the 1,165 political detainees he admitted to in December. This progress seems to be the one achievement of the publicity caused by the Lopez-Osmena hunger strike.

On the same "Today" show interview President Marcos stated that "There is no censorship" of the media, and explained that the media was controlled by a committee of "publishers" and "the owners of radio and TV stations."

What he did not tell the American people was that all newspaper, as well as radio and television facilities, except a handful owned by Marcos relatives and friends, had been seized by the Government in September 1972. Moreover, these facilities had then been turned over—sometimes with partial payment and often with none—to newspapers and broadcasters who were friends, relatives, and business associates of President Marcos and his wife. No publication, broadcast or distribution of printed material is permitted which reflects adversely on the President and his policies. The present captive nature of the media has been verified by an independent study by Dr. John L. Lent, associate professor of communications of Temple University. The prestigious industry magazine, Editor and Publisher on January 25, 1975, reported that "Freedom of the press has disappeared" in the Philippines.

While I am concerned with the continued imprisonment of Lopez and Osmena without due regard for their legal rights, they are but symptoms of broader and deeper questions in regard to Philippine-American relations.

The Philippines is now well into its third year of martial law and more than a year beyond the end of the normal elected term of President Marcos. By his own count some 3,500 persons remain in prison without bail, without trial, and without due process. The writ of habeas corpus is still suspended. The right to visit with legal counsel, at least in some cases, is not permitted. Judicial process apparently is not free and independent since military cases are reviewable by the President, and civil judges now serve at the pleasure of the President.

The Philippine press and media are completely controlled by relatives and allies of Marcos. An extensive Government press information office feeds them the news.

Philippine elections are not to be conducted in the foreseeable future. Marcos claims he rules on the basis of referendums in which the people vote in public on whether he should continue. The referendum of February 27 empowered the President to appoint the nation's mayors.

To me this almost complete denial of human and civil rights by America's old friend, the Philippines, is a deplorable state of affairs. Equally bothersome to me is the fact that President Marcos and his subordinates have not squared with the world press, the State Department, or the U.S. Congress, in regard to both specific questions and the overall state of human and civil rights in that country.

Yet despite its abrogation of basic rights and its lack of candor to this body, the present administration in the Philippines expects to continue to receive military and other forms of assistance from the United States. The Philippine Government is presently scheduled to receive in fiscal year 1975, $17,900,000 in grant military assistance, $5,000,000 in military credit sales and $2,500,000 in excess defense articles.

It appears to me that the evidence is overwhelming that the Philippine Government is committing gross violations of human rights defined in section 502B (a) of the Foreign Assistance Act of 1974.

I, for one, believe that until such time as the Philippine Government demonstrates that basic human and civil rights are being restored to its people, such military aid should be terminated pursuant to the terms of section 502B. I hope that my many colleagues who have expressed their concern not only for the rights of prisoners Lopez and Osmena, but for the rights of all Filipinos which those men symbolize, will join me in that request.

COMMEMORATIVE POSTAGE STAMP HONORING AMERICAN COLLECTIVE BARGAINING

Mr. McGEE. Mr. President, on March 13, 1975, I was privileged to dine with 200 distinguished leaders of trade unions, business, and government. The unique occasion was the issuance of a commemorative postage stamp in honor of the American system of collective bargaining. It was a first for collective bargaining. Our host that evening was the Institute of Collective Bargaining and its director, Theodore W. Kheel of New York City.

The President of the United States honored us with a brief but important address as did distinguished leaders of industry, labor, and the Postmaster General of the United States. Because the occasion was unique in American history bringing together adversaries at the bargaining table but also many of the Nation's most skilled mediators and arbitrators as well as Secretaries of Labor Peter Brennan and John Dunlop, I ask unanimous consent that the transcript of the four addresses of the evening be printed in the Record.

There being no objection, the addresses were ordered to be printed in the Record, as follows:

Remarks

(The remarks of the President of the United States at the issuance of a commemorative stamp honoring collective bargaining.)

It really is a great privilege and pleasure to have the opportunity of stopping by, and I wish that I had an opportunity to spend more time and meet each and every one of you individually.

I happen to think that what you represent is a most important ingredient in our society here today. I think all of you know, even better than I, that our American system of collective bargaining is very uniquely deserving of this special honor it is receiving through the issuance of this stamp.

It has been my observation, as I visited and traveled throughout the world—and I have read history, as all of you and many others have—history has shown that only where there is free collective bargaining is there a free society.

The stamp's theme, "Out of Conflict Accord," is one to which every citizen can subscribe. The fact that we have developed a strong, flexible collective bargaining system stands as a tribute to the millions of men and women of both labor and management who have devoted themselves to building a better and better America.

I think it is quite obvious that we need to build a better America today. We need courage, we need patience—courage to face the vital issues before us, and patience to work out just solutions.

Our people cannot live on islands of self-interest. We must build bridges and communicate our agreements as well as our disagreements. Only then can we honestly solve the Nation's problems and those problems are tremendous. Those problems need our total dedication as we move ahead.

One of the longest and sturdiest bridges in this land is collective bargaining. Today, more than ever in the past three decades, there are really three parties at each bargaining table—management on the one hand; labor on the other; and the third, our national welfare.

There is an ever-growing responsibility on two sides for restraint in the interest of the third party—national interest. I most sincerely ask all of you here this evening, and all members of labor and management teams around the country, to remember that there is a silent partner sitting down with you at each bargaining session, your fellow citizens everywhere.

Let's try to remember as we can, bearing each individual's respective responsibility, America's interests and the search for social as well as economic progress. Our objectives, your as well as mine, are as old as human nature. Each man and each woman are the roots of his or her own survival. So, it is so true in democracy.

Democracy has within it the roots, as well as the strengths, to save itself and that strength is national unity and a strong, strong national purpose.

Many Americans see precious little advantage in the Nation in the debate and the delay that has characterized Washington in the past several months. Rather, they are convinced that action, concerted action, is now precious to our country and may, in the long, long run, prove priceless.

It is said that an atmosphere of compromise now pervades Washington. I believe that is correct, that is good, and I would like to see that mood develop into a movement, into agreement as well as action for America.

It seems to me, as I travel around the country, as I read the mail and as I talk to people here in Washington, Americans see delay, Americans see division, lack of concerted action, and they don't like it. They want to see some collective bargaining between the Executive and the Legislative Branches of their Federal Government.

I have said, for example, that I am willing to compromise on a tax cut, and I repeat here this evening that I am willing and anxious to achieve some compromise in this area. It is also my observation that the American people will not stand still for a government that is standing still.

The American people, for example, want a tax cut now. I think more of us ought to start listening to America instead of listening to ourselves here in Washington.

It is my further observation that I hear America calling for action, reasonable action, in a reasonable amount of time. I suggest in the tax cut area action by the end of March of this year.

It is my strong belief and deep conviction that we ought to get to work. Let us give recession and unemployment a new "one-two," the President and the Congress hitting both of them simultaneously.

It is my belief that if we do so, we will put all our workers back to work so free collective bargaining can flourish in the future.

Thank you very much.

Response

(Presentation to the President of folio by Postmaster General Bailar.)

The President. Thank you, Ben.

Let me make an observation. I was looking in the office—I have a little private office over the Oval Office—at a stamp collection that was started in our family a good many years ago.

As a matter of fact, I have a stamp collection book that was given to me by an uncle and aunt, given to me in 1922, which they had started in Argentina when they were stationed there with an American company in 1912.

I don't know what it is worth—I am not that knowledgeable—but a collection of stamps I think is a great, great hobby. I have been collecting things in this area, and at some time in the future I am going to sit down and enjoy them and really get the benefit from the great causes and things that they represent.

I thank you very much, Ben, for your thoughtfulness and your expression on this occasion. This will be one thing that I will remember for a long time, and very deeply.

Thank you.

Remarks

(The remarks of Robert S. Hatfield, chairman and chief executive officer, Continental Can Co., Inc., at the issuance of a commemorative stamp honoring collective bargaining.)

I was very happy to be asked to speak on this occasion, because it permits me to do something I have wanted to do for a long time—to pay my respects to the great labor unions represented here, which have become a major factor in American society.

My basic introduction to American unionism took place at law school in the 1940's, when I studied corporate and labor law. There, I learned of the long and sometimes violent process by which unions, courts and legislatures effectively removed the imbalance between the power of corporations and their employees, and made it possible for labor unions to become the force they are today.

But my feelings about unions were stirred earlier by a more personal experience. When I first started working in a factory in 1936, I saw long lines of forlorn men and women waiting before factory gates. Many had to walk miles every day to learn whether they would be able to work that day, and earn enough to feed their families. I often suspected that those who did get hired had to humble themselves in some way.

And once they got in, it was no great bed of roses either. The whim of the boss could make the difference, and sometimes that meant swallowing a lot of abuse, with no way to fight back. Sometimes someone was fired, when the reason for being let go was not all that clear.

It came home to me then, as never before, that human dignity is very precious. I concluded that no man should have the right to take away another man's dignity. I don't have to tell you folks that, at that time, here in America, thousands upon thousands of men and women had no power to compel respect for themselves as human beings, while they protected their own, and their family's security.

Now when I think of the humanity and dignity that underpins the relationships today of all working men and women, whether management or labor, then I know that our unions have a lot to be proud of, because it was the union movement that spearheaded the effort and made it happen.

I also believe that this human relationship between our country's working people, brings to the United States of America, as a world power, a very fundamental strength and important advantage.

Today, we have unemployment on the largest scale since the great depression. If it continues to the point of exhausting unemployment compensation reserves, then income maintenance will surely become the number one domestic concern of this country. The time has long since passed when those who are disadvantaged are left to fend for themselves. For the present, the majority of unemployed people are in far better circumstances than those of the 1930's, as a result, in large part, of the efforts of organized labor.

And I hardly need point out, that it is not just the workers and their families who have benefited from the present income support structure, but also business, agriculture and the country as a whole. Thus, supported with this purchasing power, a deep depression has been avoided.

And you've got to credit the labor union movement with the greater part of this progress. The whole social support structure has been created largely through effective political action and collective bargaining by labor unions.

Now, I must say that it is the genius of the American private enterprise system, that has created the wherewithal, to pay for these social and human gains that labor has secured. Under the pressures of increasing social responsibility, important and imaginative contributions have been made by business.

By definition, in our society, the purpose and function of a business enterprise is economic more than social. Its mission is to produce for, and serve society at minimum cost. Since most social gain implemented by a corporation adds to cost, the genius has been to pay for the social improvements while keeping the business prosperous.

Of course, human beings are fallible. In my 38 years in business, I have seen irresponsible acts by management, and irresponsible acts by unions. I have seen unions, after years of struggle, accumulate a lot of power—by now I think, a clear preponderance of power in America. I have seen companies brought to their knees, skilled trades escalated out of business, and whole industries weakened by over-zealous and powerful unions. I've watched union leaders put short-run union politics, ahead of the long-run job. But in my exposure to labor-management relations in a number of different industries, I am glad to say that the great industrial unions have steadily grown in responsibility and maturity, and are now providing important leadership in the councils of our nation.

In this difficult year, we have heard unprecedented things. In the sorely troubled auto industry, we have heard union leaders speak out in support of the companies, help them in their legislative struggles, even, on occasion, assert their need to maintain profit margins. I have always admired the clout these same labor leaders bring with them to the negotiating table, and to the political scene. How sweet it is, once in a while, to work shoulder to shoulder in a common cause with this staunch strength!

There is today a broad recognition, I believe, that business and labor have genuinely common and compatible aspirations and goals. We all want economic security for all our people; we want continued growth in living standard; we all want expanding opportunities for individual fulfillment. Most of all, we want to achieve these goals in the context of an open society, with the fundamental freedoms for the individual preserved.

Sure, the collective bargaining system is an adversary system. But as in the courts, where good adveraries are united in their commitment to justice and the rule of law, business and labor are united in their desire to negotiate through free, and fair, bargaining—without interference from third parties, however well-intentioned—in the belief that free and fair bargaining is an important underpinning of a free society.

I happen to believe that the private-enterprise, free-market system we have in this country today is just as essential to the continuing development of the union movement as a constructive force in American society, as it is to management. If I'm right in this belief, then I think we share some real trouble.

The clamor is coming from all sides for expanding the role of Government in managing our economy.

There is a new call for Government wage and price controls, when history has made it clear since Emperor Diocletian of Rome tried them in 300 A.D., right through to our own recent sorry experience, that such controls simply won't work.

There is a call for control, under a Consumer Protection Agency, of all of the country's goods because we, the consumers, are not capable of deciding for ourselves what's good and what's not so good.

During the period of shortages, and even now, voices are asking for Government regulation and takeover of our basic industries—oil, steel, coal, petrochemicals, transportation, aluminum and the utilities, as well as others.

In short, if these voices are heard, our private-enterprise, free-market system may be headed toward a centrally-planned economy, as in the Communist world, where the central controllers tell the people where they can work, where they can live, how they should dress and what they should eat.

And yet, with all their control and regulation, the standard of living of the Russian people in particular, continues at a level that would cause rioting in the streets of cities all across this country.

How can it possibly be conceived, that a publicly-managed company, which most often is a monopoly, can escape political manipulation and politically expedient decision-making? The coal, steel and shipbuilding industries in the United Kingdom are examples of public management of industry. The facilities of these industries are outmoded, and their costs, despite devaluation of the pound, won't let them compete profitably for world markets. The annual deficit of nationalized companies in the United Kingdom is over 1% of their GNP. In the U.S.—1% of the GNP is over 10 billion dollars. Typically, despite these failures, the government managers in Britain are asking for broader centralization of industry.

Over the years, the managers of business in this country have made their full share of mistakes, both of commission and omission. Some of these shortcomings have, at times, caused real hardships for the American people.

Despite these mistakes, the American people enjoy the highest standard of living of any peoples of the world. When our country's security has been threatened, the private-enterprise, free-market system has produced for our Armed Forces and our Allies, overwhelming quantities of superior equipment which made the difference and ended the threats. This economic system of ours, with its imperfections, has proven to be the most effective of any, anywhere, at any time.

Through it all, the American people have maintained their freedom to choose. This is as fundamental as freedom of speech.

So let's ask searchingly, what is it that these people who would change our fundamental economic system would lead us to? Where are the examples that show that the new system will work better than our present system?

I believe that it is a vital interest, shared by both organized labor and management, to safeguard our private-enterprise, free-market system. To let it erode away by default, or to be a party to expedient measures which will increase the role of government in business management, would be a betrayal of trust to the American people.

Let us then—labor, industry and government—build upon the great strengths inherent in America's economic system. Through collective bargaining and free market disciplines, and with the support of an enlightened Government, we can continue to make the necessary improvements where the present system falls short.

If we are successful in this undertaking, the competitive edge of industrial America in international trade will be safeguarded. Our Country's position in the balance of power in the world will be retained. Just as important, the freedom of the individual American to choose will be preserved.

These are mighty important goals. For those of us in the labor movement and in management, attainment of these goals is much more than an opportunity to be of service to the people of our Country. Rather, the special positions we both occupy in American society place the undertaking of this assignment and the accomplishment of the goals as a clear responsibility to the American people that we share together.

The remarks of William W. Winpisinger, President, Institute of Collective Bargaining; Vice President International Association of Machinists and Aerospace Workers, AFL–CIO, at the issuance of a commemorative stamp honoring collective bargaining.

Considering how slowly the mills of bureaucracy grind we should rejoice that it only took 40 years from the time the Wagner Act was passed until the Federal Government gave collective bargaining a stamp of approval.

Despite recurring cycles of boom and bust, including the present depressed state of the economy, the working people of America have made more progress since the Wagner Act codified the workers' right to bargain collectively than at any equivalent period in the almost 200 year history of the Republic.

When I look around this hall I realize how far we've come from Homestead and Pullman, from Marion and Gastonia, from Bayonne and Ludlow and all the other places across the land where workers bought the right to bargain with their blood.

Yes, we've come a long way since a typical 19th Century autocrat named Jay Gould boasted that the best way to keep labor in its place was to "hire one half of the working class to kill the other half".

Human dignity has made great strides since a spokesman of the nation's coal operator disdainfully dismissed a Presidential offering of mediation in a coal mine strike by stating that "The rights and interests of the laboring man will be protected and cared for, not by labor agitators, but by the Christian gentlemen to whom God in his infinite wisdom has given control of the property interests of this country."

We've seen a lot of changes since the Constitution of the Industrial Workers of the World proclaimed with uncompromising bluntness that "The working class and the employing class have nothing in common . . . It is the historic mission of the working class to do away with capitalism."

The art of employee relations has improved considerably since Tom Girdler of Republic Steel set out to nullify the bargaining rights of his workers with a force of 370 thugs armed with 552 pistols, 245 shot guns, 64 rifles, 143 gas guns, 2,707 gas grenades, 178 billies and 232 night sticks.

Yes, we've advanced a long way from the rhetoric of the class struggle and the wretchedness of the open shop.

However, lest we become too smug and self-congratulatory, let us note that in 19 states, right-to-work-for-less laws continue to keep unions weak and collective bargaining off balance.

Let us remember that in no other sector of federal law enforcement is justice more likely to be delayed than in the administration of the National Labor Relations Act. Let us recognize that time after time the union's thrust toward collective bargaining is thwarted by willful violations that net anti-union employers no more than a slap on the wrist. Let us not forget that even today the collective bargaining rights of 345,000 workers in the air transport industry are systematically being subverted by an employer scheme, known as the Mutual Aid Pact, that makes it more profitable to lock out employees than to bargain with them. Let us not forget that since this Pact came into being the average duration of airline strikes has gone from 15 to 102 days.

Let us remember that despite the success of collective bargaining in private industry the Federal Government has not been willing to give its own employees more than token rights to bargain.

Yes, we've come a long way and the men and women of the labor movement appreciate and applaud the issuance of a stamp acknowledging the role of collective bargaining in the progress we've made. But when Congress really becomes serious about collective bargaining it will do more than issue a stamp. It will repeal Section 14b of the Taft-Hartley Act. It will prohibit the airlines Mutual Aid Pact. It will speed and strengthen the administration of the National Labor Relations Act. It will replace ineffective executive orders with a bona fide Federal Employees Labor Relations Act.

When collective bargaining is finally strengthened in the 19 states where it's now the weakest, when it's restored to the air transportation industry, when the National Labor Relations Act asserts real protections against unfair labor practices, and when federal employees enjoy bargaining equality with their brothers and sisters in private industry, labor and management will lay the class struggle finally to rest. And the way will indeed be cleared for less conflict and more accord in the relations between management and labor in America.

Remarks

(The remarks of Benjamin Franklin Bailar, Postmaster General of the United States at the issuance of commemorative stamp honoring collective bargaining.)

I am pleased to join with you today in this commemoration of collective bargaining, an institution that has meant so much not only to the working men and women of this country, but to American industry as well.

Through collective bargaining, we have applied reason and responsibility to a part of our national life sorely in need of stabilization.

The benefits have been abundant. Through collective bargaining, the American worker has gained his rightful share of this nation's prosperity—a prosperity to which he contributes every working day. He has won a well-deserved place of respect and importance in our society.

Industry, too, has gained through the process of negotiation. Productivity—the key to our progress—has grown through the tireless cooperation between labor and management. It has been nurtured by reasonable men and women working together to solve their differences.

The principle of a fair day's pay for a fair day's work has guided both sides in the bargaining process. We have all profited as a result.

The benefits of collective bargaining are not enjoyed in private industry alone. It has become a central element of the new Postal Service.

With a mandate from Congress and the determination to make this country's postal system the finest in the world, postal management and the postal unions have worked together over the past three and a half years to provide our employees with the benefits and opportunities required to make their jobs rewarding and fulfilling.

I think that proves an important point. When a worker knows that he will receive just compensation for his labor—that his employer cares about his growth and development—his contribution and dedication grow. His community and his country prosper as a result. Collective bargaining has made this possible.

I would like to say a few words about stamps as a communications device. Our stamps help to focus world attention on our history, achievements and cultural assets, and they are graphic reminders of the heritage of the United States. Stamps also identify and illuminate issues and concerns that are of national interest. Last year, for example, two such issues pointed up the need to Preserve our Environment and to Conserve Energy. Not too long ago, the stamp that carried the appeal "Giving Blood Saves Lives," was credited by the American Association of Blood Banks with generating such a favorable response that the Nation did not experience any significant blood shortages for a period of six months.

Following that approach, we are printing 140 million Collective Bargaining stamps, and millions of Americans will thus receive the message that Collective Bargaining has had a positive effect upon our country.

THE AGING AND THE AGED

Mr. EAGLETON. Mr. President, the National Council on Aging—a private, nonprofit organization consisting of individuals and organizations who serve the Nation's older citizens—recently commissioned the most extensive study ever conducted to determine the American people's attitudes toward aging and the aged. This study, entitled "The Myth and Reality of Aging in America," was conducted for the National Council on Aging by Louis Harris Associates. It documents some dramatic findings which have important implications for those of us who are concerned with the formulation of public policy in the field of aging.

For example, the study found that—

Ninety-seven percent of the American people believe that as the cost of living increases, social security payments to retired people should also increase;

Eighty-one percent believe that the Government should help support older people with the taxes collected from all Americans; and

Seventy-six percent believe that no matter how much a person earned during his working years, he should be able to have enough money to live comfortably when he is retired.

Mr. President, I ask unanimous consent that a summary of the study be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Highlights of the Study "The Myth and Reality of Aging in America"—Conducted by Louis Harris and Associates for the National Council on the Aging, Inc.

This study is by far the most extensive ever conducted to determine the public's attitude toward aging and their perceptions of what it's like to be old in this country—and to document older Americans' views and attitudes about themselves, and their personal experiences of old age.

The National Council on the Aging commissioned the study to provide definitive data to researchers, writers, students, legislators and the general public. For too long the people of this country have accepted without question all of the stereotypes and cliches about growing old. We hope the material that follows will separate the myth from the reality.

The study will also provide base data about the attitudes and perceptions of age for NCOA's newest project, the National Media Resource Center on the Aging; and it will be used with other data to evaluate the results of future programs.

Several points should be made about this data:

First, the findings in the area of public policy are extremely significant. An overwhelming 97 percent of the American people believe that social security payments to the elderly should automatically increase with rises in the cost of living. There is no indication that the public supports an arbitrary limitation on this increase.

The study also reveals that 81 percent of the public agree that the federal government has the responsibility to use general tax revenues to help support older people. And 86 percent of the people are opposed to mandatory retirement at a fixed age if the worker wants to continue working and is able to do a good job.

The study explored the attitudes of Americans on a wide range of issues related to aging, and compared the feelings of older people with the perceptions of those younger.

Second, the conclusion is obvious that most of the older people of this country have the desire and the potential to be productive, contributing members of our society. They do not want to be "put on the shelf" and excluded from social and economic activities.

Third, it is clear that most older people feel that their condition in life is better, economically and socially, than the general public believes it to be. But "most" can be a deceptive term; it is vitally important to remember that many millions of older people are living at, or below, the poverty line. Thus, when 15 percent of people over 65 say that "not having enough money to live on" is a personal problem for them, that percentage translates to some three million needy people. The same thing is true of many of the other categories discussed in the pages that follow.

Some of the other major findings include:

PUBLIC POLICY

A full 87 percent of those responsible for hiring and firing say "Most employers discriminate against older people and make it difficult for them to find jobs," and only 37 percent of these decision-makers feel a fixed retirement age for everyone makes sense.

Among the older public now retired, 37 percent or 4.4 million people said they did not retire out of choice and approximately the same number—31 percent—said they would like to be working now.

Not only should the government provide income for older, retired people, the public feels it should provide them with enough income to live comfortably. By 76 to 19 percent the public agreed that "No matter how much a person earned during his working years, he should be able to have enough money to live on comfortably when older and retired."

There is tremendous potential support for a movement to improve the conditions and social status of people over 65. Those under 65 (81 percent, compared to 70 percent of those 65 and over) are most conscious of this need for focus and organization.

STEREOTYPES AND PROBLEMS OF OLDER PEOPLE

It is not the young alone who have negative expectations of old age. Recognizing

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that life is not so terrible for themselves, older people have bought the stereotypes and myths of old age and consider themselves the exception to the rule. In fact, for every older person who feels that his or her own life is worse now than what he/she thought it would be, there are three who say that life is better now than they expected. As many people under 65 feel that their current lives fall short of earlier expectations as those 65 and over. "While I personally am bright and alert," most people 65 and over seem to be saying, "most of my peers simply are not."

A comparison between the problems attributed to "most people over 65" by the public at large and the problems actually experienced personally by older people indicates the extent to which the public has a distorted view of what it is like to grow old. In most cases, the discrepancy is enormous:

50 percent of the public felt that "fear of crime" was a very serious problem for the aging, versus 23 percent of older people who thought it a problem for them personally;

51 percent of the public thought "poor health" a problem for the aging, versus 21 percent of older people who thought it a personal problem;

62 percent of the public thought "not having enough money to live on" a problem for the aging, versus 15 percent of the elderly who found this a personal problem.

It is striking that in the above examples, people over 65 substantially agreed with those younger that these were problems for "most people over 65." But by the percentages indicated, individual older persons considered themselves exceptions.

Except for health and fear of crime, the "very serious" problems of those 18–64 are very comparable to those who are 65 and older, including not having enough money, job opportunities, medical care and education.

OLDER PEOPLE, THEIR LIFESTYLE AND PERCEPTIONS

It is generally recognized by the public at large that people over 65 represent a larger segment of the population today than 10 or 20 years ago. And, as a group, people over 65 are seen as healthier, better educated, and in better financial shape than in the 1950's or 60's.

But when queried as to the type of life older people lead, the perception, again, is quite different from the reality.

In the eyes of the public, people over 65 spend a great deal of their time in sedentary, private and isolated activities. Actually the older public is far more active than imagined.

Sixty-seven percent of the total public expects that most people over 65 spend a lot of time watching television. Only 36 percent of the older group report they do.

Sixty two percent of the public at large expects that older people spend a lot of time "sitting and thinking". Only 31 percent report they do.

In fact, pastime activities of both young and old are very similar. Comparable numbers of the old and young, for example, spend a lot of time sleeping, reading, sitting and thinking, participating in fraternal or community organizations or going for walks. The only areas where the two groups part are: older people spend more time watching television than the young, while the younger group spends more time in child care, at a job, or engaged in sports.

Additionally, the physical and sexual activity of the over 65 group is misperceived by the general public.

The total public expected that less than half (41 percent) of the older group was "very physically active," while 48 percent of those over 65 report they are. And, only 5 percent of the total public expected older people to be "very sexually active", compared to the 16 percent of the older men and 7 percent of older women who say they are.

While the young picture older people as engaged in passive sedentary activities and not an active part of society, older people are unwilling to be relegated to the sidelines. They do not wish to be excluded from things happening around them, nor limited to communities for older people. Like the young, three out of four people 65 and over said they prefer to spend most of their time with people of all different ages.

BECOMING OLD AND SELF IMAGE OF OLDER PEOPLE

When does one turn the corner and become old? Public opinion varies. Only half the public (53 percent) picked some specific age as the criterion for "old age"; the other half has a less chronological, numerical concept, citing "retirement", "health" and "it depends" as the criteria.

Of those who do state a fixed age, the largest block (23 percent) feels the average man or woman becomes old in the 60's. And while some may argue that women age faster than men, or vice versa, most people do not feel this way. Seventeen percent of the public think that women become old before they're 60, compared with 16 percent who feel that way about men.

Age does not appear to influence significantly the way individuals tend to view themselves. The public 65 and over sees itself as being as bright, alert, open-minded, adaptable, and as good at getting things done as those 18–64.

Those 65 and over have a higher self-image in terms of being "very useful members of their community" (40 percent) than the younger group (20 percent) Yet the younger public's view of their elders is even lower than their own self-evaluation. Only 21 percent of the younger group consider most people over 65 to be "very useful."

Older whites tend to have a more positive image of themselves than do older blacks. In only a few areas do the two groups come close together in their self-image—in seeing themselves as friendly and warm, wise from experience and sexually active. Some of the same differences exist between younger blacks and whites, but to a lesser extent.

PREPARATION FOR OLD AGE

Majorities of the total public agreed on seven "very important" steps people should take in preparing for later years: provision for medical care, making of a will, savings, learning about pensions and social security, buying a home, development of hobbies, and deciding whether to move or stay put.

Blacks in general are less well prepared for old age than older whites. Less than half as many blacks as white have built up savings, 25 percent more older whites than blacks own their own homes. But higher numbers of blacks than whites have talked to older people about what it's like to grow old and have moved in with their children or other relatives.

ADDITIONAL FINDINGS

Like percentages of the young and old feel that parents and grandparents over 65 assist their off-spring in various ways. The young credit parents and grandparents with less assistance than the older generation claims in helping out when someone is ill, taking care of grandchildren, and help out with money. Also, the young say the old give far more advice than the older generation admits.

It is not necessarily surprising that a substantial proportion of those 65 and over (45 percent) feel they get less respect from the young than they deserve. What might be surprising is that a full 71 percent of the public 18 to 64 feel that people over 65 get "too little respect" from young people these days.

Blacks 65 and over feel more than older white (60 percent vs. 43 percent) that they do not receive enough respect from the young.

Managers, officials and proprietors make up 18 percent of the people past 65 who are still working; salespersons, 10 percent, and service workers, 17 percent. A full 22 percent of retired people were skilled craftsmen or foremen, while only 11 percent of those still employed hold those jobs.

The current volunteer force among older people is 4.5 million strong. Another 10 percent of the 65 and over public said they would like to volunteer their services. Thus the potential total number of a volunteer force among older Americans is 6.6 million.

But people 65 and older are not interested in doing volunteer work exclusively. Old and young alike, while willing to accept their share of uncompensated community service, also feel that if a person's work is valuable, he or she should be paid for it.

Few people in this country single out the later years as the most desirable period of one's life. Substantial numbers (69 percent) consider the teens, 20's and 30's as "the best years of a person's life". Those who did identify the later years as the prime of life associate that period with the advantages of youth—a time of few responsibilities, problems and pressure, a time to withdraw from productive roles, to take it easy and enjoy life.

Not only do four in five older people look back on their past with satisfaction, three in four feel that their present is as interesting as it ever was, and over half are making plans for their future. While life could be happier for 45 percent of older people, an even higher 49 percent of those under 65 feel the same. Income, education and employment status appear to have far greater effects on overall life satisfaction than age or race.

The study might be characterized by this observation from the section *The experience of being older*:

"There appears to be no such thing as the typical experience of old age, nor the typical older person. At no point in one's life does a person stop being himself and suddenly turn into an "old person," with all the myths and stereotypes that that term involves. Instead, the social, economic and psychological factors that affect individuals when they were younger, often stay with them throughout their lives. Older people share with each other their chronological age, but factors more powerful than age alone determine the conditions of their later years."

MORE WHITE HOUSE BUGS

Mr. ABOUREZK. Mr. President, incredible as it may be, reports just now have surfaced telling of even more bugging devices implanted in the Oval Office of the White House during the Nixon years.

Tad Szulc, reporting in Penthouse magazine, tells of a tiny laser beam transmitter embedded in the wall of the Oval Office by a fresh coat of paint. Apparently, it was planted by a "foreign-born painter" employed by the U.S. Government for at least a period of several months during 1970. Apparently, the bug is immune to regular electronic detection devices.

Obviously, if the CIA, the FBI, or any intelligence gathering organizations were involved, as Mr. Szulc charges, it ought to open up even more questions about the activities of our intelligence agencies. One is drawn to the conclusion that there must be an insatiable desire on the part of our Government to snoop and to record the daily conversations of just about anyone. Who can fault the American

citizenry for the growing paranoia which this kind of activity has fostered.

Once again, I am forced to reiterate my belief that there is nothing so imperative as the need to get to the bottom of all of this. Nothing can be left uncovered and every report ought to be investigated. It is my understanding that the Senate committee investigating the CIA is doing an excellent job in this regard, and I would hope that this report becomes another aspect of their thorough investigation.

Mr. President, I ask unanimous consent that the release and the excerpts from the forthcoming article, "The Spy Among Us" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MORE WHITE HOUSE BUGS

Penthouse magazine said today that President Nixon's office in the White House had been bugged by a U.S. intelligence agency at least for a period of several months during 1970.

In an article to be published in a forthcoming issue, the magazine said that a tiny laser beam transmitter was embedded in the wall of the Oval Office and concealed by a coat of fresh paint. The author of the article, Tad Szulc, a prize-winning foreign correspondent formerly with the New York Times, said that the bug was installed by a foreign-born painter employed by the U.S. government "and apparently controlled by one of the intelligence agencies."

Szulc said the transmitter picked up and relayed to a remote recording center every conversation between President Nixon and his aides, friends, and visitors. The device also picked up telephone conversations, including those conducted over "secure" scrambler lines. These conversations were relayed to a point somewhere within one-half mile of the White House—the effective range of the transmitter. Szulc went on to say that "the Oval Office transmitters could be monitored anywhere in the White House or the adjoining Executive Office Building. They could also be picked up, technicians say, in the Treasury Building a block away (the Secret Service is part of the Treasury Department) and even in the Commerce Department building three blocks away."

Penthouse said that it is not known if President Nixon himself knew of the installation of the laser device, known by the code name "Easy Chair." If he did, the laser system complemented his hidden recording devices that produced the famous White House tapes.

The device is so sophisticated that, unlike a tape recorder, it permits the identification of every individual voice in the room and can separate several simultaneous conversations.

Highly reliable sources told Penthouse that one or more senior officials of the Secret Service and the Central Intelligence Agency are familiar with the "Easy Chair" situation in the White House, although they could not say whether they learned of it only when the laser device was discovered and removed early in August, 1970, or whether they knew at some earlier date. The sources would not rule out that the late FBI Director J. Edgar Hoover was also privy to "Easy Chair."

At Penthouse magazine, Publisher Bob Guccione said that the publication learned of the White House bugging as the result of an extensive investigation concerning American intelligence agencies and how they operate. He said the magazine this month is beginning a 15-part series on the intelligence agencies which will contain a number of "dramatic disclosures."

In an article titled, "The Spy Among Us," reporter Szulc said the bug was installed by a person known to him but was withheld from publication "to avoid causing suffering and embarrassment to persons innocently involved in this operation."

The article said further that officials of the General Services Administration—which is responsible for maintenance of government buildings—have been under strict orders from the Secret Service since 1970 not to discuss with outsiders anything pertaining to the painting of the interior of the White House. The Secret Service also issued orders that all inquiries on the subject be immediately reported to it. These orders apply to painting foremen and their crews as well as to other GSA employees and officials.

The magazine declared, "Americans have always believed that the the right to privacy is sacred. We shudder at stories told by travelers to the Soviet Union and other dictatorships who take for granted that their hotel rooms and phones are bugged and that they are followed. But now we discover there is literally no place within the United States safe from the illegal snooping of the CIA (which is restricted by law to foreign operations) and the many other government agencies known as the 'intelligence community.' "

Szulc said knowledge of the bugging of the Oval Office was restricted to about a dozen key past and present officials of the intelligence community. "But the precise purpose of the operation, the exact identity of those who ordered the installation of the laser device under a coat of fresh paint on the Oval Office wall, and the ultimate disposition of the instrument remain unclear. Nor do we know if tapes were made of these transmissions—which is, perhaps, the most crucial question."

The magazine said that the bug resisted electronic detection in regular Secret Service sweeps of the Oval Office prior to its discovery.

THE SPY AMONG US

(By Tad Szulc)

Americans have always believed that the right to privacy is sacred. We shudder at stories told by travelers to the Soviet Union and other dictatorships who take for granted that their hotel rooms and phones are bugged and that they are followed. But now we discover there is literally no place within the United States safe from the illegal snooping of the CIA (which is restricted by law to foreign operations) and the many other government agencies known as the "Intelligence Community."

One extraordinary example is the tiny laser-beam transmitter embedded in the wall of the Oval Office at the White House. This transmitter picked up and relayed to a remote recording center every conversation between Richard M. Nixon and his aides, friends, and visitors during at least several months in 1970, the year the former president launched his secret domestic intelligence program. Presidential telephone conversations, including those conducted over "secure" scrambler lines, were also picked up by the laser transmitter.

The existence in the presidential office of this highly sophisticated device, known by the code name "Easy Chair," remains one of the most sensitive, closely guarded, and intriguing secrets of the Nixon period. This knowledge is restricted to about a dozen key past and present officials of the Intelligence Community. But the precise purpose of the operation, the exact identity of those who ordered the installation of the laser device under a coat of fresh paint on the Oval Office wall, and the ultimate disposition of the instrument remain unclear. Nor do we know if tapes were made of these transmissions—which is, perhaps the most crucial question.

It is also not known if Nixon himself was aware of and consented to the installation. If he did, the laser system complemented his hidden recording devices that produced the famous White House tapes. (In any event, the laser device picked up with infinitely more clarity every word uttered in the Oval Office, eliminating the "unintelligible" gaps that affected the tapes. In addition, the laser system permits, unlike a tape recorder, the identification of every individual voice in a room and the separation of several simultaneous conversations.) It is not known where the laser beam signal was received, but technical experts believe that such a device has a transmission range of under a half mile.

Highly reliable sources told Penthouse that one or more senior officials of the Secret Service and the Central Intelligence Agency are familiar with the "Easy Chair" situation in the White House, although they could not say whether they learned of it only when the laser device was discovered and removed early in August 1970, or whether they knew at some earlier date. The sources would not rule out that the late J. Edgar Hoover, then director of the Federal Bureau of Investigation, was also privy to "Easy Chair."

In any event, this super-bugging of the presidential office looms as one of the most bizarre episodes in the still unfolding story of domestic spying carried out by successive administrations in the last twenty-five years, but climaxing most spectacularly during Nixon's tenure.

Penthouse learned of this bugging of the Oval Office as a result of a lengthy investigation. According to highly authoritative sources, the person who installed the laser transmitter, possibly on a second attempt when an original device did not function properly, is a foreign-born individual employed as a painter by the government and apparently controlled by one of the intelligence agencies. His name as well as a number of other relevant details are withheld from publication to avoid causing suffering and embarrassment to persons innocently involved in this operation.

Investigations by Penthouse have also produced the significant fact that officials of the General Services Administration, which is responsible for the maintenance of government buildings, have been under strict orders from the Secret Service since 1970 not to discuss with outsiders anything pertaining to the painting of the interior of the White House. The Secret Service also issued orders that all inquiries on the subject be immediately reported to it. These orders apply to painting foremen and their crews as well as to other GSA employees and officials. Penthouse sources were unable to say, however, whether these orders are specifically related to the "Easy Chair" incident.

Beyond the new disclosures of White House bugging, recent investigations, including those by Penthouse, also strongly suggest that the cover-up of secret domestic spying activities by U.S. intelligence agencies—ranging from the CIA to the FBI, the National Security Agency, the Internal Revenue Service, the military intelligence agencies, and the Postal Service (which has an intelligence unit)—has continued in 1975, despite President Ford's instructions that all relevant information be supplied to the investigating panels. These are the new facts:

Civilian and military intelligence agencies maintain political files on tens of thousands of American citizens, ostensibly for reasons of "national security" and criminal investigations, but just as often satisfy the political curiosity of overzealous government sleuths. There are files on sexual, drinking, and other personal habits and problems of politicians, government officials, artists and writers, civil rights militants, dissidents in general, and real or suspected radicals.

Court records, disclosed in April of this year (months after Ford ordered the investigation of the Intelligence Community), show that at least twenty federal agencies still maintain electronic surveillance on Americans at home and abroad. Overseas, particularly in Germany, the targets are U.S. military personnel. This surveillance includes telephone tapping and the secret recording of face-to-face conversations either through hidden devices or informers secretly wired for sound. (It is unclear, however, whether all this surveillance is based on court orders or is conducted illegally).

CHILE

Mr. KENNEDY. Mr. President, I believe it is essential to note the recent decision by the Secretary of State not to include Chile on his planned trip to Latin America, which begins this week.

As I have stated previously, while the current junta ruling in Chile continues its refusal to abide by international standards of respect for human rights, a visit of the Secretary of State could be interpreted as endorsing that government's position on this matter.

For that reason, I was pleased to join with Senator MONDALE and other Senators in writing to the Secretary last month of our concern about his previously announced itinerary which had included Chile. We felt that unless there were substantial and dramtic changes in the situation with regard to human rights, that a visit by the Secretary would be inappropriate.

Also, the Secretary's trip would have come on the eve of the Organization of American States' consideration of a strong condemnation of torture and other abuses of political prisoners contained within the report of the Inter-American Commission on Human Rights.

Therefore, I believe the decision of the Secretary to exclude Chile from this trip was thoroughly appropriate.

I ask unanimous consent to have printed in the RECORD the article by Lewis Diuguid of the Washington Post describing the background to the Secretary's decision.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 21, 1975]

U.S. SEEN PRESSING CHILE ON HUMAN RIGHTS

(By Lewis H. Diuguid)

Secretary of State Henry A. Kissinger will not visit Chile on his long-awaited Latin American tour because the ruling junta has not responded to his efforts to obtain a liberalization of Chilean civil rights, according to an official close to Kissinger.

The State Department announced last week that Kissinger's trip, which starts April 23, will include Argentina, Brazil and Venezuela. Visits to Chile and Peru, planned earlier, would be postponed because of the pressing time demands of the Indochina situation, the announcement said.

From the first mention of the trip last year, however, the Chile stopover was considered contingent on some major civil rights concession by the military government.

Chile's rulers have taken no such initiative since President Augusto Pinochet announced in September that many jailed leftists would be allowed to go into exile. "Had they responded more dramatically," said the official, Kissinger could have followed through on his intended visit.

The suspended but still active Chilean Christian Democratic Party sent an envoy to Washington to buttress the State Department's insistence on obtaining some meaningful step from the junta.

Christian Democrats, including former President Eduardo Frei, are concerted about what they describe as increasing repression.

"It would mean nothing, for instance, if the junta announced an end to press censorship while the same pressures remained on editors to exercise self-censorship," said the party's envoy recently. In any case, he said, only pro-junta papers now are permitted to print.

The party, Chile's largest, ruled from 1964 to 1970 under Frei but was then defeated by the coalition backing Salvador Allende. When the coup against Allende came in 1973, the party's official reaction was that it was lamentable but necessary.

Now, the party leadership feels that the military, having jailed Marxist leaders or driven them into exile, is turning its repressive machinery on the Christian Democrats.

A document issued after a secret party meeting in Santiago, as "a right-wing dictatorship with fascist manifestations and a tendency towards perpetuity."

The former party president, Renan Fuentealba, was forced to leave the country after he granted a critical interview to a foreign correspondent.

The party's candidate against Allende in 1970, Radomiro Tomic, former ambassador to the United States, is living in Washington.

Frei's last finance minister, Andres Zaldiver—whom Allende's supporters accused of trying to sow economic chaos in the last days before Allende took office—recently was forced out of his job with the Chilean Savings and Loan Association because the military objected to his political activity.

The party lost both its newspaper and radio outlets after the junta suspended the parties that had opposed Allende and dissolved those that had backed him.

Frei, who has remained in Chile, is described as increasingly restive under what he feels is an enforced silence. The party's president, Patricio Aylwin, issued strong denunciations of junta moves against the party-owned radio, only to be rebuked by the rulers.

With all means of mass expression choked off, Frei and Aylwin were banking on Kissinger to force a letup by the junta.

The junta is treated as a pariah by most governments because of documented accounts of torture and arbitrary detention of thousands of leftists.

The U.S. government, which, is the main exception, has granted $2[illegible]7 million in aid and has offered international support while hinting that it has quietly worked for respect of human rights in Chile.

Kissinger said two months ago that he "was not uninvolved" in the release of the former ambassador to the United States, Orlando Letelier, after a year in prison.

A canvass of sources in the State Department produced no evidence of Kissinger initiatives, however, instead there was wide agreement that efforts by Latin American governments and private U.S. interests influenced the junta's decision to release Letelier.

Nevertheless, State Department officials indicate continuing efforts on human rights in Chile. "We're keeping our oar in," a policy planner said, pointing it to the postponed Kissinger visit.

MONTANA RESOLUTION ON GUNS AND AMMUNITION REGULATION

Mr. METCALF. Mr. President, the Montana Legislature just before its adjournment last week passed a resolution relating to the current drive for regulation of the sale and distribution of guns and ammunition. The resolution passed the House of Representatives by a vote of 77–4. It was approved in the Senate by a vote of 44–4. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION NO. 65

A Joint Resolution of the Senate and the House of Representatives of the State of Montana declaring the Montana State Legislature's unalterable opposition to Registration and confiscation of firearms

Whereas, the right of an individual to keep and bear arms is fundamental to the preservation of freedom and is guaranteed by the Constitution of the United States, and

Whereas, firearms are, always have been, and always will be very much a part of the way of life in the great state of Montana, and

Whereas, the private ownership of firearms, including handguns, is the last line of defense against the criminal element, and

Whereas, the report of the National Advisory Commission on Criminal Justice Standards and Goals, issued in August, 1973, advocates, among other things, the confiscation of all privately owned handguns, and

Whereas, the people of Montana having seen that federal firearms registration is leading us closer to federal confiscation of firearms.

Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

That the Lgislature of the state of Montana go on record as being unalterably opposed to registration and confiscation of firearms in general.

Be it further resolved, that a copy of this joint resolution be sent to the President of the United States, to the Vice-President of the United States, to Montana's Senators and Representatives in Congress.

STATEMENT OF QUAKERS IN SAIGON

Mr. McGOVERN. Mr. President, I ask unanimous consent that a statement received today from the American Friends Service Committee in Saigon be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF QUAKERS IN SAIGON

American Friends Service Committee received cable from our staff in Saigon this a.m.:

"We have some fear that the Embassy may be delaying the evacuation as an excuse to bring in Marines as protection for American lives. Too many American Embassay personnel are staying to make things look normal here, though they aren't necessary. When the inevitable confrontation comes, they are insuring that there will be panic and disorganization, and, once again, U.S. soldiers on Vietnamese soil.

"We feel the entrance of U.S. Marines is useless and dangerous. Shooting a path through the enemy really means killing Saigon civilians, not Communiats—shooting the people we have been saving, as it were.

"As for evacuating 200,000 Vietnamese, we can't imagine how. They would like to ride out free on the coattails of American marines, but it would be double the nightmare we experienced in evacuating Danang. There would be absolutely no way to limit the number of Vietnamese who were evacuated, and there would be no way whatsoever to control it.

"The 200,000 people whom Ford wishes to evacuate are not necessarily in any danger. There is indeed good news coming out of Danang and Quang Ngai. There is a 9 P.M. curfew in Danang but people take it casually and the Provisional Revolutionary Government guards are easygoing.

"As for the numerous scare stories, including Kissinger's own, we have heard them all, too, and haven't had one eye-witness substantiation. Almost invariably the person spreading the story left before the alleged incident took place. For example, one woman said the PRG were shooting all police in Quang Ngai. When questioned, she admitted she had left early on Monday, before the PRG came in. But she and her neighbors who were policemen believed this would happen. The U.S. Embassy has launched a comprehensive campaign of atrocity stories to feed to the press.

"The real need now is for a political solution inside Saigon. Fighting would stop everywhere. People would be allowed to move back to their homes. A long-term solution could then be worked out.

"As for us, we are quite determined, no matter what, that we will not be evacuated by Marines and hopefully will not have to leave at all. A political settlement would insure the safety of all."

The American Friends Service Committee believes a political settlement is still possible:

(1) Evacuate today and tomorrow all Americans "essential" only to a war effort and not to a political solution, i.e. all Defense Attache Office and military contractor personnel. Only a few dozen Embassy staff need remain.

(2) Congress should vote against any bill authorizing re-introduction of U.S. troops. This would only stall a political settlement by holding out false hopes to Thieu's successors that U.S. bombers will soon return to bolster their fight. The war is going to end soon but whether it ends through a political settlement or with U.S. Marines engaged in a bloody shoot-out will shape the course of U.S. foreign policy debate in the coming years.

BOB GRAY,
Associate Executive Secretary.
MARTIN TEITEL,
Director of Asia Programs.

PASSING THE ENERGY BUCK

Mr. GRIFFIN. Mr. President, recently the Senate spent several days considering and finally aproving a bill entitled the "Standby Energy Authorities Act of 1975."

Mr. David Broder, writing in his column which appeared today in the Washington Post, made some very interesting and accurate observations about that legislation and the performance of Congress with respect to our serious energy problems.

I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

PASSING THE ENERGY BUCK

(By David S. Broder)

Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.

It was approved on the same afternoon that the senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.

It would be heard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.

The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.

Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.

That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.

It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."

None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.

What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.

While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric within the following 30 days.

That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.

On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.

So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.

That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design, and not by happenstance.

By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.

That's the kind of performance that already has brought the federal government into disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

ECONOMIC FORECASTERS TESTIFY BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, on February 14, 1975, the Joint Economic Committee had the honor of hearing the testimony of three distinguished economists on the President's program for economic recovery. The men who testified, Dr. Franco Modigliani, professor of economics and president-elect of the American Economic Association, Dr. David M. Rowe, of Wharton Econometric Forecasting Associates, and Dr. Michael K. Evans of Chase Econometrics.

The consensus among these distinguished economists was that the administration's program falls far short of giving the Nation the stimulus needed to get out of the current recession. Dr. Modigliani points out in his statement that, under the administration's proposals, the target level for the rate of inflation will be 11 percent, up 1 percent from last year. He sees the President's new taxes on oil and other energy sources as being a major contributor, adding 2 percent to the rate of inflation. A third point by Dr. Modigliani was that the restrictive monetary policy being pursued by the administration could lead to a negative growth rate of from 3 to 4 percent.

In the statement by Dr. Rowe, a strong appeal is made for policy shifts which would call for significant stimulus in the form of government taxation and spending policies. Dr. Rowe expresses the concern that if such policies are not implemented in the near future, the current recession may continue far beyond the middle of 1975.

Dr. Evans also emphasizes the need for increased stimulus of the economy by the Government. He feels that a stimulus of $30 billion or more would have only positive effects on the economy. He explains this by pointing to the excess capacity which has been created by the recession, and to the tax cuts which he believes will increase real disposable income and reduce demands for higher wages.

I feel that the information and guidance provided by these gentlemen to be a great asset during this critical period in our economic history. Mr. President, I ask unanimous consent that the full text of the statements made by Drs. Modigliani, Rowe, and Evans before the Joint Economic Committee on February 14, 1975, be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY MICHAEL K. EVANS

In this statement we first discuss the strengths and weaknesses of the Ford pro-

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gram, taking into account legislation which is already in progress. We then turn to an examination of business conditions under four alternative scenarios: no new legislation at all, the complete Ford package, the most likely new program as indicated by current legislative progress, and the JEC proposals. Doing so will enable us to estimate both the probable impact of the entire Ford program and the most likely course of the economy during the next two years. We present this analysis for real growth, inflation, and financial markets.

THE TAX PROGRAM

The general idea of a quick tax rebate deserves to be implemented, but the plan offered by the Ford administration has one glaring flaw which is both political and economic in nature. That is the extension of the political point of view, a tax which is so regressive will not be accepted by a majority of Congress. From an economic point of view, it is clear that at least the short-term marginal propensity to consume is much smaller for upper-income groups than for poor people. Thus consumers at the lower end of the income scale will spend most of their rebate; consumers at the upper end will save most of theirs. This distribution is suboptimal for a plan designed to provide a short-term stimulus to consumption and production.

My own personal plan is that a flat per capita credit be given to all individuals with 1974 income of less than $25,000. The credit could be gradually reduced in the $25–30,000 range, with no credit at all for those whose incomes exceeded the $30,000 figure last year. In order to maximize the effect of such a refund, it should occur as early in the year as possible and should be distributed in one lump sum. In particular, a payment of $320 may serve as a down payment or purchase of a big-ticket item, whereas $6/week would have a smaller short-run impact on consumer spending. This plan would raise consumption more than other plans without any greater disruption of financial markets. Furthermore, it would occur during the first half of the year, when the need to furnish stimulus to the economy is most important. The 10% rebate and accompanying plan which has been reported fits this suggestion fairly closely, and in my opinion could well be adopted without further adjustment.

I am also in favor of the increases in the minimum standard deduction and exemption which have been proposed for low-income people, and believe these should be made permanent. However, I think more should be done to restore our tax schedule to its previous function of acting as an automatic stabilizer in times of recession. In order to do this, I suggest that the tax tables be denominated in terms of real income rather than nominal income. Then an increase in income due only to inflation would not result in a taxpayer moving to a higher tax bracket.

The issue of the expansion of the investment tax credit is clouded by the question of whether to make such an extension temporary or permanent. The idea of a one-year increase in the credit, of course, is to get businessmen to commit orders now, when the economic climate is poor, rather than wait until the capital goods industry is once again at full capacity. However, even if the tax credit is made retroactive to the beginning of the year, business decisions will not be: a temporary tax credit increase would have a very limited stimulative effect on the economy. I definitely favor an increase to the 10% level on a permanent basis.

The possibility of a variable investment tax credit, which has been raised by allowing a higher rate for those utilities investing in facilities which do not use oil or gas, is indeed an excellent idea. This tax credit could be expanded to permit a higher rate on any class of investment which increased fuel efficiency significantly; it could also be eliminated entirely for those investments which did not increase labor productivity or fuel efficiency.

We will need stimulus and incentive to increase supply if we are to increase demand through fiscal policy, and an expansion of the investment tax credit will not prove sufficient. Thus I believe that the reduction in the corporate income tax rate from 48% to 42% is both a necessary and powerful tool to accomplish this increase in productive capacity. In addition to providing $7 billion this year and $9 billion next year in additional cash flow, it should result in a lower rate of inflation in the longer run, since the pretax rate of return required on invested capital can fall for the same after-tax rate of return. In addition, it will lessen the dependence of most corporations on the bond markets, which have already had trouble absorbing the full amount of debt issues. If this reduction is not included as part of the overall tax package, inflationary pressures during 1976 will reemerge, and the CPI increase will return to a 7% rate by the end of next year.

THE ENERGY PROGRAM

Unlike the Ford tax program, the recently proposed energy program has no redeeming features. It is even more puzzling because the basic aims which the President says he would like to pursue are reasonable and agreeble to wide segments of the population. Yet his program simply does not meet these aims. If I understand correctly what Mr. Ford has recently said, he would like to accomplish with his energy policy:

(1) Reduce our long-term dependence on imported oil, both by using less petroleum products and by switching from foreign to domestic sources of oil.

(2) Provide a total package which would be at least mildly stimulative in view of the present severe recession.

(3) Avoid worsening the plight of the automobile industry, which is in its worst slump in seventeen years.

(4) Keep the additional inflation engendered by higher petroleum prices to a minimum, since while inflation may no longer be Public Enemy Number One, it is still extremely unpopular.

(5) Perform all this with the minimum amount of disruption of capital markets and increases in interest rates.

As I have mentioned on several previous occasions, the way to meet these five goals is to place a 30 cents per gallon tax on gasoline, coupled by a personal and corporate income tax cut, increased expenditures on mass transit, and a horsepower tax and credit which would discriminate against cars with low fuel efficiency and in favor of those with high fuel efficiency.

Such a move would raise consumer prices only 1.0% above baseline levels, compared to 2.8% for the complete Ford package. We have estimated that a 30¢ increase in the gasoline tax would reduce oil usage by one million barrels per day instead of the 500,000 barrel-a-day reduction which would occur under the Ford program, since our estimate of the short-run price elasticity for gasoline is −0.2, compared to −0.1 for all petroleum products. Furthermore, a massive shift to smaller cars could reduce total use of gasoline by 10% the first year and as much as 50% over a ten-year period; this cannot be accomplished nearly as effectively by simply raising petroleum prices. The loss to consumers through higher gas taxes would be $25 billion, which contrasts with almost $40 billion resulting from the proposed excise taxes and deregulation of oil and new natural gas.

The deregulation of oil and new natural gas is an attractive feature of the Ford program and one which should have been undertaken earlier. However, the chief benefit of the bill is eliminated under the proposed terms of the windfall profits tax, which does not allow firms to reduce their tax burden if they invest more in exploration, drilling, and production facilities. The increase in price is not only supposed to blunt demand; it is supposed to increase domestic supply. The investment offset, which was included in the October version of an energy program, should definitely be reintroduced if the Ford program is to be implemented. However, I still believe that a tax at the gasoline pump is far preferable to one at the oil well.

This view is shared by a large number of economists and even politicians. Hence in my opinion there is virtually no chance that President Ford's energy bill will pass intact. A large tax on gasoline is not very popular with consumers, and could be passed only if it were to receive a strong endorsement from the executive branch, which is obviously not forthcoming. As a result we will get no energy package this year, except for a possible phase-out of the depletion allowance. The President has evidently decided to impose an excise tax of $1, $2 and $3/bbl. on imported crude oil in February, March and April, but that will be all. Excise taxes on oil and gas will not be increased, and prices will not be deregulated. We will thus continue to rely more and more heavily on imported oil. Eventually, I hope that the country will figure out that a gasoline tax is the best answer to this dilemma, but that will not happen before the next election.

FISCAL STIMULUS OF FORD PACKAGE

We now consider the economic implications of (a) no Ford package at all, (b) what we consider to be the most likely Ford package, (c) the complete Ford package, and (d) the Joint Economic Committee proposal. The assumptions for case (b) are listed below.

(1) Congress will pass a tax rebate of 10%, with the maximum cutoff at $200 rather than $1000. The minimum rebate will equal the lesser of $100 or the taxpayer's 1974 income tax liability. The maximum rebate will be $200 and will be reduced by $1 per every $100 of adjusted gross income between $20,000 and $30,000, with taxpayers above this level receiving a rebate of $100.

(2) The personal income tax table will be revised at the low end, with the net effective cut equal to $8.4 billion. This will be passed by midyear but will not be made retroactive to the beginning of the year. Subsequent legislation will make these changes permanent.

(3) The investment tax credit will be increased to 10% on a permanent basis, including utilities and will also be effective at midyear. No special distinction will be made between new plants which use oil and gas and those that do not, and the offset will be 50% for all firms and will not rise to 75% for utilities.

(4) The first $50,000 of corporate income will be taxed at 22%, up from the first $25,000.

(5) No windfall tax will be placed on profits, because oil and gas prices will not be deregulated. The depletion allowance, however, will be phased out.

(6) The tax credit for home insulation will be included, but will amount to only $0.5 billion.

(7) No change will be made in the marginal statutory Federal corporate income tax rate for corporate income above $50,000.

(8) Grants-in-aid will rise by $2 billion to cover the cost of higher-priced oil for state and local government.

(9) Social security and other transfer payments will continue to rise as previously projected; the 5% ceiling will not even be considered.

(10) President Ford will use his powers to raise imported crude oil prices by $1, $2, and $3/bbl. on February, March, and April 1st respectively. These will result in an increase in excise taxes of $4.2 billion by midyear, with this figure remaining in force throughout the remainder of the forecast period. Imports of petroleum will be reduced by $0.7 billion; this figure represents a decrease of only 0.18 MMBD of imported oil.

These increases will stick because Congress will be unable to override President Ford's veto. However, no further exogenous increases will be forthcoming for either oil or gas prices during the remainder of the forecast period.

In addition to the partial and complete Ford packages, we also consider the Joint Economic Committee proposal, which includes the following stimulative policies:

(1) A $10 billion rebate on 1974 tax liabilities to be paid out in the second quarter of 1975.

(2) A reduction of $20 billion in personal income taxes through 1976.

(3) A $3 billion increase in the investment tax credit for 1975 and 1976.

(4) Growth in M–1 of about 10%.

(5) An $8 billion increase in FY 1976 Federal outlays, including a removal of the proposed 5% ceiling on transfers and some reduction in defense spending.

We have also analyzed the effect of this plan. All plans provide a substantial amount of fiscal stimulus during the latter half of 1975. The complete Ford program has a larger ex ante deficit, but because of the higher rate of inflation, more funds are recaptured in tax revenues. Even on an ex post basis, both plans are definitely stimulative; a deficit of $36 billion, even if only for half a year, clearly does result in an upturn in economic activity.

The pattern is completely reversed in 1976, when it becomes clear that the Ford package restrains the economy. It is extremely difficult to make a case for such a package, given that the unemployment rate is still expected to be over 7½% at the end of this year for all three scenarios. The windfall profits tax of $12 billion plus the excise tax of $20 billion far overshadow the $19 billion decline in personal income taxes. In addition, the extra $15 billion—the difference between the ex ante and ex post deficits—represents the additional amount which consumers will have to pay because of higher prices.

Yet even these figures do not fully measure the cost to the consumer of the Ford package for oil and gas. According to this program, the following changes will occur:

(1) A tax of $2/bbl. on all crude oil and imported petroleum products. At present the usage is about 17.2 MMBD, with a drop expected to 16.7 MMBD at the higher prices. This is equal to $12.2 billion.

(2) Deregulation of old oil, which would raise the price from $5.25 to $11.00/bbl. before the excise tax. This affects approximately 7 MMBD, for a total of $14.7 billion.

(3) An excise tax of 37c/mcf on natural gas. At present usage rates are about 25 billion mcf, with a drop expected to about 24 billion mcf at the higher prices. This is equal to $8.9 billion.

(4) Deregulation of new natural gas, which might raise the price as high as $1.50/mcf. We have assumed a current average price of 42c/mcf, which implies an increase of as much as 70c/mcf over and above the excise tax. While this change would occur slowly, it would have a substantial effect by 1980.

As a result of these increases, consumers would be faced with a bill which would be as much as $40 billion higher. In addition to this they would have to pay an additional $15 billion in taxes because their nominal incomes would have been increased by inflation. This is hardly offset by a $19 billion decline in personal income taxes. Thus the Ford program turns from mildly stimulative in late 1975 to definitely restrictive in 1976. In comparison, the partial Ford program, which includes the same tax rebate and a smaller tax cut but no energy program, remains stimulative throughout the forecast period. The JEC proposal is the most stimulative of any alternative considered here. This can be seen by comparing percentage changes in real GNP and industrial production and the unemployment rate for our three alternative scenarios, as given in Table 1.

TABLE 1

	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	Calendar		Fiscal	
									1975	1976	1976	1977
Real GNP:												
No Ford program	−5.1	−1.6	1.3	2.8	5.1	6.2	6.8	6.7	−3.3	4.3	3.9	6.2
Partial Ford program	−5.0	−2.3	2.2	3.9	5.0	5.6	6.2	6.1	−3.3	4.4	4.2	5.6
Complete Ford program	−5.0	−2.7	1.3	4.2	5.0	3.6	3.5	4.4	−3.4	3.5	3.5	3.8
JEC	−4.7	2.1	4.8	4.6	6.3	6.6	6.3	5.7	−2.0	5.7	5.6	4.5
XIP:												
No Ford program	−11.5	−4.6	−2.9	.9	6.0	8.3	7.6	8.0	−6.1	4.1	3.1	7.4
Partial Ford program	−15.5	−4.7	.1	2.2	6.4	7.9	7.0	7.2	−5.7	4.6	4.2	6.7
Complete Ford program	−11.5	−4.6	1.8	4.2	5.9	5.9	4.5	4.3	−5.4	4.2	4.5	4.1
JEC	−15.5	−.3	2.8	5.6	9.3	9.9	7.7	6.7	−4.4	7.2	7.0	5.1
Unemployment:												
No Ford program	8.4	8.8	9.1	9.2	9.1	8.8	8.5	8.2	8.9	8.7	9.0	8.1
Partial Ford program	8.4	8.8	9.0	9.1	8.9	8.7	8.4	8.2	8.8	8.5	8.9	8.1
Complete Ford program	8.4	8.8	9.0	9.1	8.9	8.6	8.5	8.4	8.8	8.6	8.9	8.3
JEC	8.4	8.7	8.8	8.7	8.4	8.1	7.8	7.5	8.6	7.9	8.5	7.5

As can be seen from Table 1, we expect a modest recovery in the latter half of 1975 with or without any tax cuts or rebates. However, the magnitudes are considerably different. Under the baseline case, real GNP rises only 2.0% in the second half of the year, while it rises 3.0% with the partial Ford program and 2.7% with the complete program. The JEC program is clearly the most stimulative, as it raises real GNP growth to 4.7% during the latter half of 1975. During 1976, the economy returns to a period of rapid growth under all programs except the complete Ford program, but the JEC program remains the most stimulative until later in 1976.

The pattern of unemployment is not particularly encouraging under any scenario, as all estimates start off from the 8.2% January figure. The unemployment rate reaches 9% for all cases examined here except the JEC proposal, which holds it at 8.8% in the third quarter. The partial Ford program reduces unemployment by about 0.2% in early 1976, but by the end of the year the advantage has disappeared. The complete Ford program provides an equal amount of stimulus in latter 1975 but, because it turns restrictive in 1976, ends up with a higher rate of unemployment. Only the JEC alternative reduces the unemployment rate to 7½% by the end of 1976, a level which is still unacceptably high. Thus we have ample time to increase capacity if business incentives are not stifled. Table 1 should make clear, however, that the complete Ford program, because of its much more restrictive overall constraints, is clearly the worst alternative in terms of real growth, and in fact is inferior to doing nothing at all. The partial Ford program, which we think is the most likely one to be passed, at least has definite stimulative action. The JEC program is clearly the most stimulative, but as we shall see below, could eventually lead to a resumption of inflationary pressures.

EFFECT ON PRICE AND MONETARY VARIABLES

We now turn to an examination of the effect which the Ford program has on inflation and on financial markets. The deregulation of old oil and a $2/bbl. tax on all crude and imported products would raise the wholesale price index for petroleum products by 47% and the industrial WPI by 3.0%. A 37c/mcf excise tax would raise the WPI for natural gas by 90% and the industrial WPI by 3.8%. These are the changes which would occur with normal markups; wholesale prices actually rise somewhat less than that because price increases are not fully passed along, at least in the first year. We estimate that on an ex post basis, the industrial WPI rises 5.0% more because of these increases. The CPI rises 2.0% because of these higher gas and oil prices, with an additional 0.8% due to the secondary effects of cost-push inflation. All these results are shown in Table 2.

TABLE 2

	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	Calendar		Fiscal	
									1975	1976	1976	1977
CPI:												
No Ford program	8.8	6.7	5.7	6.9	6.8	6.3	6.2	6.8	9.3	6.7	6.4	6.5
Partial Ford program	8.8	7.9	6.9	7.3	6.8	6.4	6.5	7.1	9.7	7.0	6.8	6.7
Complete Ford program	8.8	9.1	15.3	5.6	8.1	7.5	6.8	7.3	11.0	8.5	9.2	7.1
JEC	8.8	6.5	5.6	6.8	6.9	6.6	6.6	7.2	9.2	6.8	6.5	6.9
WPI, industrial:												
No Ford program	7.0	8.1	9.7	7.3	7.8	5.4	6.6	5.9	13.1	7.4	7.5	6.1
Partial Ford program	7.0	9.9	11.8	7.4	7.7	5.4	6.6	5.9	13.7	7.8	8.1	6.0
Complete Ford program	7.0	11.5	29.0	7.4	8.1	5.5	6.1	6.0	16.5	10.1	12.5	6.2
JEC	7.0	8.2	10.0	7.4	7.9	5.4	6.5	5.8	13.1	7.5	7.7	6.0
GNP deflator:												
No Ford program	7.3	7.5	6.3	7.3	6.3	5.9	6.0	6.4	9.2	6.6	6.5	6.1
Partial Ford program	7.4	8.7	7.4	7.9	6.6	6.2	6.2	6.6	9.7	7.1	7.0	6.3
Complete Ford program	7.3	9.9	15.5	8.1	9.3	7.7	7.2	7.1	11.0	9.5	10.2	7.0
JEC	7.4	7.1	6.1	7.0	6.2	6.1	6.2	6.8	9.1	6.6	6.4	6.5

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The 2.8% figure for the CPI increase reflects both the higher cost of oil and gas and the fact that higher prices would lead to higher wages, higher unit labor costs and still higher prices. It also takes into account the inflationary effect of higher interest rates. In contrast we have negligible price effects from the partial Ford program; the PI for petroleum products is raised only 6% and natural gas prices do not rise at all. As far as the relative effects on inflation are concerned, it is strictly no contest between two alternatives; the complete Ford program clearly has the greatest inflationary effect.

The JEC program has no measurable effect on prices in 1975 as compared to the no change alternative; it results in less inflation than either the partial or complete Ford program because it contains no increase in petroleum or natural gas prices. The main reason why prices do not show any additional increase under the JEC program is the great amount of excess capacity which will exist all year. In addition, however, it should be noted that the larger tax cut increases real disposable income by a larger amount, hence mitigating the upward pressure on wage demands.

The picture is changed somewhat in 1976, when the increase in the CPI under the JEC program begins to rise about ½% faster than the no change alternative. This may not seem like a large amount, but inflationary pressure intensify over time and the effect in 1977 is likely to result in an increase in the rate of inflation rather than the decrease which would otherwise occur. Thus this stimulus should not be continued indefinitely.

The effects on the Federal deficit, the commercial paper rate, and the Aa corporate bond yield are shown in Table 3.

TABLE 3

	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	Calendar		Fiscal	
									1975	1976	1976	1977
Federal deficit:												
No Ford program	40.2	44.7	38.1	38.3	42.5	38.5	34.7	32.9	40.3	37.2	39.4	27.0
Partial Ford program	40.2	41.6	78.4	47.4	50.0	46.2	42.6	41.2	51.9	45.0	55.5	35.4
Complete Ford program	44.2	44.6	77.1	69.1	23.1	19.1	17.0	16.4	58.8	18.9	47.1	10.2
JEC	43.1	85.2	60.2	58.4	61.3	56.6	52.9	51.4	61.7	55.6	59.2	37.2
Commercial paper rate:												
No Ford program	6.71	5.14	5.61	6.24	6.76	6.92	7.08	7.29	5.93	7.01	6.38	7.48
Partial Ford program	6.71	5.17	6.05	6.23	6.71	7.05	7.20	7.41	6.04	7.09	6.51	7.59
Complete Ford program	6.71	5.21	6.31	6.40	6.96	7.32	7.47	7.62	6.16	7.34	6.75	7.79
JEC	6.71	5.22	5.59	6.35	6.94	7.15	7.34	7.56	5.96	7.24	6.51	7.73
Aa corporate bond yield:												
No Ford program	8.89	8.26	8.46	8.85	9.09	9.15	9.25	9.37	8.62	9.22	8.89	9.42
Partial Ford program	8.89	8.31	8.71	9.01	9.17	9.30	9.44	9.56	8.73	9.37	9.05	9.60
Complete Ford program	8.89	8.36	9.11	9.32	9.62	9.79	9.93	10.02	8.92	9.84	9.46	10.05
JEC	8.89	8.21	8.36	8.81	9.12	9.26	9.41	9.56	8.55	9.34	8.89	9.60

It is clear that the Federal government deficit will be quite large even if no program is implemented. This is a direct result of the decline in personal and corporate income and not a result of an increase in the rate of government spending. The very large deficit given under the JEC alternative for 1975.2 stems from the assumption that a tax rebate would be granted during the second quarter; in the other simulations we have assumed that it would be implemented in the third quarter. The deficit for fiscal 1976 ranges from $40 to $60 billion, depending on which alternative is chosen, which represents between 2.7% and 4% of current dollar GNP. This compares with the previous peak values of 3.2% in 1953.4 and 2.8% in 1958.2.

Because the demand for credit in the private sector has dropped so radically during the past six months, we estimate that this deficit can be absorbed by the financial markets without undue dislocation. Our forecasts for both short-term and long-term interest rates show only a modest rise in rates due to the higher deficit levels. The highest interest rates occur under the complete Ford package, which has the lowest deficit but the highest rate of inflation. The decline of some $50 billion in borrowing for inventory investment from mid-1974 to mid-1975 provides sufficient funds for government deficits of this magnitude.

MAXIMUM STIMULUS TO THE ECONOMY

We have also been asked to comment on the policies which might produce a 9% growth rate from the fourth quarter of 1975 to the fourth quarter of 1976. This compares with the maximum rate of 6.2% for the JEC program as indicated in Table 1.

According to Okun's Law, an additional 3% real growth would reduce the rate of unemployment by about another 1%, hence returning this rate to 6½% by the end of 1976. Since 6½% is still well above the level of unemployment previously characterized as satisfactory, it might be thought that such rapid growth would cause no particular problems. Furthermore, since the effect on inflation of the JEC program is only to add ½% to the rate of inflation next year, it might be argued that the risk is worth it. However, this is not my opinion.

The last two years of economic activity have pointed up the vulnerability of the American economy in several areas. It was less than a year ago that we appeared to have shortages of almost every major commodity. We have added virtually no productive capacity to the economy in 1974, and according to current investment plans will add virtually none in 197. Thus once we reach the level of demand which occurred at the end of 1973, we will once again find ourselves in a picture of serious shortages unless something is done to increase capacity in the meantime. This can be done successfully, but not immediately. We need incentives to business to increase capacity, and we need time to order and deliver this capital plant and equipment. In addition, many firms find themselves unable to raise capital either from internal or external sources, hence precluding their decision to expand or modernize.

Several economic commentators have noted that the unemployment rate which occurs at peak capacity has been drifting upward. Some have suggested that this is due to a change in the labor force characteristics, and that the unemployment rate for married men at business cycle peaks has remained relatively constant. That is part of the story, but not the entire reason. At the last business cycle peak the economy had clearly run out of capacity. While the ratio of fixed business investment to GNP at this cyclical peak was similar to previous peaks, the growth in productivity and capacity over the past five years has fallen far short of the average postwar performance, particularly in the area of raw materials and fabricated metal products. While many forces have combined to cause this to happen, they can be lumped together under the area of lack of incentive to cause these companies to expand. The wage-price controls, an overly tight monetary policy and high interest rates, and diversion of capital spending to meet environmental and safety requirements are all part of the picture. Thus if we are going to employ more labor, we are going to need a larger capital stock to do it—unless we are going to revert to make-work projects and a decline in national productivity, a suggestion which I do not believe is endorsed by any economist.

Thus stimulus must be in the direction of expanding plant and equipment spending as well as restoring real disposable income to its previous level. The latter can be done over a relatively short time frame through tax cuts and increased transfer payments, but the former takes at least two years to have a significant effect. Thus stimulating the economy too fast would simply result in a return to shortages without reaching what used to be considered the range of full employment.

In my opinion, therefore, a 9% growth rate during 1976 is too fast. There have been only two times in the postwar period when real GNP has increased by 9% or more for four quarters or more in a row. The first time was at the beginning of the Korean War, which clearly put excessive strains on the economy. The second time was immediately following the recession of 1958. However, the fourth quarter of that spurt was the pre-steel strike inventory buildup; if we take the five-quarter average, it was only 8.2%. Furthermore, and probably more important, the economy had significant excess capacity in 1959, the financial markets were in decent shape, and the rate of inflation was already close to zero; obviously none of these apply today.

In my opinion, the $30 billion tax cut which the JEC has proposed can be implemented in 1975 with virtually no ill effects on the economy. If this were to be continued into 1976, however, we would begin to reenter the area of inflationary pressures, and by 1977 problems of double-digit inflation would reappear—unless concomitant action is taken to increase the supply of productive capital to the American economy. Even if this were to occur, I believe that a 9% rate of growth during 1976 is faster than the economy, in its current depleted condition, can safely handle.

EXPLAINING THE ADMINISTRATION'S ECONOMIC PROGRAM

(By Franco Modigliani)

The life of an economist is a difficult one these days since friends and acquaintances hail you with digs about economics and with demands for explanation, as if you were responsible for the whole mess. Last night I saw Jim, my next door neighbor, while we were shoveling snow. He had read about the President's program and wanted me to explain what it was aiming at and why. I am recording here our conversation so that I can use it again.

"To comprehend the administration program," I stated, "you must appreciate its priorities. Judging from official statements, I would say the administration's top three targets are: to achieve a reduction in inflation not only in 1975, but also in 1976 and beyond; to bring the recession to an end so that the growth of output can resume and unemployment can be reduced; and to adjust the economy to the higher cost of fuel and reduce oil imports as energy security requires. Other goals include reviving residential construction activity, encouraging investments to relieve capacity shortages and to increase productivity, stopping the erosion of the private sector by the public sector, instituting sound government finances and strengthening international ties, recognizing that what economic policies we pursue affect the economies of other nations."

"Well," said Jim, "this sounds like an excellent set of goals. But I am interested in some concrete targets. Take inflation, for instance. How much are they aiming to reduce it next year?"

"You must remember that inflation was quite high this past year, about 10%. If they succeed in hitting their target, inflation will be 11% in the coming year."

"But that is an increase, not a decrease . . . How is that possible with all the unemployment and idle capacity we have?"

"You are right that the unemployment would tend to reduce the inflation, but the administration is expecting to achieve its 11% by leving 30 billion dollars of new taxes on oil and other sources of energy; that is a hefty amount, about one and a half times as much as all the excise taxes we are presently collecting. The administration figures that this will add some 2% to the rate of inflation, and most other economists think it will add even more. So, with that kind of tax, they should have no trouble meeting their 11% target."

"But why do they want to put all those taxes on oil?"

"Oh, it is quite simple—in order to reduce imports by one million barrels per day right now. And that is very important because one cannot exclude altogether the possibility of an oil embargo—and in that case we might have to reduce oil imports later on."

"I don't quite get your explanation."

"Oh, that's because it is a very sophisticated policy. Can't you see how a prudent doctor might prescribe to a heavy smoking patient to have a lung removed right now because, should it ever get cancerous, it would have to be removed later on anyway."

"While I think this out," said Jim, "would you tell me by how much they are aiming to reduce unemployment next year?"

"Again, you must remember that unemployment was quite high at the end of 1974, about 6.6% on average in the last quarter, and that one cannot change unemployment very fast. But the administration counts on getting it to 8½% by midyear, and to an average of over 8% for the year; they are well on their way to achieving this target as unemployment has already reached 8.2%."

"But that seems to be going in the wrong direction. How did they ever arrive at that target?"

"Well, that is related to the goal of resuming the growth in output. In 1974, output had the worst decline of the postwar period, somewhat over 2%. But for 1975, the administration is planning to beat that record by targeting a 3–4% decline."

"But how did they reach that target? It sounds terrible, and surely there must be a very good reason for the choice."

"Indeed there is. But if you really want to understand it, you must follow me for a moment into the intricacies of economic theory. You see, the administration now is under the spell of a sect of economists known as The Monetarists, whose Mecca is the Windy City. The Monetarists have a rather simple creed which can be summarized to a good approximation with the following four axioms: (1) Money income is proportional to the quantity of available money (don't bother to ask me what they mean by money, because they have different definitions which they colorfully call M_1, M_2, M_3 and M_4; and this is helpful, for having some choice, they find it easier at every occasion to pull out the one definition that fits their axiom). (2) The economy is always at full employment except for negligible lapses to which no attention should be paid, especially since they are invariably caused by the meddling of government. And one of these days, they hope they will get rid of that. (3) At full employment, U.S. output rises around 4% per year; therefore, if the price level is to stay constant, money income must also rise 4% per year. (4) The stability of the price level is the most important objective and the one to which all others must unconditionally yield. Combining axiom (4) with (1), one reaches the sect's first and only commandment: 'Thou shalt not countenance M_1 to rise more than 4% per year.' More recently, however, the sect has been infiltrated by some heretics who have maintained that because of the increase in the prices of imported goods, like oil, it may be appropriate to make a brief exception and let money rise by 6%, and in fact even a trifle more, to allow for the administration's 30 billion dollar tax on oil. Now, if the money supply growth target is 6–7%, it follows from axiom (1) that the administration target for money income growth must be set at about 7%. But, since the target increase in prices is 11%, the target change in output works out to a decrease of 3–4%. Are you with me?"

"Well, frankly I am somewhat baffled. I should have thought that one would arrive at a reasonable target for income, and then derive from that the appropriate target for money growth."

"You have a point there, and some arch heretics like myself and many others have worked out alternative monetary and fiscal policies which might get us back at least to the same unemployment rate we had last quarter—say 6½%—by year end, and reduce the rate of inflation by a couple of points, and by somewhat more in later years. But that would likely require an increase of the money supply well over 10% and maybe as high as 15% in some quarters. Now, The Monetarists will explain to you that you should *never* let the devil tempt you into using your *common sense*. For, if you once let the money supply rise faster than 4%, let alone 6%, you may forget later on to turn down the faucet when you get close to full employment. And money may keep rising, of course unnoticed, forever at 15%, and you will soon have prices rise at 11% per year. Would you like that? There is only one way to avoid that danger, and that is to resist any temptation and stick closely to the 4% rule."

"Is the administration doing at least something to encourage investment?"

"They are counting on the high interest rates that will be brought about later this year by the 6% money supply commandment to reduce them by some 10% and to reduce residential construction by another 15%—which, however, is but a small decline seeing that there is hardly any residential construction activity left by now. Actually their monetary policy would bring about a substantially greater reduction in investment and construction, but they feel that the above reductions are adequate for the moment, and in order to counteract the effect of monetary policy, they are going to give some subsidies both to investment and to housing."

"I don't understand you. If they don't want investment and housing to fall, why don't they pursue an easier monetary policy instead of subsidizing them?"

"The answer is simple—by pursuing their game plan, the target level of investment will be achieved at a substantial cost to the government. Now, as I have told you before, one of the important goals of the administration is sound finances, and that means doing away with large government deficits. In line with this goal, they have targeted a deficit of 52 billion for 1975, the largest in any peace time year. It would be hard to reach that goal unless they can budget a few subsidies here and there. Another device they are planning to use is to stimulate consumption through a temporary reduction in taxes, the method which is known to yield the largest deficit per dollar of stimulus."

"What about the target of putting an end to the growth of the public sector at the expense of the private one?"

"Oh, that is being accomplished by a complex program of first creating a serious depression so that people get thrown out of *private* employment and then re-employing them in the *public sector* through a Public Employment Program."

"What about international cooperation? Are our policies going to help the rest of the world?"

"Most assuredly. Our unemployment will hopefully spread to the other countries and make a prime contribution to their fight against inflation."

"All this seems dreadful. Is there any chance that things will work out differently from what they say?"

"Well, there are those who suspect that the administration has put out this gloomy forecast in order to take credit if things should work out better. But I believe in their sincerity, and I am confident that provided they can keep Congress from disrupting their carefully worked out program, they may well succeed in hitting their targets right on the head."

"I have a feeling that you are laughing about the whole thing."

"No, Jim. But I am *trying* to laugh. I am too old to cry."

THE 1975 ECONOMIC OUTLOOK AND POLICY ANALYSIS

(By David M. Rowe)

This statement is accompanied by summary forecast results for three different solutions.

MODIFIED CONTROL SOLUTION

The first is a slightly modified version of Wharton EFA's latest Control Forecast in light of the recent unemployment statistics. This forecast makes the following basic public policy assumptions:

1. Significant increases in defense purchases to levels somewhat below those in the official Administration budget. Both defense and non-defense purchase assumptions assume pay increases of more than the proposed five percent ceiling.

2. Federal transfer payments to persons growing at rates faster than those in the proposed budget. These transfers include an assumed 8.5% social security increase effective in 1975 third quarter and a 5.5% increase effective in 1976 third quarter.

3. Grants-in-aid to state and local governments include a $3 billion per year jobs program which is phased in slowly beginning in the second half of 1975. It is assumed that this jobs program results in an increase of 350,000 employees on state and local government payrolls.

4. A rebate on 1974 personal income taxes of 10% up to $300 per return. In addition, we have reduced the four lowest income tax bracket rates by 2% and increased the personal exemption to $850 per person. We estimate these changes result in permanent tax reductions of $8 billion. We have also assumed a reduction in current overwithholding by $5 billion per year.

5. A permanent increase in the investment tax credit to 10%, effective in 1975 third quarter.

6. Some deregulation of the price of "old oil". Accompanying this we have assumed a modest oil excise tax producing revenues of $5.5 billion.

This Control Forecast shows a further significant decline in real activity in the first quarter of 1975. This is largely the result of slower inventory accumulation and, in the case of automobiles, actual inventory reductions. In addition, however, the forecast shows further declines in real consumption spending, especially for consumer durables. Price adjusted non-residential fixed investment also shows a continued decline through 1975 and only recovers late in 1976.

REVISED FORD SOLUTION

The second attached solution reflects the policy proposals made in President Ford's recent State of the Union Message and further detailed in the official budget documents released in early February. These policies have been introduced in as much detail as the model structure permits. Since various aspects of the budget depend on economic activity, the exact budget results are not duplicated in this forecast. Specific assumptions in this forecast include the following:

1. Defense and non-defense spending as estimated in the preliminary translation of the budget to a national income basis as released by the Office of Management and Budget.
2. A $12 billion personal tax rebate on 1974 taxes, 40% to be paid in the second quarter and 60% to be paid in the third.
3. A temporary one-year increase in the investment tax credit rate to 12%.
4. A permanent personal tax reduction of $16.5 billion, effective June 1, 1975 and retroactive to January 1, 1975.
5. A permanent reduction in the corporate profits tax rate from 48% to 42%.
6. Deregulation of the price of "old oil", and imposition of a $2 per barrel equivalent excise tax on oil and natural gas. In addition, we assume a "windfall profits tax" in the form of a sliding excise tax on old oil as the price rises. The total revenue from these oil excise taxes is assumed to be in excess of $30 billion per year.
7. An increase of $2 billion per year in state and local government expenditures to cover the higher cost of fuel.

ALTERNATIVE SOLUTION WITH $30 BILLION TAX CUT AND $8 BILLION JOB PROGRAM

The third attached solution represents a more expansive government policy aimed at fighting the current recession. In this solution we have made the following assumptions:

1. A $10 billion rebate on 1974 personal income taxes, payable completely in the second quarter of 1975. We have further assumed a $20 billion permanent tax cut effective June 1, 1975 and retroactive to January 1.
2. An increase in the investment tax credit rate to 10% from 1975.3 through 1976.4.
3. An $8 billion jobs program which employs one million men. This program becomes one-third effective in 1975.3, two-thirds in 1975.4 and is fully implemented by 1976.1.
4. A change in the mix of government spending which shifts $4.5 billion from defense to personal transfers in fiscal 1976.
5. No freeing of the price of "old oil" and no associated excise tax. In light of this we have reduced federal spending by $3 billion compared with the official budget estimates which include additional spending for more expensive fuel.

DISCUSSION OF THE SOLUTIONS

These solutions clearly show the serious nature of the current economic slowdown. We are in the midst of what will certainly become the longest and most severe of the postwar recessions. The need for significant government action to halt the continuing decline in private spending should be obvious.

On the issue of prices, it is important to realize due to excess capacity, stimulating policy will have less inflationary impact that we have developed and are continuing to develop significant excess capacity in the U.S. economy. In this context, stimulative government policy has a much smaller impact on prices than is the case when we are operating at near maximum capacity. In fact, improving real output levels can have a favorable impact on productivity and remove some pressure on prices from unit labor cost. While the gains from such short run productivity improvements may be modest, they can be important when capacity utilization pressures are at a minimum.

The needed policy shifts call for a significant stimulus from government taxation and spending policies in the near future. Lacking such government action, the current decline in economic activity will surely continue well beyond the middle of 1975. It is important to recognize, however, that the return to full employment should be an orderly one. We cannot expect a dramatic upsurge in activity to near full employment and capacity without a serious risk of an additional inflationary outbreak. It would be tragic indeed if the very legitimate concern for those suffering the most from the current slowdown were to lead to policies which create inflationary pressure which once again could only be broken by periods of high unemployment and declining real economic activity. If we are to avoid major future swings in real activity, it is important that both political parties stop creating public expectations which cannot be fulfilled. Our understanding of economic processes has improved dramatically in the last thirty years. Recent experience should show us, however, that minute "fine tuning" is not a practical possibility given the current state of our understanding and the necessarily slow moving nature of the political processes needed to implement public policies. If we are not satisfied with occasionally operating at output levels moderately below full capacity, more serious cyclical swings are inevitable.

WHARTON MARK IV QUARTERLY MODEL, FEB. 14, 1975

$30 BILL TAX CUT AND $8 BILL JOBS PROGRAM TABLE—1. SELECTED MAJOR ECONOMIC INDICATORS

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1. GNP$	I—Gross national product	1,428.0	1,430.5	1,468.3	1,496.5	1,537.3	1,572.8	1,616.6	1,660.3	1,702.9	1,396.7	1,483.2	1,638.1
2. GNP$	I—Percent change gross national product.	3.35	8.71	10.99	7.88	11.38	9.55	11.61	11.24	10.67	7.86	6.19	10.45
3.													
4. GNP	I—Real gross national product	803.7	787.9	799.3	803.5	812.5	817.2	827.5	838.3	848.3	821.1	800.7	832.8
5. GNP	I—Percent change, real gross national product.	−9.10	−7.66	5.92	2.13	4.32	2.58	5.13	5.33	4.83	−2.15	−2.49	4.02
6.													
7. YN$	I—National income	1,164.3	1,163.7	1,196.2	1,214.8	1,250.5	1,280.6	1,318.1	1,354.9	1,390.4	1,142.2	1,206.3	1,336.0
8.													
9. YP$	I—Personal income	1,186.4	1,201.6	1,226.5	1,250.5	1,280.8	1,303.3	1,333.9	1,372.4	1,406.1	1,150.4	1,239.8	1,353.9
10.													
11. PDGNP	I—Implicit price deflator, GNP	177.7	181.6	183.7	186.2	189.3	192.5	195.4	198.0	200.7	170.2	185.2	196.7
12. PDGNP	I—Percent change, implicit GNP deflator.	13.69	9.06	4.79	5.64	6.77	6.80	6.17	5.62	5.57	10.29	8.84	
13.													
14. PXP	I—Implicit price deflator, private GNP.	170.7	174.5	176.7	179.1	181.7	184.8	187.8	190.3	192.7	163.3	178.0	188.9
15. PXP	I—Percent change, private GNP deflator.	13.71	9.14	5.03	5.71	5.90	6.96	6.37	5.82	5.11	10.70	8.97	6.12
16.													
17. PC*	B—Percent change, consumer price index.	12.17	9.38	5.59	5.99	5.92	6.90	6.32	5.69	4.72	11.04	9.05	6.12
18. PW*	B—Percent change, wholesale price index.	14.69	11.91	7.70	4.78	2.64	2.87	1.30	1.86	1.62	18.81	12.40	2.85
19.													
20. PRO2	Private output per manhour	5.71	5.67	5.79	5.84	5.90	5.92	5.98	6.03	6.08	5.80	5.80	6.01
21. PRO2	Percent change, private output per manhour.	−2.10	−3.03	8.96	3.17	4.04	1.79	3.87	3.82	3.31	−3.83	−.10	3.56
22.													
23. WRCPV$	T—Private compensation per manhour.	5.64	5.76	5.86	5.95	6.05	6.17	6.29	6.40	6.51	5.46	5.91	6.34
24. WPCPV$	I—Percent change, private compensation/manhour.	8.58	8.20	7.57	6.16	7.14	7.72	7.89	7.54	7.03	8.54	8.10	7.37
25.													
26. NRUT	B—Unemployment rate (percent)	6.54	8.31	9.04	9.33	9.14	8.64	7.97	7.28	6.69	5.59	8.95	7.64
27.													
28. NETEX$	Net exports, current dollars	1.1	2.8	3.0	4.2	4.0	3.7	.6	−3.8	−6.4	1.9	3.5	−1.5
29.													
30. FM1$	I—Money supply, M1	282.8	286.2	292.3	298.8	305.0	311.5	318.3	326.1	333.5	278.6	295.6	322.4
31. FM1$	I—Percent change, money supply, M1.	3.37	4.78	8.94	9.08	8.66	8.74	9.05	10.19	9.32	5.62	6.10	9.06
32. FM2$	I—Money supply, M2	611.4	622.7	637.8	654.0	669.5	685.3	710.0	717.9	734.0	596.5	646.0	709.5
33. FM2$	I—Percent change, money supply, M2.	6.61	7.66	10.02	10.56	9.84	9.72	9.49	10.00	9.33	8.54	8.29	9.83
34.													
35. FRMTH3MY	B—3 mo Treasury bill rate	7.36	5.97	5.79	5.22	5.83	5.73	6.08	5.92	6.22	7.83	5.70	5.98
36. FRMCUAAAN	B—Corp AAA utility bond rate	9.63	9.44	9.33	9.12	9.31	9.32	9.31	9.16	8.88	9.33	9.30	9.16
37. FRMCP4M	B—4 to 6 mo commercial paper rate.	9.05	6.97	6.51	6.02	6.36	6.42	6.68	6.63	6.83	9.83	6.46	6.64
38. FRMCS	B—Moody's total corporate bond rate.	9.65	9.67	9.64	9.53	9.54	9.55	9.56	9.50	9.34	8.98	9.59	9.49
39.													
40. YPDSAVR	I—Personal savings rate (percent)	8.47	8.62	11.44	10.92	10.88	9.67	9.46	9.75	9.64	7.83	10.47	9.63
41.													
42. CPUBT$	I—Corporate profits before tax	132.4	117.5	123.2	122.6	131.3	139.5	148.3	156.9	162.0	140.9	123.7	151.7
43.													
44. GVSURPF$	I—Federal surplus, NIA basis	−22.7	−36.6	−86.0	−75.8	−76.8	−59.1	−56.9	−63.2	−63.5	−7.6	−68.8	−60.7

$30 BILL TAX CUT AND $8 BILL JOBS PROGRAM; TABLE 9—FEDERAL GOVERNMENT RECEIPTS AND EXPENDITURES

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1. GVRF$	I—Federal Government receipts	294.6	293.9	250.5	268.7	278.6	305.5	316.1	326.4	336.1	291.0	272.9	321.1
2. TXCPF$	B—Personal tax and nontax receipts	136.6	138.2	91.8	104.5	109.8	128.6	134.0	139.1	145.1	131.2	111.1	136.7
3. TXCCP$	B—Corporate profits tax accrual	45.8	41.5	43.9	43.1	46.4	49.6	52.9	56.1	58.0	49.1	43.7	54.1
4. TXCPF$	I—Ind business tax and specific oil tariff.	22.2	22.3	22.7	28.5	28.9	29.0	29.4	29.7	30.0	22.0	25.6	29.5
5. TXCPF-OIL$	B—Indirect business tax/nontax accrual.	22.2	22.3	22.7	23.0	23.4	23.5	23.9	24.2	24.5	22.0	22.8	24.0
6. TXCRFOTI $	F—Special oil tariff	0	0	0	5.5	5.5	5.5	5.5	5.5	5.5	0	2.8	5.5
7. TXCSFT$	B—Contributions for social ins	90.0	91.9	92.2	92.6	93.5	98.4	99.8	101.4	103.0	88.7	92.5	100.7
8.													
9. GVEF$	I—Federal Government expenditures	317.3	330.5	336.5	344.5	355.4	364.7	173.0	389.6	399.7	298.6	341.7	381.7
10. GVPF$	I—Purchases of goods and services	122.8	122.9	120.8	122.3	125.9	129.9	134.2	138.7	143.2	116.4	123.0	136.5
11. GVPFD$	E—National defense	83.5	81.0	77.5	79.1	81.9	85.3	89.3	93.3	97.3	78.6	79.9	91.3
12. GVPFD$	E Other	39.3	41.9	43.3	43.2	44.0	44.6	44.9	45.4	45.9	37.9	43.1	45.2
13. TRGF$	I—Transfer payments	127.1	137.0	143.3	149.5	151.8	152.8	154.6	164.1	167.1	117.0	145.4	159.6
14. TRGFF$	E—To foreigners (net)	2.7	4.4	4.5	4.1	4.0	4.0	3.9	3.7	3.7	2.6	4.3	3.8
15. TRGFP$	E—To persons	124.4	132.6	138.8	145.4	147.8	148.8	150.7	160.4	163.4	114.4	141.1	155.8
16. GVGIA$	E Grants-in-aid to State and local	45.5	47.7	49.4	49.5	53.7	57.0	58.0	59.2	60.2	43.7	50.1	58.6
17. YINTGF$	B—Net interest paid	19.7	19.0	18.9	19.1	19.9	20.9	22.1	23.4	25.0	18.8	19.2	22.8
18. GVSUPTF$	E—Sub less currency surplus Government Entity.	2.3	3.9	4.1	4.1	4.1	4.1	4.1	4.2	4.2	2.1	4.0	4.1
19. WALDGES	E—Less wage accrual less disbursement.	0	0	0	0	0	0	0	0	0	−.5	0	0
20.													
21. GVSURPF$	I—Federal Government surplus: NIA basis.	−22.7	−36.6	−86.0	−75.8	−76.8	−59.1	−56.9	−63.2	−63.5	−7.6	−68.8	−60.7

$30 BILL TAX CUT AND $8 BILL JOBS PROGRAM TABLE—10. STATE AND LOCAL GOVERNMENT RECEIPTS AND EXPENDITURES

1. GVRS$	I—State and local government receipts.	214.0	218.6	225.1	228.5	237.3	244.7	250.6	256.9	263.1	207.7	227.4	253.8
2. TXCPS$	B—Personal tax/nontax receipts	41.1	41.5	42.6	43.5	45.0	46.3	47.9	49.5	51.2	39.5	43.2	48.7
3. TXCOS$	B—Corporate profits tax account	6.5	6.2	6.5	6.6	7.0	7.3	7.7	8.0	8.3	6.7	6.6	7.8
4. TXCBS$	I—Indirect business tax and nontax	107.6	190.6	112.8	114.7	117.1	119.2	121.8	124.5	127.3	104.9	113.5	123.2
5. GXCBSSSLI and TO$.	B—Liquor and tobacco sales tax	5.3	5.4	5.5	5.6	5.7	5.8	5.9	6.0	6.0	5.3	5.6	5.9
6. TXCBSSSGA$	B—Gasoline taxes	9.0	9.0	9.3	9.4	9.6	9.8	9.9	10.1	10.2	8.8	9.3	10.0
7. TXCBSP$	B—Property tax	49.1	50.1	51.1	52.2	53.3	54.4	55.6	56.7	57.9	48.1	51.7	56.2
8. TXCBSRES$	I—Other	44.2	45.1	46.8	47.4	48.5	49.2	50.5	51.8	53.1	42.7	46.9	51.2
9. TXCSST$	B—Contributions social insurance	13.3	13.6	13.9	14.2	14.5	14.9	15.3	15.7	16.1	12.8	14.0	15.5
10. GVGIA$	B—Grants-in-aid from Federal Government.	45.5	47.7	49.4	49.5	53.7	57.0	58.0	59.6	60.2	43.7	50.1	58.6
11.													
12. GVES$	I—State and local government expenditures.	214.4	220.3	226.4	233.3	240.9	247.8	254.7	260.7	265.7	206.0	230.2	257.6
13. GVPS$	E—Purchases of goods and services	199.6	204.6	209.6	215.6	222.6	229.6	236.6	242.6	247.6	192.4	213.1	239.1
14. TRGSR$	B—Transfer payments to persons	21.4	22.2	22.9	23.5	24.2	24.8	25.4	26.0	26.6	20.2	23.2	25.7
15. YINTGS$	E—Net interest paid	−1.5	−1.5	−1.6	−1.8	−1.9	−2.1	−2.2	−2.4	−2.5	−1.5	−1.7	−2.3
16. GVSOBTS$	E—Less: Current surplus Government enterprise.	5.0	5.0	4.5	4.0	4.0	4.5	5.0	5.5	6.0	5.0	4.4	5.3
17. WALOGS$	E—Less: Wage accrual less discount	0	0	0	0	0	0	0	0	0	0	0	0
18.													
19. GVSUBPS$	I—State and local surplus: NIA basis	−.5	−1.7	−1.3	−4.8	−3.6	−3.1	−4.1	−3.8	−2.6	1.7	−2.8	−3.4

REVISED CONTROL SOLUTION TABLE—1 SELECTED MAJOR ECONOMIC INDICATORS

1. GNP$	I—Gross national product	1,428.0	1,433.2	1,455.7	1,494.3	1,535.3	1,565.9	1,603.8	1,644.3	1,687.0	1,396.7	1,479.6	1,625.3
2. GNP$	I—Percent change, gross national product.	3.35	1.47	6.43	11.02	11.45	8.21	10.04	10.47	10.80	7.86	5.94	9.84
3.													
4. GNP	I—Real gross national product	803.7	789.4	788.7	799.7	808.3	810.9	818.3	827.9	838.0	821.1	796.5	863.8
5. GNP	I—Percent change, real gross national product.	−9.10	−6.93	−.36	5.70	4.36	1.28	3.70	4.80	4.99	−2.15	−2.99	3.42
6.													
7. YN$	I—National income	1,164.3	1,164.8	1,183.6	1,212.3	1,248.4	1,274.0	1,305.9	1,339.6	1,375.5	1,142.2	1,202.3	1,323.8
8.													
9. YP$	I—Personal income	1,186.4	1,119.8	1,219.3	1,249.4	1,280.4	1,303.5	1,332.5	1,368.0	1,402.7	1,150.4	1,237.2	1,351.7
10.													
11. PDGNP	I—Implicit price deflator, GNP	177.7	181.6	184.6	186.9	190.0	193.1	196.0	198.6	201.3	170.2	185.7	197.3
12. PDGNP	I—Percent change, implicit GNP deflator.	13.69	9.01	6.81	5.03	6.80	6.84	6.12	5.41	5.54	10.29	9.15	6.21
13													
14. PXP	I—Implicit price deflator, private GNP.	170.7	174.5	177.5	179.7	182.3	185.5	188.4	191.0	193.3	163.3	178.5	189.6
15. PXP	I—Percent change, private GNP deflator.	13.71	9.12	7.04	5.20	5.90	7.07	6.45	5.66	4.95	10.70	9.29	6.19
16.													
17. PC*	B—Percent change, consumer price index.	12.17	9.35	7.27	5.66	5.92	7.07	6.47	5.60	4.64	11.04	9.32	6.24
18. PW*	B—Percent change, wholesale price Index.	14.69	11.90	7.73	4.80	2.64	2.88	1.31	1.86	1.61	18.81	12.40	2.85
19.													
20. PRO2	Private output per manhour	5.71	5.68	5.72	5.82	5.89	5.90	5.95	6.01	6.07	5.80	5.78	5.98
21. PRO2	Percent change, private output per manhour.	−2.10	−2.40	2.98	7.47	4.42	.99	3.33	3.98	3.77	3.73	−.46	3.54
22.													
23. WRCPVS	I—Private compensation per manhour.	5.64	5.76	5.86	5.96	6.06	6.17	6.28	6.40	6.50	5.46	5.91	6.34
24. WRCPVS	I—Percent change, private compensation per manhour.	8.58	8.32	7.22	6.82	6.92	7.54	7.70	7.37	6.76	8.54	8.14	7.28
25.													
26. NRUT	B—Unemployment rate (percent)	6.54	8.30	9.11	9.44	9.33	8.94	8.44	7.86	7.27	5.59	9.04	8.12
27.													
28. NETFX$	Net exports, current dollar	1.1	2.5	5.5	4.9	4.7	4.8	2.1	−2.3	−5.0	1.9	4.4	−.1
29.													
30. FM1$	I—Money supply, M1	282.8	286.3	291.2	297.8	303.8	309.6	315.7	323.1	330.1	278.6	294.8	319.6
31. FM1$	I—Percent change, money supply, M1.	3.37	4.97	7.11	9.36	8.29	7.82	8.14	9.75	8.95	5.62	5.82	8.43
32. FM2$	I—Money supply, M2	611.4	622.7	637.0	653.3	667.8	681.9	696.1	711.9	726.8	596.5	645.2	704.2
33. FM2$	I—Percent change, money supply, M2.	6.61	7.65	9.48	10.63	9.18	8.71	8.58	9.43	8.62	8.54	8.16	9.14
34.													
35. FPMTA3MY	B—3 month Treasury bill rate	7.36	6.08	5.48	5.39	6.32	6.26	6.54	6.25	6.81	7.83	5.82	6.46
36. FRMCHAAAN	B—Corporate AAA utility bond rate	9.63	9.49	9.24	9.31	9.42	9.49	9.52	9.32	9.13	9.33	9.36	9.37
37. FRMCPUM	B—4–6 mo commercial paper rate	9.05	7.06	6.29	6.08	6.78	6.96	7.16	7.00	7.37	9.83	6.56	7.12
38. FRMCS	B—Moody's total corporate bond rate.	9.65	9.69	9.61	9.59	9.63	9.67	9.72	9.66	9.55	8.98	9.63	9.65

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WHARTON MARK IV QUARTERLY MODEL, FEB. 14, 1975—Continued

REVISED CONTROL SOLUTION TABLE—9. FEDERAL GOVERNMENT RECEIPTS AND EXPENDITURES—Continued

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	197
39.													
40. YPCSAVR	I—Personal savings rate (percent)	8.47	8.46	8.59	10.48	10.62	9.47	9.36	9.81	9.81	7.83	9.54	9.61
41.													
42. CPUPT$	I—Corporate profits before tax	132.4	117.9	116.9	121.7	131.9	138.6	145.9	153.7	159.8	140.9	122.1	149.5
43.													
44. GVSURPF$	I—Federal surplus US, NIA basis	−22.7	−32.2	−38.4	−69.7	−73.2	−53.4	−53.3	−62.9	−65.9	−7.6	−53.4	−58.9

REVISED CONTROL SOLUTION TABLE—9. FEDERAL GOVERNMENT RECEIPTS ANO EXPENOITURES

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	197
1. GVRF$	I—Federal Government receipts	294.6	294.2	297.3	283.0	293.6	322.4	331.8	336.6	347.0	291.0	292.1	334.4
2. TXCPF$	B—Personal tax and nontax receipts	136.6	138.4	141.3	119.3	124.9	146.0	151.1	151.2	157.5	131.2	131.0	151.4
3. TXCCF$	B—Corporate profits tax accrual	45.8	41.7	41.5	42.8	46.7	49.3	52.1	55.0	57.3	49.1	43.2	53.4
4. TXCBF$	I—Ind business tax and spec oil tariff.	22.2	22.3	22.6	28.5	28.9	29.0	29.3	29.6	30.0	22.0	25.6	29.5
5. TXCBF-OIL$	B—Indirect Business tax and nontax accrual.	22.2	22.3	22.6	23.0	23.4	23.5	23.8	24.1	24.5	22.0	22.8	24.0
6. TXCBFOIL$	E—Special oil tariff	0	0	0	5.5	5.5	5.5	5.5	5.5	5.5	0	2.8	5.5
7. TXCSFT$	B—Contributions for social ins	90.0	91.9	91.9	92.4	93.3	98.1	99.4	100.8	102.3	88.7	92.4	100.1
8.													
9. GVEF$	I—Federal government expenditures	317.3	326.5	335.7	352.7	366.8	375.8	385.1	399.5	412.9	298.6	345.4	393.3
10. GVPF$	I—Purchases of goods and services	122.8	125.8	128.5	131.2	138.2	140.9	143.6	146.3	152.6	116.4	130.9	145.8
11. GVPFD$	E—National defense	83.5	85.3	870.0	88.7	93.6	95.3	97.0	98.7	103.0	78.6	88.6	98.5
12. GVPFO$	E—Other	39.3	40.5	41.5	42.5	44.6	45.6	46.6	47.6	49.6	37.9	42.3	47.3
13. TRGF$	I—Transfer payments	127.1	133.1	139.1	150.3	154.8	159.3	163.8	173.3	177.8	117.0	144.3	168.5
14. TRGFF$	E—To foreigners (nft)	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7
15. TRGFP$	E—To persons	124.4	130.4	136.4	147.6	152.1	156.6	161.1	170.6	175.1	114.4	141.6	165.8
16. GVGIA$	F—Grants-in-aid to State and local	45.5	46.5	47.5	50.5	52.5	53.5	54.5	55.5	56.5	43.7	49.3	55.0
17. YINTGF$	B—NFT interest paid	19.7	18.8	18.0	17.7	18.3	19.1	20.2	21.4	23.0	18.8	18.2	20.9
18. GVSUBTF$	E—Sub less curr surplus government enterprise.	2.3	2.3	2.6	3.0	3.0	3.0	3.0	3.0	3.0	2.1	2.7	3.0
19. WALDGF$	E—Less: Wage accrual less disbursements.	0	0	0	0	0	0	0	0	0	−.5	0	0
20.													
21. GVSURPF$	I—Federal Government surplus: NIA basis	−22.7	−32.2	−38.4	−69.7	−73.2	−53.4	−53.3	−62.9	−65.9	−7.6	−53.4	−58.9

REVISED CONTROL SOLUTION TABLE—10. STATE AND LOCAL GOVERNMENT RECEIPTS AND EXPENDITURES

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	197
1. GVPS$	I—State and local government receipts	214.0	217.4	221.4	228.7	235.2	239.9	245.4	251.4	257,4	207.7	225.7	248.5
2. TXCPS$	B—Personal tax/nontax receipts	41.1	41.6	42.3	43.3	44.8	45.9	47.3	48.7	50.3	39.5	43.0	48.1
3. TXCCS$	B—Corporate profits tax account	6.5	6.2	6.3	6.6	7.0	7.3	7.6	8.0	8.3	6.7	6.5	7.8
4. TXCBS$	I—Indirect business tax and nontax	107.6	109.5	111.4	114.6	116.4	118.3	120.8	123.6	126.3	104.9	112.8	122.2
5. TXCBSSSLI+ TOS.	B—Liquor and tobacco SL tax	5.3	5.4	5.5	5.6	5.7	5.7	5.8	5.9	6.0	5.3	5.5	5.9
6. TXCBSSSGA$	B—Gasoline taxes	9.0	8.0	9.3	9.4	9.6	9.7	9.9	10.0	10.2	8.8	9.3	10.0
7. TXCBSP$	B—Property tax	49.1	50.0	51.1	52.1	53.3	54.4	55.5	56.7	57.9	48.1	51.6	56.1
8. TXCBSRES$	I—Other	44.2	45.0	45.6	46.9	47.9	48.5	49.6	51.0	52.2	42.7	46.4	50.3
9. TXCSST$	B—Contributions social insurance	13.3	13.6	13.9	14.2	14.5	14.9	15.2	15.6	16.0	12.8	14.0	15.4
10. GVGIA$	E—Grants-in-aid from Federal Government.	45.5	46.5	47.5	50.5	52.5	53.5	54.5	55.5	56.5	43.7	49.3	55.0
11.													
12. GVES$	I—State and local government expenditures.	214.4	220.3	226.3	233.3	239.8	245.7	250.6	255.6	260.6	206.0	229.9	253.1
13. GVPS$	E—Purchases of goods and services	199.6	204.6	209.6	215.6	221.6	227.6	232.6	237.6	242.6	192.4	212.8	235.1
14. TRGSP$	B—Transfer payments to persons	21.4	22.2	22.8	23.5	24.2	24.7	25.3	25.9	26.5	20.2	23.2	25.6
15. YINIGS$	E—Net interest paid	−1.5	−1.5	−1.6	−1.8	−1.9	−2.1	−2.2	−2.4	−2.5	−1.5	−1.7	−2.3
16. GVSUBTS$	E—Less: Cup surplus government ent.	5.0	5.0	4.5	4.0	4.0	4.5	5.0	5.5	6.0	5.0	4.4	5.3
17. WALDGS$	E—Less: wage accrual less discount	0	0	0	0	0	0	0	0	0	0	0	0
18.													
19. GVSURPS$	I—State and local surplus: NIA basis	−0.5	−2.9	−4.9	−4.6	−4.6	−5.8	−5.2	−4.2	−3.1	1.7	−4.3	−4.6

REVISED FORD SOLUTION TABLE—1. SELECTED MAJOR ECONOMIC INDICATORS

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	197
1. GNP$	I—Gross national product	1,428.0	1,430.0	1,463.8	1,515.8	1,548.9	1,584.9	1,625.0	1,664.1	1,702.2	1,396.7	1,489.6	1,644.0
2. GNP$	I—Percent change, gross national product	3.35	.56	9.81	14.97	9.02	9.65	10.51	9.97	9.47	7.86	6.65	10.37
3.													
4. GNP	I—Real gross national product	803.7	787.8	790.8	804.8	804.7	807.6	814.3	821.8	829.1	821.1	797.0	818.2
5. GNP	I—Percent change, real gross national product	−9.10	−7.67	1.52	7.29	−.09	1.46	3.36	3.76	3.60	−2.15	−2.93	2.66
6.													
7. YN$	I—National income	1,164.3	1,154.6	1,158.7	1,205.6	1,234.7	1,266.0	1,300.3	1,333.4	1,365.3	1,142.2	1,188.4	1,316.3
8.													
9. YP$	I—Personal income	1,186.4	1,200.8	1,219.4	1,247.5	1,272.9	1,291.6	1,316.4	1,349.3	1,377.9	1,150.4	1,235.3	1,333.8
10.													
11. PDGNP	I—Implicit price deflator, GNP	177.7	181.5	185.1	188.3	192.5	196.3	199.6	202.5	205.3	170.2	186.9	200.9
12. PDGNP	I—Percent change, implicit GNP deflator	13.69	8.90	8.17	7.16	9.12	8.07	6.92	5.98	5.67	10.29	9.81	7.52
13.													
14. PXP	I—Implicit price deflator, private GNP	170.7	174.4	178.1	181.4	185.2	189.1	192.4	195.4	197.8	163.3	179.8	193.7
15. PXP	I—Percent change, private GNP deflator	13.71	8.96	8.66	7.77	8.56	8.56	7.32	6.25	5.16	10.70	10.08	7.72
16.													
17. PC*	B—Percent change consumer price index	12.17	9.35	9.16	7.88	8.24	8.16	7.11	6.07	4.85	11.04	10.13	7.52
18. PW*	B—Percent change, wholesale price index	14.69	11.91	7.83	4.95	2.82	3.03	1.42	1.94	1.65	18.81	12.46	2.98
19.													
20. PRO2	Private output per manhour	5.71	5.67	5.74	5.86	5.86	5.89	5.93	5.98	6.02	5.80	5.78	5.96
21. PRO2	Percent change private output per manhour	−2.10	−3.04	4.90	8.77	.12	1.66	3.22	3.31	2.98	−3.73	−.40	3.02
22.													
23. WRCYV$	I—Private compensation per manhour	5.64	5.76	5.86	5.97	6.08	6.21	6.34	6.45	6.56	5.46	5.92	6.39
24. WRCPVS	I—Percent change private compensation man-hours.	8.58	8.07	7.13	7.99	7.88	8.76	8.22	7.54	6.72	8.54	8.27	8.01
25.													
26. NRUT	B—Unemployment rate (percent)	6.54	8.31	9.11	9.44	9.43	9.13	8.66	8.10	7.54	5.59	9.07	8.35
27.													

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
28. NETEX$	Net exports, current dollars	1.1	2.8	4.5	3.8	6.5	7.1	4.5	.5	−2.0	1.9	4.4	2.5
29.													
30. FM1$	I—Money supply, M1	282.8	286.1	292.0	300.0	305.9	312.2	318.6	326.0	332.6	278.6	296.0	322.4
31. FM1$	I—Percent change money supply, M1	3.37	4.73	8.48	11.37	8.16	8.47	8.44	9.64	8.39	5.62	6.25	8.90
32. FM2$	I—Money supply, M2	611.4	622.7	637.8	654.8	669.0	683.4	697.4	712.7	726.8	596.5	646.1	705.1
33. FM2$	I—Percent change money supply, M2	6.61	7.65	10.04	11.08	8.96	8.87	8.44	9.08	8.18	8.54	8.30	9.13
34.													
35. FRMTB3MY	B—3 mo Treasury bill rate	7.36	5.94	5.63	5.91	6.52	6.59	7.05	6.74	7.22	7.83	6.00	6.90
36. FRMCUAAAN	B—Corporate AAA utility bond rate	9.63	9.42	9.42	9.65	9.77	9.89	9.98	9.84	9.67	9.33	9.56	9.84
37. FRMCP4M	B—4-6 mo commercial paper rate	9.05	6.96	6.38	6.53	7.07	7.27	7.64	7.50	7.81	9.83	6.73	7.55
38. FRMCS	B—Moody's total corporate bond rate.	9.65	9.66	9.67	9.76	9.87	9.99	10.09	10.10	10.03	8.98	9.74	10.05
39.													
40. YPDSAVR	I—Personal savings rate (percent)	8.47	8.59	9.98	11.36	9.57	8.33	8.01	8.26	8.17	7.83	9.88	8.19
41.													
42. CPUBT$	I—Corporate profits before tax	132.4	109.1	96.9	117.8	123.9	133.4	141.3	148.0	151.4	140.9	111.9	143.5
43.													
44. GVSURPF$	I—Federal surplus, NIA basis	−22.7	−36.8	−51.6	−78.9	−49.8	−30.9	−30.0	−38.1	−39.9	−7.6	−54.3	−34.7

REVISED FORD SOLUTION TABLE—9. FEOERAL GOVERNMENT RECEIPTS AND EXPENOITURES

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1. GVRF$	I—Federal government receipts	294.6	293.7	286.5	268.3	305.2	330.2	339.1	347.3	355.0	291.0	288.4	342.9
2. TXCPF$	B—Personal tax and nontax receipts	136.6	138.0	109.6	83.7	117.7	133.9	138.8	143.4	148.8	131.2	112.3	141.2
3. TXCCF$	B—Corporate profits tax accrual	45.8	33.0	29.2	36.2	38.3	42.7	45.3	47.6	48.8	49.1	34.2	46.1
4. TXCBF$	I—Indirect business tax and special oil tariff.	22.2	30.8	55.8	55.7	55.6	55.2	55.2	55.1	55.0	22.0	49.5	55.1
5. TXCBF-OIL$	B—Indirect business tax/nontax accrual.	22.2	22.2	22.5	22.9	23.3	23.4	23.8	24.1	24.4	22.0	22.7	23.9
6. TXCBFOIL$	E—Special oil tariff	0	8.6	33.3	32.8	32.3	31.8	31.4	31.0	30.6	0	26.8	31.2
7. TXCSFT$	B—Contributions for social insurance	90.0	91.9	91.9	92.7	93.5	98.5	99.8	101.2	102.5	88.7	92.5	100.5
8.													
9. GVEF$	I—Federal government expenditures	317.3	330.5	338.1	347.2	355.0	361.1	369.1	385.4	395.0	298.6	342.7	377.6
10. GVPF$	I—Purchases of goods and services	122.8	122.9	121.8	127.3	132.9	138.9	145.2	151.7	158.2	116.4	126.2	148.5
11. GVPFD$	E—National defense	83.5	81.0	78.5	83.1	87.9	93.3	99.3	105.3	111.3	78.6	82.6	102.3
12. GVPFO$	E—Other	39.3	41.9	43.3	44.2	45.0	45.6	45.9	46.4	46.9	37.9	43.6	46.2
13. TRGF$	I—Transfer payments	127.1	137.0	142.3	147.5	147.8	146.8	146.6	154.1	155.1	117.0	143.6	150.6
14. TRGFF$	E—To foreigners (net)	2.7	4.4	4.5	4.1	4.0	4.0	3.9	3.7	3.7	2.6	4.3	3.8
15. TRGFP$	E—To persons	124.4	132.6	137.8	143.4	143.8	142.8	142.7	150.4	151.4	114.4	139.4	146.8
16. GVGIA$	E—Grants-in-aid to State and local	45.5	47.7	51.4	49.5	50.7	51.0	52.0	53.2	54.2	43.7	49.8	52.6
17. YINTGF$	B—Net interest paid	19.7	19.0	18.5	18.8	19.5	20.3	21.2	22.2	23.3	18.8	19.0	21.7
18. GVSUBTF$	E—Sub less current surplus Government.	2.3	3.9	4.1	4.1	4.1	4.1	4.1	4.2	4.2	2.1	4.0	4.1
19. WALDGF$	E—Less: Wage accrual less disbursement.	0	0	0	0	0	0	0	0	0	−.5	0	0
20.													
21. GVSURPF$	I—Federal Government surplus: NIA basis.	−22.7	−36.8	−51.6	−78.9	−49.8	−30.9	−30.0	−38.1	−39.9	−7.6	−54.3	−34.7

REVISED FORD SOLUTION TABLE—10 STATE AND LOCAL GOVERNMENT RECEIPTS AND EXPENDITURES

Line VAR label	Item	1974.4	1975.1	1975.2	1975.3	1975.4	1976.1	1976.2	1976.3	1976.4	1974	1975	1976
1. GVRS$	I—State and local government rects	214.0	218.3	226.0	229.6	234.5	238.7	244.2	249.9	255.5	207.7	227.1	247.1
2. TXCPS$	B—Personal tax/nontax receipts	41.1	41.5	42.2	43.5	44.8	46.0	47.4	48.8	50.3	39.5	43.0	48.1
3. TXCCS$	B—Corporate profits tax account	6.5	6.0	5.8	6.5	6.7	7.1	7.5	7.8	8.1	6.7	6.2	7.6
4. TXCBS$	I—Indirect bus tax and nontax	107.6	109.5	112.8	115.9	117.7	119.7	122.0	124.5	126.9	104.9	114.0	123.2
5. TXCBSSSLI+TOS$	B—Liquor and tobacco SL tax	5.3	5.4	5.5	5.7	5.7	5.8	5.8	5.9	6.0	5.3	5.6	5.9
6. TXCBSSSGA$	B—Gasoline taxes	9.0	9.0	9.7	10.1	10.3	10.4	10.4	10.5	10.5	8.8	9.8	10.5
7. TXCBSP$	B—Property tax	49.1	50.1	51.2	52.2	53.3	54.4	55.5	56.7	57.9	48.1	51.7	56.1
8. TXCBSRES$	I—Other	44.2	45.0	46.4	48.0	48.4	49.2	50.2	51.4	52.5	42.7	47.0	50.8
9. TXCSST$	B—Contributions social ins	13.3	13.6	13.9	14.2	14.5	14.9	15.3	15.7	16.0	12.8	14.0	15.5
10. GVGIA$	E—Grants-in-aid fr Federal Government.	45.5	47.7	51.4	49.5	50.7	51.0	52.0	53.2	54.2	43.7	49.8	52.6
11.													
12. GVES$	I—State and local government expend.	214.4	220.3	226.3	234.3	239.9	244.8	249.8	254.7	259.7	206.0	230.2	252.2
13. GVPS$	E—Purchases of goods and services	119.6	204.6	209.6	216.6	221.6	226.6	231.6	236.6	241.6	192.4	213.1	234.1
14. TRGSP$	B—Transfer paymts to persons	21.4	22.2	22.8	23.5	24.2	24.8	25.4	26.0	26.6	20.2	23.2	25.7
15. YINTGS$	E—Net interest paid	−1.5	−1.5	−1.6	−1.8	−1.9	−2.1	−2.2	−2.4	−2.5	−1.5	−1.7	−2.3
16. GVSUBTS$	E—Less: Cur surplus government entity.	5.0	5.0	4.5	4.0	4.0	4.5	5.0	5.5	6.0	5.0	4.4	5.3
17. WALDGS$	E—Less: wage accrual less dis	0	0	0	0	0	0	0	0	0	0	0	0
18.													
19. GVSURPS$	I—State and local surpl: NIA basis	−.5	−2.0	−.2	−4.8	−5.4	−6.1	−5.6	−4.7	−4.2	1.7	−3.1	−5.2

RECESS UNTIL 11 A.M.

Mr. MANSFIELD. Mr. President, it seems like time is awasting, that the Senate has nothing to do at the moment; that the distinguished Senator from Iowa (Mr. CLARK) will not be back until around 11 o'clock, at which time he may offer an amendment.

We are trying to find out if there are any amendments on the Republican side, and so far we have come up with none.

So I ask unanimous consent that the Senate stand in recess until the hour of 11 o'clock and, hopefully, at that time we can begin to vote on the amendment.

There being no objection, the Senate, at 10:39 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

VIETNAM CONTINGENCY ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1484, which will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

VIETNAM CONTINGENCY ACT OF 1975

Mr. HUMPHREY. Mr. President, after a week of many hours of careful deliberation, the Senate Foreign Relations Committee reported to the Senate the legislation before us. This measure is significant. It is historic in what it is attempting to define and to achieve. It is deserving of bipartisan support as it deals with the very difficult problems we face in Vietnam.

During the past week of unprecedented and almost around-the-clock deliberations, the Foreign Relations Committee was concerned with the deteriorating military situation in Vietnam and the grave danger posed to the thousands of Americans remaining in that country.

Despite the committee's strong desire that the pace of American evacuation be quickened, it was not until the end of last week that the administration recognized the need for a more rapid evacuation of Americans from the Saigon area. Until the number of Americans in Vietnam reaches a level which will permit their evacuation by a single lift helicopter mission, a very serious danger will exist for them and their rescuers. All the members of the Foreign Relations Committee have stressed the importance of reducing the number of Americans.

Unfortunately, our advice and our justifiable impatience have not been heeded by the executive branch.

Mr. President, the pace of withdrawal of American citizens continues to be far too slow. Today, there are still over 2,500 American citizens and their alien dependents in the Saigon area. Does anyone expect that a man will leave his wife or family behind because they are not American citizens? If this situation is allowed to continue, if the evacuation is not speeded up, the risk of loss of American life will be very great as substantial numbers of troops may be needed to effect an evacuation of more than 2,000 Americans and their alien dependents.

There is absolutely no excuse for there to be a single empty seat on any military or civilian aircraft which leaves Saigon each day.

The measure before us today serves several purposes.

First, it provides the President with a clarification of his legal authority to evacuate Americans and Vietnamese. And this authority is specifically and carefully limited in order to prevent the introduction of massive numbers of American troops.

I consider this issue an important one. The President does have inherent constitutional authority to protect American lives. The Congress cannot deprive him of this.

He asked the Congress for clarification of his authority to use American forces to evacuate Vietnamese. We have provided him with limited authority to achieve these goals. It is limited because the Congress firmly believes that it cannot, in all good conscience, grant broad authority to the President which could mean that he would have total flexibility for a broad range of military activities. It must be remembered that throughout the history of our involvement, events have invariably overrun the best of intentions. We do not want to allow to be created a situation where large numbers of American men would be involved in hostilities in Vietnam once again.

Let us be realistic. In order to achieve an evacuation of large numbers of Vietnamese, there are two options open to our Government.

First, we could introduce massive numbers of American troops to secure a large area for evacuation purposes. This would involve an almost certain military confrontation with the North Vietnamese who are in striking distance of almost all areas except downtown Saigon. I consider this option as totally unacceptable. It would mean that more Americans would die in Vietnam.

The second option is for the United States to negotiate for the release of those Vietnamese who may be in danger of their lives. The path of negotiation is the only real option open to the United States if the President and the Congress are willing to offer safe haven to a limited number of Vietnamese.

At present, all we have is rhetoric about our moral obligation to the Vietnamese. I agree that we do have such an obligation. But if this is the case, then the President must recognize that the only way to secure the evacuation of large numbers of Vietnamese is through the process of negotiations.

The second overall purpose of this legislation is to provide a sum of $100 million in section 7 for humanitarian relief. This provision was originally embodied in S. 1360, which I introduced with Senator McGee, and S. 1350, introduced by Senator Kennedy. The $100 million is designated for refugees and others in Vietnam and Cambodia. It is to be furnished through the United Nations and its specialized agencies or under the auspices of other international relief agencies or voluntary organizations.

The time has passed when humanitarian relief in Indochina can be handled entirely through a bilateral program between AID and the recipient governments. The United Nations has the manpower and the will to do the job as evidenced by Secretary General Woldheim's recent appeal and the presence of significant numbers of U.N. personnel in Indochina.

The people of Vietnam and the people of Indochina have suffered incredible hardship because of war. There is a severe food shortage in Cambodia. The refugee problem in both Cambodia and Vietnam is enormous. I see no reason why our Nation should not be able to contribute a sum of $100 million through international organizations so that these people can be aided. This is not too much to ask, after the billions of dollars in armaments that we have sent to Indochina.

In conclusion, Mr. President, as the Senate considers this legislation, I want to state once again that the United States should not miss the opportunity presented now by the resignation of President Thieu to encourage the South Vietnamese to enter into negotiations with the other side.

Negotiation is the only way to avoid the devastation of Saigon and a massive loss of life. It is the only realistic course open to the Government of South Vietnam. We cannot negotiate for the South Vietnamese. But we can use our good offices to encourage negotiations and to make the necessary contacts and arrangements which may be necessary.

On Monday evening during President Ford's CBS interview, he hinted that we were exploring ways to begin negotiations to obtain a cease fire. I sincerely hope that these efforts are moving forward quickly and that our attempt is a very serious one.

Finally, I want to mention one issue which causes me great anguish and concern. During the President's television interview, he discussed the issue of President Thieu's resignation and how it came to pass that the North Vietnamese have made such significant military advances in the past weeks. It was clear from the President's remarks that he holds Congress responsible as an important factor in the South Vietnamese military debacle. I do not want to deal with this issue of who is to blame, because it is divisive and does not contribute to healing the wounds of years of war.

But what bothers me most about the President's remarks was his unwillingness to reproach President Thieu for his shameless, irresponsible and downright sickening attack on the United States and the American people. In his resignation speech, Mr. Thieu called us 'inhuman." He said that we were fleeing our responsibilities, that Henry Kissinger had delivered them to a "disastrous fate."

But the President of the United States did not have one word of disapproval for a man who so maligned the United States. There was not a single word of outrage for a man who had so abused a country that had lost 50,000 of its sons and given billions of dollars in assistance to South Vietnam during years of war. I regret that President Ford failed to make it known for the record that he was disappointed and angered at Mr. Thieu's statements. It is sad when a great nation like ours suffers in silence when a petty man like Nguyen Van Thieu dishonors those who gave so much to help his country.

Mr. President, the respected commentator, Mr. James Reston, has reminded us once again of the need to pursue the diplomatic channels and in particular to engage the United Nations in an all out effort to seek a cease-fire. I ask unanimous consent that Mr. Reston's article "The Forgotten Charter" be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Forgotten Charter

(By James Reston)

United Nations, N.Y., April 22.—It has been widely ignored during the last gasp of the Indochina war that the United Nations, which now seems to be forgotten and even reviled by almost everybody, was almost the only organization in touch with all parties in the tragedy while it was getting food, medicine and clothing to the suffering people on both sides of the contending armies.

The United Nations has very limited resources, but when the North Vietnamese broke the Saigon Army, U.N. Secretary General Kurt Waldheim marshaled a few planes and supplies and got one of his aides, a Frenchman named Raymond Aubrac, into Hanoi. Mr. Aubrac is now arguing there that a cease-fire in the next few days is not only the best way to avoid a bloody battle for Saigon but probably the only way to assure Hanoi of substantial international economic aid for the relief and reconstruction of the country.

Washington is concentrating now on getting the Americans and their vulnerable South Vietnamese comrades out of Saigon, and is willing to send economic but not military aid to the battlefield. Here the United Nations could be helpful, if given a chance.

The closer the North Vietnamese army comes to the center of Saigon, the more it will have to deal with the refugee problem; but if it insists on a street-by street military victory, it will be left with the wreckage. This is what the U.N. is trying to avoid. It is imploring Hanoi to hold back, to agree to a cease-fire, and to let the U.N. try to appeal to all the nations of the world to relieve the suffering of the Vietnamese people, North and South.

Washington has a direct line of communication, not only to Saigon but to Hanoi. Secretary Kissinger can get in touch with Le Duc Tho in Hanoi within an hour, but he cannot offer economic aid for a cease-fire. Hanoi won't take it directly from Washington, but it might agree to a cease-fire for aid through the United Nations.

President Ford and Mr. Kissinger have another problem. They have been saying that they want to deal with the humanitarian problem. Congress has been saying it will vote money for the Vietnamese people in trouble, but not for arms. There is no way, however, to get Congress to vote hundreds of millions to Hanoi to deal with the refugees, who are now in their hands. It can be done only through the United Nations or some other international agency.

The United Nations may not be used to get out of this mess, but it cannot be ignored. Whatever happens, it will insist on debating the issue of Vietnam when the U.N. General Assembly meets in September. It will want a record of the diplomatic correspondence that led up to the Paris accords on Vietnam, and all the charges of American "promises" and "commitments."

Accordingly, Washington is now going to have to produce a White Paper on the diplomatic record of the Paris accords, what was said to President Thieu by President Nixon, what Mr. Kissinger said privately and what he said publicly. There is no way to avoid it. Mr. Kissinger may not like the United Nations, but he is going to have to answer its questions.

The Charter of the United Nations is precise. It insists that its members cooperate to reduce tensions, negotiate to avoid war, and work together to deal with the social and economic problems that may lead to war.

It also provides a forum where nations can discuss ways to relieve human suffering and political contention, and this is what Secretary General Waldheim has been doing in these last few weeks. He has been staying in touch with all parties in Cambodia and North and South Vietnam, and pleading for time and compromise.

At some point, Messrs. Ford and Kissinger are going to have to deal with the whole international community at the United Nations. They have been concentrating on the political problems of aid in the Congress. and the politics of Saigon, but are in deep trouble here at the U.N., not only on Indochina but on the Middle East.

The majority here on the East River is against Washington, both on its policy toward Saigon and on Israel. In September, Mr. Kissinger faces the possibility of a motion to expel Israel from the U.N. and a savage debate on the whole Vietnam disaster.

Against this background, it is odd that the Secretary of State is paying so litte attention to the efforts of the United Nations to help arrange a compromise and a cease-fire in Vietnam. He cannot do it by himself, and he is getting very little help from either the Russians or the Chinese, but the United Nations is still a possible refuge. It is trying to help but nobody is paying much attention.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HUMPHREY. The time to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Allen). Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask that the Senator from Georgia (Mr. Talmadge) be made a cosponsor of amendment 355, to S. 1484, the Vietnam Contingency Fund Act of 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I ask unanimous consent that Marc Ginsberg and Jerry Tinker of Senator Kennedy's staff be permitted privileges of the floor during the course of the debate on S. 1484.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill add the following new section:

Sec. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day, with the assistance of the U.S.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such Committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. SPARKMAN. I say to the Senator from Iowa, with whom both Senator Case and I have discussed this amendment, that with the modifications that he has put in it at our suggestion, we are in complete accord with it.

As a matter of fact, I say to the Senate as a whole, he is simply formalizing what is now actually a course that is actually being followed.

That is correct, is it not?

Mr. CLARK. That is substantially correct. We have been getting informal reports in the committee daily.

Mr. SPARKMAN. We are willing, on our part, to accept that amendment as modified.

Mr. CLARK. I will take only 30 seconds to speak to the amendment.

Mr. CASE. Will the Senator yield?

Mr. CLARK. I yield to the Senator from New Jersey.

Mr. CASE. If the Senator will promise to take only 30 seconds to speak to the amendment, I shall promise to support the amendment.

Mr. CLARK. This amendment requires a formal report on the number of U.S. citizens and their dependents who are taken out of Saigon each day and the number that remain. We have had some controversy about these numbers in the past few days and this would establish a regular reporting procedure for the evacuation of U.S. citizens, their Vietnamese dependents, and South Vietnamese nationals.

I yield the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SPARKMAN. We yield back.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CLARK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I suggest the absence of a quorum, to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CASE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. Mr. President, I ask unanimous consent that during the remainder of the consideration of this bill and all amendments and proceedings in connection therewith, including votes, my staff assistant Stephen Bryen have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

AMENDMENT NO. 354 (AS MODIFIED)

Mr. CLARK. Mr. President, I send to the desk Amendment No. 354, which has been slightly modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. Clark) proposes Amendment No. 354 (as modified), as follows:

At the end of the bill add the following new section:

Sec. 8. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the Committees on Foreign Relations and Judiciary, and Armed Services of the Senate a report setting forth fully and completely a plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Mr. CLARK. Mr. President, I think there is a need for an evacuation plan for South Vietnam. The Committee on Foreign Relations has never received a full, detailed plan for the evacuation of Americans, their dependents, and "endangered foreign nationals"—only a series and different numbers. As a part of our congressional oversight responsibility, we should pass this legislation—to determine how and how fast the administration plans to evacuate all but the relatively few Americans essential to the mission and whether that number is small enough to be brought out in a single air operation, as in Cambodia. What is the plan? How many troops will be needed to evacuate U.S. citizens and foreign nationals under section 4 of the proposed legislation? How long will the oper-

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ation take? All of these things should be outlined for the Congress.

The amendment requires that such a plan be filed within 48 hours of the bill's enactment. The administration has long been aware enough of the possibility that Saigon will fall, that this kind of plan should be drawn up by now and made available to the Congress. If no plan exists for the evacuation of the remaining Americans, the administration should develop one to get the remaining Americans out of Vietnam as fast as possible, hopefully without the use of force.

Frankly, the figures this morning on the evacuation are not very promising. The President had announced yesterday that less than 1,500 American citizens would still be in South Vietnam today. But there are more than 1,900. We had hoped that the number of dependents would go down significantly. It has not. And so there are still in excess of 2,500 American citizens and their dependents in Saigon as of 6 p.m. Wednesday night, Saigon time.

This amendment also requires a plan for the evacuation of "endangered foreign nationals." The President has requested clarification of his authority to use American troops to evacuate Vietnamese. That is what section 4 of the bill attempts to do. But I think in return for that, a plan should be filed that details how we are going to move those people. To date, the administration has not submitted to Congress any plan outlining how this authority would be used. Now, Congress should request that such a plan finally be submitted.

Is there a list of endangered South Vietnamese, and do we know where they are? Do we have a way of getting them to Tan Son Nhut or some other area for evacuation?

Unless such a plan is in existence, that answers those questions, then giving the President authority to use American troops to bring out South Vietnamese cannot be a wise course. This amendment would require such a plan and I urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, the Senator from Iowa and I have discussed this matter, and we have talked it over with the chairman also.

I was originally inclined to say that I approved it, but I think that my instincts are now turning me around.

I think that when we have required the President, and properly so, to tell us day by day exactly what has been done, implicit in that process is mutual confidence with respect to how it is being done and the plan; and we have perhaps done all we wisely ought to require by legislation.

There may be contingencies. The President and the military should provide against all contingencies, and it is not necessarily desirable that contingency plans be laid out in public.

Mr. President, I am worried about this amendment. I do not think it is necessary. It is somewhat contrary to what I hope is evolving here—that is, a renewed spirit of cooperation between the people downtown and ourselves.

I have every understanding of the lingering suspicions that still hang on, particularly among some of us who have been turned around in the past by misleading information and by less than completely frank discussion of what was going on. But I think we have come to the point where we had better not insist upon this kind of oversight, and therefore I am impelled, much as I hate to disagree with the Senator from Iowa, for whom I have most enormous respect, to oppose the amendment and urge that it be defeated. I hope it will be withdrawn.

I would like to have the Senator discuss this point with me. I think we are getting a little bit too restrictive, and perhaps dangerously so, in adoping this kind of amendment as legislation.

Mr. SPARKMAN. Mr. President, in a sense I regard the amendment as being more or less innocuous, but I do agree with the Senator from New Jersey that, perhaps, it goes too far.

Let me call to the attention of the Senator from Iowa, he was down at the White House with us when the committee went down and met with the President. At that time, we told the President in no uncertain terms that we wanted him to let our Ambassador in Saigon know that we wanted a definite plan, and to know what was happening day by day. The President assured us at that time that he would do that, and that a plan would be carried out.

The reason I said that it seemed to be more or less innocuous is because it virtually provides for what is being done now and is being done through cooperation with the President by the members of the Committee on Foreign Relations.

I believe my friend from New Jersey will agree with me in that line of reasoning.

Mr. CASE. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes, indeed.

Mr. CASE. I do agree, and I think my concern here, if I could add just this much to what has been said already—and I do not want to belabor the point—I think we are at the point where we may be in danger of stifling the initiative of the Executive.

You can properly, and we can properly, restrain excesses of energy, of the exercise of authority and whatnot, but you can also deaden it. I fear that we may be getting into that territory where not the President himself, but people who are actually in charge of this operation will say, "Well for God's sake, how could I do this? The Congress restricted me to this precise plan which had to be told to all the world before we could exercise it, and we have no discretion left."

I think, Mr. President, we are getting near that point, and I, frankly, withdraw from that position myself.

Mr. SPARKMAN. I find myself in agreement with what the Senator from New Jersey had so well pointed out.

There is another thing I want to mention to the Senator from Iowa at this point. It may not be applicable to this particular amendment as it would to the extent it will be to some of the others. We all know that under the Constitution the President has certain inherent powers. I do not say that this amendment violates that, but I have mentioned to the Senator from Iowa that in all of these amendments I wanted him to be certain that it was not an invasion of the Presidential powers that are inherent under the Constitution.

Mr. President, if the Senator from Iowa would follow the suggestion of the Senator from New Jersey and withdraw this amendment, I think it would be a helpful thing.

Mr. CASE. Perhaps the Senator would reconsider his initiative.

Mr. CLARK. Mr. President, this amendment in no way affects the President's constitutional authority. The President has told us that he does not believe he has the authority to use American forces to bring out South Vietnamese except in an incidental way.

So I agree with the Chairman of the Foreign Relations Committee that we should do nothing here that would in any way interfere with the President's authority. This amendment does not do that.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CLARK. Yes, I yield.

Mr. SPARKMAN. I want to remind the Senator I said I did not think this amendment did, but I said in the course of offering the amendments that we keep it in mind.

Mr. CLARK. That is sound advice.

Let me explain why this amendment is so important.

Congress needs to know the following information before it votes today on section 4 of this bill which gives the President authority to use American military forces in unlimited numbers to bring out U.S. citizens and South Vietnamese under five restrictions: What size force does President Ford intend to use to protect the evacuation.

How many Vietnamese does he plan to evacuate along with the U.S. citizens and their dependents; what kind of military resistance the administration expects to such an evacuation? Obviously, none of the answers to these questions can be specified in great detail, but even general answers would make a great difference in terms of how we view this additional authority.

Now, if restrictions remain in the bill on the use of U.S. troops to evacuate foreign nationals, as they should, the administration should submit evacuation plans that comply with those restrictions.

We know that yesterday the Senate Judiciary Committee cleared the way to bring in 130,000 Indochina refugees. I hope that we can evacuate as many as possible, without military action. But consistent with the responsibilities of Congress, we should be advised of the administration's general plans, and that is all this amendment requires. It does not place restrictions on what that plan can be. It in no way requires that the President submit to the will of Congress with regard to that plan.

It simply says that we would like to see the plan. It does not have to be made public; it can be transmitted confidentially. But it seems that if Congress is going to give this new additional authority, we ought to have some idea of how it will be used.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, as I said before, I think there is no question about the complete agreement we all have, those of us certainly on the committee, including the Senator from Iowa, the chairman and myself, and other members of the committee, as to the desirability of keeping this matter as limited as possible.

But I repeat that within what I think are wise limits of restraint on the part of the committee itself drafting this legislation, we have got those limits. We have expressed them quite clearly in general terms, but we have to.

The President was given authority to use for any purpose in this bill, including the evacuation of Americans and their dependents, only such Armed Forces in numbers and a manner essential to and directly connected with the protection of such U.S. citizens and their dependents while they are being withdrawn.

Now, I do not think we would be well-advised, I think we would be badly advised, to go beyond that in the way of restriction.

I think, too, we did well and precisely and in a manner appropriate to congressional responsibility.

In respect to the use of our Armed Forces for withdrawal of Vietnamese, matters even more limited, Armed Forces may not be used beyond those essential to the withdrawal of citizens and their dependents under the section I have just referred to, and the duration of the exposure of such Armed Forces to hostilities in the evacuation of Vietnamese nationals or other than citizens and their dependents may not be extended by that action, and the withdrawal must be confined to the areas where forces are already present for the purpose of protecting citizens and their dependents while they are being withdrawn.

This is not open ended, this is not blue sky, this is not in any way an unlimited authority.

I think in the committee bill we properly have laid down guidelines and limitations that are appropriate to the purposes of this legislation and I would be distressed if we went further.

Mr. JAVITS. Will the Senator yield to me?

Mr. CASE. Yes, I am happy to yield to the Senator.

Mr. JAVITS. Mr. President, as one who labored over this bill very ardently, especially as it relates to the War Powers Resolution, I am deeply concerned about this amendment and I oppose it.

I would like to add, only because I do not believe in going over the same ground, the Senator from New Jersey (Mr. CASE) has properly pointed out how we locked in the size, duration, and intensity of use of the military forces strictly to the evacuation of the American nationals.

But I would like to express my judgment as to Senator SPARKMAN's point that while it may not contravene the War Powers Resolution, it does have an effect, and for this reason I have always been concerned about this new partnership between the President and the Congress in precisely the respect of an amendment like this.

In short, will the price paid for the partnership be a breach of the ability to really function?

We cannot lay everything on the table. There are lives involved here. It is a matter of very great sensitivity.

We who serve on the Committee on Foreign Relations have shown already a very deep commitment to the idea of knowing everything. Indeed, I would like to pay a tribute to the Senator from Iowa (Mr. CLARK), a new member, and a Member of the Senate who has nonetheless tenaciously clung to the fact we have got to know before we act. That is fine, it is as it should be, and I think in all respects the chairman and ranking member would undertake a solemn commitment to that effect. I am sure I do and I am sure other members of the committee will do so.

But that is a very different situation from what is called for by this amendment, which I think could turn out to be very prejudicial and could hurt if this is the line along which we will go. It would hurt the effort we have made, I think, very effectively.

Nobody says we will not make mistakes, too, but there is less chance with the combined judgment of both Congress and the President.

I do not like to see that jeopardized by this kind of laying on the table of information which really should not be laid on the table except in the way of monitoring, which our committee will do.

I hope very much that all Senators, and the Senator from Iowa (Mr. CLARK) himself, who it seems to me has the best good faith in the world in this matter, will give that every consideration.

Mr. CLARK. Mr. President, how much time do I have on the amendment?

The PRESIDING OFFICER. Each side has 5 minutes.

Mr. CLARK. Mr. President, by way of summary, three factors are involved in this amendment.

Without even a broad outline of a plan we are being asked:

One, to give the President authority to evacuate;

Two, to commit U.S. forces in unlimited numbers, subject only to the President's judgment, and, three, to authorize funds, an additional $100 million. It is like writing a blank check.

Now, Assistant Secretary Habib told the Committee on Foreign Relations yesterday morning that there was no plan for evacuation of South Vietnamese, that there were only—to use his words—some general scenarios about how that might be carried out.

We are in no way restricting the President by asking for a general plan.

We are simply saying that the Congress ought to be advised, that it would not be wise to give the President such broad authority without having that information.

That is what is at issue with this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Does the Senator have anything further?

Mr. CASE. Nothing further.

Mr. SPARKMAN. I yield such time as the Senator from Minnesota may require.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, just a brief word on this matter.

I do not find the amendment, may I say, at all contrary to the purposes in the legislation before us and I do not believe it in any way impairs or impedes the authority of the President.

I think it is fair to say that all of us in the committee were unable to find out any particular proposal or plan that the Government may have insofar as the removal of Vietnamese citizens is concerned.

Our major concern, of course, at first, is for the American citizen and his dependents. That, obviously, is our major concern.

Second, of course, out of humanitarian interests and out of sheer morality, is a desire to remove as many of the Vietnamese as possible that might be victims of any kind of reprisal.

I think it should be said that the committee did write into this bill some very strong provisions, as the Senator from New Jersey has noted.

For example, in section 4, carrying out the withdrawal, it states:

> In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 3 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out endangered foreign nationals—

That is what this amendment is about; the Clark amendment is about foreign nationals.

> if the President determines and certifies in writing to Congress pursuant to section 4(b) of the War Powers Resolution that every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and any other means available other than the use of Armed Forces.

I would like to emphasize that point. I do not believe every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and other means available, other than the use of armed forces.

I want some evidence that we have been working through the United Nations, for example; that we have been working not only through them but imploring the United Nations to do a job in getting a cease-fire.

The next reservation is that you can only remove foreign nationals if there is a direct and imminent threat existing to the lives of such foreign nationals.

Then, the next point is:

> United States Armed Forces will not be required beyond those essential to the withdrawal of the citizens of the United States and their dependents, and the duration and exposure of the United States Armed Forces to hostilities will not thereby be extended.

So it is not an open end. Quite frankly, the only armed forces that can be used, the numbers, duration, and exposure of those forces, relates only to those that are usable for the evacuation of U.S. citizens and their dependents.

So it is not as if they could just send in any number that they want to. It has

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to be related exactly to the numbers of American Armed Forces required for the removal of U.S. nationals.

Mr. President, I think we are arguing over a minor issue. I see no reason that we could not have a plan, or plans could not be presented. I do not think there is any security that would be in any way violated.

What we ought to be talking about here is why we are not up at the United Nations insisting that the U.N. use every effort at its command to bring about a cease-fire, to back that cease-fire, and to insist that Kurt Waldheim go to Hanoi and get a cease-fire. That is what we ought to be talking about, rather than how many armed forces we can send in.

I realize that those in Hanoi, to date, feel they have the upper hand and may not be interested in a cease-fire. But let the blood be on their hands. Let the United Nations, to which we make great contributions, with which we have a treaty obligation, do its job. I believe there is too little emphasis upon it.

I notice this morning's New York Times published a superb article by the respected columnist James Reston entitled, "The Forgotten Charter."

We have never really used the U.N. as we ought to. We have believed in bilateral diplomacy. It is true that the Secretary of State can today pick up the telephone and talk with the leaders in Hanoi. It is true that he can surely do the same with those in Saigon. But it is also true that there is less receptivity in Hanoi to a message from the United States than there would be from the United Nations.

I think the time is at hand in this body to emphasize the resolution that was adopted here the other day, which calls upon the President and the Secretary of State to use every known diplomatic initiative to seek an end to these hostilities and a cease-fire. That is the way we get evacuation without trouble. That is all that is needed. A few days of cease-fire and you can evacuate all of the American nationals. You can evacuate the dependents, and you can evacuate those Vietnamese who may be in trouble. I think that is where our emphasis ought to be.

Speaking for myself, I have no objection to the amendment of the Senator from Iowa. I do not think it hurts anything. I think what it does do is bring to a head what we are arguing about in committee; namely, what are the plans, if any, about the Vietnamese who might want to come out? Do we have any plans?

Maybe the amendment is too precise. The amendment asks for 48 hours. That may be a little bit beyond what the Government can provide. I wish the Senator would reexamine it in the moments that we have here. I do believe that a plan of action could be designed and should be designed. If the Senator might extend that, I think we would have a better chance.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Iowa has the floor.

Mr. CLARK. I appreciate the support of the Senator from Minnesota. With regard to the time requirement, the plan would not be submitted until 48 hours after enactment. That would give the administration several days at least and probably much more.

Mr. President, all of the arguments have been made, and I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President——

Mr. CLARK. I withhold that request.

Mr. GRIFFIN. Is there any time remaining?

Mr. CASE. No, but I would be glad to yield a few minutes on the bill when the Senator has completed.

Mr. CLARK. I reserve the remainder of my time.

Mr. CASE. I yield to the assistant minority leader.

Mr. GRIFFIN. Mr. President, I want to indicate my concern about this amendment. I am sure that the Senator from Iowa offers it with the best of intentions. But as I read it, he would require the President to transmit to various committees, including the Foreign Relations, Judiciary, and Armed Services Committees of the Senate, a report fully and completely setting forth a plan for the withdrawal of Americans from Vietnam. Surely, that seems inadvisable, to say the least.

I hate to say this, but if the President were required to submit such a plan to all the members of those Senate committees, does anyone really think that the plan would not be published in the Washington Post the next morning?

It seems to me that a withdrawal plan is something akin to a military battle plan. Unless you want the enemy to have the details of your plan in advance, it makes no sense to make such a plan public.

I am sorry that I came on the floor late and did not hear the earlier debate. Perhaps the Senator from Iowa provided some reasonable or rational explanation for his amendment. But for the life of me, I cannot understand why we would want to publish in precise detail the plan we might intend to use to get Americans out of Vietnam.

If it were a matter of briefing the chairmen and ranking minority members of those committees in a secret session concerning such a plan, I would have no objection. But that is not the way the amendment is drafted. I hope this amendment will be voted down.

Mr. CLARK. Mr. President, the Senator from Michigan and I seem to have a sincere disagreement over the meaning of the amendment and, more importantly, the responsibility of the legislative branch of Government. If people are going to conclude that no significant information can be turned over to the Congress safely we are then operating under a one-branch Government. There are matters of a national security nature that can and should be given to the Congress in confidence. But if we are going to be asked to legislate authority to carry out an evacuation we ought to know just what the President has in mind.

Mr. GRIFFIN. Will the Senator yield for a question?

Mr. CLARK. I yield.

Mr. GRIFFIN. Let me see if I can draw out what the Senator has in mind. The language does not speak in general terms concerning such a plan; it talks in terms of "fully" and "completely" disclosing the plan.

Does the Senator want to know, for example, exactly where these people will be evacuated from—in what planes or in what ships? The time of day?

I do not know why we need such details in order to give the Commander in Chief the authority he needs to perform what is essentially an Executive function.

I do not see any way that the Congress can expect to direct or participate in such an evacuation from here. But we can cause the Executive a lot of difficulty and perhaps even make it impossible to execute the evacuation.

The evacuation of Americans from South Vietnam is not a responsibility of the Congress under the Constitution. It is the responsibility of the President of the United States.

Mr. CLARK. Will the Senator from Michigan support modification of that amendment which would drop the words "fully" and "completely"?

Mr. GRIFFIN. I would still have the question as to what the Senator means by it.

Mr. CRANSTON. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER. All time on the amendment has expired. Any further time would have to be yielded on the bill.

Mr. HUMPHREY. Mr. President, perhaps the chairman will permit a little time on the bill, because apparently there is an honest difference of opinion between both sides in this matter.

Mr. SPARKMAN. I will be glad to yield. How much time does the Senator desire?

Mr. HUMPHREY. Six minutes on the bill.

Mr. SPARKMAN. I yield.

Mr. CRANSTON. I ask if the amendment does not really do what the Senator from Michigan suggested would be acceptable to him, because the amendment says that "the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations." It would go to the chairman of the committee and the Speaker of the House. That does not give it wide diffusion. It would be in the hands of the chairman of the committee.

Mr. CASE. The language of the amendment has been broadened to include two other committees, I think—the Committee on the Judiciary and what other committee?

Mr. CLARK. The Committee on Armed Services.

Mr. CASE. So there would be a pretty widespread dissemination.

Mr. CRANSTON. Will the amendment be acceptable if the report were to go to the Speaker and the Committee on Foreign Relations?

Mr. CASE. I would oppose it in principle, Mr. President, on the ground that to do more than we have done in the bill and by the previous amendment, which we did accept from the Senator from Iowa, would be unduly to circumscribe the discretion we want to give the

President in what is essentially, as the Senator from Michigan frankly pointed out, a military operation—a limited one, but nevertheless that kind.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HUMPHREY. Mr. President, I do not think we are as far apart as the argument seems to indicate. First of all, there is no Member who does not want to know that the executive branch does have some plan of operation for the removal of Vietnamese nationals if the terms under section 4 of this bill are to become effective.

I understand fully what the Senator from Michigan has said and what the Senator from New Jersey has indicated about the details. Frankly, I had very serious doubt about this amendment. We discussed in the committee whether or not there were any plans, any kind of operational program, under consideration for the removal of Vietnamese nationals—that is, those nationals who might have some right to claim some consideration from our Government.

I hope we will look upon this amendment as merely an effort to urge upon the executive branch and to instruct the executive branch that, in the name of effective evacuation, under the terms of section 4, there be some kind of program which is thought out and not just a catch-as-catch-can operation. If we can get that, I think we all will be satisfied.

Therefore, I think that the suggestion made by the Senator from Iowa of eliminating the words "fully and completely" is highly desirable. There is no reason at all why this amendment cannot be used as a way of asking the administration to inform the Speaker of the House and even, if need be, the President of the Senate—somebody—that there is a program of action. Our purpose here is to encourage the executive branch to have a program of action.

I am going to suggest to the Senator from Iowa—even though I am just one of those conversing about this amendment and am not a cosponsor—that he might take a moment to think about whether or not it would be desirable to have such a planned withdrawal made available to the Speaker of the House of Representatives, to the President of the Senate, and possibly to the chairman of the Committee on Foreign Relations, since we are the initiators of this legislation, and thereby, the security part of it would be protected. But the purpose is clear. The purpose is to get a program of evacuation, if we are going to have it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. Of course, the Senator knows that this reference to the Speaker of the House is the method that the House uses all the time. It is my understanding that, when a report of this kind goes to the Speaker of the House, it immediately goes to the Committee on International Relations, which used to be the Foreign Affairs Committee. So that is just a formality.

Mr. HUMPHREY. I understand that. Therefore, it would go to the appropriate committee with jurisdiction; namely, the International Relations Committee, which is what our committee should be called, and then, in the Senate, it would go to the Committee on Foreign Relations.

We have had discussions in the committee about plans. We have not been irresponsible. The whole idea here is to follow through on this partnership, which I believe is working, which has been established between the two branches of Government.

If the Senator from Iowa goes back to his original context; namely, the Speaker of the House and the chairman of the Foreign Relations Committee, or, if he wishes, the President of the Senate and the chairman of the Committee on Foreign Relations, eliminating the words "fully and completely," then I think he will accomplish his purpose, because the purpose is to get some kind of action program underway.

Mr. CLARK. Mr. President, I move to modify the amendment by striking the words "fully and completely"—the first three words in line 5 of amendment No. 354.

Mr. GOLDWATER. I object.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator has a right to modify his amendment.

Mr. GOLDWATER. I object, Mr. President.

The PRESIDING OFFICER. The amendment is so modified.

The Senate has taken no action on the amendment.

Mr. CLARK. Mr. President, is the amendment modified?

The PRESIDING OFFICER. Yes.

All time on the amendment has expired.

The modified amendment is as follows: lows:

At the end of the bill add the following new section:

SEC. 8. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the Committees on Foreign Relations and Judiciary and Armed Services of the Senate a report setting forth a plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Mr. CASE. Mr. President, I yield myself 1 minute on the bill.

The Senator from Iowa has changed the amendment by striking out the words "fully and completely."

Mr. CLARK. That is correct.

Mr. CASE. And then by restoring the original language as to the persons to be notified. Is that correct?

Mr. CLARK. I have removed only three words—"fully and completely."

Mr. CASE. How about leaving out the chairman of the Committee on the Judiciary and the chairman of the Committee on Armed Services, and leaving it as it was?

Mr. KENNEDY. Mr. President, will the Senator yield me a minute or two on the bill?

Mr. CASE. I yield.

Mr. KENNEDY. Mr. President, I hope the Committee on the Judiciary will remain as a part of the amendment. At the present time, the Judiciary Committee has unanimously requested from the Secretary of State day-by-day briefings on this evacuation program, because it has the jurisdiction for the parole authority under the Immigration Act.

Section 212(d)(5) provides the parole authority by which these individuals will come to the United States.

Then there will have to be an adjustment of status legislation to permit them to remain here. The Judiciary Committee, quite clearly, will have a continuing, ongoing interest in this matter. At the present time, the members of the Committee on the Judiciary are being briefed on the evacuations, and they have a clear jurisdictional interest.

Although I am not a cosponsor of this proposal, this legislation is needed. The members of the Judiciary Committee have had an in-depth briefing on the whole question of the evacuees—the numbers, the procedures that have been outlined. We have been receiving those daily, and the announcements of today run completely contrary to what was given the Judiciary Committee almost 48 hours ago.

As I understand the amendment of the Senator from Iowa, it is to require—even with a difficult and a desperate situation that exists now—that we have some kind of idea as to what the administration is planning to do in terms of hundreds of thousands of people.

I say to my good colleagues and friends on the Committee on Foreign Relations that one of the primary areas that has not been explored by the administration, and one of the reasons why we asked the administration to provide us with a day-to-day briefing, is the fact that there has been virtually little, if anything, we have been able to determine as to any effort the administration has made through international agencies with respect to the safety of people in the PRG areas and those who are going to remain in South Vietnam.

We are going to be faced with a situation in which we evacuate perhaps 150,000, and still tens of thousands of people will be endangered over there. We should be exercising every possible diplomatic effort to provide for the safety of the people in the South today.

The PRESIDING OFFICER. The additional time on the amendment has expired.

Mr. KENNEDY. May I have 1 more minute on the bill?

I hope that our colleagues on the Foreign Relations Committee will continue to press that point in a very careful oversight about what efforts are being made by the administration to provide for the safety of the people who will continue to live there. I think Mr. Habib said that there is not any reason for us to make these efforts, because even if we get a statement or agreement, it is not worth the paper it is written on. That is the kind of attitude that we are dealing with in terms of a key spokesman for the administration. I think that is unacceptable for the millions of people that will be staying there.

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The targeted population in the South and the North have been the Catholic population. They have been the ones subject to great abuses since the time of 1954. Yet we have the Vatican and the other church groups telling them to remain in South Vietnam. I have yet to hear a plea by our administration or any diplomatic effort made by the administration to try to establish any kind of procedures to look after the safety of those people who are going to have to remain behind.

In our flurry of concern about how we are going to get out several thousand people, I think we ought to be looking at what is going to be left behind and I think that ought to be an aspect of the accountability which I hope will be included in the Clark proposal, and I think it is an extremely great point of urgency. I think that is one of the prime reasons I am going to support the amendment and I think the Committee on the Judiciary has some jurisdiction over this.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. CASE. I yield myself 2 minutes.

As far as the Senator from New Jersey is concerned, he agrees with the concerns expressed by the Senator from Massachusetts. The question is how best to express those concerns in legislation. The bill we have before us is, frankly, for the limited purpose of dealing with the evacuation of Americans, of the dependents of Americans, and of such a small number of Vietnamese as can be brought out with no more of a military effort than the evacuation of the Americans and their dependents would require.

We wish to keep that limited. We agree fully that the whole matter of the thousands, hundreds of thousands, of people who may need to be given assistance by way of evacuation, or by way of long-term rehabilitation in that part of the world, is a matter of great importance to us and must not be lost sight of.

I think it is really questionable whether we ought, in this particular bill, with its narrow purposes and its quite definitely and intentionally restricted limits, to attempt to deal with that question.

The Senator from Minnesota gave us a resolution which we adopted unanimously on the broader question of negotiation for elimination of all possible bloodshed and uprising and agony in connection with the period which is going to be faced by these people in the very near future. Anything of that sort that we can do, we should do. But I do not think we ought to broaden the scope of this legislation except for its own purposes and within its own parameters. That is my own feeling.

While certainly, any information that we have should be shared with every Member of the Senate, including the Committee on the Judiciary, I think that it might be very well to restrict this in the way that the Senator from Minnesota has already suggested on the question of whether we should allow the chairmen of the Committees on the Judiciary and the Armed Services to have the information as a matter of course. It is a matter that I certainly would have no objection to.

The difficulty we are having points up the problem we are having of going beyond the narrow purposes of the bill, which we drew up with great care and great pains to cover the immediate evacuation problem. I do not know whether the chairman thinks we should put this aside, perhaps, with the consent of the sponsor and see if we can work out something on it, or whether we ought to come to a vote. I am a little bit reluctant to press to a vote here, because I think we get all kinds of false inferences and results from a test of this kind.

Mr. GRIFFIN. Will the Senator from New Jersey allow me 2 minutes?

Mr. CASE. Surely.

Mr. GRIFFIN. I wish to offer a suggestion along the lines of the suggestion made by the Senator from Minnesota (Mr. HUMPHREY), which makes a lot of good sense. Could we modify the amendment to make it read like this: that "not more than 48 hours after the date of enactment of this act, the President or his representative shall brief, orally or in writing, under strictures of secrecy, the Speaker of the House of Representatives and the chairmen and ranking minority member of the Committees on Foreign Relations, Judiciary, and Armed Services concerning any plan or plans for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this act."?

When I say "plan" or "plans," I think we should keep in mind that there may be a number and variety of contingency plans.

A modification such as I suggest would give the executive the option of conveying such sensitive information orally in a briefing—which is the method being used now.

I believe that a modification such as I have suggested would serve the purposes intended by the sponsor of this amendment.

Mr. GOLDWATER. Will the Senator yield to me 2 minutes on the bill?

Mr. CASE. Yes, I yield.

Mr. GOLDWATER. Mr. President, I suggest that what we are engaging in now points out the weakness of the whole war powers resolution that we passed last year, even an approach to it. Here we are, debating an amendment that will require certain things to be done after the passage of this bill. Let me remind my colleagues that by the time this bill is passed, all Americans will probably have been evacuated from Saigon and many, many thousands of South Vietnamese. And let me remind my colleagues that when the North Vietnamese get within rocket range of Tonsonhut Air Base, there is not going to be any more evacuation unless we want to go to war.

I think we are spinning our wheels. The President, and I am proud of him for having done this, has taken unto his own hands the protection of Americans and American property and American freedoms, wherever they might be, around this world, regardless of the legislation that we, in my opinion, foolishly passed last year.

Now, if anyone in this body thinks that the crews of C–141's and C–130's and helicopters are going in there with kisses on their lips and no weapons, think again. These men are armed. They are wearing the uniform of the United States. They are our Armed Forces and they are engaged, right at this moment, in Armed Forces activity from Tonsonhut airport to Anderson Air Force Base on Guam and Clark Field in the Philippines.

I suggest that we are being a little foolish, a little redundant. We are not accomplishing anything. We may not pass this bill until the day after tomorrow, at which time, I think the whole action will be over and we will have again engaged ourselves in ridiculous debate. I suggest that we get along with this, if this is the sense of the Senate, that we are going to act under the new War Powers Limitation Act. Otherwise, we are going to accomplish the fact under the new War Powers Limitation Act. Otherwise, we are going to accomplish the fact under the old way that was done, a way that I think was perfectly all right in the first place.

On this particular amendment, Mr. President, I merely repeat what I have said on this floor time and time again. I wish I were the enemy of the United States. I would like nothing better than to know that Congress has said that every detail of a military operation has to be reported to Congress within 1 hour, 2 hours, or 48 hours of the decision being made. We have lost our place in the world, because of what we are doing. We do not have the power anymore. I hope we wake up to it before it is too late.

Mr. JAVITS. Mr. President, may I have 2 minutes on the bill?

The PRESIDING OFFICER. The Senator from New York requests 2 minutes on the bill.

Mr. CASE. Yes.

Mr. JAVITS. Mr. President, it so happens that I thoroughly agree with the Senator from Arizona about what ought to be done on this amendment, but I agree with him precisely because I believe the war powers resolution has put us, at long last, in a posture where we can act this way. Even the President has not challenged that. He has an unchallenged right, under the Constitution, to use the Armed Forces of the United States to rescue Americans from a war zone. But the Constitution has also been implemented by the war powers resolution, so that those forces, when so used, remain accountable to the country through both him and the Congress, so that we may have some control over what happens with respect to their use, and so that the whole thing may be called off if it gets beyond what we think is a fair measure of use for this purpose.

That is the law, and that is what we have been implementing; and it is to the great credit of the Senate and the committee that that has been done. The committee has had reports every day on plans, or supervision, showing who is being taken out, and the most intimate monitoring and oversight has taken place. That is the way it ought to be. That is the way it ought to be left. I believe that to do more would result in despoiling our own opportunity by administering the War Powers resolution, which has been of such inestimable benefit to the country, in a way which may get it into disrepute.

That is what I see as the real danger in this kind of amendment, which now seeks to go beyond what ought to be the proper function of Congress, which is really working as it should be working up to now.

So for all those reasons, whatever other Senators may think, I believe it is essential that the Senate show that it, too, has restraint when it comes to the implementation of this new power, which puts us into partnership, for the first time in our history, with the President of the United States on using the Armed Forces in situations which may lead to war.

I beg all my colleagues on the other side who have spoken on this amendment, as author of the war powers resolution, not to miss the forest for the trees. The backs of things have been broken time and again by just such actions. I like the Senator from Iowa (Mr. CLARK) and his attitude, and I like what he is doing. I like the spirit of the committee. But I think this goes farther than we should go if we wish to retain the authority we have today. Let us not break the camel's back.

Mr. HUMPHREY. Mr. President, will the Senator yield me 30 seconds?

Mr. CLARK. I yield.

Mr. HUMPHREY. Why not just withdraw the amendment for a while? We have worked out problems much more difficult than this. There is merit to the arguments made by the Senator from New York, the Senator from New Jersey, the Senator from Arizona, and others. I think there is merit over here. But this is not an irreconcilable problem, and we would be much better off to go into the cloakroom and work out these differences and not do something hastily that we may regret. I appeal to the Senator from Iowa to make this concession, and bring back his amendment at a later hour.

Mr. CLARK. Mr. President, I do not see the amendment as being that major a stumbling block, but I am happy to withdraw the amendment on condition that it be considered later in the day.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. JAVITS. That is very characteristic of the Senator from Iowa, and I thank him for his consideration.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment and reoffer it at a subsequent time.

Mr. CASE. Mr. President, I ask unanimous consent that the time consumed in this debate after the time allowed on the amendment itself not be charged to either side on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an amendment as follows:

On page 1, beginning with line 5, strike out all through page 4, line 23.

Mr. HASKELL. Mr. President, the purpose of this amendment is to strike out all portions of the bill except that portion that deals with the $100 million for humanitarian aid to be administered through the United Nations or other international organizations, international agreements or voluntary relief agencies.

I do this for several reasons. First, at this moment, the President of the United States has the authority necessary to send Armed Forces to rescue U.S. citizens and their dependents. So the portion of the bill that seeks to give him authority to send troops in there for that purpose is not, in my opinion or in the opinion of legal scholars, necessary at all.

Second, I wish to strike the portion of the bill that gives the President the right to use Armed Forces of the United States to evacuate South Vietnamese and other foreign nationals because I believe that such a broad grant of authority is not desirable at this time.

I recognize that the language drafted by the Committee on Foreign Relations seeks to tie in the evacuation of South Vietnamese nationals with the evacuation of American nationals. Nevertheless, the bill would give the President of the United States a power which, in my opinion, is unnecessary and at best is premature. I would suggest to my colleagues in the Senate that we need to focus on one main thing: The President now has the power to get out United States citizens and their dependents, and needs no further power.

I would suggest that if we want to launch a bloodbath in South Vietnam, the best way to do so would be to send in United States troops to get out South Vietnamese nationals. For that reason, Mr. President, I believe that the amendment striking the authority to evacuate foreign nationals is desirable. I hope that my colleagues will consider it favorably. Should it later become necessary to do something else, we can change the law, but right now the President has all the authority necessary to protect our citizens.

I would also suggest, Mr President, that if we limit this bill to humanitarian aid it will put pressure on the administration to accelerate the removal of our people in South Vietnam.

Mr. President, I reserve the remainder of my time.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. HASKELL. On the opposition time, or on my time?

Mr. WILLIAM L. SCOTT. Well, I do not believe I have any time assigned to me, Mr. President. Perhaps the Senator will yield briefly on his time.

Mr. HASKELL. I yield.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's yielding.

I am sympathetic with the amendment that he offers. I have an amendment myself that I might well offer as a substitute for the one of the distinguished Senator from Colorado. Mine would simply strike out section 4 of the bill, which has to do with using American troops to remove others than American citizens. As I understand the distinguished Senator's amendment, and I have not seen it, but understand it would also strike out the authority for the President's use of our troops to remove American citizens?

Mr. HASKELL. The Senator is correct.

Mr. WILLIAM L. SCOTT. The Senator may well be correct that the President has authority to protect Americans without this bill. But if there is any doubt about it, this bill would give the President authorty to use troops to remove American citizens.

So the only difference in my amendment would appear to be that it does not strike the portion relating to the use of troops for removal of American citizens. It would only strike the portion that would relate to the use of troops for removal of foreign nationals.

I wonder if the Senator would be agreeable to such a substitution?

Mr. HASKELL. I would like to say that I would like to have a vote on my amendment; but should this amendment fail, I would be delighted to cosponsor the amendment of the distinguished Senator from Virginia.

My desire to strike sections 2, 3, 5, and 6, in addition to section 4 that the Senator wishes to strike, stems from the fact first, that the President currently has the authority to go in and get Americans out. We need not say anything more. Sometimes the less said the better.

Second, the $100 million authorized in section 2 is to be used for "humanitarian and withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961, as amended, as the President determines." This, in effect, gives the President of the United States the power to give military aid to the Saigon government, and I would not want the President of the United States to do so.

So I think it is desirable to strike sections 2, 3, 5, and 6, as well as section 4, but I certainly agree with the Senator on section 4.

Mr. WILLIAM L. SCOTT. As I understand the Senator, his amendment does strike $100 million in addition to the authority to use troops; is that correct?

Mr. HASKELL. It does indeed. It strikes section 2, which is the $100 million, which gives the President broad discretion to use possibly even military aid.

Mr. WILLIAM L. SCOTT. In view of the Senator's statement, I will not offer this as a substitute, but will attempt to offer it after disposition is made of his amendment.

Mr. HASKELL. Hopefully, Senator, it will not be necessary. Hopefully, my amendment will carry.

I reserve the remainder of my time.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. HASKELL. I do.

Mr. BIDEN. I rise in support of the amendment of the Senator from Colorado and to add just a few points, which probably my colleagues on the Committee on Foreign Relations are getting tired of hearing me reiterate—points which I have repeated during the last 3 weeks in regard to this bill.

I voted against reporting this bill from the committee, and I did so, in large part, for the reasons stated by the Senator from Colorado.

There is no question about the feeling on the part of the members of the committee, on the part of the Department of State and the Defense Department that the President has had and does have power to withdraw under the cover of military force, if need be, American citizens and their dependents now in South Vietnam. That was precisely what was done without any action on our part in Cambodia. President Ford did that, and the Vietnam evacuation would be just a slightly larger action.

Second, there is no question in anybody's mind, whether it be Assistant Secretary of State Habib's, the Ford administration generally, the Foreign Relations Committee or Congress that the bill's section 2, containing $100 million, labeled as a "contingency fund" may not be, but clearly could be, used for military aid to the South Vietnamese Government.

Lastly, there is section 4. It relates to the proscription of how much force and under what circumstances the President of the United States is able to evacuate foreign nationals, specifically South Vietnamese, whom the administration feels are "endangered" and, I believe, some are legitimately in danger. Although drawn tightly, and although it be the intention of the committee to draft it very, very tightly, I think, the section 4 still is too broad, because, as I read that amendment and as we debated that section of the bill, the President, as long as there are American forces, American citizens, located in South Vietnam and in Saigon, could continue to evacuate indefinitely any indefinite number of South Vietnamese.

The Ford administration has indicated to us in committee and in the press and on the floor, that there is an intention to evacuate American citizens as rapidly as possible. Thanks to the leadership of the ranking minority member (Senator CASE), such evacuation movement has been increased significantly over what it was in the last 3 weeks. We would not be anywhere near the present evacuation were it not for the pressure within the committee that was put on. But, nonetheless, as of yesterday, unless something new has occurred of which I am not aware as a member of the committee, the administration talked about keeping in South Vietnam 1,500 Americans or thereabouts that they viewed as "essential."

As I view it, they are "essential" to our presence in South Vietnam primarily to aid in the evacuation of South Vietnamese and to administer any humanitarian aid which we, in fact, would have forthcoming from the United States; 1,500 Americans are a lot of people. When asked when they would all be out, every last American, which is the only time, by the way, under which, under this bill, the administration would no longer have the authority to withdraw South Vietnamese, administration spokesmen stated that they did not know—that was an indefinite period of keeping "essential" Americans there.

Although I ascribe the highest intentions to the administration and I believe that it is not their intent to pull the wool over the eyes of the American people or of the Senate, and I also ascribe the highest motivation to the members of the Foreign Relations Committee in trying to so tightly tie this as to not plunge us into another war in Southeast Asia, let us talk, nevertheless, about what has happened while everyone's intentions have been good.

What has happened is that we still have over 2,500 American citizens, or thereabouts, and their dependents, in South Vietnam. What has also happened is that off the shores of Vietnam has been amassed a large American military force that is sitting there. Let me give the Senate a scenario. What happens if the North Vietnamese get skittish again and they send out a small boat and they end up torpedoing one of our ships sitting out there? Are we, in the Senate, then, going to be presented another Tonkin Gulf resolution? Are we going to say that we have been attacked and we have got to put, you know, our military honor and might on the line? You know, that whole argument heard here in this Chamber in 1964?

So even though everyone's intentions are good, the fact is, Americans are still there and the North Vietnamese have control of the military situation. Whether or not they hold off—continue to hold off—is totally up to them. It has nothing to do with what we are doing or not doing. American citizens are in jeopardy and, at the same time, we are amassing a large military force off the shores of South Vietnam in the name of evacuation, in the name of protecting the Americans, in the name of assuring that no Americans or their dependents lose their lives and limbs there.

It seems to me all we are doing is increasing the risk that that very thing may happen, and that we would be presented with a situation which I would find intolerable, which is that there are Americans being killed, and what do we do. Well, obviously, as ardent an opponent as I have been of our involvement in Southeast Asia, I would be the first to stand up on the floor of the U.S. Senate and say that we must send military force to protect those people, and we would all be in that position, and we would be ramrodded into a situation that nobody intended, not the President, not we Senators, nobody intended, but, nevertheless, we would end up in such a perilous situation.

It seems to me that sections 2, 3, and 4 do the exact opposite of what those who firmly believe and sincerely are trying to convince us is meant to accomplish—that is, to protect American citizens and their dependents.

I submit that the exact opposite is the effect of our passing this legislation.

Let us pass the section relating to humanitarian aid through multilateral organizations. Let us insure that we will use military force to immediately, forthwith, and all the other words you can think of, get American citizens out of South Vietnam. And let us do everything we can in our effort, suggested by Senator HUMPHREY—and it is to his credit that he has been saying it for 3 weeks, along with others—let us try to negotiate for the safety of those Vietnamese we are so concerned about through the organizations that are available, and through diplomatic channels that we could use.

But, I submit, that $100 million in an evacuation contingency fund is not a diplomatic channel. I submit that amassing all our forces off of the shores of South Vietnam is not a diplomatic channel, and I submit as long as the North Vietnamese continue to tighten their military noose around Saigon, and they are. I am not saying this is a consequence of any briefing, but I would guess, in response to the remarks of the Senator from Arizona (Mr. GOLDWATER), they are in a position today to interdict Tansonnhut Airport, they have that capacity today, and he is right, why kid ourselves—they, in fact, can do that, and what do we do except to aggravate it?

Last, and I appreciate the Senator's yielding to me so much time, it seems to me that the turn of events in South Vietnam with regard to the resignation of President Thieu several days ago bodes better for the situation than it was before. What do we do now about taking this action today—in sections 2, 3, and 4—that does anything about the stability of the new South Vietnam Government and insuring a possibility of a negotiated settlement between the warring parties?

The PRESIDING OFICER. All time of the proponents of the amendment has expired, the opponents have 15 minutes.

Who yields time?

Mr. McGOVERN. Mr. President, will the Senator from Minnesota yield me about 5 or 6 minutes?

Mr. HUMPHREY. How about 5 minutes?

Mr. McGOVERN. Very well.

NO GROUNDS FOR RECRIMINATION IN THE VIETNAM TRAGEDY

Mr. McGOVERN. Mr. President, I have read in mounting disbelief the reports of President Thieu's resignation address to the people of Vietnam. It was really, I think, directed to the people of the United States.

Perhaps we must expect some vituperation from someone in Mr. Thieu's circumstances. But there is certainly no requirement that we let pass unanswered his ranting against the people and the Government of the United States.

This is what he had to say:

> The inhuman attitude of the United States is that of a great power fleeing from its responsibilities.

Mr. President, the United States has never had a responsibility to underwrite any regime in South Vietnam—least of all to a government which sought only to undermine and repudiate American policy, as defined by the Paris agreement in 1973.

What does Mr. Thieu have to say about those accords?

> I rejected that plan. I said we won't go along with it. I don't go along with any agreement with the Communists in any form whatsoever.

So Mr. Thieu assumed for himself the authority to dictate American policy. Our policy in January of 1973 was a negotiated peace. The policy Mr. Thieu chose was the same policy Prime Minister Khiem announced nearly 2 years ago:

> We will not let the Paris agreement decide the fate of South Vietnam. Our army is determined to decide the fate of South Vietnam.

The Thieu regime, therefore, made its own choice to defy the Paris agreement, and to reject a political settlement and to choose a military settlement, and we are now witnessing the results of that decision. And it is total nonsense for him to declare now some imaginary American responsibility to bail him out on a policy that was in direct opposition to the stated American policy of implementing the Paris accords.

I reject as well the assertions that some private commitment to Mr. Thieu somehow changes that situation. Since 1973, it has been the law in this country that there would be no further American involvement in Vietnam. It simply defies the truth to suggest that he has been strung along by private promises of a "vigorous reaction" from the United States should his military endeavors collapse. He has been on notice publicly, the law declares that, as of August 15, 1973, there can be no military involvement of any kind, and certainly Mr. Thieu should be able to understand that.

Worst of all, Mr. Thieu declares:

> If you give us the same aid as the other side gives North Vietnam, we would win.

The United States gave Mr. Thieu and his predecessors more than 55,000 American lives; more than 300,000 American casualties; some $150 billion in treasure—a figure which will grow to $362 billion according to the 1973 U.S. statistical abstract when veterans benefits and debt financing are added.

How many Russians or Chinese were killed and wounded in Vietnam? None. And our financial support for the Saigon regime has totally eclipsed outside aid to the North Vietnamese and the PRG.

That has been true even since the Paris agreement was signed. Earlier this year the Foreign Relations Committee asked U.S. intelligence agencies for an estimate of outside aid to both sides. Total military aid to the North Vietnamese and the Viet Cong in 1973 and 1974 was about $730 million. U.S. aid to Saigon was several times that amount.

Further, there is not the slightest evidence that ARVN's military collapse occurred because of a shortage of arms. There are still arms in the pipelines. In fact, since the Paris agreement Saigon's forces have been spending ammunition at a rate of some 20 to 1 over the other side. And there is no shortage even now.

ARVN collapsed because of a lack of will and popular support, not a lack of arms. And Mr. Thieu's opposite claim is an outrageous, self-serving lie.

To finish off the insult, Mr. Thieu's speech was preceded by credible reports that Swissair was requested to fly out of South Vietnam "some personal belongings" of President Thieu—16 tons of gold, valued at $73 million. This action was preceded by a cable from the collapsing regime in Phnom Penh asking their bank in New York, the Irving Trust Co., to transfer a million dollars from the Cambodian Government account to the personal account of the deposed Lon Nol who then purchased a retirement home in Hawaii.

There has been an American failure in Vietnam. But it has not been in getting out. Rather, it has been in embracing too long—indeed, in embracing at all—a dictatorship that has robbed our treasures and defiled our values from the very beginning. And the demise of Mr. Thieu should be seen not as a departure from America's world responsibilities but as a healthy message that our patience is not endless, that our resources are not free for the asking, and that this land is a democracy, where the will of the people does prevail over the demands of petty dictators in other lands.

In the months and years ahead, we will surely reassess our posture in the world. We must, for there has been little real change in the policies which have produced this disastrous alinement in Southeast Asia.

But that examination must be carried out with a focus on the real strength of this country, the influence we do have elsewhere in the world, and the power of our ideals.

And we will not permit it to be polluted by handwringing over the likes of General Thieu.

One final note: It is preposterous for General Thieu to blame his failure on the lack of American arms or American treasure. But it is even more preposterous for some of our own leaders to suggest that it was congressional refusal to pour any more arms into this already lost cause which was responsible for the failure. The architects of the Vietnam policy have no grounds for blaming the failure of that policy on those who have warned for years of the inherent deficiency of the policy and who have correctly predicted its failure.

Mr. President, I ask unanimous consent that a New York Times article entitled "Reporter's Notebook; Cambodia," April 17, 1975, and a Time article entitled "Reporter's Notebook: Cambodia," 1975, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

REPORTER'S NOTEBOOK: CAMBODIA

The following dispatch by Sydney H. Schanberg accompanied his account of the battle for Phnom Penh.

PHNOM PENH, CAMBODIA, April 16—Last night, with this city facing imminent capture by the insurgents who surround it, the National Bank of Cambodia sent a cablegram to the Irving Trust Company in New York, asking the American bank, where it presumably has dollar credits, to confirm that it was carrying out an earlier order to pay $1-million to Marshal Lon Nol. The earlier order was sent by letter on April 1, the day that the marshal, Cambodia's former President, went into exile under American prodding.

Perhaps the marshal was worried that if Phnom Penh fell to the insurgents before the transaction was confirmed, he would never get the money.

How did the marshal come by the money? It was always rumored here that he was deeply corrupt and had used American aid to build large bank accounts abroad. But no one could ever pin it down. Maybe Irving Trust can shed some light now.

In any case, it was only one of the many peculiar things that have happened here in the last few daya as the insurgents closed in.

THE GILDED EXILES?

Are President Thieu and Cambodian President Lon Nol carefully hedging their bets and gilding their nests for a comfortable exile? That, at least, would be one plausible explanation for some recent negotiations involving members of the Saigon government and Balair, a charter-airline affiliate of Swissair.

Chartered by the West German Red Cross, a Balair DC-8 in late March flew medical supplies into Saigon on a mercy mission. Shortly before the jet was to return to Europe, TIME has learned, Balair agents got a request from the South Vietnamese: Would the DC-8 fly out "some personal belongings" of the presidential family, as well as a few things owned by Lon Nol to Switzerland. The cargo consisted of 16 tons of gold, which has a current market value of about $73 million.

Recognizing that the gold might be part of South Viet Nam's and Cambodia's reserves, Balair refused. It claimed that such a high-density cargo posed dangerous weight and balance problems for the plane. A 16-ton load of gold placed in a 5-ft.-square section of the cabin could crash through the floor and out the fuselage.

The Vietnamese persisted. What if they spread the bullion on pallets so the weight could be distributed? The Swiss again demurred, this time pointing out that Balair had received overflight permission only for humanitarian purposes. Thua when the DC-8 stopped for refueling in Bangkok and Bahrain, the cargo might be inspected. Only then did the Vietnamese back off; they realized that either the Thais or Bahrainis could confiscate the hoard without compensation. At week's end the bullion was apparently still in Saigon—palletized and awaiting a more willing air carrier.

Mr. McGOVERN. Mr. President, I think it is in the best interest of both wisdom and prudence for most of us not to be talking too much about whose fault it was that the policy failed in Vietnam and to get on with the lessons it has to teach us, then try to construct a new foreign policy that faces the realities in the world around us, but which also borrows from them more enduring principles and ideals of this country.

I think that is what the Bicentennial meaning is all about and I do not think this business of trying to blame the Congress or blame the administration serves any useful purpose. We ought not to take the blame for deficiencies of others as revealed in this tragedy in South Vietnam. Let us learn those lessons and then not repeat them.

Mr. President, I thank the manager of the bill for yielding me this time.

Mr. HUMPHREY. Mr. President, I first want to commend the Senator from

South Dakota for his thoughtful statement. He speaks for many of us today in what he has just said.

Mr. President, I rise as representing the majority of the Committee on Foreign Relations to oppose the amendment offered by the distinguished Senator from Colorado.

I do so because the bill that is before us is the product of literally many days of hard work, of deliberation and discussion amongst the members of the Committee on Foreign Relations in an effort to more clearly define and restrict the powers the President shall be able to exercise in the situation that now prevails in South Vietnam.

I would call to the attention of the Members of this body the very excellent report filed by the committee.

On page 3 of that report, it notes:

> This bill does not attempt to define the nature or scope of any inherent power the President may have under the Constitution to rescue endangered Americans abroad through use of the Armed Forces. However, it does recognize that, to the extent that such power may not exist, the situation in South Vietnam is of such gravity that specific authorization by statute is the proper course to follow.
>
> In South Vietnam there are many American citizens whose Vietnamese dependents, without the authority of this bill, would be in a grey area relative to any inherent authority the President may have in this field.

The field of evacuation of American citizens.

The Department of State has issued a legal memorandum——

We have to take cognizance of that memorandum because it surely will be one that is carefully reviewed and observed by the President and the Secretary of State. As the report states, that memorandum:

> contends that the President has authority to employ the Armed Forces in combat to aid in the withdrawal of American citizens and "a limited number of foreigners (if they) can be evacuated in connection with an evacuation of Americans without materially changing the nature of such an effort."

Now, Mr. President, we face the fact of that legal memorandum, a document which will be important in terms of executive branch action.

As the report points out:

> That assumed authority might be exercised to unforeseen lengths without the legal and political restraints recommended in this bill. Under the peculiar and critical circumstances that exist, the Committee's recommendations to place strict and specific limits on the authority of the President to use our forces in evacuation should be welcomed even by those who oppose any use of American Armed Forces for evacuation purposes.
>
> There is no question that the President lacks authority to use the Armed Forces to engage in the large scale evacuation of foreign nationals under hostile conditions or in a situation where hostilities are likely.

We have noted very carefully in the bill, Mr. President, those restrictions. Those restrictions are found on page 3 under section 4. One of those restrictions is, I think, most pertinent. It says:

> United States Armed Forces will not be required beyond those essential to the withdrawal of the citizens of the United States and their dependents; and the duration of the exposure of the United States Armed Forces to hostilities will not thereby be extended.

It goes on to further say that insofar as other foreign nationals that might be evacuated incidental to or in conjunction with American citizens, that "such where U.S. forces are present for the purpose of protecting the citizens for the purpose of protecting the citizens of the United States and their dependents while they are being withdrawn."

What happened in committee in substance, Mr. President, was to try to lay down specific restraints upon the use of Presidential authority, insofar as Armed Forces are concerned, where an evacuation program takes place. No one denies for a minute that the President can evacuate American nationals, and he is doing it now without this law. Every day that is going on. He did it in Cambodia.

But, Mr. President, it is also very likely that there will be a number of Vietnamese who have been closely associated over the years with Americans who will want to be evacuated and who this country would be more than willing to accept.

Therefore, since there is no specific authority under law for those persons, and yet they can be evacuated incidently to American citizen evacuation, we have laid down restraints so that the President cannot expand the number of Armed Forces, for example, to be used; he cannot increase the period of time that those Armed Forces can be used, and if those nationals are to be evacuated they must be evacuated along with and incidental to the evacuation of American nationals.

I personally believe that the amendment, which is undoubtedly designed to restrict the President's power, would actually widen it, because there is a legal memorandum which the President has now from the State Department which says that he has authority over and beyond what this bill provides. This bill would restrict the authority they say the President has now. In other words, this bill is a legislative restraint upon the powers of the President relating to bringing out South Vietnamese nationals in any evacuation program.

This bill is more restrictive than the legal memorandum that the President now has. It is more restrictive than the precedents followed by Presidents in this field.

Therefore, we feel that it is a desirable piece of legislation.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. HUMPHREY. I will yield a minute or two on the bill.

Mr. CASE. I will take 1 minute, if I may.

I just want to underline the argument that the Senator has made. This does exactly that. It circumscribes the exercise of this authority by the President which, in the absence of some action by Congress, might very well be construed, and would be by the administration as it has been in the legal memorandum of the Department of State, to be unlimited. Any gray area that exists would, according to the memorandum, be filled by the President.

Mr. HUMPHREY. Exactly.

Mr. CASE. We should not abdicate our responsibility for controlling the activities of the Executive in this area.

At the same time, Mr. President, we are giving the President some options by way of money so that he may not have to use military force for evacuation. I believe that affirmative grant is a useful thing which this amendment would eliminate.

I hope, therefore, that the amendment will not be accepted.

Mr. HASKELL. Mr. President, I wonder if the distinguished manager of the bill will give me 2 minutes on the bill. I am a little bit at a disadvantage not being able to reply to the eloquent statement of the Senator from Minnesota.

Mr. HUMPHREY. I yield 2 minutes.

Mr. HASKELL. First, Mr. President, I do not consider a legal memorandum to be the same as a statute. Second, I do not read the memorandum quite in the way the distinguished Senator from Minnesota does. I implore every Member of this body, if they only had time, to look at the language of section 4 and see what a mischievous mind can do. I would submit, for example, that if the authority in section 4 were taken to an extreme, if there is one American citizen in Danang, the President would be authorized to send in one division when the real purpose of using Armed Forces would be to take out a lot of South Vietnamese.

Third, I would implore the Members of this body to consider the effect this would have on retribution by the Vietnamese against the people who might have been associated with us if we employ our Armed Forces to try to get them out.

That is all I have to say. I thank the distinguished Senator.

I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the Senator from North Carolina (Mr. Morgan). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Virginia (Mr. Harry F. Byrd Jr.), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from North Carolina (Mr. Morgan), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell), is absent on official business.

I further announce that if present and voting, the Senator from Rhode Island (Mr. Pell), would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield)

and the Senator from Kansas (Mr. Pearson) are necessarily absent.

I also announce that the Senator from Maryland (Mr. Mathias) is absent on official business.

I further announce that, if present and voting the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 10, nays 79, as follows:

[Rollcall Vote No. 142 Leg.]

YEAS—10

Abourezk
Biden
Burdick
Gravel
Haskell
McGovern
McIntyre
Metcalf
Schweiker
Weicker

NAYS—79

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
McClellan
McClure
McGee
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, for.

NOT VOTING—9

Byrd,
Harry F., Jr.
Hatfield
Inouye
Johnston
Mathias
Morgan
Pearson
Pell
Symington

So Mr. Haskell's amendment was rejected.

Mr. CLARK. Mr. President.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. LEAHY. I ask unanimous consent that Herbert Jolovitz of my staff be allowed to remain on the floor throughout any vote on the Vietnam bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. FORD. I would like to ask that Jane McMathias of my staff be allowed the privilege of the floor during discussion of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that Stephen Leckar of my staff may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I call up amendment No. 355 and ask that Senator Talmadge be added as a sponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 1, line 5, after "Sec. 2." insert "(a)".
>
> On page 2, between lines 6 and 7, insert the following new subsection:
>
> "(b) Notwithstanding the provisions of subsection (a) of this section or any other law, no funds authorized to be appropriated under this section may be used to furnish assistance under part II of the Foreign Assistance Act of 1961 or to provide any other military assistance to South Vietnam.".

Mr. CLARK. Mr. President, I ask for the yeas and nays on this measure.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Chair would like to announce that there are 15 minutes allocated to both sides on this amendment.

The Chair recognizes the Senator from Iowa.

Mr. CLARK. Mr. President, this amendment is an attempt to clarify beyond question the purpose of the contingency fund of $100 million contained in section 2 of the bill. There seems to be some doubt in the opinion of a number of people about whether this contingency fund could be used for military assistance to South Vietnam. To eliminate that doubt, this amendment specifies that the fund cannot be used to provide military assistance to South Vietnam.

Yesterday, before the Committee on Foreign Relations, Assistant Secretary of State Philip Habib was asked if he felt that this legislation, if passed, would give the President the authority to use these funds for military assistance purposes if he felt that it was in the national interest. Mr. Habib answered, "Yes." So there is no question in the mind of the administration that this contingency fund could be used—could be used—for military assistance to the South Vietnamese if, to quote from page 2 of the bill, "the President determines it is in the national interest with respect to dealing with the present emergency in South Vietnam." We ought to face the fact that this $100 million contingency fund does allow the President, if he can in some way tie its use to evacuation or withdrawal, to use this fund for military assistance. This amendment would simply make very certain that it could not be used for military assistance.

Mr. President, why should the Congress make this money available for military assistance? Let us remember that the Committee on Armed Services decided not to provide additional military assistance. We also know——

Mr. NUNN. Mr. President, will the Senator yield at that point?

Mr. CLARK. I yield.

Mr. NUNN. The Committee on Armed Services turned down additional authorization. The Committee on Armed Services did not turn down any appropriation. That was not our function. Last year, the Committee on Armed Sevices authorized $1 billion, of which only $700 million has been spent. A total of 11 members of the Committtte on Armed Services—at one vote or another—voted favorably on resolutions that provided amounts varying from $350 million to $534 million on the appropriation.

I think it is a mistake to say that the Committee on Armed Services turned down an additional appropriation. A great majority of the committee did take the position, on one vote or the other, to urge Congress to appropriate additional funds to assist the South Vietnamese. There was a lot of discussion about the appropriate level. There was never a majority vote for any particular level. There were at least 11 Senators who voted for anywhere from $350 million to $534 million in additional assistance.

Mr. CLARK. Mr. President, the Committee on Armed Services did not authorize any additional funds. And the fact that 11 or 14 or 17 members may have voted on one issue or the other, of course, is not relevant to the question of whether a majority voted on any single issue to authorize additional military assistance.

But in any case, the Committee on Foreign Relations—in this bill—should not be in a position of recommending additional assistance that could be used for military purposes. That is not our function. And most importantly, we know that the Defense Department has confirmed that there remains $130 million authorized and appropriated for military purposes that still has not been delivered in South Vietnam.

If there is a need for ammunition, a need for military assistance, this money is available for military aid for the administration to send to South Vietnam.

This bill should not include additional military assistance, and this amendment would insure that it does not.

Mr. TALMADGE. Mr. President, will the distinguished Senator yield?

Mr. CLARK. I yield to the Senator from Georgia.

Mr. TALMADGE. Mr. President, we cannot continue to deny the obvious. We must not prolong our involvement in South Vietnam any longer than is absolutely necessary in order to evacuate American nationals and to provide relief in the form of a limited amount of humanitarian assistance to the suffering people of that nation and Cambodia.

We cannot continue our attempt to delay the inevitable. Cambodia has fallen. South Vietnam is in a shambles economically, politically, and militarily.

During our long and arduous trek into and out of Southeast Asia, we have made many mistakes, not the least of which was getting involved in the first instance and then, once committed, attempting to conduct a military campaign with one hand tied behind our back.

While our errors have been perhaps too numerous to count, while the Vietnam era will be a dark chapter in our proud national history, let none among us point the finger of recrimination. Let no one attempt to fix the blame for who among us lost Vietnam or Cambodia. Vietnam and Cambodia were never ours to lose. Nor, Mr. President, can anyone, friend or foe, argue that the United States has failed to live up to our obligations in Southeast Asia. We have gone the second mile, the third mile, the 100th mile to fulfill our obligations there: 56,000 American servicemen laid down their lives in South Vietnam; 300,000 wounded Americans will bear silent witness each and every day of their lives to the futility of a war we would neither fight nor quit. The families and loved ones of every American who served in Southeast Asia will always recall the fear, uncertainty, and agony of that conflict—never knowing when or if these brave and dedicated men and women would return. The guns and butter spending policy during those war years has plunged ours, the wealthiest and most powerful nation the world has ever known, into economic chaos unequalled since the Great Depression.

Clearly, there has never been, in all human history, a nation that has done as much for a foreign power as the United States of America has done for the Republic of South Vietnam.

Now, Mr. President, after 10 eventful and traumatic years, the end is near. We can finally see with our own eyes the light at the end of the tunnel, heretofore only a mirage in the minds of a few. We cannot allow ourselves to be diverted from our course.

Unfortunately S. 1484, the so-called Vietnam contingency bill, in its present form, would signal a retreat, not from our commitments to the people of South Vietnam, but from our obligation to ourselves. As reported by the Committee on Foreign Relations, this legislation would sink us deeper into the quagmire of Southeast Asia.

I quote beginning on line 7 of page 1 of S. 1484:

> there is authorized to be appropriated not to exceed such sum, to be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961, as amended, as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam.

The Foreign Assistance Act of 1961 authorizes military assistance to South Vietnam. The language that I have referred to, which is in section 2, permits this money to be spent in the national interest, as the President may determine.

That means that the President could do virtually anything with that money, including further shipments of military aid to South Vietnam. It is an absolute delegation of authority to the President.

That is not only my interpretation, Mr. President. The Foreign Relations Committee report itself states:

> The President would have discretion to use the funds as he sees fit in the national interest.

There is no doubt whatsoever that these moneys could be used to finance further U.S. military aid to the South Vietnamese Armed Forces. Mr. President, no amount of American money and arms can instill in that army the will to fight if the soldiers themselves lack the basic motivation to defend themselves.

Mr. President, what is the situation in South Vietnam today? The President of the country has resigned, presumably to flee. The armies of South Vietnam have collapsed, and in recent weeks the North Vietnamese and their allies have taken billions of dollars worth of military equipment that the United States had furnished South Vietnam. Much of this equipment is still workable. Our planes were abandoned, filled with gasoline, ready to fight. The South Vietnamese did not use them to fight. Instead, they abandoned them. Tanks were ready to fight, but the South Vietnamese did not use them to fight either. They abandoned them, Mr. President.

The armies of North Vietnam are at this hour regrouping just outside of Saigon. Why they have not attacked the city no one knows. Perhaps they want America to send more military equipment to the South Vietnamese so they can take that as well.

In my view, there is no chance whatever for South Vietnam to win a military victory. If more equipment is sent to South Vietnam, it will almost surely fall into the hands of the Vietcong and the North Vietnamese. For what purpose? To turn and use against us?

Spending more American dollars to bolster the shattered and fleeing South Vietnamese Armed Forces would be futile. Concealing the shipment of vast sums of money and military materiel under the guise of humanitarian or withdrawal assistance would be tragic. If humanitarian aid is of pressing importance, and I think that it is, then funds for that purpose should be provided for openly in this legislation. Section 7 of S. 1484, which specifically earmarks funds for the suffering people of the Southeast Asia conflict, would accomplish this. Other funds could also be made available for both humanitarian aid and contingencies which might arise in the withdrawal of American nationals. But, Mr. President, in my judgment, none of these funds should be used for military aid to South Vietnamese forces or payments of any kind to the new government in Saigon, perhaps even a Communist dominated regime.

Most Americans do not want one more cent to be spent for, by, or on behalf of the Armed Forces of South Vietnam. They do not want money intended for the suffering victims of the Southeast Asia conflict to be diverted to the Swiss bank accounts of politicians. Most Americans want—and have the right to expect—an open and straightforward end to our involvement in that part of the world. The time has come to call a halt.

For these reasons, Mr. President, I am a sponsor of an amendment to prohibit the use of funds made available under the Vietnam contingency bill for further military assistance to South Vietnam.

This amendment would not restrict those provisions of S. 1484 which grant the President authority to send in troops or otherwise to evacuate American citizens, American nationals, and certain others that may be endangered. I might add that I only wish that the President had acted much sooner to bring out the American nationals. I feel if there is much delay, they may be the victims of South Vietnamese guns as well as North Vietnamese.

If this amendment is adopted, up to $200 million would be authorized for humanitarian aid. The President would have discretion to spend $100 million for this purpose or contingencies which might arise in the American withdrawal process. An additional $100 million would be authorized to be spent for the sole purpose of humanitarian aid by international relief agencies and other groups which have performed commendably in the difficult days of the recent past.

Such a proposal would, I submit, be entirely within our national tradition of generosity and compassion toward the victims of foreign conflicts and disasters. Our departure from South Vietnam will be honorable and we can leave with the knowledge that we have been true to our promises. No one can ask for more.

I yield back the remainder of my time.

Mr. CLARK. Mr. President, I wish to associate myself with the remarks of the Senator from Georgia. I believe he has expressed it extremely well. I would add only one minor point: The only way we are going to get substantial numbers of endangered South Vietnamese nationals out of that country is through a negotiated settlement. If we now appropriate additional sums for military assistance, certainly we endanger the possibility of a negotiated settlement.

Mr. STEVENSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. STEVENSON. I thank the Senator from Iowa.

Mr. President, this amendment offers something of a dilemma for those of us who have always sought a political or a negotiated settlement to the conflict in South Vietnam as opposed to a military resolution of the conflict.

I agree with what the Senator from Iowa has said. Nothing could more assuredly lead to a bloody Communist military takeover than to continue the policy of military assistance which has already brought the PRG and the North Vietnamese to the gates of Saigon.

It has been mentioned that President Thieu has resigned. But the character of his regime has not changed, and no amount of additional military assistance to that regime is likely to stabilize the military situation in South Vietnam, or to provide incentives to either side to begin a political process. On the contrary, additional military assistance would more than likely provide the north with an additional incentive not to seek a political process, but instead, quickly, to begin the assault on Saigon.

But, having said that, I am concerned that this amendment, if adopted by Congress, could be interpreted as suggesting that under no circumstances would Congress consider any additional military assistance for any government of South Vietnam.

I grant the Senator from Iowa and the Senator from Georgia that it is difficult

now to conceive of circumstances in which Congress might wish to reconsider the question of military assistance. But if, finally, a broad-based government were to be formed in South Vietnam which involved at high levels the non-Communist elements of South Vietnam, and that government——

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. STEVENSON. Mr. President, will the Senator from Minnesota yield me 2 minutes on the bill?

Mr. HUMPHREY. I yield 2 minutes to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator.

If, finally, a government of South Vietnam were formed which was composed of and which involved non-Communist elements at the highest level, and that government finally offered to pursue a political solution, negotiations with the PRG and North Vietnam, and then the PRG and the North Vietnamese were to reject that first political opportunity in favor of the military opportunity, it is conceivable that Congress might reconsider.

My suggestion is not that Congress would in those circumstances, reconsider, but to suggest to the sponsors of this amendment that it behooves us in the Senate to make it clear from the record that this is not the definitive, final action on the question of military assistance to South Vietnam. That question will be resolved in Congress, and it will also be resolved as the result of events in South Vietnam and North Vietnam.

I do not at this late date hold out much hope for a political solution. But whatever hope there is we should not neglect. If the administration will not seek that remaining possibility, however slim it is, all the more reason for Congress to seek it.

I think we ought to keep that final answer on military assistance a little unclear at the moment, and suggest that the parties to the conflict would be mistaken if they interpreted favorable action on this amendment as ruling out in all circumstances the reconsideration of military assistance for South Vietnam.

So I would hope that the sponsors of this amendment might agree to that proposition before we vote on it and, with such an agreement, I would like to be added as a cosponsor.

Mr. CLARK. If the Senator from Illinois means that we would agree that it is conceivable at some future time under a different kind of government that military assistance could be at least reconsidered, then I would be agreeable to that interpretation. I think it would take a separate action by Congress at a later time.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

The Senator from Minnesota.

Mr. HUMPHREY. Let me respond briefly, and then I want to yield to the Senator from Vermont.

Might I say I appreciate the commentary of the distinguished Senator from Illinois, but I must say to him if the amendment that is presented by the Senator from Iowa is adopted it rules out any consideration that the Senator from Illinois has indicated because it says:

> Notwithstanding the provisions of subsection (a) of this section or any other law, no funds authorized to be appropriated under this section may be used to furnish assistance under part 2 of the Foreign Assistance Act of 1961, or to provide any other military assistance to South Vietnam.

Mr. STEVENSON. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. STEVENSON. That law does not prohibit, does it, Congress from acting independently by enacting additional legislation at some point?

Mr. HUMPHREY. No, of course not; of course not. It simply means the amendment of the Senator from Iowa applies to the proposed bill before us, S. 1484, but it makes clear at least an expression here that any kind of military assistance is to be denied.

Let me speak very openly about my views on this. I am not for military assistance. I have said so, I have been one articulate spokesman in the committee in opposition to military assistance. But we are talking here about withdrawal and humanitarian assistance, that is what we are talking about. The language is very clear. We establish a contingency fund for use during the fiscal year 1975, and that is up to June 30 of this year, in the amount of $100 million, and "there is authorized to be appropriated not tc exceed such sum to be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the Foreign Assistance Act of 1961, as amended, as the President determines"—determines within that purview now of humanitarian assistance and withdrawal—and it continues "is in the national interest with respect to dealing with the present emergency in South Vietnam."

What are we talking about here? We are simply saying that we cannot foresee every event. We are making an authorization. The justification for any funds will have to come before the Appropriations Committee, and if the Appropriations Committee feels for a single minute that what we are trying to do is to use moneys as a subterfuge under this bill to get $100 million of military assistance to this government in South Vietnam, of course, the Appropriations Committee would turn it down, I hope, and if it did not, I would be one of the persons here in the Senate to try to lead the fight against such an appropriation.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes, I yield.

Mr. TALMADGE. Did the Senator not say that he was opposed to further American military aid to South Vietnam?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. That is all this amendment does. It prohibits the language of section 2 of the bill from being used to send further American military aid to South Vietnam.

Mr. HUMPHREY. But in the context of this bill there may be a set of circumstances which, in order to get our people out, you may have to help for a little bit some contingent or some force of Vietnam. They may exact that price. Now, let us just lay it on the line. Therefore, it seems to me, that I would rather give a little more flexibility to the President than to have on my hands the fact that I stood here on so-called principle and said, "Not one dime, you can die, you Americans can die."

Now, the other choice is to send in American forces. I think it is a whole lot better to have no American forces in there and get these people out.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Not just yet.

We are trying in this bill to be sufficiently wise to give some flexibility within strict guidelines and strict limitations. No one in this body can foresee every single thing that is going to happen.

The whole thrust of this bill is one thrust, namely, humanitarian assistance and withdrawal, and the withdrawal program is under severe limitations as to the use of the Armed Forces of the United States. That is number one. We just beat back an amendment that would have changed that.

Second, we have placed $200 million in here for withdrawal and humanitarian assistance; $100 million in the contingency fund to give the President some little flexibility, and the whole purpose—the word "only" is there, only for humanitarian assistance and withdrawal.

It may very well be under some circumstances that somebody may have to have some money for something else besides just being able to give somebody some food or to be able to give some medicine.

I think to interpret this as a military assistance endeavor is entirely out of context with this bill. This is not a desire to extend military assistance. It is only a proposal to give withdrawal and humanitarian assistance.

Mr. TALMADGE. Would the Senator agree with me that further military assistance to South Vietnam at this point would be like going out and buying furniture while your house was on fire?

Mr. HUMPHREY. No, Senator, not completely.

I can find, for example, that there happened to be, let us say, 100 Americans off in some particular area to which we could not get to them, and the Vietcong were there and were going to kill them, and we were able to get some help to a South Vietnam brigade to get them out of there, I think it would be worth it. I cannot predict what those circumstances are going to be.

God only knows I do not want a general military assistance program to any government in South Vietnam as I see any governments there. I fought against this; I voted against it in committee, and I said publicly I am against it. But I want to tell you that the President, as Commander in Chief, has got to have some flexibility here when the purpose is direct, the purpose is not to continue the fighting. We have already made up our mind to get out of South Vietnam. We already have a law that says you cannot have American forces in South

Vietnam, and since we cannot have American forces in South Vietnam——

Mr. TALMADGE. This bill authorizes it.

Mr. HUMPHREY. It does authorize a contingency fund which could possibly be used in getting some help from somebody we helped over these years in order to get some of our American people out.

Mr. LEAHY. Will the Senator yield on that point?

Mr. HUMPHREY. It is a crack in the door, I grant the Senator that, but I think we have got to trust somebody.

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. We cannot run the evacuation program from this Congress, let us face it. We are not in charge of running evacuation programs.

The worst and most we can do is put limitations and we can obstruct the President to a point where we will look ridiculous and I think we have got to have some direction.

Mr. LEAHY. Will the Senator yield?

Mr. HUMPHREY. Yes, I yield to the Senator from Vermont.

Mr. LEAHY. I find myself in a somewhat uncomfortable position, Mr. President, in that I must disagree with the distinguished junior Senator from Minnesota and the distinguished junior Senator from Illinois, both gentlemen with whom I usually find myself far more in agreement than in disagreement.

However, I must associate myself with the position of the distinguished senior Senator from Georgia and with his statements this afternoon on the pending amendment.

Mr. President, I support the amendment of the Senator from Iowa. I appreciate the arguments that the Senator from Minnesota has made on over the inadvisability of absolutely forbidding the use of any funds authorized under section 2 of the bill for military assistance to the South Vietnamese Government.

Mr. President, there is nobody in this Chamber who wants Americans remaining in South Vietnam evacuated more than I do. I have argued for it and fought for it in the Armed Services Committee. The question has been raised, and this is not a philosophical question, as to whether the language of the bill would conceivably permit the President to use the funds authorized for purposes of military assistance to the South Vietnamese. Mr. President, as one who reached the age of majority at the time when the Vietnam debate was first beginning in this country, as one who has watched it throughout that time until now when I sit in the Senate of the United States, I do not want to open the door to that remote possibility even a little.

Mr. President, our Armed Forces are perfectly adequate and prepared to aid in the evacuation of Americans, if that contingency is required. I must say that based on the experiences we have had with the South Vietnamese in the last month, I do not want to have to rely on them to any degree whatever for aid in the evacuation.

Mr. President, I feel that the administration took far too long in beginning the evacuation of Americans from South Vietnam. I am glad that it is now moving apace. If we are in a position where the lives of those Americans are endangered, we have significant armed forces of our own present in the area. They could certainly move in to help in the evacuation of our people without further military appropriations. I do not liken the prohibitions here to sort of a Tonkin Gulf Resolution, but I am very, very concerned about opening the door even a little bit for any further military assistance.

Mr. President, enough is enough. We have over the past two decades given tens of billions of dollars in military assistance to South Vietnam. Billions of dollars worth of that equipment has in the past few weeks been abandoned, most of it intact, to the Vietcong and the North Vietnamese. Frankly, at this time, it is extremely difficult to conceive of any set of circumstances that would warrant our sending more military assistance to a crumbling government.

However, should another government be established in Saigon which would possibly warrant the resumption of military aid—and I cannot foresee such an event—then let the question at that time come specifically before the Congress which could consider it in the light of actual circumstances.

As a member of my generation, Mr. President, I no longer want to give a blank check to any administration on matters of this nature. I support funds for humanitarian assistance in Southeast Asia; I support funds which may be necessary for an orderly evacuation of Americans and endangered foreign nationals. At the same time, I believe we must have an ironclad guarantee that none of the funds will be used under any circumstances to prolong a hopeless conflict.

Mr. NUNN. Will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from New Jersey.

Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. CULVER). A minute and a half.

The Senator from New Jersey.

Mr. CASE. Mr. President, I do not need to speak after the Senator from Minnesota has made the whole point and yet I would not want this time to go by with any suggestion that I do not support him fully. I do.

The committee's position was that we should have a contingency fund. If we have a contingency fund, we should have a contingency fund that is flexible enough to allow the President to make any use of it he wants to. That is the purpose of a contingency fund.

We are not authorizing a military assistance, we are not authorizing any kind of a program in any broad sense at all, but on the other hand, unless we want to invade what I think is the proper prerogative of the Executive in this narrow situation, we should not put this restriction upon him.

Mr. BIDEN. Will the Senator yield 1 minute on the bill?

Mr. HUMPHREY. The chairman has allowed me to yield the Senator from Delaware 1 minute on the bill.

Mr. BIDEN. I think much of what both Senators say is absolutely correct.

Even though I am going to support this, I think we should put it in the proper perspective. The whole reason for the contingency fund is to allow the President that flexibility. If we say, limit the President, he cannot use it for military purposes, then the whole rationale for having the $100 million in that contingency fund loses, and if in fact this amendment prevails, I hope those who supported it are honest and straight up enough to turn around and vote it all down.

That is what it was designed to be, there is no other way of talking about it, everyone who talks about it knows that, and let us face it head up.

So I hope we vote this restriction in and then force upon the remainder of our colleagues the realization there is no sense with the $100 million if the President does not have that flexibility.

Mr. NUNN. Mr. President, will the Senator allow me a few minutes on the bill?

I agree with many of the statements made here in the last few minutes, and with my senior colleague from Georgia, on his assessment of the military situation.

I do not think any amendment providing additional aid in this or any other bill is going to save the situation in South Vietnam. But let us face facts, as Senator BIDEN just mentioned. This amendment is an insurance policy for about 1,500 Americans who remain in Saigon and the military men sent to evacuate them.

The whole history of the Vietnam war has been that our country has tied the military's hands. We sent our best young men to die, to be wounded, and to return disabled without backing them up.

Now, at this final hour, it would be supreme irony if we did not give any support to either the 1,500 people who remain there or the military sent to protect their lives.

Those who favor this amendment are mistaken if they believe that we can get those Americans out with no military forces. The South Vietnamese could panic and turn against the Americans; that could happen—I just returned from a Pentagon briefing about the exact situation—Mr. President, there is no doubt in my mind at this moment that the lives of the remaining Americans, the military who may have to be sent in to protect them in evacuation, are in grave danger.

What we are talking about is an insurance fund for the remaining Americans, I, for one, do not intend to vote for an amendment which would diminish in any respect the chance for those Americans who are there carrying out our Nation's policy to be able to survive and to be evacuated.

This is the point. I do not believe our country should end the Vietnam war the same way we fought it in the 1960's; that is, without backing up our American men.

That is the clear question we are faced with.

Mr. GRAVEL. Will the Senator from Georgia yield on that?

Mr. NUNN. I yield.

Mr. GRAVEL. I am thoroughly confused because the Senator from Minnesota made the point, what this money would be used for would possibly shore up South Vietnam troops who might be in a position to secure our people.

Now, the Senator is making the point that what we need is some money to defend our people from South Vietnamese troops who might——

Mr. NUNN. I think that is an important point.

There are two types of South Vietnamese troops there right now, Senator. One, there are some troops that are well-disciplined, continuing to fight and following the orders of their commanders. Two, there is an entirely different group, running around fully armed, with no discipline, no commanders, and no organization whatever. These latter forces could turn on the Americans and try to stop the evacuation.

If we can help with some small degree of assistance—depending on the President's discretion—those troops that are disciplined and following commands, to protect, in some kind of contingency that none of us can visualize, the Americans who are being evacuated from those unwieldy troops who might turn on the Americans, this is what we want to do.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NUNN. Will the Senator yield 1 more minute?

The reality is that American lives are in danger. These are American lives that could be taken because we in this Senate cannot anticipate every eventuality. There are roving bands of South Vietnamese troops that are fully armed and are perfectly capable of panicking; they are perfectly capable of saying, "We have seen enough fleeing Americans; we have had enough of the U.S. Congress, and we are going to stop some of them." That can happen. If anyone wants to assume that responsibility on the floor of the Senate, the time now is to vote favorably for this amendment because that responsibility will be assumed.

Mr. President, the current military and psychological situation in South Vietnam is such that the Congress must provide the insurance necessary to protect the lives of those Americans left in Vietnam and the military sent to evacuate them.

No amount of military aid can save Vietnam. For all practical purposes, that government has already fallen. The amendment we are debating—if passed—would take away the President's option to use a limited amount of military assistance to provide an insurance policy for those 1,500 loyal Americans who remain there.

No one disputes that going into Vietnam was a mistake; but when we did, we should not have tied the hands of our military. That has been the entire history of the Vietnam war. Our country has sent our best young men to die, be wounded and disabled, without backing them up. The supreme irony would be for us to fail to support both the 1,500 Americans who remain there and the military sent to bring them home.

There is no doubt in my mind that, at this very moment, the lives of the remaining Americans—and the military who may be sent in—are in grave peril. The American public needs to understand the true gravity of the situation.

We are voting on money that may never be spent; we are voting on a psychological insurance policy for the remaining Americans.

Saigon is full of armed troops who are running around without commanders or discipline. If they decide that they have seen enough fleeing Americans and try to stop the evacuation, there will be a slaughter. On the other hand, there are well disciplined units following orders who are fighting well and who are capable of assisting in an American evacuation. The danger posed by the North Vietnamese military and antiaircraft is grave enough; we need the cooperation of the South Vietnamese military to effect a successful evacuation.

Mr. President, the stark reality is that American lives are in imminent danger. We in the Senate cannot anticipate every eventuality. We have no way of knowing hour to hour, minute to minute, what it will take to insure the safety of the Americans involved in the evacuation.

Any troops sent in to effect an evacuation must have the authority to defend themselves. This limited aid would give the President some discretion to aid the South Vietnamese to the extent he determines is advisable to assist in this evacuation and humanitarian effort. This could help insure the safety of our fellow citizens and the Marines whose mission is to return them safely. I am tired of sending dedicated, loyal Americans to foreign nations without backing them up.

Every member of Congress must decide for himself the amount of insurance we want to provide for the Americans remaining in Vietnam and those who may have to rescue them.

I, for one, am not going to vote to endanger the lives of Americans by cutting off all aid to the remaining South Vietnamese military units who could help protect them, or at least allow them safe evacuation.

I feel we should reduce the number of Americans in Vietnam as rapidly as possible to further reduce the risk. The President must make this decision, however, and he must be responsible for the final judgment on how fast the evacuation can take place without causing the South Vietnamese to panic and stop the evacuation.

If this amendment is adopted, the President's only option will be to protect the evacuation of Americans by a strong reintroduction of American military power. The proponents of this amendment say they oppose additional American military involvement in South Vietnam, yet this amendment would require more military involvement, not less. How many American troops would be required to protect the evacuation if the South Vietnamese turn against the Americans? I submit that it would require at least six divisions. Does any American want that?

I am not going to stand on the Senate floor and vote to endanger the lives of thousands of Americans.

The PRESIDING OFFICER. Who yields time?

The Senator from Minnesota.

Mr. PASTORE. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I am reading the first paragraph. It says specifically:

> There is established a Vietnam contingency fund for use during the fiscal year 1975 in the amount of $100 million and there is authorized to be appropriated not to exceed such sum to be used only for humanitarian and withdrawal purposes in Vietnam

Mr. HUMPHREY. That is correct.

Mr. PASTORE. Why do we have to add "in accordance with the provisions of the Foreign Assistance Act of 1961"? Why do we have to put that in at all? That is military aid that is given under previous circumstances. I do not think it lends anything at all. What is more, on the humanitarian aid, according to the foreign assistance program, that would be government-to-government assistance, and with the governments being questionable I do not see why that should not be distributed by international agencies or third parties.

Mr. HUMPHREY. I do want to respond to the very basic question. Might I add that I raised these same questions in committee. This was argued over and over and I was one of the main arguers in committee about this language. It was the belief of the committee, and of the staff that advised the committee, that we needed what we call a point of reference for any kind of contingency fund. There are restrictions under the Foreign Assistance Act of 1961. There are certain guidelines to it.

On the humanitarian assistance, the Senator will note under section 7—Senator KENNEDY and myself have both had bills in for humanitarian assistance—we provide that funds made available under this section shall be furnished under the direction and control of the United Nations, its specialized agencies, or under the auspices of other international organizations.

Mr. PASTORE. Which is a contradiction to the Foreign Assistance Act.

Mr. HUMPHREY. No, it is not a contradiction.

Mr. PASTORE. Of course it is. Under the Foreign Assistance Act, you can give Public Law 480 funds.

Mr. HUMPHREY. Under the Foreign Assistance Act, may I say, we do have international funds that go into international agencies. That is a fact. We have both bilateral and multilateral aid programs, as we call them.

The whole purpose of this first provision that we are talking about, and it has been a very controversial provision, is to have humanitarian and withdrawal programs. We use the words humanitarian and withdrawal purposes, so that

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the emphasis of the contingency fund will be upon those two objectives.

I argued in committee, as the Senator from Iowa argued here, that we should not have any reference at all to military assistance. But overwhelming arguments were brought to bear that there may be, under some conditions that we cannot foresee, the necessity for the President of the United States to be able to use some of this money in some form of military assistance to obtain not a military victory, but to get our people out of there, to perform a service of withdrawal.

It seemed to me that after arguing for a week, which I did, finally, that the arguments of the majority prevailed. I am here to defend that argument of the majority.

Mr. PASTORE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I quite agree with the Senator from Minnesota, but on page 7 of the report it says the President would have discretion to use the funds as he sees fit in the national interest.

Therefore, if we are giving him this wide scope of authority, which I am not questioning, why do we have to tie it down to any act which is raising confusion on the floor now? I understand that seems to be the gripe.

Mr. HUMPHREY. I am not particularly interested in having it tied down to the Foreign Assistance Act, but I was overruled in committee on it, to be perfectly frank about it. It seems to me that if that is the argument, I see no reason at all to even have it tied down to it, except as a point of the way it is administered, that is all. The Foreign Assistance Act provides an administrative setup for it.

Mr. PASTORE. If the Senator will take that out, I can see myself voting against the pending amendment.

Mr. HUMPHREY. I do not see any reason——

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. Several years ago, when the incursion into Cambodia took place, the administration cited the Food and Forage Act which permits the military to make advance appropriations without prior authorizing legislation as authority for the expenditure of funds which the Congress had not specifically approved to be spent in Cambodia. Does the distinguished Senator recall that?

Mr. HUMPHREY. I do not recall it, but I accept the Senator's word.

Mr. TALMADGE. Could not the same law apply to permit the expenditure of funds to assist the evacuation of an isolated group of our troops or nationals?

Mr. HUMPHREY. I will be frank, I am not that smart. I do not think I can have that much understanding of a situation that I am not sufficiently or intimately acquainted with.

Under the circumstances which now prevail—when we all know that the U.S. citizens are coming out, when we know there will be more military assistance to Vietnam, when we know there will be no American forces in Vietnam, when we know that the only thing we are trying to do is two things, namely, to get our people and their dependents out on the on hand, and to help suffering people on the other—and by a majority of this committee, by a vote of 14 to 3 after a week of struggling with it morning and afternoon, I thought that the emphasis in section 2 of the contingency fund had merit.

Mr. TALMADGE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. The Senator knows that the President of the United States asked for more than $700 million, the greater portion of it for military aid, as I recall.

Mr. HUMPHREY. All of it for military aid.

Mr. TALMADGE. The committee did not agree to that, did it?

Mr. HUMPHREY. That is correct. It was not before us.

Mr. TALMADGE. It appears to me that the committee has now turned around and authorized $100 million to spend as the President sees fit.

Mr. HUMPHREY. Not at all. It is $100 million as the President sees fit for the purposes of humanitarian assistance and for withdrawal. It is for humanitarian assistance and withdrawal.

Mr. TALMADGE. May I call attention to the committee report, the language written therein by the Senator's own committee?

> The President would have discretion to use the funds as he sees fit in the national interest.

Mr. HUMPHREY. But within the framework of this law.

Mr. TALMADGE. This section cites the Foreign Assistance Act of 1961.

Mr. HUMPHREY. This law specifically says that these funds are to be appropriated for and to be used only for humanitarian and withdrawal purposes in South Vietnam. The President can do that as he sees fit. We are not going to say, "Mr. President, you pass out care packages" or "Mr. President, when you evacuate, we will take them out piggy back." We are not saying that. We are saying he can use these funds as he sees fit in the national interest for only the purposes of humanitarian assistance and withdrawal.

Mr. TALMADGE. The Senator failed to mention the language in lines 9 and 10 of the bill where it refers to the Foreign Assistance Act of 1961, as amended. Does that not authorize military aid?

Mr. HUMPHREY. Where is that in lines 9 and 10?

Mr. TALMADGE. Look at line 9 on page 1, "withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961." That is line 1, page 2.

Mr. HUMPHREY. May I say that was put in there strictly for the purposes of administration. If it will help the Senator, and if it will relieve the anguish, pain and doubt in this body, I, as manager of this bill, will remove that language from the bill, as I think it is unnecessary.

Therefore, Mr. President, I offer an amendment to the bill: After the words "humanitarian assistance purposes in South Vietnam" strike the words "in accordance with the provisions of the Foreign Assistance Act of 1961, as amended."

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that it would take unanimous-consent request at this time to offer his amendment.

Mr. McCLELLAN. Will the Senator yield?

Mr. HUMPHREY. Am I not entitled to remove that language?

The PRESIDING OFFICER. The Senate will be in order.

The Chair will advise the Senator from Minnesota that it will take unanimous consent at this time to offer his amendment since the amendment of the Senator from Iowa is pending.

Mr. HUMPHREY. I therefore offer it as an amendment, and I ask unanimous consent that it be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I reserve the right to object, and I ask the manager of the bill what the effect of removing the Foreign Assistance Act of 1961 language would be.

Mr. HUMPHREY. As I understand it—and may I consult with the committee counsel—first of all, what this does is to remove from the bill the requirement that the provisions of the Foreign Asistance Act will govern the use of this $100 million. The $100 million authorized here will be specifically for the purposes of humanitarian assistance and withdrawal under the administrative framework of that act.

It permits the President, however, to determine how best to use that for humanitarian assistance and withdrawal. A great to-do has been made that he is going to use it for military aid. That is not the case.

The PRESIDING OFFICER. The Senator from Iowa is advised that, in this context, it is necessary either to exercise the right to object or not, and no time can be allotted for debate at this point unless it is time off the bill.

Mr. CLARK. Then, I object.

The PRESIDING OFFICER. Objection is heard.

The question occurs on the amendment of the Senator from Iowa.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. McCLELLAN. Just for the purpose of clarification and understanding, I understood the Senator to say earlier that what persuaded him in the committee, or what has persuaded him today, is that there might be some situations in which we would undertake to get out our own people, in which we would need the assistance of the military in Vietnam.

Mr. HUMPHREY. The Senator is correct.

Mr. McCLELLAN. Therefore, we would not want to withhold from the President the power to use whatever means were necessary under those circumstances to evacuate our people.

Mr. HUMPHREY. That is exactly right.

Mr. McCLELLAN. If language can be written in the bill so that that is made perfectly clear, that there would be no military aid beyond that, that it would have to be associated directly with that, I would be glad to support it. But I do not want to support military aid for South Vietnam.

Mr. HUMPHREY. The Senator's desire not to support military aid for South Vietnam in no way exceeds my desire not to support it. That is why I insisted in committee it read that the funds be used only for humanitarian and withdrawal purposes in Vietnam. While there is some flexibility, it cannot be used for military aid, as military assistance per se. It can be used only for the purpose of getting people out or for humanitarian assistance.

Mr. McCLELLAN. The only objection I have to that language in the bill is the apprehension that once we give some aid to South Vietnam, there may be no end to it; it may be a continuing thing.

Mr. HUMPHREY. This is only up to June 30, 1975.

I want us to be done with Vietnam. The whole idea here is to give the President some authority to evacuate our people and dependents in such a way as we can do it expeditiously.

Mr. McCLELLAN. I do not think anyone here can envision exactly what may happen, what circumstances and difficulties may arise, in our efforts to evacuate our people completely. I hope nothing would arise that would require us to call upon the South Vietnamese for any assistance by reason of any military aid. That is the apprehension. Perhaps that can be cleared up in some way. The Senator is familiar with the language, and perhaps some appropriate language could be used.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield for a question, before asking unanimous consent?

Mr. HUMPHREY. I yield.

Mr. CLARK. The counsel to the Senate Committee on Foreign Relations has indicated that would give the President broader authority than he presently has under the bill. Is that the intention of such unanimous-consent request?

Mr. HUMPHREY. Not at all. I thought the language they had was desirable, and some thought it was not. Since some felt that the Foreign Assistance Act of 1961 might give the President greater authority than just withdrawal and humanitarian purposes, I am perfectly willing to see this language withdrawn.

The argument that the Senator from Minnesota makes is simply this: That the predicate of section 2 of this bill is solely for humanitarian and withdrawal purposes. The whole purpose of section 2, therefore, is directly related to withdrawal and humanitarian purposes, and the $100 million can be used only for those purposes. How the President uses that $100 million in order to accomplish those purposes is left to his discretion. It is my judgment that the President is going to use that money just as we want it used—namely, to get people out, to feed the hungry, to heal the sick, and to bind the wounds of those who may come out.

As a matter of fact, it will be important, once they are out, that we have some assistance for those who come out as broken bodies, so to speak. That is why this $100 million is there. There is not enough money in other humanitarian assistance funds for the United States, itself, to do some things. This is for distribution by the United States, not the United Nations. We have $100 million for the U.N. in another fund. I am hopeful that we will not cripple the President in this respect.

Mr. STONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. STONE. Can the Senator not visualize the possibility—the contingency, if you will—not merely for withdrawal purposes, but also for humanitarian aid purposes, that there might need to be some temporary, limited military purposes for passing out humanitarian aid?

Mr HUMPHREY. Of course, and that is why this language was put here. I was one of those it was difficult to convince for 5 days in the committee. After the fifth day, after my colleagues had gone over this again and again and we pinned it down, we agreed to this language.

Mr. STEVENSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. STEVENSON. I thank the Senator for yielding.

Mr. President, I think the objection to any approval of additional military assistance is evident. If anything can be learned from the last 10 years of experience in South Vietnam, it is that nothing could more certainly assure a bloody Communist military takeover and more danger to more American lives and South Vietnamese lives than the authority for more military assistance to the Government of South Vietnam.

I ask the Senator from Minnesota this: If the purpose of his modification is to make it clear that the $100 million can be used for humanitarian and withdrawal purposes in South Vietnam and not for military assistance, then would he modify that section to eliminate all the words beginning with "in accordance" and through the balance of that sentence? I think that would make the intention clear.

Mr. HUMPHREY. No. I say most respectfully to the Senator that in this instance, if we have a contingency fund, it speaks for itself.

A contingency fund was debated in the committee, whether we even needed a contingency fund. It was determined by the majority, and I concurred in that, that a contingency fund would be desirable. Therefore, I think we have to leave it up to the President as to how he best uses that contingency fund, within the expressed purpose of the law. The expressed purpose of the law is for humanitarian and withdrawal purposes.

Mr. CASE. Will the Senator yield?

Mr. HUMPHREY. Yes, I yield.

Mr. CASE. I wish to make an observation. We are getting away from the idea that the purpose of the contingency fund is to make it, to the extent we can possibly do so, unnecessary for us to use military force. That is the purpose here. Anything that weakens that contingency fund or its possible use, I think, is a most unwise action.

Mr. HUMPHREY. May I add, and I know that I can be corrected, but I believe I speak in full truth, that the distinguished Senator from Missouri (Mr. SYMINGTON) was one of the strong proponents of this particular provision. At the time that I had moved, by the way, to do away with the contingency fund in the committee, a gentleman in this body who has been one of the most vigorous opponents to military assistance, the distinguished Senator from Missouri (Mr. SYMINGTON), said that a contingency fund is what is needed here.

I believe I am correct in saying that the distinguished Senator from Idaho (Mr. CHURCH) voted for this very provision in this bill. I am simply pointing this out because people who have spent 5 years of their lives in this body against military assistance to Vietnam were people who were actually in the forefront for this particular provision. The Senator from Minnesota came along reluctantly, but feels, after a week of deliberation, that those who advocated it were doing the right thing.

Mr. GRAVEL. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. GRAVEL. It relates to the question posed by the Senator from Georgia (Mr. TALMADGE), and I did not fully understand the answer that was given. That is with respect to the Cambodian incursion which the former President initiated, as I recall. When it came to Congress, it was around a billion dollars, give or take a hundred million dollars or more. That was done unilaterally by the Chief Executive. We then gave him the money. He took it from other areas.

That is essentially what the Senator from Georgia was asking: Why do we need a contingency fund if the President has that kind of power? Why do we have to sanctify this continued folly with one more sum of money? We are not talking about a small sum of money. $100 million is a lot of money for contingency purposes.

I should like to have the Senator's question answered. If the President obviously had the power to do it then, why can he not now?

Mr. HUMPHREY. First of all, those provisions have been changed in the law, and I helped change them. Those provisions for shifting funds from one area to another have been stopped. There is not that possibility under this legislation.

Second, there is no chance for the U.S. Government, under present law, to send Armed Forces into Vietnam except for one purpose—which he has, whether we write this bill or not—namely, for the withdrawal of Americans.

Mr. GRAVEL. Maybe somebody from the Committee on Armed Services can answer that. My understanding was that there is something in excess of $100 mil-

[illegible] attempt to fix the blame for who among us lost Vietnam or Cambodia. Vietnam and Cambodia were never ours to lose. Nor, Mr. President, can anyone, friend or foe, argue that the United States has failed to live up to our obligations in Southeast Asia. We have gone the second mile, the third mile, the 100th mile to fulfill our obligations there. 56,000 American servicemen laid down their lives in South Vietnam. 300,000 wounded Americans will bear silent witness each and every day of their lives to the futility of a war we would neither fight nor quit. The families and loved ones of every American who served in Southeast Asia will always recall the fear, uncertainty, and agony of that conflict—never knowing when or if these brave and dedicated men and women would return. The guns and butter spending policy during those war years has plunged ours, the wealthiest and most powerful nation the world has ever known, into economic chaos unequalled since the Great Depression.

Clearly, there has never been, in all human history, a nation that has done as much for a foreign power as the United States of America has done for the Republic of South Vietnam.

Now, Mr. President, after 10 eventful and traumatic years, the end is near. We can finally see with our own eyes the light at the end of the tunnel, heretofore only a mirage in the minds of a few. We cannot allow ourselves to be diverted from our course.

Unfortunately S. 1484, the so-called Vietnam contingency bill, in its present form, would signal a retreat, not from our commitments to the people of South Vietnam, but from our obligation to ourselves. As reported by the Committee on Foreign Relations, this legislation would sink us deeper into the quagmire of Southeast Asia.

I quote beginning on line 7 of page 1 of S. 1484:

> there is authorized to be appropriated not to exceed such sum, to be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961, as amended, as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam.

The Foreign Assistance Act of 1961 authorizes military assistance to South Vietnam. The language that I have referred to, which is in section 2, permits this money to be spent in the national interest, as the President may determine.

That means that the President could do virtually anything with that money, including further shipments of military aid to South Vietnam. It is an absolute delegation of authority to the President.

That is not only my interpretation, Mr. President. The Foreign Relations Committee report itself states:

> The President would have discretion to use the funds as he sees fit in the national interest.

There is no doubt whatsoever that these moneys could be used to finance further U.S. military aid to the South Vietnamese Armed Forces. Mr. President, no amount of American money and arms can instill in that army the will to fight if the soldiers themselves lack the basic motivation to defend themselves.

Mr. President, what is the situation in South Vietnam today? The President of the country has resigned, presumably to flee. The armies of South Vietnam have collapsed in the recent week; the North Vietnamese and their allies have taken billions of dollars worth of military equipment that the United States has given South Vietnam. Much of the equipment is workable. Our planes are abandoned, filled with gasoline ready to fight. The South Vietnamese did not use them to fight. Instead they abandoned them. Tanks were ready to fight but the South Vietnamese did not use them to fight either. They abandoned them, Mr. President.

The armies of North Vietnam are at this hour regrouping just outside of Saigon. Why they have not attacked the city no one knows. Perhaps they want America to send more military equipment to the South Vietnamese so they can take that as well.

In my view, there is no chance whatever for South Vietnam to win a military victory. If more equipment is sent to South Vietnam, it will almost surely fall into the hands of the Vietcong and the North Vietnamese. For what purpose? To turn and use against us?

Spending more American dollars to bolster the shattered and fleeing South Vietnamese Armed Forces would be futile. Concealing the shipment of vast sums of money and military materiel under the guise of humanitarian or withdrawal assistance would be tragic. If humanitarian aid is of pressing importance, and I think that it is, then funds for that purpose should be provided for openly in this legislation. Section 7 of S. 1484, which specifically earmarks funds for the suffering people of the Southeast Asia conflict, would accomplish this. Other funds could also be made available for both humanitarian aid and contingencies which might arise in the withdrawal of American nationals. But, Mr. President, in my judgment, none of these funds should be used for military aid to South Vietnamese forces or payments of any kind to the new government in Saigon, perhaps even a Communist dominated regime.

Most Americans do not want one more cent to be spent for, by, or on behalf of the Armed Forces of South Vietnam. They do not want money intended for the suffering victims of the Southeast Asia conflict to be diverted to the Swiss bank accounts of politicians. Most Americans want—and have the right to expect—an open and straightforward end to our involvement in that part of the world. The time has come to call a halt.

For these reasons, Mr. President, I am a sponsor of an amendment to prohibit the use of funds made available under the Vietnam contingency bill for further military assistance to South Vietnam.

This amendment would not restrict those provisions of S. 1484 which grant the President authority to send in troops or otherwise to evacuate American citizens, American nationals, and certain others that may be endangered. I might add that I only wish that the President had acted much sooner to bring out the American nationals. I feel if there is much delay, they may be the victims of South Vietnamese guns as well as North Vietnamese.

If this amendment is adopted, up to $200 million would be authorized for humanitarian aid. The President would have discretion to spend $100 million for this purpose or contingencies which might arise in the American withdrawal process. An additional $100 million would be authorized to be spent for the sole purpose of humanitarian aid by international relief agencies and other groups which have performed commendably in the difficult days of the recent past.

Such a proposal would, I submit, be entirely within our national tradition of generosity and compassion toward the victims of foreign conflicts and disasters. Our departure from South Vietnam will be honorable and we can leave with the knowledge that we have been true to our promises. No one can ask for more.

I yield back the remainder of my time.

Mr. CLARK. Mr. President, I wish to associate myself with the remarks of the Senator from Georgia. I believe he has expressed it extremely well. I would add only one minor point. The only way we are going to get substantial numbers of endangered South Vietnamese nationals out of that country is through a negotiated settlement. If we now appropriate additional sums for military assistance, certainly we endanger the possibility of a negotiated settlement.

Mr. STEVENSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. STEVENSON. I thank the Senator from Iowa.

Mr. President, this amendment offers something of a dilemma for those of us who have always sought a political or a negotiated settlement to the conflict in South Vietnam as opposed to a military resolution of the conflict.

I agree with what the Senator from Iowa has said. Nothing could more assuredly lead to a bloody Communist military takeover than to continue the policy of military assistance which has already brought the PRG and the North Vietnamese to the gates of Saigon.

It has been mentioned that President Thieu has resigned. But the character of his regime has not changed, and no amount of additional military assistance to that regime is likely to stabilize the military situation in South Vietnam, or to provide incentives to either side to begin a political process. On the contrary, additional military assistance would more than likely provide the north with an additional incentive not to seek a political process, but instead, quickly, to begin the assault on Saigon.

But, having said that, I am concerned that this amendment, if adopted by Congress, could be interpreted as suggesting that under no circumstances would Congress consider any additional military assistance for any government of South Vietnam.

I grant the Senator from Iowa and the Senator from Georgia that it is difficult now to conceive of circumstances in which Congress might wish to reconsider the question of military assistance. But if, finally, a broad-based government were to be formed in South Vietnam which involved at high levels the non-Communist elements of South Vietnam, and that government——

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. STEVENSON. Mr. President, will the Senator from Minnesota yield me 2 minutes on the bill?

Mr. HUMPHREY. I yield 2 minutes to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator.

If, finally, a government of South Vietnam were formed which was composed of and which involved non-Communist elements at the highest level, and that government finally offered to pursue a political solution, negotiations with the PRG and North Vietnam, and then the PRG and the North Vietnamese were to reject that first political opportunity in favor of the military opportunity, it is conceivable that Congress might reconsider.

My suggestion is not that Congress would in those circumstances, reconsider, but to suggest to the sponsors of this amendment that it behooves us in the Senate to make it clear from the record that this is not the definitive, final action on the question of military assistance to South Vietnam. That question will be resolved in Congress, and it will also be resolved as the result of events in South Vietnam and North Vietnam.

I do not at this late date hold out much hope for a political solution. But whatever hope there is we should not neglect. If the administration will not seek that remaining possibility, however slim it is, all the more reason for Congress to seek it.

I think we ought to keep that final answer on military assistance a little unclear at the moment, and suggest that the parties to the conflict would be mistaken if they interpreted favorable action on this amendment as ruling out in all circumstances the reconsideration of military assistance for South Vietnam.

So I would hope that the sponsors of this amendment might agree to that proposition before we vote on it and, with such an agreement, I would like to be added as a cosponsor.

Mr. CLARK. If the Senator from Illinois means that we would agree that it is conceivable at some future time under a different kind of government that military assistance could be at least reconsidered, then I would be agreeable to that interpretation. I think it would take a separate action by Congress at a later time.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

The Senator from Minnesota.

Mr. HUMPHREY. Let me respond briefly, and then I want to yield to the Senator from Vermont.

Might I say I appreciate the commentary of the distinguished Senator from Illinois, but I must say to him if the amendment that is presented by the Senator from Iowa is adopted it rules out any consideration that the Senator from Illinois has indicated because it says:

> Notwithstanding the provisions of subsection (a) of this section or any other law, no funds authorized to be appropriated under this section may be used to furnish assistance under part 2 of the Foreign Assistance Act of 1961, or to provide any other military assistance to South Vietnam.

Mr. STEVENSON. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. STEVENSON. That law does not prohibit, does it, Congress from acting independently by enacting additional legislation at some point?

Mr. HUMPHREY. No, of course not; of course not. It simply means the amendment of the Senator from Iowa applies to the proposed bill before us, S. 1484, but it makes clear at least an expression here that any kind of military assistance is to be denied.

Let me speak very openly about my views on this. I am not for military assistance. I have said so, I have been one articulate spokesman in the committee in opposition to military assistance. But we are talking here about withdrawal and humanitarian assistance, that is what we are talking about. The language is very clear. We establish a contingency fund for use during the fiscal year 1975, and that is up to June 30 of this year, in the amount of $100 million, and "there is authorized to be appropriated not to exceed such sum to be used only for humanitarian and withdrawal purposes in South Vietnam in accordance with the Foreign Assistance Act of 1961, as amended, as the President determines"—determines within that purview now of humanitarian assistance and withdrawal—and it continues "is in the national interest with respect to dealing with the present emergency in South Vietnam."

What are we talking about here? We are simply saying that we cannot foresee every event. We are making an authorization. The justification for any funds will have to come before the Appropriations Committee, and if the Appropriations Committee feels for a single minute that what we are trying to do is to use moneys as a subterfuge under this bill to get $100 million of military assistance to this government in South Vietnam, of course, the Appropriations Committee would turn it down, I hope, and if it did not, I would be one of the persons here in the Senate to try to lead the fight against such an appropriation.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes, I yield.

Mr. TALMADGE. Did the Senator not say that he was opposed to further American military aid to South Vietnam?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. That is all this amendment does. It prohibits the language of section 2 of the bill from being used to send further American military aid to South Vietnam.

Mr. HUMPHREY. But in the context of this bill there may be a set of circumstances which, in order to get our people out, you may have to help for a little bit some contingent or some force of Vietnam. They may exact that price. Now, let us just lay it on the line. Therefore, it seems to me, that I would rather give a little more flexibility to the President than to have on my hands the fact that I stood here on so-called principle and said, "Not one dime, you can die, you Americans can die."

Now, the other choice is to send in American forces. I think it is a whole lot better to have no American forces in there and get these people out.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Not just yet.

We are trying in this bill to be sufficiently wise to give some flexibility within strict guidelines and strict limitations. No one in this body can foresee every single thing that is going to happen.

The whole thrust of this bill is one thrust, namely, humanitarian assistance and withdrawal, and the withdrawal program is under severe limitations as to the use of the Armed Forces of the United States. That is number one. We just beat back an amendment that would have changed that.

Second, we have placed $200 million in here for withdrawal and humanitarian assistance; $100 million in the contingency fund to give the President some little flexibility, and the whole purpose—the word "only" is there, only for humanitarian assistance and withdrawal.

It may very well be under some circumstances that somebody may have to have some money for something else besides just being able to give somebody some food or to be able to give some medicine.

I think to interpret this as a military assistance endeavor is entirely out of context with this bill. This is not a desire to extend military assistance. It is only a proposal to give withdrawal and humanitarian assistance.

Mr. TALMADGE. Would the Senator agree with me that further military assistance to South Vietnam at this point would be like going out and buying furniture while your house was on fire?

Mr. HUMPHREY. No, Senator, not completely.

I can find, for example, that there happened to be, let us say, 100 Americans off in some particular area to which we could not get to them, and the Vietcong were there and were going to kill them, and we were able to get some help to a South Vietnam brigade to get them out of there, I think it would be worth it. I cannot predict what those circumstances are going to be.

God only knows I do not want a general military assistance program to any government in South Vietnam as I see any governments there. I fought against this; I voted against it in committee, and I said publicly I am against it. But I want to tell you that the President, as Commander in Chief, has got to have some flexibility here when the purpose is direct, the purpose is not to continue the fighting. We have already made up our mind to get out of South Vietnam. We already have a law that says you cannot have American forces in South

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Vietnam, and since we cannot have American forces in South Vietnam——

Mr. TALMADGE. This bill authorizes it.

Mr. HUMPHREY. It does authorize a contingency fund which could possibly be used in getting some help from somebody we helped over these years in order to get some of our American people out.

Mr. LEAHY. Will the Senator yield on that point?

Mr. HUMPHREY. It is a crack in the door, I grant the Senator that, but I think we have got to trust somebody.

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. We cannot run the evacuation program from this Congress, let us face it. We are not in charge of running evacuation programs.

The worst and most we can do is put limitations and we can obstruct the President to a point where we will look ridiculous and I think we have got to have some direction.

Mr. LEAHY. Will the Senator yield?

Mr. HUMPHREY. Yes, I yield to the Senator from Vermont.

Mr. LEAHY. I find myself in a somewhat uncomfortable position, Mr. President, in that I must disagree with the distinguished junior Senator from Minnesota and the distinguished junior Senator from Illinois, both gentlemen with whom I usually find myself far more in agreement than in disagreement.

However, I must associate myself with the position of the distinguished senior Senator from Georgia and with his statements this afternoon on the pending amendment.

Mr. President, I support the amendment of the Senator from Iowa. I appreciate the arguments that the Senator from Minnesota has made on over the inadvisability of absolutely forbidding the use of any funds authorized under section 2 of the bill for military assistance to the South Vietnamese Government.

Mr. President, there is nobody in this Chamber who wants Americans remaining in South Vietnam evacuated more than I do. I have argued for it and fought for it in the Armed Services Committee. The question has been raised, and this is not a philosophical question, as to whether the language of the bill would conceivably permit the President to use the funds authorized for purposes of military assistance to the South Vietnamese. Mr. President, as one who reached the age of majority at the time when the Vietnam debate was first beginning in this country, as one who has watched it throughout that time until now when I sit in the Senate of the United States, I do not want to open the door to that remote possibility even a little.

Mr. President, our Armed Forces are perfectly adequate and prepared to aid in the evacuation of Americans, if that contingency is required. I must say that based on the experiences we have had with the South Vietnamese in the last month, I do not want to have to rely on them to any degree whatever for aid in the evacuation.

Mr. President, I feel that the administration took far too long in beginning the evacuation of Americans from South Vietnam. I am glad that it is now moving apace. If we are in a position where the lives of those Americans are endangered, we have significant armed forces of our own present in the area. They could certainly move in to help in the evacuation of our people without further military appropriations. I do not liken the prohibitions here to sort of a Tonkin Gulf Resolution, but I am very, very concerned about opening the door even a little bit for any further military assistance.

Mr. President, enough is enough. We have over the past two decades given tens of billions of dollars in military assistance to South Vietnam. Billions of dollars worth of that equipment has in the past few weeks been abandoned, most of it intact, to the Vietcong and the North Vietnamese. Frankly, at this time, it is extremely difficult to conceive of any set of circumstances that would warrant our sending more military assistance to a crumbling government.

However, should another government be established in Saigon which would possibly warrant the resumption of military aid—and I cannot foresee such an event—then let the question at that time come specifically before the Congress which could consider it in the light of actual circumstances.

As a member of my generation, Mr. President, I no longer want to give a blank check to any administration on matters of this nature. I support funds for humanitarian assistance in Southeast Asia; I support funds which may be necessary for an orderly evacuation of Americans and endangered foreign nationals. At the same time, I believe we must have an ironclad guarantee that none of the funds will be used under any circumstances to prolong a hopeless conflict.

Mr. NUNN. Will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from New Jersey.

Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. Culver). A minute and a half.

The Senator from New Jersey.

Mr. CASE. Mr. President, I do not need to speak after the Senator from Minnesota has made the whole point and yet I would not want this time to go by with any suggestion that I do not support him fully. I do.

The committee's position was that we should have a contingency fund. If we have a contingency fund, we should have a contingency fund that is flexible enough to allow the President to make any use of it he wants to. That is the purpose of a contingency fund.

We are not authorizing a military assistance, we are not authorizing any kind of a program in any broad sense at all, but on the other hand, unless we want to invade what I think is the proper prerogative of the Executive in this narrow situation, we should not put this restriction upon him.

Mr. BIDEN. Will the Senator yield 1 minute on the bill?

Mr. HUMPHREY. The chairman has allowed me to yield the Senator from Delaware 1 minute on the bill.

Mr. BIDEN. I think much of what both Senators say is absolutely correct.

Even though I am going to support this, I think we should put it in the proper perspective. The whole reason for the contingency fund is to allow the President that flexibility. If we say, limit the President, he cannot use it for military purposes, then the whole rationale for having the $100 million in that contingency fund loses, and if in fact this amendment prevails, I hope those who supported it are honest and straight up enough to turn around and vote it all down.

That is what it was designed to be, there is no other way of talking about it, everyone who talks about it knows that, and let us face it head up.

So I hope we vote this restriction in and then force upon the remainder of our colleagues the realization there is no sense with the $100 million if the President does not have that flexibility.

Mr. NUNN. Mr. President, will the Senator allow me a few minutes on the bill?

I agree with many of the statements made here in the last few minutes, and with my senior colleague from Georgia, on his assessment of the military situation.

I do not think any amendment providing additional aid in this or any other bill is going to save the situation in South Vietnam. But let us face facts, as Senator Biden just mentioned. This amendment is an insurance policy for about 1,500 Americans who remain in Saigon and the military men sent to evacuate them.

The whole history of the Vietnam war has been that our country has tied the military's hands. We sent our best young men to die, to be wounded, and to return disabled without backing them up.

Now, at this final hour, it would be supreme irony if we did not give any support to either the 1,500 people who remain there or the military sent to protect their lives.

Those who favor this amendment are mistaken if they believe that we can get those Americans out with no military forces. The South Vietnamese could panic and turn against the Americans; that could happen—I just returned from a Pentagon briefing about the exact situation—Mr. President, there is no doubt in my mind at this moment that the lives of the remaining Americans, the military who may have to be sent in to protect them in evacuation, are in grave danger.

What we are talking about is an insurance fund for the remaining Americans, I, for one, do not intend to vote for an amendment which would diminish in any respect the chance for those Americans who are there carrying out our Nation's policy to be able to survive and to be evacuated.

This is the point. I do not believe our country should end the Vietnam war the same way we fought it in the 1960's; that is, without backing up our American men.

That is the clear question we are faced with.

Mr. GRAVEL. Will the Senator from Georgia yield on that?

Mr. NUNN. I yield.

Mr. GRAVEL. I am thoroughly confused because the Senator from Minnesota made the point, what this money would be used for would possibly shore up South Vietnam troops who might be in a position to secure our people.

Now, the Senator is making the point that what we need is some money to defend our people from South Vietnamese troops who might——

Mr. NUNN. I think that is an important point.

There are two types of South Vietnamese troops there right now, Senator. One, there are some troops that are well-disciplined, continuing to fight and following the orders of their commanders. Two, there is an entirely different group, running around fully armed, with no discipline, no commanders, and no organization whatever. These latter forces could turn on the Americans and try to stop the evacuation.

If we can help with some small degree of assistance—depending on the President's discretion—those troops that are disciplined and following commands, to protect, in some kind of contingency that none of us can visualize, the Americans who are being evacuated from those unwieldy troops who might turn on the Americans, this is what we want to do.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NUNN. Will the Senator yield 1 more minute?

The reality is that American lives are in danger. These are American lives that could be taken because we in this Senate cannot anticipate every eventuality. There are roving bands of South Vietnamese troops that are fully armed and are perfectly capable of panicking; they are perfectly capable of saying, "We have seen enough fleeing Americans; we have had enough of the U.S. Congress, and we are going to stop some of them." That can happen. If anyone wants to assume that responsibility on the floor of the Senate, the time now is to vote favorably for this amendment because that responsibility will be assumed.

Mr. President, the current military and psychological situation in South Vietnam is such that the Congress must provide the insurance necessary to protect the lives of those Americans left in Vietnam and the military sent to evacuate them.

No amount of military aid can save Vietnam. For all practical purposes, that government has already fallen. The amendment we are debating—if passed—would take away the President's option to use a limited amount of military assistance to provide an insurance policy for those 1,500 loyal Americans who remain there.

No one disputes that going into Vietnam was a mistake; but when we did, we should not have tied the hands of our military. That has been the entire history of the Vietnam war. Our country has sent our best young men to die, be wounded and disabled, without backing them up. The supreme irony would be for us to fail to support both the 1,500 Americans who remain there and the military sent to bring them home.

There is no doubt in my mind that, at this very moment, the lives of the remaining Americans—and the military who may be sent in—are in grave peril. The American public needs to understand the true gravity of the situation.

We are voting on money that may never be spent; we are voting on a psychological insurance policy for the remaining Americans.

Saigon is full of armed troops who are running around without commanders or discipline. If they decide that they have seen enough fleeing Americans and try to stop the evacuation, there will be a slaughter. On the other hand, there are well disciplined units following orders who are fighting well and who are capable of assisting in an American evacuation. The danger posed by the North Vietnamese military and antiaircraft is grave enough; we need the cooperation of the South Vietnamese military to effect a successful evacuation.

Mr. President, the stark reality is that American lives are in imminent danger. We in the Senate cannot anticipate every eventuality. We have no way of knowing hour to hour, minute to minute, what it will take to insure the safety of the Americans involved in the evacuation.

Any troops sent in to effect an evacuation must have the authority to defend themselves. This limited aid would give the President some discretion to aid the South Vietnamese to the extent he determines is advisable to assist in this evacuation and humanitarian effort. This could help insure the safety of our fellow citizens and the Marines whose mission is to return them safely. I am tired of sending dedicated, loyal Americans to foreign nations without backing them up.

Every member of Congress must decide for himself the amount of insurance we want to provide for the Americans remaining in Vietnam and those who may have to rescue them.

I, for one, am not going to vote to endanger the lives of Americans by cutting off all aid to the remaining South Vietnamese military units who could help protect them, or at least allow them safe evacuation.

I feel we should reduce the number of Americans in Vietnam as rapidly as possible to further reduce the risk. The President must make this decision, however, and he must be responsible for the final judgment on how fast the evacuation can take place without causing the South Vietnamese to panic and stop the evacuation.

If this amendment is adopted, the President's only option will be to protect the evacuation of Americans by a strong reintroduction of American military power. The proponents of this amendment say they oppose additional American military involvement in South Vietnam, yet this amendment would require more military involvement, not less. How many American troops would be required to protect the evacuation if the South Vietnamese turn against the Americans? I submit that it would require at least six divisions. Does any American want that?

I am not going to stand on the Senate floor and vote to endanger the lives of thousands of Americans.

The PRESIDING OFFICER. Who yields time?

The Senator from Minnesota.

Mr. PASTORE. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I am reading the first paragraph. It says specifically:

> There is established a Vietnam contingency fund for use during the fiscal year 1975 in the amount of $100 million and there is authorized to be appropriated not to exceed such sum to be used only for humanitarian and withdrawal purposes in Vietnam

Mr. HUMPHREY. That is correct.

Mr. PASTORE. Why do we have to add "in accordance with the provisions of the Foreign Assistance Act of 1961"? Why do we have to put that in at all? That is military aid that is given under previous circumstances. I do not think it lends anything at all. What is more, on the humanitarian aid, according to the foreign assistance program, that would be government-to-government assistance, and with the governments being questionable I do not see why that should not be distributed by international agencies or third parties.

Mr. HUMPHREY. I do want to respond to the very basic question. Might I add that I raised these same questions in committee. This was argued over and over and I was one of the main arguers in committee about this language. It was the belief of the committee, and of the staff that advised the committee, that we needed what we call a point of reference for any kind of contingency fund. There are restrictions under the Foreign Assistance Act of 1961. There are certain guidelines to it.

On the humanitarian assistance. the Senator will note under section 7—Senator Kennedy and myself have both had bills in for humanitarian assistance—we provide that funds made available under this section shall be furnished under the direction and control of the United Nations, its specialized agencies, or under the auspices of other international organizations.

Mr. PASTORE. Which is a contradiction to the Foreign Assistance Act.

Mr. HUMPHREY. No, it is not a contradiction.

Mr. PASTORE. Of course it is. Under the Foreign Assistance Act, you can give Public Law 480 funds.

Mr. HUMPHREY. Under the Foreign Assistance Act, may I say, we do have international funds that go into international agencies. That is a fact. We have both bilateral and multilateral aid programs, as we call them.

The whole purpose of this first provision that we are talking about, and it has been a very controversial provision, is to have humanitarian and withdrawal programs. We use the words humanitarian and withdrawal purposes, so that

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the emphasis of the contingency fund will be upon those two objectives.

I argued in committee, as the Senator from Iowa argued here, that we should not have any reference at all to military assistance. But overwhelming arguments were brought to bear that there may be, under some conditions that we cannot foresee, the necessity for the President of the United States to be able to use some of this money in some form of military assistance to obtain not a military victory, but to get our people out of there, to perform a service of withdrawal.

It seemed to me that after arguing for a week, which I did, finally, that the arguments of the majority prevailed. I am here to defend that argument of the majority.

Mr. PASTORE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I quite agree with the Senator from Minnesota, but on page 7 of the report it says the President would have discretion to use the funds as he sees fit in the national interest.

Therefore, if we are giving him this wide scope of authority, which I am not questioning, why do we have to tie it down to any act which is raising confusion on the floor now? I understand that seems to be the gripe.

Mr. HUMPHREY. I am not particularly interested in having it tied down to the Foreign Assistance Act, but I was overruled in committee on it, to be perfectly frank about it. It seems to me that if that is the argument, I see no reason at all to even have it tied down to it, except as a point of the way it is administered, that is all. The Foreign Assistance Act provides an administrative setup for it.

Mr. PASTORE. If the Senator will take that out, I can see myself voting against the pending amendment.

Mr. HUMPHREY. I do not see any reason——

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. Several years ago, when the incursion into Cambodia took place, the administration cited the Food and Forage Act which permits the military to make advance appropriations without prior authorizing legislation as authority for the expenditure of funds which the Congress had not specifically approved to be spent in Cambodia. Does the distinguished Senator recall that?

Mr. HUMPHREY. I do not recall it, but I accept the Senator's word.

Mr. TALMADGE. Could not the same law apply to permit the expenditure of funds to assist the evacuation of an isolated group of our troops or nationals?

Mr. HUMPHREY. I will be frank, I am not that smart. I do not think I can have that much understanding of a situation that I am not sufficiently or intimately acquainted with.

Under the circumstances which now prevail—when we all know that the U.S. citizens are coming out, when we know there will be more military assistance to Vietnam, when we know there will be no American forces in Vietnam, when we know that the only thing we are trying to do is two things, namely, to get our people and their dependents out on the on hand, and to help suffering people on the other—and by a majority of this committee, by a vote of 14 to 3 after a week of struggling with it morning and afternoon, I thought that the emphasis in section 2 of the contingency fund had merit.

Mr. TALMADGE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. TALMADGE. The Senator knows that the President of the United States asked for more than $700 million, the greater portion of it for military aid, as I recall.

Mr. HUMPHREY. All of it for military aid.

Mr. TALMADGE. The committee did not agree to that, did it?

Mr. HUMPHREY. That is correct. It was not before us.

Mr. TALMADGE. It appears to me that the committee has now turned around and authorized $100 million to spend as the President sees fit.

Mr. HUMPHREY. Not at all. It is $100 million as the President sees fit for the purposes of humanitarian assistance and for withdrawal. It is for humanitarian assistance and withdrawal.

Mr. TALMADGE. May I call attention to the committee report, the language written therein by the Senator's own committee?

> The President would have discretion to use the funds as he sees fit in the national interest.

Mr. HUMPHREY. But within the framework of this law.

Mr. TALMADGE. This section cites the Foreign Assistance Act of 1961.

Mr. HUMPHREY. This law specifically says that these funds are to be appropriated for and to be used only for humanitarian and withdrawal purposes in South Vietnam. The President can do that as he sees fit. We are not going to say, "Mr. President, you pass out care packages" or "Mr. President, when you evacuate, we will take them out piggy back." We are not saying that. We are saying he can use these funds as he sees fit in the national interest for only the purposes of humanitarian assistance and withdrawal.

Mr. TALMADGE. The Senator failed to mention the language in lines 9 and 10 of the bill where it refers to the Foreign Assistance Act of 1961, as amended. Does that not authorize military aid?

Mr. HUMPHREY. Where is that in lines 9 and 10?

Mr. TALMADGE. Look at line 9 on page 1, "withdrawal purposes in South Vietnam in accordance with the provisions of the Foreign Assistance Act of 1961." That is line 1, page 2.

Mr. HUMPHREY. May I say that was put in there strictly for the purposes of administration. If it will help the Senator, and if it will relieve the anguish, pain and doubt in this body, I, as manager of this bill, will remove that language from the bill, as I think it is unnecessary.

Therefore, Mr. President, I offer an amendment to the bill: After the words "humanitarian assistance purposes in South Vietnam" strike the words "in accordance with the provisions of the Foreign Assistance Act of 1961, as amended."

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that it would take unanimous-consent request at this time to offer his amendment.

Mr. McCLELLAN. Will the Senator yield?

Mr. HUMPHREY. Am I not entitled to remove that language?

The PRESIDING OFFICER. The Senate will be in order.

The Chair will advise the Senator from Minnesota that it will take unanimous consent at this time to offer his amendment since the amendment of the Senator from Iowa is pending.

Mr. HUMPHREY. I therefore offer it as an amendment, and I ask unanimous consent that it be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I reserve the right to object, and I ask the manager of the bill what the effect of removing the Foreign Assistance Act of 1961 language would be.

Mr. HUMPHREY. As I understand it—and may I consult with the committee counsel—first of all, what this does is to remove from the bill the requirement that the provisions of the Foreign Asistance Act will govern the use of this $100 million. The $100 million authorized here will be specifically for the purposes of humanitarian assistance and withdrawal under the administrative framework of that act.

It permits the President, however, to determine how best to use that for humanitarian assistance and withdrawal. A great to-do has been made that he is going to use it for military aid. That is not the case.

The PRESIDING OFFICER. The Senator from Iowa is advised that, in this context, it is necessary either to exercise the right to object or not, and no time can be allotted for debate at this point unless it is time off the bill.

Mr. CLARK. Then, I object.

The PRESIDING OFFICER. Objection is heard.

The question occurs on the amendment of the Senator from Iowa.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. McCLELLAN. Just for the purpose of clarification and understanding, I understood the Senator to say earlier that what persuaded him in the committee, or what has persuaded him today, is that there might be some situations in which we would undertake to get out our own people, in which we would need the assistance of the military in Vietnam.

Mr. HUMPHREY. The Senator is correct.

Mr. McCLELLAN. Therefore, we would not want to withhold from the President

the power to use whatever means were necessary under those circumstances to evacuate our people.

Mr. HUMPHREY. That is exactly right.

Mr. McCLELLAN. If language can be written in the bill so that that is made perfectly clear, that there would be no military aid beyond that, that it would have to be associated directly with that, I would be glad to support it. But I do not want to support military aid for South Vietnam.

Mr. HUMPHREY. The Senator's desire not to support military aid for South Vietnam in no way exceeds my desire not to support it. That is why I insisted in committee it read that the funds be used only for humanitarian and withdrawal purposes in Vietnam. While there is some flexibility, it cannot be used for military aid, as military assistance per se. It can be used only for the purpose of getting people out or for humanitarian assistance.

Mr. McCLELLAN. The only objection I have to that language in the bill is the apprehension that once we give some aid to South Vietnam, there may be no end to it; it may be a continuing thing.

Mr. HUMPHREY. This is only up to June 30, 1975.

I want us to be done with Vietnam. The whole idea here is to give the President some authority to evacuate our people and dependents in such a way as we can do it expeditiously.

Mr. McCLELLAN. I do not think anyone here can envision exactly what may happen, what circumstances and difficulties may arise, in our efforts to evacuate our people completely. I hope nothing would arise that would require us to call upon the South Vietnamese for any assistance by reason of any military aid. That is the apprehension. Perhaps that can be cleared up in some way. The Senator is familiar with the language, and perhaps some appropriate language could be used.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield for a question, before asking unanimous consent?

Mr. HUMPHREY. I yield.

Mr. CLARK. The counsel to the Senate Committee on Foreign Relations has indicated that would give the President broader authority than he presently has under the bill. Is that the intention of such unanimous-consent request?

Mr. HUMPHREY. Not at all. I thought the language they had was desirable, and some thought it was not. Since some felt that the Foreign Assistance Act of 1961 might give the President greater authority than just withdrawal and humanitarian purposes, I am perfectly willing to see this language withdrawn.

The argument that the Senator from Minnesota makes is simply this: That the predicate of section 2 of this bill is solely for humanitarian and withdrawal purposes. The whole purpose of section 2, therefore, is directly related to withdrawal and humanitarian purposes, and the $100 million can be used only for those purposes. How the President uses that $100 million in order to accomplish those purposes is left to his discretion. It is my judgment that the President is going to use that money just as we want it used—namely, to get people out, to feed the hungry, to heal the sick, and to bind the wounds of those who may come out.

As a matter of fact, it will be important, once they are out, that we have some assistance for those who come out as broken bodies, so to speak. That is why this $100 million is there. There is not enough money in other humanitarian assistance funds for the United States, itself, to do some things. This is for distribution by the United States, not the United Nations. We have $100 million for the U.N. in another fund. I am hopeful that we will not cripple the President in this respect.

Mr. STONE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. STONE. Can the Senator not visualize the possibility—the contingency, if you will—not merely for withdrawal purposes, but also for humanitarian aid purposes, that there might need to be some temporary, limited military purposes for passing out humanitarian aid?

Mr HUMPHREY. Of course, and that is why this language was put here. I was one of those it was difficult to convince for 5 days in the committee. After the fifth day, after my colleagues had gone over this again and again and we pinned it down, we agreed to this language.

Mr. STEVENSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. STEVENSON. I thank the Senator for yielding.

Mr. President, I think the objection to any approval of additional military assistance is evident. If anything can be learned from the last 10 years of experience in South Vietnam, it is that nothing could more certainly assure a bloody Communist military takeover and more danger to more American lives and South Vietnamese lives than the authority for more military assistance to the Government of South Vietnam.

I ask the Senator from Minnesota this: If the purpose of his modification is to make it clear that the $100 million can be used for humanitarian and withdrawal purposes in South Vietnam and not for military assistance, then would he modify that section to eliminate all the words beginning with "in accordance" and through the balance of that sentence? I think that would make the intention clear.

Mr. HUMPHREY. No. I say most respectfully to the Senator that in this instance, if we have a contingency fund, it speaks for itself.

A contingency fund was debated in the committee, whether we even needed a contingency fund. It was determined by the majority, and I concurred in that, that a contingency fund would be desirable. Therefore, I think we have to leave it up to the President as to how he best uses that contingency fund, within the expressed purpose of the law. The expressed purpose of the law is for humanitarian and withdrawal purposes.

Mr. CASE. Will the Senator yield?

Mr. HUMPHREY. Yes, I yield.

Mr. CASE. I wish to make an observation. We are getting away from the idea that the purpose of the contingency fund is to make it, to the extent we can possibly do so, unnecessary for us to use military force. That is the purpose here. Anything that weakens that contingency fund or its possible use, I think, is a most unwise action.

Mr. HUMPHREY. May I add, and I know that I can be corrected, but I believe I speak in full truth, that the distinguished Senator from Missouri (Mr. SYMINGTON) was one of the strong proponents of this particular provision. At the time that I had moved, by the way, to do away with the contingency fund in the committee, a gentleman in this body who has been one of the most vigorous opponents to military assistance, the distinguished Senator from Missouri (Mr. SYMINGTON), said that a contingency fund is what is needed here.

I believe I am correct in saying that the distinguished Senator from Idaho (Mr. CHURCH) voted for this very provision in this bill. I am simply pointing this out because people who have spent 5 years of their lives in this body against military assistance to Vietnam were people who were actually in the forefront for this particular provision. The Senator from Minnesota came along reluctantly, but feels, after a week of deliberation, that those who advocated it were doing the right thing.

Mr. GRAVEL. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. GRAVEL. It relates to the question posed by the Senator from Georgia (Mr. TALMADGE), and I did not fully understand the answer that was given. That is with respect to the Cambodian incursion which the former President initiated, as I recall. When it came to Congress, it was around a billion dollars, give or take a hundred million dollars or more. That was done unilaterally by the Chief Executive. We then gave him the money. He took it from other areas.

That is essentially what the Senator from Georgia was asking: Why do we need a contingency fund if the President has that kind of power? Why do we have to sanctify this continued folly with one more sum of money? We are not talking about a small sum of money. $100 million is a lot of money for contingency purposes.

I should like to have the Senator's question answered. If the President obviously had the power to do it then, why can he not now?

Mr. HUMPHREY. First of all, those provisions have been changed in the law, and I helped change them. Those provisions for shifting funds from one area to another have been stopped. There is not that possibility under this legislation.

Second, there is no chance for the U.S. Government, under present law, to send Armed Forces into Vietnam except for one purpose—which he has, whether we write this bill or not—namely, for the withdrawal of Americans.

Mr. GRAVEL. Maybe somebody from the Committee on Armed Services can answer that. My understanding was that there is something in excess of $100 mil-

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lion in the pipeline for military aid going to South Vietnam.

Mr. HUMPHREY. Of course there is. There is no doubt about that.

Mr. GRAVEL. If that has already been authorized, appropriated, and the money spent, why do we have to talk in terms of more money when, obviously, the money is already there?

Mr. HUMPHREY. That is exactly why this money is not going to be used for military assistance. It may not be used for military assistance. We may have to use this money to get people out of there. It may even have to be used, if the Senator pleases, to help pay to get people out of there.

Mr. GRAVEL. I hope we can use our own Armed Forces rather than paying ransom to our allies to get people out.

Mr. HUMPHREY. Let me tell the Senator, if I have to choose between using further military force and having money to get them out, I would much rather have the money.

Mr. TALMADGE. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. TALMADGE. As I recall, Senator ABOUREZK offered an amendment on the floor last year to change the food and forage law. The Senate decided at that point that the Committee on Armed Services ought to look into the statute. It is still valid law, however.

Mr. HUMPHREY. I have been told by counsel to the committee that the money used in that Cambodian enterprise was under the authority of the Foreign Assistance Act, and that has been changed. I have to rely on counsel.

The Senator from Iowa wanted 2 minutes to summarize his argument.

Mr. CLARK. I think we have to face up to the fact. After all this debate, we must decide whether or not we want to permit the possibility of further military assistance to South Vietnam if the President feels it is essential in the national interest. That is the question.

We cannot have it both ways. We cannot say that it is only for withdrawal and humanitarian purposes and nothing else. It is for that purpose, as the bill indicates, but it also can be used for any other purpose, including military aid to South Vietnam, if the President deems it in the national interest.

The choice is not between this and using American troops—not at all. This amendment does not restrict the ways in which the President can use this for humanitarian or evacuation purposes. The amendment says he can use it for any purpose—to get American citizens out and dependents and South Vietnamese—for any purpose, except military assistance.

I think that Senator GRAVEL made the point very well. Suppose we find ourselves in a situation which the Senator from Minnesota described where a South Vietnamese brigade has to have assistance to help get out South Vietnamese or American citizens. Suppose there is a situation where some military aid to South Vietnam would be beneficial to evacuation. $130 million in authorized and appropriated military-aid funds remains undelivered today. Could not that be used?

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. CLARK. Will the Senator give me 1 more minute?

Mr. HUMPHREY. On somebody else's time for a change.

Mr. CLARK. On the bill.

The PRESIDING OFFICER. Time is beginning to ease away.

Mr. CASE. If the Senator will promise to conclude in 1 minute, I shall yield it on my time.

Mr. CLARK. I shall.

The question is whether we want to add to that $130 million of already authorized and appropriated military and funds another $100 million. That is the question.

Mr. President, the only way we are going to get substantial numbers of endangered foreign nationals out of South Vietnam is through a negotiated settlement. If we say here is another $100 million that could be used for military purposes, I cannot see how that would benefit a negotiated settlement. Indeed, it takes us a good deal farther away from it.

I thank the Senator.

Mr. HUMPHREY. Let me say in reference to the amounts of money in the pipeline, most of that is for very heavy sophisticated equipment. It is not about to be ready between now and June 30. I hope to God it is never ready. That should be over.

We are talking about whether we are going to give the President just a little flexibility here for contingencies that we cannot foresee at this hour unless we have the wisdom of Solomon, and I have met nobody in this body who qualifies. We have to give the President some authority to be able to take care of the lives of Americans who are in jeopardy. On the one hand, we want to get them all out in a hurry. On the other hand, we say, "But, Mr. President, you are only going to take them out according to the way we want you to; if you are going to vary a little bit around there, we are going to be mad at you, Mr. President."

I think we have to trust somebody in these circumstances. We are not in a position here today where we can call all the shots. We have to be ready to give the President some means for two purposes: Humanitarian assistance—people are sick, hungry, beaten, bloody. They need humanitarian assistance. That is what this $100 million authorization is for; second, for withdrawal. How they are going to get withdrawal, nobody can yet predict. But we want them out. We want them out in a hurry. That is what we have said here.

I want them out. I will take a back seat to no one for pushing for negotiations, using the United Nations. This has been my whole thrust, my whole purpose, in all of these debates.

It seems to me, Mr. President, finally, that the Committee on Appropriations, which has tremendous sway in this body, will be in a position to judge whether or not any of the money that they are asking for is going to go for any kind of military assistance, and if so, for what kind.

This is humanitarian assistance, and it ought to be voted up or down on that basis.

Mr. LONG. Will the Senator yield?

Mr. HUMPHREY. We have to quit soon.

Yes, I yield.

Mr. LONG. Would it be correct to say that the amendment would leave us in a position to say that if a man who has fought on our side all this time, and his life is at issue, is trying to come to where he can be rescued and bring his children with him, we would be authorized to give him a crust of bread, but if what he needs to get there is a clip of bullets to fight his way to the boat, that would not be available?

Mr. HUMPHREY. That is the Senator's unique way of putting difficult problems in simple perspective and language. I thank the Senator. He is right.

Mr. LONG. Will the Senator explain to me how those in favor of the amendment are going to keep him from throwing that crust of bread at the enemy as a last resort?

Mr. HUMPHREY. That I cannot predict.

Several SENATORS. Vote! Vote!

Mr. HUMPHREY. I am ready to vote. The yeas and nays have been ordered, I believe.

The PRESIDING OFFICER (Mr. BROCK). Is there objection to the request of the Senator from Minnesota?

Mr. CLARK. Mr. President, what was the request?

Mr. HUMPHREY. The request I made for elimination of the words "in accordance with".

Mr. CLARK. Yes, I object to that.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment (No. 355) of the Senator from Iowa (Mr. CLARK). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 32, nays 61, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—32

Abourezk
Biden
Brooke
Burdick
Clark
Cranston
Ford
Gravel
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Leahy
Magnuson
Mansfield
McClellan
McGovern
McIntyre
Metcalf
Mondale
Moss
Nelson
Packwood
Proxmire
Ribicoff
Schweiker
Stevenson
Talmadge
Tunney
Weicker
Williams

NAYS—61

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Garn
Glenn
Goldwater
Griffin
Hansen
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Kennedy
Laxalt
Long
McClure
McGee
Montoya
Morgan
Muskie
Nunn
Pastore
Percy
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Thurmond
Tower
Young

NOT VOTING—6

Hatfield
Inouye
Johnston
Mathias
Pearson
Pell

So Mr. CLARK's amendment (No. 355) was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STONE. Mr. President, I ask unanimous consent that a member of my staff, Mary Weaver, be granted the privileges of the floor during the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, prior to the vote we were discussing language on line 9, page 1——

The PRESIDING OFFICER. The Senator from Iowa, I think, is seeking recognition.

Mr. HUMPHREY. I did not hear the Chair.

The PRESIDING OFFICER. The Senator from Iowa is seeking recognition.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HUMPHREY. I thank the Senator from Iowa.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Will the Senator yield me 1 minute?

Mr. CLARK. I yield.

Mr. HUMPHREY. I am offering an amendment——

The PRESIDING OFFICER. The Senator from Iowa has no time until his amendment is called up.

Mr. HUMPHREY. If the Senator will yield to me for the purpose of offering an amendment.

On line 9, starting with the words "in accordance with the provisions of the Foreign Assistance Act of 1961, as amended." over on page 2, I ask unanimous consent, Mr. President, that that language be deleted from the bill.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Reserving the right to object, I would like to again ask the Senator from Minnesota if that would give the President even broader jurisdiction over the use of these funds.

Mr. HUMPHREY. Less jurisdiction; limiting it entirely now to the purpose only of humanitarian and withdrawal purposes, with the President having discretionary authority of how best to do that.

Mr. CLARK. It seems that to drop that from the bill may give the President even greater authority because he is no longer restricted by the Foreign Assistance Act.

Mr. HUMPHREY. Senator, this bill will stand on its own right under the terms of the legislative history that we are developing here, and I want to make it clear in my colloquy with the Senator from Iowa that the whole thrust of the bill is for withdrawal and humanitarian assistance, and that there is not to be given further authority to the President that would broaden any authority that he presently has under existing law.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. Yes.

Mr. PASTORE. I am the one who raised the subject, and I did it deliberately because there is a strong feeling that there should be no further military aid.

The Foreign Assistance Act of 1961 does provide for military aid, and what we are talking about here is confining whatever help may be given only for the purposes of withdrawal and for humanitarian purposes. So actually it strengthens it and does not weaken it, and that is the reason why I made the suggestion that that should be deleted.

Mr. HUMPHREY. Might I say, I believe this fits in much more with the thrust of the argument of the Senator from Iowa than the amendment just considered. The whole purpose here, as the Senator from Rhode Island has indicated, is, rather than having any emphasis of military assistance, to the contrary, to deemphasize it, and only in such unusual and unique circumstances as would be directly and only related to humanitarian and withdrawal purposes.

Mr. CLARK. I withdraw my objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 357

Mr. CLARK. Mr. President, I call up amendment No. 357, which Senator KENNEDY and I are sponsoring.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from Iowa (Mr. CLARK) proposes amendment No. 357. The amendment is as follows:
>
> On page 5, line 16, strike out "$100,000,000" and insert in lieu thereof "$150,000,000.".

Mr. CLARK. Mr. President, I ask unanimous consent that Senator BIDEN be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, this amendment simply increases the humanitarian aid in the bill from $100 million to $150 million. The United Nations and international relief agencies already see a need for over $130 million in humanitarian assistance for Vietnam and Cambodia and the President asked for $250 million in humanitarian assistance for South Vietnam alone in his state of the world message.

An amendment by Senator BROOKE adopted yesterday strengthens the safeguards that the assistance will be distributed by international agencies and associations, and that it will go for humanitarian needs.

There are still problems, obviously, of hunger in Phnom Penh, there are refugees without shelter, out of food, thousands of wounded in need of medical care. So with these tremendous needs in South Vietnam and Cambodia, we ought to increase the amount that may be spent.

Mr. HUMPHREY. Will the Senator yield?

Mr. CLARK. I yield to the Senator.

Mr. HUMPHREY. May I say to the distinguished Senator from Iowa that this amendment is, I think, most commendable.

As the Senator knows, the Senator from Massachusetts (Mr. KENNEDY) had a bill before the committee, S. 1350, for $100 million. I had one before the committee for $200 million, sponsored by Senator MCGEE and myself.

We discussed it in committee and we were not sure what the figure should be because we did not have all the information we needed, but I think this additional $50 million fits nicely into what the facts now demonstrate to be a minimum need.

I have talked to the ranking minority member and the chairman of the committee and members of the committee and I think it ought to be accepted. I want to join the Senator from Iowa in his proposal and we will readily accept the amendment.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, since we have got acceptance, I am not going to risk any further action.

Mr. President, the amendment is to increase by an additional $50 million the authorization in section 7 for an emergency contribution to international humanitarian assistance programs in South Vietnam and Cambodia. This increase is necessary in light of anticipated appeals for assistance, as well as new evidence of growing humanitarian needs.

First, I would like to commend the Committee on Foreign Relations for its positive action in reporting out an authorization for emergency humanitarian assistance to be channeled through the United Nations and its specialized agencies, international organizations, or private voluntary relief agencies.

The $100 million authorization in the pending bill is in line with the legislation (S. 1350) which I introduced a month ago. Since then, however, both in hearings and in reports to the Subcommittee on Refugees, which I serve as chairman, as well as in new appeals made by international agencies, it is clear that this sum is no longer adequate to meet the growing humanitarian crisis in South Vietnam and Cambodia.

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To date, there are appeals, which remain outstanding, totaling some $145 million. To an original appeal by the International Red Cross for $5 million, coupled with an additional $30 million on April 3, for emergency relief funds for South Vietnam and Cambodia—the United States, to date, has pledged only $5 million.

In addition, last week, the United Nations Secretary-General Kurt Waldheim reissued his appeal for humanitarian assistance. On March 31—nearly 4 weeks ago—the United Nations issued its first appeal, which was met with silence on the part of the U.S. Government. The Secretary-General has again urgently appealed for contributions, indicating that in the immediate phase some $100 million will be required to meet "essential, and I repeat essential, requirements excluding bulk food supply." To date, the United States has pledged nothing.

Finally, American voluntary agencies have, combined, estimated they can absorb some $10 million in relief funds. Thus, the current appeals for funds for the coming months total approximately $145 million.

However, the Red Cross appeal was for a 3-month period, beginning on March 28. With only 2 months remaining, another appeal will be issued for a similar amount in the coming weeks. Also, the United Nations appeal was similarly for a short duration, to meet "essential needs in the foreseeable future," according to Secretary-General Kurt Waldheim. Additional funds will clearly be required as the situation stabilizes in Cambodia and South Vietnam.

So in the days ahead, Mr. President, we will likely find that the United Nations and other international relief agencies will be in a position to request and to use additional funds—perhaps totaling some $245 million to $300 million. The amendment I have offered with Senator CLARK adds $50 million to the $100 million contained in the committee's bill. It will help us look to the future, even as we address immediate relief needs.

By authorizing $150 million now, to remain available until expended, we will allow our Government to respond expeditiously to new appeals, and to fund our fair share of the international relief effort in Indochina.

Clearly, longer-term relief, rehabilitation, and reconstruction programs for South Vietnam, Cambodia, and Laos, must await the normal budgetary review for next fiscal year. But there are immediate relief needs now, during the remaining months of this fiscal year, and we must act now to insure an adequate response—to help millions of war victims in need throughout South Vietnam and Cambodia.

Just one word further, the request of the United Nations now is only $100 million, the International Red Cross asked for $33 million, the independent church agencies have asked in appeals for $10 million to $15 million. All these appeals are for short-term requests of approximately 3 months.

The administration asked for $250 million for the areas controlled by ARVN, South Vietnam, but it does not include any of the areas below the 17th Parallel now currently controlled by the NRG and they can only be reached by international assistance.

So with this kind of vehicle, which has been included by the Foreign Relations Committee in the bill as an entirely appropriate vehicle, I think it is consistent with our interests as a people in offering whatever help and assistance we are going to provide would go for humanitarian purposes. I think the amendment sponsored here by the Senator from Iowa and myself provides a much more realistic figure. The administration will have to justify the appropriations.

I am glad the Senator from Minnesota and the members of the committee will be willing to accept it. I hope we can act on it right away.

Mr. HUMPHREY. Vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (Mr. CLARK).

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I send to the desk an amendment. I am joined by Senator CLARK and Senator BIDEN. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 2, line 14, after the period add the following: "In the event that such withdrawal cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such withdrawal shall, if feasible, be accomplished in a single operation. Other than the minimum number (not in excess of 500) of personnel determined by the President to be essential to carry on critical functions of the United States Mission or to carry out such withdrawal, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be withdrawn as rapidly as possible after the date of enactment of this Act."
>
> On page 3, line 7, insert "other than such essential personnel," after "(3)".
>
> On page 3, line 22, insert "the number of such" after "(c)"; and on lines 22 and 23, strike out "required" and insert in lieu thereof "increased" and insert "and directly connected with" after "to".
>
> On page 4, line 1, strike out "exposure of" and insert in lieu thereof "use of such"; and on line 2, strike out "to hostilities".

Mr. CRANSTON. Mr. President, the purpose of this amendment is to reduce down to the bare minimum the number of American personnel that will remain in South Vietnam. The purpose of reducing the number is to make it as simple as possible to get them out if we eventually find ourselves getting them out under combat circumstances where those engaged in the evacuation may be endangered and those that we are evacuating may be endangered.

Apparently, the present intention is to stabilize the number that will be left in South Vietnam to 1,500 Americans, more or less. I gather that members of the Committee on Foreign Relations have been so advised by the executive branch.

I also gather, however, that the State Department and others in the executive branch have told members of the Foreign Relations Committee and others that all they really need is 500, for all the purposes for which a hopefully permanent group may be able to remain safely within South Vietnam.

If we only need 500, why should we leave 1,500, which simply means that if circumstances really become the worst possible, it will be a more difficult operation to remove them.

Therefore, this amendment would require that we go down to that 500 figure as fast as possible after enactment.

The administration, as all know, has dragged its feet about removing Americans. It has been very slow. I think the delay in the consideration of this measure has finally brought about some leverage that has expedited the departure of some. But day after day the administration, for one reason or another, has been unable to or has failed to meet deadlines they stated they would meet in terms of the number they would extricate on any given day.

This amendment also suggests, although it does not require, that if we find ourselves evacuating Americans under hostile circumstances we seek to do it in what the bill describes as a single operation. This obviously would mean that it would be done in a way the evacuation was done recently from Cambodia, by an airlift. Hopefully, it would be a single move with protected helicopters to land and take out the final Americans, which is the obviously safest way to do it because we then do not have to involve going in on the ground or need to do it by the river and the sea, which is another very dangerous and presently closed route in and out of Saigon.

I would like to ask the managers of the bill one question that is relevant to this matter.

It is my understanding that it is accepted by the Foreign Relations Committee that some number should be left to carry on as long as possible and hopefully on a permanent basis in South Vietnam. But it seems to me that the language in lines 7 and 8 on page 3, subsection 3, which reads that such citizens and their dependents are being evacuated as rapidly as possible is a requirement that the President certify that, and it seems to say we have to get all Americans out, which is not our intention.

I would like to point out that presently, going back to line 7 on page 2, we are using the U.S. Armed Forces. We found them necessary to withdraw citizens of the United States and their dependents. So, in our joining with the President in exercising this responsibility, we require that he certify that such citizens and their dependents are being evacuated as rapidly as possible.

It would seem to mean that we want to get them all out at once. I do not think that is the intention of the Executive. I do not believe that is the intention of the committee. I ask if that is not true. Perhaps whatever the disposition

of my amendment may be, maybe we should modify those two lines, 7 and 8 on page 3.

Mr. JAVITS. It will be noted in lines 7 and 8 the words are "if the President determines that the use of U.S. Armed Forces is necessary to withdraw citizens". It does not say "all citizens." I do not see where, therefore, the word "such" would tie back to anything else.

Let me say this: We cannot be armchair generals.

If the Senator wishes, I will take my own time now because I am opposed to his amendment.

We cannot be armchair generals. We have to provide in terms of policy. We are providing here very sharply in terms of policy for a minimum presence in that country. But it may be necessary, in the President's judgment, to have no presence at all. If the Communists should overrun Saigon as they overran Phnom Penh, my belief is that we probably should follow the same course we followed at Phnom Penh. We might ultimately send people back there, but we would not leave them there right now.

So I do not think we can proceed, except on these basic matters of policy, the amount of money we appropriate, and so forth.

If I may say to my colleague, we continue to exercise a restraint on the President because we continue the provision of the War Powers Resolution that at any time the Senate and the Congress by concurrent resolution may require the President to withdraw any Armed Forces. We retain that authority. It seems to me that the amount of funds involved plus the policy restrictions which are here set forth are an adequate restraint on the President.

Mr. PASTORE. Will the Senator yield?

Mr. JAVITS. I believe the Senator has the floor, but I will yield on my time.

Mr. PASTORE. The thing that bothers me about this amendment is the connotation of it. What we are actually saying is that here is a bill and we are setting up a fund in order to facilitate the withdrawal of American citizens from Vietnam. The reason we are doing that is because their lives are in jeopardy.

We are saying actually, by the amendment of the Senator, that we cannot afford to sacrifice the lives of 1,500, but we can afford to sacrifice the lives of 500. That strikes me as being somewhat incongruous, this idea that permanently we are going to leave people there. I do not think we will leave anybody there if the Communists run in there. I do not see why we should leave anybody there. I think we ought to get out and get out completely.

Mr. CRANSTON. If the Senator will yield, he has placed a connotation on my amendment that is not in the amendment. My amendment accepts the fact that the administration and apparently the Committee on Foreign Relations and, I think, the Senate, believe that some Americans should stay there for humanitarian purposes, or whatever. It is designed that fewer will be there and we will have to use less force to get them out if we have to get them out.

Mr. JAVITS. My reply to that is exactly what Senator PASTORE and I have been saying, which seems to have not registered with the Senator. That is a question at the discretion of the President. The committee does not mandate that any Americans should stay.

Mr. CRANSTON. Neither does my amendment.

Mr. JAVITS. But the amendment limits the number to a specific number of 500 and conditions it on what the Senator calls a single operation. It seems to me that is a directive which would make us try to direct on the ground a condition which we cannot possibly know the dimensions of.

I am one of the most ardent advocates of congressional power over war and over the use of armed forces. I certainly have shown that in many ways, including the War Powers Resolution. But at the same time I think it would be a disservice to the whole idea if we allowed the pendulum to swing so far that we are going to take over the management of tactical operations. It just cannot be done. Though I know the intent is of good will and faith as expressed by the Senator from California, if we get to that position where we will prescribe the number, not in excess of 500, that is where I argue against him. We did not decide that anyone would be left or 1,500 will be left. All we did was prescribe the policy—and we have done that very well, I think—within which the President must operate.

Mr. CRANSTON. I would like to point out that to this extent we can reduce the number of Americans who are in South Vietnam; we can reduce the size of the U.S. Armed Forces required to get them out if we have to do it under hostile circumstances; we can reduce the time period that it will take to get them out, and we can reduce the chances of their being involved in a fire fight with other forces while they are engaged in that evacuation.

I would like to remind Members of the Senate and others interested that for 10 years we have been using the presence of Americans in South Vietnam to justify increasing the size of the American presence in South Vietnam. Time after time we have said that the safety of those there requires that we send more. This Catch 22 vicious circle must be broken. Now is the time when we have the opportunity to finally end that vicious circle. We run a risk of continuing this foolish, self-defeating practice unless we stay alert to the inherent dangers in legislation that is not tightly written—and I believe that this is not tightly written.

I would like to ask the Senator from Iowa if it is not true that the State Department has indicated that all they really need to carry on vitally important work that is presently being engaged in by those there is 500.

Mr. CLARK. I have discussed this question of essential personnel with officials in the Department of State. They are not prepared to limit themselves to any specific figure, but I asked if 500 was a reasonable figure in terms of the mission that remains there—the evacuation, the humanitarian purposes, the operation of the embassy and all other functions—and I was advised that 500 was an approximate figure of the essential personnel.

I am surprised to hear Members of the Senate say that it is not wise to put a limitation on the number of U.S. officials in South Vietnam or Cambodia because that is exactly what we did here in December. In the Foreign Assistance Act, the Congress decided that not more than 4,000 American officials could stay in Vietnam. We said that not more than 200 could remain in Cambodia. So, clearly, there is a precedent—we do have something to say about how many American officials should be involved in those countries.

This amendment does not try to establish Congress as an armchair general, but it does strongly encourage the President to evacuate all but the 500 citizens essential to our mission there.

No one is taking the President's authority away from him. The President does need broad authority, but we are saying, "Let us get down to the essentials." No one claims that a thousand or 1500 people are essential to the operation of our mission. Yet there are now more than 2,500 Americans and dependents in Saigon.

If somebody suggests that we need 600 or 700, I would be perfectly willing to say, "Fine. If that is the essential number, let us go to 600 or 700." But let's not be satisfied with 2,500.

The PRESIDING OFFICER (Mr. TAFT). The time of the proponents of the amendment has expired. The opponents have 15 minutes.

Mr. JAVITS. Mr. President, the situation today in Vietnam, admittedly, is a situation of withdrawal. It is a very different situation from what we passed last year in putting ceilings on personnel who would be present in a given place. The clear declaration of both the administration and Congress is to pull people out. We are now down to the finite details with respect to an amendment such as this.

To the contrary of what my colleagues are arguing, that this leaves a great deal of discretion to the President, I point out that the first sentence of the amendment says that such withdrawal shall, if feasible, be accomplished in a single operation. That is where the "if feasible" comes in.

In the second sentence it says: "other than the minimum number not in excess of 500 personnel determined by the President to be essential on critical functions of the United States," and so forth. There we do have a figure that is not qualified by his discretion, and so forth. It is not just a precatory figure; it is a stated figure, in terms of the minimum number. There are very narrow parameters here.

The administration has made public—I am not going to say what they have done with us in private—figures of 1,200 to 1,500. Be that as it may—and I am not for those figures—we simply have not chosen to give them a stated figure in view of the flexibility which is required in this kind of delicate operation which we are describing here, where the policy, we feel, has already been shown

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in Cambodia, that if Saigon is going to be overrun, we are going to pull all our people out, and it is admitted that it is to be done in one operation.

What concerns me about this amendment is that we are in a situation in which this kind of discretion, where narrow parameters are called for; that we are trying to write the ticket ourselves. I am interested in this aspect because of its bearing upon the whole question of whether Congress will deal with its role under the war powers resolution and what role this bill gives Congress in respect of the use of the Armed Forces of the United States.

I point out that what has been referred to in the argument on the amendment is found at page 4, lines 13 to 15, inclusive, which simply restates the war powers resolution and says:

> Such forces shall be removed by the President if the Congress so directs by concurrent resolution.

It does not require the President's approval—if we so act. That is critically important, because this amendment is based upon the theory that, somehow or other, the President is going to try to leave the maximum number of Americans there, as a kind of tripwire for massive intervention of the Armed Forces of the United States. That is what it is all about; that in order to accomplish a prohibition, this limitation is sought to be imposed.

That is reading between the lines, but that is my belief as to what dictated this amendment, and that is why I disagree with the amendment.

In a delicate situation such as this, just as we want the President to have confidence in us, in sharing the responsibility for foreign policy, we have to have some confidence in him, especially as we have a residual power, which I have just read, so that if the situation really threatens to get out of hand, we can make him pull back; and that is by law, not by interpretation of the Constitution or anything such as that. It is by law, incorporated in the war powers resolution.

Because of the delicacy of the situation, the uncertainty of what may result, whether it needs to be 502 or 498, I think we are prejudicing ourselves if we get down to this kind of specificity and restriction, within the frame of reference in which we are operating today. I do not believe it is necessary.

For those reasons, for myself, I oppose the amendment.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. JAVITS. I will yield, but first I yield to the Senator from Alabama (Mr. Sparkman), who wishes to be heard at this time.

Mr. SPARKMAN. Mr. President, I have discussed this matter with Senator Javits. We understand the position, and I agree completely with the arguments he has made. It seems to me that they are good and valid arguments against this amendment, and I hope the amendment will be defeated.

Mr. CRANSTON. I ask the Senator from New York this question: How does the situation in South Vietnam differ from the situation that prevailed in Cambodia some months back which led to the Senate overwhelmingly voting restrictions on the number of personnel that could be in Cambodia, the matter referred to by the Senator from Iowa?

Mr. JAVITS. The situation differs as radically as the situation in Cambodia differed from those months back. The enemy, as it were, is at the gates. I am not using those terms invidiously, but that is the situation. Therefore, a certain amount of discretion and flexibility is necessary—that is all I am saying—at this particular moment, with a situation of the gravest peril knocking at the door of Saigon.

I believe we have restricted it in a very intelligent way, and it is unwise in this situation to restrict it more. That is essentially my argument. I do not think any risk is being run, even with respect to those who entertain the conspiracy theory, because of the final tether we have on this whole proposition, without necessarily the President's concurrence.

Mr. CRANSTON. Mr. President, will the Senator yield me 1 minute on the bill?

Mr. JAVITS. I yield.

Mr. CRANSTON. When we placed the restrictions on the manpower that could be in Cambodia, that envisaged exactly what eventually happened there. I do not offer this amendment because of any conspiracy theory or any suspicion that the President is deliberately going to use a tripwire policy to try to justify going back in with massive military aid. I have no such suspicions about the President's behavior, although I note that we do use a tripwire theory in Europe at the present time and perhaps elsewhere.

The amendment is simply offered for the purpose of making it easier to get Americans out, if we reach the point where we have to get them out under very extreme, difficult, hostile, firepower circumstances.

Mr. NUNN. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. NUNN. For the purpose of clarification, does this include military troops that may have to be sent in to assist in an evacuation?

Mr. CRANSTON. The President would still have the power to send troops in, but the people who remain at the Embassy and are there simply for evacuation purposes would be limited to 500. If the President had to send troops in, he could do so under this amendment.

Mr. NUNN. I thank the Senator.

Mr. CLARK. Will the Senator from New York yield for a 30-second question?

Mr. JAVITS. I yield.

Mr. CLARK. Is the Senator under the impression that it would be essential for more than 500 people, or more than a thousand, or more than 1,500 to stay in South Vietnam?

Mr. JAVITS. I have no idea what the number would be other than the strict 500. I know it is not going to be in excess of the order of magnitude we are talking about, to wit, 1,000 or 1,500. I am confident it will be less. But I am concerned about our getting into fixing this specific number in such a liquid and dangerous situation. If it is 502, I want the President to be able to leave them there. If it is 498, great.

I am concerned about our exercising our authority, which we now have, in a war of this character in this dangerous situation. I think it could react against us in terms of what is my interest, and I believe that of my colleague as well, to retain the responsibility which is represented by this partnership.

It is a matter of degree. I am not saying, "You have done some terrible thing, you are trying to upset the world." It is a matter of degree. I come out on the side against them because of that argument I have just made.

Mr. CLARK. Would the Senator oppose a higher figure, one which we would both agree would be adequate—1,000, for example?

Mr. JAVITS. I think we have in the bill the real mandate of Congress, together with the strength, that we want these people withdrawn quickly and we want only the very minimum left. It seems to me, therefore, that if we do not say it in so many words—I shall search through the bill—I should be willing to consider a general statement like that, which is really one of intent: that we want only the barest minimum left which are essential to the functions which remain to the United States to perform in that area.

Personally, I certainly see no objection to that. What gets me is this matter of trying to latch it down to 500. Suppose it is 501 or 2 or 3? We are in trouble.

Mr. SPARKMAN. Will the Senator yield to me briefly?

Mr. JAVITS. Yes, I yield.

Mr. SPARKMAN. In the bill, we do not state a specific number. In the report, we stated, I think in good language on page 3:

> Reduction in the number of Americans should proceed with an urgency in keeping with the critical military situation facing the current South Vietnamese Government, so that the number remaining will not exceed that which could be evacuated in a single operation. The Committee is not satisfied with the rate of withdrawal so far and is taking steps to be kept informed of the situation on a daily basis.

We purposely avoid numbers. I do not believe we should play with numbers. Of course, these people are not military people, necessarily, but I have always heard that one should never give secrets away to the enemy. Why should we set a number there that they can watch for and shoot at? I was not speaking literally on that, but it could be.

I think the way we have couched it in the bill and in the report on the bill is the best way to handle it.

Mr. CRANSTON. Will the Senator yield?

Mr. JAVITS. Surely.

Mr. CRANSTON. I wish to respond by stating that I think the committee did very fine work in that section of the report, but we have had a lot of experience with reports being ignored by the executive branch and sense-of-Congress resolutions being ignored by the executive branch.

To sum it up once again, the whole purpose was to get down to the number that is essential there from the administration's point of view, but most easily evacuated. I have said it all.

Mr. JAVITS. Mr. President, in an endeavor to resolve this matter, in view of the statement of the chairman, I wonder if it might not be possible to redraft this amendment to meet the views of our colleagues? All we would have to do, really—and I have not checked out the references after the first sentence—so that they can be made to conform with the report, is to leave out the words "not in excess of 500." If we leave that out, it will say about what the report says. Then the ensuing references can be adjusted accordingly. Then we would be carrying out what the committee intends. Personally, I can see no objection to that.

Mr. CRANSTON. I am delighted to modify my amendment in accordance with the proposal by the Senator from New York.

The PRESIDING OFFICER (Mr. Taft). The amendment will be so modified.

Mr. JAVITS. Mr. President, I think we need a quorum of about a minute to check out the other language there. I ask unanimous consent that there be a quorum call without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I believe there is one other change required, which I understand the Senator from California (Mr. Cranston) is willing to make, and that is in reference to the change on page 3, lines 22 and 23, to strike out that part of the amendment which reads "strike out 'required' and insert in lieu thereof 'increased'."

Mr. CRANSTON. Mr. President, I so modify my amendment, and I thank the Senator from New York for helping work out an amendment that is acceptable.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. JAVITS. Mr. President, with those modifications, the amendment is satisfactory.

Mr. SPARKMAN. Mr. President, the amendment as modified is satisfactory to me.

Mr. CRANSTON. I thank the chairman.

Mr. Cranston's amendment, as modified, is as follows:

> On page 2, line 14, after the period add the following: "In the event that such withdrawal cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such withdrawal shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States Mission or to carry out such withdrawal, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be withdrawn as rapidly as possible after the date of enactment of this Act."
>
> On page 3, line 7, insert "other than such essential personnel," after "(3)".
>
> On page 3, line 22, insert "the number of such" after "(c)"; and on lines 22 and 23, insert "and directely connected with" after "to".
>
> On page 4, line 1, strike out "exposure of" and insert in lieu thereof "use of such"; and on line 2, strike out "to hostilities".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California, as modified.

The amendment, as modified, was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 364

Mr. WILLIAM L. SCOTT. Mr. President, I call up my amendment No. 364, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Virginia (Mr. William L. Scott) proposes an amendment numbered 364.

Mr. William L. Scott's amendment (No. 364) is as follows:

> On page 3, beginning with line 9, strike out through line 7 on page 4.
>
> On page 4, line 8, strike out "Sec. 5" and insert in lieu thereof "Sec. 4".
>
> On page 4, line 16, strike out "Sec. 6" and insert in lieu thereof "Sec. 5".
>
> On page 4, line 24, strike out "Sec. 7" and insert in lieu thereof "Sec. 6".

Mr. WILLIAM L. SCOTT. Mr. President, this is a very simple amendment. It would strike out section 4 of the bill and renumber the succeeding sections.

Section 4 of the bill, under the conditions set forth in the section, provides for the use of American troops to assist in bringing out foreign nationals.

Mr. President, there was some question expressed on the floor as to whether the President has authority under existing law to protect American nationals. Certainly I favor section 3 of the bill, which resolves any doubt as to the President's authority in favor of protecting our own citizens by the use of American troops. But I have definite reservations about the use of our troops in South Vietnam for the purpose of assisting in the evacuation of South Vietnamese.

We had had a long, drawn out conflict in Vietnam—a conflict that has divided our Nation considerably, a conflict that I feel we do not want to become involved in all over again.

Some years ago, I understand that Congress passed what is known as the Gulf of Tonkin resolution, and that at that time it was not sufficiently understood what it might lead to. I would hate for us, by the passage of this bill, with particular reference to section 4, to authorize the reintroduction of our troops into South Vietnam.

The amendment attempts to meet such objections, on page 4, by saying:

> Such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

But how big an area are they talking about in the bill? Is that all of South Vietnam, or an area the size of a football field? Are we thinking about one American citizen and a thousand Vietnamese citizens? What period of time are we discussing here? Is this to go on for the remainder of the month of April, or through May, June, and July? How long a time are we talking about?

It seems to me that this is a very, very, very general grant of authority. We do not even know how many South Vietnamese are to be withdrawn. I realize that this is a foreign affairs bill, and I am not a member of the Committee on Foreign Relations. Yet in the Judiciary Committee we are concerned with matters of this nature, having jurisdiction over immigration, and we talk about the parole authority of the Attorney General in connection with paroling people into this country in suspension of the immigration laws. We have had State Department officials, the CIA, and Justice Department officials come there and talk with us about this matter. To date, they have not told us how many South Vietnamese are to be withdrawn. Frankly, I do not believe they know how many are to be withdrawn.

They speak about the risk to the South Vietnamese if and when their country is overrun from the north. I have a great deal of humanitarian sympathy for the South Vietnamese. But at the same time, I feel we must think about what is best for this country first. We certainly do not want more American lives lost in aiding these people from South Vietnam. We have spent a large number of American lives and a considerable amount of American money in this effort to help free a smaller nation from Communist aggression. I just do not want to see a reintroduction of American troops into South Vietnam.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WILLIAM L. SCOTT. I reserve the remainder of my time.

Mr. JAVITS. Mr. President, I have just asked the Senator from New Jersey (Mr. Case) if I could continue the argument, since he is the ranking minority member of the committee and I am just acting.

I consider it really a privilege to argue this particular point. I believe it should be argued; it raises a very essential point about this bill.

The question is, Should there be any foreign nationals admitted under cover of this bill? My answer is decidedly yes, for these reasons:

First, the Senator talked about humanitarian sympathy. There is a real curbstone expression that these Viet-

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namese do not want sympathy, they need cash, and their "cash" means saving their skins by getting out of Vietnam.

The United States, if it has any obligation of a moral character, has an obligation to those whose lives are really in jeopardy and who had relations with us in the sense of working for us, or dependents of those who worked for us and are now in peril, perhaps graver than even Americans, though our first solicitude, obviously, has to be for our own citizens, the Americans.

Second, the description "foreign nationals" includes not only Vietnamese, but also includes some 1,200 foreign nationals who are in embassies, consulates, et cetera, in the Saigon area, and certain members of the international team that has been functioning for the United Nations there. But leaving that aside, and assuming that the Senator would certainly be ready to see the United States look after its duties to other foreigners, we are talking about South Vietnamese.

As I say, I think it is our primary moral duty to do what we can—and I shall demonstrate in a minute that that is what we are doing—consistently to do what we can, in accordance with our primary responsibility, to withdraw Americans.

As to the second question the Senator raises, as to the number and duration, the duration is expressly looked after by the provisions of this same section which is sought to be stricken. It is dealt with in paragraph 2, which restricts the use of our Armed Forces beyond those essential to the withdrawal of citizens of the United States and their dependents.

We just adopted another amendment a moment ago, Senator Cranston's, which limits those Armed Forces to the barest essentials absolutely required with respect to the withdrawal of Americans. Now if, under cover of that kind of security, it is possible to take out those whose lives are at risk because of their service to the United States, no matter how wise or unwise our presence there was, it certainly seemed to me that that is the most elementary aspect of the moral responsibility which we have.

Second, at the top of page 4, lines 1 to 3:

> The duration of the exposure of United States Armed Forces to hostilities will not thereby be extended;

And, third, the next subsection:

> Such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn

it does not deal with ongoing protection for those who are left.

Finally, the Judiciary Committee has some handle on this. It has itself accepted, and it could have stopped the Attorney General if it wished, the figure of 130,000 evacuees and, in addition, the amounts involved here which we are putting up are limited, especially in view of the top priority which is given to American personnel being evacuated.

So the decision for the Senate is do we have any concern, do we want to take any concern, for these Vietnamese and, in my judgment, that really is the elementary question which the committee and I—and I do not think there was any difference in the committee, even by Senator Clark and others who had different views from some of the rest of us in coming out—in feeling that certainly is what we ought to do.

So I think the basic decision to be made by the Senate is this moral question, and on that I and the committee came down decisively on the side of section 4 with all the restrictions but, nonetheless, accomplishing the fundamental point of endeavoring, and I emphasize that word, to take some account of those Vietnamese who had worked for or worked with us.

I yield.

Mr. GRIFFIN. Mr. President, I commend the Senator for his argument and I wish to associate myself with it.

I believe that aside from the moral obligation we owe to some of these South Vietnamese, we might also think at this time in terms of what the adoption of such an amendment would do in terms of getting the remaining Americans out of South Vietnam.

It is appropriate, of course, that there is no particular number of South Vietnamese we are committed to take out and, obviously, the number is necessarily going to be limited because of the restrictions and limitations which have been deliberately placed in this bill, as explained by the Senator from New York, but, at the same time, if we were to abruptly and callously—I hate to use that word, but that is the way it would seem to me, to callously—cut off any hope whatsoever that any South Vietnamese could get out, that we would help them get out, South Vietnamese who have demonstrated great friendship and assistance in the support of the policies of this country, whether right or wrong, that that could very well have an adverse effect upon the ability to get the remaining Americans out.

I very much hope the Senator from Virginia might withdraw his amendment or, if he does not see fit to do that, that it will be voted down. I am sorry to disagree with him.

Mr. SPARKMAN. Mr. President, I urge the Senate to reject this amendment.

The committee has recommended a very tight bill. Section 4 authorizes the President to use the armed forces in evacuating South Vietnamese, under strict conditions, and only incidental to the rapid evacuation of Americans. The Senator's amendment would strike this section from the bill. Adoption of his amendment would leave a situation where the President would look to whatever inherent powers he has to use our forces to bring out Vietnamese. What are those powers?

The State Department has told us what the executive branch thinks they are. The State Department has said that the President may use U.S. forces in combat:

> . . . where a limited number of foreigners can be evacuated in connection with an evacuation of Americans without materially changing the nature of such an effort.

The President is the one who will determine what will materially change the nature of an evacuation operation. In Cambodia we saw an indication of what that interpretation of the President's inherent powers might lead to in Vietnam.

In that evacuation operation, the President informed the Congress, 82 Americans and 194 foreign nationals were evacuated. The South Vietnamese evacuation operation, because of the much larger number of Americans to be taken out, will require a military operation much larger than that used in Cambodia. The potential for expansion, within the State Department's criteria of using our forces in a combat situation to bring out Vietnamese as long as such a course does not materially change the nature of the evacuation operation, is very great.

The Senator from Virginia would let the President set the limits to his authority to bring out Vietnamese. The committee believes that Congress should establish the limits for any such authority.

The committee bill imposes severe limitations on the authority allowed to bring out Vietnamese along with Americans. If Congress does not impose restraints on the use of the Armed Forces, the President may employ our military forces in actions which go far beyond those allowed under the committee bill. If Congress does not impose controls, the President can argue that Congress has acquiesced in his claim to inherent authority. This would be a dangerous mistake for Congress to make, a precedent that would come back to haunt the legislative branch in the future.

The committee's restrictions are designed to tighten the restrictions on the President. The Senator's amendment would have the Congress stay silent, leaving the matter to the President. I hope that it will be rejected.

I regret that the Senator from Virginia has seen fit to introduce this amendment. I am confident that had he been sitting on the Committee on Foreign Relations over the weeks we were working on this when we drew this part of the bill, he would have seen it as we did.

I do not know of any particular provision in the bill that we worked harder on than this. We felt that, we knew, there were a good many—I do not know how many, I think some of the figures which have been given have been entirely too large—but certainly a goodly sized number of Vietnamese who had worked with our people, and many of them may be in danger.

We felt compassion for those people who had been working closely with us. This part of the bill will help bring out at least some of them along with the Americans. But in allowing that, we wrote in some very severe limitations—conditions that have to exist.

That is not something that the President can just do what he pleases with. The authority is very limited.

Another thing. The State Department has put out a legal memorandum which says, in their conception, the President has this power. I do not admit that he has it, but there have been good legal

minds in the Department of State which say that he does have this power.

But we have required that the President would have to comply with the very strict limitations that we have written into the bill. I believe that the Senator from Virginia would actually prefer to have it the way we have it written than the way it would be if his amendment prevails. I hope he will withdraw the amendment.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the remarks of the distinguished chairman of the Committee on Foreign Relations. Certainly I am not going to withdraw the amendment, so we do not want to be under any illusions with regard to that.

I think this is the most important portion of the bill, that we not have our troops recommitted to Vietnam, and this is not a new matter to me.

The distinguished Senator from New York, I believe, indicated that I did not sit on the Committee on Foreign Relations, or the distinguished chairman did and, of course, he is right.

However, I did serve in the House for 6 years when we went through part of the agony of Vietnam, and I do serve on the Committee on Armed Services as well as the Judiciary Committee of the Senate where these matters have come before us.

I have been in Vietnam, and I have seen some of the conditions that exist in Vietnam, so it is not a novice who is offering the amendment.

I realize that reasonable people can disagree on almost any matter that comes before the Senate. But we talk about evacuating the South Vietnamese, and my amendment does not put a restriction on evacuation of the South Vietnamese. It merely says that it eliminates the portion authorizing the use of our troops.

I think I can say that the purpose of the amendment is to deny that authority to the President. I think when we have debate we build some legislative history, and the clear intent of this amendment is to keep us from reintroducing our troops into Vietnam except for the protection of American citizens. We clearly distinguish between American citizens and Vietnamese or other nationals.

If there are other nationals that need to be evacuated, if the British have some people over there, they have British planes they can send in there to get their nationals out, and so do other countries of the world. For us to risk further involvement in Vietnam so that we can bring foreign nationals, non-Vietnamese, out, in my opinion, should not be done.

I think on a matter such as this we should have a rollcall vote, the Senate exercise its will as to whether it wants to authorize the President to use our troops in South Vietnam for any purpose other than to protect our own citizens.

I think it is a very clear issue.

We can debate the various sentences that are in this, but basically, and I think that has been expressed either by the distinguished Senator from New York or the Senator from Alabama, this is a question as to whether we wish to permit the use of American troops to bring out foreign nationals from South Vietnam.

It is a simple amendment. I do not want to do that.

Mr. JAVITS. Mr. President, I think we are ready to vote, if the Senator from Virginia is ready.

Just to sum up the argument on the moral issue, the committee feels that this is only fair and just so long as it does not involve us in the use of armed forces above or beyond an area in strength or in duration of time what is essential—and we have now tied that down very tight—to the withdrawal of Americans themselves.

It seems to me it would really be shocking to espouse what the Senator from Virginia asks us to espouse, which is the negative, for the reasons that Senator Griffin and Senator Sparkman have argued so eloquently, and that is what we are being asked to do by this amendment.

We are not being asked to refrain from further involvement of the Armed Forces of the United States. There is none. But we are being asked arbitrarily and negatively, notwithstanding that these Vietnamese could be brought out in some number without any additional risk on our part, not to do it. It seems to me the connotations of that are devastating in moral terms and in terms of the effect upon the South Vietnamese themselves.

If we talk about our standing in the world, what kind of attitude do we have toward people, whatever may be their color and whatever may be their creed, if, with no skin off our backs whatever, we negatively say that we will not take them out?

Mr. President, I can hardly conceive of us doing that. I appreciate the issue which the Senator has allowed us to vote on and I hope the Senate will see its duty as clearly as we see it in the committee.

I am prepared to yield back the remainder of my time.

Mr. WILLIAM L. SCOTT. Mr. President, I conclude by indicating that this is not a question as to whether we will evacuate the South Vietnamese or not. It is whether we will use our troops in the evacuation.

The Assistant Secretary of State for Far Eastern Affairs has told us that there is authority in the Attorney General to do this sort of thing and to bring them to the United States, if necessary.

General Chapman, the Commissioner of Immigration and Naturalization, tells us that such authority exists without any further authorization of the Congress.

So we are not talking about evacuation; we are talking about the use of American troops to help evacuate some nationalists.

I do not believe it should be done and I am glad that the Senator from New York is willing to yield back his time. I will be glad to yield back my time.

Mr. JAVITS. I will in a moment, but if I may, I will yield myself 1 minute, because I do not want to be committed on the record to this construction of law that the President is entitled to use American troops for the purpose, even if it tied in with the withdrawal of Americans or foreign nationals. In my judgment, he is not. That is not a constitutional right.

What is being discussed here is the law which permits these people to be paroled into the United States. There is no question about that, he has that power, but as to going into Vietnam to bring out foreign nationals, no, he does not have that power under the law or under the Constitution.

He has to get the authority of the Congress, and if we want that done, and I believe we certainly should do it, we need this section in the bill.

Mr. ROTH. Will the Senator yield for a unanimous-consent request?

Mr. JAVITS. Certainly.

Mr. ROTH. Mr. President, I ask unanimous consent that Charles Morison of Government Operations be granted the privilege of the floor for the remainder of the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. WILLIAM L. SCOTT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Virginia (Mr. William L. Scott). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), and the Senator from New Hampshire (Mr. McIntyre), are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. Hatfield) and the Senator from Kansas (Mr. Pearson) are necessarily absent.

I also announce that the Senator from Maryland (Mr. Mathias) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "nay."

The result was announced—yeas 12, nays 80, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—12

Abourezk
Biden
Burdick
Byrd, Robert C.
Hartke
Haskell
Helms
Laxalt
McClure
Schweiker
Scott,
  William L.
Weicker

NAYS—80

Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd,
  Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern

UMI

Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NOT VOTING—7

Hatfield
Inouye
Johnston
Mathias
McIntyre
Pearson
Pell

So Mr. WILLIAM L. SCOTT's amendment (No. 364) was rejected.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on passage of S. 1484 occur not later than 4:30 this afternoon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR CONSIDERATION OF S. 1483, EMERGENCY HOUSING ACT of 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the final vote on S. 1484, the Senate proceed to the consideration of Calendar No. 81, S. 1483, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. Does the distinguished majority leader include in his unanimous-consent request that rule XII be waived?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I thank the Senator from Arizona.

VIETNAM CONTINGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 1484) to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

Mr. GOLDWATER. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes an amendment as follows: On page 6, line 12, after the word "out" insert the following: "in satisfactory detail".

Mr. GOLDWATER. Mr. President, for the information of my colleagues, I intend to withdraw this amendment after a brief discussion having nothing to do with the amendment itself.

Mr. HELMS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators participating in conversations will remove themselves to the cloakroom.

Mr. GOLDWATER. Mr. President, during the debate on the war powers resolution last year, I opposed it for many reasons. Some of them are becoming obvious today. What I have to say, I say with all due respect to the Senator from New York, who I believe is as worried about some of the things that have happened as I am and about whose sincerity in authoring this legislation and successfully passing it through the Senate I have no doubts. I think it was a very healthy part of our history that we have had this debate, and I hope we can continue on this debate after we are able to see the shortcomings of the legislation that we are beginning to bring out today.

In fact, Mr. President, we have not talked much about war powers in this debate so far. It has evolved into a humanitarian debate. It is rather surprising to hear some of my colleagues who are perpetually in favor of more humanitarianism arguing against the same kind of conduct with respect to the people in South Vietnam, for whose misery I think we can take a good bit of responsibility.

To top it all off, I understand that this afternoon—and I do not think this has much relation to war powers—we gave a sizable sum of money to the United Nations to spend. I would much rather have seen that money go to the disbanding of the United Nations or moving it, because I do not look on that body as being a particularly trustworthy body or an effective one. But that is beside the point.

Mr. President, until 1973, Congress had never written into law any legislative policy restrictions governing the waging of war. U.S. Presidents have deployed troops into crisis areas and used force or the threat of force on more than 200 occasions since the founding of the Republic without any prior declaration of war. These were U.S. defensive reactions to foreign threats to our citizens, property, or security.

For example, American gunboats protected American shipping in the Atlantic and Mediterranean and made several landings on foreign soil to protect American lives and property during the early 1800's. These 19th century protective actions had extended to the Pacific by the 1850's, culminating in the 5,000 troops sent by President McKinley in 1900 to defend the American Legation in Peking.

In the early 1900's, American forces repeatedly protected U.S. property in Panama and other Caribbean areas, landed at Beirut to protect the American Consulate—1903—assisted in evacuating U.S. nationals from Korea—1904—and made several landings in China to protect Americans during periods of unrest. In 1927, for example, this country had 5,670 troops ashore in China.

Prior to our official entry into World War II, President Roosevelt sent troops to occupy several former British military bases along the Western Atlantic and to occupy Greenland and Iceland. U.S. marines aided in the evacuation of 2,500 Americans in the Communist besieged city of Shanghai—1949—and U.S. naval units were employed in evacuating U.S. civilians from the Tachen Islands—China—from 1954 to 1955. A Marine battalion also evacuated 1,500 Americans from Egypt during the 1956 Suez crisis.

President Eisenhower sent 5,000 marines to Beirut to protect American lives in 1958 and, in 1965, President Johnson sent 9,500 troops to the Dominican Republic to protect Americans, and other nationals as well.

This brief and incomplete summary is sufficient to demonstrate a consistent and growing practice by which U.S. Presidents have responded to foreign threats with whatever force they believed was necessary, and technologically available, in the setting of that particular moment in history.

Mr. President, I recite this history not to bring anybody up to date, because I believe this is rather standard knowledge among all Members of the Senate, but just to point out that, historically, our President has been the one to make up his mind relative to the protection of American lives and American properties overseas.

What we are primarily concerned with in this debate, in my opinion, is a repetition of what history has been filled with in the past—a threat to American lives, American property, and American freedom overseas. We are debating whether or not we will allow troops to be used in the evacuation of American nationals; and I suspect that here and there during the debate, this extends also the evacuation of South Vietnamese toward whom we feel some responsibility.

My point in bringing up this matter at this time is to keep the war powers resolution in any debate that comes up on this subject, in the hope that at some time in the future this matter can be presented to the American people in the proper form of a constitutional amendment.

This was the main thrust of my argument against the war powers bill, that it was disturbing the Constitution by legislative action. I do not believe that that should be done. Nevertheless, I think this comes at a very good time in our history. It is pointing out, I think very graphically, to the American people that in the opinion of this President—and I have to agree that he is right under the law—he cannot protect American lives and property overseas any more without the authority of Congress or the Senate.

Now, that brings us to the present debate. The debate has been going on for 2 or 3 days and we have been evacuating for that long, at least. In my opinion, by this time 3 days from now, all Americans who want to leave Saigon will have been taken from Saigon. In addition to that, we will have moved a large number of South Vietnamese—it is impossible to judge just how many. So do we find the President in violation of the War Powers Act? In my interpretation of the act, I think he has that power up to a certain point. I may be wrong on that. But if he has been operating outside the law to do what, historically, an American President has been looked to to do, then I think we have to take another look at this whole thing and do it rather fast.

Mr. President, we have recent congressional actions in this. One is the War Powers Act.

This historical construction of the Constitution was unilaterally changed by Congress which in 1973 enacted over the President's veto, House Joint Resolution 542, the war powers resolution.

This resolution claims for Congress dominance over the entire field of troop commitment and deployment. The operative sections are triggered by the introduction of American forces, without a declaration of war. First, into hostilities or imminent hostilities; second, into the territory, air space, or waters of a foreign nation, when equipped for combat; or three, in numbers which substantially enlarge U.S. forces equipped for combat already located in a foreign nation, such as NATO areas. When military forces are introduced in one of these situations, the President must report on it to Congress within 48 hours and periodically thereafter.

I think in this that the President has acted within the law and the intent of the law. I have some question as to whether he has acted within the complete meaning of the law, because we do have men in American uniform operating in South Vietnam, in Thailand, and, I suspect, elsewhere. I also suspect that they are bearing arms, not necessarily for hostile action, but for protection.

Then again, we can get into very small definitions as to when a weapon becomes defensive or offensive. This could make the President in violation of the law or in keeping with the law. I think this is something that, as we go along, we must consider and discuss from time to time. I hope that we are able to do that.

The President cannot use the Armed Forces for more than 60 days unless Congress grants specific authority. He is allowed an additional 30 days only if the safety of U.S. troops demands their continued use in the course of removal.

I think in this particular part of the law, he is probably safe, because we have no concentration of troops in South Vietnam. We have air forces in Thailand. But if we have to send troops to protect air crews and so forth that are operating out of Tansonhut, then the question comes up as to how long he can use these troops to protect the safety of men already stationed in that particular part of the world.

At any time before the 60-to-90-day period is up, Congress is permitted to order the withdrawal of U.S. forces. The law provides that the President must obey such a congressional directive.

Mr. President, this is a very important part of the war powers legislation and, as many of us do, we try to put ourselves in the other fellow's position. I have often put myself in the position of a potential enemy of my country, and I would say that I would be perfectly patient and wait for a 60-to-90-day period to be up and then, by exercise of the influence of the media and other institutions in this country, be able to terminate the war in this body. I think we might accomplish the same thing in another way if we are determined to keep Congress in the whole field of warmaking power.

There are other restrictions. Also, in 1973, Congress enacted a ban on the use of any funds to finance the involvement of American military forces in hostilities in or over or from off the shores of North and South Vietnam, Laos, or Cambodia. In addition, Congress enacted a provision requiring the withdrawal of NATO forces proportionate to the balance of payments deficit caused by stationing our troops in Europe.

Congress has asserted primacy over constitutional powers which until now the Supreme Court has been reluctant to rule on, but which the course of history has resolved in favor of the President. It is believed—not by all, of course—that these congressional restrictions upon the President's separate powers are unconstitutional, short of a constitutional amendment.

Mr. President, I have prepared a discussion of the constitutional points and I ask unanimous consent that they be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSTITUTIONAL ISSUES

A. SOURCE OF PRESIDENT'S POWERS

1. The first sentence of article II of the Constitution reads: "The Executive Power shall be vested in a President of the United States of America." This is not a passive grant, but includes the traditional power of protecting the national safety that has been historically recognized in the law of nations, as a right of the Executive.

2. The President also is "the sole organ of the nation in its external relations, and its sole representative with foreign nations." At least six sitting members of the Supreme Court have accepted this description of Executive power by John Marshall and interpreted it to mean that the President has *"primary* responsibility for the conduct of foreign affairs."

3. Section 3 of Article II vests with the President the duty and right to "take care that the laws be faithfully executed." The Supreme Court has construed this power to include enforcement not only of statute and treaties, but also of "the rights, duties, and obligations growing out of the Constitution itself, our international relations, and all the protection implied by the nature of the Government under the Constitution."

4. Section 2 of Article II designates the President as "Commander-in-Chief." This power has been defined by legal scholars to encompass "the conduct of all military operations in time of peace and of war, embracing control of the disposition of troops, the direction of vessels of war and the planning and execution of campaigns."

B. CONGRESSIONAL POWERS DISTINGUISHED

Congress controls the size and strength of the Armed Forces, and the amounts and kinds of weapons which are in the military arsenal. Congress can approve or reject treaties or area resolutions with defense implications.

But once Congress makes its decisions of how many men shall be enlisted, or what arms provided, the President may station those forces and deploy those arms in such parts of the world as he determines appropriate in the national defense.

Contrary to popular misconception, the declaration of war has never been the only way by which this or other nations go to war. The Constitution does not say that "no military forces shall be used unless Congress enacts a declaration of war."

In fact, the Founding Fathers were aware that 37 out of 38 wars in the 18th century, which preceded the Constitutional Convention, began without any declaration. The Framers also knew that 17th and 18th century writers on international law made a distinction between "offensive and defensive" wars. A declaration was required only for "offensive" war.

Mr. GOLDWATER. Mr. President, I said at the outset that I intend to withdraw this amendment. I shall not withdraw it until I yield to my friend from New York, who, I hope, will accept this in the spirit in which it is offered, the spirit in which he offered the whole resolution to begin with. Some of the shortcomings that I foresaw in the enactment of that have crept onto this floor today. I think the Senator will have to agree, as will others, that such a discussion or such a suggestion as has been made on the floor of the Senate, that the President be made to divulge the complete details of an evacuation plan and, I should think, stemming from that, the complete details of any military action that might be contemplated in the future by the President, indicates something that we did not think would come up. But it has come up.

I suggest that with such an inflammatory subject as war or the threat of war or evacuation, for example, which certainly carries with it the threat of, not necessarily war, but armed action, Congress is just not constituted properly and carefully to consider it. There is too much to consider in this whole action that is involved in politics, involved in nationalities, involved in our personal feelings. I have offered this discussion this afternoon only as a person interested in the problem and in the hope that, in the coming months and years, we can continue to discuss this.

I am glad to yield to the Senator from New York.

The PRESIDING OFFICER (Mr. BAKER). The Chair will advise the Senator from Arizona that we are proceeding under controlled time and the 15 minutes of the Senator from Arizona has expired. The Senator from Alabama has 15 minutes.

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. SPARKMAN. Yes.

The PRESIDING OFFICER. The Chair will correct the statement he just made. There is a 4:30 limitation on debate. Therefore, the time remaining to the Senator from Alabama is 12 minutes.

Mr. JAVITS. I shall only take 2 minutes and Senator GOLDWATER is going to withdraw his amendment. Then Senator ROTH wishes to speak.

I rise only to note that we have taken account of the legal points Senator GOLDWATER has made. They are fully covered in appendix A. I ask unanimous consent that appendix A from the committee report may be printed in the RECORD as part of my remarks.

There being no objection, the appendix was ordered to be printed in the RECORD, as follows:

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APPENDIX A

U.S. SENATE,
OFFICE OF THE LEGISLATIVE COUNSEL,
April 15, 1975.

Memorandum to: Senate Committee on Foreign Relations.
Attention: Norvill Jones.
From: Michael J. Glennon, Assistant Counsel.
Subject: Constitutional and statutory authority of the President to evacuate citizens of South Vietnam from South Vietnam.

You have asked our opinion (1) whether the President has the power under the Constitution, independent of any congressional authorization, to use the armed forces of the United States to evacuate from South Vietnam citizens of South Vietnam, and (2) whether such authority may be inferred from any statute.

1. CONSTITUTIONAL AUTHORITY

We have concluded that the President has no constitutional authority to do so if such use would introduce United States armed forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

The congressional understanding of the scope of the President's constitutional power in this area is set forth in section 2(c) of the War Powers Resolution. That section provides as follows:

"(c) The constitutional powers of the President as Commander in Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces."

It is a question of fact whether such use of the armed forces would introduce them "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances." In the event such conditions do obtain, the Congress has expressed its belief that the Constitution requires either a declaration of war of specific statutory authorization for the President to use the armed forces for a purpose such as the one stated above.

The legislative history of the War Powers Resolution suggests that, notwithstanding the use of the word "only" in that subsection, a limited constitutional power may exist on the part of the President to introduce the armed forces into such situations in order to evacuate citizens of the United States.

However, nothing in the legislative history of the War Powers Resolution would indicate that this power was contemplated to extend to citizens of foreign countries.

Moreover, an argument that such a power exists notwithstanding the congressional understanding to the contrary, would be without constitutional support. A settled, unchallenged course of Presidential action may over the years raise a presumption that a constitutional power exists. In this instance, however, the course of action, insofar as it has been constitutional, has been characterized by uses of the armed forces connected with and required for the protection of an immediate, identifiable interest of the United States, as in the case of citizens of the United States or members of the Armed Forces threatened by hostilities. To the extent that the use of the armed forces is for the protection or vindication of a more remote interest, and to the extent that that use is undertaken without congressional concurrence, such use may be viewed as being beyond the President's constitutional power.

Accordingly, it is the opinion of this Office that, absent a declaration of war or specific statutory authorization, the President may not constitutionally use the armed forces of the United States to evacuate citizens of South Vietnam from South Vietnam if such use would introduce such forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

2. STATUTORY AUTHORITY

We have concluded that the President has no statutory authority to use the armed forces of the United States to evacuate from South Vietnam citizens of South Vietnam if such use would (a) introduce those forces into hostilities, or into situations wherein involvement in hostilities is clearly indicated by the circumstances, or (b) violate any statutory prohibition against the use of funds for certain purposes in South Vietnam.

Section 8(a)(1) of the War Powers Resolution prohibits the inference that a statute allows the introduction of the armed forces into situations involving hostilities unless the statute in question (1) "specifically authorizes the introduction" of those forces into such situations, and (2) "states that it is intended to constitute specific statutory authorization within the meaning of" the War Powers Resolution. Section 8(a)(1) provides as follows:

"SEC. 8. (a) Authority to introduce United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances shall not be inferred——

"(1) from any provision of law (whether or not in effect before the date of the enactment of this joint resolution), including any provision contained in any appropriation Act, unless such provision specifically authorizes the introduction of United States Armed Forces into hostilities or into such situations and states that it is intended to constitute specific statutory authorization within the meaning of this joint resolution;"

There is no statute which specifically authorizes the introduction of the armed forces of the United States into hostilities in South Vietnam, or which states that it is intended to constitute specific statutory authorization for such introduction within the meaning of the War Powers Resolution.

On the contrary, at least seven different statutes have specifically prohibited the use of funds for various military purposes in South Vietnam. (See appendix.)

Accordingly, it is the opinion of this Office that the President is without statutory authority to use the Armed Forces of the United States to evacuate citizens of South Vietnam if such use would (a) introduce such forces into hostilities, or into situations wherein involvement in hostilities is clearly indicated by the circumstances, or (b) violate any statutory prohibition against the use of funds for certain purposes in South Vietnam.

Mr. JAVITS. I point out that the question asked is whether a limited constitutional power may exist on the part of the President to introduce armed forces in such situations in order to evacuate citizens of the United States.

The second point is that the legal analysis concludes, and I concur with it, that it is the opinion of Office of the Legislative Counsel that the President is without statutory authority to use the Armed Forces of the United States to evacuate citizens of South Vietnam if such use would introduce them into hostilities or into imminent danger of hostilities.

That is the state of the law. As to the practice, the war powers resolution works automatically in order to assure that an incident in which the President does have power—and I thoroughly agree with that—does not develop into a war, does not slip out of our hands, so that we can stop the use of forces at a given time, even in less than 60 days.

Mr. President, this experience is very revealing as to how the war powers resolution works. I think the committee has taken the right attitude respecting it. We wish to share the power; we do not wish to arrogate it.

I am obliged to the Senator from Arizona.

The PRESIDING OFFICER (Mr. BAKER). Who yields time?

Mr. GOLDWATER. Mr. President, will the Senator yield me a few seconds to withdraw the amendment?

Mr. SPARKMAN. What is the situation, Mr. President?

Mr. GOLDWATER. I wish to withdraw the amendment. Will the Senator yield to me 30 seconds?

Mr. SPARKMAN. I will give the Senator 40 seconds.

Mr. GOLDWATER. I do not need that much. I am a conservative.

Mr. SPARKMAN. I am not sure just how liberal I am in this instance.

Mr. GOLDWATER. Mr. President, before I ask unanimous consent to withdraw the amendment, I call the attention of my colleagues to the fact that the answers my friend from New York alluded to will not apply to these points, because these are brand new points; and I might say the other question was not answered properly at the time.

Mr. President, I ask that my amendment may be withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ROTH. Mr. President, will the Senator from Alabama yield me 10 minutes?

Mr. SPARKMAN. Mr. President, I yield the Senator 7 minutes on the bill.

Mr. ROTH. Mr. President, I am deeply concerned about the meaning of recent events for the United States and her future. The Vietnam war is without question one of the greatest tragedies in our 200-year history. It is tragic because we lost 50,000 American lives and vast amounts of our hard-earned resources without bringing freedom to the people we sought to aid. It is tragic that it deeply divided our Nation—father against son, people of goodwill against each other—and left scars on our Nation that will take years to heal. I believe it is especially tragic because it has cast doubt in the minds of millions of Americans on the viability of our democratic system, as well as cast doubt throughout the world and among our allies on our will to carry the torch of freedom.

I am saddened to hear that there are those in the Halls of Congress who would lift not a finger to help evacuate those loyal Vietnamese who fought bravely and courgeously on our side. Surely, South Vietnam has its share of corruption and war profiteers as we in the past have had here, but we should not condemn thousands of loyal, patriotic Vietnamese for these. It should be remembered that more than 250,000 South Vietnamese have sacrificed their lives in this struggle. It also deeply concerns me that some are unwilling to provide even minimal military supplies for the sole purpose of negotiating a safe evacuation that might save thousands of human lives. Sometimes as I watch the Congress it appears as if we are in a race to see who can do the most to disavow any responsibility or compassion for the plight of the South Vietnamese. Undoubtedly, this is the popular thing to do today, but the real question is whether or not it is morally right. Who in the future will trust or believe us if we now appear not to care in the slightest degree what happens in South Vietnam? What European, Israeli, or Japanese will trust us in the future if we fail to carry out our remaining moral obligations? We should not forget that events change rapidly in this world and the time may again come that we need loyal allies.

Make no mistake, I am opposed to any major rearmament of South Vietnam, nor would I support American reinvolvement. The cause of freedom would be ill-served by an America torn spiritually and physically for a lost cause. All we can do now is to help alleviate the suffering and evacuate those who face possible death or torture for being friends and allies.

I cannot speak out today without also stating my deep disaffection and anger at the lack of goodwill and aid on the part of the United Nations. For an international organization established for such noble purposes, it has turned into a dreary irresponsible institution, unable even to act in times of humanitarian need. I must also say to those nations who are now so quick to criticize our current lack of military support, where was their support in years gone by?

What is past is past. The important question is where we go from here. I support this bill to provide for humanitarian assistance and limited evacuation authority, and I believe it should be passed without further delay. I deeply regret that Congress has set this bill aside the past 2 days. Is this responsible leadership? We are fiddling while Vietnam is burning. Lives and hopes hang in the balance and we should decide one way or the other what we are going to do.

To reassure the free world of our leadership, we need a new reassessment of our foreign policy and a rededication to the cause of peace and freedom. Americans have become deeply disillusioned with our foreign policy, and disillusionment breeds further weakness when we need to be strong. We need a national foreign policy that a majority of Americans can and will support. Only in that way can we serve the cause of freedom and our own best interests; only in that way can we be credible to our allies and restore our own self-confidence.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I send to the desk amendment No. 354 as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

At the end of the bill add the following new section:

SEC. 8. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary and Armed Services of the Senate a report describing his general plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Mr. CLARK. Mr. President, there was some disagreement on the specific language of this amendment earlier today. We have now reached an agreement. The amendment contains a requirement that the President send Congress a general plan for withdrawal from Vietnam of the persons described in sections 3 and 4 of this bill. I think it is self-explanatory, and all of the Members concerned about the language of the amendment have agreed on the modification. However, I would like to ask the Senator from New Jersey a series of questions.

Would you agree, Senator, that the general plan submitted by the President, in order to be useful, should contain an indication of the nature of any military action which might be contemplated. For example: whether a beachhead was to be established and maintained by U.S. ground forces in the face of hostile fire; or, whether the forces involved would involve a company, a regiment or a division; or, whether Air Force units would only fly protective cover or whether the plan would include strikes for the purpose of suppressing anticipated hostile fire.

Would you think these would be reasonable examples of what we might expect to be included in a report from the President?

Mr. CASE. Yes, I would agree.

Mr. CLARK. Even if we do not state specifically what we expect in a report, would you nevertheless agree that the report should indicate the categories and the numbers of persons whom the President might hope to rescue with a proposed operation?

Mr. CASE. I would think it ought to do so. On the other hand, is the Senator from Iowa suggesting that the President should be required to transmit to the Congress proposed rules of engagement or precise operation plans?

Mr. CLARK. No. We are not asking for those kinds of details or for any other information which might endanger the lives of Americans—either the rescuers or potential evacuees—if disclosed.

Mr. CASE. Would the requirement for the President to submit a report imply any advance veto power on the part of Congress?

Mr. CLARK. No, it would not.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, we are ready to accept the amendment, and move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (Mr. CLARK).

The amendment was agreed to.

Mr. CASE. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 1, line 9, strike out "in Vietnam".

On page 2, line 5, after "section 36" insert a comma and "37(b) (third sentence),".

Mr. CASE. Mr. President, the purpose of this amendment is to make it clear that the money in the contingent fund may be used for humanitarian and withdrawal purposes, not only in South Vietnam, but also afterward, if people leave there and need help in connection with evacuation. I think the purpose is very clear, and unless there is some objection, I move the adoption of the amendment.

Mr. SPARKMAN. Mr. President, I am in favor of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey (Mr. CASE).

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I ask that the Senator from Oklahoma (Mr. BARTLETT) be recognized to offer an amendment.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BARTLETT. Mr. President, I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Add a new section at the end as follows:

"SEC. . As the situation in Vietnam has deteriorated, there has been a sharp increase in the number of deserters from the United States military who have turned themselves in wanting to be evacuated from Vietnam to the United States. It is the sense of the Congress that although these men turned their backs on the United States in its hour of need, basic humanitarian instincts dictate that we not turn ours. However, it is also the sense of the Congress upon return to the United States these men be promptly turned over to the proper authorities for prosecution in accordance with law."

Mr. BARTLETT. Mr. President, I was interested to find out today that many of the soldiers who deserted the American military while serving in South Vietnam are literally "coming out of the woodwork" trying to leave Vietnam and return to the United States.

Although these are men who turned their backs on the United States. I do not suggest that we reciprocate by turning ours.

However, it is interesting that these men who refused to fight to stop Communist aggression are now doing everything they can to avoid the possibility of living—or dying—under a Communist regime.

No doubt, these men will take their chances through out court system versus their prospects under communism.

Even though these men are deserters, they are Americans; and basic humanitarian instincts dictate that we not abandon them as they did us.

However, upon their return to the good old U.S.A., I hope no one has the

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gall to suggest any blanket amnesty or alternate service outside our court system for these men who refused to serve. They have apparently violated the law. They refused President Ford's request that they return to the United States, and now they should be prosecuted through the courts as any other person who is suspected of violating our law.

Mr. President, I ask for the yeas and nays on this amendment.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. **SPARKMAN.** Mr. President, may I ask a question? I understand there is a yea and nay vote at 4:30 on this bill. Does the Senator desire a separate vote on his amendment?

Mr. **BARTLETT.** Mr. President, if it is acceptable with the Senator I will be happy to withdraw the request for the yeas and nays.

The **PRESIDING OFFICER.** Does the Senator make a unanimous-consent request to vacate the yeas and nays?

Mr. **BARTLETT.** I do.

The **PRESIDING OFFICER.** It is withdrawn.

The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. **KENNEDY.** Mr. President, I speak in support of the pending bill, S. 1484, as reported by the Committee on Foreign Relations, providing additional humanitarian assistance for South Vietnam and Cambodia, and a contingency fund for the President's use in withdrawal from South Vietnam.

Today there are new opportunities for peace and reconciliation in South Vietnam—opportunities the President must and can seize, and which the Congress must fully support. I believe the funds authorized by this bill will serve these ends. They will provide the President with new tools which he can use for peace, as well as new funds to help heal the wounds of war in both Cambodia and Vietnam.

Clearly, a final, tragic drama is unfolding today in Indochina, and we have reached a crucial watershed point in our relations with the peoples and governments of the area. The resignation of President Thieu provides a new oppor- for our Government to finally focus our entire effort in support of a new government in Saigon that will encourage a diplomacy of reconciliation, rather than pursue a policy of more war. We can help a new government negotiate a settlement which will allow the Vietnamese people a chance to see an end to the fighting.

Now, as never before, we must search for a policy of national unity and purpose that will give meaning to America's moral commitments in Indochina. In some quarters, including the highest officials of our Government, we are told that the American people are withdrawing from the daily onslaught of disaster headlines, and that America has lost its concern for others. There is a sense of pessimism and foreboding, that America is returning to isolationism and "fortress America"—turning our backs upon the rush of events in the world.

Mr. President, I, for one, do not believe this is true, and I think our action here today will prove that it is not.

From calls and letters and appeals which I have received from all over America, I have felt that the mounting human tragedy in South Vietnam and Cambodia has brought forth a deep and despairing sense of helplessness among the American people. Never have we faced a more serious or troublesome crisis of people than that gripping millions of people in South Vietnam and Cambodia. And one thing is clear today. How we resolve the human crisis in these countries will not only influence the fate of millions of war victims who cry out for peace and relief—but it will also determine our country's future relations with the people of Indochina for decades to come.

The American people want to know what our Government is doing now, and what it is prepared to do in the future, to help meet the growing human needs of the people of Indochina. This concern does not reflect isolationism or noninvolvement. Rather, it reveals a profound sense of commitment and concern that simply has not yet found expression in our Government's policy.

For too many weeks our Government has stood paralyzed, as events in Vietnam have rapidly overtaken whatever small decisions our Government was making to assist the millions of orphans and refugees and war victims in South Vietnam and Cambodia. Even as our diplomacy has floundered, so, too, has our humanitarian response to massive human needs.

But this is not a time for paralysis and indecision and inexcusable delays over the simple issue of providing emergency humanitarian assistance. It is not too late for us to take bold action to meet our obligations to the people of Indochina. It is not too late for our diplomacy to secure a period of peaceful transition that will encourage reconciliation, rather than prolong the violence.

I believe the provisions of the bill before us will help achieve these ends.

First, the bill provides a contingency fund which the President can use to support the evacuation of Americans, and to pursue peace and reconciliation in South Vietnam. Events in Saigon provide the President with fresh opportunities to this end.

American citizens and their dependents are being evacuated, and Vietnamese nationals with relatives in the United States are being provided opportunities to join them. The funds authorized in this bill will support this process.

But there is also an opportunity to achieve a settlement, or transition, that will end the daily bloodbath and reduce the possibility of violent reprisals when hostilities cease. In the judgment of well-informed, respected non-Communist Vietnamese in Saigon and in the United States, a negotiated transition will permit an honorable peace.

Only through such diplomatic initiatives—by communicating with all parties concerned, and seeking the good offices of the United Nations and other countries—can we facilitate the movement and protection of refugees and threatened populations in all areas of South Vietnam. Instead of wringing our hands over this issue, or pretending we can fly this problem out of Vietnam, we must immediately pursue those diplomatic agreements and understandings that will help secure the free movement and protection of the civilian population. Such agreements and understandings followed the first Indochina war, and similar civil wars in recent years—from Algeria, and Nigeria-Biafra, to Bangladesh.

Hopefully, President Ford will seize the new diplomatic opportunities that are now at hand. Hopefully he will use the vast resources of this Nation to promote a negotiated end to the conflict, which will not only bring peace and relief to the battered people of Vietnam, but will also give meaning to the valor and heroism of the American sacrifice in that country.

We are at a crucial juncture in our involvement in Vietnam. There is now a clear option for peace. And it would be unacceptable for our country to continue mortgaging both reconciliation in Vietnam and the personal safety of our nationals and allies for the sake of a new Saigon government intent upon continuing the war.

Second, this bill will provide urgently needed funds for emergency humanitarian assistance in South Vietnam and Cambodia, along the lines of the bill, S. 1350, which I introduced on March 26. For even as the conflict begins to end, massive humanitarian problems remain for millions of war victims and others in need. The end of a war which we have fueled for so long at such great cost—and the end of one government which the United States has attempted to support—does not end our Nation's obligation to the people.

Developments today in South Vietnam and Cambodia should call forth from our Government new efforts to provide humanitarian assistance to a people so obviously and so desperately in need.

The funds authorized by this bill will finally carry out the long intent of Congress for internationalizing humanitarian assistance to millions of war victims in South Vietnam and Cambodia. Those international channels are there, in place, and in the field. UNICEF, the International Red Cross, and some foreign voluntary agencies and medical personnel, are still in Cambodia. The United Nations High Commissioner for Refugees, UNICEF and other voluntary agencies are working on both sides in South Vietnam. All these agencies are ready and willing to help, if only given the funds.

The International Red Cross, on April 3 issued an appeal for $30 million in emergency funds for Indochina, particularly for Cambodia. After weeks of dragging our feet, and only after strong congressional pressure, has the Department of State informed me that it will provide a $5 million contribution. This should be only our first, of several, contributions to help the work of the Red Cross. They can, and will, do much more if only they are given our assurance of greater support.

And just last week, United Nations Secretary-General Kurt Waldheim reissued his appeal for humanitarian assistance. On March 31—nearly 4 weeks ago—the United Nations issued its first appeal, which was met with silence on the part of the U.S. Government. Today, the Secretary-General has again urgently appealed for contributions, indicating that in the immediate phase some $100 million will be required to meet "essential, and I repeat essential, requirements excluding bulk food supply."

The bill before us will permit our country to finally act to support these important humanitarian requirements of all people in need in Indochina.

Mr. President, I strongly feel that the "moral commitment" we so often hear the President refer to in Indochina, is not a commitment to any army, or to this or that government, or to this or that official or political faction. Rather, our true remaining obligation is with the people of the area—to the millions of refugees and other war victims who need our help, our concern, and our immediate humanitarian assistance. I believe the American people are prepared to accept these obligations.

On balance, I believe this bill serves these ends, and I urge its adoption.

Mr. **BIDEN.** Mr. President, if we were meeting in this Chamber 200 years ago, someone would say that "these are times that try men's souls."

It is 1975, however, and not 1775.

And this Chamber has been the scene of many fierce debates about the region of the world that preoccupies us today.

Asia has not been one of our conspicuous successes overseas, during our Nation's history.

To paraphrase someone else, it seems that when Asia sneezes, America catches cold.

Among my illustrations are:

Perry's excursion into Japan in the mid-19th century;

Our acquisition of the Philippine Islands;

The need to rescue endangered Americans from China during the Boxer Rebellion; and

Our war with Japan.

Since the end of World War II, there has occurred a succession of unhappy events, including:

Seizure of China by the Communists;

The war in Korea that spawned such nasty domestic political consequences; and

Indochina, where hopefully, we can avoid a similar reaction at home.

It seems that in respect to Asia, our foreign policy has been one of magnificent obsessions and lost causes.

Today, we are discussing the shambles that is Vietnam, and an involvement with that country, as well as Laos and Cambodia, that six successive Democratic and Republican Presidential administrations have been associated with in varying degrees.

We now may be—I hope—writing a final chapter in the book of Indochina.

And I hope we can keep things in perspective.

In my judgment, there is occurring no "fading of America," as some commentators are trying to call it—no time for pretentious talk of "watersheds" and "tides of history" running against us as a Nation.

As I read the news dispatches, the need is not to reassure other nations that we are not withdrawing into a shell.

The need is that we should have more confidence in ourselves.

We should not exaggerate our successes—and at this critical junction, we should not exaggerate our failure in Indochina.

A man with a flair for epigram and sound generalizations said at a time when his country was under stress:

> If we permit a quarrel between the past and the future, we will imperil our future.

That man was Winston Churchill.

I believe that today in the Senate we can simply say in respect to Indochina: "Enough," and proceed with our work.

And in so doing exercise the statesmanship that Talleyrand defined as "The art to foresee the inevitable and to expedite its occurrence."

And we do have work to do in the world.

We who view with apprehension the bill before us today are not "isolationists."

Even if I wished to be—which I do not—it could not happen—if for no other reason than our commercial interests abroad—at the beginning of last year, the total of accumulated book value of U.S. investments abroad totaled $173 billion, including the Latin American nations and Canada, and our total dollar exports in 1974 amounted to $98 billion.

I believe that it is cold and rough out there in the back alleys and the chancellory offices of the world.

We need to keep a strong defense.

We need to keep troops abroad where our primary interests are.

We need to proceed with caution with arms-control negotiations at the forthcoming SALT talks.

We need to keep in mind that the terrible tragedy that has befallen Cambodia and Vietnam is in considerable measure the result of gross abuses by the Communist powers.

Let us make no mistake—I do not keep company with those who shout that this conflict is "America's war."

Our policy in Southeast Asia was mistaken; this policy stubbornly persisted in long after it should have been discarded.

But it takes two to tango—in fact, in this case three—the Soviet Union and China were running their "proxy" war.

As I said earlier, I hope that today we can focus on this bill—without any Cassandra-like wringing of hands that we are doomed to extinction as a big power.

We should, as judges remind lawyers, stick to the case.

What happened?

What led us from Lexington and Concord to Saigon?

What led us from Independence Hall to Indochina?

Perhaps, as an explorer once said about Mount Everest, because it is there.

And the bill before us today poses still another question.

How do we avoid a recurrence of our misadventures in Indochina that resulted in the death of 56,000 American servicemen and an estimated expenditure of $150 billion?

My apprehension is that this bill has a potential of beckoning us back into Vietnam.

The State Department's emissaries who have come before us in the Foreign Relations Committee have not quieted the apprehension of this Senator, myself.

Therefore, I oppose the bill in the form it was reported from the Foreign Relations Committee on April 18, 1975.

My decision was not one taken lightly, or in haste, in part because those on the committee who voted for the bill are men for whom I have both a high regard and deep respect.

Nevertheless, the bill is flawed.

It does not assist one bit in evacuating Americans from the Saigon war zone.

The President already has that authority under the Constitution—an authority exercised in the past by other Presidents who sent troops to rescue endangered Americans in Japan, China, and Nicaragua.

And the bill's authorization for American troops to reenter Vietnam, albeit to assist in evacuating Americans now there, generates apprehension on my part that the book may not yet be closed on our military involvement in Vietnam—a faulty commitment that already has cost the lives of 56,000 American servicemen and $150 billion of American treasure.

What is the primary—in my view, the only—objective of the U.S. Government at this moment?

It is, or should be, the evacuation of all Americans and their dependents now in South Vietnam, mostly in Saigon.

The exact number is not known, but it totals several thousand.

But the bill complicates the matter of evacuation; first, because it would also authorize evacuation of "endangered foreign nationals" unspecified as to numbers and identity.

I do not believe the United States has an obligation, moral or otherwise, to evacuate foreign nationals—other than perhaps an estimated 1,800 diplomatic personnel assigned to foreign embassies in Saigon.

The United States has no obligation to evacuate 1, or 100,001, South Vietnamese.

As I read the language of the bill, the evacuation of Americans in South Vietnam conceivably could be endangered because of the provisions also permitting the evacuation of untold numbers of foreign nationals.

The President's representatives inform us that as many as 175,000 South Vietnamese are considered eligible for evacuation.

Second, a majority of the committee made every good-faith effort to restrict the employment of Armed Forces of the United States, should they be sent to South Vietnam to evacuate both Ameri-

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can citizens and their dependents and foreign nationals.

Nevertheless, the language is insufficiently precise to allay my apprehensions.

In blunt terms, the President should have evacuated all Americans by now—he has the ships and the planes at his disposal, and the money.

Not to have done so suggests he either cannot control his representatives in Saigon or that Americans there are, in effect, held "hostage" to accommodate other aspects of administration policy relating to Vietnam.

This bill does not afford the President authority that he does not already have to proceed with complete evacuation.

Moreover, the mechanics of the evacuation itself, as described to us directly by Assistant Secretary of State Habib on April 17, 1975, in executive session of the committee, does not inspire confidence and, consequently, heightens the apprehensions I have earlier stated relating to the bill's authorization for American troops, in untold numbers and for an unspecified period of time, to return to South Vietnam.

For example the committee was given one table, compiled by the State Department, purporting to identify by numbers various categories of persons now in South Vietnam who would be eligible for evacuation—U.S. nationals and their dependents, USAID personnel, defense contractors and their dependents, purportedly endangered South Vietnamese and their dependents, et cetera.

The figures in the table did not stand up under questioning.

The numbers who are now being evacuated from the Saigon area changed—increasing as well as decreasing—with each inquiry by committee members and with each telephone call to the State Department for clarification and, in one instance, to Saigon itself.

Colleagues on the committee disagree with me, but I do not believe that at the time the committee voted favorably on this bill that an evacuation plan existed—or, if one existed, it certainly was not presented to the committee in a fashion that satisfied my definition.

Even accepting the broad outlines of the bill, it is deficient in that it does not require a daily accounting to the Congress of the progress of the evacuation—no complicated tables, with subcategories and subtotals, but simply a clear concise reportage stating the number of persons evacuated by plane and ship each day from South Vietnam.

I suggested certain language changes in order to circumscribe the authority in the bill relating to evacuation and foreign nationals.

I am sorry these were not adopted.

I also offered a simple Senate joint resolution reaffirming the President's authority under the Constitution to evacuate endangered American citizens and that such evacuation proceed promptly. I regret it was defeated.

To reiterate my position, the Senate should take three actions:

First, call to the attention of the President that he already has the authority to evacuate endangered Americans and their dependents in South Vietnam.

Second, encourage the Ford administration to help seek a negotiated settlement relating to the safety in place of endangered South Vietnamese.

Third, provide humanitarian aid to Cambodia, where the war has ended, but withhold humanitarian aid to Vietnam, wherein the conflict continues, because such funds could conceivably free North Vietnamese moneys for additional military arms and supplies—moneys it now uses for relief of the war needy within areas that it controls.

The time has come—perhaps it is past—for a swift uneventful evacuation of all Americans from South Vietnam before a situation develops wherein it would take large numbers of American troops to bring out our citizens.

My resolution was intended to accomplish that purpose.

Unfortunately, it was defeated by voice vote.

I hope that the military provisions of this bill will, however, be deleted.

Mr. MUSKIE. Mr. President, I shall vote for this bill because I think it represents a reasonable response to the dangerous, volatile situation which prevails in the Saigon area today.

The bill authorizes the use of American forces, if the President deems it necessary, to assist in the evacuation of remaining U.S. citizens in South Vietnam along with their dependents. It also authorizes the use of such troops for the withdrawal of such foreign nationals as may be brought out with U.S. citizens. It provides $100 million to be used for these purposes. It provides another $100 million for humanitarian assistance to be channeled through international organizations.

The use of American forces for evacuation purposes has raised grave questions in all our minds and many of us have quite properly urged the President to evacuate American citizens and their dependents as rapidly as possible so as to minimize the need for any U.S. military operation. I am satisfied that the administration is following this course, and I urge the President to continue this rapid withdrawal until all U.S. officials and other Americans who wish to leave are out of the country.

Should the President decide in future circumstances that he must use American forces, I am satisfied that there are adequate safeguards in the bill to prevent any situation from developing in which Vietnamese attacks on our forces could serve as a pretext for a larger U.S. military intervention. Clearly, we have come to the end of that road, and I simply cannot believe that the President would consider using the authority given him under this bill to reintroduce a significant American military presence in the last stages of this tragic war.

The safeguards are as follows: If the President wishes to use our Armed Forces, he must submit a report to the Congress as required by the war powers resolution and he must further certify to Congress the following: First, that there existed a direct and imminent threat to the lives of American citizens and their dependents; second, that every effort was made to terminate that threat by diplomatic means; and third, that American citizens and their dependents are in fact being evacuated as rapidly as possible.

While engaging in such an operation, our Armed Forces would also be authorized to assist in the evacuation of foreign nationals, but also under carefully circumscribed conditions: First, that every effort had been made to terminate the threat to such foreign nationals by diplomatic means; second, that a direct and imminent threat exists to their lives; third, that U.S. forces would not be required beyond those essential to the withdrawal of U.S. citizens and their dependents; fourth, that the duration of the exposure of U.S. forces to hostilities would not thereby be extended; and fifth, that such withdrawal would be confined to areas where U.S. forces are present for the purpose of protecting U.S. citizens while they are being withdrawn.

The purpose of these safeguards is to insure that any evacuation of foreign nationals be limited in scope—involving only such numbers as can be accommodated as part of the withdrawal of U.S. citizens and their dependents. Moreover, the bill requires that Americans be withdrawn as quickly as possible once our armed forces are employed, so that remaining U.S. citizens could not be used as an excuse to mount a massive evacuation of Vietnamese nationals. I oppose any large-scale evacuation which I believe would be extremely dangerous and administratively impossible in present military circumstances.

Mr. President, I hope that the use of American troops will not be needed. Circumstances would have to be extremely threatening to the lives of American civilians to justify their use, and it is not at all certain that the involvement of U.S. troops would insure the security of our citizens. We are talking about a very complex and dangerous situation.

But I believe that Congress should give the President the specific statutory authorization under the war powers resolution which he needs to consider the option of using U.S. troops. The bill before us is narrow and limited in scope, but it does add constructively to the President's flexibility in this crisis. I trust him not to abuse the authority so provided. I will therefore vote for the bill.

Mr. HASKELL. Mr. President, in voting against final passage of S. 1484, the Vietnam Contingency Act, I want to make clear my desire that the United States proceed with the evacuation of American citizens and their dependents as expeditiously as possible.

I hope that my friends and colleagues will not construe my vote as one signifying a desire to sacrifice the life of another single person. Nor is it my desire to halt the flow of desperately needed humanitarian aid to those who are homeless, sick, or disabled due to the continued conflict in Cambodia and Vietnam.

My view of the current situation was expressed in the debate earlier today when I offered an amendment to delete all but the humanitarian assistance portion of the bill.

As has been reiterated time and time again during the course of debate on S. 1484, the President clearly has the authority to do whatever is necessary to evacuate American personnel from Southeast Asia. I do not oppose the use of Armed Forces if they are clearly essential to evacuating remaining American citizens from endangered areas. This legislation is not necessary to protect that authority.

The bill authorizes the introduction of an unspecified number of troops for an unspecified period of time to evacuate an unspecified number of Americans and foreign nationals. In my view, under S. 1484, the President could determine that three or four divisions of troops are necessary to secure the evacuation of a lone American alleged to be in some remote city. While securing the area, those troops would thereby be authorized to use whatever force is necessary to take along an indeterminate number of Vietnamese. I believe the natural reaction to the use of such force will result in the bloodbath we have all been fearing. I do not believe those persons are in any danger of being harmed without the use of American troops.

The situation in Southeast Asia is far too unsettled to warrant passage of S. 1484 today. It is not essential to the protection of our citizens. It is full of loopholes and may well set in motion events which we will live to regret.

I ask unanimous consent that there be printed in the Record a communication from the American Friends Service Committee. The cable dated today sets forth the situation in South Vietnam. The recommendations for action are those I can endorse.

I would remind my colleagues that the AFSC has been accurate on matters in South Vietnam for over a decade.

There being no objection, the communication was ordered to be printed in the Record, as follows:

IMMEDIATE MESSAGE TO KEY CONGRESS PEOPLE

American Friends Service Committee received cable from our staff in Saigon this a.m.:

"We have some fear that the Embassy may be delaying the evacuation as an excuse to bring in Marines as protection for American lives. Too many American Embassy personnel are staying to make things look normal here, though they aren't necessary. When the inevitable confrontation comes, they are insuring that there will be panic and disorganization, and, once again, U.S. soldiers on Vietnamese soil.

"We feel the entrance of U.S. Marines is useless and dangerous. Shooting a path through the enemy really means killing Saigon civilians, not Communists—shooting the people we have been saving, as it were.

"As for evacuating 200,000 Vietnamese, we can't imagine how. They would like to ride out free on the coattails of American marines, but it would be double the nightmare we experienced in evacuating Danang. There would be absolutely no way to limit the number of Vietnamese who were evacuated, and there would be no way whatsoever to control it.

"The 200,000 people whom Ford wishes to evacuate are not necessarily in any danger. There is indeed good news coming out of Danang and Quang Ngai. There is a 9 P.M. curfew in Danang but people take it casually and the Provisional Revolutionary Government guards are easygoing.

"As for the numerous scare stories, including Kissinger's own, we have heard them all, too, and haven't had one eye-witness substantiation. Almost invariably the person spreading the story left before the alleged incident took place. For example, one woman said the PRG were shooting all police in Quang Ngai. When questioned, she admitted she had left early on Monday, before the PRG came in. But she and her neighbors who were policemen believed this would happen. The U.S. Embassy has launched a comprehensive campaign of atrocity stories to feed to the press.

"The real need now is for a political solution inside Saigon. Fighting would stop everywhere. People would be allowed to move back to their homes. A long-term solution could then be worked out.

"As for us, we are quite determined, no matter what, that we will not be evacuated by Marines and hopefully will not have to leave at all. A political settlement would insure the safety of all."

The American Friends Service Committee believes a political settlement is still possible:

(1) Evacuate today and tomorrow all Americans "essential" only to a war effort and not to a political solution, i.e. all Defense Attache Office and military contractor personnel. Only a few dozen Embassy staff need remain.

(2) Congress should vote against any bill authorizing re-introduction of U.S. troops. This would only stall a political settlement by holding out false hopes to Thieu's successors that U.S. bombers will soon return to bolster their fight. The war is going to end soon but whether it ends through a political settlement or with U.S. Marines engaged in a bloody shoot-out will shape the course of U.S. foreign policy debate in the coming years.

Bob Gray,
Associate Executive Secretary.
Martin Teitel,
Director of Asia Programs.

Mr. BURDICK. Mr. President, I shall vote against this bill. I would have supported the bill had it been confined to providing humanitarian aid administered by independent agencies.

The War Powers Act provides all the authority needed at this time. Under that act the President can do what is necessary to remove all American nationals and their dependents. The authorization of any additional military force is fraught with danger of further involvement. It is time to close the books on this unfortunate chapter in our history, and I am concerned that this bill may not do so.

Mr. BAYH. Mr. President, I rise today to support passage of S. 1484, the Vietnam Contingency Act of 1975. As I vote for this measure, however, I am saddened, as I am sure is every Member of this body—saddened that 20 years of American policy toward Indochina could not produce something better.

Today we are acting out one of the last scenes of a great tragedy covering more than two decades. The monumental scope of the tragedy in terms of human suffering has been brought home to us again during the last few weeks as we witnessed the collapse of South Vietnamese forces at a speed which shocked even the most pessimistic among us.

It is now our somber responsibility to close the book and take action to provide for the safety of American citizens remaining in Vietnam and to do what we feasibly can to ease the pain and the hardships which have befallen the Vietnamese people. I believe that this bill is necessary to fulfill that responsibility.

In S. 1484, Congress is for the first time exercising its power under the War Powers Act, perhaps the most important piece of legislation enacted during the 93d Congress. As the situation stands today, the President has broad powers to commit U.S. troops to protect American lives. By acting under the War Powers Act, however, Congress can set guidelines and limitations for such a commitment. It is a fitting and proper role for Congress to play, a role which many in this body worked years to secure.

It is clear, Mr. President, that if there is no other way to evacuate our citizens from Vietnam, it will be the duty of this Government to send troops to effect their withdrawal. This bill will help insure that any such use of troops is necessary and limited to the goal of evacuation. Under its terms, if the President finds it necessary to use the Armed Forces, he must certify that—

First, there existed a direct and imminent threat to the lives of American citizens and their dependents;

Second, every effort was made to terminate the threat to American citizens and their dependents by the use of diplomatic and any other means available other than Armed Forces; and

Third, American citizens and their dependents are being evacuated as rapidly as possible.

Further, the bill stipulates that troops may be used only "in a number and manner essential to and directly connected with the protection of . . . United States citizens and their dependents while they are being withdrawn."

In addition, this measure will provide guidelines for the use of American troops in the evacuation of South Vietnamese. I believe very strongly, Mr. President, that we have a moral obligation to provide aid and asylum to many Vietnamese whose lives are endangered, because of their association with the United States. For this reason, I joined with a group of my colleagues in the Senate in writing to the President 2 weeks ago to request that plans be formulated for a swift and orderly evacuation for those Vietnamese who are imperiled. As a practical matter, however, we must recognize that we are strictly limited by what we can do without a massive commitment of American troops to hostilities if evacuation of South Vietnamese is forcibly opposed by the North Vietnamese. S. 1484 recognizes this reality and permits American Armed Forces to evacuate South Vietnamese only as an incident to the evacuation of U.S. citizens. I am very hopeful that efforts to negotiate a ceasefire will be successful and thus allow a peaceful and orderly withdrawal of South Vietnamese who are endangered. We have been assured by the administration that such negotiations have been given top priority.

To accomplish withdrawal and humanitarian programs, the bill provides for a $100 million contingency fund. The President can use these funds as he see fit, and it is hoped that the bulk of the money will be utilized for humanitarian

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relief. Although the possibility that the funds might be used for military aid has given me considerable pause, I have determined that the critical circumstances confronting the American community in Vietnam justifies our granting such broad discretion. We are facing extremely volatile conditions, and if the President decides that using part of this contingency fund for military assistance is necessary to provide stability in order to accomplish evacuation, I will not quarrel with his determination.

Finally, Mr. President, S. 1484 will provide $150 million for strictly humanitarian relief. I think all of us agree that we have a responsibility to provide all the aid we can to help the victims of this long and brutal war. Millions have been driven from their homes and are without adequate food, shelter, and medical attention. We cannot ignore their needs. At the same time, we must be realistic in choosing the means by which we provide aid. American agencies are no longer effective in Vietnam and their personnel will soon be withdrawn completely. The job of distributing the badly needed aid can now be accomplished only by international agencies such as the United Nations, the International Red Cross, and the voluntary agencies. I am pleased that under S. 1484, it is these agencies which will be called upon.

We are all hopeful, Mr. President, that the only provisions of this bill which it will be necessary to implement are those which deal with humanitarian assistance. If evacuation of Americans is properly expedited, there should be no need for a last minute commitment of American troops with all its incumbent dangers.

I have been concerned by the slow nace of the withdrawal of U.S. citizens and their dependents over the last 2 weeks. We have, however, been assured by the administration that the evacuation will be quickened and that in a matter of hours all but essential U.S. personnel will be out of Vietnam. I trust this is true, but I want to make perfectly clear that the limited grant of authority to utilize troops contained in this bill does not constitute any stamp of approval for foot-dragging in the matter of evacuation. It remains incumbent upon the administration to do everything possible to remove U.S. citizens at the earliest opportunity. If the administration fails in this task and creates an artificial necessity for the introduction of American Armed Forces, it will be held accountable by Congress and, more importantly, the American people.

Mr. President, I believe this is necessary legislation, but as I said in opening my remarks, I am sad at the existence of these facts necessitating it. We all wish that this tragedy of Vietnam would not have developed as it has. Yet tragic events have unfolded, despite our wishes to the contrary, and we must face facts. The only thing that could add to this tragedy would be our failure to learn from what has taken place.

It is time that we recognize that our policy in Vietnam has contained unfortunate errors. We must now begin to incorporate the lessons learned from these errors into the formulation of a new, more realistic foreign policy.

President John F. Kennedy once said that an error does not become a mistake until you refuse to correct it. We made an error in Southeast Asia. We failed to correct it before it became a mistake. It would be stupid and totally indefensible if we now fail to learn from our mistake, or having learned, if we now fail to apply our knowledge to develop a new approach to American foreign policy. As great as America is, Mr. President, it cannot bear many more mistakes such as those which have led us to this Chamber today.

I hope that as we take this action today, we will take stock of ourselves and of what has happened. In enacting this legislation, we have acted wisely. We must act with similar wisdom in moving forward from Vietnam and redefining our national interests, abilities, and obligations in a world which has drastically changed since our first involvement in Southeast Asia.

Mr. MORGAN. Mr. President, we are now debating the question of aid to South Vietnam for perhaps the last time. In recent weeks as the fate of our ally approaches, both the executive and legislative branch have engaged in a process of pointing the finger of blame. Many articles have been printed in the RECORD giving the legislative point of view. On March 31, 1975, Mr. John D. Lofton, Jr., had an article in the Philadelphia Inquirer in which he gives a point of view which should be available for historians' consideration in the years to come when they can more objectively view the crisis.

I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS IS RESPONSIBLE—VIETNAM IS BEING DESERTED

(By John D. Lofton, Jr.)

WASHINGTON.—As the Congress prepares to stab our South Vietnamese and Cambodian allies in the back, the accessories to this horrible crime are already attempting to wipe their fingerprints off the murder weapon. But their fatuous and self-serving arguments simply will not wash.

An example of the kind of cover-up I'm talking about is a letter from the legislative representative of the ultraliberal Americans for Democratic Action, John Isaacs, to Defense Secretary James Schlesinger.

In his letter, Isaacs—himself indulging in McCarthyism—accuses Schlesinger of "McCarthyite tactics" for having the temerity to call a spade a spade. For having quite correctly fingered Congress as being to blame for the deteriorating military situation in South Vietnam, Schlesinger is denounced for his "panic-stricken attempt to find a scapegoat."

In Isaacs' words, the successes of the Communists in South Vietnam demonstrate clearly "the failure of the administration's much-heralded Vietnamization program to build up an effective South Vietnamese fighting force."

Now, these types of rationales for the sellout of our allies ought to be recognized for exactly what they are: blatant lies designed to confuse the American public and obfuscate the issue of who is really to blame for turning South Vietnam and Cambodia over to the Communists.

To begin with, President Nixon's policy of Vietnamization never envisioned a South Vietnam able to defend herself without the necessary equipment.

As Mr. Nixon himself repeatedly pointed out, one of the two principal components of Vietnamization was always "the strengthening of the armed forces of the South Vietnamese in numbers, equipment, leadership, combat skills and overall capability."

Secondly, even among those who have opposed the war in Vietnam, there is the admission that it is indeed the Congress who is administering the coup de grace to the South Vietnamese by denying her the supplies necessary to defend herself.

After a trip to Vietnam earlier this year, Rep. Leo Ryan of California—a liberal, antiwar Democrat—declared "If the Congress makes further cuts in U.S. assistance programs, it should be done with the realization that the action will weaken the military capability of the South Vietnamese to a dangerous level. The result will probably be a Communist takeover."

Contrary to its condition in the early 1960s, Ryan found the South Vietnamese army to be "an effective fighting force" but he points out "its ability to defend the South is being hindered by lack of material."

Sizable amounts of equipment lie idle, Ryan reported, "because of a lack of ammunition and/or fuel, thus preventing any counterattacks.

Another visitor to Vietnam earlier this year was Sen. Sam Nunn, a moderate Democrat from Georgia. In his report, Nunn notes "since the reduction of U.S. aid, the military initiative has shifted to the North Vietnamese with South Vietnam now on the defensive."

This sharp reduction in aid, says Sen. Nunn, "has reduced firepower, reduced available air support, and reduced mobility for the South Vietnamese forces."

The drawdown on available stocks of such things as ammunition, fuel, spare parts and medical supplies has "already had a negative psychological effect," says the senator, "and, if continued, will inevitably destroy the initiative and aggressiveness of the South Vietnamese forces."

So. when Defense Secretary Schlesinger, President Ford and others point their fingers at Congress as the culprit responsible for selling South Vietnam and Cambodia down the river, they are not looking for scapegoats or resorting to McCarthyism.

They are in fact telling it like it is. And for this they are to be commended.

Mr. ABOUREZK. Mr. President, I am voting against this bill for two very basic reasons. First, the President has already indicated by his actions in the Cambodian evacuation, that he has the necessary authority and funds to remove every single American and South Vietnamese national whom he deems eligible. It is my understanding that Assistant Secretary of State Philip Habib told a number of Congressmen yesterday that additional aid was not necessary to complete the evacuation process.

Second, I believe that providing aid for humanitarian purposes as presented in the language of this bill is errant and misguided. I have long been a supporter of providing additional humanitarian aid to South Vietnam, but not in the fashion which it has been presented in this bill. In my opinion, the President can use this money in any way which he sees fit. Obviously, this can include military aid—something to which I am most vehemently opposed. What I want to see is an up or down vote on strictly humanitarian aid—not something wrapped up in legislative jargon which can be used to buy more weapons and to land more American troops in South Vietnam the day after it is signed into law.

I remain firmly convinced that to give

the President any additional authority to use troops in South Vietnam for whatever purpose could turn out to be an unmitigated disaster. I want no part of the responsibility in this regard, and I sincerely hope that my fears are unwarranted.

There is no question that every last American could have been removed by now, if only the administration would have given the word. As it is, we still have 1,500 Americans over there and with each passing day, the danger of introduc[illegible] the entire American arsenal and [illegible]sands of American troops becomes more of a possibility.

We are treading on very treacherous ground. I believe that we are doing so needlessly. Rather than providing the President with unneeded authority to evacuate Americans and South Vietnamese, we should be talking to the officials of the PRG and others who will be forming the new government in South Vietnam.

Mr. STEVENSON. Mr. President, I would support a measure which aided the evacuation of United States and South Vietnamese citizens from South Vietnam. But I fear that this legislation will cause greater peril for the South Vietnamese and the Americans remaining in South Vietnam.

The President now has all the necessary authority for the evacuation of Americans and South Vietnamese in conjunction with the evacuation of Americans. In fact, he is exercising that authority in South Vietnam now and did so earlier in Cambodia.

This legislation grants no authority that the President requires and risks ending any remaining possibility for a negotiated settlement. The only certain way of ending the danger for Americans and South Vietnamese alike is by ending its cause, the war and the possibility of reprisals. This legislation purports to authorize assistance for humanitarian and evacuation purposes, but it undeniably authorizes $100 million which could be used for additional military assistance for the Government of South Vietnam. The Assistant Secretary of State, Mr. Habib, has acknowledged as much.

The Government of South Vietnam remains the regime of General Thieu, even after his resignation, a regime with which the PRG and the North Vietnamese will not negotiate. A negotiated settlement, even if it amounted to a negotiated transfer of power to the PRG is the one means of obtaining the evacuation of all Americans and amnesty for the hundreds of thousands of South Vietnamese who cannot be evacuated and will remain behind, with or without such legislation.

Regardless of the intentions of the Congress and the President, I fear that this legislation and its authority for additional military assistance for the government of President Huong will eliminate whatever chance remains at this late hour for a political settlement. It may encourage the North Vietnamese to move quickly and by force to seize Saigon, assuring a bloody Communist takeover. If that happens, the dangers for Americans and South Vietnamese nationals will be increased, as will the danger of reinvolvement by U.S. forces in the conflict.

It would have been better to have adopted the amendment offered by Senator CLARK and made it clear that no part of the $250 million authorized in this legislation could be used for additional military assistance for the South Vietnamese. Some $130 million is already appropriated for such assistance, and that should be more than enough. It would have been better if the Senate had also made it clear that a decision against additional military assistance was not final. We might have said that if the South Vietnamese were finally to create a popular government and then the opportunity for negotiations was spurned by the Communists in favor of a military takeover, the Congress might then authorize additional military assistance. With such a formulation the Senate would have encouraged North and South to begin negotiations, but that was not to be. The Clark amendment was defeated.

I fear now that this prospect of additional military assistance for the Huong regime, combined with the presence of U.S. forces off the coast and in Thailand and the collaboration of Ambassador Martin and President Huong, will be perceived by the PRG and the North Vietnamese as a continuation of the policy which has already brought them to the gates of Saigon. Such a perception could move them rapidly inside.

It may have been too late to abandon the futile pursuit of a military solution or "stabilization," as it now is called, in favor of a political solution. But it was not too late to try. Nothing would have been lost by signaling the end of military assistance for a regime which cannot win, cannot make peace, cannot govern. I respect the intentions of the authors of this bill, but I fear their intentions will be misinterpreted and that, if enacted into law, lives will be lost. The North Vietnamese will be encouraged to begin quickly the assault upon Saigon. Tan Son Nhut Airport will soon come under heavy fire. Vung Tau will be cut off from Saigon. And the lives of Americans and South Vietnamese will be endangered even more.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The hour of 4:30 having arrived, the question is, Shall the bill pass?

Mr. SPARKMAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Hawaii (Mr. INOUYE), and the Senator from Louisiana (Mr. JOHNSTON) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Louisiana (Mr. JOHNSTON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 75, nays 17, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—75

Allen
Baker
Bartlett
Bayh
Beall
Bentsen
Brock
Brooke
Buckley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Kennedy
Laxalt
Leahy
Long
Magnuson
McClellan
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Williams
Young

NAYS—17

Abourezk
Bellmon
Biden
Burdick
Clark
Cranston
Gravel
Hartke
Haskell
Helms
Mansfield
McClure
Schweiker
Scott, William L.
Stevenson
Tunney
Weicker

NOT VOTING—7

Hatfield
Inouye
Johnston
Mathias
McIntyre
Pearson
Pell

So the bill (S. 1484) was passed, as follows:

S. 1484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Contingency Act of 1975".

SEC. 2. There is established a Vietnam contingency fund for use during the fiscal year 1975 in the amount of $100,000,000 and there is authorized to be appropriated not to exceed such sum, to be used only for humanitarian and withdrawal purposes as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam. Such amount shall be available without regard to the provisions of sections 36, 37(b) (third sentence), and 38 of the Foreign Assistance Act of 1974.

SEC. 3. (a) If the President determines that the use of United States Armed Forces is necessary to withdraw citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are

being withdrawn. In the event that such withdrawal cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such withdrawal shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such withdrawal, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be withdrawn as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

Sec. 4. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 3 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out endangered foreign nationals if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(a) every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(b) a direct and imminent threat exists to the lives of such foreign nationals; and

(c) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the withdrawal of citizens of the United States and their dependents; and

(d) the duration of the use of such United States Armed Forces will not thereby be extended; and

(e) such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

Sec. 5. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of section 5(c) of the War Powers Resolution, and as provided by such section 5(c) such forces shall be removed by the President if the Congress so directs by concurrent resolution.

Sec. 6. The provisions of section 3(a) of this Act may be construed to be in derogation of the prohibitions contained in section 839 of Public Law 93-437, section 741 of Public Law 93-238, section 30 of Public Law 93-189, section 806 of Public Law 93-155, section 13 of Public Law 93-126, section 106 of Public Law 93-52, and section 307 of Public Law 93-50, only to the extent necessary to give effect to the provisions of section 3(a).

Sec. 7. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia. To insure that the assistance is provided to such persons throughout both countries and through channels acceptable to all parties, the assistance authorized by this Act is to be provided under the direction and control of the United Nations or under the auspices of voluntary relief agencies.

(b)(1) Notwithstanding any other provision of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam and Cambodia, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000 for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia.

(2) Funds made available under this section shall be furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies; *Provided,* That distribution or provision of any services, commodities, goods, materials or other relief supplies made available pursuant to this section shall be made only under the direct supervision and control of representatives of such international organizations or voluntary relief agencies.

(3) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

(A) the amount of each type of economic assistance provided under this Act;

(B) the expected recipients of such assistance;

(C) the names of all organizations and agencies involved in the distribution of such assistance; and

(D) the means with which such distribution is carried out.

(c) Notwithstanding any other provision of law, any assistance under title I or title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled for delivery to Cambodia on or before the date of enactment of this Act shall be delivered to Cambodia through multilateral, international channels, in accordance with section 35(a)(7) of the Foreign Assistance Act of 1974: *Provided,* That such assistance is requested by the Government of Cambodia.

Sec. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day, with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

Sec. 9. Not more than forty-eight hours after the date of enactment of this Act, the President shall tranamit to the Speaker of the House of Representatives and the chairman and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Sec. 10. As the situation in Vietnam has deteriorated, there has been a sharp increase in the number of deserters from the United States military who have turned themselves in wanting to be evacuated from Vietnam to the United States. It is the sense of the Congress that although these men turned their backs on the United States in its hour of need, basic humanitarian instincts dictate that we not turn ours. However, it is also the sense of the Congress upon return to the United States these men be promptly turned over to the proper authorities for prosecution in accordance with law.

Mr. CASE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1484.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I voted for passage of S. 1484, the Vietnamese Contingency Act of 1975, despite misgivings with section 4 of the bill which authorizes the President to use the Armed Forces of the United States to assist in the evacuation of endangered foreign nationals from South Vietnam.

I do not believe that U.S. troops should be endangered in the process of protecting the evacuation of other than U.S. citizens from South Vietnam. I am also concerned that the utilization of U.S. Armed Forces during such an evacuation not lead to an ongoing U.S. presence in South Vietnam or to a higher level of possible armed combat than would occur if American troops were used solely to protect an evacuation of U.S. citizens.

Section 4 specifies that for the purpose of protecting the evacuation of foreign nationals there may not be used more U.S. Armed Forces than would have been necessary to protect an evacuation of only U.S. citizens. The President must also certify to the Congress that the duration of the exposure of U.S. Armed Forces to hostilities will not be extended by such action and that the protection of the evacuation of foreign nationals may only take place within those areas of withdrawal where U.S. forces were present for the purpose of protecting the evacuation only of U.S. citizens.'

It is also pertinent that section 6 of the bill prohibits the use of appropriations for military actions in South Vietnam for purposes other than the evacuation of U.S. citizens, as stated in section 3(a) of the act.

With these restrictions, and with knowledge that any use of U.S. Armed Forces beyond these tightly drawn limitations could cause the Congress to effectuate an immediate withdrawal of

U.S. forces from South Vietnam under section 5 of the act by concurrent resolution, I voted for the bill—despite my concern over section 4, with the amendment by Mr. Scott of Virginia would have deleted and for which amendment I voted.

With the rapidly deteriorating situation in South Vietnam, it is imperative that U.S. withdrawal of American citizens in Vietnam be effectuated as quickly as possible before the use of U.S. Armed Forces may become necessary. If and when such a military presence should become necessary, the Congress, in passing this legislation, is not granting a carte blanche to the President for the use of U.S. troops, but rather is authorizing such action primarily to protect American lives, and it should not be construed in a manner which could actually endanger more American lives or renew an American presence in South Vietnam which the American people and the Congress have already spoken to in the past.

I think I should also state for the record my feeling concerning additional military aid for South Vietnam, even though that subject is not encompassed in the bill just passed. Congress appropriated $700 million several months ago for military aid to South Vietnam in this fiscal year, the last $175 million of which was not finally obligated by the administration until April 1—3 weeks ago. Up until 6 weeks ago, the South Vietnamese held the central highlands and the northern coastal cities, and, at that time, I saw no justifiable reason for appropriating more military aid in fiscal year 1975 for South Vietnam. Then came the unilateral decision by President Thieu to withdraw from some of the areas less capable of being defended—areas not considered strategically important to the defense of South Vietnam.

The withdrawal was inadequately planned and poorly implemented, and the withdrawal became a tragic and panicky retreat. Refugees by the hundreds of thousands filled the highways leading toward Saigon, impeding the movement of the military forces. The South Vietnamese military forces—in their haste to retreat—abandoned guns, helicopters, fixed-wing aircraft, ammunition, and other military equipment and materiel, estimated at $1 billion. Especially in view of this situation, I did not feel that additional dollars in military aid should be appropriated.

Within the last 10 days, however, as the battle has closed in on Saigon, the South Vietnamese forces have fought courageously against growing odds and have demonstrated better military leadership in the field. At the same time, the situation involving the evacuation of American citizens from Saigon has worsened. Therefore, in the light of these more recent developments, I stated a week ago, that I would be willing to vote for some additional fiscal year 1975 military aid funds for South Vietnam. Even at this late date, if the opportunity should present itself, I would vote for some additional funds for ammunition, medical supplies, et cetera, for the South Vietnamese.

I would do so for the following reasons, as I publicly stated a week ago:

First. The voting of additional funds for military aid would have an immediate psychological effect on the South Vietnamese and would lift their morale, thus making it at least conceivably possible that they could hold out long enough to get some kind of negotiated political settlement rather than be overrun by the North Vietnamese Communists, who still appear to be intent upon imposing a military solution rather than a political solution on South Vietnam.

Second. I believe that the possibilities of successful evacuation of American citizens from South Vietnam—without exposing American military forces to combat—would be thereby enhanced.

Third. In view of the fact that the South Vietnamese forces are now fighting courageously to remain free of Communist domination, I feel that we at least ought not deny them the final means to exist and to achieve that end. They long ago put their future, to a certain extent, in our hands. They have been an ally of ours for many years, and they are still an ally. Our country lost over 50,000 lives in South Vietnam and the South Vietnamese have given an even greater number. Whatever the final outcome in South Vietnam, I feel that it should be the result of the will and the ability of the South Vietnamese—but not the result of our failure to provide them with the means to fight for their precarious freedom.

One of the most tragic mistakes of history was the military involvement of the United States in a ground war in Vietnam, especially under all of the circumstances and conditions surrounding our entry into that conflict.

We have no legal commitment to supply additional military aid. The American people have certainly made a supreme sacrifice over the tragic years during which American military forces were involved in Vietnam. Congress has not been niggardly in its appropriation of funds. In addition to the 56,000 American lives lost, there have been over 300,000 casualties, $150 billion have been appropriated by Congress, and our country has not only suffered economically, but our Nation has also been painfully divided.

So, as to the question of a small additional amount of military equipment and ammunition for South Vietnam, it is not that the American people have not already given and given and given, and sacrificed greatly. The question of military aid may very likely become moot within the next few days—or weeks at most—and, indeed, if it is ever appropriated, events in Vietnam may overtake the arrival there of any additional military assistance.

Yet, deep in my gut is the feeling that we ought not turn our backs absolutely on the South Vietnamese in their moment of greatest extremity, by saying that we will not appropriate an additional dollar for even the most meager amounts of ammunition and the wherewithal for them to continue their fight for at least some modicum of freedom from a Communist military takeover. For these reasons, I voted against the amendment today which provided that none of the money appropriated in S. 1484 can be used for military equipment for South Vietnam.

Mr. MORGAN. Mr. President, we have just completed voting on a major piece of legislation which I think is very important to the world, not only now but for the future as well.

For the record, I should like to explain my vote on that issue.

I voted for the issue somewhat against my better judgment. I thought the bill was unnecessary, because I think the President already has the authority that was granted to him in that bill. If he does not, he is exercising that authority at the encouragement of the Senate Committee on Foreign Relations. I believe that money is already available in the Department of Defense to carry out the evacuation, as is evidenced by the fact that it is being carried out.

The question of humanitarian aid gave me some concern. If there is room for humanitarian aid, I think the State Department already has those funds, or had funds available. Also, I was hesitant to vote for any bill that would commit funds to the United Nations, to be administered by that body, for humanitarian aid, when it has so callously demonstrated its disregard for humaneness in that area of the world.

Notwithstanding those facts, I voted for the bill because I felt that if in any way the passage of this bill could possibly help relieve any of the suffering in Indochina, I was willing to risk that part of the funds appropriated and to grant any additional authority that might have been contained in it.

Mr. TUNNEY. Mr. President, today I was regrettably forced to cast my vote against final passage of S. 1484—the Vietnam Contingency Act. I say regrettably because I firmly support both the safe evacuation of Americans from South Vietnam and the provision of additional humanitarian assistance through international and private organizations to all areas of Indochina.

However, Mr. President, I am concerned about the broad discretionary authority that this measure would grant the President. It has been suggested that the $100 million authorized in section (1) of this bill could be used not only for humanitarian assistance or for supplying American forces in the event of an evacuation, but that these funds could also be used to supply additional military assistance to the Saigon government. We have, in fact, heard reports that Assistant Secretary of State Habib has admitted the possibility.

The President clearly has the authority now under the Constitution to rescue endangered Americans anywhere in the world. He does not need this bill as a congressional imprimatur for evacuation from embattled Saigon. As for humanitarian aid, I believe the Congress is willing to enact additional refugee assistance in a separate bill. I stand ready to support such an effort.

But to grant such discretionary authority to gain such assistance is self-defeating. The dangers involved in such a course are too great to be ignored. I

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have repeatedly voiced both my opposition to further military assistance, and my fear that any hasty action taken by this body could result in a repetition of the Tonkin Gulf resolution. Accordingly, I supported an amendment by Senator CLARK, which was designed to guarantee that this act would not result in backdoor military assistance to Saigon. That amendment failed, and with it went our assurances against any American reinvolvement. I cannot, therefore, in good conscience vote for a measure, the end result of which could very well be to prolong this tragic conflict.

EMERGENCY HOUSING ACT OF 1975

The PRESIDING OFFICER. Pursuant to the previous order, the Senate will now proceed to the consideration of S. 1483, which the clerk will state by title. ing production rat of less than 1 million

The legislative clerk read as follows:

A bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

The Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that during the consideration of S. 1483 and all amendments thereto, the following staff members of the Committee on Banking, Housing and Urban Affairs have the privilege of the floor: Jerry Buckley, Tommy Brooks, Robert Malakoff, Carl Coan, Kenneth McLean, and Randall Higgins.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

VIETNAM AND FOREIGN POLICY DECISIONMAKING

Mr. HARTKE. Mr. President, the situation in Vietnam is coming to an end, we hope.

The end of the tragic era in American history associated with our ill-fated involvement in Indochina is drawing to a close, and one which we can look forward to with no repetition.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate so that the Senator may be heard by those who wish to listen?

The PRESIDING OFFICER. The Senator from Indiana will suspend while we have order in the Senate.

The Senate will be in order.

The Senator from Indiana.

Mr. HARTKE. Mr. President, no American can feel anything but an overwhelming sense of grief—grief for the thousands upon thousands of American families whose young lost their lives or were permanently maimed, psychologically as well as physically; grief for the tens of thousands of Vietnamese and Cambodian families who mourn their dead and wounded; grief at the sight of the homeless, the frightened, the abandoned; grief for the wounds, that have only now begun to heal, to our own body politic; and grief at the misery, the disappointment, and the anxiety experienced by so many Americans in the present economic crisis that is so much a part of our Vietnam legacy.

We cannot turn back history. We must live with our mistakes. We must live with our grief.

This must be a time for thoughtful introspection on the part of every American inside the Government and out.

There is much to be learned from this tragedy. Because we have become a people dedicated to the present, too unreflective of the past, we must not allow this watershed moment in our Nation's history to slip into obscurity of yesterday's news. Every national experience, good and bad, should arm us for the great decisions of tomorrow.

The response by too many Americans is to withdraw into the relative security of our own national borders, and to give up foreign adventures as predestined misadventures. Reality is not so simple as to allow that. It is just as important not to respond with an accusatory finger. Indochina must not become a national obsession; it must not become the pretext for witch hunts on either side. We have reacted too often to the frustrations of foreign policies gone awry by seeking to place blame on individuals. We did this after the Second World War, we did this after the Communist victory on mainland China, we did this after Korea.

Rather, we must resolve to analyze the process by which America became involved in this disastrous enterprise. We must try to fathom what lessons it holds for the future—not in specifics, for history truly does not repeat itself, but in generalities. We must resolve to discover what, if anything, in the institutions and procedures of our policymaking led to the consequences we now witness, consequences neither unforeseen nor unforeseeable.

It must become a context within which we define and, to the extent necessary, redefine America's role in the world. A time to develop a philosophical framework that will guide us through the tortuous paths of the future. We cannot simply shrug our shoulders and let the moment pass. We cannot clench our fists and give vent to our frustrations in anger. Out of the misery, the tragedy, the grief, something positive, something constructive should be made to emerge. The lives and limbs of American young and the young of the Southeast Asian peoples are gone forever. This loss, if it is not to have been in vain, must stand as a stark reminder to future generations of the price we pay for mistakes in foreign policy.

The role of Congress in foreign policy formulation has declined steadily during the 20th century. This trend is a reflection of many factors, not the least of which is a succession of extremely strong Presidents. During the first three decades of this century there was fundamental disagreement between Congress and the Executive over the nature and scope of American interests abroad. It was this disagreement that was the impetus for the consolidation of Presidential power. On the whole, Presidents like the two Roosevelts and Wilson were more concerned with the growing interdependency in world politics and economics than was Congress. Out of their specific attempts to circumvent Congress on particular issues, the dominant Presidential role emerged.

The paramountcy of the President in foreign policy was increased substantially with the advent of the nuclear age. Faced with the prospect of a nuclear war, that even before the development of ICBM's would be fought and won within a few days, the emphasis in foreign policy centered around speed of action and reaction. Clearly, in those terms, Congress could not compete with the President. Rapidity of decisionmaking appeared as the essential ingredient for survival, let alone success. Within the narrow parameters of nuclear war, this is still true.

However, somewhat illogically, the necessity for immediate and decisive action in the face of a nuclear threat translated itself into an Executive monopoly, for all practical purposes, in matters of international affairs. The Executive did not bypass Congress altogether—although through the development of the "executive agreement" the constitutional requirement of senatorial advice and consent for treaties was minimized. Many Members of Congress allowed themselves to become convinced by the essentially elitist argument that foreign policy was too specialized, too technical, and too sensitive to be amenable to democratic processes. The result of these complementary tendencies created a basically "rubber stamp" Congress.

The sad result has been foreign policy evolved within the bowels of the executive branch without the benefit of serious national debate in the congressional forum. The President together with his advisers in the White House and the State Department was never really forced to rationalize or justify the Indochina policy in realistic, meaningful terms. Therefore, the inherent tendency of bureaucratic institutions to develop their own particular set of values, assumptions, and momentum was given full rein. The only checks and balances operative were between competing executive departments and agencies. Congress was effectively excluded from this debate, although it might be more accurate to say that Congress largely excluded itself.

Only toward the end of the Vietnam war was American policy closely scrutinized by Congress as a whole; the executive reacted in a scandalized fashion as if its rightful prerogative were being invaded by nouveau upstarts. When I, and a few colleagues, raised serious questions and indicated our dissatisfaction with the course of American policy back in 1965 and 1966, we were met with incredulity and suspicion. Executive monoply of foreign policy had progressed so far that the assertion of a constitutionally conferred responsibility by some Senators was thought not quite patriotic. This was the apogee of Presidential arrogance. More disconcerting, was the general lack of response within Congress. In fact, rather than lead the way, Congress did not begin to assert itself until the popular reaction against the war had reached an almost fever pitch.

American Southeast Asian policy was debated and analyzed only de facto. The democratic process was not applied to the single most important set of policy decisions of the last generation. I will not argue, as, indeed, no one can, that had our involvement in Vietnam been the subject of an extensive national debate. the course of history would have been different. I like to think it would. The people, through the agency of their elected Representatives and Senators, never addressed themselves to the issue of sending tens of thousands of our young citizens to their death. While Congress frittered away its time and energy debating the essentially academic question of whether this was, in a technical sense, a war and, therefore, subject to congressional approval, we fought one of the major wars in our Nation's history on the sole initiative and authority of the President.

The idea behind democracy is fairly simple and should need no reiteration. Policies, without regard to whether they are primarily foreign or domestic in their implications and effects, are to be decided by the people who constitute the political community, or by their representatives if that community is too large to practice direct democratic government. To the best of my understanding, there is nothing inherent in the theory of democracy as it has evolved in the 25 centuries from the time the Greeks invented it to the time it was incorporated by Jefferson, Madison, and others in our basic documents, that differentiates between foreign and domestic policy, reserving one for the democratic process and excluding the other.

There is no denying the validity of the argument that Congress is by the manner of its arrangement ill-suited to implement and execute foreign policy. The Constitution recognizes this; and, I am sure, every Member of Congress agrees. That is not the issue. Although it is sometimes difficult, we must distinguish between the formulation of foreign policy and the execution of foreign policy. It is in the former that Congress and the democratic process are essential. And it was in the formulation of Indochina policy that Congress played so negligible a role.

If there is a single most important and profound truth in the awful experience of Vietnam. it is the results of negating democracy in foreign policy. It is absolutely essential that public policy, whether foreign or domestic, must undergo public scrutiny. When the United States commits itself in the future, it must be in the full knowledge and understanding of what those commitments involve. This is a practical and a philosophical necessity. Philosophically, it means being true to ourselves and to the brilliant concepts upon which the Nation is built. Practically, it means avoiding the sense of betrayal and alienation that occurs when the people find themselves committed to a cause they neither understand nor had any part in determining. Consent of the governed is the prerequisite for successful democracy.

It needs to be made abundantly clear that the revitalization of democracy in the formulation of foreign policy is not a prescription for America's retreat from the world. The American people and the Congress are certainly not provincial or parochial. Having placed men on the Moon, we can hardly now see ourselves standing alone in "splendid isolation" from the rest of mankind. It is time that we reassert the principle that men are the best judge of their own interests, and if they must live with decisions they ought to be decisions in which they participated.

I think the American people have expressed their dissatisfaction with our policies in Indochina on the merits of the case. To withdraw from that sad corner of the world where enduring American interests are so exceptionally hard to discover, signals no generalized withdrawal, no disregard for formal allies or openly arrived at covenants. What is the proper and precise role for America in the world of tomorrow is a question that needs to be answered—but in a democratic fashion.

I do not wish to extol the virtues of Congress beyond what it can rightfully claim, for our faults are many and obvious. But in a very real sense, Congress provides a neutral ground for the debate of foreign policy. Executive agencies develop, over time, their own commitments and values. The very things an outside observer would question are so deeply ingrained that they are taken for granted. Because Congress is composed of so many divergent points of view, including that of the Executive, these tend to neutralize each other, leaving no predisposition in one direction or another. It is not superior wisdom that Congress possesses—except that it is closer to the people and reflects their wisdom more accurately—but superior neutrality in any national debate over the nature, direction, and content of foreign policy.

DEPARTMENT OF JUSTICE

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that a nomination at the desk, reported earlier today, pertaining to the office of U.S. district attorney for the district of Utah, be called up and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination will be stated.

The assistant legislative clerk read the nomination of Ramon M. Child, of Utah. to be U.S. attorney for the district of Utah.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GARN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONVENING OF THE SENATE AT 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow, it convene at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR RECOGNITION OF SENATOR TAFT AND SENATOR STAFFORD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the distinguished Senator from Ohio (Mr. TAFT) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that following the order for the recognition of Mr. TAFT tomorrow, the distinguished Senator from Vermont (Mr. STAFFORD) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 1483, EMERGENCY HOUSING ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders for recognition of Senators on tomorrow, the Senate resume consideration of the now pending measure, S. 1483.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE U.S. COMMITMENT TO ISRAEL

Mr. MORGAN. Mr. President, the disastrous events of recent days in Southeast Asia have caused me to become increasingly concerned about the "drift" of our foreign policy and the future of our commitments abroad.

We hear talk of "reassessment" at the highest levels of our Government, including the White House. And I cannot blame our allies for wondering whether this "reassessment" will ultimately be at the expense of their stability and continued security.

I wonder also. I want to go on record now as saying that I do not believe that the word "commitments" has become obsolete, and I do not believe that abandoning our allies should become the trend of our foreign relations.

I am particularly concerned today about keeping our commitments to the State of Israel and it is for this reason that I now ask unanimous consent to have printed in the RECORD a statement which I made earlier today on this subject.

There being no objection, the state-

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ment was ordered to be printed in the RECORD, as follows:

ON MAINTAINING THE U.S. COMMITMENT TO ISRAEL

The series of events that have unfolded in recent weeks in Indochina, in the Middle East, in the Mediterranean—all have brought the word "commitment" into extraordinary prominence at home and in many areas of the world. Closely associated with commitment is the prestige of the United States and the credibility of American foreign policy:

In these troubled times, we face in the United States a sense of fear, scorn, or suspicion on the part of many toward U.S. commitments abroad, and with it, a desire to withdraw from the world. Abroad, we face mistrust or doubt among our allies, and what appears to be increased determination on the part of our adversaries.

The Director of the prestigious International Institute of Strategic Studies recently concluded that "the crumbling in Southeast Asia does not justify the view that the United States would give up commitments elsewhere that it considers vital to its interests. U.S. credibility depends less on Vietnam than on the problems within the United States to conduct a foreign policy." This statement gives me cause for profound concern. I have noted a conspicuous trend of late, expressed by various spokesmen for both the executive and legislative branches of our Government, advocating a complete revision of our commitments abroad. I urge extreme caution in this matter, because there is a very grave potential for recklessness in hastily casting off commitments that may affect our vital interests. A commitment is not a diplomatic bandaid; it is a solemn undertaking. If we are not careful, we shall be left with one very permanent obligation: namely, eternal dishonor.

I have a particular concern at this time for the Middle East—an area in which the United States holds vital interests and where it is imperative that our Government maintain a clear and unambiguous position and policy. These interests include continued access by ourselves and our Allies to the region's oil resources; use of the land, sea, and air routes, and transit facilities of the region; the strengthening of economic ties with Middle Eastern countries and access to their markets for U.S. trade and investment; the prevention of an external power establishing a predominant political and military presence in the region.

The United States also has a long-standing commitment in the Middle East—the survival of the State of Israel. I strongly believe it serves the best interests of the United States to provide Israel with the economic, military, and political support necessary to deter attack and to keep alive the search for a just and lasting peace in the area. The Israelis themselves possess the will to survive. And they have never asked that American troops be sent to defend their country—they only have asked for the means for survival.

From recent statements, I fear there are some people who are morally mortgaging themselves and who would deprive Israel of the power to defend itself. The search for peace in the Middle East will not be served by forsaking our commitment to Israel. Rather, I feel that any reduction—let alone cessation—of U.S. aid to that country would be interpreted as a sign of American weakness, and would encourage intransigent attitudes toward any settlement by the Arabs.

Thirty years ago, American public opinion was appalled by the evidence uncovered by Allied forces of what had happened to the Jews in the Nazi death camps. Under Hitler, the Jews had been doomed no so much because there had been no escape, but because there had been no refuge. Jewish people everywhere looked for a homeland to which the refugees and the persecuted could go. For understandable historical and religious reasons, many Jews looked to Palestine. The American people overwhelmingly endorsed the concept that Palestine be established as a Jewish commonwealth, integrated in the structure of the new, postwar democratic world.

When the State of Israel was formally proclaimed on May 14, 1948, it was immediately recognized by the United States. Israel, therefore, became the repository for all the unrealized hopes of the six million Jews who had perished at the hands of the Nazis.

In reflecting upon this occasion, I cannot but feel certain that if we forget the unique lessons of the Nazi Holocaust, we will surely repeat the blunders of yesterday. It was when it appeared that the world didn't care that the Nazis knew they had a free hand.

Since 1948, Israel has been engaged in a fight for national survival. Commencing at the time of its inception, four full-scale wars have taken place between Israel and its Arab neighbors. Yet, possessing a unity of national purpose, this unique country remains one of the most democratic lands in the world and, among its citizens, there is a diversity of backgrounds, ideas and outlooks.

Despite the ever-present sense of encircling danger, however, there is no confusion or despair. Nor is there any sense of panic in the face of the constantly voiced threat of annihilation by its neighbors.

The American commitment to Israel's survival has been affirmed by six Presidents and thirteen Congresses. The United States helped sustain the new State of Israel in its formative years. In 1950, the United States joined the United Kingdom and France in issuing a Tripartite Declaration, guaranteeing the territorial integrity of Middle Eastern countries.

In 1955, President Nasser of Egypt announced his acceptance of Soviet weapons to strengthen his military forces against Israel. The following year, a second Arab-Israeli war ensued, and the Arabs were defeated. Thereafter, Soviet arms poured into Egypt and into Syria. Prime Minister Ben-Gurion in 1963 pressed in vain for a United States-Soviet guarantee of Israel's frontiers. He subsequently requested a mutual defense accord between Israel and the United States.

Although President Kennedy rejected such a pact, he did pledge U.S. economic and arms support in the event of Arab aggression. As the war clouds once again gathered, President Johnson said in May, 1967 that the United States was "firmly committed to the support of the political independence and territorial integrity of all nations in the area. The United States strongly opposes aggression by anyone in the area, in any form, overt or clandestine." He also stated: "Israel will not be alone, unless it decides to go alone." In June of that year, the third Arab-Israeli war took place.

We all know that the Soviet Union has given determined political and—to the extent that Soviet interests were served—military support to the Arab states since 1955. It intends to maintain its presence in the Middle East. The Soviets had conspired with Syria in 1967 to urge Nasser into foolhardy adventurism prior to the June war.

After that war, they continued to arm on a massive scale Egypt and Syria. From all appearances, they were cognizant of the coordinated surprise attack by Egypt and Syria upon Israel in October 1973. Israel again prevailed in that fourth Arab-Israeli war—and the United States, alone of the Western powers, maintained its commitment by providing the means for Israel's survival.

We all keep alive the hope that a true settlement may finally be achieved between Israel and its Arab neighbors. Secretary of State Kissinger's efforts in the step-by-step negotiations between Israel and its Arab neighbors since the cease-fire in November, 1973 are to be commended. The fact that his most recent journey in March of this year did not result in achieving a further step in the direction of a permanent settlement should not cause a major revision of U.S. policy toward Israel.

Secretary Kissinger declared in 1969 that the United States "will not negotiate over the survival of Israel." He said: "This would be an act of such extraordinary cynicism that the world would be morally mortgaged if it ever happened. But it won't happen."

When he returned from his trip to Egypt and Israel in March of this year, he said he did not think any administration would let Israel "go down the drain." But he did say that the Israelis were questioning the durability of U.S. assurances.

I strongly urge that there will be no erosion of America's long-standing commitment to Israel. Israel is a real democracy that shares the basic principles, morality, and free way of life of the United States. I consider that a strong Israel is an asset to the United States in this vital region. I cannot agree with those who state that our support for Israel—even though morally justifiable—has created a barrier between the United States and the Arab world. Evidence would suggest otherwise.

The United States has not been barred from the Middle East as a result of the support for Israel by various administrations. In fact, the Arabs have realized that the United States is a factor and plays a leading role in any effort to achieve a just and lasting political settlement of the Arab-Israeli conflict.

The Soviet Union continues to supply vast amounts of arms to the Arab states. The Arab states also are acquiring arms through a coordinated procurement program which had been worked out at the Rabat Conference last fall. They appear to have greater political unity than ever before. They possess the power oil embargo as a weapon.

There are those who prefer to believe that American problems in the Middle East will simply evaporate if only the Arab-Israeli problem would disappear. I believe this to be an erroneous view. The Middle East is a Gordian Knot that must be untied, not cut. The forces of instability are endemic in the region and I can say, without reservation, that the existence of Israel has been a factor of stability and has precluded disintegration.

The United States cannot turn its back on Israel merely because the situation is difficult and complex. We have considerable stakes in the Middle East—economic, strategic, and political. There is also a moral stake in the region—one which I value very highly—and that stake involves our commitment to Israel. It is a question of honor, as well as pragmatism. In the words of William Shakespeare: "If it be a sin to covet honour, Then I am the most offending soul alive!"

EMERGENCY HOUSING ACT OF 1975

The Senate continued with the consideration of the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. RANDOLPH. Mr. President, I genuinely commend the able Senator from Wisconsin (Mr. PROXMIRE) for coming to the floor of the Senate as the manager of a very important measure. I compliment the Senator from Texas (Mr. TOWER) who represents the minority in handling this measure. Although the Senator from Texas has reservations re-

garding this legislation, he joins in the vital endeavors to increase the opportunity for homeownership in the United States of America.

As the debate formally begins on the Emergency Housing Act of 1975, I feel it is appropriate for the RECORD to reflect the sense of urgency expressed to me yesterday during a hearing in the Committee on Public Works, when leaders in the construction and building trades testified. They stressed the critical need for programs which can be brought into being, partially with the initiative of Congress, to return tens and hundreds of thousands of workers in gainful employment in the construction industry and to aid housing development. It was emphasized in our hearing yesterday that the Federal deficit continues to mount, not only because of the program expenditures that are made, but also because of the lost revenue attributable to our alarming unemployment levels. We must recognize that overwhelmingly, people would rather be at work than on some type of unemployment program or on welfare rolls.

It was revealed in testimony yesterday—and it is important that the RECORD reflect this—that unemployment in the Rochester, N.Y., area is at 61 percent for the construction and building trades; in Miami, 49 percent; in Phoenix, 40 percent; in Cincinnati, 32 percent; in St. Paul, 37 percent; in Newark, 32 percent; in St. Louis, 24 percent; in Milwaukee, 23 percent, and in Philadelphia, 20 percent. These unemployed workers—and many of them were at our hearing—are people who want to do the very job which is envisioned in the proposed legislation. Their union representatives endorsed strongly the pending measure to create the opportunity for homeownership at reasonable interest rates and cost.

Mr. President, stimulation of the housing industry is vital to the continued welfare and stability of our Nation. Our society is strengthened when citizens have the opportunity to own their own homes. The Emergency Housing Act recognizes this fact. Thus, I commend those who bring this measure to the floor of the Senate. I trust that it will be passed expeditiously. We will make a further contribution to having people gainfully employed and, at the same time, revitalize the housing industry in the United States and build a better America.

Mr. PROXMIRE. Mr. President, the pending bill is, in my view, the No. 1 "put our people back to work" bill that Congress will have an opportunity to act on.

I think all of us are aware that we face a very, very serious economic recession. In the housing industry, it is not a recession, it is a depression. Two weeks age Friday, it was disclosed that unemployment in March in the construction trades was 18 percent on a seasonally adjusted basis—much higher in some parts of the country; tremendous unemployment.

This bill will be highly stimulative. It will provide, in our judgment, some 400,000 new housing starts that otherwise we would not have. We calculate that as being 800,000 jobs, because there are about 2 man-years of work in each house constructed.

Now, it is rare that we find a stimulation of the economy that is that substantial, and that clearly will not be inflationary. But this will not be inflationary. It will not be inflationary because we have heavy unemployment. We are putting idle men to work. We have the idle resources. We have a great deal of lumber and cement and all the other building materials. As a matter of fact, unemployment in lumber is even higher than it is in the construction trades.

Furthermore, Mr. President, this is a bill that I think almost all Senators can support, regardless of their philosophy, because it has a favorable budget impact. I repeat, a favorable budget impact. We calculate that the bill will cost less than a billion dollars, that it will stimulate about $12 billion of activity in the economy—in other words, increase the gross national product $12 billion. The calculations by economists indicate that when we stimulate $12 billion of activity, net Federal revenues will increase by $2 billion. So the net effect on the budget will be positive. There will be a lower, rather than a higher, deficit after this program passes.

Mr. President, I also emphasize that this is a bipartisan bill. All the Democrats on the Banking Committee voted for it. Two of the five Republicans voted for it. It was reported out of the Banking Committee by a 10 to 3 vote. Senator EDWARD BROOKE, who cannot be here, was one of the supporters of the bill, and he is the ranking Republican on the Senate Subcommittee on Housing. He voted favorably for the bill.

The bill, in addition to stimulating the economy, will also provide Federal assistance to help develop standards for energy conservation in commercial and residential buildings. It also will provide emergency extensions for existing housing programs about to expire.

The bill has four titles.

The bill contains four titles. Title I would establish a permanent program for stabilizing the boom-and-bust cycle of residential construction. Under this title, mortgage credit would be made available at a maximum rate of 8 percent through the Government National Mortgage Association and the Federal Financing Bank whenever the housing starts fall below an annual rate of 1.6 million for 4 consecutive months. The special mortgage credit would be discontinued whenever housing starts rose above an annual rate of 1.6 million for 4 consecutive months.

I point out that we are now at a housing production rate of less than 1 million starts a year. Back in 1968, I got an amendment adopted to the 1968 Housing Act that provided housing goals that are now the law of the land. Our housing goals over the 10-year period beginning in 1968 should be 2.6 million starts a year, or 26 million housing starts during that period. We are only producing about a third of those houses now. Obviously, if we get back to the 1.6 million, we still have only a moderate improvement in terms of where we should be when we recognize the need for housing.

Title II would establish a temporary emergency interest reduction program designed to increase the low level of housing starts and thus create jobs. Under this title, a middle-income home buyer would be given an option of selecting a program offering a 6-percent mortgage loan for a period of 3 years, which would gradually rise to a market rate over the next 3 years, or an alternative program offering a $1,000 grant to be used to pay part of the downpayment.

Here is where the stimulus would be, because the present mortgage rate, on the average, in the country—it is lower in some areas—is about 9 percent. That is punishingly high. That prices literally millions of families out of the market. When we lower it to 6 percent, it means that several hundred thousand families that cannot now afford to buy a home, can make the monthly payments at a 6-percent rate. The bill would provide home buyers with the option of a 6-percent mortgage loan for a period of 3 years, which would gradually rise to a market rate over the next 3 years, or an alternative option of a $1,000 grant. The latter option was championed by the distinguished Senator from Massachusetts (Mr. BROOKE)—to be used to pay part of the downpayment.

Assistance would be limited to 400,000 units with appraised value not exceeding $38,000—or $42,000 in high-cost areas—and would expire when housing starts exceeded an annual rate of 1.4 million starts for three consecutive months, or on June 30, 1976, whichever is earlier.

This bill, Mr. President, is designed to meet the objections of the administration when they argue—and I can understand their argument—that if we adopt a housing program that provides for 6 percent mortgages without limit, it means that the Federal Government is assuming an enormous burden over perhaps a 30-year period, because it might take that long to pay off some of these mortgages. What we do in this bill is to provide that the difference between the 6 and 9 percent will be subsidized for only 3 years. After that the interest rate will gradually rise to the market rate during the last 3 years. That is fair to the home buyers because his money wage will almost certainly rise over the 6-year period. It is, of course, the money wage out of which he has to pay the monetary charge.

This is a bill that is moderate. It has definite limits. The limits are 400,000 housing starts—not 1 million or 2 million or 3 million, or an endless amount, as the years go on—just 400,000. It is limited in terms of the impact on the Treasury, because it has this phased income to the market rate of interest over a period of 6 years.

The first title, which amends the Emergency Home Purchase Assistance Act of 1974, the 8-percent mortgage interest title, under present circumstances, with interest rates at their present level, would cost the budget nothing at all. Zero cost. It would provide stimulus at zero cost, because the Government can borrow money, of course, at an average of close to 7 percent and they can lend at 8 percent and pay the costs.

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Title III would establish a building energy conservation standards program under the Secretary of Housing and Urban Development, who would be authorized to establish energy conservation standards for new residential and commercial structures. Once the energy standards were developed and promulgated by HUD, the responsibility for implementation and enforcement would be under the various States. Any State failing to adopt and enforce such standards would be barred any further Federal construction assistance.

The administration has made a very helpful and useful contribution here. They favor a substantial part of this program. I think it can result not only in improving housing for many Americans—many hundreds of thousands of Americans—but also in reducing the energy drain, the waste that we now incur in heating and air-conditioning houses that do not conserve energy use.

Title IV contains miscellaneous provisions to extend and broaden the Federal rental and homeownership assistance housing programs and the section 312 rehabilitation loan program. These amendments would all apply to existing programs to make more housing available for low- and moderate-income families.

Mr. President, the most important provisions of this bill are contained in titles I and II, where Federal assistance is made available to reduce the cost of housing to middle-income families in order to stimulate residential construction when such construction reaches the intolerably low levels it has reached at the present time.

Both titles have triggers that cut off the programs, so that they do not go on indefinitely. I think it is very important, from the standpoint of being aware of the dangers that inflation may arise again in 3 or 4 years, to understand that we have cutoff provisions. In the past, we have not had this in housing programs, or other programs. But we now have, for the first time, a countercyclical provision, designed to stop the programs once the economy gets moving.

Titles I and II are designed to help stabilize the boom-and-bust cycle of housing starts, which has been the historical pattern of homebuilding for decades. Because the "bust" wave of the cycle occurs for two different reasons—one because of mortgage credit shortages and the other because of a slump in the economy—two separate programs are designed.

Title I provisions are designed to help increase production when the cause of the housing slump is a serious shortage of reasonably priced mortgage credit. The remedy is to make available through the resources of the Federal Government's borrowing capacity a supplementary supply of mortgage credit at an 8 percent rate, which is high by historical standards but which a reasonable number of middle-income families could afford.

I think right now we can see that. After all, the rate is 9 percent. If we get it down to 8 percent, that is a full percentage point difference, and our calculations are that literally hundreds of thousands of additional families would be able to buy at that more moderate rate. Thus, enough housing starts would be stimulated to blunt the serious effects of a devastating housing slump. The program would be triggered whenever housing starts dropped below 1.6 million at an annual rate for 4 consecutive months and would remain available until the level of starts rose to 1.6 million or more for 4 consecutive months. This would be a permanent program put in place at this time to be ready to be used at the next mortgage credit crisis, which has plagued housing so many times over the past 20 years and which is likely to happen again unless there is some extraordinary restructuring of our financial system to avoid future mortgage credit crunches.

Title II provisions are designed to help increase housing production when the cause of the housing slump is the depressed state of the economy, which is the situation right now. Under these conditions mortgage credit is available in plentiful supply but the lack of confidence in the economy, as well as the lack of purchasing power, seriously reduce the demand for housing. The remedy proposed by this title is to provide incentives for home buyers by making 6 percent mortgage credit available or by providing a cash downpayment grant of $1,000 to middle-income borrowers.

We find that there are tens of thousands of people who are able to meet the monthly payments, but, for one reason or another, simply do not have the cash, the amount they need for a downpayment. Those people would have the option of choosing the $1,000 grant instead of the lower interest rate.

The Federal expenditure for such benefits is an excellent investment for our Government. The resulting increased income through income tax returns and through the reduction of unemployment compensation payments would be several times the amount of spending made by the Government under this program.

Mr. President, I do not need to tell this body how serious an unemployment rate of 8.7 percent is, not only to the economy of our Nation, but to the lives of the unemployed people and their families. With unemployment compensation and supplemental union benefits about to run out the worst is yet to come. Time is running out and action is urgently needed to get people back to work.

Everyone agrees that housing is the industry hit hardest by a serious recession.

I might call to the attention of the Senate the fact that about a month or so ago Henry Ford, chairman of the Ford Motor Co., and Leonard Woodcock, president of the United Automobile Workers, testified before our committee.

I asked Mr. Woodcock, "What is the most useful action that Congress could take as far as the automobile industry is concerned?"

Frankly, I expected him to talk about easing environmental protection standards, or easing the tax burden, or something of the kind. But he said, "The most useful thing Congress could do would be to take action in the housing field." He said, "This is the crux, the heart of our problem."

I thought, coming from a man whose entire responsibility was with respect to automobile workers, this was a remarkable farsighted and helpful observation.

I think it is true that this is an industry which, when it goes down as decisively as it has, throws millions of people out of work, not only in housing but in the areas that supply housing: the furnishing of houses, landscaping, and the many other things that go into home buying. If we can stimulate housing and related industries, it will make a very great difference to our national economy.

Housing construction is also generally believed to be the best vehicle to get us dollars spent by our Government would yield great results in stimulating an industry that can serve the dual role of meeting both the crisis of recession and the crisis of a rapidly rising housing shortage. We have the manpower, the materials and the mortgage credit; but in our current recessionary climate people of moderate means lack the confidence and the ability to buy the homes. Our bill would provide the stimulation to this market through low-interest rate loans or a $1,000 credit, to bring back into the market this large segment of our economy who need housing badly at this time. Once we can start housing construction through Government assistance, the program will be self-generated, and others will come back into the market without any additional Federal aid. The ripple effect of home construction spending in our economy is well known. There is no better way to spend Federal tax dollars to create jobs—and no more urgent job to be done. Housing starts are running below a million units a year—about one-third the goal specified in the 1968 Housing Act. Millions of American families want to buy homes but cannot do so because of the high interest rates. The legislation before us will provide the answer to this problem.

Mr. President, we have been holding hearings in the Appropriations Committee's Subcommittee on Housing, of which I am chairman, during the last few days, at which the new Secretary, Mrs. Carla Hills, has appeared.

HUD's expectations are that we are not going to come even close to attaining the national goal of 600,000 Government-assisted housing starts. As a matter of fact, we will achieve very few housing starts during the coming year.

That is one reason that necessitates this measure at this time. Another reason is that it has seemed to come back after relatively brief periods.

There are many indications that long-term interest rates are unlikely to decline much farther than they already have. There are some indications that they may even be starting to rise again. If that is the case, it would be very unlikely that housing would lift much above 1 million housing starts, and would remain at the present depressed level for many, many months to come.

I recently asked Dr. Henry Schechter, the housing specialist at the AFL–CIO, who worked for a number of years at the library of Congress, his opinion regarding the future. He indicated that he felt it was unlikely that housing starts would increase significantly during the coming year—unless Congress takes the kind of action indicated in this bill.

Mr. TOWER. Mr. President, not since World War II have we seen such a dearth of activity in building housing. I shall not recount for you the depressing array of facts and figures dealing with new starts, unemployment, permits approved, and so forth—we are all too familiar with them.

Rather, I should like to express some concerns I have about what role the Federal Government should play in the housing industry. Let us briefly go back to January 1974, just a little over 1 year ago. To assist the industry, $6.6 billion was made available to the GNMA tandem plan for mortgages at 8¾ percent.

In May, because interest rates were rising and thrift institutions were starting to lose funds, several billion dollars more were made available through the GNMA programs and through the Federal Home Loan Bank programs. These funds were also made available at below market interest rates. A few months later, in August, we passed the 1974 Housing Act which granted more assistance. We increased the mortgage amounts for FHA–VA mortgages and increased the amount a savings and loan association could loan on a mortgage. In November, because of the massive outflow of funds from thrifts, we passed the Brooke-Cranston bill. It provided for $7¾ billion in mortgage money to be made available at below market interest rates. These have ranged from a high of 8½ percent to the present 7¾ percent.

You can make home buying as attractive as possible—with discounts, subsidized interest, taxes paid for 1 year—but the consumer is not going to purchase unless he knows he will have an income that will enable him to afford the house. Add to this the energy crisis and rising prices and I think you could readily explain the lack of sales in recent months. I think that even if interest rates were subsidized to 5 or 6 percent, we would have seen a similar scene.

So in spite of all the billions of dollars in Federal assistance, these programs failed to put the brakes on the downward slide of housing starts. Each program was billed as an "emergency shot-in-the-arm" effort, and each has failed to produce the desired effect.

As a last gasp effort, we approved another housing assistance program in the recently passed tax bill. We provided that a buyer of a new house could receive a tax credit of 5 percent of the purchase price, up to $2,000. It is too early to tell what effect this incentive will have, but some reports are crediting it with a spurt in the number of those looking at new homes in the last couple of weeks.

Mr. President, I seriously question what effects this bill will have. I think that all of us are working toward the same end. In the long run, we want a stable supply of mortgage credit at reasonable rates. What disturbs me is that some propose we do this through governmental intervention. I think that there is a definite role for the Federal Government to play in the housing industry. For the most part, however, it should be restricted to providing housing for lower income families.

I will even concede that under certain circumstances, Federal assistance should be made available to middle-income families to purchase a house. This should occur not so much to help the middle-income family as it is to correct the unemployment that exists in the industry. For over a year now, we have been looking to the Federal Government for assistance in this area. Little success has been achieved. We are now proposing to provide even more Federal assistance. Although the cost of such assistance concerns me, I have cause for greater concern because of the pattern that is being set.

It appears that, whether we like it or not, some would "governmentalize" the housing industry in order to insure an adequate supply of mortgage credit at reasonable rates. I submit that such an approach would prove to be destructive to the industry. It is a competitive industry and is already overburdened with Federal requirements. More Federal intervention could only increase the costs which are ultimately passed on to the consumer.

I should think that the better approach would be for the Federal Government to insure that the conditions are proper so that the private sector can provide an adequate supply of mortgage credit at reasonable rates. It should not crowd out the private sector in financing middle-income housing. We must stop our piecemeal efforts to assist the housing industry. We must start looking at and treating the causes of the fluctuations in the mortgage market, rather than continually reacting to the symptoms.

Now, Mr. President, I reluctantly oppose S. 1483 and, I think, it is the first time since I have been a member of the Housing and Urban Affairs Subcommittee that I have failed to support a major committee bill on housing. As I say, I do so reluctantly.

I do not believe that this bill will cure the evil that it seeks to remedy, and I feel rather sure—I do not have cost figures on this yet, I hope to provide those before this debate is concluded—that it is going to prove to be too costly and inflationary.

One thing we should understand is when we put extra money into housing, we have to get that money out of the debt market. When the Federal Government goes into the debt market it is competing for funds that might otherwise go into thrift institutions and eventually into conventional mortgages.

So I wonder if we are not perpetrating something that might actually be exacerbating the problem that we perceive here.

Therefore, I must oppose this measure in its present form. I believe that the chances are great that the bill will be vetoed if it goes to the President in its present form, and it may prove that what we are doing here then has turned out to be an exercise in futility.

I am very reluctant to oppose the measure, Mr. President, but, under the circumstances, I feel compelled to do so.

Mr. PROXMIRE. Mr. President, the Senator from Texas has been a very diligent, cooperative and intelligent member of the committee and—he is the ranking member of the committee, as a a matter of fact, and—he has been on the Housing Subcommittee for many, many years. He has always been most constructive, thoughtful and helpful.

It is unfortunate that he disagrees with us on this particular bill. But I must respond, at least in part, to his observations.

No. 1, we have not had any real help for people who cannot afford to buy their own homes for a long time now. The administration cut off publicly assisted housing programs in effect in January 1975. That is more than 2 years ago, and for more than 2 years there has been no real program to help the people, whether they need public housing, whether they are poor and want to buy homes on the basis of the 235 program, or to lease under the 236 program. There just has not been an effective housing program in operation since 1972.

It is true the administration has been developing a new program. But it is just as if an automobile manufacturer decided that he would come out with a new model, but had not produced the old model for 3 years.

Now, the administration has testified before our Appropriations Subcommittee that it will be 18 more months before their new section 8 program, which is supposed to be the heart of their subsidized program for the poor, really takes any effect and, as I pointed out, they expect in the next year to have only one-third of the 600,000 housing goal that we provided for publicly assisted housing.

As far as the argument of the distinguished Senator from Texas is concerned that Congress and the administration have provided a whole series of subsidies, and so forth, and that they simply have not done the job, and it is time to turn away from this approach—the fact is we have not had anything of the kind that we are discussing now, the bill that is before us at the present time. We have not had any 6 percent or even 8 percent mortgage interest rate program in the past. We have had programs that have tried to provide more funds for the savings and loans but at the very, very high mortgage rates that prevailed and, as I point out, are still above 9 percent on the average in our country, and it is simply too high for 70 percent of the people in America to be able to buy a new home on the basis of average income if they allocate 25 percent of their income to housing.

The main argument against the distinguished Senator from Texas, of course, is results. If we were in a situation where we had 2 million housing starts a year or 2.5 million housing starts a year, of course, there would be no strong argument for the bill. But we are at a point where we have less than 1 million housing starts a year. We had that in December, we had that in January, we had that in February, we had that in March, very little prospect of much improvement unless we take action.

The notion that there is going to be

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an adequate supply of credit would somehow be very logical if we could assume people are going to be able to pay 9 percent interest. Then we do have an ample supply because the savings and loans do have far more funds than they had in the past.

But the very strong likelihood is that interest rates are not going much lower than that, and they have turned up a little bit in recent weeks, maybe they will go down again, but it is very unlikely they will go below 8.5 percent in this country. Unless they do that, we will have a paralyzed, depressed housing industry and we are going to have a deep recession in our economy from which we are just not going to recover effectively.

Mr. HUMPHREY. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. HUMPHREY. Mr. President, I merely——

Mr. PROXMIRE. Incidentally, I might point out the Senator is chairman of the Joint Economic Committee and has been in the Senate off and on since 1948, has been a great champion of housing and is expert in many phases of our economy.

Mr. HUMPHREY. I thank the distinguished chairman of the Banking, Housing and Urban Affairs Committee.

Let me say, we are not only discussing here the details of the Emergency Housing Act of 1975; we are, in fact, trying to arrive at a national housing policy that will assure the American consumer of housing that credit will be available at reasonable rates of interest.

This bill has in its first title a sort of countercyclical procedure so that when construction of housing units is above a certain level, the normal market rates prevail. But, if they fall below the established level for 4 consecutive months, then there is a Federal action to make sure that interest rates do not go above 8 percent.

Even at the 8 percent level, however, it is a rather high interest rate for housing as far as I am concerned. Housing is a long-term investment, and most housing is purchased by young people at a time in their life, may I say, when an extra point in interest means a great deal to them in terms of their available income for other necessities of life.

The second feature of this bill which I think is extraordinarily desirable is in title II. This title provides emergency assistance for middle-income housing. It will provide an interest subsidy on the one hand, or the option of a $1,000 credit on the other.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. The distinguished Senator from Texas brought out the fact that we passed a tax credit that goes up to $2,000 on some housing and that some people felt that was useful. I did not feel it was particularly desirable action. But it is the law of the land.

But what this does is provide front end money.

Mr. HUMPHREY. Exactly.

Mr. PROXMIRE. They get a thousand dollars now, not in 1976 when they file their 1975 return, as a credit somehow. They get it right now.

So they have the money available to make the down payment at the essential time, for many people, if they are going to be able to buy a home.

Mr. HUMPHREY. And, it will be available on the basis of the volume of housing starts. There is a figure that relates assistance to the number of houses under construction in any given period of time.

Mr. PROXMIRE. Which is quite a low level, it is a conservative provision.

Mr. TOWER. Will the Senator yield for a question?

Mr. HUMPHREY. Yes.

Mr. TOWER. I noted with interest what the distinguished Senator from Minnesota said, and he is right, that it is largely young people, young couples that buy houses and a 1-percent reduction in interest rates means a great deal to them.

I wonder if the distinguished Senator from Minnesota and the distinguished Senator from Wisconsin would join me in supporting an amendment that would repeal the Davis-Bacon Act as it applies to residential construction that is federally funded, because Davis-Bacon is estimated to add as much as 15 percent to the cost of housing. It seems to me that this would be a constructive step to take to lower the cost of housing. If housing costs were lowered, we would not need continuous Federal subsidization of interest rates.

Mr. HUMPHREY. Might I say, that I have never known a country that got well-off by paying its people less. But, of course, the Senator may have a formula I did not become acquainted with either in economics or in pharmacy.

I think formulas that lower incomes, at a time when everything is going up in price, steers a short course, may I say, toward economc disaster.

Mr. TOWER. If we could build 15 percent more houses, we could hire more people to build those houses. We could increase employment in the housing industry, and more people could buy houses because the price would be lower.

Are we trying to stimulate housing production, while at the same time not being concerned about the cost of that housing?

The fact of the matter is that in a small town in Texas, what Davis-Bacon means is that one applies the highest union negotiated rate to home construction in many cases even a hundred miles away.

Mr. PROXMIRE. Will the Senator yield?

That is a very, very red herring. In fact, it is crimson and dripping with blood.

Mr. HUMPHREY. May I say—it has been out of the refrigerator quite awhile, too.

Mr. PROXMIRE. We merely smell it. Because 80 percent of home construction is nonunion.

Mr. HUMPHREY. Exactly.

Mr. TOWER. Because of the manner in which the Davis-Bacon Act has been administered, builders often have to pay the union-negotiated rates in a city 100 miles away.

Mr. PROXMIRE. Someone might get a little more money, but the main reason the construction wage figure is out of sight and the hourly pay is too high is because, on the average now in this country, even in fairly good times, construction workers work only 1,400 hours a year, not the 2,000 most people work.

Why? Because the boom and bust operation in housing, if we can stabilize, like in this bill, so they can expect to work 40 hours a week, 50 weeks a year, their wages would stabilize, because they say in order for them to make out at all——

Mr. HUMPHREY. Exactly right.

Mr. TOWER. I think I have answered that if we reduce costs in building our houses, we can build more houses. More people will purchase homes and more employment will result in the housing construction industry.

Mr. HUMPHREY. May I say most respectfully, that there are a lot of places in this country, in fact the vast majority of places, where Bacon-Davis does not apply at all in the housing construction field.

If we want to argue Bacon-Davis, we can set that up as a special piece of legislation. In fact, we seem to do that regularly, and those who seek to repeal it each year get a few less votes. But, I most admit that they do have one sterling quality, perseverence. There is a survival instinct, even if it is not a success instinct.

I respect people that persevere. I even respect them more if they survive through it, but that still does not mean they are right.

Let us talk about housing, now that we have disposed of this argument.

What is needed in this country is a recognition of a national housing policy that will assure citizens of this land who seek to own homes a chance to do so under conditions that they can afford. The one thing everybody testifies to as the major detriment or impediment to housing construction is the extraordinary increase in interest rates on home mortgages.

And, whenever the credit crunch comes, it seems as if the housing industry is the first to get bent out of shape.

What this bill seeks to do, and what I commend the Senator from Wisconsin in being able to do in this bill, is get away from this boom-and-bust business that has so dominated the nature of this activity. One year, they get up to 2 million units and then it drops way down again. The Federal Reserve Board tightens a little on the money, the interest rates start to go up, and right away the industry falls flat on certain parts of its anatomy. This all adds seriously to the distress and trouble of this economy.

More important than anything else is some sense of stability, a policy. As I see it, what we are trying to do in this legislation is get a policy. And, in title I of the legislation, we seek to get away from the boom-and-bust, the cyclical behavior, that has been going on for years.

There is a countercyclical method provided in this legislation. In simple terms this means that when housing construction is over 1.6 million units, I believe it is, in the bill, then the prevailing market rates in the money market prevail for mortgage, but when it is below 4 consecutive months, then the Federal Government will see to it the interest rate is not beyond 8 percent.

Mr. PROXMIRE. Will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. The one great advantage of that is that under almost all circumstances there will be no effect on the budget at all because the Federal Government can borrow at below that 8 percent.

Mr. HUMPHREY. The Senator is correct.

Mr. PROXMIRE. I do not know why the Republicans do not embrace this and love it, it does not cost anything, all in the private sector, that is where the money will be spent and raised.

Some of them do, but not enough.

Mr. HUMPHREY. I can only say that some—but none of those presently on the floor—but some Republicans are like the old French kings: They never learn anything, they never forget anything, so they have a little trouble making changes in their minds.

But there are none that I know of who are present right now to which to apply to those standards.

What I think is important here, in all seriousness, is the necessity of recognizing that there is no way out of a national recession when you have a housing depression. In the report of the committee on the need for this legislation are facts that are startling, and, may I say, shameful: the high rate of unemployment against the skilled craftsmen in our building trades; the low number of new housing starts; the large number of homes that have already been built that cannot be sold because of the high interest rates.

This bill seeks to get at two things: first, availability of credit at rates that people can afford to pay on sustained basis. It seeks to get us at a cruising speed of housing construction. And, temporarily, it seeks to give us some emergency lift where the potential buyer of a home has an option of an interest subsidy for a short period of time for a middle income family, or, as the Senator from Wisconsin said, some up-front money for a downpayment.

The home buyer may make his choice. He may be willing to pay a little higher interest rate if he can get that $1,000 up-front money, or he may want to take that 6 percent option.

Of course, the Senator from Wisconsin knows that I happen to feel that we ought to go further than this. I suppose that does not surprise some people. But I want to tell you something, Mr. President: No country will ever go bankrupt building homes. Let that thought sink in. This country will not go down the financial drain because it invests in homes. That is what we need to invest in. We do not need as many race tracks as we have. We can even get along with a few less country clubs. And we can get along with a few less office buildings.

We are going to have Senators around here wanting to amend every piece of currency we have "under God," you know, and we get all the religion, and we talk about all the family, how wonderful the family is—with all of which I agree. I am for it.

But I will tell you how much I am for it. I believe you ought to go to church and put something in the plate. That is No. 1, if you are going to talk about God. Do a little praying, and not just before you are ready to die.

Another thing I believe is if you believe in the family, let them have a home in which to live.

We are very strong on this pious stuff. When you get to be a Senator, you get super pious. You then can talk about religion, and you talk about the prayer meetings we have; you can talk about the family. The answer to the family is a decent place in which to live. That helps keep a family. You do not have much of a family if you live in filth, in degradation, in tenements, in slums, and if you cannot afford to buy a home and you have a wife and two little kids and you are being ripped off with high interest rates, with high rents. What are you doing for the family then?

We ought to have a national housing policy. I am for taking the Export-Import Bank and making it the housing program. I want to say what others have said: If we can loan those Russians money at 7 percent, and if we can loan those Afghans some money at 6 percent if they want to buy a computer or if they want to buy an airplane, then why can we not loan Joe Smith or Sam Swanson in Minnesota money to buy a house at 6 and 7 percent? Why not? When did these other characters get to be better credit risks than the people I represent?

I can take you to Kandiyohi County, Minn., where we have a lot of Scandinavians who work their hearts out. They are good people. They are better credit risks than anybody you will find in the Soviet Union. Yet the Government of the United States is dishing it out. "Just buy an airplane from us."

By the way, I voted for Export-Import because I believe it is good for our economy. I am simply saying that when something that works so well for foreigners, why not try something like that for the people back home? Why is it that this Congress insists on punishing its own people?

I think there are some questions to be answered here, and I am ready to take them all on.

I want to know what it is that makes this Congress want to back up a program like I get out here and fight for for foreign aid. I got my friend from Texas to back me on foreign aid. We got developmental loans in foreign aid. We have housing programs for people in Latin America in foreign aid. They can buy a home much cheaper than any American can.

The Senator gets right up with the Senator from Minnesota and says, "That is good." It is good. I am not criticizing him for it. I praise him for his vision. He seeks to build a better world in Latin America. I want him to build a better world—and in Texas. I know he wants to build one in Texas. But help me in Minnesota, too.

Mr. TOWER. Will the Senator yield for a question? Does he come to praise me or bury me?

[Laughter.]

Mr. HUMPHREY. I have not gotten to the second part of the scene yet. That will be tomorrow.

[Laughter.]

One of the joys of the Senate is to have an opportunity to exchange any comment with the able and distinguished Senator from Texas whom we respect and admire, and whose intellect is second to none. That is true.

His politics are a little off key, but every man is entitled to a weakness. For this we do pray.

My friend from Wisconsin has come forth with a reasonably good piece of legislation. Not only that, but may I say it represents hard work. I know the Senator from Wisconsin has talked about this and worked on it, not only as chairman of the Banking, Housing and Urban Affairs Committee, but he, too, has been chairman of the Joint Economic Committee, and has spent months on legislation relating to housing, and on the economics of housing.

I am simply stating once again the Nation needs a national housing policy that will assure the American people of a decent home in a safe neighborhood. That is what this country needs. That is part of the national security of this country.

Robert Taft, Sr., stood here in this Senate in 1949 in support of housing legislation. In that act of 1949 there is a commitment by the Government of the United States that every American family shall have a decent home in a safe neighborhood.

That is in the law. It is one of those laws we do not seek to do much about, but there it is. So here comes the Senator from Wisconsin who says, "I take it seriously. I would like to provide the mechanism to make that possible."

Here is S. 1483. It is a sincere attempt to get at a problem, a problem that besets this whole country. There is no way, Mr. President, but no way, that we are going to get out of this recession as long as the housing industry is in a depression. Everybody knows that housing is the bellwether industry of this country. When construction workers are unemployed, when the timber industry is in trouble, when building materials industries are in trouble, we are in trouble. The whole country is in trouble. So, economically, whatever we do will be investments well made

Sure, it will cost some money. But I want to ask something: What costs more money than to have a nation which should be building over 2 million housing units a year building less than 1 million? That is what costs money.

I will tell what costs this country money: Having your plant capacity operating at three-fourths when it ought to be operating not at 70 and 75 percent but 90 and 95 percent. I will tell you what costs money: Having 8.5 to 9 million workers unemployed. That costs you money in terms of unemployment compensation plus the loss of income.

This bill is designed to put people to work. This bill is designed to release the money that is in the savings and loans for mortgages. This bill is designed to

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get homes under construction at a rate that people can afford to pay.

I predict to you that if we can pass this legislation today and the other body can pass it tomorrow, and we could effectuate it within the next 30 days, there would be an immediate positive impact in this country in terms of the economy. This is the kind of thing we need to do.

I have never been so hot on all these public service jobs even though I know that they are needed as a palliative. I know it is much better to provide people work than just to provide them unemployment compensation. But we need to build something. We need to build communities. We need to build homes. We need homeownership.

I am proud to come from a State that has 78-percent homeownership—78 percent of the people of my State owning their own home. That is a good record. I would like to have you come and visit Minneapolis and St. Paul. Take a look and see how they take care of their neighborhoods. We have all kinds of people—black and white, brown and red, fat and skinny, tall and short. We have them all. But they own their own homes, most of them.

There are places in our community where there is a rundown neighborhood where it is owned by somebody else. When we have homeownership, we have decent neighborhoods; we have good communities.

I am proud to represent, in part, a State that has a high percentage of homeownership. I will take you to Duluth, to St. Cloud, to Mankato, to St. Paul, to Minneapolis, to its suburbs, to all those places where there is homeownership, and you have a clean, modern, up-to-date community. I will take you into areas where there are tenements, old houses that cannot be rebuilt because of high interest or shortage of capital or credit, and you have a bunch of junk.

People get the same way their environment is. If you have a dirty, rotten environment, you are going to have trouble with people. If you have a clean environment, you have a better chance to have better people.

I look upon a housing program as not just economic investment but social policy. I am going to back a bill such as this. In fact, I may even try to figure out another amendment or two to make it a better bill.

I compliment the chairman. I know the work he has put into it.

All the talk I hear about how much it is going to cost does not phase me one bit, because I know what it is costing us not to build. I know that not to build homes is more costly than to build them. I know that the savings and loan industry in this country is ready to go to work if they can get the borrowing rate down.

Building programs will work, but if you have somebody in charge of them who does not want to make them work, they will not. I hope that the new housing secretary, a distinguished woman, will make the present program work.

All the witnesses who have testified before the committees in Congress on this matter have said that there is a need for this kind of legislation. Am I correct, I ask the Senator from Wisconsin?

Mr. PROXMIRE. The Senator from Minnesota certainly is correct. Absolutely.

Mr. HUMPHREY. So that we have had a volume of testimony, we have had all the evidence one could possibly think of; and the only argument we now have is what should be the role of the Federal Government in housing. I will state an answer. I do not spell out its details, but the answer is to get it going. That should be its role. Whatever it takes, that is what it needs to be. If it takes interest subsidy, it should be interest subsidy. If it takes mortgage purchases, then it should be mortgage purchases. Whatever the formula is. do it; because in doing it, you are going to get some progress in this country.

That will put people to work, and the revenues will come in. Revenues come in when people have revenue, and people have revenue when they have jobs. Many people have jobs when there is credit, and people have credit when they can afford to pay for it. One need not go to a school of economics to understand that simple economic formula. All one need do is to sell one hamburger to know that much.

Mr. TOWER. It is my experience that the housing problem and the housing aspect of our economy is too serious to be treated as a partisan issue, and I have never done so. I might say, if there are those who are not aware of it, that this is the first major housing bill to come out of the Committee on Banking, Housing and Urban Affairs in 14 years that I have not endorsed and fought for. Many are the days I have stood on the floor of the Senate with John Sparkman when he was chairman of the Committee on Banking, Housing and Urban Affairs, and managed housing legislation, and prevented gutting amendments from being adopted to it.

So far as low-income housing is concerned, I was one of the original authors of a program to provide homeownership for lower-income families. I regret that so much of our housing legislation recently has been aimed at benefiting middle-income families and not benefiting the lower-income families. All too much of it does not benefit the lower-income families and they are the ones who need the most assistance.

I agree that there is a role for Government in housing. That is evidenced by my past support for housing legislation. I have supported all the measures that have been referred to which have been enacted over the past year. But I do not believe that the Federal Government can always and inevitably solve all the problems in our society. I think that is a dangerous mentality that moves us to an overconcentration of power in the central Government.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. TOWER. I will yield in a moment.

We have had many, many housing programs, and I do not see that, all of a sudden, the one we have before us today comes up as a new, magic formula that is going to cure everything. I agree that we have to try to balance out the fluctuations in the mortgage market. I am not certain that this bill will do that. I do not believe it will, or perhaps I would be more inclined to support it.

Let me say one more thing, and I will be through for today, and I will be prepared to make more arguments tomorrow. I think the most important thing is consumer confidence; because no matter how many incentives we have, if people do not have consumer confidence, potential purchasers are not going to obligate themselves by buying houses. Confidence is tremendously important.

I submit that if we are stuck, as a result of Federal action, with more inflation and inflationary expectations, we can ultimately precipitate a worse recession than the one we are in. In the final analysis, confidence is going to be the important factor that gets home building started again.

Mr. PROXMIRE. Mr. President, I realize that the hour is late, and I will take a minute or two more before we recess for the night.

I point out to my good friend, the Senator from Texas, that this bill was not reported by a bare partisan majority. It is a bipartisan bill. The Senator knows that it passed by a vote of 10 to 3. Some of his Republican colleagues on the committee supported the bill.

Mr. TOWER. I am well aware of that. I was merely rebutting the distinguished Senator from Minnesota, who suggested that this was simply a partisan view that I was taking on this measure.

Mr. HUMPHREY. If any of my remarks were so interpreted, the interpretation is wrong, because I do not believe that at all. I say to the Senator from Texas that I know he has supported much of the housing legislation. I regret that he does not support this measure—although I think he may come around to it as the debate unfolds—because I think his support will do a great deal to achieve its prompt passage.

Mr. TOWER. I say to the Senator from Minnesota that I thank him for likening me unto a French king. Usually, it is Attila the Hun. So I appreciate being promoted.

Mr. PROXMIRE. I say to the Senator from Texas that when he says he is concerned about this bill because the Government is becoming involved too heavily, this bill is designed expressly to prevent that kind of thing. Many would feel that we go too far in keeping the Government out under most circumstances; but this phases the Government into the emergency program only when housing starts are below an extraordinarily low level of 1.4 million a year. We are phased out completely when housing starts are above 1.6 million.

So the Government is not involved under all circumstances. The Government is in it only when the economy is in such bad shape or housing is in such bad shape that we have to come into it.

Furthermore, if there is any kind of program which should restore confidence, this is exactly it. This is an assurance to the American public that we are not going to have the kind of recession that is led by housing and fed by depressed housing. We can have confidence that the Government is going to take action to prevent the kind of deep housing depression we have today; because whenever housing starts get below 1.6 million, part of this measure goes into effect. There is a permanent program. If it gets below 1.45 million, the other part goes into effect. On both scores, it seems to me that this bill has every reason to be appealing to Members of the Senate, whether they are Republican or Democratic.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent to have a statement by the distinguished Senator from Massachusetts (Mr. Brooke) printed at this point in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Mr. Brooke

The bill which we take up today—S. 1483—has a number of objectives:

(1) First, in order to prevent future mortgage credit shortages of the kind that we experienced last year, Title I of the bill makes permanent the emergency authority to purchase mortgages which was given to the Government National Mortgage Association under the Emergency Home Purchase Assistance Act of 1974, the so-called "Brooke-Cranston" bill. This authority is extended to cover conventionally financed condominiums, cooperatives, and multifamily rental properties, and a cap of 8% is placed on the interest rate on mortgages purchased under the program.

This program is to be automatically activated whenever housing starts, exclusive of mobile homes, fall below a four-month, moving average annual rate of 1.6 million units for four consecutive months, unless the Secretary of HUD finds that such decline in construction activity is not caused by a shortage of mortgage credit, in which case the Secretary need not activate the program. Either House of Congress may, under this provision, vote to override the Secretary's determination and activate the program so long as starts remain below the levels prescribed in the bill.

Title I also gives GNMA the authority to guarantee securities backed by qualified mortgages and issued by qualified mortgagees and provides for the Federal Financing Bank to purchase such securities.

(2) Title II of the bill seeks to deal with the current economic recession and its effect upon the market for newly constructed homes. The program established under Title II unlike that created by Title I, is a temporary, economic recovery measure designed primarily to generate economic activity and jobs in the construction industry.

It does so by offering buyers substantial incentives to buy new homes within the next few months rather than waiting to buy later. Having carefully studied different ways of promoting economic recovery, the Committee has concluded that a program to stimulate housing production is among the least expensive and most effective ways of creating jobs.

Under Title II, middle-income families are offered two options to assist them in purchasing homes. First, they may elect an interest subsidy which temporarily reduces the interest rate on their mortgage to 6%. The interest rate on these mortgages will rise to the full market rate over time. Alternately, families may choose to receive a one-time, $1,000 payment at the time they purchase their new homes, which could be used to cover downpayment or settlement costs.

I proposed a $1,000 home purchase incentive payment in S. 947, which I introduced on March 4, 1975. I believe this up-front, one-time payment would be the most effective and least expensive way to promote new construction activity.

The Finance Committee included a home purchase tax credit program in the Tax Reduction Act of 1975, which, while similar to my proposal, lacks certain essential features. I tried to amend the tax bill on the Floor to make it more effective and less expensive, but in the pell-mell push to pass the tax bill before recess, Senator Long successfully moved to table my amendment.

The home purchase incentive program set forth in S. 1483 would not duplicate the tax credit program. The $1,000 payment authorized by S. 1483, unlike the tax credit, would be available to purchasers of homes started after March 26, 1975, thus providing an incentive for new construction during the 1975 building season. More importantly, the $1,000 payment will be available to the buyer at the time he purchases a new home. Under the Tax Reduction Act, the buyer would have to wait up to a year before receiving any assistance. Finally, anyone taking advantage of the tax credit program would be barred from participating in the programs authorized by Title II of S. 1483.

Section 208 of the bill provides for the recapture of interest reduction payments made under Section 204. However, it was not felt necessary to provide for recapture of home purchase incentive payments, which are limited to $1,000.

(3) Title III of the bill directs the Secretary of HUD to establish energy conservation standards for new residential and commercial buildings. This provision essentially incorporates the provisions of Title X of S. 594, the Energy Independence Act of 1975, which the President sent up earlier this year.

(4) Title IV of the bill contains a number of provisions revising and extending existing laws.

Section 401 extends the Section 312 rehabilitation loan program until September 30, 1978 and modifies the program to permit HUD to charge an interest rate higher than the present 3%, but not higher than Treasury borrowing costs plus an allowance for administration costs, to applicants whose incomes exceed the median for that area. The financing mechanism for the 312 program is modified so that appropriations would only be required to cover the actual costs of the program, and a limit of $7.5 million is placed on the amount which could be appropriated in any fiscal year.

Section 402 incorporates the text of S. 947, which I introduced on March 4, 1975. This section would increase from $150 million to $450 million the amount of public housing contract authority to be used to build housing to be owned by local housing authorities. Half of this additional $300 million in contract authority must be spent to finance conventional public housing.

Section 403 extends the Section 235 program through 1977.

Section 404 directs the Secretary to process all applications received, including those from public housing agencies, during distinct time periods not exceeding 75 days.

I believe that S. 1483 provides much needed relief to our Nation's housing industry. There is no need to recount all the horrible statistics here. The one which stands out most strikingly is the 18% rate of unemployment in the construction trades—and it should be noted that the rate is much higher in many areas of the country, including my own Commonwealth of Massachusetts. We must act now to put these men back to work and to get our economy moving again. I shall vote for the bill, and I urge my colleagues to do so.

Mr. TOWER. I wish to note that the distinguished Senator from Massachusetts is the ranking member of the Subcommittee on Housing and Urban Affairs. He has done a masterful job on housing legislation in the past and specifically on this legislation. He was unavoidably detained this evening and cannot be here. I should be remiss if I did not say that I stand here only as his surrogate manager, that he has really done the lion's share of the work on this and other housing legislation that we have had before us in the last few days.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. tomorrow, following a recess. Mr. Taft and Mr. Stafford will each be recognized for not to exceed 15 minutes. Upon the completion of these orders, the Senate will resume consideration of S. 1483, a bill to provide for greater homeownership opportunities and to stimulate housing construction and employment in the housing industry. Rollcall votes are expected to occur on amendments to the bill and on final passage—which, hopefully, will come tomorrow. The debate on Senate Concurrent Resolution 32, relating to the congressional budget for the U.S. Government, will not occur tomorrow, as had been previously programed, but will occur next week, probably on Tuesday.

RECESS UNTIL 10 A.M. TOMORROW

Mr. PROXMIRE. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:10 p.m., the Senate recessed until Thursday, April 24, 1975, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate April 23, 1975:

Department of Justice

Ramon M. Child, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee on the Senate.)

UMI

HOUSE OF REPRESENTATIVES—*Wednesday, April 23, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Wait on the Lord: be of good courage and He shall strengthen your heart.—Psalms 27: 14.

O God, our Father, in the creative faith by which we confidently live we lift our hearts unto Thee who art the source of light and love and the sustainer of our lives. Help us to hear Thy voice and to respond to the summons to walk with Thee in Thy wholesome ways.

We come not seeking our own desires but endeavoring to so relate ourselves to Thee that Thou canst do in us, for us, and through us what Thou dost desire. Lift us above the pettiness of pride, the prejudice of party, and the persistent pursuit of power. Strengthen us with an unfaltering trust to take what we must take and to endure what we must endure in a firm allegiance to what is just and true and kind. May we struggle for the right without bitterness, for the good without malice, and when we win to do so without being vindictive.

In the spirit of Him whose name is above every name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to dispensing with the reading of the Journal?

MOTION OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Speaker, I move, pursuant to the rules of the House, that the Journal be read.

The SPEAKER. The question is, shall the Journal be read?

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. JOHN L. BURTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 16, nays 386, not voting 30, as follows:

[Roll No. 136]

YEAS—16

Abzug
Burton, John
Burton, Phillip
Davis
Edwards, Calif.
Holtzman
Kastenmeier
Long, Md.
Mezvinsky
Mink
Riegle
Schroeder
Stanton, James V.
Stark
Weaver
Wilson, Charles H., Calif.

NAYS—386

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Derrick
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—30

Boggs
Brodhead
Chisholm
Conyers
Daniel, Dan
Dellums
Dent
Derwinski
Fenwick
Ford, Mich.
Goldwater
Gonzalez
Harris
Hébert
Heinz
Hinshaw
Jarman
Jenrette
McDonald
McEwen
McKay
Macdonald
Mills
Murphy, N.Y.
Patman
Pritchard
Roe
Rostenkowski
Shriver
Treen

So the motion was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. Without objection, the Journal will be considered as read.

There was no objection.

The SPEAKER. Without objection, the Journal stands approved.

There was no objection.

TO PROVIDE FOR CARE OF VIETNAM REFUGEES

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, today we will continue consideration of H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act. This is an important piece of legislation which deserves the careful attention of every Member of Congress.

There are several areas covered in this act which need clarification, and amendments will be offered today to cover these questions. However, one main area remains to be mentioned.

As it stands, the bill covers the cost of removing Vietnamese nationals from their home country, but there are no provisions for the refugees after they arrive in this Nation.

Mr. Speaker, I find this an incredible oversight. Apparently, we are concerned with the welfare of these people prior to their arrival in this Nation, but are not concerned with them after they reach our shores.

Most of these refugees are expected to arrive in the port cities of Los Angeles and San Francisco. There are no provisions in this bill for their care or who picks up the tab after their arrival.

There is even confusion as to the number of Vietnamese refugees arriving here. Attorney General Edward Levi says he is prepared for 130,000 refugees. Yet Los Angeles County Supervisor James Hayes, a responsible public official, says that Federal Government officials have contacted him and told him to be prepared for an influx of 600,000 to 1 million Vietnamese refugees.

We are talking about a major immigration of persons who are unfamiliar with this Nation and our way of life. This will result in a strain on the local and State communities where these people will be settled. And to date, the American taxpayer has not been informed of the eventual cost of this effort.

It is for these reasons that I intend to offer two amendments to H.R. 6096.

The first will call for the Secretary of Health, Education, and Welfare, after consultation with the Attorney General and the Secretary of State, to provide Congress with an estimate for the cost of providing for Vietnamese refugees in this Nation within 48 hours of enactment of this bill.

The second amendment will call for the Federal Government to provide for all costs incurred in the resettlement of Vietnamese refugees in this Nation for a period of at least 5 years after enactment.

I strongly feel that it is the duty of Congress to take these actions, and to inform the taxpayer of the total eventual cost involved in the resettlement of Vietnamese refugees in this Nation.

WE MUST HAVE THE TRUTH CONCERNING EVACUATION IN SOUTH VIETNAM

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker and my colleagues, I take this time because, as the Members know, we are about to go into further consideration of what is a critically important piece of legislation. However, I believe we have had some facts come to light in the last day, in the last 24 hours, that seriously affect our consideration of this legislation.

We had testimony that was presented to the Committee on Armed Services, as I understood it, that massive evacuation was not immediately in order. That was the testimony last Friday. Yet when the facts were really revealed we found out that the evacuation had begun the day before, and that we are sending in military planes there with military men on them, and that within 48 hours we had evacuated approximately 3,600 people, and yesterday was the largest evacuation of all.

However, the great tragedy is this: That we are still leaving many Americans in Vietnam.

We have sent a letter signed by 224 Members of this body requesting the President to get these Americans out.

The purpose of this legislation is to provide funds to bring these Americans out.

I wonder why this administration is not getting these Americans in there out. I question their ideas in bringing forth these people. Mr. Speaker, we are talking about approximately 2,000 Americans and thousands of Vietnamese people, that we owe an obligation to.

The SPEAKER. The time of the gentleman has expired.

WE MUST HAVE THE TRUTH CONCERNING EVACUATION IN SOUTH VIETNAM

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mr. DAVIS. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from South Carolina.

Mr. DAVIS. Mr. Speaker, I thank the gentlewoman from Colorado for yielding to me.

Mr. Speaker, I have been informed that in order to orderly evacuate the proposed number of people will take approximately 21 days, during which our military planes will be going in and out of Vietnam. But yet the State Department, after asking for adequate security on these planes, has stated that when these planes do land in Saigon, all American men, even though the planes had probably undergone ground fire on the approach, are required to disarm themselves before they are allowed to leave the aircraft.

Mr. Speaker, the next thing that we have to look at and concern ourselves with is that there may be adverse health problems, and it has come to our attention that the Department of Health, Education, and Welfare may become involved with sending medical delegations, surgical and medical teams, to both Clark Air Force Base and Guam to help treat these possible medical problems.

Mr. Speaker, the only thing we are asking is that the administration be honest with the committees of this House, and we hope that the administration somehow can explain to us what is really happening. Where are we putting our men? Why are we not bringing our people out? Or are we going to continue, presumably, to give false hopes down the line in South Vietnam, and as a result possibly lose American lives?

I do not think any of us want that, but we do want the truth, and safety for those who deserve it.

EVACUATION IN SOUTH VIETNAM

(Mr. BLOUIN asked and was given permission to address the House of 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Mr. Speaker, I apologize to my colleagues for bringing them here on a vote on the Journal, but that was really the only way we thought we could get some attendance; otherwise people might have thought the quorum call was to let somebody go to lunch downtown.

The point that the gentleman from South Carolina (Mr. DAVIS) was trying to raise is that we have taken out thousands—and we got this this morning from the Chief of Staff of the Air Force—thousands of South Vietnamese. At the same time we took out 400 Americans and their dependents. What is going on? Do the Members understand the planes are going in and out in 30-minute cycles, and we are taking out South Vietnamese and leaving our people in there? What is going on?

This is in contravention to what they told the committees.

What we would hope is that we could postpone action on this bill until the two committees of our House, the Committee on Armed Services and the Committee on International Relations, could have the Secretary up here and tell the truth.

Military planes are flying in and flying out South Vietnamese, and our people are still there. Why? I do not know. Maybe they have an answer.

I will vote against going into the Committee of the Whole House until our committees have had a chance, and then if they are satisfied that things are proceeding right, then we could go on.

EVACUATION IN SOUTH VIETNAM

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, it was 10 days ago that I put in a resolution saying everyone should be out in 7 days with civilian aircraft. People found trouble with that, but 10 days have gone by, and we have gotten out more South Vietnamese than we have Americans. Our territory of Guam has been told to expect 55,000 by Saturday, and we are still going to have our people in there, as Habib said, to serve a broader purpose.

I term that hostage. I think that we ought to get our people out. They are using military planes and military personnel to get out South Vietnamese. Now ergo I would think that there is not that much urgency to this legislation. As the general said today, within 3 or 4 days conceivably Tansonnhut might not be the place where we could fly in with fixed wings and we will then need helicopters.

My question was, "Why are all the Americans not out?"

His answer was, "That is State Department policy."

The Department of State is dictating to the Armed Forces how and what they are going to do, and that does not make a lot of sense to me.

I would urge this House to have our committees in executive session, if necessary, to get the truth from the Secretary of State as to what is coming down the pike today so that we are not led down the pike by the administration.

EVACUATION IN SOUTH VIETNAM

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, further to what the gentleman from California has said, the bill that is before this House today has inherent in it the fact that in order to screen the Vietnamese that the bill would authorize us to bring out, we would have to leave American citizens there to do the job of screening.

UMI

As long as we leave American citizens there, we are going to have to have troops there to protect them, under the theory of the bill. So the gentleman is merely expressing what is inherent in the bill before us today if we do not correct it, and I hope we do.

I am for humanitarian assistance. I am for evacuation of Vietnamese, as well as Americans and their dependents. But I am opposed to the undefined, open-ended permission to use our military forces in the evacuation process. That is the danger in this bill. It must be corrected, or I will oppose the bill.

EVACUATION IN SOUTH VIETNAM

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I think that the gentleman from California (Mr. JOHN L. BURTON) outlined the situation that all of us expressed concern with some 2 or 3 days ago, and that was by the process of evacuating the Vietnamese people, we were going to create a situation that demands military intervention. All we have to do is go out into the anteroom here and read the newswire stories about small arms fire on the planes that are now entering Tansonnhut Airport and the possibility that the airport will be closed very soon, and that is going to require troops to get the rest of the Embassy mission out of that area.

That is the situation we said was going to be created; that is the situation that was guffawed in this House; that is the situation that is in fact taking place right now in Vietnam; and that is the situation that is going to risk not only the lives of the people remaining in Vietnam, but it is going to risk the lives of the sons of American people who once again are going to be placed on Vietnamese soil for the purpose of saving that corrupt and rotten government.

The Members will have to explain that to the parents of the new boys who might go to Vietnam and might die there.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 834. An act to provide that moneys due the States under the provisions of the Mineral Leasing Act of 1920, as amended, derived from the development of oil shale resources, may be used for purposes other than public roads and schools.

EVACUATION FROM SOUTH VIETNAM

(Mr. FRASER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRASER. Mr. Speaker, nothing that has been reported in the last 2 or 3 days is inconsistent with anything I have heard either from Secretary Kissinger or from Secretary Habib who described what the intentions were of our Government. It is the policy of this Government to try to get out some South Vietnamese from South Vietnam. I share their interest in that objective.

I am surprised that there is concern about the fact that they are moving ahead to get those people out while conditions are as peaceful as possible. If they were not to do that, I can imagine our friends getting up on the floor and hitting the Department over the head complaining and asking why they were not proceeding with the evacuation.

Last week there was pressure for the State Department to do that and now they are doing it and they are being criticized for it.

The one issue on the floor this afternoon is: Do we care about getting out any South Vietnamese? If we do not want to get them out, we can vote against the bill. We can get out all the Americans tomorrow. If we want to just walk away, we can vote no, vote against the legislation and be done, and we are through with it.

I do not happen to feel that way and I hope the majority of the House will not feel that way.

EVACUATION FROM SOUTH VIETNAM

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I share the objectives of the gentleman who just preceded me in the well. We were present, rightly or wrongly, at the birth of this problem. We have been present with it and have tried to direct it, rightly or wrongly, ever since then. Now the brutal end is about to take place, and I think it is wrong to ignore the problem which the committee bill addresses.

Yes, I want the Americans out of Vietnam and, yes, I want no loss of life. But it is irresponsible to ignore the fact, any rational person understands that we have to evacuate some of the South Vietnamese—some of them, not all. And our country is moving to get that done.

The President is asking the Congress to join with him and give him guidelines for action which is needed in the volatile and dangerous situation in Vietnam. For years Congress has been berating the President for not seeking congressional authority to act in those situations which might involve U.S. Armed Forces in possible hostile action.

Now the President has presented the problem the country faces in trying to save American and other lives and that armed force may be necessary to do so.

I hope not. Every effort should be made to get persons evacuated without the use of armed force and as quickly as possible.

But the President has requested authority to act in an emergency and Congress should—must—consider his request and give him congressional guidelines for his action.

ELK HILLS PETROLEUM RESERVE

(Mr. BELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BELL. Mr. Speaker, next week the Congress will finally get the chance to consider whether the Elk Hills petroleum reserve in California should be produced to help ease this Nation's very critical energy situation and dangerous reliance on unstable foreign oil imports.

The time has long passed since there was a need for special reserves for the exclusive use of the Navy.

The Defense Production Act, enacted by Congress in 1950, guarantees our military top priority over all oil supplies and production in America in time of emergency.

Looking ahead 10 years in the future, we can see many additional sources of energy—but our economy, our foreign policy, and the future of this country are severely threatened right now by our dependence on Arab oil imports.

Elk Hills is the only place in the United States where we can realize sizable quantities of oil production—300,000 barrels a day or more—within just 2 or 3 years to help ease this situation and to offer relief for our ever worsening balance of payments to the tune of more than $1 billion per year.

I urge my colleagues to lend their support to H.R. 49 and oppose the armed services amendments. This would allow for the long overdue production from Elk Hills—and some action in Pet. 4 in Alaska when it comes to the floor next week.

LET US MOVE FASTER TO GET AMERICANS OUT OF VIETNAM

(Mr. BEDELL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BEDELL. Mr. Speaker, I have been working many days lately with the State Department, trying to convince those people that they should do something to start to move our Americans out of Vietnam. I have found they have been unwilling to move forward on this matter.

I have no disagreement with the effort to bring out Vietnamese. However, to bring them out 20 to 1 at this stage of the game, I would question very greatly.

I could hardly believe my ears as I sat in this Chamber yesterday and heard the debate. One person said we need the money to do it. Another person said we did not need the money.

One said that we need the authorization. Someone else said we did not.

Someone said that this is a Gulf of Tonkin resolution. Someone else said it was not.

Let us look at the facts. The facts are the President did evacuate our dependents from Cambodia with the authorization he had.

The fact is the evacuation is proceeding. The fact is the Gulf of Tonkin resolution was a mistake.

The facts are the effort to rush through legislation has frequently previously been a mistake.

The facts are the situation seems to be changing daily and we get new information daily.

It seems to me we should not act upon this legislation until we have all the information we can possibly get. It seems to me to be clear the President does not need this authorization at this time.

CONCERN FOR THE SOUTH VIETNAMESE

(Ms. ABZUG asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Ms. ABZUG. Mr. Speaker, I think those who have spoken here today about their concerns for the South Vietnamese do not stand alone. We are all humanitarians. For myself, I want to make that very clear.

What we are concerned with is that we are being pressed to reinvolve ourselves in a way which is unauthorized and in a way which we have fought against for these many years. In this legislation we invite a military reinvolvement by the United States without any evidence that that is essential or necessary.

What are the facts? The facts are that some Americans and a large number of Vietnamese have, indeed, been going out of the country without the use of military force. Those are the facts.

What are the further facts? The facts are that there is some transition taking place. There is still an opportunity for a new government—a coalition government to form. We are not giving it the chance. We may well be preventing it.

I suggest and submit if we insist on passing the legislation before us, instead of stopping at this point and allowing some conditions for negotiation to take place, we may be responsible for new bloodshed instead of preventing it.

The SPEAKER. The time of the gentlewoman from New York has expired.

(By unanimous consent, Mr. RICHMOND yielded his time to Ms. ABZUG.)

Ms. ABZUG. Mr. Speaker, what is suggested here is at least premature. The PRG will not negotiate with the Thieu government or while we introduce troops and military equipment. Negotiations can still come about—we still want to dictate—now, even the end. The South Vietnamese are trying to form a new cabinet which can negotiate. When we were in Vietnam on the factfinding committee, all elements, including the anti-Communist elements, opposed Thieu and wanted to form a coalition. The resignation of Thieu is pro forma if his Vice President remains in power and a broader government is not formed. Tran Van Lam, who was a signer of the Paris Peace Accords, a moderate, an anti-Communist, is, I believe, the President of the Vietnam Senate. He is considered a person who could lead a coalition, and at the moment, it appears that he would be accepted by the PRG. If we would only stay loose and allow a transition to take place, we might accomplish our purposes honorably and peacefully. We might help bring about a peaceful evacuation of those Americans that are there, those Vietnamese that want to leave, and assurances for the security of those Vietnamese who stay. Any other course is obstructive. If we pass a bill that permits the introduction of force, we may be responsible for preventing this kind of progress from taking place.

Give the situation a chance—let us direct the President to evacuate Americans immediately. If the PRG seek to prevent this at any time we would have no difficulty in acting promptly. We could get the House to act in one moment if we had to.

What we are doing instead is sending the Marines and providing for the opportunity for a shootout, which will interfere with any peaceful evacuation or any efforts which could take place for a peaceful negotiation.

THE VIETNAM EVACUATION

(Mr. JACOBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JACOBS. Mr. Speaker, the term "deja vu" is not an American term. But American history will note it is not excessive to say that a dozen years ago this body was conned by the executive branch into a Tonkin resolution which produced an American tragedy. And then came perseverance to "peace with honor" which turned out to be peace with honorarium.

What is a 100-percent American term is that if they fool you once, it is their fault. But if they fool you twice, it is your fault.

There is one other 100-percent American term, and that is to put first things first. John Quincy Adams said it:

> **America does not go abroad in search of monsters to destroy. She is the vindicator and protector of her own people.**

Mr. Speaker, some of her people are in danger now.

And the first thing for this American Government to do is deliver them from danger forthwith. When that first thing has been put first, then those to whom there is secondary obligation should be attended to without further danger of death to our citizens, but by sensible use of international machinery where our own logistical machinery falls short. Mr. Speaker, first things first.

THE VIETNAM EVACUATION

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, I voted for the War Powers Act, but never in my wildest imaginings did I conceive that the measure would be used to deny the executive branch of Government the prerogative of saving American lives.

"Experience," it has been said, "teaches us to recognize a mistake the second time we make it." Yet all the political mistakes we have made in the conduct of the war in Southeast Asia have taught us nothing. We spend billions training military men in the art of war, and then the politicians tell them how to fight the battles. This is how we lost the war in Southeast Asia.

To those of you who have been calling for an end of the war in order that the killing would stop, it should be clear by now that the Communists do not operate that way. According to information developed by the other body, the brotherhood of man in Russia was achieved over more than 35 million dead bodies. The death count of Mao's victims was at a minimum 34 million. Ho Chi Minh began slowly, when a coalition ruled in Hanoi in 1945; his body count for a 2-month period totaled only 9,700. When the charade was over, Ho had eliminated all potential political rivals.

The most blatant example, according to this same report, of how the Communists deal with dissent was exposed at Hue, following the Tet offensive in 1968. The toll there was set at 5,700, and these were not random killings. The slaughter was on the basis of a prepared list.

To indicate that the policy has not changed, NBC presented its first confirmed report last week of Communist treatment in captured cities. They dragged 300 civilian men, women, and children out of a Buddhist temple in Ban Me Thout and massacred them.

If this is acceptable reaction by a ruling element to political dissenters, and I assume it is acceptable, for I have heard no great outpouring of alarm, then I do sincerely trust the same logic will not apply as well to domestic programs in our own country. Last night's television news carried film of Da Nang since its occupation. The reporter made much of the fact that there were no more beggars on the street, but avoided any attempt at explaining where they were. One suspects this was vocational rehabilitation with a vengeance.

While we hear no comment on Communist occupiers' methods, we have heard much about the desirability of President Nguyen Van Thieu's resignation. I hold no brief for President Thieu. But he was officially elected by the South Vietnamese people, and this was confirmed by President Johnson's official observers, who included Senators MUSKIE and Hickenlooper; Governors Hughes of New Jersey and McCall of Oregon; Mayors McKeldon of Baltimore and Barr of Pittsburgh; Messrs. Scammon and Herschberger, political scientists; Whitney Young; Jack Knight of Knight Newspapers, and a representative of the Atlanta Constitution whose name escapes me.

There were two complaints. The newspaper people objected to General Thieu's banning of a newspaper with 25,000 circulation, and the other had to do with military men voting under assumed names. While this is not to be condoned, it is considerably better than our own record in this country. Roughly 56 percent of the population voted in this election, according to the report.

The domino theory is beginning to be proved. Reports from Laos, a crumbling monument to our naivete in believing that a coalition government in that area of the world is possible, has now been invaded by Communist forces, and projec-

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tions are that the end of that coalition is in sight.

I do not know how long it is going to take the appeasers in this country to learn that you cannot do honorable business with dishonorable men. My opinions regarding their honor are buttressed by two personal experiences.

In 1970, I met in Paris with a representative of the Vietcong, concerning prisoners held in South Vietnam and those missing in action. I was promised a response to my inquiry within 30 days. I am still waiting, although I must say, in all candor, this was what I expected.

Earlier than that, I was witness to the aftermath of communism's efforts at persuasion. On an early morning patrol in South Vietnam, my interpretor—not provided by the government—and I came across an old man, then dying. He had been nailed to the side of a barn, and partially disembowelled with a machete. It had been done, he said, by the Vietcong.

There can be no appeasement of the Communists. Their appetite is never sated. Hiram Mann put it well when he said:

> No one wins when freedom fails.
> The best men rot in filthy jails,
> And those who cry "appease, appease,"
> Are hanged by those they try to please.

Vietnamese by the hundreds of thousands are fleeing to the south ahead of their so-called liberators. Some of them had fled to the south years ago, when that nation was partitioned. They know what fate awaits them, if they do not move on. No one claims an American-style democracy exists in South Vietnam. No one claims that it ever did, or that it ever could. What is important, though, is not what the refugees are running toward, but what they are fleeing from.

THE VIETNAM EVACUATION

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, I will vote for the humanitarian aid today of $150 million, but there is one part of this act which I think we should reconsider. The issue is not one of seeking to assist refugees. We owe our best efforts to try to save as many lives as we can of those who have relied on us.

The question is, do we authorize use of military force? I want to call the attention of the Members to the fact that as an ex-Marine, the gentleman from Indiana who preceded me in the well and I were privileged to fight in Korea. If the Members should ask me as a Marine commander or as President of the United States what was the minimum use of necessary force I might use to save one marine's life, I would tell them that I would probably authorize the use of B-52 bombers and whatever other military force might be necessary to save a marine of this country.

If we put marines into combat in Vietnam, we have delegated to the Commander in Chief the power to use B-52's, to use the minimum force necessary to save marines and protect against any marines being taken as prisoners of war, with all that that entails.

Mr. Speaker, I am glad to vote for humanitarian aid. I do not think we should delegate to the President the ability to again land marines on the Asian continent.

THE VIETNAM EVACUATION

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I just take this moment to applaud the voices of reason I heard from the gentleman from Minnesota (Mr. Fraser) and the gentleman from Florida (Mr. Fascell) and to decry this inflammatory rhetoric at a time when our Nation is in a real hour of travail.

Perhaps all of the decisions made thus far are not right, but before we end up pitting numbers of Americans versus South Vietnamese, I would remind Members to think seriously about the dependents of Americans who are in that category. Those that have come out preceding the last Americans are dependents, family members of American soldiers and American civilians, in the main.

We have a very ticklish problem to cope with here. It can be touch and go all the way. Had we just rushed in to extricate Americans first, can you not just envision the kind of panic that might have broken out? Surely you have not already forgotten those accounts from Da Nang where soldiers and civilians were hanging onto helicopters to escape in a fit of panic. We surely had an obligation to plan our withdrawal in a much more orderly fashion and that is what has been done.

Our oldest son is a marine on alert in a helicopter squadron. Most of his immediate fellow officers and men are already committed, and if he thought for a moment that my decision today was going to be in any way prejudiced by his possible involvement in an action he has sworn to fulfill for his country, he would disown me. I resent some of the irresponsible things I have heard said here this afternoon by the hotheads.

THE VIETNAM EVACUATION

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, I am really amazed by those who balk at providing funds for the evacuation of Americans and those loyal to America from South Vietnam. These people are perhaps the most important group of refugees to claim our attention in the history of America. These refugees are living, loyal Americans and their families.

We have a long tradition of aiding those fleeing Communist oppression or combat zones, and we have been generous in the extreme to such refugee groups. Now we face a situation where it is American citizens who are in danger, and those who have shown direct loyalty to the national interests of the United States of America.

H.R. 6096 asks $77 million to make possible a humanitarian evacuation of American citizens and their dependents, plus those Vietnamese nationals whose lives are in eminent and direct danger as a result of their efforts on our behalf. To place this in its proper context, let me state some interesting figures relating to U.S. aid for refugees in past years:

Since 1970, the United States has provided $228,419,000 in assistance for Eastern European, Communist Chinese, Soviet Jews, and Palestinian refugee programs; these are direct aid programs. In addition, the United States has contributed $159.4 million to the United Nations Relief and Works Agency for Palestinian refugees in the Middle East.

Since 1961, we have spent $1.069 billion on refugees from communism in Cuba—$685 million alone since 1970.

By my calculations, these figures indicate that since 1970, we have spent $1.072 billion on refugees somewhere in the world, and this is exclusive of our aid to Indochinese refugees.

In this context, I cannot comprehend the reasoning of those who would deny funds for the evacuation and care of refugees who are our own citizens, whose first loyalty is to the United States, who have actively and directly served the U.S. interests in the midst of a hostile zone. How can we say that we will spend a billion dollars to aid foreign refugees, but not $77 million to rescue our own? How can we spend billions to support the peaceful emigration and resettlement of hundreds of thousands of foreigners, and not spend this money to remove loyal Americans from a situation which directly endangers their lives?

Mr. Speaker, as I said on this floor yesterday, we have some pretty important decisions to make, and to make quickly. The decision which must be made today is whether or not we are going to let the world know that we intend to take care of our own people.

VIETNAM EVACUATION

(Mr. CEDERBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CEDERBERG. Mr. Speaker, I, too, want to join in the moderate statement made by the gentleman from Minnesota (Mr. Fraser) and the gentleman from Florida (Mr. Fascell). This is a time for careful deliberation and careful consideration as to what we do say.

I would have thought that probably we would have been spending some time in condemning the actions of North Vietnam as these Communist forces started moving into the South.

If I understand the situation correctly, if there are losses of American lives over there, it is going to be because the North Vietnamese Communists have moved into the South and are taking this country over. That is the thing we ought to be concerned about as they move not only in South Vietnam, but as they will continue to move throughout Southeast Asia and into other areas.

It just seems to me that we should not condemn the administration and condemn some of those who spoke here. The administration over the years has been trying to get people out and to work out peaceful settlements. But what we ought to be doing is expressing some concern as to what the future of that country is going to be under communism.

VIETNAM EVACUATION

(Mr. MARTIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, in a series of speeches this afternoon we have heard some sharp criticism of the administration for not evacuating the Americans. We have heard others sharply criticize the administration for moving too swiftly in evacuating them.

I agree with the minority whip and the gentleman from Minnesota (Mr. Fraser) and the gentleman from Florida (Mr. Fascell). It may well be there is no practical way to evacuate Americans without removing some South Vietnamese. We have heard talk about some small arms fire directed at our airplanes. It would seem to me that if we tell the South Vietnamese to wait until we evacuate all Americans first and that they must await congressional approval before we evacuate South Vietnamese, we would trigger not small arms fire but large arms fire, which we would surely protest but which would not do a lot of good for the Americans who will be killed or held hostage.

Mr. Speaker, to deny escape and exit to thousands of South Vietnamese is to sign their death warrant. If that is a humanitarian stance, we are indeed a sick country.

VIETNAM EVACUATION

(Ms. HOLTZMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOLTZMAN. Mr. Speaker, it is wrong to confuse moderation in action with the decibel level or rhetoric in this Chamber. No matter how quietly it is stated, there is a serious question as to whether this bill calls for moderation when, in essence, it calls for sending American marines to fight not only to rescue Americans but to rescue 50,000 or 175,000 South Vietnamese.

Is talking about war talking moderation? I think we have to understand what is at stake here, because we are talking about war and loss of human life and involving our people again in a conflict in Asia. That is why I am so deeply concerned.

The suggestion was made yesterday that we could make a "moderate" effort to evacuate 175,000 people in the midst of a war by surrounding them with marines and then having the marines fire only in self-defense. This is a pipedream.

We are not talking about moderation versus inflammatory rhetoric. We are talking about a dream world versus reality, the brutal reality of renewed war and large-scale loss of human life.

VIETNAM EVACUATION

(Mr. MOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOSS. Mr. Speaker, we have heard the figures given of the numbers of refugees we have accepted previously from other parts of the globe. Not in a single instance involving those refugees did we authorize the use of such force as might be judged to be necessary by the President of the United States.

The gentleman from California (Mr. McCloskey) stated that to save one marine ordered into combat would require the use of whatever force necessary, including the B-52's, and back on the treadmill in South Vietnam.

Remember, I say to those who have said we should be criticizing the North, we may well find that the first combat involving U.S. forces in order to evacuate is combat with South Vietnamese forces. We saw the disintegration of the crack South Vietnamese divisions. When they were under pressure, they behaved more like a mob than a disciplined military organization.

Mr. Speaker, this action should be delayed until we know more about what we are doing.

VIETNAM EVACUATION

(Mrs. MINK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MINK. Mr. Speaker, the policy of this Nation as it is enfolding apparently is to deliberately retain a certain minimum control group of American citizens in Vietnam, while at the same time removing tens of thousands of South Vietnamese political refugees, to safe havens. Vietnamese dependents of Americans citizens and those eligible for immigration are not being given any priority. This evacuation is already occurring. This is our American policy, as ordered by the President. Our newspapers confirm these events. So the debate today should not be on evacuation. It is a fact. It is going on.

Mr. Speaker, we do not need the legislation we are being asked to enact today because, in fact, the law already permits and the policy of this country already is, to permit and to authorize this evacuation. I trust that once these political refugees are evacuated, the Congress will continue to provide the necessary funds for their housing, health care, and food, wherever their haven might be, and that we will have the same fervor and enthusiasm in voting the thousands of dollars each will need to support their families, find adequate housing, education and health care services.

The real issue before this House is not the evacuation of refugees, rather it is whether we are prepared to use military force to support a policy which leaves Americans behind in danger of their lives. I say it is wrong to vote to confirm such a policy.

I submit that the Constitution of the United States already gives the President the power to rescue and to retrieve American citizens and their dependents as was done in Cambodia so why do we have to vote for a bill that puts us on record in support of military intervention once again in South Vietnam?

Mr. Speaker, I urge the Members to vote against this bill.

VIETNAM EVACUATION

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAGUIRE. Mr. Speaker, there are two very serious things wrong with this bill.

I will be able to support a bill only if it gives humanitarian aid through U.N.-related and through international voluntary and religious relief organizations. This bill does not do that. It does the opposite. It gives it to the existing regime in Saigon.

I will be able to support a bill only if it does not, under whatever pretext, provide for the reintroduction of substantial U.S. military forces in South Vietnam. We have a bill here which does the opposite—it provides no meaningful limitation whatsoever on the reintroduction of these forces.

There is no question but that we can get U.S. and Vietnam citizens out of South Vietnam, and we are doing it now. We brought Americans and Cambodians out of Cambodia. The newspapers indicate that the current evacuations from South Vietnam include Vietnamese citizens as well as American citizens. Let us finish that job, and speedily.

We cannot and should not turn our backs on what this Congress has done in the past to bring this war to an end.

We cannot and we should not turn our backs on the American people who have repudiated this war, and who want their elected representatives to act accordingly in this House today.

THE VIETNAM SITUATION

(Mr. MOFFETT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, I do not believe we are prepared to address this issue today. As the gentleman from Illinois mentioned, his son, who is on standby, was sworn to do certain things for his country. So are we sworn to do certain things for our country, and what we decide will determine what he does for his country—but not until we decide.

We are asked to decide whether any troops should be introduced into this area, but the fact of the matter is that we are not prepared to make that determination. Sometimes we legislate too slowly, sometimes we legislate without the facts before us, and sometimes what we really create is the illusion of action, without really addressing the core of the problem. But we should never legis-

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late in this House in a situation that does not lend itself to definition. For example, we do not know in this instance what has happened and what is happening in Vietnam from day to day.

Beyond that, the major thrust of this bill, with which everyone, I am sure, agrees, is to evacuate certain Vietnamese. But that burden should not be ours alone. There are international mechanisms set up to do that. We can utilize them, and that is the best way to deal with this situation.

THE TRAGIC SITUATION IN VIETNAM

(Mr. BEARD of Rhode Island asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BEARD of Rhode Island. Mr. Speaker, I personally believe, and I agree with the one gentleman in condemning the North Vietnamese for their vicious attack on South Vietnam. However, I think the President of the United States should have been raising some hell with this Thieu over the years for his lack of leadership, and for his lousy leadership. The fact is if we had had good leadership there would not have been the massive loss of aircraft and military materiel that occurred on the ground in South Vietnam.

Mr. Speaker, we have one basic obligation, and that is to get the Americans out first. What the hell good is the United Nations, who are sitting by without doing anything, and who are spending our money and everything else? We should not probably be in that doggone organization the way they conduct their business. This is their problem. Let them go in there and pull the refugees out.

But we do have an obligation to the American people. They want the Americans out of there, and they want the war ended.

As I said yesterday, we lost the war, and let us face up to that, and face our responsibilities, and tell the President, send a message up to the President telling him to get our people out of there, just get the Americans out, and that is the end of it.

THE TRAGEDY IN SOUTH VIETNAM

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, my original opposition to the war in Southeast Asia was not based on any political consideration. It was not based on any international power consideration. It was based primarily on the fact that deep within myself I have an abiding love and respect for human life. That which we cannot give life to for a second time we should not destroy.

So I opposed the war originally in Southeast Asia because I saw the absolute, complete, systematic, and relentless destruction of human life there, and that was apparent to me.

Mr. Speaker, I will say quite frankly that I am wrestling in my own mind whether I shall stay in the Congress. I am moving more and more closely to the position of total pacificism. When I reach that decision, when I take that quantum step, it may well be that I shall have to withdraw from the Congress.

It is for this reason, the love, the respect that I have for human life, that I oppose this bill. The bill gives the administration the power to reopen a war and to escalate that reopened war. Frankly I see the resumption of killing, killing, and killing—endless and senseless killing. I have had enough of that. Therefore I shall vote against the bill.

Mr. Speaker, more funds to South Vietnam. We have labeled todays appropriation request "humanitarian aid," thus making it almost impossible to oppose. After all, if one opposes humanitarian aid, one is obviously not humanitarian. I cannot, however, allow the title of this request to blind me to what I believe is the reality of the request.

All of us want to see the Americans still in South Vietnam evacuated. Two weeks ago, I cosponsored the resolution introduced by Congressman Burton of California calling for the evacuation of "all American nationals from Vietnam and Cambodia within 7 days, solely using civilian personnel and transport." Now, 2 weeks later, the administration approaches Congress with a request in which the only specifics are money and military troops. We are not given, at this late date, a timetable for evacuation, the methods of evacuation, the number of persons involved, both civilian and military, the cost per person of evacuation. The request is simply not a responsible one. And, having handed us an irresponsible request, far too late to be successful, the administration can now blame Congress for the failure to return Americans to this country. This is legitimately an administrative matter, should be funded through unexpended foreign assistance and/or military funds, of which the administration has more than enough for such purposes and should have been already completed.

There are a few of us in this body who came before our colleagues time and again throughout the duration of the Vietnam war and afterwards as well and spoke of the corruption of the Thieu regime. We opposed appropriations which we knew would land in the pockets of a handful of government and military officials. At the time, either no one believed us or this was felt to be a matter of little consequence. The consequences, and the extent, of the Thieu regime's corruption are now tragically apparent. Americans, reading of the attempts of South Vietnamese officials to airlift gold bullion to safety, began to understand where our Food for Peace dollars and "economic aid" appropriations had gone and were still going.

I have no assurances that the current administration in South Vietnam is in any substantive way different from the last one. Knowing how the last administration handled humanitarian aid appropriations, knowing how little of it, if any, went to the citizens whose plight is pictured on our front pages, I find it impossible to approve this request.

The reality of this request is that American troops will be sent to South Vietnam. News reports this morning confirmed that American planes are already the object of gunfire and that military officials now fear missile attacks. Knowing this, understanding this, how can we pretend not to know exactly how the North Vietnamese will respond to the arrival of U.S. Armed Forces? There may be some hope of completing evacuation procedures using international organizations and civilian personnel. But it is criminal, to both the Americans in Vietnam and to our own troops, to approve the administration approach taken in this request.

I do not anticipate that this request will be defeated. And I regret this. From the very beginning, from 1963, every action taken by this body, with the exception of two, strengthened the hand of military and government officials in Vietnam and in this country. The citizens of both countries have consistently lost. Now, in the wake of all the tragedy, in the wake of all the revelations of a decade of corruption and of militarily disastrous policies, we will approve another appropriation, because it is labeled "humanitarian aid," although I defy my colleagues to find a single meaningful assurance that this request, as written, will have humanitarian results.

NUMBER OF AMERICANS IN VIETNAM TODAY

(Mr. MORGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORGAN. Mr. Speaker, I am not privy to some of the information given my good friend, the gentleman from South Carolina (Mr. Davis) and the gentleman from California (Mr. John L. Burton) about the Air Force, because nobody from the Air Force has been in contact with me.

When I met with some of the Members of the House the other day, we were told we would get a daily report of the number of Americans evacuated, and those still in South Vietnam. My purpose in the well today, before we go on with any further debate, is to deliver to the Members a report on this subject.

No. 1, as of midnight, April 22, Saigon time, there were 866 U.S. Government, military, and civilian employees and 59 dependents; No. 2, U.S. contractors, 457, plus 167 dependents—and the State Department has little influence over them; they could probably get out of there tomorrow if they wanted to; No. 3, other American citizens, businessmen, media, and church groups, 331 and 7 dependents—they too could leave; their hands are not tied.

During the past 24 hours, up to midnight of April 22, 354 Americans and 556 dependents were evacuated.

So that narrows down the number of official Americans in South Vietnam to 866 and 59 dependents. Those are the Americans we are talking about here today.

As far as the Department of State is concerned, they have been truthful with

the Committee on International Relations. It has given us these reports daily.

I do not know who is flying the military planes into or out of South Vietnam. Somebody from the Committee on Armed Services should find out.

But I want to say, before we go into this debate, these are the numbers of Americans who are in South Vietnam today. I imagine in the next 24 hours this number will be reduced substantially.

VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6096 to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JOHN L. BURTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 359, nays 50, not voting 23, as follows:

[Roll No. 137]

YEAS—359

Abdnor
Addabbo
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Roush
Rousselot
Roybal
Runnels
Ruppe
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—50

Abzug
Anderson, Calif.
Badillo
Beard, R.I.
Bedell
Blouin
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Davis
Dellums
Early
Edwards, Calif.
Hannaford
Harkin
Harrington
Hawkins
Holtzman
Kastenmeier
Long, Md.
McCloskey
Maguire
Mezvinsky
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Moss
Patterson, Calif.
Rangel
Richmond
Riegle
Rosenthal
Schroeder
Stark
Stokes
Sullivan
Tsongas
Waxman
Weaver
Wilson, Charles H., Calif.
Wirth

NOT VOTING—23

Adams
Boggs
Conlan
Conyers
Dent
Evans, Ind.
Fenwick
Ford, Mich.
Goldwater
Gonzalez
Hébert
Hinshaw
McCormack
Martin
Mills
Murphy, N.Y.
Pritchard
Rostenkowski
Russo
Ryan
Shriver
Teague
Treen

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, with Mr. Pike in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through the first section ending on page 1, line 4.

Mr. FRASER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before we move into the amendments, I think a word or two about the position of some of us who have been totally oposed to U.S. involvement in Vietnam for over a decade needs to be spoken in relation to the issue that is before us today.

It was improvident for the United States to get into the civil war in South Vietnam in the 1960's because we lacked the wisdom and the power and the right to intervene into a conflict that was not of our making and in which we had no important national interest.

So I had favored, and many of my colleagues had favored, the earliest withdrawal of American forces from Vietnam, and we had hoped that with the signing of the Paris peace agreement in 1973 there would be a political settlement.

The issue before us today is not one of whether or not the United States is going to reinvolve itself in Vietnam in order to influence a political settlement, in order to gain territory, in order to serve any strategic interest, in order to do anything except one limited objective, which is purely a humanitarian objective.

The distrust of the executive branch runs so deep in this Chamber that Members are afraid that any discretion, any grant of authority, to the executive branch will open the door to allow the executive branch to again try to make one more effort to do what 10 years failed to do.

I understand that deep distrust, because I have shared much of it in the past. In my view, however, if we work with this bill and write it with some care—and I think it is already well written, but it can be improved—so as to make certain that nothing in the bill would authorize the President to use it as an excuse to go back in and try to regain territory, to try to influence or dictate the outcome of a political settlement that is in the making, if we can make that clear and if we can put a time restriction on the introduction of any forces used in the evacuation, and if we can require that diplomatic efforts be required to be first of all exhausted, and if we can require some of the humanitarian effort be channeled through international agencies, relief agencies, and so forth, then I think that, on balance, the humanitarian interests that the United

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States are so strong that we have to give some modest authority to the President in order to try to carry out a very difficult task.

Do we have an obligation to the South Vietnamese? In my judgment, we do. We have hired many of them over the last 10 years. They have worked for us. They did not work for President Thieu and put gold in their pockets. These were dedicated South Vietnamese, many of whom had a very strong commitment to a democratic concept of government and who would like to have seen our efforts succeed and who would not like to live under the North Vietnamese form of government.

I have heard it said we ought to be nice to the PRG and they will let all of these people out.

I do not think it will work that way. I do not make any moral judgments about the PRG except to say that they are tough bargainers. They have been tough from the beginning. They work both the psychological and the military track at the same time.

They said, "Get rid of Thieu" and Thieu is gone.

Now they say, "You have to get rid of everybody else." When they are gone, they will say, "You have to get rid of all the Americans." When we are out, they may as well be handed the keys to the city. They have already indicated that they are not in favor of having South Vietnamese leave unless they have agreed to it, and they are not going to agree to it anymore than the Soviet Union has agreed to letting people out of the Soviet Union.

Mr. Chairman, I am not trying to be critical of them. I am trying to be descriptive. These South Vietnamese are under some risk. No one knows the extent of the bloodbath. We may be wrong. Maybe nobody will be killed, but these people believe they will be and sensible people, people who have worked there, believe they will be killed.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRASER) has expired.

(On request of Mr. PHILLIP BURTON and by unanimous consent, Mr. FRASER was allowed to proceed for 2 additional minutes.)

Mr. FRASER. Mr. Chairman, to continue, there was an article in the Post here the other morning by Neil Sheehan, one of the first reporters to begin reporting in the New York Times about the harsh realities in Vietnam in the 1960's. He underscored our obligation to try to help the South Vietnamese.

Let me just give the Members something about this kind of scenario. Suppose we have a staging area. Suppose we have several thousand Vietnamese there, and perhaps some of the remaining Americans who have been trying to make this thing work. Supposing there is small arms fire coming into the staging area. What some would have here, would be an absolute prohibition from doing what we did in Cambodia, which would be even putting down a modest number of marines to establish a defense perimeter in order to provide some protection so that that staging area could provide a place for the successful evacuation of these Vietnamese and Americans.

Mr. Chairman, I know that there are risks here in giving the President some discretion, but I believe the constraints that we can write in this bill, together with the political constraints which are so overwhelming, would dictate that the President could not really use his authority to do something that nobody in this country and nobody in this Congress wants him to try to do. I am not saying that there is no risk, but the humanitarian responsibilities are enormous. These are decent people. They are people who have worked with us. I am sorry that we have ever been there, but they have worked with us. They have been marked and identified. We owe it to ourselves; we owe it to our sense of decency and humanity, not to engage in offensive actions, but to form the kind of defensive posture that will enable us to get out as many of them as possible.

Mr. Chairman, I speak to my friends who were with me in opposition to the war. I urge them to think again about the issues before us today.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. FRASER. Yes, I will be glad to yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, first, I would like to express once again, publicly, the high esteem in which I hold the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. I would say that the gentleman and I were together on it from 1965 on.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. FRASER) has expired.

(On request of Mr. PHILLIP BURTON and by unanimous consent, Mr. FRASER was allowed to proceed for 2 additional minutes.)

Mr. PHILLIP BURTON. To continue, Mr. Chairman, I know the gentleman to be a man of compassion.

I am sure the gentleman will not say our differing assessments of this situation mean that those who disagree with the gentleman in the well are uncompassionate or are otherwise applying some infamous standard in terms of whether this is or is not going to prove to be sound policy.

One of the questions I would like to pose to the gentleman is this: Applying any reasonable standard based upon what we were told when Tonkin Bay was brought before us, based on virtually every single implementation of this policy throughout the whole course of our conduct and our policy in Indochina, can the gentleman really affirm that we should trust delegated authority that contains no limits, and I might note, parenthetically, that the gentleman has described a bill that is not the bill before us?

The bill before us permits the introduction of American armed forces, the introduction of American armaments, and the engaging in combat by Americans with or against South Vietnamese NLF or North Vietnamese, or you name it.

I take very little comfort in the fact that our Executive knew and stated to us some 2 weeks ago that we had some 6,000 Americans there, including 1,500 dependents.

I cannot understand, when we have had commercial flights leaving Saigon two-thirds empty as of a few days ago, why there is this great need to seek this military authority when we have the capacity to remove all but the most minimal essential American personnel.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FRASER was allowed to proceed for 2 additional minutes.)

Mr. FRASER. Mr. Chairman, I was on the floor about 30 minutes ago when there seemed to be some very loud complaints that the rate of the evacuation was speeding up, and it is speeding up very rapidly, and I certainly am happy, and I believe most of the Members are, to see that it is speeding up. They are moving them out, and they are trying to get out as many of these people under peaceful conditions as they can. How long those peaceful conditions will last neither the gentleman from California nor I can tell. It may well be that if they get a few snipers around the airport that there well may be some difficulty in getting them out. So I would like to give some form of flexibility to the President, at least the same as he had in Cambodia, so that the executive can handle the situation. If the President should use this authority beyond the purposes set forth in the bill he would be subject to impeachment. If the Congress does not like what the President is doing then they can force him to cease. But I cannot believe that the President will go beyond the limitations of the bill, and beyond the intentions of the Congress and clearly the will of the country.

But, Mr. Chairman, let us not carry this deep distrust to the point where we will not give any authority to the only person who is capable of handling it.

Mr. PHILLIP BURTON. Mr. Chairman, if the gentleman will yield further, I might add that the distrust is based on a very bad and sorry history with the Congress vis-a-vis the executive branch and the Indochina war. This distrust will not and should not necessarily be present in other foreign policy areas.

Mr. FRASER. Mr. Chairman, I would say to the gentleman from California that I too was deeply involved with other matters that fostered that deep distrust, but I must repeat that I do no want to be forced into a position, simply by reason of that distrust, into tying the hands of the only people who can try to do what is right in this situation.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, the gentleman in the well has a long history in his strong and able efforts to extricate us from Vietnam, and I commend the gentleman for that.

Further, I totally agree with what the gentleman has stated to be the objectives of the bill, and I agree with the humanitarian sentiments the gentleman has expressed. I would somewhat disagree with

the gentleman with respect to what the bill does with reference to extending certain war powers to the President.

The CHAIRMAN. The time of the gentleman has again expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment in the nature of a substitute

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. EDGAR: Strike out everythank after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

SEC. 2. The President is directed to evacuate from South Vietnam within ten days of the enactment of this Act the following categories of persons:

(1) United States citizens;

(2) dependents of United States citizens and of permanent residents of the United States; and

(3) Vietnamese nationals eligible for immigration to the United States by reason of their relationships to United States citizens.

SEC. 3. All United States citizens in South Vietnam shall be informed that the United States Government will not be responsible for the evacuation of United States citizens who have refused the opportunity for orderly evacuation provided for in this Act.

SEC. 4. In keeping with the tradition of the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters, it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam. To insure that the assistance is provided to such persons throughout South Vietnam through channels acceptable to all parties, the funds made available under this section shall be furnished to international agencies, such as the United Nations, its specialized agencies, the International Red Cross, and voluntary relief agencies.

SEC. 5. (a) There is authorized to be appropriated to the President of the United States for the fiscal year 1975, to remain available until expended, $150,000,000 to be used for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

(b) Not less than 90 days after the date of enactment of this Act and not later than the end of each 90-day period thereafter, until the funds have been expended, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

(1) the amount of humanitarian assistance provided under this Act;

(2) the expected recipients of such assistance;

(3) the names of all organizations and agencies involved in the distribution of such assistance; and

(4) the means with which such distribution is carried out.

Mr. EDGAR. Mr. Chairman, as the Members have heard in the reading of this particular substitute to the bill, there are two basic things which my bill does. First, it directs the President to take out three categories of people: U.S. citizens, dependents of U.S. citizens, and permanent residents of the United States, and Vietnamese nationals eligible for immigration to the United States by reason of their relationship to U.S. citizens. These are the first three parts of section 4 in the committee's bill. It does not include the fourth section which deals with foreign nationals.

The second major aspect of my bill is humanitarian assistance. I personally believe that we need strong humanitarian efforts to care for the refugees and the needy in that part of the world who are suffering because of this war action. I personally believe that this money, $150 million, should be expended through international agencies.

In the last days of testimony, over the last 2 days, many Members have gotten up and talked about the evacuation of American citizens, including the personnel of AID who have plans to set up nine sites in South Vietnam on the mainland to provide for the care of refugees and to work in those nine sites to provide comfort, food, medical supplies, and other humanitarian efforts.

It is my opinion that if we evacuate all the Americans out of Vietnam, there is no way that that humanitarian aid can be provided in the nature of the original bill. Therefore, I am suggesting in my bill that the humanitarian aid be given to those international agencies, and that they provide the relief of food and medical care that is needed in that area.

There are many amendments that will be discussed later this afternoon if my substitute amendment fails.

The gentleman from Ohio (Mr. WHALEN) has an amendment that would delete section 3 of the original bill which waives provisions of five public laws concerning the conduct of U.S. combat forces on the shores of and on the mainland of Indochina. My substitute completely incorporates the amendment that will be offered by the gentleman from Ohio (Mr. WHALEN) by deleting section 3.

The gentleman from Hawaii (Mr. MATSUNAGA) has an amendment that would delete section 4(d) providing for the evacuation of Vietnamese nationals whose lives are threatened. My substitute would accomplish the same thing and provide for the separate discussion and debate of that issue.

The gentleman from New York (Mr. BINGHAM) is concerned that we not in any way suspend the operation of the War Powers Act. I share that concern and I state that my substitute would leave the War Powers Act intact.

The gentleman from Connecticut (Mr. MOFFETT) has an amendment which would seek to have the evacuation of the Vietnamese people accomplished through the use of international agencies. By deleting the clause relating to the mass evacuation of large numbers of Vietnamese, my substitute permits a separate consideration of the issue of such evacuations, and it would satisfy the concerns of the gentleman from Connecticut, (Mr. MOFFETT).

The gentlewoman from New Jersey (Mrs. MEYNER) has an amendment that would provide that the humanitarian aid must be administered by international relief agencies rather than by our Agency for International Development. This substitute I offer would provide for the same thing. I believe that this provision is essential because very simply if we evacuate all U.S. citizens from Vietnam there will be no AID employees in that country to administer the humanitarian aid.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

I want to be clear on one thing. The gentleman's substitute suggests the United Nations will be the agency that will handle and run this program for the refugees.

Mr. EDGAR. My substitute amendment states the international agencies such as the United Nations and the International Red Cross and other private agencies be the ones who distribute the humanitarian aid in that part of the world.

Mr. PEYSER. If the gentleman will yield further, what I am interested in is the last statement I heard from the United Nations was that they did not consider the refugee problem in Vietnam to be an issue to which they could relate themselves to. As a matter of fact the gentleman from New York (Mr. KOCH) and I have introduced a resolution in the House stating, if the United Nations did not consider this to be a matter of interest to them, that we in the Congress ought to consider whether we should remain interested in the United Nations.

Has the gentleman gotten any assurance that the United Nations would handle this problem?

Mr. EDGAR. I believe there are indications the United Nations may be interested in providing some of the humanitarian aid, but my substitute bill would provide for the use of international agencies to provide that relief, not necessarily the United Nations but other international agencies. If the United Nations fails to respond or does not want to respond with humanitarian aid in that part of the world, my bill would allow for another decision to be made.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. EDGAR. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I would like to establish early in the debate what procedure is going to be followed. As a Member of this body for about 14 years I have watched proceedings where at the outset Members would get 10 and 15 minutes and then later in the day other Members offering amendments would get a limited time or no time.

I would like to establish early whether this is going to be an open debate or whether there is going to be a cutoff later, because if there is I would be constrained to object to additional time being permitted.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Pennsylvania (Mr. MORGAN).

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Mr. MORGAN. Mr. Chairman, I agree with the gentleman from Ohio.

I would not object to the additional time requested by my colleague, the gentleman from Pennsylvania, but I intend to object to any further extensions of time, that is over 2 minutes.

Mr. ASHBROOK. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 2 additional minutes.

Mr. EDGAR. Mr. Chairman, I think it is important that we face this issue squarely and I believe we ought to provide the leadership this country needs.

I think that the present bill does not embody the language or the intent that this body ought to move on in order to provide the humanitarian aid and in order to provide for the direct and immediate evacuation of persons from Vietnam.

I believe that if we enact the committee's bill, rather than my substitute, that we as a nation will take the wrong direction. We are moving in that wrong direction I believe by the time the committee bill is in operation, we will be in trouble as a nation and we may institute the use of American force in that part of the world.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I was listening to the statement of the gentleman from Minnesota (Mr. Fraser) a moment ago, in which he expressed a concern about Vietnamese who would be in imminent danger.

I share that concern and would like to see it removed, if possible, without the threat of force or the backing up of that power with force:

Does the substitute amendment of the gentleman take care of that situation in any manner?

Mr. EDGAR. Mr. Chairman, my substitute would not prevent the evacuation of foreign nationals from that area through nonmilitary means. It just simply does not deal with the issue of foreign nationals.

I share the gentleman's concern for foreign nationals. I share the concern that we do have some responsibility in that area.

I believe that the committee's bill which deals with the imminent threat that exists does not adequately provide for a count of persons to be removed, the kinds of categories the people fall into. It does not provide for what kind of humanitarian relief they will get once they leave the country.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further on the same point?

Mr. EDGAR. I yield.

Mr. ECKHARDT. Under the original bill, the provisions necessarily exempt the operations contemplated, that is evacuation, from certain very strict limitations that we placed around the use of any military equipment in and around Vietnam. It would seem to me that with respect to this fourth category, there would have to be provision that these persons might be picked up by such military equipment, or else we would be prohibited by another act.

I feel that perhaps the gentleman's substitute does not take care of that situation, without amendment.

Ms. HOLTZMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, first, I would like to compliment the gentleman from Pennsylvania (Mr. Edgar) on the hard work and concern shown in his amendment.

I think his amendment is an admirable effort to deal with the concerns of Congress in the matter before us.

In the first instance, our central concern is for the immediate evacuation of Americans, their dependents, and their relatives.

There is nothing in the committee bill that addresses this important issue. Consequently, I believe the substitute of the gentleman from Pennsylvania (Mr. Edgar) is a tremendous improvement, because it says what is on everyone's mind: "Let us get the Americans out of there, and do it quickly."

The gentleman from Minnesota (Mr. Fraser) earlier in the debate talked about the administration's intentions. But I was at a meeting in which Mr. Habib, the Assistant Secretary of State for Far Eastern Affairs, told me that Americans are being kept in South Vietnam in order to insure a "controlled situation" to allow South Vietnamese to be evacuated. He said that to me personally. I do not know if the gentleman from Minnesota heard that statement; but it seems clear to me that Americans are being used as hostages for a political settlement. I think that is grossly irresponsible, if not negligent.

The substitute of the gentleman from Pennsylvania (Mr. Edgar) is, therefore, very important, because it calls for the immediate evacuation of Americans.

I also think it is very important that the Edgar substitute addresses the matter of humanitarian aid. I am very much in favor of such aid and the manner in which the gentleman suggests that it be done.

Finally, I want to respond to those who say we need to use force to evacuate those South Vietnamese who worked for us. The committee bill, in section 4(d) authorizes the evacuation of—

> . . . such other foreign nationals to whose lives a direct and imminent threat exists. . . .

Can the gentleman from Minnesota tell me where in that phrase in section 4(d) we are talking about South Vietnamese who work for us? That section refers only to people whose lives are in imminent danger. There are many people in South Vietnam living in a war zone right now. All of their lives are in imminent danger.

Why has not the committee spelled that out, as the gentleman says, in section 4(d) its specific humanitarian concern for those people who worked for us? I do not see anything to that effect in the committee bill.

Mr. FRASER. Mr. Chairman, if the gentlewoman will yield, I will say that it is not spelled out to the degree perhaps——

Ms. HOLTZMAN. Is it spelled out at all?

Mr. FRASER. Yes, because it refers to those to whose lives a direct and imminent threat exists. In the context of the bill and the report and floor debate, it is clear that what is intended in those who, if left behind when the PRG and North Vietnamese take over, are marked for extermination for political reasons or for whatever reason.

Ms. HOLTZMAN. I hope the gentleman is going to be there to give the latest copy of the Congressional Record to the military officers when they have to make the decision of whom to evacuate under this bill.

That is one of the difficulties of section (d).

Mr. FRASER. No doubt about it.

Ms. HOLTZMAN. One of the difficulties is, if the gentleman would refrain for a moment, that the committee declined to spell out whom it wanted to evacuate, because that is a very tough political decision. We have been called upon in this bill to commit American forces and to enter into a war without the committee's spelling out who we are supposed to be saving aside from Americans and the people in categories (a), (b), and (c). I think the President has adequate authority right now to get these people out.

Mr. FRASER. I think those who have worked for the United States clearly would have priority, but obviously it is not limited to them. There would be others, under the circumstances prevailing now. I think detailed language would not have much meaning anyway.

Ms. HOLTZMAN. That is why I think the committee bill is ill advised, because it does not even spell out who is to be given priority, who we will sacrifice American lives to save. The language of category (d) is really an attempt to deceive the American people into believing that we intend to save a specific group of South Vietnamese. It is an extraordinarily deceptive phrase, first, because in fact it is going to be very hard to pick out those people whose lives are endangered because they were friends, as opposed to those people whose lives are in imminent danger from bombs and shooting going on around them, and second, because this bill does not even direct that such selection be made.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to address the author of this amendment, which I think is an excellent effort to clarify some of the very differences we have in this bill. I think that my views somewhat coincide with those of the gentleman from Minnesota (Mr. Fraser) with respect to our moral obligation to help evacuate Vietnamese nationals whose lives are threatened or endangered, provided we do not use American military forces to do that.

I am wondering if the gentleman from Pennsylvania would not consider an amendment to his amendment along the lines of the amendment that is going to be offered by the gentlewoman from Illinois (Mrs. Collins), a copy of which I assume the gentleman has, since a copy went to every Member.

The amendment of the gentlewoman from Illinois would authorize the evacuation of foreign nations to whose lives a direct and imminent threat exists, and whose evacuation does not require any combat activity, any involvement in hostilities, or any military or paramilitary operation by the Armed Forces of the United States.

Would the gentleman be willing to accept an amendment along those lines?

Mr. EDGAR. I would be willing to accept an amendment along those lines, provided that the amendment was put in such language that we understood no military force would be used for this purpose.

One of my problems with the initial bill was that it did not spell out any kind of parameters on how many persons might be entailed.

I know there was concern in the chamber here about the numbers. Estimates ranged anywhere from 10,000 to 150,000 or more. One of our concerns was, do we have a program that can deal with that?

We wrestled with this question in the framing of our bill because we wanted to include some language in that direction. We talked with legal counsel and we talked with others in the Chamber and we tried to get people to frame some legislation in that direction.

My hope was that the committee would go back and would develop a bill specifically directed to foreign nationals that would include some of those parameters. I would be willing to look at an amendment in that direction and possibly put it in my bill.

Mr. SEIBERLING. It seems to me that ought to be considered. I do not know whether there is time. But the danger the gentleman has pointed out is that there are no parameters in the committee's bill and I do not see how we can responsibly accept that.

Mr. EDGAR. Will the gentleman yield further?

Mr. SEIBERLING. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I plan to offer an amendment that will internationalize the evacuation of those South Vietnamese who are endangered.

Mr. SEIBERLING. It is all very well to talk about internationalizing them, but getting it done is something else again.

Mr. EDGAR. I appreciate that.

Mr. SEIBERLING. Certainly we should explore that alternative.

Mr. EDGAR. I thank the gentleman.

Mr. RIEGLE. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, I would like to begin by complimenting the gentleman from Pennsylvania (Mr. Edgar), the author of this substitute, for what I think is a superb piece of work.

This is, obviously, a difficult job, and to try to find a rational and reasonable way to accomplish the things that most of us want to accomplish is a very difficult task. I think the gentleman has done extremely well, and I must say that the fact that we can get this kind of effort and leadership from new Members of Congress is a very encouraging thing, I think, for the country.

I want to say, initially, with respect to the concern that I think most of us have about evacuation and about humanitarian assistance, that this substitute adequately covers both of those things. What it cures is the central problem of the committee bill, and that is this unlimited grant of war power authority to withdraw an unknown number of South Vietnamese.

Someone a minute ago asked the question about the evacuation of South Vietnamese that might come out with the people who are delineated in categories 1, 2, and 3 in the substitute. We have a precedent on that. We just took our remaining personnel out of Cambodia. But we also took a lot of Cambodians out. We flew out Lon Nol, we flew out others. The President did not come and ask for authority for that. He obviously did not feel he needed it. I do not know what the number of Cambodians was who were removed, because they were unrelated to Americans, they were not family members, they had no American relations in the family sense, but I am sure we took out a number well in excess of 100, and maybe far higher than that. But there were at least some.

The President can do that at the present time. He is free under this substitute to take out as many South Vietnamese, who would be high-risk people, who can be taken out. I am in favor of that. I think that makes good sense. I would hope that most of us agree with that.

It comes down to the issue as to whether we are really ready to give a blank check to remove some unlimited number of South Vietnamese no one can give us. I do not know whether it is 200,000. Graham Martin, the Ambassador, talked about removing 1 million. I do not think the President is going to be prepared to say. What this committee bill says is; "Look, whatever amount you decide on, whatever amount of military force you need, you feel free to do that." I do not think we ought to say that.

But that does not mean we want to turn our back on evacuation and turn our backs on humanitarian assistance. This is the key point.

I know there are people who feel that if this fails, we are going to vote on the final passage, and those of us who will vote against the committee bill will have trouble in the future alleging that we will have gone on record against evacuation authority and as opposing humanitarian aid, both of which we in fact favor, when actually we are only opposing this blank-check authority on military power.

Mr. Chairman, what I am saying is this: On this substitute the knife cuts both ways because we are also going to have a record vote on this substitute, and every Member of this body is going to have an opportunity to say yes to a rational, reasonable evacuation program and yes to humanitarian assistance that will get the job done and is not routed through a South Vietnamese Government that, in effect, does not even exist anymore, but through bona fide international organizations of whatever kind.

The President is free to make that determination. But we restrict the war powers. We keep them here where they belong. This is a reasonable substitute, and I think it accomplishes what this country can and should accomplish. Under this substitute, the President is free to take out as many threatened South Vietnamese nationals as he can get out, and I am for that. I am for that. He can take them out right now just as he previously took them out in Cambodia.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I associate myself with the remarks of the gentleman in the well.

I think the gentleman from Pennsylvania (Mr. Edgar) has done a marvelous job with this amendment.

Mr. Chairman, this so-called humanitarian aid bill before us is an abomination. It is likely to prove the most inhumane humanitarian aid bill Congress has ever passed.

The bill waives, for purposes of "evacuation," all the restrictions on use of military forces painstakingly adopted to assure that we would not again become involved militarily in the Vietnam War. It sets no limitations on the number of U.S. troops that can be introduced or the length of time they can remain. The limitations removed would permit resumed bombing in North or South Vietnam in aid of the evacuation, again with no limits in the extent or length of the authorization.

While the Collins amendment attempts to restrict the use of Armed Forces to evacuate Vietnamese who are not dependents of American citizens, it leaves open their use for that purpose in conjunction with their otherwise authorized use. The President and his spokesmen have enunciated an intent to evacuate a large number of Vietnamese, said in the course of this debate to have been represented by administration spokesmen at various times to number 140,000, 230,000, 600,000 and 1,000,000. In a briefing to Members of Congress, Assistant Secretary of State Phillip Habib indicated the intent of the administration to keep Americans in South Vietnam to demonstrate to the government forces there our continued support. The possibility therefore clearly is presented that sizable U.S. forces could be introduced for the purpose of protecting the evacuation of the remaining American community, but actually employed for this massive Vietnamese evacuation effort.

Under these circumstances, the risks of reengagement of American forces, the killing of more Americans, the taking by the North of more POW's, the dragging out of the war—these are all risks too great for us to undertake, even assuming the best of motives on the part of the administration.

Another very bad feature of this bill is that it provides for the extension of American humanitarian aid through the South Vietnamese Government and the Agency for International Development rather than through international orga-

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nizations. The Thieu regime personnel have shown themselves to be totally corrupt in the handling of U.S. aid, with millions of our dollars going to line the pockets of generals and government leaders, millions of dollars of U.S. provided food and equipment sold on the black market for individual gain; and a planeload of gold destined for Swiss banks was even discovered and its delivery only stopped at the 11th hour.

Channeling American aid through the U.S. Agency for International Development personnel in Vietnam, as the proponents of this legislation have suggested, indicates the administration's intent to keep American personnel in Vietnam and in jeopardy as long as possible, maximizing the probability of the need to use military force to extricate them. Quite obviously, humanitarian assistance cannot be channeled through U.S. AID personnel unless they remain there. This also is an unpalatable alternative.

Failure to insist that humanitarian aid be delivered through UN agencies, other international organizations or voluntary agencies like the Red Cross is a major defect in this bill. Furthermore, since the forces of North Vietnam and its allies presently control most of the country and may soon control all of it, it seems obvious that they must be involved in any effective distribution of humanitarian assistance. Those voting against these two propositions are clearly hypocritical about their professional desire to assist South Vietnamese who have been injured, rendered homeless or otherwise destituted by reason of the war and our participation in it.

Mr. Chairman, this bill should be defeated. It is dangerous and ill conceived. I voted against delaying its consideration in the hope that its bad features could be eliminated. I thought we had an obligation to act now to provide humanitarian assistance and to express the strong will of Congress that Americans and their dependents be evacuated immediately so that use of force could be avoided. Unfortunately, all amendments to limit use of force and to channel humanitarian aid effectively were defeated.

I feel that with all the devastation and destruction we have caused in Vietnam, we have an obligation to help the victims of our participation in the war. I feel we have an obligation to assure the safe evacuation of Americans and their families, and that the administration is highly remiss in risking their lives by not evacuating them immediately. We have the strongest obligation to avoid use of force unless the lives of Americans and their dependents are in clear and present danger, and this bill clearly has failed to seek to avoid the necessity for such use of force or to limit its use adequately, as have administration actions. Lastly, this legislation should have encouraged the Secretary of State to facilitate negotiations with the North and its allies which offer the best hope possible of avoiding altogether the need for troops to get out Americans, their families and Vietnamese who might otherwise be in jeopardy.

This is a sad day for Congress. In my opinion, we have not done right by the Constitution, our country or the long-suffering people of Vietnam.

Mr. RIEGLE. Mr. Chairman, I thank the gentleman, and I will just conclude in this way, and that is I think, again, that the real issue here has been discussed and rediscussed and will be talked about as the day goes on.

I do not think we can afford to give any part of our war power authority to the President, whoever the President is. Whoever it is, we must not establish that precedent, not because Jerry Ford is in the White House. The next President may well be a Democrat. We should not do it if it is a Democrat in the White House either.

The lesson which I think we have learned is that if we are going to put combat troops back in Vietnam, that is really our decision. As to the safe evacuation of the remaining 2,000 Americans, the President is free to accomplish that now. If it goes beyond that, then that decision belongs here. Let us keep it here.

Mr. MIKVA. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to compliment the gentleman from Pennsylvania (Mr. Edgar) for finding what I hope is the consensus of this House about this very difficult problem.

I do not think that there are five people in the House who are opposed to our using our material resources to try to help South Vietnamese nationals. Certainly, I do not think there is one Member in the House who is opposed to our using our material resources and whatever other resources we have to get our American nationals out of Vietnam safely.

The problem with the committee bill has been that in an effort to meet those two needs and concerns, it has created a whole new set of imponderables and difficulties which, understandably, trouble a House of Representatives that has been snake-bitten on South Vietnam on many, many occasions.

Mr. Chairman, the gentleman from Minnesota, in good conscience, could not answer the question of which Vietnamese nationals we are going to use our military forces to get out. Are we talking about 130,000, as the President suggested? The kind of military force that would be necessary to do that could be the whole half million troops we once had in there. Are we talking about going back to some of the prisoner-of-war camps in North Vietnam? Who knows what kind of military risks would be involved in that effort?

Any suggestion that goes beyond the inherent power of the Commander-in-Chief of the United States to do whatever is necessary to protect American nationals is a matter of the greatest concern to the Members of this House, who sit here. Even an unintentional Gulf of Tonkin resolution would be some kind of signal to somebody somewhere, false or true. They would say that we are once again prepared to use military force to try to resolve a problem that is beyond our resolution.

Mr. Chairman, I understand the gentleman from Connecticut (Mr. Moffett) intends to offer an amendment to make it clear that our monetary resources are available for the evacuation of Vietnamese nationals, if they do want to be evacuated. I think we are prepared as a Congress and as a country to do whatever we can to alleviate the suffering in South Vietnam, but I think that if we try to do it by even suggesting military force and authorizing such action by this House, or if we suggest that we unilaterally are going to evacuate South Vietnam, we are once again confronted with the difficulties that we have struggled through for these last 10 or 12 years.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to associate myself with the remarks made by the gentleman from Illinois (Mr. Mikva). I would also like to say that having had an opportunity to study the proposed amendment in the nature of a substitute and the amendment thereto that will be offered by the gentleman from Connecticut (Mr. Moffet), I think that these two Members of the Congress are offering us a way out of this dilemma. So I want to commend the two gentlemen, the gentleman from Pennsylvania (Mr. Edgar) and the gentleman from Connecticut (Mr. Moffett) for having shown some of the more senior Members a thing or two about how to solve a very difficult legislative problem.

Mr. MIKVA. Mr. Chairman, I thank the gentleman for his comments.

Mr. Chairman, let me conclude by saying to the Members in the Chamber who are concerned about the interference with the legitimate powers that the President has as Commander in Chief of the country, that they ought to look again at the committee bill. I have seen nothing since the War Powers Act that would cast more doubt on the inherent powers of the Commander in Chief than the suggestion in the committee bill which indicates that without the powers the committee proposes to give the President, he would not have the power to use whatever forces are necessary to protect American nationals.

Those Members who are concerned about the erosion of the powers of the Commander in Chief, in his inherent constitutional powers, ought to look very carefully at the language in the committee bill before they vote for that bill.

Mr. BIESTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the full 5 minutes. There is really only one limited point that I would like to make. That is, it seems to me, there are two assumptions about the effect of the language in the committee bill which enables the President to use military forces of the United States with which to protect the evacuation and effect the evacuation of endangered South Vietnamese as well as dependents of American citizens, and both classifications must be covered by some kind of special authorization by the Congress.

The first of those assumptions is that somehow or other a rational President of the United States would desire at this time, after all we have been through, to see the United States reinvolved in some new massive Vietnam war. That assumption simply has to be false on the basis of its illogic.

The second assumption is that anyone on the Communist side desires, now, at the moment of their pending victory, to entrap and redraw back into the ambit of that war American forces who might be there, and by being there, frustrate their impending victory.

Mr. Chairman, it seems to me that both of those assumptions are illogical.

We must not frustrate the capacity of the American Government as we make this final withdrawal from this agonizing episode to protect and remove to the extent possible as many of those South Vietnamese who sided with them as we reasonably can.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I respect the gentleman greatly, and the comments he has made, and for the spirit in which they are directed. But, Mr. Chairman, I would like to pose this question: Is the gentleman able to tell us, or is there anybody able to tell us, what the ultimate cost is going to be in American lives, military lives that will be lost, or prisoners who will be taken if we do get involved in a hostile situation that allows those things to happen?

Can anybody tell us that?

Mr. BIESTER. Mr. Chairman, I think it is impossible for anyone to offer a guarantee with regard to that, I would answer the gentleman from Michigan. But it seems to me that it will be the desire of the President to see to it that there is the least risk in any American lives being lost, and it will be the desire of the North Vietnamese forces themselves not to endanger those American lives because they have won this war and do not wish to draw us back into it.

Mr. RIEGLE. Mr. Chairman, if the gentleman will yield further, I do not understand how the gentleman arrives at the conclusion that the North Vietnamese are not going to do all they can to endanger any American force that may be brought into the country. I think the reverse would take place; that if they are confronted that there is going to be shooting, and where there is shooting, there is going to be killing.

Mr. BIESTER. The purpose of these forces is not to confront the North Vietnamese; the purpose of these forces is to simply provide a secure arrangement through which South Vietnamese nationals and dependents of American citizens may be evacuated, which need not involve any offensive action on the part of such American forces.

Mr. RIEGLE. I understand what the gentleman is saying, but it seems to me—I do not know if anyone can read the mind of the North Vietnamese or the NVA; we have never been able to do it in the past—if they tend to interpret this as a provocative act, if they do not want these people leaving the country, they are going to take military action against our forces. I do not think the gentleman can guarantee that cannot happen.

Mr. BIESTER. I said I cannot guarantee it, but it seems to me we should be logical about our expectations on the part of their behavior. It would not be serving their interests to engage in a massive attack on American forces so as to redraw military effort into that land at the very moment they have achieved their victory.

Mr. RIEGLE. If the gentleman will yield further for a final comment——

Mr. BIESTER. I will yield for a question.

Mr. RIEGLE. Perhaps I am wrong, but it seems to me that the reintroduction of American forces is by its very nature likely to be so interpreted. There is no perfect chain of command on the other side. I think the risk is very high we are going to have American combat personnel killed, wounded, and captured, and that is the thing that I think has to be avoided at all costs.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. Anderson of Illinois, and by unanimous consent, Mr. Biester was allowed to proceed for 2 additional minutes.)

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

I want to congratulate him on the statement he just made and associate myself with it. Like him, I have been truly puzzled by what I regard as the total illogic of some of the positions that have been espoused here on the floor both yesterday and today. And maybe this is not an entire answer, but somebody was just showing me a copy of a recently published book by Theodore Sorenson, former speech writer of the late President John F. Kennedy, called "Watchman in the Night." I should like to quote page 23 of that book.

> There are disadvantages to reassessing the Presidency in this abnormal period. Once when I thought of the Presidency——

And bear in mind I am quoting Mr. Sorenson—

> Once when I thought of the Presidency, I saw only Kennedy and would have mistakenly enlarged the powers of the office accordingly. Today when some think of the Presidency, they see only Nixon and would mistakenly curb its powers accordingly.

That is the only conclusion to which I can come this afternoon, that my friends—and there are many friends of mine on that side of the aisle—are as distraught as they are because they look back over the whole tragic record of our involvement in Vietnam and they think only of Nixon, and they do not realize that the man who is now President of the United States has no intention of reinvolving this country, but merely to provide the stabilized conditions, as the gentleman from Pennsylvania has said, that would permit the safe withdrawal of those individuals to whom I think we do owe some small moral accounting and responsibility after what they have done for this country.

AMENDMENT OFFERED BY MR. MOFFETT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. MOFFETT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Moffett to the amendment in the nature of a substitute offered by Mr. Edgar: Section 4, after the word "Vietnam" where it first appears, strike out the period and insert the following: ", and to help in the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations."

Mr. MOFFETT. Mr. Chairman, my amendment speaks to the question of the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations. On the spectrum of this question, we have on one end those who would favor evacuation of South Vietnamese by American forces, and on the other end of the spectrum those who do not want to deal with the question at all. I think this Congress should be on record very clearly, very solemnly, as taking a pro-freedom-of-movement position. We cannot turn our back on those who desire to leave because they are in danger of reprisals.

But why should our country bear the sole burden of evacuating those persons?

As I said yesterday, part of the motivation, for the committee's approach on this, and what appears to be the administration's approach, is that they are reflecting the fact that we are a very charitable and very compassionte people. There is no question about that.

But part of it also stems from the notion that we must be the last and the sole defenders of freedom. There is an international body. It does not please all of us all the time, but it is there. The United Nations has an office of Migration and Refugee Affairs that has been very involved in evacuating large numbers of people before. My office spoke to the U.N. people this morning, and they confirmed that in fact they had airlifted well over 200,000 people from Biafra, from Bangladesh, and from other countries. We should not fail to recognize the availability of that help, or fail to make use of it.

I would like to see this Congress take the position that we want to internationalize not only humanitarian assistance but internationalize as well the evacuation relief.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, is it not correct, however, that within the past 2 days the Secretary General of the United Nations, Kurt Waldheim, stated that it would be inappropriate in his view for the United Nations to be involved in the evacuation of the South Vietnamese?

Mr. MOFFETT. He has so indicated, and I believe it was in the fairly recent past. But this does not negate the urgent fact that the United Nations and other international bodies should be urged by our Chief Executive to carry this burden.

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I think if that request is made loud and clear, and made not only by Congress but also by the Chief Executive on behalf of the Congress, that the U.N. will carry it out.

While I do not have an open message from the U.N., I will say our conversations with officials of the U.N. who have been involved in refugee problems indicate there would not be any great problem in accomplishing this. Perhaps if America took the lead in urging an international effort, other nations would be encouraged to contribute to the evacuation and relief efforts.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I commend the gentleman.

I hope all the Members will read the gentleman's amendment because it is a very important amendment and together with the substitute offered by the gentleman from Pennsylvania (Mr. Edgar) in my view provides the way out of our dilemma.

It is a tragic fact that we in the Congress are so in the habit of thinking in terms of military solutions and unilateral solutions to international problems that we tend to forget there are international agencies that are equipped to handle and have shown that they are able to handle problems of this type. This certainly includes the United Nations. It would also include International Red Cross, for example, if the United Nations should not be able to take on this job.

I support the amendment offered by the gentleman and commend him for offering it.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. MOFFETT. I yield to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, I would like to have a clarification of exactly where the gentleman's amendment to the substitute would fall.

Mr. MOFFETT. The amendment is to section 4 after the first time the word "Vietnam" is used. We would strike the period and insert a comma there and insert the amendment there, and would add this: "and to help in the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations."

It is inserted after the section that reads:

> It shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam—

And my amendment would be inserted at that point, where I would then add—

> and to help in the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations.

Does that clarify it for the gentleman?

Mr. DERWINSKI. Does the gentleman mean past affiliations with the United States or with the Government of South Vietnam or both?

Mr. MOFFETT. I would hope it would be both.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree that the two gentlemen who have offered these amendments are to be commended for their efforts; but I must say I have some difficulty with both of them. I have difficulty with the amendment offered by the gentleman from Connecticut, if it is intended to indicate that only international agencies would be to evacuate endangered Vietnamese. That would not solve the problem, for example, which presented itself in Cambodia where the United States had facilities available—military facilties—and there was space aboard for Southeast Asians who were presumably in the position of feeling threatened.

I prefer the phrasing of the gentlewoman from Illinois (Mrs. Collins) in the amendment that she presumably will offer at a later time which deals with this same problem. That is an amendment which I look forward to supporting.

In any event, the purpose of the gentleman from Connecticut in proposing his amendment to the Edgar amendment is laudable. I think his amendment improves the amendment offered by the gentleman from Pennsylvania, and on balance I will support it.

Now, I would like to address a question, if I may, to the author of the substitute, the gentleman from Pennsylvania (Mr. Edgar), if I may have his attention.

Let me put the question this way. What if military action becomes necessary during the 10 days to achieve the evacuation that is contemplated in the amendment of the gentleman? How does the gentleman regard that situation?

Mr. EDGAR. Mr. Chairman, if the gentleman will yield, that situation will be covered under the present law of the War Powers Act. It would also be covered under the existing statute. My amendment does not waive any statute.

Mr. BINGHAM. But the existing statutes provide that the President is prohibited from carrying on any military operations in Indochina and I do not see anything in the language of the gentleman's amendment to overcome this situation.

Mr. EDGAR. The President used his authority to evacuate persons from Cambodia about 2 weeks ago and I think those authorities can be used in the next 10 days.

Mr. BINGHAM. I think the actions of the President in Cambodia were of dubious legality. I do not think we are bound to abide by that precedent. In any case, the Administration made a distinction with regard to Cambodia, and it is a plausible one, that there were no hostilities at the airport at the time of the evacuation. I consider it a questionable distinction, because hostilities might have occurred in the case of the evacuation from Cambodia.

On another point, the situation is not clear as to what the gentleman's amendment will permit U.S. evacuation efforts to be after the 10 days. It may be 6 weeks or 2 months before the war ends in Vietnam. What about the Americans that are needed here in our Embassy that have to carry out whatever actions are necessary in behalf of this country; what happens to them?

Mr. EDGAR. Section 3 of the amendment indicates:

> Sec. 3. All United States citizens in South Vietnam shall be informed that the United States Government will not be responsible for the evacuation of United States citizens who have refused the opportunity for orderly evacuation provided for in this Act.

Mr. BINGHAM. But wait a minute on that point: that means those who are officially requested to carry out duties on behalf of the U.S. Government are not to be assured evacuation after the 10 days?

Mr. EDGAR. That is correct.

Mr. BINGHAM. It seems to me a rather unreasonable procedure to ask them to stay and then tell them they may not be evacuated.

Mr. EDGAR. Mr. Chairman, will the gentleman yield further?

Mr. BINGHAM. Yes, I will.

Mr. EDGAR. On the previous question of the President's authority, I believe the President already has the authority under the Constitution to provide safeguards for the evacuation of Americans and their dependents and I believe in those 10 days they can be removed safely.

Mr. BINGHAM. Let me say also in regard to that and to the gentleman from Illinois (Mr. Mikva) for whom I have the greatest respect, I find it unbelievable for him to say that we are going to rely on the President, and that we are going to force him to use constitutional authority which we denied to President Nixon in 1973. Apparently, we do not want to take the responsibility for authorizing the President to do thus or so; so we say he can take the responsibility under the Constitution; never mind that in 1973 we said that he could not do so.

Mr. MIKVA. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, did I understand the gentleman from New York to say the War Powers Act denies the President of the United States——

Mr. BINGHAM. The War Powers Act has nothing to do with this. I am talking about the statutory prohibitions against military operations to be carried out in Indochina.

Mr. MIKVA. And that is sufficient to deny the President power to protect American nationals in Vietnam?

Mr. BINGHAM. The gentleman is taking precisely the point of view that was expounded by President Nixon in 1973 when he said that he had the power, under the Constitution, to take any military action he needed to safeguard evacuation of American troops, and we sought to meet that in this Congress by denying him that power by statute.

Now, the gentleman would simply ignore that statute.

Mr. MIKVA. I say to the gentleman that the power the Congress has always had is the power of the purse.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(On request of Mr. Derwinski and by unanimous consent, Mr. Bingham was allowed to proceed for 2 additional minutes.)

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, I would like to come back to the gentleman's colloquy with the sponsor of the amendment. The intention of the sponsors of the amendment is that the American Embassy be closed down within 10 days; is that correct?

Mr. EDGAR. That is correct.

Mr. du PONT. It is the gentleman's intention to shut down the American Embassy of a nation with whom we are not at war, and is still in existence, and not have an embassy any more?

Mr. EDGAR. Let me correct my statement. My amendment does not deal specifically with the closing of the American Embassy. What my amendment does is has an orderly evacuation within 10 days of the three categories which are in the original bill. We simply take them out of the original bill and give a time limit of 10 days to evacuate those persons.

Mr. du PONT. But all the persons working at the Embassy have to be gone or they get no protection from their government?

Mr. EDGAR. That would probably be the logical conclusion.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, it is my understanding of the various resolutions we adopted to end U.S. military activities in Vietnam, that they only restrict the United States from combat activities.

Mr. BINGHAM. "Military operation" is the phrase used in one of the provisions referred to in the committee report. An evacuation operation receiving military equipment and subject to hostile fire is certainly a military operation.

Mr. FRASER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the gentleman from New York (Mr. Bingham) in dialog.

I have been reading the substitute which, in effect, directs that within 10 days we take out U.S. citizens and dependents of U.S. citizens. As I understand it, the argument is that there is a constitutional authority to do that in the absence of any specific authority.

Mr. BINGHAM. There is constitutional authority to use military force to effect that evacuation.

Mr. FRASER. And that is the argument on which the amendment is based?

Mr. BINGHAM. That is correct, as I understand it.

Mr. FRASER. In the same amendment, however, there are two more categories of persons; dependents of permanent residents of the United States who are not necessarily citizens, and Vietnamese nationals eligible for immigration by reason of relationship to U.S. citizens. Does the gentleman know of any act that would permit the use of armed forces to bring those people out?

Mr. BINGHAM. I can conceive of it under the Constitution, but I do not understand why this House should evade its responsibility of deciding what the President should or should not do; why we should simply say, "Leave it to him."

Mr. FRASER. The argument under consideration is that there is an inherent right—I do not agree with it—but an inherent right to take out American citizens, but two categories do not relate to American citizens. One says dependents of permanent residents. They are not citizens. Is there any conceivable basis for a constitutional argument to use force for them?

Mr. BINGHAM. I frankly cannot see any, but the gentleman should direct his question to the author of the amendment.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I would be very interested, if I could also ask the question of one of the proponents of the measure—and I think we have really gotten to the heart of the question here—what the proponents of the Edgar substitute are saying is that it would establish very, very bad precedent if we were to grant authority to the President to send troops back in.

That would be in effect like having another Gulf of Tonkin resolution. But the question I would like to ask is: Are we not granting even worse powers to the President by passing the substitute? After all, the power that we grant to the President in the committee bill to send troops back in South Vietnam is a very limited thing, but with the substitute we are establishing a precedent which says, in effect, the U.S. President has the inherent authority to use force whenever he wants to evacuate U.S. citizens, dependents of U.S. citizens, and permanent residents of the United States and Vietnamese nationals eligible for immigration to the United States by reason of their relationship to these people.

Would it not be possible in another time, in another place, in another part of the world, that the President would say, "Well, Congress has already approved this and they agree with me that I have this authority so I can go ahead and use it"? Is there not a danger in that?

Mr. FRASER. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I think my colleague raises an interesting question. I do not agree with him because my substitute bill does not speak at all of the Armed Forces or using armed forces or anything.

What I am asking is to direct the President to evacuate those persons and to have an orderly exacuation of those persons without the use of armed forces under existing law, the War Powers Act, and other laws, rather than waiving those laws as is intended in the original bill.

Mr. ASPIN. Supposing you have a staging area for permanent residents of the United States and that staging area comes under sniper fire. The gentleman does not want to bring in marines in order to protect that staging area. Is that the position of the gentleman?

I think it is pretty clear that at times you are going to have to use armed force.

I am very suspicious about the power of the President. The gentleman from Illinois (Mr. Anderson) seems to think we need not be worried about that. But I am worried because the President has not said the game is up in South Vietnam. He keeps talking about stabilizing the situation, making two divisions out of this and another two divisions out of that, and I am worried, because if he had the power to be bombing right now, I am afraid he would be bombing.

It seems to me the substitute gives him more powers and seems to imply he has more powers than the original bill.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say first that I found the discussion that was held in the last 10 or 15 minutes to be extremely valuable, asd it dramatizes the intense concern that the many Members feel over not just this bill before us but the very complex and heartbreaking situation in Indochina.

Let me refer, if I may, to the specific amendment and the specific substitute before us. I do not think we should be debating the reasons why or the decisions made by anyone as to where we are today in Vietnam. I think we should discuss the present problem and the future and how we can best solve this complex problem that is facing us.

It seems to me that the amendment offered by the gentleman from Connecticut (Mr. Moffett) to the substitute does not clarify it a bit. It only adds additional problems to the substitute because as I read that amendment, what it, in effect, calls for is help in evacuating those South Vietnamese who are in danger "of reprisals because of their past affiliations."

Mr. Chairman, that is awfully broad, and any objections that anyone has had to any phase of the evacuation program, to be consistent, should apply to this amendment.

Therefore, Mr. Chairman, I urge the rejection of the amendment.

Further, Mr. Chairman, I urge the rejection of the substitute because it seems to me that the substitute creates the worst possible problems for our Government and the President.

What the substitute, for practical purposes, says is that the President, within 10 days, shall extricate all Americans and dependents of Americans and Vietnamese nationals eligible for immigration. At that time it shall serve notice that the U.S. Government is not responsible for anyone in those categories who remains in South Vietnam.

It would seem to me that if this is the case, the President would be tempted to use the most extreme measures within those 10 days to extricate those individuals.

Mr. Chairman, the one other point I wish to address myself to is the reference in the Edgar substitute to use of inter-

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national organizations, and specifically, the United Nations. Here I want to emphasize that I will use the same argument against any of the other amendments which would turn over the responsibility of the evacuation and care to the United Nations.

Please keep in mind that the areas where the United Nations relief program or emergency forces work well, and only work well, are where there is political agreement among the five members of the Security Council. This has been possible in the Middle East. This has been possible in Cyprus. The U.N. refugee program has been primarily effective involving people from the Middle East and Cyprus who have been displaced. However, if the Members think for one moment that there could be a political agreement within the Security Council of the U.N. on the problems now besetting us in South Vietnam, they are wrong.

Mr. Chairman, the U.N. would be absolutely paralyzed. If we turned over this responsibility assuming the U.N. is ready, willing, and able to handle these refugees, we would be living in an unrealistic world because the U.N. would be paralyzed by either the Red Chinese or the Soviet Union use of veto in the Security Council.

Furthermore, we have to remember that Mr. Waldheim is a candidate for reelection as Secretary General. He cannot be reelected a year from now without the acquiescence of the Soviet Union and Red China. He is in an impossible political position. His position weakens as his term runs out, and I respectfully submit that that is as basic a defect in the Edgar substitute as with any other similar amendment that might be offered.

Really, Mr. Chairman, if we just return to the bill before us and reject these types of substitutes, we would be progressing in a practical fashion this afternoon.

Mr. RIEGLE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think this is a very healthy and useful debate that we are having. Unfortunately, because it is difficult to get recognized on the floor when comments occur, it is sometimes necessary to come along afterward and try to respond to some of the points that have probably been made.

In any event, the gentleman from Illinois (Mr. Anderson), whom I do not see on the floor at the moment, and whom I tried to engage in discussion yesterday on the floor, raised a point in passing when he last spoke that in some way the substitute that we are considering limits the powers of the President.

I think that is a basic mistaken notion. As a matter of fact, the substitute we are considering does not do that at all. I think all the powers that the President now has are left intact by the substitute that is being offered. What the committee bill is, however, is a grant of new authority and a grant of new power to the President. That is the issue.

Mr. Chairman, I can appreciate the fact that there are differences of opinion on this. There are some Members here who feel that under this very extreme type of situation, the only recourse is to give the President additional powers.

I can appreciate that view, and those who sincerely hold it, although, of course, there are others who feel very strongly that there has to be a dividing line, and that we must stop short of granting new powers in the area that involves the reintroduction of American combat forces in South Vietnam.

That really is where the dividing line has to be drawn. The amendment in the nature of a substitute does that, but it does it in this way, that meets all of the other concerns the great majority of us have in wanting to get as many people out of Vietnam safely as we can, and also provide humanitarian assistance.

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from Pennsylvania, so that we might continue on a matter we were discussing privately a moment or so ago.

Mr. BIESTER. I thank the gentleman for yielding.

Mr. Chairman, I am wondering about two things. The first is: Is there a danger in the amendment in the nature of a substitute that we might be affording the President more or forcing him into arrogating to himself more powers to use military forces in this situation than under the committee bill?

Mr. RIEGLE. Mr. Chairman, I would say that that is an important point, and it has been discussed by the gentleman from New York (Mr. Bingham). I happen to disagree with the interpretation that the gentleman from New York (Mr. Bingham) and the gentleman from Minnesota (Mr. Fraser) apply.

My interpretation is this: That the Commander in Chief I think with all of the powers under the Constitution, his inherent powers as Commander in Chief, has the right to do whatever is necessary to protect the lives and welfare of Ameircan people in foreign settings.

I also think we have a long history, some 200 years of history of different instances, the most recent being the one in Cambodia a week and a half ago, where a President, whatever President it might be, has had to make a decision to use American military forces in order to evacuate American personnel safely. That precedent again was tested a week and a half ago. I think where the dividing line comes is not with the President's power to do that, which I would assert he personally has. And if we adopt the substitute it does not give the President new powers, nothing of the sort. I think that where the dividing line comes is whether or not the President has the power to use those same U.S. military resources to take out other foreign nationals apart from American citizens, or those related to American citizens. In that instance I do not think the President in fact does have that power. I think the President has to come and get that power from the Congress, but in doing that I believe we have to be very, very specific in what we grant the President in that way.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Michigan is making a central point. Are we really granting more power to the President under the amendment offered by the gentleman from Pennsylvania (Mr. Edgar) in the nature of a substitute, than we are under the original committee bill? I think that one can make a very good case that we are.

In the first place, the inherent power of the President to protect the lives of Americans is somewhat open to debate. Some constitutional experts would say that he has that authority. Others would deny it. But what this bill does is in fact expand that. It lists some three categories, only one of which is the U.S. citizen, the second are dependents of U.S. citizens, and permanent residents of the United States, and the third is for Vietnamese nationals eligible for immigration to the United States, by reason of their relationships to American citizens.

The danger is this: Under the committee bill it is true that we are giving power to the President to send troops into South Vietnam, but it is limited to South Vietnam. It is limited authority. All it does in the specific case we are talking about——

Mr. RIEGLE. Let me say this——

Mr. ASPIN. Will the gentleman permit me to finish my statement?

Mr. RIEGLE. Mr. Chairman, let me say to the gentleman from Wisconsin——

The CHAIRMAN. The time of the gentleman has expired.

(On request of Ms. Holtzman, and by unanimous consent, Mr. Riegle was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield on that point?

Mr. RIEGLE. I will yield to the gentlewoman from New York, but I do hope we can get back so that the gentleman from Wisconsin can finish what he was saying.

Ms. HOLTZMAN. Mr. Chairman, can the gentleman state whether or not there is a single geographical limitation in this bill on where the President can use these forces, or, as a matter of fact, if there is a single place in this bill that prohibits the President from bombing in Laos, or Cambodia, or North Vietnam with B–52's, or even, as was discussed yesterday, from introducing tactical nuclear weapons? I think that is an important point.

Mr. RIEGLE. I would say to the gentlewoman from New York that there are no limitations in this bill in that respect. Some people have argued that the President would not, under even the wildest interpretation of the problem, do the kinds of things the gentlewoman suggests, but in fact under this bill he could, if he so desired.

Ms. HOLTZMAN. Will the gentleman yield further?

Mr. RIEGLE. I yield briefly to the gentlewoman.

Ms. HOLTZMAN. Is it not true that section 3 waives all the other laws that prohibit military operations in Indochina?

Mr. RIEGLE. It does; and that is a terrible defect.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I again yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

But the point is, when we say that the President has inherent powers to evacuate U.S. citizens, dependents of U.S. citizens, and others, we are in effect saying to the President that if this comes up at another time and in another area——

Mr. RIEGLE. No; I decline to yield any further to the gentleman. I do not agree with that interpretation. I think this is addressed to this time, this situation, and this condition. I think that is exactly what is should be. The President has come in and asked for extraordinary powers to deal with this one particular, unique situation, the likes of which has never occurred before and which we hope will never occur again.

I think our response here in the substitute is to make it very specific and direct, and that is an appropriate response; and in the future, 5 years or 10 years, or whenever, different situations will call for different responses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, we have now been on this substitute an hour and a half. I wonder if there would be some way to arrive at a reasonable time to decide the vote on this substitute.

Mr. Chairman, I ask unanimous consent that all debate on this substitute and all amendments thereto close at 3:15.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MILLER of California. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MORGAN. Mr. Chairman, I move that all debate on this substitute amendment and all amendments thereto close at 4 p.m.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ASHBROOK. Mr. Chairman, inasmuch as the substitute offered by the gentleman from Pennsylvania would preclude many of us from offering amendments which had heretofore been dropped into the hopper and printed in today's Record in compliance with the rules, will we be granted the set-aside 5 minutes to present our amendments inasmuch as the substitute amendment offered by the gentleman from Pennsylvania (Mr. Edgar) would extinguish our right to offer an amendment at that point?

The CHAIRMAN. If the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. Edgar) is agreed to, the stage of amendment would have been passed and no further amendments would be in order to the bill.

Are there any Members among those listed who desire to speak to the Moffett amendment?

The Chair recognizes the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, we in this body are so used to thinking in terms of unilateral American military action that we have overlooked other possibilities, and I think we are indebted to the gentleman from Connecticut (Mr. Moffett) as well as the gentleman from Pennsylvania (Mr. Edgar) for giving us an opportunity to solve this problem in a way that we cannot solve it by unilateral means.

There has been a great deal of discussion, and the gentleman from Wisconsin (Mr. Aspin) has been one of those who has expressed concern, about the effect of the substitute amendment offered by the gentleman from Pennsylvania (Mr. Edgar) on the War Powers Act and on the restrictions we have imposed on the use of the military in Vietnam.

When all else fails, and I hope the gentleman from Wisconsin (Mr. Aspin) will give me his attention, I suggest we look at the language of the proposed legislation. There is nothing in the Edgar substitute that says anything about military activity. It does not authorize any and, as far as I can see, if this substitute is adopted and it becomes law, the President then will not be authorized to conduct any military activities beyond what his powers may be under the Constitution, which we can in no way limit by legislation. All of the limits we put in the War Powers Act and the special restrictions on military actions in Vietnam will be in full force and effect. The substitute offered by the gentleman from Pennsylvania (Mr. Edgar) does not in any way repeal them.

But the committee bill does. I think if the gentleman from Wisconsin (Mr. Aspin) is concerned, he should favor the substitute offered by the gentleman from Pennsylvania (Mr. Edgar) or some similar amendment rather than the committee bill.

The Edgar amendment, as amended by the Moffett amendment, is a particularly excellent approach since it provides for unilateral actions by the United States to take care of those to whom we have an obligation under our laws and provide for the use of international agencies, such as the International Red Cross, to take care of those to whom we do not have a legal obligation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. Moffett) to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. Edgar).

The question was taken; and on a division (demanded by Mr. Seiberling) there were—ayes 43, noes 37.

So the amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. JOHN L. BURTON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. John L. Burton to the amendment in the nature of a substitute offered by Mr. Edgar: Section 4, strike "The United Nations, its specialized agencies."
>
> After "agencies" strike the period and insert "as the President deems appropriate."

Mr. JOHN L. BURTON. Mr. Chairman, what this amendment does, is to address itself to the concerns of many of my colleagues who have said they could support international aid through other sources, such as the Catholic Relief, the Red Cross, and voluntary relief agencies. But, they felt very strongly that they could not support utilizing the United Nations.

I cannot agree with that personally, but I feel so strongly about the substitute amendment of the gentleman from Pennsylvania (Mr. Edgar), that if the United Nations could lose votes for that substitute, that I am proposing an amendment to strike that and it would say:

> International agencies, such as the International Red Cross, and voluntary relief agencies, as the President deems appropriate.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the author of the amendment.

Mr. EDGAR. Mr. Chairman, I am prepared to accept the language of the amendment of the gentleman from California and put a period there and including what the gentleman just said.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. John L. Burton) to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. Edgar).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. OTTINGER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. OTTINGER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Ottinger to the amendment in the nature of a substitute offered by Mr. Edgar: Strike out in the last sentence of section 4, the word, "section", and substitute the word, "Act".

Mr. OTTINGER. Mr. Chairman, this is a technical amendment, to correct a minor mistake that was made in drafting the original amendment. The last sentence will read: "to insure that the assistance is provided to such persons throughout South Vietnam through channels acceptable to all parties, the funds made available under this 'Act,'" instead of this "section," "shall be furnished."

I ask that the amendment be adopted.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I would like to accept this perfecting amendment, which is simply changing the words.

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Mr. OTTINGER. The funds are actually provided in section 8 as the language of the amendment presently reads. It, therefore, would be inaccurate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER) to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. ASHBROOK. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. ASHBROOK to the amendment in the nature of a substitute offered by Mr. EDGAR: In section 4, strike last full sentence and substitute therefor the following language: "To insure that the assistance is provided to such persons throughout South Vietnam no funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG."

Mr. ASHBROOK. Mr. Chairman, the purpose of my amendment is very simple: To deny American tax dollars to the North Vietnamese and Vietcong for any purpose, humanitarian or otherwise. More than 50,000 Americans have died because of the Communists in Vietnam. Many more thousands of South Vietnamese have been killed. Millions of Vietnamese have been made homeless because of Communist bombings and shellings.

In no way should we help the same Communists who have brought this death and destruction to South Vietnam. We should not help the Communists solidify their hold on unfortunate South Vietnamese with American dollars.

The Communist Chinese and Soviets have been lavish in their supply of the weapons of destruction. In no way should American tax dollars subsidize the Communist Chinese and Soviets nor their puppets in Hanoi whether in humanitarian relief or not.

In studying the record of debate yesterday, I feel the colloquy between the chairman of the committee, Mr. MORGAN and my colleague, the gentleman from Ohio (Mr. WYLIE), which appears on pages 11285 and 11286 was most informative on this point. Pressed for an answer to the basic question in issue on this amendment, the chairman responded as follows:

> Mr. WYLIE. Would the President have authority to render humanitarian assistance to the country of South Vietnam if it came under the control of the North Vietnamese Government or the Vietcong?
>
> Mr. MORGAN. There are restrictions in the Foreign Assistance Act prohibiting that money from going to any Communist government. Section 620 of the Foreign Assistance Act, among other provisions of law, contains restrictions on the furnishing of assistance to various Communist governments.
>
> Mr. WYLIE. Can we be assured by the colloquy between the gentleman from Pennsylvania and myself that none of this money for humanitarian assistance would be intended to go to North Vietnam if things folded up or if South Vietnam fell to the Communists?
>
> Mr. MORGAN. The gentleman means for any country that may be conquered by the North Vietnamese?
>
> Mr. WYLIE. Yes.
>
> Mr. MORGAN. I can assure the gentleman the committee is against this I am opposed in that case to any type of humanitarian assistance unless it goes to some form of international organization like the International Red Cross or something of that kind.

My amendment was originally prepared as a separate section to the committee bill. The gentleman from Pennsylvania (Mr. EDGAR) has offered a substitute and my amendment therefore must be to his section four. The significant language of Mr. EDGAR's substitute is as follows:

> To insure that the assistance is provided to such persons throughout South Vietnam through channels acceptable to all parties, the funds made available under this section shall be furnished to international agencies, such as the United Nations, its specialized agencies, the International Red Cross, and voluntary relief agencies.

Note the language:

> To insure that the assistance is provided to such persons throughout South Vietnam through channels acceptable to all parties . . .

Mr. Chairman, this is an open invitation to channel American taxpayers' dollars through our enemies, the North Vietnamese and the Vietcong for they are surely one of the principal parties in interest in South Vietnam. I therefore would strike this entire sentence and substitute the language of my amendment.

The legislative history cited here and the language in the substitute which invites participation with the Vietcong and North Vietnamese Communists makes the passage of my amendment imperative. I urge support from all of the Members to clearly tell the American people we will not fritter away our funds in Communist redtape or to promote Communist goals in Southeast Asia.

Note the answer. My friend, the able chairman, says he is opposed to the Vietcong or Communist governments receiving American money for channeling to needy people. He indicates the committee opposes this but he does not say categorically that this questionable practice would be illegal under present law. He was very honest in his answer but I think we need more than the assurance of our capable chairman that he opposes American funds being administered by our enemies.

Again, when pressed by Mr. WYLIE, the chairman did not give a direct answer. The debate record shows this exchange:

> Mr. WYLIE. To go back for a moment, it is the gentleman's position, then that if and when the North Vietnamese or the Vietcong take over or triumph that any humanitarian assistance provided for under the provisions of this bill will terminate?
>
> Mr. MORGAN. Would the gentleman from Ohio repeat that question?
>
> Mr. WYLIE. Is it the gentleman's position that if the North Vietnamese or the Vietcong take over or triumph in South Vietnam, which now appears to be a certainty, that any humanitarian assistance provided for in this bill will terminate?
>
> Mr. MORGAN. Of course, this bill is not in its final form. It has not run the gauntlet. Also, this is only an authorization; it also has to run the gauntlet in the Committee on Appropriations; so there will be a double check on the money.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to my colleague from Ohio.

Mr. SEIBERLING. Mr. Chairman, aid to people in South Vietnam will indirectly help the Government of North Vietnam if it takes over South Vietnam, so I assume the gentleman's amendment does not intend to rule out even that degree of aid?

Mr. ASHBROOK. The amendment, I would say to my friend and colleague from Ohio, simply says that—

> No funds authorized in this act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam—DRV—or the Provisional Revolutionary Government—PRG—nor shall any funds under this act be channeled through or administered by the DRV or the PRG.

Mr. SEIBERLING. Just because it goes to help people in areas which North Vietnam may ultimately occupy would not be deemed to be indirectly going to the Government of North Vietnam?

Mr. ASHBROOK. If it is channeled through the PRG or the DRV.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

RECORDED VOTE

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 340, noes 70, not voting 22, as follows:

[Roll No. 13[illegible]]

AYES—340

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bevill
Biaggi
Biester
Blanchard
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell

Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Mahon
Mann
Martin
Mathis
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti
Solarz
Stark
Stokes
Thompson
Tsongas
Udall
Waxman
Wirth
Yates
Young, Ga.

NOES—70

Abzug
Aspin
Badillo
Bergland
Bingham
Blouin
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Clay
Corman
Dellums
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ford, Tenn.
Fraser
Harkin
Harrington
Hawkins
Helstoski
Holtzman
Howard
Jacobs
Jordan
Karth
Kastenmeier
Keys
Koch
Leggett
Maguire
Matsunaga
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moss
Obey
Ottinger
Rangel
Rees
Reuss
Richmond
Rodino
Roncallo
Rosenthal
Scheuer
Schroeder
Seiberling
Simon

NOT VOTING—22

Barrett
Boggs
Conyers
Dent
Fenwick
Goldwater
Gonzalez
Gude
Hansen
Hébert
Hinshaw
Landrum
Madigan
Mills
Mollohan
Murphy, N.Y.
Pritchard
Roybal
Shriver
Sisk
Smith, Iowa
Treen

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR) does two things in particular, it takes from the Congress our constitutional right and authority to deal with the problem of evacuation. It places that authority heaven knows where. This is irresponsible. It may shut the door, condemn to death or imprisonment those Vietnamese who sought freedom for their country from Communist rule and who helped Americans and American forces in the process. This is cold, callous, inhuman, not in keeping with the great traditions of America.

Congress has repeatedly jeopardized American foreign policy by trying to write policy during debate on the floor. We do not have time for mistakes today. The committee has written a good bill; it should be approved. The substitute, Mr. Chairman, can jeopardize more than policy; it can jeopardize American lives; and the lives of our friends.

It is very late. We have waited far too long to show that Congress is genuinely concerned with what happens to the free nations of Indochina—nevertheless there is a serious need for this legislation.

There is an equally serious need—an even more serious need—for the passage of the appropriations for weapons and economic support which was approved on Monday by the House Committee on Appropriations.

It is the hope of the sponsors of that bill that the badly sagging morale of the South Vietnamese will be boosted, that it will give them the courage to keep fighting in the realization that they have not been completely abandoned by their friends, and that it may provide a chance for the South Vietnamese forces to hold until something more palatable is worked out than outright capitulation to the North Vietnamese or the destruction of Saigon and the slaughter of additional thousands of innocent civilians.

That measure also is needed, desperately needed.

Mr. CHAPPELL. Mr. Chairman, as we debate our Nation's obligations and support for our South Vietnamese allies, many different views and interpretations are being stated. This Congress must at this moment look at the facts, I repeat—facts—instead of what we should or should not have done in Southeast Asia. It is a fact that we were in South Vietnam. It is a fact that while we were there over 55,000 Americans gave their lives, several hundred thousand Americans were injured and several million Americans served under the stars and stripes in South Vietnam. It is a fact that in this deep and close American participation with the South Vietnamese, we convinced many thousands of them that the United States would insure their right to decide whether they would be Communist or non-Communist. It is a fact that because of the United States, these many thousands of South Vietnamese committed themselves to the United States and it is also a fact that if the Communists take over, these thousands of Vietnamese will be systematically killed. That this great Nation and defender of the individual freedom of man might be directly responsible for these peoples' death is extremely distressing to me and to many of my constituents. Let me quote briefly from two of them. One constituent, a veteran from Ocala, Fla., said and I quote:

> I am deeply troubled over what we are letting happen to our friends in the Republic of Vietnam. I can see the world not caring but my own country doesn't seem to care. I do not hesitate to tell you that I am rapidly losing what faith I had in my government and particularly in Congress.

He then added:

> I can see the Communists chuckle every time they think of how they pulled the wool over the eyes of this nation of sheep.

Another constituent, an accountant, whose wife is Vietnamese, asked me how I can tell my children that their country, the United States, let their grandparents, aunts, uncles and other relatives who believed in the United States die unnecessarily.

Mr. Chairman, whether we should or should not have been in South Vietnam is, at this point in time, academic, and we cannot avoid the facts. To let these friends of ours die would be an inhuman tragedy unparalleled in American history, that would haunt us forever. This Nation cannot willfully let this happen.

Mr. Chairman, we must give the President, who has been very candid and forthright with this Congress, whatever authority he needs to prevent this terrible tragedy now at our doorsteps.

I urge the defeat of the substitute.

AMENDMENT OFFERED BY MR. CARNEY TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. CARNEY. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. CARNEY to the amendment in the nature of a substitute offered by Mr. EDGAR: At the end of section 4 add a new section 5 and renumber subsequent sections accordingly.
>
> "SEC. 5. To insure that the assistance is provided to such persons throughout South Vietnam, the funds made available under this act shall be furnished to international agencies, such as the International Red Cross, and voluntary relief agencies, as the President shall direct."

Mr. CARNEY. Mr. Chairman, I yield my time to the gentleman from Ohio (Mr. SEIBERLING).

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Mr. SEIBERLING. Mr. Chairman, the nature of this amendment is simply to restore the language of the last sentence of section 4 of the Edgar substitute which was inadvertently stricken out by the amendment of the gentleman from Ohio (Mr. ASHBROOK). The only change is that the words "through channels acceptable to all parties" has been eliminated because otherwise it would be inconsistent with the amendment just adopted that was offered by the gentleman from Ohio (Mr. ASHBROOK). I think it is very important that this amendment be adopted; otherwise, the heart of the Edgar substitute, which is to provide for international agencies such as the Red Cross to handle the evacuation of nondependent and nonrelative South Vietnamese nationals, would be eliminated.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. CARNEY. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would just like to commend the gentleman for his amendment and suggest that we do accept his amendment as a clarifying amendment, because I am sure the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) was not intended to strike out that language.

The CHAIRMAN. The time of the gentleman has expired.

PARLIAMENTARY INQUIRY

Mr. SEIBERLING. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SEIBERLING. I understand that the gentleman from Ohio (Mr. ASHBROOK) does not object to it, either.

The CHAIRMAN. That is not a parliamentary inquiry, the Chair will advise the gentleman.

The question is on the amendment offered by the gentleman from Ohio (Mr. CARNEY) to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

I have been a clergyman for almost 25 years, so I, obviously, do not have a thing against preachers, including the one who offered this substitute amendment. But I have also been a Member of this House for about 10 years, and I would say to my colleagues, Mr. Chairman, whatever else we may be, we are supposed to be legislators.

The substitute offered by the gentleman may have high and even heavenly motivation and purpose but it is filled with mischief. If I had the time other than this minute and a half to tell the gentleman the mischief that is in it I would, but I do not have the time so I will say this is an irresponsible and dangerous way to legislate, to take a substitute loosely and quickly drawn and shoot from the hip and hastily amend it. We have already had one amendment that did what it did not intend to do.

This substitute would make us have to close our embassy in 10 days in a friendly country or say to our people they should get out as best as they can. Further, the President would not have authority to get out the families of Americans and American war brides and others to whom we are clearly responsible.

I say to the Members, "They know not what they do" if this substitute is passed; but I say if we do pass it we are acting in a dangerous and irresponsible way.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I rise in opposition to the substitute amendment for two reasons among others. One is the amendment which was just adopted, and I know it was attractive to vote for that amendment but it is typical of the kinds of things we do in haste. Just as the gentleman from Florida (Mr. SIKES) has said a few moments ago, we are tying the President's hands. I think certain restrictions are in order and I may vote for other amendments but I think this is unfortunate.

Second, and my friend, the gentleman from Connecticut (Mr. MOFFETT) I ask to listen to this, I would like to see the U.N. move in this direction but what the gentleman from Illinois (Mr. DERWINSKI) said earlier is correct. There is no precedent for the United Nations ever doing this type of thing. I am for strengthening the hand of the U.N. and if this amendment is defeated and when the bill is passed I will join the gentleman from Connecticut in calling for passage of a resolution urging the United Nations to move in this area. I would like to see them do it, but there is no suggestion at this point that they responsibly can do this kind of job.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I yield to the gentleman from Illinois (Mr. SIMON).

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, the U.N. moved 140,000 people back to their homes in the Pakistan and Bangladesh situation in what was a near hostile situation, and they handled that.

Mr. SIMON. The gentleman is correct but you are talking about a situation where all the parties have agreed to it. We have no basis for believing the Soviet Union and Red China are going to agree to what the gentleman suggested. I hope he is correct.

Mr. MOFFETT. Is the gentleman aware that the PRG has said in Paris they would be agreeable so long as it does not involve moving in U.S. troops?

Mr. SIMON. I read that. I think the gentleman from New York (Mr. SOLARZ) is discussing this with the gentleman from Pennsylvania (Mr. EDGAR) at the moment and he has the most significant paragraph in that report, but that is not action by the Soviet Government or the Chinese Government and we cannot pass a bill on hopes when lives are at stake.

Mr. MOFFETT. Does the gentleman not agree if we pass this, then the Secretary of State would be dispatched to Paris or wherever, to discuss with the various parties including the U.N. Office of Migration and Refugee Affairs and the Soviet Union and others the possibility of bringing this about?

Mr. SIMON. If this is defeated, as I think it will be, if the gentleman then wants to offer a resolution urging the President and this country to go to the United Nations, I will join the gentleman in that.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, my good friend, the gentleman from Illinois (Mr. SIMON) has just indicated a skepticism as to the capability or willingness of the United Nations to engage in these kinds of relief activities. I think a review of the history of the United Nations would show that while it has sometimes been hamstrung on matters of international peace and security in the Security Council—which is where the veto power of China or the Soviet Union would be exercised—it is a fact that specialized agencies affiliated with the United Nations, such as the United Nations International Children's Emergency Fund (UNICEF) and the High Commissioner for Refugees, have over the years performed very valuable humanitarian services at many trouble spots around the world. I think we should ask our Government here today to commit itself to humanitarian assistance through international auspices.

Finally, I might point out that under the language proposed, agencies other than United Nations affiliated agencies—agencies such as the Red Cross and other international voluntary and religious relief organizations—could be used for the provision of humanitarian assistance.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

AMENDMENT OFFERED BY MR. SOLARZ TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. SOLARZ. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. SOLARZ to the amendment in the nature of a substitute offered by Mr. EDGAR: In section 6, line 5, after "Vietnam." strike the period and add "and for the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations."

Mr. SOLARZ. Mr. Chairman, this is a minor perfecting amendment. It has the approval, I understand, of the author of the substitute amendment, as well as the author of the amendment to the substitute. Basically, what it is designed to do is to clarify an ambiguity in section 6 of the substitute amendment which provides 150 million for humanitarian assistance.

My amendment to the substitute amendment would make it clear that $150 million was available not just for humanitarian assistance, but for the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations. The gentleman from

Connecticut (Mr. MOFFETT) included these people in his amendment to the substitute but no comparable provision was made for the expenditure of funds in order to enable them to leave.

I think there is a need for this perfecting amendment because, in the absence of it, one might argue that no authorization for the expenditure of any funds could be made to effectuate their evacuation.

PARLIAMENTARY INQUIRY

Mr. SEIBERLING. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SEIBERLING. Mr. Chairman, could we have the amendment read again?

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio that the amendment be reread?

There was no objection.

The Clerk reread the amendment as follows:

> Amendment offered by Mr. SOLARZ to the amendment in the nature of a substitute offered by Mr. EDGAR: Amendment to section 6, line 5, after "Vietnam.", strike the period and add "and for the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations."

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MILFORD).

PARLIAMENTARY INQUIRY

Mr. OTTINGER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. OTTINGER. Mr. Chairman, is it not now in order to vote on the amendment just offered by the gentleman from New York (Mr. SOLARZ)?

The CHAIRMAN. The gentleman from Texas is on the list and he has requested permission to speak against the pending amendment and he has been recognized for that purpose.

Mr. MILFORD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. SOLARZ). One of the features, of the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR), a limitation on the number of refugees coming into the United States. Under the Solarz amendment, we are facing an influx of some 130,000 to as many as 2 million refugees into this country.

Mr. Chairman, I do not want to see 130,000 refugees brought into this country. Like millions of other Americans, I am sympathetic to the hundreds of thousands of South Vietnamese who are faced with living under the rule of the North Vietnamese—long called their enemy.

However, I am also sympathetic for the Indians, the Pakistanians, the Africans—South Americans and billions of other peoples around this world. They too are having a hard time—having a hard time living with conflict in their home nations.

Any way we approach this, the people of Vietnam are simply going to have to work out their own problems. The United States cannot continue to support that nation. For 15 years we have been embroiled in—and our own Nation torn apart by—our involvement in Southeast Asia. There must come a time for us to stop. That time is now.

I am not certain who first came up with the illogical thought that "the United States owes Vietnam." The administration keeps hammering at the point that we "owe" it to these people to bring them safely to American shores.

After all, we did not go into Vietnam with the idea of the South Vietnamese assisting us. We were over there to help those people. Not—I repeat—not—for them to help us.

We have given them money for food, yet we have seen children being flown out of there in various states of malnutrition and starvation. We have given them weapons only to see nearly $7 billion worth abandoned in flight and in panic. Finally, we have dotted their soil with American blood.

I say enough is enough.

And I invite you to look with me at a few of the problems inherent in providing shelter to the refugees.

Our Nation has its highest rate of unemployment since World War II—over 8 percent.

The administration proposes to bring over 130,000 South Vietnamese on Executive order.

Do you have any idea what that will create?

That is 130,000 more people to be added to our unemployment roles—and as anyone can guess, that automatically means 130,000 more people on the welfare roles of our States—roles which have swollen in this last year due to our own rising unemployment.

And food becomes a problem. Many areas of our vast Nation are reporting shortages of food stamps. The welfare offices just cannot crank them out quickly enough.

Medical care is a problem. Has anyone tried to enter a hospital here? There is a waiting list—unless you are critical. Then, who will pay for that care?

And that is not all—just where do we propose to house these 130,000 aliens? Economists are already predicting a housing shortage in 6 months due to the construction lag and tight money situation in the United States. If the prediction is accurate—and bankers all across the country are saying it is—where do we put these people?

In concentration camps?

In the already over populated, blighted tenements of our cities?

Would they not, really, be better off in their homeland?

And certainly, wouldn't America be better off without the added burdens to an already overburdened populace—and economy?

I cannot find it in my conscience to ask the people of my district to assume any further tax burdens for South Vietnam. I cannot ask the workers of my district to step aside to give these refugees their jobs.

I cannot find it in my conscience to break the laws of this great land. I urge that we allow any person, who meets Immigration Act eligibility, to come to this country. We should welcome those people. They have complied with our regular laws.

In areas all around the borders and in the heartland of this Nation we are seeking to deport illegal aliens, why invite more? I am firmly opposed to bringing the Vietnam evacuees into this Nation.

I urge you to vote for the Edgar substitute, and against the Solarz amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLARZ) to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and the chairman being in doubt, the committee divided, and there were—ayes 89; noes 28.

Mr. MILFORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I would like to ask the sponsor of the amendment some questions about its import, because there has been some question raised in the debate.

It is my understanding that this amendment does not in any way imply that the President ought to use military force to go into South Vietnam and evacuate anybody, is that correct?

Mr. EDGAR. That is correct.

Ms. HOLTZMAN. This amendment does not in any way address itself to the President's use of military force, is that correct?

Mr. EDGAR. That is correct.

Ms. HOLTZMAN. Does it in any way authorize him to use military force in connection with any evacuation?

Mr. EDGAR. No.

Ms. HOLTZMAN. I think it is very important to emphasize—because of the questions raised by the gentleman from Wisconsin (Mr. ASPIN)—that the Edgar substitute in no way implies that the President ought to use force to evacuate South Vietnamese. Instead, it directs him immediately to evacuate peacefully Americans who are there and their dependents and other Vietnamese nationals eligible for immigration, but it does not in any way authorize him to use force, is that correct?

Mr. EDGAR. That is correct. I appreciate the gentlewoman's comment on that point for clarification, so that we understand exactly what the amendment does say.

Ms. HOLTZMAN. The legislation also does not take any position on the President's right to use force under any claim of inherent constitutional authority, does it?

Mr. EDGAR. That is correct.

The CHAIRMAN. The gentleman from California (Mr. MILLER) is recognized.

Mr. MILLER of California. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York (Ms. HOLTZMAN).

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Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Ms. HOLTZMAN. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, the question I would like to raise is, What happens in the 10 days during which the evacuation is to take place if some hostilities break out and if there is fighting? What happens then?

Ms. HOLTZMAN. What we are talking about, if I might answer the gentleman, is that the Edgar substitute says, "Get the Americans out now——"

Mr. ASPIN. That is right.

Ms. HOLTZMAN. Before we are faced by the problem of hostilities.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. MILLER of California. Mr. Chairman, I continue to yield my time to the gentlewoman from New York.

Mr. RIEGLE. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I would like to respond to the gentleman's question. I think discussion earlier makes it clear that if that were to happen in the next 10 days, the President is free to use whatever authority presently exists. This substitute does not go to that question.

Mr. MILLER of California. Mr. Chairman, I use the remainder of my time to say we are now right to the nub of the question, and that is the advantages of the substitute over the committee bill in authorization of troops in Vietnam.

I think we are here for the same purpose, to reduce the carnage that would take place in that part of the country. I think the substitute, by not expressly giving power for troops in that area, is better than the committee bill.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. Moffett).

(By unanimous consent, Mr. Moffett yielded his time to Mr. Edgar.)

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Wisconsin.

Mr. ASPIN. What worries me is that gentleman from Michigan would be using the inherent powers of the Presidency to evacuate the Americans if there is trouble.

Would the gentleman not concede that that is a debatable point in constitutional law?

Mr. EDGAR. It is the identical powers that were used in Cambodia.

Mr. ASPIN. The question is, what about the extension of that authority on the substitute bill to others beyond the U.S. citizens.

Mr. EDGAR. They should apply in that category. We are not giving him any additional powers.

Mr. ASPIN. Is it the gentleman's understanding that the President does have the inherent authority in the Constitution to use force to help evacuate all those if there is fighting that breaks out in this 10-day limit?

Mr. EDGAR. For an answer to that question, I yield to the gentleman from Michigan (Mr. Riegle).

Mr. RIEGLE. I would say to the gentleman from Wisconsin there are probably any number of established precedents over the past years. Exactly that has happened. Certainly I would raise no objection, and I would be amazed if anybody in the House would raise an objection to that interpretation. I feel that is a reasonable inference to draw.

Mr. ASPIN. What all of the gentlemen are saying and this is what is so dangerous is that the President has the inherent power right now to evacuate not only U.S. citizens and U.S. citizens' dependents, but these other things listed, permanent residents of the United States, Vietnam nationals eligible for immigration to the United States by reason of their relationship.

Mr. RIEGLE. The President did exactly that a week and a half ago in Cambodia.

Mr. ASPIN. I know.

Mr. RIEGLE. I did not hear a single personal objection.

The CHAIRMAN. The gentleman from Wisconsin (Mr. Aspin) is recognized.

Mr. ASPIN. The point I am making with this matter is that the substitute is based on an interpretation of the Constitution, which is very, very questionable. What is the power of the President to use force to evacuate U.S. citizens, to evacuate dependents of U.S. citizens, to evacuate others who may have the right of the flag?

That is a very questionable part of the U.S. Constitution.

What is dangerous about this substitute is that it lumps all of those people together. I have never heard anybody ever say that the power of the U.S. Presidents to use force extends beyond anybody besides U.S. citizens. But we are, by this measure, saying that if fighting breaks out during the 10 days during which the substitute would apply, if combat hostilities take place, then they can all be evacuated. And the President might use that precedent at some future time when we do not want him to.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, I believe, from the statements made by the mover of the substitute, and as I read both the bill and the substitute, what is intended here is not to rest the substitute on the inherent power of the President. This does not rest on the inherent power of the President.

What is being stated here, it seems to me, is that the President is directed by Congress to evacuate these citizens and dependents and their families without the use of force and troops.

It is a substitute to sections 4 and 2 of this bill which provides, to the contrary, that there be the use of force if necessary to accomplish evacuation.

Therefore, I think the argumentation that has been made on this floor that we are giving power that President Nixon claimed he had is totally invalid. The fact is that there is reason for this direction by the Congress contained in this substitute. The reason is the statement of our Government—through Secretary Kissinger, President Ford, and Under Secretary Habib, that we are keeping American citizens there for a larger purpose; namely, to be able to introduce force in order to exercise political control over that situation.

I want this record very clear that what is being offered here is a direction, which means it is not an inherent power; there is a direction by the Congress to the President to evacuate, and from the statements made here, it is the legislative intent of the mover that the evacuation be without the use of force, without the use of force. And that is contrary to what the bill we seek to substitute provides.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. O'Neill).

Mr. O'NEILL. Mr. Chairman, since I left the floor, I understand an amendment has been adopted, which was a little unclear to me.

I had intended to speak about the Edgar amendment.

On April 14, 1975, I wrote a letter to the President of the United States asking why he needed additional authority to evacuate Americans from Vietnam.

I include at this time both my letter to the President and his response in the Record:

WASHINGTON, D.C.,
April 14, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We were pleased to receive your communication of April 12, 1975, notifying the Congress of the successful evacuation of Americans from Cambodia.

In your letter you stated: "The operation was ordered and conducted pursuant to the President's Constitutional executive power and authority as Commander-in-Chief of the United States Armed Forces."

In light of your stated authority and a similar evacuation of Danang, what is the need for additional authority which you seek from Congress in the form of the third resolution you sent the Congress on April 1, 1975?

It would seem that from actions already taken in Cambodia and Danang that any additional authority is unnecessary.

Sincerely,

THOMAS P. O'NEILL, Jr.

THE WHITE HOUSE,
Washington, D.C., April 17, 1975.

Hon. THOMAS P. O'NEILL, Jr.,
House of Representatives
Office of the Majority Leader,
Washington, D.C.

DEAR TIP: In your letter of April 14 you asked for a clarification of my request for additional authority to use U.S. forces to carry out humanitarian evacuation efforts. I think we must keep in mind a distinction between efforts undertaken to protect American citizens and efforts designed for the humanitarian evacuation of persons other than U.S. nationals.

The evacuation efforts in Phnom Penh cited in your letter were actions principally taken for the purpose of ensuring the safety of American citizens. Limited numbers of Cambodians and persons of other nationalities were included as a part of the efforts made to extricate Americans as ordered and conducted under the President's Constitutional executive power and his authority as Commander-in-Chief of the U.S. Armed Forces.

In the case of the entry of U.S. naval vessels into the territorial waters of South Vietnam near Danang on April 3, 1975, there was no thought of introducing U.S. Armed Forces

into hostilities contrary to legislative restrictions on the use of such forces in Indochina. Instead, the sole mission of the embarked combat forces was to assist in the evacuation, including the maintenance of order on board the vessels, and those vessels, while participating in the humanitarian refugee effort, were ordered to withdraw if fired upon.

Use of American military forces to assist or carry out evacuation efforts intended solely or principally for Vietnamese citizens, however, may not be permitted by existing law because such actions do not clearly come under the President's Constitutional executive power and authority as Commander-in-Chief. Also, if a much larger-scale operation is needed in South Vietnam to save principally American lives, it would appear desirable that Congress clarify its previous legislative restrictions on use of armed forces even for that principal purpose in Indochina.

As you will recall, in my speech to the Congress on April 10, 1975, I sought prompt clarification and revision of existing prohibitions against the use of U.S. forces in Indochina to permit, if required, the evacuation of American citizens and potentially large numbers of those Vietnamese citizens associated with us whose lives might be endangered should South Vietnam fall to the Communists and to whom we therefore have a special obligation.

I know that we all hope that such authority will never have to be used. That is why I am urgently asking for additional assistance for Vietnam. But if the worst should occur in Vietnam, thousands of lives in jeopardy cannot then await a debate over a revision in existing limitations on the American ability to respond.

Sincerely,

GERALD R. FORD.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

PREFERENTIAL MOTION OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. O'Neill moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. O'Neill) in support of his preferential motion.

Mr. O'NEILL. Mr. Chairman, I regret the fact that I have had to do this in order to get some time. Earlier in the day I stood continuously, and only the members of the committee at that time were being recognized.

In the letter that I had received from the President of the United States, he said, as I have pointed out already, the following:

> Use of American military forces to assist or carry out evacuation efforts intended solely or principally for Vietnamese citizens, however, may not be permitted by existing law because such actions do not clearly come under the President's Constitutional executive power and authority as Commander-in-Chief.

Mr. Chairman, that provision is in the bill, as reported by the committee chaired by the gentleman from Pennsylvania (Mr. Morgan).

I think, given the present situation in Vietnam, that this is not the time for us to adopt a bill which, by repealing existing restraints on U.S. involvement in the Vietnam conflict and by tampering with existing laws, explicity, as this bill does, approves the intervention of U.S. troops for the purpose of protecting and evacuating South Vietnamese.

I do not approve the intervention of U.S. troops for the evacuation of South Vietnamese nationals. I think we have an obligation to evacuate, as expeditiously as possible all American nationals, their families, and dependents in Vietnam who want to leave. The administration does not need this legislation to accomplish that objective. And the American people do not want legislation that could reintroduce or widen American involvement.

I am strenuously opposed to section 4 of the bill. I cannot, as one who has been opposed to the Vietnam war for years, in good conscience, bend in such a way that I can vote to send American troops back for that particular reason, to protect and evacuate Vietnamese nationals. Certainly I feel sorry for them. Certainly my heart bleeds for them. However, let us look at the facts. I remember back a half dozen years ago when we were talking about our marines who could not shoot back until they were shot at.

Mr. Chairman, what is going to happen to these people that we are going to try to evacuate? What is going to happen at this particular time?

The President of the United States, in a briefing, told us that he wanted between 160,000 and 200,000 Vietnamese nationals who were friends of ours to be evacuated.

I have a press clipping here that the gentleman from California (Mr. Anderson) gave me saying that they are making preparations in California for anywhere from 600,000 to 1 million evacuees. I include this clipping as follows.

Do any of us think for 1 minute that we can evacuate 600,000 to 1 million troops without being back in the quagmire that we were in 4 years ago, 6 years ago, 8 years ago?

[From the Los Angeles Times, Apr. 22, 1975]

L.A. ALERTED ON REFUGEE INFLUX: U.S. PREPARING FOR UP TO 1 MILLION—HAYES

(By Ray Zeman)

Chairman James A Hayes said Monday that federal officials are planning to bring from 600.000 to 1 million Southeast Asian refugees to the United States, with Los Angeles and San Francisco as the likely first ports of entry.

Hayes said he will ask the Los Angeles County supervisors today to prepare for such a situation.

The supervisor said word of the possible influx of refugees came from highly placed officials in Washington.

"I was asked not to divulge the names of the callers or the two departments from which they telephoned. They urged me to start plans and preparations.

"This program—if it becomes a reality, as it very well may—will be quite similar to the Cuban refugee operation.

"San Francisco and Los Angeles would probably be the first points of debarkation."

Hayes recalled that under the Cuban program, 600,000 Cubans were settled in the United States. At the peak in March, 1971, this program aided 11.615 in Los Angeles County.

More than half of these have since been transferred to federal programs for the aged, blind and disabled. The county is caring for the remaining 5,126.

Pointing out that the first wave of Southeast Asian immigrants may reach California "in the very near future," Hayes said he will ask the Board of Supervisors to request that federal funds and personnel be utilized to offset the burden on local taxpayers.

He also will move that all appropriate county departments immediately gear up for the possible mass influx and to provide status reports weekly on these preparations.

Hayes also will ask that Chief Administrative Officer Harry L. Hufford and other county officials explore the need for an advisory commission to assist the immigrants and the feasibility of forming such a commission if the proposed federal programs becomes a reality.

"I would like a report on this within one week," Hayes emphasized.

There is no way you can do it.

Mr. Chairman, I am deadly opposed to it. Much as my heart says that I am sorry for those with whom we have been involved, this has been a tragic situation. Cambodia has been tragic; South Vietnam has been tragic, there is just no question about that.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I would like to applaud our distinguished majority leader who once again today, as the gentleman did when this issue was a good deal murkier, and took a great deal more perception than it now does today, has raised his voice against U.S. military involvement in South Vietnam. I share in the gentleman's conclusion and applaud the gentleman for his courage. I urge my colleagues to follow his leadership in this regard.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I too applaud the majority leader for his statement. It is the kind of a statement I had hoped to make myself.

I support the gentleman completely, and I am going to vote against this legislation.

Mr. O'NEILL. Mr. Chairman, I am grateful to the gentlemen for the remarks they have made.

Mr. Chairman, let me add this: that I do not stand here as the majority leader of the majority party. I stand here as Tip O'Neill, a Congressman elected by his district. I do not want anybody on this side of the aisle to vote for this bill because he wishes to support the President of the United States: I say that he should vote as his conscience dictates, as to what he thinks the problem is. And I say to my side of the aisle, do not vote because I happen to be the majority leader, or because you may think it is a Democratic issue. It is not a Democratic issue. It is a national issue. It is an American issue.

You know, Mr. Chairman, we had a bipartisan foreign policy for years, and then it fell apart. Why did it fall apart? It fell apart because the people in the Congress of the United States responded to the people in America, and the response of the people of America was that they wanted to get us out of Vietnam. I truly believe that when we get rid of the problem of Vietnam we can get back to a bipartisan foreign policy, because that is

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what America needs and that is what I believe America will have.

I just ask the Members to analyze the situation. What happens if our troops are ambushed while they are over there? What happens if some of the marines are shot over there? What happens again if we have troops who are missing in action? Is there any possible way that one can conceive in his mind that we can ever extricate 600,000 to 1 million South Vietnamese without being dragged back into the war again?

I cannot in good conscience conceive of that.

I would say this: that I think that this substitute is better than the committee bill. I would have to oppose the committee bill if this substitute bill is not passed at this particular time, and if some amendments are not offered.

Mr. Chairman, I urge the Members to vote for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. Edgar).

Mr. MORGAN. Mr. Chairman, I rise in opposition to the preferential motion offered by the gentleman from Massachusetts (Mr. O'Neill).

PARLIAMENTARY INQUIRY

Mr. du PONT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. du PONT. Mr. Chairman, my parliamentary inquiry is this: Does the grant of time by the Chairman to the gentleman from Pennsylvania (Mr. Morgan) preclude anyone on the minority side from rising in opposition to the preferential motion and being heard?

The CHAIRMAN (Mr. Pike). The Chair will say that that is correct.

Mr. du PONT. Under the rules, is not time designated to the minority side?

The CHAIRMAN. The Chair will state that is not a prerogative of the minority on a preferential motion of this sort.

Mr. du PONT. I thank the Chairman.

Mr. MORGAN. Mr. Chairman, I would state to the gentleman from Delaware that I will be glad to yield time to the gentleman if I have any time left at the conclusion of my statement.

Mr. du PONT. I appreciate that, and I would hope that the gentleman would be able to yield me time.

Mr. MORGAN. Mr. Chairman, we have been at work on this amendment in the nature of a substitute since about 20 minutes after 1, and many amendments have been offered. Some of them have served to perfect the amendment in the nature of a substitute, and some of the amendments have been bad.

Mr. Chairman, I should like to say that the committee worked long and hard on the bill which we brought before the House. If we are going to have a substitute agreed to today, then I hope that we would have a good substitute. The substitute offered by the gentleman from Pennsylvania (Mr. Edgar) is not a good substitute. I hate to disagree with my friend, the gentleman from Massachusetts (Mr. O'Neill) the majority leader, but it is not a good substitute. I know the problem the gentleman has in his own district, and that the gentleman is speaking here for the people of his district, and not as the majority leader, and that he is not twisting any arms on our side of the aisle.

The substitute has no authorization or funds for military costs associated with the evacuation.

I also want the Members to look at the reporting provisions of the substitute carefully. Can anybody in this House imagine that North Vietnam is going to let us go in there within this 90-day period to check on delivery of assistance, and to audit it, so that the President of the United States can report back to this Congress?

Some of the language in this substitute is very vague, and some very far-reaching. This is a poorly drawn substitute. It would not have been amended as many times on the floor if it had not been.

The gentleman has used "section" in here where he is supposed to use "act." The Moffett amendment had to be adopted to correct that. The Solarz amendment was a correcting amendment. I am sure before this debate is over—and I want the Members to listen very, very carefully—a different amendment will be offered in the form of a substitute by the gentleman from Texas (Mr. Eckhardt).

I have read this substitute by the gentleman from Texas. It essentially is along the same lines as the committee bill. The only significant difference is in the way in which the limitations on the President's power to evacuate people from South Vietnam are worded.

The committee bill spells out those limitations very specifically in section 4 of the bill. The way I read the Eckhardt substitute, the gentleman from Texas would add a new section 5 which would in a general way accomplish the same by reference to the war powers resolution.

Some Members here have some reservations about the committee bill. Some would prefer going the route of amending the war powers resolution. In both instances, the intent of placing some restrictions on the use of force is the same, perhaps worked out in different words and language. This, I gather, will be the thrust of the Eckhardt substitute.

Because the substitute of the gentleman from Texas will be very close to what I feel is the committee bill, it is my intention to vote for it.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Chairman, I would like to say also that I agree with the chairman of our committee. I believe the substitute that is under consideration now falls far short of what is actually necessary. It is overly restrictive, and I think the proposed amendment by the gentleman from Texas as a substitute complies more with the committee bill that was reported out. It is more concise and I think it provides the necessary flexibility for the President to carry out the purpose of the bill.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Delaware.

Mr. du PONT. I thank the gentleman for yielding.

I would like to respond to the preferential motion offered by the gentleman from Massachusetts by saying what I said here yesterday in general debate, and that is that it is not time for the Congress to sit on its hands and do nothing. It is time for the Congress to be united with the administration in our belief that we must evacuate every American citizen, every dependent, and every man or woman who may lose his life, out of South Vietnam, if we can do it.

The Congress stood up to put limitations on the Indochina war, to deal with the immigration problem in the Soviet Union, to deal with the Turkish situation, and this is the time to deal with the Vietnamese situation. Taking a position by the Congress is most important.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

I think that the Edgar substitute is a thoughtful substitute, a good substitute, and deserves our support. And I think it ill behooves the gentleman from Pennsylvania to criticize his colleague from Pennsylvania (Mr. Edgar) on the ground that this substitute was hastily conceived, where he is now going to support a substitute which the gentleman from Texas will offer and which the House has never seen.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of the Edgar substitute as amended.

I do not believe the substitute in any way expands or detracts the inherent powers of the President. What it does in this specific issue is to direct the President by the Congress to evacuate from South Vietnam within 10 days from the enactment of this act certain categories of persons.

First, U.S. citizens. Second, dependents of the U.S. citizens and of permanent residents of the United States. And third, Vietnam nationals eligible for immigration to the United States by reason of their relationship to U.S. citizens.

It further provides assistance for South Vietnam nationals whose lives are endangered because of past affiliations, but it does so under the direction of those international agencies, as deemed appropriate by the President of the United States.

It further directs the President to report to the Congress within 90 days of the enactment of this act: First, the amount of humanitarian assistance provided in this act; second, the expected recipients of such assistance; third, the names of all organizations and agencies involved in the distribution of such assistance; and fourth, the means by which such distribution is carried out.

In other words, how much money, to whom, by whom, and the means by which it is carried out. This last provision is important for people of my State because responsible officials have been informed by Federal officials to prepare for a possible immigration of perhaps 600,000 to 1 million refugees. Most of these would enter through the ports of California, and most would probably stay in California. I am reading this from a quote made in a Los Angeles newspaper by Supervisor James Hayes, chairman of the Los Angeles County Board of Supervisors.

If this were true, that the number of refugees would be anywhere near this large, it could cause our State's taxpayers billions of dollars.

The final point is that, and this is most important, this substitute amendment sets the policy of getting us out of Vietnam in 10 days.

The CHAIRMAN. The time of the gentleman has expired.

Mr. O'NEILL. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there any objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDMENT OFFERED AS A SUBSTITUTE BY MR. ECKHARDT FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. ECKHARDT. Mr. Chairman, I offer a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Eckhardt as a substitute for the amendment in the nature of a substitute offered by Mr. Edgar: strike all after enacting clauses and add:

Sec. 2. There is authorized to be appropriated to the President for the fiscal year 1975 not to exceed $150,000,000 to be used, notwithstanding any other provision of law, on such terms and conditions as the President may deem appropriate for humanitarian assistance to an evacuation program from South Vietnam.

Sec. 3. Nothing contained in section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States for the purposes of section 2 of this Act.

Sec. 4. For the purposes of section 2, evacuation shall be defined as the removal to places of safety as expeditiously as possible, the following categories of persons:

(a) American citizens;

(b) dependents of American citizens and of permanent residents of the United States;

(c) Vietnamese nationals eligible for immigration to the United States by reason of their relationships to American citizens; and

(d) such other foreign nationals to whose lives a direct and imminent threat exists:

Sec. 5. Nothing in this Act shall be construed to abrogate any of the provisions of the War Powers Resolution, Public Law 93–148. Nothing in this Act is intended to grant, extend, or delegate to the President any of the war powers of Congress which cannot be exercised by the President unless granted, extended, or delegated by Congress. It is the intent of Congress in passing this Act to provide only an authorization for the use of funds for the purposes and under the conditions herein stated.

Sec. 6. Funds heretofore or hereafter made available under section 36 of the Foreign Assistance Act of 1974 may be used for humanitarian assistance purposes without regard to limitations contained in subsections 36(a)(1), 36(a)(6), and 38(a)(1) and in the third sentence of subsection 37(b) of that Act.

Sec. 7. Any of the provisions of this Act may be rescinded by concurrent resolution of the Congress.

Mr. OTTINGER. Mr. Chairman, I reserve a point of order.

POINT OF ORDER

Mr. EDGAR. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. EDGAR. Mr. Chairman, I make the point of order that this is a substitute amendment for my amendment in the nature of a substitute and it would not be in order at this time.

The CHAIRMAN. A substitute for the amendment in the nature of a substitute would be in order at this time.

The Clerk will read.

The Clerk continued the reading of the substitute amendment for the amendment in the nature of a substitute.

POINT OF ORDER

Mr. RANDALL (during the reading). Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RANDALL. Mr. Chairman, I make the point of order that the understanding was the debate on the substitute and all amendments thereto would end at 4 o'clock and the hour of 4 o'clock has arrived. What is the parliamentary situation?

The CHAIRMAN. The parliamentary situation is, as the Chair understands it, as follows:

A substitute amendment offered by the gentleman from Texas for the amendment in the nature of a substitute can be read but cannot be debated.

If there are amendments to the substitute offered by the gentleman from Texas they will be reported by the Clerk but they will not be debated and they will be disposed of as soon as they are reported by the Clerk.

The Clerk will read.

The Clerk continued the reading of the substitute amendment for the amendment in the nature of a substitute.

PARLIAMENTARY INQUIRY

Mr. PEYSER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. PEYSER. Mr. Chairman, would it be in order to ask unanimous consent that the proposer of this substitute amendment could have 5 minutes of time, because what we are dealing with obviously is a major change and could he by unanimous consent of the House have 5 minutes time?

The CHAIRMAN. The Chair will state that by unanimous consent and by unanimous consent only could that be done.

Mr. PEYSER. Mr. Chairman, I would like to make a unanimous-consent request that the gentleman from Texas (Mr. Eckhardt) have 5 minutes in order to explain his amendment, because it will undoubtedly take that much time.

Mr. BLOUIN. Mr. Chairman, I object.

(Several other Members objected.)

The CHAIRMAN. Objection is heard.

The Clerk will read.

(The Clerk concluded the reading of the amendment.)

AMENDMENT OFFERED BY MR. MONTGOMERY TO THE AMENDMENT OFFERED AS A SUBSTITUTE BY MR. ECKHARDT FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Montgomery to the amendment offered by Mr. Eckhardt as a substitute for the amendment in the nature of a substitute offered by Mr. Edgar: Page 3, immediately after line 14, add the following new section:

Sec. . It is the sense of the Congress that as the humanitarian aid provided under this Act is made available in South Vietnam, the President is requested to use all appropriate diplomatic means at his disposal to obtain (1) an updated accounting of Americans listed as missing in action in Southeast Asia, and (2) the return of the remain of known American dead. The President is further requested to report to the Congress within 30 days after aid is made available in Southeast Asia, the diplomatic actions being taken.

POINT OF ORDER

Ms. HOLTZMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentlewoman will state her point of order.

Ms. HOLTZMAN. Mr. Chairman, it is my understanding and I do not mean this in any disrespect to the amendment of the gentleman from Mississippi, but it is my understanding that debate on the substitute amendments and all amendments thereto ended at 4 o'clock and I see it is a little bit after 4 o'clock. Would the Chair explain the parliamentary procedure?

The CHAIRMAN. The Chair has already stated that the amendment can be read by the Clerk, but cannot be debated and will not be debated.

Ms. HOLTZMAN. Would the Chair further elaborate; is this substitute amendment by the gentleman from Texas open to further amendment in time?

The CHAIRMAN. As each amendment is disposed of, other amendments would be in order, but they may not be debated.

The Clerk will read.

(The Clerk concluded the reading of the amendment offered by the gentleman from Mississippi (Mr. Montgomery).)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. Montgomery) to the amendment by the gentleman from Texas (Mr. Eckhardt) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. Edgar).

The amendment to the amendment offered as a substitute for the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK TO THE AMENDMENT OFFERED AS A SUBSTITUTE BY MR. ECKHARDT FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. ASHBROOK. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

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Amendment offered by Mr. ASHBROOK to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: Insert new section 8 and renumber following sections:

"SEC. 8 To insure that the assistance is provided to such persons throughout South Vietnam no funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) to the amendment offered by the gentleman from Texas (Mr. ECKHARDT) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The amendment to the amendment offered as a substitute for the amendment in the nature of a substitute was agreed to.

PARLIAMENTARY INQUIRY

Mr. RIEGLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RIEGLE. Mr. Chairman, if I understood our time limit earlier when we set the 4 o'clock time limit and when Members were standing at the time and were given time, it was on the basis that we would consider the amendment in the nature of a substitute and all amendments thereto by 4 o'clock.

As I understand it, when we got to 4 o'clock, can the Chair tell me why the proceedings passed 4 o'clock?

The CHAIRMAN. The committee is proceeding past 4 o'clock because the limitation was on debate. Members wishing to offer amendments to the amendment in the nature of a substitute cannot be cut off from offering their amendments. The debate has ended.

PARLIAMENTARY INQUIRY

Mr. RIEGLE. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RIEGLE. Does that mean that those offering amendments are restricted to those who were on their feet at the time we set the time limit, or not?

The CHAIRMAN. No. As long as the amendment in the nature of a substitute is pending, amendments to that amendment in the nature of a substitute may be offered.

PARLIAMENTARY INQUIRY

Mr. RIEGLE. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RIEGLE. Is the Chairman saying that amendments now can be offered really indefinitely by any Member of the House who wishes to so offer them?

The CHAIRMAN. As long as the amendments are in order, they may be offered.

Mr. RIEGLE. I thank the Chairman.

PARLIAMENTARY INQUIRY

Mr. JOHN L. BURTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHN L. BURTON. Mr. Chairman, I believe that the distinguished chairman of the committee moved that the substitute and all amendments thereto be terminated.

The CHAIRMAN. The motion by the chairman was that all debate be ended. The Chair has so stated. Debate has ended. The Chair requests the indulgence of the Members that they may at least listen to the amendments.

AMENDMENT OFFERED BY MR. SOLARZ TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE BY MR. EDGAR

Mr. SOLARZ. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: Page 1, line 5, insert "(a)" immediately after "SEC. 2.", and page 2, immediately after line 2, add the following new subsection:

(b) Notwithstanding any other provision of this Act, no funds authorized or made available under this Act may be used to finance, directly or indirectly, any combat activity, any involvement in hostilities, or any military or paramilitary operation, by the Armed Forces of the United States in, over, or off the shores of South Vietnam after the end of the 30-day period beginning on the first date after the date of enactment of this Act on which any American ground combat forces are introduced into South Vietnam in conjunction with any program of evacuation as defined by Section 4 of this Act.

POINT OF ORDER

Ms. HOLTZMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentlewoman will state it.

Ms. HOLTZMAN. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentlewoman from New York (Ms. HOLTZMAN) wish to expound further on her point of order?

Ms. HOLTZMAN. From the few brief words that I heard, the amendment talks about authorizing funds, authorizing the President to operate in combat areas after a 30-day period of time, and I do not know whether that has to do with any provision in the bill. I raise a point of order against it.

The CHAIRMAN. Does the gentleman from New York (Mr. SOLARZ) wish to be heard on the point of order?

Mr. SOLARZ. Yes, Mr. Chairman.

I think it is quite clear from the debate today that the President had the inherent constitutional authority to send American troops to evacuate American citizens and their dependents.

My amendment says, in effect, if any troops are sent in, they cannot be sent in for any more than 30 days. I think it is quite clear under the constitutional powers that this amendment is germane.

Ms. HOLTZMAN. If I may be heard in response, Mr. Chairman, I will speak further on the point of order.

The CHAIRMAN. The Chair will entertain the statement of the gentlewoman.

Ms. HOLTZMAN. I thank the chairman.

I did not understand that there was anything in the bill that authorized the President to engage our troops in combat in Laos or anyplace else and, therefore, it seems to me the gentleman's amendment is not germane and subject to a point of order.

The CHAIRMAN. Does the gentleman from Ohio (Mr. HAYS) wish to be heard on the point of order?

Mr. HAYS of Ohio. Mr. Chairman, I do.

There is no question in my mind, with all of the precedents I have heard around here for many years, that this is a germane amendment. It is simply a limitation of the proposed legislation, no more and no less. It limits the time that the President can do the things that this bill will give him permission to do for 30 days. It is that simple.

The CHAIRMAN. The Chair is prepared to rule on the point of order.

This amendment constitutes and states in its language, "Notwithstanding any other provision of this act, no funds authorized or made available under this act may be used to finance," et cetera.

It is a limitation on the funds authorized in the act.

The amendment is germane, and the point of order is overruled.

The question is on the amendment offered by the gentleman from New York (Mr. SOLARZ) to the substitute amendment offered by the gentleman from Texas (Mr. ECKHARDT) for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SOLARZ. Mr. Chairman, I demand a recorded vote.

Mr. Chairman, I withdraw the request for a recorded vote.

Ms. HOLTZMAN. I object, Mr. Chairman.

A recorded vote was refused.

PARLIAMENTARY INQUIRY

Mr. MORGAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MORGAN. What was the count of the Chairman?

The CHAIRMAN. The Chair observed 14 Members standing.

The question was taken; and on a division (demanded by Mr. SOLARZ) there were—ayes 47, noes 107.

So the amendment to the substitute amendment for the amendment in the nature of a substitute was rejected.

PARLIAMENTARY INQUIRY

Mr. SEIBERLING. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SEIBERLING. The parliamentary inquiry relates to the amendment offered by the gentleman from Texas (Mr. ECKHARDT) which we are about to vote on.

As I understand it, section 3 of the amendment corresponds to section 3 of the committee bill. Is that correct?

The CHAIRMAN. The gentleman has not stated a parliamentary inquiry.

Mr. SEIBERLING. Mr. Chairman, I ask unanimous consent that the first two sections of the amendment be read again.

Mr. WYDLER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. STRATTON TO THE SUBSTITUTE AMENDMENT OFFERED BY MR. ECKHARDT FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. STRATTON. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. STRATTON to the substitute amendment offered by Mr. ECKHARDT for the amendment in the nature of a substitute offered by Mr. EDGAR:

Page 1, line 6; strike out $150,000,000" and insert "$300,000,000".

Page 2, line 2; delete the period at the end of the line, insert a semicolon and add the following: "*Provided* that $150,000,000 of such sum shall be available to the President solely for military aid to South Vietnam to provide such protection as he may deem necessary to insure the delivery of the humanitarian assistance and evacuation programs authorized in this section."

POINT OF ORDER

Mr. LEGGETT. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman from California will state his point of order.

Mr. LEGGETT. Mr. Chairman, military aid to Vietnam is not included in the jurisdiction of the Committee on Foreign Affairs. It is under the jurisdiction of the Committee on Armed Services. It is under the MACV account and DAV account, and the attempt has been made in the past to vest this jurisdiction in the Committee on Foreign Affairs. The committee does not have jurisdiction over this subject matter and cannot give military aid. As a result, the amendment is not germane, and I make that point of order.

The CHAIRMAN. Does the gentleman from New York (Mr. STRATTON) wish to be heard on the point of order?

Mr. STRATTON. I do, Mr. Chairman.

This amendment is perfectly in order. This would provide additional funds to the President to use, in his discretion, to provide protection for the humanitarian assistance and evacuation provided in the bill.

I would invite the Chair's attention to the fact that section 3 of the amendment refers in considerable detail to the military appropriations and to military actions, and that section 2 of the substitute provides funds to the President to be used notwithstanding any other provision of law on such terms and conditions as the President may deem appropriate.

The basic legislation and the Eckhardt substitute both refer to legislation that deals with military assistance to Vietnam, and therefore, this amendment is in order.

The CHAIRMAN (Mr. PIKE). The Chair is prepared to rule.

There is within the bill the provision for humanitarian assistance and evacuation assistance. The amendment proposed by the gentleman from New York (Mr. STRATTON) goes to aid, to provide for the delivery of military aid, to be sure, but it is to insure the delivery of humanitarian assistance and the evacuation programs, and in that form the amendment is germane to the substitute, and the point of order is overruled.

The question is on the amendment offered by the gentleman from New York (Mr. STRATTON) to the substitute amendment offered by the gentleman from Texas (Mr. ECKHARDT), to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and on a division (demanded by Mr. STRATTON) there were—ayes 32, noes 134.

RECORDED VOTE

Mr. STRATTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 22, noes 394, not voting 16, as follows:

[Roll No. 139]

AYES—22

Armstrong
Breckinridge
Butler
Chappell
Cleveland
Crane
Hansen
Hyde
Jeffords
Kelly
McEwen
Mitchell, N.Y.
Poage
Schulze
Sikes
Spence
Stratton
Symms
Vander Jagt
Wilson, Bob
Wydler
Young, Tex.

NOES—394

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Ichord
Jacobs
Jarman
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Zablocki
Zeferetti

NOT VOTING—16

Boggs
Brooks
Dent
Dingell
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Mills
Murphy, N.Y.
Pritchard
Roybal
Shriver
Steed
Treen

So the amendment to the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. ABZUG TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Ms. ABZUG. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

UMI

Amendment offered by Ms. ABZUG to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: Page 2, lines 3 to 9, strike out section 3 and renumber accordingly.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. ABZUG) to the amendment offered by the gentleman from Texas (Mr. ECKHARDT) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The amendment to the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. BAUMAN TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. BAUMAN. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN to the substitute amendment offered by Mr. ECKHARDT for the amendment in the nature of a substitute offered by Mr. EDGAR: At the end of the substitute and renumber accordingly; add the following new section:

"SEC. . The Congress finds that the provisions of this Act are made necessary by the flagrant violations of the Paris Peace Agreement by the military forces of the North Vietnamese and the Viet Cong now engaged in military aggression against the people and government of the Republic of Vietnam; further, the Congress condemns in the strongest possible terms this aggression as well as the support given to the North Vietnamese by the Union of Soviet Socialist Republics and the People's Republic of China, both of which share responsibility for the faithful observance of the Paris Agreement; and further, the Congress views the attitude of the governments of the Soviet Union and the People's Republic of China towards this aggression as a critical test of good faith, and calls upon them immediately to use their influence to end the aggression by the North Vietnamese and the Viet Cong."

POINT OF ORDER

Mr. EDGAR. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. EDGAR. Mr. Chairman, I raise the point of order that the amendment is not germane to the bill; that it includes information that does not have any indication that it relates to the object of what is being done in the substitute amendment.

The CHAIRMAN. Does the gentleman from Maryland desire to be heard?

Mr. BAUMAN. I do, Mr. Chairman.

I would say that while this amendment may not be pleasing to the 71 Members who voted against the Ashbrook amendment, it goes to the very heart of the matter which is contained in this bill, which deals with humanitarian aid and evacuation procedures. By reason of the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY) it now includes the problem of prisoners of war and missing in action and accountability.

In fact, it deals with policy in that matter. The scope of the bill has broadened considerably, and it is all within the jurisdiction of the Committee on International Relations and deals directly with the reason that this legislation must be offered today and acted upon. In fact, that is the very reason for this amendment.

I would suggest that if this amendment is not the most fundamental description of why we are here today, I would not know any other that would.

Mr. ECKHARDT. Mr. Chairman, I seek recognition on the point of order.

Mr. Chairman, the amendment offered by the gentleman from Maryland (Mr. BAUMAN) does this: It intends to direct international policy, to direct the State Department to provide general provisions controlling the policy of the United States in matters far beyond the Vietnamese question.

The substitute on the floor does none of these things. It essentially provides, in its major provisions, which are similar to the committee bill, means by which certain persons may be removed from Vietnam, that is, citizens of the United States and dependents, persons entitled to come over because of their connection with the U.S. nationals.

Then where it makes a change is with respect to those who are Vietnamese connected with imminent danger.

This is a very narrow area and provides——

Mr. EDGAR. Mr. Chairman, I object. The statements are not directed to the specifics of the amendment.

The CHAIRMAN. The gentleman is speaking to the point of order. The gentleman from Texas may continue.

Mr. ECKHARDT. Mr. Chairman, with respect to that point, the line is drawn very narrowly. It provides that no action may be taken by military force, with respect to citizens of Vietnam, and could not be done but for this bill. I submit this is extremely narrow. The amendment broadly addresses general U.S. policy with respect to foreign relations.

The CHAIRMAN. The Chair is ready to rule.

The Chair has examined the amendment and in the opinion of the Chair, the amendment, particularly the language, "the Congress views the attitude of the governments of the Soviet Union and the People's Republic of China toward this aggression as a critical test of good faith," does, in fact, go far beyond the scope of the legislation before us.

The point of order is sustained.

AMENDMENT OFFERED BY MR. HARKIN TO THE AMENDMENT BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: page 2, line 20, after the word "citizens;" strike out the word "and" and strike all after line 20 over to and including line 3 on page 3.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN) to the amendment offered by the gentleman from Texas (Mr. ECKHARDT) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HARKIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. OTTINGER TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. OTTINGER. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: Strike out in section 2, after the word, "used", the words, "notwithstanding any other provision of law, on such terms and conditions as the President may deem appropriate".

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER) to the amendment offered by the gentleman from Texas (Mr. ECKHARDT) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and the chairman announced that the noes appeared to have it.

The amendment to the amendment offered as a substitute for the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. BUCHANAN TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. BUCHANAN. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: On page 3, after line 9, add the following new section:

"SEC. 8. The Congress finds that the provisions of this Act are made necessary by the flagrant violations of the Paris Peace Agreement by the military forces of the North Vietnamese and the Viet Cong now engaged in military aggression against the people and government of the Republic of Vietnam; further, the Congress condemns in the strongest possible terms this aggression as well as the support given to the North Vietnamese by the Union of Soviet Socialist Republics and the People's Republic of China, both of which share responsibility for the faithful observance of the Paris Agreement."

POINT OF ORDER

Mr. EDGAR. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. EDGAR. Mr. Chairman, I make

the point of order on the same grounds I stated before. This amendment is not germane. This piece of legislation raises issues which should not be dealt with in this fashion.

The CHAIRMAN. Does the gentleman from Alabama (Mr. BUCHANAN) wish to be heard?

Mr. BUCHANAN. I do, Mr. Chairman.

I have stricken from the original amendment the language to which the Chair earlier referred. I believe all the remaining language deals specifically with what the provisions of this legislation do and why they are necessary.

Therefore, Mr. Chairman, I urge that the point of order be overruled.

The CHAIRMAN. The Chair is ready to rule.

While it is true that the Chair did refer particularly to certain language in the earlier amendment, the Chair does not indicate that if that particular language had not been there, the amendment would have been found to be in order.

The language of the amendment still goes far beyond the scope of the bill.

The point of order is sustained.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: On page 3, after line 9, add the following new section:

"SEC. 8. The Congress finds that the provisions of this Act are made necessary by the flagrant violations of the Paris Peace Agreement by the military forces of the North Vietnamese and the Viet Cong now engaged in military aggression against the people and government of the Republic of Vietnam.

POINT OF ORDER

Mr. EDGAR. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. EDGAR. Mr. Chairman, I make the point of order on the same grounds I stated before. I object to this amendment because it is not germane.

The CHAIRMAN. Does the gentleman from California (Mr. ROUSSELOT) desire to be heard on the point of order?

Mr. ROUSSELOT. I do, Mr. Chairman.

We have stricken from this language all the basic objections the Chair has raised. Also, it does very much refer to this legislation. It discusses the Paris peace agreements and the necessity for the use of military forces.

It is totally germane on the basis of the Chairman's own statement.

The CHAIRMAN. The Chair is ready to rule.

The Chair finds that the present amendment is narrowly drawn. It refers to the situation in Vietnam to which this substitute in its perfected form is directed, and the Chair overrules the point of order.

Mr. ROUSSELOT. I thank the Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT) to the amendment offered by the gentleman from Texas (Mr. ECKHARDT) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 345, noes 68, answered "present" 6, not voting 13, as follows:

[Roll No. 140]

AYES—345

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hastings
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—68

Abzug
Ashley
Badillo
Bingham
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Dellums
Diggs
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Fascell
Ford, Mich.
Harrington
Hawkins
Hayes, Ind.
Helstoski
Hicks
Holtzman
Jacobs
Kastenmeier
Keys
Koch
Leggett
Lehman
McCloskey
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moss
O'Neill
Pattison, N.Y.
Rangel
Rees
Reuss
Richmond
Rosenthal
Roybal
Scheuer
Schroeder
Seiberling
Solarz
Stark
Stokes
Thompson
Tsongas
Waxman
Weaver
Whalen
Wirth
Yates
Young, Ga.

ANSWERED "PRESENT"—6

AuCoin
Edgar
Maguire
Moffett
Riegle
Ryan

NOT VOTING—13

Boggs
Dent
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Mills
Murphy, N.Y.
Pritchard
Shriver
Teague
Treen

So the amendment to the substitute amendment for the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. JOHN L. BURTON TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute nature of a substitute offered by Mr. EDGAR: At the end add a new section:

"This Act shall become effective when the President determines and reports to Congress whether the 16 tons of gold that Lon Nol and former President Thieu tried to send to Switzerland was American property or their own personal gold."

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MORGAN. Mr. Chairman, I raise a point of order that the amendment is not germane to the amendment in the nature of a substitute.

The CHAIRMAN. Does the gentleman from California care to be heard on the point of order?

Mr. JOHN L. BURTON. Yes; I do, Mr. Chairman. It is an amendment that sets an active triggering date for the legislation. It is not more different than saying that it shall take effect on a certain date. We are just saying in this amendment that we are setting this date for the determination whether or not that 16 tons of gold with American money is just a limitation on the executive power of the bill.

The CHAIRMAN. The Chair is ready to rule. A similar situation arose in the 93d Congress on a bill authorizing military assistance to Israel and funds to be used in an emergency force when an amendment was offered postponing the availability of those funds until the President certified the existence of a designated level of energy supplies. (Deschler's, chapter 28, section 24.18).

The amendment in question is not germane to the purposes of the substitute and the point of order is sustained.

AMENDMENT OFFERED BY MR. CLAY TO THE AMENDMENT OFFERED BY MR. ECKHARDT AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. EDGAR

Mr. CLAY. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. CLAY to the amendment offered by Mr. ECKHARDT as a substitute for the amendment in the nature of a substitute offered by Mr. EDGAR: Add a new section to the end of the bill which reads:

"No funds authorized under this act shall be used directly or indirectly to transport Vietnamese refugees to any congressional district or create employment opportunities in any congressional district where the unemployment rate exceeds the national unemployment rate as defined by the Bureau of Labor statistics of the United States Department of Labor."

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MORGAN. Mr. Chairman, I make a point of order against the amendment. It goes greatly beyond the scope of the bill and the amendment in the nature of a substitute. Nothing in the bill or in the amendment in the nature of a substitute deals with the national unemployment rate.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. CLAY. Yes, I do, Mr. Chairman.

The amendment simply imposes a condition that none of the money may be used, or a limitation on the way the money will be spent. I do not know how it goes beyond the scope of this bill or the amendment in the nature of a substitute.

The CHAIRMAN. The Chair is ready to rule. For the reasons stated by the gentleman from Pennsylvania (Mr. MORGAN) and for the fact that the contingency set forth in the gentleman's amendment is not related to the purposes of the bill, the point of order is sustained.

Are there any other amendments?

If not, the question is on the substitute offered by the gentleman from Texas (Mr. ECKHARDT) to the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. EDGAR).

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. EDGAR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 272, noes 146, not voting 14, as follows:

[Roll No. 141]

AYES—272

Abdnor
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fithian
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Henderson
Hightower
Hillis
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Mahon
Mann
Martin
Mathis
Meeds
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nichols
Nowak
Obey
O'Brien
O'Hara
Passman
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Roncalio
Rose
Roush
Rousselot
Ruppe
Russo
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Waggonner
Walsh
Wampler
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—146

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Ashley
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Blanchard
Blouin
Boland
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burton, John L.
Burton, Phillip
Byron
Carney
Carr
Chisholm
Clawson, Del
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Davis
Dellums
Diggs
Dingell
Dodd
Downey
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Gaydos
Green
Gude
Hannaford
Harkin
Harrington
Harris
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holland
Holtzman
Howard
Hungate
Jacobs
Jenrette
Johnson, Colo.
Jones, N.C.
Kastenmeier
Keys
Koch
Krebs
Leggett
Lehman
Litton
McCloskey
McCormack
Macdonald
Maguire
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mosher
Mottl
Natcher
Nedzi
Nix
Nolan
Oberstar
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rodino
Roe
Rooney
Rosenthal
Rostenkowski
Roybal
Runnels
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Solarz
Spellman
Stanton, James V.
Stark
Stokes
Studds
Thompson
Traxler
Tsongas
Vanik
Vigorito
Waxman
Weaver
Whalen
Whitten
Wilson, Charles H., Calif.
Wirth
Yates
Yatron
Young, Ga.

NOT VOTING—14

Boggs
Dent
Derrick
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Mills
Mollohan
Murphy, N.Y.
Pritchard
Shriver
Treen

So the substitute amendment for the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

POINT OF ORDER

Mr. EDGAR. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman from Pennsylvania will state his point of order.

Mr. EDGAR. Mr. Chairman, I make the point of order that my substitute is not in order at this time because of the Eckhardt substitute, and I reserve a point of order according to rule XXI of our rules.

The CHAIRMAN. The gentleman from Pennsylvania will have to state his point of order at this time. The point of order, as the Chair understands, was against the Edgar amendment in the nature of a substitute, as amended by the Eckhardt substitute?

Mr. EDGAR. That is correct.

I make that point of order for two reasons: In the original rule that brought the committee bill to the floor, all points of order against section 3 and section 6 were waived. Our rules say that no general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations; except that this provision shall not apply to appropriations in continuation of appropriations for public works.

The CHAIRMAN. Does the gentleman from Texas (Mr. ECKHARDT) desire to be heard on the point of order?

Mr. ECKHARDT. I do, Mr. Chairman.

Mr. Chairman, I first wish to point out that the point of order comes too late, and I assert that the point of order may not be timely considered after the vote has occurred.

In addition to that, of course, this is not an appropriation bill. This is an authorization bill, as I understand it.

Mr. EDGAR. Mr. Chairman, if the gentleman will yield, I might say that we checked with our legal counsel when we originally drafted the bill, and we had in my substitute some of the things contained in the original House bill, and we were informed that those parts of the House bill were not in order in my substitute simply because we did not have a waiver.

Ms. ABZUG. Mr. Chairman, if the gentleman from Texas will yield, the point of order raised has been that an amendment which provides funds for certain purposes derived from funds previously appropriated is in violation of clause 5 of rule XXI.

The CHAIRMAN. Did the gentlewoman say clause 5 of rule XXI?

Mr. GIAIMO. Mr. Chairman, a point of order.

I make a point of order against the point of order as coming to late.

The CHAIRMAN. The Chair will state that the Chair desires to hear the point of order before the Chair is able to rule on the question of its timeliness.

The Chair will read clause 5 of rule XXI of the 94th Congress. The Chair will state that the Chair does not believe it is that which was cited by the gentleman from Pennsylvania (Mr. EDGAR):

No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. * * *

The Chair will state that the Chair believes that what the gentleman from Pennsylvania read was clause 4 of rule XXI in the old version.

Is the gentleman now referring to the same language which the Chair has just read?

Mr. EDGAR. We are referring to the same language which the Chair has read.

The CHAIRMAN. Does the gentleman from Texas (Mr. ECKHARDT) desire to be heard further?

Mr. ECKHARDT. Mr. Chairman, I only want to make it clear that I am raising the point of order that this point of order is made too late. I wish to reiterate the statement that I made before. The point of order is too late and, therefore, it is itself not in order.

The CHAIRMAN (Mr. PIKE). The Chair is ready to rule.

The Chair did not read the entirety of that section. The section ends

A question of order on an appropriation in any such bill, joint resolution, or amendment thereto, may be raised at any time.

Accordingly, the rule under which this legislation was considered waived points of order against the original bill. It did not waive points of order against the amendment. The rule does provide that the point of order may be raised at any time (Deschler chapter 25, section 3.2).

The point of order is sustained. The Edgar amendment, as amended, is now ruled out of order.

The Clerk will read.

The Clerk read as follows:

SEC. 2. There is authorized to be appropriated to the President for the fiscal year 1975 not to exceed $150,000,000 to be used, notwithstanding any other provision of law, on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will read.

PREFERENTIAL MOTION OFFERED BY MR. BLOUIN

Mr. BLOUIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BLOUIN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WAGGONNER. I recognize that the gentleman has a preferential motion, but is it not so that the Chair had recognized the gentleman from Texas to offer his amendment?

The CHAIRMAN. The Chair had recognized the gentleman from Texas, to offer an amendment but the preferential motion supersedes that amendment.

Mr. WAGGONNER. Even after the gentleman had been recognized to proceed?

The CHAIRMAN. He had not been recognized. The amendment had not been read.

Mr. WAGGONNER. The gentleman had been recognized.

The CHAIRMAN. The gentleman had been recognized only for the purpose of finding out the reason for which he sought recognition. The gentleman stated that he had an amendment at the desk. The Chair asked the Clerk to report the amendment, and before the amendment was reported, a preferential motion was made.

The gentleman from Iowa (Mr. BLOUIN) is recognized.

PARLIAMENTARY INQUIRY

Mr. SOLARZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. Will the gentleman from Iowa yield for a parliamentary inquiry?

Mr. BLOUIN. Mr. Chairman, I prefer waiting. If I have some time left, the gentleman can oppose my motion, if he wishes.

The CHAIRMAN. The gentleman from Iowa (Mr. BLOUIN) is recognized in support of his preferential motion.

Mr. BLOUIN. Mr. Chairman, those who have been watching the circus that we have been involved in the last few hours and those who have just walked in to see the kind of madness that seems to reign over this floor have simply got to realize that it is time we quit and go home and forget this kind of legislation and what it is doing to our country and ourselves. If people think panic reigns in Saigon they should have checked the tempo of this floor a few minutes ago. I have spent a few years in legislative bodies and the demonstration by some Members now is another example of why the people in this country think the only difference between us and the zoo is that we do not have cages.

I would suggest before we commit this Nation to the kind of legislation this bill is going toward, that we think and that we stop trapping ourselves into some 2 hours of votes on amendments we have not even had a chance to read, let alone have a chance to debate.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I commend the gentleman from Iowa for his motion and I commend the gentleman from Iowa for trying to reinject a measure of responsibility and commonsense into this proceeding.

Most of the people who voted for the Eckhardt amendment could not have known what they were voting on because there was no debate on it and there was no debate on the amendments to the Eckhardt amendment and very few people read them, so the thing that passed was something on which we had no debate. Imagine—no debate on a matter that affects the lives of American citizens and thousands of other people. The point made by the gentleman from Iowa is well taken.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, at this late hour of the day we are deciding an issue of whether or not American troops should be sent to Vietnam. Certainly we owe it to ourselves and our own constitutents to know what we are voting on. Certainly on a matter of life and death we should know it beforehand and should debate the issues fully.

The only course we have is to act with responsibility and in a manner so all of us will know what we are doing, so I suggest this preferential motion be supported.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I commend the gentleman from Iowa.

One of the arguments we have had on this floor all day is exactly what powers are we going to grant to the President of the United States in order to carry out the evacuation of Americans and dependents and Vietnamese nationals. Nobody knows here the extent of those powers. The amendment offered by the gentleman from Texas (Mr. Eckhardt) addresed itself to that problem but there was no debate on the amendment.

I suggest we support the amendment offered by the gentleman from Iowa (Mr. Blouin) and let us rise and find out from the Secretary of State what the situation is in Vietnam and find out from the President exactly why he thinks he needs that clarification of powers, and let us do it in some rational fashion. The debate has not been in that rational fashion since 12:30 this afternoon.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I respectfully disagree with the gentleman from Iowa. We have had 4 hours of debate yesterday and 6 hours of debate today. We have discussed the issues involved in this legislation at great lengths. The passage of the Eckhardt substitute by a vote of 272 to 46 definitely illustrates this House is ready to vote now.

Mr. BLOUIN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I cannot yield to the gentleman from Iowa right now. I will if I have any time left.

But I want to remind the gentleman from Iowa how the debate began today at 5 minutes after 12. It was not the committee that started the tactics of delay. It was not the committee that started the abuse of parliamentary procedures on this floor over a period of 5 or 6 hours in order to prevent the majority from working its will on this legislation.

I say if we agree to the motion offered by the gentleman from Iowa, we will concede the decision to those who started the filibuster 5 minutes after 12. They will have won the battle.

I say, let us go on with this bill, work all night tonight if we have to in order to mark it up. The Senate passed its bill this afternoon. We want to go to conference tomorrow. I am not one who wants to delay this thing.

If we are going to do something to respond to the crisis in South Vietnam, we had better do it now.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I support everything the chairman of the committee just said. If anything, it is an understatement. I would personally hope that tomorrow in the calm light of morning that we all read the remarks of the gentleman from Iowa in the Record and I am certain that you will be ashamed to be associated with them.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I think there is some misunderstanding of the situation on the part of some Members. They think perhaps we are about to vote on the committee bill. That, of course, is not true. The committee bill is about to be read for amendments. It can be changed section by section as the Membership may desire.

I see nothing wrong with that procedure. We have been going through a very unusual procedure and that amendment in the nature of a substitute has been now laid aside. Let us go ahead with the committee bill and do our business.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I would like to express the hope that the chairman of the committee and the ranking Republican Member and others in this Chamber will defend the work of the Committee on International Relations. It may be that in some minor details the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. Eckhardt) is an advance, but it leaves a serious cloud over a very fundamental question. That question is whether or not it could constitute authority for the President of the United States to use military force in Southeast Asia for the safe evacuation of South Vietnamese nationals. That cloud should not exist in whatever this Committee does report. He must have that authority in the name of humanity.

So I urge the chairman of the committee and the Members to support the work of the Committee on International Relations.

Mr. BLOUIN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. BLOUIN. Mr. Chairman, I think one of the questions that forced this kind of emotion and the kind of bitterness that is raised in the room now is this gag forced on the Members. How many times will we have that put to us and have substitute amendments that completely rewrite the bill, without a copy even being available and subject to debate?

We hear round about that is the secret committee amendment that was dreamed up last night. How many times do we have to put up with that?

Mr. MORGAN. Mr. Chairman, the gentleman was on the floor when I suggested that we limit the debate on the substitute a quarter after three. The majority leader whispered to me "4 o'clock." So I proposed 4 o'clock.

I did not hear anything about a gag then. I did not hear the gentleman from Iowa choking on the gag.

The gentleman could have objected and the Chair would have denied my request.

All I was trying to do was to move the debate along. If the amendment in the nature of a substitute offered by the gentleman from Pennsylvania (Mr. Edgar) did not prevail, there were 24 more amendments at the desk. As the manager of this bill, as any other manager would do, I was trying to move this along. But I have no intention to gag anybody.

Mr. BLOUIN. Mr. Chairman, that is the whole point. We are dealing with a whole section of the bill, with no opportunity for debate.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa (Mr. Blouin).

The preferential motion was rejected.

AMENDMENT OFFERED BY MR. SOLARZ

Mr. SOLARZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Solarz: Page 1, line 5, insert "(a)" immediately after "Sec. 2.", and page 2, immediately after line 2, add the following new subsection:
>
> (b) Notwithstanding any other provision of this Act, no funds authorized or made available under this Act may be used to finance, directly or indirectly, any combat activity, any involvement in hostilities, or any military or paramilitary operation, by the Armed Forces of the United States in, over, or off the shores of South Vietnam after the end of the 30-day period beginning on the first date after the date of enactment of this Act on which any American ground combat forces are introduced into South Vietnam in conjunction with any program of evacuation as defined by Section 4 of this Act.

PARLIAMENTARY INQUIRY

Mr. OTTINGER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. OTTINGER. Mr. Chairman, will the Chair advise whether, at this juncture in the proceedings, the Eckhardt substitute amendment would again be in order?

The CHAIRMAN. Not at this point in the proceedings. The Clerk has read section 2 of the bill. It is now open for amendment, and an amendment is pending. The Eckhardt substitute is not in order at this point.

Mr. SOLARZ. Mr. Chiarman, this is a perfecting amendment which I am happy to say has the support of the distinguished chairman and the distinguished ranking minority member of the committee.

It limits to no more than 30 days, beginning on the first day after the enactment of this bill, the amount of time which American combat forces can

spend in South Vietnam once they are sent there, pursuant to the authority granted by this bill, for the purpose of effectuating an evacuation of those individuals covered in the bill before us.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield briefly?

Mr. SOLARZ. I will be delighted to yield to the gentleman.

Mr. BINGHAM. I just want to say that I commend the gentleman for his amendment. I think it is definitely an improvement in the bill.

Mr. SOLARZ. I thank the gentleman from New York (Mr. Bingham).

I think it is important for all of us to understand exactly what we are doing in this ball game at this particular point.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I want to commend the gentleman for the amendment. I think a 30-day restriction on the use of force is a wise one. I understand the 30 days will not begin to run until the forces are introduced, any ground forces. I think this gives us a good limitation, to make sure this measure will not be misused.

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Delaware.

Mr. du PONT. I thank the gentleman for yielding. I would like to rise in support of the gentleman's amendment. The gentleman's amendment is similar to the amendment he offered in committee to the amendment I had offered for a somewhat shorter period.

I might also say that the gentleman offered about 20 amendments in the committee. I am glad to see we are getting one of his amendments passed. He worked very hard on this bill.

Mr. SOLARZ. I want to thank the gentleman for his remarks. As the gentleman knows, if at first you don't succeed, try, try again.

I am delighted to know at this time that this amendment has the support of not only the chairman and ranking minority member but also many other Members as well.

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Pennsylvania.

Mr. BIESTER. Mr. Chairman, I also support the gentleman's amendment.

With the gentleman from Delaware (Mr. du Pont), I offered an amendment for a shorter period of time in committee, but because I believe some time limit is important I hope this amendment is accepted.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I am delighted to yield to my good friend, the gentleman from Florida (Mr. Pepper).

Mr. PEPPER. Mr. Chairman, does the amendment of the able gentleman contain any limitation on the military activities that our forces may engage in while in Vietnam during those 30 days?

Mr. SOLARZ. Those limitations, I may say to the gentleman from Florida (Mr. Pepper), are already contained in this legislation on page 3, lines 1 through 3, in which it is clearly stated that any troops that are sent into Vietnam for the purpose of effectuating that evacuation can only be deployed for purposes which are essential to effectuate the evacuation itself.

All this amendment does is to limit the amount of time during which the troops can remain in Vietnam. It contains nothing in respect to the manner in which those troops can be deployed. That limitation, to the extent that there is one, is already contained in the existing legislation.

Mr. PEPPER. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

The gentleman from New York (Mr. Solarz) who offered this amendment may be forgiven for not having the same degree of cynicism or skepticism that some of us may have who were in this body during the long, frustrating years when those of us who sought to legislate an end to our military presence in Vietnam were in a minority in Congress. We thought we had disposed of this issue finally on August 15, 1973. Yet here we are debating it again.

Whether you put a 30-day limitation or a 10-day limitation, the fact is that the mere imposing of the limitation in the form it is offered implicitly authorizes combat activities in Vietnam. Moreover, it imposes no restrictions as to the areas in which such activities can be conducted, the manner in which the military forces are used, or the equipment which is used. They could use B–52's, they could use nuclear bombs, they could use almost anything that is within our arsenal.

The only limitation contained in the section cited by the gentleman from New York (Mr. Solarz) is at the top of page 3, which says:

> The authority granted by this section shall not permit or extend to any action or conduct not essential to effectuate and protect the evacuation referred to in this section.

The gentleman from New York (Mr. Solarz), had he been here in previous Congresses, would have heard endless argument every time we tried to bring up an end-the-war amendment or tried to oppose an extension of the war by the President that "Oh, we have to take this military action to protect our troops or to cover their withdrawal." The withdrawal took 4 years.

Mr. Chairman, I remind the Members that the most ferocious bombing of the whole war, the bombing of Hanoi, was done in the name of covering our withdrawal. You can start out with a 30-day limitation, but believe you me, within those 30 days the President, under this bill, could take action that would make it impossible for us to end it in 30 days, politically impossible.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York (Mr. Solarz).

Mr. SOLARZ. Is it not true that without this amendment, there is no limitation whatsoever on the amount of time during which American forces can be utilized in South Vietnam?

Mr. SEIBERLING. To answer the gentleman, as the committee bill is written, that is absolutely true, but there is a very simple remedy, and that is to delete from the committee bill any references to authority to use military force in Vietnam.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Does not the amendment of the gentleman from New York (Mr. Solarz) only go to the use of ground troops? What about the authority of the President to use other military force?

Mr. SOLARZ. If the gentlewoman will yield, my response to that is that I think it is quite clear, and I would hope that the gentlewoman from New York took a close look at the bill, that the President has no such authority because, under the terms of this legislation, he can only use armed forces for the purposes of effectuating an evacuation. Effectuating an evacuation does not include bombing Hanoi or Haiphong, Cambodia or Laos. An evacuation is an evacuation.

Mr. SEIBERLING. Mr. Chairman, I would remind the gentleman from New York (Mr. Solarz) that the invasion of Cambodia was justified by the President on the ground that it protected our troops in Vietnam. The bombing of Hanoi was justified by the President on the ground that it protected our withdrawal.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, when the gentleman from New York (Mr. Solarz) said that there was no authority to bomb Hanoi, Laos, or Cambodia in this bill, I think he is wrong. He was not here when the Gulf of Tonkin resolution was passed. The Gulf of Tonkin resolution says that the President could use "necessary" force to repel an attack. This bill, on page 2, line 14, allows the use of "necessary" force to evacuate. It is not coincidental that the Gulf of Tonkin resolution ended with the words that are identical to section 7 in this bill? How far do we have to go to repeat history?

The gentleman from Ohio (Mr. Seiberling) is correct when he says that in this amendment, which is an insidious amendment, there is implicit authority for the President to carry on hostilities for 30 days. Perhaps the gentleman from Ohio can answer the question: Is it not true that the committee did not hear any testimony about the number of troops that would be necessary for an evacuation, or even whether or not troops would be necessary? This is legislation that has been created in some kind of dreamland but which could have very horrible effects.

Mr. SEIBERLING. Mr. Chairman, I would like to ask the gentleman from New York (Mr. Solarz) what he would recommend that the Congress do if before the end of 30 days we have an incident over there and our troops are surrounded and pinned down by artillery fire, and the question comes up as to whether we should authorize an extension of the 30 days.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Seiberling) has expired.

(On request of Mr. Eckhardt and by unanimous consent, Mr. Seiberling was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from New York.

Mr. SOLARZ. In response to the question of both the gentlewoman from New York (Ms. Holtzman) and the gentleman from Ohio (Mr. Seiberling), I must say I find it most peculiar, that Members of this House who, on the one hand, are opposed to sending our troops into South Vietnam even for the purpose of effectuating an evacuation, are at the same time opposed to legislative efforts to establish limitations on the amount of time during which such troops can be used there.

Mr. SEIBERLING. The answer is that we recognize that a 30-day cutoff is unrealistic and meaningless and would have to be waived if the circumstances were such that our military forces were pinned down over there.

Mr. SOLARZ. Mr. Chairman, if I may respond to that, we could consider that from day to day——

Mr. SEIBERLING. Mr. Chairman, I will not yield further to the gentleman from New York.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I would ask the gentleman from Ohio if the gentleman would object to an amendment that read that all authority under this act shall cease in 30 days?

Mr. SEIBERLING. I would object, because it represents the same kind of illusion. Once we send military forces back over there we are launched on a course in an uncharted sea, to an unknown destination, and we have no way of knowing when we are going to be able to get our forces back home again.

Mr. ECKHARDT. Mr. Chairman, I agree with the gentleman from Ohio on that point. I do intend to offer the limitation contained in my substitute which provides that no authority to engage in military activities not already authorized will be extended.

Mr. SEIBERLING. If the gentleman's substitute would also include taking out section 3 of the bill, I would support it wholeheartedly.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to observe that the atmosphere on the floor of the House seems quite realistic, reasonable and calm. I make that observation for those Members who, a few minutes ago, were not happy with the atmosphere on the floor.

But, Mr. Chairman, I would like to point out that what we have heard are not arguments against this amendment, but really arguments against the basic bill.

This amendment is an effort by one of the members of the committee to modify and I think to properly read the mood of the House in certain technical and delicate areas. I think it has some practical merit.

I think the gentleman from New York (Mr. Solarz) is well justified in offering his amendment. I say that despite the comments of his colleague, the gentlewoman from New York (Ms. Holtzman). I see nothing "insidious" in this amendment. I think it is a practial suggestion at this point in the debate.

I would suggest again that what we have heard are not just objections to this amendment, but are really basic objections to everything that has been proposed today. In that particular case the only alternative would be to periodically repeat the preferential motion that the Committee rise, or report the bill back to the committee striking everything after the enacting clause, because that is what all the arguments have been about.

I would suggest, in the spirit of calm that now prevails on this floor, that the amendment offered by the gentleman from New York be adopted.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield, since the gentleman mentioned my name?

Mr. DERWINSKI. Yes, I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I think the gentleman from Illinois has misunderstood my statement in that when I said "insidious" I was referring not to the motivation of the gentleman from New York (Mr. Solarz), but that I was referring to my opinion of the spirit of the amendment.

Mr. DERWINSKI. What was the gentlewoman's statement in that respect?

Ms. HOLTZMAN. That I think the gentleman's amendment on its face suggests that it does a good thing but that actually it is doing a bad thing.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have spoken very little, almost none, on this bill. I attended the committee hearings. I was in the committee during the entire markup. I want to commend the gentleman from New York (Mr. Solarz) for offering this amendment. The gentleman offered it in the committee, and I am frank to say that I opposed it there. But, Mr. Chairman, I have been thinking it over, and listening to the debate, and I believe that it is a good amendment.

Mr. Chairman, it seems to me that if we feel like we have any moral commitment whatever to the people who worked out there for us when it was the policy of this Government to fight a war out there, we should fulfill that obligation.

I might add, Mr. Chairman, that I thought at the time—and I am not second-guessing anybody, but I said back in 1965 at the White House that we could not win the war under the rules that were laid down, and if we could not win the war under the rules we were operating under, that we ought to get out of there.

Mr. Chairman, if Robert E. Lee had had the privileges that the North Vietnamese have, or had, of every time he retreated across the Rappahannock River that nobody could pursue him, then one of two things would have happened: either the South would have won the war, or it would still be going on. You know, there was no other alternative, but that is water over the dam.

The question is do we have any moral obligation to get as many of these people out as we can without fighting another war?

It seems to me that if the President had not used some troops in Cambodia, he might not have gotten those people out. Because of the fact that they were there, nobody fired a shot.

I think if the North Vietnamese understand we are going to take these people out expeditiously, they are not going to fire a shot. I do not think they want to risk any war with us but I just happen to think we have a moral commitment.

What about the President? He is the only President we have got. We can like it or lump it, but that is the way it is. He is the Commander in Chief, and we have got to have some confidence that he is going to do the right thing. I happen to believe that he wants to do the right thing. I think his heart is in the right place. I think he believes that we have a moral obligation to these people who otherwise would be slaughtered—and do not think for 1 minute they will not be, because all the Members have to do is read some letters that are coming out of Danang right now. I think he just feels we ought to get as many of them as we can out without endangering anybody specifically or purposely, and if he cannot do it in 30 days, then probably we just ought to pull out and leave behind anything that is there and say, "That is it; we have done the best we can."

I am inclined to believe that anybody who does not want a limitation of time just does not want a bill. That is perfectly all right, and I have no objection to that, but I just like to be candid about it. Why do the Members not say, "We do not want a bill?" It is not the amendment that is bad; it is the bill that is bad. I can live with that, and I can agree or disagree with anybody without, I hope, being too disagreeable about it. But I do not like to have it put in the context that the gentleman from New York (Mr. Solarz) has offered a bum amendment, because if the bill is improvable, it seems to me that this is one amendment that would improve it. So I think what we ought to do is debate the amendments on the merits, debate the bill on its merits, and I am not going to have any quarrel with anybody who votes against the bill. That is every Member's obligation—to search his own conscience and vote as he thinks he should.

If there were too many bad amendments to the bill, or if it were too much liberalized, if there were an unrestricted use of troops, if there were no time limit in it, I would vote against the bill myself. But I want to say to the Members that the committee labored a long time, and we tried to put in all the restrictions we thought we could and still make it a possibility to evacuate the Americans and such South Vietnamese as we could reasonably get our hands on in the Saigon area who ought to come out before they get shot. That is about all there is to it.

I think that is the crux of it. I think that is what it comes down to, and I think if we vote this amendment down and vote the bill down, there may come a time in our lives when we will regret it.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Hays of Ohio was allowed to proceed for 1 additional minute.)

Mr. HAYS of Ohio. Mr. Chairman, I just want to say that I think everybody has probably been a little conditioned by their background and their environment and what-have-you. I have told this at the lunch table a good many times. When I was in my first term here, we had a vote on whether we would give any more aid to South Korea, and it passed that we would not give any more aid by two votes. I was one of the two.

If I had voted the other way, there would have been a tie, and I am sure Mr. Rayburn would have broken the tie and the bill would have been defeated.

Within 3 weeks after that vote, the North Koreans invaded South Korea because they read what the Congress did as an open, written invitation to move in and take over. I have had a guilt complex about that ever since, and I have not felt any better.

A lot of people have said we ought to do this through the U.N. That may be so. I have never voted against an appropriation for the U.N., but the Members know who got us into the Korean war—the United Nations voted us in and then walked off and left us, and I have been a little skeptical about entrusting them with anything since, if my colleagues do not mind my saying so.

I suppose it is perhaps just barely possible that I have been conditioned by what I consider to be a big mistake that I made in my first term here, and I came down here with a 15,000-vote majority on Truman's coattails. I survived the next year by ½ of 1 percent. Do not think that vote did not come home to haunt me. Do not think that I have not felt guilty above the dead and wounded in that war. So I am just trying to benefit by my experience and I suppose everybody else will have to have his own experience because in the end nobody likes to listen to somebody else's experience.

Mr. FINDLEY. Mr. Chairman, I rise in opposition to the amendment.

I hope the members of the committee will examine carefully the effect of the amendment, and perhaps my understanding of the effect is not accurate and if it is not I hope the gentleman from New York (Mr. Solarz) will correct me, but as I understand the language of the amendment it puts an absolute deadline of 30 days after the enactment of this legislation. Am I correct on that? Will the gentleman please correct me if I am incorrect.

Mr. SOLARZ. Mr. Chairman, if the gentleman will yield, I think the gentleman is incorrect. The deadline is 30 days from the period beginning on the day after the enactment of the bill on which American ground combat forces are first introduced. In other words, to give the gentleman an example, if the bill were enacted, say, tomorrow and American troops were introduced for the purpose of an evacuation on Sunday, then the time limit would begin to run not as of tomorrow but as of Sunday, so the 30-day limit begins on the day the American troops are first introduced.

Mr. FINDLEY. May I ask the gentleman why he feels that this absolute limitation is necessary when the committee bill already makes provision for the termination of any authority by means of concurrent resolution. I am sure the gentleman agrees with me that a determined majority can very quickly in this Congress work its will any time it wishes.

Mr. SOLARZ. I felt that the amendment was necessary both because of the mood of the House and the political realities in the country. Many people have made the point over and over again that this bill is in effect an open-ended authorization for reintroducing American troops into Vietnam. During the course of our hearings the Secretary of State made it very clear that the administration contemplated an evacuation that would take a matter of hours or at most a matter of days. It seems to me that by establishing a time limitation of 30 days, during which the evacuation would have to be completed, at the same time that we could assuage the fears of those in the House concerned about our reinvolvement in the war, we could also permit the administration to have ample time in which to complete the evacuation itself.

Mr. FINDLEY. I think we ought to be at least as concerned about the mood in Saigon and the effect that this language will have on whatever spirit of independence remains in South Vietnam. It is now, I suppose, about 6:30 in the morning in Saigon and if this language is written into the bill I am sure headlines about it will have a very dispiriting effect.

It would seem to me prudent for us to stand up against what we perceive to be the mood of the country here and take into account the deadly effect the amendment will have on the mood in South Vietnam.

Let me add this further thought. It seems to me this language seems to put a deadline on our own compassion, on our compassion for the helpless victims in that area. Certainly it is a needless restriction to write into law.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I thank the gentleman for yielding and for making a very useful point. Nobody can predict what the military situation in Saigon is going to be over the next week or so, but judging from the paper it is very possible the North Vietnamese may decide they do not want to take the city right now by military action. They may want to conduct a siege and starve the people out. In that case we may not be conducting our final evacuation of absolutely essential American officials until later on. So if we send some troops in the next few days to help with the present evacuation, and then a lull develops for a few weeks, we could well find at the end of the 30-day period there was still an American presence in Saigon; and if this amendment were adopted it could prevent our making a final "snatch" of these final, necessary officials, when the final moment came.

The gentleman from Illinois has made a very sound point.

Mr. FINDLEY. Mr. Chairman, if there were no way in which the Congress could quickly negate an evacuation policy that the President was carrying out that the Congress considered foolish, then it would be another matter, but the provisions in this bill are completely adequate.

Mr. du PONT. Mr. Chariman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Delaware.

Mr. du PONT. I would say to the gentleman that I offered a similar amendment in the committee. Mine was, in fact, 15 days; but the point should be made that this is not a military aid bill. It is an evacuation bill.

Mr. FINDLEY. Of course.

Mr. du PONT. If we cannot get an evacuation bill with military forces in 30 days, we had better rethink this whole concept.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. Fraser), a member of the committee.

Mr. FRASER. Mr. Chairman, one of the values of this amendment, it may be a modest value, but I think it is worth pointing out, that the forces on the other side in North Vietnam and the PRG are likely to be just as suspicious of the intentions of the United States as we are of them. If there is a restriction on the use of our forces for 30 days, it seems to me it might marginally increase the possibility they would tacitly let us take these people out peacefully. They are not anxious to have U.S. forces reintroduced. There is no question about that. I do not think any of us are anxious to have them reintroduced.

I believe if the North Vietnamese had the impression that whatever authority we have here is of limited duration, I would think they would be inclined to let the people out peacefully in the hope this would end the matter.

Let me say that section 3 of the bill does waive some of the provisions that we have fought very hard for over many years. So there is a limit of 30 days from the time the ground forces are put back in. If we need more time, Congress can act just as quickly to extend the time as they could pass a concurrent resolution to call the President off.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Chairman, I think the amendment offered by the gentleman from New York (Mr. SOLARZ) is well-meaning; but I would like to ask the gentleman from Minnesota, speaking about the use of troops, whether or not the amendment of the gentleman from New York (Mr. SOLARZ) speaks only of U.S. forces in, over or off the shores of South Vietnam. What are the limitations on the forces in, over, or off the shores of North Vietnam after the 30-day period?

There is no language that speaks to that. I would like to point out that there is nothing in this bill to limit that. We can go ahead and use our forces in North Vietnam after that 30-day period.

Mr. FRASER. Mr. Chairman, the gentleman has raised a question which I must say has troubled me; but whether this amendment is passed or not does not affect that question. If we have an amendment that bars any military actions against the North Vietnamese during the time we try to evacuate these people, I will support it, because I do not want to see this war enlarged even to get our people out. Whether we adopt this amendment or not does not get to the question the gentleman is raising.

Mr. HARKIN. Mr. Chairman, I wonder if the gentleman from New York would approve of that kind of perfecting amendment?

Mr. SOLARZ. Mr. Chairman, will the gentleman yield for a reply?

Mr. FRASER. I yield to the gentleman from New York.

Mr. SOLARZ. I would have no objection to that amendment. In fact, I introduced one in the committee that was much more extensive, I might add. I feel obligated to point out, particularly in the presence of the distinguished chairman, that that was resoundly defeated in the committee: but in lieu of it another amendment was adopted to the bill which is found at the top of page 3, lines 1 through 3, which reads:

> The authority granted by this section shall not permit or extend to any action or conduct not essential to effectuate and protect the evacuation referred to in this section.

I would submit that by implication this really prohibits any kind of armed attack on North Vietnam.

Mr. HARKIN. That is assuming quite a bit, because it might be essential to cut off supplies to the troops in the south by attacking the north.

Mr. SOLARZ. I think the reasoning used to reach that conclusion is rather strange. In order to evacuate people from Saigon, they do not have to bomb Hanoi.

Mr. HARKIN. However, that might be the case, that we have to cut off their rear guard.

> In addition to the other restrictions in this Act, nothing herein shall authorize the use of United States Armed Forces for the purpose of securing or holding any territory for the benefit of the present government of South Vietnam, or for the purpose of influencing or requiring any particular political settlement in South Vietnam, or to carry on any military actions in or over North Vietnam.

Mr. HARKIN. That speaks to securing or holding territory only.

Mr. FRASER. No, there are three separate restrictions—three separate restrictions.

Mr. HARKIN. I would think that if just the words "North Vietnam" were included in the amendment offered by the gentleman from New York, that would take care of it; just the two words "North Vietnam."

Mr. RIEGLE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if I might have the attention of the gentleman from Minnesota (Mr. FRASER) I would like to continue the discussion for a moment, because it seems to me that the proposed language which I just heard him reading would be a very substantial improvement in terms of a limitation which it would be well to ask for in writing. It does not persuade me, despite this improving limitation, that this is necessarily a bill we want to accept even with the perfection, but I do think that would be a step ahead.

What I do want to object to is the 30 day time limit idea, because the President during that period of time can use whatever military force he wants to use.

If the gentleman from Minnesota drafts an amendment that restricts that, that will be fine, but as it is now the language of the amendment as offered by the gentleman from New York really lets the President do anything he wants to for the next 30 days. I think that is a mistake. I do not think the question has been answered as to what happens at the end of 30 days if we have troops in there pinned down; what do we do at that point?

Do we put in more to take them out or leave them there? I think it is a mistake to put them in in the first place, so a 30-day limit would be worthless.

I think what we want is not a time limit of 30 days but rather a clear assertion that we should not put troops into South Vietnam except to safely withdraw the Americans and their dependents, if necessary.

Earlier, when the gentleman from Ohio (Mr. SEIBERLING) spoke, he made a profoundly important point: That is, that the justification the prior administration used for going into Cambodia was to secure the safe withdrawal of Americans from Vietnam. So, this evacuation rationale of going next door and bombing areas beyond South Vietnam has already occured once, and there is no guarantee that it won't happen again if we give the President this open grant of authority.

For that reason as well, we have to pin it down. So, I would hope that we would not say, in effect, that the President can do what he wishes for 30 days, or 20 days or 10 days. I think the issue here is to get all Americans out, get as many South Vietnamese as we can out without the use of U.S. combat forces, and draw the line at that point.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, to keep this amendment in perspective—since we are wandering off the path a bit—the gentleman from Michigan who just spoke consistently, in the committee, voted against not only the basic provisions of the bill, but any amendments of this nature. There was an amendment offered, I believe, by the gentleman from Delaware (Mr. DU PONT) for a 15-day limitation. The gentleman properly voted against that.

We voted down the 15-day amendment, but the fact is that at that time it obviously was restricting the bill that was before the committee, but basically the gentleman was against that and is opposed to the very concept of this bill.

This is the point we are coming to this afternoon. Most of the arguments against individual amendments are really coming from Members who are opposed to the fact that we are even considering this bill, so that the gentleman from New York (Mr. SOLARZ) could come in with a 5-day or a 48-hour amendment and the gentleman would object to those as well.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, it is true that I would still object to it, but I would object to it less.

Mr. DERWINSKI. At least we are keeping a light atmosphere which the gentleman from Iowa said we did not have a few hours ago.

Mr. DU PONT. Mr. Chairman, I would say, in response to the gentleman's earlier argument, and I think in response to some of the criticism from the other side of the aisle, that it is important to keep in perspective what we are talking about.

We are talking about a bill that proposes to evacuate people. We are not talking about a bill that gives the President authority to bomb Vietnam for 30 days. We are not talking about a bill that gives the President the authority to initiate any kind of military action. We are talking about bringing people out.

Mr. Chairman, I get very uneasy about giving the President authority to use troops in there forever.

My view is that the 30-day limit—which I think is too long, but I am going to accept it because it is the best we can get—is very reasonable. What we are talking about is a snap, as we had in Cambodia, because the people are coming out without the use of troops now and, hopefully, they can continue.

Mr. DERWINSKI. Again, Mr. Chairman, I would like to sum up the Solarz amendment. It is a practical modification accepted in that spirit to make this bill more acceptable to those who voiced some legitimate misgivings. I frankly think at this point it is an asset to the bill.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, the gentleman said the people who were opposing this and other similar amendments were really opposed to the bill.

Mr. DERWINSKI. The record shows that.

Mr. SEIBERLING. I oppose this amendment. I oppose the bill only if it continues to contain the permission to use military troops, Armed Forces, in Vietnam to evacuate Americans and anyone else. I would support the bill if we take those provisions out.

Mr. DERWINSKI. Then we do not have a bill. The practical purpose for that provision is to see to it that if the contingency we do not want to develop but which could develop, that a practical utilization of troops could be authorized.

The gentleman, again I repeat, is opposed to the basic concept of the bill. Now we are making the record clear.

Mr. DANIELSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, throughout this day of debate I have heard one fundamental error repeated time and time and time again, but repetition of error does not cure it. I would like to point out that the error, which is so fundamental, is this: Time and time again I have heard it said that the President has the inherent power to go into Vietnam or anywhere else to extricate, evacuate, remove American citizens, that the only question is, Can he go further and remove those who are not nationals of the United States? I respectfully submit the President of the United States does not—and I repeat that, the President of the United States does not—have the inherent power to go into South Vietnam or North Vietnam, or any other place on Earth, to remove American citizens or anyone else, without first of all having obtained the consent of this Congress.

Mr. Chairman, I shall not stand by to hear this error repeated time after time after time so that it operates as a snare or a trap for the unwary. If we are going to extricate and evacuate the American citizens from South Vietnam, we must have legislation of the type that the committee has presented to this House. Stating that the President has an inherent power does not confer it upon him.

I submit to the ladies and gentleman of this House that there is not one clause, not one word, in the Constitution of the United States that grants that kind of inherent power.

I also respectfully submit that it is the kind of fuzzy thinking that got our last President into an awful lot of trouble.

Let us go back to Cambodia. We recently had an evacuation from Bangkok. Did the President have an inherent power? I respectfully submit that he did not. Then why was not something done about it? I will tell the Members why.

He was performing an extraconstitutional, an extralegal act, he was exercising a power that he did not have. But he was reflecting the voice and sentiment of everybody in the United States.

I am not going to object to it. I submit that no one else is going to object to it. However, now we are coming into a new situation. We are not talking about Cambodia. We are talking about South Vietnam, an arena of great controversy, of great conflict.

If we rely upon the President's so-called inherent power to go into South Vietnam, we are relying upon nothing. If we do not pass legislation which gives him this power for a reasonable length of time and which appropriates sufficient funds to carry it out, we are laying the President and the administration wide open to a civil action for an injunction, a procedure which has already been followed in some similar situations.

I say this: Do not be deluded by the myth that the President has inherent power. It does not exist.

Mr. SCHEUER. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I do yield to the gentleman from New York.

Mr. SCHEUER. Is it not true that the President or the administration has evacuated virtually all of the American contingent in Vietnam?

Mr. DANIELSON. That is absolutely true, but that does not mean that he has the inherent power to do it. It is extraconstitutional and illegal. I am not objecting to it, and I do not think anybody else here is going to object to it.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I appreciate the gentleman's comments.

I would like to point out that, while I am no great authority on the inherent rights of the President, I certainly think there is a grave doubt as to the President's rights, inherent or otherwise, to evacuate Vietnamese dependents of American citizens. To require an American citizen to leave Saigon and leave his Vietnamese wife and children behind is just not realistic or humane.

Mr. DANIELSON. I concur.

Mr. Chairman, I would like to point out in closing just this one little thing. If we believe we should evacuate our American citizens, if we believe we should evacuate their dependents, and if we believe that there is anyone else in South Vietnam who deserves to be evacuated—and I might say that I concur with my colleague, the gentleman from Ohio (Mr. HAYS), in that respect; I think we have a moral obligation here as to those who have identified themselves with the American presence in South Vietnam—but, if we believe that any one of our American citizens should be evacuated, then we must give the President this power.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I want to thank the gentleman in the well. I concur thoroughly with him.

I never agreed that the President had inherent power to do any of the acts which the gentleman has alluded to. He has said that the President exceeded his authority in Cambodia. I agree. Presidential action in Vietnam under present conditions raises questions on the use of funds. There is the further question as to whether the Congress is going to disregard its opportunity to act on this very important matter when for years we have been faced with Presidential action for which we berated them because they refused to come to Congress to get authority.

Mr. DANIELSON. That is beautifully put.

It is our responsibility, as a Congress, to give the President the power he needs to carry out the obligations we want him to carry out.

Mr. JOHN L. BURTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first of all, I thought we were over there serving the Vietnamese with our blood and that they were not serving us. That was my thought as to why our people were over there, including the kid I grew up with, who died in 1955 over in that jungle.

I would like to say this: Maybe Congress has a duty to speak, but we do not have a duty to say, "You can go in with as many as you want for as long as you want anywhere you want to get out as many as you want."

That is what we are saying here. We have not gotten down to a small number of Americans.

I can quote the figures given to me this morning by the office of the Chief of Staff of the U.S. Air Force for categories 1 and 2 in Vietnam: the number of American citizens and their non-American dependents was well over 2,000, and at the same time he told us that they had planes, as I said earlier, zinging in and out with thousands of South Vietnamese, and that we could get the Americans out now.

Several of us coauthored a resolution some 10 days ago saying that the Americans and their dependents should be out in 7 days, and everybody said: "God, we cannot do that." We could have done it. We did not want to do it because Dr. Kissinger wants them to serve a broader purpose, and that broad purpose is to hang over our heads like a sword so that we have to follow some kind of program to allow him to get the type of political settlement he thinks he should have for people for whom he has no business determining any type of political settlement.

Now, Members say 30 days is magic time, when earlier somebody said in opposition to the Edgar amendment 10-day limit, "You mean you would close down the Embassy in 10 days?"

What is the difference if we are going to close it down in 30 days? I think we should have closed it down 10 days ago. There is some debate whether or not Graham Martin should have been in there or out of there when it was closed down, I would not participate in that.

What can you do if you have people over there for 30 days who are involved

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in armed conflict? Are you going to say, "All right. Time." The whistle blows. "Everybody out." And the bullets will stop in midair at the end of 30 days?

The only way we can safeguard the lives of the Americans is to get them out now. The only way to safeguard the lives of the South Vietnamese that we are concerned about is to get them out.

I said, the planes are running now. Guam is ready for 55,000. They are supposed to be there Saturday, just 4 days from now. So, really, what are we talking about? Safety is not getting back militarily involved in South Vietnam.

The President has stated—not that he is the final word—that he has the inherent right to get Americans out, and he needs this bill.

I thought my distinguished friend, the gentleman from Florida, agreed with me that the purpose of this bill was to get the thousands and thousands of South Vietnamese out. Well, I would just say that the planes are flying, the airport is open, and why are they not leaving? Why is it that the South Vietnamese leaving outnumber the Americans by 20 to 1, I cannot figure that out unless somebody is being held hostage.

Mr. BROOMFIELD. Mr. Chairman, if the gentleman will yield, I would like to say to the gentleman from California that yesterday they got over 2,000 people out; 500 of them were Americans. So they are moving as rapidly as they possibly can.

I also can say to the gentleman that certainly it is the intention of the administration not to stay there any longer than they possibly have to.

I think one of the examples of good faith is the way they conducted the Cambodia evacuation. That evacuation took place in just a matter of a few hours. In this case, when we are talking about 30 days, I sincerely believe the administration does not plan to use the 30 days. In fact, I think it would be a lot less than that.

Mr. JOHN L. BURTON. Mr. Chairman, I would agree that they do not need the 30 days. I think it could be done the way it was in Cambodia. In Cambodia there were less than 200 Americans, and they had to wait for an hour and a half at the airfield for the Cambodians to show up and decide whether they wanted to leave.

According to the very figures used by the gentleman from Michigan (Mr. Broomfield) there are 3 to 1 South Vietnamese to the Americans.

I think our first duty is to the Americans, and to their dependents, and they should be out.

Then there is the duty to the South Vietnamese, and according to the numbers that I have heard from the State Department, there are some 160,000 involved, and that really should be a tertiary responsibility, I really do not think we want to involve American forces in getting them out. Our planes are flying, and they can get out now, but why should it be 3 to 1 South Vietnamese versus Americans? I think it should at least be 50–50, if not 3 to 1 the other way.

It is really as Dr. Kissinger has stated, and as Habib has stated, that we have a broader purpose for them, and that purpose is to be a hostage for this type of bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHEUER. Mr. Chairman, I move to strike the requisite number of words, and I rise in objection to the amendment.

Mr. Chairman, it seems clear to me that with less than 1,000 Americans left in South Vietnam at this late hour this administration could evacuate them completely in a matter of hours, so what is the need to get this bill passed? They can evacuate all of the remaining contingent certainly within 24 or 48 hours, and we would not need this bill to evacuate these Americans and their dependents. They could have been and should have been evacuated at any time in the last 2 or 3 weeks.

So for what purpose do we want American Armed Forces in the air or on the land introduced into that benighted subcontinent. To remove other South Vietnamese?

My distinguished colleague, the gentleman from Ohio (Mr. Hays), has said that we ought to grab those we can grab and get them out. I know the gentleman meant that in great sincerity, when he talked about our obligations there.

Mr. Chairman, as I look at our obligation in Vietnam, as I look back on 10 years of moral squalor, futility, human waste, and the degradation and defoliation of that continent, I think our real moral obligation is to have the courage and the intelligence to realize what we have wrought there, and to get out as quietly and as expeditiously as possible, to minimize the damage, the pain, the suffering, the desolation that we will still wreak on that subcontinent before we write "finis" to our sad and tragic 10-year intervention in their affairs.

There is nothing in these 10 years of history that shows that we have the wisdom or the capacity to render judgments about how to intervene effectively in the lives of the people of that country by military force. Our military force had the indiscriminate effect of killing and maiming hundreds of thousands of Vietnamese and leaving homeless millions more.

As to the evacuation of Vietnamese, other than American dependents, as to who is going to get out and who is going to stay. I think the history of these 10 years likewise proves that we do not have the wisdom to play triage, we do not have the wisdom to decide who is going to live and who is going to die. Those bombs, those bullets, those machine guns, those artillery shells, and, yes, the act of lifting some Vietnamese out and leaving millions there constitutes a pattern of intervention which we have not earned. We have not shown the morality, wisdom; we have not shown the judgment, we have not shown the morality or the compassion to continue our intervention affecting their very lives, and their country's destiny.

I do not know which Vietnamese we are going to lift out. I suspect it is the Vietnamese with the push and the pull and the connections to get out. How many of them will be the war profiteers, the highly placed wheeler-dealers and manipulators, the cunning and, the torturers of the tiger cages, I do not know. Whether they are the most deserving or not of our beneficences I have no way of judging, and I suspect there is no one else around who has any better way of judging.

I urge, Mr. Chairman, that we look upon this amendment as sanctifying a new start in the use of military force, as symbolizing the moral, and intellectual, defect of this entire bill.

I suggest that we find the grace to get out, to evacuate our Americans and their dependents which we can do in another 24 or 48 hours, and then mercifully leave that country to resolve its own problems. And when the Vietnamese themselves have brought a modicum of order to that pathetic land and have commenced sorting out their own problems then perhaps we can go back and offer them aid and succor and resources, and know-how in helping them to rebuild Vietnam in their own image by their own lights and by their own efforts.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. Of course, I yield to the distinguished gentleman from New York.

Mr. SOLARZ. I thank the gentleman for yielding.

Is the gentleman aware that without this amendment the bill already authorizes the use of force for the purpose of effectuating an evacuation from South Vietnam?

Mr. SCHEUER. Of course, I am aware of that. In my opinion the gentleman's amendment symbolizes the defects of this bill. We should defeat the amendment; we should defeat the bill; we should get our Americans out; and then perhaps when it is all over and when it is settled, we can go in and give them humanitarian aid.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SCHEUER. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

I was surprised to hear the gentleman from New York say that it is necessary to limit the time in which the President can use the authority in this bill, because he assured me before that under this bill the President can only use necessary force to remove Americans. If it is only necessary force that the President can use, that force can be exercised quickly and we should get in and out just as we did in Cambodia. If the President needs more than that necessary force to get in and out of Vietnam, a longer period of time, then we are talking about a substantial military effort.

Mr. SCHEUER. I suspected when we first got into this war with 10,000 advisers during the Kennedy years, we were only using necessary force, and when we got in with 10,000 troops, then with 15,000 troops, and then with 50,000 troops all the way up to 550,000 troops—we were

always only using necessary force. We have found over 10 tragic years that the process of using only necessary force contains its own inner driving dynamics—which has led to escalation after escalation in the number of troops—the ferocity of the bombing, the scope and scale of the death and destruction. Now that we are out, Mr. Chairman, in Heaven's name let us stay out and not take even the glimmer of a risk that the reintroduction of U.S. troops will start the dreary sad process of escalation all over again?

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. HARKIN TO THE AMENDMENT OFFERED BY MR. SOLARZ

Mr. HARKIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk reads as follows:

Amendment offered by Mr. Harkin to the amendment offered by Mr. Solarz:

Amend the Solarz amendment as follows: After the word "Vietnam" used for the first time, insert the following: "**, Cambodia, Laos,** and North Vietnam".

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I make a point of order against the amendment. It seems to me it goes much farther geographically than anything in the bill.

The CHAIRMAN. Does the gentleman wish to be heard on the point of order?

Mr. HARKIN. Yes, Mr. Chairman, I do.

I think the amendment is well in order because it is speaking directly to this section about involvement in a military or paramilitary operation and we are talking about limiting those uses to a 30-day period. I think the amendment is in order because it does meet the limitations imposed on the bill by the amendment offered by the gentleman from New York (Mr. Solarz).

The CHAIRMAN (Mr. Pike). The Chair is prepared to rule.

The amendment offered by the gentleman from Iowa (Mr. Harkin) does go in scope beyond the amendment offered by Solarz), whose amendment is limited to the area of Vietnam. The amendment offered by the gentleman from Iowa goes beyond that by inserting **Cambodia** and Laos and North Vietnam.

The Chair sustains the point of order.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have refrained from speaking on any question we have dealt with all day because I felt there were many people on this floor who are much more expert in this whole area than am I. But I would respectfully suggest that the reasonable thing to do, after all we have gone through today, is to support the amendment offered by the gentleman from New York (Mr. Solarz) and to support this bill.

The gentleman from New York (Mr. Scheuer) who preceded me in the well indicated that after 10 "sordid" years of our involvement in Vietnam the most graceful thing we could do is to get out. I think the most important thing we have to do—and we have to do it in this Congress—is to accept the consequences of our actions. The consequences of our involvement over there for the last whatever number of years it has been are simply that there are people whose lives are endangered. There are people who will probably lose their lives. We may be wrong on that but the important thing is that we might not be.

I would suggest that while we can argue about any language, what it really comes down to in the end is whether we are going to trust somebody. That is the way to operate here every day. We trust somebody. I did not trust President Johnson on this war. Although I was not here, for all of that time, I was opposed to our involvement in it since 1964. I did not trust President Nixon on this war. I have not trusted President Ford or Secretary Kissinger for most of the last year on the conduct of the war. I am no great fan of Secretary Kissinger. I was appalled when I turned on the television a few days ago and I saw the Secretary of State saying that, yes, he does partially agree with Mr. Thieu that any Member of Congress who votes against providing some kind of assistance to Vietnam is a traitor. I deeply resent that.

But in this one instance on this war I do trust President Ford and Secretary Kissinger. I have talked to Secretary Kissinger three times and while there are a great many disagreements I have with him on fundamental issues I do believe based upon what he has told us in the Appropriations Committee that they do finally recognize this is it, this is the ball game, it is all over, and in this request what they are really trying to do is to help this country face the consequences, the moral consequences of its action.

And heavy responsible in this area lies with the Congress because the Congress for 10 years ducked its responsibility. Today there are kids sitting in Canada who cannot come home without accepting some conditions they feel are unfair because 10 years ago they saw the Congress had not taken a position on the war, and believed that meant they did not have any legal obligation to serve in the Armed Forces of this country in an undeclared war.

I do not think Congress can afford to be in that position again. I think this bill and the amendment offered by the gentleman from New York would offer a reasonable way out of a very messy situation. I could be dead wrong, I could be naive as can be, but I simply say that after all we have gone through I do believe in my own heart that President Ford and Secretary Kissinger finally recognize there is no option except withdrawal and they are trying to do it under the least bloody circumstances possible.

Ms. HOLTZMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know it is late and I know the Members have spent most of the day on this bill, but this is a dangerous amendment and I want to speak against it.

The gentleman from New York is concerned about limiting the presence of troops. The issue is whether we have to send troops at all for an evacuation and is this limitation, in fact, not a limitation, but rather an authorization? I think it is unquestionably an authorization.

If the gentleman from New York would answer a few questions. The gentleman just advised me that he did not think it would require 30 days for American troops to carry out an evacuation. Why does the gentleman offer this amendment if it is not necessary?

Mr. SOLARZ. As I tried to indicate to the House somewhat earlier, in the testimony last week——

Ms. HOLTZMAN. Does the gentleman believe it will require 30 days to evacuate the troops? Yes or no?

Mr. SOLARZ. I am perfectly prepared to answer the question of the gentlewoman, but I would appreciate if she would give me a chance to reply. The answer is——

Ms. HOLTZMAN. I will not yield further, unless the gentleman is prepared to say whether or not he believes it will require 30 days. If the gentleman is not prepared to give a straight answer now, that demonstrates the problem with this bill, because it does specify that for 30 days hostilities can continue and combat troops can be used, when that period is totally unnecessary for the evacuation of Americans from Vietnam.

I wonder if the gentleman perhaps would be willing to answer this question.

Mr. SOLARZ. I was willing to answer the other question.

Ms. HOLTZMAN. Was there any testimony before the committee as to whether or not from a military point of view it would take any specific period of time to accomplish an evacuation; was there such testimony?

Mr. SOLARZ. There was testimony in the committee from the Secretary of State on the amount of time that would be necessary to evacuate the Americans, their dependents, and their relations from Vietnam, in which he indicated that it would be probably no more than a matter of days at the most.

Ms. HOLTZMAN. Did he say how many days? Did he say 30 days?

Mr. SOLARZ. I just answered the question. He said it would not take more than a few days at the most.

Ms. HOLTZMAN. Then why is the gentleman offering the amendment that authorizes military force to occupy territory in Vietnam for 30 days, when he tells me that the Secretary of State said that the evacuation would require no more than a few days? I am frankly very puzzled.

Mr. SOLARZ. I will try to enlighten the gentlewoman, if I may. The answer is that without the amendment there is no limitation whatsoever and there are lots of people, including the gentlewoman, who would say——

Ms. HOLTZMAN. I decline to yield any further, because my question was, If the testimony before the committee shows that 2 days or a few days are required, why propose an amendment that allows a 30-day occupation?

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. Yes, I yield.

Mr. BINGHAM. I recall the gentlewoman said twice in the debate on the rule that she was very critical of the bill

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because it contained no limitation on time. The gentleman now has offered a 30-day limitation. That is better than none.

Ms. HOLTZMAN. Will the gentleman from New York say that it is better to authorize a 30-day occupation when the testimony before the committee showed no such need?

Mr. HAYS of Ohio. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Would the gentlewoman rather have the amendment say a few days, rather than 30 days?

Ms. HOLTZMAN. I would rather say 2 days than 30 days.

Mr. HAYS of Ohio. The gentlewoman keeps saying a few days; that is a lot more indefinite than 30 days.

Ms. HOLTZMAN. I was using the term a "few days" because the gentleman from New York used it. It is less than 30 days.

I am also concerned that nobody has answered the question yet, and perhaps somebody on the committee will answer, what happens after 30 days when the troops are there. Assuming that the "few days" estimate is wrong, what will happen when the troops are there and shot at and we have lost people and prisoners are taken?

What is going to happen at that time? Perhaps the gentleman from New York would answer that.

Mr. SOLARZ. Mr. Chairman, I would like, if I may, to get one thing clear, because I would not want anyone reading this record at some point in the future to think that I introduced an amendment designed to permit an American occupation of no matter how many days of South Vietnam. My amendment was designed to effectuate one purpose, and one purpose only.

Ms. HOLTZMAN. Can the gentleman answer that?

Mr. SOLARZ. That is, to limit the amount of time in which troops could be sent into Vietnam.

Ms. HOLTZMAN. I think the question is unanswered.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for 2 days this issue has been discussed and debated by several hundred of my colleagues. I came to Congress 4 years ago saying that one of the primary reasons for coming was to challenge a war that I considered illegal, immoral, and insane. I have not involved myself in this debate over the past couple of days because I have not been sure that I wanted to dignify the bizarre nature of these proceedings, the bizarre nature of this piece of legislation and the absurd and bizarre nature of this amendment.

It is almost as if we are replaying a scenario that we have gone through before. The liberals of this Congress are now finding a way to give military assistance. The liberals of this Congress are now trying to find a way to justify military intervention. The liberals of this Congress are trying to put a lid on how much time we can continue to bomb and kill in the name of peace; put in troops in the name of peace—the liberals of this body, the people who came here after campaigning all over America saying, "We oppose the insanity of war."

I have sat here for 2 days and watched us parade into this well with absurd amendments, absurd statements, and bizarre reasoning. We must wake up and realize that this is the 20th century, that war is a totally irrelevant way to address the human condition.

In 30 days, I would submit to the author of this amendment, we could bomb the world to the Stone Age. In 30 days, all hell could break loose. Thirty days can be a lifetime for people who are living in terror and devastation. If we want to evacuate the American troops, American personnel, it is very easy to do.

Here we are now, the one Nation on the face of the Earth that can open up its doors to all the free people in the world. What has this Nation done for the millions of blacks, browns, reds, yellows, poor whites in America who are in desperate need at this moment? Those who need jobs and need housing and who need education? We are opening our doors to spend billions of additional dollars because in some way we are the defenders of the free world. It is not "white hat," "hard hat," "good guy," "bad guy" in the world any more. It is a very, very small world with people who are increasingly interdependent and interrelated.

What the Members have to address here is not whether we are on the side of the South Vietnamese or the North Vietnamese, Communist or non-Communist. If it is Russia and China, who can bomb us back, they are good Communists.

It is Cambodia, Laos, North Vietnam, small Communists who cannot bomb us back, they are bad people. The world is not that simplistic anymore.

Our responsibility is, how we end this madness and this insanity in the name of peace. We do not do it by giving Gerald R. Ford the ability to re-enter Vietnam. We do not do it by saying, "Let us narrow it down to a few days, 30 days, 45 days, any number of days."

The intelligent and rational people have to say that we have made a very bad decision. It took us years, many of us, to fight to end the insanity of Vietnam. Now, what are we doing? We continue to posture and play games with a piece of legislation which can, in fact, be a Gulf of Tonkin resolution. It is not whether we are on the side of the North Vietnamese or the South Vietnamese. Those people have lived in terror and devastation and death and destruction for years. We have been involved in that process. When do we decide that we will no longer do it?

I sat here for 2 days. How long do we sit here and engage in this proceeding? I suggest to the Members, those who have come to this Congress saying that peace is the only way to live, those Members who agree with the words of Dr. Martin Luther King, that nonviolence is not a practical way to bring change but an ultimate way of life, join me in striking down this amendment and striking down this legislation and speak to the need for the human question of peace and return America to the role that it ought to be involved in, to say to the Vietnamese people, "No more of you will die at the hands of the American people."

Mr. BIESTER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, during general debate yesterday the gentlewoman from New York (Ms. Abzug) characterized our debate as Alice in Wonderland in nature because we were not reading the papers and keeping up to date with the rapidly moving events. She chided us for not taking into account that all parties in South Vietnam were seeking a cease-fire and not a political solution.

Mr. Chairman, if one takes that advice, one comes to this stage of the debate with much greater reality than yesterday.

In the Post this morning, one finds the following bits of information:

First, North Vietnam and the Vietcong responded scornfully to the resignation of Thieu and have apparently turned down a cease-fire.

Second, forces of North Vietnam continue their advance.

Third, Pathet Lao and North Vietnam have cut the road between Vientiane and Luang Prabang.

Fourth, two British military experts have described the South Vietnamese as having achieved military superiority and as increasing its armed forces more than is justified for defensive purposes.

Fifth, the Soviet Union is conducting a massive naval maneuver on all of the seas and oceans throughout the world. Some have characterized it as one of the largest single naval maneuvers by any power at any time.

Sixth, a letter from Dr. Andrei Sakharov and Igor Shaparovich tells us of intensified repression upon minorities, Lithuanian Catholics, Baptists and Jews, purge trials and such as that. "The systematic character of these actions stirs our fears that it is only the beginning of a widely planned campaign."

And here we are with a debate punctured by comments such as that of the gentlewoman from New York (Ms. Holtzman) that "Have we not learned after 10 years of brutal but useless fighting in Vietnam that there has got to be some other way to solve international problems aside from using military force?"

Well, unfortunately there are people in this real, unidealized world of now who still believe in force. The Soviet Union solved its problems in Hungary by force. The Soviet Union solved its problems in Czechoslovakia by force. The Khmer Rouge solved its problems in Cambodia by force. The North Vietnamese are solving their problems in Vietnam by force. The Pathet Lao are again seeking a military solution in Laos by force.

Does anyone believe in this Chamber that if they had superior force, the Arab world would not seek and might very well solve its problems in the Middle East by force?

And in the midst of this kind of world, upon whom do the severest critics of this bill turn their greatest suspicions and most bitter attacks? Gerald R. Ford, President of the United States, and Henry Kissinger, Secretary of State.

And I for one, as an American citizen and not only as a Member of this body, am tired of it. Mr. Chairman, I voted against the Vietnam war long before some of these people were here.

I did so not out of any naivete. We have a record that unbecomes us in many ways in Vietnam, but in the name of decency, let us not be so callous to those who sided with us and their children and their families as to turn our backs on them in our departure. If we do, it may be said of us that nothing quite so unbecame them as the manner of their leaving thereof.

Mr. MORGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been on this amendment now since about 10 minutes to 6. It is an amendment which should have been disposed of, in the ordinary legislative procedure, in approximately 10 minutes.

It seems to me that those people who do not want a bill, those people who want to prolong the debate, are going to have to stay here, as far as I am concerned personally, because it is my intention to try to get action on this bill tonight. The other body has passed its bill, and I did hope to go to conference tomorrow, if I could.

Mr. Chairman, I think the time is wasting away, and after the gentlewoman from New York (Ms. Abzug) uses her time, I hope we can vote on this amendment.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is very difficult to justify, at the end of a very, very sad chapter in the history of Southeast Asia and our participation in it, a proposal that we once again open up the possibility of our using force by a recitation of facts which are quite irrelevant. They are important, but they are irrelevant to what we are considering today.

I regret as deeply as the gentleman from Pennsylvania (Mr. Biester), because we have often discussed this before his committee, that we proceed in the world to try to settle international disputes through the use of force. I know that we agree on this subject, the gentleman and I.

What we do here, now, is to suggest that this may be the kind of situation which we cannot change. We cannot reverse the battle that is taking place there. Therefore, we have a responsibility not to accelerate it or to recreate it or to respirate it.

That is essentially what the people who oppose this bill, I think, have been saying. What we are saying is, "We do not disagree with you. We know that it is a precarious situation. We pray together with you that we can find a way to take Americans out and those Vietnamese who feel their lives would be in danger in as secure a way as possible." However, we are suggesting that there is a reality that somehow or other, because of old habits, we are not prepared to face. We have for a long time been involved in the use of force in Vietnam, and it is sort of habit-forming. When we think about how we can resolve our end of it, the only way we seem to be able to deal with it, once again, is saying "Let us get the Marines. Let us get the planes over from Guam. Let us see whether we can get ourselves in there so that if anybody tries to trifle with us, we will show them."

That is essentially what this bill is saying. This bill is saying just that. Instead of saying, "The situation is ending. Let us try to deal with it in a rational way. Let us try to help by suggesting that there can be a negotiated end to this sad moment. The PRG is not going to negotiate with this old blind, though benign old man who was left there by Thieu to be a surrogate, because that is all he is." I was there. Those of us who were there met him and know this.

What has to happen, and Dr. Kissinger has yet to really prove that he has done this, and this Ambassador Martin has yet to prove that he has done this, is to help—in what way is proper—the people in Vietnam who want to form a new government to find a way in which they can do it. It is possible and not unlikely that somebody like Tran Van Lam, whom I mentioned earlier, who was a signer of the Paris Peace Accords and is a leader of the Senate, could be put in a position to form a new government which could negotiate with the PRG.

We have not done that, nor has this Congress once said: "We would like to suggest, Mr. President, and we would like to urge, Mr. Kissinger, that that is the way we should be playing this role, in a political and diplomatic way."

We have not done that. We have taken a shortcut in a rather opportunistic way and said, "We can take these people out, so let us give the President the power to use force."

It should be self-evident that the PRG is not going to negotiate with the same government that until now has failed to allow all the voices of the South Vietnamese people in its government. It is possible that the PRG will negotiate under two stated conditions. One condition is a new government formed without the original leadership of the Thieu republic and, the second condition would be our refraining from introducing a U.S. military presence into South Vietnam. We can only control our end of it. We should offer what help we can to see to it that we do not stand in the way of a new coalition government and not take action which either threatens to or does introduce force. The bill proposed here just does that and in so doing we may by our actions have the effect of preventing a peaceful evacuation, the needed security for the South Vietnamese, and hope for a reconstruction of that war-torn land. I cannot ignore the fact that the administration has publicly admitted that the Americans are being used there as hostages, so that we can have a broader control of things.

Why ignore that?

In view of that, why insist on a bill that will give the President by congressional authority the power to use force in Vietnam when there is no evidence that it is even required?

As I said to the Members earlier, when the moment came when that was necessary I think we would move, and we would act. But there is no peril, there is no necessity for that kind of force. We place in peril any hope that may exist to bring about the peace and security and safety of the Americans and the Vietnamese in that area.

Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. SEIBERLING. Mr. Chairman, I ask unanimous consent that the gentlewoman from New York may have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. HAYS of Ohio. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from New York (Mr. Solarz).

The question was taken; and the chairman, being in doubt, the committee divided, and there were—ayes 60, noes 48.

RECORDED VOTE

Mr. SEIBERLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 208, answered "present" 1, not voting 27, as follows:

[Roll No. 142]

AYES—196

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Aspin
AuCoin
Bafalis
Beard, Tenn.
Bell
Bennett
Bergland
Biester
Bingham
Bolling
Broomfield
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Mass.
Butler
Carter
Casey
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Conable
Conte
Coughlin
Crane
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Delaney
Derwinski
Devine
Dodd
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Esch
Eshleman
Evans, Colo.
Fascell
Fish
Fisher
Fithian
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Giaimo
Gibbons
Gilman
Goodling
Gradison
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Heinz
Henderson
Hicks
Hightower
Hillis
Howe
Hubbard
Hughes
Hungate
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jordan
Kasten
Kazen
Kelly

UMI

Kemp
Ketchum
Kindness
Krebs
LaFalce
Lagomarsino
Lent
Levitas
Lloyd, Calif.
Long, Md.
McClory
McCloskey
McCollister
McDade
McEwen
McFall
McHugh
McKay
Macdonald
Madigan
Mann
Martin
Mathis
Meeds
Michel
Milford
Miller, Ohio
Minish
Mollohan
Moore
Moorhead, Pa.
Morgan
Mottl
Murtha
Myers, Pa.
Nowak
Obey
O'Brien
O'Hara
Patten
Pepper
Peyser
Pickle
Pike
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rinaldo
Roberts
Robinson
Roe
Rogers
Rose
Roush
Rousselot
Ruppe
Santini
Sarasin
Schneebeli
Shipley
Shuster
Simon
Sisk
Skubitz
Smith, Nebr.
Snyder
Solarz
Staggers
Stanton,
J. William
Steelman
Steiger, Wis.
Symington
Taylor, N.C.
Thone
Thornton
Ullman
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson,
Charles, Tex.
Wolff
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki

NOES—208

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson,
Calif.
Ashbrook
Ashley
Badillo
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Bedell
Bevill
Biaggi
Blanchard
Blouin
Boland
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Cederberg
Chappell
Chisholm
Clay
Collins, Ill.
Collins, Tex.
Conlan
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Davis
de la Garza
Dellums
Derrick
Diggs
Dingell
Downey
Downing
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Erlenborn
Evans, Ind.
Findley
Florio
Ford, Mich.
Ford, Tenn.
Fuqua
Gaydos
Ginn
Grassley
Green
Hannaford
Hansen
Harkin
Harrington
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Holt
Holtzman
Horton
Howard
Hutchinson
Jacobs
Jenrette
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Karth
Kastenmeier
Keys
Koch
Krueger
Landrum
Latta
Leggett
Lehman
Litton
Lloyd, Tenn.
Long, La.
Lott
Lujan
McCormack
McDonald
McKinney
Madden
Maguire
Mahon
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead,
Calif.
Mosher
Moss
Murphy, Ill.
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Oberstar
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Perkins
Poage
Pressler
Rangel
Rees
Rhodes
Richmond
Riegle
Risenhoover
Rodino
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
St Germain
Sarbanes
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Sikes
Smith, Iowa
Spellman
Spence
Stanton,
James V.
Stark
Steed
Steiger, Ariz.
Stephens
Stokes
Stratton
Stuckey
Studds
Symms
Talcott
Thompson
Traxler
Tsongas
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
Wilson, Bob
Wilson,
Charles H.,
Calif.
Winn
Wirth
Wright
Yates
Young, Ga.
Young, Tex.
Zeferetti

ANSWERED "PRESENT"—1

Ryan

NOT VOTING—27

Boggs
Byron
Conyers
Dent
Dickinson
Duncan, Oreg.
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hawkins
Hébert
Hinshaw
Holland
Ichord
Mills
Murphy, N.Y.
Passman
Patman
Pritchard
Shriver
Slack
Sullivan
Taylor, Mo.
Teague
Treen
Wydler

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. MEYNER

Mrs. MEYNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mrs. Meyner: Page 2, lines 1 and 2, strike out "humanitarian assistance to and evacuation programs from South Vietnam." and insert in lieu thereof the following: "humanitarian assistance in and evacuation programs from South Vietnam. Funds made available under this section may be used for providing humanitarian assistance in South Vietnam only under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies."

Mrs. MEYNER. Mr. Chairman, we have been here now for almost 8 hours. As my colleague, the gentleman from New Jersey (Mr. Howard) said, what we have been doing this afternoon is perhaps one of the most important things that this House has done in a great many years.

We have talked about evacuation most of the time. I am deeply concerned about evacuation, as we all are, from South Vietnam, but because I have felt for a long time that the only war that should have been fought in Indochina was an all-out battle against human misery and suffering, I am offering an amendment which has to do with humanitarian aid.

The amendment I am offering provides that the portion of the $150 million authorized in section 2 which is used for humanitarian assistance should be channeled through international organizations, the U.N., multilateral institutions and private voluntary agencies. It is intended to reach those without position and power who have lost everything and now have nowhere to go.

In section 35(a)(7) of the Foreign Assistance Act of 1974, Congress called upon the President and the Secretary of State to provide humanitarian assistance to Indochina through those channels "wherever practicable."

The administration has not fulfilled the spirit of this provision. In spite of the documented gross inefficiencies and the apparently imminent collapse of the Saigon government, the President and the State Department have made it clear that they would prefer to see their most recent request for $250 million in economic and humanitarian assistance be administered through AID and the Ministry of Social Welfare of the corrupt Saigon government.

It seems clear that the administration is not responsive to expressions of congressional intent on this matter. Attempts to give them flexibility have been used as a license to administer humanitarian aid as they please. The situation now requires a direct mandate. The International Relations Committee has declared its intent that approximately $73 million of these funds be used for humanitarian assistance. I believe that these funds could be very effectively used by relief organizations currently in place in South Vietnam.

Mr. ECKHARDT. Mr. Chairman, will the gentlewoman yield?

Mrs. MEYNER. I yield to the gentleman.

Mr. ECKHARDT. I may say that I compliment the gentlewoman for providing what seems to me an extremely good amendment to the bill. I wholly agree with her and I will support the amendment to a large extent, for the distribution of humanitarian goods to a government like the Saigon government would be very much like dropping it by parachute so that it would fall into the hands of those for whom it was not intended. I wholly agree with the amendment.

Mrs. MEYNER. I thank the gentleman from Texas.

Mr. THOMPSON. Mr. Chairman, will the gentlewoman yield?

Mrs. MEYNER. I yield to the gentleman from New Jersey.

Mr. THOMPSON. First, I would like to compliment my new colleague from New Jersey on a remarkably fine presentation of a remarkably admirable amendment. I do hope that it is adopted.

I and others, many others, are grateful to the gentlewoman for having offered this.

Mrs. MEYNER. I thank the gentleman, my colleague and dear friend from New Jersey (Mr. Thompson).

Mr. FRASER. Mr. Chairman, will the gentlewoman yield?

Mrs. MEYNER. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I would like to commend the gentlewoman for the amendment. I think it is a good one. I plan to vote for the amendment. I think this will help to depoliticize the humanitarian aid that I think at this point is essential.

Mrs. MEYNER. I thank the gentleman very much.

There has been considerable objection to the use of the United Nations. I feel that is unfortunate. I think that its good offices in the years of its existence have accomplished a great deal.

Mr. O'NEILL. Mr. Chairman, will the gentlewoman yield?

Mrs. MEYNER. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I really do not know if I can support the entire bill, but I do feel that this is palatable, and I think we should pass this amendment.

I hope, in the course of the evening, we can make a bill that some of us at the present time do not support will be able, in the final enactment of this legislation, to pass it. I want to thank the gentlewoman.

Mrs. MEYNER. I thank the distinguished majority leader.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. OTTINGER. Mr. Chairman, I ask unanimous consent that the gentlewoman be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

Mr. ASHBROOK. Mr. Chairman, is there a request for additional time?

The CHAIRMAN. For 3 additional minutes.

Mr. ASHBROOK. Mr. Chairman, I reluctantly must object. We have limited the time all afternoon. I have great respect for the gentlewoman, but I must object.

The CHAIRMAN. Objection is heard.

Mr. THOMPSON. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. THOMPSON. Mr. Chairman, I yield to the gentlewoman from New Jersey.

Mrs. MEYNER. I thank the gentleman from New Jersey.

I will not be long, but I did want to point out that since 1973 the United Nations has had an Indochina Peninsula Liaison Group in operation coordinating the efforts of UNICEF and the High Commissioner of Refugees in Indochina. UNICEF itself has been operating in Cambodia and South Vietnam since 1952. The liaison group is now under the able leadership of Sir Robert Jackson, who has directed nearly all of the U.N.'s major emergency relief programs in recent years, including the billion-dollar relief effort in Bangladesh.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. Mr. Chairman, I yield briefly to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

I have a question for the gentlewoman from New Jersey (Mrs. Meyner). Just 3 weeks ago the Ambassador requested the Secretary General of the United Nations to start a program to aid the refugees in Vietnam, and the answer was that this was a political issue and the United Nations would not get involved.

I am not suggesting that the gentlewoman's amendment is not a good amendment, but when she speaks of the United Nations, this raises a real question in my mind because they have made a statement that at this time they look upon this as a political issue.

I wonder whether the gentlewoman would comment on that.

Mrs. MEYNER. Yes. I would like to point out to the gentleman that on April 17 Secretary General Waldheim declared that only $100 million would be needed to meet the essential requirements in Indochina, and he asked for that. He said that that excluded bulk food supplies.

As of yesterday, nearly $17 million had been contributed to the Indochina fund, including contributions from 12 countries, not including the United States.

Mr. KAZEN. Mr. Chairman, will the gentleman from New Jersey yield to me so that I can ask the gentlewoman from New Jersey a question?

Mr. THOMPSON. Yes, I will yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I would ask the gentlewoman from New Jersey (Mrs. Meyner) this: Did I understand that the gentlewoman's amendment says that this money would be given to the United Nations and other international organizations for the purpose of helping in the evacuation of Americans?

Mrs. MEYNER. No, not evacuation.

Mr. KAZEN. I thought that that was what the gentlewoman had said, "Evacuation and humanitarian purposes."

Mrs. MEYNER. No, just for humanitarian aid purposes, food, medicine, and that sort of thing. The $73 million has nothing to do with the money for the evacuation.

I would also like to point out that the United States has already agreed to contribute $5 million to the efforts of the International Red Cross in South Vietnam. Several other private relief agencies, including the American Friends Service Committee and the Mennonites, are still operating in many localities in South Vietnam.

Some critics have suggested that the PRG will not allow relief agencies into their territory.

I think it is extremely important to point out that the PRG granted permission for a ship carrying U.N. supplies of food, clothing, and tents to dock in Da Nang harbor. Personnel from the U.N. and private agencies remain in PRG territory.

The capacity of these agencies to absorb humanitarian assistance funds is certainly not infinite. This amendment does not require that the $177 million released for humanitarian assistance in section 6 be administered through international channels, although the provision in the Foreign Assistance Act, previously cited, still applies. But the charge that relief agencies in Indochina could not absorb $73 million in aid is simply not factual.

The purpose of this amendment is to assure that any humanitarian assistance appropriated by Congress actually reaches people in need. It is intended for the victims of the war, not its perpetrators. The fact that some of them have fallen behind the lines of battle in recent weeks has not reduced their suffering, their innocence, or their need.

This amendment reflects my hope that America's reaction to the final chapter of the Vietnam tragedy will not be one of bitterness and selfishness, but rather an expression of generosity and compassion that reflects the best in the American spirit, and of which we can be proud.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from New Jersey (Mrs. Meyner).

Mr. Chairman, first may I point out that I use this microphone since I have noted that in this session there must be some magic effect to it, since most of the proposals offered by supporters from this microphone do much better than the microphone to my left. So I thought I should try whatever tactics I could.

Mr. Chairman, let me point out that the last thing in the world I want to do is to follow the gentlewoman from New Jersey (Mrs. Meyner) after her eloquent heart-rending plea for her amendment, but I would like to have the Members look at this calmly, properly, and in the light of reality.

First of all, Mr. Chairman, I would like to point out that the situation in Vietnam is an emergency situation, and the United Nations, nor any other international organization—and, really, there is no other that has any capability, is not equipped to move in an emergency situation of this nature.

Mr. MAGUIRE. Mr. Chairman, would the gentleman yield?

Mr. DERWINSKI. Mr. Chairman, I do not yield to the gentleman at this moment, but I do wish to say that I believe the gentleman will probably agree with me, and will not ask me to yield after hearing my presentation.

Mr. Chairman, in a practical sense if we were to provide that the United Nations would move in using funds authorized and later appropriated under this act for humanitarian assistance, they would face an absolute impasse in New York, given the fact that the United Nations cannot put into effect any meaningful program unless the representatives of Red China and the Soviet Union acquiesce.

In this amendment we are asking the United Nations to take over a program that they will not be permitted to meet.

Then for those Members who have been concerned over how their funds may be used, may at least I point out that by channeling these funds through an international organization, the Congress loses all control over the utilization and later on the review of these funds, that this is a total abdication of control over Federal funds that might be authorized and appropriated.

Now, lest some of the Members think that I stand here as an arch-reactionary, or an isolationist opposed to the United Nations, let me tell the Members that, to the contrary, I served in the United Nations in 1971 as one of our delegates and that has been one of the proudest moments in my congressional career, serving in the United Nations and working in the cause of world peace.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Not at this moment, until I have completed my presentation, because I am hopeful that even the gentleman from New York will be overwhelmed by my eloquence.

Mr. Chairman, let me point out again that the United Nations will not be allowed to fulfill the functions of the amendment as proposed. What we would have in effect then is the total abdication of United States and, therefore, congressional responsibility in this hour of crisis. I say this not as being critical of the United Nations, I say this realistically, understanding the facts of life.

If the Members have any interest in the future of the United Nations, if the Members have any interest in its ability to meet those problems when it can effectively function, then we do not give it an impossible assignment. In the Middle East, yes, because the five powers agree.

UMI

Yes, in Cyprus, because the five powers agree.

As a matter of fact, the United Nations refugee program is straining itself to its limits. At the moment there are approximately 200,000 refugees on the island of Cyprus, and there are thousands of Palistinians scattered all over the Middle East. They are not equipped financially or on a manpower basis to undertake what would be their assignment under this amendment.

I realize the magic emphasis on the U.N., I realize the emotions behind the amendment, but I beg of the Members to look at this realistically, and if they want humanitarian assistance provided, then this amendment should not be accepted.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

First of all, of course, he realizes that there are available such organizations as UNICEF, which has an excellent record, the United Nations Refugee Organization, the International Red Cross, and other organizations that would be functioning. But what I wanted to ask the gentleman is that since this amendment does not apply to section 6 of the bill, there would still be, if this amendment is adopted, $177 million of funds that would be available for continuation through bilateral channels. In that way there would be no interruption of whatever program the AID agencies are to carry on. Is that not the case?

Mr. DERWINSKI. That is not the interpretation I give to the amendment.

Mr. BINGHAM. If the gentleman will yield further, section 6, on checking, raises the ceiling of the already authorized appropriations for humanitarian aid, and they are available, I assure the gentleman, for bilateral purposes. The section that is amended here only adds new funds to the humanitarian aid.

Mr. DERWINSKI. Whether it is new funds or old funds, or new oil or old oil, we have heard these terms before. This amendment provides that only under the auspices of the United Nations will certain humanitarian aid be carried out. May I emphasize the fact of life that the United Nations will not be permitted to act by certain powers who serve in the Security Council.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois be allowed to proceed for 2 additional minutes.

Mr. OTTINGER. I object.

The CHAIRMAN. Objection is heard.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Indiana.

Mr. JACOBS. I thank the gentleman for yielding.

I have just a personal note to make to my friend, the gentleman from Illinois. I notice the gentleman's position in the well, and I would like to congratulate the gentleman, first, on accomplishing that. I acknowledge his superlative talent in speaking on Vietnam, and I congratulate him who has found some way to move to the right.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

I heard the gentleman in the well say that under this amendment aid could only be funded through the United Nations. That is not the way I read the amendment. The amendment specifically provides that aid can be channeled for humanitarian purposes through a number of different kinds of international organizations, and that would include organizations such as the Red Cross, the World Council of Churches, the Catholic Relief Services, and the American Friends Committee, et cetera, which are all agencies active in the field now, which have a considerable record of accomplishment, and which can certainly do the job without any unfortunate political colorations where we are talking about bringing aid and assistance to the people who need it now.

Mr. DERWINSKI. When the gentleman brings in these other possible agencies, let us remember that most of these are primarily funded by U.S. citizens supporting, as they always do, legitimate humanitarian causes. But there are two other facts of life: First, whether it be the United Nations, the International Red Cross, the Catholic Relief Agencies, the International Council of Churches, or the Friends, they cannot operate with effectiveness in any area controlled by the so-called Provisional Government of Vietnam.

The main emphasis obviously has to be on the United Nations. They have the reputation. They have the theoretical potential to move in, but they will not be able to. They will be strangled at the very source of authority. And whether the gentleman likes to hear it or not, that is a fact of life.

One of the effects of this amendment will again dramatize the impotency of the United Nations, and the United Nations should not be put in a position like this to once again be rendered impotent by the Red Chinese and the Soviet Union.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Pennsylvania, the chairman of the committee.

Mr. MORGAN. I thank the gentleman for yielding.

Funds made available under this section may be used for providing humanitarian assistance in South Vietnam. The gentlewoman from New Jersey's amendment directs that such aid be provided only under the auspices of the United Nations, and various specialized agencies and other international organizations. This means that the use of the $73 million of humanitarian assistance in this section could be severely restricted.

The gentleman in the well has been at the U.N. He is familiar with some of the international organizations affiliated with the U.N. I think he will agree with me that if this aid is directed through the United Nations, that we will lose the right to have the General Accounting Office to audit this $73 million.

Mr. DERWINSKI. That is true, because as the chairman knows we do not have that auditing control once we appropriate the funds to the U.N.

Mr. BROOMFIELD. Mr. Chairman, I would like to say that I share the chairman's concern over how the money would be expended and the fact that the General Accounting Office would not be able to audit the expenditures.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I would like to add one additional point. In the amendments offered by the other side earlier in the day they did have the saving grace of putting at the end of the amendment the words "as the President directs." In this case the word "only" would be operative. At least if we are to have such a questionable amendment we ought to have that saving point which at least does not freeze us into an untenable position as ably demonstrated in the remarks of my colleague from Illinois (Mr. DERWINSKI).

Mr. BROOMFIELD. I believe in the case of aid to the North Vietnamese and the Vietcong it ought to be provided by the Chinese and the Soviet Union because they created the problem.

Mr. SARASIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, it is with a great sense of frustration that I again address the House. Please, please listen to me for a minute. It is all well and good to come up with this language saying that the U.N. International Agency and church-supported agencies will somehow be able to administer this great humanitarian program. The facts of life are that they do not have the logistical background, the wherewithal and the manpower to do it.

The last thing I want to do is equip those in the House who are perennial critics of the United Nations and those who want to pass this amendment, when I predict the U.N. will be paralyzed in New York and these same Members will blame the United Nations for what it cannot do.

This amendment, therefore, is totally impractical. If the Members do not listen to me, let me quote from someone they may want to listen to. I am speaking of the distinguished junior Senator from Minnesota, Mr. HUMPHREY. This afternoon in debating the bill in the other body, a UP wire story reported:

> Senator Humphrey opposed all efforts to restrict Ford's evacuation authority beyond those already written into the bill.

And then there is a direct quotation from the Senator:

> The idea is to give the President flexibility. Otherwise, we will be telling the President to give them "Care Packages."

Now, when we are talking about church-related or independent international humanitarian agencies serving the tremendous needs that are developing so rapidly in Vietnam, that is what we would be down to.

This amendment is well motivated. The gentlewoman from New Jersey is a dedicated public official; but I beg of the House, do not look at the rhetoric in the amendment, but look at the reality.

The United Nations will not be able to function. It will be another black eye for the United Nations. The other agencies, which supposedly are filling the gap, are not adequate to it. Unless we do it through this bill, through the facilities we have available, it will not be done. That is the guts of the issue at this time.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I would ask the gentleman under what circumstances, under what time frame, does he propose that humanitarian assistance be given?

Mr. DERWINSKI. I do not think humanitarian assistance—and I use the phrase with emphasis on "humanitarian"—should have any time frame. I think we would both agree that whatever the humanitarian needs are and under whatever conditions possible, we want to meet them. But we are dealing with an emergency that is growing by hour, if not by minute. If this amendment is accepted and if this amendment survives the conference, which frankly I doubt it would, but if it somehow became the stumbling block to final approval of this legislation, then all we have done is paralyze every effort that is underway.

Mr. MOFFETT. I would only question whether the gentleman really is for humanitarian assistance.

Mr. DERWINSKI. Is the gentleman doubting my integrity? Is the gentleman questioning my integrity?

Mr. MOFFETT. I am questioning the gentleman's position, and would like him to clarify it if he would.

Mr. DERWINSKI. My position is that I have as much interest in humanitarian aid to those people in Vietnam as the gentleman has, or anybody in this House. But, I want to do it right, and I want to do it with the sources available. I do not want to saddle the U.N. with a task which it is not going to be allowed to do. That is the situation we face right now.

Mr. MOFFETT. Will the gentleman agree that it is entirely possible—and I think he implied this in his statement—that the PRG will be in control of South Vietnam? He is talking about minutes and hours. I do not know what the situation is, and the gentleman probably does not know either.

Mr. DERWINSKI. I am talking about humanitarian needs, and I am also talking about the fact—and this is a bigger picture—please understand that I have spent years in this House being ridiculed by my colleagues, especially on this side, because of my devotion to the U.N. I am telling the gentleman with all the spirit I command that this amendment will put the U.N. in an impossible role. If it does so nowhere else but at least in the United States, at least in this country, it will be another disservice to what already is a very difficult existence for this international organization.

No other private agencies supposedly covered by this amendment have the wherewithal to effectively move in on a major scale at this point.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I just want to say that I respect the integrity of the gentleman from Illinois. I think it has been established time and again. My concern is that I do not think we have enough infrastructure left of the South Vietnamese Government to really carry out the humanitarian assistance program authorized in this bill. That is the thing that troubles me. The Government of South Vietnam is falling in on itself, and as a practical matter, by the time we get any assistance there, it will no longer exist.

AMENDMENT OFFERED BY MR. FRASER TO THE AMENDMENT OFFERED BY MRS. MEYNER

Mr. FRASER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. FRASER to the amendment offered by Mrs. MEYNER: Amend the Meyner amendment by striking on line 6 of the amendment the word "only" appearing after the words "South Vietnam" and substitute the words "insofar as feasible".

Mr. FRASER. Mr. Chairman, this amendment is directed to the problems raised in the last colloquy. It would not require that the aid be channeled through the United Nations or other international organizations, but says that it may be channeled, insofar as feasible, through such international private and public agencies.

I think that with this amendment we can relieve the United Nations of the possibility of being asked to undertake something which it might find difficult to carry out. The United Nations has several programs which I think are effective such as the Children's Fund and the operation under the High Commissioner for Refugees, but in any event, with this amendment we would loosen up the language and give flexibility to the executive branch so that it can make its own judgment as to which international organization, if any, is able to carry out the channeling of humanitarian assistance to the people who have been so badly hurt by this conflict.

Mrs. MEYNER. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentlewoman from New Jersey.

Mrs. MEYNER. Mr. Chairman, I would like to thank the gentleman from Minnesota, and I certainly am glad to accept his amendment to my amendment.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I will be glad to yield to the gentleman.

Mr. MORGAN. Mr. Chairman, when I spoke a few minutes ago, my main objection was to the word "only." When the gentleman strikes the word "only" and puts in "as far as feasible," it overcomes my objection.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I also feel we have improved the amendment, and I urge the adoption of the amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I will be glad to yield to the gentleman.

Mr. DERWINSKI. I may as well go down the road as being a prophet without honor. As much as I appreciate the diplomatic skill of the gentleman from Minnesota, in my own mind I am convinced the gentleman is putting a burden on the United Nations it cannot meet, and I see a steamroller going when it is in progress.

I just want to say for the RECORD that I am not satisfied with this adjustment.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I want to compliment the gentlewoman for an excellent amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRASER) to the amendment offered by the gentlewoman from New Jersey (Mrs. MEYNER).

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey (Mrs. MEYNER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 200, not voting 32, as follows:

[Roll No. 143]

AYES—200

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Anderson, Ill.
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Blouin
Bolling
Bonker
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Corman
Cornell
Daniels, Dominick V.
Delaney
Dellums
Diggs
Dodd
Downey
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
English
Esch
Evans, Colo.
Findley
Fisher
Fithian
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fraser
Frenzel
Fulton
Fuqua
Gibbons
Green
Gude
Hall
Hamilton
Hannaford
Harkin
Harrington
Harris
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holtzman
Horton
Howard
Howe
Hughes
Hungate

Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Keys
Koch
LaFalce
Leggett
Lloyd, Calif.
Long, La.
Long, Md.
McDade
McFall
McHugh
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mollohan
Morgan
Moss
Mottl
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Price
Quie
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schneebeli
Schroeder
Seiberling
Sharp
Simon
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Studds
Symington
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Yates
Young, Ga.
Zablocki
Zeferetti
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.

NOES—200

Abdnor
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Bowen
Breckinridge
Brinkley
Brooks
Brown, Mich.
Brown, Ohio
Broyhill
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Tenn.
Emery
Erlenborn
Eshleman
Evans, Ind.
Evins, Tenn.
Fascell
Fish
Flowers
Flynt
Foley
Forsythe
Fountain
Frey
Gaydos
Giaimo
Gilman
Ginn
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Hansen
Harsha
Hastings
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Hubbard
Hutchinson
Hyde
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKay
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pickle
Pike
Poage
Pressler
Preyer
Quillen
Railsback
Randall
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Rose
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schulze
Sebelius
Shipley
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Stephens
Stratton
Stuckey
Symms
Talcott
Taylor, N.C.
Vander Jagt
Vigorito
Waggonner

NOT VOTING—32

Ashley
Biaggi
Boggs
Boland
Byron
Conyers
Dent
Fenwick
Goldwater
Gonzalez
Hanley
Hawkins
Hébert
Hinshaw
Ichord
Johnson, Pa.
McCormack
Melcher
Mills
Mosher
Murphy, N.Y.
O'Neill
Patman
Pritchard
Shriver
Sikes
Steed
Sullivan
Taylor, Mo.
Teague
Treen
Wydler

So the amendment was rejected.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to point out to the Members of the House an AP report which I just took off the ticker which says:

> TOKYO.—A U.S. Marine battalion has landed at Vung Tau, South Vietnam, near Saigon, to help evacuate Americans and South Vietnamese, Japanese reports from Saigon said Thursday.
>
> The reports said the landing took place Wednesday night.
>
> The newspapers Asahi and Yomiuri, in dispatches from Saigon, said the information came from "reliable South Vietnamese military sources."
>
> The reports quoted the sources as saying the landing will continue Thursday and at least a regiment of U.S. Marines numbering about 5,000 will make another landing Thursday.

And I ask unanimous consent Mr. Chairman, that those who applaud here join them.

Mr. Chairman, I submit to my colleagues in the House that we are engaged in something of a mockery here in this House tonight, as we have all day and the day before. We have been engaged in a struggle and debate over the issue of whether or not we should authorize the President to introduce, if necessary and essential, military force, when indeed, without regard to our authorization, that very action is taking place.

Does this not make a sham of what we consider here? Is this not the time for us to realize that it is time for the committee to rise and send this bill back to the committee for the purpose of giving the deliberation to the will of the people of this country as well as to the will of the Members of the House?

It seems to me this Associated Press dispatch makes quite clear that what we do here tonight is pure folly, that we seek to enact legislation to authorize when indeed we are being confronted with the unauthorized action on the part of our administration. This is not the first time the administration has proceeded without advising this Congress and without our consent.

I would urge that we rise and report this bill back to the committee for further consideration.

Mr. RIEGLE. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I would like to address a question to my chairman, the chairman of the International Relations Committee. Was the chairman aware of this reported movement into Vietnam or has the International Relations Committee received any word from the White House that this has taken place?

Mr. MORGAN. If the gentlewoman will yield, the chairman has not received any word and I am not going to accept any "reliable South Vietnam source" as giving us the real facts of the situation. There are all kinds of stories in the press everyday.

Mr. Chairman, I wonder if we can stop filibustering and get on with this bill. I have heard enough charges and rumors today from people who do not want a bill.

Ms. ABZUG. Mr. Chairman, I take back my time.

Let me say in response to the remarks of the chairman that what we should do here tonight is try to make sure that we are not going to sacrifice any more lives, to make sure we are not going to be responsible by the actions of this body for creating a breach of the peace, and to make sure that we are not going to reinvolve America once again in a war that has brutalized this country and other countries.

I think it ill behooves, if I may respectfully suggest, the chairman of the committee to fail to accept our remarks in that spirit. This is not a filibuster. Most of us who have been speaking in opposition to this bill are doing so because we believe out of our conscience that this is the only way we can represent the will of the American people and reflect the will of the American people. This bill negates the will of the American people and the hopes of the people for peace here and in the rest of the world. We undertake our responsibility seriously hoping we can convince the body to reject this bill. We take the time now to avoid catastrophe later.

Mr. DERWINSKI. Mr. Chairman, I wish to add to the diplomatic statement just made by the gentlewoman from New York. As I listened to the debate the last 2 days, consistently all the opponents of the bill and the proponents of the restrictive amendments say that the reason this bill should even be before us is that the President has an inherent power to do just what the gentlewoman referred to.

Now, you cannot have it both ways.

We are trying to write a responsible bill. Members have no idea how the committee labored to produce something that had the clear imprint of the Congress.

Now, this is a new Congress. This is a reformed Congress. The dilatory tactics that have taken place today shock me. I wonder where my dear friend, the senior Mr. BURTON, has been all day when his troops have been in such disarray, when his troops have been performing in a manner to reflect on the conduct in the Congress. I say that never before has a chairman deserved such support as does the chairman of the International Relations Committee.

AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ANDERSON of California: On page 1, line 5, after "SEC. 2." insert the following:
>
> "Upon the conclusion of a report prepared by the Secretary of State, after consultation with the Secretary of Health, Education, and Welfare and the Attorney General, and submitted to Congress within forty-eight hours of enactment of this Act, estimating the costs for the relocation, housing, feeding and medical care of those persons eligible for evacuation under SEC. 4(d) of this Act over a five-year period,".

Mr. MORGAN. Mr. Chairman, I reserve a point of order against the gentleman's amendment.

The CHAIRMAN. The gentleman from Pennsylvania reserves a point of order against the amendment.

Mr. ANDERSON of California. Mr. Chairman, during the entire course of debate on the problem of Vietnamese evacuation, one aspect of the problem has been consistently overlooked: what will happen to the Vietnamese nationals who arrive in this country as refugees?

Certainly, we cannot turn our backs to these people, many of whom will be in danger of their lives because of past cooperation with the United States.

It is not enough to provide simply for their removal from Vietnam. Consideration must be given to the care of Vietnamese refugees after their arrival in this Nation.

We have precedents for this type of operation. During the early 1960's, approximately 600,000 Cuban refugees arrived in this Nation. Special waivers were required to grant them legal status in this Nation, and the task of providing for them was tremendous.

Because of this problem, Congress passed the Migration and Refugee Assistance Act of 1962. This law provides Federal responsibility for refugee assistance, and gives the President of the United States broad authority in implementing aid for refugees arriving from foreign nations.

The intent of my amendment is to clarify for Congress, and the people of the United States, the cost to the taxpayer for the support of these refugees once they arrive in this Nation.

As of now, we do not even know how many refugees to expect.

Attorney General Edward Levi says he will use his authority to permit the entry of nearly 130,000 refugees into this country.

Los Angeles County Supervisor James Hayes, a responsible public official, chairman of the board of supervisors, reports that Federal officials have instructed him to expect between 600,000 to 1 million refugees. Most of these people will arrive in Los Angeles and San Francisco, the two main ports of entry on the west coast. In-migration to these extents would cost our people billions of dollars anually.

We must have a clear idea of how much this massive in-migration will cost. My amendment will provide us with an answer to that question.

Briefly, it calls for the Secretary of State to provide Congress with an estimate of the long term costs of the Vietnam refugee program.

The amendment calls for this information to be provided within 48 hours after the enactment of H.R. 6096. Additionally, the Secretary of State must consult with the Attorney General and the Secretary of Health, Education, and Welfare prior to the release of his estimates, to insure all aspects of the cost are fully covered.

I sincerely hope my colleagues will agree that this is a needed provision of this bill, and will join with me in support of the amendment.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to my colleague from California.

Mr. KETCHUM. Mr. Chairman, I wonder if we might be able to get an answer to a question through the gentleman from California to the chairman of the committee. I would like to ask the chairman of the committee, if the figures that I have been able to get from the State Department are correct—for what they are worthy today—they indicate that some approximately 230,000 is the number that could be evacuated under the Attorney General's ruling.

I share the concern of the gentleman from California. I share the concern of the supervisor of Los Angeles County that the State of California not get stuck with all the refugees that are coming into the United States.

I would like to ask the chairman if he can give us anything on the figures, whether those figures are accurate of 232,000, approximately, or the 1 million that has been reported here.

Mr. MORGAN. Mr. Chairman, I just want to say that this legislation we have before us today has nothing to do with immigration of people into the United States. It has nothing to do with the ruling made by the Attorney General. That will be a function of the Committee on the Judiciary later on. This bill has nothing to do with that.

Mr. KETCHUM. If the gentleman will yield further, what I am trying to ascertain is, if the chairman of the committee can inform us of approximately the numbers that we are talking about in terms of evacuees.

Mr. MORGAN. During the testimony we had received, the figure of 140,000 to 170,000 was used. Later, the Secretary of State and the Assistant Secretary for the Far East pointed out that with the rapid deterioration of conditions in Saigon and the area around Saigon, they did not think that those figures were realistic. The number of 15,000 has been used recently. The situation is fluid and all predictions are tentative. We just cannot give the gentleman any fixed figure.

Mr. KETCHUM. If the gentleman will yield further, the thing that is of concern to those of us from California, and I certainly hope to those in this body, is that one report has been received by the chairman of the board of supervisors in Los Angeles County that it is going to be up to a million. I do not blame him in light of the recent Supreme Court decisions as to who is going to have to take care of them.

Mr. ANDERSON of California. For the gentleman's information, local governments in California are already being called upon to provide facilities and treatment for Vietnamese refugees at costs to the local taxpayers.

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. MORGAN. Mr. Chairman, this bill before us is for evacuation only. It does not deal with relocation of any people to be evacuated. The amendment goes far beyond the limits of the bill, and is certainly not germane.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. ANDERSON of California. Yes, Mr. Chairman, I do.

Mr. Chairman, my amendment does not deal with relocation either. It is merely an extension of the present bill. It has nothing new except for some facts which we ought to have before voting on this bill. It says that upon conclusion of the report prepared by the Secretary of State within 48 hours estimating the cost. this act will be acted upon.

It does nothing new. It just says that within 48 hours the Congress and the people of the United States should know how much it is going to cost them; how many of these people are going to be brought in. It adds no additional responsibilities.

Mr. ROUSSELOT. Mr. Chairman, I wish to speak on the point of order.

Mr. Chairman, in the purpose of the bill it says that it is to authorize funds for humanitarian assistance and evacuation programs. The reason the gentleman from California is concerned is because the County of Los Angeles has been notified that they must receive these people coming from Vietnam. They are not just American citizens, but South Vietnamese people.

They do not have the funds to take care of the medical care, the feeding and all the rest. Of course, this is part of the bill.

Mr. Chairman, I appeal to the chair that this bill is for the evacuation programs of Vietnam, and it will be a problem for Hawaii, California and all parts on the west coast.

The CHAIRMAN. The Chair is prepared to rule.

The amendment offered by the gentleman from California does not create any new program. It does not establish any unrelated contingency, nor does it disrupt any program called for in the basic bill. It simply is a request for a report on costs of a part of the evacuation program in the opinion of the Chair, and is germane to the pending section.

The Chair overrules the point of order.

Mr. ANDERSON of California. Mr. Chairman, I thank the Chair for its ruling and ask for a yes vote.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have just received word from a senior White House official, as well as a State Department official regarding a statement that was made a few moments ago by the gentlewoman from New York regarding a newspaper story that the Marines had landed someplace in Vietnam.

I can assure the membership of the House that there is absolutely no foundation to that story whatsoever, and it is completely denied by both the White House and the State Department.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman.

Mr. MORGAN. Mr. Chairman, here is a news ticker announcement which came after the announcement of the gentlewoman from New York. It is datelined Washington, D.C.:

> A top-ranking Pentagon spokesman Wednesday night flatly denied reports that U.S. Marines had landed in Vietnam.
>
> Maj. Gen. Wynant Sidle termed the reports "absolutely untrue" and said no landing was imminent.
>
> The U.S. Embassy in Saigon also strongly denied the report.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I will be glad to yield to the gentleman.

Mr. RIEGLE. Mr. Chairman, I want to try to have the story confirmed or denied. I think the gentleman ought to tell us the names of the people who were the sources in the White House and said this was not true. It is not that I doubt the gentleman; I just want to have it on the record, because if it turns out that is not the case, then I think we ought to know where the responsibility lies.

Mr. BROOMFIELD. It was Mr. Marsh, a White House aide, a former Member of Congress, and Mr. Schnee of the Department of State.

Mr. RIEGLE. If I might ask further, what they did was issue a flat denial that no American military forces have been introduced in Vietnam?

Mr. BROOMFIELD. That is right. They denied the story completely.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope everybody will listen to this amendment.

> "Upon the conclusion of a report prepared by the Secretary of State"—the gentleman first said "Health, Education, and Welfare," but he crossed that out and made it Secretary of State—"after consultation with HEW"—he just moved the Secretary around—"and the Attorney General, and submitted to Congress within 48 hours of enactment of this Act, estimating the costs for the relocation, housing, feeding and medical care of those persons eligible for evacuation under section 4(d) of this Act over a 5-year period."

I just feel that this is going pretty far afield from the purpose of this evacuation act. This amendment puts a great deal of responsibility upon the Secretary of State and the Secretary of HEW. There is no way they are going to be able to report back to this House within 48 hours. I think if we are going to deal with this section, the proper committees of this House should deal with it, before the first refugee from South Vietnam arrives here. The committees dealing with HEW and, of course, immigration legislation, should take this up. This language is impractical and unworkable and it does not belong in this bill.

MOTION OFFERED BY MR. M'KINNEY

Mr. McKINNEY. Mr. Chairman, I have serious feelings for the lives that have been involved in the past and are involved in the present. I move that the committee do now rise, and for that purpose I demand a recorded vote.

The CHAIRMAN. The gentleman from Connecticut has made a preferential motion that the committee do now rise.

Mr. MORGAN. Mr. Chairman, I oppose the motion.

The CHAIRMAN. I say to the gentleman from Pennsylvania that the motion is not debatable.

RECORDED VOTE

Mr. McKINNEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 65, noes 334, not voting 33, as follows:

[Roll No. 144]

AYES—65

Abzug
Badillo
Bedell
Blouin
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John L.
Burton, Phillip
Carr
Chisholm
Clay
Conyers
Davis
Dellums
Dodd
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Calif.
Fish
Harkin
Harrington
Harsha
Hawkins
Hechler, W. Va.
Heckler, Mass.
Holtzman
Johnson, Colo.
Kastenmeier
Leggett
Lloyd, Calif.
McCloskey
McKinney
Mathis
Mezvinsky
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Moss
Nolan
Pattison, N.Y.
Randall
Rangel
Rees
Richmond
Riegle
Rosenthal
Ruppe
Ryan
Sarbanes
Scheuer
Schroeder
Seiberling
Stokes
Studds
Waxman
Weaver
Wirth
Young, Ga.

NOES—334

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downing
Duncan, Oreg.
du Pont
Eckhardt
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hannaford
Hansen
Harris
Hastings
Hayes, Ind.
Hays, Ohio
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
McClory
McCollister
McDade
McDonald
McEwen
McFall
McHugh
McKay
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Passman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Russo
St Germain
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—33

Anderson, Ill.
Ashley
Biaggi
Boggs
Boland
Brooks
Byron
Clawson, Del
Dent
Fenwick
Goldwater
Gonzalez
Hanley
Hébert
Hinshaw
Ichord
Landrum
Lujan
McCormack
Mills
Mosher
Murphy, N.Y.
O'Neill
Patman
Pritchard
Shriver
Sikes
Stark
Sullivan
Taylor, Mo.
Teague
Treen
Wydler

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I plead with the Members at this late hour to let us try to get to some type of conclusion, either up or down here. There is a great deal of disagreement among us. There is no sense to fight the Vietnam war all over again. The Vietnam war—and I can say that with some authority from days of briefing by the top people in the military and in the State Department—I say to you that the war is literally over. The role of the United States has been reduced to an absolute minimum.

What is that minimum? It is to remove from South Vietnam, and more specifically Saigon, prior to its conquest which is assured by the armies of the North, to remove from the Saigon area Americans, American relatives and dependents, and also those who some of us believe—those many Vietnamese people who have worked for the United States and who have been loyal to the United States.

As the gentleman from New York (Mr. SOLARZ) so well put it yesterday, and he was an opponent of the war and is tonight and so am I, there are those to whom we owe a moral commitment to help; to do something to save and rescue these people and their lives.

That is the great issue here. It is whether we are going to say yes or no to our President to do something, to do whatever he can within reason; not to reinstitute America's fighting position in the war; not to renew the American role in the war; but to do whatever he can within reason in the name of decency and humanity to save as many of the South Vietnamese, whose only sin was to be helpful and loyal and dependent and responsive to the United States.

Now, for God's sake, the President of the United States, whomever is President of the United States, is entitled to a yes or no vote from this Congress and he is enitled to it now; not tomorrow or the day after or the day after that, but now, one way or the other.

Let me say one other thing. The American people are entitled to definitive action one way or the other from their Congress. We are great in this Congress when it comes to lowering taxes or voting greater deficits or voting many good social programs; but when we get a tough nut like this one before us, we tend to obfuscate and get lost in many other extraneous and literally nongermane areas.

Let us not do it. The hour is late. The American people want to know whether this Congress at this late hour and this late date has the ability and the intestinal fortitude, if I may use that phrase, to make a decision, be it what it may, yes or no; but for heaven's sake, let us meet the issue, the only issue before us here tonight, and that is will we extend to our President a minimum of confidence, if you will, a minimum of trust and say, "Yes, Mr. President; within reason and without the engaging of massive numbers of American troops, but to a degree similar to what you did in Cambodia, do everything you possibly can in the next few days to save human beings, who are entitled to help from the United States," and I submit to help people whom no one else is going to help and whose very lives depend on what we are doing here tonight.

I submit, let us stop today's dilatory tactics, the delays and the stalls. Let us get to the merits of this bill and vote it up or down and let the American people know once and for all that Congress, which for years has abrogated its duties in the Vietnam area and which more recently has insisted that it wanted to exercise its rights in foreign policy equally with the executive branch, let us demonstrate for once to the American people that we can act in an emergency rapidly and expeditiously and say a very simple yes or no to the President and the American people.

Mr. VIGORITO. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. VIGORITO. Mr. Chairman, I would like the gentleman to know that on the Walter Cronkite news report at 7 o'clock, wherein the Harris poll showed the people were against landing troops to get our people out of Vietnam, the vote was 4 to 1 against using troops.

Mr. KETCHUM. Mr. Chairman, I rise in support of the amendment of the gentleman from California.

Mr. Chairman, it was certainly not my idea to rise to speak for or against this bill. I think the gentleman from California and former Lieutenant Governor agrees certainly that this must be faced.

I apologize for taking the time and I apologize to the chairman of the International Affairs Committee, for whom I have the greatest respect and who has shown remarkable patience all day long.

The reports allegedly received in Los Angeles County by one of our supervisors indicates that he has been asked to prepare for up to 1 million refugees. I think that figure is highly exaggerated, but it really does not make any difference whether it is 1 million refugees or 10,000.

The point is that the amendment of the gentleman from California is not dilatory. It does not have anything to do with whether or not the evacuees can come.

It does not do damage to the bill which is before us. It simply asks the Secretary of State, in consultation with the Secretary of Health, Education, and Welfare, to submit to the Congress an estimate of the cost for relocation, housing, feeding and medical care. There cannot be anything terribly damaging about that. It is not going to stop the President from doing what this bill intends to do.

I would call to the attention of the members of the committee that some years ago in the State of Florida, which just happened to be the closest place to Cuba, Cuban refugees arrived in great numbers, they impacted their housing, impacted jobs, impacted welfare. I believe that this body and the people of the United States have a right to know what it is going to cost us, at least an estimate of what it is going to cost us to handle the refugees.

I think the State of California has the right to know whether or not these individuals are going to remain in our State. Just tonight we have had a report—and this is another one of those alleged reports that was on television—that Clark Field could handle no more refugees; that the government of Guam was expecting now approximately 141,000. If that figure is not exaggerated, that will multiply the population of Guam by three times.

The next stop is California, and I do not believe that anyone in this chamber feels that the State of California should assume the responsibility for all of these people.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to my colleague from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to state to the gentleman that I have been informed that the figures from a briefing by the State Department—we are informed that the refugees would be spread throughout the 50 States on a population ratio basis, giving our State, 10 percent of whatever the total Vietnamese population is.

I do not know by what authority they can do that. I do think, that the Anderson amendment is one of the better provisions proposed to this bill, we should find out what the cost is going to be to the local property taxpayer, because these refugees are going to be people on general relief, not even categorical aid.

Therefore, I think the gentleman's point is quite well taken.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to my colleague from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding to me and would like to join him in his comments. This is a very simple amendment. It will not affect the bill, and I think we are entitled to at least know, or have some estimate of what it is going to cost.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, may I please point out to the Members that we have fallen into a pattern in recent hours of emphasizing as fact, things that are really hearsay.

I would wish that whatever decisions we make, we make them on facts available, and not on either figments of imagination or whim. I do not know, and I do not believe anyone knows, what the ultimate disposition of refugees will be. I am certain that the State of California will not be disproportionately affected by either an over influx or under influx of refugees.

Mr. WIGGINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Members of the Committee. I want to compliment my colleague from California (Mr. ANDERSON) for raising an important subject. The question raised by this amendment is, simply, who is going to pay the bill for Vietnamese refugees. Notwithstanding the importance of that issue, I oppose the gentleman's amendment. The amendment requires that the Secretary of State, in consultation with the Secretary of Health, Education, and Welfare, prepare within 48 hours of the enactment of this bill a report estimating the total cost of relocating Vietnamese refugees.

Now, members of the committee, that imposes an impossible burden upon the Secretary. The estimate of the Secretary would be the wildest guess only. There can only be an intelligent estimate of the cost after we know the number of refugees introduced into the United States. That fact, that essential fact, will not be known within 48 hours after the enactment of this bill.

It would be far better if the question of cost for relocating refugees were addressed by the appropriate legislative committees having jurisdiction on that subject.

It is not my purpose to raise a jurisdictional question concerning this amendment, but it is true that we do have a committee which has developed some competence in the field of immigration and refugees, and they should be permitted to consider this subject after all relevant facts are known.

The gentleman's amendment is worthy of purpose, but it is entirely premature. I urge its defeat.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT to the amendment offered by Mr. ANDERSON of California: In line 7 of the amendment, change 48 hours to 30 days.

Mr. ROUSSELOT. Mr. Chairman, I believe that my colleague, the gentleman from California (Mr. WIGGINS) has raised a good point, that 48 hours might be an unreasonable time. I do believe it is a problem we should consider. It should be part of this legislation tonight because it will have a major impact on jobs, food stamps, and everything else in this country.

I think we should know, and I think the two agencies names in this bill should be required to produce that evidence for us so that we know.

As to the argument about a jurisdictional fight with the Committee on the Judiciary, evidently this will not interrupt their ability to deal with the illegal alien problem.

My point is that I believe we should get to this issue and make the effort to provide for reporting of the impact of refugees in various communities. My colleague from California is correct in saying a longer period of time is required.

Mr. WIGGINS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. WIGGINS. I thank the gentleman for yielding.

The effect of the gentleman's amendment delays the effective date of this legislation for 30 days. Since the language offered by our friend, the gentleman from California (Mr. ANDERSON) is introductory language to section 2, it means, in effect, that this bill will not have any force or effect until after the preparation of the report 48 hours hence.

The gentleman's amendment moves it back 30 days and delays the effective date of the bill 30 days, which I am sure is not the intention of its author.

Mr. ROUSSELOT. I am sure that on the basis we are legislating, we might not get to it in 30 days anyway.

Mr. CASEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have been beating around the bush here, and all we are talking about is the fear that our constituents have about the great influx of Vietnamese refugees.

I have an amendment pending at the desk that we will have a chance to vote on, I trust, before the night is over, which will prohibit the evacuation of any of these under paragraph (d) of section 3, or anyone qualified under that paragraph, to any State in the United States without the express consent of Congress.

I think we are moving too fast. We have a purpose, but I do not know and no one knows how many refugees they are going to pull out of there under this so-called classification of paragraph (d) of section 4.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. CASEY. Yes, I am pleased to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Would not this really put the burden on Hawaii?

Mr. CASEY. Hawaii is a State of the United States.

Mr. BROOMFIELD. I know, but I thought the gentleman meant the mainland.

Mr. CASEY. No, no. I substituted my amendment. It is now any State in the United States. I substituted my original amendment because it excluded Hawaii.

Mr. BROOMFIELD. I thank the gentleman.

Mr. CASEY. The gentleman from Michigan may have the first one that I wrote, but I redrafted it because I had excluded Hawaii. I did not want to exclude Hawaii.

In any event, we have Guam. We have places in which we can keep the refugees while we can calmly decide what we are going to do with them. I do not want to see California loaded up. I do not want to see Arizona loaded up. I do not want to see Kentucky loaded up or any other State until we know what we are going to do with them.

We have some parts of Texas they might find pretty palatable. I do not know, but I do not want to move that hastily.

I am willing to vote to pay for them on Guam and feed, entertain, and house them and give them medical care. We cannot give them those things tonight. This is going to take some time, to look after these people whom we are going to pull out of there. Therefore, the Members are going to get a chance to vote on that later.

Mr. MILFORD. Mr. Chairman, I find it very hard to support the amendment introduced by the gentleman from Texas (Mr. CASEY). I feel sorry for the people of South Vietnam. They are in for a rough time.

However, I am a representative of the 24th District of Texas. Therefore, I must look to the welfare of the constituents of that district first.

Like the people in each of your districts, we have a rising unemployment problem and increasing numbers are going on to the welfare rolls.

News accounts are reporting that as many as 2,000,000 Vietnamese people are trying to evacuate. The administration has publicly stated that plans are underway to evacuate at least 130,000. Do you want these people in your district?

Do you want to go on record as being in favor of asking workers in your district to give up their job to these people? Or to asking your State to add these people to the welfare rolls?

The banner headline in today's paper is as follows: "First Wave of Vietnam Refugees Lands in California." What is California going to do with these people? Where are they going to live? Where will they work? Who will pay for their upkeep, medical care and housing?

In our zeal to provide humanitarian help to these people, we must not overlook some hard and cold facts of life. Humanitarian motives may be a very popular thing right now. But what about 3 months from now, or 6 months—when there are thousands of Vietnamese nationals in this Nation? How popular will the situation be then?

I think we have burdened the taxpayers of this Nation enough. I do not think we should ask Americans to give up their jobs to foreigners. I do not think that we should ask Americans to pay their dollars to support thousands of people from a foreign country that will be on our welfare rolls.

Vietnam has been a bad dream. We should now wake up and face a new day. We have done enough for South Vietnam. Let us get our people out of there and lets provide them any other type of humanitarian aid possible. But, I strongly oppose bringing them to this country.

Mr. KOCH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the debate up until now has been on the question of whether or not this legislation would cause us to engage in a military action that I hope a majority of the Members would be opposed to. It would be for that reason that I will not vote for the bill, because I think it would permit exactly that.

However, what is distressing me is to find that the debate is not on that matter at this moment but is on the question of money.

I happen to believe that we have an obligation to assist the innocent South Vietnamese civilians who are in their plight now because of actions taken by us. There is a moral responsibility that we do something about that within the best of our abilities. We cannot save the world, but we have to try to do whatever we can.

What bothers me is that up until the present time the administration has not used civilian airlifts, the planes that were and are available, to take the civilians out in the numbers that could have been taken out up until the present time. I believe that until that debacle is over—and it is nearly over—that we should use every civilian mechanism available to us for that purpose, but that we should not use arms or military intervention to rescue the South Vietnamese civilians, although we should with respect to our own American civilians and their dependents, if that becomes necessary.

To talk about the cost, however, is an utter outrage. We place them in that position. We did not talk about the cost when we did that which was right and took more than a half million Cubans into this country, and we did not talk about the cost when we took I think it was 300,000 Hungarians into this country because we felt it was the moral thing to do. To talk about cost when it is the South Vietnamese that are involved makes me feel that we are cheapening ourselves in the moral sense.

Therefore, Mr. Chairman, no matter how the Members vote on the final bill here, with respect to the military aspect do not—I repeat, do not—place this body on record as having decided whether or not it would assist in the civilian evacuation based on dollars.

Mr. MORGAN. Mr. Chairman, in view of all the discussion we have had here, I move that all debate on this amendment cease at this moment.

Mr. ANDERSON of California. Mr. Chairman, may I make a unanimous consent request?

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSON of California. I have agreed to do this after several of the Members have talked with our distinguished chairman. They feel that the 48 hours was too short a period of time, and they suggested that I increase that to 72 hours.

I talked to the chairman about this, and it did not remove, necessarily, his opposition; but he said it might make his argument in conference much easier. Therefore, Mr. Chairman, if I could have unanimous consent, I would like to change the 48 hours to 72 hours. I think it would make it more palatable.

Mr. MORGAN. Mr. Chairman, we have an amendment to the amendment that has to be disposed of before we reach that.

The CHAIRMAN. The gentleman from Pennsylvania is correct.

The question is on the motion offered by the gentleman from Pennsylvania that all debate on this amendment and all amendments thereto end at the present time.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT) to the amendment offered by the gentleman from California (Mr. ANDERSON).

The amendment to the amendment was rejected.

Mr. ANDERSON of California. Mr. Chairman, I ask unanimous consent, if it is now in order, that my amendment be modified to change the 48 hours that I have in the amendment to 72 hours.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. ANDERSON?)

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ANDERSON) as modified.

The question was taken; and on a division (demanded by Mr. ANDERSON of California) there were—ayes 22, noes 117.

So the amendment, as modified, was rejected.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The remainder of the bill is as follows:]

SEC. 3. Nothing contained in section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States for the purposes of section 2 of this Act.

SEC. 4. For the purposes of section 2, evacuation shall be defined as the removal to places of safety as expeditiously as possible, without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force, the following categories of persons:

(a) American citizens;

(b) dependents of American citizens and of permanent residents of the United States;

(c) Vietnamese nationals eligible for immigration to the United States by reason of their relationships to American citizens; and

(d) such other foreign nationals to whose lives a direct and imminent threat exists: *Provided,* That United States Armed Forces necessary to carry out their evacuation do not exceed those necessary to carry out the evacuation of (a), (b), and (c) above.

The authority granted by this section shall not permit or extend to any action or conduct not essential to effectuate and protect the evacuation referred to in this section.

SEC. 5. Nothing in this Act shall be construed to abrogate any of the provisions of the War Powers Resolution, Public Law 93–148.

SEC. 6. Funds heretofore or hereafter made available under section 38 of the Foreign Assistance Act of 1974 may be used for humanitarian assistance purposes without regard to limitations contained in subsections 36(a)(1), 36(a)(6), and 38(a)(1) and in the third sentence of subsection 37(b) of that Act.

SEC. 7. Any of the provisions of this Act may be rescinded by concurrent resolution of the Congress.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 12, after "possible," insert the following: "without the use of military force, if possible, but should it become necessary and essential,".

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. OTTINGER) there were—ayes 105, noes 22.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

PARLIAMENTARY INQUIRY

Ms. ABZUG. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state it.

Ms. ABZUG. Am I right in my understanding of the parliamentary situation that when the committee amendment is read, these are the words in italics that we are being asked to permanently vote for?

The CHAIRMAN. The gentlewoman is correct.

Ms. ABZUG. I see, and the Clerk is now about to read another committee amendment which is in the bill in italics that we are asked to permanently vote for; is that correct?

The CHAIRMAN. The Chair does not ask the gentlewoman to vote one way or another. The Chair states that this is a committee amendment printed in italics in the bill.

The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 1, insert: The authority granted by this section shall not permit or extend to any action or conduct not essential to effectuate and protect the evacuation referred to in this section.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the third committee amendment.

PARLIAMENTARY INQUIRY

Mr. HARKIN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARKIN. Are we on section 4? I have an amendment to section 4.

The CHAIRMAN. The Chair will advise the gentleman that he will be protected. The bill by unanimous consent has been deemed to be considered as read in toto and is open to amendment at any point.

The Clerk will report the third committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 11, insert after "38(a)(1)" the following: "and in the third sentence of subsection 37(b)".

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, can the Chairman tell us just what this amendment is or what it means?

Mr. MORGAN. If the gentlewoman from New York will yield to the author of the amendment, he will explain it.

Mr. WHALEN. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I certainly will yield to the gentleman from Ohio.

Mr. WHALEN. I thank the gentlewoman for yielding.

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The gentlewoman might recall that last year when we adopted the Foreign Assistance Act of 1974 we provided $10 million for the care of South Vietnamese children. However, part of that section limited to $1 million, or 10 percent, funds for adoption of orphans by U.S. citizens. Quite obviously, the cost of this will exceed $1 million if we are going to do that job properly. What this amendment does is to waive that 10 percent or $1 million limitation. It would allow more of the $10 million to be used for the purpose of adopting orphans by U.S. citizens.

Ms. ABZUG. But it does not say how much it would allow above that ceiling; is that correct?

Mr. WHALEN. If the gentlewoman will yield further, no. As a matter of fact, this amendment which was inserted in the bill last year for $10 million was a reservation. It was a reservation of the sum total which was approved by the committee and the Congress, so it did not add to the cost of the bill. But within this reservation is the 10-percent limitation for adoption purposes. As I say, we are waiving this now, and it could go up another $1 million or $2 million, but it would not add to the total cost.

Ms. ABZUG. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

MOTION OFFERED BY MR. MORGAN

Mr. MORGAN. Mr. Chairman, I think this bill has been debated pretty well. We have been in session almost 10 hours today. We have covered most of the important parts of the bill. It is my intention at this time to seek a time limit on the debate if I can obtain the permission of the House.

Mr. Chairman, I move that the debate on the bill and all amendments thereto be concluded at 11:30.

PARLIAMENTARY INQUIRY

Mr. SARBANES. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. This motion is not a debatable question.

Does the gentleman request unanimous consent to address the House or make a point of order?

Mr. SARBANES. Mr. Chairman, I have a parliamentary question.

The CHAIRMAN. The gentleman will state it.

Mr. SARBANES. Mr. Chairman, will it be in order for the chairman of the committee to proceed, instead of limiting all debate, as we took up each amendment to limit the debate with respect to that amendment, which would insure that we would not be placed in the same posture as we found ourselves in at 4:05 and thereafter this afternoon?

I understand that allows time to run probably additionally with respect to the amendments since it would not be a cutoff of those but it would assure the Members of this House on a matter of tremendous importance that they would have some time, if the chairman could proceed to limit debate with respect to each amendment as it came rather than to make the proposal that is being suggested.

The CHAIRMAN. In response to the parliamentary inquiry the Chair would state that such a procedure would be permissible. However, it is not the matter which is before the House at the present time.

Mr. SARBANES. I thank the Chairman.

PARLIAMENTARY INQUIRY

Mr. ECKHARDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ECKHARDT. Mr. Chairman, do I understand correctly that when such a motion is passed setting a time certain for conclusion of the debate, that regardless of the situation which may exist in the House debate is absolutely cut off and amendments must proceed without presentation of any argument, whereas if a time is provided as for instance an hour and a half, then when the Chair establishes time for each Member, that time is not cut off at any specific hour?

The CHAIRMAN. The gentleman has stated the case properly, with the exception that even under the pending motion those amendments which have previously been printed in the RECORD would get the time allotted to them under the basic House rules.

Mr. ECKHARDT. I thank the Chairman.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MORGAN).

The motion was rejected.

AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of California: On page 2, after line 2, insert the following new section:

"SEC. 3. The Federal Government shall provide funds for all necessary expenses incurred in the immigration and settlement of Vietnamese nationals in the United States of America, and all necessary costs incurred thereof, for a period of not less than five years under the provisions of Public Law 87–510, Sec. 2(b)(2)."

And renumber subsequents accordingly.

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MORGAN. Mr. Chairman, this amendment is not germane. It deals mostly with matters completely outside the scope of the bill.

The bill deals only with humanitarian aid and evacuation from South Vietnam. It does not deal with U.S. domestic programs or agencies or conditions. It is far more subject to a point of order than the previous amendment offered by the gentleman from California.

The amendment imposes duties on the Secretary of State, of HEW and the Attorney General, which are not contemplated in the bill.

Mr. Chairman, I insist on the point of order.

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. ANDERSON of California. Yes, Mr. Chairman. My amendment really adds nothing new to what we are talking about here today. It says that the Federal Government shall provide funds for all necessary expenses incurred in the immigration and settlement of Vietnamese nationals in the United States. That is what we are talking about here today.

Now, most of us feel or hope, at least, that it is covered already in Public Law 87–510, section 2 (b)2, which is the Migration Refugee Act of 1962; but we are not sure about that. We are not clear about that.

What my amendment does is make clear what we are going to do with these refugees, that it is the responsibility of the Federal Government and not of State and local government.

The CHAIRMAN. The Chair is ready to rule. In the opinion of the Chair the legislation before us pertains to evacuation and humanitarian aid.

The amendment of the gentleman from California does go beyond that into the question of immigration and settlement. It is not within the purview of the Committee on International Relations. In the opinion of the Chair it is not germane and the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. WHALEN

Mr. WHALEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHALEN: Strike out lines 3 through 9 on page 2 and redesignate sections 4 through 7 as sections 3 through 6, respectively.

Mr. WHALEN. Mr. Chairman, in discussing this amendment I will direct my comments to three questions. First of all, what does the amendment propose? If this amendment is adopted, it would delete section 3 of the bill. As you know, section 3 proposes to waive five statutes adopted by the Congress which prohibit the introduction of U.S. combat forces in Indochina.

The effect of the passage of this amendment would be to retain these prohibitions.

Second, Mr. Chairman, what is the fundamental issue which will determine whether or not one will vote to retain section 3 or vote to delete section 3? I have been concerned that yesterday and today we have failed to differentiate between objectives, on the one hand, and the cost of attaining those objectives on the other hand.

I was very moved earlier in the day by the very fine appeal made by the gentleman from Minnesota (Mr. FRASER) on behalf of those South Vietnamese who may lose their lives with the fall of the present government. This same concern was articulated later by others in the debate; by the gentleman from Ohio (Mr. HAYS) and the gentleman from Pennsylvania (Mr. BIESTER).

Mr. Chairman, I think every one of us here shares this concern. Every one of us here hopes that those South Vietnamese who wish to leave their country for fear of their lives will be accommodated; but what do we do, Mr. Chairman, when we accomplish this under the authority of section 3?

What we are saying to the President is, "Mr. President, we give you the authority to expose as many American troops to hostile enemy fire as you see fit, with the loss of as many American lives as you deem necessary and proper to evacuate South Vietnamese."

Now, specifically, what are we willing to accept? What price are we willing to pay? Are we willing to support section 3 for the introduction of 1,000 U.S. troops and expose them to hostile fire, 10,000 troops, 100,000 troops? We leave this up to the judgment of the President. How many lives are we willing to accept?

One? One hundred? A thousand U.S. lives in evacuating South Vietnamese under combat conditions Again we say, "Mr. President, this is your decision."

So, this is the price that we will pay in trying to accomplish this objective under combat conditions. If we are willing to support section 3, then we should be willing to accept this price; willing to accept the responsibility therefor.

Third, Mr. Chairman, what are the advantages to be gained by the adoption of this amendment? As I see it, its approval will mean that we will accelerate the evacuation both of South Vietnamese citizens as well as our own American citizens to avoid attempting to achieve this evacuation under combat conditions. We would, in so doing, save American lives in the process.

Mr. HAYES of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Indiana.

Mr. HAYES of Indiana. I thank the gentleman from Ohio for yielding to me, and very much appreciate his remarks.

I have some technical questions in regard to the committee report, particularly that portion of the committee report speaking to limitation of the use of military force and limitation of authority to commit armed forces.

Would it be correct to understand that the gentleman's motion to strike section 3 in fact does nothing at all to the President's power under the War Powers Resolution? He still has that available to him, of course, if armed force is needed.

Mr. WHALEN. We have heard a great deal about the War Powers Resolution. The five statutes which are cited in section 3, insofar as Indochina is concerned, supersede the War Powers Resolution. They strictly prohibit the use of U.S. forces in combat situations.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(On request of Mr. DU PONT and by unanimous consent, Mr. WHALEN was allowed to proceed for 3 additional minutes.)

Mr. WHALEN. If section 3 is retained in the bill, what it does, of course, is waive these five prohibitions. Under these circumstances, the War Powers Resolution then would prevail.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, if the gentleman's amendment is adopted and section 3 is stricken, what then becomes of the second and third lines of section 4, which authorize the use of military force?

Mr. WHALEN. I will offer at the appropriate time an amendment which will strike some of that language in section 4. I think, of course, that we have to take it one step at a time, and the immediate issue before this body is, of course, whether or not to delete section 3.

Mr. DU PONT. The gentleman will agree that he cannot delete section 3 and leave that language in section 4?

Mr. WHALEN. That is correct.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, will the gentleman confirm to me that section 3 would really not be necessary with respect to the major objectives of this act, since the major objectives of taking out various persons specified is specifically authorized by section 4. If any law were in opposition to that, the passage of this act being passed subsequently thereto, would yield to provisions of this act?

Mr. WHALEN. As I understand the gentleman's question, is section 3 really necessary to accommodate the evacuation of American citizens?

Mr. ECKHARDT. That is my question.

Mr. WHALEN. It is my conclusion that it is not.

Mr. ECKHARDT. That it would not be necessary.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, during the early morning we had a skirmish here under the 1-minute rule. One gentleman, who is a member of the Armed Services Committee, made a speech and said that the Marines were flying into South Vietnam with the Air Force. As they got out of the C–140, they had to take their arms off and leave them on the plane. They had to do it, I am told, because of these five sections which this Congress wrote in here.

If we do not leave section 3 in here, we may leave a lot of defenseless Marines out there.

Mr. WHALEN. Mr. Chairman, the gentleman may recall the colloquy between me and the counsel for the State Department. In response to my question, he specifically stated that these five restrictive amendments would apply only in combat situations.

So we may introduce troops into South Vietnam, as long as they are not under combat circumstances.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

I would like to clarify the amendment a little bit. If we take out section 3, and the rest of the bill remains, where are we? We have already had a voice vote approval of the committee amendment to add language which says "without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force." If we take out section 3 and the rest of the bill remains, where are we?

Mr. WHALEN. I think if this language is retained in section 4, it would be inapplicable. The five restrictive amendments still pertain.

Mr. ASPIN. And the rest you do have?

Mr. WHALEN. That is correct. That is my interpretation.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I want to ask the gentleman if one of the concerns he is addressing himself to in offering this amendment is that by waiving the laws in section 3—which prohibit military activities in Indochina—we are permitting military activities, including bombing, in Laos, Cambodia, and North Vietnam?

Mr. WHALEN. They do apply in all four countries in Indochina.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I just want to tell the Members of this House, at this late hour, that this section is the real heart of the bill. Without the waiver of restrictions, the President's authority to use funds to carry out an evacuation, perhaps even of Americans, to go in with Armed Forces, may be in doubt. He may have the authority under the Constitution to use military force to evacuate Americans. But these five restrictions—and we have had the best legal talent available look at this—his ability to pay for such an operation would be limited. At least there is legal doubt on the subject. There is no authority for the President to rescue any foreign nationals with the use of Armed Forces, because he would not be able to take them from South Vietnam, even some dependents of American residents and the high-risk people to whom we owe an obligation, without this section. As I said, the amendment would make the bill useless.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the distinguished gentleman from Arizona.

Mr. RHODES. The gentleman from Ohio indicated that even if section 3 is stricken, the President still can send troops in, except under combat conditions.

If you send troops in where you think there are no enemy soldiers, but in fact there are and they shoot at our troops, you immediately change from noncombat to combat conditions. Simultaneously, your landing, which was legal when it was made, becomes illegal. This is ridiculous.

The only safe way is to retain the committee bill as it is written in section 3 and give the President of the United States the authority he must have.

Mr. MORGAN. One of the limitations on the use of funds, adopted right on this floor in 1973, says that no funds authorized or appropriated under this or

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any other law may be expended to finance military or paramilitary operations of the United States in or over Vietnam, Laos, or Cambodia. It is very, very plain.

We ought to give the President some flexibility here. We must have confidence, as the gentleman from Connecticut (Mr. GIAMO) said, in the President of the United States. The President is not going to start another war in Vietnam. He is not going to send a combat division in there unless it is to rescue Americans.

Why not give him the flexibility? Why not give him the right to pay for this operation?

PARLIAMENTARY INQUIRY

Mr. du PONT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. du PONT. Mr. Chairman, on lines 12 and 13 of page 2 of the bill, the House approved, by a voice vote, the committee amendment adding the line in italics. Would it not, therefore, be against the rules of the House for a subsequent identical amendment to be offered to strike that language?

The CHAIRMAN. Basically, the gentleman is correct, but other amendments to the section might still be in order, if broader than the specific language referred to.

Mr. FRASER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment, I think, poses the question fairly directly, even though the amendment, standing alone, is not complete.

I think that the gentleman from Ohio indicated that if this is adopted, he would offer a further amendment to the next section. However, this goes, I think, to the heart of the matter that we, in effect, have been debating all day; that is the question of whether we are going to give the President limited authority to use U.S. forces in a combat area for the purpose of enabling a successful evacuation not only of American citizens and their dependents, but also the dependents of permanent residents of the United States who are otherwise not entitled to constitutional protection under any claim and also the Vietnamese whose lives may be in danger.

Mr. Chairman, that is the issue, and this is the central issue, I think, around which all of the arguments have been swirling all afternoon and all evening. If we agree with the gentleman from Ohio, we could have settled this a long time ago and said: "We are not going to do that. We are not going to write any prescription for the President, even though he comes to us for granted authority. We are going to reject it and let him rely purely on his constitutional authority if he feels he needs to use it."

That will only reach two of the four categories. It will not reach the fourth at all. It will not reach the third at all. And it won't reach half of the second category at all.

I just do not myself want to leave the United States in that position.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I will be glad to yield to the gentleman from Florida.

Mr. FASCELL. I agree with the gentleman in the well. I would just like to add one further thing: I have never agreed that the President would have, under his so-called constitutional authority, the right to move the Armed Forces and to expend funds out of the bills with which the waivers are concerned, to put combat troops there to get Americans out and for other purposes in the bill. However, if we knock out this section, we are going to force the President into the position of using his "constitutional authority" without congressional authority even to put combat troops in and to spend the funds for the purpose of getting Americans out. Therefore, we really have two issues before us. Congress should clarify its position on both these issues for the emergency limited purposes outlined in the bill.

The language in the bill does not and is not intended to repeal the existing prohibitions or limitations in present law which prohibit the use of U.S. combat forces, for hostile purposes or activities in, over, or around South Vietnam.

Mr. FRASER. Mr. Chairman, I would just like to make one other point, if I may. I really would plead with this body to consider that under the War Powers Act we tried to limit the President by asking him to come to us if he wanted to use force anywhere in the world. I do not like to see us abdicate that responsibility. I do not like to see us say "Well, we cannot work it out. We hand it back to you. Use your constitutional authority."

I remember that we invaded the Dominican Republic under that alleged claim of constitutional authority.

There was, apparently, an erroneous report earlier this afternoon that 5,000 marines had landed in Vung Tau.

I did not like that idea because I want this House to lay down the constraints and conditions under which those forces would go in there.

I wish the 30-day provision had gone on. I hope there will be further restrictive amendments, but let us tell the President what he can do, to do the things that we jointly agree with him are in the national interest. I hope that we agree that trying to bring out some of these South Vietnamese is worth the effort.

Mr. du PONT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to take the full 5 minutes, but I do rise in opposition to this amendment because I think, as the gentleman from Minnesota (Mr. FRASER) has said, it puts the question very, very clearly. It is the whole question that has been bedeviling this Congress for the past 10 hours, and for the past 10 years.

Mr. Chairman, I am not a constitutional scholar, and I cannot clearly define what the inherent powers of the President are to rescue American citizens, and their dependents, or their friends and relatives, or people who may be in extremis due to the military situation around them.

I do not believe we can leave the President of the United States, and I do not think we can leave the American people, hanging there, and say, "You decide what the constitutional vagaries are."

Mr. Chairman, I agree with the gentleman from Minnesota that it is time that the Congress should, regardless of the law, and regardless of dotting the i's and crossing the t's, state clearly that it is the policy of the United States of America, to get these people out if we can. I come down on the other side from the gentleman from Ohio; I believe that our policy ought to be to get the American citizens out, that our policy ought to be to get their dependents out, and that our policy ought to be to get those whose lives are in danger out, and do the best we can to get everyone possible out and save every life that we can.

I do not think we can do that in a strict framework of constitutional law. I think it takes an act of the Congress to clarify the policy that we are to follow.

Therefore I hope very much that we defeat the amendment offered by the gentleman from Ohio (Mr. WHALEN).

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman yielding me this time.

Mr. Chairman, I am sure the gentleman from Delaware is aware, as are most Members of the House, that the Communists pay very close attention to the deeds and actions of the U.S. Congress. Does not the gentleman believe that if we pass a strong bill rather than a marshmallow bill that the Communists will realize that we do mean business, and that it is very possible that we might not even have to use this force?

Mr. du PONT. I would expect, in response to the inquiry of the gentleman from Florida, at the rate the evacuation is going perhaps no force at all will have to be used. But I do not think that we can leave it to the Communists to be constitutional scholars, either. We in the Congress must define the policy of the United States, and it is most important that this amendment be defeated.

Mr. RIEGLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Ohio (Mr. WHALEN).

Mr. Chairman and Members of the Committee, I agree with the point that has been made by the previous speakers, that this is probably the most important amendments we will deal with during this entire matter. It really gets to the question of whether or not we have a limited authority for the President to introduce armed forces, or an unlimited authority.

The gentleman from Minnesota (Mr. FRASER) says in effect that leaving this section in, defeating the Whalen amendment, does create limited authority.

Mr. Chairman, I fundamentally disagree with that. I think the problem is the reverse of that, and that it actually creates unlimited authority.

It has been said time and time again by a number of speakers that if we leave section 3 in the bill, the President can then put as many troops in Vietnam as he decides for as long as he decides to leave them there.

I am not suggesting that it is his present intention to do this, or that he has any evil intent, or surreptitious intent. That is not my argument but rather that the conditions are now so fluid in Vietnam, and are changing literally by the hour, that no one knows what contingencies will arise tomorrow or the day after. That is the problem; if we grant unlimited authority we are signing up for what is honestly a blank check for an unlimited American military effort which the President may not anticipate today, and we may not anticipate today, but which can happen.

My concern is I do not want to run any risk that that can happen. If, in fact, at a later point the President decides that that is what is necessary, then I think he asks for a very specific authority. He asks for the use of forces at a certain level for a certain period of time, and that is something I think we can deal with at that time in that context.

But that is not the case here. The sky is absolutely the limit on this thing. As I say, I do not think it is a question of intent. I think it is going to be a question of circumstances. I do not think President Lyndon Johnson, when he took the Gulf of Tonkin resolution and put those initial American troops out in Southeast Asia, ever thought he was going to have to keep adding to them. I do not think he ever dreamed, nor anybody here ever dreamed, that that was going to turn into the kind of situation that it did. But that is what happened.

If we look at just the military situation around Saigon right now and the number of enemy forces there, it has all of the earmarks of the kind of situation that if we get back into it with American forces, we may find we cannot get them out unless we put more in.

This question the gentleman from Ohio (Mr. WHALEN) raises about how many American lives we are willing to spend is the critical issue. I do not know how each one of us here would try to answer that question, but that is the question. No one knows if it is going to be 10 or 100 or 1,000, or more than that, or how long this is going to take. I think it is a very real and proper question for us to say, "Look, at this stage of the game we do not want to open things up to unlimited possibilities." Quite the reverse of that, we do not want to do that.

I want to say with respect to the powers that I think the President now has, if we accept the Whalen amendment—which I sincerely hope we do—I do not think this restricts the President's existing power to go in and do what needs to be done to safely withdraw Americans. To my mind, that includes the other two categories as well. He did that in Cambodia.

The chairman earlier noted that U.S. military personnel were leaving their guns on the airplanes. I saw photographs of the American military personnel that went into Cambodia for the recent evacuation there and they were fully armed. Certainly they were not intending to engage in combat, but they were ready for that if the occasion arose.

I am confident the President has the power now to evacuate the first three categories. The real issue is that final category. I want to take as many South Vietnamese out as we can. I would fly them out in boxcars tonight if we could. Where I raise the question and suggest that we have got to draw the line is on the issue of whether we are prepared to introduce an unknown number of American troops for an unknown period of time, with unknown deaths, in order to take out an unknown number of South Vietnamese.

I do not think it is irresponsible for us to raise that question. I think it is the height of responsibility to raise it. I do not think it puts anybody's motivation in question. Obviously, we are going to differ on this thing, but it is a very deadly, serious issue, and when we do not know the costs ahead of time, then I think it pays us to draw the line so that we do not walk into a situation which no one intends—including the President and the Secretary of State.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I promised the gentleman from Texas I would yield to him if he wanted to engage in colloquy.

Mr. ECKHARDT. I thank the gentleman for yielding.

I entirely agree with him that the power with respect to removing nationals of the United States is a part of the common strength that forms a usual and an essential part in the definition of executive authority. That is what Hamilton was saying in his 74th paper in the Federalist. He was also recognizing what I think the gentleman from Minnesota (Mr. FRASER) said, that the full power of dealing with international affairs lies in Congress and with the Presidency, and the Congress has the authority to curb the President in the exercise of the war powers. Congress has the final say.

But this is not a question of implied power to engage in war; it is the power to direct the forces as Commander in Chief in protection of nationals of this country.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RIEGLE was allowed to proceed for 1 additional minute.)

Mr. ECKHARDT. If the gentleman will yield further, would anyone for a moment question the authority under the Constitution of a warship traveling through the Suez Canal firing back in the case of an Egyptian or Israeli attack?

Or would anyone question for a moment the authority of the President in commanding the military forces of the United States to support the evacuation of the embassy in France at the time the Nazis came in if that reasonably could be accomplished? This is not the exercise of the war power that is covered by section 3. It is the exercise of the control of the military forces in an emergency situation when there is no time for Congressional consideration of the specific actions necessarily taken if nationals of the United States are to be protected. I do not think section 3 is at all necessary and I think the amendment offered by the gentleman from Ohio (Mr. WHALEN) should be voted on favorably.

Mr. RIEGLE. I thank the gentleman from Texas.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. RIEGLE. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, would the gentleman take the position that this amendment should not be passed if he believed the President did not have inherent power to send troops in to protect American citizens?

Mr. RIEGLE. I am convinced he does have the power under existing law, to insure the safe withdrawal of Americans and their dependents.

Mr. SEIBERLING. I am convinced the real issue is that Congress prohibited him from doing that, and the question is whether we are going to rescind that prohibition. I, for one, think we should not.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am a member of the committee. I have been in this Chamber 10½ hours. I have spoken less than 2 minutes. The Members will hear me now.

No one in this Chamber can doubt the intent of this committee that we not involve American forces in some new adventure in South Vietnam or in Southeast Asia. Indeed we have sought to put into this legislation restrictions against that. Forces could only be introduced to rescue the first three categories. They could only be used for evacuation purposes. They must avoid all use of force if possible.

No reasonable person could believe the President or the Secretary of State intends to start some new adventure in Southeast Asia. This is an irrational fear, not a rational possibility.

We are in the process of amending and perfecting the language in the committee bill, which we did not even get to until 6 o'clock. This committee worked on this bill responsibily and debated it at great length before reporting it but we had no opportunity today to make our case until 6 o'clock this evening and thereafter. We are now debating an amendment which would I believe cut the heart out of this legislation. I do not know whether the gentleman from Florida (Mr. FASCELL), who is a very distinguished attorney, or the gentleman from Texas (Mr. ECKHARDT), who is a very distinguished attorney, is correct. I am not positive, because I am a layman, whether the President has the authority to move in with military forces to evacuate American citizens and their dependents under the present restrictions which this section would lift, some of which apply only to South Vietnam, but I believe the gentleman from Texas is correct that the President can.

But I am quite certain the gentleman from Minnesota is correct that the dependents of permanent residents of the United States and those who are eligible for immigration who are Vietnamese and those whose lives are in direct and imminent peril would not qualify if this section is lifted, and many of the people for whom we are morally responsible and some of the people for whom we have clear legal responsibility would be abandoned by such an action.

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Mr. Chairman, I will not appeal to the compassion of the House, but I will appeal to its sense of responsibility.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman and I will be relieved if he can reassure me.

Mr. ECKHARDT. Mr. Chairman, if I did not believe the President had that power I should vote against it, and that is the reason I offered my substitute to the Edgar amendment. I do not believe so. I believe the authority exists in directing the Armed Forces of the United States to do what is necessary to remove American nationals.

Mr. BUCHANAN. I will say to the gentleman with all due respect, I disagree that his position is either certain or adequate. I voted for his substitute but I believe the gentleman from Florida has raised a serious question and I am quite certain the gentleman from Minnesota is speaking the truth in this matter, in his contention that dependents of permanent residents of the United States, Vietnamese eligible for immigration because of relationships to American citizens, and other foreign nationals in direct and imminent peril of their lives could not be evacuated by use of American military forces if the restrictions removed by section 3 are not lifted.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I think it is vain for us at this time to conjecture about the legal situation. There is no doubt in my mind that the Constitution does give the President certain inherent powers, unless they are limited by Congress. Congress did limit those powers, and we now seek to set aside those limitations for this particular purpose.

Let me say further that the President's lawyers are not at all sure that unless section 3 stays in this bill that the President has the power under the law to do the things which he feels he must do, to carry out our national obligations.

I think the amendment certainly should be defeated.

Mr. HAYES of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Alabama (Mr. BUCHANAN) and the distinguished minority leader, the gentleman from Arizona (Mr. RHODES) have, I think, adequately stated for us that unstated case that has not been made here today.

The gentleman from Ohio (Mr. WHALEN) in his very legitimate approach and whose entire conduct today has been very excellent; the gentleman from Pennsylvania (Mr. MORGAN), whose leadership has forged out this public policy, this dedication to evacuate people, I think all must be recognized here. I think we have to recognize it in thankful tones.

All we are trying to do, and I am sure all the gentleman from Ohio (Mr. WHALEN) is trying to do is hammer down in a very technical way the stated purpose of this piece of legislation and to clarify for the entire body a very direct bill that will get us where we want to go.

The missing actor here, who has been introduced by the minority leader is, of course, the President of the United States, an actor who according to the committee report has not requested this authorization and an actor whose attorneys are not quite sure of the legal effects of this particular section that we seek to strike out

I think if we simply proceed——

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Indiana. I would like to finish my statement.

Mr. RHODES. I would just like to correct the gentleman's statement. The President's lawyers are definite in their feeling that this amendment might deprive the President of the authority he needs.

Mr. HAYES of Indiana. Section 3 defines the kinds of force we waive in five different ways. One talks about authorizing appropriations. One talks about committee responsibilities. The other talks about the use of military force. There is a variety, all meaning one thing. If, in fact, we do waive that by leaving section 3 in this bill, then we are derogating from the central purpose of the act, which is to evacuate.

The President can certainly under the War Powers Act and under his request that he made when he addressed the joint session of Congress come down, No. 1, and ask for clarification; and No. 2, can come in and comply with the War Powers Resolution if, in fact, in the categories set forth in section 4(d) he needs further legal authority.

There is pending this event an extensive amendment, already passed by a substantial majority, offered by the gentleman from Texas (Mr. ECKHARDT) this afternoon, that clarifies what those powers are; that, I think, answers the request of the President in regard to clarification of what his authority is under these circumstances.

I know a lot has been said about Congress exercising its constitutional duty and about taking the lead. I commend the committee for having done that; but there is a point beyond which we cannot go. We can delineate, as many have said, but I do not think we have the authority on our own to simply proceed to authorize an expeditionary force for any purpose, whether it is humanitarian or whether it might be for evil.

So I think we would be well advised at this stage to support the amendment that the gentleman from Ohio has offered to eliminate section 3 and support the amendment of the gentleman from Texas that clarifies section 4 and defines the four categories of persons we hope to help in a humanitarian way. Then we will have accomplished our purpose: The purpose the chairman of the committee has stated and certainly the purpose of the minority member as set forth and which people on both sides of the aisle have stated.

The President at that point can become involved and we can express some faith in him, as the gentleman from Connecticut asked earlier today in this well. I urge for those reasons that we support this amendment to strike out section 3.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. HAYES of Indiana. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would just like to point out that if we do strike section 3, that action will be largely nullified by the provision in section 2, page 1, line 7, which states that the authorization is given notwithstanding any other provision of law.

At the conclusion of the vote, I will offer an amendment striking that language which gives carte blanche authorization.

Mr. CONLAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to speak on this bill today, but hearing some of the comments tonight, I do not think the Members speaking even touched the surface. They have danced around the issues of what we are facing.

What we are facing is a Dunkirk. We are facing a Dunkirk over there where hundreds of thousands of people are either going to be driven into the sea or liquidated, because Communist tactics do not authorize the retreat to other areas of the free world of those men and women who have seen them in operation and lived under the Communist gun. The Vietnamese Communists do not want anyone to get out alive to other countries.

I say to some Members who have spoken here tonight, if they think that the Communists are going to allow the non-Communist Vietnamese to leave South Vietnam on their own, those Members are sadly mistaken. The North Vietnamese are going to "clean up" and wipe out the non-Communist refugees everywhere they can—along the coastal lines down to Vung Tau, as they have done at Hue, Danang, and Cam Ranh Bay, et cetera.

The gentleman from Connecticut (Mr. GIAIMO) and the gentleman from Ohio (Mr. HAYS) touched on this question. There are some Members here who were speaking about this issue so callously, and were not even interested in the lives of Vietnamese people who have stood up for our side. I ask them now where they would be tonight if the situation were not Vietnam cities but Israeli cities of Haifa, Tel Aviv, and Jaffa? Where would they be if there were Israelites backed to the Mediterranean shoreline? Those Members would be on their feet, righteously speaking on this floor here—some of them who have been so prominent today in advocating the abandonment on the beaches of pro-American Vietnamese.

I say that the day is going to come when they are going to ask people in this body to stand with them on these humanitarian issues, as we stood with them in the past—to the tune of billions of dollars for that Mideast democracy.

This House passed a humanitarian bill recently commemorating the slaughter of the Armenians by the Turks. We took Armenians in by the thousands after World War I. We took 40,000

White Russians out of Shanghai into Manila and the Philippines during World War II. We took in hundreds of thousands of Hungarians and hundreds of thousands of Jews in World War II and thereafter because of the compassion of our hearts. We took them into this country and rallied around, and helped, and funded them.

There are over 2 million Christians in South Vietnam, both Catholics and Protestants, whose leaders have us in the United States that those Christians expect their total liquidation by the Communists. One hundred thousand evangelists of the Protestant National Church, CMA, are targeted for death, because of their strong faith in Jesus Christ.

I heard the other day from Dr. Bob Pierce, president of World Vision, one of the most respected worldwide organizations for humanitarian relief, that they are getting eyewitness reports from refugees straggling into Saigon that the Communists have taken one village after another and are methodically slitting every throat of all Christian men, women, and children in those villages.

The Catholic Bishop of Ban Me Thout and several of his priests were summoned to the Popular Tribunal and shot dead on the spot. All 450 teachers in the city, in addition to all public officials, were taken out of town and executed. The Bishop of Phan Thiet and seven of his priests were executed 2 weeks ago, along with all the administrative officials of the city.

Some Members may not understand Communist tactics and dialectics. The Communists are competing for the minds and allegiance of men in this world. Do the Members of the House think anyone is ever going to work for the United States, and the Central Intelligence Agency and our military forces if we abandon the people who have sided and worked with us? Who will stand with us in the Middle East to protect that democracy of Israel there when we cannot even retrieve our wounded or those who have worked for us in Asia, if we abandon our colaborers there?

The Communists are not going to let us get the refugees out unless we have some ships offshore and some planes which can interdict their attack lines and put a defensive perimeter around that last port of Vungtau. Do the Members think the British would have ever taken anybody out of Dunkirk alive if they had not had some naval presence offshore to hold the Nazi storm troopers back?

Somewhere, sometime we have to take a stand and "retrieve our wounded" friends. That is the issue in this bill. We have got to leave our Presidential authority with some power to tell the Communists, "Thus far and no farther."

We are going to retrieve some of those decent people. We cannot retrieve them all, but some of them have to be saved. If the Members do not allow this bill to pass, if they cut out this provision and do not help out some of those—a few hundred thousand—which is relatively nothing compared to the 10 million illegal aliens we have in this country about which we have done nothing then we must hang our heads in shame. A couple hundred thousand more immigrants are going to mean nothing deleterious to the economic well-being of this country. But to abandon them is going to leave a complete moral blot on this country and the freedoms we have and our capacity for drawing allies in the future when we may need them.

Edward Everett Hale, former Chaplain of the Senate put it well for me with his immortal words:

> I am only one, but I am one. I cannot do everything, but I can do something. What I can do, that I ought to do, and what I ought to do, by the grace of God, I shall do.

I urge the Members to support the committee bill.

Mr. MOSS. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, I find the litany of instances of our giving refuge to the troubled peoples of lands around the globe most interesting. But I find it highly irrelevant to the debate underway here this evening.

Not in a single instance mentioned by the previous speaker in this well did we have before us a resolution authorizing the President of the United States to take such action as he deems necessary or desirable. Not in any of the instances cited did we authorize an expenditure of $150 million for evacuation.

Mr. Chairman, I have served in this body for a good many years. I happen to be one of those who cast a vote in good faith on what I found later to be the false representations of a situation in the Gulf of Tonkin. I voted for that resolution, and I have regretted it every day since. I do not want to repeat that mistake.

The atmosphere is about the same as it was then, charged highly with emotion. I think we are about to make the same mistake.

No one can tell us the dimension of our involvement as we vote this resolution, and no one can tell us for a certainty, from the chairman of the Committee on International Relations to those of us who serve on other committees, who have listened to classified briefing after classified briefing, as to the true extent of the involvement we would have.

We have had a surfacing in the last few days of many missing in action and deserters who have suddenly surfaced in Vietnam with their families. I do not know whether they are paper families. I do not know how much they received for putting together their families, but we know that they have surfaced. We know that an effort was made to keep the networks from carrying pictures of some of these applicants for return to the United States.

Oh, I think it is fine to be humanitarian. But I think there is a certain requirement that we be practical. There is no valid reason for any U.S. national now to be in South Vietnam beyond the capacity of the U.S. Ambassador to take them out from the helicopter pad on the roof of that structure. There is no reason why the risk of involvement in yet another adventure or misadventure in the Far East should be experienced by the people of this Nation because some want to remain there for reasons primarily of self-interest.

Believe me, there are a good many who are still there and who are still there for reasons of self-interest.

I do not think I have to yield to anyone in my sense of compassion for my fellow human beings, but there are a lot of questions unanswered in this resolution. I think that this kind of untimely action is not befitting this House. The fact that we have been here for almost 11 hours of debate—undecisive, uncertain, recriminative in many respects, devisive in many, many important respects—should certainly give us the signal to go slowly and proceed with caution and not let our actions outpace our knowledge. I say that that is precisely what we are doing now. We are moving well ahead of our certain knowledge of the situation confronting us in the Far East.

I do not think that it matters a great deal—and I will not be silenced by the rudeness of those who choose to try to interrupt my remarks. I have been heckled by more experts than are available in this Chamber this evening, let me assure the Members of that, and I have never been intimidated by one of them. I only say that it does you discredit and not me. I think that the fact that you have that kind of inclination to silence, the inclination to stop the process of thinking—and that is what you are doing—should cause you to give pause before you act this evening to nail down what I regard in every respect as an ill-advised piece of legislation, the guts of which is contained in section 2.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when I first listened to the amendment of my good friend, the gentleman from Ohio (Mr. WHALEN), I felt that this was an answer to what really concerned me.

As many Members know, I have been in the past an active supporter of the program in Vietnam. I voted for the appropriations year after year, and I felt that the actions of the administration were correct.

I no longer want to see any military involvement in Vietnam beyond the very essential military involvement; namely, that of getting out the Americans and their families and those outlined in the bill as (a), (b), and (c).

Therefore, I am going to offer an amendment if the amendment of the gentleman from Ohio is defeated, and I hope it will be defeated.

My amendment will say:

> After the word "that" on line 22, strike lines 23, 24, and 25 and substitute the following: "their evacuation does not require the use of U.S. armed forces beyond the period needed to carry out the evacuation of those listed as (a), (b), and (c) of lines 15, 16, 17, 18, 19, and 20."

In other words, all the nationals that can be evacuated during this period when the Armed Forces are present, that is fine. However, once (a), (b), and (c)

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categories are out, the U.S. Armed Forces get out of Vietnam, because I see the possibility, in section (d), of the kind of involvement that we cannot escape from without loss of life, potential prisoners, and everything that we do not want to see happen again.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Michigan.

Mr. RIEGLE. Mr. Chairman, I thank the gentleman for yielding. I appreciate the spirit with which he is prepared to offer his substitute. Those of us on the committee thought about that alternative a great deal, but the problem with it is that if the Americans are not withdrawn quickly—and I might say to the gentleman that the American Ambassador is on record as having said that he is not going to leave himself until he can take 1 million South Vietnamese with him—we will have further difficulty.

The difficulty with the approach that the gentleman is suggesting is that as long as any contingent of Americans remain, we are locked into taking out an undetermined number of South Vietnamese.

Mr. PEYSER. I would like to call the attention of the gentleman to section 4 of the bill. I am working on the assumption that the bill will be adhered to.

Section 4 of the bill does say the removal should take place as expeditiously as possible. I am counting, of course, on the administration, if we enact this bill, following this procedure. I have to place my trust in them because they are the ones who are going to be involved. If they do, then what I am suggesting would relieve that problem.

Mr. RIEGLE. Mr. Chairman, if the gentleman will yield for 1 second, would the gentleman from New York be prepared then to accept something like a 10-day limit or a 15-day limit, or something that is reasonable, because the number of Americans there have been reduced to the point where it would not need to extend these efforts over a longer time period of several weeks.

Mr. PEYSER. Before I present the amendment I will consider that.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, the facts are clear that we have talked of the thousands upon thousands of Vietnamese being allowed to leave the country, so that the categories in numbers 1, 2 and 3, or the categories in (a), in (b), and in (c) categories could be flown out on two of the planes that are leaving, and be gone within an hour. I cannot understand why the administration does not expedite it before there is a need for forces to get rid of them.

Mr. PEYSER. I do not question that point, but as long as we are intending to legislate with the intent of telling the administration what to do, then we ought to defeat the Whalen amendment and come in with my new amendment, because I think that would eliminate the Armed Forces being there to evacuate the section (d)'s.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I think this amendment has had a good hour and a half of debate, and I move that all debate on this amendment and all amendments thereto close at 11 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Morgan) that all debate on this amendment and all amendments thereto close at 11 o'clock.

The motion was agreed to.

The CHAIRMAN. The Chair will recognize the Members who were standing at the time the motion was made for approximately 1 minute.

The Chair recognizes the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, the answer of my friend, the gentleman from New York (Mr. Peyser) on his proposed amendment which would prevent any troops being there after categories (a), and (b), and (c) were gone, or the time had passed to evacuate them, shows the endless, self-perpetuating nature of categories (a), (b), (c) and (d), because until the screening all of the Vietnamese nationals who are going to be evacuated has been completed, American personnel will have to remain there to do the screening. And if we authorize troops this means that troops will be there and will continue to be there. This setup is self-perpetuating, and could go on endlessly.

That is the basic vice of the bill, unless we adopt the Whalen amendment and strike out all provisions for maintaining American troops there.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Chairman, I would strongly support the Whalen amendment. As anyone who has bothered to listen to my speeches for the past 10 days would realize, every American, every dependent of an American, and every dependent of a permanent resident of this country could have been out of South Vietnam and over here if the administration wanted to do it. The administration did not do it because they want this type of military authority—for what reason I do not know. But I certainly do not think we should give them the authority. I do not see how we can justify it. I would certainly urge an aye vote on the Whalen amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Findley).

Mr. FINDLEY. Mr. Chairman, I fear we may lose sight of the fundamental issue presented by this amendment.

So if we really want, by this bill, to convey adequate authority to the President to carry out the evacuation of foreign nationals as well as Americans with, if necessary, the use of military force, then we should reject the Whalen amendment. It comes down to what we really want. Do we want the President to have the authority to use military force for the safe evacuation of these foreign nationals or not?

I say we should.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. Abzug).

Ms. ABZUG. Mr. Chairman, I support the Whalen amendment. There is no reason for us to be projecting the use of force by vitiating our own prohibitions on the use of funds for the introduction of military forces into that area. Right now the AP has reported that the Government of South Vietnam is changing. We have to give them the opportunity for a peaceful negotiation. Such negotiations could guarantee the safety of all Vietnamese.

As far as the Americans are concerned, they could be brought out without the use of force if our Government wants to, and we should not permit them to be used as hostages. The Whalen amendment, I think, protects the past actions of Congress. Those prohibitions in section 3 were passed by a Congress that was determined to play its proper role by using its power over appropriations to prevent unauthorized acts of the President. Let us not change that. Let us stick hard and fast to it. The Whalen amendment should be supported.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Mr. Chairman, I rise in support of the Whalen amendment, and I do it for three reasons, one of which has been mentioned by the gentleman from Texas (Mr. Eckhardt).

The President probably has this constitutional authority. Second, if he does not, section 4 makes clear without quite the blank check of section 3, that he can use, if necessary, military force, and if the gentleman from Ohio (Mr. Whalen) wants to knock that language out, I shall resist it. Third, and a very practical point—and this relates to the comments of the minority leader—there will be a conference committee. If upon more careful research between now and the time that the conference committee meets it is necesary to reinstate some language, we have time to do that. I shall vote for the amendment of Mr. Whalen.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. Broomfield).

Mr. BROOMFIELD. Mr. Chairman, I rise in very, very strong opposition to the Whalen amendment. I think it is about time that we demonstrated a little bit of confidence and trust in the President of the United States.

As the chairman of our committee has so ably stated, this is a vital part of this legislation. I think it is time for this House to give President Ford, a person who has served in this Congress for 25 years, who has demonstrated that he will do the right thing, the flexibility to carry out the provisions of this act. So I say, let us all vote strongly against the Whalen amendment and show President Ford we are behind him in this difficult task.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Chairman, I would like to touch on two points. First, the question has been raised regarding the authority of the President to use troops to evacuate American citizens from South Vietnam. On April 22 when he was interviewed by the Columbia Broadcasting System, President Ford indicated he had that authority. He added:

> What I am requesting is authority to use American forces to evacuate South Vietnamese citizens.

Second, let me repeat the fundamental question as we vote here to retain or delete section 3 of the bill. If we vote to retain section 3, we are giving the President authority to expose U.S. forces to hostile fire as we evacuate the South Vietnamese. The question is, How many American deaths are we willing to accept?

Those who support this amendment are saying in effect: "Look, Mr. President, we want to get our people and South Vietnamese out of South Vietnam. Let us do it now before a combat situation arises."

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania to close the debate.

Mr. MORGAN. Mr. Chairman, again I strongly oppose this amendment. This is the knife at the jugular of the whole bill. Without the waiver of restriction contained herein, the President cannot carry out the evacuation outlined in the bill. Please believe me, we really tie his hands with this.

I am not going to sit here and hear a member of the Armed Forces Committee come into this well and say, as he said right after 12 o'clock, that we are flying C–130's in there and our American Air Force personnel get off that plane and park their weapons because under these restrictions they cannot take any combat weapons into Indochina.

What are we doing here? Can we not trust the President of the United States? He is not going to send any combat troops in there to start a war. He is going in there on a rescue operation, if necessary.

I, for one, am not going to let any soldier or sailor or marine, if it is necessary for them to go in there to save Americans, to go in there without giving him the right to protect himself.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. Whalen).

The question was taken.

RECORDED VOTE

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 151, noes 262, answered "present" 1, not voting 18, as follows:

[Roll No. 145]

AYES—151

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Blanchard
Blouin
Boland
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Tex.
Conte
Conyers
Corman
Cornell
Daniels, Dominick V.
Davis
Dellums
Dodd
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Gibbons
Green
Gude
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holtzman
Howard
Howe
Hungate
Jacobs
Johnson, Colo.
Jordan
Kastenmeier
Keys
Koch
Krebs
Latta
Leggett
Lehman
Litton
Lloyd, Calif.
Long, Md.
McCloskey
McKinney
Macdonald
Madden
Maguire
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Mosher
Moss
Mottl
Neal
Nedzi
Nolan
Oberstar
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Rangel
Rees
Reuss
Richmond
Riegle
Rodino
Roe
Roncalio
Rosenthal
Roush
Roybal
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Smith, Iowa
Snyder
Spellman
Stanton, James V.
Stark
Stokes
Studds
Thompson
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Young, Ga.

NOES—262

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Barrett
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Fithian
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Hastings
Hays, Ohio
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Lent
Levitas
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madigan
Mahon
Mann
Martin
Mathis
Meeds
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nix
Nowak
Obey
O'Brien
O'Hara
Passman
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rogers
Rooney
Rose
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Nebr.
Solarz
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Ryan

NOT VOTING—18

Biaggi
Boggs
Byron
Dent
Dingell
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Karth
Mills
Murphy, N.Y.
Pritchard
Shriver
Treen
Wydler

So the amendment was rejected.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. MORGAN

Mr. MORGAN. Mr. Chairman, with the vote on the Whalen amendment, which is one of the important amendments, I move that all debate on the bill and all amendments thereto conclude at 12 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Morgan).

The motion was agreed to.

AMENDMENT OFFERED BY MRS. COLLINS OF ILLINOIS

Mrs. COLLINS of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mrs. Collins of Illinois: Page 2, strike out lines 21 through 25 and insert in lieu thereof the following:
>
> "(d) other foreign nationals—
>
> "(1) to whose lives a direct and imminent threat exists, and
>
> "(2) whose evacuation does not require any combat activity, any involvement in hostilities, or any military or paramilitary operation by the Armed Forces of the United States which is not required for the evacuation of persons described in paragraphs (a), (b), and (c) above."

POINT OF ORDER

Mr. SEIBERLING. Mr. Chairman, I raise a point of order before we proceed.

The CHAIRMAN. The gentleman from Ohio will state his point of order.

Mr. SEIBERLING. My point of order is that as soon as the voice vote was taken on the last motion to cut off debate at midnight, I was on my feet asking for a recorded vote, and I think it is important that we take a recorded vote.

The CHAIRMAN. The Chair can only say to the gentleman that the Chair did

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not hear the gentleman, and at this point his point of order comes too late.

The Chair will recognize those standing at the time the motion to close debate was agreed to for approximately 50 seconds each.

The Chair recognizes the gentlewoman from Illinois (Mrs. Collins).

Mrs. COLLINS of Illinois. Mr. Chairman, my amendment had been printed in the Record previously, and would I not be entitled to 5 minutes?

The CHAIRMAN. Since the amendment offered by the gentlewoman from Illinois (Mrs. Collins) has been printed in the Record previously, then the gentlewoman from Illinois is indeed entitled to 5 minutes in support of her amendment.

Mrs. COLLINS of Illinois. Mr. Chairman, I offer this amendment to clarify the use of armed forces which might be needed as expressed in lines 12 and 13 on page 2 of this bill, in evacuating foreign nationals from South Vietnam.

Mr. Chairman, I strongly oppose the use of American Armed Forces beyond which is necessary to evacuate U.S. citizens, their dependents, and Vietnamese who have relatives in the United States.

My amendment will not interfere with the President's power to use armed forces to evacuate those outlined in categories (a), (b), and (c) of this section. It will offer assurance that our Armed Forces will not have to put on a cavalry charge to rescue other South Vietnamese. The amendment will make it clear that U.S. troops will not be used solely for the evacuation from any part of South Vietnam of those in category (d).

This would limit any more U.S. involvement in this horrible war and would make it clear that Congress is authorizing the use of American forces only to terminate our involvement in South Vietnam.

Mr. Chairman, I would like to point out that my amendment stands between the too-loose working of the bill and those who would completely bar using U.S. forces in any manner to rescue any Vietnamese.

Refusing to evacuate any of the Vietnamese who have reason to fear for their lives would not be acceptable.

I hope that the Members will support me on this amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I am happy to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we have had a chance to review the amendment offered by the gentlewoman from Illinois (Mrs. Collins). Certainly the gentlewoman has made an improvement in the bill, and we on this side are certainly willing to accept the amendment.

Mr. Chairman, I want to commend the gentlewoman from Illinois for the fine work the gentlewoman has done on our committee on this particular bill.

Mr. FASCELL. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I am happy to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I want to commend the gentlewoman from Illinois for offering her amendment. It certainly does agree with my intent, and I believe the intent of the committee, and I strongly support the amendment.

Mr. MATSUNAGA. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I am happy to yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, I commend the gentlewoman from Illinois (Mrs. Collins) for introducing her amendment. It is similar to the amendment I hoped to offer myself, when the pending bill was before the Committee on Rules. The gentlewoman's amendment certainly clarifies the meaning of section 4(d), and for this reason I will support it. However, the gentlewoman's amendment does not remove the basic objection which I see in section 4. The use of military force would still be permitted, if necessary, in the evacuation of foreign nationals who are in no way related to Americans or permanent U.S. residents. I believe the risk involved is much too great and the potential for evil far outweighs the good that might be accomplished.

In this respect to the Edgar amendment in the nature of a substitute is much more acceptable and I do intend to support it when it is offered. If that amendment is rejected, I intend to vote against the bill on final passage.

Mr. MORGAN. If the gentlewoman from Illinois will yield, I will say that the amendment she has offered more clearly defines the conditions under which those endangered foreign nationals who may be evacuated under the act, can be evacuated with the help of U.S. Armed Forces. I think the gentlewoman's language is narrower, better language than we have in the bill, and I am going to support her amendment.

Mr. PEYSER. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentlewoman for yielding.

I think the amendment is an excellent amendment. It accomplishes what many of us have been concerned about regarding U.S. troops remaining in Vietnam to get out category (d) after our own people are out.

Mr. Chairman, I support the amendment.

Mrs. COLLINS of Illinois. I thank the gentleman.

AMENDMENT OFFERED BY MR. RIEGLE TO THE AMENDMENT OFFERED BY MRS. COLLINS OF ILLINOIS

Mr. RIEGLE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. Riegle to the amendment offered by Mrs. Collins of Illinois: in section (o), item (2), line 5, after the word "above"—strike the period and add the words, "as long as such evacuation is carried out within 10 days from the time this resolution becomes law."

Mr. RIEGLE. Mr. Chairman, this amendment is self-explanatory. What it does is it sets a time limit of 10 days to get this done. I think that would persuade many of us here that perhaps we could support the bill if we knew this commitment was not open-ended in terms of time. I think 10 days is sufficient time to get the balance of Americans out and a very substantial number of South Vietnamese, and I hope the committee will decide to add this 10-day limit.

Mr. Chairman, I intend to ask for a record vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Riegle) to the amendment offered by the gentlewoman from Illinois (Mrs. Collins).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RIEGLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 97, noes 311, answered "present" 2, not voting 22, as follows:

[Roll No. 146]

AYES—97

Abzug
Addabbo
Anderson, Calif.
Baucus
Beard, R.I.
Bedell
Bennett
Blouin
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Conyers
Cornell
Davis
Dellums
Dodd
Downey
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Colo.
Evans, Ind.
Ford, Mich.
Ford, Tenn.
Fulton
Gude
Hannaford
Harkin
Harris
Hawkins
Hechler, W. Va.
Helstoski
Holland
Holtzman
Howard
Hungate
Jenrette
Johnson, Colo.
Karth
Kastenmeier
Keys
Koch
Leggett
Lehman
Litton
Lloyd, Tenn.
McCloskey
Macdonald
Maguire
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Moss
Mottl
Nedzi
Nolan
Oberstar
O'Neill
Ottinger
Pattison, N.Y.
Reuss
Richmond
Riegle
Rodino
Roncalio
Rooney
Rosenthal
Roybal
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Snyder
Staggers
Stark
Studds
Traxler
Tsongas
Van Deerlin
Vigorito
Weaver
Whalen
Wirth
Young, Ga.

NOES—311

Abdnor
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Bauman
Beard, Tenn.
Bell
Bergland
Bevill
Biester
Bingham
Blanchard
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn

Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harrington
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Lent
Levitas
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Meeds
Michel
Mikva
Milford
Miller, Ohio
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
Nix
Nowak
Obey
O'Brien
O'Hara
Patman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Thornton
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Wampler
Waxman
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

ANSWERED "PRESENT"—2

Ryan
Wilson, Charles H., Calif.

NOT VOTING—22

Adams
Alexander
Biaggi
Boggs
Dent
Diggs
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Landrum
McKinney
Mills
Murphy, N.Y.
Passman
Pritchard
Shriver
Steed
Treen
Wydler

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SEIBERLING TO THE AMENDMENT OFFERED BY MRS. COLLINS OF ILLINOIS

Mr. SEIBERLING. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. Seiberling to the amendment offered by Mrs. Collins of Illinois: Place a period after the word "States" and strike out the remainder of the sentence.

Mr. SEIBERLING. Mr. Chairman, this amendment is a very simple amendment. It removes the last three lines of the amendment of the gentlewoman from Illinois so that it says that evacuation of the Vietnamese nationals will not require any combat activity.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Seiberling) to the amendment offered by the gentlewoman from Illinois (Mrs. Collins).

The question was taken; and on a division (demanded by Mr. Seiberling) there were—ayes 47; noes 157.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois (Mrs. Collins).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with and that I may explain it, it being substantially the same as the previous substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk read as follows:

> Amendment by Mr. Eckhardt: Strike lines 10 through 25 on page 2 and lines 1 through 3 on page 3 and substitute in lieu thereof the following:
>
> "Sec. 4. For the purposes of section 2, evacuation shall be defined as the removal to places of safety as expeditiously as possible, the following categories of persons:
>
> "(a) American citizens;
>
> "(b) dependents of American citizens and of permanent residents of the United States;
>
> "(c) Vietnamese nationals eligible for immigration to the United States by reason of their relationships to American citizens; and
>
> "(d) other foreign nationals—
>
> "(1) to whose lives a direct and imminent threat exists, and
>
> "(2) whose evacuation does not require any combat activity, any involvement in hostilities, or any military or paramilitary operation by the Armed Forces of the United States which is not required for the evacuation of persons described in paragraphs (a), (b), and (c) above.
>
> Nothing in this Act is intended to grant, extend, or delegate to the President any of the war powers of Congress which cannot be exercised by the President unless granted, extended, or delegated by Congress. It is the intent of Congress in passing this Act to provide only an authorization for the use of funds for the purposes and under the conditions herein stated."

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the amendment on the grounds it is not in order. I cite Deschler's procedure, chapter 27. To a pending committee amendment to a bill considered in the Committee of the Whole there may be an amendment offered in the nature of a substitute, but if the Committee shall agree to it, it shall not be subject to further amendment.

This has been subject to two committee amendments and the gentleman's amendment, in my opinion, comes too late and is not in order because the section has already been acted upon.

The CHAIRMAN. The Chair is prepared to rule.

The amendment of the gentleman from Texas (Mr. Eckhardt) is far broader than the committee amendment previously adopted and goes to portions of the section not amended, and, accordingly, is not prohibited.

The point of order is overruled.

The gentleman from Texas (Mr. Eckhardt) is recognized for 15 seconds in support of his amendment.

Mr. ECKHARDT. I thank the Chairman. That is an infinite time, compared with the last time I was here.

This amendment is precisely the same as the Eckhardt substitute that was offered a moment ago and resulted in a 272 vote to a 146 vote, except that it embraces the Collins amendment verbatim.

Mr. MORGAN. Mr. Chairman, I supported the Eckhardt substitute before, but I oppose this amendment because it is not the same as the substitute. Frankly, I do not know what it is designed to accomplish. I know what the language of the committee bill means, and I would rather stay with that language.

Mr. BROOMFIELD. Mr. Chairman, I rise in opposition to the amendment.

Certainly the explanation that followed the defeat of the Eckhardt amendment is not consistent with the meaning of the committee bill, and I urge the Members of the House to vote against this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. Eckhardt).

The question was taken; and on a division (demanded by Mr. Eckhardt) there were—ayes 51, noes 143.

So the amendment was rejected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment in the nature of a substitute offered by Mr. O'Neill: Strike out everything after the enacting clause and insert in lieu thereof the following:
>
> That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".
>
> Sec. 2. The President is directed to evacuate from South Vietnam within ten days of the enactment of this Act the following categories of persons:
>
> (1) United States citizens;
>
> (2) dependents of United States citizens and of permanent residents of the United States; and
>
> (3) Vietnamese nationals eligible for immigration to the United States by reason of their relationships to United States citizens.
>
> Sec. 3. All United States citizens in South Vietnam shall be informed that the United States Government will not be responsible for the evacuation of United States citizens who have refused the opportunity for orderly evacuation provided for in this Act.
>
> Sec. 4. In keeping with the tradition of the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters, it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam, and

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to help in the evacuation of those South Vietnamese who are in danger of reprisals because of their past affiliations. To insure that the assistance is provided to such persons throughout South Vietnam the funds made available under this Act shall be furnished to international agencies, as the President shall direct.

Sec. 5. (a) There is authorized to be appropriated to the President of the United States for the fiscal year 1975, to remain available until expended, $150,000,000 to be used for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

(b) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, until the funds have been expended, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

(1) the amount of humanitarian assistance provided under this Act;

(2) the expected recipients of such assistance;

(3) the names of all organizations and agencies involved in the distribution of such assistance; and

(4) the means with which such distribution is carried out.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Massachusetts (Mr. O'Neill).

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the amendment on the ground that it comes too late. When the request of the gentleman from Pennsylvania (Mr. Morgan) was made to consider the remainder of the bill read and open to amendment, the Clerk had already read section 2. This amendment amends section 2, and therefore comes too late, and is not in order.

The CHAIRMAN (Mr. Pike). The Chair is ready to rule.

The Chair will state that the amendment offered by the gentleman from Massachusetts (Mr. O'Neill) is in the nature of a substitute for the whole bill, and is, in fact, in order at any time since the bill is open to amendment at any point. The point of order is not sustained.

The gentleman from Massachusetts (Mr. O'Neill) is recognized for 15 seconds in support of his amendment.

Mr. O'NEILL. Mr. Chairman, may I simply say that this is the Edgar amendment with all of the amendments that have been added before 4 o'clock this afternoon, and before the gentleman from Texas (Mr. Eckhardt) had wiped out all of the amendments.

Mr. Chairman, I want to say categorically that I am opposed, and I do not approve of the intervention of U.S. troops for the evacuation of South Vietnamese. This bill under the amendment I have offered will take care of the American citizens, and the dependents of American citizens.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts, Mr. O'Neill, in the nature of a substitute.

The question was taken.

RECORDED VOTE

Mr. O'NEILL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 147, noes 266, answered "present" 1, not voting 18, as follows:

[Roll No. 147]

AYES—147

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
AuCoin
Badillo
Baldus
Baucus
Beard, R.I.
Bedell
Bennett
Blanchard
Blouin
Boland
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Conyers
Corman
Cornell
Dellums
Diggs
Dodd
Downey
Drinan
Early
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Fisher
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Fulton
Ginn
Green
Gude
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Holland
Holtzman
Howard
Howe
Jacobs
Jenrette
Johnson, Colo.
Jones, Tenn.
Karth
Kastenmeier
Keys
Koch
Krebs
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
McCloskey
Macdonald
Madden
Maguire
Mann
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Mosher
Moss
Mottl
Neal
Nolan
Oberstar
O'Neill
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Randall
Rangel
Rees
Reuss
Richmond
Riegle
Rodino
Roncalio
Rooney
Rosenthal
Roush
Roybal
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Snyder
Spellman
Stanton, James V.
Stark
Stokes
Studds
Thompson
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Waxman
Weaver
Whalen
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Yatron
Young, Ga.

NOES—266

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Barrett
Bauman
Beard, Tenn.
Bell
Bergland
Bevill
Biester
Bingham
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Eckhardt
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hansen
Harrington
Harsha
Hastings
Hays, Ohio
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holt
Horton
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Long, La.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Mahon
Martin
Mathis
Meeds
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nix
Nowak
Obey
O'Brien
O'Hara
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rose
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spence
Staggers
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Van Deerlin
Vander Jagt
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Ryan

NOT VOTING—18

Biaggi
Boggs
Dent
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hanley
Hébert
Hinshaw
Mills
Murphy, N.Y.
Passman
Pritchard
Shriver
Steed
Treen
Wydler

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would like to state the parliamentary situation as best he can as follows: There is no additional time for debate, except in the case of those amendments which have been printed in the Record as to which the proponents will have 5 minutes and the opponents will have 5 minutes.

Members seeking recognition for amendments which have not been printed in the Record will be recognized. Their amendments will be read and they will be voted on. Because of that fact, the Chair can only earnestly solicit that the committee be in order. There are going to be many amendments presented very rapidly. There are going to be a lot of votes.

PARLIAMENTARY INQUIRY

Mr. MILFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MILFORD. Mr. Chairman, would it be in order to make a unanimous-consent request at this time to allow Members to insert their remarks in the Record behind those who are offering amendments?

The CHAIRMAN. That permission can be obtained in the House and should be obtained in the House.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rousselot: On page 3, after line 9, add the following new section:

"Sec. 8. The Congress finds that the provisions of this Act are made necessary by the flagrant violations of the Paris Peace Agreement by the military forces of the North Vietnamese and the Viet Cong now engaged in military aggression against the people and government of the Republic of Vietnam.

Mr. BAUMAN. Mr. Chairman, I rise in support of this amendment which, in my view, is necessary in order to place our action today in some sort of realistic perspective.

Briefly, this amendment states that the provisions of this act are made necessary by the flagrant violations of the Paris peace accords by the North Vietnamese and Vietcong, violations which have been supported by the Soviet Union and the People's Republic of China—or Red China, as we used to call it. These two governments should use their considerable influence to put an end to the North Vietnamese and Vietcong aggression.

Last week we witnessed the fall of Cambodia. It is likely that we will witness the fall of Saigon within a few days or a few weeks at the outside. These military defeats have created the situation to which H.R. 6096 addresses itself. We will soon be faced with the necessity of evacuating the last American personnel from South Vietnam. We will be staring into the faces of thousands of South Vietnamese who will have become refugees or who would like to get out of the country for fear of their lives.

I believe that America's heart is still good. Faced with this situation most Americans, no matter what their fears of unwise involvement, no matter what their opinions about the mistakes of the past, no matter what their ideological perspective, instinctively want to do something to help these people.

In this time of tragedy it is important for us to maintain our perspective about the ultimate causes of all this human suffering. Scholars and statesmen will debate for years to come the extent to which American actions contributed to the fall of South Vietnam, and the extent to which it was caused by weakness and failure on the part of the South Vietnamese Government and leadership. We are too close to the situation to be truly objective about these matters today. If the past is a guide, there are facts which we will not even know about until years from now when historians dig them out of the confusion and complexity which have marked South Vietnam in the last few months.

But we do know one thing for sure. If North Vietnam and the Vietcong had abided by the Paris Peace Agreement of 1972, we would not now be debating just how to help people who need to be evacuated from South Vietnam. If the Communist forces had not continued their aggression and their determination to overrun South Vietnam, there would not now be thousands of potential refugees pleading for our help. But North Vietnam and the Vietcong did not interpret the Peace Agreement as it was written, as an end to hostilities rather than an invitation to further aggression.

One other thing is certain. If the North Vietnamese and Vietcong had not had massive military aid from the Soviet Union and Communist China, they would not have been able to carry out the military aggression which has led to the conquest of most of South Vietnam and may soon lead to its complete domination.

These are facts which most people recognize. If we fail to take cognizance of them in some official form, we lose a great deal in perspective and understanding. This amendment, which I drafted, simply puts it on the record that while we may be in disagreement as to the extent to which American or South Vietnamese actions have contributed to this need to evacuate refugees, we have no illusions regarding the fact that the ultimate cause of this suffering is the aggression of the North Vietnamese and Vietcong, backed up by the Soviet Union and Communist China.

Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Rousselot).

The question was taken, and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 329, noes 72, answered "present" 7, not voting 24, as follows:

[Roll No. 148]

AYES—329

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Downey
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Findley
Fish
Fithian
Flood
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hannaford
Hansen
Harkin
Harris
Harsha
Hays, Ohio
Hechler, W. Va.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
Patman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—72

Abzug
Ashley
Badillo
Barrett
Bingham
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Conyers
Corman
Dellums
Diggs
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Fascell
Fisher
Ford, Mich.
Ford, Tenn.
Hanley
Harrington
Hawkins
Hayes, Ind.
Helstoski
Holtzman
Jacobs
Kastenmeier
Keys
Koch
Leggett
Lehman
McCloskey
Metcalfe
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moss
Nix
O'Neill
Ottinger
Rangel
Rees
Reuss
Richmond
Rodino
Rosenthal
Roybal
Scheuer
Schroeder
Seiberling
Solarz
Stark
Stokes
Thompson
Tsongas
Vander Veen
Waxman
Weaver
Whalen
Wirth
Yates
Young, Ga.

ANSWERED "PRESENT"—7

AuCoin
Edgar
Maguire
Meyner
Pattison, N.Y.
Riegle
Ryan

UMI

UMI

NOT VOTING—24

Bafalis
Biaggi
Boggs
Dent
Dodd
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hastings
Hébert
Heckler, Mass.
Hinshaw
Mills
Moffett
Moorhead, Pa.
Mosher
Murphy, N.Y.
Passman
Pritchard
Shriver
Steed
Treen
Wydler

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CASEY

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: Page 3, After line 3, insert (e) none of the "other foreign nationals" referred to in paragraph (d) shall be evacuated to any of the States of the United States, without the express consent of Congress.

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MORGAN. Mr. Chairman, I make a point of order against the amendment in that the amendment is not germane. It deals with the immigration policy, and would change the standards on immigration.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. CASEY. I do, Mr. Chairman.

Mr. Chairman, this amendment would change no standards on immigration except that the classified people under paragraph (d) of section 4 which says that—

. . . none of the other foreign nationals referred to in paragraph (d) shall be evacuated to any of the States of the United States without the express consent of the Congress.

It is certainly germane, because it has to do with the evacuation of these people under section (d) of section 4.

The CHAIRMAN (Mr. PIKE). The Chair is ready to rule.

The language of the amendment does not limit the operation of the bill. It pertains strictly to the evacuation process. It does not mention immigration policy. It simply says that persons in a certain category of evacuees contained in the bill cannot be evacuated to any of the States of the United States without the consent of the Congress. Therefore the amendment is germane, and the point of order is not sustained.

The question is on the amendment offered by the gentleman from Texas (Mr. CASEY).

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. CASEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: Page 3; immediately after section 8, add the following new section:

SEC. 9. The Congress of the United States calls upon the United Nations to take appropriate steps to identify non-communist countries in which persons described in paragraph (d) of section 4 who are evacuated from South Vietnam can be resettled and requests that the United Nations notify the President of the United States at the earliest practicable time with respect to which non-communist countries are willing to accept such evacuees for resettlement.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: Page 3, immediately after line 14, add the following new section:

SEC. 9. It is the sense of the Congress that as the humanitarian aid provided under this Act is made available in South Vietnam, the President is requested to use all appropriate diplomatic means at his disposal to obtain (1) an updated accounting of Americans listed as missing in action in Southeast Asia, and (2) the return of the remains of known American dead. The President is further requested to report to the Congress within 30 days after aid is made available in Southeast Asia, the diplomatic actions being taken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CONLAN

Mr. CONLAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONLAN: On Page 2, line 20, strike out "American citizens; and" and insert in lieu thereof: "American citizens or whose employment by U.S. forces, religious beliefs, or past affiliation might subject them to persecution or death under a Communist regime; and".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. CONLAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CONLAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. OTTINGER

Mr. OTTINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OTTINGER: Page 1, line 7 after "used", strike out "notwithstanding any other provision of law".

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. The amendment is to section 2 of the bill, and section 2 has already been read and completed, and no amendments are in order to section 2.

The CHAIRMAN. Does the gentleman from New York wish to be heard on the point of order?

Mr. OTTINGER. It is my understanding the bill was made open to amendment at any point, and that happened before I had the amendment on the desk, so I think in order to have my rights protected, Mr. Chairman, it is in order.

The CHAIRMAN (Mr. PIKE). For the reason stated by the gentleman from New York, the point of order is not sustained.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. Is the Chair of the opinion that the gentleman from Pennsylvania did not say that the remainder of the bill would be open for amendment? The gentleman from Maryland heard him say that distinctly.

The CHAIRMAN. At the point of the unanimous-consent request the section in question had been read, and section 2 was still open for amendment. Section 3 had not been read, section 2 remains open to amendment, and the point of order is not sustained.

The question is on the amendment offered by the gentleman from New York (Mr. OTTINGER).

The question was taken; and on a division (demanded by Mr. OTTINGER) there were—ayes 65, noes 156.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 3, line 13, add the following section 7 and renumber the following sections accordingly:

"SEC. 7. No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG."

The CHAIRMAN. Was the amendment offered by the gentleman printed in the RECORD?

Mr. ASHBROOK. Yes, it was, Mr. Chairman, on page H31[illegible]3.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. ASHBROOK. Mr. Chairman, this has been a rather strange legislative day when we have to offer the same amendment three times to make sure that it gets into the final action of this body. That is precisely what is happening. I do not need to take a great deal of time inasmuch as this amendment was passed much, much earlier in the day. However, since that time a number of things have happened and I will demand a record vote so Members can be on record on this issue.

Possibly when the amendment came up the first time it was not fully understood as there were 70 who voted against it. This amendment prevents taxpayers' money from being channeled directly or indirectly through Communist governments in Vietnam.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio and commend him for it.

Because I have come to the conclusion that we have an obligation to assist the

innocent men, women, and children of South Vietnam, drawn into this conflict through no fault of their own, I will vote for this humanitarian aid bill. We have a moral responsibility to do whatever we can to provide food, clothing, shelter, and medical care for the Vietnamese people victimized by what must now seem to them to be an endless nightmare.

Mr. Chairman, we Americans hate and abhor failure. Throughout our history we have achieved amazing economic, political, and military successes. In this light the Vietnam debacle marks a painful contrast as the darkest moment in our 200-year history.

We cannot now escape responsibility for Vietnam nor can recognition of the now discovered flaws of the Saigon government lessen our grief for the South Vietnamese people whose only sin was a fear of communism and a desire for their own free government.

Neither, however, can we continue into a third decade of a no-win policy destined for failure since its inception, first in Korea and later in South Vietnam. This no-win policy under five Presidents did not make this policy of containment any more viable. That program has cost us $150 billion, 56,000 American lives in Vietnam, and has gained us nothing but pain, suffering, and contempt from other nations of the world.

The tragedy of Vietnam is not a story of a single vote or even a single year. It is a story of a wish for world peace that was not supported by realistic planning. Our hopes and prayers were correct. Our actions were not. We have learned a vitally important lesson that we cannot be the policeman for the world. But, we have learned it too late for Vietnam; and we have learned that if we go into a military conflict, we must be determined to win.

I have wrestled with my conscience searching for an answr as to what the right vote is for the future of the people of the United States and those South Vietnamese who have befriended us. No military aid to South Vietnam is authorized in this bill. The issue of providing any more aid has bothered me. But, I have come to the conclusion that we can not turn our back on the poor people of South Vietnam caught up in the ravages of war suffering from hunger and with no place to go.

Mr. Chairman, for the aforementioned reasons, I have concluded that the right vote for me is in favor of H.R. 6096.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, as I read the amendment, it states that we cannot use this aid to deliver military aid to the DRV or the PRG?

Mr. ASHBROOK. That is exactly correct.

Ms. ABZUG. It means all the people living there which could mean all the people in Vietnam will not receive any humanitarian aid.

Mr. ASHBROOK. The effect of my amendment is to say very clearly that American taxpayers' dollars in no way shall be used to channel aid through either the PRG or DRV, the North Vietnamese Government. That is entirely correct. That is the intention of the amendment. The gentlewoman from New York hits it directly on the head.

Ms. ABZUG. So the people living in PRG areas and the people in North Vietnam cannot receive any aid.

Mr. ASHBROOK. That would be correct. In the sad event the PRG or the North Vietnamese Government takes over all of Vietnam, we should not give any aid of any kind to Communist governments. I think it is very clear the majority of Americans do not want the taxpayers' dollars channeled through either of those Communist governments and that is the specific purpose of this amendment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, either this is humanitarian assistance or it is not. If the object is to helping people who need help, then what does it matter which government they are subject to?

Mr. ASHBROOK. I will be glad to answer that.

There are many issues the American people clearly do perceive, and I think there is not the slightest doubt they clearly perceive this issue and they fully know that there is not the slightest chance unilateral aid would be regularly channeled through the Communist governments to the needy South Vietnamese people.

Mr. SEIBERLING. Then why not phrase the amendment in precise terms rather than in this general way?

Mr. ASHBROOK. I do not understand the gentleman. The gentlewoman from New York clearly hit the nail on the head. There has been a great deal of talk about obfuscating issues, but I think this is a very clear amendment.

Mr. RIEGLE. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Michigan.

Mr. RIEGLE. I think there were about 1 million refugees in Da Nang that were caught there that we wanted to evacuate and could not be evacuated. Presumably those evacuees are still there and will remain there indefinitely. As I understand, this would prevent any assistance from going to them.

Mr. ASHBROOK. Not necessarily. If the Communists allow independent humanitarian agencies to set up relief operations in South Vietnam, the money would not have to be channeled through the Government of North Vietnam to the people in the south. Then it could go to the people. What we are saying in this amendment is that it will not go on a government-to-government basis. If Communists allow what is common practice in the rest of the world, that would be a people-to-people operation, and my amendment would not prevent such assistance.

Mr. RIEGLE. I am also concerned that we probably could not channel any assistance through the South Vietnamese Government, because they are not capable of getting the job done. Does the gentleman agree to that amendment to his amendment or not? Let us just do it all citizen to citizen with the international agencies, citizen to citizen regardless who happens to be in control of what part of the country.

Mr. ASHBROOK. I would say to the gentleman that those commodities, food, and fibers going to South Vietnam at the present time could probably go to the people; but if these commodities go to the Communists, there is very little chance of them going to the people.

Mr. FRASER. Mr. Chairman, I rise in opposition to the amendment.

I think the entire case given by the gentleman from Ohio that the private relief organizations, the U.N. Children's Fund, is able to administer the funds; then this amendment would not be a bar.

Supposing there is a case where the government controlling the territory would provide such a thing like transportation or to help offload the supplies, using government facilities; would such an action be barred by the amendment of the gentleman?

Mr. ASHBROOK. I would say that the amendment indicates that the funds shall not be channeled through or administered by the DRV or the PRG. To the extent that private agencies can operate there, it would be the normal situation in the non-Communist countries. I do not think people to people aid would be prohibited.

Mr. FRASER. I think the gentleman knows that private agencies administer, but often in getting it to the people they have to use public facilities. They have to use airports and seaports and public transportation facilities. What about those circumstances, would that be outlawed under the gentleman's amendment?

Mr. ASHBROOK. I would say the intention is to prevent taxpayers' money going to the government. It is very clear in any situation where the Communists control in Vietnam, they would have some control over arrival at an airport or at a seaport. I would not consider that being channeled through their government.

Mr. FRASER. As long as the government is in control of the territory where the refugees are to be found and were to assist in the private or international body, that would not come under the injunction of the gentleman's amendment?

Mr. ASHBROOK. Yes; I would say it is implicit it be operating; otherwise, there would be no way for the aid to go in. I am talking about government to government aid and that is what we are trying to stop with this amendment.

Mr. FRASER. I appreciate the clarification. I think it is an unnecessary amendment. It raises some problems and I think we would be better off without it, because we are dealing purely with humanitarian aid and I do not see any value in putting problems in the way of public or private bodies trying to assist people. We were trying to help them 2 weeks ago and they may be now behind the lines of the Communists. They are just as much in need as they were 2 weeks ago and we ought to try to help them.

UMI

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Ashbrook).

The question was taken; and the Chairman announced that the "ayes" appeared to have it.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 343, noes 71, answered "present" 1, not voting 17, as follows:

[Roll No. 149]

AYES—343

Abdnor
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Michel
Milford
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
O'Brien
O'Hara
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Regula
Reuss
Rhodes
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—71

Abzug
Badillo
Barrett
Bingham
Blouin
Brademas
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Dellums
Diggs
Drinan
Eckhardt
Edgar
Edwards, Calif.
Ford, Mich.
Ford, Tenn.
Fraser
Harkin
Harrington
Hawkins
Helstoski
Holtzman
Howard
Jacobs
Jordan
Kastenmeier
Keys
Koch
Leggett
Maguire
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mink
Mitchell, Md.
Moffett
Moss
Nix
Obey
O'Neill
Ottinger
Rangel
Rees
Richmond
Rodino
Roncalio
Rosenthal
Roybal
Scheuer
Seiberling
Simon
Solarz
Stark
Stokes
Thompson
Tsongas
Waxman
Wilson, Charles H., Calif.
Yates
Young, Ga.

ANSWERED "PRESENT"—1

Ryan

NOT VOTING—17

Biaggi
Dent
Eshleman
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Mills
Murphy, N.Y.
Passman
Pritchard
Shriver
Steed
Udall
Wydler

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Stratton: Page 1, line 6; strike out "$150,000,000" and insert "$300,000,000".

Page 2, line 2; delete the period at the end of the line, insert a semicolon and add the following: "*Provided*, That $150,000,000 of such sum shall be available to the President solely to provide such protection as he may deem necessary to insure the delivery of the humanitarian assistance and evacuation programs authorized in this section."

The CHAIRMAN. The Chair will inquire whether the gentleman's amendment was printed in the Record?

Mr. STRATTON. This amendment, Mr. Chairman, was printed on page 11322 of the Congressional Record.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. STRATTON. Mr. Chairman, I do not want to take the full 5 minutes. This is essentially the same amendment that I offered to the Eckhardt substitute some 6 or 7 hours ago. I am offering it again not only because I feel that it should be offered to this bill, but because under these circumstances I may even get a chance to explain it.

Essentially the amendment would increase the total authorization by another $150 million. That $150 million would be available to the President to spend as he saw fit only for military assistance to provide protection for the humanitarian aid and the evacuation services authorized contained in this legislation.

I think it is clear as a result of the debate that this House is in favor of humanitarian aid and is in favor of evacuation services. But at the same time it is clear that a substantial number of Members are disturbed about the possibility of inserting American troops at some point in the process to effect that evacuation.

I think it makes a great deal of sense to use South Vietnamese forces to provide that protection if we can do it rather than to use U.S. Marines. If we can get the South Vietnamese to provide some continuing protection of the defense perimeter around the Tan Son Nhut Airport, for example, would not that make sense in cutting down the number of Marines that we might have to insert?

Maybe we would not have to insert any of them at all.

I do not know whether at this late date any of this money can be effectively used or not; but if it is possible that the situation develops so that it can be used, then it seems to me to make good sense that we make this money available to the President, and thereby reduce the possibility of having to use as many American forces, and having to risk as many American lives in the process.

That is what my amendment does.

Mr. Chairman, since this may possibly be the only time that we will get to vote on a bill meeting some of the recent requests of the President, it makes sense to present this opportunity to vote on military aid which is exclusively reserved for protecting the delivery of humanitarian aid and evacuation services.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be glad to yield to the gentlewoman from New York.

Ms. ABZUG. Who is it we are going to give this military aid to?

Mr. STRATTON. We are going to give the military aid to the forces of South Vietnam if they continue to fight as they are still doing at the moment, and as they will still be doing in the next few days or the next couple of weeks, even the next 10 or 30 days, for which we reserve time for our Marines to come in and aid the evacuation.

Ms. ABZUG. I just thought I might mention to the gentleman that the Vice President of South Vietnam has resigned and has asked General Minh to take over. I assume he will seek negotiations with the PRG. Should they fail however we just might end up giving this military aid to the Vietcong.

Mr. STRATTON. I am sure the President would not provide such military aid to the Vietcong. In fact if the gentlewoman's report about a change in South Vietnamese control is as accurate as the one she gave us a few minutes ago about the Marines landing, I would rather wait and see what the actual situation really is.

Ms. ABZUG. I will share the credit for both stories with the Associated Press who reported both stories. This is military aid; is it not?

Mr. STRATTON. Exactly, yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Stratton).

The amendment was rejected.

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. Holtzman: Page 2, line 11, insert immediately after "removal" the following: "outside of Vietnam".

The CHAIRMAN. Has this amendment been printed in the Record?

Ms. HOLTZMAN. Yes, Mr. Chairman. It was printed in the Record yesterday.

I hope not to take the 5 minutes, Mr. Chairman. This is a very simple amendment. It goes to the language on page 2 of the bill, which states:

> . . . evacuation shall be defined as the removal to places of safety. . . .

The bill, however, does not specify that these places of safety should be outside of Vietnam.

My amendment would just say that evacuation should take place to places outside of Vietnam. I do not think we want to create in this bill, an evacuation within Vietnam itself, or the creation of enclave in Vietnam indefinitely secured by American troops to which people can be evacuated. I am sure the intention of the bill is to do what my amendment suggests, and I would urge its adoption.

Mr. MORGAN. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I thank the gentlewoman for yielding.

I want to say section 2 of the bill provides for evacuation programs from South Vietnam. I see no objection to adding the words "outside Vietnam" in line 11. The Chairman has no objection to the gentlewoman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. Holtzman).

The amendment was agreed to.

Mr. STARK. Mr. Chairman, I move to strike the requisite number of words, and I rise for the purpose of expediting procedures. I have some 19 amendments printed in the Record. I would like to ask unanimous consent that I be given 6 minutes, which I intend to yield to the gentleman from New York (Mr. Bingham) and the gentleman from New York (Mr. McHugh). If that unanimous-consent request is granted, I do not intend to offer any of my 19 amendments.

Mr. MORGAN. Mr. Chairman, reserving the right to object, I would like to point out, as the gentleman has already mentioned, that he has some 19 amendments printed in the Record. He could keep us here for 2 more hours, if he wants to call them up. He has assured me he does not. He only wants the 6 minutes he has requested, and I really hope nobody objects to his request.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. Bingham).

Mr. BINGHAM. Mr. Chairman, the purpose of the time I take is to explain an amendment which will be offered as soon as he can get recognition, which is simply to clarify the committee's intention that nothing in this bill will have any effect whatever on the War Powers Act. The original wording of section 5 did not make clear that the bill itself would not constitute the type of specific authorization for military activity that is referred to in the War Powers Act.

This amendment will be agreed to by the chairman of the committee and by the ranking minority member and by the gentlewoman from New York (Ms. Holtzman) and others I have discussed it with. I think it is generally acceptable.

If the gentleman will yield briefly to the gentlewoman from New York (Ms. Holtzman) I will appreciate it.

Mr. STARK. I yield to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Chairman, I compliment the gentleman from New York. We both are concerned about the ambiguity in the bill. We both are concerned that provisions of the War Powers Act respecting the automatic 60 day termination of military action and the expediting a concurrent resolution disapproving the military action would be applicable here. I hope the gentleman's amendment is accepted.

Mr. BINGHAM. I think the gentlewoman from New York and I thank the gentleman from California.

Mr. STARK. Mr. Chairman, I yield to the gentleman from New York (Mr. Mc Hugh).

Mr. McHUGH. Mr. Chariman, I appreciate the gentleman yielding.

I would like to explain my two amendments I will offer upon getting recognition.

The first is, I believe, an amendment which will clarify and make express the intent of the committee and certainly the intent of the vast majority of the Members of this House. It relates to section 3 which now reads that the U.S. Armed Forces could be used "for the purposes of section 2 of this act." In section 2 the purposes are listed as "humanitarian assistance to and evacuation programs from South Vietnam." That means technically that the Armed Forces under section 3 could be used for humanitarian assistance as well as evacuation. I do not believe that is the intent of the committee nor do I believe it is the intent of the House and, therefore, I will offer an amendment which will expressly limit section 3 to the use of Armed Forces "for the evacuation programs referred to in section 2 of this act."

The second amendment which I will offer is one which we have considered in another context and which I think is pertinent to discuss again only because of the discussion and conversation we had a few moments ago about how humanitarian assistance is to be provided. This amendment would provide that the President could determine the international organizations and relief agencies and so on to be used to provide this humanitarian assistance. The problem is I cannot understand who is going to deliver the humanitarian assistance. The Americans cannot do it, because we will evacuate them. The South Vietnamese Government is tenuous at best and will certainly not survive another week. The North Vietnamese Government is a government we do not wish to deal with directly for humanitarian assistance. Therefore, it seems to me we have no choice, but to use the international relief agencies and that is the spirit in which I will offer my amendments.

Mr. STARK. Mr. Chairman, I yield the balance of my time to the gentleman from Iowa (Mr. Harkin).

Mr. HARKIN. Mr. Chairman, I will be offering an amendment which is at the desk to basically strike section 4(d) of this act. I believe it is the one serious flaw in the bill. The committee chairman has spoken about the concern we all have for U.S. citizens in Vietnam and dependents and those who would have relationships that would enable them to emigrate to the United States. I share that concern.

However, the majority leader spoke about this problem: How do we define those whose lives are threatened? Many people want out of Vietnam to come to the United States not because they are threatened but because they can have a better life here. We face the situation we would have to face if we would go to any country such as India or Bangladesh or the Sahelian area of Africa. People want to come here to have a better life. Everyone will want to get out of South Vietnam. Who will get out? It will be the rich and the powerful and those with influence. But what about the poor people and others who have collaborated with us who are not rich and who do not have influence? How many will be involved we do not know. We do not know if it will be 1 million or 100.000 or 200,000.

Then we have the question: Whose district will they go to? So if Members are going to vote against my amendment I would hope that they will tell us how many of these people those Members are going to take into their districts. How are we going to go back and tell our people in our areas that we are going to bring in 200,000 or 300,000 people to compete with our people for the jobs we do not have in this country?

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bingham: Page 3, line 6, after Public Law 93–148, strike out the period and insert "or to constitute a

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specific authorization for the use of United States Armed Forces within the meaning of section 5 (b) and (c) of such War Powers Resolution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Bingham).

The question was taken; and on a division (demanded by Mr. Bingham) there were—ayes 107, noes 74.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Harkin: Page 2, line 21, strike out lines 21 through 25 on page 2, and strike out lines 1 through 3 on page 3.

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MORGAN. Mr. Chairman, I make a point of order that the amendment is not in order, since 4(d) was previously amended.

The CHAIRMAN. Does the gentleman from Iowa wish to be heard on the point of order?

Mr. HARKIN. Yes, Mr. Chairman. This is a striking motion, so even if there was an amendment on that before, this is a striking motion to strike the whole section 4(d).

The CHAIRMAN. The Chair is ready to rule. Under the amendment offered by the gentlewoman from Illinois (Mrs. Collins) a new section 4(d) was inserted in the bill.

This amendment seeks to undo only that which was previously done by the committee and, accordingly, it is not in order and the point of order is sustained.

AMENDMENT OFFERED BY MR. M'HUGH

Mr. McHUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh: Page 3, immediately after line 12, add the following new section: "Sec. 8. (a) Funds made available under this Act or any other Act for humanitarian assistance shall be furnished under such international organizations, international agreements or voluntary relief agencies as the President may determine.

"(b) Within 90 days after the date of enactment of this Act and within each 90-day period thereafter, the President shall, to the fullest extent practicable, transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

"(1) the amount of each type of humanitarian assistance provided under the Act;

"(2) the actual and anticipated recipients of such assistance;

"(3) the names of all organizations and agencies involved in the distribution of such assistance; and

"(4) the means with which such distribution has been and will be carried out."

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I make a point of order against the amendment in that some of the changes are subject to a point of order because in line 2 it quotes, "This act or any other act."

Therefore, it affects funds made available in other acts and limits their use.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. McHUGH. I do, Mr. Chairman. Section 6, or what was section 6, provides for funds under the Foreign Assistance Act of $177 million. That is the other act referred to in the proposed section. Therefore, I think it is in order.

The CHAIRMAN. Unfortunately, the intention of the gentleman is not represented by the language of the amendment. The amendment is overly broad in scope, and accordingly the point of order must be sustained.

The point of order is sustained, and the amendment is not allowed.

AMENDMENT OFFERED BY MR. M'HUGH

Mr. McHUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh: Page 2, line 9, strike out "for purposes of section 2 of this Act." and insert in lieu thereof the following: "for the evacuation programs referred to in section 2 of this Act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHugh).

The question was taken; and the chairman being in doubt, the committee divided, and there were—ayes 103; noes 94.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. John L Burton: Page 2 at the end of line 2, add such evacuation programs to include the evacuation of any gold, silver or other valuable commodities belonging to the people of the United States that is determined to be in danger of being shipped to Switzerland, including 16 tons of gold.

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I make a point of order against the amendment. It goes far afield from the bill and it is not germane.

The CHAIRMAN. Does the gentleman from California (Mr. John L. Burton) wish to be heard on the point of order?

Mr. JOHN L. BURTON. Yes, I would, Mr. Chairman.

The title of the bill is "Humanitarian Aid and Evacuation."

"Evacuation," in the dictionary, is described as the removal of things. It is not limited to persons.

There is nothing in the title that says "an evacuation of persons." I think that it is very germane, the thought of some $83 million.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. THOMPSON. "Things," as I have read the Webster International Dictionary—that is, the latest version—would certainly include gold but would not necessarily be limited to the evacuation or withdrawal of things confined only to precious metals.

Would the gentleman agree with that?

Mr. JOHN L. BURTON. "Evacuation" could concern people and, as it says here, the removal of something from an area. So I think this would cover it.

Mr. THOMPSON. I will not ask any more about the area.

The CHAIRMAN. The Chair is prepared to rule.

Under section 4 of the bill it says:

> For the purposes of section 2, evacuation shall be defined as the removal to places of safety . . .

And the Chair will not read all of the intervening words—

> with the minimum use of necessary force, the following categories of persons:

The gentleman's amendment goes beyond the scope of the bill and is not germane to section 2. Accordingly, the point of order is sustained.

AMENDMENT OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. John L. Burton: On page 3, add section 8:

"The Secretary of State is directed to initiate immediate discussions with representatives of the Provisional Revolutionary Government of the Republic of South Vietnam, to declare the support of the United States for all political goals of the agreement and protocols on ending the war and restoring peace in Vietnam, including specifically the terms of Article 12 and to determine the precise conditions under which the Provisional Revolutionary Government would agree to establishment of a cease-fire and to a political settlement of the conflict. The Secretary is further directed to discuss with the Provisional Revolutionary Government of the Republic of South Vietnam the status of any Americans who are presently listed as missing in action in Vietnam.

"Within seven days, the Secretary shall advise the United States Congresa and appropriate officials in Vietnam, including the legislative branch of the government in Saigon and principle Third Force leaders, of the progress and results of these discussions."

POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I have a point of order against the amendment because it goes much further than the scope of the bill and it is not germane.

The CHAIRMAN. Does the gentleman from California wish to be heard on the point of order?

Mr. JOHN L. BURTON. I do, Mr. Chairman.

I think that the amendment is in order. It certainly deals with the whole problem of the bill. We had something dealing with those missing in action, and this deals with trying to get the information on the missing in action.

I would assume that it is as germane as the amendment of my good friend, the gentleman from Mississippi (Mr. Montgomery).

The CHAIRMAN. The Chair is ready to rule.

In the judgment of the Chair, the addition of the amendments by the gentleman from California (Mr. Rousselot) and the gentleman from Mississippi (Mr. Montgomery) which is very similar to the second part of the pending amendment, did adequately broaden the scope of this bill so that the amendment of the gentleman from California (Mr. John L. Burton) would be in order.

The Chair overrules the point of order.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to thank my beloved colleague, the gentleman from California, for the opportunity to be in order.

This is really a very serious amendment that gets to the heart of what we are talking about.

If we are concerned about the safety of not only our people over there but about trying to get out peacefully as many South Vietnamese as we desire to get out, we have to talk with the other side involved in the hostilities over there. If we are concerned about our missing in action, we really are going to have to deal with the people who are in control of the countryside where people are missing in action. I believe that this is a proper amendment that directs the Secretary to do this. It is a constructive approach to the problem. I really cannot see anything wrong with the amendment.

Mr. Chairman, I think that it goes in a good direction; and as long as we are trying to get authority to shoot our way in and out, I think it would be good to have some direction to talk our way in and out.

Mr. STEIGER of Arizona. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be delighted to yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Chairman, I wonder whether the gentleman would mind using the other microphone because there might be some visitors who think the gentleman belongs on this side of the aisle.

Mr. JOHN L. BURTON. Mr. Chairman, I would like to say this to the gentleman, I have heard since I have been here that the gentleman from Arizona is the wit of the Republican Party, and I can believe it because I have served with Republicans who are my friends and I found them mostly to be witless.

However, Mr. Chairman, I would say this: This is a good amendment, and I will take time to speak to another amendment that I will not have time to speak on later because it was not in there, but the gentleman is going to get a vote, a rollcall vote. It says that the military personnel sent over on this mission should be volunteers.

We will get a chance for a rollcall vote on that. That amendment will be coming up afterward.

I would again urge an aye vote on this.

Mr. Chairman, I would ask for an aye vote on this amendment.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is the President who sets foreign policy, not the Secretary of State. It is he who should be directed to take the steps spelled out in this amendment.

I just do not see how we can direct the Secretary of State to talk to the Communist government in North Vietnam. It takes two people to talk. There have been indications of contact between the United States and the other side, but to put the glare of publicity on them would destroy any talks that could be arranged.

The amendment also calls for the Secretary of State to report to Congress and certain other entities within 7 days. Seven days of what? Passage of this bill? The first approach of the other side? The actual beginning of talks? I do not know what the gentleman means by 7 days.

The amendment also calls upon the Secretary of State to report to the principal third force leaders on the progress of the talks. What is the third force? I do not know whether anybody in the House knows what it is. The amendment gives no definition of what the third force is, or who are the principal leaders.

Mr. JOHN L. BURTON. Will the gentleman yield?

Mr. MORGAN. I will yield to the gentleman in just a moment.

Mr. Chairman, the arguments against the 15-day limit we have handled with regard to the other amendments. I am very confused by the gentleman's amendment. I am sorry the gentleman offered it. I think it would do nothing in any way that he proposes.

Now I am glad to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, the third force people are those who were discussed at the Paris agreement, that would be not the Saigon Government nor the PRG, but would be the non-Communist Catholics and Bhuddists, and such leaders.

Mr. MORGAN. Are any of them among the people we sat down with in 1969, and spent 4 months trying to find out whether the table would be round or square? Are those the people the gentleman is talking about?

Mr. JOHN L. BURTON. No.

Mr. MORGAN. Who are the third force people?

Mr. JOHN L. BURTON. The non-Saigon government, non-PRG leaders in South Vietnam which are the religious leaders, that is, the non-Communist, anti-Communist leaders, and the Bhuddist leaders; they are leaders of the non-alined force, that is why they are.

Mr. MORGAN. Mr. Chairman, I recommend that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. John L. Burton).

The amendment was rejected.

AMENDMENT OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. John L. Burton: On page 3, add section 8:

"This Act will expire 15 days after its enactment or when the President or the Secretary of State certifies to the Congress that categories A, B, and C have been safely evacuated, whichever comes first."

Mr. JOHN L. BURTON. Mr. Chairman, again this amendment is really very simple. Everyone who has paid attention to any of the debate, and especially those who are on the committee, have heard the Secretary of State say, and have heard Mr. Habib say, and have heard the Air Force Chief of Staff say that they could get the Americans out in a matter of hours or days.

This amendment would limit the action of this bill to 15 days, or when it is certified that the "ABC" categories—those are the American citizens, dependents of American citizens, and the dependents of residents in this country—are safely removed.

I think this is a very worthwhile amendment. In this amendment we are saying that you can move in and you can move out. We do know that the planes are moving in and out, carrying a tremendous number of South Vietnamese.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think this is a very good amendment, and would cure most of the defects against the bill, and I would like to rise in support of the amendment.

Mr. Chairman, I would ask whether the gentleman would also yield so that I could describe in 15 seconds an amendment that I intend to offer?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding.

On page 2, line 2, the bill provides for humanitarian assistance to and evacuation programs from South Vietnam.

As we all know, about 80 percent of South Vietnam is already occupied by the North Vietnamese. Surely we do not want our troops going back to Da Nang or to other parts occupied by the North Vietnamese. My amendment would simply clarify this by substituting for "South Vietnam" the words "areas of South Vietnam not occupied by military forces of the Government of North Vietnam."

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I will be happy to yield to the gentleman.

Mr. EDGAR. I thank the gentleman for yielding.

I would like to stand in support of the gentleman's amendment at this time. I think it is a reasonable amendment. It sets a limit. One of the concerns I have had all through this day, including deliberations, has been that section 3 of this bill does not have any time limitation. There are no parameters beyond which this particular waiver of Presidential powers would end, and I believe section 4, which the gentleman's amendment speaks to, would also be clarified in dealing with it.

Mr. JOHN L. BURTON. The amendment deals with the entire act.

Mr. EDGAR. That is correct.

Mr. JOHN L. BURTON. The purpose of this 15-day limit is to cut off that waiver we have of other prohibitions in section 3 to expedite the removal of the American citizens, their dependents, and others.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding.

I have a question. If this act says there will be a termination in 15 days, I am sure that would affect the humanitarian assistance.

Mr. JOHN L. BURTON. Yes, it would.

Mr. McHUGH. It seems to me that

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they would want to provide humanitarian assistance beyond 15 days.

Mr. JOHN L. BURTON. It is my opinion that humanitarian aid can be provided when we know exactly what the situation is and can say this is an authorization bill. If we want them to start moving within 15 days on humanitarian assistance, I doubt if it would be appropriate in that time. We would not even know what government we were dealing with, and under some of the various amendments it could not be utilized again.

I would urge an aye vote on this amendment.

I would again call to the Members' attention my last amendment that would call solely for volunteers to be used in any military activities over there.

I would ask for an aye vote on the 15-day cutoff of this measure.

Mr. MORGAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I heard the colloquy that occurred between the gentleman from California and the gentleman from New York. Of course, the amendment cuts off the whole act at the end of 15 days. It kills all humanitarian aid; it kills all evacuation money; it just kills the whole act. We have been wasting our time here for 2 days if we adopt this amendment, because it puts everybody out of business in 15 days.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

The point is especially necessary that 15 days, 13 days, 17 days, are not any magic days that we are speaking about. This amendment defeats the very purpose of the bill. It strikes at the amendments that have been supported and many of those that have been offered and rejected. We have gone over this ground again and again. This would impose an artificial, arbitrary, unreasonable restriction that would not be in the public interest. At this time, even at this late hour, this amendment should not be taken seriously. The gentleman's amendment should be rejected.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I thank the gentleman for yielding.

Mr. Chairman, I think enough has been said about the gentleman's first amendment. I just want to speak for a moment about the second amendment which says nobody can go in there but volunteers, which does not mean one thing one way or another. We have an all-volunteer Army; we have an all-volunteer Navy——

Mr. JOHN L. BURTON. If the gentleman will yield, they have to be shot at to be volunteers.

Mr. HAYS of Ohio. If the gentleman will yield further, it does not say that. The way the gentleman's amendment is written, anybody can go.

Mr. JOHN L. BURTON. The gentleman from Ohio has not read it yet.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would like to ask, under the present bill that has been enacted, in the gentleman's opinion at what time will there be an end to the waiver of the Public Laws in section 3?

Mr. MORGAN. In my opinion, the end will come as soon as the evacuation is finished.

Mr. EDGAR. As soon as the evacuation is finished in parts (a), (b), (c), and (d)?

Mr. MORGAN. That is correct.

Mr. EDGAR. And that also means that the sections on humanitarian aid will also be completed, the spending of the $150 million?

Mr. MORGAN. When the funds are finished, correct.

Mr. EDGAR. I thank the gentleman.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman.

Mr. JOHN L. BURTON. Mr. Chairman, I would ask the gentleman, is the 15-day arbitrary limit not better than an open end, open sky limit in the gentleman's judgment?

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, only if the practical purposes of the basic bill could be served. What the gentleman is doing is putting an arbitrary cutoff in and we will have no idea whatsoever of what the real conditions could be.

Mr. JOHN L. BURTON. We have been told the Americans could be flown out any day and the Ambassador is keeping them there as hostages. We have been told that.

Mr. DERWINSKI. This is going to fall on the President of the United States and not the State Department. Do not use that as the whipping boy for the President who has this awesome responsibility.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman.

Mr. BUCHANAN. Mr. Chairman, if the gentleman will yield, is it not the case that the end of the fiscal year would provide the termination if we do not have a termination before then because of the termination of the funds?

Mr. MORGAN. Mr. Chairman, I ask for the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. JOHN L. BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: On page 2, line 2, strike out the words "South Vietnam" and substitute "areas of South Vietnam not occupied by the military forces of the Government of North Vietnam."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

The question was taken; and on a division (demanded by Mr. SEIBERLING) there were—ayes 88, noes 146.

So the amendment was rejected.

RECORDED VOTE

Mr. SEIBERLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 125, noes 290, answered "present" 1, not voting 16, as follows:

[Roll No. 150]

AYES—125

Abzug
Alexander
Ambro
Anderson, Calif.
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Blouin
Bonker
Brinkley
Brodhead
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Dellums
Dingell
Downey
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fisher
Florio
Ford, Mich.
Ford, Tenn.
Gibbons
Green
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heinz
Holtzman
Hungate
Jacobs
Jordan
Karth
Kastenmeier
Keys
Koch
LaFalce
Leggett
Lehman
Litton
Long, Md.
Madden
Maguire
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Moorhead, Pa.
Moss
Mottl
Neal
Nedzi
Nix
Nolan
Nowak
Ottinger
Patterson, Calif.
Pattison, N.Y.
Pepper
Rangel
Reuss
Richmond
Riegle
Roe
Rooney
Rosenthal
Roush
Roybal
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Skubitz
Spellman
Stanton, James V.
Stark
Stokes
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Yatron
Young, Ga.

NOES—290

Abdnor
Adams
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bevill
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Conte
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Dickinson
Diggs
Dodd
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Edgar
Edwards, Ala.
Emery
English
Erlenborn
Esch
Evans, Ind.
Findley
Fish
Fithian
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Ginn

Goodling
Gradison
Grassley
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hansen
Harrington
Harsha
Hastings
Hays, Ohio
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Mahon
Mann
Martin
Mathis
Meeds
Michel
Milford
Miller, Ohio
Minish
Mink
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Rogers
Roncalio
Rose
Rostenkowski
Rousselot
Runnels
Ruppe
Russo
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shipley
Shuster
Sikes
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wylie
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Ryan

NOT VOTING—16

Biaggi
Dent
Eshleman
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Mills
Murphy, N.Y.
Passman
Pritchard
Shriver
Teague
Wydler

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. M'HUGH

Mr. McHUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCHUGH: Page 3, immediately after line 12, add the following new section:

"SEC. 8. (a) Funds made available under this Act for humanitarian assistance shall be furnished under such international organizations, international agreements or voluntary relief agencies as the President may determine.

"(b) Within 90 days after the date of enactment of this Act and within each 90-day period thereafter, the President shall, to the fullest extent practicable, transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

"(1) the amount of each type of humanitarian assistance provided under the Act;

"(2) the actual and anticipated recipients of such assistance;

"(3) the names of all organizations and agencies involved in the distribution of such assistance; and

"(4) the means with which such distribution has been and will be carried out."

Mr. McHUGH (during the reading). Mr. Chairman, inasmuch as this is the same amendment that I submitted earlier, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MORGAN. Mr. Chairman, reserving the right to object, I see that the words "under this Act" take some of the essentials in, but I am sure that the amendment is not subject to a point of order. However, it puts additional duties on the President with respect to humanitarian aid.

Mr. Chairman, I make a further inquiry of the gentleman: Does this limit the full amount of the aid in section 2 to humanitarian aid?

Mr. McHUGH. No, Mr. Chairman, it does not. It would only apply to those funds used for humanitarian assistance.

Mr. MORGAN. Under the act, the way I read the act, it goes much further if the amendment is tied into this bill. It would also go to section 6 which is in the act. Therefore, it includes the whole package of economic aid, including the $73 million plus $177 million, so the gentleman is wrapping up the whole $250 million and handing it out to an international organization.

If the amendment were limited to section 2, I would have no reservations.

Mr. Chairman, I know that it is not subject to a point of order.

I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. MCHUGH).

The amendment was rejected.

AMENDMENT OFFERED BY MR. JOHN L. BURTON

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON: Add section 8: "The U.S. military forces used for the purposes of this Act should be volunteers for duty under this Act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON).

The question was taken; and on a division (demanded by Mr. JOHN L. BURTON) there were—ayes 42, noes 158.

So the amendment was rejected.

PARLIAMENTARY INQUIRY

Mr. LONG of Louisiana. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LONG of Louisiana. Mr. Chairman, would it be in order for me to announce that the UDC breakfast scheduled for 8:30 in the morning will be indefinitely postponed?

The CHAIRMAN. The Chair is obliged to state that whether UDC stands for United Daughters of the Confederacy or United Democrats of Congress, or anything else, the fact that the breakfast has been indefinitely postponed would not be in order at this time.

Mr. LONG of Louisiana. I thank the esteemed Chairman.

AMENDMENT OFFERED BY MR. SEIBERLING

Mr. SEIBERLING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEIBERLING: Page 2, line 11, after the word "removal" insert "from areas of South Vietnam not under the control of the military forces of the Democratic government of North Vietnam."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. SEIBERLING).

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. SEIBERLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. FISHER. Mr. Chairman, in the midst of the fast-moving, complicated, and unpredictable events now taking place in Vietnam it makes sense to set forth as clearly as possible the general propositions which will guide me in casting my vote on the various motions and amendments that will be presented.

First. There should be no general increase in military aid for Vietnam. The President's request is out of the question. Millions of dollars worth of arms already have been abandoned. Pouring in money for addditional equipment would not help. Any further military aid should be severely restricted to meeting the costs of necessary evacuation. There has been enough carnage in that unfortunate country.

Second. We should provide generous economic and humanitarian relief aid immediately, as necessary, for food, medical supplies and personnel, with careful monitoring to see that it reaches those for whom it is intended. We should work, where feasible, with and through international agencies such as the United Nations and the Red Cross.

Third. We have an absolute obligation to protect and evacuate American citizens, and a further obligation to evacuate dependents of American citizens. Others with clear American connections whose lives would otherwise be endangered I hope could be helped to leave. In line with our longstanding tradition, this country must be prepared to accept, if necessary, a rather large number of Vietnamese. In addition we should encourage other governments to offer asylum.

Fourth. We should prepare right away to participate in postwar longer term relief, rehabilitation and reconstruction of Vietnam regardless of which side wins the war. This might be done more effectively and acceptably under appropriate

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international auspices such as the U.N. Other countries should be invited to participate.

I commend these propositions to my colleagues as we in Congress now deal the final phases of this tragic episode in a faraway land. These propositions aim to combine protection of American lives with a reasonable effort to help others for whom we have responsibilities, to embody both firmness and compassion, and to get us through this difficult passage in American history with honor.

Mr. NICHOLS. Mr. Chairman, it appears to me that today may well be the day that the U.S. Congress sits in post mortem over the entire U.S. involvement in Southeast Asia. I do not wish to assess blame for I think in retrospect there is sufficient blame to go around. I believe that each of our American Presidents and each session of Congress which has deliberated on the whole perplexing issue of our involvement in Vietnam has done what they believe to be at the time to be right.

The tragedy as I see it in Vietnam and the sacrifices which this country made in that war-torn country in both money and in American lives came about through our decision to become involved in this conflict, but with a no-win policy attached to our military efforts.

The lessons we have learned there have been tragic and in looking around for some validity for the tragic losses which this country suffered I would hope and pray that we have learned for all time that we must never, never, again allow ourselves to become involved in any war which we do not intend to win.

War—any war—is a terrible thing—human misery, suffering, death, forever etched on the memories of those of us who have experienced the adversities of combat and over the years those Members of Congress who understood war firsthand have continually counseled that this country should have either pursued a win policy or else remove our troops entirely from Southeast Asia.

Regrettably and tragically such voices were unheeded and on this day we come to that point in time when we must sadly fold our tents and hasten to evacuate the few remaining Americans in the Saigon area.

Mr. Chairman, one of the strongest voices and one of the most knowledgeable Members of this body was our late colleague from Alabama, the distinguished George Andrews, and I have gone back in the annals of the Congressional Record of this body and I am today inserting speeches made by our late friend from the same well of this House some 7 years ago. I hope that each of the 435 Members of this Congress will read these remarks carefully and that the wisdom of Congressman Andrew's judgment may in some way guide us on future deliberations before this body and that we will never, never, Mr. Speaker, again permit these United States to become engaged in a conflict that we do not intend to win.

The remarks follow:

Mr. Andrews of Alabama. Mr. Chairman, recently I made two speeches in connection with the Vietnam war, and I would like to insert them again in the Record at this point.

On June 24, 1968, I stated:

Fight To Win or Get Out

Mr. Andrews of Alabama. Mr. Speaker, last Saturday the Vietnam war became the longest in the history of this Nation—longer than the Revolutionary War, the War Between the States, World War I, World War II, and the Korean war. I think it is generally conceded that our present enemy is the weakest and smallest country we have ever engaged in war, and the fact that the war against the weakest enemy has lasted longer than any other war in our history convinces me that we are not fighting this war to win. I beg and plead with the President to get out of there if you are not fighting to win. I am sick and tired and broken-hearted at reading a casualty list each week of young Americans ranging between 300 and 500 each week. Please—let us fight this war to win or get out of South Vietnam. If George Washington had fought the Revolutionary War as this one is being fought we would still be under British control.

On June 13, 1967, I said:

First I should like to pay my respects to our distinguished chairman, the gentleman from Texas (Mr. Mahon). I have served under three chairmen of the full Appropriations Committee during my tenure in office, and I have yet to see one who in my opinion has done a better job than has the gentleman from Texas.

This is a big bill. It is the biggest bill that will come before the Congress—$70,295,200,000—to provide the weapons of war for our servicemen who are today engaged in what I consider to be one of the worst wars, if not the worst war, this country has ever been involved in.

There are high ranking members of the military who have agreed with that statement namely, that this is the worst war this Nation has ever been engaged in.

Unfortunately, Mr. Chairman, it seems that only those who have relatives in the jungles of South Vietnam are concerned about this war. The man on the street, who has no son or no relative in South Vietnam—and the Members know it—has an attitude of "I couldn't care less."

I want to pay my respects to that little country of Israel. I hope the leaders of this country will learn something from the actions of Israel last week. I believe the record of that war is one of the most brilliant chapters ever written in the history of wars.

A little nation, completely surrounded by enemies, outnumbered three to one both in personnel and in equipment, with full knowledge of the fact that Russia was threatening to go to the aid of her enemies, won a war in the unbelievable time of about 5 days.

It was for one reason, Mr. Chairman. Israel fought that war to win. Israel carried out the statement made by the late General MacArthur, that in war there is no substitute for victory.

Israel cared nothing for the threats of Russia. Figuratively speaking, she used the words of Admiral Farragut when she said, "Damn the Russians, full speed ahead." And, bless her heart, she came out victorious because she fought that war to win.

My great concern, Mr. Chairman, is that our people are not fighting the war to win in South Vietnam. Either one of two things is happening. Either we are not fighting to win, or we cannot win. It is one of the two.

I will say that if this great and powerful Nation, the most affluent nation in the world, cannot whip a little country like North Vietnam, which is not as big as the State of New Jersey—a little nation that has no air force and has no navy—then we have no business in the war business, and we ought to beat our swords into plowshares and declare to the world that we are a nation of Quakers and get out of the war business completely.

Something is going on that I cannot pinpoint. I know that I have talked to many, many, many military men.

I have been on this committee for 23 years. I asked a very high-ranking officer, "Do you have enough equipment?" His answer was "Yes, sir." I asked, Do you have enough planes?" He said, "Yes, sir." I asked, "Do you have enough guns and ammunition?" He said, "Yes, sir." I asked, "Well, why can you not whip that little country of North Vietnam? What do you need to do it?" His answer was, "Targets—targets."

Now, you know, if we had sent a team of experts all over the world looking for the very worst place to commit our troops, that team of experts would have come back with a report that would have had South Vietnam high on the list as being the worst place to commit troops.

During those 23 years I have been on the committee military men have told me and the committee that in a guerrilla-type war you cannot hope to win unless you have a superiority of 10 to 1. We have nothing like that superiority today in South Vietnam.

According to the latest reports, we have approximately 435,000 men in South Vietnam. General Westmoreland recently said he needed 200,000 to 250,000 more troops in South Vietnam. The French stayed there for 10 years fighting. They had the best troops in the world down there, members of the Foreign Legion. The French had 600,000 troops in South Vietnam. Did they win? The answer is no. I do not believe you can win a land war in Southeast Asia. You must have a superiority of 10 to 1. One man in the jungle with a rifle is worth 10 men out in front of him.

My prediction here is that if this war continues to be fought as it has been for the last 6 years, we will be there at least another 20 years. To say that this great Nation is pinned down in South Vietnam is an understatement. We are pinned down by a little nation that will not rate 75th in the family of nations. That little nation today has the most powerful, the most affluent nation in the world pinned down. And I say that is an understatement.

We can win if we fight to win, in my humble opinion. I think the most courageous decision ever made in the history of this Nation was made by former President Harry Truman when he ordered the use of Atomic weapons at Hiroshima. He served notice on the Japaneses Government, "You surrender within 3 days or expect further bombings." Hearing nothing from the Japanese on the third day the second bomb fell on Nagasaki, and the war ended, and literally thousands of lives were saved, because we had planned for the first week in November of 1945 what would have been the bloodiest invasion in the history of the world. Maybe some of you men were in the Pacific at that time waiting for the invasion onto the main islands of Japan the first week in November of 1945. The courageous action of Harry Truman brought that cruel World War II to an end. That second bomb which fell on Nagasaki was the last bomb that we had in our arsenal. We could not have gotten additional bombs until March or June of 1946.

I think we can win this war if we fight to win, but if we continue going as we have for the last 6 years, we will never win. I told the Secretary of Defense when he was before the committee, we have to get tough in order to win this war. Power is the only thing that the Communists understand. I remember when I served as district attorney in Birmingham, Ala., an old police officer told me, "You must never pull a gun on a man unless you are ready to kill him." The same advice is good for a nation that commits troops to battle. Never send troops into battle unless you are willing to back them up with every resource at your command. And, not to do that for those kids in South Vietnam is a criminal shame and an injustice.

Mr. LENT. Mr. Chairman, I rise in support of this legislation to provide much needed humanitarian aid to the people of South Vietnam and to facilitate evacuation procedures.

In all wars, the people who are hurt the most are innocent civilians who wish nothing more than to live in peace. As a result of the illegal North Vietnamese offensive, many thousands of South Vietnamese citizens have fled South to areas controlled by the Government of South Vietnam. It has been estimated by the Committee on International Relations that there may be as many as 1 million new refugees. These people need food, clothing, and shelter, and they need it as soon as possible. Many may not be able to wait until there is greater certainty about the future of their country.

I can understand that past experience would make many of my colleagues wary of the possible commitment of U.S. military forces to help facilitate the evacuation of American nationals and their dependents, and other potential evacuees whose lives might be in danger. However, under the terms of H.R. 6096, any evacuation in which U.S. forces are used would be subject to the provisions of the War Powers Act. No authorization is given for any military action or conduct not essential to effectuate and protect the evacuation. The evacuation is limited to four carefully delineated groups of people; three of them involve Americans, their dependents, and relatives. The fourth category of potential evacuees, Vietnamese in danger of their lives, has been sharply limited to those who can be removed without additional use of force needed to evacuate Americans.

Mr. Chairman, I know that most of us want to see humanitarian aid sent to the innocent victims of this unfortunate conflict. Further, I know that none of us wants to see unnecessary hardship or tragedy for Americans or their relatives in the evacuation process. I believe that H.R. 6096 is a responsible, well-reasoned approach to this closing chapter in American involvement in Vietnam.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I have listened with great interest to the various arguments that have been advanced by my distinguished colleagues both in support of and in opposition to the bill we are considering today, H.R. 6096.

I would like to urge my colleagues to proceed very carefully on the issue of military support for the evacuation of American personnel, their dependents, and certain South Vietnamese nationals who are considered to be in jeopardy should they remain in South Vietnam. I urge caution because of my concern that we could unwittingly be unleashing the dogs of war when our primary purpose is only to secure a peaceful exit for these people.

The North Vietnamese Army has literally encircled Saigon, and yet they have not yet attacked. Will the sudden appearance of armed U.S. troops provoke an attack on the city? Is there any possibility that the presence of U.S. troops, albeit for an innocent and humanitarian purpose, will provide the North Vietnamese Army with a justification for an allout onslaught on Saigon? And if that onslaught should occur when U.S. troops are present, what will be their response? Could that response be then used as a rationale for even further U.S. involvement and sudden escalation of U.S. military activity in South Vietnam? These are important questions—and ones which should not be ignored by this body as we deliberate H.R. 6096. Let us exercise great caution, lest we become the unwitting architects of a monumental, and potentially tragic, Catch 22.

Mr. Chairman, I urge my colleagues to examine very carefully the need for military support at this stage of the evacuation process. Reports that I have heard indicate the evacuation procedure is proceeding apace without military intervention. Why is military support suddenly required when almost all American personnel and their dependents have been removed from the danger zone?

Mr. Chairman, let me once again inject a note of caution into the proceedings today. Let us be compassionate, but let us also be cautious. Our senses have been overwhelmed by the compelling needs of the many tragic victims of this war; I hope our senses have not been dulled to the peril that accompanies any decision to send U.S. troops into South Vietnam.

Mr. RANGEL. Mr. Chairman, as we continue to consider H.R. 6096 I think it is imperative that we remember a very important lesson about our long involvement in South Vietnam. That struggle taught us that the world has changed and that conventional modes of dealing with foreign powers will no longer suffice. New approaches must be developed if the United States is to successfully deal with the nations of the world.

The United States can not play the policeman around the world. We have to learn that in some portions of the world, our presence tends to make the existing conflict worse then it was before we arrived on the scene. A reassessment must be undertaken so that we can adjust our foreign policy to the unique needs of the nations we are attempting to help. It is a wise power that realizes a mistake in judgment has been made and attempts to rectify that error. Historically the nations that have been unable to remain viable world leaders for a long period of time are those who cling steadfastly to policies which are no longer applicable to the changing world order. I would hate to see the United States suffer further diminution in world prestige because we failed to acknowledge error and adjust accordingly.

Today we are presented with an excellent opportunity to demonstrate that we are indeed a mature nation able to adjust our policies to the urgencies of the day.

I do not believe any Member in this Chamber is against providing for the security of those American and Vietnamese who wish to get out of South Vietnam. What some of us are articulating is a fear that in our haste to cleanse our guilt feelings, we will inadvertently make worse the problem which the Vietnamese must solve in their own way.

The Thieu regime has fallen because, as I see it, the people lacked any great desire to protect that repressive state from the recent Communist onslaught. When the will of the people to fight for their government is exhausted, our choice should be crystal clear.

All Americans seeking to get out of South Vietnam should be evacuated now. This can and should be done without any further legislation or funds. The President has the authority to take this action and he should do so at once. We have caused enough damage to the people of South Vietnam and it is now time to say no more.

All eyes are on the House today. Americans are watching to see if the fresh ideas theory they heard about the 94th Congress is just rhetoric. I urge the House to reject this bill as an indication that our foreign policy is not tied to old assumptions but does respond to the needs of the day.

Mr. LEGGETT. Mr. Chairman, there have been dozens of amendments offered to this bill. Rather than belabor the House with my views on each amendment I will now state my views on the entire bill and the various issues arising therefrom.

I favor evacuation of Americans and their dependents, and I also favor humanitarian aid. So when I first heard of the bill, I expected to support it. But after I read it, I realized it needed a number of amendments. And after the State Department's recent briefing to members of the Democratic Study Group, it becomes clear to me that the bill is unacceptable unless it is amended to such an extent that its character is changed beyond recognition.

This bill deals with two unrelated problems: humanitarian assistance and evacuation. Of the two, humanitarian assistance is by far the simpler.

The problem is this: Will our assistance actually reach the people who need it? Many of us feel the best hope for this lies in delivering the aid through the United Nations or some other international agency. The chairman of the committee reporting the bill disagrees, pointing out that the U.N. is not subject to General Accounting Office audit. That is true, but the alternative provided in the bill is to give it to the Saigon government.

Under the best of circumstances, we know this kind of aid transmitted by this route has frequently been converted to military aid, or into someone's pocket lining. These are not the best of times, and there is every reason to expect these tendencies to now be even stronger than usual. It is striking that the $73 million in the bill for humanitarian assistance coincides precisely with the $73 million value of the gold bullion Mr. Thieu recently attempted to fly from Saigon to his Swiss bank. So the money is already available in-country, so to speak.

So the bill should be amended to require the assistance to be transmitted through humanitarian agencies.

Evacuation is a more complex problem. On the one hand, we want to be sure we get all the Americans and their dependents out, and if possible a reasonable number of Vietnamese should come too. On the other hand, we absolutely do not want to involve ourselves in another war; we do not want to see one American serviceman fired upon.

Before turning to the bill, let us consider the evacuation that has been conducted in the absence of the bill.

The Saigon regime is at the end of its road. Even the State and Defense Department spokesmen now concede the other side can complete its conquest

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whenever it chooses. Therefore, it is only a matter of time before all Americans will have to come out.

We can bring them out in two ways: We can do it now, before the other side closes in on Saigon. Such an evacuation would be quick, safe, and would require no troops. Or, we can wait until the inevitable is under way, shells are dropping right and left, we have to send troops in to get our people out and air cover to protect the troops, and we can be sure some Americans will be killed and wounded.

Clearly, the first course is preferable. But it is not the course the administration has followed. Although we have the logistic power to pull out every American and dependent overnight, today about 2,000 Americans and 1,000 dependents remain in Saigon.

Why is this so? Why are they there? Assistant Secretary of State William Habib gave us the answer in response to questions by the Democratic Study Group on Monday. The answer is not one we have read in the papers.

Mr. Habib began by discussing the need for what he called a "controlled solution"—that is, an orderly establishment of a coalition government, which would avoid bloodshed and allow us to take our people out safely. No one can argue with that.

But then he was asked why, if we have the ability to get all our people out overnight, do we not do so and thereby protect them against the possibility that the solution may become uncontrolled? He responded, astonishingly, that he did not want to take all the Americans out because to do so would destory our ability to work for a controlled solution.

Let me set out very clearly what this means, as explained by Secretary Habib in response to further questions.

First. The "controlled solution" is not merely a means to get the Americans out. On the contrary, it is an end which is served by the presence of American civilians. The administration is keeping Americans in Vietnam in order to continue to seek to influence the nature of the government that will result.

This is unacceptable. For one thing, we no longer have a role to play in the formation of a government in South Vietnam; the people of that country are going to run it their own way whether we like it or not. More importantly, American citizens must not be used as hostages for such a purpose.

Second. Americans are being left in Vietnam in order to give the administration continuing rationale to send in troops for use in evacuating Vietnamese. This too is unacceptable. Americans must not be used as hostages for the benefit of foreign nationals.

Now consider our planning for the contingency that a "controlled solution" may not be achieved, that in 2 hours the entire country may be in the hands of the PRG.

What will be the PRG's attitude toward Americans under their control? They have repeatedly insisted they would not harm Americans on the way out, that they would "strew their path with flowers." This would indeed be the rational course, but we cannot be sure it would be followed. In the interest of the Americans still in Saigon, our Government should be negotiating with the PRG against this possibility.

Has this been done? We do not know, since such negotiations are highly confidential. But I do know something about our methods of negotiating with Vietnamese enemies. I followed the Paris negotiations closely for many years, and on two occasions I went over there and talked with the PRG and North Vietnamese myself. I observed that the effectiveness of our negotiatons was highly dependent on the attitude of our chief negotiator. Ambassador David Bruce was a gentleman who dealt quietly and fairly with the other side; as a result, negotiations during his term of office were as productive as then prevalent White House policies permitted. Ambassador William Porter, in contrast, was a man who fervently despised anything labeled Communist; as a result, negotiations during his terms were little more than childish name-calling sessions.

It is obvious to all that our current Ambassador to Saigon, Graham Martin, is very much in the Porter mold. He is a man who would rather have his right hand cut off than use it to shake the hand of a PRG leader. So I have little hope that the safety of Americans in Saigon has been well represented in our negotiations with the PRG on the scene.

In addition, when we consider the oft-expressed wishes of countless White House, Pentagon, and State Department spokesmen for the power to resume bombing and other military action, when we consider the past record of duplicity regarding Indochina policy, and when we consider that scheduled commercial flights are leaving Saigon two-thirds empty, we find substantial cause for concern that the evacuation may be used as a pretext for resuming the war.

When all this is considered, it is a clear imperative that any evacuation bill be drawn as tightly as possible to protect American lives and to prohibit resumption of American military activity.

The bill is not tightly drawn. On the contrary, it is very loosely drawn.

In removing, for purposes of evacuation, all legislative prohibitions against American military activity in, over, and around Indochina, the bill sets no limit on the amount of money freed from restriction. True, it authorizes only $150 million. But if the Pentagon should happen to find another $5 billion or so stashed away in a closet—its bookkeepers are expert at this—it would be free to use the money for war in Vietnam. The bill places no limit on the number of troops that can be used. It sets no limit on the length of time during which they can be used. It sets no limit on what they can be used to do, as long as, in the President's view, it serves the cause of exacuation. It sets no limit on the number of foreign nationals to be evacuated.

Under this bill, therefore, the President could bomb Hanoi, land three divisions in Saigon and one in North Vietnam, evacuate a million Vietnamese, continue the military activity for 60 days, then pull out for a day and go back in for another 60 days, and so on for the rest of his term of office. All he would have to do would be to say that, in his judgment, these activities were necessary for the evacuation of American citizens, their dependens, and Vietnamese nationals eligible for immigration to the United States.

In short, to call this bill another Tonkin Gulf resolution is a gross understatement. If it is not amended so as to strictly and specifically circumscribe the military activities permitted and where, for how long, and with how many personnel they are permitted, as well as confining their use to the evacuation of Americans and their dependents, and if it does not require a total and immediate evacuation along the lines of the Bedell resolution of which I am a cosponsor, I will vote against it.

Unfortunately the Eckhardt substitute obviates none of the above objections. I oppose the substitute and the bill.

Mr. McCLORY. Mr. Chairman, this is responsible and honorable legislative action for us to take.

This final action comes at the conclusion of the most disastrous foreign exploit in our Nation's history. It is a sad day in our Nation and in the world.

This legislation (H.R. 6096) is, the only remaining step which we can now take. American citizens, their dependents, Vietnamese nationals eligible for immigration to the United States, and foreign nationals whose lives are imminently threatened by the Communist take-over in South Vietnam—should be evacuated to places of safety to the extent possible.

Mr. Chairman, whatever we do we should do as soon as possible—with a minimum of danger to our U.S. military forces, whose services are essential to carry out any evacuation operation.

Mr. Chairman, there is no precedent for the action which we are about to take. We have never before had to act within the strictures of the War Powers Act. We have never before faced a disaster of this kind where our own military forces had been involved and the fear of their reentry into combat is so great.

Mr. Chairman, I have no such fear. The Vietnam episode is about to close. Even at this final hour we should do what is possible to try to save lives, to rescue relatives and friends who will be placed in serious jeopardy unless we act expeditiously—and responsibly in providing for humanitarian assistance and for the evacuation from Vietnam of as many as possible of those covered by this measure.

Mr. KOCH. Mr. Chairman, I will vote no on this bill. The war is over, further involvement of a military nature by us, except to rescue Americans is not warranted under the circumstances. The responsibility for having failed to bring out Vietnamese civilians who will be in danger of their lives for having worked with U.S. forces, during the past several weeks when a civilian airlift would have been available is that of the administration. The retention of large numbers of American personnel up to the present time in South Vietnam appears to have been a calculated plan to keep us involved in Vietnam, so as to provide the argument for the passage of this bill. I will not succumb to that kind of pressure.

We are presently in a position to immediately evacuate every American—civilian, military, or dependent and should do so. We should use the time available to evacuate as many South Vietnamese as we can in that same period, so long as that can be done without military intervention.

I also believe that those nations, and the United Nations which have refused to condemn the aggression of North Vietnam while condemning South Vietnam, and I condemn both, must have on their conscience some responsibility for the bloodbath of South Vietnamese civilians that some believe will occur. There seems to be a double standard in the world today: acceptance of totalitarian repression on the left and a denunciation of comparable repression on the right. Those who believe in democracy, who value human freedom must in good conscience denounce both.

I have opposed the war in Vietnam since 1965 and I am near overwhelmed by the tragedy that appears in the offering for tens of thousands of South Vietnamese who are in this situation because of actions taken by our Government and who are now being abandoned. But the risk of this administration continuing or escalating our military involvement in Vietnam using this legislation as its mandate is too great a risk. I will vote for whatever sums are required to provide the civilian airlift for bringing out as many South Vietnamese as we can in the time still available, but I cannot vote for this bill.

Mr. DUNCAN of Oregon. Mr. Chairman, the death throes of South Vietnam are reflected in the convulsion of agony that grips this country and the Congress. All know the war is lost. All know that the life of South Vietnam is as long or as short as North Vietnam and the Vietcong may desire. None expect the end to be far away. And all welcome the end, however much we may regret the way in which the end comes.

All want those Americans still there and their dependents of whatever nationality evacuated and this could be accomplished today with no new legislation. Most are willing to help those of whatever nationality to escape the threat of death or torture as we offered haven to political refugees from Hungary, Cuba, and many other places.

All are reluctant to introduce U.S. military forces to serve and complete the evacuation and all hope that such will not be necessary as it has not, thus far, been necessary. Many distrust our own executive branch more than they apprehend the consequences of our inability to successfully complete the evacuation. Accordingly, they oppose any authority for the use of American force and see in it an abdication of the War Powers Act. And herein is the nexus of our problem.

Neither Johnson nor Nixon are President. President Ford has given us no reason to distrust him and I think it is vital to our survival as a nation that some degree of harmony be restored within our own Government. We must trust someone. The Congress cannot anticipate every eventuality and some leeway must be granted to the Executive to accomplish the mission imposed on him.

The leeway is carefully circumscribed. No more military power is permitted than the minimum required to remove American citizens, dependents of citizens, and permanent residents and Vietnamese eligible for citizenship. No more force to secure the evacuation of others than those mentioned above is permitted than that necessary to remove those specifically delineated above. That, it seems to me, is the bare minimum. We accept the fact that we may not be able to help many that we might want to help. We consider the military force required to accomplish that much too high a price to pay—too great a risk to bear.

This is not an abolition of the War Powers Act. The President is here responding to that act. Some say he has the inherent power under the Constitution to act—yet that was the argument made by President Nixon that brought the legislative responses that make this situation at best cloudy and at the most requires legislation. I, for one, am not afraid and, indeed, am willing to share the responsibility for this action with the President. I cannot believe and do not believe that the President has any intention of a massive reinvasion of Southeast Asia or that he intends to do more than specified in the bill and to do that as quickly as possible and with the least force necessary. Should he try more, I will join others to stop it at once. Vietnam is over.

I feel a deep obligation to help those who are in danger. While I believe events may well overtake us, I believe this to be the least we can and should do.

I might say one more thing with respect to financial aid to South Vietnam. I believe we are creating many problems for ourselves unnecessarily by insisting on categorizing our aid as military aid, economic aid, compassionate or humanitarian aid or evacuation aid when the parameters at this stage are blurred and so indistinct as to be meaningless. No military aid at this point can save South Vietnam and I know of no one who believes that any of it will ever reach them should the Congress appropriate it. I support such only because I believe that in these last days it will help to retain some discipline in the South Vietnamese troops; that it will help to avoid the panic that took place in Da Nang and Hue, and that it will make it less likely that any American troops will have to be introduced. And I support it in spite of the misunderstanding to which I know my vote is subject.

Mr. BENNETT. Mr. Chairman, I rise in support of this legislation for I think that, as imperfect as it may be, it does some important things that must be done. We owe it to our American citizens there, particularly those who have been under orders to be there, to provide them with safe departure from the country. Our obligations go beyond that to some others, although, frankly, I do not know myself how those lines should be drawn.

The most important thing to be done at this time is to provide the immediate exit of those who will be assisted to depart. There can be no reason for delay. In fact, they should have already been ordered to leave.

I am apprehensive that, since there is so little time remaining, much humanitarian aid is no longer feasible; but for those who deserve it, there should be a humane approach. The amount that can be spent properly at this late date would seem to be very limited in total amount.

As an end is written in this unfortunate war, we should learn some lessons. To me it is that we should never become involved in a war which we do not have the political will to win.

Mr. STOKES. Mr. Chairman, I rise in opposition to the Vietnam Humanitarian and Evacuation Act of 1975.

Can we so easily forget the tragic lessons of recent years? Although there is more debate and awareness it is not possible to forget the similar ambiguities and the disastrous consequences of the Gulf of Tonkin resolution.

For a number of reasons which I will go into, I am opposed to this bill and voted against the rule under which it is being considered. The rule has provided for several waivers which I consider unwise, particularly that waiver which covers both sections 3 and 6 of the bill and which could be construed as appropriating on an authorization since these sections make funds available for purposes other than those for which they were originally appropriated. Specifically, under section 3 the President would be permitted to use American forces in the evacuation effort whereas five previous provisions of law prohibit the use of appropriated funds for American military forces in Indochina.

While I normally feel all serious legislation deserves to be considered by the House, in this case the rule was inappropriate for the consideration of this important matter and I, therefore, feel it necessary to vote against the rule.

Today we are asked to consider this bill, and I must register my strongest protest against it. It gives broad license to the administration to make critical policy decisions without formal congressional input; it encourages a new American military presence in Vietnam; it gives unsought and unnecessary authority to the President; and it provides an inadequate method for the distribution of humanitarian aid, while ignoring international alternatives.

The bill surrenders to the administration broad areas of discretion over the evacuation of Americans and South Vietnamese, with no role for further congressional involvement in important policy questions such as how many persons should be evacuated, where they should be resettled, over what period of time the evacuation should take place, how much should be spent in the process, and what type of timetable should govern the evacuation.

Most awesomely, even though the administration has not requested evacuation authority, the bill allows the reinvolvement of American troops in Southeast Asia, and subjects them to risk of capture, death, and injury. The bill places no limitation on the duration or breadth of such military activity. Under section 3 of the bill, which waives all provisions of law covering military involvement in Southeast Asia, the administration could claim the authority to begin the bombing of North Vietnam or even Cambodia in a distorted view of what will best serve the evacuation efforts. The potential for escalation is limitless. Far from aiding the evacuation, a reserve of evacuation funds usable at the administration's dis-

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cretion discourages its taking the prompt action which will alone insure a safe and orderly withdrawal.

With regard to genuine humanitarian aid, I feel the bill errs in channeling such aid to the Saigon government. Little of the aid will reach the needy Vietnamese whom the war has placed outside the reach and authority of the Saigon regime. The humanitarian aid should be distributed wholly through such international bodies as the U.N. Indochina Peninsular Liaison Group and private relief agencies such as the International Red Cross which have served effectively in Southeast Asia in the past. Even if we ignore the record of corruption of the government officials of Saigon, it is foolish to think that most of any such aid will reach its ultimate destination. With the current chaos resulting from the change of leaders, the huge numbers of refugees, and the threat of immediate attack, the heavy burden of running a large complicated relief effort could be too much for the best run of governments.

At a time when we are beset by severe economic problems, and the President, in the name of fiscal necessity is attempting to drastically cut domestic "humanitarian aid" programs, this request is at best, puzzling. If the President were not so intransigent over the need to cut most domestic humanitarian programs while enlarging the military budget, I would find it easier to understand his strong desire for authority and funds for "humanitarian" purposes now. I am gravely concerned that the same attempted logic which denies food stamps, and health care to American citizens on the grounds that the true national welfare is better served by more armaments, will also conclude that the best way to provide "humanitarian" help to those in Vietnam is to prevent the fall of Saigon by whatever military means is necessary. We in Congress cannot set the stage for such a possible scenario.

I call on my colleagues to vote against this bill and to reaffirm that although the United States is willing to play a responsible role in conjunction with international organizations, we do not intend to be the policeman, nor the nurse, nor the social worker for the entire world. Especially not before we show more humanitarian concern for those Americans who were born and live here.

Mr. FRENZEL. Mr. Chairman, after many hours of debate on this bill, I have some different perceptions than at the outset, both of the problems in Vietnam, and of our responsibilities there. I also have the strong feeling that whatever we are doing here tonight will have little effect on what will actually be done by our country in the evacuation.

The war is over. The evacuation has begun. It is likely to be finished before this Congress can act. As usual, we have proved ourselves to be swifter with the lip than with the vote. While this House was apparently reenacting its Vietnam debates of 2 or 3 years ago, the President has had to act without the benefit of our guidance.

I still do not like the bill. Some of the rejected amendments would have helped it greatly. Nevertheless, I believe that it is important for Congress to speak on this issue—however tardy and however feeble that statement may be. I am still nervous about the use of U.S. troops to evacuate Vietnamese people, but I expect that the evacuation will be all over but the shouting before we pass the bill on to the President. I shall cast one lukewarm vote for the bill.

Mr. Chairman, I cannot allow the performance of my distinguished colleague from Minnesota, Don Fraser, to go unpraised. His leadership was critical to whatever modest success this bill enjoyed tonight, and persuasive to me.

Mr. BUCHANAN. Mr. Chairman, let there be no mistake about who the aggressors are in Southeast Asia, and who has made necessary this last sad chapter in the tragedy of Vietnam.

Certainly, our country has erred in its involvement in that troubled land. Indeed, I consider the 50,000 irreplaceable Americans killed in action, the many thousands of casualties, the POW's and MIA's, and the $150 billion expended in this conflict with the impending end result to comprise the greatest tragedy in the history of the United States.

Certainly, we have erred in the conduct of the American involvement. Having committed the fundamental mistake of involving American forces in a land war in Asia, we proceeded to compound the error by forbidding them to take the actions clearly within their power militarily to win a quick and decisive victory in that conflict.

Finally, having paid a horrendous price for these mistakes, we have further compounded the felony by refusing to grant to South Vietnam the relatively modest economic and military assistance necessary to vouchsafe our massive investment and to offset the massive continuing support to the other side which their Communist friends in Red China and the Soviet Union have continued to supply.

At least four Presidents and a series of Congresses have participated in these tragic mistakes. Yet our country is not the villain in Southeast Asia. However misguided, our effort has been toward freedom and self-determination, not slavery and subjugation.

Notwithstanding our masochistic insistence on blaming ourselves for all the tragedy and all the violence, it is clearly the Communists who have created the violence, perpetrated the aggression, violated their solemn covenants and wantonly disregarded all civilized standards in their brutal violation of human rights and destruction of human life.

If West Germany invaded East Germany, the world would cry out against that aggression. If South Korea invaded North Korea, the judgment would be the same. How then, can any rational person deny that the North Vietnamese invasions of South Vietnam and of Cambodia constitute anything other than aggression.

If South Vietnam had committed the exact actions which North Vietnam has, the world would resound with pious denunciations of their violation of solemn agreements. How can it be that the reverse is not also the case?

Had the United States underwritten with sophisticated weaponry and many other forms of assistance, South Vietnamese operations into Cambodian and North Vietnamese territory to conquer and destroy, who would have denied our responsibility as parties to wanton aggression. How, then, can the Soviet Union or the People's Republic of China be held blameless?

We have erred, and erred grievously, but it is the Communists and they alone who are the perpetrators of the aggression and the violence, and the violators of all standards of human decency. It is they who have cynically, regularly, massively violated their solemn agreements in order to destroy and to enslave their neighbors.

Two years ago the United States signed an agreement that climaxed the longest military undertaking in our Nation's history. The Paris accords of January 1973 were endorsed by every great power in the world. They were supported by the United Nations and 12 guarantors parties—including the U.S.S.R. and the PRC—and they provided an international framework for the peaceful resolution of the war in Indochina. The accords included provisions for a cease-fire, an International Control Commission, the accounting of all missing in action, the withdrawal of all foreign troops from Laos and Cambodia, the demobilization of government and North Vietnamese/VC troops in South Vietnam, steps toward a political settlement and 1-for-1 replacement of men and equipment.

Now, 2 years later, Hanoi has torn this agreement to shreds. All of the provisions have been blatantly violated by Hanoi, which between the cease-fire and February 1975:

Infiltrated some 200,000 troops into South Vietnam for a net buildup of its forces—subtracting casualties—from about 220,000 at the time of the agreement to 300,000 by January 1975. Subsequently, additional troops were sent south and in early April 1975, 20 North Vietnamese divisions were in South Vietnam.

Tripled the strength of their armor by sending more than 400 tanks south, increased their military capabilities by sending in over 250 heavy artillery pieces, over 1,000 antiaircraft pieces and many antiair missiles.

Constantly violated the demilitarized zone between North and South Vietnam and greatly expanded their military logistics system, including depots, roads, pipelines, and airfields in South Vietnam.

Refused to deploy teams to oversee the cease-fire and refused to pay their prescribed share of the expenses of the International Commission of Control and Supervision—ICCS.

Refused to honor their commitment to cooperate in resolving the status of American and other MIA's and have since mid-1975 refused to meet with United States and South Vietnamese representatives to the Four Party Joint Military Team provided for by the accords.

Broke off all talks with the Republic of Vietnam, including the political negotiations in Paris and the Two-Party Joint Military Commission talks in Saigon. They have rejected the Republic of Vietnam's repeated calls for resumption of the negotiations, for the early formation of the National Council of Reconciliation and for the setting of national elections under international supervision.

Steadily increased their military pressure, heavily shelling government posts and population centers and overrunning many of these. Before the launching of their current offensive of March and April 1975 they had seized many posts and 11 district towns and a province—Phuoc Long—all of which were clearly and unequivocally held by the Government of Vietnam at the time of the cease-fire. In their latest and most massive offensive, into which they have thrown at least 18 divisions, they attacked and seized all of the provinces in the northern half of South Vietnam.

As a result of these massive violations, the Communist forces generally outnumbered and outgunned the South Vietnamese defenders at the points which the Communists chose to attack, while benefiting from the advantage which the attacker has over the defender in such situations. If the situations were reversed, and 300,000 South Vietnamese, supported by large quantities of modern armor, artillery, and ammunition attacked defense posts and population centers in North Vietnam, few would wonder that it would be extremely difficult for Hanoi to defend against such attacks.

Mr. Chairman, the Communists bear ultimate responsibility for the tragedy of Vietnam. The guilt is theirs. The grief is ours. We, with our ill-fated Vietnamese friends are the victims of their wanton aggression. May God have mercy on their souls.

Mr. DERWINSKI. Mr. Chairman, I would like to add one small postscript to the debate over the last 2 days on the South Vietnam evacuation bill, H.R. 6906, as an example of the problems we have tried to avoid by passing this legislation. I quote from a letter I received describing the problems besetting the people of Vietnam.

> I am a Vietnam veteran, my wife is from the Saigon area and has relatives there who would be subject to eventual execution if the invading forces are able to gain control of the country militarily or through political means. Please understand that this threat to their lives is very real and consequently of great personal grief to us. We beg you to do everything in your power to see that our Government makes a special effort to evacuate from Vietnam, the families of Vietnamese Americans. Our understanding is that the Immigration laws at the present are very restricted in this matter and exceptions will have to be made to give these desperate people a place of refuge.
>
> We depend on you to assist in these matters to the fullest. In particular, please give your support to the efforts of the Vietnamese American Crisis Committee which is working on behalf of families not only in Illinois but throughout the country.

Mr. KASTENMEIER. Mr. Chairman, the last chapter of the long Vietnamese conflict is clearly coming to an end. For nearly 30 years, the people of Vietnam have known nothing but warfare, either in the struggle for independence from French colonial domination, or in the civil war pitting Vietnamese against Vietnamese.

Unfortunately, successive American administrations, reaching out with the wrong kind of farsightedness, involved our Nation in a country and a civil war in which our own vital interests were only remotely related. This was a terrible and tragic mistake which cost America dearly, in human lives, in money, and in great internal anguish and dissension.

History, however, has shown us that the natural course of events in Vietnam could not be changed by unnatural means, and I have been reconciled, for some time, to the fact that the fate of the Vietnamese people must rest inexorably in their own hands. The inevitable conclusion of the civil war is now imminent with the collapse of Saigon's military forces.

Mr. Chairman, with this end in sight, we are not here today debating whether or not assistance is going to be provided to evacuate American citizens from South Vietnam. We are all well aware of the fact that the President already has the authority to accomplish this, as demonstrated in the case of the evacuation of Americans from Cambodia. And, we trust that it is not in the interest of the Vietcong to pose obstacles to the evacuation of American citizens from South Vietnam.

What we are debating is whether this Congress is going to grant the President broad discretion in the use of U.S. Armed Forces to evacuate Vietnamese nationals. And, it is becoming clear that those Americans remaining in South Vietnam are merely being used as leverage by the administration against the Congress in obtaining authority to use U.S. forces in such evacuation efforts. But, the fact is that our retention of Americans in South Vietnam merely prolongs our involvement in the war, and makes dangerously inevitable the use of U.S. troops to evacuate Americans and South Vietnamese.

Mr. Chairman, I simply cannot, in good conscience, vote for this bill because I cannot support the reintroduction of U.S. Armed Forces into South Vietnam. It seems clear that we are not talking about minimal force. The administration spokesmen have been citing figures in the tens of thousands when referring to the number of South Vietnamese that will be evacuated. Thousands of U.S. Marines are already standing by. More are being alerted. There are discussions of air power being used if necessary.

The presence of U.S. troops makes virtually certain their engagement in conflict, whether that is our intention or not. And, we then risk beginning a chain of events that is too closely reminiscent of events of 10 years ago.

Mr. Chairman, I believe that we do have a moral obligation to assist in the evacuation of those Vietnamese whose lives are seriously threatened because of their association with Americans. We should have evacuated them long before now, for we have known all along that this threat existed. Nevertheless, it is still possible to remove these Vietnamese nationals today, and tomorrow, and as soon as possible, without U.S. troops. I simply cannot understand what our Government and the Embassy officials in Saigon are waiting for. Our military role in Vietnam is over. We cannot delude ourselves any longer.

The only question remaining in my mind is how much humanitarian aid we are going to provide to these people who have suffered so long and so hard. I do believe that humanitarian aid is desperately needed, and that this country has an obligation to provide such assistance. I further believe that we have an obligation to do everything possible to assure that such aid gets to the people in need. And, in my view, the best way to accomplish this is to channel such assistance through international organizations and private relief agencies.

Mr. Chairman, I understand that the intentions behind this bill and its requests are honorable. Those of us who oppose this bill also operate from the most honorable intentions. For, we have learned a hard and bitter lesson. Those who have served in this body from the beginning of U.S. involvement in Southeast Asia must live with the death and destruction that this country brought to these small, beleaguered nations. I, for one, simply cannot and will not risk more death and more destruction by allowing the reintroduction of U.S. Armed Forces into Vietnam. I will vote against this bill and urge those who have had enough of this war to do likewise.

Mr. D'AMOURS. Mr. Chairman, time is running out. Congress should act as expeditiously as possible to provide humanitarian aid and save lives. We cannot avoid this action any longer, and we cannot wish it away.

The request before us to assist in evacuation efforts will not plunge us into war. This is not another "Gulf of Tonkin" resolution, and those who believe it is are not reading this bill properly, and they are not reading the sentiments of the American public clearly.

The fear that this assistance and evacuation effort would propel us into military conflict in South Vietnam comes, I believe, not from the actions that would be provided to save American and South Vietnamese, but from a mistrust that has been building up around the past actions of Presidents over the last decade.

From the debate we have heard here today I conclude that nobody here is opposed to evacuation. Nobody here wants to turn their backs on the many loyal South Vietnamese Nationalists upon whom we have depended for so many years, and who now depend on us for their lives.

And let us not make any mistake about it. We are talking about a life and death situation, for Americans, their dependents, and a number of South Vietnamese who would surely be assassinated.

The question before us is, "How do we assist at this late hour?" The options are clear. As lawmakers, we can provide our Chief Executive with the necessary authority to act, on behalf of the Congress and the American public.

Or we can prevent the President from using such authority and we can pass legislation that palms off the immense problem here onto international agencies that have already admitted they will not become involved. And in doing this, we can all hope the problem will go away.

To make this choice, I believe we must ask this question—Does anybody really believe we will successfully evacuate those South Vietnamese marked for assassination if we do not pass this bill?

I oppose this war.

The American people certainly do not wish to see this country involved in war.

I firmly believe that our President does not wish to introduce American fighting troops back into Southeast Asia for the purpose of escalating this war.

I can understand my colleagues in this room who, having been present during past sessions of Congress, feel suspicious that giving the President the ability to act in this instance might somehow signal a new introduction of our troops into combat. But as I stated before, it is important that we distinguish whether this fear is because of the bill before us, or because of past Presidential deceptions.

I believe that it is the suspicions of former Presidential actions and not provisions in this bill that divide us today. For that reason, I ask my colleagues to consider the bill before us now, before it is too late.

I would like to add this comment to my support for humanitarian and evacuation assistance: This bill speaks for the wishes of Americans everywhere. It demonstrates that the United States does believe in extending a helping hand to those in danger, and it will prevent any country, any aggressor, any Communist-backed band of terrorists from having the satisfaction of thinking we desert our citizens, and our friends in danger.

The fact is that we do not desert our friends, and we will not in the future. This assistance proves that fact, without involving us in a war we do not wish to re-enter.

In the past few weeks, people from across my State of New Hampshire and in many other States have shown their concern for the people of South Vietnam. They have sought to adopt orphans of this tragic war, and they have donated medical and food supplies to the refugees of this war.

Now they pray we do not turn our backs on people who have helped and depended upon us. Their taste for American involvement in South Vietnam is bitter, but their resolve for helping those now in danger is clear.

That is why I support such assistance. We will not enter into another war, but we will show the world we care about those our actions have endangered.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair (Mr. Pike) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, pursuant to House Resolution 409, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WHALEN

Mr. WHALEN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WHALEN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. Whalen moves to recommit the bill H.R. 6096 to the Committee on International Relations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

RECORDED VOTE

Mr. RIEGLE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 230, noes 187, not voting 15, as follows:

[Roll No. 151]

AYES—230

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Aspin
Bafalis
Baldus
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Biester
Bingham
Blenchard
Boggs
Bolling
Bowen
Breaux
Breckinridge
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Butler
Carter
Cederberg
Chappell
Clausen, Don H.
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Dickinson
Downing
Duncan, Oreg.
du Pont
Emery
English
Erlenborn
Esch
Evans, Ind.
Fascell
Findley
Fish
Fithian
Flood
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Fuqua
Giaimo
Gibbons
Gilman
Gradison
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hastings
Hays, Ohio
Heinz
Hicks
Hightower
Hillis
Holt
Horton
Howe
Hughes
Hyde
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Lent
Levitas
Long, La.
Lujan
McClory
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Mahon
Mann
Martin
Meeds
Michel
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Morgan
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nowak
Obey
O'Brien
O'Hara
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Rinaldo
Risenhoover
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Roush
Rousselot
Ruppe
Russo
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Treen
Ullman
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOES—187

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Archer
Ashbrook
Ashley
AuCoin
Badillo
Barrett
Baucus
Beard, R.I.
Bedell
Bevill
Blouin
Boland
Bonker
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clancy
Clawson, Del
Clay
Collins, Tex.
Conte
Conyers
Corman
Cornell
Cotter
Davis
Dellums
Devine
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Evans, Colo.
Fisher
Ford, Mich.
Ford, Tenn.
Fulton
Gaydos
Ginn
Goodling
Grassley
Green
Gude
Haley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Holland
Holtzman
Howard
Hubbard
Hungate
Hutchinson
Ichord
Jacobs
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Latta
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
McCloskey
Macdonald
Madden
Maguire
Mathis
Matsunaga
Mazzoli
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mosher
Moss
Mottl
Neal
Nedzi
Nichols
Nix
Nolan
Oberstar
O'Neill
Ottinger
Patterson, Calif
Pattison, N.Y.
Pepper
Pressler
Randall
Rangel
Rees
Richmond
Riegle
Rodino
Roncalio
Rosenthal
Rostenkowski
Roybal
Runnels
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Shuster
Snyder
Spellman

Stanton, James V.
Stark
Stokes
Studds
Sullivan
Thompson
Traxler
Tsongas
Udall
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Young, Ga.

NOT VOTING—15

Biaggi
Dent
Eshleman
Evins, Tenn.
Fenwick
Goldwater
Gonzalez
Hébert
Hinshaw
Mills
Murphy, N.Y.
Passman
Pritchard
Shriver
Wydler

So the bill was passed.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Dent.
Mr. Hébert with Mr. Evins of Tennessee.
Mr. Biaggi with Mr. Gonzalez.
Mr. Passman with Mr. Mills.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION AND MAKE OTHER CONFORMING CHANGES TO REFLECT AMENDMENTS ADOPTED ON H.R. 6096

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 6096, the Clerk be authorized to correct section numbers, punctuation and make other conforming changes to reflect amendments adopted in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just voted on, and on the Edgar amendment in the nature of a substitute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON HOUSE RESOLUTION 413, PROVIDING ADDITIONAL STAFF ASSISTANCE FOR LEADERSHIP

Mr. THOMPSON, from the Committee on House Administration, on behalf of the chairman, Mr. Hays of Ohio, submitted a privileged report (Rept. No. 94–172), on the resolution (H. Res. 413), to provide for additional staff assistance for the leadership, which was referred to the House Calendar and ordered to be printed.

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION FOR MAINTENANCE AND IMPROVEMENT OF COMPUTER SERVICES

Mr. ROSE, from the Committee on House Administration on behalf of the chairman, Mr. Hays of Ohio, submitted a privileged report (Rept. No. 94–173), on the resolution (H. Res. 383), providing funds for expenses of the Committee on House Administration to provide for maintenance and improvement of ongoing computer services for the House of Representatives and for the investigation of additional computer services for the House of Representatives, which was referred to the House Calendar and ordered to be printed.

EGYPTIAN AMBASSADOR MISQUOTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Findley) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, so pervasive is the lack of trust in the Middle East that the rumor-mill is easily fed. A recent example is the publication by several respected periodicals of a completely imaginary conversation between a reporter for a right-wing Argentinian newspaper and the Egyptian Ambassador to the United States, Ashraf Ghorbal. The reporter put some highly inflammatory, anti-Semitic words in the Ambassador's mouth, and these statements were then transmitted to the world—and to world Judaism—as fact.

Anyone who knows Ambassador Ghorbal personally, as I do, would realize that these libelous quotations are the products of a deranged, virulent bigot, and not the words of Egypt's distinguished and foremost diplomat. The pity is that most people have never had the good fortune to meet Ambassador Ghorbal.

When Ambassador Ghorbal was misquoted as calling for "the destruction of Israel" and "the extermination of Judaism," the passions which have too often guided developments in the Middle East were renewed.

Such despicable conduct by this Argentinian reporter deserves the condemnation of thinking people everywhere. So embarrassing was the matter to the Argentinian government that its Ambassador formally apologized in writing to Ambassador Ghorbal.

Following is the text of that apology, Ambassador Ghorbal's reply, and the column by Evans and Novak recounting this sordid episode:

WASHINGTON, D.C., *March 31, 1975.*

His Excellency Ashraf A. Ghorbal,
Ambassador of the Arab Rupublic of Egypt,
Embassy of the Arab Republic of Egypt,
Washington, D.C.

My Dear Mr. Ambassador: After receiving your telephone call on Friday, March 28th, I immediately sought and obtained information from Buenos Aires concerning the article which you mentioned by Mr. Patricio Kelly. I was very much distressed by your comments on the inaccuracies reflected in this article.

As you know, upon his arrival in Washington, Mr. Kelly requested a meeting with you through this Embassy. According to conversations with him, he wanted to prepare an analysis on the Mid-East situation. Since the printing of his evaluation of this meeting, it has become obvious that not only were your thoughts and position not reflected correctly, but concepts were expressed that were not even discussed during this meeting. This is of course, the gravest error that any reporter can make. Certainly, his qualifications as a reporter are now totally discredited.

Since the actions of even a private citizen of Argentina reflect the image of our country abroad, I am extremely disturbed by his lack of responsibility. His actions have been reported to the Secretary of the Press of the Argentine Government in order that situations of a similar nature by this man are not repeated or at least avoided with all possible effort.

Despite all other repercussions of this incident, I am at least happy to report that this article was printed in a publication practically unknown in Argentina outside of extreme nationalistic groups. We have made an inquiry into other journals and have come to the conclusion that nothing else was published.

Nevertheless, I do want to express my deepest apologies again for this most unfortunate incident and to reassure you of the regret that I feel in the fact that one of my countrymen misrepresented your concepts in the interview which you so generously granted.

Please accept my deep-felt regret.

Sincerely,

Alejandro Orfila,
Ambassador.

April 4, 1975.

His Excellency,
Ambassador Alejandro Orfils,
Embassy of Argentina,
Washington, D.C.

My Dear Mr. Ambassador: Thank you for your prompt letter of March 31st regarding Mr. Patricio Kelly's meeting with me in January at your suggestion.

It was obvious from the context of what Mr. Kelly published, that he relied on a fertile imagination, inventing a whole interview which is totally contrary to my views and philosophy and those of my Government. Mr. Kelly arrived half an hour late for his appointment, and was photographed with me by a photographer who we had waiting for him until he arrived. Mr. Kelly did not speak any English and I told him in a combination of Spanish and Italian what precisely is "that the Egyptian people hold a great friendship for the Argentine people and that I was happy to visit in 1963 the beautiful city of Buenos Aires." He understood what I said and did not stay more than two minutes. I am thus bewildered how the words I have spoken could become the words that he published. I can only say that it has been a very unhappy experience for me.

I deeply appreciate your concern and your hastening after my phone call to contact the necessary authorities in Buenos Aires.

With that done, I have nothing more to ask.

Sincerely,

Ashraf A. Ghorbal.

Propaganda Overkill

(By Rowland Evans and Robert Novak)

A worldwide campaign to paint the Egyptian ambassador to the United States as publicly advocating "extermination" of all traces of "Judaism" in the Middle East shows the dangerous intensity of the propaganda battle now being waged by militant friends of Israel following collapse of the U.S.-Israeli-Egyptian peace effort.

Indeed, so widely has the allegation against Ambassador Ashraf Ghorbal been spread by the worldwide Jewish press—small weeklies and dailies devoted to Jewish affairs with heavy emphasis on Israel—that it was actually discussed at Secretary of State Henry Kissinger's final session with Israeli Prime Minister Yitzhak Rabin in Jerusalem last month.

Rabin, who served as Israeli ambassador

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here while Ghorbal represented Egypt, told the U.S. delegation that the words did not sound like Ghorbal's.

Indeed, Ghorbal told us not only that he had never said any such thing, but that he had never granted an interview to the right-wing, anti-Semitic Argentinian magazine—now defunct—which originally put the words in his mouth.

When Argentine ambassador Alejandro Orfila asked Ghorbal routinely if he would have a minute to see a visiting writer for a hyper-nationalistic, fringe publication, Marchar, Ghorbal told us he received him for a total of two or three minutes. The writer, Patricio Kelly, spoke no English and Ghorbal speaks only a few words of Spanish and Italian. The only other person present was a photographer Kelly brought with him. No effort was made to get an interpreter. That was in early January, only a short time before Marchar ceased publication.

On April 1, the Jewish Telegraphic Agency bureau in Buenos Aires transmitted a long section of the alleged interview—which had been published weeks before—on its main trunk wire, extending worldwide. That wire copy was immediately published in the specialized Jewish press.

The Jewish Week of Washington headlined its April 3 story: "Egypt's Ambassador Foresees Extermination of Judaism." A commentary on the alleged interview, carried on April 11 in the Brooklyn, N.Y., Jewish Press, carried the headline "Extermination of the Jews."

In England, the respected Manchester Guardian also published a large portion of the alleged interview, but on April 10 it carried a full retraction apologizing "for running a piece of black propaganda" which, the newspaper said, was obtained from "an Israeli source (that was) impeccable."

In the Israeli parliament, a member of the opposition Likud Party, Yeddiyah, Beeri, was quoted by the Jewish Telegraphic Agency as demanding that the Israeli Foreign Ministry "reprint and distribute millions of copies of the Ghorbal interview." The interview proved, he said, what Israel has always claimed: that "according to a man who is one of President Anwar Sadat's principal advisers, the Arab-Israeli conflict is not over territories but over the very existence of Israel and the Jewish people." That is a consistent and recurring theme of pro-Israeli propaganda.

Letters containing clips of the alleged interview from different publications poured into Ghorbal's office, two of which were especially interesting. Rabbi Henry Seigman of New York, executive vice president of the Synagogue Council of America, wrote Ghorbal: "Based on our association, I simply find it impossible to believe that you could have said the things atttributed to you."

Phillip M. Klutznick of Chicago, chairman of the board of the World Jewish Congress and honorary president of B'nai B'rith, sent Ghorbal a copy of the April 2 Jewish Telegraphic Agency daily news bulletin, headlined "Extermination of Judaism in the Mid-east is point of departure for Arab liberation."

Klutznick wrote Ghorbal: "I am writing you directly because I cannot believe that is the way you feel . . . it does not sound like the Ashraft I know." In his reply, Ghorbal said that to him "the issue transcends the Arab-Israeli problem. It concerns my relations and friendships . . . with people of the Jewish faith. Someone, somewhere, seems to be anxious to put a wedge in there."

The defamation of Ghorbal is cruel and tragic, both to responsible Jewish leaders and to Ghorbal himself. Without any effort to check the accuracy of the inflammatory report in Marchar, a publication which the Argentine ambassador says is "practically unknown outside extreme nationalistic groups," the understandable emotions and fears of thousands of Jews have been manipulated in the rising crescendo of the propaganda battle.

NEW HOUSE OFFICE BUILDING—A COMMENTARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 15 minutes.

Mr. CLEVELAND. Mr. Speaker, it is the little things that count. It is the way we react to the everyday event, the spontaneous, unprogramed response we make to the sudden question or the unexpected opportunity, which reveals our values, our priorities, our sense of right and wrong.

Our public selves vote on 80-billion-dollar defense budgets—fully exposed to public view, as fully prepared and briefed as we can manage.

Our private selves vote on extra office and parking space—fully aware that $22 million construction projects do not see many front pages, and so fully occupied on the big issues that we tend not to give these gift horses the close examination they sometimes need.

On the big ones, we have analyzed the pros and cons, investigated the alternatives, considered the consequences. Our decisions are deliberate and thus are likely to be responsible.

On the small ones, our instincts and appetites may substitute for analysis. What we want, instead of what we think, may become the measure by which we decide.

The purpose of these observations, Mr. Speaker, is not philosophical. It is practical—a practical and direct and specific appeal to our colleagues to exercise their judgment rather than surrender to their vanity when they face the issue of the proposed new office building for the House of Representatives.

The proposal to wipe out several blocks of an attractive residential neighborhood on Capitol Hill to make way for the fourth—or is it the fifth or sixth—House Office Building represents, in the heady perspective of congressional affairs, only a small matter.

But there are those who love the small houses that people painstakingly transform into homes and from which they create a living, harmonious community.

And there are those, too, who see in the disposition of such small affairs the true character of an institution and of those who comprise it.

The House, Mr. Speaker, cannot afford to treat this matter carelessly or cavalierly. There is more involved here than the routine acquisition of property. There is the question of the basic integrity of the decisionmaking process in the House.

The issue here is not simply that Members and committees need more space. It is much more complex than that. It is a question of whether the House needs more space and, if so, how much more space, what kind of space, where and how it can be found. Needs must be assessed, alternatives explored, plans proposed, and the process subjected to public review—before, not after, people's lives have been uprooted and their property taken.

The way in which the House disposes of this "small matter," Mr. Speaker, may reveal more about the nature of this body than we assume. I hope it will reveal the House at its best, representatives of the people approaching small and large affairs, alike, responsibly, insisting that decisions be made in a rational and orderly manner, and giving at least equal attention to the rights of others as to the prerogatives we call our own.

Otherwise, the time will have to come to sound an alarm in the same spirit and with the same determination that drove Paul Revere through the lonely towns of Massachusetts 200 years ago.

I include, Mr. Speaker, as a part of my remarks the text of my statement for the Legislative Appropriations Subcommittee on this subject:

STATEMENT OF REPRESENTATIVE JAMES C. CLEVELAND FOR THE SUBCOMMITTEE ON LEGISLATIVE APPROPRIATIONS, HOUSE APPROPRIATIONS COMMITTEE, APRIL 22, 1975

Mr. Chairman, thank you very much for the opportunity to express my opposition to the proposed appropriation of $22.5 million for the purpose of acquiring residential property on which to construct another House office building and provide additional parking facilities.

Without judging whether or how much additional office and parking space is needed by the House, now or in the future, I believe this appropriation request should be rejected at the present time on the following grounds:

First, no thorough study has been made of House space requirements; no adequate documentation has been presented to justify the pending appropriation request; and no systematic consideration has been given to the alternatives available for meeting whatever House space requirements may exist.

Second, within the past two months the House has appropriated approximately $17 million to remodel the former FBI Identification Building for use by the House, and has authorized the chairman of the Committee on House Administration to acquire an unspecified amount of property for additional parking spaces.

Third, as a part of the Committee Reform Amendments of 1974, the House established the House Commission on Information and Facilities; this Commission was directed to make a thorough and complete study, among other things, of the space requirements, space utilization, and parking facilities of the House, a study which is presently just getting underway.

As the ranking minority member of the House Commission on Information and Facilities, I find it difficult to understand the rationale for committing the House to a project which, on the basis of the volume of property to be acquired and the preliminary plans of the Architect of the Capitol, represents the largest single expansion of the House in the history of this institution, before the study mandated by the House has been completed.

Even if the House had never established the new Commission, however, the other objections to the proposed appropriation would still be valid. The commitment of funds to a project which, conservatively, could cost in excess of $200 million, requires at the very least a careful assessment of needs, a complete appraisal of alternatives, and the preparation of plans designed to accomplish specific objectives. Each of these steps is essential; and each should be subjected to appropriate review. The House would expect no less of the Executive Branch, and citizen-taxpayers can expect no less of the House. Yet, in the present case, none of these steps has been taken and, of course, none has been reviewed.

Nevertheless, even without the required study, planning, and review, the House has already this year acquired a large existing office building, appropriated funds to remodel it, and authorized the acquisition of more parking space. Regardless of the merits of these decisions, they should certainly suffice to meet established House requirements. Indeed, during the February 20 House debate on the Supplemental Appropriations Bill, informed Members of the Appropriations Committee, including the chairman of the full committee and the chairman of the Legislative Appropriations Subcommittee, agreed that space in the FBI building greatly exceeded present House needs and would, to the extent unoccupied by the House, be made available to other Government agencies.

Specifically, Mr. Chairman, of the 585,000 square feet of available space in the FBI building, "real present needs" of the House were estimated to be only 147,500 square feet, substantially less than one-half the building. In addition, several Members during the debate indicated that the subcommittee looked with favor at the prospect of acquiring the South Portal Building at the foot of Capitol Hill upon its completion next year. Assuming our space requirements are sufficient, and demonstrated to be so, to justify such an acquisition, this would seem to me to be a far more desirable alternative than the destruction of a viable residential neighborhood and the construction of an even more expensive new office building.

Numerous other alternatives for providing additional space are available. They include such means as: improving existing space utilization, transferring non-essential functions to other locations, building an automated warehouse nearby on South Capitol Street in which to centralize Members' storage space and House support activities, expanding the House Office Building Annex, and constructing at least two floors of office space above the garages south of the Longworth and Rayburn buildings. This latter expedient, alone, according to the Architect's testimony, would provide a minimum of 300 additional offices without the need for substantial structural improvements.

In the face of so many promising alternatives, and with substantially more space than we need having just been acquired, the committee would be completely justified in denying the pending appropriations request. I urge the committee to do so, at least until a thorough and reliable study of House space needs, and alternatives for meeting them, has been completed.

In dealing with this single request, the committee and the House have a valuable opportunity to demonstrate by example the importance of rational, orderly, systematic planning in the expenditure of taxpayers' money. Because this request affects our own prerogatives, it is also an opportunity to establish the integrity and credibility of this institution.

Thank you very much.

CROWN PETROLEUM TERMINATING ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, yesterday I met with the independent gasoline dealers who are affiliated with Crown Central Petroleum Corp. in northern Virginia. Each of these independent businessmen has been notified by Crown officials that his lease and operating agreement will be terminated this year. No reason was given for this failure to renew existing contracts, and this notification comes in spite of a remedial order by the FEA which is dated November 21, 1974, and which directs Crown Central to cease any harassment or retribution against dealers who resist Crown's attempts to set hours of operation or to fix prices at the pump.

I have called upon the FEA to seek an immediate injunction against Crown Petroleum, and have urged Crown to delay its terminating action with respect to these dealers pending investigative oversight hearings by the Interstate and Foreign Commerce Committee on this problem.

Mr. Speaker, if this were simply a dispute between a few dealers and their supplier, the attention of the House would not be so critical. However, this is a blatant attempt by a major supplier to move into the retail market by the most heavy-handed and arbitrary means. You may be certain that other major suppliers are watching this situation very closely, and will attempt to follow suit if Crown is successful.

Yesterday also, I introduced H.R. 6266, the Fair Marketing of Petroleum Products Act, which will prevent such action by suppliers without specific proof that contractual agreements have been violated. It prevents further expansion in the retail market by companies which already control a major share of the market. The Senate Commerce Committee has acted favorably on a similar measure and has ordered the bill to be reported to the floor. I request the urgent attention of the House to this matter.

PANAMA CANAL: SECRETARY KISSINGER'S PLAN FOR DE FACTO SURRENDER OF U.S. CANAL ZONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, since 1955 the Department of State, without prior authorization by the Congress, has been engaged in activities aimed at the liquidation of the entire Panama Canal enterprise through the process of piecemeal erosions. Such efforts included proposals to abandon the strategic Panama Railroad, to cede the docks at Cristobal to Panama, and to give Panama jurisdiction over the Thatcher ferry bridge and highway in the Canal Zone.

Fortunately, these ill-advised measures were blocked in the Congress.

To serve notice on the Executive that surrender of U.S. sovereign control over the Canal Zone and Panama Canal will not be tolerated by the Congress, identical sovereignty resolutions were recently introduced in both the Senate and House. In the Senate, Senate Resolution 97 was sponsored by 37 Members, which is enough to block any treaty; in the House, House Resolution 75 and similar ones were introduced by some 120 Members.

The action clauses of these resolutions provide that; first, the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and second, there be no relinquishment or surrender of any presently vested U.S. sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and third, there be no recession to Panama, or other divestiture of any U.S.-owned property, tangible or intangible, without prior authorization by the Congress—House and Senate—as provided in article IV, section 3, clause 2, of the U.S. Constitution.

An example of executive action counter to the provisions of the pending Canal Zone sovereignty resolutions was the leasing on March 14, 1975, of Old France Field, C.Z. to the Colon Free Zone, an autonomous institution of the Republic of Panama, for a period of 15 years. In the press of Panama this action has been featured as a great diplomatic victory and precedent for the future. I was not informed about this move until the day before the lease was signed and promptly wrote the Secretary of the Army in protest.

In direct conflict with the terms of the pending resolutions, information believed reliable has been received that the Secretary of State, Henry A. Kissinger, has approved plans to turn over de facto control of U.S. Canal Zone police, fire, and postal services to Panama on the basis that there is no legal precedent to prevent their transfer solely by Executive action. The surrender of such security functions of the Canal Zone Government would, in large degree, present the Congress with a fait accompli. It could also lead to mass resignations by experienced U.S. employees who keep the Panama Canal running and cause other untold complications.

It seems obvious that the Kissinger strategy was formulated, because of the realization by the State Department planners that the Congress would not approve the contemplated surrender. Not only that, I feel justified stating that the American people will not approve such abdication of authority. Since February 7, 1974, when Secretary Kissinger signed the notorious "agreement on principles" with the pro-Soviet Panamanian Foreign Minister Juan A. Tack, to govern the negotiations of a giveaway treaty, I have received in the form of letters and petitions from all of the 50 States the views of more than 7,000 citizens strongly opposing any surrender at Panama. Only 11 have supported the State Department.

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As I have stated many times previously, the real issue at Panama is not U.S. sovereign control over the canal zone versus Panamanian but continued U.S. sovereignty versus U.S.S.R. domination of the most strategic waterway of the Western Hemisphere that is the jugular vein of free world security.

Mr. Speaker, Secretary Kissinger cannot deceive either the Congress or the people of the United States with his calculated ambiguities and sophistries on the canal question. They are well informed and see through his rhetoric. Furthermore, I can think of no better way for the administration to bring about another serious confrontation with the Congress than by persisting in its present dangerous course toward ceding U.S. sovereign control over the U.S.-owned canal zone and canal. We have a workable canal treaty now and we must keep it.

Mr. Speaker. I call upon the President of the United States to disavow the State Department's program for surrendering U.S. sovereign control over the canal zone territory and to direct that agency to adhere to the provisions of the U.S. Constitution, which vests the power to dispose of territories and other property of the United States in the Congress and which all executive officials are bound by oath to support.

THE APPOINTMENT OF HATHAWAY—PART I

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 20 minutes.

Mr. FITHIAN. Mr. Speaker, I am proud and pleased to announce that I have received a well-researched, in-depth analysis of former Wyoming Gov. Stanley K. Hathaway's environmental record from 1966 to 1974. I received this letter from Mr. David Egolf, a resident of West Lafayette, Ind., who is a Ph. D. candidate in mechanical engineering at Purdue University. Mr. Egolf received his B.A. from the University of Wyoming in 1966 and his M.S. from Oklahoma State University in 1967.

At Purdue Mr. Egolf has specialized in acoustics and noise control engineering. He has read several scholarly papers at conferences, published articles in his field, and lectured at the University of Wyoming. Born and raised in Wyoming, Mr. Egolf has served as a member of the board of directors for the Wyoming Outdoor Council, served as one of Wyoming's two representatives on the Western System Coordinating Council, and been active in the Sierra Club. In addition, he is a registered engineer in Wyoming and Indiana.

I have asked that this lengthy letter from Mr. Egolf be reprinted in the CONGRESSIONAL RECORD because I believe that it will provide useful materials about the impending appointment of Governor Hathaway as Secretary of the Interior. I commend this letter to my colleagues in the Congress. The letter will be reprinted in two parts: First the complete letter; and second the supporting documents. The letter follows:

WEST LAFAYETTE, IND., *April 18, 1975.*

Congressman FLOYD FITHIAN,
Washington, D.C.

DEAR CONGRESSMAN FITHIAN: I am writing to you to express my displeasure at President Ford's recent decision to appoint former Wyoming Governor Stanley K. Hathaway to fill the cabinet position of Secretary of the Interior.

Most of the discussion which follows is based on my firsthand experience and knowledge as a resident of the state of Wyoming since 1954.

During Mr. Hathaway's last term as governor I served on various citizen action committees which were involved in drafting and promoting important socio-economic and environmental legislation on the state level. This came as a result of the announced plans by Governor Hathaway's administration to industrialize the state: 69 open-pit and underground coal mines, 34 coal-fired steam electric power plants, 10 synthetic liquid fuel plants, 10 coal gasification plants, and 7 coal carbonizing plants.[1] Spurred into action by these plans, we began to prepare legislation dealing with the social, economic, and environmental impact of the heavy energy extraction industries on a state which was, at that time, dependent largely on agriculture and a rural way of life. Our actions were to a large extent ignored by Governor Hathaway, although he did occasionally lash out in the news media with verbal barrages meant to discredit anyone who questioned his Hell-bent-for-election efforts to develop the state's natural resources (please see, for example, the attached article copied from the June 16, 1974 issue of the "Casper Star Tribune" entitled "Stan Won't Argue Welfare").

Governor Hathaway's all-out promotion of the large energy extraction industries can best be explained by his lack of interest and non-support of practically all legislative efforts to adequately control or even plan for the undesirable side effects of the rush to exploit the energy resources. One example, with which I was intimately associated, was an aborted attempt to give the Wyoming state government authority over the siting of large coal-fired steam electric power plants. While a Ph.D. student in electrical engineering at the University of Wyoming in 1973, I helped to write Wyoming's first power plant siting bill which was introduced into the 1973 session of the Wyoming Legislature. That bill, entitled the "Mayor Electric Facilities Siting Act", and a similar bill introduced the following year (1974) died in committee for lack of support from the Governor's office. Wyoming now has an effective power plant siting law thanks to the strong support given it by Wyoming's present governor.

Mr. Hathaway's recently publicized claims of having helped to preserve Wyoming's natural environment are almost totally unfounded. The few environmental regulations which were enacted during his tenure as governor were usually conceded begrudgingly under duress as a result of enormous public pressure brought to bear on his administration. There were even attempts by Mr. Hathaway to water down those bills which did pass and some of them consequently became laws in name only.

Mr. Hathaway's own strip mine reclamation law entitled the "Open Cut Reclamation Act of 1969" was something of a joke even among stripminers: as one mine operator confided in me that ". . . the expenditures for land reclamation required by the 1969 Wyoming law weren't even enough to build a fence around the hole!" It isn't any wonder that Wyoming became known as the Wallflower State during Mr. Hathaway's two terms as governor.

Mr. Hathaway's record on environmental matters speaks for itself and one has only to spend some time wading through the myriad of public documents and old newspaper files to discover his true sentiments. I have attached an excellent compilation of information about Mr. Hathaway which was prepared by Mr. Bruce Hamilton, News Editor for "High Country News" published in Lander, Wyoming.[2]

Mr. Hathaway's record, as governor, on issues such as public health, socio-economics, social reform, and the preservation of small business is equally as poor. As a direct result of his rush to industrialize the state, many Wyoming communities now suffer from a boom/bust economy. Snowballing inflation, high crime rates, increased drug traffic, labor problems, severe housing shortages, lagging public health standards, overcrowding of schools, and inadequate police and fire protection are now common to the Wyoming cities of Gillette, Rock Springs, Green River, Douglas, Kremmerer, and Buffalo just as they are to Chicago and Detroit. This was *not* the case before Mr. Hathaway instituted his "quality industrial growth" policies.

In Rock Springs, for instance, from 1970 to 1974 the population increased from 12,000 to 26,000, the caseload of the mental health clinic increased by 1,000%, hospital admissions increased by 333%, and the crime rate jumped by a whopping 900%.[3] Descriptions in the news media of the horrid living conditions in Rock Springs are too numerous to mention. One such article describes people living in caves, tents, and abandoned automobiles, and children playing in trailer-park mudholes created by sewage overflow from inadequate and severely overloaded sewerage facilities. My former neighbor in Casper, Wyoming, a pharmacist by trade and a drug salesman for a large drug firm, resigned from his job and moved to Arizona because, as he explained, he did not want to be a part of the heavy drug traffic in the Wyoming boom towns that he serviced.

In these post-Watergate times Mr. Hathaway's honesty is being touted as a virtue, which will assure him of the job as Secretary of the Interior. It has been my experience, as a Wyoming resident, that Mr. Hathaway's honesty goes only so far as the law and public opinion dictate. For example, in 1972 the Atomic Energy Commission made public their plans for the underground simultaneous detonation of five Hiroshima-sized atomic bombs near the town of Pinedale, Wyoming in the Green River Valley. The project, named "Wagon Wheel", was to be an experiment in the use of nuclear "stimulation" to free underground reserves of natural gas. El Paso Natural Gas Company was to co-sponsor the project along with the Atomic Energy Commission.

A.E.C. and El Paso public relations people failed to "soften-up" the local residents to the fact that their way of life would be disrupted and their homes and ranches damaged and possibly destroyed. Some of these people are third-generation ranchers who still live on the same ranches that their grandfathers homesteaded. Eventually local residents organized the Wagon Wheel Information Committee in opposition to the project and called for a meeting with Governor Hathaway to seek help.

The April 20, 1972 issue of the "Pinedale Roundup" reports that, at the meeting, Governor Hathaway ". . . was pushed to do something to stop the proposed nuclear exploration for gas . . ." In answer to pleas for help from area residents, Governor Hathaway avoided any responsibility by saying that "Neither the governor nor the people have any veto authority over this . . ." and he further explained that ". . . people should be

paid for any damage . . ." He failed to explain how a person should be "paid" for having his way of life disturbed or how he should be "paid" for the mental anguish from watching the ranch home built by his grandfather destroyed or how he should be "paid" for the worry that maybe some day his water well would be contaminated by radioactive leakage.

As if they had no alternatives, Governor Hathaway explained "If we think this is bad *we should consider Communism*—where people have no choice, are not even asked . . . We should keep experimenting (referring to the continuation of nuclear gas stimulation experiments)"[4]

Despite Governor Hathaway's unwillingness to intervene, the Wagon Wheel project was eventually tabled by the A.E.C. when a straw vote conducted at the polls in Sublette County, Wyoming showed that 87% of those polled opposed the project. In my letter to the County Clerk of Sublette County dated Nov. 17, 1972, I requested a precinct-by-precinct accounting of the Wagon Wheel straw vote. The County Clerk's reply included the rather disturbing comments: "WWIC (meaning the Wagon Wheel Information Committee) said it would give only the total instead of individual precinct results to prevent *intimidation* in smaller precincts". Intimidation?

There is evidence to indicate that Governor Hathaway was made aware of the project long before the A.E.C.'s public announcement. There is also evidence to indicate that Governor Hathaway was denying knowledge of the project even after at least one of his appointed state agency heads admitted its existence. Further, evidence indicates that Governor Hathaway *may have even had a hand in planning the project.* ". . . There *is* a proposed gas stimulation project in Sublette County, Wyoming"—from a letter dated *December 2, 1971* signed by the Director, Wyoming Department of Economic Planning and Development. "I am *not* aware of any planned nuclear test blasts by the AEC for Wyoming"—from a letter dated *December 10, 1971* signed by Governor Hathaway (a copy of that letter is attached). "A Riverton, Wyoming Editor said that the blasts had been set up in the Governor's office—in 1968 or 1969 when the informant was Director of Economic Planning and Development."[5]

Mr. Hathaway's record concerning conservation of energy, even during the recent Arab oil embargo, is non-existent. "Governor Stan Hathaway ordered state government vehicles to slow down but *not* to the 50 miles per hour recommended by President Nixon . . . it's unfair to ask the people of this state to make sacrifices . . .[6] "Governor Stanley Hathaway says he will continue to promote tourism despite urgings by major oil companies that he promote conservation of dwindling gasoline supplies instead. The governor said surface coal mining and oil shale should be developed in Wyoming to ease the energy crisis . . ."[7] And during Mr. Hathaway's two terms in office he accomplished that goal. Between the years 1966 and 1974 over one million acres of state-owned land, including every last acre of state land with coal mining potential, was leased by the state of Wyoming to private coal companies.

It is no wonder that Mr. Hathaway has become the undisputed champion of the vested interests who were granted unbridled exploitation of Wyoming's natural resources. To say that the state operations of many multinational oil, coal, uranium, chemical, and power companies benefited tremendously as a result of Mr. Hathaway's policies is an understatement. These people are, no doubt, delighted at President Ford's choice of Mr. Hathaway for Secretary of the Interior.

I am also disturbed by the fact that Mr. Hathaway, as Secretary of the Interior, will be in a position to dictate policy to the National Park Service. Just two years ago, as governor of Wyoming, Mr. Hathaway was an outspoken proponent of the expansion of the airport in Grand Teton National Park to admit commercial jet traffic.

In his published comments about the draft environmental impact statement for the jetport, Mr. Hathaway took issue with the statement that increased aircraft traffic and noise might disrupt one of the Park's natural strutting grounds for wild sage grouse. He implied sarcastically that rather ". . . there is probably no end in sight to the reproduction capabilities of these sage grouse that acclimated to existing aircraft operations . . ." In this same statement he chastized those who, *for whatever reasons*, had opposed the building of the jetport, by saying "There are those individuals in society who would junk all modern methods of transportation, including cars and planes, and return to a society which relied on the horse and buggy for its transportation needs."

Mr. Hathaway also made light of ". . . changing the use of a minimal amount of acreage in Grand Teton National Park . . . with admittedly, some *modest* increases in noise and air pollution . . ."[8] even though *high* noise levels would have intruded into a large part of the National Elk Refuge less than two miles away. The National Elk Refuge is the traditional winter feedground for some 8,000 elk comprising a large part of the Yellowstone Park elk herd.

According to the Final Environmental Statement on the Jackson Hole Airport, an additional 14 square mile area within the Elk Refuge would have been impacted by 80 EPNdB jet noise. This was in addition to that area of the refuge already impacted due to overflights of prop-powered aircraft. It has been shown that jet aircraft noise of this magnitude is considered objectionable by a percentage of urban dwellers in densely populated neighborhoods surrounding major jetports, to say nothing of its effects on wildlife. An extensive literature search which I conducted as part of a research proposal submitted to the National Wildlife Federation on Jan. 5, 1973 indicates that there is *absolutely* no evidence to show that elk or any other forms of wildlife might adapt to noise levels of this magnitude. ". . . few, if any, of the reported or suggested effects of noise on animals would benefit the animal or increase his chances for survival . . ."[9]

The enclosed copy of a New York Times article fully explains the jetport issue and Mr. Hathaway's "enthusiastic support" for it. Because of the heavy political pressure to approve the jetport, a number of rough copies of the draft environmental impact statement were "leaked" to the public prior to the official release of that document. Professionals in the National Park Service feared that politicians who favored the jetport might urge President Nixon to apply political pressure to his appointees in the upper echelons of the Department of the Interior or the National Park Service to manipulate that portion of the document which was critical of the jetport.

A rapid rush to develop all of what remains of this country's natural resources will not solve, but will only delay, the energy shortage problem. In his past actions Stanley K. Hathaway has certainly favored this approach and I don't think that he can afford to hope that he will change his views once that he gets into office.

Congressman Fithian, there surely must be other men in government who represent more reasonable points of view than those espoused by Mr. Hathaway. It is my feeling that President Ford could do much better with someone like former Oregon Governor Tom McCall or former E.P.A. director Ruckelshaus in the position of Secretary of the Interior. "The sell Wyoming debate should have been closed with Hathaway's retirement from office last year. But now, instead, the debate has moved to the U.S. Senate floor where it's no longer just Wyoming's environment at stake—it's the entire country's."[10]

Sincerely,

DAVID P. EGOLF,
Registered Professional Engineer and Doctoral student in engineering, Purdue University.

FOOTNOTES

[1] "Review and Forecast of Wyoming Mineral Industries", published by the Wyoming Natural Resources Board and the Wyoming Water Planning Program, State Capitol, Cheyenne, Wyoming, 1969.

[2] "Ford Taps Stan Hathaway for Interior", by Bruce Hamilton, News Editor, Apr. 11, 1975 issue of "High Country News", Lander, Wyo.

[3] "Governor's Planning Committee on Criminal Administration", date unknown, State Capitol, Cheyenne, Wyoming.

[4] "Pinedale Roundup", Pinedale, Wyoming, Apr. 20, 1972.

[5] *The Wagon Wheel Contention*, by Jon Plumme, published by Casper Owik Copy Center, Casper, Wyoming, 1972, pg. 7.

[6] "Casper Star-Tribune", article by Joan Wheelan, Nov. 10, 1973, Casper, Wyoming.

[7] "Billings Gazette", no date, Billings, Montana.

[8] "Actions Under Consideration, Jackson Hole Airport, Grand Teton National Park Wyoming", Dept. of the Interior Final Environmental Impact Statement, Prepared by Grand Teton National Park, Midwest Region, National Park Service, Dept. of the Interior, Mar. 1, 1974.

[9] "Effects of Noise on Wildlife and Other Animals"—Report NTID 300.5, Prepared by Memphis State University for the U.S. Environmental Protection Agency, Office of Noise Abatement and Control, U.S. Gov't. Printing Office, Wash., D.C. Dec. 31, 1971.

[10] "High Country News", Apr. 11, 1975, Lander, Wyoming.

COMPENSATING ACQUITTED DEFENDANTS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, one of the most sacred principles of our law is the presumption of innocence. A man or a woman is presumed innocent of any criminal charge against them unless and until the Government is able to prove them guilty of that charge beyond a reasonable doubt. Often, a defendant in a Federal criminal trial is acquitted, or the charges against him or her are dismissed by the judge. Of course, when this happens, the defendant may not be sentenced to prison or fined. He or she is as free as they were before the charge was ever brought. But the unconvicted defendant will likely have come into contact with a stark fact of modern day life—the high cost of a legal defense in a criminal case.

An innocent man or woman may be punished more by the cost of defending themselves successfully than by the sentence or fine they receive if convicted. We may never be able to compensate unconvicted defendants for the anguish and torment they suffer until they are vindicated, but we can honor the presumption

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Footnotes at end of article.

of innocence by reimbursing them the reasonable costs of a successful defense.

I am introducing a bill today with six colleagues, which will mainly benefit the middle class. Since the Supreme Court's landmark 1963 decision in Gideon against Wainwright, indigents have been constitutionally entitled to free counsel in all State and Federal trials. Although a wealthy defendant still must pay his own lawyer, the financial drain is not likely to be as burdensome for him as it is for the middle-class person. A working man with a car and mortgaged home will not get a free lawyer, yet it may cost him many thousands of dollars to defend himself or members of his family against a criminal charge. Even if he wins, he will find himself deep in debt. Such a result may seriously shake his belief in American justice.

Reimbursement of counsel fees is not generally intended as a rebuke to prosecutors for bringing a case, but simply recognizes that the high cost of legal representation may inflict punishment where none was ever intended. On the other hand, we must be aware that in several recent "political" trials, there have been charges that the prosecution was brought for harassment or other motives that have no place in the American criminal justice system. I do not know if these charges are true. But the trial judge, who is in the best position to assess them, should be empowered to hold a hearing and consider the appropriateness of awarding counsel fees to the defendant.

In the highly publicized Chicago Seven trial, for example, which lasted several years, a conservative estimate of the legal costs incurred is $1 million. In the Gainesville Eight trial, the defense costs totaled well over $125,000 and for the Wounded Knee trial, the costs mounted to $500,000, all unreimbursed. It is evident from these highly controversial criminal cases that the legal fees and costs incurred by the defendants, who were all acquitted of the substantial charges brought against them, were huge and should not have been borne by the defendants. The Gainesville Eight have said that they thought they would never recover financially from the burden of their trial. It is important to note as well that in many instances, the duration of the trial period for these cases was prolonged by the behavior and conduct of the prosecution. These were spectacular cases, but the everyday criminal case where the defendant is acquitted can play equal havoc for him or her.

An indirect result of the reimbursement of costs to the acquitted defendant would be the discouragement of unfounded harassing prosecutions and would cause the prosecutor with a marginal case to better substantiate his charges before he begins a prosecution.

The concept of reimbursing attorneys fees and other court expenses to defendants in criminal trials is part of the English system of justice. The English trial courts have the power to compensate the accused out of public funds for the costs of his defense. In England, costs in criminal cases are the actual expenses and disbursements of the prosecution and the defense including fees of counsel and solicitors and reimbursements to the witnesses for their expenses and loss of time. An award can be made when the examining justices refuse to commit the accused for trial, in a proceeding similar to the preliminary hearing in American jurisdictions.

An award can also be made upon acquittal when the court "thinks that the prosecution should never have been brought, and not where the acquittal was on the benefit of the doubt or technicality." When a defendant wins a reversal on appeal, the appellate court may order as a matter of course that the defendant's costs on appeal be paid out of Government funds, and it can also award him the costs he incurred at his trial. The English law also makes the decision to award the defendant these legal expenses discretionary with the judge.

The legislation does have safeguards. It provides that the judge may determine whether the payment of attorneys fees and costs is in the interest of justice according to certain criteria, including: The costs of the litigation for the defendant; the strength of the Government's case; whether either party was guilty of dilatory tactics; whether either party was guilty of conduct that unnecessarily increased the costs of the litigation to the other party; whether the Government was justified in seeking an indictment, taking into account the evidence it was able to produce at trial; whether the acquittal was the result of a determination on the merits or of a technical rule of law; and any other factor the court determines is relevant.

The purpose of the safeguards is to make certain that no unconscionable result takes place with the reimbursement to a defendant of attorneys fees and costs when based on all the facts available to the court, and set forth by the court in its decision a reimbursement is not warranted.

The six cosponsors of the bill are Representative FRED RICHMOND, Democrat, of New York; Representative HENRY HELSTOSKI, Democrat, of New Jersey; Representative BOB CARR, Democrat, of Michigan; Representative ROBERT DRINAN, Democrat, of Massachusetts; Representative STEPHEN SOLARZ, Democrat, of New York; and Representative HERMAN BADILLO, Democrat, of New York.

UPCOMING PORTUGUESE ELECTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. GIAIMO) is recognized for 15 minutes.

Mr. GIAIMO. Mr. Speaker, this week the 8.5 million people of Portugal will participate in their first election in nearly 50 years. The results of those elections and the response of the present Portuguese leaders to the expression of that country's political preferences will have a tremendous impact on the future of Portugal, U.S. foreign policy, and the future of the North Atlantic alliance.

Last April the rightwing dictatorship in Portugal was overthrown by a military coup known as the Armed Forces Movement. Since taking power, the military and its supporters have engaged in what, up to now, has been a nationalist revolution to reform Portugal socially and economically.

At the same time, however, events have occurred in Portugal which could seriously threaten the newly achieved political freedom in Portugal. The prospect for democracy in Portugal hangs by a thread and is being undermined by the activities of the well-organized and determined Portuguese Communist Party—PCP—and by the impact of the PCP on the Armed Forces Movement and the ruling Revolutionary Council.

Surfacing after years underground, the PCP has emerged as a primary supporter of the Armed Forces Movement's efforts to transform Portugal into a socialist state. Politically the Communist Party possesses power in the Government far beyond its strength in the countryside. Estimates indicate that no more than 20 percent of the Portuguese people will back the PCP in a free, unfettered election.

Recent events, unfortunately, have indicated that the April 25 elections will be anything but unfettered. The Armed Forces Movement has consistently restricted the activities of nonleftist parties. For example, the non-Fascist but conservative Christian Democratic Party has been banned from participating in the election. The press has reported on numerous occasions that the military leaders of the government have permitted Communist thugs to terrorize their Popular Democratic Party opponents with impunity. Even the Socialist Party, which has the support of most of the social democratic parties in Western Europe, is hesitant about criticizing the ruling junta.

I am further distressed by pronouncements by the present government which have implied or outrightly stated that the Armed Forces Movement would not necessarily abide by the will of the people as expressed by the ballot. Their attitude indicates that the military leaders may remain in power if the people do not support the policies of the Armed Forces Movement. This strikes me as a highly dangerous assumption of omniscience. To put it another way, it has a definite communist ring to it and adds credence to the fears expressed by leading students of communism that Portugal may soon go the way of Czechoslovakia in 1948.

Hopefully, these outbursts by the Armed Forces Movement are merely symptoms of overexuberance. After 50 years of oppression we must make allowances for a certain amount of rhetoric.

I assume that the current leaders of Portugal have Portugal's future at heart. If this is an accurate assumption, then the Armed Forces Movement should abide by the results of the upcoming

election and not retain power 1 day longer than necessary. To do otherwise would create a situation which could erupt into violence and threaten the continued freedom of Portugal.

I also hope that, in the remaining days before the election, the Armed Forces movement will protect the rights of all legal parties to campaign freely for this election. Following the expression of the people's will, I further hope that the military in Portugal will respect the preferences of the people if, as I believe it will, the election expresses a strong support for parliamentary democracy.

Mr. Speaker, regardless of what occurs in Portugal in the coming days and weeks, the United States must reassess its relationship to Portugal and Portugal's relationship to NATO. Last week Joseph C. Harsch wrote in the Christian Science Monitor:

> Any day now the far left in Portugal may become so influential in the military government there that either Portugal will opt out of the NATO alliance, or NATO will find itself having to put Portugal out to protect NATO's own operations . . . Surely it isn't too late to do something.

Unfortunately, in recent months the administration and the Congress have been so preoccupied with the situation in Southeast Asia that we have given scant attention to Portugal. In his State of the World Message, President Ford failed to even mention the importance of Portugal to NATO and to the implementation of our foreign policy in other parts of the world. Does the administration assume the eventual accession of a Communist government in Portugal? Does it care?

The administration designated 1973 as the year of Europe. The year of Europe never occurred, and NATO has suffered accordingly. I hope that, in light of the potentially dangerous current situation in Portugal, the administration will now turn its attention to this member of the Atlantic Alliance before a real crisis catches this Nation ill-prepared.

BRING BACK PINKY LEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. REES) is recognized for 5 minutes.

Mr. REES. Mr. Speaker, I have been one of many parents who is disturbed over excessive violence portrayed on TV. It is my belief that much of the violence we find in our society has been learned by youngsters being fed this continual diet day after day.

I would like to have inserted in the RECORD an excellent column by Art Buchwald:

> ### BRING BACK PINKY LEE
>
> (By Art Buchwald)
>
> The three major networks have just announced that they're eliminating sex and violence on television from seven until nine o'clock every evening starting in September and will devote these hours to "family programs."
>
> This means we're going to get all our violence between nine o'clock and 11 on the assumption that people who stay up past nine o'clock are not affected by the mayhem that the networks put on our screens every evening.
>
> I don't know about you, but I'm much more concerned about the teen-agers who watch television than the little tykes who have been shunted off to bed.
>
> Last week I was at a friend's house watching a show with his son. The villain was making a time bomb out of four sticks of dynamite and an alarm clock. The bomber was meticulous in assembling the pieces and the young man said, "Hmnnn. So that's how it's done."
>
> "What do you mean?" I asked him.
>
> "I never knew how to make a time bomb before. It's a snap.
>
> "Why would you want to make a bomb?"
>
> "To blow up a safe. Last night I saw a program about a bank and they showed how you could break into it through the roof. But they couldn't get the safe open. I'll bet you with this bomb they could have done it."
>
> "Didn't the bank have a night watchman?"
>
> "Yeah, but they demonstrated how you could knock him out with one karate blow to the throat. You see, you take the palm of your hand and you go chop like this."
>
> "Never mind," I said.
>
> "Of course, if you don't want to use karate, there's a weapon now with two sticks and a piece of wire and you throw it around the guy's neck and squeeze and it's 'Goodby, Charley.' "
>
> "Where did you see that?"
>
> "On some police show. This guy was really crazy. He killed about six people before they got him. They probably wouldn't have ever found him except for this girl he raped."
>
> "They showed a man raping a girl on television?"
>
> "Sure," my friend's son said with no surprise. "When you rape a girl you should always grab her from the back and put your hand over her mouth so she doesn't bite you, because later on her teeth marks could be used to identify you."
>
> "Those are some shows you watch."
>
> "What can I do? That's all there is. Do you know you can open anyone's lock with a piece of stiff cellophane? I saw it last Sunday. Look, let me show you."
>
> "I believe you."
>
> "Hey, he said, "if you ever go broke I know how to burn down your house and collect the insurance without anyone finding out about it. I saw it Wednesday. You have to use cleaning fluid because it doesn't smell and . . ."
>
> "I don't want to know how to burn down my house."
>
> "Okay. Last week I found out how you tap a telephone without anyone knowing it. It's really simple. All you have to do is to find the panel box in an apartment cellar and adjust a few wires. You want me to demonstrate?"
>
> "No, I don't want you to show me. Don't you learn anything from television except how to commit a crime?"
>
> "I saw a girl shooting up heroin two nights ago, but it turned me off."
>
> "That's nice "
>
> "Look! There's a chase. If you ever need anyone to drive a getaway car I could do it with my eyes closed. Of course, if I had a motorcycle they'd never catch me."
>
> "I don't know why they call this entertainment, and the stuff on public television educational," I said. "You learn more in one week watching this claptrap than you do all year on educational TV."
>
> "Wait until you see the movie coming up. It was made especially for television and it shows you how to hijack a Boeing 747. I wonder if those things are hard to fly."

NUCLEAR-GENERATED POWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 10 minutes.

Mr. DODD. Mr. Speaker, nuclear-generated power has the potential to be both this Nation's salvation from the energy crisis and an extremely serious hazard to its people and environment.

There are many concerned, intelligent people—scientists, engineers, members of the public—who can present solid, well documented arguments as to why the United States should or should not develop further our nuclear energy potential. The emotions of citizens in both these groups often run high, as well they might; much is at stake on this issue.

Due to the location in my district in eastern Connecticut of two operating nuclear power stations, I have had long discussions with many professionals and laypersons as to the best position for the United States to take regarding nuclear energy. I have heard suggestions ranging from a complete moratorium on all nuclear-reactor construction to the hasty construction of hundreds of nuclear reactors across the country.

I have also heard the voices of those people who I believe to be in the majority, who acknowledge the great potential benefits of nuclear energy but realize that the potential dangers associated with this form of power might outweigh those benefits.

I have long been in agreement with this majority. The United States cannot afford to abandon the construction and use of nuclear reactors just because of "potentialities." But we cannot forge blindly ahead in the use of nuclear reactors because these "potentialities" may very well become "realities."

The key to solving this dilemma is in the compilation of independent, comprehensive, unbiased research upon which Congress and the Nation can base their decisions concerning the future development of nuclear energy.

Congress tried last year to obtain such information in the form of a report by Prof. Norman Rasmussen. That report, which gave nuclear energy a clean bill of health, had been tainted by many knowledgeable people who question the report's assumptions and conclusions. In addition, the fact that the Atomic Energy Commission helped finance the study helped discredit it further.

To provide the kind of information we can rely upon, I am introducing today along with my colleagues, Mr. DRINAN of Massachusetts and Mr. SYMINGTON of Missouri, a bill to be known as the "Nuclear Energy Study Act of 1975."

The bill provides for an in-depth, 5-year study of nuclear energy with particular attention to be paid to the safety and environmental hazards of this form of power. The study would be conducted by the Office of Technology Assessment, a branch of Congress which is authorized to provide information about the beneficial and adverse impacts of the applications of technology.

In addition to its comprehensive report at the end of 5 years, the OTA will provide to Congress annual reports to insure that the study is being properly

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conducted and that Government agencies are cooperating. We are asking $2 million a year in funding for each of the 5 years of the study.

Among the major areas that I hope to see resolved by the study are the safety of what are often classified as "routine" emissions of radioactivity from nuclear reactors, the storage and disposal of radioactive materials and wastes, the reliability of emergency core cooling systems, and the possibility of accidents.

I wish to emphasize that in sponsoring this bill I am in no way condemning the use of nuclear power. I believe that I am speaking for those many millions of people who believe in knowing all the facts before committing themselves too far to turn back.

The text of the bill follows:

A bill to provide for a comprehensive five-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Energy Study Act of 1975".

SEC. 2. The Congress hereby finds and declares—

(1) that a serious division exists in the general citizenry and scientific community concerning the wisdom of a commitment to further expansion of nuclear fission power;

(2) that the potential danger to society should a major nuclear accident occur would be catastrophic beyond any similar threat posed to the general public;

(3) that unresolved questions remain to be answered concerning the safety, feasibility, and reliability of nuclear powerplants and their attendant problems, including but not limited to the storage of nuclear waste materials, the possibility of nuclear sabotage, the safety and environmental hazards posed by the mining, milling, transportation, and processing of nuclear materials, and the safety hazards involved in routine and accidental emissions by nuclear facilities; and

(4) that the Congress is in need of an independent and reliable study and report in order that informed assessments and judgments may be made with regard to the further expansion of nuclear fission power.

SEC. 3. (a) The Office of Technology Assessment is hereby directed to undertake immediately a comprehensive study and investigation of the entire nuclear fuel cycle from mining through fuel reprocessing and waste management and, as described in section 5, to determine the safety and environmental hazards of this cycle.

(b) The Office of Technology Assessment shall conduct this study independently. The Office in conducting the study shall request, receive, and consider the comments and opinions of independent scientists, engineers, consumers, and environmental representatives. The Office shall have the power to enter into contracts with individuals or corporations for the purpose of conducting the study, but it shall not enter into contracts with or rely primarily on the expertise of any industry or company which provides materials, management capabilities, research, or consultant services for nuclear fission facilities or which otherwise in the judgment of the Office might have an interest in the further expansion of the nuclear industry.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any governmental agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study. The Office is further empowered to compel the delivery of any information in the possession of the Nuclear Regulatory Commission, National Laboratories, or any person, corporation, or association which the Office deems necessary for conducting the study.

SEC. 4. (a) Five years from the date of enactment of this Act, the Office of Technology Assessment shall submit a final report to the Congress and the public concerning the safety and environmental hazards of nuclear fission powerplants and the nuclear fuel cycle.

(b) The Office will provide an annual report to the Congress and the public on the progress of the study. In each annual report the Office shall inform the Congress of actions which it has taken to fulfill the requirements of the Act, including whether the Office has—

(1) found any evidence that any persons have violated the laws or regulations relating to safety in the development or use of nuclear power or special nuclear materials;

(2) any evidence that the agencies of the Federal Government, past or present, which have responsibility for insuring the safety of nuclear fission processes, have not faithfully or effectively exercised their required responsibilities;

(3) received cooperation from Government agencies with respect to requested data, information and personnel; and

(4) insured that all viewpoints have been adequately considered.

(c) The Office, in its annual report, shall make available to the Congress and the public any information relating to the safety of the nuclear fuel cycle which has not heretofore been publicly disclosed, either because the information was not publicly available or completed in publishable form, or for other reasons.

SEC. 5. The comprehensive study to be undertaken by the Office of Technology Assessment under section 3 shall include a review of (in addition to those topics cited in section 3)—

(1) the safety and environmental hazards associated with existing nuclear fission powerplants and the entire nuclear fuel cycle, including a discussion of the adequacy of design features and criteria;

(2) the safety and environmental hazards posed by the mining, milling, transportation, reprocessing, and waste management of nuclear materials;

(3) the safety of routine emissions from nuclear fission powerplants and nuclear fuel reprocessing facilities with projections of future health effects in the proliferation of these plants is allowed to continue;

(4) the indefinite storage of high level radioactive waste and potential dangers of such storage;

(5) the transportation of nuclear materials from civilian nuclear fission powerplants and other nuclear facilities, the safety hazards inherent in such transportation, and the possibilities for diversion or sabotage present in such transportation;

(6) the possibilities for diversion of nuclear materials and sabotage throughout the entire nuclear fuel cycle;

(7) the economic effect of a commitment to nuclear fission powerplants, particularly in relation to short- and long-term costs, the danger of extended shutdowns, the availability of raw materials, and the costs of all necessary safeguards;

(8) the licensing processes of the Nuclear Regulatory Commission and its predecessor, the Atomic Energy Commission; and

(9) the prospects and problems involved in the production of electric power through the use of nuclear energy and an assessment of its ultimate net energy yield as compared with alternative sources of energy.

SEC. 6. There is authorized to be appropriated for the study under section 3 the sum of $2,000,000 for each of the first five fiscal years beginning after the date of the enactment of this Act.

HOUSE ADMINISTRATION COMMITTEE ORDER NO. 18

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. HAYS) is recognized for 5 minutes.

Mr. HAYS of Ohio. Mr. Speaker, House Resolution 457, 92d Congress enacted by Public Law 92–184 into permanent law on December 15, 1971, provides the Committee on House Administration the authority to fix and adjust from time to time various allowances of Members, the Resident Commissioner from Puerto Rico or a Delegate to the House of Representatives. Pursuant to this authority the committee has issued order No. 18 which is effective this date.

Committee Order No. 18 merely incorporates, consolidates, and supersedes the authorization of July 31, 1974, and Committee Order No. 17, but does not modify the authority nor the amount authorized to lease equipment or for the leasing of computer and related services utilized in connection with official duties as prescribed by the regulations of the Committee on House Administration.

Committee Order No. 18 is as follows:

Committee Order No. 18

Resolved, That effective this date, until otherwise provided by order of the Committee on House Administration, each Member, the Resident Commissioner from Puerto Rico or a Delegate to the House of Representatives is authorized a $650 per month allowance to lease office equipment, and upon written request to the Committee on House Administration, a Member, the Resident Commissioner from Puerto Rico or a Delegate to the House of Representatives may allocate an amount not to exceed $250 a month of any unused portion of his or her clerk hire allowance for the leasing of equipment necessary for the conduct of his or her office or for the leasing of computer and related services in connection with his or her official duties. The said monthly allowances are not cumulative.

INTRODUCTION OF WILDERNESS BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER), is recognized for 5 minutes.

Mr. WEAVER. Mr. Speaker, today I am introducing bills which direct themselves to the preservation of natural areas of great value to the citizens of our country. The French Pete Wilderness bill would create an especially needed new wilderness area and the Kalmiopisis-Illinois Wilderness Expansion bill would both expand an existing wilderness and establish an additional wilderness study area.

The Wilderness Act defines wilderness as "An area where the Earth and its community of life are untrammeled by man and where man himself is a visitor who does not remain." The term "untrammeled" simply means that action by man has not and should not impede the free play of natural forces. Wilderness is a characteristic of the land—an aura or distinct atmosphere which offers a degree of solitude unassured elsewhere. Ultimately, the value of a wilderness area is spiritual, a ministering to human needs neglected in a rapidly urbanizing world.

At the turn of this century there were 65 Oregon Cascades valleys more than 10 miles long, unused by man. But since that time 62 have been irrevocably committed to multiple use, and only 3 remain untouched. French Pete is 1 of the 3, and offers the visitor an uplifting view across a wide expanse of unbroken timber. It is perhaps one of the last stands of old growth Douglas fir in our Nation. A French Pete wilderness area would preserve undeveloped low altitude forest land which so effectively complements the spectacular high mountain country of the adjacent Three Sisters wilderness area.

When the Three Sisters Area was established in 1956, the drainage of French Pete Creek that had been under the old Primitive Area classification was excluded. In the last 12 years, logging has encroached upon much of the Willamette National Forest and French Pete remains untouched only because it was still undeveloped when its wilderness status became a major issue. There is tremendous support for preservation—in 1972 an unofficial hearing drew some 100 witnesses to testify in favor of Senator PACKWOOD's bill to preserve the French Pete Valley. In 1974, a Forest Service poll on logging access alternatives did not include any nonlogging alternative—but 738 of the 1,426 people filling out the questionnaires rejected all four alternatives and wrote in that they were opposed to any access development into French Pete Creek Valley.

The controversy has kept the area undeveloped thus far, but the Forest Service has consistently refused to consider low altitude timber lands as appropriate for wilderness classification, despite their irreplacable beauty. It is up to the Congress to establish policy on this important question.

Opposition to the French Pete Wilderness Area comes largely from those who support Forest Service policy forbidding wilderness classification for any potential timberland. With all deference, I think this is a case of not seeing the forest for the trees. Timber is the Northwest's most valuable resource, and it is of the highest importance that an adequate supply be available—but the lands included in the French Pete bill presently contribute less than 2 percent of the annual allowable cut of the Willamette National Forest. This is less than 1 percent of the logs which the Northwest exported last year. Stopping log exports is vital to Oregon's economy, not logging French Pete.

In the extreme southeastern corner of Oregon, three distinct geologic and climatic areas—northern California, Pacific coast, Cascades—meet to form a constantly changing mosaic of primordial beauty. The Kalmiopsis plant, Brewers spruce, and phantom orchid flourish here, rare and endangered plants from before the Ice Age. Deer, bear, bobcat, grouse, hawks are among the abundant wildlife, and the Illinois, a river whose waters are clear year round, provides unparalleled habitat for steelhead, spring and fall chinook, coho salmon, rainbow and cutthroat trout.

This region borders the Kalmiopsis Wilderness on both the south and the north, and awarding it wilderness status would protect and preserve both the existing wilderness and the magnificent Illinois River watershed. My Kalmiopsis-Illinois Wilderness expansion bill would do this, and Senator HATFIELD has introduced a bill to this effect. However, my bill covers a larger area than Mr. HATFIELD's because I also call for an additional wilderness study area to explore the possibilities of further expansion. It establishes a logical geographic unit which should have been incorporated as wilderness when Kalmiopsis was dedicated in 1946, and there is an understandably broad base of support.

As with French Pete, the opposition comes from timber interests. The timber values, on which the people of southwestern Oregon are so dependent, must be carefully evaluated and considered. It is true that there are pockets of timber of appreciable value, but these pockets are located in inaccessible areas which would require very expensive roads built on extremely unstable soils. This is a case in which wise use means that timber values must remain as aesthetic entities as they grow and die in their natural ecological cycle.

I would like to conclude with a statement made by Zane G. Smith, Jr., when he was Forest Supervisor of Willamette National Forest:

> Wilderness has been an important part of man's history. Most would agree that it continues to be an essential resource in terms of man's needs. Some will use wilderness, personally experiencing its challenge, solitude and naturalness. Others will be comforted and receive peace of mind just knowing it exists. All people now and forever will benefit from it, providing this generation and those to come recognize and preserve it.

I include the following:

H.R. 6344

A bill to designate certain lands in the Siskiyou National Forest, Oregon, for addition to the Kalmiopsis Wilderness, to designate certain additional lands for wilderness study, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purposes of the Wilderness Act, certain lands in the Siskiyou National Forest, Oregon, which comprise about one hundred and thirty-four thousand and twenty acres and which are generally depicted as a wilderness addition on a map entitled "Kalmiopsis Wilderness Additions and Wilderness Study Area—Proposed", and dated March, 1975, are hereby designated as wilderness: The map referenced in this section shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

SEC. 2. As soon as practicable after the date of enactment of this Act the map referred to in the first section of this Act and a legal description of the Kalmiopsis Wilderness incorporating the additions thereto designated by this Act shall be filed with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives and such map and description shall have the same force and effect as if included in this Act. Correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3 (a) The lands designated as wilderness by the first section of this Act are hereby incorporated in, and shall be deemed to be a part of, the Kalmiopsis Wilderness as designated by subsection 3(a) of the Wilderness Act. Such lands and, until Congress determines otherwise, the wilderness study area designated by section 4 of this Act shall, except as otherwise provided by this Act, be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act.

(b) Notwithstanding the provisions of paragraphs (2) and (3) of subsection 4(d) of the Wilderness Act and subject to valid existing rights, federally owned lands within the Kalmiopsis Wilderness (including the additions thereto designated by this Act) and, until Congress determines otherwise, the wilderness study area designated by section 4 of this Act, and lands hereafter acquired within the boundaries of such areas, are hereby withdrawn from all forms of appropriation under the mining laws, from disposition under all laws pertaining to mineral leasing and all amendments thereto, and from leasing or other disposition under the Geothermal Steam Act of 1970.

SEC. 4. (a) In furtherance of the purposes of the Wilderness Act, and in accordance with the provisions of subsection 3(d) of that Act, the Secretary of Agriculture shall review, as to their suitability or nonsuitability for preservation as wilderness, certain lands in the Siskiyou National Forest, which comprise about one hundred and eleven thousand acres and which are generally depicted as "Wilderness Study Areas" on the map referenced in the first section of this Act, and shall report his findings to the President. The review shall be completed and the President shall advise the United States Senate and House of Representatives of his recommendations with respect to the designation as wilderness of such lands within five years after the date of enactment of this Act. In conducting his review, the Secretary of Agriculture shall give public notice at least sixty days in advance of any hearings or other public meeting concerning the wilderness study area.

(b) Nothing herein shall limit the President in proposing, as part of his recommendation to Congress, the alteration of the boundaries of the wilderness study area or recommending the addition to such area of any contiguous area predominantly of wilderness value.

(c) Any designation of the wilderness study area as wilderness shall be accomplished only by Act of Congress.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary

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to carry out the review provided for in section 4 of this Act.

COSPONSORS TO MR. WEAVER'S LEGISLATION TO EXPAND THE THREE SISTERS WILDERNESS AREA

Mr. Phil Burton of California.
Mr. Morris Udall of Arizona.
Mr. Ottinger of New York.
Mr. Meeds of Washington.
Mr. Young of Georgia.
Mr. Seiberling of Ohio.
Mr. Stark of California.
Mrs. Schroeder of Colorado.
Mr. Miller of California.
Mr. Howe of Utah.
Mr. Roncalio of Wyoming.

H.R. 6345

A bill to further the purposes of the Wilderness Act by incorporating French Pete Creek and adjacent roadless lands in the Three Sisters Wilderness, Oregon, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purposes of the Wilderness Act (78 Stat. 890), certain lands in the Willamette National Forest, Oregon, which comprise about forty-two thousand acres and which are generally depicted on a map entitled "French Pete Creek and Other Proposed Additions, Three Sisters Wilderness", and dated January 1975, are hereby designated as wilderness. The map referenced in this section shall be on file and available for public inspection in the Office of the Chief of the Forest Service. Department of Agriculture.

SEC. 2. As soon as practicable after this Act takes effect, a map and a legal description of the Three Sisters Wilderness incorporating the addition thereto designated by this Act shall be filed with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. (a) The lands designated as wilderness by this Act are hereby incorporated in, and shall be deemed to be a part of, the Three Sisters Wilderness as designated by subsection 3(a) of the Wilderness Act and, except as otherwise provided by this Act, shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas.

(b) Notwithstanding the provisions of paragraphs (2) and (3) of subsection 4(d) of the Wilderness Act and subject to valid existing rights, federally owned lands within the Three Sisters Wilderness, including the addition thereto designated by this Act, or hereafter acquired within the boundaries of such area are hereby withdrawn from all forms of appropriation under the mining laws, and from disposition under all laws pertaining to mineral leasing, and all amendments thereto.

(c) Notwithstanding the provisions of section 5 of the Wilderness Act, the Secretary of Agriculture may acquire, by purchase with donated or appropriated funds, by gift, exchange, condemnation, or otherwise, such lands or interests therein within the boundaries of the Three Sisters Wilderness, including the addition thereto designated by this Act, as he determines necessary or desirable for the purpose of this Act and the Wilderness Act.

AUTHORIZING APPROPRIATIONS FOR THE PEACE CORPS FOR FISCAL YEAR 1976 AND FOR TRANSITION QUARTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MORGAN), is recognized for 5 minutes.

Mr. MORGAN. Mr. Speaker, at the request of the executive branch, I am introducing today a bill to authorize appropriations for the Peace Corps for fiscal year 1976 and for the transition quarter of July 1, 1976 to September 30, 1976.

As drafted by the executive branch, this bill would provide an authorization of $80,826,000 for the Peace Corps for fiscal year 1976 and $25,729,000 for the fiscal year transition quarter. This authorization is designed to support a volunteer man-year level of 6,062 in fiscal year 1976 and 1,434 in the transition period.

The Committee on International Relations will hold hearings on the legislation and in due course will submit its recommendations for consideration by the full House. Until our committee reviews and acts upon this legislative request, therefore, I am not committing myself at this time to support any specific figure or provision contained in this bill.

The executive communication and the text of the bill I am introducing today are as follows:

ACTION,
Washington, DC., April 21, 1975.

Hon. CARL ALBERT,
Speaker of the House
Washington, D.C.

DEAR MR. SPEAKER: Enclosed for your consideration are copies of draft legislation to make four amendments to the Peace Corps Act, to enable the Peace Corps to continue to strengthen its work on behalf of world peace and understanding during fiscal year 1976 and the fiscal year transition quarter. We expect to propose additional amendments for fiscal year 1977 and later years in the near future.

The bill will authorize the appropriation of $80,823,000 for the Peace Corps for fiscal year 1976 and $25,729,000 for the fiscal year transition quarter of July 1, 1976 to September 30, 1976. This authorization will enable the Peace Corps to train an estimated 3,750 volunteer applicants in the coming year and 1,400 in the transition quarter. The estimated number of volunteer man years in the field for fiscal year 1976 will be approximately 6,062 and in the transition quarter approximately 1,434.

It will also authorize the appropriation of such sums as may be necessary in the event federal employee salaries or benefits are increased between July 1, 1975, and September 30, 1976. This authorization is similar to authority enacted with respect to fiscal year 1975.

The bill also provides that ACTION will transfer funds to the Treasury Department no later than December 31, 1975 to rectify the imbalance existing in the Peace Corps readjustment account. Legislation authorizing this transfer was enacted in 1974, but was limited to FY 1975 funds. Because of budgetary constraints on the Peace Corps for 1975, we have been unable to complete the transfer to date. Accordingly, it is necessary to provide a six-month extension of the time allowed to accomplish the transfer.

Section 4 of the bill would forbid sex discrimination with respect to the enrollment and terms and conditions of service of volunteers. This amendment would enact the existing practice of the Peace Corps.

I respectfully request that the bill be referred to the appropriate committee for consideration.

The Office of Management and Budget advises that there is no objection to the submission of this legislation and that its enactment would be in accord with the program of the President.

Sincerely,

JOHN [illegible]. GANLEY, *Director.*

H.R. 6334

A bill to amend further the Peace Corps Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That so much of Section 3(b) of the Peace Corps Act (22 U.S.C. 2502 (b)) as precedes the first provision thereof is amended to read as follows: "There are authorized to be appropriated for fiscal year 1976 not to exceed $80,826,000, and for the period July 1, 1976 through September 30, 1976 not to exceed $25,729,000, to carry out the purposes of this Act:"

SEC. 2. Section 3(c) of the Peace Corps Act (22 U.S.C. 2502(c)) is amended to read as follows: "In addition to the amounts authorized for fiscal year 1976 and for the period July 1, 1976 through September 30, 1976, there are authorized to be appropriated for the Peace Corps for such year such sums as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law."

SEC. 3. Section 3(d) of the Peace Corps Act (22 U.S.C. 2502(d)) is amended to read as follows: "The Director of ACTION shall transfer to the readjustment allowance, ACTION, account at the Treasury Department, no later than December 31, 1975, not to exceed $315,000 from any sums available to carry out the purposes of this Act in fiscal year 1976 to rectify the imbalance in the Peace Corps readjustment allowance account for the period March 1, 1961 to February 28, 1973.

SEC. 4. Section 5(a) of the Peace Corps Act, as amended, which relates to conditions of enrollment for volunteer service is amended by adding ", sex" after the word "race" in the last sentence thereof.

THE VITAL CONNECTION: THE BUDGET AND UNEMPLOYMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, not too well hidden, since it appears on page 1 of the first report of the House Budget Committee, is the assertion that by our adopting House Concurrent Resolution 218, we will thereby be able to reduce the current unemployment rate by over 1 percent during the next fiscal year.

I call this to the attention of my colleagues because it is so ridiculous a goal that it is an embarrassment in and of itself but doubly so inasmuch as the difference between our projected rate of unemployment and that under the administration's budget is negligible. Why are we being called upon to publicly confess that in a state of depression neither we nor the administration are able to put forth an economic plan that will put more people to work? The reason, I guess, is that throughout all the weeks of impressive hearings in which economists of every disposition and administration bigwigs testified almost without number, one after another, in broad daylight and in the presence of interested citizens, no one was able to work out a better fate for the nearly 8 million people who are out of work and looking for jobs. In other words, the Nation's best thinkers have thought as hard as they could, came up with no answers, and we are

now being called upon to ratify their nonsolution.

After all, we are being asked to pass upon the size of the budget, the marcoeconomic framework, without so much as a moment's pause to reflect that the budget exists for the people and the economy is constructed in their interest. Therefore, based on the candid admissions of the Budget Committee, they have perpetrated a travesty upon the budget process. Neither this committee nor the Congress can begin by announcing that a budget of a given size is needed and that this is the amount of deficit that is tolerable. To do so is to acquiesce in permanent massive unemployment with its attendent human misery. Only by amending the budget resolution in this respect can this denial of simple justice be overcome. Unless this adjustment is made, the losses to the economy will be immense not only in personal terms, but in employment and production as well, for these are the basic components of the real wealth of the Nation.

The magical figure which appears to have transfixed the committee at every step of its deliberations was the amount of the deficit. Only a few committee members cautioned that this is not just a problem of a year or two, remembering that there have been five nasty recessions since 1953. According to Dr. Leon Keyserling, they were accompanied by a sacrifice of $2.6 trillion of national production, $5 or $6 hundred billion worth of necessary public services and 53 million man-years of employment opportunity.

If the Members of the House accept the fiscal priorities outlined in this budget they will surely doom this country to continuing high rates of unemployment and economic stagnation.

CANADA AND THE UNITED STATES

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, this Thursday a representative delegation of the Congress will leave for Quebec to attend the 16th meeting of the Canada-United States Interparliamentary Group. Judging by past meetings the exchange will be frank, friendly and mutually beneficial. As a member of the U.S. delegation I look forward to talks with our neighbors on a full range of political and economic issues which are of mutual interest.

Last week Canada's very distinguished and able Ambassador to the United States, Marcel Cadieux, delivered a significant speech on the state of relations between our two nations. Ambassador Cadieux's speech realistically addresses a number of important issues in our relations while underscoring the fundamental and enduring strength of our long friendship. I believe that all Members will find the Ambassador's remarks not only informative but also reassuring at a time when our foreign relations with so many nations seem to be undergoing new strains.

The text follows of Ambassador Cadieux's speech "Canada-United States Relations: Realizing Problems and Finding Solutions." It was delivered April 14, 1975 before a joint meeting of the San Jose Chamber of Commerce and Bar Association.

CANADA-UNITED STATES RELATIONS REALIZING PROBLEMS AND FINDING SOLUTIONS

During the past five years in Washington, naturally I have been concerned with Canada-United States relations, and if the number of times I have spoken on the topic is indicative of anything I must be rather an authority on the subject by now. My appointment is now drawing to a close and it might not surprise you that as my penultimate message I would like to pronounce our relations as "good" and the understanding between Canadians and Americans as "excellent". You might well reply: How can you say that in light of recent moves by Canada to set an independent course from the United States. Did we not hear that your Minister of External Affairs has read an obituary for the so-called "special relationship" which has existed between our two countries since the war? Hasn't Prime Minister Trudeau been travelling in Europe to encourage a diversion away from the United States? Have not the federal and provincial governments taken a variety of actions recently in the fields of energy, foreign investment and land sales which have affected Americana?

If the "special relationship" meant that Canada was to be a constant companion of the United States in foreign and economic policy and that the Canadian mentality was destined to be essentially North American in outlook then "yes" that relationship has passed away. But a new era in our relationship does not indicate a deterioration of the understanding between us. It means however that the Canadian attitude on a range of questions can no longer be taken for granted.

If, for example, a foreign firm is interested in purchasing a Canadian company the requirements of the Foreign Investment Review Board must be taken into account. I understand that here in San José, a centre of the air and communications industries, there is concern about how this Board will affect your Canadian operations. I cannot reply for each specific case you may have had or will encounter, but I want to dispel any notion that this is a Board established to prohibit American investment in my country.

In a recent editorial the Journal of Commerce applauded the Board for its "even handed treatment." In its last set of decisions it disallowed one foreign take-over but approved 13 others. If Canadian attempts to regulate the Canadian economy, assure that our trade is diversified or that we develop our own separate culture are viewed as problems in our relations, I think it important to put those and other questions into a broader context. I am reminded of the story of a peasant farmer in colonial Quebec who was asked by his overlord, the seigneur, how that year's crop was faring: The seigneur was naturally looking for a bountiful harvest and his lion's share. Ah, replied the farmer, for a year with a good apple crop there are no apples but for a year with a bad crop there are enough apples.

The point of this story, in terms of the relations between our two countries, is that for countries that have no problems, we do have some, in fact many, and new ones all the time. But for countries that have problems, given the urgency and the scope of problems that we can see between so many countries in the current situation then, indeed, one can argue that we have no problems, especially when you consider our tradition of cooperation, of dealing with each other on a fair basis.

I think I can elaborate this further by categorizing the difficulties which have arisen between us in recent years. The root cause of some recent ones can be attributed to international events beyond our control. The world's economy is so interrelated that a drought in Africa and poor crop yields in other parts of the world can affect grain prices in Canada and the United States. The cycle continues by pushing up the costs of grain-fed beef, encouraging protectionism on the part of Canadian and American beef producers resulting in restrictions on our trans-border beef trade. An event as seemingly obscure as a change and resulting decline in the anchovy run off Peru affects the price of animal feed and causes increased demand for grains and soybeans produced in both our countries with ensuing disruptions in our bilateral trade.

The 1973 Arab-Israeli war with its resulting oil embargo was an event over which we had little control but which affected our bilateral relations. When the Organization of Petroleum Exporting Countries subsequently increased the price of oil four fold, Canada was faced with a major problem regarding the oil which we export to the United States. Were we to continue to export oil to you at the traditional price while importing OPEC oil ourselves at prices considerably higher, or were we to charge you the same world price as we, ourselves, were having to pay? Our choice was obvious but the result, I'm afraid, harmed our relations and caused tensions between us which, I regret to say, are still felt.

I don't intend to minimize issues such as this by saying that they are part of a world situation and that any annoyance here is ill-founded. My point is that in any relationship both parties should recognize that from time to time, in a closely integrated world economy events over which neither has control, such as droughts or wars, are going to arise which will affect their bilateral trade and relations. In the Canada-United States context it is important to appreciate the true source of the difficulty and then meet together so as to minimize the effects. This has been the case for most of our histories and as our officials meet to discuss joint energy questions, or consider how to deal with difficulties in the trade of beef, it is obviously the pattern which we continue to follow.

We often hear of the world's longest undefended border, but do we also consider that this frontier puts us in such proximity that we also have the world's longest series of trans-border pollution problems. In effect the United States has Canada environmentally surrounded. Projects are underway in the United States which we think will detrimentally affect the waters of rivers flowing through two of our Western provinces. For the Great Lakes, which we share, our countries have signed an agreement to improve the quality of those waters; we hope that your administrative procedures can be speedily dealt with so that you can commence implementing the agreement. On Canada's East Coast the question has arisen of super tanker access through hazardous Canadian waters leading to the proposed tanker port of Eastport, Maine. On the West Coast, and through our Northwest passage, it seemed a while ago that we had to face the immediate prospect of supertankers from Alaska, with the concomitant threat of oil spills and damage to our beaches and marine environment.

Canada is naturally not unblemished as a

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source of environmental problems for you. Your State Department has also asked for discussion of Canadian projects affecting certain rivers which flow into the United States; Americans sometimes smell the breeze blowing south from a bordering Canadian chemical plant. But remember that your population is ten times the size of ours and as a result your ability to pollute and the resulting threat of damage is greater. So if you hear repeated cries from Canada regarding the effects of your projects along our borders, remember that proximity is the problem, not ill will.

I could not conclude this point without mentioning that in the typical way between our two countries the International Joint Commission, established by treaty in 1909, is quietly at work to help solve the problems of trans-border pollution.

Related to the results of proximity, and perhaps the most difficult problem for Canada of all, is the difference in size and power between the two countries. I am not sure whether problems would be magnified or diminished if we were both nations of 200 million, but I know that Canadians would feel less threatened. It used to be that New York City had as many people as Canada, the world's second largest nation in land area. We have grown rapidly, however, to the extent that our population now equals that of California. In the early stages of our development we were imperilled by the fear of political annexation from the south. Our concern now is that our independent economic existence and cultural integrity will be squashed by the might of the American giant. We know that is no master plan to make Canada an economic vassal of the United States but through the years, our proximity, your search for investment opportunities, our favourable economic climate and abundance of resources and, yes, our business timidity, have resulted in heavy American domination of our economy.

We have always had restrictions on foreign ownership in certain areas, for example in banking and communications; but now the Government is moving to assure a broader base of Canadian economic control. I have already mentioned the Foreign Investment Review Act, which is not an instrument to buy back the past but to regulate the future of foreign investment, in the words of the enabling legislation, "for the significant benefit of the Canadian economy".

The Government has also embarked on a programme to rationalize certain essential industries which are particularly affected by the problems of a small domestic market. In this regard the Government has recently purchased the British-owned de Havilland Aircraft of Canada and Canadair, owned by General Dynamics of St. Louis, Missouri, with the intention of merging these firms into a profitable, privately-owned Canadian company.

The Government is also encouraging the diversification of industries throughout Canada, particularly into economically depressed areas of the country. Several years ago, through tax incentives and grants, the Federal and Nova Scotia Governments encouraged Michelin Tire to open a factory in that province. Your Government regarded those measures as a hidden subsidy to lower the cost of production and has applied countervailing duties on Michelin tires exported to the United States.

Our Government must, however, play the role of promoter more than would be accepted in this country, in order to hold together a large nation with a small population and to build up viable Canadian industry. In certain cases the Government has taken on, through Crown corporations, the establishment of companies which operate in the national interest such as Canadian National Railways, Air Canada, the Canadian Broadcasting Corporation or the Canadian Film Development Corporation. This role of the Government, so necessary to Canada, is often a subject of mystery or misunderstanding in the United States.

I have been speaking about problems between our two countries due to circumstances beyond our control, the perils for us of proximity and the disparity in power between us. I would like to turn to a question which is harder to define and more of an irritant than a problem between us: The public mood in Canada. This mood is certainly not anti-American. I can think of no other people, who pay you the compliment of watching the things you do and devouring the products of your culture so avidly. There is a feeling of nationalism now in Canada but of the dove-ish variety; the kind of nationalism that wants to preserve and develop further Canadian culture, science, technology and education. We do not want to be viewed as a nation whose contribution to the world was to have had a high standard of living and abundant natural resources for exploitation. We want to develop our own labour market and direct the bulk of our exports away from unfinished materials. Investment in Canada is more and more being funded by Canadians. Our relations with countries who look to us principally as a vast supply storehouse are no longer tenable.

There has been a rapid development on the cultural level—in music, books, plays, films, theatre, dance, art and television. Not all of this involves new production. Canadians are also discovering the art that previous generations of their countrymen produced. Historical journals are now being reprinted, folk songs and the work of Canadian composers are being recorded and critiques of the work of early artists are being written. We will keep in touch with what is being produced in the United States because we like and admire your work, particularly in television and films, but when it comes to interpreting our culture and history we no longer can see ourselves mainly through American eyes.

What this means is that Canadians want to be themselves. This is naturally going to affect our relations with you but ultimately in a positive way. We may tire you for a while with our cries for cultural and economic independence but, in the long run, having a vigorous and independent ally along your northern border, which shares your general concept of life and outlook on the world, is in the best interests of the United States.

Our relations are founded on friendliness and understanding. I have dwelt on the problems between us, but you will note that they are not frictions based on bad intentions, or desire to twig Uncle Sam's beard or any wish on your part to undertake a "get tough" attitude in order to demonstrate your power. We can generally point to the root causes of a difficulty and attempt to find solutions through co-operation and consultation.

Like the farmer with the apple tree, for countries that have no problems between them we have problems but for countries with many difficulties in their relations Canada and the United States have few real problems indeed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Treen (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Mollohan (at the request of Mr. Staggers), for period April 28–June 23, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Robert W. Daniel, Jr.), to revise and extend their remarks, and to include extraneous matter:)

Mr. Cleveland, for 15 minutes, today.

(The following Members (at the request of Mr. Moffett) to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Harris, for 5 minutes, today.
Mr. Flood, for 5 minutes today.
Mr. Fithian, for 20 minutes, today.
Mr. Koch, for 5 minutes, today.
Mr. Giaimo, for 15 minutes, today.
Mr. Rees, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Dodd, for 10 minutes, today.
Mr. Hays of Ohio, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Weaver, for 5 minutes, today.
Mr. Morgan, for 5 minutes, today.
Mr. Conyers, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Chappell, immediately following the remarks made by Mr. Sikes on the Edgar amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. Robert W. Daniel, Jr.), and to include extraneous matter:)

Mr. Snyder.
Mr. Crane in five instances.
Mr. Steiger of Arizona.
Mr. Broomfield in two instances.
Mr. Whalen.
Mr. Peyser in five instances.
Mr. Armstrong in three instances.
Mr. McCloskey in three instances.
Mr. Spence in two instances.
Mr. Sarasin.
Mr. Frenzel in three instances.
Mr. Rhodes.
Mr. Martin.
Mr. Kemp.

(The following Members (at the request of Mr. Moffett) and to include extraneous matter:)

Mr. Riegle in two instances.
Mr. Fraser in two instances.
Mr. Harris.
Mr. Vanik in three instances.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Rees.
Mr. Cornell.
Mr. Richmond.
Mr. Mathis in two instances.
Mr. Wolff.
Mrs. Spellman in two instances.
Mr. Jacobs in three instances.
Mr. Howe in two instances.
Mr. de Lugo.
Mr. Dominick V. Daniels.
Mr. Carr.
Mr. Murphy of New York.
Mr. Helstoski.

Mr. McDonald of Georgia in two instances.
Ms. Schroeder.
Mr. Vander Veen.
Mr. Rangel in four instances.
Mr. Harrington in two instances.
Mr. Hawkins.
Mr. Nedzi.
Mr. Roncalio in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table, and under the rule, referred as follows:

S. 834. An act to provide that moneys due the States under the provisions of the Mineral Leasing Act of 1920, as amended, derived from the development of oil shale resources, may be used for purposes other than public roads and schools; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. MOFFETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 48 minutes a.m.), the House adjourned until today, Thursday, April 24, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

846. A letter from the Director of Selective Service, transmitting his semiannual report covering the period ended December 31, 1974, pursuant to section 10(g) of the Military Selective Service Act; to the Committee on Armed Services.

847. A letter from the Acting Secretary of the Treasury, transmitting a report on the operations of the Exchange Stabilization Fund for fiscal year 1974, pursuant to section 10(a) of the Gold Reserve Act of 1934, as amended; to the Committee on Banking, Currency and Housing.

848. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Southwest Research Institute, San Antonio, Tex., for a research project entitled "Research Contract Designed to Evaluate and Test the Durability of a Staged Combustion Rock Ripper," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

849. A letter from the Deputy Assistant Secretary of the Interior, transmittting a copy of a proposed contract with General Electric Co., Schenectady, N.Y., for a research project entitled "Horizon Control Device for Automated Longwall Mining," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

850. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–12, permitting the sale of 300,000 metric tons of wheat/wheat flour to Egypt under the Agricultural Trade Development and Assistance Act of 1954, as amended, pursuant to section 103(d)(3) of the act; to the Committee on International Relations.

851. A letter from the Director of ACTION, transmitting a draft of proposed legislation to amend further the Peace Corps Act; to the Committee on International Relations.

852. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1980; to the Committee on Merchant Marine and Fisheries.

853. A letter from the Acting Chairman, Civil Aeronautics Board, transmitting the annual report of the Board for fiscal year 1974, pursuant to section 205 of the Federal Aviation Act of 1958; to the Committee on Public Works and Transportation.

RECEIVED FROM THE COMPTROLLER GENERAL

854. A letter from the Comptroller General of the United States, transmitting a report on the ineffectiveness of Federal attempts to coordinate juvenile delinquency programs; jointly, to the Committees on Government Operations, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted Apr. 24 (legislative day of Apr. 23), 1975]

Mr. HAYS of Ohio: Committee on House Administration. House Resolution 413. Resolution to provide for additional staff assistance for the leadership (Rept. No. 94–172). Referred to the House Calendar.

Mr. ROSE: Committee on House Administration. House Resolution 383. Resolution providing funds for the expenses of the Committee on House Administration to provide for maintenance and improvement of ongoing computer services for the House of Representatives and for the investigation of additional computer services for the House of Representatives. (Rept. No. 94–173). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois (for himself, Mr. Abdnor, Mr. Bell, Mr. Conlan, Mr. Derwinski, Mr. Goodling, Mr. Hicks, Mr. Krebs, Mr. Lent, Mr. Martin, Mr. Montgomery, Mr. Moorhead of California, Mr. Mosher, Mr. Rousselot, and Mr. Snyder):

H.R. 6288. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

By Mr. ARCHER (for himself, Mr. Abdnor, Mr. Hastings, Mrs. Holt, Mr. McDonald of Georgia, Mr. Quillen, and Mr. Sebelius):

H.R. 6289. A bill to repeal the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. ARCHER (for himself, Mr. Abdnor, Mr. Beard of Tennessee, Mr. Burleson of Texas, Mr. Chappell, Mr. Cleveland, Mr. Cohen, Mr. Duncan of Tennessee, Mr. Hastings, Mr. Hutchinson, Mr. Ketchum, Mr. Kindness, Mr. LaFalce, Mr. Lott, Mr. Mathis, Mr. McDonald of Georgia, Mr. Pattison of New York, Mr. Preyer, Mr. Pritchard, Mr. Risenhoover, Mr. Robinson, Mr. Rousselot, Mr. Charles Wilson of Texas, Mr. Yatron, and Mr. Fulton):

H.R. 6290. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption; to the Committee on Ways and Means.

By Mr. ARCHER (for himself and Mr. Robinson):

H.R. 6291. A bill to amend the Internal Revenue Code of 1954 to provide income tax relief for small businesses; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Biaggi, Mr. Harris, Mr. Pattison of New York, Mr. Wolff, and Mr. Zablocki):

H.R. 6292. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. CORNELL:

H.R. 6293. A bill to authorize the Secretary of Health, Education, and Welfare to establish a medical malpractice reinsurance program, and to conduct experiments and studies on medical malpractice; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKINSON (for himself, Mr. Bevill, Mr. Buchanan, Mr. Edwards of Alabama, Mr. Flowers, Mr. Jones of Alabama, and Mr. Nichols):

H.R. 6294. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mr. Hamilton, Mr. Coughlin, and Mr. Murphy of New York):

H.R. 6295. A bill to provide that meetings of Government agencies shall be open to the public, and for other purposes; to the Committee on Government Operations.

By Mr. KOCH (for himself, Mr. Richmond, Mr. Helstoski, Mr. Carr, Mr. Drinan, Mr. Solarz, and Mr. Badillo):

H.R. 6296. A bill to provide for the payment by the United States of attorneys fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction; to the Committee on the Judiciary.

By Mr. O'HARA (for himself, Mr. Aspin, Mr. Reuss, Mr. Steiger of Wisconsin, Mr. Cornell, Mr. Kasten, Mr. Fraser, Mr. Oberstar, Mr. Metcalfe, Mr. Murphy of Illinois, Mr. Rostenkowski, Mr. Mikva, Mr. Annunzio, Mr. McClory, and Mr. Erlenborn):

H.R. 6297. A bill to permit the diversion and withdrawal of additional water from Lake Michigan into the Illinois Waterway, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. O'HARA (for himself, Mr. Conyers, Mr. Esch, Mr. Brown of Michigan, Mr. Hutchinson, Mr. Vander Veen, Mr. Carr, Mr. Riegle, Mr. Traxler, Mr. Vander Jagt, Mr. Cederberg, Mr. Ruppe, Mr. Diggs, Mr. Nedzi, Mr. Ford of Michigan, Mr. Dingell, Mr. Brodhead, Mr. Blanchard, and Mr. Broomfield):

H.R. 6298. A bill to permit the diversion and withdrawal of additional water from Lake Michigan into the Illinois Waterway, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. O'HARA (for himself, Mr. Madden, Mr. Fithian, Mr. Brademas, Mr. Roush, Mr. Hayes of Indiana, Mr. Ashley, Mr. J. William Stanton, Mr. Mosher, Mr. Seiberling, Mr. Regula, Mr. James V. Stanton, Mr. Stokes, Mr. Vanik, Mr. Horton, Mr.

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Kemp, Mr. LaFalce, Mr. Conable, and Mr. Vigorito):

H.R. 6299. A bill to permit the diversion and withdrawal of additional water from Lake Michigan into the Illinois Waterway, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PEYSER (for himself, Mr. Bergland, Mr. Abdnor, Mr. Badillo, Mr. Brown of California, Mrs. Collins of Illinois, Mr. Eilberg, Mr. Ford of Tennessee, Mr. Harris, Mr. Hicks, Mr. Krebs, Mr. Mikva, Mr. Mitchell of Maryland, Mr. Obey, Mr. Ottinger, Mr. Rodino, Mr. Ryan, Ms. Schroeder, Mr. Smith of Iowa, Mrs. Spellman, Mr. Waxman, and Mr. Weaver):

H.R. 6300. A bill to establish a Summer Food Corps; to the Committee on Education and Labor.

By Mr. RYAN:

H.R. 6301. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

By Mr. RYAN (for himself, Mr. Rees, Mr. Nix, Mr. Corman, Mr. Rosenthal, Mr. Gude, and Mr. Hannaford):

H.R. 6302. A bill to create a U.S. Amnesty Commission to make recommendations to the President on appropriate action to be taken, on a case-by-case basis, with respect to certain persons; to the Committee on the Judiciary.

By Mr. SLACK:

H.R. 6303. A bill to redesignate November 11 of each year as Veterans Day and to make such day a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. ARMSTRONG:

H.R. 6304. A bill to amend the Internal Revenue Code of 1954 to allow an individual to take the deduction for expenses for household and dependent care services necessary for gainful employment whether or not the individual itemized his deductions and to remove certain limitations on that deduction; to the Committee on Ways and Means.

H.R. 6305. A bill to amend title II of the Social Security Act to repeal the earnings limitation, to provide benefits for husbands, widowers, and fathers on the same basis as wives, widows, and mothers, to eliminate the 5-month waiting period for disability benefits, to provide for the payment of benefits to an individual through the month of his or her death, to provide an optional exemption from coverage for individuals 65 years of age and over, and to provide that a beneficiary's marriage or remarriage will not affect his or her benefits; and to amend title XVIII of such act to authorize direct payments to physicians and other providers at their option under the supplementary medical insurance program; to the Committee on Ways and Means.

By Mr. BOWEN (for himself and Mr. Bedell):

H.R. 6306. A bill to amned the Internal Revenue Code to encourage the continuation of family farms, and for other purposes; to the Committee on Ways and Means.

By Mr. CARNEY:

H.R. 6307. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits or railroad retirement annuities, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CLAY (for himself, Mr. McCollister, Mr. Ryan, and Mr. Eilberg):

H.R. 6308. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, to protect Federal civilian employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COTTER:

H.R. 6309. A bill to provide an additional 3-year period before States must begin repayment of outstanding advances to their unemployment compensation accounts; to the Committee on Ways and Means.

By Mr. EMERY:

H.R. 6310. A bill to provide a comprehensive energy program, to reduce oil prices, and conserve energy; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GUDE (for himself, Mr. Rosenthal, Mrs. Burke of California, and Mrs. Keys):

H.R. 6311. A bill to prohibit further military assistance to the Government of South Vietnam; to the Committee on International Relations.

By Mr. HEINZ (for himself, Mr. Anderson of California, Mr. Badillo, Mrs. Collins of Illinois, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Fascell, Mr. Ford of Tennessee, Mr. Fish, Mr. Gilman, Mr. Helstoski, Mr. Hinshaw, Mr. Hungate, Mr. LaFalce, Mr. Ottinger, Mr. Riegle, Mr. Roe, Mr. Solarz, Mr. Walsh, and Mr. Charles H. Wilson of California):

H.R. 6312. A bill to amend the Older Americans Act of 1965 to provide relief for older Americans who own or rent their homes; to the Committee on Education and Labor.

By Mr. McCORMACK:

H.R. 6313. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45), to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 6314. A bill to provide for the duty-free entry of binder twine and baler twine made of manmade fibers; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. Brown of California, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Andrews of North Dakota, Mr. Cleveland, Mr. Cotter, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Fish, Mr. Frenzel, Mr. Hagedorn, Mr. Helstoski, Mr. Lent, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Moorhead of Pennsylvania, Mr. Moss, Mr. Pickle, Mr. Staggers, Mr. Stark, Mr. Ullman, and Mr. Charles Wilson of Texas):

H.R. 6315. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; to the Committee on Science and Technology.

By Mr. MOLLOHAN (for himself, Mr. Aspin, Mr. Carr, Mr. Evans of Indiana, Mr. Goldwater, Mr. Helstoski, Mr. Hyde, Mr. Kindness, Mr. Lent, Mr. Miller of California, Mr. Moore, Mr. O'Brien, and Mr. Waggonner):

H.R. 6316. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. OBERSTAR:

H.R. 6317. A bill to revise the laws relating to the establishment, administration, and management of the National Wildlife Refuge System, to establish a Bureau of National Wildlife Refuges, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RODINO:

H.R. 6318. A bill to make possible the use of Spanish in the U.S. District Court for the District of Puerto Rico; to the Committee on the Judiciary.

H.R. 6319. A bill to authorize the position of crier-clerk within the judicial branch of the Government of the United States and for other purposes; to the Committee on the Judiciary.

By Mr. SATTERFIELD:

H.R. 6320. A bill to amend title 5 of the United States Code with respect to the observance of Veterans Day; to the Committee on Post Office and Civil Service.

By Mr. Mr. SATTERFIELD (by request):

H.R. 6321. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the Canadian Armed Forces; to the Committee on Veterans' Affairs.

By Mr. SATTERFIELD (for himself and Mr. Hammerschmidt) (by request):

H.R. 6322. A bill to amend title 38, United States Code, in order to extend and improve the program of exchange of medical information between the Veterans' Administration and the medical community, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 6323. A bill to amend title 38 of the United States Code in order to extend the preference accorded Veterans' Administration medical and health personnel for attendance at regional medical education centers, and for other purposes; to the Committee on Veterans' Affairs.

Mr. STEPHENS:

H.R. 6324. A bill to amend title 23, United States Code, to authorize a demonstration program for the purpose of eliminating highway railroad grade crossings; to the Committee on Public Works and Transportation.

By Mr. TEAGUE:

H.R. 6325. A bill to amend title 39, United States Code, to prohibit the Postal Service from requiring the delivery of mail to certain residences through the use of cluster mailboxes or curbside mailboxes unless the local government involved approves the use of such mailboxes; to the Committee on Post Office and Civil Service.

By Mr. BOWEN:

H.R. 6326. A bill to establish improved programs for the benefit of producers and consumers of rice; to the Committee on Agriculture.

By Mr. CASEY:

H.R. 6327. A bill to amend the authorization for the project for hurricane-flood protection at Freeport and vicinity, Tex.; to the Committee on Public Works and Transportation.

By Mr. DANIELSON:

H.R. 6328. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. Dodd, and Mr. Symington):

H.R. 6329. A bill to provide for a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technological Assessment; to the Joint Committee on Atomic Energy.

By Mr. FORSYTHE (for himself and Mr. Thompson):

H.R. 6330. A bill to declare a portion of the Delaware River in Burlington County, N.J., nonnavigable; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H.R. 6331. A bill to amend title 5 of the United States Code with respect to the observance of Veterans Day; to the Committee on Post Office and Civil Service.

By Mr. HUGHES:

H.R. 6332. A bill to amend section 306(a) (7) of the Consolidated Farm and Rural Development Act to modify the definition of the terms "rural" and "rural area" for certain purposes; to the Committee on Agriculture.

By Mr. KOCH (for himself, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Biaggi, Ms. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Diggs, Mr. Edwards of California, Mr. Eilberg, Mr. Harrington, Ms. Holtzman, Mr. Mottl, Mr. Ottinger, Mr. Rangel, Mr. Richmond, Mr. Roe, Mr. Rosenthal, Mr. Ryan, Mr. Solarz, Mr. Stokes, Mr. Won Pat, and Mr. Yatron):

H.R. 6333. A bill to provide for an immediate 15-percent cost-of-living increase in social security benefits; to the Committee on Ways and Means.

By Mr. MORGAN (by request):

H.R. 6334. A bill to amend further the Peace Corps Act; to the Committee on International Relations.

By Mr. MYERS of Indiana:

H.R. 6335. A bill to amend the Internal Revenue Code of 1954 to raise the estate tax exemption from $60,000 to $185,000; to the Committee on Ways and Means.

By Mr. MINETA:

H.R. 6336. A bill to amend section 5042 of the Internal Revenue Code of 1954 to provide an exemption from tax for certain wines produced for personal use; to the Committee on Ways and Means.

By Mr. NATCHER:

H.R. 6337. A bill to direct the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense; to the Committee on Armed Services.

By Mr. OBEY:

H.R. 6338. A bill to reorganize the Clemency Board, the Department of Defense, the Department of Justice, and the Department of Transportation to provide fair and efficient consideration of all individuals eligible for amnesty relating to military service in the war in Southeast Asia, and for other purposes; to the Committee on Government Operations.

By Mr. PATTERSON of California:

H.R. 6339. A bill to amend the Small Business Investment Act of 1958 to increase the ceiling amount upon which the Small Business Administration may guarantee a surety against loss up to $5 million as the result of breach of a bond by a small business concern where such bond is required in order for a small business to bid on a contract being let by an agency of the United States; to the Committee on Small Business.

By Mr. RONCALIO:

H.R. 6340. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

H.R. 6341. A bill to make it a crime to move or travel in interstate or foreign commerce to avoid compliance with certain support orders, and for other purposes; to the Committee on the Judiciary.

By Mr. SEIBERLING (for himself, Mr. Carney, Mr. Ketchum, and Mr. LaFalce):

H.R. 6342. A bill to amend the Internal Revenue Code of 1954 to repeal the manufacturers excise tax on tires, innertubes, and tread rubber; to the Committee on Ways and Means.

By Mr. VAN DEERLIN (for himself, Mr. McCollister, Mr. Broyhill, Mr. Burgener, Mr. Rinaldo, Mr. Bob Wilson, and Mr. Metcalf):

H.R. 6343. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private label food product shall not be deemed unlawful per se and may be judged on any basis other than a per se basis; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER:

H.R. 6344. A bill to designate certain lands in the Siskiyou National Forest, Oreg., for addition to the Kalmiopsis Wilderness, to designate certain additional lands for wilderness study, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WEAVER (for himself, Mr. Phillip Burton, Mr. Udall, Mr. Ottinger, Mr. Meeds, Mr. Young of Georgia, Mr. Seiberling, Mr. Stark, Mrs. Schroeder, Mr. Miller of California, Mr. Howe, Mr. Roncalio, and Mr. Carr):

H.R. 6345. A bill to further the purposes of the Wilderness Act by incorporating French Pete Creek and adjacent roadless lands in the Three Sisters Wilderness, Oreg., and for other purposes; to the Committee on Interior and Insular Affairs.

[*Submitted Apr. 24 (legislative day of April 23, 1975)*]

By Mr. ROSE:

H.R 6346. A bill to make permanent the authorization of appropriations for carrying out [illegible] V of the Rural Development Act of 1972; to the Committee on Agriculture.

By Mr. ROSE (for himself, Mr. Perkins, and Mr. Jenrette):

H.R. 6347. A bill to adjust price support for tobacco under the Agricultural Act of 1949; to the Committee on Agriculture.

[*Submitted Apr. 23, 1975*]

By Mr. Teague:

H.J. Res. 415. Joint resolution designating July 20 as a legal public holiday to be known as "United States Lunar Landing Day"; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO (for himself, Mr. Beard of Rhode Island, Mr. St Germain, and Mr. Sarbanes):

H. Con. Res. 250. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. PRICE:

H. Con. Res. 251. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. PATTEN:

H. Res. 420. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. SLACK:

H. Res. 421. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

109. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, relative to the use of points in mortgage loan transactions; to the Committee on Banking, Currency and Housing.

110. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to recognition of the occupation of Estonia, Latvia, and Lithuania by the Soviet Union; to the Committee on International Relations.

111. Also, memorial of the Legislature of the Commonwealth of Massachusetts, relative to taxes on imported oil; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRODHEAD:

H.R. 6348. A bill for the relief of Chun Wu Kim, Chung Kim, Yu Chun Kim, Wha Chung Kim, and Sun Kim; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H. Res. 422. Resolution providing for the referral of H.R. 6216, a bill for the relief of the Del Monte Fishing Co., to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

103. By the SPEAKER: Petition of the Suffolk County Legislature, N.Y., relative to Federal child nutrition programs; to the Committee on Education and Labor.

104. Also, petition of Thomas O. Breitling and others, Salt Lake City, Utah, relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

105. Also, petition of Vu Quoc Thong, Chairman, Democratic Socialist Unified Bhuddist Forces of Vietnam, relative to American aid to Vietnam; to the Committee on International Relations.

106. Also, petition of George J. Hinterberger, Michael T. Kennedy, and other American residents in Vietnam, relative to American aid to Vietnam; to the Committee on International Relations.

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EXTENSIONS OF REMARKS

FRANK J. LUCAS HONORED

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mrs. SPELLMAN. Mr. Speaker, it was my pleasure to attend a testimonial dinner on April 12, 1975, given by the Steamfitters local 603 of the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada in honor of Mr. Frank J. Lucas who has recently retired from his position as director of trade jurisdiction of the union after nearly a half century of work, beginning as a steamfitter helper. In 1933, Mr. Lucas was awarded his journeyman card, serving as a teacher of the trade and setting the example as a hard-working and dedicated craftsman. From 1939 to 1945, he served as a member of the examining board and executive board until, at the age of 36, he was elected business manager of local 603. Under his good direction, local 603 doubled its membership and improved medical and pension programs, the welfare plan, the helper program, the apprenticeship program—all having evidence of his skillful hand branded upon them.

Back in February 1955, the president of the United Association, Martin Durkin, asked Mr. Lucas to join his staff as a special representative. His first assignment was to serve the States of Virginia and West Virginia. Working hard to gain the respect of the members throughout his district, he learned quickly the laws that were directed toward the unions during the mid-fifties. In 1956, President Peter Schoemann assigned Mr. Lucas to the industrial heart of mid-America, the States of Indiana and Illinois. For 11 years, he provided the United Association with leadership necessary to conduct the mission. No other period of time saw such economic growth, technology change or tightening of laws which govern labor unions, and because of his unique leadership qualities, he gained the respect of all locals and the United Association.

In 1967, the home office called Mr. Lucas to the headquarters to work on problems of trade jurisdiction. Two years later he was named director of that department by President Peter Schoemann. Those years of hard work and loyalty to the organization proved his ability to serve the area with knowledge and integrity—needed commodities in an experienced arbitrator. He served as chairman of the carpenter committee from 1964 to 1974.

During his entire career in the union, Mr. Lucas has adhered to the policy that the well-being of his union brethren is paramount and that all gains achieved in improved working conditions, hours and pay scales are directly related to the success of their employers. His guiding principle has been that steady employment with good pay and benefits can only be realized when the employing contractors are able to complete their contracts profitably, within specifications and in a timely manner.

Mr. Lucas has been married for 43 years. He and his wife, the beautiful Eleanora, have one son, Francis Michael, and two daughters, Mary Louise and Ellen Gertrude, and they are blessed with five grandchildren. For all of his life, Mr. Lucas has lived in the Washington area. As a young man he grew up in the shadow of this Capitol building, playing baseball for the Warrick Athletic Club, playing the trumpet in Merton Collins Washingtonian Band and riding around town in his 1930 Reo. The Lucas family is a union family. His father was president of local 602 for 25 years and his son, Mickey, is assistant business manager of local 602. His brothers, Albert, Bernie and Everett (deceased) became journeymen steamfitters.

His thoughtfulness and concern for the welfare of his fellow workers acting in a spirit of true brotherhood has been recognized by all of his associates. This, together with his cooperative spirit, has served to elevate him to the responsible positions that he has filled so superbly over the years. It was a heartwarming experience to join with the approximately 700 labor leaders and representatives of government and industry who gathered to pay homage to this fine gentleman. Mr. Speaker, I salute Mr. Frank Lucas and wish him well in his deserved retirement.

THE BLOOMING OF BROOKLYN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. RICHMOND. Mr. Speaker, I would like to submit this article to the CONGRESSIONAL RECORD:

THE BLOOMING OF BROOKLYN

This is the year of Brooklyn, but you'd never know it in New York. The season's top theatrical event—the visit of England Royal Shakespeare Company—took place in Brooklyn, at the handsomely restored Brooklyn Academy of Music. Generally, it is easier to get New Yorkers to cross the Atlantic to London than to cross the East River.

Politically, as well as culturally, it is the year of Brooklyn, with a Brooklyn man in City Hall and a Brooklyn man in the State Capitol at Albany, which gives Brooklyn both clout and cachet, And with Manhattan marking time in an atmosphere of recession and gloom, most of what is happening in New York is going on quietly across the river.

Actually, the blooming of downtown Brooklyn should not really take New Yorkers so very much by surprise. It wouldn't if they didn't keep looking the other way. A walk across the Brooklyn Bridge on a magical early spring day or evening reveals more than its accustomed romantic beauty. (How spoiled we New Yorkers are, but this is part of our dubious charm.) Downtown Brooklyn has no easy answer and is still fraught with real and continuing problems, but there is enough visible accomplishment in terms of design, development and the creation and reinforcement of community and amenity for a dozen other cities.

Brooklyn's lessons in architecture and urbanism—which largely involve informed efforts to turn around an area decimated by a residential and commercial flight to the suburbs of the 1950's and 1960's—are heartening. And so are the role and achievements of the city agency in charge, the Office of Downtown Brooklyn Development, now under the direction of Richard M. Rosan, working in collaboration with exceptionally strong and dedicated local groups. This is one of those on-the-spot Mayor's planning offices that have done more for New York in terms of positive development policy than any single idea or action initiated by city government in the last decade. And at the moment, when the more glamorous planning offices are in a bind or a stalemate, Brooklyn is paying off.

You don't have to be a closet Brooklynite to know about Brooklyn's brownstone revival, but the first thing that strikes the visitor is the startling dimensions of the residential renaissance. These neighborhoods go on literally for miles, ringing downtown Brooklyn. They have an incredible population of 275,000—at least as big as three medium-size cities. Beginning with Brooklyn Heights, the revival moved to Cobble Hill, Boerum Hill and Park Slope—four areas that have been declared historic districts. Still another, Fort Greene, is in the process of designation.

Almost all of these seemingly endless, superb streets of 19th-century row houses were once slated for the bulldozer brand of urban renewal. That figured, of course, since the easiest thing to demolish is a treasury of intimately scaled, rich architectural styles of exceptional craftsmanship and quality. The revival that took place instead was a spontaneous, snowballing, bootstrap operation of individual and collective gut faith, born of a dedication to the principle that New York is livable and made by a young, committed, urban middle class.

If you want to know the extent of such faith, it is worth noting that with the exception of a few local Brooklyn institutions, New York banks would give no loans or mortgages on any of these houses in any of these areas. Has anyone ever estimated the disastrous impact of such "sound banking policy" on cities, even when street wisdom was in the act of proving the bankers wrong? They have a lot to answer for. (They'll handle the buildings now, at quintuple markups in sound, marketable neighborhoods.)

This charm, comfort and beauty, from tree-lined streets and blooming back yards to Eastlake parlors and sun-filled kitchens, is within a stone's or a subway's throw of the big apple. Transportation facilities are excellent, although they need upgrading like the rest of New York's mass transit. Everything converges on downtown Brooklyn. And if the natives don't want to cross the river, they have an overwhelming concentration of their own cultural and educational institutions.

Again, if one stops to think about it, the score is stupefying. There are at least a dozen educational institutions, with 45,000 students enrolled in them, as compared to 26,288 students in Cambridge, Mass. Baruch College is now moving toward realization on 13 acres of the Atlantic Terminal renewal

site after 10 years of backing and filling. There is a small, steady, loyal stream to the dance programs (outstanding) and exhibitions (ditto) of the topflight Academy of Music and Brooklyn Museum. (One draw, even with Manhattan's easy riches, is dinner at Gage and Tollner's landmark restaurant, an island of authentic food and atmosphere in the expensive *ersatzsehmier* of New York dining.)

And that's not all, as they say in boosterville. Just beyond the bridge is Brooklyn's civic and commercial center. About 67,000 people, divided between the public and private sectors, work in its businesses, courts, government agencies, law and insurance officers and retail enterprises. And these are not just buildings—we are also talking about architecture. From the solid granite Romanesque Revival Post Office and the neo-classical Borough Hall to the nifty Art Deco of Corbett, Harrison and McMurray's 185 Montague Street (headquarters of the Office of Downtown Brooklyn Development), there is more substantial, stylish, top quality building in downtown Brooklyn than one can shake an architectural historian at. Block for block, it is some of the best, most underpublicized landmark territory in New York.

Most of the pivotal change and the concentrated redevelopment effort have taken place in this central business district, around Fulton Street. There has been commercial spillover beyond, from the brownstone neighborhoods, revitalizing Atlantic Avenue as well, with its older ethnic strengths and burgeoning antique and specialty shops. Atlantic Avenue is now surprisingly reminiscent of New Orlean's Magazine Street in both character and renewal. The development office has devised a special Atlantic Avenue zoning district to protect just those urban and architectural features that would be lost, without controls, in the regenerative process.

With the Downtown Brooklyn Development Association, the planners have made steady progress in the Fulton Street area, Abraham and Straus and May's have held on, while the famous movie houses died and traditional shopping turned into a redundancy of fancy shoes and wigs. But even with suburban defection and social change, this section still has the sixth largest sales volume of all U.S. central business districts, and one of the planner's proposals is a Fulton Street pedestrian mall. This seems about to go ahead. (Not the least problem is the repeated political, social and commercial mobilization needed, year after year, as every project inches forward one hearing at a time.)

A good deal less visible remedial action has also been under way. The Livingston-Bond garage that opened recently does more than provide parking space; it is a coordinating facility for off-street unloading, goods handling and new shops. Two handsome new, key buildings have been completed by the firm of Skidmore, Owings and Merrill—for Con Ed and the New York Telephone Company. Under careful planning persuasion, they feature such mandated urban assets as arcades and new subway entrances as well as far-above-speculative-quality design.

There have been disappointments. Dreams of large amounts of new office space have died with the real estate market. Housing plans have collapsed, brought on by the failure of UDC, and it is hoped that the city will pick up some of the housing pieces.

But nothing is too big or too small for the Brooklyn planning office. A clear indication of its eye and attitude is a series of tidy, tiny, "traffic island" parklets throughout the area—carefully repaved, with trees and benches. The strength of a local planning office is that, unlike a centralized agency, its attention is focused on every street corner. This is the only kind of planning that really works.

We have saved the best till last. Downtown Brooklyn not only has an unparalleled view of Manhattan, it has a wonderful waterfront. The development office's Fulton Ferry waterfront plan ranges from the building of a small park and ferry slip, almost completed, to a pair of imaginative schemes to use a fine "modernistic" factory for the Brooklyn Museum Art School and the city-owned Fire Boat House for a Brooklyn Bridge Museum. (One of New York's secret treasures is the set of Roebling's inch-by-inch watercolor renderings of the bridge in the original wooden file cabinets in the base of the Brooklyn tower.)

Long range plans would link the area with the South Street Seaport on the Manhattan side. But it isn't necessary to wait for that to happen to explore the architectural marvels of the dramatic brick Empire Stores with their griffires and eagles and arched gates at the water's edge. Last one over the bridge this spring is a loser.

LET'S HEAR IT FOR FREE ENTERPRISE

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. ARMSTRONG. Mr. Speaker, a few days ago the Aurora Sun published an editorial that I hope every Member of the House will take a moment to read.

On April 10, the Sun reminded its readers of the need for responsible support of the American free enterprise system. I commend the Sun for its forceful and articulate comments and call attention of the Congress to this thought-provoking statement:

LET'S HEAR IT FOR FREE ENTERPRISE

Somewhere between the present generation and our generation, capitalism seems to have become a dirty word. Schools don't teach capitalism, they teach humanism. The no growth people and environmentalists now wear the white hats. The businessman wears black. Probably in mourning for Horatio Alger.

Congress seems to feel that the path back to Washington is lined with controls on business.

Business men and women feel just a little bit unclean if their enterprises prosper. We suspect that imagined guilt is behind the antipathy to new disclosure laws.

An amendment to Colorado House Bill No. 1069, which would have required Colorado schools to concern themselves with the teaching of the free enterprise system with the same vigor given to teaching about minority cultures, was defeated.

It's time the business community examined its attitudes on participation on councils, committees and boards. Too often business is not represented in public service and government.

The philosophy of free enterprise needs to be interjected into every endeavor.

The Aurora Chamber of Commerce has successfully placed some of its members on government boards. Recent decisions on the purchase of Camelot II for the city, and recognition of the impact of the loss of Fitzsimons can be credited to members of the business community.

The Chamber of Commerce can work for you, if you work for the Chamber of Commerce. A membership drive begins this week.

LEE HAMILTON'S WASHINGTON REPORT, "ENERGY"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

WASHINGTON REPORT, "ENERGY"

The development of an effective and equitable energy policy is one of the top priorities facing the 94th Congress.

There is basic agreement between the President and the Congress that the problem is how to cut back oil imports to reduce the growing control oil producing countries have over our economy and security. We now import about 40% of the oil we use, and at present rates of production and demand the percentage will rise to 50% by 1980. In 1970 we paid $3 billion for imported oil. Last year we paid $24 billion. That means, not only a massive outflow of dollars, but a loss of business and jobs. It also means that the United States becomes more vulnerable to pressure from the oil exporting nations.

Just about everyone in the Administration and the Congress has been involved in developing an energy plan. More than 500 energy bills have been introduced in Congress so far this year. The goal of all of the major energy proposals is to reduce energy consumption and to expand domestic production in order to lessen U.S. dependence on foreign sources. However, the timing and methods used to achieve these goals vary.

The President, whose plan basically is to reduce consumption by increasing the price of fuel, recommends an increase in oil import fees, a $2 excise tax on domestic crude oil, and decontrol of domestic oil prices. He supports the deregulation of natural gas price, coupled with an excise tax on natural gas, and a windfall profits tax if domestic prices are decontrolled. He also recommends the development of the naval petroleum reserves, continuation of the leasing policy for outer continental shelf areas, conversion of electric power plants from oil to coal, enactment of a less-restrictive strip mining bill, a relaxation of clean air standards, and emergency standby authority.

Critics of the President's proposal complain that it would add to inflation, and the President's own economists admit that it would add two percentage points to the inflation rate. They also say that the President's plan is more than the economy can bear this year until it works its way out of the recession.

Ways and Means Committee Chairman Ullman has recommended import quotas on petroleum and a 7 cents per gallon retail gasoline tax beginning in 1976 and rising in stages to 37 cents by April 1980. He also proposes an income tax credit which would completely offset the tax on 9 gallons a week, and the creation of a ten-year energy trust fund created by revenue from the gasoline tax to finance energy research. He supports an excise tax on cars based on miles per gallon, and import licensing system using a sealed-bid public auction, and windfall profits tax on oil companies. He also recommends incentives for conversion from petroleum and natural gas to coal and other energy sources. The President thinks that the plan proposed by Congressman Ullman would not cut imports of oil sharply enough, and that his plan concentrates too heavily on reducing gasoline consumption rather than the consumption of all fuels.

One group of Congressmen wants government controls retained and prices rolled back, rather than having prices rise. They

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would curb oil imports directly by fixing quotas which would cut the amount of fuel available in the country. The problem is how to adjust to reduced supply and how to handle the government intervention in the economy it entails.

The major controversy about energy policy centers around the suggested increase in the retail gasoline tax, but there are plenty of other areas of disagreement, including whether or not to impose oil import quotas, the extent to which the President should have broad emergency standby power to deal with future energy shortages, how tough to be on the automobile industry to improve fuel efficiency in new cars, and to what extent we should deregulate the federal interstate price controls on natural gas.

In developing an energy policy, the Congress has no easy choices. Everyone wants to save energy, but everyone wants someone else to do the saving. I agree that in order to reduce national vulnerability to economic disruption, dependence on foreign oil must be reduced. I support the enactment of a comprehensive energy program to curb energy waste and reduce its consumption in a manner which will not make worse either inflation or recession. The energy program should take effect only gradually, allowing persons, families, and businesses time to adjust. Emphasis must be placed on conservation now, and every effort must be made to expand domestic supply of energy.

I would hope to be able to avoid rationing by a program designed to decrease the amount of foreign oil at the approximate rate that conservation, conversion, and alternate supply programs result in decreased consumption of foreign oil. Special consideration would have to be made for farming and other essential pursuits. I do not consider it desirable to increase the cost of the basic amount of gasoline that drivers need. I do consider it necessary to make automobiles more efficient in use of gasoline and to make buildings less wasteful of energy, and to educate the public on the need for, and the means of achieving, energy conservation.

HOW TO LOWER YOUR TAXES: BECOME A BANK HOLDING COMPANY

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. VANIK. Mr. Speaker, the 1974 Annual Reports of America's major corporations are now being released. These reports are a gold mine of information on how corporations combine various provisions of the tax code to reduce their Federal corporate tax payments to an absolute minimum. Of course, to combine different sections of the code, you usually have to be a large and diversified corporation. In other words, I have found over the years that the Federal tax code all too often helps the rich company get richer and keeps the small company locked out of new enterprises.

During the past several years, I have commented on the extraordinarily low effective tax rate paid by many of America's major banks—even those banks which are making extraordinary profits. One of the easiest ways for banks to lower their tax rates is to diversify into businesses which are eligible for the investment tax credit, foreign tax credits, etc.

For example, the First National Holding Corp. based in Atlanta, Ga., has just released its 1974 annual report. The corporation had $9.3 million in net income, down 15.3 percent from 1973. But cash dividends declared were $4.7 million, up 16.7 percent from 1973. This income was obtained from the "holding corporation's" control of mortgage, consumer finance, and equipment leasing companies. Following is the tax notes section of the corporation's annual report:

NOTE 10.—INCOME TAXES

[The provision for income taxes is summarized below in thousands of dollars]

	1974	1973
Current:		
Federal (net of investment tax credit of $1,036 and $400, respectively)	$259	$2,646
State	−200	56
	59	2,702
Deferred—resulting from timing differences in:		
Investment tax credit—deferred method	346	-------
Depreciation, including leasing operations	253	1,221
Accretion of bond discount	148	91
Provision for possible credit losses	−539	121
Insurance commission income	−178	−456
Loan acquisition costs	−17	249
Other	−71	449
	−58	1,675
	1	4,377

Differences between the U.S. Federal income tax rate of 48 percent for corporations and the effective tax rates of the Company:

	Percent	Percent
U.S. Federal income tax rate	48.0	48.0
Increase (decrease) resulting from:		
Tax exempt income	−34.2	−18.2
Investment tax credit	−10.3	−2.5
Other	−3.5	.4
Effective tax rate	0	27.7

From this tax note, it appears that the company paid $1,000 to the Federal Government in taxes on $9.3 million in profit.

Mr. Speaker, this annual report is another testament to the need for tax reform.

TRIBUTE TO JULIAN BECK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. ANDERSON of California. Mr. Speaker, on April 30 a man of high integrity, astute political philosophies, and a longtime friend will retire from the bench of the Los Angeles Superior Court.

The Honorable Julian Beck will step down from public life following 32 years of distinguished service, both as a judge and as a member of the California State Legislature.

Julian has lived most of his life in California, the State he loves so much, and served so well. Born in Philadelphia, Pa., where he received his early education, Julian continued his academic career in California where he received his bachelor's degree in economics from the University of California, Los Angeles. He then proceeded to obtain a master's degree in history from the University of Southern California in 1935. That same year he earned his law degree from Loyola University in Los Angeles.

Before entering private law practice, Julian held a variety of positions including being a conductor for Pacific Electric Railway, a Metro-Goldwyn-Mayer stenographer, a court bailiff, and a high school instructor.

In 1943 Julian was elected to the California State Assembly where I had the pleasure to serve with him for the next 8 years. From 1948 to 1952 Julian was the assembly's Democratic floor leader.

Julian began his judicial career in 1953 when the late Chief Justice Earl Warren, then Governor of California, appointed him to the Los Angeles Municipal Court.

In 1959, after serving as legislative secretary to Gov. Edmund G. Brown, Sr., Julian was appointed to the superior court seat he will soon leave.

Mr. Speaker, my wife, Lee, and I, congratulate Julian Beck on his brilliant career and wish him continued success and happiness in his private life. I am sure his wife, Maude, and his daughters, Julie and Judith, are as proud of him as we are for his countless contributions to our society for the common good.

ON THE 27TH ANNIVERSARY OF ESTABLISHMENT OF ISRAEL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. BIAGGI. Mr. Speaker, this year marks the 27th anniversary of the creation of the sovereign State of Israel. While the actual celebration is not until May 7, millions of Jews both here and in the home country have held events commemorating this historic day.

Israel has had a tumultuous history. From the very outset, her claim to existence was challenged and is up to this very day. She has been forced to fight two major wars on her soil with her Arab adversaries and her people have lived much of their lives in fear and apprehension of war. Yet the fact that she remains a sovereign state is a glowing testimonial to the resolve of her people to remain free.

Unfortunately this year as in so many past years, peace for Israel does not appear on the horizon. An additional problem for them are their concerns of dwindling American support. They look as I do for the leadership of our Government to renew their commitment to the preservation of the Israeli state, and the expansion of our efforts to bring peace to the explosive Middle Eastern sector of the world.

Despite more than a quarter century of adversities, Israel remains through a

sense of solidarity and perseverance among her people, a strong and vibrant nation. There are many whose genius and dedication have contributed to the present day State of Israel. I wish to salute two individuals in particular, the late David Ben-Gurion, founder of the State of Israel, whose death a little over 1 year ago plunged the entire nation of Israel into a prolonged period of mourning. The other individual is former Prime Minister Golda Meier, who led the people of Israel with distinction during her most challenging days and continues to provide inspirational leadership.

The first generation of Israelis worked long and hard toward the common goal of developing their nation into a respectable world power. They are weary of the bloodshed and anguish which has tormented them throughout these years. Israel's second generation of citizens have begun to assert themselves toward achieving similar goals. Let us fervently hope that theirs can be a generation of peace. There is no greater international challenge before us today.

TRIBUTE TO GEORGE H. THOMPSON, JR.

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. REES. Mr. Speaker, on May 14 a most dedicated and tireless individual will retire after 20 years of service at the Beverly Hills YMCA. Over the years Mr. George H. Thompson, Jr., has endeared himself to the members of the community, and has been highly instrumental in the growth of thousands of young men. As the Congressman from California's 23d Congressional District, in which the Beverly Hills YMCA is located, I would like to heartily commend Mr. Thompson.

George Thompson was born near New Orleans, La., on November 16, 1914. Upon his arrival in Los Angeles as a young man, Mr. Thompson first worked parttime for the department of recreation. Later, he received an employment opportunity at the Beverly Hills YMCA where he served as pool attendant in the mornings and game supervisor in the afternoons. There he met Mr. Arthur Mohs, director of the Beverly Hills YMCA, who promoted him to the position of associated director of the boys department. His excellence and fortitude later earned him the position of camp director, as well as boys program director.

Mr. Thompson has collected an infinite number of memories and has many accomplishments to his credit. At Alabama State Teachers College in Montgomery, Ala., he lettered in basketball, football, track, and baseball. But most of all, he is a man who cherishes his experiences and programs at the Beverly Hills YMCA. There were the fun clubs, river trips, and his organization of the Y Indian guides with the first father and son participant being Mr. Herb Young, now president of Gilbralter Savings & Loan. His famous group of junior supervisors offering service to the YMCA shall never be forgotten. Many of these boys became "Boy of the Year" and every one became dedicated to the YMCA. Even today, they all come back to visit the YMCA and above all to see George. Just as they are not forgotten, so they have never forgotten George's leadership.

George H. Thompson, Jr., is also a member of the Alpha Phi Alpha Fraternity, a master member of the Elks organization, and has received honors from the Beverly Hills Rotary Club, as well as being given a life membership in the PTA of Beverly Hills.

I know my colleagues will join with me in thanking and commending Mr. Thompson on his many contributions to the YMCA, the growth of young men, the community of Beverly Hills, and the United States.

George is a rich man, he says—not in money—but in the friends he has made along the way. How wonderful to keep them in his fond memories.

ALL FOR PEACE—BUT NOT AT PRICE OF ANOTHER WAR

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. WOLFF. Mr. Speaker, with the ongoing reassessment of U.S. policy toward the Middle East, I think it is important for us to know the deep feelings within Israel over the reasons for the breakdown of Secretary of State Kissinger's shuttle talks.

A letter recently appeared in the Jerusalem Post. The author's words clearly reflect the Israeli concern and I commend it to my colleagues. The letter follows:

ALL FOR PEACE—BUT NOT AT PRICE OF ANOTHER WAR

To the Editor of the Jerusalem Post:

SIR.—As a bereaved Israeli mother I believe that Dr. Kissinger is trying to make peace in the Middle East, but have grave doubts concerning the efficacy of his methods and his real motives.

We, the people of Israel, are asked to return to the Arabs the Golan Heights, for which so many of our sons fell. They did not fall trying to conquer new lands; they fell in order to save us from the Arab hordes descending upon our northern towns and villages. We are asked to return Sinai, the Mitla and Gidi Passes and Abu Rudeis. We did not take these deliberately from the Arabs. How many parents are still weeping for sons who fell holding these places so that other Arab hordes would not attack Beersheba, Tel Aviv and Jerusalem?

I am all for peace, but not at the price of another war at Mr. Sadat's convenience.

Israel would be giving up everything in exchange for Sadat's "word". What is the "word" of Arab leaders worth? Attacking a small hotel and cinema in Tel Aviv? Murdering simple people in Maalot, Beit Shean and Nahariya? Should we sit down with murdering gangsters, give them all they ask and accept their words of "non-belligerence" as a fair exchange, in the hope for peace?

When one lives in Israel, feels with Israel and fights for Israel, then one can decide what to offer in exchange for peace. With all the goodwill in the world, I don't think that Mr. Kissinger can judge what is beneficial for us in the long run. I would not like to see more of our sons falling nearer home, from less defensible positions, because we have given in to the persuasion of the big power interests.

DORIS V. MOUSHINE.

CHILD-CARE EXPENSES SHOULD BE A BUSINESS DEDUCTION

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. ARMSTRONG. Mr. Speaker, today I am introducing legislation to permit working parents to deduct cost of child care as a business expense in computing income for Federal income tax.

The Internal Revenue Code already allows child-care expenses to be treated as an itemized deduction, if the parents work and the children are under 15. But the very fact that such costs must be treated as itemized deductions, rather than as business expense, restricts the usefulness and fairness of the deduction.

Under present tax treatment, only about 12 percent of the over 10 million families with working parents can use such a deduction. Less than 5 percent of all poor families can afford to itemize deductions, and only 30 percent of those families with incomes between $5,000 and $10,000 itemize deductions.

With the recent liberalization of the standard deduction, this problem is likely to get worse, rather than better. Yet it is the poor and moderate income families who need the benefit of child-care deductions the most.

Much has been said about the need to help less fortunate Americans help themselves—yet the present tax laws actually discourage such self-help.

In addition, my proposal would eliminate the restrictive ceiling of $400 per month on child-care expense deductions. While $400 a month sounds large, that amount will not even cover the wages of a full-time babysitter, particularly since babysitters are now covered by the minimum wage, let alone any additional child-care expenses.

Past history indicates that the child-care deduction is not subject to abuse, and that most working parents do not even use the full deduction. Most families only deduct about $800 a year, a sixth of the maximum limit. But for those individuals who do require extensive child care, the limit is too low.

The estimated additional cost of this legislation, according to studies published by the Federal Reserve Bank of Boston, might reach $500 million—but that is less than one-half of 1 percent of individual income tax collections.

Right now, one set of working parents is favored over another by the tax law—simply on the basis of income. That is bad economics and dubious law.

We do not deny personal exemptions

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to some Americans because they make more or less money. We do not limit interest charge deductions to one group of people.

Child-care expenses are legitimate business expenses—and should be treated as such, rather than being limited by restrictions not applying to other business expenses. That is why I am proposing child-care expenses be classified as a business deduction.

It is time to get rid of restrictive regulations, particularly ones such as these, which discriminate against hard-working Americans.

OUR GUILT IN VIETNAM

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. WHALEN. Mr. Speaker, in light of our deliberations concerning South Vietnam, I thought my colleagues in the House might wish to read the attached article which appeared in the Catholic Standard on Thursday, April 17, 1975.

OUR GUILT IN VIETNAM

(By Father John B. Sheerin, C.S.P.)

In his news conference April 4, President Ford insinuated that unless Congress approves the military aid requested for South Vietnam, it will have to bear the blame for the loss of America's credibility and for invalidation of the sacrifices of the 50,000 Americans killed in Vietnam. The approaching end of the Vietnam debacle will start a hunt for scapegoats. John F. Kennedy will come in for blame, also Lyndon Johnson and Richard Nixon. Witch hunts of this kind are inevitable after a great disaster. So President Ford's insinuation that Congress may be blamed for the loss of South Vietnam is not surprising.

What is surprising, however, is that the President still supports the American policy that brought us to the present tragic situation in Vietnam. That policy, in brief, was that international Communism must be fought and conquered everywhere in the world from Cuba to the Congo to Cam Ranh Bay. The infamous thing must be destroyed wherever it rears its ugly head! The policy sounded very noble and humanitarian especially when John F. Kennedy proclaimed, ". . . we shall pay any price, bear any burden, meet any hardship, support any friend or oppose any foe to assure the survival and success of liberty." But it proved to be better oratory than national policy.

Soviet Communism and Chinese Communism are based on false philosophies but there is a radical difference between a false philosophy and a movement that derives from the false philosophy. One is abstract error and the other is a living movement embodying living persons; the error does not change but the movement can change and when it changes sufficiently, we can do business with it in spite of its underlying philosophy.

Pope John was one of the first to point this out, in his "Pacem In Terris" and he was roundly condemned for it at the time. He drew a distinction between the false philosophical ideas on which movements are initially based and the movements as they eventually grow and develop in the course of time. He asserted that "the movements precisely because they take place in the midst of changing conditions are readily susceptible even to profound change."

In other words, the philosophy of Marxism does not change but a Marxist-inspired movement can change and when it changes, you can safely do business with it and perhaps help the cause of peace and community welfare in the bargain. Surprisingly, it was a rabid anti-Communist, Richard Nixon, who utilized this distinction successfully when he arranged the detente with Russia and with China.

Thrown into the crusade against international Communism in the 1960s, we got involved in Vietnam. We had no business in getting into another nation's civil war. (Lincoln had warned the British to stay out of our American Civil War.) But we felt resolved to stop the advance of Communism come hell or high water in Indochina and we found ourselves mired in the Asian morass.

It is now said that the South Vietnamese people lost their will to fight the North Vietnamese and all manner of explanations are being offered as to why they lost "their fighting spirit." From my reading, I would say that these peasants in the South never had any real urge to fight for the corrupt regimes of South Vietnam. They were not interested in ideologies, Marxist or anti-Marxist, and they wanted only to be let alone to grow their rice in the paddies, to live on the fruits of the soil and bring up their children in peace. But we didn't let them do so. Our policy was to protect them and stop Communism by dropping more bombs on their country than the U.S. dropped on all Europe and Japan during World War II.

We could have talked things over with Hanoi 10 years ago but . . . Vatican II said it well, "While rejecting atheism, root and branch, the Church sincerely proposes that all men, believers and unbelievers alike, ought to work for the rightful betterment of the world . . . Such an ideal cannot be realized, however, apart from sincere and profound dialogue."

BLIND VENDING-STAND PROGRAM

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mrs. SPELLMAN. Mr. Speaker, it is my pleasure to inform the House of the forthcoming publication of a book entitled "Light at the Tunnel End," by Leonard A. Robinson. In this volume, Mr. Robinson, who is blind, has presented his firsthand account of the legislative and administrative history of the blind vending-stand program in the United States which had its inception in the Randolph-Sheppard Act of 1936. This legislation was brought up to date by amendments passed last December by the 93d Congress. The text of the amendments has been blended into the original legislation and appears as an appendix to Mr. Robinson's book.

The fact that more than 3,600 blind persons are currently employed in the operation of vending stands and machines in the Federal-State program is indisputable testimony to the success of the original idea and to the good sense of many Americans who have made the program a useful and necessary part of our economic life.

Upon retirement from the Government, which he served with distinction, Mr. Robinson activated his dream of telling the Randolph-Sheppard story, and threw himself into several voluntary pursuits in the field of blindness and the handicapped. Always the activist, he is well aware that "much more remains to be done" and, pragmatist that he is—a pragmatist being a successful dreamer—he reminds us all at the tunnel's end that—

> In whatever endeavor the handicapped person finds himself, he is out to prove that ability, not disability, is what counts.

And, thanks to the staying power of folks like Leonard Robinson, the confidence of the American people in the abilities of the handicapped has never been higher.

EMERGENCY FARM BILL

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. MATHIS. Mr. Speaker, today we are considering the conference report on the emergency farm bill. The distinguished chairman and ranking minority member of the Agriculture Committee have done an outstanding job in providing leadership on this legislation.

They have brought a bill out of conference which, with a few small exceptions, incorporates the same provisions as passed by the House originally. This is not a far-reaching agricultural subsidy program as some in the press would lead us to believe. This program is not going to cost the American Taxpayer $500 million as some in the Department of Agriculture are advocating. This bill is a simple 1-year emergency bill designed to give American farmers some relief from the high production costs they have incurred. If the administration had not been so adamant when the farm bill was considered in 1973 in refusing to support an escalator clause beginning with the first year, this legislation probably would not even be necessary. This body compromised at that time to avoid a Presidential veto but neither we nor the President visualized the dramatic price increase in fertilizer, fuel, labor, land evaluation, and every other material necessary for the production of food and fiber in this country.

The general farm bill passed in 1973 gave the administration what they wanted—unlimited production based on a target price concept. The American farmers went all out to meet these goals of unlimited production and they did a wonderful job. I think this administration would be the first ones to admit that agricultural exports have been a lifesaver with regard to our balance of trade deficits. Now the President has said that he plans to veto this legislation because of the costs to the taxpayer and consumer. What he is really saying is that these farmers who put themselves in a financial straitjacket to meet the demands of increased production cannot expect to receive any assistance in recovering their increased production costs. I am not saying increased profits—because in the last 12 months—while the processed food products went up almost 20 percent in the supermarkets—the net return on raw agricultural products to the farmer went down almost 10 percent.

This bill is no different from any emergency legislation this House will consider or has considered. We gave the Penn Central Railway funds through emergency type legislation. We have increased social security benefits with built-in costs of living increases. We have passed emergency job legislation, emergency housing legislation—increased welfare benefits—higher education appropriations based on increased costs. Why cannot the American farmer receive the same courtesy and understanding?

They are not asking for a Government handout—all they want is to know that the government will support them as they strive to meet the goals of supplying the food and fiber for the American people. This legislation is critical—the American farmers are planning their 1975 crops right now and they need to have the assurance that they will be able to make a reasonable profit to continue their operation for the following year.

There are some in this body and in the Department who will say that this bill will encourage farmers to overproduce in certain areas such as cotton because of the high target price, and thus cost the Government millions of dollars.

What these people are saying in reality is that there will no longer be a strong world demand for our agricultural products and that huge Government surpluses will be built at the expense of the American taxpayer. I do not believe this for a minute. American farmers produce the highest quality farm products in the world. This administration has committed itself to helping the world hunger problem. We passed the trade bill last year to give the President more flexibility in trading with other countries of the world. The Department of Agriculture has already submitted lists to the Tariff Commission which will place unrestricted import and export duties on agricultural products to further our export commitments.

It appears to me that this administration has realized the absolute necessity to encourage agricultural exports to lessen our other financial obligations. Why can they not in turn support the American farmer in this 1 year so they can have some idea what to expect at the marketplace?

I urge my colleagues to support this report.

GOV. JOHN A. BURNS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. UDALL. Mr. Speaker, I had the great privilege and pleasure to know John Burns and join with all of his many friends in the Congress in lamenting his untimely death.

He played a key role in achieving statehood for Hawaii and will always be remembered for this long-overdue achievement for his own people and for his country.

John Burns was an exceptional, dedicated public servant, who had vision and compassion. The favorable impact of his life will long be felt, not only in Hawaii but in the entire country as well.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. HARRIS. Mr. Speaker, at the April 14 hearing on H.R. 3000, the bill to revise the Hatch Act, one of my constituents, Mr. Gerard Coan, described his "politically futile" efforts to form a nonpartisan organization of Federal employees to become involved in politics. He explains that the organization is now defunct because of apathy "partly due to the impotence imposed by the Hatch Act." I would like to share his excellent statement with my colleagues in the Congress:

> Mr. Chairman and Members of the Subcommittee, I appreciate having this opportunity tonight to present my experiences and views on the Hatch Act and the proposed legislation to reform it. I am a GS–13 Community Planner in the New Communities Administration of HUD, where I have been employed since July 1971. I had two years previous experience in the Civil Service from 1965 to 1967. With me this evening is Ms. Natalie Reatig, who has been in the Civil Service for 10 years and is presently a GS–11 Social Science Analyst with the Division of Extra-Mural Research Programs of the National Institute of Mental Health. In 1972 Ms. Reatig and I, as well as several other concerned federal employees, formed the League of Federal Voters, which is now defunct. I have asked Ms. Reatig to accompany me in order to help answer any questions regarding the League of Federal Voters since she was the spokesperson of the organization.
>
> I would like to say that Ms. Reatig and I cautiously support the proposed legislation and I think I can say the same for all those civil servants who formed the League of Federal Voters. We formed that organization out of a total sense of frustration of our inability to participate in a partisan manner in the 1972 campaign, because of the Hatch Act. As Federal employees we were acutely aware of the gross abuses of the incumbent administration—much more aware of what was happening than the electorate as a whole. Our consciences dictated that we try to do something about it. Because of the Hatch Act and the potential penalties for its violation we opted to form the League of Federal Voters as a legal way to become involved in the election. Its announced purpose was to act as a "non-partisan educational committee" which would "help arrange balanced presentations of opposing political views and . . . provide a general election information center for federal employees."
>
> Essentially, this was a non-partisan grass roots employee's organization which attempted to get employees to wake up to what was happening in their government and to exercise their legal right to speak out against what they didn't like. We hoped to do this by sponsoring a series of lunch hour forums at different agencies in which prominent representatives of the presidential candidates would come and present their candidate's views followed by a half hour of informal discussions and questions from the audience. We had three fairly successful forums of this kind at which the representatives listened to the views of civil servants and attempted to give their candidate's positions on the various issues raised. We also got representatives from the Boards of Elections of Maryland, Virginia, and D.C. to come to agencies and set up registration tables. This was very successful.
>
> Although this effort was politically futile, it certainly was enlightening. We discovered that most federal workers are shockingly apolitical. For the most part they didn't seem to care about the integrity or the policies of the government they were working for. There is no doubt in my mind that this apathy is partly due to the impotence imposed by the Hatch Act. The Hatch Act has given many federal workers an excuse for copping out. I think this is regrettable because federal employees know what is happening in the government better than any section of the electorate. And therefore, their political beliefs and activities should be on a well-founded basis. Yet, because of the Hatch Act, they are excluded from most political activities and they are rendered relatively powerless in the political arena.
>
> What are the consequences of this? First, I would guess that the civil service is deprived of many of society's more dynamic and sensitive members who could not stand the frustration of not being able to work against policies and practices which are disagreeable to them, and yet they must experience daily. Because of the Hatch Act, most people of this quality leave federal service the first chance they get, or they stay clear of it.
>
> A second consequence of the Hatch Act is that our political system is deprived of a potential corrective force to help combat abusive and pernicious activities in an incumbent administration. As civil servants we can be very aware when a mockery is being made of an Act of Congress that we are supposed to be implementing. And suppose we were to discover that many of our fellow civil servants were working in the same atmosphere and see a pattern that suggests a wholesale abuse of the public trust. What could we do? We haven't the resources to gather enough facts about widespread abuses to prove malicious intent. We would have to organize to do that anyway and that would entail a high risk of retribution. The logical thing to do in this kind of situation would be to discretely offer our services to the opposition candidate in our off-hours, presuming he offered a better alternative. But under the Hatch Act that would mean risking our jobs—a risk which few of us can afford to take.
>
> Without the Hatch Act restrictions on political activity that option would be legally open to us. We could work for the defeat of an administration which we find from first-hand experience to be antithetical to the principles upon which this country was founded. As we have seen the government of, for and by the people can quickly become a government of, for and by special interests. The professional civil service could help "keep 'em honest" if only our hands weren't so tied.
>
> Mr. Chairman, I would also like to speak to the other side of this question. That is, whether it would be wise to preserve all or part of the Hatch Act in order to keep the Civil Servants themselves honest, so to speak. I do have some reservations and suggestions that I would like to share with you. But, first I would like to comment on the testimony given to this subcommittee several weeks ago by Chairman Hampton of the U.S. Civil Service Commission in which Mr. Hampton totally opposes the proposed leg-

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islation to modify the Hatch Act. I would beg the Congress to reject most of Mr. Hampton's arguments as I think he has confused the issue by vastly overstating the case for preserving the Hatch Act. Some of the civil service abuses Mr. Hampton warns would occur if this bill were passed are actually in widespread practice right now in spite of the Hatch Act. These are abuses which are irrelevant to the Hatch Act and should be constrained by other laws and regulations. Other abuses mentioned by Mr. Hampton are virtually impossible to legislate against. A third category he warns about would be prohibited by H.R. 3000 anyway. And yet a fourth category of abuses occurred in the distant past when the nation and the government were smaller and more compact and therefore, more susceptible to political manipulation by virtue of manpower alone. I would also include in this category abuses from a more recent past when a much larger proportion of the government work force was in the Excepted Service than at present.

Let me give some examples of the first two categories. The third category is so obvious by reading the bill that I won't bother. And the fourth is an unmistakable anachronism. On page 2 of his testimony, and indeed throughout, Mr. Hampton claims that the Hatch Act assures that employees will not feel compelled to engage in unwarranted partisan political activities in order to "enhance their prospects for continued employment or for advancement." Yet there are numerous cases in HUD where career employees have switched their party registration and were subsequently promoted. It is generally known by people acquainted with these cases that this was a *quid pro quo*. The Hatch Act certainly did not prevent this from happening—there was no violation of that Act though undoubtedly there was a violataion of Civil Service regulations involved. But the point is that employees don't have to do overt campaign work in order to compromise their beliefs for selfish gain.

On page 3 Mr. Hampton argues that "the Hatch Act reduces the likelihood that the employee will allow partisan political views to interfere with the impartial execution of the Government's business in accordance with the policies mandated by Congress." I'm sure you are all familiar with Book 19 of the Senate Watergate Committee which outlines the so-called "Responsiveness Program." The documents in there provide chilling details of how an organized but secret campaign was conducted to layer the civil service with politically responsive employees. And also how a politically motivated system of disbursing Federal largesse was set up starting in 1971 with an eye toward the 1972 election. These may have involved violations of the Pendleton Act and other statutes but I don't see where they violated the Hatch Act. Yet they certainly did "interfere with the impartial execution of the Government's business" to quote Mr. Hampton again.

Also on page 3, Mr. Hampton claims that the "Act makes it impossible for the party in power to turn the Federal work force into an organized instrument for affecting the outcome of elections." But does it? I don't think it does. As an example let me cite a memorandum from John D. Ehrlichman to HUD Secretary George Romney, subject: National Growth Policy. The memo was dated May 31, 1972 and required a response, to a list of questions regarding national growth policy, by July 30, 1972. These dates are significant. Congress only requires a National Growth Report in February of even-numbered years so the next one wasn't due until 1974, a year and three quarters later. On the other hand, July 30, 1972, the response due date, was just prior to the Republican Convention. Perfect timing to use the output of the government's best urban experts to help prepare campaign platform policy.

Certainly that amounted to using the Federal work force as an instrument in the election. The party in power has untold opportunities to use the massive resources of the bureaucracy and yet it would be difficult in most cases to call it a violation of the Hatch Act. This is the kind of thing that cannot be effectively legislated against anyway so we should stop fooling ourselves. But, by the same token, as a federal employee I resent not being able to choose to work for the other side if I so desire. I would still be at a disadvantage since I would have to do it in my off-hours.

As to the whole question of whether the proposed legislation to weaken the Hatch Act would be a boon to the party in power vs. the opposition, I think it depends on whether a majortiy of civil servants agree with the President's policies. In other words, they are going to exercise their political rights just like every other American is entitled to—in line with their political beliefs. Certainly that shouldn't be a crime. However, I still think we should be on guard against the party in power stacking the bureaucracy with its own loyalists. This has the effect of making another criterion as, or more, important than merit. The result can be seen today where there are now many "loyal" but unqualified employees in career positions where they could theoretically stay for the rest of their working years. This is a very serious problem but it is not one that can be solved by the Hatch Act, but rather by more vigorous enforcement of the Civil Service laws and regulations. If these abuses are not corrected then I'm not so sure it would be wise to weaken the Hatch Act.

My suggestions and reservations are as follows:

1. I think Section 7324 of the proposed legislation should state more explicitly that a federal employee may in no way coerce a subordinate to perform any political activity.

2. I would add to the purpose of the bill after "improper political solicitations" the words "and pressures."

3. The proposed bill should explicitly prohibit political activity while on duty, though not necessarily while on a lunchbreak.

4. Two permitted activities I would suggest adding to the list in Section 7324(c) are participation in a political fundraiser (provided there is no violation of Section 2(a)) and campaign policy development.

5. I think Congress should arrange for ongoing monitoring of the effect of the change, assuming it passes, and periodically review its decision on this bill—whether that decision is ultimately for or against. The problem of politically influenced hiring and promoting might well continue in spite of laws and regulations against it. It might be impossible to stop this abuse. In fact, without a strong Hatch Act there might be more incentive to stack the bureacuracy because then the Administration could use this corps of loyalists to help get re-elected. Therefore, I would urge you to write into this bill some effective mechanism to monitor personnel actions for political influence and an automatic reinstatement of the Hatch Act if such abuses can't be stopped. That is where the real problem lies and if it can't be solved then I think I would have to regrettably swallow the Hatch Act as it now stands. Hopefully it can be solved and that is why I am in favor of this legislation, though cautiously.

Thank you very much for the chance to present my views on H.R. 3000. Ms. Reatig and I will try to answer any questions.

H.R. 1287, HALTING THE IMPORTATION OF RHODESIAN CHROME

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. FRASER. Mr. Speaker, for the benefit of my colleagues who have not had an opportunity to see the revised version of H.R. 1287, I am today placing in the Record the complete text of the bill as amended March 18 by the International Relations International Organizations Subcommittee:

H.R. 1287

(Showing amendment approved by Subcommittee on International Organizations in italic.)

A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(a)) is amended by adding at the end thereof the following new sentence: "Section 10 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U.S.C. 98–98h) shall not apply to prohibitions or regulations established under the authority of this section.".

Sec. 2. Section 5 of the United Nations Participation Act of 1945 (22 U.S.C. 287c) is amended by adding at the end thereof the following new subsection:

"(c)(1) During the period in which measures are applied against Southern Rhodesia under subsection (a) pursuant to Security Council Resolutions numbered 232 (adopted December 16, 1966) and numbered 253 (adopted May 29, 1968), a shipment of any steel mill product (as such product may be defined by the Secretary) containing chromium in any form may not be released from customs custody for entry into the United States if—

"(A) a certificate of origin with respect to such shipment has not been filed with the Secretary; or

"(B) in the case of a shipment with respect to which a certificate of origin has been filed with the Secretary, the Secretary determines that the information contained in such certificate does not adequately establish that the steel mill product in such shipment does not contain chromium in any form which is of Southern Rhodesian origin;

unless such release is authorized by the Secretary under paragraph (3) (B) or (C).

"(2)(A) The Secretary may, on his own initiative or upon a request by any interested person, conduct an investigation with respect to the adequacy of the information contained in any certificate of origin. Pending completion of such investigation, the steel mill product shipment with respect to which such certificate of origin was filed may be (i) retained under customs custody, or (ii) released under paragraph (3)(C).

"(B) For purposes of conducting an investigation under subparagraph (A), the Secretary may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to the matter under investigation. Any such subpena may, upon application by the Secretary, be enforced in a civil action in an appropriate United States district court.

"(C) Within ten days after the receipt of a request from any interested person that

an investigation be conducted with respect to the adequacy of the information contained in a certificate of origin with respect to any steel mill product shipment, the Secretary shall notify such person in writing whether an investigation will be conducted with respect to such certificate. Such notification shall include—

"(i) if an investigation is not going to be conducted, a statement of the reasons for the Secretary's decision not to conduct an investigation; or

"(ii) if an investigation is going to be conducted, a statement of what action the Secretary will take, pending completion of such investigation, with respect to such steel mill product shipment.

"(D) Upon completion of any investigation conducted under this paragraph, the Secretary shall publish in the Federal Register a statement of the results of the investigation and of any action taken by the Secretary with respect to the steel mill product shipment whose certificate of origin was the subject of such investigation. If such investigation was requested by any interested person, the Secretary shall also send a copy of such statement to such person.

"(3)(A) The Secretary shall prescribe regulations for carrying out the provisions of this subsection.

"(B) The Secretary may exempt from the certification requirements of this subsection any shipment of a steel mill product containing chromium in any form which is in transit to the United States on the date of enactment of this subsection.

"(C) The Secretary may release from customs custody for entry into the United States, under such bond as he may require, any shipment of a steel mill product containing chromium in any form (i) pending completion of an investigation under paragraph (2) with respect to the adequacy of the certificate of origin filed with respect to such shipment, or (ii) under such other circumstances as he deems appropriate.

"(4) As used in this subsection—

"(A) the term 'certificate of origin' means such certificate as the Secretary may require, with respect to a shipment of any steel mill product containing chromium in any form, issued by the government (or by a designee of such government if the Secretary is satisfied that such designee is the highest available certifying authority) of the country in which such steel mill product was produced certifying that the steel mill product in such shipment contains no chromium in any form which is of Southern Rhodesian origin; and

"(B) the term 'Secretary' means the Secretary of the Treasury.".

EDWARD JOSEPH RYAN

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. BYRON. Mr. Speaker, last week Edward Joseph Ryan, a distinguished citizen and prominent attorney of Allegany County, died. He was an unselfish community leader in the truest sense and gave of himself in numerous endeavors.

Mr. Ryan served as chairman of the Allegany County Board of Alocholic Beverage Commissioners and was a past member of the Allegany County Board of Education. He was elected to the Allegany County Democratic State Central Committee and was also president of the Allegany County Bar Association. He was a member of the Maryland Bar Association.

Mr. Ryan was a member and past commander of Farrady Post 24, American Legion, and a past exalted ruler of Frostburg Lodge 470, BPO Elks. He also belonged to Frostburg Aerie 1273, Fraternal Order of Eagles, and Frostburg Lodge 348, Loyal Order of Moose. Mr. Ryan was also a member of Chief Justice Taney General Assembly, Fourth Degree Knights of Columbus. He was an honorary member of the Frostburg Fire Department.

Edward Joseph Ryan will be missed and his deeds will long be remembered.

SKYROCKETING COST OF MALPRACTICE INSURANCE

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. CORNELL. Mr. Speaker, there are probably few words in the English language that are more overused than "crisis," but it appears that a genuine "crisis" is facing the medical profession due to the skyrocketing cost of malpractice insurance. The problem is particularly acute so far in 1975 because an alarming number of physicians are having their malpractice insurance canceled suddenly and are then unable to locate other forms of coverage. Since the United States does not have a surplus of doctors and medical practitioners, especially in rural areas, something must be done to alleviate this serious situation.

Last week more than three-fourths of the approximately 100 physicians who attended a meeting of the Brown County Medical Association in Green Bay, Wis., indicated that they would quit practice after July 1 of this year if adequate malpractice coverage is no available. Doctors who are approaching retirement age are choosing to end their practice early rather than pay spiraling insurance costs.

This has occurred in the case of Dr. Glen Denys of Green Bay who has notified his patients that he is quitting his practice on May 1 because of the cancellation of his coverage.

A number of physicians who wished to set up practice in Wisconsin have been unable to do so due to the lack of adequate insurance coverage. As an example, a local neurosurgeon reported that he was unable to get insurance for a fellow practitioner—who happened to be a Green Bay native—and even Lloyds of London refused him coverage.

These illustrations are only a few of the hundreds of similar incidents taking place across the country and I know my colleagues could cite equal examples from their own congressional districts.

The St. Paul Fire and Marine Insurance Co., which handles a substantial amount of malpractice insurance in my district and over 15 percent nationwide, reported that in 1974 it had one claim pending for every 10 doctors insured, whereas 5 years ago the ratio was one in 23. As a consequence, rates have jumped an average of 258 percent.

In an attempt to focus attention on the entire malpractice problem and to solicit suggestions, I sent summaries of two malpractice insurance bills that had been introduced in the Senate earlier this year to all physicians in my congressional district—almost 400 of them. Their responses clearly and overwhelmingly indicated the immediacy and magnitude of the problem. As one response pointed out:

> The extremely high malpractice insurance premiums are a burden which the American public cannot possibly afford to pay.

The many physicians who responded to my letter were by no means united on one solution to the malpractice insurance crisis. But they all agreed that something must be done and soon.

Therefore, I am today offering yet another alternative to the many legislative proposals already introduced in the House in the hope that out of these various plans, a solution to this most serious problem can be reached this year.

This bill was introduced in the Senate by Gaylord Nelson of Wisconsin and is a revised and expanded version of his earlier malpractice bill, S. 188 which was introduced in the House (H.R. 3938) on February 27, 1975.

The changes from the original bill are that:

It provides for a medical malpractice reinsurance pool, to be administered by the Department of HEW, patterned after the riot reinsurance law, in which primary insurance companies voluntarily pay into a pool that covers losses above a certain figure. Initially, the bill provides for payment of losses over $25,000, which figure would be adjusted based on actuarial experience;

It makes such reinsurance available to companies only in States which have established programs for initial arbitration of medical malpractice claims. Such arbitration would not be binding. However, the decision of an arbitration panel would be admissible as evidence in any court proceeding;

It requires that each State establish uniform rates of malpractice insurance so that all licensed physicians or other providers of health care pay the same fee, regardless of type or speciality of practice in which they are engaged. This would eliminate ratemaking within each State. The proposal is patterned after the system of malpractice premiums in Canada and Great Britain, where we are advised that physicians pay approximately $50 a year for malpractice insurance, regardless of speciality; and

It requires each State to establish by law or court rule a schedule of maximum contingent fee rates which may be charged or accepted by attorneys for services performed in connection with an arbitration or civil action arising from a claim for damages on account of alleged medical malpractice. The fee rates would be expressed as a percentage of the net amount recovered in a successful settlement or prosecution of such actions, decreasing as the amount of recovery increases.

These new provisions are added to the

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earlier bill which would establish a National Medical Malpractice Development Fund, patterned after the Federal riot and flood reinsurance programs, to protect primary insurance companies against catastrophic malpractice claims losses. The fund would pay all claims above $25,000 and would be financed by voluntary payments by insurers. The Secretary of HEW would also be required to assess the primary medical malpractice insurance market and to conduct certain studies in malpractice.

In concluding my remarks, I want to again quote one of the physicians from my district who wrote to me on the malpractice dilemma. "An impending crisis can be foreseen in the very near future if some legislative effort on a State or national level is not undertaken immediately."

Thank you.

THE CIVIL LIBERTIES FIGHT IN NEW YORK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. RANGEL. Mr. Speaker, only if the rights of every person in this country are protected can any of us be assured of our liberty. Constant vigilance on behalf of individual rights is required. In New York, the New York Civil Liberties Union is in the vanguard of the fight for civil rights and civil liberties.

As a legislator, first in the State assembly and now in the House of Representatives, I have found the New York Civil Liberties Union to be an invaluable resource in my legislative efforts. For example, during the recent impeachment controversy, the Civil Liberties Union organized committees of concerned citizens in each congressional district to make sure that the will of the people was made clear to their elected Representatives, as well as to educate the public about the massive abuses of power which earmarked the Nixon administration. In the 19th Congressional District of New York, the New York Civil Liberties Union gathered literally thousands of letters to be presented to the Judiciary Committee on the issue of impeachment.

In the courts, in the legislature, and before administrative agencies, the New York Civil Liberties has made its views known. Some battles have been lost, but the struggle continues.

At this time I am pleased to include in the RECORD a report by Executive Director Ira Glasser which appeared in the March–April 1975 issue of "New York Civil Liberties":

DIRECTOR'S REPORT: "A SENSE THAT MOST OF THE ICEBERG REMAINS HIDDEN"

During most of last year, the campaign to impeach President Nixon focused attention on the phenomenon of official lawlessness. Now, more than six months after the certainty of impeachment drove Richard Nixon from office, and over a year since the impeachment campaign began, new revelations about the official abuse of power are appearing in news media.

This time the revelations are about the Central Intelligence Agency and the Federal Bureau of Investigation. Both agencies seem to have functioned as independent political police forces, opening private mail, listening in on private telephone conversations, burglarizing for political purposes, engaging in widespread attempts, through *agents provocateurs*, to destroy the civil rights movement in the South, and perhaps even assassination.

We are now at the stage where Watergate was about two years ago: sensational news leaks, occasional revelations by key insiders, the beginning of several official investigations, fervent denials by those in responsible positions, and the growing feeling that a massive cover-up is underway.

For all the revelations, we begin to sense that most of the iceberg remains hidden, and that the worst is yet to come. Will we finally find out the truth about the secret government which knows no limit on its power? That is hard to say.

But we should not comfort ourselves by supposing that the lawlessness of Richard Nixon, the C.I.A. and the F.B.I. are aberrations. They are, rather, the extreme pathological symptoms of an endemic institutional disease. For anyone who reads these pages regularly knows that official lawlessness is a central feature of all governments, and American government—at every level—is no exception.

What is police misconduct if not an abuse of official power? When a cop beats someone on the street, or searches someone illegally, or covers his misconduct by fabricating false charges against his victim, how does that differ from what Richard Nixon did, or from the illegal operations of the C.I.A. or F.B.I.—except perhaps in degree? All break the law because they believe that the goal they seek is so important that legal limits on their power could be ignored. And cops are not alone.

What about school principals who suspend students illegally—often as punishment for political activity—and then defiantly say: "I don't care about the law, I run my school the way I see fit." And what about Boards of Education that choose to look aside at such abuses of power, and refuse to enforce their own rules and regulations against such principals?

What about officials in the Department of Mental Hygiene, who allow the degradations of Willowbrook to continue? What about public officials who allow neglected children to be kept in solitary confinement in state training schools? Or prison officials who punish prisoners for subscribing to the wrong magazines, or criticizing the prison administration in their diaries? Or welfare officials who illegally deny benefits? Or housing authority officials who illegally evict tenants? Or the state legislature and the Governor, who pass legislation by jamming it through before any legislator can read it, in clear violation of the constitutional requirement that at least three days pass between the time legislation is introduced and the time it is voted upon.

And what about judges, who sometimes respect public officials so much that they are willing to look aside at their abuses, and who create elaborate judicial rationales to justify their inaction? Perhaps the leading example of official lawlessness in America, is the resistance to school desegregation: twenty years after the U.S. Supreme Court declared school segregation illegal, the schools of New York are more segregated than most Southern school systems.

We have, perhaps, in the two hundred years since our revolution, become too respectful of power, too willing to assume its benevolence, too faithful to see its excesses, too trusting to perceive its corrosive effects upon our freedoms.

We have allowed Presidents too much power (in the name of national security); we have allowed the police too much power (in the name of safety); we have allowed school officials too much power (in the name of education); we have allowed psychiatrists too much power (in the name of mental health). Discretionary public power—unfettered by strict legal limits—is always and necessarily at war with the liberties and rights of people.

As we approach the Bicentennial, we might do well to re-examine the connections between all the "little" excesses of public power we tolerate daily, and rationalize away, and the pathological excesses that result in Watergate.

THE IMMORALITY OF REDISTRIBUTING INCOME

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. CRANE. Mr. Speaker, there are many in the American society who argue that all men and women, regardless of their ability, hard work and productivity, should receive the same material rewards. Those who work should be paid no more than those who do not. Those who spend long years educating themselves in specialized skills should be paid no more than those who have done nothing to advance themselves. This, the advocates of such a policy tell us, is the kind of egalitarianism toward which we should be moving.

The fact is that such a policy is itself immoral. The false dichotomy between "human" rights and "property" rights which those who wish to implement such a policy expound is clearly false. They stand or fall together.

The framers of our Constitution were careful readers of the philosopher John Locke. In his "Essay Concerning the True, Original, Extent Of Civil Government," Locke declared:

> Every man has a property in his own person. This nobody has any right to but himself. The labour of his body and the work of his hands, we may say, are properly his. Whatsoever, then, he removed out of the state that nature hath provided and left it in, he hath mixed his labour with it, and joined it to something that is his own, and thereby makes it his property . . . For this labour being the unquestioned property of the labourer, no man but he can have a right to what that is once joined to.

Clearly, one of the reasons for the American Revolution itself was the colonists' feeling that their property rights were endangered by the arbitrary actions of the British Government.

In a recent column Anthony Harrigan quotes from an essay published by the U.S. Industrial Council entitled, "On Redistributing Income," by Peter J. Rusthoven, one of the editors of the Harvard Law Review. The end result of a political redistribution of income, Mr. Rusthoven explains, would be the breakdown of liberty.

He writes:

> Quite simply, the fact is that any such attempt would entail the virtual destruction of economic freedom as we know it. It is perfectly apparent, for example, that the theory of a free market economy is inconsistent with the attempt to render each man the material equal of his brethren.

Inherent in the current tax legislation approved by the Congress, Mr. Harrigan notes—

> is far worse than anything that can be described in terms of deficit spending. The threat, insofar as income redistribution is concerned, is the undermining of the moral basis of a society in which respectable, working citizens are rewarded.

I wish to share with my colleagues the column, "Economic Immorality," by Anthony J. Harrigan, issued for release on April 17, 1975, and insert it into the RECORD at this time:

ECONOMIC IMMORALITY

(By Anthony Harrigan)

In a recent syndicated column, Tom Wicker, New York Times associate editor and liberal political activist, hailed the new federal tax bill as "the beginning of a new and long overdue course for American liberalism—toward a policy of redistributing income."

Mr. Wicker's candid comment should make Americans realize that political redistribution of income—socialism, in other words—is at hand.

Sen. George McGovern proposed redistribution of wealth in his famous $1,000 per person handout proposal during the 1972 presidential election—a proposal that helped cost him the election. Now, redistribution of income is to be accomplished by a backdoor method—by the new tax legislation, that is.

What is the morality—or immorality—of redistributing income? This is a question thoughtful citizens should ask themselves.

Fortunately, this question has been carefully studied—and answered—in a brilliant essay "On Redistributing Income" by Peter J. Rusthoven, one of the editors of the Havard Law Review.

In a special report issued by the United States Industrial Council Educational Foundation, Mr. Rusthoven points out that "there is a growing push in leftwing academic and political circles for the idea that substantive equality is a virtual prerequisite for the moral legitimacy of American society." He notes that the American idea that a man should be rewarded according to his worth "is coming in for increasingly bitter attack."

Thoughtful citizens, steeped in American values undoubtedly are shocked at the notion that our country's wealth be divided without regard to the merit or contribution of the individual.

At the core of the position held by the redistribution advocates, says Mr. Rusthoven, "lies the belief that there are no differences in human behavior for which the individual human being is really responsible."

He goes on to say that "in other words, the advocates of income distribution base their arguments, ultimately, on a rejection of the notions of individual responsibility. It follows that they must reject as well any meaningful notion of individual morality."

This is a very powerful argument. It makes clear that a radically equal society, in which income is redistributed from the frugal and energetic to the irresponsible and lazy, must be an immoral society. It must be a society devoid of a moral scheme in rewards.

We see the outlines of such an immoral society in the welfarism of our era which has created a huge, sullen, dependent under class that lives off the work and savings of energetic, self-reliant citizens.

The end result of political redistribution of income, Mr. Rusthoven convincingly explains, would be the breakdown of liberty. "Quite simply," he writes, "the fact is that any such attempt would entail the virtual destruction of economic freedom as we know it. It is perfectly apparent, for example, that the theory of a free market economy is inconsistent with the attempt to render each man the material equal of his brethren."

Thus the threat posed by the new tax bill is far worse than anything that can be described in terms of deficit spending. The threat, insofar as income redistribution is concerned, is the undermining of the moral basis of a society in which respectable, working citizens are rewarded.

The authors of the new tax legislation, like Sen. McGovern in 1972, are striking at the system of incentives in our society. These incentives have a foundation in morality.

RED TERROR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. McDONALD of Georgia. Mr. Speaker, as we engage in our leisurely discussions of belated aid to Vietnam, it is not too late to learn more about the Communist modus operandi. In 1970, a reformed editor of the New York Times, Herman Dinsmore, summarized for us the blood price of "peace" on Communist terms, in the article below which appeared in the Review of the News, July 29, 1970:

THE COMMUNISTS AND PLANNED TERROR

(By Herman H. Dinsmore)

Senator Claiborne Pell, Democrat of Rhode Island, advocated on June thirtieth that the United States "get out completely" and stop "maintaining the division of Vietnam into two countries." Mr. Pell said: "I submit that our national interest would best be served by a unified Vietnam even if under communist rule . . ." He claimed he does not believe a bloodbath would occur if North Vietnam takes control of the South.

This view flies in the face of all experience with the Communists. Wherever they have taken control mass murder has followed. Douglas Pike has established that the North Vietnamese Communists have already planned a "night of the long knives" for the end of the war, when literally millions of South Vietnamese are scheduled for liquidation. Mr. Pike is an outstanding student of the Vietcong. In a newly written work, The Viet Cong Strategy Of Terror, he reports that under the Communists' plan for South Vietnam "all political opposition, actual or potential, would be systematically eliminated." He quotes Colonel Tran Van Dac, a North Vietnamese defector, as revealing that 3 million South Vietnamese are on the Communists' "blood debt list."

The early Russian Communists quaintly referred to such liquidation as "the highest measure of social punishment." They accomplished it, usually, by shooting. The North Vietnamese are not so coldly unconcerned as to the manner in which their victims die. They consider terror—and terror is the carburetor of the Communist engine—as a means of inducing subjugation and reducing inefficiency or uncooperativeness. Hence the North Vietnamese Communists go to considerable pains to inflict the most grotesque tortures upon their victims, including live burial and the severing of ears, arms, and noses. U.S. News & World Report for January 16, 1967, listed the official account of 96,500 separate acts of terrorism committed by the Vietcong between 1962 and 1966; and during the same period the number of civilians assassinated, wounded, and kidnapped totalled 68,361. In the four years since, the totals have escalated. The Vietcong systematically killed 5,800 civilians in the city of Hué during the Tet offensive of 1968. In the last decade they have methodically assassinated some twenty thousand local officials as a part of their terror strategy. Murder on a vast scale with whole sections of the population selected to die—that is the technique of the Communists everywhere.

Let us review the product of that apparatus—the system of terror which Senator Pell says will serve *our* national interests if forced on South Vietnam.

Bulgaria: Here is a good example of the fact that the road to hell is paved with the sort of Coalition Governments with the Communists which Secretary Rogers has proposed for South Vietnam. The "coalescence" of Bulgaria's democrats and Communists in 1944 was ordered by agreement between Roosevelt and Stalin at Yalta. Following the time-dishonored fashion of the Soviets, their Bulgarian stooges in 1947 outlawed all opposition parties, arrested their representatives in Parliament, and executed the chief opposition leader, Nikola Petkov, along with about 10,000 others. Thus the way was cleared for full communization of the country. Some 16,000 Bulgarians escaped the bloodbath and live in exile.

Czecho-Slovakia: The story of Czecho-Slovakia is a thrice-told tale, but the full brutality of it is hardly known to the average American. The bloodbath simply cannot be reduced to numbers. Scores of thousands died, and among them many thousands of Communists whom Stalin wanted eliminated for fear they might seek to rule the country independently of the Russians. The liquidations continue to this very moment.

There are more than 100,000 Czecho-Slovaks who have been driven into exile, with no likelihood that the others will ever stop seeking or hoping for refuge or rescue.

Estonia: Here is the northernmost of the three Baltic countries seized by the Soviet Russians under the Hitler-Stalin pact. This even though Moscow in 1939 signed mutual assistance pacts that "guaranteed" noninterference in their internal affairs. Estonia's experience merely proved for the nth time the worthlessness of treaties with the Communists. If the United States should ever abandon South Vietnam by signing a "peace" treaty as demanded by the arrogant North Vietnamese "negotiators" in Paris, no American should ever be in the slightest doubt about what will happen. The Communists have declared as much in documents captured on the battlefield in Vietnam. As U.S. News & World Report noted on May 15, 1967:

One document gives the minutes of a meeting of the Viet Cong Supreme Headquarters in April, 1966. "Whether or not the war will resume after the conclusion of agreements," General Vinh stated, "depends upon the comparative balance of forces. If we are capable of dominating the adversary the war will not break out again, and conversely." In other words, unless the Communists are left in complete control of the situation, fighting will start up again.

Estonia, a pamphlet by Alexander Kuett issued by the Assembly of Captive European Nations, details some basic facts that should be remembered by all those who, like Senator Pell, are willing to abandon the Free World piecemeal:

"It is one matter to defeat a nation by military force, to pillage its wealth, and to keep it under control, as, for instance, the Nazis did during their occupation (of Estonia among other countries). Yet it is another matter to extend brutalities over a period of many years.

"The answer is rather simple. Methodical brutality seeks to demoralize all opposition—to bring an entire nation to its knees. Its

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aim is to destroy that group of Estonians who are the mainstay of national independence and to make the people malleable to ensuing sovietization.

"Accordingly, after Estonia had been brought to its 'knees' through terror, there remained the task of remodeling the country along Soviet lines.

"One of the most heavy-handed methods used to accomplish this task is reflected in Estonia's population statistics. According to a census conducted by the independent Estonian Government the population of the country in 1934 was 1,126,413. In January, 1959, the latest Soviet census gave the population of Estonia as 1,197,000 (in full thousands). Broken down into national origin figures the statistics are as follows:

"Estonians:
  1934, 992,370 (88.1 percent).
  1959, 873,000 (73.0 percent).
Russians:
  1934, 92,656 (8.2 percent).
  1959, 260,000 (21.7 percent).
Others:
  1934, 41,397 (3.7 percent).
  1959, 63,000 (5.3 percent).

"The number of Estonians has thus decreased by nearly 120,000 people in the 25-year interval between the two censuses. The reason for this population drop is clear: purges, deportations, murders, refugees.

"At the same time, the number of Russians in Estonia has increased by 167,000. This figure does not include White Russians or Ukrainians. All told, over 240,000 people from the Soviet Union have 'migrated' into Estonia.

Hungary: The total number of Hungarians killed in the Communist bloodbath there is estimated at 100,000, but this is only an estimate, and it is surely a conservative one. Hungarians in exile say that 50,000 youths were shipped to Siberia immediately after the Communist-provoked revolt of 1956, in which perhaps 30,000 others died.

The ravishing of Hungary by the Soviets, not once but several times and continuously, is a steady reminder that the predator nations, expanding under the banners of Communism, are not guided in their manifest destiny by the doves of Washington. Some 500,000 Hungarians have been driven into exile in the Free World.

Latvia: The fate of Latvia has been exactly like that of Estonia. The Russians have colonized the country, so that the percentage of Latvians has fallen to 62 from 76 percent, while the Russian fraction has jumped from 12 to 26.6 percent. Virtually no news comes directly to the outside world from this captive nation. Many thousands of its people have been seized and deported to Arctic camps in Russia and Siberia. The Communist Russians, bound by no morality before God or man, in the United Nations or elsewhere, have given no accounting of their stewardship as required by the Trusteeship Council because the Russians have simply annexed Latvia. About 120,000 Latvians have been able to escape into exile.

Lithuania: is the largest of the three Baltic States annexed by the Soviets. It has a population of 2,711,000, of whom 79.3 percent are Lithuanians. About 8.5 percent are Russians and Poles, many of whom are "colonists." The Assembly of Captive European Nations reports of this oppressed victim of Communist imperialism:

"According to the Soviet census of January 15, 1969, Lithuania had a population of 2,711,000, of which as many as 211,000 were Soviet colonists. Yet before World War II, the autochthonous population in this same area was 3,200,000. Since the average annual birth rate of Lithuania's population has been 11 per 1,000, under normal conditions the population of Lithuania should have grown to at least 3,900,000 by 1959. The shocking decline in Lithuania's population between 1939 and 1959 is mainly the result of Soviet and Nazi genocide.

K.V. Taurus, author of Guerrilla Warfare On The Amber Coast, published by Lithuanian Research Institute, 1962, concludes:

"As the periphery of the free world is eroded by incessant Soviet and Communist Chinese manoeuvres, it would be well to remember that the West does not possess an endless supply of small nations, the sacrifice of which some may unrealistically hope, will indefinitely postpone a confrontation between the free world and a dehumanized totalitarianism which, in its gratuitous and senseless power mania, can be called insane."

Poland: Here, it may be recalled, is the country in behalf of which World War II was started in 1939 when Stalin and Hitler divided it among themselves. In 1945 it was effectively relinquished to Stalin in its entirety by the Allies, led by the United States....

The Peasant Party leader Stanislaw Mikolajczyk was lucky to escape with his life in 1947. He fled to England, leaving the Polish regime in the hands of the quisling Communists who have ever since ruled as obedient tools of the Soviets. It is reported that 205,000 Poles have been killed by the Communists, but such a figure in a country of nearly 30 million misses the essential point that millions have been acutely deprived in a land now run as an imperial colony for the benefit of another nation. The harassment of the people has been a nightmare, resulting in a veritably infinite loss of forward motion in all fields of life, including the right freely to worship God. The 1943 kiling of 8,000 to 10,000 Polish Army officers in Katyn Forest—by the Russian Army on orders of Stalin—was but a preview of Moscow's plans for Poland.

Romania: Whatever the Nixon Administration may think about the "semi-independence" of Romania, the people of that country do not consider themselves liberated. The number of Romanians who lost their lives in the Communist takeover, which was followed by the usual Red terror, has been put at 150,000. An unknown number of Romanians were sent to Russia to work in mines and fields as slave laborers. Many died there.

The country's economy is securely hitched to the Soviet milking machine, as are the economies of all the other Eastern European captive nations.

The U.S.S.R.: Strangely, here in the Union of Soviet Socialist Republics, the home of the hunter, the statistics on the bloodbath of Communism are so staggering as to make the mind reel.

For instance, Point-Blank put the "total kill-count" at more than [illegible]2 million, including 9 million White Russians, 7 million Ukrainians, 7 million Cossacks, 5 million Byelorussians, 1,022,000 Poles in the Soviet Union, 1,485,000 North Caucasians, 1,120,000 Turko-Tatars, and 500,000 Kalmuks.

While these figures seem astronomical, they do not vary greatly from data offered even by apologists for the Soviet regime. For instance, the figure of 6 million dead or exiled from the Ukraine during the collectivization drive of the 1930s was often cited by Walter Duranty, the New York Times correspondent in Moscow. A more recent student, Robert Conquest, believes 5.5 million died of the Soviet-created "famine" in the Ukraine, while 10 million were driven into exile in other areas of the country, chiefly Siberia. Others say 1.2 million members of the Soviet Communist Party were killed in the purges of 1936–1939, when 25,000 to 35,000 military officers were executed.

Communist China: Point-Blank puts the number of victims of the Communist terror in Red China at 31 million to 1968. While huge and ghastly, the figure is not impossibly high. If memory serves, the New York Times published a figure of 14 million dead under the Chinese Communist scourge by the early 1950s, and the syndicated Alsops cited a figure of 25 million such liquidations over the same period. This was before the euphemistically term "excesses" of Chairman Mao's "cultural revolution."

Cuba: Communist Cuba has under Castro also projected itself into the arena of the giants among killers and exilers. Nearly one-tenth of the people of the island—760,000 out of 8 million—have been driven into exile, chiefly into the United States. This has been called the greatest mass migration in the history of the Western Hemisphere. By April of 1969, according to a foreign diplomat in Havana, 20,161 persons had been executed by the Castro regime, and [illegible],320 had died of torture. By now the total figure must be close to 25,000. Other thousands are imprisoned and under torture at this very moment only ninety miles from our shores.

The doves of America should know the vultures of the world have been feeding well on the corpses of countries abandoned to the Communists—or, more likely, countries deliberately handed to them. But, as the Lithuanian writer K. V. Taurus said, the world is running short of countries to sacrifice to the insatiable Moloch of Communism. Very short, Senator Pell. Very short, indeed.

JOHN SANTANGELO NAMED TO UNITED NATIONS DAY COMMITTEE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. SARASIN. Mr. Speaker, distinguished leaders of major industries and labor unions are chosen each year to serve on the National U.N. Day Committee. The objective of the committee is to maintain an effective continuing program of education and information about the United Nations and its goal of world peace and cooperation.

I was pleased to learn that Mr. John Scali, U.S. Representative to the United Nations, has invited Mr. John Santangelo to serve on the U.N. Day Committee. Mr. Santangelo is one of the leading citizens of the State of Connecticut and truly represents the ideals of success through the American system. As founder and president of Charlton Press which is New England's largest letter press printing plant, Mr. Santangelo exemplifies the promise of opportunity which brought our fathers to America.

Since his immigration to the United States more than 50 years ago, Mr. Santangelo, through rugged individualism and determination has built a thriving business.

It is a deserved honor that Mr. Santangelo will serve on the National United Nations Day Committee in this year of the 30th anniversary of the United Nations. He is a citizen of the world through his philanthropy to charities and causes as far as Cheiti, Italy. He represents the ideals of America and symbolizes the commitment of the United Nations to world peace and brotherhood.

POLL ON ENERGY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. HUGHES. Mr. Speaker, I would like to take this opportunity to share the results with you and fellow Members of the poll on energy conducted by the fourth grade students of Mr. Charles McCarty at Cape May City School.

These fourth graders decided in February that they would like to undertake a poll to determine what their friends, parents, and neighbors think about some of the pressing energy issues. For 9- and 10-year-olds, this was a very ambitious project which they conducted with a high degree of expertise in a very scientific manner. They even decided to go as far as breaking down by percentages the occupations of those individuals polled.

At this point, Mr. Speaker, I would like to add the results of their poll:

OPINION POLL

[In percent]

You are to ask 10 people their opinions (yes, no, undecided) on each of the 10 questions.

1. Should we use solar energy as a source of power?
Yes 83
No 8
Undecided 9

2. Do you want off-shore drilling for oil?
Yes 36
No 51
Undecided 13

3. Should old ships be sunk off shore of Cape May to aid in preventing beach erosion?
Yes 52
No 30
Undecided 18

4. Should oil companies pay for oil spills?
Yes 90
No 2
Undecided 8

5. Is the energy crisis real?
Yes 51
No 33
Undecided 16

6. Should trash be recycled for energy and natural resources?
Yes 85
No 6
Undecided 9

7. Should the world use atomic energy?
Yes 43
No 33
Undecided 24

8. Do you turn out lights when you are not in the room?
Yes 81
No 15
Undecided 4

9. Is the President of the United States doing a good job?
Yes 36
No 29
Undecided 35

10. Should we have an atomic power plant in or near Cape May?
Yes 21
No 60
Undecided 19

This is the actual poll used by the students.

BACKGROUND DATA

[Each person that you ask the 10 questions to, you should put down the following]

Years	Approximate age	Occupation (job)	Where they live—street, city, State	Male or female
0 to 9	1 percent	Civil employees, 3 percent	Cape May City, 85 percent	Female, 54 percent.
10 to 19	14 percent	Housewife, 27 percent	Cape May County (outside Cape May City), 11 percent.	Male, 46 percent.
20 to 29	18 percent	Businessman, 4 percent		
30 to 39	27 percent	Students, 15 percent	New Jersey (outside Cape May County), 2 percent	
40 to 49	14 percent			
50 to 59	10 percent	Utilities and trades, 3 percent	Outside New Jersey, 2 percent	
60 and up	16 percent	Retired, 10 percent		
		Military, 12 percent		
		Professional, 10 percent		
		Resort jobs, 8 percent		
		Secretary, 1 percent		
		Services (nonprofessional), 5 percent		
		Unemployed, 1 percent		
		Fishing and boating, 1 percent		

THE VIETNAM EVACUATION

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. JACOBS. Mr. Speaker, the term "deja vu" is not an American term. But American history will note it is not excessive to say that a dozen years ago this body was conned by the executive branch into a Tonkin resolution which produced an American tragedy. And then came perseverance to "peace with honor" which turned out to be peace with honorarium.

What is a 100-percent American term is that if they fool you once, it is their fault. But if they fool you twice, it is your fault.

There is one other 100 percent American term, and that is to put first things first. John Quincy Adams said it:

> America does not go abroad in search of monsters to destroy. She is the vindicator and protector of her own people.

Mr. Speaker, some of her people are in danger now.

And the first thing for this American Government to do is deliver them from danger forthwith. When that first thing has been put first, then those to whom there is secondary obligation should be attended to without further danger of death to our citizens, but by sensible use of international machinery where our own logistical machinery falls short. Mr. Speaker, first things first.

LEAVE NO AMERICAN BEHIND

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. TEAGUE. Mr. Speaker, I wish to express my support of the amendment to H.R. 6096 offered by Mr. MONTGOMERY. It is time this body expressed a positive concern for our missing in action in Southeast Asia. It is time for the return of the bodies of those American soldiers who gave the supreme sacrifice, yet have remained unhonored. It is time we strive to remove them from limbo.

H.R. 6096 shows our concern for the living. A nation's mettle is expressed by its show of concern for the living, but that same quality is just as vivid in its honoring of the dead.

The exodus from Vietnam is viewed differently throughout this Nation. Some consider it shameful, some consider it too late, and some oppose our leaving. Let us leave the debate to historians because it is evident that the exodus is now necessary.

There are those who have expressed tremendous concern for the military hardware left behind by the retreating Army of the Republic of Vietnam, but have shown no concern for the remains of those brave Americans that we are leaving behind. I sincerely hope this body will agree to express its desire to leave no Americans behind. Our only shame regarding Vietnam will come when we give up our desire to ascertain the fate of the 1,700 Americans declared missing in action.

IN MEMORIAM: BERYL CLARISSA FRANCIS

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. DE LUGO. Mr. Speaker, I was terribly saddened when I learned the other day of the sudden passing of Beryl Francis, a beloved and much respected educator and community leader from St. Croix. It is a deep personal loss that one who was so youthful, so vibrant, and

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so dedicated to the lives of our young people could be so unexpectedly taken from us.

Beryl Clarissa Francis was a remarkable woman indeed. While a student at Christiansted Senior High School, Beryl gained local fame as an all-around athlete, excelling in track and field. Yet, her active involvement in outside activities and interests was only just beginning. Upon her graduation in 1943, Beryl began a 32-year career in education as an elementary school teacher in St. Croix.

Beryl left the islands briefly to continue her education at New York University, where she earned her bachelor of science degree in education in 1956 and her master of arts degree in early childhood education in 1961. She returned to the Virgin Islands in 1962, when she was appointed supervisor of kindergarten and primary education for St. Croix. At the time of her passing, she was completing work on a doctorate in education from NYU's extension program in San Juan.

Beryl was totally devoted to her community. Along with her considerable professional responsibilities, she was also active in the political life of the Virgin Islands. She served as the chairman of the St. Croix Board of Elections and as the vice chairman of the Virgin Islands Joint Board of Elections. She was also a member of the Caribbean Community School Board, the Lutheran Welfare Society's board of directors, the St. Patrick's Church Council, and the Community Chorus.

In her personal life, Beryl was equally devoted to her loving husband and her children. A pillar of strength to her family, she even found time to play the organ at St. Patrick's Catholic Church and the Holy Trinity Church every Sunday morning.

We are blessed when someone like Beryl Francis comes into our world, and we are that much poorer when she so unexpectedly leaves us. She remains, however, a shining light to all of us.

The following poem was written by Gerald E. Hodge, Sr., St. Thomas, U.S. Virgin Islands, in loving memory of the late Beryl C. Francis:

TO WHAT END

(By Gerald E. Hodge, Sr.)

Did someone say "a new beginning"?
And should it end in the first inning
For one so devoted, so loyal, so true
Who seemed always to know when and just what to do;
One who arduously worked most unceasingly
For her beloved Virgin Islands community?

Did this slogan we heard represent a new era
That we were expected to toast with champagne and madeira,
Then before we get down to the big task ahead
Find indispensable loved ones, dispensable and dead?
Sure there must be a reason we can't see right now.
Let's praise God in his wisdom; He'll show us somehow.

The challenge now greater, the task has begun;
Without her assistance the job must be done.
We all can take pride in the roles she has played,
As we recall knowingly the contributions she's made.
The unending assignments which she undertook
Have earned her a page in that great golden book.

In tribute let's show courage; she would wish us to be strong.
Let a better Virgin Islands be forever our favorite song.
Beryl C. Francis we salute you with the deepest sense of pride.
May God grant eternal rest to you in your sojourn on his closer side.
Relatives, friends, mourners, well-wishers all
Remember, God plays a good hand when we throw Him the ball.

MOTION FILED TO CREATE ESCROW ACCOUNT TO HOLD REVENUES FROM PORT AUTHORITY TOLL INCREASE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. PEYSER. Mr. Speaker, on April 16, 1975, I filed a complaint with the Federal Highway Administration, requesting that the Administrator disallow the 50-percent toll increase that the Port Authority of New York and New Jersey recently announced. Frankly, I was still hoping at that time that the respective Governors would veto this increase. It is now apparent that they will not.

Therefore, today I have filed a motion with the Administrator requesting that he order the creation of an escrow account for deposit of the moneys received from this rate increase, pending a final determination of my complaint on its merits.

I am enclosing a copy of this motion, and my reasons for filing it, for the benefit of my colleagues:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 23, 1975.

Hon. NORBERT T. TIEMANN,
Administrator, Federal Highway Administration, Washington, D.C.

DEAR MR. TIEMANN: On April 16, 1975, I filed a complaint with you pursuant to the Bridge Act of 1906, as amended (33 USC 494), to determine that toll increases proposed by the Port Authority of New York and New Jersey are unreasonable and unjust, to prescribe what rates may be reasonable and just under the circumstances, and to order a compensatory repayment of any unjust rates which may be paid if the higher rates go into effect in the interim.

It is apparent that the rate increases will be implemented on May 5, before the complaint is decided on its merits. Accordingly, I am today requesting, pursuant to the attached motion, that you order the Port Authority of New York and New Jersey to create an escrow account for the deposit of revenue derived from the toll increase.

It is obvious to me that you have this authority by virtue of the Bridge Act of 1906, as amended, and I therefore urge you to act expeditiously to grant this motion.

Sincerely,

PETER A. PEYSER,
Member of Congress.

MOTION FOR THE CREATION OF AN ESCROW ACCOUNT

Peter A. Peyser, complainant in a complaint brought before the Administrator April 16, 1975, pursuant to Title 49, C.F.R., Part 310, requesting the Administrator to determine certain tolls unjust and unreasonable, and to prescribe what rates would be just and reasonable, and to provide such equitable relief as may be necessary and just, now moves the Administrator to order the Port Authority of New York and New Jersey to create an escrow account for the receipt of revenue derived from the toll increases complainant has alleged are unjust and unreasonable, on the grounds that:

1. The creation of this account is the only method by which it can be assured that the relief prayed for by complainant can be equitable fashioned in the event that the tolls are determined to be unjust and unreasonable, because the rates complained of will become effective May 5, 1975, and there will not be a determination of the complaint on its merits until after that date;

2. Creation of this account will facilitate the orderly and fair distribution of any revenue derived from the collection of unjust tolls to the commuters that have paid the unjust rates;

3. Creation of this account will hasten the determination of this complainant on the merits, since the Port Authority of New York and New Jersey will not have the use of any revenue derived from unjust toll increases, and hence, will have an incentive to settle this complaint promptly;

4. Any interest gained on revenue deposited in this account could pay for any administrative costs which might be incurred in printing and/or distributing receipts for tolls paid at unjust rates;

5. Failure to create such an account will result in the unjust enrichment of the Port Authority of New York and New Jersey at the expense of commuters who pay the unjust rates;

6. Creation of this account will not alter the relative positions of the parties in the complaint;

7. The Administrator has the authority to order the creation of this account pursuant to his duties and obligations arising under the Bridge Act of 1906, as amended (33 U.S.C. 494) and his authority to grant relief pursuant to this statute.

This motion is made and based on the complaint filed with the Administrator on April 16, 1975.

PETER A. PEYSER.

April 23, 1975.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. FRASER. Mr. Speaker, in December of 1974 President Ford signed into law Senate Joint Resolution 40. This resolution, now Public Law 93–568, authorizes the President to call a White House Conference on Library and Information Services not later than 1978. Although the conference would not be immediately convened, its success would be contingent upon a great deal of preparatory planning. I would urge the President to issue a call for the conference as soon as possible, for such a call would allow the planning process to begin and would be a major step toward the realization of the conference's potential benefits. I have written a letter to President Ford expressing these sentiments. This letter, along with two letters from Directors of Minnesota library centers, follows:

MINNEAPOLIS PUBLIC LIBRARY AND INFORMATION CENTER,
Minneapolis, Minn., April 9, 1975.

Re: White House Conference on Library and Information Services (PL 93–568).

Congressman DONALD M. FRASER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FRASER: The library community has been advised that the next step to be taken relating to this White House Conference is for the President to call the conference.

When he was serving as House Minority Leader in 1973, Gerald R. Ford was one of the sponsors of the conference resolution and as President he signed the measure into law in December 1974.

Obviously this conference is a minor concern of the President at this time so that we feel it is necessary to ask our congressmen to write to the President urging him to call the conference now. Even though the conference need not be held until 1978 the call must be made at once so that the intervening time can be used for planning.

Once again we express our appreciation for your concern and assistance relating to library matters.

Sincerely yours,

MARY L. DYAR,
Interim Director.

HENNEPIN COUNTY LIBRARY,
Edina, Minn., April 4, 1975.

Hon. DONALD M. FRASER,
Longworth Office Building,
Washington, D.C.

DEAR DON: Public Law 93–568 calls for a White House Conference on Library and Information Services. The conference of course cannot take place until President Ford has actually issued the call for such a conference. Although President Ford was one of the sponsors of the White House Conference resolution while he was still serving as the House minority leader in 1973, and while he did sign the measure into law last December, the call has not yet come for the Conference and therefore planning cannot begin.

I realize that the President is extremely involved with many very important issues of national security and economic problems, but would urge that a call for the White House Conference on Library and Information Services be issued so that the preliminary planning can begin. Without the call, we will be losing valuable planning time and no conference is actually anticipated until approximately 1978. I would ask your support in urging the White House to issue the call for the Conference so that the planning can begin.

Your long history of support for library development and the improvement of information services to the public is deeply appreciated and I would hope that your continuing interest in this area would warrant your making this request to the White House.

Sincerely yours,

ROBERT H. ROHLF, *Director.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 22, 1975.

Hon. GERALD R. FORD,
President of the United States,
THE WHITE HOUSE,
Washington, D.C.

DEAR MR. PRESIDENT: It has come to my attention that planning for the White House Conference on Library and Information Services (as authorized by P.L. 93–568) cannot proceed without a Presidential call for the Conference. I strongly urge you to issue such a call.

To my knowledge, two arguments might be raised against calling a conference at this time. First, the state of the economy militates against the kind of expenditures the series of state conferences and the White House Conference would entail. Second, existing forums, particularly the National Commission on Libraries and Information Science, could be used to examine the very same issues and problems the Conference would be charged to look into.

Both of these objections involve legitimate concerns. Both, however, fail to take into account the underlying needs which engendered the legislation.

If the expense of the conferences is weighed against the long-term benefits of the conferences, there seems to me to be very little question as to the desirability of convening them. An informed citizenry is the indispensable bedrock of democracy. Our society can ill-afford to proceed in ad hoc fashion as it attempts to assess the implications of new technologies and ever-proliferating information, to coordinate disparate planning processes, and to structure local and national priorities. The White House Conference would represent a critical first step away from ad hoc planning and toward a more systematic, forward-looking approach.

The Department of Health, Education, and Welfare has proposed that the Conference would duplicate both the responsibilities of the National Commission on Libraries and Information Science and the potential role of "existing channels in the field, ie: professional associations, meetings of civic groups, and governmental and legislative processes at all levels" (letter from Secretary Weinberger to Chairman Perkins, December 4, 1973). To adopt this line of reasoning is to overlook the limitations of existent forums. Dr. Frederick Burkhardt, Chairman of the National Commission on Libraries and Information Science, directly addressed this issue in testimony before the House Education and Labor Committee:

"The National Commission on Libraries and Information Science has listened with care to statements of organizations and agencies within the information and library community. These associations, groups, and organizations have given careful attention to the problems that beset them and the public they serve. However, a White House Conference . . . would go further and deeper into the problems by offering an ideal opportunity for the needs of all users of information to become known and understood. Other White House conferences have discovered that the 'grass roots' viewpoint can wipe away outmoded practices and substitute a fresh outlook, including entirely new ways of dealing with current needs."

Even though the Conference is not anticipated until 1978, essential groundwork must be laid in the interim. Only a call from your office will enable this process to begin. I encourage you to issue such a call as soon as possible.

Thank you for your consideration.

With best wishes.

Sincerely,

DONALD M. FRASER.

PROFIT-HUNGRY INDUSTRY WILL EAT ANY NATURAL GAS PRICE HIKE, JACOBSON WARNS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. HUGHES. Mr. Speaker, Public Utility Commissioner Joel R. Jacobson, a consumer watchdog in my State of New Jersey, recently discussed natural gas deregulation and its effect on utility prices in an interview with the Trenton bureau chief of the Atlantic City Press.

Commissioner Jacobson makes some timely comments in regard to corporate profits and a less than enthusiastic inclination to invest them in exploration for and development of new gas supplies.

I insert reporter Frank Van Dusen's article at this point in full:

[From the Atlantic City Prese, Apr. 16, 1975]

PROFIT-HUNGRY INDUSTRY WILL EAT ANY NATURAL GAS PRICE HIKE, JACOBSON WARNS

(By Frank Van Dusen)

TRENTON.—Public Utility Commissioner Joel R. Jacobson has issued the Byrne Administration's sharpest attack to date on the oil-gas industry's involvement in the natural gas shortage.

Jacobson, a Byrne appointee, in a 22-page document came out strongly against a Ford Administration proposal to deregulate the price of natural gas so that higher gas prices would result in more funds for exploration.

He said that gas price raises in the past did not go to further exploration but rather towards diversification, as gas companies deliberately tried to restrict the flow of gas to shortage-plagued areas like South Jersey.

Jacobson said Transcontinental Gas Co., which supplies virtually all the natural gas to South Jersey Gas Co. has had rising profits despite the shortage and is investing its money into new industries rather than exploration for new gas.

"Activities of Transco subsidiaries hardly lend credence to the increased-supply effort argument either," Jacobson said. "One company has an interest in microwave communications system with IT&T; another is investigating the possibility of using existing pipelines to transport cargo such as mail and parcels.

"Just as surely as these ventures will swell Transco's profits, is the probability that the consumer will end up subsidizing these ventures through increased rates."

Although gas company officials charged that the price of natural gas is kept artificially low due to price regulation by the Federal Power Commission, Jacobson said Transco's profits have been going up even though the company has been suffering serious gas supply shortfalls during the winter months.

"Actually Transco is doing quite well without deregulation and without a higher ceiling price for natural gas. Bowen (Transco President and Chief Executive Officer) announced during his April 9 address that Transco's first quarter earnings this year were up 16 cents per share over the comparable 1974 period."

Jacobson also reiterated the familiar charge that the natural gas shortage is artificial, because drilling companies are not pumping all the gas available.

"Citgo operates six wells on Platform A–76 (in the Gulf of Mexico) that account for over 3 per cent of Transco's gas supply. Between September 1970 and Jan. 20, 1975, Citgo closed down this platform for the replacement of corroded pipes, causing Transco to increase its curtailments during the winter-peak season.

"What is disturbing about this development is the fact that Citgo had previous knowledge of the corrosion problem on A–76. On April 16, 1974, Cities Service formally told Transco of the impending 60-day summer shut-down to permit the wells to come back on line in the 1974–75 winter heating season."

However, Citgo delayed the repairs until mid-September 1974 the beginning of the peak demand season."

Jacobson added that there are 168 "shut-in" nonproducing, privately held leases in the Gulf of Mexico, according to a U.S. Geological Survey ordered during last winter's gas shortages.

"These were significant quantities when one realizes that the proved reserve alone

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without including the probable reserves, amount to more than two-and-a-half times the entire estimated shortfall of the 1974–75 heating season.

"Of these 168 leases, 108 have been shut-in for more than five years," Jacobson said.

Jacobson charged that arguments that call for natural gas to be priced higher in order to be similar to prices for coal and oil are fallacious because oil companies were buying up coal, nuclear and even geothermal resources in order to artificially inflate profits, not to increase supply.

He explained that when the Federal Power Commission did allow gas price increase, the supply did not increase.

"Despite the FPC's granting of a greater than 150 per cent increase in the wellhead price of natural gas within a few years, the anticipated new supplies never arrived," Jacobson said.

The PUC Commissioner said that he was not against profits per se.

"I am not opposed to healthy and reasonable profit margins by corporations in a competitive environment," he said, but charged that a competitive environment was not what petroleum companies want.

Jacobson said deregulation was being promoted by the energy companies to further restrict competition.

"Deregulation is the vehicle by which the petroleum industry will amass, if permitted to, obscene profits and cause irreparable harm to our nation's consuming public and the nation's economy.

"We must realize that corporate interest and public welfare are not synonymous, and that it is essential to maintain some control over the insatiable corporate appetite for profit."

Jacobson outlined several measures at the national level to foster competition between energy companies and prevent artificial shortages:

Passage of proposed antitrust legislation forbidding energy companies to assemble vertical trust in several resources and forcing them to invest in only one resource like coal or oil or nuclear energy, not all three.

Leases of government owned land or ocean bottom should have restrictions forcing production on threat of cancelation of lease.

Extension of Federal Power Commission price regulation to the intrastate market where Jacobson charged energy companies sold gas from their drilling company subsidiaries to their oil refinery subsidiaries to inflate prices.

Natural gas should not be used for purposes like boiler fuel in electric plants where alternative energy resources like coal or oil are adequate.

FALL OF CAMBODIA STRESSES NEED TO REVISE U.S. POLICY

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. RIEGLE. Mr. Speaker, I wish to bring to the attention of my colleagues two items: One is a very thoughtful editorial from the Detroit Free Press of April 18—the second is an excellent column by Saul Freidman appearing in the Knight newspapers.

The material follows:

[From the Detroit Free Press, Apr. 18, 1974]

FALL OF CAMBODIA STRESSES NEED TO REVISE U.S. POLICY

And so, as was inevitable, Phnom Penh has fallen and Cambodia is in the hands of the communists. Phnom Penh's future is still uncertain, but there is a sense of relief with the end of the fighting.

Marshal Lon Nol fled Phnom Penh before the end came, and as the insurgents were moving in, Sydney Schanberg of the New York Times, one of the few western newsmen to remain, reported on cable inquiries about $1 million supposed to be paid to Lon Nol in sanctuary.

That small episode is but symptomatic of the fine madness of our policies toward Cambodia that have now helped bring about the tragic results.

Cambodia was a country of relative peace, great beauty, and considerable natural wealth before American foreign policy decreed in 1970 that we would use it in our struggle to prop up the South Vietnamese against the North Vietnamese.

What we did by our actions was to create a second civil war in Southeast Asia out of one we should not have been involved in to begin with.

Now we must face the fall of Phnom Penh more in sorrow than in anger, and understand the realities of our misguided actions and policies.

Short of creating a nuclear holocaust, we cannot work our will on all the peoples of the world. We will lose and others will suffer when we try to "use" people and countries as we did in Cambodia. For whatever the reasons, we have been woefully lacking in a rational understanding of the politics of Asia. Our illusions—now so shattered—date back to the era when American foreign policy supported Chiang Kai-shek at all costs; we were at any moment going to unleash him to reconquer mainland China.

With the war in neighboring Vietnam now going almost as equally against the Thieu regime as it did against Lon Nol, the United States must begin a sober and careful reassessment of American foreign policy.

That is what many expected President Ford to do prior to his State of the World address to Congress last week. The president, however, seems to continue to cling to the old illusions—just a few hundred more millions and there will be light at the end of the tunnel yet.

There is no light. There is not even a tunnel for our interests, expressed as we have expressed them, in Southeast Asia. There probably never was a chance that we could win a limited land war in Asia; a skillful, more humane and less demanding diplomacy might have changed the course of events.

Mr. Ford continues, however, to see phantoms: He suggested Wednesday that Saigon may fall because the Soviet Union and China had the will to win while we did not. That is too pat, to simplistic.

We have had decades of disastrous foreign policy toward Asia, and especially Southeast Asia. We need now, even as we react to the events unfolding in that troubled, wounded part of the world, to define new policies, new ways of dealing with the rest of the world that are both more realistic and more in keeping with the humane ideals of American democracy than we have shown in the policies that failed us and the cause of freedom so badly in Cambodia and Vietnam.

[From the Detroit Free Press, Apr. 19, 1975]

THE DECLINE OF KISSINGER'S WORLD PLAN

(By Saul Friedman)

WASHINGTON.—I was one of Henry Kissinger's admiring students in 1962-63 when he was teaching his popular Harvard seminar on defense and foreign policies. And perhaps a couple of personal recollections might help explain why the world of Henry Kissinger is suddenly falling apart.

Kissinger is still admired by the American people and respected by leaders of the Soviet Union, China and most of the Western World. He appears to have the continued confidence of the president. And major figures among Democrats and Republicans who are critical of Kissinger seem to have no alternative to his basic foreign policies other than returning the U.S. to the days of the Cold War.

Yet the talk of Kissinger's resignation seems to be getting serious. White House sources leak suggestions that there may be an appointment of a new national security adviser to "balance" Kissinger's influence. And leading lawmakers are suddenly hostile to Kissinger.

The reasons for Kissinger's problems go beyond what's happening in Southeast Asia, which has been seen as inevitable for a long time, or the Middle East, where Kissinger made a valiant effort, the best attempt to date. The reasons go deeper and back at least as far as that course he taught.

He presided over the seminar with Morton Halperin, then a young assistant professor who was to become a top Kissinger aide on Richard Nixon's National Security Council. With Halperin playing the straight man, Kissinger talked, quietly, brilliantly and at length, with the same touches of insight, humor and teutonic arrogance for which he has since become famous.

And around that long table at Harvard's Littauer Building, the students, even those who deeply disagreed with him, listened with the same fascination that for a long time in Washington has captured presidents, lawmakers and the press.

SECRET OF SUCCESS

Kissinger had just left the Kennedy administration after a brief stint as a part-time consultant and was then acting as an adviser on foreign policy for his old friend, Nelson Rockefeller, who had an eye on the 1964 presidential election. Still Kissinger loved to ridicule the academics then catching the Boston-Washington shuttle for trying to wear two hats. And Kissinger was warning of the dangers in the deepening American involvement in Vietnam.

It was not that Kissinger opposed taking a stand against communism in Southeast Asia or anywhere else. Rather, he had a world view of how American power ought to be used—to combat communism for other purposes. This was the secret of his success, what separated him from other policy makers and his predecessors when he came to Washington. He had a concept of what the world should look like and where the U.S. should be going.

Kissinger had become popular among political scientists, defense specialists and within government as a result of his book, "Nuclear Weapons and Foreign Policy," which was a subtle and profound argument for using weaponry—nuclear and non-nuclear—rationally, in accordance with political and diplomatic policy. But a more obscure book, which formed the core of Henry Kissinger's thinking, was called "A World Restored," a description of the balance of power systems between 1814 and 1914.

A GENERATION OF PEACE

What Kissinger has sought ever since is a restoration of "A World Restored," a modern relationship among the five great power centers—the Soviet Union, Communist China, Japan and Western Europe—which would keep the peace for at least a generation if not for 100 years.

It sounds neat enough but in the 20th Century, such a balance of powers imposing peace would mean keeping the lid on the status quo, employing economic and military aid, palliative reforms, internal subversion, political and economic pressure, overt force or whatever may be necessary to keep the partners as well as upstart outsiders in line.

In response to a student's question, Kissinger once acknowledged, candidly and with a smile, that his concepts and his approach to foreign affairs would have been more appropriate in the 19th Century.

Kissinger has a background in the German "Realpolitik" tradition, which sees the value of a strong state and a "central authority" (his phrase) in the conduct of foreign affairs. He is closer to Bismark than Jefferson, which is why he has an obsession for secrecy and one-man shows and considers Congress an intruder. These Kissinger characteristics, which are necessary for his policies, are among the real reasons he's in trouble.

More important Kissinger's view of the world is collapsing because he sought to put something together in this era which didn't really work that well in that other time. Kissinger's "World Restored" makes little mention of the European revolutionary movements of 1848, the rise of Marxism, the economic problems and all the elements that led to all the explosions we've been hearing since World War I.

Just after World War I, America was touched by the first small ripples in the tidal wave of the 20th Century nationalism and rebellion. One of Kissinger's predecessors heard from a young Indo-Chinese named Nguyen Ai Quac, who wrote Secretary of State Robert Lansing, on June 18, 1919: "We count on your great kindness to honor our appeal by your support. Since the victory of the Allies, all subject peoples are frantic with hope at the prospect of an era of right and justice which should begin for them."

The letter writer, whose pleas were ignored until he turned to armed rebellion, eventually changed his name to Ho Chi Minh.

WE SURRENDERED HALF THE WORLD TO HORROR

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. SNYDER. Mr. Speaker, we cannot hide from the world our continuing foreign policy failures. The loss of South Vietnam and Cambodia to the forces of the world Communist movement is not inconsistent. Our action, or inaction there, simply parallels what we did or did not do in relation to every other country that today groans under the heavy yoke of Communist control. Our former colleague, Dr. Walter H. Judd, summed up our disastrous policy years ago:

> We have tried to make friends out of our enemies by making enemies out of our friends.

An editorial in the Presbyterian Journal for April 2, 1975 comments on our many losses to the Communist forces with an incisiveness comparable to that of Dr. Judd. I want to call to the attention of my colleagues this editorial entitled, "Half the World Going, Going, Gone."

The editorial follows:

HALF THE WORLD GOING . . . GOING . . . GONE

The last word on the disaster shaping up in Southeast Asia has not yet been written and will not be written for a long time yet. But as almost half the world comes under Communist domination (or imminent threat), it will become clearer to the rest of the world what the United States has done.

The defense of the whole world does not, of course, rest in the hands of the U.S. alone. It never has. But the nation which was once the most powerful on earth has been like the leader of a platoon in combat. While the leader does not do all the fighting (or necessarily any of it, for that matter), he certainly is responsible for whatever is done by the platoon.

The fighting in Southeast Asia did not have to be the long, agonizing, slow death it became. Just as the fighting in Korea did not have to divide that country so tragically and with consequences that will most surely make that land the next scene of action.

Nor did the Cuba fiasco have to conclude with such local and long-range effects as have followed throughout all of Latin America in the years since we permited Communism to gain a beachhead in the New World.

Nor was the Berlin Wall necessary. Nor Hungary.

We have avoided our responsibilities in lesser crises and these have led to larger crises in which we have found it progressively easier to avoid our responsibilities.

Now we stand at the threshold of the final test and there is no reason—absolutely no reason—to believe that we will have the will, the character or the courage to meet it.

In a single day, as this editorial was being written, the sentiment, "the killing must stop so the world can have peace," came across the editor's desk at least four times. This opinion was expressed in an editorial in the local paper, in a letter to the editor in the same paper, in a report of a meeting of the Presbytery of Norfolk (PCUS), and in a letter to the *Journal*. In the prevalence of that opinion, the success achieved by the enemies of freedom stands dramatically revealed.

To say, "the killing must stop so the world can have peace," is like saying, "those painful cobalt treatments against cancer must stop so you can get relief from the pain." Because we have been unwilling to recognize the contest against Communism as a fight to the finish between slavery and freedom, millions are even now reaching their finish in slavery. And we did it. We? That's not quite accurate, for some of us tried to stem the liberal tide.

Why have we contributed to misery and death for multiplied millions during the past two and a half decades? Because our opinion makers have been on the side of the enemy.

Those through whose hands the news has been permitted to filter; those whose voices on radio and TV have been heard for 25 years; those whose influence has been felt in the streets and in the violence that has disturbed our own peace; those who have guided the Churches and other representatives of the moral conscience of the people—all have stood at the side of our enemies.

After World War II it became the fashion to speak of the shame of the Churches for not having stood against the Nazi horror. We wonder if future historians will not record that the shame of America's Churches during the middle years of the 20th century makes that of German Christians pale into insignificance.

For we surrendered half the world to horror.

SOLIDARITY SUNDAY CELEBRATED IN NEW YORK CITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. BIAGGI. Mr. Speaker, Sunday, April 14, was the occasion of the third annual Solidarity Sunday, held on behalf of the Jews of the Soviet Union under the auspices of the Greater New York Conference on Soviet Jewry. New York City police estimated that over 100,000 people braved the cold to express their support for the oppressed Jews of the Soviet Union.

The theme of solidarity was reinforced by the participation of a cross section of the religious community. Reading a message from Cardinal Cooke, Sister Anne Gillen, a member of the Interracial Task Force on Soviet Jewry, stated—

> It is fitting we should join with our Jewish friends and neighbors on behalf of Soviet Jews and other persons who are denied their civil rights in the Soviet Union. Their struggle is our struggle.

The plight of Soviet Jews is not one which has just recently gained the public eye. It has been long known that the Soviet Union has carried out a deliberate policy to deprive Jews, and other religious groups, of their basic civil liberties. Attempts have been made to prevent parents from teaching their children the faiths of their fathers. Jews have, at varying times, found it impossible to print religious texts necessary to the observance of their faith.

Yet, when Jews, and others, have attempted to gain permission to leave the Soviet Union, they have found that official Soviet policy is to make it as difficult as humanly possible to leave; "secret agreements" notwithstanding. Jews who have applied for exit visas not only find themselves unable to secure those elusive documents, but often find themselves out of their jobs, as well.

Driven by these impossible circumstances to protest their plight, Soviet Jews find themselves caught in a trap as they are made political prisoners. And political prisoners in the Soviet Union soon discover that prison is a place to be avoided at almost any cost.

One such prisoner, Eduard Kuznetsov, a Jew, recently managed to smuggle a diary out of prison, at great risk to himself, since he is not only still in the Soviet Union, but still in prison. The diary, soon to be published in London under the title of "Prison Diaries," recounts Kuznetsov's experiences within the Soviet prison system. Below are several excerpts from the book, illustrating the type of justice that dissidents within the U.S.S.R. can expect. I commend these excerpts to my colleagues in the hope that they may become aware of just what kind of fruit détente can bear.

EXCERPTS

20TH JULY

According to a law passed in 1969, convicts who have served a third of their term, must be kept in normal (i.e. open) barracks, and not in cells. When Berger asked him, at work today why this law was being broken, Kolgatin said ours was a special regime camp, and we had our own laws. Rudenko[1] himself knew about it, he said, so everything was all right(!)

At my place of work in Riga I could not get the reference I needed: I hadn't been working there long enough, they told me. I went to Moscow, then to Strunino, as I thought I had surely worked there long enough by now to be eligible for this necessary bit of paper. When I told the chief personnel officer I had come all the way from Riga especially for this reference, he was dumbfounded and said they could easily have sent

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[1] USSR Procurator-General. Was chief prosecutor at Nuremburg trials.

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it to me by post. "The trouble is that the institution which is asking for a reference insists it should say on it, 'For emigration and permanent residence in Israel'." (The reason for this incidentally is quite simple—the reference as such is not particularly difficult to obtain.) I shall not bother to describe the reaction of the personnel officer to this, only that I was ordered to appear the next day before the chairman of the factory committee, who, after asking me a whole series of stupid questions like, "Why are you going to Israel?" and, "What are you going to do when you get there?" suddenly caught me unawares when he asked me, "What would happen if tomorrow my son was sent to fight for the Arabs: what would you do—shoot him?" I felt there was nothing I could do but answer him in kind: "Oh, has your son come back from Czechoslovakia already?" I didn't get the reference, need I say.[4]

27TH SEPTEMBER

The same but worse. I never expected to have to swallow any medicine. You can only get a diagnosis in the hospital (i.e. in camp 3) as there is no laboratory or x-ray machine or proper doctor here. People can cry out in pain for months before they're taken to the hospital, which isn't all that much help when you get to it. Tabakov said if the pains (at last he seems to believe I get them) don't stop, he'll (perhaps) send me to the hospital in February or March.

4TH OCTOBER

My patience is at an end. I've been sick all day, gritting my teeth from pain, and hardly able to wait for the working day to end, and for Tabakov to appear as though he were the magical liberator of all woes (such is the power of the white gown—when you're wracked with pain you forget who's in it!). He shoved three tablets into my extended palm, this time in a wrapping which read "enteroseptol". (No wonder we're forbidden to have medical or reference books.)

Had he not slammed shut the food-hatch in time, I would probably have slung some boiling water at him. I know enough about medicine to know that enteroseptol is prescribed for children's diarrhea, dyspepsia and similar complaints. And he prescribed it as a sedative! As from tomorrow I'm going to declare a hunger-strike.

NATIONAL MAGAZINE FALLS FOR RADICAL NAVAJO LINE

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. STEIGER of Arizona. Mr. Speaker, for years I have spoken out against irresponsible reporting in the mass media. I am especially perturbed by those editors who seem to print anything that comes over their desks, regardless of its value, and regardless of whether or not the facts have been thoroughly checked and are accurate.

An article on the "plight" of the Navajo Indian which appeared in the publication Nation is a case in point of irresponsible editing. The story of the Nation's blunder was brought to light in an article which appeared in the Gallup New Mexico Independent, and I believe it is worthwhile to bring this story, and the real situation on the Navajo reservation, to the attention of my colleagues. The Independent article follows:

NATIONAL MAGAZINE FALLS FOR RADICAL NAVAJO LINE

(By Mark Acuff)

For some time now we've had a residual admiration for the Nation, America's oldest weekly journal of opinion, founded in 1865.

But in recent years we've been irked more and more by the magazine's propensity for publication of ill-researched knee-jerk articles on the natural resource and downtrodden Indian problems of the west.

It has long been a truism among freelance writers in these parts that if you want to sell an article to the eastern press, find yourself a downtrodden Indian and you are home free. We're guilty of it ourselves. Sometimes you can sell the same downtrodden Indian yarn to several publications.

But the Nation has turned out to be more gullible than most, a point driven home recently by the arrival of their March 29 issue, containing a marvelously inventive piece by one Philip Reno, an alleged teacher of economics at Navajo Community College.

Reno is a blatant partisan of the radical Navajo viewpoint, a fact obvious to those of us in the vicinity, but to a New York editor all Indians look alike and only the radicals are heard from.

Reno's thesis is the same old stuff: the "high dry and penniless" Navajos are prostrate before the Monopolistic Corporations and the fangs of various bureaucrats who want to take away their water rights, mine out their energy resources, pay the Indians nothing and ruin their valuable culture while at it.

Reno takes the value of Navajo culture as revealed truth, apparently, including their alleged right to continue to decimate their reservation lands. A century of sheep grazing has reduced formerly productive land to desert. Yet this is supposed to have something to do with the sacred Navajo way of life.

We didn't know sheep were invented by the Navajos. For some reason, we've been laboring under the impression that this particular pest was imported from Europe. Likewise, blanket weaving and silversmithing, two crafts usually thought of as "Navajo" are in fact of European origin.

What real traditions and customs the Navajos have are descended from the original Athabaskan stock which divided into the various Apache and Navajo groups extant today. Some of the traditions, such as slavery, pillaging the Pueblos, and that sort of thing are not in vogue at the moment.

The Navajos are plagued by overpopulation, overgrazing and nutball political movements, such as the crazy stunt which drove 400 jobs off the reservation recently. Apparently nobody is interested in doing anything about these real impediments to solution of problems. Instead, the emphasis in the Reno-like outlook is on mythology and conspiracy theories.

It now appears that the coal gasification plants promising to bring about $3 million in immediate new investment to the reservation are going to be scuttled, not for sound environmental reasons, but due to mythology and conspiracy theories.

"Survival for the Indian comes down to the relationship between life and land," says Reno. And that, of course, requires an adequate resource base to put the land to use and save the culture.

That's where the discussion launches off into flights of sheer fantasy. There is a popular theory among the new breed of Indian radicals that something called the "Winters Doctrine" gives each and every tribe of Indians the right to all the water they can ever use for anything they can dream up. Some Santo Domingos apparently claim the right to divert the entire Rio Grande because it crosses their land. The Jicarilla Apaches have filed suit claiming zillions of acre feet of water rights for their irrigable land. The Jicarillas have never been farmers and the small amount of potentially irrigable land they have is near the bottom in seniority for water rights under New Mexico law.

Some Navajos apparently want to claim the entire flow of the San Juan, citing the Winters Doctrine. No court has ever agreed with such a fatuous notion. Reno quotes "noted water rights attorney William Veeder" to the effect that the entire Colorado drainage system is over appropriated, which everybody already knew. Veeder may be noted, indeed, but he is noted as stark raving crazy by nearly every other professional water lawyer in the West. Veeder may in fact have done more to damage Indian water rights than any man living, merely by screwing up litigation with nutball arguments and outlandish schemes. New Mexico's doctrine of prior appropriation in regard to establishment of water rights is highly beneficial to the Pueblos and Veeder wants to throw it out the window.

People like Reno apparently think water used for such things as the gasification plants is being stolen from the Indians. In fact, if the Navajos do not use the San Juan water allotted to them annually, it just goes down the river. They ought to get some benefit from it. Reno seems to think they can store it someplace and use it 10 years from now.

Then along come engaging people like Peter Montague, a professional meddler in local environmental questions who generally suffers from an inability to get the facts straight before launching new tirades.

This time he added up his sums and managed to invert the figures for diversion and consumptive use on the San Juan, coming up with a deficit so much larger than the actual allocation that the state engineer was heard to comment that the Navajos would have to import the deficit. The Journal actually reported this as news.

Reno and others of similar persuasion are fond of comparing the long delays in developing the Navajo Irrigation Project to the rapidity with which the San Juan-Chama Project came to be. It is true that the NIP has been long in developing, but that is partly because it has been something of a boondoggle all along. Clinton Anderson was never really convinced it was a reasonable scheme, and supported it only as tradeoff for other projects.

The San Juan-Chama was immediately feasible because the water is committed to existing users on already developed land. The NIP will irrigate all new land, which has to be cleared, leveled, and prepared for irrigation, at a cost of up to $500 an acre. Some $25 million a year actually is now being put into the NIP. And that's a pretty fair amount in these depressed times.

The Navajos in effect waived their Winters Doctrine rights in return for 110,000 acre feet of water rights without litigation. But Winters Doctrine rights have been held repeatedly by the courts to amount to what water the Indians can put to "practical use"—not a carte blanche for any wild scheme.

The Navajos, however, are unable to use all their water rights, and will remain unable to do so for some time at least until the NIP is farther along. In the meantime they can benefit to some extent by selling the unused water to coal gasification plants, which have a limited lifespan, or to anybody else willing to pay money for it.

That the coal gasification plants will destroy the "Indian way of life" is absurd. What remains of ancestral Navajo culture won't last much longer without a blade of grass left and zero prospects of economic development. Running sheep is an obsolete way of life, as is subsistence agriculture, and if the Navajos want to survive with anything intact they must find a way to come to terms with the modern world, survive economically, and hang on to the aspects of their culture they value at the same time.

These "instant experts" on Indian affairs and water rights are not helping the situation.

DANGERS IN THAILAND

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. HARRINGTON. Mr. Speaker, while our collective attention is focused on the collapse of South Vietnam and Cambodia, I want to remind my colleagues of conditions and events in neighboring Thailand which may portend a catastrophe of a similar nature in that country. In doing so I do not intend to imply endorsement of the notorious domino theory. The mounting revolutionary fervor in Thailand stems not from infiltrations from Hanoi and Phnom Penh, but from ostentatious abuses of power by the Thai leadership.

If we seriously want to avoid in Thailand the mere exchange of rightwing for leftwing dictatorship we have seen elsewhere, I suggest that we encourage our Government to take what diplomatic steps it can at this point to promote a more responsible and democratic attitude on the part of our friends in Bangkok.

Lewis M. Simons, in an article appearing in today's edition of the Washington Post, has offered valuable background information on this subject. I insert his observations in the RECORD at this time:

THAIS FEAR THEY MAY BE NEXT DOMINO

(By Lewis M. Simons)

BANGKOK, April 22.—With Cambodia already under Communist control and South Vietnam on the verge, a question being asked with increasing frequency here in Thailand is, how much more does Hanoi want?

Some Thais are convinced that once Saigon falls, the North Vietnamese will swiftly turn their full military might on this country, "the next domino."

Others believe Hanoi will be satisfied with complete control of all Vietnam and friendly Communists or socialist governments in neighboring Laos and Cambodia.

But no knowledgeable Thai or foreign observer here doubts that the Hanoi regime will step up its support for the burgeoning Thai Communist insurgency in the north and northeast of the country and for the political unrest blossoming in Bangkok and other cities.

The most widely held judgment on Thailand's immediate future is that with increased North Vietnamese funding and fueling, and official inability or unwillingness to recognize and deal with the insurgency and its causes, it is about to become a major crisis.

Thailand is as ripe as a country can be for a full-fledged insurrection. With strikingly rare exceptions, top political, military and police officials are thoroughly corrupt. Their interests are totally focused on accumulating comfort and wealth in Bangkok while the problems of the countryside are ignored.

The government, patched together into a coalition from more than a dozen political parties, is unstable and may not last another six months.

With a population of 41 million growing at the extremely high rate of 3.3 percent a year, demand for farm land is quickly outstripping availability.

Meanwhile, the insurgents, too, are building their numbers. Although the Thai insurgency has been nominally active for at least a decade, in the last few years intelligence sources have detected annual recruitment increases as high as 20 per cent.

The insurgents, known as the Thai People's Liberation Armed Forces, are thought to number about 8,500, with about three-quarters of their strength in the north and northeast. That part of the country is ideally suited for their activity. Income is lower than anywhere else in Thailand—about one-sixth of what it is in Bangkok. Alienation from the mainstream of Thai society is most keenly felt by the tribal hill people in the region.

From Bangkok, it is easy to dismiss the future of the uprising as just more of the "pop-gun affair" it has been so far, to use the words of one long-time Western observer. But the insurgents, or "CTs" (Communist terrorists, as the government and U.S. experts call them) have a different view.

From the outside looking in, Bangkok appears to be a decaying city growing more rotten each day. With its thousands of prostitutes, massage parlors, night clubs, glittering neon lights, expensive imported cars, horse racing and all the other superficial signs of Western-style wealth, it is an old-fashioned sin city.

About 10 per cent of Thailand's population lives in Bangkok. Each year, thousands of rural people drift to the city in the dry season to work as laborers to survive until the next planting.

What these people see—and cannot have—in Bangkok has the effect of priming them for the insurgents' appeal to turn against the government.

A number of Thai and foreign experts believe the Communist successes in Cambodia and South Vietnam will inspire not only the Thai rebels but large numbers of rural Thais as well.

Communist gains in Indochina have already taken their toll on the morale of Thailand's government, military and police leaders. This crumbling from within, even more than North Vietnamese assistance from without is likely to prove crucial to the Communist campaign.

One Western expert in anti-insurgency tactics who has worked in Southeast Asia for nearly 20 years said officers and men of the top-heavy Royal Thai Army have no will to meet the Communists on their own ground and when contact is unavoidable the government troops fight only if they have overwhelming numerical superiority.

"This army has been molded by the U.S. Army," he said, "and Vietnam has proven beyond all doubt that the Americans are not prepared to fight an Asian guerrilla force. Neither are the Thais."

Top army officers are far more interested in politics and increasing their stables of cars, race horses and women than in spending their time fighting what seems a remote and insignificant enemy.

Some observers believe that the generals (there are an extraordinary number—24—of four-star generals in an army of some 120,000) are concentrating their efforts right now on staging a coup to get back the dictatorial power they enjoyed for years.

Premier M. R. Kukrit Pramoj is widely believed to understand the inherent seriousness of the insurgency and to be committed to healing at least some of the root causes. Shortly after taking office five weeks ago, at the head of a shaky, diverse coalition, he proposed a plan which would partly reverse the one-way flow of resources into Bangkok.

But the program, which would send $125 million into local government councils and otherwise decentralize Bangkok's administrative and development authority, is running into potent opposition from political forces and from the corrupt and outmoded civil service, which has an enormous stake in keeping all power and money highly centralized in Bangkok.

A leading Foreign Ministry official, who subscribes to the belief that North Vietnam will soon turn against Thailand in force, said that neither religion nor crown would be sacrosanct when the pressure mounted.

Even those Thais who are most dovish about Hanoi's intentions in the rest of Southeast Asia, concede that the insurgency will blossom without a great deal of outside help simply if the government continues to ignore it.

"We're at the point now where we're going to have a revolution in Thailand, there's no question about that," said an agrarian reform specialist. "The only choice we have is whether the government will let the Communists run the show, in which case it will be as bloody as the revolutions in Indochina, or whether the government will conduct its own revolution, in which case it will be less bloody. It's not much of a choice."

CONCLUSION OF "FANTASIES OF FAMINE"

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mrs. SCHROEDER. Mr. Speaker, yesterday I inserted for the attention of my colleagues the first part of an article entitled "Fantasies of Famine", by Frances Moore Lappé, from the February 1975 Harper's magazine. Today I am inserting the conclusion of this article that speaks so well to the urgent need to make more efficient use and distribution of our Nation's agricultural resources. The conclusion of the article follows:

FANTASIES OF FAMINE—11

In his latest book, "The Food and People Dilemma," George Borgstrom presents statistics that demolish our assumptions about poor-world dependency and rich-world self-sufficiency.

Consider Japan and Western Europe, which together contain only about one-sixth as many people as the poor world. They import about 20 percent more grain than all the underdeveloped nations combined. Japan, with one-thirteenth the population of China and India, imports more food than they do together.

Per capita figures are even more dramatic. For each citizen of the United Kingdom, almost fifteen times more grain was imported yearly during the 1960s than for each Indian. The world's leading importers of plant protein are Denmark, Israel, the Netherlands, and Belgium—not Chad, Senegal, or Bangladesh. Per person, Denmark imports five times more plant protein than the total protein intake per person in much of the poor world.

Sometimes our food-related images of a country are terribly misleading. This is particularly true of the Netherlands, which evokes the image of a pigtailed dairy maid her milk pail filled to overflowing. Yet the Netherlands is in fact a leading *importer* of milk protein. During the mid-Sixties, the Netherlands annually took in more nonfat milk solids (mainly for raising veal) than did the entire poor world. The United States, known worldwide for its Texas roundups, is in reality the world's leading importer of beef. We are also a net importer of milk products.

Although much of the food imported by the rich countries comes from other rich

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countries, much comes from the poor world. Borgstrom has concluded that the rich world imports more protein from the poor world than we export to it. Europe, for example, imports one-third of the African peanut crop to feed to its livestock. Much of the meat and seafood we import also comes from the poor world. Thus the facts do not support Senator Kennedy's statement that we all face acute "scarcities"—differing only in degree. It is our disproportionate use and waste of the world food supply that pushes the price of grain up beyond the reach of those in serious need and ensures that the real scarcities appear elsewhere.

The term "scarcity" itself has an absolute quality that to most people means there is simply not enough to go around. Recently a *New York Times* article flatly asserted that "world population has long since outstripped food supplies." The reader is left feeling helpless, that we have already lost the battle. The president of the Rockefeller Foundation, John Knowles, certainly seems to feel that we have lost. He has stated grimly, "Malthus has already been proved correct." Not so. If our agricultural resources were used rationally and distributed at all equitably, there would be enough to go around now.

What of the future? That we are all in the process of deciding. If we choose not to make the profound economic changes necessary to provide everyone with an adequate diet and thereby the fundamental security prerequisite to the slowing of rapid population growth, then our numbers will certainly soon overwhelm the absolute capacity of the Earth to support us. The population problem does not make finding the solution to the food problem hopeless; it makes it imperative.

Edwin Martin, the State Department leader of our delegation to the World Food Conference, stated that one of the main purposes of the conference was "improving the efficiency of the food systems in developing countries." Shouldn't he have said "food systems in the *developed* countries"? A first step in meeting the world food crisis is shifting American agriculture from a disposal system to a maximally efficient one.

As one move in this direction, Representative John Seiberling of Ohio has introduced a bill that would provide funds for developing the completely untapped potential of presently discarded substances for livestock feed. Were we to use the Chinese maxim, "Waste is valuable," a concept well known in less-developed countries, our production of livestock feed would not use up agricultural land that could be feeding people directly. Cornstalks, pea vines, vegetable tops, even treated cow manure and newspapers can, it turns out, be appetizing to ruminants. Livestock could then once again become invaluable "protein factories."

Another legislative approach being considered is a mechanism to ensure that any reduction in per capita grain consumption (the result of lowering our meat intake or using ruminants more efficiently) would be linked to an increase in the world grain supply. Such an effect could be accomplished by leaving land in production and instituting well-thought-out export controls, along with increased food aid, to ensure that our food surplus goes to those with real need and not to livestock producers in Europe, Japan, or the U.S.S.R.

But this action would only be a first step; the second step must be a solution to the wealth problem, for without it there can be no solution to the food problem. The wealth problem is the enormous and widening gap between the rich minority and poor majority. In the Sixties, the global Gross International Product increased by more than $1 trillion, but the cuts were hardly equitable: 80 percent of that increase went to the rich or relatively rich (with per capita annual incomes of over $1,000), and 6 percent accrued to the poor (incomes of $200 or less).

If any game of chance produced such consistently lopsided returns, we would have to conclude that the game was rigged. And so it is in the grand game of global economics. In order to sustain the level of inequities to which we have become accustomed, every aspect of the system—all of our trade, monetary aid, and military ties—must work in our favor.

Seventy-five percent of the poor world's foreign exchange—money for plows, schools, research—is earned by exports. Yet in the past two decades the share of the poor countries in world trade declined from nearly one-third to less than one-fifth. This is partly because barriers in the rich countries against imports from the poor are generally higher (in many cases almost twice as high) as those against the products of other rich countries. Because our trade barriers increase according to the level of product fabrication, they have the effect of keeping the poor world from the profitable business of processing their own raw materials—be it making chocolate candies or instant coffee.

The relative value of poor-world products has gone down, too, so that while the poor have increased their exports significantly, they still find themselves back almost at the starting gate. Between the Fifties and the early Seventies, the volume of exports by the poor world increased by one-third, yet their value increased by only 4 percent.

A popular notion is that many poor-world countries are now reaping a bonanza from recent raw-material commodity-price increases. The main beneficiaries, however, have been the developed countries. The increase in their export earnings attributable to primary products other than oil was $29 billion in 1973—nearly three times as much as the $11 billion increase in the commodity exports of the developing countries.

Add to these poor earnings the increased price the poor world must pay for oil, and you have a trade deficit for the poor world that deteriorated by $5 billion to $9 billion last year (compared to 1972) and will worsen by more than double that amount this year. How much food will they be able to buy then? Add this increasing deficit to the already existing debt of the poor world—a debt that currently exceeds $80 billion and demands an interest payment to the rich so high as to approach the value of all the financial aid given.

Consider also that since 1971 the poor world has lost between $1 billion and $2 billion in the value of its reserves by the successive devaluations of the dollar, a process over which it had no control. (This was after it had been encouraged for twenty years to hold the dollar as a reserve currency!)

Finally, add the fact that official development assistance from the industrialized countries, which never met even the modest targets set during the Sixties, is now sinking even further. The U.S., leading the decline, now ranks next to last among the Western countries as aid donor in relation to gross national product.

While all assistance has declined, food aid has plummeted. Barely one-sixth as much food as ten years ago is now being shipped abroad from the U.S. for hunger relief. (The total U.S. AID budget for food aid, rural development, and nutrition programs could be financed by a mere 10 percent reduction in our troops overseas.) At the Rome food conference in November the United States was not only unmoved but seemed downright resentful of urgent calls for even a modest increase in our food aid. But the fact is that we could *double* our current food aid, and it would still amount to less than the $2 billion or more we gained in 1974 as a result of the higher prices we received from foodstuffs sold to the developing countries.

Actually, "food aid" is a misleading term because it carries with it the notion that our food is being allocated according to need. In fact, the lion's share goes to buying political friends. Of the $1 billion food aid budget, only 20 percent is destined for the many famine-stricken countries. The rest is going to such countries as South Vietnam, Cambodia, Chile, Jordan, Syria, and Egypt.

Put this all together and what have you got? A prescription for a system on the verge of collapse. Just as in America's favorite game, Monopoly, when one player gets all the money, you know that the game is almost over.

NEW RULES OF THE GAME

These economic inequities have mounted unnoticed year by year. But in recent years, as the export price of rice has tripled, and that of wheat has quadrupled, threatening the staff of life for most of humanity, it is impossible to avoid recognizing the need for profoundly restructuring the world economic order. It is only now, at the twelfth hour, that we are beginning to hear some urgent, unprecedented proposals to revamp the rules of the game.

Most publicized have been attempts of the World Food Conference to establish a system to stabilize world grain prices. (This idea is strongly opposed by American grain traders, who make their money on price fluctuations, and by farm interests, who fear that the prices will be stabilized at the low end of the scale.)

Similar suggestions are being made concerning raw commodities on which the poor world depends for income. Henri Konan Bédié, the African chairman of the recent annual meeting of the International Monetary Fund and the World Bank, suggests that it is time to "recognize that the law of supply and demand can't continue" and to agree on some minimum prices. Secretary General Gamani Corea of the United Nations Conference on Trade and Development sees the necessity for a new approach to the commodity problem, including, "a series of buffer stocks for a range of commodities, supported by a central fund." Coffee producers are trying essentially this technique on their own and are being scolded for acting like a cartel. (Curious: we control more of the world's food supply than the Arabs do oil, yet we never think of ourselves as a food cartel, even while we blithely let our prices skyrocket.)

On the question of the poor world's heavy debt burden—that $80 billion debt that cancels out so much of the development assistance—Corea suggested recently that there be not only renegotiation or moratoriums on the repayment but, in some cases, outright debt cancellation. When it becomes obvious that the old rules do not work, we can't go on living by them.

To be sure, logic and reason will not suffice to change those rules. Prejudices and stereotypes must also be overcome. Many Americans are convinced, for example, that marginal nations—overwhelmed by poverty, overpopulation, recurrent natural disasters—will never summon the skill and will needed to overcome hunger. If the poor can't even begin to help themselves, this assumption goes, the rich are fools to throw good money after bad. Forget the hungry: let nature take its course. Yet people who have worked extensively throughout the underdeveloped world say that these subjective assessments are dead wrong. Norman E. Borlaug, the chief green revolutionist (and Nobel Prize winner) recently stated: "I have a lot of respect for the small farmer [in the poor world]. . . . Almost invariably when you look at what he's doing with his land, you find he's producing the maximum under the situation he has to work with. The thing is that he usually doesn't have much to work with."

Borlaug is right. Of all World Bank loans in 1974, only 18 percent went to agriculture. In a sample of fourteen Third World countries, agriculture received only 11 percent of investment.

Corresponding in magnitude to the rich worlds waste of protein is the poor world's waste of food production potential. The obvious third step in meeting the world food problem is the development of that potential—a potential represented by the small farmer and his family, who make up at least one-third of the human race.

In the Indian state of Punjab, with the help of strong government support, small farmers adopted new high-yielding varieties of wheat at a rate faster than American farmers adopted hybrid corn, the classic success of U.S. agriculture. As a result, India expanded her wheat production between the mid-Sixties and the early Seventies at a rate unmatched by any other country in history.

According to Lester Brown of the Overseas' Development Council, "rice yields per acre in India and Nigeria still average only one-third those of Japan; corn yields in Thailand and Brazil are less than one-third those of the United States." There is a lot of room for improvement in these countries and with much smaller increments in resources than would be necessary in the industrialized countries. Scientific farming can be practiced on one- or two-acre, family-worked plots without large-scale machinery powered by fossil fuels. It has been proven in countries such as South Korea and Taiwan that the small farmer will respond, given an adequate credit sytsem, extension services, and a marketing and distribution system that will ensure him a return for his effort.

For years, we have concentrated on industrial development in the poor world in order to achieve 5 percent rates of growth in GNP (the highest ever achieved by a modernizing state in the early stage of development). In so doing, suggests the economist Barbara Ward, we have somehow overlooked the history of our own development. She reminds us that early development in virtually all the now industrialized countries was initially based on "agricultural expansion . . . by the downward extension of credit, marketing, services, small-scale enterprise in manufacturing and commerce to a wide network of regional urban centers and the resulting spread of economic activity away from single big centers."

In this reluctance to get down to basics, much has been made of the elitist, uninspired, or just plain corrupt leadership in poor world countries who opt for airports and hotels over plows or wells. There is more than a touch of hypocrisy in this criticism. While we criticize these leaders, we also provide extensive military assistance so that many of them remain in power. In 1973 the United States supplied $9.5 billion in military aid and police training to sixty-four countries, twenty-five of which are ruled by military regimes or permit no open opposition to the government.

Pointing the finger at bad leaders in poor countries is one mechanism we use to avoid facing our own complicity. Another rationalization for inaction is the rich world's growing sense that the poor world's problems are insuperable, beyond the capacity of even the most generous aid donors.

Such defeatism, however, is premature: consider a few calculations. What *would* it cost to eradicate illiteracy in the world? Answer (according to a UNESCO estimate): $1.6 billion for five years. What *would* it cost to provide a basic maternal-health and family-planning service for everyone in the poor world (excluding China, which is well on its way to achieving this goal)? Answer (according to Lester Brown): $2 billion a year. What about plows, material for constructing wells, irrigation ditches, storage facilities, roads, research facilities? Surely this sort of farm aid is far cheaper (and more stabilizing) than sophisticated fighter planes and other high-priced weaponry. If we are contributing $9.5 billion a year in military assistance to many of these same countries, the problem of cost is not insoluble.

Seeing famine spread through Asia and Africa, many would now believe that our development efforts have failed, that it is time to shelve our Judeo-Christian ethics in favor of the ethics of last resort—lifeboat ethics. But, noting our fixation on military as opposed to humanitarian aid, on industrial over and above agricultural support, and at the same time our total neglect of the negative impact of world commercial and monetary arrangements on poor nations—clearly, one must conclude: development has not "failed"; it has simply never been tried. The first maxim of nautical ethics is that you don't go to the lifeboats, which will save only a few, until you've made every effort to salvage the ship for the sake of all.

We must transcend the negative, hopeless response to the grim picture story of hunger. The suffering may be brought before our eyes, but the evil lies elsewhere—in the banality of an economic machine that can't be seen but generates untenable inequities and unending misery. Its day-to-day operation may not make good copy or good political cartoons, but in it there is hope, if only because through an awareness of how it works to create hunger, one cannot avoid the conclusion that the problem of world hunger is under human control.

IS IT BETTER TO BE AN ALLY OF THE COMMUNISTS THAN OF THE UNITED STATES?

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. CRANE. Mr. Speaker, despite the fact that many Americans seek to escape a confrontation with the hard questions about the current tragedy in Indochina, history will not permit such an evasion.

The United States did commit more than 500,000 Americans to fight Communist aggression in Indochina. We did persuade the South Vietnamese to sign the Paris Peace Agreement which permitted the North Vietnamese to keep their entire army in the South. We did declare that this achievement was one of "peace with honor," and our Secretary of State did accept the Nobel Peace Prize for its achievement. Now, the North Vietnamese have violated those agreements with an aggressive assault upon the South while we have withdrawn aid to our ally and have turned away from our commitments.

Does any American seriously believe that this debacle can simply be shunted aside, and that those who say we should not discover who is to blame for this tragedy are to be heeded? History will not permit us to walk away from a commitment such as this without losing a great deal of our credibility and perhaps even our status as a reliable ally. The South Vietnamese have now said that it is safer to be an ally of the Communists than of the United States. It is sad for Americans to admit this, but events may be proving them correct.

Those in the Congress who are calmly looking away as terror and violence engulf the people of South Vietnam and Cambodia are evading their responsibility by using terms which can only be called falsely moralistic. They should not be permitted so easy a camouflage for what they have really done.

Discussing this situation, Kenneth Crawford, long-time columnist for Newsweek magazine, noted:

> They would be more bearable if they could refrain from wrapping themselves in a cloak of moral superiority while at the same time insisting that this country has no moral responsibility for allies it has been supporting over the years and encouraging to fight in their own defense. If these allies must surrender, it would be better for them to do it themselves than to have Congress doing it for them.

Mr. Crawford concludes:

> It would be better if Congress were not so clearly telling the world that the Communist supporters are more dependable allies than the United States. And it would be nice, too, if TV "personalities" were less eager to abet the telling.

I wish to share with my colleagues the column, "Indochina Recriminations," by Kenneth Crawford, which appeared in the Washington Post of April 9, 1975, and insert it into the RECORD at this time:

INDOCHINA RECRIMINATIONS

(By Kenneth Crawford)

In a recent talk show on the public television channel a lot of gratuitous advice was passed out. One panelist advised against "recriminations" in this country when the question becomes: Who lost Indochina? She said such recriminations would be "divisive." Another member of the panel warned against discussion of the defeat in a cold-war context. He said the cold war was passe—a relic of the 1960s, now superseded by détente.

On a subsequent news show on one of the commercial channels Sen. Birch Bayh (D-Ind.) said he was tired of hearing Congress blamed for the rout of government troops from the northern provinces of South Vietnam. And Rep. Paul McCloskey (R-Calif.) said his first impulse, after visiting Cambodia, was to "string up" the American officials responsible for dragging that little nation into the war. He was so quoted, approvingly, by one of the most monotonous of the hand-wringing deplorers.

It is currently fashionable to blame Secretary of State Kissinger for the horrors we are seeing in the television news from Indochina. Even a national magazine of serious and fair-minded repute runs a cover cartoon ridiculing the secretary for the troubles his policies are in around the world. Yesterday's hero becomes today's scapegoat. It is one of our prerogatives, but one of the least attractive when exercised, to kick the mighty when they are down.

We are being invited to wallow in self-justification and self-deception. The national brain is being washed clean of guilt in connection with Indochina, and doubtless it wants to be so washed. Bayh may be tired of finger pointing at Congress but his fatigue doesn't alter the fact that Congress, when it decreed an end to military assistance for South Vietnam and Cambodia, pulled the plug and sent them down the drain.

True, they might have gone down anyway eventually. But their defeat would have been less ignominious—especially for us—had we stood by them to the end, to the extent of keeping military supplies flowing.

There will be recriminations. They are unavoidable short of forbidding debate. Perhaps we can learn something from this experience, such as not to start what we are

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unwilling to finish. As for the cold war being superseded by détente, tell it to the refugees on the roads to Saigon under North Vietnamese rocket and artillery fire. It might be comforting to them to know that explosives came from a branch of the one big happy world family brought together by détente.

But the troops going south refused to stand and fight. They abandoned their arms. They turned out to be a weak army. So they were not worthy of help? This was an army out of hope and on the run from an enemy superior in equipment and numbers and it panicked. Panic is a disease to which all humanity is vulnerable. We are not immune from it. We should be slow to judge.

We ourselves have been unkindly judged by Sir Robert Thompson, British Asia expert and friend and admirer of the United States, or former friend and admirer. He writes that we have run out on our allies, not only on South Vietnam and Cambodia, but on Israel as well, and as result have lost our credibility as a world power. As he sees it:

"The American retreat from Moscow, like that of Napoleon, is beginning to litter the route of corpses. Henry Kissinger has been vainly fighting a rear-guard action with no army, no air force, no navy and no money.

"The administration can no longer conduct a credible foreign policy. But, do not worry, a new policy line already has been laid down by Congress: If you surrender the killing will stop. It is a clean message, to the world, of the abject surrender of the United States.".

Too harsh a judgment after the expenditure of 50,000 American lives, national morale and billions in treasure? Perhaps. It is part hyperbole. The United States still has an army, an air force, a navy and money. But Congress has decided that none of them shall be used further to bolster Indochina's defenders militarily. That amounts to the same thing, so far as Hanoi and Phnom Penh are concerned, as our not having them.

That equation may be lost for the moment on the American public, already being assured and reassured that Congress, the Congress it elected, bears no responsibility for the debacles of Indochina. But it is not being lost on the Thais, the Filipinos, the Israelis, the Portugese and, naturally, the Soviet and Chinese governments.

Sir Robert is exactly right in his interpretation of what Congress has said. It has said that what is left of Cambodia and South Vietnam under non-Communist auspices must be defeated quickly to end the bloodshed of war. Washington, Lincoln and Roosevelt might have proposed to stop American war for the same reason—to end the bloodshed. Fortunately for us and for their places in history they didn't.

It can be argued that the two situations are wholly different—that these American heroes were fighting for American objectives, and winning, whereas a succession of later Presidents were fighting for no American objective in Vietnam, and losing. Yet Congress agreed for years that the objective of American free-world leadership in resistance to the spread of totalitarianism on the left was objective enough that American freedom is dependent to a degree on freedom elsewhere in the world.

President Ford still says it is. In his California press conference he paraphrased President Kennedy's inaugural address pledging American defense of freedom anywhere. It sounded hollow this time around. The President is not only hamstrung by Congress, but by a new and presumably improved Congress. It is a Congress chucked with Democratic neophytes determined to "change things." Insofar as foreign policy is concerned the change is for the worse.

These first-term members keep telling us that they are a new breed of forward-looking liberals. Their central idea is to take money away from defense and spend it on welfare. They have all but seized control of the House through the party caucus. That, they say, is what they were elected to do. Whether this is liberal statesmanship or demagoguery is a nice question.

They would be more bearable if they could refrain from wrapping themselves in a cloak of moral superiority while at the same time insisting that this country has no moral responsibility for allies it has been supporting over the years and encouraging to fight in their own defense. If these allies must surrender, it would be better for them to do it themselves than to have Congress doing it for them.

Morality aside, it would be better if Congress were not so clearly telling the world that the Communist supporters are more dependable allies than the United States. And it would be nice, too, if TV "personalities" were less eager to abet the telling.

SECRETARY OF STATE, HENRY KISSINGER

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. VANDER VEEN. Mr. Speaker, at present the United States faces severe diplomatic problems in many parts of the world and the center of the controversy regarding these problems is the Secretary of State, Henry Kissinger. I believe the following article by Saul Friedman, a well-known columnist for the Detroit Free Press, presents, I think, a perceptive analysis of the problems Kissinger is facing and the serious weaknesses in his diplomatic policies:

I was one of Henry Kissinger's admiring students in 1962–63 when he was teaching his popular Harvard seminar on defense and foreign policies. And perhaps a couple of personal recollections might help explain why the world of Henry Kissinger is suddenly falling apart.

Kissinger is still admired by the American people and respected by leaders of the Soviet Union, China and most of the Western World. He appears to have the continued confidence of the president. And major figures among Democrats and Republicans who are critical of Kissinger seem to have no alternative to his basic foreign policies, other than returning the U.S. to the days of the Cold War.

Yet the talk of Kissinger's resignation seems to be getting serious. White House sources leak suggestions that there may be an appointment of a new national security adviser to "balance" Kissinger's influence. And leading lawmakers are suddenly hostile to Kissinger.

The reasons for Kissinger's problems go beyond what's happening in Southeast Asia, which has been seen as inevitable for a long time, or the Middle East, where Kissinger made a valiant effort, the best attempt to date. The reasons go deeper and back at least as far as that course he taught.

He presided over the seminar with Morton Halperin, then a young assistant professor who was to become a top Kissinger aide on Richard Nixon's National Security Council. With Halperin playing the straight man, Kissinger talked, quietly, brilliantly and at lēngth, with the same touches of insight, humor and teutonic arrogance for which he has since become famous.

And around that long table at Harvard's Littauer Building, the students, even those who deeply disagreed with him, listened with the same fascination that for a long time in Washington has captured presidents, lawmakers and the press.

SECRET OF SUCCESS

Kissinger had just left the Kennedy administration after a brief stint as a part-time consultant and was then acting as an adviser on foreign policy for his old friend, Nelson Rockefeller, who had an eye on the 1964 presidential election. Still Kissinger loved to ridicule the academics then catching the Boston-Washington shuttle for trying to wear two hats. And Kissinger was warning of the dangers in the deepening American involvement in Vietnam.

It was not that Kissinger opposed taking a stand against communism in Southeast Asia or anywhere else. Rather he had a world view of how American power ought to be used—to combat communism for other purposes. This was the secret of his success, what separated him from other policy makers and his predecessors when he came to Washington. He had a concept of what the world should look like and where the U.S. should be going.

Kissinger had become popular among political scientists, defense specialists and within government as a result of his book, "Nuclear Weapons and Foreign Policy," which was a subtle and profound argument for using weaponry—nuclear and non-nuclear—rationally, in accordance with political and diplomatic policy. But a more obscure book, which formed the core of Henry Kissinger's thinking, was called "A World Restored," a description of the balance of power systems between 1814 and 1914.

A GENERATION OF PEACE

What Kissinger has sought ever since is a restoration of "A World Restored," a modern relationship among the five great power centers—the Soviet Union, Communist China, Japan and Western Europe—which would keep the peace for at least a generation if not for 100 years.

It sounds neat enough but in the 20th Century, such a balance of powers imposing peace would mean keeping the lid on the status quo, employing economic and military aid, palliative reforms, internal subversion, political and economic pressure, overt force or whatever may be necessary to keep the partners as well as upstart outsiders in line.

In response to a student's question, Kissinger once acknowledged, candidly and with a smile, that his concepts and his approach to foreign affairs would have been more appropriate in the 19th Century.

Kissinger has a background in the German "Realpolitik" tradition, which sees the value of a strong state and a "central authority" (his phrase) in the conduct of foreign affairs. He is closer to Bismarck than Jefferson, which is why he has an obsession for secrecy and one-man showa and considers Congress an intruder. These Kissinger characteristics, which are necessary for his policies, are among the real reasons he's in trouble.

More important, Kissinger's view of the world is collapsing because he sought to put something together in this era which didn't really work that well in that other time. Kissinger's "World Restored" makes little mention of the European revolutionary movements of 1848, the rise of Marxism, the economic problems and all the elements that led to all the explosions we've been hearing since World War I.

Just after World War I, America was touched by the first small ripples in the tidal wave of the 20th century nationalism and rebellion. One of Kissinger's predecessors heard from a young Indo-Chinese named Nguyen Ai Quac, who wrote Secretary of State Robert Lansing, on June 18, 1919: "We count on your great kindness to honor our appeal by your support. Since the victory of the Allies, all subject peoples are frantic

with hope at the prospect of an era of right and justice which should begin for them."

The letter writer, whose pleas were ignored until he turned to armed rebellion, eventually changed his name to Ho Chi Minh.

NO ENERGY EXHAUSTION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. McDONALD of Georgia. Mr. Speaker, although Congress has done little about it, we are all aware that our country is faced with an energy crisis.

Contrary to much propaganda, however, we are not faced with a shortage of energy resources. Rather we have on our hands an immense political crisis: Government regulations, controls, and edicts have blocked access to these resources.

This is the thesis presented by Prof. Petr Beckmann as part of a recent seminar at the Center for Constructive Alternatives at Hillsdale College. Dr. Beckmann's presentation, titled "No Energy Exhaustion," makes it clear that the solution to our energy problem lies in removing the obstacles imposed by Government, not in creating new barriers.

The text of the presentation follows:

NO ENERGY EXHAUSTION

(By Petr Beckmann)

(NOTE.—Petr Beckmann is a professor of electrical engineering at the University of Colorado. Born in 1924 in Prague, Czechoslovakia, he obtained his Ph.D. and Dr. Sc. degrees from Prague Technical University and worked for the Czechoslovak Academy of Sciences until 1963.

Dr. Beckmann has published eight books and more than 60 scientific papers. He writes, edits, and publishes a monthly journal on energy, Access to Energy, in Boulder, Colorado.

Dr. Beckmann delivered this presentation as part of a recent Center for Constructive Alternatives seminar at Hillsdale College, which was titled "Energy or Exhaustion: The Planet as Provider.")

The present malaise of society includes a strong anti-scientific trend. Reputable universities offer courses in astrology while their enrollment in the hard sciences and engineering is decreasing. Science is increasingly coming under attack. Not only from outsiders who do not understand science—that type of attack is as old as science itself—but now also from disrupters within. Holders of scientific degrees are telling us that the trouble with the world is too much science and technology. Nobel prize winners are lending their names to anti-nuclear organizations whose emotional propaganda blatantly disregards the facts. The authors of The Limits to Growth fed their computer programs with carefully manipulated data that would bring about the preconceived result of catastrophe under all conditions.

Blatant disregard of the facts is what the various anti-growth and anti-technology movements have in common. At a time when the fertility rate in the U.S. has dropped below the replacement value, we are being scared by the evils of population growth, vividly expounded by those whose attitude is "there's too many of you others." Lake Erie is declared dead at a time when it has more fish than all the other Great Lakes combined. The dangers of nuclear power, far and away the safest form of large-acale energy conversion yet invented, are magnified by those who callously disregard the 50,000 coal miners afflicted with black lung and the 100 times higher accident rate (per energy produced) in coal mining. Pollution is blamed on technology when, in fact, only more and superior technology can eliminate it.

Among the most cherished myths of the technophobes is the ancient theory of the bottom of the barrel. If we don't watch our step, we are told, we will deplete this planet's finite resources. But what if we do watch our step? There is obviously something wrong with this theory, for if we do watch our step, we will merely deplete the barrel somewhat later; why is it better to die over a slow fire since, by this theory, the bottom of the barrel will be reached sooner or later anyway? We are given no answer to this question, for example, by the authors of The Limits to Growth, whose most desirable world model shows a semi-starved, semi-polluted world whose resources are relentlessly going down and down.

The fact is that the barrel has a very elusive bottom, for non-renewable does not mean irreplaceable. Moreover, history shows that with very few exceptions (such as whale oil) raw materials were replaced not because they ran out, but because something better became available. The change from glass bottles to plastic bottles, for example, did not come about because the world ran out of sand from which to make glass.

Untenable as the bottom-of-the-barrel theory is for mineral resources, it becomes absurd for energy, for it would violate a physical law: Energy cannot be destroyed, it can only be converted from one form into another. So the enemies of technological advance have taken refuge behind another physical law, the Second Law of Thermodynamics, which, roughly speaking, says that in every conversion of energy from one form to another, some fraction must irretrievably be turned into heat. Therefore, goes the story, if we convert too much energy, we will generate so much waste heat as to endanger the world by changing its climate.

There are, indeed, some problems with high concentrations of waste heat; there are also ways of turning waste heat into useful heat. But the gist of the argument is a colossal exaggeration. To reach even one percent of the energy incident on the globe from the sun, we would have to convert energy on a mind-boggling scale: every American man, woman, child and infant on the breast would have to consume, from midnight to midnight, no less than 2 MW of power, which he could do by running 600 clothes dryers all day and all night, or by cleaning his teeth twice a day with 15 million electric toothbrushes. And the rest of the world would still have to consume twice as much.

But enough of countering unfounded charges. Let us take a look at the amount of energy available to us. The sun will shine for another 50 billion years, and nuclear fusion cannot run out of fuel as long as there is water in the oceans. To bridge the gap of the next three decades before these sources can effectively be harnessed, there is enough uranium to fuel hundreds of nuclear plants, there is enough coal in the U.S. to last for several centuries, and the oil deposits in the continental shelves are estimated at 100 billion barrels, together with trillions of cubic feet of natural gas. There is more oil in the oil shale of the mountain states than in the entire Middle East.

Uranium can be mined in low concentrations at a higher cost, for fuel costs represent only a minor part of the operating costs of nuclear power plants, and breeders running on thorium could extend the supply to some 2,000 years. Coal can be gasified and liquefied with little pollution to produce gas, oil, gasoline, methanol, hydrogen, and other fuels. It can also be utilized in situ with minimal environmental effects. In situ processing of oil shale is under investigation and appears feasible. As for offshore oil, the technology of preventing oil spills, and cleaning them up quickly if they do occur, has come a long way since the Torrey Canyon and the Santa Barbara oil spills.

Clearly, then, there is no lack of energy; there is not even a lack of clean energy. But the access to that energy is blocked by non-technological obstacles, chief among which are, in my opinion, government interference with free markets, and environmentalist technophobia.

Until last year, the price of oil was controlled at an unrealistically low level, resulting, on one hand, in the rapid decline of exploration and capital investment, and on the other, in making oil so "cheap" that it was burned under the boilers of power plants. Oil now has a two-tier price structure which, broadly speaking, rewards those who produce a little oil and punishes those who produce a lot of it. This year the number of small wells, drilled has, for the first time since the 60's, surpassed 30,000; but the total domestic oil production continues to decline. This is not surprising; if government decrees fixed the price of potatoes grown in fields, but allowed a free market in potatoes grown in flower pots, there would be a flower-pot-potato bloom, but the total potato production would decline.

The electric power industry is shackled hand and foot by a myriad of regulating agencies. The rates charged are not determined by the need of new capital investments, but in public hearings which have become forums for propaganda against corporate profits, and the regulators find it popular to "pass the profits on to the consumers." Until people wake up to what the so-called consumer advocates are doing to them, the utilities will continue to do what they are doing now: cannibalize their capital spending budgets under a policy that amounts to save now, run out of power later.

A second obstacle is environmentalism, which originally had the laudable aim of a clean environment, but is now being used as a horse on which to crusade against business, profits, industry, technology, and similar evils that allegedly plague us. It is beginning to border on the impossible to construct a new power plant, oil refinery, coal gasification plant or other energy facility. Much of the blame for this must go to the character of presently required impact statements, which always stack the deck against the innovator who wants to change the status quo. He is required to demonstrate, and rightly so in my opinion, that the innovation will not unreasonably harm the environment or have other undesirable consequences. But he is put on the defensive: his opponents have no comparable responsibility in considering the undesirable consequences of *not* proceeding with the innovation. A judge is required to decide whether a new power plant may harm the marine life of the adjacent river if the plant is built: he is not required to decide how many women might one day die in childbirth for lack of electric power if the plant is *not* built.

And so what we are witnessing is certainly no exhaustion of energy, but blocked access to that energy.

Let me take one more example, the oil imported from the Arab countries, which is produced at an operating cost of about 20 cents a barrel and sold for upwards of $12 since the OPEC price-fixing cartel has quadrupled the price in a single year. Apart from exposing the U.S. to political blackmail, the flow of $100 billion to the OPEC countries this year threatens to bankrupt the economies of the industrialized countries and to bring famine to the underdeveloped countries for lack of fertilizers. It won't even do the OPEC countries any good, for their primitive economies are utterly incapable of

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absorbing such astronomic sums. What can be done about that?

First, one can use strong language, as President Ford and other high U.S. officials have recently done. This could goad the OPEC countries into taking an even stronger stand, but more likely, they will merely laugh it off.

Second, one can wait for the cartel to break up. The same greed that gives rise to a cartel in the first place eventually causes its members to cheat on each other. Libya is already cheating, and Saudi Arabia is chafing at the high prices. Even so, it could be a long wait.

Third, there is a forceful military solution, which is, at present, unthinkable for anybody acquainted with political realities.

Fourth, the oil-consuming countries might band together and take countermeasures. They might, but they won't. Last October, the EEC countries voluntarily rushed in a mad scramble to get what they could each for themselves, leaving, for example, their member country Holland high and dry without oil in violation of all their solemn treaties. Not much hope from that quarter.

And that, I believe, leaves only one alternative to cut OPEC-fixed oil prices; open up the abundant U.S. energy sources until the cartel crumbles under the pressure of supply and demand. How can that be done? It can be done, in my opinion, as follows:

1. Decontrol oil, gas and electric power. Higher prices will work wonders for conservation and for capital investment. The poor, like everybody else, will gain when prices come down again by increased supply. The alternative is an energy shortage with higher prices, anyway, and that hits the poor even harder. Government taxes on gasoline will not increase the supply; if past experience is any guide, they will be used for further wars on poverty that cure nobody's poverty except that of its administrators.

2. Open up the continental shelves for oil exploration; open up the vast deposits of low-sulfur coal in the West. In North Dakota, the land covering five million tons of coal supports only five cows. Not all strip mining is of the West Virginia kind. In Wyoming, there are 400-ft. coal seams close under the surface, and they do not lie under Yellowstone Park; they lie in desolate and almost uninhabited country. Speed up the development of *in situ* processes to produce oil from oil shale.

3. Make environmental restriction two-sided: consider not only what a new energy facility will do to somebody's view from his window, but also what may eventually happen to him and everybody else if such facilities are *not* built. Make judges sit on the horns of a genuine dilemma (that, after all, is their job), not on a deck always stacked in favor of the status quo.

4. Combat anti-technological and emotional attitudes by taking the facts and figures to the people. Show that pollution is not a necessary by-product of technology, but that more and better technology is needed to combat pollution. Calculate the price tags of abundant energy, and the even higher price tags of energy shortages. Use the facts to dispel anti-nuclear superstitions. Do not let Ralph Nader's phony fables go unanswered. How many people know, for example, that every time Ralph Nader flies to some campus to deliver one of his speeches on the "radioactive society," he gets a 100 times bigger dose of radiation than he will get in his lifetime from nucelar power plants? We are not, after all, in most of these cases, dealing with opinions and hypotheses, but with well defined and measurable quantities.

Let me summarize my position. There is no exhaustion, there is an abundance of energy; but the access to it is blocked by economic, political and ideological obstacles. Reason and technology can overcome these obstacles—though not overnight—and ensure abundant and clean energy for everybody.

THE FIRST GENOCIDE OF THE 20TH CENTURY

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. HELSTOSKI. Mr. Speaker, as you know, the House recently passed House Joint Resolution 148, which would designate April 24, 1975, as a "National Day of Remembrance of Man's Inhumanity to Man." One of the purposes of the resolution is to commemorate those Americans who succumbed to the genocide perpetrated in Turkey 60 years ago.

As a result, I would like to take this opportunity to share with my colleagues a letter I received recently from Dickran H. Boyajian of Watertown, Mass. Through his scholarly, sensitive insights Mr. Boyajian succeeds in providing additional insight into the 1915 tragedy and the meaning House Joint Resolution 148 has for thousands of Americans. His letter follows:

The First Genocide of the 20th Century

COMMEMORATIVE OBSERVANCES

Peaceful demonstrations, commemorative mass meetings, expressions of anger and even emotional outbursts may be evidenced during the observances of the Sixtieth Anniversary of the crime of Genocide committed by the Turks on the Armenians, with a definite plan to exterminate the Armenian nation.

Such incidents and irate expressions should evoke compassion and sympathy, not condemnation and criticism. After all it was the Armenians who suffered untold miseries and tortures, pilage and plunder, sorrow and pain, destruction and death, and they should not be denied the right to commemorate their losses in righteous condemnation comparable to the enormity and ruthlessness of the crime.

There are some who ask: Why not forgive and forget? Yes, why not? But one must not forget that forgiveness can only be given after an admission of guilt and repentance on the part of the perpetrators of the crime who conspired to eliminate an entire nation with no compassion to spare even babes-in-arms, the weak and the ailing, the old and the invalid.

Can the crime of genocide, or any crime of such magnitude be forgotten, ever? Can we in the United States forget December 7 which our late and lamented President Franklin Delano Roosevelt, aptly characterized as "a day of infamy"? Wounds may heal but the scars left on the body will always be constant reminders of both the wounds and the persons who inflicted them.

PERPETRATORS OF THE CRIME

Literally thousands of books, pamphlets, papers and articles have been written in many languages apprising the world of the untold miseries suffered by the Armenians at the hands of the Turks throughout many centuries, especially during the horrible years from 1915 through 1918, when the life of the Armenian nation was threatened to extinction.

It has been proven beyond any doubt that most of the orders for deportation and massacres of the Armenians were issued by Talaat, the Minister of the Interior of Turkey. The following is one of his Orders quoted by Paul de Veou in his book entitled "La Passion de la Cilicie, 1919–1922," (page 11).

"It has been previously communicated that the government by the order of the Assembly (Jemiet) has decided to exterminate entirely all the Armenians living in Turkey . . . without regard to women, children and invalids. However tragic may be the means of transportation, an end must be put to their existence."

Minister of the Interior, Talaat.

May 15, 1915.

Mr. Henry Morgenthau, the American Ambassador to Turkey during the time when the Armenians were being led to slaughter, in his book "Ambassador Morgenthau's Story" quotes Talaat as saying:

"I have accomplished more toward solving the Armenian problem in three months than Abdul Hamid accomplished in thirty years." (p. 225)

Mr. Morgenthau also relates a conversation with the other arch-criminal, Enver Pasha, the Minister of War. Morgenthau suggested that the Central Government was probably not to blame for the massacres.

"Of course," he continued, "I know that the Cabinet would never order such terrible things as have taken place. You and Talaat and the rest of the Committee can hardly be held responsible. Undoubtedly your subordinates have gone much further than you have ever intended. I realize that it is not always easy to control your underlings."

"You are greatly mistaken" answered Enver. "We have this country absolutely under control. I have no desire to shift the blame on our underlings and I am entirely willing to accept the responsibility myself for everything that has taken place. The Cabinet itself has ordered the deportations. I am convinced that we are completely justified in doing this owing to the hostile attitude of the Armenians toward the Ottoman Government, but we are the real rulers of Turkey and no underling would dare proceed in a matter of this kind without our orders." (p. 231)

Enver's accusation that the Armenians had a "hostile attitude toward the Ottoman Government" is contradicted by his own words uttered months before the massacres and deportations began.

MASSACRES AND DEPORTATIONS

In the Report of the American Mission, headed by Major General James G. Harbord, published in the Congressional Record, May 29, 1920, as Senate Document 266, we read:

"Massacres and deportations were organized in the Spring of 1915 under definite system, the soldiers going from town to town. The official reports of the Turkish government show 1,100,000 as having been deported. Young men were first summoned to the government building in each village and then marched out and killed. The women, the old men and children were, after a few days, deported to what Talaat Pasha called 'agricultural colonies', from the high, cool, breeze-swept plateau of Armenia to the malarial flats of the Euphrates and the burning sands of Syria and Arabia. The dead from this wholesale attempt on the race are variously estimated from 500,000 to more than one million, the usual figure being about 800,000.

"Driven on foot under a fierce summer sun, robbed of their clothes and such petty articles as they carried, prodded by bayonet if they lagged, starvation, typhus, and dysentery left thousands dead by the trail side. The ration was a pound of bread every alternate day, which many did not receive, and later a small daily sprinkling of meal on the palm of the outstretched hand was the only food. Many perished from thirst or were killed as they attempted to slake thirst after crossing of running streams. Numbers were murdered by savage Kurds, against whom the Turkish soldiers afforded no protection. . . ."

I respectfully submit to the attention of the Congress of the United States an excerpt from the Report of the King-Crane Commission also.

We read in the Report:

"They (the massacres) have not been crimes of passion of the moment. And they have involved cruelties horrible beyond description.

"For it must not be forgotten that this thing was not done in a corner. The evidence for few events in history has been more carefully gathered, sifted and ordered. The Bryce report upon 'The Treatment of Armenians in the Ottoman Empire 1915–1916,' leaves no room for doubt of the essential facts. It is idle to attempt to deny it or appreciably to mitigate its force.

"Lord Bryce, himself a trained historian says of the report: 'Nothing has been admitted the substantial truth of which seems open to reasonable doubt.' And in estimating the value of the evidence he calls attention to these facts: (1) 'Nearly all of it comes from eye witnesses,' (2) 'The main facts rest upon evidence coming from different and independent sources,' (3) Facts of the same, or of very similar nature, occurring in different places, are deposed to by different and independent witnesses'—including Danish and German witnesses; (4) 'The volume of this concurrent evidence from different quarters is so large as to establish the main fact beyond all questions'; (5) 'In particular is it to be noted that many of the most shocking and horrible accounts are those for which there is the most abundant testimony from the most trustworthy neutral witnesses. None of these cruelties rest on native evidence alone."

And he adds: "A recollection of previous massacres will show that such crimes are a part of a long settled and often repeated policy of Turkish rulers." . . . "The attempts made to find excuses for wholesale slaughter and for the removal of a whole people from its homes leave no room for doubt as to the slaughter and the removal. The main facts are established by the confession of the criminals themselves." . . . "The disapproval of palliations which the Turks have put forward is as complete as the proof for the atrocities themselves."

A former Turkish Minister to Sweden, Mehmed Cherif Pasha, in a letter to the editor of "Journal de Geneve" and later published in the "New York Times" on September 21, 1915, branded "the Armenian atrocities perpetrated under the present regime (young Turks) as surpassing the savagery of Genghis Kahn and Tamerlane." . . . If there is a race which has been closely connected with the Turks by its fidelity, by its service to the country, by the statesmen and functionaries of talent it has furnished, by the intelligence which it has manifested in all domains—commerce, industry, science and the arts—it is certainly the Armenians.

"Alas! At the thought that a people so gifted, which has served as the fructifying soil for the renovation of the Ottoman Empire, is on the point of disappearing from history—not enslaved, as were the Jews by the Assyrians, but annihilated—even the most hardened heart must bleed, and I desire, through the medium of your estimable journal, to express to this race which is being assassinated my anger toward the butchers and immense pity for the victims."

It is to be noted that Mehmed Cherif Pasha was the son of Said Pasha, the first Grand Vizier of Turkey under the new constitution.

I could go on citing innumerable instances to prove the monstrocity of the men in the commission of a crime the enormity and cruelty of which had no precedence in the recorded history of mankind.

The Resolution known as H.J. Res. 143 submitted in Congress jointly by the House Majority Leader, Hon. Thomas P. (Tip) O'Neill, Jr. (D. Mass.), and Congressman Henry Helstoski (D. N.J.) and sponsored by many other Congressmen, to designate April 24, 1915, as "National Day of Remembrance of 'Man's Inhumanity to Man'," deserves a unanimous acceptance in the House and the Senate of the United States. This statement "Man's Inhumanity to Man" symbolizes the crime of Genocide committed by the Turks against the Armenians, and it is only fitting and proper that April 24, 1915, be recognized as the day best illustrating "Genocide"—a word coined years after the first genocide in the 20th century.

The purpose of the Armenians to seek such recognition is not to encourage a desire for vengeance, nor to inflame the hatred existing between the two neighboring peoples, but to bring to the attention of the civilized world the need for an equitable solution of the Armenian problem, hoping that the voice of truth and the call of justice will find an awakened conscience and a sympathetic attitude in the hearts and minds of all the peoples of the world.

PINEY WOODS ARE HIS LIFE

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. MATHIS. Mr. Speaker, recently the Atlanta Constitution printed an interview with one of my constituents, Mr. Robert C. Balfour of Thomasville, Ga., an accomplished forester and exceptional conservationist. Among the last of the rugged individualists, Mr. Balfour's optimistic and self-reliant attitude merits the emulation of all Americans. A sample of Mr. Balfour's 87 years of accumulated wisdom and insight are revealed in the newspaper's interview and I commend it to the attention of my colleagues in the House and the Senate:

[From the Atlanta Constitution, Apr. 21, 1975]

Piney Woods Are His Life

Thomasville.—Robert C. Balfour Jr. leaned forward in his chair and apologized for "sermonizing." He wasn't really. It's just that the man has a reverence for nature, having spent most of his life in the piney woods.

Mr. Balfour has been cutting and growing trees for most of his 87 years, the latter activity as important to him as the former. He explained, "I'm not a bragging man, but I've always preached that I will leave my land in better shape than when I got it. That will be something to brag about."

The interviewer was getting upset because the original intent was to talk about Mr. Balfour's new book. Here I found myself more interested in the man than the book. (The book will have to wait.)

Mr. Balfour recalled, "When I got out of Davidson College I began cruising timber for my father. I'm not a graduate forester but I am a self-made forester. What I learned was on the ground. And I've stayed in the woods just about ever since then . . . just about."

I asked, "Since you're a native of Thomasville, do you have any vivid memories of the early days?" Are those memories connected with the piney woods?"

"That's right. When I was a kid—that's a long time ago—I rode on the first train between Thomasville and Fitzgerald. I don't think I was over seven years old. I'd run from one side of that railroad car to the other. And it was one vast forest for as far as you could see. You never could see civilization for the entire trip."

Mr. Balfour arose, walked around his desk and said, "I suppose this is the only thing in this room older than me." He indicated the most magnificent cross section of tree I had ever seen. "It's 401 years old, according to its growth rings. That's original growth long leaf (pine) and you could write the American history on it."

The woodsman then read the story printed by nature in the long leaf cross section, telling me of its hard years, which side faced north and which south, and how the top of this forest giant had died. "I found it five or six years ago, growing out there among the wire grass and turkey acorns. You remember that. That's where you'll find the long leaf, in the wire grass and turkey acorns."

Mr. Balfour sat down again, leaned back in his chair and did what he called sermonizing. I thought of it as wire grass prose and poetry. He talked of the salt-tinged Gulf breeze washing through eddies of pine forests to become the most enchanting perfume known to mankind. "You can go into the Temple of God, the biggest in the United States, and you can feel it spiritually. But you can go into the piney woods, where nothing can molest your thoughts, look at the tops of those huge, original trees and you can realize that man didn't make them. You realize there's something beyond you. I can't say it because it's beyond saying. It's a feeling, and how do you really describe a feeling?"

It occurred to me that perhaps Robert Balfour has described his feeling for the forests with actions, reforestation . . . which isn't to say he's bad with words either.

"Mr. Balfour, if you're 87 (I was tempted to ask for his birth certificate), what makes you so youthful in looks, actions and outlook? Do you jog?"

"No, but I walk two and one-half miles each day in 30 minutes. And I swim 15 laps at the YMCA."

"Oh." Kiddingly, I asked, "Is that all?"

"I think the real secret to long life, mine anyway, is that nobody can stay mad with me. If you get mad and go out of this office, I'm gonna beat you home and we'll have an understanding no later than noon."

Robert C. Balfour Jr. walks gently through life. Flowers grow in his footprints.

HAWKINS-HUMPHREY FULL-EMPLOYMENT BILL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. RANGEL. Mr. Speaker, as unemployment approaches 9 percent many Americans who have been untouched by the curse of poverty since the great depression are once again beginning to feel its ravages, which the poor have experienced on a daily basis for decades.

The American people demand that the Government take drastic action to head off another depression. The Congress must act, and act quickly if our current economic crisis is to be remedied.

Fortunately the tools necessary to speed our economy to a quick recovery exist in this Chamber, and it is up to the Congress to use them. One of these tools

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is the Hawkins-Humphrey full employment bill which I enthusiastically support. If enacted, this bill would provide this country with the means necessary to pry loose unemployment from our backs and help eliminate poverty from our shores.

This bill would establish a comprehensive and permanent structure which would guarantee meaningful and useful employment at a decent wage to every adult American willing and able to work. This new policy would contrast sharply with the current practice of setting a tolerable level of unemployment for a narrowly defined force generally the poor, black, and powerless in our Nation. This figure very seldom represents the true extent of the problem as far as these groups see it.

Unemployment in many black communities throughout the Nation runs as high as 14 percent, and is nearly three times as high for black teenagers. In many industries such as the construction industry, unemployment is as high as 25 percent. These figures represent a series of isolated depressions that threaten the entire economy, but are not reflected by our current national unemployment index.

Probably the most important thing this bill would accomplish is the employment of millions of Americans who are now on unemployment and public assistance rolls. In addition to the increased money supply that would be generated, this new army of once idle workers could generate their energies to deal with the problems that have plagued our society for decades. These poeple would not be engaged in "busy work." Instead they would be employed in meaningful jobs that would pay wages rather than give handouts. The construction of much needed water pollution facilities and energy producing plants, for instance, would contribute to the betterment of our country and would, in turn provide even greater stimulus to our sagging economy.

It is truly a paradox of our economic system that unemployment could be nearing 9 percent when so much remains to be done. Our economy is going through a transition and it is up to the Congress to provide the leadership to connect the needs of our society with our currently idle human resources.

Congress must strike hard and fast if our economic problems are to be concurred. A course of action that provides an incomplete dose of economic medicine would doom our economy to a relapse and inevitably, further decline. Unfortunately, up until now, the proposed solutions to the unemployment problem would not provide enough jobs to fully activate our economy.

The Hawkins-Humphrey unemployment bill would give our economy the shot in the arm that it needs to get moving again. It would provide a framework from which our economy could rebuild itself.

Once recovered, our economy would again be able to absorb the majority of those who were provided jobs under this bill. The minimum hourly wage that this bill would provide would not compete greatly with the hourly wages paid by most of private industry. Those people who now are unable to find jobs would be given the opportunity to provide themselves and their families with an adequate income while enjoying the dignity that is inherent in doing an honest days work. It is my belief that no one should be forced to accept unemployment checks when they are willing and able to work. This bill would relieve this discrepancy.

I call on my colleagues to join me in supporting this absolutely essential bill, which if enacted, would lay the groundwork for our economy's recovery.

THE VIETNAM ISSUE: CONGRESS SHOULD PROCEED WITH CAUTION

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, yesterday's New York Times contained two editorials and a thoughtful article reflecting on current events in South Vietnam.

I have already expressed my concern about the wisdom of U.S. troop placement in South Vietnam to assist in the evacuation process. Such military intervention, however innocent it may appear on the surface, could provoke the North Vietnamese Army into an all-out attack on Saigon. The mere presence of the U.S. military could be used as a justification of such an attack by the North Vietnamese. Do we really wish to provide them with an excuse? Why are troops needed now, when the evacuation of American personnel and their dependents has been accomplished for the most part? Who are the South Vietnamese nationals that are now being evacuated? Who is responsible for determining which South Vietnamese nationals will be evacuated, and what is their order of priorities?

Mr. Speaker, I hope my colleagues will reflect on these questions, and I hope they will also keep in mind the fact that South Vietnam is falling because its own leaders and its own army literally deserted it in its darkest hour.

I do not think we need to flagellate our national conscience with imaginary guilt feelings. We have done all that any one country could do to help South Vietnam. We have spent $150 billion and we have lost 50,000 young American lives in our attempt to help. I do not believe we should risk any further military involvement in South Vietnam, and I hope my colleagues will be alert to the risk that is inherent in sending American troops into Saigon, albeit for an innocent purpose.

Mr. Speaker, the articles from the New York' Times bring certain realities concerning the South Vietnamese conflict into clear focus, and I am sure my colleagues will benefit from the thoughtful views that have been expressed regarding U.S. responsibilities that have been and are being fulfilled, and the responsibilities of the South Vietnamese Government, which were clearly abdicated.

Mr. Speaker, the three articles from the April 22, 1975, New York Times follow:

[From the New York Times, Apr. 22, 1975]

WALKING SOFTLY

(By William V. Shannon)

WASHINGTON.—The defeat of American policy in Cambodia and Vietnam underscores the need for a clearer understanding of this nation's world role. It is necessary to look beyond the guilt, the disappointment and the recrimination of today.

The military intervention in Indochina marked the farthermost extension of this country's involvement in every remote and peripheral struggle against Communist power. For years, the United States has been trying to undo that mistake and retract to strategic positions around the world that are clearly in accord with national interests and are therefore viable and defensible.

The need is for a coherent foreign policy that is based on something less than the flamboyant globalism of the Truman Doctrine of 1947 but that is not a retreat into America First isolationism. The United States cannot "go it alone" but neither can it be the world's policeman, investigating every political mugging and every ideological altercation on every block. Former President Nixon tried to reformulate American foreign policy but, in rhetoric and in practice, his Nixon Doctrine was President Truman's globalism warmed over.

In several recent speeches, President Ford has done more to demonstrate the need for a restatement of American policy than to answer that need. Instead of cutting past losses, he has dwelled on them and even magnified them. Thus, in addressing newspaper editors last week, he reiterated his view that if only Congress had appropriated all the military aid funds requested for South Vietnam over the last two years, the "tragic situation" there might never have occurred.

Such analysis and such speculations are worse than fanciful. They are unbecoming to an American President. Undoubtedly, the Soviet Union and China have continued to be zealous in aiding their political clients in Indochina, while the United States has gradually reduced aid to its clients. But at the reduced level, American aid was still substantial. Moreover, the sudden spectacular collapse of South Vietnam's armed forces was not caused by any immediate or prospective lack of weapons and equipment. This rout was due to poor generalship and a crumbling of morale in the army.

Unlike the Russians and the Chinese, Americans could not fight a war by proxy in Indochina because aid alone was not enough to sustain its political clients. Intensive bombing by the United States Air Force and support by United States ground troops were necessary as well. In the light of those facts, President Ford is reading the wrong lesson in the Indochina defeats.

The President also misses the mark in his recurrent criticisms of a "new isolationism" and his warnings that the United States cannot "withdraw from One World and go it alone." Isolationism would be an unconvincing theme for any President of a nation that stations troops in West Germany and South Korea, had a naval fleet patrolling the Mediterranean, and is actively engaged in seeking a peaceful settlement in the Middle East.

Americans are seeking—more earnestly perhaps than at any time since the interventionist vs. isolationist debate of 1939–41—to define the scope and character of their country's involvement in world affairs. Instead of clarifying this complex problem, President Ford overshoots the mark by urging the impossible or warning against the implausible.

Whether President Ford and Secretary of State Kissinger find it congenial or not, they can in the next two years shape American foreign policy successfully only if they genuinely share the intellectual and political burden with the opposition-controlled Congress. Such sharing need not be a prescription for weakness. President Truman, as politically beleagured in 1947–48 as Mr. Ford is today, cooperated successfully with the opposition-controlled 80th Congress. Republican leaders were closely consulted in making policy with respect to the Marshall Plan, and there was as much of Republican Arthur Vandenberg as there was of Democrat Harry Truman in the Truman Doctrine.

If it is to work with Congress in evolving an American foreign policy backed by a broad bipartisan consensus, the Ford Administration has to recognize that popular support for the old policies in Southeast Asia has vanished. The Democratic majorities in Congress are not being blind or willful in disregarding the Ford-Kissinger recommendations. They are responding to the readily perceived course of public opinion. In place of the ghosts of yesterday's policies, the Administration and Congress together can create new and viable policies for the future on the basis of equality and cooperation. Only on that basis is success possible in a divided Government and a perplexed and questioning nation.

NEXT STEPS IN VIETNAM . . .

The resignation of Nguyen Van Thieu as President of South Vietnam lessens the probability of a bloody fight to the finish that had been haunting the city of Saigon. An entirely new situation now exists, and the Vietnamese parties have at last a clear opportunity for an orderly political evolution consistent with the 1973 Paris agreements.

With ten divisions of the North Vietnamese Army still ringing the South Vietnamese capital, and three-quarters of the country severed from Saigon's political and military authority, there can be no illusions about where the power lies at this juncture. Nor can Saigon nuture any realistic hope of pursuing further the ruinous policy that brought President Thieu to his downfall. The situation in Vietnam is far more complicated than a straightforward military conquest of one country by another, however, and talks toward a political settlement will not necessarily be the equivalent of negotiation by victor's *diktat*.

For weeks past, representatives of the pro-Communist Provisional Revolutionary Government have assured neutral diplomats that they stood prepared to enter political negotiations with a Saigon Government more representative and more committed to the Paris accords than the regime of President Thieu. There are indications that Hanoi's overwhelming forces have deliberately held back from direct attack on the capital for the past several days, in the expectation that General Thieu would withdraw.

Under the Paris agreements, South Vietnam's political future is to be determined by a National Council of Reconciliation and Concord, composed in equal measure of representatives from the P.R.G., the Saigon Government and a third group of mutually acceptable politicians unaffiliated with either force.

The French Government, which has been actively mediating behind the scenes for several weeks, took the initiative yesterday in proposing the urgent commencement of talks toward the formation of such a council. Even before that possibly cumbersome process gets under way, military representatives of the two Vietnamese sides could well meet at Saigon's Tan Son Nhut airport to agree on an immediate cease-fire in place, pending discussions in which Hanoi and the P.R.G. may not remain in total accord.

The United States should do nothing to impede this process, and there is every reason to continue the evacuation of all but the most essential American personnel from Saigon. The presence of thousands of Americans in the besieged capital has only posed an extra irritant in recent weeks; their main function was to assist, in one way or another, in a war effort which has now collapsed. Continued evacuation now in no way precludes ongoing American assistance in refugee relief and other emergency humanitarian functions, however, if requested by the new civil authorities. Evacuation of thousands of Vietnamese who may feel in danger from their past close associations with the United States mission can now become a matter for orderly negotiations among the Vietnamese parties.

South Vietnam's future remains cloudy and the tragedy of the Vietnamese people is far from over. But the capital city of Saigon, its normal population swollen by refugees from the fighting all around, has presumably been spared the fate of an enemy conquest that until yesterday had seemed so imminent.

. . . AFTER PRESIDENT THIEU

The bitterness toward the United States with which President Thieu left office reflects his mistaken belief that the Paris "peace" agreements were in fact his license to continue the war under another guise. From what has now been learned about former President Nixon's secret correspondence prior to South Vietnam's reluctant adherence to those accords, it is reasonable to conclude that his American allies did little to disabuse President Thieu of this conviction.

The war never stopped in Vietnam. The attempt to embark on an era of national reconciliation, in all the pious terms hammered out in Paris, never got under way. Only when the full diplomatic correspondence is released for public inspection will it be possible to know for certain this was the tacit intent of Saigon and Washington all along.

Enough is known now, however, to indicate that President Thieu was given to believe that he could count on Washington's military and political support for his Government to an extent far beyond the written agreements signed in Paris.

One after another, Administration officials were dispatched to Saigon to assure President Thieu that the United States regarded his as the "sole legitimate Government" in South Vietnam; the carefully evolved program for political compromise defined in Paris disappeared quickly from subsequent American rhetoric in favor of praise for the "develop ment of political institutions and . . . the political stability that has prevailed in South Vietnam." These emissaries, President Thieu declared yesterday, further committed the United States to prevent any new North Vietnamese "aggression," a commitment absent from any of the official documents which the Nixon Administration conveyed to Congress.

Secretary of State Kissinger admitted earlier this month that President Thieu had received promise of "vigorous reaction" from this country in the event that North Vietnam violated the truce on a large scale. However, the Congress had banned further American military engagement in Indochina as early as August, 1973; hence any promise of "vigorous reaction" involving an American combat role was a promise which from that date on, could not possibly be fulfilled.

President Thieu's decade in office turned out to be disastrous for the people of South Vietnam. He did bring to their government a strong central leadership to replace the series of coups and shifting juntas that threatened the nation with collapse from within; but throughout his tenure his strongest prop was his near-certain ability to deliver the largesse of the United States—the troops, planes and missiles, and the military and economic supplies that kept the society more or less together as it enriched the ruling group of Saigon.

But his program for leadership prescribed war; there was no room in it either for compromise with his non-Communist political enemies or for the kind of compromise peace that the world was allowed to believe had been achieved in Paris. When that war policy failed, through his own strategic errors as well as the crumbling of his American mainstay, President Thieu could no longer maintain his near-autocratic rule over the people of Vietnam.

MEMO ON A SOLUTION FOR SOUTH VIETNAM

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. CARR. Mr. Speaker, Nguyen Thai was born in 1930 in Hue. He came to the United States in 1950 and accepted a scholarship in the Southeast Asia program sponsored by Cornell University. In 1954, he returned to South Vietnam to assume a position in the Diem government serving at one time as Assistant Administrator for American Aid. He left the Diem government when it became clear that reform efforts were not well received. In 1962 he accepted an Associate Neiman fellowship at Harvard and upon completion once again returned to South Vietnam, this time as a private businessman.

In 1969 Mr. Thai accepted a request to assist South Vietnam's Special Adviser to the Paris Peace Talks but withdrew in disagreement with Thieu's policies.

Mr. Thai has prepared an analysis of Thieu's strategy in dealing with the States, and suggests some noteworthy alternatives for South Vietnam. I feel that it should be required reading not only at the State Department and Department of Defense, but also here in the Congress.

I insert it in the RECORD at this point:

MEMO ON A SOLUTION FOR SOUTH VIETNAM

(By Nguyen Thai)

THIEU'S WITHDRAWALS IN SOUTH VIETNAM

Within the last two weeks the Saigon government abandoned nearly half of South Vietnam's territory, including the politically important city of Hue and several strategically located areas in the Highlands which had costed so much U.S. and Vietnamese blood to occupy before.

Meanwhile in radio broadcasts to South Vietnamese, Thieu explained that the withdrawals from the Highlands were necessitated by strategic considerations and gave reassurances that he would never give up the ancient imperial capital of Hue."

In Saigon, as usual Thieu made believe that any policy decision he took had the full concurrence and support of the U.S. administration which never failed to grant him the military and economic aid he requested. Whether or not this time Thieu's sudden decision to withdraw so drastically had the support of the U.S., it undeniably created disastrous consequences. Strategic withdrawal or not, the abandoning of nearly half of South Vietnam in two weeks critically weakened Saigon's position against Communists.

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THIEU'S MANEUVERS

What Thieu might have intended to achieve was to silence his non-Communist opposition which was becoming increasingly vocal and to force it to side with him during this crisis which threatens to bring the final collapse of South Vietnam.

On the U.S. side, Thieu might have hoped that his tragic withdrawal could prompt a reluctant Congress to quickly vote further aid in order to help Saigon solve its urgent refugee problem and to avoid the blame for having betrayed an ally.

Thus once again Thieu maneuvered to appeal to U.S. conscience and prestige in order to force the U.S. administration to continue dealing with him as the sole existing legal government in South Vietnam.

If worse comes to worse and his maneuvers fail to convince either the U.S. Congress or the South Vietnamese opposition, Thieu could still expect to hang on to power until the final collapse of Saigon to Communists and thus make sure that no non-Communist opposition could replace him in power.

U.S. POLICY ALTERNATIVES

1. *Stick with Thieu*: If the U.S. decides to stick with Thieu and tries to save whatever is left of South Vietnam, it may have to resume massive bombings on North Vietnam and newly-controlled Communist strongholds in the South in order to stall the final collapse of Saigon. It is doubtful that these massive bombings will save South Vietnam from a Communist take-over because in the past, under better conditions, they failed to do so and because they cannot help Thieu correct his basic political weaknesses. Eventually events will take their course in South Vietnam and at this point the U.S. will have to adopt a hands-off policy, but in this case the responsibility for the final collapse of Saigon will rest on the U.S.

2. *Dissociate from Thieu*: If on the other hand the U.S. decides now to dissociate itself from the Thieu regime which has obstructed the implementation of the 1973 Paris Peace Agreement (PPA), then this agreement to which the U.S. is a signatory, could provide the legal and practical framework for the U.S. to solve its present Vietnam dilemmas.

The PPA provides for the creation of the Council for National Reconciliation (CNR) in which representatives of the GVN (Saigon government), PRG (South Vietnamese Communists) and non-Communist neutralists will play an equal role in deciding the political future of South Vietnam.

ADVANTAGE OF THE COUNCIL FOR NATIONAL RECONCILIATION

For U.S.: With the creation of the CNR through which the South Vietnamese people may at long last exercise their right of self-determination, the political responsibility of the U.S. toward the South Vietnamese will be greatly mitigated. And should the U.S. decide to give humanitarian relief to the millions of South Vietnamese war refugees and non-military aid for the rehabilitation of the war-devastated country, the CNR will be the proper channel which will minimize the risks of corruption and misuse.

For South Vietnamese: At this critical moment, it is a big question whether or not the political solution provided for by the PPA will save South Vietnam from a Communist take-over. But caught in the present desperate situation, non-Communist South Vietnamese see that as the only hope available. And especially if the U.S. supports this political solution, it will have a tremendous morale-boosting effect on the South Vietnamese who will then get a chance to exercise their right of self-determination.

For Vietnamese Communists: For the Democratic Republic of Vietnam (North Vietnam) and the Provisional Revolutionary Government (South Vietnamese Communists), the CNR solution may give them a chance to adopt in South Vietnam a policy which, though friendly to Communism, may be neutralist to benefit the long range interests of the Vietnamese people as a whole (See point 5 of the PRG Peace Proposal cn page 2 of the attached MNR Bulletin).

EMERGENCE OF NEUTRALIST THIRD FORCE

In the present circumstances the emergence of the neutralist third force to participate in the CNR is a very delicate matter.

Non-Communist leaders opposed to Thieu do exist. But tho success or failure of the neutralist elements in the CNR will depend on the composition and the criteria which determine the selection of neutralist representatives. The latter most of all must present a united front to reflect the legitimate aspirations of the majority of the South Vietnamese population. They must also be technically competent enough to solve the urgent problems of South Vietnam.

Beside the criteria of representativeness and competence, in the selection process of the neutralist representatives in the CNR it is important to identify the qualified representatives of the major religious and political groups of South Vietnam, to know exactly who is who, who is related to whom in what way and who can trust whom. Any random selection which disregards these intricate relationships will most likely doom the neutralist representatives at the outset and also discredit the CNR as a political solution.

March 25, 1975.

SOCIAL SECURITY REFORM AMENDMENTS

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. ARMSTRONG. Mr. Speaker, today I am introducing the Social Security Reform Amendments of 1975.

These reform amendments are aimed at helping those Americans who have worked and sacrificed and paid social security taxes for years.

The main features of this legislation are:

First. Repeal of the earnings limitation for social security recipients;

Second. Repeal of the so-called living-in-sin provisions of current social security law;

Third. Equal treatment for widows and widowers, husbands and wives;

Fourth. An optional exemption of social security recipients 65 and over from paying further social security taxes;

Fifth. Repeal of provisions which force beneficiary's heirs to return a check already "earned" and mailed;

Sixth. Partial reform of the medicare billing system for doctors' services; and

Seventh. Elimination of the 5-month waiting period for social security disability.

REPEAL OF THE EARNINGS LIMITATION

One of the most unfair sections of present social security law is the earnings limitation. Applying welfare-type concepts of earnings limitations to the social security program makes second-class citizens out of millions of retired Americans. At present, social security benefits are reduced $1 for every $2 earned by a recipient—except for those over age 72.

In my opinion, it is completely unfair to force senior citizens to live on below-average incomes. It is contrary to self-respect and the American tradition of individual initiative.

I base this legislation on three considerations:

First. The present limitation, which reduces social security benefits when the retired person earns in excess of $2,400 per year, forces many senior citizens to live on below-average incomes. In a time of rampant inflation, it is virtually impossible for social security benefits to keep pace. A lowering spiral of living standards is inevitable for these retired persons.

Second. The present limitation applies only to earned income, not to investment income. So those who are fortunate enough to have accumulated investments in stocks and bonds, savings accounts, rental properties, and so on can have unlimited income from these sources. But those who have no such investments are precluded from supplementing their social security with any susbtantial amounts of earnings.

Third. The principle of an earnings limitation is wrong.

Social security is not and was never intended to be a form of welfare. It has been earned by American workers and their employers who have paid the cost of this program through payroll taxes. In most cases, workers pay far more in taxes during a lifetime of work than they can possibly draw in benefits. To deny them something they have paid for, at least a partial return on their payments, is completely unfair.

Many Americans have no need or wish to work beyond normal retirement age. But millions of others need the extra income and enjoy the activity which part or full-time work provides.

It is long past time for us to stop penalizing those Americans who need or want to be productive workers and who deserve far better treatment than the present law allows.

REPEAL OF LIVING-IN-SIN LAWS

My bill also repeals the living-in-sin provisions of social security. In a nutshell, these restrictive clauses, retained in the name of economy, have little economy and create only anguish. A widow and a widower who would like to remarry, but cannot afford the financial loss, are forced either to deny themselves what happiness they might have together or often to go against their long-held beliefs and live together unmarried.

In either case, the Government is creating unhappiness as well as denying benefits earned rightfully over years of work.

The present law is an affront to the dignity of older Americans, respected citizens often struggling in relative poverty to retain their own self-respect. Repeal of the living-in-sin provisions of the current Social Security Act is the least we can do for them.

EQUAL BENEFITS FOR MEN AND WOMEN

Times have changed drastically over the past quarter century, especially in the increasing number of women working—and the trend of working women is going to increase. We are already seeing

househusbands as well as housewives—but once again, there is no provision in the law to fairly deal with the changing times.

If a husband covered by social security dies, his wife is presumed eligible for benefits even if she is working, and has always worked. But if a working woman covered by social security dies, under the current law, her husband must go through an ordeal of proving his dependency, even if he has been totally dependent. The recent Supreme Court decision only touched a very limited section of the law, leaving the provisions covering dependent widowers, for example, uncovered.

Without a change in the law, social security could go back to the old system next week and force another series of legal battles.

It is time to end this unspoken hypocrisy—the over 30 million working women in America deserve the same protection for their dependents as working men.

EXEMPTION FROM FICA TAXES

"In this world, nothing is certain but death and taxes," said Benjamin Franklin.

For most beneficiaries who have been covered almost their entire working lives, death comes too soon and the social security taxes are too high.

Another absurdity is the payment of social security taxes by social security beneficiaries. Consider this situation, all too common, in my opinion: A worker must supplement a monthly social security check by working full or part time to make ends meet. Yet even though he has paid into social security for over 30 years, he is further taxed by social security on his meager earnings, meaning he has to work just that much longer.

REFORM OF "LAST CHECK" PROCEDURES

Another area of pettiness generated by current laws and regulations is the final check a beneficiary receives. According to Social Security Administration's regulations, an individual's eligibility terminates the month before he dies. So an individual can run up bills, but the heirs cannot even pay off debts with the check for that month, even if the individual dies on the last day of the month.

I personally have come across cases where the Social Security Administration refused to honor checks which were properly endorsed and deposited, but did not clear the banking system by the time of the beneficiary's death. My proposal would not change the benefits or entitlements of the system in any way, but would simply allow a beneficiary and his heirs full benefits for the last month the recipient is alive.

MEDICARE PAYMENT REFORM

I have proposed a simple change in the medicare payment system to remedy a problem originally brought to me by a constituent.

A man's wife dies of a sudden illness requiring expensive hospitalization and doctors' services, but she is covered by medicare. So his bills can be paid? Hardly . . . medicare cannot reimburse him until he has paid the doctors' bills in full. Although he has supplementary health coverage, his health insurance company cannot make any settlement until medicare does. Because of the other expenses of his wife's illness he does not have the funds to pay the four specialists required. His only alternative is to borrow the money, if he can, pay the bills and hope medicare can process his reimbursement before the interest on the loan mounts too high.

But in any case, this system keeps the doctor waiting, effectively increases the price of health care, and may in fact keep the doctor from ever getting paid.

I, therefore, propose that medicare be empowered to pay the doctor his share directly. While this system also has drawbacks, such drawbacks are minimal compared to the present chaos.

DISABILITY WAITING PERIOD REDUCTION

The last section of the reform package I am proposing eliminates the present 5-month waiting period required to obtain eligibility for social security disability payments.

Right now, a 5-month waiting period is required before a qualified disabled individual can draw disability benefits. During this waiting period, no disability benefits, retroactive or otherwise, can be paid. Until the replacement of local welfare by the supplemental income plan—SSI—last year, a disabled individual could draw local welfare. Now, however, SSI will not grant benefits until the disabled worker's case is resolved by social security.

That means he cannot receive any income for 5 months if he is really disabled. The very system which is supposed to protect him denies him any income for 5 months.

This is utterly absurd.

In my district alone, I know of more than 20 cases of this nature created by this particular law. And those are only the ones which have come to my attention.

This kind of "Catch-22" is utterly absurd. It should be changed, and the sooner the better.

Mr. Speaker, I ask my colleagues to join in supporting this meaningful reform of the social security system. These amendments are solid reforms—long overdue—to assure those Americans who have supported social security with years of taxes are treated fairly in the retirement years.

DR. ELDRIDGE H. BROWN

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. SPENCE. Mr. Speaker, it is always gratifying to see recognition come to those who are deserving because of hard work, perseverance, and dedication. This is especially true when the successful individual is not only a constituent but a long-time close personal friend. Thus, I am especially proud to call the attention of my colleagues to an initiative on the part of my constituent which will be of vital interest to all of us, and to our children.

Dr. Eldridge H. Brown is an optometrist in Columbia, S.C. Like most optometrists, he has been concerned for years about the widespread incidence of faulty vision among schoolchildren, and especially the severe emotional and academic problems which can result when the child does not know that he cannot see properly. Dr. Brown has said:

> When a child doesn't know he has a vision problem, he thinks, "I can't read this. I must be dumb." But once his vision is corrected, he can perform on an equal basis with his classmates . . . in the classroom and on the athletic field.

What sets Dr. Brown apart from others who share his concern is the fact that Dr. Brown decided to do something about it. The result is a 14½-minute cartoon film entitled "Dr. Tom and His Magic Tree."

One of the many articles which have been written about Dr. Brown and his film had this to say:

> Dr. Brown's life dream has been to find a way to help youngsters who stumble through life not realizing they have poor vision. With the completion of his cartoon film, "Dr. Tom and His Magic Tree," Dr. Brown's dream is coming true.

When he was president of the South Carolina Optometric Association in 1971, Dr. Brown presented his idea for the film at the council's biannual meeting. The proposal immediately took hold among his colleagues, and a production company in Hollywood offered to put the film together. I have seen the film myself, Mr. Speaker, and I can assure all parents that it is a first-rate effort. As one article commented:

> The cartoon is a slick professional product that would have made Walt Disney proud.

"Dr. Tom and His Magic Tree" is now receiving nationwide recognition. The television program "Sesame Street" will show the film this summer, and another favorite children's program, "Mr. Rogers," will also use the film, as will the National ETV Network. The University of South Carolina will serve as the distribution center for "Dr. Tom and His Magic Tree," and the university's division of educational services has played an active part in creating teaching aid materials to accompany the film.

Mr. Speaker, vision is the most precious of our senses, and as Members of Congress, it is important that we encourage efforts to emphasize good viewing habits to our young people. Dr. Brown is a perfect example of the dedicated professional whose efforts are richly deserving of both encouragement and recognition by this body.

NEED FOR COOPERATION BETWEEN PRESIDENT AND CONGRESS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. McCLOSKEY. Mr. Speaker, one of the positive aspects of an otherwise tragic series of events concerning the U.S. relationship to various countries in Southeast Asia is the concensus of opin-

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ion in our country on the need to proceed in a new spirit of cooperation and bipartisanship between the Congress and the President in the conduct of our foreign policy. I am encouraged by this spirit, the necessity of which is articulated in the recent article written by our colleague, Mr. RIEGLE. This article appeared recently in the Los Angeles Times, and I include a copy of it for the RECORD:

GERALD FORD'S CRUCIAL TEST ON VIETNAM

(By DONALD W. RIEGLE, Jr.)

When President Ford addresses the Joint Session of Congress tonight on foreign policy, he will make or break his Administration.

While there are many urgent foreign policy issues to consider—various situations where our strategic interests are genuinely involved—the burning issue that will tell the tale is Vietnam, a case where our strategic interests are clearly not involved.

The reason Vietnam takes on overriding importance is that it poses a crucial test of Gerald Ford, as the man and the President. After many agonizing years of the most intense first-hand exposure, Vietnam is the one foreign policy issue that the American public and Congress understand fully as well as the President. In fact, being less insulated than he is, we may well understand it better.

So, what Ford says on this, the one issue where his audience can properly apply their own independent judgment, will determine how much trust and confidence his listeners can have in his assessment of other problems, both foreign and domestic.

If what he says on Vietnam is a mindless replay of the 10-year Johnson/Nixon soundtrack on the issue (and Ford's own utterances in recent weeks), he might as well discard the rest of his prepared text, for whatever it says won't matter. He will be tuned out, as happened to recent Presidents before him.

The American people did not elect this President, and they do not yet know him well. They will follow him only as long as he leads wisely. If he rides off in the wrong direction, he will be traveling by himself.

With the recent climactic events in Vietnam and Cambodia, an overwhelming majority of the American people, after a decade of division and rancor, have broken loose from what was left of the old self-deceptions and myths about Southeast Asia. They have come together in a solid national consensus on America's future role in Southeast Asia. Thus the 94th Congress, which has just returned from a week of face-to-face contact with its constituents, is speaking that new consensus with one voice:

—"No more U.S. military expenditures in Southeast Asia."

—"Humanitarian aid, yes. Military aid, no."

Now that the American people and their elected Congress choose to close the book on U.S. military involvement in Southeast Asia, nothing Ford can say or do will change that. The iron fact is that no additional money will be appropriated for military assistance in Southeast Asia; that is a final, irreversible judgment.

So what is really at stake tonight is the credibility and future leadership potential of the Ford Administration. The cost of further propping up of President Thieu will be the loss of mainstreet America. So it is an issue and moment of enormous consequence.

For our ailing nation desperately needs a President who can earn and keep its faith—one whose judgment is sound and sensible.

If the President has the good sense and strength of character to face these new facts and why they are legitimately based, he will announce that his Administration has decided to change course, to withdraw the request for additional military expenditures in Southeast Asia and in its place to submit a request for humanitarian assistance only. Furthermore, he will say that, after careful evaluation, it is his judgment that this new course will serve the best long-run interests of the people of Southeast Asia, of America and the balance of the world.

Such a declaration would trigger standing applause in the House chamber and throughout the nation, not because it is a happy decision but because it is the right one.

The rest of the world would see America united again. The consequence for the United States in the world community would be a new posture of strength, not weakness. This strength would be based on national unity and a realistic concentration of our resources in areas where our strategic and moral interests truly lie.

As to the establishment of a new executive legislative partnership to reevaluate American foreign policy objectives and practices, it is my clear sense that Congress would be cooperative and responsible if met halfway by the executive branch. It should be clear to both branches that unilateral foreign policy decisions, whether in Southeast Asia, Cyprus, the U.S.S.R. or Chile, are no longer intelligent or desirable. We can and must work together.

Ford has spoken of his desire to reestablish "Vandenberg-style" bipartisan cooperation in foreign affairs. The time is ripe for genuine partnership, and we can begin now with a new policy in Southeast Asia.

To unite on a new policy to provide Southeast Asia with humanitarian aid rather than further military assistance raises a valid and practical question of the immediate consequences of this policy within the shrinking government enclaves in South Vietnam.

As to civilians generally, and refugees specifically, our humanitarian assistance should be channeled through international relief agencies and made available to people in need throughout the whole of the area called South Vietnam. Such relief agencies are ready and willing to carry out such an effort, if food, medical supplies and other items are provided.

There is also the question of the continuing buildup of insurgent military pressure around the perimeter of the area still held by South Vietnamese government forces. I believe existing military supplies within that perimeter, and the additional $175 million of previously appropriated and unexpended monies from fiscal 1975 for U.S. military assistance, should be adequate to carry out the evacuations cited earlier, and therefore constitute the outer limits of the military assistance that can and should be provided by the United States.

This new policy should be communicated without delay to the insurgent forces, to the United Nations and to all other governments with the expressed purpose of endeavoring to secure maximum international support for a stand-still cease-fire, so that the emphasis can be shifted to a political process where the Vietnamese themselves would have to work out whatever changes in political relationships must take place.

CONGRESS AND AMERICA'S ENERGY POLICY: NOW YOU SEE IT, NOW YOU DO NOT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. FRENZEL. Mr. Speaker, a thoughtful article by David Broder in today's Washington Post struck a responsive chord in me. I felt that I should share it with some of my colleagues, who, like me, have so anxiously awaited some strong congressional action on energy for the past year and a half since the oil embargo. Much to our dismay, the vigor of this year's attempt has begun to disintegrate into an instant replay of our previous futile attempts to pass energy legislation.

The Broder article points out a fatal flaw in Senate actions that many of us in the House have recognized for years. The Senate is totally incapable of coming to grips with the problem. It faced the situation by passing a bill no one really worked on, no one really understood, and no one cared about. The Senate's answer to this year's energy crisis was to utter a pious hope and pass the buck to the President.

In an admirable attempt to do what other House committees could not do in the past, the House Ways and Means Committee began work in February on the Energy Conservation and Conversion Act of 1975. After weeks of panel discussions, weeks of committee debate and discussion, and a week of something resembling a markup, the committee is no nearer getting a bill than it was in January. After numerous revisions and adjustments, we have a proposal which does not do very much to conserve energy, establishes a questionable quota system from which all of New England is exempt, gets the Federal Government into the energy business in a dubious fashion, and does not seem to have the support of more than a handful of committee members.

It appears that if left to its own devices, Congress might eventually choose not to do anything at all about energy. Some people might consider that the lesser of two evils, considering our track record. I happen to believe that we can do better than this. I think the American people will make the necessary sacrifice, if it's done fairly, and if we show some enthusiastic congressional leadership.

I, for one, will vote for a tough energy bill, but I will not support what the Ways and Means Committee is doing. I will not support a bill which will not do the conservation job, except at the expense of one region as against another. I will not support a bill that relies on heavy taxes on only component of oil energy. I will not support a bill just so we can have an energy policy. I will not support a bill which does not cushion the price shock for the poor.

In short, the Ways and Means bill, while a nobler try than the Senate bill which David Broder described, falls far short of what is a necessary energy policy. The Congress is failing again, and the people should know it. The brave new 94th, full of sound fury and reform, and willing to debate today around the clock on a war that is over, cannot make a reasonable energy policy.

The Broder article follows:

PASSING THE ENERGY BUCK

(By David S. Broder)

Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done

absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.

It was approved on the same afternoon that the senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.

It would be hard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.

The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.

Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.

That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.

It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."

None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.

What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.

While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric within the following 30 days.

That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.

On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.

So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.

That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design, and not by happenstance.

By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.

That's the kind of performance that already has brought the federal government into disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

INTELLIGENCE SUMMARIES BY CIA COULD BE DISTORTED BY STATE AND DEFENSE DEPARTMENTS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. McCLOSKEY. Mr. Speaker, on Friday, March 14, I reported to the House—CONGRESSIONAL RECORD pages 6775–6779—on the factual situation in Vietnam as I had observed it during the period February 23–March 2. In the last section of that report I expressed concern that the hard intelligence summaries prepared by the CIA could be distorted by their passage through the hands of State and Defense Department people who desired that intelligence summaries be supportive of past or current policy successes.

On April 17, several of us sent the President a letter in the same vein, suggesting that it was imperative that the intelligence estimates of CIA not be screened by policymakers before reaching the President's attention.

We expressed the opinion that the National Security Act of 1947, setting up both the National Security Council—NSC—and the Central Intelligence Agency—CIA, did not intend that the same individual occupy both a Cabinet position on the NSC and the staff position of Executive Secretary of the NSC.

Ideally, intelligence advice, recommendations and evaluation—the CIA's responsibility to the National Security Council under the act—should not pass through a screen of policymaking officials. Understandably, policymakers may not always agree with intelligence estimates which are critical or which paint a more dismal picture than the policymakers care to admit.

I have just learned of a specific case of such military and State "screening" which is not only an outrageous example of the modification of intelligence information, but which may very well have had a significant impact on the ultimate sad result in Vietnam. Following these remarks I place in the RECORD copies of cables from General Westmoreland, General Abrams, and the State Department's Robert Komer, in mid-August, 1967, which clearly reflect an exercise of military and State Department command influence to change CIA figures of Vietcong—VC—strength.

In August 1967, our Embassy and MACV people in Saigon were attempting to show a continuing success in reducing the numbers of the VC. The CIA had estimated a VC strength figure which included Vietcong self-defense—SD—and secret self-defense—SSD—forces. The total estimated figure, including those forces, was 420,000–431,000, as compared to the previously released figure of 299,000.

You will note from General Abrams' cable, concurred in by General Westmoreland, that DOD asked that the intelligence estimate be reduced to remove the SS and SSD forces since these forces included a sizable number of old people and women, and cast doubt on the "image of success" DOD has "been projecting over the recent months."

Apparently, the generals were successful; the enemy order-of-battle strength was reduced as they requested. Five months later, however, during the Tet offensive of 1968, it appeared that VC forces were much stronger than estimated. The suddenness of the VC's initial successes, coupled with the long record of government representations that the VC was deteriorating in both strength and will, contributed materially to turning the tide of public opinion in America against both the war in Vietnam and the credibility of America's military leadership. This despite the fact that Tet, 1968, represented a real victory on our part, and effectively removed the VC as a competent military strike force.

You will note from the enclosed cables that Abrams and Westmoreland felt the CIA's figures would cause the press to draw:

> An erroneous and gloomy conclusion as to the meaning of the increase. All those who have an incorrect view of the war will be reinforced and the task will become more difficult.

I hope it is not presumptuous to suggest that in retrospect it was Generals Abrams and Westmoreland who had the incorrect view of the war. Their deception, of course, delayed the American people's perception of the true circumstances in Vietnam. More importantly, the "command position" of Generals Westmoreland and Abrams, if included in the National Intelligence Estimate thereafter sent to the President, may well have delayed President Johnson's perception of the true situation in Vietnam.

FROM GEN. ABRAMS DEPCOMUSMACV TO GEN. WHEELER JCS WASH CD

1. (C) MACV representatives to the DIA Conference dealing with order of battle strength for enemy forces in South Vietnam report that there is a continuing controversy regarding the inclusion of the strength figures for self-defense forces (SD) and secret self-defense forces (SSD) in the draft NIE 14.3–67. In General Westmoreland's temporary absence, I think it appropriate to make the command position on the inclusion of these strength figures clear.

2. (S) If SD and SSD strength figures are included in the overall enemy strength, the figure will total 420,000–431,000 depending on minor varitaions. This is in sharp contrast

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to the current overall strength figure of about 299,000 given to the press here.

3. (C) From the intelligence viewpoint, the inclusion of SD and SSD strength figures in an estimate of military capabilities is highly questionable. These forces contain a sizable number of women and old people. They operate entirely in their own hamlets. They are rarely armed, have no real discipline, and almost no military capability. They are no more effective in the military sense than the dozens of other nonmilitary organizations which serve the VC cause in various roles.

4. (S) The press reaction to these inflated figures is of much greater concern. We have been projecting the image of success over the recent months, and properly so, now, when we release the figure of 420–431,000, the newsmen will immediately seize on the point that the enemy forces has increased about 120–130,000, all available caveats and explanations will not prevent the press from drawing an erroneous and gloomy conclusion as to the meaning of the increase. All those who have an incorrect view of the war will be reenforced and the task will become more difficult.

5. (C) In our view, the strength figures for the SD and SSD should be omitted entirely from the enemy strength tables in the forth-coming NIE. This will prevent the possibility that they can be added to the valid figures, and an erroneous conclusion drawn as to an enemy strength increase.

6. (U) I realize that you are fully aware of the implications set forth above, and that you share our concern. Nevertheless, the matter is so crucial here that I think it advisable to make our position known to you.

7. I am informed that Joe Fried of the New York Daily News resident in Saigon has the gist of the new intelligence examination and the total figure of about 420,000. Zorthian and Sidle have talked to him and hopefully have persuaded him that any new figures would be premature now.

From General Westmoreland COUSAMACV To General Wheeler CJCS Washington

I have just read Gen. Abrams MAC 7849, and I agree. I do not concur with the inclusion of SD and SSD strength figures in the overall enemy strength. It distorts the situation and makes no sense. No possible explanations could prevent the erroneous conclusions that would result. Warm regards.

For Carver (CIA) From Komer, Saigon

1. Understand from MACV that O/NE insisting on inclusion 20,000 SDF and SSDF in new NIE figures, thus giving total of 435,000 for enemy O/B.

2. You are familiar with new MACV figures which represent major step forward toward sounder analysis. I cannot see case for including vague estimates of low grade part-time hamlet self-defense groups, mostly weaponless, in new O/B. For do we include RDPGS, hamlet militia, or combat youth on giv side.

3. MACV is determined to stick by its guns, and you can well imagine ruckus which would be created if it came out as everything tends to on Vietnam that Agency and MACV figures were so widely different. Any explanation as to why would simply lead press to conclude that MACV was deliberately omitting SDF/SSDF category in order downgrade enemy strength. Thus credibility gap would be further widened at very time when in fact we are moving toward much more valid estimates.

4. Also understand that NIE projects 15,000 man enemy strength increase by end of year. On what is this based? It is contrary to whole trend of analysis out here, including higher enemy loss rates, new official MACV estimate that in-country recruiting January-May 1967 probably down to 3500 per month, and lack of any evidence that infiltration rate up if indeed it is averaging as high as last year.

5. Will you please help straighten out this matter, which is of concern to whole top level here. Sure you agree that we have enough real problems without adding on paper wars.

VIETNAMESE REFUGEES REPRESENT LONG-TERM PROBLEM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. ANDERSON of California. Mr. Speaker, today the first wave of refugees from Vietnam arrived in California. We can expect more to arrive in the future.

Now, I am not suggesting that we close our doors to these individuals. Certainly, the United States has an obligation to many of these people, especially those who must flee because of past cooperation with our Government.

However, there are a few details I believe we should be aware of.

How many refugees are going to enter this country? Where are they going to stay?

Who is going to pay for their expenses while living in this country until they find employment?

As of now, no one really seems to know how many refugees to export. Attorney General Edward Levi has said he will waive immigration laws for approximately 130,000 individuals. Yet Los Angeles County Supervisor James Hayes, a responsible public official, has stated that Federal officials have told him to be prepared for at least 600,000 Southeast Asian refugees, and possibly as many as one million.

At this point, I would like to enter into the RECORD two articles from the Los Angeles Times, which contain Supervisor Hayes' statements:

[From the Los Angeles Times, Apr. 22, 1975]

L.A. ALERTED ON REFUGEE INFLUX

(By Ray Zeman)

Chairman James A. Hayes said Monday that federal officials are planning to bring from 600,000 to 1 million Southeast Asian refugees to the United States, with Los Angeles and San Francisco as the likely first ports of entry.

Hayes said he will ask the Los Angeles County supervisors today to prepare for such a situation.

The supervisor said word of the possible influx of refugees came from highly placed officials in Washington.

"I was asked not to divulge the names of the callers or the two departments from which they telephoned. They urged me to start plans and preparations.

"This program—if it becomes a reality, as it very well may—will be quite similar to the Cuban refugee operation.

"San Francisco and Los Angeles would probably be the first points of debarkation."

Hayes recalled that under the Cuban program, 600,000 Cubans were settled in the United States. At the peak in March, 1971, this program aided 11,61 in Los Angeles County.

More than half of these have since been transferred to federal programs for the aged, blind and disabled. The county is caring for the remaining 5,126.

Pointing out that the first wave of Southeast Asian immigrants may reach California "in the very near future," Hayes said he will ask the Board of Supervisors to request that federal funds and personnel be utilized to offset the burden on local taxpayers.

He also will move that all appropriate county departments immediately gear up for the possible mass influx and to provide status reports weekly on these preparations.

Hayes also will ask that Chief Administrative Officer Harry L. Hufford and other county officials explore the need for an advisory commission to assist the immigrants and the feasibility of forming such a commission if the proposed federal program becomes a reality.

"I would like a report on this within one week," Hayes emphasized.

[From the Los Angeles Times, Apr. 23, 1975]

COUNTY TOLD: GET SET FOR REFUGEES

Supervisors Chairman James A. Hayes said Tuesday he again talked to some "highly placed officials in Washington" who urged that Los Angeles County prepare for the possible evacuation of 600,000 to 1 million Southeast Asian refugees to the United States.

"I was alerted that this is a contingency plan which might be put into effect on a moment's notice," Hayes said. "Most would be arriving without any visible means of support."

(Immigration officials in Washington Tuesday placed the maximum number of immigrants at 130,000.)

County supervisors adopted Hayes' motion to study formation of a commission to assist the immigrants if the proposed federal program becomes a reality. All appropriate county departments were directed to gear up for a possible influx.

Since Los Angeles and San Francisco would be the probable first ports of entry, Supervisor Baxter Ward said the military might have to reactivate some unoccupied barracks. He suggested use of El Toro Marine Air Station.

Hayes said El Toro is relatively small. "One of the major ones being considered is Edwards Air Force Base," he added.

Hayes' motion urged the federal government to provide funds and personnel to offset costs of local taxpayers if the Southeast Asian refugee program is inaugurated.

Now, Mr. Hayes is not an alarmist. He is a responsible public official trying to do his job. And apparently, that job is about to get very difficult.

Most of the refugees from Vietnam and other Southeast Asian nations will enter the United States through San Francisco and Los Angeles. And if past examples are any guide, many of them will be staying in those areas.

Mr. Speaker, I am not saying that these men, women, and children are not welcome. Certainly the people of Los Angeles will do all that is in their power to help these people start a new life.

However, starting and maintaining that new life is going to be expensive, and relief funds in great amounts will be needed. If we theorize an eventual level of 600,000 refugees, and provide them with bare living expenses, the total will easily run over $1 billion a year.

Obviously, such a massive drain on local government would be a disaster. The Federal Government must face the obligation of paying for the relocation and assistance of refugees after they have arrived in this Nation, if the Federal Government makes it possible for them to arrive here.

FULL EMPLOYMENT LEGISLATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. HAWKINS. Mr. Speaker, I wish to call the attention of the Members to a very current and incisive editorial in the Wednesday, April 23, 1975, issue of the New York Times which in brief but comprehensive fashion treats the economic crisis confronting us, while at the same time pointing out how the legislation that Representative REUSS, Senator HUMPHREY, and I, along with over 90 of our colleagues in both bodies have introduced would offer a solution to this crisis. We have no pride of authorship in our proposal, but we are only pleased that national attention has begun to be focused on a comprehensive approach to our economic sickness. The editorial follows:

HOW MANY JOBLESS . . .

It is a measure of the bankruptcy of economic thought that most economists, of all schools and political persuasions, believe the United States must resign itself to an unemployment rate of at least 6 per cent for the rest of this decade.

When President Kennedy made 4 per cent joblessness his target in the nation's pullout from the recession of 1960–61, he was at pains to stress that this was an interim goal and not to be viewed as an acceptable yardstick of normal employment. The popular wisdom among economists now is that the potential price in renewed inflation is too high to make even 4 per cent realistically attainable.

That is not a supportable "trade-off," to use the chilling term so glibly employed in current calculations. The reality is that the underpinnings of the calculations themselves are dubious in a period when none of the orthodoxies, whether those of Adam Smith or of John Maynard Keynes, offers much of a guide on how to balance price stability and full employment.

Even the notion that substantial levels of unemployment operate over the long haul as a significant brake on inflation is open to question in light of the rigidities of cost-of-living escalators and other wage boosters and the speed with which the over-all price index can be pushed by a single external development such as the oil cartel's quadrupling of fuel costs.

Moreover, the price of unemployment is high in terms other than the frustrations of the jobless and the loss to society of tens of billions of dollars in output. Unemployment insurance programs are being made more generous in both the amount and duration of benefits, with food stamps and welfare as supplemental cushions and mortgage and medical protection under consideration as well.

. . . HOW MANY JOBS?

Public service employment is mushrooming under pressure of the current emergency, and there will be strong pressure for permanent programs to provide government-financed work as a matter of right for those who will remain idle after the gross national product turns upward. The House Subcommittee on Equal Opportunities is studying a bill by Representatives Augustus Hawkins of California and Henry Reuss of Wisconsin, with 85 co-sponsors, that calls for a comprehensive—and expensive—national program to cut unemployment to 3 per cent within eighteen months.

The program, with an initial budget estimated at $15 billion, would become the foundation for submission by the President each year of a "Full Employment and National Purposes Budget" that would guarantee jobs and define national priorities in such fields as conservation and development of national resources, health care, housing, mass transit, promotion of competitive private enterprise and the elimination of poverty.

Unquestionably a program formulated with such ambitious goals would vastly increase present rates of Federal outlay, quite possibly beyond the country's capacity; but it is worth remembering that the basic principle of the bill aims at putting into practice a policy that was adopted in theory by the Congress a quarter century ago. Any appraisal of its potential cost has to take into account that unemployment programs now under way are expected to cost in the neighborhood of $40 billion. That is money going out of taxpayers' pockets, as against taxes that would be coming in if the jobless were back on regular payrolls.

A 6 per cent standard for full employment would be a prescription for social unrest and permanent government deficits. The nation cannot accept the defeatist conclusion that one worker out of every sixteen must be permanently shut out of the labor market. There is no stability for either people or prices in such a design.

THE HEALTH REVENUE SHARING AND HEALTH SERVICES ACT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. RHODES. Mr. Speaker, I have received a letter from Secretary Weinberger of the Department of Health, Education, and Welfare, indicating his opposition to H.R. 4925, the Health Revenue Sharing and Health Services Act.

The letter specifies the specific areas that HEW opposes in this legislation. For the benefit of my colleagues when this legislation is considered on the floor, I am taking the liberty of inserting Secretary Weinberger's letter in the RECORD. The text follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., April 22, 1975.

Hon. JOHN RHODES
Minority Leader, House of Representatives,
Washington, D.C.

DEAR MR. RHODES: We expect that H.R. 4925, the Health Revenue Sharing and Health Services Act, will soon be reported by the Interstate and Foreign Commerce Committee for consideration by the House. I enclose a copy of the President's Memorandum of Disapproval of H.R. 14214 (93rd Congress), a bill very similar to H.R. 4925. I would like to reiterate again the Department's strong opposition to this legislation and strongly recommend that the Congress enact H.R. 4819, the Administration's health services amendments.

Although some changes have been made at the Subcommittee level, we do not believe that significant progress has been made toward overcoming any of the Administration's basic objections. The Subcommittee on Health and Environment did attempt to lower authorizations, and this is a step in the right direction. But the authorizations in H.R. 4925 still are far in excess of the President's budget and, therefore, remain objectionable to the Administration. The total authorizations for this three-year bill are almost $2.5 billion, approximately $1 billion over the President's budget for FY '75, and FY '76 and estimated budget for FY '77.

Moreover, the Department has consistently expressed its opposition to H.R. 4925 for programmatic reasons. Since the bill would extend and authorize a number of new categorical programs and repeal the general health research and development authority in section 314(e) of the Public Health Service Act. the Department continues to oppose this legislation on both programmatic and fiscal grounds.

We are advised by the Office of Management and Budget that there is no objection to the submission of this report from the standpoint of the Administration's program, and that enactment of H.R. 4925 would not be in accord with the program of the President.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H.R. 14214, the "Health Revenue Sharing and Health Services Act of 1974."

H.R. 14214 conflicts with my strong commitment to the American taxpayers to hold Federal spending to essential purposes. The bill authorizes appropriations of more than $1 billion over my recommendations and I cannot, in good conscience, approve it. These appropriation authorizations are almost double the funding levels I have recommended for Fiscal Year 1975 and almost triple the levels I believe would be appropriate for 1976.

As part of my effort to see that the burden upon our taxpayers does not increase, I requested the Congress last month to exercise restraint in expanding existing Federal responsibilities, and to resist adding new Federal programs to our already overloaded and limited Federal resources. These recommendations reflect my concern with both the need to hold down the Federal budget and the need to limit the Federal role to those activities which can make the most necessary and significant contributions.

In H.R. 14214, the Congress not only excessively increased authorizations for existing programs but also created several new ones that would result in an unjustified expenditure of Federal taxpayers' funds. Although the purposes of many of the programs authorized in this bill are certainly worthy, I just cannot approve this legislation because of its effect upon the economy through increased unwarranted Federal spending.

Finally, it should be pointed out that the Federal Government will spend almost $20 billion in 1975 through Medicare and Medicaid for the financing of health services for priority recipients—aged and low-income persons. These services are provided on the basis of national eligibility standards in Medicare and State eligibility standards in Medicaid and therefore are available to individuals in a more equitable and less restrictive manner than many of the programs authorized in H.R. 14214.

GERALD R. FORD.

THE WHITE HOUSE, *December 21, 1974.*

POLYGRAPH TESTING

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. KOCH. Mr. Speaker, the reasons for supporting my bill, H.R. 2596 which places an absolute prohibition on polygraph testing in employment situations, are cogently set forth in the April 1975

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issue of The Privacy Report published by the American Civil Liberties Union Foundation. This report needs no further elaboration by me and I am appending it for the information of our colleagues.

THE PRIVACY REPORT

POLYGRAPH TESTING FOR EMPLOYMENT

The polygraph has been with us for over half a century. In its early years it was enthusiastically embraced by police officials, who placed great faith in its value for law enforcement. But the courts proved resistant: not until 1972 did any federal court admit unstipulated polygraph evidence in a criminal case (that is, where there is no pre-trial agreement among all parties that polygraph evidence shall be admitted), and only one state court had done so. Even after the *Ridling* and *Zeiger* decisions of 1972, admitting unstipulated polygraph evidence, there was no great rush to extend judicial recognition to the polygraph, for many courts still had, and have, serious doubts about its validity and reliability as a detector of falsehood. (Unfortunately, the courts have shown greater skepticism for the polygraph's scientific validity than for its constitutional validity.) Nonetheless, the polygraph test is widely used "informally" in law enforcement, by police as an investigative aid, and by prosecutors and defendants as a tactical counter in plea-bargaining negotiations.

But for all the problems still to be faced in bringing the law enforcement uses of the polygraph under control, there is at least the hope that the pros and cons, including the constitutional arguments, will eventually be heard and judged in the courts. Meanwhile, the greatest growth in the use of the polygraph is taking place completely outside the criminal justice system, virtually free from effective judicial or legislative controls. The polygraph test has now become a popular method of screening applicants for employment, and of checking up on present employees. These are in fact the principal uses of the polygraph today.

Polygraph tests for employment are utilized in both the public and private sectors. Ten years ago, the House Subcommittee on Foreign Operations and Government Information found that 19 federal agencies had conducted a total of 19,769 tests in just one year, and this figure did not include the thousands of tests administered to applicants and employees by the Central Intelligence and National Security Agencies. Congressional expressions of disapproval led to the adoption of new Civil Service Commission regulations sharply limiting polygraphing by federal agencies, and in 1973 seven agencies reported a total of 6882, supposedly all related, as required by CSC rules, to national security needs. Again, this figure did not include CIA tests. There are no recent compilations for state and local agencies, but polygraphs are known to be widely used in pre-employment screening for police departments and law enforcement agencies of all kinds. In fact, many states which do place legal restrictions on employment polygraph testing except law enforcement agencies—sometimes all government agencies.

The figures for private employment are only rough estimates. A 1974 report by the staff of the Senate Subcommittee on Constitutional Rights mentioned a range of 200,000 to 300,000 a year; other estimates go even higher. But both supporters and opponents of the polygraph are agreed that the number is enormous, and constantly growing.

A researcher for the Privacy Report recently interviewed a number of large private employers to learn how they use the polygraph, what they expect from it, why they believe in it, and whether they feel that the tests might be jeopardizing their employees' rights. But before describing the results of these interviews, it is necessary to discuss some facts about the polygraph test itself.

How polygraph testing works

The polygraph, popularly known as the "lie detector," is a machine that measures and records fluctuations in blood pressure, rate of respiration, and galvanic skin response (changes in the electrical conductivity of the skin, thought to be related to the amount of perspiration in the skin). The theory behind the polygraph test is that the act of lying causes psychological conflict, conflict causes fear, and fear brings about certain measurable physiological changes, which are detected and recorded by the polygraph machine.

However, contrary to the impression one might have from watching police shows on TV, the polygraph does not "detect" falsehood the way a Geiger counter detects radioactivity. No buzzer rings to signal the presence of untruth. The subject's physiological responses to the examiner's questions must be interpreted: it is the examiner's interpretation, not the machine, that determines whether a person "passes" the polygraph test.

Newer versions of the "lie detector"—the "wiggle seat" that registers body temperature and muscle movements, the camera that records changes in the size of the pupil, and the futuristic Psychological Stress Evaluator (PSE) that measures the fluctuations of the FM modulation in the voice—all rest on the same premise, that lying produces stress which is translated into detectable physical changes in the body.

A number of difficulties are immediately apparent. First, the premise that lying causes stress is a shaky one. It does not if a person believes he is telling the truth, even if his statement is factually untrue. It does not if a person feels no guilt or anxiety about lying, or even gets enjoyment from lying. It does not if a person cannot be convinced that the polygraph detects lies and therefore does not fear that his deception will be unmasked. On the other hand, many things other than lying do cause stress: fear, guilt, anger, or embarrassment produced by truthful answers to the examiner's questions, neurotic anxieties, subconscious reactions triggered by a single chance word, tension created by the test procedure itself, or a physical condition such as heart trouble, a headache, a cold, fatigue, or even the need to go to the bathroom. All of these factors have been shown to distort the accuracy of the polygraph as a lie detector.

Second, because the polygraph measures reactions to an examiner's questions and its recordings are then interpreted by the examiner, the polygrapher himself emerges as the key to the polygraph test. What are his qualifications? How is he trained? How much does he know about human emotional and physical response? What is his attitude toward the subjects he tests? Are there racial or cultural differences between them that might produce different ideas of what is "moral" or "true"? What are his biases? What predispositions (or outside pressures) does he have to find the subject "guilty" or "innocent"? How precisely can he frame questions to elicit pure "truth"? By what criteria does he decide whether a response recorded by the machine is a lie or a reaction to some other factor? Indeed, are there any wholly objective elements in the process at all, or is the entire business a matter of judgment?

Even with respect to the best polygraphers in the profession, the answers to these questions are disturbing. The most vocal supporters of the polygraph themselves stress the importance of a highly qualified examiner, yet in most states anyone who buys a polygraph machine can go into business. The 1974 Senate Subcommittee report noted ruefully that even the most reputable of the polygraph schools offers only 244 hours of instruction, including 14 hours in psychology and 31 in "medical aspects." One leading expert on polygraphs estimates that some 80% of the nation's practitioners, variously estimated as from 1200 to 3000, are incompetent.

How accurate is the polygraph in detecting liars? Its supporters claim an accuracy rate of 90–95% for tests performed by experienced examiners in the field (as opposed to laboratory experiments). Estimates from other sources are much lower. There is, in fact, no accepted scientific evidence of the polygraph's validity. An ACLU report on the polygraph published in 1973 (Shattuck, Brown & Carlson, "The Lie Detector As a Surveillance Device," 75pp. $1) concluded simply that the issue boils down to a battle of statistics, and that none of the statistics available are particularly reliable. A major difficulty in measuring the polygraph's performance is, of course, that verification is possible only in cases where there is independent evidence of the subject's veracity.

It must be stressed that the civil liberties objections to the polygraph are only incidentally a matter of the test's scientific validity, or lack of it. Even if a 100% reliable "lie detector" were to be developed, there would still be serious questions about invasion of privacy, violation of the Fifth Amendment privilege against self-incrimination, of the constitutional presumption of innocence until proven guilty, of the Sixth Amendment right to confront and cross-examine one's accusers, and of the Fourth Amendment protection against unreasonable searches—and, at bottom, assault on the fundamental dignity of the human personality. Alan Westin, discussing polygraphs in his book *Privacy and Freedom*, pointed out that the American constitutional system of due process has three purposes, only one of which is to discover truth; the others are to place limits on governmental power, and to preserve individual dignity.

How these constitutional and ethical issues are raised by the use of the polygraph for employment purposes may become clearer in the following paragraphs.

How employers use the polygraph: Interviews

A large car rental agency began to use polygraphs several years ago to combat an increasing problem of theft by employees. However, when thefts do occur, the polygraph is seldom used—only where no alternative means of investigation are available. Rather, the polygraph is used to screen applicants for jobs as service employees, the people who wash and prepare the cars and have the most contact with cars and money.

Prospective employees are not informed of the polygraph requirement on the application, or even, in some cases, until after the interview. Then they are simply given the address of a polygraph firm and told to report there for "a test." The agency's personnel department knows little of what goes on at the polygraph test; it accepts the results—a verdict of "recommended" or "not recommended"—from the polygraph examiner. The applicant is asked about his previous employment record, arrest record, involvement in thefts, and use of alcohol and drugs. The agency may also check the applicant's previous employers and references, but only if the polygraph test results prove satisfactory. No applicant who refuses a test will be considered.

The primary use of the test, according to the agency, is simply to check that people are telling the truth on their applications. It believes that this form of pre-employment screening has helped cut down internal thefts.

A wholesaler of drugs, liquor, and chemicals uses the polygraph to screen applicants for jobs in its warehouses and security forces. Sometimes it is used for investigating large internal thefts, but only as a last resort.

Applicants are told of the test requirement at the interview. They must sign a consent form agreeing to take the test of their "own free will without duress." The tests are administered at the company by its own security chief, a former member of the American Polygraph Association, and his officers, most of them former policemen. The personnel department leaves it all to the security men and accepts their judgment of "recommended," "not recommended," or "borderline."

Again, questions focus on drug and alcohol use, previous thefts, arrest record, and employment record. The test results are kept on file, whether or not the applicant is hired.

This company trusts completely in the polygraph; 95% of any hiring decision, according to the personnel director, is the polygraph test. No applicant who refuses a test will be hired; one who is rated "borderline," however, might be hired on a trial basis. Although the company acknowledges that a person "without a conscience" can beat the machine, it believes that all "normal" people can be quite accurately tested.

At a fast-food chain, polygraph tests are given to all prospective management personnel, the people who handle the cash. The purpose is to verify statements made on the application. If the applicant passes, his references may then be checked. All test results, including those of unsuccessful applicants, are kept on file. The polygraph company telephones its initial report within hours after the test, then follows up with a full written interpretation of the applicant's responses later on. The personnel manager was not sure what the polygraph company's credentials are, or how it was originally selected, but knew that it has a "good reputation."

This employer retests its managers annually. This is, in its judgment, the polygraph's most valuable function: to deter managers from stealing or other undesirable behavior because they know they will be caught on their next test. In a business where employees have easy access to cash and merchandise, it is important not only to get honest people to begin with but also to keep them honest. A manager who has been stealing will quit rather than face the polygraph.

A person who refuses a test will not be hired or kept on. A refusal shows immediately "he has something to hide."

A large insurance and securities firm uses the polygraph on all its job applicants, particularly to elicit information on drug use and debts. This company does not accept the polygrapher's "pass/fail" recommendation; it requires a full description of all the questions and answers, and even if the applicant appears to have told a lie, will discuss the situation with him to get the whole story. Though the polygraph is trusted, it is used as only one element in hiring decisions. Nonetheless, an applicant must be tested before hiring, and his credit status and earlier employment record might not be checked until he is already on the job.

Subjects sign a consent form, but at the insistence of the polygraph firm, not the employer. The employer believes that if there are any legal problems, they lie between the applicant and the polygrapher alone.

A retailer of fine jewelry tests its employees before hiring and annually thereafter. By assuring itself of honest and sober employees at the outset, it says, internal theft has been totally eliminated. The polygraph is believed to be more reliable than the judgment of an interviewer, because it is a machine—"personalities do not get in the way." The purpose of the test is simply to find out if an applicant has lied. An applicant who admits to earlier "misbehavior" might be hired anyway, but one who lies has no chance. It is very rare that an applicant refuses a test, though many are initially nervous and even antagonistic until the whole procedure is explained to them.

Results of all tests are filed. Those on rejected applicants are destroyed after a year.

A chain of drug stores tests all applicants, from stockroom clerk to executive. The testing is done on company premises by outside examiners carefully chosen by the head of the security department for thoroughness of training and length of experience. The applicant fills out a booklet of questions relating to drug and alcohol use, arrests, and previous further. Anyone who responds affirmatively, absenteeism). The questions are then repeated on the polygraph test.

Tests are given only after interviews have been held and references checked. If a person lies outright, he is rejected; if his answers seem "suspicious," he may be questioned further. Anyone who responds affirmatively, or is shown to be lying, to questions about thefts, drugs, alcoholism, gambling, debts, or shoplifting will be rejected. So will anyone refusing to take a test.

Test results are filed. If a theft should occur, and if suspicion appears to fall on a particular employee, his test file will be pulled and restudied. Sometimes a new test will be requested. If the employee refuses, no action is taken against him, but "it does raise doubt."

The polygraph files are open only to the security director. If another firm inquires about a specific employee, the company might look at the test results to help determine what kind of recommendation to give.

The company believes it is virtually impossible to beat the polygraph. Though most applicants answer their written questions honestly, they do so because they know the polygraph will catch their lies.

One company we interviewed, a manufacturer of surgical supplies, does not use polygraphs. It believes that other methods of preventing internal theft are more effective, such as attractive discounts to employees for company products, and an elaborate security system including a large force of guards.

The company does not think polygraphs are reliable or useful in sizing up a prospective employee. Strictly framed requirements for each job, and careful interviewing and testing for specific skills and aptitudes, seem to give better results.

How employers use the polygraph: Analysis

There is a pattern in these employers' responses to our questions.

First, there is a trust in the machine as something more reliable than human judgment.

There is also a distrust of the strangers who present themselves for jobs. As J. Kirk Barefoot, past president of the American Polygraph Association, has explained it, "Ours has become a mobile society. Job applicants no longer generally come from an employer's immediate community; thus the employer must screen prospective employees." Employers want a practical, reliable method of weeding out the "bad" strangers from the "good."

There is an overwhelming anxiety about lack of trustworthiness, perhaps understandable in light of an estimated loss to private industry of more than $3 billion annually from employee theft. This anxiety is often translated into an automatic rejection of all applicants who lie about anything, whatever the reason, as well as all who have had any experience of drug use, alcoholism, gambling, debts, arrests, thefts, or difficulties on previous jobs, again, whatever the circumstances. Clearly a case of "better safe than sorry." This attitude is combined with an almost reverent faith in the polygraph to weed out accurately all those who may not be "safe."

Second, most employers do not know, and seem not to wish to know, what a polygraph test involves, who gives it, or how it is interpreted. A number simply take the polygrapher's verdict of "recommended" or "not recommended" at face value, in effect surrendering their decision-making prerogative to the examiner and his machine. It is not always made clear to them on what grounds the polygrapher's judgment is based, but some employers seem satisfied not to inquire.

Few employers appear to be aware of any constitutional problems. "Privacy" is scarcely mentioned. Or, though they did not say so, perhaps they agree with Mr. Barefoot that "there comes a time when your privacy and mine has to be weighed against a company being stolen blind."

Curiously, when internal thefts do occur, employers do not rush to the polygraph if other methods of investigation are available. The reasons are not clear. Is faith in the detecting powers of the polygraph not so firm after all? When disgrace, loss of a job, and perhaps even criminal charges are involved, do employers feel more qualms about privacy, self-incrimination, presumption of innocence? Perhaps when they are dealing with distinctive, real individuals whom they have hired and accepted, not just a faceless mass of unknown applicants knocking at the door, employers become more conscious of the human values, of the indignity of examining a person's mind by machine, and of the dangers of making damaging judgments in the absence of sound, independent evidence.

It appears to be common practice to keep polygraph tests on file, often for rejected applicants as well as those hired. Assurances of confidentiality are nearly always offered; usually the files are restricted to the personnel and security directors alone. Yet the reason for keeping the tests is vague. "For the record," or "in case a rejected applicant comes back," were the answers in several interviews, and one company, as noted, said it sometimes refers to the tests in making recommendations to other employers.

No mention has been made of the shocking abuses of the polygraph that come to light from time to time: the probing for details of the subject's sex life, fantasies, phobias; the search for union "troublemakers" and political "activists"; the thinly disguised threats; the wrongful accusations of criminal misdeeds. There is no need to appeal to the abuses in order to demonstrate how serious are the problems created by the common uses of the polygraph.

Here are a few:

First, pre-employment polygraph screening intensifies already rampant forms of employment discrimination, most particularly discrimination against applicants with arrest records. (Note that employers want to know about arrests, not just convictions.) Use of the polygraph test makes it all too easy for employers simply to reject anyone who admits to an arrest, or who appears (as interpreted by the examiner) to be lying about an arrest record. Whether or not the polygraph test really unmasks lies, it does encourage employers to screen out anyone whose past is less than prestine. Asking questions about arrests at an interview is bad enough, but there is at least opportunity for the full story to be told. Reliance on the polygraph saves the employer the trouble of further inquiry.

Second, submission to a polygraph test is not a voluntary act, despite the rhetoric of its proponents and the formality of asking applicants to sign "free-will" consent forms. If an applicant must take a test in order to be hired, then testing clearly is not voluntary. Nor is it voluntary when an employee suspected of theft is fired for refusing to take a test. ACLU affiliates all over the country have received complaints from people who were fired, often on some other pretext, after they balked at taking a polygraph test. Given the present state of the economy and the use of the polygraph by ever-increasing numbers of employers, it is hard to argue that as a practical matter employees and applicants are voluntarily submitting to tests. And with the conclusion that testing is in fact mandatory, the constitutional arguments citing violations of due process and the right of privacy become all the more compelling.

Third, the filing of polygraph test results virtually invites the compilation of company blacklists and their eventual pooling industry-wide. It would certainly be much easier for employers to trade among themselves lists of applicants who flunked polygraphs than go to the trouble of searching for arrest

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records and even checking references. If such polygraph "banks" don't already exist, they surely will in not too many years.

Fourth, the polygrapher hired by an employer has a strong incentive to err on the side of safety. His eagerness to retain the trust (and business) of his client will naturally, though perhaps unconsciously, influence his interpretaton of any ambiguous test evidence. Most employers rely totally upon the polygrapher's recommendation, no questions asked. Perhaps in pre-employment testing, even more than in testing related to criminal investigation, the polygrapher's biases and attitudes are crucial.

Legal controls

The applicant or employee who is asked to take a polygraph test has very few legal protections.

Labor arbitrators have generally refused to uphold dismissals for refusing to take a polygraph test, or to admit polygraph evidence in cases of employees punished or dismissed for alleged criminal wrongdoing, especially where there is evidence of coercion or an absence of other evidence of guilt. Many labor unions oppose the polygraph test, and some have managed to negotiate contracts prohibiting its use. A few have rules penalizing members who agree to take tests.

Thirteen states have laws limiting or banning use of the polygraph for employment purposes. These are Alaska, California, Connecticut, Delaware, Hawaii, Maryland, Massachusetts, Minnesota, New Jersey, Oregon, Pennsylvania, Rhode Island, and Washington. Most of these impose penalties on employers who try to require either employees or applicants to take tests. Some do not permit employers even to "request" an applicant or employee to be tested. However, all but New Jersey and Oregon provide for important exemptions, usually either law enforcement personnel or government employees or both.

Such exceptions seem to suggest that some legislators still have a residual faith in the efficacy of the polygraph, and that their concern for the rights of those employed by government and law enforcement agencies is overridden by their solicitude for the importance of such employees' public mission. The exceptions leave a lot of people without protection. Some states also allow "voluntary" polygraph tests. So far, the laws have not been very strictly enforced, and the penalties prescribed for violation in most instances are not particularly onerous.

A different approach, one more to the liking of professional polygraphers, has been taken by some 15 states which require the licensing of polygraph examiners. The object here is to protect test subjects from incompetent practitioners rather than to restrict testing. The 1974 Senate Subcommittee report found most of the licensing requirements insufficient and criticized such laws in general for avoiding the real issues.

Several attempts have been made in Congress to enact legislation protecting federal employees, most recently in the 93rd Congress in a bill sponsored by Senator Sam Ervin. Congressman Edward Koch is making a new try in the 94th.

It seems unlikely that attempts to persuade employers to exercise self-restraint or adoption of half-hearted legislation riddled with exceptions can stem the growth of polygraph testing. Only a flat ban will do the job. Employers, public and private, must be forced to abandon the polygraph altogether and turn to other methods of investigation which will honor the right to privacy. As the Senate Constitutional Rights Subcommittee concluded:

> Expediency is not a valid reason for pitting individuals against a degrading machine and process that pry into their inner thoughts. Limits, beyond which invasions of privacy will not be tolerated, must be established. The Congress should take legislative steps to prevent Federal agencies as well as the private sector from requiring, requesting, or persuading any employee or applicant for employment to take any polygraph test. Privacy is a fundamental right that must be protected by prohibitive legislation from such unwarranted invasions/TRH.

(Research for this article conducted by Laura Kantrowitz, Oberlin College, '76.)

SENATE—*Thursday, April 24, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

"Our vows, our prayers, we now present
Before Thy throne of grace;
God of our fathers, be the God
Of their succeeding race.

"Through each perplexing path of life
Our wandering foot-steps guide.
Give us each day our daily bread
And raiment fit provide.

"Such blessings from Thy gracious hand
Our humble prayers implore,
And Thou shalt be our chosen God
And portion evermore."

—*Philip Doddridge.*

O Lord, as we serve Thee in this place may we be steadfast in our love of life, our devotion to freedom, our intolerance of evil, our hunger for wisdom and our pursuit of peace. And to Thy care and guidance we commend ourselves this day. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 24, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, April 23, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISAPPROVAL OF PROPOSED DEFERRAL OF BUDGET AUTHORITY—TIME LIMITATION AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate proceeds to the consideration of Calendar No. 79, Senate Resolution 69, there be a time limitation of not to exceed 1 hour, the time to be equally divided between the distinguished Senator from Indiana (Mr. BAYH) and the minority leader or whomever he may designate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LET US START AFRESH

Mr. MANSFIELD. Mr. President, I have not seen the speech which President Ford delivered last evening at Tulane University in New Orleans. I have, however, seen press reports of the speech and noted the headlines, stating that the President called for a "Great National Reconciliation." He said, further:

> I ask tonight that we stop refighting the battles and recriminations of the past. I ask that we strive to become, in the finest American tradition, something more tomorrow than we are today.

Further on in his speech, he said:

> The time has come to look forward to an agenda for the future, to unity, to binding up the nation's wounds and restoring it to health and optimistic self-confidence.

I want to express my full support of these Presidential statements and to join him in endorsing the need to stop refighting the battles and recriminations of the past. I am glad that the President made the kind of address he did at Tulane and, in the spirit of Abraham Lincoln, I join him in calling for "binding up the Nation's wounds."

It is easy for anyone who has been involved in the tragedy of Southeast Asia to say, "I told you so." That is what the Nation does not need at this time. What is needed—and this is in the spirit of the President's speech, as I interpret it—is to reassess our position at home and abroad. While we cannot forget the past, nor should we, we might learn from it so that in the future the same mistakes would not be made.

The President has taken the initiative as the Chief Executive of our Republic, and Congress can do no less than to heed his counsel. Debates over who lost whom or what will get us nowhere, but constructive debates about

what we must do today and tomorrow will be in the Nation's best interests. It will do us no good to look for loopholes which might give us some political satisfaction, temporarily, but will not help to bind up the Nation's wounds as we must if we are to restore our credibility and standing and to make this Nation what the Founders envisaged two centuries ago. With appreciation of each other's point of view, with a determination to work for the common good, we can make progress at this time, when an old era is ending and a new one is beginning. While we will, no doubt, have our differences from time to time, I pledge my support of the speech by the President at Tulane University and assure him that I will do everything in my power to be of assistance in the difficult days which lie ahead for all of us.

In the words of the President in his address to the joint session of Congress, "Let us start afresh."

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Ohio, as the acting minority leader, seek recognition?

Mr. TAFT. Not at this time, Mr. President.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Ohio is recognized for not to exceed 15 minutes.

SUPPLEMENTAL SECURITY INCOME AMENDMENTS OF 1975—S. 1514

Mr. TAFT. Mr. President, today I am introducing the Supplemental Security Income Amendments of 1975. Cosponsoring this measure with me are Senators BEALL, BROCK, BROOKE, DOMENICI, HATFIELD, HATHAWAY, HUMPHREY, JAVITS, MCGOVERN, and SCHWEIKER.

Prior to its inception last year, the SSI program was described as perhaps the greatest step forward in the provision of assistance to our Nation's elderly since the initiation of social security. For the first time, our aged, blind, and disabled citizens were to have a uniform income floor which would fulfill their minimum basic needs, despite their limited abilities in many cases to earn a living. The caprices, inadequacies, and inequities of 50 different State public assistance programs for these people were to disappear.

These concepts remain valid and the SSI program remains, potentially, a major step toward a more rational and responsible public assistance program. It has already been of considerable benefit to many Americans, generally in the group most in need of help, because they are unable to work.

Nevertheless, within weeks of the program's initiation it became apparent that all was not going well. Many of my constituents wrote to tell me that they and their associates had been denied benefits for reasons they could not understand. When I studied their specific complaints and the program's general operation, I found that they were right in many instances and respects. In my July 16, 1974, testimony before the Special Committee on Aging, I listed the program's shortcomings as follows:

> Recipients must wait too long while their eligibility for SSI is determined, and they are assured of no assistance during this period. Recipients designated as presumptively disabled may receive help for the first 3 months of this period, but this designation has been made only in very limited circumstances—cases of paraplegics, double amputees, or those deaf or obviously blind;
>
> Recipients are not guaranteed protection from the ravages of inflation, which is eroding even the modest benefits now provided;
>
> There has been no provision for immediate help in hardship cases involving SSI recipients whose checks have been lost, stolen or otherwise not received;
>
> Because of the bizarre operation of program rules, a recipient cannot live in an institution which regularly charges a fixed rate or furnishes care at a fixed rate exceeding the SSI benefit level, even though he may receive the limited help from charity which is necessary to do so, unless he forfeits the total SSI benefit;
>
> Attempts by charities, relatives, friends or other sources to help support SSI recipients are rendered fruitless by the program's dollar for dollar penalty for maintenance and support;
>
> Delivery of benefits is not coordinated with delivery of other government assistance to promote recipient convenience and to reduce hardship and ignorance of available help; and
>
> Recipients remain eligible for food stamps only through interim legislation. A law which would cut off some of them in a discriminatory fashion is scheduled to become effective next June 30.

I call this provision particularly to the attention of the staffs of the legislative committees to which this proposal will go, because action by these committees on it would seem to be mandatory before that date.

> Hearing rights and other legal rights are inadequate in some respects;
>
> Some of the rules for determining a recipient's income for the purpose of calculating the benefit level are unnecessarily harsh; and
>
> The provision of law which forbids payment of benefits to inmates of public institutions is having a disproportionately large effect upon my own constituents in Ohio.

Shortly thereafter I introduced legislation which addressed most of these problems. At the time, I indicated my hope that the legislation would serve as a starting point for and catalyst to others concerned about the future of SSI.

The response since that time has been considerable and has convinced me further of the need for modifications in the SSI program. In addition to the many Congressmen and Senators who have expressed to me their concern about the operation of the program, I have received letters and telephone calls from all over the country suggesting improvements in SSI. Some of the modifications from last year's bill in the bill I am introducing today resulted directly from those comments.

Some of the concerns I mentioned in my July 16, 1974, testimony have been addressed by new laws. The last bill signed by President Nixon mandates that SSI benefits will increase automatically to keep pace with cost-of-living increases, a provision which I regard as a major step forward. The provision put SSI recipients on a par in that regard with social security beneficiaries and eliminated an unconscionable situation in which social security cost-of-living increases were offset totally by SSI reductions.

I mention here my opposition to the President's proposed ceiling of 5 percent this year on SSI and social security cost-of-living benefit increases. In view of the Government's deficit situation the importance of controlling Government expenditures is obvious, but I do not feel that holding the needed support to some of our poorest citizens' otherwise fixed incomes below cost-of-living increases is a reasonable way to fight inflation. The policy seems particularly questionable immediately following a large tax cut designed to put more money in the hands of more fortunate citizens.

The same law which contains cost-of-living increase provisions also includes my provisions designed to save hundreds of thousands of SSI recipients from financial catastrophe during the weeks or months necessary to determine their eligibility for SSI. This legislation allows States and counties to be reimbursed out of the retroactive SSI payment due to a recipient upon the determination that he is eligible for SSI, for any assistance payments made to him during the waiting period. By assuring the States and counties that they will be reimbursed, the law should enable them to extend financial advances at the SSI benefit level on a widespread basis.

From the SSI recipient's standpoint, the result will be the same as if he were determined eligible for SSI immediately. Protections are included in the new law to insure that the recipient participates on a voluntary basis and is promptly paid any balance of SSI owed retroactively to him.

I believe that this new provision is of crucial importance because food bills, medical bills, and other necessary living expenses will not wait 2 to 5 months for a government determination. It should help the disabled in particular, whose determinations, tragically, are subject to the longest delays.

While it is too early to tell how well these provisions are working, I understand that the program I offered is now being used or implemented in 30 States. I am pleased that although Ohio did not enter the program for some time, perhaps partly because the program involves more administrative difficulties for Ohio's county-administered public assistance system than for centrally administered systems in other States, Ohio is now participating in the program.

The third major legislative improvement which has been enacted is a more restrictive version, introduced by Senator CHURCH, of one of the provisions in the bill I introduced last year. It states that in most circumstances, contributions by a charitable organization to an institutionalized person's support will not count as income for the purpose of determining SSI benefits. The practical effect is to allow individuals to live in institutions charging fixed rates exceeding the SSI benefit level without losing SSI eligibility, if the additional funds necessary are supplied by a charitable organization.

The other problems I mentioned last year, and others of a serious nature, still wait for solutions. The legislation I am

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introducing today would deal with them in many respects.

The first priority of the SSI program must be to reach those in need. An estimated 6.2 million Americans are eligible this year for SSI. However, at this time only about 4 million Americans have been brought into the program.

The Social Security Administration, in conjunction with many private groups, conducted extensive "outreach" activities at the outset of the SSI program. As a result of these activities, many potential eligibles have been found and brought into the program. Obviously, however, much more work along these lines needs to be done. Furthermore, Outreach is a continuing task, as people age or become disabled or their income status changes.

The concern has been voiced to me that the Social Security Administration might terminate its outreach activities now that the SSI program is underway. Section 2 of the legislation I am introducing recognizes that Outreach should be a continuing function and requires the Social Security Administration to conduct the appropriate activities on a permanent basis. This provision is similar to a directive now contained in the Food Stamp Act.

There has been some concern that in its Outreach program, the Social Security Administration may have told some individuals with possible eligibility status not to bother applying to SSI, on the basis of a few words uttered over the telephone. While it would be a waste of everyone's time to encourage applications from those obviously ineligible, we must recognize responsibility to encourage an application when there appears to be any reasonable possibility of eligibility.

Despite the improvements brought about by the Church amendment I have already mentioned, treatment for SSI purposes of support and maintenance furnished in cash or in kind still has thrown or eventually could throw institutions' treatment of some would-be SSI recipients totally out of kilter. The benefit reductions resulting under present SSI rules produce some incredible results when applied to potential SSI recipients attempting to live in institutions with fixed charges higher than the SSI benefit level, with the financial assistance of friends or relatives.

For example, leaving aside the $20 per month disregard of income for simplicity's sake, if the institution's charge is $156, the SSI recipient pays $146 and the noncharitable source pays the difference. However, that $10 is counted as "unearned income," so that the next month the SSI benefit is reduced to $136 and the noncharitable source has to pay $20 instead of $10. The next month there would be $20 in unearned income and the SSI benefit would drop to $126. Thus, the expense of the contributor would increase to $30, which that contributor may or may not be willing or able to pay. The ultimate result of this process would be that the SSI benefit is reduced to zero and either the contributing source must support the SSI recipient entirely or the recipient leave the institution.

The effects of such benefit reductions, I understand, were limited in 1974 because they were not applied to those recipients who were converted from the old welfare program to SSI. The Church amendment also alleviated the problem to a great extent, by preventing this situation for persons supported by charities. However, some people still could be affected when annual redeterminations are made, in addition to those who were not converted or did not previously live in institutions and who have problems now. The situation must be remedied even if it affects only one person, because I am hard-pressed to think of any other program rule in the Government which operates in such a bizarre and counterproductive manner.

I understand that the Social Security Administration may attempt to attack this problem administratively in the near future, by allowing a maximum one-third reduction of SSI as a result of any contributions to an institutionalized person's support. I have encouraged efforts to find an administrative solution. Nevertheless, I still am introducing a legislative solution as an indication of my belief that immediate action is needed, because the legal authority for this administrative solution may be questionable and because the legislative alternative appears to be more equitable, as I shall explain.

Unlike "earned" wage or salary income, any "unearned" income of a potential SSI recipient has been deducted dollar for dollar from the potential SSI benefit once the income disregard level has been exceeded. Until recently this arrangement eliminated any possible role of significance for tax-exempt charities or other third parties, including relatives, in assisting SSI recipients. If a charity or other third party wished to increase the level of support of an SSI recipient by $1 per month and the $20 income disregard had already been utilized, it would have had to pay him an extra $147 per month to do so. Thus, it was fruitless to help SSI recipients unless the contributor alone could support them at a much higher level than SSI benefits.

While this cut-off of additional help for SSI recipients might have been more justifiable if SSI benefits alone provided a generous or even a clearly adequate level of support, the provision of $146 plus the $20 income disregard per month is simply not enough to justify a Federal policy that further contributions from private sources are generally to be barred, rather than encouraged.

Several months after I introduced last year's version of this bill, the Social Security Administration imposed administratively a maximum reduction of one-third the SSI benefits resulting from any contributions to persons not living in institutions. However, while this step and the Church amendment have reduced the magnitude of the problem, they have not eliminated it because the dollar-for-dollar reductions still apply to significant amounts and types of contributions. In addition, the legal authority for the administrative decision establishing the one-third maximum deduction may be questionable. The legislative solution I offer also appears to be more equitable than that solution.

In addition to the specific concerns I have reviewed, various complaints have come to my office involving wide variations among social security district offices in the interpretation of levels of both income in kind and resources. While individual judgments are involved and some variations will always exist, the Social Security Administration should provide the training and take other necessary steps to promote more equitable administration of these provisions.

Section 3 of the bill deals in several ways with the problems concerning the treatment for benefit determination purposes of maintenance furnished in cash or in kind.

It would deal directly with the benefit "spindown" problem for institutional residents, by stating that where the part of an SSI recipient's institutional charge in excess of the standard SSI benefit level is waived or paid by a third party—other than a charitable organization—any additional payment made necessary by the workings of the "unearned income" provision would not in turn count as unearned income and result in a further SSI benefit reduction.

Thus, in the example I mentioned earlier, if a relative or other noncharitable source contributed the extra $10, the SSI benefit would be reduced by $5—rather than $10 because of another amendment in section 3 which I shall describe—and the SSI benefit would drop to $141. However, even though the source's contribution would rise to $15, the SSI benefit would not drop further and, therefore, defeat the effort to support the SSI recipient.

To create an incentive for support of SSI recipients by private parties such as relatives, section 3 also would provide that SSI benefits would be reduced by 50 cents rather than the present dollar for each dollar of maintenance and support furnished in cash or in kind. Thus, unlike the maximum one-third reduction administrative solution already adopted, but like the proposed solution I explained to the spin-down problem, the extent to which SSI benefits are reduced would retain a direct relationship to the size of the private contribution and SSI benefits would stop at a reasonable level of private support. Unearned income would still be treated less favorably than wage and salary income, to which a $780 annual disregard applies before SSI benefits are reduced by 50 cents for each additional dollar.

Congress would have to consider whether this proposed change necessarily should be accompanied by a reduction from 33⅓ percent of the amount now statutorily required to be subtracted from benefits of SSI recipients living in others' households. I feel that there are arguments on both sides and my bill does not change this provision, but the matter should be studied further.

The bill also prevents the effort of federally tax-exempt charities based on need from being undermined ironically by Federal reductions in SSI benefits. To accomplish this and thus to help SSI beneficiaries supported by charities but not residing in institutions, it generally would prevent any charitable contributions to these individuals from resulting in reductions in SSI benefits.

Taken together, these changes in section 3 would provide for sensible treatment both of SSI recipients living in institutions and of private contributions in support of SSI recipients.

Section 4 of the bill follows up upon my efforts to assure that those persons waiting to be determined eligible for SSI are assisted sufficiently. Section 4(a) deals specifically with the problem area of disability cases. Under present law, persons judged to be "presumptively disabled" may receive up to 3 months' SSI benefits. Because these benefits are not repayable even if the applicant is later found to be ineligible for SSI, determinations of presumptive eligibility certainly should be made cautiously. However, the Social Security Administration, at least for many months, went overboard and was so restrictive that it eliminated almost everyone.

The Social Security Administration was aware of this problem, but originally took the position that the legislative history of the SSI provision gave them no leeway to adopt a less restrictive policy. The legislation makes clear that they can and should do so, by requiring criteria designed to assure that individuals who are reasonably established to be suffering from conditions which normally constitute disability will be presumed disabled.

With the help of the law I authored last year, State and county public assistance systems may offer some persons emergency assistance even though they have been denied presumptive disability status. However, the need for the Federal Government to facilitate assistance to the disabled directly in this manner, despite the existence of much-improved State and local interim assistance efforts, is likely to be extremely significant. Thus the Social Security Administration's presumptive disability operations must remain under careful scrutiny and subject to alteration if necessary.

Since I drafted this provision last year, changes in the presumptive disability approval figures appear to verify that he standards used for presumptive disability determinations have become more reasonable. I applaud this progress. Nevertheless, because of the restrictive past committee report language and as a reminder of the importance of a responsive presumptive disability policy, I am introducing the legislative change. I do not expect to press for action on it if the administrative changes appear to be adequate.

The second provision of section 3 would allow the Federal government to offer its own interim assistance program for presumptively aged persons waiting for SSI eligibility determination. It changes the limit on repayable cash advances to presumptively eligible recipients from $100 to the actual amount of benefits which would be payable for the waiting period.

The new law to provide this type of assistance through State and county welfare systems originally had an expiration date of June 30, 1975, rather than the June 30, 1976 date which was enacted. While it is flattering that the House and Senate conferees thought enough of my approach that they more than doubled its life, I had included the 1975 date to insure that Congress would keep close watch on the new system and continue to evaluate whether this type of assistance could be provided more effectively through other means—in other words, through the Federal Government directly.

The provision I am including today would do just that, for the purpose of insuring further congressional relvew of the situation. It is limited by the qualification that persons must be presumptively eligible to receive help, which would prevent its application to new applicants to a degree which depends upon the administrative definition of presumptive eligibility. Thus, this provision could not totally replace the new law. Alternatively, however, it may be found useful in tandem with the new law to deal with situations such as long delays due solely to problems in a presumptively eligible individual's records, where there definitely should be no need to involve State and county welfare departments.

This provision should not be acted upon until the new interim assistance reimbursement law has worked a while longer and its workings are reviewed thoroughly. A report on the workings of the law is required from the Social Security Administration not later than May 1, 1976. I am hopeful that any report will provide evidence that the provision I am introducing today is unnecessary, but I will be ready to move on it if it appears to be needed.

I believe that section 5 of the bill could prove to be extremely important. It requires the Social Security Administration to take steps to coordinate the provision of SSI with the provision of other types of assistance for which SSI recipients are likely to be eligible, such as food stamps, medicaid, and State and local public assistance. This is directed to be done with a view to facilitating the filing of claims for and the actual delivery of assistance. The same directive would be given to administrators of the food stamp and medicaid programs.

When feasible, the Social Security Administration is directed to enter into arrangements with other individual assistance agencies so that claims for all types of assistance can be filed at the same office, or at offices near each other. This provision recognizes that the office-to-office runaround syndrome is likely to be particularly hard on elderly and disabled citizens with limited mobility. The Social Security Administration would be authorized to pay any related administrative expenses or other agencies where necessary, so that bickering over the assumption of administrative costs does not lessen the effectiveness of this provision.

One of the possibilities which should be investigated as section 5 is administered is the old practice of "public assistance withholding," under which welfare recipients could have their welfare checks reduced to pay for food stamps and the food stamps included in the same envelope as the welfare check. Because this practice was discontinued when SSI began, some Ohioans who physically could not arrange transportation to food stamp issuing offices were forced off food stamps. While the Federal concern about mailing negotiable instruments such as food stamps is legitimate, this arrangement apparently worked well in Ohio and the Social Security Administration should evaluate fully its possibilities.

Section 6 of the bill would deal with the problem of food stamp eligibility for SSI recipients. In late June 1974, Congress passed legislation which extended for 12 months the present law for determining their eligibility. On the Senate side on June 3 and 4, 1974, Senators CRANSTON, EAGLETON, RIBICOFF, and I all introduced similar extensions of present law. But while the 12-month extension was extremely important, permanent legislation is still needed because the onerous provisions of Public Law 93–86 are scheduled to become effective next June 30, now only about 2 months away. By mandating that only those whose December 1973 combined welfare and bonus value of food stamp levels exceed their present SSI benefit level would remain eligible for food stamps, these provisions would cut off SSI recipients' food stamps in a manner not necessarily based on income, create an administrative monstrosity in the food stamp program because of the recipient-by-recipient calculations required, and eliminate food stamps for many SSI recipients each time SSI benefits increase, even if these benefit increases are designed solely to keep pace with the cost of living.

The difficult problem of legislating permanent food stamp eligibility provisions for SSI recipients has evoked several different proposals from different sources. For several reasons, the concept of "cashing out" the food stamp program initially was attractive. Many SSI recipients consider food stamps demeaning because of their high degree of visibility, while for others, transportation problems or inability or unwillingness to go through the redtape limit use of the program. These factors contribute to a participation rate probably less than 30 percent, despite the blanket eligibility of SSI recipients for food stamps.

However, these problems are inherent in the food stamp program and do not pertain only to SSI recipients, although that group is probably affected disproportionately. Furthermore, a cashout only of SSI recipients would create situations in which they are ineligible for food stamps even though others with higher incomes remain eligible. Such a cashout would also create serious administrative difficulties in cases where the SSI recipient lives in a household with others who may be eligible for food stamps. These cases might even include many husband and wife situations.

These problems led me to conclude, reluctantly, that as long as there is a food stamp program there will be serious problems inherent in mandatory cashout only of SSI recipients. Thus, I am proposing instead that SSI be considered in the same fashion as any other income for purposes of determining food stamp eligibility. An exception would be made in the bill, however, to allow those SSI recipients who are depending on food stamps at the time of enactment and who receive them based solely on their SSI eligibility rather than their income to retain the automatic food stamp eligibility of their household. This arrangement would prevent perhaps one-fourth or more of the SSI recipients from losing

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their eligibility for food stamps, while still establishing the principle that food stamp eligibility should be determined based solely on income, regardless of source. To avert administrative transitional problems, the income eligibility test for households containing SSI recipients—other than those covered by the bill's exception—would not be applied until October 1, 1975.

The bill also incorporates other necessary changes to the Food Stamp Act, proposed by the administration last year, which will affect some SSI recipients. These changes classify groups of unrelated individuals living together as economic units under the food stamp definition of "households" in accordance with a recent Supreme Court ruling, restore certain provisions which were in the Food Stamp Act at one time but have been deleted, and make clear that SSI recipients in the five cashout States, who are now categorically ineligible for food stamps, would become eligible for food stamps if their incomes warrant under the terms of the bill.

Section 6 of the bill would eliminate the provision requiring that an elderly couple must live apart for 6 months before each person is considered an "eligible individual" for the purpose of receiving SSI benefits. In the interest of saving bureaucrats the work of determining whether a couple has actually separated, present law simply requires that they be paid as if they were living together for this first 6 months that they maintain separate residences. Each person thus receives 25 percent less than the amount which would be available to an "eligible individual," even though each may have to bear the expenses of an individual household.

The legislation I introduced last year would have reduced the waiting period from 6 months to 2 months, rather than eliminating it entirely. Since then, from my additional conversations with those inside and outside of the Government and further research, I have become more convinced that the total elimination of the waiting period is not likely to result in an unjustifiable administrative burden or an appreciable increase in the fraudulent receipt of SSI benefits. The 6-month waiting period also may be constitutionally challengeable. In view of all these considerations, I feel that we would be justified in totally eliminating the 6-month period.

Section 7 modifies the inflexible statutory requirement that any disabled recipient who, in addition to any other infirmities, may also suffer from alcoholism or drug addiction, must have his SSI payments made through a representative payee. It amends that provision to allow for a waiver of this requirement when the SSI recipient is receiving rehabilitation treatment and when the chief medical or supervisory officer of the treatment facility certifies in writing that direct payment to the recipient would have therapeutic value to him or her and that there is substantial reason to believe that the recipient would not misuse the SSI payments. This change is necessary to assist rehabilitation facilities in achieving full rehabilitation of their patients.

I am aware that the requirement that all alcoholics and drug addicts be paid through representative payees has been a major administrative headache in some cities. While my amendment would ease this burden somewhat, to a large extent the administrative burden would remain. Particularly in view of the requirement that all alcoholics and drug addicts receiving SSI be undergoing treatment at approved facilities, as monitored by the Social Security Administration, and the provision which gives the administration the discretion to appoint a representative payee for any SSI beneficiary who appears to need this assistance, the appropriate committees of the Congress also should evaluate the possibility of repealing the representative payee requirement for alcoholics and drug addicts entirely.

The legislation, in section 9, would write into SSI law the same deadlines for action on approval of applications which were required under the welfare programs replaced by SSI. It does not seem unreasonable to require the Social Security Administration to meet the same deadlines that the States and counties learned to live with. This section also adds a requirement that decisions on presumptive eligibility for benefits on the basis of disability be made within 20 days of application. These deadlines apply, of course, from the time the application is completed and filed.

While no figures are available on the average waiting period for action on applications, the backlog of pending applications is the equivalent of about 31 days of new applications for the aged and 76 days for the disabled. These figures are an improvement over several months ago, but they are also an obvious indication that serious problems remain the application process.

The crisis in the social security disability appeals system, particularly as it is likely to apply to the SSI program, is addressed in section 10. The extensive work of Senator PELL and my own research on this problem helped convince me that the term "crisis" is merited. The average social security applicant who appeals a negative disability determination must go without benefits for more than 6 months while he awaits for a decision. The variation in this average waiting period between the social security region is even more shocking, because it indicates how much room there is for improvement. The average waiting period ranges from 93 days to 226 days in the different regions. In my own region, these financially strapped constituents must wait an average of 206 days before a decision.

Last year, more than half of these appeals were eventually decided in favor of the claimant. That figure is a good indication that generally, these are not frivolous appeals, although some appeals undoubtedly fit into this category.

To make matters worse, any prospect for improving this dismal disability appeals situation is crippled by the existence of a 110,000 case backlog. At last year's rate of determinations, this would be a case backlog of about 1½ years, even if no new cases were submitted. As a practical matter, the SSI disability appeals caseload is expected to increase next year from a very low level to over 60,000, while there is every reason to believe that disability appeals in the social security, medicare, and black lung programs will continue to be made at high levels.

It is obvious that this situation demands immediate corrective action.

There appear to be several reasons for this horrendous situation. One of the basic reasons is that the disability appeals system is simply not adequately staffed and equipped to handle the large caseload.

A major contributor to the problem has been the black lung program. The Social Security Administration, despite its opposition, was given continued responsibility for handling black lung disability appeals in the Black Lung Benefits Act of 1972. The same legislation liberalized the criteria for black lung benefit eligibility. I helped to author those changes and I believe that they make the black lung benefits program more responsive to the problem it addresses, but the side effect of the change was to require the reopening or reconsideration of about 200,000 black lung cases. This tremendous one-time burden on the appeals system continues, although it has now been reduced to the 30,000 range.

More tragically, the appeals situation has been worsened and is likely to be crippled further by an administrative dispute concerning the hiring of administrative law judges for the SSI program. Although the Department of Health, Education, and Welfare asked the Civil Service Commission to fill about 300 such positions in 1972, the Civil Service Commission refused to request administrative law judges for the SSI program. On what I believe to be dubious legal grounds and clearly contrary to the intent of Congress, the Commission concluded that SSI disability appeals cases should be adjudicated only by lower grade examiners rather than the type of administrative law judges who hear social security appeals cases.

Any technical problem in the law contributing to this situation should be remedied if necessary, because the Commission's position is totally unsound from a policy standpoint. It creates a situation in which the SSI appeals program appears to be given a consistently lower status than the social security disability insurance and medicare appeals programs. The SSI disability appeals ought to be considered at least as important as those under the social security or medicare programs, particularly since by definition these appeals generally involve the poorest people. Furthermore, the SSI cases may turn out to be the most difficult to adjudicate. They involve the same issue of whether a person is disabled, but they also involve the degree of a person's indigency rather than his work experience as in social security. The former is likely to be a more difficult issue to determine. SSI adjudicators also have more responsibility than adjudicators for the other programs under present law, because their findings of fact must be considered final by the courts.

Most importantly, a continuation of the Commission's policy would create an additional devastating drag on the appeals system. Presently, title II administrative law judges cannot handle SSI

cases, while SSI hearings examiners cannot hear title II cases. In some regions, however, 50 percent or more of the appeals cases involve claims under both programs. In view of the overall state of the disability appeals system, a policy necessitating two adjudicators to hear each of these cases is simply unconscionable.

As a result of this dispute between HEW and the Civil Service Commission, no adjudicators for the SSI program were hired for some time. Now HEW has hired over 100 hearings examiners for SSI, but this inadequate number does not have authority only to adjudicate social security cases.

It is also argued that the structure of the disability appeals program itself contributes to the delays and backlog. Some scholars suggest that the appeals system could be simplified and appeals expedited considerably, without jeopardizing the appellant's constitutional rights. I understand that some procedural changes are being undertaken on an experimental basis. In addition, there is apparently a considerable unfulfilled need for supporting staff to assist the hearings examiners. These avenues and others for improving the situation certainly must be pursued.

Section 10 of the bill would attach the disability appeals problem in several ways. First, it would clear up the Civil Service Commission-HEW dispute so that an adequate corps of adjudicators can be hired. Subsection (a) of section 10, therefore, is a technical amendment which makes clear that administrative law judge can be hired to adjudicate SSI cases and that HEW also could appoint qualified adjudicators who do not meet the specific requirements of the Administrative Procedures Act to the extent necessary to fulfill the objectives of the SSI program. This exact language was proposed by the administration in 1973 and was later endorsed by the staff of the House Ways and Means Committee.

Possible improvements in this language could be considered to insure that all adjudicators appointed can hear both social security and SSI cases, and that SSI appellants will have exactly the same rights in the appeals process as social security disability insurance appellants. In recognition of the difficulties in obtaining administrative law judges and the qualified status for adjudication work of some other individuals, the possible further utilization of such other individuals is a subject worth exploring. I would be open to suggestions for any modifications consistent with these principles. However, I am proposing the Administration-Ways and Means Committee staff language to help achieve a prompt resolution of this problem.

The legislation would also require the Social Security Administration to submit within 60 days its plans and recommendations for eliminating the disability appeals backlog and improving processing times, without jeopardizing the appellants' rights. The plans and recommendations might include staffing recommendations, changes in the appeals process itself, or other ideas. Since this matter has been under discussion for some time and ought to be considered on an urgent basis, I feel that the 60-day deadline is reasonable.

Section 10(c) would provide that effective January 1, 1977, SSI benefits would commence automatically for any appellant who has waited 120 days without receiving a disability appeals decision. The leadtime is included in recognition that the present backlog and staff shortages cannot be remedied overnight. However, the present situation leads me to conclude that the Government needs this definite deadline and SSI applicants need this protection. Since some regions are averaging less than 100 days per appeal now, it seems reasonable to set the absolute deadline at 120 days.

In the case of a final denial of benefits issued some time after the 120 days, the SSI benefits would be stopped only prospectively. Language is included to make clear that delays caused by claimants would not count as part of the 120 days.

Unlike other disability appeals legislation which has been introduced, this bill provides for mandatory payments only for SSI appellants. This approach was taken because the focus of this bill is to improve the SSI program, SSI recipients are the poorest disability appellants, and no issue would be raised concerning the use of social security trust fund moneys for this purpose. However, Congress will have to consider whether to extend the same types of protections to other disability program appellants. Even if the legislation is enacted as I am introducing it, it is certainly my intent that the Social Security Administration strive for improvements in the entire disability appeals program and not concentrate just on SSI recipients as a result of this mandatory payment provision.

I feel that section 11 of the bill is important because it subjects SSI determinations made by the Social Security Administration to judicial review in the same manner, and to the same extent, as the corresponding determinations made by the administration under the social security program.

Section 12 of the bill clears up a minor problem in the definition of income for the purpose of calculating SSI benefits. It makes clear that grants, scholarships and fellowships received to pay for books, supplies, services and other expenses related solely to attendance in an educational institution may not be counted as income and thus deducted from the SSI benefit.

Section 13 of the bill is drawn largely from the work of Senator DOLE. It provides that disabled children under the age 13 shall be referred to the appropriate health, social service or educational agency according to their needs for assistance. Children between the ages of 13 and 18 would be referred to a vocational rehabilitation agency or the proper alternative agency as appropriate.

Present law requires all disabled individuals to be referred to vocational rehabilitation agencies when they enter the SSI program. It was apparently an oversight in the drafting of the legislation that no consideration was given with regard to the referral of children who are either ineligible or unsuited for vocational rehabilitation.

It is my understanding that because of the assistance being offered under the SSI program, many disabled children are now being brought to the attention of public officials for the first time. The proposed legislation would assure that we do not miss this new opportunity to refer these individuals, at an early age, to an appropriate State or local agency which can provide treatment or assistance for their particular disability.

I hope that this provision will not be controversial. By increasing the chances that disabled individuals will get adequate help at earlier stages of their illnesses, it may actually decrease the expenditures necessary over the years to support and treat them. Much more importantly, of course, its benefit in terms of fostering more effective treatment and improving the condition of handicapped children could be considerable.

The last section of my bill deals with a problem of particular importance to my Ohio constituents, although my research indicates that there may be many aged, blind, and disabled persons in other States who are affected by the same problem. As I mentioned in my testimony last year, the prohibition in present law of SSI payments to inmates of public institutions, unless the institutions meet medicaid standards, is certainly having a disproportionate effect upon Ohio.

In the first few months, there were many State-licensed but privately controlled institutions that had been under the impression that they were being classified as public, and they were receiving different signals from the district and national social security offices. Although this mixup apparently has been cleared up, there are still charges at the State level that the public institutions classification is being applied unnecessarily broadly.

Probably the most widespread effect of the provision in Ohio, however, is its elimination from SSI of about 1,500 residents of the 54 of Ohio's 66 county homes which presently do not meet medicaid standards. Many of these facilities are primarily residential, and I believe that serious questions can be raised about applying the public institutions prohibition to them. While the prohibition is logical when applied to inmates of institutions which it is the clear responsibility of State or local governments to provide, such as prisons, the rationale is less clear with respect to residential facilities, which do not have to be provided. The effect of the prohibition in such cases is to force governments which assume the extra burden of providing them either to turn away welfare level individuals most in need of their services or to meet medicaid requirements which they would not be forced to meet for the SSI purposes of their residents if they were privately operated.

While the best answer for public medical facilities is certainly to upgrade these facilities to medicaid standards, medicaid standards are not necessarily fitting or feasible for all primarily residential facilities. In many cases these facilities have been considered to provide an adequate residence and place of

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general care for elderly people. In some areas, especially rural areas, the situation is further complicated by the lack of sufficient alternative facilities of this type.

The bill would deal with public institutions problems in two ways. First, it would state that any institution that was considered to be nonpublic for purposes of the prohibition on welfare payments to inmates of public institutions under prior law, as of the last day it was in effect—December 31, 1974—which has not changed its purposes, nature, or operation since that time, must still be considered a nonpublic institution for purposes of the SSI program. This provision would not apply to Ohio's county homes, but it would clear up remaining confusion about the possible classification of other institutions as public. It would also prevent the Social Security Administration from expanding this classification unreasonably.

For the reasons I have outlined, the legislation also allows SSI benefits to be paid to residents of public institutions which are principally residential and are not principally hospitals, sanitoriums, extended care facilities, nursing homes, intermediate care facilities, rehabilitation centers, correctional institutions, including prisons, schools, or training facilities.

I recognize, however, that there are many in Congress who will feel strongly that public institutions have a greater responsibility than private institutions to provide decent facilities, even if they are primarily residential. To be responsive to this concern and to protect the residents in these facilities, the bill also conditions payment of these benefits on the institution's conformance to generally applicable State and local requirements relating to safety and sanitation. If the Secretary of Health, Education, and Welfare finds that these requirements are inadequate, he may establish his own standards with regard to safety and sanitation which the facilities would be required to meet.

I have sought estimates of the cost of the entire bill. Although reliable specific estimates are not available, each provision was estimated to have either modest or negligible expense. The new expenses which are required seem essential, in my judgment, to make the program work equitably and effectively.

So many different concerns about SSI have been brought to my attention that this legislation is for from all-inclusive. I believe it deals with the most serious problems which Congress can agree to attack quickly by legislative action. It might be helpful, however, briefly to discuss some of the other serious concerns which have been mentioned to me.

Of course, the most basic SSI issue is the adequacy of the payment amounts. By every measure of the "poverty line" now available, the basic SSI grant amount is not enough to bring individuals to that level. Despite the large expense, we will have to consider further increases in the basic grant amounts over and above cost of living increases. Other legislation to accomplish this end already has been introduced.

Some citizens' letters have urged me to propose legislation which would extend automatic medicaid eligibility to all SSI recipients. Such legislation would effectively alter the congressional decision in 1972 to allow States to base medicaid eligibility either on SSI eligibility standards or 1972 medicaid eligibility standards if those standards are more restrictive.

This type of legislation would certainly harmonize and simplify the administration of the SSI and medicaid programs. Additional administrative ease would result both from common eligibility standards and from elimination of the mandatory "spend-down" program requirement for States using 1972 medicaid standards. This requirement, which mandates that those States include in their medicaid programs individuals who would be income eligible if their health care expenses were deducted from their incomes, has proved extremely complicated to administer. As a result of these changes, medicaid enrollment would be likely to increase considerably.

On the other hand, the mandatory spenddown provision probably insures that the majority of low-income persons most in need who otherwise would be excluded by the 1972 medicaid standards, those with high medical expenses, are eligible for medicaid. If the 1972 standards spenddown option were dropped and SSI eligibility became the sole criterion for medicaid eligibility, some indigent citizens wth extremely high medical expenses would become ineligible for medicaid. Furthermore, the State of Ohio estimated last year that such a change would cost $213 million in State funds over 2 years for Ohio alone, although that estimate sounds extremely high to me. In view of these facts, I feel that the medicaid eligibility issue should have a fuller review to determine whether a change would be desirable.

Some of the most popular SSI corrective legislation, with great emotional appeal, would require prompt replacement of SSI checks which have been lost, stolen, or not received. This is understandable because many recipients rely for their very sustenance on the prompt receipt of SSI and social security checks.

At my direction, my office has done considerable research on this problem. We found that SSI checks replacement requests are being filed at an annual rate of about 120,000. If these figures, based on scant data, are accurate, such requests would be involving about 3 percent of all SSI recipients each year.

The Social Security Administration does not consider any such requests until the check is at least 3 days late. Its first step in this consideration is to insure that the person actually is eligible for a check in that month of the amount being claimed. About one-fourth the requests are immediately eliminated because the person is found to be ineligible. A large number of other requests are eliminated promptly because the check was only slightly late and arrives in the mail.

After that initial screening, replacement checks for benefits due that month are mailed without further investigation and a stop-payment order is placed on the original check. This entire process takes from 7 to 10 days. However, if the check claimed is for a past month's benefits, the Social Security Administration and the Treasury take the extra step of investigating whether the original check has been cashed. In cases of this type, it takes 2 to 3 weeks for the recipient to obtain a replacement check.

These figures are Social Security Administration figures. I have been informed of situations in which the check replacement process has taken much longer.

We have even sparser data on the actual disposition of the original checks claimed missing, lost, or stolen. However, from the data it appears that very few of the checks in question were lost, stolen, or unissued. Apparently, about 75 to 80 percent of the problem checks are hung up in the postal system a week or more, but are eventually received by the beneficiary. This probably accounts for the high ratio of double payments to replacement checks issued, which the Social Security Administration estimates to be running as high as 35 to 40 percent.

An unresolved question is the level of government which should be responsible for providing the necessary help. Theoretically it seems logical to hold the Federal Government responsible in any case where the individual never actually received his check. In practice, however, these cases may be impossible to differentiate from cases of individuals who received their checks, but then lost these checks or had them stolen. If the latter cases are included, there may be another line-drawing problem between them and cases of persons who cashed their checks and then had the proceeds stolen.

That entire controversy highlights an area where I feel Government policy needs considerably more refinement. The original SSI legislation leaves the responsibility for all types of emergency and auxiliary assistance to the State and county welfare systems. However, the magnitude of these tasks and needs were underestimated considerably. It was felt that a computer spitting out a monthly check would fulfill SSI recipients' needs to a greater extent than has proved to be the case. Consequently, some advocate groups have urged that the Social Security Administration assume the responsibility for providing all emergency assistance needed by SSI recipients.

The proper unit of Government for serving emergency need is a major problem area which should be the subject of detailed congressional study. It has particular relevance to further major changes in the public assistance system, such as any comprehensive overhaul of the aid for dependent children program.

Considerable dissatisfaction has been voiced with regard to the Social Security Administration's treatment of resources in the SSI program. For example, in its testimony last year before the Senate Special Committee on Aging, the Ohio Commission on Aging stated that in Meigs County, Ohio, about 40 percent of the SSI-Alert referrals processed were denied benefits on the basis of a potential market value of land which the commission felt to be unsalable in many cases. Others have maintained that the limits on life insurance amounts are unsuitable in view of today's burial cost

levels and many of the elderly's outright refusal to sell any of their life insurance under any circumstances.

I generally feel that the advocates of statutory liberalizations in the resources determinations provisions have more work to do in support of their case, which must be balanced against the interests of other taxpayers. With respect to the housing provisions, present law gives the Social Security Administration considerable discretion. Any excess amount of housing or life insurance resources also can be counted against the general resource allowance—$1,500 for an individual and $2,250 for a couple. In the case of life insurance, my research indicates that the amounts excluded ought to be more than sufficient to cover burial costs. Of course, there is no way to evaluate in dollars and cents the emotional impact of this provision in those cases when it does force an elderly person to choose between retaining his life insurance and receiving SSI.

If the resource limits are to be liberalized statutorily, it would seem to make the most sense to increase the general resource allowance since excess resources in any other category can be offset against this allowance. Of course, improvements in the administrative interpretations continually should be sought.

Much of the SSI mail I have received requests a change in the so-called one-third reduction rule. This is the provision which states that in the case of an SSI recipient living in another's household, the SSI benefit shall be reduced automatically by one-third instead of being reduced by the amount of maintenance and support actually received. It recognizes the difficulties of trying to evaluate maintenance and support of persons in these living arrangements.

This provision has upset many of my constituents. In particular, some persons on SSI contribute amounts each month to the support and maintenance of the entire household, and thus are not receiving a "free ride." They are understandably indignant when their SSI benefits nevertheless are reduced.

I believe that the problem is quite difficult for two major reasons. First, the one-third reduction works in favor of most SSI recipients to whom it applies, because the maintenance and support per month they are receiving is greater than one-third of the SSI benefit amount. As I pointed out earlier, however, that situation might change if my proposal to disregard one-half of all support and maintenance furnished in cash or in kind becomes law. Second, in these situations the Social Security Administration would have a legitimate serious administrative problem determining the actual level of support and maintenance furnished. It would be very difficult to put a dollar value on all these contributions and to be certain exactly what net amount the SSI recipient contributed to the support of the household, if any.

I do not yet have a better solution to this problem than present law. I urge the administration and others to continue reviewing the provision's effects and to submit to us any recommendations for improvement which they may be able to develop.

Many other proposals of considerable importance have been brought to my attention since I introduced the legislation last year. Some of the most important include "indexing" of all income disregards so that SSI recipients receiving some outside income are not disadvantaged by inflation; provision of the cost-of-living increases more frequently than annually; and adoption of the "declaration method" of application processing, at least on an experimental basis, in the interest of cutting redtape for both the applicant and the Government. All of these suggestions deserve further evaluation by the Congress.

I believe that a smoothly working income maintenance program for our indigent aged, blind and disabled citizens is a paramount Government obligation. Making the system work as well as possible must be a high priority, because individuals wronged by it can be left utterly destitute.

As I have indicated, Congress has made some progress in this direction during the past year. The Social Security Administration also has been active, in the expansion of program rolls, liberalization of the definitions of unearned income and presumptive disability, reductions in the applications backlog and other areas.

Nevertheless, it is obvious that we have far more to do. That is why I am hopeful that the 94th Congress will act promptly on the improvements I am proposing. I am also hopeful that the legislation will continue to serve as a catalyst to suggestions for further improvements in the supplemental security income program.

I ask unanimous consent to have printed in the RECORD a rather comprehensive fact sheet on the Supplemental Security Income Amendments of 1975, very briefly reviewing the many problems that are attempted to be remedied by that bill. They are set out in some detail in the fact sheet.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

FACT SHEET—SUPPLEMENTAL INCOME AMENDMENTS OF 1975

PROBLEM

1. *Program participation.*

Description—An estimated 2.2 million persons eligible for SSI are not yet receiving it.

Proposed Solution—Gives HEW the permanent and continuing responsibility to conduct "outreach" programs aimed at communicating with and enrolling potential eligibles. (Sec. 2)

2. *Treatment of contributions to a beneficiary's financial support.*

Description—If a relative or other non-charitable source supplies financial support to that institutionalized individual, that individual is dropped from SSI. In some circumstances, private financial support is deducted dollar for dollar from an individual's SSI payment. This discourages private support which could lift some of the financial burden off the government. It is particularly ironic when it undermines the work of the charities which the government has given tax exempt status.

Proposed Solution—Remedies the provisions now denying SSI payments to institutionalized persons supported by non-charitable sources. Provides a deduction from SSI of 50¢ rather than the present dollar for dollar of support contributed by non-charitable sources. Eliminates any deduction from SSI resulting from financial contributions by charitable organizations. (Sec. 3)

PROBLEM

3. *Financial support of SSI applicants determined "presumptively eligible" for benefits.*

Description—Although such persons eventually will be paid SSI benefits retroactively to the date of application, they have no assured financial assistance during the weeks or months they wait for a final determination. Persons determined "presumptively disabled" are eligible for 3 months' benefits during this period, but partly because of restrictive legislative history, during the first months of the program this determination was rarely made.

Proposed Solution—A law authored last year by Senator Taft allows state and county public assistance systems to be reimbursed from the retroactive SSI payment for emergency aid extended during this waiting period, if the applicant agrees. (P.L. 93–368, now being used or implemented in about 30 states). This law encourages the States and counties to offer such assistance. As a possible alternative, the bill allows HEW to extend emergency advances directly, up to the maximum amount of SSI benefits which would be due. Also explicitly remedies the restrictive legislative history on presumptive disability. (Sec. 4)

4. *Lack of coordination with other assistance programs.*

Description—SSI benefits are likely to be eligible for other assistance programs such as food stamps, medicaid, but each program involves additional red tape for applicants. The different program offices may be distant from each other, which is particularly hard on elderly and disabled citizens with limited mobility.

Proposed Solution—Directs SSI, medicaid and food stamp administrators to take all possible steps to coordinate the filing for and receipt of assistance, where possible by having facilities in the same office. To avoid inter-governmental disputes which would undermine this effort, authorizes HEW to pay any additional administrative costs it determines reasonable to achieve this goal. (Sec. 5)

I want particularly to commend the distinguished Governor of Ohio, Gov. James Rhodes, who has already ordered action in this direction insofar as Ohio is concerned. I understand that progress is being made.

5. *Food stamp cut-off.*

Description—On June 30, a law becomes effective which would cut off from food stamps at least about 25% of the SSI recipients now receiving them, in a manner not uniformly based on income. The law would also be an administrative nightmare for the food stamp program.

Proposed Solution—Provides that the eligibility of SSI recipients for food stamps would be determined on the same income basis as for everyone else, except that SSI recipients presently receiving food stamps would not be cut off by this new rule. (Sec. 6)

6. *Couples who have separated.*

Description—Any couple who has separated receives reduced payments as if still a couple for the first 6 months, although they no longer have reduced living expenses because of their combined household. Their payment as a couple is 25% lower than the combined payments they would receive if treated as two individuals.

Proposed Solution—Eliminates the 6-month waiting period. (Sec. 7)

7. *Alcoholics and drug addicts.*

Description—To receive payments as "disabled" under SSI, alcoholics and drug addicts must not only undergo rehabilitation treatment at an approved facility, but also receive payments through a third party. The third party payee requirement is contrary

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to some individual rehabilitation programs emphasizing increased responsibility and in some cities, it has constituted an overwhelming administrative burden.

Proposed Solution—Allows the third party payee requirement for alcoholics and drug addicts to be waived, if the supervisory officer of the training program certifies that this would be of significant therapeutic value and that the funds would not be likely to be misused. (Sec. 8)

8. *Delayed applications.*

Description—SSI applicants sometimes must wait several months for a final determination, particularly if they wait to be disabled. The present backlog of pending applications is about 270,000.

Proposed solution—Sets time deadlines for decisions of 30 days for applications by the aged and 60 days for applications by the disabled, which are identical to the time limits the States had to meet under the old public assistance programs. Sets a time limit of 20 days for decisions on presumptive disability. (Sec. 9)

9. *Delayed disability appeals.*

Description.—An individual who appeals a negative disability determination must wait an average of 6 months, without the benefits in question, for an answer. Since over half of the social security disability appeals eventually are being resolved in favor of the claimants, generally these must not be frivolous appeals. The case backlog in the disability appeals system is the equivalent of about one and one-half years in appeals.

Proposed Solutions—Clarifies HEW's authority to hire an adequate type and number of adjudicators for the appeals system. Required HEW to report within sixty days its plans and recommendations for eliminatnig the disability appeals backlog and on speeding up determinations, without jeopardizing appellants' rights. Effective January 1, 1977, would require SSI benefit payments to be made to any SSI disability appellant who has not received a final determination in 120 days, unless he has delayed the proceedings. In the event of a negative determination after that date, benefits would be halted only prospectively. (Sec. 10)

10. *Judicial Rights.*

Description—SSI beneficiaries do not have the same judicial rights as Social Security recipients. For example, findings of fact by HEW are judicially reviewable under social security but not under SSI.

Proposed Solution—Gives SSI recipients the same rights to judicial review as Social Security recipients. (Sec. 11)

11. *Education Scholarships.*

Description—Some parts of education scholarships are now counted as "income" to the beneficiary and cause reductions in SSI payments. This is counterproductive since the scholarship is likely to help a person become more self-supporting and to reduce his long-run need for SSI.

Proposed Solution—Exempts from income all aspects of educational scholarships, except payments for living expenses to the extent they would have been incurred anyway. (Sec. 12)

12. *Referral of disabled children to social services agencies.*

Description—The SSI program has brought many disabled children to the attention of public authorities for the first time. These children could benefit enormously if they were referred immediately to appropriate social services, health or educational agencies. However, present law requires only that disabled persons be referred to vocational rehabilitation agencies, regardless of whether this would be appropriate for the individual.

Proposed Solution—Requires the referral of children under 13 to the appropriate social services, health or educational agencies. Allows children between ages 13 and 18 to be referred either to such agencies or vocational rehabilitational agencies as deemed appropriate. (Sec. 13)

13. *Individuals residing in public institutions.*

Description—Present law prevents any individual in a public institution not meeting medicaid standards from receiving SSI. This provision has excluded many persons (including many Ohioans in "group homes" for the disabled and 1500 Ohioans in county homes) who live in primarily residential facilities for which medicaid health care standards are not relevant. These people would receive SSI if they lived in an identical private facility.

Proposed Solution—Provides that institutions not classified as "public" at the time SSI began (January 1, 1974) for the purpose of exclusion from the old public assistance programs, which have not changed their nature since then, would remain "non-public" for SSI purposes. Provides that individuals in primarily residential public institutions can receive SSI, as long as the institution meets minimum safety and sanitary standards. (Sec. 14)

Mr. TAFT. Mr. President, that is a preliminary review of this bill. The bill covers many of the problems that have come up since the SSI program was put into operation. Unfortunately, the original SSI law has proved far from perfect in its application. Our goal and desire in this bill is to help make the program work the way Congress originally intended.

The President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Supplemental Security Income Amendments of 1975".

FACILITATION OF PARTICIPATION IN PROGRAM

SEC. 2. Section 1602 of the Social Security Act is amended—

(a) by inserting "(a)" immediately after "Sec. 1602.", and

(b) by adding at the end thereof the following new subsection:

"(b) The Secretary shall take affirmative action to assure that all potentially eligible individuals will be provided information regarding, and encouraged to make application for, the benefits provided under this title."

MODIFICATIONS IN DEFINITION OF INCOME AND EXCLUSIONS FROM INCOME

SEC. 3. (a) Section 1612(a)(2)(A) of the Social Security Act is amended—

(1) by striking out "and" at the end of clause (i) and inserting in lieu thereof a comma, and

(2) by inserting immediately before the semicolon at the end thereof the following: ", and (iii) in the case of an individual who resides in a residential institution which imposes, for the services provided by such institution to such individual, a charge which (for any month) is in excess of the dollar amounts applicable to such individual as specified in subsections (a) and (b) of section 1611, there shall not, if there is a waiver by such institution of the amount of such excess or if payment of such excess is made by another person, be counted (by reason of such waiver or such payment) as unearned income of such individual any amount which is greater than the amount of such excess: *Provided*, That this clause (iii) shall not be applicable to any support and maintenance with respect to which the provisions of clause (ii) are applicable".

(b) Section 1612(b)(3) of such Act is amended—

(1) by striking out "and" at the end of clause (A) thereof, and

(2) by inserting, immediately before the semicolon at the end of clause (B) thereof, the following: ", and (C) an amount equal to one-half of the unearned income of such individual (and such spouse, if any) received in the form of support and maintenance furnished in cash or kind (but not including any such income to which clause (i) of subsection (a)(2)(A) applies)".

(c) Section 1612(b)(6) of such Act is amended by inserting immediately before the semicolon at the end thereof, the following: ", or any assistance which is based on need and is furnished by any private agency or organization exempt from taxation under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501(c) (3) or (4) of such Code (unless such assistance is furnished in fulfillment of an obligation described in subsection (a)(2)(A)(ii))".

CRITERIA FOR PRESUMPTION OF DISABILITY; CASH ADVANCES TO PRESUMED ELIGIBLES

SEC. 4. (a) Section 1631(a)(4) of the Social Security Act is amended by adding at the end thereof the following new sentence: "The Secretary shall establish (for purposes of carrying out the provisions of clause (B) of the preceding sentence) criteria for the determination of presumptive disability, which criteria shall be designed to assure that individuals who are reasonably established to be suffering from conditions which normally constitute disability will be presumed to be disabled."

(b) Section 1631(a)(4)(A) of such Act is amended by striking out "a cash advance against such benefits in an amount not exceeding $100" and inserting in lieu thereof "one or more cash advances against such benefits (except that the aggregate amount of such advances shall not be in excess of the aggregate amount of the monthly benefits which would be payable to him under this title, for the period for which he is presumptively eligible for such benefits, if he were determined eligible for such benefits)" been entitled to the maximum monthly benefit payable under this title to any person having the same status, with respect to having or not having an eligible spouse, as that of such individual)".

(c) Section 1631(a)(4)(B) of such Act is amended by striking out "a period not exceeding three months" and inserting in lieu thereof "the period".

ADMINISTRATION TO BE COORDINATED WITH THAT OF OTHER ASSISTANCE PROGRAMS

SEC. 5. (a) Section 1633 of the Social Security Act is amended—

(1) by inserting "(a)" immediately after "Sec. 1633.", and

(2) by adding at the end of such section the following new subsection:

"(b)(1) In administering the benefits provided under this title, the Secretary shall take measures designed to insure the participation of individuals who are recipients of such benefits in other public assistance programs providing assistance of a type for which such individuals are likely to be eligible. Such measures shall involve coordination of the administration of this title and the administration of such other programs in a manner which will facilitate the filing of claims for and receipt of such assistance by such individuals under such other programs.

"(2) In carrying out the provisions of paragraph (1), the Secretary shall, whenever feasible, enter into arrangements with agencies administering such programs whereby claims for assistance provided under such programs may be filed (A) at an office receiving claims for benefits under this title, or (B) if arrangements so to use such an office are not feasible, at another location in the immediate vicinity of such an office.

"(3) The Secretary is authorized to reimburse any public agency for any additional administrative expenses incurred by such agency by reason of an agreement or arrangement made between such agency and the Secretary for the purpose of implementing the provisions of this subsection."

(b) Title XIX of the Social Security Act is amended by adding at the end thereof the following new section:

"COORDINATION WITH OTHER ASSISTANCE PROGRAMS

"Sec. 1911. The Secretary, in administering the provisions of this Act, shall encourage and assist States which have State plans approved under this title, in administering the benefits provided thereunder, to take measures designed to insure the participation of individuals eligible for such benefits in other public assistance programs providing assistance of a type for which such individuals are likely to be eligible. Such measures shall involve the coordination of the administration of State plans approved under this title and the administration of such other programs, in a manner which will facilitate the filing of claims for and receipt of such assistance by such individuals under such other programs."

(c) Section 10 of the Food Stamp Act of 1964 (7 U.S.C. 2019) is amended by adding at the end thereof the following new subsection:

"(j) In the administration of the food stamp program, agencies administering such program shall take measures designed to insure the participation of individuals receiving food stamps in other public assistance programs providing assistance of a type for which such individuals are likely to be eligible. Such measures shall involve coordination of the administration of the food stamp program and the administration of such other programs, in a manner which will facilitate the filing of claims for and receipt of such assistance by such individuals under such other programs."

SEC. 6. (a) Effective October 1, 1975, section 3(e) of the Food Stamp Act of 1964, as amended, is amended to read as follows:

"(e) The term 'household' shall mean a group of individuals who are not residents of an institution or boarding house but are living as one economic unit sharing common cooking facilities and for whom food is customarily purchased in common. The term 'household' shall also mean (1) a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption, (2) an elderly person who meets the requirements of section 10(h) of this Act, or (3) any narcotics addict or alcoholic who lives under the supervision of a private nonprofit organization or institution for the purpose of regular participation in a drug or alcoholic treatment and rehabilitation program. Residents of federally subsidized housing for the elderly built under either section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) or section 236 of the National Housing Act (12 U.S.C. 1715z–1) shall not be considered residents of an institution or boarding house for purposes of eligibility for food stamps under this Act.".

(b) Section 5 of said Act is further amended by adding the following new subsection:

"(e) On and after October 1, 1975, the eligibility for participation in the food stamp program of any household which contains a member with respect to whom supplemental security income benefits are being paid under title XVI of the Social Security Act shall be determined on the basis of the uniform national eligibility standards for non-public assistance households established by the Secretary pursuant to this section."

(c)(1) Section 8(a)(1) of Public Law 93–233 is amended by striking out "18-month period", where it appears in the matter preceding the colon and in the new sentence added by such section, and inserting in lieu thereof in each instance "21-month period".

(2) Subsections (a)(2), (b)(1), (b)(2), (b)(3), and (e) of section 8 of such public law are each amended by striking out "18-month period" and inserting in lieu thereof "21-month period".

(d) Notwithstanding any other provision of law, if, for the month in which the amendments made by subsections (a) and (b) are enacted, any household has been certified as eligible (solely because a member of such household is an individual with respect to whom supplemental security income benefits are being paid under title XVI of the Social Security Act) to receive food stamps under the Food Stamp Act of 1964, such household shall continue to be eligible for food stamps under the Food Stamp Act of 1964 for each month thereafter in a continuous period of months for which there is being paid to such member such supplemental security income benefits.

SPOUSES LIVING APART

SEC. 7. The first sentence of section 1614(b) of the Social Security Act is amended by striking out "and who has not been living apart from such other aged, blind, or disabled individual for more than six months", and inserting in lieu thereof "and who is not living apart from such other aged, blind, or disabled individual".

REPEAL OF REQUIREMENT OF THIRD-PARTY PAYEE IN CERTAIN CASES

SEC. 8. The second sentence of section 1631(a)(2) of the Social Security Act is amended by inserting before the period at the end thereof the following: "; except that this requirement shall not apply with respect to any individual or eligible spouse referred to in section 1611(e)(3)(A) if (and for as long as) the Secretary determines, upon the certification of the chief medical or supervisory officer of the institution or facility where such individual or spouse is undergoing treatment as required by such section, that the payment of benefits directly to such individual or spouse would be of significant therapeutic value to him or her and that there is substantial reason to believe that he or she would not misuse or improperly spend the funds involved".

REQUIREMENT OF EXPEDITIOUS ACTION ON APPLICATIONS FOR BENEFITS

SEC. 9. Section 1631(e)(1) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C) Notwithstanding any other provision of this title, any application for benefits under this title shall be acted upon within 30 days after it is filed (or within 60 days after it is filed in the case of an individual applying for such benefits on the basis of disability and in such case, a decision on presumptive eligibility shall be made within 20 days)."

EXPEDITED DETERMINATIONS REGARDING DISABILITY APPEALS

SEC. 10. (a) Section 1631(d)(2) of the Social Security Act is amended to read as follows:

"(2) To the extent the Secretary finds it will promote the achievement of the objectives of this title, qualified persons may be appointed to conduct hearings under subsection (c) without meeting the requirements for hearing examiners appointed under section 3105 of title 5, United States Code."

(b) Not later than 60 days after the date of enactment of this Act, the Secretary of Health, Education, and Welfare shall submit to Congress a report containing his plans and recommendations for eliminating the backlog of cases awaiting a determination of such Secretary as to the entitlement of an individual to benefits pursuant to any provision of the Social Security Act or any other Act based upon the individual's disability status, and for minimizing the delays to which individuals awaiting such determinations are subjected. Such plans and recommendations may include, but are not limited to, detailed staff requirements and changes in the process for making such determinations.

(c) Section 1631(c) of the Social Security Act is amended—

(1) by inserting after "(2)" the following: "(A)"; and

(2) by inserting after subparagraph (2) the following:

"(B)(i) In the case of any hearing requested as provided in paragraph (1) after December 31, 1976, determination on the basis of such hearing, to the extent that the matter in disagreement involves the existence of a disability (within the meaning of section 1614(a)(3)), shall be made within 120 days (plus the number of days, if any, by which the proceedings leading to a determination are delayed because the individual requesting such hearing requests an extension, postponement, or continuance of such hearing or otherwise is responsible for such delay) after the individual requests the hearing as provided in paragraph (1).

"(ii) Any individual who has requested a hearing with respect to which the provisions of clause (i) are applicable, shall, if the Secretary fails to make a determination (as required by such clause) within the time prescribed therein, be deemed to be entitled to benefits under this title, in like manner and to the same extent as if the matter which was the subject of such hearing and to which the provisions of clause (i) are applicable had been determined by the Secretary in favor of such individual, for the period commencing on the day following the last day in such time period and ending on the day which precedes the day on which the Secretary makes a final determination on such matter."

JUDICIAL REVIEW

SEC. 11. Section 1631(c)(3) of the Social Security Act is amended by striking out "; except that the determination of the Secretary after such hearing as to any fact shall be final and conclusive and not subject to review by any court".

EXCLUSION FROM INCOME OF CERTAIN EDUCATION EXPENSES PAID FOR BY GRANTS, FELLOWSHIPS, OR SCHOLARSHIPS

SEC. 12. Section 1612(b)(7) of the Social Security Act is amended by inserting immediately before the semicolon at the end thereof the following: ", for use in paying for books, supplies, and services needed in connection with attendance at such institution, or for use to defray other expenses reasonably attributable to attendance at such institution (but including, in the case of living expenses, only so much thereof as is in excess of the living expenses which would have been incurred by or with respect to such individual if he had not been attending such institution)".

REFERRAL FOR SERVICES

SEC. 13. Subsection (a) of section 1615 of the Social Security Act is amended to read as follows:

"(a) In the case of any blind or disabled individual who—

"(1) has not attained age 65, and

"(2) is receiving benefits (or with respect to whom benefits are paid) under this title, the Secretary shall make provision for referral—

"(3) in case such individual has attained age 18 (and, in appropriate cases, when the individual has not attained such age but has attained age 13), of such individual to the appropriate State agency administering the State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act, and (except in such cases as he may determine) for a review not less often then quarterly of such individual's blindness or disability and his need for and

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utilization of the rehabilitation services made available to him under such plan, and

"(4) in case such individual has not attained age 13 (and, in appropriate cases, when the individual has attained such age but has not attained age 18), to the State or local agency which provides health, social, or educational services appropriate to the needs of such individual.".

RESIDENTS OF CERTAIN PUBLIC RESIDENTIAL FACILITIES

Sec. 14. (a) Section 1611(e)(1) of the Social Security Act is amended—

(1) in subparagraph (A) thereof, by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B), (C), and (D)", and

(2) by adding at the end thereof the following new subparagraphs:

"(C) The provisions of subparagraph (A) shall not be applicable to any individual who is a resident of an institution which is used principally as a residential facility and not principally as a hospital, sanatorium, extended care facility, nursing home, intermediate care facility, rehabilitation center, correctional institution, or school or training facility; except that the provisions of this subparagraph (C) shall not be applicable to any individual who resides in such an institution during any period for which such institution fails to meet generally applicable State and local requirements relating to safety and sanitation, or if the Secretary finds that such requirements are inadequate, such standards relating to safety and sanitation as the Secretary shall by regulations establish.

"(D) The provisions of subparagraph (A) shall not be applicable to any individual who is a resident of an institution if—

"(i) there was in effect, for the month of December 1973, a determination made under a State plan approved under title I, X, XIV, or XVI of this Act (as in effect in December 1973) that such institution was not a 'public institution', for purposes of requirements of such plan which restricted aid or assistance thereunder to individuals who were not in a public institution,

"(ii) under such plan, Federal financial participation was legally authorized with respect to aid or assistance furnished to residents of such institution during the month of December 1973, and

"(iii) such institution is and has continuously been used (during the period commencing January 1, 1974) for the same purposes for which it was used in the month of December 1973, and if during such period such institution has not been substantially changed (in terms of its nature, operation, and use) since December 1973."

EFFECTIVE DATES

Sec. 15. (a) The amendments made by sections 3 and 12 of this Act shall become effective on the first day of the calendar quarter following the calendar quarter in which this Act is enacted.

(b) The amendments made by sections 13 and 14 of this Act shall become effective on the first day of the month following the month in which this Act is enacted.

(c) The amendments and repeals made by sections 4, 7, and 8 of this Act shall become effective on the first day of the first month which begins at least thirty days after the date of enactment of this Act.

(d) The amendments made by section 9 of this Act shall apply with respect to applications filed on or after the date of enactment of this Act, and shall also apply (as though the applications involved were filed on such date) with respect to applications filed before the date of enactment of this Act but not acted upon as of such date.

(e) The amendment made by section 11 of this Act shall apply with respect to determinations made by the Secretary of Health, Education, and Welfare on and after the date of enactment of this Act.

(f) The amendments made by sections 2, 5, 6, and 10 of this Act shall take effect on the date of enactment of this Act.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Bumpers). The Chair, on behalf of the Vice President, pursuant to Public Law 61–435, appoints the Senator from Kansas (Mr. Dole) to the National Forest Reservation Commission, in lieu of the Senator from Vermont, Mr. Aiken, retired.

Under the previous order, the Senator from Vermont (Mr. Stafford) is recognized for not to exceed 15 minutes.

THE ENERGY INDEPENDENCE AND CONSERVATION ACT OF 1975—S. 1515

Mr. STAFFORD. Mr. President, we have come to the point when it seems fair to say that most Americans agree we can no longer afford the high price of Arab oil or continue to run the risk of being dependent upon that source of supply.

Clearly, President Ford has recognized that truth. For that reason, he has submitted energy proposals designed to make us more self-sufficient regarding energy by reducing our consumption in several ways.

The President has provided an important service to the Nation by making his proposals and sticking to them in a way that cannot be ignored. I have told the President that he has provided the Nation and the Congress with important leadership in this regard.

I have also tried to convince the President that same of his proposals would penalize those who can least afford higher prices, and also that his policy regarding heating oil would force too many Americans who live in New England and in the upper Midwest to carry an unfair share of the burden. I also believe that portions of his program would aggravate, rather than ease, many of our economic ailments.

The President has been sympathetic to some of those suggestions, but not to all of them. And, he has called on Members of Congress who hold different views from his to come forward with their own proposals.

In response to that challenge, I introduce today the Energy Independence and Conservation Act of 1975.

The best way to reduce our imports of foreign oil is through a quota system. But I do not think it is realistic to expect our Nation to reduce consumption by 1 million barrels of oil per day by the end of 1975. Nor, do I think we should cut back so much that reduced oil supplies could add to our unemployment problem.

I propose a progressively restrictive quota system that would reduce our imports of oil by a half-million barrels per day by the end of 1975, and by a million barrels per day by the end of 1976. It is important that we announce those mandatory goals—and that we meet them.

At the same time we must discriminate in the type of petroleum product we want to curtail. In this case, our major target must be gasoline. It is the product we are most wasteful of. It is the petroleum product whose consumption can be cut back with the least hardship to most Americans.

Any effort to impose a nationwide policy on heating oil is as impractical as trying to mandate that all Americans must wear the same kind of clothes. Our Nation is too large and too diverse—in weather and in lifestyle—for such a policy.

So, I propose a quota system to be accompanied by an allocation system that would direct supplies of limited petroleum products into States and regions on a fair basis to meet differing needs.

In addition, I propose a moderate, but increasing, new tax on gasoline that would increase the Federal gasoline tax by 5 cents per gallon per year for each of the next 3 years.

This tax increase would be accompanied by refunds to those who would otherwise suffer undue hardships, including those whose livelihoods depend upon gasoline. Receipts from the tax would also enable us to increase our investment in mass transportation, which remains our best method of achieving long-range reductions in the use of gasoline and oil.

The higher gasoline prices that would result from my proposals should inspire both consumers and manufacturers to turn to vehicles more efficient in the use of gasoline.

As an additional inducement to that end, I propose a new tax on the weight of automobiles, beginning with automobiles that weigh more than 3,000 pounds. The purpose of this tax is clear: It is an effort to encourage the production and use of automobiles that give improved economy, since the weight of the automobile is a major factor in gasoline mileage.

All of these proposals carry with them environmental benefits as well, without additional environmental costs. They would lead to reduced use of many of our natural resources; decreased consumption of gasoline, and less air pollution.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Independence and Conservation Act of 1975".

Sec. 2. Gasoline Efficiency Tax.

(a) Imposition of Tax.—Subpart A of part III of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to manufacturer's excise taxes) is amended by redesignating section 4084 as 4085 and by inserting after section 4083 the following new section:

"Sec. 4084. Gasoline Efficiency Tax.

"There is imposed on gasoline sold by the producer or importer thereof, in addition to the tax imposed under section 4081, a tax of—

"(1) 5 cents a gallon, with respect to gasoline sold after 30 days after the date of the enactment of the Energy Independence and Conservation Act of 1975 and before January 1, 1976,

"(2) 10 cents a gallon, with respect to gasoline sold after December 31, 1975, and before January 1, 1977,

"(3) 15 cents a gallon, with respect to gasoline sold after December 31, 1976, and

"(4) 17½ cents a gallon, with respect to gasoline sold after September 30, 1977, and before the date on which the President imposes an additional tax under paragraph (5).

(b) Conforming amendments.—

(1) Section 4082(d) of such Code (relating to definition of a wholesale distributor) is amended by inserting "or section 4084" after "section 4081" where it appears in paragraph (2).

(2) Section 4083 of such Code (relating to exemption of sales to producer) is amended by inserting "or section 4084" after "section 4081".

(3) Section 4101 of such Code (relating to registration) is amended by striking out "section 4081 or section 4091" and inserting in lieu thereof "section 4081, section 4084, or section 4091".

(4) Section 4221(d)(6)(C) of such Code (relating to certain tax-free sales) is amended by inserting "or section 4084" after "section 4081".

(5) Section 4226(a) of such Code, (relating to floor stocks taxes) is amended by adding at the end thereof the following new paragraph:

"(8) 1975–1977 tax on gasoline.—On gasoline subject to tax under section 4084 which, on the date specified under this paragraph, is held by a dealer for sale, there is imposed a floor stocks tax at the following rates—

"(A) 5 cents a gallon, with respect to gasoline held on the day which is 30 days after the date of enactment of the Energy Independence and Conservation Act of 1975,

"(B) 5 cents a gallon, with respect to gasoline held on January 1, 1976,

"(C) 5 cents a gallon, with respect to gasoline held on January 1, 1977,

"(D) 2½ cents a gallon, with respect to gasoline held on October 1, 1977, and

The tax imposed by this paragraph does not apply to gasoline in retail atocks held at the place where intended to be sold at retail, nor to gasoline held for sale by a producer or importer of gasoline."

Sec. 3. Tax Credit for Gasoline Efficiency Tax.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 45 as 45A and by inserting after section 41 the following new section:

"Sec. 45. Gasoline Efficiency Tax.

"(a) General Rule.—In the case of an eligible individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount of the gasoline efficiency tax imposed under section 4084 on gasoline purchased by the taxpayer during the taxable year, as determined under subsection (b).

"(b) Amount of Credit.—The taxpayer shall be allowed a credit under subsection (a) in an amount which is equal to the greater of—

"(1) the amount of the gasoline efficiency tax imposed under section 4084 on gasoline purchased by the taxpayer during the taxable year, or

"(2) $150.

"(c) Definition.—For purposes of this section, the term 'eligible individual' means an individual—

"(1) who is residing in the United States and who is a citizen of the United States or an alien admitted for permanent residence under the Immigration and Nationality Act, and

"(2) who—

"(A) has an adjusted gross income for the taxable year with respect to which he seeks the credit allowed under subsection (a) which is less than one-half of the amount of the Urban Family Budget, as determined by the Bureau of Labor Statistics of the Department of Labor and reported to the Secretary or his delegate at the beginning of each calendar year, or

"(B) is a handicapped individual, as defined in section 7(6) of the Rehabilitation Act of 1973 (29 U.S.C. 706(6)).

"(d) Disallowance of Expenses as Deduction.—No deduction shall be allowed under section 162 (relating to trade or business expenses) for any amount of gasoline efficiency taxes paid during a taxable year which is not in excess of the amount of the credit allowed to the taxpayer under subsection (a) for the taxable year.

"(e) Regulations.—The Secretary or his delegate shall prescribe such regulations as are necessary to carry out the provisions of this section."

(b) Refund of Gasoline Efficiency Tax Credit.—

(1) Section 6201(a)(4) of such Code (relating to assessment authority is amended—

(A) by inserting "or 42" immediately after "section 39" in the caption of such section, and

(B) by striking out "oil)," and inserting in lieu thereof "oil) or section 42 (relating to gasoline efficiency tax),".

(2) Section 6401(b) of such Code (relating to excessive credits) is amended—

(A) by inserting immediately after "lubricating oil)" the following: "42 (relating to gasoline efficiency tax),", and

(B) by striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

(c) Clerical Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 42 and inserting in lieu thereof the following new items:

"Sec. 42. Gasoline efficiency tax.

"Sec. 43. Overpayments of tax.".

Sec. 4 Mass Transit Trust Fund.

(a) Establishment.—There is established on the books of the Treasury an account to be known as the Mass Transit Trust Fund. There are authorized to be appropriated to such fund amounts equal to one-half the amounts of the gasoline efficiency tax collected under section 4084 of the Internal Revenue Code of 1954.

(b) Purpose.—All amounts in the Mass Transit Trust Fund shall be made available to the Secretary of Transportation solely for the purpose of providing financial assistance authorized under the provisions of the Urban Mass Transportation Act of 1964.

Sec. 5. Heavy Automobile Excise Tax.

(a) In General.—Part I of subchapter A of chapter 32 of the Internal Revenue Code of 1954 (relating to motor vehicle manufacturer's excise tax) is amended by adding at the end thereof the following new section:

"Sec. 4064. Heavy Automobile Tax.

"(a) Imposition of Tax.—There is imposed on each new automobile manufactured, produced, or imported a tax in the amount determined under subsection (b). The tax imposed by this section shall be paid by the manufacturer, producer, or importer at such time and in such manner as the Secretary or his delegate shall prescribe by regulation.

"(b) Amount of Tax—The amount of tax referred to in subsection (a) is determined in accordance with the following table:

If the weight of the automobile (in pounds) is:	The excise tax is:
Not over 3,000	0
Over 3,000 but not over 3,500	$.50 for each pound over 3,000
Over 3,500 but not over 4,000	$250.00 plus 1.00 for each pound over 3,500
Over 4,000 but not over 4,500	$750.00 plus 1.50 for each pound over 4,000
Over 4,500	$1,500.00 plus 2.00 for each pound over 4,500

"(c) Definition.—For purposes of this section, the term 'new automobile' means an internal combustion engine vehicle, other than a truck or bus, which is a highway motor vehicle as defined in section 4482(a)."

(b) Clerical Amendment.—The table of sections for such part I is amended by adding at the end thereof the following new item:

"Sec. 4064. Heavy automobile tax.

(c) Effective Date.—The amendments made by this section apply with respect to new automobiles sold after June 30, 1975.

Sec. 6. Reduction in Foreign Oil Imports.

(a) On and after the first day of the first calendar month following the expiration of the ninety day period following the date of enactment of this title, no crude oil or refined petroleum products shall be imported into the United States except pursuant to a license issued by the Secretary of Commerce and in accordance with quota limitations established by this section. Such licenses shall be issued with a view to providing a transition for reduced imports of crude oil and refined petroleum products and to reducing the immediate impact on consumers and the economy.

(b)(1) The quantity of crude oil and refined petroleum products which may be imported into the United States during that portion of the calendar year 1975 during which the license requirements of subsection (a) are in effect shall not exceed a number of barrels equal to—

(A) a number which (i) bears the same ratio to twice the aggregate number of barrels of crude oil and the crude oil equivalency of refined petroleum products imported into the United States during the period commencing July 1, 1974, and ending December 31, 1974, as (ii) the number of days in such portion of the calendar year 1975 bears to 365, reduced by

(B) 500,000 barrels multiplied by the number of days in such portion.

(2) The quantity of crude oil and refined petroleum products which may be imported into the United States during the calendar year 1976 shall not exceed a number of barrels equal to—

(A) twice the aggregate number of barrels of crude and crude oil equivalency of refined petroleum products imported into the United States during the period commencing July 1, 1974, and ending December 31, 1974, reduced by

(B) 365,000,000 barrels.

(3) The quantity of crude oil and refined petroleum products which may be imported into the United States during the calendar year 1977 or any succeeding calendar year may not exceed a number of barrels of crude oil and the crude oil equivalency of refined petroleum products equal—

(A) to the number of barrels which could be imported during the preceding calendar year under this section reduced by

(B) 365,000,000 barrels.

(c) The Secretary of Commerce is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

(d) Any license issued under this section for the importation of a quantity of refined petroleum products shall also show the crude oil equivalency of such quantity.

(e) Notwithstanding the provisions of section 4(g)(1) of the Emergency Petroleum Allocation Act of 1973, or of any other law, the regulation promulgated and made effective under subsection (a) of section 4 of such Act, as amended from time to time in accordance with the provisions thereof, shall

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not terminate except as the Congress may, by law, hereafter provide.

EMERGENCY HOUSING ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of S. 1483, which the clerk will state.

The legislative clerk read as follows:

A bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the following staff members be permitted privilege of the floor during debate on the pending bill: John Bennison and Carolyn Jordan of the Committee on Banking, Housing and Urban Affairs, and Nick Miller from Senator MAGNUSON's office.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I ask unanimous consent that Mr. Robert Barnett, of my staff, be granted floor privileges during consideration of the emergency mortgage relief amendment I am about to raise.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MONDALE. Mr.. President, in a moment I shall call up my amendment to the pending measure, S. 1483. Before I do so I would like to congratulate the distinguished chairman of the committee (Mr. PROXMIRE) for his leadership in this indispensable congressional effort to bring emergency relief to the housing industry, to millions of American workers involved in housing, the dozens of industries related to the housing sector, and, of course, to the American homeowner.

Senator PROXMIRE's measure seeks to focus, at long last, on the problems which the housing industry faces because it is almost always the chief victim of the Federal Reserve Board's policy of restricting credit and increasing interest rates.

Whenever the Fed acts in this way, the housing industry, those dependent on it for their livelihood and those who need it for their own housing, suffers the most.

This measure, in my opinion, is an essential element in a humanitarian and decent approach toward the housing needs of Americans. It is thoughtful, it is progressive, it is much needed, and I am proud to be one of its earliest cosponsors..

My congratulations also go to the distinguished chairman of the Housing Subcommittee (Mr. SPARKMAN) and to the distinguished ranking member of that subcommittee (Mr. BROOKE), and to the distinguished ranking member of the full committee (Mr. TOWER).

It was my privilege to serve for some years on that committee and I continue to be impressed by its work.

Their efforts to bring prompt attention to a pressing problem are to be commended. I was privileged to have the opportunity to testify at the subcommittee's hearings on emergency housing legislation. I congratulate the distinguished Senators for their work on this important legislation.

Mr. President, there is yet another crisis descending upon the American people. It threatens to take away the shelter of thousands of American families. It could mean heartbreak and tragedy for millions of Americans.

I am talking about the heartbreak of losing one's home through mortgage foreclosure, Mr. President. And, for literally thousands of American families, that heartbreak may become a cold reality over the next several months.

With unemployment at 8.7 percent, at least, and growing, with inflation at astronomic levels, with energy problems continuing to take their toll in both prices and jobs, many Americans are finding it increasingly difficult, and often impossible, to meet home mortgage payments. For these unfortunate citizens and their families, a major investment—quite possibly the largest investment of their lifetime—will vanish, and their shelter will be suddenly gone.

Let us look at the realities. More than 8 million Americans are without jobs.

As we all know, those are official BLS statistics which substantially underestimate the real unemployment in America.

Within a matter of weeks, their unemployment compensation benefits—supplemental or otherwise—will expire. Shortly the extra benefits provided by their union bargaining agreements will expire. Within a matter of weeks, there will be nothing to use to meet home mortgage payments. These families will literally be "out in the cold."

There are millions of elderly American homeowners who, because of the effects of inflation on fixed incomes, are finding it extremely difficult to meet the cost of home mortgage payments. Their fixed incomes are simply squeezed too far. Many face the prospect of losing their homes.

There are millions of young families who bought homes in recent years, at high prices, with mortgage interest rates which were astronomically high. Unemployment among this group is even higher than the national average, and their savings are frequently too small to permit them to meet mortgage payments over an extended period of unemployment. Once again, thousands of families "out in the cold."

Serious delinquencies on home mortgage payments tend to lag behind increases in unemployment by about 6 months. The sharp rise in unemployment began in the fall of 1974, when the number of unemployed increased by about 400,000 in September as the rate rose to 5.8 percent. In March, the rate was 8.7 percent. Estimates of 10 percent unemployment are not uncommon.

Thus, we can expect a dramatic rise in mortgage foreclosures in the spring and summer of this year. All available figures confirm this prediction.

Accurate figures on current mortgage foreclosures are difficult to find. Foreclosure figures that are available are out of date. Curiously—and I underline that word, "curiously"—at a time when we suspect that we are in the midst of a home foreclosure crisis the Federal Home Loan Bank Board has apparently discontinued keeping many of the previously available figures. I do not know what the reason is. There may be some reason that is perfectly understandable. But I find it very strange that Government statistics that are as important as these should suddenly be unavailable.

We do know, however, that there has been a dramatic increase in seriously delinquent mortgage loans of insured savings and loans as a percentage of mortgage portfolios in dollar terms from 1 percent in January 1974 to 1.31 percent in January 1975.

When one looks to the nature of the unemployment we are experiencing, the picture becomes even bleaker. Unemployment rates for household heads rose from 3 to 5.8 percent between March 1974 and March 1975. For married men, the comparable rise was from 2.3 to 5.2 percent. Those unemployed for more than 15 weeks numbered almost 2 million in March of this year, an increase of more than 1 million from a year ago. If, as seems likely, these groups contain a substantial number of mortgagors, a foreclosure crisis is rapidly approaching.

Mr. President, I do not think this tells the whole story. There are many communities where there is massive unemployment because of dependence upon a particular industry that is in trouble, such as the auto industry. It is not just that you have many families out of work and unable to pay their mortgage payments, but also the lending institutions in those communities are in desperate shape. The whole community is in desperate shape.

Fortunately, Mr. President, this is one crisis we can anticipate. This is one crisis we can do something about. We can, and we must, be ready to cope with a mortgage foreclosure crisis.

Accordingly, Mr. President, I am proposing an amendment to S. 1483, which I now call up.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MONDALE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 30, line 23, insert the following:

TITLE V—EMERGENCY MORTGAGE RELIEF PAYMENTS

SEC. 501. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make repayable emergency mortgage relief payments on behalf of homeowners who are delinquent in their mortgage payments.

(b) Emergency mortgage relief payments shall not be approved with respect to any mortgage unless—

(1) the holder of the mortgage has notified the mortgagor in writing of its intention to foreclose:

(2) the mortgagor and holder of the mortgage have indicated in writing to the Secretary and to any agency or department of the Federal Government responsible for the regulation of the holder that circumstances (such as the volume of delinquent loans in its portfolio) make it probable that there will be a foreclosure and that the mortgager is in need of emergency mortgage relief authorized by this Act, except that such statement by the holder of the mortgage may be waived by the Secretary if in his judgment such waiver would further the purposes of this Act;

(3) payments under the mortgage have been delinquent for at least two months;

(4) the mortgagor has incurred a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic conditions and is financially unable to make the full mortgage payments;

(5) there is a reasonable prospect that the mortgagor will be able to make the adjustments necessary for a full resumption of mortgage payments; and

(6) the mortgaged property is the principal residence of the mortgagor.

(c) Mortgage relief payments on behalf of a homeowner may be in an amount up to the amount of the principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage, but such payments shall not exceed the lesser of $300 per month or the amount determined to be reasonably necessary to supplement such amount as the homeowner is capable of contributing toward such mortgage payment.

(d) Mortgage relief payments may be made by the Secretary for up to eighteen months, and may be extended once for up to eighteen additional months. The Secretary shall require the mortgagor to report any increase in income which will permit a reducting or termination of mortgage relief payments during this period.

(e) Mortgage relief payments made under this Act shall be repayable by the homeowner upon such terms and conditions as the Secretary shall prescribe, except that interest on such payments shall not exceed 8 per centum per annum. Interest shall not begin to accrue until after the last payment made by the Secretary in behalf of the homeowner. The Secretary may defer repayment of the mortgage relief payments until the disposition of the property or the completion of the period of amortization for the mortgage. The Secretary shall require such security for the repayment of mortgage relief payments as he deems appropriate and may secure such repayment by a lien on the mortgaged property. The Secretary may make such delegations and accept such certifications with respect to the processing of mortgage relief payments as he deems appropriate to facilitate the prompt and efficient implementation of the assistance program authorized by this Act.

AUTHORIZATION AND EXPIRATION DATE

SEC. 502. (a) There are authorized to be appropriated for purposes of this Act not to exceed $750,000,000. Any amounts so appropriated shall remain available until expended.

(b) Mortgage relief payments shall not be made after July 1, 1976, except with respect to mortgagors receiving the benefits of payments on such date.

REPORTS

SEC. 503. Within sixty days after enactment of this Act and within each sixty-day period thereafter prior to July 1, 1976, the Secretary shall make a report to the Congress on (1) the current rate of delinquencies and foreclosures in the housing market areas of the country which should be of immediate concern if the purpose of this Act is to be achieved; (2) the extent of, and prospect for continuance of, voluntary forebearance by mortgagees in such housing market areas; (3) actions being taken by governmental agencies to encourage forebearance by mortgagees in such housing market areas: (4) actions taken and actions likely to be taken with respect to making assistance under this Act available to alleviate hardships resulting from any serious rates of delinquencies and foreclosures; and (5) the current default status and projected default trends with respect to mortgages covering multifamily properties with special attention to mortgages insured under the various provisions of the National Housing Act and with recommendations on how such defaults and prospective defaults may be cured or avoided in a manner which, while giving weight to the financial interests of the Untied States, takes into full consideration the urgent needs of the many low- and moderate-income families that currently occupy such multifamily properties.

Mr. MONDALE. Mr. President, my amendment would make it possible for homeowners who lose their jobs or suffer reductions in income because of our current economic problems to retain their homes—to keep their shelter. The amendment authorizes the Secretary of the Department of Housing and Urban Development to make repayable, emergency mortgage relief payments on behalf of such homeowners in order to maintain the payments on their mortgages.

Mr. President, I have been advancing a proposal similar to this for almost 2 years. The substance of this amendment was originally contained in an amendment which I proposed to the Omnibus Housing Act during the 93d Congress and was contained in S. 3200, an independent bill which I introduced with the distinguished Senator from Massachusetts (Mr. BROOKE) and the distinguished Senator from Michigan (Mr. HART) during the last Congress. It was also embodied in H.R. 34, introduced in the House during the 93d Congress by Congressman LUD ASHLEY of Ohio.

This provision was also contained in S. 660, which I introduced with Senators BROOKE and HART during this Congress. It is similar to H.R. 34, introduced in the House by Congressman ASHLEY again this year, which passed the House by an overwhelming vote of 321 to 21 last week as H.R. 5398.

The amendment authorizes the Secretary to make repayable, emergency mortgage relief payments on behalf of homeowners who are delinquent in their mortgage payments.

Several conditions must be met. First, the mortgagee must have notified the mortgagor in writing of his intention to foreclose. Payments under the mortgage must have been delinquent for at least 2 months. And, the mortgagor and mortgagee must, subject to waiver, have given appropriate notice of circumstances which make foreclosure probable.

The homeowner must have incurred a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic conditions, and be financially unable to make full mortgage payments. There must be a reasonable prospect, however, that the mortgagor will be able to resume mortgage payments in the future.

The relevant property must be the mortgagor's principal residence.

Once the preconditions are met, the Secretary may make mortgage relief payments on behalf of a homeowner. The payments may be in amounts up to the amount of principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage. The payments may not exceed the amount determined to be reasonably necessary to supplement the amount the homeowner is capable of contributing toward his mortgage payment or $300 monthly, whichever is lesser.

In other words, if a homeowner, having met all the conditions I have previously described, had mortgage payments of $200 a month, and no source of income through no fault of his own, those paymentes would be picked up. But if he can contribute $100 to the payment of his own mortgage, the Government would only pick up the difference of $100.

Relief may be provided for up to 18 months, and may be extended for up to another 18 months. Periodic reports on income variations are required. Repayment terms are to be prescribed by the Secretary. Interest begins to accrue after the final payment on behalf of the homeowner and may not exceed 8 percent. Payments may be deferred by the Secretary. Adequate security may be required, and processing burdens may be delegated.

A sum of $750,000,000 is authorized to be appropriated for the relief provided by my amendment over the next 3 years.

It is our estimate, and it is very rough, that the cost of this program would be something like $30 million a year. That is the outlay as we estimate it. But based on the Homeowners' Loan Corporation's experience, this will be repaid with interest. When the Homeowners' Loan Corporation expired in 1951 after having saved nearly 800,000 homes in America, it had a surplus of some $14 million that it returned to the Treasury. It was one of the most successful, least controversial, and effective programs of the whole depression era.

Thus, we have experience that is very valuable. We know it works. The American people accept it. Homeowners need it. It serves one of the most fundamental needs in American life; namely, helping protect homeowners from the lose of their most important investment and all that means to the family and to the communities in which they live.

Also, this is a program with a finite duration. No payments may be made after July 1, 1976, except to those homeowners already receiving assistance.

The Secretary is required by section 503 to make periodic reports to the Congress.

There is one final point I would like to make. This amendment is very similar to the measure introduced and sponsored by Congressman ASHLEY in the House last week. The amendment was adopted overwhelmingly. There are changes, however, which I think are essential.

First, the level of the maximum payment is raised from $250 per month to $300 per month. This level is more in line with average, monthly mortgage payments. Second, the payment period is 18, rather than 12, months. This duration seems more in line with the possi-

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bility of a lengthy period of economic adversity.

There have been many economists who have been saying recently that the recession that we are suffering is starting to bottom out. At the same time, they all admit that we are bottoming out at a very low level and that they anticipate serious unemployment will continue for several months.

Third, my amendment makes clear that interest will not begin to accrue until after the last payment on behalf of a homeowner is made.

Although accurate estimates are extremely difficult because of the instability of our current economic situation, it is estimated that this amendment may save as many as 300,000 homes.

A final word is appropriate, Mr. President. By offering this amendment, I do not abandon my efforts to enact a provision, modeled after the depression-era Home Owners' Loan Corporation, which had the additional power to purchase and refinance mortgages. I continue to fully support the enactment of such legislation.

I feel, however, that it is imperative that we move swiftly—in the most narrow and acceptable form—to provide relief for thousands of threatened homeowners. I believe that S. 1483, with my amendment added, provides an opportunity to enact much-needed legislation in a form which will prove acceptable to the House and to the executive branch.

I urge prompt adoption of this amendment so that critical relief may be provided for thousands of American families.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. GRIFFIN. Mr. President, I feel strongly that we do need some legislation to provide relief against foreclosure for deserving homeowners during these difficult economic times. However, I want to support legislation that will become law.

I assume that the Senator from Minnesota, who is offering this amendment, realizes that foreclosure relief legislation similar to his amendment is already on the Senate calendar, having been reported from the Committee on Banking, Housing and Urban Affairs. I refer to S. 1457.

It seems clear to this Senator that if we really want to get that kind of legislation enacted into law, it should not be tacked on as a rider to the bill now before the Senate. Regardless of how we individually view the bill now before the Senate, we do know that it is very controversial, and that the President will probably veto it.

Of course, I would not attribute any political motives to the Senator from Minnesota. However, I must suggest that while the procedure he pursues may be good politics, it is not a very good way to get foreclosure relief legislation enacted into law.

Mr. MONDALE. I thank the Senator from Michigan. I appreciate his support for the concept of homeowners' mortgage relief. I took his comments to endorse essentially the principle of seeking some way of protecting Americans who might otherwise lose their principal residence due to mortgage foreclosure, through no fault of their own, because of the adverse economic conditions.

As the Senator from Michigan knows—and I think this will help to dispel any fears he has about the motivation with which I raise this amendment—I have been calling for this for 2 years and did so when most of my colleagues were not concentrating on what I saw—and the figures clearly reflected it—as a growing menace threatening the ability of millions of Americans to meet the mortgage payments necessary to keep their present residences.

Having said that, I also think there are many other parts of the housing industry's problems that need to be solved. Not only do I support the bill recommended by the Committee on Banking, Housing and Urban Affairs; I support it enthusiastically.

Dealing with mortgage foreclosure is dealing with only a small part of the problem. Mortgage foreclosure problems are, of course, disastrous to the families suffering foreclosures. That is the problem my amendment is designed to solve. Mortgage foreclosures are disastrous to the communities in which large numbers of workers are unemployed. But the fact is that the housing industry has been the whipping boy for many, many years, as the Senator from Michigan knows.

Every time the Federal Reserve Board believes we are in an inflationary period. They tighten credit, they increase interest rates. They use all the powerful tools of the Federal Reserve Board. The result, almost immediately, is to run the housing industry through the wringer.

Two years ago, I believe, the Nation was building at an average rate of 2.3 million housing starts a year. This was under what the 1968 Housing Act expected, but a pretty good rate of home construction. Now, I think, the rate is below 1 million and it dropping. So it is not just a question of trying to protect people from foreclosure as to the homes in which they now live. Of equal importance. as a matter of fact, affecting far more Americans, is the question of trying to get terms that will produce housing, bring the housing industry out of the depression, bring housing within the reach of more Americans through more reasonable interest rates, and make it possible for millions of Americans who cannot now afford decent housing to be able to do so.

That is why I enthusiastically support this bill. I believe that a part of the answer has to be the home mortgage foreclosure remedy, which is why I think it should be a part of this bill.

Mr. GRIFFIN. I must say, in all candor, that I do not think the Senator really has addressed himself to the concern I expressed. If he had reason to believe that the Senate leadership would not call up the mortgage foreclosure bill already on the calendar, perhaps he would be justified in offering his amendment to this very controversial bill. But I am confident that S. 1457 can be taken up separately.

It seems to me that he jeopardizes the opportunity to have foreclosure relief legislation enacted into law when he tacks it onto the bill before us now, a bill which the President, is almost certain to veto.

Perhaps, some Senators will then be able to go around the country blaming President Ford, but that will not really help the people who lose their homes through foreclosure.

Mr. MONDALE. I do not think that the Senator from Michigan need lecture me about my interest in mortgage foreclosures. The record will show that in the past few years I have called repeatedly for this legislation. Every time I have done so, I have been told that it is not the right vehicle. Last year, when I raised the amendment, it was said that it was a wonderful idea, "But don't bring it up now; let us wait." I want this bill passed today.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. PROXMIRE. Mr. President, I am delighted to support the amendment by the distinguished Senator from Minnesota. It is a good amendment. It is an amendment that will strengthen this bill.

I say to the Senator from Michigan that we have been informed by people in the administration who are in a strong position to know that the foreclosure proposal might be veoted, also, and that there was just as strong sentiment—in fact, perhaps stronger sentiment—to veto S. 1457, the foreclosure bill, as there was to veto the emergency housing bill.

Mr. MONDALE. As I understand it, when I introduced the HOLC bill, S. 660, the administration announced its opposition to that proposal.

Mr. PROXMIRE. That is correct.

The Senator from Minnesota, as he has said, has been in favor of this proposal long before the rest of us were. He appeared before the Committee on Housing, Banking and Urban Affairs and testified with considerable force in favor of his proposal; and his proposal originally was written into the emergency housing bill.

The Senator from Minnesota has taken very helpful and constructive action in offering this amendment on the floor of the Senate. Heaven knows, we need it. As the Senator pointed out, we do not have the latest statistics or the up-to-date statistics on foreclosures. We do know, on the basis of our past experience, that when we have unemployment of the kind we have now, foreclosures follow, and follow rapidly. The data we have are 2 or 3 months behind the times. There is no question that when it comes on, particularly as the summer develops, if we do not take action of this kind, foreclosure is going to be very serious.

I point out to Members of the Senate that the amendment offered by the Senator from Minnesota is patterned quite closely after the House bill. That bill passed the House by a vote of 321 to 21, and I am sure that we can obtain quick agreement on this bill in conference.

I also support S. 1457 as reported by our committee. However, S. 1457 contains a controversial provision authorizing HUD to purchase mortgages in danger of default. New borrowing authority would be required. More pressure would be placed on the capital markets. I doubt that the House conferees or the administration would go along with this authority to purchase mortgages. Under it, the Government could wind up owning a lot of bad paper dumped on it by mortgage lenders.

The virtue of Senator MONDALE's approach is that it provides assistance directly to the person who needs it—the homeowners. Monthly mortgage payments would be made on behalf of the homeowner, but the mortgage loan would still be retained by the lender. It thus keeps the responsibility on the lender.

Mr. President, I think that some elements of S. 1457 are attractive and desirable; but I think that, overall, in view of the experience we have had already with a similar proposal in the House, which has received that kind of approval, this is an excellent approach that the Senator from Minnesota offers us and that it does strengthen the bill. I hope we can adopt it as an amendment to the bill.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. TOWER. Mr. President, I ask unanimous consent that the pending business be temporarily set aside and that the Senate proceed to the immediate consideration of S. 1457.

Mr. MONDALE. Mr. President, reserving the right to object——

Mr. PROXMIRE. Mr. President, I object.

The PRESIDING OFFICER (Mr. MORGAN). Objection is heard.

Mr. TOWER. Now we have let the cat out of the bag, indeed.

Mr. MONDALE. I do not know what the Senator is talking about. I just reserved the right to object to find out what the Senator is talking about.

The PRESIDING OFFICER. The Senator from Wisconsin objected.

Mr. TOWER. I shall be glad to explain what my consent request is.

The amendment of the Senator from Minnesota is, in effect, the substance of S. 1457. I think it could be very readily and rapidly passed by the Senate. I was trying to expedite what the Senator from Minnesota seeks to do. Apparently, the Senator from Wisconsin does not want it to be expedited in that way.

Mr. PROXMIRE. Will the Senator yield?

Mr. TOWER. If we really have a concern——

Mr. PROXMIRE. Will the Senator yield?

Evidently not.

Mr. TOWER. If we really have a concern, as is evidenced by the Senator from Minnesota, we can proceed to the immediate consideration of S. 1457. We can dispose of it, I think, in a very short period of time, probably by voice vote, and have that bill on its way to conference and then to the President.

What is being done here is that this amendment is being attached to a bill that is almost certain to be vetoed and therefore, the people that we are trying to help will not get relief.

Mr. PROXMIRE. Mr. President, if the Senator will yield just briefly.

Mr. MONDALE. I yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Florida has been seeking the floor and is recognized.

Mr. PROXMIRE. As I understand, the Senator from Minnesota has the floor.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. TOWER. No, the Senator from Minnesota had the floor.

Mr. MONDALE. I yielded to the Senator from Texas. I yield to the Senator from Wisconsin, then I shall be glad to yield to the Senator from Florida.

Mr. PROXMIRE. As I say, I have the greatest admiration for the Senator from Texas. He is an extraordinary Senator, he is a great member of the Committee on Banking, he is a good friend; but he is not the leader of the U.S. Senate. He is not the majority leader or the minority leader, and when he stands up and asks that we set aside the bill that was called up by the leadership—not by this Senator or anybody but by the leadership—it seems to me it is proper for me as manager of the bill to object to that.

As I pointed out, the only argument that the Senator from Texas has for this is that S. 1457 is not controversial. I have it on authority, perhaps not on authority quite as good as the Senator from Texas has, but good authority that the White House may very well veto S. 1457. That measure is controversial, too. They do not like it. There are provisions in that bill they oppose very strongly. On that basis, it seems to me it is well to proceed on the basis that the leadership has decided is proper, as good as the Senator from Texas may think, or as good as the Senator from Texas has decided it is.

Mr. TOWER. Will the Senator from Minnesota yield?

Mr. MONDALE. Before yielding, I wish to make one point. I agree with the Senator from Wisconsin about the fantastic persuasive powers of the Senator from Texas. Knowing of this great interest in protecting the American homeowner and trying to produce more housing, I was wondering if, rather than using the veto threat as an argument to stop the Senate from doing what it should do, deal with the housing problem, it would not make more sense if the Senator from Texas would unleash his incredible persuasive powers upon the President of the United States to change his mind and, instead of vetoing a bill that the American people need, sign it so that we can have more housing, more jobs for the American people, prevent foreclosures, and do the job which I understand the Committee on Banking, Housing and Urban Affairs, in its wisdom, recommended be done.

Mr. TOWER. Will the Senator from Minnesota yield?

Mr. MONDALE. I am delighted to yield.

Mr. TOWER. I very much appreciate the references to my great persuasive powers. I cannot help but believe, however, that perhaps there was a little tongue-in-cheek in your remarks, because the Senator from Texas ordinarily is able to persuade only the Senator from Texas how he should vote. However, if, indeed, it is not proper for the Senator from Texas, who is a member of the minority party and who is not even the minority floor leader, to ask that the pending business be set aside and that we proceed to immediate consideration of S. 1457, I wish to suggest that the Senator from Minnesota and the Senator from Wisconsin use their fantastic persuasive powers to convince the majority leader of the Senate that this would be a proper course of procedure. I shall be willing to join them in trying to persuade the distinguished Senator from Montana that we should, indeed, set this aside and proceed to the consideration of S. 1457, which, I think can assure the Senators from Minnesota and Wisconsin, would be passed very quickly.

Mr. MONDALE. I not only think we should not set this measure aside, I think we should have passed it 2 years ago and gotten it on the way to the President. Maybe he can get some counselors who will tell him how bad the housing market is, how much employment is needed in the housing industry, how much Americans need housing for their families, how much interest rates price housing away from the average family. Maybe he will sign that bill so that we can finally do something except just talk and posture about housing.

Mr. SPARKMAN. Will the Senator yield to me?

Mr. MONDALE. I yield to the Senator from Alabama.

Mr. SPARKMAN. First, I want to give full credit to the Senator from Minnesota. He has been working along the line of S. 1457 for 3 years. I remember when he brought it up the last time, I did suggest that I did not believe it ought to be tacked on to that particular bill. But I have recognized all along that it was a helpful program that he was supporting.

I wish to say this with reference to S. 1457: It was taken up in the Committee on Banking. It was a part of the draft bill that was before the committee, and I had been urging this kind of program.

As a matter of fact, the Democratic Conference just recently, and the Senator from Montana (Mr. MANSFIELD) in his presentation, strongly urged a bill with reference to mortgage foreclosures. I told him at the time that we had it up before the Committee on Banking, and it was going to be reported the next day, and it was. We had no difficulty in the Committee on Banking. It was in the draft with the other housing legislation, and I asked that it be separated and made into a separate bill because I thought we could get quick action. The chairman of the committee agreed with me. There was no contest against separating it from the bill, making a separate bill out of it. It is here, and I must say that I regret very much seeing it made the hostage of some other action.

I support the bill, I supported the bill in the committee. But at the same time, I asked that this be taken out of that bill and made a separate measure. The chairman agreed with me that it was a good move to make and it would be able to get early action.

If it is kept separate, there is no reason why we cannot get quick action on this because the House has a bill, I believe, already at the desk that the House has passed. All we have to do is either to accept the House bill without amendment, or else send it back to them with amendment and ask for a conference. All of

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that can be worked out very quickly and I am certain that we will have no difficulty.

With reference to the veto, I wish to say that it just happens that I have done some talking with the Secretary of Housing, and it is my understanding that she would probably want to propose some change in the language. I do not know; I presume that may be what the Senator from Texas has in mind. She agrees with the substance of the bill and wants merely some change in the language that I think we can agree to very easily and very quickly, and that bill would not be vetoed. I am not saying that she said that. That is the inference that I have drawn, that that bill would not be vetoed provided we could work out suitable language, as I am certain we can do.

I hope that whatever happens here, S. 1457 will not be removed from the calendar. I shall oppose that. I want it to stay on there; if the housing bill runs its course and does not succeed in getting through, I want to fall back on that bill, and I hope it will still be on the calendar for that purpose.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I agree wholeheartedly with the Senator from Alabama. I think that is a proper course.

It is my understanding, too, that there were problems the administration had with S. 1457, and they wanted to wait a little while to work out the language on it. But I thought meanwhile we would have a good bill and serve our purpose if we accepted the amendment of the Senator from Minnesota.

Mr. SPARKMAN. Understand, I am not opposing his amendment at all.

Mr. PROXMIRE. Yes, I understand.

Mr. SPARKMAN. I give him credit for having started this a couple of years ago.

Mr. MONDALE. I thank the Senator from Alabama for his gracious comments. As I remarked earlier, I appreciate his courtesy and generosity throughout the deliberations on this proposal. He promised last year that there would be hearings on this bill. The fulfilled that promise. I was permitted to participate fully in the hearings on this question of mortgage relief. It was the Senate which started the movement along with Representative Ashley of Ohio. I think we are well on our way toward helping protect families against home mortgage foreclosure.

Mr. TOWER. Mr. President, while there are 11 Senators in the Chamber, will the Senator yield?

Mr. MONDALE. First, Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MONDALE. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I move that the pending business be temporarily set aside, and that the Senate proceed to the immediate consideration of S. 1457; and I ask for the yeas and nays on the motion.

Mr. PROXMIRE. Mr. President, is that motion in order?

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion of the Senator from Texas, and I ask for the yeas and nays.

The PRESIDING OFFICER. A motion to proceed to the consideration of the matter is in order.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The yeas and nays have been requested on the motion to lay on the table. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. Morgan). The question is on agreeing to the motion of the Senator from Montana (Mr. Mansfield) to lay on the table the motion of the Senator from Texas (Mr. Tower). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Michigan (Mr. Hart), the Senator from Hawaii (Mr. Inouye), the Senator from New Hampshire (Mr. McIntyre), the Senator from Rhode Island (Mr. Pastore), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

I also announce that the Senator from Delaware (Mr. Biden) is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore), and the Senator from Rhode Island (Mr. Pell) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Nebraska, (Mr. Curtis), the Senator from New Mexico (Mr. Domenici), the Senator from Oregon (Mr. Hatfield), the Senator from North Carolina (Mr. Helms), and the Senator from Kansas (Mr. Pearson) are necessarily absent.

I also announce that the Senator from Maryland (Mr. Mathias) is absent on official business.

The result was announced—yeas 56, nays 29, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—56

Abourezk
Allen
Bayh
Bentsen
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Culver
Eagleton
Eastland
Ford
Glenn
Gravel
Hart, Gary W.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Proxmire
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stennis
Stevenson
Stone
Symington
Talmadge
Williams

NAYS—29

Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Case
Dole
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hruska
Javits
Laxalt
McClure
Packwood
Percy
Roth
Scott, Hugh
Scott,
  William L.
Stevens
Taft
Thurmond
Tower
Weicker
Young

NOT VOTING—14

Biden
Brooke
Curtis
Domenici
Hart, Philip A.
Hatfield
Helms
Inouye
Mathias
McIntyre
Pastore
Pearson
Pell
Tunney

So Mr. Mansfield's motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield to the chairman of the Committee on Foreign Relations.

HUMANITARIAN ASSISTANCE PROGRAMS IN VIETNAM

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 6096, a bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

The PRESIDING OFFICER. (Mr. Morgan). Is there objection to the request of the Senator from Alabama?

There being no objection, the Chair laid before the Senate H.R. 6096, a bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of the funds for the use of the U.S. Armed Forces in Indochina, and for other purposes, which was read twice by its title.

The Senate proceeded to consider the bill.

Mr. SPARKMAN. Mr. President, I move to strike out all after the enacting clause and substitute the text of S. 1484 as passed by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama to strike out all after the enacting clause and to substitute the text of S. 1484 therefor.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 6096) was passed, as follows:

That this Act may be cited as the "Vietnam Contingency Act of 1975".

Sec. 2. There is established a Vietnam contingency fund for use during the fiscal year 1975 in the amount of $100,000,000 and there is authorized to be appropriated not to exceed such sum, to be used only for humanitarian and withdrawal purposes as the President determines is in the national interest with respect to dealing with the present emergency in South Vietnam. Such amount shall be available without regard to the provisions of section 36, 37(b) (third sentence), and 38 of the Foreign Assistance Act of 1974.

Sec. 3. (a) If the President determines that the use of United States Armed Forces is necessary to withdraw citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are being withdrawn. In the event that such withdrawal cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such withdrawal shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such withdrawal, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be withdrawn as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

Sec. 4. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 3 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out endangered foreign nationals if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(a) every effort has been made to terminate the threat to such foreign nationals by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(b) a direct and imminent threat exists to the lives of such foreign nationals; and

(c) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the withdrawal of citizens of the United States and their dependents; and

(d) the duration of the use of such United States Armed Forces will not thereby be extended; and

(e) such withdrawal will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being withdrawn.

Sec. 5. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of section 5(c) of the War Powers Resolution, and as provided by such section 5(c) such forces shall be removed by the President if the Congress so directs by concurrent resolution.

Sec. 6. The provisions of section 3(a) of this Act may be construed to be in derogation of the prohibitions contained in section 839 of Public 93–437, section 741 of Public Law 93–238, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, and section 307 of Public Law 93–50, only to the extent necessary to give effect to the provisions of section 3(a).

Sec. 7. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia. To insure that the assistance is provided to such persons throughout both countries and through channels acceptable to all parties, the assistance authorized by this Act is to be provided under the direction and control of the United Nations or under the auspices of voluntary relief agencies.

(b) (1) Notwithstanding any other provision of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam and Cambodia, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000 for the purpose of providing humanitarian assistance to refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia.

(2) Funds made available under this section shall be furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies: *Provided,* That distribution or provision of any services, commodities, goods, materials, or other relief supplies made available pursuant to this section shall be made only under the direct supervision and control of representatives of such international organizations or voluntary relief agencies.

(3) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing fully and completely—

(A) the amount of each type of economic assistance provided under this Act;

(B) the expected recipients of such assistance;

(C) the names of all organizations and agencies involved in the distribution of such assistance; and

(D) the means with which such distribution is carried out.

(c) Notwithstanding any other provision of law, any assistance under title I or title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled for delivery to Cambodia on or before the date of enactment of this Act shall be delivered to Cambodia through multilateral, international channels, in accordance with section 35(a)(7) of the Foreign Assistance Act of 1974: *Provided,* That such assistance is requested by the Government of Cambodia.

Sec. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day, with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

Sec. 9. Not more than forty-eight hours after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the withdrawal from Vietnam of the persons described in sections 3 and 4 of this Act.

Sec. 10. As the situation in Vietnam has deteriorated, there has been a sharp increase in the number of deserters from the United States military who has turned themselves in wanting to be evacuated from Vietnam to the United States. It is the sense of the Congress that although these men turned their backs on the United States in its hour of need, basic humanitarian instincts dictate that we not turn ours. However, it is also the sense of the Congress upon return to the United States these men be promptly turned over to the proper authorities for prosecution in accordance with law.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate insist on its amendment and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Sparkman, Mr. Church, Mr. Humphrey, Mr. Clark, Mr. Case, Mr. Javits, and Mr. Hugh Scott conferees on the part of the Senate.

EMERGENCY HOUSING ACT OF 1975

The Senate continued with the consideration of the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. MANSFIELD. Mr. President, if the Senator will allow me, I would like to yield briefly to the Senator from Utah (Mr. Garn).

Mr. GARN. Mr. President, I ask unanimous consent that a member of my staff, Dan Wall, be granted the privilege of the floor during the debate on S. 1483 and the votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I think the Senator from Minnesota has——

Mr. MONDALE. Mr. President, I yield for a unanimous-consent request.

Mr. EAGLETON. Mr. President, I ask unanimous consent that——

The PRESIDING OFFICER. The Senate will be in order and will the Senators take their seats, please?

Mr. EAGLETON. Mr. President, I ask unanimous consent that Mr. Jack Lewis and Gene Godley be granted privilege of the floor during the pendency of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I yield briefly to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Mr.

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John Brooks, of my staff, be granted privilege of the floor during consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I yield to the Senator from Florida.

Mr. STONE. Mr. President, first, I ask unanimous consent that a member of my staff, Bill Persley, be granted privilege of the floor during the discussion on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. Mr. President, I call up my amendment in the second degree to the Senator from Minnesota's amendment.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for that purpose?

Mr. MONDALE. Yes, I yield.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 2, to Section 501(b)(6) after the word "mortgagor," add the following new sentence:
>
> "The mortgaged property may include, but is not limited to, property owned in fee simple, condominium units, mobile homes, boats, or multi-unit dwellings."

Mr. STONE. Mr. President, I intend to offer the substance of this amendment to S. 1457 when and if that bill is called up, but, meanwhile, I ask that that amendment be adopted as part of the Mondale amendment.

The amendment would make absolutely clear, as I think it is the intention of the proposer of the basic amendment to make it clear, that the protection extended to homeowners who are unemployed will extend as well to owners of homes such as mobile homes, condominium units, boats where boats are the principal place of residence, or such as other multiunit dwellings where they are owned and lived in as the principal place of residence.

May I say that I am joined in the substance of this amendment as to the other bill—amendment No. 363—which will be called up later, by Senator BAYH, Senator BIDEN, Senator BROCK, Senator MORGAN, Senator STEVENS, Senator TAFT, Senator THURMOND, Senator CRANSTON, and Senator CHILES.

I believe that this is a good amendment and will assist the basic amendment. I ask that it be accepted by the proposer of the amendment.

Mr. MONDALE. I thank the Senator from Florida. I think this is an excellent amendment.

It makes specific what I always intended. By so doing, it removes any doubt about the applicability of mortgage relief contemplated by this legislation for the owners of principal residences regardless of the kind of residence.

In fact, a distinguished Minnesotan, Mr. Robert Nickoloff, of Hibbing, Minn., urged me early in the development of this legislation to insure broad applicability. The Senate owes Mr. Nickoloff its gratitude for his important role in the development of this provision.

We always tend to think of housing in terms of a detached home on a lot. Increasingly, however, Americans are living in units different from that model. Mobile homes, I think now house well over 10 percent of the American families. It could be much higher than that, but it is at least that.

Increasingly, States provide laws that authorize condominium treatment where one owns, as one would own his own home, an apartment in a large apartment building.

Mr. STONE. The Senator is correct and the latest Census figures found show that 94 percent of mobile home families have an annual income of less than $15,000. In fact, 76 percent of such families have incomes of less than $10,000. Precisely the group that the Senator's amendment is aimed at providing this needed assistance to.

Mr. TOWER. I believe the amendment of the Senator from Florida is a very constructive amendment and should be adopted. I would urge the Senator from Minnesota to ask unanimous consent that his own amendment be modified to include the amendment of the Senator from Florida. I believe that could be done with expedition.

Mr. MONDALE. I will do that. I will first yield to the Senator from Wisconsin.

Mr. PROXMIRE. I want to congratulate the Senator from Florida on this amendment and the Senator from Minnesota for accepting it. It is the most logical kind of approach. After all, those people who are most likely to lose their shelters, their residences, are people of low income. Last year, some 500,000 housing units were mobile homes, about one-third or close to one-third of all the housing units that were constructed.

Obviously, under these circumstances, if we did not provide foreclosure protection for these people, we would be failing to do the job we should do. So I congratulate the Senator from Florida for this amendment. It is an excellent amendment and I am delighted to support it.

Mr. STONE. I thank the Senator.

Mr. BROCK. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Florida (Mr. STONE) to make clear that mobile homes are covered under the emergency relief provisions of S. 1457.

Mobile homes have risen to a position of dominance in the low-cost housing field. They are virtually the only source of homeownership now available to those who cannot afford a typical new site-built home. Some 95 percent of all new single-family homes sold for $15,000 or less are mobile homes.

The primary purchasers of mobile homes are lower-income Americans who are hit hardest by a recession and unemployment. Many find that they simply are not able to keep up their payments on their mobile home when they are laid off. Statistics show that repossessions during the last part of 1974 may have been as high as 36 percent of industry shipments. It would be grossly unfair to fail to include in the emergency bill these hardworking Americans who are facing catastrophic unemployment.

Another factor to consider is the economic impact the recession is having upon the mobile home industry itself. In my State of Tennessee, as well as throughout the Southeast, the industry is made up of small business firms that manufacture and sell the mobile homes. Unlike the large automobile manufacturers and dealers, these small businessmen are unable to weather the storm. The key problem now facing the industry is unemployment.

I urge all of the Members of this body to join me in support of the Stone amendment to bring relief to the hard-pressed mobile homeowner and small businessman.

Mr. MONDALE. Mr. President, I ask unanimous consent that my amendment be modified to incorporate the Senate amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day the following proceedings occurred:)

Mr. STONE. Mr. President, I ask unanimous consent that the RECORD be corrected to show that my amendment to the bill just passed properly reads as follows:

> To Section 501(b)(6) after the word "mortgagor," add the following new sentence:
>
> "The mortgaged property shall include, but is not limited to, property owned in fee simple, condominium units, mobile homes, boats, or multi-unit dwelling."

The correction is that instead of including the word "may," the amendment was supposed to include the word "shall" after the words "mortgaged property."

This has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Will the Senator from Florida send his amendment to the desk? The amendment will be so modified.

Mr. MONDALE. Mr. President, though I do not think there is any controversy attached to this, I would ask unanimous consent that my amendment in section 501, subsection (b)(1), be modified to read as follows:

> The holder of the mortgage has indicated its intention to foreclose—

Substituting that phrase for the language in my amendment which says:

> Notified the mortgagor in writing of its intention to foreclose.

This is a technical change recommended by the staff of the Banking, Currency and Urban Affairs Committee to reflect more realistically the practice in mortgage foreclosures in the private, conventional mortgage market. I would hope there would be no objection.

Mr. GARN. No objection.

The PRESIDING OFFICER. Will the Senator send his modification to the desk?

Mr. MONDALE. I ask uanimous consent that my amendment be so modified.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Without objection, it will be so modified.

Mr. PROXMIRE. I wish to ask the Senator from Minnesota a question.

There is one provision in S. 1457 which is particularly useful and missing from the Mondale amendment. That is notification. I point out to the Senator from Minnesota that S. 1457 requires the Department of Housing and Urban Development to notify the borrower of his rights. One of the great weaknesses we have in this country is that we have laws that protect people but they do not know about them. They are not in a position to use them. After all, very few people who own homes are lawyers or in the real estate business. It seems to me that this kind of a modification would be very constructive and useful.

I call the attention of the Senator from Minnesota to page 3, line 9 through page 4, line 10, which embrace that particular provision. I think if the Senator from Minnesota would consider modifying his amendment to include that, we would have an excellent combination of the best that is in both proposals.

Mr. MONDALE. I agree completely with the Senator from Wisconsin.

While the Senator from Alabama is not here, and I would like to discuss it with him personally, I have discussed it with the staff director of the Subcommittee on Housing. There apparently is no objection on their part to our including this strengthening feature.

Mr. President, I would ask unanimous consent that all of section 4 of S. 1457 be included in my amendment as a separate section 502.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. No objection.

Mr. MONDALE. And that the other sections be renumbered accordingly.

Mr. BROCK. Mr. President, reserving the right to object, I am wondering if we are not getting fairly complicated.

Is there anything at the desk to indicate how the amendment would read, having been modified?

Mr. MONDALE. Yes, but I would be glad to give the Senator time to look at the modification. It is section 4 of S. 1457, which appears on page 3 of that bill under the title of "Notification."

I would simply add that "Notification" section in my amendment, after section 501, by providing a new section 502 and asking that the other sections be appropriately renumbered.

Mr. PROXMIRE. If the Senator will yield, I might tell the Senator from Tennessee that in the Banking, Housing and Urban Affairs Committee we have had hearings on this. We discussed this. We acted on this particular bill, including that section which is being added to the Mondale amendment. So it is something that did have deliberation. There was no opposition on either side of the aisle in the committee. I think I can assure the Senator that it is a provision that has been considered, that is sound, and that is appropriate for the foreclosure amendment the Senator from Minnesota is offering.

Mr. BROCK. I appreciate that. I have trouble finding where it is going to be placed. There is already a section 502 in the Senator's proposed amendment. I wonder if he could not proceed to discuss the full amendment for just a couple of minutes before we proceed with the unanimous-consent request.

The PRESIDING OFFICER. The unanimous-consent request will be held in abeyance.

Mr. MONDALE. Mr. President, I would ask the counsel for the Committee on Banking, Housing and Urban Affairs' Subcommittee on Housing to draft a formal amendment which the Senator from Tennessee could review.

Mr. President, I ask unanimous consent to yield to the Senator from New Mexico for the purpose of offering an amendment, with the understanding that I be recognized following disposition of that amendment.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

AMENDMENT NO. 366

Mr. MONTOYA. Mr. President, I call up my amendment No. 368 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New Mexico (Mr. MONTOYA) proposes an amendment No. 368.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

> At the end of the bill, add the following:
>
> SEC. . The fourth sentence of section 5(c) of the United States Housing Act of 1937 is amended—
>
> (1) by inserting "(1)" after "except that"; and
>
> (2) by inserting before the period at the end thereof a comma and the following: "and (2) after the date of enactment of the Emergency Housing Act of 1975, none of the funds made available under this sentence shall be used to fulfill any outstanding commitments entered into prior to such date under any memoranda of understanding among the Department of Housing and Urban Development, Interior, and Health, Education, and Welfare".

Mr. MONTOYA. Mr. President, I have consulted with the staff of the Committee on Banking, Housing and Urban Affairs and I have consulted with its chairman, Mr. PROXMIRE. This amendment is designed to clarify the congressional intent of an amendment that was inserted in the Housing Act of 1974. It is merely a clarifying amendment. It does not involve any new authorization at all.

I called up my amendment to S. 1483, the U.S. Housing Act of 1937, as amended, because of what I believe is a gross misinterpretation of the Indian housing set-aside provision contained in title II, section 5(c) of the Housing and Community Development Act of 1974.

This set-aside was, I believe, a landmark in Indian housing efforts because it recognized in law the importance of continuing for Indians the traditional public housing programs, which include the Indian mutual help program. I am not at all convinced that the section 8 leased housing program is the answer to the many housing problems of poor people anywhere, but I know, as does the Department of Housing and Urban Development, that it is no answer for Indian people living on reservations or former Indian lands. Leased housing will not work where there are no financial institutions to serve and contract the leasing program and where legal status of lands is unclear.

The 1974 set-aside accomplished several things:

First. It provided a minimum amount of HUD contract authority for Indians for each of 2 fiscal years, 1975 and 1976, for a total of $30 million.

Second. It prohibited the use of this authority for section 8 leasing.

Third. It extended the set-aside to all federally and State recognized tribes, bands, pueblos, groups or communities of Indians or Alaska Natives.

Fourth. It established a more flexible operating subsidy formula to prevent the situation in which Indians are denied housing, because they live in a very high cost area, such as Alaska, and because they are too poor.

The Department of Housing and Urban Development opposed this set-aside provision, stating to Indians that it would recommend veto of the entire act if the provision was included. That threat was not fulfilled, but HUD is now trying to subvert the intent of the provision by misinterpreting it:

First. At a HUD Indian housing conference last November, a new allocation of 6,000 Indian units was announced, but for funding in fiscal year 1976. Current contract authority, $15 million in fiscal year 1975 will be used, according to HUD officials to finance units allocated several years before in a 30.000-unit commitment HUD made to Indians for fiscal years 1970–74.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of that HUD promise in a Memo of Understanding issued in 1969, and also a copy of a HUD news release from Sheldon Lubar, former Assistant Secretary for Housing Production and Mortgage Credit.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 17, 1969.

MEMORANDUM OF UNDERSTANDING

PROVISION OF SANITATION FACILITIES FOR INDIAN HOUSING

Public Law 86–121 (the Indian Sanitation Facilities Act), enacted in 1959, authorizes the provision of assistance by the Indian Health Service, Department of Health, Education, and Welfare in the construction of water supplies, waste disposal facilities and other sanitation facilities for Indian houses and communities. Construction of Indian housing, however, is supported by the Departments of Housing and Urban Development and Interior. As a result of the separation of responsibilities for these related activities, problems have arisen in providing sanitation facilities proportionate to the number of housing units being constructed. To ensure the provision of adequate sanitation facilities for new and rehabilitated housing for Indians and Alaska natives for fiscal year 1970, the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, and the Department of the Interior agree to the conditions set forth in this memorandum.

I. Division of Responsibilities

In a January 16, 1969, letter to the Secretary of HEW establishing the final allowance for the 1970 President's budget, the Budget Bureau stated:

"The estimate for the Indian Health Sanitation Program is based on the agreement that the costs of wells and septic tanks, where applicable, will be included as part of the development cost of low-rent housing. Continued close coordination between the

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Department of Interior and the Department of Housing and Urban Development will be necessary to assure apropriate scheduling of the provision of housing and supporting facilities."

As a result of this policy decision, the Department of Housing and Urban Development will provide individual water and waste facilities (wells, septic tanks, etc.) for new Indian houses constructed through the Housing Assistance Administration which do not have access to community sanitation systems.

The Department of Health, Education, and Welfare will continue to provide water distribution and sewage disposal systems for communities of new homes, and sanitation facilities for rehabilitated houses which lack adequate facilities.

II. Level of Effort for FY 1970

As part of efforts to alleviate funding problems associated with the provision of sanitation facilities for Indian housing in fiscal 1969, an interagency task force consisting of Department representatives from HEW, HUD, and Interior was formed to provide top level coordination and guidance for housing and sanitation facilities construction programs. This task force developed a projection that 8,000 housing units can be constructed and renovated during each of fiscal years 1970–1974. The needs for water and waste facilities during this period will be based on this projection, subject to revisions to meet changing conditions. For fiscal 1970, 8,000 Indian housing units will be constructed and renovated as follows:

1. Housing and Urban Development—6,000 units of new housing;
2. Bureau of Indian Affairs—1,000 units of new or improved housing;
3. Tribal groups—1,000 units of new housing.

The 1970 budget for HEW requests $13,130,000 to provide sanitation facilities for 7,100 units of new or improved housing. Individual water and waste facilities for the remaining 900 units of new housing will be provided by HUD at a cost of $2 million. These figures are the best estimates available at this time and are subject to Congressional action on appropriation requests.

III. Revision

This memorandum of understanding may be revised when deemed appropriate by the participating parties.

HUD News

Sheldon Lubar, Assistant Secretary for Housing Production and Mortgage Credit of the Department of Housing and Urban Development, today announced that up to 7,500 units of housing for Indians will be obligated for 1975.

These follow the 4,900 units designated for FY 1974, which are part of the 30,000 units agreed upon in 1968 by HUD and the Departments of Health, Education and Welfare and Interior.

"Our Department is deeply concerned," said Mr. Lubar, who is also Commissioner of the Federal Housing Administration, "with the development of a comprehensive housing program that will establish priority objectives for native Americans.

"Years of experience have demonstrated that the most meaningful effort to improve the housing conditions of Indian families has been taken by HUD under the public housing program. We will provide subsidies under our revised leasing program when possible, and in other instances, continue the subsidies through the mutual Self-help or Turnkey III homeownership program."

In addition to providing funding and technical assistance to Indian Housing Authorities, HUD will continue to develop a more viable program of homeownership education service to be used especially on Indian territories.

HUD is also working with the Department of Labor on a joint venture for a building trades apprenticeship training program that will qualify Indians to work on HUD-assisted housing on Indian lands.

The 7,500 units for FY 1975 will be distributed on the basis of approvable applications submitted by Indian Housing Authorities.

Additional separate funding for Indian housing is also available through Farmers Home Administration programs of the Department of Agriculture, and to a lesser degree, through the Housing Improvement Program of Interior's Bureau of Indian Affairs.

Mr. MONTOYA. Mr. President, the Lubar release shows HUD's awareness of its promise to complete the 30,000 units with prior year or other contract authority and to obligate 7,500 new units in fiscal year 1975 with the set-aside authority.

Basically, what HUD is doing is using contract authority intended for a new commitment to Indian housing, to finance a commitment that HUD failed to fulfill with funds that were already available. Both the Housing and Community Development Act of 1974 and the appropriations bill for fiscal year 1974 provide ample contract authority for the financing of bona fide public housing commitments made prior to fiscal year 1975. For instance, when new authorities are combined, transferred and finally isolated, section 5(c) of the Housing and Community Development Act of 1974 alone provides new contract authority totaling approximately $1.225 billion per year, of which at least $150 million per year is to be used for low-income housing. In the bill before us today, there is a provision authored by the distinguished Senator from Massachusetts, Mr. BROOKE, of which I am cosponsor, to increase the fiscal year 1975 and 1976 authorization by $300 million for low-income housing. There is money to fund prior housing commitments.

The purpose of today's amendment to the Housing and Community Development Act of 1974 is to establish without question the intent of the Indian set-aside provision which is to finance a new commitment to Indian housing. Upon introducing the set-aside, I was informed that $15 million in contract authority would finance 7,500 units. HUD claims, and I am willing to accept this, that only 6,000 units per year are possible with that amount. Thus, with the amendment, HUD should finance in fiscal year 1975 and 1976 12,000 new units of Indian housing. Additionally, fiscal year 1974 authority that is still available should be used to fulfill the balance of the 30,000-unit commitment established by the Department of Housing and Urban Development, the Department of the Interior, and the Department of Health, Education, and Welfare memorandum of understanding referenced in the amendment. Although HUD's records and statements make it hard to tell, I believe the balance totals approximately 10,773 units. It is my understanding from former Secretary Lynn, in his reply of January 29, 1975 to 10 Senators who expressed to him their deep concern on this matter, that these funds are still available.

Mr. President, I ask unanimous consent to have this correspondence printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C. December 13, 1974.

Hon. JAMES T. LYNN,
Secretary, Department of Housing and Urban Development, Washington, D.C.

DEAR SECRETARY LYNN: Among the many provisions of the omnibus housing legislation enacted this year in P.L. 93–383 was the set-aside of traditional public housing contract authority for Indian use only. This provision, Title II, Section 5(c), was introduced in the Senate in order to continue the production commitment made to Indians in 1969 by the Department of Housing and Urban Development, and to continue it with programs that can actually serve Indian people living on tribal and other Indian lands.

When this provision was introduced, it was expected that it would contribute to the construction of 7,500 units annually for fiscal years 1975 and 1976. That is, in addition to the 30,000 unit commitment made in 1969, the provision was expected to build some 15,000 additional low-income units that are so desperately needed by Indian people. We, the undersigned, are now concerned that the intent of this provision will not be carried out. We have attempted to analyze recent Indian housing production figures of your HPMC staff, and your recent statements to Indian housing personnel in Scottsdale, and have concluded that only 1,100 units will be produced in fiscal years 1975 and 1976 instead of the 15,000 units that were intended by the legislation.

These are the facts as we see them: According to a 6 November 1974 memorandum from Morris Shroeder to Sheldon Lubar, there were 6,558 units allocated to tribal housing authorities before the end of FY 74 that were not put under ACC. These units will, according to that memorandum, "exhaust the FY 75 funding set-aside." Is it your intention to use the FY 75 Indian contract authority for units that are already in the pipeline?

Furthermore, at the recent HUD Indian conference in Scottsdale, you stated that in FY 75 6,000 units would be allocated to the field. However, these units would not be put under ACC until FY 76 because, you stated: "it takes 18 months" from time of allocation to ACC. It is our view that this lead-in time is unduly long, that the law intended for $15 million in contract authority to be spent in each of the fiscal years 1975 and 1976 for new commitments, and that 6,000 units do not constitute any new commitment. When FY 74 ended, not only were there 6,558 Indian units in the pipeline, but there were an additional 4,900 units of the original 30,000 unit commitment that had not been allocated. If these are the units to be allocated in FY 75 for ACC in the following year, then Indian people will be receiving only 1,100 units of the new commitment legislated by Congress.

At another point during your Scottsdale appearance, you were asked if the units allocated in FY 74 could have been funded with FY 74 funds, specifically a portion of the $140 million appropriated by Congress last October, 1973, in P.L. 93–117. Your response was that they could have. We wonder why they were not.

Congress increased the contract authority for public housing by $2[illegible]0 million when it enacted P.L. 93–383. These funds were intended to help HUD meet prior commitments. There can be little question that the 1969 promise made to Indians of 30,000 units by the close of FY 74 constitutes a "prior" commitment that should be honored.

P.L. 93–383 provides HUD with authority to finance the construction of approximately 15,000 more units of Indian housing over a two year period. We are extremely interested in how you intend to implement this legislative mandate; your timetable for allocating units; and what steps are being taken to insure that processing will be speeded up so that more Indian people will be housed. Congress and the Administration share the goal of eliminating the bad housing conditions of Indian people. The tools are available, but it is up to you to implement them expeditiously.

Very truly yours,
Lee Metcalf, Floyd K. Haskell, James Abourezk, Joseph M. Montoya, Frank E. Moss, Mike Mansfield, Henry M. Jackson, Ted Stevens, William D. Hathaway, Pete V. Domenici, *U.S. Senators.*

Mr. MONTOYA. Mr. President, the need for more units of Indian housing is great. On March 8 of last year in remarks about the state of housing for Indians, I discussed the dearth of progress made by HUD in providing decent homes for penuric Indians.

Mr. President, I ask unanimous consent to have a copy of my statement of March 8 printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Congressional Record,
Mar. 8, 1974]

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974—AMENDMENT

Indian "self-determination" is a major goal of the Congress and the Administration. It implies the assumption of full self-government by Indian tribes in the management of their political, economic, and social affairs, but it also assures the continuation of federal trust responsibility. Self-determination is, unfortunately, an elusive creature to people who suffer poor health and whose environment is a continual reminder of their impoverishment. I question how "free" is an individual whose home is a shack—or a tent or car body—whose polluted drinking water must be carried several miles, and whose access to a doctor is obstructed by impassible roads.

If self-determination is our nation's goal for Indians, then concomitant with that goal must be the elimination of the impoverished environment which so many Indian people endure. My purpose today is to address the particular issue of Indian housing, and to inform you of what I believe is a retreat by the federal government from its avowed commitment to provide decent housing for Indian people. In 1971, the General Accounting Office published its report, "Slow Progress in Eliminating Substandard Indian Housing"; it is my concern that neither the Congress, nor the Administration, allow an epilogue to that report be written and entitled, "No Progress . . .".

As the Senate is aware, Indian housing is the worst in the country, and we believe a special effort is needed to assure the Indian people a decent place to live. Of the 92,000 existing units on Indian land, 56,000 are substandard. Of these, 32,000 are so dilapidated that they cannot be renovated but must be replaced. An additional 15,000 units are needed for families who have no home of their own and now live two or more families to a unit or who live in tents or in car bodies.

As you also know, Federal housing assistance to Indians is particularly important because Indians have almost no access to private housing resources. Lending institutions and home builders do not exist on Indian lands, nor will they involve themselves with Indian housing programs because of the special status of Indian land which denies these institutions the security they require.

New Mexico, which is home to a tenth of the nation's Indian population, and to more than 18 percent of the national Indian rural population, is illustrative of the severity of the Indian housing problems. On the Pueblos, which are tourist attractions to thousands of visitors, and in the rural, isolated lands of the Apaches, substandard housing accounts for 62 percent of all housing units, by BIA's own estimation.

As in all rural areas, the presence of extremely bad housing is coupled with a high incidence of poverty. You are probably aware that half the nation's poor people live in rural areas. Indeed, the 1970 Census shows that 19 percent of all rural families are impoverished. But Indian poverty is even more dramatic. We find that 47 percent of all rural Indians have incomes that fall below the poverty level.

These poverty statistics assume great importance when we begin to consider how Indians can improve their housing conditions. There is no question that decent, safe, and sanitary housing is costly, and that most Indians cannot affort it. In most cases, Indians need either partially or totally subsidized housing. Yet such housing exists only in limited supply on Indian reservations. HUD data to December 31, 1972, show that 12.094 units of low-rent, mutual help, and Turnkey III housing units were completed by tribal housing authorities since 1961, or about 1,000 units per year—not even enough to keep up with population growth.

Though these programs are small, particularly in comparison to need, their numbers far exceed the production records of the more shallow subsidy programs of HUD–FHA and the Farmers Home Administration. For example, in HUD's Region IX, which serves the Indian population in all the southwestern states, including my home state of New Mexico, HUD insured projects totalled only 183 units in eight years. In that same region, Farmers Home Administration had only 100 Indian loans in force as of March, 1972.

The only major and formal commitment to providing decent housing to Indians on reservations was made in April, 1969, but this commitment was more an outcome of the budget planning process than a serious reflection of housing needs or goals. In a Memorandum of Understanding between HUD, the Bureau of Indian Affairs, and the Indian Health Service (HEW), each agency's responsibilities were outlined in an attempt to overcome the lack of coordination that resulted in families occupying new housing units that lacked plumbing or access roads. HUD would provide housing financing under the public housing programs, BIA would provide access roads, and the Indian Health Service would provide water and sewer facilities. To secure the agreement, HUD committed itself to the construction of 6,000 Indian housing units annually for five fiscal years ending June 30, 1974.

Five years have nearly passed, and the total 30,000 unit commitment is not fulfilled. When fiscal year 1974 ends, there will be a balance of at least 4,700 Indian units with no contract authorization. Even though HUD Secretary James Lynn has publicly stated his intention to fund those units in FY 75, the Administration budget is silent on the matter.

The 1969 commitment to Indians must not be allowed to die. Furthermore, since those 4,700 units will only replace a tenth of the 47,000 new units that BIA said were needed more than nine months ago. Congress must also provide in its housing legislation, authorization for the continuation of those programs which serve Indian housing needs. These are, primarily, the low-rent, mutual help homeownership, and Turnkey III homeownership programs.

The Administration's notion of a revised Section 23 leased housing program and housing allowance demonstration for all poor people living in bad housing would be a tragic mistake in Indian areas, since these areas contain no stock of standard housing for lease, nor do they contain the financial institutions and building enterprises required if private development is to function. I have grave concerns about the applicability of the Administration's proposals to most rural areas, and Indian areas particularly. It is surprising to me that after ten years of working in Indian areas, the Department of Housing and Urban Development would offer a nation-wide program for all low-income persons that the Agency knows cannot house Indians. Yet the FY 75 HUD budget offers no alternatives to Indians. It appears to me that, HUD, the only Agency with programs and funds to address the severe Indian housing problem, has implicitly called an end to its participation in that effort.

Mr. President, we are in the process of debate on S. 3066, the Housing and Community Development Act of 1974. Senator Sparkman and members of the Committee are to be commended for their efforts in producing legislation that incorporates basic housing reform, and yet retains the federal commitment to low- and moderate-income families. The legislation clearly reflects Senator Sparkman's continuing dedication to federal involvement in housing development, particularly for lower-income American families and elderly. It is my concern, however, that in the area of Indian housing, the Administration may veer from the goals established by this body.

The amendment sets aside, for the exclusive use of our Indian people, $15 million of the $795 million authorized for FY 75 and $15 million of the $720 million authorized for FY 76 for annual contributions for low-income housing projects. This set aside will allow for the construction of approximate 7,500 units of Indian housing per year.

We sponsors of Amendment 1003 are attempting to guarantee the informal commitment which the Department of Housing and Urban Development made in 1969 and to extend that commitment for the two year life of this authorization. The construction of these units has been and will continue to be essential to reduce the staggering back log of 47,000 units of needed Indian housing. We are also attempting, through this amendment, to assure the construction of the 1,500 units needed annually to house an increasing Indian population and to replace deteriorating existing units.

Housing set-asides are essential to the continuation of Indian housing efforts, but there are other issues that must also be addressed. Among those are the multi-agency responsibility for Indian housing which causes long delays and confusion, the lack of clear guidelines for the development of mutual help housing, the adequacy of urban oriented public housing development and management guidelines to the rural Indian setting, and the lack of mortgage financing for Indians whose incomes exceed public housing guidelines.

We believe that the programs funded by Chapter II of the bill—especially the low rent, mutual help and Turnkey III programs, are those which have been of greatest benefit to the Indian people. Subsidy programs such as those operated by the Farmers Home Administration and provided for in Chapter V of the bill, simply do not work on Indian Reservations. The amount of assistance provided is too small to be of help to low-income Indians, and the regulations which control these programs work to prevent Indian participation.

Indians involved in housing have addressed these problems to the Department of Housing and Urban Development by letter, telephone, and innumerable personal visits. Last July, HUD promised Indians that a manual for the mutual help program would be written, incorporating Indian suggestions, and would be ready for Indian review in October. It is now March, and there is no manual.

And in January of this year, Dr. Gloria E. A. Toote, HUD Assistant Secretary for Equal Opportunity, agreed to hold a nationwide Indian housing conference within 60 days. An organizing committee was appointed, but has never been asked to meet. Telegrams and letters of support for the

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conference from Indians and Congress remain unanswered.

There is no question that Indians need thousands of units of new housing, and that their ability to pay is limited, thus forcing them to rely on the public housing programs. These programs need continued funding, and they need some revisions that will make them operate better for Indians. There may even be a need for a specific Indian housing program, separate from all other housing efforts. But before such a program is designed, or revisions made in the old programs, we should hear what Indians from all over the country have to say.

Mr. MONTOYA. Mr. President, all over the country, low-income housing needs are critical. In Boston and in rural Massachusetts, there are thousands of needy families who require low-income housing assistance. My figures indicate there are nearly 90,000 families in Massachusetts whose incomes leave them below the poverty level, and nearly 10 percent of the housing in the Bay State is substandard. Throughout the Northeast, the South and on the plains, poor families are living in drafty, damp, rotting rooms with no plumbing. In the Southwest, in the Western States and along the Pacific coast, low-income housing needs are extreme.

Mr. President, with the exception of migrant farm workers, I do not think any one group of people is so in need, so abused, or so deserving of immediate low-income housing help as are the Indians.

New Mexico, home to one-tenth of America's Indian population, is appallingly in need of some of the units the Senate and the House believed were mandated by the Indian set-aside last August. In my State today, 78 percent of the 71,582 Indians live in substandard housing.

The Bureau of Indian Affairs in its "Consolidated Fiscal Year 1973 Area Housing Inventory" stated that:

> 61 percent of the existing units on Indian land are sub-standard.
>
> 58 percent of the substandard units are beyond repair; translated, this means
>
> There are 92,000 existing units, of which 56,000 are substandard (32,000 of these are beyond repair.)
>
> 47,000 new units needed.
>
> 24,000 units need renovation.

I come to the Senate today to remind my colleagues that the intent of Congress in amending section 5(c) of the United States Housing Act of 1937, as amended, to set aside $30 million in contract authority for low-income Indian housing was to provide only 15,000 new units of public housing for Indians. Both Houses endorsed my amendment in the conference on S. 3066 last August 15th. HUD is simply not complying with congressional intent in the statute.

Finally, I would like to take issue with one other HUD misinterpretation of the Indian set-aside.

On January 29, 1975, Mr. Lynn asserted that the Housing and Community Development Act of 1974 established a "ratio of Indian to non-Indian housing."

Mr. President, I ask unanimous consent that the letter of January 29 I just referred to be printed in the Record.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

THE SECRETARY OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., January 29, 1975.

Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: This is in response to your letter of December 13, 1974, which discusses the number of Indian housing units to be funded for fiscal years 1975 and 1976 under the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974. Like you, I am concerned that sufficient numbers of decent, safe and sanitary housing be provided for all Americans, including Indians. In that connection, I think it's important that we keep a stream of units allocated to our field offices against which the Indian Housing Authorities can submit applications. We provided those authorizations in fiscal years 1974 and 1975 and certainly that principle will be taken into account in our fiscal year 1976 allocations.

At the outset, I think it may be helpful to clarify the use of some of the terms—at least as between "commitment," "allocation," "authorization," and "annual contributions contracts (ACC)." We receive the "authorization" from the Congress, "allocate" those units to our field offices and, after applications are received and approved, enter into an "ACC" with the entity that submitted the application.

Typically, it has taken about 18 months from the time we allocate the units until the ACC is signed and construction can begin. We agree the processing time is too long and we are making every effort to shorten it. However, the time necessary to complete the essential processing steps is only partly under HUD's control. In addition to problems encountered in the processing of public housing applications generally, the production of Indian housing is complicated by many special problems, including difficulties arising from the legal status of Indian trust lands, and problems arising from the necessity of coordinating HUD processing with processing of the Indian Health Service and the Bureau of Indian Affairs, which are integral members of the group of Federal agencies responsible for delivering the final product. The number of units that can be processed to ACC in fiscal years 1975 and 1976 by the Indian housing authorities is also limited by the current administrative capabilities of individual Indian housing authorities.

In that regard, we are engaged in a joint study with the Bureau of Indian Affairs to determine the relative housing needs among the Indian tribes—not only their physical needs, but their planning capacity and other software needs as well. Many of them do not yet have the capacity to determine and project their housing needs and how to satisfy them. We hope to have that information before the allocations are made in FY 1976.

You ask whether it is HUD's intention to use FY 1975 contract authority for units already in the pipeline. In a related question you ask why units allocated in FY 1974 were not funded with FY 1974 funds. The answer to the first question is "yes," because the statute is clear that the set-aside applies to all Indian housing placed under annual contributions contracts on or after July 1, 1974. The units allocated in FY 1974 could not have been funded with FY 1974 funds because the processing could not be completed to allow the contracts to be entered into prior to July 1, 1974. Consequently, the FY 1974 contract authority was carried forward for commitments in FY 1975 and thereafter. These monies are completely fundible and there is no way to identify which monies are from previous years.

Specifically, Section 5(c) of the USH Act requires, in part, that the Secretary:

"... enter into contracts for annual contributions, out of the aggregate amount of contracts for annual contributions authorized under this section to be entered into on or after July 1, 1974, aggregating at least $15,000,000 per annum ... to assist in cost of ... [Indian housing]."

Thus, the statute does not provide for an additional allocation this fiscal year. The provision established a set-aside for FY 1975 and FY 1976 that may be satisfied out of all available contract authority (including the FY 1974 contract authority carried forward) by entering into annual contributions contracts on or after July 1, 1974. Therefore, entering into annual contributions contracts for Indian housing in the amount of $15,000,000 in FY 1975 and $15,000,000 in FY 1976 satisfies the statute.

Further, it would be unrealistic to allocate more units for Indian housing this year because the Indian Housing Authorities could not prepare and submit allocations for any more units than are already allocated and we could not process them.

The number of units for Indian and non-Indian housing that can be produced with the contract authority provided by Congress has been reduced substantially because of inflation. Entering into ACCs for more than 6,568 units in 1975, and 6,000 units in 1976 would require a greater amount of annual contributions authority than the statutory $15,000,000 per year. We cannot use more than that amount without cutting into the authorization available for non-Indian housing, which has been similarly affected by inflation. By using $15,000,000 of contract authority each year for Indian housing, HUD is maintaining the ratio of Indian to non-Indian housing expressed in the 1974 law, and is meeting our prior commitments to both the Indian and non-Indian parts of the country.

Even though the allocations made prior to and during the current year will result in satisfying the statutes' requirements for ACCs in FY 1975 and FY 1976, please be assured that we don't look upon this as our only obligation. These commitments will by no means finish the job of helping Indians get better housing. As you so aptly pointed out in your letter to me, the Congress and the Administration share the goal of improving the housing conditions of the Indian people. With the tools you have given us, we intend to give our best efforts toward carrying out that goal.

Sincerely,

JAMES T. LYNN.

Mr. MONTOYA. Mr. President, this is preposterous. What the statute did was establish a minimum level of contract authority for Indians. There is no other way to read the statute. Further, there is no reason at all that Indian housing authorities couldn't apply for far more than the $15 million in contract authority earmarked for them, either for additional public housing or even for available carryover authority. Although they would be competing with non-Indian and urban Local Housing Authorities, the strength of their needs should be reason enough for HUD to consider their applications. Indian people feel very strongly about the integrity and fulfillment of this housing set-aside provision.

Therefore, I urge my colleagues to support the amendment I am introducing with Senators MANSFIELD, METCALF, and ABOUREZK, to clarify the intent of the provision and prevent its further abuse by the administering agency.

Mr. PROXMIRE. Mr. President, I have had a chance to go over this amendment. I have had the staff of the Committee on Banking, Housing and Urban Affairs study the amendment. We are satisfied that it is a useful amendment. The Senator from New Mexico has described it

properly. It is a clarifying amendment. I believe it is one that we can take onto the bill which will strengthen it.

Mr. MONTOYA. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. Will the Senator state his request again?

Mr. PROXMIRE. Mr. President, if the Senator will yield, it seems to me that the situation was that the Mondale amendment was pending. It was necessary to get unanimous consent to lay that aside temporarily and then to take up the Montoya amendment. Has that been done?

Mr. MONTOYA. I have no further explanation of the amendment. If there are no further questions, I would ask for action on the amendment at the present time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MONDALE. I yield for that purpose.

Mr. JAVITS. Mr. President, I ask unanimous consent that Charles Warren, a member of my staff, may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I renew my request that my amendment be modified to provide a new section 502, which incorporates section 4 of S. 1457 into my amendment. I further ask unanimous consent that the succeeding sections be renumbered accordingly.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The amendment is so modified.

The modified amendment is as follows:

TITLE V—EMERGENCY MORTGAGE RELIEF PAYMENTS

SEC. 501. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make repayable emergency mortgage relief payments on behalf of homeowners who are delinquent in their mortgage payments.

(b) Emergency mortgage relief payments shall not be approved with respect to any mortgage unless—

(1) the holder of the mortgage has indicated its intention to foreclose.

(2) the mortgagor and holder of the mortgage have indicated in writing to the Secretary and to any agency or department of the Federal Government responsible for the regulation of the holder that circumstances (such as the volume of delinquent loans in its portfolio) make it probable that there will be a foreclosure and that the mortgager is in need of emergency mortgage relief authorized by this Act, except that such statement by the holder of the mortgage may be waived by the Secretary if in his judgment such waiver would further the purposes of this Act;

(3) payments under the mortgage have been delinquent for at least two months;

(4) the mortgagor has incurred a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic conditions and is financially unable to make the full mortgage payments;

(5) there is a reasonable prospect that the mortgagor will be able to make the adjustments necessary for a full resumption of mortgage payments; and

(6) the mortgaged property is the principal residence of the mortgagor. The mortgaged property may include, but is not limited to, property owned in fee simple, condominium units, mobile homes, boats, or multi-unit dwellings.

(c) Mortgage relief payments on behalf of a homeowner may be in an amount up to the amount of the principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage, but such payments shall not exceed the lesser of $300 per month or the amount determined to be reasonably necessary to supplement such amount as the homeowner is capable of contributing toward such mortgage payment.

(d) Mortgage relief payments may be made by the Secretary for up to eighteen months, and may be extended once for up to eighteen additional months. The Secretary shall require the mortgagor to report any increase in income which will permit a reduction or termination of mortgage relief payments during this period.

(e) Mortgage relief payments made under this Act shall be repayable by the homeowner upon such terms and conditions as the Secretary shall prescribe, except that interest on such payments shall not exceed 8 per centum per annum.

Interest shall not begin to accrue until after the last payment made by the Secretary in behalf of the homeowner.

The Secretary may defer repayment of the mortgage relief payments until the disposition of the property or the completion of the period of amortization for the mortgage. The Secretary shall require such security for the repayment of mortgage relief payments as he deems appropriate and may secure such repayment by a lien on the mortgaged property. The Secretary may make such delegations and accept such certifications with respect to the processing of mortgage relief payments as he deems appropriate to facilitate the prompt and efficient implementation of the assistance program authorized by this Act.

NOTIFICATION

SEC. 502. (c) Until two years from date of enactment of this Act, each Federal supervisory agency, with respect to financial institutions subject to its jurisdiction, and the Secretary, with respect to other approved mortgagees, shall (1) take appropriate action, not inconsistent with laws relating to the safety or soundness of such institutions or mortgagees, as the case may be, to waive or relax limitations pertaining to the operations of such institutions or mortgagees with respect to mortgage delinquencies in order to cause or encourage forebearance in residential mortgage loan foreclosures, and (2) request each such institution or mortgagee to notify that Federal supervisory agency, the Secretary, and the mortgagor at least 30 days prior to instituting foreclosure proceedings in connection with any mortgage loan. As used in this subsection the term "Federal supervisory agency" means the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration.

(b) Upon receipt of any notification under subsection (a), and if the authority under section 3 is being exercised, the Secretary shall take appropriate steps to notify the mortgagor of the availability of assistance under this Act and of the procedures to be followed by any mortgagor who is seeking such assistance.

AUTHORIZATION AND EXPIRATION DATE

SEC. 503. (a) There are authorized to be appropriated for purposes of this Act not to exceed $750,000,000. Any amounts so appropriated shall remain available until expended.

(b) Mortgage relief payments shall not be made after July 1, 1976, except with respect to mortgagors receiving the benefits of payments on such date.

REPORTS

SEC. 504. Within sixty days after enactment of this Act and within each sixty-day period thereafter prior to July 1, 1976, the Secretary shall make a report to the Congress on (1) the current rate of delinquencies and foreclosures in the housing market areas of the country which should be of immediate concern if the purpose of this Act is to be achieved; (2) the extent of, and prospect for continuance of, voluntary forebearance by mortgages in such housing market areas; (3) actions being taken by governmental agencies to encourage forebearance by mortgagees in such housing market areas; (4) actions taken and actions likely to be taken with respect to making assistance under this Act available to alleviate hardships resulting from any serious rates of delinquencies and foreclosures; and (5) the current default status and projected default trends with respect to mortgages covering multifamily properties with special attention to mortgages insured under the various provisions of the National Housing Act and with recommendations on how such defaults and prospective defaults may be cured or avoided in a manner which, while giving weight to the financial interests of the United States, takes into full consideration the urgent needs of the many law- and moderate-income families that currently occupy such multifamily properties.

Mr. MONDALE. Mr. President, I ask unanimous consent that the names of Senators HUMPHREY, RANDOLPH, GRAVEL, and STONE be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONDALE. The yeas and nays have been ordered on this amendment. Is that correct?

The PRESIDING OFFICER. They have been ordered.

Mr. MONDALE. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota, as modified. The yeas and nays have been ordered.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I intend to vote for the amendment of the Senator from Minnesota, because I agree with it in substance, and I think it should be done.

I regret, however, that those who are so anxious to see this measure become law would not vote to take it up immediately as a separate bill. We are all mature people here, and I think we understand that the bill in its present form is going to be vetoed by the President, and I think there is every likelihood that that veto will be sustained. But I want to make the Record clear that the Members on this side of the aisle tried to take

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up S. 1457, a bill that could have been passed very quickly, and a bill that I think could have been perfected to the extent that it would not have been vetoed. Had this been done, we could have had expeditious action on this very meritorious legislation.

So let the RECORD show that the Senator from Texas did try to expedite the passage of this measure in a way that would avoid a veto.

I fear that what the Senator from Minnesota seeks to do is going to be postponed for some time, until this bill is finally disposed of, through conference, through the veto procedure, and through an attempt to override. Then, I suppose we will consider S. 1457. It is, in a way, fiddling while Rome burns. I regret that the Senate did not see fit to take up S. 1457 separately and dispose of it, so that this relief could be available to those who need it most.

Mr. PROXMIRE. Mr. President, nobody knows whether or not this measure is going to be vetoed. The fact is that the emergency housing measure now before the Senate passed the House by a vote of 2½ to 1. It passed in the committee by a vote of 10 to 3. This foreclosure measure passed the House by a vote of 15 to 1. I think there is an awareness on the part of the public and Congress that we have to act to help homebuilders, the people in the construction trades; that we have to act to help those who need housing and need it desperately in this country.

This is a bill that will have a favorable effect on the budget deficit. It will reduce the deficit. There is no question about that. It is also clear that this bill is not inflationary. There is 18 percent unemployment in the construction trade. There is great unemployment in lumber and in cement and in the other areas that will be stimulated. Most of the activity will be in the private sector, as will most of the expenditure—about 95 percent.

If ever a bill was made to order for the present time, it is this bill. I hope that the President will see this and understand it. If he does not, I think there is a very strong possibility that Congress may well pass it over his veto.

I also add that this is emergency legislation and heaven knows, it should be emergency legislation. We need it now. We should not postpone this and lay it aside, debate it longer. We should pass this, if possible, today, go to conference this week if we can, and enact a conference report, I hope next week, and get on with it.

Mr. RANDOLPH. Will the able Senator yield to me?

Mr. PROXMIRE. I am happy to yield to my good friend from West Virginia.

Mr. RANDOLPH. I rise only to reinforce my comments during the debate on this measure. The Senator from Wisconsin (Mr. PROXMIRE) has correctly stated that unemployment in the building trades industry amounts to almost 20 percent, whereas the unemployment picture in the country, bad to be sure, is approximately 8.7 percent. There are many cities of the country where the construction unemployment reaches 35, 40, and even 50 percent. This is across America. It is not just in isolated instances.

Our country is facing its deepest depression in 40 years. The unemployment rate is still climbing. More than 8 million willing Americans are looking for work. The industry that has been hit the hardest by the combined forces of inflation, tight money and recession is the home building industry. The seasonally adjusted rate of unemployment among construction workers is more than double the national average.

The National Association of Home Builders reports the unemployment rate among homebuilding construction workers is a staggering 40 percent. Hundreds of builders and housing-related firms have been forced out of business.

Each of us is agonizingly familiar with these and other statistics. We know that a reordering of our national priorities and public spending policies must be a primary objective if America is to solve its housing problems. Our Nation continues to fall behind its goal, embodied in the Housing Act of 1968, of producing 2.6 million housing units per year. Meanwhile, the poor remain trapped in urban and rural ghettos. The elderly on fixed income struggle with maintenance costs and disastrous property taxes. Young couples find it impossible to secure loans or meet settlement costs. Heavily-mortgaged families boxed in by rising property taxes and utility bills seek escape through loan default.

In the first three-quarters of 1974. the foreclosure rate was four-tenths of 1 percent. According to the Mortgage Bankers Association, the rate among 1-to-4 family homes is an alarming 4.23 percent. Since there are more than 20 million homeowners in this category, present foreclosures on these smaller homes runs to almost 85,000 a year.

If we are going to get our economy moving, we must stimulate and invigorate the housing industry. In this richest of all nations, one of our great unmet social needs is more and better housing. There are vast unemployed resources in the building industry, so we need not fear that more homebuilding will fuel inflation. Putting people back to work in building and buying homes creates needed jobs in the private sector.

Less than a month ago the President signed into law the Tax Reduction Act of 1975. It contains an unprecedented 5 percent tax credit on purchase of a new residence that is good news to realtors and developers who have unsold homes that qualify under the relatively narrow construction-time restrictions. It will help, moreover, work down the estimated backlog of 600.000 new and unoccupied units whose existence impedes new construction.

These and other significant legislative changes—all accomplished within the short space of 3 months by the 94th Congress—should go a long way toward reversing our overall economic decline.

I hope this measure to stimulate the housing industry and the opportunity for homeownership passes, together with the pending amendment to prevent mortgage foreclosures. I hope the President will sign it.

Mr. MONDALE. Mr President, just before we vote, I wish to respond very briefly to the traditional arguments we hear every time we try to help people around here: Veto. I say to those who have raised it, we would appreciate their help in going to the President and urging him not to veto a bill which is essential to a depression-ridden housing industry which has the highest unemployment of any sector in America, an industry which produces perhaps the most important single commodity in America today, living quarters for the family.

I hope that someone who has fought for housing as many years as the Senator from Texas has will turn his most impressive persuasive powers, not upon the Senate to try to prevent it from taking action that the American people need, but, instead, seek to persuade the President that he is wrong.

I do not think he should feel pessimistic about the chances. This President is a very flexible person. For several months, he demanded higher taxes and deep budget cuts. Then, within just a few weeks, he said, "Forget the higher taxes, let us reduce them. Forget the cuts in the budget, let us have more programs."

Just a few weeks ago, he said that we should pass all kinds of money for military aid for Vietnam. The next poll that came out. He said. "The war is over." Maybe, with a little bit of luck and a little time and with the persuasive powers of the Senator from Texas and others, we can get the President to do what he should do to help this country deal with its housing problems.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I strongly endorse the adoption of the Mondale amendment which would attach S. 1457 to the bill now before us.

With the inclusion of this amendment, the most onerous impact on homeowners of the current recession will have been averted.

I cosponsored S. 660 whose major objectives are included in this amendment. It will avert widesperad foreclosures as unemployed homeowners find themselves unable to meet the monthly mortgage payment.

Estimates are that as many as several hundred thousand homeowners will find themselves faced with foreclosure and would lose their homes in the absence of any Federal action.

For that reason, I believe it is essential that we adopt this amendment. By providing for advance payments over a 2-year period to hard-pressed homeowners, and by permitting the Government National Mortgage Association to refinance mortgages, we can remove the downward swing of the foreclosures sword that is now hanging over the heads of hundreds of thousands of American homeowners.

I strongly urge the adoption of this amendment.

Mr. DOMENICI. Mr. President, I wish to go on record today as supporting the amendment proposed by the distinguished Senator from Minnesota (Mr. MONDALE). This provision authorizes temporary mortgage relief loans to those home and mobile homeowners who because of unemployment are facing foreclosures.

Unemployment in the United States has reached such a point that 1 worker

in 12 was out of work. We have verified testimony that periods of high unemployment have been accompanied by high levels of mortgage loan delinquents and sharp increases in the number of mortgage loans foreclosed. An increase in the rate of foreclosures also has been reported, and it is estimated that several hundred thousand American homeowners who are unemployed may lose their homes during the coming months unless an emergency program is established to assist them.

Mr. President, I am, however, opposed to the original provisions of S. 1483, because through such legislation we are creating an artificial market which has continually proven counterproductive to the long-range needs of the housing sector. We cannot continue to initiate scattered programs that are only designed for a particular segment of the public or industry. This bill may well be a good faith approach, but it is not necessary or desirable at this time.

Mr. TOWER. I shall not detain the Senate, Mr. President, because I think we should vote on this measure. There are many ways I could respond to my distinguished friend from Minnesota and before the conclusion of action on this bill, I shall certainly do so.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) is absent on official business.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. HATFIELD), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), and the Senator from Maryland (Mr. MATHIAS) would each vote "yea."

The result was announced—yeas 89, nays 1, as follows:

[Rollcall Vote No. 147 Leg.]

YEAS—89

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Nelson
Nunn
Packwood
Pastore
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—1

Muskie

NOT VOTING—9

Biden
Brooke
Hatfield
Inouye
Mathias
McIntyre
Pearson
Pell
Tunney

So Mr. MONDALE'S amendment, as modified, was agreed to.

Mr. MONDALE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The PRESIDING OFFICER (Mr STEVENSON). The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

TIME LIMITATION AGREEMENT

Mr. MANSFIELD. If I may have the attention of Senators, I would like to ask unanimous consent that there be the following time limitations on the pending business: 2 hours on the bill, 1 hour on the Javits amendment, divided between the manager of the bill and the sponsor of the amendment; and 1 hour on the Eagleton amendment on the same basis; all other amendments 30 minutes, with the time equally divided between the sponsor of the amendment and the manager of the bill; 15 minutes for amendments, motions, and the like, and that the usual procedure be followed.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. Yes.

Mr. TOWER. If the usual form is followed, would that bar nongermane amendments?

Mr. MANSFIELD. That is correct.

Mr. TOWER. Except for those that are pending.

Mr. PROXMIRE. Except for the Eagleton amendment.

Mr. EAGLETON. Except for the Eagleton amendment.

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 69 AND S. 917

Mr. MANSFIELD. If the Senator will yield further, Mr. President, I ask unanimous consent when the pending business is disposed of that the Senate then turn to the consideration of Calendar No. 79, Senate Resolution 69; and, on the basis of conditions as they seem to be shaping up, following Calendar No. 79, I would advise the Senate that Calendar No. 56, S. 917, would be the next order of business.

I ask unanimous consent that that legislation be considered in that order and, at the appropriate time, it be laid before the Senate automatically.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from West Virginia for such purposes as he may desire.

TIME LIMITATION AGREEMENT—S. 917

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for yielding. I ask unanimous consent that, with reference to S. 917, Calendar No. 56, a bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission, that the majority leader has programed for today, there be a time limit of 1 hour, to be equally divided and controlled by the Senator from Indiana (Mr. HARTKE) and the distinguished minority leader or his designee; that there be a time limit of 30 minutes on any amendment, a time limit of 10 minutes on any debatable motions or appeals, and 10 minutes on any points of order if the Chair entertains discussion by the Senate or submits such to the Senate, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, reserving the right to object, is this the budget deferral bill?

Mr. ROBERT C. BYRD. No. This is third in the sequence of bills the distinguished majority leader outlined today. This has to do with authorizing the Interstate Commerce Commission to grant temporary operating authority to a carrier.

Mr. GRIFFIN. Was it included in the request that amendments should be germane?

Mr. ROBERT C. BYRD. Yes, when I stated that the agreement be in the usual form. I thank the Chair.

The text of the unanimous consent agreement is as follows:

Ordered, That on Monday, April 28, 1975, when the Senate proceeds to the consideration of S. 917 (Order No. 56), a bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion, appeal, or point of order that is submitted or on which the Chair entertains debate shall be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, motion, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the

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Senator from Indiana (Mr. Hartke) and the Senator from Pennsylvania (Mr. Scott), or his designee: *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

(April 24, 1975).

EMERGENCY HOUSING ACT OF 1975

The Senate continued with the consideration of the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. EAGLETON. Mr. President, I yield to the Senator from New Jersey for a unanimous consent request.

Mr. WILLIAMS. I appreciate that.

I ask unanimous consent that a member of my staff, Brian Frosh, be permitted the privileges of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I yield to the Senator from Kentucky.

Mr. FORD. Mr. President, I ask unanimous consent that John Wells be granted the privileges of the floor during the debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Frank Gorham of my staff be granted privilege of the floor for the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I have an amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the end of the bill insert the following new section:
>
> Sec. —. (a) Section 2 (a)(4), section 3 (a)(5), section 102 (b), and section 202 (b) of the Flood Disaster Protection Act of 1973 are repealed.
>
> (b) Section 2 (b) of such Act is amended—
>
> (1) by inserting "and" after the semicolon at the end of clause (2);
>
> (2) by striking out "; and" at the end of clause (3) and inserting in lieu thereof a period; and
>
> (3) by striking out clause (4).
>
> (c) Section 205 (b) of such Act is amended by striking out ", and each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions,".
>
> (d) Section 3 (a)(4) of such Act is amended by striking out the semicolon at the end thereof and adding the following: ", and assistance provided under that Act for natural disasters other than floods; and".
>
> (e) Section 1305 (c) of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following flush sentence:
>
> "In addition, notwithstanding the provisions of section 1315, the Secretary shall make flood insurance available for property located in any other State or area (or subdivision thereof), at the same rate or rates as are applicable to similar property located in a State or area (or subdivision thereof) which is subject to the preceding sentence, if the owner of such property located in such other State or area (or subdivision thereof) agrees to meet such land use and control measures or to construct such a flood protection system as the Secretary may prescribe."
>
> (f) Section 102 of the Flood Disaster Protection Act of 1973 is amended by adding at the end thereof the following:
>
> "(d) For the purpose of this section, an area will not be deemed to be an 'area in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968' as a result of the participation in the flood insurance program by any owner of property located in that area pursuant to the last sentence of section 1305 (c) of the National Flood Insurance Act of 1968."
>
> (g) Section 202 of such Act is amended by adding at the end thereof the following new subsection:
>
> "(c) The provisions of this section shall not apply to any financial assistance or loan applied for by any person who is or will be participating in the national flood insurance program pursuant to the last sentence of section 1305 (c) of the National Flood Insurance Act of 1968, notwithstanding the nonparticipation of the community in the area in which that person's property is located."

Mr. EAGLETON. Mr. President, the amendment pending at the desk is similar to amendment No. 39 to H.R. 4485, but it is applicable as well to this bill, and I desire that it be considered at this time.

Mr. President, while we have some Senators on the floor, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. I thank the Senator.

Mr. President, I ask unanimous consent that the following Senators be added as cosponsors to the pending amendment: Senators MCINTYRE, SYMINGTON, THURMOND, MCGOVERN, STEVENS, BAYH, DOLE, KENNEDY, HARTKE, ABOUREZK, EASTLAND, and CHILES.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, seldom in the history of the Senate has an amendment had such an interesting array of cosponsors as I have just articulated, running across the full spectrum of both political parties and a multitude of philosophies.

The purpose of this amendment is to correct some of the worst inequities of the flood insurance program while preserving the goal of encouraging prudent management of floodplain areas. The amendment would make the following changes:

First. It would make insurance available to individuals who are willing to comply with HUD land use standards on their own property but regardless of what the community may do.

Second. It would repeal that provision of the act which prohibits commercial bank credit in flood designated areas which do not adopt the HUD land use standards.

Third. It would limit the prohibition against disaster relief assistance to flood disaster assistance only.

Mr. President, the power to require communities to adopt Federal land use standards in their floodplain areas was conferred upon the Secretary of Housing and Urban Development by a series of amendments to the Flood Insurance Protection Act which were adopted in the closing days of the 1973 session. I am certain that few in the Congress fully understood or appreciated the impact of those changes.

Briefly, the 1973 amendments directed that the following sanctions be applied against any community with a flood problem which fails to adopt HUD land use standards in its floodplain by July 1, 1975, which is but a few months away, or 1 year after its designation by the Secretary:

First. Loss of all forms of Federal assistance for construction or improvements in the flood designated areas.

Second. Loss of similar assistance from any bank, credit union, or savings and loan association which is insured or regulated by a Federal agency, as virtually all of them are, of course.

Third. Loss of all but emergency forms of disaster assistance in the designated flood areas even if the disaster in question is a fire or tornado.

To date, areas in some 15,700 communities across the country have been designated flood-prone but, as of March 1, 1975, only 6,087 or 38 percent of those designated have agreed to adopt the required HUD land use and building standards. The remaining 9,614 communities will be liable to the severe sanctions described above.

Mr. President, that was the information we had from HUD at the time that this particular speech was being mimeographed. We have even more up-to-date information as of April 15, 1975, from HUD, and the figures are even worse than those I have discussed.

This letter from HUD to me dated April 15, 1975, states that there are 22,000 flood prone communities in the United States, and of those only 5,776 have qualified. That would make it about 25 percent participation, so the picture is even more grim than I thought at the time this speech was first being prepared.

There are many reasons why so many communities have stayed out of this program, not the least of which is the failure of the Federal Insurance Administration to provide adequate information on the scope and nature of the flood problem. Without this information, communities cannot adopt adequate land use measures or even effectively contest their designation as "flood-prone."

In a report dated March 7, 1975, the General Accounting Office found that fewer than 4,000 of the estimated 21,600 communities with flood problems had been given sufficient data to deal intelligently with the alleged hazard. The report noted:

> Localities cannot effectively regulate land use to reduce flood losses without adequate information on the scope and nature of the flood hazard and technical advice on how to use the information. . . . It is obvious that at the present rate, it will be many years before all communities with flood hazards will receive the information needed.

After noting that the Flood Disaster Protection Act of 1973 directs Federal agencies involved in the identification and delineation of flood hazards to give this information function the highest practicable priority, the GAO report concludes:

> Even though the need has been identified and responsibilities assigned to federal agencies, we found that, except for TVA, they had made limited progress in meeting their responsibilities primarily because of limited resources.

Mr. President, until that specific information is provided, communities have no way of assessing the economic and social costs of the HUD zoning requirements or the costs of relocating businesses and homes and of rebuilding utility services and water and sewer systems, as they are required to do after a flood.

There are other reasons why communities may be unwilling to participate in the insurance program. For one, the flood hazard identified by HUD may be so minimal in terms of potential property loss that it is not worth the cost of the premiums let alone the burden of the building and land use restrictions that go along with the program.

The fact is the 100-year floodplain is a theoretical concept. Many of the communities which have been designated flood-prone because they lie within the 100-year line drawn by the Secretary of HUD may never have had a flood in their recorded history. But that is not enough to exempt them from the program. Nor does it make a difference that a community, while experiencing an occasional flood, may never have received a dollar in Federal flood assistance or suffered any significant property damages. When I asked the Department of HUD if that circumstance would be grounds for exemption, the answer was a categorical "no."

Other communities have little choice about where they build. Local geography dictates the matter. Short of agreeing to vacate large areas of their town after a flood, they have no feasible or practicable way of meeting the HUD standards.

In my home State of Missouri, there are legal obstacles to participation. Unincorporated communities do not have the authority to adopt zoning and building standards. They must win approval in a countywide referendum vote and given the widespread opposition to Federal land use programs, few have succeeded.

The flood insurance program was created in 1968 for two basic purposes. First, to give individuals a better way of indemnifying themselves against flood losses than was provided by the old low-interest disaster loans and grants; and second, to encourage communities to make wiser use of their floodplain areas.

As a condition of receiving this federally subsidized insurance, communities had to agree to adopt certain zoning and building codes in their flood-prone areas which were designed to limit future flood losses and to avoid continued Federal payments to rebuild the area.

That made sense. It was reasonable also to carry the program a step further by providing that any community which did not agree to participate in the insurance program would not be eligible for future Federal construction aid in the flood-designated areas including flood disaster aid.

But the 1973 amendments to this act did not stop there. They went well beyond any direct Federal investment in these areas to provide that communities shall do what the Department of HUD considers to be in their own best interests or else.

That "or else" amounts to a denial of all commercial construction credit in the flood-designated areas and loss of most forms of disaster-related help, regardless of the kind of disaster. In short, any community which does not adopt the HUD land use standards will find it virtually impossible to develop or maintain the areas involved or to rebuild after a disaster. Just as surely as if a Federal bulldozer had cleared the banks of every river, lake, and coastal plain of this country, the application of these sanctions will do their work.

Mr. President, however desirable the goal of flood plain management might be, I submit that attempting to use the banking laws of this country to enforce it exceeds the proper role of the Federal Government.

No one can make the case that Federal tax dollars are in any way threatened because a bank may decide to make a loan on property which happens to be located within a theoretical 100-year floodplain. The FDIC has never lost a dime on such a risk. This part of the act is clearly punitive and is being used as a means of dragooning communities against their will and perception of their best interests to adopt HUD land use standards.

The same may be said of the sanction denying disaster relief assistance to a community which has failed to adopt these standards, even if the disaster involved is a tornado, earthquake or fire. I ask, Mr. President, what has flood insurance got to do with tornado damage?

The application of this sanction on top of the denial of all Federal construction aid could condemn many communities which for good reasons have not taken part in the insurance program to oblivion. I do not believe Congress ever intended the banking laws to be used as a bludgeon in this way.

I support programs to encourage sound flood plain management but there are limits beyond which the inequities and hardships created outweigh any possible benefits. I believe we have such a situation in the flood insurance program and my amendment is an effort to restore balance to our policies.

Perhaps the greatest inequity of this program is the requirement that a community must adopt HUD land use standards before any individual within the community is able to purchase flood insurance and escape the sanctions.

I have had numerous letters from constituents in flood-designated areas who are anxious to have flood insurance protection but are unable to convince the governing jurisdiction to adopt the standards. In Lincoln County, Mo., for example, residents of the flood plain area have three times gone to the county in a referendum to obtain authority to meet HUD land use requirements. Three times they were beaten at the polls by margins as great as 2 to 1.

The residents want the flood plain insurance. They voted for the proposition, but they were outvoted overwhelmingly by as much as 2-to-1 margins.

It is these homeowners and businessmen who alone are liable to the sanctions of losing all forms of Federal and commercial credit on their property. These penalties are levied not against those in the communities who opposed adoption of the HUD standards but against the very individuals who most strongly supported the program.

The concept of holding an individual responsible and liable for the failures of his community is questionable policy under any circumstance. But where it involves the lifetime investments of homeowners and small businessmen, it is a base injustice that demands correction.

Even while conceding that some inequities can occur, the Department of HUD opposes this part of the amendment. It argues this is the only way to force communities to practice "wise" and "prudent" flood plain management. It is not enough, according to HUD, to gain compliance from owners of existing homes and businesses. We must also assure that presently undeveloped areas of the flood plain are not subject to intensive building in the future and that can only be done by local adoption of HUD's land use restrictions.

Mr. President, I do not share HUD's sense of values in this matter. I do not believe the objectives of any land management program, however desirable, should be allowed to trample the rights of individuals. But neither do I accept the notion that opening the program up to individuals would detract from our goals. To the contrary, I believe it will enhance the program.

In the first place, my amendment would retain that sanction which denies all forms of Federal construction aid and flood disaster assistance to communities which fail to adopt comprehensive floodplain management programs.

Mr. President, I wish to emphasize that. That is retained in the law. We do not touch that.

That is a powerful sanction and, by itself, should be adequate to bring about widespread compliance.

I will concede that in some circumstances a commercial lending institution may be willing to finance a development within the 100-year flood plain even though the community has not adopted HUD land use standards. If there is any serious—and I underscore "serious"—as opposed to a theoretical, risk of flood, however, I am certain that most banks would decline on sound business judgment to make a loan. Surely we can trust in the business judgments of such institutions.

The Federal Government has not had to require by law that properties mortgaged by banks be covered by fire insurance. The banks know the risk of fire and on their own require such insurance be taken. If there is a serious flood risk to a particular property, and flood insurance is available on that property as it would be under my amendment, I am certain that the bank would insist that it be purchased as a condition of any

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loan. Private institutions and local governments are not so lacking in judgment that they require the threat of Federal sanctions to do the "prudent" thing.

Mr. President, a second point needs to be made here. One could easily get the idea from HUD literature that "wise and prudent land use" is the only goal of the flood insurance program. That is not so.

At least as important is the goal of providing flood victims with a better way of indemnifying themselves against property losses than was available under the now-abandoned low-interest loan and grant program. The 1975 amendments set out as one of the purposes the following:

> It is in the public interest for persons already living in flood-prone areas to have both an opportunity to purchase flood insurance and access to more adequate limits of coverage, so that they will be indemnified for their losses in the event of future flood disasters.

That is a legitimate purpose of this law, Mr. President. I fully concur with it. What my amendment would do would be to buttress that already stated legislative purpose, namely, to make it available for people to purchase flood insurance who live in flood-prone areas.

In the passage of these amendments, that objective was of primary concern. The administration opposed the continuation of 1 percent disaster loans coupled with $5,000 grants and vetoed Congress' effort to extend that program. While there was really very little choice about the matter at that point, Congress did agree finally to substitute expanded flood insurance protection as the primary Federal means of aiding flood victims.

In accomplishing that objective, the existing program is an unquestioned failure. Despite the fact the program has been in existence since 1968, HUD estimates that fewer than 1 percent of those living in flood-prone areas have actually purchased the insurance. My amendment would certainly improve on that dismal record.

Mr. President, I want to correct some of the misunderstanding about my amendment created by some groups who feel it is designed to gut the insurance program. That is a gross distortion of fact.

The Eagleton amendment would in no way remove the requirement that a community or an individual comply with HUD land use and building standards as a condition of buying subsidized flood insurance or receiving any form of Federal construction assistance including flood disaster relief payments.

This is so central and so important to this debate, Mr. President, that I want to repeat what I have just said: My amendment in no way removes the requirement that a community or an individual comply with HUD land use and building standards as a condition of buying subsidized flood insurance or receiving any form of Federal construction assistance including flood disaster payments.

Those sanctions of the present act would remain as they are—a reasonable quid pro quo for the Federal assistance involved.

The Eagleton amendment, however, would change the program in two ways:

First. It would allow individuals who agree to comply with HUD standards to purchase insurance regardless of what the community as a whole may do. This is in keeping with one of the principal purposes of the act which is to provide "for persons already living in flood-prone areas to have both an opportunity to purchase flood insurance and access to more adequate amounts of coverage." Again, I would emphasize that under my amendment an individual would have to agree to comply with HUD land use standards before he could purchase subsidized flood insurance.

Second. The amendment would eliminate those sanctions which are entirely punitive and bear no direct relationship to the investment or risk of Federal tax dollars. Specifically, the amendment would remove the prohibition against commercial bank credit, and the denial of nonflood disaster relief assistance, that being tornado, earthquake, et cetera.

Mr. President, I realize that the flood insurance program is a complex one but I think the issues raised by my amendments are simple and fundamental. The first question is whether the Federal Government is going to hold an individual responsible and liable for the failures of his community even though that individual is willing and making every effort to cooperate. The second issue is whether the Federal Government should be authorized to apply life and death sanctions against a community which has decided that its interests are best served by not participating in Federal land use. Is there any proper role for the Federal Government in such a local matter beyond protection of a direct Federal tax investment?

If the sanctions under this program are allowed to go into effect on July 1, without change, I believe we will have created a precedent for Federal involvement in local decisions that has no practical limit.

Mr. President, I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from Missouri for bringing up his amendment and discussing it.

I think all of us know what a very painful and difficult situation we have in almost all our States. We have flood-prone areas in Wisconsin and in almost all the 50 States. We know what a tragedy it is when people's homes are flooded and what a burden it is on the Federal Government, an enormous burden.

This is such a complicated issue, that it is one that I hope we will proceed with as deliberately as possible and have an opportunity for the Committee on Banking, Housing and Urban Affairs—specifically, the Housing Subcommittee of the committee, which has before it the bill which the Senator from Missouri introduced—to hold hearings on the bill, develop a record on the bill, and then come before the Senate with whatever changes the committee may recommend, and then have the Senate work its will.

The amendment of the Senator from Missouri is difficult for this Senator, because in my State, for example, at an area of the Mississippi River near La Crosse, we have floods regularly, and down a little further along the Mississippi, 50 or 60 miles, near Prairie du Chien, there are floods. I have gone out there a number of times and talked with the people whose homes have been flooded, and it is really a tragic, tearful kind of situation. I have great sympathy for them.

Yet, when we recognize that if people are going to build in those areas, they are going to suffer these disasters, it presents a problem. Until a few years ago, they just had to fend for themselves and suffer, but lately the Federal Government has come along more and more with protection and insurance and with expenditures from the Federal Government to take care of them.

Looked at from the standpoint of perhaps 95 percent or 98 percent of the people who do not live in those areas, we can see how they object to that. They object to having homes built in areas we know are going to be flooded. There is no question that about every 5 years in some cases, 10 years in other cases, or 50 years in some cases, there is going to be a flood, and the Federal Government has to come along with an expensive program.

One can imagine how the general taxpayer who does not live in these areas resents having homes built there. The distinguished Senator from New Jersey (Mr. WILLIAMS) is the author of a bill which I thought is most thoughtful and is getting some good results.

This is why this afternoon I must oppose the Eagleton amendment. As I understand, it calls for Federal flood plain management of special flood hazard areas, regulating individuals who wish to purchase flood insurance under the program.

The proposed amendment strongly suggests that direct Federal land use, rather than the present program flood plain management standards, is its intended purpose. This intention contrasts with the current mechanism of Federal standard, State involvement, and local regulation and compliance, and presents issues raised in discussions of both National Land Use and National Building Code proposals.

> I view the imposition of direct Federal land use regulation on the individual citizen as an ill-advised incursion into the proper role of local governments to provide prudent flood plain management for their citizens. Indeed, under the national flood insurance program, as it is presently constituted, it is the local government that regulates its flood plain and enforces the flood plain management measures adopted locally in exchange for the availability of federally subsidized flood insurance. The amendment as I understand it—perhaps I am wrong—would strip local government of this important function and substitute, in its stead, Federal land use regulation of individually owned properties. I am unalterably opposed to such Federal encroachment.

Federal land use regulation of the individual will not be effective, for these reasons:

First. In the case of new construction, it is the developer or builder who would be required to submit to Federal flood plain management in return for subsidized flood insurance purchased to protect him from loss to structures in the course of construction. All too many builders and developers, experience has taught us, prefer to build at low elevations in high flood hazard areas, disdaining the benefits of flood insurance, full knowing that the ultimate flood loss

will be borne by the unsuspecting home buyer who purchases without knowledge of the exposure to flood risk. Even should the home buyer wish to purchase flood insurance after or at the time of settlement he would have to pay high actuarial rates—unless subsidized rates are intended by the amendment, which would be a fiscally dangerous matter from the taxpayer's point of view—for the coverage commensurate with the risk to which the developer has exposed the property; thus, the home buyer suffers in terms of the high premiums made necessary by the builder's disregard of the flood hazard.

If the home buyer does not purchase the coverage and suffers a disastrous flood, one of two things is likely to happen if the amendment becomes law:

No. 1, if there is a Presidential disaster declaration or other Federal disaster relief available, the national body of taxpayers will pick up the check for the irresponsible construction; or

No. 2, if no disaster relief is available and the homeowner cannot afford to make the premises habitable again, he will walk away from it, leaving the mortgagee, whose interests would have been protected under the mortgagee clause of the flood insurance policy, to pick up the check for the irresponsible construction.

Second. On the other hand, if we were to posit good faith and sound business judgment on the part of the developers and builders—and in all fairness, we should recognize that the majority of them are well motivated—we would expect that builders and developers would purchase flood insurance coverage for their subdivisions to provide themselves with insurance indemnity should the buildings under the course of construction be damaged or even wiped out by a flood before sale to the ultimate consumer. One would think a bank, in return for advances under a building loan, would see this, like a prudent leader's requirement for fire insurance, to be a desirable end. In addition, the home buyer would be able to continue the insurance at an affordable rate because the developer properly constructed and elevated the home. This chain of events—the responsible builder, the financial institution's mortgage portfolio insulated from financial harm caused indirectly by catastrophic flood loss, the protected home buyer—has a familiar ring to it in that it mirrors, albeit with a flawed image, the sanctions, incentives, and protection presently afforded by the flood insurance program. The amendment, however, will not work because, under it, assuming builders are responsible to the need for flood insurance, the Federal Government will require a huge, costly building permit issuance facility, and on-site inspection system, and a flood plain management monitoring mechanism—at the individual owner, builder, and developer level—to do what over 7,000 local community governments are doing right now under the present law. So, at the expense of local rule, we gain nothing by the enactment of this amendment.

On reflection, the amendment, if enacted, would probably result in a flood insurance program beset by the worst of both worlds: Many developers, to the detriment of the consumers and the lending institutions, will ignore prudent construction practices and the need to elevate buildings in high flood hazard areas and, yet, the Federal Government will be required to create and implement a massive and costly building department whose tentacles would reach down through local government and, on an ad hoc basis—an impossible task from an administrative point of view, into the backyards of individual citizens.

Third. There is another matter of serious concern which would affect the efforts of an individual property owner seeking to provide prudent flood plain management for his individual lot. Many times the individual's next door neighbor would be a developer who might overlook the flood risks which would be increased, downstream from his development, thus creating a new flood hazard for the homeowner who sought to comply with the flood plain management "incentives" provided by this amendment. We submit that this chaotic effect would be a direct result of taking the flood plain management regulation and oversight away from the local governments.

Fourth. To do away with local flood plain management, which through the local building permit and code system brings about safer use of our flood plains before and during the course of new construction, in favor of some undefined promise of prudent land use, at the individual level, after the building has been improperly constructed, simply does not make sense. This proposal is a throwback to the time when imprudent construction in flood-prone areas went on unchecked—and when all of the Nation's taxpayers had to foot the bill for those who purchased property so constructed in such areas. The flood insurance program was thoughtfully constructed by Congress to, hopefully, reduce, over the long term, the tax burden of disaster relief through the purchase of flood insurance by those most in need of the coverage.

For example, it is anticipated that by the year 2000, without the present flood insurance program, about $3.2 billion of economic loss due to flooding will have occurred, assuming the present disaster relief law, which provides for loans at 5 percent interest. With the flood insurance program in effect, which assures local flood plain management of new structures within the flood plains, it is estimated that only $1.3 billion of economic loss will have occurred by the year 2000—a considerable saving to the taxpayer of almost $2 billion.

In closing, I would like to say that the whole point of the 1973 act is to encourage flood-prone community participation with local land use measures and the purchase of flood insurance so that the national goal of mitigating taxpayer-funded disaster relief through the dual mechanism of flood insurance and local community flood plain management, which is insurance loss prevention on a very high order, would be realized. The amendment goes against the grain of everything the Congress sought to do in this program and it should not be adopted. I think that from the objective of local control, from the standpoint of prudent management, the amendment should not be adopted. We should give this law, which is doing so well, an opportunity to work.

Mr. President, I yield to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, I am in considerable agreement with the thrust of what the Senator from Missouri is trying to do.

We have had some enormous problems in the coastal cities of my State, and I think that perhaps the current law and regulations pursuant thereto are perhaps too rigid and too arbitrary and that much could be done to correct it. I know that, in some cases, HUD compels communities to act on the basis of obsolete data—maps are drawn from information that is quite often several years old. Perhaps some of the problems could be cured administratively.

In any case, I hope we can treat this as separate legislation, look at it carefully, and see if we can perfect existing law by incorporating some of the objectives of the Senator from Missouri.

It seems to me that prudence would dictate that we should hold hearings on this matter, and we should hold them at the earliest possible moment, because the Senator from Missouri is responding to genuine and legitimate concerns of people in flood prone areas.

I hope the distinguished chairman of the committee will give assurances that we will turn our attention to this matter at an early date.

Mr. PROXMIRE. Yes, indeed. I am very happy to give those assurances. I agree that we should hold hearings and hold them promptly.

I do think it would be a tragedy, however, if there were any notion that we are going to act in such a way as to prevent those sanctions from going into effect in July, because this program is proceeding very well and the program simply cannot proceed, it will not make progress, if we permit exemptions from these particular sanctions.

Mr. WILLIAMS. Will the Senator yield for a moment?

Mr. PROXMIRE. I am happy to yield to the Senator from New Jersey, who, incidentally, has been the author of this legislation and has done a great job in providing constructive and helpful and humanitarian relief in a fiscally responsible way.

Mr. WILLIAMS. I thank my colleague for that.

I join my colleagues in their understanding and certain sympathy for the situations described by the Senator from Missouri that have promoted his amendment that is being offered here.

I say, however, that by and large, this flood insurance program is being accepted and is working well in the communities across the country. There are 7,000 communities that have received the Department's identification of hazard areas and have come into the program—7,000 communities. I am told that 200 each week are coming in now and are coming under the provisions and the coverage of the law, a significant number. As a matter of fact, the figures that I have suggest that there are relatively few, relative to those that have come

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under it, that have not and whose deadline of July 1 is approaching.

There is one significant factor that I do not believe has been mentioned. That is that those areas that have not been identified, the communities that have not received the hazard identification or did not receive it by July of 1974, are not required to do their comprehensive work until a year from the date they receive that identification. So many communities are not faced with a July 1, 1975, date.

It impresses me that there are some community problems that may get awfully difficult for the homeowner where the local governing unit just walks away from its responsibility and does not get its community qualified. This is a problem. Within that group are those communities that do not walk away, but have complicated overlapping governmental jurisdiction and they have not been able to get it all together to bring their particular community into qualification.

It will be helpful to me to ask this question. The Senator from Missouri mentioned his home State of Missouri, Lincoln County, I believe, and the problems arising there.

Mr. EAGLETON. That is correct.

Mr. WILLIAMS. I see that in the documents supplied by the Department, one community—and there is page after page of Missouri communities that have qualified. I notice that one community is listed. It is the city of Winfield in Lincoln County. I wondered if that is outside of the governmental problem that I believe the Senator from Missouri indicated existed in Lincoln County.

Mr. EAGLETON. That one particular town is an incorporated community and did comply. Many others are unincorporated areas and they are at the mercy of a countywide referendum which has been rejected, as I say, three different times by margins of 2 to 1.

Mr. WILLIAMS. This is the sort of thing, I say to my most able and cooperative chairman, that I believe if we go to hearings, we could make a contribution on, to make sure that there is sufficient time for these complicated local community situations to be recognized, to be given the time to straighten their own governmental needs out so that they can qualify. I am sure that there are ways that we can improve this program as we have been urged to by the Senator from Missouri and appropriately, we can improve the program without, in any way, defeating its forward thrust that is working so well for most of the country.

Mr. EAGLETON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Missouri has 1 minute.

Mr. PROXMIRE. If the Senator needs more time, I will yield him some time on the bill.

Mr. EAGLETON. Was there not an hour to the amendment and a half hour on each side?

The PRESIDING OFFICER. The Senator is correct.

Mr. EAGLETON. And I have used 29 minutes?

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. The Senator graciously yielded time to other Senators. I think that is the problem. I yield him time out of the bill.

Mr. EAGLETON. I thank the distinguished Senator. I had no idea I had used 29 out of 30 minutes.

Mr. President, I am pleased with the statement of sympathy and understanding expressed by the Senator from New Jersey.

The PRESIDING OFFICER. All of the time of the Senator from Missouri has expired.

Mr. PROXMIRE. Mr. President, I yield the Senator 15 minutes off the bill.

Mr. EAGLETON. I thank the distinguished Senator.

Mr. President, I am pleased with the statements of sympathy and understanding and compassion that have been expressed by my good friend from New Jersey (Mr. WILLIAMS).

Mr. PROXMIRE. Mr. President, will it be possible to yield time out of the time of the opposition to the amendment?

The PRESIDING OFFICER. The Senator may do that.

Mr. PROXMIRE. How much time do I have?

The PRESIDING OFFICER. The Senator from Wisconsin has 19 minutes.

Mr. PROXMIRE. I yield the Senator 15 minutes out of the amendment rather than out of the bill.

Mr. EAGLETON. I thank the Senator very much.

On my third try, I am pleased at the expression of sympathy by the distinguished Senator from New Jersey (Mr. WILLIAMS), and the distinguished chairman of the committee (Mr. PROXMIRE), and my distinguished colleague (Mr. TOWER). But that is all they offer, sympathy. What do they do for the fellow who comes up against it on July 1, 1975, when this program becomes operative? I am not just talking about one little city in Lincoln County, Mo. I am talking literally about 15,000 communities.

I have to disagree with my friend from New Jersey when he says this program is working well. I just quoted from a letter from HUD of April 1975, which says there are 22,000 flood-prone communities in the United States, Mr. President. Out of those, only 5,776 have complied, about one-fourth of 22,000 communities.

I have a book that is roughly 1 inch thick and it is a State-by-State analysis of the number of communities that have qualified and the number of communities that have not qualified. In Wisconsin, there are nine single-typed pages of communities that have not qualified. In New Jersey, the home State of Senator Williams, there are about a dozen pages listing the communities that have not qualified. In Texas there are about 20 pages of communities that have not qualified.

I note the presence of my distinguished friend from Utah. There are several pages on Utah of communities that have not qualified. These communities come under the gun beginning July 1 of this year.

Let me illustrate specifically what I mean by reading into the RECORD just one of the many letters I have received on this, Mr. President. This is a letter addressed to me dated January 6, 1975, signed by about nine residents of Lincoln County.

DEAR SENATOR: We are running out of time down here on the river. People in the unincorporated area of Lincoln County can't get flood insurance because the whole county won't adopt the required planning and zoning ordinances. We are now faced with a July 1 shutoff of all credit in the area that will make it impossible to buy or sell property and will wreck more damage than twelve feet of water. We have seen what has happened in certain areas of St. Louis that have been blacklisted from credit and we don't want to see it here.

What can we do? We are too small a minority to force the whole county to change its will, and the state legislature has refused to consider empowering the county judges to zone only part of a county.

We are now sitting ducks. Without flood insurance another big flood disaster will wipe us out. And without access to credit what the river doesn't take we will gradually lose anyway.

Then the letter goes on to point out their plight.

Mr. President, I ask unanimous consent that the full text of the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FOLEY, MO., *January 6, 1975.*

HON. THOMAS EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: We are running out of time down here on the river. People in the unincorporated area of Lincoln County can't get flood insurance because the whole country won't adopt the required planning and zoning ordinances. We are now faced with a July 1 shutoff of all credit in the area that will make it impossible to buy or sell property and will wreck more damage than twelve feet of water. We have seen what has happened in certain areas of St. Louis that have been blacklisted from credit and we don't want to see it here.

What can we do? We are to small a minority to force the whole county to change its will, and the state legislature has refused to consider empowering the county judges to zone only part of a county.

We are now sitting ducks. Without flood insurance another big flood disaster will wipe us out. And without access to credit what the river doesn't take we will gradually lose anyway.

We do not feel the government ever intended this to happen. Many of us saw the SBA disaster relief program as a vote of confidence in the area. Why would the government have helped us rebuild our homes if it did not have confidence in the area? Why would we have been allowed to return unless the SBA felt sure its loans would be protected by flood insurance?

The Flood Disaster Protection Act of 1973 says specially "it is in the pubic interest for persons aready in the flood-prone areas to have an opportunity to purchase flood insurance." Surely it is not in the public interest to arbitrarily exclude those in the unincorporated areas, who for the most part stand the greatest flood hazard.

We understand the need to regulate future development in the flood area and are willing to cooperate but have no practical way to do so. We can't carry the rest of Lincoln County in a vote on zoning, as was shown by last November's election.

Any suggestions you can give us will be appreciated. What sort of political action can we reasonably try to get? If political action is not practical, how can we get a court action started to enforce the intent of the Flood Disaster Protection Act? If you can help us get started in the right direction,

we will organize and fight for our rights. River rats arise!

Sincerely yours,
Judy Gilbert, Conrad Burkhardt, Ray and Dorothy Bagby, Carl and Virginia Grubitz, Gene Brown, Fred and Ann Schipper, Frank Valardey, Ivan Coco, Richard L. Gilbert.

Mr. EAGLETON. Here is the practical situation, Mr. President, that a homeowner faces. We have a letter to this effect; I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CAPE GIRARDEAU, MO., *April 30, 1974.*

Sen. THOMAS F. EAGLETON,
New Senate Office Building,
Washington, D.C.

HONORABLE SENATOR EAGLETON: Our newspaper reports that you and Senator Symington are making a survey of Missouri counties and cities which have flood-prone areas. You find that there are many questions and concerns. I want to encourage you to push the flood insurance program so that some of us who want it can have it regardless of what the county does.

One good argument in favor of government insurance for flood-prone areas, at least one like ours that cannot be protected by levees along a river, is that this area was flooded because the government, other agencies, and individuals, have continually built levees and dykes along the river higher and higher, thus the water is confined more and more into narrower river channels, so that a place like this along a creek, although over a mile from the river, may get more and more water backed up onto it. If the flood water last spring had been allowed to spread out naturally, our place would not have been under water.

Our county committee seems to be very slow to do anything to institute the insurance program. I hope you can introduce the insurance program regardless of what the county does.

I would like to be kept informed of progress made on this program. I wish to be protected by this government insurance as quickly as possible.

Sincerely,

A. THEODORE MUELLER.

Other details and facts regarding my concern:

I am now past 70 years of age—just retired this past spring from teaching at Southeast Missouri State University. We bought this place 6 years ago, so you know we will have to consider selling the place within a few years.

Our home is more than a mile outside the city limits, in a north-easterly direction, along a creek in which water from the Mississippi River backs up. Last spring when the flood waters came, we had a levee around our home, but it broke and we had 16 inches of water in the house.

You can imagine now that one of my large concerns is: What will I be able to sell this place for, now that it has been flooded once? I bought it at a good price after feeling that it was out of danger of floods. Also, a related concern is: What bank or loan company would want to finance the loan on a place like this, if I don't have flood insurance, even if I might find a buyer?

You can be sure I checked relative to flooding prior to the purchase of this home and found from neighbors (one now in his 70's, has lived here all his life) that flood water had never been high enough to reach his home. Who would have guessed that I should have checked the records as far back as 130 years to find that this area might have been flooded? Our acreage is not subject to flooding from heavy rains or flash floods, so it is actually not "flood prone."

Mr. EAGLETON. We have the situation of a retiree who is 70 years of age. He has a home that is worth about $40,000, or that he thought was worth $40,000. He wants to sell that house and move to Florida, as many retirees do. He cannot get flood insurance on his house. There is no one who will buy the house, because under the prohibitions of this statute, no money, come July 1, can be loaned by Federal banks, savings and loan institutions, or what have you to finance a home such as this that does not have flood insurance.

He would like to buy flood insurance. He wants to pay for it. He will pay whatever premium the Government requires. He is on bended knee seeking this insurance. Yet he cannot obtain it. And come July 1, his $40,000 house is worth zilch; it is worth nothing, because there is no one he can sell it to. If he moves to Florida, he will have to leave it as an abandoned house.

Mr. President, this is an actual case. This situation is real, and we are talking about more than just a few isolated instances. It covers page after page of documentation that we have received from HUD.

These people have real problems. They are caught in a vicious bind between wanting to purchase insurance and not being able to do so.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield.

Mr. PROXMIRE. I think we disagree somewhat on the figures. As I understand it—and I would like to be corrected by the Senator from Missouri if I am wrong—there are not 22,000 flood-prone communities all of which have to be in by July 1. As I understand it, there are 7,400 now under the program.

Mr. EAGLETON. That is correct.

Mr. PROXMIRE. But as of today, according to information given us this morning, there are 3,100 additional which have to come into the program by July 1. They are coming in now at a rate of about 400 a week, or 1,700 a month.

As Senators understand, when we get close to a deadline like this, compliance with a program develops rapidly. I have a chart which shows that the compliance was slight to begin with, and then shot up rapidly.

If we pass the Eagleton amendment, it will do two things. First, the incentive will be lost for communities to come into the program, and second, we will penalize the majority of the communities that have gone to the trouble and expense of compliance.

We have a program that is beginning to make sense from a fiscal standpoint, and also to save people from the tragedy of having their homes destroyed by floods.

Mr. EAGLETON. Mr. President, the great majority of communities have to comply by July 1. There are other trigger dates, such as August 1 and September 1, but there are 22,000 communities that have to comply within the next several months, and only 7,400 have complied to date. That is why I dispute the Senator's conclusions.

Mr. PROXMIRE. There seems to be a difference of opinion on the facts. What they say is that there are 7,400 now under the program, that there are only 3,100 that have to comply in addition, that have not yet complied, by July 1, and that they are coming in now at a rate of about 400 a week. It has been stepped up very rapidly in the last couple of months.

Mr. EAGLETON. Mr. President, in the interest of time, in response to the Senator from Wisconsin, I ask unanimous consent to have printed in the RECORD the full text of the letter of April 15, 1975, addressed to me from the Department of Health, Education, and Welfare.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL INSURANCE ADMINISTRATION,
Washington, D.C., April 15, 1975.

HON. THOMAS F. EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: This is in response to your letter of March 27, 1975, requesting information regarding the National Flood Insurance Program.

For your convenience, we shall restate the questions in the order in which they were raised followed by the corresponding response.

QUESTION. 1. How many communities as of this date have been designated flood-prone and eligible for federal flood insurance?

ANSWER. Cumulative data supplied to the Federal Insurance Administration (FIA) from Federal, State, and area sources of information has indicated thus far that there are approximately 22,000 flood-prone communities in the United States that have one or more areas of special flood hazard. As of March 31, 1975, the FIA had identified the special flood hazard areas of 14,947 of these communities through the publication of flood maps.

A total of 5,776 of the communities—for which FIA had published maps identifying local areas of special flood hazard—had qualified for the National Flood Insurance Program as of March 31. As of that date, an additional 844 communities had taken the initiative and qualified for the program prior to the publication by FIA of Flood Hazard Boundary Maps identifying these communities' areas of special flood hazard. However, by the end of this calendar year, FIA will have published maps identifying the special flood hazard areas in most of these communities as well.

It should be underscored that any community may apply for participating in the National Flood Insurance Program, regardless of whether or not FIA has published a map identifying the community's areas of special flood hazard.

QUESTION 2. How many individual residences and businesses within these communities would be affected?

ANSWER. We estimate that 10% of the Nation's residential and commercial structures are located in areas identified or to be identified by FIA as having special flood hazards.

Information we have received from communities participating in the National Flood Insurance Program is supportive of the 1966 flood insurance feasibility study which estimated that approximately 10% of the Nation's commercial and residential structures are located in the Nation's flood plains.

QUESTION 3. How many communities as of this date are participating in the flood insurance program? How many of those under emergency provisions of the Act and how many are permanently participating?

ANSWER. As of March 31, 1975, 6,620 communities had qualified for the insurance benefits available under the National Flood Insurance Program. 6,085 of the communi-

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ties that have qualified for flood insurance availability are participating under the Emergency Program; 535 are participating under the Regular Program.

Question 4. How many individual residences and businesses are included among those communities now participating either under the emergency or permanent provisions of the Act?

Answer. Approximately 8,800,000 one to four family dwellings, approximately 1,700,000 small businesses, and nearly 2,100,000 "other" structures including commercial and multi-family buildings are located in 5,866 of the communities participating in the National Flood Insurance Program.*

Of these totals, 4,700,000 one-to-four family dwellings, 650,000 small businesses, and 1,200,000 "other" structures (commercial and multi-family buildings) have been estimated to be situated in flood hazard areas.

Question 5. How many of those communities not now in the program have received HUD flood maps? Is receipt of a flood map a prerequisite for obtaining insurance eligibility?

Answer. Of the Nation's flood prone communities, which have received maps from the FIA identifying local areas of special flood hazard, 9,171 were not participating in the flood insurance programs of March 31, 1975.

As previously explained, a community need not await publication of a Flood Hazard Boundary Map by FIA in order to apply for participation in the program and become eligible for the program's flood insurance benefits. Receipt of such a map is not a prerequisite in order for a community to become eligible for the availability of flood insurance.

Question 6. How many of those communities not now in the program are liable to the penalties of the Act of July 1, 1975 and, roughly, on what dates will the remainder be liable to penalties?

Answer. As of March 31, 1975, 4,110 of the 8,641 communities identified by FIA prior to July 1, 1974, as having one or more areas of special flood hazard, had not yet qualified for the National Flood Insurance Program; consequently, the prohibition against Federal financial assistance pursuant to Section 202 of the Flood Disaster Protection Act of 1973 will apply to the special flood hazard areas of each of these communities which are not participating in the program by July 1, 1975.

365 of these 4,110 communities not participating in the program as of March 31, 1975, are required by New York State law to qualify for the National Flood Insurance Program by July 1, 1975 or else the State shall assure compliance with the program's safety criteria through the administration of a flood plain management program on the community's behalf. Hence, all New York communities notified of their special flood hazard areas before July 1, 1974, will have complied by July 1, 1975 and only 3,745 communities, nationwide, of a total of 8,641 communities in fact face the prohibition against Federal or federally related financial assistance for the identified areas of special flood hazard on July 1, 1975, should they not be participating in the program. In this connection, we refer you to answer no. 13.

In addition, the following chart sets forth the schedule, after July 1, 1975, on a monthly basis, by which identified flood-prone communities should qualify for the program:

Additional identified communities, and dates by which they should qualify

320	July 31, 1975
240	August 31, 1975
390	September 30, 1975
210	October 31, 1975
750	November 30, 1975
600	December 31, 1975

Question 7. Briefly explain the different benefits available to a community under the emergency provisions of the Act and the permanent provisions of the Act?

Answer. When a community qualifies for the Emergency phase of the National Flood Insurance Program, up to $35,000 of flood insurance coverage becomes available for single-family homes regardless of the degree of exposure to flood hazards, at an annual subsidized premium rate of .25 per $100 worth of coverage, and up to $100,000 of coverage also becomes available for multi-family and nonresidential structures at subsidized premium rates of .25 and .40 respectively per 100 worth of coverage. In addition, up to $10,000 of coverage for the contents of single-family dwellings and $100,000 of coverage for the contents of multi-family dwellings is available at .35 per $100 worth of coverage. For the contents of nonresidential structures, the available limit of coverage under the Emergency Program is $100,000 at a subsidized premium rate of .75 per $100.

After a community has been converted to the Regular Program, limits of flood insurance coverage are double those available under the Emergency Program. Additional flood insurance coverage for existing buildings, as well as full coverage for new construction, is available at actuarial premium rates reflecting the degree of flood hazard to which individual properties are exposed.

In order to make these full limits of flood insurance coverage available, a flood insurance rate study for each community is initiated, the end product of the study being the preparation of the community's Flood Insurance Rate Map (FIRM). This map reflects flood elevations in the community's special flood hazard areas so that new construction in these areas may be more properly safeguarded against flood hazards, through local ordinances, and actuarial premium rates reflecting the degree of flood hazard to which individual properties are exposed may be computed.

Actuarial premium rates for new construction serve as a further incentive to safe building practices in the areas of special flood hazard. Thus, these premium rates in conjunction with the local administration of the program's minimum safety criteria assure that however a community decides to use its flood plains that any future construction in such areas will be built in recognition of identifiable flood hazards. Such a practice will ultimately increase the overall value of the entire community by permitting the community to derive the utmost service from and assure the safest uses of its areas of special flood hazard.

Question 8. How many appeals contesting designation of a community as flood-prone or contesting specifics of the HUD flood map has the Agency received?

Answer. Of the 14,412 communities whose special flood hazard areas had been identified by FIA through the issuance of Flood Hazard Boundary Maps, as of March 31, we have received 1,572 requests for a reevaluation of our findings. In an effort to accommodate your request for data as expeditiously as possible, we used, as a sample that included data from each State, 1,068 of the community "appeal" letters most readily accessible in our records. An examination of each of these letters permitted us to determine with precision the number of "appeals"—209—concerning a community's flood-prone designation i.e., the fact that FIA had even issued the community a Flood Hazard Boundary Map, and the number of "appeals"—853—challenging merely the accuracy of FIA's delineation of the special flood hazard areas as they appear on a community's map(s).

In addition, we had received, as of March 31, requests from 410 individual property owners to determine whether their property had been inadvertently included in one of the special flood hazard areas delineated on FIA's maps and whether the flood insurance purchase requirements do in fact apply to the property in question.

Question 9. How many of these appeals have been acted upon favorably, how many acted upon unfavorably, how many are still pending?

Answer. The 1,572 community map "appeals" were consolidated into 1,428 requests, since 144 such map "appeals" derived from within the same communities. Of this total, forwarded to our contractors for review, FIA has rescinded as of March 31, 150 community maps. 821 "appeals" are still pending. For 11 "appeals", no map revision was found to be warranted. 437 community maps have been revised to delineate more accurately these communities' special flood hazard areas. In addition, we have forwarded preliminary or "draft" map revisions to 159 communities for their comments before our publication of the revisions.

Of the individuals having submitted requests with respect to individual properties, the properties of 273 individuals have been found to be outside of the special flood hazard areas. 11 such appeals were denied and 20 others were withdrawn by the property owners themselves. 106 such appeals are still pending.

Question 10. Among those communities which have adopted required HUD building and zoning standards, what percentage of individual residences and businesses have actually purchased insurance?

Answer. The percentage of both residential and commercial buildings, whose exposure to flood hazards has been covered, is 1%. This figure was taken from the data available, as of December 31, 1974, from a sample of 1,601 communities. This data base includes representative areas used for the sample and accurately reflects the national overview.

In addition to the foregoing, we wish to explain briefly the relationship between FIA's minimum safety criteria and a community's authority to administer the program's standards.

The Flood Disaster Protection Act of 1973 does not require zoning ordinances or building codes of local communities. FIA has established minimum safety criteria for the program's flood plain management regulations in light of the Congressional intent to reduce or avoid future flood losses. In many cases, a local community's enabling authority granted by the State to enforce zoning ordinances and building codes is the most convenient method of adopting and administering the program's minimum safety criteria. However, such tools are not per se required. Local communities still retain the creativity and flexibility to achieve the program's objectives through whatever legal instruments have been granted by the State to control local land use.

Question 11. Does the Agency make a distinction among designated communities based on degree of expected damage in the event a flood occurs? For example, would the fact that a community, while experiencing an occasional flood, has never received a dollar in federal flood assistance or suffered any significant damages, be grounds for exempting it from the flood insurance program?

Answer. No, Congress in enacting Section 201 of the Flood Disaster Protection Act of 1973, charged the Secretary of HUD with the responsibility of identifying nationwide all of the flood plain areas having special flood hazards. Such areas of "special flood hazard" have been defined under Section 1909.1 of the program's regulations in accordance with testimony heard prior to enactment of the 1973 Act which established the so-called "100-year flood" as (1) the flood frequency level to be protected against by means of the program's flood plain management criteria, and (2) the flood frequency standard to be used for the identification of flood-prone areas. Thus, FIA employs a uniform standard as the basis for tentatively identifying the Nation's areas of special flood hazard; only the boundaries of such areas will vary from community to community depending upon the extent of inundation by the flood that has a one percent chance of occurence in any given year.

However, a refined engineering study to be performed for each community participating in the program further refines the community's Flood Hazard Boundary Map by reflecting water surface elevations within the special flood hazard areas so that future construction in these areas may be safeguarded against flood hazards in light of the best available information and through local commitment to flood plain management. From this study, premium rates reflecting the degree of exposure of individual properties to severe flood hazard may also be calculated.

In this regard, the mandate of Congress to identify *all* of the Nation's areas of special flood hazard is quite explicit and not to be limited to areas for which Federal disaster assistance had previously been made available.

In addition, the availability of Federal disaster assistance to the victims of natural calamities is a relatively recent development in our history and is contingent upon a number of variables one of which is the extent of internal economic resources enabling a State to absorb losses resulting from a natural disaster.

If Congress had established receipt of previous disaster assistance for flood losses as the only condition for our identifying a community's special flood hazard areas, then many communities would not be alerted to the hazards they presently face from flooding, especially since Federal disaster assistance has only been made available on a comprehensive scale since 1950.

It should also be noted that many newer communities do not have any records of flooding much less accurate records. In addition, the expansion of communities in recent years has aggravated, in many areas, the flooding situation which was heretofore almost nonexistent. Hence, historical records for flood occurrence are inadequate to alert many communities to the local flood hazard.

Question. 12. Other than some additional administrative costs, what other risks to taxpayers' funds would be involved in making flood insurance available to individuals who are willing to comply with relevant construction standards, regardless of what the community as a whole may elect to do?

Answer. Prudent flood plain management is intended by the Congress as the *quid pro quo* for the availability of the Federal subsidy for flood insurance. Thus, the economic justification for the extensive public subsidies which support the Emergency phase of the program will be the long range benefits resulting from sustained flood plain management which will protect new construction from the potential damages of future flooding and eventually make the program self-supporting.

To be effective, such prudent management, locally, of a community's special flood hazard areas must be comprehensive and applicable to every new structure built in such areas; otherwise, the efforts of the individual homeowner to protect his property might well be undermined by developers whose building activities would aggravate the local flood hazard thereby thwarting individual flood mitigation efforts.

We submit that to make flood insurance available to individuals in non-participating communities in exchange for the regulation of the individual's property of Federal land use measures, without the community's commitment to flood plain management, cannot work because the concept ignores the fact that it is the developer or builder who constructs buildings, not the individual. Our experience has taught us, unfortunately, that far too many developers purchase flood-prone land, build their subdivisions at low elevations, then transfer title to a potential flood loss to an unsuspecting buyer. At this point, the structure is completed and it is too late to monitor land use for the individual, except, ironically, with respect to a substantial re-construction following a catastrophic flood loss. The only time Federal land use could be implemented in such a way as to protect the individual from purchasing a structure constructed without regard to the flood hazard would be in the case (rare) of a builder seeking flood insurance to protect the property(s) in the course of construction. This implies he will elevate properly in return for a low premium and entails a massive Federal building department to review, monitor and implement a building code for flood-prone areas on a case-by-case basis—an unadministrable task at the Federal level and, again ironically, a task presently being performed at the local level right now by almost 7,000 participating communities. Your proposal would involve the Federal Government to a far greater degree than the Congress ever intended in enacting either the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973. Not only would such a procedure circumvent local authority but also provide no genuine protection to the taxpayer who would continue to subsidize the flood insurance coverage for property owners whose interests would not be adequately safeguarded against the building practices of those who would disregard the local flood hazard and actually aggravate the peril.

Question 13. What reasons can the Agency advance to explain the low participation rate in this program?

Answer. The low percentage of structures whose exposure to flood hazards is actually covered by flood insurance may be explained by the following factors:

1. people do not voluntarily purchase flood insurance to protect their property;
2. the flood insurance purchase requirements are only applicable under certain circumstances and have been in effect only since March 2, 1974.
3. individuals are only required to purchase such insurance as a condition for Federal financial assistance or federally-related mortgages executed on and after March 2, 1974 and secured by improved real estate located in the special flood hazard areas of communities participating in the program;
4. current economic conditions have resulted in a constricted mortgage market and a virtual standstill in the construction industry.

Consequently, with fewer projects being built and fewer mortgage transactions being executed, the flood insurance purchase requirements are applicable only to a limited number of buildings. The figures contained in the answer to no. 10 reflect these factors. However, when the construction industry and mortgage market shall again enjoy more favorable commerce, the coverage by flood insurance of structures exposed to flood hazards will be proportionately higher.

Furthermore, in an effort to alert individual property owners of the benefits available under the National Flood Insurance Program, and assist communities in qualifying for the program by their respective deadlines, we have underway a national public information campaign aimed at getting these cities, incorporated villages and counties into the program on time. In addition, FIA is sending each of these communities a series of notices—90, 60, and 30 days in advance of the date by which they should have qualified for the program—reminding them of the need to become eligible and offering them the assistance of our field and central office staff.

In this connection, we submit that the rate of community participation in the program thus far is not in fact "low." On the contrary, over 50% of the flood-prone communities whose special flood hazard areas were identified before July 1, 1974, by FIA through the publication of maps had qualified for the program by March 31. (Your attention is specifically invited to answer no. 6.)

In addition, the volume of applications submitted by communities to our Office of Operations has increased from approximately 400—the monthly average in the past—to over 800 within the past four weeks. We can safely project also that the rate at which communities submit applications on a monthly basis will accelerate even further as the statutory deadlines approach thus enabling us to make flood insurance available to an overwhelming majority of the Nation's flood-prone communities by the prescribed dates. We anticipate that the few remaining communities will have qualified shortly thereafter and the approval of Federal or federally related financing for buildings in the identified areas of special flood hazards of these communities may be resumed on the respective dates of qualification.

We hope the foregoing is responsive to your inquiry. If we can be of further assistance, please let us know.

Sincerely,

J. Robert Hunter,
Acting Federal Insurance Administrator.

Mr. ALLEN. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. Mr. President, on my time I yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, I would like to ask the floor manager of the bill, the distinguished Senator from Wisconsin, a question having to do with flood insurance.

We have a situation in my home town, as a matter of fact, where, under the flood insurance program, it was necessary for the city government, in order to obtain flood insurance for areas above a stipulated flood line, to pass an ordinance which would zone the areas below that flood line against further building in that area. Is the Senator familiar with that situation?

Mr. PROXMIRE. Yes, that happens in a number of communities.

Mr. ALLEN. That would seem to place a hardship on the areas below this historic flood line. The Senator from Alabama would like to know if the Eagleton amendment would in any way prevent these inhibitions from going into effect.

Mr. PROXMIRE. May I say to the Senator from Alabama that there is nothing in the present law that prohibits buildings. It simply requires that they meet certain standards.

Mr. ALLEN. I understand that, but if a building is permitted below that line, then the city is not able to get flood insurance on the areas above that line, nor are they able to get Federal grants for public buildings.

Mr. PROXMIRE. Let me say to the Senator from Alabama that he raises a real problem, a legitimate question. This is the kind of thing that we should go into in hearings. We have had no hearings on this proposal. The Senator from Missouri did introduce this legislation. It is pending before the Housing Subcommit-

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*(These figures were compiled from data submitted by the officials of local communities in applying for participation in the National Flood Insurance Program. Our statistical base was incomplete, however, simply because not every community submitted such figures with its application even though this information is requested as part of the community's application package.)

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tee. We intend to hold hearings, and hold them promptly, to get into the kind of thing the Senator from Alabama raises.

Mr. ALLEN. Will the Senator from Wisconsin assure the Senator from Alabama that this matter will be heard promptly?

Mr. PROXMIRE. Yes. It will come before the subcommittee chaired by the Senator's colleague (Mr. SPARKMAN).

Mr. EAGLETON. Mr. President, I say to the distinguished Senator from Alabama that my amendment would be of direct relief to his hometown of Gadsden. That is just one of the thousands of communities that come under the gun on July 1, just a few weeks from now. It would permit a homeowner or a small businessman who wants to buy flood insurance and wants to comply with all of the restrictions to do so. My amendment would allow him to buy flood insurance and comply with the restrictions.

Come July 1, many homes and small businesses will be virtually worthless. There will be no one to sell them to. There is no bank or savings and loan institution that will lend them money on it. The law prohibits the lending of money on them.

I think that is criminal, Mr. President. It comes close to taking property without due process of law, to say to someone who wants to buy insurance and comply with all the restrictions, "Sorry, buddy, it is worthless; if you want to move to Florida or Hawaii, or if you die, that home is worthless, because no one can lend any money on it."

Mr. ALLEN. I see the Senator's point. I do not believe it touches the situation where a city has been restricted from zoning areas below a historic floodline for any building of any sort, a requirement of banning by the city of any building below that area in order to get insurance above the historic floodline.

Mr. EAGLETON. Mr. President, by way of consolation, I can only say that just as everyone has sympathized with me, I sympathize with the Senator from Alabama. We do not cover that situation by this amendment. I think it should be covered.

Mr. ALLEN. I thank the Senator.

Mr. PROXMIRE. Mr. President, let me say to the Senator from Missouri that there is no question but that there are communities that will be adversely affected, as there are under all comprehensive remedies of this kind.

We have been assured by the administration that they will negotiate, under those circumstances, as sympathetically as they possibly can. A second remedy, of course, is that we do expect to have hearings, and have them promptly, on the Eagleton bill. The Senator from Missouri has made a very strong case for that this afternoon.

I am sure there is merit in the Senator's position. But anything that affects this many communities and is this complicated should have a hearings record, so that the Senate could act intelligently and with more deliberation.

Mr. EAGLETON. May I ask my distinguished friend would he consider—and the ranking Republican on the committee would he consider—a 1-year delay of the guillotine coming down on the heads of those homeowners so that, I agree, we could have good, extensive, and thorough hearings, go into all of the complexities with which I dealt in my presentation, the problem of the distinguished Senator from Alabama, and give us some time? There is no feasible way, I say to my distinguished colleague, that hearings could be held between now and July 1 and pass both bodies of Congress and become law and be of any relief to thousands of homeowners and small businessmen to become effective.

I will ask him specifically could he give us a year's postponement so that these hearings could be held and a solid record built?

Mr. PROXMIRE. May I say to the Senator from Missouri I think a year would be too long. Our problem, you see, is that delay would destroy the momentum we feel we have built up in this program.

I say, we have 7,400 communities that have not qualified and coming in at a very rapid rate. There is every indication if we do not delay this program that is going to be effective on July 1 as far as 95 percent of the communities are concerned, and only a couple of hundred communities are likely to be lagging at the time of enforcement and, furthermore, delay would not only slow the present movement, but indicate possible continued inaction on enforcement in communities that have qualified.

Mr. BUMPERS. Mr. President, will the Senator yield for an observation? I would like to add my plea to the plea of the distinguished Senator from Missouri and say this: I think he has made a compelling argument. We have 223 communities in my State that will be forced to comply with the Flood Control Act, and only 60 so far have come into compliance, and some more will undoubtedly and many more will not. Some will not because of their own lethargy and inaction, and others will not because they simply cannot comply by July 1.

I would strongly plead with the manager of the bill to extend it for not less than 6 months to a year, if the distinguished Senator was willingto cut his bill back, say, to a year, because I have the distinct feeling—as a matter of fact, I feel certain—that unless the managers of the bill agree to this amendment, this bill is probably going to be defeated.

The PRESIDING OFFICER (GARY W. HART). The 15 minutes of the Senator from Wisconsin have expired.

Mr. PROXMIRE. I yield myself 5 minutes more.

Mr. BUMPERS. I apologize, I did not intend to use up the Senator's time.

I just want to add my plea to that of the distinguished Senator from Missouri. If we do not have 6 months—I hope at least a minimum of a year—for this bill to be effective, the damage is going to be very bad.

Mr. PROXMIRE. May I say to the Senator from Arkansas and to the Senator from Missouri I think this is a situation where they have a very substantial argument. I would like to appeal to them to permit the committee to hold hearings promptly and to determine whether or not we should delay the program for 6 months, possibly longer. But, I think, 6 months would enable us to do the job, that that would be one consideration.

I would not want to make any commitment. Of course, I only speak as one member of the committee, but I would be very sympathetic to some kind of compromise of that kind although, as I say, I am also aware, as I think we all are, of the fact that it is only the deadline and the sanctions that have achieved compliance. There has to be pain here in order to get this job done, and we have to exert this kind of discipline if we are going to do it.

But I would certainly consider that and consider it sympathetically in hearings that we hold promptly.

Mr. BUMPERS. I strongly supported the initial act, and resisted many projects in my own State because of the cycles that always took place. We channelize, the flood plain recedes and people build further, and then the rain comes along, and there is a hue and cry to channelize.

I remember when I was Governor of my State, the Governor of Ohio took a very dramatic step in saying that he would not approve any Corps of Engineers projects in his State until the entire State was zoned according to the flood plains that then existed. I admired him very much for that. I never took quite that strong a step, but I sympathized with it, and I resisted many Corps of Engineer projects because of their assignments.

Because of the inaction of their city council or their county government people are penalized not only by not being able to sell their homes, but, of course, as you know, this goes to both earthquake and tornado relief. If a city in Arkansas which had not zoned in accordance with the mandate of the Flood Control Act had a tornado or an earthquake, which is totally irrelevant to the purpose of the Flood Control Act, they would not come under the bill and without the distinguished Senator from Missouri's amendment be eligible for Federal relief.

Mr. PROXMIRE. May I say to the Senator from Arkansas that the delay would be one very strong consideration, one possibility, one option.

Another would be the possibility of a step-by-step case-by-case waiver authority on the part of the administrator.

That may not be satisfactory, but that is the kind of consideration, I think, that the committee should give to this situation, and I do hope that rather than act today on the Eagleton amendment and, perhaps, enact it into law in the next couple of weeks, that we have an opportunity to have hearings very promptly in the committee on this and act on a record and bring it to the floor promptly.

Mr. EAGLETON. Mr. President, will the Senator from Wisconsin yield me an additional 5 minutes?

Mr. PROXMIRE. Yes, indeed.

Mr. EAGLETON. First, I ask unanimous consent that the yeas and the nays on my amendment be vitiated.

The PRESIDING OFFICER. If the amendment is withdrawn, the yeas and nays would be vitiated.

Mr. EAGLETON. I then ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Is there

objection? The Chair hears none, and it is so ordered.

Mr. EAGLETON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> At the appropriate place in the bill insert the following new section:
>
> SEC. . Section 202 of the Flood Disaster Protection Act of 1973 is amended by striking out "July 1, 1975" each place it appears and inserting in lieu thereof "January 1, 1976."

Mr. EAGLETON. Mr. President, this amendment is very simple. It would call for a 6-month extension of the guillotine deadline that is rapidly approaching many homeowners in Arkansas, Missouri, indeed in all of the 50 States.

It would give the Banking, Housing and Urban Affairs Committee, chaired by my distinguished colleague from Wisconsin, time to hold the hearings he has indicated he wishes to hold, an opportunity to report a bill, if he deems one needs to be reported, and to give some temporary relief to many innocent well-meaning people who are going to really lose their homes and lose their businesses in practical effect come July unless they are given some relief.

Mr. PROXMIRE. May I say to the Senator from Missouri I am very, very reluctant to accept that amendment. But, under the circumstances, in view of the fact that there are a number of communities—I think probably hundreds of communities—that would be adversely affected, and he has limited his amendment, as I understand it, to 6 months——

Mr. EAGLETON. Six months.

Mr. PROXMIRE. Under those circumstances, if the distinguished ranking minority member is willing, I would be willing to accept the amendment.

Mr. TOWER. If the Senator will yield to me, Mr. President, I am prepared on behalf of the minority to accept the amendment of the Senator from Missouri, but I think that, however, this does not vitiate the fact that we should hold oversight hearings.

Mr. PROXMIRE. That would be one of the purposes for accepting it so that we could hold hearings promptly on the Eagleton bill, and we intend to do that.

Mr. EAGLETON. I thank the Senator from Texas. He is eminently correct. The 6-month extension is in order to hold the kind of hearings that should, in all wisdom, be held.

Mr. McINTYRE. Mr. President, I wish to express my support for Senator EAGLETON's efforts to ease some of the sanction provisions of the Federal flood insurance amendments passed last year.

Federal flood insurance legislation is another example of overzealous actions by the Federal Government. We have seen the chaos and outrage brought about by the Occupational Safety and Health Act. The flood insurance program presently structured is rapidly heading in the same direction.

The Federal Government has for many years offered subsidized flood insurance. This program was never successful, not necessarily because it was voluntary, but because it was never explained, understood, or adequately publicized. A voluntary program will certainly not enjoy large participation if few people know about it. This was the fault of the Federal Government, not local communities.

Congress perhaps overreacted, partly due to the frightening damage brought about by the floods of Hurricane Agnes, and partly out of frustration over the failure of the voluntary program. The mandatory program presently in operation not only encourages participation, but coerces it. The legislation as presently written includes provisions which may constitute the taking of an individual's property by rendering it worthless or unmortgageable without flood insurance. This is too much.

My distinguished colleague, the junior Senator from Missouri (Mr. EAGLETON) is proposing two amendments—one of a substantive nature and one which would allow more time for cities and towns to judge the merits of the flood insurance program and make a reasoned judgment on entering.

I have spoken with many citizens in New Hampshire regarding the flood insurance program. Concern has been expressed about the need to protect property from flood damage, but the meritorious purpose of the program may be overshadowed and thwarted by the difficulties communities are having in understanding the mechanics of the program. I have received numerous questions on how the program works, as well as who must apply and why. The maps provided to each town often have grievous errors. Half of one of the largest lakes in New Hampshire was left out of the map sent to one town—apparently due to carelessness. Communities do not know how to amend these maps or if this amendment process can be accomplished by the time the sanctions are due to begin on July 1 of this year. Deep resentment has been expressed over the severe sanctions, particularly those involving the denial of commercial mortgage money and the forced land use and zoning regulations imposed by the Federal Government on local communities. Under the present law, all individuals would be jeopardized if a town chose not to join the insurance program.

I strongly support a sound flood insurance program—one which offers adequate coverage and which cities and towns want to participate in. Senator EAGLETON's efforts would, in effect, encourage greater participation by offering a more reasonable flood insurance program. His proposal would also give cities and towns more time to understand this complex program. Local communities could then enter the plan not because they have their backs to the wall but because they want to protect themselves from the disastrous and often tragic ravages of floods.

Mr. DOLE. Mr. President, I am giving my support to this amendment offered by the distinguished Senator from my neighboring State of Missouri (Mr. EAGLETON), because I believe it will provide for a more reasonable and practical administration of the Flood Disaster Protection Act of 1973.

The Department of Housing and Urban Development has identified thousands of communities across the Nation which contain so-called flood-prone areas within their boundaries. In my own State of Kansas, 284 communities have been so identified; by definition, this designation indicates that those areas have a chance of being flooded at least once every 100 years.

PRESENT LAW

The National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 established a national insurance program as a means of protection against flood damage for those residents living within the identified hazard areas. This form of protection is relatively inexpensive and is now available to many who might otherwise be unable to obtain adequate flood insurance from commercial dealers.

Yet, to date, participation in the national flood insurance program has been pitifully inadequate. By law, communities as a whole must agree to participate before local residents are eligible for this Federal protection. But nationwide, only 38 percent of identified communities have enrolled in the insurance program.

In Kansas, only 21 percent—61 out of 284 communities—had joined the program as of the end of March 1975. Serious problems exist in administration of the act, and the statistics prove the point. What could otherwise be a useful and productive program is now floundering in the deficiencies of its own provisions.

PENALTY DATE APPROACHING

Even more critical is the fact that those designated communities and their residents which have not enrolled by July 1 of this year, or within 1 year of their official notification, will be subject to strict penalties. Individuals without flood insurance who live in the hazard areas will immediately become ineligible for FHA or VA mortgages, loans from the Small Business Administration, or loans from federally regulated banks and savings and loan institutions.

What this means, simply, is that it will be impossible for any such homeowners or businessmen to obtain a loan for structural expansion improvement, or for a mortgage on the property. This penalty takes effect regardless of the fact that the resident may be ineligible to purchase Federal insurance, because the community as a whole has not enrolled in the program.

The community, in turn, may be unable to participate for various reasons, and required land-use regulations may be impractical or unacceptable in terms of local circumstances. I have even heard from many Kansas community leaders who find it difficult or impractical for the area as a whole to comply, because of economic and social costs involved.

Many Kansas citizens living within identified flood prone areas have also expressed their dissatisfaction and frustration over discovering that their property has been given a label of inferiority which can make it virtually worthless for future improvement or sale, if insurance is not purchased. Some of these persons have never seen a flood in their area, nor will they likely see one during their lifetime.

CORRECTIVE CHANGES NEEDED

This amendment, of which I am a cosponsor, will eliminate some of these

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problems through corrective changes in the national flood insurance program. It will do this by specifically repealing that provision of the act which prohibits commercial bank credit in flood designated areas.

It will also make flood insurance available to all affected residents who wish to comply with HUD land-use regulations regardless of what the rest of the community may choose to do. And it will, in addition, insure that nonparticipating communities are not penalized by loss of Federal disaster relief assistance for tornadoes, earthquakes, or other disasters not related to floods.

These changes will not defeat the purposes nor hamper the administration of the national flood insurance program. A community or individual resident will still be ineligible for Federal construction assistance and flood disaster relief unless flood insurance is purchased.

Since the July 1 deadline is drawing near, it is particularly important that Congress take steps at this time to correct those provisions of the National Flood Insurance Act which would place harsh and unfair penalties upon those who cannot practically join the program or who do not wish to do so. For that reason, I urge my colleagues to join me in adopting this modified proposal.

The **PRESIDING OFFICER**. Do the Senators yield back their time?

Mr. **EAGLETON**. I yield back my time.

Mr. **PROXMIRE**. I yield back my time.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment was agreed to.

Mr. **STEVENSON**. Mr. President, I have an amendment at the desk which I call up.

The **PRESIDING OFFICER**. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> At the end of the bill, insert the following:
>
> "Section 405. Section 518(b)(1) of the National Housing Act, as amended, is further amended by striking the words "one year" therein and inserting in lieu thereof the words "nineteen months".

Mr. President, this amendment extends the period for homeowners to claim compensation for the repair of structural or other serious defects which FHA should have but failed to discover in the course of its mortgage insurance inspection.

Last April, Congress passed legislation authorizing such compensation and giving homeowners a full 12 months to make their claims, but HUD took 7 months to issue implementing regulations and homeowners are now left with only 5 months to make their claims.

The full year which Congress intended for homeowners to make their claims has been frustrated by delay in the implementation of this law.

This amendment, Mr. President, is intended simply to fulfill the original intention of the Congress by giving such homeowners 1 year to make their applications for reimbursement for structural defects.

The **PRESIDING OFFICER**. Will the Senator suspend until the Senate is in order, please.

The Senator from Illinois.

Mr. **STEVENSON**. Mr. President, this, too, like the amendment offered by the Senator from Missouri, is intended to extend an application for filing deadline. I have discussed it with the distinguished manager of the bill and I am hopeful that he and the distinguished Senator from Texas will see fit to accept the amendment.

Mr. **PROXMIRE**. May I say to my good friend from Illinois that I think this is a sensible and desirable amendment.

Congress enacted the Stevenson amendment provision into law with the understanding there would be a full year to enable the law to work. It has taken HUD 7 months in order to draft the regulation. Therefore, the effect of the legislation would only be for 5 months.

All the Senator from Illinois is asking in this proposal, as I understand it, is to make it an effective 12 months.

That makes sense to me. I think it is logical. For that reason, I am happy to support the amendment.

Mr. **TOWER**. Will the Senator yield?

Mr. **STEVENSON**. Yes.

Mr. **TOWER**. On behalf of the minority, we are happy to accept the amendment.

Mr. **STEVENSON**. I thank the Senator from Texas.

The **PRESIDING OFFICER**. Do all Senators yield back their time?

Mr. **STEVENSON**. I am prepared to yield back the remainder of my time.

Mr. **PROXMIRE**. I yield back the remainder of my time.

The **PRESIDING OFFICER**. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The **PRESIDING OFFICER**. The bill is open to further amendment.

Mr. **PROXMIRE**. Mr. President, I suggest the absence of a quorum.

Mr. **TOWER**. Mr. President, I ask unanimous consent that the time consumed be charged to neither side.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **JAVITS**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **JAVITS**. Mr. President, I send an amendment to the desk and ask that it be reported.

The **PRESIDING OFFICER**. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> On page 7, lines 13 and 16, insert the following language after the word "insurer" "or public benefit corporation created by the State which acts as an insurer."

The **PRESIDING OFFICER**. The Chair inquires of the Senator from New York as to whether or not this is the amendment on which there is an hour limitation?

Mr. **JAVITS**. No, this is not. This is an amendment under the normal procedure on this unanimous consent.

The **PRESIDING OFFICER**. Therefore, it will be 15 minutes to a side.

Mr. **JAVITS**. Mr. President, I hope very much that the managers of the bill may be able to accept this amendment because it carries out the fundamental thrust of the bill, but deals with a particular local situation which we have in New York and which requires this amendment in order to enable New York to have the same benefit as every other State regarding this particular proposition.

REMIC, a public benefit corporation established by the State of New York in 1973, is enpowered to provide mortgage insurance to encourage the flow of private mortgage funds aimed at conserving or rehabilitating the existing housing stock in neighborhoods the city designates or neighborhood preservation areas. Unfortunately the combination of the widespread lack of mortgage credit and continued high interest rates on these types of mortgages has precluded the implementation of the program.

The provisions of section 107 of S. 1483 to extend coverage to conventionally financed, multifamily housing, coupled with existing authority to permit a portion of the GNMA purchase authority for existing dwellings—section 313(e)—would permit REMIC to insure preservation or rehabilitation mortgages, and thus encourage the flow of private mortgage funds for this purpose and permit refinancing and rehabilitation without undo rental increases to the low- and moderate-income families now residing in this housing. Key to REMIC's participation in this expanded program is an administrative determination to allocate a portion of any available contract authority for the purchase of mortgages on existing properties. It is hoped that the legislative history concerning section 107 of S. 1483 will make it clear that it is the congressional intent to encourage the use of these funds when it will bring about neighborhood conservation or revitalization.

Many Members, I know, are well acquainted with New York City and will follow even the neighborhood concept which I will describe—for example, we have a very grave slum situation in an area called the South Bronx, one of our boroughs, residential boroughs.

Immediately contiguous to the South Bronx is a very fine old neighborhood which surrounds New York University. It is called University Heights.

This concept which I have described would apply to that particular neighborhood preservation. In other words, preserving the neighborhood next to the slum area in order to avoid the slums extending further than they already do while we work at it, and there is a great deal being done in the South Bronx improving that particular area.

So it is a very desirable concept.

In our case—that is, in the case of the State of New York—we have an insurer, which is a nonprofit State-sponsored agency, rather than a private insurer.

Yet the use of the words in the bill, page 7, line 16, "qualified private insurer" we believe might not include this public benefit corporation although it is not clear that it would not include it. In order to clarify the situation, my amendment has been introduced. I have

discussed it with the managers of the bill, and I hope very much they may look sympathetically upon it.

Mr. **PROXMIRE**. Is it the intent of the Senator from New York that the Secretary of HUD has the authority to determine whether or not a public benefit corporation is, in fact, qualified? Does the Secretary of HUD have the authority to make that finding?

Mr. **JAVITS**. Absolutely. That is our intention. The Senator will note that in the preceding section the statement is "private insurer as determined by the association." That is GNMA, itself.

Mr. **PROXMIRE**. And that clause would also apply, then, to the public benefit corporation?

Mr. **JAVITS**. Yes. As a matter of fact, if the Senator thinks it desirable, we will insert the same language there, though I do not think it is necessary.

Mr. **PROXMIRE**. As I understand it, the way the Senator has worded his amendment, it would be automatically applied, is that correct? It would have to apply because the qualifying clause is "public benefit corporation" and so forth, and then "as determined by the association."

Mr. **JAVITS**. As determined by the association, right.

Mr. **PROXMIRE**. I have no objection to the amendment.

Mr. **TOWER**. On behalf of the minority, we have no objection.

Mr. **JAVITS**. I thank my colleagues. I yield back the remainder of my time.

Mr. **PROXMIRE**. I yield back the remainder of my time.

The **PRESIDING OFFICER**. The question is on the amendment of the Senator from New York.

The amendment was agreed to.

Several Senators addressed the Chair.

The **PRESIDING OFFICER**. The Senator from California.

Mr. **PROXMIRE**. Will the Senator yield?

Mr. **CRANSTON**. I yield.

Mr. **PROXMIRE**. I promised the distinguished Senator from Iowa that at this time we would give him 5 minutes, if there is no objection.

Mr. **JAVITS**. May I ask the Senator to yield so I can get squared away with Senator Cranston? I have another amendment, No. 375. I would be glad to yield to the Senator from California, however.

Mr. **PROXMIRE**. No, to the Senator from Iowa. The Senator from Iowa wanted to make a short statement on another subject, if that is agreeable.

Mr. **CRANSTON**. If the Senator from New York has another amendment, he may go ahead.

Mr. **JAVITS**. No, I will yield.

Mr. **PROXMIRE**. I yield 5 minutes on the bill to the Senator from Iowa.

EVACUATION OF U.S. CITIZENS IN SOUTH VIETNAM

Mr. **CLARK**. I thank the Senator from Wisconsin for his generous offer to allow me 5 minutes to discuss the most recent news regarding the evacuation of American citizens in South Vietnam.

Mr. President, yesterday we spent 7 hours here discussing the evacuation of U.S. citizens and their dependents from Saigon and the President's authority to use military force in that evacuation. Time after time in that debate, questions were raised about the speed and efficiency of the evacuation, about the need for a plan, about the urgency of cutting the number of Americans and their dependents in South Vietnam as quickly as possible. And everyone agreed that the evacuation should be accelerated because, as the North Vietnamese net draws closer around Saigon, the danger to the remaining Americans grows by the hour. And so does the difficulty of getting them out—without a massive reinvolvement of U.S. military forces.

When the Senate agreed to the Vietnam Contingency Act of 1975 late yesterday, it did so on the assumption that the evacuation of U.S. citizens and dependents was being accelerated. But now it seems that assumption was a mistake.

Today's report on the number of Americans and dependents being evacuated from South Vietnam is very disturbing. The White House has not fulfilled its own public promise to reduce the number of U.S. citizens to 1,500 by last Tuesday night. Now, almost 1,700 American citizens remain in Vietnam, and when the Vietnamese dependents of these Americans are added, the size of the American community that must be evacuated grows to over 2,200.

For some unknown reason, the administration seems to have slowed the evacuation. Yesterday, only about 150 Americans and less than a hundred of their Vietnamese dependents left South Vietnam. This is the smallest number since the initial April 18 acceleration of the airlift. Yet the military situation is more tenuous and the threat to American lives more real than ever before.

I cannot understand why the evacuation is proceeding so slowly or why the administration is taking such great risks with American lives. Thousands of South Vietnamese are being brought out of the country every day to the Philippines and Guam. It is clear that the United States has the physical capacity to evacuate thousands of people. Why are so many U.S. citizens and their dependents still there?

Some have argued that an evacuation of American citizens from Saigon would cause widespread panic. But, thousands of South Vietnamese are being taken out of the country without any panic, and certainly the flight of high-ranking Vietnamese officials would be more a cause for concern among the residents of Saigon than the departure of foreigners.

The longer the Americans remain in South Vietnam, and the larger their numbers, the greater the chances are that a sizable American force will have to be used to evacuate them at the last minute.

A large-scale, last-minute evacuation would pose a tremendous threat both to the lives of American civilians and to the forces that were sent in to protect them. The chances for military reinvolvement are too high, and that reinvolvement is not limited in size or duration by the legislation we approved yesterday.

A large-scale U.S. military involvement in the last days of the Vietnam war must be avoided. The number of Americans in South Vietnam must be reduced now—to a point where they can be brought out in a single, relatively short operation. It is clear that this can be done, and no good reason has been given for leaving 1,600 Americans in South Vietnam. By the administration's own admission, perhaps only 500 of those Americans are necessary or essential.

I understand and sympathize with the President's desire for evacuating South Vietnamese whose lives are threatened. I support it. But the United States must first take care of the Americans remaining in South Vietnam. I call on the President to evacuate all but those essential to an American withdrawal. Certainly he owes us an explanation of why that is not taking place.

If the administration is concerned about the lives of hundreds of thousands of South Vietnamese, and we certainly should be, the best policy would be to encourage a negotiated settlement. The President himself has admitted that negotiations are the only way to save these lives. The PRG has made it clear that a large American community in South Vietnam is one of the greatest barriers to negotiations. A massive U.S. military effort to evacuate either Americans or South Vietnamese would do even greater damage to the effort to negotiate the peaceful evacuation of large numbers of people.

Mr. President, a House-Senate conference on this legislation will be meeting at 2 o'clock. As a member of that conference committee, I will make every effort to insure that the Congress insists on the immediate evacuation of all but the essential mission personnel in Saigon. With so many lives at stake—and the prospect of military involvement hanging in the balance as well—we cannot afford to wait any longer.

I thank the Senator from Wisconsin for his generosity in giving me this time.

EMERGENCY HOUSING ACT OF 1975

The Senate continued with the consideration of the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

AMENDMENT NO. 375

Mr. **JAVITS**. I call up my amendment No. 375.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk read the amendment as follows:

> The Senator from New York (Mr. Javits) proposes an amendment No. 375, at the end of the bill add a new section.

The amendment is as follows:

> At the end of the bill on page 30 add the following new section:
>
> Sec. 404. Section 236 of the National Housing Act, as amended, is hereby amended by adding a new subsection (q) reading as follows:

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"(q) With respect to mortgages financed under State or local programs which are not insured under this section but which are receiving the benefits of this section as provided in subsection (b) hereof, the rental charge and percentage of income payable by the tenant as specified in subsection (1)(2), shall not be applicable, and the maximum income limitations, percentage of income, and rental to be paid by the tenant shall be fixed by the State or local agency thereof providing the mortgage assistance, in such amounts and percentages as are found necessary by such State or local agency to achieve the purposes of this section: *Provided*, That assistance payments under this section may be applied only with respect to tenants whose incomes do not exceed the median family income for the area, as determined by the State or local agency with adjustments for smaller and larger families. The tenants shall pay no less than the basic rental charge or such greater amount as the State or local agency determines is necessary for the economic feasibility of the project, not exceeding the fair market rental charge, and no less than 20 per centum of the tenant's income. Any tenants occupying such units prior to any modification in the rental charge approved by the State or local agency as authorized herein, shall not be made liable for rental increases except pursuant to the same criteria as would have been applicable under the provisions of this Act prior to the effective date of this subsection. The State or local agency shall report to the Secretary of Housing and Urban Development the rental charges, income limitations, and percentage of income payable by the tenant and shall certify that the charges and income limitations are the minimum amounts which can be fixed and still maintain the economic feasibility of the projects and shall supply the Secretary with documentations supporting such certification.

Mr. JAVITS. Mr. President, I am very hopeful that this amendment will only take 5 or 10 minutes.

The amendment which I have introduced would give the States and local agencies more flexibility to administer their State housing programs. It would authorize the State or local agency to set the maximum income limits and the percentage of income paid by the tenant in those State-financed housing projects which are receiving section 236 housing assistance payments. It is important to recognize that these mortgages are not insured by FHA and the only HUD function is providing the interest reduction payment.

What is here proposed is consistent with the Housing and Community Development Act of 1974. It brings back to the local area the responsibility for determining those who are eligible for the subsidized rental accommodations, so long as the family income does not exceed the median income in the area. Thus, it will make it possible for the State and local agencies to create rental structures which are consistent with the communities' housing needs and housing plans.

This will not result in any added expenditure by the Federal Government. The interest reduction contracts and subsidy payments are fixed amounts and would in no way be modified by this amendment. It would also mean that the tenant would have to pay at least the basic rental, unless rent supplement payments had also been authorized for the low-income families, and a minimum of 20 percent of the family income. Furthermore, the tenant would not have to pay in excess of the fair market rental which gives no effect to the subsidy payment.

By giving the State and local agencies this added flexibility, it will be possible for them to approach the matter on a project-by-project basis and to adapt housing projects to meet the community needs in a much more refined manner. In order to make certain that none of the present tenants are affected, the amendment would prohibit any increases as to them, except pursuant to the same criteria under which they presently are liable for rental increases. As an additional safeguard, the State or local agency will be required to certify to HUD that the income limits and rentals are the lowest which can be fixed for maintaining economic feasibility of the project.

The ability to match the availability of housing to the tenant demand in the particular community will also go a long way toward reestablishing the viability of State housing projects which are experiencing financial difficulties. This will allow the State or local agency an opportunity to eliminate vacancies due to lack of eligible tenants and bring the mortgages out of their financial straits. It will help reestablish the credibility of the State or local agency funding of housing projects on which our current housing programs for disadvantaged persons are so heavily dependent. And all of this would be done at no added cost to the Federal Government.

In this particular case I am dealing with the so-called UDC, which is a very large housing agency authorized by the State of New York, building projects throughout the State. By this amendment, the agency, within certain restraining limits and under certain limitations, will be able to set the income limitations for tenants rather than as the matter is now. This is either that they are automatically set or that they are set on a national basis by HUD. The important point here which dictates what we are proposing, Mr. President, is that in the State of New York we have obviously very different income situations from what exists generally throughout the United States.

In New York, this amendment would be especially helpful to the Urban Development Corporation. The UDC, through its chairman, Mr. Ravitch, has been in conference with HUD, through our new Secretary, Mrs. Hills; and the result of that conference as yet has been indeterminate. That is, HUD is interested in being—indeed, anxious to be—of assistance in this matter but has not yet determined whether it can be done administratively, whether it takes an amendment to the law, and if either is the case, just what form the assistance they can render should take.

Therefore, I have discussed the situation with the mangers of the bill and I hope we can find it possible to take this matter to conference. It would be understood that the fate of the amendment in conference will depend upon the views of HUD, but at least the vehicle will be there, so that if the conferees decide with HUD that this is a desirable assistance, then they may do something with the amendment. If they do not, if HUD turns against it, or if the conferees decide that it is imprudent in the light of the results of these discussions, they will drop it.

I make that clear so that the conferees do not feel that they have been hooked into some amendment that will cause them problems. My purpose is solely to have a vehicle before the conferees, so that if relief is indicated, they will be in a position to give it.

Mr. PROXMIRE. Mr. President, I say to the distinguished Senator from New York that the amendment has merit and I am inclined to accept it. I have a couple or difficulties with it.

One difficulty I have is that it redirects assistance to middle-income families which have a higher income than those we generally try to assist. The median level is a higher standard—at least, it permits it to go to a higher level of income than the 20 percent below median, or other standards, we have set in the past, as the Senator from New York knows.

I am very much aware of the fact that New York does have special problems, however.

I suggest that we try to limit this amendment on the floor of the Senate, rather than wait for the conference to do it, and limit it in the following way: I suggest, on page 1, line 7, after the word "hereof," adding the following:

and whenever the Secretary determines that the State or local agency providing such financing is in serious financial danger.

This would mean that we would provide this kind of assistance in critical situations on relatively rare occasions. I think it is necessary to have that limitation, especially in view of the fact that this is an amendment which does seem to go a little further in helping people with incomes that are substantial, relative to incomes elsewhere in the Nation.

Mr. JAVITS. Mr. President, that is entirely satisfactory to me. We are trying to design a way of reaching a situation. So I modify my amendment accordingly.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

SEC. 404. Section 236 of the National Housing Act, as amended, is hereby amended by adding a new subsection (q) reading as follows:

"(q) With respect to mortgages financed under State or local programs which are not insured under this section but which are receiving the benefits of this section as provided in subsection (b) hereof and whenever the Secretary determines that the State or local agency providing such financing is in serious financial danger, the rental charge and percentage of income payable by the tenant as specified in subsection (1)(2), shall not be applicable, and the maximum income limitations, percentage of income, and rental to be paid by the tenant shall be fixed by the State or local agency thereof providing the mortgage assistance, in such amounts and percentages as are found necessary by such State or local agency to achieve the purposes of this section: *Provided*, That assistance payments under this section may be applied only with respect to tenants whose incomes do not exceed the median family income for the area, as determined by the State or local agency with adjustments for smaller and larger families. The tenants shall pay no less than the basic rental charge or such greater amount as the State or local

agency determines is necessary for the economic feasibility of the project, not exceeding the fair market rental charge, and no less than 20 per centum of the tenant's income. Any tenants occupying such units prior to any modification in the rental charge approved by the State or local agency as authorized herein, shall not be made liable for rental increases except pursuant to the same criteria as would have been applicable under the provisions of this Act prior to the effective date of this subsection. The State or local agency shall report to the Secretary of Housing and Urban Development the rental charges, income limitations, and percentage of income payable by the tenant and shall certify that the charges and income limitations are the minimum amounts which can be fixed and still maintain the economic feasibility of the projects and shall supply the Secretary with documentations supporting such certification.

Mr. PROXMIRE. With that modification, Mr. President, I am happy to support the amendment.

Mr. TOWER. Mr. President, on behalf of the minority, I am also prepared to support the amendment of the Senator from New York.

Mr. JAVITS. I thank my colleagues very much.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DOLE). The question is on agreeing to the amendment of the Senator from New York, as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. Who yields time?

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. CRANSTON) proposes an amendment as follows: Amend title II, section 207(2)(B), page 13, lines 15 and 16, strike "$42,000" and "$48,000" and insert in lieu thereof "$48,000" and "$56,000", respectively.

Mr. CRANSTON. Mr. President, I have two amendments. This one, I offer jointly with the Senator from New York (Mr. JAVITS).

This amendment increases the overall mortgage amount in title 2 of the bill from $42,000 to $48,000 and from $48,000 to $56,000 in high-cost building areas.

I will give a few examples from my State, but there are similar examples elsewhere. The median income for Los Angeles is $14,185. Homeowners eligible under this bill, in this area, based on the formula in the bill of 120 percent of the median income, qualify for this program if they have incomes up to $17,022. Therefore, a buyer with this income level qualifies for a home up to 2.5 times his income level, or up to $42,500. That is slightly above the $42,000 martgage limit presently in this bill. In many other areas, the median income is much higher.

For example, in the San Francisco-Oakland area, it is $15,555; in the Anaheim-Santa Ana area, it is $15,593. This high median income level would justify the middle-income purchaser for an even higher mortgage amount above the limits that are in this bill. The mortgage limits are too low to permit such families to participate in areas where only higher priced houses are available for purchase.

I am opposed to encouraging the building of higher and higher cost housing, but we face a dilemma here. We all know that inflation has taken its toll in the home building industry, and many families who want homes are priced out of the market. We would be doing a disservice by passing a bill for the middle-income home buyer and making the mortgage limits so low that he cannot purchase a home in the range for which his income qualifies him.

In addition, the median sales price of houses in my State is higher than the mortgage limit in this bill, further limiting the availability of housing to the middle-income buyer. The median sales price for new, single-family homes in 1975, in Los Angeles, is $52,535; in San Francisco, it is $48,640—both of which are higher than the mortgage limits in this bill.

Mr. President, I ask unanimous consent that a table showing the median sales prices of houses for standard metropolitan areas in the country be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MEDIAN SALES PRICE—NEW ONE FAMILY HOMES SOLD 17 SMSA's, 1ST QUARTER 1975

Metropolitan area	Average sales price 1st quarter 1975 [1]	Median sales price 1st quarter 1975 [2]
Atlanta	$51,800	$49,210
Baltimore	46,500	44,175
Chicago	48,800	46,360
Cleveland	48,500	46,075
Dallas	50,500	47,975
Denver	44,200	41,990
Detroit	50,400	47,880
Houston	48,800	46,360
Los Angeles-Long Beach	51,200	48,640
Miami	47,100	44,745
Minneapolis-St. Paul	57,300	54,435
New York	54,300	51,585
Philadelphia	45,400	43,130
St. Louis	43,900	41,705
San Francisco-Oakland	55,300	52,535
Seattle	40,900	38,855
Washington, D.C.-Maryland-Virginia	53,500	50,825

[1] Office of Economic Research, Federal Home Loan Bank Board, monthly news release, "Average Contract Interest Rates."

[2] Calculated by Economics Department of National Association of Home Builders, based on 5 percent difference between national average sales price and median sales price, fourth quarter 1974 (latest data available), from the Bureau of the Census, U.S. Department of Commerce, (a) average price: "Construction Reports, Price Index of New One Family Homes Sold," series C27, (b) median price: "Construction Reports, New One-Family Homes Sold and For Sale," series C25.

[3] Average of 1st 2 mo. in quarter.

Note: 1st quarter 1975 data from the Census Bureau are not available.

Mr. CRANSTON. Mr. President, as I said at the outset, I have given examples from circumstances in California; but similar conditions prevail in a great many other States, so I hope the amendment will be accepted by the committee.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. CRANSTON. I am delighted to yield to my cosponsor.

Mr. JAVITS. I thank my colleague.

I thank the Senator very much for carrying the ball on this important amendment.

Again, it is a recognition of the nature of our country, of its economic topography. In New York, our limit, for the same kind of house that would be $42,000 elsewhere, is over $50,000. It is simply a fact of life which we have to live with. We should not feel that New York is, therefore, cut out of these programs because of limitations which do not relate to the economic facts. I hope very much that the amendment will be favorably received.

Mr. PROXMIRE. Will the Senator yield?

Mr. JAVITS. I am happy to yield.

Mr. PROXMIRE. Mr. President, I am very reluctant about this amendment. I think it makes sense in California and in New York. The difficulty with this is that what we are providing entitlement to is 6-percent money. We are providing a real bargain for people to buy homes. We have a limit of only 400,000 homes that we are going to subsidize in this way. I think it is a tremendous help to building housing, but I think, in view of the fact that there are literally millions of families who want to buy homes, that we should do our best to provide those homes to those who are going to buy modestly priced homes and, obviously, are in modest income circumstances. For those reasons, I am very, very reluctant.

I did talk to the Senator from California. I told him that I was willing to take it to conference and I shall do that. I shall keep my promise. But I must say, I am somewhat concerned at what the attitude of the House is likely to be. They have been very firm on these limits. I realize that in California and New York and a few other States, it is very difficult, but they voted on this bill and passed it by 2½ to 1. I am afraid that if we go ahead with a bill that provides assistance of this dimension, a 6-percent mortgage when the average rate now is 9 percent, for homes that cost up to $48,000, we shall be subject to criticism for that reason. While I am happy to take it to conference and I shall do my best with it, I am concerned that we may have to compromise the amendment.

Mr. CRANSTON. I appreciate the concern of the chairman. I recognize the validity of being worried about prices of homes getting this high. I think we have to find a solution to that problem, but while looking for that solution, I appreciate the willingness of the chairman to accept this amendment.

Mr. TOWER. Will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. Yes, I am happy to yield to the Senator from Texas.

Mr. TOWER. I feel constrained to oppose this amendment for the very reasons that have been recited by the Senator from Wisconsin. I think the amount is much too high. I know that in Texas, where I live, my own home is about a $35,000 home and I do not think that people who are in the middle-income brackets should be subsidized by all of the taxpayers. I think the Senator will find that if we were to submit that provision to a plebescite of all the homeowners in this country, it would be overwhelmingly defeated. There would be a resentment among a lot of homeowners that people of comparable income would be receiving interest rate subsidies' subsidized interest rates. I think we compound that problem when we set this figure that high.

This is symptomatic of what too often happens to our housing measures. We start off trying to provide housing for low-income people and inevitably, the income limits are increased to the extent that they are not benefitting the low-income people at all, but middle-income people. I have always been concerned about homeownership for low-income families; I am one of the principal sponsors of homeownership for low-income families, but I think we are getting way out of range. I think our housing program should be designed to help the low-income family and lower middle-income families. I think this is much too high and for that reason, I oppose it.

Mr. CRANSTON. Mr. President, I agree that our efforts must be on assisting those in the low-income brackets with programs that will meet their needs. However, this is not a low-income housing bill, it is a middle-income housing bill, to deal with the problems of the recession, to get home building back on its feet that means so much to the welfare of our economy generally, and to help some middle-income families that presently simply cannot qualify for homes obtain housing. This amendment is designed to make sure that the intended beneficiaries can take advantage of this program. I urge its adoption.

Mr. PROXMIRE. Will the Senator yield?

Mr. CRANSTON. Certainly.

Mr. PROXMIRE. As I understand it, the House bill has a provision that only 10 percent of the units can be classified as high cost. If the conferees decide to hold on to that particular provision, there would be a reasonable limitation on the number of houses that could be in that category. Nobody would have to fear that all of the money would be used up by people buying expensive homes. It would be limited. I think that should add strength to the Cranston amendment.

Mr. CRANSTON. I think that is a sensible limitation, and I hope that the conferees will seek to work that out. I should not want my amendment to lead to all the money going into higher cost housing.

Mr. HUGH SCOTT. Mr. President, I make the point of order that a quorum is not present.

The VICE PRESIDENT. On whose time?

Mr. HUGH SCOTT. That should not be taken out of the time of either side.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I think we are prepared to vote on the amendment.

Mr. CRANSTON. Yes; I yield back my time.

Mr. PROXMIRE. I yield back my time.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

ORDER OF BUSINESS

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the Vice President, as President of the Senate, be permitted to address the Senate for not to exceed 5 minutes and that the time be under the control of the distinguished Senator from Texas (Mr. TOWER).

The VICE PRESIDENT. Without objection, it is so ordered.

STATEMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. I thank the distinguished Senator from Pennsylvania and I wish to make a very simple statement to the effect that during the recess, I had opportunity to review the CONGRESSIONAL RECORD for those days where I had not been in the chair. I note that on March 3, there was discussion, led by the distinguished Senator from Louisiana, regarding the discussion that had taken place on February 26. This comment was on March 3. It raised a question about the responsibility of the Chair to recognize Senators who were on their feet to be recognized.

I wish to say that I totally agree with those who have expressed themselves so eloquently on the subject, that every Senator in this distinguished body has, at all times, the right to be heard and it is the responsibility of the Chair to see that that Senator or those Senators have that opportunity.

The situation in question related to a vote in connection with the amendment of rule XXII. I think that the situation was best summarized in the RECORD by the distinguished majority whip, the Senator from West Virginia (Mr. ROBERT C. BYRD) when he said:

> While the Chair is under no obligation to respond to a parliamentary inquiry, I think the Chair is always under an obligation to recognize a Senator who is seeking recognition.

I totally agree with that statement, and as I said at the time, back on February 26, the lack of recognition of the distinguished Senator from Alabama was in no way meant as a discourtesy; and as I said then, if it were considered as such, naturally I would want to apologize.

I want to assure this body that as Presiding Officer I totally recognize the responsibility, the need, and the essentiality of recognition of any Senator, from any State, at any time. I just wanted to make that statement for the record.

Mr. LONG. Mr. President, will the Senator yield me 3 minutes?

Mr. TOWER. Mr. President, I yield the remainder of the time allotted to the Vice President to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, I do not think anyone should feel embarrassed about making a mistake. I think the important thing is that when people who have been elevated to high positions in this land do make a mistake, they have the courage, moral integrity, and forthrightness to correct it. The Vice President has corrected a mistake he made, and I think he is entitled to both the appreciation and the plaudits of the Senate for being a big enough man to admit that he made a mistake. I applaud him for it.

Mr. HUGH SCOTT. Mr. President, if the Senator will yield, I think the Vice President has shown the quality of his own character and the magnitude of his understanding in making the statement he has, and I am sure the Senate should congratulate him for it.

Mr. LONG. If everyone would do that, a great many of the things that are wrong with this country today would not exist.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the Vice President of the United States and President of the Senate for having acknowledged his error. We all make errors.

But the Vice President, as the distinguished Senator from Louisiana has said, has apologized for that error. I wish to join with the Senator from Louisiana and other Senators in congratulating the President of the Senate.

May I also say that I believe this statement by the President of the Senate will be conducive to better comity between the Presiding Officer and the Members of the Senate than otherwise might have existed.

I thank the Senator for yielding.

The VICE PRESIDENT. I thank the Senators.

[Applause, Senators rising.]

Mr. ALLEN. Mr. President, the Chair knows the Senator from Alabama has made no——

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. TOWER. I believe the time allotted to the Vice President has expired. Therefore, I yield the Senator from Alabama time on the bill.

Mr. ALLEN. I thank the Senator from Texas.

As the Chair knows, the Senator from Alabama has made no comment one way or the other with respect to the Chair's action some time ago; and the distinguished Presiding Officer did, on more than one occasion that very same evening, tender an apology to the Senator from Alabama. The Senator from Alabama did not expect any such apology, but he does appreciate the candor of the distinguished President of the Senate, and he commends and congratulates him on being a big enough man to make the statement that he has made.

For some time, Mr. President, I have had here—and this might be as good a time as any to make this presentation—the distinguished President of the Senate already has a small copy of this cartoon, but the cartoonist on the Birmingham News who drew a cartoon with respect to the Vice President's actions on that occasion has sent to me for delivery to the Vice President the original of that cartoon, autographed by the cartoonist, Mr. Charles Brooks. I have that here, and I would like to make a presentation to the Vice President of this cartoon. I will allow the Vice President himself to open the package. I make the presentation on behalf of the Senate.

The VICE PRESIDENT. I deeply appreciate it. I thank the Senator very much.

[Laughter.]

Mr. TOWER. Mr. President, I yield myself as much time on the bill as I may require.

I think the Senator from Pennsylvania (Mr. HUGH SCOTT) has spoken for all Republicans, that this is a moment of, I think, enormous pride in our Vice President and the President of this body for having confessed an error and having apologized for it. I think in so doing he has set an example that all of us could well follow. I do not remember when Members of this body have apologized for the mistakes we have made. I hope this will be a pattern of conduct for the future.

Mr. ALLEN. Mr. President, will the Senator from Texas yield further?

Mr. TOWER. I yield.

Mr. ALLEN. Mr. President, in the light of what the Vice President has said on this occasion, I am going to quit telling the true story that happened at the time the President of the United States nominated the then distinguished Governor of New York, Mr. ROCKEFELLER, to be Vice President.

At that time someone asked the Senator from Alabama what he thought of the nomination, and the Senator from Alabama said that Governor ROCKEFELLER was his second choice for this position.

When pressed for a more complete answer as to who the first choice of the Senator from Alabama was, the Senator from Alabama said that it was anyone else whose name may have been mentioned.

[Laughter.]

I will say to the distinguished President of the Senate that the Senator from Alabama is going to stop telling that true story in the future.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

Mr. FONG. Mr. President, the Senator from California (Mr. CRANSTON) is waiting to offer an amendment.

Mr. TOWER. I withdraw that, Mr. President.

Mr. CRANSTON. Mr. President, I, too, want to congratulate the Vice President on his grace today, and the way he has deported himself as our Presiding Officer. It is a great pleasure to be a Member of this body with him.

EMERGENCY HOUSING ACT OF 1975

The Senate continued with the consideration of the bill (S. 1483) to provide for greater homeownership opportunities, to stimulate housing production and employment in the housing industry, to provide for the promulgation of building energy conservation standards, and for other purposes.

Mr. CRANSTON. I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 12, between lines 17 and 18 insert a new subsection (d):
>
> (d) Preference for assistance under this title shall be accorded to dwelling units which will contribute to the conservation of land and energy resources because of location in clusters or projects, site orientation, or otherwise.

Mr. CRANSTON. Mr. President, this amendment is, unlike some amendments, pretty self-explanatory in its reading as to its content. Its purpose is to give preference for mortgage assistance where dwelling units contribute to the conservation of energy and land resources.

This amendment will encourage builders to recognize these needs and plan their buildings based on conservation concepts. Federal assistance certainly should be directed so as to assure that reasonable energy conservation features will be incorporated in the new buildings receiving assistance under this and under other legislation.

This is the purpose of title IV which will take effect in 1977 at the earliest, and it should be the purpose of title II, which is to become effective immediately. But this amendment will establish priority for assistance payments for those dwelling units located in complexes or clusters sharing with other units walls and essential services such as heating, cooling, electricity, and water or designed with energy-conserving materials.

These and other considerations will be of great help to the buyer in meeting the long-term operating costs of new home units obviously by keeping down fuel expenses.

This amendment, incidentally, was originally part of Senator WILLIAMS' bill, S. 591, and I hope that it will be supported by the chairman.

Mr. PROXMIRE. May I say to the Senator from California it is in the House bill, as I understand it, so the action of the Senator from California serves a very useful purpose in taking it out of context of what would go to the President, and I think it is most appropriate in view of the fact that we have an energy title here, title III, which deals with conservation standards, and it would be most unfortunate if we pass this bill without regard to energy conservation.

The Senator from California has performed a very useful purpose, and I am happy to support the amendment.

Mr. TOWER. I do not see why we should not take it.

Mr. PROXMIRE. I yield back my time.

Mr. CRANSTON. I thank the Senator; I appreciate his accepting the amendment because it will save a little time in conference. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. FONG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 13, line 16, strike out "$48,000" and insert in lieu thereof "$57,000".

Mr. FONG. Mr. President, as I understand it, the Cranston amendment did not take care of Hawaii; that is, the Cranston amendment only brought other high cost areas up to $48,000.

The PRESIDING OFFICER. Will the Senator from Hawaii suspend? The amendment amends the figure already amended and, therefore, the amendment would take unanimous consent.

Mr. FONG. I understand from my aide here that the ceiling is still $48,000.

Mr. TOWER. If the Senator will yield, Mr. President, it is $56,000, according to the Cranston amendment.

Mr. FONG. Am I to understand now that for Hawaii, Guam, and Alaska the ceiling would be raised to $56,000?

Mr. TOWER. For Alaska, Hawaii, and Guam, the ceiling is raised to $56,000 by virtue of the Cranston amendment.

Mr. FONG. May I ask the distinguished Senator from Wisconsin whether that is correct?

Mr. PROXMIRE. It is my understanding, and I could be wrong, and we are trying to clarify that; that the Cranston amendment raised the basic limit from $42,000 to $48,000.

Mr. TOWER. Mr. President, if the Senator will yield, we have confirmed $56,000 is the figure for high cost areas.

Mr. PROXMIRE. That is correct. The Senator from Texas is right; I was wrong in citing the figures I did in answer to his question.

Mr. FONG. I understand also that high cost areas are limited to only 10 percent of the appropriations.

Mr. PROXMIRE. That is the language in the House bill; it is not in the Senate bill.

Mr. FONG. Under those circumstances, I would like to amend the bill to specify that Hawaii, Alaska, and Guam would not be tied down to that 10-percent limitation.

Mr. TOWER. If the Senator will yield, that 10-percent limitation is not in the Senate bill; it is in the House bill. That will be in conference. That limitation is not in the Senate bill.

I think that the 10-percent limitation in the House bill—and I am not certain about this—applies only to the other high-cost areas in the continental United States, and not to the exceptions mentioned for Alaska, Hawaii, and Guam. But the Senator from Hawaii has the assurance of this Senator that we will do everything we can in conference to respect the wishes of the Senator from Hawaii.

Mr. FONG. In other words, that our ceiling be raised to $56,000, and that the 10-percent limitation will not be applicable to Alaska, Hawaii, and Guam.

Mr. PROXMIRE. I understand the reasons of the Senator from Hawaii, but I am skeptical of them. If we can provide 6 percent money we should not provide 6-percent money to $48,000 and $56,000 homes. I do not care even if they can build them on the Moon. That is too much for a house, particularly if you are only going to assist 400,000 houses subsidized throughout the entire country.

Mr. FONG. In Hawaii we have a very peculiar situation. It would cost $50,000 anywhere in the city of Honolulu if you were to buy a piece of land; it would cost you $10 a square foot.

Mr. PROXMIRE. I did not mean to be facetious. We will give it every consideration in conference.

Mr. FONG. I wish to note that at present Hawaii, Alaska, and Guam have

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a 50 percent differential over other parts of the United States in the maximum amounts which Federal savings and loan associations can lend on housing and also in the allowable ceiling on Federal Housing Administration Mortgage Insurance.

Mr. PROXMIRE. Yes. I think the Senator from Hawaii should understand his amendment has been taken care of, as the Senator from Texas has said, by the Cranston amendment. There is no limitation on the number or percentage of houses that would be funded at the higher rate in the Senate bill. It is only in the House bill, and the Cranston amendment goes to $56,000.

Mr. FONG. That being so, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. FONG. Mr. President, I wish to go on record as strongly supporting the Cranston amendment, which would raise the housing cost ceiling for Hawaii, Alaska, and Guam, a condition of eligibility for the mortgage interest reduction payments program provided under title II of this bill, to a level justified by the housing costs in those areas; that is, from $48,000 to $56,000. I am concerned, however, by the fact that the $48,000 limitation for Hawaii, Alaska, and Guam is in the counterpart bill passed by the House of Representatives on March 21, H.R. 4485. For this reason I am hopeful that the Senate conferees appointed to meet with the House will be mindful of my remarks today.

As you know, title II of the Emergency Housing Act of 1975 authorizes the Secretary of the Department of Housing and Urban Development to make interest reduction payments on behalf of middle-income families in order to reduce their effective mortgage interest rate to 6 percent on a newly purchased principal residence. The full subsidy is to be paid for the first 3 years after purchase and, over the next 3 years, it would be gradually phased out.

Section 207 originally provided a housing-cost cutoff of $38,000 for most areas, a limitation which was increased to $42,000 for high-cost areas designated by the HUD Secretary and to $48,000 for Hawaii, Alaska, and Guam. Senator CRANSTON's amendment raised the high-cost-area figure to $48,000 and the ceiling for Hawaii, Alaska, and Guam to $56,000.

Mr. President, the available evidence clearly demonstrates that a per unit housing-cost ceiling of $48,000, as is in the House bill, would make it impossible to assist a significant proportion of the middle-income home buyers in my State of Hawaii, where high land, labor, and material costs combine to produce extraordinary housing costs.

Let me document this.

In January 1975 the Honolulu Federal Housing Administration Insuring Office surveyed the unsold inventory of housing units completed during 1974 in the Honolulu market area. There was not one fee simple single family detached house available for less than $50,000—and only 18 selling for $45,000 to $49,999 had been completed during the year. None were built selling for less than $45,000.

Forty-seven of the 102 completed in the $50,000–$59,999 range were still available, and 3 out of the 112 units costing in excess of $60,000 remained on the market.

Anyone from elsewhere in the country will be struck by the fact, I believe, that of the 232 single family detached houses built in 1974 for fee simple sale in Honolulu, 214, or 92 percent, cost $50,000 or more. Of immediate relevance is the converse of this, the fact that at the very most, if the $48,000 limitation in the House bill were applied to Hawaii, Alaska, and Guam, only 18, or 8 percent, of those 232 single family detached housing units built in Honolulu in 1974 would be eligible for mortgage interest reduction payments.

With the escalation in costs probably no fee simple single family detached housing will be built in the future in Hawaii which could possibly take advantage of title II under a $48,000 limitation.

That would be grossly unfair to the middle-income home purchaser in my State.

Let me provide some additional data. Of the 1,046 fee simple housing units of all kinds completed last year in Honolulu—single family attached and detached, and single and multifamily condominium units—only 218 units—21 percent—were priced under $50,000. A portion of those alone would come under the present $48,000 Title II limitation. There were 483 fee simple housing units, or 46 percent, in the $50,000–$59,999 range, and 345 units, or 33 percent, priced at $60,000 or more.

It is evident from these figures that a $48,000 title II limitation would eliminate the overwhelming majority of middle-income home buyers in Hawaii from the mortgage interest reduction payments program. It is possible, however, by raising the ceiling to $56,000, as Senator CRANSTON's amendment has done, to achieve an improved percentage of coverage. Even so, this would be far from including everyone in the middle-income group. For instance, increasing the limitation to $56,000 might make eligible as many as 40 percent of the purchasers of fee simple single family detached homes and might also make eligible over 50 percent of the purchasers of fee simple housing units of all kinds.

I have some additional evidence of high housing costs in Hawaii.

A Hawaiian Homebuilders Association survey of representative builders was taken on March 10, 1975, on Oahu, which constitutes the city and county of Honolulu and which is where over 80 percent of the people of my State live. This survey disclosed the following price ranges for planned housing units:

Builder No. 1:
Single family, $53,000–$65,000.
Multifamily, $44,700–$49,000.
Builder No. 2:
Single family, $[illegible]3,250–$107,950.
Multifamily, $[illegible]3,950–$73,000.
Builder No. 3:
Single family, $65,000.
Multifamily, $54,000.
Builder No. 4:
Multifamily, $55,000–$63,000 (1 bedroom); $73,000–$88,000 (2 bedroom).

Mr. President, the evidence clearly shows that imposing a $48,000 housing cost limitation for interest reduction payments, as the House bill would do, would be a tragedy for many, many middle-income families in my State of Hawaii who desperately need this assistance. I have every reason to believe that the same holds true for the State of Alaska and the Territory of Guam.

We must recognize the extraordinarily high cost of housing in Hawaii, Alaska, and Guam and in so doing give a fair shake to the middle-income homebuyer in those areas.

You will note that Senator CRANSTON's amendment to section 207 increases the housing unit ceiling in Hawaii, Alaska, and Guam by nearly 50 percent over the $38,000 figure generally acceptable. A differential of that magnitude for Hawaii, Alaska, and Guam, however, has ample precedent in other Federal housing programs enacted by the Congress.

For instance, the $45,000 Federal Housing Administration mortgage insurance limitation for single-family dwellings established by title III of the Housing and Community Development Act of 1974 is administratively set at $67,500, or 50 percent higher, in Hawaii, Alaska, and Guam.

Another recognition of the distinction in housing costs is found in the maximum amount which Federal savings and loan associations can loan on housing. For single-family dwellings this is established at $55,000 in title VII of the Housing and Community Development Act of 1974, but for Hawaii, Alaska, and Guam, that figure is 50 percent higher, or $82,500, through exercise of authority granted to the Federal Home Loan Bank Board.

Mr. President, I have provided up-to-date hard evidence of our extraordinarily high housing costs as well as recent legislative and administrative precedent to support Senator CRANSTON's amendment as it relates to Hawaii, Alaska, and Guam. I believe that its adoption was absolutely necessary if the twin objectives of title II, the reduction of high-interest costs for middle-income families and the stimulation of employment in the homebuilding industry, are to be realized in Hawaii, Alaska, and Guam. It is my strong hope that the Senate conferees will stand firm on the $56,000 limitation for Hawaii, Alaska, and Guam when they meet with the conferees from the House to resolve differences in this legislation.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. WEICKER, for himself, Mr. PELL, and Mr. RANDOLPH, proposes an amendment: Insert a new section "Open Windows in Federal Buildings".

The amendment is as follows:

On page 25, after line 8, insert the following new section:

"OPEN WINDOWS IN FEDERAL BUILDINGS

"SEC. 307. (a) As used in this section the term 'building' means any building or facility (other than a privately owned residential structure) which will contain windows, which building or facility is—

"(1) to be constructed or altered by or on behalf of the United States;

"(2) to be leased in whole or in part by the United States after the date of enactment of this Act, after construction or alteration in accordance with plans and specifications of the United States;

"(b) The Administrator of General Services, in consultation with the Secretary of Housing and Urban Development, is authorized to prescribe such standards for the design, construction, and alteration of buildings as may be necessary to insure that any windows in such building can be opened and closed manually.

"(c) Every building designed, constructed, or altered after the effective date of a standard issued under this Act which is applicable to such building shall to the maximum extent feasible and practicable be designed, constructed, or altered in accordance with such standard." And renumber subsequent sections accordingly.

Mr. WEICKER. Mr. President, it especially pleases me that the bill we are considering here today, the Emergency Housing Act of 1975, contains a title specifically concerned with energy conservation standards in both new residential and commercial construction. Title III of the Emergency Housing Act requires that the Secretary of Housing and Urban Development establish component performance energy conservation standards for future construction of new residential and commercial buildings. Clearly, energy consciousness for new construction will be a very significant factor in the conservation of energy for the years to come. I strongly support any efforts to expedite the process of fully developing mandatory energy conservation standards for future building construction within the United States.

As my colleagues know, the Senate for some time has strongly urged the establishment of energy conservation features in new buildings—in particular the establishment of thermal standards. This concern was expressed clearly in 1973 by passage of S. 2176, the National Fuels and Energy Conservation Act—legislation which required the development of design criteria for conserving energy in all buildings, both public and private. President Ford has assigned high priority to insuring greater energy efficiency in the construction of new buildings and has pressed hard for the establishment of mandatory thermal efficiency standards for new homes and commercial buildings.

It seems to me that we can adopt one basic standard now to insure significant energy conservation for major new construction in the months ahead while more comprehensive energy conservation standards are being developed for the longer range. This would be to require that new construction of Federal buildings be designed so as to include windows that can be opened and closed manually. Such a basic standard would clearly facilitate greater energy efficiency relative to spatial heating and cooling for tens of thousands of new Federal buildings.

Senator PELL and I have previously offered legislation, S. 911, to require that buildings constructed by or for the Federal Government should be designed and constructed so that windows in such buildings can be opened and closed manually. Today I am offering an amendment, on behalf of Senator PELL, Senator RANDOLPH, and myself, that is similar to the legislation previously offered. This amendment would require that the design of new Federal construction—that construction constructed or altered by or on behalf of the United States or leased in whole or in part by the United States provide for, to the maximum extent feasible and practicable, windows that can be opened and closed manually.

It is most unfortunate that buildings, both residential and commercial, are still being constructed in inefficient manner and will waste immense amounts of energy. One of the most remarkable evidences of such waste, in my opinion, is the fact that most modern office and commercial buildings are constructed so that it is impossible to open a window. These buildings are designed to provide a completely controlled artificial environment—heat in the winter and air-conditioning in the summer without regard for the weather outside. The result is a substantial waste of energy resources on many days when reasonable comfort could be achieved by opening the windows.

The potential for energy savings should not be underestimated. Air-conditioning now consumes about 4 percent of the total energy used each year in the United States in residential and commercial heating. That comparison, however, understates the impact of air-conditioning demands on our national energy supply. For example, at a time when we have realized belatedly the need for a long term and continuing energy conservation program, energy use of air-conditioning is growing at a rapid rate—about 15 percent each year.

In addition, the demand for electricity for air-conditioning obviously is not spread evenly through the year. It is concentrated into a few short months. To meet the relatively brief peak demand for electricity for air-conditioning requires the use of relatively inefficient and costly peakload electrical generating equipment.

Mr. President, in my opinion, we could begin now to achieve substantial energy savings in new buildings if we adopt the simple standard I have outlined. We could reduce our growing use of energy for air-conditioning simply by constructing buildings so our offices and shops would be opened to the natural environment. Such a standard for greater thermal efficiency in new construction represents a major step toward overall energy consciousness in the design and structure of buildings of the future in the United States. I believe this amendment takes an important first step by strongly urging the Administrator of GSA to include, to the maximum extent practical, such a standard in the construction of new Federal buildings.

So I would hope this is something that could be accepted by the managers of the bill. I think it will be interesting to see what, in fact, does occur in the way of energy savings.

I think there are many times when we are in these all-enclosed buildings when, indeed, if the windows were open the air-conditioning would not have to be on. The same would hold true so far as warmer air is concerned.

With that in mind, this could well be called a pilot project. However, if successful, I think it should be mandated in our construction rules in the future.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WEICKER. Yes.

Mr. PROXMIRE. Does the Senator have any kind of documentation, any kind of engineering study, or any other kind of expert study which indicates if you permit people to open windows in air-conditioned buildings that you save rather than waste energy?

It would seem to me that you have people—I notice in my office and almost every office—who differ on this. Some want the windows open, some want the windows closed.

Say the air-conditioning is set at 75° or 80°, and the windows are open on a warm summer day, would it not have the tendency to mean that you would use more rather than less electricity and more rather than less fuel, more rather than less energy?

Mr. WEICKER. First of all, let me say this, insofar as the language of the bill, it gives a great deal of flexibility here when we use the words "feasible and practicable."

It is going to be a learning operation.

But let me just speak from personal experience. During the months of February and March in our New Senate Office Building, I remember sitting during hearings in which we were all roasting. If somebody had just cut off the thermostat and opened all the windows, we would have had perfectly pleasant temperatures.

Again, what we have done to ourselves architecturally is to absolutely eliminate any option.

I am trying to respond to the distinguished Senator from Wisconsin.

Under the present circumstances in these all-enclosed buildings, we have eliminated any option.

I am trying to put the option back in. I do not think we can lose by that type of a course of action.

This is not going to go ahead and mandate it because with the words "feasible and practicable", we allow the necessary flexibility for the Administrator of GSA and the Secretary of HUD.

But we have gotten ourselves in a position of no option whatsoever. It is all centrally air-conditioned, centrally heated. Nature does not have anything to do with it.

What I am saying is, let us try in a small way to see what comes out of all this. Far better than any survey or study will be the experience we will have in utilizing this new standard in the construction of future Federal buildings.

Mr. PROXMIRE. Maybe I was misinformed on this amendment. It was my understanding that this amendment would mandate the building or buildings which had the windows to be opened.

But I now understand the language says, "to the maximum feasible extent."

Mr. WEICKER. That is right.

Mr. PROXMIRE. I am concerned about the kind of flexibility that would apply under the law of the land.

How would the Senator——

Mr. WEICKER. That is the way we

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originally had the amendment. There were objections among the staff. They wanted some flexibility. Therefore, we went ahead and put in those words "feasible and practical." So, in effect, it would not be a mandatory situation.

Mr. PROXMIRE. Well, I have great respect for the Senator from Connecticut and I think any time the Senator offers a proposal which does provide an opportunity just to learn whether or not this kind of construction would be useful in conserving energy, we should give it serious consideration.

So with that in mind, I will not oppose it and I am happy to accept it.

Mr. TOWER. On behalf of the minority, I will not object.

Mr. WEICKER. I would like to thank both the Senator from Wisconsin and the Senator from Texas for accepting this amendment. I want to point out that should this standard be successful in conserving fuel we will have achieved an important change in this item in our national lifestyle that is the second greatest consumer of energy—the building.

The automobile is No. 1, buildings are No. 2. So it should make a substantial type of contribution. I thank the Senators.

The PRESIDING OFFICER (Mr. Brock). Is all time yielded back?

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Connecticut yield back his time?

Mr. WEICKER. Yes, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut (Mr. Weicker).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, we have had third reading, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of H.R. 4485 and that the bill be immediately considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4485) to provide for greater home-ownership opportunities for middle-income families and to encourage more efficient use of land and energy resources.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. PROXMIRE. Mr. President, I move to strike all after the enacting clause of H.R. 4485 and to substitute the text of S. 1483, as amended, in lieu thereof.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to.

Mr. MANSFIELD. I understand that there are two amendments of a technical nature which the manager of the bill, the chairman of the committee, indicates he will take, and I would assume might well be satisfactory to the ranking Republican member of the committee.

I ask unanimous consent that the order for the third reading be vitiated and that no more than 2 minutes be spent on these amendments.

Mr. TOWER. Reserving the right to object, would it be possible before proceeding with the unanimous-consent request of the distinguished majority leader, for the minority to have a look at these amendments?

Mr. MANSFIELD. Surely.

Mr. TOWER. Mr. President, if the Senator from Montana will withdraw that for a moment, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for third reading be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask unanimous consent that two amendments by the distinguished Senator from Minnesota and one by the distinguished Senator from Massachusetts be in order, and that there be a time limitation of not to exceed 5 minutes on each one.

Mr. TOWER. Reserving the right to object, the Senator from Texas will not object if he understands that these are the only three amendments that will come in under that consent agreement.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the third amendment is disposed of, the Senate immediately then return to third reading as was the case heretofore.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the amendment I send to the desk is a technical amendment. We have discussed it with both the manager and the minority. I ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill add the new section 405a "Section 236(b) of the National Housing Act is amended to read as follows:

(b) Interest reduction payments with respect to a project shall only be made during such time as the project is operated as a rental housing project and is subject to a mortgage which meets the requirements of, and is insured under, subsection (j) of this section *or section 241 of this act:"* . . .

Mr. HUMPHREY. Mr. President, this amendment would add six words to section 236(b) of the Housing Act that will allow subsidized multi-family projects to borrow funds under the provisions of section 241 of the Housing Act for improvements at the same rate of interest as their subsidized mortgages.

The fact that these projects cannot borrow to make necessary improvements to their properties at a subsidized rate results in insurmountable practical problems for the tenants.

If the project incurs problems because of poor initial planning and construction, there is no way that these defects can be corrected under present law except by borrowing money at the full FHA rate.

These tenants simply cannot afford to pay rent at a level which will service such debt. Because they cannot borrow, the project deteriorates further and soon it must be assigned back to HUD or foreclosed, thus depriving us of much needed housing for low income families.

One example of how this inability to borrow feeds upon itself destructively, concerns a low income cooperative housing project in Annapolis which I have spoken of previously. This project was designed with electric heat. The electric rates are now so high that massive vacancies plague the project. They desperately need to convert to oil heat but lack the wherewithal to do so. They cannot borrow at the current FHA rate because the repayments and interest would indicate that the additional borrowing is not feasible. This feasibility test is a requirement of the Department of Housing and Urban Development.

There are many other projects with problems of drainage, insulation, and plumbing which could use subsidized improvement loans to advantage. It is in our interest to make loans at these rates so that the stock of low income housing is preserved for the families that need it.

In short, Mr. President, this amendment does one simple thing. It means that if there is some modernization or improvements on this type of housing, that the rental for those units will not be forced up.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PROXMIRE. I have no objection to the amendment. I yield back my time.

Mr. HUMPHREY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. I send to the desk a second amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Insert the following at appropriate places in the bill: "or if the family purchases or constructs a new principal residence within the applicable time period prescribed in section 1034 of the Internal Revenue Code of 1954."

Mr. HUMPHREY. Mr. President, this amendment concerns the availability of credits and interest subsidies under this Act as they relate to the sale of a home and the purchase of a new home as principal residence.

Mr. President, I ask unanimous consent that a statement on this amendment be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Repayment of Subsidy Upon Resale of a Home

Mr. Humphrey. Mr. President, the recapture provision of this bill is bad housing policy. No similar requirement is in effect under any other homeownership subsidy program administered by HUD or the Farmers' Home Administration.

The provision would require the repayment by the homeowner of any subsidy payments, to the extent of the amount of gain realized if the home is sold during the first six years. "Gain realized" is a Federal income tax concept and presumably would be determined in accordance with IRS rules and regulations. The application of a gain recapture provision is riddled with problems and far more complex and fraught with inequities than appears on the surface.

Basically, "gain realized" is the difference between the original purchase price and the "net" resale price. The Internal Revenue Code for many years has recognized that this difference between original and resale price can merely be a paper gain and not a real one and does not tax the gain if it is reinvested in another house. In other words, the general increase in the value and cost of homes can wash out any real income resulting from the sale of a home. The provision ignores this economic reality.

The computation of net gain for tax purposes can become complicated as it involves subtracting from the resale price capital improvements to the property, costs of putting the property into saleable condition, and costs of selling the property such as sales commissions and mortgage discounts. If HUD follows whatever tax determination is made, it can get involved in such matters as IRS-taxpayer disputes, amended returns, and the like. Also, the reporting of gain is accomplished through an annual tax return and not at the time of sale. If HUD tries to make its own determination of net gain, it could involve itself in an administrative nightmare.

Recapture would make it difficult to determine which S. 1483 homeowners should be able to deduct the amount of the subsidy as interest for income tax purposes. If the subsidy is recaptured it is like a repayable loan so that in effect the homeowner has made interest payments and should get a deduction. Since the identity of the S. 1483 homeowners who would repay the subsidy is not known in advance and the proportion of the subsidy to be repaid is not known, significant accounting and tax complications could be created.

The recapture provision raises the question of whether the recaptured subsidy should be treated as gain for tax purposes. Loan repayments are not subtracted from the resale price, so that the S. 1483 homeowner must not only pay back to HUD what it borrowed but also pay tax on that amount. An amendment to the Internal Revenue Code would probably be required to change this result.

HUD would have to enter into a creditor-debtor relationship with hundreds of thousands of families, involving the execution of a loan note, a possible lien on the property and a recording of that lien, and the collection on the note and lien. Each transaction would involve relatively small amounts of money but a great deal of administrative headache. As a result the program would move slower and be less attractive to lenders.

Mr. President, if the various more technical considerations earlier raised are resolved, recapture still would be objectionable on grounds that it would convert a grant into a loan, thus vitiating the incentive provided by the 6% rate for middle income families to buy homes now in spite of the recession.

The recapture provision would treat S. 1483 homeowners differently from all other homeowners—from homeowners who have received direct subsidies and from homeowners who have received indirect subsidies through income tax deductions for interest and taxes. Should S. 1483 homeowners be treated as second-class citizens? I think not. Therefore, I urge my colleagues to support this important amendment.

Mr. HUMPHREY. I yield back the remainder of my time.

Mr. PROXMIRE. I support the amendment and I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. I wish to thank the manager of the bill and the distinguished minority member of the committee for their cooperation.

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of the bill add the following new section:

"Sec. 405. Section 202 of the Housing Act of 1959 is amended by adding at the end thereof the following new subsection:

"(g) Effective on the date of enactment of the Emergency Housing Act of 1975, the Secretary shall begin to accept applications for assistance under this section, and shall process such applications within a distinct time period, not to exceed 75 days after the date on which each such application is received."

Mr. KENNEDY. Mr. President, this amendment simply attempts to unlock the barrier that administration budget personnel have placed on our most successful and popular elderly housing program, section 202.

We are faced with the analogous situation in which Congress has endorsed the program and authorized $800 million in loan activity. Congress has appropriated $215 million for the current fiscal year.

The administration has not issued new regulations. The administration has not accepted applications. The administration has not approved a single loan.

It is 8 months since the President signed the 1974 Housing Act into law. And hundreds of thousands of elderly are on waiting lists across the country.

When the conduct of the Department of Housing and Urban Development is considered, it would appear that there has been a serious violation of the Budget and Impoundment Control Act. I have asked the GAO to examine the matter. I had written to the new Secretary of Housing and Urban Development on March 26, 1975, indicating my concern and urging her immediate action. I have yet to receive a reply. I ask unanimous consent that my letter be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. Therefore, in order to obtain action now on this program and to begin the process by which elderly housing can be built, I am submitting this amendment.

It does two things:

First, it would direct the Secretary to accept applications for the section 202 program.

Second, it directs that the applications be processed within 75 days of being received.

What I want to emphasize is that we are determined to see that the program be implemented and that it be implemented as Congress intended. There has been some correspondence indicating the Department's intention to limit loans to construction loans as opposed to long-term financing. That is not what the law provides. It is not what the Congress intended. The effect of that policy would be to deny most nonprofit sponsors, the groups which have been so successful in building and running 202 projects in the past, the opportunity to participate in the program.

This amendment is intended to force action and action on housing for the Nation's elderly. I urge its adoption.

Exhibit 1

Washington, D.C.,
March 26, 1975.

Hon. Carla Hills,
Secretary, Department of Housing and Urban Development, Washington, D.C.

Dear Mrs. Hills: Last year the Congress revised and reinstated Section 202, Housing for the Elderly and Handicapped program, as part of the Housing and Community Development Act of 1974 (PL 93-383).

The popularity and the success of Section 202 are unequalled. Since its inception, more than 45,000 units have been built (330 projects) and there has been only one mortgage foreclosure. Today, literally hundreds of thousands of older persons are on waiting lists to enter decent housing. Unless there are some dramatic changes in your Department very soon, most of these elderly will never benefit from any improved housing.

This situation is made even more discouraging when one realizes that there are many able, qualified, experienced non-profit sponsors (churches, labor unions, service organizations) who are ready to build and willing to dedicate themselves to making these projects work. In many cases, these organizations already have land and plans, but they lack federal financial assistance.

The new law authorizes up to $800 million in loans for housing for the elderly and handicapped under Section 202. For Fiscal Year 1975, the Appropriations Committee have approved a borrowing level of $215 mil-

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lion. The Senate Report on the 1975 Supplemental Appropriations bill clearly states that "the new Section 202 program should be employed as the primary vehicle for providing housing for the elderly." The intent of Congress with respect to Section 202 could not be clearer.

Nevertheless, with only three months left in Fiscal Year 1975, no applications have been approved under this program. HUD refuses to accept applications under the old regulations and yet it has not yet established new ones 7 months after the new law was signed on August 22, 1974.

I strongly urge you to activate this program and immediately to begin accepting applications under the old regulations—which still are in effect—until the new ones become final. Loans in the amount of $215 million should be released during this Fiscal Year under Section 202. To do otherwise, is an act of impoundment. The failure to act prior to this time already may constitute a violation of the Budget and Impoundment Control Act. Hopefully, it will not take lawsuits to release these funds.

One final point—HUD officials state that the agency has no intention of implementing the revised Section 202 program as Congress intended. In a recent letter, HUD Undersecretary Mitchell informed Senator Sparkman that HUD intends to use Section 202 only to provide "construction financing" of projects that are sponsored by non-profit organizations. However, the 1974 law makes no provision for limiting the Section 202 program to construction financing. Permanent financing was intended because without it the non-profit sponsor (for whom the program was designed) realistically cannot proceed, and the program effectively would remain dormant.

No more impressive example of your intention to act on the national commitment to decent housing could be found than an immediate decision by you to implement the Section 202 program as Congress intended.

I would greatly appreciate your personal consideration of this matter.

Sincerely,

EDWARD M. KENNEDY.

Mr. PROXMIRE. Mr. President, I understand that this procedure is already followed under the rural housing program. It has worked well there. It is a good amendment, and I am willing to support it.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. Under the previous agreement, the question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Mr. President, passage of this bill today will be very significant in many respects. As I said earlier in the debate, I very reluctantly must oppose this bill. It will be the first time in many years, indeed, since I have been on the Banking, Housing and Urban Affairs Committee, that I have opposed any major housing bill.

My opposition is not based on the premise that I am against any recovery in the housing industry. This industry is vital to our country's well-being. The number of jobs in other industries that are dependent upon a vigorous housing industry is enormous. My opposition is based on other issues.

Although it has not been mentioned in any direct manner before, passage of this bill has an important meaning. It is saying to the citizens of this country that our traditional mortgage lenders—savings and loans, savings banks, mortgage bankers, commercial banks—are unable to continuously supply an adequate supply of mortgage credit at reasonable rates. It is saying that when credit is tight—due mainly to excessive Federal spending—these institutions cannot properly fulfill the purposes for which they exist. Passage of this bill is saying that the Congress does not care to right the causes of the problem, but is only concerned about putting on a temporary bandage to treat the symptoms. We are not looking at why housing costs are so high that today only 25 percent of our population can afford to purchase a single-family house. We are accepting the high costs and our answer is to subsidize middle-income housing.

I simply cannot accept this approach. It is hard for me to accept the fact that the Federal Government will be paying someone $1,000 to buy a new house, or will be paying an equivalent of $2,000 to $3,000 in order to provide a 6-percent mortgage. The inequities in this approach abound. Pity the hard working person who pays an 8-percent-plus interest rate and next week, when the trigger in this bill is released, his new neighbor can get a 6-percent mortgage. And what about the buyer who can only afford a 6-percent interest rate? What happens when the subsidy is phased out? Two options come readily to my mind. If he cannot afford the payments at that time, he will default and foreclosure will result. HUD will boost its already swollen inventory of foreclosed properties. The alternative would be for the Congress to bend to the pressure that will be exerted at that time, and retain the subsidy for the life of the mortgage.

Almost every country in modern times has caved in under such pressure and interest rates have not been increased.

The Federal Government does have an important role to play in the housing industry. It is twofold. First, it should provide assistance so that those with very low incomes can obtain adequate and decent shelter. These are the people with the greatest need. Second, for the middle- and upper-income families, the role of the Federal Government should insure that the private sector can adequately finance their housing needs.

It should not be in the business of continually subsidizing middle-income housing. If we think that the Federal Government should have this role, then let us proceed wholeheartedly with our eyes open. Let us do away with all of the mortgage lending entities and create one national mortgage lending institution. We can call it the U.S. Home Loan Corporation and it can make direct loans to anyone across the country. Since it is the Federal Government, its rate will be the lowest possible and it will not "rip-off" the consumer, as some seem to suggest is being done today.

Mr. President, I will admit to being a bit facetious in these latter remarks. I will also, however, admit to being gravely concerned about how we finance middle-income housing in this country. I am firmly convinced that we must depend on the private sector to provide this assistance rather than on the Federal Government.

If the private sector is unable to do an adequate job in this regard, as evidently is the case or we would not be here today, then let us give them the tools to accomplish this end. Continued Federal subsidies mean more redtape for builders and lenders to put up with, inequities among home buyers, greater cost to the consumer, and the ultimate weakening of the system which has made us the best-housed nation in the world.

Mr. PROXMIRE. Mr. President, I shall respond briefly to the Senator from Texas, who talked about why he thinks the bill should be rejected.

I think this is a good bill. It is a bill that was reported from our committee by a bipartisan majority of 10 to 3. It would provide for the construction of 400,000 urgently needed homes at a time when housing starts are below a million and when 2.3 million starts are a national goal. It would provide 800,000 jobs and stimulate greatly the economy as a whole. It would do this with a favorable budget effect.

Our calculations are that it will stimulate $12 billion of gross national product or economic activity. That means that there will be $2 billion of additional revenues. The cost is less than $1 billion. So that the deficit would be reduced by more than a billion dollars by this bill.

It is a noninflationary bill, because it would use idle resources.

As I said during the course of the debate, we have 18 percent unemployment in the construction trades. We have plenty of lumber and plenty of cement. The only problem is putting those people and those resources to work.

Furthermore, this bill has a cutoff. When housing starts get to anywhere near a reasonable level—when they get to about 1.4 million—the subsidy we have in the bill ends.

Furthermore, there is a limit on the cost to the Treasury, because the 6 percent at which the home buyer can borrow money will apply for only 3 years; at the end of 3 years, the mortgage rate will go up gradually, over the period of 3 years, to the market rate.

We have tailored this bill carefully to make it fiscally responsible, to limit the obligation to the Government, and to get homes built.

I earnestly hope that this amendment will have the overwhelming support of the Senate.

Mr. JACKSON. Mr. President, I want to commend the distinguished chairman of the Committee on Banking, Housing and Urban Affairs, and the members of that committee, for the legislation they bring before us today. This bill, S 1483,

addresses critical questions of social, economic, and energy policy which are of concern to all Americans.

First, the bill advances the important social objective of providing Americans an opportunity to own their own homes. Millions of Americans who desire homes now live in apartments with little or no prospect of purchasing homes at current interest rates and under current economic conditions. The single-family dwelling has come under repeated attack in recent years by a growing number of "social engineers." They have variously condemned it as energy, resource, or transportation "inefficient." I reject these attacks, for efficiency can never be the sole criterion by which we judge the success of our institutions or the quality of our lives. Our urban, transportation, and energy problems deserve their own careful consideration and constructive solutions. At the same time, we must preserve for all Americans the right, and promote the opportunity, for individual homeownership.

Second, this bill provides an essential ingredient of economic recovery by stimulating the homebuilding industry, where nearly 20 percent of our construction workers—double the national average—are unemployed. Stimulating housing construction will provide hundreds of thousands of productive jobs in a far less costly way to the American taxpayer than traditional public service employment programs. In addition, the bill under consideration establishes a unique mechanism to smooth out the housing industry's cyclical swings that have caused hardship for builders and employees.

Third, the Building Energy Construction Standards Act of 1975, title III of S. 1483, establishes a program for energy conservation in new residential and commercial buildings. The program envisions State and local implementation and administration of national standards set by the Secretary of Housing and Urban Development. The approach taken here—both in concept and operation—is consistent with the energy conservation policy embodied in title II of S. 622, which passed the Senate on April 10. The purpose of that title, which is advanced by title III of the Emergency Housing Act of 1975, is to insure that the rhetoric of energy conservation becomes a reality, that America not only intends to reduce energy consumption, but is taking positive action to do so. We can and must build a lower and more efficient rate of energy use into the fabric of our society. Title III is an important step toward realizing that objective.

Mr. President, the Emergency Housing Act of 1975 is responsible legislation which will serve the needs of our citizens and our economy. I strongly urge its passage.

Mr. MAGNUSON. Mr. President, the national economy is experiencing a severe recession. The homebuilding industry and related industries such as lumber and wood products are in a depression. The Congress cannot ignore the dramatic plight of the homebuilding industry. This is the industry that has been hit the hardest by inflation, by tight money and by recession. Right now, the seasonally adjusted unemployment for construction workers is 18 percent—double the national average. Among homebuilding construction workers the rate is 40 percent. The spinoffs for industries dependent upon homebuilding have been catastrophic. Depression-level unemployment rates demand emergency Federal action.

I commend the Senate Banking Committee and its chairman for their work on this emergency housing bill. I joined Senator PROXMIRE as a cosponsor to the basic legislation. When we introduced the bill in early March, I said the Nation could put people back to work in homebuilding at a very small cost. This bill will do that.

The most important problem in homebuilding today is high interest rates. High interest rates devastate middle-income wage earners. Young couples and blue-collar workers are becoming an extinct species in home buying. This legislation will make it possible for these families to reenter the housing market. It will provide mortgage loans at interest rates working people can afford.

Home buyers have not caused inflation. Homebuilders have not caused inflation. But they have carried the heaviest burden under present Federal Reserve Board policies. Chairman Burns insisted on maintaining a money supply which showed little or no growth in the latter part of 1974. This placed the entire "war on inflation" on the shoulders of the housing industry. Under this bill, opportunities for homeownership will be distributed equitably throughout the economy and homebuilding will cease to be the whipping boy of high interest rates.

Adequate housing for all citizens is a great social need. That is what we said when we passed the Housing Act of 1968 and set a goal of 2.8 million new housing units each year. The years since have been bitterly disappointing.

I commend the committee for its hard work. The Senate should be proud of the speed and care shown in reporting this bill for our consideration. It provides a commonsense approach to getting homebuilding on track, and that will be good news for the State of Washington.

This bill contains many, many good provisions. The energy conservation incentives, the rehabilitation loan provisions, the increase in public housing moneys, and the home ownership assistance sections begin to fulfill the promise of the Housing Act of 1968.

Mr. President, I would like to comment specifically on several provisions of the bill. Title I will provide government assurance of home mortgages at interest rates no more than 8 percent. The bill provides strict limits to prevent profiteering by middlemen in sales fees and mortgage points. Previous mortgage credit assistance programs have all floundered. This bill take a unique new approach which will provide low-cost loans at little expense to the Government. Whenever housing starts or the general economic environment require interest rate subsidies to get the home building industry active, an inexpensive mortgage subsidy mechanism would be activated. The Government could directly purchase mortgages under Treasury borrowing authority at the Treasury interest rate up to 8 percent. Also, the Government National Mortgage Association—GNMA—would be able to guarantee securities under this program issued by mortgage lenders. GNMA would no longer have to purchase the mortgage itself. Also, the Federal Financing Bank—FFB—would purchase at par any federally backed securities offered by private mortgage lenders or by GNMA. There would be no cost to the Government in this program as long as the Treasury borrowing rate did not exceed 7⅝ percent. When the Federal cost of borrowing exceeds 7⅝ percent GNMA would reimburse the FFB for its losses and purchase below-market rate securities at par. This mechanism provides great stimulus and investment "leverage." For instance, at the present Treasury rate of 8 percent, a $30,000 subsidized mortgage loan would only cost the Federal Government $900. There is no question that the additional tax revenues from the resulting new jobs and capital growth will exceed this low cost.

Under title II middle-income families will have immediate buying in today's housing market. This bill gives middle-income families an option of short-term interest subsidy at a mortgage interest rate of 6 percent or, alternatively, a flat cash subsidy of $1,000 toward the down payment of a home.

Section 401 of the bill extends the very successful section 312, housing rehabilitation loan program until September 30, 1978. The bill recognizes the great success and importance of housing rehabilitation programs. The city of Seattle has been benefited extensively from the section 312 program. I am personally very enthused about the prospect for home ownership rehabilitation programs. Although the bill allows HUD to charge an interest rate higher than the present 3 percent under section 312, I wish to emphasize HUD cannot charge more than 3 percent to cities such as Seattle which is expecting 3 percent 312 money for its Pike Place Market Rehabilitation. The committee report, on page 9, makes clear that any increase in interest rates not apply to section 312 allocations by HUD outstanding to communities which are currently expecting funds at the present 3 percent rate. Seattle is deeply involved in rehabilitation of the Pike Place Market. The city has planned on and been assured of section 312 money. It is not the Senate's intent to adversely affect this program or commitment of money at the promised 3-percent rate.

In conclusion, I strongly support this legislation. It makes good sense. It should provide immediate stimulus to homebuilding and it will relieve the boom-bust patterns that are traditional in the industry.

Mr. MONDALE. Mr. President, I am proud to support S. 1483. I was one of its earliest cosponsors and continue to enthusiastically believe in its necessity.

We must help the housing situation in this country. Only when housing is revived will our economy recover. Only when housing is revived will Americans again be able to purchase safe and live-

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able shelter. Only when housing is revived, Mr. President, will the tragic unemployment situation in the construction industry be alleviated.

Mr. President, I noticed in the Record of yesterday the thoughtful remarks of the distinguished Senator from West Virginia (Mr. Randolph). The Senator has long been a leader in the congressional efforts to improve the housing situation in this country and to deal with our current housing problems.

The Senator provided us with a graphic picture of the disastrous situation which exists in construction industry employment. I would like to call my colleagues' attention to the figure cited by Senator Randolph:

> Unemployment in the Rochester, N.Y., area is at 61 percent for the construction and building trades; in Miami, 49 percent; in Phoenix, 40 percent, in Cincinnati, 32 percent, in St. Paul, 37 percent; in Newark, 32 percent; in St. Louis, 24 percent, in Milwaukee, 23 percent, and in Philadelphia, 20 percent.

S. 1483 promises to do much to help our housing problems. Not the least of its benefits will be improvement in the unemployment situation in the housing industry.

Mr. DOMENICI. Mr. President, since Senator Hatfield was unable to be present for today's consideration of the housing legislation, I ask unanimous consent that his statement in reference to S. 1483 be included in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF MR. HATFIELD

The Senate is now considering legislation which would provide needed assistance to the depressed home-building industry and to the individual home purchaser and owner. I feel strongly that this legislation represents an appropriate response to a serious problem in our economy.

It is important to note that the trends in the housing industry in March provide no immediate evidence that recovery has begun in homebuilding. Both new starts and permits issued were down 1% from February. It is small comfort that the rate of decline is less than it has been, for we are already at record low levels.

In determining whether we can conscientiously add to the very high deficit levels, we must weigh the benefits against the costs. According to the Committee on Banking, Housing, and Urban Affairs, Title II of S. 1483 would create more than 740,000 jobs at a cost between $1,000 and $2,500 per job. The cost is far below that for public service employment, which we have funded this year and which the Administration is asking to expand.

I was an original co-sponsor of Senator Hartke's home purchase credit bill, the essence of which ultimately was included in the Tax Reduction Act of 1975. The tax credit for home purchases was not conceived as comprehensive therapy for the ailments of the housing industry. While home purchase credit is providing a helpful encouragement for the purchase of unsold homes, the legislation before us today will provide a more complete package of assistance.

I see little danger of over-stimulating the housing industry and setting off a new wave of inflation. There are limits in all the features of this legislation, to prevent an excessive drain on the budget. There is little likelihood that the resulting new housing starts will generate starts in excess of the generally accepted goal of two million starts per year. Our current annual rate of starts is under half this goal and must not be allowed to remain at such a low level.

I urge the passage of this bill and am hopeful the President will not overlook its great benefit to the economy at a reasonable cost to the taxpayer.

Mr. KENNEDY. Mr. President, for the past year, we have seen the housing industry bear the greatest impact from the current economic recession.

February marked the third straight month in which housing starts plummeted below the 1 million per year rate. With each month, we have seen the Nation pass further and further into arrears on its commitment to provide a decent home and a decent environment for its citizens.

For the Nation as a whole, we are producing housing at barely 60 percent of the high water mark of 2.5 million that we reached in January 1973.

But it was in that month that the Nixon administration ordered a moratorium on Federal housing subsidy programs, a moratorium that cut the ground out from under the housing industry.

Soaring interest rates and a restrictive money supply in the following months completed the attack on the housing industry. The results in my own State are even more depressing than those in the Nation. Instead of permits for more than 3,000 units which were issued in February of 1973, we find permits for barely 300 housing units issued in February of 1975.

We are producing new housing at barely 10 percent the level of 1973 in Massachusetts today. And that means our housing needs are not being met. It means unemployment in the construction industry is 30 percent statewide. It means millions of dollars of income not being earned.

Across the Nation, there is the same unacceptable level of unemployment in the construction industry. And it is getting worse. In March, unemployment in the construction industry jumped by 2.2 percent nearly 100,000 additional unemployed workers.

Just this week, Frank S. Raferty, the International President of the Painters Union, testified before the Senate Labor and Public Welfare Committee on the crisis in the construction industry. This testimony carried a series of recommendations of the National Jobs Conference of the Building and Construction Trades Department, AFL–CIO. They emphatically argued that the answer is not more welfare but more jobs and that stimulating the housing industry is one essential way to produce those jobs.

If we were able to bring the level of housing construction up to its level in January of 1973, an increase of some 1.5 million housing units, we would be employing 1.5 million more workers in the construction industry. And nearly 1.5 million jobs would be created in related industries.

The result is that instead of seeing national unemployment at nearly 9 percent, we would drive that rate down to 6 percent.

And in the process, we would reaffirm our commitment to decent housing for our citizens.

That is why this emergency legislation is absolutely essential.

First, the bill provides a permanent underpinning to the housing industry by assuring the availability of 8 percent mortgages whenever housing starts drop below 1.6 million units for 4 consecutive months.

Second, as a temporary boost to the industry at this moment of deep recession within the economy, 400,000 middle-income families would be able to obtain home mortgages of 6 percent which, after 3 years, would gradually rise to the full market rate. An additional option is provided whereby home purchasers could receive a $1,000 subsidy toward the down payment or settlement costs on a new home mortgage.

These 400,000 units will create more than 740,000 jobs in direct construction and in related industries. Thus, the estimated program cost of $700 million will produce nearly 740,000 jobs, a ratio of some $1,000 per job, compared to the cost in other publicly subsidized employment of some $7,000 to $9,000.

Third, the bill would direct the Secretary of Housing and Urban Development to establish energy conservation standards for new residential and commercial buildings. Federal financial assistance would be keyed to States adopting and enforcing these standards.

Fourth, the bill would extend the section 312 housing rehabilitation loan program through September 30, 1978. The administration has indicated its intention to halt this 3-percent loan program when the current authority ends on August 22, 1975. Yet this program is the only existing program to assist homeowners to rehabilitate their homes. It is, therefore, vital to the preservation of our current housing stock, and its past performance has been impressive.

Fifth, the bill would increase the set-aside for traditional public housing programs from $150 to $450 million and would direct HUD to process all applications 75 days after they have been received.

Since the passage of the 1974 Housing Act, there have been no new housing starts under the new and untested section 8 program, yet the administration has been reluctant to use the traditional public housing program. The result is that we are falling further behind the goal of creating 600,000 housing units for low- and moderate-income families each year.

Sixth, the bill extends the section 235 homeownership program for 1 year. And it orders that impounded funds be released and the homeownership program implemented.

Finally, with the inclusion of S. 1457 as a separate title of this bill, there also is an emergency protection to homeowners faced with foreclosure as a result of declining economic conditions and temporary unemployment.

We cannot afford to have thousands of American families who are being forced to bear the burden of a failure in national economic decisionmaking go through the grueling and painful process of losing their homes. They have lost their jobs and they are suffering not only economic but painful personal repercussion as well. And it would be tragic if we were to sit idle while they lost their homes as well.

Although focused initially on voluntary action by financial institutions to adopt liberal forebearance procedures, where foreclosure is imminent, it would provide for advances to be made to homeowners to cover their mortgages up to $250 per month or for new mortgages to be extended by the Government National Mortgage Association.

During the depression of the 1930's, the Home Owners Loan Corporation was established to prevent widespread foreclosures. That program was successful and broadly accepted by the American people. I believe this provision will also achieve its result and prevent a rising level of distress selling and foreclosures in many parts of the country.

Mr. President, I strongly support this bill which includes many provisions which I recommended earlier in the year when I addressed the National Housing Conference. I believe this emergency legislation is essential for the recovery of our economy, for the protection of unemployed homeowners and for the stimulation of our housing industry.

Mr. BAYH. Mr. President, I rise to support S. 1483, the Emergency Housing Act of 1975. I also want to take this opportunity to commend the Senate Committee on Banking, Housing and Urban Affairs, under the leadership of Senator Proxmire, for the timely reporting of this legislation.

While there was much debate last year about whether this country was suffering more from inflation or recession, conditions in the construction industry were approaching depression levels. One year ago the seasonally adjusted unemployment rate for construction workers was 8.7 percent. That is now the national unemployment rate, and the unemployment for construction workers has climbed to 18.1 percent as of March 1975. In some sections of this country that rate is much higher.

Another indication of the crisis in the construction industry is the declining number of new housing starts. One year ago new housing starts were 1,511,000. The figure for March of this year was only 980,000 new starts. This is well below the 10-year average of 2.6 million necessary to meet the Nation's housing goals as set by the National Housing Act of 1968.

The housing industry is caught up in a vicious economic cycle. Available money for financing new homes is tight. Therefore, there is a declining number of new housing starts and this leads to the increasing numbers of unemployed construction workers.

The Senate Banking Committee has drafted the Emergency Housing Act to try to break the stranglehold on the construction industry. This innovative piece of legislation is designed not only to enable the middle-income family to own their own home but also to stimulate the construction industry by providing for 400,000 new housing starts. These new starts should provide more than 740,000 jobs.

In order to qualify for assistance under this legislation, a family must have an annual income of not more than 120 percent of the median income for their area. Once qualified, the family can decide between two forms of direct assistance. First, they can elect to receive a subsidized 6-percent interest rate on their mortgage for 3 years. During the next 3 years the interest will gradually rise to the full market rate. Second, a family may elect a flat cash subsidy of $1,000 toward the purchase of a new home. There is also a third choice available. The family may elect to receive the 5 percent of purchase price tax credit, up to $2,000, recently enacted into law under the Tax Reduction Act of 1975. But if they decide to take advantage of the tax credit, they will not be eligible for the programs under the Emergency Housing Act.

Another important aspect of this legislation makes permanent the program authorizing the Government to purchase home mortgages at 8 percent. This program is designed to end the "boom and bust" cycle of the housing industry, and has a triggering device for activiation of its provisions. Whenever new housing starts fall below 1.6 million, on an annually adjusted basis, the program will be activated and it is deactivated if housing starts remain at or above 1.6 million for 4 months.

Other portions of this legislation authorize the Department of Housing and Urban Development to establish energy conservation standards for new residential and commercial construction and provide extensions for several existing housing programs for low- and middle-income families. These programs include continuing section 312 rehabilitation loans; increasing set-asides for public housing from $150 million to $450 million, and extending the section 235 homeownership assistance program.

Added to the provisions of S. 1483 are programs included in S. 1457, the Homeowners Relief Act. While S. 1483 will assist middle-income families to purchase new homes, the provisions of S. 1457 would help those Americans who are currently unemployed or underemployed, meet their mortgage payments and thus not lose the homes they already have. Repayable loan assistance under this legislation is limited to $300 per month for up to 36 months. In addition, the Senate adopted language making it clear that these repayable loans would be made available to the more than 10 million Americans living in mobile homes who qualify for assistance.

With the almost doubling of the unemployment rate for the heads of households over the past year to the current level of 5.8 percent, we will begin to see increasing delinquent mortgage payments and foreclosures. These provisions, if instituted in a timely manner by HUD, would offer much needed assistance to unemployed Americans and allow them to retain their homes.

I am pleased to support this comprehensive emergency housing legislation and I am hopeful that the President will sign it into law. With the enactment of this legislation, the Congress will have created a well-balanced housing program for these times of great economic distress. In addition, it should help us down the road toward our national housing goal of a decent place for every American citizen to live.

Mr. CRANSTON. Mr. President, last week's action on housing legislation by the Senate Banking, Housing and Urban Affairs Committee represented a good beginning on a number of important measures to alleviate the current economic pressures in the depressed homebuilding industry. These bills—S. 1483 and S. 1457—will stimulate housing construction, create jobs, promote energy-saving techniques in the construction of residential buildings and provide foreclosure relief to involuntarily unemployed homeowners.

I endorse the provisions of S. 1483, the bill before us today as reported by the committee, and I urge its prompt approval by both Houses of Congress.

Present economic indicators show that an important part of our total economy is still severely depressed. The National Association of Homebuilders quarterly housing starts forecast for 104 metro areas projects a continued decline in this year's second quarter.

Total 1975 housing starts are predicted to decline by 5.8 percent to 610,234 units from 647,661 units over the last year.

Excessively high-interest rates have priced millions of American families out of the housing market, and the nationwide inventory of over 400,000 unsold homes has inhibited an upturn in housing production which typically leads a stagnant economy on the road to recovery.

Title I of S. 1483 expands the Emergency Home Purchase Assistance Act into a permanent program to be triggered when housing starts falls below 1.6 million rate for any 4-month period.

The 8-percent interest rate ceiling in this title will assure a source of credit at a rate which middle-income families can afford to pay. The trigger mechanism will provide a degree of stability to the up and down cycles that plague the homebuilding industry by deactivating itself when housing starts level off and mortgage credit is eased.

In addition to providing a countercyclical device to stabilize housing in title I, title II of the bill addresses the need to provide jobs by stimulating demand for housing. The rate of unemployment in the construction industry is 18 percent, double the national average. The President's budget message projects continued high unemployment. Stimulating homebuilding has been recognized as an efficient means to create jobs.

Title II of this bill in addition to stimulating demand and production by offering low-interest loans can provide up to 400,000 new housing starts. It is expected to create more than 740,000 jobs according to the committee report. Families under this provision may elect a $1,000 flat cash subsidy toward the downpayment. This up-front payment

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will foster increased consumer interest in housing purchases and encourage a faster move toward increased housing production.

There are many other fine features in this bill, among them my amendment to extend and revise the section 213 rehabilitation loan program, the only program that addresses the needs of low-income residents in declining inner city neighborhoods. I am very pleased that the 312 amendment was adopted.

We in Congress continue to walk a fine line in attempting to stimulate the economy and at the same time limit the prospect of fueling inflation. Demand for low-cost housing far exceeds present production levels.

Construction is a major unused depressed resource in this recessionary period. This bill attacks the problems by using several techniques to stimulate the use of housing resources and demands. The possibilities of these programs becoming inflationary is highly unlikely because of the sophisticated triggering mechanisms that shut down these programs when the economic capacity of the homebuilding industry is sufficiently stimulated and unemployment is reduced.

Mr. WILLIAMS. Mr. President, housing is a vital and special need of American families, deserving of priority preference within Government programs and policies and budget limitations. The industry is unique, serving the most necessary of human requirements—shelter. In addition, the health of the housing industry is closely bound up with the health of our overall economy. The housing industry itself is a major employer, and millions more are employed in industries whose prosperity is directly related to the production of homes.

Our economy is in the midst of a very serious recession—the most serious since the 1930's. The rate of unemployment across the Nation has reached the level of 8.7 percent, and even the administration's forecasts predict scant improvement over the next 2 years.

The housing industry is in even worse shape than other sectors of the economy. Indeed, I can say without exaggeration that it is in a depression. The seasonally adjusted rate of unemployment in the construction industry is 18 percent nationally, and in my home State, New Jersey, the estimates range up to 40 percent.

In 1974, we produced only 1.35 million new housing units. This is the lowest level in 8 years. In December the annual housing starts rate had dropped to 860,000, and it has risen only slightly over the past several months. New Jersey has experienced a similar downturn in housing starts, and the construction of new homes is proceeding at a rate which is estimated to be less than one-third of that which is necessary to meet the needs of our citizens.

The depression in the housing industry is attributable in part to the increasing costs of construction, but perhaps more importantly, to record high interest rates and lack of mortgage credit. Due to lack of mortgage credit at affordable rates, a single family home is out of reach for more than one-half of all American families.

I am convinced that the stimulus which the Emergency Housing Act of 1975 would provide to the housing industry is essential to a full recovery of our economy.

Title I of S. 1483 establishes a permanent program for stabilizing the boom and bust pattern of the housing industry. Mortgage credit would be made available under this title at a maximum of 8 percent through the Government National Mortgage Association and the Federal Financing Bank whenever the annual rate of housing starts falls below 1.6 million for 4 consecutive months. The program would terminate whenever housing starts rise above 1.6 million for 4 consecutive months.

Title II of this bill establishes a program which is similar to the one which I introduced in another bill. In order to increase housing starts and to create jobs, homebuyers whose family income does not exceed 120 percent of the median income for their area would be offered two options to assist them in purchasing homes. They could elect an interest subsidy which would reduce the effective interest rate on their mortgage to 6 percent for a period of 3 years. After 3 years, the rate would gradually rise to the market rate. In the alternative, home buyers could elect a one-time home purchase incentive payment of $1,000 which could be applied towards the downpayment or to the settlement costs.

This title is designed to serve families primarily in the $10,000 to $18,000 bracket. These are hardworking Americans who need a minimum of help to make a go of homeownership. Homes under this program could be financed either through FHA or VA programs, or with conventional mortgages, and assistance payments under this title could only be made with respect to modestly priced homes—those whose appraised value does not exceed $38,000, or $42,000 in high cost areas.

Title II could provide assistance for up to 400,000 home buyers, and it could create between 650,000 and 740,000 jobs. The jobs created, of course, will be entirely within the private sector, and the cost will be relatively little—between $1,000 to $2,500 per job. This small initial cost, however, should be weighed against the additional tax revenue and the reduced public assistance and unemployment insurance payments which would result from the increased employment.

Title III would direct the Secretary of HUD to establish energy conservation standards for new residential and commercial construction. These standards would be implemented and enforced by State and local governments through their building codes.

Title IV contains several miscellaneous provisions including an extension of the section 312 rehabilitation loan program until September 30, 1978, and an extension of the section 235 homeownership assistance program until July 1, 1977.

Mr. President, I feel that S. 1483 will provide sorely needed relief for the housing industry, and I urge my colleagues to support it.

Mr. PELL. Mr. President, earlier today the Senate considered and accepted an amendment to S. 1483, the Emergency Housing Act of 1975 which will require that the design of new Federal construction provide for, to the maximum extent possible, windows that can be opened and closed manually.

As my colleagues are aware several months ago, I introduced S. 911, legislation providing for essentially the same requirements adopted today by the Senate. I was very pleased at the time to have Senators Weicker and Mathias join me as co-sponsors in this important energy conservation effort. In my absence earlier today enroute from the Law of the Sea Conference in Geneva as an official representative, I am delighted that my distinguished colleague, Senator Weicker, offered this amendment during the debate on S. 1483.

As mentioned previously before the Senate, although numerous measures are pending on the question of thermal efficiency standards for buildings, I did not believe it essential to wait for further study as the establishment of design criteria for buildings to achieve meaningful energy conservation. Such a step along with other energy conservation measures that have been easy to implement and have resulted in substantial energy savings would mean a great deal toward achieving our national energy conservation goals. It is important to note that steps like this reduce the need for measures which might result in further economic disruptions and unnecessary sacrifices for Americans.

I am again very pleased by the adoption of my amendment to the Emergency Housing Act of 1975 and for Senator Weicker's assistance in the effort to establish thermal efficiency standards for buildings.

Mr. PROXMIRE. Mr. President, it is my understanding that we have before us at the present time S. 1483. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. For that reason, I think I have to go through a procedure I have gone through before.

I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of H.R. 4485.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that H.R. 4485 be called up for immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. PROXMIRE. Mr. President, I move that everything after the enacting clause of H.R. 4485 be stricken and that the text of S. 1483, as reported and as amended, be substituted in lieu thereof.

The motion was agreed to.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. TOWER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Hawaii (Mr. Inouye), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. Pell) is absent on official business.

I also announce that the Senator from Delaware (Mr. Biden) is absent because of illness.

I further announce that, if present and voting, the Senator from Delaware (Mr. Biden), the Senator from California (Mr. Tunney), and the Senator from Rhode Island (Mr. Pell) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. Brooke), the Senator from Oregon (Mr. Hatfield), and the Senator from Kansas (Mr. Pearson) are necessarily absent.

I also announce that the Senator from Maryland (Mr. Mathias) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Maryland (Mr. Mathias) would each vote "yea".

The result was announced—yeas 64, nays 26, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—64

Abourezk
Allen
Bayh
Beall
Bentsen
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Fong
Ford
Glenn
Gravel
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Weicker
Williams
Young

NAYS—26

Baker
Bartlett
Bellmon
Brock
Buckley
Byrd, Harry F., Jr.
Culver
Curtis
Dole
Domenici
Fannin
Garn
Goldwater
Griffin
Hansen
Hart, Gary W.
Helms
Hruska
Laxalt
Mansfield
McClure
Percy
Roth
Scott, William L.
Thurmond
Tower

NOT VOTING—9

Biden
Brooke
Eastland
Hatfield
Inouye
Mathias
Pearson
Pell
Tunney

So the bill (H.R. 4485) was passed.

Mr. PROXMIRE. Mr. President, I move that the Senate insist upon its amendments to H.R. 4485 and request a conference with the House of Representatives thereon; and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Dole) appointed Mr. Proxmire, Mr. Sparkman, Mr. Williams, Mr. McIntyre, Mr. Cranston, Mr. Brooke, Mr. Packwood, and Mr. Garn conferees on the part of the Senate.

Mr. PROXMIRE. Mr. President, I move that further consideration of S. 1483 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of H.R. 4485.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I ask unanimous consent that the text of the bill (H.R. 4485) as passed be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

Resolved, That the bill from the House of Representatives (H.R. 4485) entitled "An Act to provide for greater homeownership opportunities for middle-income facilities and to encourage more efficient use of land and energy resources", do pass with the following amendment,"

Strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Housing Act of 1975".

TITLE I—AMENDMENTS TO THE EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

ACTIVATION AND DEACTIVATION OF PROGRAM

SEC. 101. (a) Section 313(a) of the National Housing Act is amended by adding the following paragraphs at the end thereof:

"(3) The program authorized by this section shall be activated whenever the four-month moving average annual rate of private housing starts (seasonally adjusted and exclusive of mobile homes) as determined by the Director of the Bureau of the Census is less than 1,600,000 for any consecutive four-month period.

"(4) The program activated pursuant to paragraph (3) shall be terminated whenever the four-month moving average annual rate of private housing starts (seasonally adjusted and exclusive of mobile homes) as determined by the Director of the Bureau of the Census is 1,600,000 or more for any consecutive four-month period.

"(5) Notwithstanding paragraph (3), the Secretary may direct that the program authorized under this section not be activated, and notwithstanding paragraph (4), the Secretary may direct that such program be terminated at any time, if he or she determines there is an adequate supply of mortgage credit available at reasonable rates at private financial institutions and notifies Congress of such determination, except that such program shall be activated or reactivated if (A) either House of Congress passes a resolution stating in substance that it disapproves of the Secretary's determination under this paragraph, and (B) the conditions required under paragraph (3) to activate the program are met, or the conditions required under paragraph (4) to deactivate the pogram are not met, at the time such resolution is passed.

"(6) For the purpose of paragraph (5), the provisions of sections 906, 908, 909, 910, 911, 912, and 913 of title 5, United States Code, shall apply to the consideration of a resolution referred to in such paragraph, except that (A) any reference contained in such sections to a reorganization plan shall be deemed to be a reference to a determination of the Secretary under paragraph (5), (B) the '60-day period' referred to in section 906 shall be deemed to be a reference to a '30-day period', and (C) the '20 calendar days' referred to in section 911 shall be deemed to be a reference to '10 calendar days'.".

(b) Section 313(b) of such Act is amended by striking "Whenever the Secretary issues a directive under subsection (a)(1)" and inserting in lieu thereof: "Whenever the program is activated pursuant to subsection (a)".

LIMITATION ON INTEREST RATE

SEC. 102. Section 313(b)(C) of the National Housing Act is amended to read as follows:

"(C) such mortgage involves an interest rate not in excess of that which the Secretary may prescribe, taking into account the cost of funds and administrative costs under this section, but in no event shall such rate exceed the lesser of (i) 8 per centum per annum or (ii) the rate set by the Secretary applicable to mortgages insured under section 203(b) of the National Housing Act, and no State or local usury law or comparable law establishing interest rates or prohibiting or limiting the collection or amount of discount points or other charges in connection with mortgage transactions or any State law prohibiting the coverage of mortgage insurance required by the Association shall apply to transactions under this section;".

LIMITATION ON POINTS

SEC. 103. Section 313(b) of the National Housing Act is amended by adding the following paragraphs at the end thereof:

"(D) such mortgage is accompanied by a certification by the mortgagee that no points, discounts, or similar fees, other than a loan origination fee not in excess of 1 per centum of the original principal obligation, have been or will be assessed against the prospective buyer or seller in connection with the mortgage loan; and

"(E) such mortgage is purchased at par.".

GUARANTEE AUTHORITY

SEC. 104. Section 313(d)(1) of the National Housing Act is amended—

(1) by striking out "purchased" in the first sentence and inserting "eligible for purchase" in lieu thereof; and

(2) by inserting after the first sentence the [illegible]

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following: "Such securities shall bear interest at a rate equal to the rate on the underlying mortgages less an allowance for servicing and other expenses as approved by the Association.".

LIMITATION OF FEES

SEC. 105. Section 313(f) of the National Housing Act is amended—

(1) by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(2) by adding at the end thereof the following:

"(3) charge a fee for making commitments to purchase mortgage loans or to guarantee securities under this section and for incurring other administrative expenses which shall not be considered a fee for the purpose of clause (D) of the last sentence of subsection (b), but the aggregate of all such fees, regardless of on whom imposed, shall not exceed 1 per centum of the amount of such commitments.".

FEDERAL FINANCING BANK FINANCING

SEC. 106. Section 313(d)(2) of the National Housing Act is amended by striking out the first sentence and inserting in lieu thereof the following: "The Association may offer and sell any securities guaranteed under this subsection to the Federal Financing Bank, and such Bank is authorized and directed to purchase any such securities offered by the Association or any securities guaranteed under this subsection which are offered by an issuer other than the Association and which are offered not later than 90 days after the date on which the oldest underlying mortgage was originated, at a price not less than the outstanding principal amount of the underlying mortgages. The Association is authorized to make payments to the Bank to reimburse the Bank for the difference between such price and the price required to adjust the yield on such securities to the Bank's current average cost of borrowing at the time such securities were purchased."

COVERAGE OF MULTIFAMILY AND CONDOMINIUM UNITS

SEC. 107. Section 313 of the National Housing Act is amended by adding the following new subsection at the end thereof:

"(h) Notwithstanding the provisions of subsection (b), the Association may make commitments to purchase and purchase, and may service, sell (with or without recourse), or otherwise deal in, a mortgage which covers more than four-family residences (including residences in a cooperative or condominium), or a single-family unit in a condominium, and which is not insured under the National Housing Act or guaranteed under chapter 37 of title 38, United States Code, if—

"(1) in the case of a project mortgage, the principal obligation of the mortgage does not exceed, for that part of the property attributable to dwelling use, the lesser of (A) the per unit amount specified in subsection (b)(B), or (B) the per unit limitations specified in section 207 of this Act in the case of a rental project or section 213 of this Act in a case of a cooperative project, or section 234 in the case of a condominium project;

"(2) in the case of a mortgage covering a housing project, the outstanding principal balance of the mortgage does not exceed 75 per centum of the value of the property securing such mortgage or is insured by a qualified private insurer or public benefit corporation created by the State which acts as an insurer as determined by the Association;

"(3) in the case of a mortgage covering an individual condominium unit, the mortgage is insured by a qualified private insurer of public benefit corporation created by the State which acts as an insurer as determined by the Association or has an outstanding principal balance which does not exceed 80 per centum of the value of the property securing the mortgage;

"(4) the mortgage is not being used to finance the conversion of an existing rental housing project into a condominium project or to finance the purchase of an individual unit in a condominum project in connection with the conversion of such project from rental to condominium form of ownership;

"(5) the mortgage meets the requirements of subsection (b) except as modified by this subsection and any additional requirements the Secretary may prescribe to protect the interest of the United States or to protect consumers.".

AUTHORIZATION

SEC. 108. Section 313 of the National Housing Act is amended by adding the following new subsection at the end thereof:

"(i) There are authorized to be appropriated such sums as may be necessary to enable the Association to reimburse the Federal Financing Bank pursuant to subsection (d)(2).".

REPEAL OF EXPIRATION DATE

SEC. 109. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is repealed.

TITLE II—EMERGENCY MIDDLE-INCOME HOUSING

SHORT TITLE

SEC. 201. This title may be cited as the "Emergency Middle-Income Housing Act of 1975".

STATEMENT OF FINDINGS AND PURPOSES

SEC. 202. (a) The Congress finds and declares that—

(1) many families of middle income cannot afford to purchase homes at current prices and high interest rates;

(2) the decline in the home purchasing power of middle-income families has contributed to the severe economic recession of the building industry and those industries dependent upon the building industry; and

(3) the sharp decline in housing starts jeopardizes the attainment of an adequate housing stock in the years ahead.

(b) It is the purpose of this Act to reduce high mortgage interest costs to middle-income families and to stimulate employment in the homebuilding industry during the current emergency period and to reduce further the costs of homeownership.

TEMPORARY HOMEOWNERSHIP ASSISTANCE AUTHORITY

SEC. 203. The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to assist middle-income families who purchase homes—

(1) by making periodic interest reduction payments as authorized under section 204; and

(2) by making home purchase incentive payments as authorized under section 205.

INTEREST REDUCTION PAYMENTS

SEC. 204. (a) The Secretary shall contract to make and make interest reduction payments on behalf of middle-income families. Such payments shall not exceed the difference between the amount of principal and interest due under a home mortgage and the amount of principal and interest due if the home mortgage were to bear interest at the rate of 6 per centum per annum. The Secretary is authorized to prescribe the maximum rate of interest payable on a home mortgage eligible for interest reduction payments under this section.

(b) Interest reduction payments may be made with respect to any dwelling unit only for such period as the family on whose behalf the payments are made occupies the dwelling unit as its principal residence. Such payments shall be made in the full amount provided for in subsection (a) for the first three years during which a family occupies a dwelling unit, 75 per centum of such amount in the fourth year, 50 per centum of such amount in the fifth year, and 25 per centum of such amount in the sixth year. No interest reduction payments shall be made after such sixth year.

(c) Interest reduction payments on behalf of an occupant of a cooperative housing project shall be in amounts computed on the basis of the formula set forth in subsection (a) applying the cooperative member's proportionate share of the obligations under the project mortgage to the items specified in the formula.

(d) For the purpose of chapter I of the Internal Revenue Code of 1954, the payments described in this section shall be deemed to be an obligation of, and paid by, the Secretary and to be applied in their entirety toward the payment of the interest due under a mortgage.

HOME PURCHASE INCENTIVE PAYMENTS

SEC. 205. (a) The Secretary shall enter into commitments to make and shall make home purchase incentive payments to any middle-income family to assist such family in acquiring a home mortgage or its proportionate share of the obligations under the project mortgage of a cooperative. The amount of a home purchase incentive payment shall be $1,000.

(b) The Secretary shall issue to any individual who he determines is eligible for a home purchase incentive payment a certificate containing the name of the purchaser, a description of the property, the amount of the payment, and such other information as the Secretary by regulation may prescribe. The face amount of the certificate may, at the option of the purchaser, be applied to any required downpayment or to the closing costs in connection with the purchase or redeemed for cash by the mortgagee at the time of closing. Any person who acquires a certificate issued pursuant to this title may present such a certificate to the Secretary who shall pay in full the face amount indicated on the certificate.

PROGRAM LIMITATIONS

SEC. 206. (a) The number of middle-income families assisted pursuant to this title shall not exceed four hundred thousand.

(b) Not less than 10 nor more than 30 per centum of the middle-income families assisted under this title in any fiscal year shall be purchasers of dwelling units, the construction of which was completed more than twelve months prior to the date of the purchase contract.

(c) An individual or family who is allowed any amount as an income tax credit for the purchase of a home under section 44 of the Internal Revenue Code of 1954 is not eligible for any assistance under this title.

(d) Preference for assistance under this title shall be accorded to dwelling units which will contribute to the conservation of land and energy resources because of location in clusters or projects, site orientation, or otherwise.

DEFINITIONS

SEC. 207. As used in this title—

(1) The term "middle-income families" means those families (including single individuals) whose incomes do not exceed 120 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller or larger families, except that the Secretary may establish income ceilings higher or lower than 120 per centum of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors.

(2) The term "home mortgage" means a mortgage (A) which is executed to finance the acquisition of a single family unit (including a unit in a newly constructed condominium project) which will be the principal residence of the mortgagor, or a two-family unit where one of the units will be the principal residence of the mortgagor, or a

cooperative housing project where all of the units will be the principal residences of its members; and (B) which covers housing where the appraised value of the unit (or the average appraised value per unit in the case of a cooperative housing project) does not exceed $38,000 or $48,000 in high cost areas as determined by the Secretary and $56,000 in Alaska, Hawaii, and Guam.

RECAPTURE

SEC. 208. (a) If a family assisted under this title sells the property for which assistance was granted within four years from the date of execution of the mortgage on such property, there shall become due and payable to the Secretary, by the family assisted at a time set by the Secretary, an amount equal to the lesser of (1) the full amount of the assistance received under section 204; or (2) the amount of the gain realized on the sale after adding the cost of any improvements provided by the mortgagor to the original sales price of the house and deducting the cost of any selling expenses. If such property is sold more than four years but less than five years from the date of execution of the mortgage, 75 per centum of the amount payable in accordance with the first sentence of this section shall be repayable. If such property is sold more than five years but less than six years from the date of execution of the mortgage, 50 per centum of the amount payable in accordance with the first sentence of this section shall be repayable. If such property is sold more than six years but less than seven years from the date of execution of the mortgage, 25 per centum of the amount payable in accordance with the first sentence of this section shall be repayable. There shall be no repayment if the property is sold by the family after seven years or if the family purchases or constructs a new principal residence within the applicable time period prescribed in section 1034 of the Internal Revenue Code of 1954.

(b) If an individual fails to comply with the provisions of section 206(c), there shall become due and payable to the Secretary by such individual the full amount of the assistance paid under this title.

AUTHORIZATION

SEC. 209. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, including such sums as may be necessary to make the interest reduction payments and the home purchase incentive payments entered into under this title. The aggregate amount of contracts to make interest reduction payments shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed $300,000,000 per annum. The aggregate amount of contracts to make home purchase incentive payments shall not exceed amounts approved in appropriation Acts, and payments pursuant to such contracts shall not exceed $400,000,000.

ALLOCATION OF ASSISTANCE

SEC. 210. The Secretary shall afford middle-income families eligible for assistance under this title an opportunity to choose between the assistance available under sections 204 and 205 of this title.

EXPIRATION DATE

SEC. 211. After June 30, 1976, or after the annual rate of private housing starts (seasonally adjusted and exclusive of mobile homes) as determined by the Director of the Bureau of the Census averages at least 1,400,000 for three consecutive months, whichever is sooner, no interest reduction payments or home purchase incentive payments shall be made except pursuant to contracts or commitments entered into on or before such expiration date.

TITLE III—BUILDING CONSERVATION STANDARDS

SHORT TITLE

SEC. 301. This title may be cited as the "Building Energy Conservation Standards Act of 1975".

FINDINGS AND PURPOSE

SEC. 302. (a) The Congress finds that—

(1) large amounts of fuels and energy are consumed unnecessarily each year in heating, cooling, ventilating, and providing domestic hot water for newly constructed residential and commercial buildings because such buildings lack adequate energy conservation features;

(2) Federal policies and practices contribute to this condition, which the Nation can no longer afford in view of its current and anticipated energy shortage, by providing, without regard to energy considerations, Federal construction aids directly such as through loans or grants and indirectly through financing from federally approved, regulated, or insured financial institutions;

(3) failure to provide adequate energy conservation measures in newly constructed buildings increases long-term operating costs that may affect adversely the repayment of and security for loans made, insured or guaranteed by Federal agencies or made by federally insured or regulated instrumentalities; and

(4) State and local building codes or similar controls can provide an existing means by which to assure, in coordination with other building requirements and with a minimum of Federal interference in State and local transactions, that newly constructed buildings contain adequate energy conservation features.

(b) The purposes of this title, therefore, are to—

(1) redirect Federal policies and practices so that Federal financial assistance for construction purposes is provided only under conditions which assure that reasonable energy conservation features will be incorporated into new buildings receiving such assistance;

(2) provide for the development and implementation as soon as feasible of component performance and performance standards for new residential and commercial buildings which are designed to achieve the maximum practicable economies in fuels and energy consumption within reasonable cost levels; and

(3) encourage States and local government to adopt and enforce such standards through their existing building code and other construction control mechanisms.

DEFINITIONS

SEC. 303. As used in this title, the term—

(1) "Secretary" means the Secretary of Housing and Urban Development;

(2) "Administrator" means the Administrator of the Federal Energy Administration;

(3) "building" means any structure to be constructed which includes provision for a heating or cooling system, or both, or a hot water system;

(5) "commercial building" means any building developed for residential occupancy, substantially on a year-round basis, for one or more persons or families;

(5) "commercial building" means any building developed for use other than residential occupancy, including buildings developed for industrial or public use;

(6) "Federal building" means any building to be constructed by or for the use of any Federal agency which is not legally subject to State or local codes or similar requirements;

(7) "unit of general local government" means a city, county, town, municipality, or other political subdivision of a State or any combination thereof, which has a building code or similar jurisdiction over a particular area;

(8) "Federal agency" means any department, agency, corporation, or other entity or instrumentality of the executive branch of the Federal Government, and includes the United States Postal Service, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation;

(9) "financial assistance" means any form of loan, grant, guaranty, insurance, payment, rebate, subsidy, or any other form of direct or indirect Federal assistance, other than general or special revenue sharing or formula grants made to States;

(10) "Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration;

(11) "State" includes each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States territories and possessions;

(12) "component performance standard" means a goal for a segment of a building without specifying the methods, materials, and processes to be employed in meeting the goal. A component performance standard may also be applied to mechanical systems;

(13) "performance standard" means a goal or goals to be met without the specification of the methods, materials, and processes to be employed in achieving that goal, but including statements of the requirements, criteria and evaluation methods to be used, and any necessary commentary; and

(14) "building code" means a legal instrument which is in effect in a State or unit of general local government, the provisions of which must be adhered to if a building is to be considered to be in conformance with law and suitable for occupancy and use.

PROMULGATION OF MINIMUM ENERGY CONSERVATION STANDARDS

SEC. 304. (a)(1) Within six months after the enactment of this title, the Secretary, only after consultation with the Administrator and the Secretary of Commerce utilizing the services of the Director of the National Bureau of Standards, shall develop and publish in the Federal Register for public comment proposed component performance energy conservation standards for new residential buildings. Final standards shall be developed and promulgated within six months after publication of the proposed standards, shall become effective one year after such promulgation, and shall remain effective until superseded by the standards described in subsection (a)(3) of this section.

(2) As soon as practicable, but in no event later than eighteen months after enactment of this title, the Secretary, only after consultation with the Administrator, the Secretary of Commerce utilizing the services of the Director of the National Bureau of Standards, and the Administrator of the General Services Administration, shall develop and publish in the Federal Register for public comment proposed performance energy conservation standards for new commercial buildings. Performance standards shall be developed and promulgated within six months after publication of the proposed standards, and shall become effective within a reasonable time, not to exceed one year after promulgation, as specified by the Secretary.

(3) As soon as practicable, but in no event later than three years after enactment of this title, the Secretary, only after consul-

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tation with the Administrator and the Secretary of Commerce utilizing the services of the Director of the National Bureau of Standards, shall develop and publish in the Federal Register for public comment proposed performance energy conservation standards for new residential buildings. Performance standards for such buildings shall be promulgated within six months after publication of the proposed standards, and shall become effective within a reasonable time, not to exceed one year after promulgation, as specified by the Secretary.

(b) All standards promulgated pursuant to this section shall take account of, and make such allowance as the Secretary determines appropriate for, climatic variations among the different regions of the country.

(c) The Secretary, in consultation with the Administrator, the Secretary of Commerce, the Administrator of General Services, and other Federal officials, as appropriate, shall periodically review and provide for the updating of standards promulgated pursuant to this section.

(d) The Secretary, if he finds that the dates otherwise specified in this section for publication of proposed or promulgation of final performance standards under subsection (a)(2) or (a)(3) cannot practically be met, may extend the time for such publication or promulgation, but no such extension shall result in a delay of more than six months in promulgation. The Secretary may also extend for not to exceed six months the date for promulgation of component performance standards under subsection (a)(1) if he finds that such extension is necessary in order to allow an adequate opportunity for analysis and actions on public comments.

INCORPORATION OF STANDARDS IN STATE AND LOCAL CODES

Sec. 305. (a) No Federal officer or agency shall approve any financial assistance for the construction of any building in an area of a State unless the State has certified that the unit of general local government having jurisdiction over such area has adopted and is implementing a building code or similar requirement which meets or exceeds the minimum standards promulgated pursuant to section 304 of this title, or unless the State certifies that a State code or requirement providing for the enforcement of such standard or standards has been adopted and is being implemented on a statewide basis or within the area in which such building is to be located.

(b) In any case where, on the effective date of the component performance standards referred to in section 304(a)(1), a State has not yet developed and implemented a procedure for certifying local codes or similar requirements, or adopted and proceeded to implement a State code or requirement for carrying out the provisions of subsection (a) of this section, but where the Secretary finds that the State is actively developing such procedure or code, the Secretary may receive and approve a code or other requirement proposed by a unit of general local government as complying with the provisions of subsection (a) of this section, but no such approval shall extend for more than one year.

(c) Each Federal instrumentality responsible for the supervision, regulation, or insuring of banks, savings and loan associations or similar institutions shall adopt regulations prohibiting such institutions from—

(1) making loans for the construction or financing of buildings, or

(2) purchasing loans made after the effective date of any energy conservation standard for the construction or financing of buildings, unless such buildings are to be located in areas where Federal assistance for construction is permitted under subsection (a) of this section.

(d) In the certification submitted by a State, the State may recommend to the Secretary that specific units of local government within the State be excluded from all provisions of this Act on the basis that new construction in such jurisdiction is not of a magnitude to warrant the costs of implementing or providing for required inspections, and the Secretary may, in his discretion, exclude such unit without thereby affecting the State's certification.

(e) The Secretary shall, by regulation, provide for the periodic updating of State certifications under this section, and shall make such reviews and investigations as he deems necessary to determine the accuracy of such certifications. The Secretary may reject, disapprove, or require the withdrawal of any certification but he shall not take such action without affording the State a reasonable opportunity for hearing.

FEDERAL BUILDINGS

Sec. 306. The head of each Federal agency responsible for the construction of Federal buildings shall adopt such procedures as may be necessary to assure that such construction meets or exceeds the applicable energy conservation standards promulgated pursuant to this title.

OPEN WINDOWS IN FEDERAL BUILDINGS

Sec. 307. (a) As used in this section the term "building" means any building or facility (other than a privately owned residential structure) which will contain windows, which building or facility is—

(1) to be constructed or altered by or on behalf of the United States;

(2) to be leased in whole or in part by the United States after the date of enactment of this Act, after construction or alteration in accordance with plans and specifications of the United States;

(b) The Administrator of General Services, in consultation with the Secretary of Housing and Urban Development, is authorized to prescribe such standards for the design, construction, and alteration of buildings as may be necessary to insure that any windows in such building can be opened and closed manually.

(c) Every building designed, constructed, or altered after the effective date of a standard issued under this Act which is applicable to such building shall, to the maximum extent feasible and practicable, be designed, constructed, or altered in accordance with such standard.

GRANTS TO STATES

Sec. 308. (a) The Secretary is authorized to make grants to States to assist them in meeting the costs of developing or State certification procedures to carry out the provisions of section 305 of this title.

(b) There is hereby authorized to be appropriated for the purpose of grants under this section not to exceed a total of $5,000,000 for fiscal year 1976.

TECHNICAL ASSISTANCE

Sec. 309. The Secretary, directly, by contract or otherwise, may provide technical assistance to States and units of general local government to assist them in meeting the requirements of this title.

CONSULTATION WITH INTERESTED AND AFFECTED GROUPS

Sec. 310. In developing and promulgating standards and carrying out his other functions under this title, the Secretary shall consult with appropriate representatives of the building community, including labor, the construction industry, engineers, and architects, and with appropriate public officials and organizations of public officials, and representatives of consumer groups. For purposes of such consultation, the Secretary shall, to the extent feasible, make use of the National Institute of Building Sciences as established by section 809 of the Housing and Community Development Act of 1974. The Secretary may also establish one or more advisory committees as may be appropriate. Any advisory committee or committees established pursuant to this section shall be subject to the provisions of the Federal Advisory Committee Act.

RESEARCH

Sec. 311. The Secretary, in cooperation with the Administrator, the Administrator of the Energy Research and Development Administration, and the Director of the National Bureau of Standards shall carry out such research and demonstration activities as he determines may be necessary to assist in the development of standards under this title and to facilitate the implementation of such standards by State, and local governments. Such activities shall be designed to assure that standards are adequately analyzed in terms of energy use, institutional resources, habitability, economic cost and benefit, and impact upon affected groups.

TITLE IV—MISCELLANEOUS AMENDMENTS

Sec. 401. (a) Section 312(c)(3) of the Housing Act of 1964 is amended by inserting "(A)" after "not to exceed", and by inserting after "at any time" a comma and the following: "or (B` such greater rate as the Secretary may establish for loans made to applicants whose annual incomes exceed the median for the area, as determined by the Secretary with adjustments for smaller or larger families, but in no case shall such rate exceed a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the terms of loans made pursuant to this section, adjusted to the nearest one-eighth of 1 per centum, plus an allowance adequate in the judgment of the Secretary to cover administrative costs and possible losses under the program".

(b) Section 312(d) of such Act is amended—

(1) by inserting "(1)" after "(d)';

(2) by inserting "ending on or before June 30, 1975," after "for each fiscal year";

(3) by inserting after the end of the first sentence the following: "The revolving fund (hereinafter in this subsection referred to as the 'fund') shall consist of (A) amounts repaid by borrowers as principal and interest on loans from the fund, (B) proceeds credited to the fund under paragraph (2), (C) appropriations to the fund under this paragraph or paragraph (3), and (D) receipts from any other source.";

(4) by striking out "such revolving fund" and inserting in lieu thereof "the fund";

(5) by inserting "(A) after "shall be available for";

(6) by striking the period at the end thereof and inserting in lieu thereof the following: ", (B) for the purpose of making loans under this section, and (C) for paying interest on obligations issued under paragraph (2)".; and

(7) by adding at the end thereof the following new paragraphs:

"(2) To carry out the purposes of this subsection, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed such amount not in excess of $150,000,000 in any fiscal year, as is approved in an appropriation Act, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to

purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as debt transactions of the United States.

"(3) There is authorized to be appropriated to the fund in each fiscal year an amount equal to the difference between the amount of interest paid on obligations issued under paragraph (2) and the amount of interest received on loans made from the fund, plus any additional amount deemed necessary to carry out this section, but not to exceed $7,500,000 in any fiscal year."

(c) Section 312(h) of such Act is amended by striking out "after the close of the one-year period beginning on the date of the enactment of the Housing and Community Development Act of 1974" and inserting in lieu thereof "after September 30, 1978", and by striking out "the close of that period" and inserting in lieu thereof "that date".

Sec. 402. The second sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking "$150,000,000" and inserting in lieu thereof "$450,000,000".

Sec. 403. (a) Section 235(h)(1) of the National Housing Act is amended—

(1) by striking "1976" and inserting in lieu thereof "1977"; and

(2) by striking out the last sentence thereof.

(b) Section 235(m) of such Act is amended by striking "1976" and inserting in lieu thereof "1977".

Sec. 404. Section 10 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall process all applications received, including those from public housing agencies for housing not placed under contract pursuant to section 8 of this Act, during distinct time periods not exceeding 75 days.".

Sec. 405. The fourth sentence of section 5(c) of the United States Housing Act of 1937 is amended—

(1) by inserting "(1)" after "except that"; and

(2) by inserting before the period at the end thereof a comma and the following: "and (2) after the date of enactment of the Emergency Housing Act of 1975, none of the funds made available under this sentence shall be used to fulfill any outstanding commitments entered into prior to such date under any memoranda of understanding among the Departments of Housing and Urban Development, Interior, and Health, Education, and Welfare".

Sec. 406. Section 236(b) of the National Housing Act is amended to read as follows:

(b) Interest reduction payments with respect to a project shall only be made during such time as the project is operated as a rental housing project and is subject to a mortgage which meets the requirements of, and is insured under, subsection (j) of this section or section 241 of this Act.

Sec. 407. Section 202 of the Housing Act of 1959 is amended by adding at the end thereof the following new subsection:

"(g) Effective on the date of enactment of the Emergency Housing Act of 1975, the Secretary shall begin to accept applications for assistance under this section, and shall process such applications within a distinct time period, not to exceed seventy-five days after the date on which each such application is received."

Sec. 408. Section 518(b)(1) of the National Housing Act, as amended, is further amended by striking the words "one year" therein and inserting in lieu thereof the words "nineteen months".

Sec. 409. Section 236 of the National Housing Act, as amended, is hereby amended by adding a new subsection (q) reading as follows:

"(q) With respect to mortgages financed under State or local programs which are not insured under this section but which are receiving the benefits of this section as provided in subsection (b) hereof, and whenever the Secretary determines that the State or local agency providing such financing is in serious financial danger, the rental charge and percentage of income payable by the tenant as specified in subsection (i)(2), shall not be applicable, and the maximum income limitations, percentage of income, and rental to be paid by the tenant shall be fixed by the State or local agency thereof providing the mortgage assistance, in such amounts and percentages as are found necessary by such State or local agency to achieve the purposes of this section: *Provided*, That assistance payments under this section may be applied only with respect to tenants whose incomes do not exceed the median family income for the area, as determined by the State or local agency with adjustments for smaller and larger families. The tenants shall pay no less than the basic rental charge or such greater amount as the State or local agency determines is necessary for the economic feasibility of the project, not exceeding the fair market rental charge, and no less than 20 per centum of the tenant's income. Any tenants occupying such units prior to any modification in the rental charge approved by the State or local agency as authorized herein, shall not be made liable for rental increases except pursuant to the same criteria as would have been applicable under the provisions of this Act prior to the effective date of this subsection. The State or local agency shall report to the Secretary of Housing and Urban Development the rental charges, income limitations, and percentage of income payable by the tenant and shall certify that the charges and income limitations are the minimum amounts which can be fixed and still maintain the economic feasibility of the projects and shall supply the Secretary with documentations supporting such certification."

Sec. 410. Section 202 of the Flood Disaster Protection Act of 1973 is amended by striking out "July 1, 1975" each place it appears and inserting in lieu thereof "January 1, 1976".

TITLE V—EMERGENCY MORTGAGE RELIEF PAYMENTS

HOMEOWNERS RELIEF

Sec. 501. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make repayable emergency mortgage relief payments on behalf of homeowners who are delinquent in their mortgage payments.

(b) Emergency mortgage relief payments shall not be approved with respect to any mortgage unless—

(1) the holder of the mortgage has indicated its intention to foreclose;

(2) the mortgagor and holder of the mortgage have indicated in writing to the Secretary and to any agency or department of the Federal Government responsible for the regulation of the holder that circumstances (such as the volume of delinquent loans in its portfolio) make it probable that there will be a foreclosure and that the mortgagee is in need of emergency mortgage relief authorized by this Act, except that such statement by the holder of the mortgage may be waived by the Secretary if in his judgment such waiver would further the purposes of this Act;

(3) payments under the mortgage have been delinquent for at least two months;

(4) the mortgagor has incurred a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic conditions and is financially unable to make the full mortgage payments;

(5) there is a reasonable prospect that the mortgagor will be able to make the adjustments necessary for a full resumption of mortgage payments; and

(6) the mortgaged property is the principal residence of the mortgagor. The mortgaged property shall include but is not limited to, property owned in fee simple, condominium units, mobile homes, boats, or multiunit dwellings.

(c) Mortgage relief payments on behalf of a homeowner may be in an amount up to the amount of the principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage, but such payments shall not exceed the lesser of $300 per month of the amount determined to be reasonably necessary to supplement such amount as the homeowner is capable of contributing toward such mortgage payment.

(d) Mortgage relief payments may be made by the Secretary for up to eighteen months, and may be extended once for up to eighteen additional months. The Secretary shall require the mortgagor to report any increase in income which will permit a reduction or termination of mortgage relief payments during this period.

(e) Mortgage relief payments made under this Act shall be repayable by the homeowner upon such terms and conditions as the Secretary shall prescribe, except that interest on such payments shall not exceed 8 per centum per annum. Interest shall not begin to accrue until after the last payment made by the Secretary in behalf of the homeowner. The Secretary may defer repayment of the mortgage relief payments until the disposition of the property or the completion of the period of amortization for the mortgage. The Secretary shall require such security for the repayment of mortgage relief payments as he deems appropriate and may secure such repayment by a lien on the mortgaged property. The Secretary may make such delegations and accept such certifications with respect to the processing of mortgage relief payments as he deems appropriate to facilitate the prompt and efficient implementation of the assistance program authorized by this Act.

NOTIFICATION

Sec. 502. (a) Until two years from date of enactment of this Act, each Federal supervisory agency, with respect to financial institutions subject to its jurisdiction, and the Secretary, with respect to other approved mortgagees, shall (1) take appropriate action, not inconsistent with laws relating to the safety or soundness of such institutions or mortgagees, as the case may be, to waive or relax limitations pertaining to the operations of such institutions or mortgagees with respect to mortgage delinquencies in order to cause or encourage forebearance in residential mortgage loan foreclosures, and (2) request each such institution or mortgagee to notify that Federal supervisory agency, the Secretary, and the mortgagor at least thirty days prior to instituting foreclosure proceedings in connection with any mortgage loan. As used in this subsection the term "Federal supervisory agency" means the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration.

(b) Upon receipt of any notification under subsection (a), and if the authority under

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section 3 is being exercised, the Secretary shall take appropriate steps to notify the mortgagor of the availability of assistance under this Act and of the procedures to be followed by any mortgagor who is seeking such assistance.

AUTHORIZATION AND EXPIRATION DATE

SEC. 503. (a) There are authorized to be appropriated for purposes of this Act not to exceed $750,000,000. Any amounts so appropriated shall remain available until expended.

(b) Mortgage relief payments shall not be made after July 1, 1976, except with respect to mortgagors receiving the benefit of payments on such date.

REPORTS

SEC. 504. Within sixty days after enactment of this Act and within each sixty-day period thereafter prior to July 1, 1976, the Secretary shall make a report to the Congress on (1) the current rate of delinquencies and foreclosures in the housing market areas of the country which should be of immediate concern if the purpose of this Act is to be achieved; (2) the extent of, and prospect for continuance of, voluntary forebearance by mortgagees in such housing market areas; (3) actions being taken by governmental agencies to encourage forebearance by mortgagees in such housing market areas; (4) actions taken and actions likely to be taken with respect to making assistance under this Act available to alleviate hardships resulting from any serious rates of delinquencies and foreclosures; and (5) the current default status and projected default trends with respect to mortgages covering multifamily properties with special attention to mortgages insured under the various provisions of the National Housing Act and with recommendations on how such defaults and prospective defaults may be cured or avoided in a manner which, while giving weight to the financial interests of the United States, takes into full consideration the urgent needs of the many low- and moderate-income families that currently occupy such multifamily properties.

DISAPPROVAL OF PROPOSED DEFERRAL OF BUDGET AUTHORITY

The PRESIDING OFFICER (Mr. DOLE). Under the previous order, the Chair lays before the Senate, Senate Resolution 69, which the clerk will state.

The assistant legislative clerk read as follows:

A resolution (S. Res. 69) disapproving the proposed deferral of budget authority.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, it is my understanding that the Senators most interested are the senior Senator from West Virginia (Mr. RANDOLPH) and the Senator from Indiana (Mr. BAYH).

I call to the attention of the Senate that there is a time limitation of not to exceed 1 hour on the resolution. The more that can be reduced, the better it will be for all concerned because of a situation developing later this evening.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, we are considering Senate Resolution 69.

This resolution was submitted by me on February 7, 1975. I have joined with me as cosponsors Senators BENTSEN, BURDICK, ROBERT C. BYRD, CANNON, CULVER, GRAVEL, MAGNUSON, MONTOYA, MOSS, MUSKIE, and WILLIAMS.

The resolution was reported from the Committee on Appropriations without amendment by the Senator from Indiana (Mr. BAYH) on April 18, 1975.

What is the resolution, I ask my colleagues? It is a disapproval of the proposed deferral of budget authority. We resolve "that the Senate disapproves the proposed deferral of budget authority for Federal-aid highways, which deferral (D75–17) was set forth in a special message transmitted by the President to the Congress on September 20, 1974, under section 1013 of the Impoundment Control Act of 1974."

Mr. President, during consideration of and voting on Senate Resolution 69, I respectfully request that staff members of the Committee on Public Works be granted the privilege of the floor as follows: M. Barry Meyer, Bailey Guard, John Yago, Ronald Katz, Katherine Cudlipp, George Fenton, Jr., and Howard Paster.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, the action proposed in Senate Resolution 69 would solve a longstanding problem that has impaired the orderly functioning of the Federal aid highway program in the United States.

This resolution, approved by the Committees on Public Works, Appropriations, and the Budget, would disapprove the impoundment of highway funds as proposed by the President of the United States.

In the past 8 years Presidents of both parties have used the mechanism of impoundment to reshape Federal programs contrary to the expressed intent of the U.S. Congress. The highway program has not been the only victim of this practice, but the amounts of money involved probably have been the greatest.

I introduced this resolution under procedures of the Impoundment Control Act passed last year. Its adoption by the Senate would disapprove the President's proposal for withholding from the States of $10.7 billion in highway obligational authority.

The Impoundment Control Act and the procedures it established are valuable tools to enable Congress, for the first time to function on even terms with the executive branch in establishing Federal expenditure levels. Prior to the adoption of the act we had no structure through which total Federal spending could be rationalized. Now we have not only that ability, I emphasize, but also the responsibility to examine our work in context of all Federal fiscal requirements.

Senate Resolution 69 was introduced by me, and is being considered, as I have indicated, under the provisions of the Impoundment Control Act. But it is also, Mr. President, my conviction that the President did not possess the legal authority to impound highway funds.

We have followed procedures of the new statute because this is the most expeditious manner to make these highway funds available for obligation at a time when our economy needs infusions of money to stimulate employment.

Mr. President, a number of judicial challenges to presidential impoundment of highway funds have been initiated in recent years. Each decision has been against the administration, but the deliberate nature of the judicial system has understandably delayed a definitive resolution of this matter in the courts.

(At this point Mr. DOMENICI assumed the chair.)

Mr. RANDOLPH. I have full confidence that the earlier decisions in the courts will be upheld, but the release of impounded money is needed now.

The action proposed by Senate Resolution 69 would be an action which, I believe, the Senate will wish to take this afternoon with, I hope, not a dissenting vote.

I want to emphasize and reemphasize, Mr. President, that what we do here must not be considered as a rebuff to the President of the United States. nor is it intended to irresponsibly release a flood of money that would further weaken our country's unstable economic condition. Release of the full $10.7 billion covered by the deferral message, less the $2 billion voluntarily released by the President, is the only course available under the Impoundment Control Act.

In approving this resolution the members of the Committee on Public Works were fully aware that it may not be possible—and I underscore not be possible—to use this amount of money in the next fiscal year. The impounded authority includes such an amount for fiscal year 1976, but it may be that all of those funds cannot be realistically utilized.

Mr. President, in its report to the Budget Committee, the Public Works Committee recommended a program level of $7.2 billion for Federal aid to highways during fiscal year 1976. This is more, I say emphatically, than the $5.4 billion budget request of the President, but is consistent with the Federal Highway Administration's appraisal of State capability to construct these needed highways.

Because of severe inflation—and I hope those Members who are on the floor and those who will read the RECORD will ponder these facts—a $7.2 billion program in 1976 would buy only as much construction as was provided in 1973. With the Presidential release of $2 billion last February, the fiscal 1975 highway program now stands at $6.6 billion.

The $5.4 billion obligational level proposed for 1976, therefore, represents a substantial reduction in the highway program at a time when prices continue to spiral upward.

A transportation program that adequately responds to national needs cannot be conducted by the shuffling of figures. It requires the establishment of priorities for transportation of all types that will function as a system to support our continued economic and social development.

The allocation, Mr. President, of financial resources must take into account the full range of influencing factors.

The members of the Committee on Public Works are cognizant of their responsibilities to help achieve a Federal budget that supports necessary programs but does not damage the national economy. To this end we have expressed our desire to conduct a continuing dialog with the executive branch to reach agreement on a suitable funding level for Federal-aid highway programs in fiscal year 1976.

Members of the committee, in fact, have already met twice with the Secretary of Transportation, William T. Coleman, for this important purpose. These preliminary conversations have enabled us to more fully understand the positions of both sides. Our positions have not been polarized. We believe that there is a merging of our thoughts in reference to our joint responsibilities. So I have high hopes that our efforts will be successful.

Mr. President, the recession which continues to grip the United States of America is a foremost concern of the Members of the Senate and of the House of Representatives and also of the people of our country.

The unemployment rate is approaching 9 percent, a level that is totally unacceptable and must be reduced immediately.

The construction industry in general has been one of the hardest hit with a jobless rate well above the national average.

The highway construction industry, in particular, has been operating at only about 50 percent of its capacity.

The availability of additional Federal highway funds, I am sure we can all agree, would be a substantial stimulus to the American economy.

The Federal Highway Administration indicates that approximately 125,000 jobs, both direct and indirect, are created by the obligation of each $1 billion in Federal aid funds.

That means in this program we would actually be thinking in terms of employment for 1 million persons in the United States.

Construction of all types has a widespread beneficial effect on the economy, in addition to providing useful and lasting public facilities, which are very much needed.

The adoption of this resolution, I repeat, can be a significant and a substantial contribution to antirecession efforts. I think this is an opportunity for the Senate. This matter does not go to the House after we have acted favorably on it today.

I think it is an opportunity as well as a responsibility for us to indicate our genuine concern for unemployment, for the need for construction workers to be at gainful employment, and for us to strengthen the system of the mobility through facilities provided for the movement of people and the movement of products from the field, the factory, the farm, and the mine.

There are broad implications in Senate Resolution 69 and that, Mr. President, was the very reason why the resolution I introduced was referred to three Senate committees.

Each of those committees expedited consideration that the measure might be brought to the Senate promptly. So the report from the Appropriations Committee was on April 18 and now, 6 days later, it is on the floor. I am appreciative of the leadership on both sides of the aisle cooperating so that the measure could be brought before us this afternoon.

I know that there is a genuine concern for both transportation and congressional responsibility when spending is involved.

I think that Senator MUSKIE, the chairman of the Budget Committee, recognized this. He is, of course, a member of the Public Works Committee. He is a member of our Subcommittee on Transportation. He has joined as the principal cosponsor of the resolution I introduced.

His involvement in environmental matters also has made him acutely aware of the impact of impoundment, for fully one-half of the funds authorized by the Water Pollution Control Act have been subjected to improper impoundment. Senator MUSKIE's firm opposition to impoundment of this money contributed greatly to its recent release by the President.

I note the concern for highway fund impoundment, which has been shown by the able Senator from Indiana (Mr. BAYH), the chairman of the Subcommittee on Transportation of the Appropriations Committee. Senator BAYH previously served, and served well, as a member of the Public Works Committee. He was the knowledgeable chairman of our Subcommittee on Transportation. Certainly his statement, which will be part of the public debate on this matter in the Senate today, will reflect his comprehensive understanding of the highway program and its vital place in our American society.

One of the most important responsibilities for the members of the Public Works Committee this year will be the development of a new highway bill. The Federal-aid highway program is at a critical juncture. The decisions we make in 1975 will determine the form of this activity in the years immediately ahead. A substantial restructuring of the program and new directions for its thrust may well result from our deliberations.

Concurrent with the writing of this bill by the Public Works Committee will be the consideration of future funding for the highway program by the House Ways and Means Committee and the Senate Finance Committee.

Mr. President, with these fundamental activities to be undertaken within our committee, a major area of the uncertainty can be resolved with the disposal this afternoon of this impoundment question. I believe that the Members of this body will support the resolution and that, by their action, will bring about the demise of this persistent and divisive issue.

It is the first step toward an era of shared responsibility between the executive and the legislative and will provide for an orderly and responsive Federal-aid highway program.

Mr. President, I reserve the remainder of my time.

Mr. BAYH. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota was on his feet.

Mr. YOUNG. Mr. President, I yield myself 3 minutes.

Mr. President, this bill was approved by the Appropriations Committee without opposition.

I would like to see a more even flow of funds for our highway construction program.

We have too many funding peaks and valleys now. Passage of this resolution may provide more money than the States can use at the present time, but under the circumstances it is better than not having enough.

Release of these funds will serve two purposes. First, it will help create more jobs when we need them badly. Second, it will help to relieve some of the traffic problems on highways that not only cause a great loss of time but are very expensive in consuming large quantities of fuel which we are trying to conserve.

Mr. President, I hope the bill will be approved.

Mr. STAFFORD. Will the Senator yield very briefly?

Mr. YOUNG. Yes, I yield.

Mr. STAFFORD. Mr. President, I just want to say that I would like to be associated with not only the remarks of the distinguished Senator from North Dakota, but particularly with the analysis of this legislation by the chairman of the Public Works Committee, the Senator from West Virginia (Mr. RANDOLPH) whose thoughts on this matter I share and associate with.

Therefore, I will not have to make a speech in my own right.

Mr. PROXMIRE. Will the Senator yield me 5 minutes?

Mr. YOUNG. I yield.

Mr. PROXMIRE. Mr. President, I appear to be maybe the only one in the Chamber and maybe the only one in the Senate who opposes this resolution. I do so with great reluctance. I have the greatest admiration for my good friend from West Virginia, a good friend and wonderful Senator. I know he has worked very hard on this. I know he feels very strongly that the resolution is right.

We have had 36 consecutive hearings in the Joint Economic Committee. Every single month for the last 3 years we have had hearings on unemployment. We have gone into this in the greatest detail. I think this is one proposal that will do nothing, and I stress nothing, to solve unemployment problems. I want to come to that. The passage of this resolution will contribute to a galloping budget deficit.

First, it will not combat the immediate

unemployment problem, as I am going to come to. It will result in the expenditure of over $9 billion. But this money will not be spent for months, and in some cases years, to come. As the committee report makes clear, the $9 billion releases nothing in 1975. Then in 1976, that is, July, when fiscal 1976 begins, the President can come down with another deferral action and there you might have an action that would be significant.

This particular resolution we are passing today in my view is going to do nothing. It will only increase fiscal 1976 expenditures, incidentally, by a maximum of $2 billion. As I say, that could be deferred by the President on July 1, or shortly thereafter. By the time the first dollars are spent, the economic situation may call for Federal spending constraints to fight inflation, not a greater budget deficit to fight unemployment.

Second, this money will not buy jobs cheaply. Each job will cost at least $10,000. In fact, my estimates are that they will cost $15,000 or $16,000 per job. It will be much more cost effective to provide jobs in other areas.

Third, what we emphatically do not need at this point is more and more highways. We all know the clout of the highway lobby. They have a lot of clout in my State of Wisconsin, as they have in every one of the 50 States. We all know that Governors want more dollars flowing into their States, whether it be in the form of highway dollars or Federal service job expenditures. But if the energy shortage has taught us anything, it should have taught us we should slow down, not speed up, the construction of a highway network that threatens to strangle this Nation's transportation system which makes it a gasoline glutton, not an energy saver. We have to realize that we cannot simply jump into the family car and go out on the newest, most expensive superhighway whenever the notion strikes us. We have to reorder our priority so that money we used to spend on highways goes into mass transit systems, subways, and railroads, to move goods and people with a minimum waste of energy and a minimum condemnation of land.

Mr. President, this resolution, as I understand it, will release $9.1 billion in Federal aid funds, of which $6.4 billion is attributable to 1976 contract authority. The President released $2 billion in highway funds in February, making available a total of $6.6 billion for 1975. It is doubtful that the States can use more than $6.6 billion in 1975. It is my understanding that they will not use more. That is why I argue this will not have any immediate effect.

It has been argued that this resolution will make the impounded funds available in 1976. I am told by the staff of the Appropriations Committee that this is not the case since the administration will likely submit a separate deferral on July 1. So this 1976 deferral and not the one we are debating today will determine the actual level of obligations.

The program level in 1976 could be increased by $2 billion if no further deferral, but outlays go up by only $300 million in 1976.

Mr. President, to summarize, I just think this is not the way to get jobs. It is the way to exacerbate in the long run, at least, an energy shortage. It could have, ultimately, certainly not for years but ultimately, an inflationary effect. It definitely is going to have a seriously adverse effect on the budget.

For these reasons, I expect to vote no on the resolution.

The PRESIDING OFFICER. Who yields time?

Does the Senator from West Virginia yield time to the Senator from Indiana?

Mr. RANDOLPH. I yield such time as he may desire.

Mr. BAYH. Mr. President, I am privileged to join with my distinguished colleague from West Virginia who was my previous chairman. I served under him on the Public Works Committee as the chairman of the Roads Committee. At that time we drafted the Highway Act which is now on the statute books. Since that time I have assumed a little different responsibility, which compels me to join in this colloquy right now, the chairmanship of the Senate Appropriations Subcommittee on Transportation, which has a joint jurisdictional responsibility on this matter of deferral.

Mr. President, with the great respect I have for my good friend from Wisconsin, I must say I come down very strongly on the other side of this issue.

Mr. President, the purpose of this resolution is to disapprove the deferral of Federal-aid highway funds. Under the provisions of section 1013 of the Congressional Budget and Impoundment Control Act of 1974, the President submitted to the Congress Deferral Message D75–17 in which he set forth his reasons for impounding some $10.7 billion in contract authority in the Federal-aid highway program.

Among the reasons stated in that message for deferring the highway program were such things as these:

> Additional fiscal stimulus of any kind would enhance inflationary pressure directly by increasing the demand for scarce goods and services. Moreover, in the current climate of rising inflationary expectations, additional fiscal stimulus would be a signal to business and labor, to consumers and investors, that the Government is not doing its share to check inflation.

Several months later, the President released $2 billion of this authority to be made available to the States on a first-come, first-served basis. He stated that $1 billion of these funds would go directly into the pockets of wage earners and the rest would go for the supplies, equipment, and so forth, necessary to carry out this increased highway construction program.

The Department of Transportation issued a press release on February 12 concerning that $2 billion release. It contained some interesting remarks about the need for this action by the President. Among other things, it pointed to the fact that the total number of jobs that would be created would be around 300,000. In addition, it was noted that—

> Recent surveys by the Federal Highway Administration show that manpower, equipment and materials all are available in sufficient quantity to permit full implementation of the program.

It goes on to state that—

> It is estimated that between 35 and 50 percent of the nation's highway construction capacity now is idle. This, together with the immediate availability of highway construction materials should cut the normal period required for the startup of projects.

Mr. President, on February 7, the distinguished chairman of the Public Works Committee, Senator JENNINGS RANDOLPH, along with several cosponsors, introduced in the Senate, Senate Resolution 69. Under the process being used by the Senate in considering Presidential deferrals, that resolution was referred to the Committees on Public Works, Appropriations, and on the Budget. After careful consideration of this matter, all three committees are in agreement that this deferral should be disapproved. The report that is before each Senator contains the views of all three committees concerning their recommendations. We, in the Appropriations Committee, conducted a very useful hearing on this matter. The major witness was the Federal Highway Administrator. While the testimony was inconclusive as to whether the States could conduct a larger highway program in fiscal year 1975, it became quite clear that the fiscal year 1976 program could be expanded at least $2 billion above the $5.2 billion level set in the President's budget.

Also, an additional billion or so could be used if the authorizing committees of the Congress passed legislation to assist the States in meeting their matching requirements. I understand both the House and Senate Public Works Committees are considering such proposals. Mr. President, on pages 3 through 5 of our report, we have included a State-by State listing of the amount of funding that could be utilized in fiscal years 1975 and 1976. These tables were provided by the Federal Highway Administration at our request.

Mr. President, it is the view of the Appropriations Committee that the highway program should be used to the maximum possible extent to relieve the very serious unemployment situation in which we find ourselves. As I see it, that is our major problem today and will be for the foreseeable future. With the number of unemployed people in this country over 8 million and rising, and a President that is reluctant to recognize the problem, and when he does, offers proposals that are too little and too late, this Congress must take action to fill the void.

The unemployment level of 7 to 8 percent for calendar year 1975 and 1976 that have been put forth by the administration are totally unacceptable. It is not until 1980 that the President's budget assumes an unemployment rate below 6 percent. By employing people in our highway programs around the country, we are putting them to work in a most useful and productive way. They will not be just sweeping or raking. They will be involved in building the highways that the States themselves have determined to be necessary in their State highway plans. They will be doing such things as upgrading existing highways,

replacing dangerous bridges, constructing safety improvements such as rail-relocation projects, and developing public transit facilities up to the limits provided in the Federal Aid Highway Act of 1973.

Mr. President, the economic and social benefits of highway transportation to the Nation are far reaching. The Federal highway program lays the foundation for an industry that accounts for over 17 percent of the gross national product. In terms of jobs, this means over 13 million—or one out of every six. Indirectly, highways are vital to local and regional economies. Without a good system of rural highways, our farmers and other rural residents simply cannot survive. Governor Noel of Rhode Island pointed out in testimony before the committee that the primary and secondary roads around the country have been allowed to suffer while the emphasis was placed on the Interstate System. This situation arose due to the matching requirements for those programs. For Interstate Systems, the Federal/State match is 90 to 10 and for the other highways, it is 70 to 30. It is not my purpose to cast aspersions at the Interstate program; but rather to point out that the needs of the other primary and secondary roads must also be met.

Our highway programs have been greatly affected by inflation. Originally, the Interstate System was to have been completed in 1972 at a cost of $32 billion. It is now projected that at the present rate of funding, it will be finished around 1990 at a cost of $89 billion. A substantial portion of that increase is due to inflation. If you use 1967 as a base year of 100, as of September 30, 1974, the index of the price of Federal-aid highway construction stood at 209.7 while the Consumer Price Index for the same period was 151.9. The average cost of a mile of Interstate System construction has risen from $679,000 in 1961 to $1.8 million for the January-June 1974 period. While there are many factors involved in this increase, by far the major one has been inflation. It was pointed out by the Federal Highway Administration that due to inflation in 1974 of 25 percent, the $2 billion released by the President, which represented a 40-percent increase in program level, will actually only increase construction by 15 percent.

Mr. President, there will be those who will say that the Senate, by disapproving the deferral of highway funds, will be doing so to the detriment of public transportation and railroads. I disagree with those who hold that view. Solutions to the transportation problems of our urban areas as well as for our railroads are vitally necessary. The Congress recognizes those needs as well. Just last December, the National Mass Transportation Assistance Act was passed. By authorizing nearly $12 billion for mass transit needs over the next 6 years, that act greatly expands the Federal effort to assist the States and local communities with their public transit programs. Up to $4 billion is specfied in that act for operating subsidies for localities around the country. This represents the first Federal involvement in mass transit subsidies.

The problems of our railroads have been allowed to grow since World War II to the point where now many are facing bankruptcy and others are returning a very low return on investment. The Regional Rail Reorganization Act is a remarkable attempt to rescue the failing railroads of the Northeast and Midwest regions of the country. Under that act, the U.S. Railway Association has already submitted to the Congress its preliminary system plan. That plan, while leaving many unanswered questions, is a very good starting point for resolving the problems of the railroads which it addresses. Before the final system plan is submitted to Congress in July, undoubtedly there will be changes made in the plan as it now stands. Before passing the final system plan, Congress will want to give careful consideration to some aspects of the plan. For example, the problem of deletions of light density lines is a very difficult one. For the State of Indiana alone, there are some 800 miles deleted. In addition, there is the question of whether there should be a Government takeover of the track and roadbeds. On the question of funding, it now appears that the total Federal involvement may approach $3 billion rather than the $1 billion now authorized. Changes in certain regulatory practices that have worked to the detriment of the railroads will likely be in order. Two committees of the Senate have expressed their intentions of looking into that problem during this session of the Congress.

As far as passenger service on our railroads is concerned, the administration recently introduced a 4-year, $2 billion program for Amtrak. Inflation and the condition of the tracks over which Amtrak trains must run have been the major causes for their inability to move toward financial viability. I am certain that when these conditions are improved, Amtrak will show much better results.

For our national air system, the President's budget speaks of his intention of substituting major legislation in this session of Congress. I am certain that the committees which have jurisdiction over aviation matters will make whatever changes they find necessary to improve the President's proposals in order to insure a continued national air system that is second to no other in the world.

So, Mr. President, I think it is time for the Congress, and particularly the Senate, to view these various modes of transportation as being interdependent and compatible. We cannot afford to build up one segment while ignoring the needs of another. This country should have the finest transportation system in the world. In order to do so, we in the Congress must be prepared to take whatever actions we find necessary to attain and maintain such a system. Mr. President, I urge the Senate to agree on Senate Resolution 69, which I am certain represents a step in the right direction.

It seems to me, Mr. President, that all of us have to recognize the fact that there is a higher degree of disenchantment, disinfatuation and disbelief in our institutions than we have ever had before for a number of different reasons. But at least one of those reasons which has led millions of Americans to feel that our political institutions are not responsive any more is the fact that there have been public officials who have flagrantly disregarded what the Constitution says.

There has been a great deal of discussion about some of these activities which are clearly illegal, and very little discussion about the activities which bring us here, namely, what I feel are of the congressional right to appropriate funds.

I cannot say that to the degree to which President Nixon has impounded, first, highway, then pollution and then a wide variety of social program funds, was the first time a President of the United States has taken upon himself this responsibility, because it is not true. It goes back to Thomas Jefferson and the Congress having a difference of opinion as to whether there should be gunboats going up and down the Mississippi.

President Johnson, as my distinguished chairman recalls, tried to impound highway funds back in 1966. The chairman joined with me and some 50 other colleagues at that time and introduced a Senate joint resolution whereupon President Johnson released those funds.

This is not the first time we have been confronted with this situation. But our Founding Fathers in their wisdom, having come from Europe where they saw the abuse of King George using the power of the tax collector and the privilege of the throne, put into that Constitution that it is the Congress' responsibility to appropriate funds.

So, Mr. President, I feel very strongly about this. We have a very compelling constitutional reason to say to posterity that, once and for all, we are going to get behind us this matter of who, under the Constitution, has authority to appropriate funds. I think that is a very important constitutional issue. Although there is a great deal of truth in what the distinguished Senator from Wisconsin said as to when these funds can ultimately be spent, that we are really talking about next fiscal year, I suggest for Congress to go contrary to the resolution proposed by the Senator from West Virginia is going to be a signal to the President and a signal to the entire country that we are once again going to derogate our responsibility to control the purse strings.

I would hope that we would, indeed, unequivocally stand up and say we confirm once again our right as members of the legislative body to control the purse-strings.

Mr. President, we are all aware of the economic conditions confronting our country. That is an entirely different question than the constitutional one. But, nevertheless, I would just like to touch on it

I will not repeat all the statistics that have been specified by the distinguished chairman of the Public Works Committee, the Senator from North Dakota, and others. We have 8 million people out of work. The construction industry is operating at somewhere between 35 and 50 percent of capacity. We know that this bill can put 300,000 people to work. Whereas it may cost $10,000 a job to put them to work, and other kinds of public service employment can do it for $7,000, let me suggest to you that when we put a person to work building a highway, making a bridge safer, putting in a railroad crossing, we know we have something for our children and their grandchildren to see.

Mr. RANDOLPH. And use.

Mr. BAYH. And use. With some of these other public service jobs, which the Senator from Indiana has enthusiastically supported, I have to say as far as the return on the investment for posterity, it is questionable. I suggest to you this is another reason to get this program cranking; to get our construction industry going. Give the States and localities advance notice so that we can start these moneys flowing back into the economy, putting people to work, and we will know when we are through we will have something to see from it.

There is one other thing I would like to point out which the Senator from Wisconsin overlooked.

There is a great deal of controversy about the Interstate System. It was supposed to be completed in 1972. Now it seems as though it might take until 1990.

If we are talking about inflation, we know tragically that each mile on interstate we build today costs significantly more than it would have cost 5 years ago, and it is going to cost significantly more than that if we let this system drag out to 1990.

Point 2: Because of the great emphasis on the 90 to 10 Interstate System, the fact is that we have tragically ignored the primary and secondary roads. Very little attention has been given to those roads in Kentucky, West Virginia, Indiana, and throughout the country. These funds can do something about rebuilding those roads that are very important.

Also, this money is not confined to the building of highways. It permits us to build railroad crossings, overpasses—all those things that are important to help do something about the tragic situation in which we lose 55,000 boys and girls, mothers and fathers, every year.

Point 3: The Senator from Wisconsin talks about mass transit. This bill will permit the expenditure of up to $800 million for mass transit. This is not simply a highway lobby bill. It provides $800 million to do something about mass transit.

So I suggest to my colleagues that this measure is important for a number of reasons: constitutionality, employment, the need to provide a wide variety of transportation services, highways, mass transit, related services. I enthusiastically support the work done very ably by the distinguished Senator from West Virginia.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. BAYH. I am glad to yield.

Mr. RANDOLPH. It is important for us to realize that one of the cosponsors of this measure has worked very diligently and effectively for mass transit, including rail transit, and I refer to the Senator from New Jersey (Mr. WILLIAMS).

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. YOUNG. Mr. President, I yield 5 minutes to the Senator.

Mr. RANDOLPH. I am glad the Senator from Indiana expressed the wide variety of ways in which these funds can be expended. The Senator from Wisconsin (Mr. PROXMIRE) indicated that there would not be jobs from this program. He spoke of the contracts, with the work being in the future. Contracts are now ready to be bid. The allocations have been made to the States.

It is important for us to realize that in Miami, unemployment for construction workers is 49 percent; in Phoenix, Ariz., 40 percent; in Cincinnati, 32 percent; in Milwaukee—I wish the Senator from Wisconsin were present—23 percent; in Philadelphia, [illegible]0 percent; in Newark, N.J., 32 percent; in St. Louis, 24 percent, and in St. Paul, Minn., 30 percent.

The unemployment level in the construction industry, overall, is nearly 20 percent. I have mentioned the rates in certain locations throughout the country that are even higher than the average.

Mr. BAYH. Because of the high interest rate, tight money, the impoundment of certain funds, such as those for highways and sewage construction, the construction industry has borne a much heavier burden.

Mr. RANDOLPH. Today, approximately 1 million men are out of work in the construction industry. The Senator from Wisconsin indicates that these people are going to remain out of work if the highway program moves forward under this resolution. It is difficult to follow his reasoning when—I repeat—we know that 126,000 jobs result from the expenditure of each $1 billion in highway funds.

He indicated also that only narrow interests would be served by approval of this resolution to disapprove the impoundment of highway funds. I submit, Mr. President, that this measure is of vital concern and will benefit citizens in all areas of our Nation.

The availability and orderly use of highway funds means much to the factory worker, the farm laborer, the coal miner and to people generally who are concerned with the movement of products and goods to the door of the consumer.

To the working person who has limited leisure time and a strict budget good highways are critical, particularly in rural areas of our Nation. It is easy enough for those who live in areas with a variety of cultural, recreational, and commercial activities close by to scorn highway construction. However, if these persons were forced to reside in the more rural areas, I believe their outlook on highway construction would be drastically changed.

So, Mr. President, the contention that increased road construction funding through the measure will not benefit our Nation is erroneous thinking. Citizens in all sectors will benefit. Our economy and our society will be strengthened.

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. HUDDLESTON. Mr. President, I inquire of the Senator from Indiana, in order to emphasize the point, whether this bill also contains some very important funding for highway safety programs under sections 2[illegible]3 and 230 of the Highway Act of 1973. It provides funds for safety programs, including improvement of railroad crossings and things of that nature; is that correct?

Mr. BAYH. That is correct.

I know that the Senator from Kentucky is extremely interested in and concerned about that. That is one of the reasons I emphasized it in my earlier remarks. When we put this highway bill together, we were more concerned than simply to put together something about concrete. We wanted to make each mile that presently exists and each mile constructed in the future safer for our families.

Mr. HUDDLESTON. So the adoption of this resolution would assure additional funds for this purpose.

Mr. BAYH. That is right. It depends upon how the States want to use those moneys.

Mr. HUDDLESTON. A survey by the Department of Transportation has indicated that there are some 250,000 railroad crossings of highways in this country, and we have had more than 12,000 accidents involving trains and cars, with 1,500 deaths. This measure certainly would go a long way to provide the funds and help to alleviate that kind of situation.

Mr. BAYH. We should not have to wait until a schoolbus gets hit by a train. We should not wait until a bridge over the Ohio River falls down, killing a number of people, before we take the steps necessary to deal with that safety-related highway project.

Mr. HUDDLESTON. Mr. President, will the Senator yield me about 2 more minutes?

Mr. RANDOLPH. I yield.

Mr. HUDDLESTON. It has already been mentioned that this is not the first time that the States have been confronted with a situation in which appropriated funds for highway construction have been withheld by various administrations.

I recall, as a State legislator in Kentucky, the very frustrating and difficult situation that confronted our highway department when they tried to make long-range plans for a highway program, only to find that the funds to be available through the Federal programs which Congress had approved, and for which money had been appropriated, were on a yo-yo. Sometimes they were available and sometimes they were not.

This caused a great deal of difficulty. It also caused a great deal of expense, because when the highways finally were built, after delay, they cost more, as the Senator from Indiana has pointed out. There was further expense because the economic development that good highways bring was postponed because the highways were not built.

I suppose there is no way to estimate how many lost lives or how many injured citizens resulted from improvements to inadequate and poor highways that were delayed simply because Federal funds already appropriated by Congress had been postponed.

I think it is important to settle that question now, if we can, once and for all; and the adoption of this resolution will go a long way toward doing that.

Mr. BAKER. Mr. President, the Senate has before it today Senate Resolution 69, which disapproves the President's proposed deferral of highway obligations, and has the technical effect of making available for obligation an additional $8.7 billion in highway spending authority.

During hearings in February the Committee on Public Works, on which I serve as ranking minority member, was informed by the Federal Highway Administrator that the States could use little, if any, of the $8.7 billion, between now and the end of the fiscal year on June 30, the period for which the President's deferral is effective. The committee has also had reports from the American Association of State Highway and Transportation Officials which suggests that the $2 billion released by the President in February is about the maximum in additional Federal funds which States can utilize between now and June 30, 1975. Thus, it appears that release of the additional $8.7 billion for 2 months can have little or no practical effect in accelerating highway construction.

Members of the Public Works Committee who supported Senate Resolution 69 did so expecting their action to open a dialog with the administration over an acceptable obligation level for the highway program in fiscal year 1976. I support that intent of the committee, for I believe that the $5.4 billion proposed by the President's budget for the highway program in fiscal year 1976 does not reflect current economic conditions—particularly the need to stimulate employment. But I am not convinced that passage of Senate Resolution 69 is a necessary, or even desirable, means of encouraging fruitful discussions on this complex but important subject.

Rather, I believe that the work currently underway in the Public Works Committee, to fashion and coordinate programs which will stimulate employment and increase capital investment in needed public facilities, is the best basis for a dialogue between Congress and the White House. What we provide for the highway program should be related to funds provided for other public works activities, to the Nation's general economic health, and to the total budget. We must keep the broad picture in mind as we deal with individual programs. I know that the distinguished chairman of the Committee on Public Works (Mr. RANDOLPH) also desires to do just that.

Thus, although most of us in Congress have, on principle, opposed executive impoundment of duly authorized highway funds—and I have often stated my opposition to this practice—I consider another expression of congressional intent an unnecessary exercise at this time and one which could be misinterpreted.

In view of the facts that release of $8.7 billion is not immediately useful, and that the greatest need of the States with regard to the highway program is to have an assured level of funding established for fiscal year 1976 which this resolution will not assure, I believe it far more constructive for the Public Works Committee to continue its work to arrive at an appropriate funding level for highways within the broader context of all public works programs—for fiscal year 1976 and for the future years of the Federal aid highway programs.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, will the Senator yield me 1 minute?

Mr. YOUNG. I yield.

Mr. DOMENICI. Mr. President, in order to make orderly plans for highway programs in fiscal 1976, State officials need to know now what level of Federal funding they may expect. Even with the new procedures of the Impoundment Control Act of 1974, there is no way for Congress, at this time, to establish a program level for 1976. The only formal action available to Congress to demonstrate its dissatisfaction with the President's program for highway construction and to encourage early discussions as to more appropriate funding levels for fiscal year 1976 is to vote to disapprove proposed deferral of highway spending.

My vote for Senate Resolution 69 does not mean that I support release of all "impounded" highway funds during fiscal 1976. It does mean that I believe the President's present proposal of a $5.4 billion Federal highway program for fiscal year 1976 is undesirably low.

The Federal Highway Administrator testified before the Public Works Committee that $1 billion invested in highway construction generates 55,000 jobs directly and 71,000 ancillary job opportunities. These estimates suggest that investments in highway construction have more job-creating potential than similar investments in other public works or public service job programs. In addition, investments in highway construction and reconstruction enhance economic productivity by improving the Nation's transportation system.

Because of the obvious return on Federal investments in highway construction, especially in light of current economic circumstances, because the States are capable of administering a highway program at substantially higher levels than recommended in the President's budget, and because the States need to know as soon as possible what level of Federal funding they may expect in fiscal 1976, I believe Congress must act now, in conjunction with the executive branch, to arrive at obligation levels for the next fiscal year, and I believe passage of Senate Resolution 69 is the most expedient approach available to us at this time.

Mr. YOUNG. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from California (Mr. TUNNEY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Hampshire (Mr. McINTYRE), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN) is absent because of illness.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. BUCKLEY), the Senator from Oregon (Mr. HATFIELD), the Senator from North Carolina (Mr. HELMS), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from Nebraska (Mr. CURTIS) and the Senator from Maryland (Mr. MATHIAS) are absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 77, nays 7, as follows:

[Rollcall Vote No. 149 Leg.]

YEAS—77

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Garn
Glenn
Gravel
Griffin
Hansen
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nunn
Pastore
Pell
Randolph
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Weicker
Williams
Young

NAYS—7

Fannin
Goldwater
Nelson
Packwood
Percy
Proxmire
Tower

NOT VOTING—15

Biden
Brooke
Buckley
Curtis
Eastland
Hatfield
Helms
Inouye
Johnston
Kennedy
Mathias
McIntyre
Pearson
Ribicoff
Tunney

So the resolution (S. Res. 69) was agreed to as follows:

Resolved, That the Senate disapproves the proposed deferral of budget authority for Federal-Aid Highways, which deferral (D75-17) was set forth in a special message transmitted by the President to the Congress on September 20, 1974, under section 1013 of the Impoundment Control Act of 1974.

UMI

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RAILROAD TEMPORARY OPERATING AUTHORITY ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order previous entered providing for the calling up at this time of S. 917, to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission, be vitiated, and that that measure be made the pending business on Monday next at the conclusion of routine morning business.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, may we find out what that is?

Mr. GRIFFIN. That is the rail bill, is it not?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Will there be any limit on rollcall votes?

Mr. ROBERT C. BYRD. Yes, I am about to make such a request.

Mr. JAVITS. Until 3:30 or 4 o'clock?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur on Monday until the hour of 4 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I thank the Senator.

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND FOR CONSIDERATION OF H.R. 4481

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period, and that at the conclusion of routine morning business tomorrow the Senate proceed to the consideration of H.R. 4481, an act making emergency employment appropriations.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE IN MARKETING YEAR FOR WHEAT—S. 435

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of S. 435, a bill to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. HUDDLESTON. Mr. President, I ask that the bill be laid before the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 435) to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUDDLESTON. Mr. President, this is a simple bill to change the marketing year for wheat from July 1–June 30, to June 1–May 31. This bill has the support of the chairman and ranking minority member of the Committee on Agriculture and Forestry, as well as the U.S. Department of Agriculture. If it is passed expeditiously, the Department of Agriculture may be able to implement it for the upcoming marketing year.

Mr. President, I have cleared this legislation with the joint leadership and find no objection to its passage.

Mr. President, I ask unanimous consent that a letter from the Under Secretary of the Department of Agriculture to the Honorable Herman E. Talmadge, chairman of the Committee on Agriculture and Forestry be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of Agriculture,
Washington, D.C., April 10, 1975.

Hon. Herman E. Talmadge,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This will reply to your request of January 30, 1975 for a report on S. 435, a bill "To amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31."

The Department supports the passage of the bill.

The proposed change has a great deal of merit. Technology associated with wheat production has greatly advanced the time of wheat harvest with as much as 40 percent of the winter wheat crop harvested in some years prior to July 1. In most years, a significant amount of new crop wheat is processed or exported prior to July 1, and this creates serious unknowns as to the utilization of the grain for individual crop years. The shift of the marketing year to begin June 1 would minimize the utilization unknowns associated with individual crop years. The harvest of durum wheat and other spring wheat does not present similar problems because of the timing of spring wheat harvest.

The designation of June 1 as the beginning of the marketing year for wheat would require the conduct of a wheat stocks survey as of June 1. This survey is now conducted as of July 1 as an integral part of the stocks survey for the other grain and oilseed commodities for which stocks data are provided. As soon as feasible after enactment of the bill, it is proposed to shift the date of the stocks survey for all commodities concerned to June 1. A shift to June 1 should present no additional problems in the collection of farm and off-farm stocks, as the same basic survey procedures followed on July 1 would also be used for a June 1 survey. The shift of all commodities would not involve additional costs to the Department.

It will not be practical at this date to shift all commodities to the June 1 date in 1975. If this legislation becomes effective by May 1, 1975, it will be proposed to conduct a June 1 stocks survey for wheat only in 1975. This will incur an additional single time cost to the Department of $20,000 for fiscal year 1975. If the legislation becomes effective after May 1, 1975, it is proposed to maintain the July 1 stocks survey date for wheat and all other commodities in 1975 and to shift all commodities to a June 1 date in 1976 at no additional cost.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

J. Phil Campbell,
Under Secretary.

The PRESIDING OFFICER. The bill is open for amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 435

An act to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "Wheat, July 1–June 30" and inserting in lieu thereof "Wheat, June 1–May 31".

Sec. 2. The amendment made by the first section of this Act shall become effective June 1, 1975.

Mr. HUDDLESTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE JANEWAY SERVICE

Mr. ALLEN. Mr. President, Mr. Eliot Janeway is one of the outstanding economists in the Nation, and he has a weekly newsletter on economic and political news.

His last issue, dated April 16, 1975, under the name of the Janeway Service, contained an interesting comment with respect to the work of the distinguished senior Senator from Virginia (Mr. Harry F. Byrd, Jr.) in opposition to the Export-Import Bank bill which would have authorized almost unlimited advancement of credit by the Export-Import Bank to Russia for the development of one of their natural gas fields.

Through the distinguished Senator from Virginia, Mr. Byrd, a fairly reasonable limitation was placed on the amount of such loans, and this weekly newsletter speaks with approval of the action of the distinguished Senator from Virginia.

I ask unanimous consent that a portion of this newsletter may be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Kissinger's Crisis: The freeze Congress put on the gas giveaway he promised Russia began to bring it to a head. Contrary to popular misimpression, Senator Jackson did not throw a political monkey wrench into the supposedly well-oiled machinery of Russian-American trade. Senator Harry F. Byrd of Virginia, has never been given public credit (or blame, depending on the point of view) for the controversial freeze on Eximbank accommodation to Moscow at under market rates. It was his formula that fixed the four-year freeze on giveaway loans at a token $300 million, which is only a tip to the waiter alongside the bill of fare Russia needs to buy. (For the first time in the recent history of any controversial legislation, the conferees of both parties representing both Houses agreed on this proposal.) So much for the myth of Kissinger being martyred by Jackson.

Byrd's Role: He is scarcely a Democratic presidential candidate or a hero of the Liberal bloc. Quite the contrary, he serves as a one-man bridge between the hard core Republican conservatives in the Senate and the Southern Democrats. He also brokers dealings between Southern Democrats and Republicans, which is by no means a routine operation—ideologically or politically. The conservatives, who form Ford's political base, joined his liberal opposition behind Byrd's lead. Any Senator able to serve as the catalyst between fellow conservatives and liberals is a one-man powerhouse. Byrd's lead showed that the country has sent Congress the message about giveaways to Russia.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transition of routine morning business for not to exceed 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider two nominations at the desk.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the first nomination.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Dick Yin Wong, of Hawaii, to be U.S. district judge for the district of Hawaii, reported earlier today.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Robert O'Conor, Jr., of Texas, to be U.S. district judge for the southern district of Texas, reported earlier today.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. FONG. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

MANPOWER REPORT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate a message from the President of the United States transmitting the 13th annual Manpower Report of the President, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare.

The message is as follows:

To the Congress of the United States:

I am sending to Congress the 13th annual *Manpower Report of the President.*

This report, as required by section 705(a) of The Comprehensive Employment and Training Act of 1973, as amended, reviews many of the recent economic developments impacting on employment and unemployment levels. Policies addressed to the loss of income by many workers were the keystone to my proposals of October, 1974. The Administration and the Congress agreed on several components of such a policy which are now in operation.

For example, the Emergency Unemployment Compensation Act has made supplementary unemployment compensation available to experienced workers who have exhausted unemployment insurance benefits. The Emergency Jobs and Unemployment Assistance Act has made special unemployment assistance available to many workers not covered by the unemployment insurance system. In addition, over 300,000 public service jobs are being funded under the Comprehensive Employment and Training Act, as amended.

The passage of the Comprehensive Employment and Training Act in December, 1973, was a landmark development in the decentralization of manpower program design and operation responsibilities to State and local government units. This report reviews implementation activities by the Departments of Labor and Health, Education, and Welfare in 1974. It also reviews some preliminary findings about the operation of this important work.

The report also analyzes the rapidly changing employment situation of women workers, exploring the significant economic role of women in recent years in an expanding number of occupations. The proclamation of 1975 as International Women's Year makes this a particularly appropriate time to encourage members of the legislative and executive branches of Government as well as the general public to study the role of women in the labor force.

Among other important questions explored in this year's *Manpower Report* is the relative efficiency of public service employment programs as a means of countering cycles of high unemployment. While there is some evidence that programs providing public sector jobs can relieve individual hardships and offer some short-term relief to areas experiencing substantial unemployment, it is considerably less certain that such programs can exert significant positive impact on national unemployment levels.

On the other hand, the size, skills, and employment levels of the Nation's workforce are affected by changes in programs, policies, and procurement at all levels of government. This year's *Manpower Report*, therefore, includes an interim review of some recent research findings on the development of methods to determine the manpower impact of Government program and policy changes both at the national level and in areas where local firms have received important procurement contracts.

Gerald R. Ford.

The White House, *April 24, 1975.*

WAIVING OF CERTAIN SECTIONS OF THE TRADE ACT WITH RESPECT TO ROMANIA—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Bumpers) laid before the Senate a message from the President of the United States reporting on the waiving of the application of certain sections of the Trade Act of 1974 with respect to the Socialist Republic of Romania, which was referred to the Committee on Finance.

The message is a follows:

To the Congress of the United States:

Pursuant to Section 402(c)(1) of the Trade Act of 1974, I shall issue today an Executive Order waiving the application of subsections (a) and (b) of Section 402 of the Trade Act of 1974 with respect to the Socialist Republic of Romania, and I am hereby making the report contemplated by Section 402(c)(1) of the Act.

I refer to the Declaration of the Presidents of the United States and of the Socialist Republic of Romania signed in Washington in 1973 wherein it was stated that "they will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will." I have been assured that if and when such problems arise they will be solved, on a reciprocal basis, in the spirit of that Declaration. Accordingly, I am convinced that the emigration practices of Romania will lead substantially to the achievement of the objective of Section 402 of the Act. I have therefore deter-

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mined that the waiver contained in said Executive Order will substantially promote the objectives of Section 402 of the Act.

GERALD R. FORD.

THE WHITE HOUSE, *April 24, 1975.*

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of W. Laird Stabler, Jr., of Delaware, to be U.S. attorney for the District of Delaware, which was referred to the Committee on the Judiciary.

MESSAGES FROM THE HOUSE

At 10:02 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 5541. An act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts; and

H.R. 6096. An act to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

At 12:30 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions in the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MORGAN, Mr. ZABLOCKI, Mr. HAYS of Ohio, Mr. FOUNTAIN, Mr. FASCELL, Mr. BROOMFIELD, and Mr. DERWINSKI were appointed managers of the conference on the part of the House.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. BUMPERS):

Senate Concurrent Resolution No. 4032 adopted by the Legislative Assembly of the State of North Dakota; to the Committee on Agriculture and Forestry:

"SENATE CONCURRENT RESOLUTION No. 4032

"A concurrent resolution urging the Congress to raise the support price of wheat to one hundred percent of parity

"Whereas, North Dakota is the most agricultural state in the Nation, producing among other agricultural products wheat, durum, flax, barley, oats, corn, and other products; and

"Whereas, a large proportion of the new wealth generated within the state each year is a result of agricultural production; and

"Whereas, in order to implement the expressed policy of the United States Department of Agriculture to increase the production capacity of the available acres of land it is necessary to have adequate foreign and domestic grain markets to absorb the excess production; and

"Whereas, action is necessary to increase the price of grain paid to the producer, especially the producer of wheat, to ensure the economy and well-being of the whole State of North Dakota including both private and governmental sectors; and

"Whereas, the drop in the price of wheat, which has exceeded one dollar per bushel in the past thirty days, makes action urgent and necessary to assure grain producers a reasonable degree of stability in this period of high inflationary pressures;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Forty-fourth Legislative Assembly strongly urges Congress to take immediate action to raise the support price of wheat to one hundred percent of parity, which would amount to $4.21 per bushel as of December 21 1974; and

"Be it further resolved that the Secretary of State forward copies of this resolution to the President of the United States, to the Secretary of the Department of Agriculture, to the Secretary of the United States Senate, to the Clerk of the United States House of Representatives, and to each member of the North Dakota Congressional Delegation.

Senate Concurrent Resolution No. 4039 adopted by the Legislative Assembly of the State of North Dakota; to the Committee on Public Works:

"SENATE CONCURRENT RESOLUTION No. 4039

"A concurrent resolution urging Congress to refuse to concur in the President's request for permission to withhold highway funds from the State of North Dakota

"Whereas, U.S. Highway No. 2 serves the heart of the grain-producing areas of North Dakota and is the major highway for the shipment of grain to the eastern markets such as Duluth, Minnesota; and

"Whereas, U.S. Highway No. 2 connects the two major military bases at Grand Forks and Minot, North Dakota; and

"Whereas, U.S. Highways have a substantially higher traffic accident rate than do interstate highways; and

"Whereas, U.S. Highway No. 2 needs to be converted into a four-lane highway meeting expressway standards to further the movement of commerce and people within the State of North Dakota as well as to reduce traffic accidents; and

"Whereas, the United States Office of Management and Budget until recently was withholding some twenty-two million dollars in federal highway funds from North Dakota, which had been authorized by the Congress, and such funds are urgently needed to improve U.S. Highway No. 2;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Fourty-fourth Legislative Assembly commends the President for his recent release of federal highway funds for the benefit of several states, and North Dakota in particular, and urges Congress to refuse to concur in the President's request in the future to withhold federal highway funds from the states; and

"Be it further resolved, that the Forty-fourth Legislative Assembly urges Congress to include provisions in the forthcoming 1975 Federal Aid Highway Act which permits states to use allocated funds exceeding the cost of completing the Interstate system for use on primary systems; and

"Be it further resolved, that the Secretary of State forward copies of this resolution to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, the Director of the Office of Management and Budget, and to the members of the North Dakota Congressional Delegation.

A petition seeking a redress of grievances by the Statewide Committees Opposing Regional Plan Areas, of Salt Lake City, Utah; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. 818. A bill to authorize United States payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes (Rept. No. 94–93); and

S. Con. Res. 19. A concurrent resolution relating to the World Food Conference of 1976 in Ames, Iowa (Rept. No. 94–94).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Robert O'Conor, Jr., of Texas, to be U.S. district judge for the southern district of Texas.

Dick Yin Wong, of Hawaii, to be U.S. district judge for the district of Hawaii.

ANNUAL REPORT OF THE NATIONAL ACADEMY OF SCIENCES AND THE NATIONAL ACADEMY OF ENGINEERING (S. DOC. NO. 94–41)

The Acting President pro tempore laid before the Senate the annual report for the fiscal years 1973 and 1974 of the National Academy of Sciences and the National Academy of Engineering, of the National Research Council, which was ordered to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 21, 1975, he presented to the President of the United States the enrolled bill (S. 1310) to continue the special food service program for children through September 30, 1975.

HOUSE BILL REFERRED

The bill (H.R. 5541) to provide for emergency relief for small business concerns in connection with fixed-price Government contracts, was read twice by its title and referred to the Committee on Banking, Housing and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TAFT (for himself, Mr. BEALL, Mr. BROCK, Mr. BROOKE, Mr. DOMENICI, Mr. HATFIELD, Mr. HATHAWAY, Mr. HUMPHREY, Mr. JAVITS, Mr. McGOVERN, and Mr. SCHWEIKER):

S. 1514. A bill to revise and improve the program of supplemental security income established by title XVI of the Social Security Act. Referred to the Committee on Finance.

By Mr. STAFFORD:

S. 1515. A bill to amend the Internal Revenue Code of 1954 to encourage efficient energy use, to reduce United States dependence on foreign petroleum, and for other purposes. Referred to the Committee on Finance.

By Mr. BUMPERS (for himself and Mr. McCLELLAN):

S. 1516. A bill to increase the amount authorized to be appropriated for the development of the Arkansas Post National Memorial, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 1517. A bill to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. MOSS (for himself, Mr. MAGNUSON, Mr. PHILIP A. HART, and Mr. HARTKE):

S. 1518. A bill to amend the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) to authorize additional appropriations, to establish fuel efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes. Referred to the Committee on Commerce.

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 1519. A bill to amend the Comprehensive Employment and Training Act of 1973 to permit the Secretary of Labor to establish the maximum wage which may be paid under that Act in areas where it is found exercise of such discretion will promote the objectives and purposes of that Act. Referred to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY (for himself, Mr. JACKSON, Mr. MAGNUSON, Mr. MONDALE, and Mr. NELSON):

S. 1520. A bill to provide for the issuance of a special postage stamp in commemoration of the 150th anniversary of Norwegian immigration to the United States. Referred to the Committee on Post Office and Civil Service.

By Mr. JAVITS:

S. 1521. A bill to amend the Public Health Service Act to establish a Health Education Administration within the Department of Health, Education, and Welfare and to provide for the development and implementation of a national health education program. Referred to the Committee on Labor and Public Welfare.

By Mr. DOLE:

S. 1522. A bill to continue the special food service program for children, the school breakfast program, and the special supplemental food program for women, infants, and children through September 30, 1976 and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. HATHAWAY:

S. 1523. A bill for the elimination of the foreign tax credit for taxes paid in connection with foreign oil related income. Referred to the Committee on Finance.

S. 1524. A bill to terminate percentage depletion for oil and gas wells. Referred to the Committee on Finance.

S. 1525. A bill to repeal the deduction of intangible drilling and development costs of oil and gas wells. Referred to the Committee on Finance.

By Mr. HUMPHREY:

S. 1526. A bill to make additional funds available for purposes of certain public lands in northern Minnesota, and for other purposes. Referred, by unanimous consent, to the Committee on Agriculture and Forestry; and, if and when reported by that committee, to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

S. 1527. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of certain public safety officers who die in the performance of duty. Referred to the Committee on the Judiciary.

By Mr. BROCK:

S. 1528. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for medical expenses, and for other purposes. Referred to the Committee on Finance.

By Mr. HELMS (for himself and Mr. EASTLAND):

S. 1529. A bill to amend the McIntyre-Stennis Act of 1962 to promote forestry research at private university forestry schools. Referred to the Committee on Agriculture and Forestry.

By Mr. BELLMON:

S. 1530. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential resource development. Referred to the Committee on Interior and Insular Affairs.

S. 1531. A bill to designate the Mountain Park Reservoir, Oklahoma, as the Tom Steed Reservoir. Referred to the Committee on Interior and Insular Affairs.

By Mr. CLARK (for himself, Mr. CURTIS, Mr. ABOUREZK, Mr. BARTLETT, Mr. BELLMON, Mr. CULVER, Mr. DOLE, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. HRUSKA, Mr. McGOVERN, and Mr. YOUNG):

S. 1532. A bill to amend the Packers and Stockyards Act, 1921, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. PERCY (for himself and Mr. TAFT):

S. 1533. A bill relating to the employment and training of criminal offenders and for other purposes. Referred to the Committee on the Judiciary.

By Mr. PERCY:

S. 1534. A bill relating to voting rights of former offenders. Referred to the Committee on the Judiciary.

S. 1535. A bill relating to the parole of offenders. Referred to the Committee on the Judiciary.

S. 1536. A bill relating to the parole of certain District of Columbia offenders. Referred to the Committee on the District of Columbia.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TAFT (for himself, Mr. BEALL, Mr. BROCK, Mr. BROOKE, Mr. DOMENICI, Mr. HATFIELD, Mr. HATHAWAY, Mr. HUMPHREY, Mr. JAVITS, Mr. McGOVERN, and Mr. SCHWEIKER):

S. 1514. A bill to revise and improve the program of supplemental security income established by title XVI of the Social Security Act. Referred to the Committee on Finance.

(The remarks of Mr. TAFT on the introduction of the above bill are printed earlier in the RECORD.)

By Mr. STAFFORD:

S. 1515. A bill to amend the Internal Revenue Code of 1954 to encourage efficient energy use, to reduce U.S. dependence on foreign petroleum, and for other purposes. Referred to the Committee on Finance.

(The remarks of Mr. STAFFORD on the introduction of the above bill are printed earlier in the RECORD.)

By Mr. BUMPERS (for himself and Mr. McCLELLAN):

S. 1516. A bill to increase the amount authorized to be appropriated for the development of the Arkansas Post National Memorial, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. BUMPERS. Mr. President, an early Arkansan has succinctly and somewhat cryptically described his life with this tombstone inscription:

I was born in a Kingdom,
Raised in an Empire
Attained manhood in a Territory
Am now a citizen of a State
And have never been one hundred
  miles from where I live.

Much the same is true of Arkansas Post, the earliest European settlement in the lower Mississippi Valley. It, too, was born in a kingdom—that of Louis XIV of France—and following a period of Spanish rule became a part of the North American empire of Napoleon Bonaparte. The purchase of the Louisiana Territory in 1803 brought Arkansas Post into American hands. In 1819, it was made the capital of the newly created Arkansas Territory, and less than two decades later it joined the Union as part of the 25th State. And, like the early Arkansan, Arkansas Post has never travelled widely, although down through the years it has moved about, primarily at the whim of the Arkansas River which flows past it

The first settlement at the site dates to 1686, when Henri de Tonti, a lieutenant of the noted explorer LaSalle, established a trading post near the mouth of the Arkansas River. Leaving six men to manage his affairs, de Tonti departed in a vain search for LaSalle who was missing, and returned only infrequently to Arkansas Post. Despite such neglect on the part of its founder, the post managed to survive, though hardly to flourish. One visitor to the settlement in 1723 described it rather unkindly as consisting of "three miserable huts." Notwithstanding its rude nature, Arkansas Post was of strategic importance to the French, and it remained home to a small garrison of soldiers and a handful of traders throughout much of the 18th century.

In 1762, France ceded the whole of Louisiana to Spain to keep the colony out of the hands of the British. At the post, however, life continued much as it had before, with only the flag and the nationality of some of its inhabitants changing. Trade with the local Indian tribes remained the primary commercial activity, though it suffered from significant inroads made by English merchants. The outbreak of the Revolutionary War provided the pretext which Spain had sought for taking punitive action against the English, and the Spanish indirectly supported and later actively joined the rebellious Americans in the Mississippi Valley.

In April 1783, a force of about 100

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British attacked Arkansas Post, taking hostages from the settlement, and laying siege to the Spanish fort located there. Thus, one of the two Revolutionary War battles west of the Mississippi took place in Arkansas. With the aid of the friendly Quapaw Indans, the Spanish succeeded in repelling the attack, and later in recovering the prisoners some miles down the river.

The war ended shortly thereafter, and the Spanish soon realized to their dismay that they had managed only to replace one powerful and ambitious rival with another. America's westward thrust increasingly brought the two countries into contention, and for the remainder of the century the Spanish outposts in the Mississippi Valley, including Arkansas Post, lived in fear of American-inspired filibustering expeditions.

Spain returned the territory to France in 1801, but this second period of French control proved short-lived. Just 2 years later, the United States purchased the Louisiana Territory, bringing to a close the long struggle by the European powers to dominate the Mississippi. Soon the Stars and Stripes replaced the French tricolor over Arkansas Post.

The post reached its zenith in 1819, when it became the first capital of the Territory of Arkansas. For a year, Arkansas Post experienced a growth unparalleled in its history. The visitor to the settlement in 1820 viewed a scene radically different from the "three miserable huts" which had greeted his counterpart of a century earlier. In addition to some 30 or 40 houses, there were several retail stores, a billiard parlor, a post office, a newspaper, and all the other businesses normally associated with a bustling community.

With the transfer of the capital to Little Rock in 1821, the boom ended almost as suddenly as it had begun. The territorial officials were quick to move, and they were followed by most of the other recent arrivals to the post. In the years immediately prior to the Civil War, the shift from river to rail transportation accelerated the decline begun by the removal of the capital.

With the beginning of hostilities, however, Arkansas Post assumed a new importance, for its strategic location on the Arkansas made it vital to the defense of the river. Construction was begun in mid-1862 on a series of strong defensive earthworks, and by the end of the year, Fort Hindman, as the stronghold was called, was manned by 5,000 or 6,000 Confederate troops and armed with 11 guns in a "commanding position." The new fortification was soon tested, as a combined army and navy force attacked in January 1863. First reduced to rubble by a fierce artillery barrage, Fort Hindman was then captured and remained under Union control throughout the rest of the war.

Though much of the settlement had been destroyed during the bombardment, there was little inclination to rebuild following the war. In fact, the Union shells had only hastened the death of a river town already doomed by the closing of the steamboat era. Bypassed by the railroads, virtually bereft of inhabitants, Arkansas Post suffered the final indignity in 1912 when even the river abandoned the town by cutting a new channel.

The history of Arkansas Post is long and checkered. From a humble French trading post on the frontier, it rose to the proud position of a territorial capital, only to sink once again into obscurity, the victim of changing times. In recognition of its historical significance, Arkansas Post was made a State park in 1930, and three decades later Congress designated it a national memorial. A dam across the Arkansas River has now restored water to the area surrounding the post, righting nature's earlier injustice. Arkansas Post today provides a place for recreation and serves as a reminder of our rich cultural heritage.

Mr. President, in 1960 the Congress authorized the sum of $550,000 for the development of the Arkansas Post National Memorial. This sum has proved to be inadequate to develop and reconstruct a sufficient number of buildings to give a visitor the flavor of the community that once flourished there. With the coming of the Bicentennial in 1976, it is particularly appropriate that Congress consider whether to increase this amount. Arkansas Post, as earlier noted, was the site of the only Revolutionary War battle in Arkansas and, indeed, one of the two Revolutionary War battles fought west of the Mississippi River. It is therefore a peculiarly appropriate place for the expenditure of Bicentennial funds. I am advised that $2,725,000, in lieu of the presently authorized $550,000, would be an adequate and proper sum for this development, and I am therefore today introducing S. 1516, which would increase the existing authorization from $550,000 to $2,725,000. I am happy to say that the senior Senator from Arkansas (Mr. McClellan) has consented to join with me as a cosponsor of this bill.

I ask unanimous consent that the text of the bill be printed in full immediately following these remarks in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Section 3 of the Act of July 6, 1960 (74 Stat. 334), as amended, is amended by striking out "$550,000" and inserting in lieu thereof "$2,725,000."

By Mr. SPARKMAN:

S. 1517. A bill to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, last year, in its consideration of the State Department–USIA Authorization Act for fiscal year 1975, the Foreign Relations Committee unanimously approved an amendment, initiated by Senator Percy, which provided that in susbequent years all of the regular authorizing legislation for the foreign affairs bureaucracies and for U.S. economic and military aid would be consolidated into three major bills. What was envisioned was, first, a "foreign relations" bill, containing authorizations for the State Department, Foreign Service buildings, the Arms Control and Disarmament Agency, USIA, and the Board for International Broadcasting; second, an "economic assistance" bill, containing authorizations for bilateral and multilateral economic and, including the Peace Corps; and third, a "military assistance" bill, containing authorizations for military grants, credit sales, and supporting assistance.

The purpose of this consolidation was twofold: First, to facilitate more effective congressional oversight by reorganizing the regular foreign affairs authorizations into a more logical format; and second, to facilitate more efficient and expeditious legislative treatment of these matters by reducing the number of annual bills. While the committee realized that it could effect such a consolidation without placing the requirement into law, it hoped to involve the executive branch in such a way that the consolidation would be performed prior to the submission of the annual requests, rather than in the Congress. Unfortunately, although it passed the Senate, the provision which required this consolidation did not survive last year's House-Senate conference, and the result is that again this year, the administration has submitted the ususal disparate—and for many people, confusing—variety of authorization bills.

I am therefore today introducing a bill embodying the first of the three consolidated bills envisoned by the provision which the committee and the Senate unanimously approved last year. This bill, entitled the "Foreign Relations Authorization Act, Fiscal Years 1976 and 1977," is simply a consolidation of legislation already introduced this year by request of the executive branch—legislation which authorizes appropriations for the State Department, S. 904; Foreign Service buildings, S. 1176. ACDA, S. 819; USIA, 1131; and the Board for International Broadcasting, S. 769. This consolidated bill contains all of the provisions—and only those provisions—which were contained in the several bills submitted by the administration. I ask unanimous consent, Mr. President, that there be printed in the Record at this point a brief outline of the consolidated bill, showing its basic format.

There being no objection, the outline was ordered to be printed in the Record, as follows:

OUTLINE OF THE FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1976 AND 1977

I. Administration of Foreign Affairs

A. State Department

B. ACDA

C. Foreign Service Buildings

II. International Organizations, Conferences, and Commissions

III. Information and Cultural Exchange

A. USIA

B. Educational Exchange (State Department)

C. Board for International Broadcasting (Radio Free Europe/Radio Liberty)

IV. Miscellaneous

A. Migration and Refugee Assistance (State Department)

B. Other

Mr. SPARKMAN. I should emphasize, Mr. President, that the provisions of this bill are identical to those in the bills submitted by the administration. All of the authorization categories are the same. What this bill represents, however, is a reordering and consolidation; and I am introducing it today so that it will be available as the basis for this year's committee hearings and markup on the various foreign affairs authorizations.

I also announce that hearings on this bill will be held April 29, May 1, and May 5.

By Mr. MOSS (for himself, Mr. Magnuson, Mr. Philip A. Hart, and Mr. Hartke):

S. 1518. A bill to amend the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901 et seq.) to authorize additional appropriations, to establish fuel efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes. Referred to the Committee on Commerce.

MOTOR VEHICLE INFORMATION AND COST SAVINGS ACT AMENDMENTS

Mr. MOSS. Mr. President, I submit today for introduction for myself, Mr. Magnuson, Mr. Hart, and Mr. Hartke, legislation to amend the Motor Vehicle Information and Cost Savings Act to authorize additional appropriations, to establish fuel-efficiency demonstration projects, to provide additional enforcement authority for the odometer antitampering provisions, and for other purposes. This legislation may be cited as the "Motor Vehicle Information and Cost Savings Act Amendments."

Mr. President, on March 7, 14, and 20, the Consumer Subcommittee held comprehensive hearings on the implementation of the act. It was appropriate that the committee held these hearings at this time. These are hard times for the American consumer, and this legislation was originally designed to give the consumer more for his automobile dollar than he has been getting.

The Cost Savings Act is composed of four titles. Title I of the act, relating to bumper standards was enacted to promote uniform damage mitigating designs of vehicles in order to lessen the annual multibillion dollar losses being experienced by the motoring public. As of this time, there is no standard promulgated under the Cost Savings Act which would require no damage in even low-speed impacts. The Department of Transportation has in effect a standard now which prohibits damage to safety-related components in barrier impacts of 5 miles per hour. Recently, the NHTSA had proposed to roll this back to 2½ miles per hour. However, this proposal has since been rescinded. The amendments which I introduce today will provide for additional authorization for appropriations for this title through the fiscal year ending September 30, 1977.

Title II of the act, relating to consumer information, represented a congressional effort at allowing the marketplace forces to produce a more economical vehicle for consumers. Under this title, the Department of Transportation was mandated to compile information on various characteristics of motor vehicles, including the ease of repairability. susceptibility to damage, crashworthiness, and differences in insurance costs for different makes and models of vehicles. Once compiled, that information is to be made available to consumers in the showroom to assist them in making informed and discriminating purchasing decisions. While implementation of this title is very difficult, the National Highway Traffic Safety Administration is still in the process of compiling and evaluating the data that is available. Accordingly, the amendments which I propose today to title II would provide additional authorization for appropriations through the fiscal year ending September 30, 1977.

Title III of the Cost Savings Act, relating to diagnostic inspection systems, was the result of several years of study to determine why the public was dissatisfied and frustrated with the cost and quality of auto repairs. This legislation was designed to find solutions to that dissatisfaction and frustration. When the legislation was considered, it was clear that the public burden with the vehicle inspections for safety and emissions would probably increase and that Federal assistance to the States would be necessary to assist their vehicle inspection programs. This title is designed to promote the state of the art of high speed diagnostic equipment for use by the States in their inspection activities.

The amendments which I am proposing today would refocus the diagnostic inspection program to include fuel efficiency. While the Nation has been concerned about producing more efficient vehicles, there are 120 million vehicles on the road today which should not be ignored. Most could achieve a higher level of fuel efficiency if they were properly tuned. The new program which is contained in these amendments would be designed to evaluate the conditions of parts, components, and repairs of motor vehicles in order to assist the vehicle owner in achieving the optimum fuel and maintenance economy. Additionally, the amendments extend the title III program by providing additional authorization for appropriations through the fiscal year ending September 30, 1977.

Finally, title IV of the act, relating to odometer tampering, may be one of the most important provisions of this law. In this period of economic downturn, many consumers are turning to the used car market. In purchasing a used vehicle, consumers rely heavily on the odometer reading as an index of the condition and value of the vehicle. Title IV is designed to assure that the odometer reading is accurate and provides redress to the consumer who has been cheated by odometer tampering.

Specifically, title IV now makes it unlawful to: First, advertise for sale, to sell, to use, or to install or to have installed, any device which causes an odometer to register any mileage, other than the true mileage; second, disconnect, reset, or alter the odometer of any motor vehicle with the intent to change the number of miles indicated thereon; third, to operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional with the intent to defraud; and, fourth, to conspire to commit any of the above offenses. Unfortunately, the only enforcement provisions included in title IV are through the use of an injunction. Additionally, the title provides for a private civil action. However, there is no authority for civil or criminal sanctions.

During our hearings, the Department of Transportation officials expressed frustration at their inability to enforce these sections. While many States have odometer antitampering statutes, they do not reach into interstate offenses. The legislation which I am proposing today is designed to address this problem. First, it would vest the Secretary with investigatory powers similar to those contained in other sections of the Cost Savings Act. Second, it would allow for State enforcement of the Federal statute. Third, it would provide for civil and criminal sanction authority for violations of the odometer antitampering regulations and statutes. Finally, it would authorize for appropriation funds through the fiscal year ending June 30, 1977, to implement this title.

Mr. President, each of the legislative proposals contained in these amendments were discussed in detail during our 3 days of hearings last month. The Cost Savings Act stands to save consumers literally millions of dollars through better design of vehicles and safeguards to protect them against fraud. I believe that these amendments will help strengthen this important act.

I ask unanimous consent that the Motor Vehicle Information and Cost Savings Act amendments be printed in the Record in full.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Motor Vehicle Information and Cost Savings Act Amendments."

AMENDMENTS TO TITLE I

Sec. 2. (a) Annual Report.—Section 112 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1922) is amended by striking the words "March 31" in the first sentence and by inserting in lieu thereof the words "July 1."

(b) Authorization of Appropriations.—Section 111 of such Act (15 U.S.C. 1921) is amended to read as follows:

"There is authorized to be appropriated to carry out the provisions of this title $500,000 for the fiscal year ending June 30, 1976; $125,000 for the fiscal year transition period for July 1, 1976 through September 30, 1976; and $500,000 for the fiscal year ending September 30, 1977; such sums to remain available until expended.".

AMENDMENTS TO TITLE II

Sec. 3. (a) Authorization of Appropriations. Sec. 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended to read as follows:

"There are hereby authorized to be appropriated to carry out the provisions of this title $2,000,000 for the fiscal year ending June 30, 1976; $650,000 for the fiscal year

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transition period from July 1, 1976 through September 30, 1976; and $3,000,000 for the fiscal year ending September 30, 1977; such sums to remain available until expended.".

AMENDMENTS TO TITLE III

SEC. 4. (a) **EXTENSION OF STATE PROGRAMS.**—Subsection (b) of section 303 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1963(b)) is amended by deleting "1976" in the second sentence and by inserting in lieu thereof "1977".

(b) Section 311 of such Act is amended to read as follows:

"Fuel efficiency

"SEC. 311. (a) The Secretary shall establish one, or more than one, new special motor vehicle diagnostic inspection demonstration project as provided for in sections 301, 302, 303 and 304 to assist in the research, rapid development, and evaluation of advanced inspection, analysis and diagnostic equipment suitable for use by the states in high volume inspection facilities designed to assess the safety, noise, emissions and fuel efficiency of motor vehicles. Such project shall perform inspections of motor vehicles for the purpose of evaluating the condition of parts, components and repairs (1) required to comply with state and federal safety, noise and emission standards and (2) in order to assist the vehicle owner in achieving the optimum fuel and maintenance economy.

"(b) The Secretary shall evaluate the existing diagnostic analysis and test equipment available for use in the small automotive repair establishments and report to the Congress within two years after enactment of this section, the scope of research and development required to make this equipment compatible with the more costly and complex state vehicle inspection and diagnostic equipment. The report shall assess the extent to which private industry can meet the needs of the small automotive repair shops for low cost test equipment which can be developed to comply with the federal safety, noise and emission performance standards promulgated by the Secretary, the Administrator of the Environmental Protection Agency and by State or local regulatory agencies.

"(c) In complying with the provisions of this section, the Secretary shall consult with the Administrator of the Environmental Protection Agency."

(c) Section 321 of such Act is amended to read as follows:

"There are hereby authorized to be appropriated to carry out the provisions of this title $5,000,000 for the fiscal year ending June 30, 1976; $1,500,000 for the fiscal year transition period from July 1, 1976 thru September 30, 1976; and $7.5 million for the fiscal year ending September 30, 1977; such sums to remain available until expended."

AMENDMENTS TO TITLE IV

SEC. 5. (a) Title IV of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1981 et seq.) is amended by adding the following new sections:

"Powers of the Secretary

"SEC. 414. (a)(1) For the purpose of carrying out the provisions of this title, the Secretary, or on the authorization of the Secretary, any officer or employee of the Department of Transportation may hold such hearings, take such testimony, sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts, agreements, or other records as the Secretary, or such officer or employee, deems advisable.

"(2) In order to carry out the provisions of this title, the Secretary or his duly authorized agent shall at all reasonable times have access to, and for the purposes of examination the right to copy, any documentary evidence of any person having materials or information relevant to any function of the Secretary under this title.

"(3) The Secretary is authorized to require, by general or special orders, any person to file, in such form as the Secretary may prescribe, reports, or answers in writing to specific questions relating to any function of the Secretary under this title. Such reports and answers shall be made under oath or otherwise, and shall be filed with the Secretary within such reasonable period as the Secretary may prescribe.

"(4) Any of the district courts of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpoena or order of the Secretary or such officer or employee issued under paragraph (1) or paragraph (3) of this subsection, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(5) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(b) All information reported to or otherwise obtained by the Secretary or his representative under this title which information contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title or when relevant in any proceeding under this title. Nothing in this section shall authorize the withholding of information by the Secretary or any officer or employee under his control from the duly authorized committees of the Congress.

"(c) For purposes of enforcement of this title, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, may inspect a motor vehicle whenever such officer or employee has reason to believe that there has been a violation of a requirement imposed under this title. Each such inspection shall be conducted at reasonable times and in a reasonable manner and shall be commenced and completed with reasonable promptness.

"State enforcement

SEC. 415. (a) If any person, partnership, or corporation violates any provision of this title, then the Attorney General of the State in which such act or practice occurred, or his delegate, may commence a civil action for appropriate relief against such person, partnership, or corporation in any court of competent jurisdiction in such State.

"(b) The court, in an action under subsection (a), may restrain such violation or grant such relief as it finds necessary to redress injury which resulted as a consequence of the violation of a provision of this title.

"Sanctions

SEC. 416. (a) Whoever violates any provisions of sections 403–408, of this title, and the Secretary determines that a reasonable man would have known under the circumstances that the act or practice was dishonest or fraudulent, such person may be assessed a civil penalty of not to exceed $10,000 for each violation. Such penalty shall be assessed by the Secretary and collected in a civil action brought by the Attorney General or by the Secretary (with the concurrence of the Attorney General) by any of the Secretary's attorneys designated by the Secretary for such purpose.

"(b) Any person who knowingly violates any provisions of sections 403–408 of this title shall be fined not more than $50,000 or be imprisoned not more than one year, or both.

"Authorization of appropriations

"SEC. 417. There are hereby authorized to be appropriated to carry out the provisions of this title $300,000 for the fiscal year ending June 30, 1976; $85,000 for the fiscal year transition period from July 1, 1976 through September 30, 1976; and $360,000 for the fiscal year ending June 30, 1977, such sums to remain available until expended."

By Mr. GRAVEL (for himself and Mr. STEVENS):

S. 1519. A bill to amend the Comprehensive Employment and Training Act of 1973 to permit the Secretary of Labor to establish the maximum wage which may be paid under that act in areas where it is found exercise of such discretion will promote the objectives and purposes of that act.

Mr. GRAVEL. Mr. President, I am today introducing legislation which would amend the Comprehensive Employment and Training Act of 1973 by permitting the Secretary of Labor to modify the $10,000 annual wage limitation in instances where it is found the exercise of such discretion will promote the objectives and purposes of the act.

The Comprehensive Employment and Training Act of 1973—CETA—contains a provision—at section 208 of the act—which establishes a maximum annual salary which may be paid to a participant by a program prime sponsor, in most instances a State or local government, using program funds. This maximum annual wage limitation, which was contained in the act when it was implemented in late 1973, reflected, in part, the nature of the unemployment problem the country was facing at the time Congress decided to expand the program of public service employment. By mandating a $10,000 limitation on salaries which could be paid with Federal funds we recognized the intent of the program to provide short-term relief for the unemployed and also recognized that in most instances relief would be sought by individuals at the lower end of the wage scale. Now, however, this country faces a much different kind of unemployment problem which effects a broader category of skills. State and local governments are all having to pay higher salaries for public employees at all levels.

To cope with the expansion of the program, State, and local government prime sponsors are having to supplement Federal funds available for the program in order to allow the program to do its job. This is particularly true in Alaska. Demands have been placed on these units of Government to accommodate more participants at higher wage rates. This is true not only because wage scales for public employees have risen to reflect higher costs of living, but also to accommodate the higher skilled, unemployed persons in public sector employment.

As I am sure my colleagues in the Senate realize, public sector wage scales vary throughout the Nation. Therefore, while one unit of government may be able to employ a worker in an entry level technical job classification within the $10,000 annual limitation, and not have to supplement his earnings, other program sponsors cannot. Each worker employed by the program sponsor must, under terms of CETA, be treated equally to all other employees with respect to wages, hours, and working conditions. For example, in Alaska, public employee bargaining agreements in several of our largest municipalities prescribe an entry level wage rate for basic public works job classifications which exceeds, by at least 50 percent, the annual limitation prescribed by CETA. Wage scales established by these bargaining agreements simply reflect the higher costs of living. As a result of this, we find the program fails to meet its intended objective. Local governments are forced to subsidize the program. This situation cannot be allowed to continue. Local and State governments not only lack the financial capacity, but are also being forced to administer the program in a manner which does not meet program objectives and is not uniform throughout the country.

The legislation I am introducing today is designed to modify the act to give the Secretary of Labor the tools necessary to provide relief to program sponsors and make the program provisions reflective of the true cost of doing business in the public sector. This new flexibility in the act would enable the Secretary to make the program responsive to the people it is designed to assist and reflect the economic situation we face in this country today.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 208(a)(3) of the Comprehensive Employment and Training Act of 1973 is amended by inserting before the semicolon a comma, and the following: "but, to the extent that an eligible applicant is precluded from filling needed public service jobs because of the annual wage limitation required under this clause the Secretary shall waive such limitation when he determines that a waiver will promote the purposes of this Act in providing needed public services in areas of substantial unemployment".

By Mr. HUMPHREY (for himself Mr. JACKSON, Mr. MAGNUSON, Mr. MONDALE, and Mr. NELSON):

S. 1520. A bill to provide for the issuance of a special postage stamp in commemoration of the 150th anniversary of Norwegian immigration to the United States. Referred to the Committee on Post Office and Civil Service.

TO COMMEMORATE 150TH ANNIVERSARY OF NORWEGIAN IMMIGRATION

Mr. HUMPHREY. Mr. President, joined by my distinguished colleagues, Senators JACKSON, MAGNUSON, MONDALE, and NELSON, I am today introducing a bill to provide for the issuance of a special postage stamp in commemoration of the 150th anniversary of Norweigian immigration to the United States.

As we look forward to the celebration of the Bicentennial of the birth of our Nation in 1976, it is altogether fitting and appropriate that we recall and commemorate the importance of the year 1975 for citizens of Norwegian descent. The history of the United States has been greatly enriched by the contributions of Norwegian-Americans.

The first organized emigration from Norway began on July 4, 1825, when a small group of Norwegian pioneers sailed out of Stavanger, Norway aboard the sloop *Restaurationen*. These 46 pioneers looked with deep hope toward the freedom and opportunity which awaited them in America.

These adventurous Norsemen, who were called Sloopers, sailed for 14 weeks. During the voyage, a new-born infant was added to their number. When they sailed into New York Harbor on October 9, 1825, they were greeted by one of their compatriots, Cleng Peerson, the trail blazer of the Norwegians in America.

This initial group of 46 persons was the vanguard of what was to become a wave of Norwegian immigration to the United States. Between 1825 and 1925, more than 1 million Norwegians came to America. During the 1880's alone, nearly 200,000 Norsemen emigrated to this country. In fact, except for Ireland, Norway gave to America a larger proportion of its population than any other nation during the Atlantic migration of the 19th and early 20th centuries.

These Norwegian immigrants exemplified the hard-working and tenacious spirit typical of pioneers. They conquered many obstacles encountered in the New World. One of these obstacles was the vast unsettled plains of the Midwest. With perseverence the Norwegian-Americans helped bring this rich but tough soil under cultivation.

However, the role of the Norwegian immigrants was not one of simply trail blazing or establishing new settlements. In fact, it has been said that there is hardly an aspect of American life to which Norwegian immigrants and their offspring have failed to contribute.

The Norwegians did play an important role in the development of the farming areas of this great Nation. With their strong agricultural tradition they produced bountiful crops where once only prairie grass grew. Even today, 80 to 90 percent of the Norwegian-Americans live in rural areas, continuing to play a large part in America's agricultural production.

But they have also made major contributions in the fields of business and industry. The Norwegian immigrants who settled in the urban areas of America added many skilled craftsmen to the artisan professions of woodworking and carpentry. Norsemen were also intrumental in the development of the lumbering industry in the United States.

In more recent times, Americans of Norwegian descent have held key positions in the areas of hotel management, accounting, and banking. These include Conrad Hilton and Gabriel Hauge, former budget examiner for the State of Minnesota and instructor of economics at Harvard University.

Norwegian-Americans also have contributed to America by adding to our cultural heritage in literature and music. In the field of literature, the most prominent contributor is O. E. Rolvaag, author of the masterpiece, "Giants in the Earth." In music, Norweigians such as F. Melius Christiansen played leading roles in the establishment of a tradition of full-time college choirs. Christiansen is also credited with having developed a choir of nationally recognized excellence at St. Olaf College in Northfield, Minn.

Norwegians also contributed to the development of institutions of higher learning and have provided these institutions with distinctive academicians. Through their commitment to the cause of higher education the Norsemen established distinguished institutions such as Carleton and St. Olaf Colleges in Minnesota. The academicians of Norwegian descent include Thorstein Veblen, author of the "Theory of the Leisure Class"; and Agnes Wergeland, the first Norwegian woman in the world to receive a Ph. D., and a person who is noted for her work in the promotion of professional education for women.

The American political system is another important area in which Norwegian-Americans have made vital contributions. The great State of Minnesota has had no fewer than eight Governors of Norwegian descent, among them Floyd B. Olson and Knute Nelson. Nelson was also the first Norwegian-American elected to the U.S. Congress, where he served with distinction for 27 years.

The Norwegian-American population has also functioned as a dynamic factor in our electoral process. In fact, in some of the rural Midwestern districts the Norwegian population influences the balance of power between the competing political parties, as many of my colleagues are no doubt well aware.

It is evident that Norwegian-Americans have made numerous contributions which have affected the development of America. I feel that it is important that we recognize them during this year of their sesquicentennial celebration of their immigration to America. Today nearly 3 million Norwegian-Americans live in the United States.

I believe we should recognize and honor these people and their ancestors. A commemorative stamp would not only honor the contributions of Norwegians to America, but it could serve as well to illustrate the close relations which the United States and Norway enjoy. The Norwegian Government has already issued commemorative stamps and coins for this Norwegian-American Sesquicentennial. The Norwegian Government also is joining with the Norwegian community of the United States in their celebration activities during 1975. The issuance of a postage stamp by the United States would be an appropriate manner in which to officially recognize these festivities.

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Mr. President, I ask unanimous consent that the text of this bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the United States Postal Service shall issue in 1975 a special postage stamp in commemoration of the 150th anniversary of the arrival of the sloop "Restaurationen", which marked the beginning of Norwegian immigration to the United States, and in recognition of the contributions made by Norwegian-Americans to the history and development of the United States.**

SEC. 2. Such stamp shall be issued in such denomination and in such design as the Postal Service shall determine.

By Mr. JAVITS:

S. 1521. A bill to amend the Public Health Service Act to establish a Health Education Administration within the Department of Health, Education, and Welfare and to provide for the development and implementation of a national health education program. Referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, I introduce today the National Health Education Policy and Development Act of 1975. This measure is the companion bill to the legislation introduced in the House by Congressmen COHEN and HASTINGS (H.R. 3205).

This bill embodies the recommendations of the Presidential Report on Health Education and would seek to overcome the duplicative and fragmented health education efforts of the Department of Health, Education, and Welfare.

Despite the vast increases in the Federal contribution to personal health care, now at more than $20 billion, the rates of illness, disability and premature death have shown few signs of improvement. More importantly, the position of the United States has worsened relative to western industrialized nations—during the decade 1963 to 1972 the United States fell from 10th to 15th place in its infant mortality rate, and from 7th to 8th place in its crude death rate.

In the past, the Nation's most important health problems were infectious diseases—polio, diptheria, and pneumonia—where the patient had little role in his own health care. However, infectious diseases have been replaced by chronic diseases in importance. The most common causes of death now are heart disease, cancer and stroke. Other important health conditions are respiratory disease, obesity, alcoholism, accidents, and suicide. In these instances, the general health of individuals depends greatly on their own informed actions and practices, and impressive gains in the prevention of illness and death can be made if people are better informed and motivated to take action to improve their health.

The tragedy is that a great many individuals are still unaware of their own role in the prevention and relief of such chronic diseases and other health conditions and lack the knowledge needed to utilize health services effectively. Americans persist in lifestyles which threaten their well-being. Millions of Americans eat too much, drink too much, exercise too little and lead lives which are too stressful.

It is in the interest of our Nation that we educate and encourage our citizens to develop sensible health practices. For too long we have given remarkably little attention to the education of our people for better health.

Despite these self-evident facts, less than 1 percent of the Federal governmental activity in the $100 billion annual health care industry is targeted in on prevention and control of health problems. Certainly we must change the current inadequate and fragmented efforts in the field of prevention and reduce the cost of illness and its associated human suffering, and thus improve the quality of life for all Americans.

While we must not cut back on advances in medical technology, we must be concerned about the neglect of the patient as a responsible agent in the treatment of illness. Part of this problem can be remedied by an effective program of health education. I would agree with the experts who view health education as the most cost-effective means to recruit the consumer as an active member of the health care team.

If we are to achieve any significant offset to the predictable increase in total health care expenditures, it will be through prevention and education programs which actively involve the individual in maintaining and enhancing his own health.

Unfortunately, the knowledge of how to accomplish this desirable goal is limited. Therefore, this bill authorizes a major focus on a health education strategy as the development of an experimental approach to the thus far intractable health problems, such as coronary artery disease, lung cancer, bowel cancer, cirrhosis of the liver, and high blood pressure.

The bill takes several significant steps in the direction of developing an effective Federal health education program:

First, it establishes a National Health Education Administration as the focal point for health education under the direction of the Secretary of Health, Education, and Welfare. With the program directly under the Secretary, it will be possible to draw from the resources of both the Office of Education and the Public Health Service.

Second, it establishes a single, high visibility advisory council, composed of the Assistant Secretaries of Education and Health, and the Director of the Office of Consumer Affairs, and other persons involved with health education, public health, health care and health insurance activities in order to make the Department's programs more effective.

Third, it authorizes grants and contracts to: Develop or evaluate specific informational techniques; develop multifaceted systems of health care education for defined geographic regions; and train personnel to carry out authorized health education programs. For these purposes, $30 million is authorized over a 3-year period.

The measure also requires the Administrator of the Health Education Administration to conduct a comprehensive study of the health education field, to define areas of greatest potential impact for health education, and to recommend locations for programs of health education.

This bill embodies principles which this country must pursue, is consistent with the recommendations of the Assistant Secretary of Health's Forward plan and of the Presidential report, and will provide a mandate for change in America's health care system.

By Mr. DOLE:

S. 1522. A bill to continue the special food service program for children, the school breakfast program, and the special supplemental food program for women, infants, and children through September 30, 1976, and for other purposes. Referred to the Committee on Agriculture and Forestry.

CHILD NUTRITION AMENDMENTS

Mr. DOLE. Mr. President, I am today introducing a bill which would continue for 1 year all present child nutrition programs under the National School Lunch Act and the Child Nutrition Act of 1966.

In particular, this legislation extends the special food service program for children, the school breakfast program, and the special supplemental food program for women, infants, and children—WIC—throughout September 30, 1976. In the absence of this legislation, all three programs will terminate this summer. Other child nutrition programs, such as the school lunch program, already have authorization for continued operation.

Mr. President, every Member of the Congress is interested in assuring that American children have nutritious diets. And it has long since been decided that the Federal Government shares with the States a major responsibility for achieving this worthy objective. The bill I am introducing today will assure that the worthwhile child nutrition programs we have previously enacted will continue in operation over the next year.

CASH IN LIEU OF COMMODITIES

The bill also provides that States may elect to receive cash payments from the Department of Agriculture in lieu of commodity donations in the operation of child nutrition programs. This provision is a direct result of the experience over the past several months in my State of Kansas where our schools have received cash grants from USDA for use in school feeding programs. The initial experience strongly indicates that Kansas schools have been able to realize substantial administrative cost savings while continuing to make economical bulk purchases of a wider variety of nutritious foods.

In order to protect domestic food producers, the bill provides that child nutrition officials in States which opt for the cash program must purchase only domestically produced products.

Presently, Kansas is the only State which receives cash in lieu of commodities for use in school feeding programs. The bill I propose today would permit other States to opt for the Kansas cash in lieu of commodities approach if they desire. And, even if no other State decided to shift to a cash program this year, Kansas would still be able to continue such a program. For, if the results of the first several months are duplicated over the balance of the year, other jurisdictions may welcome this approach in future years.

Because the preliminary results of the Kansas cash program have been so positive, I think it is important that we do not lock ourselves into a long-term extension of the commodity program. For I am confident that most Members of the Congress—as well as State officials—would favor an efficient cash program which not only provide nutritious foods but also stimulates local economies and assists small businessmen and producers who provide the food to local child nutrition programs.

ASSISTANCE TO NONSCHOOL INSTITUTIONS

Another provision of the bill would enable nonschool institutions such as summer feeding programs and day care centers to receive cash grants from USDA if they are located in a State which opts for cash in lieu of commodities. This provision is necessary to assure that child nutrition programs in States receiving cash grants receive benefits equal to those enjoyed by States which stay with the commodity program.

ELIMINATE "BACK-DOOR" FUNDING

A final provision of the bill would eliminate so-called "back-door funding" of various child nutrition programs under section 32 of the Agriculture Act of 1935. Under that act, every year, 30 percent of the previous year's customs taxes are set aside in a separate fund for use by the Secretary of Agriculture for enumerated purposes, including encouragement of agricultural exports and domestic consumption by low-income persons.

Thus, programs presently funded out of section 32 funds are not subjected to the scrutiny of the regular appropriations process. I believe that such a procedure is directly counter to the spirit of the new budget process set forth in the Congressional Budget and Impoundment Control Act of 1974. If we are to make the new budget process function properly—and I believe that most Members hope it will—we should eliminate section 32 funding.

I am confident that these child nutrition programs have a high enough priority to justify adequate appropriations through normal appropriations channels without resorting to "back-door funding."

Mr. President, I am confident that the bill I propose today will assure continuation of equitable, responsibly funded nutrition programs for our children.

By Mr. HATHAWAY:

S. 1523. A bill for the elimination of the foreign tax credit for taxes paid in connection with foreign oil related income. Referred to the Committee on Finance.

S. 1524. A bill to terminate percentage depletion for oil and gas wells. Referred the Committee on Finance.

S. 1525. A bill to repeal the deduction of intangible drilling and development costs of oil and gas wells. Referred to the Committee on Finance.

Mr. HATHAWAY. Mr. President, today I am introducing three bills to deal with the oil industry. These bills are not intended as retaliatory, nor as discriminatory against the oil industry. They are intended as notice that the Congress is aware of the vast tax advantages still enjoyed by the oil industry, and that some of us intend to continue to press to do something about them.

There are other incentives for exploration available besides tax incentives, and if the oil industry is not satisfied that price incentives are enough, then I am placing the burden on them to propose some alternatives. The American taxpayer has subsidized this industry long enough through the Internal Revenue Code. If we are going to subsidize this industry, and if we feel that incentives above and beyond the outrageous present price of oil are still necessary, we should do it through a more cost-efficient means than lost tax dollars. I am putting the burden on the industry to come up with such a proposal.

The three bills I am introducing today would do the following. First, the oil depletion allowance would be ended for everyone; second, no foreign tax credits would be allowed on oil-related income; and third, intangible drilling and development costs would no longer be allowed as a deduction.

I ask unanimous consent that these three bills be printed in the RECORD at this time, together with an article from Business Week on oil depletion.

There being no objection, the bills and article were ordered to be printed in the RECORD, as follows:

S. 1523

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 901(a) of the Internal Revenue Code of 1954 (relating to foreign taxes on mineral income) is amended by adding at the end thereof the following:

"(3) TERMINATION OF CREDIT FOR FOREIGN TAXES ON OIL-RELATED INCOME.—

"(A) In the case of a corporation, no credit is allowed under this subpart for income, war profits, or excess profits taxes paid or accrued during the taxable year to any foreign country or possession of the United States with respect to foreign oil-related income from sources within such country or possession.

"(B) FOREIGN OIL RELATED INCOME.—The term 'foreign oil related income' means the taxable income derived from sources outside the United States and its possessions from—

"(i) the extraction (by the taxpayer or any other person) of minerals from oil or gas wells,

"(ii) the processing of such minerals into their primary products,

"(iii) the transportation of such minerals or primary products,

"(iv) the distribution or sale of such minerals or primary products, or

"(v) the sale or exchange of assets used in the trade or business described in clause (i), (ii), (iii), or (iv).

"(C) DIVIDENDS, PARTNERSHIP DISTRIBUTIONS, ETC.—The term 'foreign oil related income' includes—

"(i) dividends from a foreign corporation in respect of which taxes are deemed paid by the taxpayer under section 902,

"(ii) amounts with respect to which taxes are deemed paid under section 960(a), and

"(iii) the taxpayer's distributive share of the income of partnerships,

to the extent such dividends, amounts, or distributive share is attributable to foreign oil related income.

"(D) CERTAIN LOSSES.—If for any foreign country for any taxable year the taxpayer would have a net operating loss if only items from sources within such country (including deductions properly apportioned or allocated thereto) which relate to the extraction of minerals from oil or gas wells were taken into account, such items shall be taken into account in computing foreign oil related income for such year.

"(E) DISREGARD OF CERTAIN POSTED PRICES, ETC.—For purposes of this chapter, in determining the amount of taxable income in the case of foreign oil and gas extraction income, if the oil or gas is disposed of, or is acquired other than from the government of a foreign country, at a posted price (or other pricing arrangement) which differs from the fair market value for such oil or gas, such fair market value shall be used in lieu of such posted price (or other pricing arrangement). For purposes of this subparagraph, the term 'foreign oil and gas extraction income' means foreign oil related income described in subparagraph (B)(i) and income derived from sources without the United States and its possessions from the sale or exchange of assets used in connection with the foreign oil related income described in subparagraph (B) (i).".

Effective dates—the amendments made by this section shall take effect on January 1, 1975, and shall apply to taxable years ending after December 31, 1974.

S. 1524

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

REPEAL OF PERCENTAGE DEPLETION

SECTION 1. Section 613A of the Internal Revenue Code of 1954 (relating to limitations on percentage depletion in case of oil and gas wells) is amended by striking out everything after subsection (b).

SEC. 2. Technical amendments—Section 703(a)(2) (relating to deductions not allowable to a partnership) is amended by adding an "and" after the comma at the end of subparagraph (E), by striking out ", and" at the end of subparagraph (F) and inserting in lieu thereof a period, and by striking out subparagraph (G).

SEC. 3. Effective dates—the amendments made by this section shall take effect on January 1, 1975, and shall apply to taxable years ending after December 31, 1974.

S. 1525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 613(b) of the Internal Revenue Code of 1954 (relating to percentage depletion rates) is amended by striking out paragraph (1)(A) (relating to oil and gas wells).

SEC. 2. Effective dates—the amendment made by this section shall take effect on January 1, 1975, and shall apply to taxable years ending after December 31, 1974.

OIL DEPLETION: DIMINISHED BUT FAR FROM DEAD

For decades liberals have wanted to kill the oil depletion allowance—a tax provision

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that, in effect, enabled oil producers to pay lower taxes than most other businessmen.

A month ago the liberals had their way—or did they? Congress passed and President Gerald Ford signed a new tax bill taking this tax privilege from the big oil companies. There are, however, loopholes in the bill big enough to shove an oil rig through.

After the House of Representatives voted to end the depletion allowance entirely, the big oil companies bowed to the inevitable and stopped fighting. Not the so-called independents. They flocked to Washington, 200 strong, and began pressuring their friends in Congress. The result was a series of amendments to the bill, rationalized in terms of helping the "little guy."

And who could object to helping the little guy? In this case, Congress' definition of "little" is rather interesting. It encompasses oil operators doing as much as $8 million a year; maybe much more. That's little by oil industry standards, but such people are hardly hardship cases. They are mom & pop, Texas-style.

Moreover, the bill is so vaguely worded that operators even bigger than $8 million a year may be able to crawl through. The bill, for example, was rushed through without a written record of congressional intent. This will give the Treasury a relatively free hand in interpreting the law—and the Administration is on record as bitterly opposing the death of depletion. It will also create a gold mine for tax lawyers, who are hardly a depressed class these days.

The bill says that the depletion allowance will continue for operators producing 2,000 barrels a day or less, reduced to 1,000 barrels by 1980. An oil well that produces, say, 1,000 barrels a day is worth up to $4 million a year in revenues. A full 98% of all oil operators—about 9,800—still qualify for the depletion allowance, and many of these are far from poor. They will now have a considerable competitive edge over the majors. Whatever fees their lobbyists were paid, the money was well earned.

For wealthy plungers, therefore, the oil and gas tax shelters appear as sturdy as ever. Victor Alhadeff, a tax shelter specialist whose clients' net worth generally ranges above $1 million, couldn't be happier. "Congress has finally ended uncertainty over the allowance under very equitable terms for investors," he exults. Since the 2,000-barrel limit applies to each taxpayer individually, a limited partner is not affected unless his own return exceeds $8 million to $8 million. Thus a field with ten investors could pump up to 20,000 barrels a day and still enjoy full depletion allowance.

Even the bigger independents may yet find a way around the 2,000-barrel limit, depending on how Treasury interprets the statute. They may be able to lessen tax liabilities by bringing in brothers, uncles and outside parties to drill new wells into their own underground reserves. At worst, they will still enjoy 22% depletion on the first 730,000 barrels they produce each year as well as immediate writeoff of intangible drilling costs.

LOOPHOLE ROAD

While tax lawyers make big fees unscrambling the legalese and impressing their clients' views on Treasury before it draws up the regulations, government attorneys will be working overtime to decipher Congress' intent. Transfer of title is the heart of the issue. If Treasury interprets the transfer clause liberally, the big independents can probably get around the 2,000-barrel limit.

To prevent just such an end run, Congress denied percentage depletion to a buyer whenever the value of a property as a proven oil or gas reserve "has been demonstrated by prospecting or exploration or discovery work." But what means "demonstrated" or "prospecting"? Can land 50 feet from a producing well be transferred without loss of depletion allowance? What about 500 feet? Or 5,000? Only your tax man knows, and even he's not sure. A former Treasury official who helped write the provision—though he denies it's important—admits that he doesn't know "what the hell 'prospecting' actually means."

Really small independent wildcatters will lose, regardless of what the Treasury says. The new law is explicit on one point: The depletion allowance cannot exceed 65% of net income after other deductions.

For example, if mom & pop grossed $200,000 last year from a well that cost $100,000 to operate, and plowed back, $80,000 into deductible exploration costs, they would have left $20,000 in net income and a $44,000 depletion allowance (22% of $200,000). But under the new law, they cannot claim the full allowance because it exceeds 65% of their $20,000 personal income. What will mom & pop do? Probably plow back less into exploration—say, only $25,000—and take the full $44,000 depletion allowance on a personal income of $75,000.

Thus the impact of the bill will be quite curious. The big oil companies, which are, after all, owned by hundreds of thousands of mostly small investors, will be hurt. So will the *little* wildcatter. The medium-sized independent, usually an extremely wealthy and tax-privileged man, will benefit.

Treasury will net about $2 billion annually in additional tax revenues, but the 2,000-barrel exemption will cost it over $500 million. The law may shift some drilling from majors to independents, but it won't help close the U.S. energy gap. If anything, it will dampen exploration efforts.

In short, the bill as written benefits those in the industry least in need of help, without any assurance it will produce any benefits for the nation.

"The whole purpose was to encourage wildcatters," says a lawyer who worked on the bill, "but it limits the men most actively involved and leaves the tax shelters intact. It just doesn't make any sense."

By Mr. HUMPHREY:

S. 1526. A bill to make additional funds available for purposes of certain public lands in northern Minnesota, and for other purposes. Referred, by unanimous consent, to the Committee on Agriculture and Forestry; and, if and when reported by that committee, to the Committee on Interior and Insular Affairs.

TO INCREASE ACREAGE UNDER BOUNDARY WATERS CANOE AREA

Mr. HUMPHREY. Mr. President, I am today introducing a bill to enable the Forest Service to complete the acquisition of the lands for the Boundary Waters Canoe Area—BWCA—in Minnesota, which had been planned under earlier legislation. This act is needed to fulfill the goal of the earlier legislation which the Committee on Agriculture and Forestry developed in 1948.

The situation is a classic example of how delay in funding can increase costs. Thus, I would hope we would set the stage to move rapidly to acquire the remaining needed land.

The Boundary Waters Canoe Act of 1948, as amended in 1956, provided the basis for the establishment of the BWCA, which is one of the original wilderness areas.

This is a unique area of lakes and glacier-created land and islands noted for its sylvan beauty. This is canoe and packback country—a prime wilderness recreation area enjoyed by millions of Americans.

At present, the Federal Government holds 747,839 acres and the State of Minnesota owns 260,231 acres of land and water within the BWCA. Under this proposed legislation, it would be possible to add an additional 21,619 acres—14,085 of which is held by counties and 7,534 privately—to complete the 1,029,689-acre plan of the BWCA.

The funding authority for the acquisition of these lands has expired, and additional authority is needed to complete this program. One longstanding case has been in process for some time because this authority has lapsed.

As one of the strong supporters of the BWCA, I can testify on the urgency of increasing this funding authority in order to carry out the original legislative intent,

The BWCA is a pioneer wilderness area, and the 1948 act, under which it was established, preceded by decades and paved the way for the 1964 Wilderness Act.

The bill I am introducing today will provide the added authority needed to meet existing commitments and carry out an established program. With the authority provided in this bill we can move ahead on this program over the next few years.

All lands acquired under the 1948 act provided for special conditions of management on the BWCA which preceded the Wilderness Act. The 1948 act was a product of the Agriculture and Forestry Committee. The 1958 act, which this bill would amend, was a product of the Interior Committee.

Mr. President, as a consequence, I ask unanimous consent that this bill be referred to the Committee on Agriculture and Forestry with the understanding that it will be referred to the Senate Committee on Interior and Insular Affairs if and when reported by the Senate Committee on Agriculture and Forestry. I also ask unanimous consent that the text of my bill be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection. it is so ordered.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of June 22, 1958 (62 Stat. 568, as amended; 16 U.S.C. 577h), is further amended to read as follows:

"SEC. 6. There are authorized to be appropriated annually from the land and water conservation fund established under the Land and Water Conservation Fund Act (78 Stat. 897, as amended; 16 U.S.C. 460), such sums, not to exceed $9,000,000, as are necessary to carry out the provisions of this Act, including sums for the payment of court judgments in condemnation actions brought under authority of this Act without regard to the date such condemnation actions were initially instituted."

By Mr. BROCK:

S. 1528. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for medical

expenses, and for other purposes. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, the Department of Labor's announcement of the continuing increase in unemployment rates has heightened concern over the need for health insurance coverage for the unemployed. Today, I am introducing a bill that would provide such coverage. While I will explain my bill in detail shortly, basically it authorizes the government to pay 85 percent of all medical expenses in a calendar year that exceed 25 percent of the individual's taxable income.

The advantages of such an approach are considerable. Perhaps the two most important benefits of this bill are its unlimited costs and the equitable and complete coverage it provides.

Before outlining my proposal in detail, it might be helpful to examine the current difficulties facing the unemployed worker today. As unemployment has increased, so has the number of people without any health care insurance. This has happened because many individuals purchase coverage through their employers. Because group coverage can be provided at rates well below the normal cost of such coverage, unemployed workers are unable to pay premiums for individual policies. Additionally, many employers share the cost of the program, thus increasing even further the financial burden the unemployed person must bear.

Of course, no Federal regulations currently exist to require certain levels of coverage. Many employers offer no insurance coverage whatsoever, while at the same time many employers provide only the most minimal coverage to employees.

Therefore, it is unrealistic to discuss those unemployed people who had health insurance as a homogeneous group. There are, in fact, wide ranges of coverage, medical benefits, and the like within the group. Particularly, as one would expect, the coverage provided is a function of income. Those workers who made higher wages when they were employed generally had more comprehensive coverage.

In short, among the unemployed there exist many different types of coverage. Some unemployed have no health insurance, nor did they have coverage when they were employed. Other unemployed have lost the minimal insurance their earlier employment qualified them for, while some have lost very excellent programs.

There exists, however, another entire category of worker. That is the worker—whether unemployed or employed—who does not have any insurance provided. Many unskilled laborers, agricultural employees, self-employed workers—the list is endless—currently do not have any health insurance coverage.

The crisis of health care coverage in America, then, does not include just one classification of worker. It encompasses 25 million Americans who have inadequate health care insurance coverage. Of this 25 million, only about 8 million are unemployed. Of that 8 million, only 3 million had adequate health care coverage when they were on the job.

This analysis ought to highlight one very important fact. Any program that focuses its attention on one segment of the problem is intentionally and cruelly ignoring the real needs of millions and millions of Americans. One cannot in good faith suggest that we spend billions of dollars to help only a small fraction of the people.

Before examining some of the current proposals that attempt to meet the health care insurance crisis, there is one additional consideration that merits our close attention. That is the size of the Federal deficit. There can be no doubt that our current budget problems are going to escalate in coming months. While the President could neatly draw a line on a graph to indicate his goal of limiting the current deficit in the mid-60-billion-dollar range, we here in Congress are going to be forced to make the tough decisions on what legislation should be enacted.

This Nation cannot afford a vast, expensive, and time-consuming solution to the health care needs of the unemployed. We must use our intelligence and our ingeniousness to find a solution to this problem that can be accomplished at a limited cost.

However, our preoccupation with the Federal budget should not lull us into passing legislation that is penny-wise and pound-foolish. A bill that has no impact on the Federal Treasury, but does raise the cost of living for every American by 2 or 3 percent is not a responsible solution.

Summarizing, we need health care legislation that is affordable—both to the consumer and to the Government—that is equitable—both to unemployed who had health insurance coverage and the employed or unemployed who has no insurance—and, health care coverage that builds on the strengths of the existing system.

I do not feel that any of the existing or proposed legislation meets these three criteria. The Senate bill designed to cover this problem—S. 625—fails on all three points.

First, S. 625, as Secretary Weinberger of HEW pointed out in a letter to Minority Leader SCOTT, is very expensive. To quote from his letter:

> It is neither feasible nor affordable to provide health care insurance for the unemployed in a manner prescribed by S. 625.

Not only is the cost of S. 625 high in dollar terms—about $1.5 billion for the first year alone—but the coverage is very limited. The cost per person, if you will, then, is exceptionally high. S. 625 only covers about 3 million of the Nation's potentially eligible people.

Let me pause a moment here. We are talking about ignoring the health care needs of 22 million people—22 million people. That is about 10 percent of the total population of the United States. Tragically, it is the 10 percent of the population that has been so often ignored in the past. It is 10 percent of the population that is poor, underemployed, or not employed at all. It is the 10 percent of the population for whom the American dream means the least, and for whom our economy has given the least opportunity to exploit their own personal skills.

How can we ignore these people again? But that is exactly what S. 625 does. It focuses our concern and financial assistance on a segment of the population that is not nearly so desperate. I find this insensitivity to the needs of 10 percent of our population amazing. I cannot and will not support such a discriminatory bill.

The second major drawback of S. 625 is the huge overhead that will be associated with the implementation of the bill. Money is desperately needed to provide health care coverage, yet S. 625 will divert a huge percentage of its total cost to the payment of bureaucrats. It will create a 10,000 person temporary work force to help administer itself.

This is not good government. It is not good economics. It makes little sense to flood the Federal payrolls for 1 year. How can we possibly hire and train good people to work within a program that is supposedly temporary? How can we justify the "start up" expenses?

Emergency Medical Expenses Tax Credit Act—EMETCA, for short—will cover all the people who need it. Because it is based on a percentage of taxable income, there is no means test or other invasion of personal privacy. Again, because EMETCA is based on a percentage of taxable income, the program is helpful only to those people who need assistance.

EMETCA will pay for 85 percent of a person's medical expenses when those expenses exceed 25 percent of the person's taxable income. For example, if a family of four's income in 1974 was $3,500, that would have no taxable income at all. Therefore, EMETCA would pay 85 percent of all of the medical bills of that family.

Another family might have an income of $9,000, with a taxable income of $6,000. Thus, they would be required to pay $1,500 in medical expenses before EMETCA applied to them. After the $1,500 of expenses, EMETCA would cover 85 percent of all additional expenses.

How can we justify paying bureaucrats and not paying medical health care costs? I have already outlined in some detail the plight of 25 million Americans. It is a cruel hoax to subsidize a new bureaucratic organization rather than to provide benefits. But, that is exactly what S. 625 will do.

When S. 625 was first introduced I labeled it a "bail out" bill for the insurance companies. This was said not to in any way castigate or desparage the insurance companies. They are doing the best possible job under a complex and difficult situation. My remark was a direct attack on S. 625. I continue to feel that the bill does not address itself to the needs—the real, basic health care needs—of the American public. I continue to feel that S. 625 does not provide equitable, across-the-board coverage to the 25 million Americans who currently desperately need assistance.

After reading and listening to the discussion on S. 625, I continue to feel the same way. The bill does not meet the needs of people. It is just that simple.

In addition to S. 625, there are two proposals in the House that attempt to

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provide medical coverage for the unemployed. One of these bills is H.R. 4004. Insofar as this bill has many similiarities with S. 625, my previous remarks apply.

H.R. 4004 is different from the Senate bill in that it attempts to provide additional coverage through the medicaid program. While this is certainly a noble and well-intentioned effort, it would wreak havoc with the medicaid program. Additionally, it would drive the total cost of the program to astronomic levels.

The other proposal in the House, and the one that seems to be getting the most recent attention, is H.R. 5970—formerly, H.R. 5000. Under this bill, workers would be covered as long as they are receiving unemployment compensation. By taxing premiums paid for group health care insurance the backers of this bill hope to generate adequate revenues to pay the premiums of unemployed workers—as long as those workers receive unemployment.

Obviously, this bill is a cruel hoax to the millions of Americans who have exhausted their unemployment compensation, or those workers who were never eligible for such assistance. The legislation is aimed at a very small group of people facing the health insurance problems as unemployed workers.

Also, the bill attempts to meet budget objections by shifting the burden of the entire cost to those who presently pay group health insurance premiums. While this means that the theoretical Federal cost is quite low, the cost to the consumer is quite large, in the neighborhood of $2.5 billion.

There remains, then, a real need for legislation that can equitably and affordably solve the problems of the unemployed and the working poor. That is why I propose today Emergency Medical Expenses Tax Credit Act.

Rather than create a huge new bureaucracy to administer EMETCA my proposal establishes a repayment mechanism through the Internal Revenue Service. Four lines would be added to each income tax return. Individuals and families would report total medical expenses, those expenses not covered, and those medical expenses that qualify for 85 percent payment by the Government. The balance would be directly subtracted from the person's tax bill. If the result indicated that the Government owed the individual money, it would be paid to the person just as a tax refund is paid.

This program has two principal advantages. The first—and by far the largest—is simple fairness. EMETCA provides relief to those families and individuals that need it. It does not overlook 22 million people. That. 10 percent of the population that other short term legislation has conveniently chosen to ignore are included in my proposal. I cannot stress how important I feel this increased coverage is.

Second, and certainly very important, is that EMETCA is able to provide this expanded coverage at a cost comparable to S. 625 and well below the cost of the various House proposals. It is able to do this for a number of reasons.

EMETCA relies on an existing organization rather than a new bureaucracy for administrative support. The Internal Revenue Service, through its supervision of the annual tax return, is the only agency needed to administer my bill. Because EMETCA utilizes a tax credit to repay the user of medical services, there is no need for another layer of bureaucrats, for the creation of a discriminatory and humiliating means test, or the other many items that drive the total cost of the project upward.

Another reason that EMETCA is reasonably priced is that within the bill there is an incentive for the user to limit costs. The program does not start until 25 percent of the individual's taxable annual income has been expended for health care services. Even after EMETCA is activated, the user of services is required to pay 15 percent of the costs. Therefore, this is a strong incentive to limit medical expenses to those absolutely necessary.

Mr. President, we are discussing a complicated and critical problem. Health care coverage is sadly lacking for millions of Americans. I hope that Emergency Medical Expenses Tax Credit Act represents an alternative to the limited, unfair, and expensive solutions that have been suggested previously. This Nation cannot afford a scheme that squanders billions of dollars on a chosen few. Neither can this Nation afford legislation that overlooks 10 percent of the American population and consigns their health needs to "another session."

Therefore, I ask my colleagues' careful investigation of my proposal. As a member of the Health Subcommittee of the Finance Committee, I will push for early hearings on this bill. Meanwhile, EMETCA remains the only suggested legislation that meets the needs of all uninsured Americans at a cost that this Nation can realistically incur.

Mr. President, I ask unanimous consent that Emergency Medical Expenses Tax Credit Act be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Emergency Medical Expense Tax Credit Act", or "EMETCA".

(b) The purpose of this Act is to provide a system of protection against the costs of catastrophic illness which is easy to use and simple to administer by providing for a tax credit which is refundable without regard to liability for excessive medical expenses incurred by individuals, and to provide for a study as to whether existing Federal programs of medical assistance and health care should be changed in any respect.

SEC. 2. TAX CREDIT FOR MEDICAL EXPENSES.

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 44 as 45, and by inserting after section 44 the following new section:

"SEC. 45. MEDICAL EXPENSES.

"(a) IN GENERAL.—There is allowed to an individual as a credit against the tax imposed by this chapter an amount equal to 85 percent of the amount by which the medical expenses paid or incurred by him during the taxable year exceed 25 percent of his modified adjusted gross income.

(b) DEFINITION.—For purposes of this section—

"(1) MEDICAL EXPENSES.—The term 'medical expenses' means amounts paid or incurred by the taxpayer for medical care expenses for himself or for a dependent (as defined in section 152).

"(2) MEDICAL CARE EXPENSES.—The term 'medical care expenses' means—

"(A) expenses incurred for—

"(i) the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body; and

"(ii) medicine and drugs; and

"(B)(i) in the case of a taxpayer whose modified adjusted gross income does not exceed $10,000 for the taxable year ($5,000 in the case of a married individual making a separate return of tax), the amounts paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and his dependents, and

"(ii) in the case of any other taxpayer, one-half of such amounts.

"(3) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income, reduced by the amount of the deductions for personal exemptions provided in section 151, and increased by—

"(A) the deduction allowed by section 2102 (relating to capital gains), and

"(B) the sum of any amounts received during the taxable year which are excluded from gross income under section 103 (relating to interest on certain governmental obligations).

"(4) INSURANCE.—The term 'insurance which constitutes medical care' means insurance (including amounts paid as premiums under part B of title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care described in paragraph (2)(A). In the case of an insurance contract under which amounts are payable for other than medical care referred to in such paragraph—

"(A) no amount shall be treated as paid for insurance unless the charge for such insurance is either separately stated in the contract, or furnished to the policyholder by the insurance company in a separate statement,

"(B) the amount taken into account as the amount paid for such insurance shall not exceed such charge, and

"(C) no amount shall be treated as paid for such insurance if the amount specified in the contract (or furnished to the policyholder by the insurance company in a separate statement) as the charge for such insurance is unreasonably large in relation to the total charge under the contract.

Subject to the limitations of this paragraph, premiums paid during the taxable year by a taxpayer before he attains the age of 65 for insurance covering medical care for the taxpayer, his spouse, or dependents after the taxpayer attains the age of 65 shall be treated as expenses paid during the taxable year for insurance which constitutes medical care if premiums for such insurance are payable (on a level payment basis) under the contract for a period of 10 years or more or until the year in which the taxpayer attains the age of 65 (but in no case for a period of less than 5 years).

"(c) ELECTION TO APPLY CREDIT TO PRECEDING YEAR.—

"(1) IN GENERAL.—Notwithstanding the provisions of subsection (a), at the election of the taxpayer, medical expenses paid or incurred in a taxable year may be claimed as a credit against the tax imposed by this chapter for the preceding taxable year.

"(2) LIMITATION.—The amount of the credit claimed under paragraph (1) for the taxable year preceding the taxable year in which the medical expenses were paid or incurred may not exceed the amount of the credit—

"(A) allowable for the preceding taxable year, or

"(B) allowable for the taxable year in which the medical expenses were paid or incurred.

"(d) INCREASE IN MEDICAL INSURANCE INCOME CRITERION.—

"(1) IN GENERAL.—Not later than the first day of October of each calendar year (commencing in 1977), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Secretary of the Treasury or his delegate and publish in the Federal Register the percentage point difference between the price index for the 12 months ending on the preceding June 30 and the price index for the base period. Each dollar amount set forth in subsection (b)(2)(B)(i) shall be increased or decreased, as appropriate, by the same percentage by the Secretary or his delegate, and, as so increased or decreased, shall be the amount in effect for taxable years beginning with or within the next calendar year beginning after each such certification.

"(2) PRICE INDEX: BASE PERIOD.—For purposes of this subsection—

"(i) the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(ii) the term 'base period' means the period beginning July 1, 1975, and ending June 30, 1976.

"(e) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section, but such regulations may not limit an individual's right to choose his own licensed health care provider or place of treatment.".

(b) PAYMENTS TO INDIVIDUALS WHOSE CREDITABLE EXPENSES EXCEED THEIR TAX LIABILITY.—

(1) Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits) is amended by—

(A) inserting after "43 (relating to earned income credit)," the following: ", 45 (relating to medical expenses);"; and

(B) striking out "sections 31, 39, and 43" and inserting in lieu thereof "sections 31, 39, 43 and 45".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) striking out "and 43" in the caption of such section and inserting in lieu thereof "43, and 45", and

(B) striking out "or section 43 (relating to earned income credit)" and inserting in lieu thereof the following: "section 43 (relating to earned income credit), or section 45 (relating to medical expenses)".

(c) TAXPAYER MUST FILE RETURN TO CLAIM CREDIT.—Section 6012(a) of such Code (relating to persons required to make returns of income) is amended by—

(1) striking out "and" at the end of paragraph (5),

(2) inserting "and" after the semicolon at the end of paragraph (6), and

(3) inserting after paragraph (6) the following new paragraph:

"(7) Every individual who has attained the age of 18 years and who claims the credit allowed by section 45;".

(d) EFFECT OF CREDIT ON MINIMUM TAX AND ON ELECTION FUND CHECKOFF.—(1) Section 56(a)(2) of such Code (relating to imposition of minimum tax) is amended by striking out "and" at the end of clause (vi), by striking out the semicolon and "and" at the end of clause (vii) and inserting in lieu thereof a comma and "and", and by inserting after clause (vii) the following new clause:

"(viii) section 45 (relating to credit for medical expenses); and".

(2) Section 56(c)(1) of such Code (relating to tax carryovers) is amended by striking out "and" at the end of subparagraph (F), by striking out "exceed" at the end of subparagraph (G) and inserting in lieu thereof "and", and by inserting after subparagraph (G) the following new subparagraph:

"(H) section 45 (relating to credit for medical expenses), exceed".

(3) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44" and inserting in lieu thereof a comma and "44 and 45".

(e) Clerical Amendment.—The table of sections for such subpart (A) is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 45. Medical expenses.
"Sec. 45A. Overpayment of tax.".

(f) REPEAL OF DEDUCTION FOR MEDICAL, DENTAL, ETC., EXPENSES.—Section 213 of such Code (relating to medical, dental, etc., expenses) is repealed.

(g) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1974.

SEC. 3. STUDY OF CERTAIN FEDERAL MEDICAL ASSISTANCE PROGRAMS.

The President is authorized and requested to study the adequacy of the use of refundable tax credit under section 45 of the Internal Revenue Code of 1954 (as amended by this Act) is meeting the health care needs of the Nation as an alternative to medicaid, medicare, and all other Federal medical assistance and health care programs, and to report to the Congress on his findings and conclusion not later than the 1st day of July 1978. The report made by the President under this section shall include any recommendations he may have as to whether such Federal medical assistance and health care programs should be terminated, reduced, or changed in any respect.

By Mr. HELMS (for himself and Mr. EASTLAND):

S. 1529. A bill to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools. Referred to the Committee on Agriculture and Forestry.

COOPERATIVE FORESTRY RESEARCH FOR PRIVATE SCHOOLS

Mr. HELMS. Mr. President, on behalf of the distinguished Senator from Mississippi (Mr. EASTLAND) and myself, I send to the desk a bill to clarify any misunderstanding of S. 1307, passed by the Senate on March 24. As did S. 1307, this bill would amend the McIntire-Stennis Act to make qualified "private" colleges and universities eligible for the cooperative forestry research program.

Since passage of S. 1307, some questions have been raised concerning the intent of that legislation. As stated in my remarks when the bill was considered and passed on March 24:

> S. 1307 simply extends the benefits of the McIntyre-Stennis Act to private colleges and universities offering graduate training in the sciences basic to forestry and having a forestry school.

The intent was to provide additional forestry research, not to encroach on the funding of the existing research program being conducted at other schools benefiting from the provisions of the McIntyre-Stennis Act. It was and still is my intent to provide additional funds to accommodate the few qualified "private" schools of forestry now operating proven forestry research programs.

In the interest of clarifying any such misunderstanding of the purpose of S. 1307, the Agriculture Committee counsel has drafted appropriate language for the bill which I introduce today.

This language should dispel the fears some have expressed, but for the purpose of emphasis and legislative history let me specifically address the primary points:

First. The bill would permit the Secretary of Agriculture to make certain "private" institutions eligible for the benefits of the McIntire-Stennis Act.

Second. Additional funds—not a transfer of funds from any qualified recipient—would be authorized. Of course, additional appropriations will be necessary.

These are the points that apparently led to misunderstanding since March 24. The Cooperative State Research Service has indicated to me that no more than five "private" schools would qualify. I believe they deserve to participate in this program, if they desire to do so, under the matching fund provisions of the act.

Any additional funds directed to forestry research programs at these schools will, in my opinion, assist in maintaining the basic research so necessary to the continuation of forestry production and the proper maintenance of a healthy forest environment.

I urge the Senate to expedite consideration of this legislation to accommodate and encourage ongoing research planning at these outstanding schools.

By Mr. BELLMON:

S. 1531. A bill to designate the Mountain Park Reservoir, Okla., as the Tom Steed Reservoir. Referred to the Committee on Interior and Insular Affairs.

Mr. BELLMON. Mr. President, today I am introducing legislation which will rename the Mountain Park Reservoir project in Oklahoma, the Tom Steed Reservoir, after the distinguished Congressman from the Fifth District of Oklahoma.

Congressman STEED has served the citizens of the Fifth District since 1948 and his membership on the Appropriations Committee and Small Business Administration Committee has been beneficial both to Oklahoma and to the Nation.

Mr. President, it is with pleasure that I offer this bill to honor a great Oklahoman and American. I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Mountain Park Reservoir, Oklahoma, authorized to be constructed by the Act of September 21, 1968 (82 Stat. 853), shall be known and designated hereafter as the Tom Steed Reservoir. Any law, regulation, map,

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document, record, or other paper of the United States in which such reservoir is referred shall be held to refer to such reservoir as the Tom Steed Reservoir.

By Mr. CLARK (for himself, Mr. Curtis, Mr. Abourezk, Mr. Bartlett, Mr. Bellmon, Mr. Culver, Mr. Dole, Mr. Huddleston, Mr. Humphrey, Mr. Hruska, Mr. McGovern, and Mr. Young):

S. 1532. A bill to amend the Packers and Stockyards Act, 1921, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. CLARK. Mr. President, on behalf of Senator Curtis and a bipartisan group of 10 Senators, I am introducing the Packer Bonding Amendments of 1975. The legislation's purpose is straightforward: To provide livestock producers with some protection from financial disaster should a packer go bankrupt. It gives the Secretary of Agriculture the authority to require that packers be bonded and that they pay producers by certified check or, in some cases, in cash. For the first time, it would allow people to seek damages through the Packers and Stockyards Administration—as well as the courts—from packers that have broken the law.

The legislation gives the Department of Agriculture broad authority, but the authority has been expanded only to meet the need for protection.

On January 7, American Beef Packers, Inc., one of the largest meat packing firms in the country, and its subsidiary plants filed a petition for bankruptcy in Federal court in Omaha, Nebr. Eight packing plants in four States closed. More than 4,000 employees were put out of work, and thousands of creditors were left with the very real possibility that they would not be paid.

Bankruptcy is never a pleasant process, but this bankruptcy in the livestock industry has had a devastating impact on livestock feeders in the Midwest who already have had to contend with livestock prices below the cost of production and a blizzard that killed a great deal of stock. Hundreds of livestock producers in Iowa, Nebraska, South Dakota, and other States sold cattle and hogs to American Beef in good faith—with the expectation that they would be paid. Now they find that they are holding worthless checks in return for their livestock. Altogether, American Beef owes more than $15 million to livestock producers alone.

American Beef's financial crisis came without warning after a record year of profits and sales in fiscal year 1974. The collapse has led to administrative and criminal charges and a tangle of civil suits. This legislation will not help American Beef or the producers that sold livestock to it, but it will help provide protection in the future.

Mr. President, I hope that the Senate Agriculture Committee can soon schedule hearings on this legislation. The need for it is beyond question. And I hope that this legislation will make the beginning of a comprehensive review of the Federal Government's regulation of packers, stockyards, and the livestock industry.

I ask unanimous consent that the full text of the bill and a summary of its key provisions be inserted in the Record at this point.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 1532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act, 1921 (42 Stat. 159; 7 U.S.C. 181–229) is amended as follows:

(1) Section 2(a) is amended by—

(A) striking out the word "and" at the end of paragraph (5);

(B) redesignating paragraph (6) as paragraph (10);

(C) inserting after paragraph (5) the following new paragraphs:

"(6) The term 'poultry' means chickens, turkeys, geese, ducks, and other domesticated fowl, whether live or dead;

"(7) The term 'poultry products' means all edible or unmanufactured inedible products and byproducts of the poultry slaughtering and processing industry derived in whole or in part from poultry, and including slaughtered poultry;

"(8) The term 'edible' means intended for use as human food;

"(9) The term 'insolvent' means current liabilities exceed current assets; and"; and

(D) adding at the end of paragraph (10), as redesignated by clause (B) of this paragraph, a new sentence as follows: "The term 'commerce' also includes any business activity wholly within a State if any person subject to this Act transacts any business activity within the meaning of the term 'commerce' as defined in the preceding sentence.".

(2) Section 201 (7 U.S.C. 191) is amended to read as follows:

"Sec. 201. When used in this Act, the term 'packer' means any person engaged in the business of—

"(1) buying or otherwise acquiring in commerce livestock or poultry for purposes of slaughter,

"(2) manufacturing, processing, or preparing in any manner meats, meat food products, or edible poultry products, for sale or shipment in commerce, or

"(3) buying or otherwise acquiring or selling or otherwise marketing meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products, in commerce, on a commission basis or otherwise, either on his own account or as the employee or agent of the vendor or purchaser. Nothing in this section shall be construed to affect the jurisdiction of the Federal Trade Commission with respect to retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products as provided in section 406 of this Act."

(3) Section 202 (7 U.S.C. 192) is amended by—

(A) striking out "or any live poultry dealer or handler" wherever it appears in such section;

(B) redesignating subdivision (f) as subdivision (g);

(C) redesignating subdivision (g) as subdivision (h) and striking out "or (c)" and inserting in lieu thereof "(e), or (f)"; and

(D) inserting after subdivision (e) a new subdivision (f) as follows:

"(f) Purchase any article while insolvent without paying cash at the time of purchase.

(4) Sections 308 and 309 (7 U.S.C. 209, 210) are repealed.

(5) Sections 401 and 403 (7 U.S.C. 221, 223) are amended by striking out "or any live poultry dealer or handler" wherever such term appears therein.

(6) Title IV is further amended by redesignating section 408 (7 U.S.C. 229) as section 415, and by adding after section 407 (7 U.S.C. 228) the following new sections:

"Sec. 408. The Secretary may require reasonable bonds from market agencies, dealers, and packers in such manner and under such rules and regulations as he may prescribe to secure the performance of their obligations with respect to transactions involving livestock or poultry.

"Sec. 409. Whenever the Secretary determines, after opportunity for a hearing, that any registrant is insolvent or has violated any of the provisions of this Act or any rule, regulation, or order issued thereunder, he may by order suspend the registrant for a reasonable specified period and, if the violation is flagrant or repeated, he may by order revoke the registration of the offender. Such order shall take effect within such reasonable time, not less than five days, as is prescribed in the order, unless suspended or modified or set aside by the Secretary or a court of competent jurisdiction. Any person who carries on any business in violation of a suspension or revocation order under this Act shall be subject to the penalty and enforcement provisions of this Act relating to violation of an order of the Secretary. If a registrant who has been suspended, by an order issued under this Act, for a period of ninety days or less shall permit any other person to engage in any business for which registration is required under this Act at the place of business of the suspended registrant during such period the suspended registrant shall be deemed to fail to obey such order.

"Sec. 410. The Secretary may summarily order, without a hearing and without regard to chapter 5 of title 5, United States Code, any person subject to the provisions of this Act to pay a seller of livestock or poultry by certified check or to establish a custodial account if the Secretary has reason to believe that such action is necessary to protect vendees.

"Sec. 411. (a) Any person who violates any provision of this Act or any rule, regulation, or order issued thereunder shall be liable to the person injured thereby for the full amount of damages sustained in consequence of such violation.

"(b) Such liability may be enforced either (1) by complaint to the Secretary as provided in section 412, or (2) by suit in any district court of the United States of competent jurisdiction; but this section shall not in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this Act are in addition to such remedies.

"Sec. 412. (a) Any person complaining of anything done or omitted to be done by any person subject to this Act (hereinafter in this section referred to as the 'defendant') in violation of any provision of this Act or any rule, regulation, or order issued thereunder may, at any time within 120 days after the cause of action accrues, apply to the Secretary by complaint which shall briefly state the facts, whereupon the Secretary shall forward a copy of the complaint to the defendant, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be specified by the Secretary. If the defendant within the time specified makes reparation for the injury alleged to have been done he shall be relieved of liability to the complainant only for the particular violation complained of. If the defendant does not satisfy the complaint within the time specified, or there appears to be any reasonable ground for investigating the complaint, it shall be the duty of the Secretary to investigate the

matters complained of in such manner and by such means as he deems proper.

"(b) The Secretary, at the request of the livestock commissioner, Board of Agriculture, or other agency of a State or territory of the United States, having jurisdiction over stockyards in such State or territory, shall investigate any complaint forwarded by such agency in like manner and with the same authority and powers as in the case of a complaint made under subdivision (a).

"(c) The Secretary may at any time institute an inquiry on his own motion, in any case and as to any matter or thing concerning which a complaint is authorized to be made to or before the Secretary, by any provision of this title, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act. The Secretary shall have the same power and authority to proceed with any inquiry instituted upon his own motion as though he had been appealed to by petition, including the power to make and enforce any order or orders in the case or relating to the matter or thing concerning which the inquiry is had, except orders for the payment of money.

"(d) No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

"(e) If after hearing on a complaint the Secretary determines that the complainant is entitled to an award of damages, the Secretary shall make an order directing the defendant to pay to the complainant the sum to which he is entitled on or before a day named.

"(f) In the case of any complaint in which the amount claimed as damages does not exceed the sum of $3,000 an oral hearing need not be held and proof in support of the complaint and in support of the defendant's answer may be supplied in the form of depositions or verified statements of fact unless the Secretary directs that an oral hearing be held.

"(g) If the defendant does not comply with an order of the Secretary for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may within one year of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the defendant, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Secretary in the premises. Such suit in the district court shall proceed in all respects like other civil suits for damages except that the findings and orders of the Secretary shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of the costs of the suit.

"(h) Any party adversely affected by the entry by the Secretary of an order granting or denying reparation may, within 30 days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which the hearing was held. In cases handled without oral hearing in accordance with subsection (f) or in which oral hearing has been waived by agreement of the parties, appeal may be to the district court of the United States for the district in which any defendant resides, is found, or transacts business. Such appeal shall be perfected by the filing with the clerk of such court a notice of appeal, together with a petition in duplicate which shall recite the prior proceedings before the Secretary and shall state the grounds upon which appellant relies to defeat the right of any adverse party to recover, or to establish his own right to recover, the damages claimed, with proof of service thereof upon each adverse party. Such an appeal by an appellant who has been ordered by the Secretary to pay a reparation award shall not be effective unless, within 30 days from and after the date of the Secretary's order, the appellant also files with the clerk a bond in the amount of 130 per centum of the amount of the reparation awarded, conditioned upon the payment of any money judgment entered by the court against the appellant, plus interest and costs, including a reasonable attorney's fee for the appellee, if the appellee shall prevail. Such bond shall be in the form of cash, negotiable securities having a market value at least equivalent to the amount of bond prescribed, or the undertaking of a surety company approved by the court. The clerk of the court shall immediately forward a copy of the petition to the Secretary, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Secretary. Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima facie evidence of the facts therein stated. An appellee shall not be liable for costs in said court and, if he prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs.

"(i) Unless a defendant who is registered under this Act, and against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, the defendant shall be suspended automatically as a registrant under the Act at the expiration of such five day period until he shows to the satisfaction of the Secretary that the amount specified in the order has been paid, with interest thereon to date of payment. If an appeal is taken by such a defendant and the judgment of the court is adverse to the appellant, or if the appeal is dismissed, unless the defendant within five days after the date of such judgment or dismissal makes payment as required by the order, he shall be suspended automatically as a registrant until he shows to the satisfaction of the Secretary that payment has been made, with interest thereon to date of payment. If such a judgment is stayed by a court of competent jurisdiction, the suspension shall become effective five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue until the defendant shows to the satisfaction of the Secretary that he has made such payment, with such interest.

"(j) Unless any defendant not covered by subsection (i), against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, such defendant shall be liable to a penalty of $500 per day for each day, after said five days, in which he engages in any business subject to this Act, until such defendant shows to the satisfaction of the Secretary that the amount specified in the order, with interest to date of payment, has been paid, which penalty shall accrue to the United States and may be recovered in a civil action brought by the United States. If an appeal is taken by such defendant, said penalty shall not begin to accrue until five days after judgment by the court adverse to the defendant, or dismissal of the appeal. If such a judgment is stayed by a court of competent jurisdiction, the penalty shall become applicable beginning five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue to be applicable until such payment, with interest, has been made.

"Sec. 413. Whenever it shall appear to the Secretary that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order issued thereunder, the Secretary shall notify the Attorney General who shall bring an action in the appropriate district court of the United States or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such person from engaging in operations subject to this Act or to enjoin such person from engaging in operations subject to this Act except under conditions that will protect vendors, consignors, and other persons affected by such operations, until the complaint under this Act is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective within the meaning of this Act or is set aside on appellate review, and such courts shall have jurisdiction to entertain such actions. Upon a proper showing, the court shall issue a temporary restraining order, or preliminary injunction, without bond. Attorneys employed by the Secretary may, with the approval of the Attorney General, appear in the United States District Court representing the Secretary in any action seeking such a temporary restraining order or injunction. Upon application of the Attorney General, the district courts of the United States and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding any person to comply with the provisions of this Act or any rule, regulation, or order issued thereunder, including the requirement that such person take such action as is necessary to remove the danger of violation of this Act or any such rule, regulation, or order. Any action under this section may be brought in the district wherein the defendant resides, is found, or transacts business or in the district where the act or practice occurred, is occurring, or is about to occur, and process in such cases may be served in the same manner as provided in section 5(f) of the Federal Trade Commission Act (15 U.S.C. 45).

"Sec. 414. Debts of a bankrupt that are owing for the purchase of livestock or poultry shall have priority in accordance with clause (5) of subdivision a of section 64 of the Bankruptcy Act (11 U.S.C. 104(a)(5)) if, at the time such debts were incurred, the bankrupt was a packer, market agency, or dealer subject to this Act.

(7) Title V is repealed.

Sec. 2. The proviso contained in the paragraph entitled "Packers and Stockyards Act" under the heading "MARKETING SERVICE", in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1944, and for other purposes", approved July 12, 1943 (57 Stat. 422; 7 U.S.S. 204), is repealed.

Sec. 3. The amendments made by this Act shall become effective on the first day of the second calendar month following the month in which this Act is enacted.

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Summary and Background of Major Provisions, Curtis-Clark Packer Bonding Bill, April 24, 1975

1. Authorizes Secretary of Agriculture to require bonding of packers:

Under the current provisions of the Packers and Stockyards Act, the Secretary has no authority to bond packers, although he can require bonds of other persons covered by the act.

The "reasonable" bonds authorized by this legislation probably would not cover all losses should a packer enter bankruptcy—the real advantage of the bond would be the close financial surveillance the surety company issuing the bond would make of the packer. No such surveillance currently exists. Bonding companies require money to be posted and at times will not issue a bond unless the company has a certain dollar amount of assets.

Under current regulations, the Department of Agriculture requires surety companies to advise it 30 days before cancelling bonds of shaky firms. The Department would presumably make the same requirement for packer bonds. This would give the Department notice of a company's poor financial condition—which it currently does not have—and thus enable it to seek an injunction or put other limitations on such a company's operations. In addition, because surety companies are cautious in issuing bonds, the issuance of a bond would itself be an indication of a company's financial soundness.

2. Gives livestock producers preferred status in recovering debts from packers in bankruptcy:

Currently, producers are considered no differently than any other creditor, even though their continued livelihood may well depend upon payment due them from a packing house for a recent sale. This provision would give them preference over other creditors in the distribution of a bankrupt packer's assets.

3. Grants the Secretary of Agriculture authority to require all packing houses to guarantee payments to producers through the use of certified checks or the establishment of custodial accounts, and prohibits insolvent packers from continuing to operate unless they pay producers in cash:

Many producers lost substantial sums in the American Beef case because the firm did not have sufficient funds to back up checks that it had written to them in payment for livestock purchased from them. There were, in fact, reports that the firm had continued to purchase livestock even after it knew that it did not have the cash for these purchases. This provision would assure that such situations could not occur.

4. Permits injured persons to seek damages for the first time through the Packers and Stockyards Administration from packers who have violated federal statutes, and establishes new penalties for packers who do not quickly satisfy judgments made against them:

Currently, damages can only be sought through the courts. This provision would also allow an injured individual to bypass court proceedings, permitting a faster, less expensive means of redress. Packers against whom judgements had been made would be penalized if they did not satisfy these judgements within five days. The penalty would be a $500 fine for each day of late payment.

5. Lessens the amount of proof needed to determine violations of federal statutes, and allows the Secretary of Agriculture to seek injunctions against violators:

Under current law, there is a two-part test to determine violations. Not only must the alleged violator operate "in commerce," the specific activity which allegedly violates the law must also be "in commerce." This provision would eliminate the second part of the current test, so that, for example, an Iowa packer who buys from an Iowa producer would be covered by the law as long as some part of that packer's business was in interstate commerce or affected interstate commerce.

Mr. CURTIS. Mr. President, I am pleased to join with the Senator from Iowa (Mr. CLARK) and others in introducing this legislation to amend the Packers and Stockyards Act.

The financial difficulties encountered by a packing company headquartered in my State of Nebraska has meant personal tragedy for many, including the hundreds of livestock feeders who currently hold worthless checks and the employees and officials of the company.

It is my hope that this bill will be the vehicle necessary to focus the attention of Congress and the industry on potential problem areas. Hopefully, it will lead to enactment of sound legislation which will not be overburdensome on the packing industry but will assure producers of prompt and full payment for their livestock and poultry.

Let me emphasize, Mr. President, I do not consider the bill we are introducing today as the final word. I look forward to hearings and the opportunity for input from all interested parties.

The following is a brief explanation of the bill:

First. Permits the Department of Agriculture to require bonding of packers—under present law there is no authority to bond packers, although it can other persons covered by the act. Should a company go bankrupt a bond would cover part of the losses, but not all of them. The real advantage of a bond is the close financial surveillance the surety company would make of the packer.

Second. Prohibits packers from operating while insolvent—current liabilities exceed current assets—unless they pay in cash. The Secretary could seek an injunction against a person violating these provisions and an injured person could seek damages.

Third. Permits injured parties to seek damages—reparation—from packers for violation of the act.

Fourth. Requires defendants, including packers, against whom the Secretary has levied damages in favor of an injured party to be penalized for not paying within 5 days of the order. Packers would be assessed $500 for each day it fails to pay. Others would have their registration suspended. Under present law only about 10 percent of reparation orders are paid. These penalities should greatly encourage payment.

Fifth. Moves up in priority debts payable to purchases of livestock and poultry by persons in bankruptcy.

Sixth. Permits the Secretary to require packers and others covered by the act to pay by certified check or to establish custodial accounts, if necessary, to protect sellers of livestock or poultry.

Seventh. Permits the Secretary to seek an injunction against any person, including packers, who has violated provisions of the act, rules and regulations issued pursuant to it, or an order of the Secretary.

Eighth. Provides that persons may be found to violate the act whose business activities are in commerce. Under the present act, there is a two-fold test. Not only must the company operate in commerce, but the activity which is alleged to violate the act must be in commerce. This substantially lessens the proof necessary for a violation of the act.

By Mr. PERCY (for himself and Mr. TAFT):

S. 1533. A bill relating to the employment and training of criminal offenders and for other purposes. Referred to the Committee on the Judiciary.

PRISON REFORM NEEDED NOW

Mr. PERCY. Mr. President, I am today introducing four bills which relate to improving our correctional system and the way in which society handles offenders. The changes I am proposing will not only provide a more rational and humane system of corrections, but also will help improve a system whose primary purpose must be the protection of society.

OFFENDER EMPLOYMENT AND TRAINING ACT

Mr. President, two issues which continue to rank as top concerns among the American people are unemployment and crime. These are not unrelated issues. Many people who cannot find work turn to crime; most of those released from prison cannot find employment and return to crime. For the moment, I would like to focus on the latter problem.

Upon release from prison, the prisoner is branded as an ex-con; he is unemployed; he most likely has no vocational skills; and he has little, if any, money to fall back upon. It is not difficult to see why 2 of every 3 ex-convicts return to a life of crime. In brief, current training programs are grossly inadequate. The Federal Prisons Industries, admittedly, is doing the best that it can with the statutory constraints imposed upon it. For instance, prison-made goods may not now be sold in interstate commerce. And with respect to vocational training, the available prisoner training programs are too often limited to printing and binding Government publications, refinishing Government furniture, and making license plates. Skills such as these simply are not in great demand on the outside and the training involved prepares only a relatively few prisoners for meaningful, gainful employment.

It is ironic that of the many laws we have enacted dealing with our high crime rates, the vast majority have either ignored or failed to take cognizance of a significant cause which lies at the nerve root of our most perplexing crime situation. From every indication that we have, the chances of an ex-offender returning to a life of crime are greatly diminished where a prisoner is able to secure employment immediately upon release.

Conversely, where he is unable to find gainful employment, the probability of his returning to a life of crime skyrockets. Thus, there is a direct nexus between the ability of an ex-offender to secure employment and the likelihood of his returning to a life of crime.

Last Congress, I introduced S. 2161, the Offender Employment and Training Act. Today, along with Senators MATHIAS,

BAKER, BROCK, TAFT, JAVITS, and BAYH, I am reintroducing that bill with some minor modifications.

As its title suggests, this bill seeks to supplement obsolete and antiquated training with an innovative and practical approach to inmate training. The bill authorizes the National Institute of Corrections to contract with private interests, that is business, corporations, et cetera, to establish factories, within or in close proximity to the penal institutions themselves. The act further provides for the making of loans, to any qualified applicant, at a rate not to exceed 6 percent per annum, for the purpose of training and/or employing inmates.

The private interest would then actually employ inmates and train them in the manufacture of marketable items which then could be sold on the open market. This bill would life present restrictions on the interstate sale of such items when certain conditions have first been met.

First, the employer—and I want to emphasize here that this bill contemplates the private sector, not the Government, as the employer—would pay to the prisoner a wage comparable to the prevailing wage paid in that locale for work of a similar nature. From this wage certain expenses would be deducted. These deductions would include taxes, social security, and other normal items for which any other worker would be responsible.

Second, the inmate-employee would be responsible for paying for his room and board as well as contributing to the support of his family. This becomes of particular importance when one realizes that of the total number of families receiving AFDC payments, 3 percent or almost 90,000 are families where the wage earner is incarcerated. Based on an average of $184.93 per family per month, this means that the Government is paying almost $200,000,000 per year in AFDC payments to such families.

Third, the inmate-employee would be required to contribute to a fund established specifically to assist the victims of crime. Such contribution would not exceed 20 percent nor be less than 5 percent of the inmate-employee's gross wage.

All deductions could not amount to more than 80 percent of the inmate-employee's gross wages, and he would have had to agree to all deductions prior to his participating in such project.

As I mentioned earlier, this bill was slightly modified to strengthen the mechanisms for oversight and administration. One such modification was to charge the National Institute of Corrections with the responsibility of administering and overseeing this program. The National Institute of Corrections, authorized by the Juvenile Justice and Delinquency Prevention Act of 1974, was specially created to lend assistance in the evolution of a more effective, more utilitarian, and more humanitarian correctional system which will ultimately contribute to a safer community and a safer country. The responsibility for the administration, supervision, and oversight of this program clearly falls within the broad ambit of the institute's functions, objectives, and goals.

Another modification was the inclusion of a provision which suspends the operation of this act where the unemployment indicator reaches a critical level, and provides that such programs shall remain suspended until the rate of unemployment reaches 6.5 percent. In a recession such as we now are experiencing, such a provision is unfortunately necessary.

Of course, care would be taken not to train prisoners in skills which will only glut the job market. I am in no way suggesting that this program should operate to make it more difficult for the veteran or anyone else to get a job. Instead, it is intended that this bill would train people in those skills where there is a need for trained employees.

This program, if enacted, would help reduce recidivism and thus lower our crime rates. At the same time, the costs to the taxpayers would be reduced because of the monetary contributions the offender-employee would be making.

Mr. President, I urge serious consideration of this legislation at the earliest possible time by the Congress and I ask unanimous consent that the text of this legislation and a summary of it be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the Offender Employment and Training Act.

TITLE I—FEDERAL PENAL OR CORRECTIONAL INSTITUTIONS

SEC. 101. Chapter 307 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"4129. Programs, projects, loans, and grants

"(a) (1) The National Institute of Corrections, established within the Bureau of Prisons and pursuant to section 4352(a) (1) et seq. chapter 319, title 18, United States Code, is authorized, from moneys available in the fund established by this section, to make grants and loans to, or contract with, any qualified applicant to enable such applicant to establish, develop, expand or carry out, within or outside of the exterior boundaries of any Federal, state, or local outside of the exterior boundaries of any Federal, state, or local penal or correctional institution, projects for the purpose of training or employing, or both, of offenders. Such projects may also provide for supportive services to such offenders, such as training, education, counseling, medical and dental treatment, and aftercare.

"(2) The National Institute of Corrections shall make such loans at an interest rate not to exceed 6 per centum per annum, and any such loan or grant shall be made in accordance with the provisions of subsection (c) of this section, and in such amount and subject to such terms and conditions as the National Institute of Corrections may prescribe. The National Institute of Corrections is authorized, in its discretion, to waive all or any part of the principal, interest, or both, arising out of any loan made pursuant to this section.

"(3) Moneys repaid in connection with any loans made pursuant to this section (including interest) shall be deposited in and become a part of the fund established by this section.

"(4) Proceeds from any sale of products produced or services provided by offenders in connection with a project carried out by any Federal agency shall be deposited in and become a part of such fund.

"(5) Each agreement or contract entered into pursuant to this Act shall provide for an Administrative Board, composed of the grantee or his designee, the Director of the National Institute of Corrections or his designee, the administrator of the correctional institution involved, and an individual designated by the Secretary of Labor to represent individuals employed in the same or similar industry in the locale of the project. The Administrative Board will supervise the operation of the project and will make all decisions relative to the operation of the project pursuant to this Act.

"(b) The Advisory Board for the National Institute of Corrections, established in 18 U.S.C. section 4351, shall exercise oversight over the implementation of this Act, determining policy and formulating recommendations for the more efficient attainment of the purposes of this Act.

"(c) No loan or grant shall be made, or lease entered into, by the National Institute of Corrections in connection with any such project, unless the National Institute of Corrections has first determined that—

"(1) any such offender engaged in training or employed in connection with any such project with respect to which such loan, grant, lease, or agreement is made shall receive wages at a rate which shall not be less than that paid for work or training of a similar nature in the locality in which the work or training is to be performed;

"(2) any products produced or services provided pursuant to any such project may be sold or otherwise disposed of or performed in the same manner and to the same extent as other products or services of a like kind or nature produced or performed by individuals other than offenders.

"(3) such offenders involved in such project are likely, by reason of their involvement, to find employment following their release from confinement or correctional supervision;

"(4) such offenders involved in any such project shall not, solely by their status as offenders, be deprived of the right to participate in benefits made available by the Federal or State government to other individuals on the basis of their employment, such as Workmen's Compensation. However, such offenders shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary;

"(5) deductions from the wages of any offender so employed shall not, in the aggregate, exceed 80 per centum of gross wages and shall be limited as follows:

(A) taxes (Federal, State, local);

(B) reasonable charges for room and board as determined by regulations which shall be issued by the Attorney General in the case of Federal institutions, and by the chief State correctional officer in the case of State or local institutions;

(C) allocations for support of family pursuant to State statute, court order, or agreement by the offender;

(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 percent of gross wages. The calculation of which shall consider the victimization cost of the offense as determined by court order, regulation, or agreement by the offender;

"(6) the wages of any offender so employed shall be subject to all applicable Federal and

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State laws and regulations providing for the keeping of funds in trust for incarcerated persons. Moneys earned by the individual may be drawn for that person's use, but not to exceed 10 per centum of gross wages while that person is under institutional custody and not on parole, probation, work release, or furlough. The remainder of any moneys paid as wages shall be held in trust to be drawn upon by the individual in a manner prescribed by regulation, providing that after release from institutional custody, the individual shall have full control of such money.

"(7) the participation of such offenders in such project is voluntary and each offender participating has agreed in advance to the specific deductions which shall be made from his gross wages pursuant to this Act, and all other financial arrangements as a result of his participation in such project.

"(8) the applicant may by purchase, lease, construction or otherwise gain access to facilities which will be utilized in connection with such project:

"(d) There is hereby established in the Treasury of the United States notwithstanding the provisions of section 4126 of this title, the Federal Employment and Training Fund (herein referred to in this section as the fund). Moneys covered into the fund pursuant to this section are hereby made available for expenditures for the purposes of this section without fiscal year limitation.

"(e) Nothing in this section or in any other Federal law shall be construed to prohibit the sale to the public of any products produced by offenders in connection with a project financed or assisted in whole or in part from moneys out of the fund established by this section, and the provisions of section 4122(a) of this title, relating to competition with private enterprise, the second paragraph of section 4002 of this title, the provisions of the first paragraph of section 4123 of this title, and the provisions of section 1 of the Act of January 19, 1929 (45 Stat. 1084), shall not be applicable with respect to industrial operations under this section. The provisions of section 1761 of this title shall not be applicable with respect to any such products shipped in interstate or foreign commerce.

"(f) (1) Section 210(a) (6) (C) of the Social Security Act is amended by deleting clause (iii) thereof and by deleting clause (i) of section 210(a) (7) (D) of such Act. (Title 42 United States Code, sections 410(a) (6) (C) and 410(a) (7) (D), respectively.)

"(2) Section 3121(b) (6) (C) of the Internal Revenue Code of 1954 is amended by deleting clause (iii) thereof.

"(3) The amendment made by this subsection shall be applicable in the case of service performed on and after the first day of the first calendar quarter beginning on or after the date of the enactment of this subsection.

"(g) As used in this section, the term—

"(1) 'qualified applicant' means any corporation, association, labor organization, any private nonprofit organization, or Federal, state or local agency having jurisdiction over penal or correctional institutions, or related programs;

"(2) 'offender' means any individual charged with or convicted of a criminal offense and with respect to which such individual is an inmate in any penal or correctional juvenile institution or is on probation, parole or other conditional release.

"(h) In addition to the moneys covered into the fund pursuant to this section, there are authorized to be appropriated annually to the fund out of any moneys in the Treasury not otherwise appropriated such amounts as are necessary to make the income of the fund not less than $10,000,000 for the fiscal year ending June 30, 1976, and for each fiscal year thereafter.

"(i) The Comptroller General of the United States shall from time to time conduct audits or other reviews of any expenditures of funds pursuant to this section, and on or before January 31 of each year shall report to the Congress on all expenditures of such funds as were made during the previous year. The National Institute of Corrections shall make available to the Comptroller General such information as is necessary to assist him in carrying out his duties under this section."

"(j) Funds appropriated to carry out this Act shall only be available for obligation when the National Institute of Corrections first determines, after certification by the Secretary of Labor, that the rate (seasonally adjusted) of national unemployment averages 6.5 per centum or less for three consecutive calendar months.

"(k) No further obligation of funds under this Act may be made by the National Institute of Corrections subsequent to a determination as certified by the Secretary of Labor that the average rate (seasonally adjusted) of national unemployment has exceeded 6.5 per centum for three consecutive calendar months.

"(l) The determination under this section shall take into account the rate of unemployment (seasonally adjusted) for three consecutive calendar months even though any or all of such months may have occurred not more than three complete calendar months prior to the enactment of this Act.

"(m) If any determination is made pursuant to subsection (k) that funds appropriated to carry out this title may not be further obligated, the remaining unobligated funds initially available under this Act shall again become available for obligation should the National Institute of Corrections subsequently determine, after certification by the Secretary of Labor, that the percentage requirements under subsection (j) have again been met.

SEC. 102. The table of contents of chapter 307 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"4129. Programs, projects, loans, and grants."

SEC. 103. Any project entered into pursuant to this Act shall be monitored and evaluated as follows:

(a) For the first two years following enactment of this Act, at least two correctional institutions to be designated by the National Institute of Corrections shall participate in the projects authorized by this Act.

(b) The Comptroller General and the National Institute of Corrections shall submit separate evaluations and progress reports every six months to the Congress of the United States which reports shall state the current stage of the projects and make whatever suggestions and recommendations which may be appropriate to further implement the intent of this Act.

(c) Five years after the enactment of this Act, final reports shall be submitted to the Congress by the Comptroller General and by the National Institute of Corrections, evaluating the success of the projects and upon the rearrest and reconviction of those who participated in the projects, and recommendations made which they may consider appropriate.

SUMMARY OF THE OFFENDER EMPLOYMENT AND TRAINING ACT

Section 4129. The National Institute of Corrections is authorized to contract with private organizations for the construction and operation, within or without correctional institutions, of projects designed to train and employ federal offenders. The private groups, such as businesses, would be the employers of the prisoners.

The National Institute of Corrections could make loans at 6% interest, and could waive all or part of either the interest or the principal when necessary to cover the extraordinary costs involved in operating a facility within a prison. Prisoners would be trained only in those skills in which they would be likely to find employment upon release.

The products manufactured in the prisons under this program could only be sold in interstate commerce if the following conditions are met:

(1) the inmate-employees receive prevailing wages for the work they do;

(2) from the wages of the offender would be deducted:

(a) money to support his dependents;

(b) the cost of his room and board;

(c) taxes, social security, etc.;

(d) contributions of up to 20% would go towards a fund for the compensation of victims of crime;

NOTE.—All of the deductions in the aggregate could not exceed 8[illegible]% of inmate-employee's gross wage; and the inmate would have to agree to all deductions prior to his being accepted to such a program.

When the national unemployment rate surpasses 6.5%, no new projects under this Act will be begun until there is a reduction to the acceptable level of 6.5% or lower.

Each agreement or contract entered into pursuant to this Act shall provide for an administrative board composed of the grantee, or his designee, the Director of the National Institute of corrections or his designee, the administrator of the correctional institution, and an individual designated by the Secretary of Labor to represent individuals employed in the same industry in the locale of the project.

The Comptroller General shall conduct periodic audits or other reviews of any expenditures and report his findings and conclusions to the Congress.

The National Institute of Corrections and the Comptroller General each shall make semi-annual reports to the Congress concerning the current state of the projects and whatever suggestions and recommendations which may be appropriate to further the efficient operation of this Act.

Mr. TAFT. Mr. President, I am pleased today to join my colleague, Senator PERCY, in cosponsoring the Offender Employment and Training Act. In my view, this bill represents a positive proposal which will effectively deal with the growing problem of crime in our country and the related crisis situation existing in our State and Federal corrections systems.

No one will dispute that crime in our country is increasing at an alarming rate. Since 1968, violent crimes have increased 47 percent, while property crimes have increased 28 percent. Crime, as measured by the Federal Bureau of Investigation's crime index, has risen 30 percent in volume during the period from 1968 through 1973. These statistics reflect an extremely serious situation. We must devise innovative programs which are capable of impacting on these problems.

This act is designed to involve private industry in the training, education, and employment of prison inmates. Ninety-five percent or more of all offenders who are convicted of serious crimes and are thereafter sent to penal or correctional institutions, eventually return to society, most often as hardened criminals. Therefore, it is obvious that our correctional institutions have for the most part, failed to achieve society's objectives in successfully rehabilitating these individuals.

It has been currently estimated that approximately 50 to 80 percent of all crimes are committed by persons who have spent time in our criminal justice system. The rate of recidivism for persons on parole is 61 percent, for persons

under mandatory release is 75 percent: and for those on probation, 56 percent; notwithstanding the fact that more than $2 billion is being spent each year on an outdated ineffective correctional system.

Recidivism is at the heart of our Nation's perplexing crime problem. We must address the question of why this is so? Recent studies have demonstrated a high correlation between unemployment and recidivism. Exoffenders find it extremely difficult to obtain jobs because they have no marketable skills and lack vocational training. Because this is the case, it is attractive for exoffenders to continue in the ways of crime when upon their release they are unable to find meaningful employment.

This bill attempts to deal with this problem in an innovative and modern manner. It enables us to use private sector experience in revitalizing our antiquated system. Senator PERCY has already explained in detail the provisions of the bill and how the system operates. I believe at this point they need not be restated. However, one point bears particular attention. At the time I considered cosponsoring this legislation for this Congress, it occurred to me that although this program is necessary and worthwhile, some accommodation must be made for the current unemployment crisis in our country. The national rate of unemployment is currently 8.7 percent and in all likelihood, it will increase above that. To protect the private sector job market, I suggested to Senator PERCY that he incorporate in the bill a national "on and off" switch which would turn these Federal prison programs on and off if the national unemployment rate reached 6.5 percent for 3 consecutive months. I am pleased that he adopted my suggestion and built these triggers into the programs. In light of staggering levels of unemployment, this prison reform act can now be justified on the basis that it will not unduly compete with private sector employment unless the nationwide unemployment rate is reduced to a lower and somewhat more acceptable level. Thus, this proposed legislation will not, and is not intended, to make it more difficult for unemployed workers, especially veterans, racial minorities, and others to obtain employment.

Prison reform today represents a difficult and unpopular task. The alternative to this bill is the continuation of nonstructured haphazard approaches to corrections which, in my judgment, are unacceptable economically, financially, and socially. This bill provides a constructive approach in enabling offenders to have a reasonable chance to return to society as worthwhile, respected citizens. The ultimate beneficiary of these changes will be our society. I am extremely hopeful that this bill will receive immediate and favorable attention.

By Mr. PERCY:

S. 1534. A bill relating to voting rights of former offenders. Referred to the Committee on the Judiciary.

VOTING RIGHTS

Mr. PERCY. Mr. President, we who have been elected to public office are quick to realize the extreme importance of the right to vote, for it was the very exercise of this franchise by our constituents that placed us in Congress. To us and to millions of people like us, no right is more basic and fundamental to the maintenance of full citizenship than the right to vote.

We have, by statute or other design, relegated a substantial percentage of Americans to a less than full citizenship status. These are exoffenders who have paid in full their obligation to society, and are presumed to be prepared for reintegration into the community and resumption of the responsibilities which are inherent in being an American.

However, this process of reintegration is oftentimes hindered by roadblocks which prevent the exoffender from being restored to full citizenship. One of these is the denial of the right to vote. It is only equitable that where a person has completed his sentence, he should automatically be able to assume the rights as well as responsibilities of citizenship. Of the rights prescribed by our Constitution, none is more basic and important than the right to vote.

In a recent decision, *Richardson* v. *Ramirez, et al.*, 418 U.S. 24 (1974), the U.S. Supreme Court reversed a California State Supreme Court decision which held that to deny this right to exfelons is indeed a violation of the equal protection clause of the 14th amendment.

In its opinion, the U.S. Supreme Court held that the exclusion of ex-convicts from the voting franchise has an affirmative sanction in subsection 2 of the 14th amendment and further:

> That the understanding of those who adopted the 14th amendment, as reflected in the language of subsection 2, and in the historical and judicial interpretation of the Amendment's applicability to state laws disenfranchising felons, is of controlling significance in distinguishing such laws from other state limitations on the franchise which have been held invalid under the Equal Protection Clause by this Court.

With this decision, the judiciary's task is complete. The time has come for the legislative branch to act, to provide a remedy where none now exists.

To many people, the effort to re-enfranchise the ex-offender is of minimal, if any, importance. However, to others, it is not only a major symbolic step, but a very real step which should be taken by Congress. The bill that I am introducing today, along with Senators MATHIAS, JAVITS, BAYH, and BURDICK, relates to the voting rights of former offenders and simply gives a person the right to vote in Federal elections once he has completed his sentence, and is no longer under the custody of a court or the Attorney General.

Mr. President, I ask unanimous consent that the text of this bill as well as a summary of it be printed at this point in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) The Voting Rights Act of 1965 is amended by inserting after section 202 the following new section:

"VOTING IN FEDERAL ELECTIONS BY PERSONS CONVICTED OF CRIME

"SEC. 203. (a) No citizen of the United States who is otherwise qualified to vote in any Federal election shall be denied the right to vote in such election on account of his having been convicted of any crime, if he has served the sentence imposed as punishment therefor, completed any term of parole imposed in connection with such conviction, and is no longer under the jurisdiction of the court with respect to such conviction.

"(b) As used in this section, the term 'Federal election' means a primary, general, or special election held for the nomination for election, or election, of an individual for the office of President, Vice President, Senator, Representative, or Delegate to the Congress, and includes a primary held for the expression of a preference for the nomination of individuals for election as President and Vice President."

(c) Sections 203, 204, and 205 of such Act are redesignated as sections 204, 205, and 206, respectively.

(d) Section 204 of such Act, as redesignated by subsection (b) of this section, is amended by inserting after "section 202" the following: "or section 203."

(e) Section 205 of such Act, as redesignated by subsection (b) of this section, is amended by striking out "section 201 or 202" and inserting in lieu thereof "section 201, 202, 203."

SUMMARY OF "THE BILL RELATING TO THE VOTING RIGHTS OF FORMER OFFENDERS"

At present, some states prohibit ex-offenders from voting. The constitutionality of such prohibitions was recently upheld by the Supreme Court. This bill simply provides that no citizen, otherwise qualified, and no longer under the jurisdiction of any court or serving any sentence in prison, on probation or parole, can be denied the right to vote in federal elections solely because he once was convicted of a crime.

By Mr. PERCY:

S. 1532. A bill relating to the parole of offenders. Referred to the Committee on the Judiciary.

S. 1536. A bill relating to the parole of certain District of Columbia offenders. Referred to the Committee on the District of Columbia.

STREET TIME CREDIT FOR PAROLEES

Mr. PERCY. The final two bills deal with parolees whose parole has been revoked. One bill deals with Federal parolees, the other with District of Columbia parolees. Each bill simply requires that the time spent on parole shall be credited toward the running of an offender's sentence.

Normally, the time spent on parole is considered as time spent serving a court-imposed sentence. However, in the Federal system, and in the District of Columbia, this is not the case when a person violates the conditions of his parole, and has his parole subsequently revoked. Credit is not necessarily given for time spent on parole, and those years may have to be served again.

Let me offer an example. Suppose someone was sentenced to 15 years in prison in 1950. This would mean that, by 1965, he would have completed his sentence. Let us also assume that after 5 years he was paroled from prison, and was on parole from 1955 to 1964. Then let us suppose that he technically vio-

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lated his parole, such as by moving out of town without the permission of his parole officer. One would assume that he would have only to serve 1 more year, until 1965 and the completion of his sentence. However, in the Federal system and in the District of Columbia this would not be the case.

Instead, he could be ordered by the parole board—not the court—to serve that 1 year as well as the 9 years he had already spent on parole. So, instead of completing his sentence in 1965, he would not be finished until 1974—24 years after being sentenced to a 15-year prison term.

I know of one particularly sad example of this. It involves a man who was sentenced in 1950 to 15 years, as in the example I have given. He also was paroled in 1955. Unfortunately, the man is an alcoholic. He has been paroled several times but continues to get in trouble by drinking. He has been arrested many times for loitering. But each time he was picked up for loitering his parole was revoked, and he was given no credit for the time he had already spent on parole. As far as I know, he may still be serving his original sentence some 25 years after it was imposed. In effect, he has been sentenced to serve at least an additional 10 years.

I have introduced similar legislation both in the 92d Congress (S. 3673 and S. 3674) and in the 93d Congress (S. 2163 and S. 2164). Today, along with Senators Mathias, Javits, and Bayh, I am reintroducing these bills with the hope that this statutory inequity will be resolved.

Mr. President, I ask unanimous consent that the text of each of these bills as well as summaries of their provisions be printed at this point in the Record.

Mr. President, none of these bills will automatically end our crime problem. At most, three of the bills will resolve present inequities in our criminal justice system, and the fourth will provide training and realistic hope to ex-offenders who otherwise might have no alternative but to return to crime.

Yet, though the impact of the bills, if enacted, would be relatively modest, I hope that they will not be discarded as unimportant. For they respect small but significant steps which I feel must be taken.

The road to reducing crime in our society, and freeing our citizens from the omnipresent threat of violence, is a very long and a very complex journey. By enacting these bills which I have introduced today, we will have made a significant start on a road which we must travel if we are to enhance the quality of the lives of all citizens.

There being no objection, the bills and summaries were ordered to be printed in the Record, as follows:

S. 1535

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second sentence of section 4205 of title 18, United States Code, is amended to read as follows: "The unexpired term of imprisonment of any such prisoner shall begin to run from the date he is returned to the custody of the Attorney General under such warrant, but the amount of time which such prisoner shall be required to serve as a result of his retaking shall be reduced by a period of time equal to that period commencing with his release by reason of his parole and ending with the date of the commission of the violation for which parole was revoked."

(b) The third paragraph of section 4207 of title 18, United States Code, is amended by inserting a comma immediately after "prisoner" and the following: "subject to the provisions of section 4205 of this title."

Sec. 402. The provisions of this title shall be applicable in the case of any person who, on or after the date of its enactment, is on parole or is paroled pursuant to the provisions of chapter 311 of title 18, United States Code.

S. 1536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth sentence of section 6 of the Act of July 15, 1932 (D.C. Code, sec. 24-206), is amended by inserting immediately before the period at the end thereof, a comma and the following: "and less any period of time during which he was on parole, commencing with his release by reason of his parole, and ending with the date of the commission of the violation for which parole was revoked".

Sec. 2. The sixth sentence of section 6 of the Act of July 15, 1932 (D.C. Code, sec. 24-206), is repealed.

Summary of "Street Time Credit" Bills

When an offender is released on parole, he remains under parole supervision until such time as his sentence is completed. Thus, the time he spends on parole is credited toward the running of his sentence. However, if he violates his parole, either through a technical infraction, or through the commission of a new crime, he would not necessarily receive credit for the time spent on parole prior to the violation.

Thus, there is the possibility of a person being sentenced to 15 years for a felony, and being paroled after having served five years in prison. He would at that time have ten years of his sentence remaining to be served. If he served nine years without any trouble, but then violated the conditions of his parole, his parole could be revoked, and he could receive no credit for the time spent on parole. Therefore, he would have to re-serve the nine years spent on parole, plus the one year not yet served. Instead of a 15-year sentence, he would in effect have a 24-year sentence. This is inequitable and patently unfair.

These two bills, one relating to federal parolees, and the other to District of Columbia parolees, simply insure that a person on parole is given credit toward the running of his sentence for the time served on parole up to the time of any violation. If he committed a crime, he would, of course, have to pay whatever penalty was provided for by law. But, under these proposals, he would not have to re-serve the time he had already served on parole.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 231

At the request of Mr. Eagleton, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 231, a bill to amend section 5(b) of the Food Stamp Act of 1964 to prohibit the use of funds to furnish food stamps to certain persons enrolled in institutions of higher education.

S. 388

At the request of Mr. Church, the Senator from South Dakota (Mr. McGovern), the Senator from Wyoming (Mr. McGee), the Senator from Pennsylvania (Mr. Hugh Scott), the Senator from Nevada (Mr. Cannon), the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from New Hampshire (Mr. McIntyre), the Senator from Illinois (Mr. Stevenson), the Senator from New Jersey (Mr. Case), the Senator from Tennessee (Mr. Brock), the Senator from Indiana (Mr. Hartke), the Senator from Missouri (Mr. Symington), the Senator from Massachusetts (Mr. Brooke), the Senator from West Virginia (Mr. Randolph), the Senator from New York (Mr. Javits), the Senator from Florida (Mr. Stone), the Senator from Minnesota (Mr. Mondale), the Senator from Washington (Mr. Magnuson), the Senator from New Mexico (Mr. Montoya), the Senator from Montana (Mr. Metcalf), the Senator from Missouri (Mr. Eagleton), the Senator from Wisconsin (Mr. Nelson), and the Senator from South Carolina (Mr. Hollings) were added as cosponsors of S. 388, a bill to amend titles II, VII, XVI, XVIII, and XIX of the Social Security Act to provide for the administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes.

S. 560

At the request of Mr. Church, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 560, a bill to amend title II of the Social Security Act to increase the amount which individuals may earn without suffering deductions from benefits on account of excess earnings, and for other purposes.

S. 585

At the request of Mr. Chiles, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 585, a bill to prohibit travel at Government expense outside the United States by Members of Congress who are not reelected to the succeeding Congress.

S. 1136

At the request of Mr. Philip A. Hart, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 1136, a bill to authorize appropriations for increased investigation and prosecution by the Federal Trade Commission and the Department of Justice of unfair methods of competition, restraints of trade, and other violations of the antitrust laws, and for other purposes.

S. 1288

At the request of Mr. Gary W. Hart, the Senator from California (Mr. Cranston), the Senator from Colorado (Mr. Haskell), and the Senator from Maine (Mr. Hathaway) were added as cosponsors of the bill (S. 1288) to prohibit the expenditure of funds for the procurement and development of lethal chemical weapons.

S. 1426

At the request of Mr. Church, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 1426, a bill to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such act, to prohibit discrimination on the basis of age, and for other purposes.

S. 1436

At the request of Mr. Randolph, the Senator from Alaska (Mr. Gravel), the Senator from Washington (Mr. Magnuson), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of S. 1436, a bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad, roadbeds and facilities.

S. 1440

At the request of Mr. Bayh, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 1440, a bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide financial assistance for alternative educational and security plans to reduce delinquency and crime in and against the public schools of the Nation, and for other purposes.

S. 1444

On the request of Mr. Beall, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1444 a bill to amend the Internal Revenue Code of 1954 to provide a bicentennial celebration contribution tax credit.

S. 1471

At the request of Mr. Roth, the Senator from Delaware (Mr. Biden) was added as a cosponsor of S. 1471, a bill to prohibit the Consumer Product Safety Commission from restricting the sale or manufacture of firearms or ammunition.

SENATE RESOUTION 100

At the request of Mr. Schweiker, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of Senate Resolution 100, a resolution expressing the sense of the Senate with respect to discrimination in international commerce on religious, racial, or ethnic grounds.

SENATE RESOLUTION 126

At the request of Mr. Brock, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of Senate Resolution 126, a resolution endorsing the continued presence of the United Nations peacekeeping forces in the Middle East.

SENATE RESOLUTION 131

At the request of Mr. Stone, the Senator from Florida (Mr. Chiles) was added as a cosponsor of Senate Resolution 131, to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy.

SENATE JOINT RESOLUTION 70

At the request of Mr. Humphrey, the Senator from Ohio (Mr. Glenn) was added as a cosponsor of Senate Joint Resolution 70, to extend support under the joint resolution providing for Allen J. Ellender Fellowships to disadvantaged secondary school students, and for other purposes.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. Curtis, the Senator from Indiana (Mr. Hartke), the Senator from Delaware (Mr. Roth), and the Senator from Nebraska (Mr. Hruska) were added as cosponsors of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic nations.

SENATE RESOLUTION 142—SUBMISSION OF A RESOLUTION TO ESTABLISH A TEMPORARY SELECT COMMITTEE ON MIA'S

(Referred to the Committee on Foreign Relations.)

Mr. THURMOND. Mr. President, besides the current crisis in Southeast Asia, one of the most grievous tragedies of the Vietnam War which continues to cause deep anxiety for all Americans and may continue regardless of the outcome of the current struggle is the lack of the full accounting for the prisoners-of-war and the missing-in-action.

In view of the disastrous situation in South Vietnam, accountability efforts will likely experience even greater noncooperation from Hanoi, if this is possible. It should be more obvious to the world than ever before that the Communists have absolutely no regard for agreements or human life. This inhumane and intransigient attitude has been the major reason MIA accountability efforts have failed.

Meanwhile, many Americans and especially the families of the POW's and MIA's feel that even their own Government has foresaken them. Our Government and the world know that the Communists have information about our MIA's and probably POW's, as stated in official reports, either through photographs, Communist newspaper articles, interviews, foreign broadcasts, observed captures and other sources. In spite of this knowledge, our Government has been proceeding to issue presumptive findings of death for the missing-in-action and prisoners-of-war.

The present law authorizes these procedures, but I seriously question our Government taking precipitous and unilateral action to conclude voluntarily that all MIA's and POW's are dead.

Mr. President, it is realized that probably most of the 2,400 Americans missing in action in Southeast Asia are likely to be dead and that accountability for the living or dead may never be totally complete. However, I do not believe that our Government has made a maximum accountability effort to achieve more effective results. There should be more convincing measures taken by the United States in dealing with the Communists on this issue. Also, presumptive finding of death implies lost hope and these findings provide the Communists with additional excuses to be noncooperative.

During the past year, many of us in the Congress have sponsored and supported legislation which would insist on a greater accountability effort by our Government. In the meantime, we have recommended suspension of presumptive findings of death procedures currently being pursued by the Defense Department until a greater effort has been made by our Government. I introduced legislation in the last session of Congress to pursue this goal. I reintroduced similar legislation, S. 624, in February, 1975, and there are 25 of my distinguished colleagues who are cosponsors of this bill.

Unfortunately, action has not yet been taken on this measure. As a further effort of more positive action by the Congress and to thwart lost hope, I am introducing a Senate resolution which requests this distinguished body to appoint a select committee of the Senate to investigate the missing-in-action tragedy.

This select committee would be chartered to make a thorough and complete study and investigation of all matters relating to members of the Armed Forces of the United States who are in a missing status in Southeast Asia and members known to be dead but whose bodies have not been recovered. This resolution would require that the select committee report its findings, together with such recommendations for legislation and further positive action by the United States as it deems advisable, to the Senate not later than May 1, 1976.

Mr. President, this is the objective of my resolution. I sincerely urge my distinguished colleagues to give this proposal serious and favorable action. I ask unanimous consent that this resolution be printed in the Record at the conclusion of my remarks.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

S. Res. 142

Resolved, That there is established a select committee of the Senate to be known as the Select Committee on MIAs (hereafter in this resolution referred to as the "select committee").

Sec. 2. (a) The select committee shall consist of 15 members to be appointed by the President of the Senate as follows:

(1) Eight members who are of the majority party, to be appointed upon recommendation of the Majority Leader, and

(2) Seven members who are members of the minority party, to be appointed upon recommendation of the Minority Leader.

(b) The select committee shall select a chairman from among its members. A majority of the members of the select committee shall constitute a quorum thereof for the

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transaction of business, except that the select committee may fix a lesser number as a quorum for the purpose of taking testimony. Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the select committee.

(c) For the purposes of paragraph 6 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member or chairman of the select committee shall not be taken into account.

SEC. 3. It shall be the function and duty of the select committee to make a thorough and complete study and investigation of all matters relating to members of the Armed Forces of the United States who are in a missing status (as defined in section 551(2) of title 37, United States Code) as the result of military operations in North Vietnam, South Vietnam, Laos, and Cambodia, and members known to be dead but whose bodies have not been recovered. In carrying out such study and investigation the select committee shall consider all practical means for dealing with the problems related to missing and unaccounted for members, including, but not limited to, the need for additional international inspection teams to determine whether there are members still held as prisoners of war.

SEC. 4. (a) For the purposes of this resolution, the select committee is authorized in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to hold hearings, (4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (5) to require, by subpena or otherwise, the attendance of witnesses and the production of correspondence, books, papers, and documents, (6) to take depositions and other testimony, (7) to procure the service of individual consultants or organizations thereof, in accordance with the provisions of section 202(i) of the Legislative Reorganization Act of 1946, as amended, and (8) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

(b) With the consent of the chairman of any other committee of the Senate, the select committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the chairman of the select committee determines that such action is necessary and appropriate.

(c) Subpoena authorized by the select committee may be issued over the signature of the chairman, or any other member designated by him, and may be served by any person designated by the chairman or member signing the subpoena.

(d) The chairman of the select committee or any member thereof may administer oaths to witnesses.

SEC. 5. (a) The select committe shall reports its findings, together with such recommendations for legislation as it deems advisable, with respect to the study and investigation under this resolution to the Senate at the earliest practicable date, but not later than May 1, 1976.

(b) The authority granted in this resolution shall expire 30 days after the filing of the report.

SEC. 6. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee.

AMENDMENTS SUBMITTED FOR PRINTING

INCREASED AUTHORITY FOR THE COUNCIL ON WAGE AND PRICE STABILITY—S. 409

AMENDMENT NOS. 376, 377, AND 378

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY (for himself and Mr. PROXMIRE) submitted three amendments intended to be proposed by them jointly to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

ADDITIONAL COSPONSORS OF AN AMENDMENT

At the request of Mr. STONE, the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Tennessee (Mr. BROCK), the Senator from North Carolina (Mr. MORGAN), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), the Senator from South Carolina (Mr. THURMOND), the Senator from California (Mr. CRANSTON), and the Senator from Florida (Mr. CHILES) were added as cosponsors of amendment No. 363, proposed to the bill (S. 1457), the Emergency Homeowners' Relief Act.

NOTICE OF HEARING

Mr. METCALF. Mr. President, this is to remind Senators and other interested persons that the hearings on S. 391, the Federal Coal Leasing Amendments Act of 1975, will be held by the Subcommittee on Minerals, Materials and Fuels of the Senate Committee on Interior and Insular Affairs on May 6, 7, and 8. The subcommittee has a full schedule of witnesses for each of those days. However, interested persons may wish to submit written testimony to be included in the hearing record. The hearings will begin at 10 a.m. on each day in room 3110, Dirksen Senate Office Building.

ANNOUNCEMENT OF HEARING

Mr. HUMPHREY. Mr. President, in our continuing review of timely issues, relating to foreign agricultural affairs, the Subcommittee on Foreign Agricultural Policy will hold a hearing on May 1, to review the implementation of the recommendations of the World Food Conference.

Section 55 of the Foreign Assistance Act requires the President to submit a report on the World Food Conference to the Congress by April 30. This hearing will be an opportunity to review that report and to call to public attention the progress this country and other nations around the world have made in putting the proposals of the World Food Conference into effect. The hearing will begin at 10 a.m., in room 324 of the Russell Senate Office Building. The following persons have been invited to present testimony. The Honorable Daniel Parker, Administrator for the Agency of International Development, the Honorable Thomas Enders, Assistant Secretary of State, and the Honorable Richard Bell, Deputy Assistant Secretary of Agriculture.

CHANGE IN SCHEDULE OF HEARING

Mr. LONG. Mr. President, the hearings of the Commerce Committee's Merchant Marine Subcommittee on S. 1487, a bill to authorize appropriations for the Coast Guard for fiscal years 1976 and 1977 and for the transition period of July 1–September 30, 1976, scheduled to begin at 10 a.m. in room 4200, Dirksen Senate Office Building on Monday, April 28, 1975, have been changed to 2:30 p.m. in room 5110, Dirksen Senate Office Building on April 28, 1975.

ADDITIONAL STATEMENTS

ADDITIONAL EMPLOYEES FOR SENATORS—SENATE RESOLUTION 110

Mr. TALMADGE. Mr. President, I was very pleased to learn that the Committee on Rules and Administration plans to hold hearings on Senate Resolution 110, a proposal to greatly expand the senatorial staff.

It would in fact almost double the number of committee staff members projected for the Senate for 1975. The price tag on this proposal is unconscionable at this time of massive deficit spending, double-digit inflation, and a recession that has millions of people begging for work.

Members of the Senate and the people of this country who pay the taxes are entitled to have full knowledge about this resolution, what it will do, what it will cost, and just how free and easy it is with the taxpayers' money.

I spoke against Senate Resolution 110 on April 9. I pointed out, on the basis of an analysis at that time, that it would allow some 900 additional employees for Senators, at a cost of somewhere around $33 million per year.

The resolution was still under study by the Rules Committee. Now comes an analysis of the measure showing that it would allow for 1,073 more staff members, at an estimated cost of $41 million.

It seems to me that the more this proposal is studied, the bigger it gets and the more it costs. If this be the case, I hope the Rules Committee will keep on studying Senate Resolution 110 until it dies in the oblivion it deserves.

I repeat, Senators and taxpayers are entitled to know about Senate Resolution 110.

For this reason, I ask unanimous consent that there be printed in the RECORD a letter from the distinguished chairman of the Committee on Rules and Administration, announcing hearings on Senate Resolution 110, and a summary of provisions of the resolution.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE
ON RULES AND ADMINISTRATION,
Washington, D.C., April 18, 1975.

DEAR MR. CHAIRMAN: For your information and consideration, I enclose a copy of Senate Resolution 110, submitted by Mr. Gravel on March 11, 1975. This resolution would authorize each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which the Senator serves.

In view of the impact this resolution would have upon the present committee system of the Senate, especially on the pending annual expenditure authorization resolutions for Senate committees, the Committee on Rules and Administration plans to hold a hearing on the Gravel proposal as soon as it concludes its investigation of the New Hampshire Senatorial contest.

Inasmuch as the provisions of Senate Resolution 110, if approved as introduced or in some modified form, would directly bear upon the organization and operation of every Senate committee, will you kindly give this Committee the benefit of any views you may have thereon. A summary of the most pertinent points and provisions of that resolution is enclosed for your information.

With all best regards, I am

Sincerely,

HOWARD W. CANNON,
Chairman.

SUMMARY OF SENATE RESOLUTION 110

Senate Resolution 110, introduced by Mr. Gravel (for himself, Mr. Brock, Mr. Cranston, and Mr. Packwood) on March 11, 1975, would create a new category of Senate employees—assistants to be employed directly by a Senator and to be housed in his personal Senatorial offices, but whose functions would relate to and be confined to the work of committees of which the Senator is a member. Such committee-related employees would "be accorded equitable treatment with respect to the records of that committee".

A preliminary analysis of the resolution by the staff of the Committee on Rules and Administration indicates that the proposal could increase the cost of Senate staffing by $40,985,752 and add 1,073 committee-related employees (at not to exceed $34,881 per annum) to the 1,262 regular committee staff members projected for the Senate for 1975.

A summary of the staff-authorizing provisions of Senate Resolution 110 follows:

Section 8(a)(1)

Section (a)(1) of Senate Resolution 110 would authorize additional clerk-hire funds to each Senator on each of the following standing committees—Aeronautical and Space Sciences; Agriculture and Forestry, Appropriations; Armed Services; Banking; Housing and Urban Affairs; Budget; Commerce; Finance; Foreign Relations; Government Operations; Interior and Insular Affairs; Judiciary; Labor and Public Welfare; and Public Works—to employ additional personal staff to assist him with those committee responsibilities in an amount equal to two additional employees at $34,881 per annum or $69,762 for each such Senator's committee assignment. The number of Senators' committee assignments in the above list totals 220.

220 assignments = 440 employees at $34,881 = $15,347,640

Section 8(a)(2)

Section 8(a)(2) of Senate Resolution 110 would authorize each Senator on each of the following committees—

Standing Committees—District of Columbia, Post Office and Civil Service, Rules and Administration, and Veterans' Affairs;

Select Committees—Intelligence, Nutrition and Human Needs, Small Business, and Standards and Conduct;

Special Committees—Aging and National Emergencies;

Joint Committees—Atomic Energy, Congressional Operations, Defense Production, Internal Revenue Taxation, Joint Economic, Library, and Printing—

to employ additional personal staff to assist him with those committee responsibilities in an amount equal to one additional employee at $34,881 per annum for each such Senator's committee assignment. The number of Senators' committee assignments in the above list totals 153.

153 assignments = 153 employees at $34,881 = $5,336,793

Section 9(a)

Section 9(a) of Senate Resolution 110 would authorize each Chairman and Ranking Minority Member of any subcommittee to employ (subject to certain restrictions) additional personal staff to assist him with those subcommittee responsibilities in an amount equal to two additional employees at $34,881 per annum for each such Senator's committee assignment.

The best information available indicates there are 175 Senate and joint committee subcommittees, or a total of 350 subcommittee chairmanships and ranking minority memberships. Section 9(a) provides that its provisions shall not apply (1) to more than one such assignment held by a Senator within a committee, or (2) in cases where a subcommittee is already funded. These restrictions would appear to eliminate 110 subcommittee assignments leaving 240 eligible under the resolution.

240 assignments = 480 employees at $34,881 = $16,742,880

Agency-contribution factor

The hiring of additional employees obligates the Government to payments beyond salaries in the form of agency contributions for employees' retirement, health, and life insurance benefits. Based on the above estimates of salary costs which would be incurred under Senate Resolution 110, the agency contributions would add an additional $3,558,439.

SUMMARY OF COST

Section 8(a)(1)	$15,347,640
Section 8(a)(2)	5,336,793
Section 9(a)	16,742,880
Agency contributions	3,558,439
Total estimated cost, S. Res. 110	$40,985,752

FISCAL RESPONSIBILITY IS THE KEY

Mr. CHILES. Mr. President, next week the Senate will take up the first concurrent resolution on the Federal budget reported out by the new Senate Budget Committee on which I am pleased to serve.

Fiscal responsibility is the key for the new Budget Committees of the Congress. The creation of these committees by law last year responded to the need to give the Congress more control over Federal spending. Never before has one committee in each House been given the responsibility to look at total Federal spending and establish limits for the Congress to meet. Always before this, the individual authorizing and appropriating committees did their work separately and total spending levels simply resulted from adding up all the parts rather than being derived from some overall view of what was prudent.

The Senate Budget Committee has now finished the first stage of its work for fiscal year 1976 by reporting out the first concurrent resolution setting targets for Federal spending, Federal revenues and the budget deficit. This is the first year for the new congressional budget process, and we were operating under some very severe time constraints. Nevertheless, I feel that we have taken the first step toward some greater control over Federal spending by the Congress.

After long discussions of different parts of the budget the committee arrived at $365 billion as the ceiling on total Federal spending for the next fiscal year. This figure is not far from what the President requested in January if you take into account the fact that his budget request included $17 billion in proposed reductions which have not been approved by the Congress. If these cuts in existing programs are not included in the President's request, the total level of spending he recommended was $366 billion.

Accurate estimates for Federal revenues are hard to come by, especially since no one is absolutely sure what all the effects of the new tax cut legislation will be on the economy or whether or not the legislation will be continued throughout the entire fiscal year. Also there is some question whether there will be a tax on gasoline or not. Depending on these different possibilities, the Budget Committees estimated that Federal revenues next fiscal year would be between $296 and $298 billion. This leaves us with a deficit of between $69 and $67 billion.

This is a terribly large deficit. I am very concerned about it. But it is nowhere near the $100 billion deficit the President said he thought it might come to or the $112 billion deficit that would result if all the "wish lists" of the authorizing committees were legislated. I would have liked the deficit to have been less, and I made motions to try to reduce spending still further to bring the deficit down more. But despite this, I feel that these recommended limits on spending and the deficit are less than they would have been without the Budget Committee. To this extent the Budget Committee began to perform its principal purpose to control the level of Federal spending. A clear majority of the committee supports the idea of fiscal responsibility as the main effort of the committee. My concern now is that we hold these levels when the resolution goes to the Senate floor and to conference with the House. The House Budget Committee set a ceiling of $368.2 billion on spending and a $73.2 billion deficit. So the Senate is below the House and needs to hold firm if the eventual deficit is to be kept below $70 billion.

It is important to understand that the spending level in the Senate resolution represents only that necessary to keep on-going Government programs funded at the current level plus temporary anti-recession spending of two kinds: First, permanent programs, such as unemployment compensation and food stamps, which are triggered by the recession and second, new programs, such as public

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service jobs and railroad bed improvement, totalling $4.5 billion geared especially to this recession. So even with a deficit of $67 to $69 billion we are not talking about funding major new Government programs or expanding the role of the Federal Government in our society. We are talking about holding the line on permanent spending and permitting some temporary spending, most of which is already legislated, to fight this recession.

There is a great temptation to spend more on every program in the Federal budget, and there is always support for more for each program. This year too there are arguments for even more spending to help the economy out of the recession. I believe we must resist these temptations and realize that the confidence we can restore in the economy by demonstrating to the people of this country that the Congress really can control Federal spending will outweigh the benefits that economists think will come from a spending stimulus to the economy. I differ with those economists who say we should spend more now because I am very much afraid it will be too much too late when hopefully the economy will be recovering on its own. And I believe that these economists underestimate the psychological boost to be gained by controlling Federal spending.

So I appeal to my colleagues in the Senate to look seriously at the effort the Budget Committee has made and to ask themselves if the best course for the Senate to take in dealing with the economy is not the course of fiscal responsibility. I appeal to my colleagues to keep the lid on Federal spending and not let the deficit go over $70 billion.

Mr. HRUSKA. Mr. President, when President Ford took office, he promised that his administration would be an open one. He has kept his word. His term in office has been marked by frequent press conferences, interviews with individual reporters, and many public appearances. He is to be commended for his conduct in keeping the people of the United States informed on his views and the activities of the executive branch.

Monday night, the President again went before the people of this country. The forum was a "live" interview with three correspondents from the CBS radio and television network. This news program was heard and seen coast to coast. The President's interview with Messrs. Cronkite, Sevareid, and Schieffer was a candid, up-to-the-minute account of the President's thinking on a wide-range of issues affecting everyone of us. I applaud President Ford for his candor and forthrightness in responding to the questions that were asked of him.

Mr. President, so that those persons who did not have the opportunity to hear or see Mr. Ford Monday night can have the benefit of reading his views, I ask unanimous consent that a copy of Mr. Ford's remarks on television and radio, April 21, 1975, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Interview With the President by Walter Cronkite, Eric Sevareid, and Bob Schieffer

Mr. Cronkite. Good evening, Mr. President.

The President. Good evening, Walter.

Mr. Cronkite. Thank you for this opportunity to talk to you this evening here in the Rose Room in the White House.

The President. I am looking forward to it.

Mr. Cronkite. Mr. President, just this moment as we came on the air, I was surprised over this little machine here that the Associated Press and the United Press International are reporting from Honolulu that a large number of battle-equipped Marines, 800 or so, have left Hawaii by air, on chartered aircraft.

Can you tell us what their destination is and what is up?

The President. That is part of a movement to strengthen, or to bring up to strength, the Marine detachment in that area of the Pacific. It is not an unusual military movement. On the other hand, we felt under the circumstances, that it was wise to bring that Marine group in that area of the world—the South Pacific—up to strength.

Mr. Cronkite. Can you tell us where they are going, sir?

The President. I don't think I should be any more definitive than that.

Mr. Cronkite. They are not going directly to Saigon?

The President. No, they are not.

Mr. Cronkite. Now that President Thieu has resigned, which was the big news this morning, of course, are we involved in, are we acting as an intermediary in any negotiations for a peaceful settlement out there?

The President. We are exploring with a number of governments negotiating opportunities, but in this very rapid change, with President Thieu stepping down, there really hasn't been an opportunity for us to make contact with a new government. And the net result is we are planning to explore with them, and with other governments, in that area or connected with that area so that we don't miss any opportunity to try and get a cease-fire.

Mr. Sevareid. Mr. President, what is your own estimate of the situation now? Do you think that the Hanoi people want to negotiate the turnover of the city, a peaceful turnover, or just drive ahead?

The President. Eric, I wish I knew. I don't think anybody can be absolutely certain, except the North Vietnamese themselves.

You get the impression that in the last few days they were anxious to move in very quickly for a quick takeover. On the other hand, within the last 12, 24 hours, there seems to be a slowdown. It is not certain from what we see, just what their tactic will be. We naturally hope that there is a period when the fighting will cease or the military activity will become less intent so that negotiations might be undertaken or even a cease-fire achieved.

But it is so fluid right now, I don't think anybody can be certain what the North Vietnamese are going to do.

Mr. Sevareid. Are they communicating with our Government through third parties or otherwise?

The President. We have communications with other governments. I can't tell you whether the North Vietnamese are communicating with them or not. I don't know.

Mr. Sevareid. President Thieu, when he stepped down, said one of the reasons was American pressure. What was our role in his resignation?

The President. Our Government made no direct request that President Thieu step down. There was no pressure by me or anyone in Washington in that regard.

There may have been some on the scene in Saigon who may have talked to President Thieu, but there was no pressure from here to force President Thieu to step down and he made, I am sure, the final decision all on his own.

Mr. Sevareid. Surely our representatives there would not speak without your authority on this matter?

The President. It is a question of how you phrase it. We never asked anybody to ask him to step down. There were discussions as to whether or not he should or shouldn't, but there was no direct request from me for him to relinquish his role as the head of state.

After all, he was an elected President. He was the head of that government, properly chosen, so his decision, as far as we know, was made totally on his own.

Mr. Schieffer. Mr. President, on the evacuation, you have expressed hope that something could be arranged so tens of thousands of loyal South Vietnamese could be brought out of the country.

Do you think it is possible to have something like that if the North Vietnamese oppose it or if the Viet Cong are not willing to go along with it? Are any kinds of negotiations underway right now to try to set up some sort of an arrangement like that?

The President. I would agree with you that if the North Vietnamese make a military effort, it would be virtually impossible to do so unless we moved in substantial U.S. military personnel to protect the evacuation.

On the other hand, if the South Vietnamese should make it difficult in their disappointment that our support hadn't been as much as they thought it should be, their involvement would make it virtually impossible again, without a sizeable U.S. military commitment. That is one reason why we want a cease-fire. That is why we want the military operation stopped so that we can certainly get all the Americans out without any trouble, and hopefully, those South Vietnamese that we feel a special obligation to.

But at the moment, it does not appear that that is possible. We intend to keep working on it because we feel it is the humane and proper thing to do.

Mr. Schieffer. What if it is not possible? Then what do you do? Do you ask the Congress to let you send those troops in there, American troops to protect the withdrawal? Do you send them in without Congressional approval? What do you do next?

The President. As you know, I have asked the Congress to clarify my authority as President to send American troops in to bring about the evacuation of friendly South Vietnamese or South Vietnamese that we have an obligation to, or at least I think we do.

There is no problem in sending U.S. military personnel in to South Vietnam to evacuate Americans. That is permitted under the War Powers Act, providing we give adequate prenotification to the Congress.

That is what we did in the case of Phnom Penh in our personnel there. But if we are going to have a sizeable evacuation of South Vietnamese, I would think the Congress ought to clarify the law and give me specific authority.

Whether they will or not, I can't tell you at this point.

Mr. Schieffer. If you do send them in and if Congress gives you the authority, they will have to have air power. It will have to be a sizeable commitment. They will almost have to have an open-ended authority in order to protect themselves. That is what you are asking for, isn't it?

The President. Unless the North Vietnamese and the South Vietnamese have a cease-fire, and then the evacuation of those South Vietnamese could be done very easily.

Now, if there is a military conflict still going on, or if either one side or the other shows displeasure about this, and if we decided to do it—there are a number of "ifs" in that—yes, there would have to be some fairly sizeable U.S.—on a short term—very precise, military involvement, not on a broad scale, of course.

Mr. Cronkite. Mr. President, when did you last talk to President Thieu?

The President. I have not personally talked to President Thieu since I became President. I have had a number of exchanges of correspondence with him, but the last time I talked to him was when he was in the United States and I was minority leader. That was roughly two years ago, as I recollect.

Mr. Cronkite. Gracious, we have this hot line with the potential great power adversary, the Soviet Union, and yet, with an ally who is in dire straits at this moment there is no communication between the Presidents. It seems strange.

The President. Well, there is very good communication between myself, our Secretary of State, and our Ambassador there. So, there is no lack of communication in and through proper channels. I don't think it is essential that we could be in direct communication between myself and former President Thieu.

Mr. Cronkite. Might it help to solve some of the misunderstandings if you talked directly to him?

The President. I don't think so. We have had communication, back and forth, both by message and as well as by correspondence. I think we understand one another. I think some of his comments were more directed at our Government as a whole than directed at me personally.

Mr. Sevareid. Mr. President, one of his comments was that the United States had led the South Vietnamese people to their deaths. Do you have any reply to that?

The President. There some public and corresponding private commitments made in 1972–1973 where I think that the President of South Vietnam could have come to the conclusion, as he did, that the United States Government would do two things: One, replace military hardware, on a one-for-one basis, keep his military strength sufficiently high so that he could meet any of the challenges of the North, and in addition there was a commitment that we, as a Nation, would try to enforce the agreements that were signed in Paris in January of 1973.

Now, unfortunately, the Congress in August of 1973 removed the latter, took away from the President the power to move in a military way to enforce the agreements that were signed in Paris.

So, we were left then only with the other commitment and, unfortunately, the replacement of military hardware was not lived up to. I, therefore, can understand President Thieu's disappointment in the rather traumatic times that he went through in the last week. I can understand his observations.

Mr. Sevareid. What is the relative weight that you assign to, first, this question of how much aid we sent or didn't send, and his use of it, especially in this pullback? Where is the greater mistake, because historically this is terribly important.

The President. It is my judgment—and historically will be probably more precise—but it is my judgment at the moment that the failure of the Congress to appropriate the military aid requested—the previous Administration asked for $1 billion 400 million for this fiscal year. Congress authorized $1 billion. Congress appropriated $700 million, and the failure to make the commitment for this fiscal year of something close to what was asked for certainly raised doubts in the mind of President Thieu and his military that we would be supplying sufficient military hardware for them to adequately defend their various positions in South Vietnam.

Now, the lack of support certainly had an impact on the decision that President Thieu made to withdraw precipitously. I don't think he would have withdrawn if the support had been there. It wasn't there, so he decided to withdraw.

Unfortunately, the withdrawal was hastily done, inadequately prepared and consequently was a chaotic withdrawal of the forces from Military Regions 1, 2 and 3.

How you place the blame, what percentages, our failure to supply the arms, what percentage related to the hastily and inadequately prepared withdrawal, the experts, after they study the records, probably can give you a better assessment, but the initial kick-off came for the withdrawal from the failure of our Government to adequately support the military request for help.

Mr. Schieffer. Mr. President, what I don't understand is, if they are saying we have got to leave because the United States is not going to give us some more equipment, why did they leave all the equipment up there that they had? Why did they abandon so much of that equipment?

The President. As I was saying, the withdrawal was very poorly planned and hastily determined. I am not an Army man. I was in the Navy, but I have talked to a good many Army and Marine Corps experts, and they tell me that a withdrawal, military withdrawal, is the most difficult maneuver to execute, and this decision by President Thieu was hastily done without adequate preparation, and it in effect became a rout.

When you are in a panic state of mind, inevitably you are going to leave a lot of military hardware. It is tragic. There is no excuse for that kind of a military operation, but even though that happened, if they had been given military aid, that General Weyand recommended during the last month, I am convinced that with that additional military hardware on time, there could have been a stabilization of the situation, which in my judgment would have led more quickly to a cease-fire.

Mr. Cronkite. Mr. President, you have said you were not advised of this withdrawal of President Thieu's. Are you certain, however, that none of the American military or diplomatic advisers out in Saigon did not agree with him that a limited withdrawal might be effective in bringing pressure on Congress to vote those funds and that, therefore, there was an American participation in that decision?

The President. As far as I know, Walter, there was no prenotification to any, certainly high-ranking, U.S. military or civilian official of the withdrawal decision.

Mr. Sevareid. This whole affair is going to be argued over. There will be vast books on it for years and years and years. Wouldn't it be wisest to publish the correspondence between former President Nixon and President Thieu, which is disputed now, the 1973 correspondence after the Paris accords?

The President. In the first place, I have personally read the correspondence. The personal correspondence between President Nixon and Preisident Thieu corresponds with the public record. I have personally verified that. I don't think in this atmosphere it would be wise to establish the precedent of publishing the personal correspondence between heads of state.

Maybe historically, after a period of time, it might be possible, in this instance, but if we establish a precedent for the publication of correspondence between heads of state, I don't think that that correspondence or that kind of correspondence will be effective because heads of state—I have learned firsthand—have to be very frank in their exchanges with one another, and to establish a precedent that such correspondence would be published, I think will downgrade what heads of state try to do in order to solve problems.

Mr. Sevareid. Of course, there is no way to keep President Thieu from publishing it?

The President. No.

Mr. Sevareid. Things like this have been judiciously leaked when it served the purpose of the President or the Secretary of State. You have no such plans for that?

The President. No, I have no such plans, and to be very frank about it, it seems to me that the American people today are yearning for a new start. As I said in my state of the world address to the Congress, let's start afresh.

Now, unless I am pressed, I don't say the Congress did this or did that. I have to be frank if I am asked the categorical question.

I think we ought to turn back the past and take a long look at how we can solve these problems affirmatively in the future. Vietnam has been a trauma for this country for 15 years or more. A lot of blame can be shared by a good many people—Democrats as well as Republicans, Congress as well as Presidents.

We have some big jobs to do in other parts of the world. We have treaty commitments to keep. We have relations with adversaries or potential adversaries that we should be concerned about. It is my judgment, under these circumstances, we should look ahead and not concentrate on the problems of the past where a good bit of blame can be shared by many.

Mr. Cronkite. Mr. President, Vice President Rockefeller suggested he thinks this would be an issue in the 1976 campaign. Will you make it an issue in 1976 or will you try to keep it out of the campaign?

The President. I will not make it an issue in 1976.

Mr. Schieffer. Will Mr. Rockefeller? I didn't quite understand what he was driving at in that recent interview when he said, you know, if 2,000 or 3,000 Americans die in this evacuation, that raises some issues.

The President. Well, of course, the record—whatever a man in public office says—can be, in and of itself, a campaign issue. But I can speak only for myself, and I do not intend to go out and point the finger or make a speech concerning those who have differed with me who I might privately think contributed to the problem.

By 1976, I would hope we could look forward with some progress in the field of foreign policy. I think we have got some potential successes that will be very much possible as we look ahead.

So, rather than to replay the past with all the division and divisive feelings between good people in this country, I just hope we can admit we made some mistakes, not try to assess the blame, but decide how we can solve the problems that are on our doorstep.

And we have a few, but they are solvable if we stick together, if we have a high degree of American unity.

Mr. Schieffer. There is not much trouble—leaving the Vietnam issue that the Nation has had, and leaving Vietnam here tonight, but I would like to ask just one more.

Have you talked to former President Nixon about any aspects of this Vietnam thing in the last few weeks?

The President. After my state of the world speech April 10th, he called me, congratulated me on it. We discussed what I had said. It was a rather short but a very friendly chat on the telephone.

Mr. Schieffer. Any talk about secret agreements?

The President. As I recall the conversation, he reiterated what I have said, that the public record corresponds with the private correspondence in reference to the commitments, moral or legal, or otherwise.

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Mr. Schieffer. Speaking of your state of the world address, there was speculation around just before that address that you were going to use it to put your own stamp on your own foreign policy. I think the phrase was to get out from under the shadow of Secretary Henry Kissinger.

Do you feel you did that with that speech, or was that ever your intention?

The President. It wasn't done to show any particular purpose, other than the problems we had. Vietnam, of course, was number one of the agenda. We did want to indicate that—and I must say we, it means the Administration—that we were strengthening NATO. We had to solve the problem of the dispute between Greece and Turkey over Cyprus.

It was sort of a world look, and I don't think it was necessary for me to put my own imprint. I think it is more important to deal with reality rather than to try and go off on my own.

The problems have to be solved, and I don't care who has the label for it.

Mr. Sevareid. Mr. President, we all get the impression, and have since you have been in office, that you get your foreign policy advice exclusively from Henry Kissinger. If that isn't so, who else do you listen to?

The President. That is a good question, and I would like to answer it quite frankly. The National Security Council meets on the major decisions that I have to make—SALT, MBFR, et cetera.

I get the recommendations from the National Security Council. It includes Secretary Kissinger, Secretary Schlesinger, the head of the CIA, the Chairman of the Joint Chiefs of Staff. The major decisions come to me in option papers from the National Security Council.

I meet daily with Secretary Kissinger for about an hour because I think it is important for me to be brought up day by day on what the circumstances are in the various areas where we have potential decision-making on the agenda. But, the actual information that is involved in a major decision comes through the National Security Council.

Mr. Sevareid. Suppose there is a position paper or policy recommendation from somebody in the National Security Council to which the Secretary is opposed? Could it get to you? Could it get past him to you?

The President. Oh, yes. Sure, no question about that. As a matter of fact, in our discussions in the National Security Council, particularly when we were preparing for SALT II negotiations, there were some options proposed by one individual or others.

There wasn't unity at the outset, but by having, as I recall, three or four NSC meetings, we resolved those differences. At the outset there were differences, but when we got there, there was unanimity on what we decided.

Mr. Sevareid. One more short question on this. It was the complaint of many people that worked with President Johnson on the Vietnam war that he never had time to read any of the books about Indochina, the French experience, the Vietnam movement and so on. Have you ever had time to read any of the books about that part of the world?

The President. I, over the years, have read four to five books, but I have had the experience of sitting on a committee on appropriations that had involvement, going back as early as 1953, with economic-military aid to South Vietnam, and those hearings on appropriations for economic and military aid would go into the problems of South Vietnam, Laos, Cambodia, South Vietnam, in great depth.

So, this outside reading, plus the testimony, plus the opportunity to visit South Vietnam I think has given me a fairly good background on the history, as well as the current circumstances.

Mr. Sevareid. Do you get time to read any books now?

The President. I read, Eric, about one a month.

Mr. Schieffer. Mr. President, I had planned to ask you this later, but perhaps it follows Eric's question, sort of related to this subject, and that is covering you.

You are a very active President. You travel a lot. You take part in a lot of public activities. You have said that you want to take the Presidency to the people. But do you really have time to give serious thought to questions? When do you reserve time to just think about things?

I suppose the question is, do you feel sometimes that you devote too much time to secondary things?

The President. Not at all. I am a very well organized person. When I am in the office, I have a very set routine that gives me the opportunity to read position papers, recommendations, outside material.

And if you spend, as I do, on the average of 14 to 15 hours a day on the job in one way or another, I think I do have an opportunity to get not only the input from Government people, but an input from people on the outside.

Now, it is true I will travel some, but I happen to think it is wholesome and healthy for a President to get out of Washington, to go to New Hampshire, to go to Boston, to go to New Orleans, to go other places.

You get a little different perspective of not only the problems, but the attitude of people and it is helpful to get that input from other sources.

Mr. Cronkite. John Hersey, in that excellent New York Times magazine piece yesterday, said that you are quite impatient with palace feuds—

The President. That is an understatement.

Mr. Cronkite. —yet, reports have gone around quite continually here in Washington that there are members of your most intimate White House staff who would like to see Dr. Kissinger go. Are you aware of that?

The President. If they believe it, they have never said it to me. I happen to think Henry Kissinger is an outstanding Secretary of State. I have thought it since I have known him, and he has been in the job.

Fortunately, my personal acquaintanceship with Secretary Kissinger goes back ten or 15 years, so I have known him over a period of time, and it is my strong feeling that he has made a tremendous contribution to world peace.

He has been the most effective Secretary of State, certainly in my period of service in the Congress, or in the Vice Presidency, or the White House. I have never heard anybody on my staff ever make a recommendation to me that Secretary Kissinger should leave.

Mr. Cronkite. What about suggestions—

The President. I would strongly disagree with them and let them know it quite forthrightly.

Mr. Cronkite. What about suggestiona that perhaps someone else should be the National Security adviser, that he should give up one of those hats? How do you feel about that?

The President. If you were to draw a chart, I think you might make a good argument that that job ought to be divided.

On the other hand, sometimes in Government you get unique individuals who can very successfully handle a combination of jobs like Secretary Kissinger is doing today as head of the National Security Council and Secretary of State.

If you get that kind of a person, you ought to take advantage of that capability. And therefore, under the current circumstances, I would not recommend, nor would I want a division of those two responsibilities.

Mr. Cronkite. Is there any talk of his resigning?

The President. I have talked to Secretary of State Kissinger. I have asked him to atay and he has committed to stay through the end of this Administration, January 20, 1977.

Mr. Cronkite. Mr. President, you said last fall—changing the subject—regarding the CIA, that you were ordering a atudy on how better to keep Congress informed of CIA activities. Can you tell us how that study is coming and can we expect a report on that in the near future?

The President. I appointed the Rockefeller Commission, an excellent group, and they are now in the process of taking testimony from people within the Government and people outside of the Government. It is a very thorough investigation. They have an outstanding staff.

I would expect within the next 60 to 90 days I would have from that Commission its recommendations for any structural changes or any other changes that might be made, but I haven't gotten that report yet.

Mr. Cronkite. That is the only study. There is not a study on just Congressional liaison with the CIA?

The President. No. That, to some extent, is a separate issue. The Congress, in recent years, has broadened the number of people who are filled in by the CIA.

When I was on the committee on appropriations, I don't think there were more than ten or 12 people in the Congress, House and Senate who were kept abreast of the budget of the CIA, the activities of the CIA, but today, I would guess that it is close to 50 to 75.

Now, when the number of people being told reaches that magnitude, inevitably there can and will be leaks about some of the jobs or activities being undertaken by the CIA.

Of course, the CIA under those circumstances can't possibly operate effectively, either covertly or overtly, so I think we have got to find a better way of adequately keeping the Congress informed, but not enlarging the number who have to be informed.

Mr. Sevareid. Mr. President, wouldn't the whole thing be safer and clearer and cleaner if it was simply the law that the CIA gather intelligence only and engage in no covert political operations abroad?

The President. If we lived in a different world——

Mr. Sevareid. It might help to make the world different.

The President. Well, I can't imagine the United States saying we would not undertake any covert activities, and knowing at the same time that friends, as well as foes, are undertaking covert activity, not only in the United States, but elsewhere.

That would be like tying a President's hand behind his back in the planning and execution of foreign policy. I believe that we have to have an outstanding intelligence gathering group, such as the CIA or in the other intelligence collection organizations in our Government. But, I also think we have to have some operational activity.

Now, we cannot compete in this very real world if you are just going to tie the United States with one hand behind its back and everybody else has got two good hands to carry out their operations.

Mr. Cronkite. Do you people mean by covert activities—I want to get clear on this—does this mean the use of the dirty tricks department to support friendly governments and try to bring down unfriendly ones?

The President. It covers a wide range of activities, Walter. I wouldn't want to get in and try to pinpoint or define them, but it covers a wide range of activities. I just happen to believe, as President, but I believed it when I was in the Congress, that our Government must carry out certain covert activities.

Mr. Schieffer. Mr. President, what do we get for that, for these covert activities? We hear about this business of destablishing the government in Chile. We didn't aeem to help ourselves very much in that, the Phoenix program in Vietnam, the secret war in Laos. Is it that we just never hear of the successful ones?

The President. A good intelligence covert activity, you don't go around talking about.

Mr. Schieffer. Have there ever been any good ones?

The President. There have been some most successful ones, and I don't think it is wise for us today to talk about the good ones or even the bad ones in the past.

It is a very risky business, but it is a very important part of our national security, and I don't think we should discuss—certainly I shouldn't discuss—specifics.

I shouldn't indicate we have done this or done that. But I can assure you that, if we are to compete with foes on the one hand, or even be equal in the execution of foreign policy with our friends, we have to covert activities carried out.

Mr. Cronkite. How in a democracy can the people have an input into what governments overseas they are going to knock off or what ones they are going to support? It seems to be antithetical to the whole principle of democracy.

The President. Every four years, Walter, the American people elect a President and they elect a Congress every two years, or most of the Congress every two years.

The American people, I think, have to make a judgment that the people they elect are going to carry out, of course, domestic policy, but equally important, foreign policy.

And the implementation of foreign policy inevitably means that you are going to have intelligence gathering as well as operational activities by your intelligence organization.

Mr. Cronkite. Can we move on to the Middle East now? Are you reconciled to a Geneva meeting now or would you still like to see some more direct diplomacy in the step-by-step Kissinger pattern?

The President. I think, following the very serious disappointment of the last negotiations between Israel and Egypt, we are committed, at least in principle, to going to Geneva.

Now, in the meantime, we are going through this process of reassessment of our whole Middle Eastern policy which, prior to the suspension of the negotiations between Egypt and Israel, had been a very successful one.

Now, there really are three options, You could resume the suspended negotiations without making a commitment to go to Geneva. You could go to Geneva and try to get an overall settlement—which is a very complicated matter. People advocate it, however.

But while you were going through this negotiation for an overall settlement, as a third option you might have an interim negotiated settlement between two of the parties, such as Israel and Egypt.

Now, those are basically the three options. We have not made any decision yet. We have had our Ambassadors from the Middle East come back and report to me. We have undertaken a study under the leadership of Joe Sisco to bring together the best thinking and all of the options.

We have brought in, or Secretary Kissinger has brought in, some outside experts in the Middle East. Last week, I had a meeting with a former State Department official, Gene Rostow, who is an expert in this area. But right at the moment, we have made no firm decision as to what our next particular step will be in the Middle East.

Mr. Sevareid. Mr. President, can you foresee any possible circumstances in which you would feel it right to send American armed forces into the Middle East on land, or in the air? In other words, military intervention?

The President. I can't foresee any, Eric, but—and I see no reason to do so. So, I think the answer is pretty categorically no.

Mr. Sevareid. What about a wholly different level, if there were agreement for a Russian-American peace patrol and the alternative to that was another mideast war, would you go that far?

The President. You put it on about the most extreme alternatives. We want peace in the Middle East and I think the Soviet Union does, too.

I would hope that there wouldn't be a need for either the United States or the Soviet Union having any peace-keeping responsibilities with their own forces in the Middle East.

Mr. Schieffer. Mr. President, does the reassessment now going on of the Middle East policy also include a reassessment of the U.S. position toward the Palestinians?

The President. If you take the path of an overall settlement and going to Geneva, I think you have to have an analysis of what is going to happen there because the Palestinians are going to demand recognition.

But I don't mean to infer that we have made any decision. But the Palestinians have to be examined as a part of the overall Middle East situation.

I am not making any commitment one way or another but it has to be part of the problem that we are analyzing.

Mr. Schieffer. Let me ask you this just as a follow-up. Could the Palestinians be included if they refuse to deal with the Israelis?

The President. I don't see how because the Israelis, in the first place, don't recognize the Palestinians as a proper party and the PLO doesn't recognize the existence of Israel. So, I think that is an impasse right there and it will be one of the most difficult things that will have to worked out if it is worked out at Geneva.

Mr. Schieffer. Do you have any feel for when there will be a date for the Geneva conference reconvening?

The President. I have seen a lot of speculation early this summer, but no set time has been determined.

Mr. Cronkite. Mr. President, the Israeli Foreign Minister Allon is in Washington now, and there are reporta out of Jerusalem today that he is going to suggest a summit meeting between you and President Rabin. Do you expect to have such a meeting?

The President. I wouldn't expect that I would make any commitment on that until we are further along in our reassessment. It may be desirable at some point. It may be desirable to meet other parties, or other heads of state, in the Middle East, but I don't want to make any commitment tonight as to any one or as to more than one.

Mr. Cronkite. Doesn't that sort of imply that we are still being a little bit hardnosed in our disappointment over the Kissinger mission?

The President. No, I think it is wise for us to take a look ourselves at the new options or different options. I certainly wouldn't rule out a meeting with Mr. Rabin, but I don't want to make any commitment to one until we have moved a bit further down in the process of a reassessment.

I reiterate that if we meet with one, we certainly ought to give others an opportunity, other heads of state, to have the same input.

Mr. Cronkite. So, there won't be any favored nation treatment of Israel in the future?

The President. I think we have to, in this very division, where the possibility of war is certainly a serious one, if you have a war, you are inevitably going to have an oil embargo—I think we have to be very cautious in our process of a reassessment.

Mr. Cronkite. Mr. President, speaking of an oil embargo and the general state of the economy, which it directly affects, the cities are broke, the States are broke, the Federal Government is broke. In order to try to meet recessionary pressures, we feed inflation; to meet inflation, we feed recessionary pressures.

Is there any end to this thing? What is down the road economically?

The President. I happen to be a good bit more optimistic than the picture you paint, Walter. But I think there are a number of facts which give me good reason to be fairly optimistic.

We have gone through the most precipitous inventory liquidation in the last several months in the history of record keeping in the United States. We are almost at the bottom of that, and there are other factors that are appearing that are encouraging.

We have gotten some good news in the area of a lesser rate of inflation. Retail sales have held up pretty good; new orders are doing reasonably well.

I am an optimist about moving the economy forward.

If we do, in the latter half of this calendar year, then some of the financial problems of the Federal Government, State and local units of Government, will be in much better shape. Their revenues will be increased, including ours. So, this acute situation today, that you describe very dramatically, I don't think will be nearly as bad in the months ahead.

Mr. Sevareid. Mr. President, the Federal Reserve Board in this system of ours is virtually a fourth branch of Government. It is not checked or balanced by any other branch of Government. It can turn the money tap on or off. It has the power to virtually negate any economic recovery program that you or the Congress, or the two of you, put forward—and a lot of people think that is what it has been doing—would you support any of those proposals for legislation to change the law to make them more amenable to the whole political process?

The President. My judgment is that the Federal Reserve Board needs a high degree of autonomy. The minute we turn the central banking set-up into a political weapon, then I think our credibility for responsible monetary policy goes down the drain.

Mr. Sevareid. But it is a political weapon now.

The President. But it is autonomous. I can't call up Arthur Burns and tell him to do this or do that, and the Congress can't unless they change the law.

Now, on the other hand, Arthur Burns does sit in on some of our economic policy meetings. He is very helpful in his observations, and I think the record will show the last two months that they—they, the Federal Reserve Board under his leadership—have increased the supply of money very substantially.

Mr. Sevareid. Yes, but the quarterly average is still pretty low yet.

The President. The most recent figures—I think they have been published—are very encouraging as to the money supply and there has been a very substantial decrease in interest rates over the last three or four months because of responsible action taken by the Federal Reserve Board.

My feeling is that if we politicize the Federal Reserve Board, make it a tool of the Administration, or the tool of the Congress, we will lose a great deal of integrity, which I think is vital in the management of our money supply.

Mr. Sevareid. But if stupidity should happen to go along with that integrity, you can't do anything about it. Ought not the terms of the members be shorter, or the Chairman's term be coterminous with the President's, something of that kind?

The President. Something of that kind

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certainly ought to be explored but to make the Chairman or the members all a part of an Administration I think would lead to partisan problems that would be much, much worse than any of the problems we have today, if we have any.

And I must say, in all honesty, Mr. Burns, or Dr. Burns, has been very understanding. When the record of this last year is written, it seems to me that there has been a close coordination between fiscal and monetary policy which will substantially contribute to the recovery we are talking about the latter part of this year.

Mr. CRONKITE. Mr. President, speaking of the Presidential term, I assume nothing has happened in the last few days to change your mind about running in 1976. Will you enter the primaries?

The PRESIDENT. Walter, I have indicated that I intend to be a candidate. I have not made any categorical determination that I will be a candidate. I did say, when I was up in New Hampshire last Friday, that I expected to be up in New Hampshire in March of 1976. I like the country, I like the people and I might have a good reason to be up there.

Mr. CRONKITE. Do you think the encumbent President ought to stand in the primaries then as a general principle?

The PRESIDENT. I like political competition and I think it is wholesome for the electorate to have candidates for whatever office stand up and defend, debate what their views are?

Mr. CRONKITE. Will you debate your opposition in 1976?

The PRESIDENT. I haven't made that decision because I haven't decided categorically I am going to be a candidate, but we will take that under consideration.

Mr. SEVAREID. Assuming you are a candidate, Mr. President, if Mr. Nixon, the last President, offered his campaign help to you, would you accept it?

The PRESIDENT. I like to run on my own and I think when I make the decision to be a candidate, I will stand on my own record. I won't solicit others to come in and help me.

Mr. SCHIEFFER. Mr. President, it seems to me you are giving us a little softer answer than I had the impression you had been giving us. I have been listening to you give these speeches around the country recently.

The PRESIDENT. Bob, you haven't heard me say categorically I was going to be a candidate and for a good reason. Let me tell you the reason that basically keeps me from making an all-out decision.

As President I inherited a number of difficult problems, the economy—which included inflation and unemployment—the problems of Vietnam, and the Middle East. I am not blaming anybody but, all of a sudden, they were thrust on my shoulders. I had to make some hard decisions, some unpopular ones, and if I had been an active candidate in the process of making some of those decisions, individuals or newspapers, or others, could say, well, I did it for political reasons.

I will make those decisions as best I can without having the handicap of being a candidate for re-election. At some point I will make that decision.

But, in the meantime, it is better for me not to be open to the charge that I am making a decision for one political reason or another.

Mr. SCHIEFFER. But you are saying to us that you may not be a candidate?

The PRESIDENT. I didn't mean to leave that impression.

Mr. SCHIEFFER. Let me ask you another question.

The PRESIDENT. I certainly didn't mean to give you that point of view.

Mr. SCHIEFFER. All right, let me ask you another question, Mr. President, along that line. If you are a candidate, are you locked into Nelson Rockefeller as your Vice President? There are some people, as you know very well, in the right wing of your party, that just can't seem to tolerate Mr. Rockefeller.

Would you give any thought to another running mate if indeed you are a candidate?

The PRESIDENT. I picked Nelson Rockefeller for Vice President because I thought he would do a fine job. He has done a fine job. A person who performs well, I think ought to continue on in a position of responsibility.

I see no reason whatsoever, at this point anyhow, and I can't foresee any, where there should be any change.

Mr. CRONKITE. If it were a matter of keeping the conservatives behind your ticket in 1976, you would not dump Nelson Rockefeller?

The PRESIDENT. In the first place, Walter, I think the public has a wrong perception of Nelson Rockefeller. He is not the wild liberal that some people allege.

Mr. CRONKITE. It is not the public, it is the conservatives in your own party.

The PRESIDENT. I happen to think he is a very responsible public official, responsible about fiscal affairs, he is responsible about strong national defense, he is an excellent administrator. I really think some of the charges made against him are unfair and unfounded.

Mr. CRONKITE. And you will persuade the conservatives of that?

The PRESIDENT. I think we can persuade the ones that will look at the facts. I think a lot of them will because they know of his fine record.

Mr. CRONKITE. Do you see a role for John Connally in 1976 in the Republican Party?

The PRESIDENT. I think so. I think John Connally—he was acquitted, all charges have been dismissed. He has a clean slate, and he has the record in the courts to prove it.

So, I think there could be a role for John Connally in the Republican Party in 1976.

Mr. CRONKITE. What about bringing him back into your government? Is that a possibility?

The PRESIDENT. We hadn't gotten to that point, but if we find a spot where he would fit and he was willing, I think he would make a fine addition to any administration.

I thought he was an excellent Secretary of the Treasury.

Mr. CRONKITE. Mr. President—I think we have got time for a final question, gentlemen—and I am all wound up with one.

Two hundred years ago, this new Nation gave promise to the world of new concepts of freedom, of independence, of the dignity of the individual. Today, we find ourselves as a great power, as a gendarme to the world and as an arms supplier to the world.

Last week, to the Daughters of the American Revolution you said, like it or not, we are a great power and our real choice is whether we succeed or fail in a role we cannot shirk. What is that role?

The PRESIDENT. The role is one of leadership to the free world and leadership really in trying to make a better world not only for those in the United States, those aligned with us, but hopefully, those in countries where we don't have alliances or friendly relations.

I think the United States has the potential, has the responsibility on the broadest basis I know to make this a better place in which to live.

And I think, as long as I am President, I am going to make a maximum effort in that way, diplomatically, economically, in every way that I can conceive.

I think that is my job as President and I think it is the responsibility of the American people. There is no reason why we shouldn't. We have the potential. We have the people. We have everything to do it with and I just hope we will move ahead.

Mr. CRONKITE. Thank you very much, Mr. President, and good night.

Mr. SEVAREID. Thank you, Mr. President.

Mr. SCHIEFFER. Thank you, Mr. President.

LIBRARY OF CONGRESS—175TH ANNIVERSARY

Mr. CANNON. Mr. President, as vice chairman of the Joint Committee on the Library, I would like to call to the attention of this body, a significant anniversary and one in which the Congress of the United States can take great pride. One hundred and seventy-five years ago today President John Adams signed an act that provided for the removal of the Government from Philadelphia to Washington and provided "for the purchase of such books as may be necessary for the use of the Congress at the said city of Washington, and for fitting up a suitable apartment for containing them." So the Library of Congress, which now stands as a monument to civilization, had its beginnings.

The first books arrived in 11 hair trunks and 1 map case in early February 1801 aboard a British cargo ship, the *American*. That purchase, containing such works as Adam Smith's "Wealth of Nations and Postelwayte's "Dictionary of Commerce," was evidence of Congress belief in the need for a library to meet its legislative demands. Today, the Library of Congress is one of the world's great research institutions and the custodian of many of the records of the Nation's past. The Library of Congress is marking this 175th anniversary by a formal opening of the Library's American Revolution Bicentennial exhibit, "To Set a Country Free."

The existence and the character of the Library of Congress are in no small measure due to Thomas Jefferson, who offered the republic his private library of almost 6,500 volumes to replace those destroyed in the burning of the Capitol in 1814. In making the offer Jefferson stated:

> I do not know that it contains any branch of science which Congress would wish to exclude from their collection; there is, in fact, no subject to which a Member of Congress may not have occasion to refer.

The purchase of the Jefferson library forever changed the Library of Congress from a small legislative reference library to one with collections universal in scope.

Fire in the Capitol in 1851 again ravaged the Library, destroying two-thirds of Jefferson's books, but Congress provided for rebuilding its quarters, this time a specially designed "iron room," and expanded its collections. By the close of the Civil War the Library of Congress contained 80,000 volumes.

The war, it now appears, was a watershed in the Library's history. Under Librarian of Congress Ainsworth Rand Spofford, who perceived the Library's true mission to be that of the national Library, the Library saw phenomenal growth. The 40,000-volume scientific library of the Smithsonian Institution was transferred to the Library of Congress in 1866 and the purchase of the Peter Force collection of notable Americana in 1867, successfully urged on Congress by Spofford, made the Library of

Congress the largest library in the United States. Spofford's efforts to centralize at the Library of Congress all U.S. copyright activities, culminating in the Copyright Act of 1870, insured the Library's continuing growth, as two copies of every book, print, map, or pamphlet registered was to be thereafter deposited in the Library of Congress. Spofford's next goal, having enlarged the Library, was to secure it a separate and permanent home and in 1886 a Library building across the East Plaza from the Capitol was authorized. By the time the building opened in 1897, much of Spofford's larger design—to expand the Library's services and make an impression on the national consciousness—was already accomplished. Service to the public had grown, the new building was a national monument, and the Library made its voice heard in national library affairs.

Organization of the Library in the new building was the achievement of John Russell Young, who died before he could see the results of his efforts. Herbert Putnam, who served from 1899 to 1939, shared the beliefs of his predecessors that the Library had national obligations to fulfill. Under Putnam the Library's services to libraries nationwide expanded: a new classification scheme was developed, a public card catalog was established, and in 1901 printed catalog cards were offered for sale and interlibrary loan service was begun. To meet growing congressional sentiment that Congress should have the same specialized service that some State legislatures were getting, a separate Legislative Reference Service was authorized. Putnam guided the Library of Congress into the realm of the arts as well, achieving the creation of trust funds and endowments to promote special chairs and consultantships and promoting such activities as the performance of chamber music. Putnam's regime also saw the construction of a Library of Congress Annex on Capitol Hill and the beginning of a national program of reading materials for the adult blind.

Archibald MacLeish, who presided over the Library of Congress during the war years, undertook the first major reorganization of the Library in 40 years, establishing the reference and processing departments. The wartime needs of the United States and its allies for information revealed gaps in the Library's collections that the next Librarian of Congress, Luther H. Evans, attempted to fill, at the same time helping to carry out programs of assistance to war-ravaged libraries in the years following World War II.

Evans was also responsible for a number of new bibliographic and reference services, and he helped to gain recognition, in the Legislative Reorganization Act of 1946, of the Legislative Reference Service as a major research arm of the Congress.

L. Quincy Mumford, appointed by President Eisenhower in 1954, took office at the beginning of what has been called the "information explosion." Not only was more being published in this country and abroad but the needs of a Congress coping with complex modern problems were greater than ever before. Mumford coped with the first by initiating a study of the application of automation to Library processes, a study which provided a basis for the machine readable cataloging—MARC—activities of the Library today. The Library stepped up its aquisitions, first under provisions of the Agricultural Trade Development and Assistance Act—Public Law 480—which allowed the Library to acquire books abroad with U.S.-owned, foreign currency, and later under title II–C of the Higher Education Act as well, which authorized the national program for acquisitions and cataloging.

In 1965 a third Library of Congress building, a memorial to President James Madison, was authorized and in 1975 it is nearing completion on a site just south of the main building.

In Librarian Mumford's tenure, Congress also renewed its interest in expanded research service for Members and congressional committees and more clearly defined the Library's national and congressional missions. The Legislative Reorganization Act of 1970, which created the Congressional Research Service, enlarged the staff and responsibilities of the former Legislative Reference Service to assist Congress more efficiently with its increasingly heavy workload. Under a revised mandate, members and committees receive indepth analysis of legislative issues as well as the more traditional reference services.

The size and the scope of the services of the Library of Congress today would undoubtedly amaze its founders. From the original 11 hair trunks of books and the contents of 1 map case, the Library has grown to 75 million books, maps, prints, photographs, pieces of music, and microforms. It administers a nationwide program of service to the blind and physically handicapped through a network of 54 cooperating libraries. It is a partner in many overseas exchange programs and in numerous national and international cataloging and processing projects. Celebrating its birthday are 4,500 employees, representing a multiplicity of professions and specialities, the work force essential to meeting the needs of demanding masters: Congress, the Government, and the public.

Members of Congress can, I believe, take tremendous credit for this Library which they have nurtured through an amazing 175-year hisory.

AIRBORNE EARLY WARNING AND CONTROL SYSTEM

Mr. GOLDWATER. Mr. President, much has been said in opposition to and in defense of one of the most important new weapons systems we have developed, AWACS. I am happy to report to my colleagues that in a meeting of the NATO Conference of National Armament Directors, NATO established airborne early warning and control system as a urgent first priority military requirement and will collectively support a contract definition phase for the program.

This is a great step forward, not only in the recognition of the value of the system by our allies, but because there has been a commitment on their part of a very material interest. There has recently appeared in Aviation Week and Space Technology a brief outline showing AWACS in the NATO role, and I ask unanimous consent that this outline be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AWACS TESTED IN NATO ROLE

(By Herbert J. Coleman)

RAF-MILDENHALL, ENGLAND—Testbed Boeing E–3A airborne early warning and control system (AWACS) aircraft last week began an intensive program of demonstrations over North Atlantic Treaty Organization sea and land environments, using a McDonnell Douglas F–15 fighter in the attack mode, along with other NATO aircraft and warships.

The aircraft, based here at U.S. Third Air Force headquarters and military airlift command base for the first demonstration stage, also was tied into the United Kingdom ground environment linesman-mediator military and civil radar network, via a downlink radar and communications unit flown to Britain by a Lockheed C–130 cargo aircraft.

The downlink unit was taken to Royal Air Force's radar command center at West Drayton, near London Heathrow Airport, where it was demonstrated that AWACS radar contacts of small naval vessels in the North Sea could be linked adequately to West Drayton for inspection and evaluation by combat commanders.

The C–130 and other cargo aircraft were joined in the NATO demonstration by a Boeing 727 jet transport chartered from Lufthansa to carry relief crews and contractor personnel. About 80 tons of ground equipment, including spares, is involved in the demonstration, which will close at Brussels, Apr. 21–24.

At Brussels, the AWACS, Serial 11408, will be on static display for officials of NATO, and tape playbacks of various demonstration exercises over the North Sea, the European land mass and the Mediterranean will be shown.

In Germany, where the AWACS will operate from Ramstein AFB, headquarters of U.S. Air Forces-Europe (USAFE), the aircraft will again be tied to ground, sea and NATO air forces via time division multiple access (TDMA) data link. This also will speed communications with the U.S. Sixth Fleet and other NATO naval vessels during a series of sorties over the Mediterranean along NATO's southern flank.

AWACS also will be linked to the Hawk surface-to-air missile batteries at Wurzburg, Germany. It is the second deployment of an AWACS testbed to Europe since April, 1973, when long-range surveillance radars were demonstrated in an European environment. Since then, the testbed has been equipped with other major elements of the system, including advanced communications, data processing, navigation, display and identification friend or foe.

At Mildenhall, the aircraft made two 6 hr. flights daily, mainly to show the system to officials of the Ministry of Defense, its airborne early warning experts and radar experts from the Royal Radar Establishment at Malvern. In 30 hr. of flying, there were no maintenance holdups, either in the aircraft or in avionics systems.

Britain is following the AWACS concept closely, in view of its present reliance on an aged fleet of Avro Shackleton and Fairey Gannet AEW aircraft. Proposals have been made to the Ministry of Defense operational

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requirements committee for a buy of at least six AWACS aircraft for operational use over the United Kingdom and also for integration with NATO under the new UK-NATO command structure.

No decision on AWACS procurement has been made, and none is foreseen in the near future, considering recent cutbacks in British defense spending and research and development activities. Britain also is interested in evaluation of the Grumman E-2C tracker for medium altitude AEW work, but again, no decision is imminent.

All demonstration flights here were accompanied by Maj. Gen. Jesse M. Allen, deputy chief of staff for operations and intelligence (USAFE), and Brig. Gen. Lawrence Skantze, project director, airborne warning control systems. Electronic Systems Div. of Air Force Systems Command.

Allen insisted that the F-15 was not a planned part of the NATO demonstration, but since at least one aircraft was in England, and later would be in Germany, apparently for demonstrations to the Royal Air Force and the German air force, it was used to demonstrate its supersonic capabilities in look-down radar and down-shoot modes at both high and low altitudes.

The F-15 made a number of attacks on AWACS, probably simulating Soviet MiG-25 tactics, both singly and in cooperation with an airborne attacking force of RAF F-4M and USAF F-4D strike aircraft, General Dynamics F-111 fighters from Upper Heyford base in England as target aircraft.

Allen also said the F-15 provided valuable data to AWACS for passing inputs on the TDMA (downlink) net to West Drayton for combat evaluation by air, ground and sea commanders. The F-15 was used in both high and low modes, and other aircraft, including Hawker Sideley Buccaneers, operated as low as 500 ft. and were clearly painted by AWACS controllers.

Considerable AWACS flight time was spent over the North Sea to demonstrate the TDMA link with Royal Navy and other NATO ships and to show contact capability in high clutter areas. At this time of the year, North Sea wave conditions are so bad that on one day, only destroyers could put to sea, and even then were shown clearly on AWACS multi-purpose consoles.

Gen. Skantze pointed out the TDMA is a new development to NATO and this was the first time an accurate realtime slot could be transmitted for ground commanders. AWACS also would use TDMA in work with the NATO air defense ground environment system (NADGE), the radar chain stretching from Norway to Turkey that has been criticized for its weakness in air defense surveillance of low-level attacks.

Skantze said AWACS could fill the NADGE low-level gap, and this would be a primary mission in the Mediterranean demonstrations.

Neither general confirmed this, but AWACS has taken on a new significance since NATO's southern flank fell into disarray with the dispute between Greece and Turkey, both of which maintain NADGE sites and currently are evaluating future relationships with the North Atlantic alliance.

Skantze told Aviation Week & Space Technology that a NATO system of AWACS orbits in war and peace situations had been worked out, to provide 200 naut. mi. over-the-horizon coverage in the difficult European terrain.

Allen said that a NATO requirement for full coverage over the horizon could be fulfilled by 30 to 36 AWACS aircraft. Skantze said the price on a purchase based on a production run of at least 30 aircraft would be $60 million each.

He also said the price would be based on a complete production AWACS, with at least nine multi-purpose consoles to monitor the Westinghouse radar system, but that plans were still to be worked out for options on future AWACS models with higher degrees of automation and self defense systems.

Allen said jamming aircraft were used on the North Sea and land mass demonstrations missions and that AWACS had no problems in overcoming countermeasures systems. NATO officials have expressed some concern about survivability of AWACS in a combat situation, but Skantze said the demonstration is designed to show that it has a high degree of survivability against missiles and supersonic aircraft, partly because it will be as much as 200 naut. mi. behind the action.

Any high-speed platform, either missile or aircraft, Skantze said, would have to cross ground and air lines protected by ground missiles and interceptors before reaching AWACS.

Skantze also said the Westinghouse brassboard system on the AWACS testbed now has data processing, a long-range identification friend or foe system, advanced communications links and onboard monitoring equipment.

In the NATO context, Allen said disposition of AWACS aircraft to meet the planned orbital coverage over alliance countries in Europe has not been worked out.

This aspect of airborne electronic warfare will be discussed May 29–30 when the NATO Conference of Armament Directors meets in Brussels at the same time as NATO foreign ministers. An airborne early warning committee from Supreme Headquarters Allied Powers Europe (SHAPE) also is closely involved in evaluation of the current demonstration tour, which ends Apr. 25 when the testbed AWACS returns to the U.S.

FEDERAL GOVERNMENT LAGS IN EQUAL OPPORTUNITY

Mr. PROXMIRE. Mr. President, as the country faces unemployment as high as 20 percent in some industries and 8.7 percent overall, I think it is essential for all of our Federal agencies to set a national example by reaffirming their commitment to equal employment opportunities for women and minorities.

In all candor, I have been very disappointed in the Equal Employment Opportunity profiles of many of our Government agencies that consistently show an unacceptably low percentage of minorities and women able to escape the typing pools into more responsible, administrative positions. For example, less than 5 percent of the minority and female employees at the National Aeronautics and Space Administration are employed at GS-12 or above. Also, the Atomic Energy Commission—now a part of the Energy Research and Development Administration—maintains statistics showing that over 60 percent of its female and minority employees are employed at GS-7 and below.

Certainly, these two agencies are not the only guilty ones. They are symptomatic of a general insensitivity to both the spirit and the letter of the equal employment opportunity laws that are on the books.

On March 6, 1975, President Ford sent a memorandum to all of the heads of the departments and agencies, strongly urging these administrators to make the commitment to equal employment opportunity for all and to improve their EEO records. I applaud the no-nonsense tone of the President's directive and hope that my distinguished colleagues in both the Senate and the House will monitor these agencies to assure that equal employment opportunity is alive and well in the Federal Government.

Mr. President, I ask unanimous consent that the President's memorandum be printed in the Record for the benefit of my colleagues.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

The White House,
Washington, March 6, 1975.

Memorandum for Heads of Departments and Agencies

Chairman Hampton of the Civil Service Commission recently reported to me on progress to assure equal opportunity in Federal employment. I have also reviewed the most recent statistics on the employment of minorities and women in the Federal Government.

Minorities and women have demonstrated their ability to compete successfully under merit principles. Over one-fifth of the jobs in Government agencies are held by Blacks, Spanish-speaking Americans, American Indians and Asian Americans. Nearly one-third of all Federal employees are women.

While I am encouraged by these figures, our efforts must continue. For example, within the general schedule and similar grade groupings, minorities represent only 5.2% and women only [illegible].5% of Federal employees at GS 13 and above. I therefore want you to know how I view equal employment opportunity. I urge you to provide strong leadership in your own organization.

Our Nation's strength is based upon the concept of equal opportunity for all our citizens. Decisions motivated by factors not related to the requirements of a job have no place in the employment system of any employer and particularly the Federal Government.

But more is required than non-discrimination and prohibition of discriminatory practices. What is needed are strong affirmative actions to assure that all persons have an opportunity to compete on a fair and equal basis for employment and advancement in the Federal Government. Affirmative action includes recruitment activities designed to reach all segments of our society, fair selection procedures, and effective programs of upward mobility so that all employees have the opportunity to gain skills to enable them to compete for higher level positions. Such actions are under way in the Federal Government. They must be continued and expanded.

Although the Federal Government has employed large numbers of minorities and women, vigorous efforts to assure equal employment opportunity must continue, particularly in those geographical areas and agencies and installations where more progress is needed. There are program areas where special emphasis is needed. There is reason to believe, for example, that the skills of the Spanish-speaking as a group have not yet been fully tapped. Also, a much wider range of employment opportunities for women can be opened. We cannot and must not permit persons to be locked into jobs not commensurate with their potential. I am looking to you and to every manager in the Federal Government to assure that employees, without regard to their race, national origin or sex, have an opportunity for advancement in accordance with individual abilities.

Moreover, men and women of all racial and ethnic backgrounds must be assured a fair opportunity to serve in positions where

they can make a maximum contribution and participate in the decision-making process.

Equal employment opportunity doesn't just happen; it comes about because managers make it happen. I want equal opportunity to be reflected in every aspect of Federal employment. I have called on Chairman Hampton of the Civil Service Commission to keep me fully informed on an annual basis of the progress each Federal department and agency is making in this regard. Increased accountability on the part of Federal managers will help to promptly identify deficiencies and strengthen our EEO program at all levels.

Just as we will not condone preferences in employment decisions because of a person's race, ethnic origin or sex, we will not tolerate failure to vigorously carry out affirmative actions in support of equal employment opportunity. I am asking for your personal commitment and active cooperation in assuring that the American ideal of true equal employment opportunity is a reality in the Federal Government.

Please make my views known to all employees and managers in your organization. Their understanding of my objective is essential. Their support is required.

Gerald R. Ford.

TESTIMONY OF SECRETARY SIMON BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. HUMPHREY. Mr. President, Secretary of the Treasury William Simon appeared during the Joint Economic Committee's annual hearings in February to relate his views on the U.S. economy in 1975. Although he conceded that the country had fallen into its "longest and deepest decline since World War II," his greatest concern was reserved for inflation.

Mr. Simon feared that Congress might overreact in trying to achieve economic recovery, and urged that it neither increase the Federal budget nor cut taxes in a big way. "The worst policy of all," he said, "would be to both crank up Federal spending and cut back taxes in a massive and permanent way. That sort of advice ignores or minimizes the fact that inflation remains a problem of the first magnitude."

This statement points out most clearly the Secretary of the Treasury's economic philosophy. The present recession is severe but the Federal Government, in his view, should not try to bring about recovery too quickly, because the policies necessary to achieve this end would worsen the inflation—which to Mr. Simon's way of thinking is still "public enemy No. 1."

I am deeply concerned that such a narrow focus in the administration can continue to be a contributing force to trends leading to the actual, harsh problems of today—a disastrous unemployment rate of 8.7 percent, and a decline of 10 percent in the GNP in the first quarter of this year.

Secretary Simon warned that a highly stimulative economic program will place heavy pressure on private capital markets and lead to increased price inflation. The policies that Congress has implemented clearly do not agree with Secretary Simon's philosophy. He would prefer to let the recession linger in exchange for some minimal reduction in the price level at a time when it is falling rapidly. We will never cut unemployment at anywhere near the speed that price rises have dropped.

The Secretary was also greatly concerned over what he called a "profits depression." He noted that because income taxes were being paid on inflated profits, the effective tax rate on true profits had risen from 43 percent in 1965 to 69 percent in 1974. No such similar observation was made about the effective income tax rate increase for the working man. All of us have been taxed more heavily during this period of severe inflation. In fact, a JEC study of inflation and the consumer in 1974 clearly shows that taxes rose more rapidly than any other item in the consumer's budget.

In keeping with his view that inflation is our economy's biggest problem, Simon advised that the money supply should not be increased sharply to meet a possible shortage in the private capital markets.

The views expressed in the Secretary's statement reveal the basis for the advice given by one of President Ford's top economic advisors. More important, they go a long way toward explaining why the U.S. economy has behaved the way it has.

Mr. President, I ask unanimous consent that Secretary Simon's testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement of the Honorable William E. Simon

Mr. Chairman and Members of the Joint Economic Committee: It is a pleasure to appear again before your distinguished Committee. These sessions provide a valuable opportunity to review the economic and financial developments of the recent past and to discuss appropriate policies for the future.

We have no shortage of problems to deal with this year. The economy is in recession while intolerably high rates of inflation still persist. At the same time, we must take drastic steps to reduce our dependence upon foreign oil. These same three problems of recession, inflation, and high-priced oil also dominate the international scene and we must continue to work with our friends abroad in search of acceptable solutions.

Our discussions today take place within the context of three recent events: the formulation and submission by President Ford of a comprehensive program to cope with the interrelated problems of the economy and energy; the submission by the President of the budget for the coming fiscal year; and the release yesterday of President Ford's first economic report. The main elements of the Administration's program are familiar to you and I will not take your time this morning to review this program at any length. It does seem to me that your Committee is uniquely equipped to take a broad view of our economic situation and possible remedies, and it is to these that I wish to turn initially.

DOMESTIC ECONOMIC OUTLOOK

We have an economy with a short-run problem of recession and a continuing problem of inflation. There is no doubt about the recession; it may very well turn out to be the longest and deepest decline since World War II. There is also no doubt about the inflation. It dwarfs anything that we have experienced in our peacetime history. Both of these conditions must be brought under control.

Much of the current discussion concentrates almost exclusively upon the recession. This is understandable. Falling output and rising unemployment create economic hardship, which would be intolerable if continued for too long a period. Real output declined at a 9 percent annual rate in the fourth quarter and is again falling sharply during the current quarter. Unemployment rose above 7 percent by the close of last year and will probably exceed 8 percent this year before beginning a gradual decline. For 1975 as a whole the unemployment rate is likely to average close to 8 percent, far above last year's 5.6 percent.

The trend through the year, however, should be distinctly better than last year. In 1974, output was falling rapidly by the end of the year. By the end of this year, output will be rising. In 1974, the rate of inflation was in double digits by the end of the year. By the end of this year, it will be well below 10 percent. The Economic Report provides our best estimates on output, prices, and employment. As in other recent years, our own estimates are close to the consensus of private economic forecasts.

The forecasts may not be altogether convincing. Last year's forecasts—our own and most others—called for output to rise and inflation to fall in the second half of the year. That was not the way it turned out. Now, with the good news once again scheduled for the second half of the year and the bad news here in the present, some skepticism is inevitable.

Our case for a recovery in the second half of this year rests primarily upon cyclical forces. Inflation caused the supply of mortgage credit to dry up and sent the housing industry into a tailspin. With inflation gradually receding now, and the economy soft, short-term interest rates have declined sharply. This has renewed the inflow of funds to the thrift institutions and provided the essential precondition for a housing upturn.

Inflation also cut deeply into the real income of consumers as prices transferred income from most consumers to growers of grain and sugar and to owners of oil both here and abroad. Inflation also cut indirectly into real disposable income through higher effective rates of taxation. As a consequence, real consumer purchases fell 3 percent in the past year. However, now that the pattern of wage settlements has accelerated and the rate of inflation is subsiding, the real income of workers should be on the upgrade again in 1975. This, in turn, should lead to an increase in consumer spending, providing another element of support for the general economic recovery.

A third cyclical element that should turn around during the year is inventory investment. Businessmen are liquidating excessive stocks now, not only in the automobile industry, but also in a wide range of other industries. Since final demands in the economy will not fall away precipitously—for many reasons, including the automatic stabilizers built into our budget—the decline in inventory investment will end and will turn around and become a positive economic factor once again.

Thus, housing, consumer spending and inventory investment will all be contributing to a recovery from the recession during 1975.

There have been 5 cyclical contractions in the postwar period, 27 in the past 120 years. We have survived them all. From every indication, the present contraction will fall within the accustomed postwar pattern. I think there is no prospect whatsoever of a long and deep economic downturn on the scale of the 1930's.

Nonetheless, we are not prepared simply to let nature take its course. The Federal Reserve has already eased monetary conditions substantially. Similarly, the President

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has recommended a $16 billion temporary tax rebate this calendar year to provide economic stimulus at a time when the economy is weak. This tax rebate is in addition to the estimated $17 to $18 billion that will be spent on unemployment compensation and public service employment programs in FY 1976. We advocate the $16 billion temporary tax cut not because the economy would not recover without it, but because it will make the recovery in the second half of the year more solid and certain.

Even so, there are no instant cures. Our current economic troubles grew out of multiple causes reaching back a decade or more. While special factors, of which food and fuel are the most prominent, were important, the most fundamental sources of our difficulties have been overstimulative monetary and fiscal policies. It is unrealistic to expect that the economic weakness can be cured overnight. A careful and balanced policy approach is required, and it will take time to yield its full results.

The worst policy of all, in my opinion, would be to both crank up federal spending and cut back taxes in a massive and permanent way. Those are the very policies that got us where we are now. That sort of advice ignores or minimizes the fact that inflation remains a problem of the first magnitude.

It also ignores or minimizes the fact that the enormous budget deficits have to be financed in capital markets that are already strained by a decade of inflation. The financial implications of a massive swing to fiscal ease are so disturbing that I want to discuss them with you subsequently at some length.

Even with a cyclical recovery beginning in the middle months of the year, the economic situation will remain difficult. Productivity has fallen. Gains in output later in the year should mean that productivity growth will resume. But prices, costs, and productivity will not quickly come into anything like the balanced non-inflationary relationship that existed before the mid-1960s. Inflation has become deeply imbedded in the economic system and it will not be removed in a matter of a few quarters.

LONGER RUN CONSIDERATIONS

We must face up to the fact that under the best of circumstances we will finish this year with the rate of unemployment and the rate of inflation far above acceptable long-term levels. From there, at least two paths branch out into the economic future. One choice would be to attempt to push the economy back to full capacity operations at breakneck speed without regard to the inflationary consequences. That is the wrong path to travel, because it would not work. In a very short time, inflation would again be rampant. We would then retrace the same sequence of events we have just been through, tumbling into another recession and shaking public confidence even more severely than at present.

The other path requires patience on the part of the American people. There must be vigorous growth in the economy so that we can steadily reduce unemployment. But some margin of economic slack must remain for a period of years to insure that inflation can be squeezed out gradually. There must be no early return to conditions of excess demand. If this seems an overly cautious approach, it might be recalled that in early 1965, after four years of recovery from the 1960–61 recession, the unemployment rate was still only slightly below 5 percent but the economy was relatively free from inflation.

In the remote historical past, periods of rapid inflation were followed by financial panics and an ensuing deflation. Since the economic and financial trauma of the 1930s we have been unwilling to accept that result and, quite properly, we have built safeguards into the economic and financial system to prevent any deep cumulative downturn from occurring. But we have not yet learned any way of avoiding the inflationary consequences when the economy is pressed too far, too fast. Price controls are no solution at all. They would destroy our market economy if used permanently in peacetime. Therefore, we must hold the economy within the zone of acceptable price performance and apply such other policies as may be required to deal with any structural unemployment that remains.

As we look to the longer run, much greater emphasis also needs to be placed upon the central role of capital formation in economic growth. Our own ratio of private investment to gross national product is much lower than that of other major industrial nations.

In turn, this is reflected in our much lower rate of growth in productivity.

In the future, we are going to have to do better. The capital requirements of the American economy over the next decade will be enormous. We will need up to a trillion dollars for energy alone. Beyond that, we will need extremely large sums for control of pollution, urban transportation, and rebuilding some of our basic industries where new investment languished over the past decade. In addition, there are the more conventional, but still mammoth, requirements for capital to replace and add to the present stock of housing, factories and machinery.

Yet in the face of these massive requirements, we are not providing adequate incentives for new investment. Over the past decade the inflation has led to high effective rates of business taxation and low rates of profitability, which in turn have greatly eroded the incentives for capital formation. It is not unfair to say that we are in a profits depression in this country. Nonfinancial corporations reported profits after taxes in 1974 of $65.5 billion as compared to $38.2 billion in 1965, an apparent 71 percent increase. But when depreciation is calculated on a basis that provides a more realistic accounting for the current value of the capital used in production and when the effect of inflation on inventory values is eliminated, after-tax profits actually declined by 50 percent from $37.0 billion in 1965 to $20.6 billion in 1974. A major factor contributing to this decline is that income taxes were payable on these fictitious elements of profits. That resulted in a rise in the effective tax rate on true profits from about 43 percent in 1965 to 69 percent in 19[illegible]4. Thus, a realistic calculation shows that the sharp rise in reported profits was an optical illusion caused by inflation.

Since, in our economy, corporate profits are the major source of funds for new investment, and thus in the creation of new jobs, all of this has grave implications for capital formation and growth. That is perhaps seen best in the figures for retained earnings of nonfinancial corporations, restated on the same basis to account realistically for inventories and depreciation. It is the retained earnings that corporations have available to finance additional new capital (as distinguished from the replacement of existing capacity). In 1965, there were $20 billion of retained earnings. By 197[illegible], after eight years in which real GNP had increased 36 percent, the retained earnings of nonfinancial corporations had dropped 70 percent to $6 billion. And for 1974, our preliminary estimate for retained earnings is a minus of nearly $10 billion. That means that there was not nearly enough even to replace existing capacity, and nothing to finance investment in additional new capacity.

It is a simple but compelling economic fact of life that increases in productive performance are required over time to support a rising standard of living.

Yet, as a Nation, we are rapidly expanding public payments to individuals but neglecting to provide adequate incentives for new investment. Since 1965, in real terms, economic output has increased by one third while government transfer payments to persons more than doubled. On the other hand, private investment expenditures—upon which the economic future of all of us inevitably depends—have failed to keep pace, rising by only a bit more than one fourth.

It is imperative that we make better provision for the future. This means that we must place much greater emphasis upon saving and investment and much less upon consumption and government expenditure. Today, recession, inflation, and energy policy dominate the discussion of economic events and policy. We must take determined action to deal with these interrelated problems. At the same time, however, we must begin to shift the long-run balance of domestic priorities away from consumption and government spending and toward investment and increased productivity. I believe history will judge us, not on how we handle our short-run problems such as recession, but on our ability to deal with the more fundamental problems of the allocation of resources and capital formation. If, as a Nation, we fail to address these problems, we will fail to attain the prosperity and the rising standard of living that the American people can achieve. Our goal should be to enlarge the economic pie, not just to redistribute it.

FINANCING FEDERAL BUDGET DEFICITS

Federal budget deficits are estimated to total $87 billion in fiscal years 1975 and 1976—$35 billion this fiscal year and $52 billion next year. I have made no secret of the fact that I feel that such deficits are large by any standard and that they pose a substantial problem. Let me make my conclusion on this issue quite clear. Although they will inevitably impose strains on the financial markets, I believe those deficits will be manageable if—and I want to stress this—if they do not become significantly larger and if they are temporary in duration.

It is true that financial conditions normally ease substantially during a recession and normally they remain easy well into the period of recovery. There are two main reasons for this: First, some private demands for credit are closely related to the pace of business activity and decline sharply during a recession period. Short-term business borrowing to finance inventories is a prime example.

Second, the Federal Reserve customarily "leans against the wind" during a period of recession and seeks to expand, or at least maintain, the rate of growth in money and credit. Therefore, interest rates can be expected to decline and the availability of credit to increase as a normal part of the cyclical process.

It must be considerations of this general nature which lead some observers to conclude, too readily in my opinion, that the financing of large Federal deficits in the current recession is a routine matter, largely devoid of any particular economic significance. I respectfully disagree.

The current recession is an outgrowth of a long period of inflation that has left private financing demands much heavier than usual. There has been the marked decline in profits I mentioned earlier and a serious erosion of the liquidity base of households and businesses. The decline in the stock market has in many cases virtually ruled out the sale of new equity as a source of funds.

For these and other reasons, there has been an unusually large supply of private debt issues coming into the market. Our latest projections show that net new corporate bond issues, which rose from $1[illegible]½ billion in 1973 to $25 billion in 1974, will advance even farther to some $30 billion or more in 1975. While corporate capital spending programs are being cut back, there will still be a very heavy volume of corporate long-term borrowing. Furthermore, the state and local fiscal position has changed drastically. Their surpluses have melted away, tax receipts are affected by the recession, and state and local borrowing needs will be substantial.

Some slackening in private demands for short-term credit is underway and more can be expected. Yet by any previous recession standards, total private demands for credit—both short and long term—are likely to remain fairly large.

Federal requirements will, of course, have to be met. But there are risks in such a situation. First, if private demand does not fall back spontaneously to make room for the larger Federal borrowing, credit demand will outrun supply, interest rates will be driven higher, and some private borrowers will be crowded out. Judging from past experience, the housing industry would be likely to suffer. Indeed, its recovery might even be aborted. At the worst, financial factors might be such a binding constraint as to dampen the normal cyclical recovery that would otherwise occur.

The second risk is on the inflation side. Some observers suggest that, in order to avoid any strains on the credit markets, the Federal Reserve should undertake whatever rate of growth in money and credit is required to insure that Federal and all other borrowing requirements are met at stable or declining interest rates. This approach, however, could be a sure formula for still higher inflation rates when the recovery gets into full swing—if not sooner.

The key to successful financing of the large Federal deficits lies in diligent restraint of Federal expenditures. Large as they are, the $85 billion in deficits projected for fiscal years 1975–76 can probably be accommodated, although they will produce some strains in the financial markets. However, if Congress were to push Federal expenditures much beyond the budgeted levels, it would not be possible to retain much optimism as to the result. Either the recovery would be delayed or more inflation would be experienced in the future.

In previous recessions one could be more relaxed about the financing of temporary Federal deficits.

This recession began, however, with the financial markets under considerable pressure. If the Congress will work with us in a joint effort to restrain expenditures, we can probably move through the period ahead without undue difficulty, but it would be a mistake to ignore the possible adverse effects of having to finance large Federal deficits. In my opinion, the projected deficits for fiscal 1975–76 are—in the context of our expectations about the course of the economy—about as large as our financial system can tolerate without doing more harm than good for the economy.

THE DOMESTIC ECONOMY AND THE ENERGY PROGRAM

In addition to the temporary measures designed to cushion the impact of recession and promote recovery, President Ford is recommending a comprehensive program to achieve self-sufficiency in energy in ten years. The essence of the program is the reduction of energy consumption through the use of the market mechanism. Under the President's program, energy price increases and other measures will enable us to achieve an estimated 1 million barrels per day savings on imported oil by the end of this year and another 1 million barrels per day by the end of 1977. From a macroeconomic point of view, the program is designed to be neutral in its impact on total demand. An additional $30 billion will be collected in the form of taxes and fees but it will then be returned to the economy, mostly in the form of permanent tax reductions and payments to non-taxpayers.

The introduction of such a program, many of whose effects cannot be predicted with absolute precision, is bound to be controversial. There probably would never be an ideal time for such action. The plain fact of the matter is, however, that many non-economic considerations dictate the necessity of prompt, credible action to move toward energy independence.

With our own economy in recession, it is important to insure that the energy program has as neutral an impact as possible on the overall economy. In particular, this requires that the timing of the economic impact be carefully considered. Taken in conjunction, the temporary $16 billion tax cut to stimulate the economy and the various energy taxes are designed to exert their maximum stimulus in the second and third quarters of this year and then to taper off to a position of neutrality by the end of 1976. A table attached to my statement provides an estimate by quarters of the direct budget impact.

One undesired, but unavoidable, impact of the energy program will be a temporary inflation effect. Our best estimate is a one-shot increase in the general price level of roughly 2 percent. It should be stressed that the rate of inflation is increased by this amount once only, not on a permanent basis.

It is a valid question whether any program seeking to reduce energy consumption through a sizable shift in relative prices can confidently be described as neutral in its impact. Its neutrality is, of course, only with respect to the net effect on economic activity. Energy intensive industries and higher income taxpayers—to mention only two examples—will feel a disproportionate impact. Furthermore, there are uncertainties and gaps in our knowledge which preclude a definite and precise estimate of all the effects. To the best of our ability, however, we have put together an energy program which should be neutral in its total impact on economic activity. At the same time, it represents a comprehensive and balanced national energy policy that will effectively reduce our reliance on insecure sources of energy.

FOREIGN ECONOMIC OUTLOOK

The picture I have given you of the U.S. economy also portrays only too well the economic situation in most other major industrial countries. As the industrialized nations have become more interdependent, their economies increasingly march in step together. In 1972–73, the industrialized nations experienced virtually simultaneous boom conditions. Now most have moved into a generalized condition of minimal or negative growth and substantial unemployment in the face of continuing price pressures.

The recession which most major countries are experiencing is the worst since World War II. Collectively, our partners in the Organization for Economic Cooperation and Development (OECD) saw their growth rate fall to 1½ percent last year from 6½ percent in 1973. Toward the end of last year the Secretariat of the OECD was predicting 2¼ percent growth for the area in 1975, again excluding the United States. From the reports I have heard from my colleagues abroad recently, however, I judge that this estimate will have to be revised downward.

Japan and Germany, like the U.S., are experiencing a more pervasive slowdown in economic activity than expected only a few months ago. To a lesser degree, the outlook for the French, British and Canadian economies has also weakened. There is considerable evidence of loss of confidence on the part of both consumers and investors, with consequent damage to investment and jobs.

Reduced levels of consumer spending, along with high interest rates, have led to continued retrenchment in business plans for plant and equipment expenditure.

Unemployment has also become a problem abroad. Declines in average hours worked, increases in part time work and actual declines in employment, particularly in the manufacturing and construction sectors, are characteristic. Unemployment rates in Europe are in many cases approaching postwar highs, and in the case of France, unemployment has already reached a postwar record. As in the United States, unemployment levels may well increase further before levelling off and starting down again toward the end of the year.

Intolerable inflation rates abroad have recently shown signs of easing. But for much of last year, far from abating in most countries they climbed to even higher levels under the pressure of the oil price increases and escalating wage and salary demands. Double digit inflation rates were recorded in 22 of the 24 OECD countries in 1974. Excluding the United States, the OECD inflation rate was over 15 percent for that year, as compared with 8½ percent in 1973 and an average of 4¼ percent in the previous ten years.

All of the OECD countries hope to bring down their inflation rates in 1975, but none expects to achieve a level which it would consider satisfactory. Of the other OECD countries, price increases of less than 10 percent are forecast for only Germany and Switzerland. Japan, Italy and the United Kingdom still face the prespect of rates above 15 percent for 1975.

For the policy maker searching for the means to restore both price stability and growth, the difficulty has been compounded by record wage demands. In many countries, wage increases in 1974 averaged more than 20 percent—well above inflation rates—and in Japan they approached 30 percent. The extent to which these pressures can be moderated will be a key factor in determining the success of efforts to reduce inflation in 1975.

In my talks with other finance ministers, I find an acute awareness that economies are caught in a two-way stretch and that it would be dangerous to focus on only one source of the tension. Individually and together, governments are reappraising their policies as time passes and the situation changes. In several countries, government policies have shifted, just as they have in the United States. Most Governments are moving cautiously, however, seeking to absorb slack gradually so as to avoid giving a new boost to inflationary pressures. Germany—which had the best record on inflation in 1974—has relaxed previous restrictive policies significantly, and Britain has also moved progressively to stimulate its economy.

Canada has moved modestly toward less restraint in both budget and monetary policy. France on the other hand, has sought to maintain restraints. Japan, laboring under a cost of living increase of 25 percent in 1974 and facing demands for another 30 percent increase in wages, has also kept restraints taut despite a 6.7 percent decline in output in the fourth quarter.

One implication of the depressed outlook for major economies this year is that foreign demand will not be of much assistance in achieving early recovery. The volume of international trade may well decline in 1975. Another, more heartening, implication is that there could be greater progress against inflation than earlier foreseen. There is a possibility that the world wide slump may lead to more softness in the prices of basic commodities than has been incorporated into most forecasts. With higher unemployment rates, wage demands may turn out to be somewhat more modest than anticipated. Inflationary pressures could thus subside somewhat more rapidly than expected, if

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governments can resist pressures for excessively stimulative policies.

INTERNATIONAL PAYMENTS

Never in peacetime has the pattern of international payments shifted as sharply and as suddenly as it did last year under the impact of the OPEC cartel's quadrupling of oil prices. The OECD countries, which had a combined current account surplus of $2½ billion in 1973, faced a deficit of perhaps $37½ billion in 1974. Countries which had been accustomed to exporting capital and transfering real resources to the developing countries found themselves unable to pay for their own imports with their exports. They have been forced to become borrowers—on a scale out of all proportion to previous experience.

The announcement that the United States had a $3 billion merchandise trade deficit in 1974 (census basis) occasioned headlines here in Washington. This was a deterioration of less than $5 billion from the 1973 balance. With the trade surplus of the OPEC countries rising—in rough order of magnitude—$60 billion in 1974, there had to be an equivalent deterioration in the trade balances of the oil importing countries as a group. Since the U.S. was importing not much less than a quarter of the oil and our oil import bill rose $18 billion, our trade position clearly strengthened relative to most of the oil-importing world. Germany was the only important industrial nation to experience an increase in its surplus on trade account.

Record deficits in the oil importing countries had their counterpart in record surpluses of the oil exporters. We estimate that in 1974 the thirteen OPEC countries received about $90 billion from oil exports, or roughly four times the amount they earned in 1973.

In addition, their other exports amounted to about $5 billion, bringing their total receipts to $95 billion. During this same period, the OPEC nations spent approximately $35 billion—or a little more than a third of their export receipts—on imports. This left a balance of approximately $60 billion available for investment abroad.

OPEC needed to find investment outlets for this balance, and oil importing countries needed to borrow these funds. Our rough and tentative estimates suggest that in 1974, the OPEC countries invested their surpluses as follows:

Some $21 billion, or about 35 percent of the surplus, apparently went into the Eurocurrency market, basically in the form of bank deposits.

Some $11 billion, or 18½ percent, flowed directly into the United States. Available figures suggest that of this amount, roughly $6 billion went into short and longer-term U.S. Government securities, while some $4 billion were placed in bank deposits, negotiable certificates of deposit, bankers' acceptances, and other money market paper. As best we can tell, less than $1 billion was invested in property and equities in this country.

Some $7½ billion, or about 12½ percent, is believed to have been invested in pound sterling denominated assets in the United Kingdom, some of it in U.K. government securities, some in bank deposits, some in other money market instruments and some in property and equities. This amount, I should note, is quite apart from the large Eurocurrency deposits there.

Some $5½ billion, or about 9 percent, may have been accounted for by direct lending by OPEC countries to official and quasi-official institutions in developed countries other than the U.S. and the U.K.

The rather wide distribution of OPEC capital flows among markets in the oil importing nations explains in part why the massive shifts in financial assets did not lead to the financial crises that some envisioned. OPEC funds did not move to one or only a few attractive capital markets, as once was feared. The United States, with the largest capital markets, received directly only 18½ percent of the total, an amount substantially less than OPEC's increased receipts from oil sales to the U.S. The United States also continued to export large volumes of capital to other areas abroad, and our net capital imports last year, as measured by our current account deficit, were probably in the range of only $3 billion.

It appears that something approaching half of the OPEC investments last year were placed through the commercial banking systems of the major industrialized countries. The banks redistributed these funds exercising their traditional intermediation role in meeting the needs of borrowers throughout the world. Admittedly, the sheer volume of OPEC funds placed some strains on the banking systems. Probably few banks expect to continue to increase international lending at the 1974 rate. Banks as a whole may not be able to accept as large a portion of the OPEC surplus in 1975.

Changes in the methods of channeling OPEC investments were already evident in the course of 1974. Banks were increasingly playing the role of broker and assisting their OPEC clients in arranging direct placements. OPEC ccuntries were relying more heavily on government-to-government credits, investment in longer-term securities of governmental and quasi-governmental agencies and lending to international institutions. There was also evidence of a small amount of OPEC funds being invested in corporate securities and real estate. As time passes, we are likely to see a more varied pattern of investment as well as increasing disbursements under OPEC commitments of assistance to developing nations.

That last year's totally unexpected and unprecedented shift in international payments flows occurred without financial crisis and without disruption of trade says a great deal for the soundness of the international banking system and the international capital markets, the network of intergovernmental financial cooperation, and the system of floating exchange rates.

Nevertheless, I recognize that at times concern has been expressed about the magnitude of exchange rate fluctuations under the present regime. We recently witnessed a temporary episode of large fluctuations in individual rates, when the Swiss franc appreciated by about 5 percent against the dollar within a span of a few days. These abberations tend to reflect market reactions to specific, immediate developments—in this case probably to a bank failure and the decline in U.S. interest rates—but become subsumed as the market adapts to broader economic trends.

As has generally been the case, this most recent experience has had only a minor impact on a broader measure of the dollar's "exchange rate": the dollar's average value, relative to the currencies of all of the major industrial countries, declined by only about 1 percent before a reversal was set in motion. Taking a more relevant period of comparison, the dollar's average exchange rate is still at the level reached after the major exchange rate realignments of 1971 and 1973, despite nearly two years of generalized floating since the latter realignment. Throughout this period of generalized floating, our intervention policies have been directed to the avoidance of disorderly exchange market conditions and not to the achievement of maintenance of any particular rate.

INTERNATIONAL COOPERATION

The experience of the past year has served to reinforce our conviction that the financial aspects of the oil situation are manageable. Nonetheless, we have recognized the possibility that some countries might encounter particular difficulty in meeting their financial requirements and turn to restrictive actions which could disrupt the world economy. To reduce that risk, the United States developed a comprehensive series of proposals involving expanded use of the resources of the International Monetary Fund, the establishment of a new "solidarity fund" to provide a "safety net" for members of the OECD, and a Trust Fund to provide the concessional assistance needed by the poorest of the developing countries. Other countries also had suggestions for new financing arrangements. These proposals have been the subject of intensive consultation and negotiation over the past months.

Finance Ministers around the world have developed a whole family of committees and informal groupings in which they can meet periodically to consider the world's economic and financial needs. The great value of this network—including the Group of Ten, the Interim Committee of the IMF and the IMF/IBRD Development Committee, as well as smaller, less formal groups—was demonstrated by the agreements reached at a series of meetings here in Washington in mid-January. In the course of these sessions, a consensus was reached on a number of measures which will provide additional financial security for the near future and strengthen the monetary system for the longer term:

—Agreement was reached among the major OECD countries that a new Solidarity Fund, a financial support arrangement along the lines of the United States proposal for a $25 billion "safety net", should be established at the earliest possible date. This arrangement is to be available to provide supplementary financing, if the need arises, to participating OECD countries which follow cooperative economic and energy policies.

Detailed work on this new arrangement is to be completed promptly

—Agreement was reached among IMF countries that IMF resources would continue to play a role in 1975 to the extent needed. As one expression of this intent, it was agreed that the IMF oil facility should be continued on a limited basis during 1975. Borrowing from oil producers and others for this facility will be limited to about $6 billion (or 5 billion SDR's), less than some countries originally favored. This agreement was preceded by considerable discussion of different methods of using IMF resources. One approach is to use the Fund's resources in effect as collateral for loans as is done for the special oil facility. A second approach is to mobilize the Fund's resources directly for lending. In the end, it was agreed to do both. There will be some new borrowing and also increased direct use of IMF resources to meet the needs of nations in difficulty. Contributions from oil producers and industrial countries to subsidize interest costs of the IMF Oil Facility for the very poorest countries may also become a feature of the facility in 1975.

Agreement in principle was also reached to increase IMF quotas of member countries by approximately one-third, subject to agreement on a related package of amendments to the IMF Articles of Agreement. The major oil exporters' collective share of the total IMF quotas will be doubled in order to call for greater participation and a greater voice for these countries in the activities of the International Monetary Fund. Quota increases will be dependent upon the agreement of countries when such use is economically justified.

Agreement in principle was also reached to lines of a number of other amendments to the IMF Articles, with the particulars to be worked out over the months ahead. These

amendments are designed to improve the structure of the IMF and bring it more in line with current realities. One amendment supported by the United States will provide that member countries are no longer required to maintain their exchange rates within narrowly fixed margins, but can float their currencies—A practice which is not legally permissible under the IMF Articles as now written.

Considerable progress was also made toward narrowing differences with respect to the broader question of gold and its role in the international monetary system. It was agreed in principle that the official price of gold—and hence its central function as "numeraire" of the monetary system—should be abolished and that obligations on the part of members to pay the IMF in gold, and on the part of the IMF to receive gold, should be ended.

Progress was also made toward replacing the existing prohibition against members of the IMF buying gold in the private market with safeguards assuring that this freedom would not be used to return gold to the center of the monetary system. Our aim is to arrive at workable arrangements which will take gold out of the center of the international monetary system, while also allowing countries greater freedom to utilize their gold holdings. It is my hope that the entire package of quota provisions and amendments, including those relating to gold, will be ready for approval at the Interim Committee meetings scheduled for this June.

Less progress was made at these meetings than had been hoped in organizing assistance for developing countries, some of which face very serious difficulties. As I mentioned earlier, there was some support for measures to subsidize interest rates for loans to these countries from the IMF oil facility. The United States proposal for a new facility—a Trust Fund managed by the IMF which would channel funds to the poorest of the developing nations on concessional terms—remains under study. It continues to be our hope that adequate arrangements can be devised, and that the OPEC nations will provide an appropriate part of the contributions to this effort.

Oil consuming countries have also made considerable progress in concerting their energy policies. Last fall agreement was reached among a number of consuming countries on the International Energy Program which was an outgrowth of Washington Energy Conference in February of 1974. We have developed an unprecedented program to limit individual and collective vulnerability during emergencies created by supply interruptions. Under this arrangement, participating countries have agreed to:

Build a common level of emergency self-sufficiency, which would allow them to live without imports for a certain period.

Develop demand restraint programs to cut oil consumption by a common rate without delay if necessary.

Allocate available oil to spread shortfalls among participants should there be supply interruption.

Concrete plans are also now being laid to coordinate programs of energy conservation and longer term development of new sources of supply. The new solidarity fund, by providing financial assurance and promoting confidence, will support accelerated efforts in the energy field. And consumer solidarity in both energy and finance will prepare the way for a fruitful dialogue with the oil producing countries.

U.S. participation in the solidarity fund will involve commitments requiring the endorsement of the Congress.

I hope the Congress will recognize the importance of this arrangement in furthering our economic goals and, following presentation of the detailed agreement, endorse U.S. participation without delay.

With the passage of the Trade Act of 1974, the new round of multilateral trade negotiations can move into substantive bargaining. The February meeting of the Trade Negotiations Committee will open this stage of negotiations that are the most comprehensive ever attempted. They will deal not only with the traditional trade problems of tariffs and nontariff barriers, but also with overall reform of the international trading framework.

Getting the trade negotiations underway is more important now than ever because of current world economic conditions. These negotiations should help forestall unilateral measures which attempt to shift economic burdens to other countries, and which, if widespread, could have a depressing effect on the world economy.

THE CHALLENGES AHEAD

Mr. Chairman, the past year has seen the development of the high degree of consensus necessary for effective actions to deal with the multiple problems of recession, inflation, and a disruption in the world energy balance. While there still remains room for honest differences as to the course to be followed, I believe that the scope for disagreement has become increasingly smaller.

Certainly we cannot afford, either in this country or abroad, excessively stimulative policies which could only lead to further escalation of an already intolerable inflationary spiral.

Nor can any country afford not to take prompt steps to ensure that the current recession does not deepen and is instead succeeded by a resumption of the sustainable growth of production and productivity necessary to maintain the health of economies around the world.

And we cannot afford to delay programs of strong action to create a new energy balance.

The President has placed before the Congress an effective program to address all of these problems. He has expressed his desire and evidenced his willingness to work with the Congress in carrying out that program. We recognize that Members of the Congress have views of their own—views that are held with the same degree of conviction as we hold ours within the Administration. Our hope is that we can find reasonable means of reconciling those differences, so that together we can provide America with the leadership it needs at this critical hour.

TABLE 1.—DIRECT BUDGET IMPACT OF THE PRESIDENT'S ECONOMIC AND ENERGY PROPOSALS

[In billions of dollars]

	Calendar years							
	1975				1976			
	I	II	III	IV	I	II	III	IV
Energy taxes	+0.2	+4.1	+12.6	+7.6	+7.6	+7.5	+7.5	+7.5
Return of energy tax revenues to economy:								
Tax reduction	0	−3.2	−9.0	−9.0	−5.6	−7.9	−6.3	−6.4
Nontaxpayers			−2.0				−2.0	
S. & L. Governments	0	−.5	−.5	−.5	−.5	−.5	−.5	−.5
Federal Government	0	0	−.8	−.7	−.8	−.7	−.8	−.7
Temporary tax cut	0	−6.1	−7.9	−.6	−.8	−.9	0	0
Net effect	+.2	−5.7	−7.6	−3.2	−.1	−2.5	−2.1	−.1

THE NEED FOR A CONSUMER AGENCY

Mr. RIBICOFF. Mr. President, President Ford recently wrote to me and Senators PERCY and JAVITS, asking that the Senate postpone consideration of legislation creating an Agency for Consumer Advocacy—ACA. But my colleagues and I, convinced of the urgent need for ACA, have decided to work for passage of the legislation this year.

Because this legislation will soon be considered by the Senate, I ask unanimous consent that a column on the subject, written by Ernest B. Furgurson, and published in the Washington Star, April 23, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORD AND CONSUMERISM

(By Ernest B. Furgurson)

The Consumer is all of us, which means a lot of votes.

Thus Mr. Ford's letter to three key lawmakers began in positive tones. "In the interest of protecting the American consumer," it said, "I am directing . . . I am asking . . . I urge . . . I renew my request . . . I will soon request . . . I also intend to ask . . . I am determined. . . ."

But then he got to his punch line: He is flatly opposed to creation of a federal consumer protection agency, which appears likely to clear Congress this time after repeatedly failing by narrow margins in earlier sessions.

The President's "however" style is straight in line with his predecessor's record on consumer agency legislation—endorse it in principle, obstruct it in practice.

Ford voted for a modest House bill in 1971 before it succumbed to filibuster in the Senate. But now, it is obvious that the only way it can be killed again is by bluff, and sure enough that is what Mr. Ford is doing.

The Senate has changed its rules to make it possible for 60 voters, rather than two-thirds of those present, to cut off a filibuster. At least two of those who voted against cloture last year have been replaced with supporters of the bill. That probably means a filibuster cannot kill it this time.

However, the same two-thirds still is needed to override a veto—and the President is

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implying without stating that he will veto the measure once it passes. And he might, but the threat remains bluff, because the bill's backers believe they have enough support this year to push it through even past the veto.

Parliamentary prospects aside, it may seem odd that any President contemplating running for re-election would stand against a bill serving The Consumer. On precedent, the measure will have overwhelming backing in both committees and on the House floor. In opposing it, the President is backing the acknowledged swell of consumerism across the country.

Mr. Ford explains his opposition on traditional conservative grounds of not adding to the federal bureaucracy and holding down the budget. But in fact the proposed payroll of the agency is peanuts, relatively speaking.

Its advocates maintain the agency actually would function against inflation, by challenging the price-rigging in which some regulatory commissions indulge.

Under the circumstances, it is not disrespectful to speculate about the role of Mr. Ford's old golfing and socializing buddies here in his switch against the consumer agency.

It happens that Ford Motor Co., the National Association of Manufacturers and the Chamber of Commerce are among the leaders in the general business opposition to the agency. And it happens, too, that the President's closest after-hours companions for years have included Rodney Markley, William Whyte and Bryce Harlow, who are the high-paid Washington representatives of Ford Motor, U.S. Steel and Proctor & Gamble, respectively, plus a list of other oil, manufacturing and business lobbyists.

None of that is incriminating, of course, but it would be less notable if the President also had occasional hot cocoa with Ralph Nader, for example, or hobnobbed with other consumer advocates like Carol Foreman and Esther Peterson. That, however, doesn't happen.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I have spoken before of the ratification of the Genocide Convention as a responsibility of the United States to the U.N. As the most influential of nations, the course of world opinion is undeniably affected by every decision we make. It follows then that the U.N., as an international organization, has an amount of influence which is directly related to the support which we give it. This has always been the case, yet this body seems to be unaware of the situation. The United States has always spoken out in favor of the U.N. as a potentially effective means of attaining world peace, yet we fail to take action which would indicate that support In failing to ratify the treaty we do a double disservice: we forfeit the power of our support with seemingly empty words and we leave the U.N. to fend for itself.

The Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs commented in their report:

> The United States, through its failure to become party to all but a few of the human rights treaties, has become increasingly isolated from the development of international human rights law. This failure impairs both our participation in the U.N. work in human rights and our bilateral efforts to persuade governments to respect international human rights standards.

There are at least 29 human rights conventions which the U.S. has not ratified. Even alleged inconsistency between provisions of the conventions and the U.S. Constitution would not justify outright rejection by the Senate since reservations may properly be attached to ratifications to preserve the integrity of the U.S. Constitution.

I believe that there are no reasons remaining which would warrant any further delay to the acceptance of the Genocide Convention. I call upon this body merely to see and fulfill its responsibility.

CHILD NUTRITION PROGRAM HEARINGS

Mr. HUMPHREY. Mr. President, on April 22, the Subcommittee on Agricultural Research and General Legislation of the Senate Committee on Agriculture and Forestry began hearings on our child nutrition programs.

In my statement regarding these hearings, I attempted to suggest some of the main issues which need to be faced concerning these programs. I also pointed out that I have introduced legislation to move the school lunch program toward a universal basis.

We need, as I indicated, to expand the level of participation under this program. Unfortunately, the administration's block grant proposal would lead to increased prices for school lunches and further decreases in the level of participation.

At the hearings, the administration did not have any answer to the question as to how the proposed $700 million reduction in Federal funding would be made up by State financing.

It was quite clear that the administration plans to proceed and introduce legislation along these lines, although it has been over 2 months since the block grant proposal was announced.

I suggested that these hearings be looked on as a way of addressing the problems and issues of the child nutrition programs.

At this time when our Nation is suffering from a recession, I certainly would not go along with the administration's proposal which would emasculate these programs to the detriment of all our citizens.

Mr. President, I ask unanimous consent that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HUMPHREY

I welcome the initiation of hearings on the National School Lunch and Child Nutrition Programs in order to determine their content and direction in the coming years.

The Administration earlier this year indicated its intention to seek legislation which would replace all existing child nutrition programs with a single program of block grants to the states. To date, I am happy to say, I have not seen any legislation introduced along those lines.

My reaction to the Administration's proposal was to describe it as an "anti" child food assistance act and a "blockbuster" rather than a block grant. I hope that we can use these hearings to examine the programs in order to strengthen and improve them rather than risk setting back the work and progress of 30 years in meeting the needs, health and well-being of the 31 million American children who participate in these programs.

At our February agricultural hearings in which Secretary Butz participated, I argued that the Department should not be so obsessed with the fact that over half of the budget at the Department is concerned with what some people refer to as "welfare programs." I pointed out to the Secretary that it is up to the Congress to legislate and the Department to administer the laws as written. I hope that this message has gotten through to Secretary Butz.

I look on these child nutrition programs as vital to the health and welfare of our nation and its future. And the Department of Agriculture should recognize that it has a major stake in supplying the commodities on which these programs are based.

One of the major programs which we need to examine is the school lunch program. I have recommended that a universal school lunch program be developed so that all school children would receive at least one balanced and nutritious meal each day.

We have seen the enrollment in this program decline as the prices for school lunches have steadily gone upward. For each 5 cent increase in the cost of a meal, it is estimated that there is a 5 to 10 percent loss in participation. In my view, food is as important as books. The Administration's block grant proposal, on the other hand, would cause an additional seven to ten million students to drop out of the school lunch program.

We need to take the initiative in freeing school administrators from performing a welfare function when their real business is education. We should be looking for ways to simplify this program and relieve school administrators of the paper work connected with it.

I was happy to hear from the Minnesota Director of the Child Nutrition Programs, Mr. Charles Matthews, that:

"The most effective legislative change which we would recommend to help stop the loss of paying students in the lunch program would be the adoption of a universal school lunch program with only a nominal charge, if any."

This is the direction which I sincerely believe that we should be moving toward in our school lunch program.

In the meantime, we should give careful consideration to the provision under Section 5 of S. 850, whereby the eligibility level for reduced price lunches would be increased to 100 percent above the poverty level. This section would be one important step in strengthening this program.

These hearings should also give special attention to the special supplemental food program, commonly referred to as W.I.C. (Women, Infants and Children).

This program is designed to provide high protein diet supplementation to low-income women, infants and children found to be at nutritional risk. The idea of the legislation is to reach people during those critical periods when nutrition intervention would do the most good for them and give the taxpayers the best return for their dollar.

This program has already brought strong and favorable responses from the States and recipients under the program. My bill, S. 822, and S. 850 propose to make a number of important changes to extend and further strengthen this program.

Under this legislation, funds for administrative expenses would be increased, with nutrition education and outreach included under the administrative cost section.

S. 882 also envisions the establishment of a National Advisory Council on maternal, fetal and infant nutrition, which would be composed of administrators, health professionals, nutritionists, W.I.C. directors and W.I.C. participants. This council would meet with the Secretary of Agriculture on a regular basis and provide him with the best professional thinking and information regarding this program.

I believe that the W.I.C. program is one of the more exciting and important initiatives which we have undertaken in recent years in the health and nutrition area. This Congress must make every effort to see that the program is strengthened and improved.

Our hearings also need to examine the summer food program and the school breakfast program. I believe these programs meet significant needs and should be extended.

The Congress, through S. 1310, has already moved to provide a 90-day extension for the summer feeding program so that planning can go forward for this summer's activities. However, we need to get away from such last minute actions regarding these programs. We need to find ways of reviewing and planning these programs in a more orderly fashion.

I also would recommend that these hearings take a careful look at the whole area of U.S.D.A. purchase and donation of commodities and the issue of providing cash in lieu of commodities. The Minnesota Director of Child Nutrition Programs estimates that discontinuing the commodity distribution program would require an additional cash reimbursement of at least ten cents per meal.

We also will need to look at the commodity program for institutions which the Administration has proposed to eliminate.

We should take a careful look at the actual meals offered from the standpoint of nutrition and reducing waste.

I hope that the Administration will be cooperative in these hearings. The child nutrition programs meet a critical need, particularly at this time of economic recession. Let us together look for ways of making improvements in these programs rather than destroying what has been built with care and hard work.

A NATIONAL DAY OF REMEMBRANCE

Mr. BAYH. Mr. President, on April 8, the House of Representatives passed House Joint Resolution 148, a resolution to designate April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man." It now appears that the resolution will not reach the Senate floor, and I believe this is unfortunate.

The designation of April 24 as a "National Day of Remembrance of Man's Inhumanity to Man" would be a fine tribute to the millions of men, women, and children who have been mercilessly massacred by ruthless and unscrupulous governments at various times in history. I believe it would have been most appropriate to review through the resolution what is regarded to be the first instance of deliberate genocide in the 20th century—the savage massacre of the Armenian people by the Ottoman Turkish Empire in 1915.

Traditionally, Armenian-Americans and their kin throughout the world have observed April 24 as a day of mourning. It was on the night of that day 60 years ago that 200 intellectuals, community leaders, and prominent citizens of the Armenian community were herded into the desert and executed. This event marked the beginning of the Ottoman Empire's systematic plan to exterminate the whole Armenian Christian population within its borders.

Over the next 3 years, 1915–18, 1½ million Armenians were massacred. The entire population was uprooted from their ancestral homeland in what is now the eastern region of Turkey. The able-bodied men were murdered, sometimes in full view of their enslaved families. Then, all the remaining women, children, and elderly were forced to leave their belongings and march to the remote deserts of Der-el-Zor. Along the way, these helpless people were subjected to torture, rape, and slaughter by roving bands of Ottoman soldiers. Any survivors of these brutalities died one by one from exhaustion, starvation, and disease. As Henry Morgenthau, American Ambassador to the Ottoman Empire at the time, commented:

> Whatever crimes the most perverted instincts of the human mind can devise, and whatever refinements of persecutions and injustice the most debased imagination can conceive, became the daily misfortunes of this devoted people. I am confident that the whole history of the human race contains no such horrible episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915.

Beyond the brutal deportations and heinous murders, the Ottoman government attempted to obliterate all traces of the 3,000-year-old American civilization. Libraries, churches, and schools were destroyed. Books, paintings and irreplaceable antiques were burned. Every possible attempt was made to wipe out any trace of the Armenian people—who perhaps are the oldest of the civilized races in western Asia and were the first nation in the world to accept Christianity as its state religion.

Nevertheless, despite the odious crimes of the Ottoman government, the Armenian people survived. In 1918, through the efforts of President Woodrow Wilson, the boundaries for a free and independent Armenia were established. The little Republic was formally recognized by the United States. However, weakened and demoralized by the genocide, the Republic of Armenia fell 2 years later—this time to the Soviet Union. Today, there are tens of thousands of Americans that are of Armenian descent living in the United States, enjoying and upholding the principles of liberty and justice we all cherish so dearly, but the scars of the crimes committed against their ancestors and kin still remain.

Mr. President, the world must never forget the gruesome brutality and injustices suffered by the Armenian people. nor must the world ever forget the other atrocities committed against humanity in this century or any other century. Unfortunately, we cannot remake the past. However, man can use the past to remind him what he has done wrong in order to help him in the future to do what is right. It is only fitting that April 24, the start of the first genocide in the 20th century, be dedicated as a "National Day of Remembrance of Man's Inhumanity to Man." I regret that opposition from the Ford administration prohibited us from voting on the important resolution which would have accomplished this.

GENERALS AND ADMIRALS USE 500 SERVICEMEN AS SERVANTS

Mr. PROXMIRE. Mr. President, 500 military servants are serving generals and admirals in 34 States and 25 foreign countries or possessions at a cost of about $5 million annually.

Each of the Joint Chiefs of Staff has five servants to clean house, tend bar, do the laundry, answer the phones, cook, put on parties, and chauffeur the officer around. At $10,000 per man, this means our Joint Chiefs are spending $50,000 apiece each year for their own personal luxuries.

RACE IS A FACTOR

The racial breakdown of these 500 servants indicates that the Navy and Marine Corps are continuing their policy of racial bias. Every one of the 126 Navy servants is a Filipino. Although the Navy has informed me on numerous occasions in the last 3 years that it was changing its racial policies of using Filipinos in servant positions, it is obvious by the new statistics that they have made no adjustments.

Eighty-five percent of the Marine Corps servants are black—22 out of 28. The racial distribution for the Army is 120 caucasian, 34 black, and 6 other for a total of 160. Sixty-four of one hundred fifty-eight Air Force servants are black.

I asked the Assistant Secretary of Defense for Manpower why generals and admirals need servants when the highest ranking civilian authorities in the Pentagon do not.

The Assistant Secretary replied that generals and admirals need the servants to help keep up their houses. He pointed out that they live in "large, old houses" while civilians can live where they want.

What the Secretary did not point out was that these poor generals and admirals who are forced to live in "large, old houses," do so free—at no personal expense. The homes are provided by the taxpayer. And anyone taking a drive along the local generals' or admirals' row knows that these "large, old houses" are often worth up to a hundred thousand dollars or more.

Not only do the generals and admirals get large homes free but they then have the gall to say that because they live in these free quarters, they should have servants to help keep house.

The military servant program has been cut down in recent years from 1,722 to 500 as a result of 3 of my amendments and the pressure from local communities where these servants are at work.

I have urged the residents of every community to ask their local generals and admirals why their tax dollars should go toward supporting a personal servant for these officers. Why should a general have a servant while the Secretary of Defense does not require one? Why should we have military servants at all in our free society?

PENTAGON ASKS $1 MILLION FOR OFFICERS

The only response from the Pentagon to my requests to abolish this program came just this month. The Department of Defense has put $1.1 million into the defense budget to find some alternative method of pampering the generals and admirals without giving them servants.

This is an astonishing development. Instead of simply doing away with the program, the Pentagon wants to substitute over $1 million to find better ways of assuring the good life for our highest ranking officers.

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The servant program is an aristocratic racial hangover from another era. It should be stopped without further foot-dragging.

Mr. President, I ask unanimous consent that a list of the 500 servants and the generals to whom they are attached be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

List of 500 Servants and the Generals

ALABAMA.

Ellis, Vincent A., Commanding General, US Army, Missile Command, Redstone Arsenal, Ala. (1)

Maddox, William J., Jr., Commanding General, US Army, Aviation Center, Ft. Rucker, Ala. (1)

Rogers, Felix M., Comdr., Air University, Maxwell AFB (2)

ALASKA

Hill, James E., Comdr. in Chief, Alaskan Comd., Elmendorf AFB (1)

Gamble, Jack K., Comdr., Alaskan Air Comd., Elmendorf AFB (1)

Latham, Willard, Commanding General, US Army, Infantry Brigade, Alaska (1)

ARIZONA

Albright, Jack A., Commanding General, US Army, Communications Command, Fort Huachuca, Ariz. (1)

CALIFORNIA

Adams, Ronald T., Jr., Comdr., AF Inspection & Safety Center, Norton AFB (1)

Baldwin, Robert B., Comdr., Naval AF, US Pacific Fleet, San Diego (2)

Bradley, Omar N., General of the Army, Beverly Hills, Cal. (4)

Carmody, Martin D., Commandant, 12th Naval District, San Francisco (1)

Fegan, Joseph C., Commanding General, USMC Recruit Depot, San Diego, Calif. (1)

Gilkeson, Fillmore B., Commandant, 11th Naval District, San Diego (1)

Gonge, John F., Comdr., 22 AF Military Airlift Comd., Travis AFB (1)

McLaughlin, George W., Comdr., Sacramento ALC, AF Logistics Comd., McClellan AFB (1)

Pitts, William F., Comdr., 15 AF, SAC, March AFB (2)

Salzer, Robert S., Comdr., Naval Surface Force, US Pac. Fleet, San Diego (2)

Schoning, William M., Comdr., 1 Strategic Aerosp. Div., SAC, Vandenberg AFB (1)

Roberts, Elvy B., Commanding General, 6th USA, Presidio of San Francisco (2)

Ross, Marion C., Commanding General, USA Training Center, Fort Ord (1)

COLORADO

Baker, Royal N., Vice Comdr., Aerospace Defense Comd., Ent AFB (1)

Allen, James R., Supt. USAF Academy (2)

Clay, Lucius D., Jr., C-in-Chief, NORAD/CONAD, Ent AFB (2)

Pattillo, Charles C., Comdr., Lowry TTC, Lowry AFB (1)

Vessey, John W., Jr., Commanding General, 4th Infantry, Fort Carson (1)

Wier, James A., Commanding General, Fitzsimmons AMC, Denver (1)

DISTRICT OF COLUMBIA

Cushman, Robert E., Commandant, USMC (5)

Anderson, Earl E., Assistant Commandant, USMC (3)

Robinson, Wallace H., Jr., Director, Defense Supply Agency (2)

Beckington, Herbert L., Deputy Chief for Plans & Operations, HQ, USMC (2)

Mclaughlin, John N., Chief of Staff, HQ, USMC

Holloway, James L., III, Chief of Naval Operations (5)

Kidd, Isaac C., Jr., Chief of Naval Material (3)

Bagley, Worth H., Chief of Naval Personnel (2)

Talley, George C., Jr., Deputy Chief of Naval Operations (2)

Long, Robert L. J., Deputy Chief of Naval Operations (2)

Houser, William D., Deputy Chief of Naval Operations (2)

Price, Arthur H., Jr., Deputy Chief of Naval Operations (2)

Moran, William J., Office of Chief of Naval Operations (2)

Finneran, John G., Deputy Ass't Secretary of Defense (2)

Bayne, Marmaduke G., Commandant, Nat'l War College (2)

Custis, Donald L., Surgeon General of the Navy (2)

Hayward, Thomas B., Director, Navy Program Planning (2)

Murphy, Daniel J., Director, Antisub Warfare & Ocean Surveillance Programs (2)

Weschler, Thomas R., Director, Logistics J–4, Joint Chiefs (2)

Perry, Oliver H., Jr., Chairman, Inter-American Defense Board (2)

Tidd, Emmitt H., Commander, Naval Recruiting Command (2)

Rectanus, Earl F., Dep. Ass't. Secretary of Defense (2)

Flanagan, William R., Chief of Legislative Affairs (1)

Carnahan, Ralph H., Commandant, Naval District of Wash. (1)

Inman, Bobby R., Director of Naval Intelligence (1)

Kerwin, Walter T., Jr., Vice Chief of Staff, USA (3)

Weyand, Frederick C., Chief of Staff, USA (5)

Cowles, Donald H., Dep. Chief of Staff/Operations, USA (2)

Deane, John R., Jr., Chief R&D and Acquisition, USA (2)

Elder, John H., Jr., Director, Plans & Policy, Joint Chiefs (2)

Foster, Ralph L., Director of the Army Staff (2)

Graham, Daniel O., Director, DIA (2)

Gribble, William C., Jr., Chief of Engineers, USA (2)

Kornet, Fred, Jr., Dep. Chief of Staff/Logistics (2)

Kjellstrom, John A., Comptroller of the Army (2)

Maples, Herron N., Inspector General, USA (2)

Moore, Harold G., Dep. Chief of Staff/Personnel, USA (2)

Rowny, Edward L., Representative for SALT, Joint Chiefs (2)

Taylor, Richard R., Surgeon General, USA (2)

Walters, Vernon A., Dep. Director, CIA (2)

Wilson, Samuel V., Dep. to Director, CIA (2)

Woolwine, Walter J., Commandant, Industrial College of the Armed Forces, Fort McNair (2)

Aaron, Harold R., Ass't. Chief of Staff for Intelligence USA (1)

Beatty, George S., Jr., Director, Inter-American Defense College, Fort McNair (1)

Bernstein, Robert, Commanding General, Walter Reed Hospital (1)

Delmar, Henry R., Comdr., Military Traffic Management (1)

Lee, James M., Legislative Liaison, Office of the Secretary, USA (1)

Brown, George S., Chairman, Joint Chiefs (5)

Jones, David C., Chief of Staff, USAF (r)

Ellis, Richard H., Vice Chief of Staff, USAF (3)

Boswell, Marion L., Asst. Vice Chief of Staff, USAF (1)

DeLuca, Joseph R., Comptroller of the Air Force (2)

Evans, William J., DCS/R & D, USAF (2)

Fish, Howard M., Dir., Defense Security Assistance Agency (2)

Hill, James A., DCS/Programs & Resources, USAF (2)

Johnson, Warren D., Dir., Defense Nuclear Agency (2)

Nunn, Donald G., The Inspector General, USAF (2)

Patterson, Robert A., Surgeon General of the Air Force (2)

Pauly, John W., Ass't. to Chairman, JCS (2)

Roberts, John W., DCS/Personnel, USAF (2)

Sitton, Ray B., Director of Operations, JCS (2)

Snavely, William W., DCS/Systems & Logistics, USAF (1)

Tighe, Eugene F., Jr., Dep. Director, DIA (2)

Chapman, Kenneth R., Ast. DCS/R & D, USAF (1)

Cole, Ray M., Asst. DCS/Personnel, USAF (1)

Lewis, Homer I., Chief of AF Reserve, USAF (1)

Loving, George G., Jr., JCS representative for MBFR (1)

McGough, Edward A., III, Dep. Comdt., Industrial College of the Armed Forces, Fort McNair (1)

Moore, Otis C., Dir/Operations, DCS, USAF (1)

Reilly, Maurice R., Comdr., HQ Comd., USAF (1)

Slay, Alton D., DCS/R & D, USAF (1)

Steel, Maxwell W., Jr., Dep. Surgeon General, USAF (1)

Tallman, Kenneth L., Dir/Personnel Plans, DCS, USAF (1)

FLORIDA

Ernest C. Hardin, Jr., Dep. Comdr in Chief, US Readiness Comd, MacDill AFB (2)

Henry B. Kucheman, Jr., Comdr Armament Development, And Test Center, AF Systems Comd, Eglin AFB (1)

John J. Hennessey, Comdr in Chief, US Readiness Comd, MacDill AFT (3)

James B. Wilson, Chief of Naval Education & Training Research (2)

GEORGIA

Bernard W. Rogers, Commanding General, US Army Forces Command, Ft. McPherson (3)

Donn R. Pepke, Deputy Commanding General, US Army Forces Command, Ft. McPherson (2)

Charles Myer, Commanding General, US Army Signal Center & Ft. Gordon, US Army School, Ft. Gordon (1)

Thomas M. Tarpley, Commanding General, US Army Infantry Center & Commandant, Infantry School, Ft. Benning (1)

Thomas M. Tarpley, Commanding General, US Army Infantry Ctr. & Commandant Infantry School, Ft. Benning (1)

Ralph T. Holland, Comd., Warner Robins Air Logistics Ctr., AF Logistics Comd, Robins AFB (1)

HAWAII

Louis L. Wilson, Jr., Comdr in Chief, Pacific Air Forces, Hickam AFB (3)

Marshall, Winton W., Vice Comdr in Chief, Pacific Air Forces, Hickam AFB (2)

William G. Moore, Jr., Chief of Staff, Pacific Comd, Pearl Harbor (2)

Donnelly P. Bolton, Commanding Gen., US Army Support Command, Hawaii (1)

William A. Boyson, Comd. Gen. Tripler Army, Med Center, Hawaii (1)

Harry Brooks, Jr., Comd. Gen, 25th Infantry Div., Hawaii (1)

Harry W. Brooks, Jr., Commd. Gen., 25th Infantry Div. (1)

John R. Guthrie, Dep. Chief of Staff, Pacific Commd (1)

Gayler Noel A. M., Commdr in Chief Pacific, Pearl Harbor

Maurice F. Weisner, Comdr in Chief, US Pacific Fleet, Pearl Harbor (3)

William St. George, Dep. & Chief of Staff to Commander, US Pacific Fleet, Pearl Harbor (2)

James H. Doyle, Jr., Commander, Third Fleet, Pearl Harbor (2)

Richard A. Paddock, Commandant, 14th Naval District, Pearl Harbor (1)

ILLINOIS

Warren H. O'Neil, Commandant, 9th Naval Dist., Great Lakes (1)

William B. Fulton, Commanding Gen., US Army Armaments Command, Rock Island, Ill. (1)

Paul K. Carlton, Comdr., Military Airlift Comd, Scott AFB (3)

James Daniel, Jr., Vice Comdr, Military Airlift Comd, Scott AFB (2)

Leavitt Lloyd R. Jr., Comdr, Chanute Technical Training Air Training Comd., Chanute AFT (1)

INDIANA

Eugene P. Forrester, Commanding Gen., US Army Admin. Ctr., Ft. Benjamin Harrison IN (1)

KANSAS

John H. Cushman, Commd. Gen, US Army Combined Arms Ctr., Commandant US Army (1)

Marvin D. Fuller, Commanding Gen. 1st Inft. Div., Ft. Riley (1)

KENTUCKY

John W. Mecnery, Commd. Gen. 101st Airborne, Div. Ft. Campbell, Ft. Campbell.

Donn A Starry, Commd. Gen. U.S Army Armor, Ctr & Commandant U.S. Army Armor, Ft. Knox (1)

LOUISIANA

Pierre N. Charbonnet, Cf. of Naval Res. New Orleans (2)

George L. Cassell, Commandant 8th Naval Dist. New Orleans (1)

Richard Hoban, Comdr. 8AF Strategic Air Comd. Barksdale, AFB (2)

Robert Haldane, Comd. Gen. U.S. Army Training Ctr. Ft. Polk (1)

MARYLAND

James Kalergis, Commanding Gen. 1st U.S. Army Ft. George Meade, Md. (2)

Charles P. Brown, Commd. Gen. U.S. Army Test & Eval Commd, Aberdeen Proving Grounds (1)

Samuel C. Phillips, Comdr. AF Systems Comd. Andrews AFB (3)

Lew Allen, Jr., Dir. Nat'l. Security Aacy. Ft. Meade (2)

John B. Hudson, Vice Comdr AF systems Comd. Andrews AFB (2)

William P. Mack, Superintendent U.S. Naval Academy Annapolis (3)

MASSACHUSETTS

Roy D. Snyder, Jr., Commandant 1st Naval Dist. Boston (1)

Wilbur L. Creech, Comdr. Electronic Systems Div. AF, Systems Cond., Hansom Field (1).

MICHIGAN

Joseph E. Pieklik, Commanding Gen. U.S. Army, Tank Antonotive Command, Warren (1)

MISSOURI

Donald Werbeck, Comdr. A.F. Communications Ser.

Richarda Gebaur AFB (1)

MISSISSIPPI

Bryan M. Shotts, Comdr. Keesler Technical Training Ctr., Air Training Comd., Keesler AFB (1)

NEBRASKA

Dougherty, Russell E., Comdr. in Chief, Strategic Air Comd, Offutt AFB (3)

Keck, James M., Vice Comdr. in Chief, Strategic Air Comd, Offutt AFB (2)

Kaufman, Robert Y., Deputy Director, Joint Strategic Target Planning Staff, Offutt AFB (2)

NEVADA

Blood, Gordon F., Comdr., USAF Tactical Fighter Weapons Center, Tactical Air Comd, Nellis AFB (1)

NEW JERSEY

Kearney, Lester T., Jr., Comdr., 21 AF, Military Airlift Comd, McGuire AFB (1)

Foster, Hugh F., Jr., Commanding Gen., U.S. Army Electronics Comd, Ft. Monmouth, N.J. (1)

Greer, Thomas U., Commanding Gen., U.S. Army Training Center and Ft. Dix, Ft. Dix, N.J. (1)

NEW MEXICO

Dreisesyern, Abraham J., Comdr, AF Contract Mgt. Div., AF Systems Comd, Kirtland AFB (1)

Morgan, Thomas W., Comdr., AF Special Weapons Center, Kirtland AFB (1)

NEW YORK

Berry, Sidney B., Superintendent, U.S. Military Academy, West Point, N.Y. (3)

Robinson, Ray A., Jr., Comdr., 21 NORAD/CONAD Rgn, Hancock Field (1)

Moorer, Joseph P., Vice Chairman, U.S. Delegation, UN Military Staff Committee, New York (3)

NORTH CAROLINA

Seitz, Richard J., Commanding Gen., XVIII Airborne Corps and Ft. Bragg, Ft. Bragg, N.C. (2)

Tackaberry, Thomas H., Commanding Gen., 82nd Airborne, Div, Ft. Bragg, Ft. Bragg, N.C. (1)

Spanjer, Ralph, Commanding Gen, 2d Marine Air Wing, Cherry Pt., N.C. (1)

Haynes, Fred E., Jr., Commanding Gen, Marine Corps Base, Camp Lejeune, N.C. (1)

Brown, Leslie E., Commanding Gen., Marine Corps Air Station, Cherry Pt., N.C. (1)

Joslyn, William G., Commanding Gen., 2nd Marine Div., Camp Lejeune, N.C. (1)

OHIO

McBride, William V., Comdr, AF Logistics Comd, Wright-Patterson AFB (3)

O'Connor, Edmund F., Vice Comdr, AF Logistics Comd, Wright-Patterson AFB (2)

Stewart, James T., Comdr, Aeronautical Systems Div., AF Systems Comd, Wright-Patterson AFB (2)

OKLAHOMA

Ott, David E., Commanding Gen., US Army Field Artillery Center and Commandant, US Army Field Artillery School, Ft. Sill, Oklahoma (1)

Randolph, James G., Comdr, Oklahoma City Air Logistics Center, Tinker AFB (1)

PENNSYLVANIA

Smith, DeWitt C., Jr., Commandant, US Army War College, Carlisle Barracks, Pa. (2)

Jones, James R., Commanding Gen., Marine Corps Supply Activity, Phila, Pa. (1)

Coleman, Joseph L., Commandant Fourth Naval District, Phila, Pa. (1)

RHODE ISLAND

LeBourgeois, Julian J., President, Naval War College, Newsport, RI (3)

SOUTH CAROLINA

Burke, Julian T., Jr., Commandant, Sixth Naval District, Charleston, S.C. (1)

Hughes, James D., Comdr, 9 AF, Tactical Air Comd., Bergstrom AFB (2)

Caldwell, William B., III, Commanding Gen., US Army Training Center and Ft. Jackson, Ft. Jackson, S.C. (1)

Barrow, Robert H., Commanding Gen., Marine Corps Recruit, Depot, Parris Island, S.C. (1)

TEXAS

Rattan, Donald V., Acting, Commanding Gen., 5th US Army, Fort Sam, Houston, Tex. (2)

Burdett, Allen M., Jr., Commanding Gen., III Corps & Ft. Hood, Ft. Hood, Tex. (2)

Fair, Robert L., Commanding Gen., 2d Armored Div., Ft. Hood, Tex. (1)

Levan, CJ, Commanding Gen., U.S. Army Air Defense, Center and Commandant, U.S. Army Air Defense School, Ft. Bliss, Tex. (1)

Neel, Spurgeon H., Jr., Commanding Gen., U.S. Army Health Services Command, Ft. Sam, Houston, Tex. (1)

Shoemaker, Robert M., Commanding Gen., 1st Cavalry Div., Ft. Hood, Tex. (1)

Carson, Charles W., Jr., Comdr., 12 AF, Tactical Air Comd., Bergstrom AFB(1)

McKee, George H., Comdr., Air Training Comd., Randolph AFB (2)

Flynn, John P., Comdr., AF Military Training Center, Lackland AFB (1)

Kelly, John R., Jr., Comdr., San Antonio Air Logistics Center, Kelly AFB (1)

Maloy, Robert W., Vice Comdr., Air Training Comd., Randolph AFB (1)

Petit, Robert L., Comdr., Sheppard Technical Training Center, Sheppard AFB (1)

Smith, Howard P., Jr., Comdr., USAF Security Service, Kelly AFB (1)

VIRGINIA

Dixon, Robert J., Comdr., Tactoca; Aor Comd., Langley AFB (3)

Halls, Robert I., Vice Comdr., Tactival Air Comd., Langley AFB (2)

Murphy, James S., Comdr., 20 NORAD/CONAD, Ft. Lee AFB (1)

Cousins, Ralph W., C-in-C, Atlantic Fleet, Norfolk (3)

Michaelis, Frederick H., Comdr., Naval Air Force, U.S. Atlantic Fleet, Norfolk (2)

Adamson, Robert E., Jr., Comdr., Naval Surface Force, Norfolk (2)

Turner, Stanfield, Comdr., 2nd Fleet, Norfolk (2)

Plate, Douglas C., C-in-C, U.S. Atlantic Fleet, Norfolk (2)

Downey, Denis-James J., Chief of Staff, Supreme Allied Comdr., Atlantic Fleet, Norfolk (2)

Williams, Joe, Jr., Comdr., Sub. Force, U.S. Atlantic Fleet (2)

Rumble, Richard E., Comdr., 5th Naval District, Norfolk, (1)

Depuy, William E., Com. Gen., USA Training & Doctrine, Fort Monroe (2)

Miley, Henry A., Jr., Com. Gen., USA Materiel Command, Alexandria (3)

Talbott, Orwin C., USA Training & Doctrine, Fort Monroe (1)

Vaughan, Woodrow W., USA Materiel Comd., Alexandria (2)

Fuson, Jack C., USA Transport Center, Ft. Eustis (1)

Godding, George A., USA Security Agency, Arlington Hall Station, Arlington (1)

Parfitt, Harold R., Comdt., USA Engineer School (1)

Fris, Edward S., USMC Development & Educ. Comd. (2)

Nichols, Robt. L., Fleet Marine Forces/Atlantic, Norfolk (2)

WASHINGTON

Henion, John Q., Com. Gen. 9th Infantry, Ft. Lewis, Wash. (1)

Zech, L. W., Jr., Comdt., 13th Naval Dist., Seattle (1)

Young, James A., Comdr., 25 NORAD/CONAD, McChord AFB (1)

BAHREIN

Hanks, Robert J., Commander, Middle East Force, State of Bahrein (1).

BELGIUM

Weinel, John P., U.S. Representative, Military Committee, North Atlantic Treaty Organization, Brussels (3).

Haig, Alexander M., Jr., Supreme Allied Commander, Europe & Commander in Chief, U.S. European Command (4).

Kissinger, Harold A., Deputy Director General, North Atlantic Treaty Organization Integrated Communications System Management Agency, Belgium (2).

Cantlay, George G., Deputy US Military

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Representative, North Atlantic Treaty Organization Military Committee, Belgium (1)

Seith, Louis T., Chief of Staff, SHAPE, Shape, Belgium (3).

Shaefer, Richard F., Dep Chairman, NATO Military Committee, Brussels (2).

BRAZIL

Hanson, Carl T., Chief, Navy Section, U.S. Military Group, Brazil, Rio De Janeiro (1).

Kendall, Maurice W., Chairman Army Member, U.S. Delegation, Joint Brazil-U.S. Military Commission Commander, U.S. Military Group, Brazil (1).

CANAL ZONE

Breedlove, James M., Comdr, USAF Southern Comd, Albrook AFB (1).

Blount, Robert H., Commander, U.S. Naval Forces, Southern Command; Commandant Fifteenth Naval District, Fort Amador (1).

Rosson, William E., Commander in Chief, U.S. Southern Command, Quarry Heights, Canal Zone (2).

Richardson, William R., Commanding General, 193d Infantry Brigade, Fort Amador, Canal Zone (1).

GERMANY

Eade, George J., Dep Comdr in Chief, U.S. European Comd, Vaihingen (3).

Vogt, John W., Jr., Comdr in Chief, USAFE and Comdr, Allied Air Forces, Central Europe, Ramstein AB (3).

Poe, Bryce, II, Vice Comdr in Chief, USAFE, Ramstein AB (2).

Bellis, Benjamin N., Comdr, 17 AF, USAFE, Sembach AB (1).

Davison, Michael S., Commander in Chief, U.S. Army Europe/Seventh Army (3).

Almquist, Elmer H., Jr., Deputy Commander in Chief, U.S. Army Europe/Seventh Army (2).

Blanchard, George S., Commanding General, VII Corps, U.S. Army Europe (2).

Desobry, William R., Commanding General, V Corps, U.S. Army Europe (2).

Knowlton, William A., Chief of Staff, U.S. European Command (2).

Burton, Jonathan R., Commanding General, 3d Armored Division, U.S. Army Europe (1).

Fitzpatrick, Thomas E., Jr., Commanding General, 32d Army, Air Defense Command, U.S. Army Europe (1).

Heiser, Rolland V., Commanding General, 1st Armored Division, U.S. Army Europe (1).

Kraft, William R., Jr., Chief of Staff, U.S. Army Europe and Seventh Army (1).

McDonough, Joseph C., Commanding General, 8th Infantry Division, U.S. Army Europe (1).

Meyer, Edward C., Commanding General, 3d Infantry Division, U.S. Army Europe (1).

Sweeney, Arthur H., Jr., Commanding General, U.S. Army Material Management Agency, Europe (1).

Wagstaff, Jack G., Chief, Military Assistance Advisory Group, Germany (1).

Nutting, Wallace H., Commanding General, 1st Infantry Division (Forward), U.S. Army Europe (1).

Nance, James W., Deputy Chief of Staff, Commander in Chief, U. S. European Command, Vaihingen (1)

Templeman, James M., Commanding General, 1st Support Brigade, US Army Europe (1)

Timmerberg, Paul M., Commanding General, 15th Military Police Brigade and Provost Marshal, US Army Europe and Seventh Army (1)

GREECE

Burke, William A., Chief, Joint US Military, Advisory Group, Greece (1)

ICELAND

Rich, Harold G., Commander, Iceland Defense Force, Keflavik (1)

IRAN

Brett, Devol, Chf, Military Assistance, Advisory Group, Iran, Teheran (2)

ITALY

Wilson, Joseph G., Comdr, Allied AF Southern Europe, Naples (1)

Cragg, Ernest T., Chief of Staff, Allied AF Southern Europe, Naples (1)

Johnson, George M., Jr., Chief, Military Assistance Advisory Group, Italy, Rome (1)

Norton, John, Chief of Staff, Allied Forces Southern Europe, Italy (2)

Vinson, Wilbur H., Jr., Commanding General, US Army Southern European Task Force, Italy (1)

Johnston, Means, Jr., Commander in Chief, Allied Forces Southern Europe, Naples (3)

Turner, Frederick C., Commander Sixth Fleet, Gaeta (2)

JAPAN

Galligan, Walter T., Comdr, US Forces, Japan & Comdr 5 AF, Pacific Air Forces, Yokota AB (1)

Dolvin, Welborn G., Commanding General, IX Corps/US Army, Japan (1)

Steele, George P., II, Commander SEVENTH Fleet, Yokosuka (2)

Spreer, Paul H., Commander, U.S. Naval Forces, Japan, Yokosuka (1)

KOREA

Murphy, John R., Chief of Staff U.S. Forces, Korea and Chief of Staff, U.N. Comd. Korea, Yongsan (0)

Morgan, Henry S., Jr., Commander, U.S. Naval Forces, Korea, Seoul (1)

Stilwell, Richard G., Commanding General, Eighth U.S. Army, Korea/Commander in Chief, United Nations Command/Commander, U.S. Forces Korea (1)

Flanagan, Edward M., Jr., Deputy Commanding General, Eighth U.S. Army, Korea (1)

MARIANAS ISLANDS

Morrison, George S., Commander, U.S. Naval Forces, Marianas, Guam (1)

NETHERLANDS

Pattillo, Cuthbert A., DCS/Ops and Intel., Allied Forces Central Europe, Brunssum (1)

NORWAY

Young, Kendall S., Air Deputy, AF North, Oslo (1)

OKINAWA

David, Bert A., Commanding General, U.S. Army, Garrison, Okinawa (1)

PHILIPPINES

Shelton, Doniphan B., Commander, Naval Base Subic, Subic Bay (1)

PORTUGAL

Corley, Frank W., Jr., Chief, Military Assistance Advisory Group, Portugal, and Commander Iberian Atlantic Command, Lisbon (1)

PUERTO RICO

Ramage, James D., Commander, Caribbean Sea Frontier/Commandant Tenth Naval District, Roosevelt Roads (1)

SPAIN

Lemos, William E., Chief, Joint U.S. Military Group/Military Assistance Advisory Group, Spain, Madrid (1)

Robertson, Edwin W., II, Vice Comdr., 16 AF, USAFE, Torrejon AB (1)

TAIWAN

Nash, Slade, Chf. Military Assistance Advisory Group, Republic of China, Taipei (1)

Snyder, Edwin K., Commander, U.S. Taiwan Defense Command, Taipei (2)

THAILAND

Hixon, Robert C., Commander, U.S. Military Assistance Command Thailand and Chief, Joint U.S. Military (1)

Burns, John J., Comdr, 7 AF, Pacific Air Forces, Nakhon Phanom Aprt (1).

TURKEY

Moats, Sanford K., Comdr 6 Allied Tactical Air Force, Izmir (2).

Elliot, Frank W., Jr., Comdr, The US Logistics Group, USAFE, Ankara (1).

Zais, Melvin, Commanding General, Allied Land Forces Southeastern Europe, Turkey (3).

Hollis, Harris W., US Representative, Permanent Military Deputies Group, Central Treaty Organization, Turkey (2).

Hamilton, Colin C., Jr., Chief of Staff, Combined Mil Planning Staff, Central Treaty Organization, Ankara (1).

Galloway, James V., Chief, Joint US Military Mission for Aide to Turkey (1).

UNITED KINGDOM

Rosencrans, Evan W., Comdr, 3 AF, USAF Europe, Mildenhall, England (1).

Shear, Harold E., Commander in Chief, U.S. Naval Forces, Europe, London (3).

Longino, James C., Jr., U.S. Defense Attache, U.S. Naval Attache and U.S. Naval Attache for Air, U.K., London (1).

FINANCING THE DEFICIT—IV

Mr. HUMPHREY. Mr. President, the April 9 issue of Financial World magazine contained a remarkably candid and wide-ranging interview with Dr. Andrew Brimmer, former Governor of the Federal Reserve System and now a professor at the Harvard Business School. Dr. Brimmer has so much to say on so many aspects of monetary policy, and we in Congress need advice in this area so badly, that we can all benefit greatly from a careful consideration of his views.

Let me call special attention to a few of Dr. Brimmer's statements. In response to a question on whether the Federal Reserve is easing money and credit sufficiently, Dr. Brimmer says:

> Nope. They're not. The Fed in my judgment ought to push on and get short-term rates down another half to three-quarters of a point . . . I think the Fed funds rate has to get below 5 percent.

Unfortunately, in the few short weeks since Dr. Brimmer gave this interview, interest rates, instead of declining further, have begun to move back up. I think we in Congress have a responsibility to insist that the Fed conduct its policy in such a way that this upward trend in interest rates is reversed.

This is what Dr. Brimmer says when asked whether private borrowing will be "crowded out" by Treasury borrowing:

> I've been appalled at the degree of credence that the market has given that argument. I'm disappointed that the argument was made by the Secretary of the Treasury, and to some extent shared by the Chairman of the Federal Reserve Board . . . At this juncture the one doubt I see on the horizon vis-a-vis a vigorous recovery beginning, say, the third quarter of this year, is the Federal Reserve. . . . If the Fed refuses . . . to permit short rates to get down to the neighborhood of 5 percent, there will be a reversal of rates in the market. . . . Some borrowers who could make good use of the funds . . . wouldn't be accommodated. That would be "crowding out", and it would be unfortunate, and I think the Fed ought to be held responsible for that.

What Dr. Brimmer is saying is important for each of us in Congress to understand. If interest rates rise and some borrowers are "crowded-out," it won't be the result of some mysterious automatic force, it will be the result of deliberate Federal Reserve policy. Such a policy would be highly inappropriate. Congress must not permit such a policy to be followed.

I point out what Dr. Brimmer says about this question of the role of Congress in overseeing the Fed:

> No one else supervises the Fed, and Congress must provide oversight. . . . I'm recommending that Congress set up a bureau staffed by economists who understand monetary policy so it can serve the two banking committees and the Joint Economic Committee in a way parallel to what the Budget Committee is doing. Frankly, the Fed just outguns Congress on this in terms of intellectual capacity, technical skills and so on. There's no one in Congress—let me repeat—there's no one in Congress who has the resources in terms of staff, information and so on to monitor the Fed.

Dr. Brimmer's proposal is one which I think Congress would be well advised to consider seriously—and promptly. At this time of economic crisis, the Nation cannot afford congressional neglect or ineptitude with respect to its oversight responsibilities in the field of monetary policy. Fortunately, Congress has been moving recently to improve its monitoring and its understanding of monetary policy. We must continue to do so.

Mr. President, I ask unanimous consent that this important interview from Financial World be printed in the Record.

There being no objection, the interview was ordered to be printed in the Record, as follows:

U.S. Monetary Policy: A Critical View

(Exclusive Interview With Dr. Andrew F. Brimmer, Former Governor of the Federal Reserve System)

A.H.K.—"No institution has come under more scrutiny and received more criticism in recent months than the Federal Reserve Board. In an effort to shed some light on the reasons for this, as well as to examine monetary policy in this country today. Financial World sought an exclusive interview with Professor Andrew F. Brimmer of the Harvard Business School. Dr. Brimmer, a Ph.D in economics, served as Assistant Secretary of Commerce, worked in the N.Y. Federal Reserve Bank and, prior to his current stint at Harvard. was one of the seven governors of the Federal Reserve.

"Readers can disagree with the forceful views that Dr. Brimmer presents here, but no one can quarrel with his integrity, his intelligence, his efforts and his considerable insight into the role of our central bank in today's economy. As the President said to him on his retirement from the Fed: 'You can always look back with great pride on the outstanding contributions you have made to a more efficient and responsible government.' "

Mr. Kingon. Is the Fed easing money and credit sufficiently?

Dr. Brimmer. Nope. They're not. The Fed in my judgment ought to push on and get short-term interest rates down another half to three-quarters of a point. The federal funds rate still seems to be stuck in the neighborhood of about 5½%. I think the fed funds rate has to get below 5% and I believe the galaxy of other short rates such as bills and commercial paper must cluster in the neighborhood of 5%. In other words, we need short rates down somewhat more to assure that the recovery will be financed. The Fed is still moving, but slowly, and it appears to have gotten stuck again.

Mr. Kingon. It's almost trite to use the phrase "pushing on a string," but in recent testimony Chairman Burns used the expression that the banking system was "awash with liquidity," and he said the problem was just a question of confidence. Do you buy that?

Dr. Brimmer. Not at all. You see, something happened to the financial system, including the financial position of the corporate sector, in 1973–74. In liquidity, the corporate sector just has been wrung out. If you look at corporate balance sheets and look at the ratios of short-term liabilities to total liabilities over the last half-dozen years, there has been a steady attrition in the availability of internally generated funds. The corporations (those are nonfinancial corporations) have had to turn increasingly to the outside market, and in so doing they have just had to go to short-term sources: commercial banks, commercial paper. We know that profit margins have been eroded. The banks need to fund this sort of stuff and get their balance sheets in better shape, otherwise they cannot finance the long-term investments required. The corporate sector cannot finance additions to the capital stock out of bank loans and commercial paper, etc. And so the financial system has to be reliquefied, not just the banks. The banks themselves, however, have to do something to help the corporate sector.

Mr. Kingon. Governor Sheehan recently expressed disappointment that in his judgment the banks weren't being sufficiently accommodative in their lending but looking rather to repair their liquidity. But hasn't everybody from Chairman Burns and Comptroller Smith on down, in the last six months, been warning the banks over and over again to restore liquidity? Isn't it critical for them to repair their own liquidity at the earliest possible moment?

Dr. Brimmer. Well, only if those public-policy instructions are appropriate. I think they are wrong. I personally would not have made that speech Arthur made in October in Hawaii. I differed with the majority of the board when I was there over the capital position. This came up more often in terms of holding-company acquisitions, when the board majority was much more ready to refer to capital inadequacy as a reason for turning down applications. I joined, but I always made additional points. I thought it was improper to use the capital-adequacy argument as a basis for turning down individual applications when really in a number of cases the capital position of that particular bank or holding company was not any worse than generally existed. I wanted to do it on competitive grounds and other reasons. I have another point to make. It is impossible for banks to sell any equity in markets like this, so telling the banks to improve your capital by accumulating equity simply tells them you just accumulate undistributed profits—distribute less in dividends, save more of your earnings to add to equity because obviously you can't sell any new common stock, or very little. The lending side is entirely a different matter, and I feel strongly on that. But I'm saying—just as logic says—you can't improve your equity position when the equity markets have fallen apart. And if you insist that the banks retain a large share of their earnings while they are paying out dividends, who is going to buy their stock anyway? It's counterproductive, and I would want to see the Fed ease off on its demand for the improvement of bank capital.

But Jack Sheehan is talking about something else. And I talked to him about it. Think back to September 1974. The Federal Reserve Board sent out some lending guidelines prepared by the Federal Advisory Council. Those guidelines say to banks: Be stingy, tighten up, be judicious! I asked one of the Federal Reserve Board members two weeks ago, "Has the Fed done anything to let the banks know these guidelines are no longer applicable? Has the Fed sent out its counter-instructions, counterguidance?" The answer is no. Until the Fed turns around and tells the banking community that the instructions given six to seven months ago are no longer applicable, nothing will happen. I have been checking. Very few banks have liberalized. They are saying, "How can we do that?" I was talking to one in Philadelphia, one of the big banks, and they said: "We are under pressure to improve our capital, and yet we know that in our area there are businesses that could use bank loans. We've got the money, but by the standards adopted last September they don't qualify." So the Fed needs to unwind those instructions. The Fed has to be adept and back off.

Mr. Kingon. Comptroller Smith told me a few months ago that he foresees some rather large loan losses coming up this year and he implied they would be at some large banks. Do you see this as being a very bad year in that regard?

Dr. Brimmer. Bad. But not as horrifying as many people perceive. After all, the banks have been accumulating large loss reserves and they can charge those bad loans to those reserves. They have adequate reserves. But here again, if bank examiners take the view that loans are now bad because the economy is bad, and if we write them off, the banks will be caught in a tailspin. I think we ought to learn something from the 1930s. In retrospect many of those banks which went under wouldn't have gone under if the Fed, and the bank examiners and the comptroller and so on, had realized what was happening. You see, a rising tide lifts all boats, including good loans. But a falling tide lowers all boats, including loans which—when the economy was operating reasonably close to capacity and with reasonably good cash flow, and when the markets were strong for the output of the firms and so on—loans which wouldn't be bad. I have a very strong view on that. Frankly, this is a time for bank supervisors to be tolerant, to wait a bit before trying to correct historic mistakes. Many of these problem banks have been around as problem banks for years. Many of them have had classified loans for years. This is the wrong time to try to make them upgrade the situation in one fell swoop. They can't upgrade it.

Mr. Kingon. What is your suggestion as to the right monetary policy, say, for the next six months? For the monetary aggregates M1, M2 and M3, for instance? At what rate would you like to see them grow?

Dr. Brimmer. Well, remember now, I am not a monetarist, and you know from my papers that I take this as an index of our generalized credit conditions and so on. The work I did said 10% would be ideal, and 8% minimum, so I'm one of the early authors of the 8%–10% growth of M1. Let me be quite clear on this because it gets complicated. The Fed ought to be quite generous in the provision of reserves and try to make the money stocks grow through the summer. I would like to see a high growth rate over the next six months. But by year-end the Fed ought to be prepared to back off. When I say a high growth rate I don't mean indefinitely. I mean I really want the Fed to run a contracyclical monetary policy. So 6% is too small and 7% is not good. So in answer to your specific question: 8% as a minimum, 10% would be better, and held, say, at least six months.

Mr. Kingon. In your judgment, does the Fed approach this whole concept of money supply in the right way? Is there a better way to do it? What would you do differently?

Dr. Brimmer. I think the Federal Reserve System needs basic reform. From time to time questions have been raised as to whether the Open Market Committee ought to be abolished and that the full authority for monetary matters should be vested in the Board of Governors. I have not come to that. I think the Committee should continue to exist. I think the Committee structure is not at fault. It is the functioning of the

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Committee that I find at fault. I've been giving a great deal of thought to it. You see, I've got the minutes of the Open Market Committee. I've got more at home. I've got all of them and have been looking at voting habits, records, patterns. Over the last few years the Committee has become relatively weak and the chairman has become excessively strong, so his views have acquired far more weight relative to the rest of the Committee than was historically the case. That's a deficiency. My own view is that the Committee does not have as thorough-going debates as it could have and that the diversity of opinion which I know exists does not show through. And it does not carry as much weight as it should. The Committee is now run more by voice than by vote, and while every member has a vote, each member doesn't have an equal voice.

Now, it might be personalities or what not, I don't know. But I differentiate that with structure. Many people to whom I speak are worried about the Committee. I'm afraid they are ending up making proposals for structural changes which are not necessary. I wouldn't change the structure of the Committee right now. There are a few minor technical things I would do and some not so minor. For example, as to a few minor ones: certain of the regions should change rotation on the Committee. I think Chicago and Cleveland are on every other year, but some of the others like Boston, Philadelphia and Richmond I think are on every three years. But the situation has obviously changed and we could enhance that and give more voice, for example, to the President of the Federal Reserve Bank of San Francisco. We don't have enough variation. I would restructure the variation so that he would be on every other year. But these are minor.

One fundamental thing I would do, and it's been kicked around for some time: the term of the chairman [of the Fed] is four years, and the way the terms have developed the incoming President does not get a look at that for two years. I would change that. A proposal was made in the 1960s endorsed by the then Board, and Bill Martin was all in favor of it, which would revamp the term so that the chairman would be designated six months after the President assumes office. It would give the President a chance to get into office, get settled, deal with the more urgent matters and then, in a somewhat more leisurely, systematic way, review the situation at the Fed with respect to the term of the chairman. That's a six-month lag. I think that ought to be enacted.

Let me tell you one other thing. The President is now handicapped by the terms of the Act which prohibits the appointment of two members from the same district. I wouldn't change that. But I know a situation developed where it would have been highly desirable if there could have been more flexibility. In other words, a good person was not put on the Board because of the wrong district. This is what I would do. I would definitely say that no more than one from each district, except that the chairman could be from any district. These are the kinds of things I hope to see.

Mr. Kingon. You would keep the Open Market Committee as it exists within these changes?

Dr. Brimmer. Yes. I would change the way it functions, as I said. I would definitely shorten the information time lag. I would be more forthcoming with the projections of the long-range targets. Maybe I wouldn't want to say it every six months, but I definitely would say at least once a year what the general strategy of monetary policy would be.

Mr. Kingon. Would you be in favor of opening up the Open Market Committee, in your revised format, to people other than the Federal Reserve? What I'm asking is—along the lines of Great Britain, where the Bank of England is really an arm of the Exchequer?

Dr. Brimmer. No, I would be dead set against that. The Federal Reserve represents the exercise of constitutional responsibility by the Congress. We forget the source of the Fed's authority: Article I, Section 8, which reserves to the Congress the authority to coin money, determine the value thereof. Soma lawyers tell me that to get rid of that you need a constitutional amendment and not just legislation. But even so I think there is the need for some degree of distance between the central bank in this country and the Executive, because the central bank is such a powerful institution. It is responsible to Congress, and I wouldn't want to confuse these. And, let me be clear, my views are independent of whoever is in the White House. Not only have I been at the Fed under Mr. Johnson, Mr. Nixon and Mr. Ford, but I've looked at the record. Since Woodrow Wilson's time, every President would have found it convenient to have access to the Fed in giving instructions. The country would've been worse off. We do need more response, and that's what I'm doing in changing the term of the chairman and some other things. Let me point out to you something I've said many times before: If you look at the record, both Lyndon Johnson and Richard Nixon had a crack at the Fed almost once a year in terms of appointment, so the Chief Executive has had an opportunity to influence the composition of the Fed. Mr. Nixon appointed six—or he had a chance; he left before the final one went through the pipeline. But he had approved Phil Coldwell's appointment as my replacement. Six times he had a crack at the Fed! Lyndon Johnson had five. So when we sit down and look at tenure and so on, the Fed isn't as isolated from political influence as much as one might think. I've been delighted to see individual board members, once they are there, don't behave in a partisan way.

Mr. Kingon. What about the actual operation of monetary policy in controlling the monetary base—the way they establish reserves, the targets for federal fund rates, the targets for the monetary aggregates, etc.? Are you satisfied that the Fed goes about all that in the right way?

Dr. Brimmer. No. Let's put it this way: It goes about it in the right way given the limitations open to it. But the alternatives presented to the Fed are not ideal. The monetarists would just substitute the base of the money stock with a given growth rate and the hell with it. We know that the financial debris that would flow from that the country could not tolerate. I would try to improve the operations of monetary management within the framework as given. I think it would be better if nonmember banks were subject to reserve requirements. It would be better if the Fed were not stuck with Reg. Q and similar things. These are all techniques. But I think buying and selling government bonds in a money market as highly developed as ours is the best way to go about it. As I get abroad I see other central banks longing for such a money market, looking, hoping they had one. Now, operating techniques could be open to question. If between meetings the open-market manager can't get on target, he asks the chairman rather than the Committee, so there is the chance for bias that way in the sense that there could be a divergence. It is also clear that the Committee does not give the market enough run, they intervene too frequently—I mean they are likely to run in. They are in and out of the market every day, and I think that is unnecessary. I would tolerate wider fluctuations in the funds rate and somewhat wider variations in reserve supply because I would like to put the market to test a little bit and force the banks to use the discount window more.

Mr. Kingon. With the heavy Treasury borrowing on tap for later in the year, do you subscribe to the view that we'll have a liquidity crisis of some significance? Do you see interest rates reversing and rising rapidly again? Will the private sector be "crowded out"?

Dr. Brimmer. I've been appalled at the degree of credence that the market has given that argument. I'm disappointed that the argument was made by the Secretary of the Treasury, and to some extent shared by the Chairman of the Federal Reserve Board. We know that for an economy as depressed as this one, the only way to get it moving is to have a substantial tax cut. And for that to be effective it has to be financed. And so the Federal Reserve has to provide the reserve. At this juncture the one doubt I see on the horizon vis-a-vis a vigorous recovery beginning, say, the third quarter of this year, is the Federal Reserve. Let's face it, somebody is always crowded out. The markets are never clear with all the demands being satisfied. But we are talking about the flow of funds through the market with credit demands being satisfied at some configuration of interest rates which we think is appropriate. In my view we need a configuration of interest rates which would have short rates somewhere in the neighborhood of 5% for a good part of this year right on through this summer.

Mr. Kingon. What will happen to long-term rates?

Dr. Brimmer. Long-term rates will come down a bit. They need to come down a bit from where they are, but not anything like short rates. We need bank lending rates to get down to less than 7% if the corporations are going to be able to handle their business better. The long rates have to come down somewhat, but I don't have a point estimated for where long rates, say, corporate bonds, are going to be. But if the Fed refuses, for whatever reasons—and I have some indication as to what its reasons are—to permit short rates to get down to the neighborhood of 5%, there will be a reversal of rates in the market. The large demand for funds would be met with rising rates and some borrowers who could make good use of the funds—and I'm not talking about those on the outer fringes. I'm talking about the basic work that has to be done—wouldn't be accommodated. That would be "crowding out," and it would be unfortunate, and I think the Fed ought to be held responsible for that. That's a bad thing.

Mr. Kingon. Let me return to the arguments of—if you'll forgive me—the Burns, Simons, Greenspans, et al. If we increase the money supply too much, won't we fan the flames of inflation once again? A) are you concerned with the resurgence of inflation if we go up in the monetary aggregates on the order you propose? B) Are their fears realistic?

Dr. Brimmer. Let me answer the second one. I don't talk about whether they are realistic. I would say that the analysis which leads them to that conclusion is faulty. The source of inflation is not simply the growth of money. The inflation in this country is generated by aggregate demand pressing against limited capacity to produce. We have such enormous backlogs of excess capacity in this country and high rates of unemployment that the potential is so far beyond the actual output in this country, and will be for the next year or so, that we ought not to be concerned about rejuvenation of inflation because of excess demand. Let's remind people that operating rates in manufacturing are down to 70%, and even if you might want to throw away some of that capacity as useless, you wouldn't add more than 3 or 4 percentage points because of that. In certain large textile operations, the operating rate are below 60%. So we've vast excess capacity. So aggregate public-policy management ought to be

directed toward stimulating output. And if looked at in that way, then what is needed is more money to finance output and not less money because you are afraid of rejuvenating inflation in the near term.

Mr. Kingon. You are not concerned then with running large deficits and the fear expressed by the other side of monetizing the deficit?

Dr. Brimmer. What are you talking about? You have to monetize the deficit. Otherwise it is not going to get financed. I could respond to their argument on two grounds: First, analytically, as I've done. The analysis suggests that there is substantial room here to absorb this. In fact we ought to be running big deficits to have the public sector make up for the shortfall in the private sector. Secondly, I have no ideological hangups about the size of the deficit. Whether the government is big or small doesn't interest me at all, and whether the government rather than the private sector gets a bigger share of the credit doesn't interest me at all. The private sector ought to get what it needs and the government ought to get what it needs. But now let me go on to give my prescription. Have a sizable growth of money and credit in '75, finance the deficit, accommodate the Treasury, get the economy moving again. But then, by yearend, the Fed ought to be easing off, and a year from now the Fed ought to be running a policy of restraint. Now, that's going to take guts, and that's what I want the Fed to have. It's what I meant earlier when I said the Fed has to be prepared to run a contracyclical monetary policy. Supply the credit now and be less generous six to nine months from now.

Mr. Kingon. If the Fed turns expansionist along these lines, how much further can interest rates decline without triggering some rather severe international repercussions?

Dr. Brimmer. Certainly in the neighborhood of 5%. That's another half to three-quarters of a point to go. It can do that without opening up gaps between our rates and rates abroad sufficiently large as to lead to a serious depreciation of the dollar and sizable outflows of short-term funds. Now, how is that to be accommodated? The Fed still has almost $20 billion of unused swaps. I haven't gone back to count it up but my hunch is that most of that is with our principal trading partners; three or four countries account for half of that. The Fed ought to be using it. I've been distressed to hear the comments, "Oh, look what's happening to the exchange rates. The Fed has to keep short rates high again." There's another way to deal with the differential between short rates in this country and abroad. The point is that in a world of floating exchange rates that differential shows up in the exchange value of the dollar. The Fed ought to be intervening in the foreign exchange market much more vigorously, much more actively, and it ought not to be concerned about the losses in the foreign exchange market. The Fed enters the domestic market whenever necessary to accomplish whatever monetary policy objectives with which it is concerned, and it doesn't ask whether it makes or loses money on the bond portfolio. So it has no business asking whether it makes or loses money on the foreign exchange operation. That's the way you deal with the gap on the foreign exchange market.

Mr. Kingon. While we're talking about the international monetary scene, what policy do you espouse insofar as restructuring the international monetary mechanism? Do you foresee in some way the inclusion of gold? What will eventually materialize?

Dr. Brimmer. As far as I'm concerned there's no reason at all to try to enhance or safeguard or restore the role of gold. I think the decision was made earlier to replace gold with SDR's, and I think that was a good decision and I subscribe to it. It wouldn't make much difference at all whether the central banks sold out their stock of gold at whatever price they wish in the marketplace. What I would object to is the fiction that central bankers are unconcerned with gold as money. They're not. It's a commodity as far as central bankers are concerned.

Mr. Kingon. I get the impression that our allies abroad are not willing to let go of gold.

Dr. Brimmer. Some are not. Not only the French, but some of the others.

Mr. Kingon. Doesn't this make the elimination of gold as the monetary reserve asset improbable?

Dr. Brimmer. Yes, but its wrong-headed.

Mr. Kingon. What would you prefer, and what do you think is going to happen?

Dr. Brimmer. I prefer that gold be phased out.

Mr. Kingon. You'd use SDR's based on a basketful of currencies?

Dr. Brimmer. Yes; that's a good way to do it. It's a numerator, and let's treat it as such. After all, that's central banking on an international scale. Now, what do I expect to happen? First, I expect the myopia of gold to increase rather than diminish. People look out and see the market price of gold and calculate what their reserves are in terms of their money, or feel sad if they don't have any. I think that will lead to a kind of continuation of the role of gold. I think that's a bad thing and unfortunately an awful lot of people in the United States, some in official positions, are also confused on the big question. There is a lingering attraction toward gold, a reluctance to give it up. But if we exercise a great deal of leadership along the line I suggest by pushing rigorously toward SDR's, we will end up softening opposition to some extent.

Mr. Kingon. On a long-term basis, given the postwar history of the country and the times when monetary policy and fiscal policy were not operating in tandem, are you encouraged or discouraged about the long-term efforts to fight both inflation and recession?

Dr. Brimmer. I'm encouraged because we keep trying. We have typically failed, but the thing I find most comforting is that we haven't given up. We have made some horrendous mistakes. But there is now, I believe, a general commitment to using a combination of monetary and fiscal policy to help optimize the growth of employment in our land and to deal with the rate of inflation. It's true we are now using it to fight a recession, but no one in authority—the Congress or anyone else—said: Let's go so far with the restimulative policy to get the rate of unemployment down to 4% in a year or two. So there seems to be a willingness to pursue the middle course. We're cursing our luck that we got into such a bad situation, but we still seem to be committed to trying to get out.

Mr. Kingon. The way the structure is set up now on both the fiscal and the monetary side, do you think it's possible to coordinate them sufficiently so as not to slip easily over either line?

Dr. Brimmer. Well, I don't know. Let's not overlook the major innovation that just occurred in the Congress. Despite the opposition Congress has set up a Budget Committee, and I've been amused by the arguments about the jurisdiction between the Budget Committee and Appropriations Committee, but notice Congress did pull it off. It did it on prodding from the Executive and so on, but Congress is reforming itself. I think the Congress is going to end up understanding fiscal policy better and have a better control of it. It's going to confuse monetary policy, so let me tell you something now. I'm recommending that the Congress set up a bureau staffed by economists who understand monetary policy so it can serve the two banking committees and the Joint Economic Committee in a way parallel to what the Budget Committee is doing. Frankly, the Fed just outguns the Congress on this in terms of intellectual capacity, technical skills and so on. There's no one in the Congress who has the resources in terms of staff, information and so on to monitor the Fed. I recommend that that be done. The Congress has come a long way now to position itself to monitor fiscal policy, and it should move here also.

Mr. Kingon. What was your reaction to the Reuss, Proxmire and Humphrey efforts to direct the Federal Reserve monetary policy more specifically and have the Fed indicate its objectives to Congress prior to enactment?

Dr. Brimmer. Well, mixed. I've appeared before the House Banking Subcommittee on Monetary Affairs and in my testimony I argued against the specific target of the money supply with a number on it. I said, "You should give general instructions. You should express your view, or resolution, or something of that sort. If you have to have a variable, do it in terms of bank credit." And I worked with the Committee staff to try to do this. I favor this, but I favor Congress expressing its views to the Fed. No one else supervises the Fed, and the Congress must provide oversight. In the absence of that kind of criticism and counseling, the Fed would've been even more sluggish than it has been.

Mr. Kingon. Governor Sheehan expoused bringing all the banking regulators under the Fed, and Governor Bucher came up for the old Robertson plan to divorce the Fed from banking regulations and limit it to monetary affairs. Which do you favor and why?

Dr. Brimmer. Remember, my first job was in the New York Fed for three years. I had written about the Fed in the intervening years and had absorbed the conventional wisdom along with everybody else. The Fed has to have a little bit of bank supervision. The tripartite division was all right and so on. But basically the Fed needs the bank supervisory function to perform its central banking duties. Frankly, in helping draft the charter for the central bank in the Sudan back in 1956–57, I wrote that in. I had responsibility for that particular section. Once I was at the Fed, I turned more and more to Governor Robertson's feeling that you really did need a separate supervisory agency, a unified agency which would strip the Fed, the Comptroller, the FDIC, and I later said even the Home Loan Bank Board, of its supervisory responsibilities and put them in one place. There was strong opposition to that. Dewey Daane reacted strongly. I still think that's a good idea. I'm talking about bank examinations, bank-holding company structures, that sort of stuff. The Fed doesn't need all of that. But if it is to be done by somebody else, I think there needs to be much stronger coordination. And the Fed is the only one who can do that because it has more broader-based responsibility than anybody else. So if we continue the present arrangement I think the role of the Fed has to be enhanced, and it will. And I don't know how widely known it is, but frankly the Fed usurped the Comptroller of the Currency's authority on the capital requirement. It just did it. It concluded the control was too lax and couldn't get any agreement on what to do, and the Fed just did it. In that kind of a contest the Fed has to win because it is the one who in the end has to come to the rescue, and bankers know this. Member banks with national charters faced with bucking the Comptroller or bucking the Fed will be reluctant to buck the Fed. It's just the nature of the situation. So I go back to the Robertson idea.

Mr. Kingon. Corporations in the last few years—Lockheed and so on—have gotten into difficulty and some are consistently rumored now to be in some difficulty. How far should the Fed's bailout activities to troubled firms,

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financial and industrial, extend? What should be the guidelines?

Dr. Brimmer. I think the Fed has to be lender of last resort. It has to be ready to step in to rescue the weak if necessary. It is hard to know just what standards the Fed uses. The Lockheed thing, I'd put aside. That was a failing company. For overriding reasons the government didn't want it to fail. The Fed shouldn't have been in there bailing out and it wasn't. I was sorry to see the Chairman of the Federal Reserve Board on that committee. Some of us on the Board opposed that. That was no place for him. That's strictly Administration rescue using the government's credit. The central bank has no reason to be in there. What I want is objective standards. I want to publicly determine them and set criteria. I think the Fed has to do it and the Fed does it. It proclaims that it's not, but I objected strongly to a handful of cattle-feeders wandering in to see the Chairman and then ending up with the Chairman sending out a letter to four Federal Reserve Bank presidents saying: Make certain that the bankers in your district are sensitive to the needs of local borrowers, which they read as saying: Make sure the banks lend the cattle-feeders. Was that the proper use of Fed authority? I think not. And it was seen as Fed authority, with the Chairman doing the writing, and no one distinguished between the Chairman and the Board in that case. And I don't know whether cattle-feeders deserve that higher priority. Maybe they didn't, maybe they should've been encouraged to sell off that herd and get meat prices down or something. So I think we do need guidelines. They ought to be publicly determined. They ought to be drawn up by the Fed, laid before a congressional committee and simultaneously put in the public domain in the Federal Register for comment, and monitored. That's what I want to do, and I remember distinctly somebody raised a very useful question. When the Fed stepped in to save the commercial-paper market—and as a byproduct some large companies with commercial paper outstanding benefited—why didn't the Fed save the Four Seasons? They had commerical paper. How do you decide one and not the other? This is a tough question. Are they interested only in the big ones and not the small ones? After all, they risk their capital too. You see, there's been no debate on these, no resolution on these.

When I first came out with the credit-allocation scheme in 1970 the whole system was horrified, with one or two exceptions. In 1971 Proxmire introduced a bill in the Senate to implement my scheme with differential reserve requirements which would have had some clear and determined priority. At that time the Board voted four to three against the legislation. Governors Robertson and Maisel had some minor variations. They preferred different approaches, but the idea was good, and I thought Proxmire's bill was all right, since he was implementing my scheme. I had some reservations about technicalities.

In the summer of 1974 Henry Reuss introduced a bill with variations to accomplish the same thing. The vote at the Fed was six to one against the proposal.

Mr. Kingon. Looking back at your experience at the Fed, what is your overall appraisal of the central bank in terms of doing what it is supposed to do?

Dr. Brimmer. I've been associated with a number of different institutions—the Commerce Department, a couple of universities and so on. In my judgment the Federal Reserve is one of the most professional institutions around. It is made up of smart, dedicated people. It sticks to its business. It doesn't meddle around. It doesn't confuse its objectives. The Federal Reserve did not conduct monetary policy in 1972 to get Richard Nixon reelected, and I'm certain it will not conduct policy to get anybody defeated or anything. Look at other countries: banks are parts of governments, and they kill to save a party or person. Not here. The Fed is—rumors to the contrary—an open institution in the sense that it provides a hell of a lot more information about what it's doing than anybody else. You can see what the Fed is doing every week, and what it has done. And you learn ninety days later what the reasons were, what its objective were. Think back, nobody else does that.

We discussed the Open Market Committee. No one has ever accused anybody in the Open Market Committee of making money for himself. No scandals. It's a first-rate institution. What would I change about the Fed? I would revamp the system, going back to what I said. For example, there is a serious question about the composition of directors of the Federal Reserve banks, and where they came from and so on. I did a study back in '71 which appeared in the Federal Reserve Bulletin on characteristics of the Federal Reserve bank directors which said that it was too narrow a base. The canvas was just too narrow. The Fed was not a representative institution, and there's still some doubt about that. Many people think the Fed ought not to be representative and that it ought to be professional and that you want directors who can help the Fed in its task wherever they come from. The relationship between the Fed and the member banks? I think it is ridiculous to pretend that member banks own the Fed. That's a legacy, so if I were redoing it I would clean up all that. As far as I'm concerned those are trivial matters. I'm more concerned with behavior than I am with structure. But there are certain things I wouldn't do. I would not make the Fed subject to the Treasury or the Executive. I would keep politicians out of the Fed, off the Board, and I would follow the rules rigorously. I am not unhappy with the Fed's structure. I would do some things, but I wouldn't make major revisions. I don't feel an urgency about it as I do about behavior, about performance.

MISPLACED ENERGY PRIORITIES

Mr. GRAVEL. Mr. President, I would like to draw the attention of my colleagues to a new study by the Natural Resources Defense Council called "Bypassing the Breeder." The report is by Thomas Cochran, a nuclear physicist; Gustave Speth, an attorney; and Arthur Tamplin, a biophysicist.

The subtitle of the NRDC study—"A Report on Misplaced Federal Energy Priorities"—tells the story.

The authors show in this study that the price of developing the liquid metal fast breeder reactor is even higher than is indicated by the billion-dollar cost over-runs of the program. The real cost is in opportunities missed—opportunities to develop our desirable energy alternatives.

The report indicates that the breeder reactor cannot produce electricity economically for the next 30 years, if ever. It uses the Atomic Energy Commission's own cost-benefit model and AEC data to show that the potential benefits of the program may be zero or negative. The report says that, using the most realistic figures, the cost benefit analysis shows that "for every $10 spent on developing the breeder, the public will get back only $1 or less in lower energy costs."

Most important, by again using the AEC's own data, the authors show how solar, geothermal, fusion and bioconversion power, coupled with a conservation program, can apparently eliminate any need for the dangerous breeder. The study says these clean alternatives can supply 86 percent of our energy needs by the year 2020.

At the every least, say the authors, we have the time to thoroughly investigate our inherently preferable alternatives. The breeder need not be developed at the present break-neck speed.

Or perhaps I should say "break-the-bank" speed. Mr. President, the cost of the breeder program is now put at $10 billion. This year alone, the Energy Research and Development Administration is asking for nearly half-a-billion dollars for the breeder's research and development. That is about a third of our energy budget—some 9 times what we will spend on all the solar options in the same year; 18 times the government's geothermal expenditure; 4 times the fusion budget; 21 times the conservation budget. This is indeed a case of misplaced priorities.

In the words of the report, the breeder promises to be "even more hazardous and problematic than today's reactors." Among other dangers, there appears to be a chance of nuclear explosion in a breeder, unlike today's reactors.

A breeder reactor program involves the production of thousands of tons of plutonium every year. Plutonium is one of the deadliest poisons known to man. The tiniest particles of this actinide can cause lung cancer.

And perhaps even worse, plutonium is the material of atomic bombs. It has recently become well known that the technology of nuclear explosions is not inaccessible. The AEC itself said that only the acquisition of the plutonium itself—less than 20 pounds of it—may deter terrorists or others from constructing atomic weapons. What will be the effect on our civil liberties as we are required to protect tens of thousands of tons of this material? Not to mention, of course, the effects of a successful theft of plutonium.

And yet, if the breeder program continues at its present rate, we may have no choice but to turn to this life-threatening energy source. This policy is irresponsible in the extreme. As the authors conclude:

> Almost everyone, we believe, would prefer to bypass reliance upon the breeder reactor and move directly into using solar, geothermal and fusion energy and energy conservation. The real LMFBR [breeder] debate centers around whether it is possible to make this leap. We join many experts in believing that it is. Yet, unfortunately, no one will ever know the answer to this question if the present LMBFR program is permitted to continue. By swelling the bureaucratic and industrial forces committed to the LMBFR and by draining away R&D funds that are essential to the timely development of the alternatives that could replace the reactor, the LMBFR is its own self-fulfilling prophesy.

Mr. President, it is not possible to reproduce here the 50-page economic analysis produced by the NRDC as an appendix to the breeder report. The appendix is available from the Natural Resources Defense Council at 917 15th Street NW, Washington, D.C., 20005.

I ask unanimous consent to have printed in the Record the report itself.

There being no objection, the report was ordered to be printed in the Record, as follows:

Bypassing the Breeder

At a time of soaring power costs, federal energy officials are giving prime attention to the development of a new nuclear power source which for the next thirty years or longer will not be able to produce electricity as cheaply as existing sources.

At a time when the wisdom of a national commitment to nuclear fission power is increasingly doubted, federal energy policy is according highest priority to the development of a new type of fission reactor which promises to be even more hazardous and problematic than today's reactors.

At a time when new non-fission energy alternatives, including solar, geothermal and fusion energy, are poised for major breakthroughs, federal energy funding is heavily weighted towards a nuclear development program which is experiencing cost overruns of such magnitude that they will severely restrict the funding available for these alternatives.

Such disquieting ironies are the trademark of the federal government's program to develop the Liquid Metal Fast Breeder Reactor (LMFBR). Raised to preeminence by a President who later confessed that "all this business about breeder reactors and nuclear energy is over my head," [1] the LMFBR has been oversold by its proponents to the point that it is now one of the great white elephants of the day.

The LMFBR's dominance of the energy research and development scene stands out clearly in recent budget estimates. During the coming fiscal year the new Energy Research and Development Agency (ERDA) plans to spend $1.66 billion on direct energy R&D. Of this amount, over $490 million is to be spent on the LMFBR program. This is roughly a third of ERDA's budget for energy R&D and more than the combined allocations to fossil energy development ($311 million), solar energy development ($57 million), geothermal energy development ($28 million), advanced energy research ($23 million) and energy conservation ($32 million).[2]

The total cost of developing the LMFBR is now estimated to be $10 billion,[3] and this estimate, made by proponents of the program, must be judged as conservative. Already the LMFBR program has experienced tremendous cost overruns. Two years ago total program costs were put at less than half of today's estimate.[4] The principal test facility of the program, the Fast Flux Test Facility (FFTF) was originally planned to cost $87 million, but the latest estimate is $933 million, more than a tenfold increase.[5] Congress was told in 1973 that the proposed Clinch River Breeder Reactor Plant (CRBRP), the first LMFBR demonstration plant if one overlooks Fermi–I—Fermi–I, the first commercial LMFBR plant, experienced a partial core meltdown and has subsequently been shut down—would cost $700 million. Today, the estimate is over $1.7 billion.[6] There is no sound reason to believe these trends will not continue.

These figures indicate at a minimum that the LMFBR program could cost the American taxpayer a very substantial sum. It would be reassuring if such expenditures could be justified, but they cannot. Unfortunately, the LMFBR program is neither needed nor desirable, for several reasons.

First, economic analysis of the potential of the LMFBR [7] indicates that, contrary to Atomic Energy Commission expectations, the new reactor cannot be commercially competitive with existing energy sources until after the year 2010. Yet the current LMFBR effort is aimed at having the new reactor developed by 1990, more than two decades before it could be economically attractive. The LMFBR program is thus quite premature and could be delayed substantially without incurring any risks relative to meeting future U.S. energy needs. The sense of urgency and crisis that program supporters have promoted to garner support for the LMFBR has no foundation in fact.

On simple economic grounds, then, the push to develop the LMFBR should be postponed. Moreover, such a delay would provide the time needed to show what many experts now believe to be the case—that environmentally preferable, non-fission energy options can be made available in time to eliminate the need for the LMFBR altogether. Recent estimates of the potential contribution of solar, geothermal and fusion energy together with energy conservation measures indicate that these sources alone can more than account for the energy expected from the LMFBR in the year 2020, when the reactor is projected to have maximum impact. Indeed, they can account for the energy expected from all fission reactors at that time.[8]

These considerations indicate that a major LMFBR effort is not needed now and perhaps never will be. And the risks of continuing the present drive to commercialize the LMFBR are great. The most serious danger is that the LMFBR program will proceed as now planned, consuming the $10 billion presently estimated and plenty more besides, cutting deeply into energy R&D funds, and holding back the development of the preferable non-fission technologies. Then, having spent enormous sums the country will find itself with a reactor which must eventually be used only because of the great public and private investments in it and our failure to have developed appropriate alternatives. Our error will be compounded because any attempt to deploy the LMFBR widely would raise the energy-environment confrontation to an unprecedented intensity.

Our recommendation in light of these conclusions is that ERDA take the opportunity it now has to break with the mistakes of the past, that it postpone for a decade or so any push to commercialize the LMFBR, cancelling the CRBRP and relegating the overall program to a relatively low-priority effort, and that it accelerate the development of attractive non-fission alternatives such as solar, geothermal, fusion and energy conservation. Much can be learned during the coming decade—most likely we will learn that the breeder can be bypassed—and the delay would impose no penalty on the nation.

BREEDER IMPACTS: UNPRECEDENTED RISKS

The LMFBR program has proceeded in the face of mounting apprehension within the scientific community concerning the human and societal hazards of nuclear fission reactors, apprehension which would only be increased by the LMFBR. As evidence of this apprehension, scientists from many nations at the 23rd Pugwash Conference on Science and World Affairs in September, 1973, concluded:

"1. Owing to potentially grave and as yet unresolved problems related to waste management, diversion of fissionable material, and major radioactivity releases arising from accidents, natural disasters, sabotage, or acts of war, the wisdom of a commitment to nuclear fission as a principal energy source for mankind must be seriously questioned at the present time.

"2. Accordingly, research and development of alternative energy sources—particularly solar, geothermal and fusion energy, and cleaner technologies for fossil fuels—should be greatly accelerated.

"3. Broadly based studies aimed at the assessment of the relation between genuine and sustainable energy needs, as opposed to projected demands, are required."

Addressing the risks of the LMFBR specifically, the Pugwash scientists concluded that the LMFBR would not eliminate any of the hazards we now associate with nuclear power but in critical respects would actually heighten them. The principal advantage of the LMFBR is its ability to produce or "breed" unprecedented quantities of plutonium. Today's nuclear reactors also produce plutonium, but the LMBFR is designed to produce more of this nuclear fuel than it consumes. By the year 2020, the AEC projected total plutonium generation to exceed 30,000 tons, principally from the LMFBR.[9]

Unfortunately, as events are making us painfully aware, plutonium is probably the most dangerous substance known.[10] It is fiendishly toxic: a millionth of a gram has been shown capable of producing cancer in experimental animals. Plutonium-239, the principal isotope of the element, has a half-life of 24,000 years, so that its radioactivity is undiminished within human time scales.

Plutonium is also the substance from which nuclear weapons are made. An amount the size of a softball is enough for the production of a nuclear explosive capable of mass destruction. Scientists widely recognize that the design and manufacture of a crude atomic bomb is not a technically difficult task,[11] a fact dramatized recently when a Massachusetts Institute of Technology undergraduate successfully designed a nuclear weapon for an educational television program.[12] The only real obstacle to the building of homemade atomic bombs is the availability of plutonium itself, and now, first with the proposed use of plutonium in today's reactors and even more with the introduction of the LMFBR, this final obstacle would be removed. In the "plutonium economy" envisioned by the AEC, a plutonium black market and nuclear theft and terrorism become high probability events—threats real enough to have spurred nuclear proponents to urge the creation of a federal security system that would meddle with our civil liberties on a vast scale.[13]

In addition, the LMFBR itself is considered even less safe than today's light water reactors. The LMFBR core, where the heat is generated, is far more compact than a light water reactor core, and instead of water the LMFBR uses liquid sodium—an opaque and highly reactive element—as coolant. Partial loss of coolant—"voiding"—in a breeder increases the nuclear reaction in the core rather than reducing it. The LMFBR's operation is extremely sensitive to fuel motion and loss of coolant from the core in accident situations, leading to the possibility of an explosive nuclear runaway. In the event of a meltdown, the breeder's highly enriched fuel can rearrange itself into a more compact configuration with the possibility of small nuclear explosions of sufficient force to breach the reactor containment. There are major uncertainties in defining the explosive potential of the breeder, which are all the more worrisome considering the several tons of plutonium in it.[14]

For these reasons, a decision to commit this nation to the LMFBR may prove to be the most significant technological decision since the Manhattan Project. The breeder reactor decision is literally a decision for all people and all time. Any action which actually increases the likehood that the breeder and the plutonium economy will become realities should be taken only with the most compelling justification.

BREEDER ECONOMICS: MISSING BENEFITS

The stated justification for the LMFBR runs along the following lines. As the nuclear power industry expands the U.S. is slowly depleting its low-cost uranium reserves, with the result that the price of

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uranium is rising and is expected to continue to do so. The principal substitute for uranium is plutonium, a man-made element produced in nuclear reactors. Since the LMFBR generates about twice as much plutonium as today's reactors, its use would tend to expand greatly the supply of nuclear fuel, perhaps 50-fold, and accordingly hold down its price.

Because of the LMFBR's advantage as a plutonium producer, the AEC in the mid-1960's made achieving its early commercialization the agency's highest priority objective. The current program is geared to achieving commercial introduction in about 12 years, *i.e.* in about 1987.

How sound is the economic case for the early commercialization of the LMFBR? Not very, we believe. The most useful methodology for pulling together the many variables which determine whether the current LMFBR program can be justified economically is cost-benefit analysis. The AEC performed three cost-benefit analyses of the LMFBR program, the latest appearing first in the Draft and then with revisions in the Proposed Final Environmental Statement for the program. Not surprisingly, constrained to justify its own project, the AEC consistently found that program benefits outweigh the costs. Significantly, the Environmental Protection Agency ruled that the AEC's Draft Environmental Impact Statement was inadequate largely because of deficiencies in the AEC's cost-benefit analysis.

When cost-benefit methodology is applied to the LMFBR program, the results are very sensitive to the assumptions made regarding (1) the capital cost difference between the breeder and conventional reactors; (2) the anticipated supply of uranium; (3) future electrical energy demand; (4) the rate at which conventional reactors penetrate the utility market; (5) the discount rate; (6) the R&D cost of the breeder program; and (7) the reactor performance data for the breeder. The first three of these are extremely important.

The AEC succeeded in making the LMFBR appear atractive by making very favorable, but very unrealistic, assumptions in each of the seven areas listed.

In the introduction to its recent proposed final impact statement for the LMFBR program, but not in the cost-benefit analysis itself, the AEC was apparently forced by the press of events, including the recent deferrals and cancellations of planned reactors, to abandon its unrealistic assumptions regarding future energy demand and LMFBR introduction date. Using what the AEC now considers more reasonable assumptions in these two areas, but without changing any of the other AEC assumptions, the net benefits of the LMFBR program drop to zero. In other words, by the AEC's own reckoning the present breeder program can no longer be justified economically. See Appendix, pp. 44–48. In the Appendix to this report, we have evaluated the economic merits of the LMFBR program using the AEC's cost-benefit methodology but looking outside the AEC to independent opinion as to what assumptions should be made in each critical area. Taking this approach, we demonstrate that the expected economic benefits of the breeder are only a small fraction of the R&D costs. For every $10 spent on developing the breeder, the public will get back only $1 or less in lower energy costs. In sum, when assumptions based on the work of expert authorities outside the AEC are used, the present LMFBR program simply cannot be justified economically. Only when a series of highly unrealistic assumptions are made does the analysis suggest that the LMFBR program will produce net economic benefits.[15]

These results indicate that the commercial introduction date of the breeder can be delayed substantially, probably two decades or more, without economic penalty. The poor performance of the LMFBR in cost-benefit analysis stems from the fact that during much of the period of the analysis (1987-2020) the LMFBR cannot compete economically with alternative sources largely because of its high capital costs, so that only a limited number of LMFBR's are constructed. For example, until the price of uranium rises sufficiently to offset the high capital costs of the LMFBR, utilities will continue to prefer today's reactors. Using the data set out in the Appendix, we have estimated that not until after the year 2010 can it be expected that the LMFBR would gain a competitive edge over present-day reactors.[16] This date is approximately two decades beyond the LMFBR commercial introduction in the current program schedule. Similar conclusions have been reached by others. David Rose, writing in *Science*, stated recently:

"I estimate that the breeder will almost surely be attractive when U_3O_8 reaches $50 a pound in 1974 dollars. That will not happen in the first few decades of the 21st century. In the meantime, nuclear power is in no danger of losing out to other fuels, and there does not need to be a crash breeder program. Economic introduction at A.D. 2000 would be a sign of technological good fortune, not of resolving an energy crisis with a time limit." [17]

In sum, the current rush to introduce the breeder is hardly justified. Postponement would impose no penalty, and it would focus attention and effort on the promising non-fission alternatives to the LMFBR.

ALTERNATIVES TO THE BREEDER: NEW POSSIBILITIES

A fission-free option to the LMFBR which can provide reasonably priced and environmentally acceptable energy almost certainly exists and can be made available within a suitable timeframe. The claim that the LMFBR or other breeder reactor is in any sense necessary must be rejected—the breeder is no more necessary than we make it by refraining from developing other technologies. What is proposed here is an energy program which should be able to provide an adequate supply of fuels and electric power without the commercial utilization of breeder reactors. Moreover, as we shall show, heavier reliance upon the various aspects of this program would facilitate phasing-out all fission reactors, leading to a fission-free energy economy.

In brief outline, there are several major efforts the adoption of which is central to an alternative energy program: [18]

An intensive effort to develop the various forms of solar energy should be undertaken following the recommendations of the expert panels convened under National Science Foundation auspices, "An Assessment of Solar Energy as a National Energy Resource" (1972) and "Solar and Other Energy Sources: Subpanel IX Report" (1973).[19] In estimates which it believed were not the highest possible, the first of these studies concluded that its recommended R&D program could result by the year 2020 in solar energy providing 35% of the nation's total building heating and cooling load, 30% of the nation's gaseous fuel, 10% of its liquid fuel, and—most important for present purposes—20% of the electrical energy requirements.[20]

A major R&D effort devoted to exploitation of geothermal resources for electric generation should be launched. The Cornell Workshop on Energy and the Environment (1972) concluded that "[i]t appears that geothermal energy alone is capable of meeting all American power requirements for several centuries if the hot dry rocks resource proves to be practical." [21] The Cornell Workshop, the National Science Foundation, and others have recommended that a program to establish the feasibility of hot rock geothermal in the next few years be given highest priority. Projections of the electric power available from geothermal resources range from 80 to 400 GWe in the year 2000, depending on assumptions made about the hot rock potential.[22] The AEC recently estimated that geothermal heat could supply 6% of our electricity in the year 2020,[23] but it is clear that the percentage could be much higher if hot rock geothermal develops as expected.

The current effort to develop fusion power should be expanded. The AEC recently stated that a "successful, vigorously supported fusion program would be expected to lead to construction of a demonstration power reactor that would begin operation in the middle 1990's." [24] The agency anticipated "commercial introduction of fusion power plants on a significant scale beginning in the early 21st century." [25] Thus, it now appears that the demonstration fusion power plant is not far behind the LMFBR demonstration plant and that fusion plants can be available commercially for much of the period during which it was assumed the LMFBR would be critically needed. The AEC's overall estimate is that by the year 2020 about 8% of our electricity could come from fusion.[26]

Organic wastes provide another source of fission-free energy that should be developed. Here the AEC estimates that organic wastes could account for 5% of the demand for electricity in the year 2000 but only 2% in 2020 due to more efficient practices in the solid wastes area.[27]

All of the above year 2020 percentage contributions, *e.g.* 20% for solar, 6% for geothermal, etc., are based upon a year 2020 energy demand that assumes a continuation of extremely rapid growth in electricity demand. Such projections can yield an electricity consumption in the year 2020 that is over *fifteen times* today's, a result widely regarded as completely unrealistic. For illustration, the electricity growth projection used by the AEC to justify the LMFBR program is set out on the following page. The steepness of the curve staggers the imagination. Several studies of the future demand for electricity have been carried out using more sophisticated forecasting techniques and taking into account the effects of the increasing price of electricity and other market factors. These studies suggest that actual future demand will be less than half of that projected by the AEC.[28] Moreover, as a supplement to market influences, it is apparent that the U.S. is moving towards a national energy conservation policy along the lines recently suggested by the House Committee on Science and Astronautics, the Council on Environmental Quality, the Ford Foundation Energy Policy Project and others.[29] These groups all suggest that U.S. energy growth can be roughly halved without serious adverse repercussions on the American economy or lifestyle. When both market and policy influences are taken into account, we believe it is reasonable, in fact, conservative, to assume that electricity demand in the year 2020 will not exceed 50% of the AEC's astronomical projection.

Table 1 summarizes some of the data presented in the preceding paragraphs. It shows that it is not unreasonable to expect that over 80% of the electricity demand projected by the AEC for the year 2020 can be accounted for principally by a combination of solar, geothermal, and fusion energy together with more accurate forecasting of energy demand. This percentage is larger by a substantial margin than the contribution expected of the LMFBR by the AEC in 2020 (50%) and, indeed, is larger than the contribution the AEC expected from nuclear fission generally (70%). Accordingly, an energy program designed to achieve these objectives could wholly eliminate the need for the LMFBR even if it failed in major respects.

Table 1 indicates that other sources, principally fossil fuels, could be called upon to provide the remaining portion of U.S. electricity needs in 2020. It is likely that our

Footnotes at end of article.

abundant supplies of coal will be relied upon for several decades as a significant power plant fuel. Thus, quite apart from the question of whether the LMFBR is introduced, the development of environmentally responsible means of mining and utilizing coal must be an essential and high priority national objective. The contents of an R&D effort aimed at achieving this objective have been discussed by numerous authors.[30] Elements include strict regulation of surface mining, more efficient and safer technologies for mining deep coal, stack gas cleanup, new combustion technologies and coal gasification and liquification.

TABLE I.—ENERGY SOURCES FOR ELECTRICITY PRODUCTION IN THE YEAR 2020 WITHOUT THE BREEDER

	Trillions of kilowatt hours	Percent of AEC projection	Source
AEC projection	27.6	100	(1)
New energy sources:			
Solar	5.5	20	(2)
Geothermal	1.7	6	(3)
Fusion	2.2	8	(4)
Organic wastes	.6	2	(5)
Total	10.0	36	
Correction for market factors and energy conservation	13.8	50	
Total accounted for	23.8	86	
Remainder for other sources (principally fossil fuels)	3.8	14	

[1] Proposed final EIS for LMFBR program, vol. IV, p. 11.1–25.

[2] NSF/NASA, "Solar Energy as a National Resource" (1972), p. 3. Proposed final EIS for LMFBR program, vol. IV, p. 11.1–19.

[3] Proposed final EIS for LMFBR program, vol. IV, p. 11.1–20.

[4] Proposed final EIS for LMFBR program, vol. IV, p. 11.1–22.

[5] Proposed final EIS for LMFBR program, vol. IV, p. 11.1–21

The funding needed for this alternative energy strategy would not be unacceptably high. It is significant that the last of the AEC's official projections of future LMFBR expenditures, $8 billion to program completion, exceeds a recent Federal Power Commission estimate of the total R&D costs of developing all non-nuclear technologies, including coal gasification, solar (direct and indirect) and geothermal technologies, advanced steam cycles, MHD, fossil fuel effluent controls, and a variety of energy storage system.[31] The FPC estimate of $6 billion, however, does not include the cost of developing fusion systems, which is expected to be comparable to that of the LMFBR.[32]

The last refuge of the breeder proponent is the argument that the LMFBR is needed as an "insurance policy." The above considerations indicate that this is simply not the case. Ample insurance exists partly in pursuing a variety of non-conventional energy sources and energy conservation and partly in realizing that the AEC would insure us against a non-existent risk—the risk that our electrical generating capacity will actually grow as that agency projected. Moreover, relegating the LMFBR program to a low-priority status and foregoing any expensive push towards demonstration and commercial reactors for from one to two decades does not permanently eliminate the LMFBR option. If within about a decade it becomes clear that possible non-fission options are not going to be available, consideration can be given at that time to reinitiating the program. The idea that there is a penalty for such a postponement, is, as we have seen, wholly spurious.

WHAT SHOULD BE DONE WITH THE LMFBR PROGRAM?

Almost everyone, we believe, would prefer to bypass reliance upon the breeder reactor and move directly into using solar, geothermal and fusion energy and energy conservation. The real LMFBR debate centers around whether it is possible to make this leap. We join many experts in believing that it is. Yet, unfortunately, no one will ever know the answer to this question if the present LMFBR program is permitted to continue. By swelling the bureaucratic and industrial forces committed to the LMFBR and by draining away R&D funds that are essential to the timely development of the alternatives that could replace the reactor, the LMFBR program is its own self-fulfilling prophesy.

As a way out of this quandary, we suggest an option to the present program which meets the objections of both optimists and pessimists and therefore should command general support. First, federal energy officials should delay the LMFBR program a decade. We have seen that the program is premature and that there is no penalty in such delay. During this period, the LMFBR effort should be recast as a low-priority program centered on the FFTF, and current plans for going ahead with the costly Clinch River demonstration plant should be cancelled. By greatly reducing the overall costs of the program, funds will be freed for the accelerated development of solar, geothermal, fossil, fusion and conservation technologies, and the tremendous public and private investments which could foreclose the option of ever stopping the LMFBR will be avoided. The 10-year postponement would also provide a period during which several types of data which bear critically upon the desirability of the LMFBR program could be gathered and assessed. First, more accurate information on uranium availability and future energy demand could be obtained. Second, during the coming decade knowledge regarding the potential of solar, geothermal, and fusion energy should increase dramatically with appropriate funding. And, third, this grace period could also be used to answer critical health and safety questions raised by the LMFBR with far more certainty than now present.

The problems associated with the present reactor program strongly suggest that we are only perpetuating and compounding a bureaucratic blunder by pursuing the current LMFBR program. The alternative strategy suggested here would provide an opportunity to correct that mistake—before it is too late. Construction is scheduled to commence on the Clinch River demonstration plant towards the end of this year, with the necessary approvals coming much sooner. Once these hurdles are cleared, it will be far more difficult to reorient this increasingly massive program.

FOOTNOTES

[1] Office of the White House Press Secretary, Remarks of President Nixon at the AEC Reservation, Hanford Works, Hanford, Washington, September 26, 1971.

[2] U.S. Energy Research and Development Agency, Summary of Budget Estimates, Fiscal Year 1976, February, 1975.

[3] The Atomic Energy Commission's Proposed Final Environmental Impact Statement for Liquid Metal Fast Breeder Reactor Program, WASH–1535 (December, 1974), Vol. IV, p. 11.2–33 (cited herein as "PFEIS, LMFBR"), estimates that an additional $8.1 billion must be spent to develop the LMFBR. Approximately $2 billion has already been spent.

[4] In July, 1973, the AEC estimated total program costs at between $4 and $5 billion. AEC, Determination Pending Preparation of NEPA Impact Statement, 38 Fed. Reg. 19855 (July 24, 1973).

[5] U.S. General Accounting Office, "Staff Study, Fast Flux Test Facility Program," January, 1975, p. 7.

[6] The cost overruns associated with the proposed Clinch River demonstration plant are discussed in detail in the Appendix to this report, at page 9.

[7] This economic analysis is contained in the Appendix to this report.

[8] The non-fission alternatives to the LMFBR are discussed at pages 10–16 of this report.

[9] PFEIS, LMFBR, Vol. IV, p. 9.1–47.

[10] J. Gustave Speth, Arthur R. Tamplin and Thomas B. Cochran, "Plutonium Recycle: The Fateful Step," *The Bulletin of the Atomic Scientists* (November, 1974), p. 15, addresses plutonium related hazards.

[11] Mason Willrich and Theodore B. Taylor, *Nuclear Theft: Risks and Safeguards* (1974); AEC, "The Threat of Nuclear Theft and Sabotage" (Rosenbaum Report), *Congressional Record*, April 30, 1974, p. S6621.

[12] *New York Times*, February 27, 1975 ("Bill Asks Curb on Plutonium Use To Prevent Building of Homemade Bomb").

[13] AEC proposals for a federal security system are discussed in "Plutonium Recycle: The Fateful Step," *op. cit.*, and the sources cited there.

[14] Thomas B. Cochran, *The Liquid Metal Fast Breeder Reactor: An Environmental and Economic Critique* (1974), Chapter 7.

[15] Appendix, pp. 39–44.

[16] Appendix, pp. 48–49.

[17] David J. Rose, "Nuclear Electric Power," *Science* (April, 1974), p. 357.

[18] This program is elaborated and more extensively referenced in Natural Resources Defense Council. Comments on the Draft Environmental Impact Statement for the Liquid Metal Fast Breeder Reactor Program: Alternative Technology Options, printed in PFEIS, LMFBR Vol. VI.

[19] NSF/NASA Solar Energy Panel, *An Assessment of Solar Energy as a National Energy Resource*, National Science Foundation, Washington, D.C., December 1972; Alfred J. Eggers, *et al.*, *Subpanel IX Report: Solar and Other Energy Resources*, National Science Foundation, October 27, 1973.

[20] *An Assessment of Solar Energy, op. cit.*

[21] Cornell Workshop on Energy and the Environment, Summary Report, Committee on Interior and Insular Affairs, U.S. Senate, May, 1972, pp. 114–15.

[22] See, *e.g.*, Walter J. Hickel, *et al*, *Geothermal Energy*, NSF/RANN-73–003, University of Alaska, 1973, p. 7; Dixy Lee Ray, Chairman, AEC, *The Nation's Energy Future: A Report Submitted to President Richard M. Nixon* (1973).

[23] PFEIS, LMFBR, Vol. IV, p. 11.1–20.

[24] PFEIS, LMFBR, Vol. III, P. 6A.1–191.

[25] PFEIS, LMFBR, Vol. III, p. 6A.1–179.

[26] PFEIS, LMFBR, Vol. IV, p. 11.1–22.

[27] PFEIS, LMFBR, Vol. IV, p. 11.1–21.

[28] The electricity demand issue is discussed in detail in the Appendix, pp. 21–28, and in NRDC Comments on Draft LMFBR EIS, Alternative Technology Options, *op. cit.*

[29] Conservation and Efficient Use of Energy, Report of the Committee on Science and Astronautics, U.S. House of Representatives, December 18, 1974; Council on Environmental Quality, "The Half and Half Plan For Energy Conservation," printed in *Fifth Annual Report of the Council on Environmental Quality* (1974), p. 475; Energy Policy Project of the Ford Foundation, *A Time to Choose* (1974), Chapters 3–6.

[30] See, *e.g.*, PFEIS, LMFBR, Vol. III, pp. 6A.2–1 through 6A.2–51, and the references cited there; *The Nation's Energy Future, op. cit.*; Hammond, *et al.*, *Energy and the Future* (1973), Part I.

[31] Federal Power Commission, Report of the Task Force on Energy Conversion Research to the Technical Advisory Committee on Research and Development, November, 1973, DRAFT.

[32] PFEIS, LMFBR, Vol. III, p. 6A.1–189.

THE ARMENIAN STRUGGLE FOR HUMAN FREEDOM

Mr. JACKSON. Mr. President, today the Armenian people are commemorating the most somber event in their long history—the cruel massacres of 1915. Throughout the world, wherever Arme-

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nian people are free to do so, they will gather together to recall the tragedy which took so many innocent Armenian lives 60 years ago. They will also demonstrate their solidarity with their Armenian brethren in other parts of the world who share their heritage but not their freedom.

The Armenian people have persevered. They have enriched the free societies which have allowed them to flourish. Yet they are still among the victims of the senseless oppression which plagues minorities under intolerant regimes.

Americans of Armenian descent, by underscoring today the long struggle of the Armenian people for human freedom and human dignity, are also giving expression to the traditional humanitarian concerns of our own great country. We share the anguish of their past and their aspirations for a future of peace and freedom.

Mr. President, I commend to my colleagues a timely and moving article in the New York Times entitled "1915 Genocide Is Still Vivid to Armenians Here."

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 24, 1975]

1915 GENOCIDE IS STILL VIVID TO ARMENIANS HERE

(By Richard F. Shepard)

New York, a city of survivors, will be reminded today by its small but articulate Armenian community of one of the century's first and worst genocides, which wiped out half of its compatriots who lived in the Turkish part of Armenia 60 years ago.

Even now, there are few among the 50,000 Armenian-American New Yorkers who were not personally touched, through the experiences of grandparents or parents, by the Turkish massacres of 1915 that led to the desolation of eastern Anatolia and left Armenia as a small state, now a Soviet Republic, on the Russian side of the border.

The observance of the day of remembrance, which commemorates April 24, 1915—when the Turks rounded up and killed more than 200 Armenian leaders in Constantinople as the prelude to a general extermination—actually began yesterday. Last evening, a procession of several thousand Armenians, with some Greeks and Cypriots in the line of march, wound their way from the golden-domed St. Vartan Cathedral at 34th Street and Second Avenue through midtown by way of the United Nations and filled St. Patrick's Cathedral.

At a service there, Mayor Beame read a proclamation declaring the anniversary as a "day of memory and dedication to human rights." Archbishop Torkom Manoogian, primate of the Armenian Church Diocese, in a sermon referred to the genocide and called it a victory because "we are here and we were not supposed to be."

TWO GOALS

Today's events, sponsored by a number of organizations, have a common thrust: to recall to the world the brutalities of 60 years. ago and to call for Turkish acknowledgement of the atrocities. Samuel Azadian, deputy commissioner of the city's Department of Highways and chairman of the procession yesterday, quoted a remark by Adolf Hitler during World War II, as he prepared his own programs of extermination: "Who talks nowadays of the extermination of the Armenians?"

"We are not doing this for revenge against the Turks or for bloodlust," said Mr. Azadian, whose mother and sister survived the massacres. "We have to say what happened because it might prevent other genocides."

The Diocese of the Armenian Church of America, with the co-sponsorship of the Greek Orthodox Church, the United States Catholic Conference, the American Jewish Committee, the Islamic Center of Washington, the Council of Churches of Christ of the U.S.A., and the United States Conference of the World Council of Churches, will continue its conference, "Religion's Role In a Violent World," at St. Vartan's meeting halls, with sessions at 9 A.M. and 2 P.M. The conference ends tomorrow.

The Prelacy of the Armenian Apostolic Church of America, will sponsor at 9 A.M. today a "Survivor's Pilgrimage" to the Statue of Liberty, of 60 people who escaped the killings of 1915. A silver chalice will be presented to the Museum of Immigration there.

At 6:30, the prelacy will offer a special program honoring both survivors and young Armenian-Americans at the Felt Forum in Madison Square Garden. Among the speakers will be Barbara Tuchman, the Pulitzer-prize winning author whose grandfather was Henry Morgenthau, United States Ambassador to Turkey in 1915 and a prime figure in calling attention to the Armenian plight.

At 1 P.M., local branches of three major Armenian political parties, united in one action for the first time in their long histories, will hold a mass demonstration to protest "Turkey's continuing violation of human rights" and Turkey's failure to make reparations or to admit to the annihilation. This will start at Madison Avenue and 26th Street and will move along to the United Nations, where a formal complaint will be presented to United Nations Secretary General Waldheim. In Dag Hammarskjold Plaza, proclamations by Mayor Beame, and Governors Carey and Byrne, taking note of the occasion, will be read.

Robert Morgenthau, the Manhattan District Attorney and another grandchild of Henry Morgenthau, will also speak.

THE OPPOSITION

A Congressional resolution that would have designated today as a day of remembrance passed the House, but has not been voted upon by the Senate, where it was reported, the State Department, worried about negotiations with Turkey and Greece over Cyprus, strongly opposed the measure.

At the New York Armenian Home for the Aged, 137–31 45th Avenue, in Flushing, Queens, a suggestion that elderly survivors dredge up what they recalled of their terror-stricken childhood reduced many to tears. An aide said that most did not even speak of it among themselves.

However, Nevart Prudian, a pleasant-looking 67-year-old woman who is a cook at the home, which has an appetizing Armenian menu, offered to tell her story because she felt it was important for the world to know.

"I was 6 or 7 years old in Erzerum, in eastern Turkey, when the soldiers came to the house in April, 1915, and pushed us out," she said, speaking through an interpreter. "We walked to a town where they separated the men from the women. They threw the men into the water and killed them. The Euphrates was red with blood.

MARCHED INTO DESERT

"I was with my mother and two younger sisters. The sisters died on the march. We tried to bury them, but the next day we saw the dogs at the grave," she said.

The Armenians were marched hundreds of miles into the Mesopotamian Desert. The Turks, Mrs. Prudian said, took the young women and raped and killed them as they went.

"People were dying of thirst and exposure on the way," she continued. "Pregnant women were killed with knives. We walked from that April until the next February, stopping here and there, but nobody did anything for us. You would see people fighting each other for a bit of garbage to eat, for an orange peel."

Unlike many companions on the march, Mrs. Prudian finally reached an American-run orphanage in Syria and in 1908 was married in Beirut.

"I often dream of those things," she said, adding, when asked what her experiences all meant for the rest of the world. "I want peace, brotherhood, love, a piece of land for Armenians where I can go."

The story repeated with infinite variations according to a particular experience, is told not only by survivors but also by their descendants. Yet few of those interviewed said they harbored a personal bitterness for the Turks.

Archbishop Torkom Manoogian said that there were several aspects to the observance.

"One is for the Armenians to commemorate events of the past to preserve their unity with their history," he said. "One million or one and a half million Armenians were massacred in a premeditated genocide by the Turks. This generation followed the example of its ancestors by not denying their Christian faith when the Turks forced the Moslem religions upon them."

POSITION DETAILED

Archbishop Karekin Sarkissian, Prelate of the Armenian Apostolic Church in America, said, "We all feel this way about the Turks: You cannot suppress a whole nation. If they admit something wrong was done, then we can see about remedies. We can sit and talk. But today we are faced with a situation they do not acknowledge. They not only do not accept the fact but they do not concede that they had anything to do with it."

This consciousness affects all levels of American Armenian life. Armenians in America number a half million, with concentration in California and pockets in Boston and Detroit, as well as in the New York area, where many have moved out of traditional Manhattan neighborhoods to such areas as Queens and Bergen county.

Many are well-educated, reasonably affluent and active in professions, the arts, business and public life a change from the days when first and second generations clustered in rug-dealing and photoengraving. They go to Armenian churches, either the traditional ones or Protestant and Roman Catholic, and their children go to Sunday schools and even Armenian day schools. Identity is a central issue among Armenians as it is among other ethnic groups.

In Watertown, a town with a fair-sized Armenian population, the public library has issued a call, according to the Armenian Reporter, a Queens English-language weekly, for copies of the New Yorker that carried the three installments of Michael Arlen's quest for his Armenian indentity.

The library was swamped with requests for copies. The writer, son of the British author, described how he learned about himself and his heritage.

3D GENERATION IS MILITANT

"The third generation is more active than the second," said Edward K. Boghosian, editor of the Armenian Reporter. "There's been a revival stimulated by the civil rights movements—if you have black power, why not Armenian power—and because the third generation doesn't have the problems of deciding what they are as the second did."

Melik Ohanesian, the 44-year-old owner of the Dardanelles Restaurant, 86 University Place, was born in France but came to New York as a youngster. His father and mother were among those who fled Turkey unscathed.

"You are always conscious of being Armenian," he said. "Armenians do not hate the Turks, I cannot hate a Turk. We want history to be built on the truth.

"My daughters are young," he said. "But they have the feeling of being Armenian as well as American, even though they might not know the Armenian language. This is how we survive with our culture. We are, I call it, the last of the Mohicans."

HEARING ON FOOD AID AND AGRICULTURAL DEVELOPMENT

Mr. HUMPHREY. Mr. President, on April 17 the Foreign Agricultural Policy Subcommittee, which I chair, of the Senate Committee on Agriculture and Forestry, held hearings on the subject of food aid and agricultural development.

This hearing was extremely useful and informative in exploring this issue. I wish to share with my colleagues the statements of two of the witnesses, Douglas Ensminger, professor of rural society at the University of Missouri, and John W. Mellor, professor of agricultural economics at Cornell University.

These two witnesses had a great deal to offer in terms of ways of improving our food aid in order to stimulate agricultural production in food deficit countries. Mr. Ensminger pointed out that agricultural development is a step-by-step process, in which any outside assistance must be flexibly tailored to meet the particular circumstances of the country involved.

He also suggested that the U.S. land grant universities are uniquely equipped to assist developing countries in their food production programs because of their experience in bringing American agriculture along from its earlier more simple state. He made it quite clear that any assistance must be relevant to the present level of development for the recipient country and not too sophisticated to be applied on a broad scale, including small farmers.

Dr. Mellor, in his testimony, emphasized the importance of food aid as a way of stimulating additional food production in the developing countries. He suggested that food aid could be utilized to increase employment in the developing countries, thereby creating additional demand for food which would provide additional production incentives for local farmers.

Dr. Mellor also pointed out that our food aid had without doubt played a major role in expanding the markets for U.S. food products, and he suggested that, undoubtedly, there are future Japans or Taiwans among the developing countries now receiving our concessional food assistance.

Mr. President, these hearings were an important beginning in reviewing and strengthening this vital program. We will be conducting additional hearings in the coming months, and I look forward to using this information to strengthen the program for the decade ahead. I ask unanimous consent that the statements of these two witnesses be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

INTRODUCTORY REMARKS BY DOUGLAS ENSMINGER

Given the sense of urgency in helping the developing countries close their food gap, essential if millions of people aren't to face death from malnutrition and starvation, the temptations will be great to encourage the formulation of big national programs calling for large sums of money.

While agricultural development will be costly, pressure to commit and spend money is not likely to result in providing the kind of assistance the small farmer needs and must have if he is to adopt and apply improved agricultural practices on his farm. Money must be viewed as a needed resource, to be available and drawn on only when self-help efforts warrant matching efforts with added development funds.

During the past two decades, agricultural programs in the developing countries have, in all too many cases, been imposed on the small farmers. The need is to create within the small farmer a desire for help in improving his production. This I'll call the suction method. Too much of the past effort to assist the small farmer has been through the use of the squirt gun-imposed method.

Since I feel confident the U.S. will in the future, as it has during the past two decades, continue to share its food resources with the countries having food deficits, I want to record what I feel to be important considerations in formulating future food aid policies and programs. These are:

A. U.S. food aid policies and programs must be flexible in order to assure coordination with the developing countries' agricultural policies and programs.

B. The developing countries presently define their food needs as (1) meeting within-country market demands, and (2) meeting major humanitarian needs resulting from adverse weather conditions causing droughts, floods, etc. Food to meet the poverty gap is almost always left out in figuring food needs. The poverty gap is the food people need and would buy if they had the money. These are the 40% of the people in the developing countries locked in poverty.

My deep concern is with respect to policies for making U.S. food available to the developing countries in meeting their market demand deficits. In the past, countries grew dependent on U.S. food to support within-country policies of cheap food for the consumer. While this was an attractive policy from the point of view of political leaders, it was a "disincentive" to production. There was neither incentive nor profit for the producer in "cheap food" policies. Furthermore, readily available cheap food for the developing countries has in the past made it possible for countries to place their development priorities on industrialization at the sacrifice of agricultural development.

Important to future food aid programs will be an understanding about how the funds paid in the country's currency, and into a within-country U.S. account, will be spent within the country. Looking back on India the past two decades, had the policy from the early days of food aid been that the bulk of the P.L. 480 rupees paid into the U.S. account in India had been assigned for agriculture-related development, India would most likely be self-sufficient in food today. Here I have in mind modernizing India's irrigation system, increasing the acreage under irrigation, digging and drilling wells, leveling and contouring land, improving drainage, and building farm-to-market roads. All these programs could have provided employment to the unemployed and contributed to improving India's agricultural production base.

Credit institutions to serve the credit needs of the small farmer could have been greatly strengthened through assigning to them additional P.L. 480 funds. Another use to which these funds could have been assigned would have been in developing needed agriculture-related institutions for research and manpower development.

I now want to place before your Committee a specific recommendation and outline a role the U.S. Land Grant Universities' Colleges of Agriculture can play in assisting the third world countries develop the needed institutions to assist the small farmer modernize his production methods.

I am also leaving for the Committee a copy of a lecture I gave this past Monday evening at the State University of New York at Buffalo on "Social and Cultural Constraints to World Food Production." Had I written this for the Committee I wouldn't have changed one word. The lecture focuses on the need for agricultural technology being relevant and within the small farmer's capacity to manage. A case is made for assisting the third world countries develop a national network of institutions to serve the needs of the small farmer. The importance of strong political commitments by the developing countries to give priority to agriculture is emphasized as a prerequisite of U.S. commitment to assist the third world countries with their agricultural devolopment.

SOCIAL AND CULTURAL CONSTRAINTS TO WORLD FOOD PRODUCTION [1]

(By Douglas Ensminger)

I know of no more meaningful way to give prominence to my lecture theme than to share with you an article that appeared in the Popular Bluff, Missouri, newspaper, the Daily American Republic, on December 13, 1974. The article follows:

"A BETTER MOUSETRAP BUT NO PATH

(By Don Oakley)

"The introduction of highly productive varieties of rice, wheat and other crops—the so-called "green revolution" which held so much promise of meeting the food needs of the world's expanding population—has been much criticized of late. It's claimed that because of the world-wide shortage of fertilizer, farmers in the developing countries are actually worse off than before.

"This is not true, counters soil scientist Robert F. Chandler, former director of the International Rice Research Institute. While the high-yield plants are designed to be responsive to fertilizer, they have other properties bred into them, such as resistance to disease, which gives them the edge over traditional varieties.

" 'Even without fertilizer,' says Chandler, 'the high-yielding varieties will yield more.'

"Another creator of the green revolution argues that the trouble is that, like Christianity, it has never really been tried.

"Although 35 per cent of the total wheat area in Asia and 20 per cent of the rice area were planted with high-yield varieties in the 1972–73 season, 'this is not enough,' says J. George Harrar, president emeritus of the Rockefeller Foundation.

" 'I feel very frustrated,' he is quoted by Science magazine. 'It's said that if you build a better mousetrap the world will beat a path to your doorstep. We built a better mousetrap, but people didn't come.'

"In the meantime, the development of even better plant varieties is being conducted by a host of international research organizations covering all the major crops and regions of the developing world.

"Show us a better way, challenges Harrar. 'What is the alternative? These supercritics have not got an answer.' "

True, the scientists have built a better mousetrap. Also true, the great majority of the small farmers in the third world countries are not beating a path to the improved mousetrap.

While I do not claim to have all the answers, I feel confident in saying I do have an understanding about some of the reasons why the small farmers in the developing countries have not beaten a path to the new agricultural technology. One has only to recall historical events which were of world significance to understand how many times

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[1] Presented as The Cowper Lecture at a Symposium on Feeding a Hungry World at the State University of New York at Buffalo; Buffalo, New York; April 14, 1975.

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leaders sought to arouse public concern. While said differently, there was always the implication that future generations would be significantly affected by the response of the people to the then existing world crisis. Implied was the support given to a particular solution would be in the best interest of mankind.

Today, 1975, there is the very great potential that the world's population will grow faster than agricultural production, resulting in a world food crisis. I advisably say, the potential exists that agricultural production will not be able to keep apace with population growth and this will result in food demands being in excess of supplies.

The UN-sponsored World Population and Food Conferences, both held in 1974, must be viewed as two of the most significant conferences ever attended by political leaders of the world. The significance of these conferences is that the leaders have been alerted to the certainty that the world's population will double by the turn of the century. Once the world's political leaders understood the increasing demands on agriculture a doubling of the population implies, they were compelled to accept the urgency for examining all feasible alternatives to increasing agricultural production within the developing countries.

The magnitude of the food crisis was forcefully brought before the world's political leaders by FAO's projection of population and food production growth rates through 1985. For the developing countries, FAO projected a population growth trend of 2.4% per annum, an agricultural production growth trend of 2.6% per annum, and a food demand trend of 3% per annum. By 1985, the developing countries will face an annual market demand food deficit of between 80 and 90 million tons. Estimating food cost ten years hence is pure speculation, but it will be a safe assumption that annual costs to the developing countries of importing 80 to 90 million tons of food grain will be between $16 and $20 billion dollars by 1985. Even if the food were available in the U.S., the developing countries would still face a food deficit crisis simply because they will lack the funds to meet this magnitude of expenditure on food imports. It is one thing to visualize the potential for the major food exporting countries to produce the needed food, but an entirely different matter when it comes to transporting and distributing it through the marketing channels to the people.

The one message the world's political leaders attending the Rome 1974 World Food Conference clearly received was while the U.S. should be expected to share its food resources in the future as it has in the past, the primary responsibility for meeting the growing food needs of the people in the developing countries must rest with the developing countries. A second message from the 1974 World Food Conference was that priority emphasis for increasing agricultural production in the developing countries should be focused on the small farmers.

We cannot move with confidence in formulating world-wide systems for increasing agricultural production without knowing and understanding something of the past. The past I wish to bring into the analysis concerns the low social and political status given agriculture in the developing countries. Agricultural production to meet human needs was of marginal concern for the vast areas of the world long under colonial rule. The status of agriculture and concern about food enough to meet all the people's needs has changed little as the areas previously under colonial rule gained independence and became new republics. To the elitists who are now the core of the power structures of the developing countries, poor, hungry, ignorant, unemployed people continue to be viewed as being as much a part of the landscape as are the trees, the mountains, and the water that flows in the rivers.

While many of the developing countries are to be given credit for legislating and implementing land tenure reforms, the small farmers are still at a disadvantage. The two basic agricultural resources—land and water—are not equitably available to the small farmer. The small tenant farmer finds the more he invests and the harder he works, the larger is the share that goes to the landlord, leaving little incentive to the tenant to increase his agricultural production. The tenant is also always at a disadvantage in getting needed production credit. Because he seldom has reserve funds, he is forced to market at the time of harvest when prices are generally on the downturn.

Essential to understanding the persistent lack of political commitment of the developing countries to agriculture is an analysis of the role of the U.S. the past two decades in generously contributing its food surplus to the developing countries as they faced food shortages. The methods of making the U.S. food surpluses available contributed significantly to the developing countries' continuing to assign low status to agricultural development. While the U.S. must share in having contributed to the developing countries' not being under pressure to give priority to agriculture the past two decades, we should understand that throughout the colonial era, food crop agriculture was low status and to the small farmer it was subsistence agriculture. As the colonial empires crumbled following World War II, and scores of new, independent, self-governing nations emerged, the newly formed governments recognized they had to be concerned about their people when adversities created food shortages. Because of a known availability of U.S. food surpluses, and the legislation Congress passed for sharing our food surpluses, the food recipient developing countries were able to support agriculture price policies favoring cheap food for the consumers—most of whom were poor. While supporting agriculture price policies oriented toward cheap food for the consumer was politically popular for the governments in power, the "cheap food" policies were major deterrents to agricultural production. There was no profit, only major risk to the farmer, in investing in agricultural inputs and selling on an uncertain and low price market.

While I do not in this lecture propose discussing how food should be shared in the future, I do want to emphasize so long as the political leaders in the developing countries can assure food enough to meet the needs of the elitist and some for their poor people, they are likely to place their development priorities on industrialization at the expense of agriculture.

I now want to examine the social and cultural constraints the developing countries will face as they develop policies and formulate programs directed toward increasing production on the small farms. I have always seen the potential of making positive gains in bringing about change when the social structure and the cultural values are understood and worked from within. I view the social and institutional structure, and cultural values, in much the same way the carpenter views the grain in wood. For the carpenter to plane against the grain is difficult, many times destructive, and, more frequently than not, leaves major blemishes in the finished wood. By working with the grain, the carpenter can shape the wood into many designs to serve many uses.

For most of the small farmers throughout the developing countries, two generalizations come close to characterizing them. Their primary interest in the land they farm is to produce enough to meet the subsistence needs of their families. And the only known security they can count on in producing enough to meet their families' subsistence needs is to follow the handed-down, traditional agricultural practices of the past. By following the traditional practices, the farmer looks to himself for his know-how. Since his objective is to produce to meet the family's subsistence needs, he has under his control most of the requisite agricultural inputs.

Having observed the small farmer in India over a 19 year period, I am confident about the potential for increasing his production. That rice (paddy) yields per acre in India are only one-third the yields in Japan and Taiwan is convincing proof the potential is great to up yields. My summation of the small farmer is that most of the changes sought have been beyond his means and managerial competence. And the institutions serving agriculture are not small farmer oriented. While a few small farmers make the transition in one great step from producing to meet family subsistence needs to producing for the market, most do not. The need is, therefore, for a step-by-step transformation from traditional agriculture toward modernized agriculture. Modernized, as used here, refers to increasing reliance on science and technology. Instead of expecting the small farmer to immediately change from producing to meet subsistence needs to producing for the market, a more meaningful approach, from the cultural point of view, would be for the first change to emphasize production to improve the family's level of living.

I can recall two experiences out of U.S. agriculture to support the imperative of relating the need to increase production to family values, expressed in wants and needs. When the U.S. Congress passed the first soil conservation act in the Roosevelt era, we expected farm families to be interested in carrying out soil building practices on their farms for the sake of saving the soil for future generations. But American farmers didn't respond to saving the soil for the sake of soil conservation. When farm families were encouraged to put down in writing the priority family values, and then assisted in working out a farm plan that included good soil conservation practices, they could then see carrying out of a good farm plan was the way to realize the family values, expressed in wants and desires. Soil conservation gained wide acceptance only when the families could see its relevance to family living.

The second illustration comes out of the Farm and Home Administration. Prior to the Farm and Home Administration, the small farmer subsisted and functioned outside credit and marketing institutions. By working out a farm and home plan that related farm plans to family needs, the small farmers responded, increased their production, and had an excellent credit payoff record.

Basic to the value changes essential if the small farmer is to look to his land to produce so his family can live better, will be the availability of simple consumer goods the family feels are important to improving their level of living. The simple consumer goods the farm family will want to purchase should be processed in small industries within the rural areas. It is this process of improving agriculture, providing alternative employment opportunities, and producing value oriented consumer goods that will bring about an awareness that a better and more secure way of life is achievable for all the rural people.

The methods of introducing new technology will significantly influence the process of changing the rural culture and increasing agricultural production on the small farms. Initially, the new technology should be first-step technology. What we have witnessed the past two plus decades of introducing technology into the developing countries has been largely oriented to introducing the most

advanced, complex, and sophisticated technology applied in the developed countries. In transferring from the developed to the developing countries the most advanced technology, much of the transferred technology has not taken cultural roots. But the basic concern must be that by concentrating on transferring the advanced technology to the developing countries two distinct cultures are emerging in the developing countries—the elitists, who have resources and are competent to manage and utilize the advanced technology, and the poor people, most of whom are rural, who lack both resources and competence to integrate the advanced technology into their economy and culture.

If the small farmer is to significantly improve his yields, enough to provide a better and more secure way of life and more to sell on the market, he must be aided with agricultural technology within his resources and competence to apply and manage. If the newly introduced agricultural technology is to be relevant to the small farmer, it must be labor intensity, with limited reliance on expensive inputs of oil derivatives. For the small farmer in Tanzania whose major food crop is maize (corn), and whose primary source of power (energy) for farming is human labor, a village blacksmith to make and repair hand tools would be an appropriate start in introducing first-step technology related to making human labor more productive.

I recall as vividly as if it were yesterday India's early efforts to introduce the mold board plow. The introduction of the mold board plow was related to the need to introduce green manure crops to put more organic matter into the soil. The small farmers accepted the need to plant green manure crops and purchased the mold board plows. When the plows became dull or a point was broken off, they took them to the village blacksmith for sharpening and repair. Because the village smithy didn't know how to put a new point on the plow shear, he told the farmer the government had again cheated him by having talked him into buying the new plow. Since the plow couldn't be repaired, it was discarded and the introduction of green manure crops seemed another abortive effort to introduce new agricultural technology. With a new start, this time by training the village blacksmith in repairing and sharpening the plow, green manure crops were successfully introduced into the Indian villages.

The choice of technology, both for the small farmer and the rural-based small industries, will determine whether or not technology plays the role it has the potential of playing in increasing agricultural production on the small farms and in the small industries in the rural areas. From the time the developing countries began to breathe as new republics, they have been confronted with either/or development choices. One set of forces pressed for policies and programs to rapidly modernize their economies through the transfer, adoption, and application of advanced technology. In opposition were the traditionalists, who resisted emphasis on modernization and industrialization. Except for the People's Republic of China, there doesn't seem to have been any in-between position in support of modest progress through a step-by-step introduction of technology within the reach of and for the benefit of all the people.

As I reflect on and about India's now 28 years of independence and 23 years of development experience, I would conclude India has, as do the other developing countries, an alternative choice to the communes which have contributed to the People's Republic of China's great achievements in increasing agricultural production as well as raising the quality of life for the 650 million peasants. I know of no experience more relevant to the world's present need for a working model in how to introduce technology into traditionally rural cultures than that of Mahatma Gandhi's. Gandhi's approach to rural development started with the people. He saw agricultural development as being basic to rural development, and he looked to the handicrafts and small industries to provide alternatives to agriculture for people to earn a living. He knew and supported people having consumer goods needs and looked to the small industries to provide the basic family consumer goods.

Gandhi was for change, but always in moderation and within the capacity of the people to give both leadership to change and to integrate the change into their culture and economy. Gandhi was forever searching for innovations, new technology. But he wanted technology that was within the capacity of the people to apply and he wanted the technology to work for the benefit of all, instead of a few.

Gandhi's support of basic education was evident in his searching for an approach to education that would be people development oriented and would contribute to developing people's attitudes and competence to do things for themselves. Gandhi wanted people to have competence to solve problems and make maximum use of the environment as the most basic resource available to the people. Gandhi deplored ignorance, knowing ignorance breeds stagnation, and stagnation breeds poverty.

It is of interest to note Gandhi was not alone in pioneering rural development in India. Rabindra Nath Tagore was also in the forefront in pre-independence India in experimenting, testing, and developing innovative approaches to increasing agricultural production and raising the level of living of India's village poor.

Basic to both Gandhi's and Tagore's rural development approaches was decentralization of administration. Both wanted the responsibility for leadership in development to be with the people. Both men recognized that the rate and quality of development would be in direct relation to the people's competence to integrate the new technology and that the technology introduced should be capable of contributing to the betterment of all the people.

Gandhi knew all too well the meaning of taking the first step in the thousand-mile journey. The difference in the Gandhian approach and the Western approach of an all-out effort to introduce the most modern technology, was that Gandhi saw the need for all the people to advance and for the technology selected for introduction to be within the competence of all the people and for the benefit of all the people.

After two decades in development, some 40% of the people in the third world countries are locked in poverty. These are the people who were left out of the development process, both as participants and as beneficiaries. Millions of people who were bypassed in the developing countries today face death from starvation the decade ahead. Surely the time is now for the political leaders of the developing countries to ask and answer the most fundamental question they will ever be called upon to answer. That question is what kind of a level of living will be culturally acceptable and economically achievable for all of their people. It was answering this very question that lead the People's Republic of China to the communes. I think I know the kind of level of living Gandhi would approve as being accepted and economically achievable not only for the people of India but also for most of the people in the developing countries. It would be an opportunity to earn enough to assure freedom from hunger, a shelter (house), minimum clothing, education for the children, medical services for the family, and to feel a sense of security and well-being. To achieve this simple level of living would, for most of the people in the world, give a sense of fulfillment. Furthermore, it is economically achievable.

In the U.S., science and technology are closely related to bigness, labor efficiency, and cost benefit analysis. When Western technology and Western economic theory have been imposed on the developing countries, they have been totally insensitive to rural ways of thinking, with land being viewed as another factor of production. To the people in the rural areas of the developing countries, farming is a way of life. Their land is their security in meeting family subsistence needs. The one resource the developing countries have in common and in abundance is human labor. When the economic approach of the industrialized West is imposed on the developing countries, with its emphasis on bigness, labor efficiency, and cost benefit analysis, labor is looked upon as an expense. For the developing countries, labor should be viewed as a capital resource, in the same way money is an investment resource for the U.S. Idle money in the U.S. economy is non-productive; idle labor in the developing countries is not only non-productive, it has a negative value in that it neither produces nor does it maintain itself. By following the Western economic approach to development, and its success measured in Gross National Product, the developing countries have imposed advanced technology on the people and sacrificed self-help programs. Development has been for the people, not through the people. Monetary and materialistic values have replaced human values.

India's experience during the fifties in putting together an integrated agricultural program to involve and benefit all the village cultivators, illustrates how programs in the developing countries have been wrongly evaluated when applying the traditional Western input/output economic analysis. The program I am referring to was India's Intensive Agriculture District Program. It had a four-fold objective: 1) to emphasize the necessity for government policies that would provide farmer incentives, assure needed inputs, especially fertilizer and improved seed, commit needed financial resources, and assign competent staff to the program, 2) starting with research, to put together a package of practices within the resources and competence of all cultivators (small, medium, and large) that were to be field-tested and adapted to farm conditions and then recommended through extension for farmer adoption, 3) to transform existing or create new institutions oriented to and capable of providing all the cultivators the services and inputs related to the recommended package of practices, and 4) to provide markets that were farmer oriented and trustworthy.

The Indian Intensive Agriculture District Programs was sabotaged through straight input/output analysis. The analysis and evaluation was on measuring agricultural production in the short run. Always left out was an evaluation of both effort and progress on the part of government to formulate and implement the needed policies and followthrough on its commitments with respect to assigning competent staff, marketing policies, and making needed inputs available. Evaluations ignored the process of transforming institutions created for and managed by the elitist, for the elitist, and having them accept the small farmer as coming under their program. The process by which the small farmer moves from a reliance on traditional practices to feeling secure with new technology never entered into the evaluations.

Since the greater economic returns in agricultural production always come from

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working with the larger farmers, programs over the past two decades that have been designed to contribute to increasing production on all farms—small, medium, and large—have been started and dropped. Programs that encompass all the farmers are time-consuming, difficult, and have a long-term payoff. Now, two decades later, we see the implications of following a Western input/output economic analysis. The small farmers have been bypassed.

Basic to the process of changing traditional societies into which the small farmer is interlocked is development through education of people as human beings. Here I want to distinguish between the traditional institutional approach to education with formal classes, divided into primary and secondary schools and colleges, and nonformal education. The traditional form of education is achievement and promotion oriented, and leaves out of the educational process the involvement of all the people in a process of learning the people's relationship to their environment. It is the education of the minds of rural people that must be the objective of education if the advances sought in agriculture are to be realized. Those who are to be called upon to modernize their agriculture must grow in understanding of science and technology. They must be competent to make decisions base on alternatives.

Those who will be doing the big thinking and designing the grand plans for mobilizing the world's resources to assist the developing countries increase production per acre on the small farms should accept with both understanding and humility that, in the final analysis, what happens will be decided by the small farmer and the families who live by farming as a way of life. Here I want to state a basic and fundamental development truth. It is that all development takes place through people and institutions made up of people. When applied to agricultural development, the message must be read to mean the rate and equality of the agricultural development will be in direct relationship to the rate and quality of the development of the farm people who will make the decisions, achieve improved living standards, and contribute to meeting the nation's growing food needs.

Today the small farmer, from whose land the increases in agricultural production must come if all people are to have food enough, lives outside the institutions serving agriculture. As he follows his traditional practices, he has no need to relate to the established institutions and services for agriculture. Furthermore, the established institutions related to agriculture in the developing countries aren't oriented to the needs of the small farmer. In general, and accepting the exception, the present institutional infrastructures serving agriculture in the developing countries are controlled by an elitist power structure and are oriented to serving the elitists (large farmers) in agriculture.

If the small farmer is to respond to the world's need for him to increase his agricultural production, either the existing institutional infrastructure serving agriculture must be transformed or a new institutional infrastructure to which the small farmer can relate must be created. In the simplest of terms, the research institutions must give priority to developing a package of practices that are within the farmer's resources and competence to organize and manage. The government must have policies oriented to the needs of the small farmer, and it must carry out its policies if it is to gain the confidence of the small farmer. There must be needed institutions to deliver the recommended agricultural inputs. Credit must be available and oriented to the small farmer's needs. And markets must be trustworthy and backed by price policies which will protect the small farmer's investment as well as assure him against losses in case of adverse weather conditions.

The process which must take place is one in which the small farmer's agricultural needs are met and the institutions gain the confidence and trust of the small farmer. Whereas today the farmer places his total trust in the handed-down tradition, he will change as he finds the total institutional infrastructure trustworthy and oriented to his total needs.

I am both hopeful and optimistic that out of the emerging food crisis the political leaders in the third world countries will come to understand that increased agricultural production on the small farms must be related to policies and programs which are oriented to improving the family's level of living. While we in the U.S. search for more humanistic values and learn to adjust to a less wasteful industrial economy, we must continue to help the third world countries achieve a more secure and self-fulfilling level of living for all their people. We should join in helping all people throughout the world achieve freedom from hunger.

Confronted, as the political leaders of the third world countries are, with the population-food crisis, they face choices which will have far-reaching implications. The choices are either to continue to support development policies that favor the elitist, exclude the poor, and commit millions of people to death from malnutrition and starvation, or commit the nation's resources to improving the quality of life for all the people through programs that place priority on change through the people for the benefit of all the people.

In bringing my lecture to a close, I want to express my confidence in the good common sense of the smaller farmer. I only hope those who join in helping the developing countries, and the leadership within the developing countries, will always keep in mind it will be the farmer's and the farm family's decision either to change or not to change. For the small farmer to adopt new agricultural practices, he must see both gain in his level of living and increasing security for his family. But aren't these things all people seek out of life?

In our anxiety to be helpful, I hope we will forever keep in mind we can be helpful only when the third world countries' political leaders first commit themselves and their countries' resources to improving production on the small farms. Finally, we must understand the small farmer is much like we are. He must see change as benefiting him and his family. The small farmer can be assisted in change, but change must come from within. While there must be big money for agricultural development in the third world countries, the things I have talked about require more common sense in their application than they do big money.

Time is running out. Time is now for the political leaders of the third world countries to return development to the people and to support development policies which will contribute to achieving a level of living economically feasible, culturally acceptable, and fulfilling for all the people.

A Strategic and Priority Role for the U.S. Land Grant Universities in Helping the Developing Countries Increase Production per Acre/Hectare on the Small Farms

The UN World Food Conference held in Rome in December, 1974, highlighted the necessity of the developing countries giving the highest priority in their national plans to increase production per acre/hectare on the small farms. The urgency for giving immediate priority to increasing production per acre/hectare on the small farms is the almost certainty the developing countries will by 1985—just 10 years hence—face an annual food deficit of between 80 and 90 million tons. The cost to the developing countries to import the needed food to meet their projected deficits by 1985 would be between $16 and $20 billion dollars. Since this is a cost beyond the means of the developing countries, they must, within the next decade, either increase production on the small farms or millions of their people will die of starvation.

It is to provide the kind of help the developing countries now need and must have if they are to succeed in the next decade in feeding their people that a significant assignment of world importance now challenges the U.S. Land Grant Universities.

The U.S. Land Grant Universities contributed significantly to the development of rural America and the present high productivity of American agriculture by keeping the focus on the family farm. Through research and extension education, the U.S. Colleges of Arigculture contributed to the development of agriculture, rural America, and the high level of living of farm families in the following specific ways:

Developing the basis for formulating agriculture policies

Providing the background for land reform legislation

Giving leadership in organizing cooperatives and many other institutions needed to service agriculture and the rural farm families

Assisting and encouraging private industry to contribute services to agriculture, especially feed dealers and agri-industries (fertilizers and chemicals)

Developing and on-farm testing a continuous flow of new agricultural technology

Through extension, working directly with farm families, both as individuals and in groups, helping in adopting, in applying, and in organizing and managing the new technology to increase farm production and make family life more secure and satisfying

It is to help the developing countries in the perfection/transformation and development of integrated, nationwide institutional infrastructures to serve the needs of the small farmers that the U.S. Land Grant Universities are uniquely qualified to perform a service of world significance. The following components should be included in an integrated institutional infrastructure oriented to the needs of the small farmers for each of the developing countries:

It will be necessary to have national policies that place priority emphasis on allocation of money and manpower to agriculture development and assure the availability to farmers of the inputs to be recommended in a package of practices, especially improved seed, fertilizer, and credit.

Since emphasis is to be placed on increasing production per acre/hectare on the small farms, resource allocation must be small farmer oriented in contrast to major irrigation and development of new lands.

Since the small farmer will not, on his own initiative, take major risks in making investments in new agricultural inputs, it will be necessary to have agriculture price policies that provide for governmental guaranteed prices to insure the farmer against losses, including losses due to adverse weather, as well as provide him an incentive to adopt the new agricultural inputs.

Agricultural research institutions must be developed to a competence level where recommendations will first have been on-farm tested and oriented to the small farmers' resources, primary source of energy (hand and animal power), and within his competence to organize and manage.

Extension must be staffed by people who can interrelate to the small farmer, and their recommendations must be trustworthy and in complete coordination with the institu-

tions responsible for delivering the agricultural inputs.

Institutions, both government and nongovernment, must either exist or be developed to serve the needs of the small farmer in providing the agricultural inputs (seed, fertilizer, pesticides). The highest priority must be given to meeting the credit needs of the small farmer. The farmer must be able to rely on these institutions and develop confidence in them.

The marketing institutional infrastructures will be a determining factor in the small farmer's decision whether to continue his traditional practices and produce only for his family's survival needs or to accept the new technology and produce some for the market. The way the government operates its pricing and crop insurance program will be a decisive influence in the farmer's decision and whether or not the nation's food needs are met.

Land tenure legislation must provide an incentive to all who till the soil to invest in agricultural production (both funds and increased labor), confident that they, not the "landlords," will be the beneficiaries of increased production.

The development of national institutional infrastructures, both government and nongovernment, to serve the needs of the small farmers in the developing countries is an achievable objective in the next ten years. Many of the needed institutions and starts on agriculture policies presently exist in many, if not all, of the developing countries. But the need exists for the developing countries to create the missing institutions, to perfect those presently in existence, and to integrate them all into a nationwide institutional infrastructure oriented to the small farmer.

The U.S. Land Grant Universities, through the Colleges of Agriculture, are unequally equipped to play a leadership role on behalf of the United States in assisting the developing countries with the development of an integrated institutional infrastructure needed to serve the needs of the small farmer. Large numbers of the U.S. Colleges of Agriculture have worked abroad and made major contributions in developing research and training institutions. College after college has on its staff as many as fifty of its faculty who have solid experience of working in the developing countries. The Colleges of Agriculture know from U.S. experience how important it has been to U.S. agriculture to have a total integrated institutional infrastructure oriented to the needs of the family farm. The U.S. Land Grant Universities can assist the developing countries in developing their own culturally oriented institutional infrastructure to serve the needs of the small farmer, with less cost and greater acceptance by the developing countries than will be possible either through the U.S. Government or some aid giving agency sending teams of uncoordinated consultants, each working on a piece of the institutional infrastructure.

Other things, of course, need doing. Fertilizer plants must be built. Available productive land must be brought under cultivation. Irrigation schemes that are economically feasible must be undertaken. These and other big schemes can be done through loans with built-in technical and manpower assistance.

What the U.S. knows about agricultural development and the essential role of institutions to serve agriculture can be translated into helping the developing countries get on with the job of bringing the small farmer to center stage. The small farmer can, if effectively assisted, over the next ten years increase agricultural production and contribute toward producing enough to meet the nutritional needs of all the world's people.

Food Aid and Agricultural Development*

(By John W. Mellor, Cornell University)

INTRODUCTION

Food aid can play a major positive role in encouraging low income nations to choose a strategy of economic development which provides accelerated growth in employment, consequently broadened participation of the poor in economic growth, effective attention to increasing agricultural production and as an eventual by-product, reduced rates of population growth. Such a role for food aid is consistent with the fact that demand for food is at least as much subject to the national policies of low income nations as the supply of food; that the extent to which nations emphasize food production is substantially a product of their policies with respect to food demand; and, that these are in turn very much related to the nature of the political system and its sources of support. A Government which is based on broad support of the majority of people must at least in the longer run be concerned with increasing the incomes and employment of those people and matching that income with larger food supplies on which to spend it. Conversely, a government that is not clearly assured of food supplies in the short run, dare not engage in the politics of rising expectations for the mass of its people. Rather, in those circumstances, it must be repressive of the poor and follow narrowly based, elitist approaches to growth, with little emphasis on agriculture. Then, slow growth in agricultural production is matched by slow growth in demand as the rural sector stagnates and as employment is contained by capital intensive, urban oriented, industrial development.

In succeeding sections I develop this argument: first, demonstrating the relation between food supply and broad participation in economic growth; and second, showing the key role domestic food production plays in an employment oriented strategy of growth. In this context I indicate the complementary and even catalytic role which food aid can play in that process. This is followed by a brief statement of the conditions for effective development of agriculture and the characteristics of a successful agricultural policy. From that is outlined an effective food aid strategy and its associated measures for developing indigenous agriculture. I close with a summary statement of the case for food aid over other forms of aid. Throughout I recognize that inappropriate food aid policies may be quite counterproductive.

FOOD SUPPLY AND DEMAND—THE RELATION TO EMPLOYMENT

When incomes of the poor are increased there is an inevitable increase in the effective demand for food—indeed providing the poor with the financial means of improving their health and well being through improved diets is a principal objective of increased employment. Thus in India for a $1.00 increase in income of the landless labor class, occupying the lower 20 percent in the income distribution, 60 cents is spent on grain and 85 cents is spent in total on food (Table 1). This increased demand for food cannot be met by a simple redistribution of income, for a similar $1.00 reduction in income of the top five percent in the income distribution only reduces demand for grain by five cents. The increased demand must be met by increased supplies. Otherwise prices will rise and government will be forced to fight the incident "inflation" by the conservative fiscal and monetary policies which can work only by reducing the employment and incomes of the poor. Thus increased incomes and employment of the poor go arm in arm with increased supplies of food.

THE KEY ROLE OF DOMESTIC FOOD PRODUCTION

Accelerated growth in domestic food production serves a dual role in a high employment, broadly participatory strategy of growth. First, it supplies the basic "wages goods" necessary to back the increased purchasing power of the expanded labor force. That point is elaborated in the preceding section. Second, increased agricultural production achieved through the improved technology of the "green revolution" offers net additions to national income which provide major stimulus to growth of demand, employment and output, in other sectors of the economy.[1] Thus, development of the agricultural sector has a crucial positive role to play in economic development and not simply a passive role of providing food for a growing population or as a reservoir for labor that the urban sector cannot yet absorb.

TABLE 1.—DIVISION OF INCREMENTAL EXPENDITURE AMONG EXPENDITURE CATEGORIES, BY RURAL EXPENDITURE CLASS, INDIA, 1964–65

	Bottom deciles (mainly landless agricultural and nonagricultural laborers)	3d decile (laborers with less than 1 acre)	4th and 5th deciles (1–5 acres)	6th, 7th and 8th deciles (5–10 acres)	9th decile (10–15 acres)	Lower ½ of 10th decile (15–30 acres)	Upper ½ of 10th decile (30+ acres)
Mean per capita monthly expenditure	8.93	13.14	17.80	24.13	30.71	41.89	85.84
Allocation of an additional rupee of expenditure:							
A. Agricultural commodities	.79	.69	.59	.52	.46	.40	.33
(a) Food grains	.59	.38	.25	.16	.11	.06	.02
(b) Nonfood grains	.20	.31	.34	.36	.35	.34	.31
(i) Milk and milk products	.07	.11	.12	.13	.13	.12	.09
(ii) Meat, eggs and fish	.02	.03	.03	.03	.03	.03	.02
(iii) Other foods (a)	.01	.05	.07	.09	.10	.12	.16
(iv) Tobacco	.01	.01	.01	.01	.01	.01	.01
(v) Vanaspati		.01	.02	.02	.02	.02	.01
(vi) Other oils	.05	.05	.04	.04	.03	.02	.01
(vii) Sweetners	.04	.05	.05	.04	.03	.02	.01

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*Testimony prepared for the subcommittee on Foreign Agricultural Policy of the Committee on Agriculture and Forestry, United States Senate, April 17, 1975.

[1] This important point is spelled out in a general way in Lele, Uma J. and John W. Mellor, "Jobs, Poverty and the 'Green Revolution'," *International Affairs*, Jan., 1972; in a more technical manner in John W. Mellor and Uma J. Lele, "Growth Linkages of the New Foodgrain Technologies," *Indian Journal of Agricultural Economics*, Vol. XXVIII, No. 1, Jan.–Mar. 1973; and with a detailed specific application to India in John W. Mellor, *India and the New Economics of Growth*. The Twentieth Century Fund (forthcoming 1975).

TABLE 1.—DIVISION OF INCREMENTAL EXPENDITURE AMONG EXPENDITURE CATEGORIES, BY RURAL EXPENDITURE CLASS, INDIA, 1964–65—Continued

	Bottom deciles (mainly landless agricultural and nonagricultural laborers)	3d decile (laborers with less than 1 acre)	4th and 5th deciles (1–5 acres)	6th, 7th and 8th deciles (5–10 acres)	9th decile (10–15 acres)	Lower ½ of 10th decile (15–30 acres)	Upper ½ of 10th decile (30+ acres)
B. Nonagricultural commodities	.21	.31	.41	.48	.54	.60	.67
(a) Textiles	.09	.08	.07	.08	.07	.06	.07
(i) Cotton textiles	.09	.08	.07	.06	.06	.05	.03
(ii) Woolen textiles				.01	.01	.01	.02
(iii) Other textiles				.01			.02
(b) Nontextiles	.12	.23	.34	.40	.47	.54	.60
(i) Footwear		.01	.01	.01	.01	.01	.01
(ii) Durables and semidurables (b)	.01	.01	.01	.02	.02	.03	.05
(iii) Conveyance (c)	.01	.01	.02	.02	.03	.05	.10
(iv) Consumer services (d)	.02	.02	.02	.03	.03	.04	.06
(v) Education (e)	.01	.01	.02	.03	.03	.05	.11
(vi) Fuel and light	.07	.07	.06	.05	.05	.04	.03
(vii) House rent (f)		.01	.01	.02	.03	.04	.08
(viii) Miscellaneous (g)		.09	.16	.22	.27	.28	.16
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Mellor, John W. and Uma J. Lele, Growth Linkages of the New Food Grain Technologies, "Indian Journal of Agricultural Economics," vol. XXVIII, No. 1. January–March 1973.

It is particularly important, in the context of food aid, to see the relationship between economic growth strategy and population growth. It is now clear that the interacting forces of lack of employment, lack of education, high infant mortality and poverty generally, are associated with high birth rates. Conversely birth rates will remain high in a nation so long as a major portion of its population is denied participation in economic growth—that is what the poor nations were trying to tell us at the Budapest meetings. And, as stated above, participation of the poor in growth greatly increases the demand for food. Thus, quite contrary to some arguments, gaining control of the world's population requires that much more food be supplied to the poor, not less.[2] Domestic programs of food production supply the food and through direct and indirect effects provide a favorable environment for providing the employment, income and purchasing power for buying that food.

In this context a complex point about price effects of food aid and price policy can be seen. Food aid need not depress domestic agricultural prices *if* it is accompanied by measures which expand employment of lower income people and hence expands demand for food commensurately—but similarly such demand increasing policies should not be undertaken lightly by governments unsure of the reliability of their grain supplies.

THE POSITIVE ROLE OF FOOD AID

The preceding section shows that there is great advantage to pursuit of broadly participatory increase in human welfare and associated reduction in population growth through a strategy that emphasizes the complementary elements of increased food production and increased employment. However, pursuit of such an objective and strategy is fraught with grave risks for a government—risks which food aid may reduce.

First agricultural development is at best a complex and slow process. While measures to increase employment and incomes of the poor may quickly succeed, measures to increase agricultural production may be delayed—and yet their eventual success may require political actions and support that themselves create immediate additions to demand for food. A government may understandably feel trepidation at the threshold of such an accelerating gap between its food needs and domestic capability. A politician may not be assuaged by the economists advice that the problem is only a short term one—for both know where they will be in the long run. We see this problem in the context of broader political and economic events in Tanzania, Chile and perhaps now in Ethiopia.

It is here perhaps worth emphasizing the distinction between domestic policies which create a food shortage as part of a process which lays the groundwork for a more egalitarian society and one which does so as part of a process of maintaining a narrowly based society. In the former case much of the problem arises from increase in demand and possibly from production setbacks accompanying a restructuring of the institutional framework which may lead to later increases in production. In the latter the problem arises despite stagnant demand, because of a refusal to reorganize the institutional framework. Further, the magnitude of a food shortage is likely to be much greater in the former case than the latter.

Second, weather induced year to year changes in agricultural production are large compared to either the changes in demand or in supply that accompany changes in development policy. Thus, as will be shown later, an increase in the trend of agricultural production of one percentage point, say from three percent to four percent is indeed revolutionary in its implications to growth strategy. And yet weather may easily cause single year declines in production of 10 to 20 percent (Table 2). What is a government to do if it has just implemented a significant program of employment growth and then is hit by a ten percent reduction in food supplies? Perhaps a prudent government, facing such possibilities would opt for a more narrowly based strategy of growth which was not so dependent on growth in food supplies and rising expectations of the masses. Food aid could provide the insurance necessary to encourage a prudent government to take those risks. It is clear, that for food aid to be effective it must be reliable. A nation cannot tune its longer term economic and political processes to an aid program which is on the one hand essential to that process and which is on the other hand subject to rapidly changing political and economic fashions.

TABLE 2.—ESTIMATES OF FOODGRAIN PRODUCTION, INDIA, 1949–50 TO 1971–72

[In million metric tons]

Year	Official estimates of production	Percent change from previous year	Growth rate	Trend line of production	Input estimates of production	Percent change from previous year	Growth rate
1949–50	60.8	0		60.8	60.8	0	
1950–51	55.0	−9.5	2.2	62.5	60.4	−.7	2.6
1951–52	55.6	1.1		64.2	61.0	1.0	
1952–53	61.8	11.1	4.8	66.0	64.2	5.2	3.2
1953–54	72.4	17.1		67.8	68.6	6.8	
1954–55	70.8	−2.2	2.8	69.7	68.7	.1	2.6
1955–56	69.4	−2.0		71.7	70.8	3.1	
1956–57	72.5	4.5	4.2	73.7	72.0	1.7	2.9
1957–58	66.7	−8.0		75.7	73.6	2.2	
1958–59	78.9	18.3	3.4	77.8	76.9	4.5	2.6
1959–60	76.9	−2.5		80.0	79.2	3.0	
1960–61	82.2	6.9		82.2	80.5	1.6	
1961–62	82.9	.8	2.1	83.9	82.6	2.6	2.0
1962–63	80.3	−3.1		85.7	84.4	2.2	
1963–64	80.7	.5	2.1	87.5	85.7	1.5	2.4
1964–65	89.3	10.7	2.1	89.3	87.0	1.5	2.9
1965–66	72.3	−19.0		91.4	88.0	1.1	
1966–67	74.2	2.6		93.5	91.8	4.3	
1967–68	95.0	28.0	2.8	95.6	94.9	3.4	2.9
1968–69	94.0	−1.0		97.8	99.6	4.9	
1969–70	99.5	5.8	2.2	100.0	104.8	5.2	2.9
1970–71	108.4	8.9	3.3	102.3	106.7	1.8	3.5
1971–72	104.7	−3.4	2.3	104.7	110.6	3.6	3.5

Source: Mellor, John W., "India and the New Economics of Growth", The twentieth centuryfund (forthcoming 1975), ch. II, table 2.

The preceding analysis shows how terribly misleading is the triage analogy in the context of food aid. First, of course, the analogy is inapt—individual casualties on the battlefield may die and disappear, nations of people do not. As much as some of the partisans of the view might wish it, Bangladesh's 75 million people will not disappear for lack of American aid. The question is not whether Bangladesh will survive—indeed it is inevitable that in a few years there will be millions more Bengalese; but rather, is the ground work being laid for the broadly participatory system of growth which will eventually bring down birth rates and stabilize population. And further will that base be laid and the final increase in population occur from a 50 million basis (for which it is now too late, but was not in the early years of independence from Britain); a 75 million base (as of now); or an even larger base (for the future).

Continued shortage of food only ensures that governments will narrow their political base to a group to whom it can supply adequate food and for whom other material goods may be relatively more available. To continue the analogy of Bangladesh it has already had 25 years of failure to develop the basis for a broadly participatory process of growth, while the population grew by what would in 1946 have been called an impossible to sustain amount. In my view the changes in government system in Bangladesh in recent months are fully consistent with the food situation but do not bode well for improvement of that situation.

In a similar vein it is not surprising that Mrs. Gandhi's government laid great emphasis on increasing employment in 1970 when government held stocks of grain were being built rapidly to what were generally considered uncomfortably large levels, and has talked, and acted, much less on this point more recently when refugees, drought, and high world prices have wiped out those reserves.

In this context, it should be recognized that once a nation opts for a low employment elitist approach to growth, perhaps because of lack of food, that then reduces the demand pressure to increase agricultural production and ensures lack of the attention necessary to success in agricultural development.

The preceding is not to say that food aid is necessarily facilitatory of a broad based strategy of growth. Even narrowly based governments need some control of food supplies. They may pursue a program of capital intensive growth and not even provide the minimal resources for agriculture necessary to support that minimal growth in demand for food. Food aid may then facilitate further neglect of agriculture and continuation of a narrowly based strategy of growth. Indeed for a low income nation with a political system built on a narrow urban base, or wealthy rural landlords, it may be convenient to meet much of urban demand for food from food aid so that it will not be necessary to unsettle rural areas with the organization and change incident to rural development. It is clear then that effective food aid requires choices—but, fortunately, not the morally repugnant choices of triage metaphor.

Thus a food aid policy effective in reaching long run goals of increased agricultural production, broadened participation in growth and eventually reduced rates of population growth will favor countries which first foster rapid growth in employment through encouraging small and medium scale industry, broad based rural development and expanded trade and second which take effective long run steps for increasing agricultural production.[3] For economic reasons, it is likely that both efforts will be more successful in countries with broadly based political systems which lend themselves to considerable decentralization in operation of programs.

Given favorable circumstances in the receiving country, food aid will be more effective if it is associated with an international trade environment facilitative of increasng labor intensity in the low income countries and with specific development assistance to agriculture. Such assistance can of course be no more than a marginal addition to a nation's basic effort, and thus its success depends on the nature of the development process itself and the dedication of the receiving nation to that process. Nevertheless food aid itself may encourage that dedication—and it is presumably in this area that the humanitarian would bargain with food aid. However, to bargain effectively the means of developing agriculture must be understood.

THE MEANS OF DEVELOPING AGRICULTURE

The specific requisites of agricultural development differ across areas and over time. One basic generalization does stand out as important. In low income nations, agriculture, in contrast to industry, is a large existing sector already commanding the bulk of an economy's land, labor and even capital resources. It is using those resources at low levels of productivity, a condition due not to the ignorance of farmers but to the lack of modern high yielding technology appropriate to the specific conditions facing those farmers and the necessary set of supporting investments and institutions.[4] From this we can state the essential prerequisites of modernizing agriculture.

First, and most basic, local research institutions are needed for developing new high yielding varieties of crops and livestock suited to indigenous conditions. In contrast to a decade ago, this need is widely recognized, and yet there seems still to be more lip service than action. This need is perhaps greatest for the small farmer because in the past the crops he grows have been most neglected. The U.S. participation in the International Research Institutes is a useful step for meeting this need. That activity needs to be expanded and much more needs to be done to develop national research systems which can plug into the international grid.

Second, there needs to be a vast development of rural institutions for facilitating the spread of new technology—these include credit, marketing and extension and may include revised systems of land tenure and community organization as well. As in the case of research the key characteristic of these institutions is their requirement of large numbers of trained people. Thus one of the prime development requisites is the means to enlarge the quantity of trained personnel and to facilitate organization of these personnel into effective organization. As always, the more the effort is intended to reach the large numbers of small farmers the greater the requirement for trained personnel. Programs for the poor are personnel intensive and hence inconsistent with narrowly based elitest education. The United States has played and can continue to play an effective role in expanding capacity to train personnel in developing countries and to help fill the short run gaps with technical assistance.

Third, a modernizing agriculture requires an immense investment in physical works and supplies. Irrigation systems need to be built, roads constructed, even domestic airlines built to integrate the far corners of a country and fertilizer imported. These require such large quantities of resources that they are unlikely to be accomplished without a broadly participatory government which at once can mobilize local rural resources for much of this task and which is dedicated to allocating massive quantities of resources to the rural sector. Again, while the necessary institutional and political structures are being built, foreign aid can play a useful role. **Food aid itself releases domestic resources and adds to government resources and so is effective in this context, as is financial aid for fertilizer imports, building of irrigation structures and similar investments.**

Given the complexity and variability of development and the understandably complex mix of objectives there is no clear way to state a measurable set of criteria for food aid and related assistance. One can however make general judgments and provide some rank ordering of priorities. In this I would reiterate the earlier statement that in this context it is well to recognize that complementary relations between a more egalitarian society and one which meets the objectives set here and hence to distinguish policies that may impede production growth in the short run as part of a process of broadening a polity, from those policies which impede production growth as part of a process of maintaining narrow participation in the polity.

THE CHARACTERISTICS OF SUCCESS IN RURAL DEVELOPMENT

Successful rural development will increase the supply of grain, diversify agriculture to a wider range of crops and livestock and be associated with accelerated growth in national income and hence in the demand for food.

For the bulk of low income nations for whom basic food production is barely exceeding population growth, success in agricultural development is raising the rate of growth of grain production from 2½ or 3 percent to 4, or, at the most, 5 percent. That degree of acceleration is difficult to detect, given the oscillations in weather and the concomitant growth in demand. As in the case of Taiwan, which is a great success story in rural development, the very success of agriculture may stimulate growth in demand of such a magnitude that it can only be met by increased imports—imports however which can soon be commercially financed within this pattern of growth. To illustrate characteristics of agricultural growth, Table 3 shows for India, past rates of foodgrain production increase and the potential for the future given a favorable national and international environment. Note that India has indeed experienced significant acceleration in growth subsequent to onset of the "green revolution" in the middle 1960's and that there is potential for further modest acceleration. Note also that the proportion of increments to production dependent on fertilizer increases steadily from about ten percent in the early 1960's to nearly 80 percent in the next decade. Fertilizer reflects a complex of technical changes including new high yielding crop varieties.

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[2] **See John W. Mellor *Population, Resources and Jobs—A Summary Statement*, Dept. of Agricultural Economics, Occasional Paper No. 77, Cornell University USAID Employment and Income Distribution Project 1974. See also John W. Mellor *India and the New Economics of Growth*, The Twentieth Century Fund, Chapter 10 (forthcoming, 1975).**

[3] See Uma J. Lele and John W. Mellor, "Jobs, Poverty and the Green Revolution," *International Affairs*, Jan., 1972 for a more complete exposition of these conditions.

[4] For a full statement of these points see John W. Mellor, *The Economics of Agricultural Development*, Cornell University Press, Ithaca, N.Y. 1966; for an operationally oriented analysis emphasizing administrative and institutional aspects and based on massive project experience, see Uma Lele, *Design of Rural Development*, Johns Hopkins University Press, July 1975 (forthcoming).

TABLE 3.—CHANGE AND SOURCES OF CHANGE IN FOODGRAIN PRODUCTION AND MARKETINGS, INDIA, 1949–50 TO 1983–84

[In million metric tons]

Year	Estimated production attributable to specific inputs (percent of increased production from previous period attributable to each input in parenthesis)				Rate of growth between periods in parenthesis		
	Unirrigated land	Irrigated land	Intensification labor	Fertilizer	Input estimate of total production	Domestic marketings from the foodgrain sector	Domestic marketings plus imports[1]
1949–50	47.5	13.3	0	0	60.8 (2.4)	31.0 (2.3)	[2] 35.7 (1.7)
1956–57	52.7 (46)	15.5 (20)	2.9 (26)	.9 (8)	72.0 (2.8)	36.4 (2.4)	37.8 (4.5)
1960–61	54.4 (20)	16.7 (14)	7.6 (55)	1.8 (11)	80.5 (2.0)	40.0 (2.2)	45.1 (2.6)
1964–65	54.8 (6)	18.1 (21)	9.8 (34)	4.3 (38)	87.0 (3.5)	43.6 (4.5)	49.9 (3.0)
1971–72	52.7 (−9)	23.8 (24)	14.9 (22)	19.1 (63)	110.6 (4.2)	59.3 (5.4)	61.3 (4.9)
1978–79	56.9 (11)	26.8 (8)	18.8 (10)	45.2 (70)	147.7 (4.7)	85.8 (5.8)	85.8 (5.8)
1983–84	56.9 (0)	31.6 (13)	22.2 (9)	74.8 (78)	185.5	113.8	113.8

[1] Assumes no imports for 1978–79 and 1983–84.

[2] Import figures for 1949–50 were not available. Therefore 1951–52 figures for production and imports were used. See Appendix Tables 3 and 9. The growth rate given is for 1951–52—1956–57.

Source: Mellor, John W., "India and the New Economics of Growth," the Twentieth Century Fund (forthcoming 1975), ch. II, table 1.

As incomes rise in the context of rising employment, demand for vegetables and livestock products rises rapidly. This is favorable to employment growth since in most low income countries such commodities are produced by labor intensive techniques. It requires complex diversification of the economy which can be assisted through technical aid.

Most important the short run pressures on agriculture's capacity to produce are exceedingly heavy as a rural, employment oriented strategy gets underway. It is conceivable that in such a strategy the need for food aid and the eventual scope for commercial exports would grow. The currently low income nations contain potential Britains and Japans as well as Denmarks and New Zealands.

THE PATTERN OF EFFECTIVE FOOD AID

Food aid effective in alleviating poverty and fostering improvement in the long term world food-population balance would be—

(1) oriented towards countries effecting broad participation in growth through employment and rural development programs.

(2) long term in nature so that countries may adjust their development plans accordingly. This requires appraising our own capacity to produce and many long run decisions as to how that capacity is to be deployed.

(3) associated with technical and capital assistance to the agricultural sector of low income nations. Within this context family planning assistance could also become effective.

(4) associated with international trade policies which are consistent with an employment oriented pattern of growth.

It is clear from this presentation that the details of effective food aid can be stated in general terms, are in practice highly complex, and most important, must be seen and offered as complementary to the totality of aid policies and in the context of other elements of foreign policy.

WHY SPECIFICALLY FOOD AID?

The basic argument in opposition to food aid is that aid in that form will depress agricultural prices in the recipient nation and in other ways reduce incentives for production of food not only thereby serving to reduce long run food supplies but to inhibit more generally that very strategy of growth which promises most, in the long run, for reducing birth rates. As pointed out above the price problem can not only be met by appropriate action on the demand side, but such changes on the demand side are the *sine qua non* of any program to relieve poverty.

On the positive side, while increased assurance of a growing food supply is necessary to an overall strategy of poverty alleviation, the U.S. has such a capacity to produce food that the cost to our society of the added several million tons involved in a significant food aid program is probably considerably less than the average payments otherwise needed to maintain a generally healthy agriculture or than the cost of transferring those resources elsewhere. If the question is posed: does the United States have highly productive resources of land and personnel and institutions that would best be kept in agriculture and tuned to a high level of production with food aid as the marginal recipient of that output; I would reply yes. I would add that attention needs to be given to how that resource is mobilized and used so that it does not serve as a price and income depressant to American farmers. Although the problem is not insoluble neither will it solve itself.

Finally, food aid can be used to structure growth strategies in a manner leading not only to more rapid alleviation of poverty but in a direction which will lead some countries to greater demand for and capacity to pay for commercial imports. Thus the very structuring of American agriculture to assist in food aid may create the very demand which will eventually justify that production on a commercial basis. The alternative of winding down American agriculture after the passing of a short term crisis of shortage may represent a permanent opportunity missed.

OIL DEPLETION ALLOWANCE

Mr. HATHAWAY. Mr. President, in the New York Times of Wednesday, April 23, Mr. Maurice F. Granville, the chairman of Texaco Oil Co., was quoted as saying, in response to the partial repeal of the oil depletion allowance, the following:

We must frankly state that the United States Government has thus far set a striking example of how not to solve the nation's energy problems.

This continuing series of negative steps is undermining the ability of the energy industry to take constructive action. Without adequate earnings, there cannot be adequate capital investment. Without adequate supplies, there cannot be greater energy independence for the United States.

Exxon's chairman, Mr. J. K. Jamieson, was also reported to have said this loss of capital would hamper development of domestic energy resources.

These gentlemen sound very pious, but I think I may have located another reason for the oil companies suffering a capital shortage—executive salaries. Last year, according to Business Week, Mr. Granville's salary rose 68.3 percent, from $273,748 to $460,761; and Mr. Jamieson's rose from $596,666 to $676,667, or 13.4 percent. These figures might be good for us consumers to keep in mind while we are waiting in line at the gas pumps to pay 55 cents for a gallon of gas.

I ask unanimous consent that the text of the attached article from Business Week be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RICH REWARDS OF OIL'S TOP MEN

The gusher of $11-per-bbl. oil that propelled the profits of the big international oil companies to new heights in 1974 also proved a bonanza to their top executives, according to proxy statements released by the seven largest U.S.-based integrated oil concerns.

Among the executives who received the largest raises in 1974 were Chairman Maurice F. Granville of Texaco, Chairman H. J. Haynes of Standard Oil Co. of California, and Chairman Rawleigh Warner, Jr., and President William P. Tavoulareas of Mobil Oil Corp. Texaco, Socal, and Mobil are—with Exxon Corp.—co-owners with the Saudi Arabian government of Arabian American Oil Co., the world's largest oil company.

The other three big international oil companies—Shell Oil, Gulf Oil, and Standard of Indiana—have no interest in Aramco but have other interests in rich Middle East oil reserves.

In 1974, the seven companies had aggregate sales of $137-billion and earnings of $9.4 billion. Their 16 top executives in 1974 got pay hikes ranging from 4.7% (Chairman John E. Swearingen, Standard of Indiana) to 68.8% for Granville of Texaco.

NO REFLECTION

Curiously, the largesse voted to the top executives by the compensation committees of their boards of directors seems to have little relationship to the 1974 earnings performance of the companies. The top executives of Standard of Indiana received relatively modest 4.7% increases, even though the company racked up the best profit performance of the group, earning $970.3-million on sales of $9.3-billion. Standard of Indiana's 10.4% profit margin was the best of the group, which averaged a 6.8% return on sales.

The companies that rewarded their executives most handsomely stood at the bottom of the profitability rankings. Mobil, whose 5.1% return was the lowest of the group, awarded Chairman Warner a $96,333 raise, while President Tavoulareas received an even bigger hike of $99,750.

Texaco, whose 6.6% return was below the group average, was also generous. Chairman Granville's $187,013 raise was the largest won by any officer in the group, amounting to an increase of 68.6% in his total cash compensation.

STILL TOP MAN

The highest-paid executive in the industry remained J. Kenneth Jamieson, chairman of Exxon Corp. Jamieson, who received $676,667 in 1974, was at the helm of a corporate behemoth that earned $3.1-billion on sales of $41.9-billion in that year. Jamieson's $79,334 increase, a hike of 13.2%, was much less than the $121,824 raise awarded Socal's newly promoted Haynes, who was running a smaller company that earned $970-million on sales of $17.1-billion.

After Jamieson, the 1975 proxy statements indicate that the highest paid executives in the international oil industry are Mobil's Warner, $596,000; Gulf's Bob R. Dorsey, $544,264; Mobil's Tavoulareas, $489,750; Standard of Indiana's Swearingen, $487,491; Texaco's Granville, $460,761; and Exxon's President C. C. Garvin, Jr., $457,083.

THE OIL COMPANIES' BIG RAISES AT THE TOP

Company	Total cash payments[1]		Percent increase
	1974	1973	
Exxon Corp.:			
J. Kenneth Jamieson, chairman	$676,667	$596,666	13.4
C. C. Garvin, Jr., president	457,083	395,000	15.7
Gulf Oil Corp.:			
Bob R. Dorsey, chairman	544,264	490,000	11.0
James E. Lee, president	324,704	266,666	21.7
Mobil Oil Corp.:			
Rawleigh Warner, Jr., chairman	596,000	499,667	19.2
William P. Tavoulareas, president	489,750	390,000	25.6
Shell Oil Co.:			
Harry Bridges, president	410,000	365,000	12.3
J. B. St. Clair, executive vice-president	232,500	203,340	14.3
Standard Oil Co. (California):			
H. J. Haynes, chairman	$342,415	$220,591	55.2
G. M. Keller, vice-chairman	222,070	143,325	54.9
J. R. Grey, president	222,070	143,325	54.9
Standard Oil Co. (Indiana):			
John E. Swearingen, chairman	487,891	465,811	4.7
Robert C. Gunness, vice-chairman	331,265	316,188	4.7
George V. Myers, president	318,943	285,714	11.6
Texaco, Inc.:			
Maurice F. Granville, chairman	460,761	273,748	68.3
John K. McKinley, president	263,669	176,009	49.8

[1] Including salary, incentive awards, bonuses, and payments to savings plans, but excluding stock options, deferred compensation, and contributions to pension plans.

Data: 1975 proxy statements.

INDIAN HOUSING

Mr. METCALF. Mr. President, a year ago, with Senators MANSFIELD, MONTOYA, and others, I cosponsored an amendment to S. 3066, the omnibus housing community and development legislation, to provide a set-aside of traditional public housing contract authority specifically for Indian use. We proposed that amendment, in which the distinguished floor leaders, Senators SPARKMAN and TOWER, concurred, for reasons that we believe were critical. The debate and Senator MONTOYA's statement made the intent of the Senate amply clear; earlier HUD commitments were to be met and, in addition, Congress was providing $15 million specifically for fiscal 1975 and 1976 for Indian housing.

Unfortunately, by means of an arbitrary interpretation of law, the Department of Housing and Urban Development has subverted our intent that houses for Indian people be constructed without delay and in accordance with all commitments made to them.

When the Indian housing set-aside was proposed, its cosponsors were concerned that HUD's almost obsessive support for a large scale, leased housing program to replace the traditional public housing programs would eliminate for Indians the only programs that can actually benefit them.

Although HUD officials on several occasions had concurred that leasing was not feasible on Indian land, the agency had failed to request a penny for traditional public housing in its fiscal year 1975 budget request. This meant to us that HUD had no intention of continuing its Indian housing program beyond June 30, 1974.

It also was evident that HUD would not complete the production commitment it had made to Indians in 1969 of 6,000 units yearly through fiscal year 1974. This commitment totaled 30,000 units, yet less than 20,000 of these units had been allocated to the HUD field offices when Senator MONTOYA proposed the set-aside in March 1974—3 months before the commitment was to expire. We feared then and now that the delay in allocation is a moratorium in disguise.

Mr. President, the Indian housing set-aside provides $15 million annually in contract authority for fiscal years 1975 and 1976 for Indian public housing, including the mutual help program. The setaside would complete the balance of the 1969 commitment, then estimated at 4,700 units, and would extend the Indian programs for 2 more years at a production rate comparable to the earlier commitment. We all recognized at the time that our efforts would only make a small dent in the overall housing needs of Indian people, but also we would establish in law the congressional intent that the tragedy of Indian housing be ended.

Last November, at the national Indian housing meeting in Arizona, Secretary Lynn announced that 6,000 units would be allocated immediately to the field offices for Indian housing production. This was welcome news to tribal authorities who had been prohibited from submitting applications during the long moratorium. Secretary Lynn told the 700 conference participants that this allocation represented HUD's fulfillment of the set-aside provision in the Housing and Community Development Act of 1974.

This was not true. HUD documentation, presented at the conference, clearly showed that the Agency intended only to allocate the units in fiscal year 1975, not to fund them until fiscal year 1976 contract authority became available. The document also showed that the 15 million in fiscal year 1975 contract authority would be used to fund a total of 6,585 units allocated to the field in several previous fiscal years that had not reached the annual contract contributions stage.

Simply put, HUD intended to use most of the new contract authority, totalling 30 million, to fulfill its old, 30,000 unit commitment. Practically no funds would remain for the new commitment that Congress provided. Using HUD's production figures through November 14, 1974, I have calculated that the 2 year congressional authorization will result in a maximum of 1,800 new units—not the 15,000 or so units that Senator MONTOYA and Senator MANSFIELD strongly urged.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of our letter to Secretary Lynn, dated December 13, 1974, and the Secretary's reply of January 29, 1975.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DECEMBER 13, 1974.

Hon. JAMES T. LYNN,
Secretary, Department of Housing and Urban Development, Washington, D.C.

DEAR SECRETARY LYNN: Among the many provisions of the omnibus housing legislation enacted this year in P.L. 93–383 was the set-aside of traditional public housing contract authority for Indian use only. This provision, Title II, Section 5(c), was introduced in the Senate in order to continue the production commitment made to Indians in 1969 by the Department of Housing and

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Urban Development, and to continue it with programs that can actually serve Indian people living on tribal and other Indian lands.

When this provision was introduced, it was expected that it would contribute to the construction of 7,500 units annually for fiscal years 1975 and 1976. That is, in addition to the 30,000 unit commitment made in 1969, the provision was expected to build some 15,000 additional low-income units that are so desperately need by Indian people. We, the undersigned, are now concerned that the intent of this provision will not be carried out. We have attempted to analyze recent Indian housing production figures of your HPMC staff, and your recent statements to Indian Housing personnel in Scottsdale, and have concluded that only 1,100 units will be produced in fiscal years 1975 and 1976 instead of the 15,000 units that were intended by the legislation.

These are the facts as we see them: According to a 6 November 1974 memorandum from Morris Shroder to Sheldon Lubar, there were 6,558 units allocated to tribal housing authorities before the end of FY 74 that were not put under ACC. These units will, according to that memorandum, "exhaust the FY 75 funding set-aside." Is it your intention to use the FY 75 Indian contract authority for units that are already in the pipeline?

Furthermore, at the recent HUD Indian conference in Scottsdale, you stated that in FY 75 6,000 units would be allocated to the field. However, these units would not be put under ACC until FY 76 because you stated: "it takes 18 months" from time of allocation to ACC. It is our view that this lead-in time is unduly long, that the law intended for $15 million in contract authority to be spent in each of the fiscal years 1975 and 1976 for *new* commitments, and that 6,000 units do not constitute any new commitment. When FY 74 ended, not only were there 6,558 Indian units in the pipeline but there were an additional 4,900 units of the original 30,000 unit commitment that had not been allocated. If these are the units to be allocated in FY 75 for ACC in the following year, then Indian people will be receiving only 1,100 units of the new commitment legislated by Congress.

At another point during your Scottsdale appearance, you were asked if the units allocated in FY 74 could have been funded with FY 74 funds, specifically a portion of the $140 million appropriated by Congress last October, 1973, in P.L. 93–117. Your response was that they could have. We wonder why they were not.

Congress increased the contract authority for public housing by $260 million when it enacted P.L. 93–383. These funds were intended to help HUD meet prior commitments. There can be little question that the 1969 promise made to Indians of 30,000 units by the close of FY 74 constitutes a "prior" commitment that should be honored.

P.L. 93–383 provides HUD with authority to finance the construction of approximately 15,000 more units of Indian housing over a two year period. We are extremely interested in how you intend to implement this legislative mandate; your timetable for allocating units; and what steps are being taken to insure that processing will be speeded up so that more Indian people will be housed. Congress and the Administration share the goal of eliminating the bad housing conditions of Indian people. The tools are available, but it is up to you to implement them expeditiously.

Very truly yours,

Lee Metcalf, Floyd K. Haskell, James Abourezk, Joseph M. Montoya, Frank E. Moss, Mike Mansfield, Henry M. Jackson, Ted Stevens, William D. Hathaway, Pete V. Domenici.

U.S. Senators.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., January 29, 1975.
Hon. LEE METCALF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: This is in response to your letter of December 13, 1974, which discusses the number of Indian housing units to be funded for fiscal years 1975 and 1976 under the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974. Like you, I am concerned that sufficient numbers of decent, safe and sanitary housing be provided for all Americans, including Indians. In that connection, I think it's important that we keep a stream of units allocated to our field office against which the Indian Housing Authorities can submit applications. We provided these authorizations in fiscal years 1974 and 1975 and certainly that principle will be taken into account in our fiscal year 1976 allocations.

At the outset, I think it may be helpful to clarify the use of some of the terms—at least as between "commitment," "allocation," "authorization," and "annual contributions contracts (ACC)." We receive the "authorization" from the Congress, "allocate" those units to our field offices and, after applications are received and approved, enter into an "ACC" with the entity that submitted the application.

Typically, it has taken about 18 months from the time we allocate the units until the ACC is signed and construction can begin. We agree the processing time is too long and we are making every effort to shorten it. However, the time necessary to complete the essential processing steps is only partly under HUD's control. In addition to problems encountered in the processing of public housing applications generally, the production of Indian housing is complicated by many special problems, including difficulties arising from the legal status of Indian trust lands, and problems arising from the necessity of coordinating HUD processing with processing of the Indian Health Service and the Bureau of Indian Affairs, which are integral members of the group of Federal agencies responsible for delivering the final product. The number of units that can be processed to ACC in fiscal years 1975 and 1976 by the Indian housing authorities is also limited by the current administrative capabilities of individual Indian housing authorities.

In that regard, we are engaged in a joint study with the Bureau of Indian Affairs to determine the relative housing needs among the Indian tribes—not only their physical needs, but their planning capacity and other software needs as well. Many of them do not yet have the capacity to determine and project their housing needs and how to satisfy them. We hope to have that information before the allocations are made in FY 1976.

You ask whether it is HUD's intention to use FY 1975 contract authority for units already in the pipeline. In a related question you ask why units allocated in FY 1974 were not funded with FY 1974 funds. The answer to the first question is "yes," because the statute is clear that the set-aside applies to all Indian housing placed under annual contributions contracts on or after July 1, 1974. The units allocated in FY 1974 could not have been funded with FY 1974 funds because the processing could not be completed to allow the contracts to be entered into prior to July 1, 1974. Consequently, the FY 1974 contract authority was carried forward for commitments in FY 1975 and thereafter. These monies are completely fungible and there is no way to identify which monies are from previous years.

Specifically, Section 5(c) of the USH Act requires, in part, that the Secretary:

"... enter into contracts for annual contributions, out of the aggregate amount of contracts for annual contributions authorized under this section to be entered into on or after July 1, 1974, aggregating at least $15,000,000 per annum ... to assist in financing the development or acquisition cost of ...." [Indian housing]

Thus, the statute does not provide for an additional allocation this fiscal year. The provision established a set-aside for FY 1975 and FY 1976 that may be satisfied out of all available contract authority (including the FY 1974 contract authority carried forward) by entering into annual contributions contracts on or after July 1, 1974. Therefore, entering into annual contributions contracts for Indian housing in the amount of $15,000,000 in FY 1975 and $15,000,000 in FY 1976 satisfies the statute.

Further, it would be unrealistic to allocate more units for Indian housing this year because the Indian Housing Authorities could not prepare and submit applications for any more units than are already allocated and we could not process them.

The number of units for Indian and non-Indian housing that can be produced with the contract authority provided by Congress has been reduced substantially because of inflation. Entering into ACCs for more than 6,568 units in 1975, and 6,000 units in 1976 would require a greater amount of annual contributions authority than the statutory $15,000,000 per year. We cannot use more than that amount without cutting into the authorization available for non-Indian housing, which has been similarly affected by inflation. By using $15,000,000 of contract authority each year for Indian housing, HUD is maintaining the ratio of Indian to non-Indian housing expressed in the 1974 law, and is meeting our prior commitments to both the Indian and non-Indian parts of the country.

Even though the allocations made prior to and during the current year will result in satisfying the statutes' requirements for ACCs in FY 1975 and FY 1976, please be assured that we don't look upon this as our only obligation. These commitments will by no means finish the job of helping Indians get better housing. As you so aptly pointed out in your letter to me, the Congress and the Administration share the goal of improving the housing conditions of the Indian people. With the tools you have given us, we intend to give our best efforts toward carrying out that goal.

Sincerely,

JAMES T. LYNN.

Mr. METCALF. Mr. President, we outlined the intent of the set-aside, how we viewed HUD's administration of it, and how we proposed that HUD fund completion of the old commitment, using funds specifically appropriated by Congress for prior bona fide commitments. We said, "Congress and the Administration share the goal of eliminating the bad housing conditions of Indian people. The tools are available, but it is up to you to implement them expeditiously." Mr. Lynn's reply was an ably written defense of his delay tactic, and confirmed his intention to use new contract money to fund the old commitment while ignoring the intent of Congress.

Mr. President, others will analyze more fully the precise difficulties found by the administration to impede their execution of the law and our suggestions to remove that impediment.

However, as chairman of the Subcommittee on Reports, Accounting and Management, and one of the authors of the

Budget and Impoundment Control Act, I have some general interest in methods devised by this very resourceful administration and its predecessor to avoid implementing the law. It is an extremely costly exercise, to write and rewrite legislation, to tailor it as it were, to assure it will be implemented. But I agree with my distinguished colleague from New Mexico, Senator MONTOYA, that once again we should amend and rewrite, once again we should spell out the intent of Congress. I am therefore pleased to join in cosponsoring an amendment to the Emergency Housing Act to assure that Indian entitlements to housing will be met.

RESPONSE OF DR. RALPH LAPP

Mr. GRAVEL. Mr. President, last month I entered into the RECORD the 1972 testimony of Dr. Ralph Lapp, the nuclear energy consultant, regarding the emergency core cooling systems of nuclear power reactors. I noted at that time that Dr. Lapp, who was once a critic of nuclear power safety, has lately been arguing in favor of nuclear energy.

Dr. Lapp has responded to my remarks and asked that his response be entered into the RECORD. I am happy to comply, and I ask unanimous consent, Mr. President, that Dr. Lapp's statement be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRAVEL. Mr. President, I would wish only to add that, unlike Dr. Lapp, I do not find nuclear power irresistible. I would say, specifically, that Dr. Lapp and I disagree on the following:

The escape of radioactivity in a nuclear accident is not comparable to flood damage, because of the potential long-term radiation consequences: the contamination of land and genetic injury, for example;

Alternative energy sources are unavailable to us not in the sense that they are unfeasible, but only in the sense that we are declining to develop them;

It cannot be assumed that energy growth will be so rapid, now that energy prices are rising and conservation is becoming important, that coal will be unable to meet increased demand;

There is still disagreement regarding reactor safety, as highlighted by the resignation of Carl Hocevar from AEC work to join the Union of Concerned Scientists;

The central problem of nuclear power is still waste management, and the comparison of nuclear power radioactivity with dental X-rays rests on the assumption that wastes can be contained with virtual perfection through several centuries and longer, an assumption which ignores the fact that the United States still has no program for permanent waste disposal.

With these caveats, however—and with the additional note that I believe Mr. Ralph Nader's concern with the issue is sincere and intelligent—I am pleased that Dr. Lapp has given me this opportunity to present his further thoughts on the subject of nuclear power.

EXHIBIT 1

COMMENTS ON SENATOR GRAVEL'S CONGRESSIONAL RECORD INSERTION "NUCLEAR PROPONENT ONCE KNEW BETTER"

(By Dr. Ralph Lapp)

I am happy to note that you approve of my testimony given in January 1972 with respect to nuclear reactor safety. You will recall that I made a presentation of my views on this subject, specifically on the topic of emergency core cooling systems (ECCS) almost a year earlier to the Senate Committee on Public Works. This presentation preceded by several months the Atomic Energy Commission's issuance of its Interim Acceptance Criteria for ECCS.

You approve of my stand on nuclear safety as I expressed it in 1971–72 and apparently do not approve of what you interpret to be my views as of the present time. I am therefore taking this opportunity to inform you of the factors that have played a part in reshaping some—but not all—of my views on this subject. Much new information about reactor safety has come to light within the past three years and it is the responsibility of a critic to keep abreast of these data and to apprèciate their significance.

As a long time critic of the now defunct Atomic Energy Commission, I always attempted to lay the basis for criticism in a substantial manner and to buttress my criticisms with a factual basis. To this end I have often resorted to rather technical, often highly footnoted, articles. I believe that the record will show that my nuclear criticisms, begun during the early 1950's, were based on presentation of facts and they were not keyed to any emotional sensationalism of the type Ralph Nader practices.

I would remind you that as an AEC critic I meticuluously avoided seeking contracts or consultantships with the AEC. At no time did I ever received any money from the AEC. During recent years I have accepted consultantships with the Senate Public Works Committee and with the General Accounting Office and the National Science Foundation, but I have continued to dissociate myself from any direct contractual relationship with the AEC or its offspring, the Nuclear Regulatory Commission and the Energy Research and Development Administration.

The nuclear risk situation today differs markedly from that of three years ago. During this time period we have had an exhaustive investigation of the ECCS issue and I believe that the issue has been thoroughly explored. Furthermore, we have available a draft version of an extensive reactor safety analysis in the form of the Rasmussen Reactor Safety Study (WASH–1400). While its findings are subject to modification based on critiques that have been made, I am impressed by the accident sequence mode of analysis, especially the fact that core-melt consequences have been studied so carefully. Whereas in 1971/72 I thought that a reactor core-melt would produce potentially catastrophic consequences, I now learn that such nuclear events are sharply circumscribed in terms of radioactive releases to the environment. It is pertinent to note that the Reactor Safety Study found core-melts to be more probable events than had been anticipated prior to the initiation of the study. The analysts did not attempt to sugarcoat their findings.

A major finding of the Reactor Safety Study is that large nuclear accidents, i.e. the type considered in the general category of the 1957 WASH–740 report, are exceedingly improbable. To my mind one of the important aspects of the Reactor Safety Study is that it makes risk comparisons. We live in an age of high technological risk and every day millions of Americans subject themselves to hazards, often unknowingly, that are far greater than those posed by nuclear hazards. For example, the seismic failure of certain dams in California is a flood threat that is many thousands of times more probable than death from a WASH–740 scenario.

Thus the whole framework of nuclear risk-taking is dramatically transformed by the WASH–1400 quantification of nuclear accident probability and consequence estimation.

I believe that the past three years have seen a radical change in the energy prospects for the United States and all of us have to make a reassessment of energy priorities. Whereas nuclear power was once an option for the future to be considered along with all other energy options, it has become clear that alternatives to nuclear power narrow down to a single choice, namely, coal. Therefore, in considering the nuclear risks we must also consider the coal risks, as well as the feasibility of exploiting our coal reserves.

During the past three years I have focused much of my effort on assessing the fossil fuel situation. While the Nation has an abundance of coal in minable form, there are very real limits to the rate at which this resource can be exploited, especially if we consider the manpower required to strip or deep mine the coal, the environmental risks in mining, the transportation problems including both accidents and train capacity, and the very real problems of effluent control. I believe that we must get all the coal we can get out with minimum environmental impact, but I also believe that we cannot depend on coal without a nuclear assist. During the next 25 years uranium can supply energy equal to 25 billion tons of coal; this makes nuclear power an option that is irresistible.

During the past three years there have been some profound changes in the federal management of nuclear energy. For example, the Atomic Energy Commission became an "open agency" in response to the initiatives of Drs. James Schlesinger and Dixy Lee Ray. This openness in nuclear development and regulation permitted me to have free access to information and to AEC scientific and technical personnel. I found that I was able to exchange views with AEC scientists and to explore issues in controversy. The creation of the Office of Safety Research under the direction of Dr. Herbert Kouts represented a significant advance in assuring competence in the reactor safety field. I know Dr. Kouts to be an eminently capable scientist and a truly honest individual. I believe that criticism of the AEC's safety program has resulted in an acceleration of safety research and this is manifest in the current ERDA and NRC budgets. In this area I believe that my criticisms of the AEC safety program were valid and that the agency was responsive to criticism. As a critic I could not wish for more.

During the past three years I have spent much of my time studying reactor engineering and in investigating reactor performance. As a nuclear scientist in 1971 I was too little aware of the details of nuclear engineering that are critical to understanding issues of nuclear safety. It was only through actual on-site studies of commercial nuclear power plants that I gained better perspective about these issues. For example, I learned first hand just how much redundancy is built into the reactor safety systems. Thus when an accident happens as was the case on March 22nd when a fire took place in the cable trays at Browns Ferry 1 and 2, the reactor operators were able to secure the plant through reliance on back-up systems. Critics of nuclear power do little good when they shoot from the hip with instant criticism and inadequate information about the accident.

In conclusion, I am happy that I was "a very convincing critic" of nuclear power in 1972—to use your words and I hope that you will find me as convincing in 1975—this time being up-to-date and recognizing the constructive events that have taken place during the past three years. I agree with you

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that "we must not accelerate the development of nuclear power if it is unsafe for us and for those who will follow us." But I believe that the nuclear risks have been examined carefully and that they are reasonable risks considering other non-nuclear risks to which we are exposed. I share your concern that Americans be exposed to a minimum of penetrating radiation, but I also point out that nuclear radiation risks are very small compared to the risks of exposure to dental and medical diagnostic radiation. I point out, in addition, as I did in testifying this month before the House Ways and Means Committee, that without nuclear power the United States cannot hope to support a dynamic economy with adequate energy supplies. Alternatives such as solar energy cannot supply vital energy in the large scale needed over the next few decades.

THE MENTALLY RETARDED—A VAST POTENTIAL OF HUMAN RESOURCES

Mr. TALMADGE. Mr. President, in this age of high technology, we all too frequently overlook the vast potential of human resources that are represented by the mentally retarded in our country.

I am informed that there are today probably 500,000 adult Americans who, despite being mentally handicapped, have the capacity of performing useful and rewarding jobs in our society. Yet many of these people spend much of their lives in semiconfinement and in endless days of boredom and inactivity.

Fortunately, there is a growing recognition that the lives of many of the mentally retarded can be made productive, and more and more of them today are being provided with paying jobs—jobs that benefit not only the individual but society as well. This movement is being led by the many State and local associations for the mentally retarded working in cooperation with enlightened industries and other employers.

Mr. President, I am pleased to report the happy results of one such cooperative effort that is taking place in Georgia. The Chatham County Association for Mentally Retarded Citizens, located in Savannah, Ga., and Interstate Paper Corp. of Riceboro, Ga., have developed a novel plan for using adult retarded citizens to aid in reforestation activities in the coastal area of Georgia.

Under the plan, Interstate contracts with the association to provide manpower for the hand-planting of young pine seedlings in certain areas being reforested where a man can do a better job than a machine. The retarded citizens are paid for their labor and are supervised by the association.

The reforestation work by the retarded citizens and Interstate Paper Corp. was begun on an experimental basis last January. By the time the winter planting season was over, I am advised that the retarded persons had planted some half a million young pine trees. I understand the project will be resumed and perhaps expanded in the fall.

Mr. President, I think the Georgia project is dramatic evidence of what can be done to provide practical, useful job opportunities for the mentally retarded, and I ask unanimous consent to have printed in the RECORD two newspaper reports on the success of the project, one from the Savannah, Ga., Evening News and the other from the Liberty County Herald, Hinesville, Ga.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Savannah Evening Press, Apr. 7, 1975]

IN THIS, EVERYBODY WINS

(By Ann Marshall)

A new job opportunity has opened for some members of the Chatham Association for Retarded Citizens: hand planting of pine seedlings.

The baby trees normally are planted by a machine. But, the mechanical process is unsatisfactory in odd-shaped, small pockets of land.

Some 15 retardees were hired by Interstate Paper Corporation of Riceboro during the 1974–75 planting season to handle these special sites.

Interstate Vice President William J. Verross called the result "excellent."

MUCH BETTER JOB

"We have found that these people do a much better job than machines in many instances," said Edgar L. Hart Jr., Interstate's woods manager, who directs the firm's reforestation activities.

Hart and an associate, Burney Riggs who heads personnel at Interstate, both have retarded daughters. They suggested the project of using mentally handicapped persons as tree planters.

"They can get into tight places where tractors can't go and they can get the pine seedling's tiny root in firmly.

"But the most important thing these people contribute is the care—even pride—that they give to their work," Hart said.

MORE EFFICIENT

"That makes them more efficient than any machine I know."

Verross said. "It's a program where everybody wins. The retarded citizens are given an opportunity to do something useful for which they get paid; we get an excellent tree planting job; and the forest resources and environment of the area are improved."

The retardee workday, from 9 a.m. to 3 p.m., includes travel time to a site within an hour's drive of Savannah—home for all those in the project.

They ride together from the Chatham Association headquarters on Eisenhower Drive and return there daily.

The group's planting rate has risen to at least 40 acres in five hours, at an estimated 600 seedlings to an acre.

HALF MILLION TREES

They are expected to put in half-million trees in some 800 acres this season, according to David Hagins, director of work projects activities for the Chatham Association.

Interstate pays the association under a contract agreement. The association then pays each retarded worker $2.10 per hour.

Under the contract. Interstate provides seedlings, planting equipment and sites, while the association recruits and supervises the workers and provides transportation to and from the planting sites.

On the work team, a "pacer" counts out seedlings from his shoulder pouch, dropping one each five feet.

Planters follow him with a "dibble," or planting tool, and set the seedling so that its roots are firmly covered after placing in the hole, opened some four or five inches with the dibble.

The trees are lined on rows 12 feet apart.

Interstate and the association plan to continue the contract for the 1975–76 planting season.

[From the Liberty County (Ga.) Herald, Mar. 27, 1975]

INTERSTATE PROGRAM AIDS RETARDED

A Georgia paper company in Riceboro and a retarded citizens group in Savannah have joined forces to develop a unique program for using mentally retarded persons to help reforest coastal Georgia.

Under an experimental program begun earlier this year, Interstate Paper Corp. of Riceboro regularly uses about 15 persons recruited by the Chatham Association for Retarded Citizens to plant young pine seedlings by hand on reforestation sites.

The experiment has worked so well that both Interstate and the Association plan to continue the program on an expanded basis this fall when pine-tree planting for the 1975–76 season begins.

"It's a program where everybody wins," says William J. Verross, vice president and general manager of Interstate Paper. "The retarded citizens are given an opportunity to do something useful for which they get paid; we get an excellent tree planting job; and the forest resources and environment of the area are improved."

Interstate Paper has provided reforestation services for landowners of coastal Georgia for several years. But before the handicapped program, all planting was done mechanically by tractor-drawn tree-planters.

Under the new program, the company is using the team of retarded persons to plant by hand some areas—particularly small and odd-shaped sites where machine planting is at a disadvantage. Hand planting supplements—not replaces—mechanical planting.

"We have found that these people do a much better job than machines in many instances," says Edgar L. Hart, Jr., Interstate's wood manager who directs the company's reforestation activities.

"They can get into tight places where tractors can't go, and they can get the pine seedling's tiny roots firmly into the ground in some terrain where the treeplanter won't do a good job," Hart says. "But the most important thing these people contribute is the care—even pride—that they give to their work. That makes them more efficient than any machine I know."

Hart and an associate, Burney Riggs, head of personnel at Interstate, came up with the idea for using mentally handicapped persons as tree planters. Their concern for finding useful and helpful work for retarded persons is very personal: both are fathers of retarded daughters and know the need to provide constructive tasks to persons of any age with a mental handicap.

Hart proposed the idea to the Chatham Association for Retarded Citizens and was accepted immediately. A contractual agreement was arranged whereby the Association is paid approximately the same per acre as commercial contractors for every acre of trees planted by hand. The Association in turn pays the retarded persons $2.10 per hour.

The Association recruits and supervises the workers and provides transportation to and from planting sites. Interstate Paper provides the seedlings, equipment and site preparation.

The team provides the labor in a workday starting at 9:00 a.m. and ending at 3:00 p.m. David Hagins, Director of Work Projects Activities for the Association, said, "The five-hour work day includes driving time." The members of the team are taken independently to the Association office and depart for the site at 9:00. They are picked up at 3:00 from the Association office and dispersed to their respective homes in the Savannah area.

The planting procedure begins when the workers open the bags of seedlings and sort them for placement in shoulder pouches worn and used by the two workers who can count. These employees are called "pacers."

Pacing up—or down—the prepared planting rows, the "pacers" drop the seedlings

every two steps approximately five feet apart. Other members of the crew follow behind and set out the seedlings with a hand tool known as a dibble. With the dibble, the worker opens a four or five inch slit in the ground, sometimes using his foot for extra pressure to open the slit to the proper depth. The worker then inserts the seedling into the hold, and again uses the dibble and foot pressure to pack the earth around the roots.

"Tree planting is not considered a physically difficult task but does require sufficient care and skill in planting at the prescribed depth and packing the roots firmly to prevent dying," Mr. Hagins said. "Even so, we recruit only healthy, physically strong persons for this project. Those who enjoy working outdoors.

He added, "The workers are now planting at least 40 acres in five hours. An estimated 600 seedlings are planted to an acre. The soil preparation is laid out for planting every six feet on rows on beds that are 12 feet apart."

Mr. Hagins, who works full time in training and finding employment for retarded persons, is enthusiastic with the number of acres planted to date. He expects 800 acres will have been planted by the Association workers in this first-of-a-kind program. "That is nearly a half million trees," he said.

Most of the hand planting thus far has been done within a two or three county area of Savannah. According to Mr. Hagins, the Association likes to set driving time one way at a one-hour maximum. The crew has been 55 minutes away from the Association office this planting season.

THE ESSENTIAL PURPOSE AND QUALITY OF AMERICA

Mr. MANSFIELD. Mr. President, the distinguished senior Senator from New Hampshire, Mr. MCINTYRE, delivered this morning a most perceptive address at the convention of the American Bankers Association. In it he questions some of the most fundamental premises of American attitudes and perceptions. I believe the address raises questions that all Americans should ponder.

I ask unanimous consent that this address be printed in the RECORD and commend its thoughtfulness to the entire Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY U.S. SENATOR THOMAS J. MCINTYRE

THE ESSENTIAL PURPOSE AND QUALITY OF AMERICA

Mr. Chairman, honored guests, members of the Governing Council, and friends:

In the interests of time, I am going to charge off the customary one-liners as a poor investment at 9 o'clock in the morning and get right into my message.

I didn't come here today to talk about banking. As your Association wisely acknowledged, the business of banking is *not* just banking. And because other speakers—the distinguished Martin Mayer, for one—will be talking about banking in specifics, I'm going to talk to you as fellow Americans who just happen to be bankers.

I am going to start with an assumption. I am going to assume that you agree with me that it will be neither legislation nor regulation that decides banking's fate in the months and years ahead, but the degree of confidence the American people have in their political system, their government, their leaders and their institutions.

By every measure, the last few years have seen a precipitous decline in public confidence. And while I couldn't begin to span the spectrum of cause and effect here this morning, I would like to invite you to join me in some soul-searching about trust and confidence that may not be altogether pleasant—but could be well worth our while.

Let's begin this exercise in introspection by giving it some perspective. Here we are on the eve of our Bicentennial celebration—an event that could signal the end of the beginning of our Nation—or the beginning of the end.

The question before us is this: Was the grand American experiment to be but a transitory flash across a few pages of history—a fleeting comet of hope that burned itself out in the dense atmosphere of concentrated crises?

Or would those crises—coming one upon another in recent years—turn out to be the final test and tempering of a nation that had to lose its innocence before it could find itself again? I suggest the answer lies in how honest we are with each other—and how honest we are with ourselves. And we can start by admitting the truth about our troubles.

To begin with, there is no way we can ignore the severity of the blows we have sustained since the early sixties—three assassinations, Indo China, the decline in American influence abroad, Watergate, endemic inflation, rising unemployment, the energy crisis and an economy in alarming disarray. But neither is it necessary to wallow in those agonies.

In my judgment our time would be better spent examining the fall-out from these rapid-fire crises, for in that problem lies the *real* challenge to survival. Inevitably, crisis shatters illusion. And when national crises shatter national illusions, then the restoration of public trust and confidence depends upon the credibility of explanation and solution. Clearly, neither the explanation of why these crises occurred, nor the remedies proposed, have satisfied the American people.

Polls tell us that fewer and fewer Americans accept the official account of the murders of John F. Kennedy, Robert Kennedy and Martin Luther King.

Polls tell us fewer and fewer Americans identify with either political party, that public respect for the Congress is at the same low tide as confidence in the President's leadership.

Polls tell us that on the eve of the collapse of Vietnam, only 16 percent of the American people favored sending more military aid.

Polls tell us there is only one country in the world that a majority of Americans would favor defending with American troops, and that country is our neighbor, Canada.

Polls tell us that millions of Americans are convinced that last year's fuel crisis was a hoax to line the pockets of the oil companies and the utilities.

And the official record reveals a disturbing breakdown in personal morality, a breakdown brought on by the growing feeling that there is a double standard of justice, that the high and the mighty escape the full consequences of the law, that being ripped off justifies ripping off someone else. We see this reflected not only in the statistics of secret crime, but in the proliferation of white collar crime—not only in tax cheating, but in check-bouncing.

The cynicism abroad in this land is the measure of mistrust, and it seems to me that if America is to survive, then the first order of business is to reopen the public dialogue on a level of candor and receptiveness we haven't achieved in more than a generation.

Back in 1843 a great statesman—born in my own New Hampshire and claimed as well by the Commonwealth of Massachusetts—defined what made this nation a nation—what made it a nation that could survive for centuries and centuries to come.

In his second Bunker Hill address, Daniel Webster made the forceful argument that the purpose and the essential quality of this Nation was *balance*. The force at the center of the Nation had to equilibrate, he said, or the result would be chaos. As long as this fundamental balance was maintained, the Nation would remain strong enough to accommodate diversity—and strong enough to survive adversity.

Implicit in what Webster said, was an appeal to the people not to let the class and regional rivalry then straining the Union destroy its balance.

But also implicit was an appeal to the nation's power structure to be alert to injustice and inequities, to be receptive to new concepts, to be respectful of diverse opinion, to be willing to compromise and to accommodate to changing circumstances and new realities. Again, all in the name of preserving that precious national balance.

Let me tell you why I believe the latter appeal *was*, and *remains*, the more compelling.

The social ethic of the Constitution holds that the *people* are the ultimate authority, does it not?

But the sheer mass of 220 million Americans—scattered and preoccupied with personal and parochial interests—leaves the immediate and primary responsibility for charting the *course* of the nation to the *power* structure of the nation.

Now when we consider that the power structure of the country is, in truth, that loose coalition of business leaders, political figures, old line labor leaders and opinion molders we call The Establishment, it would seem at first glance that ours is *not* a democratic republic—but an elitist regime.

Is it?

It was not supposed to be.

Even if we concede the practical need for a power structure, the social ethic of the Constitution is unmistakably clear . . . *and it demands that the power structure—The Establishment, if you will—be ultimately and forever accountable to the people.*

We—you and I—are part and parcel of The Establishment whether we like it or not. And so, in the context of this discussion, it is time to ask ourselves some questions.

Have we been accountable to the people? Have we met Webster's challenge to The Establishment to be alert and responsive to injustice and inequities, to be receptive to new ideas and concepts, to be tolerant of diverse opinion, to be willing to make necessary compromises, and accommodate to changing circumstances?

Have we made an honest effort to preserve the viability of the public dialogue . . . to keep the lines of communication open and responsive in order to build trust and confidence?

Or—under the stress of crises and the clamor for reform of the system, reexamination of values, reordering of priorities, and redefinition of national mission—have we hardened our defense lines around the status quo . . . and made bankrupt rhetoric and the cant of conventional wisdom our sole contribution to the public dialogue?

Let me drill a little closer to the nerve.

I have a strong feeling that you and I have a lot more in common than circumstantial membership in The Establishment.

Many of us are from the same generation and much the same background. We were reared in a simpler time, when value systems, authority and conventions were rarely challenged. In that sense, ours was a secure existence because it was singularly free from question if not from need. And when we grew up, even the wars we fought were fought with unswerving conviction and untroubled conscience.

In short, we came from a time and a society where it was deceptively easy to subscribe to "my country right or wrong" because to our knowledge our country never *did* anything wrong.

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America was *good* . . . because it was good to *us*.

And within many of us, this conditioning nurtured a simplistic, single-dimension patriotism that rarely looked beyond the furls of the flag or the lyrics of the anthem and was sharply at odds with the sohpistication of our education and our adult experience.

We *knew* what America was, didn't we?

It was God-given bounty in endless supply: It was oil and steel. It was opportunity and enterprise. It was a way of life so righteous and rewarding we were honor bound to impose it upon other peoples and cultures whether they wanted it or not.

Moreover, there were spin-offs from this primitive concept of *what* America was . . . and *why* it was that we were no less self-deluding.

Did we not begin to equate right with respectability? Dollar success with omniscience in all matters? Conformity with competence? Traditional methods with eternal verities? Bigness with best?

If the answer is at least a qualified Yes, then perhaps this explains why the public dialogue broke down.

For under siege by its own convention-defying sons and daughters, and by some thoughtful non-Establishment adults the power structure of the country fell back to defend its vested interest in the status quo with an arsenal of rhetoric that bore little relationship to changing circumstances and new realities and was an affront to balanced judgments.

Consider some of that rhetoric:

When that quintessential figurehead of The Establishment, Richard Nixon, was toppled by Watergate, how did we respond?

Did we tell those who looked to us for balanced judgment that Watergate proved that the Founding Fathers' system of checks and balances still worked? Or did we call it "politics as usual?" Or cynically observe that Richard Nixon's only mistake was "getting caught?"

When the energy crisis caught us unawares, did we face up to it as the legacy of heedless exploitation of finite resources, the neglect of keeping refinery capacity up to demand, a pricing structure that encouraged waste and discouraged conservation, the failure to develop alternative sources?

Or did we blame it all on the embargo and the environmentalists?

Were we guilty of the same tunnel vision in explaining the current economic crisis?

Did we blame it all on inflationary government hand-outs and social spending? But discretely ignore the increasing number of industry giants seeking government bail-outs to help them socialize losses while they privatized profits?

Did we vent our moral outrage on welfare cheats . . . but save none of it for anti-trust violators, price-fixers, price gougers or government contract rip-off artists?

And when our exaggerated national pride was offended by the refusal of rebel forces in far off Indo-China to surrender to Government troops backed up by thousands of American advisors, soldiers, planes and equipment, how did we respond?

Did we say failure was due to our not doing enough? Did we call for more of the same? More money, more guns, more bullets, more Americans drafted from the ghetto while our sons were safe in college? Or did we admit to a colossal error in judgment and face up to the avalanching evidence that the cause we were supporting wasn't viable enough to support itself?

Now earlier I said that when national crisis shatters national illusion, the restoration of public trust and confidence depends upon the credibility of explanation and solution.

The Establishment's explanations for the crises I've noted won't wash, my friends. *They simply won't wash.*

But what concerns me now is The Establishment's post-crisis response. What solutions will the power structure offer for the American people's consideration?

Let me zero in on two, and tell you straight off that *they* won't wash, either.

Indeed, one of them could kill the *body* of America . . . and the other its *soul*.

Consider the Establishment's solution to the energy crisis? What does it propose to the American people?

More of the same. More oil wells, more refineries, more coal mines, more nuclear fission generating plants. All this in the face of disturbing evidence that our national sources of oil and natural gas will be gone in 25 years. That mining the tempting subsurface coal in the Western States could destroy the water supply and the food producing capacity of that region, that generating power through nuclear fission may not be cost effective, may never become fail-safe, but may become ever more vulnerable to theft, sabotage and terrorist blackmail.

Is this all we can offer the American people? This and higher and higher energy costs? I'm sure you've heard that some people are now paying more for electricity than they are on their home mortgages. And what does *that* do to public trust and confidence?

What ever happened to the vision, boldness and ingenuity of American enterprise? Did it, too, fall victim to the deluding comforts of the status quo and the rigidities of conventional wisdom?

Let me tell you a little story. A year ago, a native son of my State of New Hampshire died after a lifetime that spanned more than a century.

This man believed that the sun could be put to work to provide energy without pollution. In 1920 he invented a solar cooker. In 1938 he patented a solar engine that would produce 100,000 kilowatt hours of electrical power a year. In 1972 he secured another patent on a refinement of this engine.

But he never found anyone willing to invest in so much as building a prototype.

Some of you may have conjured up an image of an eccentric visionary no respectable investor in his right mind would take seriously.

You'd be wrong. The gentleman I'm talking about is the late Dr. Charles Greeley Abbot, a world-renowned astrophysicist who at the time of his death was the oldest member of the National Academy of Sciences, the past president of the prestigious Cosmos Club, and the long-time secretary of the Smithsonian Institution.

When a man of *his* credentials is not taken seriously by The Establishment, what more is there to say? Except to ask what America's energy situation would be today if The Establishment had listened to, encouraged, and underwritten Dr. Abbot's efforts fifty-five years ago.

But if The Establishment has defaulted in its responsibility to be receptive to new concepts and responsive to new challenges in the aftermath of the energy crisis, it has all but destroyed its credibility in the closing hours of the Indo-China crisis.

If ever a situation cried out for honesty with ourselves, it is here. For The Establishment has deluded itself—and misled the people—for a quarter of a century.

I can say this, because for a long, long time this particular member of The Establishment deluded *himself* about Vietnam, and I know I was not alone.

It was not until 1968 that I began asking myself why the light at the end of the Vietnam tunnel kept going out before we reached it. And finally it came to me that those rosy read-outs from the Pentagon and the State Department computers were the direct result of faulty programing.

Not only was the information fed into the computers of suspect accuracy, but motivation—the most crucial component of all—was never factored into the equation!

The entire analytical process was skewed from the outset by this glaring omission, and the blame rests squarely with The Establishment and its faulty assumption that the Government of South Vietnam was a bastion of freedom and democracy its people would fight to the death to defend.

It is now tragically self-evident that neither 56,000 American lives nor 150 billion American dollars could make that assumption fact.

And I say to you here and now: *The final, ultimate and most reprehensible betrayal of truth in this endless travesty is the misbegotten effort—already under way—to dump a load of guilt and anguish upon the American people for the fall of South Vietnam and Cambodia in order to save face for The Establishment and soothe the tender egos of those whose prophecies self-destructed before they self-fulfilled.*

The American people didn't sell out South Vietnam and Cambodia.

They gave their dollars. And they gave their sons. Fifty-six thousand Americans died in Indo-China. But so far as we know, *not one* Soviet or Chinese soldier fought on the side of the North Vietnamese.

The American people gave *34 times* as much military aid to South Vietnam as the Communist powers gave to North Vietnam. And let the record show that, by the CIA's own estimates, we gave the South Vietnamese $6.6 billion in assistance *since* the Paris peace accords were signed, while the Soviets and the Chinese were giving only $2.7 billion to the North Vietnamese.

The American people gave again and again and again . . . until to their everlasting credit they finally saw what the Establishment *still* refuses to see—that we were *not* supporting freedom loving democratic governments, but callous despots who rigged their own elections, jailed their political opponents, closed down critical newspapers, and wallowed in bribery and corruption.

They saw the paradox of an Establishment boasting of detente with the Soviet Union and the People's Republic of China but obsessed with crushing rebellions—inspired more by anti-colonialism and nationalism than by communism—in tiny Southeast Asian countries.

They saw the inherent flaw in a foreign policy that allied us with authoritarian regimes whose sole claim to our support was *not* that they stood for freedom, but that they spoke against Communism. They saw that the dominoes are falling not for lack of our support—but from their own inner rot.

They saw that from beginning to end, paradox, duplicity and self-delusion have presented us with an endless series of impossible options in Southeast Asia, including the final and agonizing choice of pledging more aid or risking the lives of those Americans still in Saigon to *South* Vietnamese reprisal!

No, my friends, the American people cannot—and *must* not—be blamed for the mistakes of The Establishment.

They deserve the Establishment's admission it was wrong.

They deserve the Establishment's pledge to see straight—and talk straight—from now on.

If the people are given the facts, if they are told the truth, if their judgment is respected by The Establishment, if the public dialogue is a two-way street, they will make what sacrifices are necessary; they will honor those national commitments that deserve to be honored.

There is nothing wrong with their compassion; nothing wrong with their courage; nothing wrong with their resolve.

But don't ever try to fool them again. Because they *know* better now.

. . In sum, then, on the eve of our Bicentennial there is no more pressing order of business than the restoration of public trust and confidence.

. . The first step toward that goal is to reopen the public dialogue.

. . The success of the dialogue will depend entirely upon the degree of honesty in which it is conducted.

. . If an Establishment which has not been honest in the past, which has been evasive, deceptive, self-serving and defensive, which has dealt not with new realities and changing circumstances but with old myths and illusions, refuses to change its ways, then we can bid what may be a final farewell to that precious national balance Daniel Webster defined as the essential *quality* and *purpose* of America.

That eternal font of conventional wisdom—Calvin Coolidge—once said that the "business of America is business."

With that in mind, I leave you with this thought:

If The Establishment refuses to learn, refuses to accommodate to new times, new conditions, new realities—persists in carrying on "business as usual"—we may all look up some day and see a sign in America's window.

And that sign will say—"Lost Our Lease."

CONGRESSMAN DANTE FASCELL HONORED

Mr. STONE. Mr. President, on March 26, 1975, my friend and colleague, Congressman DANTE FASCELL, was honored by the Key West Art and Historical Society at a reception in Key West, Fla.

Mr. Burt Garnett, president of the association, presented Congressman FASCELL with a plaque in recognition of his untiring efforts and interest in the historic restoration and preservation of Key West.

The Monroe County Tax Assessor, Joe Allen, gave a brief talk prior to the presentation of the award to Congressman FASCELL. Mr. President, I ask unanimous consent to have Mr. Allen's remarks printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

> We are here tonight to honor a man whose excellence in the field of public service on a National, State and Community level has distinguished him as one of the most outstanding men ever to serve our Country in Congress.
>
> It has been well said that no man is indispensable; however, from my standpoint Dante Fascell approaches this ideal so closely that I find it hard to imagine how we would work out the many problems which confront your public officials in the field of government if he were not available for us to call upon.
>
> I can well remember Dante Fascell's first introduction to politics. I was invited to attend a meeting in the Woman's Club Building on Duval Street attended by only a few including Dante, John Buckley, who later became his administrative assistant, and their wives. This meeting was one of his first of the successful campaign which sent him to the Halls of Congress.
>
> A newspaper man friend of mine once wrote me that he was "tenacious as a tiger". I remembered this comment over the years and how true it described him in the years to come. When given a challenge, Dante always goes out to win and because of his persistence and endurance, distinguishes himself from most others in the political field.
>
> Because of limited time, I will mention only a few of his contributions to the well-being of this Community and endeavor to confine them to the field of historical restoration and preservation of which we are particularly interested.
>
> The projects which I am about to mention are generally taken for granted by our citizens. But let me tell you—each and every one of them was gained at a price. Someone had to exert an extra special effort, strain that muscle a little harder than average, to successfully accomplish that undertaking. Generally that person was our honored guest tonight, Congressman Dante Fascell.
>
> As a County Commissioner I recall the effort he put forth to obtain the county beach site which had been declared surplus by the Federal government.
>
> With the beach came the West Martello Tower, now our Garden Center, and the birthplace of our museum.
>
> Then, the fight to obtain East Martello tract for the County to be used for airport purposes. This required a swap with the Navy which involved the re-routing of U.S. One paid for in part with Federal road moneys allotted to the County. With the airport tract came the East Tower, now home of one of the most outstanding museums in the Country. Before that, our Congressman successfully persuaded the Navy to permit Key West Art and Historical to occupy the Fort on a day to day basis. These negotiations did come easy and without opposition from many sources difficult to understand.
>
> Dante successfully fought to obtain the Lighthouse Keepers quarters for Monroe County now used as a Military Museum. Outstanding were his efforts to make the light itself an integral part of the museum compound. I can never forget how "tenacious" he fought to keep the light out of private interests. Interests which were powerful on the national scene and which had the inside track and a head start on our organizat.on. Dante never gave up and his success brought into being one of the City's most popular tourist attractions and historically important landmarks.
>
> His latest achievement revolved around making Fort Taylor available to the public either as a Federal or State monument. When he experienced difficulties on a National level, he used his influence with State government to make it a part of the State Parks system.
>
> Under his administration and through his efforts Fort Jefferson became a National monument and the heavy tide of deterioration and vandalism was stemmed and in its place came restoration and preservation.
>
> Now, with the closing of the Navy Yard, Dante has moved in to throw a blanket of protection over the Naval Station itself and particularly such buildings as the Little White House, the old Coast Guard Building, and the Red Brick Post Office.
>
> Why has Dante been successful in every one of his efforts in the field of restoration and preservation? Because he has an intimate feeling for the past, an appreciation of the Island's colorful history and a love and dedication for service to those whom he represents.
>
> With all of this, he has remained quietly behind the scenes, often unnoticed and unrewarded while the glory went to others. Because of this I am happy to have the opportunity to be a part of some small effort to recognize his great service to Key West, Monroe County, his State and Nation. No one deserves it more.
>
> It gives me great pleasures to present to our beloved Congressman Dante B. Fascell this small token of esteem and appreciation for his service to our City in the field of historical restoration and preservation.

SMALL BUSINESS COMMITTEE BEGINS IN-DEPTH STUDY OF BUSINESS TAX STRUCTURE

Mr. NELSON. Mr. President, the Senate Select Committee on Small Business has for many years been deeply interested in tax problems of the small business community. That vital sector of the American economy accounts for 97 percent of the total number of businesses, between 52 and 53 percent of the employment, and more than one-third of the gross national product.

Under its previous chairman, the distinguished former Senator from Nevada (Mr. Bible), the committee took the lead in developing a comprehensive small business tax simplification and reform proposal which was first placed before the Senate in June of 1970. That bill was subsequently refined and reintroduced in 1971 and 1973. In August 1974, nearly one-fourth of its provisions were accepted by the Ways and Means Committee for inclusion in the omnibus tax reform bill. That legislation, however, did not come before the full House or Senate for action last year.

POSITION OF SMALL BUSINESS HAS DETERIORATED

The difficulties of new, small, and medium-size independent business firms have not improved with the passage of time. The weight of Federal, State and local taxation, as well as the attendant paperwork burdens, grow heavier every year. Moreover, the inflation of 1974—with its 21-percent increase in the wholesale prices and the "deep recession" of 1974–75—with the sharpest economic contractions in sales and production since the Great Depression, have injured smaller businesses first and worst.

The 3 days of testimony which our committee took in February on small business tax needs, incident to congressional consideration of the Emergency Tax Reduction Act, revealed that profits of smaller businesses turned down earlier in 1974 than those of big business; that the equity securities market for financing smaller firms came to a standstill: and that interest rates offered to small businesses ranged from 12 to 18 percent for needed capital to pay essential bills.

SOME TEMPORARY RELIEF IN EMERGENCY TAX REDUCTION ACT

We are very pleased that Congress responded to the plight of these smaller firms with several relief provisions in the Tax Reduction Act. But that action is only temporary—for one, or at the most 2 years—with minor exceptions.

It is therefore urgent that Congress reexamine the business tax structure as it affects the entry and growth of new small business; and the ability of existing small and medium-size independent firms to expand, innovate, and survive in the considerably more complex economy of the 1970's.

Because of the short-term nature of the tax reduction bill, Congress must return to consideration of business tax questions within a very short time. We would hope that small businesses will receive the consideration that their numbers and importance in the economy

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merit. As a part of this process, our committee wishes to develop sound and responsible small business proposals so that the final tax legislation will be equitable and responsive to the circumstances of the great majority of America's 12 million small industrial, commercial, and farm businesses.

NEED FOR LONG-TERM STUDY

In order to do this, we are hereby giving notice of beginning a sustained, indepth study of the business tax structure as it affects the variety of enterprises which are classified as "small business."

The preservation of the larger values of enterprise and freedom of economic choice, will involve digging deeply into the technicalities of the tax law, and serious research into the relationship between business and individual taxes and how past tax provisions have affected investment, savings, and productivity. However, the committee is making its commitment to this effort with the objective of assisting the Congress in every way possible, so that our Federal Government can arrive at policies which benefit our entire economy by harnessing more efficiently the dynamism of free private enterprise.

TAXES AFFECT THE QUALITY OF LIFE

The workload is great; but the stakes are also very high. Although the connections may be difficult for many people to perceive, there are few if any subjects of greater importance to the quality of life in this country than the tax system.

There is a tendency to take for granted the Nation's reliance on the business community to furnish us with the necessities of life—food, clothing, and shelter—as well as our reliance on business to deliver the daily conveniences and amenities which we seek. The business community is the source of useful employment for our citizens, and small business accounts for more than half of all of these jobs.

We must remind ourselves that the business tax system is a major influence on whether people will devote their efforts to these tasks; whether they will take the personal and financial risks to provide and improve goods and services; and whether they will ultimately feel rewarded for their labors.

The business tax system has a decisive impact on whether new and expanding businesses will become and remain viable. Thus, if a person still dreams the American dream of owning his own business and making it grow by his own efforts and talents, he must be concerned with how the tax system treats that enterprise. We in the Congress must likewise be sensitive as to how the tax system affects such smaller businesses relative to their larger and stronger competitors.

A NEW LOOK AT THESE ISSUES

In my view, national emergencies of various kinds over the years have precluded Congress from devoting the time and attention to these matters which they deserve. However, in my opinion, there are no higher priorities at the present time.

In conducting our inquiry, the committee will be contacting national and regional small business organizations, business and trade groups from all over the country, as well as business and law schools, research institutions, congressional committees, and Government executive departments and agencies, and urging them to join us in this work.

We expect that public hearings will commence in mid-June, and that the inquiry will last only so long as is necessary to develop a record which will be helpful to the Congress.

Our February, 1975, hearings gathered testimony that the present tax system is, in many ways, choking enterprise, risk-taking, and individual effort and freedom of choice, and in many ways frustrating economic growth.

These hearings confirmed that effective rates of taxation for larger business were, in many instances, lower than for smaller business, except for the very smallest corporations which earned less than $25,000. The evidence shows that while most small companies pay taxes at or even above the 48 percent statutory rate, one out of five large companies pays taxes at less than 43 percent, and that the 100 largest businesses, year after year, pay only between 25 and 30 percent of their income in taxes.

This seems to me to be a complete reversal of the American philosophy that the underdog is entitled to at least an even break. Our tax system seems to give the breaks to the big companies.

I am not suggesting nor implying that these figures result from illegalities on the part of big business. On the contrary. One reason for these advantages is that the big companies can afford the fees of expert accountants and lawyers who can guide them toward actions which are in strict compliance with tax laws and regulations which are so complex that only the giants know how to utilize them.

We need to examine whether such a tax scale is desirable, and whether the Government's policies developed over the years that produced this result are sound.

In my judgment, we must inquire into whether the sheer weight of tax reporting is keeping entrepreneurs buried under paperwork at their desks and diverting their time and talents from building the Nation's economy and their own businesses.

We must take a new look at our tax system in a perspective which is both fresh, and in the great tradition of the American enterprise system, which has brought greater material wealth to a greater proportion of the population than any other economic system in history.

CANADIAN AND BRITISH TAX SYSTEMS AS POSSIBLE MODELS

For instance, when we look at Canada and England, we find business tax systems which in several ways are far more advanced than our own. Canada, for example, will by next year have enjoyed a "small business deduction"—parallel to the U.S. surtax exemption—of $100,000 for 3 years. For the 2 years prior to that, their small business deduction level was at $50,000, and before that it was at $35,000. Our country has in the emergency tax reduction bill just raised the surtax exemption to $50,000 for 1975 only. The tax laws of both Canada and England recognize the distinction between small, medium, and large businesses with many provisions that have not yet found their way into our tax laws.

The experience of these systems should be studied vis-a-vis the American tax policies and will be a significant part of our investigation.

SUMMARY

Our committee study will be performed in order to be helpful in every way possible to the Senate in formulating legislation that will be good for the economy as a whole, as well as for smaller businesses, and will be good for every consumer by bringing forth the best efforts of American business persons.

It would be appreciated if all those who are interested in participating in this study would contact the Select Committee on Small Business, 424 Russell Senate Office Building, Washington, D.C. 20510, telephone 202/224-5175, as soon as possible.

THE FRAUD OF THE SOUTH VIETNAMESE STATE

Mr. CHURCH. Mr. President, there may be a few dreamers in high places capable of such self-deception that they can still convince themselves there is a potential reservoir of popular support for continued American involvement in South Vietnam. There is not. Nor is it true, as these same dreamers would have us believe, that opposition to U.S. participation is largely the work of some kind of elitist minority.

The minority of this question is the administration and the pathetically few bitter-enders still clinging to its fantasies. The overwhelming majority knows otherwise. From one corner of America to the other, in communities of every size and kind, the people have seen through this long charade.

The revulsion against our misadventure is so complete that no one outside the highest councils of government still harbors any thoughts that it is only a handful of influential eastern newspapers which resist further military assistance to Vietnam. For years, newspapers of my own State have questioned our purpose in Indochina. That is, of course, more true today than ever. Typical of the tone and commonsense of the Idaho press is a straight-spoken editorial from the Times-News of Twin Falls, Idaho.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SOMETHING'S ROTTEN IN SOUTH VIETNAM

Something's rotten in the state of South Vietnam.

Day after day we read the grim dispatches from Asia detailing the collapse.

Day by day the North Vietnamese troops occupy new provinces abandoned by the retreating southern forces. First it was the ancient imperial capital in the north, Hue, which fell. Then DaNang on the coast and then strongpoint after strongpoint along the coast. Today Saigon controls only an enclave around the capital city and part of the rice-bearing delta region. Hour by hour the circle closes on Saigon.

In Saigon the political and military elites rant at the United States for its treachery. The collapse is the responsibility of the Americans who urged the war effort and now run when the going gets rough, they say.

That shrill message probably stirs guilt among many Americans who wonder whether this is really the "peace with honor" President Nixon promised. The self-doubt grows when we see pictures of miles of refugees trying to escape or a small child lost in the retreat crying by some roadside.

Where does the fault lie? What went wrong? Is the United States to blame? What is the heart of the matter?

Let's look at some clues.

The first clue is the Vietnamese army. A month ago it supposedly numbered about a million men. They were well equipped with American-made arms. They had learned to fight without the Americans, we were told.

Today we are told there are only a few divisions, perhaps 10,000 troops, manning the defenses of the Saigon enclave. What happened, then, to the other 990,000 troops?

Clue number two: There has been surprisingly little fighting going on.

With a few exceptions, the South Vietnamese have not been fighting Communist units.

The pattern has been panicked pullout by South Vietnamese troops and civilians. The northern cadres then just walk in and take over.

This is no blitzkrieg, no invasion from the north. It is a collapse from within the south. No great battle killed 990,000 South Vietnamese troops. Instead, 990,000 South Vietnamese surrendered or became armies of khaki-clothed refugees.

According to numerous eye-witness accounts, the typical pattern of the collapse of the South Vietnamese army was as follows. First the commander abandons his troops, leaving with his family and wealth. The officers see this, and begin evacuating their families and their possessions. Next the soldiers discover they are alone. They too panic, abandoning the civilians.

Soldiers mob planes sent to evacuate refugees, clawing their way aboard. Only the strongest soldiers make it.

Few Vietnamese civilians do.

When there is no escape, the frightened South Vietnamese troops go on a rampage of drunken looting, rape and murder.

The one thing they do not do is fight.

The conclusion is hard to escape. The South Vietnamese state is a fraud. It is rotten at its core. It is now falling under its own weight.

More than a nation it is the fabrication of a clique of military officers and politicians who have learned the language but not the substance of Democracy.

They used the language of Democracy to win the hearts and minds of the Americans but not of their own people.

Americans gave 55,000 lives and $150 billion in a sincere effort to help the people of Vietnam.

If Americans are to blame for the fall of South Vietnam it is only because they finally looked the Saigon clique in the eye and saw it for what it was.

The tragedy of Vietnam for Americans is we learned the truth so late.

ORDER FOR RECESS FROM TOMORROW UNTIL MONDAY, APRIL 28, 1975

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12 o'clock noon, following a recess. I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 12 o'clock noon on Monday.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, after the two leaders have been recognized under the standing order tomorrow there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators permitted to speak not in excess of 5 minutes each. At the conclusion of routine morning business the Senate will proceed to take up the emergency employment appropriations bill, H. R. 4481. Rollcall votes on amendments thereto and on final passage may be anticipated.

Also conference reports will be in order, they being privileged matters, and rollcall votes may occur thereon.

The measure, S. 917, having been on the calendar now for almost a month, is expected to be called up one day next week, and Senators are so advised.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 4:37 p.m., the Senate recessed until Friday, April 25, 1975, at 12 noon.

NOMINATION

Executive nomination received by the Senate April 24, 1975:

DEPARTMENT OF JUSTICE

W. Laird Stabler, Jr., of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years vice Ralph F. Keil, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 24, 1975:

THE JUDICIARY

Dick Yin Wong, of Hawaii, to be U.S. district judge for the district of Hawaii.

Robert O'Conor, Jr., of Texas, to be U.S. district judge for the southern district of Texas.

HOUSE OF REPRESENTATIVES—*Thursday, April 24, 1975*

The House met at 12 o'clock noon.

Rev. Karekin Sarkissian, archbishop of the Armenian Apostolic Church of America, offered the following prayer:

Almighty God, we earnestly implore Thy grace of wisdom and courage upon the Representatives of this House so that they may render greater services to Thy people through peace, justice, and freedom.

This particular day reminds us of the 24th of April 1915 and the massacre of 1½ million Armenians in the Ottoman Empire in an attempt aimed at the extermination and deportation of the Armenian people from their ancestral lands.

While remembering this attempted genocide, recognized by this House on April 8 as "man's inhumanity to man," we thank Thee for having preserved the Armenian people from annihilation. We gratefully recognize their glorious rebirth and revival with a renewed spirit of dedication to the causes of justice and progress in the United States and all over the world.

May God abundantly bless America and all her people.

THE JOURNAL

The **SPEAKER.** The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on April 16, 1975, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 335. Joint resolution to extend the effective date of certain provisions of the Commodity Futures Trading Commission Act of 1974.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1484. An act to authorize the President to use the Armed Forces of the United States to protect citizens of the United States and their dependents and certain other persons being withdrawn from South Vietnam, and for other purposes.

The message also announced that the Senate had passed with amendments a bill of the House of the following title:

H.R. 6096. An Act to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 6096) entitled "An act to authorize funds for humanitarian assistance and evacuation programs in Viet-

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nam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Sparkman, Mr. Church, Mr. Humphrey, Mr. Clark, Mr. Case, Mr. Javits, and Mr. Scott of Pennsylvania to be the conferees on the part of the Senate.

TRIBUTE TO HIS GRACE, ARCHBISHOP SARKISSIAN

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I am pleased to call the attention of the Members to the invocation delivered by His Grace, Archbishop Karekin Sarkissian, prelate of the Armenian Apostolic Church of America.

His Grace has firmly established a reputation, since assuming this post in September 1973, as a scholar, teacher, author, theologian, and administrator. In addition to his present duties as vicar of the prelacy of the Armenian Apostolic Church of America, he continues to serve as a member of the central and executive committees of the World Council of Churches. During his 20 years of devoted ministry, Archbishop Sarkissian has displayed great leadership, not only in the Armenian Apostolic Church, and in international affairs, but in worldwide ecumenical movements as well.

Mr. Speaker, may I also take this time to bring to the special attention of the House that today, April 24, 1975, marks the 60th anniversary of the crime of genocide against the Armenian people. On April 8, the House overwhelmingly passed House Joint Resolution 148, which designates April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man." This resolution introduced jointly by our colleagues, Mr. O'Neill and Mr. Helstoski, called for observance of April 24 as a day of remembrance for all victims of genocide, but especially those of Armenian ancestry.

It is a privilege to have Archbishop Sarkissian with us today.

APPOINTMENT OF CONFEREES ON H.R. 6096, VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. Morgan, Zablocki, Hays of Ohio, Fountain, Fascell, Broomfield, and Derwinski.

REPORT ON RESOLUTION TO AUTHORIZE PRINTING OF ADDITIONAL COPIES OF "THE CONGRESSIONAL PROGRAM OF ECONOMIC RECOVERY AND ENERGY SUFFICIENCY"

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 94–174), on the Senate concurrent resolution (S. Con. Res. 23) to authorize the printing of additional copies of "The Congressional Program of Economic Recovery and Energy Sufficiency," which was referred to the House Calendar and ordered to be printed.

CONGRESS MUST NOT LEGISLATE IN HASTE

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, the procedures that were followed last night did not do credit to this House. It was a case of legislating in haste. I am afraid it is going to be a case of repent at leisure.

As to many of the mistakes, errors, and serious dangers in the bill that the House passed at 2:45 a.m., I am sorry that the Chaplain has left the floor, because I was going to suggest to him, Father, forgive them, for they know not what they did.

A good example of that is the last amendment that was offered, and was offered by me, in an attempt to clarify the provision of the bill which, as written, permits the use of American troops to evacuate Vietnamese personnel from portions of South Vietnam that are already occupied by the North Vietnamese troops. I suspect that that was not what the House thought they were authorizing, but that is exactly what the bill says.

Fortunately, although the House did not see fit to adopt my amendment, in fact, did not even want to listen to my amendment at 2:30 in the morning, the chairman of the committee, the gentleman from Pennsylvania (Mr. Morgan), has agreed to clarify this in the conference report.

But, Mr. Speaker, I suggest that we ought to adopt a better way of limiting debate than to have 3 hours of votes on amendments to a bill that may affect the lives of many American citizens without even the opportunity to debate those amendments.

LATEST REPORT ON EVACUATION IN VIETNAM

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, I would ask to associate myself with the remarks of the gentleman from Ohio (Mr. Seiberling). I would just like to bring the House up to date so far as the latest statistics from the State Department are concerned on the evacuation of Americans and their dependents.

Mr. Speaker, 3 days ago 574 Americans and 369 of their dependents were evacuated.

Two days ago 354 Americans and 225 dependents were evacuated.

Twenty-four hours ago 206 Americans and 90 of their dependents were evacuated.

So there we are, starting at 943, then 579, and finally 276, would indicate not exactly an increase in the escalation of the evacuation of our people, but it represents a decline.

There remain in South Vietnam 1,681 American citizens and 562 of their dependents, for a total of 2,243 people. I do not know why those people are still there. Certainly their dependents are not needed to operate the Embassy. We should be down to a hard core of Americans who could be lifted out.

I would urge the administration to expedite getting our American citizens out.

PERMISSION FOR SUBCOMMITTEE ON HOSPITALS OF THE COMMITTEE ON VETERANS' AFFAIRS TO MEET DURING 5-MINUTE RULE ON APRIL 28, 29, 30, AND MAY 1

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Hospitals of the Committee on Veterans' Affairs may meet during the afternoons of April 28, 29, and 30 and May 1 while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MARGARINE LABELING BILL

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, I am today introducing legislation to amend the Federal Food, Drug, and Cosmetic Act. My bill is technical in nature. It would remove or amend three provisions of the Food, Drug, and Cosmetic Act so as to bring margarine clearly under the regular provisions of the act in regard to product name labeling and so as to simplify notice in restaurants where colored margarine is served. It would also establish the goal of maximum practicable uniformity between the margarine regulations of the Food and Drug Administration and the U.S. Department of Agriculture.

None of these proposals will diminish consumer protection. Indeed, by making margarine labeling regulation more uniform with that existing for other foods, and by simplifying restaurant notice, consumer protection will be enhanced in the sale of this food.

The labeling changes would simply bring the identification of margarine on the outer carton in line with existing regulation as to size of type, and on the inner wrapper as to whether or not the

inner unit is intended for separate sale. The intent is to create more uniformity between the requirements for margarine and those for foods generally. I urge early passage of this bill by the Congress.

SEEKING UNITED NATIONS HELP IN ADMINISTERING HUMANITARIAN AID TO VICTIMS OF VIETNAM WAR

(Mr. WYLIE asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, in my colloquy with the distinguished chairman of the Committee on International Relations (Mr. Morgan), on April 22 there appears this statement in the Congressional Record on page 11286:

> The United Nations does not have a strike force, and it can not put down insurrections any place in the world. If the U.N. has a role in world affairs, it seems to me it is in providing humanitarian aid to people who find themselves in the situation of the people of South Vietnam if North Vietnam ultimately prevails and if South Vietnam folds up, as the gentleman from Pennsylvania put it.
>
> The United States has already provided about $20 billion to the United Nations, and it seems to me we ought to be able to call on the U.N. to provide humanitarian assistance to the people of South Vietnam.
>
> Mr. Morgan. The gentleman knows very well we have not had a very good track record in the United Nations in the last 2 years. I feel that if we are going to do what he proposes, we would have to get away from the bilateral approach emphasized here. I would prefer to do it without going directly to the United Nations.

Last night we passed a bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam. An amendment to have the United Nations administer the funds thus authorized was defeated on a tie vote. I voted against the amendment because I felt that putting the money into the hands of the United Nations would be like throwing it to the four winds. But, the United States should afford the United Nations an opportunity to help us in our time of tribulation just as we have helped other nations of the world through the United Nations. And, in that connection, I call upon the distinguished chairman of the Committee on International Relations and the Secretary of State to communicate with the United Nations seeking their help in administering humanitarian aid to the unfortunate victims of the Vietnam war.

THREE WAYS TO LEGISLATE MORE EFFICIENTLY

(Mr. du PONT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. du PONT. Mr. Speaker, I listened with interest to the remarks of the gentleman from Ohio (Mr. Seiberling) and the gentleman from California (Mr. John L. Burton) concerning last night's procedures. I am certainly not one to applaud on procedures of last evening, but as those gentlemen well know, this is not new to the House of Representatives. When we get energy bills and HEW bills and controversial measures, there is always this problem.

There are, however, three ways that we can avoid that kind of a tangle. First of all, we can avoid dilatory motions early in the day, like reading the Journal, by those who oppose a particular bill.

Second, we could avoid that kind of problem by those opposed to a bill coming to some kind of a consensus among themselves, so that they could offer a single package of amendments.

Third, of course, we have the protection of putting amendments in the Record ahead of time so that they get 5 minutes debate.

So the situation is not hopeless. The House could do something about it. There are procedures available, if we have the will to do something about the problem.

RELOCATION OF VIETNAMESE REFUGEES ON OUR PACIFIC TRUST TERRITORIES

(Mr. RANDALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RANDALL. Mr. Speaker, I had hoped that the gentleman from Texas (Mr. White) could be present because he has offered a proposal which I believe to have a great deal of merit, and that is to bring the South Vietnamese refugees, not to the United States, but to the various Pacific Islands under U.S. wardship.

Yesterday we provided for refugee evacuation. Our district office in our home area was besieged with calls all day long, one call after another, protesting the settlement of the refugees in our area.

However, there is a viable and a logical solution. That is to settle the refugees on our Trust Islands in the Pacific, such as the Palau Islands, and other islands. Mr. Speaker, I have today joined in a telegram to the President urging him to use these islands as a place of refuge, because there the refugees would have a chance to adjust. Later, when conditions stabilized, they might want to go back to South Vietnam.

But, Mr. Speaker, the $150 million we authorized yesterday is just the tip of the iceberg of what it is going to cost unless we put refugees in a habitat where they might have the same kind of life as in Vietnam. Otherwise if they come to the United States they will be on the welfare rolls for an entire generation.

I hope others may join in urging the President resettle these Vietnamese refugees on our Pacific Trust Islands.

EVACUATION FROM VIETNAM

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, yesterday during the debate on H.R. 6096 I offered an amendment which would have in effect internationalized the evacuation of the South Vietnamese nationals. But I fear we endorsed instead was a recipe for intervention and provocative action by our country once again in Southeast Asia.

How else can any reasonable person interpret the move by this Congress which endorses the use of American troops to evacuate perhaps hundreds of thousands of South Vietnamese?

I would urge the Committee on International Relations when it goes to conference to take every step to reach the limits within which Americans can be used to accomplish that purpose and I hope we go beyond that, not to accept on the one hand the President's view that it is our sole responsibility to evacuate South Vietnamese nor on the other hand to accept the view that we have no responsibility. I hope with vision and humility we can do that which we all agree should be done, but which this country should not do alone.

THIRTEENTH ANNUAL MANPOWER REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–111)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and ordered printed with illustrations:

To the Congress of the United States:

I am sending to Congress the 13th annual *Manpower Report of the President.*

This report, as required by section 705 (a) of The Comprehensive Employment and Training Act of 1973, as amended, reviews many of the recent economic developments impacting on employment and unemployment levels. Policies addressed to the loss of income by many workers were the keystone to my proposals of October 1974. The Administration and the Congress agreed on several components of such a policy which are now in operation.

For example, the Emergency Unemployment Compensation Act has made supplementary unemployment compensation available to experienced workers who have exhausted unemployment insurance benefits. The Emergency Jobs and Unemployment Assistance Act has made special unemployment assistance available to many workers not covered by the unemployment insurance system. In addition, over 300,000 public service jobs are being funded under the Comprehensive Employment and Training Act, as amended.

The passage of the Comprehensive Employment and Training Act in December, 1973, was a landmark development in the decentralization of manpower program design and operation responsibilities to State and local government units. This report reviews implementation activities by the Departments of Labor and Health, Education, and Welfare in 1974. It also reviews some preliminary findings about the operation of this important work.

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The report also analyzes the rapidly changing employment situation of women workers, exploring the significant economic role of women in recent years in an expanding number of occupations. The proclamation of 1975 as International Women's Year makes this a particularly appropriate time to encourage members of the legislative and executive branches of Government as well as the general public to study the role of women in the labor force.

Among other important questions explored in this year's Manpower Report is the relative efficiency of public service employment programs as a means of countering cycles of high unemployment. While there is some evidence that programs providing public sector jobs can relieve individual hardships and offer some short-term relief to areas experiencing substantial unemployment, it is considerably less certain that such programs can exert significant positive impact on national unemployment levels.

On the other hand, the size, skills, and employment levels of the Nation's work force are affected by changes in programs, policies, and procurement at all levels of government. This year's Manpower Report, therefore, includes an interim review of some recent research findings on the development of methods to determine the manpower impact of Government program and policy changes both at the national level and in areas where local firms have received important procurement contracts.

GERALD R. FORD.

THE WHITE HOUSE, *April 24, 1975.*

CALL OF THE HOUSE

Mr. COHEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 152]

Ambro
Anderson, Ill.
Andrews, N.C.
Beard, Tenn.
Breaux
Brown, Calif.
Burke, Calif.
Butler
Cederberg
Chisholm
Clay
Conyers
Danielson
Dellums
Dent
Diggs
Edwards, Calif.
Erlenborn
Eshleman
Fenwick
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Gonzalez
Harrington
Hawkins
Hébert
Heckler, Mass.
Heinz
Hinshaw
Holland
Jarman
Jenrette
Leggett
Macdonald
Madigan
Mathis
Mikva
Mills
Moorhead, Pa.
Murphy, N.Y.
Nichols
Obey
O'Hara
Patman
Pritchard
Rangel
Reuss
Rinaldo
Risenhoover
Shriver
Sisk
Stephens
Stokes
Taylor, N.C.
Thompson
Ullman
Waxman
Wiggins
Wirth
Wydler

The SPEAKER. On this rollcall 370 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO HAVE UNTIL 6 P.M. FRIDAY, APRIL 25, 1975, TO FILE REPORT ON H.R. 3902

Mrs. SULLIVAN. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until 6 p.m. tomorrow, Friday, April 25, 1975, to file its report on H.R. 3902, to authorize appropriations for fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

The SPEAKER. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

SECURITIES REFORM ACT OF 1975

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4111) to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4111), with Mr. ROUSH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Nebraska (Mr. MCCOLLISTER) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 4111, a bill which proposes urgently needed reform of our Nation's securities markets.

Briefly stated, this bill would augment the regulatory authority of the Securities and Exchange Commission. It would clarify the scope of self-regulatory organization responsibilities to police the conduct and strengthen the standards of professional participants in our securities markets. Certain industry practices which the committee has found to constitute unnecessary impediments to the development of the marketplace are overturned. And congressionally defined goals premised upon competitive principles are set forth to guide the development of an integrated national market system for effecting transactions in securities.

This legislation is the product of a most comprehensive and searching analysis of the securities industry. Let me take a moment to trace for you the extensive legislative history and record support for its recommendations.

In 1968 through 1970 the securities industry suffered an operational breakdown of unparalleled proportions; despite sharp curtailments in trading hours, firms lost control of their records and and many were forced into liquidation or were saved only through heroic measures. In the end Congress was required to step in and create a mechanism for safeguarding investors from loss in the event of brokerage house failures. For this purpose the Securities Investor Protection Act of 1970 committed $1 billion in U.S. Treasury credits as a guarantee against loss. We did so with the resolve that we would take all necessary steps to assure that the crisis of 1968–70 would not be repeated and with the understanding that Congress would, in future years, exercise a closer and continuing scrutiny of the securities industry.

In furtherance of that objective, the committee's Subcommittee on Commerce and Finance conducted an indepth analysis of the industry in the 92d Congress. The printed hearings of that study run to over 4,600 pages in 9 volumes. Eighty-seven witnesses appeared to give testimony in these proceedings. The subcommittee's report of 170 pages contained a series of conclusions coupled with specific legislative recommendations unanimously endorsed by the full membership of the subcommittee.

A bill, H.R. 5050, embodying the conclusions of that study was introduced in the 93d Congress. An additional 23 days of hearings were held and a printed record of over 2,000 pages compiled. Unfortunately, considerable opposition to that legislation was generated in the waning days of that Congress, and the bill failed to gain a rule. Since that time the Securities and Exchange Commission has completed an administrative proceeding and ordered an abolition of fixed commission rates on securities exchanges effective May 1, 1975. That action, which had been mandated by H.R. 5050, had been the principal source of industry opposition to that legislation. By moving administratively to accomplish the same result, the SEC has made moot the controversy which surrounded the commission rate issue and, therefore, much of the opposition to this legislation has dissipated. Indeed, because this legislation contains mechanisms which are necessary to assist the industry in making the transition from a fixed to a competitive rate environment, significant segments of the industry now support enactment of this new legislation.

At the beginning of this Congress, H.R. 4111 was introduced. The bill as introduced differed from H.R. 5050 in only two important respects. First, it eliminated title I, which sought to remove or alter certain administrative controls which, over the years, the executive branch had imposed upon the Securities

and Exchange Commission in the name of administrative efficiency. The administration had strongly opposed these provisions and their deletion now permits the White House to wholly support the objectives of the bill. Second, this bill rewrote the provisions relating to the fiduciary obligations of money managers in choosing a broker after commission rates become unfixed. Substituted for the provision which was contained in H.R. 5050 is an evolved method for dealing with this question which was developed in joint discussions with the Senate and the Treasury Department. It has attracted near unanimous support from the securities industry.

H.R. 4111 has the strong support of both the Securities and Exchange Commission and the Treasury Department. In his letter of March 21 Chairman Garrett of the SEC states:

> Failure to enact this legislation before May 1, 1975, will create doubt and uncertainty as to the future course of the securities markets and could gravely impair the prospects for an orderly and prompt resolution of the major problems now confronting these markets.

This legislation is the result of many years of work. It is one on which the administration and the committee are firmly agreed. I deeply believe that this legislation is essential to assure that this Nation's securities markets will remain strong and continue in future years to play a primary role in international finance. I respectfully urge my colleagues to affirmatively endorse this effort and approve the bill.

Mr. McCOLLISTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS), has accurately stated, I think the fact that there is no real opposition to the provisions of H.R. 4111.

After 15 hours of contentious debate yesterday this is something of an anticlimax. It is, I think, because for nearly 4½ years the Committee on Interstate and Foreign Commerce has been considering the provisions of this legislation.

Mr. Chairman, the chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS), has correctly stated that in the committee most of the differences about the provisions of the legislation were removed when title I of H.R. 5050 was made the subject of separate legislation.

H.R. 4111 before us today, I think, represents very fairly and accurately the consensus of the full Committee on Interstate and Foreign Commerce. I think the reason that there is no contention lies much in the fact that it did take us 4½ years. We took a great deal of testimony; we heard every point of view in the industry; every member of the Commerce and Finance Subcommittee had his views considered, and almost always had any differences resolved by the provisions of the bill H.R. 4111, now before us.

To a very great extent that is true because of the leadership of the chairman of the Commerce and Finance Subcommittee, the gentleman from California (Mr. MOSS), and the ranking Republican member of the subcommittee, the gentleman from North Carolina (Mr. BROYHILL).

If this process has worked to bring to this committee and to the House this legislation, which is intricate and complex and far-reaching, then the credit for that goes to the chairman and the ranking minority member of the subcommittee. Thus, my remarks are going to be very brief, and I will pay tribute by yielding to the gentleman from North Carolina (Mr. BROYHILL) such time as he may require.

Mr. Chairman, I rise in support of the bill, H.R. 4111, the Securities Reform Act of 1975. To a large degree, this legislation has as its background the paperwork crisis of 1968–70, when a tremendous explosion in trading volume clogged an inadequate machinery for control and delivery of securities, resulting in what the Securities and Exchange Commission characterized as the "most prolonged and severe crisis in the securities industry in 40 years."

The operational breakdown which followed brought the Nation's securities market to its knees. Despite a sharp curtailment in trading hours, firms lost control of their records, and many were forced into liquidation or were saved only through extraordinary measures. Finally, Congress was required to step in and create, through enactment of the Securities Investor Protection Act of 1970, a mechanism for safeguarding investors from loss in the event of brokerage house failures.

Congress made a judgment at that time that it would take all necessary steps to insure that the crisis of 1968–70 would not be repeated. In furtherance of that objective, the Congress directed the Securities and Exchange Commission to compile a list of unsafe and unsound practices by brokers and dealers and to report to the Congress what corrective steps were to be taken under existing law and to submit legislative recommendations. In concurrent action, both the House and Senate undertook independent studies of the securities industry.

In the 92d Congress, the Interstate and Foreign Commerce Committee's Subcommittee on Commerce and Finance conducted indepth hearings to serve as a basis of its analysis of the securities industry. This hearing record was augmented by numerous interviews conducted by members of the subcommittee and its staff in virtually every section of the country, and in addition, every effort was made to seek the advice of industry leaders and regulators and all segments of the investing public.

In August of 1972, the subcommittee submitted its final report. This report contained a series of conclusions compiled with specific legislative recommendations unanimously endorsed by the full membership of the subcommittee.

In the beginning of the 93d Congress, a bill, H.R. 5050, which reflected the legislative recommendations of the report, was introduced in the House. Thereafter, during the months of June through September 1973, the subcommittee on Commerce and Finance held 23 days of hearings on the introduced bills, and subsequently reported H.R. 5050 in revised form to the full committee. The full Committee on Interstate and Foreign Commerce made further amendments to the bill and ordered it reported favorably to the House.

In the waning days of the last Congress, time restraints prevented the measure from being considered on the floor. At the beginning of this Congress, H.R. 4111 was introduced in the House. This bill differs from H.R. 5050 in only two important respects. First, this bill eliminates title I which sought to remove or alter certain administrative controls which the executive branch exercises over the Securities and Exchange Commission. Second, this bill rewrote the provision relating to the fiduciary obligations of money managers in the use of commission dollars to compensate for research and other services.

The underlying assumptions on which this legislation is based are that if our securities markets are to maintain their primacy, and if this Nation is to continue to play a central role in the international financial community, it is necessary to create a regulatory framework which permits the evolution of the marketplace free from unnecessary and artificial restraints on competition while at the same time focusing adequate authority in the Securities and Exchange Commission to modify and, in some cases, to give form to the evolutionary market structure so as to make certain that marketplace responses to changing economic circumstances are consistent with the overall public interest. The creation of that regulatory framework is the fundamental purpose of this legislation.

To accomplish that end, summarized briefly, this bill would do the following:

First. Grant to the SEC full authority to supervise and regulate securities exchanges to assure that they are organized and administered in a manner consistent with the public interest. To this end, stock exchanges are required to register with the Commission and the SEC is authorized to disapprove proposed changes in exchange rules, after first noticing them for public comment;

Second. With some exceptions, exchanges are directed to allow all registered brokers and dealers who meet capital and competency requirements to join, except that this provision is delayed for up to 4 years with respect to existing exchanges;

Third. Exchanges are prohibited from fixing or imposing any schedule or rate of commission after May 1, 1975, except that the Commission may allow fixed commission rates after that date, after making specified filings;

Fourth. A procedure is established to permit the Commission to require changes in exchange or association rules after giving interested persons an opportunity to comment on any proposed rules;

Fifth. Stock exchange members are

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prohibited from engaging in exchange transactions for affiliated persons and managed accounts except with respect to certain enumerated specifications which are designed to insure fair and orderly markets;

Sixth. The Commission is authorized to bring injunctive actions to prevent violations of exchange or association rules;

Seventh. The bill makes a number of amendments to existing laws which redefine and expand the Commission's authority to directly regulate brokers and dealers and the Commission is directed to establish minimum capital requirements which shall apply to all brokers and dealers:

Eighth. The SEC is given rulemaking inspection, and enforcement authority over securities depositories, clearing agencies, and non-banking transfer agencies;

Ninth. The SEC is directed to take such steps as are within its powers to establish a national market system for transactions in securities, which system shall include as a minimum, a transactional reporting system, a composite quotation system, and a scheme of regulation to provide fair competition between competitors in the system; and

Tenth. Exchanges and associations are prohibited, on or after May 1, 1975, from limiting or conditioning their members' ability to transact business on any other exchange or off an exchange.

In my judgment, the provisions contained in this legislation are necessary to insure an orderly and effective securities market, and I ask that my colleagues join with me in approving this measure.

Mr. BROYHILL of North Carolina. I thank the gentleman from Nebraska for yielding.

Mr. Chairman, I rise in support of H.R. 4111, the Securities Reform Act of 1975. As a cosponsor of this legislation, I can assure the House that this bill has had long and careful consideration.

H.R. 4111 has its origin in the Securities Investor Protection Act of 1970, which contained a commitment to conduct a study of the securities industry to determine the problems that had caused the need for the legislation and to formulate recommendations for needed reform. This study was undertaken by the Subcommittee on Commerce and Finance during the 92d Congress; H.R. 4111 would implement the recommendations made by the study.

Basically, H.R. 4111 is designed to insure a regulatory pattern which will lead to strong capital markets, adequate protection of investors' funds and securities, and a financially strong securities industry, as well as increased confidence by investors in the fairness of the capital market.

The legislation is also designed to insure that stockbrokers, who engage in interstate commerce or who use stock exchange facilities, are in sound financial condition and that their accounts are in order to assure proper handling and accounting of customers' money and securities. In this connection, the SEC's authority over industry regulatory organizations, such as stock exchanges and securities associations, is redefined.

In addition, the Commission is given authority over clearing agencies and securities depositories, which control the flow of cash and securities with respect to the great bulk of stock transactions in this country. Without stiffer entrance requirements for brokers, without adequate regulatory authority by the SEC over exchanges, securities associations, and clearing agencies, the Securities Investor Protection Act will, in effect, be subsidizing the entry into the brokerage business of some unprepared, irresponsible, incompetent, and perhaps dishonest individuals.

Another aspect of the study made by the subcommittee was the realization that the American capital markets are under increasing strain and that in order to insure that the United States' capital markets remain the best in the world, it would be desirable to bring together all of the resources of the securities industry into a central market system. The National Securities Market System, which would evolve as a result of the enactment of this bill, is not an institution, but rather a mechanism by which investors everywhere may have their orders executed in a more efficient way, where all the resources of the securities community may be brought to bear to provide fair and orderly markets with depth and liquidity, as well as the benefits of competition.

The National Securities Market System will be a system of electronic communications linking all markets together, governed by uniform rules to the extent necessary, and supplemented by a national system for clearing and settlement. The securities to be traded will be those listed on the major exchanges and other listed securities for which a national market is feasible.

Mr. Chairman, I would urge the adoption of this legislation. H.R. 4111 is the result of 4 years of painstaking work. Much time and thought has gone into working out viable compromises which are contained in this measure. I believe we are all aware of the need to solve the problems plaguing the market and the investors served by the many brokers, dealers, and investment institutions. This bill is capable of resolving those problems not associated with our current economic situation.

Mr. GOLDWATER. Mr. Chairman, will the gentleman please elaborate on the issue concerning moving away from the fixed commission rates to comparative rates? This has been the controversial question throughout the hearings and markup of this particular legislation and certainly within the industry.

I am wondering, and I have not had a chance to review precisely the effect here, would the gentleman be kind enough to spell out whether this provision in here is tight or whether there is some flexibility as far as the implementation of competitive rates?

Mr. BROYHILL. Yes, I would be delighted to respond to the gentleman in regard to this question. The gentleman served on the Interstate and Foreign Commerce Committee for several years. Unfortunately, from our standpoint at least, he felt his interests were in another committee and he has now gone to another committee, but he was a very fine member of our committee and is generally familiar with the contents of this bill.

As the gentleman knows, this issue has been a matter of some controversy for several years, that is the practice of fixed commission rates which has been the practice since the establishment of the New York Stock Exchange in the late 1700's, because as the argument goes it has not necessarily been good for the consumer as well as for competition.

Now the Securities and Exchange Commission has already, by regulation, decided that there will be an end to the fixed commission rates as of May 1 of this year. What our bill does of course is to set out that May 1, 1975, date in the legislation, by stating that no national securities exchange can impose a fixed schedule of rates or commission after that date.

But we do not leave this fixed in cement or concrete because we do leave an escape valve. If, for example, the Commission determines that the public interest does require a continuation of or establishment of a reasonable schedule or rate of commission, then they would have the authority which is spelled out in this bill on page 159, if the gentleman wants to turn to it, to do that, but they would have to go through a hearing.

That is, there would be an opportunity for all interested parties to be heard on this issue. Of course, the Commission would also have to make some determinations that any schedule or rate or commission that is fixed at some time in the future, would be reasonable and that the action would be required to accomplish the purposes of this type of legislation. So I think these findings are reasonable.

I believe myself that the competitive rate system is going to work and is going to be with us a long time. What I am saying is that I do not anticipate the SEC having to use this procedure which is spelled out here on page 159, to return to a fixed commission rate; but if it becomes necessary, if chaos does occur, as some have predicted, then the Commission would have the clear authority to go back to fixed commission rates, if necessary.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield further?

Mr. BROYHILL. I yield to the gentleman.

Mr. GOLDWATER. It has been pointed out that we are treading on new ground in considering that competitive rates are healthy for the industry. Herein lies the basic argument in opposition to this: the inability to perceive the future in such a way.

In essence, the gentleman is saying there is an escape valve if, in fact, these competitive rates do not work; that the SEC does have the power after following certain prescribed procedures to review this and alter those commission rates.

Mr. BROYHILL. Yes, that is correct.

The CHAIRMAN. The Chair now recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I rise for something of great personal concern

to the gentleman I am going to yield to, the gentleman from California (Mr. DELLUMS), something that is of great concern to the House also.

I yield the gentleman such time as he may consume.

(By unanimous consent, Mr. DELLUMS was allowed to speak out of order.)

A SENSELESS SHOOTING

Mr. DELLUMS. Mr. Chairman, I will not be able to be here all day today during the remainder of our proceedings. I will have to fly to California to be with my 17-year-old nephew, who at this very moment is fighting for his life, shot in the head twice, a bullet deep into his brain, in a very senseless shooting in a very absurd and insane robbery.

I cannot share enough the pain that I feel and the pain that my family feels. I would simply like to share this thought. I hope that no Member of this Chamber will have to feel the pain that my family and I feel at this moment.

I hope that none of our visitors today will have to suffer the tragedy of a loved one being shot in a senseless robbery.

I realize there are many complicated reasons why these kinds of tragedies happen to bright young courageous people simply trying to make their way in a very desperate and sometimes insane world. We, in this country, have made money such an extraordinary value and placed such minimal importance on human life that it becomes easy to pull the trigger to erase the life of a human being.

The question I raise may not be apropos, given our long hours last night passing another absurd piece of legislation dealing with the issue of violence and life and death in Vietnam.

We have discussed the issue of gun control for a long time in this country. Many of the Members on this floor on both sides of the aisle, liberal and conservative, radical and nonradical, have talked and overtalked the issue of gun control, but we have never done anything about it. We posture ourselves with the National Rifle Association; we posture ourselves with many other people because we lack the courage to say, "Let's remove the arms buildup that has taken place in this country."

I hope other Members do not have to leave the floor of the Congress at 3:30 one morning and go home and realize that one of their loved ones has been shot nearly to death. One way, it seems to me, the Members can reasonably guarantee that may not happen is that this Congress, the 94th Congress—and I challenge it, I challenge the Speaker, the majority leader, the minority leader, and all the Members of Congress in this Congress, if they do not do anything else, strike one blow for humanity; strike one major blow against insane violence; strike one blow to take the guns and weapons of death and destruction off the streets of this country. I challenge them.

I will bug every single Member of this Congress to move past the expediency of thoughts of reelection and who contributes to what campaign, and ask him on the basis of some reason and some sanity to join with me to make perhaps my nephew's struggle for his life mean something.

This Congress has the ability to move past being a debating society in which we posture on where 50.1 percent of our districts are. Gun control is critical in this country. The first day we introduced a piece of legislation on gun control has long gone, and it has never seen the light of day.

Again, I thank the Members for the opportunity to speak out of order. I hope that no Member will have to feel the pain of the potential loss of a bright, creative young life in his own family because we lack the courage to stand up on the floor of the Congress and pass a piece of legislation to remove the weapons, the weapons of destruction, the weapons of death; remove the finest day of young people whose only desire is to live out the balance of their time.

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I would just like to say to the gentleman from California that we all share with him his deep feelings. I am sure I am speaking for every Member of the House. We know this could happen in our own families, and he has our sympathy now.

Mr. Chairman, if I might, I would like to yield to the gentleman from California (Mr. MOSS), a former chairman of the Subcommittee on Commerce and Finance which, under his leadership, fashioned the legislation which is today presented to the House. I would like to congratulate him for the splendid job he has done, and also congratulate the ranking minority member and every member of the Commerce Committee for the time they have spent on working on this bill.

Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Chairman, I rise in support of the bill H.R. 4111, the Securities Reform Act of 1975. This bill is the product of over 3 years' study and analysis on the part of the Committee on Interstate and Foreign Commerce. The bill's history begins with the crisis that gripped the securities industry in the late 1960's, during which over 100 brokerage firms failed, placing in jeopardy those customers that had left their money or stock with their broker. In response to this crisis, Congress passed the Securities Investor Protection Act of 1970, providing Federal insurance for customers of stock brokerage firms comparable to that afforded bank customers by the FDIC. That insurance fund is backed by a $1 billion line of credit from the U.S. Treasury. When that bill was on the floor of this House in December 1970, the Committee on Interstate and Foreign Commerce committed itself to conducting a study of the securities industry to determine what had caused the crisis and what reforms were necessary to insure that the $1 billion of public money need never be called upon.

That study was conducted in 1971 and 1972 by the Subcommittee on Commerce and Finance. Twenty-six days of hearings were held at which panels of witnesses representing different viewpoints on the subject of the hearing would discuss among themselves and with committee members the assigned topic. Eighty-seven witnesses were heard and a 9-volume hearing record containing 4,600 printed pages compiled. At the end of 1972, the subcommittee issued its report, containing its unanimous conclusions and recommendations for legislation.

In 1973 a bill was introduced which embodied those unanimous conclusions and recommendations. An additional 23 days of hearings were held on the bill at which 42 witnesses were heard, and an additional 5-volume hearing record of 2,050 pages compiled. The subcommittee then marked up the bill to reflect changing conditions and the testimony it had heard, and reported the bill to the full committee without dissent, one member being absent. The full committee made further changes in the bill and reported it out with only 1 of the 40 members in attendance being heard to vote nay. Unfortunately, the Rules Committee failed to give the bill a rule and the bill did not reach the floor last year.

At the beginning of this year the bill was reintroduced and referred directly to the full committee which made minor amendments to it and reported it to the House for its consideration. It is that bill that is before you today. I know of few pieces of legislation that have come to the floor of this House with record support as extensive as H.R. 4111.

The bill may be viewed as having two major thrusts.

It is designed to insure that the problems that led to the crisis of the late 1960's are not repeated, and it is designed to insure that our Nation's securities markets are adaptable to the changes that are overcoming those markets. Those changes lie in improved communications technology and in the growing pattern of Americans to intermediate their funds by investing through an institution rather than directly into the marketplace.

An underlying theme of the bill is that the marketplace should be allowed to act as competitive and economic factors dictate, free from anticompetitive restrictions and impediments. In this respect, the bill would substitute competition for regulation in economic areas affecting our Nation's capital markets. At the same time, however, the authority of the Securities and Exchange Commission would be augmented in those areas where regulation is appropriate, such as the areas of supervising and imposing standards of professional competence; fair and equitable principles of trade for the protection of investors; the regulation and discipline of stockbrokers for fraudulent or manipulative practices; and the imposition of standards of financial responsibility and the policing of compliance with those standards.

The bill is divided into five titles. Title I deals with the regulation of national securities exchanges and national securities associations. These organizations serve as regulators of the stock brokerage community. Title I assigns to the Securities and Exchange Commission and directs the implementation of certain new authorities which augment the Commission's oversight powers and permit expe-

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ditious action. Moreover, the SEC's authority over exchanges and associations is made uniform.

Title II, financial responsibility, regulation of brokers and dealers, and reports and examinations, contains largely technical amendments to clarify and make uniform the SEC's authority over registered brokers and dealers.

Title III provides for the development of a national clearance and settlement system for securities transactions. This is to insure that stock brokerage customers get their money and securities from their brokers in a timely and proper fashion and to insure that brokers can do the paperwork attendant to securities transactions in an efficient and economical manner.

Title IV deals with miscellaneous matters and again attempts to make uniform various provisions of the Federal securities laws. It also sets 3-year budget authorizations for the SEC and clarifies the circumstances under which an investment manager to a mutual fund may sell its business for a profit.

The fifth and last title calls for the development of a national securities market system and is designed to insure that this Nation's capital markets continue to be the best capital markets in the world.

Mr. Chairman, from calls that have been received by the committee, there appears to be a misunderstanding about the difference between the costs of this bill and the Securities and Exchange Commission's budget authorizations contained in the bill. I would direct the Members' attention to page 58 of the committee report where we set forth the 5-year cost estimate for this bill. You will notice that these costs are minimal—$3.1 million in fiscal 1975; $2.6 million in fiscal 1976; $2.3 million in fiscal 1977; $2.3 million in fiscal 1978; and $2.3 million in fiscal 1979.

The bill also contains authorization for the Securities and Exchange Commission's budget for fiscal years 1976, 1977, and 1978. These amounts are to fund the SEC in its on-going tasks of administering the six Federal securities statutes. Those amounts, which are explained at page 89 of the committee report, are $54 milliioin for fiscal 1976; $62.6 million for fiscal 1977; and $71.2 million for fiscal 1978.

These amounts are in line with budgets previously appropriated to the Securities and Exchange Commission and are designed to cover the cost of H.R. 4111 and to allow the Securities and Exchange Commission a reasonable increase in the size of its staff so that it may properly administer the tasks we in Congress are assigning to it.

Mr. Chairman, this bill is supported by the Securities and Exchange Commission, the Treasury Department, and the Department of Justice. It is also supported by the National Association of Securities Dealers, by a number of stock exchanges, and by a growing number of their members, who have come to realize that the provisions of this bill will be beneficial to them as well as to the investing public.

Mr. Chairman, I commend this bill to the House and urge its prompt passage.

Mr. McCOLLISTER. Mr. Chairman, in the absence of any real contention on the floor, I repeat what I said in the discussion. This is the result of a most cooperative attitude and understanding on the part of the various members of the subcommittee; and, although this may not make for very interesting legislation and debate on the floor, I am sure it yields a much better result on that basis.

In most instances in the subcommittee, on which I am proud to serve, that has been the procedure.

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I will be happy to yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

The one area of concern that occurs to me, in looking over this legislation, is the matter of the elimination of stock certificates as a settlement device, that is, as the instrument to be used in settlements.

Mr. Chairman, do I understand correctly that it will be the policy established by this legislation to eliminate that document called a stock certificate in all transactions as a matter of regulation then?

Mr. McCOLLISTER. Mr. Chairman, to respond to the gentleman, the legislation itself only points to that as a goal, and the SEC is given power, if they did not have it already, to effectuate that goal.

One of the big problems in the 1968 to 1970 period was the great number of stock certificates that were lost, delaying clearance and settlement. There was much testimony before the subcommittee on how much that whole process of clearance settlement needed to be revised to make for a cleaner, quicker, more assured basis than the basis that represents the actual transfer of stock certificates.

We do not know in what form the certificate will be immobilized, but we are giving to the SEC the mandate to find some manner in which this is done.

Mr. KINDNESS. Mr. Chairman, if the gentleman will yield further, coupled then with an SEC-controlled computer system for the exchange of information, as I understand it, would we not then have a situation in which there is rather direct governmental control over whatever may turn out to be the instrument representing the ownership?

Mr. McCOLLISTER. The gentleman raises a point.

Throughout the bill the emphasis is on self-regulation. The SEC is given rule-making authority to make that concept of self-regulation work better. The SEC itself will not mandate every specific of this. The industry, the transfer agents, the depositories will all have an interest that will, I think, be mutually agreeable, so that whatever the evolution is, I think that the committee had no great concern that it would take away any evidence of ownership that the stock certificate now represents.

Indeed, it was the committee's feeling that because that evidence of ownership was so often lost or misplaced or unavailable, for whatever reason, the actual ability to prove and demonstrate ownership would be enhanced by the process that we believe the industry will come up with.

Mr. KINDNESS. Would it then be fair to say that in enacting such legislation as this measure, we are aimed in the direction wherein we will next be meeting public pressure for some form of guarantee, some form of protection, whereby, with the public's funds, we will guarantee people against the loss of their evidence of ownership even though we are talking of what are essentially private transactions, regulated through a governmentally controlled system of some sort?

Mr. McCOLLISTER. I would respond to the gentleman that we do not think so. This is not so much, I believe, a certificateless society, but rather an immobilized certificate which would remain in depositories where its availability would be much quicker, ready, and certain than has been the case in recent years where there was so much difficulty associated with the mobilizing of securities or certificates.

Mr. KINDNESS. I have one further point, if the gentleman will yield further.

Mr. McCOLLISTER. I do.

Mr. KINDNESS. I wonder if the gentleman would describe whether there are any changes in that system of handling these transactions that are contemplated by this legislation, that would give further guarantee to people who are buying and selling securities with respect to nonloss or loss of certificates? Is there any change in that respect?

Mr. McCOLLISTER. The only change is to develop those procedures relating to the certificate, but none as to the guarantee by the Government or the SEC about that. What our hope is is to make that guarantee result from a better procedure that will make the buyer and seller of stocks be able to effect a transfer of stock ownership more readily and more certainly and with a greater guarantee, but not through the process of any kind of insurance premium or anything like that, only through the better procedure.

Mr. KINDNESS. Mr. Chairman, I thank the gentleman for the very careful answers to these questions.

Mr. McCOLLISTER. Mr. Chairman, I have no further requests for time.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. LANDRUM).

(By unanimous consent, Mr. LANDRUM was allowed to speak out of order.)

LANDRUM AMENDMENT TO BUDGET RESOLUTION

Mr. LANDRUM. Mr. Chairman, today I am entering in the RECORD an amendment I wish to offer to House Concurrent Resolution 218, the first concurrent resolution on the budget.

House Concurrent Resolution 218 is scheduled to be taken up for 10 hours of general debate on the floor of the House next Wednesday, April 30, and subsequently read for amendment under the 5-minute rule.

The amendment I shall offer upon gaining recognition would reduce Federal outlays by $11 billion and thereby

reduce the deficit recommendation in House Concurrent Resolution 218 from $73.2 billion to $62.2 billion.

PRESIDENT'S ADJUSTED DEFICIT

President Ford recommended a deficit of $51.9 billion in his budget recommendation to Congress of February 3. Since that date, this deficit figure has been adjusted to account for various court actions, supplemental requests by the President, and updated estimates in revenues and spending figures as follows:

Adjustments to President's budget

[In millions of dollars]

	Outlays
President's budget as submitted on February 3	$349,392
Executive and court action:	
Supplemental foreign aid request of February 24	100
Supplemental public service employment request	1,838
Reestimates of food stamp costs	1,500
Reestimates of veterans benefits	600
Release of impounded highway funds	1,000
Release of impounded Hill-Burton funds	32
Release of impounded water polution grant construction funds	
Updated estimates in President's budget:	
Overestimates of royalties from leases on Outer Continental Shelf	4,000
Underestimates of payments to Postal Service	728
Rejection of proposed AFDC benefit changes	499
President's budget as adjusted	359,739

In effect, on April 30, the House will be concerned with a budget presented to Congress by the administration which, if accepted, would create a deficit for fiscal year 1976 of $60 billion.

UNEMPLOYMENT DEFICIT

The House Committee on the Budget devoted a major portion of its time and efforts to the problem of unemployment. Most economists, among those on the committee staff, those within the executive branch, and those in the private sector who were contacted by the committee, agree that each percentage point of unemployment above a rate of 4 percent contributes $16 billion toward the deficit.

Using these figures, it is estimated that abnormal unemployment at a rate of about 8 percent in fiscal year 1976 will reduce Federal revenues by $56 billion and require $8 billion in Federal outlays, principally for unemployment compensation.

In effect, on April 30, the House will be concerned with a budget that will, in a sense, contain a $64 billion unemployment deficit. A further discussion of this matter appears in the President's budget message of February 3.

COMPROMISE DEFICIT

It is my intention in offering this amendment, to reach a compromise deficit recommendation in House Concurrent Resolution 218 between the President's adjusted deficit of $60 billion and the unemployment deficit of $64 billion. The $62.2 billion deficit which will result if my amendment is adopted would be a decrease of $10.974 billion below the $73.2 billion deficit recommended by the House Budget Committee.

The Budget Committee recommended a $54.8 billion increase in outlays for fiscal year 1976 over the estimated fiscal year 1975 outlay level.

My amendment would cut that $54.8 billion outlay increase by $10.974 billion. The cut is prorated among those functional categories where spending is subject to annual discretion. The following chart indicates the outlay increases over fiscal year 1975 recommended by the Budget Committee and the corresponding cuts in those increases which my amendment would make:

Identification No.	Function	Increases over fiscal year 1975 outlays (in millions)	Landrum amendment outlay cuts
050	National defense	4,460	−981
150	International affairs	47	−10
250	General science, space, and technology	416	−91
300	Natural resources, environment and energy	2,134	−469
350	Agriculture	43	−9
400	Commerce and transportation	8,014	−1,763
450	Community and regional development	4,611	−1,014
500	Education, manpower and social services	5,712	−1,256
550	Health	4,216	−927
600	Income security	17,213	−3,786
700	Veterans benefits and services	2,003	−440
750	Law enforcement and justice	337	−74
800	General Government	704	−154
850	Revenue sharing and general purpose fiscal assistance.	216	0
900	Interest	3,669	0
	Allowances	350	0
950	Undistributed offsetting receipts	646	0
	Total	54,791	−10,974

BUDGET AUTHORITY

The committee drafted House Concurrent Resolution 218 over a period of several weeks. In considering each functional category, it added or subtracted various programs, made adjustments where deemed appropriate, provided for actions taken by the House of Representatives and came up with a set of figures that can be explained and justified to the last dollar. Chairman ADAMS did a masterful job of guiding committee members through a labyrinth of executive recommendations, standing committee recommendations, and suggestions by committee members.

Congress works through budget authority figures. I do not presume to enter this area which rightfully belongs to each standing committee and the Budget Committee. Therefore, I have used the 3 percent figure which represents the reduction this amendment would make in total outlays and reduced the Budget Authority figure in House Concurrent Resolution 218 by an equal percentage.

Obviously, a reduction in a certain outlay figure will mean a concomitant reduction in a corresponding budget authority figure. Since I did not choose which programs should be reduced in each category, an accurate estimation of reductions in budget authority could not be made. To do otherwise would be to reject the economic policy decisions of the committee, something I have not done.

DEFENSE

The committee recommended increasing outlays for defense by 5 percent above the fiscal year 1975 level, an increase of $4.5 billion. This amendment would cut that increase by $981 million. Such a reduction in outlays may very well be made in large part, as a result of recent events in Southeast Asia since the committee recommendation includes $700 million for support for South Vietnam next fiscal year. I am strongly opposed to efforts to cut defense spending below what is necessary for an adequate national defense posture. However, the cut this amendment would make does not represent a reduction which would weaken our Nation's defense. It amounts to less than 1.1 percent of the $89.7 billion in outlays recommended for this category.

INTERNATIONAL AFFAIRS

The committee recommended a relatively small increase in outlays for this category. In view of the $100 million increase in foreign economic assistance and other matters recommended by the committee, I do not feel that a $10 million cut within this category is beyond reason.

GENERAL SCIENCE, SPACE AND TECHNOLOGY

This category includes funding for what remains of our space program, the National Science Foundation, and certain other programs administered by ERDA. It is my opinion that a reduction of $91 million in outlays could be absorbed through minor adjustments in several of these programs. The various research grant programs administered by the National Science Foundation which have come to be so popular in the Nation's press come readily to mind.

NATURAL RESOURCES, ENVIRONMENT AND ENERGY

The increase in outlays for this category over the fiscal year 1975 level is over $2 billion. With $262 million worth of new programs included in this committee's outlay recommendations which are not even classified as stimulus programs, a cut in the $2 billion increase of only $469 million could be absorbed. Stimulation programs of $440 million to be administered by the Bureau of Reclamation and Corps of Engineers are included in the committee's recommendations. Also included is $190 million in increased funding over President Ford's budget recommendation for the National Parks System.

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AGRICULTURE

The committee accepted President Ford's budget recommendation to increase outlays over the fiscal year 1975 level for this functional category by $43 million. The $9 million cut which this amendment proposes in this increase could be easily absorbed by minor reductions in the programs in this category which amount to over $1.8 billion.

COMMERCE AND TRANSPORTATION

The committee has recommended an $8 billion increase in outlays over the fiscal year 1975 level for this category. Included in the category is $6.9 billion in highway construction funding, $1.8 billion for new programs to stimulate the housing industry out of its slump, and even $211 million in additional funding for Metro construction. Locating areas in which a $1.7 billion cut could be made should not be difficult.

COMMUNITY AND REGIONAL DEVELOPMENT

The committee has recommended a $4.6 billion increase in outlays over the fiscal year 1975 level for this category. This increase is comprised primarily of funding for the proposed Emergency Local Public Works Capital Development and Investment Act of 1975, H.R. 5247, which is being considered by the House Public Works Committee. If decreasing outlays in this $9.4 billion category proves to be difficult, a reduction in funding for that $3 billion stimulation proposal might be in order. Other areas to consider would be proposed funding for the community development block grant program and funding for the emergency employment appropriations bill, H.R. 4481.

EDUCATION, MANPOWER, AND SOCIAL SERVICES

The committee recommended a $5.7 billion increase in this category over the fiscal year 1975 funding level. The $1.2 billion cut which this amendment proposes could be allocated among the various new stimulus programs in this category which would collectively spend over $3.7 billion. It should be noted that outlays in this category amount to over $20 billion as recommended by the committee.

HEALTH

The committee recommended a $4.2 billion increase in outlays for this category over the fiscal year 1975 funding level. Much of this increase was included in the President's budget as submitted to Congress on February 3. This category includes a good deal of Federal spending which is not easily changed by Congress. However, cutting $927 million out of $30.7 billion worth of programs does not appear to be beyond reason.

INCOME SECURITY

The committee recommended a $17.2 billion increase in outlays for this category over the fiscal year 1975 funding level. Included in this category is funding for the unemployment compensation program, the social security program, the civil service retirement program, the aid of dependent children program, the food stamp program, and many others.

This is a $123.9 billion category. The cut in this amendment proposed amounts to less than 3.1 percent of this staggering outlay figure. The standing committees of the House which have jurisdiction over funding for this functional category certainly ought to be able to provide for this modest decrease in what has come to be by far the largest category in our entire budget.

VETERANS BENEFITS AND SERVICES

The committee has recommended a $2 billion increase in outlays for this category over the fiscal year 1975 level. Funding for many of the programs in this category is quite difficult to estimate. The committee found that the President's estimates in his February 3 recommendation to Congress appeared to be $500 million low. I recommend that the standing committees of the House having jurisdiction over funding for this category take this into account in making the relatively modest $440 million cut which this amendment proposes if it is adopted.

LAW ENFORCEMENT AND JUSTICE

The committee recommended a $337 million increase in outlays for this category over the fiscal year 1975 level. Most of this increase was included in the President's budget. The cut this amendment proposes, $74 million, is only 2.2 percent of the outlays for this category. Such a modest cut could be allocated among the Federal Government's expenditures for Department of the Treasury construction projects, the Law Enforcement Assistance Administration Grant program, and other programs. I might note that this category includes $11 million to be used to expand the Executive Production Service.

GENERAL GOVERNMENT

The committee recommended a $704 million increase in outlays for this category over the fiscal year 1975 level. Most of this increase was included in the President's budget. This category includes funding for certain Federal building consrtuction and it should be noted that $195 million in funding out of the Emergency Employment Appropriations Act, H.R. 4481, has been allocated to this category to fund construction, alteration, repair and real property operations.

The $154 million cut proposed in this amendment amounts to 4.6 percent, of the $3.3 billion outlay total for this category.

REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

The amendment would make no changes in this category because its funding level is permanent to the extent that any changes would require major legislative amendments to existing statutes.

INTEREST

This amendment would make no changes in this category because its outlay level is dictated by the level of the public debt and interest rates.

ALLOWANCES

This amendment would make no changes in this segment of the budget because it is composed primarily of a large number of contingency programs and Federal employees salaries. I note that some of my colleagues would like to remove the 5-percent cap, pay ceiling, which the committee and the President have recommended for Federal employees. If that ceiling is removed, outlays in this category would be increased by $410 million.

At this point, it should be noted that this amendment does not recommend placing any new additional ceilings on any salaries or retirement benefits or compensation payments. It accepts the economic policy decision of the committee in this important area.

UNDISTRIBUTED OFFSETTING RECEIPTS

This amendment would make no changes in this category because its outlay level is almost completely automatic and independent of congressional action.

CONCLUSION

In summary, let me point out that this amendment which I propose would cut total outlays in the budget by less than 3 percent.

This amendment takes into account the extensive time and effort the Committee on the Budget has devoted to its unprecedented job. I have accepted the decisions of the committee to expand certain outlays where it has deemed expansion necessary and to make cuts where it has found them essential. My amendment would merely reduce the end result.

I have distributed my modest cut, on a pro rata basis among those functional categories which can be easily reduced, to a level which I think a majority of my colleagues can accept.

This would be a budget comparable to our President's budget where total outlays and the resultant deficit is concerned. This would be a budget based upon the sound economic policy decisions of the House Committee on the Budget. This would be a budget that the taxpayers of the Nation could accept during this unique economic situation in which our Nation finds itself.

A copy of the amendment follows:

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218 OFFERED BY MR. LANDRUM

On page 1, line 11, strike "$395,600,000,000" and insert in lieu thereof "$383,700,000,000";

On page 2, line 2, strike "$368,200,000,000" and insert in lieu thereof "$357,226,000,000";

On page 2, line 5, strike "$73,200,000,000" and insert in lieu thereof "$62,262,000,000";

On page 2, line 7, strike "$624,000,000,000" and insert in lieu thereof "$612,700,000,000"; and

On page 2, line 9, strike "$93,000,000,000" and insert in lieu thereof "$81,700,000,000".

EXPLANATION

The intent of this amendment is to reduce the Federal deficit in fiscal year 1976 to as low a level as is reasonably possible under expected economic conditions.

To accomplish this, the amendment changes amounts of the budget authority and outlays in House Concurrent Resolution 218 as follows:

First. New budget authority decreased by $11.9 billion, from $395.6 billion to $383.7 billion, and

Second. Budget outlays decreased by $10.974 billion, from $368.2 billion to $357.2 billion.

This amendment further reflects mathematical changes in the deficit and the public debt as follows:

First. Deficit lowered from $73.2 billion to $62.2 billion; and

Second. Public debt level lowered from $624 billion to $612.7 billion and the temporary statutory limit on such debt is lowered from $93 billion to $81.7 billion.

FUNCTIONAL CATEGORIES

The decrease of $10.974 billion in outlays should be attributed to functional categories as follows:

Identification No. and function	Outlay reductions (millions)
050—National defense	—$981
150—International affairs	—10
250—General science, space, and technology	—91
300—Natural resources, environment, and energy	—469
350—Agriculture	—9
400—Commerce and transportation	—1,763
450—Community and regional development	—1,014
500—Education, manpower, and social services	—1,256
550—Health	—927
600—Income security	—3,786
700—Veterans benefits and services	—440
750—Law enforcement and justice	—74
800—General government	—154
850—Revenue sharing and general purpose fiscal assistance	0
900—Interest	0
Allowances	0
Undistributed offsetting receipts	0
Total	—10,974

Mr. STAGGERS. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman and members of the committee, I have some reservations about section 501 of the bill because it would allow the Securities and Exchange Commission, after hearings, to outlaw "classes" of brokers. This means that the Commission would have the power to outlaw the third market transactions such as the over-the-counter market.

At this time, Mr. Chairman, I would like to read into the RECORD an excerpt of a letter from Mr. W. Vincent Breakstraw, the Assistant Attorney General dealing with antitrust policy. The Antitrust Division felt that section 501, or the equivalent section in the last Congress, would tend to lessen competition in the securities business.

The excerpt is as follows:

> H.R. 5050 (H.R. 4111 94th Congress) section 601 (501 in H.R. 4111), amends the Securities Exchange Act of 1934 by adding section 20A, authorizing the development of a national securities market system. Section 20A(c) vests the Commission with excessively broad authority over the transaction of business by brokers and dealers. The Commission is authorized to prohibit any broker or dealer or class thereof in the interest of a fair and orderly securities market, from "effecting, or inducing, the purchase or sale of any such security on an exchange or otherwise than on a national securities exchange"—in effect, the Commission is authorized to suppress third market trading in listed securities.
>
> We do not believe that the Commission should be given broad authority to eliminate third market trading since such trading has not raised any danger to the public interest. On the contrary, the market makers of the third market provide a necessary source of competition to the exchanges. Rather than causing public harm, the existence of the third market has provided significant public benefits in terms of affording a means or avoiding the anticompetitive trading restrictions of registered exchanges. Congress has not granted regulatory agencies the power to prohibit methods of doing business absent a concern that such power is necessary to protect important public interests. Conferring such authority upon the Commission can be expected to invite industry efforts to get the Commission to exercise that authority thereby diverting the Commission's resources and the industry's efforts from implementing the central market system. In the unlikely event that subsequent developments should indicate a clear public interest need to limit third market trading. Congress can be expected to respond to such a clear need.

Mr. Chairman, I would like to ask my good friend, the gentleman from California (Mr. Moss) a question. In section 501 a series of criteria are set down that the Securities and Exchange Commission will consider: That there is a finding that in order to outlaw a class of brokers, the Commission must find they do not have the ability to protect the investor; that they take this action to maintain a fair and orderly market—whatever that is; and, that they do not have those lawful means under this legislation and current law to accomplish these defectives.

I wish to ask the gentleman from California whether under the Securities Act of 1934, and in the specific language of this bill, the gentleman really believe that section 501 is necessary? If there were gross misuse of the power by the third market, would not this bill and existing law take care of any problem?

Mr. MOSS. If the gentleman will yield, my response to the gentleman is, first, that I did not feel that section 501 was necessary, but I do feel that it became necessary to secure legislation.

I do not believe that any firm presently or in the future, engaged in the third market activities, is going to be involved as a result of section 501. I felt the finding the Commission must make that their elimination is necessary to maintain fair and equitable markets imposes a burden on the Commission.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. REES).

Mr. MOSS. Mr. Chairman, if I may continue, I felt it imposes a burden on the Commission, and a most onerous burden, and that is the Commission would find that the only way in the world to save the market would be to eliminate the third market, and I do not think that finding can be made.

Mr. REES. So that this would be a very desperate and last-resort type of action?

Mr. MOSS. That is right; that is why we call it the "Fail-Safe." It has that connotation.

Mr. REES. In the 1934 bill the Securities and Exchange Commission had all the power it needed to discipline all of the brokers, or any class of brokers.

Mr. STUCKEY. Mr. Chairman, if the gentleman will yield, the gentleman is concerned about the language of the bill concerning the definition of a fair and orderly market, and I think the gentleman from California would find that this would be the opposite of unfair and unorderly, and the gentleman can witness that every day on the exchanges.

Mr. REES. I have heard the concern expressed that this would mean an attempt to outlaw competition, so that language tends to bother me a bit. So I hope "fair and orderly" would just mean just what the gentleman meant, and would not outlaw competition in the securities industry.

Mr. MOSS. I think it meets the last desperate showing for the need.

Mr. REES. I thank the gentleman.

Mr. STAGGERS. Mr. Chairman, I yield whatever time he may require to the chairman of the Consumer Protection and Finance Subcommitte, the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. I thank the chairman for yielding.

Mr. Chairman, I rather imagine that after the 15-hour day that we worked yesterday, no one has much stomach left for extensive debate. It is also a happy situation that what was once highly-charged controversial legislation has overcome most of its opposition—first, of all because of changes made in the legislation, and, second, because of steps which the Commission has taken setting a new system for competitive brokerage fees which takes effect on Thursday of next week, May 1.

There is much in this legislation which the industry needs as it goes into this new era, as well as protection for the investing public. The markets of America are dramatically changed from what they were a very few years ago. The role of the individual investor has changed greatly, in that he now places much of his investment through mutual funds and other intermediaries.

Comparable legislation was passed by voice vote in the Senate last week. No one on our side, surely, is going to object to a voice vote in this body today.

There is one committee amendment, I believe, pending, and not more than two or three other minor amendments that have drawn the attention of the committee.

I would hope, in light of the need of conference with the Senate, beginning possibly on Tuesday of next week, that we could get this legislation on the President's desk by Wednesday night. With that fond hope, I yield back the balance of my time.

Mrs. HECKLER of Massachusetts. Mr. Chairman, during the consideration today of H.R. 4111, the Securities and Exchange Act amendments, which is advocated by the House Committee on Interstate and Foreign Commerce, I will vote "present" on all votes.

My husband's career involves securities transactions, and in order to avoid even the appearance of a conflict of interest, I am going to refrain from voting on this bill.

The fact is that there is no conflict of interest. I make my own decisions on all issues before the Congress based upon my personal and hopefully objective analysis of the inherent merits or flaws of each piece of legislation.

Nevertheless, to avoid any suggestion of a conflict, I will vote "present" during this debate, as I have on similar issues in the past.

Mr. STAGGERS. Mr. Chairman, we have no further requests for time.

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The CHAIRMAN. Pursuant to the rule, the Clerk will now read by title the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Securities Reform Act of 1975".

TITLE I—REGULATION OF EXCHANGES AND ASSOCIATIONS

SEC. 101 (a) Section 3(a)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(3)) is amended to read as follows:

"(3) The term 'member' when used with respect to a national securities exchange or national securities association means any person who agrees to be regulated by an exchange or association and with respect to whom the exchange or association undertakes to enforce compliance with its rules and with the provisions of this title, and any amendment thereto and any rule or regulation made or to be made thereunder."

(b) Section 3(a)(21) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(21)) is amended to read as follows:

"(21) The term 'person associated with a member' with respect to a member of a national securities exchange or national securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person who is employed by such member, or any person directly or indirectly controlling, under common control with, or controlled by, such member. The Commission may, by rule, classify, for the purpose of any provision of this title, persons associated with a member of an exchange or an association."

SEC. 102. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) Any exchange may register with the Commission as a national securities exchange under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the exchange'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An exchange shall not be registered as a national securities exchange unless it appears to the Commission that—

"(1) such exchange will be able to comply with and carry out the requirements of subsection (q) of this section;

"(2) the rules of the exchange provide that any broker or dealer registered under this title may become a member of such exchange in conformity with the requirements of subsection (o) of this section;

"(3) the rules of the exchange assure a fair representation of its members, issuers of securities listed on the exchange, and the public, in the adoption of rules of the exchange and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum, provisions that—

"(A) the governing body of the exchange, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the exchange will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the exchange to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the exchange staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the exchange provide for the equitable allocation of dues, fees, and other charges among its members, among issuers whose securities are traded on such exchange, and among other persons using the facilities of the exchange;

"(5) the rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers, issuers, or brokers or dealers;

"(6) the rules of the exchange provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by explusion, suspension, fine, censure, limitation of activities, functions and operations, being suspended or barred from being associated with a member or any other fitting sanction, except that such rules need not require an exchange to discipline any person, directly or indirectly controlling, under common control with, or controlled by, a member of such exchange if such person is not otherwise a person associated with such member;

"(7) the rules of the exchange provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the exchange provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such exchange, including that the rules, as a minimum, meet the requirements of subsection (h) of this section; and

"(9) the rules of the exchange are sufficient and reasonably necessary to permit the exchange to discharge its regulatory responsibilities under this title.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules, regulations, and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application for registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a) the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for a period of time not to exceed 90 days.

"(e) A national securities exchange may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such exchange or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny registration.

"(f)(1) Each national securities exchange shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the exchange, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an exchange's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an exchange's rules, publish notice of such proposal together with the exchange's statement of bases and purposes and, except with respect to those rules which constitute its stated policies and practice relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an exchange's rule, except those rules which constitute its state policies and practices relating to its organiaztion, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment, or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment, or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for

the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an exchange's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the exchange. An exchange shall file with the Commission, on a date no later than on the date on which any such change, addition, deletion, or amendment takes effect, copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, except that the Commission shall have no authority to require the filing of such copies and statements prior to the date on which any such change, addition, deletion, or amendment takes effect, and the failure to file such copies and such statements as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an exchange's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such exchange) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under this subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the exchange and between the Commission and any other person relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities exchange registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the exchange or provisions of this title or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commission shall, by rule, specify.

"(2) Rules of a national securities exchange may, with the approval of the Commission, provide for a summary procedure for the suspension, in whole or in part, of the business activities of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities exchange or national securities association for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the exchange determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the exchange.

Following any such suspension, the member or person associated with a member so suspended promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities exchange registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities exchange imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such exchange, the exchange shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in subsection (g) or (h) has been given to the aggrieved party and to the Commission, or within 30 days after the exchange has notified the Commission pursuant to this subsection that the exchange has concluded disciplinary proceedings without imposing a sanction, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities exchange registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the exchange has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the exchange as have been designated in the determination of the exchange, it shall by order so declare and, if appropriate, affirm the action taken by the exchange or remand the proceeding to the exchange or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the exchange has charged or has found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the exchange or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the exchange.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings before the exchange with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction or penalty, or may remand the disciplinary proceeding to the exchange with a statement of the Commission's position thereon and with appropriate instruction to the exchange to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The exchange shall notify the member or person association with the member, and the Commission, as to the exchange's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the exchange's determination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities exchange or to review action of an exchange to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the exchange and this section, it shall by order so declare and affirm the exchange's action; or (B) finds that the specific grounds do not exist or are valid under the rules of the exchange or this section, the Commission shall by order so declare and set aside the action of the exchange and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) With respect to (1) any broker or dealer who is not a member of an exchange but whom the Commission finds to be effecting transactions on an exchange through a member of such exchange in significant and substantial amounts, or (2) any person who is not a member of, but who is permitted by, an exchange to effect transactions directly on the exchange without the services of another person acting as broker, the Commission may, after notice and opportunity for hearing, as it determines to be necessary or appropriate in the public interest, to protect investors, or to assure the maintenance of fair and orderly markets, require, by order such broker or dealer or person to accede to the regulation of such exchange with respect to the effecting of such transactions of such exchange and require such exchange to regulate such broker or dealer or person, but such person shall not, solely because of such action, be deemed a member of such exchange. In any such circumstance, the Commission shall define and specify the authority and responsibility of such exchange to establish and enforce standards and requirements to be satisfied by such broker or dealer or person with respect to such transactions.

"(m)(1) The Commission may, with respect to any person who is a member of more than one national securities exchange, or who is a member of an exchange and a national securities association, assign to an exchange or an association of which such person is a member the responsibility in whole or in part for the regulation of such person, including the responsibility to conduct inspections and examinations of such person, and such assignment shall, as the

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Commission may find to be consistent with the purposes of this title, relieve from the requirements of subsection (q) of this section and section 15A(m) of this title any exchange or association of which a person is also a member to the extent that the responsibility for regulation has been assigned to another exchange or association.

"(2) In any circumstance in which an assignment of regulatory responsibility under paragraph (1) is determined by the Commission to relieve an exchange or an association from the requirements of subsection (q) of this section or subsection (m) of section 15A, with respect to a member of such exchange or association, the Commission may, as it deems necessary or appropriate in the public interest and for the protection of investors, require any such exchange or association and any such member, to take appropriate steps to notify the public, customers, and persons doing business with such member of the nature of such membership.

"(n) A national securities exchange or national securities association shall furnish copies of any reports of inspections or examinations of its members to any other national securities exchange or national securities association of which such member is a member upon the request of such member, exchange, or association, or upon the request of the Commission, and shall not be liable for damages to any person, whether or not the subject of such report, solely for having furnished such copies to another exchange or association pursuant to such request.

"(o) A national securities exchange shall permit any broker or dealer registered under this title to become a member of such exchange, except that any exchange may—

"(1) deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other exchange or any national securities association, during the period of such expulsion, suspension, or bar;

"(2) deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) bar from being associated with a member any person who by his conduct, while associated with a broker or dealer was a cause of any suspension, expulsion or order of the character described in paragraph (1) or (2) of this subsection and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraph (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 6(k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5)(C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the exchange, or in any proceeding before the exchange, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted within ten years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the exchange finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require an applicant for memberhip, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuaht to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the exchange which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

An exchange may, pursuant to such procedures as the Commission finds, give fair and equitable treatment to the members of the exchange, limit the number of its members or designated representatives of its members permitted to effect transactions on the exchange without the services of another person acting as broker to the extent that such limitations are found by the Commission to be justified by reason of limitations in the physical capacity of the exchange.

"(p)(1) On and after May 1, 1975, no national securities exchange may fix or impose any schedule or rate of commission, allowance, or discount except that such prohibition shall not apply to floor brokerage commissions until May 1, 1976, and except that the Commission may (A) after May 1, 1975 and until October 1, 1976, by rule after appropriate notice and affording interested persons an opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, permit a national securities exchange or exchanges to continue, establish, or reestablish a reasonable schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines that the public interest requires the continuation, establishment, or reestablishment of a reasonable schedule or rate for such transactions or portions of transactions on such exchange or exchanges; and (B) on or after October 1, 1976, by order, after appropriate notice and opportunity for a hearing on a record, permit a national securities exchange to continue establish, or reestablish a schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines (i) that such schedule, rate of commission, allowance, or discount is reasonable (stating the standard or standards employed by the Commission adjudging the reasonableness of such schedule, rate of commission, allowance, or discount) and (ii) that such action is required to accomplish the purposes of this title and to assure the maintenance of fair and orderly markets in securities, taking into consideration the competitive effects of permitting the continuance, establishment, or reestablishment of such schedule, rate of commission, allowance, or discount weighed against the competitive effect of other lawful action which the Commission is authorized to take under this title and taking into consideration the preservation of auction markets, promotion of market liquidity, the encouragement of direct investment by individual investors, the availability of equity capital to business, and the prevention of undue concentration of the investment banking industry. Any schedule or rate of commission, allowance, or discount at any time permitted after May 1, 1975, may (i) apply only to transactions or portions of transactions of a particular size involving amounts of less than $300,000 and (ii) relate only to one or more particular services rendered and shall be terminated by rule or order whenever the Commission, after appropriate notice and opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, determines that the public interest no longer requires the continuation of such schedule or rate of commission, allowance, or discount, the Commission shall promptly transmit a copy of any rule or order adopted pursuant to this subsection to the Congress, together with a atatement of the Commission's reasons for adopting such rule or order, and the Commission's recommendations, if any, for legislation concerning the matter of commission rates.

"(2) The Commission shall include in its annual report to the Congress required by section 23(b) of this title a description of the effect that competitive determined commission rates is having on the development of a national securities market system and a national clearance and settlement system.

"(q) National securities exchanges registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the exchange.

"(r) This section shall not require any securities exchange which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any exchange which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such exchange in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an exchange has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities exchange if the Commission finds that the rules of such exchange are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such exchange comply with such requirements.

"(s) Paragraph (2) of subsection (b) of this section and subsection (o) of this section shall not take effect with respect to a national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975 until January 1, 1978. The Commission shall notify the Congress no later than June 30, 1977, whether the requirements of this subsection can be equitably and reasonably implemented. Taking into consideration the loss of value of exchange seats, if any, that would be sustained by exchange members as a result of the implementation of this subsection, if the Commission finds, with respect to any national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975, that this subsection cannot be equitably and reasonably implemented it may, by order, after notice and opportunity for hearing, delay the effective date of this subsection with respect to such exchange for an additional period but not beyond January 1, 1979.

"(t)(1) Rules of an exchange may require any person, or any class of persons, associated with a member to be registered with the exchange in accordance with the procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the exchange may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the exchange may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplement thereto required by rules of an exchange to be filed by a person applying for membership on such exchange or to be filed by a person applying to be associated with a member of an exchange shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

Sec. 103. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding after section 6 the following new section:

"AUTHORITY TO AMEND EXCHANGE AND ASSOCIATION RULES

"Sec. 6A. (a) The Commission, by rule, may amend the rules of any national securities exchange or national securities association (the term 'amend', when used with respect to any rule of a national securities exchange or national securities association means to abrogate, or compel the adoption of an alteration of, or supplement to, such rule, or to adopt a new rule) as the Commission deems necessary or appropriate in the public interest or for the protection of investors, or to insure fair dealing in securities, or to insure the fair administration of such exchange or association, or otherwise to effectuate the purposes of this title, in the following manner:

"(1) The Commission shall give appropriate notice to the exchange or association and shall publish in the Federal Register its proposed rule, which shall contain the text of the proposed amendment to the rules of the exchange or association; a statement of the reasons for the Commission's determination to propose to require the amendment, including any fact which the Commission considers especially pertinent to its determination, and an evaluation by the Commission of the effect of the proposed amendment to the rules of such exchange or association.

"(2) Rules which have been proposed under paragraph (1) shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to any opportunity to make written submissions. A transcript shall be kept of any oral presentation. The Commission may make written submissions or oral presentations respecting such proposed rulemaking. Nothing in this section shall be construed to impair or limit the Commission's power to promulgate, or to modify or alter the procedures the Commission may follow in promulgating rules, regulations, and orders pursuant to any other authority under this title.

"(3) Whenever the Commission promulgates a rule under this section it shall publish with such rule a statement of its bases and purposes for requiring the amendment, including (A) an identification of those facts upon which the Commission considers its determination to be grounded, including its conclusions as to any of such facts which were disputed in oral presentations under paragraph (2) or in written submissions under such paragraph, and (B) an evaluation of what the Commission considers to be the principal arguments made in such oral presentations and in such written submissions.

"(b)(1) Any person adversely affected by a rule promulgated under subsection (a) may, within 120 days from the promulgation of such rule, file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides or has his principal place of business. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or any person designated by it for such purpose. The Commission shall file in the court the rule and the statement published therewith; the transcript required by subsection (a)(2) of any oral presentations by the Commission and by interested persons; and any written submission by interested persons or by the Commission in a proceeding under this section.

"(2) Upon the filing of the petition under paragraph (1) of this subsection, the court shall have jurisdiction to review the rule and to affirm or set aside the rule and to grant interim relief of the nature described in section 705 of title 5, United States Code. Upon review, the facts identified by the Commission pursuant to subsection (a)(3), if supported, by substantial evidence, are conclusive. The rule shall be affirmed unless the court finds that (A) the Commission's action in prescribing the rule is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; or (B) that the Commission's action is (i) contrary to constitutional right, power, privilege, or immunity; (ii) in excess of statutory jurisdiction, authority, or limitation, or short of statutory right; or (iii) without observance of procedure required by law.

"(3) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (1) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(4) The judgment of the court affirming or setting aside, in whole or in part, any rule under this subsection shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code."

Sec. 104. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"POWERS WITH RESPECT TO EXCHANGES, ASSOCIATIONS, AND SECURITIES

"Sec. 19. (a) The Commission is authorized, if in its opinion such action is necessary or appropriate for the protection of investors—

"(1) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to revoke the registration of a national securities exchange or national securities association if the Commission finds that such exchange or association has violated any provision of this title or any rules, regulations, or orders thereunder, or is unable to comply with the provisions of this title or any rules, regulations, or orders thereunder, or, without reasonable justification or excuse, has failed to enforce compliance with this title or any rules or regulations thereunder, or with its own rules by a member or, with respect to an exchange, by an issuer of a security registered thereon.

"(2) After appropriate notice and opportunity for hearing, by order to deny, to suspend the effective date of, to suspend for a period not exceeding 12 months, or to withdraw, the registration of a security if the Commissioner finds that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder, or any rule of a registered national securities exchange upon which such security is listed for trading.

"(3) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to expel from a national securities exchange or national securities association any member thereof, or to suspend for a period not exceeding 12 months or to bar any person from being associated with a member thereof, or to suspend for a period not exceeding 12 months or to bar any person from being associated with a member thereof, whom the Commission finds has violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or a rule, regulation, or order under any of such statutes, or has effected any transaction for any other person who, such member or such person associated with a member had reason to believe, was violating in respect to such transaction any provision of any of such statutes, or a rule, regulation, or order thereunder.

"(4) After appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a national securities exchange or national securities association who, the Commission finds, has willfully and without reasonable justification or excuse failed to enforce compliance with this title, or any rules or regulations thereunder, or with the rules of the exchange or association of which he is an officer, director, or employee, by a member or, with respect to an exchange by an issuer of a security registered on the exchange, or has willfully abused his authority.

"(5) And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or, with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days."

Sec. 105. Section 11(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78h(a)) is amended to read as follows:

"(a)(1) The Commission shall prescribe such rules and regulations as it determines to be necessary or appropriate in the public interest, to assure fair dealing in securities, or for the protection of investors, to regulate or prevent trading by members of national securities exchanges, or trading by brokers or dealers, directly or indirectly (A) for their own account, (B) for any account in which an affiliated or associated person of such member or such broker or dealer has a financial interest (other than an interest which the Commission determines to be insignificant), or (C) for any managed account. Rules under this section shall, as a minimum, assure that any such trading is consistent with and not detrimental to the maintenance of a fair and orderly market in securities.

"(2) For the purposes of this section:

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"(A) An 'affiliated person' shall include any person directly or indirectly controlling, controlled by or under common control with (i) such member or such broker or dealer, or (ii) an associated person of such member or such broker or dealer, whether by contractual arrangement or otherwise. A person shall be presumed to control another person if such person has a right to participate to the extent of more than 25 per centum in the profits of such other person or owns beneficially, directly or indirectly, more than 25 per centum of the outstanding voting securities of such person. An affiliated person may also include any person whom the Commission determines to be in a position to control a member or a broker or dealer by reason of the nature and extent of such person's business with such member or such broker or dealer;

"(B) The term 'associated person' with respect to a member or a broker or dealer means any partner, officer, director, or branch manager of such member or such broker or dealer (or any person occupying a similar status or performing similar functions), including any employee of such member or such broker or dealer, except that for the purposes of this section an associated person of such member or such broker or dealer whose functions are clerical or ministerial shall not be included in the meaning of such term; and

"(C) The term 'managed account' shall mean an account of any person (including any investment company, insurance company, separate account of an insurance company, bank, trust company, pension-benefit or profit-sharing or similar plan, foundation or educational or charitable endownment) for which such member or such broker or dealer, any affiliated person of such member or such broker or dealer, or any associated person of such member or such broker or dealer: (i) is empowered to determine what securities or other property shall be purchased or sold or is otherwise authorized to select the securities bought or sold or (ii) regularly furnishes advice with respect to the desirability of investing in, purchasing or selling securities or other property. For the purposes of this section a member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, shall not be considered to be regularly furnishing advice with respect to the desirability of investing in, purchasing or selling securities or other property if such member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, furnishes only statistical or other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities or if such advice is furnished solely through uniform publications distributed to subecribers thereto or to customers of such member, or broker or dealer, or affiliated or associated person.

"(3) Except as provided in paragraph (5) of this subsection, on or after May 1, 1975, it shall be unlawful for any member of a registered national securities exchange to effect, whether as broker or dealer, any transaction on an exchange for any account described in subparagraph (A), (B), and (C) of paragraph (1) of this subsection, except that this paragraph shall not apply so as to make unlawful the following—

"(A) any transaction by a registered specialist acting in such capacity;

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered;

"(C) any transaction determined in accordance with criteria acceptable to the Commission to be a transaction by a block positioner, or a market maker, acting in such capacity;

"(D) any stabilizing transaction effected in compliance with rules under section 10(b) of this title to facilitate a distribution of a security in which the member effecting such transaction is participating;

"(E) any bona fide arbitrage transaction including hedging between an equity security and a security entitling the holder to acquire such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction involving a recapitalization;

"(F) any transaction for a managed account of a natural person or of a trust created by and for a natural person or his spouse, children, grandchildren, brothers, sisters, aunts, uncles, nieces, or nephews, if such natural person is not otherwise an affiliated or associated person of such member;

"(G) any transaction for a member who is a natural person, or for an account of a natural person who is an affiliated or associated person of a member;

"(H) any transaction to offset a transaction made in error;

"(I) any other transaction of a kind which the Commission, by rule, shall determine contributes to the fair and orderly functioning of the securities markets and which is consistent with the purposes of this paragraph; and

"(J) any transaction by a member for a managed account of a person who, with respect to such member, is not an affiliated or associated person, if such member (or any affiliated or associated person of such member) performs no functions for such account other than those functions described in paragraph (2)(C) of this subsection and which is effected pursuant to standards prescribed by the Commission, by rule, to assure that (i) satisfactory provision is made for the review of trading for such account by a person with investment experience who is not an associated or affiliated person of such member, and (ii) the effecting of such transaction by such member would be consistent with the maintenance of fair and orderly markets in securities.

The Commission shall promulgate appropriate rules under section 3(b) of this Act which shall define terms used in subparagraphs (A) through (J) of this paragraph.

"(4) The Commission shall, under authority of paragraph (1) of this subsection, prescribe such rules and regulations applicable to any transaction for an account described in subparagraphs (A), (B), and (C) of paragraph (1) to prevent any member of a national securities exchange from effecting transactions for such accounts otherwise than on an exchange and to prevent any broker or dealer (other than a member of an exchange) from effecting any transaction for such an account on an exchange or otherwise than on an exchange to the extent that the Commission determines that the prohibition on trading contained in paragraph (3) of this subsection must be applied, in whole or in part, to such members and such brokers or dealers in order to assure the maintenance of fair and orderly markets in securities.

"(5) Until the end of a period of 3 years following the date of enactment of the Securities Reform Act of 1975, the provisions of paragraph (3) of this subsection shall not apply to any member of an exchange who acquired membership on such exchange prior to January 16, 1973, or who on date of enactment of the Securities Reform Act of 1975 was directly or indirectly controlled by a person who was a member of such exchange prior to January 16, 1973, so as to make unlawful the effecting of any transaction for (A) such member's own account, (B) for the account of any associated or affiliated person who was so associated or affiliated on January 16, 1973, or (C) for a managed account for which such member or any affiliated or associated person performed functions described in subparagraph (C) of paragraph (1) on January 16, 1973.

"(6) It shall be unlawful for any member of a national securities exchange or for any broker or dealer to utilize a scheme, device, arrangement, agreement, or understanding designed to circumvent or avoid, by reciprocal means or otherwise, the provisions of paragraph (3) of this subsection or any rule or regulation promulgated by the Commission under authority of this subsection."

SEC. 106. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended to read as follows:

"INVESTIGATIONS, INJUNCTIONS, AND PROSECUTION OF OFFENSE

"SEC. 21. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in carrying out its functions under this title or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.

"(b) For the purpose of any such investigation, or any other proceeding under this title, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

"(d) Wherever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, it may in its discretion bring an action in the proper district court of the United States, the United States District Court for the District of Columbia or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond: *Provided, however*, That the Commissioner shall not proceed against any person under this subsection based on a violation of an exchange, association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission. The Commission may transmit such evidence as may be available concerning acts or practices which may constitute a violation of this title, or any rule, regulation, or order thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(e) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any rule, regulation, or order of the Commission made in pursuance thereof, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title or to compel a registered national securities exchange, national securities association, registered claims agency, or registered securities depository to enforce compliance with the rules of such exchange, association, clearing agency, or securities depository: *Provided, however*, That the Commission shall not proceed against any person under this subsection based on a violation of an exchange association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission."

SEC. 107. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended to read as follows:

"NATIONAL SECURITIES ASSOCIATIONS

"SEC. 15A. (a) Any association may register with the Commission as a national securities association under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the association'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An association shall not be registered as a national securities association unless it appears to the Commission that—

"(1) such association will be able to comply with and carry out the requirements of subsection (m) of this section;

"(2) the rules of the association provide that any broker or dealer may become a member of such association in conformity with the requirements of subsection (l) of this section;

"(3) the rules of the association assure a fair representation of its members, issuers of securities, and the public, in the adoption of rules of the association and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum, provisions that—

"(A) the governing body of the association, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the association will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the association to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the association staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the association provide for the equitable allocation of dues, fees, and other charges among its members, among issuers with respect to whose securities quotations are disseminated through facilities of the association, and among other persons using its facilities;

"(5) the rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to provide safeguards against unreasonable profits or unreasonable rates of commissions or other charges, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers or issuers, or brokers or dealers, to fix minimum profits, to impose any schedule of prices, or to impose any schedule or fix minimum rates of commissions, allowances, discounts, or other charges;

"(6) the rules of the association provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, centure, limitation of activities, functions, and operations, being suspended or barred from being associated with a member, or any other fitting sanction, except that such rules need not require an association to discipline any person, directly or indirectly controlling, under common control with, or controlled by a member of such association if such person is not otherwise a person associated with such member;

"(7) the rules of the association provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the association provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such association, including that the rules, as a minimum, meet the requirements of subsection (h) of this section;

"(9) the rules of the association are sufficient and reasonably necessary to permit the association to discharge its regulatory responsibilities under this title; and

"(10) the rules of the association include provisions governing the form and content of quotations relating to securities or any class thereof which may be disseminated by any member or any person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, both at the wholesale and retail level, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, publishing, and disseminating quotations.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any association from adopting and enforcing any rule not inconsistent with this title and the rules, regulations and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application for registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a), the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period of time not to exceed 90 days.

"(e) A national securities association may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commis-

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sion. If the Commission finds that any such association or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(f)(1) Each national securities association shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the association, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an association's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an association's rules, publish notice of such proposed together with the association's statements of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an association's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, delegation, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this section, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an association's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the association. An association shall file with the Commission copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, on the date on which such change, addition, deletion, or amendment takes effect, except that the failure to file such change, addition, deletion, or amendment to such stated policies and practices as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an association's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such association) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under this subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the association and between the Commission and any other persons relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities association registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the association or provisions of this title or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commission shall, by rule, specify.

"(2) Rules of a national securities association may, with the approval of the Commission, provide for a summary procedure for the suspension of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities association or a national securities exchange for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the association determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the association.

Following any such suspension, the member promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities association registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities association imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such association, the association shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in (g) or (h) above has been given to the aggrieved party and to the Commission, upon the Commission's own motion, or upon applications by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities association registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the association as have been designated in the determination of the association, it shall by order so declare and, if appropriate, affirm the action taken by the association or remand the proceeding to the association, or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such act, as the association has charged or has found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the association or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the association.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings before the association with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction, or may remand the disciplinary proceeding to the association with a statement of the Commission's position thereon and with appropriate instruction to the association to reconsider such sanction, to adduce, such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The association shall notify the member or person associated with the member, and the Commission, as to the association's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the association's determination, upon the Commission's own motion or upon application by

any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities association or to review action of an association to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the association and this section, it shall by order so declare and affirm the association's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the association or this section, the Commission shall by order so declare and set aside the action of the association and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) A national securities association shall permit any broker or dealer to become a member of such association, except that, any association may—

"(1) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other association or any national securities exchange, during the period of such expulsion, suspension, or bar;

"(2) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, bar from being associated with a member any person, during the period of any suspension, expulsion, or order of the character described in paragraph (1) or (2) of this subsection, who, by his conduct while associated with a broker or dealer, was the cause of such suspension, expulsion, or order, and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragaph (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 15A (k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5)(C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the association, or in any proceeding before the association, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted, within ten years preceding the filing of the application or at any time thereafter, of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the association finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code:

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require an applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the association which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

"(m) National securities associations registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the association.

"(n) This section shall not require any securities association which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any association which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such association in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an association has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities association if the Commission finds that the rules of such association are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such association comply with such requirements.

"(o)(1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember broker or dealer (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

"(2) For the purposes of this subsection, the term 'noumember broker or dealer' shall include any broker or dealer who makes use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security otherwise than on a national securities exchange, who is not a member of any national securities association, except a broker or dealer who deals exclusively in commercial paper, bankers' acceptances, or commercial bills.

"(3) Nothing in this subsection shall be so construed or applied as to prevent any member of a national securities association from granting to any other member of any national securities association any dealer's discount, allowance, commission, or special terms.

"(p) Nothing in this section shall be construed to apply with respect to any transaction by a broker or dealer in any exempted security.

"(q)(1) Rules of an association may require any person, or any class of persons, associated with a member to be registered with the association in accordance with procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the association may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the association may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplemental thereto required by rules of an association to be filed by a person applying for membership in such association or to be filed by a person applying to be associated with a member of an association shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

TITLE II—FINANCIAL RESPONSIBILITY; REGULATION OF BROKERS AND DEALERS; REPORTS AND EXAMINATIONS

SEC. 201. Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended to read as follows:

"RESTRICTIONS ON BORROWING BY MEMBERS, BROKERS, AND DEALERS

"SEC. 8. It shall be unlawful for any registered broker or dealer or any broker or dealer who transacts a business in securities through the medium of any member of a national securities exchange directly or indirectly—

"(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank of the Federal Reserve System, (2) from any nonmember bank which shall have filed with the Board of Governors of the Federal Reserve System an agreement, which is still in force and which is in the form prescribed by the Board, undertaking to comply with all provisions of this Act, the Federal Reserve Act as amended, and the Banking Act of 1933, which are applicable to member banks and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof, or (3) in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe to permit loans betwen such members and/or brokers and/or dealers, or to permit loans to meet emergency needs. Any such agreement filed with the Board of Governors of the Federal Reserve System shall be subject to termination at any time by order of the Board after appropriate notice and opportunity for hearing because of any failure by such bank to comply with the provisions thereof or with such provisions of law or rules or regulations;

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and, for any willful violation of such agreement, such bank shall be subject to the penalties provided for violations of rules and regulations prescribed under this title. The provisions of sections 21 and 25 of this title shall apply in the case of any such proceeding or order of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply in the case of proceedings and orders of the Commission.

"(b) In contravention of such rules and regulation as the Commission shall prescribe for the protection of investors to hypothecate or arrange for hypothecation of any securities carried for the account of any customer under circumstances (1) that will permit the commingling of his securities without his written consent with the securities of any other customer, (2) that will permit such securities to be commingled with the securities of any person other than a bona fide customer, or (3) that will permit such securities to be hypothecated, or subjected to any lien or claim of the pledgee for a sum in excess of the aggregate indebtedness of such customers in respect of such securities.

"(c) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer or in contravention of such rules and regulations as the Commission shall prescribe for the protection of investors."

SEC. 202. Section 15(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)) is amended to read as follows:

"SEC. 15. (a)(1) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, and no broker or dealer who is a member of an exchange shall make use of an exchange facility, to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless registered as a broker or dealer in accordance with subsection (b) of this section.

"(2) The Commission may by such rules and regulations or orders as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for specified periods, exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rules, regulations, or orders."

SEC. 203. (a) Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended to read as follows:

"(b)(1) A broker or dealer may be registered for the purpose of this section by filing with the Commission an application for registration, which shall contain a balance sheet certified by an independent public or certified accountant and such other financial statements (which may be certified) or such other information in such detail as to such broker or dealer and any persons associated with such broker or dealer as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Within forty-five days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within 120 days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional 90 days.

"(2) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain a balance sheet certified by an independent or certified public accountant and such other financial statements (which may be certified) or such other information in such detail as to the applicant and as to the successor and any person associated with the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. The effectiveness of such application shall be governed by the same procedures as set forth in subsection (b)(1). Should the Commission grant such application for registration, the registration shall terminate on the forty-fifth day of the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt such application as its own.

"(3) Within 6 months of the granting of an application for registration the Commission, or such national securities association or national securities exchange of which such broker or dealer is a member as the Commission may, by rule, designate, shall conduct an inspection of the broker or dealer so registered, to determine whether such broker or dealer is operating in conformity with the provisions of this title, and the rules and regulations adopted thereunder: *Provided, however*, That the Commission may classify brokers and dealers on appropriate bases, including the type of business in which they are engaged, and, with respect to particular classes of brokers and dealers, delay for a period not to exceed 6 months the inspection required by this paragraph.

"(4) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce are used in connection therewith shall also prohibit any such act, practice, or course of business by any broker or dealer registered pursuant to this subsection or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(5) The Commission shall, after appropriate notice and opportunity for hearing, by order censure, deny registration to, suspend for a period not exceeding 12 months, or revoke the registration of, any broker or dealer if it finds that such censure, denial, suspension, or revocation is in the public interest and that such broker or dealer, whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

"(A) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within 10 years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security.

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser.

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities.

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, or dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or firm engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or this title, or any rule or regulation under any of such statutes.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or any rule or regulation under any of such statutes, or has failed reasonably to supervise, with a view to preventing violations of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this clause (E) no person shall be deemed to have failed reasonably to supervise any person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (7) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer, which order is in effect with respect to such person.

"(6) Pending final determination whether any registration under this subsection shall be revoked, the Commission shall by order suspend such registration, if after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall, after appropriate notice and opportunity for hearing, by order cancel the registration of such broker or dealer.

"(7) The Commission may, after appropriate notice and opportunity for hearing, by order censure any person, or bar or suspend for a period not exceeding 12 months any person from being associated with a broker or dealer if the Commission finds that such censure, barring, or suspension is in the public interest and that such person has committed or omitted any act or omission enumerated in clause (A), (D), or (E) of paragraph (5) of this subsection or has been convicted of any offense specified in clause (B) of said paragraph (5) within 10 years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in clause (C) of said paragraph (5). It shall be unlawful for any person as to whom such an order barring or suspending him from being associated with a broker or dealer is in effect, willfully to become, or to be, associated with a broker or dealer, without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him, without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care, should have known, of such order.

"(8) No broker or dealer registered under section 15 of this title shall effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer and all natural persons associated with such broker or dealer meet such specified and appropriate standards with respect to training, experience and age, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) appropriately classify brokers and dealers and persons associated with brokers and dealers (taking into account relevant matters, including types of business done and nature of securities sold).

"(B) specify that all or any portion of such standards shall be applicable to any such class.

"(C) require persons in any class to pass examinations prescribed in accordance with such rules and regulations, which examinations shall, with respect to any class of partners, officers, or supervisory employees (which latter term may be defined by the Commission's rules and regulations and as so defined shall include branch managers of brokers or dealers) engaged in the business activities of the broker or dealer, include questions relating to bookkeeping, accounting, internal control over cash and securities, proper supervision of employees, proper maintenance of records, and other appropriate matters.

"(D) provide that persons in any such class other than a broker or a dealer and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such specified standards of training and such other qualifications as the Commission finds appropriate.

The Commission may prescribe by rules and regulations reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any examination administered by it or under its direction. The Commission may cooperate with national securities associations registered under section 15A of this title and with national securities exchanges registered under section 6 of this title in devising and administering examinations and may require brokers and dealers registered under this section and persons associated with such brokers and dealers to pass examinations administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such examinations.

"(9) In addition to the fees and charges authorized by paragraph (8) each broker or dealer registered under section 15 of this title which is not a member of a national securities association registered pursuant to section 15A of this title shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such broker or dealer is not a member of such a securities association. The Commission shall establish such fees and charges by rules and regulations.

"(10) No broker or dealer subject to paragraph (9) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to provide safeguards against unreasonable profits or unreasonable rates of commissions or other charges, and in general to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market."

(b) The amendments and repeals made by this section shall not require the re-registration of any person registered pursuant to subsection 15(b) on the date on which the Securities Reform Act of 1975 take effect.

SEC. 204. Section 15(c)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(3)) is amended to read as follows:

"(3)(A) No broker or dealer shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility and related practices of such brokers and dealers including, but not limited to, the acceptance of custody and use of customers' securities, and the carrying and use of customers' deposits or credit balances. Such rules and regulations shall (i) require the maintenance of reserves with respect to customers' deposits or credit balances, and (ii) by no later than July 1, 1975, establish minimum capital requirements for ample, liquid, and permanent capital of such brokers and dealers.

"(B) The Commission shall have authority, after appropriate notice and opportunity for hearing, to order any broker or dealer or class thereof to restrict any of its activities if the Commission finds that such restrictions are reasonably necessary to assure continued compliance with rules under this section.

"(C) For the purposes of this paragraph, the Commission is authorized to classify brokers and dealers on appropriate bases including the type of business in which they are engaged and risks attendant thereto.

"(D)(i) The Commission may, by order, upon written application, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer who satisfies the Commission that, because of the special nature of his business, his financial position, and the safeguards he has established for the protection of customers' funds and securities, it is not necessary in the public interest or for the protection of investors to subject the particular broker or dealer to the provisions of this paragraph and the Commission may, by rule, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer or class of brokers or dealers who do not handle customers' funds and securities, if the Commission determines that it is not necessary in the public interest or for the protection of investors to subject such brokers or dealers or classes of brokers or dealers to the provisions of this paragraph.

"(ii) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for exemptions received, the number granted pursuant to (i) above, the basis or bases upon which the exemptions were granted and any rule or rules exempting any broker or dealer or class of brokers or dealers from the provisions of this paragraph."

SEC. 205. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended to read as follows:

"ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

"SEC. 17. (a) Every national securities exchange, every member thereof registered under section 15 of this title, every broker or dealer who transacts a business in securities through the medium of any such member, every national securities association, every broker or dealer registered pursuant to section 15 of this title and every securities information processor, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and furnish such copies thereof, and make and disseminate such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors or to remove impediments to or perfect the mechanism of a national securities market system. No exchange, broker, dealer, national securities association, or securities information processor shall be liable for damages to any person, whether or not the subject of such accounts, correspondence, memoranda, papers, books, or other records solely for having furnished copies of such material as required by this section or rules or regulations thereunder.

"(b) Such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(c) Every broker or dealer registered under this title shall file with the Commission balance sheets and income statement, certified by an independent public or certified public accountant, prepared on a calendar or fiscal year basis for the current year and the preceding year, if any, and shall file such information concerning its financial conditions as the Commission shall, by rule, require. Every such broker or dealer shall send to its customers its certified balance sheet and, upon the request of any customer or as may be required by the Commission, by rule, its certified income statement and any other information concerning its financial condition which it is required to file with the Commission.

"(d) Rules under subsection (a) of this section may include rules (1) regulating the reporting of transactions executed on an exchange, or otherwise than on an exchange on a continuous basis or otherwise; (2) regulating the reporting of bids and offers for securities traded on an exchange or otherwise than on an exchange on a continuous basis or otherwise; and (3) prescribing uniformity in accounting procedures and systems of brokers and dealers and members of exchanges and associations.

"(e) Any broker, dealer, member or other person extending credit who is subject to the rules and regulations prescribed by the Board of Governors of the Federal Reserve System pursuant to this title shall make such reports to the Board as it may require as necessary or appropriate to enable it to perform the functions conferred upon it by this title. If any such broker, dealer, member, or other person shall fail to make any such report or fail to furnish full information therein, or, if in the judgment of the Board it is otherwise necessary, such broker, dealer, member, or other person shall permit such inspections to be made by the Board

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with respect to the business operations of such broker, dealer, or other person as the Board may deem necessary to enable it to obtain the required information.

"(f) The term 'securities information processor' means any person engaged in the business of (1) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of information with respect to transactions in, quotations for, or indications of interest to purchase or sell any security, or (2) distributing or publishing (whether by means of a ticker tape, a communications network, a terminal display device, or otherwise) on a current and continuing basis information with respect to such transactions, quotations, or indications of interest. The term 'securities information processor' does not include the publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any common carrier subject to the jurisdiction of the Federal Communications Commission or a State commission as defined in section 3(t) of the Communications Act of 1934, any national securities exchange, or any national securities association."

TITLE III—DEVELOPMENT OF A NATIONAL CLEARANCE AND SETTLEMENT SYSTEM

SEC. 301. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by striking the word "and" immediately before the phrase "to impose requirements necessary to make such regulation and control reasonably complete and effective," and by adding the following immediately after that phrase "and to provide for the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions".

SEC. 302. Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is further amended by adding at the end thereof the following new paragraphs:

"(22)(A) The term 'clearing agency' means any person who acts as an intermediary in making payments or deliveries (or both) in connection with transactions in securities or who provides facilities (i) for comparison of data respecting the terms of settlement of securities transactions, (ii) to reduce the number of settlements of securities transactions, or (iii) for the allocation of securities settlement responsibilities.

"(B) The term 'securities depository' means any person who is the guardian of securities in connection with a system which permits securities so held to be transferred, loaned, or pledged without physical delivery of securities certificates, or which otherwise permits or facilitates or provides facilities for the settlement of securities without physical delivery of securities certificates, or (ii) any person who engages on behalf of an issuer of securities, or on behalf of itself as an issuer of securities, in transferring record ownership of such securities by bookkeeping entry without physical issuance or delivery of securities certificates.

"(C) The terms 'clearing agency' and 'securities depository' shall not include (i) Federal Reserve Banks, Federal Home Loan Banks, Federal Land Banks and (ii) any bank or any building and loan, savings and loan, and homestead association or any cooperative bank if such bank or association would be classified as a clearing agency or securities depository solely by reason of lending, fiduciary, correspondent, or safekeeping functions commonly performed by them as incidental to their banking or association activities.

"(D) The terms 'clearing agency' and 'securities depository' shall not include (i) any life insurance company, or its registered separate accounts, or a subsidiary of such insurance company by reason of functions commonly performed by such entities in connection with variable annuity contracts issued by such insurance company or its separate account, or, (ii) any registered open-end investment company or unit investment trust by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust.

"(23) The term 'participant', when used with respect to a clearing agency or securities depository, means any person who uses a clearing agency or securities depository for the purpose of settling or comparing transactions in securities or making or receiving payment for or delivering, lending, or hypothecation of securities but does not include a person whose only use of a clearing agency or securities depository is through another person.

"(24) The term 'transfer agent' means any person who engages, on behalf of an issuer, or on behalf of itself as an issuer, of securities, in: (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; or (D) exchanging or converting such securities. The term 'transfer agent' shall not include any person who performs such functions solely with respect to variable annuity contracts issued by an insurance company or its registered separate account.

"(25) The term 'appropriate regulatory agency', when used with respect to a clearing agency, securities depository, or transfer agent required to be registered under this title, means:

"(A) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(B) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or subsidiary thereof;

"(C) the Federal Deposit Insurance Corporation in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) or a subsidiary thereof; and

"(D) the Commission, in the case of all other clearing agencies, securities depositories, and transfer agents.

"(26) The terms 'rules of a clearing agency' or 'rules of a securities depository' mean the clearing agency's or securities depository's constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, participation, procedures, financial condition, methods of safekeeping, transferring, hypothecating, lending and accounting for funds and securities, and similar matters."

SEC. 303. Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is further amended by adding the following new paragraph at the end thereof:

"(6) No broker or dealer shall make use of the mails or of any means or instrumentality or interstate commerce and no member of a national securities exchange shall make use of an exchange facility to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to regulate the time and method of making settlements, payments, and deliveries and of opening, maintaining, and closing accounts. Nothing in this paragraph shall be construed to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or to authorize the Commission to prescribe rules or regulations for such purpose."

SEC. 304. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"PROCESSING OF SECURITIES TRANSACTIONS

"SEC. 17A. (a)(1) One hundred and eighty days after the effective date of the Securities Reform Act of 1975, and except as otherwise provided in this subsection, it shall be unlawful for any person, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a clearing agency, securities depository, or transfer agent unless such person is registered under this section. The Commission, by rules and regulations or by order, upon its own motion, or upon application, may conditionally or unconditionally exempt any person who is a clearing agency, securities depository, or transfer agent, or any class of persons, who are clearning agencies, securities depositories, or transfer agents from any provision or provisions of this section or of any rule or regulation prescribed under this section if the Commission finds that the application of such provision or provisions or such rule or regulation to such person, is not necessary or appropriate in the public interest or for the prompt and accurate processing and settlement of securities transactions.

"(2) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for a rule, regulation, or order exempting a person, or class or classes of persons from the provisions of this section, action taken with respect to such requests, and the basis or base for such action, and similar information concerning exemptions granted on the Commission's own motion.

"(3) The provisions of this section shall apply only to securities and to persons performing the function of transfer agent with respect to securities which are registered under section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (a)(2)(B) or (g)(2)(G) of that section.

"(b) TRANSFER AGENTS.—(1) Any transfer agent may be registered for the purposes of this section by filing with the appropriate regulatory agency a registration statement which shall state the address of its principal office or offices for transfer agent activities, the identity of the issuers and issues of securities for which it is then acting as transfer agent, and such other information in such detail as the Commission may by rule require as necessary or appropriate in the public interest, for the protection of investors or to assure the prompt and accurate processing and settlement of securities transactions. Each appropriate regulatory agency other than the Commission shall supply to the Commission a copy of any registration statement filed with it as well as such additional information as the Commission may request to keep current the information in such registration statement or to carry out its responsibilities under this section. Except as otherwise provided in this subsection, a registration statement of a transfer agent filed under this subsection shall become effective thirty days after its filing or within such shorter period of time as the appropriate regulatory agency may determine.

"(2) The appropriate regulatory agency

shall, after appropriate notice and opportunity for hearing, by order, deny registration to any transfer agent if it finds that such denial is in the public interest and that such transfer agent does not have procedures or means to be able to comply with the provisions and purposes of this section and the rules, regulations, and orders prescribed thereunder.

"(3) Pending final determination whether the registration of a transfer agent shall be denied, the appropriate regulatory agency may, by order, postpone the effective date of such registration for a period not to exceed 90 days, except that the appropriate regulatory agency may extend such period until final determination if it finds good cause for such extension and publishes its reasons therefor.

"(4) A transfer agent registered under this subsection may, upon such terms and conditions as the appropriate regulatory agency may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the appropriate regulatory agency. If the appropriate regulatory agency finds that any such registrant or such other person for whom an application of registration as a transfer agent is pending is no longer in existence or has ceased to do business as a transfer agent, the appropriate regulatory agency shall, by order, cancel or deny the registration. Appropriate regulatory agencies other than the Commission shall inform the Commission of the withdrawal from registration by a transfer agent under its jurisdiction and shall supply to the Commission a copy of all orders canceling or denying the registration of a transfer agent.

"(c) Any clearing agency or securities depository may be registered for the purposes of this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the rules of the clearing agency or securities depository and such other information as the Commission may, by rule, require.

"(d) An applicant shall not be registered as a clearing agency or a securities depository unless the Commission finds that—

"(1) such clearing agency or securities depository is organized so as to facilitate the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, and to comply with the provisions of this title and the rules, regulations and orders thereunder, and to carry out the purposes of this section;

"(2)(A) the rules of the clearing agency or securities depository provide that (i) all registered brokers or dealers, (ii) other registered clearing agencies or securities depositories, (iii) registered investment companies, (iv) banks, (v) such other persons or classes of persons as the Commission may from time to time designate by rule as appropriate to the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions,

are eligible to become participants in such clearing agency or securities depository, subject only to such other rules of the clearing agency or securities depository as are expressly permitted under subparagraph (B) of this paragraph;

"(B) the rules of the clearing agency or securities depository may (i) restrict or condition participation upon the deposit of property of value or the posting of a bond with the clearing agency or securities depository in an amount which bears a reasonable relationship to the risks attendant to such participant's view of such clearing agency or securities depository; (ii) restrict or condition participation upon compliance with such standards of operational capacity and financial responsibility as the Commission, by rule, finds to be necessary to assure the prompt and accurate processing of securities transactions and the protection of investors, the clearing agency or securities depository, and participants therein; (iii) deny participation to persons who have been expelled or suspended by a registered clearing agency or securities depository during the period of such expulsion or suspension; and (iv) provide for the exclusion of persons who have been convicted within 10 years preceding the filing of the application for participation of the crimes of armed robbery or grand larceny or of any felony or misdemeanor which the clearing agency or securities depository finds—

"(a) involves the purchase or sale of any security,

"(b) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or

"(c) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(3) the rules of the clearing agency or securities depository assure that no participant or class of participants, by reason of stock ownership or otherwise, is afforded a role greater than that of any other participant in the adoption of rules of the clearing agency or securities depository, the selection of officers and directors, or in any other phase of the administration of such clearing agency or securities depository.

"(4) the rules of the clearing agency or securities depository provide for the equitable allocation of dues, fees, and other charges among its participants;

"(5) the rules of the clearing agency or securities depository do not impose any schedule of prices, or fix minimum rates or charges. for services rendered by its participants;

"(6) the rules of the clearing agency or securities depository are designed to promote the prompt and orderly processing and settlement of securities transactions, to provide safeguards for securities and funds which are in its custody, to foster cooperation and coordination with national securities exchanges, national securities associations, other clearing agencies or securities depositories, brokers, dealers, banks, registered investment companies, and with other persons engaged in the settlement and processing of securities transactions, and to protect investors and the public interest; and do not have the effect of unfairly discriminating in the admission of participants in the use of such clearing agency or security depository;

"(7) the rules of the clearing agency or securities depository provide for the imposition of appropriate sanctions on participants for violations of its rules or the provisions of this section and the rules or regulations thereunder, which sanctions may include expulsion, suspension, fine, censure, or the limitation of activities, functions, and operations.

"(8) the rules of the clearing agency or securities depository provide a fair and orderly procedure with respect to the imposition of sanctions on participants and the denial of participation to any person seeking participation therein. In any proceeding to determine whether a sanction should be imposed such rules shall require that specific charges of any rule violation shall be brought; that a participant shall be notified of and be given an opportunity to defend against such charges; that a record shall be kept; and that a determination to impose a sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such participant may be found to have engaged, or any required act or practice which such participant may be found to have omitted;

"(B) the specific rule or rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

In any proceeding to determine whether a person shall be denied participation, such rules shall provide that the prospective participant shall be notified of, and be given an opportunity to be heard upon, the specific grounds for denial which are under consideration; that a record shall be kept and that the determination to deny participation shall be supported by a statement setting forth the specific grounds on which the denial is based. Notwithstanding any other provision of this section the rules of the clearing agency or securities depository may provide for the temporary suspension of a participant, the prohibition of such participant's use of the clearing agency or securities depository and the closing of such participant's accounts pending determination on the merits of any disciplinary proceeding if, in the opinion of the clearing agency or securities depository, such suspension or prohibition on use and closing of accounts are necessary for the protection of the clearing agency or securities depository or its participants or for the protection of investors or to facilitate the orderly and continuous performance of the clearing agency's or securities depository's services. The rules shall afford the participant opportunity for a prompt hearing on the merits in the case of any temporary suspension.

"(e) The Commission shall, upon the filing of an application for registration pursuant to subsection (c), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 90 days of the filing of an application for registration pursuant to subsection (c), or such shorter period of time as the Commission may determine, the Commission shall:

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied. After appropriate notice and opportunity for hearing, the Commission shall by order grant such registration unless it finds that any requirement of this section is not satisfied, in which case the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying an application within 180 days of the filing of the application unless the Commission finds good cause to extend such period and publishes its reasons therefor.

"(f) A clearing agency, or securities depository, registered under this section may, upon such terms and conditions as the Commission may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such registrant or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(g) No clearing agency, securities depository, or transfer agent registered under this section shall, directly or indirectly, engage in any activity as clearing agency, securities depository, or transfer agent in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(h) If any registered clearing agency or securities depository imposes any sanction

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on any participant therein, or denies admission to any person seeking participation therein, such action shall be subject to review by the Commission, on its own motion, or upon application by any person aggrieved thereby filed within 30 days after such action has been taken or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such action, unless the Commission otherwise orders, after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of affidavits and oral arguments).

"(i)(1) In a proceeding to review sanctions imposed by a registered clearing agency or a securities depository against a participant after notice and opportunity for hearing:

"(A) if the Commission finds that such participant has engaged in such acts or practices, or has omitted such acts, as the clearing agency or securities depository has found him to have engaged in or to have omitted, and that such acts or practices, or omission to act, are in violation of such rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder as have been designated in the determination of the clearing agency or securities depository, it shall by order so declare and affirm the action taken by the clearing agency or securities depository or, if appropriate, modify the sanctions in accordance with paragraph (2) of this subsection, or

"(B) if the Commission finds that the evidence does not warrant the finding required in clause (A), or if the Commission determines that such acts or practices as are found to have been engaged in are not prohibited by the designated rule or rules of the clearing agency or securities depository or the designated provisions of this section or the rules or regulations thereunder or that such act as is found to have been omitted is not required by such designated provisions or rules, the Commission shall by order set aside the action of the clearing agency or securities depository.

"(2) With respect to any sanction imposed by a clearing agency or a securities depository upon a participant the Commission may, having due regard to the public interest, if it finds that such sanction is inappropriate, cancel, reduce, increase, require the remission, broaden the scope or otherwise require modification of such sanction.

"(j) In any proceeding to review the denial of participation in a registered clearing agency or a securities depository, if the Commission, after appropriate notice and opportunity for hearing, determines that the specific grounds on which such denial or bar is based exist in fact and are valid under this section, it shall by order dismiss the proceeding; otherwise, the Commission shall by order set aside the action of the clearing agency or securities depository and require it to admit the applicant to participation therein.

"(k)(1) Each registered clearing agency or securities depository shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, or amendments to the rules of the clearing agency or securities depository accompanied by a summary statement of the basis and purpose for such proposed change, addition or amendment, and such other information and documents, as the Commission may require to keep current or to supplement the registration statement and documents filed pursuant to subsection (c). All such proposed changes, additions, or amendments, and their accompanying statements of basis and purpose, shall be made available for public inspection and copying. No such proposed change, addition, or amendment shall become effective except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change in, addition to, or amendment to the rules of a clearing agency or securities depository, publish notice of such proposal together with the clearing agency's or securities depository's statement of basis and purpose, and shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, or amendment. The Commission shall make available for public inspection and copying copies of all written communications between the Commission and the clearing agency or securities depository, and between the Commission and any other persons, related to the proposed change, addition or amendment. Such change, addition, or amendment shall take effect 60 days after publication of such notice by the Commission, unless the Commission disapproves such change, addition, or amendment as inconsistent with the purposes of this section or otherwise inconsistent with the public interest: *Provided*, That the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation for views, data, or arguments concerning the proposed change, addition or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition or amendment or any class or classes of such proposed change, addition or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition or amendment or class of such change, addition or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(l) The appropriate regulatory agency may, after appropriate notice and opportunity for hearing, by order, censure, bar, suspend for a period not exceeding 12 months, or place limitations upon any transfer agent, or revoke the registration of any transfer agent, if the appropriate regulatory agency finds that such censure, barring, suspension, placing of limitations, or revocation is in the public interest, or necessary for the protection of investors, and that such transfer agent or any partner, officer, director, or employee thereof has violated or is unable to comply with any provision of this section or any rule, regulation or order promulgated thereunder.

"(m) The Commission is authorized, if it finds such action to be necessary or appropriate in the public interest or for the protection of investors or to carry out the purposes of this section—

"(1) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or revoke the registration of a registered clearing agency or a securities depository or impose limitations upon the activities, functions, or operations of such clearing agency or securities depository, if the Commission finds that such clearing agency or securities depository has violated any provision of this title, or any rule or regulation thereunder, or has failed to enforce compliance with its own rules, or has engaged in any other activity tending to defeat the purposes of this section;

"(2) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months, censure or expel from a registered clearing agency or securities depository any participant therein, or impose limitations upon the activities, functions, or operations of such a participant if the Commission finds that such participant, or any partner, officer, director, or employee of such participant, has violated any provision of this title or any rule, regulation, or order thereunder or any rule of the clearing agency or securities depository; and

"(3) after appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a registered clearing agency or a securities depository who, the Commission finds, has willfully failed to enforce the rules of the clearing agency or securities depository or the provisions of this section or the rules or regulations promulgated thereunder, or has willfully abused his authority.

"(n) If a proceeding under subsection (m)(1) of this section results in the suspension or revocation of the registration of a clearing agency or a securities depository, the Commission may, upon notice to such clearing agency or securities depository, apply to any court of competent jurisdiction specified in section 21(e) or 27 of this title for the appointment of a trustee. In such event, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of the clearing agency or securities depository involved, and the books, records, and assets thereof, wherever located; and the court shall appoint the Commission or a person designated by the Commission as the trustee with the power to take possession and to continue to operate or to terminate the facilities of such clearing agency or securities depository in an orderly manner, for the protection of participants and public investors, subject to such terms and conditions as the court may prescribe.

"(o)(1) Each registered clearing agency and securities depository shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate cooperation among clearing agencies and securities depositories and the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(2) Each registered transfer agent shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate the prompt and orderly settlement of securities transactions or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the appropriate regulatory agency as may be deemed necessary or appropriate in the public interest or for the protection of investors. Appropriate regulatory agencies other than the Commission shall make a report of all examinations conducted by them with respect to transfer agents subject to their jurisdiction and shall furnish to the Commission, at its request, a copy or portion of any such report which is relevant to functions regulated under this section. Nothing in this section shall preclude an appropriate regulatory agency (other than the Commission) from requiring a registered transfer agent to comply with such additional or other recordkeeping, reporting, inspection, or examination requirements as may be consistent with rules and regulations prescribed by the Commission under this section.

"(3) In the case of a transfer agent which is subject to regulation by an appropriate regulatory agency other than the Commission, the Commission shall rely to the fullest practicable extent on such agency for the conduct of routine, periodic, or other inspections or examinations under this section, and for obtaining reports from such transfer agents, but notwithstanding any provision of this section, the Commission shall have authority to make special or other examinations or inspections and to require special reports of such transfer agents in those situations where the Commission determines that such action would nevertheless be appropriate.

"(4) In the case of any disagreement between the Commission and any other appropriate regulatory agency concerning any rule of the Commission with respect to any transfer agent, the determination of the Commission shall be definitive.

"(p)(1) The Commission shall make a full and detailed report of all examinations conducted by it of any bank, bank subsidiary, or bank holding company which is a registered clearing agency or securities depository and shall, upon request, furnish a copy of such report to the other appropriate regulatory agencies.

"(2) The Commission shall, in the conduct of its responsibilities under this title with respect to banks registered as clearing agencies, securities depositories, or transfer agents, consult and cooperate with the other appropriate regulatory agencies toward the end that their mutual regulatory needs and responsibilities be fulfilled to the maximum extent practicable. At least 5 days prior to the issuance for public comment or adoption of any proposed rule or regulation pursuant to this section, the Commission shall first consult and request the views of the other appropriate regulatory agencies: *Provided*, That the failure of the Commission to so consult or request views shall not affect the validity, force or effect of any rule or regulation of the Commission or of any Commission action or omission to act thereunder.

"(q) Compliance with the requirements of this section or any rule, regulation, or order thereunder, with respect to transfer agents may be enforced under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) by the appropriate regulatory agencies other than the Commission. For the purpose of the exercise by such agencies of their powers under section 8 of the Federal Deposit Insurance Act, a violation of any requirement imposed under this section is a violation of the requirements imposed under the Federal Deposit Insurance Act and shall constitute adequate basis for the issuance of orders under sections 8(b) and 8(c) of that Act. In addition to its power under section 8 of the Federal Deposit Insurance Act, each of such appropriate regulatory agencies may, for the purpose of enforcing compliance with this section (or any rule or order thereunder), exercise any other authority conferred on it by law.

"(r) The provisions of this section 17A or of any rule or regulation thereunder shall not apply to any person acting as transfer agent with respect to securities transactions which occur without the jurisdiction of the United States, except as the Commission may prescribe as necessary or appropriate to prevent the evasion of this title.

"(s) The Commission shall, on or before December 31, 1976, take such steps as are within its power to bring about elimination of the stock certificate as a means of settlement among brokers or dealers of transactions consummated on national securities exchanges or by means of the mails or other means or instrumentalities of interstate commerce. In 1975 and in 1976, the Commission shall report to the Congress (1) the steps it has taken and progress it has made toward elimination of the stock certificate as a means of settlement, and (2) its recommendations, if any, for further legislation to eliminate the stock certificate. In connection with such reports, the Commission shall consult with the other appropriate regulatory agencies concerning the effects elimination of the stock certificate as a means of settlement among brokers or dealers may have on the safeguarding of assets held by securities depositories for the accounts of participants, and shall report such views to the Congress."

SEC. 305. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended as follows:

"INFORMATION FILED WITH THE COMMISSION

"SEC. 24. (a) Any person filing information contained in a registration statement, document, report, contract, correspondence, or other paper filed with the Commission pursuant to this title may make written objection to the public disclosure of such information stating the grounds for such objection. The Commission is authorized to hear objections in any such case where it deems it advisable. The Commission shall grant confidential treatment to such information for which application has been made if it finds (1) that disclosure is not in the public interest, and (2) that disclosure would (A) jeopardize the safety of funds or securities, (B) require the revealing of trade secrets or processes, or (C) impair the value of a contract.

"(b) The Commission is authorized to treat such information as confidential pending the findings required by subsection (a), but if the Commission does not make such a finding within 60 days from the date the information is received by the Commission, then the information shall cease to be afforded confidential treatment.

"(c) Nothing in this section shall prohibit the Commission from disclosing any information in any administrative or judicial proceeding.

"(d) Nothing in this section shall authorize the Commission to withhold information from the duly authorized committees of the Congress.

"(e) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any registration statement, document, report, contract, correspondence, or other paper filed with the Commission which is not made available to the public pursuant to subsection (a) of this section: *Provided*, That the Commission may make available to an appropriate regulatory agency any information requested by such agency for the purpose of enabling it to perform its duties under this title."

SEC. 306. Section 12 of the Securities Exchange Act of 1934 (10 U.S.C. 78l) is amended by inserting after subsection (i) the following new subsections:

"(j) It shall be unlawful for an issuer, any class of whose securities is registered under this section or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), by use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, such securities whose form or format contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate processing of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account.

"(k) Every issuer whose securities are registered under this section, or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), shall comply with such rules and regulations as the Commission may promulgate as necessary to assure the prompt and accurate processing and settlement of securities transactions, which rules may provide for the consolidation into a single person of the functions of transfer agent and registrar. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account."

SEC. 307. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is further amended by inserting at the end thereof the following new subsection:

"(b) The Commission is authorized and directed to make a study and investigation of the practice of registration of securities other than in the name of the beneficial owner and to determine (1) whether such registration is consistent with the policies and purposes of this title, with particular reference to sections 12(g), 14, 15(d), and 17A and (2) if consistent, whether steps can be taken to facilitate communications between corporations and their shareholders while at the same time retaining the benefits of such registration. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of this subsection, and its final results and recommendations within one year of such date."

SEC. 308. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended by inserting after subsection (b) the following new subsection:

"(c) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or securities depository or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or depository or any nominee thereof or custodian therefor, unless such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency or securities depository or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision."

SEC. 309. The Securities Exchange Act of 1934 is amended by inserting after section 19 (15 U.S.C. 78s) the following new section:

"LOST, STOLEN, AND COUNTERFEIT SECURITIES; FINGERPRINTING

"SEC. 19A. Every national securities exchange, national securities association, broker, dealer, member of an exchange or association, transfer agent, clearing agency, and securities depository, registered pursuant to this title, and every participant therein shall—

"(1) report such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission determines by rule is necessary or appropriate in the public interest or for the

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protection of investors, to the Commission or to such other person as the Commission may by rule designate, and such information shall be made available, for a reasonable fee, to any such exchange, transfer agent, association, broker, dealer, member, clearing agency, or securities depository who shall request it;

"(2) make such inquiry with respect to information reported pursuant to this section as the Commission decides, by rule, is necessary or appropriate in the public interest or for the protection of investors to determine whether securities transactions in which they are participating involve securities that have been reported as missing, lost, counterfeit, or stolen; and

"(3) in the case of a clearing agency, securities depository, transfer agent, broker, dealer, or member, require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission may, by rule, exempt from the provisions of this paragraph upon such terms and conditions and for such period as it deems necessary or appropriate, any one or more classifications of partners, directors, officers, or employees of any one or more of such clearing agencies, securities depositories, transfer agents, brokers, dealers, or members if the Commission finds that such action is not inconsistent with the public interest or the protection of investors."

TITLE IV—MISCELLANEOUS

SEC. 401. Section 23(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)) is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, respectively, shall include in their annual reports to Congress such information, data, and recommendation for further legislation as they may deem advisable with regard to matters within their respective jurisdictions under this title. The Commission shall also include in its annual report each year information detailing its administration of the Freedom of Information Act (5 U.S.C. 552). Such information shall include a detailed description of its processes for handling requests under the Act, including the names of persons assigned to carry out those processes; and also include data on schedules of fees (if any), and on the number of written requests for records under the Act, the number of denials, the section relied upon in each denial, the number of administrative appeals, the elapsed time in responding to initial requests and the handling of appeals, the number of suits filed within the year, and any regulatory changes made during the year. Further, the Commission shall include in its annual report each year information concerning (1) the effects its rules and regulations are having on the viability of small brokers and dealers; (2) its attempts to reduce any unnecessary reporting burden on such brokers and dealers; and (3) its efforts to help to assure the continued participation of small brokers and dealers in the United States securities markets."

SEC. 402. (a) Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"REGISTRATION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted on such national securities exchange during the preceding calendar year and subsequent to its registration as a national securities exchange. Every registered broker or dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities listed for trading on a registered national securities exchange pursuant to section 12(b) of this title (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted otherwise than on an exchange during the preceding calendar year and subsequent to the date of enactment of the Securities Reform Act of 1975, except that no payment shall be required for any calendar year in which such payment would be less than one hundred dollars."

(b) The amendment made by subsection (a) of this section shall take effect on the first day of the first full calendar year which begins after the date of enactment of this Act and shall apply with respect to such first full calendar year and all succeeding calendar years thereafter.

SEC. 403. (a) Section 24 of the Securities Act of 1933 (15 U.S.C. 77x) is amended by changing the figure "$5,000" to "$10,000".

(b) Section 32(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff(a)) is amended by changing the phrase "or imprisoned not more than two years" to read: "or imprisoned not more than five years".

(c) Section 29 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z–3) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(d) Section 325 of the Trust Indenture Act of 1939 (15 U.S.C. 77vvv) is amended by changing the figure "$5,000" to "$10,000".

(e) Section 49 of the Investment Company Act of 1940 (15 U.S.C. 80a–48) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(f) Section 217 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–17) is amended by changing the phrase "imprisoned for not more than two years" to read "imprisoned for not more than five years".

SEC. 404. Section 203(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended to read as follows:

"(c) Any investment adviser, any person who presently contemplates becoming an investment adviser, may register under this section by filing with the Commission an application for registration. Such application shall contain such of the following information, in such form and detail, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors:

"(1) information in respect of—

"(A) the name and form of organization under which the investment adviser engages or intends to engage in business; the name of the State or other sovereign power under which such investment adviser is organized; the location of his or its principal business office and branch offices, if any; the names and addresses of his or its partners, officers, directors, and persons performing similar functions or, if such an investment adviser be an individual, of such individual; and the number of his or its employees;

"(B) the education, the business affiliations for the past ten years, and the present business affiliations of such investment adviser and of his or its partners, officers, directors, and persons performing similar functions and of any controlling person thereof;

"(C) the nature of the business of such investment adviser, including the manner of giving advice and rendering analyses or reports;

"(D) the nature and scope of the authority of such investment adviser with respect to clients' funds and accounts;

"(E) the basis or bases upon which such investment adviser is compensated; and

"(F) whether such investment adviser, or any person associated with such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (e); and

"(2) a statement as to whether the principal business of such investment adviser consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such invesment adviser consists or is to consist of rendering investment supervisory services.

"(3) within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, it appears to the Commission that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within one hundred and twenty days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional ninety days."

SEC. 405. Section 203(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(2)) is amended to read as follows:

"(2) has been convicted within ten years preceding the filing of the application or any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds (A) involves the purchase or sale of any security, (B) arises out of the conduct of the business of a broker, dealer, or investment adviser, (C) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or (D) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code; or"

SEC. 406. Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–4) is amended to read as follows:

"SEC. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(b), shall make, keep, and preserve for such periods, such accounts, correspondence, memorandums, papers, books, and other records and furnish copies thereof, and make such reports (which may include certified financial statements) available to clients or to the Commission as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts correspondence, memorandums, papers, books, and other recorda shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors."

SEC. 407. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 35. There are hereby authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $54,000,000 for the fiscal year ending June 30, 1976, not to exceed $62,600,000 for the fiscal year ending September 30, 1977, and not to exceed $71,200,000 for the fiscal year ending September 30, 1978. For fiscal years succeeding the 1978 fiscal year, there may be appropriated such sums as the Congress may hereafter authorize by law.".

SEC. 408. (a) The Investment Company Act of 1940 (15 U.S.C. 80a) is amended as follows:

(a) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser or a corporate trustee performing the functions of an investment adviser of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, an investment adviser or a corporate trustee performing the functions of any investment adviser which results in an assignment of an investment advisory contract with such company or the change in control of or identity of a corporate trustee which performs the function of an investment adviser, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereto, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate tustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B), except that no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or predecessor or successor investment advisers or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment advisory contract with a registered investment company results in a successor investment adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount a transaction occurs which would be subject to paragraph (1)(A) of this subsection,

such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee to an affiliated person or persons of the investment adviser or corporate trustee, except that (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(b) Section 15(c) is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of such company, to take into account the purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(c) Section 16 thereof is amended as follows:

(1) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu thereof "The foregoing provisions of this section";

(2) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(3) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filled by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) shall be filled only by a person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(d) Sections 13(b), 15(d), 18(i), and 32(a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(e) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provisions shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(f) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(g) Section 36 thereof is amended by adding at the end thereof the following new subsection:

"(c) For the purposes of subsections (a) and (b) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(h) Section 15(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–15(d)) is amended by striking 'paragraph (40) of section 2(a)' and inserting in lieu thereof 'paragraph (42) of section 2(a)'.".

TITLE V—DEVELOPMENT OF A NATIONAL SECURITIES MARKET SYSTEM

SEC. 501. The Securities Exchange Act of 1934 is amended by adding after section 20 (15 U.S.C. 78t) the following new section:

"NATIONAL SECURITIES MARKET SYSTEM

"SEC. 20A. (a) Congress finds and recognizes—

"(1) that our country's capital markets are an important national asset which must be preserved and strengthened;

"(2) that changing conditions and trading patterns have placed considerable strain on existing market mechanisms;

"(3) that in order to preserve and strengthen our capital markets, a national securities market system should be established;

"(4) that it is in the national interest to assure the vitality and strength of the Nation's securities markets and to take all practicable steps to encourage a free and adequate flow of capital to the economy of the United States;

"(5) that a national system for the clearance and settlement of securities, wherever traded, should be established as part of the system; and

"(6) that a national regulatory body may be appropriate to govern and operate the system, subject to oversight and regulation by the Commission.

"(b) The Commission is directed, therefore, having due regard for the public interest, the protection of investors and the need to assure fair dealing in securities, and to preserve and foster competition among exchanges and between exchange markets and markets occurring otherwise than on an exchange, to take such steps as are within its power, including the power granted to it pursuant to this section and section 17 of this title, to establish a na-

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tional market system for transactions in securities. Such a system shall include, as a minimum, a transactional reporting system for reporting transactions in securities qualified for trading within the national securities market; a composite quotation system for reporting bid and offered quotations for all securities qualified for trading in the national securities market system; and rules or regulations designed to provide fair competition between competitors in the national securities market system.

"(c) No dealer shall make use of the mails or of any means or instrumentality of interstate commerce to effect, or induce, the purchase or sale for his own account of any security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to assure the maintenance of a fair and orderly market in securities, or to remove impediments to and perfect the mechanism of a national market system. The Commission shall, under authority of this section, promulgate such rules and regulations applicable to any dealer in securities registered under section 12(b) of this title who, with respect to such securities, (a) regularly publishes bid and offer quotations through an interdealer quotation system, communications system or otherwise, (b) furnishes bid and offer quotations on request to others, including brokers and dealers, (c) holds himself out as being ready, willing, and able to effect transactions at quoted prices with others, including brokers and dealers, or (d) is otherwise acting as a specialist or market maker (as such term may be further defined by the Commission) in such securities on an exchange or otherwise than on an exchange, as may be necessary to assure that equal regulation of such dealers is obtained. For the purposes of this subsection the term 'equal regulation' means that degree of regulation as the Commission may determine to be necessary and appropriate to apply to such dealers in order to remove any unfair competitive advantage found to result from an unjustifiable disparity of regulation of such dealers by exchanges and associations of which they are members. If the Commission finds, after notice and opportunity for hearing on a record, that rules promulgated by the Commission pursuant to this title as applied to any broker or dealer, or class of brokers or dealers who effect transactions in securities registered under section 12(b) of this title, on a national securities exchange or otherwise than on a national securities exchange, are insufficient to assure the protection of investors and the maintenance of a fair and orderly market in such securities and that such investor protection and the maintenance of a fair and orderly market in such securities may not be assured through other lawful action under this title, it may, by order, prohibit such broker or dealer or such class thereof from effecting or inducing, the purchase or sale of any such security on a national securities exchange or otherwise than on a national securities exchange. The Commission may, by such order, conditionally exempt any security or transaction, or class of securities or transactions, from the provisions of this section.

"(d) The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors (1) to assure that all brokers and dealers and, subject to such limitations as the Commission may, by rule, impose as necessary or appropriate for the protection of investors and the maintenance of fair and orderly markets, all other persons, have access on reasonable and nondiscriminatory terms to quotations for, and reports of transactions in, securities; (2) to assure that any system utilized by any broker or dealer to transmit or direct orders for the purchase or sale of securities to a facility for execution operates in a manner consistent with the development and operation of a national market system and (3) to provide for the fair and reasonable allocation among national securities exchanges, national securities associations, and brokers and dealers subject to paragraph (9) of section 15(b) of this title of the costs associated with the collection, processing, distribution, and publication of information with respect to quotations for, and transactions in, securities, and the development and operation of a national market system.

"(e) To facilitate the establishment and governance of a national market system, in accordance with this section, within one hundred eighty days after the effective date of the Securities Reform Act of 1975, or at such earlier date as the Commission may determine to be appropriate for the purposes of this title, the Comission shall appoint a Nation Market Board ('Board').

"(f)(1) In carrying out its responsibilities under subsection (e), the Commission shall appoint a Board of fifteen members, for a term specified by the Commission (but in no event to exceed five years), a majority of whom may, in the Commission's discretion, be persons active in the securities industry, the remainder of whom shall be representative of the public who, to the extent feasible, shall have knowledge of the Nation's capital markets.

"(2) Nothing in this subsection shall be construed to vest in any person any right to seek judicial review of the Commission's exercise of discretion in selecting members of the Board.

"(g)(1) The Board is authorized and directed to study and advise the Commission of the steps it finds appropriately should be taken, by the Commission, the securities industry, the Congress, or otherwise, to facilitate the development of the system. For this purpose, the Board shall be given access by the Commission to any documents in the possession of the Commission, or obtainable by the Commission, if the disclosure of such document is deemed by the Commission (A) to be relevant to the functions of the Board and (B) not inconsistent with the public interest. For the purposes of performing the functions set forth in this paragraph, the Board shall assume the responsibilities of, and the documents prepared for or by, any advisory committee, in existence at the time of the establishment of the Board, appointed to advise the Commission on the implementation of the system.

"(2) The Board shall have, as a continuing responsibility, the obligation to furnish the Commission with its views on significant regulatory proposals of the Commission or any registered national securities exchange or association relating to the fairness, honesty, and efficiency of the markets for the trading in securities.

"(h)(1) The Board is authorized and directed to make a study of the need for the establishment of a national regulatory body (hereinafter referred to as the 'National Market Regulatory Board' or 'Regulatory Board') to administer the national market system, including the following:

"(A) the point in time at which such a Regulatory Board should be established;

"(B) the composition of such a Regulatory Board;

"(C) the manner in which such a Regulatory Board shall be brought into existence;

"(D) the scope of the authority of such a Regulatory Board;

"(E) the relationship of such a Regulatory Board to the Commission and to national securities exchanges and national securities associations registered with the Commission; and

"(F) the manner in which such a Regulatory Board should be funded.

"(2) The Board shall report to the Congress, on or before December 31, 1976, the results of its study, together with its recommendations, including such recommendations for legislation as it deems advisable.

"(3) In connection with the study authorized by this subsection, the Board shall consult with national securities exchanges; national securities associations; the likely classes of participants in a national market system, such as securities information processors, market makers, specialists, brokers and dealers; investors; the public, representatives of Government agencies and other interested persons.

"(i)(1) There is authorized to be appropriated $300,000 to the Commission for allocation to the Board for the purpose of enabling the Board to hire staff, rent office space, and generally to organize to carry out the functions set forth in this section.

"(2) Such sums when appropriated for this purpose may be made available by the Commission to the Board beginning with the creation of the Board pursuant to the provisions of this section.

"(3) The Board, since it shall act as an advisory body, is authorized to appoint and fix the compensation of such officers, attorneys and other experts and employees as may be necessary for carrying out its functions under this section, without regard to the provision of any laws applicable to the employment and compensation of officers and employees of the United States.

"(4) The Board shall furnish to its members representing the public such funds, on a per diem basis, as it finds reasonably will permit such members to perform their functions under this section.

"(j)(1) The Commission is authorized and directed to make a study of the securities activities conducted by persons who are not brokers or dealers, who maintain accounts on behalf of public customers for buying and selling securities registered under section 12 of the Act to determine the extent of such business conducted by such persons, the desirability of greater uniformity of regulations of such accounts, the effects of such activities on the process of raising and allocating capital in interstate commerce, the effect on competition for such public accounts, and whether the exclusions from the definition of broker and dealer are necessary and appropriate for the protection of investors and to achieve the purposes of this title.

"(2) The Commission shall report to the Congress on or before December 31, 1976, the results of its study including such recommendations for legislation as it deems advisable."

Sec. 502. The Securities Exchange Act of 1934 is further amended by adding after section 20A the following new section:

"RESTRICTIONS ON MARKET SELECTION AND USE OF CLEARING AGENCIES AND DEPOSITORIES

"Sec. 20B. (a) On or after September 1, 1975, no national securities exchange or national securities association may, by rule or otherwise, limit or condition a member's ability to transact business on any other exchange or otherwise than on an exchange except pursuant to a rule of such exchange or association which is approved as consistent with the purposes of this title and such member's agency obligation to its customer, and declared effective by the Commission by rule, after providing for appropriate notice and an opportunity for the oral presentation of views, data, and arguments by interested persons in addition to an opportunity to make written submissions to the Commission. The Commission shall approve, with or without modification, or disapprove any such rule proposed by an exchange or association within 90 days of the date of the filing of such proposed rule.

"(b) No national securities exchange registered under section 6 and no national securities association registered under section 15A shall by rule or otherwise limit or condition

any of its members from participating in any clearing agency or securities depository registered under section 17A."

Sec. 503. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is further amended by adding at the end thereof the following new subsection:

"(d)(1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law in effect on or enacted prior to the date of enactment of the Securities Reform Act of 1975 solely by reason of his having caused the account to pay a broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however,* That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title.

"(2) A person exercising investment discretion wtih respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services insofar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

"(B) furnishes analyses and reports concerning securities, economic factors and trends, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a securities industry regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The CHAIRMAN. Are there any amendments?

AMENDMENT OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Staggers: On page 270, after line 4 and before line 5, add the following new section:

"Sec. 409. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce, or any facility of a national securities exchange, directly or indirectly, in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such lesser amount (but in no case less than $10,000,000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security held on the last day of the reporting period by such accounts with respect to which the institutional investment manager possesses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchases and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security.

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or principal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribe.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally, any institutional investment manager or security or any class of institutional investment managers or securities from any or all of the provisions of this subsection or the rules thereunder.

"(3) The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in the view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such forms as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 24 of the title. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

"(4) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest or for the protection of investors or to maintain fair and orderly markets or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection, national securities exchanges, and registered securities associations, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) to avoid unnecessarily duplicative reporting by and minimize the compliance burden on institutional investment managers consistent with the purposes of this subsection. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) The Commission shall adopt such rules as it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same account.

"(6) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, he (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by

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rule, determines, in the public interest or for the protection of investors, should be subject to the operation of the provisions of this subsection and the rules and regulations thereunder."

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

(Mr. STAGGERS asked and was given permission to revise and extend his remarks.)

Mr. STAGGERS. Mr. Chairman, my amendment would require large institutional investors, who today account for approximately 70 percent of the volume of the New York Stock Exchange, to periodically disclose their securities holdings and large transactions. This will allow us to better understand the impact those large institutional investors are having on our Nation's securities markets.

Mr. Chairman, one of the SEC's principal recommendations in its Institutional Investor Study Report, filed with the Congress in 1971, was that they be given authority to require reports and disclosure of securities holdings and transactions from all types of institutional investors. My amendment gives life to that recommendation.

There has been a dramatic change in the pattern of investment in our Nation's capital markets over the last 15 years. Whereas in 1960 individuals accounted for the largest part of the volume of trading on the New York Stock Exchange, today institutional investors fill that role. There has been much discussion and debate as to the impact this trading by institutional investors has had on the marketplace, but we do not have any hard data upon which to reach conclusions. My amendment would supply us with that data.

My amendment takes care, however, not to place undue reporting burdens on institutional investors. Thus, the SEC estimates that my amendment would require only 300 institutional investors to file reports, but that those 300 institutional investors manage or hold about 75 percent of total institutional investment equity stock holdings. The SEC is also directed to take steps to work with other Federal and State governmental units that require reports from institutional investors so as to avoid unnecessary duplicative reporting and to minimize the compliance burden on such institutional investors.

This amendment is similar to a bill upon which the Committee on Interstate and Foreign Commerce held hearings last year, but upon which we were unable to act prior to adjournment. At that time there was no opposition to these provisions, and I know of none today. Mr. Chairman, I urge the adoption of this amendment.

Mr. VAN DEERLIN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Chairman, under the terms of your amendment the Securities and Exchange Commission may exempt certain institutional investors, securities or transactions from the disclosure requirements. Am I correct that the S.E.C. could utilize this provision to delay public disclosure of institutional investor holdings, or transactions which are part of a program of acquisition or disposition in which the institutional investor is engaged both at the time of the reporting period and at the time the report is due to be filed.

Mr. STAGGERS. The gentleman is correct.

Mr. VAN DEERLIN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia (Mr. STAGGERS).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. MOSS

Mr. MOSS. Mr. Chairman, I offer amendments and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Moss: On page 274, line 25, after the word "members" add the following: "not all of whom shall be from the same geographical area of the United States,".

Page 275, strike lines 6 through 9.

Page 275, line 14, strike all after the word "system" through the word "interest" on line 19.

Mr. MOSS. Mr. Chairman, this is an amendment technical in character which amends the advisory board that is created as a result of an amendment offered by my friend, the distinguished gentleman from Georgia (Mr. STUCKEY). This does three things.

First, it makes quite clear that all the members of the board may not come from one geographic area. That is to insure a geographical distribution.

Secondly, the amendment makes provisions which foreclose the right of any person to seek judicial review of the SEC's appointments to the board. I believe a person should have the right should he seek to do so to prove that the appointments are arbitrary or capricious or abusive or discriminatory.

Finally there is a sentence which gives the board, which is nongovernmental unit, the ability to have the SEC use its subpena powers to obtain documents for the board. I hope the board and the SEC will be able to arrive at an arrangement to provide papers which the SEC has in its possession which the board feels it needs. We should not grant to the board, which is not a governmental body, the ability to utilize the SEC's subpena power.

I do not believe that this is at all controversial.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, the gentleman from California has stated it correctly. This is not controversial. We have no opposition and we support the amendment.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I would say to the gentleman from California I have seen the amendment and I have no disagreement with it. I think it will improve the bill.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. MOSS).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: On page 182 after line 7 and before line 8 add the following:

"(f) Notwithstanding the provisions of section 1407 of title 28, United States Code, no enforcement action instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission. As used in this subsection, the term 'securities laws' includes the Securities Act of 1933 (15 U.S.C. 77 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 808 et seq.), and the Securities Investor Protection Act of 1970 (U.S.C. 78aaa et seq.).".

Mr. ECKHARDT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, this is merely an amendment that permits the Securities and Exchange Commission to keep its suits, its civil actions separate from those of other persons where common questions of fact are involved. Under existing laws, there are provisions that the multidistrict panel may consolidate suits of the SEC with other civil actions. There is an exception to that with respect to antitrust actions brought by the Justice Department. The problems are similar in the two cases.

The SEC feels that without this exception it would be impeded in its protection of investors and very strongly recommends the amendment.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, why does the gentleman in his amendment say in the third line, "no enforcement action". Does the gentleman mean no enforcement action for equitable relief, or what does the gentleman mean? The gentleman's explanation refers to bringing civil injuctive actions. It seems to me that the language in the amendment is somewhat broader than that.

Mr. ECKHARDT. No; that is the only kind of action they can bring; so even if the language were accepted it would not extend any additional authority. Criminal actions are brought by the Department of Justice, at any rate, and may not be brought by the SEC; so this embraces all their participation in civil actions.

Mr. McCOLLISTER. Would the gentleman have any objection to rewording the amendment to say, "no enforcement action for equitable relief"?

Mr. ECKHARDT. I do not think it makes any difference and this Member would have no objection.

Mr. McCOLLISTER. Then, Mr. Chairman, I ask unanimous consent that the gentleman's amendment then include in the third line after "no enforcement action", there be inserted, "for equitable relief".

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. McCOLLISTER. Mr. Chairman, I have no further objection.

Mr. STAGGERS. Mr. Chairman, I would like to say, I think the amendment is technical and clarifying. I think it helps the bill. We would be willing to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT) as modified.

The amendment, as modified, was agreed to.

Mr. KINDNESS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is with some trepedation that I rise to express some doubt about one very serious aspect of the measure before us; that is section 501, or rather, title V generally. The title of that section is "Development of a National Securities Market System."

I have a great deal of respect for and would extend my commendations to the committee for the work that has gone into this bill over a period of years. The effort is very commendable; but I speak not to the technical content of the measure, but rather to a philosophical concept that disturbs me to a considerable degree. I commend it to the members of the committee for their consideration before voting on this measure; that what we are talking about in this title V of the bill is the further consolidation of an important aspect of our economy, creating another part in our society of bigness. In some parts of our society we think of bigness per se as being bad and some think it as being good. In this particular instance, I think of bigness as a great concern when it is coupled with a higher degree or greater degree of governmental control.

I think that it is something to pause and consider very closely. I commend that to the consideration of the Members. This would indeed bring about a more institutionalized securities market, and perhaps that is exactly what everyone wants. On the other hand, with my lack of expertise in this area, it brings forth a specter which causes me some concern. If ownership of securities, tnat is, of equity and debt of corporations throughout this Nation, happens to be so closely consolidated or controlled in an institutionalized way, all in the name of the protection of the public interest, to be sure, how close does that bring us to a complete socialization of this aspect of our economy? And it is very basic.

I would, therefore, urge the Members to consider very carefully whether it is worth the candle. A great deal of work and effort has gone into this measure, but we are talking in title V about a specter that casts quite a shadow over the future of our economy.

Mr. McCOLLISTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the concerns of the gentleman from Ohio are valid, although perhaps not as they relate to title V. Over a period of many years, the number of individual investors has increasingly been declining and he has been elbowed out, of the market, so that it becomes thinner and narrower and not nearly as deep as it was before.

In recent years, more than 70 percent of the trades on the New York Stock Exchange have been trades by institutional investors. It was the committee's feeling that by development of a national central market system, it would make more individual trades feed into the auction market to develop a better market, a better price market, a more accessible market for the benefit of the individual investor and for the benefit, indeed, of our whole economy.

Therefore, the development of a national market system which is described in title V of the bill, we think, is a mechanism by which this can be more readily accomplished. We are not sure what the form of that national market system is going to be. We have provided for an advisory committee broadly representative of the industry to make suggestions to both the SEC and to the Congress as to how this shall be done.

We have not provided for the implementation of any plan because we want to see what that plan will be. Finally, to assure the gentleman, it is the goal of every member of the subcommittee to provide for diversity and ready access so that any greater centralization or institutionalization of the market will not take place.

I think that serves the interests of not only the concern of the gentleman from Ohio, but of the committee and of the industry and of the country.

Mr. MOSS. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I want to associate myself with the statement just made by the distinguished gentleman from Nebraska. The assurances he gave convey correctly the attitude of the committee and the intent of the committee.

We feel, rather than any threat of socialization of the market, what we are attempting is to bring in a more meaningful form of competition. That is the underlying philosophy in this legislation. I can assure the gentleman that the committee and every member of it is deeply dedicated to that underlying philosophy, and that it is the objective of this piece of legislation.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROUSH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4111) to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations, and for other purposes, pursuant to House Resolution 395, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 376, nays 13, answered "present" 2, not voting 41, as follows:

[Roll No. 153]

YEAS—376

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Butler
Byron
Carney
Carr

UMI

Carter
Casey
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Harsha
Hastings
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Runnels
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—13

Archer
Ashbrook
Collins, Tex.
Crane
Goodling
Kindness
Lent
McDonald
O'Brien
Ruppe
Steiger, Ariz.
Stratton
Symms

ANSWERED "PRESENT"—2

Gradison
Heckler, Mass.

NOT VOTING—41

Anderson, Ill.
Beard, R.I.
Boland
Burleson, Tex.
Cederberg
Clay
Conyers
Danielson
Dent
Diggs
Dingell
Duncan, Tenn.
Eshleman
Fenwick
Ford, Mich.
Gonzalez
Hansen
Harrington
Hawkins
Hébert
Hinshaw
Ichord
McEwen
Macdonald
Mathis
Meyner
Mikva
Mills
Murphy, N.Y.
Nichols
Obey
Pritchard
Railsback
Roybal
Shriver
Stephens
Stokes
Thompson
Ullman
Waxman
Wydler

So the bill was passed.

The Clerk announced the following pairs:

Mr. Dent with Mr. Burleson of Texas.
Mr. Hébert with Mr. Eshleman.
Mr. Murphy of New York with Mr. Clay.
Mrs. Meyner with Mr. Harrington.
Mr. Thompson with Mr. Stephens.
Mr. Boland with Mr. Ullman.
Mr. Beard of Rhode Island with Mr. Conyers.
Mr. Gonzalez with Mr. Waxman.
Mr. Ford of Michigan with Mr. Ichord.
Mr. Nichols with Mr. Mathis.
Mr. Roybal with Mr. Diggs.
Mr. Stokes with Mr. Mikva.
Mr. Macdonald of Massachusetts with Mr. Anderson of Illinois.
Mr. Dingell with Mr. Cederberg.
Mr. Hawkins with Mr. McEwen.
Mr. Obey with Mr. Railsback.
Mr. Danielson with Mr. Wydler.
Mr. Mills with Mr. Hinshaw.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. STAGGERS. Mr. Speaker, I call up the Senate bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STAGGERS moves to strike out all after the enacting clause of the Senate bill S. 249 and insert in lieu thereof the provisions of H.R. 4111, as passed, as follows:

That this Act may be cited as the "Securities Reform Act of 1975".

TITLE I—REGULATION OF EXCHANGES AND ASSOCIATIONS

SEC. 101. (a) Section 3(a)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(3)) is amended to read as follows:

"(3) The term 'member' when used with respect to a national securities exchange or national securities association means any person who agrees to be regulated by an exchange or association and with respect to whom the exchange or association undertakes to enforce compliance with its rule and with the provisions of this title, and any amendment thereto and any rule or regulation made or to be made thereunder."

(b) Section 3(a)(21) of the Securities Exchange Act of 1934 (15 U.C.C. 78c(a)(21)) is amended to read as follows:

"(21) The term 'person associated with a member' with respect to a member of a national securities exchange or national securities association means any partner, officer, director, or branch manager of such member or any person occupying a similar status or performing similar functions), any person who is employed by such member, or any person directly or indirectly controlling, under common control with, or controlled by, such member. The Commission may, by rule, classify, for the purpose of any provision of this title, persons associated with a member of an exchange or an association."

SEC. 102. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) Any exchange may register with the Commission as a national securities exchange under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the exchange'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An exchange shall not be registered as a national securities exchange unless it appears to the Commission that—

"(1) such exchange will be able to comply with and carry out the requirements of subsection (q) of this section;

"(2) the rules of the exchange provide that any broker or dealer registered under this title may become a member of such exchange in conformity with the requirements of subsection (o) of this section;

"(3) the rules of the exchange assure a fair representation of its members, issuers of securities listed on the exchange, and the public, in the adoption of rules of the exchange and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum, provisions that—

"(A) the governing body of the exchange, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the exchange will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the exchange to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the exchange staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the exchange provide for the equitable allocation of dues, fees, and other charges among its members, among issuers whose securities are traded on such

exchange, and among other persons using the facilities of the exchange;

"(5) the rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers, issuers, or brokers or dealers;

"(6) the rules of the exchange provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions and operations, being suspended or barred from being associated with a member or any other fitting sanction, except that such rules need not require an exchange to discipline any person, directly or indirectly controlling, under common control with, or controlled by, a member of such exchange if such person is not otherwise a person associated with such member;

"(7) the rules of the exchange provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the exchange provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such exchange, including that the rules, as a minimum, meet the requirements of subsection (h) of this section; and

"(9) the rules of the exchange are sufficient and reasonably necessary to permit the exchange to discharge its regulatory responsibilities under this title.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules, regulations, and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application for registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a) the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for a period of time not to exceed 90 days.

"(e) A national securities exchange may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such exchange or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny registration.

"(f)(1) Each national securities exchange shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the exchange, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an exchange's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an exchange's rules, publish notice of such proposal together with the exchange's statement of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an exchange's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment, or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment, or class of such change, addition, deletion, or amendment it not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an exchange's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the exchange. An exchange shall file with the Commission, on a date no later than on the date on which any such change, addition, deletion, or amendment takes effect, copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, except that the Commission shall have no authority to require the filing of such copies and statements prior to the date on which any such change, addition, deletion, or amendment takes effect, and the failure to file such copies and such statements as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an exchange's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such exchange) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under this subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the exchange and between the Commission and any other person relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities exchange registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the exchange or provisions of this title or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commission shall, by rule, specify.

"(2) Rules of a national securities exchange may, with the approval of the Commission, provide for a summary procedure for the suspension, in whole or in part, of the business activities of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities exchange or national securities association for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the exchange determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the exchange.

Following any such suspension, the member or person associated with a member so suspended promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities exchange registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determina-

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tion to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities exchange imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such exchange, the exchange shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in subsection (g) or (h) has been given to the aggrieved party and to the Commission, or within 30 days after the exchange has notified the Commission pursuant to this subsection that the exchange has concluded disciplinary proceedings without imposing a sanction, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities exchange registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the exchange has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the exchange as have been designated in the determination of the exchange, it shall by order so declare and, if appropriate, affirm the action taken by the exchange or remand the proceeding to the exchange or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the exchange has charged or has found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the exchange or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the exchange.

"(2) If the Commission, having due degard for the public interest, finds that the disposition of the proceedings before the exchange with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction or penalty, or may remand the disciplinary proceeding to the exchange with a statement of the Commission's position thereon and with appropriate instruction to the exchange to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The exchange shall notify the member or person associated with the member, and the Commission, as to the exchange's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the exchange's determination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities exchange or to review action of an exchange to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the exchange and this section, it shall by order so declare and affirm the exchange's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the exchange or this section, the Commission shall by order so declare and set aside the action of the exchange and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) With respect to (1) any broker or dealer who is not a member of an exchange but whom the Commission finds to be effecting transactions on an exchange through a member of such exchange in significant and substantial amounts, or (2) any person who is not a member of, but who is permitted by, an exchange to effect transactions directly on the exchange without the services of another person acting as broker, the Commission may, after notice and opportunity for hearing, as it determines to be necessary or appropriate in the public interest, to protect investors, or to assure the maintenance of fair and orderly markets, require, by order, such broker or dealer or person to accede to the regulation of such exchange with respect to the effecting of such transactions of such exchange and require such exchange to regulate such broker or dealer or person, but such person shall not, solely because of such action, be deemed a member of such exchange. In any such circumstance, the Commission shall define and specify the authority and responsibility of such exchange to establish and enforce standards and requirements to be satisfied by such broker or dealer or person with respect to such transactions.

"(m)(1) The Commission may, with respect to any person who is a member of more than one national securities exchange, or who is a member of an exchange and a national securities association, assign to an exchange or an association of which such person is a member the responsibility in whole or in part for the regulation of such person, including the responsibility to conduct inspections and examinations of such person, and such assignment shall, as the Commission may find to be consistent with the purposes of this title, relieve from the requirements of subsection (q) of this section and section 15A(m) of this title any exchange or association of which a person is also a member to the extent that the responsibility for regulation has been assigned to another exchange or association.

"(2) In any circumstance in which an assignment of regulatory responsibility under paragraph (1) is determined by the Commission to relieve an exchange or an association from the requirements of subsection (q) of this section or subsection (m) of section 15A, with respect to a member of such exchange or association, the Commission may, as it deems necessary or appropriate in the public interest and for the protection of investors, require any such exchange or association and any such member, to take appropriate steps to notify the public, customers, and persons doing business with such member of the nature of such membership.

"(n) A national securities exchange or national securities association shall furnish copies of any reports of inspections or examinations of its members to any other national securities exchange or national securities association of which such member is a member upon the request of such member, exchange, or association, or upon the request of the Commission, and shall not be liable for damages to any person, whether or not the subject of such report, solely for having furnished such copies to another exchange or association pursuant to such request.

"(o) A national securities exchange shall permit any broker or dealer registered under this title to become a member of such exchange, except that any exchange may—

"(1) deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other exchange or any national securities association, during the period of such expulsion, suspension, or bar;

"(2) deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) bar from being associated with a member any person who, by his conduct while associated with a broker or dealer, was a cause of any suspension, expulsion, or order of the character described in paragraph (1) or (2) of this subsection and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraphs (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 6 (k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b) (5) (C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the exchange, or in any proceeding before the exchange, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted within ten years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the exchange finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require an applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the exchange which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

An exchange may, pursuant to such procedures as the Commission finds, give fair and equitable treatment to the members of the exchange, limit the number of its members or designated representatives of its members permitted to effect transactions on the exchange without the services of another person acting as broker to the extent that such limitations are found by the Commission to be justified by reason of limitations in the physical capacity of the exchange.

"(p)(1) On and after May 1, 1975, no national securities exchange may fix or impose any schedule or rate of commission, allowance, or discount except that such prohibition shall not apply to floor brokerage commissions until May 1, 1976, and except that the Commission may (A) after May 1, 1975 and until October 1, 1976, by rule, after appropriate notice and affording interested persons an opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, permit a national securities exchange or exchanges to continue, establish, or reestablish a reasonable schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines that the public interest requires the continuation, establishment, or reestablishment of a reasonable schedule or rate for such transactions or portions of transactions on such exchange or exchanges; and (B) on or after October 1, 1976, by order, after appropriate notice and opportunity for a hearing on a record, permit a national securities exchange to continue establish, or reestablish a schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines (i) that such schedule, rate of commission, allowance, or discount is reasonable (stating the standard or standards employed by the Commission adjudging the reasonableness of such schedule, rate of commission, allowance, or discount) and (ii) that such action is required to accomplish the purposes of this title and to assure the maintenance of fair and orderly markets in securities, taking into consideration the competitive effects of permitting the continuance, establishment, or reestablishment of such schedule, rate of commission, allowance, or discount weighed against the competitive effect of other lawful action which the Commission is authorized to take under this title and taking into consideration the preservation of auction markets, promotion of market liquidity, the encouragement of direct investment by individual investors, the availability of equity capital to business, and the prevention of undue concentration of the investment banking industry. Any schedule or rate of commission, allowance, or discount at any time permitted after May 1, 1975, may (i) apply only to transactions or portions of transactions of a particular size involving amounts of less than $300,000 and (ii) relate only to one or more particular services rendered and shall be terminated by rule or order whenever the Commission, after appropriate notice and opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, determines that the public interest no longer requires the continuation of such schedule or rate of commission, allowance, or discount, the Commission shall promptly transmit a copy of any rule or order adopted pursuant to this subsection to the Congress, together with a statement of the Commission's reasons for adopting such rule or order, and the Commission's recommendations, if any, for legislation, concerning the matter of commission rates.

"(2) The Commission shall include in its annual report to the Congress required by section 23(b) of this title a description of the effect that competitive determined commission rates is having on the development of a national securities market system and a national clearance and settlement system.

"(q) National securities exchanges registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the exchange.

"(r) This section shall not require any securities exchange which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any exchange which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such exchange in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an exchange has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities exchange if the Commission finds that the rules of such exchange are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such exchange comply with such requirements.

"(s) Paragraph (2) of subsection (b) of this section and subsection (o) of this section shall not take effect with respect to a national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975 until January 1, 1978. The Commission shall notify the Congress no later than June 30, 1977, whether the requirements of this subsection can be equitably and reasonably implemented. Taking into consideration the loss of value of exchange seats, if any, that would be sustained by exchange members as a result of the implementation of this subsection, if the Commission finds, with respect to any national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975, that this subsection cannot be equitably and reasonably implemented it may, by order, after notice and opportunity for hearing, delay the effective date of this subsection with respect to such exchange for an additional period but not beyond January 1, 1979.

"(t)(1) Rules of an exchange may require any person, or any class of persons, associated with a member to be registered with the exchange in accordance with the procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the exchange may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the exchange may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplement thereto required by rules of an exchange to be filed by a person applying for membership on such exchange or to be filed by a person applying to be associated with a member of an exchange shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

SEC. 103. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding after section 6 the following new section:

"AUTHORITY TO AMEND EXCHANGE AND ASSOCIATION RULES

"SEC. 6A. (a) The Commission, by rule, may amend the rules of any national securities exchange or national securities association (the term 'amend', when used with respect to any rule of a national securities exchange or national securities association means to abrogate, or compel the adoption of an alteration of, or supplement to, such rule, or to adopt a new rule) as the Commission deems necessary or appropriate in the public interest or for the protection of investors, or to insure fair dealing in securities, or to insure the fair administration of such exchange or association, or otherwise to effectuate the purposes of this title, in the following manner:

"(1) The Commission shall give appropriate notice to the exchange or association and shall publish in the Federal Register its proposed rule, which shall contain the text of the proposed amendment to the rules of the exchange or association; a statement of the reasons for the Commission's determination to propose to require the amendment, including any facts which the Commission considers especially pertinent to its determination, and an evaluation by the Commission of the effect of the proposed amendment to the rules of such exchange or association.

"(2) Rules which have been proposed under paragraph (1) shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to any opportunity to make written submissions. A transcript shall be kept of any oral presentation. The Commission may make written submissions or oral presentations respecting such proposed rulemaking. Nothing in this section shall be construed to impair or limit the Commission's power to promulgate, or to modify or alter the procedures the Commission may follow in promulgating rules, regulations, and orders pursuant to any other authority under this title.

"(3) Whenever the Commission promulgates a rule under this section it shall publish with such rule a statement of its bases and purposes for requiring the amendment, including (A) an identification of those facts upon which the Commission considers its determination to be grounded, including its conclusions as to any of such facts which were disputed in oral presentations under paragraph (2) or in written submissions under such paragraph, and (B) an evaluation of what the Commission considers to be the principal arguments made in such oral presentations and in such written submissions.

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"(b)(1) Any person adversely affected by a rule promulgated under subsection (a) may, within 120 days from the promulgation of such rule, file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides or has his principal place of business. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or any person designated by it for such purpose. The Commission shall file in the court the rule and the statement published therewith; the transcript required by subsection (a)(2) of any oral presentations by the Commission and by interested persons; and any written submission by interested persons or by the Commission in a proceeding under this section.

"(2) Upon the filing of the petition under paragraph (1) of this subsection, the court shall have jurisdiction to review the rule and to affirm or set aside the rule and to grant interim relief of the nature described in section 705 of title 5, United States Code. Upon review, the facts identified by the Commission pursuant to subsection (a)(3), if supported, by substantial evidence, are conclusive. The rule shall be affirmed unless the court finds that (A) the Commission's action in prescribing the rule is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; or (B) that the Commission's action is (i) contrary to constitutional right, power, privilege, or immunity; (ii) in excess of statutory jurisdiction, authority, or limitation, or short of statutory right; or (iii) without observance of procedure required by law.

"(3) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (1) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(4) The judgment of the court affirming or seting aside, in whole or in part, any rule under this subsection shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code."

SEC. 104. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"POWERS WITH RESPECT TO EXCHANGES, ASSOCIATIONS, AND SECURITIES

"SEC. 19. (a) The Commission is authorized, if in its opinion such action is necessary or appropriate for the protection of investors—

"(1) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to revoke the registration of a national securities exchange or national securities association if the Commission finds that such exchange or association has violated any provision of this title or any rules, regulations, or orders thereunder, or is unable to comply with the provisions of this title or any rules, regulations, or orders thereunder, or, without reasonable justification or excuse, has failed to enforce compliance with this title or any rules or regulations thereunder, or with its own rules by a member or, with respect to an exchange, by an issuer of a security registered thereon.

"(2) After appropriate notice and opportunity for hearing, by order to deny, to suspend the effective date of, to suspend for a period not exceeding 12 months, or to withdraw, the registration of a security if the Commissioner finds that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder, or any rule of a registered national securities exchange upon which such security is listed for trading.

"(3) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to expel from a national securities exchange or national securities association any member thereof, or to suspend for a period not exceeding 12 months or to bar any person from being associated with a member thereof, whom the Commission finds has violated the Investment Advisers Act of 1940, the In- any provision of the Securities Act of 1933, vestment Company Act of 1940, or of this title, or a rule, regulation, or order under any of such statutes, or has effected any transaction for any other person who, such member or such person associated with a member had reason to believe, was violating in respect to such transaction any provision of any of such statutes, or a rule, regulation, or order thereunder.

"(4) After appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a national securities exchange or national securities association who, the Commission finds, has willfully and without reasonable justification or excuse failed to enforce compliance with this title, or any rules or regulations thereunder, or with the rules of the exchange or association of which he is an officer, director, or employee, by a member or, with respect to an exchange by an issuer of a security registered on the exchange, or has willfully abused his authority.

"(5) And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or, with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days."

SEC. 105. Section 11(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78h(a)) is amended to read as follows:

"(a)(1) The Commission shall prescribe such rules and regulations as it determines to be necessary or appropriate in the public interest, to assure fair dealing in securities, or for the protection of investors, to regulate or prevent trading by members of national securities exchanges, or trading by brokers or dealers, directly or indirectly (A) for their own account, (B) for any account in which an affiliated or associated person of such member or such broker or dealer has a financial interest (other than an interest which the Commission determines to be insignificant), or (C) for any managed account. Rules under this section shall, as a minimum, assure that any such trading is consistent with and not detrimental to the maintenance of a fair and orderly market in securities.

"(2) For the purposes of this section:

"(A) An 'affiliated person' shall include any person directly or indirectly controlling, controlled by or under common control with (i) such member or such broker or dealer, or (ii) an associated person of such member or such broker or dealer, whether by contractual arrangement or otherwise. A person shall be presumed to control another person if such person has a right to participate to the extent of more than 25 per centum in the profits of such other person or owns beneficially, directly or indirectly, more than 25 per centum of the outstanding voting securities of such person. An affiliated person may also include any person whom the Commission determines to be in a position to control a member or a broker or dealer by reason of the nature and extent of such person's business with such member or such broker or dealer;

"(B) The term 'associated person' with respect to a member or a broker or dealer means any partner, officer, director, or branch manager of such member or such broker or dealer (or any person occupying a similar status or performing similar functions), including any employee of such member or such broker or dealer, except that for the purposes of this section an associated person of such member or such broker or dealer whose functions are clerical or ministerial shall not be included in the meaning of such term; and

"(C) The term 'managed account' shall mean an account of any person (including any investment company, insurance company, separate account of an insurance company, bank, trust company, pension-benefit or profit-sharing or similar plan, foundation or educational or charitable endowment) for which such member or such broker or dealer, any affiliated person of such member or such broker or dealer, or any associated person of such member or such broker or dealer: (i) is empowered to determine what securities or other property shall be purchased or sold or is otherwise authorized to select the securities bought or sold or (ii) regularly furnishes advice with respect to the desirability of investing in, purchasing or selling securities or other property. For the purposes of this section a member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, shall not be considered to be regularly furnishing advice with respect to the desirability of investing in, purchasing or selling securities or other property if such member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, furnishes only statistical or other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities or if such advice is furnished solely through uniform publications distributed to subscribers thereto or to customers of such member, or broker or dealer, or affiliated or associated person.

"(3) Except as provided in paragraph (5) of this subsection, on or after May 1, 1975, it shall be unlawful for any member of a registered national securities exchange to effect, whether as broker or dealer, any transaction on an exchange for any account described in subparagraphs (A), (B), and (C) of paragraph (1) of this subsection, except that this paragraph shall not apply so as to make unlawful the following—

"(A) any transaction by a registered specialist acting in such capacity;

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered;

"(C) any transaction determined in accordance with criteria acceptable to the Commission to be a transaction by a block positioner, or a market maker, acting in such capacity;

"(D) any stabilizing transaction effected in compliance with rules under section 10(b) of this title to facilitate a distribution of a security in which the member effecting such transaction is participating;

"(E) any bona fide arbitrage transaction, including hedging between an equity security and a security entitling the holder to acquire such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction involving a recapitalization;

"(F) any transaction for a managed account of a natural person or of a trust created by and for a natural person or his spouse, children, grandchildren, brothers, sisters, aunts, uncles, nieces, or nephews, if such natural person is not otherwise an affiliated or associated person of such member;

"(G) any transaction for a member who is a natural person, or for an account of a natural person who is an affiliated or associated person of a member;

"(H) any transaction to offset a transaction made in error;

"(I) any other transaction of a kind which the Commission, by rule, shall determine contributes to the fair and orderly functioning of the securities markets and which is consistent with the purposes of this paragraph; and

"(J) any transaction by a member for a managed account of a person who, with respect to such member, is not an affiliated or associated person, if such member (or any affiliated or associated person of such member) performs no functions for such account other than those functions described in paragraph (2)(C) of this subsection and which is effected pursuant to standards prescribed by the Commission, by rule, to assure that (i) satisfactory provision is made for the review of trading for such account by a person with investment experience who is not an associated or affiliated person of such member, and (ii) the effecting of such transaction by such member would be consistent with the maintenance of fair and orderly markets in securities.

The Commission shall promulgate appropriate rules under section 3(b) of this Act which shall define terms used in subparagraphs (A) through (J) of this paragraph.

"(4) The Commission shall, under authority of paragraph (1) of this subsection, prescribe such rules and regulations applicable to any transaction for an account described in subparagraphs (A), (B), and (C) of paragraph (1) to prevent any member of a national securities exchange from effecting transactions for such accounts otherwise than on an exchange and to prevent any broker or dealer (other than a member of an exchange) from effecting any transaction for such an account on an exchange or otherwise than on an exchange to the extent that the Commission determines that the prohibition on trading contained in paragraph (3) of this subsection must be applied, in whole or in part, to such members and such brokers or dealers in order to assure the maintenance of fair and orderly markets in securities.

"(5) Until the end of a period of 3 years following the date of enactment of the Securities Reform Act of 1975, the provisions of paragraph (3) of this subsection shall not apply to any member of an exchange who acquired membership on such exchange prior to January 16, 1973, or who on date of enactment of the Securities Reform Act of 1975 was directly or indirectly controlled by a person who was a member of such exchange prior to January 16, 1973, so as to make unlawful the effecting of any transaction for (A) such member's own account, (B) for the account of any associated or affiliated person who was so associated or affiliated on January 16, 1973, or (C) for a managed account for which such member or any affiliated or associated person performed functions described in subparagraph (C) of paragraph (1) on January 16, 1973.

"(6) It shall be unlawful for any member of a national securities exchange or for any broker or dealer to utilize a scheme, device, arrangement, agreement, or understanding designed to circumvent or avoid, by reciprocal means or otherwise, the provisions of paragraph (3) of this subsection or any rule or regulation promulgated by the Commission under authority of this subsection."

SEC. 106. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended to read as follows:

"INVESTIGATIONS, INJUNCTIONS, AND PROSECUTION OF OFFENSE

"SEC. 21. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which it may deem necessary or proper to aid in carrying out its functions under this title or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.

"(b) For the purpose of any such investigation, or any other proceeding under this title, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or were such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

"(d) Wherever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, it may in its discretion bring an action in the proper district court of the United States, the United States District Court for the District of Columbia or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond: *Provided, however*, That the Commissioner shall not proceed against any person under this subsection based on a violation of an exchange, association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission. The Commission may transmit such evidence as may be available concerning acts or practices which may constitute a violation of this title, or any rule, regulation, or order thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(e) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States Courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any rule, regulation, or order of the Commission made in pursuance thereof, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title to compel a registered national securities exchange, national securities association, registered claims agency, or registered securities depository to enforce compliance with the rules of such exchange, association, clearing agency, or securities depository: *Provided, however*, That the Commission shall not proceed against any person under this subsection based on a violation of an exchange association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission.

"(f) Notwithstanding the provisions of section 1407 of title 28, United States Code, no enforcement action for equitable relief instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidaton is consented to by the Commission. As used in this subsection the term 'securities laws' includes the Securities Act of 1933 (15 U.S.C. 77 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the

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Investment Advisers Act of 1940 (15 U.S.C. 806 et seq.), and the Securities Investor Protection Act of 1970 (U.S.C. 78aaa et seq.).".

SEC. 107. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended to read as follows:

"NATIONAL SECURITIES ASSOCIATIONS

"SEC. 15A. (a) Any association may register with the Commission as a national securities association under the terms and conditions provided in this secton by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the association'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An association shall not be registered as a national securities association unless it appears to the Commission that—

"(1) such association will be able to comply with and carry out the requirements of subsection (m) of this section;

"(2) the rules of the association provide that any broker or dealer may become a member of such association in conformity with the requirements of subsection (l) of this section;

"(3) the rules of the association assure a fair representation of its members, issuers of securities, and the public, in the adoption of rules of the association and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum, provisions that—

"(A) the governing body of the association, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the association will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the association to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the association staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the association provide for the equitable allocation of dues, fees, and other charges among its members, among issuers with respect to whose securities quotations are disseminated through facilities of the association, and among other persons using its facilities;

"(5) the rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to provide safeguards against unreasonable profits or unreasonable rates of commissions or other charges, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers or issuers, or brokers or dealers, to fix minimum profits, to impose any schedule of prices, or to impose any schedule or fix minimum rates of commissions, allowances, discounts, or other charges;

"(6) the rules of the association provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions, and operations, being suspended or barred from being associated with a member, or any other fitting sanction, except that such rules need not require an association to discipline any person, directly or indirectly controlling, under common control with, or controlled by a member of such association if such person is not otherwise a person associated with such member;

"(7) the rules of the association provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the association provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such association, including that the rules, as a minimum, meet the requirements of subsection (h) of this section;

"(9) the rules of the association are sufficient and reasonably necessary to permit the association to discharge its regulatory responsibilities under this title; and

"(10) the rules of the association include provisions governing the form and content of quotations relating to securities or any class thereof which may be disseminated by any member or any person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, both at the wholesale and retail level, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, publishing, and disseminating quotations.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any association from adopting and enforcing any rule not inconsistent with this title and the rules, regulations and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application for registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a), the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period of time not to exceed 90 days.

"(e) A national securities association may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such association or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(f) (1) Each national securities association shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the association, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an association's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an association's rules, publish notice of such proposed change together with the association's statements of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an association's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may exend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this section, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3) (A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an association's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the association. An association shall file with the Commission copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, on the date on which such change, addition, deletion, or amendment takes effect, except that the failure to file such change, addition, deletion, or amendment to such stated policies and practices as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an association's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such association) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under this subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the association and between the Commission and any other persons relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g) (1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities association registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated wtih such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the association or provisions of this title or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commission shall, by rule, specify.

"(2) Rules of a national securities association may, with the approval of the Commission, provide for a summary procedure for the suspension of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities association or a national securities exchange for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the association determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the association.

Following any such suspension, the member promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities association registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities association imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such association, the association shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in (g) or (h) above has been given to the aggrieved party and to the Commission, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j) (1) In a proceeding to review disciplinary proceedings of a national securities association registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the association as have been designated in the determination of the association, it shall by order so declare and, if appropriate, affirm the action taken by the association or remand the proceeding to the association, or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the association or that such act as alleged or found to have ben omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the association.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings before the association with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction, or may remand the disciplinary proceeding to the association with a statement of the Commission's position thereon and with appropriate instruction to the association to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The association shall notify the member or person associated with the member, and the Commission, as to the association's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the association's determination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities association or to review action of an association to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the association and this section, it shall by order so declare and affirm the association's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the association or this section, the Commission shall by order so declare and set aside the action of the association and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) A national securities association shall permit any broker or dealer to become a member of such association, except that, any association may—

"(1) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other association or any national securities exchange, during the period of such expulsion, suspension, or bar;

"(2) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, bar from being associated with a member any person, during the period of any suspension, expulsion, or order of the character described in paragraph (1) or (2) of this subsection, who, by his conduct while associated with a broker or dealer was the cause of such suspension, expulsion, or order, and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraph (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 15A (k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b) (5) (C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the association, or in any proceeding before the associa-

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tion, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted, within ten years preceding the filing of the application or at any time thereafter, of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the association finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require an applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the association which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

"(m) National securities associations registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the association.

"(n) This section shall not require any securities association which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any association which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such association in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an association has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities association if the Commission finds that the rules of such association are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such association comply with such requirements.

"(o)(1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember broker or dealer (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

("2) For the purposes of this subsection, the term 'nonmember broker or dealer' shall include any broker or dealer who makes use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security otherwise than on a national securities exchange, who is not a member of any national securities association, except a broker or dealer ,who deals exclusively in commercial paper, bankers' acceptances, or commercial bills.

"(3) Nothing in this subsection shall be so construed or applied as to prevent any member of a national securities association from granting to any other member of any national securities association any dealer's discount, allowance, commission, or special terms.

"(p) Nothing in this section shall be construed to apply with respect to any transaction by a broker or dealer in any exempted security.

"(q)(1) Rules of an association may require any person, or any class of persons, associated with a member to be registered with the association in accordance with procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the association may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the association may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplemental thereto required by rules of an association to be filed by a person applying for membership in such association or to be filed by a person applying to be associated with a member of an association shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

TITLE II—FINANCIAL RESPONSIBILITY; REGULATION OF BROKERS AND DEALERS; REPORTS AND EXAMINATIONS

SEC. 201. Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended to read as follows:

"RESTRICTIONS ON BORROWING BY MEMBERS, BROKERS, AND DEALERS

"SEC. 8. It shall be unlawful for any registered broker or dealer or any broker or dealer who transacts a business in securities through the medium of any member of a national securities exchange directly or indirectly—

"(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank of the Federal Reserve System, (2) from any nonmember bank which shall have filed with the Board of Governors of the Federal Reserve System an agreement, which is still in force and which is in the form prescribed by the Board, undertaking to comply with all provisions of this Act, the Federal Reserve Act as amended, and the Banking Act of 1933, which are applicable to member banks and which relate to the use of credit to finance transactions in securities and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof, or (3) in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe to permit loans between such members and/or brokers and/or dealers, or to permit loans to meet emergency needs. Any such agreement filed with the Board of Governors of the Federal Reserve System shall be subject to termination at any time by order of the Board after appropriate notice and opportunity for hearing because of any failure by such bank to comply with the provisions thereof or with such provisions of law or rules or regulations; and, for any willful violation of such agreement, such bank shall be subject to the penalties provided for violations of rules and regulations prescribed under this title. The provisions of sections 21 and 25 of this title shall apply in the case of any such proceeding or order of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply in the case of proceedings and orders of the Commission.

"(b) In contravention of such rules and regulations as the Commission shall prescribe for the protection of investors to hypothecate or arrange for hypothecation of any securities carried for the account of any customer under circumstances (1) that will permit the commingling of his securities without his written consent with the securities of any other customer, (2) that will permit such securities to be commingled with the securities of any person other than a bona fide customer, or (3) that will permit such securities to be hypothecated, or subjected to any lien or claim of the pledgee for a sum in excess of the aggregate indebtedness of such customers in respect of such securities.

"(c) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer or in contravention of such rules and regulations as the Commission shall prescribe for the protection of investors."

SEC. 202. Section 15(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)) is amended to read as follows:

"SEC. 15. (a)(1) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, and no broker or dealer who is a member of an exchange shall make use of an exchange facility, to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless registered as a broker or dealer in accordance with subsection (b) of this section.

"(2) The Commission may by such rules and regulations or orders as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for specified periods, exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rules, regulations, or orders."

SEC. 203. (a) Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended to read as follows:

"(b)(1) A broker or dealer may be registered for the purpose of this section by filing with the Commission an application for registration, which shall contain a balance sheet certified by an independent public or certified accountant and such other financial statements (which may be certified) or such other information in such detail as to such broker or dealer and any persons associated with such broker or dealer as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission funds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission

shall conclude administrative action and issue an order granting or denying the application within 120 days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional 90 days.

"(2) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain a balance sheet certified by an independent or certified public accountant and such other financial statements (which may be certified) or such other information in such detail as to the applicant and as to the successor and any person associated with the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. The effectiveness of such application shall be governed by the same procedures as set forth in subsection (b)(1). Should the Commission grant such application for registration, the registration shall terminate on the forty-fifth day of the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt such application as its own.

"(3) Within 6 months of the granting of an application for registration the Commission, or such national securities association or national securities exchange of which such broker or dealer is a member as the Commission may, by rule, designate, shall conduct an inspection of the broker or dealer so registered, to determine whether such broker or dealer is operating in conformity with the provisions of this title, and the rules and regulations adopted thereunder: *Provided, however,* That the Commission may classify brokers and dealers on appropriate bases, including the type of business in which they are engaged, and, with respect to particular classes of brokers and dealers, delay for a period not to exceed 6 months the inspection required by this paragraph.

"(4) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce are used in connection therewith shall also prohibit any such act, practice, or course of business by any broker or dealer registered pursuant to this subsection or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(5) The Commission shall, after appropriate notice and opportunity for hearing, by order censure, deny registration to, suspend for a period not exceeding 12 months, or revoke the registration of, any broker or dealer if it finds that such censure, denial, suspension, or revocation is in the public interest and that such broker or dealer, whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

"(A) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within 10 years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security.

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser.

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities.

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an affiliated person or employe of any investment company, bank, or insurance company, or firm engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or this title, or any rule or regulation under any of such statutes.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or any rule or regulation under any of such statutes, or has failed reasonably to supervise, with a view to preventing violations of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this clause (E) no person shall be deemed to have failed reasonably to supervise any person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (7) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer, which order is in effect with respect to such person.

"(6) Pending final determination whether any registration under this subsection shall be revoked, the Commission shall by order suspend such registration, if after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall, after appropriate notice and opportunity for hearing, by order cancel the registration of such broker or dealer.

"(7) The Commission may, after appropriate notice and opportunity for hearing, by order censure any person, or bar or suspend for a period not exceeding 12 months any person from being associated with a broker or dealer if the Commission finds that such censure, barring, or suspension is in the public interest and that such person has committed or omitted any act or omission enumerated in clause (A), (D), or (E) of paragraph (5) of this subsection or has been convicted of any offense specified in clause (B) of said paragraph (5) within 10 years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in clause (C) of said paragraph (5). It shall be unlawful for any person as to whom such an order barring or suspending him from being associated with a broker or dealer is in effect, willfully to become, or to be, associated with a broker or dealer, without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him, without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care, should have known, of such order.

"(8) No broker or dealer registered under section 15 of this title shall effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer and all natural persons associated with such broker or dealer meet such specified and appropriate standards with respect to training, experience and age, and such other qualifications as the Commisison finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) appropriately classify brokers and dealers and persons associated with brokers and dealers (taking into account relevant matters, including types of business done and nature of securities sold).

"(B) specify that all or any portion of such standards shall be applicable to any such class.

"(C) require persons in any class to pass examinations prescribed in accordance with such rules and regulations, which examinations shall, with respect to any class of partners, officers, or supervisory employees (which latter term may be defined by the Commission's rules and regulations and as so defined shall include branch managers of brokers or dealers) engaged in the business activities of the broker or dealer, include questions relating to bookkeeping, accounting, internal control of cash and securities, proper supervision of employees, proper maintenance of records, and other appropriate matters.

'(D) provide that persons in any such class other than a broker or a dealer and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such specified standards of training and such other qualifications as the Commission finds appropriate.

The Commission may prescribe by rules and regulations reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any examinations administered by it or under its direction. The Commission may cooperate with national securities associations registered under section 15A of this title and with national securities exchanges registered under section 6 of this title in devising and administering examinations and may require brokers and dealers registered under this section and persons associated with such brokers and dealers to pass examinations administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such examinations.

"(9) In addition to the fees and charges authorized by paragraph (8) each broker or dealer registered under section 15 of this title which is not a member of a national securities association registered pursuant to section 15A of this title shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such broker or dealer is not a mem-

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ber of such a securities association. The Commission shall establish such fees and charges by rules and regulations.

"(10) No broker or dealer subject to paragraph (9) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to provide safeguards against unreasonable profits or unreasonable rates of commissions or other charges, and in general to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market."

(b) The amendments and repeals made by this section shall not require the re-registration of any person registered pursuant to subsection 15(b) on the date on which the Securities Reform Act of 1975 takes effect.

Sec. 204. Section 15(c)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(3)) is amended to read as follows:

"(3)(A) No broker or dealer shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility and related practices of such brokers and dealers including, but not limited to, the acceptance of custody and use of customers' securities, and the carrying and use of customers' deposits or credit balances. Such rules and regulations shall (i) require the maintenance of reserves with respect to customers' deposits or credit balances, and (ii) by no later than July 1, 1975, establish minimum capital requirements for ample, liquid, and permanent capital of such brokers and dealers.

"(B) The Commission shall have authority, after appropriate notice and opportunity for hearing, to order any broker or dealer or class thereof to restrict any of its activities if the Commission finds that such restrictions are reasonably necessary to assure continued compliance with rules under this section.

"(C) For the purposes of this paragraph, the Commission is authorized to classify brokers and dealers on appropriate bases including the type of business in which they are engaged and risks attendant thereto.

"(D)(i) The Commission may, by order, upon written application, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer who satisfies the Commission that, because of the special nature of his business, his financial position and the safeguards he has established for the protection of customers' funds and securities, it is not necessary in the public interest or for the protection of investors to subject the particular broker or dealer to the provisions of this paragraph and the Commission may, by rule, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer or class of brokers or dealers who do not handle customers' funds and securities, if the Commission determines that it is not necessary in the public interest or for the protection of investors to subject such brokers or dealers or classes of brokers or dealers to the provisions of this paragraph.

"(ii) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for exemptions received, the number granted pursuant to (i) above, the basis or bases upon which the exemptions were granted and any rule or rules exempting any broker or dealer or class of brokers or dealers from the provisions of this paragraph."

Sec. 205. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended to read as follows:

"ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

"Sec. 17. (a) Every national securities exchange, every member thereof registered under section 15 of this title, every broker or dealer who transacts a business in securities through the medium of any such member, every national securities association, every broker or dealer registered pursuant to section 15 of this title and every securities information processor, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and furnish such copies thereof, and make and disseminate such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors or to remove impediments to or perfect the mechanism of a national securities market system. No exchange, broker, dealer, national securities association, or securities information processor shall be liable for damages to any person, whether or not the subject of such accounts, correspondence, memoranda, papers, books, or other records, solely for having furnished copies of such material as required by this section or rules or regulations thereunder.

"(b) Such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(c) Every broker or dealer registered under this title shall file with the Commission balance sheets and income statements, certified by an independent public or certified public accountant, prepared on a calendar or fiscal year basis for the current year and the preceding year, if any, and shall file such other information concerning its financial condition as the Commission shall, by rule, require. Every such broker or dealer shall send to its customers its certified balance sheet and, upon the request of any customer or as may be required by the Commission, by rule, its certified income statement and any other information concerning its financial condition which it is required to file with the Commission.

"(d) Rules under subsection (a) of this section may include rules (1) regulating the reporting of transactions executed on an exchange, or otherwise than on an exchange on a continuous basis or otherwise; (2) regulating the reporting of bids and offers for securities traded on an exchange or otherwise than on an exchange on a continuous basis or otherwise; and (3) prescribing uniformity in accounting procedures and systems of brokers and dealers and members of exchanges and associations.

"(e) Any broker, dealer, member or other person extending credit who is subject to the rules and regulations prescribed by the Board of Governors of the Federal Reserve System pursuant to this title shall make such reports to the Board as it may require as necessary or appropriate to enable it to perform the functions conferred upon it by this title. If any such broker, dealer, member, or other person shall fail to make any such report or fail to furnish full information therein, or if in the judgment of the Board it is otherwise necessary, such broker, dealer, member, or other person shall permit inspections to be made by the Board with respect to the business operations of such broker, dealer, or other person as the Board may deem necessary to enable it to obtain the required information.

"(f) The term 'securities information processor' means any person engaged in the business of (1) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of information with respect to transactions in, quotations for, or indications of interest to purchase or sell any security, or (2) distributing or publishing (whether by means of a ticker tape, a communications network, a terminal display device, or otherwise) on a current and continuing basis information with respect to such transactions, quotations, or indications of interest. The term 'securities information processor' does not include the publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any common carrier subject to the jurisdiction of the Federal Communications Commission or a State commission as defined in section 3(t) of the Communications Act of 1934, any national securities exchange, or any national securities association."

TITLE III—DEVELOPMENT OF A NATIONAL CLEARANCE AND SETTLEMENT SYSTEM

Sec. 301. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by striking the word "and" immediately before the phrase "to impose requirements necessary to make such regulation and control reasonably complete and effective," and by adding the following immediately after the phrase "and to provide for the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions".

Sec. 302. Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is further amended by adding at the end thereof of the following new paragraphs:

"(22)(A) The term 'clearing agency' means any person who acts an an intermediary in making payments or deliveries (or both) in connection with transactions in securities or who provides facilities (i) for comparison of data respecting the terms of settlement of securities transactions, (ii) to reduce the number of settlements of securities transactions, or (iii) for the allocation of securities settlement responsibilities.

"(B) The term 'securities depository' means (i) any person who acts as a custodian of securities in connection with a system which permits securities so held to be transferred, loaned, or pledged without physical delivery of securities certificates, or which otherwise permits or facilitates or provides facilities for the settlement of securities without physical delivery of securities certificates, or (ii) any person who engages on behalf of an issuer of securities, or on behalf of itself as an issuer of securities, in transferring record ownership of such securities by bookkeeping entry without physical issuance or delivery of securities certificates.

"(C) The terms 'clearing agency' and 'securities depository' shall not include (i) Federal Reserve Banks, Federal Home Loan Banks, Federal Land Banks and (ii) any bank or any building and loan, savings and loan, and homestead association or any cooperative bank if such bank or association would be classified as a clearing agency or securities depository solely by reason of lending, fiduciary, correspondent, or safekeeping functions commonly performed by them as incidental to their banking or association activities.

"(D) The terms 'clearing agency' and 'securities depository' shall not include (i) any life insurance company, or its registered separate accounts, or a subsidiary of such

insurance company by reason of functions commonly performed by such entitites in connection with variable annuity contracts issued by such insurance company or its separate account, or, (ii) any registered open-end investment company or unit investment trust by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust.

"(23) The term 'participant', when used with respect to a clearing agency or securities depository, means any person who uses a clearing agency or securities depository for the purpose of settling or comparing transactions in securities or making or receiving payment for or delivering, lending, or hypothecation of securities; but does not include a person whose only use of a clearing agency or securities depository is through another person.

"(24) The term 'transfer agent' means any person who engages, on behalf of an issuer, or on behalf of itself as an issuer, of securities, in: (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; or (D) exchanging or converting such securities. The term 'transfer agent' shall not include any person who performs such functions solely with respect to variable annuity contracts issued by an insurance company or its registered separate account.

"(25) The term 'appropriate regulatory agency', when used with respect to a clearing agency, securities depository, or transfer agent required to be registered under this title, means:

"(A) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(B) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or subsidiary thereof;

"(C) the Federal Deposit Insurance Corporation in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) or a subsidiary thereof; and

"(D) the Commission, in the case of all other clearing agencies, securities depositories, and transfer agents.

"(26) The terms 'rules of a clearing agency' or 'rules of a securities depository' mean the clearing agency's or securities depository's constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, participation, procedures, financial condition, methods of safekeeping, transferring, hypothecating, lending and accounting for funds and securities, and similar matters."

Sec. 303. Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is further amended by adding the following new paragraph at the end thereof:

"(6) No broker or dealer shall make use of the mails or of any means or instrumentality of interstate commerce and no member of a national securities exchange shall make use of an exchange facility to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to regulate the time and method of making settlements, payments, and deliveries and of opening, maintaining, and closing accounts. Nothing in this paragraph shall be construed to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or to authorize the Commission to prescribe rules or regulations for such purpose."

Sec. 304. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"PROCESSING OF SECURITIES TRANSACTIONS

"Sec. 17A. (a)(1) One hundred and eighty days after the effective date of the Securities Reform Act of 1975, and except as otherwise provided in this subsection, it shall be unlawful for any person, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a clearing agency, securities depository, or transfer agent unless such person is registered under this section. The Commission, by rules and regulations or by order, upon its own motion, or upon application, may conditionally or unconditionally exempt any person who is a clearing agency, securities depository, or transfer agent, or any class of persons, who are clearing agencies, securities depositories, or transfer agents from any provision or provisions of this section or of any rule or regulation prescribed under this section if the Commission finds that the application of such provision or provisions or such rule or regulation to such person, is not necessary or appropriate in the public interest or for the prompt and accurate processing and settlement of securities transactions.

"(2) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for a rule, regulation, or order exempting a person, or class or classes of persons from the provisions of this section, action taken with respect to such requests, and the basis or bases for such action, and similar information concerning exemptions granted on the Commission's own motion.

"(3) The provisions of this section shall apply only to securities and to persons performing the function of transfer agent with respect to securities which are registered under section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (g)(2)(B) or (g)(2)(G) of that section.

"(b) Transfer Agents.—(1) Any transfer agent may be registered for the purposes of this section by filing with the appropriate regulatory agency a registration statement which shall state the address of its principal office or offices for transfer agent activities, the identity of the issuers and issues of securities for which it is then acting as transfer agent, and such other information in such detail as the Commission may by rule require as necessary or appropriate in the public interest, for the protection of investors or to assure the prompt and accurate processing and settlement of securities transactions. Each appropriate regulatory agency other than the Commission shall supply to the Commission a copy of any registration statement filed with it as well as such additional information as the Commission may request to keep current the information in such registration statement or to carry out its responsibilities under this section. Except as otherwise provided in this subsection, a registration statement of a transfer agent filed under this subsection shall become effective thirty days after its filing or within such shorter period of time as the appropriate regulatory agency may determine.

"(2) The appropriate regulatory agency shall, after appropriate notice and opportunity for hearing, by order, deny registration to any transfer agent if it finds that such denial is in the public interest and that such transfer agent does not have procedures or means to be able to comply with the provisions and purposes of this section and the rules, regulations, and orders prescribed thereunder.

"(3) Pending final determination whether the registration of a transfer agent shall be denied, the appropriate regulatory agency may, by order, postpone the effective date of such registration for a period not to exceed 90 days, except that the appropriate regulatory agency may extend such period until final determination if it finds good cause for such extension and publishes its reasons therefor.

"(4) A transfer agent registered under this subsection may, upon such terms and conditions as the appropriate regulatory agency may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the appropriate regulatory agency. If the appropriate regulatory agency finds that any such registrant or such other person for whom an application of registration as a transfer agent is pending is no longer in existence or has ceased to do business as a transfer agent, the appropriate regulatory agency shall, by order, cancel or deny the registration. Appropriate regulatory agencies other than the Commission shall inform the Commission of the withdrawal from registration by a transfer agent under its jurisdiction and shall supply to the Commission a copy of all orders canceling or denying the registration of a transfer agent.

"(c) Any clearing agency or securities depository may be registered for the purposes of this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the rules of the clearing agency or securities depository and such other information as the Commission may, by rule, require.

"(d) An applicant shall not be registered as a clearing agency or a securities depository unless the Commission finds that—

"(1) such clearing agency or securities depository is organized so as to facilitate the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, and to comply with the provisions of this title and the rules, regulations and orders thereunder, and to carry out the purposes of this section;

"(2)(A) the rules of the clearing agency or securities depository provide that (i) all registered brokers or dealers, (ii) other registered clearing agencies or securities depositories, (iii) registered investment companies, (iv) banks, (v) such other persons or classes of persons as the Commission may from time to time designate by rule as appropriate to the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions, are eligible to become participants in such clearing agency or securities depository, subject only to such other rules of the clearing agency or securities depository as are expressly permitted under subparagraph (B) of this paragraph;

"(B) the rules of the clearing agency or securities depository may (i) restrict or condition participation upon the deposit of property of value or the posting of a bond with the clearing agency or securities depository in an amount which bears a reasonable relationship to the risks attendant to such participant's use of such clearing agency or securities depository; (ii) restrict or condition participation upon compliance with such standards of operational capacity and financial responsibility as the Commission, by rule, finds to be necessary to assure the prompt and accurate processing of securities transactions and the protection of in-

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vestors, the clearing agency or securities depository, and participants therein; (iii) deny participation to persons who have been expelled or suspended by a registered clearing agency or securities depository during the period of such expulsion or suspension; and (iv) provide for the exclusion of persons who have been convicted within 10 years preceding the filing of the application for participation of the crimes of armed robbery or grand larceny or of any felony or misdemeanor which the clearing agency or securities depository finds—

"(a) involves the purchase or sale of any security,

"(b) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or

"(c) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(3) the rules of the clearing agency or securities depository assure that no participant or class of participants, by reason of stock ownership or otherwise, is afforded a role greater than that of any other participant in the adoption of rules of the clearing agency or securities depository, the selection of officers and directors, or in any other phase of the administration of such clearing agency or securities depository;

"(4) the rules of the clearing agency or securities depository provide for the equitable allocation of dues, fees, and other charges among its participants;

"(5) the rules of the clearing agency or securities depository do not impose any schedule of prices, or fix minimum rates or charges, for services rendered by its participants;

"(6) the rules of the clearing agency or securities depository are designed to promote the prompt and orderly processing and settlement of securities transactions, to provide safeguards for securities and funds which are in its custody, to foster cooperation and coordination with national securities exchanges, national securities associations, other clearing agencies or securities depositories, brokers, dealers, banks, registered investment companies, and with other persons engaged in the settlement and processing of securities transactions, and to protect investors and the public interest; and do not have the effect of unfairly discriminating in the admission of participants in the use of such clearing agency or security depository;

"(7) the rules of the clearing agency or securities depository provide for the imposition of appropriate sanctions on participants for violations of its rules or the provisions of this section and the rules or regulations thereunder, which sanctions may include expulsion, suspension, fine, censure, or the limitation of activities, functions, and operations.

"(8) the rules of the clearing agency or securities depository provide a fair and orderly procedure with respect to the imposition of sanctions on participants and the denial of participation to any person seeking participation therein. In any proceeding to determine whether a sanction should be imposed such rules shall require that specific charges of any rule violation shall be brought; that a participant shall be notified of and be given an opportunity to defend against such charges; that a record shall be kept; and that a determination to impose a sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such participant may be found to have engaged, or any required act or practice which such participant may be found to have omitted;

"(B) the specific rule or rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

In any proceeding to determine whether a person shall be denied participation, such rules shall provide that the prospective participant shall be notified of, and be given an opportunity to be heard upon, the specific grounds for denial which are under consideration; that a record shall be kept and that the determination to deny participation shall be supported by a statement setting forth the specific grounds on which the denial is based. Notwithstanding and other provision of this section the rules of the clearing agency or securities depository may provide for the temporary suspension of a participant, the prohibition of such participant's use of the clearing agency or securities depository and the closing of such participant's accounts pending determination on the merits of any disciplinary proceeding if, in the opinion of the clearing agency or securities depository, such suspension or prohibition on use and closing or accounts are necessary for the protection of the clearing agency or securities depository or its participants or for the protection of investors or to facilitate the orderly and continuous performance of the clearing agency's or securities depository's services. The rules shall afford the participant opportunity for a prompt hearing on the merits in the case of any temporary suspension.

"(e) The Commission shall, upon the filing of an application for registration pursuant to subsection (c), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 90 days of the filing of an application for registration pursuant to subsection (c), or such shorter period of time as the Commission may determine, the Commission shall:

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied. After appropriate notice and opportunity for hearing, the Commission shall by order grant such registration unless it finds that any requirement of this section is not satisfied, in which case the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying an application within 180 days of the filing of the application unless the Commission finds good cause to extend such period and publishes its reasons therefor.

"(f) A clearing agency, or securities depository, registered under this section may, upon such terms and conditions as the Commission may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such registrant or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(g) No clearing agency, securities depository, or transfer agent registered under this section shall, directly or indirectly, engage in any activity as clearing agency, securities depository, or transfer agent in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(h) If any registered clearing agency or securities depository imposes any sanction on any participant therein, or denies admission to any person seeking participation therein, such action shall be subject to review by the Commission, on its own motion, or upon application by any person aggrieved thereby filed within 30 days after such action has been taken or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such action, unless the Commission otherwise orders, after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of affidavits and oral arguments).

"(i)(1) In a proceeding to review sanctions imposed by a registered clearing agency or a securities depository against a participant after notice and opportunity for hearing:

"(A) if the Commission finds that such participant has engaged in such acts or practices, or has omitted such acts, as the clearing agency or securities depository has found him to have engaged in or to have omitted, and that such acts or practices, or omission to act, are in violation of such rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder as have been designated in the determination of the clearing agency or securities depository, it shall by order so declare and affirm the action taken by the clearing agency or securities depository or, if appropriate, modify the sanctions in accordance with paragraph (2) of this subsection, or

"(B) if the Commission finds that the evidence does not warrant the finding required in clause (A), or if the Commission determines that such acts or practices as are found to have been engaged in are not prohibited by the designated rule or rules of the clearing agency or securities depository or the designated provisions of this section or the rules or regulations thereunder or that such act is found to have been omitted is not required by such designated provisions or rules, the Commission shall by order set aside the action of the clearing agency or securities depository.

"(2) With respect to any sanction imposed by a clearing agency or a securities depository upon a participant the Commission may, having due regard to the public interest, if it finds that such sanction is inappropriate, cancel, reduce, increase, require the remission, broaden the scope or otherwise require modification of such sanction.

"(j) In any proceeding to review the denial of participation in a registered clearing agency or a securities depository, if the Commission, after appropriate notice and opportunity for hearing, determines that the specific grounds on which such denial or bar is based exist in fact and are valid under this section, it shall by order dismiss the proceeding; otherwise, the Commission shall by order set aside the action of the clearing agency or securities depository and require it to admit the applicant to participation therein.

"(k)(1) Each registered clearing agency or securities depository shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, or amendments to the rules of the clearing agency or securities depository accompanied by a summary statement of the basis and purpose for such proposed change, addition or amendment, and such other information and documents, as the Commission may require to keep current or to supplement the registration statement and documents filed pursuant to subsection (c). All such proposed changes, additions, or amendments, and their accompanying statements of basis and purpose, shall be made available for public inspection and copying. No such proposed change, addition, or amendment shall become effective except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing

of a proposed change in, addition to, or amendment to the rules of a clearing agency or securities depository, publish notice of such proposal together with the clearing agency's or securities depository's statement of basis and purpose, and shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, or amendment. The Commission shall make available for public inspection and copying copies of all written communications between the Commission and the clearing agency or securities depository, and between the Commission and any other persons, related to the proposed change, addition or amendment. Such change, addition, or amendment shall take effect 60 days after publication of such notice by the Commission, unless the Commission disapproves such change, addition, or amendment as inconsistent with the purposes of this section or otherwise inconsistent with the public interest: *Provided*, That the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation for views, data, or arguments concerning the proposed change, addition or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition or amendment or any class or classes of such proposed change, addition or amendment if the Commisison finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition or amendment or class of such change, addition or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(l) The appropriate regulatory agency may, after appropriate notice and opportunity for hearing, by order, censure, bar, suspend for a period not exceeding 12 months, or place limitations upon any transfer agent, or revoke the registration of any transfer agent, if the appropriate regulatory agency finds that such censure, barring, suspension, placing of limitations, or revocation is in the public interest, or necessary for the protection of investors, and that such transfer agent or any partner, officer, director, or employee thereof has violated or is unable to comply with any provision of this section or any rule, regulation or order promulgated thereunder.

"(m) The Commission is authorized, if it finds such action to be necessary or appropriate in the public interest or for the protection of investors or to carry out the purposes of this section—

"(1) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or revoke the registration of a registered clearing agency or a securities depository or impose limitations upon the activities, functions, or operations of such clearing agency or securities depository, if the Commission finds that such clearing agency or securities depository has violated any provision of this title, or any rule or regulation thereunder, or has failed to enforce compliance with its own rules, or has engaged in any other activity tending to defeat the purposes of this section;

"(2) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months, censure or expel from a registered clearing agency or securities depository any participant therein, or impose limitations upon the activities, functions, or operations of such a participant if the Commission finds that such participant, or any partner, officer, director, or employee of such participant, has violated any provision of this title or any rule, regulation, or order thereunder or any rule of the clearing agency or securities depository; and

"(3) after appropriate notice and opportunity for hearing, by order to remove from office and officer, director, or employee of a registered clearing agency or a securities depository who, the Commission finds, has willfully failed to enforce the rules of the clearing agency or securities depository or the provisions of this section or the rules or regulations promulgated thereunder, or has willfully abused his authority.

"(n) If a proceeding under subsection (m)(1) of this section results in the suspension or revocation of the registration of a clearing agency or a securities depository, the Commission may, upon notice to such clearing agency or securities depository, apply to any court of competent jurisdiction specified in section 21(e) or 27 of this title for the appointment of a trustee. In such event, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of the clearing agency or securities depository involved, and the books, records, and assets thereof, wherever located; and the court shall appoint the Commission or a person designated by the Commission as the trustee with the power to take possession and to continue to operate or to terminate the facilities of such clearing agency or securities depository in an orderly manner, for the protection of participants and public investors, subject to such terms and conditions as the court may prescribe.

"(o)(1) Each registered clearing agency and securities depository shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate cooperation among clearing agencies and securities depositories and the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(2) Each registered transfer agent shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate the prompt and orderly settlement of securities transactions or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the appropriate regulatory agency as may be deemed necessary or appropriate in the public interest or for the protection of investors. Appropriate regulatory agencies other than the Commission shall make a report of all examinations conducted by them with respect to transfer agents subject to their jurisdiction and shall furnish to the Commission, at its request, a copy or portion of any such report which is relevant to functions regulated under this section. Nothing in this section shall preclude an appropriate regulatory agency (other than the Commission) from requiring a registered transfer agent to comply with such additional or other recordkeeping, reporting, inspection, or examination requirements as may be consistent with rules and regulations prescribed by the Commission under this section.

"(3) In the case of a transfer agent which is subject to regulation by an appropriate regulatory agency other than the Commission, the Commission shall rely to the fullest practicable extent on such agency for the conduct of routine, periodic, or other inspections or examinations under this section, and for obtaining reports from such transfer agents, but notwithstanding any provision of this section, the Commission shall have authority to make special or other examinations or inspections and to require special reports of such transfer agents in those situations where the Commission determines that such action would nevertheless be appropriate.

"(4) In the case of any disagreement between the Commission and any other appropriate regulatory agency concerning any rule of the Commission with respect to any transfer agent, the determination of the Commission shall be definitive.

"(p)(1) The Commission shall make a full and detailed report of all examinations conducted by it of any bank, bank subsidiary, or bank holding company which is a registered clearing agency or securities depository and shall, upon request, furnish a copy of such report to the other appropriate regulatory agencies.

"(2) The Commission shall, in the conduct of its responsibilities under this title with respect to banks registered as clearing agencies, securities depositories, or transfer agents, consult and cooperate with the other appropriate regulatory agencies toward the end that their mutual regulatory needs and responsibilities be fulfilled to the maximum extent practicable. At least 5 days prior to the issuance for public comment or adoption of any proposed rule or regulation pursuant to this section, the Commission shall first consult and request the views of the other appropriate regulatory agencies: *Provided*, That the failure of the Commission to so consult or request views shall not affect the validity, force or effect of any rule or regulation of the Commission or of any Commission action or omission to act thereunder.

"(q) Compliance with the requirements of this section or any rule, regulation, or order thereunder, with respect to transfer agents may be enforced under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) by the appropriate regulatory agencies other than the Commission. For the purpose of the exercise by such agencies of their powers under section 8 of the Federal Deposit Insurance Act, a violation of any requirement imposed under this section is a violation of the requirements imposed under the Federal Deposit Insurance Act and shall constitute adequate basis for the issuance of orders under sections 8(b) and 8(c) of that Act. In addition to its power under section 8 of the Federal Deposit Insurance Act, each of such appropriate regulatory agencies may, for the purpose of enforcing compliance with this section (or any rule or order thereunder), exercise any other authority conferred on it by law.

"(r) The provisions of this section 17A or of any rule or regulation thereunder shall not apply to any person acting as transfer agent with respect to securities transactions which occur without the jurisdiction of the United States, except as the Commission may prescribe as necessary or appropriate to prevent the evasion of this title.

"(s) The Commission shall, on or before December 31, 1976, take such steps as are within its power to bring about elimination of the stock certificate as a means of settlement among brokers or dealers of transactions consummated on national securities exchanges or by means of the mails or other means or instrumentalities of interstate

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commerce. In 1975 and in 1976, the Commission shall report to the Congress (1) the steps it has taken and progress it has made toward elimination of the stock certificate as a means of settlement, and (2) its recommendations, if any, for further legislation to eliminate the stock certificate. In connection with such reports, the Commission shall consult with the other appropriate regulatory agencies concerning the effects elimination of the stock certificate as a means of settlement among brokers or dealers may have on the safeguarding of assets held by securities depositories for the accounts of participants, and shall report such views to the Congress."

SEC. 305. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended to read as follows:

"INFORMATION FILED WITH THE COMMISSION

"SEC. 24. (a) Any person filing information contained in a registration statement, document, report, contract, correspondence, or other paper filed with the Commission pursuant to this title may make written objection to the public disclosure of such information stating the grounds for such objection. The Commission is authorized to hear objections in any such case where it deems it advisable. The Commission shall grant confidential treatment to such information for which application has been made if it finds (1) that disclosure is not in the public interest, and (2) that disclosure would (A) jeopardize the safety of funds or securities, (B) require the revealing of trade secrets or processes, or (C) impair the value of a contract.

"(b) The Commission is authorized to treat such information as confidential pending the findings required by subsection (a), but if the Commission does not make such a finding within 60 days from the date the information is received by the Commission, then the information shall cease to be afforded confidential treatment.

"(c) Nothing in this section shall prohibit the Commission from disclosing any information in any administrative or judicial proceeding.

"(d) Nothing in this section shall authorize the Commission to withhold information from the duly authorized committees of the Congress.

"(e) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any registration statement, document, report, contract, correspondence, or other paper filed with the Commission which is not made available to the public pursuant to subsection (a) of this section: *Provided*, That the Commission may make available to an appropriate regulatory agency any information requested by such agency for the purpose of enabling it to perform its duties under this title."

SEC. 306. Section 12 of the Securities Exchange Act of 1934 (10 U.S.C. 781) is amended by inserting after subsection (i) the following new subsections:

"(j) It shall be unlawful for an issuer, any class of whose securities is registered under this section or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), by use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, such securities whose form or format contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate processing of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account.

"(k) Every issuer whose securities are registered under this section, or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), shall comply with such rules and regulations as the Commission may promulgate as necessary to assure the prompt and accurate processing and settlement of securities transactions, which rules may provide for the consolidation into a single person of the functions of transfer agent and registrar. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account."

SEC. 307. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is further amended by inserting at the end thereof the following new subsection:

"(b) The Commission is authorized and directed to make a study and investigation of the practice of registration of securities other than in the name of the beneficial owner and to determine (1) whether such registration is consistent with the policies and purposes of this title, with particular reference to sections 12(g), 14, 15(d), and 17A and (2) if consistent, whether steps can be taken to facilitate communications between corporations and their shareholders while at the same time retaining the benefits of such registration. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of this subsection, and its final results and recommendations within one year of such date."

SEC. 308. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended by inserting after subsection (b) the following new subsection:

"(c) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or securities depository or any nominee thereof or custodian therefor or upon the delivery of transfer of securities to or through or receipt from such agency or depository or any nominee thereof or custodian therefor, unless such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency or securities depository or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision."

SEC. 309. The Securities Exchange Act of 1934 is amended by inserting after section 19 (15 U.S.C. 78s) the following new section:

"LOST, STOLEN, AND COUNTERFEIT SECURITIES; FINGERPRINTING

"SEC. 19A. Every national securities exchange, national securities association, broker, dealer, member of an exchange or association, transfer agent, clearing agency, and securities depository, registered pursuant to this title, and every participant therein shall—

"(1) report such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission determines by rule is necessary or appropriate in the public interest or for the protection of investors to the Commission or to such other person as the Commission may by rule designate, and such information shall be made available, for a reasonable fee, to any such exchange, transfer agent, association, broker, dealer, member, clearing agency, or securities depository who shall request it;

"(2) make such inquiry with respect to information reported pursuant to this section as the Commission decides, by rule, is necessary or appropriate in the public interest or for the protection of investors to determine whether securities transactions in which they are participating involve securities that have been reported as missing, lost, counterfeit, or stolen; and

"(3) in the case of a clearing agency, securities depository, transfer agent, broker, dealer, or member, require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission may, by rule, exempt from the provisions of this paragraph upon such terms and conditions and for such period as it deems necessary or appropriate, any one or more classifications of partners, directors, officers, or employees of any one or more of such clearing agencies, securities depositories, transfer agents, brokers, dealers, or members if the Commission find that such action is not inconsistent with the public interest or the protection of investors."

TITLE IV—MISCELLANEOUS

SEC. 401. Section 23(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)) is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, respectively, shall include in their annual reports to Congress such information, data, and recommendation for further legislation as they may deem advisable with regard to matters within their respective jurisdictions under this title. The Commission shall also include in its annual report each year information detailing its administration of the Freedom of Information Act (5 U.S.C. 552). Such information shall include a detailed description of its processes for handling requests under the Act, including the names of persons assigned to carry out those processes; and also include data on schedules of fees (if any), and on the number of written requests for records under the Act, the number of denials, the section relied upon in each denial, the number of administrative appeals, the elapsed time in responding to initial requests and the handling of appeals, the number of suits filed within the year, and any regulatory changes made during the year. Further, the Commission shall include in its annual report each year information concerning (1) the effects its rules and regulations are having on the viability of small brokers and dealers; (2) its attempts to reduce any unnecessary reporting burden on such brokers and dealers; and (3) its efforts to help to assure the continued participation of small brokers and dealers in the United States securities markets."

SEC. 402. (a) Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"REGISTRATION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for

exemption from the provisions of this section by the Secretary of the Treasury) transacted on such national securities exchange during the preceding calendar year and subsequent to its registration as a national securities exchange. Every registered broker or dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities listed for trading on a registered national securities exchange pursuant to section 12(b) of this title (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted otherwise than on an exchange during the preceding calendar year and subsequent to the date of enactment of the Securities Reform Act of 1975, except that no payment shall be required for any calendar year in which such payment would be less than one hundred dollars."

(b) The amendment made by subsection (a) of this section shall take effect on the first day of the first full calendar year which begins after the date of enactment of this Act and shall apply with respect to such first full calendar year and all succeeding calendar years thereafter.

SEC. 403. (a) Section 24 of the Securities Act of 1933 (15 U.S.C. 77x) is amended by changing the figure "$5,000" to "$10,000".

(b) Section 32(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff(a)) is amended by changing the phrase "or imprisoned not more than two years" to read: "or imprisoned not more than five years".

(c) Section 29 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z–3) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(d) Section 325 of the Trust Indenture Act of 1939 (15 U.S.C. 77yyy) is amended by changing the figure "$5,000" to "$10,000".

(e) Section 49 of the Investment Company Act of 1940 (15 U.S.C. 80a–48) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(f) Section 217 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–17) is amended by changing the phrase "imprisoned for not more than two years" to read "imprisoned for not more than five years".

SEC. 404. Section 203(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended to read as follows:

"(c) Any investment adviser, or any person who presently contemplates becoming an investment adviser, may register under this section by filing with the Commission an application for registration. Such application shall contain such of the following information, in such form and detail, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors:

"(1) information in respect of—

"(A) the name and form of organization under which the investment adviser engages or intends to engage in business; the name of the State or other sovereign power under which such investment adviser is organized; the location of his or its principal business office and branch offices, if any; the names and adresses of his or its partners, officers, directors, and persons performing similar functions or, if such an investment adviser be an individual, of such individual; and the number of his or its employees;

"(B) the education, the business affiliations for the past ten years, and the present business affiliations of such investment adviser and of his or its partners, officers, directors, and persons performing similar functions and of any controlling person thereof;

"(C) the nature of the business of such investment adviser, including the manner of giving advice and rendering analyses or reports;

"(D) the nature and scope of the authority of such investment adviser with respect to clients' funds and accounts;

"(E) the basis or bases upon which such investment adviser is compensated; and

"(F) whether such investment adviser, or any person associated with such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (e); and

"(2) a statement as to whether the principal business of such investment advisers consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such investment adviser consists or is to consist of rendering investment supervisory services.

"(3) within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, it appears to the Commission that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within one hundred and twenty days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional ninety days."

SEC. 405. Section 203(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(2)) is amended to read as follows:

"(2) has been convicted within ten years preceding the filing of the application or any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds (A) involves the purchase or sale of any security, (B) arises out of the conduct of the business of a broker, dealer, or investment adviser, (C) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or (D) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code; or"

SEC. 406. Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–4) is amended to read as follows:

"SEC. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(b), shall make, keep, and preserve for such perioids, such accounts, correspondence, memorandums, papers, books, and other records and furnish copies thereof, and make such reports (which may include certified financial statements) available to clients or to the Commission as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors."

SEC. 407. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 35. There are hereby authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $54,000,000 for the fiscal year ending June 30, 1976, not to exceed $62,600,000 for the fiscal year ending September 30, 1977, and not to exceed $71,200,000 for the fiscal year ending September 30, 1978. For fiscal years succeeding the 1978 fiscal year, there may be appropriated such sums as the Congress may hereafter authorize by law.".

SEC. 408. (a) The Investment Company Act of 1940 (15 U.S.C. 80a) is amended as follows:

(a) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser or a corporate trustee performing the functions of an investment adviser of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, an investment adviser or a corporate trustee performing the functions of an investment adviser which results in an assignment of an investment advisory contract with such company or the change in control of or identity of a corporate trustee which performs the functions of an investment adviser, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereto, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate trustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B), except that no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or predecessor or successor investment advisers or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment advisory contract with a registered investment company results in a successor investment

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adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount a transaction occurs which would be subject to paragraph (1)(A) of this subsection,

such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee to an affiliated person or persons of the investment adviser or corporate trustee, except that (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(b) Section 15(c) is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of such company, to take into account the purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(c) Section 16 thereof is amended as follows:

(1) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu thereof "The foregoing provisions of this section";

(2) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(3) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filled by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) shall be filled only by a person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(d) Sections 13(b), 15(d), 18(i), and 32(a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(e) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provisions shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(f) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(g) Section 36 thereof is amended by adding at the end thereof the following new subsection:

"(c) For the purposes of subsections (a) and (b) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(h) Section 15(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–15(d)) is amended by striking 'paragraph (40) of section 2(a)' and inserting in lieu thereof 'paragraph (42) of section 2(a)'.".

SEC. 409. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce, or any facility of a national securities exchange, directly or indirectly, in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such lesser amount (but in no case less than $10,000,000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security held on the last day of the reporting period by such accounts with respect to which the institutional investment manager possesses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchases and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security.

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or principal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribe.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally, any institutional investment manager or security or any class of institutional investment manager or security or any class of institutional investment managers or securities from any or all of the provisions of this subsection or the rules thereunder.

"(3) The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in the view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such forms as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 24 of the title. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

"(4) In evercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest or for the protection of investors or to maintain fair and orderly markets or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that

called for by this subsection, national securities exchanges, and registered securities associations, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) to avoid unnecessarily duplicative reporting by and minimize the compliance burden on institutional investment managers consistent with the purposes of this subsection. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) The Commission shall adopt such rules as it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same account.

"(6) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, he (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines, in the public interest or for the protection of investors, should be subject to the operation of the provisions of this subsection and the rules and regulations thereunder."

TITLE V—DEVELOPMENT OF A NATIONAL SECURITIES MARKET SYSTEM

SEC. 501. The Securities Exchange Act of 1934 is amended by adding after section 20 (15 U.S.C. 78t) the following new section:

"NATIONAL SECURITIES MARKET SYSTEM

"SEC. 20A. (a) Congress finds and recognizes—

"(1) that our country's capital markets are an important national asset which must be preserved and strengthened;

"(2) that changing conditions and trading patterns have placed considerable strain on existing market mechanisms;

"(3) that in order to preserve and strengthen our capital markets, a national securities market system, should be established;

"(4) that it is in the national interest to assure the vitality and strength of the Nation's securities markets and to take all practicable steps to encourage a free and adequate flow of capital to the economy of the United States;

"(5) that a national system for the clearance and settlement of securities, wherever traded, should be established as part of the system; and

"(6) that a national regulatory body may be appropriate to govern and operate the system, subject to oversight and regulation by the Commission.

"(b) The Commission is directed, therefore, having due regard for the public interest, the protection of investors and the need to assure fair dealing in securities, and to preserve and foster competition among exchanges and between exchange markets and markets occurring otherwise than on an exchange, to take such steps as are within its power, including the power granted to it pursuant to this section and section 17 of this title, to establish a national market system for transactions in securities. Such a system shall include, as a minimum, a transactional reporting system for reporting transactions in securities qualified for trading within the national securities market system; a composite quotation system for reporting bid and offered quotations for all securities qualified for trading in the national securities market system; and rules or regulations designed to provide fair competition between competitors in the national securities market system.

"(c) No dealer shall make use of the mails or of any means or instrumentality of interstate commerce to effect, or induce, the purchase or sale for his own account of any security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to assure the maintenance of a fair and orderly market in securities, or to remove impediments to and perfect the mechanism of a national market system. The Commission shall, under authority of this section, promulgate such rules and regulations applicable to any dealer in securities registered under section 12(b) of this title who, with respect to such securities, (a) regularly publishes bid and offer quotations through an interdealer quotation system, communications system or otherwise, (b) furnishes bid and offer quotations on request to others, including brokers and dealers, (c) holds himself out as being ready, willing, and able to effect transactions at quoted prices with others, including brokers and dealers, or (d) is otherwise acting as a specialist or market maker (as such term may be further defined by the Commission) in such securities on an exchange or otherwise than on an exchange, as may be necessary to assure that equal regulation of such dealers is obtained. For the purposes of this subsection the term 'equal regulation' means that degree of regulation as the Commission may determine to be necessary and appropriate to apply to such dealers in order to remove any unfair competitive advantage found to result from an unjustifiable disparity of regulation of such dealers by exchanges and associations of which they are members. If the Commission finds, after notice and opportunity for hearing on a record, that rules promulgated by the Commission pursuant to this title as applied to any broker or dealer, or class of brokers or dealers who effect transactions in securities registered under section 12(b) of this title, on a national securities exchange or otherwise than on a national securities exchange, are insufficient to assure the protection of investors and the maintenance of a fair and orderly market in such securities and that such investor protection and the maintenance of a fair and orderly market in such securities may not be assured through other lawful action under this title, it may, by order, prohibit such broker or dealer or such class thereof from effecting, or inducing, the purchase or sale of any such security on a national securities exchange or otherwise than on a national securities exchange. The Commission may, by such order, conditionally or unconditionally exempt any security or transaction, or class of securities or transactions, from the provisions of this section.

"(d) The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors (1) to assure that all brokers and dealers and, subject to such limitations as the Commission may, by rule, impose as necessary or appropriate for the protection of investors and the maintenance of fair and orderly markets, all other persons, have access on reasonable and nondiscriminatory terms to quotations for, and reports of transactions in, securities; (2) to assure that any system utilized by any broker or dealer to transmit or direct orders for the purchase or sale of securities to a facility for execution operates in a manner consistent with the development and operation of a national market system; and (3) to provide for the fair and reasonable allocation among national securities exchanges, national securities associations, and brokers and dealers subject to paragraph (9) of section 15(b) of this title of the costs associated with the collection, processing, distribution, and publication of information with respect to quotations for, and transactions in, securities, and the development and operation of a national market system.

"(e) To facilitate the establishment and governance of a national market system, in accordance with this section, within one hundred eighty days after the effective date of the Securities Reform Act of 1975, or at such earlier date as the Commission may determine to be appropriate for the purposes of this title, the Commission shall appoint a National Market Board ('Board').

"(f)(1) In carrying out it responsibilities under subsection (e), the Commission shall appoint a Board of fifteen members not all of whom shall be from the same geographical area of the United States, for a term specified by the Commission (but in no event to exceed five years), a majority of whom may, in the Commission's discretion, be persons active in the securities industry, the remainder of whom shall be representative of the public who, to the extent feasible, shall have knowledge of the Nation's capital markets.

"(g)(1) The Board is authorized and directed to study and advise the Commission of the steps it finds appropriately should be taken, by the Commission, the securities industry, the Congress, or otherwise, to facilitate the development of the system. For the purposes of performing the functions set forth in this paragraph, the Board shall assume the responsibilities of, and the documents prepared for or by, any advisory committee, in existence at the time of the establishment of the Board, appointed to advise the Commission on the implementation of the system.

"(2) The Board shall have, as a continuing responsibility, the obligation to furnish the Commission with its views on significant regulatory proposals of the Commission or any registered national securities exchange or association relating to the fairness, honesty, and efficiency of the markets for the trading in securities.

"(h)(1) The Board is authorized and directed to make a study of the need for the establishment of a national regulatory body (hereinafter referred to as the 'National Market Regulatory Board' or 'Regulatory Board') to administer the national market system, including the following:

"(A) the point in time at which such a Regulatory Board should be established;

"(B) the composition of such a Regulatory Board;

"(C) the manner in which such a Regulatory Board shall be brought into existence;

"(D) the scope of the authority of such a Regulatory Board;

"(E) the relationship of such a Regulatory Board to the Commission and to national securities exchanges and national securities associations registered with the Commission; and

"(F) the manner in which such a Regulatory Board should be funded.

"(2) The Board shall report to the Congress, on or before December 31, 1976, the

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results of its study, together with its recommendations, including such recommendations for legislation as it deems advisable.

"(3) In connection with the study authorized by this subsection, the Board shall consult with national securities exchanges; national securities associations; the likely classes of participants in a national market system, such as securities information processors, market makers, specialists, brokers and dealers; investors; the public; representatives of Government agencies and other interested persons.

"(i)(1) There is authorized to be appropriated $300,000 to the Commission for allocation to the Board for the purpose of enabling the Board to hire staff, rent office space, and generally to organize to carry out the functions set forth in this section.

"(2) Such sums when appropriated for this purpose may be made available by the Commission to the Board beginning with the creation of the Board pursuant to the provisions of this section.

"(3) The Board, since it shall act as an advisory body, is authorized to appoint and fix the compensation of such officers, attorneys and other experts and employees as may be necessary for carrying out its functions under this section, without regard to the provision of any laws applicable to the employment and compensation of officers and employees of the United States.

"(4) The Board shall furnish to its members representing the public such funds, on a per diem basis, as it finds reasonably will permit such members to perform their functions under this section.

"(j)(1) The Commission is authorized and directed to make a study of the securities activities conducted by persons who are not brokers or dealers, who maintain accounts on behalf of public customers for buying and selling securities registered under section 12 of the Act to determine the extent of such business conducted by such persons, the desirability of greater uniformity of regulation of such accounts, the effects of such activities on the process of raising and allocating capital in interstate commerce, the effect on competition for such public accounts, and whether the exclusions from the definition of broker and dealer are necessary and appropriate for the protection of investors and to achieve the purposes of this title.

"(2) The Commission shall report to the Congress on or before December 31, 1976, the results of its study including such recommendations for legislation as it deems advisable."

SEC. 502. The Securities Exchange Act of 1934 is further amended by adding after section 20A the following new section:

"RESTRICTIONS ON MARKET SELECTION AND USE OF CLEARING AGENCIES AND DEPOSITORIES

"SEC. 20B. (a) On or after September 1, 1975, no national securities exchange or national securities association may, by rule or otherwise, limit or condition a member's ability to transact business on any other exchange or otherwise than on an exchange, except pursuant to a rule of such exchange or association which is approved as consistent with the purposes of this title and such member's agency obligation to its customer, and declared effective by the Commission by rule, after providing for appropriate notice and an opportunity for the oral presentation of views, data, and arguments by interested persons in addition to an opportunity to make written submissions to the Commission. The Commission shall approve, with or without modification, or disapprove any such rule proposed by an exchange or association within 90 days of the date of the filing of such proposed rule.

"(b) No national securities exchange registered under section 6 and no national securities association registered under section 15A shall by rule or otherwise limit or condition any of its members from participating in any clearing agency or securities depository registered under section 17A."

SEC. 503. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is further amended by adding at the end thereof the following new subsection:

"(d)(1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law in effect on or enacted prior to the date of enactment of the Securities Reform Act of 1975 solely by reason of his having caused the account to pay a broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however,* That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title.

"(2) A person exercising investment discretion with respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services insofar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

"(B) furnishes analyses and reports concerning securities, economic factors and trends, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a securities industry regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 4111) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the House insist on its amendments and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, MOSS, VAN DEERLIN, STUCKEY, ECKHARDT, MCCOLLISTER and BROYHILL.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill H.R. 4111, Securities Reform Act of 1975.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AMENDMENT OF BUDGET

(Mr. LANDRUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANDRUM. Mr. Speaker, I yield to the gentleman from Texas (Mr. BURLESON).

Mr. BURLESON of Texas. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have had occasion to look at the amendment the gentleman proposes to the budget resolution and I join him in that and subscribe to the statements which he is about to place in the RECORD.

WAIVING APPLICATION OF TRADE ACT WITH RESPECT TO ROMANIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–113)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

Pursuant to Section 402(c)(1) of the Trade Act of 1974, I shall issue today an Executive Order waiving the application of subsections (a) and (b) of Section 402 of the Trade Act of 1974 with respect to the Socialist Republic of Romania, and I am hereby making the report contemplated by Section 402(c)(1) of the Act.

I refer to the Declaration of the Presidents of the United States and of the Socialist Republic of Romania signed in Washington in 1973 wherein it was stated that "they will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will." I have been assured that if and when such problems arise they will be solved, on a reciprocal basis, in the spirit of that Declaration. Accordingly, I am convinced that the emigration practices of Romania will lead substantially to the achievement of the objectives of Section 402 of the Act. I have therefore determined that the waiver contained in said Executive Order will substantially promote the objectives of Section 402 of the Act.

GERALD R. FORD.

THE WHITE HOUSE, *April 24, 1975.*

AMTRAK IMPROVEMENT ACT OF 1975

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 403 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 403

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MURPHY) for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes to the minority Member, the distinguished gentleman from Ohio (Mr. LATTA). Pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 403 provides for an open rule with one hour of general debate on H.R. 4975, the Amtrak Improvement Act of 1975.

House Resolution 403 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

H.R. 4975 authorizes $1,118,000,000 in appropriations to the National Railroad Passenger Corporation through October 1, 1977. The authorization breakdown is as follows: $460 million through July 1, 1976; $130 million for the transition period (providing for the change in the date of the fiscal year to October 1, 1976); and $465 million for fiscal year 1977.

H.R. 4975 prohibits Amtrak from discontinuing service over the basic system routes until October 1, 1976. The bill provides that any service which Amtrak initiated on its own after January 1, 1973 cannot be discontinued until March 1, 1977.

H.R. 4975 also places a statutory limitation on the compensation for the President of the Corporation at $85,000 a year.

Mr. Speaker, I urge the adoption of House Resolution 403 in order that we may discuss and debate H.R. 4975.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. Speaker, I rise in support of H.R. 4975, the Amtrak Improvement Act. It is quite obvious that the Government's entrance into the railroad passenger business has been less than successful. However, it is my feeling that this is so simply because we have yet to deal with the whole of the railroad situation. The bill currently under consideration is an attempt to provide Amtrak with some degree of flexibility with which to achieve an economically stable position. I believe this is an important but small step which must be taken if railroads in this Nation are to survive. And, as a citizen of a rural western State, South Dakota, I have a tremendous stake in that struggle for survival.

Revitalization of our Nation's railways is truly a high priority item. Revitalization via a combined program of public and private investments would help us to lower unemployment, strengthen our transportation system, and make a substantial contribution to our search for solutions to the energy crisis.

It is no secret that our Nation's railroads are in such a serious state of deterioration that massive assistance and imprevements are demanded if we are to maintain and preserve an effective rail transportation system. Although the problems of the northeastern railroads have received the most publicity, their plight is no more pronounced than the railroads in South Dakota or other parts of the Nation. Many small communities all across America depend heavily on the railroads for economic well being. Small businesses and farmers in rural America must get their products to market and serious curtailments in rail service will drastically affect these people.

The policy of increased rates and line abandonments which has evolved must be quickly terminated and replaced by a more farsighted program which will more responsibly service the communities in danger of economic ruin. The role of the ICC must be examined to prevent the disastrous delays such as those which occurred with the Rock Island System's efforts to merge. Standards for tracks and equipment must be established. Many other steps must be taken as well. As we consider this legislation today, let me ask that we not push the railroad situation out of our minds after this vote. The piecemeal approach to legislating must become the anachronism it deserves to be. Let us make a trademark of comprehensive and well integrated legislation which can adequately serve as the foundation for programs which will grow and prosper hand in hand with this Nation. The crumbling of tired economic structures in all sectors of our economy should be sufficient inspiration to each of us to commit ourselves to the responsible exercise of developing and coordinating new and effective solutions to the new problems we face today. Let us begin now to move with foresight, imagination and conviction to solve our transportation needs.

Let me add that I hope South Dakota will receive some consideration as these solutions are formulated. I would like to go on record as urging Amtrak to investigate the possibility of extending passenger service to South Dakota. I believe Sioux Falls, Aberdeen, Watertown, Brookings, Yankton, Madison, and Rapid City are prime serviceable markets.

Definitely the States ignored by Amtrak are deserving of some attention for their railways. In South Dakota the tracks are in such poor condition that "standing derailments" are not unusual. Also, the boxcar shortages which prevent grain from reaching market take their toll on farmers in my district. So you see my interest in the bill presently before us stems from a concern about the health of our Nation's railway system as a whole. Let us approach railroad matters with this comprehensive focus which not only includes the 3.379 miles of track in my home State but also the intricate network which reaches all corners of our Nation. Thank you.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, in reviewing the future of Amtrak and our continued deficit funding by Congress, I would like to include the minority views in the Amtrak report:

MINORITY VIEWS

Amtrak (nee Railpax) was created by the 91st Congress amid great hopes of revitalizing the nation's rail passenger service with the expenditure of $40 million in grants and an additional $100 million in loans to make such service palatable to the American public. It seemed like a high price to those who voted for it at the time and as an unrealizable dream and source of unheard of deficits by those who opposed it.

One Congress after Amtrak's organization, it was necessary to put up $187 million more in loans, nearly five times the amount that was supposed to get it off and running. And the corporation also needed an additional $100 million in guaranteed loans. In the eyes of many, these loans were really additional, deferred grants and that is exactly what the Department of Transportation is now acknowledging and asking Congress to recognize.

The 93rd Congress enacted two bills containing large further infusions of cash and loans to keep Amtrak going. The first one contained $107.3 million in grants and another $300 million in added loans. The second bill gave up $200 million in grants, another whopping $400 million in loans. Now in HR 4975, we are asked to accept the fact that even this large deficit was an underestimation, despite greater ridership and revenues. Unless Amtrak receives an additional $63 million in cold cash very soon, it will be forced to cease service. 1974 was a boom business year, but not for Amtrak. Now it is expected that it will take over $1 billion additional dollars to keep Amtrak going until October 1, 1977, assuming that

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a major miscalculation of some sort has not been made and that inflation stays within the bounds assumed by the planners.

There are some good features about HR 4975 in that it recognizes some of the basic fallacies and shortcomings of the original organization and the way it has thus far been handled. The bill makes a halting step toward allowing Amtrak to run as a business and not a stepchild of the Department of Transportation. But, having said that, it is all too little, if not, hopefully, too late. It is a quarter loaf when the whole loaf is long overdue.

The bill does provide for the eventual authority for Amtrak to determine which routes will be maintained and which discontinued. It provides, however, for a tortuous process of criteria which must be proposed by Amtrak, pass muster with DOT and then be subject to a resolution of disapproval by Congress. What we need and need now is a straightforward declaration of criteria by Congress itself which will allow Amtrak to take control of the passenger network and run it, operating trains where they make economic sense and discontinuing those trains which will cost the taxpayers more than they can be worth to the public as a whole.

As long as Amtrak consists of "political" routes and has no incentive to hold down losses, they will continue to rise in the astronomical proportions we are now confronted with. Consider for a moment that the bill provides for operating grants of $350 million for FY '76 as compared with the original $40 million we provided. If automobile prices had risen by the same percentage over the same period, a compact car would now be selling for about $30,000. We cannot justify this now or for the future.

Congress must stop writing political laws for Amtrak. Amtrak should be operated on a business basis, and policy determined by its Board of Directors.

Our country cannot continue to operate a railroad system that is established as a hopeless loser.

Mr. LATTA. Mr. Speaker, as has been indicated by the gentleman from Illinois (Mr. MURPHY), this bill would provide Amtrak with a billion dollars—that is right—$1,118 million through October 1, 1977. That is for only 2 years.

I have reviewed the amount of money that has been appropriated to Amtrak. I am astounded by the figures. I think it is important that the Members take a look at what Amtrak is costing the taxpayers of this Nation at a time when we are faced with a budget deficit of from $75 billion to $100 billion for fiscal year 1976.

Mr. Speaker, when Amtrak was created by the 91st Congress an expenditure of $40 million in grants was made, with an additional $100 million in loans. One Congress thereafter it was necessary for the taxpayers of this Nation to come up with $187 million more in loans, nearly five times the amount which was supposed to be needed to get Amtrak off and running.

The Corporation also needed an additional $100 million in guaranteed loans.

The 93rd Congress enacted two bills containing even more money for the same purposes. The first one contained $107.3 million in grants and another $300 million in added loans.

The second bill gave up $200 million in grants, another whopping $400 million in loans.

Today, Mr. Speaker, H.R. 4975 is before us and, as I previously indicated, the taxpayers are being asked to either guarantee or grant the sum total of $1,118,000,000 for Amtrak's operation through October 1, 1977. That leads me, Mr. Speaker, to ask the question as to whether or not the American taxpayers can afford it.

Second, I ask whether or not it is worth the price we are paying for it and whether it is worth what we are asked to pay for the next two years. Third, whether or not they are getting what they are paying for, namely, good rail service. Fourth, why is Amtrak not making money, as the proponents indicated they woud be, and why must it come back continuously to the American taxpayers for more and more money?

Mr. Speaker, as I indicated before the Rules Committee when this matter was before us, Amtrak is running a train through the southern part of my district and it usually goes through on time. Reports coming in indicate Amtrak is giving the service riders—what few there are—demand of any type of public transportation. They get courteous treatment, the food is good, the service is good, the cars are clean. As I understand it, Amtrak is going to update the cars under the provisions of this bill; they plan to buy some new equipment which is long overdue.

But, lo and behold, Mr. Speaker, they run these trains completely across my district, which takes in most of northwestern Ohio, without ever stopping. I do not know what the Amtrak hierarchy expects our people to do when they wish to ride Amtrak. If it would stop occasionally, maybe it could be put on a paying basis. The way they are running Amtrak today it appears that all these officials want to give the American people is the opportunity to pay more and more money.

When we call the railroad bureaucrats downtown, their hands are out but their ears are closed. I say, "Why not stop the train and let the people get on? They are the ones who are paying the tariff." I thought this is what Amtrak was all about, to give the people railroad service.

Now, Mr. Speaker, they are proposing to start an Amtrak train across the northern part of my district without stopping. Now, how silly can they be? It is no wonder they are not making money and they have to come back here all the time and ask the taxpayers to put up more and more money.

Mr. Speaker, I think the American people want good rail transportation, but they want the trains to stop so they can get on. So, hopefully, today during the consideration of this piece of legislation, we will get some answers as to why these trains do not stop after they are put in operation.

Mr. Speaker, I have no further requests for time.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ROONEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4975, with Mr. ROUSH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. ROONEY) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. SKUBITZ) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Chairman, the Committee on Interstate and Foreign Commerce reported an authorization bill for Amtrak which I feel will go a long way in improving rail passenger service in this country.

Amtrak was created by the 91st Congress, and began service in May of 1971 with a $40 million Federal grant. They inherited passenger cars which were several decades old. It has been a painfully slow process of turning around the decline of passenger service, but they have done it. In each year of operation, Amtrak continues to attract new customers. I sincerely believe that the wisdom of the 91st Congress in saving rail passenger service as an alternative means of intercity travel in this country has been proven now that we are experiencing critical energy problems. Last year, Amtrak carried 18.5 million people—a 10 percent increase over the previous year. Projections show that this increase will continue during 1975.

On-time performance records of Amtrak trains are improving. New stations are going up across the country. As more cars become refurbished, passenger convenience is improving. Overall, Amtrak is providing much better service than it ever has, and we are hearing about it.

This bill authorizes appropriations for Amtrak operations through fiscal year 1977, including a supplemental authorization of $63 million for the current fiscal year.

First of all, let me point out the immediate and urgent financial needs of Amtrak for the remainder of this fiscal year.

The economic recession and the high rate of inflation have had a severe impact on the ability of Amtrak to provide the passenger service required by existing law and stay within the cost estimates made last fall. Higher costs for wages, materials, and fuel, together with increased costs of contracting with operating railroads to provide passenger service, have brought about a net increase in the operating deficit for this fiscal year of $86.8 million. After subtracting the total of funds currently available plus unused authorization for prior years, a new authorization of $63 million is required for the remainder of this fiscal year.

The committee report filed last month indicated that Amtrak claimed it would be required to stop services by April 15 if it did not get this emergency funding. In order to continue providing services without these funds, Amtrak has deferred payments to operating railroads totaling $25 million. This bill, together with appropriation legislation, is urgently needed. The only alternative will be to reduce or eliminate some or all of the passenger service Amtrak is now required to provide, at least temporarily.

The authorizations for fiscal year 1976, the transition period July 1 through September 30, 1976, and fiscal year 1977 are broken down and separately authorized for operating and capital expenses as follows:

First. For operating expenses of the basic system, and for operating and capital expenses of services beyond the basic system requested by States, $350 million for fiscal 1976; $105 million for the transition period; and $355 million for fiscal 1977. This includes amounts authorized for State services up to $25 million for fiscal 1976; $7 million for the transition period; and $30 million for fiscal 1977.

Second. For capital expenditures of the basic system, $110 million for fiscal 1976; $25 million for the transition period; and $110 million for fiscal 1977.

The fund authorized for operating expenses are available for expenditure for wages and salaries of Amtrak employees, maintenance of equipment and rights of way, and contracts with operating railroads to perform passenger service on behalf of Amtrak.

The funds authorized for capital expenses are available for expenditures for new passenger cars and locomotives and spot improvement of tracks going in and out of stations which are necessary to the use of such tracks by passenger trains.

The bill also requires Amtrak to develop criteria and procedures for adding or discontinuing routes and services and submit a final proposal to the Congress. If not disapproved by the Congress, such proposal would take effect and Amtrak could add or discontinue routes and services in accordance with the proposed criteria and without regard to any other provision of law relating to discontinuance. If the proposal is disapproved by Congress, the bill would continue the present freeze on the basic system until October 1, 1976.

Other provisions of the bill would—

First, eliminate the financial investment advisory panel originally established to advise Amtrak on methods of increasing its capitalization;

Second, require the Attorney General to establish expedited immigration procedures for international rail passenger service;

Third, provide that Amtrak's annual report cover operations during the preceding fiscal year rather than calendar year;

Fourth, increase the salary limitation on the president of Amtrak from $60,000 to $85,000 if the board of directors determines it is necessary; and

Fifth, provide that lease agreements are included under the terms of the loan guarantee section.

The bill would also remove the July 1, 1976, cutoff date for making Federal grants for a portion of the cost of converting rail passenger terminals into intermodal terminals.

Mr. Chairman, I believe with the proven fuel economy of rail passenger service as opposed to other means of transportation that it is correct for our national policy to include rail passenger intercity travel.

As far as railroads and Amtrak are concerned, we have a mixed set of problems to consider regarding the development of an energy program. The almost disastrous economic turndown—along with the bankruptcy or pending bankruptcy of major carriers—is on the one hand. Skyrocketing costs in wages, material, and fuel are on the other. Somewhere in between you will find an underutilized physical plant with significant inherent advantages to which, I submit, the Congress must attach significant weight in its deliberations on energy and transportation policy. A fair policy—one that tallies up the immediate and long-range impact.

The case for Amtrak's ability to obtain the fuel for expanded operations rests on the energy efficiency of trains compared with automobiles. Amtrak is now focusing on persuading automobile users who account for 87 percent of all intercity travel to use the train and other forms of public transportation as a travel option. A 10-percent diversion from private to public mode would have a major impact on fuel usage.

The high fuel-efficiency of rail travel in the context of a chronic fuel shortage has led to increased demand for the initiation of new intercity rail service. Responding to this demand, Amtrak initiated seven new routes during 1974. In addition, Amtrak was directed by the Secretary of Transportation to initiate service on three more routes, and the Congress has also instructed the Secretary to designate a fourth new route. It is important to bear in mind that these new, long-distance routes will add another 2,500 miles or 10 percent to the Amtrak route system.

This bill provides, in effect, that Amtrak should continue to expand its route structure in order to provide a truly national system of rail transportation even though such expansion may contribute to Amtrak's deficit and postpone, at least temporarily, fulfillment of the statutory goal that Amtrak operate at a profit. Emphasis on the importance of profitability would indicate that the system should be pared down to the high-density corridors. On the other hand, establishment of a national system that can serve as a feasible, energy-efficient alternative to other modes of transportation requires the initiation of new routes. It is important to recognize that, to a certain extent, Amtrak is subject to such conflicting priorities. In a larger sense, the existing network of rail lines represents a very valuable and virtually irreplaceable national asset, particularly in view of the technical and monetary problems generated by the worldwide energy shortage.

Mr. Chairman, I include with my remarks, at this point in the RECORD, charts showing the total miles in the system; the increase in ridership and revenue, ontime performance, and service; Amtrak plans for 1975; and an energy chart showing the fuel efficiency of rail transportation compared to other modes.

Mr. Chairman, I urge the adoption of the committee bill.

The material referred to follows:

ENERGY CHART: REPORT TO THE CONGRESS ON THE RAIL PASSENGER SERVICE ACT, JULY 1974

(Submitted by the Secretary of Transportation)

(Present Fuel Consumption Based on Seating Capacity and Average Fuel Use Rates in Seat Miles Per Gallon (Representative).)

Rail—(U.S. current—includes allowances for engine idling between runs)

3000 hp. Locomotives, turbocharged, 0.5 mpg, 9 coaches per locomotive, 60–80 seats each (Amtrak Data)—Relatively new Amtrak locomotives. Many Amtrak cars were less than 60 seats when acquired, now being refurbished with higher density seating, 270–360.

2250 hp. E–8, not turbocharged, 0.63 mpg, 6 coaches per locomotive, 60–80 seats each (Amtrak Data)—Relatively old Amtrak locomotives, extra engines sometimes added for reliability, 225–300.

2250 hp. E–8, not turbocharged, 0.63 mpg, 4–5 coaches per locomotive, 60–80 seats each (Amtrak data interpolate), 150–250.

2250 hp. E–8, not turbocharged, 0.62 mpg, 4 cars per locomotive—sleepers, dining, and club cars (Southern Railroad data)—Locomotive performance essentially the same as Amtrak data. For cross-country, added engine for reliability and added luxury cars sharply reduce seat miles per gallon, 50.

Rail diesel car (RDC) (Budd), 3 mpg, 75 seats, 85 seats, 250.

Rail diesel car (RDC) (B&M) 2 mpg, 75 seats—Illustrates difference between manufacturers estimate and operating experience. Single B&O demonstration of same cars got 3.48 mpg, 150.

Rail turbine train; 0.33 mpg, 320 seats (296+24 snack car) (Amtrak data) (Am-

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trak's French RTG)—Delivery test at 80 mph average, 110.

Autotrain, 0.37 mpg, 36000 hp. locomotive, 18 car per locomotive, 30 automobile—miles/gallon, at 5 seats per auto, 150.

Bus—(U.S. Current)

Intercity, 6.0 mpg (Greyhound), 47 seats (TSC Industry average)—Over-the-road test of Greyhound and Trailways buses by TSC indicated 8.8 mpg at 50 mph, 8.1 mpg at 60 mph, 282.

Urban, 3.6–4.6 mpg, 50 seats (FHWA, UMTA data), 180–230.

Automobile—(FHWA Data)

Urban, Sub Compact 4 seats, 24 mpg, 96.
Urban, Compact 5 seat, 18 mpg, 90.
Urban, Standard 6 seats, 14.4 mpg, 86.4.
Urban, Luxury 6 seats, 9.0 mpg, 54.
Intercity Sub Compact 4 seats, 30 mpg, 120.
Intercity Compact 5 seats, 22.5 mpg, 112.5.
Intercity Standard 6 seats, 18.0 mpg, 108.
Intercity Luxury 7 seats, 12.0 mpg, 72.

Air—(NASA Data)

Twin engine turbofan, 68–106 seats: Short (250 mi. stage) .34–.44 mpg, 30–38; Medium (500 mi. stage) .44–.54 mpg, 37–47.

3 and 4 engine turbofan, 131–200 seats: Medium (500 mi. stage) .21–.29 mpg, 35–41; Long (1,000 mi. stage) .26–.34 mpg, 44–51.

3 and 4 engine turbofan, widebody, 256–385 seats: Wide body jets use new high by pass turbofan engines with low specific fuel consumption. Medium (500 mi. stage) .11–.19 mpg, 44–51; Long (1,000 mi. stage) .14–.22 mpg, 54–60.

MILES IN PRESENT SYSTEM

May 1, 1971, 21,000 route miles.

(Basic System), 27.3 million train miles per year (annual).

April 15, 1975: Basic System, 22,415 route miles.

International, 2,774 route miles.

Total, 25,189 route miles.

403(b) (State services): Additional route miles, 1,030*; total 403(b) train miles (annual), 1,456,000.

System: Route miles 26,219; train miles 30 million.

RIDERSHIP AND REVENUE, 1974

1974: $256.9 million in revenue—up $54.8 million over 1973.

1974: 18.5 million passengers—up 10 percent over 1973.

1974: Cars in service increased from 69 percent to 74.2 percent; up 10.5 percent.

ON-TIME PERFORMANCE

[In percent]

	January 1974	December 1974
Turboliners	40.5	63.4
Metroliners	64.0	75.6
All corridor/short-haul trains	70.0	80.0
All long-distance trains	41.2	62.1
Total, all trains	61.7	75.3

INCREASE IN AMTRAK SERVICE

Item	1973	1974	Percent increase
Route miles	22,433	24,315	8.3
Train miles operated	27,478,000	28,814,000	4.8
Trains operated per day	225	240	6.6
Trains operated per year	82,125	87,600	6.6
Stations served	414	457	10.4

AMTRAK 1975 PLANS

NEW ROUTES

Norfolk-Cincinnati, 403(c), started March 25, 1975.

Boston-Chicago, 403(c), planned for September, 1975.

Washington-Denver, 403(c), planning started.

Minneapolis-Duluth, 403(b), April 16, 1975.

Chicago-Green Bay, 403(b), being discussed.

Chicago-Madison, 403(b), being discussed.

Chicago-Toronto, 403(b), being planned.

Los Angeles-San Diego, 403(b), being planned.

New routes will require opening 25 more stations.

NEW EQUIPMENT DELIVERY

26 electric locomotives, May, 1975.
25 additional diesel-electric, August, 1975.
292 metroliner cars, starting April, 1975.
4 French turboliners, March, 1975.
7 Rohr turboliners, March, 1976.
200 metroliner cars, ordered March, 1975.
235 bilevel cars, starting December, 1976.
150 Diesel-electric, delivered.

375 cars receiving heavy overhaul (average age: 22 years).

167 diners ordered overhauled as soon as possible (average age: 30 years).

NEW STATIONS AND FACILITIES

Poinciana, Florida, completed.

Chicago, Ill. ($811,000), refurbishment and expansion started.

Richmond, Va. ($1.8 million), new station work started.

Port Huron, Mich. ($223,500), work started.

Joint station rehabilitation with Illinois—planned.

Joint station rehabilitation with New York—planned.

Joint track work with Michigan—planned.

Beech Grove car shops, purchased April 1, 1975.

Other car & locomotive shops purchase being planned.

Jacksonville, Fla., new station.

Cincinnati, Oh., new station.

Tri-State Station, Ky., new station.

Albany-Montreal route, station rehabilitation program.

Battle Creek-Port Huron, station rehabilitation program.

Oakland-Bakersfield, station rehabilitation program.

St. Louis-Laredo, station rehabilitation program.

Norfolk-Cincinnati, station rehabilitation program.

Rochester, N.Y., planned.

Mr. Chairman, I will ask unanimous consent to include with my remarks at this point in the RECORD charts showing the total miles in the system, the increase in ridership and revenue, ontime performance, and the service Amtrak plans for 1975, and a chart showing the fuel efficiency of rail transportation compared to other modes when we go back in the House.

Mr. Chairman, I reserve the balance of my time.

Mr. SKUBITZ. Mr. Chairman, I yield myself 9 minutes.

Mr. Chairman, it would be far easier for me, coming from Kansas, to stand here and chastise Amtrak, talk about the free enterprise system, demand, either break-even operation or shutdown, call attention to the economy of the country, point out the vast sums of money we have poured into Amtrak, and, since there are no routes in my district, vote against this measure.

But I think the problem before us is far broader than that. What this committee must decide today is whether the public interest demands a rail mass transportation system. If it does, then vote for this bill; if it does not, vote against it.

Insofar as I am personally concerned—I believe the public interest demands the continuance of Amtrak.

Today we cannot lay slab fast enough to take care of the autos now on the road, with our airways clogged, our airports being built 25 and 30 miles from our cities, with an energy shortage that may be with us for 15 years, it seems to me that we have no alternative except train passenger service. We must face up to our responsibility, realizing full well that if we are to provide this service, we are going to have to subsidize the service just as they are doing in every country in the world.

THE BILL

The bill before you today is a definite departure from those we have considered and approved in the past.

There are important philosophical changes in the approach to Amtrak problems contained in this bill.

Now without trying to sell you on any of them as the salvation of the rail passenger service——

Let me describe what appears to be the new direction in which this bill points.

First, it recognizes that retaining two categories of financial assistance, calling one grants and the other guaranteed loans, which should be recognized as such.

It has been clear to many of us that no guaranteed loan made by that method will ever be repaid from operating profits.

It was a sham and delusion; it was downright misleading to people not familiar with the facts.

The guaranteed loans were, in reality, deferred grants which the Government would be required to pick up sooner or later.

This bill eliminates the concept of guaranteed loans.

Hereafter, all money given to Amtrak, whether for coverage of operating losses or for the acquisition of capital items, will be grants.

The only separation of the two will be to keep track of them by category—operating grants and capital grants.

The second innovation in this act concerns the way in which trains will be added and deleted from the system.

Up to now there has been far too much attention to where the trains might run rather than whether they were justified or should be continued.

Everybody was in the act, and the corporation had little to say about what it felt should be operated and when.

But now the system has struggled through many years of operation. Its potential is more clear—although by no means well-defined.

What we have done in this bill is to try to minimize outside influence and increase corporation responsibilities.

And to accomplish this, the bill sets out a fairly elaborate system for creating criteria for the approval of new routes or the discontinuance of old routes.

The bill provides that Amtrak shall initially fork out the criteria under which the new route shall be established or an old route discontinued.

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*Other 403(b) routes run over regular Amtrak routes.

Then it will go to the Department of Transportation for a working over, and once DOT and Amtrak agree, the package will be sent to Congress for its approval.

This takes Congress, as well as the Interstate Commerce Commission, out of the train discontinuance business as it relates to passenger trains.

Now the third major change has to do with authorizations for appropriations. Thus far, we have approved funds each year to cover anticipated losses and the required capital commitments.

Now—in fiscal year 1975—it has finally happened. The corporation was forced to come, before the fiscal year was out, and request additional authorization because the money would not hold out until July.

That amount is $63 billion and is included in the authorization in this bill. I am not saying Amtrak should have been able to know in advance. Few businesses have been able to accurately predict their fiscal situation in advance lately.

This bill includes what Amtrak and DOT consider to be a realistic projection in the future—that is, through fiscal year 1977—and including the 3-month transition period, when we are changing to the new fiscal year arrangement.

The sums are high—they are scary—but I think they are at least more realistic than we have had in the past.

Mr. Chairman, there is one other provision in the bill that I have not mentioned—and that relates to the salary to be paid to the President of the Corporation——

Here we have placed a ceiling. We have said that the Board can raise the salary of the President of the Corporation but not beyond "$85,000 or the general level of compensation paid officers of railroads in positions of comparable responsibility."

Personally, I do not want to pay $85,000 either. Arguments will be advanced that Congressmen receive $42,500 or that Cabinet officers receive $65,000. The question will be raised, whether the President of the Corporation should get more than a Cabinet member.

That is for this body to decide. But I caution you, that if the board can get a man—and I think we have one now—that can reduce the devastating deficits, improve the service in the roadbeds, he will be worth the money.

I urge your support of this bill.

The CHAIRMAN. Does the gentleman from Pennsylvania have any further requests?

Mr. ROONEY. Mr. Chairman, I have no additional requests for time.

Mr. SKUBITZ. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I hope that Amtrak works. I think this country does need a good viable passenger rail system. I have every hope that it will work, but I am discouraged by what I have seen occur since we created this monster, if I may be pardoned that expression—back in 1971. We gave them, as has been said, $40 million to do the job. There was an additional $100 million loan and the next Congress that came along was asked for $187 million more as a loan. The next Congress had $107 million in grants and another $300 million in loans. There was then a second grant of $200 million and another $400 million in loans. Now they say, "Give us $63 million by mid-year or we'll fold up."

This bill actually calls for $1,118 million for the remainder of 1975, 1976 and 1977.

The bill eliminates the guaranteed loans and replaces them with grants, for a very good reason. It merely faces the facts that loans are unrealistic. They never repay them in the first place; so they are going to call them grants instead of loans and provides $110 million a year for this purpose. Operating grants will run $150 million a year. That will be a ceiling.

Mr. Chairman, for operating grants of $350 million for the fiscal year 1976, as compared with the original $40 million, should give us some second thoughts. I do not know how long this is going to operate at these figures or whether we can afford it; but I think the House should be made acutely aware of what the original request was, what they thought they would do. They are running into billions of dollars now and I am not too sure that the service warrants the expenditure of public funds that we are talking about. That is why I join the gentleman from Texas (Mr. COLLINS) and the gentleman from North Carolina (Mr. BROYHILL) in filing the minority views.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman.

Mr. LATTA. I am just wondering whether or not during all the testimony before the committee any figures were given as to the cost per passenger mile on Amtrak?

Mr. DEVINE. I would have to yield to a member of the subcommittee that heard this. I am an ex officio member of the subcommittee. I do not have that information available.

Mr. SKUBITZ. Mr. Chairman, I will be very happy to put the figures in the RECORD.

Mr. LATTA. I thank the gentleman.

Mr. SKUBITZ. Mr. Chairman, I yield 6 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, with America's No. 1 concern being inflation, we must move at the cause which is congressional overspending. Congress must balance the budget. The Amtrak bill for 1975 is a prime case where we must move for a reduction in Amtrak's continued requests of Congress. To speak against spending $118 million is not heard and Congress keeps spending.

We could help Amtrak most by removing congressional interference from the shoulders of management. Unprofitable routes should be eliminated on the basis of the Board's management judgment.

We should insist that Amtrak be pragmatic in its negotiations with labor contracts. Although Amtrak is losing money and many of the railroads that carry the Amtrak trains are losing money, the railroad system continues to give large wage increases.

Last week, I was amazed to learn that Penn Central Railroad had given over 46-percent wage increases to the railroad workers since the company became bankrupt in 1970.

I cannot understand why railroads still carry large crews on the trains although it has been proved that they are not needed. They have crews of four men when a crew of two could operate the engines. If we rode in a taxicab in Washington and saw two people in the driver's seat, we would think that it is a deadhead idea. One person in the taxi would just be sitting there. They have twice as many people as they need on the trains and they sit and drain a paycheck but railroads have not eliminated these deadhead jobs.

One serious feature of railroad expenses is the obsolete basis of paying railroad men based on the number of miles and time of trip traveled 60 years ago on a train, let us compare this cost of passenger services wages for class 1 line haul railroads. This covers all six classes of operating employees in passenger services. They actually worked 138.2 hours a month but they were paid for 266.7 hours per month. Let me repeat this basic statement. The passenger service employees worked 138 hours a month but are paid for 266 hours. Why should the Federal Government pay these workers for all the extra deadhead time when the railroad is losing money? Why should the Federal Government pick up this deficit and pay extra salaries to railroad workers when we do not pay this extra salary to a steelworker, an automobile worker, a butcher, a carpenter, or to other persons. Everyone else does an hour's work and gets an hour's pay.

Last week, I read where Pan Am employees took a 10-percent reduction in salaries because the airline was losing money. Instead of cutting the salaries, the railroads have these archaic wage rules and to this deadhead base they have had 46-percent wage increases pyramiding to a loss base. Since 1970, the Penn Central Railroad has been bankrupt, yet the employees receive a 46-percent wage increase and the Federal Government pays it out as a subsidy to Amtrak and the Penn Central.

The country is suffering inflation due to congressional overspending. How can you justify paying for 266 hours when they only work 138?

This Amtrak bill should be referred back to the committee with the request that they reexamine all of their subcontracts for labor. Congress should also request the committee to review all of their routes. The report on the floor states clearly that no Amtrak intercity route makes a profit today except for the Metroliner service on the Washington, D.C., to Boston, Mass., Northeast Corridor. But today we have instructed Amtrak to not discontinue any of its losing services. Whereas Amtrak management should not only be dropping losing runs but considering adding runs where there is a strong potential for a profitable operation. The Board of Directors should be given full management authority with no congressional interference.

Today we are talking about $1,118,000,000 which provides $350,000,000 in 1976 and $355,000,000 for fiscal year 1977.

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As we hear an explanation in this request for funds, our statement makes the analysis that prospects to end Federal subsidies for Amtrak are not good.

Since Congress passed the Rail Service Passenger Act of 1970, we continue to have committee studies made of needed improvements. No reports are made. No costs are cut. But in the meantime, Congress continues to spend more and more money to increase salaries to continue operating losing railroad routes and to guarantee loans that will never be repaid.

I would like to place special emphasis on the fact that we should allow the Amtrak system to be run by the Amtrak Board of Directors. Everytime we discuss the bill, we refer to management mistakes. Perhaps they have made some mistakes but for every mistake that Amtrak's Board has made, we have made a dozen right here in Congress on this Amtrak matter. We tie the hands of the Board of Directors and then ask them what they are doing in the way of action. Let us turn Amtrak over to the Amtrak Board of Directors.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I just want to commend the gentleman for the remarks he has made. I think he has pointed out some things which are definitely wrong with Amtrak and ought to be corrected.

When he told the committee that on most routes for every railroad dollar spent, it takes 3 additional taxpayer dollars to run the railroad.

Mr. COLLINS of Texas. On most of the routes that is correct. The only moneymaker in Amtrak is operating between Washington and Boston. That is the only train economically operating.

Mr. LATTA. The taxpayers are actually subsidizing the Amtrak riders threefold.

Mr. COLLINS of Texas. That is absolutely right on so many of these long runs where the routes are required by Congress.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I will be glad to yield to the chairman.

Mr. SKUBITZ. I thank the gentleman for yielding.

Let me say to my colleague that I admit that Amtrak has made errors. We are tightening the strings on Amtrak. We are trying to cut down on the deficits.

What disturbs me, would my colleague shut Amtrak down because it loses money?

Mr. COLLINS of Texas. Mr. Chairman, I would remind our ranking member that Congress has not been cutting down on the dead routes. Every dead route is still running. Amtrak has even added more dead routes.

Mr. SKUBITZ. Does the gentleman want to close down the routes that are losing money?

Mr. COLLINS of Texas. I would close down the routes that are losing money, I would say, yes. And I would emphasize that we should pay railroad labor on the same equitable basis we pay labor in other trades.

Mr. SKUBITZ. I assume my colleague would be willing to do away with the Congress, which puts this country $360 billion in debt?

Mr. COLLINS of Texas. I want to say if Congressmen would spend more time at home talking with the working people of America, we would not spend money quite as loosely as we do in Congress.

Mr. SKUBITZ. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. Broyhill).

Mr. BROYHILL. Mr. Chairman, I thank the gentleman for yielding.

I am not going to use the 5 minutes. I just want to question how far we are going to go here. I think this is a fair question to ask. This is a perfect example of a program that starts out small and then grows and grows and grows. They come in here, they ask for a little bit of money to start a program, and then in a few years the program grows to a multibillion-dollar level.

In this case, of course, it started with not just grants, but with loans. In the 91st Congress they came in here and they said they wanted to start a program. I think they started out calling it Railpax, and then later they changed it to Amtrack, a new Federal corporation, to take over the passenger train business in the country.

They asked for a little bit of assistance, a little bit of money to put it on a paying basis. Now they come in and ask for a billion dollars. They are not making any attempt to make it pay as you go, but they are making it clear that they are going to be coming back year after year asking the taxpayers to make up the difference.

And then what does the Congress do? Congress ties the hands of management so that they cannot cancel unprofitable routes and, as a result, no wonder it continues to lose more and more money every year.

So, Mr. Chairman, I think we ought to vote against this program, and perhaps we might get them to come back in here and to come up with a better plan, and maybe the committee might take this legislation back and untie the hands of management so they can run the railroads passenger service, rather than forcing them to keep unprofitable routes operating.

Mr. SKUBITZ. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. Hastings).

Mr. HASTINGS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have been a supporter of the progressive provisions of H.R. 4975 in both the Transportation Subcommittee and in the full Commerce Committee. I believe that it does in fact represent major improvements in the way the Federal Government deals with the National Railroad Passenger Corporation in both a budgetary and a program sense.

I urge my fellow Members to join me in supporting this much needed legislation.

In regard to the remarks of my friend from Texas (Mr. Collins), I might say I am very much in agreement with him that there are some basic problems with Amtrak.

I might also point out that these problems just do not relate to Amtrak. They relate to the entire railroad problem in the United States of America.

Those are matters we should pay attention to if we are going to solve the basic problems of the railroad industry, but those problems relate not just to Amtrak but to all railroads.

On top of those two problems, Amtrak has another problem, and that is congressional interference. We have Congress dictating where a railroad will be built. For a Congress that runs a subway between this building and the Rayburn Building that has one railway car off the track for a number of months, we should not be in the business of running railroads.

If we could remove that factor from Amtrak, I am sure and confident that we would have better legislation and a better Amtrak system.

Mr. Chairman, before the bill is passed, I would strongly recommend that we adopt three simple but very sound amendments which were not introduced before the committee because of pressing business and a last minute change in the order of items on the agenda of the committee.

These amendments have the support, as I understand, of the subcommittee chairman, the gentleman from Pennsylvania (Mr. Rooney), and of the chairman, the gentleman from West Virginia (Mr. Staggers), as well.

The first amendment would incorporate the Department's requirement for an annual report on Amtrak into its anual departmental report. This is consistent with the manner in which we handled the Department's requirement to report on the U.S. Railway Association and will eliminate the burdensome aspects of producing and printing another separate report to the Congress.

The second would place the Amtrak Board of Directors rather than the Secretary of Transportation in the role of designating annual experimental routes under section 403(c) of the act. This change is warranted because it is consistent with other provisions of the proposed bill which would place more responsibility in Amtrak's Board. It is also appropriate because Amtrak, not the Department, possesses the staff capability and expertise to evaluate and select routes. Finally, it is consistent with last year's amendment to section 403(c) which requires that experimental routes be designated first to provide to States which have no large population centers served by Amtrak under the basic system; that amendment removed much of the element of political pressure from the choice and thus we need not fear that we will be subjecting the Corporation to a large political burden by this proposed change. The question as to whether the route should be made part of the basic system at the end of 2 years will remain with the Secretary, who is to consult with the Board in making his decision.

The third and last amendment is a conforming amendment which would in-

sure that the requirement for the Secretary to guarantee transactions pursuant to this section if he finds them consistent with the guidelines applies to leases as well as to loans.

My fellow Members, these three amendments are consistent with the progressive thrust of H.R. 4975 and will add to the improvements which it makes. I urge you to join me in supporting their adoption.

Mr. SKUBITZ. Mr. Chairman, I have no further requests for time.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 4975, the Amtrak Improvement Act of 1975.

One of the most critical needs facing our country today is the development of a well-balanced, coordinated national transportation system. We have a sound highway network; we are making our airways safer and more efficient; we have recently undertaken a massive commitment to mass transit systems; our waterways are adequate; and this body will shortly address itself to the problem of restructuring rail freight service in the Northeast and Midwest.

Rail passenger service, Amtrak, is an integral part of our present transportation network, and must be continued and improved if we are ever to fully develop a balanced nationwide transportation.

Ridership has increased about 20 percent a year since the inception of Amtrak, and is expected to continue to grow. Yet fully 87 percent of intercity travel in the United States is done by automobile. The more this trend is reversed, the more the savings that will result in terms of increasingly scarce fuel and reduced levels of air pollution. For these reasons alone, the need for efficient rail passenger service will continue to grow for the forseeable future. As pointed out in recent hearings before the Interstate Commerce Commission, Amtrak's performance to date has been a mixed bag.

Saddled with a limited fleet of passenger cars whose average age is 24 years—requiring that one-third be in the shop for maintenance at any one time—meeting passenger demand has been difficult. In addition, fuel and equipment costs have risen dramatically over the past year.

But we are now beginning to turn the corner. Amtrak has recently acquired a new and highly capable director. New locomotives have been acquired which have been instrumental in improving Amtrak's on-time performance from 63 to 75 percent. The first of many new passenger cars are beginning to be delivered. These will allow greater and more dependable service at a more favorable employee-to-passenger ratio. New labor contracts have brought almost all the employees providing passenger service under Amtrak's direct supervision.

I believe that one note of caution is necessary, however. The Congress has been generous in its support of revitalized rail passenger service in the past. The authorization before us today continues and expands that generosity. Any new organization must undergo growing pains, and Amtrak has certainly been no exception. Many Members, myself included, have great difficulty understanding why we continue to receive constituent complaints regarding Amtrak service after voting for millions in direct assistance.

The authorization being debated today, if enacted, is designed to eliminate the conditions responsible for those complaints. I strongly suggest that Amtrak pay careful attention to the intent of Congress in approving this level of support.

I urge my colleagues to continue our efforts to reinstate rail passenger service as a vital portion of our total transportation needs by approving H.R. 4975.

At this point, Mr. Chairman, I would like to have a colloquy with the gentleman from Texas (Mr. Collins).

Mr. Chairman, I would like to ask the gentleman whether he has had the opportunity to talk with the new, able Secretary of Transportation, Mr. Coleman, about labor-management problems. We have had the Secretary before our Transportation Appropriations Subcommittee during which I expressed to the gentleman my disappointment regarding the ICC as a regulatory agency. I personally believe that it should be disbanded, and we should start all over again.

I expressed to him my concern about the high labor costs with regard to the railroads: featherbedding, and the like. I wanted to know how we could ever bring about a good, healthy railroad system in the United States as long as we have these laws, and I spoke to him about the poor management of the Penn Central Railroad.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROONEY. Mr. Chairman, I yield 3 additional minutes to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman.

The new Secretary of Transportation said to me that one of the first things he was going to do was to do something about the ICC. He has already done that, as stated in his recommendations last week on railroad mergers; he has made recommendations to the Congress. Also he said he was preparing legislation to change some of the laws affecting labor on our railroads, some of the featherbedding laws we have in our railroad system in the United States. I think that would be a big step forward. I think we have to have a courageous and able leader who is going to try to restore to the country a good, healthy railroad system. I was wondering if the gentleman from Texas has had the opportunity to discuss this with the new Secretary?

Mr. COLLINS of Texas. Mr. Chairman, if the gentleman will yield, I appreciate and agree with what the gentleman from Massachusetts (Mr. Conte) is saying. I have not met the new Secretary, but I have read what he has said in the press. The thing that I feel is so important was what we heard in the testimony in the subcommittee as to the Penn-Central Railroad. That when the Penn-Central's management disagreed with labor demands, labor said, "We will take this matter to Congress."

When the Penn-Central became bankrupt, and at that time the trustees said that they disagreed with labor, then labor insisted again on taking these labor work rules to Congress.

We have to get someone up here in Washington, and maybe Mr. Coleman is the man to do it, who will tell labor through the union and management through the board of directors to go out and to negotiate this, and get it done on a fair labor basis.

I am very much encouraged with these conversations that the gentleman from Massachusetts has had with our new Secretary of Transportation.

Mr. CONTE. I think this will come about, and I think once we have ConRail that one of the recommendations will be in regard to labor, and the other will be to get rid of that deadwood and poor management we have in Penn Central.

Mr. COLLINS of Texas. Also remember the dead tracks. As the gentleman knows, the Penn Central Board of Directors asked to discontinue 6,000 miles of tracks. This subject was referred to committee. They have kept it in study, and this study has not done away with dead tracks. Railroads ought to provide the service on the good tracks, keep up better maintenance and crews on the tracks where the mileage is used and where people want to ride.

Mr. CONTE. I thank the gentleman. I hope he gives every consideration to this bill. I do not say it is a perfect bill, but it is a step in the right direction. We need passenger rail service in this country. Let us give them a chance by passing this bill.

I thank the gentleman from Pennsylvania.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROONEY. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia (Mr. Staggers).

Mr. STAGGERS. I thank the gentleman from Pennsylvania for yielding.

I first want to commend him and the members of the subcommittee for the job of bringing forth what I consider to be a good bill. Of course, it is not a perfect bill. We do not pretend that it is. We do not pretend that it answers all of the problems of Amtrak or the transportation system of America, but I think it is an improvement, and it looks forward into the future. I think that in all of the countries of the world, the civilized countries, that have a rail system, that probably our passenger system ranks below that of nearly any civilized nation in the world that I know of.

Why would that be? The greatest, mightiest, and richest Nation in the world has the poorest railroad system.

We are trying to do something about it. We do not know the answer. If somebody would come up and give us the answer, of course, we will try and help. I am just answering one question in a friendly way. The gentleman from Texas said we have only one paying system, from Washington up to Boston and New York.

Would that not be a good Amtrak system for us to have for all the rest of the Nation? This has to be a national system. We have to put it into every

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State of the Union, and it will be in every State, because every State pays taxation. If we just run one section from here to Boston, the rest of the United States would have taxation without representation. We felt they ought to share it.

They are not paying their way now, and I do not know that they ever will. They do not in the other countries that I know of. We are trying to build up and have a better system to carry more people, especially in this time of energy shortage. This is the way to transport masses across the Nation and between cities at a cheap cost of energy.

We are talking about a billion dollars for 2½ years. We are paying $30 billion to oil-rich nations of the Middle East to run our automobiles, and we do not need to do that if we put just a little bit of that into our railroad system. It is time that we begin to think.

I know that there are things wrong with our system. God knows that; we know it, too. The thing is, we have got to work slowly, and we have got to do the best we can. There is just no panacea to the predicament we are in. I think it is a better bill than the bill last year. I think it goes farther. I think it is going to help Amtrak. I think it is going to help the Nation.

I agree with the gentleman from Ohio who got up and spoke about these trains stopping. I think they ought to stop at more stations across this land, because they are to serve the people. If they do not have a regular stop, at least they should have a flag stop when they run across the country.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Let me commend the gentleman for the statement he has just made. He mentioned flag stops where they go across an area like mine in western Ohio where we do not have a lot of metropolitan areas. In fact, we do not have any cities in my district over 35,000, but we have a lot of people living out in suburbia. If they just had a flag stop where they would stop momentarily so people could get on, it would help put this outfit in the black. But when they just want to go to a metropolitan area and stop and expect the people to go in there, they are not going to get those people to ride.

But we cannot get through to the hierarchy in this Amtrak organization to realize that these people are right.

They are the taxpayers who are going to be digging up part of this tab of $1.118 billion and they expect to get more consideration and service and they should get more consideration and service than they are getting. When the chairman mentions a flag stop, I suggest Amtrak ought to try that.

Mr. STAGGERS. We are going to have to insist they try this. We must simply get the locals that can carry these people if the through trains cannot do it.

This is not a perfect bill and I do not know whether we can write a perfect bill but I know it is an improvement over the bill last year. It will build a better system. I have great faith that the Amtrak officials downtown are going to be listening better to the people of the land. They will be running a better system. We can try to help them.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I think the chairman and the committee have done a very fine job. Through the years since we started this Amtrak system the committee has come before us and endeavored to improve the service all the way through.

I am very vitally interested in the international lines, and particularly in the line that goes through my district, which is the only line that goes to the border of Mexico, to Laredo. As the chairman knows, we have been having trouble at the border, where the train stops just on this side. The original bill required that Amtrak go into Nuevo Laredo, Mexico, right across the border. The train runs three times a week going south and three times a week coming north but they have not been able to get together with the National Railways of Mexico to continue the service they had before Amtrak came into existence where the trains went across that international bridge.

Now the train gets into Laredo and the people have to get off and they are driven in taxicabs across the bridge and into Nuevo Laredo in Mexico. It gets there unfortunately at an hour when the bridge is clogged and there is a tremendous inconvenience. In addition, because of the present schedule, there is a delay of about 24 hours in making a connection into the interior.

We could get so many more people if we could get better service and we could get the people to ride the train if we could get that situation straightened out. I wonder if the chairman would discuss this with the folks at Amtrak and ask them to get together with Customs and Immigration and sit down with the National Railways of Mexico and get this line moving in as smooth an operation as they have on the Canadian border.

This is vital in getting more people to ride. More people are willing to ride the trains if we can give them service, but in the years that line has been running under Amtrak we have seen no progress whatsoever.

Mr. STAGGERS. The gentleman has raised a legitimate question and objective. I want to go back to the trains that run in Europe and there we find they run across the national borders and keep right on going. I talked to people yesterday who said they had ridden for 56 hours across borders and even ferries and everything else and they stayed on the train. We do it with Canada.

It will have to be worked out with the State Department. Our trains will not run on their tracks. We have to have the State Department work out a system where we can get our trains over there because they just do not fit on their tracks.

Mr. KAZEN. That is not the problem because before Amtrak existed, Missouri Pacific used to cross their trains at that railroad bridge into the station at Nuevo Laredo, Mexico, and then come on back.

I agree with everything the gentleman has said. I have confidence it can be worked out, especially when the people are anxious to ride the trains, and we are spending a great deal to encourage such travel, and yet we are discouraging them from doing it because of these problems and poor service. We are spending millions of dollars to promote rail travel and the passengers are there but we must provide the service.

Mr. STAGGERS. It will be one of our aims to see if we can correct that.

Mr. KAZEN. Let me ask the chairman this. Is there any provision in this bill or was there any discussion during the deliberations of the committee which suggests the discontinuance of that train going down to the Mexican border?

Mr. STAGGERS. Not at all.

Mr. KAZEN. I am glad to hear that. I thank the gentleman.

Mr. STAGGERS. Mr. Chairman, I would like to conclude with this by saying I think the committee and the subcommittee have done a good job. The subcommittee brought a good bill to the committee and we have brought it to the floor. I am sure there will be many objections. In the years to come we will try to improve and eliminate those problems. We do subsidize other methods of transportation.

We are trying to make it so that we carry the greatest number of people.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, I want to say a word about the same train that the gentleman from Texas (Mr. KAZEN) just discussed. That train leaves Dallas, Tex., early in the morning. It runs 30 miles west to Fort Worth and turns south and runs to Temple down in my district. Then it runs 48 miles southeast down to Atlanta and then turns west again and runs about 40 miles to Taylor.

As a matter of fact, all they have to do is run down the cape tracks, if the cape tracks are fixed up and the cape tracks have borrowed $19 million to fix up the tracks to run them in a straight line and save something like 100 miles, that is 200 miles a day when the trains go both directions and save the time that they need to make that connection with the Mexican train, so that people will not have to lay over for nearly 24 hours in Laredo. That is one of the things we need to do.

Another thing we need to do on that train is to make it coordinate with the Postal Service. The Mexican train carries Mexican mail to the United States and then it is put on trucks and carried to Dallas. It does not make much sense for us to take that mail off the train and put it on trucks and carry it to Dallas when that mail alone could almost pay for the operation of the train. It seems to me we simply do not have enough cooperation with other agencies of the Government.

I am not complaining about what Amtrak has done. I hope that the Congress can give it some direction and achieve a little coordination between these branches of the U.S. Government, so that when we spend American money that we will be achieving all the results we can get for it, instead of just part of them.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, the Congress has developed the Amtrak Corporation as an effort to provide Americans with a viable passenger rail service. This service is particularly helpful to New Jersey as approximately 20,000 of the 45,000 people Amtrak serves per day either live in New Jersey or travel through the State. Out of the 120 trains Amtrak runs each day, approximately 100 of those run in New Jersey. Included in that number are all of the Metroliners, the National Limited to Kansas City, and the Broadway Limited to Chicago where they connect with the entire western system.

Except for barges, trains have been the most energy economical mode of transportation, with no pollution to the environment. Railroads are important to the State, tax-wise, for they must pay property taxes on the rights of way.

The Amtrak Improvement Act of 1975, which I cosponsored, continues the efforts of Congress to improve rail passenger service in the United States. The bill will authorize capital funds for continuing improvements in Amtrak equipment. The first of the 492 new Amtrak low-level cars, based on the Metroliner design with significant improvements will be delivered shortly. Many of these high speed cars will be placed into service on the Northeast corridor through New Jersey, expanding service and replacing older cars.

Amtrak has had many problems in the past; many of which were beyond the Corporation's control. A new President of Amtrak, Mr. Paul Reistrup, has taken the Corporation's throttle to run an improved Amtrak railroad system. With his extensive railroad passenger service background at the Baltimore & Ohio and the Illinois Central Gulf Railroad, I believe Mr. Reistrup can move the Corporation in the right direction.

Amtrak has a new President and a new Board of Directors who are moving to respond to the passenger's needs. The Amtrak Improvement Act of 1975 will go far in providing the Corporation with the assistance needed to continue improvements in New Jersey and across the Nation.

Mr. Chairman, I urge swift passage of this bill to improve the Nation's rail passenger system.

Mr. STAGGERS. Mr. Chairman, I urge passage of this bill. I do not see any alternatives that we have. We have come to the best solution that we have at the present time. We are certainly trying to improve it as the years go by.

Mr. FLORIO. Mr. Chairman, if the gentleman will yield for one more moment.

Mr. STAGGERS. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I want to urge support for this bill.

As the result of the hearings which we have had in the subcommittee that was chaired by the gentleman from Pennsylvania (Mr. ROONEY) in a very commendable fashion, I am of the opinion that Amtrak has made an appropriate turn, that we are on the verge of going in a new direction under the leadership of new trustees and with the Congress exercising vigilant oversight of this entire project we will see the day when Amtrak is something to be proud of and we do not need to be ashamed when it is mentioned.

Therefore, I ask support for this bill and urge the Congress to adopt this bill.

Mr. STAGGERS. Mr. Chairman, in closing, I want to compliment the chairman of the subcommittee and the ranking minority member and all members of the committee for their work on the bill. I think it is the best we could come up with at this time.

Mr. PICKLE. Mr. Chairman, I want to express my strong support for H.R. 4975 and to commend the committee for bringing this bill forward this early in the session.

Even though I have used the committee forum and the forum provided here for floor debate on previous occasions to discuss Amtrak and the future of Amtrak, I feel that it is necessary again to review that section of Amtrak operations with which I am most familiar.

Through my congressional district the Amtrak train the InterAmerican runs three times a week. This train originates in St. Louis, Mo., and terminates in Laredo, Texas. Since it began in January of 1973, it has been the victim of impoundments, and in my opinion, neglect. What is needed is a good and solid upgrading of tracks that carry the InterAmerican south of the Dallas-Fort Worth area down to Laredo. Better tracks and more direct routing will enable this train to travel at such a speed as to enable the train to have a better on-time performance, more rider attractiveness, and a direct connection with a Mexican train which travels from Nuevo Laredo to Mexico City.

Also, the faster routing would enable the air conditioning on the rather old cars which are assigned to the InterAmerican route to function better.

Furthermore, the facilities provided the passengers along this route before they get on the train are not what they should be. For example, in my district at one of the stops there is no real depot, and at the other the passengers have only a small section of the previous train station to utilize.

In recent days I have been encouraged by the general statements of the new President of Amtrak, Mr. Paul Reistrup. I have also been encouraged by the fact that Amtrak management people have been working rather diligently in seeking a general improvement of tracks in the Texas area for another Amtrak train, the Lone Star.

At this time the Amtrak Board of Directors has not approved the tentative agreement reached by their operations people with the railroad company involved, but indications are that the Amtrak Board does seriously want to improve the speed of Amtrak trains in Texas. If this were done, I think that we would see many of the problems of train travel in Texas being alleviated.

I would say that we must realize that Texas now has over 12 million people and many of these people live in a triangular area with the points of the triangle located at the Dallas-Fort Worth area, the Houston-gulf coast area and the San Antonio-Austin corridor. The travel between each of these points is approximately 200–250 miles. These corridors are heavily traveled and lend themselves to fast, efficient, modern train service. In order to overcome the travel problems which exist in this heavily populated area, Amtrak has to provide an alternative to the heavily utilized air and road traffic.

I would urge Amtrak to gear their program to serving those areas which can support the train operations. At the same time, I must warn Amtrak and I must tell my colleagues here in the Congress that when Amtrak provides slow service with old equipment on an irregular basis without the amenities of terminal comforts, Texans are just like people in any other section of the country—they will not in large numbers ride a train under those circumstances. We will destroy Amtrak in Texas and the Southwest if we do not give it good equipment, good roadbeds and good schedules.

In the meantime, Amtrak can do a thousand and one things to also improve our Amtrak situation in the Southwest. Minor improvements can be made to train stations; better equipment can be assigned to these routes; and better maintenance of the equipment assigned could be improved. The Southwest will not continue to be the "caboose" of the Amtrak system. We deserve some consideration.

I think that we all recognize train travel is a fuel-efficient, relatively nonpolluting form of mass transportation. Congress has a commitment to this kind of transportation. We expect our commitments to be met with the same kind of dedication on the part of Amtrak.

Mr. GRADISON. Mr. Chairman, the 1970 act which created the National Railroad Passenger Corporation—Amtrak—had as its goal the establishment of a modern, efficient rail passenger network. I do not quarrel at all with this goal. Clearly, the existence of a viable passenger rail service is of great value to a substantial number of Americans.

I do, however, have serious reservations about the present form of H.R. 4975 which would authorize funds for Amtrak for fiscal years 1976 and 1977.

First of all, Amtrak subsidies in recent years have been escalating far beyond what Congress originally intended when it set up Amtrak in 1970. The clear intent of the original legislation, Public Law 91–518, was that Amtrak was to be subsidized temporarily but was to eventually operate as a for-profit corporation. Thus

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the original act provided $40 million in Federal grants and $100 million in loan guarantees. These sums, along with payments totaling $197 million from private railroads, were supposed to be enough to get Amtrak going on a self-sustaining basis.

The operation of a nationwide rail passenger network has turned out to be a far more expensive proposition than was imagined at the time Amtrak was created. The year-by-year deficit figures demonstrate that far from moving toward profitable operations, Amtrak has been steadily moving further into the red.

In fiscal 1972, Amtrak's first full year of operations, the corporation had an operating deficit of 153.5 million. The comparable figures for 1973 and 1974 are 141.8 million and 197.9 million. The projected figure for fiscal 1975 is 325 million. H.R. 4975 projects operating deficits of 350 million and 355 million respectively for fiscal year 1976 and 1977. The figures for 1976 and 1977 are almost certainly too low for reasons I will detail below. These figures show a pattern of ever increasing deficits and there is no end to the rapid rise in operating deficits in sight.

In addition to the above operating deficits, Amtrak has so far received $860 million in commitments for federally guaranteed loans. There is no expectation that Amtrak will be able to repay any of this sum so that it effectively represents an additional Federal subsidy to Amtrak.

H.R. 4975 also provides additional capital grants of $11 million for each of fiscal years 1976 and 1977. In total, the bill provides for $1.1 billion in subsidies over the next 2 years. Thus, if H.R. 4975 is approved by the end of fiscal year 1977 we will have spent at least $2.5 billion in subsidies to Amtrak in contrast to the originally projected total of 140 million. This amounts to a cost overrun of more than 1,700 percent.

Because of the massive Federal subsidies, Amtrak has evolved into something very different from what was originally intended. With the present legislation, we are in effect abandoning any hope that Amtrak will ever be self-supporting. We are committing ourselves to continued Government subsidies of Amtrak at ever growing levels. This may or may not be a good thing but it is a decision that should be made after careful consideration and not just something we should slip into.

My second major objection to H.R. 4975 is that there is a discrepancy between the amount of money provided for in the bill and the amount of money which Amtrak is actually going to need to keep its present operations going. By passing H.R. 4975 we are in all likelihood going to get ourselves into a situation where we will have the Amtrak authorities coming back later and saying that they need more money to keep going. Then we will really have no choice but to provide the money. This is exactly the situation we are in now with Amtrak saying they need $63 million more to keep going until the end of the current fiscal year.

In the present bill, we will be providing $1.1 billion to Amtrak over the next 2 fiscal years. But this sum is almost surely going to prove inadequate for several reasons.

First, Amtrak ridership projections for 1976 and 1977 are extremely optimistic. Any slippage below these projections will reduce revenues more than costs. Second, the $110 million provided for capital improvements in each of the fiscal years 1976 and 1977 grossly underestimates the capital needs of the system. Amtrak itself estimates that capital requirements for fiscal 1976 alone are $500 million. Third, if previous results are any indication the estimated deficits are much too low. For instance, last September Amtrak estimated its 1975 deficit at 238 million. The current estimate is $325 million.

I think we should hold up action on this bill until we get some firm estimates from Amtrak and DOT as to what Amtrak operations are really going to cost over the next 2 years. Then when we have those estimates we can evaluate realistically the costs and benefits which subsidies to Amtrak will provide. We can look at the overall figures and ask ourselves whether we can justify subsidizing Amtrak to the tune of $20 or $30 a passenger or whatever the true figures turn out to be. We can also look at alternatives to the present system.

If these evaluations show that we should continue to support Amtrak in its present form, I will vote for full funding. But it seems to me that we should at least go into this thing with our eyes open and not kid ourselves into thinking that the money provided in the present bill is going to be sufficient.

I urge that action on H.R. 4975 be postponed until the proper cost estimates can be developed and a realistic funding bill brought before this body.

Mr. DRINAN. Mr. Chairman, I rise in support of the Amtrak Improvement Act of 1975, H.R. 4975. I have always been a strong advocate of increased rail use, as railroads are an energy-efficient and practical means of travel. The bill which we are now considering, H.R. 4975, aims at continuing our existing rail passenger service under the Amtrak Corporation, and I support such a continuance. I do, however, question the "track record" of the National Railroad Passenger Corporation's management and current operations.

The Amtrak system was originally created under the Rail Passenger Service Act of 1970. That bill was designed to provide an alternative means of travel for the American public. Prior to the passage of the act in 1970, rail passenger service was deteriorating both in quality and in usage. There were less than 500 passenger trains in existence when Amtrak assumed intercity operations. This total was down from several thousand trains which operated in the earlier part of this century. If the earlier trends had continued, intercity rail passenger service would soon have become a relic of the past.

Mr. Chairman, the National Railroad Passenger Corporation has in part reversed the deteriorating trend of intercity railroad travel. Rail passenger travel has increased, the highest passenger by train year since the 1950's being recorded in 1973. In addition, Amtrak continued to reverse the trend in 1974, as another 10 percent passenger increase was registered.

There can be little doubt that much of this increase in rail travel is attributable to the energy crisis which was experienced in 1973 and 1974. Despite this fact, it does seem that rail passenger service is on the comeback, and that rail transportation will continue to record increases in passenger miles.

It is fortunate, Mr. Chairman, that we are moving in the right direction in terms of greater rail usage. Railroads are a logical means of transportation for a country which is seeking to reduce its energy consumption, as rail transportation is generally twice as efficient as automobile transportation. In its report, the Committee on Interstate and Foreign Commerce indicated that trains rank only behind barges in fuel efficiency. Although this may be true, and although we are recording greater passenger use of the rail system, transit travel, including the trains, still only accounts for about 2 percent of the total urban passenger travel. We are making inroads, but our efforts are still almost negligible when one considers the entire transportation picture.

I do applaud the success which Amtrak has had in reversing in part the deteriorating nature of our railroads. I indicated at the beginning of my statement, however, that I was not pleased with the management and current operations of the National Railroad Passenger Corporation. Amtrak has never come close to operating on a sound financial basis since its inception. From 1970 on, the Congress has continually put up more and more money to keep the Amtrak system in operation. In the initial act, $40 million in grants, and an additional $100 million in loans were provided. Two years later, in the 92d Congress, another $187 million in loans were required. In the 93d Congress, $17.3 million in grants and another $300 million in added loans were provided in the first bills passed, while another $200 million in grants and another $400 million in loans were appropriated in a second bill.

The 94th Congress will now apparently keep the upward spiralling trend going by enacting H.R. 4975, a bill which will authorize appropriations of $1.12 billion to the National Railroad Passenger Corporation. This bill is the largest which Congress has ever considered in this area, and I am greatly troubled by the fact that the Amtrak system has not turned in the revenues which have so often been projected. The energy crisis has provided one of the greatest boons to the railroads in recent years, and Amtrak's passenger miles have reflected this. Yet the Congress must continually vote increased appropriations to cover the Corporation's deficits.

I do not mean to indicate, Mr. Chairman, that the entire $1.12 billion in H.R. 4975 is to be spent on operating deficits. Of this total, $245 million are accorded for capital grants. The overall amounts

needed to shore up the Amtrak operations are nonetheless astounding. I feel that Amtrak's management must do some groundbreaking work to insure that the taxpayers do not have to continue to support huge deficits like those which the Congress is underwriting today.

I realize that not all of the deficits which the Amtrak Corporation is piling up can be attributed to its own lack of diligence. The Amtrak system inherited outmoded railroad tracks, trains, and operating stock. In addition, passenger routes have been added which were largely beyond the control of the Railroad Passenger Corporation despite the fact that some of them were not economically justified. There is a large element of public service involved in maintaining railroads over an unprofitable route, and the Corporation cannot be held responsible for losses which accrue for these reasons.

In spite of all these problems, Mr. Chairman, I do feel that the Rail Corporation is capable of turning in a more credible performance than that which has been registered in recent years. The initial organizational years have now passed, and the Corporation's management must indicate to the Congress that it is capable of making its rail passenger service a viable operation. I have traditionally been a very strong rail supporter, yet I will not continue to support the Amtrak system if real progress is not made in the near future. The tasks are large, Mr. Chairman, but I am hopeful that they can be met. America desperatelv needs a workable rail system, and Amtrak must do its part by meeting its obligations to the general public.

Mr. ASHBROOK. Mr. Chairman, some people are beginning to think that putting money into Amtrak is like putting money down a rathole. No matter how much money is appropriated, it seems that ever larger sums are needed.

I share this concern about increasing costs. Amtrak started in 1971 with a $40 million Federal grant and $100 million in loans. Since that time Amtrak has received an additional $534,300,000 in Federal subsidies and $860 million in federally-guaranteed loans.

Now we are asked to authorize another $1.1 billion. This authorization supposedly would keep Amtrak running until October 1, 1977.

Such massive spending could be justified if it eventually led to a solution of the problem. In fact, however, an end to the Federal subsidies is nowhere in sight.

We are told that only one Amtrak intercity route makes a profit today, the Washington, D.C., to Boston Metroliner service. Administration spokesmen and the president of Amtrak agree that there is little likelihood of Amtrak making a profit in the near future. In other words, the Federal Government is in a position of having to bail out Amtrak indefinitely.

Faced with this dismal financial picture, I think it is essential that Amtrak be run in a more businesslike manner. Unnecessary expenses must be eliminated. I support such actions as Amtrak's cost reduction program, which is expected to save $13.5 million through overall reduction.

More, however, must be done. It is time that Congress developed a comprehensive national transportation policy. We must stop drifting and appropriating money without any clear idea of where we are going in the years ahead.

My district is very dependent on railroads. There are profitable railroads in our area which should be given the opportunity to acquire the bankrupt lines and run them efficiently. Taxpayers are pressed to the limits and this request is one more dip in the till. Unless there are some radical changes rather than bureaucratic rhetoric, I will not support Amtrak in the future as I have in the past.

Mr. ROONEY. Mr. Chairman, I have no further requests for time.

Mr. SKUBITZ. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, under the rule the Clerk will now read the substitute committee amendment printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amtrak Improvement Act of 1975".

SEC. 2. Section 303(d) of the Rail Passenger Service Act (45 U.S.C. 543(d)), relating to officers of the Corporation, is amended by inserting immediately before the period at the end of the third sentence thereof the following: "; except that this limitation upon compensation shall not apply in the case of the president of the Corporation if the board determines with respect to such officer that a higher level of compensation is necessary and is not higher than $85,000 or the general level of compensation paid officers of railroads in positions of comparable responsibility whichever is lesser".

SEC. 3. Section 305 of such Act (45 U.S.C. 545), relating to general powers of the Corporation, is amended by striking out subsection (f), as added by section 4 of the Amtrak Improvement Act of 1974 (88 Stat. 1527), and inserting in lieu thereof the following:

"(h) The Secretary of the Treasury and the Attorney General shall (consistent with the effective enforcement of the immigration and customs laws) establish and maintain, in cooperation with the Corporation, en route customs inspection and immigration procedures aboard trains operated in international intercity rail passenger service, which procedures will be convenient for passengers and will result in the most rapid possible transit in international intercity rail passenger service.".

SEC. 4. The first sentence of section 308(b) of such Act (45 U.S.C. 548(b)), relating to reports, is amended by striking out "the preceding year" and inserting in lieu thereof "the preceding fiscal year".

SEC. 5. Section 404(b) of such Act (45 U.S.C. 564(b)), relating to discontinuance of service, is amended—

(1) by striking out "July 1, 1975" in paragraph (1) and paragraph (3) and inserting in lieu thereof in each such paragraph "October 1, 1976"; and

(2) by striking out "July 1, 1975" in the second sentence of paragraph (2) and inserting in lieu thereof "March 1, 1977".

SEC. 6. Section 404 of such Act (45 U.S.C. 564), relating to discontinuance of service, is amended by adding at the end thereof the following new subsection:

"(c)(1) Within 120 days after the date of enactment of this subsection, the board of directors of the Corporation shall study, develop, and submit to the Secretary, to the Commission, and to the Congress an initial proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services. Such criteria and procedures shall include, but need not be limited to—

"(A) methods for evaluating the economic and environmental impact of any addition or discontinuance of intercity rail passenger service;

"(B) methods for evaluating the effects of any such addition or discontinuance on connecting parts of the national system of intercity rail passenger service;

"(C) methods for estimating, with respect to any such addition or discontinuance, the population to be affected, the demand for intercity rail passenger service, the revenue per passenger mile, and the effect on capital costs and revenue of the Corporation;

"(D) methods for evaluating the availability of alternative modes of transportation;

"(E) methods for giving public notice of, and obtaining public comments on, any such addition or discontinuance; and

"(F) methods for establishing a priority ranking system for routes and trains to meet the needs of the public convenience and necessity for a balanced transportation system, taking into consideration the criteria and procedures referred to in subparagraphs (A) through (E) of this paragraph, together with such other criteria as the board of directors deems appropriate.

"(2) Within 150 days after the date of enactment of this subsection, the Secretary and the Commission shall submit to the Congress and to the board of directors of the Corporation their comments on the initial proposal setting forth criteria and procedures developed by the board of directors of the Corporation, together with such recommendations as they may deem appropriate.

"(3) Within 30 days after receipt of comments submitted by the Secretary and the Commission under paragraph (2) of this subsection, the board of directors of the Corporation shall consider such comments and shall submit to the Congress a final proposal setting forth criteria and procedures under which the Corporation would be authorized to add or discontinue routes and services within the national system of intercity rail passenger service. The criteria and procedures set forth in such final proposal shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of its submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve such final proposal. If no resolution is adopted as provided in the preceding sentence, the Corporation may add or discontinue routes and services in accordance with the criteria and procedures set forth in the final proposal, notwithstanding the provisions of section 13a of the Interstate Commerce Act or of section 404(b)(3) of this Act, relating to discontinuance of service within the basic system. Service beyond the basic system referred to in section 404(b)(2) of this Act shall not be discontinued under this subsection until March 1, 1977. For purposes of this paragraph, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are extended from the computation of the 60-day period."

SEC. 7. Such Act is amended by striking out title V, relating to the financial investment advisory panel (45 U.S.C. 581–583).

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Sec. 8. Section 601(a) of such Act (45 U.S.C. 601(a)), relating to authorization of appropriations, is amended—

(1) by striking out "in subsequent fiscal years a total of $534,300,000" in the first sentence and inserting in lieu thereof "in subsequent fiscal years through June 30, 1975, a total of $597,300,000"; and

(2) by inserting immediately after the first sentence the following "There are authorized to be appropriated to the Secretary for the benefit of the Corporation (1) for the payment of operating expenses for the basic system, and for operating and capital expenses of intercity rail passenger service provided pursuant to section 403(b) of this Act, $350,000,000 for fiscal year 1976, $105,000,000 for the transition period of July 1, 1976, through September 30, 1976 (hereafter in this section referred to as the 'transition period') and $355,000,000 for fiscal year 1977; and (2) for the payment of capital expenditures of the basic system, $110,000,000 for fiscal year 1976; $25,000,000 for the transition period; and $110,000,000 for fiscal year 1977. Of the amounts authorized by clause (1) of the preceding sentence, not more than $25,000,000 for fiscal year 1976, $7,000,000 for the transition period, and $30,000,000 for fiscal year 1977 shall be available for payment of operating and capital expenses of intercity rail passenger service provided pursuant to section 403(b) of this Act".

Sec. 9. Section 602 of such Act (45 U.S.C. 602), relating to guarantee of loans, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The Secretary is authorized, on such terms and conditions as he may prescribe, and with the approval of the Secretary of the Treasury, to guarantee any lender or lessor against loss of principal and interest or other contractual commitments, including rentals, on securities, obligations, leases, or loans (including refinancing thereof) issued to finance the upgrading of roadbeds, and the purchase or lease by the Corporation or an agency of new rolling stock, rehabilitation of existing rolling stock, reservation systems, switch and signal systems, and other capital equipment and facilities necessary for the improvement of rail passenger service. The maturity date or term of such securities, obligations, leases, or loans, including all extensions and renewals thereof, shall not be later than 20 years from their date of issuance.";

(2) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Any guarantee made by the Secretary under this section shall not be terminated, canceled or otherwise revoked; shall be conclusive evidence that such guarantee complies fully with the provisions of this Act and of the approval and legality of the principal amount, interest rate, lease rate, and all other terms of the securities, obligations, leases, or loans and of the guarantee, and shall be valid and incontestable in the hands of a holder of a guaranteed security, obligation, lease, or loan, except for fraud or material misrepresentation on the part of such holder.";

(3) by striking out "obligations, or loans" in subsection (d) and inserting in lieu thereof "obligations, leases, or loans"; and

(4) by striking out "obligation, or loan" each place it appears in subsection (g) and inserting in lieu thereof in each such place "obligation, lease, or loan".

Sec. 10. Section 4(l)(2) of the Department of Transportation Act, as added by the Amtrak Improvement Act of 1974 (94 U.S.C. 1653(l)(2)), is amended by striking out the last two sentences and inserting in lieu thereof the following: "Any grant made by the Secretary under this paragraph shall not exceed 60 per centum of the total cost of conversion of a railroad passenger terminal into an intermodal transportation terminal.".

Mr. ROONEY (during the reading). Mr. Chairman. I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENTS OFFERED BY MR. HASTINGS

Mr. HASTINGS. Mr. Chairman, I offer three amendmends, and I ask unanimous consent that these amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Hastings: Page 10, line 1, insert "(a)" immediately after "Sec. 4.".

Page 10, immediately after line 4, insert the following:

(b) Section 308(c) of such Act (45 U.S.C. 548(c)), relating to reports, is amended by adding at the end thereof the following new sentence: "Beginning in 1976, the Secretary's report on the Corporation shall be made part of the Department of Transportation annual report to the Congress."

Page 10, immediately before line 5, insert the following:

Sec. 5. Section 403(c) of such Act (45 U.S.C. 563(c), relating to experimental routes, is amended—

(1) by striking out "the Secretary" in the first sentence and in the third sentence and inserting in lieu thereof in each such sentence "the Board of Directors"; and

(2) by inserting immediately after "the Secretary" in the second sentence", in consultation with the Board of Directors,".

And renumber the following sections accordingly.

Page 15, line 21, strike out "and".

Page 15, line 24, atrike out the period and insert in lieu thereof "; and" and immediately after line 24 insert the following:

(5) by striking out "a loan" in subsection (1) and inserting in lieu thereof "a lease or loan".

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Chairman, the distinguished gentleman from New York previously has given me copies of these amendments. This side of the aisle has no objection to them, and we accept the amendments.

Mr. SKUBITZ. Mr. Chairman, we have no objection on this side of the aisle.

Mr. HASTINGS. Mr. Chairman, I have outlined the amendments, and we have received now from both sides of the aisle favorable recommendation. I urge passage of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. Hastings).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bauman: On page 11, line 2, delete the semicolon after the word service and add the following; "including an evaluation of the economic impact to the Corporation and to the nation of the addition of new service points along existing or new inter-city routes within the Northeast Corridor;"

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Chairman, I have no objection to this amendment. As a matter of fact, I think it is presently in the bill on page 10.

Mr. BAUMAN. I thank the gentleman.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, we have no objection. We think it is a good amendment.

Mr. BAUMAN. Mr. Chairman, I want to thank the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. Rooney), and the ranking minority member, the gentleman from Kansas (Mr. Skubitz) for their support for my amendment to this Amtrak authorization bill.

Section 6 of the bill requires that the Board of Directors of Amtrak develop a set of criteria and procedures within 120 days after enactment which would provide methods for Amtrak to add or discontinue rail passenger routes and services. My amendment directs the inclusion in this system of procedures of the consideration of new service points along the existing Northeast Corridor which runs from Washington, D.C., to Boston.

For more than a year and a half I have been working with Amtrak, Maryland Department of Transportation, and local officials in an attempt to reactivate certain stops in the Northeast Corridor which runs directly through Cecil and Harford Counties in my congressional district in northeastern Maryland.

Prior to the time that Amtrak took over the operation of the Penn Central, my constituents received service with stops at Elkton, Perryville, Havre de Grace, Aberdeen, and Edgewood/Joppatowne. Immediately upon Amtrak's acquisition of passenger service on this run they canceled the remaining stops, leaving the nearly 70-mile portion of the Northeast Corridor between Wilmington, Del., and Baltimore, Md., without any rail service. This is the longest unserviced portion of the corridor.

Joining me in my fight to restore this service have been Governor Mandel, Maryland secretary of transportation, Harry Hughes, as well as the entire Maryland congressional delegation.

I am pleased to report that recently in a meeting with the new President of Amtrak, Mr. Paul Reistrup, he has guaranteed that serious consideration will be given to restoring one, and possibly two of these stops in northeastern Maryland. I must say that Mr. Reistrup's attitude demonstrates a definite improvement in the leadership of Amtrak, and I am heartened by my meeting with him.

Together with the amendment which the House is adopting today, Mr. Reistrup's action on my request may well permit a return to rail service in this important area of Maryland.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. Bauman).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Stratton: Page 15, immediately after line 24, insert the following:

Sec. 10. Section 701(c)(1) of such Act (45 U.S.C. 621(c)(1)), relating to liquidation of the assets of any railroad recipient of a loan or loan guarantee, is amended by adding at the end thereof the following new sentence: "In the case of a railroad in reorganization (as defined in section 102(12) of the Regional Rail Reorganization Act of 1973) which has an agreement with the Corporation to provide intercity rail passenger service on the date of enactment of this sentence, the sale by such railroad of any right-of-way or track over which the Corporation is required to provide intercity rail passenger service on such date of enactment (as an experimental route designated by the Secretary before such date of enactment) shall be deemed to be a liquidation of the assets of such railroad under the first sentence of this paragraph, and the Secretary shall acquire such right, title, and interest in such right-of-way or track, and restore it to such condition, as may be necessary to permit the Corporation to provide intercity rail passenger service over the designated route.".

And renumber the following section accordingly.

Mr. STRATTON. Mr. Chairman, this amendment refers to a situation which affects Amtrak service and which I believe can only be corrected by this legislation. About a year ago, Amtrak announced the opening of a new intercity passenger service from Boston to Chicago via Albany, Buffalo, Cleveland, and so forth.

This service was hailed, but its start has not been carried out because at the time Amtrak was apparently unaware that the Penn Central Railroad about a year earlier had been granted the privilege by the ICC abandoning 12 miles of track just east of Albany, N.Y. Those 12 miles happened to be an integral part of the operation of any direct service from Boston to Albany, and from Albany on to Chicago. The Attorney General of the State of New York promptly went into court to prevent the Penn Central—by that time, of course, a bankrupt railroad—from disposing of the right-of-way.

Penn Central had already torn up the tracks, but the Attorney General sought an injunction to keep them from disposing of the right-of-way so as to preserve that section of track for the future Boston-Chicago service. At the present time, this injunction is still in effect against the Penn Central, preventing them from disposing of that track at a private sale, possibly as a gas station or a couple of hamburger stands, for instance, which could, of course, wipe out for some time in the future the possibility of initiating this new service from Albany to Chicago.

I think it would be fantastic if the Penn Central Railroad, which has received so much of the taxpayers' money already, were allowed, should that injunction be lifted, simply to sell this right-of-way on the open market, when it is urgently required in the national interest.

So, accordingly, this amendment of mine could prevent that from happening, simply by requiring that in the case of any bankrupt railroad which has an agreement with Amtrak, as the Penn Central does, the sale of any right-of-way over which intercity rail passenger service by is required by Amtrak as of the date of the enactment of the act would be deemed to be a liquidation of its assets and, therefore, the Secretary of Transportation would be required to acquire this right-of-way and restore it to operating condition.

In other words, if the court lifts the injunction against the Penn Central in the future, this right-of-way will be saved and restored to service, and we will get the intercity service we need.

Mr. Chairman, I have checked with both the chairman of the subcommittee and the ranking minority member, and I hope they will be able to support this amendment. This is one of those cases where, for want of a nail, the shoe, the horse, and the battle could be lost. It would be most unfortunate if we were to destroy the possibility of a new money-making intercity rail service simply because of this very minor 12 miles of track.

Mr. PATTISON of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I congratulate my distinguished colleague from New York (Mr. Stratton) for this amendment and I associate myself with it and with his remarks.

The 12 miles in question happens to be in my district. But I assure the Members here that this is not simply a district interest. As a matter of fact, my district is probably least affected by the closing of this than any of the other congressional districts along the route.

This is a route that was purchased a year ago by Amtrak. It goes from Boston, the great port city of Boston, the capital of Massachusetts, to Albany the capital of New York, through the industrial cities of Syracuse, Rochester, Buffalo, Cleveland, and Chicago. It is a very important passenger route, and 12 miles of that route simply has been cut out like cutting the middle out of a long string of spaghetti. So without this 12 miles, that route simply cannot work. It can, theoretically, work by a train going across a long bridge and backing up and adding another 45 minutes to the trip. But this, of course, is ridiculous.

I think the point is that people should understand that this is one small piece of track, without which that whole passenger line, from Boston to Chicago, simply cannot operate. So I think it is a good amendment. I think it will be good for Amtrak and it will serve the people in this day and age when we need passenger service, which is so important to us, for energy conservation and for every other purpose. I support this amendment, and I thank my colleague, the gentleman from New York (Mr. Stratton), for coming up with it. I ask for support from the rest of the Members of this House.

Mr. CONTE. Mr. Chairman, I rise in support of the Stratton amendment. Amtrak announced nearly a year ago that service between Boston and Chicago would be added on an experimental basis. At last word, the trains are expected to begin running this September.

As it stands now, a 1-hour delay is built into the Boston-to-Chicago schedule. Some time ago the Penn Central ripped up 12 miles of track just east of Albany, N.Y. That is on the main line to Chicago. Until repaired, it will require a tortuous detour, at slow speeds due to poor track conditions and inefficient switching points, estimated by Amtrak to require at least 1 hour to transit.

The Penn Central has been trying to sell the right-of-way for this 12-mile section. Recently, the attorney general for the State of New York sought and received an injunction to prevent its sale. The injunction was granted to give the Congress the opportunity to resolve the matter. We now have that opportunity.

Mr. Chairman, to allow Penn Central to sell this critical right-of-way is to guarantee the failure of the Boston-to-Chicago experimental run. Adequate ridership will never be attracted if unnecessary delays are permanently built in the schedule. The attempts of this and previous Congresses to stimulate all passenger service to conserve fuel and reduce pollution will suffer another setback. The proposed route will pass through one of the more densely-populated parts of the Nation, and provide service to major cities not presently served by Amtrak. Millions of people will be provided with an alternative to the automobile or the much more highly priced airplane.

We are today approving millions of dollars in grants and subsidies to revitalize rail passenger service. It is the small, relatively inexpensive flaws, like the tearing up of 12 miles of track without adequate consideration, that will make or break the transportation network we are trying to build. Correction of this oversight is merely commonsense. As all of us know, the investment that will be protected is tremendous.

I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Stratton).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MOFFETT

Mr. MOFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Moffett:

Page 8, strike out line 25 and all that follows through Page 9, line 10.

And redesignate the following sections accordingly.

Mr. MOFFETT. Mr. Chairman, I first want to convey my respect for the distinguished chairman of our full committee and for his work on this bill and especially for the performance of the gentleman from Pennsylvania (Mr. Rooney) who is doing such a fine job as chairman of the Subcommittee on Transportation.

Mr. Chairman, my amendment to H.R. 4975 is to strike out the section which provides for an increase in the salary of the Amtrak President from its present level of $60,000 to a maximum ceiling of $85,000.

I am proposing this amendment largely because I feel this is a time of economic

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uncertainty when many of my constituents and the constituents of my colleagues are facing severe hardship, and I do not think that it is a wise step for us to take.

I think that Mr. Reistrup, from what little I know of him, has a great deal of promise in this position and is already doing an excellent job. However, can we all not imagine those Amtrak passengers on tomorrow morning's trains in any of our districts reading their newspapers to find that we have bestowed a pay raise on the Amtrak President, when Amtrak service and performance is far from what they would like it to be and far from what we would like it to be?

Mr. HAYES of Indiana. Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN.** Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The **CHAIRMAN.** A quorum of the Committee of the Whole has not appeared, nor does it appear that a quorum of the Committee of the Whole will appear.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 154]

Abzug
Adams
Ambro
Anderson, Ill.
Armstrong
Beard, R.I.
Boggs
Brown, Calif.
Buchanan
Burton, John
Burton, Phillip
Cederberg
Chisholm
Clancy
Cohen
Conlan
Conyers
D'Amours
Danielson
Delaney
Dellums
Dent
Devine
Diggs
Dingell
Drinan
Esch
Eshleman
Evins, Tenn.
Fascell
Fenwick
Foley
Gibbons
Gonzalez
Hanley
Herrington
Hawkins
Hays, Ohio
Hébert
Hightower
Hinshaw
Holtzman
Horton
Jones, Tenn.
Kemp
McCormack
McFall
McKay
Melcher
Metcalfe
Meyner
Mikva
Mills
Mink
Mitchell, Md.
Murphy, N.Y.
Nichols
Obey
Pritchard
Quillen
Rees
Reuss
Rhodes
Roberts
Ruppe
Ryan
Santini
Sarbanes
Seiberling
Shipley
Shriver
Sikes
Spellman
Stanton,
  James V.
Stark
Steiger, Ariz.
Stephens
Stuckey
Teague
Thompson
Traxler
Udall
Waxman
White
Wiggins
Wilson,
  Charles H.,
  Calif.
Wilson,
  Charles, Tex.
Wright
Wydler

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ROUSH, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 4975), and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 343 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time of the point of order of no quorum, the Chair had recognized the gentleman from Connecticut (Mr. MOFFETT) in support of the amendment. The gentleman had consumed 2 of his 5 minutes. The gentleman has 3 minutes remaining.

The gentleman is recognized.

Mr. MOFFETT. Mr. Chairman, as I was indicating a few minutes earlier, I have a great deal of respect for Mr. Reistrup, what little I know of him. I think he holds promise of being a competent Amtrak President. But can the Members imagine those Amtrak passengers on the train tomorrow in your district and mine, with their less than adequate service to be sure, reading in their newspapers that we have bestowed a pay raise on the Amtrak President that could go to $85,000 from the present $60,000 figure?

This is not the first time a salary provision has been included in a rail bill. During the Commerce Committee consideration of the emergency Penn Central bill, an attempt was made to tack onto it a provision raising the Amtrak President's salary to whatever the Board of Directors of Amtrak decided was fit.

The amount would be determined along the lines of compensation paid railroad presidents in the private sector. The salary clause was then included by the Subcommittee on Transportation in H.R. 4975 after being defeated in the full Committee on Interstate and Foreign Commerce.

A compromise was accepted in the full committee which would raise the salary no higher than $85,000.

Mr. Chairman, this is not an issue, however, on which we should compromise.

The arguments used to justify this increase in salaries center mostly around the salaries paid in private railroad companies. It is felt by some that since presidents of private railroads are taking home salaries in the six-figure range, it is only fair to at least raise the Amtrak President's salary a little.

I submit to my colleagues that this argument is without merit. First, Amtrak should not be compared to a private railroad in the true sense. A vital public function is being performed by Amtrak. It is a combination of both public and private. Its funding is, and will remain for a long time to come, Federal. To include in the same bill emergency Amtrak funds to keep Amtrak going and an increase in its President's salary is, at best, incongruous.

Second, I do not agree with the argument that many advance that there is a direct correlation between competency and high salaries. I think we should try to attract people who are worth the $60,000. I hope that Mr. Reistrup is. I feel he has excellent potential, as I said; but, if anything, we ought to approach this issue on the basis of performance. Let us see what he does, first of all.

Presently, the Amtrak President's salary matches that of Cabinet-level officials in the executive branch. I feel it should remain in this category, and we should not be influenced by any veiled threat that the Amtrak President will quit.

If this amendment is adopted, the Congress should not be bound by any confidential or informal agreements made by any board, be it Amtrak or any other, with regard to the salary level. We would be setting a dangerous precedent if we raised his salary under this kind of pressure. Amtrak has enough problems gaining congressional support without having a dispute about its President mar the progress which I believe it has made.

Mr. STAGGERS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know that it would be a very popular issue to get up and say, "Let us knock out some money. We are in hard times, and let us vote to cut someone's salary" and so forth. I am almost tempted to do it myself, but I look at the reality of the situation.

Mr. Chairman, if we want to run Amtrak and run it with somebody who knows what he is doing, we are going to have to pay that person for it. I can tell the Members this: This man came up through the ranks after 25 years of railroad experience. He was getting $82,000 with another railroad, and he was persuaded to come over here and take on this job with Amtrak by the administration. I believe that he is a good man. I believe that he has already demonstrated that he means to run Amtrak and keep it under control, because he has been riding Amtrak all over this land finding out what the problems are and trying to be ready to correct them.

I know that every Member of this House will say, "It is a good time for me to vote to cut down this salary by $25,000 to $30,000." That is what I am afraid might happen. That would be a demogogic vote.

At this time, Mr. Chairman, we want a man who can cut thousands and millions of dollars in running the railroad and running it as we want it run, so that it will be good for America.

The Members can go ahead and cut this man's salary, and he can leave and then we can get someone else who comes in and wants to run the railroad. Then it will be just like it was in the past.

Mr. Chairman, I do not say that Roger Lewis was not a good man. He was a good man. He tried, but he had not had the experience that this man has had. This man knows what he is doing, and we want somebody in control who will run it and have a firm hand on it.

I think that is what is the matter with America today. We have no one in control who has the nerve to say that certain things ought to be done. If we had a Teddy Roosevelt or a Harry Truman running some of the things in these past 10 or 12 or 15 years, we would have seen a different America. We would have seen somebody who had the guts to say that certain things ought to be done.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I yield to the gentleman.

Mr. LAFALCE. Mr. Chairman, we have a few important positions in the United States. I wonder whether the gentleman could advise me or inform me of the salary of the Secretary of the Department of Defense.

Mr. STAGGERS. Mr. Chairman, let me tell the gentleman one thing, and that is that we are not talking about getting a man from the Defense Department or one of the Secretaries downtown, who get all the glory and all the other things connected with their jobs. This man is a hard-working man, and he does not get any of that glory. He has come up through the ranks. He is not up there for all the glory.

Mr. MATSUNAGA. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, the gentleman from West Virginia says that the amendment offered by the gentleman from Connecticut (Mr. MOFFETT) would mean a cut in the salary of the president of Amtrak. Is he not now getting $60,000?

Mr. STAGGERS. Let me say this——

Mr. MATSUNAGA. Will the gentleman answer the question?

Mr. STAGGERS. Of course I will.

Mr. MATSUNAGA. Is the president getting $60,000 a year in salary now?

Mr. STAGGERS. But, just 1 minute.

Mr. MATSUNAGA. I am asking the gentleman a question.

Mr. STAGGERS. I will answer the question if the gentleman from Hawaii will wait for just 1 minute so that I can answer the gentleman.

The President of Amtrak is now getting $60,000, but he was promised administration support to lift that ceiling if he would come up and take the job. Of course, that was done without the consent of the Congress.

Mr. MATSUNAGA. He was promised by whom?

Mr. STAGGERS. I do not know that.

Mr. MATSUNAGA. Is that another one of these secret Vietnam deals?

Mr. STAGGERS. I would say to the gentleman from Hawaii that whoever did the hiring has to be the one. I do not know if they actually did that, because I was not on the inside. I do not know anything about it.

But I would ask the gentleman from Hawaii is the gentleman opposed to an $85,000 salary for this gentleman?

Mr. MATSUNAGA. I am sorry. I could not hear the gentleman because of some additional voices to my right.

Will the gentleman repeat the question?

Mr. STAGGERS. I asked the gentleman if he was opposed to an $85,000 salary for the gentleman who is now running Amtrak.

Mr. MATSUNAGA. $85,000? I cannot hear the gentleman.

Mr. STAGGERS. $85,000.

Mr. MATSUNAGA. Yes, I am opposed to the increase to $85,000.

I am for this reason, if the gentleman will yield further: As was pointed out so ably by the gentleman from Connecticut (Mr. MOFFETT) Amtrak has become a quasi-governmental agency, and the salary of its president ought to be set accordingly. Cabinet members receive only $60,000.

Mr. STAGGERS. And the gentleman from Hawaii receives only $42,500 in salary, and that is because Members of this body are reluctant to stand up and say that they need more salary. So that is the reason.

Mr. MATSUNAGA. I will say to the gentleman from West Virginia that the record will show that I have always voted for an increase in the salaries of Members of Congress because I think they deserve more than what they are now being paid.

Mr. STAGGERS. Of course the gentleman does, and so does Paul Reistrup deserve a higher salary.

Mr. MATSUNAGA. Yes, but he is now getting $60,000.

Mr. STAGGERS. Just like any Cabinet member, and in addition the Cabinet member gets all of the glory and gets all of the other things, but I am sure the gentleman from Hawaii does not want to be a Cabinet officer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SKUBITZ. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

Mr. Chairman, on first blush, as a member of this committee, I felt also that $60,000 was enough money until the man had proven his worth.

When Paul Reistrup left the Illinois Central Railroad he did not seek this job. He was asked by the board of directors to take it. He was earning $82,000 a year at the time.

I understand it was the board that said they would do their best to equal that salary. That is why they came to the committee.

Now, who is Paul Reistrup, the man we are seeking to hire in order to carry on this job? Let me tell the Members that he was vice president of the Illinois Central Railroad when he came to this job. He spent 25 years in the passenger train business. He is the man who took the B & O Railroad and increased the number of trains that it was running, and who cut its expenses by $5 million.

He is the fellow who took the Illinois Central Railroad passenger service on the Chicago to New Orleans route, which was a loser and made it into the only profitable passenger service in the country in 1968.

We are talking here of a bill that involves the expenditure of $1,118,000,000. We are talking about the salary of one man who has had the experience, who has been invited to take the job to spend that money and spend it wisely and get this system on the road. We could get all kinds of people to serve as president. But could they do the job?

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Florida.

Mr. HALEY. I thank the gentleman for yielding.

We hear people here today talking about a slight increase in salary. It is my understanding that one of the most successful operating railroads in the United States today is the Southern Railroad, whose president draws approximately $200,000. The president of General Motors draws $800,000 a year. And we here are talking about a man who is a terrific man, who might do a good job to put Amtrak back on its track, so to speak. If this man can bring Amtrak up to where it is breaking even, the man is worth a half million dollars a year. I get a little tired sometimes of people pinching pennies here when we need a man of the caliber and the knowledge and the know-how of this man to run an operation like this.

Mr. SKUBITZ. I thank the gentleman.

Mr. Chairman, in closing let me say this: We are again, I repeat, voting an authorization for an expenditure of $1,118,000,000 in this bill. It is the first time we have a man in the job who knows something about passenger service. He is a man who proved his worth by saving $5 million for the B & O. If he can save $5 million for us, I submit that $20,000 has been well spent. I see Members around here today who have criticized the expenditure; yet they are going to vote for this bill. They do not want to help us get a man that we think will do the job to get Amtrak on the road.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROONEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I knew this amendment was going to be offered by the distinguished gentleman from Connecticut, and I know that many Members of this House have strong reasons to support or not support this amendment. But Amtrak has been losing money over the years. We thought that Amtrak would be a profitmaking business but, unfortunately, it has not been. It has not been because we have not had anybody running the railroad who knew something about the railroad.

Now we have a dedicated man, as we heard the distinguished gentleman from West Virginia say, with a quarter of a century of experience. We are talking about $1,118,000,000, and we are talking about a $25,000 salary increase, which will not necessarily be granted. This bill merely authorizes the board to grant this salary increase up to $85,000. He is the only member of this Corporation who can get $85,000, and Congress has a right to take a look, a second look, at any salary recommendations.

Back in 1972 the President of this Corporation was getting $125,000, and Congress saw fit to reduce it to $60,000. I think we have got to give this President of Amtrak a chance to prove himself.

Mr. STUDDS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Massachusetts.

Mr. STUDDS. Mr. Chairman, I thank the gentleman for yielding.

It is not very often I rise to support this administration. I feel strongly, however, that the current administration is moving in some very strong and wise and rational directions with regard to public transportation. I think the new Secretary of Transportation is one of the ablest people in public life and the new President of Amtrak is someone we can be proud of.

The gentleman from Connecticut said:

"What would my Amtrak passengers have to say about this?" I do not have any Amtrak passengers in my district and I would like to have some.

The easy thing to do is not always the right thing to do. All of us could go back to our communities and say: "Guess what, you poor unemployed folks. We saved $20,000 so this man would not be living off the public till at that level." Everybody has high unemployment. I have extremely high unemployment in my district. I suspect most of the Members do. But we will have a great deal higher unemployment if we do not get some public transportation. I plead with the Members of this House. I realize it is easy to save $20,000 and I am sure it is tempting to try to demagog this vote.

We cannot control the salaries of corporate officers in this entire country, although we may feel they are far too high, but if we want to be serious about getting the finest officers in our quasi-public corporations we have got to do not the easy thing but the best thing. I plead with the Members not to pass this amendment.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, the taxpayers of America pay the salary of that Amtrak man the same as they pay the salaries of other Government officials. He is worth that money. The man who supports the public transportation system of America is certainly worth that amount.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret I have to oppose my friend, the gentleman from Connecticut. I am the ranking Republican member on the Transportation Subcommittee of the Committee on Appropriations. The need for qualified and competent people to head such an enormous operation such as Amtrak is essential. We cannot expect an individual to remain at Amtrak at a salary which is only a fraction of what he would earn at the helm of one of the other railroad systems in the Nation. In order to retain an individual of such caliber, we must be willing to pay. It is not uncommon that we continually lose capable individuals in all areas of high Government responsibility because of our salary levels.

I am also privileged to sit on the Labor-HEW Subcommittee of the Committee on Appropriations. During the course of our recent hearings, we learned that the directors in the National Institutes of Health are experiencing extreme difficulty in obtaining capable individuals to leave their relatively high-salaried positions to work for the Government at a reduced earning capacity as well as moving to an area with a higher cost of living than where they are. The New York Times, on April 22, 1975, ran an article which covers the same problem we are experiencing. At this time, Mr. Chairman, I would like to insert the article in the RECORD:

[From the New York Times, Apr. 22, 1975]

PANEL VOICES FEARS FOR NATIONAL INSTITUTES OF HEALTH

WASHINGTON, April 21.—Fears for the future of the nation's foremost medical research establishment were voiced today by a panel of leading American scientists and science administrators.

The 12 speakers were witnesses at a hearing on the National Institutes of Health, held by the Health and Environment Subcommittee of the House Commerce Committee.

They all praised the institutes as being among the world's most important biomedical research establishments and major contributors to efforts of medical science to improve the health and well-being of mankind.

Dr. Arthur Kornberg, Nobel Laureate, of Stanford University, said contributions of N.I.H. scientists and scientists trained or supported by the institutes had dominated the medical scientific literature for 25 years.

He and the other speakers said the N.I.H., directly and indirectly, had made major contributions to the conquest of disease and the betterment of health. Almost without exception, the witnesses expressed concern for the future of the organization in the face of stringent budgets, ceilings on salaries and numbers of personnel and a recent tendency among Federal administrations to seek to direct the institute's activities into channels designed to bring short-term "practical" health benefits.

ROGERS ASSESSMENT

In his opening statement at the hearing, Representative Paul G. Rogers, chairman of the health subcommittee, said the institutes' morale seemed to be declining and that it had become increasingly difficult to replace senior scientists and administrators who have resigned.

Dr. James Shannon, for many years director of the institutes and now a professor at the Rockefeller University, said conflicts between Congress and the executive branch over budgets in recent years created serious problems for the N.I.H. and the many medical schools and other research and educational institutions dependent on the institutes for major support.

He said impoundment of funds under the Nixon Administration and proposed rescission of funding under President Ford had resulted in dangerous instabilities in support for research and research training.

Dr. Kurt Isselbacher of Harvard Medical School said the most promising young men and women in medicine and science were reluctant to throw in their lot with a system in which financial support is so unstable and so precarious as is true of biomedical research today.

INDUSTRY VIEW CITED

Dr. Thomas Chalmers, president of Mount Sinai Medical Center in New York City and former director of the N.I.H. Clinical Center, said that while every successful industry appropriated between 5 and 10 per cent of its gross income for research and development the amount spent on health research in the United States was far less than this fraction of what the nation spends on health care.

Dr. John Hogness, president of the University of Washington, Seattle, said relationships between the Federal Government and universities in general had deteriorated somewhat since the nineteen-sixties. He said the N.I.H., year after year, had provided more money for research at such institutions of higher learning than any other Federal agency.

The Federal executive branch's budget process, he said, has been giving less support to long-range and quality-oriented functions of educational institutions and more support for programs targeted at specific short-term practical goals.

He said this was an attitude that conflicted with the views of some Congressmen, with commitments to graduate and research-oriented universities by many American presidents.

"Worst of all," he said, "this attitude conflicts not only with history, tradition and good sense, but it also conflicts with reality."

He said the potential consequences to the nation from such a trend were vast.

Mr. Chairman, we must be realistic—I must agree with the gentleman from Pennsylvania and oppose this amendment.

Mr. DAN DANIEL. Mr. Speaker, I move to strike the last word.

I would assume what we are looking for here is superior management or at least good management. We are not going to get very superior management for $60,000 a year. We are in a highly competitive situation. If we want to get good management we have to pay for it.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, I think we are confusing the issues. I do not think the issue should be whether or not this particular individual is worth $60,000 or $85,000. In my judgment he may be worth $150,000. But the question is, how much should all of our civil servants be paid, not one person? How much should our Cabinet heads be paid, how much should the heads of our independent Federal agencies be paid, how much should members of the Federal judiciary be paid? And most importantly by what manner should we proceed in order to decide what amounts we should pay. I do not think we should say that if we want to get a good man we have to pay a higher salary in this instance or in that instance. If we adopt this path, we will be establishing a dangerous precedent, and not coming to grips with the real problem.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MOFFETT).

The question was taken; and on a division (demanded by Mr. MOFFETT) there were—ayes 53, noes 75.

RECORDED VOTE

Mr. MOFFETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 155, noes 198, not voting 79, as follows:

[Roll No. 155]

AYES—155

Abdnor
Abzug
Ambro
Anderson, Calif.
Archer
Ashbrook
Ashley
Aspin
AuCoin
Baldus
Beard, Tenn.
Bedell
Bennett
Bevill
Blanchard
Blouin
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burleson, Tex.
Burlison, Mo.
Burton, John
Carr
Chisholm
Clay
Conable
Cornell
Crane
D'Amours
Davis
Delaney
Derrick
Derwinski
Dodd
Downey
Duncan, Tenn.
Early
Edgar
Eilberg
English
Evins, Tenn.
Fisher
Fithian
Flowers
Foley
Ford, Tenn.
Fountain
Gaydos
Giaimo
Gilman
Ginn
Grassley
Gude
Guyer
Hamilton

Hammerschmidt
Hanley
Hannaford
Harkin
Harris
Hayes, Ind.
Hechler, W. Va.
Henderson
Hicks
Holland
Holtzman
Howe
Hubbard
Hungate
Hutchinson
Ichord
Jacobs
Jenrette
Jones, Okla.
Kastenmeier
Ketchum
Keys
Koch
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Lott
McDade
McDonald
Madden
Maguire
Mathis
Matsunaga
Mazzoli
Mezvinsky
Miller, Calif.
Miller, Ohio
Mineta
Mink
Mitchell, N.Y.
Moffett
Montgomery
Moore
Mottl
Natcher
Nolan
Nowak
Oberstar
O'Brien
Patterson, Calif.
Pike
Pressler
Rangel
Richmond
Riegle
Rinaldo
Roe
Roncalio
Rosenthal
Roush
Rousselot
Satterfield
Schroeder
Sharp
Snyder
Solarz
Spellman
Spence
Stokes
Sullivan
Symms
Taylor, N.C.
Thone
Thornton
Tsongas
Ullman
Vander Veen
Vigorito
Waggonner
Walsh
Weaver
Whitten
Wolff
Wylie
Yatron
Young, Ga.

NOES—198

Adams
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Badillo
Bafalis
Barrett
Baucus
Bauman
Bell
Bergland
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Breckinridge
Brown, Mich.
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burton, Phillip
Butler
Byron
Carney
Carter
Casey
Clawson, Del
Cochran
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
de la Garza
Dickinson
Downing
Drinan
Duncan, Oreg.
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
Erlenborn
Evans, Colo.
Fish
Flood
Florio
Flynt
Ford, Mich.
Forsythe
Fraser
Frenzel
Frey
Fulton
Goldwater
Goodling
Gradison
Green
Hagedorn
Haley
Hall
Hansen
Hastings
Hefner
Heinz
Helstoski
Hightower
Hillis
Holt
Howard
Hughes
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kasten
Kazen
Kelly
Kindness
Krebs
Lent
Long, La.
Long, Md.
McClory
McCloskey
McCollister
McFall
McHugh
McKinney
Macdonald
Madigan
Mahon
Mann
Martin
Melcher
Metcalfe
Michel
Milford
Minish
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nix
O'Hara
O'Neill
Ottinger
Passman
Patten
Pattison, N.Y.
Pepper
Perkins
Pickle
Poage
Preyer
Price
Quie
Railsback
Rees
Regula
Reuss
Risenhoover
Robinson
Rodino
Rogers
Rooney
Rose
Rostenkowski
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schulze
Sebelius
Seiberling
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Wis.
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Treen
Udall
Van Deerlin
Vander Jagt
Whalen
White
Whitehurst
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wirth
Yates
Young, Alaska
Young, Fla.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—79

Addabbo
Anderson, Ill.
Beard, R.I.
Burgener
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cohen
Collins, Ill.
Conlan
Conyers
Danielson
Dellums
Dent
Devine
Diggs
Dingell
Esch
Eshleman
Evans, Ind.
Fascell
Fenwick
Findley
Fuqua
Gibbons
Gonzalez
Harrington
Harsha
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hinshaw
Horton
Johnson, Calif.
Jones, Tenn.
Kemp
Leggett
Lujan
McCormack
McEwen
McKay
Meeds
Meyner
Mikva
Mills
Mitchell, Md.
Morgan
Murphy, N.Y.
Nichols
Obey
Patman
Peyser
Pritchard
Quillen
Randall
Rhodes
Roberts
Runnels
Schneebeli
Shipley
Shriver
Sikes
Stanton, James V.
Stark
Steiger, Ariz.
Stephens
Teague
Thompson
Traxler
Vanik
Wampler
Waxman
Wilson, Charles H., Calif.
Winn
Wright
Wydler

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. JENRETTE

Mr. JENRETTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENRETTE: Page 10, after line 4, insert the following new section:

SEC. 5. Section 403(b) of such Act (45 U.S.C. 563(b)) is amended by adding at the end thereof the following new sentence:

"The Corporation, at the request of States, may conduct studies during the fiscal year ending June 30, 1976, to determine benefits of seasonal routes to recreational areas."

Redesignate sections 5, 6, 7, 8, 9, and 10 as sections 6, 7, 8, 9, 10, and 11, respectively.

Mr. JENRETTE. Mr. Chairman, my amendment would simply allow the Corporation, at the request of the States, to study the economic feasibility of establishing Amtrak lines on a seasonal basis to popular recreation areas not now served by an Amtrak line. As you know, the leisure industry is a multibillion-dollar annual business. The revenue brought into States by tourists every year is in the many millions of dollars with less costs in services to the States than any other type of revenue. In the South we call it "picking the Yankee dollar."

Quite seriously though, this arrangement would simply allow the Corporation to study the possibility of seasonal lines—an arrangement that would be of mutual benefit to the Corporation and the States. It also would allow a conservation of energy and a significant one during the height of the tourist season. If there is another energy crisis, the entire leisure industry would be severely crippled or even wiped out. My proposal would allow Americans to take the side trips that the existing Amtrak network is not flexible enough to provide. There is little doubt that Amtrak has more than proved its worth. It was a unique idea that filled a vacuum. My proposal would simply add flexibility and improve on extant Amtrak routes at the discretion of the Corporation. I would like to emphasize that this proposal would not force Amtrak to establish any route or policy that would be inimical to its own economic interests.

To use Myrtle Beach, S.C., in my district as an example, this is a vast untapped market for Amtrak. And, of course, we in South Carolina would welcome the influx of new money to the finest beaches and recreational area on the east coast.

One of the chief reasons that Amtrak has not been even more successful is the lack of flexibility. This would provide the missing ingredient and insure that Amtrak soars beyond the realm of novelty to a new height of standard vacation option for the American people. And although I have a somewhat selfish interest in its application to my district, it does not require much imagination to see how this concept could apply to many regions not now served by Amtrak lines. I sincerely believe it is a concept that will more than prove its worth. There are few of my colleagues whose districts do not have a recreation area that might be a potential recipient of an Amtrak spur.

If we are ever to become self-sufficient in energy one of our primary responsibilities will be to more wisely utilize the energy resources at our command. This would be an ideal way to place less reliance on fossil fuels such as gasoline without thwarting the inherent American desire to travel.

Mr. Chairman, I believe that this is, in summary, an idea whose time has come. We are not telling Amtrak that the corporation must establish spur lines to every recreation area in the entire country. All we are saying is that there are certain viable options that are worth exploring. I am equally certain that there will be many more applications for seasonal routes than Amtrak will be willing or capable of serving after conducting a feasibility study. But even if it opens only a handful of new routes, this amendment will have demonstrated its worth.

This is not special interest legislation. This is not a regional boondoggle. This is merely a good idea. I would hope that my colleagues keep in mind that there is nothing mandatory in this legislation whatsoever. There is nothing that would undermine the free enterprise or the success of Amtrak. Flexibility and growth are the key words. A better distribution of the leisure dollar would be the result.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Chairman, the committee has had the opportunity and the privilege to look at the amendment offered by the gentleman from South Carolina, and finds the amendment to be in proper order, and we accept the amendment.

Mr. JENRETTE. I thank the gentleman.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. JENRETTE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, we on this side will also accept the amendment, and have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. JENRETTE).

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments to be offered, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the na-

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ture of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. Roush, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, pursuant to House Resolution 403, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment:

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CARNEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device; and there were—yeas 280, nays 63, not voting 89, as follows:

[Roll No. 156]

YEAS—280

Abzug
Adams
Alexander
Andrews, N. Dak.
Annunzio
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bedell
Bennett
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carter
Casey
Chisholm
Clay
Cochran
Conable
Conte
Corman
Cornell
Coughlin
D'Amours
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis
de la Garza
Delaney
Derwinski
Dickinson
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Forsythe
Fraser
Frenzel
Frey
Fulton
Gaydos
Giaimo
Gilman
Ginn
Goodling
Grassley
Green
Gude
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hastings
Hechler, W. Va.
Hefner
Heinz
Helstoski
Hightower
Hillis
Holland
Holtzman
Howard
Howe
Hughes
Hungate
Hyde
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Pa.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Keys
Kindness
Krebs
Krueger
LaFalce
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Long, La.
Lott
McClory
McCloskey
McCollister
McDade
McFall
McHugh
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nix
Nolan
Nowak
Oberstar
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Railsback
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schulze
Sebelius
Seiberling
Sharp
Shuster
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Teague
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Walsh
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles, Tex.
Wirth
Wolff
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—63

Abdnor
Anderson, Calif.
Andrews, N.C.
Archer
Armstrong
Bauman
Beard, Tenn.
Bevill
Brinkley
Brown, Ohio
Broyhill
Burleson, Tex.
Burlison, Mo.
Byron
Clawson, Del
Collins, Tex.
Crane
Daniel, Dan
Derrick
Duncan, Tenn.
English
Erlenborn
Flowers
Flynt
Ford, Tenn.
Fountain
Goldwater
Gradison
Guyer
Hammerschmidt
Hansen
Hayes, Ind.
Henderson
Hicks
Holt
Hubbard
Hutchinson
Johnson, Colo.
Jones, N.C.
Ketchum
Landrum
Latta
Levitas
Lloyd, Tenn.
Long, Md.
McDonald
Martin
Mathis
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Neal
Robinson
Rousselot
Satterfield
Schroeder
Snyder
Symms
Taylor, Mo.
Taylor, N.C.
Waggonner
Wylie

NOT VOTING—89

Addabbo
Ambro
Anderson, Ill.
Beard, R.I.
Bell
Burgener
Butler
Carr
Cederberg
Chappell
Clancy
Clausen, Don H.
Cleveland
Cohen
Collins, Ill.
Conlan
Conyers
Cotter
Danielson
Dellums
Dent
Devine
Diggs
Dingell
Dodd
Eckhardt
Eshleman
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fuqua
Gibbons
Gonzalez
Harrington
Harsha
Hawkins
Hays, Ohio
Hébert
Heckler, Mass.
Hinshaw
Horton
Ichord
Johnson, Calif.
Jones, Tenn.
Kemp
Koch
Lagomarsino
Lujan
McCormack
McEwen
McKay
Meeds
Meyner
Mikva
Mills
Mitchell, Md.
Morgan
Murphy, N.Y.
Nichols
Obey
Patman
Peyser
Pritchard
Quillen
Randall
Rhodes
Roberts
Rosenthal
Runnels
Schneebeli
Shipley
Shriver
Sikes
Stanton, James V.
Stark
Steiger, Ariz.
Stephens
Thompson
Vanik
Wampler
Waxman
Wiggins
Wilson, Charles H., Calif.
Winn
Wright
Wydler
Young, Alaska

So the bill was passed.

The clerk announced the following pairs:

On this vote:

Mr. Chappell for, with Mr. Runnels against.

Mrs. Heckler of Massachusetts for, with Mr. Devine against.

Mr. Peyser for, with Mr. Steiger of Arizona against.

Mr. Wydler for, with Mr. Hinshaw against.

Mr. Anderson of Illinois for, with Mr. Clancy against.

Mr. Addabbo for, with Mr. Conlan against.

Mr. Ambro for, with Mr. Evins of Tennessee against.

Mr. Dent for, with Mr. Hébert against.

Mr. Dodd for, with Mr. Nichols against.

Mr. Thompson for, with Mr. Lujan against.

Mr. Murphy of New York for, with Mr. Young of Alaska against.

Mrs. Meyner for, with Mr. Stephens against.

Mr. Cleveland for, with Mr. Jones of Tennessee against.

Mr. Mitchell of Maryland for, with Mr. Mills against.

Mr. Horton for, with Mr. Lagomarsino against.

Mr. Quillen for, with Mr. Burgener against.

Until further notice:

Mr. Dellums with Mr. Beard of Rhode Island.

Mr. Shipley with Mr. Conyers.

Mr. Diggs with Mr. Gibbons.

Mr. Rosenthal with Mrs. Collins of Illinois.

Mr. Hawkins with Mr. Dingell.

Mr. Hays of Ohio with Mr. Bell.

Mr. Cotter with Mr. Harrington.

Mr. Danielson with Mr. Cohen.

Mr. Fascell with Mr. Winn.

Mr. Morgan with Mr. Wiggins.

Mr. Meeds with Mr. McKay.

Mr. Koch with Mr. Eshleman.

Mr. McCormack with Mr. Butler.

Mr. Ichord with Mr. Mikva.

Mr. Gonzalez with Mr. Findley.

Mr. Fuqua with Mr. Cederberg.

Mr. Obey with Mr. Kemp.

Mr. Randall with Mr. Don H. Clausen.

Mr. Sikes with Mr. McEwen.

Mr. Carr with Mr. Johnson of California.

Mr. Patman with Mr. Schneebeli.

Mr. James V. Stanton with Mr. Roberts.

Mr. Evans of Indiana with Mr. Vanik.

Mr. Stark with Mr. Wampler.

Mr. Eckhardt with Mr. Charles H. Wilson of California.

Mr. Waxman with Mr. Wright.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERSONAL EXPLANATION

Mr. BAFALIS. Mr. Speaker, last evening during the course of the voting, apparently my electronic card did not register on rollcall No. 148. Had it registered, I would like the Record to show that I would have voted "aye."

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time for the purpose of inquiring of the distinguished majority leader, the gentleman from Massachusetts (Mr. O'Neill), if he will give us the program for the rest of the week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, the program for the House of Representatives for the week of April 28 is as follows:

Monday is District day. There are no bills.

We will have H.R. 4222, the National School Luncheon and Child Nutrition Act. I will state at this time that we have already adopted the rule and debated the legislation, so that we will go right into the 5-minute rule and have the votes on the amendments to the bill.

On Tuesday, we will bring up H.R. 43, the U.S. National Petroleum Reserve, the so-called Elk Hills legislation. That is an open rule with 2 hours of debate.

On Wednesday and the balance of the week, we will have House Concurrent Resolution 218, the First Congressional Budget, fiscal year 1976, with 10 hours of debate. That, of course, is the budgetary bill which is required by law to be enacted by a specific date. I am sure all Members are aware of what that legislation is.

Conference reports may be brought up at any time. Any further program will be announced later.

The conference committee report on the Vietnam evacuation bill will be filed on Monday. I understand it will be brought before the Rules Committee on Tuesday, and could well be before the House sometime during the week.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I wonder if the majority leader would inform us if there are any plans to bring up the appropriation bill for military aid for Vietnam next week.

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, I will say to him that that would be up to the chairman of the committee.

Mr. BAUMAN. It is not on the program?

Mr. O'NEILL. It is not.

Mr. MICHEL. Mr. Speaker, I would ask the distinguished majority leader, would we expect to have a session next Friday if there are 10 hours of debate?

Mr. O'NEILL. We have scheduled that for April 30 and May 1. As the gentleman knows, there are five categories in that bill, and amendments will be offered to the categories. I cannot say whether the 10 hours would be completed or that all of them would be taken. I doubt if all of that time would be taken because I know of several occasions where the whip organizations and caucus have discussed the matter, and I presume the same thing has been done on the gentleman's side of the aisle.

I think Members are very familiar with the bill in advance, and I doubt if the 10 hours of debate will be taken.

I would say that there would be likely to be some debate, and also with respect to the amendments. I would hope that we would be able to conclude this by Thursday.

Mr. MICHEL. I thank the gentleman.

ADJOURNMENT OVER TO MONDAY, APRIL 28, 1975

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE FCC AND RELIGIOUS BROADCASTING

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, the Federal Communications Commission has pending before it petition No. RM–2493, which among other things, requests a freeze on all applications by religious, Bible, Christian, and other sectarian schools, colleges, and institutes, for reserved educational FM and TV channels.

In support of the petitioners' request, they allege that religious broadcasters "thrive on mindless, banal programing aimed at some spiritless, oleaginous God—they regularly and systematically ignore the fairness doctrine, sabotage wide-open programing—their programing—is narrow, prejudiced, one-sided, blind, and stultifying."

In making these charges, the petitioners—Jeremy D. Lansman and Lorenzo W. Milam—betray the very narrowness of mind and prejudice of which they are so quick to accuse religious broadcasters. Religious broadcasting meets the felt needs of millians of Americans, and has been successful in expanding its radio and television air time precisely because its programing attracts religious Americans of all walks of life.

Petition No. RM–2493 contains a near-slanderous and undocumented attack on many fine religiously affiliated broadcasting stations in our Nation, and certainly does not represent my viewpoint or that of thousands of my constituents. I realize that the FCC is required by law to give appropriate consideration to such a petition, and I am pleased to learn from the FCC that public comment is running very strongly against the petition and its request for a freeze. I sincerely hope that the FCC will give the petition short shrift, and thereby discourage any future such attacks on the religious institutions which are the bulwarks of our society.

The strong support being given by the public to religiously-affiliated stations is indicative of their importance. The broadcasting media enable those who are socially isolated by age, geography, illness, poverty, or other circumstances to retain their membership and closeness in the community of religion, and feel one with others in the sight of God. This feeling of community should be encouraged, not rejected in favor of mindless commercialism. Religious broadcasting emphasizes the fundamental values and ethics of American society and as such, is a "cement" in this age of mobility and change.

It appears also that placing a freeze on all applications by religiously affiliated groups for reserved educational FM and TV channels would be a denial of fundamental first amendment rights. The public airways are a constitutional forum for free speech, subject to the Fairness Doctrine, and within those limits should be accessible to all groups on an equal basis. To freeze out religious broadcasters is to deny a certain class of users their first amendment rights.

Mr. Speaker, I hope my colleagues will share my concern over Petition No. RM–2493 and join me in expressing to the FCC a desire that the petition be dismissed without consideration as quickly as possible.

MORE EQUITABLE COST-SHARING FOR METRO

(Mr. HARRIS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HARRIS. Mr. Speaker, I am today introducing legislation to eliminate the inequity that exists between the financing formula for National Capital Area's rapid rail system, Metro, and similar systems in other areas of the country. We in Congress created the present Metro system with the passage of the National Capital Planning Act of 1952, setting in motion an Interstate Compact signed by President Johnson that founded the Washington Metropolitan Area Transity Authority—WMATA.

The proposed legislation would amend the National Capital Transportation Act of 1969 to authorize Federal funds, to be appropriately matched by local funds, to complete construction of the rail portion of the adopted regional system for the National Capital Region.

Mr. Speaker, this legislation provides for 80/20 Federal-local cost-sharing to be effective July 1, 1973, the date on which that formula became Federal policy applicable to Federal assistance for construction of mass transit systems throughout the Nation except for the National Capital Region. Federal aid provided for the Nation's Capital remains on a one-third/two-thirds basis.

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This legislation recognizes and cooperates in the effort to hold annual Federal outlays to a minimum by providing the Federal share through an increase in the amount supported by bonds. Under this concept, the Federal Government would authorize the Transit Authority to sell 40-year bonds in the amount of $1,257 million with debt service—payment of both interest and principal—provided by the Federal Government. As this bill moves through the legislative process with full input from all concerned it may be that another method of financing may be more appropriate. But if the Metro system is to stay on schedule, we must begin the legislative process now.

The proposed Federal share, even under the arrangement set out in the legislation, continues to be less than two-thirds of the system cost. The following table shows the Federal/non-Federal distribution of total system cost that would result from the additional financing that would become available from the proposed legislation:

Distribution of total system cost

[In millions]

Federal:	
System cost	$4,454
Grants	1,147
Bonds	1,551
Total amount	2,698
Percent	61
Non-Federal:	
Local share grants	856
Authority bonds	900
Total amount	1,756
Percent	39

Enactment of this legislation is necessary at the earliest possible date. Remaining funds available to complete the Nation's Capital mass transit system will be depleted to the extent that an award of both design and construction contracts will not be possible after late fall of this calendar year.

The Metro system consists of 98 miles of rapid-rail transit operating in the National Capital region. When completed, service will be on 2-minute rush hour headways on main routes.

There will be 86 stations, including 53 underground, 450 modern, high-speed cars capable of traveling at 75 miles per hour, to provide service to patrons in northern Virginia, the Maryland counties of Prince Georges and Montgomery, and the District of Columbia. There will be an extensive feeder bus system to give patrons an opportunity to board the bus near their homes to a point where they may transfer to the rail system.

In addition, facilities will be provided for parking, with a total of approximately 30,000 parking spaces as well as provision for kiss-and-ride.

COMPLETION OF HEARINGS ON THE LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT OF 1975 (H.R. 5247)

(Mr. ROE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROE. Mr. Speaker, members of the Subcommittee on Economic Development and the Committee on Public Works and Transportation have today completed almost 2 weeks of hearings on the Local Public Works Capital Development and Investment Act of 1975 (H.R. 5247).

During our hearings, we have heard testimony from witnesses representing a very broad range of American public opinion, as well as from expert witnesses who possess great technical knowledge of matters pertaining to the economy and to local public works development.

Almost unanimously, these witnesses have been strongly in favor of immediate enactment of this legislation, which has an important three-fold purpose: To stimulate the overall national economy, to bring down unemployment in the hard pressed construction and materials industries, and to help local communities construct badly needed and long-overdue public facilities which have been deferred because of the policy of extremely high interest rates pursued by the current administration.

Mr. Speaker, the witnesses who have come before our committee have alluded constantly to the grim economic picture which faces our Nation. Indeed, even as we have conducted our hearings over the last weeks, there has been a steady drumfire of bad economic news.

Only administration witnesses—who have largely lost their credibility because of the marked deviation of real events from their rosy economic predictions—seem able at this time to smile complacently upon an official national unemployment rate of 8.7 percent and a true unemployment rate well in excess of 10 percent—because of short workweeks and discouraged workers not included in the official statistics. Virtually every other witness, aside from the administration, has stated that the lost production and the great personal suffering and anguish engendered by such massive long-term unemployment are simply far too important to be met with benign neglect.

The broad spectrum of the American people, as represented by witnesses at our hearings just concluded, are far from content with the philosophy and policies the administration recommends, policies which accept a rate of unemployment in excess of 8 percent over the next several years, and perhaps even into the 1980's. The members of the committee, too, have made clear in our hearings that we have not lost faith, even if the administration has, in the ability of this great Nation to find ways to use its single greatest source of strength, its people. The members of the committee and of this Congress, both Republicans and Democrats, cannot—and will not—accept the economic waste and tragic human suffering caused by long-term unemployment affecting perhaps 9 million workers and their families, well over 30 million Americans altogether.

Even if we could accept the philosophical premise—apparently the administration's premise—that the personal anguish of the jobless head of a family is simply not very important, the Nation still could not afford for very long the costly outcome of that premise: high unemployment, low production, and consequent huge Federal budget deficits.

Every penny of the current budget deficit arises from one simple fact: that the labor force is not fully employed. If the economy were operating at full employment—approximately 4 percent, rather than at 8.7 percent official unemployment—there would be no deficit. Instead, there would be a substantial surplus. And the American people would have fully $230 billion more this year alone in goods and services to use—fully $3,400 for each family in the Nation. That is the price of current job-destroying administration policies.

Thus we can account in economic terms for the costs of the current recession and high unemployment. There is no way, however, to account for the cost of shattered dreams and broken hopes, no index of despair by which we can judge the burdens placed on American working people by the policies of the current administration.

Judging by the strong bipartisan support given this legislation by Members of the Subcommittee on Economic Development and the full Committee on Public Works and Transportation, there is obviously very strong sentiment for quick passage of this measure in the Congress, assuring that the bill will be passed, even if we must do so over the administration's opposition.

But I would hope that we would not come to this point. I would hope that the administration will listen to the views of the Republican Members of this Congress, and that they will not disregard the tremendous strength and diversity of testimony in support of this legislation received at our hearings.

If the administration will listen to the Members from their side of the aisle, if they will read the statements of the witnesses at our hearings, who represented a very broad range of our Nation's opinion, then they will realize that the American people want this program, and they want it now.

The American people are not persuaded that the economy is "bottoming out"—they know that the bottom is dropping out.

"Bottoming out" is an old phrase, one Republican administrations have used almost as long as "prosperity is just around the corner."

But there is in this Nation another old phrase, of much greater antiquity and respect: "The consent of the governed." What this phrase means is that it is the people of this country, acting through their elected Representatives, who shall formulate the policies of their governments, national, State, and local. We would hope that the administration will understand what this phrase means, and will therefore, even at this late hour, join with us—both Republicans and Democrats in the Congress—to carry out the will of the people.

Even in the last 2 weeks, since we began our hearings on H.R. 5247, we have seen a steady flow of bad economic news. The Labor Department has added 31 labor market areas to its list of areas of substantial unemployment; that list

now totals an all-time record of 105 out of 150 labor markets areas.

The Commerce Department has announced that production in the first quarter of 1975 dropped at a 10.4 percent annual rate, following a drop of 9 percent in the last quarter of 1974. Housing starts have dropped again also, to the second lowest rate on record.

Meanwhile, we learned in our hearings that the Chase Bank and the Morgan Bank and numerous private economists believe that there is no problem in financing Federal deficits of the magnitude we are discussing because of the rapid dropoff in private borrowing. "Crowding out" is a specious political argument of no standing among the investment brokers and economists themselves. And, of more than passing interest, we have also learned that, for the Soviet Union, this has been another very good year, with growth above expectations, at more than 6 percent.

We have seen new factory orders off again, and we have seen unemployment insurance trust funds literally going broke and having to borrow money. And we have seen the financing problems of the social security system worsen because so many workers are unemployed and not paying into the system.

In short, in the last 2 weeks we have seen continuing evidence of further decline in the Nation's economy—the same sort of evidence we have been witnessing for over a year as the economy has steadily worsened, now reaching a point far worse than any recession since the Great Depression.

There can no longer be any excuse for failure to act. The Committee on Public Works and Transportation will act, quickly. We shall prepare this bill and bring it before the House as rapidly as possible, so that we can get on with fulfilling the promise of America: the promise of economic and social justice, the promise of opportunity for those willing and able to work, the promise of a secure and meaningful job for millions of unemployed workers, not in the 1980's, but now.

FARM PRICE SUPPORT BILL

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, the conference report on H.R. 4296, the emergency farm price support bill for 1975 crops, passed the House on Tuesday.

I voted against this bill for I felt it was a very faulty piece of legislation. Even a major farm organization in Ohio's 16th Congressional District opposed the bill. It is my hope that the President will veto it, as it has been reported that he will.

However, this is not to say that I am unsympathetic to farmers' problems, nor is President Ford for that matter, inasmuch as I understand he intends to order Secretary Butz to administratively raise loan rates on grain—corn, other feedgrains, and wheat—to offset the increases in the cost of production experienced during the last 2 years. It is no secret that farm input costs have risen dramatically in this period of time, while support prices admittedly have remained at the extremely low minimal levels allowed by law. Therefore, an appropriate increase in the loan rate to reflect the rise in production costs is a good compromise which should serve to diminish the fear many farmers are now expressing about the prospect of surplus crop production this year which would result in depressed grain prices.

This action would also provide farmers a more secure basis for obtaining credit and create confidence in strong market prices this fall. This will, however, only help farmers for the short term.

This Nation needs to curtail deficit spending. It needs to develop a national energy policy. And, it needs a national trade effort to stimulate sale of agricultural production in world markets.

The deficit spending we are experiencing, which could go as high as $100 billion this year, can only add to the farmer's burden as the deficit must be borrowed, financed, and carried. This can only result in stimulating future inflation which will increase interest rates and result in higher costs to produce farm products.

The energy crisis has created a shortage of fertilizer, fuel to dry crops and high-cost fuel for production. Congress has not developed a national energy policy. It has instead focused on symptoms, devising ways to curtail gasoline consumption with governmental controls, when incentives to increase domestic exploration, research, and development which in turn would increase supplies and reduce costs to both the consumer and the farmer are needed.

Trade legislation that creates a balance between domestic and international agriculture markets is needed. Encouragement for the farmer to adequately respond to domestic demand, participate in the profit by the world market is also needed.

H.R. 4296 instead would increase Government spending, raise consumer costs, and perhaps worst of all, would bring more Government control of farming. Arguments against the bill on the grounds that it would weaken our competitive position in world markets, thereby forcing U.S. farm commodities out of world markets and destroying the benefits of our economy of record-high farm exports, are quite valid in my opinion.

Probably the most disturbing part of the bill to me is the section dealing with the increased loan rates and target price for cotton. H.R. 4296 would raise the loan rate from 34 cents per pound to 38 cents per pound and the target price from 38 cents to 45 cents per pound, which would provide an even greater incentive for farmers to grow cotton.

Actually, we have a substantial surplus of cotton on the market, and the Department of Agriculture estimates that we may have a surplus of 6 million bales in storage. This quantity projected to be in surplus is large enough to meet our needs for the entire year. In fact, world supplies are figured to be at record levels.

What does this mean to the average citizen-consumer-taxpayer? It simply means that farmers would plant cotton for Government purchase rather than market consumption, at the expense of the taxpayer who would be called upon to finance these incentives and corresponding purchases. This fact alone was a more than adequate reason to vote against H.R. 4296.

This legislation was hastily conceived and rushed through the House. Public hearings were not held on several of the major portions of the bill. It is this lack of study and thoughtful consideration of such an important matter that is so disturbing to me. This bill would commit the Government to spend $500 million in direct payments to farmers, and another $1.3 billion in Commodity Credit Corporation loans and inventory costs in the next fiscal year, without any idea of what the real effect on agriculture would be.

H.R. 4296, all arguments considered, is a very ill-conceived bill, costing over a billion dollars and providing no assurance that the problems facing our farmers would be alleviated.

For these many reasons, I was compelled to vote against the emergency price support bill for 1975 crops.

NAVAL PETROLEUM RESERVES ALTERNATIVES

(Mr. BELL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BELL. Mr. Speaker, on Tuesday, April 29, the House will have a chance to decide whether the petroleum reserves of this Nation are going to be put to productive use—given our present energy crisis—or whether they are going to continue to be allowed to languish undeveloped and unready for emergency use under the control of the Navy.

I have worked out a comparison of H.R. 49, which would allow for full development of petroleum reserve No. 1 at Elk Hills, and the armed services substitute bill, which I call to the attention of my colleagues and ask to have inserted in the RECORD at this point:

NAVAL PETROLEUM RESERVES ALTERNATIVES

H.R. 49

1. Mangement by Department of the Interior:

Principal resource management agency which considers production, environment and conservation objectives of the Nation.

Extensive experience and expertise supervising oil and natural gas exploration, development and production Federal lands for 100 years.

2. Requires competitive bidding of contract, lease or operating agreement.

Terms and conditions subject to disapproval by either house of Congress for 60 days.

3. No production limitation for NPR 1, 2 and 3 other than good management.

Thereby reduces dependency on foreign oil by 300,000 BPD, or more.

Use for military and civilian needs and for strategic stockpile.

4. Equal opportunity for majors and independents.

5. All income to Treasury—no "special fund."

Congress retains full control over the use of the receipts.

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6. The full volume of all new oil is dedicated to the U.S. economy.

H.R. 5919

1. Management by Navy:

Principal agency for military activities at sea, not land or resource development.

NPR activity has always been low priority within Department of Defense.

Agency is poorly equipped to handle environmental and conservation problems.

2. Limits production to 200,000 BPD for three years.

3. Limits disposition of production exclusively to benefit of armed forces.

4. All income to "special fund" earmarked for:

Naval Petroleum and Oil Shale Reserves.

Pipelines and shipping terminals within and outside the Reserves.

ELK HILLS OIL; PUBLIC INTEREST VERSUS MONOPOLY

(Mr. MOSS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. MOSS. Mr. Speaker, it has been stated on the floor this morning that we will have an opportunity next week to make certain determinations regarding the Elk Hills petroleum reserve. Indeed, we will have that opportunity. I hope my colleagues study the analysis that will be placed in the RECORD by the gentleman from California (Mr. BELL) as well as the analysis I plan to place in the RECORD. The question becomes essentially one of whether it is timely to utilize these reserves in the face of continuing need for reassurance that our military forces will have adequate petroleum supplies. Or whether they will be committed so as to expand the very dominant role of primarily one oil company on the west coast.

It is a matter requiring the most thoughtful, careful analysis by every Member of this body.

Mr. BELL advocates passage of H.R. 49, a measure many feel does not offer protection of the public interest at Elk Hills; a $20 billion public resource. For 5 years, the Justice Department has probed the antitrust situation at this reserve, where Standard Oil of California stands in a totally dominant position. Under H.R. 49, there is inadequate protection against this company eventually taking control of most or all oil to be produced. Its dominant position in areas of pipeline and price posting in California is delineated in documents I have obtained from the Justice Department's Antitrust Division. They are available for inspection by any Member or by any duly designated staff person. The Armed Services Committee substitute, H.R. 5919, does offer safeguards for the public interest. If the Congress makes the unwise choice, in a short time Elk Hills will be commercially exploited and drained. I fervently hope Members will take time to examine the documents and read the analysis I and several colleagues from both parties will be sending them.

DEVELOPMENT OF THE OUTER CONTINENTAL SHELF

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, development of the Outer Continental Shelf will inevitably cause severe impact to the coastal States adjacent to such development. I, together with a number of my colleagues in the Congress, recognize the necessity of enacting legislation to mitigate this impact.

Consideration of OCS legislation will be the responsibility of the recently appointed Select Committee on the Outer Continental Shelf, of which I am a member. Among the proposals currently before the committee, none addresses itself to the three areas of: First, initial impact on adjacent States, second, production impact on adjacent States, and third, revenue sharing of OCS revenues for all States.

The bill that I am now introducing combines these three approaches into a program which I believe would equitably resolve the distribution of OCS revenue shares to all States. The total cost of my formula for distribution of these shares would total 37½ percent of all such revenues. The remaining 62½ percent of the Federal funds arising from leases and production on the Outer Continental Shelf would be paid into the National Treasury.

The timely passage of legislation for the amelioration of impact anticipated from OCS oil and gas development and for the nationwide impact brought on by energy-related problems could bring this country closer to self-sufficiency through the wise development of our OCS reserves.

The bill follows:

H.R. 6378

A bill to authorize certain revenues from leases on the Outer Continental Shelf to be made available to coastal and other States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds and declares that—

(1) all States which contain public lands of the United States within their boundaries receive certain revenues produced from bonuses, royalties, and rentals of such lands in accordance with the Mineral Leasing Act of 1920 (30 U.S.C. 191):

(2) such sharing of revenues is based on the equitable consideration that these States furnish governmental services to the industries and people engaged in the exploration and production of minerals from such lands and accordingly such States are entitled to be reimbursed for such services.

(3) coastal States perform identical governmental services to the industries and people engaged in the exploration and production of minerals from the portion of the seabed, which adjoins each coastal State but to which such States do not have title, yet these States now receive no share of the revenue produced;

(4) coastal States in addition to providing governmental services, are subject to other burdens not financially measurable, such as the risk and the actuality of oil spills, movement of population of low coastal areas where hurricane dangers are greatest, and modification of coastal ecology;

(5) basic justice requires that coastal States should share revenues from the aforesaid portion of the seabed at least on the same equitable grounds on which States with Federal lands within their boundaries now share such revenues with the Federal Government;

(6) certain States receive 90 percent of the lease money from mineral development on BLM lands in frontier areas to compensate for the unique, critical impact of such development to their environments and it is similarly in the national interest to provide compensation for impact arising from development of our Outer Continental Shelf in frontier areas; and

(7) the bonuses, royalties, and rentals of public lands can provide a practical way in which Federal revenue sharing with all States can be accomplished.

SEC. 2. Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended to read as follows:

"SEC. 9. Disposition of Revenues.—Except as otherwise provided in subsection (b), rentals, royalties, and other sums paid to the Secretary or the Secretary of the Navy under any lease on the outer Continental Shelf for the period from June 5, 1950, to date, and thereafter shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

"(b) (1) There is hereby established in the Treasury of the United States the Coastal State Fund (hereinafter in this subsection referred to as the 'fund'). The Secretary shall manage and make grants from the fund according to the regulations established pursuant to paragraphs (2) and (3) to the coastal States impacted by anticipated or actual oil and gas production.

"(2) The purpose of such grants shall be to assist coastal States impacted by anticipated or actual oil and gas production to ameliorate adverse environmental effects and control secondary social and economic impacts associated with the development of Federal energy resources in, or on the Outer Continental Shelf adjacent to the submerged lands of such States. Such grants may be used for planning, construction of public facilities, and provision of public services, and such other activities as may be prescribed by regulations promulgated pursuant to paragraph (3). Such regulations shall, at a minimum—

"(A) provide that such regulations be directly related to such environmental effects and social and economic impacts;

"(B) take into consideration the acreage leased or proposed to be leased and the volume of production of oil and gas from the Outer Continental Shelf off the adjacent coastal State; and

"(C) require each coastal State, as a requirement of eligibility for grants from the fund, to establish pollution containment and cleanup systems for pollution from oil and gas development activities on the submerged lands of each such State.

"(3) The Secretary of Commerce, in accordance with the provisions of paragraph (2), and this paragraph, shall, by regulation, establish requirements for grant eligibility. Such grants shall be made to impacted coastal States to the maximum extent permitted by paragraph (4) and grants shall be made to impacted coastal States in proportion to the effects and impacts of offshore oil and gas exploration, development and production on such States. Such grants shall not be on a matching basis but shall be adequate to compensate impacted coastal States for the full costs of any environmental effects and social and economic impacts of offshore oil and gas exploration, development, and production. The Secretary shall coordinate all grants with management programs established pursuant to the Coastal Zone Management Act of 1972.

"(4) Notwithstanding any other provision of law, 10 percent of the Federal revenues from this Act, or the equivalent of forty cents per barrel from the Federal revenues from this Act, whichever is greater, shall be paid into the fund. The total amount paid into the fund shall not exceed $200,000,000 per fiscal year for fiscal 1976 and 1977.

"(5) There are authorized to be appropriated to the fund $100,000,000.

"(6) For the purpose of this subsection, the term 'coastal State' means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, or Long Island Sound, including Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(c) (1) For the fiscal year 1977 and for each fiscal year thereafter, the Secretary shall make grants to the States adjacent (as determined by the Secretary) to any oil or gas deposit on the outer Continental Shelf in an amount equal to 5 percent of the amount or value of the production saved, removed, or sold from such deposit during such fiscal year.

"(2) Payments made to a State under paragraph (1) for any fiscal year may be initially made on the basis of estimates. Proper adjustment shall be made in the amount of any payment to a State to the extent that the payments previously made to such State under this subsection were in excess of or less than the amounts required to be paid.

"(3) Funds received by a State under this subsection may be used for any appropriate purpose as provided under State law.

"(d) (1) For the fiscal year 1976 and for each fiscal year thereunder, the Secretary shall make grants to each State in an amount equal to such State's entitlement share of an aggregate national amount equal to—

"(A) 37½ percent of the Federal revenues from this Act for such fiscal year reduced by

"(B) the sum of the amounts paid to States during such fiscal year under subsections (b) and (c).

"(2) For purposes of this subsection, the term 'entitlement share' means, with respect to any State, an amount which bears the same ratio to the aggregate national amount described in paragraph (1) as the population of that State bears to the population of the United States.

"(3) For purposes of this subsection, population shall be determined on the same basis as resident population is determined by the Bureau of the Census for statistical purposes."

SEC. 3. Nothing contained in this Act or in the amendments made by this Act shall be construed to alter, limit, or modify any claim of any State to any right, title, or interest in, or jurisdiction over, any submerged lands.

VOTES ON FOREIGN AID BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. DICKINSON) is recognized for 5 minutes.

Mr. DICKINSON. Mr. Speaker, I have always made it a general rule to vote against foreign aid bills because I do not believe we can buy friends, nor do I believe we are obligated to take on the problems of the world. Yesterday, I made an exception to that rule.

Although I was not happy with many features of H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act, I voted for it because it provides assistance for evacuating Americans from Vietnam. This was my only concern, and I feel I am justified in my indifference to the plight of the Vietnamese when it comes to American aid and arms.

What more can we be expected to do after all we have done? Former President Thieu calls us "inhuman" while he tries to hustle his $73 million in gold to Switzerland, disregarding the needs of his own countrymen. The North Vietnamese flagrantly violate the Paris peace agreement, but the world looks to the United States as the villain in this piece—certainly not "peace." My own colleagues berate us for our lack of compassion toward the South Vietnamese nationals—they say we must help certain ones of them because they helped us, they worked for us. No one bothers to mention that they were only helping us because we were helping them in the first place.

This call for help in evacuating and resettling the Vietnamese refugees was of particular concern to me in considering my vote on the measure. As a humanitarian gesture, I would like to be able to support the call and to endorse the steps taken by Attorney General Edward Levi to permit a large number of Vietnamese and Cambodian refugees to enter the United States. However, I believe there is another side to the story which must be heard and given consideration before we proceed in that direction.

In the past, citizens of the United States have been most generous to the peoples of other nations. We have shared our wealth, our homeland, our friendship and our lives with others that they might be able to enjoy the opportunities, privileges and good fortune that we enjoy. In Southeast Asia alone, we have spent over $150 billion, and 55,000 of our fellow citizens have sacrificed their lives, not to mention the 300,000 wounded—many of whom now must live with terrible disabilities. Now we are being asked to open our doors once again—over and above all our other efforts—and accept the refugees who are pouring out of Vietnam and Cambodia.

I am sure that if we were now enjoying economic prosperity—if jobs were plentiful and energy resources not becoming more and more scarce—the people of this Nation would open their hearts and doors to the refugees as they have in similar situations. This is not the economic situation we face, however, and there are many Americans who do not feel we can absorb hundreds of thousands of additional people to compete for scarce jobs, energy and even food.

This might be a good time to ask the question, "Who will decide who will be allowed to come to the United States and who will not, and what will the decision be based on?" I think we will have our hands full just accepting the wives and children of American citizens, and I suggest that we should draw the line there.

There are over 150 nations in the world today, each vying for its own place in the sun. It is high time we expected each to take a share of the responsibilities we have been trying to shoulder all these years. We should quit trying to adopt all the peoples of the world.

Mr. Speaker, I call upon the President to adopt a policy of allowing only the wives and children of Americans to immigrate to the United States from Southeast Asia. As an extension of this policy, we should call on the United Nations to make arrangements to resettle all other refugees in other nations, particularly oriental nations where the cultural and ethnic values are compatible with those of the refugees. Seldom does the U.N. do anything worthwhile, and this is an opportunity for it to show it is an organization worthy of our support.

The money already in the pipeline coupled with the aid provided in H.R. 6096 will have to be enough to get the job done. I will not vote for one more penny for Southeast Asia, in economic or military aid, and I hope no one asks. We have given more in money, time, energy and human lives in Southeast Asia than any other nation has ever given to anyone. We need have no national guilt feelings about the outcome now.

THE WORKING PEOPLES' STAKE IN OVERCOMING AMERICA'S ECONOMIC PROBLEMS AND IN ASSURING JOB-CREATING INVESTMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, the working people have a vast stake in the outcome of our efforts to help restore our economy and stabilize prices.

It is, after all, our labor force which has been so hard hit by double-digit inflation and by almost double-didgit unemployment, especially in my area of western New York.

With government at all levels taking a total of more than 40 percent of all private income in America now and with total Federal, State, and local taxes increasing nearly 25 percent in the past year alone, it is obvious to our labor force that out-of-control spending by Government is threatening their livelihoods.

Our labor force is, therefore, vitally concerned about what is being proposed in Washington and the State capitals to overcome the recession, and I hear this concern often at the local level.

They are concerned about some of the huge welfare and public service jobs programs being proposed and passed into law, as well as the tax cut bill which rewards those who do not work more than it does those who do work. That tax bill gave people tax rebates who had not even paid taxes, and the money with which to make those payments came from those who do work and pay their fair share of taxes. This was the start of a negative income tax or guaranteed annual wage, yet it passed with virtually no debate as to its consequences.

Our working men and women know the money for these programs has to come from some place, and as taxpayers they know that such a place is usually their take-home pay. And, they know that if Government decides to take it from the companies they work for, that there will be less left with which either to keep on the job or to give them salary increases.

They also know that if Government decides to finance these programs by more deficit spending, instead of out of current tax dollars, that Government's taking of that money out of the investment capital in the country, will mean there is less money for jobs and a higher

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standard of living. It also means less money for mortgages and less home construction. Equipment and machinery purchases will drop. And, all of this adds up to a further loss of jobs and less productivity—which hurts the very people we want to help.

Additionally, when those companies have to go outside the country for the funds to sustain production and jobs, a greater share of our country's productivity is owned by foreigners. Our work force—and rightly so—is very much troubled by that possibility.

The work force has been quick to see some of the bad aspects of the so-called public service jobs programs. They know that most of those being hired are not their laidoff friends in often desperate need for work. They are, instead, usually municipal employees being rehired, yet municipal workers have the lowest unemployment rate—about 4 percent nationally—of any major work group. They know also that it is far too often "who you know" and whose relative you might be which determines who gets the jobs and who does not. Nepotism and partisan selection are believed to be not uncommon practices in these public jobs programs. It is for these and related reasons that I have asked for—and now have obtained assurances of—a thorough investigation by the General Accounting Office, an arm of Congress, of the alleged mistakes in the public service jobs program in western New York.

Labor also questions the way in which we are spending preciously few available Federal dollars. They saw the House of Representatives last month vote $5.9 billion in Federal funds for what we were told would be 900,000 public service jobs—a figure probably too high in reality. Yet, they have read the reports that if that same amount of money had been used for additional federally assisted unemployment compensation for those out of work and whose benefits have already expired, or are about to expire, that 3 times the number—a full 2,700,000—could have been helped.

Local labor sees too the impact of a prolonged recession on the companies for which they work. They know it cuts into the profits which are essential to salary and benefit increases, plan expansion, and distribution to shareholders. They know that Government draining investment capital away from those companies into the Federal Treasury to finance deficit spending has very much the same effect: plant and equipment expansion and purchases are deferred or abandoned. The result is a loss of more jobs. For every $10 billion of deficit it means almost 3 million jobs that will not come into being or will be destroyed.

If the companies have to find the money to operate by slashing dividends on stock, retired union members on pension are hurt. Large shares of union retirement funds consist of ownership of stock in companies from which dividends are expected in order to pay retirement benefits to retired union members. If those dividends are not coming in because dividends have been cut to pay more taxes, the pension funds have to then sell off a part of the pension assets—stock in companies—at great losses when stock values are depressed, as they are today. This would be jeopardizing the strength of those retirement plans.

Vast amounts of labor money are invested in the productive capacity of the American economy. For example, the UAW pension fund holds 552,733 shares of General Motors stock, as of December 31, 1974—an investment of about $23.2 million. One can assume that similar amounts are held in Ford, Chrysler, American Motors, and the other major manufacturing companies in which the UAW is organized. When dividends are drastically cut from these shares of stock, one can but imagine the impact on labor pension funds.

Public assistance efforts ought to be more concentrated on actual job training—training for jobs which really exist in the particular locale. It does no one any good to train a man or woman for a job which does not exist. We should create incentives for job creation in the private sector.

When bureaucrats in Washington decide what kinds of jobs people in Buffalo, Cheektowaga, Hamburg, et cetera, are to be trained for—rather than the people in that area deciding after a review of those own areas' job needs—it is not uncommon for a person to be trained for a job and given great hope only to have that job not available and his hopes dashed upon completion of training.

This is one of the major reasons why there were 800,000 jobs without applicants in the Nation last month. Our Buffalo area labor wants to work. They would take available jobs if they qualified for them, and that is often a product of available training. This is why I support a use of these funds for job training for jobs which exist.

It is a legitimate question to raise at this point: Do I have a better idea than what is now being proposed? Do I have a plan of action which would overcome our economic problems without this heavy reliance on Government controls and subsidies?

The answer is, "Yes."

And, the common objective of its components is assuring adequate investment capital to serve as the foundation for continued prosperity.

Adequate capital formation is needed to assure both jobs and a higher standard of living. And, there is not now an adequate formation of investment capital.

We need to support legislation, such as my Jobs Formation Act which would increase the amount of capital investment by reducing the confiscatory tax load on businesses both large and small and on individuals; which would stop the double taxation on dividends and ameliorate the harsh treatment of capital gains; and which would increase the asset depreciation range from 20 to 40.

These moves, plus giving tax incentives for more labor ownership of company stock, will do more to create jobs and increase productivity than all the "emergency full employment bills" proposed.

What is wrong is that we just are not reinvesting enough capital in our economy.

A tabulation of growth rates by the Organization for Economic Cooperation and Development of 20 advanced economies for 1960–70 put the United States in 18th place—third from the bottom in the amount of capital investment as a percentage of gross national product.

We anticipate a capital shortfall of $1.5 trillion—that is 1,500 times $1 billion—over the next 10 years in what it will take to assure continued growth in our prosperity—even to stay at the standard of living at which we now find ourselves—to avoid sliding even further backward. This shortfall means we will be underinvesting $400 million each and every day for a full decade.

These startling figures are why I believe the highest priority of our economy should lie in the nurture and stimulation of capital formation—for corporations, for small businesses, for farmers—because everything the American people want and need grows out of that capital formation.

What could happen in this country if we do meet this challenge is so encouraging that every Member of Congress ought to be working every day to assure it. Assume that we meet this challenge and invest sufficient capital to sustain a 52-percent real growth rate.

First. A 50-percent decline in the number of people living in poverty.

Second, A total of 20 million more jobs for Americans.

Third. An increase in median family income of 73 percent, based in constant, not inflated dollars.

And, fourth, 35 million more housing units—up 53 percent from 1970, leaving only 5 percent of total housing substandard.

That level of capital formation would, therefore, assure both jobs and a profoundly higher standards of living—in real, not inflated dollars. And, it would happen without dependency on costly Government programs—costs which would take ever-increasing withholding from the paychecks of the labor force while at the same time waging war, a real war against poverty in America.

This is the direction in which we should be going. I am committed to it, and I think there is a rapidly growing commitment to it by the rank and file of labor and its local leadership too.

American labor provided the hands which helped to make this country the greatest, strongest, and freest industrial nation on the face of the Earth.

I, for one, do not believe that our labor force is now willing to sit back and watch the collapse of our industrial strength and other nations move out ahead of us because we allowed our senses of the value of work and the importance of prosperity to succumb to the ideas of those other people who think government is the answer to each and every problem.

It is time to give our mighty labor force a greater stake in the prosperity and the productivity of America.

THE MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New York (Mr. Fish) is recognized for 10 minutes.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Badillo).

Mr. BADILLO. Mr. Speaker, clearly the action of this body today in authorizing assistance for the evacuation of Vietnamese and other foreign nationals and the recent order of the Attorney General authorizing the parole into the United States of large numbers of Vietnamese people, makes it imperative that the Congress now consider legislation to assist the refugees in resettlement.

I had previously discussed this question during the general debate on the bill that was approved early this morning and prepared to offer an amendment to the bill before the House, but the Parliamentarian ruled it out of order. However, I wish to call attention to the fact that legislation of this nature is mandatory if our Government is to provide, as it properly should, necessary assistance to the people involved. At the present time there is no authorization for the expenditure of funds for this purpose.

Mr. Speaker, I have discussed this problem with the staff of the Committee on the Judiciary. I have discussed it with my colleague from New York (Mr. Fish), and we have today introduced legislation which authorizes the United States to provide assistance to, or on behalf of, the thousands of refugees from Vietnam and Cambodia who will be arriving in our country in the very near future. I hope that the Judiciary Committee will hold hearings on this legislation and report a bill for consideration by the House as soon as possible. Our bill, called the Migration and Refugee Assistance Act of 1975, is based upon the 1962 enactment of the Congress which was designed to render appropriate and similar assistance to many Cuban refugees admitted to our country at that time following Castro's takeover of the island's government.

That bill, the Migration and Refugee Assistance Act of 1962, provided that there were certain refugees in the Western Hemisphere who should be brought to the United States, "when the President determines that such assistance will contribute to the security or to the foreign policy of the United States." The act also provided for various resettlement assistance for those individuals.

The bill that we introduced today would authorize the President to provide assistance to, or on behalf of, Vietnamese and Cambodian refugees, for their resettlement in this country, including the provision of necessary assistance to any State or local public agency which provides services to these individuals, such as health, education, training, and employment services.

This was one of the points that came up during the debate on the bill approved this morning. The fact is that many State and local governments are having their own budgetary difficulties and simply do not have the resources to provide for their own citizens at the present time, to say nothing of those who might be brought in under the evacuation that is now taking place. The magnitude of this problem can be fully explored during hearings. The early estimates which have been made public provide a good indication of the need for this legislation.

In addition, this bill will provide for transportation and settlement expenses where such assistance is required.

Mr. Speaker, I want to thank my colleague, the distinguished gentleman from New York (Mr. Fish), for his cooperation in developing this bill and for having yielded to me.

At the present time, Mr. Speaker, I would like to have the bill included as part of the extension of our remarks.

The bill referred to follows:

H.R. 6381

A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Migration and Refugee Assistance Act of 1975."

Sec. 2. There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

(1) for assistance to or in behalf of refugees in the United States whenever the President shall determine that such assistance would be in the interest of the United States: *Provided*, That the term "refugees" as herein used means aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return thereto because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life;

(2) for assistance to State or local public agencies providing services for substantial numbers of individuals who meet the requirements of subparagraph (1) (other than clause (C) thereof) for (A) health services and educational services to such individuals, and (B) special training for employment and services related thereto;

(3) for transportation to, and resettlement in, other areas of the United States of individuals who meet the requirements of subparagraph (1) (other than clause (C) thereof) and who, having regard for their income and other resources, need assistance in obtaining such services; and

(4) for establishment and maintenance of projects for employment of refresher professional training of individuals who meet the requirements of subparagraph (1) (other than clause (C) thereof) and, who, having regard for their income and resources, need such employment or need assistance in obtaining such retraining.

Sec. 3. The President shall keep the appropriate committees of Congress currently informed of the use of funds and the exercise of functions authorized in this Act.

Mr. FISH. Mr. Speaker, I am pleased to cosponsor with Mr. Badillo the Migration and Refugee Assistance Act of 1975. This legislation will offer some hope to the Vietnamese evacuees and somewhat polish our tarnished foreign policy image. I urge my colleagues to support this bill.

What was said in the course of the debate on H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act, will be in a few days little more than rhetoric. Current reports on the military situation in Vietnam supplied the Committee on the Judiciary by Government officials and the urgency of the requests by the Attorney General for the parole of certain Cambodian and Vietnamese evacuees into the United States cause one to sadly conclude that the end has come to the Government of South Vietnam.

It may well be a matter of days if not hours that the evacuation of additional persons other than U.S. citizens will become an impossibility. This legislation that my colleague from New York and I are introducing will demonstrate that once again the United States has offered asylum and resettlement opportunities for the oppressed, the destitute, and the homeless.

This bill is patterned after certain sections of the Migration and Refugee Assistance Act of 1962. That act provided the authorization for the appropriations of funds to assist those Cuban refugees who fled to the United States. The Migration and Refugee Assistance Act of 1975, like the 1962 legislation, would provide assistance to or on behalf of refugees who flee Cambodia and South Vietnam because of persecution or fear of persecution on account of race, religion, or political opinion. Specifically, it provides assistance to State and local public agencies for providing services to such refugees including health services, education, and special training for employment as well as assistance for transportation to and resettlement in the United States. It would also provide for the establishment and maintenance of projects for employment, refresher professional training so that the refugees may become self-sufficient.

The United States, consistent with the traditional humanitarian regard of the American people for the individual and for his right to a life of dignity and self-fulfillment, should continue to express in a practical way its concern and friendship for individuals in free world countries abroad who are uprooted and unsettled as the result of political conditions or military action.

The successful reestablishment of refugees, who for political, racial, religious or other reasons are unable or unwilling to return to their country of origin or of nationality under conditions of freedom, dignity, and self-respect, is importantly related to free world political objectives. These objectives are: First, continuation of the provision of asylum and friendly assistance to the oppressed and persecuted; second, the extension of hope and encouragement to the victims of communism and other forms of despotism, and the promotion of faith among the captive populations in the purposes and processes of freedom and democracy; and third, the exemplification by free citizens of free countries, through actions and sacrifices, of the fundamental humanitarianism which constitutes the basic difference between free and captive societies.

The Attorney General has already exercised his discretion and has announced he will authorize parole for certain Vietnamese relatives of U.S. citizens and residents. Assuming the Vietnamese relatives can leave Vietnam—and many have already done so—what are we going to do with them when they do come to the United States? This question has been asked time and time again over the last few days. To the best of my information, there is insufficient authority for ap-

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propriations to offer care and maintenance and other assistance to the Cambodian and Vietnamese refugees who make their way to the United States. I have been informed that various voluntary agencies are prepared to resettle these refugees but have insufficient funds available to really meet the challenge. The request to the Federal Government for financial assistance has already started.

Although the possibility is bleak, we can not totally discount a possible truce or armistice in Vietnam and also the possibility that at some time many Vietnamese will be given the opportunity to leave that country by the conquering North Vietnamese Government. This could create a situation similar to the exodus of Cubans from the Castro regime. This prospect is certainly a preferable alternative to a bloodbath. Therefore, would it not be well to have legislation that would enable the development of long-range plans to assist those who do come to the United States? In other words, this bill is forward-looking and anticipates the demands that may eventually be made on our Government for resettlement funds and I urge the adoption of this legislation.

CONSUMER PRICE INDEX NEEDS ANNUAL UPDATE

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, as chairman of the Subcommittee on Consumer Affairs, I see many areas where tools that could be of great value to the consumer never see their full promise because of outdated information or mismanagement. I think one of the greatest wastes of time and energy I have seen in this area is the Consumer Price Index.

Here we have what is supposed to be a monthly report on consumer price movements. It is unfortunate that the listings of goods and services that make up the index have not been updated for 13 years. Think of the great changes that have taken place in the American way of life in the last decade and you will realize how greatly inadequate are the listings of the index.

For example, the great increase in the number of leisure travel and recreational vehicles is not even touched. The changes in American eating habits are ignored, with the thousands of convenience food items available in supermarkets today represented by a few unrelated items: Two kinds of canned soup, bean and chicken; canned spaghetti; two types of potatoes, instant and french fried; baby foods; sweet pickle relish and pretzels. Can the multimillion-dollar cosmetics industry really be represented by a few items, some no longer even popular?

Even though the Index is being updated now, and I repeat, for the first time in 13 years, the new version will not even be available until 1977. By then, many of the new listings could be outdated again.

I have written to Mr. Julius Shisken, Commissioner of the Bureau of Labor Statistics, U.S. Department of Labor, expressing my views that the Consumer Price Index be updated and made a viable tool for consumers. I shall include a copy of that letter in the Record.

If the Index were updated annually, it would provide us with a method of comparing current trends and changes in our society because it would be providing us with a current economic picture.

The letter follows:

April 22, 1975.

Mr. Julius Shisken,
Commissioner, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C.

Dear Mr. Shisken: It has recently come to my attention that the Consumer Price Index, the so called "market basket report" is both inadequate and outdated. Even though it is in the process of being updated for the first time in thirteen years, it is still far from being a useful tool to the consumer.

In examining this important measure of the fluctuations of our across-the-board living costs, I see that major items, many of which reflect the great changes which have taken place in American life in recent years are not even reflected in the Index. For example, the vast growth we have experienced in the areas of leisure time, travel and education are hardly touched on. The thousands of convenience food items available in supermarkets are summed up by: two kinds of canned soup, bean and chicken; canned spaghetti; two types of potatoes, instant and french fried; baby foods; sweet pickle relish and pretzels. Where are the true representatives of the thousands of convenience food items used every day? Can the multi-million dollar cosmetics industry really be adequately represented by face powder and deodorant alone?

The updated Consumer Price Index will not be available until 1977. Until then we are forced to work with an anacronism. We are trying to fit our 1970's life style into a 1960's frame, an effort which leaves us, at best, with a distorted image.

At this time I would like to add my voice to those calling for a change. Why, for example, can't the Index be updated annually? This would give us a year to compare the trends and changes in our society and still provide us with an up to date economic picture.

The Consumer Price Index could and should be a valuable tool to today's consumer. I think the time has come to take definite action to make it one.

Sincerely,

Frank Annunzio,
Chairman.

OUR COLLEAGUE, ED JONES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Fulton) is recognized for 5 minutes.

Mr. FULTON. Mr. Speaker, those of us who have been privileged to be elected to this body and returned have our own formula for what one might call "success." Therefore I was most interested to read recently the assessment by Columnist John Parish of the Jackson, Tenn., Sun, for the tremendous growth, development and public acceptance for my distinguished and warmly regarded colleague from Tennessee's Seventh Congressional District, Mr. Jones.

Mr. Parish's article is a tribute to an outstanding legislater and a wonderful human being. I place the column in the Record at this point and commend it to the attention of my colleagues:

[From the Jackson (Tenn.) Sun, Apr. 21, 1975]

Lawmakers Challenged

(By Associate Editor John Parish)

Congressman Ed Jones celebrated his 63rd birthday yesterday, but he isn't giving any thought to retiring from public life.

Jones is constantly being approached by politicians who have their eye on his congressional seat but are wary of taking him on in an election. Some of them offer to put off running "this time" if he will give them advance information when he gets ready to leave the Washintgon scene for the more peaceful life in Yorkville.

In the first place, says Jones, he wouldn't be interested in making such a deal. And in the second place, he just isn't thinking about retirement.

As a fourth termer, Jones is in a seniority position that gives him and his district some standing in the leadership of the House. He is chairman of a subcommittee and is respected by his colleagues in Congress.

After beating both an independent and a Republican in his first race, Jones has won successive terms as an unopposed candidate, over Republican opposition and in a Democratic primary. Each margin of victory has been 2–1 or better, and the Yorkville Democrat shows no sign of losing any of his popularity with the 7th District voters.

A moderate who avoids politically partisan issues, Congressman Jones stands in with Republicans as well as Democrats and is highly acceptable to the indepndent voters who hold the balance of power in his district. He seems to emerge from each challenge a little stronger than before the election.

Probably one reason for his increasing political strength is the treatment that he has given to his former political opponents.

In his first race, Jones won in a special election over Republican Leonard Dunavant of Millington and American Party candidate Bill Jim Davis, both now in the state Senate. He now enjoys a good relationship with these former opponents, and they don't miss any opportunity to say something good about the character of the man who defeated them.

In 1972, Jones swamped Republican Stockton Adkins of Union City at a time when other Democratic candidates were taking their lumps. There was one incident in the campaign that could have caused the congressman to have nursed some grudge after the election.

Instead, Jones has been one of Adkins' strongest backers in trying to find him a job with the U.S. Department of Agriculture. And he'll probably be successful if he can get some of the Republicans to quit opposing it.

Last summer, Jones won his fourth term in a primary match with Dr. Wayne Brown, assistant to the president at Union University. He could have been upset after the election about some of the things Brown had said about his financial support from the dairy industry.

As it turned out, Jones later found himself in a position of giving his blessings to the naming of Dr. Brown as the executive director of the Tennessee Higher Education Commission. That is not to say that he wouldn't have been named over Jones' opposition, but it did make it easier for those who were making the decision.

The charitable attitude toward his political foes comes naturally for Congressman Jones. He likes people and dislikes dirty politics.

The congressman has kept out of backroom dealings for changing the boundaries of the three West Tennessee districts. He's not asking the legislature to gerrymander him a district that will guarantee his reelection, and he feels assured that he will be treated fairly when the new district lines are drawn.

The most obvious aspirant to the 7th District seat is Rep. Larry Bates, D-Martin, who makes no secret about his ambitions to become a congressman. Bates is just 30 years old and feels that he can wait a little while if Jones is thinking about retirement.

In Bates' case, it may help his chances to wait. He needs time for the voters to forget his controversial bill that called for the sterilization of welfare mothers.

Reps. Roger Murray Jr., D-Jackson, and Frank Yashlee, D-Camden, may have some interest in the 7th District congressional seat but not likely to challenge Jones. Others thought to have some degree of interest in the office are Jackson Mayor Bob Conger and Trenton attorney Robert Kinton.

Congressman Jones probably would find it better if he had no opposition when he runs for a fifth term. But he's not offering any deals of inside information on retirement plans in exchange for a free ride.

He just doesn't have any retirement plans, and he hopes that the voters don't either.

RAILROAD IMPROVEMENT ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Adams) is recognized for 10 minutes.

Mr. ADAMS. Mr. Speaker, I am introducing today the Railroad Improvement Act of 1975. This bill combines a program of financial assistance in the form of loan guarantees for railroads with regulatory reforms which will give railroads greater flexibility in setting rates and insure that railroad rates pay the actual costs of moving the traffic.

In addition to railroad loan guarantees of up to $2 billion, the bill calls on the Secretary of Transportation to assist the industry in developing a national rolling stock management information system. While the recession has temporarily cured the chronic boxcar shortage, as soon as the economy revives, that problem will return. I am convinced that the boxcar shortages of the past have been created as much by inefficient utilization of equipment as by an actual shortage.

The use of advanced computer and communication techniques, combined with guaranteed loans for the purchase or lease of rolling stock, can, at long last, bring about a solution to the boxcar problem which has plagued shippers for so many years. The Secretary would also be called upon to conduct a study of the potential benefits of railroad electrification for high density rail lines and report to the Congress within 6 months. Several of the large railroads have already, on their own initiative, done electrification studies. As the cost of diesel fuel will no doubt continue to increase, I think it is time that we develop the national policy to encourage electrification of railroad main lines. In addition, electrification would increase efficient use of the equipment and would reduce the maintenance costs for railroad motive power.

Title II of the bill would prohibit discriminatory State taxation and would require that rail transportation be taxed on the same basis as any other industry.

Title III, which amends the ratemaking provisions of the Interstate Commerce Act, would require the Commission to bring all railroad rates up to at least variable costs; would modify standards for the determination of what adequate revenue levels were; and would allow railroads to increase rates by 7 percent without suspension of the rates by the ICC. This title also includes the so-called "Big John" provision, which would assure a carrier or a shipper, who had made a total capital investment of more than $1 million, that a rate based on that investment would remain in effect for three years.

Title IV, dealing with rate bureaus, would require any rate bureau to make a decision within 120 days on any rate rule or charge filed with it. It would also prohibit rate bureaus from voting on single line rates.

Other titles of the bill direct the Commission to establish, within one year, a uniform cost accounting system for railroads; authorize the independent submission of the ICC budget to the Congress; and modify the abandonment provisions of the Interstate Commerce Act so as to overturn the ICC's arbitrary 34-carload rule.

Mr. Speaker, this bill, insofar as it affects railroads, is similar to the provisions of the Surface Transportation Act, which was overwhelmingly passed by the House on December 10, 1974, by a vote of 377 to 15. As a result of the change in committee jurisdictions, it is no longer possible for the Interstate and Foreign Commerce Committee to consider a transportation bill dealing with all modes. I think that this is an unfortunate situation, as it is clear to me that we cannot change the rules of the game for the railroads without being mindful of the effect these changes will have on the other competitive transportation modes.

However, railroads need to be helped first, and so this bill concentrates on railroads. I have taken into account, however, the possible effect on other modes by changing the rate flexibility provisions of this bill so as to meet some of the objections raised last year that allowing railroads to decrease the rates 7 percent without suspension by the ICC might encourage predatory pricing policies directed against other modes.

Therefore, under the present bill, the ICC would be barred from suspending a 7 percent increase on the ground that it executed a just and reasonable level, but could still suspend a proposed decrease. There is a practical reason for making this modification. I think the fear of predatory pricing in today's economy is mainly theoretical, because the realities of our present inflationary situation are such that the railroads will need additional rate increases to cope with inflation.

Furthermore, it does not make sense with the one hand to give the railroads financial assistance and with the other to allow them to decrease rates. However I want to be certain that the financial assistance would not be subsidizing uneconomical and anticompetitive rates and thus be used to injure the other modes.

In conclusion, I would say to my colleagues that my reason for reintroducing this legislation is that it has already been carefully studied by the Commerce Committee over the past 4 years and its major provisions have already been passed by the House. But, given the drastic effect that the recession has had on the railroad industry, I fear that even this program of loan guarantees may be too little, too late. A loan guarantee only lowers the effective interest rate, and there are many railroads in such poor financial condition that they cannot even benefit from this program. I know that the Transportation Subcommittee in June will begin hearings on a broad range of legislation, from which we will attempt to develop a long-range solution to the financial problems of our railroad system.

In considering this problem we may have to broaden the financial assistance provisions of this bill. We will also have before us later this year the final system plan of the USRA for the rehabilitation of a healthy rail network in the Northeast. I think we must look toward developing a long-range program of loan guarantees and perhaps direct financial assistance from a unified transportation trust fund or possible public ownership of rights-of-way of the bankrupt railroads, as has been suggested as a possible alternative by the USRA.

The bankruptcy of the Rock Island has made it clear that the financial crisis of the railroads is not limited to the Northeast and that it is a national, not regional, problem. I am glad that Chairman Fred Rooney of the Transportation Subcommittee has made solving the railroad problem a top item on the agenda of the subcommittee. I look forward to working with him in framing legislation which will receive and maintain our vital transportation system.

THE APPOINTMENT OF HATHAWAY—PART II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Fithian) is recognized for 5 minutes.

Mr. FITHIAN. Mr. Speaker, I recently received an in-depth analysis of former Gov. Stanley K. Hathaway's environmental record from 1966 to 1974. This letter and supporting documents were sent to me by Mr. David Egolf, a Wyoming resident temporarily living in the northwest of Indiana. Yesterday, I placed Mr. Egolf's letter in the Record and today I am pleased to insert the documents that he forwarded. These four documents are as follows:

Stan Won't Argue Welfare

(By Russ Fawcett)

Cody.—The governor is not going to argue the welfare of Wyoming with an out-of-state resident.

Gov. Stan Hathaway made the comment concerning charges Saturday by an environmentalist at Laramie.

Bart Koehler, executive director of the Wyoming Outdoor Council, objected to a statement by Hathaway at a recent meeting in Casper and accused the governor of "selling-out" Wyoming during his last days as governor.

Koehler referred specifically to a statement by Hathaway at the recent geologists convention in Casper.

The governor said, "Wyoming is in a state of economic boom, but the environment will be protected."

"The environment appears to be an afterthought with Mr. Hathaway," Koehler said.

Asked about the comment, Hathaway said "this is a campaign."

"I am not running for election, and I am not going to be able to answer everyone that has something to say," said Hathaway, who was reelected to his second term four years ago by the largest majority of any governor in Wyoming history.

Hathaway did not comment specifically on the statement by Koehler, but said he had already answered earlier statements Koehler made about the proposed Missouri Basin Power Project at Wheatland.

"Having lived in that area all my life, Hathaway said, "I think I might have a little better idea of what's good for that area than he does."

"The $700 million investment will be a tremendous help to the two counties . . ." he added.

And the project is not going to spoil the air, he added. Nor will it pollute the water. And operation of the plant will add only 200 people to the area population, he concluded.

"I am not going to argue with a resident from out of state," Hathaway said.

Koehler came to Wyoming just prior to the 1971 budget session of the legislature to work as a paid lobbyist for the Outdoor Council.

He became a paid executive for the organization after the close of the session. Previously he had been a paid executive for the National Wilderness Society in Denver.

Hathaway said, "He has the option to sit on the sidelines and throw darts."

"Maybe I'll be able to do that again someday," said the governor, who has chosen to return to private life rather than seek reelection this November.

[From High Country News, Apr. 11, 1975]

HATHAWAY

STRIP MINING

Hathaway claims a good deal or credit for the Open Cut Reclamation Act of 1969—a bill that he says demonstrates his administration's environmental concern. In 1970 he said Wyoming "currently is the only western mining state with an act that requires restoration of land disturbed by mining activity." (HIGH COUNTRY NEWS, 10–23–70)

State Rep. John Turner (R-Teton County) criticized the act in 1971 saying, "Our present reclamation act is a model law only if you compare it with no law at all. It may well be the worst law in the country."

Turner said that during the legislative session a state official in "an important position had the gall to ask me not to introduce the added reclamation provisions (to the reclamation act) because it would make industry mad." (Casper Star-Tribune, 5–5–71)

Montana Lt. Gov. Bill Christiansen said Wyoming's reclamation laws may have been on the books before Montana's, "but they're not as strong." (MISSOULIAN, 4–2–75)

Speaking in Cheyenne in January 1972, Hathaway defended the strip mining saying, "Fortunately, the prime mineral areas of the state are not in recreation areas. With few exceptions they are in the arid areas of the state where it does not, in my opinion, create environmental hazards." (Casper Star-Tribune, 1–26–72)

In June 1974 Hathaway appeared at a federal hearing in Cheyenne on the draft environmental impact statement on the development of coal resources in the eastern Powder River Basin. Hathaway disagreed with federal wildlife authorities who had written that the mining operations would be detrimental to the antelope in the area saying, "I visited the Amax Mine the other night, and the antelope didn't seem to be bothered at all by the activity there . . . it doesn't seem to me that there's any real threat to the antelope population." (Hearing record, 6–24–74)

PUBLIC LANDS

Hathaway has come out in favor of selling federal public lands to private commercial interests. In March 1972 when speaking at Western Wyoming College in Rock Springs, Hathaway said he sometimes thinks there are two governors in the state—himself and the Secretary of the Interior. Each decision the secretary makes concerning federal lands in Wyoming has a dramatic effect since 50% of the state's surface is federal land, he said. When some federal lands can be used by private enterprise for development of recreation or agriculture, Hathaway advocated considering selling the property. (Casper Star-Tribune, 3–4–72)

PREDATOR CONTROL

In 1972, Hathaway urged other Rocky Mountain governors to help get the federal government out of the predator control business within three years. At that time he favored giving total control powers to the individual states. Hathaway said if coyotes weren't controlled, sheepmen would be put out of business and game herds would be damaged.

Hathaway said he had a bumper sticker which read, "Eat lamb, 20,000 coyotes can't be wrong." (Casper Star-Tribune, 10–19–72).

When President Richard Nixon banned the use of predator poisons on federal lands, Wyoming's assistant agriculture commissioner testified on behalf of Gov. Hathaway that the ban should be lifted. The 1972 ban was instituted because of severe abuses with poisons—many of which occurred in Wyoming. Interior hoped to use the moratorium period as a time to do research into other means of predator control.

In 1974 the state of Wyoming joined the Wyoming Woolgrowers Association in filing a lawsuit to overturn the ban. The suit is still pending. (Los Angeles Times, 4–4–75).

COAL LEASING

In June 1969 Hathaway said he was concerned because no coal leases had been issued by the U.S. government on its lands in Wyoming for the past 13 months although there were companies who were seeking such leases. (Wyoming State Tribune, 6–19–69)

State coal leasing skyrocketed under Hathaway. On Sept. 30, 1965, during Hathaway's first year in office there were 679,557 acres of state coal leases. On Jan. 1, 1975, when he left office, there were 1,862,000 acres leased. Bert King, state land commissioner, said that by January 1975 virtually all state lands with a potential for coal were under lease.

"While the Department of Interior had wisely imposed a moratorium on the leasing of federal coal, Governor Hathaway charged forth and leased every ounce of coal owned by the state of Wyoming," said Rep. Morris Udall (D-Ariz.). (Denver Post, 4–6–75)

TETON JETPORT

Hathaway was one of the leading advocates of establishing a jetport within the boundaries of Grand Teton National Park. When the Park Service prepared an environmental impact statement highly critical of the plan, Hathaway's statement at the public hearing lambasted the authors. "There are few words devoted to the safety of people flying in and out of Jackson Hole, and entire pages are devoted to the disruption of the sage grouse and the visual intrusion caused by aircraft 'spoiling' a once-in-a-lifetime-view of the Tetons," his statement said. "There are those individuals in society who would junk all modern methods of transportation, including cars and planes, and return to a society which relied on the horse and buggy for its transportation needs. This is unrealistic and ignores society's quest to always go forward, rather than backward." (Hearing record, 9–11–73)

WILDERNESS

"We could turn my whole state into a wilderness area, but somebody has to make a living there," Hathaway told the Western Governors' Conference in July 1969. (DENVER POST, 7–69)

Hathaway's criticism of more wilderness, as explained in a July 23, 1973, letter to U.S. Forest Service, was that "the expansion of wilderness areas in a state which already has vast acreages dedicated to wilderness and primitive area preservation, restricts the use of these lands to a tiny fraction of the public. . . . Wilderness areas remain only for the vigorous and strong, the adventurous and intrepid citizens. . . ."

He also opposed wilderness in established national parks. Testifying against wilderness in Grand Teton National Park, he said he didn't understand why the Park Service wanted wilderness "when it now had the management tools to keep the area unspoiled."

LAND USE

To his credit, Hathaway salvaged a near dead Land Use Study Commission bill in the 1973 session. Two years later, in 1975, the legislature passed a land use planning act that requires counties to start planning. Wyoming Gov. Ed Herschler praised Hathaway saying, "He picked a very fine commission to study land use planning so it was ready for me when I took over in January." (HIGH COUNTRY NEWS interview, 4–2–75)

Like many westerners, Hathaway distrusts federal land use control. Hathaway was back in Washington in the spring of 1973 testifying for extended deadlines and less federal control in the land use bill. Hathaway told the Senate Interior Committee that a timetable for imposition of the law should be set back five years and that sanctions against non-complying states should be dropped. He said the national law should set out only a "broad policy" with "maximum flexibility" to allow the states to respond to their individual problems.

Rep. Morris Udall (D-Ariz.) has charged that Hathaway falsely represented the position of the National Governors' Conference at a key point during the 1974 debate of the federal land use planning bill. Udall said the conference actually urged "action on the very bill reported by the (Interior) committee," but Hathaway, on the eve of the House debate, "sent a carefully-worded telegram falsely implying that the Governors' conference opposed such action." Udall said, "This well-placed monkey wrench helped Nixon's scheme to defeat the land use bill." (Denver Post, 4–6–75)

EAGLES

In 1967, 1968, and 1969, Hathaway sought and obtained federal "golden eagle blanket depredation permits" enabling Wyoming sheep ranchers to shoot eagles. In 1970, then-Secretary of Interior Walter Hickel halted the granting of permits saying eagle attacks on livestock "are not widespread and . . . do not threaten either the local economies or the livestock industry generally." Hickel also maintained that the bald eagle, the national bird, was in danger of extermination because it was being killed along with the golden eagle. An immature bald eagle is hard to distinguish from a golden eagle.

When Hickel refused to grant further permits, Hathaway sought to bring White House pressure on Interior, according to documents uncovered by the Los Angeles Times. Hickel refused to yield to Hathaway's pressure. (Los Angeles Times, 4–4–75).

WATER DEVELOPMENT

In 1971, Hathaway authored a bill, SF 124, that set up state procedures to dam the wild and scenic upper Green River and condemn parkland, public lands, and private lands in the process. The plan was to take water from the Green River, (Colorado River Basin) into the Great Divide Basin, and then into the Platte River (Missouri Basin). The bill was killed (High Country News, 2–5–71)

Tom Stroock, Republican state chairman and a former state senator, told the High Country News that when Hathaway first came into office he wanted Kendall dam on the upper Green River "so bad he could taste it." By the end of his term, Stroock claims Hathaway privately came about to a point where "you couldn't have put Kendall dam in over his dead body." Hathaway never publicly opposed any of the dams on the Green. (High Country News interview, 4–8–75)

Hathaway advocated construction of the China Meadows Dam in southwestern Wyoming. When told, in May 1973, that other states objected to the project because it would contribute to the salinity of the Colorado River, he replied that the river's water originates in Wyoming where it is "clear and pure and not contaminated by erosion or sediment." He said any salinity contributed by the project to the Colorado would be minimal. (Billings Gazette, 5–31–73)

Photo of the upper Green River at Big Bend by Randy Wagner.

CLEAN AIR

In 1967 the Wyoming Air Quality Act was passed. It wasn't a strong act; it was a timid first step. The act set up a Wyoming Air Resources Council which was charged with adopting standards.

In 1970, when the Wyoming Air Resources Council was adopting air quality standards, Hathaway unsuccessfully sought to weaken the regulations. He asked for two escape clauses, proposed as sections 14 and 15, which would have allowed variances for new industries siting in Wyoming. The proposed section 14 would have allowed variances from adopted standards to new industries when such variances would be "necessary to the economic and social development of the state." Section 15 would have allowed variances from adopted standards for areas of low population. Both sections were not adopted. (High Country News, 1–16–70)

In 1972 the federal Environmental Protection Agency took over the protection of clean air in Wyoming because the state standards did not meet the minimum federal standards set forth in the Clean Air Act of 1970. (Billings Gazette, 9–27–72)

In 1973 the Wyoming Environmental Quality Act called on the newly-formed air quality division to set air pollution standards. In December 1974 the division proposed tough sulfur dioxide air pollution controls that were passed in early 1975 by the Hathaway-appointed Environmental Quality Council. These sulfur regulations are among the best in the nation. (High Country News, 2–28–75)

WYOMING EXECUTIVE DEPARTMENT,
Cheyenne, December 10, 1971.

DEAR ——: Thank you for your letter of December 1, 1971.

I am not aware of any planned nuclear test blasts by the AEC for Wyoming. I am confident that if the AEC plans such action that it will take the necessary precautions to protect the health and safety of Wyoming citizens and our environment.

Sincerely,

STAN HATHAWAY.

VISION OF BIG JETS, NOISE SPLIT JACKSON

JACKSON HOLE, WYO.—Against a backdrop of soaring mountain peaks, meandering rivers and exquisite wilderness lakes, the people of this historic valley are engaged in a bitter battle over community values—and the future of Grand Teton National Park.

Seeking to give the region's tourism-based economy a push, local business and political leaders want to expand an airport in the nearby park—it is the country's only commercial airport located within a national park—so it can accommodate jet airliners. Congress appropriated $2.1 million for the project last December after several years of lobbying by local interests.

But environmentalists and many townspeople are fighting the plan fiercely, contending that the presence of jet planes in the park—especially the noise of jets echoing across this placid valley toward the Grand Teton Mountains—would destroy much of the wilderness serenity that visitors seek.

The local dispute is growing into a national cause for conservationists and has confronted federal policymakers with a classic collision of organized environmental and economic interests—the former trying to preserve what they regard as precious national esthetic resources, the latter fighting for what they regard as a rational economic exploitation of these resources.

The furor over 600-mile-an-hour jet airliners is occurring in an unlikely setting, a valley where, 150 years ago, pioneer mountain men and fur trappers explored, hunted and traded, where later cattle and sheep men waged bloody feuds over grazing rights in the fertile valley, but eventually turned the frontier outpost of saloons and brothels into a town.

In more recent times, tourists have been drawn here by the spectacular beauty of the Grand Tetons, a phalanx of jagged, rocky peaks that rise abruptly from meadows and lakes and jut 13,000 feet into the sky, and the proximity of Yellowstone National Park a few miles north.

The Teton mountain range was designated a national park in 1929. In 1950, much of the adjacent Jackson Hole Valley was absorbed in the park, most of it donated by the late John D. Rockefeller Jr., who had begun buying up the land in 1926 to keep it from being exploited commercially.

These days, the hamlet of Jackson, once a gathering place for frontiersmen, trappers, traders and cowboys, shows the effects of a tourism boom that often stuns people who visited it as recently as a decade ago.

Although the community still retains a good deal of its western charm, parts of Jackson have acquired a kind of honky-tonk veneer, through a proliferation of souvenir shops, restaurants, art galleries and other tourist-oriented enterprises that often have a pseudo-Wild West decor.

A favorite topic of conversation among townspeople is the skyrocketing value of land—stories of acreage tripling in price in a two-year period are common. Outside of town, ranches are being chopped into two-acre parcels and sold to out-of-towners who want a piece of the West and a view of the Tetons. Town leaders, meanwhile, say they are worried about the capacity of Jackson's water and sewer system to support its surging population.

For a rural town in the West, Jackson's growth has been phenomenal. Its population rose 230 per cent between 1950 and 1970—to 3,200—while Wyoming's population as a whole increased only 0.7 per cent. Largely because of shopping by the growing number of tourists, retail sales in Jackson increased five times in the decade.

The town's population now numbers close to 3,500, and most of the people have taken strong stands on one side or the other in the airport controversy. The dispute is so bitter that many former friends on opposite sides have stopped talking.

And the owners of several motels in Jackson who favor the project have boycotted one company that runs raft trips for tourists on the nearby Snake river—the company relies largely on referrals from motels—because its two owners belong to an environmental group that opposes the project.

The issue is not whether or not commercial airliners should be permitted in the park. When the Rockefeller lands were added to the park in 1950, the National Park Service agreed reluctantly it said at the time—to permit Jackson's airport on the property to continue operating.

Denver-based Frontier Airlines, using turboprop, 50-passenger Convair-580's, currently makes 10 flights daily into the park from Salt Lake City, Denver and Billings, Mont. Its traffic into the park has risen dramatically in recent years. The majority of passengers are tourists from the East and West Coasts.

The airport's runway, which is 6,305 feet long, is too short for safe operations of loaded jet airlines in the thin, high altitude air here, although small private jets occasionally use the field.

Local businessmen have been trying since 1965 to persuade Washington to extend the runway to 8,000 feet or more, so Frontier could use 100-passenger Boeing-737 twin jets, their plan is to extend the runway 1,700 feet into the park over a flat, sagebrush-covered field in the direction of the Tetons.

The lobbying efforts were enthusiastically supported by Gov. Stanley K. Hathaway and Sen. Clifford P. Hanson, a Republican and lifelong resident here, and Sen. Gale W. McGee a Democrat.

The efforts paid off in December with passage of a congressional appropriation. It would finance installation of an electronic instrument landing system to guide pilots during low visibility weather and a new taxiway in addition to the runway extension.

Whether or not the runway is lengthened will be decided by the National Park Service, probably this winter. It has already said it opposes the plan advocated by many of the pro-airport-expansion forces—that is, extending the runway 1,700 feet to the north.

But it says it is willing to consider extending it to the south under a plan that would take 300 feet of park land, plus 1,400 feet of privately owned property. This plan would move jet traffic slightly further away from the heart of the park. Pro-expansion forces are fighting against this idea, largely because of stiff opposition from landowners whose property would be taken for the extension.

A spokesman in New York for Laurence S. Rockefeller, whose family is still influential in park affairs, and is a major resort operator in the park, said Rockefeller opposed extension of the runway to the north, but did not object to lengthening it to 8,000 feet if it went south.

THE 60TH ANNIVERSARY OF THE TURKISH GENOCIDE OF THE ARMENIANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BADILLO) is recognized for 5 minutes.

Mr. BADILLO. Mr. Speaker, today, April 24, we commemorate the 60th anniversary of one of the most tragic episodes in world history.

The Turkish genocide of three-fourths of the Armenian nation in 1915 shocks and appalls even the most hardened observer of history. It was on the evening of April 24, 1915, that the Turkish Government rounded up Armenian intellectuals, writers, artists, and officials and murdered them in cold blood. In the 3 years that followed, up to 2 million

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Armenian civilian men, women, and children had been annihilated with hideous and methodical regularity, constituting the first such international crime in modern history.

This sadistic and heinous act is not disputed by any nation in the world except by Turkey. Even today, the descendants of the perpetrators of one of the "most collosal crimes of all ages" still have not stood up and admitted to the world that it even took place. It is as if 2 million martyred victims never existed, many of whom lie under nameless mounds in far-distant deserts.

Internationally famous historians such as Lord James Bryce, Fridtjof Nansen, Arnold J. Toynbee, Herbert A. Gibbons, and the then American Ambassador to Turkey Henry Morgenthau described eyewitness accounts of such agonizing scenes as mothers flinging themselves with their infants into bloody seas to prevent capture, along with murder, mutilation, torture, rape, and mass deportations that turned out to be death caravans.

Mr. Speaker, I quote from Howard M. Sachar's revealing and authoritative book "The Emergence of the Middle East, 1914–1924":

> By any standards, this was surely the most unprecedented, indeed the most unimaginable racial annihilation, until then, in modern history. Nevertheless, apparently unconcerned by the enormity of their affront to civilization, the members of the Young Turk regime continued to view the "deportation" as nothing more than effective diplomacy, the realization that [Sultan] Abdul Hamid's injunction that "the best way to finish with the Armenian Question is to finish with the Armenians. (Knopf, N.Y. 1969)

Historic account after historic account shows, without a doubt, that the Armenians were being persecuted for reasons no sane man can justify—because of their Christian beliefs, because of their intellectual, cultural, and commercial advancements, because of the ferocious nature of the Turkish Government and policies, and most of all for the same fanatic nationalism that Hitler employed in Germany—to eradicate any non-Turkish elements from the Ottoman Empire. What a sad testimony to world history that the first Christian nation on earth—a very brave and talented nation with a 3,000-year-old history—should suffer the first genocide of such abhorrent magnitude.

Mr. Speaker, the conscience of the world has never been stirred—a cloak of silence has been thrust over the "Armenian question." Encouraged by the indifference of the "civilized" nations, Hitler, in 1939, began his own genocide program by remarking, "Who talks nowadays of the extermination of the Armenians?"

Today, 60 years later, has the conscience of the world been awakened, and has Turkey changed its sadistic tactics? Has Turkey ever repented, punished its war criminals, made reparations to the Armenian people? Unlike Germany which acknowledged its guilt, and where punishment and reparations were meted out, Turkey has not even admitted to any wrongdoing, and the world has condoned this position by its silence. In 1975, the U.N. Human Rights Commission gave in to Turkey's demands to delete a reference to the massacre of the Armenians in a study on the question of genocide. And last year, Turkey in a massive invasion and occupation of Cyprus repeated its infamous history. Will the way to get rid of the Cyprus problem also be to get rid of the Cypriots?

The world stays mute and silent, but the indomitable spirit of the Armenians can never be extinguished. All over the world, in every country, the survivors of these brave and freedom-loving people have added to the cultural, intellectual, scientific, and commercial life of the communities in which they live. They came to these countries, including our very own, with only their skills, their talent, their determination, and their perseverance. They, with their descendants, have become among the most productive and distinguished Americans, many of whom we are proud to have reside in New York City.

Mr. Speaker, today, we look back and pay homage and tribute to these innocent victims. In honoring their memory, we also draw inspiration and courage from their bravery and noble sacrifice, and look into the future with hope and faith that justice be done, that the conscience of the world never again ignore, never permit injustice and human suffering. A history of force must never repeat itself or there will be no great civilizations to endure and no future mankind to create them.

LOYALTY DAY IN CONNECTICUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, on May 4, we, in Connecticut, will celebrate Loyalty Day. This is a traditional annual celebration that began in Connecticut to demonstrate our pride and loyalty to our Nation.

This year, Brig. Gen. Thomas J. Ciccalone, retired, former Chief of Staff, Connecticut Air National Guard, will be honorary grand marshal of the 23d Annual Loyalty Day parade to be held in East Hartford, Conn. The parade is sponsored by the Department of Connecticut, Veterans of Foreign Wars, and will be hosted by the Rochambeau Elms Post, No. 2083, VFW, of East Hartford.

Fred T. Waring, general chairman, appointed Gov. Ella T. Grasso, Senator ABRAHAM A. RIBICOFF, Senator LOWELL P. WEICKER, Jr., myself, Mayor Richard H. Blackstone, and State Representative Richard W. Willard as honorary parade chairmen.

Loyalty Day was first conceived and sponsored solely by the Veterans of Foreign Wars to offset Communist May Day celebrations. It has since become a major event for all Americans to display love of the United States of America.

Our distinguished senior Senator from Connecticut, ABE RIBICOFF, made Connecticut the first State to make May 1 a formal and official day of loyalty when, as Governor, he formalized the event in 1955 through executive statement. Two years later, Connecticut adopted legislation designating May 1 as Loyalty Day and subsequently the Congress of the United States followed our example and made it a national event.

Connecticut now stages the largest single Loyalty Day celebration in the Nation and has won 19 first place national honors over the past 22 years. The other three programs placed second on a national level.

Parade Chairman William R. McMillan said that his committee has mailed invitations to more than 300 marching units and to more than 130 musical units. McMillan said as many as 15,000 persons could join the line of march.

East Hartford police, along with the Connecticut State Police and the Connecticut Military Department, are making elaborate plans to control the huge influx of cars and buses bringing in Loyalty Day marchers and the vast crowd of onlookers along the town's main street.

A lifelong resident of East Hartford, General Ciccalone served in the Pacific theater during World War II with the then U.S. Air Corps. He joined the Connecticut Air National Guard following his discharge in 1945 and was recalled to active duty during the Korean conflict and remained in the military until his retirement last year. A former chairman of the East Hartford Board of Education, General Ciccalone was also active in civic and fraternal affairs. Since his retirement, he has been living in Arizona while maintaining a summer home at the Connecticut shore.

I hope that all Americans throughout the United States will join with us in Connecticut in renewing our devotion to our Nation. The strains of the past generations must be allowed to heal. I am hopeful that with the end of the war in Southeast Asia, we can again find the sense of shared purpose that made our Nation great.

HOUSE RESOLUTION 400, RESOLUTION OF INQUIRY REQUESTING THE PRESIDENT TO PROVIDE TO THE HOUSE OF REPRESENTATIVES CERTAIN INFORMATION RESPECTING U.S. NATIONALS WHO ARE PRESENTLY IN SOUTH VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MORGAN) is recognized for 10 minutes.

Mr. MORGAN. Mr. Speaker, on April 24, 1975, the Committee on International Relations met in open session to consider House Resolution 400 which was introduced on April 16, 1975, by the Honorable ELIZABETH HOLTZMAN and the Honorable JOHN L. BURTON.

The committee adopted, without objection, a motion to lay the resolution on the table.

House Resolution 400 directs the President to provide the House of Representatives certain information respecting U.S. nationals who are presently in South Vietnam.

On April 17, 1975, the day when the resolution was referred to the committee, the chair forwarded it to the President requesting his prompt response. Replies were received from the White House

and Department of State on April 19 and 23, 1975, respectively.

The committee agreed that, given the critical circumstances in South Vietnam, the information provided in the executive branch reply appeared to be significantly responsive to the issues raised in House Resolution 400.

In addition, the committee noted that the resolution is drafted in such a manner as to cast doubt on its standing as a bona fide "privileged resolution of inquiry."

According to the Rules of the House of Representatives—paragraph 857—a resolution of inquiry may not be accorded privileged status if it requires an investigation.

In the case of House Resolution 400, the committee noted that the development of some of the information requested under item 3 of the resolution would require an investigation on the part of the President.

For example, item 3 requests the "types of work" engaged in by various U.S. nationals in South Vietnam, who are not U.S. Government employees.

Mr. Speaker, I am making this statement to apprise the House of what transpired in the Committee on International Relations on April 24, 1975, and to draw attention to the reasons which motivated the committee to table House Resolution 400.

At this point, I include in the RECORD the texts of House Resolution 400, my letter to the President, and the executive branch replies:

H. RES. 400

Resolved, That the President is directed to provide, not later than five days after the adoption of this resolution, to the House of Representatives the following information in the possession of the executive branch:

(1) the number of United States nationals presently in South Vietnam as employees of the United States Government, the agencies by which they are employed, and the activities in which they are engaged;

(2) the number of United States nationals presently in South Vietnam who work as or for United States Government contractors or subcontractors;

(3) the number of United States nationals presently in South Vietnam who are not employees of the United States Government, together with the types of work in which they are engaged, including nonprofit humanitarian relief activities, business ventures, and mercenary activities;

(4) the number of dependents of United States nationals, which dependents are presently in South Vietnam; and

(5) the reasons, to the extent known, for which persons in each category above have not been evacuated from South Vietnam.

This information shall be made available to each Member of the House of Representatives in accordance with procedures adopted by the Speaker to assure the confidentiality of any classified information.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., April 17, 1975.

Hon. GERALD R. FORD,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to request your comments on a resolution of inquiry which was introduced in the House on April 16, 1975, and referred to the Committee on International Relations.

Enclosed are two copies of the resolution, H. Res. 400, directing the President to provide to the House of Representatives certain information respecting U.S. nationals who are presently in South Vietnam.

As you know, the Committee must act on this resolution within seven (7) legislative days beginning today. Therefore, we will appreciate receiving your comments as soon as possible, but no later than Tuesday, April 22, 1975.

Sincerely,

——, ——,
Chairman.

THE WHITE HOUSE,
Washington, April 18, 1975.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Intergovernmental Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter and enclosures pertaining to the H. Res. 400, directing the President to provide to the House of Representatives certain information respecting U.S. nationals who are presently in South Viet Nam is appreciated.

With regard to this resolution of inquiry I am pleased to advise you that the Department of State has been instructed, effective today, to provide daily statistics on the number of Americans in Viet Nam and the progress of evacuation efforts to both the House Committee on International Relations and the Senate Foreign Relations Committee. As of today I am advised that the total number of Americans in South Viet Nam has been reduced to 3,582.

I am hopeful this information will be useful to the committee.

With kindest regards,
Sincerely yours,
MAX L. FRIEDERSDORF,
Assistant to the President.

DEPARTMENT OF STATE,
Washington, D.C., April 23, 1975.

Hon. THOMAS E. MORGAN,
Chairman, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Further to Mr. Max Friedersdorf's letter of April 18, I have been asked to respond to your kind letter to the President of April 17 transmitting H. Res. 400 which directs the President to provide to the House of Representatives information in respect to U.S. nationals who are presently in South Vietnam. As discussed with a member of your staff, we are presenting the information in the attached tabular form showing the data requested for the period of April 17 through 21.

With regard to Item 1 of the Resolution, the enormous demands imposed on our Saigon Embassy by the round-the-clock evacuation precludes our furnishing at this time an agency breakdown of U.S. Government employees and details of the activities in which they are engaged. Generally, the total includes personnel attached to agencies normally represented in a large diplomatic mission—i.e. the Department of State, the Agency for International Development, the Department of Defense, the United States Information Agency, the Central Intelligence Agency, etc. The activities of these personnel cover the normal range—i.e., political and economic reporting, management of economic and military aid and information programs, intelligence collection, and the like.

Concerning Item 3 of the Resolution, again the press of evacuation activities obviates our providing full details on the types of work in which private Americans are engaged in South Viet-Nam. There is a substantial community of private Americans there including representatives of commercial and banking firms, voluntary agencies, foundations, missionary organizations, the press, etc. We would emphasize that our tabulation of dependents (Item 4 of the Resolution) includes alien (Vietnamese) as well as American dependents of U.S. nationals. We of course have evacuation responsibility for both categories.

With regard to Item 5 of the Resolution, we would note that, between April 17 and 21, the American presence has been reduced almost 40 percent and that withdrawals are being made at an accelerated rate. The withdrawal rate is dependent on a number of factors—difficulties (which are now substantially resolved) related to the exit from Viet-Nam and entry into the United States of alien dependents, the effect of withdrawals on the stability of the situation in South Viet-Nam, the need to maintain sufficient numbers of employees and contractor personnel to perform essential Mission functions, and, with regard to the category of private Americans, the fact that the U.S. Government can urge but cannot order their departure.

I hope that the foregoing information will be useful to the Sponsors of the Resolution and to the House of Representatives.

Sincerely,
ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

TABULAR RESPONSE TO H. RES. 400

	April				
	17	18	19	20	21
USG employees	1,242	1,178	1,117	1,059	977
Contractor employees	1,027	970	935	807	582
Private U.S. citizens	814	586	566	583	375
Dependents (American and alien)	1,501	1,504	1,481	1,246	1,184
Total	4,584	4,238	4,099	3,695	3,118

LATEST PRESIDENTIAL IMPOUNDMENT OF HEW FUNDS CONFIRMS IMPORTANCE OF ENACTING H.R. 2434

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, earlier this year vital programs in medical research and other areas were jeopardized when President Ford proposed the rescission of more than $1 billion in appropriated HEW funds for fiscal year 1975. Although Congress eventually rejected the proposed cutbacks and the funds were released, these programs suffered chaos, paralysis, and uncertainty for several months while the President impounded funds pending congressional action on his proposed rescissions. According to the general counsel of the Office of Management and Budget, there was nothing which Congress could do during the 45-day period specified in the Impoundment Control Act to prevent the interruption of ongoing programs and the impoundment of appropriated funds.

Despite the overwhelming rejection of President Ford's proposed HEW rescissions submitted to the Congress on January 30, 1975, the President has recently renewed his efforts to undermine vital social programs through the impoundment of appropriated funds. On April 18, 1975, the President sent a special message to Congress enumerating four proposed HEW rescissions totalling $238.3 million. The President proposes to eliminate entirely the funding of training programs in nursing, public health, and allied health fields. He also proposes to halt Federal funding of new health

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teaching facilities including medical schools and nursing schools. Finally, the President proposes to curtail the construction of new community mental health centers.

If these proposed rescissions were approved by Congress, the quality of health care in the United States would suffer greatly. The termination of grants and traineeships to nursing schools and nursing students would force schools to cut back their enrollment and force many students to pass up nursing as a cereer due to the high cost of professional education. Approximately 1,100 of the Nation's 1,400 nurse training programs would be directly affected by the proposed rescission. It is incredible to me that the President could suggest the termination of nurse training assistance programs at a time when tuition is skyrocketing, the economy is beset by recession, and the American people suffer from a shortage of qualified health professionals.

The proposed rescission of funds for public health training, allied health fields training, and health teaching facilities construction would have a similarly disastrous effect. Approximately 17,000 trainees would lose Federal assistance as a result of this action. Many of them would have to leave school, giving up their goal of contributing to the health of the American people. Approximately 70 approved projects for the renovation or construction of medical schools, nursing schools, and other health teaching facilities would go unfunded if the President's proposal were approved.

According to the President's own figures, 66 community mental health centers proposed for construction will go unbuilt if his rescissions are approved. The CMHC program is a recent development, an innovative approach to the problem of integrating the mentally ill into community life. Now the President proposes to sharply cut back this program before it has had a chance to demonstrate its effectiveness.

There is little doubt in my own mind that Congress will eventually reject the President's proposed rescissions. On April 10, the Senate expressed its support of nurse training programs by passing the Nurse Training Act of 1975 by a vote of 77 to 14. Similar legislation has been reported out of the House Committee on Interstate and Foreign Commerce and will be on the House floor shortly. The Community Mental Health Centers Act was included in the Health Services Act passed overwhelmingly and then pocket vetoed by the President last December. I expect that Congress will reassert its support of that program in a new health services bill sometime in the near future. All of the proposed HEW rescissions contradict congressional intent that these vital programs be adequately funded, not cut back or eliminated.

A serious problem remains, however, with the impoundment of the funds proposed for rescission during the next 45 days. The administration has claimed the power to impound while a proposed rescission is pending before Congress. While I strongly disagree with that interpretation of the Impoundment Control Act, I recognize that section 1012(b) of the act is not clearly worded. I have introduced legislation (H.R. 2424) to resolve any ambiguity by specifically requiring that all funds proposed for rescission shall continue to be allotted unless and until Congress approves a proposed rescission. Sixty-five Members of the House have joined me to date in sponsoring this amendment to the Impoundment Control Act. A list of those cosponsors follows:

Sponsors of H.R. 2434

Bella Abzug of New York
Herman Badillo of New York
Jonathan Bingham of New York
Michael Blouin of Iowa
John Brademas of Indiana
George Brown of California
Yvonne Burke of California
Shirley Chisholm of New York
Cardiss Collins of Illinois
John Conyers of Michigan
James Corman of California
Dominick Daniels of New Jersey
Ronald Dellums of California
William Ford of Michigan
Mark Hannaford of California
Michael Harrington of Massachusetts
Augustus Hawkins of California
Henry Helstoski of New Jersey
Floyd Hicks of Washington
Elizabeth Holtzman of New York
John Jenrette of South Carolina
Edward Koch of New York
Martha Keys of Kansas
Mike McCormack of Washington
John McFall of California
Matthew McHugh of New York
Ron Delugo of the Virgin Islands
Charles Diggs of Michigan
Thomas Downey of New York
Robert Edgar of Pennsylvania
Joshua Eilberg of Pennsylvania
Dante Fascell of Florida
Floyd Fithian of Indiana
Harold Ford of Tennessee
Thomas O'Neill of Massachusetts
Richard Ottinger of New York
Edward Pattison of New York
Claude Pepper of Florida
J. J. Pickle of Texas
Henry Reuss of Wisconsin
Frederick Richmond of New York
Benjamin Rosenthal of New York
Paul Sarbanes of Maryland
James Scheuer of New York
Patricia Schroeder of Colorado
John Seiberling of Ohio
Stephen Solarz of New York
Andrew Maguire of New Jersey
Spark Matsunaga of Hawaii
Helen Meyner of New Jersey
George Miller of California
Pasty Mink of Hawaii
Parren Mitchell of Maryland
John Moss of California
Robert Nix of Pennsylvania
Gladys Spellman of Maryland
Pete Stark of California
Gerry Studds of Massachusetts
Frank Thompson of New Jersey
Paul Tsongas of Massachusetts
Henry Waxman of California
Charles Wilson of California
Timothy Wirth of Colorado
Antonio Won Pat of Guam
Andrew Young of Georgia

Regrettably, the House Committee on Rules, which has legislative jurisdiction in this area, has not yet scheduled hearings on this important bill. On March 18, I wrote to the chairman of the Rules Committee to request that he hold hearings on H.R. 2434. On March 26, I received a reply from the staff director of the committee. I attach the text of this exchange of correspondence for the information of my colleagues:

March 18, 1975.

Hon. Ray J. Madden,
Chairman House Committee on Rules,
Rayburn House Office Building.

Dear Mr. Chairman: I am writing to urge you to schedule hearings on legislation to clarify a crucial point of congressional intent in the Impoundment Control Act of 1974.

When Congress passed the Conference Report on the Budget and Impoundment Control Act last June, it intended that impoundment through rescission would take place only if Congress acted affirmatively to approve a rescission proposed by the President. Unfortunately, the Administration has chosen to ignore congressional intent by claiming the power to impound funds proposed for rescission during the 45-day period that a rescission proposal is pending before Congress. Thus a proposed rescission is effectively implemented for a 45-day period by the President's mere act of proposing a rescission. Moreover, according to the interpretation of OMB, there is nothing that Congress can do during that 45-day period to compel the release of funds proposed for rescission.

On January 30, 1975, I introduced H.R. 2434 which would clarify the meaning of the Impoundment Control Act by requiring the obligation of appropriated funds proposed for rescission until and unless Congress enacts a rescission bill approving all or part of the President's request. On March 12th, I reintroduced this legislation along with 8 principal sponsors as H.R. 4870. Since that date, an additional 35 Members have sponsored the bill. All of the identical versions of H.R. 2434 were referred to your committee for consideration.

I ask for your assistance in placing this legislation on the Rules Committee calendar as soon as possible. As the Chairman of that Committee, you are in a unique position to help prevent the recurrence of the disastrous situation of the past few months during which vital programs in medical research, education, and other social service areas were virtually paralyzed due to the unauthorized impoundment of appropriated funds by President Ford. A full discussion of H.R. 2434 before your committee will serve to clarify this key point of congressional intent and make the Impoundment Control Act a more viable instrument of budgetary policy.

Thank you very much for your consideration of this request. I have attached an updated list of the sponsors of H.R. 2434 and identical legislation for your information.

With my best regards, I am,
Cordially yours,
Robert F. Drinan,
Member of Congress.

March 26, 1975.

Hon. Robert F. Drinan,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Drinan: Chairman Madden received your letter and appreciates your interest in holding hearings to clarify certain points in the Impoundment Control Act of 1974.

So far, the House Committee on Rules has had such a full schedule on commitments for floor action that it has not had time to seriously consider and hold prolonged hearings on such matters of original jurisdiction.

However, the staff will be happy to let you know if and when the Committee does have time and does decide to hold the hearings as requested by you and the co-sponsors of H.R. 2434.

Sincerely,
L. C. Battle,
Staff Director.

If H.R. 2434 were now law, the next 45 days would present no particular problem to nursing schools, nursing school applicants, and others affected by the proposed rescissions. The administration does intend to impound these funds during the next 45 days, however. Nursing schools which generally accept incoming students and plan their budgets for the upcoming school year each spring must defer those decisions until they start receiving Federal funds once again. Student applicants trying to plan their futures have no idea whether their approved traineeships will be funded. Medical school administrators with renovation or construction plans must suspend planning and defer construction for the next 45 days. Surely Congress did not intend that the President's authority to propose a rescission would extend to exerting such a profound influence upon ongoing or approved HEW programs.

I urge the chairman of the House Appropriations HEW Subcommittee to hold hearings on these proposed recissions as soon as possible so that the House can go on record in opposition to the President's proposals.

I also urge the chairman of the House Committee on Rules to give priority attention to H.R. 2434 so that vital programs no longer must face the problem of 45-day paralysis brought on by a proposed rescission.

Finally, I hope that my colleagues will write to the chairman of the Rules Committee in support of my request for hearings on this necessary remedial legislation.

PERSONAL ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Conyers) is recognized for 10 minutes.

Mr. CONYERS. Mr. Speaker, the Am-Trak Improvement Act is a necessary component of our increasing commitment to and support of mass transportation. An efficient and modernized rail passenger system will help achieve our Nation's energy and transportation goals.

I was unavoidably delayed and reached the floor too late to cast my vote on this important legislation. Had I been present, I would have voted "aye" and joined the majority which insured the bill's passage.

DISCOUNT AIR FARES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. Randall) is recognized for 5 minutes.

Mr. RANDALL. Mr. Speaker, a while back the Washington Post indulged in and editorial entitled, "Discount Air Fares" which in my judgment was a remarkably statesmanlike and unbiased stand on the issue of discount fares for families and youth.

It is no secret that I am seldom in accord with the editorial policy of the Washington Post. I rarely agree with their viewpoints. However, this particular editorial very clearly discusses the equities and the inequities of a situation where persons may sit next to each other on the same trip and get the same service, and one category pay a substantially lower cost. As the editorial quite logically contends, it makes little sense to have airplanes flying around with empty seats while people stay home, because they can not afford to travel on them. The conclusion is that the benefit would seem to outweigh the inequity and the so-called "social cost."

Moreover, the editorial says discounts as to youths are justified, because travel is educational, and should apply to those over 65 because they have earned a break. This kind of fare schedule would cause the airlines no financial troubles, and in fact in the long run would provide more revenue and profit.

Mr. Speaker, it is my hope that the CAB will reverse its previous action when it ruled against such fares on the ground that they were discriminatory, because all could not take advantage of them, and proceed to approve the discount air fares for youth between the ages of 12 and 21, and for persons over 65.

I read into the Record at this time the content of the editorial as it appeared on March 15, 1975, entitled "Discount Air Fares":

DISCOUNT AIR FARES

The proposal of Trans World Airlines to reintroduce discount fares for families and youths raises one of those tricky conflicts between social policy and economic need. The Civil Aeronautics Board ruled against such fares some time ago on the ground that they were inherently discriminatory: not all air travelers can take advantage of them. TWA now wants to bring them back—and presumably other airlines will follow its lead—because it believes such fares will increase the number of people flying and will in the long run provide more revenue and profit. We are inclined to think TWA has a point.

The proposed fares would provide a discount of one-third to other family members if the head of the family were to pay full fare. The fare for youths between 12 and 21, along with accompanying proposals for persons over 65, would provide the same discount if persons using them were to travel on a standby basis without reservations. The argument against this kind of pricing arrangement is primarily one of equity. Single persons and those traveling alone who happen to be between the ages of 21 and 65 cannot benefit from the discounts. They must pay full fares and may well end up sitting next to someone who is making the same trip and getting the same service at a substantially lower cost. The CAB eliminated fares of this type last summer on the basis that government policy should not foster discrimination of this kind.

There are, however, some factors that seem to us to outweigh the claim of inequity in this matter. It makes little sense, after all, to have airplanes flying around with empty seats while people stay home because they can't afford to travel on them. And if, as TWA claims, the re-introduction of discount fares will increase substantially the number of families, youths and older persons traveling, the benefit would seem to us to outweigh the social "cost." Indeed, there may be a positive value in making it easier for at least two particular groups to travel: youths because travel is educational and older people because they have earned a break. Ideally, of course, all air fares ought to come down to make it easier for everyone to travel, and we find merit in the proposal of National Airlines to cut out the frills and reduce fares on some popular routes. In the meantime, however, we hope the CAB will do what it can to bring down the costs of travel where such reductions will not put the airlines into financial trouble.

FOREIGN DEBTS OWED THE UNITED STATES MUST BE SETTLED FAIRLY

The Speaker pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Ford) is recognized for 10 minutes.

Mr. FORD of Tennessee. Mr. Speaker, I am today joining those concerned about the exorbitant foreign debts owed the United States and introducing a bill which simply states that debts owed to the United States by another nation cannot be settled for less than the face value unless Congress gives its permission.

In recent years, the State Department has entered into agreements with several debtor nations which have resulted in the writeoff of some $5 billion in outstanding debts owed the United States: $2.6 billion in claims owed us by Russia were canceled; $2.2 billion in claims owed us by India were canceled, and most recently, $270 million owed us by France were canceled. To look at it another way: the United States received 3 cents on the dollar.

As of June 30, 1974, the foreign debt owed the United States was $32 billion, of which $6 billion is still delinquent. When you add to that figure $23 billion in remaining World War I debts, you find that payments due the U.S. taxpayers by foreign nations total almost $30 billion—that money would go a long way toward decreasing the President's estimated $62 billion budget deficit. My bill will not prevent the State Department from renegotiating foreign debts nor restrict its ability to carry out our relations with foreign nations.

The bill will, however, prevent money owed to the people of the United States from being given away without congressional approval.

In these times of economic hardship, I question whether the American taxpayer who extended these loans in the first place, shares the generosity of the State Department in writing off these loans.

Congress, which answers to the people, will have final responsibility for approval of these debt settlements should my legislation become law. And this responsibility belongs in the Congress, not the State Department.

CUBA TRADE HEARINGS SCHEDULED BY SUBCOMMITTEES ON TRADE AND INTERNATIONAL ORGANIZATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, I wish to announce to my colleagues and the public that hearings have been scheduled on legislation that would end the United States' economic embargo against Cuba and pave the way for a resumption of nonmilitary trade with that nation. These hearings are scheduled for 10 a.m. May 8, May 13, and May 15 in room

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2200, Rayburn. The precise times and locations are, of course, subject to change on the basis of conflicts with the full Committee on International Relations and the House. Any Member who may wish to participate in or observe these hearings or any one interested in further information about them should check with the International Trade and Commerce Subcommittee staff.

In view of serious human rights issues with respect to Cuba, and the possible bearing of those issues upon the question of reestablishing trade relations with Cuba, these hearings will be held jointly by the Subcommittee on Trade and Commerce, which I chair, and the Subcommittee on International Organization, chaired by my friend and colleague from Minnesota (Mr. FRASER). The Subcommittee on International Organizations has compiled an outstanding record of inquiry into questions of human rights in many countries with which the United States maintains relations, and I am hopeful that the participation of the members of the subcommittee in these hearings will better enable the Congress to assess the human rights issue as it may relate to trade with Cuba.

I am today introducing a bill which would remove the statutory provisions and administrative rules upon which our embargo of Cuba has been based. This bill does not authorize foreign assistance to Cuba, nor does it authorize trade credits or most-favored-nation status. It in no way affects foreign claims outstanding against Cuba. It would, however, remove both our primary embargo against Cuba and our prohibition of aid to nations who trade with Cuba or whose ships enter Cuban ports.

JACK ANDERSON GOES EASY ON NAVY'S WASTE, POLLUTION, AND MISMANAGEMENT OF OIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 10 minutes.

Mr. MELCHER. Mr. Speaker, I have always believed that most newsmen, and particularly Jack Anderson, Les Whitten, and their associates like Joe Speers, squeezed every drop of juice possible out of materials which fell into their hands.

I have found that belief to be in error, however, at least in the case of an Anderson-Whitten column which appeared in the Washington Post, Tuesday, April 22, about the Navy's ability to damage the economy, the ecology, and energy programs all at the same time by dumping naval and aviation fuels into the sea, which they have been doing in large quantities. It was not sensationalism; indeed, the Anderson column did not report all of the shocking aspects of the audit reports such as the Navy's failure for years to pay any attention to similar and other audit report findings.

The column, which I shall insert in the RECORD in full at the end of these remarks, reveals how an official naval audit turned up the disposal of 6.2 million gallons of contaminated fuel at sea—it was just dumped overboard—which had to be replaced at a cost of $2.3 million, and other "losses" at sea from oil tankers amounting to 11.4 million gallons worth about $4.2 million.

The auditors found that the contaminated fuel could have been brought back to shore and reclaimed at a relatively small cost, conserving the fuel, the taxpayers' money, and our ocean resources.

Further, the Anderson column noted, the admirals had been told this same thing by auditors 5 years ago, but they continued to discharge the oil at sea.

I do not know whether space limitations, oversight or a tender heart caused the writer to omit the auditor's finding in relation to recommendation 8(d) in a 1970 audit in which they reported:

> (d) Conditions similar to those discussed above were reported in Audit Reports A-144-61F, A-53-64F and A31227, published in September 1961, February 1964 and March 1967, respectively. Since budgetary requirements for fuel procurement as well as stocking requirements are affected by the data reported, prompt action should be taken to ensure that reporting activities reconcile the FIR and BLPR prior to submission.

That is out of a 5-year-ago report, issued in November 1970, to which the Jack Anderson column referred, and it reveals that the admirals had been told at least 9 years before that about irregularities which had not been corrected.

Furthermore, in the February 1975, audit report on which Mr. Anderson and associates reported, no hope for correction of the dumping practice is offered for another 5 years.

In regard to the auditor's 1975 recommendation that the Navy discontinue as quickly as practicable the discharging of petroleum at sea, the audit tells us that "CNO management" agrees that this should be done and has established a major naval goal of accomplishing this "not later than the end of the decade." That means by 1980.

After 15 years of ignoring auditor's reports, the Navy tells us that it will take another 5 years, at least, to break themselves of the habit of dumping huge quantities of petroleum products at sea.

When I introduced H.R. 49 to put our national petroleum reserves under the jurisdiction of the Department of Interior with very specific directions to the Secretary of Interior about developing a plan for oil production from Elk Hills, and for exploration of Pet 4 in Alaska, I felt that the Navy was sitting on Elk Hills while private companies pumped oil from around it causing litigation to prevent drainage of U.S. oil. Further, that the Navy was not actively exploring the new Alaskan naval oil reserve—that it was sitting on its hands in both instances when the Nation desperately needs to expand domestic sources of petroleum.

The revelations of the way Navy conducts business in these two audits—one for 1970 and one for 1975—come as a shock to me, however, in spite of my prior estimate of Navy management ability and performance.

Apparently the admirals ignore their own auditors, ignore colossal waste, ignore the failure of subordinates to justify or even explain the dumping of millions of dollars worth of supplies—and now want 5 years to work toward a goal of correcting their mismanagement.

The revelations in these audits convince me more than ever that if this Nation wants quick access to emergency oil supplies for defense purposes, we had better get the responsibility for those supplies away from the Navy and in the hands of administrators who can do things in less than two decades.

While the Defense Production Act and the Emergency Petroleum Allocation Act clearly assure the military all available petroleum supplies they need in war or peace the Navy and the Joint Chiefs of Staff demand continued lockup of Elk Hills.

In 1970, in their audit of the Naval Fuel Supply Office, the auditors found that 3.8 million gallons of fuel worth $400,000 had been dumped from just 17 ships. They call dumping "surveying" the fuel. They further found that the reasons for "surveying" or dumping the fuel were not adequately described in reports to provide management with information which could be used to take corrective action.

The auditors then recommended reclamation of the fuel instead of dumping at sea to effect savings and to reduce pollution to the environment.

They also recommended that some use be made of the Naval Fuel Supply Office petroleum and lubricants technical assistance team to provide "aggressive assistance to promptly determine the cause and correct the conditions responsible for excessive surveys—dumping—of fuel."

The auditors noted that—

> In spite of the significance of the amounts and abrupt change in the pattern of surveys (dumping) for each ship (it had jumped precipitously in late 1969), the technical assistance team was not notified of the excessive quantities surveyed and therefore, no action was taken to investigate or correct apparent serious contamination problems.

The auditor made several other suggestions for tightening up reporting, establishing Navy-wide criteria for fuel handling and control of the naval oil supplies.

They found that prepositioned war reserve stock levels were consistently drawn down during the year 1969 without prior authorization from the Chief of Naval Operations. The auditor reported, for instance:

> A review of inventories at eleven overseas areas disclosed that stocks of Navy special fuels at five locations had a net deficiency in the storage capacity of about 32% below CNO requirements. A similar situation existed in eight of the eleven overseas storage locations for jet fuel (JP).

The auditor found that financial inventories reports and bulk liquid fuel reports did not always balance, but no one in the higher command appeared curious enough to get an explanation of the differences. In a few instances, explanations were offered, but the men who did explain discrepancies appeared to be pretty naive about how much work was required of them because "the preponderance of reports did not give any reason for discrepancies."

There is more, but what I have mentioned out of the 1970 audit is enough to indicate to me a shockingly slipshod operation in which money is wasted by

the millions of dollars and no one in command bothers to inquire why, to put a stop to it, or to suggest that there should at least be some plausible explanation in the record of why books do not balance.

The 1975 audit was of what is designated as the Naval Petroleum Office at Alexandria, Va., which has apparently inherited all or part of the functions of the Navy Fuel Supply Office.

The auditor's report starts off with a renewal of its 15-year-old recommendation for discontinuing discharge of petroleum products at sea and winds up with the 15-year-old complaint that the "surveys", dumping and losses are not effectively monitored, commenting again, as in the past, that—

> More adequately monitoring the surveys and inventory losses reported by Navy oilers might have reduced the 11.4 million gallons valued at about $4.2-million reported under the two categories between July 1973 thru May 1974.

I include in the RECORD at this point some excerpts from the 1975 audit:

EXCERPTS FROM THE AUDIT REPORT ON NAVY PETROLEUM

1. *Discontinuing the discharge of petroleum products at sea—*

a. The Navy should discontinue discharging contaminated petroleum products at sea. During F.Y. '74, Navy oilers disposed of approximately 6.2 million gallons of contaminated fuel at sea. As a result, the Navy lost the use of the energy, was required to replace the fuel at a cost of approximately $2.3-million, and contributed to the disruption of the ecological balance of the oceans and seas. To correct this situation, CNO should discontinue disposing of contaminated fuel at sea as expeditiously as is practicable by developing methods for retaining the contaminated petroleum products or other alternative methods for their utilization.

b. Analysis of the Navy-owned Bulk Petroleum Reports (EXOS Report 7320-11) and the Survey Reports (NAVSUP 154) submitted monthly by Navy oilers indicated that 6.2 million gallons of fuel, mostly contaminated, were discharged into the sea from July 1973 to May 1974. Our review also disclosed a trend in the quantities of fuel surveyed. We observed that the amounts of fuel stripped overboard declined with the advent of the recent energy crisis and as the crisis diminished fuel surveys into the sea again began to rise. Each of the three major fuels—JP-5, Navy Distillate and Navy Special Fuel Oil—showed a decrease in the volume of fuel disposed of at sea during the second quarter of F.Y. '74 when available supplies were critical. The average amount of fuel surveyed per month declined 20% for JP-5, 90% for Navy Distillate and almost 99% for Navy Special Fuel Oil from the first to the second quarter of F.Y. '74.

As shown in the above schedule, the quantities of fuel being surveyed begin to rise in the third and fourth quarters of F.Y. '74. We believe that the decline in fuel discharged at sea during the second quarter indicates that better controls are possible. The crisis brought management's attention to conserving fuel whenever possible; however, it appears that as the energy crisis eased, stripping contaminated fuel into the oceans started to rise as evidenced by survey percentage increased in the third and fourth quarters. The need to conserve energy is still an important priority in today's environment. The Navy demonstrated its ability to conserve fuel and CNO should again call management's attention to the energy conservation problem and develop alternative methods for the retention and utilization of contaminated fuels in an effort to conserve petroleum resources.

c. Since July 1973, as a result of the worldwide increase in petroleum prices, the cost of some bulk petroleum fuels has increased almost 40%. The replacement cost of the 6.2 million gallons of fuel stripped at sea would have been about $700,000 in July 1973 but has now increased to $2.3 million.

Due to the rapid rise of fuel prices, it has become imperative that the Navy reevaluate its policies on surviving fuel. In the past, it may have been more economical to discharge contaminated fuel at sea rather than retaining it on board until returning to a shore facility with the capability to accept and reclaim contaminated fuel. However, with the recent surge in petroleum prices the economics of reclaiming contaminated fuel now outweigh the practicalities of disposing of it at sea. Discussions with responsible personnel of the Fuel Department at the Naval Supply Center, Norfolk, indicates the current cost to reclaim the 6.2 million gallons of fuel would be about $60,000. Therefore, by reclaiming the contaminated fuel or alternatively utilizing those products, the Navy could have realized an annual savings of approximately $2.2-million. The ultimate beneficiary of the potential savings, when realized in future years, will be the Operations and maintenance, Navy (O&MN) Appropriations.

d. Another consideration is that of the ecology of the oceans and seas. Discharging of contaminated petroleum products into the sea by the Navy is possibly doing damage to the ecological balance of nature. Man depends to a great extent on products and food stuffs harvested from the oceans; therefore, the disposing of fuel into the seas endangers not only the creatures of the oceans but also man's own existence. To aid in solving the possible pollution problems that might be occurring, CNO should discontinue the practice of discharging contaminated petroleum into the oceans as expeditiously as is practicable.

e. It is realized that all discharges at sea cannot be stopped. There will always be emergencies and accidents which will result in fuel being discharged into the oceans. However, in today's environment the Navy should be making every effort to conserve the nation's energy resources and preserve the ecological balance of nature. Therefore, CNO should investigate and develop possible alternatives to disposing of contaminated fuel at sea, such as downgrading the product, utilizing the fuel aboard the oiler, or returning the contaminated petroleum to a shore facility for reclamation. In view of the high cost of fuel oils in today's economy, eliminating surveys at sea would result in overall savings to the Navy.

NAVAUDSVCAP comments (Recommendations 1 and 2). The NAVPETOFF and CNO responses are considered responsible with regard to long term efforts to operationally and financially accommodate corrective action. NAVAUDSVCAP recognizes the improbability of an immediate total discontinuance of discharge and loss of petroleum products into the oceans. However, because of the urgency of pollution problems and the continuing high cost of petroleum products, CNO should utilize all available means to ensure that discharge of contaminated fuels into the ocean is the result only of operational requirements and that wherever possible, the contaminated fuels are retained and returned to shore activities for reclamation.

2. *Improving the management of bulk petroleum products aboard Navy oilers—*

a. The Navy needs to improve the control and reporting of bulk petroleum aboard oilers. At the present time losses of bulk petroleum products aboard Navy oilers are not being effectively monitored. Effective monitoring of losses and their reporting can be enhanced by establishing standards for losses based on volume handled and by providing more definitive information on the causes for losses on Survey Reports (NAVSUP 154). More adequately monitoring the surveys and inventory losses reported by Navy oilers might have reduced the 11.4 million gallons valued at about $4.2-million reported under the two categories between July 1973 thru May 1974. To correct this deficiency, CNO needs to establish a norm for losses by inventory and survey, and assign responsibility for monitoring these losses in order to identify the causes and take necessary corrective action where malfunctions or mismanagement are determined responsible.

c. NAVSUP PUB-485, par. 5135, requires the submission of all survey reports involving bulk petroleum to NAVPETOFF for review and possible resolution of fuel contamination related problems. Our review showed that only 73.1% or 117 of the required 160 survey reports were received at NAVPETOFF. Furthermore, examination of those reports submitted to NAVPETOFF disclosed that the reports did not always include a complete description of the circumstances which caused the survey.

Because of their inadequacy, survey reports are not being reviewed by NAVPETOFF. Such review, if adequate information were provided in the survey reports, could lead to resolution of contamination problems and provide data for analysis of developing trends. Submitting complete survey reports which detail the circumstances surrounding the surveys would allow NAVPETOFF to analyze the reports in sufficient depth to discover trends and causes of the contamination and develop corrective measures which might reduce its occurrence in the future.

[From the Washington Post, Apr. 22, 1975]

NAVY BURNED BY FUEL DUMP POLICY

(By Jack Anderson and Les Whitten)

It isn't easy to damage the economy, ecology and energy programs at the same time, but the Navy has done it.

As a dramatic example, the aircraft carrier Independence dumped 7,500 gallons of aviation fuel, worth about $4,000, into the sea a few weeks ago.

Caught in the act, the Navy explained it was cheaper to pump the gas over the side than to unload it on shore. Such dumping incidents occur, said a spokesman, "very infrequently."

But the Navy's classified documents tell a different story. In reports never intended to be read outside the Pentagon, Navy auditors have divulged that millions of gallons of fuel are routinely discharged every year into the oceans.

This fuel allegedly is "contaminated." Yet it would be cheaper, according to the auditors, to bring the fuel ashore and "reclaim" it.

In other words, the Navy would save money, conserve fuel and keep the oceans cleaner by stopping the dumping. The admirals were told this nearly five years ago by auditors, yet Navy ships have continued to discharge fuel at sea.

The latest classified audits, dated Feb. 7, 1975, contain these findings:

During the 1974 fiscal year, "Navy oilers disposed of approximately 6.2 million gallons of contaminated fuel at sea." As a result, the Navy "lost the use of the energy" and "was required to replace the fuel at a cost of approximately $2.3 million."

The fuel discharges and inventory "losses" cost the Navy "11.4 million gallons of bulk petroleum worth about $4.2 million" from oil tankers alone during fiscal 1974. This doesn't count oil spills from the hundreds of other Navy ships.

The amount of fuel pumped overboard, auditors found, "declined with the advent of the recent energy crisis." But once fuel was plentiful again, the discharges "began to rise."

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In purely financial terms, "The economics of reclaiming contaminated fuel now outweigh the practicalities of desposing of it at sea." The cost of reclaiming 6.2 million gallons, for example, would be no more than $60,000. The savings on the 6.2 million gallons that the oilers pumped into the sea, therefore, would have been "approximately $2.2 million."

As an additional consideration, the audit report warned that the "discharging of contaminated petroleum products into the sea by the Navy is possibly doing damage to the ecological balance of nature."

A Navy spokesman, responding to our questions, said carriers sometimes discharge volatile aviation gas at sea "prior to entering the shipyard for overhaul where sparks or heat from welding or cutting torches could cause fires." The practice has recently been restricted, he said. The Navy also has started a program, he said, that will result in "the complete halt of all discharges of oil and oily wastes into streams harbors and oceans by naval shore activities and ships not later than the end of this decade."

COMMERCIAL SCALE COAL LIQUEFACTION AND GASIFICATION

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, yesterday, at the British Embassy, a meeting was held which is of special significance to the Congress, because it is added proof that we should immediately pass legislation to bring about commercial scale coal liquefaction and gasification. I would like to call some points which were made at that meeting to the attention of the Members of the House.

This meeting discussed research which has been going on at the Westfield project, in Scotland, and the unquestionable result of that research is that coal gasification is—and has been—ready for commercial scale production for years.

We are only wasting money and time if we delay passing legislation to bring about commercial scale liquefaction and gasification, and I would like to call the attention of the Members to my bill, H.R. 1358, which establishes a system of private enterprise coal gasification and liquefaction.

Mr. Speaker, Hugh Cortazzi, Minister—Commercial—of the Embassy, included the following paragraph in his remarks which opened the conference:

> In an era of extremely high cost foreign energy, we are greatly encouraged by knowing that this is a system based on the coal available and now ready for commercial use. Best of all, perhaps, is the advantage that the system is environmentally sound and attractive.

Mr. Speaker, coal gasification and coal liquefaction is the one quick and relatively cheap answer to our energy problems.

Let us move forward, without any more delay, and establish a coal liquefaction and coal gasification industry operating out of the areas where the coal is in great abundance, and producing fuel for the rest of the Nation at a price cheaper than the costs which are crippling the economy and the people today.

VIETNAMESE ORPHANS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, the Washington Post contains a most thoughtful, eloquent, and beautiful article on the meaning and value of what is being done by many Americans who are welcoming Vietnamese children into their families. The article by the Post's Meg Greenfield, puts the controversial baby lift into a proper perspective.

TRAN VAN JONES

(By Meg Greenfield)

It is my good fortune to spend my Saturday mornings with the children of St. Ann's a Catholic-run orphanage across the District line in Maryland. I do not claim to have been fully reformed as yet by the example of their bravery and cheer. But I am learning. We read, play, argue and tell each other lies, and sometimes—although there is hell to pay with my Granola-minded friends—I spring for their favorite luncheon of hot dogs, French fries and root beer, topped off, I regret to say, with a faceful of bubble gum. The children are 5 and 6 years old and "orphans" only in the loosest modern meaning of that term. Abandoned, neglected, abused in ways you don't want to hear about, or simply born to people who long to care for them and can't, they are entrusted to the nuns, while the authorities decide what will come next.

If it weren't for the Vietnam "baby lift," I would not write about these children. And if it weren't for these children, I would surely not wade into the emotional controversy over the baby lift itself—especially since the original program of evacuating genuinely homeless small children to adoptive parents here predictably soon degenerated into something else. But in important ways I think we are talking about similar children and similar dilemmas so far as most of the originally evacuated babies are concerned. And much of what I have seen at St. Ann's tells me that we make a mistake in dismissing the baby lift out of hand as something wholly inhumane or politically cheap or culturally arrogant.

When I say these are similar children, I mean more than that both groups have been victimized by the vagaries of an adult world or that both have known pain, fear, violence, instability and loss beyond what we can imagine. I mean that the bearing and expressions I saw on television were hauntingly familiar to me. These are children who will walk into the arms of any stranger, who have become stoical and accepting and oddly tearless about their fate as they are carted from one place to another. They look like babies but do not seem like babies except—as we saw in those televised arrivals—in their utter yielding to a moment of embrace. Did you notice how relatively little *crying* was associated with their ordeal? At St. Ann's we consider it a victory when a somber child laughs, but a positive triumph when one who has forgotten how to cry—no matter how badly skinned the knee or keen the sense of outrage—gives way to his first sobs.

These are children, in other words, with enormous immediate needs, and that is the problem. They are terrible candidates for further risk and delay, since their growing older and suffering more will not wait on the bureaucratic clock or the hope of finding a better solution or the laudable intention of working out something that will simultaneously help more children—and that is the source of the controversy.

I have heard most of the arguments now being made against the whole concept of the baby lift in the context of the children at St. Ann's. Some I reject out of hand, principally the "instead of" arguments and their "drop-in-the-bucket" corollaries. That there are other children needing aid or that there are "root causes" to be addressed do not seem to me adequate reasons for failing to help a single child. These objections concerning exploitation of the children I would stipulate as true, inevitable and ultimately irrelevant. For on the basis of my observation of the political and bureacuratic forces at work in my own community, I have come to regard it as a * * * given that until such children are finally settled they are continually at risk, that the warring agents and exploiters of their rescue can pretty well be counted on to enhance their misery for a time.

But nothing suggests to me that the truly lost and alone among these children would have been spared the agonies adults are so good at generating had they remained in unreconstructed postwar Vietnam. I am talking of time here, not politics or ideology: I do not for a moment believe the presumptive inheritors of South Vietnam mean harm to their small children. I do believe that in the wake of the general bloodshed and displacement, these particular children would have small claim on the resources of recovery and small chance of finding personal havens such as they have now found in the period of time that matters.

One reaches here the really hard question—that of the wisdom of removing these children *at all* from their cultural milieu, of so drastically altering their identity. I grant without argument the enormous claim of a child's historical and cultural sense of self. I have become uncomfortably familiar with it. In Washington, where the issues are not Asian-Western but black-white, the emotions are equally keen and the judgments equally difficult to make. At what point do you remove a black child to the custody of white nuns or foster parents? What degree of hardship or danger is sufficient to outweigh the value of his remaining in his home, his cultural world? What if, for an abandoned or severely distressed black child, there is the chance of a white haven *now* as against the *hope* of a black haven later? You can reverse the roles of the races, and the question stays the same: What do you do when there is no "best" or even "better" solution at hand?

The touchstone, it seems to me, must be the well-being of a small and tortured child. And here I would invoke a value that I think transcends even the importance of cultural identity—the universal human value of learning that there can be order and stability and an absence of terror in relationships among people, that there are others who can be trusted not to betray or desert or do grievous harm to a child, that the roof will still be on the building tomorrow morning and that love can be sustained even through anger. The nuns at St. Ann's do not indoctrinate or convert or impose alien values. As important, they do not give in to that understandable impulse to overindulge the children in their care by way of "making up" for what has gone before. Rather they convey to them the knowledge that there is a generous, humane and durable personal order possible among people, one in which they have a part. And in this circumstance I have seen children who were regarded as dull or defective or physically impaired flower, and I have come in a way to understand the meaning of "miracles" and their essential simplicity.

Surely it is not wholly misguided to think that at least hundreds of those babies so indecorously carted in from Saigon and from a terrible past and a future that was at best uncertain will experience something similar in the care of their adoptive parents. In the

best of worlds or even a better one none of this would have happened. But it did. Why should people be made to feel ashamed of a necessarily sad and imperfect effort to rescue a lonely child? It's not as if we had a shortage of things to be ashamed of.

THE GREAT EDUCATION ACT: ESEA 10 YEARS LATER

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, I commend to the attention of my colleagues the following article written by Dr. Samuel Halperin entitled "The Great Education Act: ESEA 10 Years Later." Dr. Halperin was a Deputy Assistant Secretary of Health, Education, and Welfare 1966–69, and Assistant Commissioner of Education for Legislation, U.S. Office of Education in 1964–65 when ESEA was developed and enacted into law. He is now director of the Institute for Educational Leadership of the George Washington University.

THE GREAT EDUCATION ACT: ESEA 10 YEARS LATER

(By Samuel Halperin)

"No law I have signed or will ever sign means more to the future of America."—Lyndon B. Johnson, April 11, 1965.

Brave and hopeful words, befitting the ebullience both of the man and the atmosphere surrounding the passage of the Elementary and Secondary Education Act of 1965 (P.L. 89–10). Congress had delivered the first installment on the President's pledge to make of education "the first work of these times and the first work of our society." And ESEA, a five-pronged effort, began its work of helping "disadvantaged children," stocking school libraries, promoting community-wide projects for educational change, spurring educational research and development, and upgrading state departments of education. Federal dollars in unprecedented number were to make it all possible.

A decade later, educators and education are everywhere on the defensive. Congressional friends of that landmark education act and other Great Society programs still battle for ever-scarcer appropriations but privately worry that the Act may not be "really succeeding." But to this admittedly partial observer, ESEA's accomplishments look better all the time, both in comparison with non-education governmental expenditures and as a major venture in their own right.

What have we achieved with the $16.7 billion appropriated for ESEA over the past decade? What have we bought for a public investment about equal in cost to 10 Trident submarines?

To judge the Act fairly, we need to see it for what it was and is and not as the embodiment of the grandiose expectations that accompanied its passage in 1965. While the Johnson Administration talked of annual expenditures exceeding $5 billion by 1969, ESEA actually received less than $1.7 billion a year (about the cost of 10 days of the Viet Nam war). Not until 1975 did ESEA pass the $2 billion mark. Spread over 45 million students in public elementary and secondary schools. ESEA contributed a little over $40 per year per pupil. Even the 5–6 million "disadvantaged students", the Act's principal beneficiaries, seldom received benefits exceeding $175–200 apiece in any year. With public school operating budgets as a whole totalling $60 billion annually, the addition of the 3 percent ESEA increment was a fiscally modest one. About three-fourths of the nation's school districts received less than 3 percent of their budgets from P.L. 89–10. In only 11 percent of America's districts, did ESEA ever contribute more than 7 percent of total school budgets.

But size is not the only determinant of impact. Despite its small proportion of school expenditures, ESEA had enormous multiplier effects. Its record of achievement deserves greater appreciation than it has thus far received. In time, I believe, P.L. 89–10 will be recognized in American social history for at least these enduring legacies of LBJ's and the 89th Congress' joint endeavor:

ESEA broke the logjam on federal aid to education.—Before ESEA, Congress had failed to pass a major aid to education legislation in a dozen attempts. From the Civil War to the bitter school aid fights of the late 1950's, divissive struggles over church-state (aid to parochial schools), desegregation, apportionment formulas and fear of federal control of education had prevented passage of any large-scale federal aid to elementary and secondary schools. In 1965, as earlier, the chief Republican opponents of ESEA viewed it as "a quantum leap toward a centralized, standardized, uniform national school system." Even with LBJ's large Congressional majority, passage of ESEA often seemed in doubt. The final House of Representatives vote of 263–153 attests to the substantial opposition that the school aid bill had to overcome.

But passage of ESEA, and a host of subsequent federal aid statutes, permanently ended the impasse over the legitimacy of federal intervention on the school scene. While school aid fights in the subsequent decade have been abundant, they have all revolved about what kind and how much federal aid to offer and how best to construct a workable federal-state partnership, rather than over the continuity of ESEA itself. Indeed, former opponents of ESEA have come to be numbered among the Act's more constructive critics and cosponsors. Today, renewal of the Act is never in doubt, as the lopsided 1974 House vote of 380–26 demonstrates.

Simultaneously, appropriations for the original four titles of ESEA have risen over a ten-year period from $1.4 to $2.1 billion. While this 50 percent increase scarcely covers inflationary costs, it is impressive testimony to the extent to which federal aid to education has become an enduring political fact. In a capital city which only 10 years ago skeptically viewed the draft ESEA bill as a highly risky experimental undertaking for the federal system itself, ESEA is now regarded as a nearly bipartisan expression of appropriate federal-state relations.

ESEA spotlighted the needs of children.—Of ESEA's many contributions, perhaps the most important was the fueling of a massive conceptual shift with implications for the entire educational system. By focussing, in Title I, on the "special educational needs of children," ESEA drastically changed the terms of reference of Congressional and, later, educational debate. No longer would the foremost educational policy disputes center on such issues as classroom and teacher shortages and levels of teachers' salaries. Henceforth, the more acceptable political and educational focus was on the child. ESEA, along with the related anti-poverty and civil rights efforts of the mid-Sixties, became a major vehicle for a national "consciousness-raising". Having "discovered" poverty in its midst in 1963–64, America now "discovered" that millions of children did not perform adequately in their school settings and that many schools and teachers were ill-equipped to help them. We learned, too, that academic failure was highly correlated with economic deprivation, that "children of poverty" needed—and were entitled to—"compensatory treatment", and that extra services were needed to bridge the gap between them and the more fortunately placed in society.

Years must elapse before the implications and full magnitude of this "social discovery" can percolate through our educational and political structures. Undoubtedly, every proponent of ESEA has been chastened to learn how intractable is the problem of educational deprivation. Gone is the easy self-assurance that a "war on ignorance" in the schools can quickly be won, far less can it lead to an end of inequality in adult society. While the Coleman and Jencks findings have questioned the power of our schools alone to produce either truly competitive adults or a just society, I see no evidence that political Washington is disposed to abandon the struggle to reduce disparities in student academic achievement, especially as those gaps may be traced to physical handicaps or the legacy of poverty and discrimination. While it is still too early to speak of an enduring ESEA legacy of national commitment to the disadvantaged, there is ample evidence to justify optimism on this count.

What is clear is that the American people and their representatives understand the needs of under-achieving children far better than they did a decade ago. Instead of blaming the children for failing to fit the school, ESEA asked the school to fit the child, to assess the particular needs of their students, and to devise individualized and effective prescriptions for them. While we now know that the road ahead is longer than first anticipated, neither is it a dead end road, as some recent successes seem to indicate.

ESEA fueled other movements toward equality of educational opportunity.—Just as ESEA contradicted time-encrusted views of schooling by insisting that emphasis belonged on the child, it has also become a rallying point for those concerned about achieving full educational opportunity for specific segments of the population. Here we may identify 10 such sectors of society or major educational movements which were aided by ESEA's emphasis on improved education for all.

From the beginning, ESEA's legislative history made clear that services were to be directed at out-of-school youth as well as those in the classroom. Special provisions were targeted at children of migrant workers, neglected youngsters and juvenile delinquents in various types of institutions. Simultaneously, ESEA spotlighted the chronic need for expanded services to handicapped children. A year after ESEA became law, a major new support mechanism for the education of handicapped children, Title VII, was added to the Act.

As ESEA began meeting the "special educational needs of children," the nation also developed awareness of the suffering of children forced to speak one language at home and another in the schools, of Hispanic and Indian children who could be helped by ESEA. Today, 11 states have their own bilingual education programs, 19 have compensatory education statutes and 45 were enacted programs to aid handicapped children, 42 after the passage of ESEA.

And now, too, there is rising Congressional interest in the preschool child, particularly with the realization that regular public school programs alone can never overcome the deficit of accumulated educational deprivation. Head Start and Follow Through demonstrated the benefits of both early intervention and continuity of educational treatment. Now the social movements which spawned ESEA are merging with those demanding greater child development and day care services.

Spotlighting the special needs of children had particularly powerful consequences in the area of child nutrition. Once ESEA was enacted, Congressional supporters pushed through massive expansions of school lunch,

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breakfast, special milk and related programs, arguing that adequate nutrition must precede effective learning. From 1965–75, federal funds for such programs quadrupled, rising from $497 million to $1.9 billion. Even more dramatically, federal support for free and reduced-price lunches for economically disadvantaged children, begun modestly in 1966 with an appropriation of $1.87 million, expanded 464 fold! At a current cost of $865 million, this program serves almost 10 million children annually, approximately 40 percent of the entire National School Lunch Program.

At the heart of ESEA is the principle that under-achieving children are entitled to above-average educational expenditures, an assertion that is helping to fuel the mushrooming movement to overhaul antiquated school finance systems. As the plaintiffs in *Serrano* and *Rodriguez* contended, most state and local school finance systems were shortchanging the very children that ESEA was designed to assist.

The exact nature of ESEA distribution formulae continues in contention. The legal and scholarly communities are nearly unanimous, though, in finding Title I's fiscal impact to be the best in American educational finance as a means to achieve better intrastate equalization of resources among school districts. According to the National Educational Finance Project, Title I is not only a successful fiscal equalizer but its resources "are allocated to those districts whose pupils had the greatest educational needs as reflected by mean achievement test scores." Today, then, the educational philosophy of ESEA is helping to promote the movement toward school finance reform in more than a dozen states around the nation.

There is much more than this in ESEA's 10-year contribution to America. Without benefit of comprehensive empirical studies, I believe that at least the following educational successes of P.L. 89–10 can be documented from close observation of public school affairs:

ESEA promotes parental and community involvement in the schools.—From its beginning, ESEA called for parental and community participation in various titles of the Act and encouraged parental-paraprofessional employment in the schools, community-wide consortia for educational innovation, and increased sensitivity to the wishes of client groups. In its 1974 amendments, Congress continued this evolutionary process of opening up the educational system by *requiring* the establishment of a Parental Advisory Council for each participating Title I school. Thus, the 1965-era rhetoric about "education being too important to be left solely to the province of the professional educator" has become a Congressional mandate for the further democratization of the school system. If this sharing of participation with clientele groups can be achieved while schools maintain professional performance, the parental partisan movement may well prove to be one of ESEA's greatest legacies.

ESEA recruited quality personnel for service in education.—The national clarion calls of the mid-1960's to "wage unconditional warfare against poverty" and to equip the nation's schools to do their part in that struggle did not go unheeded. Schools became attractive to idealistic and able young teachers, both individually and in association with the small but symbolically influential Teacher Corps. Service in ghetto schools and rural depressed areas came to be accepted as a challenge no less worthy than that of duty in the Peace Corps overseas.

Then, too, literally tens of thousands of scholars trained in fields other than education found public encouragement to redirect their professional energies. Researchers in the behavioral sciences, attorneys in advocacy law, humanists and artists alike, all turned their attention to improving the schools, once the federal government gave a clear signal that such contributions were needed. Historians of American education will undoubtedly record the large irony that at the moment when such talents became sufficiently available in the country, just as it became respectable for noneducators to work in the schools, public school resources became inadequate to employ them. The need remains, the talent is available; only the dollars and the sense of national purpose have dwindled. Yet, some of the greatest contributors to improved education may have been the men and women who answered ESEA's original call to make of education "the first work of these times."

ESEA promotes public-nonpublic cooperation.—To enact ESEA, it was essential for ESEA's authors to defuse the volatile church-state issue which had prevented passage of previous federal aid proposals. To do this, ESEA centered funds solely in the public schools while insisting that they had an obligation to act as "public trustee" for all children, regardless of the school attended. Under this "pupil benefit theory," dialogue between the public and private sectors was supposed to occur over the provisions of a number of ESEA titles, with a view to fashioning a joint attack on educational shortcomings.

Here, as elsewhere in ESEA, the promise of the law has been only partly realized. Nonpublic school children and out-of-school youth have not yet been accorded the educational services to which their needs and their numbers entitle them. Yet, neither did the historic church-state compromise result in the community holy wars and the subversion of the U.S. Constitution which was predicted by ESEA's foes. In numerous districts around the country, public and private school educators, community leaders, and the public and private sectors generally are today joined in constructive dialogue about how best to extend educational excellence to all the area's children.

Far from retreating from this highly risky gamble taken in 1965, the Congress in 1974 mandated the "public trustee" or "pupil benefit theory" for several programs and added means by which public-nonpublic school cooperation might be further enhanced. To those who remember the bitterly divisive Catholic-antiCatholic exchanges of the early 1960's and the acrimonious exchanges between the late Cardinal Spellman and Eleanor Roosevelt over the federal aid issue, today's ESEA climate seems wholesome indeed.

ESEA promotes the evaluation/accountability movement.—ESEA was born in a time when fear of federal control might easily have prevented its passage. In 1965, any federal control might easily have prevented its passage. In 1965, any federal prescription for testing, for measuring educational outcomes, for requiring anything other than basic fiscal honesty, was certain to provide ammunition for ESEA's foes. To soothe such fears, Administration legislative draftsmen assiduously avoided any language which might be interpreted as interference in local and state decision making or as efforts to require specific outcomes.

Yet, under the prodding of Senator Robert F. Kennedy, who had little confidence in the ability of educators to serve disadvantaged children effectively, HEW drafted statutory language which was designed to give parents leverage over ineffective schools and the public a way to gauge the effectiveness of tax expenditures. The Kennedy Amendment required the states to adopt "effective procedures, including provision for appropriate objective measurements of educational achievement . . . for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of culturally deprived children." This impressive objective also found its way into other ESEA provisions.

Thus began, crudely, the educational accountability movement with its emphasis on measuring educational outcomes as well as traditional input of resources. In the absence of tested experimental models against which to measure success, ESEA evaluations got off to a slow start. States varied widely in what they would permit local districts to spend their money for. Evaluators thus lacked comparable practices to assess. Nor did the Office of Education require uniform state reporting to provide useful interstate data. Consequently, the whole ESEA cycle to date has been punctuated by arguments over how and how much to evaluate ESEA practices.

Nevertheless, public and political pressure have combined to produce clearcut mandates for evaluation of educational programs and learning outcomes measured by academic performance. After first authorizing up to $25 million annually for program planning and evaluation, the 1974 extension of ESEA (P.L. 93–380) moved American education a giant step down the path of educational evaluation. Henceforth, HEW is to inform the Congress annually of ESEA's "effectiveness" by setting forth "goals and specific objectives in qualitative and quantitative terms for all programs and projects"; by providing information on "the progress being made . . . toward the achievement of such goals and objectives"; by describing "the cost and benefit" of each program; and by displaying its "plans for implementing corrective action." Moreover, with regard to Title I, the U.S. Commissioner of Education "shall develop and publish *standards* for evaluation of program or project effectiveness." (Emphasis added. Is it a historic irony that this amendment originated on the *Republican* side of the House Committee on Education and Labor where fears of federal power had long sustained opposition to federal aid programs?)

While the spectre of federal control may not have vanished, it is clear that the Congress has embraced the concept of "evaluation" as the way to ensure that public funds result in gains in learning, particularly in reading and mathematics, a requirement which would have been politically unthinkable a decade ago.

ESEA strengthens the federal system in education.—The Act's provisions to strengthen state educational agencies (Title V) have their share of critics. Such agencies are alleged to have shown insufficient imagination and leadership. Yet, scarcely anyone disputes that a substantial improvement in state agency performance has been made possible by Title V and the various ESEA provisions for paying state administrative expenses.

Overall, state departments of education have added well over 2,000 needed staff members with the help of federal funds. Such innovations as state planning and evaluation units have been added in 38 states; new educational data systems (26 states); assessment programs (28); training for planners and evaluators (33); improved management-by-objectives systems (13); multi-year educational plans (8); state-wide planning in programming-budgeting systems (7); improved evaluation methodologies (23); etc. In the words of the top educational manager of one of the nation's largest states, "virtually every innovation we have undertaken in the past decade was either launched with or supported by Title V."

In short, while additional improvement in state leadership is imperative as the federal system moves rapidly into an era of decentralization, ESEA is helping to make the transition happen—sensibly and carefully.

But does it teach Johnny to read?—One may perhaps concur with this recitation of alleged ESEA achievements but query whether ESEA has, in fact, done anything to help children learn. Specifically, do disadvantaged children read any better than they used to?

The tentative answer, like almost everything else in educational evaluation in its still-primitive state, is encouraging. Evidence is accumulating that although low achievers are remaining in school longer than ever (thus reducing the drop-out rate and including in test scores "high-risk" children who were formerly not tested, today's readers—good and poor alike—seem to read better, on the average, than those of previous tested generations. While it is impossible to factor out the extent of such improvement attributable solely to ESEA, numerous state evaluation reports show test results of more than a month's gain in reading achievement for each month in a Title I project. To quote a 1974 independent evaluation by the Stanford Research Institute: "month for month gains were generally not made prior to 1970, but they are being made now by most districts in most states." Indeed, several states now report average 1.3 to 1.7 month academic gains for every month in a Title I program. With a long-term educational commitment to the educationally disadvantaged child, including possibly year-around special programs, the evidence is beginning to suggest that cognitive gaps might be not merely reduced but even closed.

If these are ESEA's successes, what about its failures? A diligent search found none that would persuade the rational policymaker that dollars spent for particular programs were totally wasted. But candor forces us to acknowledge that the rudimentary state of educational evaluation inspires only limited confidence in the available data.

There is, nonetheless, some negative evidence. Academic performance is not rising everywhere. We know that not all of the equipment purchased with ESEA funds is actually being used. Many qualified children—nonpublic school, handicapped, out-of-school—are not yet being served under the provisions of the Act. Many school districts still use their ESEA funds as general aid for all children instead of prescribing programs which meet "the special educational needs of children." We know, too, that the "innovation titles" of the Act have not fulfilled the high hopes and great expectations of 1965. Title III for Supplementary Centers and Services has funded many thousands of local innovations for up to three years each. Followup studies indicate that between 60 and 80 percent of these projects have subsequently been continued in regular public school budgets. Yet, a decade and $1.4 billion later, we know little more than we did about what "innovation" really is, how to bring it about and how to catalyze it on a grand scale. Did Title III projects help children? We think so, but there is no truly persuasive evidence that they have sparked substantial changes in the schools or that they have catalyzed enduring partnerships between the schools and the vast untapped cultural and artistic resources of their respective communities.

Similarly, Title IV which sought to create a dozen great national research and development laboratories, comparable to the massive installations of the Atomic Energy Commission, and perhaps two or three dozen more than would be specialized or less ambitious in scope, has fallen on hard times. The 18 federally-funded labs and centers have no continuity of funding, no real resources to move their investments from product development into large-scale classroom practice. Indeed, educational research and development has become something of a pariah on the priority list of federal policymakers in education.

As the tenth anniversary of ESEA passes virtually unmarked this week, let us pause long enough to recognize that the Act does have a number of impressive achievements to its credit, particularly in the area of promoting full educational opportunity for all sectors of society. As John W. Gardner reminded the faint-hearted and shortsighted among us half a dozen years: "Having escaped the clutches of those who think the Federal Government can do everything, we must not fall into the hands of those who think the Federal Government can do nothing." ESEA is alive and well, ten years later.

NORTH VIETNAMESE AND VIETCONG TREATMENT OF PEOPLE IN RECENTLY CAPTURED AREAS

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, on April 21, I inserted in the CONGRESSIONAL RECORD four telegrams from Ambassador Martin in Saigon describing some of the accounts of atrocities committed by the North Vietnamese Communists and the Vietcong against civilians, police and captured South Vietnamese soldiers.

The following telegram from the same source deals with the same subject, namely, NVA/VC treatment of people in recently captured areas. As stated in the telegram, the reports of Communist brutalities are the result of findings made by a newly created advisory council based on eyewitnesses to recent tragic events.

It should be remembered that the basic reason for the presence of American troops was to defend and preserve the freedom of the South Vietnamese against a brutal Communist enemy. This State Department telegram graphically describes the inhuman nature of the enemy they faced.

[Unclassified—Saigon]

From American Embassy, Saigon.
To Secretary of State, Washington, D.C., Immediate, 5600, Info Cincpac, Immediate.

Subject: NVA/VC treatment of people in recently captured areas.

1. The newly created advisory council to the Nguyen Ban Can cabinet received reports concerning developments affecting the people of South Vietnam. Advisory council member Tran Quoc Buu, president of the CVT, presented Labatt with the most recent report of the Communist aggressors' atrocities during their recent month-long violation of the Paris Peace Treaty, all reports are eye witness reports. However, in order to protect the observers we have expunded their names. The report is a translation of the original Vietnamese text.

A. Concerning the civilian people, military men, and government cadres. This is a condensed report information given by a certain number of policemen that could escape from the enemy concerning the Communist atrocities aimed at civilian people, military men and government cadres in their evacuation following the Communist invasion:

1. In Phuoc Long Province:

When they attacked the chief town, the Communist aggressors set afire the people's houses to seize the people's properties.

As regard to people that could not escape on time, they were grouped and fastened altogether for a check. Any person that had any action or would protest was beat pitilessly or killed right on the spot.

As regard to people who tried to escape, they were shot at random, because they were considered as not willing to cooperate with them (the Communists).

The Communist aggressors have killed mercilessly a certain number of families of public servants, military men and of policemen.

When fighting with the RVN armed forces, the Communists pushed the civilian people before them as a shield.

2. In Darlc Province:

When the Communists invaded the Ban Me Thout chief-town, they grouped all the policemen, military men, officials of the village and hamlet administration for punishment. In their evacuation from Ban Me Thuot, the refugees were the target of Communist shooting. The most savage ones were the Communist military cadres from Quang Tri and Thua Thien Provinces and the Communist special infiltration cadres. Some soldiers of the RVN who surrendered on the battlefields were shot dead by the Communist

3. In Peiku Province:

The Communist aggressors have attacked the refugees when they arrived at Cong Son District and the Communist have shelled the convoy of refugees.

When the convoy of refugees arrived at Song Ba River, they were shelled by the Communist aggressors. Many persons were killed.

4. In Kon Tum Province:

The Communist aggressors shelled the convoy of refugees at interprovincial road No. 7 causing many dead and wounded.

5. In Phu Bon Province:

The Communist aggressors shelled the province capital causing many dead among the civilian people and the policemen as well. In the way from Phu Bon to Tuy (Phu Yen Province), the Communists arrested the refugees at the To Na Pass. Many civilian people, military men and policemen were led into the forest for a killing.

6. In Quang Duc Province:

In their evacuation to Lam Dong Province, the refugees were intercepted by the Communist aggressors preventing them from crossing the Kinh Ba River (in Quang Duc). When the refugees arrived near the Di Linh District (in Lam Dong Province), they were shot by the Communists in an ambush.

When the refugees arrived at Kinh Da River, they were shot by the Communists with B. 40 and prevented from crossing the river. Military men, government officials, and policemen were killed.

7. In Lam Dong Province:

In their evacuation from Lam Dong to Binh Dan Province, they were shelled by the Communists that caused many dead and wounded. In their evacuation to Binh Tuy Province, near the intersection of 3 roads leading to the province capital, the refugees were shot by the Communists in an ambush and there were many dead.

8. In Tuyen Duc-Dalat:

On April 2, 1975, the Communist aggressors shelled the convoy of refugees. 15 kilometers from Song Pha (Phan Rang) causing many dead and wounded.

The Communist aggressors have established many check-points from Phan Thiet to Binh Tuy and shot at the convoy of refugees in their evacuation, causing many dead.

On April 2, 1975, when the refugees arrived at the end of the Song Pha Pass they were robbed by the Communists who seized their belongings and food.

The Communist aggressors have killed savagely many policemen and military men in their evacuation from Tuyen Duc to Binh Tuy.

The Communist aggressors have intercepted the refugees in their evacuation causing many dead among the civilian people, military men and policemen.

When the convoy of refugees from Tuyen Duc arrived at the intersection leading to Binh Tuy, they were attacked by the Communists that caused many dead and wounded.

When the convoy of refugees arrived at the Song My Farm, they were shelled and attacked by the Communist aggressors and later on they were rescued by the RVN armed forces. . . .

9. In Binh Dinh Province:

On April 1, 1975, the Communist aggressors arrested a certain number of policemen at the police headquarters of Binh Khe District who were wounded and not able to flee on time. Furthermore, the Communists

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have arrested a certain number of policemen with their families and killed them on the very spot after saying that "these persons will be in rebellion after all, (no use to let them live).

.10. In Cam Ranh:

The Communist aggressors shot at random at the convoy of refugees causing many dead and many vehicles from the Government and private people burned.

11. In Binh Tuy Province:

The Communist aggressors have sabotaged the bridge at 500 meters distant from the intersection to Binh Tuy, preventing traffic in national road no. 1; they shot at the convoy of refugees causing many dead among women and children.

12. In Thua Thien Province:

The Communist aggressors shelled at the people who were at the Thuan An port (Hue) while they were awaiting for evacuation, causing many dead. They attacked also the convoy of refugees going from Phan Thiet to Binh Tuy causing many dead.

The Communist aggressors shelled the refugees coming to Son Tra (Da Nang) and at the Da Nang airport killing many persons mostly women and children.

The Communist aggressors shelled at Thuan An Port causing so many dead among the refugees while they are awaiting the ships for evacuation.

13. In Da Nang:

The Communist aggressors disguised as self-defense-corpsmen came in the precincts, robbed the people, shot at random to cause panic in the masses.

The Communist aggressors shelled at the refugees to prevent them from boarding the ships for evacuation.

On the morning of March 29, 1975, the Communists shelled at the Tien Sa Port killing about 30 refugees awaiting for evacuation. Their bodies were lying scattered and mutilated on the beach.

On March 29 1975, the Communist aggressors shelled, at the refugees awaiting for evacuation at Tien Sa Port causing many dead; the wounded could not be evacuated on time for help.

The Communist aggressors shelled at random the Da Nang city without any distinction.

14. In Quang Nam:

The Communist aggressors shelled at the chief town and ferry boat stations causing many dead among the refugees.

On March 29 the Communist aggressors shelled the Hai Lang and Son Tra bases (in Da Nang) causing many dead among the civilian people and children.

15. In Quang Tin:

The Communist aggressors shot with B.40 at the VN navy boats that evacuated the refugees causing many refugees falling in the sea.

The Communist aggressors fired at random at Chu Lai port where thousands of refugees were awaiting for evacuation, causing many dead.

On March 24, 1975, the Communist aggressors ambushed the convoy of refugees causing many dead and wounded.

16. In Quang Ngai Province:

On March 24, 1975, the refugees coming from the province capital to Chu Lai port were under Communist fire, hundreds of people were killed (about 4–5,000).

The Communist aggressors disguised as RVN marines to kill the military men, public servants, GVN cadres and the policemen in their evacuation.

B. Concerning the policemen:

1. In Da Nang:

Policeman informs: The Communist aggressors used knife to cut the tendon of the feet of any policemen caught in the barges for evacuation.

Major of ARVN informs: After the Communists took over Hue, Da Nang, they made a clarification of the nationalist ranks as follows:

The ordinary public servants are allowed to resume their posts, except the directors of office and upwards.

All the cadres of the pacification programs are grouped for training to study the Communist doctrine.

The policemen are killed.

Military men 25 years old upwards are considered as genuine soldiers of the enemy camp; they must be brainwashed. Under 25 they are considered as draftees, they are free to leave or to stay.

[Unclassified, Saigon]

From American Embassy, Saigon.
To Secretary of State Washington, D.C., immediate, 5602, info Cincpac immediate.

2. In Quang Tin Province:

Informed by the refugees from Tam Ky: The Communst aggressors arrested all the policemen that could not flee and killed them. Beside that the Communist pay attention to the four following classes for a revenge:

A. The pilots of the RVN air force;

B. The policemen;

C. The officials of the village and hamlet administration.

D. The North Vietnamese coming to the south (during the exodus of 1954).

Policeman and policeman inform: On March 10, 1975, after occupation of Tien Phuoc district by the Communists, many policemen were arrested. For agent of special police, they were shot dead on the very spot, or buried alive, or the Communists used a point to pierce their hands to have a wire pass through the hands to lead them into the forest. There was one policeman protesting them, and he was shot dead.

Policeman informs: After occupation of the province capital of Quang Tin Province, the Communists have caught a certain number of policemen. They used ropes to manacle the policemen in uniform and took them away. As regards to the agents of special police they used iron wire passing through their hands the one after the other to lead them away. If anyone protests, he will be stabbed to death.

Policeman informs: At the Communist checkpoints, they let the civilian people and the military men of ARVN pass, UBT arrested the policemen that they shot dead on the very spot.

Sergeant informs: In the Ky Ly district, the Communist caught a policeman and shot him dead on March 29, 1975 at 11:00 a.m.

Militiaman informs: On March 10, 1975, the Communists caught four policemen, they pierced their hands and used a rattan cord to lead them away, one of them protested and was shot dead.

On March 24, 1975, the Communists stopped a convey of refugees, shot dead a policeman and some members of his family.

Policeman informs: After the occupation of district Tien Phuoc by the Communists, they arrested a certain number of policemen. Concerning the agents of special police, they pierced their hands and used an iron wire going through to lead them away. Any policeman having a blood debt to the people was beat savagely and killed as the case of policeman Son Ngoc Tho.

3. In Quang Ngai Province:

Sergeant informs: When the convoy of refugees from the police hqs of Quang Ngai left the chief town, and only 1 kilometer far way, the convoy was attacked by the Communists and left behind 12 persons dead and wounded.

A certain number of policemen from Quang Ngai infor: The Communists treated savagely the policemen. Some police officers caught by the Communists were led to unknown destination. The simple policemen were ordered to lay down and they shot at their legs and they let them free with their wounds. Most of the victims of that savage action were the agents of the special police. Sergeant security of investigation center, was caught, and had a point piercing his feet at the heels and they let him free.

It was told that after March 30, 1975, if the people do not go back to their native villages in the Communist controlled area, they will be killed by Communist fire, because the Communist will shell to destroy the whole Danang with all followers of the Americans, so many people left Dang to the Communist villages.

4. In Mr:

Policeman informs: The Communists of the special force make search for the policemen to kill them by any means such as to shoot them, cut their throats, stab them to death and to throw their bodies to the river or sea.

The Communists must find by all means the policemen to kill.

The Communists said that it is better to kill a suspected policeman than to let some one safe.

Regarding the refugees, the Communists have a policy: "For the military men of ARVN you can kill some and pardon some others, but for the policemen, you must use their skin to make your shoes."

5. In Binh Dinh Province:

Second Lieutenant informs: In his evacuation from Binh Dinh to Phan Rang, he saw the Communist disguised as soldiers of ARVN of the special force killing the M.P. and the policeman.

6. In Phu Yen Province:

Sergeant and sergeant inform: At 6:00 a.m. on April 1, 1975, they saw the Communist shooting at the policemen in Hieu Xuong district.

Policeman informs: At 7:00 a.m. on April 1, 1975, a group of Communists that evaded from the prison of Tuy Hoa, shot at Sergeant Trang Cong Bo, chief of administrative office.

7. In Kon Tum:

Policeman informs: on March 19, 1975, when the convoy of refugees was moving ahead, the refugees were attacked by the Communists who shot at the policemen and the civilian people as well.

(Military man assigned to civil duty) informs: A certain number of policemen were killed by the Communists in the provincial road No. 7, their bodies were laying along the road.

8. In Phu Bon: Captain informs: In the evacuation from Phu Bon to Son Hoa of Phu Yen province he saw the Communist killing a certain number of policemen.

9. In Darlac:

A military man on civilian duty, informs: On March 16, 1975, the Communists shot to death a certain number of policemen at the sport ground of Ban Me Thout.

Sergeant informs: After the fall of Ban Me Thout, the civilian people fled the town, the Communists allowed them to go ahead, but arrested the policemen, manacled them or killed them on the spot.

Mr. informs: The Communists have caught a certain number of policemen and field policemen. They killed them on the spot, but for the agents of special police, they cut the tendon of their feet before killing them.

CONTOUR RESTORATION IN WEST VIRGINIA

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, we have been beseiged of late with claims by those who have an interest in weakening and undercutting the Surface Mining Control and Reclamation Act of 1975 that strip miners in West Virginia, eastern Kentucky and southwestern Virginia will find it impossible to restore steep slope mined sites to the approximate original contour, as the bill requires.

It is said that operators in Pennsylvania who are successfully restoring their sites to the approximate original contour have geologic conditions which are relatively favorable, whereas in the mountains to the south, the steeper slopes and types of rock overburden will preclude retaining the spoil on the bench or completely covering the highwall.

We were told by the strip miners and their friends who lobbied Congress recently that the bill will put them out of business—they cannot afford the expensive additional equipment necessary to accomplish this performance standard. There have been dire predictions of coal production losses and depressed economic conditions for this part of Appalachia if the bill is enacted in its present form.

I think it is useful, therefore, to consider the experience of one well-established coal company in West Virginia, the Carbon Fuel Co., which has successfully overcome the various technical problems involved in restoring its contour strip mined sites to the approximate original contour. Following is an article from the company in-house newspaper, Carbon Crystals, for May 1974, which contains photographs showing how the steep slopes of West Virginia are being mined and brought back to the original contour by this pioneering coal operator:

"YOUR COMPANY AND THE ENVIRONMENT"

(By Gordon O'Dell)

Hidden in the hills of the Carbon Division an existing new venture in Surface Mining methods is being utilized by Carbon Fuel Company. This new method, called the "haul-back", has demonstrated that removal of coal on 70% slopes can be accomplished without adverse environmental impact. Not only does this method satisfy esthetic requirements of the most critical proponents of the abolishment of Surface Mining but in many instances will actually return the area to a more beneficial land-use pattern. Early indications are that browsing animals, such as deer, and many species of birds, such as ruffed grouse, quail and song birds, are habitating areas where this method is used. The rapid establishment of vegetative cover such as Lespediza, Birds foot Treefoil, Kentucky-31 and Red Top provide excellent seed crops for birds as well as grazing material for deer. The haul roads constructed to move the coal from the operating area to the shipping point will make areas that at one time were remote and inaccessible a pathway to pleasure in areas where mining has been completed in the future.

The name "Haul-Back" is aptly applied to this method of mining since in actual practice the "spoil" is actually hauled back and placed against the highway and sloped to its natural contour. Not only does this method eliminate dumping any spoil over the outer slopes but in most instances totally eliminates the presence of any highwall.

The first picture in the series depicts the Surface Mining of the past with the resulting highwalls and lack of vegative cover. The second picture shows the active pit area prior to reclamation. The third picture shows the area behind the active pit that has been back-filled, sloped and compacted prior to hydro-seeding for vegetative cover. The fourth picture shows the excellent stand of grasses obtained on an area that was hydro-seeded last fall.

This method of Surface Mining has eliminated the destruction of timber and vegetative cover on the outer slopes, slides, erosion and stream sedimentation. In many instances this new way will return the area to a higher degree of land-use pattern than it was in its former state.

For a company to survive in today's highly competitive markets, new ideas and concepts must be matched with men and machinery to provide efficient and economically profitable methods of both Surface and Deep Mining of coal. Each of us are fortunate in having an opportunity to contribute our ideas and talents toward these goals which will build a better future for all the employees of the company. Another example of your companies efforts to provide stable employment and protect the environment for today and the future.

Our thanks and congratulations to each and every man on the Surface Mines at Carbon and Winifrede, whose actions and attitudes have made the "haul-back" method such a successful venture for this company.

THE ENDURING LEGACY OF ESEA

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, 10 years ago, on April 11, 1965, President Lyndon B. Johnson signed into law the cornerstone of his Great Society program. Before the one-room schoolhouse that he had attended as a boy in Texas, he launched the Elementary and Secondary Education Act, Public Law 89–10, with great hopes and high expectations.

Since then, numerous critics have asserted that ESEA was not working, indeed, that schools do not count, that money does not make any difference and that Federal investments in education are wasteful and ineffective.

This is not my conclusion from having closely observed the impact of ESEA over the past decade. This is not the record ably compiled by the House Committee on Education and Labor which last year steered an extension of the act through this body by the resounding vote of 380 to 26. Nor, I am please to learn, is this the conclusion of Dr. Samuel Halperin, one of ESEA's original draftsmen in the Department of Health, Education, and Welfare, where he served as Assistant Commissioner of Education for Legislation and, later, as Deputy Assistant Secretary for Legislation.

Because I am certain that my colleagues will be interested in Dr. Halperin's analysis of "The Enduring Legacy of ESEA", as well as his earlier article on the occasion of ESEA's 5th birthday, I insert both pieces—substantially different and which make interesting comparative reading—at this point in the RECORD.

ESEA: FIVE YEARS LATER

(By Samuel Halperin)

If birthday candles burn on September 23 in celebration of the fifth anniversary of the first appropriation bill for the Elementary and Secondary Education Act,[1] it is hard to imagine where. Not among the ranks of federal budget-makers and top policy-makers many of whom seem to doubt that the Act is "cost-effective." Not among educators, many of whom accept its funds but complain of excessive red-tape and bureaucracy in order to obtain relatively little federal money. Not among the embittered parents of ghetto children, most of whom have seen precious little change for the better in the quality of their children's education. Not even among the Congressional liberals who were the Act's most dedicated advocates but who are now embarrassed by the critics and seem unable to counter with dramatic success stories made possible by ESEA.

Yet, five years ago, the nation's press, most of the Congress, and top educational spokesmen hailed President Johnson's signing of the Elementary and Secondary Education Act as a "social breakthrough" of the first magnitude. After a century of failure to pass major school aid bills, a "down payment" of a billion dollars was delivered—more help in a single year than in the entire 189-life of the Republic.

That euphoria of 1965 has now given way to grim soul-searching and not a few recriminations. As if to write off most recent education legislation. President Nixon's recent Message on Education Reform proclaims a major new criterion for judging federal school aid programs: "What do the children learn?"

It is difficult to quarrel with that statement as an ultimate test for federal expenditures. But lest we fall prey to the slogans of the moment or, worse yet, compound error by failing to learn from the past, it may be useful to recall the assumptions underlying ESEA when it was developed and enacted five years ago.

THE POLITICAL IMPERATIVE: "PASS A BILL!"

Unlike 1970, when some $10 billion in annual federal outlays are authorized, the stark problem facing ESEA's authors in 1964 was how to get any kind of major school aid bill enacted. Consequently, the place to begin an understanding of ESEA is with the recognition of the heavy legacy of conflict and defeat resulting from 100 years of abortive federal efforts to aid the schools. Much of the Congress, both intellectually and politically, was committed to school aid. Yet premonitions of doom dogged policy-makers contemplating the possibility of large-scale federal financing of the schools. ESEA's founding fathers had a keen sense of history, and they were painfully aware that the federal aid proposition had, in Robert Bendiner's words, "been beaten down in every way known to parliamentary man." Having passed the Senate seven times and the House twice since the 1960's, a large-scale school aid measure had yet to reach the President's desk for signature.

The first task of the Administration's legislative team, then, was to devise a bill which was politically viable. Politicians needed assurance that the aid to education issue would not create yet another bruising battle on the church-state, desegregation, or "equitable" distribution formula issues—the three traditional obstructions to federal aid bills. They also needed leadership to assert that the time was finally at hand to establish a permanent federal role in the improvement of the nation's schools.

To this overreaching political objective, based on the now-respectable assumption that school problems would not be solved unless the federal government did its part, much of what our changing value system today considers educationally important was

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[1] Public Law 89–199.

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submerged. "Getting the law on the books" was the objective uniting perhaps the widest constellation of interest groups ever assembled on a domestic issue. In the spirit of "Consensus Politics" which then dominated Washington, legislative success in important new social areas—like school aid, Medicare, and civil rights—was taken as a valid end in itself. In time, one reasoned, the legislative process would remedy any imperfections or omissions in the original ESEA concept. Andy Biemiller, chief lobbyist for the politically potent AFL–CIO, said bluntly what most ESEA backers were thinking:

"Let's get started . . . and get a bill through here, and begin to get some money into our school systems where we now know it is badly needed, and then we can take another good look and get closer to the goal that both you and I want; and we make no bones about it, that we want a general education bill."

In hindsight, some have said that the overwhelming Democratic Congressional majority won in the 1964 landslide should have enabled the Johnson Administration to take its time, to develop a "more workable" statute. Yet all those involved with ESEA recall vividly the periodic waves of near-panic which accompanied the bill's hurried passage through the legislative mills; this or that key educational group was rumored to be departing from the coalition; the church-state compromise was about to become unglued; pending court cases were about to be decided which could wreck the tenuous political alliance; this or that influential Member of the Congress was going to denounce one of the bill's major compromise sections, etc. And so, from its introduction on January 12 to its signing only 89 days later, on April 11, 1965, no effort was spared to speed ESEA to the President's desk. (No wonder some critics called it "The Railroad Act of 1965!") If there were lingering doubts about the efficacy of any of the bill's features, they would have to be deferred until the principle of federal aid was first firmly established.

FIRST PRIORITY: THE DISADVANTAGED

While ESEA's prime objective constituted a political "first," its second was no less ambitious: to begin the tedious task of making the mammoth American educational system (then 29,000 districts, 123,000 schools, 2 million teachers) more responsive to the need for overall educational change. Above all, the Act called for a better deal for the disadvantaged.

Title I, which provides aid to school districts with concentrations of children from low-income families, has always commanded the lion's share of Congressional and public attention. In fact, the allocation of a billion dollars in the first year—far surpassing any school aid bill ever proposed—was a Texas-sized gesture specifically designed to capture the popular imagination. In each of the several extensions and large-scale revisions of ESEA since 1965, Title I continued to be in the spotlight.

As much as any other act of government Title I characterizes the nation's commitment to eliminating the educational deficits of the young. Nothing has changed more dramatically from pre-1965 to today than the national dialogue over Title I. Then the issue was: "Is it a proper federal responsibility to pump money into slum schools?"

Today the only real question seems to be: "Is Title I working? Can federal aid, in fact, make a difference in the lives of kids? Indeed, are the children learning?"

Erroneously regarded by many of its backers as a general aid program, Title I was actually something new in federal aid statutes: the broadest type of categorical aid ever devised for elementary and secondary schools. Its major thrust was toward discovering ways to educate the "category" called disadvantaged children. But local educational judgments, weighed and approved by state authorities, were given almost complete reign.

In this spirit, more than pork-barrel politics underlay the Administration's decision to provide funds to more than 90 percent of the nation's school districts. Not all such districts lacked the fiscal capacity to raise their own funds. Rather, by earmarking federal funds for the exclusive use of the educationally disadvantaged, it was hoped that all schools would embark quickly upon a new era of concern for the underprivileged. The Act's central task of "public education" could not be trusted to the indefinite workings of a so-called general aid, tax credit or revenue-sharing bill. Indeed, using the lure of categorical federal money, the Johnson Administration hoped to see school bureaucracies rethink their priorities and put educationally disadvantaged children at the forefront of the schools' concern.

ESEA was part of a team effort. The Economic Opportunity Act, passed the previous summer, would aid the young outside the formal "power structure"—through Headstart, Community Action, Job Corps, Neighborhood Youth Corps, VISTA, and the like.

By design, the "educational establishment" would be prodded into action by OEO-financed "outside competition." Title I, on the other hand, would undertake the far more difficult task of rejuvenating the schools from within. In theory, then, the War on Poverty would be waged on several fronts simultaneously.

However, Title I's concept of extra help for the poor ran against the grain of American educational tradition which held that all children were to be treated equally, that school resources were to be divided equally, and that the job of the educator was to serve his students even-handedly. Even among some liberals who had recently discovered "The Other America," the concept of compensatory programs for the "disadvantaged" or the "culturally deprived" grated on the ears, smacked of "special treatment."

Reluctance to embrace compensatory education programs was difficult enough to overcome; what compounded the problem was a sheer lack of lore and know-how about them. Today's curricular materials, special research efforts, and evidences of professional concern—journals, seminars, training courses, etc.—no matter how inadequate they may ultimately prove, were almost non-existent in 1964–1965. Indeed, as the House and Senate Committee Reports (drafted with the aid of the Administration) indicated, no one in America knew exactly how to reach and teach the culturally deprived youngsters of the urban slums and rural depressed areas. Consequently, the committees suggested to educators literally fifty different types of programs which might conceivably improve the quality of life, as well as the formal education program, of the children of the poor.

Why not use federal money, asked the Congress, for "supplemental health and food services," "educational summer camps," "afterschool study centers," "scheduling of concerts, dramas, and lectures; mobile art exhibits and libraries," etc.

In the level sunlight of 1970 much of this seems terribly naive to many an onlooker. Yet there was, in the "era of good feeling" of 1965, a widespread belief that educators did want "to do right" and, given the funds for which they longed, would in time discover how to strengthen the system from within. There were then few cynics (now called "realists") to question whether dollars would, in fact, make a difference; the system simply craved dollars, especially dollars for the poor and dollars to stimulate innovation. There were then scarcely any "system engineers" to insist that the only way to judge federal aid programs was by how much kids improved their ability to read and write. These were concerns whose time had not yet come.

THE BIRTHPANGS OF ACCOUNTABILITY

One exception by its uncommonness, helps to illuminate the actual state of affairs of that time. Phrases like "accountability," "performance requirements," "educational achievement output," and the like are stock-in-trade rhetoric today. But almost no one in Washington voiced such notions during the period when ESEA was being developed and enacted. Those who dreamed of effective measurements of educational achievement laid their dreams aside in order to pass a school aid bill; the charge of "federal control of education" had to be avoided.

A notable exception was freshman Senator Robert F. Kennedy, whose national eminence made him impossible to ignore. Almost as soon as ESEA reached Capitol Hill, Mr. Kennedy let it be known to HEW that, unlike most of his colleagues in the Congress, he had scant confidence in the ability or motivation of educators to serve the poor. From Commissioner of Education Francis Keppel he won ready agreement that "the school system itself has created an educationally deprived system." Of Mr. Keppel and HEW Secretary Celebrezze he inquired rhetorically:

"Would you not agree, that one of the really great problems we have in the country, being blunt about it, is the school boards of some of these communities, in some of these states, and the commissioners of education in some of the states, that they are just not going to take the necessary steps to deal with the problem?"

Mr. Celebrezze's response—"That is the price of democracy"—received Kennedy's tart retort: "It may be the price of democracy but we don't have to accept it."

Kennedy's impatience with "the educational establishment" did not end there. He conditioned his subsequent support for passage of the ESEA upon good-faith Administration efforts to hold educators responsive to their constituencies and to make educational achievement the touchstone of success in judging ESEA.

After receiving the Senator's ultimatum, the HEW legislative team worked intently with Mr. Kennedy's Legislative Assistant, Adam Walinsky, to develop the first primitive legislative requirement in history which would hold educators accountable for educational progress under federally-funded programs. Section 105(a)([illegible]) of the ESEA was drafted requiring the States to adopt "effective procedures, including provision for appropriate objective measurements of educational achievement . . . for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of culturally deprived children." This and other Kennedy-inspired provisions, such as a watchdog National Advisory Council on the Education of Disadvantaged Children and Section 105(9); "effective procedures . . . for acquiring and disseminating to teachers and administrators significant information derived from educational research, demonstration and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects" were then carried by the Administration to the House Committee on Education and Labor and introduced by friendly Congressmen.

All of this was done by the Administration and its backers with great fear and trembling; fear that opponents of the bill would find ammunition for their charge that ESEA represented unwarranted federal control over local school districts; trembling that pro-ESEA educational lobbies would break with the Administration on the same issue. Yet Senator Kennedy's language survived and a tenuous beginning at accountability was at least possible.

The subsequent history of these fledgling provisions for evaluation and dissemination is not encouraging to those who believe in the power of federal legislative dicta to change human behavior rapidly. The response of much of the educational community varied from "We already have too much evaluation" to "Nobody knows how to do educational evaluation" to "Years will be required until anybody can do it." (At about the same time the Administration was expending thousands of man-hours attempting to keep afloat the now-respectable National Assessment of Education, a large-scale testing project which had been launched by Commissioner Keppel and several of the foundations in the face of much educator outcry.) The emotionally charged battle cry "Federal control!" intimidated the Office of Education from meaningful efforts to find out what worked in education and how these successes could be disseminated to the country at large. Years would have to elapse before a climate of sufficient concern could be generated to begin in earnest the task of discovering what difference federal dollars make in the lives of children.

THE THEME OF REFORM

As we have seen, a major objective of ESEA was to give educators the fiscal tools and the national encouragement which, most observers then believed were required to focus attention on schooling in the slums and to wage a meaningful war on educational neglect. The notion of assessing federal progress by measuring academic achievement ("pupil output") had hardly dawned in Washington. Yet it would be unfair to characterize ESEA's founding fathers as thinking that "money alone would solve all problems."

On the contrary, ESEA's authors believed that the educational system was non-responsive and stodgy. Their solution was to buy educational reform; "Mad money" from Washington would stimulate educational change. Indeed, despite all of the public attention surrounding Title I of ESEA, with its emphasis on one neglected segment of the educational system, it was really the theme of reform which dominated the concerns of ESEA's authors. From the 1964 Task Force on Education, chaired by John W. Gardner, to the Office of Education's nine mid-1965 regional "road shows" set up to publicize the new Act, the federal commitment to educational change was paramount.

The "buying of reform" dictated other, lesser-known parts of ESEA: to the clearly documented state of neglect of the nation's school libraries. Title II responded with support for the purchase of textbooks and school instructional materials. In the view of that time, books and teaching aids were not regarded as "frills" to adorn the schools but as indispensable tools to raise the quality of learning for all children. Not incidentally, Title II also firmly cemented private educators' support of ESEA by ensuring equal access to instructional materials by both public and private school children.

Title III, a conception of the Gardner Task Force, complemented the overall strategy of reform by calling for a broadly-based coalition among educators and every other type of community educational resource—universities, museums, orchestras, galleries, parks, etc. The schools were to be a partner in a consortium of inspired laymen and professionals who, together, would apply their talents to the education not merely of children but the community's adults as well.

The best minds and talents of the community would be harnessed for the common good; the "closed corporation of educationists" would be cracked by the infusion of fresh ideas and new perspectives; concrete expression would be given to Commissioner Keppel's dictum: "Education is too important to be left solely to the educators."

In the view of some reformers, the demise of this program of Supplementary Centers and Services was sealed at the outset. To protect itself on church-state grounds, the Congress insisted that Title III programs be operated solely by local public schools, instead of by community corporations in which the schools would be only a partner and not the master. Two years later, the "educational anti-establishment" was further depressed when approval of Title III projects was turned over completely to the States. Whatever theoretical virtues might have been inherent in the award of grants on the basis of "a national competition in the marketplace of new educational ideas" now became moot. Educational reformers washed their hands of what had been proudly hailed as the "dream title."

Title IV of ESEA authorized the construction of a national network of Regional Educational Laboratories to perform better basic research and to introduce into the classroom quickly the effective results of that work. (The rhetoric used in urging the Act's passage in 1965 is echoed strongly in President Nixon's 1970 Message on Education Reform. Apparently, fear of a large federal R&D effort in education has faded even if support for such an effort has not yet become politically irresistible.)

Concurrently, educational research grants were to be vastly increased with a view toward involving non-education academics and other talented "outsiders" in the work of the schools. The lengthy task of inducing social and physical scientists and experts in the humanities to abandon their traditional aloofness to the work of the "pedagogues" was clearly the underlying thrust of this ESEA title.

MAKING THE STATE MACHINERY WORK

The theme of reform and revitalization was given a special prominence by another objective of ESEA's authors: the commitment to improve federal-state educational relations through a massive build-up of state educational agencies. Almost single-handedly, Commissioner Keppel convinced the executive branch that Washington's educational bureaucracy could not and should not be the operating focus for most federal programs. State departments of education, generally weak and understaffed, needed federal aid if they were to be able to shoulder their vast new responsibilities under the ESEA.

Title V and other earmarked funds were included in ESEA to greatly enlarge and, hopefully, strengthen state educational leadership. In some states, as much as 70 percent of all state department personnel were soon federally financed in the expectation that these new educational cadres would exercise the judgment required of them in approving some 20,000 local district plans under Title I, the state library plans under Title II, and in giving advice and technical assistance to the thousands of consortia-based plans under Title III. Prodded by federal dollars, the states would have to "measure up" in unprecedented fashion.

MONEY AND TIME: THE WORK OF A GENERATION

But reform was more than a theme throughout ESEA. The Act's authors also believed that change would be a very lengthy and expensive undertaking. Congressional and public opinion had been electrified by President Johnson's unprecedented commitment of $1½ billion to the improvement of education in 1965–66. Yet virtually everyone connected with the legislation was convinced that the ambitious goals of ESEA would require years and annual appropriations at least 3 to 10 times greater than those of the first year.

One important meeting at the Budget Bureau in late 1964 sheds light on what was on the minds of ESEA's founding fathers. There, HEW representatives were amazed to learn that their traditionally skeptical, if not penurious, colleagues in the Bureau, were critical of the proposed Title I formula because it didn't spend enough money! By limiting payments on behalf of children from families with incomes under $2000, Title I would cost "only" slightly over a billion dollars. Even raising the family income factor to $3000 or $4000 would not provide the nation's schools with the minimum 5 to 10 billion dollars which was then believed required to make a meaningful impact upon the lumbering educational system. Consequently, the Budget Bureau designed, and the Congress subsequently enacted, a special "incentive grant" program. This add-on feature was deliberately designed to stimulate state and local effort and to spend many hundreds of millions of federal dollars over and above the regular Title I formula, then projected to grow to appropriations of $3–4 billion by 1968–69.

Then, to the chagrin of its authors and backers, the distant cloud of Viet Nam grew to behemoth proportions. Budget deficits and inflation took over center stage from the schools and from America's year-old "unconditional war against poverty." As a result, the nation's appropriation of $1.3 billion for Title I in 1970 is, in real purchasing power, actually less than Title I's fiscal 1966 appropriation. (Per pupil expenditures under Title I, in fact, have fallen sharply over the years: from $213 in fiscal 1966 to $173 in fiscal 1971.)

Budget Bureau and HEW projections for Title III of ESEA were even more ambitious: over a billion dollars by the early 1970's (as contrasted with an actual appropriation in 1970 of only $116.4 million). The point is simply that in 1964–65 there may have been many illusions, but about the cost and time required for change, very few.

INTERSTATE EQUALIZATION

Yet another objective of ESEA's authors was that of channeling federal funds to low-income regions of the country and to our harassed big cities, without proportional aid to most high-income communities. Aware that previous federal aid bills had foundered on the rocks of this "equalization" issue, ESEA's authors steered clear of traditional aid formulae. Instead, they devised a series of ingredients in Title I which provided both the needy South and the North's great cities with proportionally greater assistance than any bill proposed before (or since) ESEA.

After enactment, the distinguished economist Murray Weidenbaum, now Assistant Secretary of the Treasury, concluded from his studies that Title I:

> Is a highly progressive program . . . tending to lessen regional income differentials . . . it appears to be more oriented to directing funds to low-income regions, even more effectively than pure income transfer payments such as public assistance. . . .
>
> "Government expenditures on education—with their heavy orientation to investment in human beings—may be considered in an even more favorable light vis-a-vis the more traditional welfare and income maintenance programs. This may become increasingly the case when it is realized that the new type of federal aid to education contributes both to the anti-poverty efforts, by channeling funds into low-income areas, and to raising the economic potential of the nation by increasing the productivity of its present and future labor force."

In the last years of the Johnson Administration, too, support for Title I rested more on its merits as an equalizing vehicle than as a proven instrument of educational improvement.

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EASING THE PAIN OF DESEGREGATION

Finally, the architects of ESEA harbored yet another expectation about ESEA: they saw it as a potent lever for inducing southern school districts to undertake quick and "cooperative" school integration. Just as ESEA was seen as the in-school complement to the Economic Opportunity Act of 1964, so it was believed to be the "sugar solvent" which could break the log-jam on desegregation, as mandated by the Civil Rights Act of 1964. Under Title I alone, hundreds of southern school districts would receive an increment to their total operating budget of as much as 50 percent (Congress limited this payment to 30 percent in the first year). Administration leaders expected that southern school districts would be induced to desegregate faster in order to be eligible for such windfall funds.

In this expectation, as in the others enumerated above, only careful historical research can ascertain whether, in fact, the availability of federal funds hastened the pace of southern school desegregation. But it is amply clear that, by judicious display of county-by-county fund distribution tables, the White House was able to garner greater southern support for ESEA than for any school aid bill since the *Brown* decision of 1954.

In sum, ESEA was designed to achieve a number of distinct objectives: establish firmly the principle of federal aid to the schools; begin reform of the entire fabric of American education; redirect educational priorities to put the disadvantaged at the head of the class; provide sorely needed funds, particularly to the nation's poor rural areas and overburdened cities; strengthen federal-state educational relations by building up state departments of education; and speed the pace of school desegregation in the South.

Such is the context of expectations in which ESEA was born. The validity of these original objectives is still worth pondering even while we share the historical perspective (or charity) of the President's Counsellor, Daniel P. Moynihan, when he summed up recent experience under compensatory education programs:

"By and large, these programs have not achieved what was hoped for them. It is not to say they could not and that they don't achieve some things, but on balance, this subject has turned out to be more complicated than we had understood or thought, and there was no way to learn this except to try."

Learning by trying is what ESEA was all about. On its fifth birthday in 1970 one wonders if ESEA has yet had a fair trial.

THE GREAT EDUCATION ACT: ESEA 10 YEARS LATER

(By Samuel Halperin)

> "No law I have signed or will ever sign means more to the future of America."
> —LYNDON B. JOHNSON, April 11, 1965.

Brave and hopeful words, befitting the ebullience both of the man and the atmosphere surrounding the passage of the Employment and Secondary Education Act of 1965 (P.L. 89–10). Congress had delivered the first installment on the President's pledge to make of education "the first work of these times and the first work of our society." And ESEA, a five-pronged effort, began its work of helping "disadvantaged children", stocking school libraries, promoting community-wide projects for educational change, spurring educational research and development, and upgrading state departments of education. Federal dollars in unprecedented number were to make it all possible.

A decade later, educators and education are everywhere on the defensive. Congressional friends of that landmark education act and other Great Society programs still battle for ever-scarcer appropriations but privately worry that the Act may not be "really succeeding." But to this admittedly partial observer, ESEA's accomplishments look better all the time, both in comparison with non-education governmental expenditures and as a major venture in their own right.

What have we achieved with the $16.7 billion appropriated for ESEA over the past decade? What have we bought for a public investment about equal in cost to 10 Trident submarines?

To judge the Act fairly, we need to see it for what it was and is and not as the embodiment of the grandiose expectations that accompanied its passage in 1965. While the Johnson Administration talked of annual expenditures exceeding $5 billion by 1969, ESEA actually received less than $1.7 billion a year (about the cost of 10 days of the Viet Nam War). Not until 1975 did ESEA pass the $2 billion mark. Spread over 45 million students in public elementary and secondary schools, ESEA contributed a little over $40 per year per pupil. Even the 5–6 million "disadvantaged students", the Act's principal beneficiaries, seldom received benefits exceeding $175–200 apiece in any year. With public school operating budgets as a whole totaling $60 billion annually, the addition of the 3 percent ESEA increment was a fiscally modest one. About three-fourths of the nation's school districts received less than 3 percent of their budgets from P.L. 89–10. In only 11 percent of America's districts, did ESEA ever contribute more than 7 percent of total school budgets.

But size is not the only determinant of impact. Despite its small proportion of school expenditures, ESEA had enormous multiplier effects. Its record of achievement deserves greater appreciation than it has thus far received. In time, I believe, P.L. 89–10 will be recognized in American social history for at least these enduring legacies of LBJ's and the 89th Congress' joint endeavor:

ESEA broke the logjam on federal aid to education.—Before ESEA, Congress had failed to pass major aid to education legislation in a dozen attempts. From the Civil War to the bitter school aid fights of the late 1950's, divisive struggles over church-state (aid to parochial schools), desegregation, apportionment formulas and fear of federal control of education had prevented passage of any large-scale federal aid to elementary and secondary schools. In 196[illegible], as earlier, the chief Republican opponents of ESEA viewed it as "a quantum leap toward a centralized, standardized, uniform national school system." Even with LBJ's large Congressional majority, passage of ESEA often seemed in doubt. The final House of Representatives vote of 263–153 attests to the substantial opposition that the school aid bill had to overcome.

But passage of ESEA, and a host of subsequent federal aid statutes, permanently ended the impasse over the legitimacy of federal intervention on the school scene. While school aid fights in the subsequent decade have been abundant, they have all revolved about what kind and how much federal aid to offer and how best to construct a workable federal-state partnership, rather than over the continuity of ESEA itself. Indeed, former opponents of ESEA have come to be numbered among the Act's more constructive critics and cosponsors. Today, renewal of the Act is never in doubt, as the lopsided 1974 House vote of 380–26 demonstrates.

Simultaneously, appropriations for the original four titles of ESEA have risen over a ten-year period from $1.[illegible] to 2.1 billion. While this 50 percent increase scarcely covers inflationary costs, it is impressive testimony to the extent to which federal aid to education has become an enduring political fact. In a capital city which only 10 years ago skeptically viewed the draft ESEA bill as a highly risky experimental undertaking for the federal system itself, ESEA is now regarded as a nearly bipartisan expression of appropriate federal-state relations.

ESEA spotlighted the needs of children.—Of ESEA's many contributions, perhaps the most important was the fueling of a massive conceptual shift with implications for the entire educational system. By focussing, in Title I, on the "special educational needs of children," ESEA drastically changed the terms of reference of Congressional and, later, educational debate. No longer would the foremost educational policy disputes center on such issues as classroom and teacher shortages and levels of teachers' salaries. Henceforth, the more acceptable political and educational focus was on the child. ESEA, along with the related anti-poverty and civil rights efforts of the mid-Sixties, became a major vehicle for a national "consciousness-raising". Having "discovered" poverty in its midst in 1963–64, America now "discovered" that millions of children did not perform adequately in their school settings and that many schools and teachers were ill-equipped to help them. We learned, too, that academic failure was highly correlated with economic deprivation, that "children of poverty" needed—and were entitled to—"compensatory treatment", and that extra services were needed to bridge the gap between them and the more fortunately placed in society.

Years must elapse before the implications and full magnitude of this "social discovery" can percolate through our educational and political structures. Undoubtedly, every proponent of ESEA has been chastened to learn how intractable is the problem of educational deprivation. Gone is the easy self-assurance that a "war on ignorance" in the schools can quickly be won, far less can it lead to an end of inequality in adult society. While the Coleman and Jencks findings have questioned the power of our schools alone to produce either truly competitive adults or a just society, I see no evidence that political Washington is disposed to abandon the struggle to reduce disparities in student academic achievement, especially as those gaps may be traced to physical handicaps or the legacy of poverty and discrimination. While it is still too early to speak of an *enduring* ESEA legacy of national commitment to the disadvantaged, there is ample evidence to justify optimism on this count.

What is clear is that the American people and their representatives understand the needs of under-achieving children far better than they did a decade ago. Instead of blaming the children for failing to fit the school, ESEA asked the school to fit the child, to assess the particular needs of their students, and to devise individualized and effective prescriptions for them. While we now know that the road ahead is longer than first anticipated, neither is it a dead end road, as some recent successes seem to indicate.

ESEA fueled other movements toward equality of educational opportunity.—Just as ESEA contradicted time-encrusted views of schooling by insisting that emphasis belonged on the child, it has also become a rallying point for those concerned about achieving full educational opportunity for specific segments of the population. Here we may identify 10 such sectors of society or major educational movements which were aided by ESEA's emphasis on improved education for all.

From the beginning, ESEA's legislative history made clear that services were to be directed at out-of-school youth as well as those in the classroom. Special provisions were targeted at children of migrant workers, neglected youngsters and juvenile delinquents in various types of institutions. Simultaneously, ESEA spotlighted the chronic need for expanded services to handicapped children. A year after ESEA became law, a major new support mechanism for the education of handicapped children, Title VI, was added to the Act.

As ESEA began meeting the "special educational needs of children," the nation also developed awareness of the suffering of children forced to speak one language at home and another in the schools, of Hispanic and Indian children who could be helped by ESEA. Today, 11 states have their own bilingual education programs, 19 have compensatory education statutes and 45 have enacted programs to aid handicapped children, 42 after the passage of ESEA.

And now, too, there is rising Congressional interest in the preschool child, particularly with the realization that regular public school programs alone can never overcome the deficit of accumulated educational deprivation. Head Start and Follow Through demonstrated the benefits of both early intervention and continuity of educational treatment. Now the social movements which spawned ESEA are merging with those demanding greater child development and day care services.

Spotlighting the special needs of children had particularly powerful consequences in the area of child nutrition. Once ESEA was enacted, Congressional supporters pushed through massive expansions of school lunch, breakfast, special milk and related programs, arguing that adequate nutrition must precede effective learning. From 1965–75, federal funds for such programs quadrupled, rising from $497 million to $1.9 billion. Even more dramatically, federal support for free and reduced-price lunches for economically disadvantaged children, begun modestly in 1966 with an appropriation of $1.87 million, expanded 464 fold! At a current cost of $865 million, this program serves almost 10 million children annually, approximately 40 percent of the entire National School Lunch Program.

At the heart of ESEA is the principle that under-achieving children are entitled to above-average educational expenditures, an assertion that is helping to fuel the mushrooming movement to overhaul antiquated school finance systems. As the plaintiffs in *Serrano* and *Rodriguez* contended, most state and local school finance systems were short-changing the very children that ESEA was designed to assist.

The exact nature of ESEA distribution formulae continues in contention. The legal and scholarly communities are nearly unanimous, though, in finding Title I's fiscal impact to be the best in American educational finance as a means to achieve better intrastate equalization of resources among school districts. According to the National Educational Finance Project, Title I is not only a successful fiscal equalizer but its resources "are allocated to those districts whose pupils had the greatest educational needs as reflected by mean achievement test scores." Today, then, the educational philosophy of ESEA is helping to promote the movement toward school finance reform in more than a dozen states around the nation.

There is much more than this in ESEA's 10-year contribution to America. Without benefit of comprehensive empirical studies, I believe that at least the following educational successes of P.L. 89–10 can be documented from close observation of public school affairs:

ESEA promotes parental and community involvement in the schools.—From its beginning, ESEA called for parental and community participation in various titles of the Act and encouraged parental-paraprofessional employment in the schools, community-wide consortia for educational innovation, and increased sensitivity to the wishes of client groups. In its 1974 amendments, Congress continued this evolutionary process of opening up the educational system by *requiring* the establishment of a Parental Advisory Council for each participating Title I school. Thus, the 1965-era rhetoric about "education being too important to be left solely to the province of the professional educator" has become a Congressional mandate for the further democratization of the school system. If this sharing of participation with clientele groups can be achieved while schools maintain professional performance, the parental participation movement may well prove to be one of ESEA's greatest legacies.

ESEA recruited quality personnel for service in education.—The national clarion calls of the mid-1960's to "wage unconditional warfare against poverty" and to equip the nation's schools to do their part in that struggle did not go unheeded. Schools became attractive to idealistic and able young teachers, both individually and in association with the small but symbolically influential Teacher Corps. Service in ghetto schools and rural depressed areas came to be accepted as a challenge no less worthy than that of duty in the Peace Corps overseas.

Then, too, literally tens of thousands of scholars trained in fields other than education found public encouragement to redirect their professional energies. Researchers in the behavioral sciences, attorneys in advocacy law, humanists and artists alike, all turned their attention to improving the schools, once the federal government gave a clear signal that such contributions were needed. Historians of American education will undoubtedly record the large irony that at the moment when such talents became sufficiently available in the country, just as it became respectable for non-educators to work in the schools, public school resources became inadequate to employ them. The need remains, the talent is available; only the dollars and the sense of national purpose have dwindled. Yet, some of the greatest contributors to improved education may have been the men and women who answered ESEA's original call to make of education "the first work of these times."

ESEA promotes public-nonpublic cooperation.—To enact ESEA, it was essential for ESEA's authors to defuse the volatile church-state issue which had prevented passage of previous federal aid proposals. To do this, ESEA centered funds solely in the public schools while insisting that they had an obligation to act as "public trustee" for all children, regardless of the school attended. Under this "pupil benefit theory," dialogue between the public and private sectors was supposed to occur over the provisions of a number of ESEA titles, with a view to fashioning a joint attack on educational shortcomings.

Here, as elsewhere in ESEA, the promise of the law has been only partly realized. Nonpublic school children and out-of-school youth have not yet been accorded the educational services to which their needs and their numbers entitle them. Yet, neither did the historic church-state compromise result in the community holy wars and the subversion of the U.S. Constitution which was predicted by ESEA's foes. In numerous districts around the country, public and private school educators, community leaders, and the public and private sectors generally are today joined in constructive dialogue about how best to extend educational excellence to all the area's children.

Far from retreating from this highly risky gamble taken in 1965, the Congress in 1974 mandated the "public trustee" or "pupil benefit theory" for several programs and added means by which public-nonpublic school cooperation might be further enhanced. To those who remember the bitterly divisive Catholic-anti-Catholic exchanges of the early 1960's and the acrimonious exchanges between the late Cardinal Spellman and Eleanor Roosevelt over the federal aid issue, today's ESEA climate seems wholesome indeed.

ESEA promotes the evaluation/accountability movement.—ESEA was born in a time when fear of federal control might easily have prevented its passage. In 1965, any federal prescription for testing, for measuring educational outcomes, for requiring anything other than basic fiscal honesty, was certain to provide ammunition for ESEA's foes. To soothe such fears, Administration legislative draftsmen assiduously avoided any language which might be interpreted as interference in local and state decisionmaking or as efforts to require specific outcomes.

Yet, under the prodding of Senator Robert F. Kennedy, who had little confidence in the ability of educators to serve disadvantaged children effectively, HEW drafted statutory language which was designed to give parents leverage over ineffective schools and the public a way to gauge the effectiveness of tax expenditures. The Kennedy Amendment required the states to adopt "effective procedures, including provision for appropriate objective measurements of educational achievement . . . for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of culturally deprived children." This impressive objective also found its way into other ESEA provisions.

Thus began, crudely, the educational accountability movement with its emphasis on measuring educational *outcomes* as well as traditional input of resources. In the absence of tested experimental models against which to measure success, ESEA evaluations got off to a slow start. States varied widely in what they would permit local districts to spend their money for. Evaluators thus lacked comparable practices to assess. Nor did the Office of Education require uniform state reporting to provide useful interstate data. Consequently, the whole ESEA cycle to date has been punctuated by arguments over how and how much to evaluate ESEA practices.

Nevertheless, public and political pressure have combined to produce clearcut mandates for evaluation of educational programs and learning outcomes measured by academic performance. After first authorizing up to $25 million annually for program planning and evaluation, the 1974 extension of ESEA (P.L. 93–380) moved American education a giant step down the path of educational evaluation. Henceforth, HEW is to inform the Congress annually of ESEA's "effectiveness" by setting forth "goals and specific objectives in qualitative and quantitative terms for all programs and projects"; by providing information on "the progress being made . . . toward the achievement of such goals and objectives"; by describing "the cost and benefit" of each program; and by displaying its "plans for implementing corrective action." Moreover, with regard to Title I, the U.S. Commissioner of Education "shall develop and publish *standards* for evaluation of program or project effectiveness." (Emphasis added. Is it a historic irony that this amendment originated on the *Republican* side of the House Committee on Education and Labor where fears of federal power had long sustained opposition to federal aid programs?)

While the spectre of federal control may not have vanished, it is clear that the Congress has embraced the concept of "evaluation" as the way to ensure that public funds result in gains in learning, particularly in reading and mathematics, a requirement which would have been politically unthinkable a decade ago.

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ESEA strengthens the federal system in education.—The Act's provisions to strengthen state educational agencies (Title V) have their share of critics. Such agencies are alleged to have shown insufficient imagination and leadership. Yet, scarcely anyone disputes that a substantial improvement in state agency performance has been made possible by Title V and the various ESEA provisions for paying state administrative expenses.

Overall, state departments of education have added well over 2,000 needed staff members with the help of federal funds. Such innovations as state planning and evaluation units have been added in 38 states; new educational data systems (26 states); assessment programs (28); training for planners and evaluators (33); improved management-by-objectives systems (13); multiyear educational plans (8); state-wide planning in programming—budgeting systems (7); improved evaluation methodologies (23); etc. In the words of the top educational manager of one of the nation's largest states, "virtually every innovation we have undertaken in the past decade was either launched with or supported by Title V."

In short, while additional improvement in state leadership is imperative as the federal system moves rapidly into an area of decentralization, ESEA is helping to make the transition happen—sensibly and carefully.

But does it teach Johnny to read?—One may perhaps concur with this recitation of alleged ESEA achievements but query whether ESEA has, in fact, done anything to help children learn. Specifically, do disadvantaged children read any better than they used to?

The tentative answer, like almost everything else in educational evaluation in its still-primitive state, is encouraging. Evidence is accumulating that although low achievers are remaining in school longer than ever (thus reducing the drop-out rate and including in test scores "high-risk" children who were formerly not tested), today's readers—good and poor alike—seem to read better, on the average, than those of previous tested generations. While it is impossible to factor out the extent of such improvement attributable solely to ESEA, numerous state evaluation reports show test results of more than a month's gain in reading achievement for each month in a Title I project. To quote a 1974 independent evaluation by the Stanford Research Institute: "month for month gains were generally not made prior to 1970, but they are being made now by most districts in most states." Indeed, several states now report average 1.3 to 1.7 month academic gains for every month in a Title I program. With a long-term educational commitment to the educationally disadvantaged child, including possibly year-round special programs, the evidence is beginning to suggest that cognitive gaps might be not merely reduced but even closed.

If these are ESEA's successes, what about its failures? A diligent search found none that would persuade the rationale policymaker that dollars spent for particular programs were totally wasted. But candor forces us to acknowledge that the rudimentary state of educational evaluation inspires only limited confidence in the available data.

There is, nonetheless, some negative evidence. Academic performance is not rising everywhere. We know that not all of the equipment purchased with ESEA funds is actually being used. Many qualified children—nonpublic school, handicapped, out-of-school—are not yet being served under the provisions of the Act. Many school districts still use their ESEA funds as general aid for all children instead of prescribing programs which meet "the special educational needs of children."

We know, too, that the "innovation titles" of the Act have not fulfilled the high hopes and great expectations of 1965. Title III for Supplementary Centers and Services has funded many thousands of local innovations for up to three years each. Followup studies indicate that between 60 and 80 percent of these projects have subsequently been continued in regular public school budgets. Yet, a decade and $1[illegible] billion later, we know little more than we did about what "innovation" really is, how to bring it about and how to catalyze it on a grand scale. Did Title III projects help children? We think so, but there is no truly persuasive evidence that they have sparked substantial changes in the schools or that they have catalyzed enduring partnerships between the schools and the vast untapped cultural and artistic resources of their respective communities.

Similarly, Title IV which sought to create a dozen great national research and development laboratories, comparable to the massive installations of the Atomic Energy Commission, and perhaps two or three dozen more than would be specialized or less ambitious in scope, has fallen on hard times. The 18 federally-funded labs and centers have no continuity of funding, no real resources to move their investments from product development into large-scale classroom practices. Indeed, educational research and development has become something of a pariah on the priority list of federal policymakers in education.

As the tenth anniversary of ESEA passes virtually unmarked this week, let us pause long enough to recognize that the Act does have a number of impressive achievements to its credit, particularly in the area of promoting full educational opportunity for all sectors of society. As John W. Gardner reminded the faint-hearted and shortsighted among us half a dozen years: "Having escaped the clutches of those who think the Federal Government can do everything, we must not fall into the hands of those who think the Federal Government can do nothing." ESEA is alive and well, ten years later.

NOTICE OF FUTURE HEARINGS OF THE SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS OF THE HOUSE COMMITTEE ON THE JUDICIARY

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, I wish to announce a schedule of public hearings to be held by the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary:

First. A hearing will be held May 2, 1975, in room 2237 of the Rayburn House Office Building on H.R. 6184, a bill to restore to Congress the sole and exclusive authority to fix salaries of full-time bankruptcy judges. The scheduled witnesses are: Daniel R. Cowans, Esquire, Judge Robert Morton, and Judge Conrad K. Cyr. The hearing is scheduled to begin at 10 a.m.

Second. A hearing will be held May 7, 1975, in room 2237 of the Rayburn House Office Building, at 10 a.m., on H.R. 31 and H.R. 32, two acts to revise the bankruptcy laws of the United States. The scheduled witnesses will be representatives of the Administrative Office of U.S. Courts. They are: Berkeley Wright, Chief of Bankruptcy Division, and H. Kent Presson, Assistant Chief of Bankruptcy Division.

Third. A hearing will be held May 8, 1975, in room 2237 of the Rayburn House Office Building, at 10 a.m., continuing the subcommittee's oversight of the Federal Bureau of Investigation. The witness will be former Acting Director of the Federal Bureau of Investigation, L. Patrick Gray.

Fourth. A hearing will be held May 14, 1975, at 10 a.m., in room 2237 of Rayburn House Office Building on H.R. 61, a bill to provide for the security, accuracy and confidentiality of criminal justice information and to protect the privacy of individuals to whom such information relates and for other purposes. The witness will be the Department of Justice.

Those who wish to testify or submit a statement for the record should contact the Subcommittee on Civil and Constitutional Rights, 407 House Office Building Annex, 225-1680.

DAY OF REMEMBRANCE FOR MAN'S INHUMANITY TO MAN

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, this morning's New York Times contained an article on the 1915 massacre of the Armenian people by the Turks.

I regret that the Senate has not yet acted on the House-passed legislation that would have commemorated today as a National Day of Remembrance for Man's Inhumanity to Man. However, many people in this country will be remembering today about events that happened nearly 60 years ago, and about the many tragedies that have occurred since that time—tragedies that have reflected man's inhumanity to man.

Mr. Speaker, I believe my colleagues will find the New York Times article most interesting, and I include it at this point in my remarks:

1915 GENOCIDE IS STILL VIVID TO ARMENIANS HERE

(By Richard F. Shepard)

New York, a city of survivors, will be reminded today by its small but articulate Armenian community of one of the century's first and worst genocides, which wiped out half of its compatriots who lived in the Turkish part of Armenia 60 years ago.

Even now, there are few among the 50,000 Armenian-American New Yorkers who were not personally touched, through the experiences of grandparents or parents, by the Turkish massacres of 1915 that led to the desolation of eastern Anatolia and left Armenia as a small state, now a Soviet Republic, on the Russian side of the border.

The observance of the day of remembrance, which commemorates April 24, 1915, when the Turks rounded up and killed more than 200 Armenian leaders in Constantinople as the prelude to a general extermination, actually began yesterday. These was an interfaith conference, and a candlelight procession last evening wound its way from the golden-domed St. Vartan Cathedral at 34th Street and Second Avenue through midtown by way of the United Nations, to St. Patrick's Cathedral, where a service was held.

TWO GOALS

Today's events, sponsored by a number of organizations, have a common thrust: to recall to the world the brutalities of 60 years ago and to call for Turkish acknowledgement of the atrocities. Samuel Azadian, deputy commissioner of the city's Department of Highways and chairman of the procession yesterday, quoted a remark by Adolf Hitler during World War II, as he prepared his own programs of extermination: "Who talks nowadays of the extermination of the Armenians?"

"We are not doing this for revenge against the Turks or for bloodlust," said Mr. Azadian, whose mother and sister survived the massacres. "We have to say what happened because it might prevent other genocides."

The Diocese of the Armenian Church of America, with the co-sponsorship of the Greek Orthodox Church, the United States Catholic Conference, the American Jewish Committee, the Islamic Center of Washington, the Council of Churches of Christ of the U.S.A., and the United States Conference of the World Council of Churches, will continue its conference, "Religion's Role In a Violent World," at St. Vartan's meeting halls, with sessions at 9 A.M. and 2 P.M. The conference ends tomorrow.

The Prelacy of the Armenian Apostolic Church of America will sponsor at 9 A.M. today a "Survivor's Pilgrimage" to the Statue of Liberty, of 60 people who escaped the killings of 1915. A silver chalice will be presented to the Museum of Immigration there.

At 6:30, the prelacy will offer a special program honoring both survivors and young Armenian-Americans at the Felt Forum in Madison Square Garden. Among the speakers will be Barbara Tuchman, the Pulitzer-prize winning author whose grandfather was Henry Morgenthau, United States Ambassador to Turkey in 1915 and a prime figure in calling attention to the Armenian plight.

At 1 P.M., local branches of three major Armenian political parties, united in one action for the first time in their long histories, will hold a mass demonstration to protest "Turkey's continuing violation of human rights" and Turkey's failure to make reparations or to admit to the annihilation. This will start at Madison Avenue and 26th Street and will move along to the United Nations, where a formal complaint will be presented to United Nations Secretary General Waldheim. In Dag Hammarskjold Plaza, proclamations by Mayor Beame, and Governors Carey and Byrne, taking note of the occasion, will be read.

THE OPPOSITION

A Congressional resolution that would have designated today as a day of remembrance passed the House, but has not been voted upon by the Senate, where it was reported the State Department, worried about negotiations with Turkey and Greece over Cyprus, strongly opposed the measure.

At the New York Armenian Home for the Aged, 137-31 45th Avenue, in Flushing, Queens, a suggestion that elderly survivors dredge up what they recalled of their terror-stricken childhood reduced many to tears. An aide said that most did not even speak of it among themselves.

However, Nevart Prudian, a pleasant-looking 67-year-old woman who is a cook at the home, which has an appetizing Armenian menu, offered to tell her story because she felt it was important for the world to know.

"I was 6 or 7 years old in Erzerum, in eastern Turkey, when the soldiers came to the house in April, 1915, and pushed us out," she said, speaking through an interpreter. "We walked to a town where they separated the men from the women. They threw the men into the water and killed them. The Euphrates was red with blood.

MARCHED INTO DESERT

"I was with my mother and two younger sisters. The sisters died on the march. We tried to bury them, but the next day we saw the dogs at the grave," she said.

The Armenians were marched hundreds of miles into the Mesopotamian Desert. The Turks, Mrs. Prudian said, took the young women and raped and killed them as they went.

"People were dying of thirst and exposure on the way," she continued. "Pregnant women were killed with knives. We walked from that April until the next February, stopping here and there, but nobody did anything for us. You would see people fighting each other for a bit of garbage to eat, for an orange peel."

Unlike many companions on the march, Mrs. Prudian finally reached an American-run orphanage in Syria and in 1908 was married in Beirut.

"I often dream of those things," she said, adding, when asked what her experiences all meant for the rest of the world. "I want peace, brotherhood, love, a piece of land for Armenians where I can go."

The story, repeated with infinite variations according to a particular experience, is told not only by survivors but also by their descendants. Yet few of those interviewed said they harbored a personal bitterness for the Turks.

Archbishop Torkom Manoogian, primate of the Armenian Church Diocese, said that there were several aspects to the observance.

"One is for the Armenians to commemorate events of the past to preserve their unity with their history," he said. "One million or one and a half million Armenians were massacred in a premeditated genocide by the Turks. This generation followed the example of its ancestors by not denying their Christian faith when the Turks forced the Moslem religion upon them."

POSITION DETAILED

Archbishop Karekin Sarkissian, Prelate of the Armenian Apostolic Church in America, said, "We all feel this way about the Turks: You cannot suppress a whole nation. If they admit something wrong was done, then we can see about remedies. We can sit and talk. But today we are faced with a situation they do not acknowledge. They not only do not accept the fact but they do not concede that they had anything to do with it."

This consciousness affects all levels of American Armenian life. Armenians in America number a half million, with concentration in California and pockets in Boston and Detroit, as well as in the New York area, where many have moved out of traditional Manhattan neighborhoods to such areas as Queens and Bergen county.

Many are well-educated, reasonably affluent and active in professions, the arts, business and public life, a change from the days when first and second generations clustered in rug-dealing and photoengraving. They go to Armenian churches, either the traditional ones or Protestant and Roman Catholic, and their children go to Sunday schools and even Armenian day schools.

THIRD GENERATION IS MILITANT

"The third generation is more active than the second," said Edward K. Boghosian, editor of the Armenian Reporter. "There's been a revival stimulated by the civil rights movements—if you have black power, why not Armenian power—and because the third generation doesn't have the problems of deciding what they are as the second did."

Melik Ohanesian, the 44-year-old owner of the Dardanelles Restaurant, 86 University Place, was born in France but came to New York as a youngster. His father and mother were among those who fled turkey unscathed.

"You are always conscious of being Armenian," he said. "Armenians do not hate the Turks, I cannot hate a Turk. We want history to be built on the truth.

"My daughters are young," he said. "But they have the feeling of being Armenian as well as American, even though they might not know the Armenian language. This is how we survive with our culture. We are, I call it, the last of the Mohicans."

THE LIBRARY OF CONGRESS

(Mr. NEDZI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. NEDZI. Mr. Speaker, 175 years ago today, President John Adams signed into law an act to make provision for the further removal of the Seat of Government to the new Capitol in Washington. Included in this act was a section that provides—

> For the purchase of such books as may be necessary for the use of Congres at the said city of Washington, and for fitting up a suitable apartment for containing them, and for placing them therein the sum of five thousand dollars shall be, and hereby is appropriated; and the said purchase shall be made by the Secretary of the Senate and the Clerk of the House of Representatives, pursuant to such directions as shall be given, and such catalogue as shall be furnished, by a joint committee of both Houses of Congress to be appointed for that purpose; and that the said books shall be placed in one suitable apartment in the capitol in the said city, for the use of both Houses of Congress and the Members thereof, according to such regulations as the Committee aforesaid shall devise and establish.

Thus was the beginning of the Library of Congress and the Joint Committee on the Library of Congress, of which I am chairman, both of which have been in existence since that time. The Library of Congress which has been referred to as the "Fortress of Freedom" is appropriately marking this anniversary by opening its American Revolution Bicentennial Exhibition "To Set a Country Free." Thomas Paine in his "American Crisis" said:

> We fight not to enslave but to set a country free, and to make room upon the earth for honest men to live in.

A review of this exhibit and the priceless treasures contained therein gives ample evidence of the wisdom of Congress in providing for such a library which has in effect become a national treasure and the custodian of some of the most important historical materials of this Nation's development. From its humble beginnings of 11 hair trunks of books which arrived in the Baltimore Harbor early in 1801, the Library has grown to where it now contains more than 75 million pieces, including about 17 million books. A review of the chronology of the Library of Congress leading to the Library as we know it today points dramatically to the wisdom of the Congress as a body in building this great cultural institution:

LIBRARY OF CONGRESS

1800: The Library of Congress is established by the Congress "in the new capital city of Washington."

1802: Rules for using the books are set forth by the Joint Committee on the Library and the first catalog is published.

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1814: The 3,000-volume Library is destroyed in burning of Capitol.

1815: Purchase by the Congress of Thomas Jefferson's 6,000-volume personal library provides the foundation for a new, and more comprehensive Library of Congress—as well as a new classification scheme.

1832: A separate law department is created by the Congress.

1852: Following an 1851 fire that destroyed 35,000 of the Library's 55,000 volumes (including two-thirds of Jefferson's library), Congress provided for rebuilding and expanding the Library.

1866: The 40,000 volume library of the Smithsonian Institution is transferred by law to the Library of Congress.

1867: A joint resolution initiated the international exchange program. The purchase by the Congress of Peter Force's notable Americana collections made LC the largest library in the United States.

1870: All U.S. copyright activities are centralized by law at the Library of Congress, which began receiving two copies of all works deposited for copyright.

1882: Personal library of Washingtonian Joseph M. Toner donated to the nation and to the Library of Congress.

1886: A separate Library building across the east plaza from the Capitol is authorized.

1890: Cornerstone is laid for the new Library building.

1896: Congressional hearings held about the future organization of the Library.

1897: The Library is reorganized and the Librarian of Congress by statute is given responsibility for establishing rules and regulations and making appointments. Copyright Office is organized. The new building is occupied.

1901: Inauguration of the sale of printed catalog cards and interlibrary loan. A union catalog is established.

1903: Presidential and other valuable manuscripts are transferred from the Department of State by Executive Order.

1914: The Legislative Reference Service is authorized in an appropriation act.

1925: The Library of Congress Trust Fund Board is established by law.

1930: Construction of the Annex Building is authorized by the Congress. A special appropriation is made by the Congress for the purchase of the Vollbehr collection of incunabula, including the Gutenberg Bible.

1931: The Library is authorized by law "to provide books for the use of the adult blind."

1939: The Annex Building is occupied.

1946: An expanded Legislative Reference Service is authorized by the Legislative Reorganization Act and became a separate department.

1961: P.L. 480 foreign acquisitions program began.

1964: First major study describing automation and the Library of Congress.

1965: Construction of the James Madison Memorial Building is authorized by the Congress.

1966: Inauguration of the Machine Readable Cataloging Pilot Project and the National Program for Acquisitions and Cataloging.

1967: A new Preservation Office and program are organized.

1970: The responsibilities of CRS are increased by the Legislative Reorganization Act of 1970.

1974: The cornerstone for the Madison Memorial Building is laid.

1975: Collections of more than 75 million pieces, including about 17 million books, administered by a staff of over 4,500.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Thompson (at the request of Mr. O'Neill), for today through Monday, April 28, on account of official business.

Mr. Randall, for Friday, April 25, 1975, on account of attendance as member of U.S. interparliamentary delegation at Quebec annual meeting.

Mrs. Collins of Illinois (at the request of Mr. O'Neill), for today, on account of official committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Kindness) to revise and extend their remarks and include extraneous material:)

Mr. Young of Alaska, for 10 minutes, today.

Mr. Kemp, for 15 minutes, today.

Mr. Rousselot, for 10 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Miller of Ohio, for 5 minutes, today.

Mr. Dickinson, for 5 minutes, today.

Mr. Fish, for 10 minutes, today.

(The following Members (at the request of Mr. Hughes) and to revise and extend their remarks and include extraneous matter:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Fulton, for 5 minutes, today.

Mr. Adams, for 10 minutes, today.

Mr. Fraser, for 5 minutes, today.

Mr. Fithian, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Badillo, for 5 minutes, today.

Mr. Cotter, for 5 minutes, today.

Mr. Morgan, for 10 minutes, today.

Mr. Drinan, for 10 minutes, today.

Mr. Conyers, for 10 minutes, today.

Mr. Randall, for 5 minutes, today.

Mr. Ford of Tennessee, for 10 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Melcher, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mrs. Mink, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,390.

Mrs. Heckler of Massachusetts to extend her remarks prior to vote on H.R. 4111.

Mr. Landrum to include extraneous matter in his remarks made in committee today.

Mr. Rooney, and to include extraneous matter in his remarks made today on H.R. 4975.

(The following Members (at the request of Mr. Kindness) and to include extraneous matter:)

Mr. Kemp in three instances.

Mr. Sarasin.

Mr. Young of Alaska.

Mr. Hammerschmidt in two instances.

Mr. Frey.

Mr. Broomfield in two instances.

Mr. Walsh.

Mr. Findley.

Mr. Rousselot in two instances.

Mr. Gradison.

Mr. Derwinski in two instances.

Mr. Cohen.

Mr. Hyde.

Mr. Pressler.

Mr. Burke of Florida in two instances.

Mr. Crane.

(The following Members (at the request of Mr. Hughes) and to include extraneous material:)

Mr. Fisher.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Roe.

Mr. Kastenmeier.

Mr. Harris in 10 instances.

Mr. Blanchard.

Mr. Moorhead of Pennsylvania in 10 instances.

Mr. Lloyd of California.

Mr. Seiberling.

Mr. Richmond.

Mr. Mikva.

Mr. Fraser in 10 instances.

Mr. Downey in 10 instances.

Mr. Hanley.

Mr. Ottinger.

Mr. Symington.

Mr. Zeferetti.

Mr. Carr.

Mr. Ambro.

Mr. Sisk.

Mr. Satterfield.

Mr. Dominick V. Daniels.

Mr. Harrington.

Mr. D'Amours.

Mr. Murtha.

Mr. Boland.

Mr. Badillo.

Mrs. Spellman.

Mr. Ashley.

Mr. Rose.

Mr. Fascell.

Mr. Young of Georgia.

Mr. Thornton.

Mr. Russo.

Mr. O'Hara.

Mr. Rosenthal.

Mr. McDonald of Georgia.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on April 23, 1975, present to the President, for his approval, a bill of the House of the following title:

H.R. 4296. An act to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

ADJOURNMENT

Mr. HUGHES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; whereupon (at 5 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, April 28, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

855. A letter from the President of the United States, transmitting a proposed budget amendment for fiscal year 1976 for the Department of the Interior (H. Doc. No. 94–112); to the Committee on Appropriations and ordered to be printed.

856. A letter from the President of the United States, transmitting a proclamation extending nondiscriminatory treatment to the products of the Socialist Republic of Romania, pursuant to section 407(a) of the Trade Act of 1974, together with a copy of the trade agreement, an Executive order waiving the application of the provisions of subsections 402 (a) and (b) of the Act, and accompanying documents (H. Doc. No. 94–114); to the Committee on Ways and Means and ordered to be printed.

857. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1975, or the Military Construction Appropriation Act, 1975, during the first half of fiscal year 1975, to make payments under contracts in a foreign country except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 835 and 109 of the respective acts; to the Committee on Appropriations.

858. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to remove the restrictions imposed on the Treasurer of the United States by section 243 of the Revised Statutes; to the Committee on Banking, Currency and Housing.

859. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with P. T. International Nickel Indonesia (Inco Indonesia), which exceeds $60 million, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended [12 USC 635(b)(3)]; to the Committee on Banking, Currency and Housing.

860. A letter from the Commissioner of Indian Affairs, Department of the Interior, transmitting a draft of proposed legislation to declare certain submarginal lands of the United States to be held in trust for certain designated Indian tribes or communities and to make such lands part of the reservation involved; to the Committee on Interior and Insular Affairs.

861. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles and services to the Governments of Norway, Denmark, the Netherlands, and Belgium, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

862. A letter from the Secretary of Health, Education, and Welfare, transmitting an estimate of the amount of funds requested for fiscal year 1976 for the National Institutes of Health for research relating to sudden infant death syndrome, together with a comparison of that amount with the amount requested for fiscal year 1975, pursuant to section 2(c)(2) of Public Law 93–270; jointly, to the Committees on Interstate and Foreign Commerce, and Appropriations.

863. A letter from the Chairman, Consumer Product Safety Commission, transmitting the comments of the Commission, submitted to the Office of Management and Budget, on H.R. 5361 and S. 1000, the "Consumer Product Safety Commission Improvements Act of 1975," pursuant to section 27(k)(2) of the Consumer Product Safety Act; to the Committee on Interstate and Foreign Commerce.

864. A letter from the Secretary of Transportation, transmitting a summary of awards and published reports during fiscal years 1973 and 1974 under the Department's Program of University Research; to the Committee on Public Works and Transportation.

RECEIVED FROM THE COMPTROLLER GENERAL

865. A letter from the Comptroller General of the United States, transmitting a secret report on the effectiveness of the P–3 weapon system; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. S. Con. Res. 23. Concurrent Resolution to authorize the printing of additional copies of "The Congressional Program of Economic Recovery and Energy Sufficiency"; without amendment (Report No. 94–174). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR (for himself, and Mr. Pressler):

H.R. 6349. A bill to amend section 103 of title 23, United States Code, to require the capital cities of the States to be connected to the Interstate System; to the Committee on Public Works and Transportation.

By Ms. ABZUG (for herself, Mr. Badillo, Mrs. Boggs, Mrs. Burke of California, Mr. Carr, Mrs. Collins of Illinois, Mr. Conyers, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Harrington, Mr. Hawkins, Mr. Hicks, Ms. Holtzman, Mr. Koch, Mrs. Meyner, Mr. Mikva, Mr. Mineta, Mr. Mitchell of New York, Mr. Murphy of New York, Mr. Pattison of New York, Mr. Rees, Mr. Sarasin, Mrs. Spellman, and Mr. Stark):

H.R. 6350. A bill to allow Federal employees to participate in a flexible work scheduling program which, for an initial period, shall be established on a temporary basis and thereafter, subject to congressional disapproval, on a permanent basis; to the Committee on Post Office and Civil Service.

By Mr. ADAMS:

H.R. 6351. A bill to promote commerce and to meet the need of consumers of goods and products by increasing availability of railroad rolling stock and equipment through improved utilization techniques and financial guarantees for new acquisitions, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ASHBROOK:

H.R. 6352. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals a deduction for the expenses of operating a motor vehicle to transport their children to public schools; to the Committee on Ways and Means.

By Mr. BROWN of Michigan (for himself and Mr. Ruppe):

H.R. 6353. A bill to provide compensation to any State which indemnifies any owner of livestock or livestock products which have been condemned by such State to protect the public health; to the Committee on Agriculture.

By Mr. CORMAN:

H.R. 6354. A bill to establish a research and development program leading to advanced automobile prototypes; to the Committee on Science and Technology.

By Mr. DINGELL (for himself, Mr. Leggett, Mr. Reuss, Ms. Abzug, Ms. Holtzman, Mr. Sarbanes, Mr. Seiberling, Mr. Oberstar, Mr. Mikva, Mr. Chappell, and Mr. Downey):

H.R. 6355. A bill to amend the National Wildlife Refuge System Administration Act of 1966, and for other purposes; to the Committee on Merchant Marine and Fisheries.

Mr. FINDLEY:

H.R. 6356. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; to the Committee on the Judiciary.

Mr. FLYNT:

H.R. 6357. A bill to make more uniform with the general requirements of the Federal Food, Drug, and Cosmetic Act certain provisions relating to the labeling and notification of colored margarine and colored oleomargarine; and to provide for uniform standards and specifications for colored margarine and colored oleomargarine; to the Committee on Interstate and Foreign Commerce.

By Mr. GAYDOS:

H.R. 6358. A bill providing for the review of executive agreements; to the Committee on International Relations.

By Mr. GRADISON:

H.R. 6359. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. HARRIS (for himself, Mr. Gude, Mr. Fauntroy, Mr. Rees, Mr. Fisher, Mrs. Spellman, Mr. McKinney, Mr. Whalen, Mr. Litton, Mr. Florio, and Mr. Biester):

H.R. 6360. A bill to amend the National Capital Transportation Act of 1969 to authorize an additional Federal contribution toward the effectuation of a transit development program for the National Capital Region, and for other purposes; to the Committee on the District of Columbia.

By Mr. HAYS of Ohio:

H.R. 6361. A bill to amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations for the Federal Election Commission through June 30, 1976 and to make certain technical and conforming changes made necessary by the Federal Election Campaign Act Amendments of 1974; to the Committee on House Administration.

By Mr. KASTENMEIER (for himself, Mr. Steelman, Mr. Florio, and Mr. Scheuer):

H.R. 6362. A bill to require candidates for Federal office, Members of the Congress, and officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. LITTON (for himself, Mr. Cohen, Mr. Melcher, Mr. Vigorito, Mr. Krebs, Mr. Brown of California, Mr. Mathis, Mr. Symms, and Mr. Johnson of Colorado:

H.R. 6363. A bill to amend the Forest Pest Control Act of June 25, 1947; to the Committee on Agriculture.

By Mr. MOAKLEY:

H.R. 6364. A bill to terminate the airlines mutual aid agreement; to the Committee on Public Works and Transportation.

By Mr. MOLLOHAN (for himself, Mr. AuCoin, Mr. Bonker, Mr. Cornell, Mr. Dodd, Mr. Fascell, Mr. Ford of Michigan, Mr. Hicks, Mr. Krebs, Mr. Miller of California, and Mr. Young of Alaska):

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H.R. 6365. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide that a unit of general local government having a population of 50,000 or more shall be eligible to be a prime sponsor; to the Committee on Education and Labor.

By Mr. PATTERSON of California:

H.R. 6366. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide that a unit of general local government having a population of 20,000 or more shall be eligible to be a prime sponsor; to the Committee on Education and Labor.

H.R. 6367. A bill to provide that the U.S. Postal Service may not require the installation of mailboxes at the curb line of residential property in certain localities; to the Committee on Post Office and Civil Service.

By Mr. QUILLEN:

H.R. 6368. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

By Mr. RICHMOND:

H.R. 6369. A bill to provide for grants to State housing finance or State development agencies for the purpose of financing a portion of the development costs of housing projects owned by such agencies, by their subsidiaries, or by nonprofit sponsors funded by such agencies; to the Committee on Banking, Currency and Housing.

By Mr. SATTERFIELD:

H.R. 6370. A bill to amend section 355 of title 38, United States Code, relating to the authority of the Administrator of Veterans' Affairs to readjust the schedule of ratings for the disabilities of veterans; to the Committee on Veterans' Affairs.

By Mr. SCHEUER:

H.R. 6371. A bill to amend the Federal Food, Drug, and Cosmetic Act to prohibit the administration of the drug diethylstilbestrol (DES) to any animal intended for use as food, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK:

H.R. 6372. A bill to amend the Agricultural Fair Practices Act of 1967; to the Committee on Agriculture.

By Mrs. SPELLMAN:

H.R. 6373. A bill to amend the Internal Revenue Code of 1954 to encourage the preservation and rehabilitation of historic buildings and structures and the rehabilitation of other property, and for other purposes; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 6374. A bill to amend the Regional Rail Reorganization Act of 1973 with respect to the light density lines which are not designated by the U.S. Railway Association to be operated in the final system plan; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 6375. A bill limiting the power of the Army Corps of Engineers to determine the navigability of certain waters located wholly within the limits of one State; jointly to the Committee on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. STUDDS:

H.R. 6376. A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to extend the effective period of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK (for himself, Mr. Bedell, Mr. Carr, Mr. Evans of Indiana, Mr. Eilberg, Mr. Fithian, Mr. Hannaford, Mr. Jeffords, Mr. Rangel, Mr. Seiberling, Mr. Solarz, Mr. Stokes):

H.R. 6377. A bill to provide for the recycling of used oil and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. YOUNG of Alaska (for himself, Mr. Bell, Mr. Ketchum, Mr. Lagomarsino, and Mr. Charles Wilson of Texas):

H.R. 6378. A bill to authorize certain revenues from leases on the Outer Continental Shelf to be made available to coastal and other States; jointly to the Committees on the Judiciary, Merchant Marine and Fisheries, and Government Operations.

By Mr. AMBRO:

H.R. 6379. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. ASHLEY:

H.R. 6380. A bill to provide for an audit by the General Accounting Office of the Federal Reserve Board, banks, and branches; to the Committee on Banking, Currency and Housing.

By Mr. BADILLO (for himself and Mr. Fish):

H.R. 6381. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 6382. A bill to amend the Foreign Assistance Act of 1961 with respect to Cuba and for other purposes; to the Committee on International Relations.

By Mrs. BURKE of California (for herself, Mr. Brodhead, Mr. Clay, Mr. Downey, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Gilman, Mr. Harris, Mr. Hawkins, Mr. McCormack, Mr. McKinney, Mr. Mineta, Mr. Mosher, Mr. Riegle, Mr. Stokes, Mr. Udall and Mr. Waxman):

H.R. 6383. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CORNELL (for himself, Mr. D'Amours and Mr. Findley):

H.R. 6384. A bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. DOWNEY:

H.R. 6385. A bill to regulate commerce and to protect petroleum product dealers from unfair practices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH (by request):

H.R. 6386. A bill to limit cost-of-living increases under the Federal Employees' Compensation Act for a specified period of time, and for other purposes; to the Committee on Education and Labor.

By Mr. FOLEY (for himself and Mr. Wampler) (by request):

H.R. 6387. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years; to the Committee on Agriculture.

By Mr. FORD of Tennessee:

H.R. 6388. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. GILMAN (for himself, Mr. Jeffords, Mr. Whitehurst, Mr. Butler, Mr. Fithian, Mr. Hinshaw, Mr. Treen, and Mr. Hannaford):

H.R. 6389. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. RANDALL:

H.R. 6390. A bill to amend the Internal Revenue Code of 1954 to prohibit inspection of income tax records by the Department of Agriculture and to allow certain limited information from such records to be furnished to the Department; to the Committee on Ways and Means.

By Mr. REGULA (for himself, Mr. Kindness, Mr. Biester, and Mrs. Boggs):

H.R. 6391. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY:

H.J. Res. 416. Joint resolution to establish a National Commission on Social Security; to the Committee on Ways and Means.

By Mr. ULLMAN (designated by the Majority Leader) for himself and Mr. Schneebeli (designated by the Minority Leader), (both by request):

H. Con. Res. 252. Concurrent resolution approving the extension of nondiscriminatory treatment to the products of the Socialist Republic of Romania; to the Committee on Ways and Means.

By Mr. DOWNEY:

H. Con. Res. 253. Concurrent resolution expressing opposition to proposed curtailment of benefits under medicare; to the Committee on Ways and Means.

By Mr. DRINAN:

H. Res. 423. Resolution disapproving the deferral of budget authority relating to emergency school aid (deferral No. D75-160) which is proposed by the President in his special message of April 18, 1975, transmitting under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. QUILLEN:

H. Res. 424. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BLOUIN introduced a bill (H.R. 6392) for the relief of Koviljka C. Clendenen, which was referred to the Committee on the Judiciary.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of April 10, 1975 (p. 10013):

H.R. 4500. March 10, 1975. Ways and Means. Amends the Social Security Act by establishing father's insurance benefits for widowers and surviving divorced husbands with minor children.

H.R. 4501. March 10, 1975. Waya and Means. Amends the Social Security Act to authorize payment to married couples of Old-Age and Disability Insurance benefits which have been computed on the basis of their combined earnings record. Revises the method of computing a surviving spouse's primary insurance amount to reflect combined earnings.

H.R. 4502. March 10, 1975. Education and Labor. Authorizes the Commissioner of Education under the Elementary and Secondary Education Act of 1965 to make grants to local educational units to finance drug abuse prevention and therapy programs in schools.

H.R. 4503. March 10, 1975. Education and Labor. Amends the Civil Rights Act of 1964 by creating a two year statute of limitations on civil actions brought by the Equal Employment Opportunity Commission or the Attorney General to prevent unlawful employment practices.

H.R. 4504. March 10, 1975. Veterans' Affairs, Amends the Soldiers and Sailors Civil Relief Act of 1940 to remove the general right to reopen a judgment rendered against any person in the military service on the ground that such person was prejudiced in making a defense by reason of such service, where the judgment resulted in the termination of said person's parental rights with respect to any child, provided such military person had reasonable notice of the adoption proceeding.

H.R. 4505. March 10, 1975. Ways and Means. Revises the administration of the Social Security Act by requiring that hearings regarding claims arising under the Old-Age, Survivors, and Disability Insurance and Medicare provisions of the Act be presided over by an administrative law judge and conducted on the record. Requires that the claimant be given notice an an opportunity to be heard.

H.R. 4506. March 10, 1975. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 by authorizing the Secretary of Health, Education, and Welfare to convey surplus Federal real property, subject to the disapproval of the General Services Administrator, to States or politcal subdivisions if such property is to be used for public safety purposes.

H.R. 4507. March 10, 1975. Banking, Currency and Housing Authorizes the Secretary of Housing and Urban Development to make loans to homeowners and builders to assist in purchasing and installing solar heating or solar heating and cooling equipment. and directs the Secretary to provide individuals with all current information on such equipment upon request.

Defines the types of equipment qualifying for inclusion under this Act.

Directs the Energy Research and Development Administration to (1) establish procedures for inspecting and evaluating solar heating and cooling equipment, (2) review new equipment as developed, and (3) periodically review certifications of such equipment for validity.

H.R. 4508. March 10, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 4509. March 10, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior employer, for their dependent spouse, and for their dependent children. Directs the Secretary of Health, Education, and Welfare to enter into contracts with carriers who will provide such insurance benefits.

H.R. 4510. March 10, 1975. Foreign Affairs. Amends the Foreign Service Buildings Act, 1926, to revise the appropriations for acquisitions of sites and buildings and major alterations of buildings in foreign countries.

H.R. 4511. March 10, 1975. Interstate and Foreign Commerce. Defines the term "food supplement" as it appears in the Federal Food, Drug, and Cosmetic Act. Disallows the requirement of warning labels for and the limiting of ingredients in "food supplements" by the Secretary of Health, Education, and Welfare unless such article is intrinsically injurious to health in the recommended dosage.

H.R. 4512. March 10, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to extend the authorization for emergency job programs through fiscal year 1976.

H.R. 4513. March 10, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish within the National Institute of Mental Health the National Center for the Prevention and Control of Rape.

H.R. 4514. March 10, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 4515. March 10, 1975. Ways and Means. Amends the Social Security Act by excluding general and cost-of-living increases in Old-Age, Survivors, and Disability Insurance benefits from being considered income for the purpose of determining an individual's eligibility for Federal-State public assistance, Supplemental Security Income, food coupons, low-income housing or veterans' pensions.

H.R. 4516. March 10, 1975. Ways and Means. Amends the Social Security Act to allow Federal officers and employees to elect coverage under Old-Age, Survivors and Disability Insurance.

H.R. 4517. March 10, 1975. Education and Labor. Ways and Means. Amends the Employees Retirement Income Security Act of 1974 by requiring that all private pension plans have the effect of a qualified joint and survivor annuity.

Revises the requirements for a qualified trust under the Internal Revenue Code of 1954 to conform to such amendment.

H.R. 4518. March 10, 1975. Judiciary. Merchant Marine and Fisheries. Interior and Insular Affairs. Science and Technology. Revises the Outer Continental Shelf Lands Act to establish a policy for the development and management of oil and natural gas on the Outer Continental Shelf designed to protect the marine and coastal environment.

Directs the Secretary of the Interior to establish a comprehensive exploratory program to develop potential oil and gas leases. Directs the National Oceanic and Atmospheric Administration to assume lead responsibility in preparation of environmental impact statements.

Revises bidding and lease administration procedures.

Authorizes the Secretary of Transportation to report on pipeline safety and operation on Federal lands and the Outer Continental Shelf.

H.R. 4519. March 10, 1975. Ways and Means. Amends the Internal Revenue Code by imposing an excise tax or floor stocks tax, based on the fuel efficiency rate determined by the Environmental Protection Agency, on every passenger automobile sold by the manufacturer or every automobile held by a dealer for sale on a tax increase day. Directs the Secretary of the Treasury to make a payment to purchasers of new passenger automobiles manufactured in the United States with high fuel efficiency rates. Requires automobile dealer disclosure of the fuel efficiency rate and resultant tax on each automobile. Prohibits manufacturers' adjustments causing lower fuel efficiency rates.

H.R. 4520. March 10, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act to allow possession of marihuana for private use. Allows the distribution, transfer or sale of marihuana, lawfully possessed, to any person or private use if such distribution, transfer or sale is not for profit.

H.R. 4521. March 10, 1975. Public Works and Transportation. Reduces the permissable steering axle weight for users of the Interstate Highway System.

H.R. 4522. March 10, 1975. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving Old-Age, Survivors and Disability Insurance benefits.

H.R. 4523. March 10, 1975. Agriculture. Adjusts the loan levels and target prices established under the Agricultural Act of 1949 for crops of wheat, feed grains, and cotton. Reduces the percent of the established price for cotton which the Secretary of Agriculture shall extend as credit in the form of nonrecourse loans to cooperators presenting warehouse receipts reflecting accrued storage charges of not more than 60 days.

H.R. 4524. March 10, 1975. Armed Services. Stipulates that all similarly classified members of the Armed Forces who became entitled to retired or retainer pay on or after October 1, 1967 shall receive the same amount of such pay.

H.R. 4525. March 10, 1975. Interior and Insular Affairs. Increases the appropriation authorization ceiling for the Golden Spike National Historic Site in Utah.

H.R. 4526. March 10, 1975. Education and Labor. Sets forth measures to prevent the interruption of normal shipping between the west coast and Hawaii, Guam, American Samoa, and the Trust Territory of the Pacific during a labor dispute in the west coast longshore or maritime industries.

H.R. 4527. March 10, 1975. Armed Services. Allows certain members of the National Guard to wear civilian clothing when performing their duties in a civilian status.

H.R. 4528. March 10, 1975. Post Office and Civil Service. Revises regulations regarding creditable service for civil service retirement purposes with respect to National Guard technicians.

H.R. 4529. March 10, 1975. Post Office and Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 4530. March 10, 1975. Veterans' Affairs. Permits disinterment of eligible decedents in national cemeteries only with prior written authorization of the Director of the National Cemetery System accompanied by written consent of all living close relatives of the decedent and an order of a court of competent jurisdiction directing the disinterment. Grants discretion to the Administrator of Veterans' Affairs for the removal of the remains of an eligible decedent from the national cemetery proper and interment in the post section of a national cemetery, if upon death, a related person is not buried in the same or an adjoining gravesite.

H.R. 4531. March 10, 1975. Ways and Means. Amends the Internal Revenue Code to exempt from record keeping requirements licensed firearms or ammunition importers, manufacturers, or dealers.

H.R. 4532. March 10, 1975. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to include as an urbanized area for purposes of apportioning funds for urban mass transportation projects those areas containing contiguous cities with a combined population of more than fifty thousand which have a unified metropolitan transportation system to serve the entire area.

H.R. 4533. March 10, 1975. Post Office and Civil Service. Redesignates the dates for the observance of Memorial Day and Veterans' Day.

H.R. 4534. March 10, 1975. Judiciary. Amends the Military Personnel and Civilian Employees' Claims Act of 1964 by permitting officers and employees of the Trust Territory of the Pacific Islands to receive compensation for damage to, or loss of, personal property incident to his service in the Government of such Trust Territory.

H.R. 4535. March 10, 1975. Armed Services. Authorizes the Administrator of General Services to dispose of a certain amount of tin from the national stockpile and the supplemental stockpile.

H.R. 4536. March 10, 1975. Post Office and

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Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 4537. March 10, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increase in monthly social security benefits.

H.R. 4538. March 10, 1975. Interstate and Foreign Commerce. Establishes the Electric Power Production Authority in the Department of Commerce with the duty to assure that adequate supplies of electric energy are available to meet anticipated demand. Directs the Authority to assist in the construction of new electric power plants and transmission facilities.

H.R. 4539. March 10, 1975. Education and Labor. Amends the Federal Coal Mine Health and Safety Act of 1969 to make individuals employed in coke oven areas in which the level of coal dust in the atmosphere is substantially equivalent to, or greater than, the level of coal dust prevailing in the atmosphere of underground coal mines eligible for black lung benefits.

H.R. 4540. March 10, 1975. Interior and Insular Affairs. Designates a segment of the Allegheny River in Pennsylvania for potential inclusion in the National Wild and Scenic Rivers System.

H.R. 4541. March 10, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits.

H.R. 4542. March 10, 1975. Ways and Means. Directs the Bureau of Labor Statistics to prepare a monthly Consumer Price Index for Senior Citizens and Other Social Security Beneficiaries. Amends the Social Security Act by requiring that this special index be utilized in lieu of the Consumer Price Index in computing cost-of-living benefit increases when such use will yield a greater increase.

H.R. 4543. March 10, 1975. Armed Services. Prohibits any change in the status of a member of the Armed Forces who was classified missing during service in Southeast Asia until there has been full compliance with the Paris Peace Accord of January 1973, and the President has certified to Congress that all reasonable actions have been taken to account for such member.

Directs the Senate Committee on Armed Service and the House Committee on Armed Service to study the method whereby the status of a member of the Armed Forces is changed from missing to dead.

H.R. 4544. March 10, 1975. Small Business. Permits the head of any executive agency to terminate any fixed-price contract between that agency and a small business concern pursuant to an application by such small business concern for contract termination.

H.R. 4545. March 10, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congress has acted on a bill effecting such rescission.

H.R. 4546. March 10, 1975. Public Works and Transportation. Authorizes an increase in the Federal share of grants for the construction of certain wastewater treatment facilities authorized under the Federal Water Pollution Control Act.

H.R. 4547. March 10, 1975. Public Works and Transportation. Sets the Federal share of the construction cost of a State highway project under the Federal-aid secondary system, which is approved by the Secretary of Transportation, at one hundred percent.

H.R. 4548. March 10, 1975. Post Office and Civil Service. Requires that proposed changes in postal rates and classes be submitted to Congress. Declares such proposed changes ineffective if either House adopts a resolution by three-fifths vote disapproving such proposed changes. Repeals the authority of the Board of Governors of the Postal Service to adjust certain free and reduced rates.

Repeals the authority of the Postal Service to effect temporary changes in postal rates and classes.

H.R. 4549. March 10, 1975. Science and Technology. Establishes a National Metric Conversion Board to develop a program to accomplish conversion to the metric system in the United States.

H.R. 4550. March 10, 1975. Ways and Means. Amends the Social Security Act to include annual physical examinations under the Medicare supplementary medical insurance program.

H.R. 4551. March 10, 1975. Interstate and Foreign Commerce. Requires, under the Fair Packaging and Labeling Act, the total selling price and the retail unit price for packaged consumer commodities to be plainly marked on the package itself or on a sign in close proximity to the point of display of such package.

H.R. 4552. March 10, 1975. Interstate and Foreign Commerce. Requires, under the Fair Packaging and Labeling Act, the total selling price and the retail unit price for packaged consumer commodities to be plainly marked on the package itself or on a sign in close proximity to the point of display of such package.

H.R. 4553. March 10, 1975. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 4554. March 10, 1975. Interstate and Foreign Commerce. Repeals the Emergency Petroleum Allocation Act of 1973.

H.R. 4555. March 10, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to prohibit the requirement of an indirect source emission review as part of an implementation plan under the Act.

H.R. 4556. March 10, 1975. Foreign Affairs. Creates a Japanese-American Trust Fund to be used for the promotion of scholarly, cultural and artistic activities between Japan and the United States.

Establishes a Japanese-American Friendship Commission to assist in carrying out the Act.

H.R. 4557. March 10, 1975. Judiciary. Prohibits the sale of certain handguns in the United States.

H.R. 4558. March 10, 1975. Ways and Means. Amends the Internal Revenue Code to establish a minimum standard mileage allowance for determining the deduction allowed for the use of a car while performing services for a charitable organization.

H.R. 4559. March 10, 1975. Ways and Means. Amends the Internal Revenue Code to permit taxpayers to designate a certain amount of their income tax to be used to reduce the public debt.

H.R. 4560. March 10, 1975. Education and Labor. Establishes a program of fiancial assistance to be administered by the Secretary of Labor, to provide for public service employment programs for unemployed and underemployed persons.

Establishes an Advisory Committee on Public Service Employment to review and evaluate programs carried out under this act and to make recommendations for the improvement of such programs.

H.R. 4561. March 10, 1975. Post Office and Civil Service. Makes it unlawful for officers of the Armed Forces, or executive agencies or departments of the United States Government to require or request civilian employees under investigation for misconduct to submit to interrogation without the presence of counsel, if such employee so requests.

H.R. 4562. March 10, 1975. Ways and Means. Amends the Internal Revenue Code to make a taxpayer ineligible for the investment tax credit, for the issuance of tax exempt industrial development bonds, and for other provisions of the Code relating to the nonrecognition of gain on the disposition of corporate assets, or the use of the installment method for certain sales, where a change in the use of existing plant facilities will reduce the employment offered by the taxpayer in high unemployment areas.

H.R. 4563. March 10, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by establishing a Public Broadcasting Fund to be administered by the Secretary of the Treasury. Authorizes the Secretary to disburse amounts from the Fund to the Corporation for Public Broadcasting according to stipulated procedures. Sets forth regulations for the corporation's disbursement of such funds to noncommercial educational broadcast stations.

H.R. 4564. March 10, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize appropriations for grants for construction of noncommercial educational broadcasting facilities, for telecommunication demonstrations, and for the Corporation for Public Broadcasting.

Revises the criteria for approval of grants by the Secretary of Health, Education, and Welfare for educational broadcast facilities construction. Authorizes the Secretary to make grants for nonbroadcast telecommunications facilities demonstrations for the transmission, distribution, and delivery of health, education, and social service information.

H.R. 4565. March 10, 1975. Ways and Means. Amends the Old-Age, Survivors and Disability Insurance provisions of the Social Security Act by (1) eliminating the special dependency requirement for husband's and widower's insurance benefits; (2) entitling divorced husbands to the same benefits as divorced wives; and (3) entitling men with minor children in their care to the same benefits as women under such circumstances.

H.R. 4566. March 10, 1975 Ways and Means Amends the Social Security Act by removing the limitation on the amount of outside income which an individual who has attained age 65 may earn while receiving Old-Age, Survivors and Disability Insurance benefits.

H.R. 4567. March 10, 1975. Ways and Means. Amends the Social Security Act by removing the limitation on the amount of outside income which a widow or widower may earn while receiving Old-Age, Survivors, and Disability Insurance benefits.

H.R. 4568. March 10, 1975. Ways and Means. Amends the Internal Revenue Code to exempt private foundations operating as long-term care facilities from the excise tax on investment income and the tax on undistributed income.

H.R. 4569. March 10, 1975. Merchant Marine and Fisheries. Establishes the limit of the United States fishery zone at two hundred miles from the inner limit of the territorial sea.

Extends the jurisdiction of the U.S. over fish which originate in United States inland waters to wherever such fish range in the oceans except that jurisdiction does not extend into the fishery or territorial waters of another country.

H.R. 4570. March 10, 1975. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to direct the Securities Exchange Commission to establish a Municipal Securities Rulemaking Board with the power to propose and adopt rules governing transactions in municipal securities. Sets forth regulations governing the activities of brokers, dealers, and banks trading in municipal securities.

H.R. 4571. March 10, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income a limited amount recived by an individual during the taxable year as an annuity or pension established under the laws of the United States.

H.R. 4572. March 10, 1975. Post Office and Civil Service. Entitles a Federal employee who is separated from the civil service after completing 30 years of civil service work to an annuity, regardless of age.

H.R. 4573. March 10, 1975. Post Office and Civil Service Establishes time limitations in applying for civil service retirement benefits.

H.R. 4574. March 10, 1975. Government Operations. Directs the Administrator of General Services to assist Federal agencies with respect to records creation, maintenance, use, and disposition. Directs the Administrator to make inspections and formulate rules regarding Federal records.

Establishes a Records Review Board to review orders issued by the Administrator.

Grants the Administrator custody and control over the National Archives and its contents.

H.R. 4575. March 10, 1975. Interstate and Foreign Commerce. Ways and Means. Amends the Social Security Act to include radiation therapy among those services covered by the Medicare program.

H.R. 4576. March 10, 1975. Armed Services. Directs the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense.

H.R. 4577. March 10, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to use aircraft and motorized vehicles to provide for the protection, management, and control of wild free-roaming horses and burros. Allows the Secretary to sell or donate, without restriction, excess horses or burros to individuals or organizations.

H.R. 4578. March 10, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation to approve as the Federal share of the construction cost of an approved State highway project under the Federal-aid secondary system, any percentage of such cost up to one hundred percent.

Requires that any increase in the Federal share of a State's construction costs which are made pursuant to this Act be repaid by the State receiving such increase by January 1, 1977, as a condition for Federal approval of future highway projects of such State.

H.R. 4579. March 10, 1975. Veterans' Affairs. Allows the widow of a veteran to remarry after age 60 without losing her veterans' dependency and indemnity compensation.

H.R. 4580. March 10, 1975. Judiciary. Amends the Organic Act of Guam by reorganizing the judicial system of Guam. Provides for United States Supreme Court review for certain judgments or decrees rendered by the Supreme Court of the territory of Guam.

H.R. 4581. March 10, 1975. Interior and Insular Affairs. Authorizes the merger or consolidation of certain corporations established under the Alaska Natives Claims Settlement Act.

H.R. 4582. March 10, 1975. Merchant Marine and Fisheries. Establishes the United States fishery zone within a boundary line drawn two hundred miles from the inner boundary of the territorial sea.

Extends United States management and conservation authority to such zone subject to traditional foreign fishing rights, and to the entire range of anadromous species, except as such range lies within the fishery zone of another nation.

States objectives to be considered in developing fisheries management and conservative plans.

Establishes a Fisheries Management Council with advisory and rulemaking responsibilities concerning the United States fishery.

Authorizes the Secretary of State to negotiate international fishing agreements to effectuate this Act.

H.R. 4583. March 10, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4584. March 10, 1975. Judiciary. Directs the Secretary of Labor to accept any substantive claim filed by a certain individual for compensation for personal injury.

H.R. 4585. March 10, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4586. March 10, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4587. March 10, 1975. Judiciary. Renews and extends a certain design patent.

H.R. 4588. March 10, 1975. Judiciary. Renews and extends a certain design patent.

H.R. 4589. March 10, 1975. Judiciary. Renews and extends a certain design patent.

H.R. 4590. March 10, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for loss of certain personal property.

H.R. 4591. March 10, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for loss of certain personal property.

H.R. 4592. March 10, 1975. Authorizes appropriations for foreign assistance for fiscal year 1975 including foreign military credit sales and payments to international financial institutions.

H.R. 4593. March 11, 1975. Post Office and Civil Service. Directs the Civil Service Commission to establish, and from time to time revise, a Special Cost-of-Living Pay Schedule for civil service employees and positions in certain metropolitan areas.

H.R. 4594. March 11, 1975. Banking, Currency and Housing. Amends the Council on Wage and Price Stability Act to require Senate confirmation of the Council Director, and to authorize the Council to (1) subpena witnesses and information on wages, prices, costs, profits and productivity by product line; (2) publish subpenaed information; (3) require certain businesses to notify the Council in advance of price or wage increases; (4) delay increases which threaten to increase inflation; and (5) take action against violators of this Act.

H.R. 4595. March 11, 1975. Rules. Amends the Impoundment Control Act of 1974 to permit the Congress by concurrent resolution to disapprove any rescission or reservation of budget authority proposed by the President, and thereby to make the funds involved immediately available without waiting for the expiration of the 45-day period during which such rescission or reservation otherwise would be effective.

H.R. 4596. March 11, 1975. Agriculture. Amends the Consolidated Farm and Rural Development Act to authorize loans to farming, ranching, or oyster producing operations after a natural disaster strikes such operations.

H.R. 4597. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit a deduction from gross income of expenses for the advertising of alcoholic beverages.

H.R. 4598. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to repeal the excise tax on trucks, buses and tractors and parts and accessories for such vehicles.

H.R. 4599. March 11, 1975. Post Office and Civil Service. Permit mail sent to Members of Congress from constituents to be mailed free of postage. Directs the Postal Service printed and preaddressed mailing forms for use in correspondence to Members of Congress, to be available at a nominal cost.

H.R. 4600. March 11, 1975. Interstate and Foreign Commerce. Amends the Comprehensive Employment and Training Act of 1973, to authorize agreements between each State Governor and the Secretary of Labor to provide for the payment to the State by the Secretary of the expenses incurred by the State in paying for the specifically covered health services extended to individuals eligible for unemployment compensation during certain periods where the unemployment rate exceeds 6 percent.

H.R. 4601. March 11, 1975. Small Business. Amends the Small Business Act by removing the July 1, 1973, termination date for the special loan assistance program for disaster victims.

H.R. 4602. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a limited credit or deduction the amount received as dividends or interest in certain savings institutions.

H.R. 4603. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to require repayment by the Secretary of the Treasury of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 4604. March 11, 1975. Judiciary Revises the process for granting testimonial immunity to Federal witnesses and holding witnesses in contempt by granting discretionary powers to Grand Jury members.

Requires that Grand Juries be advised of their rights and duties upon impanelment. Authorizes self-initiated independent inquiries by Grand Juries. Stipulates certain rights of Grand Jury witnesses and requires that witnesses be apprised of such.

H.R. 4605. March 11, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service by supervisory organizations and the Service be submitted to an arbitration board.

H.R. 4606. March 11, 1975. Ways and Means. Creates a national system of health insurance. Establishes a Health Security Board in the Department of Health, Education, and Welfare to administer such health insurance program.

Repeals the Medicare provisions of the Social Security Act and all health benefit plans for employees of the Federal Government. Amends various other provisions of the Social Security Act and the Public Health Services Act.

H.R. 4607. March 11, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to stipulate that taxes received by certain special districts which are not units of local government but which perform municipal services within cities and other units of local government shall be included in the tax effort of such cities and other units, for purposes of determining the amount of assistance to which such city or unit of local government is entitled under the Act.

H.R. 4608. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to include in the definition of an includable corporation all incorporated insurance companies except those subject to the tax on mutual insurance companies.

H.R. 4609. March 11, 1975. Interior and Insular Affairs. Authorizes the transfer of title of Water Island from the United States to the Government of the Virgin Islands. Authorizes the Secretary of the Interior to acquire certain outstanding leasehold interests in such island.

H.R. 4610. March 11, 1975. Ways and Means. Amends the Social Security Act by removing the special limitations on the amount of Federal financial assistance to the Virgin Islands and Guam for public assistance and Supplemental Security Income programs.

H.R. 4611. March 11, 1975. Ways and Means. Extends the Federal-State unemployment compensation program to the Virgin Islands.

Amends the Social Security Act to extend

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the maternal, child health, and crippled children's services provisions of that Act to American Samoa and the Trust Territories of the Pacific Islands.

H.R. 4612. March 11, 1975. Merchant Marine and Fisheries. Applies to the United States fishing industry the same protection from foreign control as is granted to the coastwise shipping trade under the Shipping Act, 1916.

Sets forth conditions under which vessels, not owned by United States corporations, may continue to engage in the American fisheries.

H.R. 4613. March 11, 1975. Merchant Marine and Fisheries. Amends the Merchant Marine Act of 1920 by establishing a program of grants under the Secretary of Commerce to enable State and local governments and agencies to bring public ports into compliance with federally imposed requirements relating to environmental protection, public health and safety, or port cargo or security.

Directs the Secretary to conduct a study of the needs of United States public ports to meet requirements described above and for necessary expansion and modernization.

H.R. 4614. March 11, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service by supervisory organizations and the Service be submitted to an arbitration board.

H.R. 4615. March 11, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service by supervisory organizations and the Service be submitted to an arbitration board.

H.R. 4616. March 11, 1975. Judiciary. Amends the Immigration and Nationality Act by revising the criteria under which the Attorney General may adjust the status of certain aliens to that of lawfully admitted.

Makes it unlawful to knowingly hire an alien not lawfully admitted into the United States. Requires that employees of the Department of Health, Education, and Welfare disclose the names of illegal aliens who are receiving assistance under the Social Security Act.

Requires the Immigration and Naturalization Service to increase its personnel before the end of fiscal year 1975.

H.R. 4617. March 11, 1975. Agriculture. Amends the Agriculture and Consumer Protection Act of 1973 to prohibit the Secretary of Agriculture from requiring the prior approval of the export sales of feed grains, wheat, soybeans, or other agricultural commodities.

H.R. 4618. March 11, 1975. Agriculture. Adjusts target prices and loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans. Establishes the support price for milk at not less than 85 percent of the parity price therefor.

H.R. 4619. March 11, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make loans to homeowners and builders to assist them in purchasing and installing solar heating or solar heating and cooling equipment. and directs the Secretary to provide individuals with all current information on such equipment upon request.

Defines the types of equipment qualifying for inclusion under this Act.

Directs the Energy Research and Development Administration to (1) establish procedures for inspecting and evaluating solar heating and cooling equipment, (2) review new equipment as developed, and (3) periodically review certifications of such equipment for validity.

H.R. 4620. March 11, 1975. Veterans' Affairs. Extends the entitlement of veterans to educational assistance from thirty-six months to forty-five months.

H.R. 4621. March 11, 1975. Post Office and Civil Service. Authorizes the allowance of creditable service for civil service retirement benefits to Federal employees and Members of Congress who have performed service in the employment of a State, or political subdivision thereof, in the carrying out of certain programs authorized and financed by Act of Congress, if certain specified conditions are met.

H.R. 4622. March 11, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Secretary of Transportation to make financial assistance available to qualified applicants for the purpose of providing employment for unemployed or underemployed persons in jobs maintaining or rebuilding railroad rights-of-way, during times of high unemployment.

H.R. 4623. March 11, 1975. Ways and Means. Amends the Social Security Act by authorizing retroactive payment of Old-Age, Survivors, and Disability Insurance benefits for the 36 months prior to the time of application for such benefits, in the case of individuals who were eligible for such benefits during that period.

H.R. 4624. March 11, 1975. Education and Labor. Amends the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically disabled because of such disability.

H.R. 4625. March 11, 1975. Education and Labor. Amends the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically disabled because of such disability.

H.R. 4626. March 11, 1975. Education and Labor. Amends the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically disabled because of such disability.

H.R. 4627. March 11, 1975. Ways and Means. Amends the Tariff Schedules of the United States to provide duty-free treatment of any aircraft engine used as a temporary replacement for an aircraft engine being overhauled within the United States if duty was paid on such replacement engine during a previous importation.

H.R. 4628. March 11, 1975. Post Office and Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 4629. March 11, 1975. Judiciary. Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 4630. March 11, 1975. Judiciary. Rules. Declares that certain rules proposed by Federal agencies shall take effect only if, after a certain period of time, either House of Congress does not pass a resolution disapproving such proposed rule. Establishes procedures for exercising Congressional disapproval of such proposed rules.

H.R. 4631. March 11, 1975. Agriculture. Revises the eligibility requirements for food coupons under the Food Stamp Act of 1964 to exclude individuals who receive one-half of their income from an individual who is not eligible for food coupons.

H.R. 4632. March 11, 1975. Armed Services. Directs the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense.

H.R. 4633. March 11, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for the use of a firearm to commit certain felonies.

H.R. 4634. March 11, 1975. Post Office and Civil Service. Revises the basic administrative work week for Federal firefighting personnel.

H.R. 4635. March 11, 1975. Judiciary. Increases the penalties for use of a firearm in the commission of a felony.

H.R. 4636. March 11, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 4637. March 11, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 4638. March 11, 1975. Education and Labor. Amends sections of the Occupational Safety and Health Act of 1970 relating to civil penalties for employers in violation of the Act.

H.R. 4639. March 11, 1975. Ways and Means. Revises the eligibility requirements for disability benefits and the disability freeze under the Social Security Act by extending eligibility to individuals with 40 quarters of coverage regardless of when they were earned.

H.R. 4640. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a limited credit against the income tax commutation expenses incurred by the taxpayer during the taxable year in travel to and from his place of employment on mass transportation facilities.

H.R. 4641. March 11, 1975. Education and Labor. Authorizes appropriations for fiscal year 1976 for carrying out provisions of the Comprehensive Employment and Training Act of 1973.

H.R. 4642. March 11, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to approve the enrollment of an eligible veteran in a sales or sales management course which is approved by a State approving agency and is offered in an educational institution of the State without requiring an employer placement record from such institution.

H.R. 4643. March 11, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the School Breakfast Program and the Special Supplement Food Program; (3) authorize the Secretary of Agriculture to make grants for Food Service Programs in institutions providing day care; (4) revise guidelines for the administration of various programs under the Acts; (5) redefine terms used in the Act; and (6) authorize funding for nonfood assistance for the Summer Food and the Special Food Service Program.

H.R. 4644. March 11, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the School Breakfast Program and the Special Supplemental Food Program; (3) authorize the Secretary of Agriculture to make grants for Food Service Programs in institutions providing day care; (4) revise guidelines for the administration of various programs under the Acts; (5) redefine terms used in the Act; and (6) authorize funding for nonfood assistance for the Summer Food and the Special Food Service Program.

H.R. 4645. March 11, 1975. Judiciary. Sets forth criteria for certain aliens illegally in the United States to have their status adjusted to that of permanent residents.

H.R. 4646. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income amounts received during the taxable year as a pension or annuity or other benefit under a public retirement system or by any individual sixty-five years of age or over.

H.R. 4647. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to increase the exclusion allowance for gain from the sale or exchange of a residence in the case of individuals sixty-five and over.

H.R. 4648. March 11, 1975. Banking, Currency and Housing. Prohibits any officer or agency of the United States or any financial institution whose deposits are insured by an agency of the Federal Government from providing financial or other assistance to aid in the purchase or construction of real property which is not insured against catastrophic losses.

Establishes a Disaster Insurance Corporation to reinsure private insurance companies which provide insurance against catastrophic losses. Directs the corporation to provide catastrophic insurance when such insurance is not available from private insurance companies.

H.R. 4649. March 11, 1975. Ways and Means. Authorizes semiannual computation of cost-of-living increases in Old-Age, Survivors and Disability Insurance benefits under the Social Security Act.

H.R. 4650. March 11, 1975. Public Works and Transportation. Directs the Federal Aviation Agency to prescribe the same noise control standards for supersonic aircraft as are applicable to other aircraft.

Applies such standards to all supersonic aircraft used in transportation or commerce regardless of the date of construction or the identity of such aircraft.

H.R. 4651. March 11, 1975. Ways and Means. Amends the Social Security Act to allow Federal officers and employees to elect coverage under Old-Age, Survivors and Disability Insurance.

H.R. 4652. March 11, 1975. Science and Technology. Directs the Administrator of the National Aeronautics and Space Administration to conduct a comprehensive program of research, technology, monitoring directed to understanding the physics and chemistry of the upper atmosphere.

H.R. 4653. March 11, 1975. Interstate and Foreign Commerce. Amends the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and to raise the contribution base.

H.R. 4654. March 11, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such corporation's claims against the United States for credit or refund of certain customs duties.

H.R. 4655. March 10, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for loss of certain personal property.

H.R. 4656. March 12, 1975. Banking, Currency and Housing. Amends the Truth in Lending Act to change the criteria for the inclusion of life, accident, or health insurance in the finance charge which must be disclosed under such Act.

H.R. 4657. March 12, 1975. Banking, Currency and Housing. Amends the Truth in Lending Act to require full disclosure of the terms of any lease of personal property, including identification of all costs involved, services provided, and conditions for early termination, and to require that any advertising of consumer leases contain complete cost information or none at all.

H.R. 4658. March 12, 1975. Interior and Insular Affairs. Rules. Amends the Outer Continental Shelf Lands Act to establish a procedure for Congressional disapproval of offshore oil and gas leases issued by the Secretary of the Interior.

H.R. 4659. March 12, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to extend compliance dates for certain motor vehicle emission standards until model year 1982. Authorizes studies with respect to the feasibility of standards for subsequent model years.

H.R. 4660. March 12, 1975. Veterans' Affairs. Requires that travel allowances paid to veterans traveling to and from Veterans' Administration facilities be no less than such travel benefits provided for employees of the United States traveling on official business.

H.R. 4661. March 12, 1975. Ways and Means. Amends the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving Old-Age, Survivors and Disability Insurance benefits.

H.R. 4662. March 12, 1975. Post Office and Civil Service. Enumerates procedures to be followed for resolving labor disputes within the United States Postal Service. Prohibits Postal employees from being reduced in rank or pay because of membership in certain organizations or presenting a grievance to Congress. Requires that certain mail be delivered during strikes.

H.R. 4663. March 12, 1975. Post Office and Civil Service. Repeals that section of the Postal Reorganization Act of 1970 which allows Postal Service employees to join or refrain from joining labor organizations without fear of penalty or reprisal.

H.R. 4664. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for each ton of post-consumer waste paper processed in the United States by the taxpayer during the taxable year into new commercially marketable pulp, paper, paperboard or other similar products.

H.R. 4665. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a deduction from gross income the cost of acquiring recycled solid waste materials for manufacture by the taxpayer into useful raw materials or salable products. Permits an optional amortization deduction of any solid waste recycling facility acquired by the taxpayer.

H.R. 4666. March 12, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Secretary of Transportation to make financial assistance available to qualified applicants for the purpose of providing employment for unemployed or underemployed persons in jobs maintaining or rebuilding railroad rights-of-way, during times of high unemployment.

H.R. 4667. March 12, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to suspend motor vehicle emissions controls in all parts of the United States except for certain designated air quality control regions.

Prohibits the Administrator of the Environmental Protection Agency and the States from enforcing motor vehicle emissions control standards in areas outside designated regions during the suspension period.

H.R. 4668. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to repeal the itemized deduction for expenses for household and dependent care services necessary for gainful employment, and to include such expenses as a deduction for trade or business expenses.

H.R. 4669. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to extend unemployment insurance coverage to employers employing four or more agricultural workers for a certain number of weeks.

H.R. 4670. March 12, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congress has acted on a bill effecting such rescission.

H.R. 4671. March 12, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by making the Director of the National Institute for Occupational Safety and Health responsible to the Assistant Secretary for Health of the Department of Health, Education, and Welfare.

H.R. 4672. March 12, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend to individuals receiving benefits under Federal or State unemployment compensation laws, and their families when entitled to such benefits, the coverage provided by such employer health insurance plan as they had prior to the termination of their employment.

Directs the Secretary of Health, Education, and Welfare to pay the premiums for such insurance.

H.R. 4673. March 12, 1975. Judiciary. Directs the President to appoint, by and with the advice and consent of the Senate, additional Federal district court judges.

H.R. 4674. March 12, 1975. Judiciary. Directs the President to appoint, by and with the advice and consent of the Senate, additional judgeships for the United States courts of appeals.

H.R. 4675. March 12, 1975. Judiciary. Requires the United States to pay to any defendant who prevails in a civil action in which the United States is a plaintiff a reasonable attorney's fee and other reasonable litigation costs.

H.R. 4676. March 12, 1975. Foreign Affairs. Limits the assessed and voluntary contributions of the United States to the United Nations and its affiliated agencies to an amount not to exceed an amount which bears the same ratio to the total budget of the United Nations as the total population of the United States bears to the total population of all the member states of the United Nations.

H.R. 4677. March 12, 1975. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to prohibit foreign persons from controlling any American company which is engaged in the energy or defense industries.

H.R. 4678. March 12, 1975. Veterans' Affairs. Eliminates the time limitation with respect to the provision of educational assistance for veterans who served on active duty any time after August 4, 1964.

H.R. 4679. March 12, 1975. Foreign Affairs. Amends the Mutual Security Act of 1954 to require review by the House of Representatives and the Committee on Foreign Relations of the Senate, of all approved applications for licenses to export arms, ammunition, or implements of war, before such licenses may be issued except when the President states that an emergency exists which requires the granting of such license in the interests of national security.

H.R. 4680. March 12, 1975. Foreign Affairs. Amends the Mutual Security Act of 1954 to require review by the House of Representatives and the Committee on Foreign Relations of the Senate, of all approved applications for licenses to export arms, ammunition, or implements of war, before such licenses may be issued except when the President states that an emergency exists which requires the granting of such license in the interests of national security.

H.R. 4681. March 12, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act to impose penalties on persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force or violence.

H.R. 4682. March 12, 1975. Education and Labor. Establishes a National Employment Relocation Administration in the Department of Labor. Establishes programs of Federal assistance to employees who suffer employment loss through economic dislocations, to businesses threatened with dislocation, and to affected communities.

Requires prenotification to affected employees and communities of dislocation of businesses. Provides Federal assistance for job placement and retraining of employees.

H.R. 4683. March 12, 1975. Interstate and Foreign Commerce. Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to establish a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior

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employer, for their dependent spouse, and for their dependent children. Directs the Secretary of Health, Education, and Welfare to enter into contracts with insurance carriers who will provide such insurance benefits.

H.R. 4684. March 12, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 4685. March 12, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the school breakfast program; (3) revise guidelines for the administration of various programs under the Acts; and (4) redefine terms used in the Acts.

H.R. 4686. March 12, 1985. Ways and Means. Interstate and Foreign Commerce. Exempts, temporarily, certain rural hospitals from the professional standards review, utilization review, and utilization control requirements imposed by the Social Security Act on hospitals participating in the Medicare, Medicaid, and Maternal and Child Health Services programs.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of utilization review and utilization control for rural hospitals.

H.R. 4687. March 12, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to pay, to any individual who is entitled to receive State or Federal unemployment compensation and who has in effect a policy of health insurance which was in effect prior to the date when such person most recently became entitled to such benefits, any premiums on such health insurance policy which may fall due while such individual is entitled to unemployment compensation.

H.R. 4688. March 12, 1975. Post Office and Civil Service. Prohibits any employees of an executive agency from requesting or receiving from Federal officials or employees anything of value for political purposes. Allows any such employee to make voluntary contributions to political campaigns.

Permits employees of Federal executive agencies or the District of Columbia government to participate in political management or in political campaigns.

H.R. 4689. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to impose a tax on the undistributed revenues of public charities. Prescribes standards under which an organization's status as a public charity may be terminated. Requires public charities to report annually certain financial information to the Secretary of the Treasury, and to make such reports available to the public.

Requires the Attorney General to insure that the assets of organizations who have lost public charity status are preserved and expended for a similar purpose to that originally intended.

H.R. 4690. March 12, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to extend compliance dates for certain motor vehicle emission standards until model year 1982. Authorizes studies with respect to the feasibility of standards for subsequent model years.

Prohibits the Administrator of the Environmental Protection Agency from establishing any new certification or testing procedures for new motor vehicles prior to model year 1982.

H.R. 4691. March 12, 1975. Ways and Means. Amends the Social Security Act as it relates to Old-Age, Survivors and Disability Insurance by (1) eliminating the waiting period for disability benefits; (2) increasing the amount of outside income which an individual may earn while receiving benefits; (3) revising the eligibility requirements for adopted children; (4) revising the procedure for making administrative determinations of entitlement to benefits; (5) authorizing the replacement of lost, stolen or undelivered benefit checks; and (6) giving Disability Insurance beneficiaries the same right to expedited benefit payments as Old-Age and Survivors Insurance beneficiaries.

H.R. 4692. March 12, 1975. Agriculture. Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Health, Education, and Welfare.

H.R. 4693. March 12, 1975. Interstate and Foreign Commerce. Directs the Federal Power Commission to review and modify plans submitted by natural gas pipelines, for curtailing sales to specific customers and authorizes the Commission to direct the transfers of available supplies of natural gas in order to meet regional needs.

H.R. 4694. March 12, 1975. Ways and Means. Directs the Secretary of the Treasury to determine whether any foreign country pays or bestows any bounty, grant, export subsidy, or other benefit, the amount of such benefit, and the means by which any such bounty, grant, subsidy, or benefit is paid or bestowed upon the production or export of any dairy product.

H.R. 4695. March 12, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 4696. March 12, 1975. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 by (1) revising the Federal employment status, period of service and amount of stipend for volunteers; (2) establishing councils of volunteers to present views on terms and conditions of service to ACTION; and (3) specifying the composition of the National Voluntary Service Advisory Council.

H.R. 4697. March 12, 1975. Interstate and Foreign Commerce.

Defines the term "food supplement" as it appears in the Federal Food, Drug, and Cosmetic Act. Disallows the requirement of warning labels for and the limiting of ingredients in "food supplements" by the Secretary of Health, Education, and Welfare unless such article is intrinsically injurious to health in the recommended dosage.

H.R. 4698. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rate as married individuals filing jointly.

H.R. 4699. March 12, 1975. Foreign Affairs. Authorizes appropriations for fiscal years 1976 and 1977 for carrying out the Board for International Broadcasting Act of 1973.

H.R. 4700. March 12, 1975. Science and Technology. Authorizes appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management.

H.R. 4701. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to require a repayment of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 4702. March 12, 1975. Veterans' Affairs. Authorizes the Administrator of Veteran's Affairs to pay for any emergency hospital care and medical services provided to any veteran by a private hospital if the Administrator finds that such care was related to an adjudicated service-connected disability, that no government facilities were reasonably available, and that delay in receiving such care would have endangered the veteran's health and life.

H.R. 4703. March 12, 1975. Post Office and Civil Service. Reduces retirement benefits for Members of Congress who remain in office after attaining seventy years of age.

H.R. 4704. March 12, 1975. Judiciary. Establishes a United States Court of Labor-Management Relations to have jurisdiction over labor disputes in industries substantially affecting commerce. Empowers the court to enjoin strikes, lockouts, or other work stoppages.

Repeals the provisions of the Labor-Management Relations Act of 1947 relating to procedures to be followed when the President declares a national emergency because of strikes or lockouts.

H.R. 4705. March 12, 1975. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 by authorizing the General Services Administrator to donate surplus Government equipment, materials or supplies to rescue squads.

H.R. 4706. March 12, 1975. Interstate and Foreign Commerce. Increases the scope of the Flammable Fabrics Act to include construction materials used in the interiors of inhabitable structures, and to regulate standards of toxicity of substances which produce toxic by-products when burned.

H.R. 4707. March 12, 1975. Judiciary. Makes it a Federal crime to assault or kill a fireman or law enforcement officer.

H.R. 4708. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income pensions or annuities received by policemen or firemen or their dependents or survivors, for services peformed in the employ of a Federal, State or local government.

H.R. 4709. March 12, 1975. Banking, Currency and Housing. Establishes a National Commission on the Economy to (1) study the causes of the current adverse economic conditions in the United States and the adequacy of the economic policies of the Federal Government; and (2) recommend specific corrected measures to be taken by the Federal Government and the private sector.

H.R. 4710. March 12, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to extend compliance dates for certain motor vehicle emission standards until model year 1982. Establishes a less restrictive interim emission standard for model years 1977 through 1981.

H.R. 4711. March 12, 1975. Ways and Means. Amends the Social Security Act to include coverage for prescription drugs under the Medicare supplementary medical insurance program.

H.R. 4712. March 12, 1975. Ways and Means. Amends the Social Security Act to require that Old-Age, Survivors and Disability Insurance benefits be paid for the month during which a beneficiary dies.

H.R 4713. March 12, 1975. Ways and Means. Amends the Social Security Act by removing the limitation on the amount of outside income which may be earned while receiving Old-Age, Survivors, and Disability Insurance benefits when the beneficiary reaches age 70.

H.R. 4714. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to exempt from recordkeeping requirements the licensed ammunition importers, manufacturers, or dealers of .22 caliber ammunition.

H.R. 4715. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to disallow certain tax incentives where there is a plant closing in a high unemployment area or where certain corporations are liquidating, selling stocks and assets, or reorganizing.

H.R. 4716. March 12, 1975. Interstate and Foreign Commerce. Amends the Railroad Unemployment Insurance Act to (1) increase unemployment and sickness benefits; (2) set

forth a method for computing increases in the daily benefit rate commensurate with increases in the maximum monthly compensation; and (3) raise the contribution base under the Act.

H.R. 4717. March 12, 1975. Interstate and Foreign Commerce. Repeals the authority of the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to extend any new interest subsidies on loans guaranteed by the Secretary for the construction of medical facilities. Reduces the amount of capitation grants to schools of medicine, osteopathy, dentistry, optometry, podiatry, and veterinary medicine. Establishes national priority incentive awards to be granted by the Secretary to individuals pursuing training in family medicine or individuals receiving training for specialization in medical fields deemed to have a shortage of practitioners.

H.R. 4718. March 12, 1975. Interstate and Foreign Commerce. Amends the Rail Passenger Service Act to authorize financial assistance to the National Railroad Passenger Corporation by the Secretary of Transportation. Specifies certain responsibilities and procedures of the Corporation relating to operations, deletions, additions, and changes of rail service.

H.R. 4719. March 12, 1975. Interstate and Foreign Commerce. Repeals the authority of the Secretray of Health, Education, and Welfare, under the Public Health Services Act, to extend any new interest subsidies on loans guaranteed by the Secretary for the construction of medical facilities. Reduces the amount of capitation grants to schools of medicine, osteopathy, dentistry, optometry, podiatry, and veterinary medicine. Establishes national priority incentive awards to be granted by the Secretary to individuals pursuing training in family medicine or individuals receiving training for specialization in medical fields deemed to have a shortage of practitioners.

H.R. 4720. March 12, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to make grants to cover costs incurred by a college or university in administering interdisciplinary training programs for personnel who are serving, or preparing to serve, persons with developmental disabilities. Authorizes the Secretary to make grants to States on the basis of population, the extent of need for services and facilities for persons with developmental disabilities, the financial need of the State, and the scope and extent of the services specified in the State plan. Authorizes grants by the Secretary for special projects.

H.R. 4721. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to allow employees who receive the balance of their entitlement under a discontinued pension or annuity plan within the taxable year from the date of such discontinuance to reinvest the proceeds therefrom in a new pension plan without incurring income tax liability.

H.R. 4722. March 12, 1975. Armed Services. Prohibits discrimination against applicants to the service academies on the basis of sex, race, color or religious beliefs.

H.R. 4723. March 12, 1975. Science and 1976 to cover various programs. Directs the National Science Foundation to conduct a college science improvement program.

H.R. 4724. March 12, 1975. Interior and Incollege science improvement program.

H.R. 4724. March 12, 1975. Interior and Insular Affairs. Amends the Water Resources Planning Act to eliminate the nine-year limitation on the appropriation authorization for the Water Resources Council for grants to States for water resources planning.

H.R. 4725. March 12, 1975. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to provide that daylight saving time shall begin on the last Monday of May and end on the first Monday of September.

H.R. 4726. March 12, 1975. Judiciary. Incorporates the United States Submarine Veterans of World War II.

H.R. 4727. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 4728. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against tax or a limited deduction from income equal to the ordinary and necessary expenses paid during the taxable year for the improvement of the thermal design of the principal residence of the taxpayer.

H.R. 4729. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to impose a tax upon every passenger automobile sold by the manufacturer, producer, or importer and based on its fuel consumption rate.

Requires the Administrator of the Environmental Protection Agency to determine the fuel consumption rate of all automobiles taxable under this Act, and to make this information available to the public and the Secretary of the Treasury.

H.R. 4730. March 12, 1975. Armed Services. Allows certain members of the National Guard to wear civilian clothing when performing their duties in a civilian atatus.

H.R. 4731. March 12, 1975. Veterans' Affairs. Allows the widow of a veteran to remarry after age 60 without losing her veterans' dependency and indemnity compensation.

H.R. 4732. March 12, 1975. Ways and Means. Amends the Social Security Act to allow Federal officers and employees to elect coverage under Old-Age, Survivors and Disability Insurance.

H.R. 4733. March 12, 1975. Banking, Currency and Housing. Directs the Secretary of the Treasury to issue United States currency in the $2 denomination bearing the likeness of the Mount Rushmore National Memorial during 1976.

H.R. 4734. March 12, 1975. Agriculture. Amends the Emergency Livestock Credit Act of 1974 to provide additional temporary financial assistance to owners of livestock who have suffered severe financial losses as a result of low market prices for livestock.

H.R. 4735. March 12, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by requiring that nursing homes participating in a State Medicaid program submit an annual cost report and financial statement to the appropriate State agency.

H.R. 4736. March 12, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Services Act, to enter into contracts and make grants for the establishment and operation of voluntary Tay-Sachs disease screening, counseling, and information services.

H.R. 4737. March 12, 1975. Education and Labor. Amends the Vocational Education Act of 1963 by directing that Federal aid under the Act shall be divided between vocational and occupational education. Requires each State to establish a local coordinating committee for each of its localities to make a continuing study of vocational and occupational needs. Authorizes Federal financial assistance for planning, applied research, curriculum development, and program improvement in vocational and occupational education.

H.R. 4738. March 12, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to establish the Deacon Jacob Estep National Monument in North Carolina.

H.R. 4739. March 12, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 4740. March 12, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 4741. March 12, 1975. Agriculture. Amends the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 to set forth the national acreage allotment and price supports for rice for 1976 and subsequent years.

H.R. 4742. March 12, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 4743. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles.

H.R. 4744. March 12, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants to public and nonprofit private entities to assist in the cost of establishing and maintaining genetic counseling programs, and directs the Secretary to extend the availability of amniocentesis to women by paying all or part of the cost of having amniocentesis performed on them.

H.R. 4745. March 12, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 4746. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from income during the taxable year a limited amount received as an annuity, pension, or other retirement benefit.

H.R. 4747. March 12, 1975. Ways and Means. Replaces the Medicare program of the Social Security Act with a comprehensive health care insurance plan to be administered by the Secretary of Health, Education, and Welfare.

Requires employers to offer a health insurance or prepaid health care plan to employees under the age of 65. Requires States to establish, with Federal financial assistance, a health care plan for individuals who are ineligible for an employee plan. Establishes a Federal health care benefits program for certain Old-Age, Survivors, and Disability Insurance beneficiaries.

Revises the services which are to be provided under Medicaid.

H.R. 4748. March 12, 1975. Banking, Currency, and Housing. Requires the developers of all federally assisted condominium projects to disclose specific information on proposed new condominium construction or conversion to condominium units of existing structures.

Establishes the office of Assistant Secretary for Condominiums in the Department of Housing and Urban Development. Authorizes the Secretary of Housing and Urban Development to make grants to State and local governments to establish similar programs.

H.R. 4749. March 12, 1975. Ways and Means. Amends the Social Security Act to include routine Papanicolaou tests for uterine cancer among the medical services covered under Medicare.

H.R. 4750. March 12, 1975. Judiciary. Merchant Marine and Fisheries. Science and Technology. Amends the Outer Continental Shelf Lands Act to revise procedures for bidding and leasing of oil and gas deposits to conform to plans prepared by the Secretary of the Interior.

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Directs the Secretary of the Interior to prepare and maintain a leasing program for oil and gas development on the Outer Continental Shelf. Directs the Secretary of the Department in which the Coast Guard is operating to develop safety regulations for Outer Continental Shelf operations.

Establishes strict liability for oil spills. Places a moratorium on additional leasing of tracts in certain frontiers on the Outer Continental Shelf.

H.R. 4751. March 12, 1975. Post Office and Civil Service. Declares that annual leave for Federal employees may be granted by the head of the Federal agency concerned at such time as such employee may request.

H.R. 4752. March 12, 1975. Post Office and Civil Service. Makes former Presidents whose service in office was terminated by reason of resignation while impeachment proceedings were pending against such person in either House of Congress ineligible to receive certain Government payments or allowances.

H.R. 4753. March 12, 1975. Ways and Means. Prohibits any otherwise allowable tax deduction under the Internal Revenue Code for any amount paid to an alien as salary for personal services performed in the United States if such individual was known by the taxpayer to be in the United States in violation of the immigration laws.

H.R. 4754. March 12, 1975. Post Office and Civil Service. Requires the postmark on mail matter to disclose the name of the place in which the mail matter is actually mailed, the assigned zip code, and the date and time of mailing.

H.R. 4755. March 12, 1975. Education and Labor. Authorizes appropriations for fiscal year 1976 for carrying out provisions of the Comprehensive Employment and Training Act of 1973.

H.R. 4756. March 12, 1975. District of Columbia. Amends the District of Columbia code by making it a crime to fail to return a motor vehicle obtained under a rental agreement within five days of the date specified in such agreement for the return of such motor vehicle.

H.R. 4757. March 12, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service by supervisory organizations and the Service be submitted to an arbitration board.

H.R. 4758. March 12, 1975. Judiciary. Increases the penalties for the use of a firearm to commit any felony or the unlawful carrying of a firearm during the commission of a felony.

H.R. 4759. March 12, 1975. Judiciary. Increases the penalties for the use of a firearm to commit any felony or the unlawful carrying of a firearm during the commission of a felony.

H.R. 4760. March 12, 1975. Judiciary. Increases the penalties for the use of a firearm to commit any felony or the unlawful carrying of a firearm during the commission of a felony.

H.R. 4761. March 12, 1975. Judiciary. Establishes a Federal minimum death benefit to be paid to eligible survivors of Federal, State, or local law enforcement corrections and firefighting personnel.

H.R. 4762. March 12, 1975. Judiciary. Requires establishment of a system for the redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 4763. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income a limited amount received during the taxable year as a pension or annuity or other benefit under a public retirement system or by any individual sixty-five years of age or over.

H.R. 4764. March 12, 1975. Ways and Means. Amends the Internal Revenue Code by entitling persons owning a homestead, having low income, and being sixty-years of age and over to be reimbursed for property taxes accrued for the taxable year.

H.R. 4765. March 12, 1975. Ways and Means. Amends the Tariff Schedules of the United States to remove the duty on certain forms of zinc.

H.R. 4766. March 12, 1975. Merchant Marine and Fisheries. Amends the Fisherman's Protective Act of 1967 to repeal the authority of the President to disapprove the transfer of foreign assistance funds from the intended recipient country because of an unsatisfied claim against such country arising from its seizure of a United States vessel.

H.R. 4767. March 12, 1975. Ways and Means. Amends the Emergency Unemployment Compensation Act of 1974 to increase from thirteen to twenty-six the maximum number of weeks for which an individual may receive emergency compensation thereunder with the approval of the State to which such a provision would be applicable.

Extends the Emergency Unemployment Compensation Act of 1974 for an additional year.

H.R. 4768. March 12, 1975. Ways and Means. Excludes general and cost-of-living increases in Old-Age, Survivors and Disability Insurance benefits under the Social Security Act from income for the purpose of determining an individual's eligibility for certain Federal or federally funded State programs.

H.R. 4769. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to allow a credit or refund for all Social Security taxes paid after the month of the individual's sixty-fifth birthday. Reduces the self-employment tax on individuals who have attained the age of sixty-five.

H.R. 4770. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to allow an individual a limited credit against the tax imposed for amounts paid by him during the taxable year as tuition for the education in a private nonprofit elementary or secondary school of any dependent for whom he may claim a personal exemption.

H.R. 4771. March 12, 1975. Public Works and Transportation. Allows the Secretary of Transportation to permit States to prepare the detailed environmental impact statement on Federal aid highway projects proposed by the State which is required by the National Environmental Policy Act.

H.R. 4772. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Act.

H.R. 4773. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 4774. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 4775. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Increase the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 4776. March 12, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist public or nonprofit private schools of nursing to meet the costs of developing short-term in-service training programs for nurse aides and orderlies in nursing homes, with emphasis on the special problems of geriatric patients.

H.R. 4777. March 12, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist schools of medicine in the establishment and operation of departments of geriatrics.

H.R. 4778. March 12, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants, upon application therefor by a school of medicine, to assist such school in the establishment and operation of continuing education programs in geriatrics for physicians.

H.R. 4779. March 12, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants and enter into contracts with public and nonprofit private entities for the purposes of developing or operating programs for the training of nurse practitioners with special emphasis on nursing homes and the care of the aged.

H.R. 4780. March 12, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to schools of medicine to assist such schools in meeting the costs of developing and conducting special training programs to prepare qualified veterans of the Armed Forces to perform services as medical assistants in long-term health care facilities.

H.R. 4781. March 12, 1975. Interstate and Foreign Commerce. Enables the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to make grants to appropriate colleges and universities to assist them in meeting the cost of establishing and operating programs for the training of physicians assistants.

H.R. 4782. March 12, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to establish an experimental program under the Social Security Act of subsidization of families who care for elderly dependents who would otherwise require the services of a skilled nursing home.

H.R. 4783. March 12, 1975. Ways and Means. Amends the Medicare provisions of the Social Security Act by redefining "provider of service" to include day care centers for the elderly.

H.R. 4784. March 12, 1975. Interstate and Foreign Commerce. Directs the Secretary of Housing and Urban Development to (1) solicit and review plans for the development of campus-style residential and health-care projects for the elderly; and (2) make interest subsidy payments to developers of plans selected from those submitted.

Amends the National Housing Act to authorize the Secretary to insure and to make commitments to insure mortgages on properties being developed under this Act.

Requires the evaluation of projects developed under this Act by a committee of members of both Houses of Congress, representatives of the medical profession, and administrators of health-care facilities.

H.R. 4785. March 12, 1975. Interstate and Foreign Commerce. Amends the Social Security Act by requiring that each nursing home participating in a State medicaid program disclose the identity of persons holding a financial interest in such home.

H.R. 4786. March 12, 1975. Education and Labor. Amends the National Labor Relations Act by including agricultural laborers as employees covered by the Act. Allows an employer engaged in agriculture to make certain agreements with a labor organization covering employees engaged as agricultural laborers.

H.R. 4787. March 12, 1975. Post Office and Civil Service. Declares that Federal employees who are Japanese-Americans who were placed in internment camps during World War II shall be credited with the time they spent in such camps for civil service retirement purposes.

H.R. 4788. March 12, 1975. Post Office and Civil Service. Revises the method of computing Federal employee retirement annuities.

H.R. 4789. March 12, 1975. Ways and Means. Establishes a program of Federal grants to States as reimbursement for unemployment compensation paid to agricultural workers by the States.

H.R. 4790. March 12, 1975. Veterans' Affairs. Prescribes a minimum rate of interest on loans made under the Veterans and Dependents Education Loan program.

H.R. 4791. March 12, 1975. Veterans' Affairs. Specifies that recipienta of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 4792. March 12, 1975. Veterans' Affairs. Stipulates that the educational assistance afforded to eligible veterans shall remain available until used.

H.R. 4793. March 12, 1975. Post Office and Civil Service. Redesignates the dates for the observance of Memorial Day and Veterans' Day.

H.R. 4794. March 12, 1975. Education and Labor. Amends the Vocational Education Act of 1963 by directing that Federal aid under the Act shall be divided between vocational and occupational education. Requires each State to establish a local coordinating committee for each of its localities to make a continuing study of vocational and occupational education needs. Authorizes Federal financial assistance for planning, applied research, curriculum development, and program improvement in vocational and occupational education.

H.R. 4795. March 12, 1975. Veterans' Affairs. Entitles veterans of the Mexican border period or of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 4796. March 12, 1975. Ways and Means. Includes the services of clinical psychologists under the coverage of the Medicare supplementary medical insurance program of the Social Security Act.

H.R. 4797. March 12, 1975. Education and Labor. Amends the Vocational Education Act of 1963 to require that Federal aid to the States under the Act shall be divided between vocational educational and post-secondary occupational education. Sets forth regulations for the use of occupational education funds. Requires the States to designate a State Commission to carry out the statewide planning required by the Act. Revises the regulations for mandatory utilization of vocational education funds.

H.R. 4798. March 12, 1975. Agriculture. Increases the Secretary of Agriculture's authorization to guarantee any loss sustained on loans made under the Emergency Livestock Credit Act of 1974 by any legally organized lending agency, from 80 percent to 100 percent.

H.R. 4799. March 12, 1975. Agriculture. Authorizes, for the purposes of the Rural Electric and Telephone Direct Loan Program, under the Rural Electrification Act, the assignment of loans guaranteed by the Administrator of the Rural Electrification Administration. Stipulates that the assignability of such loans made by the Rural Telephone Bank or the National Rural Utilities Cooperative Finance Corporation shall be governed by the contract of guarantee.

H.R. 4800. March 12, 1975. Post Office and Civil Service. Creates the Federal Labor Relations Authority to oversee labor relations between Federal agencies and civilian Federal employees not exempted from the Act.

Establishes regulations governing labor organizations, collective bargaining, and the settlement of grievances and negotiation disputes with respect to Federal employees.

Enumerates unfair labor practices and empowers the Authority to prevent such practices.

Prohibits interfering with Federal employees petitioning or furnishing information to Congress.

H.R. 4801. March 12, 1975. Ways and Means. Amends the Socal Security Act by increasing the amount of the lump-sum death payment.

H.R. 4802. March 12, 1975. Armed Services. Authorizes the Administrator of General Services to dispose of a certain quantity of chemical grade chromite in the national stockpile and the supplemental stockpile.

H.R. 4803. March 12, 1975. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize free or reduced transportation to handicapped persons and attendants.

H.R. 4804. March 12, 1975. Interior and Insular Affairs. Declares that certain lands are held by the United States in trust for the pueblo of Laguna.

H.R. 4805. March 12, 1975. Agriculture. Increases the amount authorized to be appropriated for the forestry incentive program under the Agricultural Act of 1970.

H.R. 4806. March 12, 1975. Agriculture. Increases the size of the tract which may be affected by the forestry incentive program under the Agricultural Act of 1970.

H.R. 4807. March 12, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to approve funds to reimburse a medical facility for treatment of an alien unlawfully in the United States, if the treatment was given for a medical emergency and the facility is unable to recover its costs in providing such treatment from any public assistance program.

H.R. 4808. March 12, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 4809. March 12, 1975. Foreign Affairs. Establishes the Vietnam assistance volunteers program under the Peace Corps Act. Authorizes refugee relocation assistance, medical assistance to war victims, and medical, educational, and material assistance to orphans in the Republic of Vietnam. Authorizes the President to extend this program to Laos, Cambodia, and the Democratic Republic of Vietnam.

H.R. 4810. March 12, 1975. Judiciary. Confers United States citizenship on certain Vietnamese children fathered by United States citizens. Requires the Department of State to expedite the adoption of such children.

H.R. 4811. March 12, 1975. Judiciary. Limits the jurisdiction of the Supreme Court and the district courts to review any case arising out of any State statute, ordinance, rule or regulation which relates to voluntary prayers in public schools and public buildings.

H.R. 4812. March 12, 1975. Ways and Means. Entitles employers to cash payments from the Internal Revenue Service for continuing health benefits for former employees who are now unemployed and entitled to receive weekly compensation under a State or Federal unemployment compensation law. Prohibits an employer from deducting the expenses of his employer sponsored health insurance plan, for the purposes of computing income tax, unless such employer includes former employees, who are presently entitled to unemployment compensation, within the ambit of such health insurance plan.

H.R. 4813. March 12, 1975. Post Office and Civil Service. Amends the Fair Labor Standards Act of 1938 by declaring that rural letter carriers may be paid at a rate of compensation established by any collective bargaining agreement made between the Postal Service and any bargaining representative recognized under specified provisions of law.

H.R. 4814. March 12, 1975. Judiciary. Amends the Work Hours Act of 1962 and the Walsh-Healey Act by permitting certain employers contracting with the Federal Government to compute wages on the basis of a four-day work week consisting of ten-hour workdays.

H.R. 4815. March 12, 1975. Judiciary. Permits the deposit of newspapers in letterboxes without payment of postage.

H.R. 4816. March 12, 1975. Ways and Means. Interstate and Foreign Commerce Amends the Social Security Act by lowering the age at which an individual becomes entitled to Old-Age, Survivors, and Disability Insurance benefits.

H.R. 4817. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by reducing the waiting period for settlement to Medicare benefits on the basis of disability.

H.R. 4818. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Internal Revenue Code to eliminate hospital insurance taxes. Amends the Social Security Act to eliminate Medicare taxes and premiums. Authorizes the appropriations of general revenue funds to finance the Medicare hospital insurance and supplementary medical insurance programs.

H.R. 4819. March 12, 1975. Interstate and Foreign Commerce. Authorizes appropriations under the Public Health Service Act, for grants to any public or nonprofit private entity to pay part of the cost of (1) preventing or treating alcoholism and drug abuse; (2) providing centers for comprehensive health services; (3) providing health service clinics for domestic agricultural migratory workers; (4) providing services in the field of family planning; and (5) providing services to meet health needs of limited geographic scope. Establishes the National Advisory Council on Health Services. Modifies the Federal financial participation in material and child health and cripple children's services.

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H.R. 4820. March 12, 1975. Ways and Means. Amends the Social Security Act by revising (1) the requirements for retroactive Old-Age, Survivors, and Disability Insurance benefits; (2) the retirement tests; (3) the method of determining eligibilty for assistance under the Aid to Families with Dependent Children program; (4) the amount and method of calculating Medicare deductibles and coinsurance charges; and (5) the Federal share of the Aid to Families with Dependent Children and State expenditures for services and training under the Aid to the Blind, Aid to the Permanently and Totally Disabled and Supplemental Security Income programs.

H.R. 4821. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the maximum Federal share for the Maternal and Child Health and Medicaid programs under the Social Security Act. Delimits dental services for which a State may receive Federal payments under the Medicaid program.

H.R. 4822. March 12, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the timing of Medicare premium determinations under the Social Security Act.

H.R. 4823. March 12, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for expenses incurred in filing for a certain patent.

H.R. 4824. March 12, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for loss of certain personal property.

H.R. 4825. March 12, 1975. Judiciary. Relieves a certain individual of liability to the United States for medical treatment of a specified child at an Army hospital.

H.R. 4826. March 12, 1975. Judiciary. Relieves a certain individual of liability to the United States for overpayments of salary incurred by administrative error.

H.R. 4827. March 12, 1975. Judiciary. Permits the filing of a certain tort claim against the United States.

H.R. 4828. March 12, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claim against the United States for death benefits payable under certain insurance coverage.

H.R. 4829. March 12, 1975. Judiciary. Permits the Secretary of the Army to receive, consider, and determine a certain tort claim against the United States, notwithstanding any statute of limitations.

H.R. 4830. March 13, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation to conduct studies regarding airport development. Permits the Secretary to make grants from the Airport and Airway Trust Fund for airport development projects and system planning. Sets forth procedures for the distribution of such funds, and requirements for project sponsors and project approval. Allows conveyance of certain Federal lands by the Secretary for such projects.

H.R. 4831. March 13, 1975. Armed Services. Prohibits the expenditures of Federal funds for commissary stores administered by any agency of the Department of Defense.

H.R. 4832. March 13, 1975. Veterans' Affairs. Specifices that recipients of veteran's pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 4833. March 13, 1975. Ways and Means. Amends the estate tax provisions of the Internal Revenue Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 4834. March 13, 1975. Government Operations. Revises per diem and mileage allowances for Federal employees traveling on official business.

H.R. 4835. March 13, 1975. Education and Labor. Sets forth a schedule for the phasing out of the current method of computation of the amount of entitlement to Federal aid for local educational agencies which is based on the number of children of persons who reside or work on Federal property and for whom such local educational agencies provide free public education.

H.R. 4836. March 13, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to direct the Administrator of the Environmental Protection Agency to revise certain air pollutant standards based on recent scientific evidence. Authorizes the Administrator to establish emission charges for certain air pollutants where promulgation of national standards is impracticable.

Requires that certain stationary sources of air pollutants install and operate continuous air pollution monitoring instruments.

Authorizes extensions of transportation control deadlines upon application to the Administrator. Authorizes the Secretary of Labor to pay unemployment compensation and temporary mortgage and rental to an individual who is unemployed as a result of enforcement of air pollution standards.

H.R. 4837. March 13, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 4838. March 13, 1975. Post Office and Civil Service. Requires the Secretary of Commerce to periodically compile current data on total population for each State, county, and unit of local government in periods between the taking of the decennial census. Requires the use of such data in the administration of any Federal law in which population is used to determine the amount of benefit received by State, county and units of local government.

H.R. 4839. March 13, 1975. Public Works and Transportation. Directs the heads of executive branch departments, agencies and instrumentalities who have jurisdiction for public works programs and projects to reduce or eliminate any procedural requirements, including but not limited to time, hearing, reporting and publication requirements, when such action would appreciably speed up the initiation or completion of such program and projects.

H.R. 4840. March 13, 1975. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 to authorize the General Services Administrator to donate surplus Government equipment and supplies to States for the purpose of assisting older Americans. Empowers the Secretary of Health, Education, and Welfare to allocate such property among States upon determining that such property is usable and necessary for the purposes of aiding older Americans.

H.R. 4841. March 13, 1975. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 by authorizing the General Services Administrator to donate surplus Federal equipment or supplies to State or local public recreational agencies. Directs the Secretary of the Interior to allocate and administer the donation of such property.

Revises procedures for entering into cooperative agreements with State surplus property distribution agencies.

H.R. 4842. March 13, 1975. Ways and Means. Science and Technology. Amends the Social Security Act to conform the timing of Medicare premium determinations with the timing of automatic increases in Old-Age, Survivors and Disability Insurance benefits.

Directs the Office of Technology Assessment to engage the National Academy of Sciences to study and propose solutions for problems of medical malpractice insurance. Specifies that proposed solutions shall be related to the Medicare provisions of the Social Security Act.

H.R. 4843. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for the expenses of education above the twelfth grade paid by the taxpayer for providing an education for himself or any other individual.

H.R. 4844. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to allow an individual a credit against the tax imposed for amounts paid by him during the taxable year for the education in a private nonprofit elementary or secondary school of any dependent for whom he may claim a personal exemption.

H.R. 4845. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a limited deduction the sum of home improvement expenses paid or incurred by the individual during the taxable year, and the residential addition amortization for the taxable year.

H.R. 4846. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a limited deduction the sum of home improvement expenses paid or incurred by the individual during the taxable year, and the residential addition amortization for the taxable year.

H.R. 4847. March 13, 1975. Public Works and Transportation. Designates the Federal office building in Dover, Delaware as the J. Allen Frear Building.

H.R. 4848. March 13, 1975. Education and Labor. Directs the Secretary of Labor to conduct a study of certain provisions in state unemployment compensation laws relating to availability of individual applicants for work and refusal to accept suitable offers of employment.

H.R. 4849. March 13, 1975. Ways and Means. Directs the Secretary of Health, Education, and Welfare to study the enforcement and administration of the work requirements imposed on certain recipients of Aid to Families with Dependent Children under the Social Security Act.

H.R. 4850. March 13, 1975. Education and Labor. Interstate and Foreign Commerce. Increases appropriations for carrying out the purposes of the Comprehensive Employment and Training Act of 1973.

Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to authorize the Secretary of Transportation to provide financial assistance to rail carriers for wages of persons employed in programs and projects to maintain and improve railroad rights-of-way and related structures.

H.R. 4851. March 13, 1975. Judiciary. Makes the use or carrying of a firearm during the commission of a felony a Federal crime.

H.R. 4852. March 13, 1975. Veterans' Affairs. Extends the entitlement of veterans to educational assistance from thirty-six months to forty-five months.

H.R. 4853. March 13, 1975. Post Office and Civil Service. Revises regulations regarding creditable service for civil service retirement purposes with respect to National Guard technicians.

H.R. 4854. March 13, 1975. Post Office and Civil Service. Establishes a voluntary supplemental retirement income program for Federal employees.

H.R. 4855. March 13, 1975. Armed Services. Authorizes the Secretary of Defense to budget funds specifically for the Civil Air Patrol. Specifies purposes for which expenditures from the Civil Air Patrol budget may be made by the Secretary of the Air Force.

H.R. 4856. March 13, 1975. Veterans' Affairs. Establishes a program for mortgage protection life insurance for veterans unable to acquire commercial life insurance because of service-connected disabilities.

H.R. 4857. March 13, 1975. Veterans' Affairs. Establishes a program for mortgage protection life insurance for veterans unable to acquire commercial life insurance because of service-connected disabilities.

H.R. 4858. March 13, 1975. Merchant Marine and Fisheries. Amends the Coastal Zone Management Act of 1972 to establish a Coastal Impact Fund to assist States affected by the development of energy resources in the coastal zone. Authorizes assistance for interstate coordination and planning, coastal research, protection of access to public beaches, and preservation of islands.

H.R. 4859. March 13, 1975. Judiciary. Establishes an Office of the United States Correctional Ombudsman to investigate either upon complaint or upon its initiative certain administrative acts of the Bureau of Prisons or the Board of Parole.

H.R. 4860. March 13, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to suspend motor vehicle emissions controls in all parts of the United States except for certain designated air quality control regions.

Prohibits the Administrator of the Environmental Protection Agency and the States from enforcing motor vehicle emissions control standards in areas outside designated regions during the suspension period.

H.R. 4861. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption.

H.R. 4862. March 13, 1975. Interior and Insular Affairs. Establishes a National Energy and Conservative Corporation to undertake programs of exploration, development, and production of public land and tideland oil, natural gas, oil shale, and coal resources. Directs the Corporation to administer programs consistent with objectives of land use planning, conservation, and environmental protection.

H.R. 4863. March 13, 1975. Education and Labor. Banking, Currency and Housing. Authorizes the Commissioner of Education to allow financially-distressed institutions of higher education to cease principal and interest payments on certain Federal loans under the Higher Education Facilities Act of 1963 and the Housing Act of 1950.

H.R. 4864. March 13, 1975. Merchant Marine and Fisheries. Authorizes and directs the Governor of the Canal Zone to proceed with work to change the lock and anchorage capacities of the Panama Canal.

Establishes a Presidentially-appointed Panama Canal Advisory and Inspection Board to supervise all efforts of the Governor of the Canal Zone in making changes to the Panama Canal.

H.R. 4865. March 13, 1975. Post Office and Civil Service. Prohibits franked mailings by Members of Congress and certain officers of the United States, other than mailings related to the closing of their official business, after such Members or officers have left office.

Stipulates that mailings related to the closing of official business may be sent as franked mail only during the 90-day period immediately following the date on which the office is left.

H.R. 4866. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to correlate the amount allowed as an investment tax credit to that percentage of an automobile manufacturer's production of automobiles having fuel consumption rates exceeding a minimum level.

H.R. 4867. March 13, 1975. Government Operations. Prohibits Federal agencies from purchasing, hiring, leasing, operating or maintaining limousines, and from employing chauffeurs to operate such limousines, except for certain designated Federal officers.

H.R. 4868. March 13, 1975. Government Operations. Prohibits Federal agencies from purchasing, hiring, leasing, operating or maintaining limousines, and from employing chauffeurs to operate such limousines, except for certain designated Federal officers.

H.R. 4869. March 13, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services under the Medicare and Medicaid programs of the Social Security Act.

Requires that State plans for medical assistance under the Social Security Act include rent payments in the case of certain individuals receiving home health services in lieu of institutional care.

Makes children over age 18 responsible for their parents' enrollment fees and deductibles under the Medicaid program.

Amends the United States Housing Act by removing the limitation on the amount of the contribution which the United States Housing Authority may make to public housing agencies for congregate housing.

H.R. 4870. March 13, 1975. Judiciary. Grants Congressional consent to the Midwest Interstate Nuclear Compact.

H.R. 4871. March 13, 1975. Education and Labor. Allows the distribution in interstate commerce of goods produced by prison inmates who are paid not less than the prevailing minimum wage as determined for purposes of the Walsh-Healy Act.

H.R. 4872. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption.

H.R. 4873. March 13, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 4874. March 13, 1975. Foreign Affairs. Directs the Secretary of Agriculture to conduct a study of the current world food situation, with particular regard to the needs of emerging nations for food and for fertilizer to produce food. Directs the Secretary to conduct a study to determine how the amount of fertilizer available for world food production can be increased.

H.R. 4875. March 13, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Secretary of Transportation to make financial assistance available to qualified applicants for the purpose of providing employment for unemployed or underemployed persons in jobs maintaining or rebuilding railroad rights-of-way, during time of high unemployment.

H.R. 4876. March 13, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make payments to assist low- and middle-income owners of existing residential structures to purchase and install energy conservation improvements.

Directs the Secretary to compile and publish a list of eligible energy conservation improvements.

H.R. 4877. March 13, 1975. Post Office and Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 4878. March 13, 1975. Foreign Affairs. Requires the President to evacuate from Cambodia any Cambodian citizen who requests such evacuation because he believes his life would be endangered if the Khmer Rouge assume power in Cambodia, unless the President determines that evacuation is not feasible.

H.R. 4879. March 13, 1975. Banking, Currency and Housing. Amends the United States Housing Act of 1937 to require that future increases in social security benefits be excluded in determining the eligibility of an individual or family for admission to, or occupancy of, low-income housing and the amount of rent payable for accommodations in such housing. Requires a similar exclusion under other federally assisted housing programs.

H.R. 4880. March 13, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to prohibit the abandonment of rail service where the National Railroad Passenger Corporation determines such service to be a public convenience and necessity.

H.R. 4881. March 13, 1975. Labor and Public Welfare. Establishes, within the Department of Health, Education, and Welfare, a Medical Injury Compensation Insurance Administration through which the Secretary of Health, Education, and Welfare shall establish and implement a program of no-fault medical malpractice insurance for licensed health professionals and licensed health care institutions. Requires any patient to waive any tort actions with respect to the injury for which no-fault benefits are claimed.

H.R. 4882. March 13, 1975. Ways and Means. Prohibits the importation of any fresh, chilled or frozen cattle meat during the 180 day period that begins on the date of the enactment of this Act.

H.R. 4883. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to repeal the excise tax on trucks, buses and tractors and parts and accessories for such vehicles.

H.R. 4884. March 13, 1975. Ways and Means. Prohibits the imposition of any duty or tariff on any prosthetic or orthotic device, or component thereof, approved by the Department of Commerce that is imported by certain nonprofit institutions.

H.R. 4885. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption.

H.R. 4886. March 13, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 4887. March 13, 1975. Agriculture. Amends the Emergency Livestock Credit Act of 1974 to provide additional temporary financial assistance to owners of livestock who have suffered severe financial losses as a result of low market prices for livestock.

H.R. 4888. March 13, 1975. Small Business. Amends the Small Business Act by authorizing the Small Business Administration to make loans to small businesses which have suffered economic injury as the result of the disruption of operations and services of public utilities.

H.R. 4889. March 13, 1975. Judiciary. Amends the Immigration and Nationality Act to make it unlawful for persons to knowingly employ or refer for employment aliens who have not been lawfully admitted to the United States for permanent residence.

Directs that the Immigration and Naturalization Service shall increase its staff.

H.R. 4890. March 13, 1975. Judiciary. Imposes penalties for the commission of a felony with a firearm or while carrying a firearm.

H.R. 4891. March 13, 1975. Ways and Means. Amends the Social Security Act by (1) including services furnished by a physician's assistant under the coverage of Medicare;

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and (2) stipulating that entitlement to Old-Age, Survivors, and Disability Insurance benefits continues through the month in which a beneficiary dies.

H.R. 4892. March 13, 1975. Science and Technology. Directs the Director of the Geological Survey and the Director of the National Science Foundation to develop and carry out programs of research and implementation in the area of earthquake prediction, earthquake mitigation and earthquake control.

H.R. 4893. March 13, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 4894. March 13, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for the use of a firearm to commit certain felonies.

H.R. 4895. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a deduction the ordinary and necessary expenses paid during the taxable year for the repair or improvement of property used by the taxpayer as his principal residence. Permits an owner of rental property as an option to amortize expenditures for the restoration of rental housing.

H.R. 4896. March 13, 1975. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 4897. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to create the World Peace Tax Fund, and a Board of Trustees to administer the Fund and to make grants for research and other projects aimed at achieving world peace.

Permits persons conscientiously opposed to participation in war to designate his or her income, gift, or estate taxes to be paid into the Fund.

H.R. 4898. March 13, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Transportation to make a loan of $100,000,000 to the Chicago, Rock Island, and Pacific Railroad Company to avoid reorganization proceedings and to continue operations.

H.R. 4899. March 13, 1975. Education and Labor. Establishes a national adoption information exchange system to be administered by the Secretary of Health, Education, and Welfare.

H.R. 4900. March 13, 1975. Education and Labor. Establishes a national adoption information exchange system to be administered by the Secretary of Health, Education, and Welfare.

H.R. 4901. March 13, 1975. Education and Labor. Establishes a national adoption information exchange system to be administered by the Secretary of Health, Education, and Welfare.

H.R. 4902. March 13, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits.

H.R. 4903. March 13, 1975. Banking, Currency and Housing. Establishes the Homeowners Loan Corporation and authorizes such Corporation to issue bonds.

Authorizes the Corporation to acquire mortgages and other liens secured by real estate in exchange for its bonds in any quarter during which the foreclosure rate reaches a predetermined level, and to make mortgage assistance payments to certain families during such periods.

Authorizes the Corporation to make cash advances to a homeowner whose mortgagor will not accept the Corporation's bonds.

Authorizes the Corporation to exchange bonds and advance cash to recover property lost through foreclosure within two years prior to such exchange or advance.

H.R. 4904. March 13, 1975. Post Office and Civil Service. Prohibits the Postal Service from making photocopying equipment available for public use in any postal facility.

H.R. 4905. March 13, 1975. Education and Labor. Veterans' Affairs. Creates an office of Assistant Secretary of Labor, within the Department of Labor, whose duty shall be the alleviation of the present inequality of employment between young Vietnam era veterans and nonveterans.

H.R. 4906. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit for qualified savings and investments, and excludes from gross income certain capital gains.

Removes the undue hardship requirement for granting an estate tax extension. Allows a limited deduction from a gross estate for the decedents interest in a family farming operation.

Revises the corporate normal tax rates, increases the investment tax credit, and increases the corporate surtax exemption.

Requires that a taxpayer's basis in property be varied by changes in the Consumer Price Index.

Establishes certain standards for employee stock ownership plan financing.

H.R. 4907. March 13, 1975. Judiciary. Amends the Clayton Act by declaring it unlawful for a company engaged in the production of petroleum or natural gas to acquire an interest in, own, or control a company engaged in the production or sale of coal, oil shale, uranium, nuclear reactors, geothermal steam or solar energy.

H.R. 4908. March 13, 1975. Judiciary. Amends the Clayton Act to prohibit any corporation or association from (1) controlling more than one type of energy-producing mineral and (2) engaging in more than one aspect of the petroleum and natural gas industry. Prohibits any individual from serving as a director of more than one company engaged in energy resource production, refining, transportation or marketing.

H.R. 4909. March 13, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 4910. March 13, 1975. Judiciary. Interstate and Foreign Commerce. Amends the Interstate Commerce Act by making it unlawful for a pipeline company to transport petroleum or petroleum products which were produced or refined by that pipeline company or an affiliate.

Prohibits all nonindependent refiners from owning or controlling companies engaged in petroleum exploration or production or in the marketing of refined petroleum products. Directs the Securities and Exchange Commission to oversee the divestiture of such companies.

H.R. 4911. March 13, 1975. Agriculture. Removes the 5 year restriction on renewal of loans by the Secretary of Agriculture under the Consolidated Farm and Rural Development Act.

H.R. 4912. March 13, 1975. Merchant Marine and Fisheries. Public Works and Transportation. Establishes a 3 year moratorium on the requirement of an environmental impact statement for Federal-aid highway projects.

H.R. 4913. March 13, 1975. Ways and Means. Amends the Social Security Act to require that Old-Age, Survivors and Disability Insurance benefits be paid on a prorated basis for the month during which a beneficiary dies.

H.R. 4914. March 13, 1975. Ways and Means. Amends the Social Security Act to require that Old-Age, Survivors and Disability Insurance benefits be paid for the month during which a beneficiary dies.

H.R. 4915. March 13, 1975. Armed Services. Permits individuals over 35 years of age to enlist in the Armed Forces.

H.R. 4916. March 13, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to undertake a concerted program of research and investigation into the practice of acupuncture to evaluate its efficacy as a medical procedure. Authorizes the Secretary to make grants to public and nonprofit private entities for the purposes of such an investigation.

H.R. 4917. March 13, 1975. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize supplemental air carriers to control or share in control of a person authorized by the Civil Aeronautics Board to sell individual tickets for inclusive tours to the general public, to prohibit the Board from regulating charter trips in such a way as to reduce the availability of such trips, and to direct the Board to issue regulations defining the permissible activities of air travel clubs which operate aircraft and certain other commercial aircraft operators.

Authorizes reduced air fares for families, the handicapped, elderly and young persons.

H.R. 4918. March 13, 1975. Ways and Means. Redefines spouse for the purposes of the Social Security Act to include individuals who are not legally married.

H.R. 4919. March 13, 1975. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities designed to achieve conservation and nonuse of energy and materials. Establishes within the Office of Education a Council on the Conservation and Nonuse of Energy-Materials to advise the Secretary on the administration of this Act.

H.R. 4920. March 13, 1975. Judiciary. Merchant Marine and Fisheries. Government Operations. Establishes a Marine Resources Conservation and Development Fund for use by the Secretary of the Interior for various marine resources programs. Requires monies collected from leases on the Outer Continental Shelf to be deposited into the fund with a certain percentage to be returned to the States.

H.R. 4921. March 13, 1975. Banking, Currency and Housing. Directs the Comptroller General to audit annually the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and all Federal Reserve banks and their branches.

H.R. 4922. March 13, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to study the feasibility of the Seward water resource development project in Oklahoma.

H.R. 4923. March 13, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct, operate, and maintain the McGee Creek project in Oklahoma in accordance with Federal reclamation laws. Authorizes the acquisition of lands for the establishment of a scenic recreation area adjacent to the McGee Creek Reservoir.

H.R. 4924. March 13, 1975. Ways and Means. Amends the Social Security Act and the Internal Revenue Code to allow Federal officers and employees to elect coverage under Old-Age, Survivors and Disability Insurance.

H.R. 4925. March 13, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, under the Public Health Services Act, to make grants to State health and mental health authorities to assist in meeting the costs of providing comprehensive public health services, to make grants and enter into contracts for research related to family planning and population, and to make grants for migrant health centers, community health centers, and home health services. Directs the Secretary to appoint various Committees to study certain health related problems and diseases.

H.R. 4926. March 13, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire additional lands for the Indiana Dunes National Lakeshore.

H.R. 4927. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to allow revocation of the $1 designation of income tax payments to the Presidential Election Campaign Fund at any time before the expiration of 3 years after the time prescribed by law for filing the return for such taxable year.

H.R. 4928. March 13, 1975. Interstate and Foreign Commerce. Armed Services. Post Office and Civil Service. Amends the Communications Act of 1934 to repeal the requirement that any broadcast licensee who grants broadcast time to any candidate for public office must afford equal broadcast time to other candidates for the same public office.

Repeals the prohibition against noncommercial educational broadcasting stations engaging in editorializing, supporting, or opposing candidates for political office.

Amends the Federal Cigarette Labeling and Advertising Act by repealing the prohibition against cigarette advertising via electronic communications media.

Prohibits the United States Postal Service and the Secretaries of the Armed Forces from discriminating between print and broadcast media when engaging in public advertising.

H.R. 4929. March 13, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to establish a fuel stamp program to assist certain low-income households in meeting fuel costs incurred by such households.

H.R. 4930. March 13, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 4931, March 13, 1975. Interstate and Foreign Commerce. Prohibits certain enumerated unfair consumer practices. Establishes procedures to govern the maintenance of class action suits by persons suffering damage as a result of an unfair consumer practice.

H.R. 4932. March 13, 1975. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit exemption of civil supersonic aircraft from regulations regarding the control of aircraft noise.

H.R. 4933. March 13, 1975. Public Works and Transportation. Prohibits commercial flights by supersonic aircraft in the navigable airspace of the United States until Congress approves findings of the Administrator of the Environmental Protection Agency that such flights will have no detrimental effect on the persons and environment of the United States, and the Secretary of Transportation certifies that the operation of such aircraft meets all standards prescribed for the operation of aircraft in the United States under the Federal Aviation Act of 1958.

H.R. 4934. March 13, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain corporation in full settlement of such corporation's claims against the United States for reimbursement of certain expenses incurred because of the loss of a registered letter by the United States Postal Service.

H.R. 4935. March 13, 1975. Judiciary. Confers jurisdiction upon the United States District Court for the Southern District of California to hear, determine, and render judgment on certain claims against the United States as a result of a quarantine imposed by the Department of Agriculture.

H.R. 4936. March 13, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4937. March 13, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4938. March 13, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for loss of certain personal property.

H.R. 4939. March 13, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 4940. March 13, 1975. Judiciary. Stipulates the method of determining the amount of the survivor annuity for a certain individual.

H.R. 4941. March 13, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to convey certain land in Mississippi to a specified individual.

H.R. 4942. March 13, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for accumulated leave and sick leave which such individual earned but was not credited for as an employee of the Federal Government.

H.R. 4943. March 14, 1975. Government Operations. Directs the Administrator of General Services to assist Federal agencies with respect to records creation, maintenance, use, and disposition. Directs the Administrator to make inspections and formulate rules regarding Federal records.

Establishes a Records Review Board to review orders issued by the Administrator.

Grants the Administrator custody and control over the National Archives Building and its contents.

H.R. 4944. March 14, 1975. Ways and Means. Amends the Internal Revenue Code to increase the corporate surtax exemption.

H.R. 4945. March 14, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission to prohibit the licensing of certain activities involving plutonium until expressly authorized by Congress. Authorizes a comprehensive study of potential dangers to public health and safety resulting from the recycling of plutonium.

H.R. 4946. March 14, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission to prohibit the licensing of certain activities involving plutonium until expressly authorized by Congress. Authorizes a comprehensive study of potential dangers to public health and safety resulting from the recycling of plutonium.

H.R. 4947. March 14, 1975. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to make grants to States and certain gateway cities for the purpose of providing programs in education, job training, counseling and orientation for the benefit of immigrants.

Authorizes travel grants to new immigrants and their families to enable them to accept employment in a distant State.

H.R. 4948. March 14, 1975. Post Office and Civil Service. Requires the Secretary of Commerce to periodically compile current data on total population for each State, county, and unit of local government in periods between the taking of the decennial census. Requires the use of such data in the administration of any Federal law in which population is used to determine the amount of benefit received by State, county and units of local government.

H.R. 4949. March 14, 1975. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer to deduct as an expense during the taxable year expenditures for the purpose of making any facility owned or leased by the taxpayer for use in connection with his trade or business more usable by handicapped and elderly individuals.

H.R. 4950. March 14, 1975. Ways and Means. Interstate and Foreign Commerce. Requires skilled nursing and intermediate care facilities participating in Medicare and Medicaid programs under the Social Security Act to publish a statement of the rights and responsibilities of their patients.

H.R. 4951. March 14, 1975. Post Office and Civil Service. Removes the prohibition against private carriage of mail.

H.R. 4952. March 14, 1975. Agriculture. Amends the Federal Environmental Pesticide Control Act of 1972 to allow Federal certification of private applicators of pesticides by the signing of a self-certification form by the applicant.

H.R. 4953. March 14, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 4954. March 14, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to allow the Administrator of the Environmental Protection Agency to modify effluent limitations for publicly owned treatment works which discharge into ocean waters.

H.R. 4955. March 14, 1975. Armed Services. Prohibits the production or procurement by any agency of the United States of any delivery system designed to diseminate any binary-type chemical warfare agent.

H.R. 4956. March 14, 1975. Ways and Means. Revises the eligibility requirements for disability benefits and the disability freeze under the Social Security Act by extending eligibility to individuals with 40 quarters of coverage regardless of when they were earned.

H.R. 4957. March 14, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 by making units of local government having a populations of fifty thousand or more eligible to be prime sponsors, for purposes of receiving Federal financial assistance in conducting manpower programs under the Act.

H.R. 4958. March 14, 1975. Ways and Means. Amends the Internal Revenue Code to impose an excise tax on the severance of any oil, gas, or coal from a mineral property located within the United States.

Requires the Secretary of the Treasury to pay over to each county, its share of the tax imposed by this Act.

H.R. 4959. March 14, 1975. Ways and Means. Prohibits general and cost-of-living increases in Old-Age, Survivors, and Disability Insurance benefits from being considered income for the purposes of determining an individual's eligibility for Federal-State public assistance programs, supplemental security income, food stamps, food distribution programs, public housing, rent or mortgage subsidies, veterans' pensions, or dependency and indemnity compensation for parents of deceased veterans.

H.R. 4960. March 14, 1975. Ways and Means. Amends the Social Security Act by redefining "old-age assistance", "aid to the blind", "aid to the permanently and totally disabled", and "aid to the aged, blind, or disabled" to include direct payments to a person furnishing food, living accommodations or other goods or services to or for an individual who is eligible for such Federal-State public assistance.

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H.R. 4961. March 14, 1975. Public Works and Transportation. Changes the name of the Big Hill Lake in Kansas to the Clyde M. Reed Lake.

H.R. 4962. March 14, 1975. Public Works and Transportation. Changes the name of the Elk City Lake in Kansas to the Meyer-George Lake.

H.R. 4963. March 14, 1975. Public Works and Transportation. Changes name of the Cheney Reservoir in Kansas to the Shoeppel-Rees Lake.

H.R. 4964. March 14, 1975. Merchant Marine and Fisheries. Amends the Merchant Marine Act of 1970 by establishing a program of grants under the Secertary of Commerce to enable State and local governments and agencies to bring public ports into compliance with federally imposed requirements relating to environmental protection, public health and safety, or port cargo or security.

Directs the Secretary to conduct a study of the needs of United States public ports to meet requirements described above and for necessary expansion and modernization.

H.R. 4965. March 14, 1975. Judiciary. Amends existing copyright law to extend protection to certain videotape transmissions on noncontiguous area cable television systems.

H.R. 4966. March 14, 1975. Ways and Means. Amends the Social Security Act to require that Old-Age, Survivors, and Disability Insurance benefits be paid on a prorated basis for the month during which a beneficiary dies.

H.R. 4967. March 14, 1975. Foreign Affairs. Amends the Export Administration Act to prohibit actions by domestic export concerns which would support restrictive practices of any foreign nation against another nation friendly to the United States, with certain limitations.

H.R. 4968. March 14, 1975. Ways and Means. Revises the tax rates for Old-Age, Survivors and Disability Insurance and hospital insurance under the Internal Revenue Code of 1954. Raises the ceiling on income taxable for Old-age, Survivors and Disability Insurance under the Social Security Act and Internal Revenue Code of 1954.

Provides that one-third of the cost of the Old-age, Survivors and Disability Insurance program be borne by the Federal Government.

H.R. 4969. March 14, 1975. Post Office and Civil Service. Entitles certain prevailing rate Federal employees to night differential pay as part of their basic pay for purposes of determining such pay in conversion to the General Schedule.

H.R. 4970. March 14, 1975. Agriculture. Amends the Agriculture and Consumer Protection Act of 1973 to prohibit the Secretary of Agriculture from requiring the prior approval of the export sales of feed grains, wheat, soybeans, or other agricultural commodities.

H.R. 4971. March 14, 1975. Atomic Energy. Directs the Nuclear Regulatory Commission to cease the granting of licenses or construction authorizations for certain nuclear power plants pending the outcome of a comprehensive study by the Office of Technology Assessment. Requires a five-year independent study of the nuclear fuel cycle by the office of Technology Assessment with final reports and recommendations to be made to the Congress.

H.R. 4972. March 14, 1975. Education and Labor. Prevents the Secretary of Labor from applying certain provisions of the Code of Federal Regulations to nonwintering, mobile housing facilities used in the range sheep industry.

H.R. 4973. March 14, 1975. Interior and Insular Affairs. Designates the Chauga River in South Carolina as a potential addition to the National Wild and Scenic Rivers System.

H.R. 4974. March 14, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the school breakfast program and the Special Supplemental Food Program; (3) authorize the Secretary of Agriculture to make grants for food service programs in institutions providing day care; (4) revise guidelines for the administration of various programs under the Acts; (5) redefine terms used in the Acts; and (6) authorize funding for nonfood assistance for the summer food program and the special food service program.

H.R. 4975. March 14, 1975. Interstate and Foreign Commerce. Amends the Rail Passenger Service Act to authorize financial assistance to the National Railroad Passenger Corporation by the Secretary of Transportation. Specifies certain responsibilities and procedures of the Corporation relating to operations, deletions, addition, and changes of rail service.

H.R. 4976. March 14, 1975. Ways and Means. Amends the Internal Revenue Code to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles.

H.R. 4977. March 14, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to allow modification of automobile emission control systems to improve emission pêrformance at high altitude conditions. Directs automobile manufacturers to furnish assistance to dealers as needed to modify engine or vehicle design in order to meet such high altitude emission standards.

Authorizes the Administrator of the Environmental Protection Agency to establish high altitude automobile emissions research programs.

H.R. 4978. March 14, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to prohibit the application of a per se rule of illegality under the antitrust laws in the case of certain market allocation agreements made as part of a contract or agreement (1) for the manufacture, distribution or sale of a trademarked soft drink product or (2) for the distribution or sale of a trademarked private label food product.

H.R. 4979. March 14, 1975. Interior and Insular Affairs. Establishes the Chickasaw National Recreation Area in Oklahoma. Authorizes the Secretary of the Interior to acquire lands in order to enhance public enjoyment of the recreation area.

H.R. 4980. March 14, 1975. Post Office and Civil Service. Designates the birthday of "Susan B. Anthony" as a legal public holiday.

H.R. 4981. March 14, 1975. Education and Labor. Amends the Higher Education Act of 1965 to authorize every Member of Congress to employ, in addition to normal staff, a student participating in a cooperative education program.

H.R. 4982. March 14, 1975. Government Operations. Establishes a Commission on Organization of the Executive Office of the President to study the organization of the Executive Office of the President and advise the President and the Congress on methods of improving the efficiency, coordination and accountability of the executive branch of Government.

H.R. 4983. March 14, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare, under the Public Health Services Act to study the feasibility of broadening the purposes of the Uniformed Services University of the Health Sciences so as to train civilian physicians for service in areas which have a shortage of physicians.

H.R. 4984. March 14, 1975. Interstate and Foreign Commerce. Directs the National Academy of Sciences to conduct a study to determine if, because of the availability of improved techniques of residue detection, the requirements of the Federal Food, Drug, and Cosmetic Act may safely be revised to permit certain amounts of residues to be present in meat or food.

H.R. 4985. March 14, 1975. Merchant Marine and Fisheries. Establishes a fishery zone contiguous with the territorial sea of the United States having a limit of two hundred miles beyond the inner limit of the territorial sea.

H.R. 4986. March 14, 1975. Post Office and Civil Service. Revises maximum age requirements and civil service retirement regulations for customs and immigration inspectors.

H.R. 4987. March 14, 1975. Interior and Insular Affairs. Amends the Alaska Native Claims Settlement Act to extend the existence of the Joint Federal-State Land Use Planning Commission for Alaska for an additional three years.

H.R. 4988. March 14, 1975. Post Office and Civil Service. Extends eligibility for an annuity to an employee of the Bureau of Indian Affairs or the Indian Health Service who has twenty years of service before separating from such service on or before December 31, 1984 and who is not otherwise entitled to full retirement benefits or to an Indian preference for personnel purposes.

H.R. 4989. March 14, 1975. Government Operations. Establishes as an executive agency the Federal Office of Construction to (1) make available to all segments of the construction industry, to Federal, State and local agencies, and to the public at large, such pertinent information as the office may effectively acquire and assemble relating to construction problems, issues, and concerns; and (2) recommend to the office of Federal Procurement Policy the adoption of uniform practices and procedures which are compatible with the construction industry.

H.R. 4990. March 14, 1975. Banking Currency and Housing. Amends the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers.

H.R. 4991. March 14, 1975. Public Works and Transportation Banking, Currency and Housing. Amends the Public Works and Economics Development Act of 1965 to establish a program of emergency economic disaster relief to certain communities. Establishes an Office of Aid to Economic Disaster Communities in the Department of Commerce to assist eligible communities.

H.R. 4992. March 14, 1975. Judiciary. Authorizes the Foreign Claims Settlement Commission to receive, consider, and act upon certain evidence presented by a specified individual with respect to such individual's claim.

H.R. 4993. March 14, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States arising out of certain expenditures such individual made in connection with the construction of a Parcel Post Annex in Tennessee.

H.R. 4994. March 13, 1975. Ways and Means. Directs the Secretary of the Treasury to admit free of duty a certain pipe organ for use of the Lutheran Church of Honolulu, Hawaii.

H.R. 4995. March 14, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 4996. March 17, 1975. Veterans' Affairs. Extends hospital and medical care to certain persons who served, during World War I or World War II in foreign armed forces that were allies of the United States.

H.R. 4997. March 17, 1975. Veterans' Affairs. Extends hospital and medical care to certain persons who served, during World War I or World War II in foreign armed forces that were allies of the United States.

H.R. 4998. March 17, 1975. Ways and Means. Amends the Internal Revenue Code with respect to corporations that would be banks but for their status as foreign corporations, by designating that the net gain for the taxable year on sales and exchanges of bonds, debentures, notes, certificates, or other evidence of indebtedness shall be considered as gain from the sale or exchange of a capital asset to the extent such net gain does not exceed the portion of capital loss carryover to such taxable year which is attributable to capital losses on such sales or exchanges for a taxable year beginning before July 12, 1969.

H.R. 4999. March 17, 1975. Ways and Means. Amends the Social Security Act by extending medicare benefits to unemployed individuals, and their dependent spouses and children, who are entitled to weekly unemployment compensation benefits.

H.R. 5000. March 17, 1975. Ways and Means. Requires any employer or health insurance carrier offering a health insurance plan to include provisions for the continued coverage of former employees in order to be eligible for certain income tax deductions or status as a tax exempt organization. Extends similar protection to the currently unemployed during the emergency period.

Creates the Federal Emergency Health Insurance Trust Fund to make payments to insurance carriers for the increased services required by this Act.

Amends the Internal Revenue Code to impose a temporary tax on the premiums charged on employment-based health insurance.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

107. By the SPEAKER: Petition of the Council of the city of Parma, Ohio, relative to public works programs; to the Committee on Public Works and Transportation.

108. Also, petition of the council of the city of Parma Ohio, relative to income taxes and social security benefits; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

HOUSE CONCURRENT RESOLUTION 218

By Mr. LANDRUM:

On page 1, line 11, strike "$395,600,000,000" and insert in lieu thereof "$383,900,000,000";

On page 2, line 2, strike "$368,200,000,000" and insert in lieu thereof "$357,226,000,000";

On page 2, line 5, strike "$73,200,000,000" and insert in lieu thereof "$62,262,000,000";

On page 2, line 7, strike "$624,000,000,000" and insert in lieu thereof "$612,700,000,000"; and

On page 2, line 9, strike $93,000,000,000" and insert in lieu thereof "$81,700,000,000".

EXTENSIONS OF REMARKS

AN ASSESSMENT OF THE BREEDER REACTOR

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. RONCALIO. Mr. Speaker, tomorrow the Joint Committee on Atomic Energy will hold a markup session on ERDA authorization legislation. Several of my colleagues, both in the House and on the committee, have expressed the feeling that there should be a delay in authorization of money for construction of the Clinch River breeder reactor. Of the $181.5 million requested for the Clinch River breeder, $118.9, to be used for construction, long lead items, and engineering design, would be delayed. The remaining $62.6 million, earmarked for breeder R. & D. would remain intact.

It is important to put an issue such as the development of the breeder reactor in a proper perspective.

No one can deny that this country faces, if not presently, at least potentially, a grave energy shortage. Our supplies of oil and natural gas will soon be depleted. Faced with the prospect of having to import more and more oil, it is vitally necessary that we develop our own energy resources. If we are to replace oil and natural gas fuels with coal, we must look closely at what this implies. Although we have enormous supplies of coal reserves, if we were to become solely dependent upon coal as our source of energy, given our present consumption rate, this resource, too, would be depleted within 40 to 60 years. But more importantly, to develop these coal resources could mean the destruction of a better part of what remains of God's Earth in this country.

New technologies such as solar energy and fusion remain in the laboratory stages, with commitment to commercial development at this time too risky. Present day nuclear power remains as a viable, major alternative. The technology is here today. The technology of the uranium light water reactor is proven. The breeder reactor has already achieved the demonstration stage. The French and British demonstrated successfully a 250MW LMFBR in 1973. The Soviet Union is operating a 350MW unit, begun in 1971. The LMFBR, with the existing powerplant technology of today, provides a real alternative to our projected energy needs. I am convinced that development of this next step in nuclear evolution is not only the right one but the one that will advance our understanding of nuclear technology to provide answers to future questions.

However, the critics of nuclear power have made arguments—in some cases, good arguments—for postponing the joint committees' consideration of authorization legislation for construction of the Clinch River demonstration breeder. Specifically they have urged that the committee postpone authorization for construction until the following relevant studies have been completed.

First. ERDA's final environmental impact statement on the breeder, due at the end of June.

Second. ERDA's administrative hearings on the breeder, scheduled for mid-May.

Third. GAO's study of costs of the breeder program.

Fourth. Completion of the JCAE subcommittee hearings on the breeder, to be chaired by my colleague from Washington, Mr. MCCORMACK.

Many of the issues raised by the critics in the past, particularly in the area of nuclear safety, have warranted and received the Joint Committee's attention. The safety and the cost of the breeder are issues which raise questions to which the public deserves responsible answers.

I must stress, however, that in recognizing, as nuclear critic Ralph Nader states, that the American people, "must be afforded unbiased information," I do not support a nuclear reappraisal, nor a nuclear moratorium. This country must proceed with all alternatives to energy development that are available.

The Joint Committee was created to be a watchdog of nuclear affairs. In this case it has a golden opportunity to be just that. If there are questions with the breeder, then let them be answered before we give our authority to construct the Clinch River reactor. Let the Joint Committee go on record as having proved the safety and economic viability of this program. I am convinced that this can be done. Let us prove it now, without a doubt. A delay in authorization for construction will allow time for these relevant studies to be completed and reviewed. Upon completion of this review, if no serious problems are apparent, then we can move ahead to construction with confidence. If serious problems do arise, then let us have the prudence to recognize them and the courage to correct them, so as to leave no doubt as to the Joint Committee's wisdom in our ultimate decision.

INDEPENDENCE AND FREEDOM

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. SPENCE. Mr. Speaker, while the attention of the world is focused on the difficulties facing the West in Southeast Asia, the Middle East, and the Iberian Peninsula, it is heartening to note that there are voices which refuse to capitulate to communism.

On February 10, 1975, Archbishop Franjo Kuharic, Roman Catholic prelate of Croatia, gave a courageous and deeply moving sermon on his martyred predecessor, Aloysius Cardinal Stepinac. The stand of Archbishop Kuharic expresses the deeply rooted national and religious feelings of all of the captive nations—Catholic, Orthodox, and Protestant—from Croatia and its neighbor-

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ing Serbia to the Baltic States and the catacombs of Ukraine and Russia.

The principle of self-determination of nations is fundamental to the United States. We must recognize that a new spirit of national relationships, based upon the right of each nation to independence and freedom, is brewing in Eastern Europe. This spirit is based upon a moral foundation which rejects the aberrations of communism and nazism. When we hear voices from Croatia defending these values, we must respond to the Croatian nation. Therefore, I am honored to bring to the attention of my colleagues in the Congress the February 10 sermon of the Croatian prelate:

Sermon of Archbishop Franjo Kuharic at St. Stephen's Cathedral, Zagreb, Croatia on February 10, 1975

Fifteen years have passed today since the saintly death of the Archbishop of Zagreb, Aloysius Cardinal Stepinac. And tonight we honor his personality because we are witnesses that his whole life was filled with faith in God and a desire to do good, and only good, to all. So many poor, exiled, imprisoned and persecuted people experienced that goodness. Those are the facts. Within the limits of his possibilities he always intervened for people, for their human dignity, regardless of their ideology, race or class. To every person and every nation he recognized their inalienable rights and requested from all in authority to respect these rights . . .

The time in which Archbishop Stepinac lived and worked was extremely difficult. The war and hatred were consuming the entire world. A great darkness covered the nations. Even after the war was over the hatred and vengeance were not extinguished.

In such difficult times Archbishop Stepinac played a certain role in a certain area. He could not be anything else but what he really was: Catholic Archbishop of the Church of Zagreb; a man of deep faith and incorruptible conscience; very sensitive to the suffering of others; always ready to help everyone as much as he could. Having a totally spiritual mission he could not have been either a conspirator or a rebel against any form of government. But, respected God's laws, international and human rights, he boldly spoke the truth for the common good of all he met while doing his duty and carrying his responsibility. He was sincere and spirited in conversation; uncompromising in his principles; but always considerate and kind with people.

If he had to face the ideologies which declared God to be an illusion, Jesus Christ a legend, eternal human destiny a fraud, the Church an enemy of man and religion something which has to be eradicated from the consciences of people, in no way can he be considered guilty for being a faithful defender of God's eternal values. That was his duty. That is our duty . . .

At this time I feel obligated in my conscience to declare publicly and express my deep sorrow that still, thirty years after the war, Archbishop Stepinac is called publicly "the infamous Archbishop" and a "criminal." This happened on television on August 3rd, 1974, at 9:15 p.m. The commentator went even so far as to hold him responsible for the war devastation in our country. This also happens in the press and in the schools. It even happens here in the Cathedral, at his grave. Eyewitnesses have told me that some tourist guide forgets himself so much that he speaks insults against him on the Cardinal's grave.

We consider these actions to be great offenses against truth and against people. This harms the relations among the people. Every faithful of our Church feels hurt in his soul and deeply disturbed. Let no rights die with the dead . . .

WYOMING CIVIL AIR PATROL

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. RONCALIO. Mr. Speaker, I am today introducing legislation to provide assistance to one of the finest volunteer organizations that exists in this country—the Civil Air Patrol.

The CAP is a volunteer civilian auxiliary of the U.S. Air Force. Today, total membership is around 60,000. The mission of the CAP has been since its inception in 1941, to aid others. Activities today include search and rescue, natural disaster assistance, flight training, and aerospace education.

The CAP is the world's largest volunteer civilian search and rescue organization. Its participation in such activities frees military aircraft and personnel to be used for other purposes. During 1974, CAP flew 21,773 hours on search missions and was credited with locating 184 search objectives and the savings of 36 lives.

In addition to search and rescue the CAP assists the Air Force in providing aid to requesting civil authorities in the event of disaster resulting from floods, hurricanes, and snowstorms. In these cases, CAP is often the Air Force representative closest to the problem and plays a leading and major role. In 1972 during flooding in six States following Hurricane Agnes, CAP volunteers put in 11,000 man-days of work, assisting in rescue work, distributing relief supplies, and providing communications.

The CAP capability to handle emergency service missions is quite impressive. The Civil Air Patrol possesses 6,379 aircraft. Of this number 725 are CAP corporate owned, with 5,641 owned by CAP members. Operations are linked by some 17,000 radio stations, two-thirds of which are entirely mobile.

If necessary, the CAP can accomplish all communication requirements with this nationwide system. In this capacity, the CAP is the only emergency service organization in the country that can operate independently of established military or commercial networks.

Today, Mr. Speaker, the strength of the CAP as an organization is being weakened by the rising cost of oil, and by the inflation spread throughout the economy. The financial support for the CAP comes mostly from the fine individuals who serve as volunteers. In 1974, of the $923,529 income received by the CAP, $517,970 was provided by members dues and charter fees. Members of the CAP, are volunteers, all of whom pay dues for the privilege of serving in this organization. Another $33,795 was received from members' contributions.

In the past few years there has been a significant reduction in the usable DOD excesses which the CAP is authorized to procure. If support for this organization's humanitarian mission is to remain equal to past years, then the support for this group must be expanded. Passage of this legislation will expand the base from which the CAP is allowed to obtain support and will ease the heavy financial burden now placed on the volunteers of the CAP.

Mr. Speaker, it has been my privilege to have been a member of the Wyoming CAP wing, serving as legal counsel to that wing in the past. As a pilot I can truly appreciate the efforts of such a group. Many of my colleagues here in Congress have participated, and many still do, in the service of this organization. Some have benefited from its efforts, personally. This legislation will provide a basis for maintaining the CAP's current capabilities to perform its vital service to the Nation. I strongly urge its adoption.

A WORTHWHILE DEFICIT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, for several weeks now there has been much discussion of the size of the deficit we will have in next year's budget. Newsday—one of the daily papers in my district—recently had an intelligent discussion about the kind of spending the Government should proceed with and how it can be offset by selected cost cuts. I would like to share Newsday's editorial with my colleagues:

Worthwhile Deficit Spending for Congress

Now that Congress has had its way with tax cuts, it faces a sterner challenge: restraining the strong political impulse to deluge President Ford with extravagant spending bills that he would be forced to veto.

Of course the $60-billion deficit line Ford drew when he signed the tax bill isn't going to stand; nor should it. Most economists agree that a fiscal stimulus in the range of $75 billion to $80 billion is warranted. And Ford's injunction against new spending, except for energy and national security, must also give ground. Congress must help those who have been hurt most by the slide, offsetting some of the cost by slicing the defense budget and closing off tax benefits for the rich.

JOBS

With unemployment at its highest level in more than 30 years, jobs obviously have top priority. The House has passed an emergency bill to spend $5.9 billion before June 3 creating new jobs. But only $2.2 billion of that would result in direct job creation; the balance would be spent for traditional long-term public works. The Senate should keep in mind that it's jobs, not pork barrels, that are needed now. The emergency bill should be restricted to job-creation.

If the Senate wants to stimulate public works, it should look to the bill put together by the House Democratic leadership to funnel some $5 billion to states and communities for local public works. This would be a quicker way to create 250,000 jobs while serving worthwhile public purposes.

UNEMPLOYMENT COMPENSATION

At last session's close, Congress instructed the states to extend unemployment compensation to a full 52 weeks. Still another 13 weeks were added in the new tax bill, but coverage is spotty. New legislation is needed to make the 65-week protection comprehensive.

HEALTH INSURANCE

The U.S. alone among the industrialized nations lacks some form of national health insurance. Congress can begin to correct the wrong by enacting pending legislation to pay for the health insurance forfeited by working people who have lost their jobs during the recession. Cost? A modest $1.5 billion.

HOUSING

To help the jobless fend off foreclosure, a House bill would make $500 million available for payment of lapsed mortgages. Of equal merit is a $1 billion mortgage interest subsidy to help middle-income families buy new houses and the depressed housing industry build them.

ELDERLY

New Yorkers are keenly aware of the profiteering that goes on at the expense of the ailing elderly of modest means. After long study, the Senate Special Committee on the Aging has proposed its first package of legislation to bring about reform, as well as to expand benefits. The $3 billion cost seems a bargain considering the scope of the problem.

RAILROADS

Now that Ford has signed emergency legislation, Congress must confront the task of permanent help for the Penn Central and 16 other shaky northeast and midwest railroads. The U.S. Railway Association's preliminary rescue plan calls for the investment of $7 billion in public and private funds over a period of time. A final plan must be sent to Capitol Hill by July 26.

In all, the federal cost of this agenda comes to about $25 billion. At least one-third of that amount could be recouped by eliminating excesses, such as the B–1 bomber and the radar plane, from the Pentagon budget. Loophole-closing tax reform, long talked about but much delayed, would recapture billions more. By such a reasoned approach, the Democratic Congress could cap its tax triumph by maintaining fiscal responsibility while spending in the public interest.

LINN COUNTY'S BICENTENNIAL PLANS

HON. DICK CLARK

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, April 24, 1975

Mr. CLARK. Mr. President, as we approach the Nation's 200th birthday celebration in 1976, thousands of local organizations manned by hundreds of thousands of individuals are carrying out projects to celebrate the Bicentennial. There could be no more fitting tribute to this country on its 200th birthday than for its citizens to renew their interest in its history and to look for ways to improve the future.

That spirit is reflected in Iowa's enthusiasm for the Bicentennial. The Linn County Bicentennial Commission of Cedar Rapids has planned a variety of events to celebrate the Bicentennial, and they are planning to share their celebration by issuing a special invitation to visitors from other countries to visit Linn County during the Bicentennial year.

The Linn County Bicentennial Commission has scheduled the following projects:

Hosting of foreign visitors on a personal basis by area residents throughout the year.

Pioneer Farm at Seminole Valley.

Linn County Heritage Society's Archives Room at the public library.

Indian Frontiers program offered jointly with Kirkwood College.

Inventory of county historic sites to be published by Linn County Historical Museum Association.

Seminole Valley Visitor Center.

Senior citizens writing contest.

Town Meeting '76 sponsored by the Institute of Cultural Affairs as a pilot project for the State.

Armed Forces Caravan depicting the history of the four branches of the military service October 31–November 2 at Lindale Plaza.

Pioneer certificate program recognizing persons whose family resided in Linn County prior to 1876—sponsored by the Linn County Heritage Society.

In addition, a number of cities and towns in Linn County have their own special events:

Alburnett: Writing a history of the town and of the 100-year-old Buck Creek Church.

Center Point: Park for senior citizens; development of a museum; church centennial in September.

Lisbon: Centennial celebration; 4–H Fair.

Marion: Developing a museum.

Toddville: Slide presentation of community history.

Cedar Rapids: Information booth and visitors welcome at airport; special show at All-Iowa Fair; Coe College 125th anniversary celebration; proposed mall and shopping center at Czech Village; special bicentennial arts displays and presentations; painting of fire hydrants; Sister City project with city in Czechoslovakia.

FARMERS AND CONSUMERS: NATURAL ALLIES

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ROSE. Mr. Speaker, this morning the consumer got a break, thanks to the enterprising efforts of the National Farmers Organization.

At a dozen locations in Washington and the suburbs, the NFO was selling ground beef and potatoes and cheese. And the people were responding by the thousands.

I know, because I was part of the crowd at the Tysons Corner, Va., location. My wife, our 2-year-old daughter and I were in line early, and we purchased a 10-pound block of cheddar cheese and three 6-pound boxes of ground beef patties. The products were of the finest quality: The beef was ground from the whole carcass—steaks, roasts and loins, every cut, not just the trimmings that are usually available as hamburger when high-priced cuts have been removed.

And the price was right.

Of course, this direct farmer-to-consumer approach to marketing is not a new idea, but the NFO collective approach to moving their products into urban areas is.

Last February, I assisted the NFO members in my district in North Carolina in obtaining the necessary permits to hold a sale of Wisconsin cheese at shopping centers in Fayetteville and Lumberton. That operation was a sellout, just like the event this morning in Washington.

Events like this give the farmer-producers a chance to meet their customer-consumers on a face-to-face basis. The farmer gets a better price, the consumer gets a better buy for his or her money. These two groups ought to be natural allies in the battle against inflation, and this effort is a major step toward strengthening such an alliance.

My colleagues will be glad to know that in the coming weeks the NFO farmer-to-consumer sales are going to be scheduled all over the country, from coast to coast. I commend the members of the NFO in their enterprising efforts and wish them well.

FINANCIAL DISCLOSURE

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. O'HARA. Mr. Speaker, as I have done in years past, I am again making a disclosure of my personal finances. I do this because I believe my constituents and the public in general are entitled to this information about their elected officials.

Most of my income in 1974 was derived from my congressional salary of $42,500. In addition, I earned nearly $8,000 in speaking fees, and nearly $400 in interest and dividends. Also, Mrs. O'Hara and I received about $400 in income from other sources, including $25 from the Michigan State Lottery. After making adjustments for congressional stationery, travel and office allowances, business and travel expenses, our adjusted gross income was $46,215.22—approximately $2,000 less than in 1973. Although I am a lawyer by profession, I do not practice law nor am I associated with any law firm.

After claiming exemptions for myself, my wife, and our seven children, and after subtracting our itemized deductions, our taxable income amounted to $30,494.42. Mrs. O'Hara and I paid $8,047.82 in Federal income taxes. I also paid $602.58 in social security taxes on income earned from speaking fees. We paid $1,272.96 in Michigan State income

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taxes and $3,804.11 in property, gasoline, and general sales taxes, for a total Federal, State, and local tax bill of $13,752.47.

FORT HAMILTON—150TH ANNIVERSARY

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ZEFERETTI. Mr. Speaker, on June 11, 1975, Fort Hamilton will celebrate its 150th anniversary, 3 days before the 200th anniversary of the U.S. Army. This facility, located in the 15th Congressional District of New York, is a landmark of historic significance for in microcosm it represents the military history of our country.

From 1524 until 1825, the site of Fort Hamilton was occupied by Dutch settlers, members of the British militia and American revolutionaries. It was in 1825 that the cornerstone of the present fort was laid.

During the Revolution, the site was the scene of some of the more vital military events of that period. The 18th Congress appropriated the first funds for purchase of land and materials to construct a fort, which was officially named after Alexander Hamilton. A copy of the War Department's General Order 2, officially naming the installation, is on display in the officers mess.

The first National Guard summer training camp took place at Fort Hamilton, attended by the then President, Martin Van Buren. And, during the Civil War, the fort played a series of meaningful roles. From 1841–46, Robert E. Lee served as the post's engineer. His quarters are still in use today. Stonewall Jackson served as a lieutenant at Fort Hamilton. Abner Doubleday, inventor of baseball, served at the post, departing from there to a career of great military distinction on the battlefields of the Civil War.

During World War I, hundreds of thousands of "doughboys" departed for "over there" from the fort. In World War II, it became part of the New York Port of Embarkation, and millions of men poured through it for our second military involvement in Europe in this century. Since that time, Fort Hamilton has served a variety of military purposes, all of them vital. Today, the Verrazano Narrows Bridge and Fort Hamilton sit closely together in service to our country and the New York area.

Fort Hamilton, thus, shares the unique distinction of being a working military post, an integral part of the Borough of Brooklyn. It is American history capsulized for all of us to see and enjoy. Therefore, I shall attend the ceremonies marking the 150th anniversary of this facility, and deem it a privilege to represent it as part of my congressional district.

NATIONAL DAY OF REMEMBRANCE OF MAN'S INHUMANITY TO MAN

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BURKE of Florida. Mr. Speaker, as a sponsor of House Joint Resolution 295 passed by the House of Representatives on April 8, 1975, to designate April 24, 1975 as a "National Day of Remembrance of Man's Inhumanity to Man," I want to express my gratitude to Archbishop Karekin Sarkissian, prelate of the Armenian Apostolic Church of America for his invocation today—the 60th anniversary of the attempted Turkish genocide of the Armenians in 1915.

The massacre of the Armenian people by the Turks in 1915 was the first instance of deliberate genocide in the 20th century. As Americans, we all believe in justice and decency in every human interaction. Genocide is an atrocious and inexcusable crime, physically perpetrated against one people, but in essence, committed against humanity as a whole. It is ironic that the week also marks the allied liberation of the Nazi concentration camps which were the site of another attempted genocide by Hitler of the Jews. It is altogether fitting that we pause to reflect as a nation that man can be a heartless and cruel species, especially as we read the news reports of the bestiality of the Vietcong in South Vietnam and the rebels in Cambodia.

The Armenians had the misfortune to live in a country that formed a bridge between East and West. Consequently the invading Asiatic hordes mistreated them, as did the conquering forces of the West. In ancient times Persians, Romans, Arabs, Byzantine Greeks, Mongols, and Egyptian Mamelukes ruled over part or most of Armenia. Early in the 16th century most of the country was overrun and held by the Ottoman Turks. Since then, the Turks have continued to cling to a large part of Armenia. From 1515 to 1915 the Armenians suffered a series of injustices and racial and religious discriminations. They were oppressed and robbed, suffered kidnapings, and were often in danger of their lives. Early in the First World War, the Turks called for the elimination of some 2 million Armenians in the Ottoman empire through deportation, starvation and wholesale massacre, and while most of the world was busy fighting in Europe, the Turks proceeded systematically to carry out this plan. A million Armenians were eliminated, the remaining half either fled to a neighboring country or were forced into servitude.

No Armenian alive today has been left untouched by these massacres. There are some who ask: Why not forgive and forget? But forgiveness can only be given after an admission of guilt and repentance on the part of the perpetrators of the crime. The Germans have made reparations to the Jews—the Turks have failed even to acknowledge their crime against the Armenians. In fact, last year, during the consideration of a report on genocide being prepared by a subcommission of the U.N., the United Nations Human Rights Commission acquiesced in a request by the Turkish representative to delete from the study a reference to the Armenian genocide in 1915.

We cannot forget, and we should not. No nation, regardless of its strength, should have the right to determine the extermination of another nation under any circumstances.

SUFFOLK COUNTY LEGISLATURE RESOLUTION URGING REFORM OF SSI

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, New York's Suffolk County Legislature, a body on which I am proud to have served before my election to the Congress, has recently passed a resolution urging reform of the supplemental security income program. The resolution points out many of the fundamental weaknesses that have appeared during the first year of operation of the program. In my work on behalf of senior citizens in my district, I have heard many complaints about SSI and the need to change it immediately, and I am preparing legislation to respond to them. So that my colleagues in the House may hear further evidence testifying to the need for prompt action regarding SSI, I ask that the text of the resolution be printed in the RECORD.

Resolution No. 315

Whereas, on January 1, 1974 the Supplemental Income Program (SSI) came into effect; and

Whereas, this program was designed to provide flat monthly income maintenance grants administered by the Social Security Administration for all aged, blind and disabled poor and to replace the former federally assisted categories of Aid to the Aged, Blind and Disabled protecting these recipients from the "inefficiencies" and "stigmatization" of traditional forms of welfare and

Whereas, in the past year it has become abundantly apparent that the administration of the SSI program has caused extraordinary hardship and frustration for the residents of Suffolk County who are provided for under such program; and

Whereas, the SSI program has been unable to adopt itself to the realities of life in Suffolk County and this is indeed most objectionable from the standpoint of fairness and equality of treatment afforded the recipients; and

Whereas, it is the consensus of the members of this Legislature that the SSI program has completely failed to meet its stated purpose and has relegated a substantial number of destitute aged, blind and disabled persons to a status more disadvantageous than welfare recipients; and

Whereas, it is felt by the members of this Legislature that immediate remedial action is necessary and that the flat "nationwide" payment system should be abandoned and replaced with a flexible framework related to the variations in the needs of the recipients and cost of living as seen in different parts of the country; now, therefore, be it

Resolved, that the County of Suffolk hereby requests and urges the Congress of the United States to amend the Supplementary Security Income Program (SSI) with a view toward the different economic conditions and needs of the recipients in different parts of the country; and be it further

Resolved, that the Clerk of this Legislature be and he hereby is directed to forward County representatives in the Congress of the United States and to the Clerks of the United States Senate and House of Representatives.

FOOD INFLATION AND FARM PRICE SUPPORTS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. MIKVA. Mr. Speaker, during the past 2 years, a major cause of inflation has been the leap in food prices. Many Americans—especially senior citizens on fixed incomes, the working poor and even many moderate-income families—now spend more than 25 percent of their budget on food.

If we are to get a lid on inflation, the cost of food will have to be reduced or, at the least, stabilized. That is the primary reason why I oppose the emergency farm price support bill. The bill would increase Government price supports for wheat, corn, cotton, soybeans, and milk.

Even supporters of the farm bill generally agree that increased Government price supports would lead to increased costs for the consumers. The vote to raise Government price supports for crops and dairy products comes at a time when food inflation shows some signs of easing. My staff and I have been surveying north suburban Chicago supermarkets regularly since last June. And for the first time, last month, our survey showed a slight decline in the cost of a 27-item market basket.

This modest decline in food prices must be viewed against the staggering inflation in food prices of the past 2 years. Since 1972, food prices have gone up at a rate of more than 15 percent a year. This is well above the general cost-of-living increase of about 10 percent a year for the same period. Food, like energy, has been a major cause of inflationary pressure.

I sympathize with many farmers who find themselves in a difficult economic situation. Too often farmers are at the mercy of conditions completely beyond their control—bad weather, sudden changes in market conditions, the economic and political clout of agribusiness.

And during the last several years, the farmer has been getting an increasingly smaller share of our food dollar. Less than 40 cents of every dollar we now spend on food goes to the farmer, while the rest goes to various middlemen. Only 5 years ago, the proportion was almost exactly reversed.

Still, I heard little convincing evidence during the farm bill debate that increased price supports would significantly help the farmer. Rather, I am convinced that higher support levels would push us all to a higher inflationary plateau.

Wild gyrations in the price of crops—be they caused by bad weather or manipulation of the market by agribusiness—are a major problem for farmers and, ultimately, consumers. For example, in the summer of 1972, at the time of the infamous "Russian wheat deal," after a few big U.S. grain companies and the Soviet Union had cornered the U.S. wheat market, a bushel of wheat skyrocketed to an absurd $6.11.

Farmers who had been shut out of the Russian wheat deal were later able to take advantage of the new high price of wheat. But the farmers' feast was temporary, and during the farm bill debate last month, the House Chamber was filled with the rhetoric of famine.

What we urgently need—farmers and consumers alike—is an effective grain reserve system. A reserve would protect us from the effects of a Russian wheat deal—effects, by the way, from which we have never fully recovered. A grain reserve system would lessen the chances for "feast or famine" cycles; it would lessen the chances for agribusiness to use its economic and political muscle to the disadvantage of American farmers and consumers.

In short, we need to look at remedies that will not set the farmer against the consumer in a war which neither wins

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STOCKTON, CALIF., RECORD CALLS FOR LOBBYING REFORM

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. KASTENMEIER. Mr. Speaker, the Stockton, Calif., Record, in a March 12, 1975, editorial, called for the public disclosure of lobbying activities with the Federal Government. I commend this editorial to the attention of my colleagues:

LOBBY DISCLOSURE BILLS GAINING HEADWAY

Common Cause presents itself frankly as a lobbying organization that seeks grassroots support in Congress and in legislatures for government reform. In this respect Common Cause is different, for example, from the Mobil Oil Co., the U.S. Chamber of Commerce and the National Association of Manufacturers. Unlike Common Cause, those organizations do not register with Congress as lobbies, yet they do, indeed, lobby.

Mobil has published "open letters to Congress" advertisements about the oil shortage. The Chamber and the NAM solicited grassroots opposition to the Water Pollution Control Bill in 1973.

Common Cause's latest effort is in behalf of lobby disclosure legislation that died in the 93rd Congress. There now is strong support for such bills in both House and Senate and the prospect of favorable action is good.

Lobbying is by no means a dirty word. It is a legitimate, even useful, element of the citizen's right of petition. But lobbying should not be done secretly or deceptively, and certainly not in ways that are corruptive of government. To insure that lobbying is done openly is the reason for bills that would require the registration and disclosure of lobbyists along with records of receipts and expenditures. And that would apply to those who appeal to the Executive Branch as well as to Congress.

The 1946 Lobbying Act is an unenforceable sham that is widely ignored. The proposed new law, cosponsored by more than 100 members of Congress, would be both tighter and broader and would charge the new Federal Elections Commission with enforcement.

The law that in 1974 created that commission was a landmark in campaign reform. Very nearly as significant would be a complementary act to insure that paid lobbying of the federal government is done openly.

LEE HAMILTON'S WASHINGTON REPORT OF APRIL 2, 1975, "THE FED"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HAMILTON. Mr. Speaker, if you want to puzzle—or put to sleep—an audience, start talking about monetary policy—that is, actions taken by the Nation's central bank, the Federal Reserve System. to change the money supply and the level of interest rates. Most people look upon monetary policy as a mystery or a bore or both, and only a few people get past the headlines, the sports page, and Ann Landers to the financial pages of the newspaper where it is discussed.

Yet strangely enough monetary policy is fully as important as fiscal policy—actions taken by the President and the Congress to cut or increase taxes, raise or lower spending, and expand or contract the budget; and some experts would insist that monetary policy, which has become a major point of controversy as the country wrestles with its economic problems, is even more important than fiscal policy.

The issues at the moment are how independent the Federal Reserve Board ought to be and how fast the money supply should grow to promote economic recovery. The Federal Reserve Board—the Fed—chaired by Dr. Arthur Burns, in the past 6 months has moved monetary policy from restraint to moderate ease, but the Fed's critics insist that it must do more to get the money supply growing.

As central bank of the United States, the Fed's principal responsibility is to provide for the generation of the appropriate total supply of money and credit for changing national economic requirements, and its decisions have major consequences both in the United States and abroad. Established by the Congress in 1913 to strengthen the banking system, the Fed has the power to control the money supply by altering requirements for the level of reserve banks must hold, by adjusting the discount rate, and by buying or selling Treasury bonds on the open market.

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Congress originally provided the Fed with considerable independence so that it could make these complex yet important decisions in isolation. Federal Reserve Board members are appointed for terms of up to 14 years and have tended to come from banking backgrounds. Critics take the position that the Fed's inordinate independence has resulted in a lack of accountability and responsiveness by the Fed to the public.

Congress, which in the past has meticulously evaded monetary policy issues, is so aroused by the Fed's sluggish response to the recession that it has passed resolutions seeking consultation with the Fed every 6 months and urging, but not requiring, the Fed to allow a faster growth in the money supply and lower interest rates. The Congress argues that even if it gets better control of fiscal policy by means of its own reformed budgetary procedures, the improvement will do no good if monetary policy moves in an opposite direction. Congress is also concerned about the secrecy of the Fed, which only adds to the uncertainty about the economy. Many Members of Congress blame much of last year's inflation and this year's recession on the Fed, arguing that it pumped up the money supply in 1972 in order to create prosperous conditions for the election when it should not have, and that it restricted the money supply in 1974 when the supply should have been increased.

Dr. Burns does not like the renewed congressional interest in the Fed's operation because he believes it is a first step toward congressional interference in monetary policy. He argues that there is plenty of money around, but consumers and business lack the confidence to spend it.

The argument, then, is over the principle of whether Congress should be involved in monetary policy, as well as the difficult issue of the amount of growth needed in the money supply to fight the recession.

Support for the Fed's present policy is neither wide nor deep. Most economists are urging that, for this year at least, growth of the money supply should be in the area of 8 percent or even a little more. Their fear is that unless the Fed elects to expand the money supply, the fiscal policy step of a tax reduction will not be sufficient to stimulate the economy. Dr. Burns, whose authority is unchallenged by the other six Members of the Federal Reserve Board and the 12 Presidents of the Regional Federal Reserve Banks, claims the Fed has no intention of establishing such a target figure because it would guarantee the revival of inflation—in recent years the Fed has permitted an expansion of more than 4 percent in the money supply, but since mid 1974, it has held the annual growth rate to 1 percent. Acknowledging that something is missing in the monetary machinery, Dr. Burns concedes that money supply growth has been short of the Fed's own goals.

So, among other things, this should be a year of tense relations between the Congress and the Fed. The Fed, of course, could reduce the tension by allowing the money supply to grow, but the latest figures do not indicate that the Fed has decided to do so. The Fed is unaccustomed to the spotlight, but after 60 years it has suddenly come on center stage, and many Americans, whether they are puzzled, bored or both, will hear a lot about monetary policy this year.

LEGISLATION TO AUDIT FEDERAL RESERVE BOARD AND FEDERAL RESERVE BANKS

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ASHLEY. Mr. Speaker, today I am introducing legislation authorizing the Comptroller General to conduct an audit of the administrative expenses of the Federal Reserve Board and the Federal Reserve banks, for the purpose of ascertaining that administrative funds are properly accounted for, and that fully adequate accounting procedures and systems for control of such funds have been established so as to assure efficiency and economy of operations.

My bill, Mr. Speaker, is identical to section 1 of H.R. 10265 which the House passed overwhelmingly on May 30, 1974. However, H.R. 10265 was not considered by the Senate, and as a result the legislation did not pass last year. I am hopeful that this highly desirable legislation will be enacted promptly by the 94th Congress.

The Federal Reserve System is a creature of the Congress, and we in the Congress have the responsibility to see to it that the system is meeting the purposes for which Congress created it. Our oversight responsibilities are enormous, however, encompassing in the Committee on Banking, Currency and Housing alone far more than simply the Federal Reserve System. Consequently, we must rely for assistance in the exercise of our oversight responsibilities on the General Accounting Office. GAO, as we all know, is charged specifically by statute to assist Congress, its committees and its members, in carrying out our oversight responsibilities. Because of existing law, however, GAO may not audit the Federal Reserve System, and it is this defect that my bill is designed to correct.

As with any reform legislation, we must be careful to frame the statutory language in a way that achieves our purposes but does not do damage to our institutions. In this connection, I have had serious reservations about other proposals relating to GAO audit of the Federal Reserve which have come before the Congress from time to time, because of the dangers they presented to the independent policy judgment of the Federal Reserve. One does not have to be in 100 percent agreement with the Federal Reserve's policies—and indeed I frequently am critical of this or that action—to take the position that our country is best served by an independent central bank free of short-run pressures. The Federal Reserve is the instrument within the Government upon which we rely for the formulation and execution of monetary policy. While we must subject it to proper public scrutiny, we should do nothing to undermine its unique position within the Government.

During the consideration of H.R. 10265 in the Committee on Banking, Currency and Housing in the 93d Congress, the Comptroller General, Mr. Elmer Staats, a respected and able public servant, outlined for us the three types of audits which the committee might wish to consider.

The first and narrowest in scope was an audit that would simply verify the accounts of the Federal Reserve System. The second would provide for such verification of accounts as a first step, but would also include an assessment of the efficiency and economy of the Fed's operations. The third type of audit included the first two, and added to it a review of policy, relating to all the transactions and activities of the Federal Reserve in the conduct of its monetary policy.

The bill I am introducing today provides authority to the Comptroller General to conduct the first two types of audits, but would not provide authority for a policy review. My bill recognizes the legitimate oversight responsibilities of the Congress; at the same time, it retains the ability of the Federal Reserve to exercise its independent judgment in carrying out its responsibilities.

I wish to point out that the bill I am introducing today is modeled after the provision for GAO audit of the Exchange Stabilization Fund which was enacted in 1970. The House Banking and Currency Committee's report on the 1970 legislation took note of the "extremely confidential and highly sensitive" nature of monetary transactions conducted by the Fund with foreign governments, and my bill simply accords the same treatment to the similarly sensitive functions of the Federal Reserve

This year, I might add, we approach this issue in an entirely new setting. On March 24, the House passed, by a vote of 335 to 46, House Concurrent Resolution 133. This is an historic resolution establishing the sense of Congress with respect to monetary policy, and providing a systematic framework for the exercise of congressional oversight of monetary policy. House Concurrent Resolution 133 very properly makes it the business of the Committee on Banking, Currency and Housing, and its counterpart in the Senate, to hold semiannual hearings and consult with the Board of Governors regarding the objectives and plans of the Board and the Federal Open Market Committee with respect to monetary policy over the upcoming 12 months. This is very much a policy audit, and will provide not only for a retrospective review, but also for a prospective look at monetary policy. This direct, systematic oversight of monetary policy by the Congress is far preferable to the delegation of such authority to a third party, no matter how well qualified.

I am hopeful that the Committee on Banking, Currency and Housing will proceed promptly to the consideration of this legislation, and that we will proceed to report to the House a bill that will balance the legitimate right of the public for verification of Federal Reserve expenditures against the need to retain the present independence of our central bank within Government. I look forward to working with the distinguished chairman and my colleagues on the committee to achieve this end.

WHERE ARE WOMEN'S PROTESTS OF THE RHODES SCHOLARSHIPS?

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Ms. ABZUG. Mr. Speaker, a column which appeared recently in the National Observer spotlights still another aspect of discrimination against women in higher education. For the benefit of my colleagues, I include his column in the RECORD:

WHERE ARE WOMEN'S PROTESTS OF THE RHODES SCHOLARSHIPS?

(From an essay by Howard N. Meyer, lawyer and author of The Amendment That Refused to Die, a book on the Fourteenth Amendment.)

Every year 32 American males are chosen for scholarships that are called "among the most prestigious awarded to college graduates." These are the annual Rhodes Scholarships, for two years' study at England's renowned Oxford University. The grants have been given to graduates in 18 countries since 1902, under the will of Cecil Rhodes, the British empire builder who made his millions from South Africa's mines when that country was but one of England's numerous colonies.

Late last year the list of U.S. winners was once again announced by the Rhodes Scholarship office at Connecticut's Wesleyan University. And again as in every year since 1902, there was not one woman among the chosen.

Not because they have lacked the brains or other attributes necessary to qualify. It is just that the terms of Mr. Rhodes' will specifically declare that the scholarships shall be awarded only to "males, unmarried, between the ages of 18 and 24," who are U.S. citizens, domiciled here, and who have attained a certain scholastic standing. Where, to confront this sorry situation, are the woman activists?

Not only are these basic guidelines sexist in the extreme and totally at odds with the Fourteenth Amendment and the whole thrust of America's equal-opportunity statutes, but they also run counter to Federal and state laws barring discrimination because of age.

Legalities aside, Rhodes' whole concept of "male only" scholarships is unworthy of so ancient, renowned, hallowed, and, yes, revolutionary an institution as Britain's Oxford University.

This is the institution that challenged and curbed the powers of kings (Provisions of Oxford, 1258, a scheme of governmental reform forced upon Henry III by British barons and that sought to limit taxing powers). This institution produced such women's champions as Mrs. Emmeline Pankhurst and spawned the Fabian Society, which subsequently gave birth to the egalitarian Labor Party. . . .

Apart from the legal challenge to American participation in the Rhodes male supremacism, there are other methods of protest available. Perhaps in the interests of all Americans, 16 of this year's recipients might consider voluntarily giving up their places in protest. Certainly something has to be done to demonstrate that even though Cecil Rhodes was a Victorian male chauvinist of the worst kind, America's crop of young manhood refuses to perpetuate his antiquated values.

REPRESENTATIVE UDALL DETAILS ENERGY INDUSTRY RESTRUCTURING PLAN

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. SEIBERLING. Mr. Speaker, in a major speech to the National Press Club Tuesday, our colleague Representative MORRIS K. UDALL outlined a bold and thoughtful plan to restructure the energy industry. The distinguished and capable chairman of the House Interior Subcommittee on Energy and the Environment is to be commended for raising this important subject, which deserves widespread attention and discussion because it affects every person in this country.

The growing influence of the major oil companies in the coal, uranium, geothermal, and other energy industries appears to be one of the factors in the huge increases in the cost of electricity, which is generated by means of these energy sources.

The House Judiciary Committee will soon formally begin a major investigation of the energy conglomerates. As a member of that committee, I welcome Representative UDALL's specific plan and legislative suggestions, which will help the committee focus on appropriate solutions to the problems caused by the energy industry's anticompetitive structure and behavior. The text of Representative UDALL's speech follows:

ENERGY AND THE AMERICAN FUTURE

(By Representative MORRIS K. UDALL)

If we are to have an energy system that strengthens our economy and serves the real needs of our citizens, it is now plain that drastic reforms are required.

The first question that must be answered in formulating a national energy policy is whether the government or the petroleum industry will guide and direct what happens.

The American people have had it with the oil companies.

They are outraged by disclosures of frauds, price fixing conspiracies, and political slush funds.

They are suspicious of the claim of the oil companies that they need bigger and bigger profits for more drilling and exploration, when they witness a steady decline in our production and proven reserves of oil and gas.

They are tired of living under the threat that a few oil-producing countries will embargo us and disrupt our economy.

They are incensed by special tax privileges which produce windfall profits—but no improvements in the U.S. oil outlook.

And they are at the end of their rope with governmental leadership that has allowed such an anti-competitive system to prosper and dominate our national life.

What the American people want in 1975 are policies that will end special privileges and practices which stifle competition.

They want their government to compel competition and halt the manipulation of energy prices by all segments of the energy industry.

They want their government to control all oil imports and arrange for embargo-proof systems of supply.

They are not demanding a nationalized energy system, but they want the energy resources owned by all of the people developed for the common good under plans and policies that will guarantee adequate energy for future needs, protect the environment from despoilation and protect consumers from exploitation.

The energy crisis has pitched us into a serious predicament: the country at once, must grapple with the interrelated problems of economic recovery, runaway prices, shortages, increases in pollution, and threats to foreign policies vital to our future.

The American people want the hard facts about this energy predicament. They are willing to make sacrifices if sacrifices are necessary, but they are convinced the energy policies of the past are working against the national interest. In short, they want our energy destiny taken out of the hands of oil company executives and put in the hands of the people.

It is increasingly clear that Americans cannot have the kind of energy system they want unless the system itself is reorganized. Patchwork solutions will not be adequate. Structural changes are needed, changes which will enable us to shape an energy economy which serves the common good.

We have had no national energy policy in the past because as long as petroleum was cheap and seemingly superabundant, there did not seem to be a need for one. We called our policy a "free market" policy, but in fact it consisted largely of oil industry free-wheeling dedicated to the proposition that what was good for the oil companies was good for the country.

This policy is a disaster for consumers in a time of shortages. It jacks up all prices and enlarges the unbridled power of those who control our petroleum. The real energy crisis we face today is not—as some oil industry spokesmen would have us believe—a short term crisis of production: even if herculean efforts are made, our lives in the next decade will be dominated by energy shortages. The crisis centers on conservation, the rapid development of sound alternate energy sources, and actions to break the iron grip a few large oil companies have had on our energy system.

POLICY GUIDELINES

Action to implement this new national energy policy should be guided by eight broad concepts:

(a) awareness that we live on a planet where energy resources are scarce, not abundant, that we must use them with a high degree of efficiency and conserve energy wherever possible.

(b) the premise that whatever energy is available should be allocated to assure everyone enough for basic necessities at fair prices and according to priorities that protect jobs and promote economic health;

(c) the idea that all laws and regulations should be reformed to penalize waste and encourage energy thrift;

(d) an understanding that environmental protection must be a major objective of any national energy policy;

(e) the belief that we should take steps now to reduce our dependence on unreliable sources of imported oil;

(f) a steadfast commitment to support whatever level of research and development is needed to give this country stable, adequate energy supplies for the long haul;

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(g) a bias for open energy industries which compete aggressively for markets in all sectors of our energy economy; and

(h) a recognition that it is the job of government to set policies and priorities that will reorient the energy future of this country.

STRUCTURAL CHANGES IN THE U.S. ENERGY SYSTEM

As stated, the framework of a national energy policy will involve fundamental changes in our systems of supply and distribution. Reforms, like the pieces of a puzzle, must fit together in a unified whole. My plan takes the form of six interrelated proposals.

PROPOSAL I: BREAKING UP THE ENERGY CONGLOMERATES

By any reasonable criteria of what constitutes a concentrated industry—high prices, inefficiency, lack of innovation and exploration, bloated profits and the power to control and direct the economy—the energy industry qualifies; and is in clear violation of the intent of the anti-trust laws.

The problem as now defined is not one of restraint of trade—but a naked question of who will determine America's energy future.

The time has come to restructure the oil industry and eliminate those features which stifle competition. This must be done by legislation; there is too much at stake to wait for conventional anti-trust proceedings.

Legislation should be enacted which would break up the energy conglomerates. It should fix reasonable deadlines for divestiture and prohibit any corporation from engaging in more than one phase of the petroleum business. Once this restructuring is consummated, separate companies would a) explore and produce petroleum, b) transport it, c) refine it, and, d) market it at retail.

Such legislation should also prohibit the multiple ownership of competing energy resources. Already four coal companies owned by Big Oil account for 35% of domestic coal output. In addition, oil companies control over 30% of the nation's privately-held coal reserves, and 50% of the uranium reserves.

Major oil companies which have become energy conglomerates are stifling the very competition needed to eliminate energy shortages.

The trend towards horizontal integration points to the further need for price controls on all domestic fuels until such time as divestiture is achieved and competition is injected into the energy market. For in the absence of controls, the energy conglomerates are pushing the price of all fuels—oil, gas and coal—up to the OPEC level.

This real danger is dramatized by what is now happening in the coal industry. Under the combined pressures of short supplies and increasing horizontal integration of the energy industry, coal prices are rising towards the artificially high price level of OPEC oil. Even independent coal companies, riding this trend for all it is worth, are now reporting windfall profits. For example, two independent coal companies recently reported annual profit increases of 669% and 340%. This policy of inflated, OPEC-level prices for all fossil fuels, would institutionalize inflation and make a return to economic vitality vastly more difficult.

PROPOSAL II: THE MANAGEMENT OF OIL IMPORTS

The government must also take immediate steps to reduce America's dependence on unreliable sources of imported oil.

To achieve this, legislation should be enacted to accomplish the following:

a) The control over the importation of oil should be taken out of the hands of the multi-national companies and placed in the hands of the government. This should be done by reinstituting a system of quotas under which a federal agency would determine the amount of oil imported in order to reduce gradually our reliance on imports over the next decade.

Import quotas adjusted quarterly, would insure that all reductions in energy use come out of imports, rather than from reduced domestic production, as has been the case in the past year.

b) Once the control over oil imports is vested in the government, a bidding procedure and/or other appropriate negotiating techniques should be instituted which would give the government the final say over the source and price of all such imports.

In the 1960's our previous oil import quota program was administered under a "preference" which favored Western Hemisphere sources of supply (i.e. Venezuela and Canada). The new quota program should contain a "reliable sources" preference which would enable the U.S. to reduce—and ultimately eliminate—imports from the countries which embargoed us in 1973–74 and tie our future supply sources to such nations as Venezuela, Nigeria, Iran, Indonesia and Canada.

It is also urgent for the U.S. to start now to create a national oil stockpile of one billion barrels, including a 300 million barrel military stockpile. The purchase of this reserve should be rapidly escalated once the world price of oil falls to reasonable levels.

The paramount need of all the oil consuming nations is the lowering of oil prices. Because our self-sufficiency is greater, the U.S. should lead the effort to achieve this objective. We can do this by keeping price controls on supplies of domestic oil and gas, by instituting rigorous programs of energy conservation, by giving industry incentives to switch from petroleum to coal—and by other steps which will keep steady pressures on the oil cartel.

One step we should not take is to attempt to negotiate an international floor price for oil. Secretary Kissinger's proposal to commit the U.S. and the other oil importing nations to such a price is totally inexplicable. If we institute import quotas, adjustable on a quarterly basis, prospective domestic investors in energy resources need fear no loss of market from foreign oil at any price. At first glance, there is a kernel of economic sense in the Kissinger plan, but on further analysis, it blossoms into an absurdity. Whether we are talking about tertiary recovery methods for oil, expensive off-shore development of gas, or the highly capital intensive requirements of new synthetic fuels, all can be subsidized directly by the government without extending that subsidy indirectly to the OPEC cartel.

PROPOSAL III: THE MANAGEMENT OF U.S. RESOURCES

A third structural reform should be the creation by Congress of a new public agency with well-defined powers to manage our publicly owned energy resources.

Our privately owned resources are rapidly depleting. The great bulk of the remaining undeveloped fossil fuel resources of this country are in public ownership. It has been estimated that close to 70% of our undeveloped oil and gas resources lie under public lands, and that at least half of our mineable coal and over 85% of our oil shale are likewise owned by all the American people.

The time has come for the federal government to play a larger role in the management of our energy future. We can no longer afford to leave our lives and vital economic interests to the mercies of an oil cartel and a handful of giant corporations that have forfeited the trust of U.S. citizens.

This important agency (which might be called The National Authority for Energy Management) should be chartered and given the power to play a catalyst role in the development of the nation's publicly-owned fossil fuel resources. It should be empowered:

1) to carry out the initial exploratory drilling on the remaining offshore frontier areas on the continental shelves of the Atlantic and Pacific oceans;

2) to develop sufficient producing oil and gas wells on public lands to provide a yardstick on production costs against which the performance of private companies could be measured;

3) to be the steward of the resources of all Naval Petroleum Reserves, and have the exclusive responsibility to inventory the petroleum resources within National Wildlife Refugees prior to any decisions concerning the actual development of such resources.

4) to be the manager of the U.S. petroleum stockpile.

To propose the creation of this authority, is not to propose the nationalization of the U.S. oil industry. To the contrary, such an agency will provide a cutting edge that will sharpen competition in the domestic industry.

Finally, government must take a more active part in the development of new energy resources: solar, geothermal, fuel cells, and a whole variety of energy conservation technologies. Under authority already vested in the Energy Research and Development Administration, joint government-industry corporations should be set up to insure that new technologies are promptly introduced into the marketplace.

PROPOSAL IV: A NEW APPROACH TO NATURAL GAS REGULATION

Of all the near term energy shortages we face, the prospect of a serious natural gas shortage is the most ominous. For example, some experts are forecasting a 40% drop in gas availability for the North Central states by 1980. The natural gas industry has rightly been a regulated monopoly since its inception. But with the President dangling prospects of taking the lid off prices, it is not surprising that very little new gas is coming to market.

With the current shortage in the sky-high price of alternatives, decontrol of natural gas prices would be a multi-billion giveaway to the Big Oil companies who also monopolize gas production. Congress must act to end the uncertainty over the future of the natural gas industry.

The new legislation being developed by the Senate Commerce Committee is a step in the right direction. It will permit somewhat high prices for new gas discoveries to reflect higher costs, together with end-use controls phasing out the wasteful burning of natural gas as boiler fuel. This legislation will elicit all the gas that can be economically found and still protect the consumer against price-gouging.

We must remember that the fundamental answer to the natural gas shortage is to switch America's industrial boilers to coal as rapidly as possible in conformity with suitable environmental safeguards.

In the meantime, it is crucial that the Federal Power Commission make a decision that the gas from the Prudhoe Bay Field in Arctic Alaska be brought down the MacKenzie River Valley to replenish the dwindling supplies of the north central states. Canada will benefit as well as the U.S.

PROPOSAL V: LONG-TERM DIRECTIONS FOR THE COAL INDUSTRY

With the decline of our petroleum reserves, coal must once again become a key factor in our energy economy. The recent controversy over strip mining has temporarily clouded the outlook for coal, but now that new ground rules are about to be written into law, I am confident the coal industry will respond to the challenge.

Unfortunately, in recent years, the promise of widely expanded development of western coal has been overstated while the problems have been woefully underestimated. The Ford

administration and one segment of the coal industry have pushed for headlong stripmining of western coal, despite its relatively low quality and the high cost of transporting it to the industrial states. Morever, as long as the vast tracts of western coal are controlled largely by oil, railroads, and big mining concerns, there is little room for competition from the independent coal producers who have long played an important role in the eastern coalfields. And too many states have competed for the jobs that come with strip-mining by ignoring the environmental and social devastation that also accompany it. Likewise, the Administration has closed its eyes to these matters in buying the strip-at-any-cost philosophy of the big coal producers.

Congress, however, has risen to the challenge. The balanced bill that will soon be on the President's desk will set fair national ground rules for coal development. This legislation has said to the coal companies, "Strip if you will, but not by permanently destroying the western way of life, not by poisoning the streams and groundwater as you have in the East, not by leaving productive farm and range lands desolate for centuries." We have tried to assure that any shift in production from eastern to western coal, from deep mined to stripmined coal, will not leave us with ghost towns in the East and ill-planned boom towns in the West.

In addition, the comeback of coal must be tied to a planned renaissance for American railroads. Nothing can do more to promote energy conservation than the rebuilding of our most efficient means of transportation. Coal cannot play the much larger role that it clearly must unless the government gives an immediate high priority to railroad rehabilitation.

PROPOSAL VI: AN OBJECTIVE ASSESSMENT OF NUCLEAR POWER

There is probably no area of energy policy more fraught with emotion, uncertainty, and dubious information from both proponents and opponents than nuclear power generation. On the one hand, utilities advertise that a nuclear power plant is "no more dangerous than a chocolate factory", and at the same time we hear prophesies of doom from informed nuclear opponents.

We need to know the real risks and benefits of nuclear power plants: what the short-and-long-range costs are, what the most reliable and economical technologies are. Beginning next week and continuing throughout the year, the Subcommittee on Energy and the Environment, which I chair, will take a leading role in promoting a national dialogue on nuclear energy. For the first time, both sides of the nuclear debate will get a fair hearing in a neutral forum. We will undertake a comprehensive analysis of the hard technical data to present in comprehensible form all that is known about nuclear safety, and to pinpoint the unanswered questions.

Only with this kind of solid background, so lacking in the hyperbolic claims which have dominated the nuclear debate, can we make a rational, informed decision on how far and how fast the nation can afford to go.

TRANSPORTATION REFORMS AND ENERGY EFFICIENCY

Personal mobility has been the most conspicuous boon of the cheap energy era. But we have paid a frightful price for the psychic and economic benefits of this freedom in the form of congestion, pollution, atrophied inner cities, and the disappearance of the neighborhood as a functioning social unit. We have permitted, even encouraged, the decline of public transportation by unneeded highways and inadequate financial support, so that even today, in the throes of an energy and economic crisis, we pour nearly three times as much federal money into highways as into all mass transit modes. We have the means to reverse these trends. We can replace our entire auto fleet in six or seven years if we make it a national goal to do so. If we convert our automotive fleet to vehicles which will get double the miles-per-gallon as today's dinosaurs, by 1981 (even assuming we use our cars almost as much as we use them today), the consumption of gasoline can be reduced 50%, or about 3½ million barrels per day.

The way to restore the auto industry to a condition of health is to build small cars that will stretch our existing oil and reduce our dependence on imported sources of supply. By gradual steps, if our automakers manufacture more buses and new kinds of public vehicles and provide more and better hardware for the new modes of public transportation, the whole country will be more efficient and more prosperous.

CONSERVATION, JOBS AND THE FUTURE

In the past eighteen months, we have learned much about the benefits and bonuses offered by a national strategy of conservation. Industries which have eliminated energy waste have improved their profits and made the jobs of their employees more secure, just as the practice of energy thrift has enabled families to make significant savings in their budgets. The fewer billions we spend on OPEC oil, the more billions we will have to spend on products and projects that benefit everyone in this country.

A well-designed energy conservation program will strengthen our economy in the years ahead. If the U.S. is a lean and efficient country, it will be stronger socially and economically. Conservation will mean shifts in patterns of investments and industrial growth—but will not mean reductions in employment.

To appreciate this prediction, it must be recognized first that the energy industry, while capital intensive, provides relatively few jobs. Today the energy industry accounts for nearly 10% of GNP but provides only 3% of American jobs. Dollars spent on energy generate fewer jobs than dollars spent elsewhere in the economy. To be more precise, it requires an investment of about $150,000 to provide for one permanent job in the energy industry, whereas only $22,000 is required in general manufacturing.

So whenever we substitute better workmanship, more efficient machines or more carefully designed systems for wasteful energy use, we not only employ more people in implementing the conservation program itself, we also employ more workers when we spend the released dollars that no longer must be invested in producing energy.

While broad economic projections are always uncertain, the results of a pioneer University of Illinois study which attempted to calculate the energy and jobs consequences of diverting $5 billion from the highway construction program in to other sectors, are instructive about the effects of various priorities. If the $5 billion were diverted to railroad and mass transit construction, the study calculates there would be a net saving of 61% in energy and a net gain of 3% in jobs. If the money were put into water and waste treatment facilities construction there would be a 41% reduction in energy use and a very small—around 1%—increase in jobs. If the money were spent on the construction of education facilities, there would be a 36% decrease in energy use and a 5% increase in jobs. If the same sum were to be spent on national health insurance, there would be a 64% reduction in energy required and a huge 85% increase in jobs. If spent on improving the police and criminal justice systems, the $5 billion would mean a 3% loss of energy, but again, a huge 53% increase in jobs. And finally, if you took the $5 billion away from the government completely and gave it back to the people through tax reductions, there would be a 23% decrease in energy use and a 7% increase in jobs.

These predictions may not prove to be absolutely accurate, but the general trends are undeniably clear. Tens of thousands of new jobs can be created if we use our wealth and technology creatively. For example, Governor Milton Shapp of Pennsylvania has developed a plan—recently endorsed by other Eastern Governors—to rehabilitate the nation's railroads by investing $2 billion to $3 billion annually in restoring roadbeds and new rails and rolling stock. Shapp's studies show that such a program would create over 400,000 new jobs. Other areas where energy efficiency and economic revitalization could go hand in hand are:

Building more subways and modernizing mass transportation in all of our cities;

Providing the machines and incentives to bring to birth new resource recycling industries in all parts of the country;

Giving an impetus to urban housing improvement programs which will make our cities more compact, more efficient, and more livable.

These are but some of the neglected areas of our national life where we can generate jobs that will utilize the full potential of America. These activities will require energy, but they will represent a rejection of the idea that we can work our way back to prosperity by building more gas guzzling cars, more energy-wasting glass houses, and more and more junky, resource-wasting products.

U.S. energy use soared in the past twenty years not becsuse of need, but because energy was seemingly so cheap and so abundant. But now our wasteful economy is in serious trouble. The solution lies in learning to get to work, keep warm, and to run factories with less energy per unit of service. That clearly can be done and is being done. If we do this, the energy required per dollar of GNP will also go down—and the money saved can create thousands of new jobs. Once the full genius of U.S. know-how is brought to bear on the problems of energy efficiency, a stronger and sounder economic system will be created.

One thing is certain. The worst mistake any society can make in a time of rapid change is to stand pat. Each month we continue energy consumption as usual, we are forfeiting valuable options. If we are willing to make some hard decisions now—and begin stretching our oil resources now—we can save tomorrow's jobs and share our remaining petroleum resources with future generations as well.

PATRIOT'S DAY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, 200 years ago on April 19, American colonists at Concord, Mass., took up their muskets and the revolution for independence began. There were celebrations around the Nation this weekend to mark the achievements of the war that followed and the lessons of that revolutionary spirit.

I was particularly struck by an editorial in Newsday and I would like to share it with my colleagues:

Bicentennial Celebration

The Boston Massacre and Tea Party have each had their day in the bicentennial spotlight, and this weekend it will shift to the events New England poets have engraved on

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generations of American minds as "the midnight ride of Paul Revere" and "the shot heard round the world." Saturday is Patriot's Day, the 200th anniversary of the shooting at Lexington and Concord, Mass., that touched off the American Revolution. (Coming attractions: May 10, Second Continental Congress. June 17, Battle of Bunker Hill.)

Well out of the spotlight, half a dozen Long Island communities will mark Patriot's Day with parades or the like, and many thousands of Americans elsewhere will be pondering the significance of their nation's 200-year pursuit of liberty and justice. It is not the best of times for celebrating. President Ford and his men continue to proclaim that Congress—and by implication the people it represents—have gone back on a solemn commitment to a pair of small and beleaguered Southeast Asian nations. But we can't help thinking that these United States should never have lined up on the colonial side in the first place. American soldiers had about as much business taking up where the French left off in Indochina as the Hessian mercenaries had fighting for the British in the American colonies.

Now the peoples of Indochina are on the verge of winning their revolution at last. The results will certainly bear little resemblance to the past two centuries of American history—but who can say for certain that Vietnamese and Cambodians won't be celebrating, in 200 years or so, the bicentennial of their independence?

ISRAEL'S 27TH BIRTHDAY

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BURKE of Florida. Mr. Speaker, 27 years ago this month the State of Israel proclaimed its independence. The renewal of Jewish national independence after centuries of dispersion and persecution is one of the great human and ethical affirmations of our time.

Israel has ample cause to be proud already, because despite great difficulties, and against all odds, it has developed a democratic government, an expanding economy, and a stable society. Indeed, Israel has shown an incredible degree of initiative and determination in its youth. Israel deserves the right to its existence and place among the family of nations. Israel's agriculture flourishes, its schools, colleges, universities, orchestras, libraries, and museums continue to expand—in short, Israel is a vibrant, beautiful, young contributing member of the family of nations.

Despite a future which is dimmed by uncertainty and danger, Israel and her people are proudly determined to remain free and independent. We in America who cherish freedom, regardless of our religious beliefs, should pay respect to this determination, and applaud the accomplishments of the people of Israel.

I feel strongly that those who suggest that the United States go easy in the Middle East, and advocate a hands-off policy insofar as U.S. support of Israel, should take a look at the realities of the situation as they exist, then they would see the real necessity for positive leadership on the part of the United States and other major powers in bringing about a meaningful and lasting settlement in the Middle East.

Once again, I want to wish Israel a very happy birthday, and pledge my best efforts to working so that there are many, many more.

THE VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. RUSSO. Mr. Speaker, as a human tragedy of mammoth proportions continues to unfold in Vietnam, we here in the Congress must be responsible for decisions that can either alleviate or exacerbate the situation for the people involved in this tragedy. It is a heavy responsibility and one that none of us takes lightly. Passage of the Vietnam Humanitarian Assistance and Evacuation Act of 1975 has proven to be a long and arduous process for us all because, as always in this august body, there have been differences—on wording, procedure, approach. This is as it should be on a matter of such import. However, because of the fluidity of the situation in Vietnam. I am anxious to see the conference report worked out by the House and Senate and final passage accomplished. Hunger and disease will not abate while we pause to decide.

There are nearly a million refugees, displaced by war, in desperate need of food, shelter, and basic medical care. This bill authorizes an appropriation not to exceed $150 million for humanitarian assistance and an evacuation in Vietnam, and $73 million of that appropriation would be for aid to the refugees. In addition, this bill lifts dollar ceilings and other restrictions in the Foreign Assistance Act of 1974 relating to Vietnam, thereby permitting about $177 million in funds already appropriated for Indochina economic aid to be used in Vietnam.

I feel, as we all do, a deep concern for these people devastated by war, and my primary consideration in dealing with this legislation is to see that aid gets to them as quickly as is humanly possible. Notice I say "to them" because I want this money channeled through the proper authorities; I want to protect those powerless people from being yet further exploited by those who would use the aid to enhance their own wealth or comfort. Because of the chaos in the country, I realize this is a difficult thing to insure, but enacting generous aid on the books is not synonymous with getting assistance to the suffering people. I think we want to keep this in mind.

The other concern to bear in mind is the precarious state of the ongoing evacuation efforts in Vietnam. It is a powder-keg situation and one that ideally we would avoid placing American troops in, even in the neutral capacity of aiding evacuation efforts. I, like all of us, would prefer a negotiated settlement so no troops at all would be involved. But to date this is not the case, and we must evacuate and we must insure that the evacuation is a safe one for American citizens and Vietnamese. There are lives at stake here, and it is not a time to dawdle while we decide how much trust we can place in the office of the Presidency.

I personally have great respect and trust for that office and I think we need to be cognizant of the untenable situation in which we place the President if we do not offer guidelines without making them handcuffs. This is not a naive approach. It is not a dismissal of congressional authority and responsibility. The legislation does not abrogate the War Powers Act and it stipulates that any provisions of the bill may be rescinded by concurrent resolution of the Congress.

We as a body, and the people of the country as a whole, have an opportunity, even at this late date, to act with dignity and compassion in a place that for so long has tragically suffered because of poor judgment and misplaced good intentions.

"UNITED STATES INDOCHINA SETBACK GRATIFYING," INDIA SAYS

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. SYMINGTON. Mr. Speaker, as the appended article indicates, the Indian Government has a pedagogic penchant for lecturing other nations on their moral responsibilities. To be fair, it has been known to practice what it preaches. Thus, it is no surprise that the Indian foreign policy which was "vindicated" by the march of North Vietnamese armies southward to Saigon and "gratified" by the agony of broken families and despairing streams of refugees should be the very one that justified the takeover by India of tiny Sikkim.

Exactly what may "vindicate" the U.S. foreign policy of 10 years of food programs to prevent starvation in India is a question which would only occur to those who find conquest objectionable. The voices raised against China's expansion into Tibet were perhaps raised too soon, for conquest will always provide its own vindication.

[From the Washington Star, Apr. 23, 1975]

"UNITED STATES INDOCHINA SETBACK GRATIFYING," INDIA SAYS

NEW DELHI.—Foreign Minister Y. B. Chavan said today the American reverses in Indochina were "a gratifying vindication" of India's foreign policy.

In the first reaction by Prime Minister Indira Gandhi's government to the victory of the Khmer Rouge in Cambodia and to Communist military successes in South Vietnam, Chavan said:

"They represent the inevitable victory of forces of nationalism over attempts to undermine such forces through outside intervention, and constitute a gratifying vindication of the consistent policy maintained by us on this question over the years."

Chavan spoke at a seminar organized by India's Institute for Defense Studies and Analyses and Indonesia's Center for Strategic and International Studies.

Meanwhile, the lower house of the Indian parliament voted 299 to 11 today to annex Sikkim as India's 22nd state, and end the 300-year-old monarchy in the Himalayan kingdom.

The only opposition to the proposed constitutional amendment, which will be considered by the upper house Friday, came from militant Marxist Communists.

JOHNSTOWN'S WALK-A-THON

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. MURTHA. Mr. Speaker, I would like to take a moment to congratulate some 1,500 persons from the Johnstown, Pa., area who last Sunday took 4 hours from their afternoon to walk 17 miles for the March of Dimes.

One reason I know what a fine job they did was because I walked each of those miles along with them. I had earlier accepted the position of honorary chairman of the Walk-A-Thon. Quite honestly, I had originally planned to see the marchers off, walk a mile or 2, and then quietly disappear because of other commitments. But when I saw the enthusiasm and dedication of the people on the march, I was honored to walk the entire route with them.

Some persons deserve special praise. Mr. Jim Bradley, a standout football player for Penn State and Johnstown resident, joined me as honorary cochairman and also walked the entire route. Mr. Virgil F. Moraca served as chairman of the Walk-A-Thon and did an outstanding job of coordinating the event. Mr. George Sciranko, area chairman, deserves praise for his community spirit and work on this drive that has netted over $15,000 for the March of Dimes.

And a special word should be extended, Mr. Speaker, to Mr. Larry Mates of Johnstown. Mr. Mates is a blind veteran of Vietnam. He was blinded while with the 173d Airborne and also injured his leg. Walking the route with his brother-in-law, David Trohanowsky, they brought in more than $110 in pledges.

One final word on the march. For those of you not familiar with Aprils in central Pennsylvania, this day was a typical combination of drizzle, cloudiness, and chilling winds. Yet this group was bound together by common dedication and determination to finish the march and help raise funds for the March of Dimes. I know I join with the Members of the House in congratulating them on their outstanding effort. And I personally thank them for the enjoyment I receive from poining them on the march.

ISRAEL'S 27TH ANNIVERSARY

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. AMBRO. Mr. Speaker, April 16 marked the 27th anniversary of a continuing miracle: the birth of the State of Israel. It seems almost hard to believe that it has been 27 years that day in 1948 that the indomitable remnant of the Nazi holocaust stood shoulder to shoulder with Palestinian pioneers to announce that a new country had entered the world community. In the ensuing years, a nation was truly built in every sense of the word as the Israelis went about literally making the desert bloom, creating one of the world's finest universities—the Hebrew University in Jerusalem—rebuilding the best medical center in the region—Hadassah Hospital, sponsoring a renowned symphony orchestra and important museums, conducting scientific research of major proportions and absorbing several million refugees, while subject to constant hostile action on the part of all of its neighbors resulting in four separate full-blown wars in its relatively short life. From the initial attack by the Arabs as she announced her independence to the outrageous invasion on the holiest day of the Hebrew calendar in 1973, Israel has been in a perpetual—if not necessarily active—state of war with the countries surrounding her. This must be seen as a cruel irony for a people whose greeting—"Shalom"—means peace.

The solemn mood in which the citizens of Israel celebrated this year's anniversary reflects a renewed sense of crisis in the Middle East. The collapse of the so-called "step-by-step" approach can only be viewed with sadness and apprehension. While we are concerned about the long-term effects, however, we must not lose sight of what really caused the breakdown of Secretary Kissinger's diplomatic mission.

When your adversary will not meet with you and when he will not even affirm to a third party that he will no longer take up arms against you, how can you be expected to yield to him key resources and strategic defensive positions. Surely, we would make this proposal to no other nation in the world. To blame Israel for the lapse in negotiations reflects an insensitivity to the realities of the Middle East situation. Similarly to imply a reduction in aid to Israel via a "reassessment" of our Middle East policy is an unacceptable use of our position as an "honest broker."

Mr. Speaker, while we might admire the speed and glitter of Henry Kissinger's "shuttle diplomacy," we must not allow the hoped for ultimate end—genuine peace in the region—to justify any means. Until such time as the Arab States concede that Israel has a right to exist as an independent nation there cannot be peace and we cannot expect Israel to function as if there were peace. If one side is still at war how can the other side be asked to behave as if there were peace? In our genuine desire to prevent the recurrance of active hostilities in the Middle East, we must not let Israel become the Czechoslovakia of the future.

As Israel celebrates her 27th birthday as an independent, democratic, progressive and compassionate nation, let us do more than extend good wishes to her. Let us resolve to continue to assist her. Let us not push her into an untenable strategic position. Let us do nothing that will erode her security. Let us treat her as the valued friend she is and not as a pawn in a shallow diplomatic game.

The joy with which Israel celebrates future birthdays will in part be a measure of how well we have fulfilled our moral commitment to this nation, and of how well we have perceived the security of Israel as vital to our own national interests.

THE STORY OF THE EQUAL RIGHTS AMENDMENT IN NEW YORK STATE

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mrs. ABZUG. Mr. Speaker, the discussion surrounding the Federal equal rights amendment has, unfortunately, been clouded with half-truths and misinterpretations. Although New York State was among the earliest in ratifying the Federal equal rights amendment, the State legislature is now considering a State equal rights amendment which has been beset with the same problems. Fortunately, the League of Women Voters of New York State has issued a pamphlet which dispels some of the myths surrounding both the Federal and the State equal rights amendment. For the information of my colleagues, I insert portions of this enlightening document in the RECORD:

THE STORY OF THE EQUAL RIGHTS AMENDMENT IN NEW YORK STATE

EQUAL RIGHTS—THE GROWTH OF A LEGEND

In the past few years a legend has developed based on the misunderstanding and sometimes deliberate misrepresentation of the proposed 27th Amendment to the U.S. Constitution.

The proposed Equal Rights Amendment passed Congress in March 1972 and must be ratified by three-fourths of the States (38) within seven years to become effective. 1975 will be the fourth year for the ERA, and to date thirty-three states have ratified this important amendment.

The proposed amendment reads as follows:

Sec. 1 Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Sec. 2 The Congress shall have the power to enforce by appropriated legislation, the provisions of the article.

Sec. 3 This amendment shall take effect two years after the date of ratification.

The *Fable* tells us that if the ERA becomes effective it will actually take away rights from women! Nonsense. Read on . . . and discover the real meaning of the amendment.

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Expose the Fable!

One of the main factors that is traditionally taken into account by the courts in interpreting amendments to the Constitution is the *intent* of Congress. In the case of the Equal Rights Amendment, the intent is clearly spelled out in the majority report of the Senate Judiciary Committee. Therefore, excerpts from that report will be quoted in the explanation of ERA facts that follows.

FABLE VS. FACT

Fable. The ERA will make wives legally responsible for providing 50% of the financial support of their families, and undermine the basic American family structure by forcing women into the labor market.

FACT. "The Amendment would bar a state from imposing a greater liability on one spouse than on the other merely because of sex. It is clear that the Amendment would not require both husband and wife to contribute identical amounts of money to a marriage. The support obligations of each spouse would be defined in functional terms based, for example, on each spouse's earning power, current resources and non-monetary contributions to the family welfare . . . where one spouse is the primary wage earner and the other runs the home, the wage earner would have a duty to support the spouse who stays at home in compensation for the performance of his or her duties." *

Over 42% of the women in the U.S. are already in the labor force. Many more may be forced into the labor market not by the ERA, but by the rising cost of living! The ERA will help to insure that those women who must work to earn a living or to supplement family income, as well as those who choose to work for other reasons, will have access to the same opportunities and receive the same benefits as men.

Fable. The ERA will invalidate present laws which protect women from sex crimes such as rape.

FACT. "But the Amendment will not invalidate laws which punish rape, for such laws are designed to protect women in a way that they are uniformly distinct from men."* (Instead, sexual assault laws will be extended to cover both sexes, and statutory rape laws will be extended to cover sexual abuse of minors by both sexes.)

Fable. The ERA would force integration of the sexes in public restrooms and sleeping quarters of public institutions.

FACT. "Another collateral legal principle flows from the constitutional right to privacy established by the Supreme Court in Griswold v. Connecticut, 381 U.S. 479, (1965). This right would likewise permit a separation of the sexes with respect to such places as public toilets, as well as sleeping quarters of public institutions."*

Fable. The ERA would nullify thousands of present laws which protect women.

FACT. "In those situations where a court finds a state or federal law in conflict with the Equal Rights Amendment, the legal infirmity will be cured either by expanding the law to include both sexes or nullify it entirely. . . . it is expected that these laws which are discriminatory and restrictive will be stricken entirely. . . . On the other hand, it is expected that those laws which provide a meaningful protection would be expanded to include both men and women, as for example, minimum wage laws, . . . or laws requiring rest period . . ." *

Fable. The ERA is not needed because the 14th Amendment and other federal laws give women the necessary legal weapons to end discrimination.

FACT. "Some legislative progress has been made toward equal rights, but not enough to wipe out all discrimination against women in State and Federal law. Congress approved Title VII of the Civil Rights Act of 1964, which prohibits sex discrimination in employment unless sex is a "bona fide occupational qualification". And Congress approved the Equal Pay Act which assures that many persons who do equal work receive equal pay regardless of sex. But these laws fail to reach discrimination in many areas, allow for substantial exemptions in some cases, and have often been implemented too slowly." *

Fable. The ERA will transform every provision of law concerning women into a constitutional issue which will ultimately have to be resolved by the Supreme Court.

FACT. Long overdue statutory revision has caused a dramatic increase in sex discrimination litigation under the 5th and 14th Amendments. If anything, ratification of the ERA will stem the tide by compelling much needed legislation revision.*

"The basic principle on which the Amendment rests may be stated shortly: Sex should not be a factor in determining the legal rights of men or of women. The Amendment thus recognizes the fundamental dignity and individuality of each human being. The Amendment will affect only Governmental action; the private actions and the private relationships of men and women are unaffected."

In 1972, New York State ratified the Equal Rights Amendment to the United States Constitution.

In 1974, the N.Y. State Legislature gave first passage to an Equal Rights Amendment to the *New York State* Constitution.

The proposed ERA would add a "Sec. 13" to Article One of the State Constitution as follows:

"Sec. 13 Equality of rights under the law shall not be denied or abridged by the state of New York or any subdivision thereof on account of sex."

This amendment must pass two successive separately elected Legislatures, and be approved by the people; i.e., after passage by the Legislature in 1975, the ERA will be submitted to the voters in November.

NEW YORK STATE ERA: FACT VS. FABLE

The Fables are no more applicable to the State ERA than they are to the U.S. Constitutional Amendment. The language is simple and straightforward, expressing clearly that in New York State, sex will not be a factor in determining legal rights.

WHY A N.Y. STATE ERA?

Passage of the state Equal Rights Amendment will provide the constitutional protection needed to end the inconsistencies of the courts in determining case by case, whether discrimination based on sex is legal, and will help to insure that every citizen of New York State will be treated under the law on the basis of his or her own merit, and not on an arbitrary and irrational basis.

We have no idea when, if ever, the necessary number of states will ratify the U.S. ERA. When ratification does come, two *more years* must elapse before the Amendment takes effect. The New York State ERA could be in force by January 1, 1976! The people of New York State should not be made to depend on the actions of other states to be guaranteed the right of equal treatment under the law by their own state and local governments.

This issue should have been resolved almost 200 years ago. Let's see that it gets done NOW!

ARMENIAN MASSACRE

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HANLEY. Mr. Speaker, today we are asked to remember and reflect on an incident that every civilized human being would rather forget. On this day, 60 years ago, the systematic extermination of the Armenian population of Turkey was initiated. The incident resulted in the extermination of half the Armenian population of the world, and of virtually the entire Armenian population of Turkey.

Fortunately for this country many Armenians who survived chose to come to the United States, where they have demonstrated their great abilities in a variety of endeavors. Here they have found the peace and independence they deserve.

As we remember this incident, we must also be aware that this day must have a much broader meaning for all of us. While commemorating the victims of the 1915 massacre in Turkey, we must recall that the crime of genocide and the persecution of minorities continues to exist in this world.

We can only hope that such a national day of remembrance will cause us to reflect on those principles and laws which must guide what we would like to think of as a civilized world. Let us take this opportunity to renew our belief in, and our commitment to policies which will produce freedom and understanding for all peoples of the world.

IN OPPOSITION TO RESTRICTIVE ANTIGUN LEGISLATION

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, as a sponsor of legislation seeking to prohibit a ban on the manufacture and sale of firearms and ammunition and as one who is opposed to restrictive firearms control legislation, I recently offered testimony before the House Judiciary Committee in opposition to a number of such proposals being considered.

Mr. Speaker, I believe, very simply, that there are some things which we in the Congress cannot legislate effectively, despite the fact that each of us serving in this body is motivated by a sincere desire to lessen the problems of crime and violence in America.

I, therefore, respectfully submit the text of my antigun legislation testimony for the earnest consideration of my colleagues on both sides of the issue:

STATEMENT FOR THE COMMITTEE RECORD IN OPPOSITION TO FEDERAL RESTRICTIVE ANTI-GUN LEGISLATION BEFORE THE HOUSE SUBCOMMITTEE ON CRIME, HOUSE JUDICIARY COMMITTEE BY CONGRESSMAN JOHN PAUL HAMMERSCHMIDT

Mr. Chairman and Members of this distinguished panel:

I welcome this opportunity to express my viewpoints on proposed restrictive federal gun control legislation, which you, Mr. Chairman, have correctly characterized as a highly volatile issue.

The subject is one which arouses the deepest sentiments and emotions. I believe that pro and con are motivated by sincere convictions and I know that this panel is approaching the subject in the manner you have aptly described as substituting reason for rhetoric.

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* Senate Judiciary Committee report.

Reason, then, must appropriately be the guiding force throughout these proceedings. It should be the common denominator that is manifested in the testimony and the viewpoints to be received by the Committee, from the numerous and varied persons offering their opinion.

It is reason, therefore, which compels me to express the feeling that there are some things which we, in the Congress, cannot effectively legislate, notwithstanding the fact that our intentions and our aims are well-intended; notwithstanding the fact that all of us are desirous of doing something constructive and worthwhile to lessen the problems of crime and of violence in our society.

Mr. Chairman, I am convinced that by enacting national gun control legislation in the nature of regulation and control, restriction, registration, licensing or general prohibitions on possession and ownership, we will not be addressing ourselves to the true roots of the problem. I believe that Congress will be missing the mark if it approaches the issue in such a manner. The nature of the various proposals that have been offered and are to be considered by this Committee differs and they represent a broad range of firearms control legislation. I do not feel, however, that any of those proposals of a restrictive or regulatory nature will likely strike at the core of the problem. Should one of these measures be enacted by this 94th Congress, I contend that time will illustrate the correctness of this view.

Often, when we speak in terms of deterrents to crime and violence, for example with regard to the issue of capital punishment, we must out of necessity speak in abstract terms, making projections or evaluations that are really only academic.

However, while there may be no hard and clear statistics available on the potential deterrent to crime if more restrictive federal gun control legislation were implemented and administered, I feel the issue is more clearcut and definable: We cannot, by the mere passage of a bill, legislate guns out of the hands of those who are not law-abiding and who will somehow find the means of owning and possessing a firearm; no more than we could legislate morality by the passage of a statute.

This element in our society is not honor-bound to abide by the laws, and there are ample firearms laws on the books. The criminal element would, by nature, disregard any statute aimed at limiting, restricting or eliminating the availability or possession of firearms.

Of course, the ever-present potential of confiscation is so repugnant to me—and should be to all who truly wish to make meaningful contributions to this problem—that it bears mentioning here, albeit briefly. Not even enactment of a law which would literally seek to remove all guns from the hands of all citizens in this country would prevent criminals or those committing crimes of passion from possessing guns.

Mr. Chairman, no one knows exactly how many guns are owned by how many Americans, although estimates have been made that there are more than 200,000,000 firearms of various kinds in this country. The handgun is very clearly preferred by the criminal and it is underscored that this preference exists despite the fact that handguns are generally acknowledged to be far more scarce in numbers than are rifles or shotguns. The use of handguns far outnumbers the use of shotguns or rifles even in areas where handgun ownership is legally controlled and the rifles or shotguns are not controlled by law. Certainly, this should tell us something about handgun restrictions.

On the general issue of gun control, countless studies have borne out the futility of controlling or restricting the possession of firearms, including one made by the California Department of Justice, which stated: [T]he mere availability of weapons lethal enough to produce a human mortality bears no major relationship to the frequency with which this act is completed. In the home, at work, at play, in almost any environmental setting a multitude of objects exist providing means of inflicting illegal death . . ."

Mr. Chairman, the commission of a crime, a murder, or any act of violence is not dependent upon the availability of firearms. By tracing the roots of the motivation behind such acts, we may see beyond the gun in the hand. We *must* look beyond the firearms, for the core of the motivation behind such acts is not the gun; it is the person and the mentality of the person committing the crime or act of violence with the firearm.

The countless reams of information, statistics, reports, studies, and so on that relate to this issue do bear out certain trends and certain facts which are compatible with the view I have expressed. We are all privy to this information—it is accessible—so I will not belabor the issue.

By merely stating, or enacting a statute stating, that it will not be lawful for anyone convicted of a crime or is a fugitive from justice to own a firearm, possession of a gun cannot be legislated away. There is, in fact, an existing federal statute of this nature, title 15, United States Code, section 902(*f*), which very plainly states the illegality of firearms possession by such persons.

And, there are the thousands of State, federal and local laws already on the books relating to firearms control. Therefore, the need for additional legislation is non-existent. A major thrust of any effort in this regard should be toward enforcement of those existing laws, although I doubt their impact or effectiveness. The constitutions of the majority of the States contain sections on firearms which very closely resemble the Second Amendment of the United States Constitution. Many read as follows: "The people shall have the right to bear arms, for the defense of themselves and the state."

I believe the constitutionality of any federal gun control law has been very clearly resolved in numerous court cases which are well-documented. The question of constitutionality is frequently underscored in discussions of firearms legislation. It is a valid question and has, by all accounts, in my view, been illuminated and resolved. The Second Amendment prevails.

The right of citizens to protect themselves and their property is wholly fundamental and is, unfortunately, too often ignored by advocates of stringent gun control legislation. Any infringement on this constitutional safeguard is anathema to the overwhelming majority of Americans.

Mr. Chairman, I cannot subscribe to any effort or action that would penalize the vast majority of American citizens who are law-abiding and who respect and adhere to the laws. Gun registration, licensing, control, or restriction is entirely futile as a crime-reduction measure, for the reasons, heretofore outlined.

I personally favor and advocate an alternative approach to this entire problem, which I believe would be far more sensible, reasonable and effective: The imposition of very stringent, mandatory penalties upon conviction for the use of a firearm in the commission of a crime. Here again, the question of deterrence comes into play. I am convinced that such action, if applied firmly and consistently, would serve as a far more effective and meaningful deterrent to crimes and acts of violence than would any artificial attempt, through legislation aimed at controlling, restricting or eliminating firearms ownership.

The application of common sense in this issue would far better serve the interests of reason, as we seek reasonable solutions.

Thank you, Mr. Chairman, and the members of this Committee, for the opportunity to offer these thoughts of opposition to restrictive federal gun control legislation.

CANCER: THE ENVIRONMENT AND THE WORKPLACE

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, the National Cancer Institute on April 23, 1975, released findings of its study on cancer rates in various counties of the Nation. The conclusion of that survey is that there is a strong link between cancer and certain kinds of industrial pollution.

Unfortunately, this finding comes as no surprise to members of the Education and Labor Committee who were involved with passage of the Occupational Safety and Health Act and are now engaged in oversight on its administration in order to insure the protection of millions of workers who are daily exposed to insidious carcinogens.

The Cancer Institute reveals that not only are workers exposed to cancer-producing agents on the job, but also people who reside near industry which emits deadly residues are becoming cancer victims.

Witnesses before the Manpower, Compensation and Health and Safety Subcommittee, which I chair, have been making the case for many years that in manufacturing the products which give this country the highest living standard in the world, we may simultaneously be sowing the seeds of our own destruction.

I commend the story in the Washington Post of April 24, 1975, to the attention of my colleagues. Clearly, it is cause for alarm.

It is cause for alarm among the people living in these cancer-prone areas.

It is cause for great alarm among the workers in plants in these counties. Surely, their concentrated exposure daily to cancer-generating agents in their workplaces must be limited.

The governmental machinery to help the American worker is already in place, and it is incumbent on the Occupational Safety and Health Administration and the National Institute of Occupational Health to act quickly to protect this Nation's work force.

The article follows:

POLLUTION-CANCER LINK IS SUGGESTED

(By Bill Richards)

Federal cancer researchers said yesterday that a four-year effort to map areas of the U.S. that have the highest cancer rates suggests a strong link between some types of cancers and certain kinds of industrial pollution.

Among some of the findings of the mapping project are indications of high bladder cancer levels around areas of heavy auto production, indications of heavy bladder, lung and liver cancer levels around concen-

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trations of chemical industries and high lung cancer rates near copper and lead smelters, researchers said.

"What we have here," said Dr. Joseph F. Fraumeni, a member of the National Cancer Institute team that carried out the mapping project, "is a whole new series of clues to the origins of cancer. The next step will have to be specific studies done in the field at these areas of concentration."

Fraumeni said some of the findings from the research team's cancer maps have already been turned over to health officials studying cancer levels in New Jersey, Michigan, Florida, New Orleans and northern New England.

The maps, show that areas around Baltimore, Washington, Richmond and in scattered parts of northeast Maryland and that state's Eastern Shore have overall cancer levels that are in the top tenth of the nation.

Fraumeni said the research team had not studied these specific regions but that heavily urbanized areas such as the Baltimore-Washington corridor generally show higher levels of certain types of cancer, such as lung cancer, which are related to smoking.

The maps, which are not scheduled to be published until next month, cover 34 different types of cancer found in white males and females throughout the U.S.

The researchers said they are currently working on a separate study on cancer concentrations among blacks. Because blacks are distributed more thinly than whites around much of the U.S. and may be showing some different types of cancer clusters, Fraumeni said the team will have to use a different mapping system to get any conclusive results.

The data for maps currently being prepared was gathered from death certificates for cancer victims in 3,056 counties or clusters of counties covering the entire continental U.S. between 1950 and 1969, the researchers said.

Speaking to a noontime meeting of employes from the National Institutes of Health in Bethesda yesterday, the research team said they had uncovered what they believed were significant links between high levels of certain types of cancer and industry, but that there were other areas with high cancer rates they could not explain.

"We found 64 counties with significantly high bladder cancer levels," said Dr. Robert Hoover, who like all the researchers is employed by the National Cancer Institute's epidemiological branch. "They appeared to be clustered around areas where automobiles were or are made and where two types of heavy machinery is manufactured."

Hoover said the researchers had found high bladder cancer rates in areas in the Northeast with heavy concentrations of chemical plants. In New Jersey, he said, every county scored in the top 10 per cent of the nation for bladder cancer.

Salem County, N.J., where 25 per cent of the males work in chemical plants, had the highest incidence of bladder cancer in the country, Hoover said. "We felt fairly confident there was a link," he said.

The researchers said one chemical plant in New Jersey had 330 cases of bladder cancer among its workers in the last 50 years. "The company was quite aware of this but they didn't bother to tell anyone," Hoover said.

A study prepared by Fraumeni and Hoover from the group's findings showed that there were excess rates of bladder, lung, liver and other types of cancers in 139 counties where the chemical industry is most highly concentrated.

The searchers said they could not explain the high rates by factors such as urbanization, social and economic class or employment in nonchmeical industries. "If the excess cancer mortality in these areas is due to industrial exposures, the actual risk of cancer among certain chemical workers must be very high," the researchers reported

Dr. William J. Blot of the research group said they felt that high lung cancer rates around copper and lead smelters across the U.S. were due to arsenic emitted during the ore refining process.

Blot said levels of arsenic, a known cancer-causing agent, were high in men, women and children living around the smelters "Our tentative conclusion," he said, "is that there is a communitywide risk from arsenic emissions from these smelters."

The researchers said, however, that there were some findings on their cancer maps that they are not prepared to explain. One of the heaviest concentrations of lung cancer, they said, is found along the Gulf Coast from New Orleans west to Houston.

The high incidence of cancer in this area "was one of the biggest surprises we encountered," said Fraumeni. "There are industries in those areas not previously linked to cancers but we suspect if we did a study we might find a correlation."

The researchers said they found that some cancers were apparently caused by other factors than pollution. Stomach cancer, they said, occurred most heavily among people of Scandinavian and German descent living in the Midwest.

Other cancers, including that of the large intestine, may be due to eating habits and diet, the researchers suggested, since they occur with relatively equal frequency among males and females.

They said that melanoma, a skin cancer, shows up most often in Southern states where sunlight, which is believed to be a factor in the disease, is the strongest. Cervical cancer, the research team said, is found most often in the Northeast and Appalachia and may be linked to groups at the low end of the social order.

The broad-based study is the first of its kind to be done in this country on a county-by-county basis. "We're seeing patterns among various cancer types, some of which are almost certainly due to environmental factors," said Fraumeni, who is associate chief of the National Cancer Institute's epidemiological branch here.

Evidence has been growing in recent years that industrial chemicals and pollutants may be responsible for causing cancer both in and outside the workplace. At a conference last month sponsored by the New York Academy of Science researchers linked asbestos, arsenic, beryllium, vinyl chloride and other substances to cancer deaths near manufacturing plants or places where they are used.

Last week an Environmental Protection Agency study showed that 79 public drinking water systems tested by the agency contained measurable amounts of chemical substances that might cause cancer.

The EPA is beginning a new study of all U.S. counties to gather data on possible cancer sources to augment the National Cancer Institute study.

SST: AS WELCOME AS LOCUSTS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ROSENTHAL. Mr. Speaker, the Federal Aviation Administration recently held hearings in my congressional district on the proposal to permit operations of the Anglo-French supersonic transport Concorde at Kennedy International Airport in Queens and Dulles International Airport near Washington.

Initially, Air France and British Airways would like to begin service with four flights daily at Kennedy and two at Dulles.

Judging by the phone calls, letters, and visits I have been getting from my constituents over the past decade, the people of Queens view the coming of the SST with the same enthusiasm as they would locusts.

Queens residents, like ordinary taxpayers throughout this country, are skeptical of the value of these hearings. And I must admit, I agree. The record shows the Federal Aviation Administration has a deservedly poor reputation for protecting the public interest when it clashes with the wishes of the aviation industry.

The 92d Congress took the decisive step of removing the U.S. Government and the American people from the supersonic aircraft business. The FAA, which historically has turned a deaf ear to citizen complaints about noise, was the leading advocate of the SST and apparently has not given up trying. I want to reiterate: The Congress has said a resounding no to the SST because it is economically unsound, unbearably noisy and potentially threatening to the ecology of our atmosphere.

Now the Agency wants to overrule the Congress and the American people. This arrogance cannot be permitted to go unchallenged. Therefore, I have asked the Government Activities and Transportation Subcommittee of the House Committee on Government Operations, which has oversight jurisdiction for the FAA, to investigate the Agency and its decision-making processes. I have for a long time been disturbed by the Agency's practice of showing far more concern for the welfare of the industry it is supposed to regulate than for the taxpayers it is supposed to protect.

It is time for the Congress to take a thorough look at how and why a Federal agency can ignore, delay and counteract decisions and specific intent of the Congress of the United States.

The FAA admits in its environmental impact statement that the Concorde is noisier than other jetliners and is a potential threat to the Earths' ozone layer. But the Agency argues feebly that only four flights a day, as it now is asking for Kennedy International Airport, will not do very much damage. The New York Times on March 11 answered that argument rather succinctly:

> The road to hell also begins with small steps.

Approval of these few flights would open the door to a hazard to the health, welfare and property of the American people—a door that the Congress decisively shut. For once that door is opened just a crack for two or four flights, it is easy for the FAA to slip in another and another until Concorde knocks that door right off its hinges.

What we are witnessing may be the ultimate in a Government agency going to bat to protect the special interests at the expense of the public interest. Of course, there is nothing new in this for

the Federal Aviation Administration, but it is nonetheless appalling.

The SST is designed to serve a privileged, wealthy few at the cost of the welfare of the many. So that select members of the international jet travel set may have the luxury and convenience of supersonic travel, the rest of us, primarily those of us who live in Queens, are being asked to surrender to the ear-shattering noise and ecological dangers posed by this new toy in the sky.

Concorde spokesmen have painted a picture of New York losing commerce if it rejects Concorde because trade will supposedly be encouraged by the 2- or 3-hour cut in travel time. That is a false and distorted portrayal. It is not New York that needs Concorde, but Concorde that needs New York. That plane was designed for the lucrative North Atlantic routes between New York City and London-Paris; its survival depends on permission to land at Kennedy.

And once it gets its flying foot in the door, it will be followed by requests to increase the number of flights and then by requests from other nations to land their SST's here, including the Iranians and the Soviets. No thanks.

Incidentally, if the FAA is truly interested in speeding up travel time for air passengers, the money it would like to see spent on an SST could more productively be used to improve ground travel facilities for access between airports and population centers. As it is today, an inordinate chunk of travel time is consumed on the ground getting to and from the airport. The world's fastest airplane is of little advantage if it takes 2 or 3 hours travel time on the ground at both ends to complete the trip.

INTRODUCTION OF FARM BARGAINING BILL

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. SISK. Mr. Speaker, I am today introducing a bill which would amend the Agricultural Fair Practices Act of 1967.

The proposal I submit today is a much shortened version of legislation I have introduced in past Congresses, but one which retains the basic elements of past efforts.

In today's agricultural climate, it is even more apparent that the farmer needs all the tools available to gain a respectable price for the commodity he grows. We provided this in the Agricultural Fair Practices Act of 1967 but omitted a good faith bargaining requirement.

Therefore, the bill I am introducing today still encompasses a good faith bargaining requirement by making refusal to bargain in good faith an unfair trade practice. It is modeled after the National Labor Relations Act.

Removed from this proposal is the exemption from antitrust, creation of a special bargaining board and staff, and exclusive dealing. Hopefully this legislation, reduced in scope but not in need, will be enacted and the farmers of this country can receive equitable prices for the commodities they grow.

The bill follows:

H.R. 6372

A bill to amend the Agricultural Fair Practices Act of 1967

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth sentence of section 2 of the Agricultural Fair Practices Act of 1967 is amended by inserting "and bargain in good faith with handler" immediately after "cooperative organizations".

SEC. 2. Section 3 of the Agricultural Fair Practices Act of 1967 is amended—

(1) by striking out "dairyman, fruit, vegetable, or nut grower," in subsection (b) and inserting in lieu thereof "or dairyman, including any of the above whether or not the commodity is produced by him under a contract."; and

(2) by striking out subsection (e).

SEC. 3. Section 4 of the Agricultural Fair Practices Act of 1967 is amended by adding at the end thereof the following new subsection:

"(g) To refuse to bargain in good faith with an association of producers producing under contract which has been certified by the Secretary of Agriculture pursuant to section 5.".

SEC. 4. Section 5 of the Agricultural Fair Practices Act of 1967 is amended to read as follows:

"ISSUANCE OF CERTIFICATE

"SEC. 5. The Secretary of Agriculture shall issue a certificate to any association of producers, as defined in section 3(c), which desires to bargain as required by section 4(g), and which also meets the following criteria:

"(a) That under the charter documents or the by-laws of the association, the association is directly producer-owned and controlled.

"(b) The association has contracts with its members that are binding under State law.

"(c) The association represents either 50 per centum by number of the producers of a commodity in a major area of production or 50 per centum by volume of a commodity produced in a major area of production; a major area of production may be a single State or an area of production which is readily identified by past practices and which produces at least 25 per centum of the total volume of a commodity in a single State; the percentage would be applied to all growers and all production except that which is either owned or directly controlled by the handler.

"(d) The association has as one of its functions acting as principal or agent for its producer-members in negotiations with handlers for prices and other terms of contracts with respect to the production, sale, and marketing of their product.".

SEC. 5. Section 6 of the Agricultural Fair Practices Act of 1967 is amended—

(1) by adding at the end of subsection (a) the following new sentences: "The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this subsection and shall exercise such jurisdiction without regard to whether the aggrieved party shall have exhausted any administrative or other remedies that may be provided by law. Any person suffering an injury to his business or property by reason of any violation of, or combination or conspiracy to violate, any provision of section 4 may sue therefor in the appropriate district court of the United States without respect to the amount in controversy and shall recover damages sustained. In any action commenced pursuant to this subsection, the court may allow the prevailing party a reasonable attorney's fee as a part of the costs. Any action to enforce any cause of action under this subsection shall be forever barred unless commenced within two years after the cause of action accrued."; and

(2) by striking out subsections (b) through (d) and the last undesignated paragraph of such section and inserting in lieu thereof the following:

"(b) The Secretary of Agriculture is empowered, as hereinafter provided, to prevent any handler from engaging in any trade practice which is prohibited by section 4 and which affects commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise.

"(c) Whenever the Secretary of Agriculture has reasonable cause to believe that any handler, or group of handlers, has engaged in any act or practice prohibited by section 4, he or any agent or agency designated by him for such purposes, shall have power to issue and cause to be served upon such handler a complaint stating the charges in that respect and containing a notice of hearing before the Secretary or before a designated agent or agency, at a place therein fixed, not less than thirty days after the serving of said complaint: *Provided*, That the person so complained of shall have the right to file an answer to the complaint and to appear in person or otherwise and give testimony at the place and time fixed in the complaint. In the discretion of the Secretary, agent, or agency conducting the hearing, any other person may be allowed to intervene in the said proceeding and to present testimony.

"(d) If, based upon the evidence and testimony taken, the Secretary shall be of the opinion that any person named in the complaint has engaged in or is engaging in a practice prohibited by section 4, then the Secretary shall state his findings of fact and shall issue and cause to be served on such person an order requiring of such person to cease and desist from such prohibited practice and to take such affirmative action as will effectuate the policies of this Act. If the Secretary shall not be of the opinion that the person named in the complaint has engaged in or is engaging in such prohibited practice, then the Secretary shall state his findings of fact and shall issue an order dismissing the complaint.

"(e) The Secretary shall have power to petition any court of appeals of the United States, or if all the courts of appeals to which application may be made are in vacation, any district court of the United States, within any circuit or district, respectively, wherein the prohibited practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall file in the court the record in the proceedings, as provided in section 2112 of title 28, United States Code. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such rulings as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. No objection which has not been urged before the Secretary, his agent or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Secretary if supported by substantial evidence on the record considered as a whole shall be conclusive.

"(f) Any handler aggrieved by a final order of the Secretary granting or denying in whole or in part the relief sought may attain a

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review of such order in any United States court of appeals in the circuit wherein the prohibited practice in question was alleged to have engaged in, or wherein such handler resides or transacts business, or in the United States Court of Appeals for the District of Columbia, by filing in such court a written petition praying that the order of the Secretary be modified or set aside. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the bill of complaint. The aggrieved party shall file in the court the record in the proceeding, certified by the Secretary, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall proceed in the same manner as in the case of an application by the Secretary under subsection (d) of this section, and shall have the same jurisdiction to grant to the Secretary such temporary relief or restraining order as it deems just and proper, and in like manner to remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The findings of the Secretary with respect to questions of fact which are supported by substantial evidence on the record considered as a whole shall in like manner be conclusive.

"(g) The commencement of proceedings under subsections (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

"(h) Petitions filed under this Act shall be heard expeditiously, and if possible within thirty days after they have been docketed.

"(i) The Secretary shall have power, upon issuance of a complaint as provided in subsection (b) of this section charging that any person has engaged in or is engaging in any prohibited practice, to petition any United States district court, within any district wherein the prohibited practice in question is alleged to have occurred or wherein such person resides or transacts business, for appropriate temporary relief or restraining order pendente lite. Upon the filing of any such petition, the court shall cause notice thereof to serve upon such person and thereupon shall have jurisdiction to grant to the Secretary such temporary relief or restraining order as it deems just and proper.

"(j) The Secretary may make such rules and regulations and hold such hearings as he may deem necessary to effectuate the purposes of this Act. In carrying on the work authorized by this Act, the Secretary, or any officer or employee designated by him for such purpose, shall have power to administer oaths, sign and issue subpoenas, examine witnesses, and require the production of books, records, accounts, memoranda, and papers. Upon refusal by any person to appear, testify, or produce books, records, accounts, memoranda, and papers in response to a subpoena, the proper United States district court shall have power to compel obedience thereto.

"(k) The General Counsel of the Department of Agriculture shall have final authority, on behalf of the Secretary, in respect to the investigation of charges and issuance of complaints under section 6(b), and in respect to the prosecution and defense of such complaints before the Secretary and in the courts of the United States.".

SEC. 6. The Agricultural Fair Practices Act of 1967 is amended by adding at the end thereof the following new sections:

"EFFECT ON STATE LAW

"SEC. 8. The provisions of this Act shall not be construed to change or modify existing State law in order, nor to deprive the proper State courts of jurisdiction, except in cases where the Secretary has caused a complaint to be issued against the handler pursuant to section 6(b).

"PENALTY FOR HANDLER

"SEC. 9. Any handler against whom a cease and desist order is issued under this Act, or any officer, director, agent, or employee of such handler, who violates any provision of such order shall on conviction, be fined not less than $500 or more than $1,000 for each such violation and each day during which such violation continues shall be deemed a separate violation.

"OTHER PENALTIES

"SEC. 10. Any person who violates an order issued pursuant to this Act shall be liable to a penalty of not more than $1,000 for each such offense and not more than $100 for each day it continues, which shall accrue to the United States and may be recovered in a civil suit brought by the United States. However, such person may, upon a showing satisfactory to the Secretary of Agriculture, or his authorized representative, that such violation was not wilfull but was due to inadvertence, be permitted by the Secretary, or such representative, to settle his liability in the matter by a payment not in excess of $1,000, to be fixed by the Secretary of Agriculture or his authorized representative. Such payment shall be deposited in the Treasury of the United States.".

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long open hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Ms. Hettie Wall and Ms. Lottie Bennett each spoke in support of the foster grandparents program, a part of the Older Americans Act. Their strong endorsement of this particular program is further evidence of our continuing need to expand and improve on our efforts on behalf of senior citizens. I insert their testimony in the RECORD at the conclusion of my remarks:

TESTIMONY OF HETTIE WALL AND LOTTIE BENNETT

Miss WALL. Yes, I am.

The CHAIRMAN. I see you brought your fans with you today.

Miss WALL. Well, I think I did.

I am Hettie Wall, the Supervisor of the Foster Grandparents Program at the Suffolk Developmental Center.

This program has been designed for the elderly, sixty and over, on a very low income, usually Social Security and a small pension.

At the present time, I have seventy foster grandparents giving tender, loving care to 140 mentally retarded children at the Suffolk Developmental Center.

In a few months, June 23rd, we are going to have a birthday. Three years old.

In that time, in the last few years, I have watched the foster grandparents and worked very closely with them. Giving tender, loving care, we have gotten many a miracle performed by the foster grandparents. Some have gotten their children to walk. Others have gotten their children to talk. Others have gotten their children to play ball, but, mostly, the most important of all, the foster grandparents have made the children at the Suffolk Developmental Center happy. And they have also made themselves happy through this program.

I would like to see the Foster Grandparents Program increased.

I have, at the present time, forty foster grandparents on my waiting list, but we have no more money. What can I tell you?

I would also like to see this stipend of $1,662 annually increased to $2,000. The foster grandparent, for all this kindness and tender, loving care, receives a stipend of $1,662 annually, one dollar a day transportation, a hot lunch and an annual physical.

We do need more foster grandparents, and my foster grandparents need more money.

Thank you.

The CHAIRMAN. Thank you, Hettie.

Hettie, let me tell you again, under aging programs for fiscal 1976, at the request of the administration, is 1.8 million dollars below fiscal 1975. You can expect that the total authorization, if the administration has its way, will be 25.93 million dollars for the entire country which I am sure is less than what you received this year.

I thank you. I appreciate your coming.

With respect to the people on the waiting list, I think this is one of the places we have to bolster as opposed to cutting.

Is Lottie Bennett here?

Ms. BENNETT. I am Lottie Bennett, the Coordinator of Volunteer Services at Suffolk Developmental Center.

I would like you to support Hettie's program. The program is another Suffolk Development Center program, and I never cease to be amazed at the contribution the senior citizens make. And I really don't want to call them elderly because they are really young at heart. They are young people at heart who come and help us each day.

I would like to point out to Congressman Downey that Suffolk County is being shortchanged in this program. Hettie mentioned that it's a grant to Nassau County E.O.C. This means that any senior citizens who are going to be hired or put on this program will come from Nassau County. It means our own senior citizens are being shortchanged. This is a disgrace. It really behooves us to encourage programs that are of benefit to more than one group.

We hear all the time, "What are you going to give us?"

Here we have a group of citizens that are asking what they can still do to contribute to society, and they do ask in an unbelievable way. We have seventy grandparents at the center servicing 697 youngsters below the age of eighteen that can benefit from this type of service.

And I know we are running short of time.

The CHAIRMAN. What I want to say is I think this is one of the closest programs to my heart.

I think some of the programs we have seen for senior citizens stress the fact that they are helpless and can't do anything for themselves. This is just nonsense. The senior citizen has a lot to offer.

These are programs that tap their capabilities and go after their ability to function as responsive human beings. I think these are very positive programs.

I want to thank you very much for coming.

SPENDING MORE, GETTING LESS

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. CARR. Mr. Speaker, the Department of Defense has requested a budget of $104 billion for fiscal 1976, and Secretary Schlesinger has assured the House Armed Services Committee that it is a "bare bones" budget.

I am not at all comfortable with the Secretary's opinion, and I am not willing to give the Department of Defense carte blanche in its request. An article appearing in the April 15 issue of Forbes magazine raises valid questions as to the necessity of some of the Department's "hardware" requests, and the effectiveness of various weapons systems.

I recommend the article to my colleagues and it be inserted into the RECORD at this point:

SPENDING MORE, GETTING LESS

The Defense Department's record budget—$104 billion for fiscal 1976—will get a rough working over from a Congress disgusted with Indochina and worried about an unmanageable federal deficit. But Congress will have to think twice about cutting defense sharply; for there is no longer any doubt that the U.S.' relative military strength is declining while that of potential enemies is increasing in both size and sophistication. If nothing else proved this, the latest Arab-Israel war did. Soviet arms in the hands of the relatively inept Egyptians and Syrians made the best showing yet against American weapons wielded by the highly skilled and motivated Israelis.

The worrisome fact is that most of the Pentagon's record budget will provide little in additional military power in return for its fantastic cost. Militarily, the U.S. is having to run faster and faster just to stand still. The problem is not simply financial: The entire American system has become frighteningly cumbersome.

The Defense Department itself is part of the problem—as Secretary of Defense James R. Schlesinger concedes. And so is Congress and the defense industry. All have been deeply committed to ever more complex weapons to the point where it is no longer possible for the strained U.S. economy to provide such weapons in needed numbers. How can it be that the richest nation cannot afford an efficient defense establishment?

Run through our catalog of weapons: "deep-pentration" fighter bombers; aircraft carriers; manned strategic bombers; surface-ship-based antisubmarine warfare systems. All of these carry frightening price tags. A single new aircraft carrier costs $1 billion. Whereas World War II fighters like the P-47 cost $89,000 each a modern F-15 fighter costs $15 million. In the Middle East the situation was even worse: In three weeks of warfare, the two sides lost between them some 2,200 tanks. The U.S. bill for making up Israel's losses: $2.2 billion, over $700 million for every week of the fighting. Not even the U.S. could afford this tremendous kind of loss for long.

Costly and complex as many of our weapons are, it is difficult to defend them against relatively cheap and simple counterweapons. During the Yom Kippur war, for example, multi-million-dollar Israeli aircraft were shot down by relatively cheap Soviet-built ZSU-23/4 cannon and Strela missiles. The U.S. missile most comparable to the Sterela, the Redeye, costs only $24,000. We have no cannon as good as the ZSU-23/4.

Particularly during the first few days of the war, significant numbers of Israeli tanks were destroyed by Soviet-built RPG–7 shoulder-fired rockets. The American counterpart to the RPG–7, the LAW rocket, costs about $75.

Countermeasures and countertactics to the RPG–7 and other antitank weapons have been devised, but there are already counter-countermeasures. The point is that the balance is swinging away from the tank toward the relatively cheap antitank weapons.

To compound the problem, the expense, long development times and slow production rates of many big-ticket weapons mean that the U.S. will be forced to depend on them for 20 or 30 years into the future—well after technological advance makes them obsolete.

Until recent years, the U.S., technical and economic edge was so great the nation could afford to be sloppy about how it allocated its defense resources. The draft provided a reserve of low-cost, high-quality manpower. In any *really* bad crisis, the U.S. could threaten to use its overwhelmingly superior arsenal of nuclear weapons. The Cuban missile crisis seemed to prove that in a crunch the Soviets would be forced to back down.

That's all over. In the Mideast confrontation in 1973 the Soviets did *not* back down. The U.S. will probably never again attain anything greater than nuclear "partly" with the Soviet Union. And the volunteer Army means that the military is being forced to pay more for lower quality manpower. Unlike almost any other enterprise, defense has become *more*, not *less* labor-intensive; military pay and allowances will take 55% of the 1975 defenses budget compared with 43.3% in 1964.

Which makes it all the more important that the dollars left over for hardware procurement and research and development actually go to buy practical weapons. Unfortunately, this is not necessarily the case.

The Navy's reliance on the aircraft carrier is a good example of this problem. The carrier was indispensable to the defeat of the Japanese in World War II. Since then, the surface Navy has been built around the carrier; most of its ships are organized around the carrier task forces.

The Navy is committed to having at least 12 attack carriers from now until the end of the century. At a capital cost of about $1 billion for each new nuclear carrier, plus the cost of aircraft, escort ships and operations and maintenance costs, that's quite an investment.

That investment becomes shakier every day. In 1967 the Egyptians proved the vulnerability of the large surface ship by sinking the Israeli destroyer *Eilat* with a Soviet-built "cruise missile." A cruise missile is a guided missile equipped with a jet engine and wings, in contrast to the ballistic missile, which has a wingless body and uses a rocket engine. It is not a terribly expensive or complex weapon. A French cruise missile, the Exocet, costs at most $400,000.

Since the sinking of the *Eilat*, the Russians, the French and the Israelis have made available cheap antiship cruise missiles to many countries. The missiles have become more accurate and longer ranged. The Navy argues that a carrier is hard to sink. That may be, but even one hit by a conventional warhead on the flight deck of a carrier could take the ship out of action for at least four months.

Even Senator Barry Goldwater, a staunch supporter of military spending, says, "It is generally conceded among strategic thinkers that the day of the carrier is past. Particularly in the Mediterranean, where it faces Soviet land-based aircraft, the carrier is at a loss." Privately, many high Defense Department officials agree.

Rather than seriously reevaluating the usefulness of the carrier and other surface ships, however, the Navy and its allies on Capitol Hill are buying increasingly expensive and dubious ways of defending them. The F–14 is one of these. At $20 million, fully armed, it is the most expensive fighter plane ever built. Will it do the job? There are doubts. Alton Quanbeck, a Ph.D. in aeronautical and astronautical engineering who was formerly with the Office of the Secretary of Defense, says: "It's theoretically possible, but very unlikely, that the F–14 would be able to defend the carrier against missile attack."

By the end of fiscal 1976 the U.S. will have lavished more than $1.5 billion on the F–14. In return, it probably will have acquired only a marginal improvement in the ability of carriers to defend themselves.

At the same time that the Navy is lavishing so much attention on an asset of declining value, it has been neglecting some very useful programs—particularly land-based antisubmarine warfare aircraft.

Dr. Quanbeck has this to say on the subject: "The Navy spends a lot of money on surface ships, largely for antisubmarine warfare. They like them partly because they give a lot of command opportunities to officers—there are a lot of men on the bridges of those ships. But the most effective antisubmarine warfare systems are land-based aircraft and hunter-killer subs.

"The Navy, though, is not interested in land-based aircraft—too much like the Air Force. They don't even buy enough sonobuoys [detection devices] for the land-based planes they do have."

Some high Defense Department officials agree. One says that "land-based aircraft are looking better and better these days for a lot of missions, including antisubmarine warfare."

The Navy isn't the only service guilty of misplaced enthusiasm. The Air Force's emphasis on acquiring the most versatile and sophisticated fighters possible is making it difficult for the U.S. to afford to match the Soviet Union's growing air power.

For example, the Air Force's new McDonnell Douglas F–15 fighter costs nearly $15 million a copy, more than three times the cost of the F–4 fighter that it is replacing. Dr. Richard L. Garwin, an IBM Fellow at the Thomas J. Watson Research Center and an occasional consultant to the Defense Department, points out the paradox involved in this expensive weaponry: "While the F–15 can beat the improved Soviet MIG–21 on a one-to-one basis, an equal cost force of MIGs would just eat up the F–15, because the advantage of numbers is so great." (It is estimated that a MIG–21 would cost $2 million to build here. Thus the cost of a single F–15 would buy seven MIG–21s.)

The F–15 is expensive partly because it is supposed to be able to perform not one, but two difficult missions. One is the shooting down of other fighters. The other is delivering bombs deep inside hostile territory. Many defense experts doubt whether the "deep-penetration" bombing capability is worth the expense.

For the price of one F–15, the Air Force could buy at least two less ambitious but very effective aircraft, which between them could do the job: the General Dynamics F–16 lightweight fighter and the Fairchild A–10 attack aircraft. Senator Goldwater, a former Air Force Reserve Major General, thinks that "we should take another look at the F–14 and F–15 and possibly switch to the lightweight fighter. It's lower cost, and in some respects superior."

What has happened up to now is a classic

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bureaucratic compromise: The Air Force has agreed to take the F–16, but it wants F–15s as well. Its justification for this is the "need" for a "high-low mix" of expensive and cheap planes. One very senior Pentagon official, when pressed by a FORBES reporter, dismissed the "high-low mix" as a "budgetary gimmick" to sell the compromise to Congress and the public. It's as though someone decided to economize, not by trading his Cadillac for a Volkswagen, but by keeping the Cadillac and buying a VW as well.

Even the F–15 is easier to rationalize than the proposed B–1 strategic bomber. Nobody knows how much each will cost; Defense Department estimates are beginning to creep toward the $90-million mark. It's supposed to be a "follow-on" aircraft to the B–52, which will probably be going out of service in the 1980s.

The B–1 is supposed to be able to penetrate Soviet air defenses and launch short-range missiles or bombs against ground targets. While it is designed (at great expense) to be able to fly at supersonic speed, it doesn't carry enough fuel to go that fast while performing its mission. In other words, there has been built into it, at great expense, a capability it can rarely if ever use.

IBM's Dr. Garwin claims the B–1's military objectives could be achieved much more cheaply. Says he: "The missiles the B–1 carries have just short enough a range so that the airframe launching them has to be inside enemy airspace. If you used longer-range cruise missiles, you could carry them in a slow, cheap transport aircraft, stand outside enemy airspace, and launch them in comparative safety.

"But the Air Force generals wanted a new bomber. After all, whoever got promoted commanding a fleet of expendable missiles?" Dr. Quanbeck estimates that "over a period of ten years we could save $20 billion by using cruise missiles launched from transport aircraft rather than the B–1."

Secretary Schlesinger doesn't really argue with this reasoning. "I share Dick Garwin's enthusiasm for the potential of the cruise missile," he says. Schlesinger hedges only slightly: "But before I commit myself, I'd like to see a working missile."

The Air Force and Navy are already working on long-range air- and sea-launched cruise missiles. They will probably have good working models before long. In fact, there's little reason to believe that the relatively inexpensive transport aircraft/cruise missile system won't be ready by the time the B–52 needs to be retired. In that case, the B–1 will be obsolete, at least in a cost sense, before it even gets into service.

Even at $84 million, however, the B–1 isn't the most expensive plane that's in this year's budget. That honor belongs to the $111-million Airborne Warning & Control System (AWACS), known in some Pentagon circles as the BBO, which is The Boeing Bail-Out.

The original idea behind the $4-billion AWACS program was to build a long-range "look-down" radar into a Boeing 707 and use it to detect Soviet bombers attacking targets in the U.S. and Canada. Unfortunately, just as the tremendous technical problems of building the radar and its computers into a 707 were solved, the Defense Department concluded that the Soviet bomber threat was not all that serious after all. The AWACS became a plane in search of a mission.

After a little head-scratching, the defense spenders found a "mission." The AWACS was to be deployed in Europe, where its radar and computers would be used to coordinate NATO's tactical air forces. This would be a useful function for some plane to perform—but many doubt the AWACS could do the job.

Charges one defense analyst, "It was a classic case of taking something designed for one mission and trying to get it to perform another." Early this year the General Accounting Office attacked the AWACS in an Air Force-censored report. The report pointed out that the Soviets are already able to jam AWACS' radar, and that the large, slow plane would be very vulnerable in any serious European conflict.

THE SHORTEST DISTANCE?

It would be unfair to place all the blame for poor management on the Pentagon. Some of the worst examples of waste are systems forced on the military by congressmen pushing their own whims or their constituents' products.

Last year, for example, the powerful Texas congressional delegation wanted the Air Force to spend $300 million to buy LTV's A-7 attack aircraft and General Dynamics' F–111 fighter-bomber.

The Pentagon, however, did not really want the planes. The A–7 had been proved by field trials to be less cost-effective than the new A–10. The F–111 was one of the great procurement disasters of the Johnson Administration; military men really wanted the program to come to an end. Whatever their other faults, though, the planes had one great virtue in the eyes of some congressmen: They were built in Texas.

Congressmen are frequently unwilling to support economy measures proposed by the Defense Department civilian leadership. They tend, for example, to support the closing of military bases anywhere but in their own districts.

The Trident ballistic missile submarine is a good example of congressional gold-plating. These $500-million boats were designed to replace the aging Polaris submarines. Last year, appalled by their cost, Secretary Schlesinger came up with a $350-million alternative design: the SSBNX submarine.

Congress didn't take the hint, and decided to continue the Trident program. "I can't understand it," Schlesinger commented to Forbes. "I suppose strategic nuclear forces have a certain fascination."

It would be easy to conclude from these examples that Pentagon procurement is a hopeless mess. There are, however, some encouraging signs of rationality creeping into the system. While he was Deputy Secretary of Defense, Hewlett-Packard co-founder David Packard managed to get the idea of efficiency and cost-consciousness into some brass-hatted heads. According to Schlesinger, "A lot of the credit for the introduction of an inexpensive, effective lightweight fighter belongs to Dave Packard."

LEAVE MANAGERS ALONE

Packard, now back as board chairman of Hewlett-Packard, says: "I came to the conclusion that the only way out of these procurement problems was to put good men in charge of programs and leave them alone. The Pentagon and Congress were just getting too involved in detail. The contractors should be given a relatively simple set of performance specifications, and then left to compete over putting together the best system. The lightweight fighter is a good example of how this system can work."

Despite some success, though, Packard eventually resigned his job, frustrated by the Potomac paper wars. As one Assistant Secretary of Defense puts it: "The trouble with Dave Packard was that he thought the shortest distance between two points was a straight line."

Since taking over the Department in 1973, Secretary Schlesinger has been doing some straight-line thinking himself. His "new products manager," Director of Defense Research & Engineering Malcolm R. Currie, is doing his best to keep sophistication-for-its-own-sake out of future weapons programs.

Currie and some career military officers are pushing the development of affordable weapons. "I'm convinced," Currie told Forbes, "that we can arrive at new systems that are high-quality, but that aren't so elaborate. We're also looking at the weapons we already have and what we can do to stretch out their useful lives."

That sounds like ordinary common sense, but it's a revelation to a lot of people in the defense business. Economy-minded defense managers have already had some successes. Several new systems are coming into production that were "designed to cost"—contractors were actually forced to count their pennies like the rest of us.

The new F–16 lightweight fighter Dave Packard thinks so highly of is one example of a weapon designed with tight budgets in mind. So is the Fairchild A–10 attack aircraft. Both of these are effective weapons, despite the fact that the contractors were forced to work with limited budgets.

There are also new weapons developments that are actually *cheaper* than the systems they'll replace. For example, expensive, manned combat and reconnaissance aircraft may be partly replaced by "remotely piloted vehicles" (remotely controlled planes). Not only are the RPVs cheaper, since they don't need all the life support equipment of a manned plane, but they can maneuver better and stay up longer. Teledyne Ryan's new Compass Cope reconnaissance aircraft can stay in the air for over 24 hours, since it has no human pilot to tire out.

Which contractors will be helped by the shifts in defense technology and which ones will be hurt? The answer is obscured by the Pentagon practice of handing out contracts more on the basis of its traditional suppliers' need for business than their efficiency and cleverness.

A shift toward cost-conscious contracting and larger numbers of cheaper weapons could actually *help* the defense industry. In recent years companies such as Grumman and Lockheed have had their profit margins eaten up by the gross inefficiencies in their military programs.

Better controls could clearly work to their advantage as well as the Government's. Also, since the real money in defense contracting is in programs with long production runs, inexpensive weapons that can be made in large quantities could improve defense contractors' returns on equity.

BUDGING THE BUREAUCRACY

However well-intentioned, Schlesinger, Currie and their allies are a very thin layer on top of a frequently unresponsive bureaucracy. As one Washington observer puts it: "Schlesinger is probably the best prepared Defense Secretary we've had, but he hasn't really been able to take control. He really needs stronger top and middle management."

It takes time and political support to build that kind of organization. Schlesinger lacks both: Defense Secretaries come and go, but the bureaucracy and military-minded congressmen seem to go on forever. As Schlesinger points out: "I'm working now on 1980 weapons procurement programs that were initiated in 1965." If he follows the pattern of most Defense Secretaries, he'll be leaving in a year or two. Under those circumstances, it's hard to give the Pentagon machine more than a slight push in the right direction, whereupon it usually slips back. In the meantime, as Schlesinger himself laments, "I am devoting 80% of my time talking with Capitol Hill and with the press."

There is more at stake here than money. The basic problem with nearly all defense establishments is that they are not in a competitive business. Waste, politics as usual, bureaucracy and empire-building don't seem to matter much in the military—not, that is, until the moment of truth arrives on the battlefield. And then it is too late. Congress will do well to remember this when it finally

makes up its mind on the defense budget this year.

PROSPECTS FOR VIETNAM

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HARRINGTON. Mr. Speaker, one of the major points of contention during the current debate over Vietnam aid and evacuation has been the question of what the North Vietnamese and the Vietcong can be expected to do, both politically and militarily, in view of President Thieu's resignation.

Robert Shaplen offers some valuable insights into this question in a "Letter from Saigon" that appears in the April 21 issue of the New Yorker.

I am inserting the first half of this article in the RECORD at this time for the attention of my colleagues. The text follows:

LETTER FROM SAIGON

APRIL 14.

This capital of a lost cause, fatalistically awaiting the climactic hour of the thirty-year Indo-China war, can, at best, become a hostage for peace on predominantly Communist terms if the inept and unpopular Thieu regime is replaced by one that is prepared to negotiate and avoid further carnage. It is generally agreed here that the sooner this happens the better. The mood of the besieged city, now one of benumbed resignation, could easily give way to the panic and hysteria that marked the collapse of Danang and other cities in the past month if the Communists choose the option of outright capture—or simply if, as seems even more likely here than it ever did elsewhere, angry and despairing soldiers and citizens, with nowhere to flee, turn into rioting mobs and vent their spleen on each other and on the six thousand Americans nervously anticipating evacuation.

If one can believe what the Communists are saying in broadcasts from Hanoi and from the headquarters of the Provisional Revolutionary Government of South Vietnam, they would now prefer to resort to political methods, by carrying out the terms of the Paris peace agreement of January, 1973—which, under the present circumstances, would soon produce a coalition government that they would readily dominate. Among other reasons for this expressed preference, the North Vietnamese have world opinion to consider, and the use of naked force, beyond limited efforts to intimidate Saigon's population by means of rocket and artillery attacks and street bombings, would very likely offend even their Russian supporters, who have quadrupled their aid to Hanoi since the first of the year. Hanoi (not to mention Peking or Moscow) is itself admittedly astounded by the swiftness of the Communist advance—or, more precisely, of the Thieu government's collapse—and there are some signs that the North Vietnamese leaders want to go slow and consolidate their grip on the major cities and the huge portions of the countryside they have captured: the whole including a vast human flood that by now amounts to a quarter or a third of the South's population of nearly twenty million.

If the Saigon government chooses to fight, however, the Communists won't hesitate to use part of their tremendous force of some three hundred and fifty thousand—which, as a consequence of last month's debacle, is more than twice as large as the remaining units of the thoroughly demoralized and disorganized government forces—to seek a military solution. If that should happen, the conflict could quickly degenerate into chaos, both in the Saigon area and in the Mekong Delta, with whole battalions and regiments surrendering or deserting and others mutinying or fighting on without direction.

The final outcome will undoubtedly be the same in either case, for at this moment there seems little or no hope that the government can significantly turn the tide. The most it can do, with the stocks of ammunition and other supplies it still has, is to bargain for time militarily while it tries to create a political framework for negotiations—and a good part of those supplies are bound to be blown up by Communist rockets and shells poured into government supply areas such as the huge ones at Bien Hoa and Long Binh, just north of Saigon, even as the United States frantically rushes more ammunition previously allocated by Washington and now in transit. Any additional American aid (in the unlikely event that Congress should respond at all to President Ford's newest request) would serve no purpose in the absence of strong concomitant American pressure on President Thieu to prepare for negotiation—most realistically, by removing himself from the scene. So far, there seems to have been little or no progress in that direction. A number of ranking South Vietnamese military officers, led by Air Vice-Marshal Nguyen Cao Ky, the former Vice-President and Prime Minister, and General Cao Van Vien, the head of the Joint General Staff, are eager to form a new staff committee to rally the forces that the government still has at its command—roughly seven divisions, or half of what it had a month ago. But these men have not proved capable, individually or collectively, of forcing the stubborn hand of Thieu, who has persisted in issuing orders personally as Commander-in-Chief. In a recent speech, he blamed everyone but himself for the March rout of government troops in the northern and central parts of the country, but it was he who was in fact largely responsible for the confusion that led to panic and flight in the Central Highlands and then in the Hue-Danang region, with the ensuing collapse of the northern and central coastal provinces. "The President treated his corps commanders like corporals," one chagrined staff officer told me. "No wonder we fell into chaos."

As the generals have made it increasingly clear, privately and publicly, that they want Thieu to resign, or, at least, to delegate his military powers to them, a growing number of opposition politicians, representing a wide spectrum of political and religious opinion, have joined forces in calling for Thieu to quit, or, at least, to step into a figurehead role and allow them to form a so-called Peace Cabinet, which the Communists would find acceptable as a negotiating body. Sooner or later, something like this is likely to happen: the danger is that the process will take too long. Thieu's response so far has been a typical one: he has just listened impassively to the arguments of these groups and pretended to agree about the need for a strong new governing body, and has meanwhile arrested those he regards as most bothersome and has employed others as instruments for scaring off the opposition leaders, both military and political. Early this month, he named as his new Prime Minister the mediocre, if pleasant, Nguyen Ba Can, who until now has been the Speaker of the House of Representatives, and who is functioning as a mere mouthpiece for the President. The continuing confusion and indecision—a state of affairs, endemic to South Vietnamese society, which the French here used to call immobilisme—serve the Communists' purpose as they draw the noose tighter around the capital. They are adamantly insisting that Thieu retire completely from the scene, and are intimating that they also want all—and they emphasize *all*—Americans out of Vietnam, before they will consider any talk of peace. The latter condition seems more likely to be imminently met as one ponders what President Ford really meant by setting an April 19th deadline for congressional action.

The official American establishment, belatedly preparing an evacuation plan and talking vaguely of arranging to get as many as two hundred thousand Vietnamese "friends" out of the country, without having any idea of how this can be done logistically, is in a schizoid state. Over many years in Vietnam, I have from time to time reported varying schools of thought in our Embassy—including anti-Washington views, expressed by some who were regarded officially as "young Turks"—but for the most part the prevailing view has solidly favored backing whatever government was in power here, however ineffective and corrupt—for the last eight years, Thieu's. Now, as Thieu's star is ingloriously fading, and the last hopes that the Vietnamese could put up a good fight against the Communists have been blasted, Americans who have been here for several years are wringing their hands. "Have we been kidding ourselves about the abilities of Vietnamese soldiers?" one of them asked ruefully—and, it seemed, rhetorically. "We should have asked ourselves long ago how an army can go on functioning when it is simply a business organization, in which everything is for sale, from what you eat to a transfer or a promotion. We never encouraged the Vietnamese forces to fight aggressively, to take the offensive. We fought the war for them and made them overdependent on air support. We prepared them for conventional war when the Communists were fighting unconventionally, and then, when the Communists finally adopted conventional tactics, the South Vietnamese didn't know what to do. The fact that they have no leadership is largely our fault; we made them followers, so successfully that even the soldiers who were willing to fight got killed or wounded as a result of incompetence, or lost by default. The North Vietnamese have succeeded because their generals and their officers are leaders."

Politically, American policy here is bankrupt. Too late—far too late—the more realistic American officials have come to admit that Thieu must go. But most of them would still like to see him "phased out" in polite stages, and that is simply not feasible if lives are to be spared. Hanoi and the Provisional Revolutionary Government, having checkmated Thieu's government militarily and satisfied themselves that the Americans are not going to start bombing again, and that no more aid, or not enough, will be forthcoming, are now in a position to checkmate Thieu's government politically, too. Most South Vietnamese, including many friends of mine who have been opposed to Thieu for years, still plaintively maintain that only the Americans can tell Thieu to leave. What these people do not realize is that Thieu, seeing the handwriting on the wall, cares far less than he once did about what the Americans tell him. He feels he was betrayed, in the first place, by the Paris peace agreement, which we made him sign, and then by the failure of the Americans to live up to our promises afterward—especially our failure in recent months to replace his lost weapons and other equipment on a one-to-one basis, as originally specified in the agreement. Whatever merit there is in his case against the Americans, he seems determined to hang on as long as he can. His attitude and that of his ever-dwindling but still

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busily scheming entourage is simply one of *"Aprés moi, le déluge."*

The net effect of this, in both the Embassy and the Presidential palace, is catatonic. But in recent years, and especially the past year or two, I have increasingly come to feel that everything that happens in Vietnam is phantasmagoric, and that it has all happened before—all, that is, except the vast human tragedy now unfolding. And even this, of course, has been going on for a long time, at a different tempo, but now, at the moment of abject defeat, the futility of everything that has taken place here is being driven home more sharply by the frantic flights for survival, the pell-mell surges of huge numbers of refugees in every direction, the hasty dispatch of orphans abroad—climaxed by the awful air crash outside the Saigon airport—and, in general, the separation and destruction of whole families of innocent city folk and country folk as anger and bitterness have suddenly boiled over.

Compassion, cynicism, and fatalism are oddly mixed in what is happening—and there has been a blinding revelation of the South Vietnamese character, which was always so difficult to define, because it was compounded of many varying qualities, stemming from regional, religious, and political differences, and was seemingly possessed of a hopelessly divisive spirit. The North Vietnamese, less burdened by these handicaps, organized themselves effectively, after 1945, into a Communist state under the astute and tough leadership of Ho Chi Minh and his small group of dedicated lieutenants. The Southerners, forced to accommodate nearly a million refugees from the North after the end of the French Indo-China War, in 1954, never really mixed well with the newcomers or understood their differing psychologies and motivations. All of the people here, whether indigenes or newcomers—Buddhists, Catholics, the tribal mountain people, members of the main Southern religious sects, the Hoa Hao and Cao Dai—constantly suspected and opposed each other, socially and politically. The only thing they had in common was the urge for survival, which, as time has proved, has no common national denominator. "None of us has any pity anymore," one of my close Vietnamese friends has remarked to me.

Another Vietnamese friend, who has traveled around the country for years, in and out of contested and Communist areas as well as within Saigon's territory, sat in my room for an hour the other day and kept shaking his head and muttering the single word "Bizarre." Some of Thieu's bitterest opponents have now simply disappeared, and when I asked one of those who were still free how many such people had so far been apprehended, he replied, with a grim smile, "The latest official figure is one." A young deputy minister recently brought back from Paris to serve here—an example of the sort of well-trained and zealous bureaucrat-scholar who should have been employed by the government years ago—said with little visible emotion but with an uncertain smile, "I'm really very young." He didn't have to complete the sentence by adding "to die."

The South Vietnamese, being a poetic and romantic people, are talking more and more about "loneliness." And one of them, sitting in the cafe across the street from my hotel, a cafe that has always been a fount of rumors and of considerable information as well, commented, "There is nothing behind me, nothing on either side, and what I see in front I can neither face nor defeat." Such feelings of helplessness are nevertheless complemented, for the most part, by a resigned determination to stay here and see things through.

The only people who have fled so far are, inevitably, those with a lot of money. (A passport and an exit visa cost ten thousand dollars in bribes at the current black-market rate.) People who have worked for the Americans or have been closely associated with them will be among the first to be punished, perhaps killed, by the Communists—and there seems little we can do to get them all out in time—but they are rationalizing their fate without much bitterness or self-pity. "There is no longer any justification for our lives," said another man at the cafe table. "The fact that we are still alive doesn't mean anything." The father of a family of Northerners living here, who has been politically active all his life and is under police surveillance, and who will surely be in deeper trouble when the Communists come, said recently, "We can only expect the worst and hope for the best. My wife and I are unimportant, but I hope someone will take care of our children." He added, not looking at me, "Unfortunately, they are not orphans."

Perhaps the strangest thing is that, until one really looks beneath the surface, daily life in Saigon continues much as before. For a few days, there were lines of people in front of the banks to withdraw money, but these disappeared when the government announced that cash was plentiful. (It could simply print more banknotes if it had to.) Rumors that foreign embassies were issuing visas have sent crowds scurrying to their doors like lemmings, but when the reports have proved false the people have returned impassively to their jobs. Thousands of *cyclo* drivers have been banished from the streets by the police, who claim that many were Vietcong agents, but the hordes of cars, Hondas, and bicycles continue to jam up, and the sidewalks are awash with the usual pedestrian flow, including scores of beggars, homeless children, and prostitutes (the ranks of the last now suddenly and puzzlingly augmented by younger and prettier girls). The restaurants are fuller than they have been for several years, because of the influx of foreign correspondents. The flower stalls are still open, though the flowers are less plentiful and seem to fade more quickly. The city responds to a crisis—as it always has—with hidden reflexes, and then lapses back into its ordinary pace. On the morning of April 8th, when a lone dissident pilot in an American-made F-5 fighter-bomber zoomed low and dropped bombs alongside the Presidential palace—coming nowhere near Thieu, the obvious target—the crowds watched in fascination, took momentary shelter in doorways, and were back at work within five minutes. An hour later, when public loudspeakers blared the announcement that a twenty-four-hour curfew had been imposed by the palace, people took their time going home, and at three o'clock, when the curfew was suddenly lifted, they all came out again. "Saigon is the only city in the world where a twenty-four-hour curfew lasts five hours," someone said.

For the Communists, who are reported to have several hundred sappers and other agents already hiding in the city and perhaps five thousand more planted in the outskirts, Saigon remains the final plum to be picked, the symbol of all they have fought for so long to defeat. For them, things have come full circle. Thirty years ago, in August and September of 1945, they briefly held this capital, until British occupation troops, followed by the returning French, threw them out into the jungle, and the guerrilla war started. When I first arrived here, in June, 1946, the guerrilla leaders I spoke with were convinced that they would eventually take over the whole country, but I doubt whether any of them—and most of them are probably long since dead—realized that it would take so long and cost so many hundreds of thousands of lives, Vietnamese, French, American, and Korean, among others. Certainly none of them could have imagined that victory would be won by the sort of modern war machine since fashioned by Hanoi with the help of the Communist powers.

Vietnamese and Western analysts believe they have pieced together the present Communist plan of action, which one expert has described as "aggression by improvisation." As far back as last August, the analysts say, the Communist command in the South, known as COSVN (Central Office for South Vietnam), began formulating a long-range plan for what then appeared to be a limited general offensive, and in November and December the Hanoi top command sorted out the options more carefully at a meeting of the Twenty-third Party Plenum. The plan as it was set forth had three phases. The first phase was a series of attacks in the Delta and against the province of Phuoc Long, northeast of Saigon. It was decided that the attackers should move carefully, and that the American response should be closely observed. Phuoc Long fell early in January—the first of eighteen South Vietnamese provinces to be captured thus far. The reaction in Washington was far less strong than the Communists had feared. Two weeks before Phuoc Long was taken, General V. G. Kulikov, Chief of Staff of the Soviet Armed Forces, visited Hanoi, and the Russians then determined on a four-fold increase in military aid. The top North Vietnamese command, led by General Vo Nguyen Giap and his deputy, General Van Tien Dung, with Dung directly in charge of the campaign, ordered the start of their second phase—an attack on the city of Ban Me Thuot, in the Central Highlands. The battle there began before dawn on the tenth of March. Some of the government troops fought well—most notably one regiment of the 23rd Division—but the city fell to the Communists in three days. A retreat eastward to the coast began in orderly fashion, mostly in trucks and cars, and on the first day eighty miles was covered. But the retreat bogged down fifty miles from the coast, where a bridge that had been damaged several years ago had to be repaired. With food and water short, fighting broke out between undisciplined government Rangers and local townspeople. Then elements of the 320th North Vietnamese Division began pouring artillery fire into the rear of the column, and panic started. Many people were killed or wounded, and it took the stragglers a week to cover the fifty miles to the coast; huge amounts of equipment, including tanks and guns, were abandoned.

END MANDATORY RETIREMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FINDLEY. Mr. Speaker, H.R. 2588, a bill to end mandatory retirement and all other types of age discrimination in employment for those over 65, has been gaining increased support during the past months. Private individuals, members of labor unions, businesses, and Government employees, across the country have contacted me concerning the bill. Their comments differ but they follow the same theme, "it is about time" and "it is only fair."

There are at least 41 of my constituents who agree that it is about time something was done to end the most flagrant and widespread form of discrimination

remaining in this country—mandatory retirement.

They are:

COSPONSORS OF MANDATORY RETIREMENT

Bella S. Abzug (N.Y.).
Jonathan B. Bingham (N.Y.).
George E. Brown, Jr. (Calif.).
Yvonne Brathwaite Burke (Calif.).
Dominick V. Daniels (N.J.).
Edward J. Derwinski (Ill.).
Christopher J. Dodd (Conn.).
Thomas J. Downey (N.Y.).
Don Edwards (Calif.).
Joshua Eilberg (Pa).
Glenn English (Okla.).
Daniel J. Flood (Pa.).
Harold E. Ford (Tenn.).
Mark W. Hannaford (Calif.).
Michael Harrington (Mass.).
Augustus F. Hawkins (Calif.).
Margaret M. Heckler (Mass.).
Andrew J. Hinshaw (Calif.).
Elizabeth Holtzman (N.Y.).
Henry J. Hyde (Ill.).
James M. Jeffords (Vt.).
Edward I. Koch (N.Y.).
Robert McClory (Ill.).
Paul N. McCloskey, Jr. (Calif.).
John Y. McCollister (Nebr.).
Parren J. Mitchell (Md.)
Joe Moakley (Mass.).
Stephen L. Neal (N.C.).
James G. O'Hara (Mich.).
Claude Pepper (Fla.).
Albert Quie (Minn.).
Charles B. Rangel (N.Y.).
Robert A. Roe (N.J.).
John Rousselot (Calif.).
Patricia Schroeder (Colo.).
Alan Steelman (Tex.).
William F. Walsh (N.Y.)
Henry Waxman (Calif.).
Timothy E. Wirth (Colo.).
Lester L. Wolff (N.Y.).
Antonio Borja Won Pat (Guam).

ADDED PROTECTION FOR COASTAL FISHERIES NEEDED

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. YOUNG of Alaska. Mr. Speaker, as the International Conference on the Law of the Sea draws to another inconclusive close in Geneva, the attention of the Congress should return toward action on several bills to protect our depleting fish stocks and insure the continued viability of our fishing industry.

Foreign participation in the American fishing industry has had a demonstrable effect on the fishermen in the State of Alaska. The following articles appeared in the Baltimore Sun on the 20th and 21st of April. They graphically depict the expansion of foreign influence into both the shoreside canneries and the harvesting of fish stocks upon which the Alaska fisherman must depend for his livelihood.

The articles follow:

[From the Baltimore Sun, Apr. 20, 1975]

FOREIGN FLEETS' HUGE CATCHES IMPERIL FUTURE OF U.S. OFFSHORE FISHERIES

(By Stephen E. Nordlinger)

WASHINGTON.—After years of neglect, the government is moving gingerly in an attempt to halt the continued rape of offshore fisheries by mammoth foreign fleets operated mainly by Soviet and Japanese fishermen.

Government officials warn that unless stringent conservation steps are taken immediately the fish resources in the Atlantic, already seriously depleted after decades of abuse, will be beyond repair and the once plentiful stocks off Alaska will be gone.

These officials fear that both these ocean storehouses may become unavailable to meet the world's pressing need for food. Fish experts are detecting signs of a transfer of the huge fishing fleets from the Atlantic, now that it is becoming wasted, to the less depleted Bering Sea off Alaska.

For the first time this spring, U.S. observers are being posted full-time on Japanese crabbing vessels off Alaska to enforce a new agreement that limits the size of catches. A closer surveillance of Russian and other ships also is being undertaken in the Atlantic to enforce an agreement for a sharp reduction in the amount of commercial fishing.

American fishermen are alarmed by the intrusions of the growing number of nations that are sending fleets into nearby waters, especially off Alaska. One government official said these fishermen face "dust-bowl" economic hardship, parallel to the plight of the farmers in the Depression.

In Maine some lobstermen reportedly are carrying high-powered rifles to guard their gear from being shredded by the machinery of the foreign boats.

Fishermen in Alaska are becoming increasingly angry and vocal about the exploitation by foreign vessels of fish and crab resources. A few days ago a 137-foot Japanese trawler was seized by the Coast Guard less than 2 miles offshore in American waters. A fine of $100,000 is being demanded by the U.S. fishermen there.

"We're facing a really tragic decline of groundfish stock, the pollock and perch, and the halibut is about finished from deliberate ravaging," said Bart Eaton, a leader of Alaskan fishermen in the major port of Kodiak, in a phone interview. "This thing has us almost whipped."

A sharp conflict is developing between the fishermen and the State Department over the issue and between the State Department and apparently a majority of Congress. There also are significant differences between the State Department and government officials * * *.

A statement issued last week by the United Fishermen's Marketing Association in Kodiak charged that the State Department had continued "to sanction reckless foreign fishing in Alaska waters." As an example of the problem, the statement said that the State Department was prepared two months ago to negotiate with the Soviet Union a fish quota for the Gulf of Alaska considerably larger than the Russian catch in 1973 and 1974.

The fishermen contend that the State Department, with a host of issues to contend with, gives fishing problems a low priority. The international consequences of any precipitate action apparently often has softened enforcement of U.S. laws and fishing agreements.

Uncontradicted testimony presented last month to a subcommitte of the House Merchant Marine and Fisheries Committee showed that the State Department recently intervened to stop the seizure of a Canadian vessel that apparently violated a U.S. statute designed to reserve the lobsters for American fishermen.

Coast Guard officials testified that there was a "working agreement" that they would contact State Department officials before making seizures of foreign ships.

Some members of Congress, especially from coastal states, intend to force the issue with the State Department this year unless a substantial agreement can be worked out to protect the fisheries at the United Nations Conference on the Law of the Seas in Geneva, which is scheduled to end May 10.

Reports reaching Washington on the progress of the talks are contradictory but congressmen most concerned with the issue are pessimistic. They fear either that there will be no agreement to ratify or, to quote Representative Don Young (R., Alaska) the interests of the American fishermen will be "sold out" by the State Department to get an agreement.

The showdown will come on a bill that would extend the exclusive fishing zone from 12 miles to 200 miles as an interim measure until the U.N. conference works out a satisfactory solution.

This bill passed the Senate last year by a vote of 67 to 27 and never emerged from the House Merchant Marine and Fisheries Committee, reportedly because it was blocked by Representative Leonor K. Sullivan (D., Mo.), the committee chairman.

There is a major Ralston Purina Company factory in her district and the firm has holdings in the U.S. tuna fleet. Out of fear of retaliation by other nations, the tuna interests have opposed the 200-mile legislation. Mrs. Sullivan also supported the views of the State Department, although she is believed to be changing her mind.

Thomas A. Clingan, Jr., deputy assistant secretary of state for oceans and fisheries, says that the unilaterally adopted 200-mile limit "almost certainly would not be recognized by a significant number of those nations fishing off our coasts" and would be a "clear violation" of international law.

Despite this warning, Congress seems ready to extend the fishing zone to 200 miles unless some significant progress is made at the Geneva meeting.

The temper on Capitol Hill is measured by a bill recently introduced by Representative Margaret M. Heckler (R., Mass.) that would invoke an archaic constitutional procedure to grant "letters of marque and reprisal" so that local fishermen would be empowered to seize foreign vessels if their rights were violated and take the case to court.

Government officials most concerned with conserving fish stocks privately support the 200-mile bill although they recognize the enforcement problems that could jeopardize U.S. relations with foreign governments.

Meanwhile, these officials are attempting to improve enforcement of the current bilateral and multilateral agreements despite what they acknowledge to be imperfections.

Not only will observers be placed on Japanese crab boats off Alaska this season but surveillance on a major scale will begin in the Atlantic with teams boarding Soviet and Polish ships to check that catches fall within the agreed limits.

As an example of the kind of widespread violations that have been occurring, Mr. Eaton said that when a U.S. observer was posted on a Japanese boat last summer the Japanese Fisheries Agency reported a catch of 40,000 crabs a day, but on other days without U.S. observation the reported catches dropped to about 22,000.

Some of the unloading of crabs occurs when observers are below deck away from their posts so the size of the catches cannot be detected, he said. Officials of the government's National Marine Fisheries Service confirmed Mr. Eaton's report.

"No shrimp statistics were forthcoming from the Russians for October through December (last year) when in fact 278 vessel-days of shrimp effort were observed by the Coast Guard," said Mr. Eaton, quoting a government research document introduced at the recent bilateral talks with the Soviet government.

The growth of modern fishing fleets with

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trawlers and self-contained factory ships equipped to carry out every phase of fishing operations from detection to processing caused the depletion of the stocks. Entire schools of fish could be sucked up in a matter of hours by some of the foreign ships.

American fishermen, working close to home and unsubsidized by the government, have not developed the advanced technology. As a result, commercial and recreational fishermen catch less than 25 per cent of the fish removed from the North Atlantic.

In the face of a decimation of fish stocks in the Atlantic, a 17-nation agreement will reduce the total allowed catch from 1.2 million metric tons in 1973 to 850,000 this year.

A similar 30 per cent reduction is planned for fishing off Alaska where "there is a serious problem brought about by the overfishing of foreign nations," said Larry L. Snead, of the National Marine Fisheries Service.

The total reported catch in the North Pacific and Bering Sea last year by ships operated from Japan, the Soviet Union, Poland, Taiwan and South Korea, amounted to 4.4 billion pounds, 5½ times the total ever landed in a U.S. port in a single year.

Faced with a potential disaster, Alaska has imposed stringent new limits on fishing by Americans, to the anger of the local fishermen. Last summer salmon fishing and commercial crabbing in Bristol Bay, the state's richest salmon fishery, were halted because of stock depletion. This drastic action may occur again this season.

As a sign of the desperate situation, a new state law severely limits the issuance of new salmon licenses. Young fishermen have to deal in a new market in which licenses may cost as much as $10,000 each.

[From the Baltimore Sun, April 21, 1975]

JAPANESE INROADS IN ALASKAN FISHING PROMPT U.S. INQUIRY INTO HOLDINGS

(By Stephen E. Nordlinger)

WASHINGTON.—The Japanese fishing interests are making growing inroads in the Alaska fishing industry to the consternation of American fishermen there who feel they are being seriously hurt by what they regard as unfair competition.

Prompted by complaints from the fishermen, the federal government is about to undertake an investigation of the extent of Japanese holdings in Alaska fishing and the actual and potential economic impact.

The investigation by the Commerce Department's National Marine Fisheries Service will attempt to determine the size of Japanese investments in fish and seafood processing plants in Alaska as well as in the fishing fleets on the high seas off Alaska.

Some of the major Japanese companies with interests in the plants are also involved in the operation of fishing fleets.

"It's a perfect monopoly," said Representative Don Young (R., Alaska), who transmitted the feelings of the Alaska fishermen to Commerce Department officials and asked for the investigation.

Government experts believe that Japanese holdings in the Alaska fishing industry may be one of the heaviest concentrations of foreign economic interests in any single area of the United States. The Japanese are also extensively involved in the Alaska timber industry.

An article entitled "Japanese Buying More Shares in Alaska's Future," in *Alaska Industry*, a business magazine, begins:

"The economic rays of the land of the rising sun are beginning to shine brightly on the land of the midnight sun."

A new report issued by the American Embassy in Tokyo, "Capital Investment of Japanese Firms in the Alaska Seafood Industry," lists 10 processing companies in Alaska in which the percentage of control by Japanese firms ranges from 25 per cent to 97.9 per cent, with a total investment ranging from $25,000 to $11 million.

This listing is likely to be incomplete, however, because of the limited information on Japanese holdings available to the federal and Alaska governments.

A section of a report on Japanese Investment in Alaska, issued last summer by Alaska State Department of Economic Development, said that the material came from press reports, personal contacts by the Alaska liaison office in Tokyo and the Japanese Fisheries Agency.

At least four of the major Japanese companies with an interest in an Alaskan processing company also operate fishing vessels on the high seas off Alaska.

One of them, Taiyo Gyogyo Kabushiki, Ltd., describes itself as the largest fishing company in the world. The other three are Hokuyo Suisan, Ltd., Nichiro Gyogyo Kaisha, Ltd., and the Kyokuyo Hogel Company, Inc., which operates Whitney Fidalgo Seafoods, Inc., with processing plants in seven Alaska cities.

These companies together operate at least 32 crab catcher boats, 150 trawlers and nine large "mother," or processing ships, according to government figures presented at last year's bilateral talks with Japan. The size of the crab fleet may have changed because of tighter restrictions in the new bilateral agreement.

The dual ownership of the fishing fleets and processing plants forms the basis for the most pointed complaint presented to the Commerce Department for its investigation. The Alaska fishermen charge that they have been effectively blocked from entering major fisheries because of the Japanese "monopoly."

The processing plants in Alaska, in which the Japanese investments have steadily grown in recent years, are equipped to handle only crab, shrimp and salmon.

In effect, this has kept American fishermen from incurring the expense of building the large ships needed to go after the potentially lucrative bottom fish, which includes ocean perch and pollock, both used in fish sticks, a mushrooming worldwide business.

The bottom fish, therefore, have been left mainly to the Japanese and to a lesser extent other foreign fleets. The fish caught by the Japanese are processed outside the United States which then imports fish sticks and other products.

According to William G. Mustard, executive director of the National Federation of Fishermen, the reliance on imported fish has contributed to the country's trade deficit. In 1972, before the impact of the huge oil imports on the deficit, he said that 30 per cent of the deficit stemmed from imports of fish and fish products.

The issue raised by the fishermen is considered crucial to the economy of Alaska which depends heavily on timber and fish, a reliance that will continue after the depletion of the oil reserves.

* * * * *

The harvest of these fish by Japanese ships and other foreign fleets totaled 5.2 billion pounds in 1972, the report said, compared to only 3.2 million pounds by Alaska fishermen.

A statement issued last week by the United Fishermen's Marketing Association, Inc., composed of 185 salmon and crab fishermen in the major port of Kodiak, said:

"How are we ever to develop a bottom fish industry when the Japanese owners know that by encouraging the development of an Alaska bottom fish fleet they are endangering their investment in and the advantage of their own existing high seas draggers?"

"Alaska needs a bottom fish industry. Our predominant fisheries, shrimp, king crab and salmon, are luxury class.

"The market for ocean perch, cod and pollock, on the other hand, is much stabler."

Elaborating on this statement, Bart Eaton, a leader of the association, said in a phone interview: "We don't mind the Japanese ownership of the plants, but we feel that we should be catching the fish and selling it to them rather than paying them for the fish sticks imported into the United States."

The problem posed by the growing Japanese influence on Alaska's economy is also more pervasive. According to Alan R. Hartig, a fishery expert on the congressional staff of Mr. Young, the Alaska fishermen while not resenting the Japanese investment, are bothered that they "no longer have control over their own destiny."

"Alaska does not seem to have anything to say about what's going on," he said. "The decisions seem to be made in Tokyo."

COMMUNISTS MOUNT NEW DRIVE AGAINST DEFENSE SPENDING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in its protracted war against the United States, the Soviet Union strives to neutralize America's defense forces by means of "fifth column" work. The Soviet tacticians work toward an obsolescent American defense force incapable of meeting a future Russian challenge. One of the Russians' chief tactical ploys has been the use of psychological warfare techniques.

For decades, the Soviets have created and developed propaganda campaigns against U.S. defense spending through the Communist Party, U.S.A.—CPUSA—their overt agent in this country. The aim is consistent; slash the defense budget to force a cutback of research and development and a reduction in manpower.

In my Extensions of Remarks, "Inflation and Unemployment: The Communist Party's New Drive," on April 16 and April 18, 1975, I pointed out how the CPUSA has developed a new front, the National Coalition To Fight Inflation and Unemployment—NCFIU—to develop pressure from unionists and consumers for slashing the defense budget to pay for massive Federal job and welfare programs.

Now in coordination with NCFIU's campaign, the Communist Party has activated its "peace apparat" to concentrate its attack on the defense budget aspect.

During March 1975, a call was circulated for a "National Conference for a Drastic Cutback in Military Spending," held April 5–6, 1975, at the LaSalle Hotel, Chicago. The call was circulated by an organization calling itself the National Conference on Military Spending Organizing Committee.

The invitation was extended to—

> Progressives who want to work for a change in national priorities; working people; Black, Brown, Red, white; activists and organizations, national and local—unions, peace organizations, church groups, youth, students, professionals, women, senior citizens, community groups, and others.

Printed by Prompt Press—"Bug 209"—the CPUSA's own organization, the conference call's propaganda line attempted to link inflation and unemployment with the defense budget. The call said in part:

> Which way will it be: 240 B–1 bombers or millions of jobs?
>
> Are you one of the 13 million unemployed?
>
> Is runaway inflation eating up your income?
>
> Is your rent going up and your standard of living going down?
>
> The common enemy of all the people affected by these problems is the military budget of 105 billion dollars * * *.

The call attempts to transfer the blame for the $52 billion deficit from the enormous Government bureaucracy and wasteful giveaway programs to the defense budget which is one of the responsibilities the Federal Government does have to American citizens.

The pro-Russian and pro-Vietcong prejudices of the call sponsors appears in shrill rhetoric concerning Southeast Asia—the call was obviously written before the Communists captured Cambodia—and in the vitriolic denunciation hurled at the now former leaders of Cambodia and South Vietnam.

These progressives seeking a change in national priorities then allege—

> The Department of Defense is now planning production of a new system of nuclear weapons which is triggered to give a first strike capability, particularly against the Soviet Union. In 1976, the U.S. submarine force will be able to launch 5,440 warheads at 5,120 separate targets in the Soviet Union.

Their lopsided concern about U.S. capability to retaliate against Soviet aggression and their lack of concern about Soviet stockpiles is apparent.

Most of my colleagues will certainly recognize the established line of the U.S.S.R. and its international "peace" front, the World Peace Council, in the excerpts of the conference call. However, the section printed below is especially remarkable:

> The Pentagon is piling up more and more weapons of nuclear destruction, which is not only a sinful waste of taxpayers money, but these weapons cannot guarantee security for our country. The serious escalation of the arms race poses great danger for achieving peaceful coexistence and detente and increases the danger of world nuclear destruction.
>
> The military budget is one of the prime causes of inflation, it wastes raw materials needed for productive consumption, it enriches the multi-national corporation, it distorts every facet of our lives, it creates tensions between nations, it keeps the world on the brink of atomic holocaust.

As you see, starkly negative images—"atomic holocaust," "nuclear destruction"—twice—plus "danger," "weapons," "waste," "serious," et cetera—are associated with the hated American defense budget, which they always term a "military"—militant?—budget. Then this negativity is contrasted with positive images of "peaceful coexistence and détente," "security," "ending tension," et cetera.

The call to the Conference for a Drastic Cutback in Military Spending concluded with a sugar-coated call for state control over most aspects of our lives from employment, rents and housing through education, transportation, and medical care:

> We need a 52 billion dollar cut back in military spending—This is the budget deficit. 52 billion from the military could provide:
>
> Millions of jobs at union wages for all unemployed men, women and young people who have never had jobs, mass housing at rents people can afford, integrated education for all children, public transportation at minimum fares, full medical care for all, revitalization of our decaying cities, reconversion from a war economy to a peace economy.
>
> The staggering military budget affects all organizations and individuals and together we can do something about it.
>
> Therefore, we invite you and your organization to join us in Chicago on April 5th and 6th, 1975, to work out together, a fighting national campaign to cut back the military budget, to demand priorities which will be geared to the social welfare and growing needs of the people, to turn this country around toward peace and disarmament.

Following is the published list of sponsors of the Conference for a Drastic Cutback in Military Spending. The identifications which follow the name are those used by the conference coordinating committee. Wherever appropriate, I have added public record identifications of the sponsors' involvements in the Communist Party and its major fronts:

SPONSORS, "NATIONAL CONFERENCE FOR A DRASTIC CUTBACK IN MILITARY SPENDING"

Dr. Ralph David Abernathy, President, Southern Christian Leadership Conference; honorary president of the Soviet-controlled World Peace Council.

Jose Alberto Alvarez, Puerto Rican Socialist Party; a self-characterized "Marxist-Leninist revolutionary vanguard" which receives training and other support from the Cuban Communists.

Herbert Aptheker, Hostos Community College, CUNY, New York; and member of the Central Committee of the CPUSA.

Marcella H. Avnet, President, Baltimore Branch, Women's International League for Peace and Freedom (WILPF); an identified CPUSA member.

I. A. Backer, Hartford, Conn.

Nick Ballas, Union Staff Rep., District Council 48, AFSCME, Milwaukee, Wis.; active with the CPUSA's National Coordinating Committee in Solidarity with Chile (NCCSC).

Mary Peer Beal, Educator, *The Changing Woman*, Portland, Oreg.

Jane Benedict, Chairwoman, Metropolitan Council on Housing; a main organizer of CPUSA's National Coalition to Fight Inflation and Unemployment (NCFIU).

Thais Blatnik, West Liberty College Campus Ministry.

Julian Bond, Senator, State of Georgia; and supporter of SCEF, the New Mobilization Committee and other CPUSA and Marxist causes.

Anne Braden, Southern Institute for Propaganda & Organizing, Louisville, Ky.; an identified CPUSA recruiter long active with SCEF until a Maoist coalition captured that organization late in 1973. Her late husband and comrade, Carl Braden, was also a sponsor.

David F. Bramhall, Economist, Univ. of Pittsburgh, identified member of CPUSA.

Rev. Arthur Cullen Bryant, The Hyde Park Peace Council.

Katherine Camp, Int'l President, WILPF; Philadelphia, Pa.; delegate to World Peace Council Congress in Moscow, 1973.

Ward H. Cann, R.I.-S.E. Mass. District Chairman, United Methodist Church, Division of World Peace, Warwick, R.I.

Fred J. Carrier, Professor, Villanova University; long associated with CPUSA's American Institute for Marxist Studies (AIMS), the American-Korean Friendship and Information Center (AKFIC) and other Communist fronts.

Juan Chacon, Local 890, United Steelworkers of America; long closely associated with CPUSA causes, Local 890 was part of the CPUSA-dominated International Union of Mine, Mill and Smelter Workers, absorbed by USWA in 1967.

Bill Chandler, State Director, United Farm Workers of America, AFL-CIO, Houston, Texas; a union long supported by the CPUSA and other Marxists.

Rev. Peter Hans Christiansen, Unitarian Universalist minister, Los Angeles, Calif.; and in 1971 a national sponsor of CPUSA's National United Committee to Free Angela Davis and All Political Prisoners (NUCFAD).

Robert E. Cole, New American Movement, Amherst, Mass.; NAM lists among its principals that "a socialist revolution will be necessary to solve the problems of the U.S."

Christopher R. Conybeare, Director, Ecumenical Justice Project, Cleveland, Ohio.

Joan Cornell, R.I. Coalition of Labor Union Women, IUE, AFL–CIO, Warwick, R.I.

Sarah Cunningham, actress, Hollywood, Calif.; an identified CPUSA member. [Mrs. John Randolph].

Angela Davis, Co-Chairperson, Nat'l Alliance Against Racist & Political Repression; and member CPUSA Central Committee.

Ossie Davis, Playwright and Director; a consistent sponsor of CPUSA publications, fronts and causes.

Wm. J. Davis, S.J., Director, Jesuit Social Ministry.

Ronald Dellums, Congressman, California.

Demokratia, Progressive Greek Democrats, New York; whose literature supports the positions of the Greek Communist Party.

Arsh Derbabian, Field Representative, Michigan Federation of Teachers, Oak Park, Mich.

Katharine R. DeShaw, Coordinator, Duluth Community Health Center.

Rev. Alvin Dortch, Los Angeles, Calif.; founding sponsor of NAARPR in 1973, an initiating sponsor of CPUSA's National Anti-Imperialist Movement in Solidarity with African Liberation (NAIMSAL), and head of SCLC-West.

Luther H. Evans, President, World Federalists, U.S.A.: a noted "peace activist."

Roger Farmer, Local P500, Amalgamated Meatcutters & Butcher Workmen of North America, AFL–CIO; a union into which the old CPUSA-dominated Packinghouse Workers merged.

Carl E. Farris, Coordinator, Martin Luther King, Jr. Worker's Conference; a participant in the founding of Trade Unionists for Action and Democracy (TUAD), CPUSA's front for the infiltration of trade unions; a delegate to the World Peace Council Congress in Moscow, 1973: sponsor of NAIMSAL and has written for two CPUSA magazines, *Freedomways* and *Labor Today*.

Stanley Faulkner, lawyer, World Peace Council, Int'l Association of Democratic Lawyers; the WPC and the IADL are both international Soviet-controlled fronts as is the International Juridical Association which he also serves. Faulkner's rank in the Communist movement is indicated by his assignment to the legal defense of such important international Communist figures as Mexican David Sequeiros and currently Chilean Communist Party Leader Luis Corvalan.

Abe Feinglass, Int'l Vice President, Amalgamated Meatcutters & Butcher Workmen of North America, AFL–CIO; an identified CPUSA member.

Anne Law Finch, American Federation of Government Employees, Durham, N.C.

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Charles Finch, New American Movement, Durham, N.C.; NAM has been previously mentioned.

Henry Foner, President, FLM Joint Board, Amalgamated Meatcutters & Butcher Workmen of North America, New York; active with PCPJ in the antiwar movement and on behalf of other CPUSA causes.

Lucy Fried, Coordinator, Coalition for Economic Survival, Los Angeles; leader of NCFIU affiliate and former West Coast representative of SCEF.

Barbara Bloomfield Gale, District 1199C, National Union of Hospital & Health Care Employees, Philadelphia, Pa.; a union whose leaders have consistently followed the CPUSA "peace" line.

FR. David Garcia, St. Mark's Church-In-the-Bowery, New York City; supporter of numerous CPUSA, Castroite and Trotskyist communist causes including the Venceremos Brigade, CPUSA's National Emergency Civil Liberties Committee (NECLC), and the Committee for Justice to Latin American Political Prisoners.

Marvin Gentry, Associate Professor, Antioch College, Washington, D.C.

Emily Gibson, writer; a columnist with the Los Angeles Sentinal and sponsor of CPUSA's NAIMSAL.

John Gilman, Milwaukee Coalition to Fight Inflation and Unemployment; identified CPUSA member active in NAARPR PCPJ, and the Chile Solidarity Committee (NCCSC).

Rabbi Robert Goldburg. Temple Mishkan Israel, Hamden, Conn.;

Dr. Carleton Goodlett, Publisher, Sun-Reporter, San Francisco, CA.; an identified CPUSA member.

Rev. Gerard G. Grant, S.J., Loyola University.

Rita M. Gross, Citywide Coalition for Community Control of Police, Milwaukee, Wis.

Wib Gulley, Director, North Carolina Public Interest Research Group; sponsor of NCFIU.

Bishop Thomas J. Gumbleton, Auxiliary Bishop of Detroit, Archdiocese of Detroit.

John R. Hanson, Chairman, Local 189, American Federation of Teachers.

John A. Hammer, Chairman, Holyoke Peoples Party, Mass.

Michael J. Harrington, Congressman.

Craig A. Hart.

Marii Hasegawa, National President, WILPF.

Hugh B. Hester, Brig. General (Ret.)

Calvin L. Hicks.

Esther Jackson, Managing Editor of *Freedomways* Magazine, New York; identified member of CPUSA, editor of CPUSA's magazine oriented toward racial minorities, wife of CPUSA's National Education Commission chairman, James E. Jackson, who is also a leading member of the CPUSA Central and Political Committees.

Eugene Jackson, Retired Teacher, New York; a former staff member of *New York Teacher News*, the publication of the CPUSA-dominated New York Teachers Union.

Lucille Johnson, American Federation of Government Employees; a delegate to the World Peace Council Congress in Moscow in 1973 and a sponsor of Chief Solidarity Committee activities.

Earl W. Keihl, Sr., Int'l Rep., United Furniture Workers of America, York, Pa.; a sponsor of NCFIU.

Rev. Muhammad Kenyatta, Black Economic Development Conference, Philadelphia, Pa.

Rev. F. D. [Frederick Douglas] Kirkpatrick, folksinger, New York.

Ernest T. Koski, Business Mgr., Tyomies Society, Superior, Wis.

Frida Kreitner, Women Speak Out, Cleveland, Ohio; a CPUSA member also active in the Chile Solidarity campaign (NCCSC).

Wilford Krumm, Operating Engineers Local 34, AFL-CIO.

Sylvia Kushner, Executive Secretary, Chicago Peace Council; a CPUSA member active in leading such CPUSA fronts as the CPC, Chicago Committee to Save Lives in Chile [affiliate of NCCSC], and the Chicago affiliate of NCFIU, etc.

Anna R. Langford, Alderwoman, City of Chicago; associated with such CPUSA fronts as the National Lawyers Guild, NAARPR, and a 1973 delegate to the World Peace Council Congress in Moscow and the Chicago Committee to Save Lives in Chile [affiliate of NCCSC].

Dr. Walter J. Lear, Public Health Official.

Franz S. Leichter, Senator, State of New York.

Gaylord C. LeRoy, Professor, Dept. of English, Temple University.

Sol Londe, M.D., Chairman, Legislative Comm. Older Adults Special Issues Society.

James Lustig, Editor, *Hungarian Word*, weekly publication; a well-known CPUSA member and former editor of the *Worker*. *Hungarian Word* has been cited as a "communist controlled" publication.

Peggy Smith Martin, Chairperson, 26th Dist. Citizens Committee, former State Representative, Chicago, Ill.; a founding sponsor of NAAPR, sponsor of NCFIU, etc.

Arthur Mazer, National Chairman, Medical Committee for Human Rights [MCHR]; MCHR has provided aid to many demonstrations called by CPUSA "peace" front organizations and includes CPUSA members on its national board.

Russell L. McKnight, Humanist Association of Los Angeles; whose record of CPUSA support goes back to 194[illegible] when he was a member of the provisional committee of the People's Educational Association, cited as "communist and subversive."

Paul J. McNeil, Jr., R.I. Ecumenical Committee on Basic Human Needs.

Joseph Miller, SANE, Philadelphia, Pa.: SANE has consistently opposed U.S. Defense spending and supported the line of the Soviet Union's World Peace Council.

Charlene Mitchell, Exec. Secretary, Nat'l Alliance Against Racist & Political Repression: CPUSA's front oriented toward the civil rights and prison movements; Mrs. Mitchell is a member of CPUSA's Central and Political Committees.

Anthony Monteiro, Exec. Secretary, Nat'l Anti-Imperialist Movement in Solidarity with African Liberation; NAIMSAL is CPUSA's front for developing support among American Negroes for South African guerrilla groups. Monteiro, once a member of the militant Revolutionary Action Movement (RAM), has been a self-proclaimed CPUSA member since 1970.

Rev. H. C. Mulholland, Greenville Peace Committee, Greenville, N.C.; a founding sponsor of NAARPR.

Shirley Nelson, Peace Chairperson, Fellowship for Social Justice, San Gabriel, Calif.; and sponsor of NCFIU.

Eleanor Holmes Norton, Chairperson, New York Commission on Human Rights.

Howard L. Parsons, Professor, Dept. of Philosophy, Univ. of Bridgeport, Conn.; member of the World Peace Council presidential committee, sponsor of AKFIC, AIMS, NCFIU and many other CPUSA fronts and causes.

Sam Pevzner, Exec. Director, Jewish Cultural Clubs and Societies, N.Y.; the Jewish Cultural Clubs were created from a section of the "subversive and communist" International Workers Order (IWO).

John Randolph, Actor, Hollywood; an identified CPUSA member.

Harold Rogers, Editor, *African Agenda*, Chicago; a sponsor of NAIMSAL, sponsor of the World Youth Festival in 1973, member YWLL Central Committee and writer for *Political Affairs*, the CPUSA's theoretical journal.

Pauline Rosen, National Coordinator, U.S. Continuations Committee, World Congress of Peace Forces [World Peace Council]; member, CPUSA, representative, Women's Strike for Peace.

Murray Rosenberg, Nat'l Coalition to Fight Inflation and Unemployment; formerly active with the Brooklyn Impeachment Coalition.

Gedaliah Sandler, General Secretary, Jewish Cultural Clubs, & Societies, N.Y.; an organization derived from the "subversive and communist" International Workers Order.

Lewis Schipper, Assoc. Professor, Dept. of Economics, Duquesne University.

Emil Senuk, Editor, *Ukranian American*, N.Y.

David & Muriel Shapiro, New York.

Rev. Patrick K. Sieber, Ass't Pastor, St. Anne's Parish, Fair Lawn, N.J.

Arthur Simon, Nutley, N.J.

Jessica Smith, editor, *New World Review*; the *Review* is a cited CPUSA publication; Smith, an identified CPUSA member, is the wife of CPUSA general counsel John Abt.

Philip G. Smith, Voters Organized to Educate (V.O.T.E.), Chicago, Illinois.

Edward J. Sparling, Pres. Emeritus, Roosevelt University.

Dr. Benjamin Spock, New York; "peace activist" and head of the avowedly socialist People's Party; active with PCJP and its predecessors in the "antiwar" movement in support of the North Vietnamese and Vietcong.

Prof. Mark Solomon, Assoc. Prof. History, Simmons College, Mass.

James Steele, Nat'l Chairman, Young Workers Liberation League; newly selected leader of CPUSA's youth arm.

Dorothy R. Steffans, Women's Int'l League for Peace & Freedom; delegate to the 1973 World Peace Council Congress in Moscow.

Bernie Stevens, Organizer, Coalition for Economic Survival, San Marcos, Calif.; CES is a NCFIU affiliate; Stevens is a former district distributor of CPUSA's West Coast newspaper, *People's World*.

Fr. William D. Stickney, Anti-Racism Commission, Christian Peace Conference, St. Louis, Mo.

Dirk J. Struik, Prof. Emeritus, M.I.T.; of Belmont, Mass., a CPUSA member long active in such fronts as the National Council of American-Soviet Friendship (NCASF), AKFIC, AIMS, and now NCFIU.

Percy E. Sutton, Manhattan Borough President.

Rev. Richard E. Symes, Good Shepherd-Faith Presbyterian Church, N.Y.

Karen Talbot, World Peace Council, Helsinki, Finland; a functionary of an international Soviet controlled front and former representative of CPUSA's *People's World* in planning sessions of the New Mobilization Committee.

John Talbutt, Trade Unionists for Action & Democracy, N.Y.; a CPUSA member assigned to penetration of industry.

Ethel Taylor, National Coordinator, Women Strike for Peace; of Philadelphia, a former sponsor of the National Peace Action Coalition (NPAC), a front of the Trotskyist communist Socialist Workers Party (SWP).

Theodore Taylor, Exec. Director, Day Care & Child Development Council of America, Washington, D.C.; a sponsor of NCFIU.

Eleanor Tilson, President, N.Y.C. Coalition of Labor Union Women (CLUW).

Lorenzo Torrez, Chicago Comm. CPUSA.

Helen Rodriguez-Trias, M.D., Lincoln Hospital, Bronx, N.Y.

Edith Villastrigo, Women Strike for Peace; of the Washington, D.C. Metropolitan area and a noted "peace activist" whose opinions are sought by the *Daily World*.

Sidney Von Luther, Pres., Nat'l Coalition to Fight Inflation & Unemployment, Former New York State Senator; also a former organizer for Local 1199, former instructor at the Columbia SDS "Liberation School," etc.

Helen Winter, Communist Party, U.S.A.; secretary of CPUSA's International Affairs Commission and member of its Central Committee.

E. Victor Wolfenstein, Assoc. Prof., UCLA; sponsor of NCFIU.

Judith Wolfenstein; UCLA, sponsor of NCFIU.

Howard Zinn, Boston University, Boston, Mass.; formerly active in the "peace" movement with CPUSA's PCPJ and its predecessors.

WALLY PHILLIPS RECEIVES 1975 DANTE AWARD

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ANNUNZIO. Mr. Speaker, I congratulate Mr. Wally Phillips, who will receive the Fourth Annual Dante Award of the Joint Civic Committee of Italian Americans on May 15 at a luncheon in his honor at the Como Inn of Chicago. Wally Phillips is the host of a morning radio show broadcast by Chicago's WGN Continental Broadcasting Co., and he lifts the spirits of an astounding one-half of the total morning Chicago radio audience with his program from 6:30 to 10 a.m.

The Dante Award was established by the joint civic committee, an umbrella organization comprised of more than 40 civic organizations in the Chicago area, to extend recognition annually to an individual in the mass media communications field who has made a positive contribution toward fostering good human relations.

With characteristic enthusiasm and good humor, Wally Phillips has become a leader in good human relations in his work to aid and encourage his fellow Chicagoans each morning on their way to work or at home. Some 500 to 600 people call him each day to ask questions, to chat, or to share their concerns with this vibrant personality.

After service in the Air Force as a supply sergeant, Wally worked as an office clerk while taking night courses at Cincinnati's Schuster-Martin School of Drama. It was at that time that he made some tapes and was recommended as a disc jockey in Grand Rapids, Mich. A year later, in 1948, he returned to Cincinnati to continue his career with two radio stations there in addition to a successful television show. In 1956, WGN Continental Broadcasting brought him to Chicago.

Since that time, Wally Phillips has become a beloved part of our Chicago community. WGN reports that:

> Today the Wally Phillips Show, rated number one in Chicago, ranges from the well-schemed hijinks of an April Fool's prank to a serious, award-winning news format.
>
> Literally extending his domain all over the world via the cooperation of the telephone company, Wally's wit and charm, along with his genuine warmth and vital interest, have urged his listeners to confide in him on every conceivable subject.

Mr. Phillips, in both his public and private life, has dedicated himself to helping people in need and his vitality has inspired his vast radio audience, time and again, to extend their help in his many charitable projects. It is most appropriate that this outstanding Chicago citizen should receive the Dante Award.

Again, I congratulate Wally Phillips on meriting this recognition and honor, and I extend my best wishes to him for abundant good health and continuing success in his endeavors in the years ahead.

TIME FOR REALISM

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BROOMFIELD. Mr. Speaker, world events in recent weeks have caused many people to take a fresh look at U.S. foreign policy. In last Sunday's Detroit News there was a very thoughtful editorial on this subject, and I include it in the RECORD at this time for the consideration of my colleagues:

U.S. FOREIGN POLICY: TIME FOR REALISM

> Secretary of State Kissinger says the Vietnam debate is over and the administration is prepared to accept the will of Congress "without recrimination or vindictiveness." He bows to the inevitable and says there is "grave" need for a cohesive foreign-policy structure. There is a similar need for some realism.
>
> The world now has a new view of the United States. The majority of nations believe the United States failed to keep its commitments in Southeast Asia. The debate in this country about the form and legality of the commitments does not alter that world opinion.
>
> Meanwhile, the world realizes that the disaster in Southeast Asia occurred with the aid and encouragement of the Soviet Union and China. They paid the bill while the native Communists did the dirty work.
>
> The United States must now realize that detente means nothing when it stands astride the path of Communist expansion, although it does have its uses in negotiating wheat deals.
>
> We must recognize that Communist expansion (Soviet or Chinese) is not so much a game of dominoes. Rather, world communism creeps forward like a dark fluid flowing into low places of least resistance.
>
> Sir Robert Thompson, the British expert on inaurgency, says plainly that "detente has been a complete illusion all the way through. We've all been fooled by it." The events tend to bear him out.
>
> Cambodia is gone. South Vietnam is shaky. Thailand, in fear of its life, is striving for neutralism, trying to be the Switzerland of Southeast Asia. The Laotian coalition is nervous. To protect itself, Burma is getting ready to bend like a reed to the political winds.
>
> In the Mideast, Egypt's opening of the Suez Canal will give the Soviet navy a shortcut to the Persian Gulf and Indian Ocean. It is impossible to get any kind of Mideast settlement, not because of the contention of two adversaries, but because the Soviet has seen to it that the adversaries on one side will never agree to common policy. Radicalized nations (Iraq, Algeria) confront conservative regimes (Saudi Arabia, Iran) as much as Arab faces Israeli. Egypt plays for her own convenience.
>
> At the eastern flank of NATO, Greece and Turkey have warred. At the other end, Portugal is turning either Communist or Communist-dominated neutralist. The western flank is crumbling in political turmoil financed by Moscow.
>
> The Communist Party of Italy spats with Moscow, and it would not so do if Moscow were not attempting to control it. The eventual deaths of two aging leaders, Franco of Spain and Tito of Yugoslavia, will precipitate new political turmoil. There is some boiling underground now in those countries.
>
> Defenders of detente say we must have it because the alternative—world nuclear war—is too horrible to contemplate. Recent events suggest that we must strip away from detente some of its imagined powers of magic and treat it for what it is—merely a telephone line to the Kremlin through which we at least may talk with our adversaries. Regrettably, our conversation has been too soft.
>
> What have we to bargain with if we choose to get tough? Sir Robert reminds us that we feed millions of Communists and Socialists. Also, advanced technology is still made in America, as are so many things which improve the quality of life in other countries.
>
> If the United States is to regain its strength in the world, it must extract a better political price for its bargaining chips.

HAROLD HAWLEY

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. WALSH. Mr. Speaker, throughout Central New York and the Finger Lakes people have been saddened by the death of a man known affectionately to many as the area's "Mr. Agriculture," Harold Hawley.

Harold Hawley was a man loved by everyone with whom he came in contact, a man who contributed significantly to the betterment of life and a man who left his mark on the community.

Dr. Hawley's accomplishments in the area of agriculture were well-known. For 28 years, he owned and operated the Gayway Farms in Weedsport, N.Y.

In 1960, Dr. Hawley received the Dairy Farm Efficiency Award from the Ford Foundation. That same year, he toured South and Central America for the Ford Foundation teaching proper farm procedures.

He served as President of the Cayuga County Farm Bureau and also served as vice president of the New York State Farm Bureau. In 1973, the State Farm Bureau gave Dr. Hawley its Distinguished Service Award.

He was a contributing editor for the American Agriculturalist, a farm magazine. Dr. Hawley was president of the American Agriculturalist Foundation and was chairman of the board of directors of Agway, Inc.

His contributions and accomplishments were not limited to the farm, however. Dr. Hawley was a member of the Central Weedsport Board of Education 15 years, serving as president of the board several times.

He also served for several years on the Cayuga County Board of Cooperative Educational Services—BOCES—and the New York State Board of Education.

Dr. Hawley was a trustee and elder of the First Presbyterian Church in Weedsport.

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There is no doubt that Dr. Hawley will be missed, but there is even less doubt that Dr. Hawley—his contributions and accomplishments—will ever be forgotten.

THE ARMENIAN GENOCIDE MUST NEVER BE FORGOTTEN

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BOLAND. Mr. Speaker, the House of Representatives, acting on April 8, 1975, adopted by a vote of 332 to 55 a resolution which designated April 24, 1975, as a National Day of Remembrance of Man's Inhumanity to Man.

The resolution calls on the American people to observe this day in memory of all victims of genocide, but especially those of Armenian ancestry who succumbed to the genocide which began on April 24, 1915.

Although I would have preferred to see even more specific references to the Turks who perpetrated this atrocity, I am happy that the resolution received such large support.

I feel that it is so important that people throughout this country be aware of what happened in 1915, just as it is important for us never to forget the 6 million dead from the concentration camps and other Nazi extermination units in World War II.

Hitler once referred to the 1915 massacre. He boasted:

> Who talks nowadays of the extermination of the Armenians? The world believes only in success.

That could be true today—but for the efforts of Americans of Armenian descent who would not let themselves, and the rest of us, forget what transpired then.

The perseverance which culminated in the House vote earlier this month represents something native and ingrained in the Armenian people—an endurance and a memory which will always win out, because it can outlast persecution and hardship no matter how prolonged.

The turbulent history of the Armenian people has followed an uneven course, largely tragic and marked by long periods of subjugation to foreign rule.

The Armenians were left in peace in their homeland only for relatively short periods, first in the years 189 to 140 B.C., then in A.D. 880 to 1040.

Since the country formed a bridge between east and west, between invading Asiatic hordes and conquering forces of the West, the Armenians were fated to be subdued by and suffer under groups from both sides.

In ancient times Persians, Romans, Arabs, Byzantine Greeks, Mongols, and Egyptian Mamelukes, and in modern times Persians, Russians, and Ottoman Turks, have contended for the mastery of Asia Minor and ruled over part or most of Armenia, holding its inhabitants as conquered subjects.

Early in the 16th century nearly the whole country was overrun and held by the Ottoman Turks.

Since then, with certain shifts of boundary lines between Russia and Turkey, the Turks have continued to cling to a large part of historic Armenian territory.

In the year 1515, when most of Armenia became part of the Ottoman Empire, the majority of the Armenian people were placed under the rule of the sultans.

These new overlords did nothing to improve the lot of the people.

The Armenians, however, made the best of a bad situation and clung to their homeland as firmly as they did to their Christian faith; when the First World War broke out more than 1 million Armenians were still living there.

Then, in 1915, began their greatest national tragedy.

During their long subjection to the Ottoman Turkish rule, Armenians suffered under a series of injustices and racial and religious discriminations.

They were held down by callous and corrupt government officials and subjected to the plundering of unruly Kurds.

They were oppressed and robbed, suffered kidnappings, and were often in danger of their lives. Still they managed to hold together and retain their national consciousness through their national church and their language.

The sense of unity and national aspiration became intense among them by the mid-19th century.

From the 1870's on, many Armenians dared to feel that they were entitled to a measure of freedom, a form of autonomy in their homeland; and they hoped that through the good offices of European governments, or by some aid from these governments, they could attain their goal of self-government.

Meanwhile the Turkish authorities, never admitting the validity of Armenian claims for equality and justice under Turkish law, charged the Armenians with conspiracy and persecuted them.

By the turn of the century, a tense and precarious situation developed for the Armenians.

The Turks were devising their own way of solving "the Armenian problem."

Their plan, as it unfolded early in the First World War, called for the elimination of some 2 million Armenians in the Ottoman Empire through deportation, starvation, and wholesale massacre.

The opportune moment for carrying out such a policy came at the time when nearly all of Europe was in the throes of a life-and-death struggle, and the Armenians could expect no effective help to rescue them from the impending disaster.

Turning a deaf ear to protests made by many neutral governments, and even ignoring the protests of their ally, Germany, the Turks proceeded systematically against the Armenians.

In the first instance of deliberate genocide in modern times, half of the Ottoman's Empire's 2 million Armenians were removed by deportation, contrived famine, and large-scale massacres.

The other half barely survived, some by fleeing abroad to neighboring Persia and the Caucasus, and many hundreds of thousands—mostly women and children—through forced adoption of Moslem faith and submission to servitude in Turkish homes.

Thus the Turks attained their goal, while Armenians paid with their lives for having entertained the elemental idea of human dignity and freedom.

Not an Armenian alive today has been left untouched by these massacres.

Grandparents, mothers and fathers, children, and even newborn infants were murdered without mercy.

Whole families were wiped out with a single blow, and a new word "Genocide," had to be coined to describe the Turks' efforts to destroy an entire people.

When the Turkish leader Talaat Bay gave the signal for the massacre in 1915, he said,

> After this, there will be no Armenian question for fifty years.

Yet, as long as Armenians populate the Earth, there will be—as there has been for 60 years now—a voice calling out for recognition of this crime.

I am pleased that the vote of the House earlier this month showed that 60 years of injustice has at last been recognized.

I am only sorry that it has come so late.

It may, indeed, be too late to right the many wrongs of 1915, but the memory of the unjustified crimes of that year can produce scars in the minds and hearts of all Americans that observe April 24 as a day of rembrance of man's inhumanity to man.

Our greatest hope is that these scars will last, for only the memory which they represent can prevent further atrocities of this kind.

IN REMEMBRANCE OF MAN'S INHUMANITY TO MAN

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BLANCHARD. Mr. Speaker, April 24 has been designated as the National Day of Remembrance of Man's Inhumanity to man. Although this day specifically commemorates those Armenians who were victims of genocide, the significance of this day has a message for us all. As it has been so aptly stated; "Man's inhumanity to man—Makes countless thousands mourn!"

Unfortunately, we have witnessed many times in history where this atrocity was perpetrated—where people were inhumanely slaughtered merely because they were part of a certain nationality, religion, race, or held dear certain beliefs. Americans, for almost 200 years, have espoused the principles of freedom and tolerance. Yes, we have been among the more fortunate peoples of the world. Because we are people with so many differences, we have protected the right of those differences to exist.

However, there are others who are less tolerant; those who feel the way to solve

a problem is to eliminate some sector of the world's population, those who have the need to conquer, and in conquering trample on and brutally slay innocent people.

Let us make it clear to our fellow men that we will never condone the systematic deliberate destruction of any group of people. But let us learn from these wretched experiences and let us not repeat them.

And so to our Armenian friends we say, we remember. To our other friends who have suffered this atrocity we say, we remember. We say, we remember, we suffer with you and we share with you your losses for they are our losses too. We remember your pain and we mourn.

MACOS DENOUNCED BY EDUCATORS

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. CONLAN. Mr. Speaker, most public opposition to the National Science Foundation's social studies course for 10-year-olds called "Man: A Course of Study"—MACOS—has centered around its outrageous content, and the Federal Government's using millions of taxpayer dollars to promote and market this one course for use in elementary school classrooms nationwide.

In addition to this criticism of NSF's aggressive promotion and marketing of MACOS, at a cost to taxpayers of more than $7 million, many educators themselves are distressed by MACOS. They say the course brainwashes children with a dishonest view of man, and that it restricts academic freedom.

One Massachusetts teacher who taught MACOS for a year and rejected the course for these reasons was quoted at length in a column by James J. Kilpatrick in today's Washington Star-News.

I would like to include that column at this point in the Record:

[From the Washington Star-News, Apr. 24, 1975]

EVERYTHING ABOUT GULLS, FISH, BABOONS, AND ESKIMOS

(By James J. Kilpatrick)

Controversy continues over "Man: A Course of Study," the fifth-grade social studies program subsidized and promoted by the National Science Foundation. Some parents love "MACOS." Others denounce it. Some taxpayers defend the expenditure. Others resent it. There seems to be no middle ground.

Mrs. Sheilah Campbell Burgers taught this course of study for one year in the public schools of Sheffield, Mass. Her personal experience carries a ring of bell-like conviction. After one year with MACOS, she writes, "I refused to teach it again." Let me yield the floor to Mrs. Burgers:

"After having read nine teachers' manuals and 31 books, after having seen the 21 course films several times, and after having worked with 75 fifth-graders, I felt that MACOS not only restricted academic freedom but also inhibited the development of my students by presenting a negative, one-sided and dishonest picture of man. In short, MACOS is a brainwash—clever, well-executed, and lethal.

"The method of teaching is inquiry. The teacher asks questions; the student finds answers. This has been a valid method since Socrates, but Jerome Bruner and his friends have developed a new twist. The teacher is not permitted to initiate the questions; all questions come from manuals—and manuals must be followed exactly. All answers are found in course books and films. Outside sources cannot be used because material concerning the course content (the social structure of the herring gull, salmon, baboon, and the Netsilik Eskimo) is understandably nonexistent at the fifth-grade level. Input and output are thereby totally controlled . . .

"How are the children controlled? Bruner knows psychology well. Children are at their most passive, and therefore most receptive, at 10 and 11. The like films, games, role-playing; they like animals and they not only empathize, they identify with them. In a matter of days they speak fluent baboon. They readily learn that the physically strong survive at the expense of the weak. And if they do not learn this from hours of filmed violence, which ranges from the mating rites of herring gulls to the drinking of fresh caribou blood by the Eskimos, they learn by role-playing and games.

"Hunt the Seal is a simulation game; it takes a week to play. The victor must procure enough seals to insure his own survival. He can do this only by 'starving' his co-players . . . The lesson is re-enforced by the story of the old woman who was left on the ice to die because she could not contribute to her society.

"The book word for this is 'senilicide,' a tough word for fifth-graders, but they got it. They approved and defended abandonment of the old woman. At this point I deviated from the manual and asked one of the children what he would call this act in terms of his own culture. He gulped and answered, 'murder.' (I was reprimanded for infusing irrelevant questions into the program).

"Defenders of MACOS insist that the teaching materials give children an opportunity to compare different life styles, to become tolerant of other moral values. The defenders never mention that 10-year-olds have not studied Western civilization, and have no formal world. The only moral values children in MACOS are taught are the moral values of a primitive, nearly extinct tribe—and those of the baboon.

"In terms of tax dollars, the price for MACOS, thus far, is $6.5 million. What is the price in terms of the child of our future?"

OUR TOWN NEWSPAPER CELEBRATES FIFTH ANNIVERSARY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BIAGGI. Mr. Speaker, I wish to share with my colleagues an important event for the journalistic community in New York City; namely, the fifth anniversary of the founding of the Our Town newspaper.

This paper published on a weekly basis serves the residents of the upper east side of Manhattan. In its 5 years it has maintained a standard of journalistic excellence which makes it one of the most widely read and quoted weeklies in the entire city.

Our Town has built its record on the strength of its objective reporting and an outstanding record of service to the community. Our Town has reported numerous community problems and presented them in a responsible fashion so that the appropriate public officials have responded to them, thus helping to improve the quality of life for their readers.

Yet the heart of any newspaper credibility and success lies with their editorials. Our Town and their excellent managing editor, Ed Kayatt, have consistently presented responsible and timely editorials on subjects of importance, and the community they serve look to Our Town for a clear presentation and understanding of the main local issues of the day.

America has been described as a nation of neighborhoods. The daily and weekly papers serving the various neighborhoods are an integral part of community life. Our Town is one of the finest examples of a responsible and effective local newspaper and their wide circulation is a tribute to their efforts. I know the special importance of the neighborhood newspaper in New York City. In many cities their main newspaper serves all communities. Yet New York is a news center onto itself and it is the neighborhood newspaper which must provide citizens with information on important matters of largely local concerns.

Mr. Speaker, this Nation has grown strong partly because of a strong, free, and viable press. Our Town in its 5-year career has proven itself to be an exemplary member of the journalistic community. They have earned the respect and the loyalty of their readers and deserve the congratulations of all New Yorkers. I wish them continued success as they work to complete one decade of service to the people of the city of New York.

WE'LL MISS EDITH VANOCUR, A GREAT WOMAN

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. OTTINGER. Mr. Speaker, I am sad to inform the House of the passing of Edith Vanocur, a great woman. My family and I had the privilege of being her friend.

Edith was a lady of extraordinary richness of interest, life, and spirit. She had great perception about our American culture and the drift of American politics. Through her extensive contacts with the Nation's leaders, she had no hesitation about giving her views and the benefit of her insights. Perhaps because she came from a different culture and lived through the horrors of the Nazi takeover in Germany and Austria as a child, she was able to see our society clearer than many of us could see ourselves.

Her spirit was most manifest during her last days, when knowing she was dying of cancer, she carried on indomi-

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tably, putting us at comfort rather than permitting us to comfort her.

Her friends will miss her. America will miss her. We are all enriched by having been her friend.

Mr. Speaker, I am inserting the very excellent obituary by Marian Burros in the Washington Post of April 15, 1975, at this point in the RECORD:

[From the Washington Post, Apr. 15, 1975]

EDITH C. VANOCUR DIES; FOOD COLUMNIST, COOKBOOK AUTHOR

(By Marian Burros)

Edith C. Vanocur, 51, cookbook author and food columnist for The Washington Post until illness limited her activities, died Monday at the National Cancer Institute in Bethesda after a long illness.

Mrs. Vanocur, a native of Vienna, was sent to England at the age of 15, after the Nazi takeover of Austria. She served in the British armed forces during World War II.

After the war, she became a successful fashion designer for Butterick Patterns in London. It was there that she married Sander Vanocur at the time a reporter with the New York Times.

According to a newspaper article written when Mrs. Vanocur came to Washington in 1957, she was capable of producing "recipes with the same ease as she designs clothes, and with the same spectacular results."

A professional colleague described her interest in food as "contagious," and said, "She possessed a European appreciation of food for its own sake, and a joy in sharing it with others. She was a wonderful cook."

David Brinkley, the NBC newscaster, said, "She probably was the best cook in town."

Referring to Mrs. Vanocur's life as a refugee, Brinkley, who was a colleague of her husband when Vanocur worked at NBC, said: "Her early years were so tough that when her good years came along, it's too bad they were so short."

She and her husband lived at 3155 Highland Pl. NW, with their two sons, Nicholas and Christopher. Their rambling old Cleveland Park house was decorated, according to friends, with the same eclectic creativity she brought to cooking and fashion designing.

She was coauthor of two cookbooks, "Hors d'Oeuvre" and "Booze," and had been working on another before she became ill. Several years ago she conducted cooking demonstrations on the "Today" show.

The family requests that expressions of sympathy be sent to the Sidwell Friends School.

HISTORIC PRESERVATION

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mrs. SPELLMAN. Mr. Speaker, I am introducing legislation today that would amend the Internal Revenue Code of 1954 to encourage the preservation of historic buildings and structures and for the rehabilitation of other property.

Mr. Speaker, Maryland has one of the richest heritages in historic structures and sites in the Nation. Many of these have been well cared for by both the private and the public sectors of our communities. However, some of our rare and valuable examples of historic architecture have been left to the elements and are fast disappearing by neglect. In the name of progress, irreplaceable historical resources in Maryland are being destroyed at an alarming rate. Those that remain must be preserved as a part of Maryland's heritage to be enjoyed by future generations. Such preservation is the mission of this legislation.

Mr. Speaker, I feel that our current system of tax incentives discourages enlisting private funds in historic restoration projects. This legislation would make use of the positive aspects of our Federal tax system so as to preserve historically significant buildings, encourage the rehabilitation rather than the demolition of older buildings in our urban centers; and increase the development of additional open spaces for public use.

Specifically, the bill would amend the Internal Revenue Code of 1954 by limiting depreciation to the straight-line method in the case of buildings constructed on sites which were formerly occupied by demolished historic structures; permitting a taxpayer if he substantially rehabilitated depreciable property to elect to compute depreciation with respect to his pre-existing basis in the building as though the entire structure were first placed in service by him; and permitting a charitable contribution deduction for certain types of transfers which are not presently allowed under the law.

These suggested changes in the tax law are in no way intended to replace local and State governmental decisions related to the proper planning and regulation of land use. Nevertheless, over the long-term, the effect of moving toward equitable tax treatment of historic buildings should result in greater variety and character in the urban environment. It is my belief that more older structures should be retained and renovated. Downtown areas should provide a greater range in architecture as the ages of buildings will be more varied. Smaller older structures should be saved and used where before they might have been converted to parking lots. Residential areas with a high number of rental units should show greater numbers of rental units should show greater numbers of rehabilitated structures. Fewer structures should be abandoned and left to decay.

The historic preservation provisions are intended to provide to the taxpayers strong incentives to save those buildings and neighborhoods of such historical importance as to warrant a place on the National Register. It is estimated that as a result of these provisions increased expenditures will be made to restore and rehabilitate such structures, added efforts will be made to preserve them, and they will become desired structures that will be used and kept in good condition.

More and more Americans are becoming committed to the cause of historic preservation. I hope the 94th Congress will move expeditiously with this legislation designed to achieve that goal.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HARRIS. Mr. Speaker, at April 14 hearings on H.R. 3000 in northern Virginia, a panel of local members of the American Federation of Government Employees endorsed passage of this bill, legislation which would allow Federal and postal employees to more actively and voluntarily participate in politics as private citizens. The national vice president of the 14th district, Major H. Travis, headed the panel and was accompanied by Beatrice Osbia, president of the National Capital Area Department; Ronald Jones, Lynn Dusinberre, and Nathan Cohen. I would like to share Mr. Travis' statement with my colleagues:

STATEMENT OF MAJOR H. TRAVIS ON H.R. 3000

Our organization, the American Federation of Government Employees, appreciates the opportunity to appear before you to comment upon H.R. 3000, a bill to restore to Federal Civilian Employees their rights to participate, as freely as all others in the political life of the nation, to protect Federal Civilian employees from imporper political solicitation, and for other purposes.

I am Major H. Travis, National Vice President of the 14th District, American Federation of Government Employees, AFL–CIO. The 14th District contains 104 AFGE locals and represents upwards of 70,000 government employees in the Washington metropolitan area.

Along with me is Ms. Beatrice Osbia, President of the National Capital Area Department, which is a Council of locals in the 14th District which constitutes representation of over 60% of all the locals in the District.

On behalf of the government employees of this organization in the Washington Metropolitan Area, I heartily endorse the enactment of H.R. 3000 to restore our political rights and privileges as first class citizens.

For far too long we, as government employees, have had our political rights shackled as though chained in denial of our rightful privilege to exercise our personal political options of discretion.

Some people have said that few Federal employees desire more rights to political action. I can tell you this is a wrong conclusion.

All the delegates to our last Convention, in Boston in 1974, voted unanimously in favor of these kinds of changes in the Hatch Act which H.R. 3000 proposes.

Yet, not all of those who voted in the anonymity of that Convention, would sign their names. Why? Fear of reprisal. Many are afraid that someone will even consider that vote at our Convention as itself a violation of the Hatch Act—even though you and I know it is not.

But the fear is there. Federal employees must be freed of that fear. H.R. 3000 would liberate them and make them feel free to enjoy fully their rights of citizenship.

Today we see even many non-citizens, some legally admitted residents, some even just visitors, who participate in many forms in local and state political campaigns while Federal employees are afraid to do so. Isn't that a terrible thing to view? Isn't this a sorry state of affairs?

For too long we have had to sit back and see political figures nominated and then elected into office whom we know to be unqualified and we were unable to do anything about it except cast a vote for the opponent who may be almost as unqualified. If privileged with the ability to form a campaign committee or campaign (as all other citizens) we could have prompted the nomination of candidates in both parties who would have been far more qualified to solve the many problems of our city, state, yes, and even Nation.

In this regard, we could have formed a campaign committee to participate at the grass roots, in the primaries. We could have raised the level of the debate, focused on deep problems as well as given financial contributions to the type candidate who was one of us, at least in spirit; and we might even have had one of us become a candidate for an office fully qualified in knowledge and ability far above those now running.

For too long we have had to stand silent under these adverse conditions, helpless to initiate any actions to combat these unfortunate conditions.

That in itself constitutes our eagerness and enthusiasm in the opportunity to stand befors you tonight on behalf of the over 70,000 government employees represented in this District and state with all the emphasis at my command that, "We support wholeheartedly H.R. 3000 which will give us another deserved right as a first class citizen of this great country of ours.

Should there be any other action that we can initiate to further assure the passage of this legislation, rest assured that every ounce of energy possible to muster at our disposal will be fully utilized in its accomplishment.

That represents our resolve.

Now I should like to submit specific recommendations for possible changes in your Bill, H.R. 3000.

Rather than have the Civil Service Commission adjudicate violations of H.R. 3000, when enacted, we would prefer an alternative body.

The reason for this is that we are deeply concerned that Government employees who will enjoy full participation in the political life of the nation must also be given full protection from any recrimination and retaliation that may result from such participation. We fear this may not happen if the Civil Service Commission is involved.

We recommend that specific mandated safeguards be included in the administration of any law resulting from H.R. 3000. Elements regarding the administration of such law should include:

1. Assurance that the law will be administered in an objective and non-political manner. To achieve this goal, a governing body to set policy and control the overall administration of the law must be kept out of the realm of partisan politics. One method to achieve this goal would be to establish a prestigious independent Political Rights Commission. This Commission should have the bulk of its members selected from outside the Federal Government. Federal employees should be adequately represented on the commission through their unions. The commission should have a small permanent staff.

2. A specific mandate should be designated in H.R. 3000 for the staffing pattern, number, and location of the unit that will administer the law. The unit should be attached to an ongoing agency for administrative purposes only, probably in the Department of Justice with which it should maintain close liaison if prosecutions are needed. The unit should be held accountable only to the Political Rights Commission.

3. H.R. 3000 should provide initially sufficient authorization of funds to administer the law at a responsible level. The appropriations should be kept at authorized levels.

Because politics has become such a pervasive force in Federal government staffing and administration of programs in recent years, we believe that an independent Political Rights Commission with close ties to the Department of Justice offers the best possibility of obtaining a non-political administration of the law and thereby providing maximum protection to Federal employees who may wish to participate fully in the political process of this country.

Before closing, I should like to state that we endorse, of course, the statement made to your committee by the National headquarters of the American Federation of Government Employees. We are very happy that, in this case, you have gone directly also to the grass roots to obtain the views of employees and their representatives at the local level. We would like to be able to say that we have hundreds of affidavits showing that almost 100 percent of the Federal employees want to have the Hatch Act amended. But, as I mentioned earlier, there is a great fear to sign their names. At a convention, when there is no recorded roll call vote, everybody expresses his or her real feeling. But left alone, when the signature may be held against you one day by an inquisitorial administration, that is another matter.

There is only one way to lift this fear—amend the Hatch Act along the lines which you have indicated in H.R. 3000.

I appreciate the opportunity to appear before you with my colleagues and associates in the American Federation of Government Employees. As I said earlier, we will do everything possible to help you enact H.R. 3000 into law. And, finally, we thank you for your Hearing and the invitation you extended to us.

MEET CONGRESSMAN GEORGE E. DANIELSON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ANDERSON of California. Mr. Speaker, a recent issue of the Los Angeles Times carried a feature story which I think does an excellent job of describing our colleagué, the Honorable GEORGE E. DANIELSON. It was written by Times reporter Paul Houston, and I would like to insert this article into the RECORD so that all of the Members can have an opportunity to get to know GEORGE a little better:

REPRESENTATIVE DANIELSON: "THIS IS THE REAL WORLD"

(By Paul Houston)

WASHINGTON.—Looking back on the House impeachment inquiry, which raised him from obscurity to national recognition, Rep. George E. Danielson (D-Calif.) finds that those sobering, burdensome, yet heady days are having a lasting impact on him.

"When I got into impeachment," Danielson reminisced the other day while fighting off a cold, "I let all of the standard political considerations go".

"Whether I was going to be reelected or defeated last November made no difference—although happily I got the biggest vote I ever got (after supporting the impeachment of President Nixon). I was just absolutely going to do the best job I could.

"Well, that has rubbed off a bit. I don't know how long I'll be in Congress, but I know that on any important issue I'm going to take the same attitude. It's one on which you never have to look back. It might be wrong, but at least you're absolutely certain of your position."

A few days later, Danielson's vow of principle before politics was put to the test.

When the House Democratic Caucus voted overwhelmingly to oppose further aid to South Vietnam and Cambodia, Danielson surprised many by voting with the minority.

He said afterward that "very probably" he would vote against further aid if the issue reached the House floor. But his caucus vote, he said, was a protest against trying to "unduly" influence decisions yet to be made by two House committees.

Many colleagues said privately they agreed with him but were afraid to vote that way.

Sixty years old, the ebullient, short-tempered, folksy Danielson represents the 30th Congressional District, which takes in Bell Gardens, Commerce, La Puente, Maywood, Montebello, Monterey Park, Pico Rivera, Rosemead, South El Monte and parts of East Los Angeles and El Monte.

Now in his second two-year term, he previously served as a state legislator, private attorney, federal prosecutor, FBI agent and Navy officer during World War II.

He grew up in Wausa, Neb., the grandson of Swedish immigrants who settled in Minnesota and told him the kind of tales depicted in the movies "The Emigrants" and "The New Land," Danielson says.

Though not the flashiest member of Congress, Danielson attracted attention in spirited sparring with Rep. Charles E. Wiggins (R-Calif.) during the Judiciary Committee's televised impeachment debate, and he often gets off sprightly quotes.

As Gerald Ford headed for the Presidency, Danielson wondered whether the country ought to have "a 40-watt bulb in a 100-watt socket."

Colleagues describe Danielson as conscientious, harworking and thorough—"a detail man," one said—not only in his committee work but also as an assistant Democratic whip, a position that thrust him into House Leadership planning sessions.

But trying to keep up with committee work (he became a subcommittee chairman recently), whip duties and legislative projects has afflicted Danielson with the common complaint of congressmen: not enough time to do everything.

As one consequence, his staff reads and answers nearly all the mail, subject to his quick scanning when he signs outgoing letters (incoming letter is attached).

His outside reading consists only of a handful of newspapers and magazines—no books.

On a typical day, this is where the time goes.

He rises at 6:45 in his 11th-floor apartment in Arlington, Va. His wife Candy lays out his clothes for him "and I just put them on. I'm almost oblivious to clothing. She's taught me to harmonize neckties," he said. The combination this day is a modest blue suit, yellow button-down shirt and narrow striped tie.

Danielson reads the Washington Post over a breakfast of fresh-squeezed orange juice, bacon, eggs and coffee.

He drives the five miles to his office across the Potomac in a 1971 Chevrolet, arriving at the Cannon House Office Building at 9.

It is Thursday, and he goes to a "whip meeting" involving Speaker Carl Albert (D-Okla.), majority leader Thomas P. O'Neill (D-Mass.), majority whip John J. McFall (D-Calif.) and all deputy and assistant whips.

They discuss what bills to put on the agenda for floor action the following week.

"There's a lot of discussion about why in hell do this, why not do it this way, why not get it out earlier, what are the possibilities for dispute, what kind of rule (governing number of amendments and length of debate) will be asked," Danielson said.

He gets back to his office from the meeting at 10:10. He has his secretary type his scribbled whip notes so they can be delivered immediately to the 27 other California Democrats. Then they will have early notice of how to plan their next week.

Leaving his office, Danielson scoots off to a committee meeting, which is starting late, so he makes it on time.

The committee breaks up shortly after noon, when the House goes into session, and Danielson heads for the floor "to get a feel

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of what's going on—how long I can take for lunch."

He eats lunch in a small members-only dining room in the Capitol. The room has a round table, where both Republicans and Democrats eat; a long, rectangular "Dixie table," where Southerners gather, and a triangular table, where Danielson usually sits with moderate to liberal Democrats. He has a cup of soup and a hamburger with coffee—and feasts on generous helpings of political jabber.

Then it's back to the floor, where Danielson, unlike most congressmen, spends most of the afternoon. When votes occur on amendments, he briefs arriving Californians on the nature of the issue.

Danielson reserves all office appointments for late in the day.

"Anybody from home has got an open door," he said.

He also sees lobbyists, but said, "They don't overrun you like they do in Sacramento. Here it's so genteel."

Much of the lobbying comes from representatives of California cities, counties, universities and water districts. Lately, he has been getting a lot of visits from veterans groups and cemetery owners because he is now chairman of the veterans affairs subcommittee on cemeteries and burial benfits. Danielson arrives home at 7, in time to catch the CBS television news while drinking a glass of tomato juice and munching celery and carrot sticks. He rarely drinks, occasionally taking a Scotch and water at a party (although he and Candy don't go out much).

After dinner he watches some television—the former G-man favors detective stories like "Mannix." Other evenings he might read and play a few records. "I like old-fashioned popular music, melodic and smooth," he said. "Remember Russ Morgan?"

He also likes to tinker a bit, whether putting together a short-wave radio kit or replacing a faucet washer. "I find doing things with my hands very relaxing. It's like solving puzzles."

Danielson goes to bed at 11:30 after taking a hot shower. "I sleep like a log," he said.

The congressman visits his district about every three weeks (he is allowed 18 free round trips a year). He likes to hold community meetings where constituents are free to come with their problems concerning Social Security and veterans benefits, income taxes and so on. Recently he held a meeting of all government officials in his district to discuss the energy situation, the economy and other topics.

The trips, however, cause considerable strain. His wife is not entitled to free air fare, and he can't afford to have her make every trip. They live "modestly" on his $42,500 salary and making ends meet is "a photo finish," he says, mainly because they have to rent apartments both here and in Monterey Park.

The trips often force separations lasting from three days to three weeks.

"It's the worst part of the job," Danielson said. "Being apart is not good. Neither of us likes it."

He even hints that it might force him to retire. But he remains exuberant.

"I enjoy the job. It's so much more satisfying than practicing law I can't describe the difference."

To Danielson the greatest satisfaction of his job is that "it is real as opposed to vicarious. This is the real, genuine world, and I have a chance to do something worthy of being remembered. I think I have had some impact. If my hopes materialize on some legislation I've introduced, I'll have a little more impact."

He thinks he had considerable impact in the impeachment proceedings.

"The fact I had been very active as a trial lawyer was one reason I was called upon to play a part," he said. "I had a lot of input on formulating the articles of impeachment. Also, (Chairman, Peter) Rodino used me as sort of a pinch hitter in debate. Things would come up and he'd send me a 3-by-5 slip of paper to jump into it, ad-libbing. It was flattering, and I enjoyed it."

DEDICATION OF ORLANDO, FLA., VA CLINIC

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FREY. Mr. Speaker, on Sunday, April 6, 1975, the Veterans' Administration Outpatient Clinic and Assistance Center was dedicated in Orlando, Fla. This much-needed clinic will serve over 200,000 veterans in 9 east and central Florida counties, and I commend the Veterans' Administration on the establishment of this center.

Only a week after the clinic opened, I had received a letter from a constituent commenting:

> I have not been informed who should receive the credit for the new VA clinic in Orlando, but it is one of the finest facilities for veterans that has happened in a long time. And so much more convenient than going to Tampa. They seem to have a fine staff who can perform all professional services except operations. Veterans are using this clinic in a big way as on Tuesday morning the parking lot was entirely full.

The veterans in central Florida indeed are grateful for this service.

On the occasion of the dedication, we were pleased to have as our speaker Odell W. Vaughn, a fellow Floridian and Deputy Administrator of Veterans' Affairs. I would like to share his remarks with my colleagues:

REMARKS BY HON. ODELL W. VAUGHN

Permit me to convey the sincere regret of the Administrator of Veterans Affairs Richard L. Roudebush that he could not be with you today, and to extend his warm best wishes for a most enjoyable as well as successful dedication ceremony.

I would be less than honest if I did not admit to a large measure of personal satisfaction in representing the Administrator on this memorable occasion. I was privileged to be a happy and proud Sunshine State citizen and booster during the years that I was stationed at our St. Petersburg VA Regional Office and shared with many of you the challenging task of serving Florida's veterans and their families. I shall treasure always the lasting friendships that you permitted me to form during my three tours of VA service in Florida.

Mr. Webster's dictionary tells us that "dedication" means devotion to some work or cause.

I tell you today that no work is more important, and no cause more unselfish, than quality health care for ill and disabled veterans, and courteous, effective assistance in meeting the other needs of our veterans.

It is to this work and this cause that we dedicate this Veterans Administration Outpatient Clinic-Assistance Center and ourselves today.

In doing so, we are accepting the challenge to be worthy of the trust which the American people have placed in the Veterans Administration.

When I say VA, I mean, of course, Dick Roudebush, Odell Vaughn, Dr. Charles Silverblatt, Director of our Orlando Outpatient Clinic and George Christie in charge of our assistance center.

I am certain that in this audience are some veterans who have been to the clinic or center for VA medical or benefits assistance since this facility opened, for business. I earnestly hope that all of you will take the tour that has been scheduled as a highlight of this afternoon's dedication program because it will reinforce and increase your confidence that our nation's most deserving citizens, American's veterans, are receiving the quality VA health care and other assistance which they deserve and which you, the American taxpayers, have said they shall have.

It is not enough that VA medicine today is providing the level of quality veteran patient care in which you can have reassuring confidence.

This outpatient clinic, and I mean the 64 skilled and devoted men and women who will staff it when it becomes fully operational in Fiscal 1976, must and will meet tomorrow's health care needs of the 200,000 veterans in the nine East-Central Florida counties served by the clinic.

I can and do assure these veterans today that their needs of tomorrow will be met promptly, efficiently and effectively.

Most important, these veterans, and all of their comrades throughout America who seek to be healed and helped by the Veterans Administration, will be served with compassionate as well as competent hands.

This is no mere hope.

It is instead, the firm resolve and commitment of the President and the Administrator of Veterans Affairs.

Before exploring briefly the operations and expected accomplishments of our Orlando VA Outpatient Clinic, let me emphasize what I, as former Chief Benefits Director of the Veterans Administration, consider the obvious.

The Assistance Center part of this facility clearly is not as large, in terms of square feet of space occupied, as the medical side, but its activities are very important, indeed essential, to the total welfare of the veterans and their families who must and will look to the Center for such nonmedical VA benefits and services as education and training, home loans, government life insurance, disability and death compensation, pension, and burial allowances.

I am confident that the standard of service excellence called for by the Administrator will be the standard of performance of the highly trained and experienced employees who staff the Assistance Center.

On the medical side, this Outpatient Clinic, as I noted earlier, when fully operational will have a staff of 64 employees, including physicians, nurses and other skilled health service personnel.

It is expected to handle 30,000 outpatient visits in Fiscal 1976. There is little doubt, however, that the number of outpatient visits handled will increase in the years ahead.

The Clinic's Fiscal 1975 budget of $1,253,000 will be increased to more than $1,600,000 in Fiscal 1976.

Disabled veterans requiring hospitalization will be cared for at our Tampa or other VA hospitals. But it should be noted that VA's Orlando Outpatient Clinic now has substantial capability for providing care in a number of specialized medical areas, including cardiology, dermatology, podiatry, orthopedics, prosthetics, physical therapy, ophthalmology and social work.

And this capability is growing.

For example, Dental and Mental Hygiene Clinics, and complete Radiology and Laboratory Services will be fully operational in the near future.

Without question, our new Orlando Outpatient Clinic is a vital part of the total VA health care system, particularly because it helps to fulfill both the promise and potential of VA's ambulatory health care program; namely, to bring the benefits of convenient, quality medical care to veterans *not* in need of hospitalization.

You should understand, and I am sure that you do, that this clinic, or any other single VA clinic or hospital, is only a chapter, if you will, in VA medicine's total story.

Time does not permit me to tell the VA's medical story in detail. But I will give you a brief look at the national picture.

The Veterans Administration is in a stronger position today than it has ever been to provide a record number of veterans with ever-improving hospital and medical care.

The VA health care system is the nation's finest as well as largest health care system.

The requested record-high $3.9 billion funding for VA's hospital and medical care program in Fiscal 1976 is more than 116 per cent greater than the $1.6 billion budgeted in Fiscal 1970. This budget will enable VA to:

Provide inpatient hospital care for more than 1.2 million veterans, an all-time high—nearly 106,000 over Fiscal 1974.

In 1976 we will handle more than 14.7 million outpatient medical visits, also a record high—nearly 2.5 million over Fiscal 1974.

We will operate 20 more Outpatient Clinics and 32 more Mental Hygiene Clinics.

In 1976 the composite VA hospital staffing ratio will be raised to 167 staff for each 100 patients, or 10 more staff for each 100 patients than in Fiscal 1974.

Our 1976 average hospital and medical care employment level of 181,500 is an increase of 9,641 over this year.

VA will train a record 71,000 doctors, dentists, nurses, and other health service personnel in VA's hospitals.

More than $400 million, the highest amount in VA history, for hospital and related construction and modernization has been allocated.

We will spend a record $99 million for medical and prosthetics research.

Our budget includes $357 million for the continued implementation of the Quality of Care Survey recommendations growing out of the Presidentially-ordered agency study, under the direction of Dr. Jack Chase, Chief Medical Director of VA. Supplemental funding of approximately $58 million has also been requested for this purpose in this fiscal year.

Let me conclude my remarks by saying that I fully share the strong conviction of Administrator of Veterans Affairs that service is people and we in the Veterans Administration are in the people business.

This is true of all our operations, but especially so in our hospital and medical care program.

I know that I have laden my remarks with quite a few figures, virtually all of which are record highs.

But we still get back to the fact that the most important element of VA medicine is people.

That's right people.

The veteran patients who will come to this clinic for care and treatment and, their families.

The able and dedicated and compassionate men and women who will staff this clinic.

The businessmen, professional people, suppliers and others upon whom the successful operation of this clinic will largely depend.

And you officials and good citizens of the Orlando area.

It has been said, and it is true, that to have friends and good neighbors, one must be a friend and good neighbor.

I pledge to all of you today that the Veterans Administration will try to be your friend and good neighbor here in Orlando, and will seek always to be a force for good in your great community.

I would be remiss in not pointing out to you, that the clinic will be fully specialized in 1976, the year of our bicentennial celebration. I would like to call to your attention, the two people in military costumes from the year 1776, standing in front of our flags, depicting the spirit of '76.

Thank you for joining us this afternoon for the official dedication of the Veterans Administration Outpatient Clinic and Assistance Center here in beautiful Orlando, Florida.

FINANCIAL STATEMENT OF REPRESENTATIVE RONALD A. SARASIN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. SARASIN. Mr. Speaker, I believe that in these difficult times an extraordinary effort must be made to restore public confidence in government. The people must know that the great majority of their elected leaders abide by the highest standards of integrity and citizenship. I am, therefore, reporting to you, to my colleagues in the House, and to the general public, the information contained in my 1974 Federal income tax return.

I filed a joint return with my wife, Marjorie, who was not employed during 1974. Total income received by us from wages and salaries during the year was $42,500, consisting entirely of my regular congressional salary. Other income consisted of $1,158 in delayed compensation from the law firm from which I resigned prior to taking my seat in Congress—payment for legal work performed prior to 1973—dividend and interest income of $242 and $678 for the sale or exchange of capital assets—real estate. This amounted to a total income from all sources of $44,578.

Unfortunately, my share of the loss in a real estate venture entered into in 1971 came to $21,938, reducing actual income on line 13 of form 1040 to $22,640.

My deductible congressional expenses exceeded the amount I was reimbursed by $2,622, reducing my adjusted gross income to $20,018. There were $7,263 in itemized deductions such as taxes, note, and mortgage interest and standard exemptions totaling $2,250 for my wife, myself and one dependent child, age 12. This made my taxable income $10,505, on which I paid Federal income tax of $1,997.

As required by the Committee on Standards of Official Conduct, I have filed a statement of financial interests and associations with that committee prior to April 30, 1975, and included a complete copy of my 1974 Federal income tax return even though filing of such tax returns is not required.

A copy of the applicable sections of our 1974 tax returns follows:

1974 U.S. INDIVIDUAL INCOME TAX RETURN (FORM 1040)

Name (if joint return, give first names and initials of both) Ronald A. and Marjorie G. Sarasin.

Present home address (Number and street, including apartment number, or rural route) 155 Munson Road.

City, town or post office, State and Zip code: Beacon Falls, Connecticut 06403.

County of Residence: New Haven.

Occupation: Yours: Congressman. Spouse: Housewife.

Filing status—Check only one: 2. Married filing joint return (even if only one had income).

Exemptions: 6a. Yourself; b. Spouse; C. Michael (son).

8. Presidential Election Campaign Fund.—Do you wish to designate $1 of your taxes for this fund? If joint return, does your spouse wish to designate $1. Yes (myself and spouse).

INCOME

9. Wages, salaries, tips, and other employee compensation: $42,500.

10a. Dividends: $384. 10b. Less exclusion $200, balance: $184.

11. Interest income: $58.

12. Income other than wages, dividends, and interest (from line 38); (—$20,102).

13. Total (add lines 9, 10c, 11 and 12): $22,640.

14. Adjustments to income (such as "sick pay," moving expenses, etc. from line 43): $2,622.

15. Subtract line 14 from line 13 (adjusted gross income): $20,018.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: X Tax Rate Schedule X, Y, or Z: $1,931.

17. Total credits (from line 54): $25.

18. Income tax (subtract line 17 from line 16): $1,906.

19. Other taxes (from line 61): $91.

20. Total (add lines 18 and 19): $1,997.

21a. Total Federal income tax withheld (attach forms W-2, or W-2P to front): $11,870.

22. Total (add lines 21a, b, c, and d): $11,870.

BALANCE DUE OR REFUND

24. If line 22 is larger than line 20, enter amount overpaid: $9,873.

25. Amount of line 24 to be refunded to you: $9,873.

Preparer's signature (other than taxpayer): Donald L. Perlroth, CPA, 2405 Whitney Avenue, Hamden, Connecticut 06518.

PART I. INCOME OTHER THAN WAGES, DIVIDENDS AND INTEREST

28. Business income or (loss) (attach Schedule C): $1,158.

29. Net gain or (loss) from sale or exchange of capital assets (attach Schedule D): $678.

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E): ($21,938).

38. Total (add lines, 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here on and on line 12): ($20,102).

PART II. ADJUSTMENTS TO INCOME

41. Employee business expense (attach Form 2106 or statement): $2,622.

43. Total adjustments (add lines 39, 40, 41 and 42). Enter here and on line 14: $2,622.

PART III. TAX COMPUTATION

44. Adjusted gross income (from line 15): $20,018.

45a. If you itemize deductions, enter total from Schedule A, line 41 and attach Schedule A. (b) if you do not itemize deductions, enter 15% of line 44, but do not enter more than $2,000. ($1,000 if line 3 checked): $7,263.

46. Subtract line 45 from line 44: $12,755.

47. Multiply total number of exemptions claimed on line 7 by $750: $2,250.

48. Taxable income. Subtract line 47 from line 46: $10,505.

PART IV. CREDITS

52. Credit for contributions to candidates for public office: $25.

54. Total credits (add lines 49, 50, 51, 52, and 53). Enter here and on line 17: $25.

PART V. OTHER TAXES

55. Self-employment tax (attach Schedule SE): $91.

61. Total (add lines 55, 56, 57, 58, 59 and 60). Enter here and on line 19: $91.

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Under the Federal Election Campaign Act of 1971 and under the Federal Election Campaign Act Amendments of 1974, all receipts and expenditures of campaign funds are made by the Sarasin Congress Committee, Michael Sydoriak, treasurer, Post Office Box 555, Waterbury, Conn. 06701. That committee showed no taxable income during 1974 and, therefore, no income tax due.

ODE TO MAY IN MAINE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. COHEN. Mr. Speaker, we in Maine experience winters that are as long and as hard as in any place in the contiguous United States. Just 3 weeks ago, while we in Washington were enjoying sunny, temperate weather, a final winter storm dumped as much as 16 inches of snow and slush on my home State.

Perhaps because of our difficult winters, we in Maine appreciate our springs a bit more than other people. To a Mainer, there is nothing so exquisite as the month of May, when the snows finally melt away and the verdant splendor of the State suddenly bursts forth in the long-dormant countryside.

John Cole, the distinguished editor of the Maine Times of Topsham, in a recent column published in the Boston Globe's Sunday magazine, captured the essence of what it means to be in Maine in May. To inform my colleagues of what they will be missing next month by not being in Maine, I am inserting Mr. Cole's "Ode to May in Maine" in the RECORD at this point.

[From the Boston Globe, Apr. 20, 1975]

ODE TO MAY IN MAINE

(By John N. Cole)

In Maine, we spend our Aprils waiting for May; and when the end of April is in sight, the anticipation is as intense and excruciating as a child's on Christmas Eve. May's gifts are sweeter than any left under the tree or in a stocking; May's generosity is more bountiful than even the wealthiest relative's. There are no Scrooges here, no cynics or disbelievers. Maine winters make believers of us all. Maine springs—if that is what you can call her March and April—are the penance we pay for the purity of the place.

Ah, but when May arrives, the lash of sleet in April no longer falls, the pain of a March blizzard is long forgotten. It is a joyous time, made all the more blessed by the wait that has been endured since October last. (There are those Yankees who desert, who take their trembling faith south for respite and restoration under palms that rustle in a tropic breeze. They not only miss some of Maine's winter, but they break the mystic rhythm of the seasons, when May arrives, it is not as sweet for them. There have been times in February and March when I, too, have sensed my own faith's frailty, but I do not succumb because I keep my mind's eye turned to images of May.)

Because it has been six months since any of us Yankees has been given much but mud, snow, sleet, ice and freezing rain, the bright gifts of May seem to tumble from a prince's hand, bestowed in such unending lavishness that they strain our comprehension and delight our starved senses.

In May, the terns arrive. Like airborne blossoms, their bright spirits burning in their feathered ounces, these small and graceful sea birds wheel, dip, dart and cry over the waters of the cove early on a May morning. The day before they had not existed; they had vanished last September. Now they are restored to my daily tapestry; they will follow my boat when I row; their eyes will find fish I can not fathom; the poetry of their flight will sustain me. They are just one of the gifts of May.

In May the meadows become green, and dry enough to walk in. On the days when the wind bends the growing grasses and ruffles their tossing tops just as it ruffles the bay's blue waters, on those days we fly our kites high into the May sun. We try in March and April, but there is no warmth in the fields, and even though the kites rise on the pushy winds, there is no joy in their flight. They need the warm, rising currents of a May morning before they can do their dance against the clouds. and as the kites soar, so do our spirits; we run through the grass like colts.

In May, the entire garden is sculpted from what had been a lifeless plot, first frozen last November, then held still by snow after snow, and then abused by the days of April which turned the place to a sea of freezing mud. Ah, but in May the war ends and sweet surrender to the plow begins. The soil dries, breathing is begun and cultivation follows. Then comes the compost and then more turning. Before the blessed month is gone, the seeds and shoots go in the ground—each one set by hands inspired by the miracles of growth. Whatever the garden will become through June, July and August is determined during the month of May.

In May, we look each day for the orioles. We take orange halves and poke the fruit onto branches we can watch from the windows. Sometime during the month, we will shout when we see the first rush of orange and black careening from a treetop. These birds are tropic spirits somehow brought to New England by the gentleness of May. Their exotic brilliance belongs in the lushness of a Brazilian jungle; yet they seem in place here when the lilacs come alive, the apple blossoms open and tropic tulips wave in every garden. After their first May arrival, the orioles will come to visit as long as we put out more oranges and until the birds begin to raise their young. By mid-June, there will be no shouts to herald the bright visitors; their comings and goings will be routine. But if they had never come that first time in May, then there would be real despair.

And still the gifts of May keep tumbling from her generous hand. There is not space enough, nor time, to recall each one, nor to show proper gratitude. May has bounty for everyone, young and old, farmer and fisherman, shopkeeper and stripling. My personal May triumph comes when the boats are launched and moored, when the dory is rolled off her back and set free to swing with the breeze while her new paint gleams in May's spring sun. We are embarked on summer once more, soon the fish will roll and the evenings will fill with the sound of their splashings.

There is softness, limpid waters and every warm promise is kept. Every aspect of May is a fulfillment. Which is why, at this time in April, we spend our days in Maine waiting, waiting for May.

RESOLUTION CHART

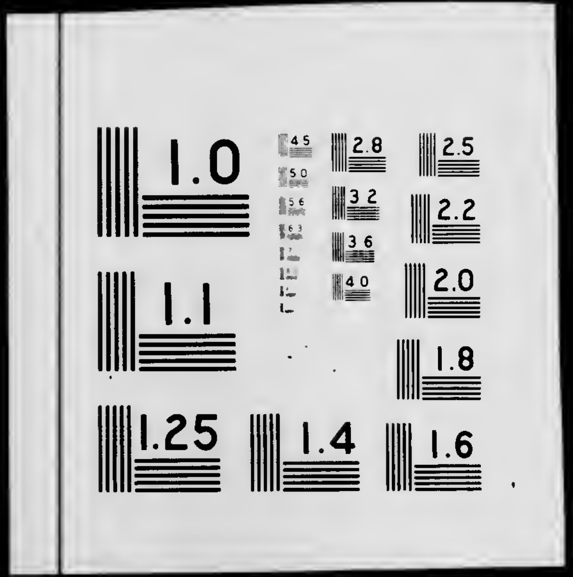

100 MILLIMETERS

INSTRUCTIONS Resolution is expressed in terms of the lines per millimeter recorded by a particular film under specified conditions. Numerals in chart indicate the number of lines per millimeter in adjacent "T-shaped" groupings.

In microfilming, it is necessary to determine the reduction ratio and multiply the number of lines in the chart by this value to find the number of lines recorded by the film. As an aid in determining the reduction ratio, the line above is 100 millimeters in length. Measuring this line in the film image and dividing the length into 100 gives the reduction ratio. Example: the line is 20 mm. long in the film image, and 100/20 = 5.

Examine "T-shaped" line groupings in the film with microscope, and note the number adjacent to finest lines recorded sharply and distinctly. Multiply this number by the reduction factor to obtain resolving power in lines per millimeter. Example: 7.9 group of lines is clearly recorded while lines in the 10.0 group are not distinctly separated. Reduction ratio is 5, and 7.9 x 5 = 39.5 lines per millimeter recorded satisfactorily. 10.0 x 5 = 50 lines per millimeter which are not recorded satisfactorily. Under the particular conditions, maximum resolution is between 39.5 and 50 lines per millimeter.

Resolution, as measured on the film, is a test of the entire photographic system, including lens, exposure, processing, and other factors. These rarely utilize maximum resolution of the film. Vibrations during exposure, lack of critical focus, and exposures yielding very dense negatives are to be avoided.

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

SENATE—*Friday, April 25, 1975*

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, Ruler of men and nations, we beseech Thee to revitalize the inner life of this Nation. Rekindle in us the fires of pure religion and true patriotism. As our fathers trusted in Thee, so amid all change make us to know that in the march of time Thou art the same yesterday, today, and forever. Pardon our sins, correct our mistakes, overrule erroneous judgments, and cleanse the roots of national life. Guide by Thy higher wisdom all who bear the burdens of public office that they may be true servants of the common good. In this forum of freedom, help us to worship while we work, and so dwell in our hearts and minds, that high decisions made here may lift the world nearer to that kingdom whose builder and maker is God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 25, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, April 24, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WORLD FOOD CONFERENCE IN 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 87, Senate Concurrent Resolution 19.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 19) relating to the World Food Conference of 1976 in Ames, Iowa.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CLARK. Mr. President, the World Food Conference of 1976 in Ames, Iowa, is an effort that deserves unanimous congressional support. This meeting of experts to discuss, debate, and help find resolutions to the critical food problems facing the world today is essential.

The problems of food production and distribution were discussed at the World Food Conference in Rome, and representatives from more than 130 nations agreed on need for more scientific investigation and evaluation on food issues. The Ames Conference meets that need. Scientists from all over the world will consider the available data on food production and discuss their own projections of the potential ability of nations to meet food needs.

I urge all of my colleagues to support this resolution which endorses the purpose and effort at Ames, Iowa, of the World Food Conference of 1976.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

Whereas the means of producing, processing and distributing food in nutritionally adequate quantities to feed an increasing world population is an awesome problem confronting the world today; and

Whereas the land grant colleges of the United States have made notable contributions to increased agricultural efficiency and improved quality of food and feed crops, particularly through developments in soybean and maize crops, animal breeding and feeding efficiency, farm machinery, and the dissemination of information to farmers and consumers; and

Whereas the Iowa State University of Science and Technology, one of the Nation's foremost land grant colleges, will host the World Food Conference of 1976 in Ames, Iowa, from June 27 through July 1, 1976; and

Whereas the subject of the World Food Conferene of 1976 will be "The Role of the Professional in Feeding Mankind"; and

Whereas such conference will bring together scientists and scholars from many disciplines and many countries for the purpose of sharing and increasing agricultural and nutritional knowledge among the world's scientists and teachers, and for the purpose of accelerating the development of methods of food production, processing, and distribution that will result in improved capabilities for meeting the food and nutritional needs of all the people of the world; and

Whereas the American Revolution Bicentennial Administration has endorsed the World Food Conference of 1976 as a bicentennial project of national and international significance: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States endorses the World Food Conference of 1976 to be held in Ames, Iowa, from June 27 through July 1, 1976, and commends the Iowa State University of Science and Technology for a humanitarian undertaking of international significance.

REMARKS OF SENATOR MANSFIELD AT THE DEMOCRATIC CONGRESSIONAL DINNER

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD remarks I made last evening at the Democratic Congressional Dinner.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR MIKE MANSFIELD, DEMOCRAT OF MONTANA, AT THE DEMOCRATIC CONGRESSIONAL DINNER, THE WASHINGTON HILTON HOTEL, THURSDAY, APRIL 24, 1975, 7 P.M.

We are here, tonight, to lay the groundwork for the political campaign of 1976. Congressional elections still cost money and congressional dinners are one of the less painful and more straightforward ways of raising it. Those who share in this event are performing not merely a party chore but a civic service in support of a free democratic system.

A congressional dinner is not the usual setting for serious remarks. Yet, recent events require that some be introduced here tonight. That we are gathered for a political rally does not excuse us from

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comment on the situation which confronts the Nation. Nor should we avoid doing so for fear that what may be said will be dismissed as partisan.

To be sure, what is spoken tonight and in the months ahead may bear on what happens to this party in the next election. Far more important, however, it bears on the responsibility of the congressional majority—no less than the President—to account to the people.

As we open a congressional campaign here, an era of American policy is closing on the other side of the globe. It has been a tragic era, a most tragic era. The President is correct when he says we need now to look ahead.

The time is not for finger-pointing; in any event, the fingers are on the hands of both parties. Nor is this the place for blame-fixing, there is enough to go around the political circle and more.

This is a time and this is a place, however, to take note of what the Southeast Asian experience has done to us all. The war has already changed the life of this Nation and will continue to do so. It subtracts from the well-being of the people. It is part and parcel of the inflation-recession. It is of the root of national divisions and disturbances. It leaves deep scars of grief and doubt throughout the Nation. These are realities from which there is no escape. We will have to live with them for a long time to come.

But the war need not leave us without hope.

One of a decade of tragedy, this Nation can emerge into a new day. We can do so if we do not now make haste to sweep the experience under the rug or to dismiss it as a bad dream. Instead, we need to ask ourselves: Do we more clearly perceive the limits of our international strength? Has the bitter conflict lit up the difference between international cooperation and isolated internationalism, to the end that henceforth, we will pursue the former vigorously and, avoid the latter? Will we now put some restraints on unilateral efforts to force the pace of world peace, progress, and freedom? Will we now eschew dead-end ideological crusades abroad? Has the vast wastage of this war made clear that we must take a new look at the accumulated needs of our own people? Is the Federal Government now enjoined to concentrate more on revitalizing the Nation's inner life and unity?

These questions are of the very substance of the political campaign which is now beginning. They cannot be evaded by any responsible political party. They must be confronted. Your party in Congress is alert to them. More than ever before, we are unified in our responses to them. We are determined to seek answers to the Nation's difficulties with new policies and in new directions. Yet we do not approach them with a cackling partisanship. The President and his party willing, we are prepared to work with them for our common objective—a better Nation in a better world.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Virginia, as acting minority leader, seek recognition?

Mr. WILLIAM L. SCOTT. I do not.

Mr. MANSFIELD. Mr. President, I do not seek further recognition.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT ON THE ALASKA RAILROAD—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate a message from the President of the United States transmitting the annual report by the Secretary of Transportation on the operations of the Alaska Railroad, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the annual report by the Secretary of Transportation on the operations and activities of the Alaska Railroad, as required by the Alaska Railroad Act of March 12, 1914.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

PROPOSED REVISION OF THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting a draft of proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972, which was referred to the Committee on Finance. The message is as follows:

To the Congress of the United States:

I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans.

THE VALUE OF FEDERALISM

The genius of American government is the Federal system of shared sovereignty. This system permits and promotes creativity and freedom of action simultaneously at three levels of government. Federalism enables our people to approach their problems through the governments closest to them, rather than looking to an all-powerful central bureaucracy for every answer.

With the Federal Government heavily committed to international affairs, the Nation's defense, the state of the economy and the energy problem, we need strong, effective State and local governments to meet the everyday needs of our people—for good police and fire protection, education, transportation, sanitation, and the basic services of a well-governed society.

In 1972, when General Revenue Sharing was passed, the Federal partnership was in trouble. The Federal Government, with its highly efficient taxing system, then collected some two-thirds of the Nation's total tax revenues. Federal revenues, particularly because of the income tax, grew with the economy. However, State and local revenues are more dependent on real property taxes and sales taxes. These governments had to meet rising demands for services and costs through endless rounds of tax increases. Simply stated, revenues had grown fastest at the Federal level, while needs were growing fastest at the State and local levels.

The Federal Government, then as now, sought to help States and communities meet their needs through Federal aid. For the most part, this aid is in the form of categorical grants—that is, narrowly defined, closely controlled grants for specific purposes. Today, over one thousand of these categorical grants are available for almost every imaginable objective.

However, the necessity to go to Washington for the solution to many local problems has had a stifling effect on the creativity and accountability of State and local governments. Along with Federal aid comes Federal restrictions which limit local initiative and flexibility.

Furthermore, until the concept of bloc grants was developed, States and localities were limited to categorical grants which were designed to lead State and local governments in new directions. Consequently, the recipients, all too often, headed in the direction where the grant moneys were available, rather than where their genuine needs existed.

Finally, much of the aid the Federal Government makes available has to be matched by State and local funds. The impact of this requirement is often to aggravate rather than to alleviate a State or local government's financial plight.

This was the situation the executive branch and the Congress faced in 1972—a Federal system endangered by the growing impoverishment of two out of the system's three partners. This is the situation that the Federal Government wisely met, by the passage of General Revenue Sharing.

This program has been a resounding success. Since its enactment, General Revenue Sharing has provided nearly $19 billion to 50 States and some 39,000 local governments—money which these governments could use as they saw fit to meet their priority needs.

These Federal revenue sharing dollars have meant new crime fighting equipment and more police on the street, help for essential mass transportation, a better environment, improved fire protection and many other useful public activities. If some communities have not used their revenue sharing funds wisely, they are a miniscule fraction of governments which have used this money well.

The current Revenue Sharing Act has also enabled individuals and citizen groups to play their part in determining the use of these Federal funds in their communities by placing the decision on the use of these funds at the local rather than the Federal level. This citizen participation strengthens our democracy in the best possible way. It is my intention to strengthen our efforts to encourage the widest possible citizen participation.

THE NEED GOES ON

General revenue sharing has also been the keystone of additional efforts to reform Federal aid. The new block grant programs, more decentralized grant management, joint funding projects and grant integration, improved program information and executive reorganization have all been included in a large-scale effort to make better sense of and to get greater results from the billions granted to State and local governments.

The General Revenue Sharing program enacted in 1972 turned a corner. It caught a serious problem in time and helped us get back on the road to a sounder Federalism, of shared rights and responsibilities.

Many State and local governments are facing deficits with the prospect of having to raise additional taxes or cut services. Our States and localities are facing these adverse developments at a time when their fiscal responsibilities have mounted due to the impact of inflation on their expenditures and the tax burdens placed on citizens. Further, the present high unemployment is taking its toll in terms of lower receipts and higher costs on States and communities. This combination of financial pressures is likely to continue to bear down on these governments for the foreseeable future.

Many units of governments, particularly in distressed urban areas, count on these funds for their budget planning. If the flow of shared revenues were to be turned off or scaled down, the results would be immediate and painful. Our efforts to revive the economy would suffer a serious blow. States, cities, counties and small communities would have to either cut back essential services causing increased public and related private unemployment or tax more or borrow more—thus defeating the objectives of our national efforts to reduce the total tax load and revive the economy.

Enactment of Federal revenue sharing was a wise decision in 1972. Its continuation is imperative now. Before deciding to recommend extension of this program, I directed that an exhaustive study be made of the present program to identify its strengths and weaknesses. This assessment has been carried out and has taken into account the views of the Congress, State and local government officials, interested citizen bodies, and private study groups analyzing government policy. I will also consider any significant findings which may yet emerge from studies presently underway.

Based on our review of this work, I am now proposing to the Congress legislation which will maintain the basic features of the existing revenue sharing program while offering several improvements.

The principal elements of the renewal legislation I am proposing are:

—The basic revenue sharing formula is retained. Experience to date suggests the essential fairness of the present formula and I recommend its retention.

—Funds will be authorized for five and three-quarters years. The effect of this provision is to conform the time period to the new Federal fiscal year.

—The current method of funding with annual increases of $150 million will be retained to compensate, in part, for the impact of inflation. Over the five and three-quarters years, this level will produce a total distribution of Federal revenues of $39.85 billion. By the final year, the revenues shared will have increased by $937 million over the current level of payments.

—Recognizing the need to raise the existing per capita constraint on the basic formula, my proposal would permit those hard-pressed jurisdictions now constrained by the per capita limitation to receive more money. The impact of this change on other communities would be minimized by phasing the change in five steps and by the increase of $150 million annually.

—To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been discriminatory. This change will further enhance the Secretary's ability to ensure that none of our citizens is denied on grounds of race, color, sex or national origin the benefits of any program funded in whole or in part through revenue sharing.

—To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing monies.

—The Administration proposal would also make reporting requirements more flexible to meet varying needs from community to community. The legislation would grant the Secretary of the Treasury greater latitude in determining the form of reports and the kind of information required of recipients. Similarly, he would have more flexibility to determine the method by which recipient governments must publicize their use of funds.

—Finally, the proposal requires a reconsideration of the program two years before its expiration.

EARLY RENEWAL IS IMPORTANT

I urge the Congress at its earliest convenience to begin deliberations on the renewal of the State and Local Fiscal Assistance Act of 1972. Effective planning at the State capitols, city halls, and county courthouses will require action in this first session of the 94th Congress. In fact, in the fall of 1975 many of our States and local governments will be preparing their fiscal year 1977 budgets. It will be essential for them to know at that time whether General Revenue Sharing funds will be available to them after December, 1976.

The expiration of the present General Revenue Sharing Law is coincident with the year in which the Nation celebrates its bicentennial. There could be no more practical reaffirmation of the Federal compact which launched this Country than to renew the program which has done so much to preserve and strengthen that compact—General Revenue Sharing.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

REPORT OF THE ADMINISTRATOR OF THE NATIONAL CREDIT UNION ADMINISTRATION—A MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid bfeore the Senate a message from the President of the United States transmitting the annual report of the Administrator of the National Credit Union Administration, which, with the accommpanying report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

Pursuant to the provisions of Title I, section 102, of the Federal Credit Union Act, as amended (12 U.S.C. 1752a(e)), enclosed is the Annual Report of the Administrator, National Credit Union Administration for the calendar year

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House insists upon its amendments to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Staggers, Mr. Moss, Mr. Van Deerlin, Mr. Stuckey, Mr. Eckhardt, Mr. McCollister, and Mr. Broyhill were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Glenn) laid before the Senate the following letters, which were referred as indicated:

Determination Permitting Sale of Wheat

A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, a determination permitting the sale of 300,000 metric tons of wheat/wheat flour to Egypt under the Agricultural Trade Development and Assistance Act of 1954, as amended (with accompanying papers); to the Committee on Agriculture and Forestry.

Report of the Assistant Secretary for Education of the Department of Health, Education, and Welfare

A letter from the Assistant Secretary for Education of the Department of Health, Education, and Welfare transmitting a bound copy of the report entitled "Condition of Education Report" (with an accompanying report); to the Committee on Labor and Public Welfare.

Nondiscriminatory Treatment to the Products of the Socialist Republic of Romania

A communication from the President of the United States transmitting, pursuant to law, a copy of a proclamation extending nondiscriminatory treatment to the products of the Socialist Republic of Romania (with accompanying papers); to the Committee cn Finance.

Proposed Legislation by the Secretary of the Treasury

A letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation to remove the restrictions imposed on the Treasurer of the United States by section 243 of the Revised Statutes (with accompanying papers); to the Committee on Finance.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Glenn):

Senate Resolution No. 225 adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Labor and Public Welfare:

"Senate Resolution Requesting Congress and the President to Establish a National Network of Youth Advisory Boards

"Whereas, the Greater Miami Jaycees and Third Century, U.S.A. (Miami's Official Bicentennial Coordinating Organization) have proposed the establishment, by federal law, of a national network of youth advisory boards; and

"Whereas, the purposes of the boards would be to take an active part in governmental affairs at the local, state and national levels, to stimulate interest and participation by young people in civic affairs, to work with existing youth activities and programs to insure well-rounded programs and prevent duplication of effort, to participate in programs to develop leadership and good citizenship among young people and to develop new programs in places that presently have none; now, therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that this comprehensive national network well merits encouragement and establishment by federal law and that Congress should speedily enact it; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the committees on Commerce and Labor and Public Welfare of the United States Senate, the Chairman of the committees on Education and Labor and Interstate and Foreign Commerce of the United States House of Representatives the members of Hawaii's congressional delegation, and Mr. Stuart Alan Rado, Project Chairman of the Greater Miami Jaycees."

Senate Resolution No. 125 adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on the Judiciary:

"Senate Resolution Requesting Congress To Grant Authority to all U.S. Island States, Territories and Possessions To Control In-Migration

"Whereas, the population in the State of Hawaii is now approximately 74,000 and is predicted to be approximately 930,000 by 1980; and

"Whereas, the number of registered motor vehicles registration doubling every twelve years; and

"Whereas, it will be years before an adequate mass transit system will be implemented; and

"Whereas, Hawaii is an island State with limited land area and can, therefore, hold only a finite number of people and necessary buildings, roads, automobiles, et cetera, without destroying the quality of life for those who live here; and

"Whereas, an increasing population consumes more and more of the State's valuable limited natural resources; and

"Whereas, individuals coming into the State must find ways of earning a living and the State's current 7.8 per cent unemployment rate is already above the national average; and

"Whereas, housing in the State of Hawaii particularly within the affordable price range of those of low and moderate income is in very short supply; and

"Whereas, overpopulation creates frustration and anger on the part of the population which can lead to an erosion of Hawaii's unique and special aloha spirit and in extreme cases even lead to higher crime rates; and

"Whereas, because of inherently limited resources, any island State, Territory, or Possession is peculiarly vulnerable to the myriad problems caused by uncontrolled population expansion; and

"Whereas, to alleviate the population problem, the U.S. Congress may deem it feasible to grant authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions; now therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that the Congress of the United States of America be requested to devise ways and means of granting authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions; and

"Be it further resolved that certified copies of this Resolution be sent to the President of the U.S. Senate, the Speaker of the U.S. House, each member of Hawaii's congressional delegation, the Governor, and the Senate Committee on Consumer Protection."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Commerce:

S. 1542. An original bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, (Rept. No. 94–96).

REPORT ON THE ACTIVITIES OF THE COMMITTEE ON ARMED SERVICES—(REPT. NO. 94–95)

Mr. STENNIS. Mr. President, in accordance with the requirements of section 136(b) of the Legislative Reorganization Act of 1946, as amended, submitted herewith is the report on the activities of the Committee on Armed Services during the 93d Congress.

The ACTING PRESIDENT pro tempore. The report will be received and printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. BEALL, from the Committee on Commerce:

Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

John Dellenback, of Oregon, to be an Associate Director of the ACTION Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The bill (H.R. 4269) to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands was read twice by its title and referred to the Committee on Interior and Insular Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE (for himself, Mr. Williams, and Mr. Sparkman):

S. 1537. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. YOUNG:

S. 1538. A bill for the relief of Arthur O. Bilden. Referred to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. SPARKMAN (by request):

S. 1540. A bill to provide for Family Financial Centers, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CASE (for himself, Mr. Sparkman, Mr. Javits, Mr. Church, Mr. Hugh Scott, Mr. Symington, Mr. Pearson, Mr. Pell, Mr. Percy, Mr. McGee, Mr. McGovern, Mr. Baker, Mr. Humphrey, Mr. Clark, and Mr. Biden):

S. 1541. A bill to provide additional humanitarian assistance authorizations for South Vietnam and Cambodia for the fiscal year 1975. Referred to the Committee on Foreign Relations.

By Mr. LONG, from the Committee on Commerce:

S. 1542. An original bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes. Placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself, Mr. Williams, and Mr. Sparkman):

S. 1537. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1975

Mr. PROXMIRE. Mr. President, I am today introducing, for myself and my colleagues, Senator Sparkman and Senator Williams, legislation to extend the Defense Production Act of 1950. This bill, entitled the Defense Production Act Amendments of 1975, will shortly be introduced in the other body by Chairman Wright Patman of the Joint Committee on Defense Production, of which I am vice chairman.

The purpose of the bill is twofold. First it will extend for 2 years—or until June 30, 1977—the Defense Production Act. It has been customary to extend this important act every 2 years since it first came into effect over two decades ago. The Senate voted last year to extend the act for 2 years but later acceded to the will of the other body and agreed to the first ever, 1-year extension, which expires on June 30.

The cause for this shorter extension was the National Commission on Supplies and Shortages, which was provided for in section 720 of the act. Originally, it was thought that the Commission would make its required report this spring and that its recommendations would form part of the bill to renew the Defense Production Act. For reasons relating neither to the basic act nor to the Joint Committee, the Commission's timetable has been delayed and its own life has been separately extended by Public Law 94–9 enacted last month.

It is time, therefore, that we return to precedent and extend for another 2 years this vital legislation which allows the Government to carry on the programs that we need to be prepared for a national defense emergency. Before going on to this bill's second purpose, I feel I should note that, during last year's debate over the National Commission on Supplies and Shortages and the extension of the Defense Production Act, it became necessary to renew the DPA for two very short periods by concurrent resolution. For a week, there was, as a matter of fact, no Defense Production Act in effect. As a result, certain agencies were forced to halt ongoing programs authorized by the act. The major such program related to priorities for the performance of defense-related contracts. I hope this year we will be able to avoid a repetition of this lapse. We expect to be able to report a bill soon.

The second purpose of the bill is to clarify that portion of title VII which relates to antitrust immunity for firms requested by the Government to conclude voluntary agreements for purposes of the national defense. These voluntary agreements are the means whereby firms in a given industry may cooperate and exchange information so that they can respond more effectively to national needs which may override the customary provisions of antitrust legislation.

Such voluntary agreements have been used in the oil shortages of 1956–57, 1967, and 1973–74, to smooth out the distribution of this critical resource. Voluntary agreements could and have been required in connection with other resources, such as munitions and railway track-laying vehicles.

Currently, section 708 of the Defense Production Act, which addresses antitrust exemption for volumtary agreements, is rather broad and permissive in nature. It does not contain specific language setting forth procedures that will safeguard the public interest when firms are allowed to share information in a way that would normally result in antitrust action.

The aim of this amendment is to remedy the deficiency I have outlined. It supplies language establishing procedures and criteria for the development of voluntary agreements. First of all, it requires a finding of a real national emergency, one that would cause us to want to overcome the usual restraints on cartel-like activities. More importantly, it provides specific guidelines on public notification, disclosure, and representation; on completeness of records; and on Government participation in and oversight of the voluntary agreements process.

We have been very fortunate in having the assistance of the Judiciary Subcommittee on Antitrust and Monopoly in preparing this new section. The subcommittee's chairman, Senator Hart, and the distinguished Senator from Idaho, Mr. Church, have endorsed the revised section 708. Moreover, these provisions to safeguard the public interest have been supported by the administration, for which it is to be commended.

The bill I am introducing will in no way prevent the development of necessary voluntary agreements. While avoiding the possibility of a broad exemption from antitrust laws, it grants limited antitrust immunity under special conditions of national emergency and imposes certain procedural safeguards on officials, agencies, and firms involved in voluntary agreements. The safeguards are reasonable and to the point. They respond to the need increasingly seen in both Houses for an adequate shielding of consumer interests even in times of national emergency.

A further incentive to adoption of these safeguards lies in the fact that the Standby Energy Authorities Act (S. 622), recently passed by the Senate, contains procedural protection for voluntary agreements very similar to that provided for in this legislation. Without this change in the Defense Production Act, there is a very real possibility of a double standard for antitrust immunity where voluntary agreements are concerned, with one standard tightly drawn and the other overly elastic. Such a situation neither serves the public interest nor makes for good law.

Therefore, I introduce the bill at this time and ask unanimous consent that its text be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1975".

Sec. 2. The first sentence of section 717(a) of the Defense Production Act of 1950 (64 Stat. 822) is amended by striking out "June 30, 1975" and inserting in lieu thereof "June 30, 1977".

Sec. 3. Section 708 of the Defense Production Act of 1950 is amended to read as follows:

"Sec. 708. (a) Except as specifically provided in subsection (k) of this section, no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(b) As used in this section, the term 'antitrust laws' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies.', approved, July 2, 1890, (26 Stat. 290), as amended;

"(2) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes.', approved, October 15, 1914, (38 Stat. 730), as amended;

"(3) the Act entitled 'An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes.', (38 Stat. 717), as amended;

"(4) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes.', approved, August 27, 1894 (28 Stat. 579), as amended;

"(5) the Act of June 19, 1936 (49 Stat. 1526); and

"(6) the Act entitled 'An Act to promote export trade and for other purposes.', (40 Stat. 516), as amended.

"(c) (1) Upon finding that an imminent or probable danger to the national defense exists, the President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making of voluntary agreements and programs by such persons, and may request the undertaking or entering into of such voluntary agreements or programs in accordance with the provisions of this section, to insure productive capacity in the event of an attack on the United States.

'(2) The authority granted in paragraph (1) of this subsection shall be delegated only (A) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (B) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request thereunder, and (C) upon the condition that such officials obtain the approval of the Attorney General, after consultation with the Federal Trade Commission, to any request thereunder before making the request. For the purpose of carrying out the purposes of title I of this Act, the authority granted in paragraph (1) of this subsection shall not be delegated except to one and only one official of the Government.

"(3) The authority granted in paragraph (1) of this subsection shall be exercised only if the Attorney General, after consultation with the Federal Trade Commission, certifies that such voluntary agreements and programs are necessary to accomplish the objectives of paragraph (1) of this subsection, and that such objectives cannot reasonably be accomplished through alternative means having lesser anticompetitive effects.

"(d) The requirements of this section shall be the sole procedures applicable to the development, implementation, or carrying out of the voluntary agreements or programs to accomplish the objectives of subsection (c) (1) of this section, and to the availability of immunity from the antitrust laws respecting the development, implementation, or carrying out of such voluntary agreements or programs.

"(e) (1) (A) To achieve the objectives of subsection (c) (1) of this section, the President may provide for the establishment of such advisory committees as he determines are necessary. Any such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act, whether or not such Act or any of its provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees shall be chaired by a Federal employee, other than an individual employed pursuant to section 3109 of title 5, United States Code, and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

"(B) The authority granted in paragraph (1) (A) of this subsection shall be delegated only (i) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (ii) upon the conditions that (I) such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request thereunder, and (II) such officials, after consultation with the Chairman of the Federal Trade Commission, obtain the prior approval of the Attorney General, to any request thereunder. For the purpose of carrying out the objectives of title I of this Act, the authority granted in paragraph (1) (A) of this subsection shall not be delegated except to one and only one official of the Government.

"(2) A full and complete verbatim transcript shall be kept of such advisory committee meetinga, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b) (1) and (b) (3), of title 5, United States Code.

"(f) The Attorney General and the Federal Trade Commission shall promulgate jointly, by rule, standards and procedures by which representatives of industry, business, financing, agriculture, labor and other interests may develop and implement voluntary agreements and programs necessary to accomplish the objectives of subsection (c) (1) of this section.

"(g) That standards and procedures under subsection (f) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

"(1) such agreements and programs shall be developed by meetings of committees, councils, or other groups which include representatives of the public, of interested segments of the relevent industry or industries and of consumers, and shall in all cases be chaired by a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code;

"(2) meetings held to develop a voluntary agreement or program shall—

"(A) permit attendance by interested persons; and

"(B) be preceded by timely and adequate public notice, published in the Federal Register not less than 10 days in advance of any such meeting, including identification of the agenda of such meeting;

"(3) interested persons shall be afforded an opportunity to present, in writing and orally, data, views and arguments at such meetings; and

"(4) a full and complete verbatim transcript shall be kept of any meeting, conference or communication held to develop, implement or carry out a voluntary agreement or program under this section and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of section 552 (b) (1) and (b) (3) of title 5, United States Code.

"(h) The Federal Trade Commission, after consultation with the Attorney General, may exempt types or classes of meetings, conferences or communications from the requirements of subsection (e) (2) and (g) (4) of this section provided such meetings, conferences or communications are ministerial in nature and are for the sole purpose of implementing or carrying out a voluntary agreement or program authorized pursuant to this section. Such ministerial meeting, conference or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

"(i) (1) The Attorney General and the Federal Trade Commission shall participate from the beginning in the development, implementation and carrying out of voluntary agreements and programs authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving subatantially the purposes of subsection (c) (1) of this section. Each shall have the right to review, amend, modify, disapprove, or prospectively revoke, on its own motion or upon the request of any interested person, any voluntary agreement, or program, at any time, and, if revoked, thereby withdraw prospectively the immunity conferred by subsection (k) of this section.

"(2) Any voluntary agreement or program entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission 20 days before being implemented, and it shall be made available for public inspection and copying.

"(j) (1) The Attorney General and the Federal Trade Commission shall monitor the development, implementation and carrying out of voluntary agreements and programs authorized under this section to assure the protection and fostering of competition and the prevention of anticompetitive practices and effects.

"(2) The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts and other records related to the development, implementation, or carrying out of voluntary agreements and programs pursuant to this section.

"(3) Persons developing, implementing, or carrying out voluntary agreements and programs authorized pursuant to this section shall maintain those records required by such joint regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

"(4) The Federal Trade Commission and the Attorney General may each prescribe pursuant to section 553, title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. Each may utilize for such purposes and for purposes of enforcement, any and all powers conferred upon the Federal Trade Commission of the Department of Justice, or both, by any other provision of law, including the antitrust laws; and wherever such provision of law refers to 'the purposes of this Act' or like terms, the reference shall be understood to be this Act.

"(k) There shall be available as a defense to any civil or criminal action brought under

the antitrust laws (or any similar State law) with respect to actions taken in good faith to develop, implement or carry out a voluntary agreement or program that—

"(1) such action was taken—

"(A) in the course of developing a voluntary agreement or program pursuant to this section, or

"(B) pursuant to a voluntary agreement or program authorized and approved in accordance with this section, and

"(2) such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

"(l) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. Such surveys shall include studies of the voluntary agreements and programs authorized by this section. The Attorney General shall submit to the Congress and the President at least once every year reports setting forth the results of such studies of voluntary agreements and programs authorized by this section."

By Mr. KENNEDY:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, as chairman of the Senate Special Subcommittee on the National Science Foundation I am introducing today an authorization for the National Science Foundation for fiscal year 1976 of $854.6 million.

The National Science Foundation is the only Federal agency with a direct mandate to strengthen science and science education. It performs a critically important and unique function—at a time when our need for trained scientists and advances in science is as great as it has ever been. We are looking to our scientists for guidance in finding solutions to air and water pollution control problems; for improved designs for mass transportation system; for more effective utilization and delivery of health services; and for methods of allocating our scarce resources as fairly and effectively as possible.

To carry out these responsibilities the National Science Foundation has been directed by the Congress to:

Strengthen U.S. scientific research in the mathematical, physical, medical, engineering, biological, social, and other sciences.

Focus U.S. science resources on selected current national problems.

Strengthen science education programs at all levels.

Stimulate international scientific cooperation between United States and foreign scientists.

Assist in providing the Nation with highly trained scientists and engineers through a program of fellowships for science and engineering.

Insure that science information is readily available to U.S. scientists and engineers.

Appraise the impact of research upon industrial development and the general welfare, and

Gather and publish scientific and technical data pertinent to national science policy decisionmaking.

An expanding base of scientific knowledge is of critical importance to the Nation's future and to efforts to find ways to deal with a range of domestic and international problems. The products of research by U.S. scientists in all parts of the Nation not only have provided for the progress of science, but provide the knowledge base needed to increase understanding of the principles that govern the physical, life and social sciences—understanding which is essential if we are to enhance the quality of life.

Mr. President, the legislation I am introducing today recognizes that inflation has affected the cost of scientific research and equipment to the same extent that it has affected the cost of food, housing and fuel. This is as true for applied research aimed at meeting our immediate needs, as it is for basic research from which benefits may only be reaped by future generations. It recognizes that our colleges and universities have found their budgets eroded as a result of inflation and rising energy costs, combined with declining income from endowments.

In the face of these facts, the administration sent to the Congress a budget request for the National Science Foundation barely sufficient to keep up with the pace of inflation. Support for science education was requested at a level 12 percent below that requested for fiscal year 1975. Witnesses who testified during hearings on this budget request made clear their belief that in many respects the level of funding requested by the administration is not equal to the challenges which will face the Foundation and the scientific community in the coming fiscal year.

In order to insure a strong Federal commitment to basic research, to maintain the Foundation's role as an innovator in the improvement of science education and to sustain the sound principles of research applied to national needs, I am introducing an authorization to fund the Foundation at a level of $854.6 million. It includes: $394,000,000 for scientific research project support; $117,500,000 for national and special research programs; $60,200,000 for national research centers; $8,000,000 for science information activities; $8,000,000 for international cooperative scientific activities; $90,000,000 for research applied to national needs; $12,000,000 for intergovernmental science and research utilization; $20,000,000 for institutional improvement for science; $77,000,000 for science education improvement; $4,200,000 for planning and policy studies; $4,000,000 for science advisory activities; and $41,700,000 for program development and management.

It places floors under certain critical portions of the National Science Foundation's programs, including research into the ethical and human value implications of science and technology, institutional improvement for science, science education improvement, intergovernmental science programs, science information activities, ethnic minorities and women in science programs, elementary and secondary school programs, and environmental research, including earthquake engineering.

Also included in the authorization I am introducing today is a new program—to improve public understanding of public policy issues involving science. It is designed to facilitate the participation of experienced scientists in the resolution of public policy issues having significant scientific and technical aspects and to facilitate the participation of undergraduate and graduate students in scientific and technical components of community and citizen group activities aimed at the resolution of public policy issues. It will also enable nonprofit citizens public interest groups to acquire necessary technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues, and will provide funds to academic and other nonprofit organizations for the conduct of applied research to ensure the effectiveness of these programs.

Also included is a provision setting aside 10 percent of the Foundation's applied research budget for small businesses which have developed outstanding scientific and technical capabilities and which have too often been overlooked as a resource in meeting this Nation's scientific and technical needs.

Mr. President, concern has been raised recently over some of the projects supported by the National Science Foundation. I would like to take this opportunity to address myself to those concerns and to outline for my colleagues the procedures followed by the National Science Foundation in selecting proposals for funding.

Each year the National Science Foundation receives thousands of proposals from scientists who seek answers to unresolved questions concerning fundamental scientific processes and forces, natural laws and phenomena in scientific disciplines. These proposals are initially reviewed by the staff of the National Science Foundation under the guidance and policy stipulations of the National Science Board.

Proposals are then subject to an extensive peer review process which draws on a pool of over 40,000 qualified and independent members of the scientific community with expertise in the specific area of research for which funding has been requested. In their consideration of the merits of the proposals submitted to them for review they apply criteria relating to competent performance of research—the technical adequacy of the performer and of his institutional base; criteria relating to the internal structure of science itself; criteria relating to utility or relevance; criteria relating to future and long-term scientific potential of the United States.

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The staff of the National Science Foundation is then required to compile these reviewer comments and to make recommendations to the NSF Director and the National Science Board. Proposals must be supported in order of merit to the extent permitted by available funds. In cases of proposals of substantially equal merit, consideration is given to such factor as geographic distribution and general subject matter coverage of grants made in a particular program.

The peer review system must operate fairly and effectively, and improvements must be made wherever necessary. At the subcommittee's request, the General Accounting Office is now completing a comprehensive evaluation of the Foundation's research applied to national needs program. That report will be available shortly and will include recommendations with specific regard to the peer review system. In addition, an internal National Science Foundation review is presently underway to determine whether there are specific areas where changes may be required, to ensure that the Federal Government receives a full return on the money it invests in scientific research, and to insure that the staff of the National Science Foundation is diligent in insuring the integrity of the peer review process. It is my conviction that these steps will lead to an even more effective contribution by science and scientists to the national well-being.

New and greater demands are being placed upon science, upon scientists and upon scientific institutions. To meet these demands, I urge my colleagues to support the authorization I am introducing today, and I ask unanimous consent that the text of the bill together with supplemental material be printed at this point in the Record.

There being no objection, the bill and material was ordered to be printed in the Record, as follows:

S. 1539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1976, for the following categories:

(1) Scientific Research Project Support, $394,000,000.

(2) National and Special Research Programs, $117,500,000.

(3) National Research Centers, $60,200,000.

(4) Science Information Activities, $8,000,000.

(5) International Cooperative Scientific Activities, $6,000,000.

(6) Research Applied to National Needs, $90,000,000.

(7) Intergovernmental Science and Research Utilization, $12,000,000.

(8) Institutional Improvement for Science, $20,000,000.

(9) Graduate Student Support, $18,000,000.

(10) Science Education Improvement, $77,000,000.

(11) Planning and Policy Studies, $4,200,000.

(12) Science Advisory Activities, $4,000,000.

(13) Program Development and Management, $41,700,000.

Sec. 2. Notwithstanding any other provision of this or any other Act—

(1) of the total amount authorized under section 1 of this Act not less than $20,000,000 shall be available for the purpose of "Institutional Improvement for Science";

(2) of the total amount authorized under Section 1 of this Act not less than $77,000,000 shall be available for the purpose of "Science Education Improvement";

(3) of the total amount authorized under section 1 category (7) not less than $10,000,000 shall be available for "Intergovernmental Science Programs";

(4) of the total amount authorized under section 1, not less than $8,000,000 shall be available for "Science Information Activities";

(5) of the total amount authorized under section 1 category (10) of not less than $9,600,000 shall be available for "Ethic Minorities and Women in Science Program";

(6) of the total amount authorized under section 1 category (10) not less than $21,900,000 shall be available for "Elementary and Secondary School Programs";

(7) of the total amount authorized under section 1 category (6) not less than $25,000,000 shall be available for environmental research, including $5,500,000 for earthquake engineering.

(8) of the total amount authorized under section 1, category (11) not less than $1,500,000 shall be available for programs related to the ethical and human value implications of science and technology.

(9) of the total amount authorized under section 1 category (6) not less that 10 percent of such amount shall be expended to small business concerns.

Sec. 3. (a) The National Science Foundation is authorized and directed to establish and conduct a "Science for Citizens Program". Such program shall be designed—

(1) to improve public understanding of public policy issues involving science and technology;

(2) to facilitate the participation of experienced scientists and engineers in public activities aimed at the resolution of public policy issues having significant scientific and technical aspects;

(3) to facilitate the participation of undergraduate and graduate students in necessary scientific and technical components of community and citizen group activities aimed at the resolution of public policy issues;

(4) to enable non-profit, citizens public interest groups to acquire necessary technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues; and

(5) to provide grants and contracts to academic and other non-profit organizations for the conduct of applied research designed to improve the effectiveness of the programs conducted under paragraphs (1), (2), (3), and (4) of this subsection.

(b) Notwithstanding any provision of this or any other Act, of the total amount authorized under section 1, category (2), not less than $5,000,000 shall be available for the "Science for Citizens Program" authorized under this section.

Sec. 4. The Director of the National Science Foundation is authorized and directed to prepare a comprehensive plan to facilitate the participation of members of the public in the formulation, development, and conduct of the National Science Foundations programs, policies, and priorities and to submit the resulting recommendations, plans, and other findings to the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within 120 days from the effective date of this Act.

Sec. 5. In addition to such sums as are authorized by section 1, not to exceed $4,000-000 is authorized to be appropriated for fiscal year ending June 30, 1976, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

Sec. 6. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

Sec. 7. Appropriations made pursuant to sections 1, 2, 3, and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

Sec. 8. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty legislative days has passed after the Director or his designate has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason thereof, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice ot the effect that such committee has no objection to the proposed action.

Sec. 9. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

Sec. 10. This Act may be cited as the "National Science Foundation Authorization Act, 1976".

[From the Boston Globe, Apr. 22, 1975]

Vetoing Research

The U.S. House of Representatives has taken a potshot at basic research projects funded through the National Science Foundation. Like most potshots, it missed the mark and may have hit something else instead.

The House action came in the form of an amendment from the floor during debate on the NSF's $755 million budget authorization calling for the right of congressional veto of any specific research grant for a period of 30 days before the grant is actually made.

As matters now stand, Congress appropriates fixed amounts of money for each fiscal year and the NSF makes direct awards to individual research projects. Each of the approximately 14,000 grants made is subject to review by NSF staff with assistance from about 40,000 scientists in a "peer review" of the objectives of the project.

The House voted 212–199 in favor of the veto amendment on the heels of scattered reports of esoteric studies with occasionally seemingly comic elements. Some of these reports involved non-NSF funds. One of them, invoked several times during the House debate, was $70,000 in Defense Department funds for study of perspiration by Australian aborigines. This, it was ultimately pointed out by Rep. James W. Symington (D-Mo.), was "an effort to learn if there was some way to keep the GI's in better fitness for the crunch in the jungle after they had become dehydrated after many hours without water, a problem that did not seem to better the aborigines." Fair enough.

Supporters of the amendment contended that they were merely exercising tighter control over the budget process and stiffening up their responsibility to ward off unseemly sounding expenditures. The extent to which they felt they had to go was put well by Rep. Robert H. Michel (R-Ill.), who said that "Doggone it, my credibility is destroyed when there are even just one or two of these items."

Rep. Michel also complained about the fact that a Denver scientist "will get $40,100 of the taxpayers' money to conduct a 'Measurement of the Stratospheric Distribution of the Fluorocarbons and Other Constituents of Interest in the Effect of Chlorine Pollutants in the Ozone Layer.' At least in that title there was one word I understood: constituents."

His comment is studded with irony. The study is part of the growing concern that aerosol sprays are breaking down the protective layers in the upper atmosphere that shield us from potentially lethal solar radiation. Yet Rep. Michel wants veto power because he and 211 of his colleagues may not understand the language.

It is the soul of scientific inquiry that one keep an open mind and pursue promising questions wherever they lead. It may be that the veto provision will be killed in the Senate, as it should be, or that Congress will use it sensibly—which the tone of the debate in the House does not forecast. But the air, which is already poisoned with shortage of funds for research, is made worse by this process. There will inevitably by greater reluctance to try the unusual, an unhealthy situation for scientists. Surely the Rep. Michels of the world can recognize the fact that no one learns medicine by studying only healthy persons.

Congress should drop the veto provision, which it is not well equipped to implement.

[From the Washington Post, Apr. 22, 1975]

Taking the Romance Out of Research

Given the billions that federal agencies invest in research every year, plenty of dubious projects are bound to slip through. One of the latest, publicized by Sen. William Proxmire (D-Wis.), is the National Science Foundation's $84,000 study of why people fall in love. This seems so inappropriate—what is less scientific than romance?—that it is bound to wind up on the perennial list of apparent boondoggles, along with the NSF's $15,000 study of hitch-hiking, the Navy's $375,000 inquiry into the aerodynamics of Frisbees and an NHI study of whether Australian aborigines perspire.

"Apparent" is the key word, however, since some of these disputed projects are more sensible than they sound. The research on aborigines, for instance, was combined with studies of Eskimos in an attempt to find out how military personnel might be helped to adapt to very hot and cold climates. Other types of projects may be as easy to ridicule but also represent quite justifiable aspects of basic research.

It takes just a few silly studies and mislabeled projects, however, to set off complaints to—and from—the Congress. So this month, when the $755-million National Science Foundation authorization bill reached the House floor, a number of representatives availed themselves of the occasion to go on record against wasteful research. The old list of odd projects was hashed over once again, even though it includes some efforts long completed and many not financed by NSF. Then the House before passing the bill, tacked on an amendment by Rep. Robert E. Bauman (R-Md.) that would give the Congress 30 days to review and, if so inclined, to veto all future NSF grants.

The Bauman approach is not good oversight; it is mischief. To start with, NSF makes far too many grants—14,000 to 16,000 per year, across the entire spectrum of sciences—for such an approach to work. No member of Congress, even if well versed in all these arcane fields, could look seriously at more than a few projects of the total. The ones bound to draw attention (as now) would be those that sound suspect—as distinct from those that may actually be trivial, superfluous or poorly planned. Moreover, researchers would learn quickly to tailor their proposals for congressional clearance, and the dubious art of "grantsmanship" could reach new heights. All in all, nothing suggests that the Bauman approach would help Congress prevent mistakes—and everything points to disruption of the system of scholarly review that NSF has built, at congressional urging, over the years.

There is reason and there is room for serious inquiry into the conduct of federal research. Programs in several agencies may overlap. Sen. Proxmire has questioned the concentration of NSF grants at large universities and has challenged some of the agency's standards for handing out funds. These patterns could surely stand examination. But the prospects for intelligent oversight are poor so long as legislators are more inclined to shuffle through projects in search of small headlines and little laughs.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1326

At the request of Mr. Javits, the Senator from Delaware (Mr. Biden), the Senator from Vermont (Mr. Leahy), the Senator from Michigan (Mr. Philip A. Hart), and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 1326, the Emergency Special Public Service Employment and Railroad Improvement Act of 1975.

S. 1502

At the request of Mr. Ribicoff, the Senator from Nevada (Mr. Laxalt) was added as a cosponsor of S. 1502, the unemployment loan extension bill.

S. 1533

At the request of Mr. Percy, the Senator from Maryland (Mr. Mathias), the Senators from Tennessee (Mr. Baker and Mr. Brock), the Senator from Ohio (Mr. Taft), the Senator from New York (Mr. Javits), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of S. 1533, a bill relating to the employment and training of criminal offenders, and for former offenders, and for other purposes.

S. 1534

At the request of Mr. Percy, the Senator from Maryland (Mr. Mathias), the Senator from New York (Mr. Javits), the Senator from Indiana (Mr. Bayh), and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 1534, a bill relating to voting rights of former offenders.

S. 1535 AND S. 1536

At the request of Mr. Percy, the Senator from Maryland (Mr. Mathias), the Senator from New York (Mr. Javits), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of S. 1535, a bill relating to the parole of offenders; and S. 1536, a bill relating to the parole of certain District of Columbia offenders.

SENATE JOINT RESOLUTION 3

At the request of Mr. Kennedy, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution to require the submission and approval by the Congress of fees on oil imports.

SENATE CONCURRENT RESOLUTION 35—SUBMISSION OF A CONCURRENT RESOLUTION APPROVING AN AGREEMENT BETWEEN THE UNITED STATES AND ROMANIA

(Referred to the Committee on Finance.)

Mr. MANSFIELD (for himself and Mr. Hugh Scott) (by request) submitted the following concurrent resolution:

S. Con. Res. 35

Resolved by the Senate (the House of Representatives concurring), That the Congress approves the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Romania transmitted by the President to the Congress on April 25, 1975.

AMENDMENTS SUBMITTED FOR PRINTING

ADDITIONAL AUTHORITY FOR THE COUNCIL ON WAGE AND PRICE STABILITY—NO. 409

AMENDMENTS NOS. 379, 380, 381

Mr. KENNEDY submitted three amendments intended to be proposed by him to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. KENNEDY. Mr. President, when S. 409, the bill to extend the Council on Wage and Price Stability, reaches the Senate floor, I plan to offer three amendments.

The first amendment would provide a modest increase in the number of staff personnel for the Council. Under the current act, the Council is authorized to employ five persons in the GS 16–18 categories. The amendment would add three new positions, and would instruct the Council to give preference in filling the new positions to persons who are specialists in various sectors of the economy. The first 6 months of the Council's work—particularly its price-monitoring activities in steel, aluminum, metal cans, rubber tires, industrial chemicals, sugar, and bakery products—demonstrate the value of sector-by-sector approach to the economy. The amendment will encourage the Council to continue and expand this role. If Congress intends the Council to be a watchdog against inflation, we must give the Council the resources with which to watch. My hope is that in its ongoing role, the Council will pursue its sector-by-sector approach, and will continue to attract and develop a highly professional staff with the ability and experience to establish a comprehensive and fully effective anti-inflation policy.

The second amendment will make clear that in the various activities of the Council to promote price restraint, the Council shall be concerned not only with price increases but also with the failure of prices to show adequate downward flexibility in periods of recession. A number of observers have pointed out cases where sectors of the economy that displayed strong upward price flexibility in the past, inflation are now failing to show commensurate downward flexibility in the current recession. The amendment will insure that the Council considers this problem.

The third amendment will set the expiration date for the Council's authority at June 30, 1976, rather than September 30, 1977, as in S. 409. I believe it would be unwise at this time to set the 1977 date, which might result in Congress ignoring the Council for the next 2 years. The Council is the Nation's first line of defense against inflation. At this critical period in the development of economic policy, the Senate and House of Representatives should consider the Council's authority on a yearly basis, to insure that our anti-inflation policy keeps on the right track. The favorable recent CPI figures are no grounds for complacency. We must take every responsible step to guarantee that inflation is not rekindled. Now is the time to set a realistic anti-inflation policy in place.

Mr. President, I ask unanimous consent that the text of the amendments may be printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 379

On page 8, line 23, strike out "September 30, 1977" and insert in lieu thereof "June 30, 1976".

Amendment No. 380

At the end of the bill, add the following new section:

Sec. — (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

Amendment No. 381

At the end of the bill, add the following new section:

Sec. —. The Council on Wage and Price Stability Act is amended by adding the following new subsections at the end of section 3:

"(c) In its activities directed toward price restraint and restraining prices under subsection (a), the Council shall include the consideration of price levels in a sector that, in a period of weak demand, fail to demonstrate a downward flexibility commensurate with the upward flexibility demonstrated by such price levels in a period of strong demand."

NOTICE OF HEARINGS: ENERGY RESEARCH AND DEVELOPMENT AND SMALL BUSINESS—SOLAR ENERGY AND SMALL BUSINESS

Mr. NELSON. Mr. President, I announce that the Select Committee on Small Business on May 13 and 14 will begin a series of hearings on energy research and development and small business. The subject on the first 2 days will be solar energy. On later dates, to be announced, other aspects of energy R. & D. will be considered, and further attention will be given to solar energy.

The hearing on May 13 will be in room 318, the caucus room, of the Russell Senate Office Building, and will begin at 10 a.m.

The hearing on May 14 will begin at 10 a.m. in room 457 of the Russell Building.

These hearings will be conducted by the full committee because the subject is within the jurisdictional interests of all of our subcommittees and of particular interest to three: the Subcommittee on Monopoly, which I chair; the Subcommittee on Government Regulations, chaired by Senator McIntyre; and the Subcommittee on Government Procurement, chaired by Senator Hathaway.

The Senator from New Hampshire (Mr. McIntyre) and the Senator from Maine (Mr. Hathaway) will therefore alternate with me in chairing these full committee hearings on solar energy and other energy research and development. We anticipate 4 to 6 days of hearings later in the year, after the opening 2 days on May 13 and 14.

Our witnesses on May 13 will be from the small business community and will express certain grievances with the manner in which solar energy research and development have been and are being handled by the Federal Government.

On May 14, we shall receive additional small business testimony, or testimony from some of the agencies mentioned in the May 13 testimony, or a combination of both.

Within the next few days, a full witness list and more detailed comments about the first 2 days of the hearings will be made available by the committee.

ANNOUNCEMENT OF HEARING BEFORE THE ENVIRONMENT AND LAND RESOURCES SUBCOMMITTEE OF THE SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE

Mr. HASKELL. Mr. President, I announce for the information of the Senate and the public, the scheduling of a public hearing before the Environment and Land Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for May 20, 1975, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Testimony is invited regarding four wilderness proposals which are pending before the subcommittee. The proposals are:

S. 74—A bill to designate the "Sheep Mountain Wilderness", Angeles and San Bernardino National Forests, California;

S. 226—A bill to designate the "Aldo Leopold Wilderness", Gila National Forest, New Mexico;

S. 392—A bill to designate the "Great Bear Wilderness", Flathead and Lewis and Clark National Forests, Montana; and

S. 1391—A bill to study certain lands (the "Snow Mountain Wilderness Study Area") in the Mendocino National Forest for possible inclusion in the National Wilderness Preservation System.

For further information regarding the hearings you may wish to contact Mr. Steven Quarles or Mr. Thomas Williams of the subcommittee staff on 224–9894. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Environment and Land Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

DEREGULATION OF NATURAL GAS

Mr. FANNIN. Mr. President, 4 years ago in the spring of 1971, the Senate expressed its earnest concern about the impending energy crisis by passing Senate Resolution 45, which established a multicommittee national fuels and energy study, with the chairman of the Senate Interior Committee presiding over it. The Senate commanded the members participating in the study to recommend solutions which, if implemented, would mitigate harm to the economy and to the welfare of American citizens.

Many hearings on the natural gas problem were held. In fact, hearings on the subject were held in 1971, 1972, and in 1973. In November of 1973, after repeated requests by minority members of the energy study, the Senate Resolution 45 membership met to deliberate a recommendation on natural gas policy. At that time the hearing record was replete with predictions of doom in terms of dramatically declining natural gas production and even more seriously declining natural gas reserves. Back then, the Federal Power Commission was instituting emergency curtailment procedures, and reports of growing unemployment were circulating due to the natural gas shortage. The national fuels and energy study membership had 2 days of meetings in November 1973, and then gave up trying to reach agreement. In the meantime, President Nixon had recommended deregulation of new natural gas, as did President Ford, who succeeded him. Various minority Members sponsored deregulation amendments to energy bills in 1973 and 1974. Their amendments

were greeted by remarks of Commerce Committee Democrats, who stated that the natural gas shortage was phony. They said there really was no natural gas shortage.

Minority Senators were not alone in recommending deregulation. The Washington Post has printed several editorials urging quick deregulation of new natural gas.

Ninety days ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his administration spokesmen to meet with the Democrats to discuss an alternative energy strategy. The Democrats stated that within 60 days they would evolve an acceptable alternative energy strategy. To date all that has developed is an unfulfilled commitment. Instead of biting the bullet, the Democrats with words, not legislation, have proposed a conceptually platitudinous and programmatically "bandaid" approach to solving our national energy problems.

The latest development in the Washington area has been a communication from the Washington Gas Light Co. to Senators and to all its customers indicating the seriousness of the shortage of natural gas supplies and the immediate need to deregulate natural gas.

I ask unanimous consent that the letter from the Washington Gas Light Co.'s chairman of the board and president, Paul E. Reichardt, be printed in the Record, and I seriously commend it to the attention of my colleagues.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington Gas Light Co.,
Washington, D.C., April 21, 1975.

Hon. Paul J. Fannin,
Washington, D.C.

Dear Senator Fannin: Washington Gas Light Company distributes natural gas which we buy from interstate pipeline companies, and there is less and less of it available. Since March 1972, we have been unable to accept any new customers. Recently we have had to discontinue service to all of our interruptible customers. Further curtailment of supply seems certain.

Because of the natural gas shortage, virtually all new homes built in the Washington area in the past 3 years have electric heat, which presently costs on the order of 2½ times as much as gas heat. And the situation in Washington is becoming more and more prevalent throughout the land.

I am writing to you as one who makes his home in the Washington area for part of each year and who, as a member of Congress, is in a position to help alleviate the growing shortages of natural gas.

Most people will agree that if Federal Power Commission control of the wellhead price of gas were removed, more gas would become available to the interstate market. But there seem to be two principal objections to decontrol.

First, some people believe that the natural gas shortage is largely the result of a conspiracy by producers, who (the argument goes) are cultivating the shortage in the hopes it will take the lid off prices. There is no question that the shortage has been brought about largely by the failure of producers to produce enough gas, for like any other businessman, the gas producer wants a reasonable return on his investment. In recent years the profit incentive appears to have been inadequate by reason of federally controlled prices. At any rate, it is clear that many producers shifted their activities from the production of domestic gas to other fields of endeavor.

The other objection to decontrol centers around the belief that the minute the lid is removed, the price of gas will skyrocket. In point of fact, however, only *new* gas would be decontrolled; and since it would take many years for the new gas to replace the gas now being produced under long-term contracts, the effect on the retail price of gas would be gradual and the inflationary impact would be minimal. Most studies indicate that natural gas will continue to remain competitive in price with other fuels well into the 1980's.

As a distribution company, our interest in this matter is simply to comply with our franchise responsibilities and get enough gas to serve our customers. We have no wish to see producers "make a killing", and coupling deregulation of new gas with a windfall profits tax and plow-back credit would seem a reasonable approach.

Natural gas provides one-third of our nation's total energy requirements. It is the cleanest fuel—the only fossil fuel which creates no pollution problems. But, as a nation, we are not doing enough to produce our substantial natural gas reserves. The decontrol of new natural gas would seem the vital first step to encourage production. Opening the potential gas fields of the Atlantic Outer Continental Shelf is another—a step which could be of exceptional benefit to the eastern part of the country.

Many members of Congress have become experts in the energy field, and I write to you in the full knowledge that you may look upon this letter as simplistic in its approach to a very complex issue. Nevertheless, to me and the other officers of Washington Gas Light Company, it is a crucial issue which will determine in large measure whether we shall have enough gas here in the National Capital area to supply our customers in the years ahead.

Sincerely,

Paul E. Reichardt.

AWACS DEMONSTRATION TIMED TO CONGRESSIONAL DECISION

Mr. PROXMIRE. Mr. President, if it did not involve so much money, the situation would be amusing. I am referring to the Air Force decision to bring the AWACS aircraft to Andrews Air Force Base on the outskirts of Washington, D.C., at precisely the moment that the House Armed Services Committee is considering how much money to pump into the program.

Of course the aircraft will just not sit there. There will be a series of flights for distinguished visitors, Members of Congress, perhaps members of the press. And the purpose of this quiet little demonstration—to influence Congress and the press at a critical decisionmaking point.

My friend and colleague from Missouri (Mr. Eagleton) has time and again pointed out the deficiencies of the aircraft. Expert testimony from the General Accounting Office has shown that it is susceptible to cheap countermeasures of a not so sophisticated origin.

Mr. President, I want to be fair about this. Maybe the timing is just a coincidence. Perhaps there is a bureaucratic reason why the invitations were sent out by the Director of the Air Force budget office. It could be that there is no intent to try to influence the congressional decision on AWACS in the days ahead. These are open questions although I have my suspicions as to how the answers might read.

In any event I have asked the Secretary of the Air Force to provide certain cost and manpower documentation relating to this demonstration and I will gladly print his response in the Record so that the both sides of the story are told.

Mr. President, I ask unanimous consent that a copy of my letter to the Secretary of the Air Force be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

April 23, 1975.

Hon. John L. McLucas,
Secretary of the Air Force,
Washington, D.C.

Dear Mr. Secretary: On April 22, 1975, I received an invitation from General Charles C. Blanton, Director of the Budget, USAF, to take part in a demonstration flight of the AWACS at Andrews Air Force Base.

The timing of this invitation, during consideration of the FY 1976 military budget and the interest of the Air Force Budget Office in promoting this event, leads to certain questions.

First, could you provide me with the total cost of making the AWACS aircraft available for this demonstration? I would like this broken down by direct and indirect costs, including manpower, flying time, fuel, maintenance, operational costs for the demonstration, support, public relations activities and such others costs as can be identified.

Second, could you please provide the number of people involved in setting up this demonstration: crew members, support crews, Pentagon public relations specialists, USAF budget officers, distinguished military visitors to be present, members of the press invited, members of Congress invited (total numbers), other guests by category.

Third, I would appreciate receiving your thinking as to why this apparent public relations effort is being made at this time?

If it is possible it would be helpful to have your reply before these demonstrations begin here in Washington.

Sincerely,

William Proxmire,
U.S. Senate.

S. 1499—THE EMERGENCY MASS TRANSIT DEVELOPMENT ACT

Mr. HART. Mr. President, recently, I introduced S. 1499, the Emergency Mass Transit Development Act. At the time, it was my intention to ask unanimous consent to have the text of the bill printed in the Record. Unfortunately, that was not done, but I do make that request now.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1499

Be it enacted by the Senate and House of Representatives of the United States of

UMI

America in Congress assembled, That this Act may be cited as the "Emergency Mass Transit Development Act".

FINDINGS OF FACT; DECLARATION OF PURPOSE

Sec. 2. (a) The United States is committed to developing a more efficient system of mass transit in order to conserve energy, reduce our reliance on foreign oil, stimulate employment, improve air quality, and provide millions of Americans with a balanced, attractive, convenient, safe and inexpensive means of travel.

(b) The productive capacity of the Nation's mass transit manufacturing industries falls well short of current demand, and is inherently incapable of meeting a substantial increase in rail and bus equipment requirements; whereas, in the Nation's automobile industry, capacity and output far outstrip current and projected demand, with a resulting depressent effect on employment and the Nation's economy.

(c) High concentration and a persistent absence of competition in the production of key bus components (especially diesel engines, transmissions, and angle-drive differentials) has restricted output and retarded innovation in the manufacture of transit buses. High concentration in rail locomotive manufacturing and the continuing exit of established railcar builders has inhibited the progress of American rail technology.

(d) The expansion of rail and bus production through new entry would enable industry to meet future mass transit equipment demands with competitively priced and innovatively designed vehicles; and it would secure for all citizens the advantages resulting from a balanced and competitive system of transportation. Moreover, the conversion and utilization by new rail and bus entrepreneurs of excess auto manufacturing capacity and manpower to the extent practicable, would reduce unemployment and preserve critical engineering skills.

(e) It is the purpose of this Act to stimulate new entry and provide additional capacity in the mass transit manufacturing sector by furnishing assistance in the form of loan guarantees to eligible industrial borrowers otherwise unable to obtain financing.

ESTABLISHMENT OF THE MASS TRANSIT DEVELOPMENT BANK

Sec. 3. (a) There is created a Mass Transit Development Bank (hereinafter referred to as the "Bank") composed of the Secretary of the Treasury, as Chairman, the Chairman of the Federal Trade Commission, or their respective designates, and three other persons who shall be appointed by the President from among individuals recommended by the Senate and House Committees on Banking, by and with the advice and consent of the Senate. A majority of the members of the Bank shall constitute a quorum.

(b) The members of the Bank who are not otherwise employed by the United States shall serve for a term of five years and shall receive compensation for service as members at the rate provided for individuals occupying a position under level II of the Executive Schedule (5 U.S.C. 5313).

(c) No member of the Bank shall in any manner, directly or indirectly, participate in the deliberation upon, or the determination of, any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he has a direct or indirect personal interest.

(d) There shall be an Advisory Board to the Bank consisting of the Administrator of the Urban Mass Transit Administration, Administrator of the Federal Railroad Administration, the Chairman and Chief Executive of the National Rail Passenger Corporation, the Administrator of the Environmental Protection Agency, and the Administrator of the Federal Energy Administration. The Advisory Board shall provide the Bank with advice on matters uniquely within the expertise of its membership.

AUTHORITY

Sec. 4. The Bank, on such terms and conditions as it deems appropriate, may guarantee, or make commitments to guarantee, lenders against loss of principal or interest on loans that meet the requirements of this Act.

LIMITATIONS AND CONDITIONS

Sec. 5. (a) A guarantee of a loan may be made under this Act to assist any borrower to finance plant construction, conversion, or expansion, or the acquisition of real estate, equipment, materials, or supplies; or to obtain working capital, only if—

(1) the Bank finds that (A) the loan is needed to enable the borrower to undertake either (i) the domestic assembly of rail or bus passenger vehicles, or (ii) the domestic manufacture of rail or bus equipment, (B) the borrower, if seeking a guarantee of a loan for the assembly of rail or bus passenger vehicles, is not at the time of application already engaged in that assembly activity, (C) the borrower, if seeking a guarantee of a loan for manufacturing rail or bus production equipment, is not at the time of application already engaged in that manufacturing activity, (D) credit is not otherwise available to the borrower under reasonable terms or conditions, and (E) the prospective earning power of the borrower, together with the character and value of the security pledged, furnish reasonable assurance that it will be able to repay the loan within the time fixed, and afford reasonable protection to the United States; and

(2) the lender certifies that it would not make the loan without such guarantee.

(b) Loans guaranteed under this Act shall be payable in not more than ten years.

(c) Loans guaranteed under this Act shall bear interest (exclusive of guarantee fees and service charges, if any) at rates not to exceed a rate determined by the Bank to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risk assumed.

DEFINITIONS

Sec. 6 (a) The definitions set forth in this section apply for the purposes of this Act.

(b) The term "borrower" includes any person, partnership, corporation, or other business association existing under or authorized by the laws of either the United States, the laws of any State, or the laws of any foreign country.

(c) The term "rail or bus passenger vehicle" means any type of steel-wheel or rubber-tired vehicle of integral construction operated on rails, fixed-guideways or streets and with a seated passenger capacity of 24 or more adults. The term "bus" shall not be deemed to include a vehicle sold primarily for school service.

(d) The term "bus equipment" means major bus components including bus bodies and suspension; engines, transmissions, drive shafts, angle-driven differentials, braking and other power train components; and lighting, heating, ventilating and air conditioning systems.

(e) The term "rail equipment" means major rail components including railcar bodies, propulsion and braking; trucks and suspension; and lighting, heating, ventilating and air conditioning systems; and railroad motive power.

CONVERSION OF AUTOMOTIVE MANUFACTURING CAPACITY AND MANPOWER; PRIORITIES

Sec. 7. To the maximum extent feasible, the Bank will give priority in the guarantee of loans under this Act to borrowers seeking to convert excess automotive assembly or manufacturing capacity and manpower to mass transit production.

SECURITY FOR LOAN GUARANTEES

Sec. 8. Loans guaranteed under this Act shall in the opinion of the Bank be adequately secured.

REQUIREMENTS APPLICABLE TO LOAN GUARANTEES

Sec. 9. (a) A guarantee agreement made under this Act with respect to an enterprise shall require that while there is any principal or interest remaining unpaid on a guaranteed loan to that enterprise the enterprise may not—

(1) declare a dividend on its common stock; or

(2) make any payment on its other indebtedness to a lender whose loan has been guaranteed under this Act.

The Bank may waive either or both of the requirements set forth in this subsection, as specified in the guarantee agreement covering a loan to any particular enterprise, if it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee.

(b) If the Bank determines that the inability of an enterprise to obtain credit without a guarantee under this Act is the result of a failure on the part of management to exercise reasonable business prudence in the conduct of the affairs of the enterprise, the Bank shall require before guaranteeing any loan to the enterprise that the enterprise make such management changes as the Bank deems necessary to give the enterprise a sound managerial base.

(c) A guarantee of a loan to any enterprise shall not be made under this Act unless—

(1) the Bank has received an audited financial statement of the enterprise; and

(2) the enterprise permits the Bank to have the same access to its books and other documents as the Bank would have under section 10 in the event the loan is guaranteed.

(d) No payment shall be made or become due under a guarantee entered into under this Act unless the lender has exhausted any remedies which it may have under the guarantee agreement.

(e)(1) Prior to making any guarantee under this Act, the Bank shall satisfy itself that the underlying loan agreement on which the guarantee is sought contains all the affirmative and negative covenants and other protective provisions which are usual and customary in loan agreeements of a similar kind, including previous loan agreements between the lender and the borrower, and that it cannot be amended, or any provisions waived, without the Bank's prior consent.

(2) On each occasion when the borrower seeks an advance under the loan agreement, the guarantee authorized by this Act shall be in force as to the funds advanced only if—

(A) the lender gives the Bank at least ten days notice in writing of its intent to provide the borrower with funds pursuant to the loan agreement;

(B) the lender certifies to the Bank before an advance is made that, as of the date of the notice provided for in subparagraph (A), the borrower is not in default under the loan agreement: *Provided*, That if a default has occurred the lender shall report the facts and circumstances relating thereto to the Bank and the Bank may expressly and in writing waive such default in any case where it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee; and

(C) the borrower provides the Bank with a plan setting forth the expenditures for which the advance will be used and the period during which the expenditures will be made, and upon the expiration of such period, reports to the Bank any instances in which amounts advanced have not been expended in accordance with the plan.

(f)(1) A guarantee agreement made under this Act shall contain a requirement that as between the Bank and the lender, the Bank shall have a priority with respect to, and to the extent of, the lender's interest in any collateral securing the loan and any earlier outstanding loans. The Bank shall take all steps necessary to assure such priority against any other persons.

(2) As used in paragraph (1) of this subsection, the term "collateral" includes all assets pledged under loan agreements and, if appropriate in the opinion of the Bank, all sums of the borrower on deposit with the lender and subject to offset under section 68 of the Bankruptcy Act.

INSPECTION OF DOCUMENTS; AUTHORITY TO DISAPPROVE CERTAIN TRANSACTIONS

Sec. 10. The Bank is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of any enterprise which has received financial assistance under this Act concerning any matter which may bear upon (1) the ability of such enterprise to repay the loan within the time fixed therefor; (2) the interests of the United States in the property of such enterprise; and (3) the assurance that there is reasonable protection to the United States. The Bank is authorized to disapprove any transaction of such enterprise involving the disposition of its assets which may affect the repayment of a loan that has been guaranteed pursuant to the provisions of this Act.

MAXIMUM OBLIGATION LIMITATION

Sec. 11. The maximum obligation of the Bank under all outstanding loans guaranteed by it shall not exceed $3,000,000,000 prior to October 1, 1978; but in no event shall the Bank guarantee loans to any one borrower in an amount (1) greater than $200,000,000 for the assembly of rail or bus vehicles, or (2) $400,000,000 for the manufacture of rail or bus equipment, or (3) $600,000,000 for combined assembly and manufacturing operations.

ANNUAL REPORTS AND MAXIMUM OBLIGATION REQUESTS

Sec. 12. The Bank shall submit to the Congress not later than March 31 of each year a full report of its operations and performance under this Act during the preceeding calendar year. To assure program continuity, the Bank shall submit to the Congress requests for increased authority (1) for fiscal years 1979, 1980, and 1981, not later than March 31, 1978, (2) for fiscal years 1982, 1983, and 1984, not later than March 31, 1981, and (3) for fiscal years 1985, 1986, and 1987, not later than March 31, 1984, and (4) for fiscal years 1988, 1989, and 1990, not later than March 31, 1987.

EMERGENCY LOAN GUARANTEE FUND

Sec. 13. (a) There is established in the Treasury an emergency loan guarantee fund to be administered by the Bank. The fund shall be used for the payment of the expenses of the Bank and for the purpose of fulfilling the Bank's obligations under this Act. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(b) The Bank shall prescribe and collect a guarantee fee in connection with each loan guaranteed by it under this Act. Sums realized from such fees shall be deposited in the emergency loan guarantee fund.

(c) Payments required to be made as a consequence of any guarantee by the Bank shall be made from the emergency loan guarantee fund. In the event that moneys in the fund are insufficient to make such payments, in order to discharge its responsibilities, the Bank is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Bank with the approval of the Secretary of the Treasury. The aggregate amount of obligations issued under this subsection may not exceed amounts approved in an appropriation Act. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations.

FEDERAL RESERVE BANKS AS FISCAL AGENTS

Sec. 14. Any Federal Reserve bank which is requested to do so shall act as fiscal agent for the Bank. Each such fiscal agent shall be reimbursed by the Bank for all expenses and losses incurred by it in acting as agent on behalf of the Bank.

PROTECTION OF GOVERNMENT'S INTEREST

Sec. 15. (a) The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this Act. Any sums recovered pursuant to this section shall be paid into the emergency loan guarantee fund.

(b) The Bank shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this Act, and upon making any such payment, the Bank shall be subrogated to all the rights of the recipient thereof.

TERMINATION

Sec. 16. The authority of the Bank to enter into any guarantee or to make any commitment to guarantee under this Act terminates on September 30, 1990. Such termination does not affect the carrying out of any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

BILL McGAFFIN

Mr. PERCY. Mr. President, many of us lost a good and valued friend last week with the death of Bill McGaffin, deputy Washingon bureau chief of the Chicago Daily News. Bill was the kind of reporter who made other journalists proud of their profession. In a career that spanned four decades and most of the globe, he had a passion for accuracy and a hard eye for anything less than the whole truth.

Away from the typewriter he was a gentle and friendly family man who was so at peace with himself and his maker that he could look even impending death in the face with equanimity. He leaves us all stronger for having known him.

The most graceful tribute to Bill that I have seen was writen by his friend and colleague Peter Lisagor, bureau chief of the Chicago Daily News.

Mr. President, I ask unanimous consent that Mr. Lisagor's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Daily News, Apr. 15, 1975]

McGaffin: A Gentle Man of Conscience

(By Peter Lisagor)

Washington.—William McGaffin was, plainly and simply, a man of conscience.

Beneath a sweetness of spirit that was rare in a man who had covered wars and every imaginable government crisis here and abroad over nearly four decades as a journalist, his conscience remained a rigorous arbiter of the behavior of public officials.

Deeply religious, compassionate to a fault, he had one hangup as a reporter: He could not tolerate deceit by those in government. Long before it became fully fashionable to question the works of men in high places, Bill McGaffin was bent on truthseeking.

He was offended by even the hint of abuse of power. He once riled President Dwight Eisenhower when, at a news conference, he asked Ike about the propriety of using government helicopters to whisk the President out to the golf course. It was a gutsy thing to do in the placid Eisenhower years.

Together with reporter Erwin Knoll, he wrote two books, "Anything but the Truth," and "Scandal in the Pentagon," exposing the deceitful games played by the Pentagon in pushing its weapons programs through Congress, and the duplicity practiced in other government agencies.

His critical stories on the military brass sometimes led to those petty reprisals that he refused to accept.

Once, when the Defense Department issued a "defense posture" statement and distributed it only to Pentagon friends in the press corps, he got wind of it and stayed on the telephone half the night, waking up general officers and civilian officials, until he obtained a copy. He wrote a reasoned story about it and had it in the paper in time to meet his competition.

His indignation was always controlled but persistent. In admiration of his probing inquiries, a colleague once said, "Bill McGaffin keeps them honest."

What he deemed the public's right to know about its business was a passion with Bill McGaffin. He fought every attempt to keep the news buttoned up, and he was a pioneer in helping to fashion freedom of information regulations.

Although saintly in demeanor and reticent by nature, he was tough-mined about his work. He was neither awed nor intimidated by the powerful. He knew the corruptive nature of power and dealt with it as a reporter with the sensitive dedication of a true professional.

While he covered upheavals around the world inspired by the wickedness and greed of despotic rulers, he never had to struggle with cynicism. He retained a basic faith in people and an uncommon loyalty to his friends and associates.

In his losing battle with cancer, Bill found an inner peace in his religion. And he had the courage to write about it without a trace of piousness.

The memory of this gentleman's uncommon civility in a tough trade, to which he

brought pride and distinction, will always be green among his colleagues.

EMIL RIEVE—A GREAT AND GOOD AMERICAN

Mr. HUMPHREY. Mr. President, yesterday I attended the memorial service for Mr. Emil Rieve, the longtime president of the Textile Worker's Union and a former vice president of the AFL-CIO. I am saddened that this great man is no longer with us, but his noble spirit remains to guide Americans who have chosen to serve their country with the same dedication.

He made many contributions to our country. He guided the merger of the AFL–CIO; conceived and sought to promote the idea of an international minimum wage; and he spoke of the need for national economic planning. The devotion and determination of Emil Rieve will remain in our hearts to inspire us always.

Mr. President, I ask unanimous consent that the text of my eulogy at the memorial service be printed in the RECORD.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

EMIL RIEVE MEMORIAL SERVICE

(By Hubert H. Humphrey)

Emil Rieve was among the most fortunate of men. He lived a full, fruitful, exciting and purposeful life.

We, therefore, do not gather here this afternoon to mourn his death, painful as it is to lose a dear friend.

Rather, we gather to pay tribute to the memory of a good friend—a noble spirit.

The newspapers reported that Emil suffered from a heart failue. Strangers may believe that, but those of us who knew him well do not—we know better.

Emil Rieve never had a failure of heart, of spirit, of courage, or of mind; he was always strong of heart and intense of conviction.

Emil and I first met in 1946—29 years ago. It was in Minneapolis and I, a young mayor with just a hint of ambition in my make-up, was invited to address an educational institute of the Twin Cities Joint Board of the Textile Workers Union, locally headed by Oscar Winger and Al Esnough.

Bill Tuller, my dear friend and the brother of Doris who had worked for me in Minneapolis, was then regional director of Textile out of Chicago. With the advice of Larry Rogin and Joe Glazer, Bill had enlisted the aid of my friend and later my lawyer, Max Kampelman, to serve as a political consultant to the Union.

This institute was to be a major step forward in the move to rid the Minnesota labor movement of its pervasive communist influence.

Into that picture came Emil Rieve—the formidable, and to us in the Mid-West, the awesome Emil Rieve—president of a powerful labor union, friend of Presidents, Governors and Congressmen, an intimate friend of Phil Murray.

But as I soon learned, there was no need for a young man to be fearful. For that crinkly, full, hard-worn hosiery worker face was also warm and smiling. And behind that exterior was great warmth, a sense of compassion, and deep wisdom.

I have heard it said that under Emil Rieve the Textile Workers Union had the best legal staff, the best educational department and the best political department in the trade union movement. Obviously, the careers of Larry Rogin, Al Barkan and Joe Glazer can be looked to as evidence for that contention. The fact that the claim was made was in itself a tribute to the leadership capabilities of this great man—small in stature but a giant in perception.

Furthermore, this leadership was broadguaged. Emil Rieve knew that a democratic labor movement must never lose sight of its members and their aspiration to share the fruits of their hard labor. But he also knew that a democratic labor movement must never lose sight of its stake in a strong democratic society and in an effective democratic political structure.

Emil Rieve and I, therefore, found ourselves side-by-side in many political struggles to establish and solidify a liberal political movement in America, free of rigid orthodoxy and totalitarian influence.

From the day we met, Emil Rieve supported me in every political fight of my life—for Mayor, Senator, Vice President and President. I will never forget and will always be grateful to this dead man, this dedicated champion of American workers, this loyal friend.

Yes, Emil Rieve was a fortunate man, but those of us who had the privilege of knowing him and being his friends were even more fortunate for his friendship.

This superb pragmatist and genuine idealist lived to see so many of his goals realized. Fights—yes; but victories, too—and victories even if they were not always immediately apparent.

And not the least but perhaps the most important ingredient of Emil's good fortune was Wanda, who gave him tenderness, scolding as needed, guidance and care, always love.

To Wanda, to Harold (his son), to Emil's family, we his friends say: "thank you for sharing him with us."

STRETCHING CRITICAL FUELS

Mr. FANNIN. Mr. President, regrettably the people who have suffered most from the energy crisis have not been politicians, but consumers. In particular, those hurt the most have been Americans whose electric bills have skyrocketed. The principal reason for the increased price for electricity has been the high cost of residual fuel oil which is used as a boiler fuel to generate electricity. The OPEC oil cartel has been largely responsible for the increase in oil prices. But, the OPEC cartel has no control over the 500-year supply of U.S. coal. Nor does it have any control over the development within the United States of nuclear generated capacity.

The Congress has been principally responsible for holding back development of coal-fired and nuclear electrical generating capacity. Overly zealous environmentalists have blocked the licensing of nuclear powerplants. Overly zealous environmentalists have been trying to block surface mining of coal. Overly zealous environmentalists have successfully pressed for the enactment of legislation which would prohibit the burning of coal. The result of all of this has been high electricity bills for the American consumer. In this Tuesday's Washington Post at page A9, W. Donham Crawford, president of the Edison Electric Institute, presented a message entitled "Nobody Can Do More To Stretch America's Critical Fuels Than Your Electric Companies." His statement lays out the facts about the problems our American electrical utilities are confronted with.

I commend this message to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 22, 1975]

NOBODY CAN DO MORE TO STRETCH AMERICA'S CRITICAL FUELS THAN YOUR ELECTRIC COMPANIES

(By W. Donham Crawford, President, Edison Electric Institute)

You count on your electric company for dependable electric service.

But your electric companies can do even more for you.

By building new plants that use different fuels to make electricity, they can "free up" hundreds of millions of barrels of oil. Badly needed oil.

A single nuclear plant can produce as much electricity in a year as an oil-fired plant burning 10 million barrels of oil.

ALMOST ANY FUEL CAN BE CONVERTED INTO ELECTRICITY

Your electric company uses a generator to make electricity. And like the generator in your car, it needs to be turned by something.

In hydroelectric plants, the generators are hooked up to elaborate "water wheel" turbines that turn them.

But in most electric plants, it is steam, made in a boiler, that turns the generators.

How you make the steam is a key to saving fuels for this country.

In oil-fired plants, oil is burned to make the steam. In coal plants, coal. In nuclear power plants, the carefully controlled nuclear reaction gives off heat that makes the steam.

HOW COAL AND NUCLEAR FUEL CAN TAKE THE PLACE OF OIL

Knowing that it's all in how you make the steam, you can see that the way to save oil is simply not to build more power plants that depend on oil.

With the oil shortage, we have had a hard time getting the oil to keep these plants going. Where available, it has been expensive.

So the idea is to shift to fuels which are more plentiful.

Coal, for instance, is now used to make about 46% of our electricity. Nuclear energy only 6%.

The oil-saving answer is to build new plants that can use coal or nuclear energy. Both of these alternative fuels also offer important economic advantages over oil. There are economies for consumers, too.

On a nationwide average, nuclear fuel costs about one-eight as much as oil.

THEN WHY HAVEN'T WE SWITCHED OVER TO COAL AND NUCLEAR FUELS?

The answer is, we're trying—but the going is tough.

The past year has been so hard on electric companies financially that 83 new nuclear installations have been delayed or shelved. And what hurts most is that it takes 10 years to build a nuclear plant. Based on projections of the population and energy use for 1985, we need each one of the plants still being held up.

We need new coal-burning plants, too. But environmental restrictions have closed off much of our coal supply.

We are optimistic that the delays will be overcome and construction schedules maintained on both nuclear and coal-burning

plants. We hope that a reasonable balance can be struck between our environmental goals and our energy needs.

The country has hundreds of years worth of coal in the ground and a long-range supply of uranium to rely on—these are two fuels we have in great supply. And that, to the electric companies, is fuel reliability.

A WORD ABOUT CLEAN BURNING OF COAL

The electric companies favor and support the objectives of the Clean Air Act, but have disagreed so far with the Environmental Protection Agency on the best way to achieve these objectives in the burning of coal. There are a number of ways to achieve health-related air standards, and we think they all have a place.

A requirement to install scrubbers where they are not needed will cost consumers hundreds of millions of dollars. Not to mention the possible threat to the continuity of service.

As we've said, reliability must govern whatever electric companies do.

HOW YOU CAN HELP STRETCH ALL OF OUR FUELS

This last year, you helped by using electricity wisely, but there's still more you can do.

Shift any electric job you can out of the "rush hour" periods to quieter times, such as nights and weekends.

If enough people do this, your electric company can often avoid having to start up an extra generator during rush hours.

And since these "spare" generators are generally less efficient than the main generators, they use more fuel. The fuel is usually gas or oil.

CAN NEW COAL AND NUCLEAR PLANTS SLOW DOWN THE RAPID RISE OF ELECTRIC RATES?

Electricity prices, like everything else, have climbed rapidly the last year and show every indication of continuing to climb.

So the economies of a nuclear plant, for instance, cannot turn inflation around, but they can slow it down. And that is important.

Fuel costs, construction costs, interest rates and inflation have all been forcing the price of electricity up despite the efforts of companies and regulatory commissions to slow the rise.

To sum up, your electric companies are in a unique position of being able to help stretch this country's critical fuels—specifically oil and natural gas—and keep your electric service reliable at the same time.

It's a big order, but with your help we can do it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the value of the Genocide Convention lies on two planes: What it is and what it represents. The convention is the outlawing, specifically, of genocide. The convention represents the first attempt to establish international law that would create a moral and philosophical standard. This universal code of ethics would, in turn, hopefully promote understanding and peace between nations.

The problem we face is the simple failure to acknowledge the enormous benefits to be reaped from this second plane, because of a preoccupation with the first.

In a report the Committee on Foreign Relations concluded:

Indeed, there is a note of fear behind most arguments—as if genocide were rampant in the United States and this Nation could not afford to have its actions examined by international organs—as if our Supreme Court would lose its collective mind and make of the treaty something it is not—as if we as a people don't trust ourselves and our society. The rhetoric of the opponents, and to a degree the proponents, has obscured what a modest step the Convention represents.

Philosophical, moral, and constitutional questions have been raised which go far beyond this modest step and probe man's relationship to his fellow man and the responsibilities of governments to protect the rights of their citizens. These questions appear inherent in the area of human rights treaties and legislation and it is good that they are raised, because they serve to lift our sights to what is really an issue here, an attempt to curb the excesses of mankind. As our planet becomes more crowded, man's behavior towards his fellows must be governed by standards ever higher and more humane. This treaty seeks to set higher standards of international morality and should be judged on that basis.

I again urge ratification.

THE PROBLEMS AND PROSPECTS OF EAST ST. LOUIS, ILL.

Mr. PERCY. Mr. President, I want to bring to the attention of my colleagues a recent article by Paul Delaney, of the New York Times, describing East St. Louis, Ill.

It is not a pretty story; in fact, it is a downright gloomy and pessimistic one. But the present problems and future prospects of East St. Louis, Ill., hold lessons for all of us who are concerned about urban America.

We here in Washington had better pay attention to these lessons and then provide the necessary leadership and support to help in the rebuilding of East St. Louis and similar cities across America.

I ask unanimous consent that Mr. Delaney's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EAST ST. LOUIS, DECAYED AND DESPERATE, STILL HAS HOPE

(By Paul Delaney)

EAST ST. LOUIS, ILL.—In the revolving rooftop restaurant of Stouffer Inn on the St. Louis side of the Mississippi River, the cocktail napkins have a map of the riverfront drawn on them.

The map notes the Gateway Arch, Busch Stadium, the old cathedral and other points of interest. Ignored completely is the City of East St. Louis, the predominantly black town that comes out only as a blank white space on the napkins.

The omission perhaps is typical of the feelings of many on both the Illinois and Missouri sides of the Mississippi that East St. Louis should just disappear along with its myriad of problems and seemingly insurmountable decay.

But East St. Louis is there, standing as an unfortunate example of what happens when a city is allowed to deteriorate to the point of desperation. The city's dwindling population, down to about 80,000, was once predominantly white but is now over 75 per cent black and extremely poor.

Much of East St. Louis' housing is decayed. There is a deficit of $2-million in the city government's $9-million operating budget. Unemployment is over 20 per cent, highest of any city in the state.

Crime is rampant, and were it not for state and Federal funds for such programs as job training, welfare benefits, public employment and unemployment compensation, things would be much worse than they are.

More than 30 per cent of the population receives some form of public aid and the overwhelming majority of the rest are dependent on a public payroll.

In interviews, leaders here said that today's problems were attributable to a history of being in the shadows of the bigger metropolis of St. Louis, and serving as its neighbor's "fun city" by providing horse racing, gambling, liquor and prostitution through a corrupt political machine that continues to flourish today, although now black-controlled.

Further, the heavy industry and 13 railroads that came to East St. Louis attracted from the South a work force of unskilled and uneducated blacks and whites. Many of them were originally headed for Chicago but were delayed in St. Louis, and the blacks in particular preferred to settle in a "northern" state rather than Missouri.

Despite such a gloomy situation, there are some citizens and leaders here who see better days ahead for East St. Louis. There is no way to go but up, many of them said candidly.

They point to a new city government under a different form of government as one reason for optimism. On May 5, a strong mayor and 18-member council form of government replaces a five-man commission that was elected at-large.

Other reasons, they say, are good transportation—ground, water and air—and plenty of available land almost free for the asking and a large work force.

"This city is a gold mine, but its resources have never been tapped," commented Mayor James B. Williams, who was defeated April 1 for re-election by 800 votes.

He was not alone in his assessment. Some persons interviewed could think of nothing more to say other than East St. Louis has great potential.

The slogan outside the First National Bank of East St. Louis says "we're staying." But inside, C. J. Rogers, president, explained, "We're staying because we don't have much of an option. Besides, while there is no business here and none coming in the foreseeable future, banking is doing okay. More people are saving and there are massive amounts of Federal and state dollars coming here that have to be deposited."

One of the biggest optimists in town is Mayor-Elect William E. Mason. He feels that his election as the first black Democratic Mayor—Mayor Williams was an independent—signaled the beginning of unity, the key to solving the problems of East St. Louis.

Mr. Mason, holder of a doctorate degree, resigned Thursday night as Superintendent of Schools here. He criticized Mayor Williams' independence and distrust of partisan politics.

"You can't be in politics without participating in politicking. As Mayor of the city and head of my party I intend to use that clout for the benefit of East St. Louis," Mr. Mason said.

However, many others interviewed expressed concern over the Democratic party, which they described repeatedly and bitterly as corrupt. The party is firmly entrenched and just captured all 18 council seats, with only one white and no women.

Indeed, Mr. Mason himself, along with the school board and several school staff officers, are representatives of the plight of East St. Louis. He is under investigation by the Federal authorities in a series of scandals involving kickback schemes and other forms of corruption. The school district is the city's biggest employer—with 2,000 mostly patronage jobs and a budget of $32 million coming mainly from the state. Mr.

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Mason has denied any involvement in wrongdoing.

Four of the school board's seven members, including its president, went on trial in Federal District Court today, along with the school district's business manager and purchasing agent. Not even the church escaped the scandals, as a Roman Catholic nun was also indicted.

City leaders, including Mr. Williams, Mr. Mason, Mr. Jordan and Mr. Rogers, analyzed East St. Louis' basic problem thusly: for decades poor, unskilled and uneducated blacks were exploited politically and economically. But they continued to support and deliver the votes for the white-controlled Democratic machine.

Meanwhile, a strong black middle class never developed, and when blacks suddenly took over politics five years ago, the leaders were the ward heelers and flunkies of the previous white machine.

"There is no question that the black community is unsophisticated in the ways of politics," Mr. Jordan commented, echoing the sentiment of many.

White businessmen refused to deal with the new political leaders and became more and more alienated, Mr. Rogers said. He and Gilbert Novotny, president of National Stockyards Company, served on a committee formed 10 years ago to try to attract new industry to East St. Louis. Mr. Novotny said that not a single new white business had settled in East St. Louis in that period.

Mayor-elect Mason said that his first order of priority would be to curb crime on the streets, which should lead to a better atmosphere to stem the abandonment of the city now by middle class blacks and eventually attract white residents and businesses back to East St. Louis.

A DAY OF REMEMBRANCE FOR ARMENIA

Mr. KENNEDY. Mr. President, today marks the observance of a "National Day of Remembrance of Man's Inhumanity to Man"—the 60th anniversary of the Armenian massacre and exile. It is a day to pay tribute to millions who were denied life and liberty and the right to live in peace in their own land. But it is also a day to reaffirm our commitment to the principles embodied in every treaty and declaration which seeks to protect minorities and end the oppression of people and nations.

For Americans and other peoples who cherish their heritage of freedom and the equality of man, the tragic history of the Armenian people serves as a constant reminder of our Nation's failure to outlaw the crime of genocide. So long as the United States fails to ratify the Genocide Convention, our long-standing commitment to help alleviate the tragic dimensions of conflict will remain under test. So, too, will our pledge to uphold the principles of international law and humanitarian justice—principles so integral to the fabric of our society. Our failure to act decisively during the years on this treaty has created a burden of neglect—neglect of principles for which we pride ourselves in setting an example for other nations to follow. And while few nations can match America's incomparable record of persistence in the cause of equality and morality in the conduct of international relations, there is much more we can and must do. To begin achieving this objective, it is imperative to move quickly once and for all against civilian destruction and the excess of war by upholding the Genocide Treaty.

For Americans of Armenian descent, our adherence to these principles is the challenge which all Americans must confront together, not one group alone. The tragedy of Armenia should be reason enough for us to move forward.

What transpired in 1916 exists even in our own time. Turmoil and violence remain constant companions to millions of innocent war victims around the world. Still today, as the tragedy of the past is rekindled on this occasion—the ruthless course of war leaves a never-ending succession of human disasters in its wake.

In Indochina, Africa, and elsewhere, innocent civilians flee armies and the hatred of governments. Too often the simple protests of the international community fails to stop such violence. With war-ravaged populations suffering wherever we turn, Armenians know all too well that if history is to serve as our guide, genocide acts are not simply sorry episodes of the past—but very real and immediate threats which demand far greater concern and more definite obligations on our part.

Mr. President, along with all Americans, I wish to express my support for this day's objectives. Let us seek a common purpose from this National Day of Remembrance. We can do no less for the cause of the Armenian people.

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

Mr. PERCY. Mr. President, today—April 25, 1975—the Washington Post published a newsstory, written by Joel D. Weisman, entitled "U.S. Funds Unclaimed by Local Governments." I commend Reporter Weisman on the thoroughness of his research and the Washington Post for publishing this informative article. As I travel around the State of Illinois and meet with municipal officials, I learn that most of the local governments have severe fiscal problems despite the revenue sharing funds they receive. I repeatedly hear the same remark as the primary reason for their desperate money plight. The remark is:

> The people want an increase in services without an increase in taxes.

But, currently, many villages and towns have no recourse but to cut back on present services. In addition to other adverse effects, this action invariably causes increased unemployment and a worsening of the economic problems of the communities.

I am confident many local officials are not aware of many Federal programs which do have funds and could be of assistance in some areas. I feel the information contained in the article would be of genuine value to thousands of local officials who face critical financial problems.

Mr. President, I ask unanimous consent to have the article referred to printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

(By Joel D. Weisman)

Several billion dollars in federal grants—for programs ranging from drug control to flood prevention—have yet to be claimed by local governments.

The unclaimed billions were discovered in a Washington Post survey of 1974 and 1975 grants. An exact figure cannot yet be determined because of varying claim deadlines and the fact that many government agencies do not compute outstanding grants until the end of the fiscal year.

However, the survey shows:

More than $100 million in community development revenue sharing and highway funds have been rejected by dozens of local governments.

More than $5 billion in environmental protection granta have yet to be claimed with the July 1 deadline approaching.

More than $5 million in Health, Education, and Welfare and Department of Agriculture grants were not claimed in 1974 in programs including drug control, hospital construction, scholarships, child and maternal care and state agricultural experimental stations. HEW says even more may go unclaimed this year.

Mere compliance with application requirements, sometimes no more than filling out a single-page proposal, assures the communities of the grants, which are so-called mandatory, as contrasted with the discretionary variety. In discretionary grants various applicants vie for portions of a total allotment. The portions are decided at the discretion of the federal government officials.

In virtually all the programs surveyed, the amount of unclaimed grants was relatively small in light of the multibillion-dollar totals available, but taken overall their impact could be significant as local governments, short of cash, try to hold the line on taxes.

The survey indicated there are various reasons for failure to claim funds, including: lack of matching local funds; fear of federal controls; administrative carelessness; and fear of racial integration since most grants require pledges of non-discrimination among other promises.

"These are surely not the times the city should ignore available money," said John Gunter, executive director of the U.S. Conference of Mayors, which represents the nation's largest cities. "But in some cases, it takes money to get money," he added, referring to local matching requirements.

Local matching requirements range from 10 per cent on Interstate Highway funds to 50 per cent for some agriculture grants.

However, there are vast sums available that require no matching funds.

For instance, some $27 million remains available until July 1 for full federal funding of highways in and around national parks. Yet the following states have yet to make claims: Alaska, allotted $3.9 million; Oregon, $3.6 million; Montana, $3 million; Colorado, $2.9 million; Arizona, $2.4 million.

The new HUD community development grants—designed to replace a half-dozen categorical grants—also have no local matching requirements. Moreover, they can be spent for a wide variety of programs, ranging from flood control and open space development to fire and ice protection.

But communities receiving the funds must file low and moderate income housing plans—a requirement that has caused the outright rejection of more than $25 million.

Some two dozen predominantly white, medium-sized cities generally located near large cities with substantial black populations, were among those that turned down the HUD funds.

"We turned down the program because we feel that such housing plans would encourage inner-city people to migrate to our cities," said Mayor Ted Bates, of Warren, Mich., which borders Detroit. Bates concedes his city of 180,000, with about 90 black families, could have used the $1.6 million in HUD funds "but we don't want it to be at the price of inviting poor people here."

Similar sentiments were expressed by local government leaders in Berwyn, Cicero, and Oak Lawn, Ill., which all border Chicago.

"Let's face it, we're talking about integration," said Richard Drager, of Roseville, Mich., another Detroit suburb.

But while blue-collar cities of 50,000 or more passed up about $5 million in HUD monies, urban counties, comprised of smaller, often white-collar, suburbs, passed up nearly five times that amount.

For instance, Montgomery County, outside Philadelphia, received only $340,000 of a possible $1 million in community development grants because so many suburbs refused to sign a county cooperative agreement—and participate in the housing plan. Cook County, where Chicago is located, sacrificed some $700,000 for the same reason.

And nine urban counties were forced to reject all funds they were allotted because they could not get enough communities to meet the combined 200,000 population minimum required for an urban county grant. These counties were: Dallas County, Tex.; Milwaukee County, Wis.; Waukesha County, Wis., west of Milwaukee; McComb County, Mich. near Detroit; York County, Pa.; Monroe County, N.Y., which includes Rochester; Westchester County, N.Y.; Lake County, Ind., which includes Gary; and Baltimore County, Md.

"The cities don't come right out and say it, but in most cases they fear blacks," said Thomas Goodwin, Waukesha County grant administrator. In his county 25 of 37 suburbs refused to enter cooperative agreements, leaving the county short of the minimum 200,000.

HUD officials were surprised by the outright rejections, but declined to label the motive racism. "It may well be a genuine concern for maintaining family economic levels," says James Broughman, chief of HUD grant statistics. "Blacks may be feared because they're poor, more than because they're black."

Like the HUD funds, federal revenue sharing requires no matching grants—and allows local authorities broad discretion in spending funds.

Yet, despite two telegrams, five postcards, and various other reminders and communications from the Treasury Department to apply, 125 government units rejected revenue sharing dollars in 1974 and 103 units have done the same this year.

In some cases rejections are based on deep-seated philosophical beliefs.

"We just don't want something for nothing," says Mayor Gene Hoke, of Ocean Breeze Park, Fla., who could have cut his city's budget by 25 per cent by accepting the $2,500 in funds.

Arnold Hewitt, a spokesman for the Tuscarora Indian Reservation near Niagara Falls, N.Y., says his tribe refused $18,000 in revenue sharing funds "because the money is like the old palefaces' fire water. They give it to us then they take our land."

In Leonard Village, Mich., officials refused money they wanted for a public building "because we can't afford to pay laborers prevailing union wages," one of the requirements under the act.

Among the largest unclaimed sums are Environmental Protection Agency grants, which require matching funds. "In some cases communities have to pass referendums just for the matching money," said Peter Romsey of the Illinois Bureau of the Budget Other states are having difficulty meeting stiff technical requirements.

Thus with only two months until the deadline for claiming 1974 funds and 14 months to claim '75 funds, almost $5 billion remains in Washington.

Interstate highway funds are also plentiful. Massachusetts and the District of Columbia have already rejected $70 million to build Interstate highways, and many millions earmarked for other states have yet to be obligated under the 1973 Highway Act, which expires June 30. For instance, as of March, Delaware had claimed only $3 million of an allotted $24 million and Iowa had received only $5 of $128 million.

Department of Transportation spokesman say in some cases local governments can't meet the 10 per cent matching requirements on Interstate funds and the 30 per cent matching requirements on Interstate federal highways. Many projects, as in the case of the District, are also threatened by citizen opposition to highways or adverse court decisions.

In most cases, unused federal funds revert to the agencies that dispense them and are added to the next year's allotments—but not always to the same states. Thus, alert local governments can increase their share by claiming unused funds.

"That's one good feature of people not taking what they're entitled to," said Richard Eckfield, who has been retained by the cities of San Jose, Dayton, and Seattle to oversee their acquisition of federal funds "I am in the midst of building my own Interstate in San Jose out of funds not claimed by other states—and I've already got money for a few miles."

STERLING PARK RESIDENTS SAY SST IS TOO LOUD

Mr. PROXMIRE. Mr. President, at a Federal Aviation Administration hearing on April 21, residents of Sterling Park, Va., took issue with the FAA draft environmental impact statement in support of allowing the Concorde supersonic aircraft to land at Dulles and Kennedy Airports.

The fact is that the Concorde's noise level represents a 20 to 30 percent increase in noise over the noisiest aircraft in our jet fleet. Moreover, the gap between the Concorde and other subsonic aircraft will increase as newly subsonic jets meet the more stringent requirements of Federal Aviation Regulation, part 36, and older, noisier aircraft are retroffied to reduce their noise level.

Given the existing level of aircraft noise, any increase—no matter how minimal—is unacceptable.

As the Department of Transportation predicted in a 1973 study, considerable adverse public reaction can be expected if the Concorde is permitted to operate into the United States, because of the higher noise levels and the greater number of people exposed.

I wholeheartedly support the efforts of Sterling Park residents to defeat the FAA proposal to allow the Concorde to land in the United States until such time as that aircraft can meet our environmental standards.

I ask unanimous consent that an article which appeared in the Washington Star on April 22, entitled "SST Is Too Loud, Residents Tell FAA," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SST IS TOO LOUD, RESIDENTS TELL FAA

(By Jody Beck)

Is the Concorde supersonic transport "imperceptibly" noisier or "immensely" nosier than other jet aircraft?

Residents of Sterling Park, Va., and several other communities near Dulles International Airport contended at a public hearing in the Sterling Middle School last night that the Concorde was much louder than the planes now using the airport.

They testified against a draft environmental impact statement written by the Federal Aviation Administration that would allow the British-French SST to land at Dulles twice a day and John F. Kennedy Airport in New York four times daily beginning early next year.

Rosemary Phalen, who lives in the Sugarland Run area about 10 miles from the airport, said a 1973 test flight of a Concorde into Dulles sounded like "a bomb" falling on her home.

Other neighbors, Mrs. Phalen said, compared the noise to an earthquake or a jet crashing. She said she had read the difference between the Concorde and jets now landing regularly at Dulles would be "imperceptible," but decided after hearing the plane that the difference was "immense."

Michael Wilde, Concorde project director for British Aircraft Corp., told the FAA hearing that Concorde noise was "essentially the same" as other jets, including the Boeing 707 and the DC8. He added the Concorde has landed at 10 U.S. airports "without complaint about low frequency noise and vibration, much less any evidence of damage."

Opponents also pointed out that two SST flights a day would increase the airport's traffic by less than 1 percent but would increase pollution emissions by at least 8 percent. Those supporting the Concorde countered by pointing out the airport accounts for less than 1 percent of the metropolitan area's total pollution.

Rep. Joseph L. Fisher, who asked for the Sterling Park hearing, said he did not believe that the SST should be allowed to use Dulles or other U.S. airports unless it can be proved safe for the health of those living near the airports and for the environment. He listed a number of questions left unanswered in the FAA draft environmental impact statement.

In a more strongly worded statement, Rep. Herbert Harris pointed out "severe environmental consequences of SST flights at Dulles" and cautioned against being "misled into thinking such flights would be limited to only a few a day." He called the plan "a lemon."

OPPOSITION TO OCS LEASING

Mr. HANSEN. Mr. President, here on the Senate floor during the last few weeks, this great deliberative body has knocked down that straw bogeyman of its imagination, the U.S. oil industry.

Not satisfied with eliminating depletion allowance for all but the independents and further punishing the industry by an added shackle to their ability to compete abroad, we added a crown of thorns with S. 622, the Standby Energy Authorities Act which, if enacted, would lock in allocation and price controls as well as mandating a no-growth energy policy.

By the time S. 622 was passed late the night of April 10, this deliberative body was voting on unprinted amendments without debate, amendments that

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could have devastating effects on the U.S. economy, jobs for the poor and unemployed and the ability of the United States to lessen its dependence on insecure sources of foreign oil.

No one would listen but the net result of S. 622 on top of the Tax Reduction Act may well be just what the country needs to remain in a constant state of recession. The one thing above all others needed to get the United States on the road to recovery is jobs and more jobs from the private sector—business and industry. Gearing up the wheels of industry from its present idling capacity will take more, not less energy but all Congress so far has done is agree by overwhelming votes to lessen any prospect of more oil and gas.

Mandating a no-growth energy policy coupled with virtual demolition of the oil industry's efforts to continue its vastly expanded search for new oil and gas can result only in a sharing of shortages and the continued threat of blackmail and further price extortion by those who control the world's jugular vein of oil.

A few of us in this great body have been crying wolf for several years. The wolf came with a vengeance in the Arab oil embargo.

During the year since he left, Congress has done nothing, really, but pass the blame around.

My colleagues may tire of my constant reminders that when the wolf returns he will bring the whole pack with him unless we take some positive steps to counteract the negative actions included in S. 622 and the Tax Reduction Act and S. 621 which is now pending.

If the Senators will not listen to those of us who they possibly have grown weary of hearing, perhaps they would heed the warning of a fresh new voice, the able and knowledgable Governor of Louisiana.

Gov. Edward W. Edwards in an article in the April issue of World Oil Magazine reiterated the need for positive congressional action. He said:

> Early in my career as Governor, as I was yelling about offshore development, I was sort of like John the Baptist—a voice crying in the wilderness. But now the President, Interior Secretary Morton and others in the Administration are all aware of the need to develop OCS. Regrettably, the Congress doesn't share that awareness.

In answer to the question, "Do you except a change in the congressional attitude?" Edwards answered:

> Oh yes, eventually. But any change isn't going to come from reason. It's going to come from dark nights, cold homes, stalled automobiles, and empty filling stations.

The next question was: "Do you think the Congress has been remiss in its responsibility as the President indicates?" Governor Edwards answered:

> Yes, it has been remiss. Federal law requires the Secretary of the Interior to fully develop the nation's resources and part of these resources are the oil and gas that lie dormant under the outer continental shelf. But instead of helping to implement that policy, the Congress has thrown stumbling blocks in the way. Whether it's the President, members of Congress or a private citizen, anyone who believes that the solution to our energy problem lies in trying to divide an inadequate source of fuel, rather than trying to provide more of the product, is just going to end up frustrated and unhappy. Such a course will only make a bad situation worse.

Mr. President, the Louisiana Governor also had some comments which I share on congressional proposals to create a national oil company.

His response to that proposal was:

> That is probably the most counterproductive, foolish, shortsighted, unrealistic idea to come out of the Congress. I don't see how anybody who is familiar with the great inefficiency of the federal postal system could ever suggest having the government take over the oil and gas industry.

Mr. President, Governor Edwards words, especially his comments on the ugly, unwarranted, counterproductive, antioil attitude in Congress should be noted, and heeded by all Senators before we destroy the only hope we have of reversing the suicidal trend toward a no-growth energy policy and the first act of the Great American Tragedy of destroying the free enterprise system.

I ask unanimous consent that the World Oil interview with Governor Edwards be printed in the Record.

There being no objection, the interview was ordered to be printed in the Record, as follows:

According to Louisiana Gov. Edwin W. Edwards . . . Opposition to OCS Leasing Is Sincere, But Misguided

Governor Edwin W. Edwards of Louisiana has spoken out forcefully in recent months on a variety of subjects related to current oil and gas energy problems in the United States. Specifically, the Governor is an outspoken critic of federal government energy non-policy, Congressional dilly-dallying over energy legislation and of opposition to further development of OCS areas off the Atlantic, Pacific and Alaskan coastlines.

Unlike many political figures, who comment on energy chiefly for publicity purposes, Governor Edwards is eminently equipped to support his strong views. In essence, he knows what he's taking about and he has the ability and foresight to apply common sense in developing some suggested solutions to the energy dilemma. In addition to being the chief executive officer of a state which produces more oil than all but a few countries in the world, and which derives a great deal of benefit from the petroleum industry, he has lived and worked in the heart of the South Louisiana oil country for many years. This personal experience has given him a keen insight into both public and industry problems associated with petroleum.

Too, his political experience on local, state and national levels qualifies him to comment on the manner in which the current U.S. Congress is attempting to cope with energy legislation.

World Oil. *What is your opinion of President Ford's energy program?*

Gov. Edwards: First, it's very late. The country is about 30 years late in providing any effective energy program. both from the standpoint of production and distribution, and for planning for long term needs. Second, I cannot embrace fully any energy program—or anyone's energy program—unless its primary aim is the development of our own resources. Specifically, of course, I refer to outer continental shelf development, both on the Atlantic and the Pacific seaboards as well as offshore Alaska. Finally, I think that if a crash program were initiated for OCS development, and an all out effort is made to get the Alaskan pipe line on stream as soon as possible, other alternatives suggested by the President and the Congress—allocation, rationing, taxes on gasoline and fuel oil—would no longer be necessary.

World Oil. *As the governor of one of the major producing states, has the Administration or the congressional Democratic majority solicited your advice on their respective energy programs?*

Gov. Edwards: The Administration has, frequently. I have had four separate meetings, either with the President himself, or with his advisors. Early in my career as governor, as I was yelling about offshore development, I was sort of like John the Baptist—a voice crying in the wilderness. But now the President, Interior Secretary Morton and others in the Administration are all aware of the need to develop the OCS. Regrettably, the Congress doesn't share that awareness.

World Oil. *Do you expect a change in congressional attitude?*

Gov. Edwards. Oh yes, eventually. But any change isn't going to come from reason. It's going to come from dark nights, cold homes, stalled automobiles and empty filling stations.

World Oil. *Do you think the Congress has been remiss in its responsibility, as the President indicates?*

Gov. Edwards. Yes, it has been remiss. Federal law requires the Secretary of the Interior to fully develop the nation's resources—and part of these resources are the oil and gas that lie dormant under the outer continental shelf. But instead of helping to implement that policy, the Congress has thrown stumbling blocks in the way. Whether it's the President, members of Congress or a private citizen, anyone who believes that the solution to our energy problem lies in trying to divide an inadequate source of fuel, rather than trying to provide more of the product, is just going to end up frustrated and unhappy. Such a course will only make a bad situation worse.

World Oil. *Significant opposition has developed to OCS leasing. Would you comment on this?*

Gov. Edwards. The opposition is probably sincere, but misguided. Protests came from people who are totally unaware of what off shore development is. They envision some dirty, ugly, spewing, noisy, monstrous mechanism 100 yards offshore that has to be circumnavigated by swimmers. But offshore development in the northeast, for example, means the Baltimore Canyon, which is 100 miles off the coast of New York and New Jersey. From that distance, an oil rig couldn't be seen from the top of the Empire State building on a clear day—if they had a clear day. If the critics just knew what they were opposing, I don't believe they would oppose it. As a matter of fact, if we could get them to leave town for six months, after the wells are drilled, we could have that oil and gas coming onshore. And when they returned they wouldn't even be aware of it.

World Oil. *What does the offshore petroleum industry mean to your state?*

Gov. Edwards. Within the three mile limit, of course, it means a great deal to the treasury of our state, because we receive a royalty on production. Development of federal properties is something else. For example, it's a burden for us to prepare roads and schools, and provide support services for development of tax free federal areas, and then have the government pump production across our state into other areas of the country. States that are now yelling and screaming about their right to block OCS development by the national government are the same states that 20 years ago told us it was none of our business if the federal government wanted to allow drilling off our shores in the Gulf of Mexico, and that we couldn't stop it. You can't have the argument both ways.

World Oil. *Have you any evidence that offshore drilling and production operations have adversely affected Louisiana shrimping and fishing interests?*

Gov. Edwards. Absolutely none. Quite the contrary. In the late 1940s and early 1950s there was some concern, but all of that concern has evaporated. The shrimping, fishing and oyster industries have learned to get along with the oil industry. They accommodate each other. There is no damage whatever and, as a matter of fact, the catch from these areas has increased almost every year, since drilling began offshore. In the few periods when take has been reduced, it has been totally attributable to flooding, hurricanes and other circumstances beyond, and totally unrelated to, the oil and gas industry.

World Oil. *Louisiana and California received widespread publicity in recent years when offshore wells blew out and spilled oil. Do you think coverage of such events by the general news media has been fair?*

Gov. Edwards. The news media does a lot to form public opinion. Take the Santa Barbara thing, for example. That was one of four spills out of 15,000 wells drilled in the coastal waters of this country over 25 years. And it was the *only* one where appreciable oil reached the coast line. Yet, to watch the television networks for six weeks thereafter, you'd think every seagull in the country had had its wings dipped in oil, since they had a different child every night holding up the same seagull, as if the end of the world had come. This clearly left a bad impression with the public. To me, the ignorance of the national news media and their willingness to mislead the American public are unbelievable. But they do exactly that.

World Oil. *What action could oil and gas producing states initiate to counter the generally anti-oil influence facing it in Congress today?*

Gov. Edwards. One thing we can do is to try and remind the public and the Congress that for 40 years U.S. oil companies have furnished the American people, who constitute 6% of the world's population, with 40% of the world's energy at ⅓ the world cost. That record is unequaled anywhere on this earth. Too, the Congress must realize that America's energy problem can only be solved by American technology and American gas and oil companies, and that government must assist in this effort, not hinder it.

One of the best things that could happen would be for the Congress to free the industry from the regulatory mess which the Congress itself has created. I think if Congress would stop passing legislation that changes the rules for operators from week to week, so that those risking money in the business would know what they can and cannot do over a reasonable period of time, and if positive legislative steps were taken to give industry the authority to immediately develop areas of high potential—such as the OCS—we could attain self-sufficiency in energy again.

World Oil. *Senator Lloyd Bentsen, now a presidential candidate, has proposed offshore OCS leasing procedure be changed from a bonus bid to a production sharing contract type arrangement similar to that used in some other countries. What do you think of this idea?*

Gov. Edwards. I think that's a good concept and the government should adopt it. For years the thing to do was to get as much bonus money as possible for the lease and then be unconcerned about participation and development. I think if governments are enlightened, they'll shift the emphasis from a cash bonus to greater participation in production. One good reason for this is that it doesn't require a company to spend large amounts of money on bonuses that could be invested in exploration. It makes the government more a partner in the development.

World Oil. *Should price controls on oil and gas be removed?*

Gov. Edwards. Absolutely. 100%. And may I say the removal of wellhead price controls on interstate gas is contrary to my state's interest. For example, we supply more gas than any state in the country. FPC regulates the price of gas going into interstate commerce and has unrealistically kept the price at ⅓ of its true value for the last 20 years. Today, gas produced within the state has no chance of crossing the state line because it can be sold within our borders for a much more realistic price—some 3 to 4 times the FPC controlled price. This has allowed us to keep the gas for use in Louisiana, and this benefits the state.

Now that's in my state's interest. However, the national interest clearly requires deregulation at all levels if the *interstate* gas supply is to be increased. You can't expect producers who have the money—if they have that kind of money, they didn't get it because they're stupid—it takes to drill a $2-million gas well to 20,000 feet, or out in the Gulf, to invest in such expensive projects if they can't be assured of a reasonable return. You simply can't spend $2 million to drill a well to sell gas at 40 cents per Mcf. It's not economically realistic. But at $1.50 per Mcf it is. And $1.50 gas is still a bargain. I know it's a bargain because all the gas that can be produced in Louisiana can be sold within the state for this price.

World Oil. *What do you think of the recent congressional proposals to create a national oil company?*

Gov. Edwards. That is probably the most counter-productive, foolish, shortsighted, unrealistic idea to come out of the Congress. I don't see how anybody who is familiar with the great inefficiency of the federal postal system could *ever* suggest having the government take over the oil and gas industry.

World Oil. *How serious is the possibility of nationalization of American oil companies?*

Gov. Edwards. Well, it's serious in the sense that people want easy, ready solutions and look to the government for them. Rather than realisitcally face up to the problems, and do what can be done to resolve them, it's popular to jump on the oil companies and say it's all their fault. Unfortunately critics seem to be unaware that nationalization of the oil companies would mean nationalization of properties owned by millions of tax-paying American shareholders in these companies.

World Oil. *What do you think of the proposal in the Congress to eliminate the depletion provision?*

Gov. Edwards. First, it should be pointed out that the oil and gas depletion allowance is only one of about 55 such allowances for 55 different minerals, some of which have been on the statutes for as long as 60 years. If you want to be fair about it, the depletion allowance on all minerals should be eliminated, if the allowance for oil and gas is dropped. If this approach were taken, those fellows from Utah and Montana and Wyoming and other places would not be so anxious to jump on the kill-depletion bandwagon.

Second, it's beguiling the American people to tell them that it's going to help them if the oil and gas depletion is eliminated. Obviously, the oil companies are going to have to turn around and soak up the loss by increasing product and gas prices—that's just a fact of economics you can't escape. You can laugh about it, cry about it, argue about it—but it's a fact. Indirectly, the taxpayer benefits from the depletion allowance, because he gets fuel at a lower cost.

If depletion is killed, there's no doubt the politicians are going to make quite an issue of how they stuck it to the big, bad oil companies. But it is the worst possible thing they could do, because loss of depletion will dry up sources of capital from outside the industry—capital now used to finance drilling venture with the possibility of making a reserves. Instead of investing in a risk drilling venture with the possibility of making a 6% return on their money—if they hit—these outside sources are going to invest in savings and loans, federal government bonds or something similar at 8 or 9%, where there is no risk and assurance of a return. And as a result, we'll have less drilling, fewer reserves and declining production.

World Oil. *How do you feel about the states sharing in revenues from federal OCS areas?*

Gov. Edwards. This should have been done 25 years ago. I think it's a fair concept and it would probably eliminate objection of some states, especially if a portion of the money were allocated to take care of any environmental impact resulting from OCS development. Because I think OCS development is so crucial to the national interest, I would much prefer to move in with the National Guard and simply tell those who are delaying leasing that we're going to develop the Atlantic Ocean and if you don't like it, get out of the way. But that isn't the way things are done in this country.

Of course, the states have *no* right—and I repeat, have *no* right—under the law to prohibit the federal government from developing the OCS beyond the three-mile limit. We've fought that battle for years, and the same states that are now saying they *do* have the right were saying 25 years ago that we *didn't* have the right. They've just reversed their opinion. But rather than agonizing over the problem, if sharing in OCS revenues would win support and cooperation from coastal states, I would support it, even though we have been badly treated for 25 years by those same states.

World Oil. *Would you perhaps consider suggesting any sharing provisions be made retroactive?*

Gov. Edwards. Oh, I might—but I'm too realistic to suppose that those unfair people would want to suport that. It certainly would be fair, but I don't think it's practical.

World Oil. *Have you any suggestions for combating the current natural gas shortage?*

Gov. Edwards. There are several things we can do. First and foremost, we've got to get the government out of price regulation, as I mentioned earlier. If there is an area where the government could serve a useful purpose, it is in mandating a priority use for gas. For example, the most efficient uses of gas are converting it to fertilizer components and burning it to heat homes. We should emphasize the use of coal, with appropriate scrubbers, for firing boilers that generate electricity, and get on with a crash program to develop nuclear power.

We should not use gas as a boiler fuel to generate electricity, because that's inefficient and wasteful. In my state, 80% of the gas is used for industrial purposes, and only 20% in homes and home-related purposes. In New York, it's just the opposite—only 12% is industrial and 88% is for home use. Inefficient use of gas must be stopped, because gas is a finite resource and we ought to get the most benefit from it—fertilizers and home heating. This will be possible only if the federal government establishes some priorities and gives companies the opportunity to make the transition.

World Oil. *Besides our energy problem, do you foresee difficulties with other natural resources?*

Gov. Edwards. Before the year 2000, we're going to face a serious problem with fresh water, if we don't do something to efficiently utilize the billions of barrels lost into the oceans every day. There are areas of the country that already have fresh water problems. If I live a normal span of life to age 75—I'm 47 now—the problem of fresh water is going to haunt multiple areas of this country before I die. And if my children live a

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normal span of life, they are going to see some extremely difficult times from a lack of fresh water. Americans have a tendency to say everything is going to be all right until a problem becomes serious, and then they begin a crash program to solve it. Energy and fresh water are two things that we should not attempt to deal with on that basis.

(NOTE.—*Governor Edwin W. Edwards holds a Doctor of Laws degree from Louisiana State University. Since 1949, he has practiced law in Crowley, and is a senior partner in the law firm of Edwards, Edwards and Broadhurst. His public service is unique in that he has held local political office as a senator, and national office as representative in the 89th to 92nd Congresses. He was elected governor in 1972.*)

FLOOD INSURANCE

Mr. HUDDLESTON. Mr. President, when the Senate debated the Federal flood insurance program in December of 1973, I expressed concern over the bill. It was my belief that the punitive provisions contained in that legislation could cause as many problems as they cured. As the date of full implementation draws near, we are becoming more and more aware of those problems.

When we passed this measure in 1973, I do not think we fully realized that the prohibition against federally insured financial institutions extending home loan mortgages in the flood plain could mean a man would be unable to sell his home. Rather, we viewed the provision as relating to new construction and as a means to "encourage" protection against future losses.

I do not believe we realized how many flood-prone areas would not have the zoning authority to implement the land use standards required for participation in the program or the difficulties which would be encountered in obtaining that authority.

I do not think we envisioned the frustration of individuals located on the flood plain who support community entrance into this program but are unable to persuade their community to enact the necessary zoning laws.

As HUD pointed out in a letter dated April 23, 1975:

> Of the population residing in these communities [designated as special flood hazard areas], approximately 10% live in the areas which have been identified as being exposed to serious flood hazard.

It is hardly unusual that a 10-percent minority would not have had enough votes to get their wishes. However, it should be unusual that those individuals most directly affected are powerless to help themselves.

Not only can the most directly affected individuals suffer because they are unable to purchase flood insurance for their home and possessions, they are precluded from any Federal disaster assistance—other than food, temporary shelter, and clothing—for any disaster in the flood-prone area, including tornados.

As a representative of a State which was recently devastated by tornados, I hardly see the linkage between participation in a flood insurance program and Federal aid for other-than-flood disasters.

Another area of particular concern to me during the 1973 debate on this program was the impact of punitive provisions on the Appalachian region and other mountainous areas.

Much of the Appalachian region, including eastern Kentucky, is "flood prone" within the definition of the Flood Disaster Protection Act of 1973. The alternative to building on the flood plain, in most areas of this region, is building on slopes of 14 degrees or more. To chose the alternative location to the flood plain would increase construction costs and expose the structure to the dangers of mudslides.

If Appalachian communities participate in the flood insurance program, new construction on the flood plain would have to be flood-proofed. This too, would add to construction costs.

However, no one has been able to provide even a good guess as to how much construction costs would be increased. Would it be in the general range of 5 to 10 percent, 20 to 40 percent? No one knows.

At a time when home mortagage interest rates are still high and our construction industry depressed, it is imperative that we consider any mandated increases in construction costs which might price even more Americans out of the housing market.

It is also one thing to impose such cost increases upon economically prosperous areas, but another to impose them upon an economically depressed area, such as Appalachia.

I favor the concept of flood insurance, and I realize that efforts to encourage voluntary participation in the insurance program met with something less than success. However, I believe there are too many questions unanswered and problems unsolved to forge blindly ahead. I believe the program should be fully reviewed, and I am pleased that the Senate yesterday decided upon that course.

MINNESOTA DEPARTMENT OF AGRICULTURE RELEASE ON DAIRY SITUATION

Mr. HUMPHREY. Mr. President, I wish to share with this body a release by the Minnesota Department of Agriculture concerning the dairy situation in Minnesota.

Recent figures indicate a further decline in both milk production and dairy cow numbers, which further demonstrates the cost/price squeeze which confronts our dairy farmers.

Unfortunately, we have been unable to get this message through to the administration. Minnesota's milk production in March was 31 million pounds below the same month last year. The number of milk cows, 881 million, was an alltime record low.

Minnesota farmers on the average received $7.13 per 100 pounds of milk produced, which is among the lowest of the average prices received among the States, the national average being $8.17 per 100 pounds.

I cite this release and the disheartening statistics in it because of the need to warn our people of the continuing reduction in the number of dairy farmers and milk cows. We cannot allow these numbers to continue to decline and expect our domestic milk supplies to remain adequate.

I commend the Minnesota commissioner of agriculture, Mr. Jon Welfald, for providing us with this information.

Mr. President, I ask unanimous consent that this release be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

MINNESOTA DEPARTMENT OF AGRICULTURE DAIRY RELEASE, APRIL 22, 1975

New all-time lows in March milk production and in dairy cow numbers continue to evidence the depressing impact of a losing cost-price squeeze on Minnesota's important dairy farming industry, Agriculture Commissioner Jon Wefald said today.

He reported March milk production estimated at 890-million pounds (77-million gallons), a record low for the month, and the 881-million milk cows in inventory an all-time record low.

Minnesota's March milk production was 31 million pounds below the same month last year and was the largest cutback by any of the 34 reporting states. Neighboring South Dakota, trapped in the same cost-price squeeze, reported a 24-million cutback in March milk production compared to 1974, and that state's 17% drop was the highest ratio of cutback among all states.

Reflecting the shortage of farm produced feed and hay and the near record prices for commercial dairy feeds was the March average production for Minnesota milk cows, down 20 pounds from a year ago to 1,010 pounds per cow. According to the State-Federal Crop and Livestock Reporting Service, the state's dairy farmers cut average daily feed rations one-half pound per cow.

Despite the cutbacks, Minnesota's March milk production was the third highest among all states, topped only by Wisconsin and California. The trim did reduce Minnesota's share of the national milk supply to 8.9%, down more than one-half percentage point from March 1974.

New York posted the biggest increase in March milk production, by 29-million pounds over last year to hold its fourth rank behind Minnesota.

Commissioner Wefald observed that the mid-March price averages help explain why Minnesota dairy farmers and those in at least 14 other states are cutting production, while New York and 17 other major consumer market states are increasing production.

Minnesota dairy farmers received an average of $7.13 per 100 pounds (11.6 gallons) of milk in March, compared to the New York average of $7.95, the national average of $8.17, and the domestic high of $11.05 for the same amount of milk in Florida.

SARGENT SHRIVER'S SPEECH TO ACADEMY OF SCIENCE OF U.S.S.R.

Mr. MANSFIELD. Mr. President, several weeks ago Sargent Shriver, on a visit to the Soviet Union, gave a major address to the Insitute of United States of America and Canada Studies of the Academy of Sciences of the U.S.S.R. in Moscow. This speech is very thought-provoking and is an excellent defense of the American system while understanding the forces that are at work in the Soviet Union.

I commend the text of the speech to my colleagues and ask unanimous consent that Mr. Shriver's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

COEXISTENCE AND COMMON EXISTENCE

INTRODUCTION

We confer today as citizens of nations physically distant and ideologically distinct. Yet we are drawn together not merely in brief dialogue, but by similar chords of memory and strong bonds of the moment, by our history and our circumstance.

Though we have met at many brinks, we have never made war against each other. And during the time of Fascist aggression, we fought alongside each other.

Though we have and hold to separate visions, we are alike the heirs of great and consequent revolutions. The farmers of Lexington fired the first shot of America's revolution—and it was heard around the world. The workers of Petrograd stormed the Winter Palace in the October Revolution—and that storm raised a new wind across the world.

We are both places of many races, of vast resources, of continental expanses. We have the power to end the human presence on earth—or the human poverty of earth. We can light the sky with a nuclear fire—or set in orbit the man-made stars of shared space exploration. We can exhaust our energies or explode our armories over the issues which divide us—or we can improve security and society by pursuing the interests which unite us.

The choice of detente should be obvious, but there are those who would choose otherwise. There are some in my country, and probably in yours, who say detente is dying. There are some in both countries who would like to kill it, and resume trying to bury the other side. For them the setback on trade offers a pretext to turn back from the journey to peace.

Others continue to counsel unilateral efforts to exploit momentary disadvantage for perceived national gain. Such a course can only undermine the foundation of detente, which is the recognition that neither of us will either disintegrate or convert to the other's system; that both of us must survive together. Detente must not be deployed as a new weapon in yesterday's war; the veiled pursuit of conquest, idealogical, economic or military, will restore cold war confrontation, squandering for transient ends what may be our last, best hope for peace. Yet most Americans, and most Russians, want detente to survive because they want to survive. We know that a policy of confrontation will not settle our disputes, but prolong them and at some point may provoke the unbalancing of terror, the unleashing of the last and total war.

Cold War, too, has its casualties. Our economies are wounded. Domestic advances are defeated. We manufacture more weapons instead of more housing; we teach our sons how to kill enemies instead of how to cure disease.

That is the way it was; it is a way we cannot take again. To do so would deny the process and promise of history. Many Americans have believed that they were ordained by God in history to become a model for all mankind. You have believed that Communism was similarly ordained by history as God. Events have not settled the propriety of either claim, but history has set a priority: that together we must make a detente, so that by perfecting our co-existence, we may achieve a common existence.

For many years, co-existence has meant that though we should not be enemies in a word war, we are adversaries in a world wide contest to vindicate our respective systems—that in trade and aid, production and planning, values and culture, we must be competitors.

Common existence recognizes that co-existence by itself is now insufficient—that though there are proper areas of competition, there are inescapable and increasing imperatives of cooperation—that the Soviet Union and the United States must change with the world we inhabit—and that this world will be neither habitable nor hospitable, for ourselves or for others, unless we invest less in rival endeavor and more in shared enterprise.

A revolution owned by no particular ideology now summons us to transcend the oppositions of our ideologies. It is a global revolution which permeates all knowledge and pervades all relations between nations and among peoples; commerce, diplomacy, and warfare will not be the same again. We cannot deflect that revolution, for even a combination of the strongest powers could not work a shared will on every question. Condominium is a cliche, an impossibility, an unreality. We have no right or way to dominion. And we have no means of isolation. Others have nuclear power or potential; other peoples are more than equal in some resources and raw materials; other states can poison the air, fish out the oceans, overpopulate the planet, or release unnatural and uncontrollable bacteria. We cannot stand apart even when we stand together.

No single season of detente secures a generation of peace, let alone co-operation. Despite the best progress of negotiation, real differences of policy and principle will continue. We will not persuade you to become capitalists—and you will not talk us into Communism. But while we each remain what we are, we can both enlist in a larger cause. We must not only make the world safe for diversity; we must also make a safer world by a degree of unity.

A century ago Kierkegaard wrote: "The individual no longer belongs to his God, to himself, his beloved, to his art, or his science . . ." Today no nation belongs to any one God or science, or solely to its citizens or its ideology. By circumstance we belong to a still separated but now seamless world. In such a world, the shaping of a common existence is the precondition of a secure existence—and perhaps of any existence at all.

The purpose of these remarks, and of my visit to many parts of the Soviet Union, is to discuss the rationale of common existence, and to outline some ways in which it can be realized. I will talk first of the basis of detente, of the historical evolution of co-existence and the current movement toward a bilateral common existence. Then I will speak of the basis of negotiation, of certain ground rules which seem to me essential to the maximum progress of Soviet-American bargaining. Here I will respond to the question of how the American political system operates. The foundations of detente could crumble unless we build well; and we will not build well upon a quicksand of myths about each other's internal structures, methods of decision, and modes of thought. Finally, I will urge the expansion of common existence from a bilateral to a global dimension in areas such as nuclear energy, environment, economics, trade, nutrition and human rights.

THE BASIS OF DÉTENTE

I

Historical context defines the limits of choice: Even when men break with the past its record is their reference point. So it was for Marx when he wrote the Manifesto and for Jefferson as he labored over the Declaration of Independence. The direction of our future relations begins with the road we have already travelled.

After your Revolution, the first phase of Soviet-American co-existence was marked by ambivalent feelings of unconcern and attention, hostility and fascination. Neither nation was a present danger to the other. Bolshevik leaders were intent on internal consolidation and their external focus was largely on Europe. America's brief intervention in Siberia was half-hearted; its true purpose was not counter-revolution, but to restrain Japan.

For a generation, there were no diplomatic relations between us, but there were many contacts between our peoples. American engineers, experts, and business firms contributed to the development of the Soviet Union. Russian ideas and politics were studied and debated in the United States. Recognition in 1933 did not realize all the hopes either nation held; partly this was due to American isolation from the European and world problems of those days, and our preoccupation with domestic reform.

In that first phase of co-existence, we had the luxury—or at least we thought we did—of leaving our relations to a casual intercourse. Americans denounced or admired or ignored the Soviet Union; some were encouraged and others were disillusioned by its example—and nothing in the real world seemed to be changed by any of these reactions. Similarly the United States was not a primary concern of your foreign policy; our role then seemed secondary to the resolution of the European crisis—upon which the reality of the world in fact and fundamentally did depend.

But the war which came made our relations what they have been ever since—of central relevance to us, of vital relevance to mankind.

We both entered the war the same way—as victims of surprise attack. We each suffered a day of infamy. The Soviet people paid a terrible price to defeat Fascism; blood poured out from the Arctic to the Crimea in a river of resistance which swept the Nazis back to Berlin. The annals of your heroism and sacrifice still move Americans; the story of Leningrad's nine hundred days under siege was recently among the most widely read books in the United States. And we are proud of our part in the struggle—of our material aid to you and other allies, of our sons who fought and died on the run to Murmansk, in Africa and Europe, and across the Pacific.

As the war made our relations a dominant factor then and for the future, it brought us to a second phase of co-existence. Clearly it showed us the perils of separation; without our alliance, victory would have been at best a matter of many more years and deaths. Less obviously the war raised occasions of suspicion—you criticized the delay of the second front; we questioned Soviet ambitions and actions in Eastern Europe.

These contradictory elements—divisive suspicion and the perils of separation—were carried into the post-war period. Their relative influence shifted constantly. Moments of brinkmanship alternated with spirits of Geneva and Camp David. But behind every spirit, there was still suspicion. At each brink, men saw—if only at the last instant—the peril of stepping over. The proportions of suspicion and recognized peril would be reset by perceptions or events; the Cold War would intermittently be thawed or colder; and thus our co-existence would continue.

You assumed we wanted to destroy you; we assumed you wanted to destroy us; we both sought with nuclear weapons to deter that danger. Our consciousness of this terrible bond was raised in the experiencing of recurring crisis. An intensifying sense of the life and death power of each nation over the other—which could slip past the best controls and intentions of either nation—was the seedbed of efforts during the 1950s and 1960s to achieve what is now known as détente. The process has brought two American Presidents to the Soviet Union and Chairman Khrushchev, Chairman Brezhnev, and

Premier Kosygin to the United States. There have been disruptions—the conflict in Vietnam and the invasion of Czechoslovakia. There have been distempers—stirred by the effects in America of the wheat sale and by the breakdown of the trade agreement. But these episodes are dwarfed by the force of the nuclear bond which pulls us away from the co-existence of suspicion and peril toward the co-existence of détente.

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The co-existence of détente does not rely on the wishing away of suspicion; it substitutes safeguards for suspicion. It will not end the peril overnight; it will ease the peril over time as step by step additional safeguards make possible additional restraints.

At least implicitly, detente represents a decision in both nations to disenthrall ourselves of certain notions. Peril and suspicion once seemed bearable because each side expected relatively soon a collapse or disintegration on the other side. Theorists of containment held that your system would be strained and then overthrown by internal dissatisfactions; theorists of Communism argued that the Western system would be subverted by internal contradictions. Both Kennan and Stalin were wrong. Both systems are still alive and strong. Human foresight is imperfect, but as far as the future can be seen, it does not seem that either system will be found on the ash-heap of history. Of course, things will change; Americans and Soviets will seek changes in their own societies and welcome at least some changes in the other society. But most Americans do not believe you will disappear or convert. And neither will we.

Yet in the last year, some commentators have announced the onset of the long-predicted decline of Western capitalism, perhaps even Western civilization. The signs of disarray have have been undeniable: The deepest recession since the Great Depression has struck most market economies. Inflation has devalued currencies. The energy crisis has shifted balance-of-payments positions, shaken the stability of the banking system, and raised the prospect of unmanageable resource transfers. And as the market economy faltered, its political leaders fell; Prime Ministers were driven from office in Germany, Japan and England; for the first time, an American President was forced to resign.

Surely the West is troubled. Sadly our institutions were slow to respond. Complacency on our part would be a mistake. But so would any premature celebration by others of our collapse.

In fact, our problems are the result of strength, not weakness. Since 1945, the West has experienced an unprecedented prosperity. Per capita income in the United States is $6,500 a year, and some European countries exceed even that performance. There has been no relapse to trade wars; international rules have tamed the excesses of an earlier period. This progress led consumers to expect more in less time than most systems could supply over a long span of time. We were profligate in our use of energy and other raw materials. The consequence was a general inflation; and because of economic interdependence, the inflation of each country reinforced the inflation of every other.

The West could have better anticipated and moderated the side-effects of success. But the West would not have chosen to forego that success in order to prevent those side-effects. Indeed the gains of the last three decades have brought the market economies to a point where they can adjust effectively, despite mistakes, delays and lack of foresight.

Perhaps the best evidence of our basic soundness has been our response to the energy problem. Twelve months ago, in the face of an oil shortage and rising prices, few ventured even cautious optimism. The pessimists, and there were many, foresaw an apocalypse of the marketplace. Instead, oil consumers are adapting; effective programs of conservation are reducing the energy problem to a manageable factor in a functioning economy. Energy demand has been cut by the laws of both the marketplace and the government. The major nations are consuming 3 to 12% less oil than last year.

What we are witnessing is not the beginning of the West's decline, but of its recovery. Inflation is receding. So governments are turning to policies of stimulation. As they take hold, recession will be reversed; prosperity will be re-established.

In the United States, an economic policy will emerge from the "creative tension" between the White House and the Congress, the Republicans and the Democrats. And in the years ahead, I believe, America will move on to measures of economic reform unequalled since Franklin Roosevelt and the New Deal. We are meeting the crisis, but we will not master it until we apply principles of planning to the practices of our economy. We must reconcile our structures of production to the permanent reality of resource scarcity. We will do what we must, as the West always has. New international arrangements, such as flexible exchange rates, are already in force. The financial system has not been bankrupted, but strengthened. National planning—for example, to convert some auto production to mass transit—is a near term prospect.

I believe you should welcome the resilience of the West, and its adaptability. Communists and capitalists once thought: What's bad for them is good for us, and vice versa. But what's bad for either of us can become a danger to both of us and all the world. The dissolution of any system leads to irrational behavior; societies, like individuals, "do not go gently into that good night." Indeed the truth is the opposite of past assumptions; peril and suspicion are even more unbearable when disintegration seems imminent on either side.

Each of us also has a positive stake in the survival and prosperity of the other. Our goods can maximize your growth; our food can nourish your citizens; our technology can improve your productivity. Without that improvement, capital investment requires the Soviet consumer to carry a heavier burden of sacrifice. Similarly, our industry will prosper more if we can sell more to you; our resource base will expand as we purchase more raw materials from you; your advanced techniques of coal gassification, thermonuclear fusion, and power transmission can multiply our energy reserve.

Neither economy needs the other in an absolute sense, but both economies can benefit from a sharing of their respective superiorities. Separately, prosperity is not impossible; mutually, we can gain a greater prosperity at lesser cost.

We can also enhance our economies by ending our arms race. The more we are free from a competition in weapons of destruction the more capital we will free for tasks of domestic construction.

The Strategic Arms Limitation Talks have led to negotiated controls on our nuclear forces. But we should not rely on negotiations alone. While we support the Vladivostok Agreement, we should not permit its ceilings to become the floors of our arsenals. Our aim must be to end the arms race, not ratify it up to a point. This depends not just on our negotiating plans, but on our defense policies. Either country could take the first step of further restraint by reducing its military spending in a specific, clearly observable area and calling on the other side to follow. If the response was positive, and I think it would be if the initiative was perceived as genuine, each step could lead to another and then another, reversing the momentum to multiply weaponry, setting in motion a new, self-sustaining mechanism of disarmament. For a cycle of munitions competition, based on worse case assumptions, we could substitute a cycle of munitions cutbacks, based on proof by corresponding deeds.

Taking the first step would not threaten either nation's security. When we each can overkill the other many times, the difference between that many and more is a difference in number of weapons which would not make a difference in time of war.

And reciprocal cutbacks would not replace negotiations, but improve their prospects. As resources were shifted from warfare to the peoples' welfare, they would mount further pressures for the maximum progress of SALT. Segments of the defense establishment, in my country and here, will always find or invent some reason to resist even minimum agreements. The surest counter to these militaristic impulses will be publics who know the penalties of the arms race because they are experiencing the benefits of arms restraint.

Their preferences can become an additional incentive to restrict counterforce capabilities. If the SALT process is to be irreversible, qualitative controls become indispensable. Otherwise, we will race against reason again, up another escalatory spiral of mutual suspicion, each higher step hewn by a more sophisticated, more expensive instrument of death.

The danger lies not merely in qualitative changes in our strategic forces; it lies also in changes in the quality of our strategic thinking. Some analysts now argue that only the means to launch a limited nuclear attack will deter the opponent from doing so. But if both countries start thinking that such an attack is thinkable, the thought may father the deed. Acceptability amplifies the possibility. A limited strike is less likely if the expected response is massive retaliation. But a limited strike is more likely if there are new rules—if we or you anticipate a limited retaliation, followed by negotiation.

In addition, both sides now conceive of a nuclear engagement solely when the survival of the nation or an ally is at stake. Counterforce creates a nuclear option on a wider range of issues, less essential than survival. It permits those who weary of bargaining and compromise to seek settlements, or speed them, by having a little atomic war—which would of course leave a lot of human beings a little dead.

It is conceivable that qualitative improvements could permit a first-strike at the price of a relatively minimal retaliatory blow. The maintenance of our multiple deterrents discourages any quest for that capacity because it makes it costly and probably futile. But assume for a moment that the capacity became a reality. An anti-submarine breakthrough might occur. The command and control systems for bombers might be knocked out.

In this situation, someone might contemplate a limited nuclear exchange. It may be fantasy and it surely would be folly, to gamble that a limited assault would not lead to all-out war. To act on the conceit that we could contain such escalation would surpass any blunder in the history of human blundering. Most, though surely never all, of the opponent's second strike forces could be neutralized. But in the absence of a basic political crisis, would it be worthwhile to cripple the other side by sacrificing merely two cities—say, Moscow and Leningrad, or New York and Chicago? Even if one of us could get away with it, the world is not a gaming table; the object is not to come out a little bit or even a lot ahead, to give up ten million lives to take twenty or even a hundred million.

During a recent discussion in Washington, someone argued that the mere fact of nuclear advantage would lead to its use. Averell Harriman was there, blunt and sensible as always. He listened, looked around the room, and then replied: "There are two kinds of people in the Soviet Union and the United States—sane people and insane people. Sane people understand that neither nation will attack the other because it might seem to have some marginal advantage. Sane people understand that both sides would lose. I consider myself a sane person. If anyone in this room considers himself insane, I wish he would speak up."

There were no volunteer lunatics that night, and I suspect there are none here. Yet nonsense and insanity are often masked by technical expertise and terminology. The irrational often comes with a rationale. But no matter what formula some may devise, we must insist on the sense and sanity of our true situation: It is not in either nation's interest to attack the other, unless its own or an ally's existence is the issue; neither nation could ever win enough even in an unequal nuclear exchange; both nations have an interest in stoppering the nuclear bottle, not in drilling new holes for the genie to escape.

But sanity is not just the absence of insanity. Sense is not merely the avoidance of nonsense. As we spurn the suicidal dangers of conflict, we must seize the societal advantages of co-operation. We have seen this with a sharpening clarity in recent years—and so we have sought not merely the detente of non-destruction, but a detente of mutual gain in commerce, science, and national efforts to raise standards of life.

Our progress has been real and worthy. But as we move forward, we experience misunderstandings; we encounter questions which involve the rest of the world. In perspective, these should be seen as the inevitable tensions of a relaxation of tension, the complexities which follow the resolution of simpler matters. When the gears are engaged, they make a grinding noise. But to finish the journey, we must face the harder problems of our negotiating situation and the wider implications of our common existence.

THE BASIS OF NEGOTIATION

Winston Churchill stated the imperative of negotiation succinctly: "It is better to jaw, jaw than to war, war." But jawing, no less than warmaking, has its discordances. Distinct political systems with differing traditions must define a basis of negotiation. That basis must include a degree of shared purpose and an understanding of some inevitable divergence. We cannot demand that either system imitate the other in order to negotiate with each other. Just as the longest journey begins with a single step, so the process of negotiation must begin with starting points. Let me suggest several of them.

I

First, we must avoid the temptation to take any advantage which is available, even at the cost of disadvantage to the other side. The Soviet government drove a good bargain for American wheat in 1972. But a bargain that is too good may not be the best choice. Partly as a consequence of the wheat deal, the Washington Post—which urges and supports detente—has called for export controls on food. This incident illustrates a truth: Negotiations that repeatedly hurt us economically would not help you in the long run. A new wariness about trade would narrow the channels of commerce. We would sell less to each other. We could not buy as much as we needed, when it was needed. Nor could you.

At least in the United States, there has been a long-standing myth that our diplomats are easy marks for the supposed cleverness of everyone else—Europeans, Orientals, Russians, whoever currently sits across the table. Kissinger has eased, but not erased, this perception. Americans remain psychologically prepared to conclude with Will Rogers that their country "always wins the war and loses the peace." And if Americans ever think they are victims of détente—or if you ever suspect that you were tricked into a trade agreement which is depleting your resource base, progress will be slowed and could be reversed—in arms control as well as economic and scientific co-operation. Suspicion will again and at least for a while outweigh the perils of separation; détente will be succeeded by renewed dangers.

Yet no negotiator can represent two sides. Every negotiator will make mistakes—yours as many as ours. In the nature of things, some agreements will be better for you, others for us. But all the negotiators should aim not to beat their counterparts, but to benefit both countries. The more balanced the benefits over the long term, the more benefits we will be able to achieve in less time.

II

The second temptation is to wrap the instrument of co-operation into weapons of coercion. But if we cannot overthrow each other's systems by war, then we certainly do it by peace. Russia and America cannot follow Clausewitz to their bargaining table and make detente an extension of military competition by other means. Americans would not barter their principles for a load of ore—and we should not expect Russians to trade theirs for a brace of transistors.

Detente will become impossible unless both sides accept the limits of its possibilities. Co-operation does not constitute a mutual endorsement of Communism and capitalism; it is a recognition of intersecting interests which are consistent with separate ideologies. We can make agreements in the common interest even as we disagree on some issues.

Americans will protest when a Solzhenitsyn is arrested; they will picket the Soviet Embassy when a Panov is denied permission to emigrate; they will be outraged when a Soviet Army enters Czechoslovakia. Similarly Russians will denounce American policy in Vietnam—as many of our own citizens have; you will arraign us in Pravda for the vestiges of racial discrimination—which the New York Times also does; you will point to the overthrow of Allende—which our Congress is publicly investigating. Such criticisms are relevant to what is criticized, not what is shared: the urge to live, and therefore to control the weapons of death; the quest to discover new sources of energy and new cures for disease, and therefore to learn from each other; the yearning to prosper, and therefore to trade resources and technology. The criticisms do not mean that we are anti-Soviet or you are anti-American. Each area—of agreement and disagreement—has its own atmosphere.

III

The third temptation is to weary of negotiations beause the respects in which our systems differ lead us to negotiate in different ways.

There is much we as Americans do not understand about you and about your system, and the problems of bargaining with you. And there is much you find perplexing about us. You wonder how it can be that a trade arrangement is altered once our Congress proceeds to address the issue, or how a strategic arms accord can spark dissent in the American Senate. When we explain that our constitutional structure mandates a process of consultation and consent beyond the Chief Executive's decision, many of you react with the incredulity of one who has been tripped by an obviously empty technicality. "After all," many in Russia seem to ask, "doesn't the power structure in the United States speak through its President? Can't we assume that the American President speaks with authority when he announces an official compact with another nation in solemn public proceedings?"

The answer is not "yes" and not "no". The answer is "maybe". And that answer symbolizes how easy it is to be confused about America. Indeed, to a degree Americans themselves often are. And I could not in good faith travel half the globe to boast of all things as they are in my country; much that happens there tries my patience, as much that happens here must try yours. But the American system, which is so frustrating at times, is something which Americans deeply revere—and which other nations need to understand in order to negotiate productively with us.

Too often the picture of America has been obscured by lenses which have missed our most essential features. Hegel's famous lecture on the United States, delivered in 1830 in his university course on World History, concluded that the American destiny could not excite "profound interest" because it was entirely part of a future that no historical research could predict from coherent patterns in the past. But to search for our future—or indeed even our past—in historical forces and their unfolding represents a fundamental misperception. It is not at the level of substance that our coherence is to be found. It is instead at the level of procedure and structure—of frameworks for choice in a perpetual revolution of change.

To put the matter directly, we have deliberately paid the price of substantive disorder for the sake of procedural openness and regularity—in a system which disperses authority so that the abuses of one center of power might be checked by countervailing power; so that each group has a meaningful chance to express opinions, to be counted in the calculus of decision. This may seem an unwieldy process, viewed from without; even from within, it often looks awkward; but it is always flexible and fluid. In the American system, political participation and representation serve, although imperfectly, to assure the continuing responsivness of government to the multitude of men and forces that demand a hearing.

The preservation of such responsiveness and of the forms of political action that underlie it, are at the heart of our values as a nation. They are inscribed on constitutional parchment and institutional stone. They are treasured as priceless beyond any of the particular policies they may provide or prevent. It is a heritage which yields to the force of no law, the will of no man. The shifting tones of personality and place, the clamoring demands of circumstance, the ceaseless cries for the prudence and judgment of the moment—all these are too fleeting and ephemeral, too insecure against the test of time, to be permitted dominion over the constitutional structure which alone, we believe, can assure the permanence of change.

We have held from our beginning to this faith in constitutionalism. Tempered by our experiences with the British Crown and by disillusion with our own early legislatures and executives, we have always been suspicious of power and have insisted on openness to new forces and ideas. Charles Beard's Constitution once persuaded many scholars to credit that single explanation, but it was discredited long ago. Instead a far richer picture of the American Revolution as a largely moral assertion, mixed of course with other motives, has emerged. Recently a cartoon appeared in *The New York* magazine which showed one pilgrim leaning over the edge of a vessel which looked like the Mayflower and telling another: "Religious freedom is my immediate goal . . . but my long-range plan is to go into real estate." There is some slight truth in that, as there is in any recognition of ways in which idealistic claims may mask material aims. But there is more falsity than truth; ours has

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been a constitutional history unusually faithful to procedure even at the expense of policy.

In the time of our constitution's framing, the perpetuation of slavery was a majoritarian policy. Three quarters of a century later, the majoritarian procedure brought the abolition of slavery. The people's views had changed. The fundamental structure of American government permitted new voices to be heard and the will of a new majority to be heeded.

My country has relearned recently and painfully the practical virtues of openness to all voices. For years, we fought a war in Asia against rising opposition at home; the opponents were scorned at first and then berated; but they were right and finally we are ending our involvement in a war that is wrong. Last year, we saw a once-popular President forced from office because he failed to heed the principle that all official authority must be contained so that the people may be king.

Some Soviet analysts have suggested that Richard Nixon tempted the wrath of American militarism by moving too far, too fast, toward détente—that the threat of impeachment was a punishment for the progress of SALT. Most Americans are startled by this interpretation. Détente did not bring Nixon down; on the contrary, it may have stayed his leaving; nearly until the last days, he exploited the pervasive support in America for peace in an attempt to hold his place in power. If Richard Nixon is remembered at all well by history, or at all fondly by his fellow citizens, the reason will be his contribution to the completion of co-existence.

And when history blames him, as his fellow citizens did, it will be because he transgressed constitutional axioms which survive time and temper, which are superior to any policy. He lost his power because he abused our domestic ideals and misused our domestic institutions. Even Presidents who make a détente are not permitted to cover up crimes. In our system, no leader is allowed to take our rights no matter what he may offer in return. That was the lesson of Watergate. It was not revenge for détente, but justice notwithstanding détente.

Of course, democracy in practice in the 20th Century is more complex than the shining light which brightened the eyes of our founding fathers in the 18th Century. A nation which grants a voice to all must stand guard always to protect against the accretion of such awesome private wealth and power as may purchase the voice of those who have nothing else left to sell. To critics, it may appear that this is the real American system—that a potent ruling class pulls the strings as the people, poor puppets, predictably respond.

The appearance is an illusion. In the 1950s, books like C. Wright Mills' "The Power Elite" described an America under monolithic rule, and that interpretation was reinforced by a succession of defense and economic officials drawn from corporate boardrooms and law offices. But when political scientists in the 1960's sought more systematically to determine who governs in America, they were struck with the difficulty of sustaining any single answer. In the end, persuasive evidence accumulated for the proposition that no power elite, no single class dominates the United States. Minorities do rule—not the minorities of class and wealth—but a shifting majority of many minorities, of temporary coalitions among distinct interest groups. Such coalitions appear, disappear, and reappear. Even within each group, there are differences which must be continually accounted and conciliated. No nation whose labor movement has boasted leaders as diverse as Phillip Murray, Walter Reuther, and Harry Bridges—Cesar Chavez, Leonard Woodcock, and George Meany—can accurately be called monolithic. But no nation that has rallied as ours has in times of crisis—of great depression or global conflict—can be said to suffer from its pluralism.

No group always wins in America; no one always wins in life. This is a lesson we teach our children in school. It is a hard lesson to accept when one sees so much to be done, but it is the lesson history has taught Americans. Among us, it is not enough to be right; it is essential to persuade enough others that you are right, for only in this way, we believe, can we guard against the greater wrongs of civil strife or repressive control. We have chosen the middle ground of democratic consent, where everyone sometimes gains and sometimes yields, even those on whom fortune has smiled most brightly.

So America has no single, fixed power structure—or person—with the authority to bargain and bind without review. When a President or Secretary of State negotiates an agreement, he does not speak with finality for other parts of government and all constituencies. Woodrow Wilson's League as much as Richard Nixon's trade pact was a shattered memorial of that reality. But the reality does not mean that history must be repeated. It does mean that the context of negotiation will be defined by setbacks as well as successes; that the failure of the last trade agreement will redefine the framework of the next; that more Americans may seek, and settle for, future agreements which ratify co-operative interests without requiring a resolution of other, clashing views.

To deal with us, you must understand the American process and be patient for the sake of progress. We, too, must come to a clearer understanding of you—that the Soviet Union is committed to substantive more than procedural ends, that our valuation of procedure as central and almost sacred, even at the sacrifice of policy, confounds Soviet expectations.

The full consequences of this fundamental difference of conception—between procedural and substantive notions of the right—defy any brief analysis and go far deeper than current negotiating postures. But this much, at least, is apparent: In bargaining with a procedurally-oriented, pluralist society, you should be under no illusion that your case need be made only to a ruling elite through one representative. Before it can prevail, the case must persuade a much wider constituency. And in dealing with a substantively-oriented power which mistrusts a fidelity to procedure as an excuse for self-interest, we should be under no illusion that our case need be made only in terms of honoring commitments and preserving established structures. If it is to convince, our case must be cast in terms of the substantive interests of the other side.

It will be easier for both nations to negotiate without false hopes or undue cynicism once each nation recognizes that its problems with the other are almost mirror images of the other's problems with it. The differences of bargaining rooted in the divergence of systems should incline us not to abandon negotiations, but to intensify them. For only in this way can we experience each other enough to work together despite our separate attributes, to recognize how agreements can be made and when we can expect them to be kept. Like the content of negotiation, the context of negotiation requires concessions—so that while we will not adopt one another's perspectives as our own, we will see the landscape as it looks through both sets of lenses, and will take the steps which are within the vision of both world views.

THE EXPANSION OF COMMON EXISTENCE

I

Intersections of interest provide the basis for detente. Intersections of insight can strengthen the basis of negotiation. Such intersections do not represent a convergence of our societies, but crossing points of problem and purpose, where we can achieve results without resolving variances of ideology. But common existence is more than a two dimensional relationship of the United States and the Soviet Union. Its final shape and space are set in the third dimension of the wider world, where the particular intersections of our bilateral relations in turn intersect the concerns of the entire human species. Every nation's fate is part of a single world destiny. So now we must seek the truly common existence of all rather than the mere co-existence, or even the common existence, of great powers.

In an earlier time, our countries expanded their territory, each of us moving in opposite directions—Russia eastward and America westward—toward the same Pacific Ocean. Now we must seek the expansion of common existence—not by moving in opposition to other nations, but toward the same goal of international co-operation—not to acquire territory or establish a tyranny of great power diplomacy, but to help make the order of independent states equal to the interdependent realities of the current situation. Just as our common existence does not require an ideological or institutional convergence, so the expansion of common existence does not demand the extinction of differences among men and countries. Rather it resta on shared necessities which are consistent with different political choices, and increasingly essential to having and keeping any chance to choose.

This generalization is an abstraction from many facts of international life. Few topics better exemplify the urgency of an expanded common existence than the question of nuclear energy. Recently a film screened in my country demonstrated with chilling precision and persuasiveness how a college student, drawing solely upon scientific information in the public domain, could design and construct an atomic bomb with a small amount of plutonium from a nuclear energy facility. This bomb, if produced and exploded, could kill over 100,000 people. Sufficient plutonium could be stolen by a group or even an individual; a growing number of governments could simply divert it from the peaceful uses for which they obtained it in the first place. Nuclear weapons in the hands of terrorists or in the arsenals of unstable regimes would certainly be exploited as instruments of extortion, and might casually be used as implements of warmaking or revengetaking.

This danger knows neither the bounds of governmental structure nor the borders of national sanity, fragile as even those constraints are. Without stricter international and domestic controls over access to fissionable materials and stronger prohibitions against proliferation, the nightmare of nuclear blackmail, or the ultimate nightmare of global conflagration, could be visited upon us despite any and all progress along the lines of SALT and Vladivostok.

The destructive potential of insufficiently controlled nuclear development and dissemination is just one of a family of structurally similar problems. In such cases, we must learn to reduce chaos and contain risk without trying to dictate the policies, or resolve the disputes, of third parties. In such cases, the overriding fact is that our two nations are involved more in a game against nature than in a game against each other, or other nations. And in all such cases, only a perception that transcends our bilateral relations can make either of us secure against a loss, not to the other, but to forces that go beyond us both.

Our linked destiny is also deeply imbedded in the delicate sphere of the world's threatened ecosystems.

Internally, each of our nations has manifested a new awareness of environmental issues. Each has enacted significant legal constraints upon the heedless plunder of land, air, and water resources; *Tass* reports that you have allocated "every tenth ruble" to a major program of environmental protection. And bilaterally, our nations have entered into a far-reaching agreement for co-operative research in eleven areas ranging from pollution control to earthquake prediction.

Yet much more is required, not only in the form of joint efforts to improve our respective environments, but also in the form of international initiatives to forge an environmental consciousness and responsibility the world over. Neither of us can suggest such an initiative alone, for then either of us would be accused of callous indifference to the needs of less developed economies. But together we can speak the same truth: After a process of development heedless of natural systems, there will be little use for canals which salinate fields instead of irrigating them; there will be small reward from an industrialization which makes the air itself an agent of death; none will gain in the long run by subverting the natural systems which sustain the existence of all.

The advanced nations have already done vast damage. After the recent voyage of the Ra, Thor Hyerdahl reported a new discovery which confirmed the worst fears of scientists, voiced over many years: There was a man-made sea of pollution quite literally overlaying the ocean. Globules of tar deface the Atlantic from Europe to America. Yet men still make the ocean, the womb of all life, their largest garbage dump, while plundering its reserves of life. It is alarming that world fish yields, for the first time in history, have actually fallen over the past two years. Nor is the air which circles our planet any more immune from the poisons of careless technology. The ozone which may be destroyed by one nation's fleet of supersonic planes is the ozone which could have protected every nation's people from cancer-inducing radiation.

By supporting the United Nations Environment Programme, your government and mine made a commitment to international environmental cooperation. But both of us must go further than either has yet shown a willingness to go. Particularly when our own immediate interest are at stake, neither nation has adequately remembered the future all men are fated to—that ours is indeed a "spaceship earth"; a frail vehicle with finite resources of nourishment and regeneration, with no airlocks for anyone against another's fouling of the atmosphere, no watertight compartments to prevent flooding from a polluted ocean; a world whose physical frontiers have been reached, and, in many ways, exceeded. We cannot expect others to be responsible if we do not accept our responsibilities. We cannot ask them to take a long-range view when we are shortsighted—when the Soviet Union resists proposals at the Bucharest Conference to limit population growth—or when the United States postpones scheduled environmental protections.

Instead, let us move in a common effort of many nations to reclaim the seas, to monitor regional and global pollution and inadvertent weather modification from all sources, to share information on the testing and dissemination of potentially dangerous new synthetics, to provide advance notice and discussion of experiments and activities which could have irreversible adverse effects, and to take other measures that fully recognize the extent of our dependence upon a bounded and wounded earth. Together we will protect our planet—or separately, at first a relative few of us, then more, then millions, and finally generations, will perish amid its pollution.

The scientific community too some first steps away from this ecological bring at an international conference this February in Asilomar, California. Molecular biologists and geneticists from the Soviet Union and the United States met with their counterparts from other nations to propose a worldwide system of restraints and safeguards on further research in genetic engineering. The participants suggested methods to limit experiments which threaten to unleash microorganisms of potentially devastating toxicity to man. Limits of this sort can be made effective only at the international level; hard as it is to stay the impulses of experimentation, it becomes virtually impossible when the scientists of one nation can say that others will do the experiment anyway. The resolve of Asilomar represents a bare beginning. As the wonders of science and technology transform the moral as well as the physical landscape, only multilateral standards can preserve the opportunities of this process for mankind, while presenting the mutilation of the very meaning of man.

III

Some environmental damage cannot be predicted, because it has already happened; some of it cannot be undone, because no power on earth can make a new earth.

We have spent resources as though they were endless, and the result is a threat to world resource shortages. At least for the "short run," which might be too long, individuals and even nations may have to live without certain necessities of modern life.

And the shortages caused by overconsumption have been deepened by underproduction and overpricing. States which control raw materials have contrived shortages through coordinated efforts. Private firms in some industries have pursued a similar course. Collusion between producer countries and corporations enlarges the power of both to underproduce and overprice at the expense of everyone else.

Once again the lesson is the necessity of a global common existence. Though we cannot make a new earth, we can make new mechanisms to forecast trends in world production and consumption of primary products. Such planning can only be effective on an international scale. Even the best forecasts for a single country provide an incomplete—and sometimes even a distorted—outlook for prices, demand, and supply.

All economic systems—developing countries, socialist states, and market nations—are essential elements of resource planning. Many developing countries are key producers, or potential producers, in areas of shortage; many of them are part of an effort to create artificial shortages. The socialist and market economies are both major consumers and sources of raw materials.

The United States and the Soviet Union occupy a special place in this pattern of commerce. We are the most nearly self-sufficient nations in the world, yet we each rely on a few key imports—the United States especially for oil, tin, and bauxite, the Soviet Union for food. By contrast, most other countries are either large net sellers—Canada, Australia, and the Arab States—or large net buyers—Western Europe and Japan—in the world marketplace. So our two continental economies have a unique opportunity to advance our own national interests in ways which would promote world economic stability. Within an inclusive international context, a combination of new planning methods and market mechanisms could maximize the long-term efficiency of food and raw material consumption and minimize the rate at which resources are depleted.

The creation of inclusive arrangements will require adaptation and binding commitments. The arrangements will fail if we insist on ideological rigidities of planning or laissez-faire. Monitoring systems must operate over geographical as well as ideological boundaries. Commodities agreements must govern specific products. An international agency for indicative economic planning, open to all countries and with appropriate voting rights for each, could provide a new framework for conservation, specific negotiation, and the development of production techniques.

The Soviet Union's demand for some commodities, particularly food, is obvious. Its ability to supply others, such as oil and gas, is also obvious. Now your country can reassert the role of global economic leadership which it took at Bretton Woods in 1944. You remained outside the trade structure of the world community throughout the Cold War. But in an era of détente and shortages, Soviet interests in the area of trade intersect the interests of non-Communist economies.

Those shared interests would be fostered if ways could be found for your government to participate in institutions such as the Organization for Economic Co-operation and Development, and the General Agreement on Tariffs and Trade. We welcome the fact that you are considering observer status at the current multilateral trade negotiations—and we hope this is a forerunner of more active involvement in the near future. In 1945, the major international trading institutions were founded with an overriding goal—truly universal membership as a basis for maximum world prosperity. The founders were thirty years ahead of time. But now it is time for an expanded common existence in global commerce. It should include the Soviet Union on terms and in a manner consistent with your needs and system.

One poignant crisis cannot wait out the evolution of common existence across the entire range of commerce. Today a third of the world is hungry; half a billion people are at the edge of famine. Although the crisis has yet to be universally conceded, the evidence has mounted beyond the point of rational denial. The food shortage is not a rumor started by hundreds of thousands of dying children, or millions of malnourished parents. Coming to terms realistically with that shortage is in our interest as nations which cannot permanently endure as secure islands in a sea of starvation. It is in the interest of us both as nations with their own real, if rarely admitted, problems of malnutrition. And surely it is in the interest of us both, and of the world as a whole, that our two countries join wtih others to shape and support an international organization to disseminate agricultural technology, collect statistical information on projected food shortages and food supplies, and gather a global food reserve.

Consider my country's past decisions to withhold land from agricultural production; note our frequent misuse of food as an instrument of international politics; observe your country's reluctance to release agricultural data on grounds of national security; recall your understanbale suspicion that the release of detailed information on food production could swell the profits of grain traders rather than filling the stomachs of the hungry. All of these do not mandate an acceptance of things as they are, but the commitment of both nations to the emerging structure of agreements based on the recent World Food Conference in Rome. The structure must be carefully constructed, so every member state can exercise appropriate control, and vital information can be accumulated and assessed in ways fully sensitive to the need for confidentiality and fully alert to the risks of exploitation. No nation should stand aside while most nations are working to design a viable world food system. We have competed with one another for nuclear superiority: now let us co-operate with many others for the sake of food sufficiency.

The question of hunger represents a special case of a more general and no less planetary issue: How are the basic rights of human beings to be assured in a time of

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scarcity and conflict? When the issue is cast in that way, we can call upon a common ideal which can make us natural if paradoxical partners in support of a worldwide common existence. Your revolution and ours differed in many things, but they claimed at least one great and same aspiration: Not merely to overthrow the existing order of colonialism or autocracy, but to lift the ancient yoke of human oppression. We have taken opposed paths from our beginnings, each insisting on our fidelity to the aspiration with which we both began. Americans have accused you of abandoning that aspiration legally and politically; you hve accused us of abandoning it economically. These accusations and counter-accusations will continue; as I have suggested earlier, our ideals of politics and government are not on a converging course. But both of us have come remarkably close to agreement on a substantive ideal—that every person has a right, though we may conceive its content differently, to the basic means for survival and self-realization. For the first time in history, it may indeed be possible to affirm seriously the universal existence of some such right—to say, and truly mean, that the preconditions of a decent life are each person's due in the world.

We are in little danger of understanding the difficulty of achieving the sort of substantive agreement such standards would require, much less the difficulty of implementing any standards agreed upon. The danger, rather, is that we may underestimate the importance of trying.

Hundreds of millions of people will not stare down into a mass grave of starvation and then quietly die. The world will not move easily, or peacefully, toward extinction. Maybe it is too much to as of nations that they do the right thing simply because it is the right thing to do. But here the right thing is the only rational choice. If not out of compassion, then because we have a stake in global security, let us at least and at last attempt to make effective the emerging consensus that living, living decently, is each man's most inalienable right.

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One last element is important: A lowering of barriers to the exchange of ideas in the international arena. Though you may reject our nation's ideals of free expression, let us agree that impediments to the unfettered flow of truth may be obstacles to the mutual search for practical solutions. Occasionally higher values are served by limiting access to data; no one in his right mind would advocate the publication of blueprints for a plutonium bomb. But the most effective methods to control plutonium theft and thus to limit the danger of clandestine proliferation cannot be devised if the engineers who think about them cannot share ideas with one another. Solutions to our agricultural problems cannot be certain if data bearing on levels of production and patterns of distribution are treated as national secrets. Ways of producing energy with less fouling of our common nest cannot be invented and perfected if the scientists who seek to understand the workings of ecosystems cannot enter into dialogue with their colleagues in other lands. At times, both of our nations have overclassified, overprotected, and overcontrolled intellectual products and exchange. In the recognition of mutual fault, and in the realization of a mutual interest in rectifying our errors in this respect, there may lie a basis for acknowledging and ultimately protecting a procedural right as fundamental as the substantive rights on which we seem to agree—a right to think and communicate on questions of basic scientific importance to the human condition.

As common existence comes to be experienced over time, each of us will have less reason to feel threatened by others. With the quelling of fear, there may come an abatement of restraints on expression beyond the scientific realm. But that is a more distant and perhaps more parochial hope, one which could easily slip into unrealistic musings. There is no necessity for us to believe that you may be convinced to accept the value we place upon political liberty. Nor is there any necessity for you to believe that we may be convinced to accept your view that such liberty in a capitalist state is a trick and an illusion. As I said at the beginning of these remarks, a safer world requires a degree of unity, not an identity of systems.

CONCLUSION

In 1815, the Congress of Vienna initiated a period of brilliant diplomacy; political bargains by skillful negotiators preserved the order and systems of Europe. But the security of the *status quo* permitted the old regimes to perpetuate vast social injustice. The last century of continental peace was a long season of human suffering. The statesmen of that century scorned the basic needs of the people. The workers produced, but others profited. The people aspired, but others ruled. The causes of instability were shackled, but not solved. And this condition of suppression the statesmen called a structure of stability. It prevailed for awhile, as such structures usually do; then it failed all at once, as in the end suppression always will. The discontented of many nations rose up, and their rising overwhelmed the sophisticated arrangements of the power balance, and engulfed those who governed within it. The diplomacy of Metternich and his successors was tactically brilliant; it was also and inevitably a strategy of self-destruction.

Today the heirs of revolution could become the new incarnation of the old regimes. The United States and the Soviet Union could retreat behind fortress walls of megatonage and relative economic might. We could feel safe in our fortress, as others once did in theirs—the Kaiser, the Czar, the Austrian Emperor. And one day a revolutionary tide would sweep over the walls and sweep away all who were inside. We cannot predict how it would happen; we could insist that we have the power to hold off that day of reckoning. So did Nicholas and Franz Josef and Wilhelm.

This, I believe, need not be our fate because we are not condemned to it. We could choose it, but we can choose otherwise. As the heirs of revolution, we know its signs; we recognize its claims; we can ride with it, rather than stand against it. We can make the troubles of our world the foundation stones of a worldwide common existence.

Perhaps the memory of the blood we shed together against Facism can provide the most fitting metaphor for our future. We fought as one to defeat a common enemy. Now Providence, which you call history and I call God, calls us to join together again, this time with all men, to defeat the most ancient and most recent enemies of mankind: the tyranny of hunger and disease and the poverty of a world stripped bare.

AMNESTY INTERNATIONAL

Mr. KENNEDY. Mr. President, as the Geneva Conference on Security and Cooperation in Europe draws to a close, there appears to be a sad contrast unfolding in the Soviet Union.

For in recent weeks, while the Geneva Conference has dealt with the issue of increasing human contacts and respect for humanitarian ideals, there has been a disturbing development in the Soviet Union.

I refer to the recent series of arrests of Soviet dissidents, whose single bond appears to be their membership in Amnesty International.

Amnesty International is an international organization committed to achieve the release of or the improvement of conditions of political prisoners. Its distinguished President, Sean McBride, a recent recipient of the Nobel Peace Prize, and its board members reflect all elements of the political spectrum.

It has scored the violation of human rights in Chile and Cuba, in Brazil and in the Soviet Union. Its cause always has been individual freedom and its vision has truly not been restricted by partisan blinders.

The recent arrests of Valentin Turchin, Andrei Tverdokhlebov, Vladimir Albrecht, and Mikola Rudenko—all members of the Amnesty chapter in the Soviet Union—deserve our attention and our protest.

I would hope that these arrests and the pending prosecutions of these individuals would be reconsidered and voided by the Soviet Union leadership.

I ask unanimous consent to have printed in the Record an article by Peter Osnos on this subject.

There being no objection, the article was ordered to be printed in the Record, as follows:

Latest Arrests by Soviets Viewed as Open Challenge to West

(By Peter Osnos)

Moscow, April 20.—Early Friday morning, Andrei Tverdokhlebov, an engineer, left for work as usual. On the street outside, he was arrested.

Valentin Turchin, a physicist, and his family were at home when police arrived and began a 12-hour search. Vladimir Albrecht was picked up at a friend's house and then his apartment was searched too. In Kiev, a writer named Mikola Rudenko was taken away to jail.

What these people have in common is membership in the small, fledgling Soviet chapter of Amnesty International, the London-based civil rights organization that presses worldwide for the release or better treatment of political prisoners. Yesterday, Turchin angrily charged that the authorities have decided to break up the Amnesty group here in a self-confident challenge to the West.

"The KGB (Soviet Secret police) tells us that public opinion abroad has grown bored with cases like ours and that they can do what they want," he said.

Turchin said the men who searched his apartment told him: "You can no longer trust the West to be concerned with your activities. They have problems of their own these days."

Turchin told newsmen: "I have to agree This is true."

[Dissident physicist Andrei Sakharov said today he had learned that police had freed Rudenko but had ordered him to remain in Kiev pending trial on charges of anti-Soviet slander, news agencies reported.

[Sakharov also said that security police had searched the house of dissident author Alexander Ginsburg in Tarusa, 60 miles south of Moscow, where he is in internal exile.

[Sakharov said the police took away foreign medicines intended for political prisoners and a card index file of prisoners' relatives.

[n London, the headquarters unit of Amnesty International said it had sent a telegram to Soviet Communist Party Leader Lenoid Brezhnev protesting the arrests.]

Clearly, the Soviets do not regard Friday's events as routine. The home offices of major American, British and French news agencies, The Washington Post and perhaps other newspapers, were informed of Tverdokhlebov's arrest in telex dispatches signed "APN"—the official Soviet news agency Novosti. The news was not released here.

Novosti sometimes covers dissident trials and produces articles to counterbalance what the Soviets regard as "distorted" Western reports. But this is apparently the first time that the agency has sent out what is in effect a press release on a police action.

Also puzzling is that Thursday night, 12 hours before he was arrested, Tverdokhlebov received a phone call from a friend in Kiev who said a foreign radio station was broadcasting in Ukrainian that he had been arrested.

The Novosti account did not mention Amnesty International. It said that Tverdokhlebov had been accused of "spreading deliberate falsehoods maligning the Soviet political and social system" and that his apartment contained anti-Soviet literature for distribution. The arrest of Rudenko and the searches at Turchin's and Albrecht's were ignored.

Turchin, who is president of the Amnesty chapter, said he believes the Soviets will never openly link the respected organization with the case—Sean McBride, a former Irish foreign minister and Amnesty president was chairman of a Soviet-sponsored world peace congress here in the fall of 1973.

But he said that much of the material seized at the four apartments concerned the group. Tverdokhlebov, an active dissident who is a close friend of the physicist Andrei Sakharov, was searched in November and on that occasion Amnesty literature was left behind.

One possibility is that the Soviets decided to move now out of concern that the group—which numbers only about 20 persons—might become the focal point of the Soviet dissident movement, weakened in recent years by emigration, exiles, punishment and weariness.

Amnesty's activities, however, are humanitarian and international. The Moscow chapter, which had its first full meeting only about a month ago, was given responsibility by London headquarters to lobby on behalf of a jailed left-wing writer in Spain, a right-wing Yugoslav nationalist and a Tamil activist in Sri Lanka.

Previously, the group had sent some 25 postcards and letters in support of a leftist imprisoned in Uruguay and others for whom the Soviets would presumably not find support objectionable.

A Soviet move that could be interpreted as suppression of Amnesty International might prove embarrassing to them at the 35-nation Geneva Conference on Security and Cooperation in Europe, where the issue of human contacts has been a central concern. Moscow wants that conference to end quickly with a gala summit conference to sign a declaration of principles.

The Soviet members of Amnesty for the most part have established dissident credentials. Turchin spoke out on behalf of Sakhrarov when the physicist was under attack. As a result, Turchin lost his job. Rudenko, in Kiev, was a member of the Communist Party but was expelled because of his unpublished writings on "Christian socialist" themes. Albrecht is a frequent signer of statements on political subjects.

QUESTIONABLE SECURITY ON U.S. NUCLEAR WEAPONS AT HOME AND ABROAD

Mr. SYMINGTON. Mr. President, 2 days ago, the General Accounting Office reported to the Secretary of Defense that the Pentagon has been shipping nuclear warheads along our highways without adequate security precautions against potential terrorist activities.

As is well known, for some time I have been concerned with the security of our nuclear arsenals abroad.

The United States currently has some 7,000 tactical nuclear weapons stockpiled in European countries plus thousands more in other countries around the globe. This does not include these aboard U.S. ships.

Reports during the past year are to the effect that some of these weapons may not be well protected against potential nuclear saboteurs or thieves—especially those who may have both the armed capability and intelligence information necessary to overcome security systems designed to protect these weapons.

The mere presence of such large numbers of nuclear warheads around the world provides an ever-present risk of their seizure—not only by criminal groups, but also by host governments themselves. Any change in government, or in government policy, in a country where U.S. nuclear weapons are stored could lead to a takeover of these weapons.

It is no secret that during the Cyprus crisis, which is still with us, the United States has been concerned about the security of its nuclear arsenals in both Greece and Turkey, and there are other cases where political and international developments could have serious implications for the security of our nuclear arms.

This security is not only a problem for the United States, but also for France, Great Britain, the Soviet Union, the People's Republic of China—or any other country which has or soon will have nuclear weapons; in fact, there have been developments which would lead us to believe that a growing number of countries will soon possess such weapons.

All nations must take the risk that the security and potential use of nuclear weapons may be affected by the political stability of the countries which possess or store them.

Now that the General Accounting Office has confirmed the need for tightening safeguards on the shipment of nuclear weapons along our own highways, I would hope that the administration will also take whatever measures may be necessary to strengthen safeguards on our nuclear weapons shipments and storage abroad.

The administration should also review our policy of placing thousands of tactical nuclear weapons abroad, removing those not actually required for defense purposes.

At this point, I am providing copy of the unclassified "digest" of the GAO report which was released on April 23, and ask unanimous consent that it be printed in the Record.

There being no objection, the digest was ordered to be printed in the Record, as follows:

General Accounting Office Report to the Secretary of Defense—Safeguards Should be Tightened for Transporting Nuclear Weapons on Highways, Department of Defense

(This is an unclassified digest furnished in lieu of a report containing classified security information.)

WHY THE REVIEW WAS MADE

The Atomic Energy Commission and the Department of Defense frequently move nuclear weapons in motor vehicle convoys over public highways and streets.

Because of the recent successes of terrorist organizations and the ability of such groups to strike almost anywhere in the world, GAO wanted to find out if adequate security precautions were taken when nuclear weapons were transported by motor vehicle convoys in the continental United States.

FINDINGS AND CONCLUSIONS

Nuclear weapons transported in motor vehicle convoys by the Army and Navy were more vulnerable to potential terrorist activity, and more susceptible to damage, than were shipments by the Atomic Energy Commission and the Air Force.

The Army:

Used commercial van-type trucks without armor or entry denial fixtures to carry nuclear warheads between storage locations and missile launch sites.

Did not use helicopters to provide aerial reconnaissance and surveillance for its convoys.

Did not have an adequate en route communication system to monitor progress.

Did not provide for a security team vehicle to follow its convoys and respond to emergencies.

Navy shipments also were vulnerable to terrorist activity and susceptible to damage.

The Secretaries of the Army and Navy acknowledged that these observations were valid. They cited a number of actions taken or planned which should bring about needed improvements.

RECOMMENDATIONS

The Secretary of Defense should follow up on the corrective measures promised by the Army and Navy to insure that the additional safeguards are timely and effective.

The Secretary of Defense should also explore the possibility of using the Atomic Energy Commission's safe/secure trailers or other vehicles equipped with entry denial and alarm security features when motor vehicle convoys are required for Army and Navy nuclear weapons.

SENATOR KENNEDY'S EXCELLENT OVERSIGHT WORK

Mr. PROXMIRE. Mr. President, it is a rare day when a Member of Congress is recognized by the press and public for excellence in the time-consuming, detailed, undramatic field of following up a program that we have enacted into law to determine whether it is working, and if it is not to exert the pressure to see that it does work.

This, of course, is congressional oversight. All of us in the Congress engage in it. Some do much more work than others. But rarely is that work reported, and even more rarely is that work recognized and praised even if it gets big results.

This is why Members of Congress will be impressed by an extraordinary article in the April 24 Wall Street Journal by Alan Otten, citing our colleague Senator Edward Kennedy for the solid and suc-

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cessful job Senator KENNEDY has been doing in the airline field.

KENNEDY's work has already produced lower prices for airline tickets. It has infused a much-needed recognition by the Civil Aeronautics Board that its mission is to represent the public interest—not just the interest of the airlines it regulates.

All this has been accomplished by Senator KENNEDY, his Judiciary Subcommittee and its staff, not by a few speeches or press releases but by many months of strenuous investigations including detailed questionnaires, private staff discussions, specially commissioned academic analyses and public hearings.

In case political ideologs would read some kind of liberal or partisan plot into all this, we should note that Senator KENNEDY's principal coworker in all this has been none other than the distinguished Senator from South Carolina, STROM THURMOND.

Senator THURMOND also deserves great credit for the work he has done in making it possible for air travelers to get a fair break when they buy their tickets.

Mr. President, I ask unanimous consent that the article by Alan Otten, to which I have referred, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OVERFLIGHT

(By Alan L. Otten)

WASHINGTON.—Wall Street Journal readers will probably find bizarre the image of Senator Edward Kennedy crusading for less government regulation and more marketplace competition.

Yet that's precisely what Mr. Kennedy has been doing, with considerable impact and success, in the airline field. In the process, he's also been graphically demonstrating the enormous potential of well-done legislative oversight.

Oversight, as has been frequently noted here, is a conspicuously neglected congressional chore. Trying to determine whether a government program is working well, or is working as Congress intended, is tedious labor. Frequently, the committee charged with oversight is stacked with lawmakers who have close ties to the people administering the program or benefitting from it. Unless it hits scandal or other publicity-rich pay dirt, tough oversight gains an ambitious legislator far fewer friends than most other things he could be doing.

All the more surprising then that Mr. Kennedy should invest substantial amounts of time and energy in this sort of activity. Yet last summer, looking around for a new task for his Judiciary Subcommittee on Administrative Practice, he worked out with Harvard law professor Stephen Breyer plans to study the way different government agencies now regulate economic activity—starting with the Civil Aeronautics Board.

"For a long time," Mr. Kennedy says, "I'd been working on getting better air service and lower fares for New England. And I'd gradually become convinced that less regulation would actually benefit the consumer and still strengthen the industry."

Since last Summer, Mr. Kennedy, ranking subcommittee Republican Strom Thurmond, and the subcommittee staff have bombarded CAB members and their top aides—with detailed questionnaires, private staff discussions, specially commissioned academic analyses, and beginning in early February, public hearings.

How could intrastate airlines in Texas and California, free from federal regulation, manage to charge much lower fares and still operate so profitably? Why does the board freeze out major new competition from airline routes? Wouldn't the threat of new competition help keep down airline fares?

Even if lower fares made airlines cut back service, might not people accept less service in order to fly more cheaply? Why does the CAB rate formula include a fat 12% rate of return? How could the board justify higher fares at a time of sharply slumping traffic?

And CAB policies changed. Recently the board has begun to entertain new route applications; dropped an earlier plan to force higher charter rates and instead proposed more low-cost charter flights; permitted a no-frills, low fare for National Airlines; and set up an internal group to consider the desirability of broader competition.

"Much of this never would have been proposed, let alone approved, six months ago," contends antitrust expert Breyer.

Certainly there may be some argument over just why it's all happening now. The recent recession, cutting into passenger volume and industry profits, made many airlines ready to compete harder. Key officials at the Council of Economic Advisers and the Departments of Justice and Transportation were independently moving towards a deregulation policy anyhow, and President Ford promised this in his economic report in early February.

Yet at the very least the Kennedy subcommittee catalyzed these and other forces. Its announcements of plans to start hearings Feb. 6 prodded the administration to pull a policy together by then. Several CAB reversals of direction were actually announced at the hearings, under specific subcommittee questioning.

In addition to the "why now?" question, there's the even greater debate over whether deregulation is the correct policy. Most airlines say emphatically not, and the CAB so far has seemed to agree.

Industry executives admit that less regulation may lower fares at first, but insist that profits will also gradually drop, airlines will have to merge or fold, small towns will lose service, technological innovation will slow, and safety standards will suffer. Ultimately, they contend, fares will rise higher than ever.

But the judiciary subcommittee and apparently the Ford Administration believe the contrary. "Testimony by independent experts and other witnesses," Sen. Kennedy said in hailing a new Ford deregulation pledge last week, "indicated that a more flexible regulatory policy, one that leads to greater competition, is likely to lead to lower fares and fewer empty seats"—and sounder airlines.

The subcommittee's report, now in preparation, will probably urge far easier airline qualification for new routes, still more liberal charter rules, freedom for airlines to raise or lower fares within a specified range without CAB approval, and several restrictions on the board's power to grant antitrust immunity for airline agreements reducing frequency of flights.

Mr. Ford has indicated the administration's bill will be along much the same lines, and the subcommittee is pleased. "A lot can be done by the board without legislation," Mr. Breyer says, "but then there's the risk of a relapse later. It's safer to have legislation." He admits, though, it may be hard to sell the current liberal Congress on the deregulation approach. "Liberals don't have a bias against government regulation," he understates.

To be sure, the Kennedy operation has had some luck. The Senator's name commands press attention even for dull subjects. Watergate created doubts about too-close government-industry ties. The declining economy heightened interest in the health of the airlines. "We caught the issue at the right time," Mr. Kennedy concedes.

Yet the investigation also required long, hard work, as good oversight always must. And it showed that with hard work—and a little bit of luck—oversight can do a vital job.

PROGRAMS FOR OLDER AMERICANS IN MINNESOTA

Mr. HUMPHREY. Mr. President, the State of Minnesota has always been a leader and an innovator in its efforts to assist the elderly. Through a multitude of programs and services, Minnesota has provided its senior citizens with new opportunities and a sense of dignity.

The Minnesota Governor's Citizens Council on Aging served as the catalyst for these changes. Since its incepton in 1957, the council has provided direction and guidance to the statewide drive. A 25-member body, the Governor's council brings together concerned citizens and legislators who have a special interest and expertise in aging.

The number of older people present in our society is rapidly increasing each year. In Minnesota there are 600,000 people over the age of 60, many of whom have special needs and problems. The Governor's council has studied these people and found that: one-half of Minnesota's older people have chronic health problems; one-fourth have less than an eighth grade education; one-third live in poverty; one-sixth have transportation problems; one-half often feel lonely.

These highly significant statistics pose an important challenge which can only be answered by the type of positive action which has been developed by the council.

The Governor's council recently published an annual report which outlines their functions and discusses the progress which has been made in Minnesota. This booklet describes the many social services which were begun under Federal funding programs and continued via local support following the expiration of the Federal money. Last year the council funded 15 new programs in response to the needs of the State's elderly.

Since 1967 the GCCA has initiated 101 projects covering a wide range of services. A total of $4 million has been awarded to these programs during this time, each project being supported for about 3 years.

The Council sponsors a broad spectrum of health services, from clinics to loan closets. By assisting the elderly with their health needs, the State allows them to feel comfortable in their retirement years. Coupled with this are over 100 senior citizen centers which enable older people to find companionship and worthwhile activities. These two programs serve to give elderly citizens a sense of security and well-being which is essential to their daily lives.

The Governor's Council also initiated dining and transportational facilities in order to help senior citizens remain active members of their communities. Over 30,000 participants received good meals

and friendly companionship at neighborhood centers throughout Minnesota.

Besides these basic services, the Council has an extensive network of educational and counseling services, designed to insure full and meaningful lives for Minnesota's older citizens.

In sum, the Governor's Citizens Council on Aging has taken decisive steps to reach out to senior citizens in Minnesota. Chairman Cy Carpenter and Executive Secretary Gerald Bloedow direct a noble undertaking which is attempting to build a society of human fulfillment for the elderly.

The efforts of the GCCA demonstrate that citizens can solve problems within their own communities by working with both Federal agencies and their local counterparts. I commend them for the progress which they have made and point to their work as a model for other States and communities.

Mr. President, I ask unanimous consent that excerpts from the GCCA's annual report be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ANNUAL REPORT OF THE GOVERNOR'S CITIZENS COUNCIL ON AGING, JANUARY 1975

(Cy Carpenter, Chairman; Gerald A. Bloedow, Executive Secretary)

THERE IS NOTHING NEW ABOUT AGING

What is new is the number of older people alive today and the changed society in which they live. In 1900, 3 million older people lived in a largely agrarian America. Today more than 20 million older people live in our radically altered society—fast-paced, urban, aggressive, youth-oriented.

As the older population has increased, so have its problems. Minnesota was among the first to recognize the plight of many of her older citizens, but until 1951 no statewide efforts were launched to deal comprehensively with the problems faced by older people. In that year the legislature created a legislative interim commission to study the health, housing, recreation, employment, and welfare needs of Minnesota's older population. Shortly afterwards (in 1956) the Governor's Citizens Council on Aging was created by executive order to meet the needs of older Minnesotans; in 1957 the Council was established by statute.

Today the 25-member council serves as the focal point on aging for Minnesota's 600,000 older people (those age 60 and older); for individuals approaching retirement or into an early retirement; and for all other Minnesotans of whatever age who are interested in aging and gerontology.

Council members—individuals who have a special interest and expertise in aging—come from every congressional district in the state. Each member is appointed by the Governor for a two-year term; no member may serve for more than six consecutive years.

The Governor's Citizens Council on Aging serves older people in a variety of ways. As the sole state agency responsible for administering Titles III and VII of the Older Americans Act, the Council plans, coordinates, and evaluates social service and nutrition programs for older people throughout the state. It also administers the state-funded portion of the Foster Grandparents program—a program employing low-income persons age 60 and older who give retarded children close personal attention.

In its advisory and educative role, the Council acts as a consultant to the Governor, legislature, and heads of state departments concerning policies and services affecting older people. In addition, the Council assists regions, counties, and local communities in the planning and development of programs for older persons.

The Council also participates in the legislative process by reviewing proposed legislation, commenting upon existing legislation affecting older persons, and drafting new legislation—always acting on behalf of Minnesota's older citizens.

By law the Governor's Citizens Council on Aging is charged with the following:

To advise the Governor and heads of state departments and agencies regarding policy, programs, and services affecting the aging;

To provide a mechanism for coordinating plans and activities of state departments and citizen groups as they pertain to the aging;

To create public awareness of the special needs and potentialities of older persons;

To gather and disseminate information about research and action programs, and to encourage state departments and other agencies to conduct needed research in the field of aging;

To stimulate, guide, and provide technical assistance in the organization of local councils on aging;

To provide continuous review of on-going services, programs, and proposed legislation affecting the elderly in Minnesota; and

To administer and to make policy relating to all aspects of the Older Americans Act of 1965, as amended, including implementation thereof.

SOCIAL SERVICES THROUGH TITLE III OF THE OLDER AMERICANS ACT

Over the years the Governor's Citizens Council on Aging has used federal money to start all of these services for older people. Throughout Minnesota project sponsors (social service agencies, local units of government, committees on aging, etc.) have played a most important role in ensuring the success of the program; and Title III of the Older Americans Act has provided the "seed" money for the projects. But because Title III money can only be used for short-term projects, the Governor's Citizens Council on Aging has invested it in programs the Council considered capable of obtaining total local support after three to four years. Minnesota's older people have benefited by this policy; every project but one which the Council has funded has been continued after federal funds expired.

In 1974 fifteen new social service programs—creative, innovative projects responsive to the needs of Minnesota's older people—were funded by the Council throughout Minnesota. For instance, in North Minneapolis a legal rights and advocacy program was started; in St. Paul a social services-counseling project was begun for older residents of public housing. Health services, multi-purpose senior centers, and transportation programs were also funded throughout the state.

HEALTH SERVICES

Last year the Governor's Citizens Council on Aging continued funding a broad spectrum of health services for older people.

Diagnostic health screening so older people won't have to worry away their health;

Mini-clinics so older people can receive needed "maintenance" health care;

Health education so older people can learn to prevent health problems or to cope with what ails them;

Day care centers so older people can live independently but still receive skilled nursing care daily;

Home health assessment so trips to the doctor can be either avoided or hastened to catch diseases in their early stages;

Loan closets so older people have a special source of needed supplies and equipment;

Health reassurance checks so older people know how to follow the doctors orders.

The two new health programs funded by the Council in 1974 were programs designed to meet the health needs of older Minnesotans in the metropolitan area. These new comprehensive programs currently provide each of their elderly clients with most of the above services.

MULTIPURPOSE SENIOR CENTERS

With Title III funds the Governor's Citizens Council on Aging has, since 1967, helped to develop more than 100 senior citizen centers for older people, three new centers in 1974.

Senior centers are places where older people can be involved and feel at home. Places where they can find people like themselves for companionship. Places where life is humming at a quick-but-easy pace.

Senior centers are friendly places overflowing with activities and opportunities for older people—exercise classes, crafts, educational classes and forums, musical activities, counseling, health testing cards, day camps, information and referral and many others. Through its development and support of senior citizen centers throughout Minnesota, the Governor's Citizens Council on Aging has helped older people find a place.

TRANSPORTATION

It's lonely in the country when you can't get out. When your nearest neighbor is miles down the road. Conversation gets sparse. It can be frightening in the country too, if a person should fall and need a doctor but have no way to get there.

The Governor's Citizens Council on Aging is concerned about the isolation of Minnesota's older people. Providing food, health care, or recreation helps older people very little if they can't use the services; if they can't get to them. So the Governor's Citizens Council on Aging has worked to develop transportation programs for older people throughout Minnesota. Eight new transportation systems—city-wide, county-wide, and region-wide alike—were developed in 1974. Buses, mini-buses, and volunteer drivers with their own cars were used.

Now older people no longer need to sit at home. The Governor's Citizens Council on Aging is helping them go places.

NUTRITION PROGRAM FOR THE ELDERLY THROUGH TITLE VII OF THE OLDER AMERICANS ACT

In 1974 the Governor's Citizens Council on Aging, using federal money under Title VII of the Older Americans Act, supported 122 congregate dining facilities for older persons throughout Minnesota. Each day more than 3,800 hot, nutritious meals were served to older Minnesotans who contributed according to their means.

More than 30,000 older persons participated in the Nutrition Program for the Elderly, a program directed toward older people who cannot afford to eat adequately; who lack the skills to select or prepare nourishing meals; who have limited mobility impairing their ability to shop and cook for themselves; or who are so isolated and alone they lack the incentive to prepare and eat meals. With Council help plus help from 17 sponsoring agencies all over Minnesota these 30,000 participants ate well and they ate right. But more important for many was the social contact and support they received from dining with neighbors and friends. They also took advantage of the eight social services which are an integral part of the nutrition program: transportation, nutrition education, recreation, outreach, shopping assistance, health and welfare counseling, personal escort service, and information and referral.

How is the Governor's Citizens Council on Aging involved?

Initial and continual program planning.

Administration and management.

Technical consultation and support.

Monitoring and evaluation.

Title VII funds administered by the Governor's Citizens Council on Aging in 1974: $1,815,461.

FACILITATING SERVICES

The Governor's Citizens Council on Aging, understanding that older people in particular may have difficulty in recognizing services available to them, initiated in 1974 two major efforts aimed at informing older people about services they may need: an SSI-ALERT Project and an Information and Referral Program.

SSI—ALERT

Minnesota's SSI-ALERT is part of the Administration on Aging's nationwide search for potential new Supplemental Security Income recipients. Supplemental Security Income, a federal program begun in January of 1974, is a guaranteed annual income plan which replaced state and county Old Age Assistance programs.

Realizing that many older people consider income their number one problem and that these same persons might very well be unaware of the new federal program, the Governor's Citizens Council on Aging, in conjunction with the Social Security Administration and the Red Cross, worked throughout the year to locate potential new SSI recipients. A statewide publicity campaign was launched and volunteers were trained to answer questions about the program and to do outreach work in their communities.

In some areas outreach workers went door to door visiting with older people and, when appropriate, asking them to fill out special memos indicating their social service and income needs. Social Security Offices and other local organizations were then contacted to provide the needed help. In the Hibbing area alone, of 1,900 older people contacted, more than 500 (28%) were found to be eligible for SSI; they are now receiving, on the average, an additional $60 in income every month—income that significantly improves the quality of their lives.

Information and Referral Services

The Governor's Citizens Council on Aging in 1974 applied for and received a model project grant from the Administration on Aging to initiate a statewide information and referral system for older people. The $200,000 project, begun in September of 1974, will provide information to the general public on matters pertaining to the older population and will create a network of information and referral centers throughout the state.

Information and referral centers will direct older people who have problems or questions concerning health, housing, income, education, employment, recreation or any other kind of human service need to agencies and organizations that can help. The Governor's Citizen Council on Aging believes that regional or sub-regional information and referral centers will greatly aid older people who are currently unfamiliar with or afraid to approach the many organizations and bureaucracies available to serve them.

PLANNING SERVICES

Insuring full and meaningful lives for all of Minnesota's older citizens is a challenging responsibility. To meet it, the Governor's Citizens Council on Aging engages in a constant planning process: reviewing progress already made, analyzing problems still unsolved, and designing and coordinating projects and programs it hopes will solve those problems.

State plan for aging

In 1974 the Council formulated its second major State Plan for Aging which detailed goals for the coming fiscal year and the mechanisms by which the Council hoped to achieve those goals. This document, which serves as a work plan for the Council, was submitted to the Administration on Aging in Washington for their approval and for their use in coordinating aging programs nationwide.

Area planning

During 1974 the Governor's Citizens Council on Aging's five Area Agencies on Aging offered technical assistance to aging programs in their respective regions, promoted the development of new aging services, coordinated existing services, and engaged in an on-going planning effort on behalf of older persons. Area agencies received increased responsibility in 1974 for the direct funding and review of Title III social service programs in their regions, a development which increased each agency's ability to effectively plan and coordinate a comprehensive system of services of older people. The agencies supported by the Council themselves with Title III funds from the Older Americans Act, are placed within Regional Development Commissions to maximize their planning capabilities.

Consultative services

In 1974 the Governor's Citizens Council on Aging assisted a variety of agencies and organizations in the planning, development, and evaluation of programs for older people. Consultative services were provided to, among others, the Office of the Governor, the Federal Executive Board, the Model Cities programs of Duluth, Minneapolis, and St. Paul, the Minnesota State Department of Personnel, and numerous legislators. Three Regional Coordinators, staff personnel to the Governor's Citizens Council on Aging, also offered consultative services to communities and social service agencies across the state, providing them with technical assistance in their planning and coordination of aging programs.

EDUCATIONAL SERVICES

Annual Institute on Aging

Each year the Governor's Citizens Council on Aging in conjunction with Gustavus Adolphus College sponsors a two-day Institute on Aging devoted to a topic of particular concern to older people. Institutes are part of the Council's efforts to provide continuing education to Minnesotans interested in aging and the concerns of older people. In 1974 the theme of the 16th Annual Institute was "Life is Worth Living, But You Can Count on Dying." Guest speakers provided information on topics such as coping with grief and drawing up wills.

Retirement planning

To prepare state employees for the social, emotional, physical, and financial changes often accompanying retirement the Governor's Citizens Council on Aging works with the State Department of Personnel in the planning and presentation of pre-retirement seminars for state employees. The set of five-session seminars, offered continuously throughout the year, covers such subjects as physical and mental health, insurance, employment possibilities, and alternative living arrangements. Staff of the Governor's Citizens Council on Aging serve as speakers, panelists, and resource persons.

Films

The Governor's Citizens Council on Aging provides free 16mm films on aging and gerontology to all groups and organizations requesting them. Currently the Council's film library contains more than 50 different films on subjects ranging from stereotypes of older people to the organization of senior citizen clubs. In 1974 the Council filled approximately 150 film requests.

Tax training

Throughout Minnesota the Governor's Citizens Council on Aging in conjunction with the State Department of Revenue trains people each year to help older citizens fill out their tax forms. The purpose of the program is to insure that older people receive all the tax relief they are entitled to as a result of recent changes in Minnesota's tax laws. More than 25 training sessions were held in 1974.

Newsletter

The "Senior Spotlight," published bimonthly by the Governor's Citizens Council on Aging, had a circulation in 1974 of over 6,000. Through the newsletter the Council informs older Minnesotans about its activities and programs, and about developments in aging programs at the local, state, and national levels.

ADVISORY COMMITTEES

People helping people. The Governor's Citizens Council on Aging is involved in this rewarding process daily, and has called upon others to help. Recognizing the complexities involved in planning for new programs and in administering current ones, the Council has established four advisory committees in the areas of nutrition, technical review, planning, and legislation. The nutrition advisory committee reviews and makes recommendations to the Council on Aging on all aspects of the implementation of the Title VII Nutrition Program, the technical review committee studies applications for Title III projects from regions in the state not served by an Area Agency on Aging and makes recommendations for action to the Council on Aging; the state plan committee reviews and makes recommendations on all statewide and regional planning activities of the Council; and the legislative committee examines legislative issues affecting Minnesota's older population and makes recommendations to the Council. In addition to these four advisory committees the Governor's Citizens Council on Aging has formed an executive committee which acts on behalf of the Council when issues arise requiring immediate action.

Committee members donate their time to the Council; they are rewarded by the success of the programs they are involved with.

There are other Minnesotans from all parts of the state who join regularly with the Governor's Citizens Council on Aging to insure that older Minnesotans live fulfilling later years. County committees on aging and the advisory committees to each of the five Area Agencies on Aging work both to identify the needs of older people and to develop practical ways of meeting these needs. The newly created steering committee of the Council on Aging's Information and Referral project, a committee composed of professionals representing many departments of state government, works to insure that the Information and Referral project operates in consort with other information and referral efforts in the state.

STAFF

Council and advisory committee members show their concern for older people by donating time and energy on their behalf; the professionals employed as staff to the Council are similarly motivated—they devote their professional lives to the field of aging. Staff professionals assist committee and Council members in the administration of on-going programs, the planning of new efforts on behalf of older people, the provision of consultative services to those seeking the expertise of the Council, and the stimulation of public interest in aging. Not only do they assist the Council and its advisory committees, they also act as staff of the Aging Division of the State Department of Public Welfare.

GENETIC RESEARCH

Mr. KENNEDY. Mr. President, on April 22 the Senate Subcommittee on Health held a hearing on genetic research, a new

and revolutionary scientific endeavor involving complex problems including benefit and risk assessment and the proper role of Government and the public. A recent article in the Washington Post by Stuart A. Auerbach detailing some of these problems was very helpful in the preparation, by the subcommittee, for the hearing.

Mr. President, I request unanimous consent to print this article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AND MAN CREATED RISKS

(By Stuart Auerbach)

PACIFIC GROVE, CALIF.—The day dawned clear and warm on what is often the fog-shrouded coast of Monterey Bay. But the sun was not yet up when the scientists gathered at 8:30 for the conference's opening session. Most had arrived the night before, but friendships had not yet formed and everyone appeared a little stiff. David Baltimore, an articulate young molecular biologist from the Massachusetts Institute of Technology, opened the meeting by reminding everyone of a letter published last July by a committee of the National Academy of Sciences warning of the potential hazards from new types of genetic engineering and calling on scientists to voluntarily halt experiments in certain areas until they had a chance to assess their potential risks.

Baltimore was a member of that committee, which was headed by Paul Berg of Stanford University. What the Berg committee did was revolutionary; never before had scientists stopped research because of unknown dangers inherent in their work.

For these scientists are creating new forms of life in a laboratory by melding genes from any living thing—including viruses, sea urchins and animals—with the genetic material from other living things, and then growing these hybrid genes in "factories" of bacteria.

Could these unknown forms of life—"novel biotypes," the scientists called them—threaten the world as an "Andromeda Strain"? (The scientists here blanched at even the casual mention of the term.) Could their research increase the risk of cancer? Or create new types of drug-resistant germs?

Standing at what was once the pulpit of the Asilomar chapel—left over from the days when this state-run conference center was a YWCA camp—the bearded Baltimore reminded the 139 scientists from 17 countries that their research concerns "biological activity of an unprecedented nature" which could prove hazardous to both lab workers and the public. "Issues which relate to the safety of research," he said, "are appropriate concerns for scientists and laymen."

Baltimore ruled out discussion of "peripheral issues"; the ethical and moral consideration of whether genetic engineering should be done at all and its applications for chemical and biological warfare. "This meeting is not designed to deal with those questions," he said.

"The issue that does bring us here is that a new technique of molecular biology appears to have allowed us to abort the standard events of evolution by making combinations of genes which could be unique in natural history. These pose special potential hazards while they offer enormous benefits.

"We are here, in a sense, to balance the benefits and hazards right now and to offer a strategy that will maximize the benefits and minimize the hazards of the future.

"Many people in scientific societies, in government agencies and private individuals around the world are looking to this meeting for guidance, and unless we go out of here providing that guidance we will not have fulfilled our responsibility and we will have left a really serious void . . . If we come out of here split and unhappy, we have really failed the mission that is before us."

With that charge on the table, Berg—who did some of the pioneering work in the field and whose fears, along with those of other scientists such as Maxine Singer of the National Institutes of Health in Bethesda, prompted the formation of the National Academy of Sciences' committee and the voluntary moratorium that followed the publication of the July letter—outlined the scientific experiments that caused the furor.

The ability to create hybrid genes arose from the discovery in labs across the country about five years ago that certain chemicals named "restriction enzymes" could cut the twisted strands of genetic material known as deoxyribonucleic acid (DNA) at specified places.

With that knowledge, it wasn't long before scientists were able to take segments of DNA from such higher forms of life as toads or sea urchins and insert them into simple, fast-growing single-cell organisms such as bacteria. The resulting hybrids were new, man-made forms of life that could multiply rapidly.

Two years ago. Berg considered cleaving a piece of DNA from a virus called SV–40 that causes cancer in monkeys and inserting it into the DNA of a bacteria known as Escherichia coli (E. coli). E. coli is one of the most common bacteria; it is present in everyone's intestines. After discussing his experiment with a number of other scientists—including James D. Watson, who won a Nobel Prize for his work in discovering the double helical shape of DNA 20 years ago—Berg realized that his experiment held the potential of creating massive disease. So he never did it.

E. coli, however, is the bacteria most commonly used in these experiments, which scientists call the formation of recombinant DNA, or Chimeras DNA, after the Chimera of Greek mythology, a female monster made up of parts of two or more animals.

Some scientists at the conference expressed concern over the handling of these potentially dangerous microbes in laboratories. Microbiologist Stanley Falkow of the University of Washington School of Medicine said he was shocked to learn that in some labs samples of E. coli were poured down the sink instead of being disposed of in a way that would keep the laboratory germs out of the public sewers. He called that "sloppy."

The strain of E. coli used in laboratory experiments is called K–12; it came from the intestine of a woman being treated for diphtheria at Stanford in 1922. But E. S. Anderson, an English scientist at the conference, reported that the K–12 strain of E. coli is no longer a normal inhabitant of the intestine. Indeed, an English colleague, H. William Smith, reported that he swallowed 10 billion E. coli mixed with a glass of milk for a number of days and found they could not survive in his intestine for more than a few days.

Anderson was the first participant in the conference to belittle the potential dangers that Berg and Baltimore had raised.

"Science fiction types of epidemics have been suggested by people who are not really, shall we say, sober-minded citizens in the sense that what they want is the thrill of horror rather than the sober facts which may be unmoving," Anderson commented tartly.

Over lunch, the discussions continued at big round tables. Many of the scientists used the lunch hour to make pay calls home to their labs, passing on the latest information on how to make their experiments work.

One of the few non-scientists on the program—Washington attorney Harold Green, who specializes in science and public policy—opened the afternoon's discussion. He said the self-imposed moratorium generated by the Berg committee letter undoubtedly slowed the pace of research and may have delayed the public from reaping some of its benefits. But he said it was important to settle the problem of potential risks before proceeding.

This started the first debates of the conference. Joshua Lederberg of Stanford, one of the two Nobel Prize winners at the conference, said this new research "has the potential for some of the most fundamental medical advances of the century." Postponing them, he said, will harm millions of people.

"I don't regard it as sinful to postpone benefits," replied Green. But Green's talk failed to persuade many of the scientists. Indeed, it solidified the ranks of those who thought that Berg and his colleagues had overreacted by calling for the moratorium last July.

Lederberg was still on the subject when the formal session ended, sitting in one corner of the auditorium carrying on a heated discussion with, among others, his fellow Nobel laureate, James Watson, and Norton D. Zinder of New York's Rockefeller University.

Lederberg insisted that any controls put on experiments will add to the scientists' paperwork, thwart research and hurt science in general. He said far more dangerous experiments have been done for years without this kind of public hue and cry. But genetic engineering, he said, captures headlines and public attention. He suggested that Berg, Baltimore and their committee might have purposely picked that issue in an effort to raise the social consciousness of scientists to the implication of their work. "There's nothing worse than a moratorium," said Lederberg, "to overdramatize a problem."

But Watson, dressed in a baggy blue pullover and with wisps of his hair flying out, noted that Lederberg himself had warned against bringing samples back from the moon and other planets because they might contaminate the earth. Partly because of the warnings of Lederberg and other scientists, NASA built an expensive supersafe Lunar Receiving Laboratory in Houston.

After Watson had left the little discussion, Lederberg called this new kind of genetic engineering "the first practical application of the uncovering of the structure of DNA"—for which Watson had won his Nobel Prize.

Even since Watson and Sir Francis Crick uncoded the structure of DNA about 20 years ago, people around the world have been awaiting practical benefits. Instead, each scientific discovery has appeared to raise more questions than it answered, and the practical benefits have been few, if any.

"The things we know," Lederberg continued, "are the tip of the iceberg. It's the hottest medical advance that has happened since antibiotics." Recombining genes, he said, "is analogous to crossing beans and corn in the field to get succotash."

As an example of what this new form of genetic engineering can do, he said, researchers can now search for the gene that produces human growth—a rare and expensive substance that is needed to treat people whose growth is stunted because of a hormone deficiency. This gene can be inserted into a bacteria "factory" which can then produce tons of human growth hormone. In less than five years, Lederberg predicted, enough human growth hormone will be produced by this method to serve the world's medical needs.

"Two years ago," he said, "I was predicting that in 10 years we would be where we are today."

UMI

A few minutes later, I ran into Watson, who was leaning against a pool table in Asilomar's main administration building, waiting for a free phone booth. When I told him about Lederberg's optimistic predictions of the value of this research, and how it is the first practical discovery stemming from the decoding of DNA, Watson said, "Nonsense."

"Josh is so bright and articulate," said Watson, "that everybody pays attention to him. I stopped paying attention to him in 1951.

"I don't believe anybody here can predict what practical benefits will flow from the research and I don't believe anyone here can quantify the hazards. I don't believe this is the great breakthrough we all have been waiting for for 20 years. The human, practical benefits flow from continued scientific work and not from jumping on board one isolated set of discoveries."

After dinner, most of the conference participants were exhausted. Instead of resting, walking along the rocky beach or looking at the flowered sand dunes and pine forests, they had spent the few free hours of the afternoon in heated discussions of their own.

Nevertheless, the chapel was filled—as it was for every session—when Stanley Cohen of Stanford, one of the pioneer researchers in the field, took the podium. He provided unpublished details (as many other researchers did) of his latest experiments—including the introduction of DNA from sea urchin eggs in E. coli. (Later asked if he got sea urchins from tidal pools such as the ones that form at low tide at Asilomar, he replied. "I've never seen a sea urchin. I just see their genes.")

The attack on plans to control research into this new form of genetic engineering solidified even more the next morning, when a special committee presented a report which would have restricted experiments that create new forms of life to laboratories with special safety features. One form of experiments—combining E. coli with genetic materials from bacteria that cause hard-to-treat fetal diseases—was ruled out as being too hazardous to do at this time. The committee of five scientists, headed by Richard Novick of the Public Health Research Institute in New York, had met for six days in New York and Palo Alto, Calif., prior to the Asilomar meeting.

Lederberg argued repeatedly that any guidelines passed by the Asilomar conference would be taken as Holy Writ by "bureaucrats" in Washington and other world capitals. "I take no exception to the language," he said, "but I am concerned over the general rigidity of guidelines." Novick replied that review committees of scientists could update or modify guidelines that didn't work or become outdated because of scientific progress.

Novick's assurances were not enough to satisfy Anderson, the Englishman who had scoffed at "science fiction" warnings. "We may end up with a series of taboos which we will find hard to reverse," he said. Anderson complained that many of the report's definitions were "oversimplifications" that omitted important points. When Novick defended the 35-page single-spaced report as "terse," Anderson replied tartly, "You could have fooled me." And when Falkow, another committee member, said the drafters couldn't cover every point in six days of meetings, Anderson said, "Why couldn't you do it in six days? After all, the Lord created the earth in seven days."

The bickering continued through the morning, silenced briefly by Dr. Sydney Brenner, a senior scientist with the British Medical Research Council in Cambridge. Brenner was a member of Berg's organizing committee for the Asilomar conference and he emerged during the 3½ days as its conscience.

He reminded the assembled scientists that nothing passed at Asilomar could give them a license to return to their laboratories at the end of the week and resume their work as they had done it before the self-imposed July moratorium. Indeed, Brenner was acutely aware of that fact; as an employee of the Medical Research Council he is banned by law from doing this work until the British government draws up guidelines of its own.

"The issue now," he said, "is not to consider what might emerge in terms of ultimate human danger, in terms of danger to the planet. Rather the issue is how to proceed with scientific investigations consistent with the ability to do it with no risk to the investigator, no risk to the innocents within our institutions who clean and help in the labs, and no risk to the public, the innocents outside our institutions."

He then asked if there was anyone in the audience who believed these experiments presented no hazards at all and that they could be continued using the same "sloppy" lab techniques. "Or have you thought and learned during this conference," he continued, "that there are dangers?"

He pointed out that there were scientists at the meeting from countries—including Poland and the Soviet Union—where the governments alone would decide whether the work should go on. If the government decided no, he continued, "it would become a criminal offense. There would be no question of censure by your peers; they would just send the police to arrest you and put you in jail.

"But this is a chance for the scientific community to show that they are prepared to consider these things and prepared to accept as necessary some restrictions. I would like people to stand up and say they are not just pretending there is a biohazard."

There was silence after Brenner's talk. He is a captivating speaker who uses his mobile face, bushy eyebrows and body movements to punctuate his comments. Finally David Botstein from Watson's laboratory facility at Cold Spring Harbor, N.Y., commented, "We all think our experiments are safe and the guy we are sitting next to is the crazy man . . . We always draw the line just beyond where we are."

Then Watson took the floor. He called for an end to the moratorium. Regulations on scientists, he continued, would be impossible to set up and to enforce.

"I hate to agree with Josh (Lederberg)," said Watson, "for I have found him wrong on almost everything he has said during the last couple of days . . . But in this case I think we should use common sense and suffer the possibility that someone is going to sue us."

He said that some of the cancer viruses that are being studied at his Cold Spring Harbor labs scare him more than this research—creating new possibly dangerous forms of life. "We have to rely on our good sense and be very cautious," he said.

One of the few government officials—as distinguished from government scientists—at the meeting was Dr. De Witt Stetten, the scientific director of the National Institutes of Health. For the most part he sat silently, listening to the debate, for on the day after the end of the conference he was to chair a meeting of an advisory committee drawing up guidelines for federally funded research in this area.

In his only statement to the conference, he said, "The fewer regulations we have to live by, the better off we are." He advised the conference to "couch any statement it issued" in as general terms as possible. . . . Specifics should be avoided if at all possible."

Thus, as the second morning session ended, people were beginning to think of the final report they would have to pass and the consequences of that report. One young California scientist, dismissing statements by such leaders in the field as Lederberg and Watson with the comment, "They're not bench scientists," said: "I am worried that we are giving a brickbat to people who would like to have a brickbat to use against science." He had not come to Asilomar for philosophical or ethical discussions. "Those in the trenches," he said, "came to pick up new information. The scientific sessions were the whole meeting, and the rest was nonsense."

Nonsense or not, it was clear by noon that changes had occurred in the thinking of many of the participants. For one thing, their level of consciousness as to the potential dangers of their work had been raised, and they would undoubtedly proceed more carefully in the future.

But perhaps more important, a new scientific concept emerged during the meeting: the idea of using supersafe microorganisms in the research instead of the same old E. coli and bacteriaphages (viruses that attack bacteria) that scientists have used for decades because they are so well understood.

Brenner led the first of many brainstorming sessions on what became known as "disarming the bug" during what was supposed to be a mid-afternoon break Tuesday. "We are clever enough," he said, "to design a safe bug that we don't have to work with upside down in the refrigerator."

The idea is to build into a microorganism characteristics that will not allow it to survive outside the laboratory environment, and especially not allow it to survive in the human gut (the scientists' preferred term for the intestine). E. coli, for example, flourishes at 37 degrees centigrade, the normal intestinal temperature. To disarm it, the scientists aim first to change it so it can only live at 30 degrees and will die at 37 degrees.

But there are what Brenner called "far more ingenious" mutations that can be built into microorganisms—including one that will not only keep a bug from growing but will force "it to actually explode and empty its contents when it gets out of the lab." This mutation plays on an organism's need to continuously regenerate an outer skin to hold it together; otherwise, when the outer skin weakens the pressure inside pushes through and the organism disintegrates, or explodes. "But it doesn't make a loud noise," Brenner said.

By adding eight or ten of these mutations to a microorganism, Brenner estimated that the odds of anything going wrong could be raised to 1 in a trillion trillion times (that's a 1 followed by 24 zeros, and statisticians say those odds are equivalent to no chance of an accident).

During these brainstorming sessions, scientists from different laboratories put aside their normal rivalries and promised to cooperate in both designing safer bugs and getting them into widespread use as soon as they are ready. Some of these supersafe organisms are already under development in the United States and Great Britain. Waclaw Szybalski of the University of Wisconsin's McArdle Laboratory promised to have supersafe microbes ready for use by the end of March, but other scientists said the testing process could take longer.

The question of how fast safe bugs could be developed came to a head during the discussion that afternoon and evening on the limits that should be placed on using DNA from animal viruses to create new forms of life. A committee recommended to the conference that most of this research could proceed if the precautions used for viruses were followed.

But one committee member, Andrew M. Lewis of the Laboratory of Viral Diseases at the National Cancer Institute in Bethesda, demurred from the recommendations. In a minority report, he said that safer microorganisms should be developed before laboratories start making hybird genes from viruses. Moreover, Lewis said that way of enforcing any guidelines developed by this conference or by the government should be in place before experiments start. "Implicit in my position," he said "is kind of a slowdown."

Most of the other scientists, however, opposed Lewis' positions. Lederberg said he saw "no significant impediment" to the development of a safe bug.

It developed during this session that at least a few scientists at the meeting, including Lewis and Roy Curtiss III of the University of Alabama, had stopped research into these Chimeras genes because of their possible risks.

In effect, the scientists were being forced to go against their own nature, which is to follow the trail of scientific truth as determined by their experiments, wherever it leads. Normally, it is like trying to untangle a ball of twine, going from one knot to another. Only in this case each knot the experimenters undo might unleash biological dynamite. So they must stop and look ahead before performing each experiment.

Most scientists recognized the need for this caution. What they feared was its institutionalization. But, they also recognized, this institutionalization may be necessary because of the competitiveness of science; there is always the risk that someone may take a potentially fatal shortcut if he thinks he can beat a rival to a major discovery.

In a sense, NIH's Stetten commented during a break in one of the sessions, this was the first time molecular biologists had been forced to see their work in life-and-death terms the way doctors do every day.

As if the conference organizers wanted to make sure no one forgot that the research could do great good, the third morning session focused on potential benefits—which Brenner suggested could have almost immediate large-scale applications in industry, medicine and agriculture. But scientists, he said, have little idea of how the application gets done; that is the job of people who specialize in converting scientific discoveries into technology.

One scientist—Raymond C. Valentine of the University of California at San Diego—illustrated one possible use of genetic engineering by carrying a legume plant on stage. He showed the nitrogen-fixing bacteria modules on the plant's roots—its natural means of fertilizing itself—and said there would be a million-dollar prize for anyone who put that kind of module on a corn plant, eliminating the need for chemical fertilizers.

All these discussions took place in a rarefied, academic atmosphere. It took a group of lawyers to bring the scientists back to real life that night and to shock them with some of the legal and financial consequences of their experiments.

Daniel Singer, an attorney interested in the ethics of science and husband of NIH scientist Maxine Singer, said the people who favor a risky experiment must prove its usefulness. "It is not the burden of the rest of society," he said, "to prove experiments are dangerous."

His warnings, however, were mild compared to the ones that followed from Alexander Capron of the University of Pennsylvania School of Law and Roger Dworkin, a lawyer working at the University of Washington Medical School.

Capron said the scientists at the meeting were not the ones to decide whether the benefits of an experiment outweigh its risks. That, he said, is the job of society. "As crucial as the work seems to you," he said, "be prepared to find out that the public doesn't agree. The public has a right to reach the wrong decision."

Dworkin was even rougher as he reminded the scientists that they are not immune from the nation's laws—including industrial health and safety regulations if lab workers are hurt because of risky experiments and negligence suits if outsiders or lab workers are injured.

"If you want to rely on benefits to society as a defense," he continued, "you had better be more specific on the benefits than I heard at this conference."

Dworkin said there haven't been suits against scientists because of their research yet, probably because "scientists enjoyed popular acceptance and immunity." But if science fails to police itself, and loses its popular support, it will be a "disaster" and the scientific community can expect the type of malpractice suits that are now plaguing doctors—who Dworkin said "abused their trust."

Once again it was Brenner who put the issue into perspective before the session closed. "We live at a time," he said, "when there is a great anti-science attitude developing in society and government.

"It is very important that the way we move does not offend this situation any more. Is there a chance that in this issue we can be allowed to be trusted to regulate ourselves? For if we fail, and merely adopt token regulations, we will lose. They will come in with regulations."

With the somber words of the lawyers still ringing in their ears, the conference organizing committee—Berg, Baltimore, Brenner, Richard O. Robin III of Harvard and Maxine Singer—went off to write a final report that could encompass the divergent viewa of the scientists while reassuring the public both that risks would be minimized and that science could police itself.

This public relations aspect was an unseen—and at times resented—force in the conference. Many of the scientists opposed opening the meeting to press coverage; some said they felt intimidated to speak their minds in front of reporters; others felt it was none of the public's business.

Watson said he was glad he had signed the Berg committee letter calling for the moratorium last July but he wondered if the public hadn't made too much of the issue. Industrial pollutants such as polyvinyl chloride and asbestos, he said, pose a far greater risk to the public than experiments in genetic engineering. He also felt much of the scientific posturing at the meeting was designed to win press attention; he would have preferred a small meeting restricted to top scientists.

But Herbert Boyer, a bright young microbiologist from the University of California Medical Center in San Francisco who played a large part in developing the restriction enzymes that made this research possible, thought the moratorium had been "a smashing success. It kept people from doing types of experiments that some of us thought were dangerous."

Another pioneering researcher, Stanley Cohen of Stanford, felt that no matter what the conference approved, "ultimately it is the responsibility of the individual investigator to be responsible for what he does. Short of having a policeman in every lab 24 hours a day, there is no way we can control a scientist's actions."

There was more than the usual amount of tension during the final morning's breakfast. Everyone was curious as to how the organizing committee had spanned differing points of view. At 8:30, when the meeting was scheduled to start, a five-page single-spaced document was ready; the scientists were told via a message on the blackboard that they had a half hour to read it. There was silence in the chapel for the next 30 minutes.

"It's impossible for everyone to agree with every point," said Berg, his eyes red-rimmed from lack of sleep, as he opened the meeting. He explained that the organizing committee had spent from 10 the night before until 3 in the morning writing the document, and two more hours to have it copied. In their haste, they had neglected to sign the report, which was labeled, "Provisional Statement of the Conference Proceedings."

"We accept the full responsibility for the report," said Berg. "It is not the statement from the conference. It is a statement from the organizing committee, in an attempt to pull together differing views as it sees them. This is what we feel is the consensus of the group."

He also said the conference had to end by noon.

Stanley Cohen pointed out that the report would be considered by the public and most scientists as coming from the conference as a whole, despite the disclaimers from the organizing committee. He asked for a vote on the report—something Berg had hoped to avoid since he feared there might be great opposition.

"The group," said Cohen, "should determine whether this should be issued to the media and our colleagues as the consensus of the group."

Discussion started on the first of the report's six sections—the simplest and least controversial.

"The use of recombinant DNA methodology promises to revolutionize the practice of molecular biology," the draft report said. "While there has as yet been no practical application of the new techniques, there is every reason to believe that it will have significant impact in the future."

But, the section continued, "the new techniques combining genetic information from very different organisms place us in an area of biology with many unknowns. It is this ignorance that has compelled us to conclude that it would be wise to exercise the utmost caution.

"Nevertheless," the section ended, "the work should proceed with appropriate safeguards."

Those were the words most of the scientists wanted to hear, and the vote in favor of that section was practically unanimous. One hand was raised in opposition on the ground that some research should not be allowed—something taken care of later in the report—and there was carping over grammar from Anderson, who dismissed Berg's explanation that the committee was tired when it drafted the report.

The second section stated that there are potential risks from the experiments and that these risks should be contained—both through safer labs ("physical barriers") and through "biological barriers," the failsafe bugs. "The effect of the containment should match the estimate for potential risk."

Once again the question was raised of prohibiting some kinds of research as just too dangerous. "There are some experiments," said Robert G. Martin of the National Institute of Arthritis, Metabolism and Infectious Diseases, "that should not be carried out under presently available techniques."

That section was also passed by an overwhelming majority.

The third section listed the levels of containment required for specific types of experiments. Low-risk experiments—those involving the exchange of genetic material between the simplest organisms that normally exchange genetic material—could be carried out in the usual microbiological lab. If, however, the experiment makes the organism more resistant to drugs or increases its ability to harm man, it should be done under safer conditions.

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The bulk of the experiments were defined as carrying "a moderate risk," and they would also require safer facilities that provide physical containment on a level now used for handling viruses known to cause cancer in man. This means specially equipped labs with hooded and vented safety cabinets for transferring material from one container to another so they can't escape into the atmosphere; limited access to the lab, and negative air pressure to keep inside the lab any germs that do escape.

Lederberg pointed out that it will cost money—between $50,000 and $100,000 a lab—to upgrade a facility so it can do moderately risk experiments.

"The physical containment procedures are recognized to provide significant but incomplete protection against the accidental spread of biological agents," the report said. "The potential hazard of moderate-risk agents is such that a strong measure of biological containment is needed to insure their safe handling." Experiments with high-risk viruses—those that carry diseases of man—should be done in super-safe facilities, of which there are about 18 scattered around the country.

These recommendations passed, but not without some grumbling. "Very complex issues are being railroaded through," Lederberg complained. "Many points are not being heard and discussed. There is no real consensus."

Nevertheless, with the proviso that the final document—not yet ready—would contain changes suggested at the final morning session, the meeting approved the entire report by the noon deadline.

This included a ban on research using the most dangerous organisms which cause fatal and untreatable diseases in man. "These organisms are hot," said Anderson, "and should not be worked on within this kind of experimental field."

Other sections called for the creation of the failsafe bugs and their spread throughout the scientific community; a policy of informing all lab workers of experiments' potential dangers and giving them routine health checks; a newsletter to spread information quickly on new biological containment techniques and a short course on lab techniques and the new methodology.

Another section, not discussed at all, linked compliance to containment with federal funding for research. It would set up a model system of enforcement based on peer review, with each university or laboratory setting up a special containment committee.

By noon everyone was weary and anxious to go. But there was still one small order of business.

The five-man Russian delegation had been silent observers at the meeting. They sat in the front row, took copious notes and photographed most slides and speakers. But they said nothing, despite the fact that the delegation was headed by a senior scientist well known in the field of molecular biology, the octogenarian W. A. Englehardt. They kept mostly to themselves; another senior scientist, A. A. Bayev, confided to reporters that the Soviets are just beginning this research.

"In our country," he said, "it is a very new science. But many of our young scientists will be moving into the field." He said the delegation had come to the meeting "to get your know-how." He smiled at the use of American slang.

The previous afternoon, Bayev had walked into lunch with Berg and asked if he could address the meeting on the last day. Berg replied, "Of course. You are a participant. You can talk whenever you want."

So before the meeting ended, Berg gave Bayev the floor. In heavily accented English, the Soviet scientist thanked Berg and the National Academy of Sciences for inviting the delegation to the conference; which he called "successful and instructive." He said the conference report was "reasonable and acceptable," and added that "its general principles will be useful for discussion in my country."

"The scientific community of the U.S.S.R. fully recognizes the possible biological hazards of recombinant experiments. Prudence will be maintained," he promised, "for mankind and the environment too."

SENATOR RANDOLPH COMMENDS SECRETARIES AS MAJOR CONTRIBUTORS TO GOVERNMENT AND BUSINESS—BELIEVES SALARY DIFFERENCES SHOULD NOT BE BASED ON SEX

Mr. RANDOLPH. Mr. President, this week we recognize National Secretaries Week. Efforts have been made in recent years to recognize secretaries for their professional abilities.

A recent study indicates that there are about 62,000 secretaries in the Federal Government, most of whom are women. Government could not function without them. A competent secretary can conserve much time for an organization, agency, or business. It is a challenging position. They compose letters, meet and conduct business with many people, and solve involved problems by telephone.

Women contribute increasingly to business and Government activities. Although 34 percent of all full-time white collar Federal employees are now women, there are not sufficient numbers of women in positions with policymaking decisions involved.

In many cases salaries for women are less than those paid men for equal duties and responsibilities. A comparison of the salaries of men and women in clerical positions reveals that the level of women's salaries is only 6[illegible].4 percent of men's wages. This inequity must be corrected. Clearly, the cost of living impacts both women and men equally. Salary differences should not be based on sex.

Today, many entry-level secretarial and clerical jobs are becoming available for men. Male secretaries are beginning to recognize the advantage of secretarial duties and the experience with executives as a valuable asset to their own success and progress in job responsibility. These opportunities for advancement derived from secretarial work should also be made available to women in larger degree.

I paraphrase a statement that former President Woodrow Wilson made. He said:

> No man ever amounted to a snap of the finger who is not constantly surrounded by a bevy of admiring females.

I suggest: "No man or woman ever amounted to a snap of the finger who is not surrounded by dedicated and competent secretaries."

I thank the secretaries who work with me for their pleasantness and diligence, and for accepting their share of responsibility in serving the constituents of our State.

April of the Bicentennial year will mark a quarter century during which National Secretaries Week has been commemorated. Secretaries of America, we salute you.

AMENDMENT TO BUDGET RESOLUTION

Mr. MONDALE. Mr. President, next Tuesday, April 29, the Senate will take up Senate Resolution 32, the first concurrent resolution on the budget to be considered under the Budget and Impoundment Control Act of 1974. I am encouraged by the progress of the new budget procedure, and the work of the Senate Budget Committee on which I am privileged to serve under the distinguished leadership of the senior Senator from Maine (Mr. MUSKIE). But I also deeply believe that the resolution in its present form contains insufficient funding for temporary, recession-fighting programs.

According to the committee report, this resolution is associated with unemployment of 9 percent or more for the remainder of this calendar year, and 8 percent or more for most of next year, reaching at best 7.5 percent in December 1976. Under this approach there is little hope of attaining full employment and balanced budgets in this decade.

The budget resolution would permit only $4.5 billion in temporary, employment stimulating programs. By comparison, the resolution reported by the House Budget Committee would provide $13.6 billion for similar purposes.

The extended level of unemployment which we must anticipate under Senate Resolution 32 would work unjustifiable hardship on tens of millions of Americans and their families in this decade. It would place wholly unjustifiable strains on the fabric of our society.

When Senate Resolution 32 is before the Senate, I will be joined by Senators HUMPHREY, JAVITS, WILLIAMS, and SCHWEIKER in offering an amendment to provide an additional $9 billion in temporary outlay authority for recession-fighting programs such as additional public service employment, emergency fiscal aid to State and local government, quick-impact public works, health insurance for the unemployed, additional housing aid, and others.

These additional funds will be "triggered in" if unemployment continues, as anticipated, at its present high rate until the beginning of the fiscal year. They will "trigger out" if unemployment should fall below 6 percent for 3 consecutive months.

This approach guarantees that programs funded under this authority will not linger on as the economy approaches recovery.

The higher level of employment and economic activity produced by our amendment would yield $3 billion in higher tax receipts and lower payments for unemployment compensation and related programs. The amendment includes an added $2.5 billion in anticipated tax reforms, and so would increase the deficit by no more than $3.5 billion.

Because the programs allowed are temporary and would by nature phase

out as the economy recovers, our amendment poses, in our opinion, no threat to the availability of private credit, and no risk of fueling inflation. Yet our amendment would add $25 billion to our national product, help forestall inevitable increases in State and local taxes, and help to convert a prolonged recession into an orderly recovery.

Mr. President, I ask unanimous consent that the press release announcing our amendment, a brief description of the amendment, and the text of the separate views of Senator ABOUREZK and myself to the Senate Budget Committee report may be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATORS MONDALE, HUMPHREY, JAVITS, WILLIAMS, AND SCHWEIKER ANNOUNCE AMENDMENT TO BUDGET RESOLUTION

WASHINGTON, D.C., April 25.—Senator Walter F. Mondale (D-Minn.), joined by Senators Hubert H. Humphrey (D-Minn.), Jacob K. Javits (R-N.Y.), Harrison A. Williams (D-N.J.), and Richard S. Schweiker (R-Penn.), announced an effort today to include $9 billion for additional regression-fighting programs in the FY 1975 budget resolution to be considered by the Senate next Tuesday. Funds under the amendment would be available for programs such as transitional public service employment, emergency fiscal aid to state and local government, quick-impact labor-intensive public works, health insurance for the unemployed and others.

"If additional action is not taken," the Senators said, "the Budget Committee report and independent experts indicated that we almost certainly face 9% unemployment for the remainder of this calendar year, 8% unemployment at best for most of the next calendar year, and cannot hope for full employment within this decade. This extended and unprecedented level of unemployment would work unjustifiable strains on the fabric of our society.

"High unemployment means lower federal revenues," the Senators added. "The only way to achieve balanced federal budgets is to end the deficit in employment and production, and to put this country back to work.

"The higher level of employment and economic activity produced by our amendment would produce $3.0 billion in higher tax receipts and lower payments for unemployment compensation and related programs. It includes an added $2.5 billion in anticipated tax reforms, and so would increase the deficit by no more than $3.5 billion. Because the programs allowed are temporary and would by nature phase out as the economy recovers, our amendment poses, in our opinion, no threat to the availability of private credit, and no risk of fueling inflation. Our amendment can provide as many as 1 million jobs, add $25 billion to our gross national product, help forestall inevitable increases in state and local taxes, and help to convert a prolonged recession into an orderly recovery."

Organizations supporting the amendment are the AFL–CIO; United Auto Workers; Leadership Conference on Civil Rights; Communication Workers of America; American Federation of Teachers; National Education Association; American Federation of State, County and Municipal Employees; National League of Cities; U.S. Conference of Mayors; National Congress of Hispanic-American Citizens; and Americans for Democratic Action.

A brief description of the amendment is attached.

BRIEF DESCRIPTION OF BUDGET AMENDMENT TO BE OFFERED BY SENATORS MONDALE, HUMPHREY, JAVITS, WILLIAMS, AND SCHWEIKER

The Budget Committee Resolution and Report provides only $4.5 billion for temporary, employment-providing programs in FY 1976.

The Committee Report indicates that this recommendation for only $4.5 billion in recession-fighting outlays would accept 9% unemployment for most of this year, and average unemployment next year of 8%. Under these policies, there would be little hope for full employment in this decade.

The Amendment would provide $9 billion in outlay and budget authority for temporary, recession-fighting programs such as additional public service jobs, emergency fiscal aid for State and local government, quick-impact public works, health insurance for the unemployed, and others—at the option of the authorizing and appropriations committees, and the Congress as a whole.

This additional authority could fund more than half a million jobs, and would bring the Budget Resolution in line with the Joint Economic Committee's recommendation that budget strategy be targeted to producing an unemployment rate no higher than 7% at the end of 1976, with reductions of 1% or more each year thereafter.

Because the increase in outlays would "trigger in" only if there are three successive months of unemployment averaging 8.5% or more and because the increase is targeted to temporary programs which phase out as the economy recovers, the full-employment budget will remain in surplus. This guarantees that federal demand on the credit market will decline as the economy recovers and private demand increases. Further assurance is provided by the Amendment's requirement that the added outlay authority "trigger out" when unemployment reaches 6% for three months.

While the Amendment would add $9 billion in outlay and budget authority, $3 billion would be returned to the Federal Treasury in the form of higher tax receipts and reduced unemployment compensation due to a higher level of economic activity. In addition, the Amendment provides for $2.5 billion (less than 1% of Federal tax receipts) in increased revenue from tax reforms which do not impede economic recovery. The net increase in the deficit would be $3.5 billion.

The additional temporary recovery outlays would, as they "ripple" through the economy, increase overall production (GNP) by roughly $25 billion. This would be reflected not only in higher employment, but in more normal work weeks, higher wages and higher profits.

Added outlays	$9.0
Less savings from higher revenues and reduced unemployment compensation	−3.0
Less tax reform	−2.5
Added to deficit	$3.5
Added to GNP	$25.0

SEPARATE VIEWS OF SENATOR WALTER F. MONDALE AND SENATOR JAMES ABOUREZK

I. OVERVIEW

The budget resolution and accompanying majority report represent a substantial improvement over the budget submitted by the President 2 months ago. They do not, in our view, allow enough leeway for the temporary programs that will be needed if we are to achieve acceptable goals for economic recovery.

The President's budget would have reduced domestic programs overall by $18.3 billion below the estimated current services level, in the face of recession. It would have reduced the Federal share of the national budget for elementary and secondary education from 9 percent to 6 percent. It would have taken $7 billion in promised social security cost-of-living increases and medicare benefits from the pocketbooks of the elderly and disabled. Through increased matching requirements and static or reduced funding, it would have slashed the real level of aid to State and local governments by $6 billion in constant, inflation-adjusted dollars.

With recession eating away at revenues and inflation escalating program costs, we believe all can agree that this is not a year for large outlays on new permanent spending programs. If we wish to avoid a new round of inflation, we must take care that the Federal budget will balance as the economy returns to health and revenues rise to normal levels.

But we hope we can all agree that this is a year to keep our national commitments—to the elderly and the less fortunate in our society, to protecting our environment and natural resources, to community development, and basic scientific research.

And above all, we hope we can agree that this is a year to chart a policy that will restore the health of our economy and return the employment and production lost to recession.

On the whole, we believe the Committee resolution and report establishes a sound and workable approach to the basic, permanent Federal program budget.[1]

In a healthy economy this budget would not only be balanced, it would have a $2 billion surplus. And in a healthy economy the Committee resolution would receive our full support.

II. THE BUDGET RESOLUTION AND ECONOMIC RECOVERY

Goals for economic recovery

Today our economy is not healthy. Unemployment is at least 8.7 percent. At least 8 million Americans now looking for work cannot find jobs, and another 1.1 million have been discouraged from seeking jobs that are not there. Almost 4 million Americans are forced to work part-time because full-time work is not available. Our factories are operating at 68.3 percent of capacity. Our economy is now operating at a level $230 billion below potential, and unless decisive action is taken, even higher rates of unemployment are virtually certain for the rest of this year.

We have consulted the best economic advise we can find—including this Committee's fine economic staff.

And we are convinced that the budget resolution we have reported to the Senate does not do enough to reverse the tide of unemployment and lost production which is sweeping over this country. The Committee resolution and report are associated with reducing unemployment only to 7.5 percent by December 1976.

If additional temporary recovery programs—beyond those allowed under this resolution—are not adopted, then we must expect unemployment averaging 9 percent or more for the remainder of this year, and we cannot expect a return to normal levels of employment and production before the end of this decade.

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[1] Although we would have preferred a somewhat lower target for defense spending, the Committee's target would wisely postpone for future careful examination much of the Administration's request for authority to contract for massive new commitments. The Administration projects defense budget authority of $149.4 billion by 1980. That is, indeed—as Secretary Schlesinger said—a "turnaround," and it deserves the closest scrutiny.

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This is not the best we can do. The Congressional Joint Economic Committee, after detailed study, has established as a reasonable minimum goal the achievement of 7 percent unemployment by the close of next year. Even this rate of recovery would involve extended hardship for too many working Americans. But achievement of the JEC goals would return our economy to normal levels of government, and balanced budgets, in 1978—far sooner than we can expect under the approach toward recovery programs reflected in the Committee resolution and report.

The costs of recession

Each 1 percent of unemployment costs the Federal Government roughly $16 billion in reduced taxes and increased spending for unemployment compensation and related programs. Each 1 percent costs State and local governments in the neighborhood of $5 billion. And each 1 percent costs our economy a million man-years and over $48 billion in lost production.

The economic costs of recession are staggering. But the human costs are even greater. A recent Library of Congress study, for example, shows that unemployment rates can account for almost all the variation in the rate of Federal and State prison admissions. Similarly, rates of suicides, alcoholism, and mental illness have been shown to be sensitive to the unemployment rate.

Ours is a strong and resilient economy. We will rebound from this recession, as we have before. But the recession we face today is blighting the lives of millions of decent American families. It will leave its mark on a generation of American children.

We must not be blinded to the human and social costs of extended recession.

We must not accept a 5- or 6-year plan for economic recovery if the job can safely be done more quickly. And we are convinced that it can.

Need for additional employment-producing programs

An analysis of the FY 1974 and FY 1975 budgets, together with the budget resolution reported by this Committee, demonstrates that as recession grew the outlay side of the budget was essenially neutral in effect—with the permanent budget growing at a rate equal to inflation, and unemployment compensation, food stamps and other income security programs responding passively to the impact of unemployment.

The budget resolution approved by the Committee would continue this impact in FY 1976—except for the addition of only $4.5 billion in temporary recession-fighting expenditures.

This means that the burden of producing additional employment under this budget must be borne almost entirely by the modest $23 billion tax cut enacted last month.

However, the bulk of these tax cuts are one-time rebates and will take effect before June 30, 1975, during fiscal year 1975. As the table below shows, only a net of $8.3 billion provided under the Tax Relief Act will remain to be distributed during fiscal year 1976.

Revenue stimulus in fiscal year 1976

	Billions
Tax Reduction Act of 1975	$10.7
Tariff on imported oil imposed by President	—2.4
Total tax reduction	8.3
Percent GNP	.6

And virtually all of this impact will come in the first half of the fiscal year, between July 1 and December 31, since the major provisions of the Tax Relief Act expire December 31, 1975.[1]

We are hopeful and confident that the Tax Relief Act will be extended, providing an added $4.4 billion in stimulative and badly needed tax relief. But, even so, much of this amount is likely to be offset by increased energy-related taxes and other tax changes. The $2 billion offset estimated by the Committee is, we believe, conservative.

Under the expenditure and revenue projections in the Committee Resolution, there will be a maximum of $10.7 billion in aggregate employment-generating tax relief.

Maximum revenue stimulus under committee resolution including Tax Relief Act extension

	Billions
Existing law	$8.3
Extension of tax relief	4.3
Less Gas Tax	—2.0
Total tax reduction	10.7

This amounts to 0.8 of 1 percent of our total annual production (GNP). It is simply not enough.

An approach toward temporary recovery programs

A number of temporary programs are now before the Congress. These include additional public service employments; temporary fiscal aid for State and local governments; health insurance for the unemployed; accelerated Federal procurement, construction and modernization; quick-impact State and local public works; interest subsidies to encourage housing purchases and permit moderate income families to own their own homes; and mortgage loans or loan guarantees to help the temporarily unemployed retain homeownership. Each bears promise of putting Americans back to work, and then disappearing as the economy returns to health.

Many of these proposals are still in the process of development. Hearings on most are not yet complete, and in many cases the legislation will undoubtedly be substantially changed before enactment. Some proposals may not be enacted at all.

We simply do not know enough at this time to make final judgments about each of these programs. And this kind of specific decision is well within the proper function of the authorizing and appropriations committees.

In its present form, the budget resolution and underlying report would permit only $4.5 billion for temporary recovery programs—of which $2.4 billion has been requested by the President for public service employment (including summer youth jobs).

Temporary recovery programs included by Senate Budget Committee

[In billions]

Program and target outlay:	
Public service employment	$2.9
Railbed improvement	.6
Housing aid	.4
Accelerated Federal procurement, renovation and construction	.6
Total temporary recovery outlays targeted by Committee	4.5

We believe that this first budget resolution should present the Senate with a range of additional choices, and a recommended maximum additional expenditure level of $9.0 billion.

These added expenditures would have at least $3 billion in increased tax revenues and decreased income security outlays. An additional $2.5 billion could be raised without adverse economic impact by prompt enactment of overdue tax reforms—which would permit those who have enjoyed special privileges to participate to a small extent in the hardship shared by so many Americans. And so the net increase in deficit need be no more than $3.5 billion, while the full employment budget would remain in surplus.

Impact of added temporary recovery programs as proposed

[In billions]

Outlays	$9.0
Less savings	—3.0
Less tax reforms	—2.5
Total	3.5

We also believe that we should recommend three principal criteria by which to judge among temporary recovery programs:

First, the need for programs with a quick impact on the economy;

Second, the need for programs with the maximum impact on employment; and

Third, the need for programs which clearly phase out as the economy recovers.

The authorizing and appropriations committees, then, would make the final determination as to program merit and mix.

Just as the appropriate committees and then the full legislative process would make final decisions with respect to priorities among temporary recovery programs, it would be the responsibility of the tax committees to meet the revenue targets with changes in tax policy which would not have an adverse economic impact. Speed would be needed; however, the needed revenues can be obtained through closing tax expenditures which have already been studied at length.

The urgency required of the tax-writing committees is no greater than that required of the authorizing and appropriations committees if a recovery program is to be ready by the beginning of the fiscal year. And the depth of the recession surely justifies urgent congressional action.

Benefits of added temporary recovery programs

The additional temporary recovery programs proposed would—while adding only $3.5 billion to the total deficit—produce a million additional jobs.[1] As this increased employment "ripples" through the economy, overall production (GNP) can be expected to rise by roughly $25 billion. This would be reflected in higher wages, higher profits, and more normal workweeks.

Most important, this addition to the budget will be sufficient to achieve the goals established by the JEC—normal employment levels (5 percent) and the prospect of balanced budgets by the end of 1978, and the real hope for full employment by the end of the decade.

This analysis rests heavily on economic forecasts prepared by the Committee staff and independent economists. We know that these forecasts are far from perfect. But they are the same basic forecasts used in the Committee report. And for the last 2 years virtually every forecast has been overly optimistic of recovery.

The increase we propose is a modest one. Our fear is not that it will be too much, but too little. And our hope is that, whether such an increase is later adopted or not, the Committee will continue to closely watch the unemployment rate and other indicators—

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[1] The $30 personal tax credit, the increase in the minimum standard deduction, and the earned income credit all expire December 31.

[1] Subject to variation based on the eventual program mix.

with a view toward recommending additional recovery outlays if and as they are needed.

The deficit

We believe that each of us is as genuinely concerned about balanced budgets and large deficits as any Member of Congress.

But the deficit which most concerns us is the deficit in employment—and it is that deficit which accounts for 100 percent of the budget deficit we face today.

Much has been made by the Secretary of the Treasury, Mr. Simon, of the danger that Federal borrowing may "crowd out" private borrowing in the credit market.

We have little to add to the convincing argument put forward by the Committee report. Certainly the additions we have suggested, which would increase outlays by 2.5 percent and the deficit by 5 percent, should not alter those views.

The fact is that the private credit market is slack, and will remain slack until real economic recovery is well underway. Only *permanent* spending, which would continue undiluted as the economy recovers, would run the risk of creating a "credit crunch."

The additional programs we have suggested do not affect the permanent budget, which would retain a surplus at full employment.

And these additions, together with the $4.5 billion in temporary programs included by the Committee and the $15 billion in extra unemployment compensation and other automatic stabilizers would disappear as the economy recovers.

If recovery is faster than we predict, revenues will be higher, expenditures will be less, the deficit lower, and public demands on the credit market less. Thus, as the economy recovers, there will automatically be added room in the credit market for private borrowing. And at full employment there would be no deficit financing at all.

We have said that the budget deficit poses no serious threat to our credit markets. But there are serious threats.

As noted in the Committee report, if the Federal Reserve Board fails to accommodate and support new economic growth by allowing the money supply to grow as well, then there may well be a "crunch"—caused not by deficit financing but by Federal Reserve policy.

And ill-advised debt management practices by the Treasury Department can contribute distortion to the capital markets.

The recent Treasury decision to borrow in the long-term market (8¼s of 1990) where interest rates are relatively high, rather than in the short-term market where rates are lower, is a case in point.

That action has already forced long-term rates higher. It also will cost the American taxpayer billions of dollars in higher Federal interest payments on high-interest long-term Treasury bonds.

A stable and sustained recovery requires the cooperation of the Chairman of the Federal Reserve Board and the Treasury Secretary. We believe that a sustained dialog between the Congress and these crucial policymakers can build a base for a cooperative policy. We are encouraged by adoption of the resolution calling for quarterly review of the Federal Reserve policy before the Joint Economic Committee, and we believe it is crucial that this Committee and every committee with economic jurisdiction give monetary and debt management policy the closest continuing examination.

In past recessions we have succeeded in stimulating recovery through budget policies. But we have done so with permanent deficits which led to inflation once recovery had been reached.

The Committee has wisely proposed combining restraint in the permanent budget with the addition of temporary programs in an effort to learn from past mistakes. It would be tragic if, having learned the wisdom of temporary programs, we failed to use that lesson boldly enough to deal with the massive nature of the current recession.

III. CONCLUSION

Washington is a company town.

The company is the Federal Government. And Federal employment is one area of our economy that suffers little from recession. We who work here in a climate of relative comfort must not be blinded to the wave of layoffs, shorter workweeks, and reduced income which is centered in our great industrial centers and spreading throughout the country.

We are encouraged by the adoption of the Budget and Impoundment Control Act and the establishment of this Committee. We are deeply grateful for the leadership of our distinguished Chairman and the work of the Committee's fine staff which has been assembled so quickly and pressed to work with such great haste. We are deeply hopeful that through our work on this resolution and over the remainder of this year the Committee can contribute to resolving the economic crisis which—we believe—is the gravest current threat to our national security.

WALTER F. MONDALE,
JAMES ABOUREZK.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

EMERGENCY EMPLOYMENT APPROPRIATIONS, 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4481, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. I ask unanimous consent that Doug Jackson of my staff be allowed the privilege of the floor during consideration of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, H.R. 4481, the Emergency Employment Appropriations Act, provides a grand total of $6,082,647,000—$5,504,535,000 in new budget authority, $485,000,000 in loan authority, and $93,112,000 in liquidation of contract authority—for the acceleration of existing Federal programs and projects in order to immediately increase employment throughout the Nation.

The bill as recommended to the Senate provides an increase of $141,011,000 over the total amount passed by the House. Of this increased amount, $131,061,000 is new budget authority and $9,950,000 is appropriations to liquidate contract authority.

The funds recommended in the bill represent a blend of two approaches to the unemployment problem—funding of programs such as public service jobs in which funds are used directly for the creation of jobs and funding of accelerated Federal construction, building and purchase programs where funds will be used to create jobs indirectly through construction contracts, further development of the Nation's recreational and public land resources, and other similar programs.

The bill provides for the direct creation of jobs $1,625 million in public service jobs; $500 million in summer jobs for youths; $36 million in jobs for older Americans; $119.8 million in work-study grants for college students; $70 million in the work incentive program to provide employment, training, and related child care for welfare recipients; and $15 million in jobs for youths in the Youth Conservation Corps.

These are funds which will be directly used to employ people. These programs should create over 200,000 jobs for adults for 1 year; 920,000 summer youth jobs; and about 250,000 part-time jobs for students attending college, including those attending college during this summer.

In recommending $1,625 million for public service jobs, the committee fully funds the amount authorized for this program. The committee makes this carefully considered recommendation only because of the severity of the unemployment problem, the requirement to have an immediate impact on joblessness, and in combination with the recommendation of other stimulative actions providing productive, tangible, and lasting results. The committee firmly believes that economic stability must be promoted through the private sector and stresses that the provision of such public service jobs should be viewed only as a temporary emergency action taken in response to the current economic crisis.

I may say, Mr. President, personally, that I rather think this amount for public service jobs is excessive at this time, but we are straining in every way and in every direction to try to get the unemployed back to work, create immediate jobs and thus rehabilitate the economy.

The committee believes that the best way to create employment during an economic crisis is by giving people the opportunity for useful, productive work that will result in lasting improvements of the manmade resources of this Nation.

Thus, it recommends funding of $3,716,847,000 for such projects. These include items such as the acceleration of ongoing public works projects, increase of rural water and sewer grants, upgrading of railroad trackbeds, the improvement and modernization of existing veterans' hospitals, increased maintenance of the national cemeteries, reforestation and timber stand improvement, expansion and upgrading of facilities in national parks, forests, and other Federal land, increased assistance to small businesses, major repairs and renovations of existing Federal buildings, and the purchase of automobiles.

Mr. President, today our Nation faces one of the gravest economic crises in its history. On almost all sides—wherever we turn—we are besieged by serious economic and fiscal ills. The prices we pay for goods and services are still rising, although at a less alarming rate than in the recent past. Lines are still growing at the unemployment offices. There have been frustrating declines in the value and the purchasing power of the dollar. We are confronted by the paradox of simultaneous inflation and recession, by the perils of higher prices, and by a declining number of workers engaged in productive employment.

Unemployment is reaching crisis proportions. In March 8,700,000 people were unemployed and the unemployment rate—seasonally adjusted—was 8.7 percent of the civilian labor force. In addition, there have been reports estimating that over 1 million people have given up looking for work, and were therefore no longer counted in the official unemployment rate for March 1975.

Civilian employment at 83,849,000 declined by 1,029,000 below March, a year ago. The past 4 months have witnessed the sharpest rise in unemployment since the Great Depression of the 1930's. In the 1 month alone between December and January, unemployment climbed a full 1 percent. Unemployment is at its highest peak since the beginning of World War II.

In all, the funds recommended in this bill should generate about 1 million new jobs. The creation of these jobs, over the next 3 to 8 months, will come at a time when they are urgently needed. This bill reaffirms the congressional purpose that all healthy Americans who seek work should be able to find it. The strengths of the American people and the economy are enormous. Through the stimulation of our economic resources by the enactment of H.R. 4481 and by other proposed and ongoing programs, there is much hope for restoring the vitality of our economy.

Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, the emergency employment appropriations bill we are now considering has been explained in detail by the distinguished chairman of the Appropriations Committee (Mr. McClellan). I will make only a few comments.

As the chairman has indicated, this bill will provide $5,504,535,000 in new budget authority. This is $3,461,835,000 more than was requested by the administration and $131,061,000 more than the House bill. In addition, this bill provides $485,000,000 in loan authority and $93,112,000 in liquidation contract authority. Therefore, the grand total of this bill is $6,082,647,000.

Some of the funds made available is in the form of loan authority and liquidation of contract authority which will permit obligations with these appropriations. These contracts occur most frequently in public works projects of the Department of the Interior programs such as road construction.

I share the concern about our economic situation and particularly the high rate of unemployment. According to March figures there are now 8.7 million unemployed.

The Federal Government must do something to alleviate this situation. The funds provided in this bill will be very helpful in providing additional employment—employment that will be productive and help our economy as well.

I am particularly interested in those items in this bill which provide funds to accelerate public works and reclamation projects now under construction. Money provided for this purpose not only makes possible many more jobs for the unemployed, but when these projects are completed they will add to the economic base of our Nation.

In regard to public service jobs, the committee has included in the report on page 6, a caution about the $1.625 billion contained in the bill for such jobs. The committee stresses that public service jobs should be viewed as a temporary emergency action in response to the current economic crisis.

Mr. President, this bill provides considerably more funds than the administration requested. I question the need for some of the programs contained in this bill, particularly the amount of money provided in this bill and the end cost. I am voting for it because there is a need to make available additional money to provide more jobs to bolster our economy. I hope and feel certain that when the bill is considered in conference with the House that it will be much more acceptable.

Mr. ROBERT C. BYRD. Mr. President, chapter 111 on Interior and Related Agencies contains a total of $216,255,000 in new budget authority for the emergency employment appropriation bill and $85,112,000 in appropriations to liquidate contract authority. This is an increase over the House allowance of $44,566,000 in new budget authority and $1,950,000 in contract liquidation cash.

Increases are recommended primarily in programs of the Fish and Wildlife Service, National Park Service, Bureau of Indian Affairs, Forest Service, and Indian Health Service. The recommendation also includes funding for three agencies not included in the House bill—the Mining Enforcement Safety Administration, the Geological Survey, and the National Foundation on the Arts and Humanities. The amounts recommended for all these agencies are detailed in the table provided in the report.

Program increases, are based on additional data provided to the committee that were developed from more recent information on high unemployment areas. This is particularly so in the case of the Fish and Wildlife Service and National Park Service.

Increases recommended for the Forest Service are to fill important gaps in the House allowance in Forest Research and Research Construction in the Youth Conservation Corps.

All appropriation recommendations for the Interior and Related Agencies chapter closely adhere to the criteria established by the House—that is, they are needed, useful, labor intensive programs that do not involve increases in permanent employment nor new commitments to ongoing programs.

As closely as possible, these appropriations and the employment they will create are targeted for high unemployment areas, 6½ percent or higher. Further, these programs are of such a nature that they can be obligated for the most part within 30 to 60 days.

Mr. PASTORE. Mr. President. I thank the chairman of the full Appropriations Committee (Mr. McClellan) for his very adequate explanation of the items in the Emergency Employment Appropriations Act of 1975. I would like to add here some of the principal details relating to chapter VI of the bill which deals with antirecessionary programs falling under the jurisdiction of the State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee.

Chapter VI of the bill includes a total of three items in the amount of $969 million, which is $209 million over the House allowance. There is no budget request for any of these items. The House bill included two items in the amount of $760 million. I will explain these first and then the proposed Senate amendments.

JOB OPPORTUNITIES PROGRAM

The first item included in the House bill is $375 million for the Job opportunities program under the Department of Commerce. This amount, together with the $125 million already appropriated, will provide a total of $500 million to accelerate public works programs authorized by existing law. This funding level is consistent with the congressional program of economic recovery and energy

sufficiency which was transmitted to the President last month. The purpose of this jobs program is to provide short-term employment opportunities while constructing facilities of lasting value to the community.

There is no doubt the funds can be used. The Secretary of Commerce has on hand 18,000 proposals from 43 Federal agencies worth $3.3 billion. The funds made available under this program will be sufficient to support approximately 15 percent of the highest priority proposals. Priority in allocation of the funds will be given to those labor intensive projects which can be initiated promptly and which can be substantially completed in 12 months. About 50,000 jobs will be created by the $375 million in the bill and the $123 million already provided.

The committee encourages the Secretary of Commerce to give special emphasis to those projects designed to preserve and expand sources of energy.

SMALL BUSINESS ADMINISTRATION LOANS

The second item included in the House bill is $385 million for additional capital for Small Business Administration Loans. The action by the committee in this area will serve to create or maintain between 93,000 and 188,000 jobs at an average cost of $3,000 to $6,000 per job.

It is important to remember that these funds will be used for loans—not grants—and therefore will be paid back with interest to the Federal Government over the coming years.

SENATE AMENDMENTS—HANDICAPPED LOANS

The committee has included a language amendment which would not increase the amount in the House bill. This amendment would set aside $10 million of the total $385 million for small business loans for the handicapped loan program. This program provides low interest loans to nonprofit organizations employing handicapped persons, such as sheltered workshops. Funding for the current year is exhausted and there is already a backlog of $3 million worth of approved but unfunded applications. This amendment is needed to enable our handicapped citizens to participate in this loan program.

ECONOMIC DEVELOPMENT ASSISTANCE

The committee has included an additional $209 million over the House allowance to strengthen and accelerate the traditional economic development assistance programs, including the regional planning commissions. These are the tried and proven programs that provide just what the title says—economic development assistance. The effect of this amendment would be as follows:

The sum of $69,000,000 under title I of the Public Works and Economic Development Act for construction of approximately 130 needed public works projects designed to stimulate commercial development. Examples are construction of industrial parks, sewer and water improvements, and harbor facility improvements. The $69 million proposed here, together with the $131 million already appropriated will provide the full authorization of $200 million for title I, as contemplated in the congressional program of economic recovery and energy sufficiency which was formulated and transmitted to the President earlier this year. This amount is needed to merely restore the program to the 1973 operating level—which I believe is a minimum level needed to deal with the staggering unemployment levels and promote economic recovery. The Department of Commerce estimates that for every $10,000 invested in title I, four additional jobs will be created as the follow-on benefit. That means that the additional $69 million for title I will result in the creation of approximately 30,000 additional job opportunities.

The sum of $58,000,000 under title II of the act to finance approximately 90 business development projects such as loan guarantees and guarantees of lease payments for buildings and equipment. These additional funds would create approximately 8,000 job opportunities at a cost of $7,335 per job. This amount is needed to restore the title II program to the 1971 level in terms of real dollars and level of effort.

The sum of $36,250,000 under title IV of the act to develop and fund 10 economic adjustment plans that will assist communities adversely affected by economic dislocations such as base closing. The program provides a full range of activities such as public works, business loans and guarantees, training and other appropriate assistance. The amount proposed here together with the amounts already appropriated will provide the full authorization of $75 million for this program as contemplated in the congressional economic recovery and energy sufficiency program.

The sum of $42,000,000 under title V of the act to provide an additional $6 million to each of the seven regional commissions. Because most of the commissions are currently operating 20 percent to 40 percent below the level of effort of recent years, it should be possible for them to develop additional technical assistance, planning, and demonstration projects without delay and to assist State and local governments to make full and effective use of increases in funding for public works construction projects. The committee expects that each regional commission will add at least two additional locations to administer the enlarged program.

The sum of $3,500,000 for the necessary administrative costs associated with the enlarged EDA program.

In summary, the committee is proposing an amount of $969 for chapter VI of the bill—all aimed at improving the employment situation. The Department of Commerce estimates that virtually all—over 90 percent—of the economic development assistance funds included in this bill will be spent in fiscal year 1976 and fiscal year 1977. Inasmuch as the President's own budget assumes a recessionary level of unemployment well beyond 1977, it is impossible to argue that these amounts will be inflationary. Finally, the House Public Works Committee is holding hearings on a $5 billion public works bill. I submit that the amounts I am proposing to be added in the bill to accelerate public works projects through established programs will reach their target and start providing useful job opportunities much faster than any new massive effort—although that might be necessary also.

In the final analysis, what I am proposing is that we do more to help people—people who want to work to support themselves but who cannot find employment. All of the funds in this chapter help business and Government to work together to fight unemployment and help bring the country a step closer to economic recovery and a restoration of the tax base that has been so badly eroded by skyrocketing unemployment—which even by the President's own accounts—1976 President's budget, page 41—will remain at recessionary proportions for 5 more years unless something is done above and beyond the budget request to put our people back to work.

I recommend that my colleagues adopt the committee recommendations.

Mr. BAYH. Mr. President, I compliment the chairman of the full Appropriations Committee (Mr. McClellan) for his fine efforts in bringing this antirecessionary employment measure before the Senate.

I also extend my congratulations to the chairman of the State, Justice, Commerce, Judiciary Subcommittee (Mr. Pastore) for his efforts regarding chapter VI of this measure which included increased funding for the economic development assistance programs of the Department of Commerce.

Mr. President, I would like to make a comment and then direct a question to Senator Pastore regarding a situation in the State of Indiana. I notice that the report mentions that economic development assistance programs can be used for such projects as harbor facilities improvement. I also notice that the committee report recommends the Secretary of Commerce—in the distribution of the funds—should give special emphasis to programs designed to conserve and expand the sources of energy. The report indicates that these Committee proposals are consistent with the congressional program of economic recovery and energy sufficiency which was developed under the very able leadership of the Senator from Rhode Island earlier this year.

In southern Indiana we are faced with the problem of economic depression. But we also have extensive coal resources in that area. It would seem to me that a part of the funding included in this bill could be used to develop harbor facilities that would facilitate the development and transfer of the coal resources in this economically depressed area. I ask the Senator from Rhode Island if my understanding is correct.

Mr. PASTORE. I thank the Senator from Indiana for his gracious remarks about chapter VI and the ad hoc committee. The Senator's understanding that it would be possible for a part of the funds to be used for the purpose he outlined is correct.

UMI

Mr. SCHWEIKER. Mr. President, the pending bill, H.R. 4481, is designed to deal with the continuing unemployment crisis facing the Nation.

In March the seasonally adjusted unemployment rate for the United States was 8.7 percent of the civilian labor force with some 8,700,000 people out of jobs. In my own State of Pennsylvania, the February jobless rate was 8.9 percent.

We hear reports that more than 1 million people nationwide have given up the search for work and were not counted in the official March unemployment rate.

According to figures given us, the past 4 months have seen the sharpest rise in unemployment since the Great Depression. Unemployment is at its highest peak since the beginning of World War II.

Through a variety of means, including public service employment, extended unemployment benefits and job-creating construction projects, Congress is working to deal with the present situation.

However, in the light of reports predicting continued high-level unemployment, Congress must do still more to alleviate the hardship of so many of our fellow citizens. I concur with the report of the House Appropriations Committee which stated—

> These critical times * * * require immediate positive action.

The Labor-HEW chapter of the pending bill is designed to provide just such "immediate positive action."

For instance, we provide $1,625,000,000 to continue funding current public service jobs which are expected to total 310,000 by the end of the present fiscal year. The House of Representatives provided an identical amount for this program when it considered the bill now before us.

Our committee also provides $502.3 million for the summer jobs for youth program—$89.6 million more than the House. This appropriation would provide approximately 920,000 job opportunities for needy youth. In addition, our recommendation includes $2.3 million for a transportation program to get these young people to and from their jobs.

Another job creating program is community service employment for older Americans. Under this program low income elderly persons 55 years of age and older are given part-time jobs in such work as beautification of parks and assisting in hospitals and nursing homes. Our committee provides a level of $48 million for this program for fiscal year 1975. The Labor Department estimates that with this amount of money about 16,000 jobs can be created.

The Labor-HEW Chapter also provides:

An additional 146 positions for health professionals for rural and medically underserved areas. This will be under the National Health Service Corps.

For the college work-study program, $119.8 million, the amount in the bill will support part-time jobs for approximately 250,000 students, providing them with assistance in financing their college educations.

For the work incentve program, $70 million—funds which are needed to maintain the current program level. The program provides training and employmnt for welfare recipients, as well as child care services to permit parents to attend class or go to work.

For the summer youth recreation program, $26 million, an increase of $10.7 million over last year's appropriation. It is estimated that more than 1 million poor youngsters, ages 6 to 13, will benefit from this important summer program.

For emergency energy conservation services, $10 million. These funds will be used for short term assistance, including loans and grants, to eligible individuals to help them with unpaid utility bills and thus avoid a cutoff of service.

Mr. President, I believe our committee's recommendations in the Labor-HEW chapter are responsive to the joblessness now afflicting our Nation. I recommend their approval.

Mr. President, I ask unanimous consent that a statement by the Senator from Massachusetts (Mr. BROOKE) on the bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BROOKE

The pending bill is aptly titled, "The Emergency Employment Appropriations Act." It is designed to deal with the emergency nature of the joblessness confronting our Nation.

Consider these facts:

Unemployment is at its highest peak since the beginning of World War II.

Last month the seasonally adjusted unemployment rate reached 8.7% of the civilian work force with some 8.7 million people out of work.

There are reports that more than one million other persons have given up looking for work altogether and these were not counted in the official unemployment rate for March.

My own state of Massachusetts recorded an 11.9% unemployment rate in February, according to the U.S. Department of Labor.

Unemployment in other states is as bad or worse.

Many sectors of the work force, including minorities, women, young and old people, and Vietnam veterans, are the particular victims of the nation's wave of joblessness.

The statistics, of course, do not tell the full human story of what it means to be out of work, unable to provide for oneself or one's family and looking forward to an uncertain future.

Congress has not been indifferent to the suffering of so many of our fellow citizens. Through a variety of means, including programs to provide public service jobs and expanded unemployment benefits, Congress has acted to assist the unemployed.

But as the trauma of joblessness continues, it is necessary that we do still more. The pending $6 billion jobs bill is an effort to be responsive to the present situation and I believe it is.

As ranking minority member on the Labor-HEW Appropriations Subcommittee, my particular concern has been with seeing to it that the Departments of Labor and Health, Education and Welfare do as much as possible to put the unemployed to work.

For example, we provide $1.625 billion to maintain currently funded public service jobs under a Temporary Employment Assistance program enacted last year.

The program is designed to provide 12-month jobs for, among others, those who have exhausted their unemployment benefits or have been out of work for 15 or more weeks.

Enrollees may work in a variety of jobs in local government, assist in hospitals or even help beautify our cities and towns.

Our bill also provides $502.3 million for some 920,000 summer jobs for youth along with a modest program to get these young people to and from their jobs. The Committee's recommendation is $89.6 million over the amount provided by the House.

This program provides disadvantaged youth with an average of 26 hours of work each week for nine weeks during the Summer. The youthful workers are paid the minimum wage of $2.10 per hour and may serve in jobs ranging from recreation aide to assistant in local government.

Our bill also provides $12 million more than the House for a program of jobs for the low income worker 55 years of age and older. Under my amendment to the bill, the fiscal 1975 program level will be $48 million. The Labor Department estimates this will provide 16,000 jobs at a unit cost of about $3,000 per job.

Our Committee bill also provides:

$119.8 million to help finance jobs for college students during the summer and in the coming school year. This is the so-called College Work-Study program which helps students meet the high cost of tuition while keeping them off the unemployment rolls.

$70 million to assure continuation of the Work Incentives program which provides for training and work experience for welfare recipients. The program also provides for child care while the parent attends class or goes to work.

$26 million to continue the Summer Recreation program for disadvantaged youth, particularly those living in our urban ghettoes. The Senate figure is $10.7 million over last year's amount.

$10 million for initiating an emergency program of short-term assistance, including loans and grants, to help the poor pay delinquent utility bills and avoid the shut-off of service. At my urging the Committee provided the $10 million to get this essential program underway.

I believe such a program may be of help in Massachusetts where we pay the second highest electric bills in the entire nation.

I believe the Labor-HEW section of the pending bill will contribute to the solution of our difficult economic problems. I urge that it be approved.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded as original text for the purpose of further amendment, provided that no points of order shall be waived by reason thereof.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 3, in line 17, strike out "$350,000" and insert "$175,000".

On page 4, in line 10, after "$6,548,000," insert "to remain available until October 31, 1975".

On page 4, in line 23, strike out "$21,496,000" and insert "$24,647,000".

On page 5, in line 4, after "$5,700,000," insert "to remain available until October 31, 1975".

On page 5, in line 8, strike out "$22,100,000" and insert "$29,361,000".

On page 5, in line 9, after "expended" insert a colon and the following: *Provided*, That $2,300,000 shall be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park.

On page 5, in line 17, strike out "$12,700,000" and insert "$14,650,000".

On page 5, beginning with line 19, insert:

Geological Survey

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research", $1,500,000, to remain available until October 31, 1975.

On page 6, beginning with line 1, insert:

Mining Enforcement and Safety Administration

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,775,000: *Provided*, That these funds shall remain available until expended for the construction of facilities.

On page 6, in line 9, strike out "$5,000,000" and insert "$10,000,000, to remain available until October 31, 1975".

On page 6, in line 24, after the first comma, insert "to remain available until October 31, 1975,".

On page 6, in line 25, strike out "$56,080,000" and insert "$56,580,000; for 'Forest research', $1,500,000".

On page 7, in line 5, strike out "$18,000,000" and insert "$21,000,000".

On page 7, in line 9, strike out "$10,000,000" and insert "$15,000,000".

On page 7, in line 11, strike out "$5,000,000" and insert "$7,500,000".

On page 7, in line 12, strike out "$5,000,000" and insert "$7,500,000".

On page 7, in line 23, strike out "$12,574,000" and insert "$22,453,000".

On page 8, beginning with line 1, insert:

National Foundation on the Arts and the Humanities

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $5,000,000, to remain available until October 31, 1975, of which $3,000,000 shall be for the National Endowment for the Arts and $2,000,000 shall be for the National Endowment for the Humanities.

On page 8, in line 14, strike out "$412,700,000" and insert "$502,300,000".

On page 8, in line 21, strike out "$24,000,000" and insert "$36,000,000".

On page 9, beginning with line 3, insert:

Health Services Administration

HEALTH SERVICES

Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare is hereby authorized to hire and assign not to exceed 146 additional health professionals to serve in the National Health Service Corps.

On page 10, in line 2, after "appropriated" insert a colon and the following:

Provided further, That any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76.

On page 10, beginning with line 11, strike out:

For an additional amount for carrying out a work incentive program, as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and other supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the act, $70,000,000, which, in addition to sums previously appropriated under this heading for fiscal year 1975, shall be the maximum amount available for transfer to the Secretary of Labor and to which the States become entitled pursuant to section 403(d) of such Act, for these purposes.

and insert:

For an additional amount for "Work Incentives", $70,000,000 for carrying out a work incentives program as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, which, together with the previously authorized current year appropriation, shall be the maximum amount available for transfer to the Secretary of Labor and to which States may become entitled, pursuant to section 403(d) of such Act, for these purposes, for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures received by the Secretary of Health, Education, and Welfare prior to February 1, 1975.

On page 11, in line 25, strike out "$58,055,000" and insert "$226,350,000".

On page 12, beginning with line 1, insert:

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For an additional amount for "Flood Control, Mississippi River and Tributaries" $25,000,000, to remain available until expended.

On page 12, in line 7, strike out "$48,000,000" and insert "$22,405,000".

On page 12, beginning with line 11, insert:

GENERAL INVESTIGATIONS

For an additional amount for "General investigations", $3,500,000, to remain available until expended.

On page 12, in line 16, strike out "$9,600,000" and insert "$42,920,000".

On page 12, beginning with line 18, insert:

UPPER COLORADO RIVER STORAGE PROJECT

For an additional amount for "Upper Colorado River Storage Project", $2,450,000, to remain available until expended, which shall be available for the "Upper Colorado River Basin Fund".

COLORADO RIVER BASIN PROJECT

For an additional amount for "Colorado River Basin Project", to remain available until expended, $10,400,000, of which $8,000,000 is for liquidation of contract authority provided by section 303(b) of the Act of September 30, 1968 (82 Stat. 894).

On page 13, in line 6, after the first comma, insert "to remain available until expended".

On page 13, beginning with line 9, insert:

LOAN PROGRAM

For an additional amount for "Loan Program", $1,600,000, to remain available until expended.

On page 13, in line 19, after "expenses", insert a colon and the following:

Provided further, That $3,000,000 shall be available until expended, and shall be transferred to "Regional Development Programs", Regional Action Planning Commissions, to carry out programs authorized by Title V of the Public Works and Economic Development Act of 1965, as amended.

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount, $163,250,000, to remain available until June 30, 1976.

ADMINISTRATION OF ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount, $3,500,000, to remain available until June 30, 1976.

Regional Action Planning Commissions

REGIONAL DEVELOPMENT PROGRAMS

For an additional amount, $42,000,000, to remain available until expended.

On page 14, in line 17, after "$210,000,000" strike out "for the direct loan program authorized by section 7(a) of said Act,".

On page 14, in line 19, after "limitation" insert a colon and the following:

Provided, That $10,000,000 shall be for the direct loan program authorized by Section 7(h) of such Act, and $200,000,000 shall be for the direct loan program authorized by section 7(a) of said Act.

On page 15, in line 18, strike out "$3,500,000" and insert "$250,000".

On page 16, in line 4, after "exceed" strike out "six hundred and eighty-seven" and insert "four hundred and sixty".

On page 16, in line 6, strike out "52,900,000" and insert "$24,300,000".

On page 17, in line 9, after the comma, strike out "including purchase of (not to exceed fifty) passenger motor vehicles,".

On page 17, in line 13, strike out "fifty" and insert "one hundred".

On page 17, in line 18, strike out "six hundred and forty-one" and insert "four hundred and seventeen".

On page 17, in line 20, strike out $6,500,000" and insert "$3,600,000".

On page 17, beginning with line 21, strike out:

United States Postal Service

PAYMENT TO THE POSTAL SERVICE FUND

For an additional amount for "Payment to the Postal Service Fund", pursuant to 39 U.S.C. 2004, $900,000,000.

On page 18, at the beginning of line 5, strike out "for the construction of buildings as authorized by law (40 U.S.C. 490 as amended)" and insert "to remain available until expended".

On page 19, in line 10, strike out "$100,000,000" and insert "$75,000,000, to remain available until September 30, 1976."

On page 19, in line 14, strike out "$100,000,000" and insert "$75,000,000".

On page 19, in line 17, strike out "$451,000,000" and insert "$426,000,000".

On page 19, beginning with line 18, insert:

The aggregate amount made available in the Treasury, Postal Service and General Government Appropriation Act, 1975, for real property management and related activities is increased to $1,449,870,700 and the amount provided in such Act in excess of which revenues, collections and other sums accruing to the fund (excluding reimbursements pursuant to 40 U.S.C. 490(f)(6)) shall be deposited in miscellaneous receipts is increased to $1,528,870,700.

Appropriations hereby made to the Federal Buildings Fund shall not be subject to the provisions of section 210(f)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(4)) requiring repayment with interest.

On page 20, in line 8, strike out "eighty thousand" and insert "eighteen thousand eight hundred and sixty-four".

On page 20, line 10, strike out "$280,000,000" and insert "$66,100,000".

On page 20, beginning with line 13, insert:

Federal Railroad Administration

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad

UMI

roadbeds, and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however,* That these funds shall be available only upon enactment of authorizing legislation.

RELATED AGENCY

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Mr. Murphy of the staff of the Committee on Labor and Public Welfare have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. The bill is now open to amendment, I assume.

Mr. FONG. Mr. President, I send to the desk an amendment, cosponsored by Senators EAGLETON, BEALL, HUDDLESTON, MANSFIELD, METCALF, STAFFORD, BUMPERS, ABOUREZK, and BURDICK, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 8, line 21, after "$36,000,000" insert the following:

Provided, That, notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for "Community service employment for older Americans" may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93–203).

Mr. FONG. Mr. President, this amendment will prevent the laying off of many elderly poor individuals now participating in Operation Mainstream—National Older Workers program, under the Department of Labor through contract with four national organizations.

Under this program, 12,000 older Americans work at part-time public service jobs, thus giving local communities the benefit of the skills they have accumulated in a lifetime of work. The participants gain the dual advantage of much-needed extra income, along with the knowledge that they still have an important role in society, although retired from the regular labor force, and are capable of contributing to the communities in which they live.

The Department of Labor can no longer use discretionary funds for this program, but is willing to continue it with funds from title IX of the Older Americans Act.

However, title IX, Community Service Employment for Older Americans, requires distribution of funds to the States on a formula basis.

Today, in 21 States, there are more older workers than can be supported by the formula grant of title IX. Approximately 2,000 older workers will lose their jobs if this amendment is not accepted.

The language of our amendment to H.R. 4481 permits use of title IX funds to continue Operation Mainstream while at the same time assuring all States an equitable share of title IX funds.

The Department of Labor is in favor of this amendment.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. FONG. I am happy to yield.

Mr. SCHWEIKER. Mr. President, I wish to direct an inquiry to the chairman of our committee on this chapter of the supplemental bill regarding the amendment. If I understand correctly, application of the title IX formula, under the Older Americans Act, holding all States harmless, will result in a reduction of jobs for the elderly formula entitlement for some States; is that correct?

Mr. McCLELLAN. The distinguished Senator from Pennsylvania is correct.

Mr. SCHWEIKER. However, the language in the proposed amendment would permit all States to operate at their full title IX formula, or "hold harmless" level, whichever is higher, for a period of 10 months in fiscal year 1976. I would ask the distinguished Senator if this is what is intended by this amendment?

Mr. McCLELLAN. That is correct. With fiscal year 1976 appropriations, that will be included in the regular bill. It is our intent to provide the necessary funding to maintain at least this level, the 10-month level, for the remaining 2 months of fiscal 1976.

It is our intention to provide for permanent and adequate funding for title IX programs, in this bill, and from here on in, and to get away from this constant uncertainty which our needy elderly citizens have faced about continuation of their jobs.

I am submitting for the RECORD a table showing the amounts each State would receive, on a 10-month basis, if this amendment is accepted, guaranteeing the highest of either the "hold harmless" or title IX formula distribution levels.

Mr. President, I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF TITLE IX, OLDER AMERICAN ACT FUNDS, BY STATE

[Dollars in thousands]

	Fiscal year 1974 funds[1]	Fiscal year 1975 title IX formula	1975 hold harmless level[2]	10-mo funding at highest of formula or hold harmless level[2]
Total	$36,000	$48,000	$4[illegible],000	$48,000
Alabama	498	758	647	681
Alaska	50	240	240	240
Arizona	268	422	360	379
Arkansas	1,355	514	[illegible],518	1,362
American Samoa	24	120	120	121
California	2,695	4,190	[illegible],574	3,763
Colorado	318	442	376	397
Connecticut	430	682	581	613
Delaware	50	240	240	240
District of Columbia	295	240	330	296
Florida	1,685	2,227	[illegible],900	1,999
Georgia	651	893	762	802
Guam	24	120	120	121
Hawaii	50	240	240	240
Idaho	103	240	240	240
Illinois	1,205	2,448	[illegible],088	2,197
Indiana	1,358	1,094	[illegible],521	1,365
Iowa	309	710	606	637
Kansas	298	547	467	492
Kentucky	857	739	960	862
Louisiana	477	715	610	643
Maine	268	245	300	269
Maryland	359	754	643	675
Massachusetts	678	1,363	[illegible],162	1,223
Michigan	975	1,747	[illegible],490	1,566
Minnesota	1,735	854	[illegible],944	1,744
Mississippi	336	490	418	438
Missouri	981	1,162	[illegible],099	1,042
Montana	383	240	429	385
Nebraska	315	370	353	332
Nevada	91	240	240	240
New Hampshire	74	240	240	240
New Jersey	$1,370	$1,651	$1,535	$1,481
New Mexico	130	240	205	240
New York	2,259	4,286	3,656	3,849
North Carolina	654	1,027	876	921
North Dakota	342	240	383	343
Ohio	1,329	2,242	1,912	2,011
Oklahoma	678	643	759	681
Oregon	854	518	957	859
Pennsylvania	1,662	2,900	2,478	2,602
Puerto Rico	242	504	430	453
Rhode Island	221	240	248	240
South Carolina	357	485	414	435
South Dakota	504	240	564	506
Tennessee	457	888	757	797
Texas	1,727	2,314	1,974	2,076
Trust Territories	24	120	120	121
Utah	348	240	389	349
Vermont	242	240	271	243
Virginia	902	902	1,010	906
Virgin Islands	24	120	120	121
Washington	327	730	623	654
West Virginia	510	437	571	512
Wisconsin	1,509	1,027	1,690	1,516
Wyoming	133	240	240	240

[1] Includes $26,000,000 of title III CETA funds.

[2] Provides at a minimum continued funding of current slot level.

Mr. SCHWEIKER. Mr. President, I thank the distinguished chairman for this information which, I think, clarifies the situation, and I thank the Senator from Hawaii for yielding.

Mr. McCLELLAN. Mr. President, this matter was discussed in committee, and it needed some detail in drafting and working out, but it was generally understood by the committee at the time the bill was reported that this amendment would be offered on the Senate floor, and there was no objection to it. Therefore, I am willing to accept it.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open for further amendment.

Mr. McCLELLAN. Mr. President, I understood there would be another amendment offered. I understand one Senator wishes to offer an amendment and is on his way to the Chamber. Unless there is some other matter that Members want to take up at this time, I would suggest the absence of a quorum.

Mr. BEALL. Mr. President, will the Senator yield for a question on the proposal while we are awaiting the arrival of the Senator who wishes to offer an amendment?

I note in reading the report that the chairman of the committee highlighted a minute ago, there was a section that authorizes the expenditure of $74,600,000 for the purchase of 20,712 automobiles and other vehicles by the General Services Administration.

I wonder if the distinguished chairman of the committee could enlighten us on that particular section of the proposal.

I am wondering, for instance, how many more vehicles are to be bought this year. Are all these vehicles necessary? I assume they are. How much of a greater purchase in numbers of vehicles is this than would normally be the case?

Mr. McCLELLAN. Mr. President, the House bill provides $1,724,957,000 under chapter VII for the programs and activities under the jurisdiction of the Treasury, Postal Service, and General Government Subcommittee. The major items included in the House bill are for 121,292 motor vehicles at a cost of $297 million, $28 million for construction of Joint Customs Service/Immigration and Naturalization Service border stations, $440 million for real property operations and alteration and major repairs of Federal buildings, and $900 million for the U.S. Postal Service.

There is little doubt that the House bill would provide jobs in the industries which have experienced the largest unemployment. For example, unemployment in the automobile and construction industries currently exceeds 20 percent. However, as stated by OMB Director James Lynn in his appearance before the Appropriations Committee, this bill would add to the current Federal deficit, which is now estimated by OMB to go as high as $93 billion for the combined fiscal years 1975 and 1976.

The committee has reviewed the House bill and amounts for the various accounts. It is our proposal that the House bill be reduced by $1,173,650,000 and the committee recommends an appropriation of $551,325,000.

The committee recommendation will reduce the procurement of motor vehicles to 20,712 at a cost of $74.6 million. This will provide for replacement of only those vehicles which are eligible to be replaced by being 6 years old and/or exceeding 60,000 miles. These vehicles are generally uneconomical to continue in operation. We believe replacing the entire GSA fleet of over 70,000 vehicles to convert to a fleet of compact sedans and light trucks due to improved fuel conservation would be unwise. It would be false economy, at this time, in my judgment. Many of these vehicles have entered the inventory during the past few years. Additionally, the subcommittee does not recommend approval of the $900 million appropriation for the Postal Service. This would be tantamount to providing an additional subsidy to the capitalization of the Postal Service.

We believe the committee recommendation of $551,325,000 will provide for increased employment, and agencies will receive much needed equipment and construction which was previously deferred due to lack of funding.

We urge that the committee's position be sustained. The buying of over 100,000 automobiles is not now needed, just to stimulate employment in the automobile industry. It would seem to us to be unwise.

Mr. BEALL. I thank the distinguished chairman for answering the question.

If the chairman will yield for another question, some of us recently were deliberating as members of the Budget Committee on the concurrent resolution which will be brought to the floor next week. In our deliberations we had assumed the deficit for fiscal year 1975 would be $45 billion, and in the concurrent resolution that is to be brought to the floor next week we are predicting a deficit for fiscal year 1976 of $67.5 billion.

Can the distinguished chairman tell me how this bill today, this particular appropriation of in excess of $6 billion, fits into that picture for fiscal year 1975 and 1976.

Mr. McCLELLAN. I cannot give the Senator a definite answer to that. I assume that the Budget Committee has taken this into account in its recommendations and in its prognostication as to what the deficit will be. I do not know whether it did or not, but I would assume that it did.

This bill was pending, it passed the House, has not been reported yet by the Senate, and I assume the committee took it into account.

Mr. BEALL. Can the chairman, perhaps, tell me what percentage of this bill will be, what percentage of the money will be, an outlay in 1975 and what percentage will be an outlay in 1976?

Mr. McCLELLAN. Approximately $1.5 billion of the bill would outlay in the 1975 budget.

Mr. BEALL. And the remainder would be in the——

Mr. McCLELLAN. About $4 billion next year, would outlay during fiscal year 1976.

Mr. BEALL. I thank the Senator.

Mr. YOUNG. Will the Senator yield?

Mr. BEALL. Yes.

Mr. YOUNG. I might make an additional comment.

The money contained in this bill is $3,461,835,000 more than requested by the administration and $131,061,000 more than the House bill. It is nearly $3.5 billion more than requested by the administration, which would add about that much to the deficit.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. BEALL. Do I have the floor? If I have the floor, I will be happy to yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I would like to supplement what the distinguished Senator has asked and ask the chairman of the committee, is this amount in the President's budget calling for $52 billion deficit, would this add further to the deficit that the President has recommended?

Mr. McCLELLAN. The bill would increase the budget authority level recommended by the President by $3.5 billion.

Mr. WILLIAM L. SCOTT. About half of the funds requested in H.R. 4481 is in the budget and half is not?

Mr. McCLELLAN. A little less than half is correct.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. STENNIS. Will the Senator yield?

The ACTING PRESIDENT pro tempore. The Senator from Arkansas has the floor.

Mr. McCLELLAN. I am glad to yield to the Senator.

Mr. STENNIS. Mr. President, if the Senator would just yield to me on the question the Senator from Virginia raised, the only money in this bill that was in the budget was just the $2 billion that the President requested for so-called public service jobs alone, is that not correct?

Mr. McCLELLAN. Well, before us they testified——

Mr. JAVITS. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Arkansas has the floor.

Mr. McCLELLAN. The $1.6 billion for public services jobs was requested by the administration in a recent budget amendment.

Mr. STENNIS. I thank the Senator.

Mr. WILLIAM L. SCOTT. If the Senator will yield briefly further, I will not intrude on the desire of the Senator from New York for recognition.

My concern is that we get one bill after another, we do not know the effects of the measures that have been passed by the Congress previously.

We may very well wind up with $100 billion deficit if we keep on doing this sort of thing.

Mr. McCLELLAN. The Senator is correct.

Mr. WILLIAM L. SCOTT. Well, for this reason, I am going to vote against the bill.

Mr. McCLELLAN. The Senator has that right, of course, and I respect it.

Mr. JAVITS. Will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from New York.

Mr. JAVITS. I thank my colleague.

There will be occasion in a few moments, as I expect an amendment to this subject, to debate this issue respecting the amount provided for public service employment programs. But at the moment I would like to call attention to a number of affirmative things which the committee has recommended to the Senate which I consider to be very constructive and to resolve major problems in a very admirable way.

In the main, these items come under Senator MAGNUSON's subcommittee and both he and the chairman have always shown themselves very sympathetic to these needs.

There is, first, the public service employment which we will be debating on Senator JOHNSTON's amendment.

First, $1.6 billion for public service employment programs under title VI of the Comprehensive Employment and Training Act of 1973—CETA, as amended by Public Law 93–567. This is the amount of the House allowance at the level requested by the administration.

This appropriation, together with the $875 million already appropriated, would bring the appropriation level up to the full authorization of $2.5 billion for that title for fiscal year 1975. Together with currently available funds under title II of CETA—which are available in areas of 6.5 percent unemployment or more—this will provide for an aggregate level of 310,000 public service jobs by the end of this fiscal year. This is a substantial number of public service jobs, but very modest in terms of meeting the needs of the nearly 8 million unemployed in March, as well as an additional 1.1 million "discouraged" unemployed.

The Committee on Labor and Public Welfare will soon be considering S. 609, the "Emergency Public Service Employment Extension Act of 1975," which Senator WILLIAMS and I, together with 14 others, have proposed to extend the public employment program under title VI for fiscal year 1976, to provide an aggregate level of 1 million jobs in fiscal year 1976.

Second, there is the provision for $500 million summer youth jobs. The committee has been very provident in that regard in coming as close as it could, and it has come very close, to meeting the views of the National Associations of Municipal Officials, the National League of Cities, and its companion organization. That has provided for over 900,000 summer jobs for poor youth ages 14 to 21, and when one sees the appalling 40-percent rate for teenage in unemployment, one can see just by mentioning, juxtaposing the two figures, what a critical benefit this represents.

Each job opportunity will consist of 9 weeks of employment, 26 hours a week at the minimum wage of $2.10 an hour. This is an increase of $87.3 million and 160,000 opportunities above the House allowance, which in accordance with the administration's request, provides $412.7 merely to maintain last year's level of 760,000 opportunities at the new minimum wage.

Joined by 17 Senators, I wrote the President and the HEW-Labor Subcommittee on Appropriations, on February 28, urging an aggregate of $649 million for approximately 1.1 million summer youth jobs, and $4.5 million for transportation, the amounts which the National League of Cities had documented as necessary for this summer.

Accordingly, the committee recommendation is a shortfall of $149 million and 180,000 opportunities from the amount we requested. However, as the Committee on Appropriations notes on page 35 of its report, State and local prime sponsors can utilize a portion of their general grants under title I to supplement these efforts and I believe that with these additional funds, the 1.1 million job level can be maintained.

The committee's action in this regard is a very gratifying response to the very dangerous summer youth unemployment situation with predictions of rates of unemployment exceeding 50 percent in many urban areas, and this is a very timely action if planning is to proceed for a basic summer program.

Also the committee has provided $26 million for recreation opportunities for the very young who are poor, between 6 and 13. There are few things more heartbreaking than those very young people in the hot city during the summer.

The committee has provided for emergency energy conservation for the poor to the extent of $10 million. Again, a very admirable provision.

In the education field, which is so close to Senator MAGNUSON's heart, the committee has provided for $19.8 million for the college work study program and for a carryover for the basic educational opportunity grants—BEOG.

Also, the committee has been very forehanded in anticipating the passage by the Congress of a bill to deal with employment on railroad rights-of-way. That represents a very splendid and constructive initiative and use of what we have heretofore called public service jobs.

The committee in this case is anticipating the authorizing committees and I hope—I am the sponsor of one of the bills, and I am serving on a committee with responsibilities in that regard—will match the celerity of the Appropriations Committee. We have a joint hearing scheduled for next week by the Labor and Public Welfare Committee and the Committee on Commerce on S. 1326, the Special Public Service Employment and Railroad Improvement Act of 1975, a bill which Senator WILLIAMS and I, along with 14 others including Senator MAGNUSON and Senator HARTKE have introduced.

The committee has even reached into the cultural field and provided some money for the National Endowments on the Arts and Humanities, finding some several hundred jobs in the renovation of museums.

One of the monuments of the great depression was the fact that the WPA was turned to such constructive uses as to survive to this very day, when people can still point to the fact that this was not sterile money wasted, but there were vast public improvements under the Government's organized effort.

The committee has also provided $10 million for emergency energy conservation services under section 222(a)(12) of the Economic Opportunity Act—which I authored—designed to aid low-income families, reduce their energy consumption, and lessen the impact of the cost of energy. As the committee notes on page 41 of its report, these funds will be used for short-term assistance including loans and grants to eligible individuals to help them avoid utility cutoffs in instances where they temporarily cannot pay utility bills. The House made no allowance for this program.

Joined by 18 Senators who wrote the President on February 20 and the committee on February 25, we had pointed to needs in terms of pending or expected applications before the Community Services Administration—which administers the program—totaling $144.0 million. The Director of the Administration, Mr. Gallegos, in testimony before the Subcommittee on HEW-Labor Appropriations, stated that $64.0 million of that amount could be effectively utilized in this fiscal year.

The amount recommended by the committee represents a significant start toward meeting these needs, and I hope that the committee will consider adding the balance of $54 million to the second supplemental appropriations bill which it is now considering and which includes the regular appropriations for the Community Services Administration for this fiscal year.

The committee has a lot that is negative, but I am delighted to be able to state some of the very positive aspects of this bill which the committee and Senator MAGNUSON's subcommittee are so heavily responsible for.

I thank my colleague.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of two letters sent by 20 Senators to the President regarding the urgent need for appropriations for summer youth employment and Emergency Energy Conservation Service, together with accompanying materials.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 28, 1975.

HON. GERALD R. FORD,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We urge you to submit revised budget requests for fiscal year 1975, aggregating $680,211,844, to meet urgent needs for 1,147,847 summer youth jobs and related transportation and recreational activities for this summer. Last summer, an aggregate of $397.0 million was made available for these purposes which included approximately 709,200 nine-week jobs.

Our request consists of the following elements:

First, an aggregate of $649,681,402 for the provision of 1,147,847 summer jobs for economically disadvantaged youth 14 to 21 years of age, as authorized under section 304(a)(3) of the Comprehensive Employment and Training Act of 1973. Each job would provide a nine-week opportunity of 26 hours a week at the minimum wage of $2.10 an hour. The 1,147,847 jobs consist of 458,463 jobs in the Nation's 50 largest cities, and 689,384 jobs in smaller cities and other areas. Last summer, $380.0 million was made available for approximately 709,200 nine-week jobs.

These needs are documented on a city-by-city basis in the enclosed letter dated January 29, from Alan E. Pritchard, Executive Vice President of the National League of Cities, in response to a request made by Senator Javits.

Second, $4,530,442 under section 304(a)(3) of the Comprehensive Employment and Training Act of 1973 to provide transportation to youth to enable them to participate in the summer youth job program. Last summer, approximately $1.7 million was made available.

This request is set forth in the enclosed letter dated February 6, from Mr. Pritchard.

Third, $26,000,000 to provide recreational opportunities to poor youth, six to 13 years of age, under the Summer Youth Recreation program authorized by section 222(a)(13) of the Economic Opportunity Act of 1964, as amended by P.L. 93-644, which became law on January 4. $15.3 million was provided last summer.

This request is set forth in the enclosed letter dated February 25, from Dwight F. Rettie, Executive Director of the National Recreation and Park Association.

The Administration has not submitted any specific budget requests for any of these elements.

We note that summer youth job programs are among the eligible activities for which state and local governmental prime sponsors may use funds allocated to them under title I of CETA, "Comprehensive Manpower Services."

However, because of the very substantial needs for comprehensive programs for adults and others under title I—stemming from the crisis unemployment situation—it is clear that title I cannot be regarded as an adequate source to meet to any significant extent the aggregate needs for summer youth jobs and transportation that we have documented. Already, preliminary estimates from the Department of Labor suggest that only a small number of prime sponsors have been able to plan for a summer youth job

program, even at last year's level—which will clearly be inadequate.

While the Nation as a whole continues in a severe recession with unemployment at 8.2 percent in January and 7.5 million unemployed—and with the Administration's projections that unemployment will average 8.1 percent throughout this calendar year—poor youth, which have unemployment levels of 30 to 40 percent even in better times, are expected to suffer rates of 50 percent and more this summer. The National League of Cities, which has projected such a rate, indicates that it expects more than 3.1 million poor youth to be looking for jobs this summer.

We urge, in light of the serious emergency situation for the coming summer, that you send to the Congress a revised budgetary request for a special youth job program and related transportation and recreation, to meet the aggregate needs which we have documented.

Sincerely,
Jacob K. Javits, Alan Cranston, Jennings Randolph, George McGovern, Hubert H. Humphrey, Walter F. Mondale, Clifford P. Case, Edward M. Kennedy, Claiborne Pell, Henry M. Jackson, Harrison A. Williams, Jr., Robert T. Stafford, John V. Tunney, Edward W. Brooke, Abraham Ribicoff, J. Glenn Beall, Philip A. Hart, William D. Hathaway, Edmund S. Muskie, and Gaylord Nelson.

JANUARY 29, 1975.

HON. JACOB K. JAVITS,
U.S. Senate, Old Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: In accordance with your request and as in the past, we have surveyed the nation's cities to determine the needs for a summer youth employment program this year.

The information we have received from the 50 largest cities shows that the total number of slots these cities could effectively use this summer is 458,463. On the basis of our contacts with a sample of smaller cities, we estimate that their needs for summer jobs total 689,384. Combining these figures, the present real need for 1975 is 1,147,847 slots nationwide.

As you are aware, rapidly rising unemployment rates and deteriorating economic conditions are having a severe impact on joblessness among youth. With projected increases in the number of disadvantaged youth and alarming numbers of lay-offs in both the private and public sectors, an unemployment rate of 50% or more may be anticipated among disadvantaged youth this summer.

Congress has recognized the crisis of unemployment among adults through the Emergency Jobs and Special Unemployment Assistance Act of 1974, and it is essential that it address this separate crisis of unemployment among youth.

As summer job prospects for youth in the private sector become increasingly dim, it is clear that job creation in the public sector must be greatly expanded to fill this void. In addition, local government lay-offs are rapidly expanding and substantial efforts made by cities to hire youths during the summer months with local funds will be severely curtailed. In facing dramatically increased needs and evaporating job opportunities, your leadership is again urgently requested in securing additional funds for a summer employment program at the earliest possible date. Adequate time to plan and implement summer youth programs is critical to the operation of an effective national effort.

While it is clear from the survey that those eligible for a summer youth employment program far exceed the capacity of cities to employ these youngsters effectively, it is urgent that the Congress also address the need for additional funds for a recreation program to provide disadvantaged youngsters with some form of constructive activity during the summer months. We are currently in the process of surveying city needs for recreation programs and should have this information to you shortly.

We would appreciate your assistance again this year in assuring adequate funding for a summer jobs program.

Sincerely,
ALLEN E. PRITCHARD, Jr.,
Executive Vice President.

City	1974 actual		1975		
	Funding[1]	Slots[2]	Number eligible	Effectively employ	Funding need[3]
Region I: Boston	$2,480,867	4,637	18,000	18,000	$10,188,000
Region II:					
Buffalo	1,275,620	2,384	40,000	10,000	5,660,000
Newark	3,442,799	6,435	25,900	11,000	6,226,000
New York	24,473,511	45,744	426,000	80,000	45,280,000
Rochester	637,558	1,191	6,000	2,000	1,132,000
Region III:					
Baltimore	4,183,526	7,819	17,600	12,000	6,792,000
Norfolk	1,535,979	2,870	11,680	3,500	1,981,000
Philadelphia	4,315,810	8,066	52,792	22,000	12,452,000
Pittsburgh	2,568,647	4,801	7,000	7,000	3,962,000
Washington, D.C	6,563,092	12,267	25,000	18,000	10,188,000
Region IV:					
Atlanta	1,489,979	2,785	10,000	5,388	3,049,608
Birmingham	1,123,440	2,099	7,700	2,774	1,570,084
Jacksonville	844,711	1,578	20,000	2,500	1,415,000
Louisville	1,210,223	2,262	15,000	4,000	2,264,000
Memphis	1,445,064	2,701	12,250	2,716	1,537,256
Miami	2,354,311	4,400	6,500	4,400	2,490,400
Nashville	738,378	1,380	4,000	2,500	1,415,000
Tampa	1,192,915	2,229	7,000	6,515	3,687,490
Region V:					
Chicago	19,209,563	35,905	85,000	50,000	28,300,000
Cincinnati	1,533,527	2,866	40,000	5,000	2,830,000
Cleveland	4,919,923	9,196	24,200	18,000	10,188,000
Columbus	899,175	1,680	2,500	2,500	1,415,000
Detroit	5,095,798	9,524	40,000	23,000	13,018,000
Indianapolis	1,056,816	1,975	12,000	4,500	2,547,000
Milwaukee	1,319,978	2,467	6,000	3,713	2,101,558
Minneapolis	$1,104,440	2,064	6,000	3,500	$1,981,000
St. Paul	431,679	806	3,200	3,200	1,811,200
Toledo	673,997	1,259	2,000	1,400	792,400
Region VI:					
Dallas	1,017,619	1,902	45,000	4,000	2,264,000
El Paso	546,547	1,021	6,000	4,672	2,644,352
Fort Worth	459,190	858	2,500	1,600	905,600
Houston	2,126,840	3,975	12,000	4,000	2,264,000
New Orleans	1,607,513	3,004	10,000	10,000	5,660,000
Oklahoma City	557,096	1,041	3,000	2,400	1,358,400
San Antonio	2,856,730	5,339	10,000	5,500	3,113,000
Tulsa	553,663	1,034	2,000	1,300	735,800
Region VII:					
Kansas City, Mo	1,835,348	3,430	13,000	5,000	2,830,000
Omaha	1,069,481	1,999	2,500	2,000	1,132,000
St. Louis	2,810,441	5,253	9,900	7,500	4,245,000
Region VIII: Denver	1,578,466	2,950	9,250	4,000	2,264,000
Region IX:					
Honolulu	966,788	1,807	3,000	2,500	1,415,000
Long Beach	764,769	1,429	7,500	2,500	1,415,000
Los Angeles	6,902,818	12,902	75,000	30,000	16,980,000
Oakland	1,705,211	3,187	10,000	5,850	3,311,100
Phoenix	2,146,338	4,011	60,000	9,000	5,094,000
San Diego	2,017,157	3,770	25,000	6,000	3,396,000
San Francisco	2,167,803	4,051	8,000	8,000	4,528,000
San Jose	1,178,891	2,203	4,000	3,535	2,000,810
Region X:					
Portland	1,024,404	1,914	5,000	5,000	2,830,000
Seattle	4,136,643	7,732	13,000	5,000	2,830,000
SAMPLING OF CITIES OTHER THAN 50 LARGEST					
Region I:					
Bridgeport, Conn	$1,074,314	2,008	4,500	3,000	$1,698,000
Cambridge, Maine	616,566	1,152	1,200	1,000	566,000
Lowell, Maine	385,052	719	1,600	1,000	566,000
Worcester, Maine	348,291	651	1,700	1,200	679,200
Region II:					
Elizabeth, N.J	173,228	322	1,500	375	212,250
Albany, N.Y	401,086	749	5,000	5,000	2,630,000
Yonkers, N.Y	178,286	333	900	600	339,600
Carolina, P.R	498,180	931	6,000	4,000	2,264,000
San Juan, P.R	1,166,329	2,180	12,296	3,117	1,764,222
Region III:					
Erie, Pa	185,745	347	2,500	650	367,900
Hampton and Newport News, Va	557,863	1,042	2,000	1,300	735,800
Region IV:					
Huntsville, Ala	264,980	495	2,000	1,200	679,200
Montgomery, Ala	658,920	1,231	1,800	1,800	1,018,800
Savannah, Ga	297,401	555	2,500	1,050	594,300
Lexington, Ky	502,790	939	3,000	1,200	679,200
Jackson, Miss	551,117	1,030	3,000	1,200	679,200
Durham, N.C	449,046	839	1,800	839	474,874
Greensboro, N.C	297,574	556	1,500	1,000	566,000
Chattanooga, Tenn	548,910	1,026	2,175	1,975	1,117,850
Knoxville, Tenn	712,386	1,331	4,500	2,000	1,132,000
Region V:					
Peoria, Ill	260,742	487	2,000	650	367,900
Evansville, Ind	745,308	1,393	3,040	1,500	849,000
Fort Wayne, Ind	584,414	1,092	2,000	2,000	1,132,000
Gary, Ind	2,713,313	5,071	7,000	6,500	3,679,000
South Bend, Ind	$522,918	977	2,000	1,101	$623,166
Dearborn, Mich	36,540	68	120	120	67,920
Duluth, Minn	143,135	267	4,000	2,000	1,132,000
Akron, Ohio	772,002	1,442	2,300	1,800	1,018,800
Canton, Ohio	317,121	592	700	667	377,522
Youngstown, Ohio	1,048,872	1,960	10,000	6,000	3,396,000
Region VI:					
Little Rock, Ark	768,039	1,435	2,200	1,481	838,246
Shreveport, La	314,340	587	4,035	1,200	679,200
Albuquerque, N. Mex	475,776	889	10,500	2,500	1,415,000
Region VII:					
Cedar Rapids, Iowa	77,053	144	1,400	300	169,800
Des Moines, Iowa	471,468	881	4,500	1,200	679,200
Kansas City, Kans	391,248	731	1,600	1,142	646,372
Wichita, Kans	525,768	982	2,000	1,300	735,400
Springfield, Mo	114,589	214	300	300	169,800
Region VIII: Salt Lake City, Utah	285,128	532	2,000	700	396,200
Region IX:					
Tucson, Ariz	814,416	1,522	4,500	3,000	1,698,000
Glendale, Calif	71,155	133	2,000	200	113,200
Region X:					
Spokane, Wash	318,724	595	3,404	600	339,600
Tacoma, Wash	641,021	1,198	2,500	2,000	1,132,000
50 largest total	138,151,082	258,202	1,268,972	458,463	259,490,058
Balance of cities	241,848,918	450,998	1,909,593	689,384	390,191,344
Total	380,000,000	709,200	3,178,565	1,147,847	649,681,402

[1] Department of Labor figures.

[2] Figures based on consortia (where applicable) dollar allocations averaging $535 per slot.

[3] Figures based on a cost of $566 per slot; 26 hr per week at $2.10/hr for 9 weeks.

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FEBRUARY 25, 1975.

Senator JACOB JAVITS,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: We are pleased to respond to your request for information regarding dollar needs for operation of the 1975 summer Recreation Support Program (RSP), authorized by the "Headstart, Economic Opportunity and Community Partnership Act of 1974." The National Recreation and Park Association has surveyed the Comprehensive Employment and Training Act "Prime Sponsors," designated in the program's authorization as RSP sponsoring agencies. We specifically requested data on the amount of money needed to run the summer recreation program in the summer of 1975.

The Prime Sponsors were asked to provide NRPA with the dollar figure they would like to receive and could effectively spend in 1975, given staffing, facility and planning limitations. NRPA also asked how much money recipient communities received in 1973 and 1974. This information is basic to ascertaining 1975 funding levels, since the program's authorization contains a hold-harmless clause which insures that no community will receive fewer RSP funds in 1975 than received in the summers of 1973 and 1974.

Though the complete survey results are not yet in, we project the communities will express a need in the range of $30–40 million. However, given the past levels of funding and the present directives for fiscal conservatism, we feel that a $26 million appropriation level will fund a meaningful Recreation Support Program in 1975.

Sincerely,

DWIGHT F. RETTIE,
Executive Director.

FEBRUARY 6, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: In response to your request for need figures and as a follow-up to my letter of January 29, we estimate that the cities will need $4,530,442 for an employer-related transportation program this summer. This compares with an estimated need figure for summer 1974 of $3.9 million and an actual allocation of $1.7 million.

As you well know, the transportation program is essential to provide disadvantaged youngsters with the opportunity to participate in meaningful employment in the city.

We appreciate your assistance on this vital matter.

Sincerely,

ALLEN E. PRICHARD, Jr.,
Executive Vice President.

WASHINGTON, D.C.,
February 20, 1975.

Hon. GERALD R. FORD,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We urge that you submit a revised budget request for fiscal year 1975 for "Emergency Energy Conservation Services" under section 222(a)(12) of the Economic Opportunity Act of 1964, to meet the urgent energy-related needs of low-income individuals and families.

Section 222(a)(12), which was added to the law this January 4, by P.L. 93–644, is designed to reduce the impact of high energy costs on low-income individuals and families, including the elderly and the near poor. It authorizes the Director of the Community Services Administration, the successor to the Office of Economic Opportunity, to establish winterization programs and provide other supportive assistance, such as emergency loans and grants, and special fuel voucher or stamp programs, as well as transportation, nutrition and health services in emergency cases.

As you stated in your economic message to the Congress of October 8, 1974:

"Now I know that low-income and middle-income Americans have been hardest hit by inflation. Their budgets are most vulnerable because a larger part of their income goes for the highly inflated costs of food, fuel and medical care."

We are pleased that the Administration has proposed some steps to meet these problems through its inclusion of a winterization assistance program in title XI of its proposed "Energy Independence Act of 1975", for which title the Administration has requested $9 million in fiscal year 1975, to be utilized by the Federal Energy Administration through grants to the states.

However to meet the problem effectively in this fiscal year will require, in our opinion, immediate utilization of the existing authority, section 222(a)(12), at a level of funding substantially above what the Administration has proposed.

Already, the Community Services Administration and its agencies are currently expending approximately $25 million on energy related programs from local-initiative and other general appropriations, following the pattern of "Project FUEL" in the State of Maine, which was commenced by the Office of Economic Opportunity.

It seems clearly advisable to expand those efforts under section 222(a)(12)—which represent an approach closer to the poor—rather than to await new and duplicative authority.

We have been informed by the Director of the Community Services Administration, Bert A. Gallegos, by letter dated February 12, 1975, in response to a request we made, that there are now pending unsolicited and unmet applications for programs under section 222(a)(12) totalling $88.1 million and that an additional $53.5 million in new proposals are being developed, for an aggregate of $141.6 million.

However, the Community Services Administration has not provided requested information indicating what portion of the $141.6 million can be effectively provided in this fiscal year.

We request, that after consultation with the Community Services Administration, a revised budgetary request be submitted for an amount for that portion of the $141.6 million that can be effectively provided in this fiscal year.

In view of the increasingly serious situation of the poor, we urge that you give this matter your earliest attention.

Enclosed is a copy of the letter from Director Gallegos, together with charts indicating overall need on a regional and state basis.

Sincerely,

Jacob K. Javits, Harrison A. Williams, Jr., Claiborne Pell, Edward M. Kennedy, Jennings W. Randolph, Edward W. Brooke, Edmund S. Muskie, Abraham Ribicoff, Henry M. Jackson, Robert T. Stafford, Hubert H. Humphrey, Charles McC. Mathias, Jr., Gaylord Nelson, Walter F. Mondale, Richard S. Schweiker, Clifford P. Case, Alan Cranston, George McGovern, and William D. Hathaway.

COMMUNITY SERVICES ADMINISTRATION,
Washington, D.C., February 12, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your inquiry concerning applications to conduct energy-related programs and activities for poor and older people which could be funded under the new Section 222(a)(12) which you authorized.

The attached lists of applications by State totalling $88 million has been received. The applications do not contain reimbursement for programs currently being conducted.

We have been informed that an additional $53.5 million of new proposals are being developed. In this regard, it should be remembered that CAAs have not been encouraged to apply for such programs because funds were not available. In addition, over 700 of the CAAs have already reallocated approximately $22 million in local initiative funds from existing programs for energy-related programs. In addition, I have reallocated $3 million nationally for similar objectives. An example of the reallocation for winterization is the attached Wisconsin press release.

The President's budget message has requested $9 million in fiscal 1975 and $55 million in 1976 to begin winterization. We fully support such activities.

With best wishes,

Sincerely,

BERT A. GALLEGOS,
Director.

SUMMARY

[Dollars in millions]

	Number of requests	Amount of requests
Proposals submitted	184	$88.1
Proposals under development	120	53.5
Total	304	141.6

COMMUNITY SERVICES ADMINISTRATION—PROGRAM FUNDING REQUESTS

	Number of new energy proposals	Dollars requested	Number of energy proposals in development	Dollar estimate	Total dollars
Region I (70)—Boston:					
Maine	2	1,450,000	3	461,000	1,911,000
New Hampshire	2	789,000	2	181,000	970,000
Vermont	2	685,000	1	317,000	1,002,000
Massachusetts	1	2,500,000	6	5,430,000	7,930,000
Connecticut	1	2,100,000	4	961,000	3,061,000
Rhode Island	2	750,000	1	480,000	1,230,000
Total	10	8,274,000	17	7,830,000	16,104,000
Region II (72)—New York:					
New York	12	4,628,000	7	3,863,000	8,491,000
New Jersey	7	4,938,000	5	2,777,000	7,715,000
Puerto Rico					
Total	19	9,566,000	12	6,640,000	16,206,000

COMMUNITY SERVICES ADMINISTRATION—PROGRAM FUNDING REQUESTS—Continued

	Number of new energy proposals	Dollars requested	Number of energy proposals in development	Dollar estimate	Total dollars
Region III (94)—Philadelphia:					
Pennsylvania	3	13,420,000	5	2,740,000	16,160,000
Maryland	1	7,429,000	3	186,000	7,615,000
Delaware	2	486,000	0		486,000
Virginia		(*)	10	2,870,000	2,870,000
West Virginia		(*)	12	4,390,000	4,390,000
District of Columbia		(*)	1	713,000	713,000
Total	6	21,335,000	31	10,899,000	32,234,000
Region IV (185)—Atlanta:					
Kentucky	6	2,820,000	2	863,000	3,683,000
Tennessee	9	2,680,000	4	619,000	3,299,000
North Carolina	15	3,162,000	3	1,412,000	4,574,000
South Carolina	9	1,480,000	6	1,102,000	2,582,000
Georgia	12	2,220,000	4	318,000	2,538,000
Alabama	4	1,400,000	2	209,000	1,609,000
Mississippi	7	1,000,000	5	714,000	1,714,000
Florida	6	3,620,000	2	316,000	3,936,000
Total	68	18,382,000	28	5,553,000	23,935,000
Region V (176)—Chicago:					
Illinois	2	1,202,000	8	1,890,000	3,092,000
Wisconsin	4	2,616,000	5	873,000	3,489,000
Minnesota	7	923,000	3	413,000	1,336,000
Michigan	4	3,126,000	4	926,000	4,052,000
Indiana	3	1,237,000	2	61,200	1,849,000
Ohio	4	569,000	7	943,000	1,512,000
Total	24	9,673,000	29	5,657,000	15,330,000
Regional VI (31)—Dallas, Tex.:					
Texas	1	4,900,000	6	2,800,000	7,700,000
Oklahoma	2	535,000	4	1,380,000	1,915,000
Louisiana	1	1,163,000	5	2,500,000	3,663,000
Arkansas	6	1,907,000	2	740,000	2,647,000
New Mexico	3	540,000	3	700,000	1,240,000
Total	13	9,045,000	20	8,120,000	17,165,000
Region VII (62)—Kansas City:					
Missouri	7	643,000	4	210,000	853,000
Kansas	2	400,000	5	318,000	718,000
Nebraska	1	350,000	2	180,000	530,000
Iowa	1	350,000	3	320,000	670,000
Total	11	1,743,000	14	1,028,000	2,771,000
Region VIII (33)—Denver, Colo.:					
Colorado	3	1,277,000	2	600,000	1,877,000
Utah	4	569,000	1	320,000	889,000
Wyoming			1	780,000	780,000
Montana	1	460,000			460,000
South Dakota			1	1,900,000	1,900,000
Total	8	2,306,000	6	5,000,000	7,306,000
Region IX (62)—San Francisco:					
California	9	4,104,000	7	1,803,000	5,907,000
Nevada	3	486,000	2	713,000	1,199,000
Arizona	4	1,618,000			1,618,000
Hawaii	4	523,000			523,000
Total	20	6,731,000	9	2,516,000	9,247,000
Region X (58)—Seattle:					
Washington	1	790,000	2	83,000	873,000
Oregon	1	57,000	3	161,000	218,000
Idaho	3	194,000			194,000
Alaska					
Total	5	1,041,000	5	244,000	1,285,000
Grand total	184	88,096,000	120	53,487,000	141,583,000

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from New York.

I am certainly pleased to have the Senator's comments about the provision in the act on the railroad provision in H.R. 4481 bill. It is my hope that the legislative committees will, after their hearings, find it advisable to report a bill that will enable us to use the funds for railroad upgrading that are being appropriated in this measure subject to enactment of authorization.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. McCLELLAN. I yield the floor.

Mr. STENNIS. Mr. President, I shall make a few remarks on that part of the bill that relates to public works, that is chapter V and provides appropriations for carrying on certain public works programs with which we are all familiar.

Mr. President, in chapter 5 of the emergency employment appropriations bill, a total amount of $328,925,000 is recommended by the committee to accelerate work on the public works projects of the Army Corps of Engineers and the Bureau of Reclamation, and thereby contribute significantly to employment by creating meaningful, productive jobs.

The Subcommittee on Public Works Appropriations, of which I have the honor and pleasure of chairing, recently completed its first round of the annual hearings on the water resources development programs of the Army Engineers, the Bureau of Reclamation, and other executive agencies concerned with water development for our Nation. The subcommittee examined this matter of accelerating public works projects to create additional employment during those hearings, and this recommendation reflects the information and proof that we received.

Mr. President, the funds contained in this chapter not only will provide for productive jobs, but also will provide enduring capital assets for the Nation, as well as improve conditions with respect to the energy crisis. Water is one of our most precious resources. Massive amounts of water are required to run our hydroelectric power projects, operate electric power generating plants, produce food and fiber, operate our navigation systems, and to provide human consumption and industrial supplies. Vast quantities of water will be required to develop certain energy resources such as coal and oil shale in many parts of our land. Mr. President, we have a propensity to take our water resources for granted. In dealing with our natural resources, we have seen that time after time a crisis is on us before appropriate action is taken which could have averted or alleviated the crisis—and we have been warned that adequate water supplies may well be the next critical resource problem facing the Nation.

In this connection, Mr. President, I call attention to the National Water Conference sponsored by our Government, and which has been meeting here in Washington for the past 5 days. I have noted the reports coming from the conference, particularly on the matter of water shortage, where both Government and private experts have again brought to our attention the critical water situation which could occur. I ask unanimous consent to have printed in the RECORD an article appearing in yesterday's Washington Post headlined "Water Crisis Seen in Energy Shortage."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATER CRISIS SEEN IN ENERGY SHORTAGE

Government and private experts warned yesterday that the U.S. drive to solve the energy shortage may trigger an even worse national water crisis.

What the United States must rapidly develop, the experts told the National Conference on Water here, is vastly improved water use planning on the federal, state and local level.

Poor planning today, they said, can have a profound impact a decade from now in such seemingly unrelated areas as energy production, food growing, city water supplies, flood control and the prevention of pollution.

Energy figured heavily in the conference because virtually every one of the proposed methods of boosting domestic energy production places heavy new demands on U.S. water supplies.

"Today, our water requirements are snowballing," the Water Resources Congress said in a report presented at the government-sponsored conference. "As we evaluate requirements to 1985, we can already see that a water crisis is in the making. We have moved too slowly, or our requirements have escalated almost unnoticed."

If the United States were to stop water development now, the report said, by the year 2000 there would be few areas of the country with an ample water supply at all times and many areas with a chronically short supply.

"As a nation, we must develop more than 7 million acre-feet of consumable water supply by 1985—above present requirements—to provide water for energy alone," the report said.

The national conference was sponsored by the Cabinet-level U.S. Water Resources

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Council under the direction of Interior Secretary Rogers C. B. Morton.

Mr. STENNIS. Mr. President, let me emphasize that the amounts included in this chapter are for water resources development—for current projects of the Corps and Bureau all of which are ongoing and under construction and for essential operation and maintenance activities which will create jobs. There are no long leadtimes involved, because the contractor is on the job now on the projects under construction and can step up his pace of work with these dollars being made available. The O&M work is a labor intensive activity that should be performed regularly rather than allowing it to accumulate and then have huge backlogs of deferred maintenance. The report fully details the recommendations of the committee and lists the amounts by project so I shall not elaborate on the items.

In conclusion, I repeat that these funds will provide for an acceleration of the already ongoing construction of these projects and will provide for essential operation and maintenance of completed projects, which will greatly assist in providing jobs, help the construction industry as a whole, and provide enduring capital assets for the Nation, a truly productive effort in the public interest.

Mr. President, the total amount of this bill is what concerns me. Of course, it does all Members, but the projects we have put in were deemed by our subcommittee unanimously to be projects that are constructive and are now ongoing.

The contracts for most of them have already been let and the contractors are on the job, and so far as creating employment is concerned, all they have to do is just put on more manpower or womanpower, however the case may be. There will be the water resources project, the reservoir, the lake, the stream clearance, the navigation project, or whatever the project may be, hydroelectric power, it will be just that much further along. New employment will have been created.

There is permanent constructive capital investment to extend for many years of production and creative wealth and created income as compared to the so-called public service jobs, some of which—some of which, at least—will be little left to show.

So we make no apologies for putting in these projects because it is based on judgment, it is based on reality. Of course, it is up to the Senate whether or not to accept all or any part of it.

We asked the Reclamation Bureau and also the U.S. Army Engineers for civil functions as to certain projects. "What is your capability?" meaning, of course, "What are you capable of producing here above and beyond the money you have available for these projects now?"

We received a response. They were warned they would be asked these questions. We calculated the totals. Unless there was some prevailing reason to the contrary, we included them in the bill. They are now before the Senate for consideration.

I would be glad to try to answer any questions which might arise about any item. These are not just choices of the subcommittee. There are no pet projects. There are no new starts. It was all approved in the regular way by the subcommittee based on the information from the Bureau of Reclamation and the U.S. Army Engineers.

There are no new starts on projects at all that have been included here.

Mr. YOUNG. Will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. YOUNG. I believe in every instance we stayed within the capability of the Corps of Engineers and the Bureau of Reclamation. Is that correct?

Mr. STENNIS. The Senator is entirely correct. There is no overcrowding or pushing or stuffing of the money box. They are within the capability of the Bureau of Reclamation and the U.S. Army Corps of Engineers.

As I say, Mr. President, we are ready to answer any questions which might arise. This is a matter of accelerating work and thereby jobs on projects already in progress. I do not think you can look anywhere in the books or in the country to find anything better or sounder from every possible viewpoint, concerning unemployment, the need for developing resources, or any other standards you might have.

I yield the floor, Mr. President.

Mr. JOHNSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

> On page 8, line 24, strike the figure "$1,625,000,000" and insert in lieu thereof "$812,500,000."

Mr. JOHNSTON. Mr. President, this amendment is the soul of simplicity. What it does is, it takes $1,625,000,000 presently provided for public service jobs, that money which is being sent to the States and the cities for use by them in employing people, and simply cuts that figure in half. It reduces it by some $812 million.

Mr. President, the Committee on Appropriations has been very responsive and very generous on the subject of jobs. We have responded in a most admirable way, and some would say a most overly generous way, in providing jobs in this time of economic difficulty.

We have summer youth jobs, and that is a great program, to get the kids employed during the summer, to get them off the streets and doing something productive. That is great.

The distinguished chairman of the Public Works Subcommittee just talked about the public works acceleration. That is a tremendous program, Mr. President. It is accelerating jobs that are already on the blueprints, jobs that are already in the pipeline. It produces productive work.

So it is with automobile purchases; with jobs for the elderly, in forestry, railroad maintenance, DA, VA facilities maintenance, Indian facilities construction, and a host of other programs that are provided for by the Appropriations Committee and funded to give jobs in this time of economic difficulty.

But now, Mr. President, on top of that, we come along with another program.

They used to say, "If you have a problem, you cannot solve it by throwing money at it." Well, we threw $1,625,000,000 at the cities and States and said, "Go and employ people." There was very little policing. There was very little control. There was very little demonstration of need to employ people other than a concern, a real concern and a genuine concern, a proper concern, for people who are unemployed.

But, Mr. President, I think that the record reveals, and the evidence shows, that this is the most wasteful of all these programs, the most expensive in terms of Federal dollars, and the least productive in terms of what we get for a dollar spent.

So, Mr. President, what I propose to do is to simply cut the amount in half. What is the effect of that? Well, the effect of cutting this program in half, cutting it by $812 million, is this: Of the 310,000 jobs provided for by this program, it would mean that you would either cut that in half, which I think is improper and the unlikely thing to be done, or else you cut the length of the program and you let these people off their jobs in January or February 1976 instead of at the end of the fiscal year, July 30, 1976.

Mr. MANSFIELD. Will the Senator yield?

Mr. JOHNSTON. Certainly.

Mr. MANSFIELD. I note in this bill that there is $74,600,000 for the purchase of 20,712 automobiles and other vehicles by the General Services Administration and other agencies. What do we need that many automobiles for?

Mr. McCLELLAN. Will the Senator yield to me?

Mr. JOHNSTON. I yield.

Mr. McCLELLAN. I answered that fully a while ago in a discussion with an-another Senator. The House bill provides for purchase of approximately 120,000 automobiles.

Mr. MANSFIELD. 120,000?

Mr. McCLELLAN. Over 120,000 at a cost of $297 million. What we have done is to reduce this amount to provide for the purchase of automobiles to replace those that would normally be replaced after a reasonable life and reasonable mileage on them.

Mr. MANSFIELD. Does the Senator think that there may be too many automobiles being used in the bureaucracy at the present time?

Mr. McCLELLAN. I thought 120,000 under the House bill would certainly be too many, so we cut it down to about 20,000. I think these are normal replacements. That is what we have tried to do, instead of going out and purchasing a lot of vehicles to replace good ones that have a lot more service in them. We cut it considerably, as the Senator will note.

Mr. MANSFIELD. I thank the Senator.

The ACTING PRESIDENT pro tempore. The question is on the amendment——

Mr. JOHNSTON. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSTON. I believe I have an amendment at the desk.

The ACTING PRESIDENT pro tempore. The Senator is correct. The question is on the amendment.

Mr. JOHNSTON. Mr. President, may I regain the floor?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I will not make this discourse a long one or a lengthy one because it is a very simple question.

Mr. President, the mayors and the people back in the States are going to like having this money and do like having this money. There is no question about that. It is like a friend of mine was telling me this morning. He said the amount of money that can be spent on jobs by cities and local subdivisions and States and the Federal Government is without limit. It is like the number of closets you have. If you have one closet in a house, you are going to have that closet full. If you have two, it is going to be full. If you have four, it is going to be full. No matter how many closets you have, they are going to be full. No matter how big your wife's budget is, she is going to spend it all. No matter how much money we send to the States and the cities, they will find employees. They will find people who are willing to accept those checks.

However, there is no evidence in this record that we have to keep 310,000 people employed past January or February of 1976. With half this money, we can keep all the people employed until January or February 1976. That is past the time when we are supposed to be coming out of this recession.

Mr. President, if it appears in late fall of this year that in fact we are still in the depths of a recession and in fact we need to keep 310,000 people on this kind of payroll, we can come in and add the other $812 million.

My fear is that by funding this program at such a high level, we are encouraging the cities and the States to make a permanent program out of this, to have it as another form of revenue sharing, to put on permanent employees simply to swell the rolls, in competition with private industry, and that we are doing so in a most wasteful way.

The ultimate question is, How serious are we about deficit spending? The people in my State are more concerned about deficit spending than they are about the rate of unemployment, and they are very concerned about the rate of unemployment. But they are scared to death about a deficit that may go to $75 billion. They are telling us in Congress to look around and find where we can cut this budget.

Of all the places I can see to cut in this bill, this is the place to do it, because not one employee would have to be fired until the recession is on its way back up. The $812 million will keep all 310,000 hired until January or February of 1976. I say all 310,000. We have only 290,000 employed at the present time. That employment can be increased up to 310,000, and they can be kept there until January or February of 1976.

Mr. President, we need to save this money. We need to cut this deficit as much as we can. The committee has been most generous with the needs of employing people and fighting recession and fighting unemployment.

I ask the favorable consideration of the Senate.

(At this point, Mr. MORGAN assumed the chair.)

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. MAGNUSON. Mr. President, I hope there is no misunderstanding about this amount. It was not a creature of the Committee on Appropriations, as such. It was sent up by the President, as part of his budget for these public service jobs, with the justification that this would only keep the public service jobs at their present level. We are not adding any new jobs. We just keep the program level as it is.

This is not another new program. It is more than 3 years old. It is not at a high level. This program provides jobs for less than 4 percent of the unemployed—about the same percent as the 1972 program—despite the fact that unemployment today is almost double that of 1972. If we do not keep it at least at the current level, the mayors and the county commissioners and whatever local government is involved will start to lay off people, not knowing whether they can keep them in this program.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Let me finish, and I will yield.

I do not think that cutting this program will reduce any deficit. Everybody is concerned about deficits, but this is a program that has been in effect for more than 3 years, and it has been a good program.

When the Senator talks about it not being well-policed, that is not correct. The best we can find, after 3 years under the public service jobs program is that ineligible enrollments have been less than 1 percent of total enrollees. Getting rid of this 1 percent of illegal enrollments is an argument for better congressional oversight, not an argument for cutting the program.

I say to the Senator from Louisiana that these are not people who could handle some of the regular technical jobs, even if the recession goes away. Usually, they are older people, and they just go on welfare.

Does the Senator know what it costs to keep a person on welfare—the per capita cost? What does the Senator think? It costs $4,500 per capita to have them on welfare. That is what will happen to these people.

All these jobs have been pretty well justified. I agree with the Senator that we did pretty well in this bill. Welfare costs are already estimated to be $15 billion in fiscal 1976, and unemployment benefits will cost an estimated additional $16 billion.

No one has higher welfare costs than the State of Louisiana—with eligible people.

I do not think this proposal serves any purpose at all. I did not concoct this figure. The administration sent it up and said this would be the amount simply to maintain the present level. That is all we are doing. We did not add anything to it. It is not a new program. It has been around for quite a while.

I know that perhaps some local officials have committed administrative abuses in this program. The Senator from Louisiana has dealt with them, and I have dealt with them. They are not all perfect. But the track record has been very good. Inefficiency results from local sponsors not being able to plan because of uncertainties about congressional funding. The money in this bill would sustain the current program level through fiscal year 1976 and give sponsors lead-time to make plans.

The fear that cities and States are laying off employees only to rehire them with Federal funds is not supported by the facts: only 6 percent of public service jobs enrollees were formerly State and local government employees, according to a Labor Department survey.

It is not like another closet. The Senator from Louisiana must have been talking to his wife. I bought an apartment a couple of years ago, and I gave my wife an unlimited budget to furnish it, and she exceeded it. [Laughter.]

These are tough, hard-core jobs. I would say that 50 percent of these people would drift over to welfare. Cutting this program would not reduce the deficit; it would only increase money spent on welfare and unemployment compensation.

A vote for this amendment would be a vote to destroy about 100,000 jobs. Congress would be voting to make the recession worse, not helping to stop it.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JOHNSTON. The Senator mentioned that this is a long-standing program.

Mr. MAGNUSON. No, I said 3 years.

Mr. JOHNSTON. Is it not a fact that there are two titles under the CETA program—title 2 and title 6; title 2 has been in existence for only about 10 months, funded only to a level of about $350 million, and title 6, which has the greater funding, for only about 4 months?

Mr. MAGNUSON. The big title is title I. But all these titles basically continue programs previously authorized under the Emergency Employment Act of 1971 and the Manpower Development and Training Act.

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I want to state for the record, for the benefit of the Senate, a breakdown of enrollment by major job categories under this program: Education is 17 percent. Law enforcement is 12 percent. Office work—for example, in courthouses—is 21 percent. Public works and transportation is 19 percent. Health is 8 percent. Social services is 9 percent. Parks and recreation is only 9 percent, which is contrary to the argument of those who say they are going to hire most people to rake up leaves in the parks.

Fire protection is 2 percent and environmental quality is 3 percent.

Mr. JOHNSTON. Will the Senator further yield?

Mr. MAGNUSON. Yes.

Mr. JOHNSTON. The point I was making is that actually title I of this act creates title VI of the CETA. Title VI has been in operation only 4 months. That is the big part of this employment. It has not been in effect long enough either to reach the full capacity or to see whether it is policed or not. Would that be a correct statement?

Mr. MAGNUSON. There is no reason to assume that the program is not going to be practically the same as the one that has been going on.

Mr. JOHNSTON. I know, but it has been going on only for 4 months.

Mr. MAGNUSON. No, I mean the 3-year program. These figures will be about the same.

Mr. JOHNSTON. No; the title II program has been in operation only about 10 months, is that not correct?

Mr. MAGNUSON. As I say, the proportions will be the same. They will be used for the same purposes. We are not adding to it.

I say to the Senator that I would not agree to add more to the public service job program than we had last year. I know the mayors and all these people want more. The Senator is absolutely correct, it is a sort of revenue-sharing program. But I remember back when we had the WPA, that was revenue sharing. There was no revenue anyplace but with the Federal Government.

Some cities and States are in bad shape, and need manpower to perform vital public services.

Most enrollees are in vital public service professional jobs. Here are some examples: policemen; guards; correctional officers; teachers; library aides; draftsmen; surveyors; firefighters; homemakers; accountants; recreational specialists; tree trimmers; painters; plumbers; landscapers; carpenters; mental health aides; and nutritionist trainees.

Mr. JOHNSTON. If the Senator will further yield, is it not a fact that funding at this level will allow for 310,000 jobs and only 290,000 are now employed, indicating either that they have not been able to find the employees for the additional 20,000, or, more likely, that the program is simply going to grow?

Mr. MAGNUSON. Well, there are about 20,000 in the figure that we cannot count, because people are quitting or they are laying off. But a Department of Labor survey indicates that only 6 percent of public service job enrollees were former city employees. Therefore, the fear that cities are laying off employees only to rehire them—which I was afraid of in the beginning—with Federal funds is largely unfounded.

Mr. JOHNSTON. But 6 percent of them are, according to that statement.

Mr. MAGNUSON. Six percent of them are. That is the survey.

Mr. President, I wish to make a few brief comments on chapter IV, the Labor-HEW portion of the Emergency Employment Appropriations Act of 1975, which totals $2.4 billion.

Here are the amounts requested by the President, to which the Committee agreed:

For public service jobs $1,625,000,000. These funds would simply maintain currently funded jobs throughout fiscal year 1976; they do not create new public service jobs.

For summer youth jobs $412,700,000. This would continue last year's level of 760,000 job opportunities for disadvantaged youth.

Here are the amounts added by the House, to which the committee agreed:

For work incentives $70,000,000. This money is needed to avoid layoffs of current enrollees and staff, not to expand the program, which puts welfare people into jobs. We added language, however, to permit use of these funds to pay the States the Federal share of 1974 expenditures in excess of grants to fund the 1974 program.

For community service jobs for the elderly, $24 million. This would provide 8,000 jobs for our low-income citizens, who are most severely hurt by inflation and recession. We held over for debate on the floor, without prejudice, "hold harmless" language aimed at preventing the layoff of older workers enrolled in the national Operation Mainstream program.

For the college work-study program for low-income students, to help keep 250,000 students from joining the dropout and unemployment roles, $119,800,000.

Here are the amounts added by the Senate Appropriations Committee:

For 4,000 more jobs for the low-income elderly, for a total increase of $36,000,000 and 12,000 jobs, +$12,000,000. The waiting list for this program is 10 times the available openings. Since the administration is abolishing the $20,000,000 Operation Mainstream jobs program for the elderly, the net increase recommended here is only $16,000,000 and 5,300 jobs.

For summer youth jobs and transportation, +$89,600,000. This would bring the total appropriation to $502,300,000, providing 920,000 jobs. The unemployment rate for poor youth is now over 40 percent and may go to 50 percent by summer.

For antipoverty programs of the Community Services Administration, +$39,000,000. The House did not consider these items, which would continue last summer's youth recreation and transportation programs and provide initial funding for the emergency energy conservation services program.

Mr. President, we had amendments offered by Senators to add $390.6 million to this bill, which the committee pared down to $140.6 million. Some of these increases are for items which the House would have considered for a later supplemental, but which we felt deserved to be included in this urgent bill. These supplementals come so often now, we hardly have time for a regular bill. This is the fourth supplemental we have worked on so far this fiscal year.

I ask unanimous consent to have printed in the RECORD tables highlighting the items I have just summarized.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

CHAPTER IV, EMERGENCY EMPLOYMENT APPROPRIATIONS ACT, 1975—LABOR-HEW SUBCOMMITTEE

	Budget request	House bill	Senate Appropriations Committee	Increase over House
Department of Labor:				
Public service jobs	$1,625,000,000	$1,625,000,000	$1,625,000,000	
Summer youth jobs	412,700,000	412,700,000	502,300,000	+$89,600,000
Jobs for the elderly		24,000,000	36,000,000	+12,000,000
Department of HEW:				
College work-study jobs		119,800,000	119,800,000	
Work incentives		70,000,000	70,000,000	
Related Agencies:				
Summer youth recreation and sports programs			29,000,000	+29,000,000
Emergency Energy Conservation Services			10,000,000	+10,000,000
Total	2,037,700,000	2,251,500,000	2,392,100,00	+140,600,000

Current status of chapter IV of Emergency Employment Appropriations (H.R. 4481)

Labor-HEW Items

Budget estimates	$2,037,700,000
Amount in House bill	2,251,500,000
Amount in Senate committee bill	2,392,100,000
Senate committee recommendation:	
Over the budget estimates	+354,400,000
Over the House bill	+140,600,000
Changes to the budget estimates:	
College work-study	+119,800,000
Summer youth employment and transportation	+89,600,000
Work incentives	+70,000,000
Summer youth recreation	+26,000,000
Community service employment for older Americans	+36,000,000
Emergency energy conservation	+10,000,000
National youth sports program	+3,000,000
Total	+354,400,000

Mr. MAGNUSON. Mr. President, the sums recommended here are modest compared to the need. Unemployment is at its highest rate in 34 years. More than 8 million people cannot find jobs. More than another million people have given up looking for work, and are, therefore, no longer in the official unemployment statistics. If these so-called discouraged workers were included in the official statistics, the March unemployment rate would be 9.5 percent, not the 8.7 percent we hear publicized.

In the face of this enormous unemployment problem, we are recommending public service jobs funds for only 310,000 individuals—only about 4 percent of the unemployment. If the economy continues to deteriorate, more may be needed later, but I believe we are recommending about all the funds State and local governments can effectively absorb at this time. Any reduction in funding for public service jobs would merely accelerate the increase in unemployment insurance and welfare costs. Since the taxpayers would thus pay one way or the other, it seems preferable to have people work, for their own dignity and self-respect, not to mention the accomplishments achieved from the public services provided.

Mr. President, we did not provide any new jobs or money—just enough to continue into 1976 the existing level. I recommend adoption of this chapter in full.

Mr. JOHNSTON. Will the Senator yield for one final question?

Mr. MAGNUSON. Yes, I yield.

Mr. JOHNSTON. Is it not a fact that if we fund this at 50 percent—that is, the $812 million—we can keep employed all 310,000 employees until January or February of 1976, at which time, the unemployment rate should have receded considerably?

Mr. MAGNUSON. Except without the certainty of extended funding, local sponsors would have to start phasing down enrollments right away, to avoid massive layoffs all at once. The President's budget predicts unemployment will remain above 7 percent until 1979, which would mean millions of people would be cut of work for at least the next 4 years. We need to appropriate the $1,625,000,000 now for fiscal year 1976, to give program sponsors the time to plan good programs—and to avoid the kind of poor planning and "make work" jobs we all dislike.

I hope the amendment does not carry, because I think we are just going to add to the unemployed the kind of people who are the most helpless when they get unemployed.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I ask unanimous consent to have printed in the RECORD also my complete arguments in support of the Senate Appropriations Committee recommendation of $1,625,000,000 for public service jobs, as well as by reasons for opposing the amendment to cut $812,500,000.

There being no objection, the arguments were ordered to be printed in the RECORD, as follows:

ARGUMENTS SUPPORTING SENATE APPROPRIATIONS COMMITTEE RECOMMENDATION OF 1,625,000,000 FOR PUBLIC SERVICE

1. The President requested this $1,625,000,000, and the House has already approved it. This is not a "budget busting" program.

2. These funds would simply maintain the current program level of 310,000 public service jobs. Without these funds, local program sponsors can be expected to start phasing-down the current level of enrollees.

3. Unemployment is at its highest in 34 years—since the beginning of World War I. Unemployment is officially 8.7 percent for March, 1975—or more than eight million jobless people looking for work. More than another million people have given up looking for work, meaning the unemployment rate is really 9.5 percent for March.

4. If Congress cuts back on public service jobs, it may cost just as much to force more people onto welfare or unemployment rolls.

5. Welfare costs are already estimated to be $15 billion in fiscal year 1976; unemployment benefits will cost an estimated additional $16 billion.

6. This is a temporary program, to meet an emergency high unemployment situation, to try to help keep the Country out of a deeper and prolonged recession.

7. Congress needs to stimulate the economy toward recovery. By cutting back on public service jobs, the Congress would only create more unemployment.

8. This program provides jobs for less than 4 percent of the unemployed—about the same percent as the 1972 program—despite the fact that unemployment today is almost double that of 1972.

9. More than 2 million people have lost their jobs in the last four months; yet we are merely talking about funds to maintain the current level of public service jobs.

10. Many cities are losing so much tax revenue in this recession, they are being forced to lay off employees. Without emergency Federal funds to provide more jobs, the unemployment situation will continue to get worse.

11. The enrollees in this program provide valuable public services that would not otherwise be provided by State and local governments and become taxpayers instead of "tax eaters." They are prohibited from simply replacing the jobs of laid-off employees.

12. A Department of Labor survey indicates that only about 6 percent of public service jobs enrollees were formerly city employees. Therefore, the fear that cities are laying off employees only to rehire them with Federal funds is largely unfounded.

ARGUMENTS AGAINST AMENDMENT TO CUT $812,500,000 FROM PUBLIC SERVICE JOBS PROGRAM

1. Impact of Amendment:

A vote for this amendment would be a vote to destroy about 100,000 jobs. Congress would be voting to make the recession worse, not helping to stop it.

2. Deficit and Expense Issues:

Cutting this program won't reduce the deficit; it would only increase money spent on welfare and unemployment compensation.

3. Inefficiency Issue:

Inefficiency results from local sponsors not being able to plan because of uncertainties about Congressional funding. The money in this bill would sustain the current program level through fiscal year 1976 and give sponsors lead-time to make plans.

4. Replacement of Local Funds with Federal Funds Issue:

The fear that cities and States are laying off employees only to rehire them with Federal funds is not supported by the facts: only 6 percent of public service jobs enrollees were formerly State and local government employees, according to a Labor Department survey.

5. Administrative Abuses Issue:

Experience so far under the public service jobs program is that ineligible enrollments have been less than one percent of total enrollees. Getting rid of this one percent of illegal enrollments is an argument for better Congressional oversight, not an argument for cutting the program.

6. Labor-Intensive Issue:

To fight recession, we want to sustain consumer spending; this can most quickly be done by creating temporary public service jobs.

Capital-intensive projects are fine, but they take longer to create jobs: we need to stimulate the economy now. (Note: This bill also contains $375 million for capital-intensive public works projects under Chapter V, for the Commerce Department.)

The advantage of temporary public service jobs is that they can be quickly eliminated as unemployment recedes. Capital projects often take years to complete, and thus could lead to inflation if they continue after the recession is over.

7. "Make-Work" Jobs Issue:

Most enrollees are in vital public service professional jobs. Here are some examples: policemen; guards; correctional officers; teachers; library aides; draftsmen; surveyors; firefighters; homemakers; accountants; recreational specialists; tree trimmers; painters; plumbers; landscapers; carpenters; mental health aides; and nutritionist trainees.

Here is a breakdown of enrollment by major job category:

Category:	*Percent of Enrollment*
Education	17
Law Enforcement	12
Office Work	21
Public Works, Transportation	19
Health	8
Social Services	9
Parks and Recreation	9
Fire Protection	2
Environmental Quality	3
Total	100

Mr. MAGNUSON. I yield the floor.

Mr. JAVITS and **Mr. SCHWEIKER** addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. JAVITS. Mr. President, will the Senator yield for a moment?

Mr. SCHWEIKER. Without losing my right to the floor, I yield.

Mr. JAVITS. I wish to answer that question. I should not interrupt the Senator otherwise.

With regard to Senator JOHNSTON'S point made to Senator MAGNUSON about cutting this in half, keeping the same number on until next year, then if we want to, we can reappropriate, the difficulty is that we cannot have the argument that, well, they only have 290 and they can take 310, and take advantage of it, too, by that assertion. The reason they only have 290—by the way, that is very close to 310; they are doing very well; they have done worse before—is that it takes a while to build up. If we really want the right people in this program, we cannot have the threat of laying them off. No community is going to lay them off in 10 minutes. They are going to gradually taper them off. Therefore, the whole system will be dismantled if they are put in this kind of peril which the Senator proposes to put them in. Considering the rate of unemployment and, as Senator MAGNUSON has pointed out, the rather hardcore person to which this type of employment applies, I would consider that highly improvident.

If that is the Senator's central argument against this, for me—and as the Senator knows, I have lived with this a long time and was the original author of it—for me, there seems to be one of of the very reasons why we should not do it, because we would disable these communities from doing exactly what we want them to do, which is to be careful and to apply this program to the people who really ought to have it and to build up slowly and not be faced with a proposition of suddenly turning them off during the fiscal year.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. JAVITS. I would yield gladly but I do not have the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. SCHWEIKER. I should like to make one statement. I have had the floor for 10 minutes and have not said a word though I shall afterward.

I rise as a member of the Labor-HEW Appropriations Subcommittee and as an author of this bill. I also serve with my distinguished colleague, the senior Senator from New York, on the Committee on Labor that authorized this program. He was a key leader in that program when it originally got started. So I certainly think his input here is very critical. I wish to emphasize a few things I think needs to be repeated in view of the urgency of this situation.

This $1.6 billion is basically money that the President requested for this public service jobs program. This is not an overage, this is not a budget buster. We are not in disagreement with the President. This is basically his figure. We have accepted it, so did the House, and in essence, it is not an overage in terms of busting the administration's budget.

Second, unemployment is the highest it has been in 34 years, since the beginning of World War II. While it is officially at a peak of 8.7 percent, with some 8 million people out of work, the number of jobless actually is probably a million higher than that because we do not record people who have given up looking for work. The Bureau of Labor Statistics estimates that the number of unemployed is probably a million higher than the official figure, or about 9.1 percent, which is a pretty horrendous figure.

Third, we are kidding ourselves if we think we can cut this amendment and save money, because what is going to happen is that people who will not get these jobs will either go on welfare or unemployment insurance. In either event, we shall end up footing the bill.

I think the alternatives here are, do we do it in a way that plays a constructive, positive role in our society, or do we put people on welfare for a handout or give them unemployment benefits?

What has happened is that, in just 4 months, some 2 million people have lost their jobs. That is a pretty serious dent in our whole employment picture, so to be cutting back in this program at this time, I think, would be wrong.

Finally, in spite of the fact that there has been some charge that, basically, the cities have laid off people and then turned around and rehired them, I reply to that in two ways: First of all, a Department of Labor survey indicates that only about 6 percent of public service jobs enrollees formerly were city employees. So to the extent that that is true, it is only 6 percent true and it is 94 percent not true. I think that is an important point to make.

The second point to make is that on the 6 percent that it is happening to, is this not a rather logical happening in a recession? Because a city has a budget failure, a budget cutback, a decline in revenues, they may have no recourse but to lay people off. That is the only option they may have. Some cities may not have the authority we do to go out and borrow money, so, in essence, they lay people off.

Obviously, then, if they get funding for moneys they did not have, they need essential services maintained, so they are going to rehire some. Therefore, I think it is a logical explanation, with all the budgets of the cities and States shrinking, that there would be layoffs, but there would be some rehiring.

So in essence, Mr. President, I think this is a viable program. I think it is badly needed, and I hope it will be accepted.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MAGNUSON. Mr. President, will the Senator yield so that I may ask for the yeas and nays on the pending amendment?

Mr. JAVITS. I yield.

Mr. MAGNUSON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent to yield to the Senator from New Mexico without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I have a question to address to both the Senator from New York and the Senator from Washington, but let me first say I am going to support the amendment. This amount is in the President's budget, so it is no new program. He apparently has it all analyzed in his departments, and they can use it.

I shall not be able to change the minds of any of the Senators who have spoken, but I should like other Senators to understand that that is not the issue. Many of the things that are supposed to create jobs in America are not in the President's budget. If we are going to play the game that we pick out of the President's budget, the job-creating programs which he supports, and say we should not cut them, but then we add $2, $3, or $4 billion to create jobs that he did not have in his program, we ought to have some real justification for it.

I do not agree that the public service employment measure, at least the emergency portion of it—perhaps the ongoing CETA portion is for those people who could not get a job elsewhere, but the emergency public service portion of it is not for people who cannot get jobs elsewhere. In fact, it is assumed that we would pick up unemployed construction workers and others looking for work, and put them on temporary employment. So I think any argument that the full funding under the President's program of public service jobs should be followed, or those people who are on that program will have no other place to go, is to ignore $4 billion worth of other job-producing stimulators in this appropriation bill. The same kind of people ought to be looking for those jobs, whether they are in construction, highway maintenance, or whatever they are. If we tell anyone that the full thrust of the President's public service jobs is to get people employed by cities, counties, and States that cannot be employed otherwise, it is just not true.

The second reason why I am going to support this proposal is that we have not even had the budget balancing proposal in the concurrent resolution presented. In both Houses of Congress, that will be started next week. I apologize for not having this down to the hundreds of thousands, but I will have to stick to millions.

If this bill is approved and becomes law, my rough calculations tell me this: We have today, before we ever get the budget ceiling in the concurrent resolution, with all the hoopla that our $67 billion deficit is too big and the House's $71 billion deficit is too big, we have right here in this measure added a minimum of $2 billion to the President's budget, which means that of the $7 billion or $8 billion latitude that we have for all the rest of the appropriation bills—that is, the latitude between $60 billion and $68 billion—we are going today to use up $2 billion of that, and we do not yet have a budget ceiling agreed upon on tentative functional areas even before us.

So everyone ought to know that, come this next Wednesday, Thursday, or Friday, we will approve a concurrent resolution, I hope, saying we all want a $67 billion deficit, more or less based upon the Senate figures; and I think it is fair that everyone know that with the outlays here for 1975 and 1976, if spent—and they are outlays, not authorizations—we will have, with this bill, taken up more than two-fifths of the difference between the President's budget deficit and the one recommended by the Senate or the House, whichever way you figure it, both of which budgets have already cut the military, for those who want to stand up and say we will take it out of the military.

The House Budget cut the military by $5 billion already, in the deficit I have just described, and the Senate Budget Committee estimates cutting it about $2 billion. So I hope everyone understands that the new jobs stimulators in this measure should not be increased, and we pull out of the President's budget the new job stimulators that he recommended, without everyone understanding that there are a lot of things back here he did not recommend, and the question is, if he had those in place, what would he recommend in outlays on public service jobs?

The second question is, are we prepared today to use up, before we have ever considered the budget positions for next year, somewhere between one-fourth and one-fifth of the deficit disparity between the Budget Committee recommendations and the President's, before we have even got the other one before us?

I support this amendment on the basis that at least as to $600 million, the Senator is saying leave the public service jobs in place, and we can look again in 6 months and see if we need some more. That is basically what I think we ought to do, if we want to have a budget ceiling with some functional limitations as a part of the budget reform process. I think it would be absolute chaos to take part of the President's budget and say, "We are not extending it without looking at the other things we are putting in." I am here to support the Budget Committee's limit, not the President's, but I think everyone ought to know what we are doing here today respecting outlays for 1975 and 1976.

Mr. JAVITS. Mr. President, my position is 180 degrees opposed to that of the Senator to whom I have just yielded, for the very solid reason stated by Senator MAGNUSON and Senator SCHWEIKER. The solid reason is this: We are not going to save any money by doing what we wish to do. All we will do is disable the counties and cities from doing a good job by putting them in doubt as to termination of this program in the middle of the fiscal year. We will simply compound all the difficulties we have taken a long time to overcome and have now overcome.

Every one of these people will go on extended unemployment compensation, or, Heaven forbid, on welfare.

These jobs are very low paying. Even the Senator himself concedes in his own statement that they only come to around $6,000 a year.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PASTORE. Mr. President, I listened with great attention to our distinguished colleague from New Mexico, but I think what we are overlooking here is the human element. It all depends on what the situation is in your State how you arrive at what may be considered to be compassion, to be justice, to be equity, and to mean jobs.

Rhode Island is right at the top in unemployment. I am not boasting about it; it breaks my heart to admit it on the floor of the Senate, but we have more people unemployed in Rhode Island today than we had during the Great Depression.

The big question here is, what are we going to do about it? Are we going to talk about the budget? Did we talk about the budget when we gave $150 million to Vietnam? Did we talk about the budget when they asked for $90 billion for the military? It means to give people jobs, and they are lined up hundreds deep in Rhode Island in that line, waiting for a little bit of a paltry sum as unemployment compensation.

I say to the Senate, if you do not want to ruin this country, if you do not want marches on Washington, you had better begin to do something about putting people back to work, and that is what this is all about. That is the name of the game, putting people back to work, where they can pay taxes, so that the towns and the cities can become fiscally stable.

That is what we need to do. This idea that, we do not know about the budget, well, I know a lot about unemployment. I do not know how many people are unemployed in New Mexico, I do not know if it is over 20 percent in New Mexico, but that is about where it is in Rhode Island.

I am telling you I get letters every day. People are walking our streets looking for work, and they cannot find it. So they go to unemployment compensation and, after awhile, we become a little excited here, and we extend it for another 13 weeks, and maybe we will extend it again for another 13 weeks. I am telling you that this is a desperate situation where I come from.

It is easy enough if you come from a State where you have oil, where you have agriculture, where you have tobacco that is being supported by the taxpayers. It is a different situation. You should see them in my State. They go into the supermarket—I do not know how many Members of the Senate go into the supermarket with their wives, but I do—and then to see these people pick up a piece of steak, look at it, admire it, and make a funny face and then put it down because they cannot buy it, because they are out of work.

I say, you do this, you eliminate these jobs, and you cut 500 jobs out of Rhode Island, and maybe you will give yourself satisfaction that you balanced the budget or you made the deficit a little smaller, but what do I say to the 500 that you are cutting in my State? What do I say to them? "Go and fish for yourself?" Or is somebody here in the Senate going to listen to them?

I say this is something we considered in the committee. We do not have starry-eyed spenders. We do not have a Magnuson who just throws this money around. We do not have a committee that throws the money around. I am saying right here and now we had better begin to do something about putting Americans back to work, otherwise we will all end up behind the 8-ball.

I repeat again, it breaks my heart to admit it, but we are No. 1, we are Hertz in Rhode Island, when it comes to unemployment. If anybody gets any satisfaction from that, the senior Senator from Rhode Island cannot, and I am going to vote this down with a loud "No."

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. JAVITS. I have the floor and I would like to make my statement and then I will yield.

I think the Senator from Rhode Island has put it very, very eloquently, and I would like to break down his argument into the details which are vital to the arguments made by Senator JOHNSTON.

In the first place, Mr. President, whatever may be said about the fact that the Senator from New Mexico would not like us to argue that the President wants this program, he does want it. I do not see why, if they can pick out what they want to break down, we cannot pick out what we want to build up. Every Senator is at liberty to vote for this and not for something else or to move to amend something else and reduce it.

The fact is that the argument is pertinent that the President and the administration favor this program. Here is a letter from the Department of Labor today, and I ask unanimous consent that it may be printed as part of my remarks, signed by the new Secretary, John T. Dunlop, and it reads as follows:

> This is to affirm the Department of Labor's support for the President's request for $1.625 billion for continuing the public service employment program under title VI of the Comprehensive Employment and Training Act through Fiscal Year 1976. Without these funds, financing of presently employed individuals would be curtailed, and presumably layoffs would occur as early as July 1, 1975.

May I read that again:

> . . . as early as July 1, 1975.
>
> In view of continued projections of high unemployment, we cannot support a reduction in the present request.

May I read that again:

> we cannot support a reduction in the present request.

The administration itself, Mr. President, is, unhappily for us, predicting that the 8,700,000 now unemployed are very likely to continue through this fiscal year and next and, as is shown by Mr. Dunlop's letter and just what I said a minute ago, in answer to this idea, "We will keep them on but in danger of going off at the turn of the year," all these municipalities are going to begin to reduce now. You cannot run a program on any such uncertain and chancy basis as that which involves tens of thousands of people.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UMI

U.S. DEPARTMENT OF LABOR,
Washington, D.C., April 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is to affirm the Department of Labor's support for the President's request for $1.625 billion for continuing the public service employment program under title VI of the Comprehensive Employment and Training Act through Fiscal Year 1976. Without these funds, financing of presently employed individuals would be curtailed, and presumably layoffs would occur as early as July 1, 1975. In view of continued projections of high unemployment, we cannot support a reduction in the present request.

Sincerely,
JOHN T. DUNLOP,
Secretary of Labor.

Mr. JAVITS. I wish to remind my colleagues, that there are expected to be 2 million people using up their unemployment compensation benefits, including the additional 13 weeks Congress authorized last December. Many here have worked very closely together with me in an effort to continue those benefits, but 2 million workers will exhaust by the end of this year, not this fiscal year but this calendar year, and this is expected to occur at the rate of about 400,000 a month, anybody who was fired out of one of these jobs can go right on the Federal purse for unemployment assistance all over again, and it just does not make any sense.

Mr. President, the position I have just read from the Department of Labor is backed by the U.S. Conference of Mayors, and the National League of Cities, and I ask unanimous consent that the letter be printed in the RECORD as part of my remarks, and letters from the National Association of Counties and the National Governors' Conference.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL LEAGUE OF CITIES, UNITED STATES CONFERENCE OF MAYORS,
April 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: It is our understanding that an attempt will be made today, in consideration of H.R. 4481, to reduce the funds appropriated for Title VI of CETA by $812.5 million. We are strongly opposed to this amendment.

The only weapon that has been brought to bear directly on joblessness in the nation's cities over the past six months has been public service employment. While over the coming quarters, the effects of the tax cut will begin to be felt, the concentration of long-term unemployment will continue in our urban areas at higher levels than has been experienced in many decades.

Public service employment programs have been implemented rapidly and efficiently despite the relatively short lead-time for planning. These programs will shortly peak at a level of approximately 310,000 jobs—an inconsequential level when compared to the over 10 million Americans potentially eligible to participate and the urgent public service needs that exist in urban areas.

These programs are geared to workers at the lower end of the skill spectrum, those traditionally last hired and first fired. Their immediate needs for jobs are enormous and the benefits produced by their work in public service are substantial. At the same time, the initial funding outlays necessary to sustain these employees are reduced by at least half when the net economic effects of increased tax revenues, decreased transfer payments and multiplier effects are considered. These benefits are furthermore increased by offsetting the potential social costs of increased crime, family instability and social unrest that arise when dignified work is no longer available.

Expanded public works activities are also needed to help address these problems, but not at the expense of public service jobs. These programs have different service effects, different objectives, different geographic impact and different client constituencies and are therefore not substitutes for each other. Public works are greatly needed to offer an economy—with a predicted unemployment rate in excess of 7% over the next five years—a long-term stimulus that can engage our most highly skilled and productive workers. In recent experience these projects have not been significantly directed toward urban development where joblessness and public needs are most concentrated. An urban-oriented public works program *and* a parallel public service employment effort would combine in their efforts to serve both long-term and immediate job creation objectives for the lowest as well as the highest skilled workers.

We therefore urge that in your consideration of the Emergency Employment Supplemental Appropriation of 1975 these dual objectives be kept separate and distinct. At this time the $1.625 billion for public service jobs included in this measure will barely suffice to sustain the existing level of public service employment, at a time when substantial increases are warranted. The prospect of layoffs of subsidized workers resulting from inadequate federal resources is a definite possibility in the $1.625 billion figure is reduced. We strongly urge that the Senate reject this amendment.

Thank you for your consideration of our views.

Sincerely,
ALLEN E. PRITCHARD, Jr.,
Executive Vice President, National League of Cities.
JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., April 25, 1975.
Hon. JACOB JAVITS,
Senate Subcommittee on Employment, Poverty and Migratory Labor, Dirksen Senate Office Bldg., Washington, D.C.

DEAR SENATOR JAVITS: The National Association of Counties strongly supports Senate approval of H.R. 4481. Counties will face massive layoffs of public service employees on June 30, 1975, if the full $1.625 billion for Title VI is not passed by the Senate today. In addition to these potential layoffs coming at a time of unusually high unemployment, counties are also concerned with the resulting loss in human services to their residents which would result from any reduction of the $1.625 billion level.

Counties moved quickly to place people in public service jobs as soon as money was made available under the act. In fact, most counties doubled and tripled their hiring by converting these dollars into shorter term jobs. This has created an even larger number of people who would lose their jobs if the full $1.625 billion were not appropriated.

Counties have used public service job monies to create productive jobs which provide necessary services in communities across the country. Despite anecdotal impressions to the contrary, CETA is working and is vital to our nation's economic recovery.

Sincerely,
BERNARD F. HILLENBRAND,
Executive Director.

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., April 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: As the Emergency Employment Appropriations Act of 1975 (H.R. 4481) comes to the Senate floor for debate, we are aware of efforts being made to reduce the public service employment funds requested by the Administration and passed by the House. The House-passed measure would fully fund Title I of the Emergency Jobs and Unemployment Assistance Act of 1974.

During their February Mid-Winter Meeting here in Washington, the Governors adopted the enclosed resolution, the thrust of which is an endorsement of a mixture of public service employment and public works programs to create jobs during this recession.

Since the Administration is threatening a possible veto of the legislation because of the several billion dollar public works additions, not because of the public service jobs and summer youth program components, it seems peculiar that the attempt to cut the total dollar figure of the bill is directed at an unobjectionable portion of the total with the argument that the sum is budget busting. That is the same argument used by the Administration for the public works portions.

It should be clear that enactment of H.R. 4481 with less than the PSE appropriation recommended by the National Governors' Conference will require the termination of some CETA participants during the height of the recession when other employment may not be available. Costs for unemployment insurance, welfare, and food stamps would, therefore, be correspondingly higher.

The National Governors' Conference called for a balanced approach to solve our unemployment dilemma because too great a reliance on only one alternative would not provide the broad-based stimulus we need. Sole reliance upon public works projects would particularly assist our depressed construction industry and its employees, but may not fairly provide for women or the disadvantaged who are more equitably served through programs such as PSE.

We trust the Senate, in its wisdom, will enact a balanced program as it votes upon H.R. 4481.

Sincerely,
JAMES L. MARTIN,
Director, State-Federal Affairs.

PUBLIC SERVICE EMPLOYMENT

The National Governors' Conference supports and encourages policies that enable all Americans to achieve and maintain self-sufficiency and gainful employment opportunities.

The NGC wishes to state that Governors have an obligation to provide immediate assistance to those unemployed Americans who suffer during periods of unusually high unemployment, utilizing the resources available to States, such as public service employment, unemployment insurance, and public works programs. The NGC recognizes, however, that public service employment alone will not, and cannot, solve America's economic problems nor provide long-term solutions for our citizens.

The Nation's Governors support all efforts made by the Congress and the federal government to provide meaningful and dignified ways to provide unemployed Americans with public service employment opportunities, unemployment insurance assistance and jobs through public works projects.

The Conference supports the following policy recommendations:

1. That Congress appropriate at least another $1 billion from the initial $2.5 billion authorization of Title VI of the Comprehensive Employment and Training Act of 1973.

(a) It should be recognized that if no additional funds are appropriated for public service employment beyond those of December 1974, then further payments under unemployment insurance, welfare, and medicaid programs will be made correspondingly higher.

(b) While it is anticipated that Congress will monitor the progress of city, county, and state public service employment utilization, it is suggested that this new recommended $1 billion and other appropriations for fiscal years 1975 and 1976 be made available to individual prime sponsors when they have effectively and fully committed previously appropriated funds.

2. That Congress extend Title I of the Emergency Jobs and Unemployment Act of 1974 (CETA Title VI). This extension should include a funding authorization that will provide such sums as may be necessary to enable a significant number of unemployed Americans to receive public service job opportunities. The extension, at a minimum, should continue through fiscal year 1976.

3. That the Act and Regulations for the Emergency Jobs Program be amended immediately to state that "prime sponsors utilize at least 85 percent of the funds for wages and fringe benefits and 15 percent of the funds for administration, training, supportive services and job related equipment for participants in the program."

4. That state, city, and county governments develop and maintain effective cooperative working relationships in the administration of all public jobs programs, including the provision of equitable state public service employment opportunities in areas of over 100,000 population.

Proposed by Committee on Human Resources.

Adopted February 20, 1975.

Mr. JAVITS. Now, Mr. President, instead of my arguing the thing, let me read to the Senate what is stated in the Manpower Report of the President which has just been transmitted by the President to Congress. It is not very long and it is worth reading, at least an excerpt from it, which appears at page 47 on this matter.

It states as follows:

> A General Accounting Office evaluation of the public services provided with EEA money cited examples of parks, libraries, and other public facilities which remained open for longer hours; much more police on the streets in high-crime areas, and of increased staffing for overworked departments. In many cases, the report stated, staff cutbacks were avoided by designating the new hires for old job openings.
>
> Perhaps the best criteria for judging the usefulness of the positions created under PEP are the feelings of the workers and supervisors involved in the program. Reports from both regular and high-impact programs indicated that most employees feel their jobs were fulfilling public service needs. In addition, most supervisors indicated a high level of satisfaction with their PEP employees, ranking them as generally better than average in their work habits and efficiency when compared with government employees.

I ask unanimous consent that the table which accompanies this report showing the division of public service employees as of now as showing the highest number in public works and transportation, the next highest number in education, and the next highest number in law enforcement, all critically important categories of work as far as we are concerned, be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In percent]

Employment category	PEP	State and local employment, 1971
Law enforcement	15	7
Education	19	52
Public works and transportation	23	7
Health and hospitals	8	10
Environmental quality	5	4
Fire protection	2	3
Parks and recreation	9	3
Social services	7	3
Other	12	11

Mr. President, I deeply believe that when we are spending, as has already been pointed out, $15 billion in fiscal 1976 for welfare costs at the Federal level, and $16 billion for unemployment compensation at the Federal level, and when you lay that, which is 10 percent of the $16 billion, beside this figure, considering the constructive nature of it, and the fact that it deals essentially with those unemployed, and I now read from the statute which is applicable to this, "who are the most severely disadvantaged in terms of the length of time in finding employment without assistance under this title, to wit, public service employment referral," then, Mr. President, I think it appears absolutely and conclusively that at least to the extent that can be provided, at least these 310,000 jobs, it is an essential, vital and indispensable element for dealing with the catastrophic unemployment situation in this country.

For those reasons, I hope very much the amendment will be rejected.

Mr. PROXMIRE. Mr. President, I support the amendment of the distinguished Senator from Louisiana to cut funding for this program. The Emergency Employment Appropriation Act we are considering today would provide over $6 billion for the creation of about one million jobs of short duration. It would have a substantial adverse impact on an already staggering projected budget deficit. Since these are dollars that would be spent very quickly, it will be reflected at an early date in the deficit and will, in all likelihood, exceed $70 billion in fiscal 1976.

I should point out to the Members of the Senate, having acted as we did on the tax reduction bill, the impact of that bill, the biggest fiscal impact will be this quarter—in fact we are told that the annual rate, the deficit at an annual rate during this quarter, will be over $100 billion.

That is because, of course, there are rebates in this quarter, plus refunds from last year. We can expect, therefore, a powerful stimulus from the tax reduction and while it is difficult when we nave more than 8 percent unemployment to feel we can overstimulate the economy, it is true that we can very seriously upset our capital markets. We can reverse the healthy dolling of interest rates, and begin to push them up because of the effect of too much Government spending and borrowing to finance it at this time.

I think that for the reasons that the distinguished Senator from Louisiana and the distinguished Senator from New Mexico have given us, we ought to take a long look at this bill and support the Johnston amendment.

All that Senator JOHNSTON is asking us to do, as I understand it, is not to cut jobs, as he pointed out, but to cut the funds so that between now and January 1 we can consider the situation and see whether or not, under the circumstances, it is wise for us to proceed with this large expenditure.

As the distinguished Senator from New Mexico pointed out to us, the budget ceiling has been recommended by the Budget Committee and if we stick to that ceiling, and I hope we do, if we stick to it, it means we will be strapped if we adopt this bill unamended today.

Mr. President, under these circumstances, the Johnston amendment is logical, it is responsible, it is not a cruel and inhuman amendment. It will not reduce the number of jobs, necessarily. Maybe it will, but we have plenty of time between now and January to decide whether to restore the amount we would cut here.

Mr. President, I think we ought to recognize——

Mr. MAGNUSON. Will the Senator yield for half a second?

Mr. PROXMIRE. I yield.

Mr. MAGNUSON. I want the RECORD to be correct, but the Department of Labor says that they have to let them off July 1, not January, if the amendment carries.

Mr. PROXMIRE. Well, it may be that the Department of Labor would have to make some reductions in spending before the end of the calendar year, but I would doubt very much they would have to make very substantial cuts.

It seems to me in a program this massive, when we have already passed highly stimulating legislation in the form of the tax cut, that this may well go too far.

Mr. President, I would hope also we consider the fact that there are other programs that may be far better than this that we can adopt. I think the public service jobs program is attractive and does make sense, but as a program it is essentially, basically, a make-work program. Far better than welfare, I agree, and better than unemployment compensation, but we can take other actions and we ought to be free to take them, to do work that must be done in this country, build houses, provide sewer and water and to provide many other things that are being held up.

I would hope that we do not rush. The Johnston amendment has the great advantage, telling us now that we ought to hold up on this so we can take a second look at it and determine, once we have acted on the budget, recommendations and set the ceiling. We can then determine whether or not this is the best way, the most responsible way to provide jobs, and the best way from the standpoint of our country and also from the standpoint of the prospects of aggravating our capital markets and setting off, an inflation spiral once again.

I yield the floor.

UMI

Mr. MAGNUSON. Vote.

Mr. FORD. Mr, President, I would like to use a few moments just to support the distinguished Senator from Washington's comments that he made as to the broad scope of support this money would help in the local communities, from law enforcement to libraries, and various areas in which this money would help the communities.

One point I wish to make, and that is that the distinguished Senator from Wisconsin said we need go into emergency housing, I thought we passed his bill yesterday.

The distinguished Senator from Rhode Island talks about people standing in line for a pittance, and he admits, and I believe I would admit and anyone here would, that the people in our State would rather work than beg.

And what happens to the communities? What happens to State government?

We stand here today doing the same thing that we have always done. We encourage the cities to join in with a program here of the Federal Government and then we cut their legs out from under them by saying that we are going to cut their program in half and see what it will do in January and we may give them some more money.

We say the same things to State government, and they cannot run an efficient State government or an efficient local goverment if we are going to continue to do this to the people that have the respect and responsibilities in their communities.

It is somewhat exasperating to a former Governor to come here, only a very few months away, and have to live under this cloud. I would hope my colleagues would say to those in the communities who have the responsibility of working closer to the people than we, those Governors who have to run their States, they are closer to the people than we are, "Go on, you are doing a good job."

Not a word has been said about the employment at the local level. That is bad. Do not cut the legs out from under these people who are trying at the local level to shore up what you and I want to do. We pass the legislation here, but they carry out the job down there.

I ask Senators to vote this amendment down and say to our people out there in the communities and in the States, "You have a program, stay with it, we want you to know we support you."

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the distinguished Senator from Kentucky, I think, put his finger very well on some of my concerns when with his parting remarks he said, "You have got a good program, stay with it." And the distinguished Senator from Rhode Island when he said, "Let us put the cities back where they can be fiscally stable."

In effect, what we have got here, Mr. President, is a program that threatens to become permanent. It is very difficult to create jobs and then ever come along at any other time and comfortably let go those jobs. The jobs soon become permanent. The spending soon becomes permanent.

The distinguished Senator from Rhode Island would divide up this Senate into those who have compassion and empathy and sympathy for those who are unemployed—and those, apparently, would oppose the amendment, and the others would be hardhearted and have no sympathy and no compassion for those who are unemployed and who are picking up——

Mr. PASTORE. Will the Senator yield on that point

I never said such a thing. All I said is that to know unemployment—to have the unemployment we have is to know the problem and to have compassion for it.

Maybe in the Senator's State they do not have that problem. I do not know what the level of unemployment is in the Senator's State. Does the Senator know what it is?

Mr. JOHNSTON. Eight percent.

Mr. PASTORE. Eight percent.

In my State it is 2½ times larger than that. That is a tragedy and it is like everything else, the man who has a full stomach can never understand the pains of being hungry.

That is the point I am trying to make.

To have unemployment and to be frustrated, not meeting it and not being able to solve it, that is the tragedy today.

Mr. JOHNSTON. I agree.

Mr. PASTORE. I did not say the Senator did not have compassion.

Mr. JOHNSTON. No, no.

Mr. PASTORE. I think every Member of the Senate has compassion, I think every Member of the Senate has a big heart, but the question is that sometimes we fail to realize, the fact that there is a situation in one State that does not exist in another State, and that is the point I was making.

Mr. JOHNSTON. I think the Senator made the point very well, very eloquently. The point I am trying to make is that every Member of this Senate does have compassion, but the question is how to deal with this cancerous problem we have. Do we help ourselves by putting what will become a permanent program of unemployment at the expense of the economy of this country?

Mr. President, just about 6 weeks ago Texaco went to the capital markets to try to sell some bonds. They withdrew that offering from the public because interest rates were too high and the responses were not good enough. Why? Because of competition from the Federal Government in trying to get money from the public. And the Federal Government has just begun.

We started off with a $50 billion deficit. This bill adds $6 billion. Yesterday we added over $1 billion for housing and mortgage insurance. We released some $9 billion for highways. Tax reduction was almost $23 billion. We are looking at a $75 billion deficit. What is going to be the result of a $75 billion deficit?

It is going to mean that private enterprise when it tries to go to the capital markets to get the money to create the jobs to build the industry to produce the products to make the things that make America really good are not going to be able to get the money in sufficient quantities to make this free enterprise engine work.

Sure, I have compassion. I have compassion for those thousands in Louisiana who are unemployed. But my people in Louisiana realize that you cannot kill the goose that laid the golden egg. I feel that we are thinking about doing that in this country because of our compassion for people out of work. We are creating jobs in the public sector. One out of 6 jobs is in the public sector. How far can the public sector go without ruining free enterprise? That is our system in this country—free enterprise.

I believe we need public jobs, public compassion. I believe we need programs to get jobs going.

Mr. GOLDWATER. Will the Senator yield?

Mr. JOHNSTON. Mr. President, I believe $6 billion in this bill is enough without adding another $1,625,000,000 for public jobs.

I yield to the Senator from Arizona.

Mr. GOLDWATER. On this subject of compassion, it has been a long time since I heard anybody express compassion for the taxpayers of this country. I think it is time that we worry about that man who is now approaching the point where nearly 50 percent of his income will have to be used to pay for these things we so wantonly handle in this Senate.

Mr. JOHNSTON. I appreciate the comments of the Senator from Arizona.

Mr. MANSFIELD. Mr. President, the yeas and nays have been ordered on the Johnston amendment. Would it be possible to vote at 2 o'clock on the amendment?

Mr. BAYH. With all respect to our leader, I have heard some things discussed here which concern me greatly. It is not that I do not feel that people are sincere. On the matter of compassion, I know my distinguished friend from Louisiana is as compassionate as anybody here. But I think we are basing some of our judgments on a misguided——

Mr. MANSFIELD. As the Senator is aware, this question has been thrashed out for the last hour and a half. I do not think other new arguments can be offered. I am trying to get the Senate going because we have other business this afternoon, too.

Mr. BAYH. I do not want to belabor this any longer than necessary, but I am sure the leader recognizes that others of us can make a contribution.

Mr. MANSFIELD. I withdraw the suggestion.

Mr. JOHNSTON. Mr. President, if I may address the leader, I think most of those who wanted to say something have had the opportunity to speak. I would think we could get a time limitation to accommodate the distinguished Senator from Indiana and not vote by 2 o'clock but shortly thereafter.

Mr. BAYH. I must say I seldom interpose an objection to our leader, and I do not think I spend a great deal of time discussing issues on the floor. But this one I feel very strongly about. I think 10 minutes will be sufficient.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana have the rest of the time and that the vote occur at 2:10. That gives him 16 minutes.

Mr. BAYH. That is fine with me, provided my distinguished colleague from Maine does not have the same kind of yearning in his heart that I do.

Mr. MUSKIE. Mr. President, I have been asked to comment on this from the point of view of the budget to be considered next Tuesday. I can do it in 5 minutes or less.

Mr. MANSFIELD. I ask that there be 10 minutes and 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. I think we ought to have another 5 minutes, Mr. President, if there is a question to be answered.

Mr. MANSFIELD. The Senator knows what I am up against, and the Senator has spoken several times on this subject.

Mr. JAVITS. I said there is a question to be answered, can we answer it?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senator from Indiana is recognized for 10 minutes.

Mr. BAYH. Mr. President, I feel compelled to offer some concern about some of these arguments and express myself. I happened to have chaired one of the subcommittees on the Appropriations Committee that has a significant component in this bill, as well as having studied the other aspects which are under criticism by our distinguished colleague from Louisiana.

At the risk of repeating what has been said, none of us enjoy the reasons for this bill. There is not a person here who would not rather have no need to consider a measure like this. But I believe we all recognize the need to face the facts as they are, to take off the rose-colored glasses and make some of the painful decisions that will keep this economy from getting worse and start it moving back up again.

That is one of the major reasons that we are here discussing this important piece of legislation—how we get matters on a different track; how we correct some past mistakes.

We are trying to accomplish three basic things. We are trying to provide jobs that everybody knows are necessary. We have over 8 million people out of work. I must say in a free enterprise society I would much rather have people working in the private sector. But there is something wrong in a great, free, and rich nation like ours when you have 8 million people out of work—something very wrong. I must say I do not care whether it is 8 percent or 20 percent unemployment. We sit here employed. All of us are employed. All of us get that paycheck every month. We may be able to sort this out as to high-unemployment areas and low-unemployment areas. But the person who is unemployed, wherever he lives, finds great difficulty in this rationale.

So with great respect to those who may have a differing opinion on this, I think that the jobs that are in this bill are not going to cover the families that do not have wage earners right now. I think it is important, and I certainly salute my distinguished friend from Rhode Island. He has made more progress than anybody else. And also the distinguished Senator from Washington. But let us not feel that we are going to have a lot of jobs out here going begging in this bill. We are just going to provide bare bone essentials. In fact, we will not provide enough.

Second, we are looking for something that yields a return on the investment. Some of these jobs are going to make a significant contribution in this regard and some are not.

There is another very important section in this bill.

Mr. President, for chapter VIII the committee is recommending appropriations for two items—$5 million for the administrative expenses of the U.S. Railway Association for the balance of fiscal year 1975 and $700 million for the Federal Railroad Administration to initiate a program of rail rehabilitation and improvement.

The committee's $5 million recommendation for the USRA is the full amount requested by the Department and included in the House version of the bill. These funds are urgently needed in order to enable the USRA to complete its work on the final system plan which, under the Regional Rail Reorganization Act, is to be submitted to Congress this July 26.

Mr. President, the committee had two purposes in mind in adding the $700 million for the Federal Railroad Administration: first, providing reemployment opportunities for the Nation's railroad workers, particularly those engaged in maintenance of the roadbeds and; second, expediting critically needed assistance to the railroads to enable them to accelerate programs to begin railroad rehabilitation.

The effects of the current recession have been particularly devastating on the railroad industry. Carloadings are down 20 percent from last year, forcing the railroads to reduce their payrolls and curtail their maintenance programs to a marked degree. Results of operations for the first quarter of this year show the largest decline in earnings since the Depression for the Nation's major railroads. The industry lost over $100 million compared with profits of $170 million for the same period last year. It has been estimated that the number of laidoff maintenance-of-way workers that will be immediately rehired under this appropriation exceeds 20,000 people.

In addition, another 20,000 to 30,000 jobs will be provided for other furloughed railroad employees and other unemployed persons who have unsuccessfully sought work for more than 3 months. Of the $700 million contained in the bill, $600 million must be used for wages and related benefits. The other $100 million will be used by the Secretary of Transportation to provide assistance to railroads which show that they are unable to acquire the necessary tools or equipment to implement a rehabilitation project without such additional assistance.

Mr. President, at a time when the Nation must utilize every possible measure to conserve our scarce energy resources, we simply cannot allow our freight and passenger trains to continue to be forced to travel at greatly reduced speeds over much of the country because of hazardous track conditions. Amtrak has estimated that over 25 percent of the tracks over which its trains run are under "slow orders" due to poor track conditions. The USRA says that in the region covered under tha Regional Rail Reorganization Act, some 8,000 miles of track needs immediate rehabilitation.

The railroad industry is a very important element of this country's transportation system. We all know of the growing importance of coal as an energy source. Over two-thirds of all the coal mined in this country is shipped by rail. In addition, 70 percent of the automobiles, 78 percent of all lumber and wood materials, 60 percent of chemicals and raw material products, 71 percent of pulp and paper goods, and 66 percent of the country's food are shipped by rail. Surely from these figures it is clear that an efficient and properly maintained rail system will be essential to the Nation for the foreseeable future. This appropriation is not intended as a long-term solution, Mr. President.

The authorizing committees of both Houses of Congress have numerous proposals before them which attempt to resolve the long-range needs of our railroads. The committee views this appropriation as an interim, emergency measure to deal with the immediate problems which it addresses. We worked closely with the Public Works and Commerce Committees in developing this proposal and have been assured that the authorizing committees of both Houses plan immediate action to complete the necessary authorizations for this program by mid-May or thereabouts.

Although the committee in making this recommendation has not followed the usual process of awaiting authorizing legislation and a budget request before making appropriations, the committee views this emergency jobs bill as a unique opportunity to expedite critically needed assistance to the Nation's railroads for rehiring their furloughed employees and for accelerating programs to begin the process of railroad rehabilitation.

I commend to the Senate their taking our item of $700 million to get the railroad maintenance people back to work again. That will have a positive showing in getting people back to work. Many of these jobs by local officials will leave a positive contribution by the community.

Third, and the last thing that I think we have to recognize, is that this is another part of the building block to put this economy back on the right track.

My distinguished friend from Louisiana has expressed great concern about unemployment and employment, but he

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is particularly concerned about employment in the private sector.

I see the expenditure of these moneys putting people to work and having them being able to buy things that are needed by their families as another shot in the arm.

I listened to our good colleague from Arizona saying that nobody is concerned about the taxayer. We have spent more time debating that tax bill and cutting the people's taxes than on any other issue. We are concerned about the taxpayers. We are not going to solve the economic problems that confront us today with any easy solution. It took that tax bill. It took the housing bill of the distinguished Senator from Wisconsin. It took that highway bill that the Senator from West Virginia and the Senator from Indiana were concerned about yesterday. It takes a freeing up of the pollution money that the Senator from Maine is worried about. In the final analysis it takes this public service jobs program.

It is like trying to suggest that all you need is a framework on a house. That is not the way you build a house. That is not the way you put an economy back together. It takes all of these parts, hopefully working together.

I think this is a very important part of the total package of putting our economy back together.

I am concerned about inflation, but I must say that I have not talked to any economist who has said that the expenditure of this money is going to be inflationary. If you get 1½ or 2 years away, the expenditure of this kind of money is going to be a problem, but it is not going to be a problem right now.

I want to work with the Senator from Louisiana to find a way we can develop a capital investment pool for some of the big expenditures some of those big firms are not now able to meet in the open market.

If we look at the reason why they cannot do it now, we have to go to the Federal Government being involved and see what the Federal Reserve Board has done so far as cranking up the interest rate and cutting back on the supply of money. The Federal Reserve Board has had a significant role in why the corporations have problems.

We are concerned about deficit spending, but I suggest that the taxpayer look at where the major part of this deficit is coming from. It has not come from the Members of this body throwing money out of the rear end of the pay wagon. It has come by 8 million people being out of work, businesses going bankrupt, revenues falling off.

I suggest to my colleagues—I will close now, and I ask their forgiveness for being carried away in this matter—that the best way to deal with the deficit and with unemployment is to get the economy moving and create an incentive so that people are hiring instead of firing, so that people are making money instead of going bankrupt.

With all respect to the distingushed Senator from Louisiana, I think this is an important part—these public service jobs. Let us spend this money now, get these people something to live on and to spend, as an additional stimulation to the economy. A year or two from now, we will have a different situation.

The PRESIDING OFFICER (Mr. Laxalt). The Senator from Maine is recognized for 5 minutes.

Mr. MUSKIE. Mr. President, I rise to speak not so much on this amendment as I do in my capacity as chairman of the Budget Committee.

I simply want to make it clear that in terms of the budget resolution which the Budget Committee will take up on the floor of the Senate next Tuesday, the outlays that would be mandated by this bill could be accommodated by the overall spending ceiling which the Budget Committee will recommend.

We were fully informed as to this program by the Committee on Appropriations in the report the committee filed with us on March 15. We considered this and other proposals for recovery programs; and the totals assumed in this bill—in the form in which it appears on the floor of the Senate—can be accommodated under the overall spending ceiling.

Let me be a little more specific, so that the Senate will understand what I mean.

This bill would provide, as I understand it, $5.5 billion in new budget authority, $485 million in loan authority, and $93 million in the liquidation of existing contract authority, for a total of slightly more than $6 billion for the acceleration of existing Federal programs and projects in order to increase employment immediately.

It is estimated by the committee that this legislation could produce more than 1 million jobs, including 310,000 jobs for adults, for 1 year; 920,000 summer youth jobs, and about 250,000 part-time jobs for students attending college.

The bill greatly increases funding for the two major Federal approaches to the unemployment problem: funding programs for the direct creation of jobs such as public service jobs, and funding for indirect creation of jobs through accelerated Federal construction, building, and purchase programs.

As I understand, it would add $1.6 billion to funds already appropriated in fiscal year 1975 for public service job title VI althorizations. It would add $3.7 billion for the creation of jobs. Government stimulation of construction, manufacturing, and other economic activities, such as acceleration of ongoing public works projects, rural water and sewer grants, improvements in modernization of veterans hospitals, reforestation and timber stand improvements, expansion and upgrading of facilities for Federal parks, forests, and other Federal lands, increased assistance to small business, and other items.

The outlay implications for fiscal year 1976 total $3.7 billion. That can be accommodated within the $4.5 billion that the Budget Committee assumed for recovery job creating programs of this nature. The total of $600 million already had been enacted earlier this year, and another $200 million was approved yesterday in connection with the emergency housing legislation.

Reciting this does not suggest that any Member should adopt these kinds of programs, rather than some other kind, or no programs for creating jobs. But this seemed to us to be a responsible program, initiated on the House side, which was already moving through committees and could be approved quickly, to begin the job of putting people back to work. For that reason, we included it within our overall ceiling on spending.

Some of us would have preferred more than this; but the result, approved by a vote of 13 to 2 in the Budget Committee, assumed this kind of total, and it seems to me that the Senate would like to have that information from the Budget Committee.

I hope that in more normal times, we will have the report of the Budget Committee and will act upon it before we act on the programs which comprise its elements. But we live in unusual times. We were faced with this recession in January, so we had to act quickly, and in advance of the full implementation of the budget process.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, will the Senator yield me another minute?

Mr. MANSFIELD. I yield.

Mr. MUSKIE. With the cooperation of other committees, we were able to get to the consideration of these matters and the proposals, and I am happy to add my endorsement of this program to that of the distinguished Senator from Arkansas and the Appropriations Committee.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. McCLELLAN. To make it definitely clear, the enactment of this bill, including the amount for public service jobs, is within the ceiling that is recommended by the Budget Committee.

Mr. MUSKIE. That is as I understand it.

Mr. McCLELLAN. Nothing then is added to the deficit than that which is contemplated by the Senator's committee.

Mr. MUSKIE. The Senator is correct.

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. MUSKIE. I yield.

Mr. NUNN. Mr. President, I commend the Senator for making this statement. I think it is important, if the Budget Committee process is going to work, that these items be looked at in this context.

As I understand it, the outlays we had in the Budget Committee concurrent resolution are $4.5 billion, and the outlays as a result of this bill are $3.7 billion. We previously had authorized and appropriated outlays of $600 million and $200 million on other matters. If we add the $3.7 billion, the $600 million, and the $200 million, we get exactly $4.5 billion.

Mr. MUSKIE. That is correct.

Mr. NUNN. Would it be a fair assumption to say that if we had any more outlays under any type program, it would exceed the Budget Committee's concurrent resolution?

Mr. MUSKIE. Yes. The only way additional outlays for this purpose could be

approved would be to take them out of other functions of the Government or to raise the ceiling. Let us understand that implication.

Mr. NUNN. Unless there were a tradeoff.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BELLMON. Mr. President, I join in the statements made by the chairman of the Budget Committee I sat through the hearings, and I agree with his conclusion that the amount of outlays contemplated in this bill is in keeping with the conclusion of the Budget Committee.

I point out, as the distinguished Senator from Georgia has just done, that this virtually uses up all the funds that the Budget Committee has budgeted for this purpose. But I feel that since the bill has moved so far toward passage and since these programs can be put into operation quickly, this is the wisest course for the Senate. I am going to support the bill and vote for it, and I will urge the President to sign it.

Mr. HANSEN. Mr. President, the deficit in the fiscal year that ends this June will undoubtedly exceed $45 billion. The Senate Budget Committee is recommending a deficit of nearly $70 billion for fiscal 1976. Mr. President, I do not understand how the Congress can continue to spend money it does not have.

I commend Senator Johnston for his effort to hold the deficit in line. The Johnston amendment to the Emergency Employment Appropriation Act of 1975 will reduce the funding for public service jobs by one-half, from approximately $1.6 billion to $800 million. Clearly a saving of $800 million will help ease the pressures of the Nation's expanding deficit.

Mr. President, the Senator from Louisiana has already indicated many of the problems with public service employment. I find it appalling that it will cost the American taxpayer approximately $6,530 to create each public service job. Moreover, in many instances, the program is so poorly administered that the jobs created are merely "make work." Accordingly, often the money spent results in little or no meaningful improvement to our society.

Mr. President, I voted against the legislation that created this program last year and still oppose it. However, if they Congress is intent on funding this program, I strongly feel that $800 million is enough to spend during fiscal 1976, and urge my colleagues to support the Johnston amendment.

VA-EPA PORTION OF EMERGENCY JOBS SUPPLEMENTAL

Mr. PROXMIRE. Mr. President, chapter II of today's jobs bill will provide $70,930,000 for the creation of 4,742 jobs through Veterans' Administration and Environmental Protection Agency expenditures.

The committee has deleted $175,000 of the $350,000 provided in the House-passed version of the legislation for the hiring of 200 EPA personnel to distribute waste treatment grant funds. However, language has been included in the report which directs the Office of Management and Budget to release 100 positions funded in fiscal 1975 for this purpose. These 100 positions together with the 100 funded in the bill as reported from committee will allow an additional 200 personnel to be utilized to distribute $5 billion in waste treatment funds made available by a recent Supreme Court decision. The cost of the additional 100 positions for the remainder of this fiscal year is $175,000.

This chapter also includes $70,755,000 for the creation of 4,642 Veterans' Administration jobs through the upgrading of VA facilities. Although I am opposed to the expenditure of these funds in today's economic climate, the money would help to put various VA medical facilities and cemeteries in better shape.

The funds will provide jobs quickly. They will all be spent within the next 15 months. Recurring and nonrecurring maintenance at various VA sites will consume $60 million of the $70,755,000. Another $5 million will be spent on the demolition of 95 obsolete structures. A further $5,200,000 will permit the employment of personnel in 82 national cemeteries for 8 months for maintenance. The final $555,000 will be expended on national cemetery construction projects.

As I indicated I have grave doubts about the wisdom of spending this money at this time to create jobs in this fashion. However, in all fairness I must note that the VA dollars included in this section are considered by the administration to be the least objectionable of the expenditures they oppose. Thus, although I must vote against the bill, it is clear that these items would have a fairly high priority if the budget were closer to balance.

Several Senators. Vote. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. Biden), the Senator from California (Mr. Cranston), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from California (Mr. Tunney), and the Senator from Arkansas (Mr. Bumpers) are necessarily absent.

I further announce that the Senator from Iowa (Mr. Culver), the Senator from Vermont (Mr. Leahy), the Senator from Wyoming (Mr. McGee), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Georgia (Mr. Talmadge) are absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. Tunney) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Kansas (Mr. Dole), the Senator from New Mexico (Mr. Domenici), the Senator from Utah (Mr. Garn), the Senator from North Carolina (Mr. Helms), the Senator from Kansas (Mr. Pearson), the Senator from Ohio (Mr. Taft), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

I also announce that the Senator from Nebraska (Mr. Curtis), the Senator from Maryland (Mr. Mathias), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. Domenici), and the Senator from Utah (Mr. Garn) would each vote "yea."

On this vote, the Senator from Ohio (Mr. Taft) is paired with the Senator from South Carolina (Mr. Thurmond).

If present and voting, the Senator from Ohio would vote "nay" and the Senator from South Carolina would vote "yea."

The result was announced—yeas 22, nays 47, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—22

Allen
Baker
Bartlett
Bellmon
Byrd,
  Harry F., Jr.
Goldwater
Hansen
Hatfield
Hruska
Johnston
Laxalt
McClure
Morgan
Nunn
Packwood
Proxmire
Roth
Scott,
  William L.
Sparkman
Stone
Tower
Young

NAYS—47

Abourezk
Bayh
Beall
Bentsen
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Eagleton
Fannin
Fong
Ford
Glenn
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
McClellan
McGovern
Metcalf
Mondale
Muskie
Nelson
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stennis
Stevenson
Symington
Weicker
Williams

NOT VOTING—30

Biden
Brock
Brooke
Buckley
Bumpers
Cranston
Culver
Curtis
Dole
Domenici
Eastland
Garn
Gravel
Helms
Hollings
Inouye
Leahy
Long
Mathias
McGee
McIntyre
Montoya
Moss
Pearson
Stafford
Stevens
Taft
Talmadge
Thurmond
Tunney

So. Mr. Johnston's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I rise in support of H.R. 4481, the Emergency Employment Appropriations Act of 1975.

This is strong medicine, which is never pleasing nor enthusiastically prescribed, but it is what the beleaguered condition

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of our economy requires, and I support it with a determination to discharge a solemn responsibility.

I want to express my deep appreciation to the distinguished chairman of the Appropriations Committee (Mr. McCLELLAN) and the members of the committee for the great care and detailed attention they have given this urgent funding bill. The committee is to be congratulated on the dispatch with which it has considered the numerous intricate issues that arise in such emergency legislation.

The need to act swiftly and decisively is dictated by the grave economic crisis whose human impact is measured by unemployment and its consequences for millions of American families.

Eight million workers are now counted as unemployed. Another million are not counted because they have stopped looking for work, in despair after weeks and months of disappointment.

In my own State of New Jersey, the unemployment rate is 10.9 percent—more than two full percentage points above the national rate. No more than a handful of States can claim the grim distinction that New Jersey claims as a State most ravaged by joblessness and its miserable effects.

Nationally, the number of persons receiving unemployment compensation has doubled over the past year. Some take a measure of comfort in the fact that unemployment insurance is working now, as it was not in the Great Depression, to alleviate the hardship for over 5 million families. But 4 million others were laid off jobs that were not covered by unemployment insurance, and for those 5 million who do receive weekly benefits, they are either less than minimal or in danger of expiring after June 30.

Mr. President, since the recession took hold last fall, the Labor and Public Welfare Committee, which I have the privilege to chair, has targeted on the human impact of joblessness on a personal level. In a series of field hearings around the nation, we have seen and heard personal tragedies first-hand.

Illness strikes a family whose breadwinner is unemployed. The medical bills consume the family's savings and force them into long-term of debt or bankruptcy.

Unemployment benefits averaging $68 per week are far short of a family's needs to meet the monthly mortgage payment and astronomic utility bills. Bankruptcy again.

Still another jobless worker is thwarted in his search for a job, and his unemployment benefits are exhausted after 65 weeks without work. The family spends all its savings, and after depleting their assets completely, they can qualify for the welfare rolls.

Young people drop out of school or college, or vocational training. They cannot find a job and cannot get any help from their unemployed parents.

Businesses close their doors in economically hard-pressed communities, leaving employees and employer alike without incomes.

Viewed in these terms, from the perspective of individual Americans, there can be no reasonable doubt that determined, broad-based congressional initiatives are needed immediately to alleviate the human suffering that the recession has inflicted.

This legislation is a vital part of those initiatives, particularly because of the wide variety of fiscal remedies that are aimed directly at major problem areas of the economy.

The acceleration of public works projects is targeted on relieving unemployment in the construction industry which is hardest hit of any industry with a jobless rate of approximately 25 percent. To the extent that these funds are channeled immediately into labor-intensive projects, they constitute the foremost stimulus contained in this bill.

The $3.7 billion to be approved for this purpose, together with increased purchases of Government automobiles and immediate improvements to Government lands and buildings, can provide a tremendous lift by stimulating construction and manufacturing employment.

Mr. President, it is particularly gratifying that the committee has recommended generous funding of summer youth employment and recreation programs, in response to a need that Senator JAVITS and I and a number of other Senators enunciated in a letter to the committee on February 28.

The $502.3 million recommended by the committee will provide an estimated 920,000 job opportunities for needy youth this summer. This is an increase of $87.3 million and 160,000 jobs over the amount requested by the President. This appropriation will provide for 9 weeks of summer employment with an average of 26 hours per week at the minimum wage of $2.10 per hour.

In this regard, Mr. President, I wish to note what the committee report has to say about allocation of these funds:

> The Department shall not require prime sponsors to provide matching funds for any part of these supplemental Summer Youth Employment funds.

This language is direct and unmistakably clear, and it has my support.

As I understand the tentative plans of the Department of Labor, a matching requirement was to be imposed as a means of prodding local prime sponsors to obligate some $300 million in unspent CETA funds. However, a matching requirement would adversely affect all of those areas, particularly large cities where unemployment has been worst, where CETA funds have been fully committed in a commendable effort to combat the recession.

To promote obligation of unspent funds, the Secretary of Labor can utilize his authority to reallocate them, and this alternative would not have the effect of undermining the urgently needed summer jobs program.

The committee has also wisely recommended $28 million for summer youth recreation programs, none of which was recommended by the President. I want to emphasize that this amount was derived in order to assure that the 50 largest cities of the Nation will receive no less than they received in 1973 and that the remainder of the Nation will receive funds at a level equal to 1974's allocations. The Community Services Administration, which administers these funds, should not mistake the intent of the committee and of the Senate as contained in the committee report in this regard.

I would also like to direct special attention to the committee's recommendation for an appropriation of $119.8 million in additional funds for the college work-study program. Approval of these funds will constitute a strong and unwavering affirmation by the Congress of the value of this vital program at a time when the administration persists in abolishing it.

Aside from the urgent need of several educational institutions for additional funds under college work-study, the appropriation makes eminent sense in this time of grave unemployment. First, it will make it possible for thousands of students, perhaps hundreds of thousands, to continue their studies rather than drop out of school and exacerbate competition for jobs. Second and more important, there is no better time for expanding educational opportunity than during a recession that features astounding levels of unemployment among youth and low-skill workers. Utilizing our educational institutions to enhance individual potential at this time will pay incalculable dividends in additional productivity of the American work force as a weapon against inflation and expanded job opportunities as a weapon against recession.

The committee's recommendations are similarly appropriate in providing funding of $36 million to provide community service jobs for older Americans, with a stern instruction that the Department of Labor move immediately to obligate these funds and discontinue its efforts to dismantle the national program under title LX of the Older Americans Act.

Mr. President, I want to place particular emphasis on the committee's recommendation of $1.625 billion for public service jobs programs. These funds were authorized as temporary emergency measures in the Emergency Jobs and Unemployment Assistance Act of 1974, enacted on an urgent basis last December pursuant to a recommendation by the Labor and Public Welfare Committee.

The appropriation is critical for the full implementation of the emergency public service jobs program contained in title VI of the Comprehensive Employment and Training Act. The total authorization for the program, agreed to in December, was $2.5 billion.

However, the administration requested only $875 million in an urgent supplemental appropriation and has made no further requests for funds. The $1.625 billion to be appropriated with this act represents the balance of the authorized amount and will fund the emergency public service jobs program until December 31, 1975, at the level Congress felt last December would be sufficent.

In January, however, we learned the grim truth that unemployment was worse, and worsening faster, than anticipated a month earlier. The unemployment rate now stands fully 2.5 percent higher than December. Clearly, additional public service jobs are required, not only under title VI of CETA, but under new program ideas, such as repair and renovation of vital railroad resources. Whatever the mix of public service jobs programs, it is imperative that the Department of Labor take every precaution to insure that the funds are used to supplement, rather than supplant, existing jobs.

Mr. President, there is some measure of pride to be had in enacting this urgent appropriation because as many as 1 million new jobs will result from expenditure of these funds. Added to the 300,000 resulting from appropriations to partially fund the December emergency act, the Congress will have directly and indirectly created an estimated 1.3 million new jobs.

While this is significant, I believe it is important to maintain perspective on the scope of the problem and the level of our effort.

The jobs that will have been created are equal to about one-seventh of the total number of unemployed. In the Great Depression, a nation with far less in resources did far more to provide work for its unemployed. The Roosevelt administration provided jobs for one-third of the unemployed through a variety of work-relief programs, more than twice our level of effort.

Admittedly, the billions of dollars now being expended for unemployment compensation constitute a national endeavor to alleviate the symptoms of joblessness through a program that was not in effect during the worst years of the depression. But, as I have already pointed out, the unemployment insurance systems provides a meager level of sustenance and, more important, it is no substitute for jobs that provide a worker with a feeling of personal dignity and provide society with the fruits of his work.

Mr. President, next week the Senate will begin consideration of the first concurrent resolution on the budget, intended to establish within the Congress a target for Federal expenditures that is appropriate in these times of severe economic strain.

The Budget Committee has recommended allocations that total $365 billion for fiscal 1976, with a budget deficit that would approach $70 billion in that year alone. The committee considered but rejected a proposal by the Senator from Minnesota (Mr. MONDALE) to approve an additional several billion dollars for countercyclical assistance to stimulate the economy.

Such a proposal, while increasing Federal outlays on the order of $8 to $9 billion in fiscal 1976, would also produce significant new Federal revenues as a result of the increased economic activity that would be spawned. A net increase in the Federal deficit on the order of $3.5 billion would result, pushing the total estimated deficit for 1976 to slightly over $70 billion.

It is estimated that these additional Federal outlays would reduce the unemployment rate to 7 percent by the end of 1976.

But the unemployment rate is a relative thing, and relativity is a snare that distracts us from the reality of the flesh-and-blood impact on individual people.

A 7-percent unemployment rate translates into about 6.5 million persons who would be counted as unemployed. An additional 1 million discouraged and disaffected workers would be just as unemployed, but not counted because they have given up hope of finding a job.

In sum, 7.5 million persons would remain among the jobless, even with an additional $8 to $9 billion of economic stimulants. The Senate will have to confront this fact next week when, in considering the budget ceilings for 1976, we shoulder the responsibility to guide the economy back onto the road to recovery.

Mr. BAKER. Mr. President, the Senate has before it today H.R. 4481, the Emergency Employment Appropriations Act of 1975. The bill recommends a total of approximately $6 billion—$5.5 billion in new budget authority, $485 million in loan authority and $93 million for liquidation of contract authority. The purpose of the bill is to accelerate existing Federal programs and projects in order to increase immediately employment throughout the Nation.

While I do not wish to support every provision in the bill, I believe that this approach, which makes use of ongoing Federal programs and attempts to get funds and jobs into the economy now, is superior to the creation of new programs at this time to aid economic recovery. New programs require policy guidelines, regulations, staffing, and separate appropriations—a gearing up process taking several months.

The approach in this bill—of utilizing ongoing Federal budgets and programs to stimulate jobs quickly—is the same idea of the jobs opportunities program, title X of the Public Works and Economic Development Act, which I cosponsored last December along with Senator McCLURE, Senator RANDOLPH, Senator DOMENICI, Senator MONTOYA, and others.

Under the jobs opportunities program, as distinguished from this bill, the effort is made to select projects among the Federal agencies so that areas of highest unemployment receive assistance and the type of Federal activity is appropriate for the type of unemployment in that area. The act also requires prompt initiation of projects and their completion within 12 months.

I am pleased that the Committee on Appropriation recommends full funding for the jobs opportunities program, for I believe it can be most effective. Several of the other activities included in H.R. 4481 were submitted for funding to the Secretary of Commerce under the jobs opportunities program.

By appropriating for ongoing Federal activities now, without waiting for the full appropriation process which is usually not completed until late summer, jobs can be created now. I am concerned, however, that while these appropriations are for fiscal year 1975, ending June 30 of this year, many of them would remain available through June 30, 1976, and others until expended. The budgetary impact of delayed expenditures could, of course, come at the wrong time. The Committee on Appropriations will, however, have an opportunity to make adjustments in the regular appropriations for these agencies during consideration of the fiscal year 1976 budget, taking the increases in this bill into account.

I am also concerned that we are acting in an ad hoc fashion on separate pieces of legislation—with ostensively the same purpose of aiding economic recovery—before the Congress has had time to consider and pass the first concurrent resolution on the budget. For example, we have passed the farm bill, housing bill, and tax bill in recent weeks. Today we are considering an additional $6 billion in appropriations. Other recovery bills, including accelerated public works bills, are under consideration in one committee and before the other body.

While the Budget Reform Act does not become fully operative until fiscal year 1977, I believe it important that we proceed now in the spirit of the act to the fullest extent possible. There is no time when the mechanism we set in place by enacting the Budget Reform Act is more valuable, necessary, or imperative than during economic conditions such as we face today. While such reforms take time to fully implement technically, I trust the Congress will nonetheless adhere to the concepts of the act, and that it will prove of assistance in guiding congressional action and making judgments of the sort we are called upon to make today.

Mr. McGOVERN. Mr. President, H.R. 4481, the Emergency Employment Appropriation Act, is an essential stimulus to a troubled economy.

It would create jobs throughout our Nation, throughout our economy.

I wish to speak just briefly about the increased appropriations for rural and farm programs which would help so much to stimulate income and employment in a shaky rural economy.

First, this bill would provide lending authority for an additional $150 million in farm operating loans through the Farmers Home Administration.

This money is critically needed by farmers throughout the land, but especially in States across the southern United States where earlier planting requirements have exhausted the available operating capital.

Despite increased production costs during this year, the present ceiling for operating loans remains at $525 million, the same as last year. Yet, because of higher costs of production items—seed, feed, fertilizer, chemicals, baling twine—farmers need to borrow more money this year just to plant the same crops they did last year.

If they heed their Government's appeal for all-out production, they will need more.

The $150 million increase authorized here is a modest increase. It will not fully meet the needs of our farmers.

Second, this bill provides additional

funding for rural water and waste-disposal programs—$150 million for grants and $300 million for loans.

This appropriation would not only create thousands of jobs in the construction industry for those who will build water and sewer systems in our small towns and rural areas, it also will provide the essential central water and waste-disposal systems which must precede longer term job-creating new enterprises in rural areas.

Hundreds of thousands of small communities and rural areas are today without modern water and sewer service—a service that urban Americans take for granted. Thus, their quality of life is diminished, and their opportunities for job expansion are lessened.

This appropriation, too, is modest. It fully deserves adoption.

Third, the committee recommends an additional $106 million for watershed and flood prevention works.

Such investments not only will provide additional jobs for the people in our land improvement contracting industries, but will help mightily to improve the environment and protect our land and water resources, which are the base of our food production in this Nation.

Mr. President, these items only highlight the importance of these appropriations to rural America. Rural people recognize their interdependence with Americans everywhere; they realize that softness in any segment of our economy hurts all of us.

I urge the Senate to approve this legislation with a resounding vote. Indeed, as I said so many times in 1972, I wish we had a national policy to insure a job opportunity for every American able and willing to work. Nothing is so wasteful as unemployment.

Mr. McCLURE. Mr. President, a significant portion of this bill involves programs developed by the Committee on Public Works. That committee examined the issue of job-producing public works spending in a thorough budget review earlier this year. A number of days of hearings were held. A major question was how public works projects could best be employed as a tool to stimulate the economy.

We covered many of the same points as the Committee on Appropriations, and plowed through many of the same figures: the capability of the Corps of Engineers, the wish list of the General Services Administration, and so forth. Let me examine, as an example, the figure in H.R. 4481 for repair and renovation of Federal office buildings. The bill appropriates $340 million to GSA. GSA told us, in testimony, that it could accomplish a total of $360 million in such work within an 18-month period. Of that sum, $110 million was included in the fiscal year 1976 budget. The remaining $250 million was unbudgeted.

I would make two observations: The sum in H.R. 4481 apparently encompasses nearly all that is feasible—both in and outside the budget in fiscal year 1976. But we must not deceive ourselves into thinking that this work will go forward quickly.

Very little of this repair and alteration work has been submitted to the Congress for the necessary authorizations by the Committees on Public Works.

And, second, there was no effort in this bill to match work to areas of joblessness. Of the repair and alteration work in this bill, $117 million is to be accomplished in the Washington, D.C., area, where employment is stronger than in many other metropolitan areas of the Nation.

The inescapable conclusion is that this $340 million cannot be spent quickly, and it will not necessarily get to those areas where jobs are most needed.

Frankly, that is my concern about this entire bill. It takes the meat-axe approach to our economic problems. In no way does it attempt to examine priorities or to fit spending within the overall budgetary goals of the Congress.

Mr. President, I shall vote against passage of this bill.

Mr. MORGAN. Mr. President, I shall vote for H.R. 4481, but I do so reluctantly and only after voting to reduce or eliminate some of the programs which I consider unwise. The bill is a conglomeration of some programs which are already in existence and are meritorious, that is, additional funds for direct loans to small businesses, college work-study programs, water and sewer grants, and construction of some Federal projects will be useful over the years and at the same time provide employment opportunities. On the other hand, I do not condone such expenditures as the purchase of 20,712 new automobiles by agencies of Federal Government. I want the record to be clear that I think many of such programs are not only wasteful, but will unnecessarily contribute to the huge Federal deficit. However, weighing all programs, I must vote for the bill.

Mr. HARTKE. Mr. President, I shall vote against H.R. 4481, the Emergency Employment Appropriations Act.

This step is taken reluctantly. As a member of the Appropriations Committee I prefer whenever possible to stand with the committee.

The bill before us is so flawed both within itself and in relation to the overall Federal and national financial situations that I cannot support it.

It is called an emergency act. Congressional overuse of this label is tending to debase its significance. It should not be used as a cover to ram through ill-conceived and inadequately processed legislation. The Nation's economic plight is too serious for us to indulge in passing so-called emergency bills whose consequences for the economy could well be contrary to the effects sought. I am concerned particularly about appropriating funds which may be injected into the economy some months and possibly years ahead when the economic situation then would call for restraint in Federal spending.

The President requested additional funds over 2 months ago which amounted to $2,042.7 million:

[In millions]

Temporary employment assistance	$1,625.0
Summer Youth employment	412.7
U.S. Railway Association administrative expenses	5.0
Total	2,042.7

The House of Representatives more than doubled that figure by extracting from Federal departments and agencies information on programs and funding levels with employment generating potential. It is important, Mr. President, that we distinguish clearly between the President's request and the amounts dredged up from the agencies by the House and for the most part now offered to the Senate. The normal executive branch processes of advocacy, screening, and final selection, which are integral parts of the Federal budget process, were largely bypassed in congressional pyramiding above the President's original request.

As a member for many years of the Senate Appropriations Committee, I have experienced my share of frustrations with Federal budgetmaking. But the process can be effective in informing the Congress how best to achieve fiscal goals through a myriad of spending actions, provided the process is given an opportunity to work.

In testimony before the Senate Appropriations Committee last March 17, Mr. James T. Lynn, Director of the Office of Management and Budget, reviewed precisely and in considerable detail the administration's many concerns with the amounts added by the House. He pleaded for not exceeding the President's original request both as to amounts and programs. All factors were discussed including impact on the deficit, various risks associated with public unemployment programs, effects of then pending tax cuts, lags in public works programs, and the general difficulties of economic forecasting.

Judged by the recommendations of the committee, Mr. Lynn's efforts were largely in vain. I regret very much, Mr. President, that we could not find a way to respond quickly to the President's original request. Then, in a more orderly and systematic way through action on the supplemental and regular appropriations bills, we could have sought genuinely effective ways to combat recession without risking more inflation in the future and an even more serious recessionary situation than now confronts us.

Finally, Mr. President, I remind my colleagues that the Senate will debate next week the first concurrent resolution under the new budget reform procedures. We will be asked to vote on total outlays, total new budget authority and a deficit level, and to recommend a level of Federal revenues and set an appropriate public debt limit. Needless to say, we cannot have it both ways. We cannot vote nearly $6 billion on the bill before us, and continue in this fashion through the numerous appropriation bills still to come before us, and stay within any reasonable set of total budgetary and fiscal figures which we will set next week.

Mr. HUDDLESTON. Mr. President, as a member of the Committee on Appropriations, I am pleased to support H.R. 4481, the Emergency Employment Appropriations Act of 1975.

The legislation before us is emergency legislation, designed to deal with a crisis situation—and it is certainly no secret that unemployment in this Nation has reached crisis proportions. In March, more than 8 million people, some 8.7 percent of the civilian labor force, were out of work. Unemployment was at its highest level since the beginning of World War II more than 20 years ago.

In my State of Kentucky, 7.4 percent of the labor force is jobless. Unemployment is above 6 percent in some 93 of our 120 counties.

Clearly, the situation demands forceful and immediate action—and that is what H.R. 4481 proposes to do.

Through a double-pronged attack, the legislation is designed to create 1 million jobs in the next 3 to 8 months. First, it would increase direct employment programs—programs which provide for immediate job creation. Additional funding would be provided for public service employment, the job opportunities program of the Economic Development Administration, summer youth programs, older Americans community service jobs, the work incentive program—WIN, work-study for college students, the Youth Conservation Corps and the summer youth recreation and national youth sports programs.

Furthermore, the legislation seeks to remedy a number of allocation and administrative problems which have arisen in the implementation of these programs.

Second, the bill provides for the acceleration of a number of public works programs which can be moved ahead immediately and which can increase the number of jobs available. In other words, in this section of the bill, we will be investing in identifiable future results and providing jobs at the same time.

We are, for example, providing $150 million for rural water and waste disposal grants, which will fund at least part of the more than 1,000 pending applications.

We are making funds available for various needed improvements at our veterans hospitals.

We are accelerating specified Corps of Engineers projects.

We are appropriating additional funds for forest protection and timber stand improvement to help insure our timber needs of the future.

We are expanding the economic development assistance program.

We are seeking to improve the tracks and beds of railroads which have deteriorated, restricting service.

In other words, in this legislation, we will be moving ahead on worthwhile projects which had been judged as beneficial even before we confronted the need to stimulate employment.

I realize that this bill means additional Federal spending and that we as a nation cannot spend our way to wealth. But at a time when more than 8 million of our people are out of work and many others are underemployed or too discouraged to seek work—at a time when more than $50 billion is being lost to the Federal Treasury in tax revenues because of unemployment—at a time when the gross national product is declining—we must act for our own good.

H.R. 4481 represents prompt and positive action, and I am pleased to support it.

Mr. RANDOLPH. Mr. President, the spring sunshine and the beautiful flowers that are blooming all across this land are deceptive. All is not right with America. Millions of our fellow citizens are without jobs, and the number is growing. Despite a decline in the inflation rate, inflation itself continues to undermine our economy and impose hardship on the people.

From all corners of the country we are receiving a clear and distinct signal that the Federal Government must act with dispatch to restore health and stability to our economy. Since it convened in January, the 94th Congress has given priority attention to economic matters as we worked to develop a balanced response to the twin challenges of inflation and recession.

Mr. President, the bill before the Senate represents a significant portion of that response. It provides funds to expand existing Federal activities that can result in new employment opportunities. I believe this to be the most expeditious way that we can stimulate the economy.

This measure, H.R. 4481, appropriates additional funds across the full spectrum of Federal programs. I call attention to those with which I am personally concerned and which are within the jurisdiction of the Committee on Public Works.

Last winter the Congress approved establishment of the jobs opportunities program as title X of the Public Works and Economic Development Act. This effort is aimed specifically at alleviating current economic conditions by giving additional funds to Government agencies and bodies and to regional commissions to accelerate their programs.

At that time, $125 million was appropriated for the jobs opportunities program. This bill provides an additional $375 million for this important program, raising the total appropriations to the full authorization level of $500 million. Both urban and rural areas suffering from unusually high unemployment levels can benefit from this additional financing. It is important now that the executive branch move without delay to implement the job opportunities program. An estimated 50,000 jobs could result from the implementation of title X.

Title X required that a survey be made of Federal agencies to determine the number of projects available for funding and their employment potential. The findings were that 18,000 backlogged projects could be implemented with $3 billion in Federal funds. These would generate 3,141,479 man-months of employment.

The bill also provides an additional $163,250,000 for other programs authorized by the Public Works and Economic Development Act. This amount is in addition to the $247 million previously appropriated for titles I, II and IX of the act. The title V regional action commissions will receive an additional $42 million under provisions of H.R. 4481.

The total of these supplements to economic development programs amounts to more than $580 million. These are programs that can have an immediate impact on unemployment. They have the added attraction of bringing into being needed public facilities with lasting benefits to communities and people.

Acceleration of water resources projects is permitted in this bill through the appropriation of $226,350,000 more for civil works projects of the Army Corps of Engineers. These funds are allocated to 121 projects, all of which have received prior approval. No funds are provided for starting new projects, only for those that are now underway and thus capable of putting the supplemental money to work in a timely fashion.

For maintenance of water resource facilities, an additional $22,405,000 is provided. This is normally the kind of activity that is highly labor intensive, so these funds can be quickly translated into jobs.

A similar area is that of alterations and repairs to Federal Government buildings. For this purpose, the bill appropriates an additional $340 million to the General Services Administraton. It also appropriates $25 million for the construction of seven new customs border stations.

Repair and alteration work is especially job productive. These involve the employment of workers with skills that are particularly hard hit by the current unemployment. Painters, plasterers, electricians, carpenters, and others could immediately find jobs in their fields as we undertake improvements to Federal buildings.

These structures, too, are often located in large urban areas where jobless rolls are often higher than average. Unemployment among construction workers nationally is 24 percent, but it is even higher in cities—49 percent in Miami, 37 percent in St. Paul, Minn., 32 percent in Newark, 32 percent in Cincinnati. These are locations where the improvement of Federal buildings could have substantial impact.

Mr. President, there is one appropriation contained in this bill which is not for an ongoing program. I refer to the $700 million for the Department of Transportation and designated for the repair and rehabilitation of railroad tracks and rights-of-way.

I am particularly gratified that the Committee on Appropriations agreed to the unusual procedure of appropriating funds in advance of passage of the authorizing legislation and contingent on adoption of such legislation.

The money provided in this bill would finance the program envisioned in S. 1436 which I introduced on April 15. These funds would be expended with the dual benefit of job creation and the improvement of a vitally needed public service.

Increasing attention is being focused on the rapidly deteriorating condition of

America's railroads. The ability of many of them to continue functioning as viable parts of our national transportation system is disappearing. Railroads that have been short of cash for many years are pinched even harder by the recession which results in even lower revenues. Curtailment of maintenance operations is an inevitable continuation of this downward cycle.

The $700 million in this measure would support the program of S. 1436 to enable railroads to accelerate repair and rehabilitation work. This work is essential in a period when we as a Nation are turning more and more to our railroads. The inclusion of these funds in the Emergency Employment Appropriation Act is indicative that the Committee on Appropriations shares my concerns. It is my hope that consideration of the authorizing legislation can be expedited so that this vital work can be initiated. Hearings on S. 1436 will begin May 1.

Mr. President, this legislation demonstrates that the Congress is eager and able to move quickly to meet a pressing national need. Adoption of H.R. 4481 will place many thousands of Americans to work on productive labor. This is action that we must take.

Mr. President, the economic development programs which receive additional funding in this bill were developed under the leadership of the able Senator from New Mexico (Mr. MONTOYA), the chairman of the Subcommittee on Economic Development of the Public Works Committee. Senator MONTOYA is necessarily absent from the Senate. I ask unanimous consent that his statement on the pending bill be printed in the Record.

STATEMENT BY SENATOR MONTOYA

The bill contains a significant addition of money to agencies under the jurisdiction of my Subcommittee on Economic Development of the Public Works Committee. We have worked closely with the Appropriations Committee on this bill. We think the added stimulus to job creation through appropriations increases in existing authorizations is timely.

First, funds have been provided to complete the authorization for the job opportunities program, which is Title X of the Public Works and Economic Development Act. The bill provides the additional $375 million to the already appropriated $125 million for the calendar year 1975. This is the program that brought in some 18,000 project applications to the Economic Development Administration earlier this year. Nearly $4 billion in labor intensive projects has been proposed. The Administration has recently apportioned the first $125 million, which was appropriated in the closing hours of the 93rd Congress. The present $375 million in this bill will now give that program a meaningful test as to its job-creating potential.

Second, $163 million is also provided to regular EDA programs which are chronically underfunded. These funds—$69 million for public works in the form of community facilities, $58 million for business loans and guarantees, and $36 million for economic adjustment—bring appropriations up to authorization levels for FY '75. However, the funds are to be available through fiscal year 1976.

Third, funds in the amount of $42 million are also provided to the seven regional commissions authorized under the Public Works and Economic Development Act. Six million dollars would be provided to each of the commissions to work with their State partners within existing programs to deal with the current recession.

Finally, provision is made in the bill for additional positions to carry out these expanded programs. In the cast of Title X, the Job Opportunities Program, and additional 35 positions are funded on a temporary basis only for the life of that program. An additional 116 positions are provided for EDA.

I commend the Senator from Rhode Island for his leadership, and his cooperation in our efforts to get realistic funding for these job-creating programs. I wish also to thank and commend the efforts of the chairman of both the Appropriations Committee and the Public Works Committee, Senators McClellan and Randolph, for their leadership and support in these efforts.

I know these programs will produce jobs. They have been creating jobs now for more than ten years. The Congress has been satisfied they have made significant job-creating impacts on our economically lagging communities, for we have extended these programs year after year.

Mr. ROTH. Mr. President, I am deeply concerned about the condition of our economy and the plight of the millions of workers who are currently unemployed. The combined effects of inflation and recession have placed a heavy burden on nearly every American, but the impact on the unemployed worker and his family has been devastating.

Because of these economic hardships, I have supported a degree of deficit spending to get the economy moving again and put people back to work. I have supported the $23 billion antirecession tax cut. I have supported the nearly $20 billion that is already in the fiscal 1976 budget for unemployment compensation and public employment programs. And I have supported the increased food stamp program in order to help the families of the unemployed worker.

But we have to draw the line somewhere, and start to say no to the various emergency programs that are coming out of almost every congressional committee.

Today the Senate is considering a $6 billion emergency job bill. While we are considering this emergency bill, a House committee is considering another $5 billion emergency job bill, while still another House committee is considering a $5 billion emergency bill for public works projects.

I shall continue to support programs to help the economy that I believe are necessary, but I cannot support this budget-breaking bill which, I believe, will be highly inflationary. Many of the programs in this bill are well-intentioned, particularly the summer jobs program, which I shall support in separate legislation. But I do believe that we must make better use of our existing programs before we enact new and expensive programs.

I am very concerned about the reports that there are several billion dollars that have already been approved by Congress that have yet to be used by our local governments.

According to a story in today's Washington Post, there are many programs that are already on the books which State and local governments have not taken advantage of, including my own home State of Delaware which has not spent $21 million of the $24 million allocated for highway construction.

I ask unanimous consent that the Washington Post article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

(By Joel D. Weisman)

Several billion dollars in federal grants—for programs ranging from drug control to flood prevention—have yet to be claimed by local governments.

The unclaimed billions were discovered in a Washington Post survey of 1974 and 1975 grants. An exact figure cannot yet be determined because of varying claim deadlines and the fact that many government agencies do not compute outstanding grants until the end of the fiscal year.

However, the survey shows:

More than $100 million in community development revenue sharing and highway funds have been rejected by dozens of local governments.

More than $5 billion in environmental protection grants have yet to be claimed with the July 1 deadline approaching.

More than $5 million in Health, Education and Welfare and Department of Agriculture grants were not claimed in 1974 in programs including drug control, hospital construction, scholarships, child and maternal care and state agricultural experimental stations. HEW says even more may go unclaimed this year.

Mere compliance with application requirements, sometimea no more than filling out a single-page proposal, assures the communities of the grants, which are so-called mandatory, as contrasted with the discretionary variety. In discretionary grants various applicants vie for portions of a total allotment. The portions are decided at the discretion of the federal government officials.

In virtually all the programs surveyed, the amount of unclaimed grants was relatively small in light of the multibillion-dollar totals available, but taken overall their impact could be significant as local governments, short of cash, try to hold the line on taxes.

The survey indicated there are various reasons for failure to claim funds, including: lack of matching local funds; fear of federal controls; administrative carelessness; and fear of racial integration since most grants require pledges of non-discrimination among other promises.

"These are surely not the times the city should ignore available money," said John Gunter, executive director of the U.S. Conference of Mayors, which represents the nation's largest cities. "But in some cases, it takes money to get money," he added, referring to local matching requirements.

Local matching requirements range from 10 per cent on Interstate Highway funds to 50 per cent for some agriculture grants.

However, there are vast sums available that require no matching funds.

For instance, some $27 million remains available until July 1 for full federal funding of highways in and around national parks. Yet the following states have yet to make claims: Alaska, allotted $3.9 million; Oregon, $3.6 million; Montana, $3 million; Colorado, $2.9 million; Arizona, $2.4 million.

The new HUD community development grants—designed to replace a half-dozen categorical grants—also have no local matching requirements. Moreover, they can be spent for a wide variety of programs, ranging from flood control and open space development to fire and ice protection.

But communities receiving the funds must file low and moderate income housing plans—a requirement that has caused the outright rejection of more than $25 million.

Some two dozen predominantly white, medium-sized cities, generally located near large cities with substantial black populations, were among those that turned down the HUD funds.

"We turned down the program because we feel that such housing plans would encourage inner-city people to migrate to our cities," said Mayor Ted Bates, of Warren, Mich., which borders Detroit. Bates concedes his city of 180,000, with about 90 black families, could have used the $1.6 million in HUD funds "but we don't want it to be at the price of inviting poor people here."

Similar sentiments were expressed by local government leaders in Berwyn, Cicero, and Oak Lawn, Ill., which all border Chicago.

"Let's face it, we're talking about integration," said Richard Drager, of Roseville, Mich., another Detroit suburb.

But while blue-collar cities of 50,000 or more passed up about $5 million in HUD monies, urban counties, comprised of smaller, often white-collar, suburbs, passed up nearly five times that amount.

For instance, Montgomery County, outside Philadelphia, received only $340,000 of a possible $1 million in community development grants because so many suburbs refused to sign a county cooperative agreement—and participate in the housing plan. Cook County, where Chicago is located, sacrificed some $700,000 for the same reason.

And nine urban counties were forced to reject all funds they were allotted because they could not get enough communities to meet the combined 200,000 population minimum required for an urban county grant. These counties were: Dallas County, Tex.; Milwaukee County, Wis.;; Waukesha County, west of Milwaukee, Wis.; McComb County, Mich. near Detroit; York County, Pa.; Monroe County, N.Y., which includes Rochester; Westcester County, N.Y.; Lake County, Ind., which includes Gary; and Baltimore County, Md.

"The cities don't come right out and say it, but in most cases they fear blacks," said Thomas Goodwin, Waukesha County grant administrator. In his county 25 of 37 suburbs refused to enter cooperative agreements, leaving the county short of the minimum 200,000.

HUD officials were surprised by the outright rejections, but declined to label the motive racism, "It may well be a genuine concern for maintaining family economic levels," says James Broughman, chief of HUD grant statistics. "Blacks may be feared because they're poor, more than because they're black."

Like the HUD funds, federal revenue sharing requires no matching grants—and allows local authorities broad discretion in spending funds.

Yet, despite two telegrams, five postcards, and various other reminders and communications from the Treasury Department to apply, 125 government units rejected revenue sharing dollars in 1974 and 103 units have done the same this year.

In some cases rejections are based on deep-seated philosophyical beliefs.

"We just don't want something for nothing," says Mayor Gene Hoke, of Ocean Breeze Park, Fla., who could have cut his city's budget by 25 per cent by accepting the $2,500 in funds.

Arnold Hewitt, a spokesman for the Tuscarora Indian Reservation near Niagara Falls, N.Y., says his tribe refused $18,000 in revenue sharing funds "because the money is like the old pale-faces' fire water. They give it to us then they take our land."

In Leonard Village, Mich., officials refused money they wanted for a public building "because we can't afford to pay laborers prevailing union wages," one of the requirements under the act.

Among the largest unclaimed sums are Environmental Protection Agency grants, which require matching funds. "In some cases communities have to pass referendums just for the matching money," said Peter Romsey of the Illinois Bureau of the Budget. Other states are having difficulty meeting stiff technical requirements.

Thus with only two months until the deadline for claiming 1974 funds and 14 months to claim '75 funds, almost $5 billion remains in Washington.

Interstate highway funds are also plentiful. Massachusetts and the District of Columbia have already rejected $70 million to build Interstate highways, and many millions earmarked for other states have yet to be obligated under the 1973 Highway Act, which expires June 30. For instance, as of March, Delaware had claimed only $3 million of an allotted $24 million and Iowa had received only $5 of $128 million.

Department of Transportation spokesman say in some cases local governments can't meet the 10 per cent matching requirements on Interstate funds and the 30 per cent matching requirements on Interstate federal highways. Many projects, as in the case of the District, are also threatened by citizen opposition to highways or adverse court decisions.

In most cases, unused federal funds revert to the agencies that dispense them and are added to the next year's allotments—but not always to the same states. Thus, alert local governments can increase their share by claiming unused funds.

"That's one good feature of people not taking what they're entitled to," said Richard Eckfield, who has been retained by the cities of San Jose, Dayton, and Seattle to oversee their acquisition of federal funds "I am in the midst of building my own Interstate in San Jose out of funds not claimed by other states—and I've already got money for a few miles."

OREGON AND THE EMERGENCY EMPLOYMENT APPROPRIATIONS

Mr. HATFIELD. Mr. President, Oregon's economy will benefit from several aspects of an emergency employment appropriations bill. The bill contains funds for a wide cross section of government programs designed to create new jobs.

PUBLIC INVESTMENTS

Oregon's long-range benefits from this $6 billion bill will be in the public works and natural resource sections.

Accelerated public works funding for Oregon totalling $6.5 million not only puts people to work right now in construction jobs, but it also provides a capital asset that continues to benefit our local economies and provides a multiplier economic effect in the region. This multiplier effect from the $6.5 million should mean the creation of from 1,400 to 2,100 Oregon jobs for Corps of Engineers and Bureau of Reclamation construction projects and maintenance and operation work. Also, the Forest Service, BLM, Park Service, and related areas will receive over $17.7 million, which not only means jobs now, but better land resource management for the future.

AGRICULTURE

Oregon agriculture will receive an estimated $8.3 million in programs where jobs can be created. Rural water and sewer grant and loan increases of about $4.5 million also help broaden the economic base of Oregon small towns and rural areas. This assists their efforts to attract new industry to create needed jobs to stem the migration of their young people into metropolitan areas. Approximately $2 million in increased funding for FHA farm operating loans also is included in the bill, as is about $1.8 million for small watershed projects under the Soil Conservation Service.

PUBLIC SERVICE EMPLOYMENT

Three public service employment programs should earmark approximately $24.5 million for Oregon. I have made no secret of my skepticism of long-range benefits from these programs, as opposed to others in this bill. That is why I supported the Johnston amendment. While some can be justified, the cost per job raises questions with me. While a public service employment program may cost $9,000 per job, the housing bill we approved yesterday will create 740,000 housing-related jobs nationally at a cost of between $1,000 and $2,500 per job. To me, the benefits of the housing-related jobs appear greater than those in public service employment. There, people sometimes are merely put onto public service work payrolls after being dropped from city or county payrolls, or else are little more than make-work jobs.

I ask unanimous consent that a chart showing the amount this bill contains for individual Oregon public works projects appear at this point in the Record.

Mr. President, I ask unanimous consent that a listing of Oregon rural water and sewer projects that possibly can be funded if Oregon receives the anticipated $3 million in loans and $1.5 million in grants appear at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

OREGON PUBLIC WORKS

Corps of Engineers construction

Bonneville 2nd PH	600,000
Columbia 40' Channel	200,000
Cougar Fish Hatchery	200,000
Elk Creek	1,000,000
Lower Columbia R. Bank Protection	800,000
McNary	500,000
Scappoose Drainage Dist	1,200,000
Williamette Basin Bank Protection	1,000,000
Total	5,500,000
Bureau of Reclamation construction: Tualatin	110,000

Corps of Engineers operation and maintenance

Columbia 40' Channel	199,000
Coos Bay	195,000
Rogue at Gold Beach	134,000
Siuslaw at Florence	174,000
Umpqua at Reedsport	133,000
Yaquina Bay (Newport)	65,000
Total	900,000

(NB: Multiplier job effect in region: 4–6, meaning an additional 1400–2100 jobs in region resulting from this public works spending.)

Oregon rural water and sewer projects

Glide Water Association, Douglas County	300,000
Riets Water District, Umatilla County	109,000
Long Creek, Grant County	132,000
North Tillamook County Sanitary Authority	450,000
Seal Rock, Lincoln	250,000
Mollalla, Clackamas	500,000
Glen Eden, Lincoln	530,000

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Beverly Beach, Lincoln	113,000
Hubbard, Marion	330,000
Rufus, Shermanok	60,000
Netarts, Tillamook	295,000
Bly, Klamath	255,000
Total	9,324,000

Mr. PACKWOOD. Mr. President, I cannot in good conscience vote for the legislation now before us. We just cannot spend another $6 billion that we do not have. The danger is clear. We have got to decide now to stop spending ourselves into a deficit that looms ever nearer to a crippling $70 billion.

The Emergency Employment Appropriations Act of 1975, as reported out of the Senate Appropriations Committee, increases fiscal year 1975 outlays by $6,082,647,000. Congress is acutely aware of the need for increased employment. But the expenditure of so staggering a sum as this bill provides can only jeopardize efforts to heal our ailing economy. Undoubtedly, Mr. President, there are some very good projects for Oregon funded in this bill. No Senator wants to vote against Federal projects in his own State. This legislation would appropriate money for flood control, and dam construction and maintenance in the two great river regions of Oregon. It would add jobs with the Forest Service, among others. But we have got to say "no" to some projects. The middle-income taxpayers in our States just cannot afford to say "yes" all of the time.

I am increasingly distressed by the prospect that runaway deficit spending will spur another round of crippling inflation. Oregonians, too, recognize the serious implications here. They know that our economy and our taxpayers cannot afford all of the worthy programs we would like to have.

My constituents have responded to my recent questionnaire, Mr. President, with obvious concern over inflation. When asked, "If you were talking to Senator Packwood in person, which of the following would you tell him concerns you the most? First, increasing unemployment; second, inflation; or third, recession and possible depression, the overwhelming majority of Oregonians responded, 'inflation'."

I am worried about the same thing.

Mr. ROBERT C. BYRD. Mr. President, I wish to call attention to a very important item contained within the Agricultural Chapter of H.R. 4481, within the total amount provided for the Soil Conservation Service. The item to which I refer is the $2 million for the Pocatalico River basin project.

Last year, at my request the committee included $1,161,000 for initial funding of the Pocatalico River basin project. This SCS project, which is desperately needed to provide a source of water supply for the towns of Pocatalico, Walton, Sissonville, and Gandeeville, W. Va., was authorized by section 5 of Public Law 93–251. This authorization made the release of the project funds contingent upon approval by the President, and in January of this year, he approved the release and use of the initial funding which I obtained.

On March 6, I wrote to Senator McGee, chairman of the subcommittee, to urge the inclusion of the additional $2 million required to complete this project within H.R. 4481. Senator McGee informed me by letter of March 12 that, within the $106 million provided for accelerated work by the Soil Conservation Service, the necessary $2 million would be allocated to Pocatalico River basin project.

Mr. President, I want to take this opportunity to thank the chairman for his endeavors in including these funds within the pending appropriations bill.

I ask that both of these letters, to which I referred, be included in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

March 6, 1975.

Hon. Gale McGee,
Chairman, Subcommittee on Agriculture, Environmental and Consumer Protection, Washington, D.C.

Dear Mr. Chairman: You will recall that last year your committee included $1,161,000 in initial funding for the Pocatalico River Basin Project which, when constructed, will provide sources of water supplies for the towns of Pocatalico, Walton, Sissonville and Gandeeville, West Virginia. Thereafter, the President approved release of this initial funding and that project is now moving ahead. I am writing to request the Committee to include the additional $2 million which is required to fund the balance of the project.

The Soil Conservation Service developed in conjunction with the Corps of Engineers emergency plans for water provision in the Pocatalico River Basin, and the total amount recommended would permit construction of the water impoundments, installation of vegetative cover to control erosion and resulting sedimentation, and limit annual out-of-bank flooding, and would meet a need for water-oriented recreational facilities.

I believe it is urgent that immediate funding be provided for the balance needed for this project, in order that advantages may be taken of the forthcoming construction season. We are facing very terrible health hazards in the area, implicit in the current situation due to polluted water supplies, and this fact makes it imperative that we quickly rectify the inadequate and degraded water supply which is available to the residents of these communities, and that we obtain completed construction of this proposed project at the earliest possible date.

Therefore, I urge that the additional $2 million for this very important project be included in the first available appropriation bill which comes before the Subcommittee—within which you deem it suitable to include these funds—to assure timely completion of this project which (while under construction) will create sorely needed jobs and will (when completed) have lasting benefits.

Sincerely yours,

Robert C. Byrd,
U.S. Senator.

Washington, D.C., *March 12, 1975.*

Hon. Robert Byrd,
U.S. Senate,
Washington, D.C.

Dear Bob: Thank you for your recent letter in reference to additional funding for the Pocatalico River Basin Project.

As you know, the House approved the Emergency Employment Appropriations Act and it is now pending in the Senate. That bill contains $106 million for the Watershed and Flood Prevention activities of the Soil Conservation Service. It is my understanding that the Pocatalico project was one which was identified as suitable for accelerated construction and was included in this total.

The Agriculture Appropriations Subcommittee will hold hearings on this bill later this week and I shall be certain that the record is clear that this project is to be included in this bill. As I indicated, this is my understanding but the record made in the House does not spell this out. You may rest assured that we shall do so in the Senate hearings.

Sincerely yours,

Gale McGee,
Chairman, Subcomimttee on Agriculture and Related Agencies.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will now call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mr. Bumpers), the Senator from California (Mr. Cranston), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Iowa (Mr. Culver), the Senator from Vermont (Mr. Leahy), the Senator from Wyoming (Mr. McGee), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Georgia (Mr. Talmadge) are absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. Tunney) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr.

Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Kansas (Mr. Dole), the Senator from New Mexico (Mr. Domenici), the Senator from Utah (Mr. Garn), the Senator from Michigan (Mr. Griffin), the Senator from North Carolina (Mr. Helms), the Senator from Kansas (Mr. Pearson), the Senator from Ohio (Mr. Taft), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

I also announce that the Senator from Nebraska (Mr. Curtis), the Senator from Maryland (Mr. Mathias), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. Domenici) and the Senator from Utah (Mr. Garn) would each vote "nay."

On this vote, the Senator from Ohio (Mr. Taft) is paired with the Senator from South Carolina (Mr. Thurmond).

If present and voting, the Senator from Ohio would vote "yea" and the Senator from South Carolina would vote "nay."

The result was announced—yeas 53, nays 14, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—53

Abourezk
Baker
Bayh
Beall
Bellmon
Bentsen
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
McClellan
McGovern
Metcalf
Mondale
Morgan
Muskie
Nelson
Nunn
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevenson
Stone
Symington
Weicker
Williams
Young

NAYS—14

Allen
Bartlett
Byrd,
  Harry F., Jr.
Fannin
Goldwater
Hansen
Hruska
Laxalt
McClure
Packwood
Proxmire
Roth
Scott,
  William L.
Tower

NOT VOTING—32

Biden
Brock
Brooke
Buckley
Bumpers
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Garn
Gravel
Griffin
Helms
Hollings
Inouye
Leahy
Long
Mathias
McGee
McIntyre
Montoya
Moss
Pearson
Stafford
Stevens
Taft
Talmadge
Thurmond
Tunney

So the bill (H.R. 4481) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments, requests a conference with the House, and that the Chair be authorized to appoint the conferrees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McClellan, Mr. Magnuson, Mr. Stennis, Mr. Pastore, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Montoya, Mr. Bayh, Mr. Young, Mr. Hruska, Mr. Case, Mr. Brooke, Mr. Hatfield, Mr. Mathias, Mr. Stevens, and Mr. Bellmon, on the part of the Senate.

ORDER TO HOLD H.R. 4269 AT THE DESK

Mr. MANSFIELD. Mr. President, I ask uanimous consent that H.R. 4269 be held at the desk pending reference to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMANITARIAN ASSISTANCE FOR SOUTH VIETNAM—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I submit a report of the committee of conference on H.R. 6096, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Laxalt). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions in the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report, which reads as follows:

Conference Report (S. Rept. No. 94–97)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

Sec. 2. Funds hereafter made available under section 36 of the Foreign Assistance Act of 1974 may be used on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam without regard to the provisions of section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act and notwithstanding any other provision of law.

Sec. 3. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam.

(b) Notwithstanding any other provision of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000, under such terms and conditions as he may determine, to provide humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

(c) To insure that the humanitarian assistance provided under this section is provided to refugees and other needy people who are victims of the conflict in South Vietnam, such assistance shall be provided, to the extent feasible, under the direction and control of international organizations or under the auspices of voluntary relief agencies. To the extent that such assistance is so provided, it may be furnished only under the direct supervision and control of representatives of such organizations or agencies.

(d) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report with respect to humanitarian assistance provided under this Act describing fully and completely—

(1) the amount of each type of humanitarian assistance;

(2) the expected recipients of such assistance;

(3) the names of all organizations and agencies involved in the distribution of such assistance; and

(4) the means with which such distribution is carried out.

Sec. 4. (a) If the President determines that the use of United States Armed Forces is necessary to evacuate citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are being evacuated. In the event that such evacuation cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such evacuation shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such evacuation, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be evacuated as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent

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threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

SEC. 5. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 4 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out—

(1) dependents of permanent residents of the United States;

(2) Vietnamese nationals eligible for immigration to the United States by reason of their family relationship to citizens of the United States; and

(3) other foreign nationals to whose lives a direct and imminent threat exists;

if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(A) every effort has been made to terminate the threat to such persons by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(B) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the evacuation of citizens of the United States and their dependents; and

(C) the duration of the use of such United States Armed Forces to hostilities will not thereby be extended; and

(D) such evacuation will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being evacuated.

SEC. 6. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of sections 5 (b) and (c) of the War Powers Resolution.

SEC. 7. Nothing contained in section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States for the evacuation programs authorized by this Act.

SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

SEC. 9. Not more than four days after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the evacuation from Vietnam of the persons described in sections 4 and 5 of this Act.

SEC. 10. It is the sense of the Congress that as the humanitarian aid provided under this Act is made available in South Vietnam, the President is requested to use all appropriate diplomatic means at his disposal to obtain (1) an updated accounting of Americans listed as missing in action in Southeast Asia, and (2) the return of the remains of known American dead. The President is further requested to report to the Congress within 30 days after aid is made available in Southeast Asia, the diplomatic actions being taken.

SEC. 11. No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG.

And the Senate agree to the same.

John Sparkman,
Frank Church,
Hubert H. Humphrey,
Clifford P. Case,
Jacob K. Javits,
Hugh Scott,
Managers on the Part of the Senate.

Thomas E. Morgan,
Clement J. Zablocki,
Wayne L. Hays,
L. H. Fountain,
Dante Fascell,
Wm. S. Broomfield,
Edward J. Derwinski,
Managers on the Part of the House.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Committee of Conference recommends that the House recede from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for both the text of the House bill and the Senate amendment thereto.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

SHORT TITLE

The House bill contained a short title which cited the Act as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

The Senate amendment contained a short title which cited the Act as the "Vietnam Contingency Act of 1975".

The Senate receded.

FUNDING AUTHORIZATION

The House bill authorized the appropriation of $150 million for FY 1975 for humanitarian assistance to and evacuation programs from South Vietnam. The House version also authorized the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, for humanitarian purposes without regard to the restrictions of sections 36(a)(1), 36(a)(6), 37(b) (third sentence) and 38(a)(1).

The Senate amendment authorized the appropriation of $100 million for FY 1975 for humanitarian and withdrawal purposes and waived all the provisions of sections 36 and 38.

In addition the Senate version established a policy to provide humanitarian aid for war victims throughout all of South Vietnam and Cambodia, to be provided through channels acceptable to all parties; and authorized the appropriation of $150 million for FY 1975 for humanitarian assistance to refugees and other victims of the conflicts in South Vietnam and Cambodia, to be furnished under the direction and control of the UN or under the auspices of other international organizations, international agreements, or voluntary agencies, to be distributed only under the direct supervision and control of representatives of such organizations and agencies.

The Senate amendment also required the President to report to the Congress every 90 days (A) the amount of each type of economic assistance provided under the bill, (B) the expected recipients, (C) the distributing agencies, and (D) the means of distribution.

The committee of conference agreed to authorize the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974 but not yet appropriated, for humanitarian assistance to, and evacuation programs from, South Vietnam without regard to the funding limitations set in Section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act.

The committee of conference also agreed to a new authorization of appropriations of $150 million for humanitarian assistance in South Vietnam. It is the intent of the committee of conference that funds made available under this section be available to administer these humanitarian programs for victims of the conflict, wherever they may be located.

It is the intention of the conference that such programs be carried out under the direction and control of international organizations and voluntary relief agencies, located in the United States and abroad, to the extent feasible. In order to insure that assistance so provided is actually delivered to refugees and others in need, the section requires that the assistance only be furnished under the direct supervision and control of representatives of the international organizations and voluntary agencies. The Conferees expect the Executive Branch to make every reasonable effort to involve these organizations and agencies in this humanitarian effort. Finally, the section requires quarterly reports to the Congress which would describe the amount and nature of the assistance provided by the Act, the expected recipients, the organizations and agencies involved in the distribution of the assistance, and the means by which the assistance is distributed. This reporting requirement should not be construed to require the imposition of additional U.S. Government inspections and audits on the distributing agencies and organizations, if such requirements would substantially impede or diminish the involvement of these agencies and organizations in the programs authorized by this section.

The Conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the Conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purposes can be supplied to needy people in Cambodia and urge that Executive Branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the Conferees expect that the United

States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugee Assistance Act.

There is no funding authorization in this Act for military assistance programs in South Vietnam.

AUTHORIZATION OF USE OF UNITED STATES ARMED FORCES FOR EVACUATION PROGRAMS IN VIETNAM

The House bill had no express authorization for the use of United States Armed Forces but defined "evacuation" as one "without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force" to remove the categories described in the House bill.

The Senate amendment authorized the President to use United States Armed Forces to assist in withdrawing Americans and their dependents and endangered foreign nationals, and placed limitations on the use of those forces. If feasible, a single operation was required where imminent involvement in hostilities was indicated.

The House receded. It is the intention of the Committee of Conference that references in the conference report to the use of the United States Armed Forces are not intended to relate to the normal logistics and related services which may be performed by the Department of Defense, using military personnel in a non-combat situation, on a reimbursable basis under the Foreign Assistance Act and other laws.

Reporting requirements regarding use of Armed Forces in connection with evacuation of Americans and their dependents

The House bill did not refer to the provisions of section 4 of the War Powers Resolution which require that the President submit reports to the Congress in connection with the introduction of U.S. combat forces into a foreign country or the introduction of forces into a situation involving actual or imminent hostilities.

The Senate amendment required that if it is essential to employ the Armed Forces in withdrawal operations, a report be filed as required by Section 4 of the War Powers Resolution, and that that report certifies:

1. That a direct and imminent threat exists to the lives of U.S. citizens and their dependents;

2. That every effort was made to terminate the threat by means other than the use of forces; and

3. That, with the exception of essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

The House receded.

EVACUATION OF FOREIGN NATIONALS

The House bill authorized the use of minimum necessary force to evacuate, in addition to American citizens, their dependents, Vietnamese nationals eligible for immigration to the U.S. by reasons of their relationships to American citizens, and other foreign nationals "to whose lives a direct and imminent threat exists". Military force employed for this last purpose may not exceed that necessary to carry out the evacuation of the three categories of persons. The House bill also stipulated that the authority with respect to the last category does not extend to any action or conduct not essential to effectuate and protect the evacuation of the persons referred to above.

The Senate Amendment authorized the President to use Armed Forces to assist in bringing out endangered foreign nationals if he certifies, pursuant to section 4(b) of the War Powers Resolution, that:

1. Every effort has been made to terminate the threat by other than military force;

2. A direct and imminent threat exists to the lives of such individuals;

3. The number of American forces used to evacuate foreign nationals will not be greater than those essential to and directly connected with a withdrawal of American citizens;

4. The duration of the use of such forces will not be extended; and

5. The withdrawal will be confined to areas where United States Forces are present for the purpose of protecting Americans while they are being withdrawn.

The conference report adopts the authorities and restrictions provided in the Senate version but adopts the definition of foreign nationals eligible for evacuation under the Act which was part of the House version.

WAR POWERS RESOLUTION

The difference

The House bill stated that nothing in this Act is to be construed in derogation of the War Powers Resolution or to constitute a specific authorization for the use of Armed Forces within the meaning of section 5 (b) and (c) of such Resolution.

The Senate amendment stated that the authority of this Act is intended to constitute specific authorization within the meaning of secion 8(a) of the War Powers Resolution and is not a specific authorization for the purpose of section 5(c) of such Resolution, and required the removal of such forces by concurrent resolution if Congress directs.

The conference report provides that the authority contained in the Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for the purposes of sections 5 (b) and (c) of the War Powers Resolution. This reference incorporates the time limitations and termination procedure of section 5(b) of the War Powers Resolution and requires that such forces be removed by the President if the Congress so directs by concurrent resolution under section 5(c) of the Resolution.

WAIVER OF PROHIBITIONS ON THE USE OF FUNDS FOR THE USE OF U.S. FORCES IN EVACUATION

Th House bill waived prohibitions on the use of funds for combat activities in Vietnam, in 5 public laws, section 839 of PL 93–437, section 30 of PL 93–189, section 806 of PL 93–155, section 13 of PL 93–126, section 108 of PL 93–52 and the precautionary phrase "or any other comparable provision of law" to the extent necessary for the evacuation programs authorized in that bill.

The Senate amendment waived the same five prohibitions, plus section 741 of PL 93–238, and section 307 of PL 93–50, "only to the extent necessary" to use U.S. armed forces to withdraw U.S. citizens and their dependents from South Vietnam. The Senate amendment did not contain the precautionary phrase "or any other comparable provision of law."

The Senate receded.

DAILY WITHDRAWAL REPORT

The House bill contained no provision requiring a daily withdrawal report.

The Senate amendment required a daily report to the Speaker and to the Senate Committee on Foreign Relations, as long as the recipients desire such reports, on the numbers of Americans and dependents who left Vietnam the previous day, broken down by government and private contract personnel. The number remaining in South Vietnam, and the number of South Vietnamese who left South Vietnam the previous day with U.S. assistance.

The House receded.

WITHDRAWAL PLAN

The Senate amendment required the President to submit, within 48 hours of enactment, a report to the Speaker and to the Chairman and ranking minority members of Senate Foreign Relations, Judiciary and Armed Services Committees a report describing his general plan for withdrawal of U.S. citizens and their dependents and for withdrawal of endangered foreign nationals.

The House bill contained no provision requiring the submission to the Congress of a withdrawal plan.

The House receded, with an amendment extending the time period within which a report is required from 48 hours to 4 days.

MISSING IN ACTION REPORT

The House bill contained a sense of the Congress provision requesting that, as humanitarian assistance is being made available to South Vietnam, the President use all appropriate diplomatic means to obtain:

1. An updated accounting of Americans missing in action; and

2. The return of the remains of known American dead.

The House bill further requests that within 30 days after aid is made available in Southeast Asia, the President report to the Congress the diplomatic actions being taken.

The Senate amendment contained no comparable provision.

The Senate receded.

PROHIBITION ON ASSISTANCE

The House bill prohibited the use of funds authorized in this Act to aid, directly or indirectly, the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) or the channeling or administration of funds by the DRV or the PRG.

The Senate amendment contained no comparable provision.

The Senate receded, with an understanding that the provision is not intended to prohibit assistance to refugees and other needy people who are victims of the conflict located in the territories controlled by these entities, if such assistance is channeled through and directly administered by international organizations or private voluntary agencies, and public facilities (for transportation, etc.) are only used in a manner that is similar to the common practice of these agencies and organizations in non-communist territories.

EVACUATION OF DESERTERS FROM THE UNITED STATES MILITARY

The House bill contained no provision relating to the evacuation of deserters from the United States military.

The Senate amendment contained a provision which expressed the sense of Congress that the United States not abandon in Vietnam deserters from the United States military who remain in that country, but that upon their return to the United States they be turned over to proper authorities for prosecution in accordance with the law.

The Senate receded, with the understanding that the provision would have been subject to a point of order in the House.

RESCESSION OF PROVISIONS THROUGH CONCURRENT RESOLUTION

The House bill provided that any provisions of the bill may be rescinded by the Congress through concurrent resolution.

The Senate amendment contained no comparable provision.

The House receded, because the Committee of conference believed that the safeguards contained in Section 5, concerning the War Powers Resolution, made the provision unnecessary.

DELIVERY OF PUBLIC LAW 480 SHIPMENTS TO CAMBODIA

The House bill did not contain a provision relating to delivery of PL 480 shipments to Cambodia.

The Senate amendment required PL 480

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food shipments scheduled for delivery to Cambodia on or before the date of enactment of this bill to be delivered to Cambodia through international channels, provided that the assistance is requested by the Cambodian Government.

The Senate receded.

FINDING OF CONGRESS ON NORTH VIETNAMESE AND VIETCONG VIOLATION OF PARIS PEACE AGREEMENT

The House bill stated the finding of the Congress that this bill is made necessary by North Vietnamese and Vietcong military aggression in flagrant violation of the Paris Peace Agreement.

The Senate amendment contained no comparable provision.

The House receded. The Committee of Conference believes that a formal assessment of blame could have undesirable consequences with respect to the overall objectives of the Act and, specifically, with respect to obtaining information about Americans listed as missing in action in Southeast Asia and the return of the remains of known American dead.

John Sparkman,
Frank Church,
Hubert H. Humphrey,
Clifford P. Case,
Jacob K. Javits,
Hugh Scott,
Managers on the Part of the Senate.
Thomas E. Morgan,
Clement J. Zablocki,
Wayne L. Hays,
L. H. Fountain,
Dante Fascell,
Wm. S. Broomfield,
Edward J. Derwinski,
Managers on the Part of the House.

Mr. MANSFIELD. Mr. President, I ask unanimous consent if I may have the attention of the Senate, that a vote occur on the pending conference report no later than the hour of 4 o'clock; that in the meantime, 40 minutes be allocated to the distinguished Senator from Iowa and 21 minutes to the distinguished Senator from New Jersey, under the usual rule.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that one side or the other yield 2 minutes to the distinguished Senator from Kentucky (Mr. Ford), and I now yield 1 minute to the distinguished Senator from Wisconsin (Mr. Proxmire)

The PRESIDING OFFICER. Without objection, it is so ordered.

SECURITIES REFORM ACT OF 1975

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 249.

The PRESIDING OFFICER (Mr. Laxalt) laid before the Senate the amendments of the House of Representatives to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Securities Reform Act of 1975".

TITLE I—REGULATION OF EXCHANGES AND ASSOCIATIONS

Sec. 101. (a) Section 3(a)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(3)) is amended to read as follows:

"(3) The term 'member' when used with respect to a national securities exchange or national securities association means any person who agrees to be regulated by an exchange or association and with respect to whom the exchange or association undertakes to enforce compliance with its rules and with the provisions of this title, and any amendment thereto and any rule or regulation made or to be made thereunder."

(b) Section 3(a)(21) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(21)) is amended to read as follows:

"(21) The term 'person associated with a member' with respect to a member of a national securities exchange or national securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person who is employed by such member, or any person directly or indirectly controlling, under common control with, or controlled by, such member. The Commission may, by rule, classify, for the purpose of any provision of this title, persons associated with a member of an exchange or an association."

Sec. 102. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"Sec. 6. (a) Any exchange may register with the Commission as a national securities exchange under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the exchange'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An exchange shall not be registered as a national securities exchange unless it appears to the Commission that—

"(1) such exchange will be able to comply with and carry out the requirements of subsection (q) of this section;

"(2) the rules of the exchange provide that any broker or dealer registered under this title may become a member of such exchange in conformity with the requirements of subsection (o) of this section;

"(3) the rules of the exchange assure a fair representation of its members, issuers of securities listed on the exchange, and the public, in the adoption of rules of the exchange and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum provisions that—

"(A) the governing body of the exchange, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the exchange will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the exchange to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the exchange staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the exchange provide for the equitable allocation of dues, fees, and other charges among its members, among issuers whose securities are traded on such exchange, and among other persons using the facilities of the exchange;

"(5) the rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers, issuers, or brokers or dealers;

"(6) the rules of the exchange provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions and operations, being suspended or barred from being associated with a member or any other fitting sanction, except that such rules need not require an exchange to discipline any person, directly or indirectly controlling, under common control with, or controlled by, a member of such exchange if such person is not otherwise a person associated with such member;

"(7) the rules of the exchange provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the exchange provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such exchange, including that the rules, as a minimum, meet the requirements of subsection (h) of this section; and

"(9) the rules of the exchange are sufficient and reasonably necessary to permit the exchange to discharge its regulatory responsibility under this title.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules, regulations, and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application of registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a) the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for a period of time not to exceed 90 days.

"(e) A national securities exchange may, upon such terms and conditions as the Commission may deem necessary in the public

interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such exchange or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny registration.

"(f)(1) Each national securities exchange shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the exchange, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an exchange's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an exchange's rules, publish notice of such proposal together with the exchange's statement of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an exchange's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment, or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment, or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an exchange's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the exchange. An exchange shall file with the Commission, on a date no later than on the date on which any such change, addition, deletion, or amendment takes effect, copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, except that the Commission shall have no authority to require the filing of such copies and statements prior to the date on which any such change, addition, deletion, or amendment takes effect, and the failure to file such copies and such statements as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an exchange's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such exchange) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under this subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the exchange and between the Commission and any other person relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities exchange registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the exchange or provisions of this title or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commission shall, by rule, specify.

"(2) Rules of a national securities exchange may, with the approval of the Commission, provide for a summary procedure for the suspension, in whole or in part, of the business activities of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities exchange or national securities association for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the exchange determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the exchange.

Following any such suspension, the member or person associated with a member so suspended promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities exchange registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities exchange imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such exchange, the exchange shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in subsection (g) or (h) has been given to the aggrieved party and to the Commission, or within 30 days after the exchange has notified the Commission pursuant to this subsection that the exchange has concluded disciplinary proceedings without imposing a sanction, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities exchange registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the exchange has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the exchange as have been designated in the determination of the exchange, it shall by order so declare and, if appropriate, affirm the action taken by the exchange or remand the proceeding to the exchange or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the exchanges has charged or found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the exchange or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the exchange.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings before the exchange with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction or penalty, or may remand the disciplinary pro-

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ceeding to the exchange with a statement of the Commission's position thereon and with appropriate instruction to the exchange to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The exchange shall notify the member or person associated with the member, and the Commission, as to the exchange's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the exchange's determination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities exchange or to review action of an exchange to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the exchange and this section, it shall by order so declare and affirm the exchange's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the exchange or this section, the Commission shall by order so declare and set aside the action of the exchange and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) With respect to (1) any broker or dealer who is not a member of an exchange but whom the Commission finds to be effecting transactions on an exchange through a member of such exchange in significant and substantial amounts, or (2) any person who is not a member of, but who is permitted by, an exchange to effect transactions directly on the exchange without the services of another person acting as broker, the Commission may, after notice and opportunity for hearing, as it determines to be necessary or appropriate in the public interest, to protect investors, or to assure the maintenance of fair and orderly markets, require, by order, such broker or dealer or person to accede to the regulation of such exchange with respect to the effecting of such transactions of such exchange and require such exchange to regulate such broker or dealer or person, but such person shall not, solely because of such action, be deemed a member of such exchange. In any such circumstance, the Commission shall define and specify the authority and responsibility of such exchange to establish and enforce standards and requirements to be satisfied by such broker or dealer or person with respect to such transactions.

"(m)(1) The Commission may, with respect to any person who is a member of more than one national securities exchange, or who is a member of an exchange and a national securities association, assign to an exchange or an association of which such person is a member the responsibility in whole or in part for the regulation of such person, including the responsibility to conduct inspections and examinations of such person, and such assignment shall, as the Commission may find to be consistent with the purposes of this title, relieve from the requirement of subsection (q) of this section and section 15A(m) of this title any exchange or association of which a person is also a member to the extent that the responsibility for regulation has been assigned to another exchange or association.

"(2) In any circumstance in which an assignment of regulatory responsibility under paragraph (1) is determined by the Commission to relieve an exchange or an association from the requirements of subsection (q) of this section or subsection (m) of section 15A, with respect to a member of such exchange or association, the Commission may, as it deems necessary or appropriate in the public interest and for the protection of investors, require any such exchange or association and any such member, to take appropriate steps to notify the public, customers, and persons doing business with such members of the nature of such membership.

"(n) A national securities exchange or national securities association shall furnish copies of any reports of inspections or examinations of its members to any other national securities exchange or national securities association of which such member is a member upon the request of such member, exchange, or association, or upon the request of the Commission, and shall not be liable for damages to any person, whether or not the subject of such report, solely for having furnished such copies to another exchange or association pursuant to such request.

"(o) A national securities exchange shall permit any broker or dealer registered under this title to become a member of such exchange, except that any exchange may—

"(1) deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other exchange or any national securities association, during the period of such expulsion, suspension, or bar;

"(2) deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) bar from being associated with a member any person who, by his conduct while associated with a broker or dealer, was a cause of any suspension, expulsion, or order of the character described in paragraph (1) or (2) of this subsection and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraph (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 6(k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5)(C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the exchange, or in any proceeding before the exchange, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted within ten years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the exchange finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the exchange which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

An exchange may, pursuant to such procedures as the Commission finds, give fair and equitable treatment to the members of the exchange, limit the number of its members or designated representatives of its members permitted to effect transactions on the exchange without the services of another person acting as broker to the extent that such limitations are found by the Commission to be justified by reason of limitations in the physical capacity of the exchange.

"(p)(1) On and after May 1, 1975, no national securities exchange may fix or impose any schedule or rate of commission, allowance, or discount except that such prohibition shall not apply to floor brokerage commissions until May 1, 1976, and except that the Commission may (A) after May 1, 1975 and until October 1, 1976, by rule, after appropriate notice and affording interested persons an opportunity for the oral presentation of views, data, and arguments in addition to an opportunity to make written submissions, permit a national securities exchange or exchanges to continue, establish, or reestablish a reasonable schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines that the public interest requires the continuation, establishment, or reestablishment of a reasonable schedule or rate for such transactions or portions of transactions on such exchange or exchanges; and (B) on or after October 1, 1976, by order, after appropriate notice and opportunity for a hearing on a record, permit a national securities exchange to continue, establish, or reestablish a schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines (i) that such schedule rate of commission, allowance, or discount is reasonable (stating the standard or standards employed by the Commission adjudging the reasonableness of such schedule, rate of commission, allowance or discount) and (ii) that such action is required to accomplish the purposes of this title and to 'assure the maintenance of fair and orderly markets in securities, taking into consideration the competitive effects of permitting the continuance, establishment, or reestablishment of such schedule, rate of

commission, allowance, or discount weighed against the competitive effect of other lawful action which the Commission is authorized to take under this title and taking into consideration the preservation of auction markets, promotion of market liquidity, the encouragement of direct investment by individual investors, the availability of equity capital to business, and the prevention of undue concentration of the investment banking industry. Any schedule or rate of commission, allowance, or discount at any time permitted after May 1, 1975, may (i) apply only to transactions or portions of transactions of a particular size involving amounts of less than $300,000 and (ii) relate only to one or more particular services rendered and shall be terminated by rule or order whenever the Commission, after appropriate notice and opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, determine that the public interest no longer requires the continuation of such schedule or rate of commission, allowance, or discount, the Commission shall promptly transmit a copy of any rule or order adopted pursuant to this subsection to the Congress, together with a statement of the Commission's reasons for adopting such rule or order, and the Commission's recommendations, if any, for legislation concerning the matter of commission rates.

"(2) The Commission shall include in its annual report to the Congress required by section 23(b) of this title a description of the effect that competitive determined commission rates is having on the development of a national securities market system and a national clearance and settlement system.

"(q) National securities exchanges registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the exchange.

"(r) This section shall not require any securities exchange which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any exchange which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such exchange in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an exchange has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities exchange if the Commission finds that the rules of such exchange are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such exchange comply with such requirements.

"(s) Paragraph (2) of subsection (b) of this section and subsection (o) of this section shall not take effect with respect to a national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975 until January 1, 1978. The Commission shall notify the Congress no later than June 30, 1977, whether the requirements of this subsection can be equitably and reasonably implemented. Taking into consideration the loss of value of exchange seats, if any, that would be sustained by exchange members as a result of the implementation of this subsection, if the Commission finds, with respect to any national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975, that this subsection cannot be equitably and reasonably implemented it may, by order, after notice and opportunity for hearing, delay the effective date of this subsection with respect to such exchange for an additional period but not beyond January 1, 1979.

"(t)(1) Rules of an exchange may require any person, or any class of persons, associated with a member to be registered with the exchange in accordance with the procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the exchange may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the exchange may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplement thereto required by rules of an exchange to be filed by a person applying for membership on such exchange or to be filed by a person applying to be associated with a member of an exchange shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

Sec. 103. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding after section 6 the following new section:

"AUTHORITY TO AMEND EXCHANGE AND ASSOCIATION RULES

"Sec. 6A. (a) The Commission, by rule, may amend the rules of any national securities exchange or national securities association (the term 'amend', when used with respect to any rule of a national securities exchange or national securities association means to abrogate, or compel the adoption of an alteration of, or supplement to, such rule, or to adopt a new rule) as the Commission deems necessary or appropriate in the public interest or for the protection of investors, or to insure fair dealing in securities, or to insure the fair administration of such exchange or association, or otherwise to effectuate the purposes of this title, in the following manner:

"(1) The Commission shall give appropriate notice to the exchange or association and shall publish in the Federal Register its proposed rule, which shall contain the text of the proposed amendment to the rules of the exchange or association; a statement of the reasons for the Commission's determination to propose to require the amendment, including any facts which the Commission considers especially pertinent to its determination, and an evaluation by the Commission of the effect of the proposed amendment to the rules of such exchange or association.

"(2) Rules which have been proposed under paragraph (1) shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to any opportunity to make written submissions. A transcript shall be kept of any oral presentation. The Commission may make written submissions or oral presentations respecting such proposed rulemaking. Nothing in this section shall be construed to impair or limit the Commission's power to promulgate, or to modify or alter the procedures the Commission may follow in promulgating rules, regulations, and orders pursuant to any other authority under this title.

"(3) Whenever the Commission promulgates a rule under this section it shall publish with such rule a statement of its bases and purposes for requiring the amendment, including (A) an identification of those facts upon which the Commission considers its determination to be grounded, including its conclusions as to any of such facts which were disputed in oral presentations under paragraph (2) or in written submissions under such paragraph, and (B) an evaluation of what the Commission considers to be the principal arguments made in such oral presentations and in such written submissions.

"(b)(1) Any person adversely affected by a rule promulgated under subsection (a) may, within 120 days from the promulgation of such rule, file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides or has his principal place of business. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or any person designated by it for such purpose. The Commission shall file in the court the rule and the statement published therewith; the transcript required by subsection (a)(2) of any oral presentations by the Commission and by interested persons; and any written submission by interested persons or by the Commission in a proceeding under this section.

"(2) Upon the filing of the petition under paragraph (1) of this subsection, the court shall have jurisdiction to review the rule and to affirm or set aside the rule and to grant interim relief of the nature described in section 705 of title 5, United States Code. Upon review, the facts identified by the Commission pursuant to subsection (a)(3), if supported, by substantial evidence, are conclusive. The rule shall be affirmed unless the court finds that (A) the Commission's action in prescribing the rule is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; or (B) that the Commission's action is (i) contrary to constitutional right, power, privilege, or immunity; (ii) in excess of statutory jurisdiction, authority, or limitation, or short of statutory right; or (iii) without observance of procedure required by law.

"(3) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (1) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(4) The judgment of the court affirming or setting aside, in whole or in part, any rule under this subsection shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code."

Sec. 104. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"POWERS WITH RESPECT TO EXCHANGES, ASSOCIATIONS, AND SECURITIES

"Sec. 19. (a) The Commission is authorized, if in its opinion such action is necessary or appropriate for the protection of investors—

"(1) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to revoke the registration of a national securities exchange or national securities association if the Commission finds that such exchange or association has violated any provision of this title or any rules, regulations, or orders thereunder, or is unable to comply with the provisions of this title or any rules, regulations, or orders thereunder, or, without

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reasonable justification or excuse, has failed to enforce compliance with the title or any rules or regulations thereunder, or with its own rules by a member or, with respect to an exchange, by an issuer of a security registered thereon.

"(2) After appropriate notice and opportunity for hearing, by order to deny, to suspend the effective date of, to suspend for a period not exceeding 12 months, or to withdraw, the registration of a security if the Commissioner finds that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder, or any rule of a registered national securities exchange upon which such security is listed for trading.

"(3) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to expel from a national securities exchange or national securities association any member thereof, or to suspend for a period not exceeding 12 months or to bar any person from being associated with a member thereof, whom the Commission finds has violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or a rule, regulation, or order under any of such statutes, or has effected any transaction for any other person who, such member or such person associated with a member had reason to believe, was violating in respect to such transaction any provision of any of such statutes, or a rule, regulation, or order thereunder.

"(4) After appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a national securities exchange or national securities association who, the Commission finds, has willfully and without reasonable justification or excuse failed to enforce compliance with this title, or any rules or regulations thereunder, or with the rules of the exchange or association of which he is an officer, director, or employee, by a member or, with respect to an exchange by an issuer of a security registered on the exchange, or has willfully abused his authority.

"(5) And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or, with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days."

SEC. 105. Section 11(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78h(a)) is amended to read as follows:

"(a)(1) The Commission shall prescribe such rules and regulations as it determines to be necessary or appropriate in the public interest, to assure fair dealing in securities, or for the protection of investors, to regulate or prevent trading by members of national securities exchanges, or trading by brokers or dealers, directly or indirectly (A) for their own account, (B) for any account in which an affiliated or associated person of such member or such broker or dealer has a financial interest (other than an interest which the Commission determines to be insignificant), or (C) for any managed account. Rules under this section shall, as a minimum, assure that any such trading is consistent with and not detrimental to the maintenance of a fair and orderly market in securities.

"(2) For the purposes of this section:

"(A) An 'affiliated person' shall include any person directly or indirectly controlling, controlled by or under common control with (i) such member or such broker or dealer, or (ii) an associated person of such member or such broker or dealer, whether by contractual arrangement or otherwise. A person shall be presumed to control another person if such person has a right to participate to the extent of more than 25 per centum in the profits of such other person or owns beneficially, directly or indirectly, more than 25 per centum of the outstanding voting securities of such person. An affiliated person may also include any person whom the Commission determines to be in a position to control a member or a broker or dealer by reason of the nature and extent of such person's business with such member or such broker or dealer.

"(B) The term 'associated person' with respect to a member or a broker or dealer means any partner, officer, director, or branch manager of such member or such broker or dealer (or any person occupying a similar status or performing similar functions), including any employee of such member or such broker or dealer, except that for the purposes of this section an associated person of such member or such broker or dealer whose functions are clerical or ministerial shall not be included in the meaning of such term; and

"(C) The term 'managed account' shall mean an account of any person (including any investment company, insurance company, separate account of an insurance company, bank, trust company, pension-benefit or profit-sharing or similar plan, foundation or educational or charitable endowment) for which such member or such broker or dealer, any affiliated person of such member or such broker or dealer, or any associated person of such member or such broker or dealer: (i) is empowered to determine what securities or other property shall be purchased or sold or is otherwise authorized to select the securities bought or sold or (ii) regularly furnishes advice with respect to the desirability of investing in, purchasing or selling securities or other property. For the purposes of this section a member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, shall not be considered to be regularly furnishing advice with respect to the desirability of investing in, purchasing or selling securities or other property if such member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, furnishes only statistical or other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities or if such advice is furnished solely through uniform publications distributed to subscribers thereto or to customers of such member, or broker or dealer, or affiliated or associated person.

"(3) Except as provided in paragraph (5) of this subsection, on or after May 1, 1975, it shall be unlawful for any member of a registered national securities exchange to effect, whether as broker or dealer, any transaction on an exchange for any account described in subparagraphs (A), (B), and (C) of paragraph (1) of this subsection, except that this paragraph shall not apply so as to make unlawful the following—

"(A) any transaction by a registered specialist acting in such capacity;

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered;

"(C) any transaction determined in accordance with criteria acceptable to the Commission to be a transaction by a block positioner, or a market maker, acting in such capacity;

"(D) any stabilizing transaction effected in compliance with rules under section 10(b) of this title to facilitate a distribution of a security in which the member effecting such transaction is particiapting;

"(E) any bona fide arbitrage transaction, including hedging between an equity security and a security entitling the holder to acquire such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction invoking a recapitalization;

"(F) any transaction for a managed account of a natural person or of a trust created by and for a natural person or his spouse, children, grandchildren, brothers, sisters, aunts, uncles, nieces, or nephews, if such natural person is not otherwise an affiliated or associated person of such member;

"(G) any transaction for a member who is a natural person, or for an account of a natural person who is an affiliated or associated person of a member;

"(H) any transaction to offset a transaction made in error;

"(I) any other transaction of a kind which the Commission, by rule, shall determine contributes to the fair and orderly functioning of the securities market and which is consistent with the purposes of this paragraph; and

"(J) any transaction by a member for a managed account of a person who, with respect to such member is, not an affiliated or associated person, if such member (or any affiliated or associated person of such member) performs no functions for such account other than those functions described in paragraph (2)(C) of this subsection and which is effected pursuant to standards prescribed by the Commission, by rule, to assure that (i) satisfactory provision is made for the review of trading for such account by a person with investment experience who is not an associated or affiliated person of such member, and (ii) the effecting of such transaction by such member would be consistent with the maintenance of fair and orderly markets in securities.

The Commission shall promulgate appropriate rules under section 3(b) of this Act which shall define terms used in subparagraphs (A) through (J) of this paragraph.

"(4) The Commission shall, under authority of paragraph (1) of this subsection, prescribe such rules and regulations applicable to any transaction for an account described in subparagraph (A), (B), and (C) of paragraph (1) to prevent any member of a national securities exchange from effecting transactions for such accounts otherwise than on an exchange and to prevent any broker or dealer (other than a member of an exchange) from effecting any transaction for such an account on an exchange or otherwise than on an exchange to the extent that the Commission determines that the prohibition on trading contained in paragraph (3) of this subsection must be applied, in whole or in part, to such members and such brokers or dealers in order to assure the maintenance of fair and orderly markets in securities.

"(5) Until the end of a period of 3 years following the date of enactment of the Securities Reform Act of 1975, the provisions of paragraph (3) of this subsection shall not apply to any member of an exchange who acquired membership on such exchange prior to January 16, 1973, or who on date of enactment of the Securities Reform Act of 1975 was directly or indirectly controlled by a person who was a member of such exchange prior to January 16, 1973, so as to make unlawful the effecting of any transaction for (A) such member's own account, (B) for the account of any associated or affiliated person who was so associated or affiliated on January 16, 1973, or (C) for a managed account for which such member or any affiliated or associated person performed functions described in subparagraph (C) of paragraph (1) on January 16, 1973.

"(6) It shall be unlawful for any member of a national securities exchange or for any broker or dealer to utilize a scheme, device, arrangement, agreement, or understanding designed to circumvent or avoid, by reciprocal means or otherwise, the provisions of paragraph (3) of this subsection or any rule or regulation promulgated by the Commission under authority of this subsection."

SEC. 106. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended to read as follows:

INVESTIGATIONS, INJUNCTIONS, AND PROSECUTION OF OFFENSE

"SEC. 21. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person or a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(1) of this title, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, practices, or matters which it may deem necessary or proper to aid in carrying out its functions under this title or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.

"(b) For the purpose of any such investigation, or any other proceeding under this title, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

"(d) Wherever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(1) of this title, it may in its discretion bring an action in the proper district court of the United States, the United States District Court of the District of Columbia or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond: *Provided, however*, That the Commissioner shall not proceed against any person under this subsection based on a violation of an exchange, association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission. The Commission may transmit such evidence as may be available concerning acts or practices which may constitute a violation of this title, or any rule, regulation, or order thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(e) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States Courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any rule, regulation, or order of the Commission made in pursuant thereof, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(1) of this title, or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title or to compel a registered national securities exchange, national securities asssociation, registered claims agency, or registered securities depository to enforce compliance with the rules of such exchange, association, clearing agency, or securities depository: *Provided, however*, That the Commission shall not proceed against any person under this subsection based on a violation of an exchange association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing, agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission.

"(f) Notwithstanding the provisions of section 1407 of title 28, United States Code, no enforcement action for equitable relief instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission. As used in this subsection, the term 'securities laws' includes the Securities Act of 1933 (15 U.S.C. 77 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisors Act of 1940 (15 U.S.C. 806 et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).".

SEC. 107. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended to read as follows:

"NATIONAL SECURITIES ASSOCIATIONS

"SEC. 15A. (a) Any association may register with the Commission as a national securities association under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the association'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An association shall not be registered as a national securities association unless it appears to the Commission that—

"(1) such association will be able to comply with and carry out the requirements of subsection (m) of this section;

"(2) the rules of the association provide that any broker or dealer may become a member of such association in conformity with the requirements of subsection (l) of this section;

"(3) the rules of the association assure a fair representation of its members, issuers of securities, and the public, in the adoption of rules of the association and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum, provisions that—

"(A) the governing body of the association, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the association will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the association to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the association staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the association provide for the equitable allocation of dues, fees, and other charges among its members, among issuers with respect to whose securities quotations are disseminated through facilities of the association, and among other persons using its facilities;

"(5) the rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to provide safe-

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guards against unreasonable profits or unreasonable rates of commissions or other charges, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and cpen market; and are not designed to permit unfair discrimination between or among customers or issuers, or brokers or dealers, to fix minimum profits, to impose any schedule of prices, or to impose any schedule or fix minimum rates of commissions, allowances, discounts, or other charges;

"(6) the rules of the association provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions, and operations, being suspended or barred from being associated with a member, or any other fitting sanction, except that such rules need not require an association to discipline any person, directly or indirectly controlling, under common control with, or controlled by a member of such association if such person not otherwise a person associated with such member;

"(7) the rules of the association provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the association provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such association, including that the rules, as a minimum, meet the requirements of subsection (h) of this section;

"(9) the rules of the association are sufficient and reasonably necessary to permit the association to discharge its regulatory responsibilities under this title; and

"(10) the rules of the association include provisions governing the form and content of quotations relating to securities or any class thereof which may be disseminated by any member or any person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, both at the wholesale and retail level, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, publishing, and disseminating quotations.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any association from adopting and enforcing any rule not inconsistent with this title and the rules, regulations and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application for registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a), the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period of time not to exceed 90 days.

"(e) A national securities association may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such association or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(f)(1) Each national securities association shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the association, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an association's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an association's rules, publish notice of such proposed together with the association's statements of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an association's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this section, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an association's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the association. An association shall file with the Commission copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, on the date on which such change, addition, deletion, or amendment takes effect, except that the failure to file such charge, addition, deletion, or amendment to such stated policies and practices as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an association's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such association) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the association and between the Commission and any other persons relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities association registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the association or provisions of this title or rules or regulations thereunder which any such act or practice, or ommission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commisison shall, by rule, specify.

"(2) Rules of a national securities association may, with the approval of the Commission, provide for a summary procedure for the suspension of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities association or a national securities exchange for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the association determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the association.

Following any such suspension, the member promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities association registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities association imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such association, the association shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in (g) or (h) above has been given to the aggrieved party and to the Commission, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities association registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the association as have been designated in the determination of the association, it shall by order so declare and, if appropriate, affirm the action taken by the association or remand the proceeding to the association, or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the association or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the association.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings, before the association with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction, or may remand the disciplinary proceeding to the association with a statement of the Commission's position thereon and with appropriate instruction to the association to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The association shall notify the member or person associated with the member, and the Commission, as to the association's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the association's detrmination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities association or to review action of an association to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the association and this section, it shall by order so declare and affirm the association's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the association or this section, the Commission shall by order so declare and set aside the action of the association and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) A national securities association shall permit any broker or dealer to become a member of such association, except that, any association may—

"(1) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other association or any national securities exchange, during the period of such expulsion, suspension, or bar;

"(2) unless the Commission, by order, directs otherwise in case in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, bar from being associated with a member any person, during the period of any suspension, expulsion, or order of the character described in paragraphs (1) or (2) of this subsection, who, by his conduct while associated with a broker or dealer, was the cause of such suspension, expulsion, or order, and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraphs (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 15A (k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5)(C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the association, or in any proceeding before the association, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted, within ten years preceding the filing of the application or at any time thereafter, of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the association finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require an applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the association which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

"(m) National securities associations registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the association.

"(n) This section shall not require any securities association which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any association which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such association in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an association has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities association if the Commission finds that the rules of such association are not in compliance with the requirements of this section, such sus-

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pension to continue in effect until the Commission issues an order declaring that the rules of such association comply with such requirements.

"(o) (1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember broker or dealer (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

"(2) For the purposes of this subsection, the term 'nonmember broker or dealer' shall include any broker or dealer who makes use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security otherwise than on a national securities exchange, who is not a member of any national securities association, except a broker or dealer who deals exclusively in commercial paper, bankers' acceptance, or commercial bills.

"(3) Nothing in this subsection shall be so construed or applied as to prevent any member of a national securities association from granting to any other member of any national securities association any dealer's discount, allowance, commission, or special terms.

"(p) Nothing in this section shall be construed to apply with respect to any transaction by a broker or dealer in any exempted security.

"(q) (1) Rules of an association may require any person, or any class of persons, associated with a member to be registered with the association in accordance with procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the association may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the association may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplemental thereto required by rules of an association to be filed by a person applying for membership in such association or to be filed by a person applying to be associated with a member of an association shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

TITLE II—FINANCIAL RESPONSIBILITY; REGULATION OF BROKERS AND DEALERS; REPORTS AND EXAMINATIONS

SEC. 201. Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended to read as follows:

"RESTRICTIONS ON BORROWING BY MEMBERS, BROKERS, AND DEALERS

"SEC. 8. It shall be unlawful for any registered broker or dealer or any broker or dealer who transacts a business in securities through the medium of any member of a national securities exchange directly or indirectly—

"(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank of the Federal Reserve System, (2) from any nonmember bank which shall have filed with the Board of Governors of the Federal Reserve System an agreement, which is still in force and which is in the form prescribed by the Board, undertaking to comply with all provisions of this Act, the Federal Reserve Act as amended, and the Banking Act of 1933, which are applicable to member banks and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof, or (3) in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe to permit loans between such members and/or brokers and/or dealers, or to permit loans to meet emergency needs. Any such agreement filed with the Board of Governors of the Federal Reserve System shall be subject to termination at any time by order of the Board after appropriate notice and opportunity for hearing because of any failure by such bank to comply with the provisions thereof or with such provisions of law or rules or regulations; and, for any willful violation of such agreement, such bank shall be subject to the penalties provided for violation of rules and regulations prescribed under this title. The provisions of sections 21 and 25 of this title shall apply in the case of any such proceeding or order of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply in the case of proceedings and orders of the Commission.

(b) In contravention of such rules and regulations as the Commission shall prescribe for the protection of investors to hypothecate or arrange for hypothecation of any securities carried for the account of any customer under circumstances (1) that will permit the commingling of his securities without his written consent with the securities of any other customer, (2) that will permit such securities to be commingled with the securities of any person other than a bona fide customer, or (3) that will permit such securities to be hypothecated, or subjected to any lien or claim of the pledgee for a sum in excess of the aggregate indebtedness of such customers in respect of such securities.

"(c) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer or in contravension of such rules and regulations as the Commission shall prescribe for the protection of investors."

SEC. 202. Section 15(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)) is amended to read as follows:

"SEC. 15. (a) (1) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, and no broker or dealer who is a member of an exchange shall make use of an exchange facility, to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless registered as a broker or dealer in accordance with subsection (b) of this section.

"(2) The Commission may by such rules and regulations or orders as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for specified periods, exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rules, regulations, or orders.

SEC. 203. (a) Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended to read as follows:

"(b) (1) A broker or dealer may be registered for the purpose of this section by filing with the Commission an application for registration, which shall contain a balance sheet certified by an independent public or certified accountant and such other financial statements (which may be certified) or such other information in such detail as to such broker or dealer and any persons associated with such broker or dealer as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within 120 days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional 90 days.

"(2) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain a balance sheet certified by an independent or certified public accountant and such other financial statements (which may be certified) or such other information in such detail as to the applicant and as to the successor and any person associated with the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. The effectiveness of such application shall be governed by the same procedures as set forth in subsection (b) (1). Should the Commission grant such application for registration, the registration shall terminate on the forty-fifth day of the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt such application as its own.

"(3) Within 6 months of the granting of an application for registration the Commission, or such national securities association or national securities exchange of which such broker or dealer is a member as the Commission may, by rule, designate, shall conduct an inspection of the broker or dealer so registered, to determine whether such broker or dealer is operating in conformity with the provisions of this title, and the rules and regulations adopted thereunder: *Provided, however,* That the Commission may classify brokers and dealers on appropriate bases, including the type of business in which they are engaged, and, with respect to particular classes of brokers and dealers, delay for a period not to exceed 6 months the inspection required by this paragraph.

"(4) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce are used in connection therewith shall also prohibit any such act, practice, or course of business by any broker or dealer registered pursuant to this subsection or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(5) The Commission shall, after appropriate notice and opportunity for hearing, by order censure, deny registration to, suspend for a period not exceeding 12 months, or revoke the registration of, any broker or dealer if it finds that such censure, denial, suspension, or revocation is in the public interest and that such broker or dealer, whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

"(A) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within 10 years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security.

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser.

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities.

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, or dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or firm engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or this title, or any rule or regulation under any of such statutes.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or any rule or regulations under any of such statutes, or has failed reasonably to supervise, with a view to preventing violations of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this clause (E) no person shall be deemed to have failed reasonably to supervise any person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (7) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer, which order is in effect with respect to such person.

"(6) Pending final determination whether any registration under this subsection shall be revoked, the Commission shall by order suspend such registration, if after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall, after appropriate notice and opportunity for hearing, by order cancel the registration of such broker or dealer.

"(7) The Commission may, after appropriate notice and opportunity for hearing, by order censure any person, or bar or suspend for a period not exceeding 12 months any person from being associated with a broker or dealer if the Commission finds that such censure, barring, or suspension is in the public interest and that such person has committed or omitted any act or omission enumerated in clause (A), (D), or (E) of paragraph (5) of this subsection or has been convicted of any offense specified in clause (B) of said paragraph (5) within 10 years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in clause (C) of said paragraph (5). It shall be unlawful for any person as to whom such an order barring or suspending him from being associated with a broker or dealer is in effect, willfully to become, or to be, associated with a broker or dealer, without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him, without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care, should have known, of such order.

"(8) No broker or dealer registered under section 15 of this title shall effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer and all natural persons associated with such broker or dealer meet such specified and appropriate standards with respect to training, experience and age, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) appropriately classify brokers and dealers and persons associated with brokers and dealers (taking into account relevant matters, including types of business done and nature of securities sold).

"(B) specify that all or any portion of such standards shall be applicable to any such class.

"(C) require persons in any class to pass examinations prescribed in accordance with such rules and regulations, which examinations shall, with respect to any class of partners, officers, or supervisory employees (which latter term may be defined by the Commission's rules and regulations and as so defined shall include branch managers of brokers or dealers) engaged in the business activities of the broker or dealer, include questions relating to bookkeeping, accounting, internal control over cash and securities, proper maintenance of records, and other appropriate matters.

"(D) provide that persons in any class other than a broker or a dealer and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such specified standards of training and such other qualifications as the Commission finds appropriate.

The Commission may prescribe by rules and regulations reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any examination administered by it or under its direction. The Commission may cooperate with national securities associations registered under section 15A of this title and with national securities exchanges registered under section 6 of this title in devising and administering examinations and may require brokers and dealers registered under this section and persons associated with such brokers and dealers to pass examinations administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such examinations.

"(9) In addition to the fees and charges authorized by paragraph (8) each broker or dealer registered under section 15 of this title which is not a member of a national securities association registered pursuant to section 15A of this title shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such broker or dealer is not a member of such a securities association. The Commission shall establish such fees and charges by rules and regulations.

"(10) No broker or dealer subject to paragraph (9) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to provide safeguards against unreasonable profits of unreasonable rates of commissions or other charges, and in general to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market."

(b) The amendments and repeals made by this section shall not require the re-registration of any person registered pursuant to subsection 15(b) on the date on which the Securities Reform Act of 1975 take effect.

SEC. 204. Section 15(c) (3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c) (3)) is amended to read as follows:

"(3) (A) No broker or dealer shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility and related practices of such brokers and dealers including, but not limited to, the acceptance of custody and use of customers' securities, and the carrying and use of customers' deposits or credit balances. Such rules and regulations shall (i) require the maintenance of reserves with respect to customers' deposits or credit balance, and (ii) by no later than July 1, 1975, establish minimum capital requirements for ample, liquid, and permanent capital of such brokers and dealers.

"(B) The Commission shall have authority, after appropriate notice and opportunity for hearing, to order any broker or dealer or class thereof to restrict any of its activities if the Commission finds that such restrictions are reasonably necessary to assure continued compliance with rules under this section.

"(C) For the purposes of this paragraph, the Commission is authorized to classify brokers and dealers on appropirate bases including the type of business in which they are engaged and risks attendant thereto.

"(D) (i) The Commission may, by order, upon written application, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer who satisfies the Commission that, because of the special nature of his business, his financial position, and the safeguards he has established for the protection of customers' funds and securi-

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ties, it is not necessary in the public interest or for the protection of investors to subject the particular broker or dealer to the provisions of this paragraph and the Commission may, by rule, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer or class of brokers or dealers who do not handle customers' funds and securities, if the Commission determines that it is not necessary in the public interest or for the protection of investors to subject such brokers or dealers or classes of brokers or dealers to the provisions of this paragraph.

"(ii) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for exemptions received, the number granted pursuant to (i) above, the basis or bases upon which the exemptions were granted and any rule or rules exempting any broker or dealer or class of brokers or dealers from the provisions of this paragraph."

SEC. 205. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended to read as follows:

"ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

"SEC. 17. (a) Every national securities exchange, every member thereof registered under section 15 of this title, every broker or dealer who transacts a business in securities through the medium of any such member, every national securities association, every broker or dealer registered pursuant to section 15 of this title and every securities information processor, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and furnish such copies thereof, and make and disseminate such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors or to remove impediments to or perfect the mechanism of a national securities market system. No exchange, broker, dealer, national securities association, or securities information processor shall be liable for damages to any person, whether or not the subject of such accounts, correspondence, memoranda, papers, books, or other records solely for having furnished copies of such material as required by this section or rules or regulations thereunder.

"(b) Such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(c) Every broker or dealer registered under this title shall file with the Commission balance sheets and income statements, certified by an independent public or certified public accountant, prepared on a calendar or fiscal year basis for the current year and the preceding year, if any, and shall file such other information concerning its financial conditions as the Commission shall, by rule, require. Every such broker or dealer shall send to its customers its certified balance sheet and, upon the request of any customer or as may be required by the Commission, by rule, its certified income statement and any other information concerning its financial condition which it is required to file with the Commission.

"(d) Rules under subsection (a) of this section may include rules (1) regulating the reporting of transactions executed on an exchange, or otherwise than on an exchange on a continuous basis or otherwise; (2) regulating the reporting of bids and offers for securities traded on an exchange or otherwise than on an exchange on a continuous basis or otherwise; and (3) prescribing uniformity in accounting procedures and systems of brokers and dealers and members of exchanges and associations.

"(e) Any broker, dealer, member or other person extending credit who is subject to the rules and regulations prescribed by the Board of Governors of the Federal Reserve System pursuant to this title shall make such reports to the Board as it may require as necessary or appropriate to enable it to perform the functions conferred upon it by this title. If any such broker, dealer, member, or other person shall fail to make any such report or fail to furnish full information therein, or, if in the judgment of the Board it is otherwise necessary, such broker, dealer, member, or other person shall permit such inspections to be made by the Board with respect to the business operations of such broker, dealer, or other person as the Board may deem necessary to enable it to obtain the required information.

"(f) The term 'securities information processor' means any person engaged in the business of (1) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of information with respect to transactions in, quotations for, or indications of interest to purchase or sell any security, or (2) distributing or publishing (whether by means of a ticker take, a communications network, a terminal display device, or otherwise) on a current and continuing basis information with respect to such transactions, quotations, or indications of interest. The term 'securities information processor' does not include the publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any common carrier subject to the jurisdiction of the Federal Communications Commission or a State commission as defined in section 3(t) of the Communications Act of 1934, any national securities exchange, or any national securities association."

TITLE III—DEVELOPMENT OF A NATIONAL CLEARANCE AND SETTLEMENT SYSTEM

SEC. 301. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by striking the word "and" immediately before the phrase "to impose requirements necessary to make such regulation and control reasonably complete and effective," and by adding the following immediately after the phrase "and to provide for the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions".

SEC. 302. Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is further amended by adding at the end thereof the following new paragraphs:

"(22) (A) The term 'clearing agency' means any person who acts as an intermediary in making payments or deliveries (or both) in connection with transactions in securities or who provides facilities (i) for comparison of data respecting the terms of settlement of securities transactions, (ii) to reduce the number of settlements of securities transactions, or (iii) for the allocation of securities settlements responsibilities.

"(B) The term 'securities depository' means (i) any person who acts as a custodian of securities in connection with a system which permits securities so held to be transferred, loaned, or pledged without physical delivery of securities certificates, or which otherwise permits or facilitates or provides facilities for the settlement of securities without physical delivery of securities certificates, or (ii) any person who engages on behalf of an issuer of securities, or on behalf of itself as an issuer of securities, in transferring record ownership of such securities by bookkeeping entry without physical issuance or delivery of securties certificates.

"(C) The terms 'clearing agency' and 'securities depository' shall not include (i) Federal Reserve Banks, Federal Home Loan Banks, Federal Land Banks and (ii) any bank or any building and loan, savings and loan, and homestead association or any cooperative bank if such bank or association would be classified as a clearing agency or securities depository solely by reason of lending, fiduciary, correspondent, or safekeeping functions commonly performed by them as incidental to their banking or association activities.

"(D) The terms 'clearing agency' and 'securities depository' shall not include (i) any life insurance company, or its registered separate accounts, or a subsidiary of such insurance company by reason of functions commonly performed by such entities in connection with variable annuity contracts issued by such insurance company or its separate account, or, (ii) any registered open-end investment company or unit investment trust by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust.

"(23) The term 'participant', when used with respect to a clearing agency or securities depository, means any person who uses a clearing agency or securities depository for the purpose of settling or comparing transactions in securities or making or receiving payment for or delivering, lending, or hypothecation of securities; but does not include a person whose only use of a clearing agency or securities depository is through another person.

"(24) The term 'transfer agent' means any person who engages, on behalf of an issuer, or on behalf of itself as an issuer, of securities, in: (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; or (D) exchanging or converting such securities. The term 'transfer agent' shall not include any person who performs such functions solely with respect to variable annuity contracts issued by an insurance company or its registered separate account.

"(25) The term 'appropriate regulatory agency', when used with respect to a clearing agency, securities depository, or transfer agent required to be registered under this title, means:

"(A) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(B) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or subsidiary thereof;

"(C) the Federal Deposit Insurance Corporation in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) or a subsidiary thereof; and

"(D) the Commission, in the case of all other clearing agencies, securities depositories, and transfer agents.

"(26) The terms 'rules of a clearing agency' or 'rules of a securities depository' mean the clearing agency's or securities depository's constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, participation, procedures, financial condition, methods of safekeeping, transferring, hypothecating, lending and accounting for funds and securities, and similar matters."

SEC. 303. Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is further amended by adding the following new paragraph at the end thereof:

"(6) No broker or dealer shall make use of the mails or of any means or instrumentality or interstate commerce and no member of a national securities exchange shall make use of an exchange facility to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to regulate the time and method of making settlements, payments, and deliveries and of opening, maintaining, and closing accounts. Nothing in this paragraph shall be construed to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or to authorize the Commission to prescribe rules or regulations for such purpose."

SEC. 304. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"PROCESSING OF SECURITIES TRANSACTIONS

"SEC. 17A. (a) (1) One hundred and eighty days after the effective date of the Securities Reform Act of 1975, and except as otherwise provided in this subsection, it shall be unlawful for any person, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a clearing agency, securities depository, or transfer agent unless such person is registered under this section. The Commission, by rules and regulations or by order, upon its own motion, or upon application, may conditionally or unconditionally exempt any person who is a clearing agency, securities depository, or transfer agent, or any class of persons, who are clearing agencies, securities depositories, or transfer agents from any provision or provisions of this section or of any rule or regulation prescribed under this section if the Commission finds that the application of such provision or provisions or such rule or regulation to such person, is not necessary or appropriate in the public interest or for the prompt and accurate processing and settlement of securities transactions.

"(2) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for a rule, regulation, or order exempting a person, or class or classes of persons from the provisions of this section, action taken with respect to such requests, and the basis or bases for such action, and similar information concerning exemptions granted on the Commission's own motion.

"(3) The provisions of this section shall apply only to securities and to persons performing the function of transfer agent with respect to securities which are registered under section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (g) (2) (B) or (g) (2) (G) of that section.

"(b) TRANSFER AGENTS.—(1) Any transfer agent may be registered for the purposes of this section by filing with the appropriate regulatory agency a registration statement which shall state the address of its principal office or offices for transfer agent activities, the identity of the issuers and issues of securities for which it is then acting as transfer agent, and such other information in such detail as the Commission may by rule require as necessary or appropriate in the public interest, for the protection of investors or to assure the prompt and accurate processing and settlement of securities transactions. Each appropriate regulatory agency other than the Commission shall supply to the Commission a copy of any registration statement filed with it as well as such additional information as the Commission may request to keep current the information in such registration statement or to carry out its responsibilities under this section. Except as otherwise provided in this subsection, a registration statement of a transfer agent filed under this subsection shall become effective thirty days after its filing or within such shorter period of time as the appropriate regulatory agency may determine.

"(2) The appropriate regulatory agency shall, after appropriate notice and opportunity for hearing, by order, deny registration to any transfer agent if it finds that such denial is in the public interest and that such transfer agent does not have procedures or means to be able to comply with the provisions and purposes of this section and the rules, regulations, and orders prescribed thereunder.

"(3) Pending final determination whether the registration of a transfer agent shall be denied, the appropriate regulatory agency may, by order, postpone the effective date of such registration for a period not to exceed 90 days, except that the appropriate regulatory agency may extend such period until final determination if it finds good cause for such extension and publishes its reasons therefor.

"(4) A transfer agent registered under this subsection may, upon such terms and conditions as the appropriate regulatory agency may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the appropriate regulatory agency. If the appropriate regulatory agency finds that any such registrant or such other person for whom an application of registration as a transfer agent is pending is no longer in existence or has ceased to do business as a transfer agent, the appropriate regulatory agency shall, by order, cancel or deny the registration. Appropriate regulatory agencies other than the Commission shall inform the Commission of the withdrawal from registration by a transfer agent under its jurisdiction and shall supply to the Commission a copy of all orders canceling or denying the registration of a transfer agent.

"(c) Any clearing agency or securities depository may be registered for the purposes of this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the rules of the clearing agency or securities depository and such other information as the Commission may, by rule, require.

"(d) An applicant shall not be registered as a clearing agency or a securities depository unless the Commission finds that—

"(1) such clearing agency or securities depository is organized so as to facilitate the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, and to comply with the provisions of this title and the rules, regulations and orders thereunder, and to carry out the purposes of this section;

"(2) (A) the rules of the clearing agency or securities depository provide that (i) all registered brokers or dealers, (ii) other registered clearing agencies or securities depositories, (iii) registered investment companies, (iv) banks, (v) such other persons or classes of persons as the Commission may from time to time designate by rule as appropriate to the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions, are eligible to become participants in such clearing agency or securities depository, subject only to such other rules of the clearing agency or securities depository as are expressly permitted under subparagraph (B) of this paragraph;

"(B) the rules of the clearing agency or securities depository may (i) restrict or condition participation upon the deposit of property of value or the posting of a bond with the clearing agency or securities depository in an amount which bears a reasonable relationship to the risks attendant to such participant's use of such clearing agency or securities depository; (ii) restrict or condition participation upon compliance with such standards of operational capacity and financial responsibility as the Commission, by rule, finds to be necessary to assure the prompt and accurate processing of securities transactions and the protection of investors, the clearing agency or securities depository, and participants therein; (iii) deny participation to persons who have been expelled or suspended by a registered clearing agency or securities depository during the period of such expulsion or suspension; and (iv) provide for the exclusion of persons who have been convicted within 10 years preceding the filing of the application for participation of the crimes of armed robbery or grand larceny or of any felony or misdemeanor which the clearing agency or securities depository finds—

"(a) involves the purchase or sale of any security,

"(b) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or

"(c) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(3) the rules of the clearing agency or securities depository assure that no participant or class of participants, by reason of stock ownership or otherwise, is afforded a role greater than that of any other participant in the adoption of rules of the clearing agency or securities depository, the selection of officers and directors, or in any other phase of the administration of such clearing agency or securities depository;

"(4) the rules of the clearing agency or securities depository provide for the equitable allocation of dues, fees, and other charges among its participants;

"(5) the rules of the clearing agency or securities depository do not impose any schedule of prices, or fix minimum rates or charges, for services rendered by its participants;

"(6) the rules of the clearing agency or securities depository are designed to promote the prompt and orderly processing and settlement of securities transactions, to provide safeguards for securities and funds which are in its custody, to foster cooperation and coordination with national securities exchanges, national securities associations, other clearing agencies or securities depositories, brokers, dealers, banks, registered investment companies, and with other persons engaged in the settlement and processing of securities transactions, and to protect investors and the public interest; and do not have the effect of unfairly discriminating in the admission of participants in the use of such clearing agency or security depository;

"(7) the rules of the clearing agency or securities depository provide for the imposition of appropriate sanctions on participants for violations of its rules or the provisions of this section and the rules or regulations thereunder, which sanctions may include expulsion, suspension, fine, censure, or the

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limitation of activities, functions, and operations.

"(8) the rules of the clearing agency or securities depository provide a fair and orderly procedure with respect to the imposition of sanctions on participants and the denial of participation to any person seeking participation therein. In any proceeding to determine whether a sanction should be imposed such rules shall require that specific charges of any rule violation shall be brought; that a participant shall be notified of and be given an opportunity to defend against such charges; that a record shall be kept; and that a determination to impose a sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such participant may be found to have engaged, or any required act or practice which such participant may be found to have omitted;

"(B) the specific rule or rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

In any proceeding to determine whether a person shall be denied participation, such rules shall provide that the prospective participant shall be notified of, and be given an opportunity to be heard upon, the specific grounds for denial which are under consideration; that a record shall be kept and that the determination to deny participation shall be supported by a statement setting forth the specific grounds on which the denial is based. Nothwithstanding any other provision of this section the rules of the clearing agency or securities depository may provide for the temporary suspension of a participant, the prohibition of such participant's use of the clearing agency or securities depository and the closing of such participant's accounts pending determination on the merits of any disciplinary proceeding if, in the opinion of the clearing agency or securities depository, such suspension or prohibition on use and closing of accounts are necessary for the protection of the clearing agency or securities depository or its participants or for the protection of investors or to facilitate the orderly and continuous performance of the clearing agency's or securities depository's services. The rules shall afford the participant opportunity for a prompt hearing on the merits in the case of any temporary suspension.

"(e) The Commission shall, upon the filing of an application for registration pursuant to subsection (c), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 90 days of the filing of an application for registration pursuant to subsection (c), or such shorter period of time as the Commission may determine, the Commission shall:

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied. After appropriate notice and opportunity for hearing, the Commission shall by order grant such registration unless it finds that any requirement of this section is not satisfied, in which case the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying an application within 180 days of the filing of the application unless the Commission finds good cause to extend such period and publishes its reasons therefor.

"(f) A clearing agency, or securities depository, registered under this section may, upon such terms and conditions as the Commission may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such registrant or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(g) No clearing agency, securities depository, or transfer agent registered under this section shall, directly or indirectly, engage in any activity as clearing agency, securities depository, or transfer agent in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(h) If any registered clearing agency or securities depository imposes any sanction on any participant therein, or denies admission to any person seeking participation therein, such action shall be subject to review by the Commission, on its own motion, or upon application by any person aggrieved thereby filed within 30 days after such action has been taken or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such action, unless the Commission otherwise orders, after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of affidavits and oral arguments).

"(i)(1) In a proceeding to review sanctions imposed by a registered clearing agency or a securities depository against a participant after notice and opportunity for hearing:

"(A) if the Commission finds that such participant has engaged in such acts or practices, or has omitted such acts, as the clearing agency or securities depository has found him to have engaged in or to have omitted, and that such acts or practices, or omission to act, are in violation of such rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder as have been designated in the determination of the clearing agency or securities depository, it shall by order so declare and affirm the action taken by the clearing agency or securities depository or, if appropriate, modify the sanctions in accordance with paragraph (2) of this subsection, or

"(B) if the Commission finds that the evidence does not warrant the finding required in clause (A), or if the Commission determines that such acts or practices as are found to have been engaged in are not prohibited by the designated rule or rules of the clearing agency or securities depository or the designated provisions of this section or the rules or regulations thereunder or that such act as is found to have been omitted is not required by such designated provisions or rules, the Commission shall by order set aside the action of the clearing agency or securities depository.

"(2) With respect to any sanction imposed by a clearing agency or a securities depository upon a participant the Commission may, having due regard to the public interest, if it finds that such sanction is inappropriate, cancel, reduce, increase, require the remission, broaden the scope or otherwise require modification of such sanction.

"(j) In any proceeding to review the denial of participation in a registered clearing agency or a securities depository if the Commission, after appropriate notice and opportunity for hearing, determines that the specific grounds on which such denial or bar is based exist in fact and are valid under this section, it shall by order dismiss the proceeding; otherwise, the Commission shall by order set aside the action of the clearing agency or securities depository and require it to admit the applicant to participation therein.

"(k)(1) Each registered clearing agency or securities depository shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, or amendments to the rules of the clearing agency or securities depository accompanied by a summary statement of the basis and purpose for such proposed change, addition or amendment, and such other information and documents, as the Commission may require to keep current or to supplement the registration statement and documents filed pursuant to subsection (c). All such proposed changes, additions, or amendments, and their accompanying statements of basis and purpose, shall be made available for public inspection and copying. No such proposed change, addition, or amendment shall become effective except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change in, addition to, or amendment to the rules of a clearing agency or securities depository, publish notice of such proposal together with the clearing agency's or securities depository's statement of basis and purpose, and shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, or amendment. The Commission shall make available for public inspection and copying copies of all written communications between the Commission and the clearing agency or securities depository, and between the Commission and any other persons, related to the proposed change, addition or amendment. Such change, addition, or amendment shall take effect 60 days after publication of such notice by the Commission, unless the Commission disapproves such change, addition, or amendment as inconsistent with the purposes of this section or otherwise inconsistent with the public interest: *Provided*, That the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation for views, data, or arguments concerning the proposed change, addition or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition or amendment or any class or classes of such proposed change, addition or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition or amendment or class of such change, addition or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(l) The appropriate regulatory agency may, after appropriate notice and opportunity for hearing, by order, censure, bar, suspend for a period not exceeding 12 months, or place limitations upon any transfer agent, or revoke the registration of any transfer agent, if the appropriate regulatory agency finds that such censure, barring, suspension, placing of limitations, or revocation is in the public interest, or necessary for the protection of investors, and that such transfer agent or any partner, officer, director, or employee thereof has violated or is unable to comply with any provision of this section or any rule, regulation or order promulgated thereunder.

"(m) The Commission is authorized, if it finds such action to be necessary or appropriate in the public interest or for the protection of investors or to carry out the purposes of this section—

"(1) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or revoke the registration of a registered clearing agency or a securities depository or impose limitations upon the activities, functions, or operations of such clearing agency or securities depository, if the Commission finds that such clearing agency or securities depository has violated any provision of this title, or any rule or regulation thereunder, or has failed to enforce compliance with its own rules, or has engaged in any other activity tending to defeat the purposes of this section;

"(2) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months, censure or expel from a registered clearing agency or securities depository any participant therein, or impose limitations upon the activities, functions, or operations of such a participant if the Commission finds that such participant, or any partner, officer, director, or employee of such participant, has violated any provision of this title or any rule, regulation, or order thereunder or any rule of the clearing agency or securities depository; and

"(3) after appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a registered clearing agency or a securities depository who, the Commission finds, has willfully failed to enforce the rules of the clearing agency or securities depository or the provisions of this section or the rules or regulations promulgated thereunder, or has willfully abused his authority.

"(n) If a proceeding under subsection (m)(1) of this section results in the suspension or revocation of the registration of a clearing agency or a securities depository, the Commission may, upon notice to such clearing agency or securities depository, apply to any court of competent jurisdiction specified in section 21(e) or 27 of this title for the appointment of a trustee. In such event, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of the clearing agency or securities depository involved, and the books, records, and assets thereof, wherever located; and the court shall appoint the Commission or a person designated by the Commission as the trustee with the power to take possession and to continue to operate or to terminate the facilities of such clearing agency or securities depository in an orderly manner, for the protection of participants and public investors, subject to such terms and conditions as the court may prescribe.

"(o)(1) Each registered clearing agency and securities depository shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate cooperation among clearing agencies and securities depositories and the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(2) Each registered transfer agent shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate the prompt and orderly settlement of securities transactions or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the appropriate regulatory agency as may be deemed necessary or appropriate in the public interest or for the protection of investors. Appropriate regulatory agencies other than the Commission shall make a report of all examinations conducted by them with respect to transfer agents subject to their jurisdiction and shall furnish to the Commission, at its request, a copy or portion of any such report which is relevant to functions regulated under this section. Nothing in this section shall preclude an appropriate regulatory agency (other than the Commission) from requiring a registered transfer agent to comply with such additional or other recordkeeping, reporting, inspection, or examination requirements as may be consistent with rules and regulations prescribed by the Commission under this section.

"(3) In the case of a transfer agent which is subject to regulation by an appropriate regulatory agency other than the Commission, the Commission shall rely to the fullest practicable extent on such agency for the conduct of routine, periodic, or other inspections or examinations under this section, and for obtaining reports from such transfer agents, but notwithstanding any provision of this section, the Commission shall have authority to make special or other examinations or inspections and to require special reports of such transfer agents in those situations where the Commission determines that such action would nevertheless be appropriate.

"(4) In the case of any disagreement between the Commission and any other appropriate regulatory agency concerning any rule of the Commission with respect to any transfer agent, the determination of the Commission shall be definitive.

"(p)(1) The Commission shall make a full and detailed report of all examinations conducted by it of any bank, bank subsidiary, or bank holding company which is a registered clearing agency or securities depository and shall, upon request, furnish a copy of such report to the other appropriate regulatory agencies.

"(2) The Commission shall, in the conduct of its responsibilities under this title with respect to banks registered as clearing agencies, securities depositories, or transfer agents, consult and cooperate with the other appropriate regulatory agencies toward the end that their mutual regulatory needs and responsibilities be fulfilled to the maximum extent practicable. At least 5 days prior to the issuance for public comment or adoption of any proposed rule or regulation pursuant to this section, the Commission shall first consult and request the views of the other appropriate regulatory agencies: *Provided*, That the failure of the Commission to so consult or request views shall not affect the validity, force or effect of any rule or regulation of the Commission or of any Commission action or omission to act thereunder.

"(q) Compliance with the requirements of this section or any rule, regulation, or order thereunder, with respect to transfer agents may be enforced under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) by the appropriate regulatory agencies other than the Commission. For the purpose of the exercise by such agencies of their powers under section 8 of the Federal Deposit Insurance Act, a violation of any requirement imposed under this section is a violation of the requirements imposed under the Federal Deposit Insurance Act and shall constitute adequate basis for the issuance of orders under sections 8(b) and 8(c) of that Act. In addition to its power under section 8 of the Federal Deposit Insurance Act, each of such appropriate regulatory agencies may, for the purpose of enforcing compliance with this section (or any rule or order thereunder), exercise any other authority conferred on it by law.

"(r) The provisions of this section 17A or of any rule or regulation thereunder shall not apply to any person acting as transfer agent with respect to securities transactions which occur without the jurisdiction of the United States, except as the Commission may prescribe as necessary or appropriate to prevent the evasion of this title.

"(s) The Commission shall, on or before December 31, 1976, take such steps as are within its power to bring about elimination of the stock certificate as a means of settlement among brokers or dealers of transactions consummated on national securities exchanges or by means of the mails or other means or instrumentalities of interstate commerce. In 1975 and in 1976, the Commission shall report to the Congress (1) the steps it has taken and progress it has made toward elimination of the stock certificate as a means of settlement, and (2) its recommendations, if any, for further legislation to eliminate the stock certificate. In connection with such reports, the Commission shall consult with the other appropriate regulatory agencies concerning the effects elimination of the stock certificate as a means of settlement among brokers or dealers may have on the safeguarding of assets held by securities depositories for the accounts of participants, and shall report such views to the Congress."

SEC. 305. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended to read as follows:

"INFORMATION FILED WITH THE COMMISSION

"SEC. 24. (a) Any person filing information contained in a registration statement, document, report, contract, correspondence, or other paper filed with the Commission pursuant to this title may make written objection to the public disclosure of such information stating the grounds for such objection. The Commission is authorized to hear objections in any such case where it deems it advisable. The Commission shall grant confidential treatment to such information for which application has been made if it finds (1) that disclosure is not in the public interest, and (2) that disclosure would (A) jeopardize the safety of funds or securities, (B) require the revealing of trade secrets or processes, or (C) impair the value of a contract.

"(b) The Commission is authorized to treat such information as confidential pending the findings required by subsection (a), but if the Commission does not make such a finding within 60 days from the date the information is received by the Commission, then the information shall cease to be afforded confidential treatment.

"(c) Nothing in this section shall prohibit the Commission from disclosing any information in any administrative or judicial proceeding.

"(d) Nothing in this section shall authorize the Commission to withhold information from the duly authorized committees of the Congress.

"(e) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any registration statement, document, report, contract, correspondence, or other paper filed with the Commission which is not made available to the public pursuant to subsection (a) of this section: Provided, That the Commission may make

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available to an appropriate regulatory agency any information requested by such agency for the purpose of enabling it to perform its duties under this title."

SEC. 306. Section 12 of the Securities Exchange Act of 1934 (10 U.S.C. 78l) is amended by inserting after subsection (i) the following new subsections:

"(j) It shall be unlawful for an issuer, any class of whose securities is registered under this section or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), by use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, such securities whose form or format contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate processing of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account.

"(k) Every issuer whose securities are registered under this section, or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), shall comply with such rules and regulations as the Commission may promulgate as necessary to assure the prompt and accurate processing and settlement of securities transactions, which rules may provide for the consolidation into a single person of the functions of transfer agent and registrar. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account."

SEC. 307. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is further amended by inserting at the end thereof the following new subsection:

"(b) The Commission is authorized and directed to make a study and investigation of the practice of registration of securities other than in the name of the beneficial owner and to determine (1) whether such registration is consistent with the policies and purposes of this title, with particular reference to sections 12(g), 14, 15(d), and 17A and (2) if consistent, whether steps can be taken to facilitate communications between corporations and their shareholders while at the same time retaining the benefits of such registration. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of this subsection, and its final results and recommendations within one year of such date."

SEC. 308. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended by inserting after subsection (b) the following new subsection:

"(c) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or securities depository or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or depository or any nominee thereof or custodian therefor, unless such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency or securities depository or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision."

SEC. 309. The Securities Exchange Act of 1934 is amended by inserting after section 19 (15 U.S.C. 78s) the following new section:

"LOST, STOLEN, AND COUNTERFEIT SECURITIES; FINGERPRINTING

"SEC. 19A. Every national securities exchange, national securities association, broker dealer, member of an exchange or association, transfer agent, clearing agency, and securities depository, registered pursuant to this title, and every participant therein shall—

"(1) report such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission determines by rule is necessary or appropriate in the public interest or for the protection of investors, to the Commission or to such other person as the Commission may by rule designate, and such information shall be made available, for a reasonable fee, to any such exchange, transfer agent, association, broker, dealer, member, clearing agency, or securities depository who shall request it;

"(2) make such inquiry with respect to information reported pursuant to this section as the Commission decides, by rule, is necessary or appropriate in the public interest or for the protection of investors to determine whether securities transactions in which they are participating involve securities that have been reported as missing, lost, counterfeit, or stolen; and

"(3) in the case of a clearing agency, securities depository, transfer agent, broker, dealer, or member, require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission may, by rule, exempt from the provisions of this paragraph upon such terms and conditions and for such period as it deems necessary or appropriate, any one or more classifications of partners, directors, officers, or employees of any one or more of such clearing agencies, securities depositories, transfer agents, brokers, dealers, or members if the Commission finds that such action is not inconsistent with the public interest or the protection of investors."

TITLE IV—MISCELLANEOUS

SEC. 401. Section 23(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)) is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, respectively, shall include in their annual reports to Congress such information, data, and recommendation for further legislation as they may deem advisable with regard to matters within their respective jurisdictions under this title. The Commission shall also include in its annual report each year information detailing its administration of the Freedom of Information Act (5 U.S.C. 552). Such information shall include a detailed description of its processes for handling requests under the Act, including the names of persons assigned to carry out those processes; and also include data on schedules of fees (if any), and on the number of written requests for records under the Act, the number of denials, the section relied upon in each denial, the number of administrative appeals, the elapsed time in responding to initial requests and the handling of appeals, the number of suits filed within the year, and any regulatory changes made during the year. Further, the Commission shall include in its annual report each year information concerning (1) the effects its rules and regulations are having on the viability of small brokers and dealers; (2) its attempts to reduce any unnecessary reporting burden on such brokers and dealers; and (3) its efforts to help to assure the continued participation of small brokers and dealers in the United States securities markets."

SEC. 402. (a) Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"REGISTRATION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted on such national securities exchange during the preceding calendar year and subsequent to its registration as a national securities exchange. Every registered broker or dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities listed for trading on a registered national securities exchange pursuant to section 12(b) of this title (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted otherwise than on an exchange during the preceding calendar year and subsequent to the date of enactment of the Securities Reform Act of 1975, except that no payment shall be required for any calendar year in which such payment would be less than one hundred dollars."

(b) The amendment made by subsection (a) of this section shall take effect on the first day of the first full calendar year which begins after the date of enactment of this Act and shall apply with respect to such first full calendar year and all succeeding calendar years thereafter.

SEC. 403. (a) Section 24 of the Securities Act of 1933 (15 U.S.C. 77x) is amended by changing the figure "$5,000" to "$10,000".

(b) Section 32(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff(a)) is amended by changing the phrase "or imprisoned not more than two years" to read: "or imprisoned not more than five years".

(c) Section 29 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z-3) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(d) Section 325 of the Trust Indenture Act of 1939 (15 U.S.C. 77yyy) is amended by changing the figure "$65,000" to "$10,000".

(e) Section 49 of the Investment Company Act of 1940 (15 U.S.C. 80a-48) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(f) Section 217 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-17) is amended by changing the phrase "imprisoned for not more than two years" to read "imprisoned for not more than five years".

SEC. 404. Section 203(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) is amended to read as follows:

"(c) Any investment adviser, or any person who presently contemplates becoming an investment adviser, may register under this section by filing with the Commission an application for registration. Such application shall contain such of the following information, in such form and detail, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors:

"(1) information in respect of—

"(A) the name and form of organization under which the investment adviser engages or intends to engage in business; the name of the State or other sovereign power under which such investment adviser is organized; the location of his or its principal business office and branch offices, if any; the names and addresses of his or its partners, officers, directors, and persons performing similar functions or, if such an investment adviser be an individual, of such individual; and the number of his or its employees;

"(B) the education, the business affiliations for the past ten years, and the present business affiliations of such investment adviser and of his or its partners, officers, directors, and persons performing similar functions and of any controlling person thereof;

"(C) the nature of the business of such investment adviser, including the manner of giving advice and rendering analyses or reports;

"(D) the nature and scope of the authority of such investment adviser with respect to clients' funds and accounts;

"(E) the basis or bases upon which such investment adviser is compensated; and

"(F) whether such investment adviser, or any person associated with such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (e); and

"(2) a statement as to whether the principal business of such investment adviser consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such investment adviser consists or is to consist of rendering investment supervisory services.

"(3) within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, it appears to the Commission that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within one hundred and twenty days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional ninety days."

SEC. 405. Section 203(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(2)) is amended to read as follows:

"(2) has been convicted within ten years preceding the filing of the application or any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds (A) involves the purchase or sale of any security, (B) arises out of the conduct of the business of a broker, dealer, or investment adviser, (C) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or (D) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code; or"

SEC. 406. Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-4) is amended to read as follows:

"SEC. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(b)), shall make, keep, and preserve for such periods, such accounts, correspondence, memorandums, papers, books, and other records and furnish copies thereof, and make such reports (which may include certified financial statements) available to clients or to the Commission as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors."

SEC. 407. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 35. There are hereby authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $54,000,000 for the fiscal year ending June 30, 1976, not to exceed $62,600,000 for the fiscal year ending September 30, 1977, and not to exceed $71,200,000 for the fiscal year ending September 30, 1978. For fiscal years succeeding the 1978 fiscal year, there may be appropriated such sums as the Congress may hereafter authorize by law.".

SEC. 408. (a) The Investment Company Act of 1940 (15 U.S.C. 80a) is amended as follows:

(a) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser or a corporate trustee performing the functions of an investment adviser of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, an investment adviser or a corporate trustee performing the functions of an investment adviser which results in an assignment of an investment advisory contract with such company or the change in control of or identity of a corporate trustee which performs the functions of an investment adviser, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereto, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate trustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B), except that no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment advisory contract with a registered investment company results in a successor investment adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount a transaction occurs which would be subject to paragraph (1)(A) of this subsection.

such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee to an affiliated person or persons of the investment adviser or corporate trustee, except that (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(b) Section 15(c) is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of such company, to take into account the purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(c) Section 16 thereof is amended as follows:

(1) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu

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thereof "The foregoing provisions of this section";

(2) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(3) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filed by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) and which must be filled person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(d) Sections 13(b), 15(d), 18(1), and 32 (a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(e) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provisions shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(f) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(g) Section 36 thereof is amended by adding at the end thereof the following new subsection:

"(c) For the purposes of subsections (a) and (b) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

"(h) Section 15(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–15(d)) is amended by striking 'paragraph (40) of section 2(a)' and inserting in lieu thereof 'paragraph (42) of section 2(a)'.".

SEC. 409. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce, or any facility of a national securities exchange, directly or indirectly, in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such lesser amount (but in no case less than $10,000,000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security held on the last day of the reporting period by such accounts with respect to which the institutional investment manager possesses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchases and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security.

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or principal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribed.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally, any institutional investment manager or security or any class of institutional investment managers or securities from any or all of the provisions of the subsection or the rules thereunder.

"(3) The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such forms as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 24 of the title. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

"(4) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest or for the protection of investors or to maintain fair and orderly markets, or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection, national securities exchanges, and registered securities associations, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) to avoid unnecessarily duplicative reporting by and minimize the compliance burden on institutional investment managers consistent with the purposes of this subsection. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) The Commission shall adopt such rules as it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same account.

"(6) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, he (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines, in the public interest or for the protection of investors, should be subject to the operation of the provisions of this subsection and the rules and regulations thereunder.".

TITLE V—DEVELOPMENT OF A NATIONAL SECURITIES MARKET SYSTEM

SEC. 501. The Securities Exchange Act of 1934 is amended by adding after section 20 (15 U.S.C. 78t) the following new section:

"NATIONAL SECURITIES MARKET SYSTEM

"SEC. 20A. (a) Congress finds and recognizes—

"(1) that our country's capital markets are an important national asset which must be preserved and strengthened;

"(2) that changing conditions and trading patterns have placed considerable strain on existing market mechanisms;

"(3) that in order to preserve and strengthen our capital markets, a national securities market system, should be established;

"(4) that it is in the national interest to assure the vitality and strength of the Nation's securities markets and to take all practicable steps to encourage a free and adequate flow of capital to the economy of the United States;

"(5) that a national system for the clearance and settlement of securities, wherever traded, should be established as part of the system; and

"(6) that a national regulatory body may be appropriate to govern and operate the system, subject to oversight and regulation by the Commission.

"(b) The Commission is directed, therefore, having due regard for the public interest, the protection of investors and the need to assure fair dealing in securities, and to preserve and foster competition among exchanges and between exchange markets and markets occurring otherwise than on an exchange, to take such steps as are within its power, including the power granted to it pursuant to this section and section 17 of this title, to establish a national market system for transactions in securities. Such a system shall include, as a minimum, a transactional reporting system for reporting transactions in securities qualified for trading within the national securities market system; a composite quotation system for reporting bid and offered quotations for all securities qualified for trading in the national securities market system; and rules or regulations designed to provide fair competition between competitors in the national securities market system.

"(c) No dealer shall make use of the mails or of any means or instrumentality of interstate commerce to effect, or induce, the purchase or sale for his own account of any security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to assure the maintenance of a fair and orderly market in securities, or to remove impediments to and perfect the mechanism of a national market system. The Commission shall, under authority of this section, promulgate such rules and regulations applicable to any dealer in securities registered under section 12(b) of this title who, with respect to such securities, (a) regularly publishes bid and offer quotations through an interdealer quotation system, communications system or otherwise, (b) furnishes bid and offer quotations on request to others, including brokers and dealers, (c) holds himself out as being ready, willing, and able to effect transactions at quoted prices with others, including brokers and dealers, or (d) is otherwise acting as a specialist or market maker (as such term may be further defined by the Commission) in such securities on an exchange or otherwise than on an exchange, as may be necessary to assure that equal regulation of such dealers is obtained. For the purposes of this subsection the term 'equal regulation' means that degree of regulation as the Commission may determine to be necessary and appropriate to apply to such dealers in order to remove any unfair competitive advantage found to result from an unjustifiable disparity of regulation of such dealers by exchanges and associations of which they are members. If the Commission finds after notice and opportunity for hearing on a record, that rules promulgated by the Commission pursuant to this title as applied to any broker or dealer, or class of brokers or dealers who effect transactions in securities registered under section 12(b) of this title, on a national securities exchange or otherwise than on a national securities exchange, are insufficient to assure the protection of investors and the maintenance of a fair and orderly market in such securities and that such investor protection and the maintenance of a fair and orderly market in such securities may not be assured through other lawful action under this title, it may, by order, prohibit such broker or dealer or such class thereof from effecting, or inducing, the purchase or sale of any such security on a national securities exchange or otherwise than on a national securities exchange. The Commission may, by such order, conditionally or unconditionally exempt any security or transaction, or class of securities or transactions, from the provisions of this section.

"(d) The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors (1) to assure that all brokers and dealers and, subject to such limitations as the Commission may, by rule, impose as necessary or appropriate for the protection of investors and the maintenance of fair and orderly markets, all other persons, have access on reasonable and nondiscriminatory terms to quotations for, and reports of transactions in, securities; (2) to assure that any system utilized by any broker or dealer to transmit or direct orders for the purchase or sale of securities to a facility for execution operates in a manner consistent with the development and operation of a national market system; and (3) to provide for the fair and reasonable allocation among national securities exchanges, national securities associations, and brokers and dealers subject to paragraph (9) of section 15(b) of this title of the costs associated with the collection, processing, distribution, and publication of information with respect to quotations for, and transactions in, securities, and the development and operation of a national market system.

"(e) To facilitate the establishment and governance of a national market system, in accordance with this section, within one hundred eighty days after the effective date of the Securities Reform Act of 1975, or at such earlier date as the Commission may determine to be appropriate for the purposes of this title, the Commission shall appoint a National Market Board ('Board').

"(f)(1) In carrying out its responsibilities under subsection (e), the Commission shall appoint a Board of fifteen members, not all of whom shall be from the same geographical area of the United States, for a term specified by the Commission (but in no event to exceed five years), a majority of whom may, in the Commission's discretion, be persons active in the securities industry, the remainder of whom shall be representative of the public who, to the extent feasible, shall have knowledge of the Nation's capital markets.

"(g)(1) The Board is authorized and directed to study and advise the Commission of the steps it finds appropriately should be taken, by the Commission, the securities industry, the Congress, or otherwise, to facilitate the development of the system. For the purposes of performing the functions set forth in this paragraph, the Board shall assume the responsibilities of, and the documents prepared for or by, any advisory committee, in existence at the time of the establishment of the Board, appointed to advise the Commission on the implementation of the system.

"(2) The Board shall have, as a continuing responsibility, the obligation to furnish the Commission with its views on significant regulatory proposals of the Commission or any registered national securities exchange or association relating to the fairness, honesty, and efficiency of the markets for the trading in securities.

"(h)(1) The Board is authorized and directed to make a study of the need for the establishment of a national regulatory body (hereinafter referred to as the 'National Market Regulatory Board' or 'Regulatory Board') to administer the national market system, including the following:

"(A) the point in time at which such a Regulatory Board should be established;

"(B) the composition of such a Regulatory Board;

"(C) the manner in which such a Regulatory Board shall be brought into existence;

"(D) the scope of the authority of such a Regulatory Board;

"(E) the relationship of such a Regulatory Board to the Commission and to national securities exchanges and national securities associations registered with the Commission; and

"(F) the manner in which such a Regulatory Board should be funded.

"(2) The Board shall report to the Congress, on or before December 31, 1976, the results of its study, together with its recommendations, including such recommendations for legislation as it deems advisable.

"(3) In connection with the study authorized by this subsection, the Board shall consult with national securities exchanges; national securities associations; the likely classes of participants in a national market system, such as securities information processors, market makers, specialists, brokers and dealers; investors; the public; representatives of Government agencies and other interested persons.

"(i)(1) There is authorized to be appropriated $300,000 to the Commission for allocation to the Board for the purpose of enabling the Board to hire staff, rent office space, and generally to organize to carry out the functions set forth in this section.

"(2) Such sums when appropriated for this purpose may be made available by the Commission to the Board beginning with the creation of the Board pursuant to the provisions of this section.

"(3) The Board, since it shall act as an advisory body, is authorized to appoint and fix the compensation of such officers, attorneys and other experts and employees as may be necessary for carrying out its functions under this section, without regard to the provision of any laws applicable to the employment and compensation of officers and employees of the United States.

"(4) The Board shall furnish to its members representing the public such funds, on a per diem basis, as it finds reasonably will permit such members to perform their functions under this section.

"(j)(1) The Commission is authorized and directed to make a study of the securities activities conducted by persons who are not brokers or dealers, who maintain accounts on behalf of public customers for buying and selling securities registered under section 12 of the Act to determine the extent of such business conducted by such persons, the desirability of greater uniformity of regulation of such accounts, the effects of such activities on the process of raising and allocating capital in interstate commerce, the effect on competition for such public accounts, and whether the exclusions from the definition of broker and dealer are necessary and appropriate for the protection of investors and to achieve the purposes of this title.

"(2) The Commission shall report to the

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Congress on or before December 31, 1976, the results of its study including such recommendations for legislation as it deems advisable."

"SEC. 502. The Securities Exchange Act of 1934 is further amended by adding after section 20A the following new section:

"RESTRICTIONS ON MARKET SELECTION AND USE OF CLEARING AGENCIES AND DEPOSITORIES

"SEC. 20B. (a) On or after September 1, 1975, no national securities exchange, or national securities association may, by rule or otherwise, limit or condition a member's ability to transact business on any other exchange or otherwise than on an exchange, except pursuant to a rule of such exchange or association which is approved as consistent with the purposes of this title and such member's agency obligation to its customer, and declared effective by the Commission by rule, after providing for appropriate notice and an opportunity for the oral presentation of views, data, and arguments by interested persons in addition to an opportunity to make written submissions to the Commission. The Commission shall approve, with or without modification, or disapprove any such rule proposed by an exchange or association within 90 days of the date of the filing of such proposed rule.

"(b) No national securities exchange registered under section 6 and no national securities association registered under section 15A shall by rule or otherwise limit or condition any of its members from participating in any clearing agency or securities depository registered under section 17A."

SEC. 503. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is further amended by adding at the end thereof the following new subsection:

"(d)(1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law in effect on or enacted prior to the date of enactment of the Securities Reform Act of 1975 solely by reason of his having caused the account to pay a broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however*, That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title.

"(2) A person exercising investment discretion with respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services insofar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

"(B) furnishes analyses and reports concerning securities, economic factors and trends, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a securities industry regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

Amend the title so as to read: "An Act to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations, and for other purposes."

Mr. PROXMIRE. Mr. President, I move that the Senate disagree to the House amendments and that the Chair appoint conferees.

The motion was agreed to; and the Chair appointed Messrs. PROXMIRE, WILLIAMS, MCINTYRE, TOWER, and BROOKE conferees on the part of the Senate.

HUMANITARIAN ASSISTANCE FOR SOUTH VIETNAM—CONFERENCE REPORT

The Senate continued with the consideration of the conference report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions in the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the distinguished Senator from Kentucky (Mr. FORD).

Mr. FORD. I thank the Senator from Alabama.

Mr. President, I am concerned about what seems to be the administration's evacuation policy in South Vietnam. From reports in this morning's paper, and from calls made to relevant offices in the State Department and in the Immigration and Naturalization Service, it is my understanding that the flow of Americans from Saigon has been stemmed in overwhelming favor of evacuating South Vietnamese at an intensified pace. Apparently it is the administration's intention to leave American citizens for the last possible moment, perhaps at a time when they must be brought out under fire. L. Dean Brown, U.S. Task Force Director, was quoted at a State Department news conference yesterday as saying. "If Saigon is under attack and the airfield is under attack, that is that. That is when you go in for the last haul" of Americans.

To add insult to injury, it is said that Americans must pay for evacuation flights while the airlift is free to the South Vietnamese.

Mr. President, I think the Senate needs to know the rationale behind this policy. I am sending a letter to the President requesting an immediate explanation. I would hope to be able to read his answer to my colleagues at the first of next week.

The PRESIDING OFFICER (Mr. ROTH). Who yields time?

Mr. SPARKMAN. Mr. President, the conference, which has just concluded on the Vietnam evacuation bill, was one of which I have participated in a long time. There were significant differences between the House and the Senate bills both in terms of money authorizations and in the issue involving authority for use of the U.S. Armed Forces in hostilities if necessary to bring out Americans and foreign nationals. The gap between the House and the Senate on the latter point was especially broad.

I am pleased to report to the Senate that the Senate's position relative to authority to use the Armed Forces in evacuation of Americans and foreigners was accepted by the House conferees. The evacuation authority in the conference report is as tight and as restricted as that in the bill passed by the Senate by a vote of 75 to 17 2 days ago. The House conferees were persuaded by the more restrictive provisions in the Senate bill. We did, however, add in the Senate bill specific reference to categories of persons who could be taken out along with Americans but in such a way that the Senate bill's authority was not expanded.

As to the funds allowed under the conference version, the conferees agreed to authorize of $177 million in unappropriated balances of previous authorizations for economic aid to Indochina, which will be available for "humanitarian assistance to and evacuation programs from South Vietnam." In addition, the conferees agreed to a separate authorization of $150 million for humanitarian assistance in South Vietnam. The provision is essentially that of the Senate's bill which authorized this same amount for humanitarian aid in South Vietnam and Cambodia. Unfortunately, the House conferees were adamant on the question of taking out provisions from the bill, including the amendment of the Senator from Oregon (Mr. HATFIELD) relative to aid to Cambodia. They argued very strenuously that any provision in the conference report concerning aid to Cambodia would be subject to a point of order in the House and would endanger the entire conference report. The managers on both sides, however, did agree to include language in the statement of managers of the conference report urging the administration to give continuing consideration to the food and other humanitarian needs of refugees and other Cambodians who are victims of the war. I ask unanimous consent that the language which will be included in the statement of managers be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AID TO CAMBODIA

The Conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the Conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purposes can be supplied to needy people in Cambodia and urge that Executive Branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the Conferees expect that the United States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugees Assistance Act.

Mr. SPARKMAN. Mr. President, the bill authorizes a total of $327,000,000 in these two categories compared with a total of $250,000,000 in the Senate bill and $327,000,000 in the House bill.

The two reporting provisions sponsored by the Senator from Iowa were retained in the conference agreement.

All in all, it was a very satisfactory and historic conference. The conference report before the Senate is the first exercise by Congress under the war powers resolution to authorize specifically the President to use the Armed Forces in hostilities. It will serve as an important precedent for the future.

Mr. President, I yield to the Senator from New Jersey such time as he may require.

Mr. CASE. I thank the chairman.

Mr. President, I again pay my respects to the Senator from Alabama for his wise, skillful, and understanding chairmanship of the conference. The fact that we accomplished agreement on this quite difficult matter in such a relatively short time, with a degree of unanimity which is satisfying to many of us, is a tribute to his ability and the trust and confidence all of us, on both the House and the Senate sides, have in him and in his leadership.

He has described the conference report accurately. I believe it measures up to the requirements of the Senate bill in all basic ways, and it does not depart from it in any way that is a matter of substance. I fully support it, as do my colleagues on this side of the aisle who were members of the conference, and I hope it will be adopted quickly.

Mr. President, I ask unanimous consent that during further consideration of the report, including any vote on it, my staff assistant, Stephen Bryan, be allowed the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I join the ranking member of the Committee on Foreign Relations in complimenting the chairman on his patience and fairness in dealing with this bill throughout the last 2 weeks. And I would like to add that a great deal of credit also should go to an outstanding staff, particularly Dick Moose and Chuck Meissner who went to Vietnam and came back with an excellent report, and to Norvill Jones and the other members of the staff who did such an outstanding job working with us on this legislation.

Mr. President, I voted against the Vietnam Contingency Act when it came from the Committee on Foreign Relations a week ago today. I voted against it on Wednesday, did not sign the conference report this morning, and I will vote against it one final time this afternoon.

The conference committee did a good job on the legislation—the report contains a number of positive features. But the final version of the legislation is inevitably weaker than the original Senate bill on several significant points.

First, the contingency fund in this bill has been increased to $177 million from the $100 million in S. 1484 approved here 2 days ago. The money can be used for direct military assistance to the South Vietnamese Government if the President feels that it is in the national interest—despite the language in the bill, the language in the conference report, and the best intentions of Congress. And even this possibility of military assistance could be detrimental to the chances of an early and negotiated settlement.

There should not be any confusion about this contingency fund. The President could not use it for direct military assistance unless it was clearly connected, in his judgment, with withdrawal or evacuation or humanitarian purposes. But it is the President that would make that connection and that judgment.

We do not need any further debate on that question. We are all aware that the Senate does not want the President to use it for military assistance. It is clearly our desire that it not be used for that purpose. But it is also clear that a crack is left in the door for that to occur.

Second, the conference dropped from the legislation all humanitarian assistance to the people of Cambodia. The people of Cambodia, it seems to me, deserve special consideration. If we needlessly involved one country and one people more than any other in this war, it was the Cambodians. Eliminating Cambodia aid from the bill was particularly unfortunate because it was dropped for parliamentary reasons. The House conferees argued, as it so often does, that it cannot take anything back to the House that is not in the original House bill. As a result, it often becomes necessary to drop Senate amendments. It would seem wise for the Senate to adopt a similar rule—if only in self defense. But that is another question.

The fact is that we have come out of the conference eliminating humanitarian assistance for Cambodia.

Mr. SPARKMAN. Will the Senator yield for a brief comment?

Mr. CLARK. Yes, I do yield.

Mr. SPARKMAN. I subscribe completely to his statement regarding the House rule. Many times, I have protested against it. It is vicious. Nevertheless, it is a rule and we have to abide by it. The only way I have found to get around it—and when I was chairman of the Committee on Banking, often, we could do this—was to be certain that the bill that we passed here was a Senate bill and that we would pass it before they would pass one and send it over here. That way, there is a Senate title and that rule does not hold against us.

Every time a House bill comes over here, we are caught in the viciousness of that rule. I wish we could do away with it.

Mr. CLARK. I thank the chairman.

But given the immediate food relief needs there, it is unfortunate in this final act providing aid to South Vietnam, nothing could be done to help the people of Cambodia.

Finally, while the Senate bill required that humanitarian assistance be provided through international organizations and private relief agencies, the conference report enables the President to provide this assistance through whatever channels he sees fit. It was important to many Members of the Senate that humanitarian assistance be channeled through the United Nations and international organizations like the Red Cross. Such assistance would be unmistakably humanitarian, not political, and the chances would be greater that it would get to the people who need it. Under this legislation all of the assistance could bypass international organizations and relief agencies, frustrating the humanitarian intent of this legislation.

While I voted against the bill in the conference committee because of these weaknesses, I am encouraged that the conferees retained the Senate provisions to require that the administration send Congress a plan for evacuation of Americans and South Vietnamese; that daily reports be made of the numbers of Americans and Vietnamese evacuated, and that the American personnel in Vietnam be reduced to the minimum essential to run the Embassy—and carry out our remaining mission there.

I think that is important, and I hope that we can hold this administration to those requirements.

Today's report on evacuation only emphasizes the need for Congress to keep a close watch on that process.

There are still more than 1,800 Americans and their dependents in South Vietnam—and at least half of them are not essential.

There is no justification for the continued presence of nonessential Americans and dependents in South Vietnam. The larger the American community in Vietnam, the greater the chance that a sizable American force will have to go in for an extended period to bring them out, and the greater the danger to American lives.

Despite all this, the United States is bringing 18 South Vietnamese citizens out for every one American. It is critically important that Congress continue to urge the Administration to evacuate Americans as quickly and as safely as possible—before it becomes necessary to use U.S. troops under sections 3 and 4 of the bill to get them out.

I strongly favor bringing out as many South Vietnamese endangered nationals

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as possible, but let us not resort to military intervention unnecessarily.

Mr. President, the Senate wants to vote on this conference legislation right away, and I will not delay its passage. However, it is essential that Congress be aware of its possible implications. The chances for a negotiated settlement in South Vietnam appear better today than ever before, but this bill will not help attempts to reach a negotiated settlement. If President Ford does use the authority in this bill to send in a large American force to evacuate the sizable community of Americans remaining and as many Vietnamese as possible during the negotiations, the consequences could be unfortunate. I hope and believe that the President will do everything in his power to complete the evacuation without U.S. troops.

The conference legislation, I think, does have some sound features. But I will vote against it because of the lack of restrictions on military aid, the presence of restrictions on humanitarian aid, and the continued presence of so many Americans in Saigon.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I wish to take a few minutes to voice my objection to this bill, which has been labeled a humanitarian bill. Actually, more than one administration has been selling snake oil to Congress, and this is just another bottle of snake oil with a different kind of label on it. This is $377 million, supposedly for humanitarian aid to South Vietnam and for evacuation. But in fact, many of us here have been trying to determine from the administration what kind of plan they have to bring Americans out of South Vietnam, how rapidly they are going to bring them out, and we can get no such plan. The only response that we do get is that if we bring them out too rapidly, panic will occur in the streets of Saigon.

Permit me to say that administration witnesses testified this morning before the Subcommittee on Refugees of the Committee on the Judiciary that we are now bringing out of South Vietnam with American airplanes some 5,000 South Vietnamese each day. The capacity and the plan is for the administration to move out 5,000 each day until they can no longer bring out South Vietnamese.

We still have 1,357 American nationals in South Vietnam. They have been moving only from 100 to 300 American nationals a day out of South Vietnam, up until yesterday, when 501 were moved out.

It is obvious that there is no more money needed to evacuate Americans, and it is obvious that, as many of us have charged, they were holding American nationals in South Vietnam hostage to whatever policy it was that the administration wanted to carry out.

So we see now that the request for and imminent approval of $327 million additional to go to a very doubtful and a very nebulous kind of evacuation plan is for $327 million that ought not to be used, for many reasons, one of them being that the Pentagon already has the money with which to evacuate the Americans left in Vietnam. There is no more money needed for that purpose, and especially not $327 million.

What it amounts to, I think, is really this: The Pentagon is simply asking for this money to replenish what they are using out of their own contingency fund for evacuation of Americans, and what we are doing, in essence, is voting $327 million in military aid, not in humanitarian aid. Why we insist on buying this kind of snake oil and being, in effect, conned each time they come up with this kind of request I fail to understand, Mr. President.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. SPARKMAN. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I wish to deal with two points in respect to the conference report.

First, I, joining the Senator from New Jersey (Mr. CASE) in expressing great appreciation for the quality and character of the conference, and also expressing to the Senator from Iowa (Mr. CLARK), a member of our committee, the fact that notwithstanding his opposition, it was always handled in such a way as not to interfere with the essential functions of the committee, and indeed with great helpfulness in clearing up points which were valuable to the legislation itself.

The two things I would like to clarify are, first, this question, can any of the funds, the $177 million which is for evacuation and humanitarian purposes together, be used for military supply to Vietnam or any of its forces?

The Senator said, and I tried to note it down here:

> Clearly if he, the President considered it in the national interest, he could divert some of this money for military aid for the South Vietnamese Government.

The important thing that I would like to emphasize is that his primary duty, at least as to this money, is humanitarian aid and evacuation, and it is only in order to promote and forward those particular things, strictly, that some money was required for munitions, in order that the President could, in his discretion, use it.

We do not contemplate any program of military assistance, or any substitution of this money for Pentagon money which has already been expended, and we should, I think, look with great disfavor on any effort to distort what we are doing in that way. It is strictly confined to what is absolutely essential to the two things: humanitarian aid—obviously no munitions are needed there—or evacuation, if we should get in a jam on evacuation.

I should like to point out, Mr. President, that the war powers resolution has met its first test, and very admirably. Congress has specified the ways in which Armed Forces may be used, and the principles which must be employed in that regard, and has not tried to be an army officer itself in telling the President exactly how to go about performing this responsibility. An examination of sections 4 and 5 of this legislation makes that crystal clear.

Second, we retain all our rights under the war powers resolution to put an end to any Armed Forces participation anytime we join in a concurrent resolution, if we feel that that small authority, in consideration of the great size of the problem, is being abused.

Finally, Mr. President, in respect of the point made by the Senator from Kentucky (Mr. FORD), we have looked into this particular bill the sternest kind of mandate respecting prompt evacuation. The conference report requires that not more than the minimum number of personnel determined by the President to be essential to carry on critical functions of the U.S. mission, or to carry out such evacuation, shall be used, and that they shall be evacuated as rapidly as possible after the enactment of this act.

I emphasize that, Mr. President, because I oppose, and the Senate sustained the idea, naming 500 as a specific number, for the reasons which I argued then—that it could break the back of the new authority which we have respecting the war powers resolution. But certainly I join with Senator CLARK, Senator ABOUREZK, and other Senators in the clear understanding as a conferee, as a Senator, and as one of the architects of this bill with Senator CASE, Senator HUMPHREY, and others, that we insist on the very minimum in terms of any personnel who are absolutely essential to the functions of the United States in that area; and those functions obviously are getting down to evacuation and humanitarian assistance.

Mr. President, as I say, Congress has met, in my judgment admirably, the first test under the war powers resolution, with great statesmanship, very promptly—which was also critically important—and with proper understanding of the President's powers and the new powers which we have claimed and secured in the war powers resolution.

I believe that our people can feel assured in the future that the dogs of war are under greater restraint than they have ever been in our history since its very beginning, because of this landmark statute which we have enacted as to the methodology by which American forces may be put into war situations, and the final control of Congress as to how long that should last, considering all the circumstances, to be applied not with the President's consent but by our own concurrent resolution.

I thank my colleague for yielding the time. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

Mr. ABOUREZK. Mr. President, will the Senator from Iowa yield?

Mr. CLARK. I yield.

Mr. ABOUREZK. I want to ask several questions of the Senator from Iowa. Is it possible that the $177 million contingency fund could be used for military assistance to South Vietnam?

Mr. CLARK. I agree with Senator JAVITS' interpretation of that provision just a moment ago. This money could not be used for military assistance unless it is tied, in the President's judgment, to evacuation or humanitarian purposes. Clearly, that decision is left to the judgment of the President—in terms of what he believes is in the national interest. I would hope that the President would not use it for that purpose.

Mr. ABOUREZK. But he could.

Mr. CLARK. Yes. And there is no question about the President's desire to have some military assistance. He has made that very, very clear over and over—as late as yesterday.

Mr. ABOUREZK. Another question: What would be the impact of the passage of this bill on the effort to reach a negotiated settlement in South Vietnam?

Mr. CLARK. It depends very much on what happens over the weekend. I am pleased that the House of Representatives will not be taking up the measure until Monday at the earliest.

There seem to be strong indications that a cease-fire or a negotiated settlement is very possible. Giving the President even this possibility of military assistance would not help achieve a negotiated settlement.

Mr. ABOUREZK. Is it possible, in the Senator's opinion, that the slowness in the manner in which the administration is moving out Americans is tied to the provision in this bill and, of course, in their original planning, that the slower the Amercans come out, the more Vietnamese they can bring out under the authority granted to them in this bill and under the authority they believe they already have under the War Powers Act?

Mr. CLARK. I am not prepared to say that these people are being held there intentionally for that purpose. But I certainly have no explanation for why we brought out over 5,500 South Vietnamese yesterday and yet the number of American citizens in South Vietnam went down by only 324.

We clearly have the ability to take out more Americans. I cannot believe that that is in the interest of this country to keep nonessential personnel there. However, I do know the figures are not adequate. The evacuation is not getting down to the essential minimum.

Mr. ABOUREZK. Does the Senator from Iowa have any idea why Ambassador Brown who is special assistant to the President to coordinate refugee evacuation in Indochina, declined to testify before the Judiciary Committee today on grounds of executive privilege? Would that be connected in any way to what the administration's plan is with regard to a slowdown of American evacuation?

Mr. CLARK. I was not aware of that refusal.

Mr. ABOUREZK. In this conference report in what way were the humanitarian assistance provisions of the Senate bill altered?

Mr. CLARK. They have been weakened in, perhaps, two or three respects. First of all, we cannot now give aid to Cambodia under the conference bill, although we did write language in the report, that we would try to get the administration to continue to deliver the Public Law 480 food that is on its way. But clearly we have eliminated humanitarian aid to Cambodia in the bill.

Second, we have taken the words "United Nations" out of the bill.

Third, instead of mandating the $150 million in humanitarian aid, we have now just given the President the authority to do that. Furthermore, we have said in the conference report that the President need not go through international organizations. That is up to him. In the Senate bill, we mandated that this money be spent through international organizations.

Mr. ABOUREZK. May I ask the Senator, is there an advantage to giving the President the discretion over giving it to international organizations?

Mr. CLARK. It seems clear to me that there would be a better chance of getting food delivered to people who were hungry if we went through the United Nations and through international organizations. It is no longer possible to deliver aid through bilateral assistance to almost anybody in South Vietnam—except right around Saigon.

The conference also reluctantly accepted a House section which forbade any assistance to the PRG or to the Khmer Rouge and that, too, of course, not only eliminates any possibility of money going to Cambodia, but to the occupied areas of South Vietnam as well.

Mr. ABOUREZK. I thank the Senator. I yield to the Senator from Ohio.

Mr. GLENN addressed the Chair.

Mr. CLARK. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. CLARK. How much times does the Senator want?

Mr. GLENN. 5 minutes.

Mr. CLARK. I yield 5 minutes to the Senator.

Mr. GLENN. I have a question I would like to ask the distinguished chairman of the Committee on Foreign Relations. I know in the past, Mr. Chairman, we have had some very great difficulties in getting information just to know what the situation is in Vietnam.

It seemed to me earlier, when we were debating this whole thing in the Senate that, perhaps, we were missing something here. We already had some powers we were trying to protect against in the War Powers Act where by a concurrent resolution we can, in fact, stop whatever is going on in Vietnam by a concurrent resolution of both Houses of Congress. So this really leaves us in control, with one big factor necessary, and that is that we get all the information surrounding what the situation is at any one time.

I know that in the Committee on Foreign Relations they are receiving daily reports, and I hope, as I understand, they are daily reports concerning the situation in Vietnam. I also know that earlier, before some pressure was put on to get that information, it was so difficult to find out the truth of what was going on that the Senator felt compelled to send a couple of investigators to get your own information which, I thought, was a very wise and proper thing to do and, in retrospect, the information those gentlemen brought back was instrumental in making some of the decisions that have been made in this body in the last couple of weeks.

So I think it is paramount that we are at the mercy of the administration with regard to information that we are given on a daily basis.

I had earlier had an amendment drawn up before the original bill passed that I was going to submit requiring that the administration give Congress as a whole a daily briefing because all of our people are vitally concerned about this entire situation. I felt it was that critical.

My question today, I guess, is does the Senator feel that at the current time there is sufficient information coming in, and that we will be provided sufficient information to make certain that we do have every bit of information we need?

The bill, as now constituted out of conference, provides for only a reporting daily of the number of personnel still involved. Yet we find, we would find, in a combat situation that we would want to know such things as: Is a perimeter defense set up; are we expanding that perimeter defense; are we getting more involved in a military situation; have SAM missiles been moved in on the other side? All of these are things that would be of absolute and paramount importance to make decisions in this body if they are not being known somewhere.

At the present time I do not have that information. I get most of my information from the news media in this regard, and I think we probably should be making our decisions on a better basis than that, of course.

So does the Senator think that the current information being obtained daily by the committee is adequate, and could that information be made available to Members of the Senate who would wish to stop by in the committee room and be briefed by the staff of the Committee on Foreign Relations on a daily basis so that we could keep up with every possible bit of this whole situation?

Mr. SPARKMAN. Mr. President, I will say to the distinguished Senator from Ohio that certainly Members of the Senate are urged—I do not know how many of them take advantage of it—to come by the Committee on Foreign Relations anytime to see any of the papers that we have there that we feel ought not to go out on general distribution.

We welcome any and every Senator to come by at any time and ask for that information and he will be shown just what we have.

Now, in the conference report, we included one of the amendments that the Senator from Iowa offered here on the floor of the Senate:

> SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—
>
> (1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number

of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

Now, we have been getting that information.

Let me say this in all frankness, the thing we have been concerned with for the last 10 days, I presume, maybe 2 weeks, has been more the matter of how many Americans were there, how we could get them out, how we could get them together, how many dependents they had, and things of that kind, rather than following the battle plan of South Vietnam, and I believe the Senator——

The PRESIDING OFFICER. The 5 minutes of the Senator from Ohio have expired.

Mr. GLENN. May I have 1 more minute?

Mr. CLARK. One more minute.

Mr. GLENN. I thank the Senator from Iowa very much.

I am concerned about it and I think most of those in the Senate have shown that much of the concern was what the combat situation would be that we might be getting ourselves into, and that we would not be in an expanding situation beyond, say, a perimeter defense, just to evacuate people, and would not be reinvolving ourselves, in effect, in a land war in Asia.

Is the information available daily to the Committee on Foreign Relations, covering the combat situation, if we once get our people back in there?

Mr. SPARKMAN. Yes, in the completely reverse condition to that stated by the Senator.

We have got the safeguard, as far as I believe can be done, to make certain that we do not have people in there who become engaged in conflict.

Mr. GLENN. I thank the chairman very much.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. The only conflict recognized is that to our men where it might be necessary to help our people get out.

Mr. GLENN. I thank the chairman very much for his courtesy.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. And for his courtesy in letting me sit in with the committee in the past.

Mr. SPARKMAN. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. SPARKMAN. Seven minutes.

I had promised Senator Church, I promised him time and he wants 5 minutes.

Senator Church now says he will take 3 minutes, and if the Senator from Illinois takes 3, I will retain 1.

The PRESIDING OFFICER. The Senator only has 6 minutes remaining now.

Mr. PERCY. I appreciate very much the Senator's generosity.

Mr. SPARKMAN. I surrender my minute.

Mr. PERCY. I will take no more than 2 minutes in commending the chairman of the committee.

I would not want this conference report to be considered by the Senate without taking into account that I believe the best has been done, taking into account the parliamentary situation that we faced.

I do wish to commend Chairman John Sparkman and Senator Clifford Case for their leadership on this bill, and Senator Javits, particularly, for the immense help in connection with the War Powers portion of this legislation.

I also wish to thank the chairman for very prompt action on the letter I sent to him and Senator Case suggesting that two staff members of our own committee be sent out to Vietnam. I was very concerned that the information we would have would only be the executive branch viewpoint. The objectivity of our staff members, their ability to talk with both sides, their ability to objectively look at the matter, and their competence and knowledge of Vietnam and Cambodia, proved of immense help to the committee.

I also feel we ought to comment on the fact that, in a sense, history was made in the way the Senate worked together with the executive branch of Government to create a common policy. The unusual meeting that we requested be held with the President, the first the Committee on Foreign Relations has held since World War I, I think was an historic moment. The President, with his usual candor and openness, made himself available on very short notice and had with him the Secretary of State, the Secretary of Defense, and General Frederick Weyand, who had just returned from Vietnam. He listened attentively as the members of the Committee on Foreign Relations expressed to him their deep concern about the continuation of military assistance, President Thieu's continued presence, and the deep concern we had for the slowness of the evacuation process in Southeast Asia.

I think it is probably one of the best examples I have seen, in some 9 years in the Senate now, of the Senate exercising its oversight responsibility, working in cooperation with the executive branch of Government, but very firmly holding positions it believed were right, and absolutely not exceeding or caving in or giving way when we felt that the arguments presented to us simply did not correspond with the firsthand information brought to us by the Senate staff members Charles Meissner and Richard Moose.

The actions of the Committee on Foreign Relations over the last week have laid on excellent precedent for the future. It carried out its oversight function with great skill and both Senators Sparkman and Case are due congratulations. Their efforts and those of the committee members effectively transmitted the concern of this body that the rate of evacuation of Americans from South Vietnam was inadequate.

I am distressed that for parliamentary reasons this bill does not include humanitarian aid for the people of Cambodia. I concur with Senators Clark and Sparkman on the unreasonable nature of the House rules that compelled the Senate to accept this aspect of the House legislation. While I am relieved that American military involvement in Indochina has finally ended, our concern for the welfare of the peoples of these countries has not terminated. I am, therefore, proud to be a cosponsor on new legislation that will restore humanitarian aid to the people of Cambodia.

I would hope that H.R. 6096 will close the legislative chapter of this body dealing with what is now known as the second Indochina war. Many Members of this body have opposed U.S. involvement in this war and others have just as eloquently supported the American presence. Let us not now fall into recriminations and self flagulation as to who lost this war, whether it be from hawk or dove.

What we need now is a look forward, not backward. Vietnam is history and while history always affects the present it need not dominate it. We are faced with major foreign policy questions in the North Atlantic, the Middle East, and the Far East. For too long we have neglected issues in Latin America, Africa, and South Asia. Let us now turn to these problems, the legislative and executive branches together. Together we shall make progress and together we shall heal the wounds that for so long have weakened the resolve of this great Nation.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. I thank my distinguished colleague and I gladly yield.

Mr. SPARKMAN. I yield the remainder of my time to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho has 3 minutes.

Mr. CHURCH. Mr. President, first of all, I want to say that all members of the conference, indeed, all members of the Committee on Foreign Relations have tried very hard to design a bill that meets the needs of the current crisis in Saigon.

Certain members of the committee have opposed this bill. I want to say to them, to Senator Clark of Iowa, to Senator Biden of Delaware, that I fully appreciate the reason for their misgiving.

Furthermore, I want to say that I share with them the concern they have expressed about the sluggish pace of the withdrawal from Saigon of American citizens and their dependents.

There is no reason why the remaining Americans should not be out of Saigon by now, except for those absolutely critical to the mission, and this number is 500 or less.

The reason why it is necessary to remove all unessential Americans is to make certain that, if worse comes to worse, and it is necessary to use U.S. Armed Forces to rescue the remaining

Americans, this can then be done very quickly, with the least possible exposure of our forces and the least possible danger of them being mired down in protracted hostilities.

Mr. President, if we reach that point, the question we face is whether we are going to leave it to the President to decide how many troops to employ, how many foreign nationals to bring out with the Americans, or whether we are going to tie it down with the stringent restrictions contained in this bill.

When the President sent in U.S. forces to remove Americans and Cambodians from Phnom Penh, he did not ask for a clarification of the law; he did not ask for congressional authority. He exercised what he believed to be his constitutional prerogative as commander in chief. But he did ask for a clarification of the law when it came to Vietnam.

Now we are giving him that clarification, and we are giving it to him in such terms that Congress imposes the limitations that will apply if it becomes necessary to use troops.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHURCH. Very well.

Mr. President, let me just say, the two alternatives are clear. Between the two, we are better advised to proceed with the bill than without.

Mr. CLARK. I yield 4 minutes to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator from Idaho.

Mr. President, this bill confers no authority on the President that he requires for the evacuation of Americans or South Vietnamese from South Vietnam. The President is already evacuating American nationals and South Vietnamese from South Vietnam. Earlier he evacuated Americans and Cambodians from Indochina. And he does so with U.S. Armed Forces. This bill is not required for that limited purpose—authority to evacuate American nationals and in conjunction therewith, South Vietnamese, from South Vietnam.

If the bill were merely redundant, an unnecessary measure motivated by some obscure but innocent political purpose, I would not vote against it. But that is not the case. The intentions of its authors are commendable—but the bill is dangerous.

Power has not been transferred in South Vietnam to General Minh or some other such figure capable of negotiating a settlement or bloodless surrender. A negotiated settlement or surrender is the only alternative to an assault upon Saigon followed by reprisals. Negotiations could permit the safe evacuation of all remaining foreign nationals and some assurance of amnesty for the South Vietnamese. With or without this legislation, and with or without a negotiated transfer of power to the PRG, hundreds of thousands of South Vietnamese who were associated with the Americans and the Saigon regime, will be left behind. Without a negotiated surrender they will be left behind and in grave danger of reprisal.

The purpose of this legislation is to permit the safe evacuation of Americans [illegible] and South Vietnamese, but its effects could be the opposite, a resumed conflict, a bloody battle for Saigon and an end to any prospect for negotiations with an enlarged threat to the lives of Americans and South Vietnamese. Its purpose is humanitarian assistance but that purpose appears to be nullified by the prohibition of any assistance to or through the PRG or the North.

Whatever the intentions of the Congress and the President, this bill appears to contemplate a massive removal of South Vietnamese. If enacted, the first result could be heavy fire on Tan Son Nhut Airport and the cutoff of Vangtau. The North Vietnamese might be prompted to cut off the last remaining exits for large numbers of South Vietnamese.

But more dangerously, it authorizes $177 million which could be used as military assistance for the Government of South Vietnam. That money is not needed. Millions of dollars worth of equipment is still undelivered to South Vietnam. Additional funds for military equipment cannot, with no time remaining, be delivered to an army which does not exist in any event. But from its appearances, this bill could make it look as if the United States is still pursuing the policy which has already led the PRG and the North Vietnamese to the gates of Saigon. Additional military assistance for the continued pursuit of military stabilization by the Thieu regime, now the Huong regime, combined with massive evacuations and the presence of U.S. forces in Thailand and off the coast authorized by law to intervene, could encourage the North to abandon a political settlement and take Saigon by storm. If that happens, the lives of South Vietnamese and Americans would be endangered and the risks of reinvolvement by U.S. forces would be greatly increased.

The timing of this legislation is particularly unfortunate. The North is awaiting events to determine if, finally, a possibility for negotiations exist—or so it appears. And the South Vietnamese have not yet arranged a transfer of power to General Minh or to some other such figure capable of negotiating. For the Congress at this moment to intrude by authorizing massive evacuations, the reintroduction of U.S. forces and $177 million which could be used for military assistance to the South Vietnamese is not only gratuitous, unnecessary as the present evacuations have proved, but destructive of the remaining possibility for a political and bloodless solution.

Mr. CLARK. I thank the Senator for his statement.

I yield 3 minutes to the Senator from Delaware.

Mr. BIDEN. Mr. President, I associate myself with the remarks of the Senator from Illinois. I wish to speak to two questions raised by a man for whom I have the greatest respect, who has been a leader in this area for a long time, the Senator from Idaho (Mr. Church).

The Senator addressed himself a moment ago to two specific points. He said, No. 1, that this bill was the necessary tool to limit the power of the President and it was essential that the Congress do that in this regard; otherwise, our alternative was worse. The second thing that he spoke to was that this bill was necessary to insure the safety of American citizens in their evacuation.

I am going to vote against this bill. I am going to vote against it primarily for the two reasons the Senator from Idaho indicates he is going to vote for it.

No. 1, I will not repeat the arguments I have made for the last 3 weeks in the Foreign Relations Committee and here in the Chamber at length with regard to how this endangers American nationals, but, clearly, the President has the power now. We could proscribe that power if need be to evacuate American citizens and their dependents.

When the ratio is running 18 to 1 Vietnamese nationals to American citizens being withdrawn from Vietnam, it seems to me that we are making a bit of a fruitless effort here in going under the guise of evacuating Americans when in fact the intent of the administration seems to be to evacuate large numbers of Vietnamese to whom they say the American people have a moral obligation. If we do have that moral obligation, which in fact I questioned on occasion, if we do, the only way to safely insurance that they be evacuated, and not at the potential expense of American citizens, is through a negotiated settlement.

Second, with regard to the question of limiting the President's power, how in Lord's name do we limit the President's power when we expand the power which he does not have now, which is his inability to use military force to remove Vietnamese nationals? Why did we not just adopt the resolution offered by me or others which said, "Mr. President, you have the power to use force to insure the safety of American citizens while you are evacuating them." We needed to do no more. We needed to do nothing else in order to insure the stated objective of everybody in this Chamber. That is to save the lives and insure the safety of American citizens.

So let us not kid ourselves, the Ameriman public or anybody else. We call it contingency funds. We call it humanitarian aid. We call it evacuation. It is not needed. It was not needed. It still is not needed. All it does is obfuscate the issue. Why are American citizens still there? Why do we need this additional power, even though it is stated that they can only take out Vietnamese incidental to the evacuation of Americans? There should be no incidental to. They should be out. They should be gone. We should be taking a totally different course of action.

I shall not detain my colleagues any further.

Mr. CLARK. I yield to the Senator from New Jersey.

Mr. CASE. Mr. President, I thank my colleague.

At this time I announce that I have introduced a bill for $50 million in humanitarian assistance to Cambodia with the cosponsorship of my colleagues from the committee: Our chairman (Mr. Sparkman), Senator Church, Senator McGee, Senator Humphrey, Senator Clark, Senator Pell, Senator Javits, Senator SCOTT, Senator PERCY, Senator GRIFFIN, Senator BAKER, and Senator GRIFFIN. Senator SYMINGTON, I believe, will also cosponsor.

Mr. BIDEN. Mr. President, I would like to ask unanimous consent——

The PRESIDING OFFICER. The Senator from Iowa has control of the time.

Mr. STENNIS. Will the Senator yield a half minute?

Mr. CLARK. I yield to the Senator from Delaware.

Mr. BIDEN. I request the Senator from New Jersey to add me as a cosponsor to that resolution, if he will.

Mr. CASE. It is my understanding that the Senator had been asked to be a cosponsor and said he did not want to be. I will be happy to do so.

Mr. CLARK. I yield the remainder of my time to the Senator from Massachusetts.

Mr. MANSFIELD. As long as the vote will occur at 4 o'clock, I ask unanimous consent that the Senator from Mississippi have one-half minute and the Senator from Massachusetts have one-half minute.

Mr. KENNEDY. Mr. President, I rise to indicate that although I supported this measure at the time it came before the Senate, I thought primarily it provided an important vehicle to try and recognize our responsibilities in a humanitarian way toward the whole Indochina peninsula.

The PRESIDING OFFICER. The one-half minute has expired.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be able to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, it seems to me that the Committee on Foreign Relations has demonstrated a very serious effort to try and recognize that our responsibilities in that part of the world should be met by working through the humanitarian agencies of the United Nations and the voluntary agencies.

That provision, as I understand this measure, has been gutted effectively in conference. Although the other provisions limiting the use of U.S. forces remain, I think that with the loss of these humanitarian provisions, the conference report does not deserve support, and I intend to vote in opposition to it.

First, it eliminates all reference to Cambodia.

Second, it deletes specific reference to United Nations agencies, and eliminates the proviso requiring all humanitarian assistance authorized by the bill must be "furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies." Instead, it provides a weak instruction to the President to provide such assistance through these international channels only "to the extent feasible."

Mr. President, a similar phrase is already in the Foreign Assistance Act of 1975, in section 35(a)(7), and regrettably the record will show it has all but been ignored by this administration in the past. Less than 6 percent of the funds available for humanitarian assistance this year have actually been channeled through international agencies.

Finally, Mr. President, I am deeply disturbed by section 11 of the conference report which stipulates that "no funds authorized by this Act shall be used, directly or indirectly, to aid . . . the Provisional Revolutionary Government." I am greatly concerned that this language, as similar language has been used in the past, will block U.S. contributions to international relief agencies which work in all areas of Indochina—such as UNICEF, the International Red Cross, and the United Nations High Commissioner for Refugees.

Last year, for example, we saw a similar provision of law relating to the Democratic Republic of Vietnam used by the administration to halt U.S. contributions to UNICEF programs in Vietnam.

I hope the President will not use this provision to destroy America's ability to meet humanitarian needs of all people in all areas of South Vietnam. The Sacred Heart Orphange in DaNang, which we helped to support only a month or so ago, should still be eligible to receive our aid today through international or voluntary agencies.

Mr. President, a change of government, or a shift of political geography does not change or alter the humanitarian needs of people, nor does it relieve us of our moral obligations to help all people in need. I regret that the conference report seriously jeopardizes our ability to fulfill these responsibilities, and for that reason I am voting against its acceptance.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for one-half minute.

Mr. STENNIS. Mr. President, I thank the chairman and the members of the Committee on Foreign Relations for working out a bill in this very difficult area with respect to the refugees, the Vietnamese nationals, who really deserve to be taken care of, to be provided for. Even though it is not an absolute ceiling, it is a reasonable understanding with reference to this matter.

Mr. HATFIELD. Mr. President, I oppose the recommendations of the conference. Despite the fact that Congress has made efforts to eliminate any possibility of direct U.S. troop involvement in the conflict in the Saigon area, the clear and present danger remains, as a result of the authority vested in this bill, for American soldiers to again fight, and possibly die, in a confrontation on South Vietnamese soil.

Mr. President, I have spent 10 years trying to convince the Congress of the United States that the death of American soldiers in Southeast Asia occurred—tragically—in defending international policy that was morally and politically bankrupt. The fact that this policy has now entered its final, sad chapter in no way diminishes the danger to American lives that is contained in the bill recommended today by the conferees.

It is clear that the evacuation of the remaining Americans in South Vietnam can occur without additional action of Congress. In fact, it has proceeded in the past weeks without such authority having been granted. Given the critical situation developing in Saigon, given the immediate danger that confronts American citizens there, and given the fact that there are virtually no guarantees that the situation will not worsen, I cannot conceive of why the administration has not evacuated these remaining countrymen long before this.

Congress has been given no reliable information as to the number of South Vietnamese that we will be required to evacuate from Saigon, nor the number of U.S. military forces that will be necessary to insure that this evacuation will successfully take place, nor the conditions that these troops will encounter in attempting to secure the safe passage of these Vietnamese nationals. Indeed, it might be emphatically asked why Congress has bothered to grant such dangerous authority to the Executive when over 12,000 Vietnamese citizens have already been flown to safety without the benefit of the mandated authority that Congress is granting today?

Mr. President, at best the answers to these questions remain unclear. I suggest to my colleagues that this is no time to grant, in haste and in fear, authority to use U.S. military forces in a land where so much American blood has already been shed. I suggest that the granting of this authority, however characterized by good intent, is both dangerous and unnecessary.

Mr. President, years filled with tragedy, bloodshed, and loss have gone by since we first entered, with misguided intentions, into the jungles and swamps of Indochina. Those intentions proved wrong. They were based on inaccuracies both moral and strategic, and the mistakes brought us nothing but the return of hundreds of thousands of wounded and dead American soldiers, haunting pictures of a devasted land, and a people whose hope had died amid the rumblings and slaughter of war. Our involvement in this conflict was rifled with misconceptions, half-truths and tragic decisions that proved little and cost us deeply in honor, lives and treasure. As our involvement now draws to a close, let us not make the same mistakes that brought us to this time, this place and this tragic situation. We must give these people all the humanitarian assistance that the charity of America can possibly provide, but it can and must be done without leading us back, or having us contribute to, the nightmare of despair that is and will always be, symbolized by Vietnam.

The PRESIDING OFFICER (Mr. BEALL). All time on the conference report has expired.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from California (Mr. TUNNEY), the Senator from North Carolina (Mr. MORGAN), the Senator from Wisconsin (Mr. NELSON), and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CULVER), the Senator from Vermont (Mr. LEAHY), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Georgia (Mr. TALMADGE) are absent on official business.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from Virginia (Mr. SCOTT). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Virginia would vote "nay."

I further announce that, if present and voting, the Senator from Iowa (Mr. CULVER), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Wyoming (Mr. MCGEE) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. BUCKLEY), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. FANNIN), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from North Carolina (Mr. HELMS), the Senator from Kansas (Mr. PEARSON), the Senator from Virginia (Mr. SCOTT), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Maryland (Mr. MATHIAS), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are absent on official business.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea".

The result was announced—yeas 46, nays 17, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—46

Allen
Bartlett
Bayh
Beall
Bentsen
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Fong
Ford
Glenn
Goldwater
Hansen
Hart, Gary W.
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Laxalt
Magnuson
McClellan
McGovern
Metcalf
Mondale
Muskie
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Roth
Scott, Hugh
Sparkman
Stennis
Stone
Tower
Williams
Young

NAYS—17

Abourezk
Bellmon
Biden
Burdick
Clark
Hart, Philip A.
Hartke
Haskell
Hatfield
Kennedy
Mansfield
McClure
Ribicoff
Schweiker
Stevenson
Symington
Weicker

NOT VOTING—36

Baker
Brock
Brooke
Buckley
Bumpers
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Garn
Gravel
Griffin
Helms
Hollings
Inouye
Leahy
Long
Mathias
McGee
McIntyre
Montoya
Morgan
Moss
Nelson
Pearson
Scott,
  William L.
Stafford
Stevens
Taft
Talmadge
Thurmond
Tunney

So the conference report was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY and Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. BEALL). The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 93–526, appoints the following Senators to the National Study Commission on Records and Documents of Federal Officials: The Senator from Wisconsin (Mr. NELSON) and the Senator from Connecticut (Mr. WEICKER).

EXECUTIVE SESSION

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations.

The PRESIDING OFFICER. Without objections, it is so ordered.

ACTION

Mr. HATFIELD. Mr. President, I call up the nomination of John Dellenback, of Oregon, to be Director of the Peace Corps, favorably reported earlier in the day by the Committee on Foreign Relations.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of John Dellenback, of Oregon, to be an Associate Director of the ACTION agency.

The PRESIDING OFFICER (Mr. PACKWOOD). Without objection, the nomination is confirmed.

Mr. HATFIELD. I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. HATFIELD assumed the chair as Presiding Officer at this point.)

Mr. PACKWOOD. Mr. President, the Senate has just confirmed the nomination of John Dellenback as head of the Peace Corps. I should like to say just a few words for the record. I have known John Dellenback for 15 years. I knew him when he first served in the Oregon legislature. He is one of my half-dozen closest friends in this country, and I have been as proud to associate with him as with anyone I have ever met in my life. He is tolerant of everyone's views, he is a leader without qualification, and he will add a luster to the Peace Corps that was intended when it was founded. I am delighted with the action of the Senate today.

DEPARTMENT OF COMMERCE

Mr. BEALL. Mr. President, I call up the nomination of Rogers C. B. Morton, of Maryland, to be Secretary of Commerce, favorably reported by the Committee on Commerce earlier in the day.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BEALL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. PACKWOOD. Mr. President, I move that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON COMMERCE TO HAVE UNTIL MIDNIGHT TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce may have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TAFT ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday, after the two leaders or their designees have been recognized under the standing order, the Senator from Ohio (Mr. TAFT) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the recognition of the two leaders or their designees under the standing order, there be a period for the transaction of routine morning business

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of not to exceed 30 minutes, with Senators permitted to speak not in excess of 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon on Monday, following a recess.

After morning business is concluded, the Senate will proceed to the consideration of S. 917, a bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

There is a time limitation agreement on that measure, but under a previous unanimous-consent agreement entered on yesterday, there will be no rollcall vote prior to the hour of 4 o'clock. I would anticipate rollcall votes on amendments or on passage thereof.

There may be other matters called up on Monday which I cannot foresee at this time. Conference reports, being privileged matters, of course, are always in order, and may result in rollcall votes.

On Tuesday, the Senate will take up the measure relating to a determination of the congressional budget for the United States, Senate Concurrent Resolution 32.

RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon on Monday.

The motion was agreed to; and at 4:25 p.m., the Senate took a recess until Monday, April 28, 1975, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 25, 1975:

DEPARTMENT OF COMMERCE

Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

ACTION AGENCY

John Dellenback, of Oregon, to be an Associate Director of the ACTION Agency.

(The above nominations were approved subject to the nominations' commitment to respond to requests to appear and testify before and duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

SPRAYS ARE POISONING US NOW

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BROOMFIELD. Mr. Speaker, the controversy surrounding the use of aerosol sprays and the ozone layer in the Earth's atmosphere has diverted attention from more immediate, and equally serious, questions raised by our society's widespread use of aerosols.

For a number of years, many scientists and medical authorities have suspected that exposure to particles in these sprays is a serious health hazard. Dr. Harold Gregg, a dentist from Birmingham, Mich., has been working in this area for several years, and last week the Detroit News ran a most interesting article on Dr. Gregg and the aerosol controversy.

Since the health questions involved with the use of aerosols have been overshadowed by the ozone debate, I would like to bring this Detroit News story to the attention of my colleagues:

SPRAYS ARE POISONING US NOW, SOME CRITICS CONTEND

(By William A. Clark)

A Birmingham dentist is convinced that Americans are spraying themselves to death with the contents of the three billion aerosol cans manufactured annually in this country.

"We are poisoning people by spraying solid particles into the air we breathe," claims Dr. Harold Gregg, a Birmingham dentist for the last 26 years and now engaged in a Ralph Nader-like crusade to "make people aware of the dangers of inhaling the spray particle contents of aerosol products."

It is estimated that there are 45 spray cans in the average American home. Dr. Gregg said it can be mathematically proven that the contents of 45 spray cans "will leave 2½ pounds of chemical residue in a house."

Some aerosols, he said, contain talcum powder.

"Talcum powder is essentially silicon dioxide," he said, "which is a prime cause of silicosis—a serious lung disease.

"These sprays are dust, pollution, death-in-a-can.

"Everything in a can is a pollutant when it gets in your lungs. Paint isn't dangerous on a wall but it is dangerous when it is broken down into particles small enough to be sprayed out of a can and later inhaled into the lungs.

"And you can't really spray away from yourself because it's in the air and will come back at you."

Government agencies and industry representatives discount Dr. Gregg's contentions, but he is not without supporters.

A medical officer and researcher for the Environmental Protection Agency (EPA) said last week that he believes Dr. Gregg is correct in the thrust of his claims although they yet have not been scientifically proven.

"I don't think I can prove in the absolute sense," said Dr. Kenneth Bridbord, "but as we look at chemicals in cans and their use in confined spaces—I believe we are sitting on a chemical time bomb."

Dr. Bridbord is medical officer at the EPA's Environmental Research Center in North Carolina. He said he believes there are "substantial product effects" from the use of aerosols in the home that these include carcinogenesis (production of cancer) and "electrical disturbances in the heart that could lead to sudden death."

However, an EPA press officer in Washington indicated the agency primarily is concerned with claims that certain aerosol spray propellants are a threat to upper atmosphere ozone. The ozone absorbs ultraviolet radiation and, thus, helps shield humans from the dangers of overexposure to the sun's radiation.

Regulatory supervision of household aerosols is divided among three government agencies—the EPA, the Food and Drug Administration (FDA) and the Consumer Product Safety Commission (CPSC).

FDA has regulatory powers over aerosol foods, drugs and cosmetics; EPA over spray pesticides and insecticides; and CPSC has all the rest—spray paint, furniture polish, window and oven cleaners, and the many other uses to which aerosols have been put in the last 30 years.

Use of aerosols has proliferated in recent years to the extent that the industry is estimated to be a $3-billion-a-year business, producing an average of 45 such cans annually for every American household.

A 1974 CPSC aerosol can hazard analysis study stated that when 2.8 billion such cans were filled in 1971 the total would supply 14 cans for every man, woman and child in the country.

The study report defined aerosol as a "term commonly used to refer to all products which depend upon the power of a compressed liquid gas to dispense them from their containers."

The report said there were an estimated 5,000 aerosol-related injuries requiring hospital treatment in 1973. It said it was aware of in-depth investigation reports on nine deaths due to aerosol-related accidents and that "at least 11 additional fatalities have come to the attention of the commission since September, 1973."

The study said that intentional misuse (sniffing to obtain a "high") "is particularly serious because it is often fatal."

In all, the analysis pointed out "four distinct aerosol hazard areas—explosive hazard, fire hazard, intentional and unintentional inhalation of vapors, and chemical burn and other sensitizer reactions."

Nevertheless, the CPSC announced earlier this month that an 18-month staff study concluded that there is not enough evidence of danger from aerosol sprays to warn consumers to stop using them.

Asked about the seeming incongruity between the CPSC hazard analysis and the staff study, an agency spokesman said:

"Any action under the Consumer Product Act of 1972 is predicated on a finding that a product poses an unreasonable risk of injury or illness to consumers."

The spokesman said the key to agency action is in "determining unreasonable risk as opposed to reasonable risk. Congress only gave us a little help in defining this," the spokesman said.

Such talk enrages Dr. Gregg, father of three grown children and a 1949 graduate of the University of Michigan's dental school.

"They are avoiding the issue," he said, "it's up to them to prove these products are safe before we use them.

"Instead, they allow people to be in the test tube and have drugs put in on top of us. If we survive, they say the drugs are safe."

Dr. Gregg read from an article by R. H. Wheater in the March 24 issue of the Journal of the American Medical Association which concluded that "all aerosol consumer products are potentially dangerous to humans . . . even if medical evidence is lacking or inconclusive as to how harmful these products are."

The Industrial Council on Atmospheric Science (an umbrella group of companies and associations in the aerosol field) said through a spokesman:

"A number of industry and government groups are studying the aerosol issues and considerable additional facts are needed before conclusions can be drawn."

Albert J. Fritsch, co-director of the Washington, D.C., based Center for Science in the Public Interest, maintains: "There is sufficient evidence to indicate aerosols are extremely expensive and ecologically dangerous."

He said that persons arguing for the banning of aerosols "are in trouble when they attempt to use individual arguments (health hazard, ozone hazard, explosion hazard; etc.) against aerosols.

"The total picture must be argued," Fritsch said, "because when you add all the elements together aerosols are a junk material that can easily be replaced by other dispensing methods—roll-ons, atomizer types."

Fritsch said he believes aerosols continue on the market "because people are hooked on them. They love the convenience—that's the only criteria they use: how quickly the stuff can be sprayed on the body. I say use another criteria—your health."

Government agencies within the last year have taken action to either ban or recommend the banning of certain ingredients from aerosol sprays. Among these are the propellant vinyl chloride (a known cancer-causing agent) and zirconium, an ingredient of some anti-perspirants.

A special interagency (FDA, CPSC, and EPA) commission has been established to study the danger to the ozone from flurocarbon-type aerosol propellants.

And the FDA has ordered that certain "warnings" must be included on aerosol spray cans under its jurisdiction by March, 1977. One of the warnings concerns sprays using "halocarbon or hydrocarbon propellants." It will read:

"Warning. Use only as directed. Intentional misuse by deliberately concentrating and inhaling the content can be harmful or fatal."

The warning incenses Dr. Gregg.

"They are warning people about hydrocarbons. Yet the automobile industry has taken one of the greatest beatings ever, over hydrocarbons. The contamination danger from spray cans in the house is far greater than the danger from automobiles out in the street."

An FDA spokesman said, however, the agency's current position on aerosols is that "if used properly they are safe to use. If we are presented with evidence to the contrary we will take it into consideration . . . regulations change and are written on the basis of the best scientific evidence available at the time."

OLD AGE: THE MYTH AND THE REALITY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, the real problems of older people in the United States have been receiving increasing attention. And yet as our awareness of that reality has developed, perhaps so, too, has a myth. I would like to share with my colleagues a newsstory that discusses just this problem. It appeared recently in the Long Island Press in my district:

OLD AGE: THE MYTH AND THE REALITY

(By Susan Fogg)

WASHINGTON. — Old age is viewed by the public as a time of fear, infirmity, poverty, loneliness and neglect, according to a survey conducted by pollster Louis Harris for the National Council on the Aging.

But this stereotype of the aged—which is shared by those 65 and older, who ought to know better—doesn't stand up when older Americans are asked to rate their personal well-being, said the 245-page report on the survey called "The Myth and Reality of Aging in America."

Fifty per cent of the public said fear of crime was a "very serious problem" for the elderly, but only 23 per cent of those over 65 rated it a personal problem for themselves.

Fifty-one percent of the public rated poor health as a major concern of old age, but only 21 per cent of those over 65 said poor health was a problem.

Sixty-two per cent of the public viewed "not having enough money to live on" as a serious problem for those over 65, but only 15 percent of the older Americans saw it that way personally.

Loneliness was a personal problem for 12 per cent of those over 65, although 60 per cent of the general public feared it was.

Older Americans shared the general public's notions about the hardships of old age, apparently assuming that they were exceptions to the rule, the report said.

These ungrounded views of the old as a "socially and economically deprived group can do the old a disservice," the report said, by leading society to regard them as objects of "guilt and fear," rather than people with energy and talents to contribute to society.

Moreover, "exaggerations of the problems of old age might instill in the young a deep-seated fear of growing old," the report said.

Financial insecurity, loneliness and poor health do plague significant numbers of older Americans, especially the elderly poor, the report found. However, these problems are more a function of income than of age, the report said, with poor people regardless of age sharing the same fears and problems.

Although the public over 65 did testify to somewhat greater personal problems in the area of health and fear of crime than the general public, on all other yard sticks of well-being—money, loneliness, a sense of being unneeded—the old were no more afflicted than anyone else.

Personal well-being was much more likely to be a function of income, education and race than age, the report said.

The one area where older Americans clearly had problems unique to old age was social mobility. Those over 65 do not get around as much as younger Americans and they regard a variety of entertainments as less convenient, the report showed.

The older public saw libraries, parks, movies, sports events, museums and live theater, dance or musical concert performances as far less convenient to get to than did persons under 65, the report showed.

Older Americans were about as likely as the young to visit friends and relatives, doctor's offices, shops or churches, but their attendance at other social doings was much more limited.

Only 22 per cent of those over 65 had attended a movie in the last year, compared with 70 per cent of the general public, the report said.

The elderly also were much less likely to get to restaurants, museums, public parks, sports events and live theater than the population under 65, the report said.

These discrepancies held regardless of the income or educational background of the older Americans.

"Lower attendance rates have to be attributed either to lack of interest in these places and events by older people or to their perceived inaccessibility," the report said. "Fear of crime . . . may prevent them from evening attendance at many of these places."

Senior citizens centers or Golden Age clubs held no attraction for 57 per cent of the Americans 55 or older, with one 90-year old woman quoted as saying "I would feel out of place, because I have young ways and young ideas. I like rock and roll."

But if older Americans were somewhat less likely to burn the candle than younger people, those over 65 did have a positive self-image of themselves as active, bright and alert, competent and open-minded.

However, the positive personal self-image those over 65 had of themselves was not shared by the general public—nor was it the view the old held of their contemporaries, the report found.

For instance, 68 per cent of those 65 and older viewed themselves personally as bright and alert compared with 29 per cent of the total public who regarded most people over 65 as bright and alert.

Older Americans agreed in this assessment, with only 33 per cent rating their peers as bright and alert, the report showed.

The general public rated older Americans as warm and friendly and wise from experience, but did not see them as competent, open minded or physically active, the report showed.

Those over 65 went along with this image—with one exception: where 82 per cent of the public saw older people as "warm and friendly" only 25 per cent of those over 65 saw other older people that way.

Thus young and old alike share a jaundiced view of the social and economic plight of the old, and tend to regard old people as passive, sedentary dodderers (with those over 65 seeing themselves as exception, of course) the report said.

Before the problems of aging can be solved these misconceptions about old age need to be cleared away, the report said.

"The young must be taught to see that there is a continuity to life, and that, apart from the inevitable aging of the body, people in their later years are not that much different from the way they were in the own youth and the way the young are now themselves," the report said.

"The old themselves must learn to see that they are not really exceptions, but that their peers as a group share their energies, interests, capabilities and concerns."

METRO FINANCING

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FISHER. Mr. Speaker, I am pleased to join with other Congressmen from the Washington metropolitan region, in bipartisan cosponsorship of the National Capital Transportation Act of 1975.

The Metro system is of vital concern not only to the residents of my district in Virginia, but it is important also to our Nation to serve the visitors who pour into the Washington area from all parts of this country and the world.

Increasing the Federal share of the cost of building Metro from a one-third-two-thirds formula to an 80–20 formula retroactive to July 1, 1973, would place the Washington area in the same position as other metropolitan areas of the country. This will also help lift some of the financial burden weighing on local governments in the Washington metropolitan area. It would be a significant step toward insuring full completion of the Metrorail system as originally designed. Not completing the entire project—the framework for a balanced transportation system to serve the metropolitan area—would have devastating effects. Outlying districts denied service could demand their money back, intensifying the financial burden on the remaining jurisdictions. This in turn could cause complete collapse of Metro's financial structure. Further, it could lead to increased demands for construction of more highways at a time when energy concerns dictate that we cut down on the use of private automobiles.

By providing some of the Federal share through an increase in the amount supported by long-term bonds, thus spreading Federal payments over 40 years, this bill is in line with the effort to hold down annual Federal expenditures.

Without this or similar legislation, Metro will face severe problems this fall in funding design and construction contracts. Time is running out.

I urge your support for this bill.

COMMEMORATION OF THE FIRST GENOCIDE AGAINST THE ARMENIAN PEOPLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. DERWINSKI. Mr. Speaker, today, April 24, 1975, we commemorate what is properly regarded as the first tragedy of genocide in the 20th century—the ruthless massacres of the Armenian people by the Ottoman government. Since that time, of course, the world has witnessed other incidents of man's irresponsible cruelty to his fellow human beings. However, this historic event not only threatened the Armenian people with extinction as attempted by the tyrants of the Ottoman Empire but also set an unfortunate precedent for the world as the first modern genocide.

The history of the Armenian people has been marked by long periods of subjugation to foreign rule. As early as the 16th century nearly the whole country was overrun and held by the Ottoman Turks. Today, the historic Armenian area is what is now Turkey and is totally devoid of Armenian populace, while the Soviet Union holds the Armenian people captive in Soviet Armenia.

Despite the years of subjugation by alien rulers the Armenian peoples still manage to hold on their religious and cultural heritage and retain their national consciousness through their national church and their language.

The Armenians were the first nation in the world to accept Christianity as their state religion. As I have emphasized, the Armenians retained their sense of unity and their national aspiration became intense by the mid-19th century, with the hope of attainment of a goal of self-government. However, at that time, the Turks set out to exterminate the whole Armenian Christian population within its borders and called for the elimination of some 2 million Armenians in the Ottoman empire through deportation, contrived famine, and large-scale massacres. But many hundreds of thousands were able to flee abroad to neighboring Persian and the Russian Caucasus, and others, mostly women and children were forced to adopt the Moslem faith and submit to servitude in Turkish homes. The Armenians paid with their lives for having entertained the elemental idea of human dignity and freedom. No provocation on the part of individual Armenians could justify such a crime against the whole race.

The anniversary of this tragic event must not be allowed to pass without a tribute to the 1,500,000 Armenian men, women, and children who perished during the 1915–18 period. As one of the cosponsors of House Joint Resolution 148, which designates today, April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man," I believe the statement of "man's inhumanity to man" symbolizes not only the crime of genocide committed against the Armenians, but dedicates the day to the memory of those martyrs who sacrificed their lives, and recognizes a day for us all to renew our reverence for human life, and the call of justice for all peoples.

END FAIR TRADE LAWS TO BATTLE INFLATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FINDLEY. Mr. Speaker, we face an unprecedented economic situation—inflation gallops at a high rate and recession and unemployment cripple our efforts to bring it under control.

The quandary seems to defy solution. Proposals which curb inflation may worsen the recession. Attempts to confront the recession seem only to aggravate the inflation we are trying to check. We are caught in a vicious economic circle.

The bill I am introducing today, although not a panacea, will help make our free enterprise system function more efficiency. It provides us with a unique opportunity to strike at inflation without compounding our recessionary woes and it will encourage the forces of composition in our Nation's market system. I propose we eliminate the network of fair trade laws in this country.

Fair trade laws are residual of the Great Depression. Also referred to as resale price maintenance laws, they are simply agreements between a producer and a seller that a commodity bearing the producer's trademark or brand name be sold at or above a set price. The first State fair trade laws were passed in 1931 to revive a shattered economy. To avert an obvious conflict with Federal antitrust legislation, Congress enacted the Miller-Tydings Act of 1937, granting the State fair trade laws an exemption from the Sherman Antitrust Act. Then again, in 1952, Congress exempted these restrictive statutes from the Federal Trade Commission Act. Fair trade laws are nothing but Government-sanctioned price fixing. They are legally protected contracts which force every retailer in a particular State to market a product at the manufacturer's privately set price, whether the individual retailer was party to the original contract or not.

In all, 36 States have enacted fair trade laws of one form or another including Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Virginia, Washington, West Virginia, and Wisconsin.

These laws are restrictive. They penalize the consumer now more than ever and subsidize certain segments of an industry at a time when such protection is no longer necessary. Officials at the Federal Trade Commission and the Departments of Justice and Commerce agree with many businessmen and retailers that fair trade is a concept whose time has passed.

The Department of Justice estimates that fair trade laws increase prices 18 to 27 percent above the level which competition would dictate. All told, fair trade laws cost consumers $2.1 billion annually. By removing this $2.1 billion burden from the backs of the consumers, we can take an effective step toward curbing inflation.

We are all aware of the circumstances which prevailed during the 1930's. In a time when business firms were failing left and right, fair trade laws presented an attractive stabilizing influence on a shaky economy. We need not debate the wisdom of adopting such measures to agree that the circumstances under which they were adopted are behind us.

In fact, the argument used in recent years to justify fair trade laws is that such legislation insures against the predatory practices of mammoth chain and discount stores. Translated, that means insuring higher prices than might otherwise be charged. In many instances, fair trade laws actually inhibit the smaller retailer's ability to compete effectively with the chain stores by requiring him to charge an artificially high price.

There is no lack of State and Federal legislation prohibiting predatory marketing practices on the part of the large chain retailers and two Federal agencies exist to enforce these laws. Fair trade laws serve only to make it a crime to market products inexpensively and efficiently within those laws.

By legally insulating such products as electrical appliances, bicycles, jewelry and baseball gloves from the competition of the open market, fair trade laws allow manufacturers to skim artificial profits off the top while both the retailer and the consumer pay the price. If there was ever a valid argument for such Government intervention in the marketplace, it is now outdated.

Since entering the House of Representatives, I have been firmly committed to a policy of encouraging competition in our free enterprise system. What I propose is a simple, uncomplicated answer to an outdated problem.

Our laws are not intended to insulate inefficient small businesses from the competition of the open market. The overall effects of the repeal of fair trade laws and a return to a more competitive, free enterprise system will ultimately be of benefit to the consumer and businessman alike.

IN COMMEMORATION OF ARMENIAN MARTYR DAY AS A NATIONAL DAY OF REMEMBRANCE OF MAN'S INHUMANITY TO MAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ROE. Mr. Speaker, it is indeed my privilege and honor to join in the solemn observance of Armenian Martyr Day which is being memoralized in special religious services throughout our State and Nation today as we observe April 24 as "National Day of Remembrance of Man's Inhumanity to Man."

This year marks the 60th anniversary of the genocide of the Armenians, one of the most atrocious, offensive crimes against the human race. As we pause in our deliberations today for this commorative observance, we share with our people of Armenian heritage our renewed reverence for human life and pay tribute to the memory of the martyrs of the Turkish massacre of 1915.

As a nation comprised of a society of people who came to the United States seeking comfort and solace from the oppressed and dictatorial government of other lands, we are fully dedicated to the essential need to preserve the heritage of the people of all nations. The grief and horror of the annihilation of any of our people strike at the heart of our Nation's conscience and weigh heavily upon the conscience of all civilized mankind throughout the world.

On April 8 the House of Representatives adopted the joint resolution, which I was privileged to join with many of our colleagues in sponsoring, requesting the President to issue a proclamation calling upon the people of the United States to observe today as a day of remembrance for all victims of genocide, especially those of Armenian ancestry who lost their lives six dacades ago in the massacre that was aimed at the genocide of the entire Armenian nation. This congressional action fully recognizes that—

The Armenian people have been by their spirit of dedication and creativity champions of civilization;

The Armenian people have struggled and suffered for over 50 years to establish a Free Republic of Armenia;

The people of Armenia have been subjected to hunger, poverty, and disease by their oppressors;

The Armenian people fought valiantly with the Allied forces in World War I and became known as the Little Allies;

The first genocide of the 20th century, resulting in the death of 1.5 to 2 million people, was perpetrated upon Armenians living in Turkey; and

People of Armenian ancestry all over the world commemorate April 24 of each year as a sacred day of mourning for the victims of genocide.

Mr. Speaker, there is undying strength in the spirit of freedom and justice that can be achieved through the communion of understanding that is within the realm of all freedom-loving nations of people. In remembering the unwanton destructiveness of the dastardly act of genocide, may today's commemorative salute help instill in the hearts and minds of all mankind that the true purpose and fulfillment of life's endeavors is within the domain of all human life—spiritual, moral, cultural, and social—if each and every human being practices the divine principle, "Do unto others as you would have done unto yourself." In reflecting and observing with all freedom-loving people throughout the world man's inhumanity to man, we can take another step in our humanitarian ideals for a communion among all peoples of the world to achieve quality of life that will permit the widest possible expression of cultural and national heritage so important to mankind's purpose and objectives in attaining a rich and lasting peace throughout the world.

REDUCING THE U.S. FINANCIAL ROLE IN THE UNITED NATIONS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, recently, I had the opportunity to contribute an article to The Congressional Digest magazine, advocating a substantial reduction in the U.S. financial commitment to the United Nations.

I am pleased that the U.S. Information Agency—USIA—has requested that my article be used for publication overseas.

Because this is an issue being widely discussed at this time and is one which I feel is very much on the minds of the American people, I respectfully submit my comments as they appeared, for the earnest consideration of my colleagues.

The text of the article is as follows:

Reducing the U.S. Financial Role in the United Nations

(By Hon. John Paul Hammerschmidt)

A question being asked today with increasing frequency is whether the United States should curtail significantly its financial support for the United Nations.

The answer, in my view, is yes and the reasons are compelling. In fact, the issue of the extent of our financial commitment to the U.N. should be consistent with that of seeking a re-evaluation of the thrust of our entire foreign assistance program.

Our membership and participation in the United Nations can be equated with the nature of our aid commitments throughout the world. In short, I believe the American people are beginning to question seriously the value and return of the huge unilateral aid investments made over the years with their tax dollars.

United States U.N. Ambassador John Scall has very clearly set the tone of what is rapidly becoming the American view toward the organization. In his well-publicized address before the General Assembly on December 6th, he said:

"Americans are questioning their belief in the United Nations. They are deeply disturbed. My country cannot participate effectively in the United Nations without the support of the American people and the American Congress. For years, they have provided that support generously. But I must tell you honestly that this support is eroding—in our Congress and among our people."

The recent U.N. actions to which the Ambassador addressed himself related to the exclusion of member states, the restriction of their participation in discussions of matters relevant to them, and attempts to convert U.N. humanitarian and cultural activities into instruments of political reprisal. All were vigorously opposed by the United States and, according to diplomatic sources, could eventually lead to the irreparable debilitation of the international forum.

The United States, as the organization's largest single contributor, has provided 40 per cent of all monies spent by the world body between 1945 and 1970. The traditional disproportionate share assumed by the U.S. strikes at the heart of the question at hand, whether or not to curtail our financial commitment.

For the first time, in 1973, the U.S. share was reduced. The impetus has very clearly been provided and the momentum is gaining.

I cannot help but believe that the American people have come to realize that we cannot buy friendship. We must earn it. Perhaps the only way to do so is to demonstrate clearly how a democracy can best function and to indicate in a very positive way the benefits of living under our form of government and in our society. And, we can best achieve those ends by providing exemplary leadership, realizing order in our own house, and thus fortifying the inherent strengths of a democratic government. By attaining those lofty but necessary aims, we might expect to insure our continued position as leader of the Free World.

Like other well-meaning intentions which have not lived up to their expectations—the unilateral foreign aid programs, for example—our participation in and traditional sense of obligation toward the U.N. have not fully achieved their purpose, which was and is to create and foster a palpable and very real sense of mutual understanding and peaceful co-existence.

Unfortunately, it would appear that those expectations have not been realized. The body has, it seems, taken on counter-productive aspects.

Points of disagreement alone would not necessarily dictate that the United States withdraw its U.N. membership or truncate entirely its financial support. It is important to keep open the lines of communication, which in itself can represent a worthwhile end. It is desirable that we "keep talking" and conduct an active and frank dialogue. Many American officials will underscore the value of saving the United Nations if only to continue performing vital peacekeeping tasks.

But, the dialogue is becoming a cacophony of strident voices. This is reflected in the "tyranny of the majority" of which Ambassador Scall spoke, and it concerns me greatly.

The attitude of some member nations has taken on a different aspect. In short, it is taking on the form of hostility.

There are, of course, compelling financial reasons which come into play, as we consider the reduction of our U.N. financial commitment.

I am convinced that the American people are tired and dismayed by the lack of truly meaningful and lasting accomplishment of the world body. They view with concern also the recalcitrance of certain member states who are acting contrary to the spirit of the U.N. Charter, which formed the global organization to reflect the highest aspirations of a world torn by two major conflicts.

Our people have, I believe, grown weary of being expected to continue their traditional policy of open-handed largesse, while being slapped in the face. We must and should respond to this situation with a changing posture, not only in relation to the U.N., but perhaps also to our continuing programs of unilateral aid, as well.

This is not meant to infer that the United States must embrace isolationism. Nor does

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it mean that by assuming a firmer, stronger stance, we need abandon our determination not to forcibly impose our way of life or form of government on other nations.

What it is meant to imply, in the simplest of terms, is that the time has come to take a long, hard look at certain aspects of U.S. assistance programs, particularly those for which the direction has been primarily unilateral. The Congress indicated such a view in December of 1974, by enacting as part of a foreign assistance measure, the so-called "barter" concept, under which the United States would provide aid to nations in exchange for strategic or critical raw materials. The thrust of this program offers a step in the right direction and represents one aspect of the solution in re-aligning our commitments, along with other multilateral arrangements.

A good point at which to continue what I feel is a growing trend is through a reassessment of our financial commitment to the United Nations. We can apply what we have learned from that experience to other areas of U.S. assistance policies.

We may find that we have learned some very valuable lessons.

THE ABORTION CONTROVERSY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. CRANE. Mr. Speaker, in the wake of the 1973 Supreme Court decisions, *Roe* v. *Wade* (93 S. Ct. 705) and *Doe* v. *Bolton* (93 S. Ct. 739), invalidating numerous State abortion laws, there has been a rising tide of sentiment urging Congress to pass legislation, or a constitutional amendment, protecting the right to life of the unborn. As the father of eight children and as one who finds the concept of abortion on demand totally repugnant, I sympathize completely with those who feel the Supreme Court was out of line in its abortion ruling.

In essence, what the Court ruled was that, until the fetus becomes viable—able to sustain life outside the womb if necessary—a woman's right to privacy is protected by the 14th amendment to the extent that State law may not prevent her from getting an abortion. However, once the fetus is judged to be viable—usually 24 to 28 weeks after conception—a State may prohibit abortion except in cases where the life or health of the mother are endangered. In so ruling, the Court not only departed from the long-standing American custom of leaving abortion decisions up to the States, but also went counter to the entire history of English common law regarding such matters.

Prior to the Civil War, the English common law was the law that prevailed in most States vis-a-vis abortion. From the 13th century on, English common law set forth the proposition that an act of abortion was a crime if evidentiary proof of the existence of a live fetus could be established since the process of conception was not fully understood by medical science until 1827, "quickening"—the first time the mother feels the unborn child kicking in her womb—was usually considered to be the first conclusive and, therefore, legally acceptable, evidence of pregnancy. Since quickening generally occurs about 17 to 20 weeks after conception, it should not be confused with viability as defined by the Supreme Court in Roe against Wade.

However, once the process of conception was fully understood, the British Parliament simply dropped the requirement for proof of pregnancy and imposed a penalty for any act of abortion. This step was certainly a logical extension of the common law concept of punishing those who tried to abort life after it could be proven to exist. Moreover, a similar evolution in the law took place in the United States except that, instead of a national statute being enacted, the matter was handled by the States individually. By 1883, 35 of the 38 States then comprising the United States, had made an act of abortion prior to quickening a criminal offense. And, by 1950, all 50 States had abortion laws on the books which, consistent with the legal history of abortion, differ considerably from State to State. Thirty-one State statutes outlawed abortion except to save the life of the mother; two States extended that exception to include the health of the mother; three States allowed abortions not unlawfully performed or not without lawful justification, and 14 States permitted abortions in other specified instances.

From all this history several points become clear. First, it is quite evident that the historical thrust of abortion legislation aimed at making abortions illegal from the time it could be proven a fetus was alive, not at making them legal up until the time the fetus became viable. Second, it is quite evident that the term quickening is not comparable to the term viability and, by adopting the latter standard, the Supreme Court has established a different criterion from the one used to determine the point at which an act of abortion might be considered a crime. Third, from a historical standpoint, abortion legislation and case law in the United States has been a matter of State rather than Federal concern. And, finally, there has been considerable diversity in State law concerning abortion, although most statutes were far more stringent than those permitted under the recent Supreme Court decisions.

Given these historical considerations, it seems to me the Supreme Court would have done better by leaving the matter of abortion up to the States to decide. Not only would such a decision have been more consonant with legal tradition and recorded legislative intent, but it would have permitted a greater reflection of community consensus. One of the greatest strengths of our republic, from its inception, was federalism. This principle guaranteed diversity, recognized the sensitivities of local constituencies, and rejected the arrogant presumptions of national infallibility.

Personally, I am opposed to abortion except in three instances: First, rape of a minor child; second, when incestuous conception between minors has taken place; and third, when substantial medical opinion indicates that carrying the child will threaten the life of the mother. However, I recognize that many will not agree with me and suggest, therefore, that the best way to settle the matter is to permit the degree of diversity that community judgment, translated into State law, can provide. Instead of a nationalized answer, the result would be variation from State to State in keeping with the ideals and morals of the people in the various States, which was the situation that prevailed prior to Roe against Wade.

While I realize that such an approach will not please everybody, I also believe that it will be more acceptable or, to put it another way, less offensive to more people than any other solution. There would be more opportunity for divergent views to be accommodated which, in turn, should mean less infringement on the deeply held convictions of people on all sides of the issue.

In order to accomplish the objective of having State Law prevail, I have recently sponsored a bill that would remove the question of abortion from the jurisdiction of either the Supreme Court or lower Federal Courts. This would mean that States could reenact abortion laws and that State courts would be able to rule on abortion cases without being intimidated by a Supreme Court ruling.

Not only does article III, sections 1 and 2, make it very clear that Congress has the power to limit the jurisdiction of Federal Courts and the Supreme Court, but there are a number of precedents for such action being taken. Perhap the most striking evolved out of an 1868 case (Ex Parte McCardle, 6 Wall. (7 U.S.) 318) in which the Supreme Court had agreed to review a case involving a writ of Habeas Corpus—dealt with in article I, section 9 of the constitution fearing that the Supreme Court might void all, or part, of its plan for reconstruction of the South Congress passed a law repealing the act on which the case was based thus inducing the court to dismiss the case for lack of jurisdiction (Ex parte McCardle, 7 wall (74 U.S.) 506 (1869)).

However, there have been other, more recent examples. In two cases, the Norris-La Guardia Act of 1932 and the Emergency Price Control Act of 1942, Congress limited the Court's use of remedies—in each case, injunctions. In the first instance, a rigorous procedure had to be followed before the courts could issue an injunction and, in the second case, jurisdiction was limited to an emergency court of appeals to reduce the possibility of an injunction being issued.

Even more recently, Congress passed an amendment implicitly limiting court jurisdiction over an abortion matter thereby causing a Montana State court to reverse a ruling that initially required a hospital receiving Federal—Hill-Burton—funds to perform abortions and sterilizations even though the policy of the hospital—it was a private Catholic hospital—was opposed to such operations *Taylor* v. *St. Vincent's Hospital*, Civil No. 1090 (D. Mont. Nov. 1, 1972) and *Taylor* v. *St. Vincent's Hospital*, 369 F. Supp. 948 (D. Mont. 1973). Moreover, less than 18 months ago, in an effort to

overcome legal obstacles being thrown up by environmentalists, Congress limited court jurisdiction in the matter of the Trans-Alaska Pipeline to constitutional questions and to actions which went beyond the authority of the act. Furthermore, the time in which such challenges could be brought was limited to 60 days and the district courts in which the cases were to be brought was required to give them precedence over all other matters. In short, further court challenges on environmental grounds were barred and court jurisdiction over such cases thereby denied.

It is apparent, therefore, and many constitutional scholars uphold this point of view, that Congress can restrict the jurisdiction of the Federal courts and the Supreme Court over a specific type of case. By so doing, a potential plaintiff would not be deprived of recourse, because he could still seek relief in the State courts which would have the final say. Furthermore, this approach has the advantage of being easier to pass and quicker to implement. Instead of requiring a two-thirds vote of Congress plus ratification by three-fourths of the States, as would be required by a constitutional amendment, only a majority vote by both Houses of Congress and signature by the President is necessary.

Finally, it must be said that, from a political standpoint, an abortion measure that permits diversity stands a much better chance of passage than one which enunciates a hard-and-fast rule. Given the past precedents, it would seem to me that there is no reason why we should not proceed with a bill limiting Federal and Supreme Court jurisdiction over abortion as soon as possible.

In the meantime, I believe that we should make sure that no Federal moneys are used to foster abortions. It is bad enough that the issue has reached its present point, but to have the tax dollars of those who oppose abortion used to promote it can only make things worse. Furthermore, it gets the Federal Government into an area which, as I have repeatedly indicated, is best left to the States.

Abortion is, and always will be, a volatile issue, however, one of the strengths of America has been the ability of its people to accommodate divergent views within the framework of a republican system of government. As long as each American continues to respect the rights of others to hold views differing from his, neither abortion nor any other issue is going to undermine that basic strength.

DEPARTMENT OF STATE—COORDINATOR FOR HUMANITARIAN AFFAIRS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FRASER. Mr. Speaker, I would like to insert in the RECORD two documents relating to the recent establishment by the Department of State of a new post entitled "Coordinator for Humanitarian Affairs." As the attached letter from Deputy Secretary Ingersoll indicates, the Coordinator will be responsible:

> To bring a clear focus on human rights issues to activities throughout the Department, and to assure attention at the highest level, as these issues deserve.

I am gratified not only with the Department's establishment of this office but with Secretary Ingersoll's keen concern that human rights as well as refugee affairs be given greater consideration in the making of U.S. foreign policy.

These bureaucratic changes will, I hope, give rise to increasing sensitivity to human rights issues in the making of U.S. foreign policy.

The documents follow:

APRIL 18, 1975.

Hon. DONALD M. FRASER,
Chairman, Subcommittee on International Organizations, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On July 28, 1974, I wrote to Chairman Morgan of the House International Relations Committee about my plan to have attached to my office someone who could advise me on overall progress in human rights matters and ensure full consideration of human rights factors in decision making. I am pleased to inform you that I have now appointed James M. Wilson, Jr., an able senior Foreign Service Officer with broad experience, to the position of Coordinator for Humanitarian Affairs. This is a new position expressly created to bring a clear focus on human rights issues to activities throughout the Department, and to assure attention at the highest level, as these issues deserve.

Mr. Wilson will be charged with coordinating the efforts of all of the existing offices within the Department engaged in work which is directed toward, or impinges upon, human rights and humanitarian affairs. He will in addition undertake the direct supervision of activities now performed by Frank Kellogg, Special Assistant for Refugee and Migration Affairs, and the office of Frank A. Sieverts, my Special Assistant for Prisoner of War and Missing in Action Matters. Mr. Wilson will of course work closely with the Under Secretary for Security Assistance, the Deputy Under Secretary for Management, and the Legal Adviser, all of whom have broad Department-wide responsibilities in this area.

In short, I am instituting centralized direction of the Department's efforts on human rights, refugees, humanitarian assistance, prisoners of war and with the Red Cross, other voluntary agencies and such related institutions.

I would like to stress that our objective in creating this new position, and appointing Mr. Wilson to fill it, is to expand and upgrade the time and attention devoted to human rights considerations in the work of the Department of State. In so doing, we intend to consult fully with you and your colleagues in Congress, a task to which Mr. Wilson will be devoting special effort.

I shall report to you further on the progress of this reorganization.

Sincerely,

ROBERT S. INGERSOLL.

[From The Christian Science Monitor, Apr. 22, 1975]

STATE DEPARTMENT TURNS TO HUMAN RIGHTS CONCERN—CONGRESSIONAL PRESSURES HELP PROD UNITED STATES TO LINK DEALINGS ABROAD TO RIGHTS OBJECTIVES

(By Benjamin Welles)

WASHINGTON.—The State Department—bowing to congressional pressure—is creating an Office of Humanitarian Affairs. Its aims will be to monitor and—where possible—oppose the use of torture and other forms of political repression in countries with which the U.S. has diplomatic ties.

The question now being asked in Congress is whether the move implies a genuine commitment to human-rights issues, particularly in such areas as Indo-China, or is merely a cosmetic gesture designed to placate congressional liberals.

James M. Wilson, a veteran foreign-service officers who has been serving as U.S. deputy representative in the office for Micronesian status negotiations, has been selected as special assistant on human rights to Deputy Secretary Robert S. Ingersoll. Mr. Wilson will coordinate the work of human-rights officers recently appointed by the State Department.

Creation of the new post in the office of Mr. Ingersoll, Secretary of State Henry A. Kissinger's ranking assistant, follows increasing congressional criticism that the State Department has long ignored the use of torture and political repression by several foreign governments to which it has furnished large-scale aid. Among those often cited are Chile, Brazil, and South Korea.

BILL AMENDED

Rep. Donald M. Fraser (D) of Minnesota, backed by other liberal congressmen, succeeded last year in amending the foreign-aid bill to bar all but "development" aid to governments found guilty of violating the human rights of their citizens.

In the future, Mr. Wilson and his human-rights colleagues are expected to keep a close eye on reports from U.S. embassies about torture or other repressive measures overseas and recommend to Mr. Kissinger, Mr. Ingersoll, and other policymakers when aid to offending governments should be cut. The new office will also maintain close liaison with Congress on this issue.

Mr. Fraser and congressional colleagues reportedly were incensed last autumn by reports that David Popper, U.S. Ambassador to Chile, had been disparaged as a "bleeding heart" by Secretary Kissinger during a meeting with top-level aides. Mr. Popper had reported in detail on repressive measures employed by the Chilean military junta against suspected opponents of the regime.

As a result of congressional criticism of the State Department's alleged indifference to the mounting human-rights problem around the world, Mr. Fraser, Sen. Alan Cranston (D) of California, Rep. Jonathan Bingham (D) of New York, Rep. Dante B. Fascell (D) of Florida, and others met with Secretary Kissinger in December and again in January. Another meeting has been scheduled for the near future.

"They told Kissinger in no uncertain terms that there was no one around they could talk to in the State Department about human rights." said one informed source, "They said the time had come to put someone in charge of this problem—fast."

REACTION: CAUTIOUS

Reaction on Capitol Hill to news of the State Department's forthcoming move was cautious.

It was suggested, for instance, that in seeming to bow to congressional demands for more attention to human rights, Dr. Kissinger was attempting to blunt further congressional moves to "legislate" foreign policy. He is known, for instance, to resent congressional bans on military aid to Turkey and Chile and Mr. Fraser's recent amendment limiting military aid to South Korea.

Congressional sources suggest that Mr. Kissinger's sudden decision to drop Chile and Peru from his coming visit to Latin America can be traced to urgent warnings from liberal senators and congressmen who have recently visited him.

Sources close to Sen. Edward M. Kennedy (D) of Massachusetts noted that Mr. Ken-

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nedy has been pressing the State Department unsuccessfully for years to create a bureau of humanitarian and social affairs under an assistant secretary "with clout." They regard the designation of Mr. Wilson as "special assistant for human rights as a timid step in the right direction, but no more.

DEVELOPMENT OF NEW ENERGY SUPPLIES

HON. RAY THORNTON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. THORNTON. Mr. Speaker, there are few challenges more vital to our Nation than a clear recognition that real solutions to problems of our economy depend upon the development of new energy resources, and the conservation of existing energy supplies by avoiding wasteful uses of such resources.

On April 22, 1975, the gentleman from Washington, Mr. McCormack, appeared before the Joint Engineering Legislative Forum to discuss these issues. His remarks to that group, which I am placing in the Record, deserve to be shared with all Members of this House:

Comments by Congressman Mike McCormack

Mr. Robertson, Mr. Nader, ladies and gentlemen.

I would like to express my appreciation to the National Society of Professional Engineers for inviting me to meet with you today, and to discuss some aspects of this nation's energy crisis. This is a matter of supreme importance, for our nation is truly in mortal danger. Our standard of living, our economic stability, our political institutions, and even the safety of our streets may well hang on whether or not we are able to produce enough energy to maintain the job market and an opportunity for low-income Americans and members of minority groups to aspire to and work for a decent standard of living. We must bring a spotlight of truth on this subject, so that every responsible person can see and understand the facts.

Out of the confused debate about the energy crisis, one concept is almost universally accepted. We must reduce waste in our use of energy, and we must reduce our historic rate of growth of energy consumption. What is not apparent, however, even to many sincere and concerned policy-makers, is that the total energy consumption of our nation must continue to increase, even if we establish very successful conservation programs. Of the dozen or so major reports projecting future energy consumption, all agree on this fundamental fact, even including "The Citizen's Energy Platform", to which Mr. Nader's "Congressional watch" subscribes. This is true because additional energy will be required for new homes, new jobs, upward mobility of low income groups, employment and liberation for women, and more productive and competitive manufacturing processes. This would be true even if we had a zero population growth, starting today.

The recent report of the Ford Foundation Energy Policy Project assumes, as a reasonable scenario for the future, limiting the growth of our total energy consumption to 2% per year. This would be a dramatic reduction, but a 2% growth rate still means that we will double our energy consumption in about 35 years. Within this overall growth, there will inevitably be a dramatic shift from the use of petroleum and natural gas to the production of electricity from coal and nuclear fission, and the annual growth rate here will be 4% to 5% per year, doubling electric generation by about 1990.

Unfortunately, most of the debate on the energy crisis, in spite of the perils we are facing, has centered around such subjects as import tariffs, quotas, gas taxes, allocations, regulations, and incentives. While all of this is important, it is somewhat like wrestling for deck chairs on the Titanic.

The stark realities are that while this debate has been going on, our oil production is down from last year, our natural gas production is down from last year, our coal production has scarcely changed from last year, the percent of petroleum we import has now increased to about 38%, more railroads have gone out of business, the situation in the Middle East has deteriorated, and Mr. Nader is clamoring for us to declare a moritorium on nuclear energy—our only rapidly growing energy resource, and the cleanest, safest—most environmentally acceptable—energy option available to this nation during this century.

The challenge we face today is to overcome this attempt at confusing and misleading the American people, and to develop now an energy policy to produce the energy that we will need in the future. If we do create such an energy policy, and if we implement the programs which will carry it into effect, the people of this country can have adequate energy, environmental protection, and economic stability. If we fail, the inevitable result will be catastrophe.

There are several fundamentals upon which an energy policy must be built, and which merit special attention.

Any energy policy must be based upon the best scientific and engineering facts available. We simply cannot afford the luxury of basing policies on fantasies, such as assuming that solar energy or geothermal energy or some suppressed carburetor design will bail us out of our problems; or prejudices, such as an anti-Israeli—or anti-Arab—or anti-oil company or utility industry obsession—or anti-nuclear fanaticism; or hopes, such as the hope that we will keep finding enough natural gas or petroleum to keep us going, or the hope that the people of this country will voluntarily reduce their standard of living, and voluntarily accept massive unemployment, in the name of energy conservation, or because they have been frightened into a state of irrationality by irresponsible scare stories about nuclear energy.

A national energy policy must allow a large segment of our people to continue to aspire to—and strive for—a higher standard of living, and greater freedom and dignity. This has always been the hallmark of American society, and we cannot expect low and modest income Americans—or average American housewives—or those who want women to be liberated, to sacrifice such aspirations because irrational fears have prevented us from providing adequate supplies of safe, clean energy.

Certainly each of us recognizes that a sort of three-cornered dynamic equilibrium should exist between energy conversion, transmission, and consumption in one corner, a reasonable and rational program for protecting our environment and conserving our resources in the second, and the maintenance of a stable and responsive economic system in the third corner.

So, while we can't allow the excesses which marked some industrial development of the past, raping our land and polluting the atmosphere, we cannot expect to have energy production without some impact on the environment, no matter how benign the source may seem to be from a distance; and we certainly cannot expect to have jobs for the American people unless we produce more energy. Thus, we have several "environments" to protect all at the same time. There are, for instance, those that we classically think of in terms of air and water, but there is also the environment of the job market, and an industrial capacity that will maintain this nation's national security and standard of living. Finally, there is the environment of our own homes, where we must have enough energy for a decent standard of living. Our national energy policy must strike this dynamic balance in a rational manner.

It may be appropriate at this point to review what the energy crisis is really all about, and why we are where we are. To put it simply, Western industrialized civilization—and our affluent standard of living—have risen to their present remarkable heights on a prodigious consumption of petroleum and natural gas. About seventy-five percent of the energy we use today comes from these sources. Now, when our society and our economy are actually dependent on continued energy growth, we are coming face-to-face with the reality that we are running out of petroleum and natural gas. We are just beginning to feel the first effects.

This reality is the most difficult of all for us—who have lived all our lives in a culture built on cheap mobility—that we have, almost certainly, already discovered and burned up more than half of all the petroleum and natural gas we have ever discovered, or ever will discover, on this continent or off its shores, and that it will be gone, insofar as a significant supply of fuel is concerned, by the end of this century. Furthermore, responsible studies by the National Academy of Sciences and the Federal Power Commission point out that, even with crash programs of exploration and drilling, we cannot expect to significantly increase production at any time in the future above present levels.

As our supplies of petroleum and natural gas dwindle, this nation will become dependent for virtually all of its energy on coal and nuclear fission. But in the long perspective, even these sources of energy are really only transitional. Though we must increase our reliance upon them now, we must also make plans for phasing them out in the more distant future, and replacing them with other, still-to-be-developed energy sources.

Of course, coal is our greatest resource of fossil fuel, and we must rely heavily upon it. However, there are a broad spectrum of factors which limit the rate of growth of coal consumption—economic—logistical—and environmental. Although time does not allow an in-depth discussion of this subject here today, clearly coal can play only a partial role in this nation's energy future.

As responsible citizens sort out the facts in the energy picture, it becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready *now* to provide much of the energy this nation will need during the next fifty years.

Nuclear energy is the cleanest, cheapest source of energy available with the least environmental impact of any significant option. If we did not have nuclear energy available to us for the coming decades, the future of this country would indeed be black—in more ways than one.

Today, there are 55 nuclear power plants licensed to operate in the United States. They have a capacity of about 40 thousand megawatts, or about 9% of this nation's electric generating capacity. Seventeen more plants should be on the line within the next two years. In addition to the 72 plants that will be on the line by the end of 1976, there are 149 more nuclear plants which are under construction or being planned. If these plants are are on the line by 1985, and they *can* be if we simply eliminate unnecessary delays and provide for construction capital, then this nation will have a nuclear capacity of about 220 thousand megawatts—about 30% of our electric generating capacity—in 1985. One can appreciate the importance of such progress. Each nuclear plant saves the equivalent of from 10 to 12 million barrels of oil a year. Thus, it would require 6 to 7 million barrels of oil a day to produce the same electricity as these 221 plants will generate. This is equivalent to all the U.S. petroleum imports today.

The nuclear industry, contrary to statements by Mr. Nader, does not have to be perfect. He is the only person I know of who has made this suggestion—setting up his own straw man to knock down with his own lack of technical competence. Just as any industry or any other nuclear technology, nuclear energy has some hazardous aspects, and we must assume that at some time in the future there will be some accident causing property damage, injuries, and even deaths.

While it is essential that every conceivable accident be guarded against, and every reasonable precaution taken, there is a point of absurdity beyond which the rational public should not be expected to go in imagining nuclear hazards or hypothesizing extreme nuclear accidents.

Recent studies by Dr. Norman Rasmussen of M.I.T. indicate that with 100 plants on the line (as will be the case by 1980) a major nuclear accident would be 10,000 times less likely to happen than a comparable accident with 100 fatalities in a non-nuclear facility. Thus, the hazard to any individual or group will be about the same in 1980—with 100 plants on the line—as the hazard of being struck by a meteor.

Numerous scare stories have been circulated about the radiation impact of a nuclear industry on the general public. Here are some figures that cast some light on this subject.

If we assume 1,000 nuclear power plants on the line in the year 2000, the average person in the United States will receive the following radiation: 102 millirem per year from natural background, 73 millirem per year from medical X-rays and therapeutic radiation, but only 0.4 millirem per year from the operation of all 1,000 nuclear plants and all their supporting activities. That's less than ½ of a millirem, as compared to almost 200 from natural and medical sources.

Today, with our automobile speed limit reduced to 55 mph, we kill about forty-five thousand Americans a year, and suffer about 2 million serious injuries from automobile accidents. More than 8,000 persons burn to death. Overdoses of aspirin and aspirin compounds cause more than 200 deaths per year. 1,000 persons die from electrical shock. About 160 are killed by lighting. About 3,000 choke to death on food. About 2,000 persons are killed in plane accidents. More than 2,000 are bitten by rabid animals. An unknown number of persons are killed each year by polio vaccines and smallpox vaccinations. No radiation injury or death has resulted from the operation of any licensed nuclear power plant in the United States, nor has any member of the public been exposed to any radiation in excess of internationally approved standards as the result of the operation of all the 55 nuclear power plants and their supporting activities, and the more than 100 U.S. military nuclear reactors now in service.

Ladies and gentlemen, we have discussed the energy crisis, our need for increased supplies of energy, and what sources of energy we have available. Of course, you recognize that solar and geothermal energy will make no significant contribution to this nation's energy demand before 1990, and very little before the year 2000. Competitive generation of electricity from nuclear fusion will not come before the 21st Century. (Mr. Nader had recently changed his position on these subjects and has been forced to agree with me.)

Now I want to talk to you about the most critical aspect of the energy crisis facing America today. The best estimates for U.S. energy demand for 1985—ten years from today—average about 48 million barrels of oil a day of oil equivalent. If we assume a very aggressive conservation program, cutting 6½ million barrels below projected growth rates; and if we undertake an all-out exploration and drilling program for petroleum and natural gas; and if we undertake a massive expansion of our coal extraction industry, almost doubling it within ten years; and if we get all the hydroelectric sites that are going to be developed on the line—and if we get all the nuclear power plants that are on the line, under construction, or on order built and operating, thus producing about 6½ million barrels of oil a day equivalent; then we must still import about 8½ million barrels of oil per day, which is 2 million barrels more than we import now. For each million barrels we fall below some critical point near 48 million barrels of oil per day consumption, we must accept the unemployment of another 900,000 American workers. The nuclear portion of that 1985 energy consumption is also equivalent to almost 6 million jobs. There is no substitute for it.

Mr. Nader wants to deprive us and the people of this country of our traditional practice of basing policies on scientific and engineering facts, and frighten us into accepting this kind of unemployment and the chaos it would bring with fantasies and irrational scare stories. Are you ready to give up your right to rational thought? Are you willing to allow Mr. Nader to do this to our nation?

THE EUROPEAN SECURITY CONFERENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. KEMP. Mr. Speaker, there is an apparently growing likelihood of a substantial increase in Soviet influence over all of Europe—including Western Europe—through the agreements expected to be arrived at during this summer's European Security Conference. The United States is a full participant in that conference.

The United States entered into the preliminary meetings associated with this conference several years ago for a variety of reasons. But one of those reasons was Soviet insistence that there be such a conference as a precondition of its willingness to pursue a policy of détente.

I am not confident that the American people—or the people of Western Europe—are sufficiently aware of the premises on which this conference is based. It is within this context—the need for heightened public awareness of the possible outcome of the conference—that I was impressed by an analysis in the New York Times of today, authored by former Presidential Assistant William Safire. This analysis reflects much insight as to the dangers associated with this summer's conference sessions and its agreements.

There is much public misunderstanding about the issues associated with this conference.

The idea of collective European security is not one within which the distinctions of the past 30 years between the separate securities of western-alined—NATO—countries and eastern-alined—Warsaw Pact—countries are to be maintained.

To the contrary, the European Security Conference envisages an all-European security arrangement, through which the NATO and Warsaw Pact countries would pledge themselves to a mutual defense of each other against non-European or other European forces. This has obvious anti-U.S. implications. And, it also has obvious advantages to the Soviet Union, whose dominance and authority over half the countries of Europe—the Moscow-controlled countries of Communist Eastern Europe—is already forcefully assured.

Such an arrangement implies that the European countries which would become members of the European mutual security system would accept one another as partners who would not threaten, but would rather defend, their mutual security. Thus, the Atlantic principle of collective defense against potential aggressors would lose its moral justification.

Any guarantees of all-European collective security would also be far from reliable, for while the principles basic to sovereignty in the autonomous countries of Western Europe imply that when a threat or aggression occurs each would have to decide for itself what to do, the equally basic principle of coordinated military action among the Eastern European countries—coordinated by Moscow despite all the appearances of increasing independence in unrelated nonmilitary affairs—would still result in unanimous action by those countries.

It is inconceivable that a Warsaw Pact country would support a Western country under pressure or attack from another Warsaw Pact country. There is additionally no evidence that the Soviet Union is prepared to dissolve its alliance system if an all-Europe security system were to materialize. Such a system, however, might well induce the United States to discontinue her security commitment to Europe, especially at a time when there is great pressure in the Congress to reduce U.S. policy commitments.

Writing in the February 1975 publication of the Atlantic Treaty Association, entitled "Soviet Foreign Policy: Its Many Facets and Its Real Objectives," Dr. Gerhard Wettig of the Institute for Political Science and International Studies in Cologne, summarized these concerns:

> If the idea of an all-Europe security system became a psychological and political reality, the Soviet leadership would have gained a major victory sought for decades: the withdrawal of the American super-power from Europe. The West European States would lose their military and political backing vis-a-vis the USSR, which could then play a hegemonic role on the whole Continent—a role regarded as natural in Moscow. The permanent organization which the Soviet leaders want to create at the end of the CSCE is to be an institutional standing-point for an all-Europe State system under the aegis of Moscow. As has been explicitly stated, the Soviet side wants that organization gradually to take over security and policy functions from NATO.
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> A characteristic feature of Soviet policy in Europe is that the USSR's military superiority in the area is being maximized, while the tendency in the Western European countries is towards a reduction of manpower. In both public and diplomatic statements, Soviet representatives have made clear that peace in Europe should be built not on the allegedly archaic notion of balanced military forces, but on Western confidence in the

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peaceful character of Soviet intent. What would be the purpose of the Soviet military build-up in Europe if the non-use of force is to govern inter-European relations? An overwhelming military advantage of the Soviet Union over Western Europe (particularly if isolated from the US and fragmented in itself) would be a political factor of greater importance, even if the USSR never issued explicit threats. If the Soviet Union were in a position of unrestricted military superiority throughout Europe, it could, by its implied capacity for unimpeded military action, exert a dominating influence over the Western part of the Continent.

Viewed in this context, William Safire's essay is of profound importance. He sees the realization of Soviet aims in Europe, through the agreements it seeks as conclusions of the European Security Conference, as the final step in their domination of all Europe—a domination which they have sought since the end of World War II.

That article follows:

ENDING WORLD WAR II

(By William Safire)

WASHINGTON.—In case you hadn't heard, World War II will soon be coming to its official end. The Russians won.

In Helsinki and then Geneva, delegations from 35 nations have been meeting for the past two years at the European Security Conference, preparing for the grand summit finale this summer at which the heads of state are to gather and make legitimate the Soviet conquest of Eastern Europe.

Naturally, the Soviet Union has long been looking forward to this triumph. To get the conference started, it agreed in 1971 to a four-power arrangement on Berlin, and in 1973 to exploratory talks on a mutual reduction of troops in Europe, which have led nowhere but seemed hopeful at the time.

Since the Soviets have been salivating at the chance to make their Iron Curtain a permanent division of Europe, one might think that the United States is extracting great concessions in return.

But all the Russians have been offering is "confidence-building measures," such as prior notification of military maneuvers, which have no real military meaning, and economic and scientific cooperation projects that the Soviets need more than we do. No quid pro quo there, unless you consider détente an end in itself.

The British, the Belgians and the Dutch—with some belated interest on the part of the United States—have been pressing for freer movement of people between East and West, placing in this basket freedom of contact between creative artists, specific guarantees of credentials for journalists, the opening of "reading rooms" to insure access to foreign periodicals, and agreements to make available television time for the airing of other countries' documentaries.

The Russians are turning aside demands for specifics, instead offering flabby language like "nations shall endeavor to encourage" human rights, which already exists in the United Nations Charter and permits the Communists to interpret it any way they choose.

When the West Germans wanted a provision saying that border changes could be made by peaceful agreement in the future—reunification is still their goal—the Soviets artfully put that in the "Sovereign Equality of States" section of the draft document, and not in the part about the "Inviolability of Frontiers" where it might have had some meaning.

The United States delegation is demoralized. Since our position has been to denigrate the importance of the whole conference, the United States delegation in Geneva is half-headed by our Ambassador to Czechoslovakia, who has his hands full in Prague; his deputy in Geneva has returned to Washington and not been replaced, and the rest of the frustrated staff passes along this story:

When the American Secretary of State met in Geneva two months ago with Soviet Foreign Minister Gromyko, the European Security Conference was discussed at length; afterward, Mr. Gromyko gave a detailed briefing to the Soviet delegation on what had transpired. But the United States delegation was left in the dark and had to ask their Soviet counterparts what had gone on. That close-to-the-vest technique is exactly what led us up the garden path on the SALT negotiations.

President Ford, who plans to attend a NATO meeting soon, did not refer to the European Security Conference in his State of the World address; perhaps he felt that ignoring the problem—as he did Portugal—would make it go away. But if he is serious about making détente a "two-way relationship," Mr. Ford should put a high price on any legitimization of Soviet victories.

First, no European security summit conference should be convened until the Soviets agree to much more than a token reduction of troops in Europe and a timetable for future withdrawals.

Next, a subject we should insist be put on the agenda for debate is the Brezhnev Doctrine, under which the Soviets claim the right to put in their tanks to crush uprisings against their puppet regimes. If that is not a matter of concern to "European Security" and relevant to the "Inviolability of Borders," what is?

Finally, the Soviets should be made to understand that their deeds—in providing North Vietnamese with the means of victory and extremist Arabs with hopes for a "final solution" to the Israelis—speak louder than any protestations of détente. Linkage should live again: no deal in the Middle East, no deal in Europe.

Would demands for these quids pro quo scuttle the Helsinki Summit? Perhaps; at a time when the Soviet Union is riding high and the United States President is helpless against a large group of willful men in Congress, a two-year postponement of the biggest gathering of heads of state since Queen Elizabeth's coronation might not be a bad idea.

Thirty years have passed since V–E Day. America's power has dwindled from days of dominance through an era of parity to a stage of uncertainty. Why, at this worst moment, are we allowing ourselves to be drawn into a Supersummit at which the only purpose is to declare the Russians the victors of World War II?

Mr. Speaker, I commend this article to the members of the House Committee on International Relations, the Senate Committee on Foreign Affairs, our Committees on Appropriations, and most particularly those in the Department of State and White House with responsibilities in this subject area.

Are we—this time in Europe—to risk and perhaps lose through a conference that for which American and other allied men in uniform gave their lives 30 to 35 years ago—a free Europe? The answer is yet to be given.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mr. Arthur Gregory of Lake Ronkonkoma was a witness at the hearing. His remarks constitute a forceful statement of how one senior citizen copes with the economy. I think that we as legislators can learn from Mr. Gregory's experience as we formulate the legislation that is designed to assist older Americans. I include his testimony to be reprinted at the conclusion of my remarks:

TESTIMONY OF MR. ARTHUR GREGORY

Mr. GREGORY. With your permission, Congressman, I would like to introduce two men who I haven't seen in nine or ten years that retired from the newspaper business with me. With your permission, I'd like to introduce both of them, Tommy Hogan and Jimmy Lynn. Thank you very much.

My name is Arthur Gregory. I live at 17 Marc Street, Lake Ronkonkoma.

I will be seventy-four years old this coming July 7th. My wife will be seventy-one on July 24th. We will be married fifty-two years on the 29th of April.

We raised our family and gave them everything. Now, we are retired. We have our own home, the Mrs. and I, though we are being choked with taxes. Not only sales taxes and property taxes but also with the food prices.

I'd like to say to you, Congressman Downey, this morning that the prices of articles have been going out the window. They jump from day to day, and I brought a sample along of what is taking place. Two months ago I bought Wesson Oil for my wife. A sixteen-ounce bottle was fifty-nine cents. That was the price on the label. I went out Friday and bought the same bottle. Do you know what the price on it is? $1.25. Here it is (indicating).

Now, I say this to you and to you, Congressman Downey. It's not the farmers. It's not the people that work or the union women that look for raises in their salaries. It's the man in the middle. The man in the middle is your supermarket. The big corporations that put our little country stores out of business.

I bawl my wife out time and time again, "Stay out of the A. & P. Go to the corner store. Give that little fellow a break."

I've seen it in my entire family where our women, they went to the supermarket. They run to Cheap Johns with a lot of junk, buy these things that are made on the other side. And we, with our people here, are looking to work for a living.

Now, Social Security Income. I have been fighting for four years to have Senator Guiffreda, Assemblyman Costigan and Governors Wilson and Rockefeller—four years prior to this last election, I went after all of them. They were down in our Lake Ronkonkoma church, and I laid the law down to them.

I said, "You are nothing but a lot of phoney baloneys. You are sitting on your big fat fannies and doing nothing."

This is no reflection on you, Congressman Downey. I have to apologize. I believe in giving everybody a break. He has just got the position as Congressman, and I hope he does a good job because, if he does, we can all depend on him.

Now, talking about Social Security. I went after them about property taxes for senior citizens sixty-five and over. That Social Security should be taken off as income. Now, let's not forget one point. It isn't only for the property owner like myself. I'm fighting for the guy that is paying rent. They are being ripped off by landlords.

If you don't believe it, I was talking to a young lady before. She had to run home to get her Social Security check because she is afraid somebody would steal it. She told me she gets $208 and pays rent of two hundred some-odd dollars. Now, you tell me how in the devil can a women or anybody—she can't even feed herself. It costs me more to feed my dog.

WOMAN from the audience. They don't want us to have dogs now.

Mr. GREGORY. I've got one.

The only point I really wanted to get off is that Social Security be taken off as income, and people that are paying rent are being ripped off.

I'd like to add to that. We started a lottery in New York State, and, while Governor Rockefeller was in office, they had been using the lottery money for every Tom, Dick and Harry to go out and have a cup of coffee. The purpose of it when this was put into effect was to be used for educational purposes, and, that way, it would reduce everybody's taxes.

Now, Mr. Ford comes out trying to cut the income taxes from twenty some-odd billion dollars. By the same token, he wants to raise the gasoline taxes and you and you and me and a whole lot more of us that are living on fixed incomes, we will never see a dime out of this reduction in taxes. But we will have to pay the fifteen cents a gallon that they want to put in there on top of it.

Now that we've got a few bucks, what is he going to do? Drain us, send us to the poorhouse or to a nursing home like these fellows they got in there now that are killing off our people?

Now, your Social Security. We are supposed to get a five per cent increase in July, is that right? Well, it seems to me that every time the senior citizen got an increase, we had to wait a year or a year and a half or better because in the last six or seven years, the two previous raises that we got took over two years. But, by the same token, in 1967, Johnson had a law passed to raise everybody in the Senate and Congress including President Nixon's salary up $100,000. The legislators up here in Albany increased every one of themselves up to $15,000, and they did this within forty-eight hours. They put it in effect in less than a month. But, still in all, we have to sit back and twiddle our thumbs for a couple of bucks. Now, Mr. Ford—

The only thing I want to say now is Mr. Ford wants to give Cambodia and the other side $300,000,000.

My belief is charity begins at home. A lot of people in this country live in one-room shacks down in Tennessee and Virginia. This guy didn't want to hear it. We have a lot of people living right through Tennessee and Virginia and down there living in one-room shacks with four, five and six kids, and they can't get nothing. And they are starving to death. This man wants to go to work and give them $300,000,000 in Cambodia. Let us all go after these people and tell them that charity begins at home.

In addition to that, Mr. Ford tells you to go out and buy a little car so you don't waste too much gas, but, by the same token, Mr. Ford and all the representatives in the federal government are riding around with big limousines that suck up a gallon of gas when you turn the corner and that goes for the state and county. I think it's time we let them know about it.

Thank you.

MAN'S INHUMANITY TO MAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ANDERSON of California. Mr. Speaker, today is a day of particular significance. April 24, 1975, marks the 60th anniversary of the Armenian massacres, which saw the slaughtering of 800,000 to 1 million Armenians. At the same time, it is the National Day of Remembrance of Man's Inhumanity to Man. I am happy to say that I cosponsored House Joint Resolution 148, a joint resolution to so designate this day. I feel that at this time it is appropriate to ask ourselves what are the factors that breed mass violence, and what are the solutions to this problem. I also feel that we can make a good start by reexamining the ideals that make up our way of life.

Individualism and politcal sovereignty are ideals that stand as cornerstones of modern democratic thought. And similarly, the pride in one's family, in one's cultural and ethnic roots, as well as one's nation, are concepts that certainly deserve praise.

But at the same time, individual, family, and cultural differences all too often lead to conflict, which all too often lead to open aggression, and in turn, senseless violence. Add to these rather traditional concepts the more recent problems of overpopulation and subsequent food shortages, and the possibility of mass violence greatly increases.

We certainly do not have to look very far to see some current examples. Almost every day, terrorist groups carry out acts of senseless violence. In South Vietnam, we hear fears of a massive bloodbath with a Communist takeover of Saigon. And the recent inhumanities in Bangladesh and South Africa continue.

Yet, the problem does not lie in the concept of individualism itself. Nor does it lie in the cultural, ethnic, and national distinctions we find both inside and outside of national boundaries. For in striving for a strong, unified society, there is room for individualism; there is room for cultural differences; and there is room for political differences that fall short of violence.

There is no room, however, for mass ignorance which leads to misunderstanding and, in, turn, fear. Fear, that is, of anything that is minutely different from what we have come to know through prior personal experience.

Such ignorance and fear are surely a factor in the breeding of mass violence and the genocidal impulse. Yet, education itself is not the answer, for understanding stops far short of compassion. What also seems to be lacking is a strong sense of moral commitment. Simply understanding your fellow man does not necessarily mean having sympathy for his rights as a human being.

We are now in an era where we are finding it necessary to reexamine our societal institutions. Each part of society has a necessary function aimed at achieving the goal of societal harmony. What, then, is religion's role in a violent world? I think that the answer is obvious. The church's role is to help teach the moral values that are necessary for a civilized existence. The universities' role is to help educate in order to understand as well as respect what we have previously feared.

The fact that this day of national remembrance falls on the eve of the Bicentennial of our Nation's birth is, I feel, significant. It is time to reexamine the ideals that this Nation was founded on and ask ourselves if we are living up to them.

Individualism is not at the root of mass violence. It is, rather, the tool with which we can solve our conflicts which lead to aggression. For along with the concept of individualism goes the concept of individual rights and freedoms. The respect for our fellow man's freedoms can only start with the respect of our own. A greater understanding of our fellow man tempered with a morality that respects his rights as a human being is the necessary step away from uncivilized violence.

Solutions to the problem of mass violence and the genocidal impulse lie in relieving of economic disparities, for they lead to conflicts over hunger. They also lie in relieving educational disparities, for they lead to misunderstanding and ultimately intolerance. And finally, they lie in instituting a morality that transcends political, cultural, and individual differences. For in a society there is room for such differences. The recognition and respecting of their existence leads to societal unity. The intolerance of them leads to senseless violence.

SENATE—*Monday, April 28, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, infinite, eternal, and unchangeable, we who are finite, temporal, and changeable open our lives for the indwelling of Thy spirit. We confess that without Thee our human strength and wisdom are insufficient for the urgent needs committed to us. Be with us, O Father, to guide us in actions great and small, that serving Thee with our whole heart and mind and strength, this Nation and all nations may achieve that peace and justice which is the nature of Thy kingdom.

And to Thee shall be the glory and the praise. Amen.

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APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 28, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. LEAHY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, April 25, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED NATIONS PEACEKEEPING FORCES IN THE MIDDLE EAST

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 86, S. 818.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 818) to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read a third time, and passed, as follows:

S. 818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations peacekeeping forces in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter, notwithstanding the limitation on contributions to international organizations contained in Public Law 92-544 (86 Stat. 1109, 1110).

BILL McGAFFIN

Mr. MANSFIELD. Mr. President, it was not until I was reading the RECORD over the weekend that I became aware that an old friend, a great reporter, a key investigator, Mr. Bill McGaffin, of the Chicago Daily News, had passed away.

At this time, I wish to express my deep sense of loss and my feeling of regret and to extend to Bill's family my wife's and my deepest sympathy and condolences.

Bill McGaffin was a gentleman in the real sense of the word, but that did not keep him from being a good investigative reporter. He was respected and admired by all Members of the Senate. I feel deeply and personally the loss of Bill McGaffin, because I believe he contributed much to the well-being of the fourth estate and to a better understanding of Congress and the Capital, which he covered so assiduously, and so well.

May his soul rest in peace.

Mr. HUGH SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. Yes, indeed.

Mr. HUGH SCOTT. Mr. President, I had learned of the passing of our friend, Bill McGaffin, and I have written a letter of condolence to his family.

I take this opportunity to join the distinguished majority leader in paying tribute to a journalist who was a great writer and who was, in addition, a fine reporter of events as they occurred, who was a perfect gentleman, whose fairness was notable, a gentleman whom we all trusted and with whom I had never had a disagreement, and a man who will be sorely missed because of his fine qualities.

I extend my condolences to his family, also, and I thank the distinguished majority leader for bringing up this matter.

SOUTHEAST ASIAN REFUGEES

Mr. HUGH SCOTT. Mr. President, we are still in the midst of a serious situation in Southeast Asia. The number of Americans now there is below 900. The number of South Vietnamese evacuated has been considerable, compared to the number who would like to leave and thereby vote with their feet.

A substantial number of South Vietnamese whose survival otherwise would be at stake have been able to leave the country, some by commercial airlines, some by their own efforts, some by their own small boats or by the vessels of others, or by going over boundary lines. Some inevitably will be left to a tragic fate.

The Committee on the Judiciary meets at 2:30 to consider the matter of 279 orphans who come in under a category in excess of 2,000 orphans we have already approved to the Judiciary Department for admission to this country. More than a third of these orphans are being brought out by the Catholic Relief Society, and the remainder by two other relief organizations. We undoubtedly will increase the amounts well past the 279 to admit other orphans into this country.

I urge Americans to open their hearts to these refugees, particularly to the children. I urge Americans, also, to consider how they can help by making contributions to the Vietnamese and Cambodian refugee relief funds. America always has opened its heart—to the Hungarians, to the Cubans, to Bangladesh, to Nigeria, to India, to all parts of the world that has seen this suffering of displaced and oppressed peoples.

I am not going to ask others to do what I am not willing to do, myself. I think it is sufficient to mention this simply because I do not want to be in a position of politicians telling other people what to do. But I hope the Americans will make it possible for these people to be resettled.

The United States will arrange for a resettlement in perhaps three or more resettlement bases in different geographical parts of the country. The States represented by those who are so filled with the goodness of mankind and so concerned about the rights of mankind need not fear too great an influx in any one State. This is where some vaunted liberal principles have broken down, I am afraid, where there is the fear of job displacement.

We brought 650,000 Cubans into this country, and they have become the heart and soul of Florida in many of its industries, businesses, and other supportive activities. The Hungarians have contributed greatly to our country and to its strength. I was at the Hungarian refugee relief camp outside of Rome on Christmas Day, to celebrate Christmas with these Hungarians.

I would like these people coming to the United States to feel that we want them, that we welcome them, that we are glad they were able to escape to freedom. But I do not want to be a part of any of this higgling or nit-picking about "Don't send them to my State." I would be glad to see those come to Pennsylvania who wish to come to Pennsylvania and to be a part of our life, and we will welcome them.

Our hearts go out to them; and our hearts go out even more to those who may be killed because they cannot get out.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

REFUGEE PROBLEM

Mr. ROBERT C. BYRD. Mr. President, I have serious reservations about the plans being discussed to bring as many as 130,000 South Vietnamese refugees to the United States. I have heard figures ranging all the way from 130,000 to 174,000 to a million to a million and a half.

Humanitarian motives, I am sure, prompt those who favor this kind of undertaking, but in my judgment some very practical considerations raise grave doubts about the wisdom of bringing any sizable number of evacuees here.

Our relations with the South Vietnamese from the beginning have been hampered by the vast cultural differences that exist between our two countries—and this difficulty cannot be ignored when it is proposed to remove permanently large numbers of South Vietnamese citizens from their homeland. The fact that more than 8 million Americans are unemployed, and that our own country is experiencing an economic recession, does not add to the prospect for success of such a program, carried out in great magnitude.

A number of South Vietnamese themselves have voiced objections to the departure of large numbers of their fellow citizens, especially when the refugees include professional and highly skilled workers such as doctors, pharmacists, and teachers.

The ramifications of the problem are intensified by the importance of family and relatives in Vietnamese life. In many instances it will be necessary not only to move members of an immediate family, but parents and other relatives as well.

The United States currently has a jobless rate of 8.7 percent, the highest since 1941; and our overall economic picture—the recession, inflation, national debt, gross national product—is far from bright. Adding well over 100,000 South Vietnamese refugees to that picture will not help the United States.

What is really tragic for the refugees, who have already suffered greatly, is that the situations in which they would find themselves in America seem destined to be crammed with disappointments and frustrations.

For the unskilled refugee, there seems little hope of finding gainful employment; our own unskilled workers face bleak futures. For the skilled and professional refugees, there seems to be only the prospect of underemployment; doctors, lawyers, and teachers could wind up doing the most menial work. And for all the refugees, the language-barrier is an added burden that will not be easily overcome.

Former South Vietnamese Vice President Nguyen Cao Ky warned his countrymen about going to the United States. In a weekend speech in Saigon, he pointed out the problems inherent in migrating to a different culture—unemployment, underemployment, and the general difficulties of adjusting quickly enough to a transcultural experience.

One big point that has bothered me all along in this matter is the matter of the actual number of South Vietnamese citizens who may want to leave or who may be in peril. We have heard a good many different figures. The 130,000 figure now being heard was first a million and a half, then it was a million, then 174,000—all kinds of estimates have been stated.

Where do we draw the line? Do we simply bring out all who worked for or with the Americans? Do we remove all who had a connection with the South Vietnamese Government? Do we evacuate only high officers of their armed forces? Or do we seek to provide asylum for all who fought against the Communists?

If large numbers are endangered, then other countries as well as our own should open their gates to them, especially those countries that have cultural similarities to Vietnam. The U.S. State Department—to say nothing of the United Nations—ought to be moving in that direction.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE SENATE TO STAND IN RECESS EACH DAY FROM TODAY TILL THURSDAY, MAY 1, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business each day from today through Thursday, it stand in recess until the following day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. TAFT is recognized tomorrow under the order previously entered, Mr. JAVITS be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE EVACUATION IS TOO SLOW

Mr. CLARK. Mr. President, I would like to spend just a few moments talking about the evacuation reports from South Vietnam, the number of Americans who remain there, the rate of evacuation, and the possible reasons for so many Americans remaining there.

In spite of the increasingly dangerous situation, the number of Americans being brought out has slowed to something less than a trickle. The net reduction, for the 24-hour period ending midnight Saturday is 65 American citizens. In the meantime, more than 6,600 South Vietnamese were evacuated in the same period. The preceding 24-hour period was not much better—a net reduction of just 76 American citizens. So in the last 48 hours the number of Americans remaining in South Vietnam was reduced by 141.

We actually have evacuated somewhat more than that, but the Embassy has become aware of additional American citizens in the country, so that the net reduction is only 141.

At this rate, it will take us 2 weeks to complete the evaluation of American citizens.

Over 950 Americans are still there, and this does not include Vietnamese dependents of American citizens. For reasons that are not clear, the State Department has not released the figures on dependents for 4 days; but the last report indicated that there were several hundred alien dependents of American citizens still in Vietnam.

The military situation in South Vietnam has changed a great deal in the last few hours. Tan Son Nhut Airport apparently was attacked. However, it is still open, and it is still possible to continue evacuation efforts by fixed-wing aircraft out of Tan Son Nhut. If the airport is closed, evacuation will have to be by helicopter, more dangerous and more difficult. And we know that the more Americans and dependents remaining, the greater the risk will be.

Why, then, is the administration leaving such a large number of Americans in South Vietnam? There has been no explanation. No one contends that it takes more than 500 to run the mission there. Yet we have twice that many there right now.

I do not have the answers, but I would raise some questions.

Are Americans being left in Saigon to provide an excuse for evacuating South Vietnamese?

Are we leaving Americans there as a kind of "bargaining chip" with North Vietnam?

What are the reasons?

Again, I do not know the answers. But it seems to me that in these finals hours—when we know that at any moment the government and the army could collapse, when we know that at any moment the one remaining outlet for mass evacuation, Tan Son Nhut Airport, could be shut off—we ought to be putting some Americans on the planes with the South Vietnamese. We ought to be able to get out more than 141 citizens in 48 hours. That is just not adequate.

I share the view that we ought to bring out as many South Vietnamese as possible, I do not think we ought to keep Americans there at the same time. If this legislation (S. 1484) we passed Friday afternoon is approved by the House of Representatives today or tomorrow, the President will have the authority to go in with U.S. military forces to bring out South Vietnamese along with American citizens. One cannot help but speculate whether Americans are being left there for the purpose of bringing out more South Vietnamese.

So, Mr. President, I hope that the Members of the Senate and the Members of the House of Representatives will watch the evacuation figures very closely in the next 24 hours, and that we will continue to demand that the nonessential Americans still in South Vietnam be brought home as soon as possible.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF SENATE CONCURRENT RESOLUTION 32 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the orders for the recognition of Senators for 15-minute speeches have been consummated, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each and, at the conclusion of routine morning business, the Senate proceed to the consideration of Senate Concurrent Resolution 32.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. LEAHY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States received today stated that the President had approved and signed the enrolled bill (S. 994) to authorize supplemental appropriations to the Nuclear Regulatory Commission for fiscal year 1975.

MESSAGE FROM THE HOUSE

At 1:30 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MAHON, Mr. WHITTEN, Mr. SIKES, Mr. PASSMAN, Mr. EVINS of Tennessee, Mr. BOLAND, Mr. FLOOD, Mr. STEED, Mr. SLACK, Mr. MCFALL, Mr. YATES, Mr. CEDERBERG, Mr. MICHEL, Mr. CONTE, Mr. MYERS of Indiana, and Mr. MILLER of Ohio were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. LEAHY) laid before the Senate the following letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR THE COMMISSION ON FEDERAL PAPERWORK

A communication from the President of the United States transmitting proposed supplemental appropriations for the fiscal year 1975 in the amount of $100,000 for the Commission on Federal Paperwork (with accompanying papers); to the Committee on Appropriations.

PROPOSED SUPPLEMENTAL APPROPRIATION FOR THE VETERANS' ADMINISTRATION

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1975 in amounts totaling $[illegible]35 million for the Veterans' Administration (with accompanying papers); to the Committee on Appropriations.

ORDER FOR STAR PRINT OF COMMITTEE REPORT (REPT. NO. 94–66)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a star print be ordered of the Government Operations Committee report on S. 200, dated April 9, 1974. This is in order to include two rollcall votes on amendments considered by the committee during its consideration of the Consumer Protection Act, as required by section 133 of the Legislative Reorganization Act of 1946, as amended. These two rollcall votes were inadvertently omitted from the report on S. 200. This is the only change that will be made in the committee report.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON:

S. 1543. A bill to amend the third proviso of section 27 of the Merchant Marine Act, 1920, as amended. Referred to the Committee on Commerce.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1544. A bill to amend the Act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder. Referred to the Committee on Commerce.

By Mr. BUMPERS:

S. 1545. A bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts. Referred to the Committee on Agriculture and Forestry.

By Mr. JACKSON:

S. 1546. A bill to amend title 10, United States Code, to prevent discrimination against the Armed Forces of the United States in the supply of petroleum products, and for other purposes. Referred to the Committee on the Judiciary.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON:

S. 1543. A bill to amend the third proviso of section 27 of the Merchant Marine Act, 1920, as amended. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce today a bill to assure compliance with the Jones Act in the Alaska trade, and to prevent the increasingly serious diversion of cargoes from United States ports and U.S.-flag carriers operating in the trade. The third proviso of the Jones Act was part of the language of the act as originally passed. The proviso specifically excluded Alaska.

In 1958, the Congress passed the Alaska statehood bill. This bill amended the third proviso to include Alaska. The Congress made clear that the purpose of the amendment was to extend to Alaska the provisions of the Jones Act. The Congress has reaffirmed its intent in this regard by denying requests for amendments to the act to allow foreign-flag vessels to operate in the Alaska trade.

Despite the clear intent of the Congress that the Jones Act apply to Alaska, the third proviso of the act is being used to shift cargoes from U.S. ports to Canadian ports and to foreign-flag vessels for transportation to Alaska. A substantial increase in the number of these services and thus of the amount of cargo shifted is expected. The Canadian National Railway advertises service aboard its trains to Canadian ports and thence to Alaska. The railway is planning to increase this service with new vessels, and new routes through Canada.

The ports of Washington State, including particularly Seattle and Tacoma, are the major ports of loading and discharge for cargoes to and from Alaska. Moving Alaska cargo through Canadian ports has had a serious impact on Washington State ports, and on other U.S. ports, and on the U.S.-flag carriers serving those ports. But I believe, Mr. President, that the greater danger to U.S. ports comes from the threatened proliferation of foreign-flag transportation in conjunction with Canadian rail movements. The additional foreign services will displace substantial U.S.-flag tonnage presently moving in the trade, and will shift to Canadian ports, and away from U.S. ports, up to 100,000 tons of cargo a year. These shortages will have a severe impact on U.S. ports. Further, the growth of Canadian movements will likely cause curtailment of water services at U.S. ports.

The legislation I propose, Mr. President, will not have any impact on existing services. This is not to say that I do not have serious reservations about the propriety of some of these services under the existing provisions of the Jones Act. I do have serious reservations. The Congress did not,and did not intend to, exempt Alaska from the Jones Act by the amendment in the Alaska statehood bill. Some people have improperly construed the 1958 amendment as an exemption from the act. My bill reaffirms the purpose of Congress to apply the Jones Act to trade between Alaska and other States.

However, I do not believe, Mr. President, that companies presently operating in this trade should be forced out of business. The greater danger to U.S. ports, such as Seattle, and to U.S.-flag carriers—and therefore my greater concern—is with the proliferation of new foreign vessels and foreign rail services which make a mockery of the provisions of the Jones Act in the Alaska trade. This danger is immediate and is substantial. The impact upon U.S. ports and U.S.-flag carriers will be severe.

I ask unanimous consent that the bill as introduced be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third proviso of section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), as amended, be amended by deleting the semicolon after the word "facilities", and adding the following words: "With regard to Alaska, the exception of this proviso shall apply only to those services offered as of January 1, 1975:".

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1544. A bill to amend the act of August 16, 1971, as amended which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, and ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the RECORD with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of August 16, 1971, as amended (Public Law 92–125, 85 Stat. 344; Public Law 92–567, 86 Stat. 1161), is amended to read as follows: "There are hereby authorized to be appropriated to the Secretary of Commerce, for the fiscal year ending June 30, 1973, and for each of the two fiscal years immediately thereafter, such sums, not to exceed $400,000; and for each of the fiscal years 1976, 1977, and 1978, such sums, not to exceed $445,000, as may be necessary for expenses incident to the administration of this Act, and for succeeding fiscal years only such sums as may be authorized by law.".

THE SECRETARY OF COMMERCE,
Washington, D.C., March 19, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "to amend the Act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder," together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress, and further that enactment would be in accord with the program of the President.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

The National Advisory Committee on Oceans and Atmosphere (NACOA) was established by Public Law 92–125, approved August 16, 1971. NACOA consists of 25 non-Federal members appointed by the President from State and local governments, industry, science and other appropriate sources having an interest and expertise in oceanic and atmospheric affairs. NACOA has the mandate to (1) to perform a continuing review of the progress of the Nation's marine and atmospheric science and service programs and to report to the President and the Congress, annually, its findings and recommendations on marine and atmospheric affairs, and (2) to advise the Secretary of Commerce specifically with respect to the carrying out of the purposes of the National Oceanic and Atmospheric Administration.

Public Law 92–125 assigned NACOA's support functions to the Secretary of Commerce. It was amended in October 1972, by Public Law 92–567, to raise the level of authorization to $400,000 per year for the three fiscal years 1973–75, and in the following fiscal years, such funds as the Congress authorizes.

In fulfilling its mandate, NACOA has assumed a highly active mode of operation, meeting 9–10 times a year in full session, and with ad hoc panels meeting, as the occasion demands, to develop special material for full NACOA consideration. Support of this level of activity, which in part accounts for NACOA's value, requires a core staff of six professionals and four non-professionals. This was the basis for the authorization level provided for in 1972. The new authorization request merely extends this for three years, recognizes that earlier full-time assistance by other agency personnel has now been phased out, and provides small increases in succeeding years in anticipation of costs beyond NACOA's control.

This level of NACOA activity derives from NACOA's unique nature and responsibility. P.L. 92–125 examined in the perspective of its legislative history emphasizes NACOA's role of applying non-Federal expertise toward the development of a truly national effort viewed as a "partnership between government, industry, and the academic community." NACOA collectively possesses the requisite industrial, academic, and lower-level government expertise for this purpose, but individually as non-Federal employees, each carries a special burden in becoming thoroughly familiar with the vast range of Federal and other programs, plans, and policies over the broad spectrum they are expected to assess. No reasonable staff level nor degree of cooperation from Federal agency observers and other representatives can substitute for a high level of activity on the part of the NACOA members themselves. The need for full-time professional staff stems from experience of what it takes to make this level of NACOA involvement efficient and productive. It is judged probable that attempting to provide a significant portion of the staff requirement by people on loan would either be less effective or require larger numbers, or both.

Enactment of this legislation would result in authorizations of $445,000 for each of the fiscal years 1976, 1977, and 1978.

By Mr. JACKSON:

S. 1546. A bill to amend title 10, United States Code, to prevent discrimination against the Armed Forces of the United States in the supply of petroleum products, and for other purposes. Referred to the Committee on the Judiciary.

Mr. JACKSON. Mr. President, for well over a year the permanent Subcommittee on Investigations has studied the relationship between the military and the major oil companies. Put simply, I would characterize it as a one-way relationship with the oil companies reaping the benefits and the military suffering the consequences.

Let me provide some illustrations.

Last week the subcommittee issued a study indicating that military buyers had overpaid for jet fuel by hundreds of millions of dollars. Military purchasers had failed to obtain the necessary backup data to support prices asked for by the oil companies. They accepted, in many instances, first offers without any attempt at negotiation.

But the oil companies must share the blame. They refused to supply backup data when asked and balked at entering into contracts requiring consistent cost accounting principles.

I have asked the Department of Justice to examine whether any overcharges can be recouped for the taxpayers. I have also asked the Federal Energy Administration to determine the basis for the overcharges.

Finally, I have requested the General Accounting Office to completely review military procurement practices and procedures.

Mr. President, I ask unanimous consent that these letters be printed in the Record at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, the findings and recommendations of the subcommittee staff reflect insight into defects of military purchasing procedures.

Mr. President, I ask unanimous consent that the findings and recommendations of the staff study entitled "Procurement of Petroleum Products by the Military" be printed in the Record at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JACKSON. Mr. President, this staff study resulted from an ongoing investigation into the relationship between the major oil companies and the military.

In late December of 1974 this subcommittee learned that the military had reached an impasse with the major oil companies in contracting for its petroleum supplies for the following year, just days away. The oil companies refused to supply data to back up their prices and would not enter into contracts containing these clauses, and clauses requiring conformance to certain cost accounting standards. The military felt that it could not legally accept petroleum supplies without a contract even if offered by the oil companies.

Thus the uninterrupted flow of oil to the military and especially to strategic overseas bases was threatened.

The subcommittee took an active role in trying to break this impasse and work out an accommodation between the parties. After I wrote the oil companies and urged them to meet their national responsibilities and enter into these critical contracts, a contract to continue to supply the Navy's Operation Deepfreeze in Antarctica with appropriate clauses requiring backup data and compliance with cost accounting standards was agreed upon.

But it was not before the major oil companies had implicitly threatened to cut off supplies to the military.

And this was not the first time that the Armed Forces of the United States have faced a cutoff of oil and petroleum products for overseas operations with U.S. multinational oil corporations playing a prominent role.

Last April the permanent Subcommittee on Investigations held hearings on the cutoff of oil to our military forces in the aftermath of the 1973 Arab-Israeli war. The subcommittee's investigation probed a crucial question: the role of U.S. corporations in implementing a cutoff directed by foreign nations of vitally needed oil supplies to our military forces abroad at a time when our 6th fleet was still on alert.

It is imperative that the Armed Forces of the United States never again be threatened with the cutoff of critical oil supplies. This is especially true where the suppliers are U.S. corporations which operate under the protection of the American flag. Legislation must spell out the duties and obligations of those responsible for providing defense needs.

Accordingly, today I introduce a bill which provides criminal sanctions for any individual or corporation who willfully discriminates in supplying petroleum products for the U.S. Armed Forces either within or outside the United States. This legislation covers not only a failure to perform contracts for the supplying of petroleum products as was the case in the aftermath of the 1973 Arab-Israeli war, but also a refusal or failure promptly to enter into such contracts at appropriate prices in accordance with governing laws and regulations. This will take care of the situation where companies refuse to contract because they do not want to disclose data.

This bill provides that whenever the Secretary of Defense has reason to believe that there has been such discrimination against the Armed Forces of the United States by any citizen or corporation organized or operating within the United States or controlled by them with respect to contracts involving the furnishing of petroleum supplies, he shall immediately institute an investigation. If the Secretary of Defense determines that there has been discrimination he shall refer the matter to the Attorney General of the United States who is authorized to institute appropriate proceedings, including the enjoining of such discrimination. The amendment also provides that the Attorney General may file with the clerk of the district court a certificate of the Secretary of Defense stating that, in the Secretary's opinion, the proceeding is of critical importance to the effective operation of the Armed Forces of the United States and that immediate relief from the discrimination is necessary. Upon receipt of such a certificate, a panel of three judges shall be convened to immediately hear and make a determination in such proceedings. Convictions for such discrimination will carry penalties of a fine of $100,000 or imprisonment for not more than 2 years, or both.

Other amendments to title 10 would cover jurisdiction, the right to inspect records, and other procedural matters.

Mr. President, I ask unanimous consent that the amendments I propose to title 10, United States Code, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title 10 of the United States Code is amended as follows:

(1) Chapter 141 is amended by adding the following sections after section 2389.

§ 2390. Findings and declaration of purpose.

The armed forces of the United States operate world-wide in maintaining international peace and in protecting the interests of the United States. It is essential to the effective operation of the armed forces that they receive adequate supplies of petroleum products. Citizens of the United States and corporations organized or operating within the United States enjoy the benefits of the United States flag and the protection of the armed forces and owe allegiance to the United States. It is the purpose of sections 2391 thru 2396 of this chapter to provide a remedy against discrimination by citizens of the United States or corporations organized or operating within the United States, and by organizations controlled by them, against the Department of Defense in the supply of petroleum products.

§ 2391. Investigation of discrimination by the Secretary of Defense.

(a) No citizen of the United States or corporation organized or operating within the United States, or an organization controlled by United States citizens or corporations organized or operating within the United States, shall engage in discrimination in the supply, either within or outside the United States of petroleum products for the armed forces of the United States.

(b) The Secretary of Defense, whenever he has reason to believe that there has been such discrimination shall immediately institute an investigation.

(c) If, following such investigation, the Secretary of Defense determines that there has been such discrimination, he shall refer the matter to the Attorney General of the United States.

§ 2392. Jurisdiction of the United States courts.

(a) The several district courts of the United States are invested with jurisdiction to prevent and restrain such discrimination; and it shall be the duty of the several United States attorneys, in their respective districts, under the direction of the Attorney General, to institute proceedings to prevent and restrain such discrimination. Such proceedings may be by way of petitions setting forth the case and requesting that such discrimination shall be enjoined or otherwise prohibited. When the parties complained of shall have been notified of such petitions the court shall proceed, as soon as possible, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

(b) Whenever it shall appear to the court before which any proceeding under subsection (a) of this section may be pending, that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and supenas to that end may be served in any district by the marshal thereof.

(c) Any proceeding against a corporation may be brought not only in the judicial district whereof it is incorporated, but also in any district wherein it may be found or transacts business; and all process in such cases may be served in the district of which it is incorporated, or wherever it may be found.

(d) In any proceeding brought in any district court of the United States pursuant to this section, the Attorney General may file with the clerk of such court a certificate of the Secretary of Defense that, in his opinion, the proceeding is of critical importance to the effective operations of the armed forces of the United States and that immediate relief from the discrimination is necessary, a copy of which shall be immediately furnished by such clerk to the chief judge of the circuit (or, in his absence, the presiding circuit judge) in which the proceeding is pending. Upon receipt of the copy of such certificate, it shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be, to designate immediately three judges in such circuit, of whom at least one shall be a circuit judge, to hear and determine such proceeding, and it shall be the duty of the judges so designated to assign the proceeding for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the proceeding to be in every way expedited.

(e) In every proceeding brought in any district court of the United States under this section, an appeal from the final order of the district court will be only to the Supreme Court.

§ 2393. Inspection of records and furnishing of information.

For the purpose of the investigation instituted by the Secretary of Defense pursuant to section 2391, he, or his designee, shall at all reasonable times, have access to and the right to copy any book, account, record, paper, or correspondence relating to the business affairs of the person or corporation being investigated. Such person or corporation, upon demand of the Secretary of Defense, or his designee, shall furnish such information as the Secretary of Defense may require as to his or its business, organization, conduct, practices, management, and relation to other individuals, corporations, partnerships, associations and other entities.

§ 2394. Definitions.

As used in Sections 2390–2393 of this chapter:

(a) The term "United States" when used in a geographical sense includea the several States, the possessions of the United States, the Canal Zone, and the District of Columbia.

(b) The term "discrimination" means the refusal or failure promptly to enter into or perform contracts for the supply of petroleum products, at appropriate prices, in accordance with the laws and regulations of the United States governing the entering into and performance of such contracts when requested by the Secretary or his designee.

§ 2395. Penalties.

Any person or corporation who willfully discriminates as prohibited by Section 2391 shall, upon conviction, be fined not more than $100,000 or imprisoned for not more than two years, or both.

§ 2396. Separability.

If any provision of sections 2390 thru 2396 or the applicability thereof is held invalid, the remainder of those sections shall not be affected thereby.

(2) The analysis of chapter 141 is amended by adding the following items after the item for section 2389:

§ 2390. Finding and declaration of purpose.
§ 2391. Investigation of discrimination by the Secretary of Defense.
§ 2392. Jurisdiction of United States courts.
§ 2393. Inspection of records and furnishing of information.
§ 2394. Definition.
§ 2395. Penalties.
§ 2396. Separability.

Exhibit 1

Senate Permanent Subcommittee on Investigations,
Washington, D.C., April 24, 1975.
The Honorable Elmer B. Staats,
Comptroller General of the United States.

My Dear Comptroller General: On January 22, 1975, I requested the General Accounting Office to examine data available to the Defense Supply Agency for the purpose of determining the appropriateness of exemptions to oil companies from supplying pricing data under the Truth in Negotiations Act, and the requirements of the Cost Accounting Standards Board. This request stemmed from inquiries being made by the Subcommittee on the the procurement of petroleum products by the Defense Fuel Supply Center.

These inquiries have now raised questions as to the effectiveness of the procurement practices being followed by the Fuel Center. In this regard I enclose a copy of the Subcommittee staff study on military oil purchases. In light of staff findings, I want to expand my previous request and ask that the General Accounting Office make a review of the procurement practices being followed by the Defense Fuel Supply Center including, but not limited to, the following:

1. Are the quantities which the Fuel Center purchases based upon realistic requirements?

2. Would it be more economical for the Fuel Center to procure petroleum products for periods of one year or longer rather than for six-months periods as at present?

3. Is it true that it is impossible for the military to estimate its requirements for petroleum products for more than six months in advance?

4. Are the procurement personnel of the Center adequately trained and experienced in the negotiation of supplies contracts?

5. Is there a sufficient number of personnel available to analyze cost, pricing and market data and is an analysis of such material being used effectively in the negotiation of supplies contracts?

6. Do the contract files contain adequate documentation as to the negotiations on which contract awards are based?

7. Do the contract files contain adequate documentation to substantiate that the prices accepted are fair and reasonable and in the best interests of the Government?

8. Is the Fuel Center continuing to use trade publications data as a major item in the substantiation of prices paid?

9. Are contracts being executed where the contract price escalates directly with prices quoted in trade publications?

Of course your opinion on any other procurement practices would be greatly appreciated.

If you have any questions on this matter, please contact Subcommitee Chief Counsel Howard J. Feldman.

Sincerely yours,
Henry M. Jackson,
Chairman.

Senate Permanent Subcommittee on Investigations,
Washington, D.C., April 24, 1975.
Hon. Frank G. Zarb,
Administrator, Federal Energy Administration, New Post Office Building, Washington, D.C.

Dear Mr. Zarb: The staff of the Senate Permanent Subcommittee on Investigations has been making inquiries into the procurement of petroleum products by the Defense Fuel Supply Center of the Department of Defense with particular emphasis on the procurement of jet fuel for military aircraft. The staff findings are contained in the enclosed study.

The study discloses that the military has been paying substantially higher prices for jet aircraft fuel than the domestic airlines since October 1973, although the military was paying substantially lower prices than the airlines before that date.

It was further found that during 1974 and the early months of 1975, there was some concern in the Defense Department that the major oil companies who supply jet fuel both to the military and to domestic airlines might be loading a disproportionate amount of "pass through" charges on to the prices which they were charging the Government. This might explain, at least in part, why the Government prices were so much higher.

Although some correspondence was exchanged between the Department of Defense and the Federal Energy Administration on this subject in 1974, nothing has been done to determine definitively whether the major oil companies are including more "pass through" charges in the Government's prices than in the prices of other customers for jet fuel. It is, of course, possible that this same situation exists for the other petroleum products which the Government purchases.

Accordingly, by this letter, I am requesting that an investigation be made by FEA to determine whether the major oil companies are loading more "pass through" charges on to the Government prices for jet fuel and other refined petroleum products as opposed to prices charged other customers for these products. I would also like to request that this investigation be expedited and that a report of your findings be sent to this Subcommittee by June 15, 1975.

If you have any questions on this matter, please contact Subcommittee Chief Counsel Howard J. Feldman.

Sincerely,
Henry M. Jackson,
Chairman.

Senate Permanent Subcommittee on Investigations,
Washington, D.C., April 24, 1975.
Hon. Edward H. Levi,
The Attorney General.

My Dear Mr. Attorney General: A recent staff study issued by this Subcommittee on the procurement of petroleum products by the military concludes that military buyers have overpaid for their oil purchasers.

The question of petroleum product pricing is indeed a complex one and, accordingly, I have written to the Federal Energy Administration requesting that they undertake an examination to determine whether prices charged the military by the oil companies were legal under the law and implementing regulations. Specifically, I have asked FEA to determine whether or not the major oil companies have disproportionately passed through to military higher costs for crude oil and other charges. If such costs were passed on to government purchases but not in accordance with the law, or regulations interpreting the law. I believe that the United States Government should seek to recoup these excess charges. To fully pursue this matter, I would like the Department of Justice to cooperate with the Federal Energy Administration, using all available resources to recover the taxpayers' monies.

Should you have any questions on this matter, please contact Subcommittee Chief Counsel Howard J. Feldman, who will be pleased to render any assistance.

Sincerely,
Henry M. Jackson,
Chairman.

Exhibit 2

Findings and Recommendations

The Department of Defense, through the Defense Fuel Supply Center of the Defense Supply Agency will purchase in fiscal year 1975 approximately $3.5 billion in petroleum products to service United States military forces throughout the world.

There are two ways to procure these

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products. One is by advertised competitive bids. The other is by negotiated contracts.

By its very nature, the advertised bid method would generate competition and hopefully enable the government to obtain products at the most favorable price. Accordingly, ordinarily little or no cost or other data supporting the price of the winner of the competitive bid would be necessary.

On the other hand, negotiated contracts are the result of a give and take process between the government's contracting officer and the potential contractor. As such the contracting officer must be able to obtain backup data for the contractor's price—generally called cost or pricing data—in order to satisfy himself of the reasonableness of the price charged. Such requirements for supporting data are codified in the so-called "Truth in Negotiations Act" and in the Armed Services Procurement Regulations. Waivers of such requirements are to be made only in exceptional cases.

As of January 1, 1973, all bulk purchases of petroleum products by the Defense Fuel Supply Center were made by advertised invitations for bid and by public awards. However, in May of 1973, procurement moved to a negotiated basis. After the Arab embargo of October 1973 and the passage of the Emergency Petroleum Allocation Act in January 1974 these negotiated contracts were mandated.

Despite having procured products on a negotiated basis since May of 1973, DFSC did not request cost or pricing data from the oil companies until September, 1974. The oil companies refused to supply the data and an impasse resulted in December.

With the year drawing to a close and contracts running out, the controversy between the Department of Defense and the oil companies had reached the point that there arose the possibility that some petroleum supplies to the military might be interrupted. At this point the Subcommittee took an active role in assuring uninterrupted supplies as well as seeking an accommodation between the Department of Defense and the oil companies.

In the course of its activities Subcommittee staff began to make an intensive review of the petroleum procurement policies of the military. The following are the staff's findings and recommendations:

FINDINGS

1. The Defense Fuel Supply Center, prior to 1973, had established a policy of buying petroleum products and particularly jet fuel for military aircraft on a short-term basis by advertised bids. This was done to obtain the lowest possible prices. This policy contained inherent risks if short supplies and rising prices were encountered. The DFSC failed to recognize in 1973 that a market change in this direction was imminent and DFSC failed to plan or provide for such a contingency.

2. DFSC purchasing personnel were accustomed to handling advertised bids and had little training and experience in direct negotiations with suppliers. They were unprepared to negotiate with suppliers and thus obtain the lowest possible price for the government. Review of DFSC contract files by the Defense Supply Agency, the General Accounting Office and by the Subcommittee staff all disclosed a failure of DFSC personnel to document their price negotiations with suppliers as well as a failure to show how they determined price reasonableness. These conditions had been noted by the Defense Supply Agency in audits conducted in 1974 and before, and they continued throughout 1974. A General Accounting Office survey also found that in all contracts reviewed for the November–December period of 1973 the contracting officer had accepted the first price offered by the petroleum supplier with no apparent evidence of any real negotiations.

3. Audits by Defense Supply Agency had disclosed a long-standing deficiency in DFSC's operations in its failure to have available qualified personnel to perform analyses of cost and pricing data and market data for use in determining price reasonableness. This deficiency existed long before 1973 and continued into 1975.

4. Prior to the fall of 1974, DFSC had continually failed to require potential contractors to supply cost or pricing data under the Truth in Negotiations Act and the Armed Services Procurement Regulations and had consistently permitted contractors to avoid supplying such data by obtaining waivers for them even though the Act calls for such waivers only in "exceptional cases."

5. Prior to the fall of 1974, DFSC had erroneously determined fair and reasonable prices to a large extent from trade publications rather than requiring potential contractors to submit backup data as required by law. Audits of DFSC by the Defense Supply Agency had repeatedly criticized DFSC for their failure to get proper data directly from the supplier and for reliance on trade publications data. Trade publications data in many cases does not represent real transactions but only bid and asked prices. DFSC persisted in using trade publication data to justify prices in July 1974 even though it was specifically instructed by DSA earlier in 1974 that this procedure was not proper.

6. In 1974, the procurement of petroleum products by DFSC was governed by regulations and allocations of the Federal Energy Administration, but the personnel of DFSC failed to acquaint themselves with the regulations applicable to the purchases they were making.

7. DFSC did not attempt to obtain in 1974 specific information from either oil companies or from the domestic airlines as to quantities and prices of jet fuel sold by major oil companies to the airlines to compare with the prices the major oil companies were charging the Government. DFSC proceeded in July 1974 to award contracts based on trade publications without data from suppliers despite DSA's recommendations to the contrary.

8. The DFSC was aware as early as April 1974 that there was a possibility that the major oil companies might be loading a disproportionately heavy amount of "pass through" costs on to Government contracts. There was some communication between the Defense Department and FEA on this matter, but it was not properly resolved. Both FEA and the Defense Department have been negligent in not resolving this matter which was the key to how prices to the government were being calculated. It was not until March 1975, after the Subcommittee had expressed its interest, that FEA issued instructions to its field auditors to begin an investigation of how "pass through" costs were allocated to military jet fuel.

9. The DFSC failed in 1974 to press for and obtain data which the oil companies had supplied to FEA on crude oil costs. This data would have been useful to DFSC purchasing personnel in making a determination as to the reasonableness of prices offered by oil companies.

10. In the fall of 1974, when DFSC belatedly began to press for data from the oil companies which was required by law and was essential to determine the reasonable price of petroleum products, the oil companies refused to supply such data and placed the military in the position of either acceding to their demands or facing the threat of having oil supplies interrupted, especially to strategic overseas locations.

11. By asking for a blanket waiver enabling all companies to be relieved of supplying cost or pricing data for all contracts for the last six months of 1974 because it was too late and the companies would not cooperate, DFSC was negligent in performing its responsibilities and ignored the statutory mandate to grant waivers only in "exceptional cases" since it had been aware of this requirement for some time and had failed to timely request the companies to comply with the provision.

12. The failure of DFSC to provide protection in advance of heavy price increases; the failure of DFSC to attempt to inform itself as to comparable prices of jet fuel purchases by airlines; the failure of both FEA and DFSC to press vigorously for a determination as to whether DFSC's prices contained an excessive amount of "pass through" charges; and the general failure to obtain supporting data to determine the reasonableness of prices charged the government has cost the government millions of dollars in its purchases of jet fuel.

13. Information furnished to the Subcommittee indicates that substantial reductions in prices of jet fuel were received by DFSC from the major oil companies in January 1974. No specific reasons for this reduction were advanced. The controversy over the submission of cost and pricing data and the continuing interest of the Subcommittee may have had some effect on the negotiations which resulted in these reductions. DFSC informed the Subcommittee that after the Subcommittee expressed its interest, previous offers made by supplies were reduced by $32 million.

RECOMMENDATIONS

The audits by DSA, GAO and by the Subcommittee staff disclosed the continuing existence of long-standing deficiencies in procurement practices such as failure to forcecast and plan for significant market changes; failure to have qualified personnel trained in negotiation techniques and for cost, pricing and market data analysis; failure to properly document contract negotiations; and failure to obtain and report proper data to document the reasonableness of prices accepted which have cost the government millions of dollars. Therefore, it is recommended that:

1. GAO conduct a thorough examination into the procurement practices at the Defense Fuel Supply Center to determine what is being done to eliminate these long-standing deficiencies and improve procurement procedures.

2. The Federal Energy Administration make a full and complete investigation into whether the major oil companies were and are presently charging disproportionate amounts of "pass through" charges to government contracts.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 319

At the request of Mr. Talmadge, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 319, a bill to provide a natural gas priority for fertilizer and farm chemical producers.

S. 872

At the request of Mr. Hatfield, the Senators from Michigan (Mr. Philip A. Hart and Mr. Griffin) were added as cosponsors of S. 872), a bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates.

S. 1219

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 1219, the child care deduction legislation.

S. 1220

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 1220, a bill to amend the Social Security Act.

S. 1502

At the request of Mr. Ribicoff, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 1502, the unemployment loan extension bill.

SENATE JOINT RESOLUTION 65

At the request of Mr. Inouye, the Senator from Colorado (Mr. Haskell), the Senator from South Carolina (Mr. Hollings), the Senator from Minnesota (Mr. Humphrey), and the Senator from Utah (Mr. Moss) were added as cosponsors of Senate Joint Resolution 65, to authorize and request the President to call a White House Conference on Women in 1976.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. Curtis, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic nations.

AMENDMENT SUBMITTED FOR PRINTING

TRANSFER OF CERTAIN LANDS IN MONTANA—S. 252

AMENDMENT NO. 382

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.

Mr. METCALF. Mr. President, in the past Senator Mansfield and I have jointly introduced a private bill to quiet title on some Montana land in the name of August Sobotka and Joseph J. Tomalino. This year my distinguished colleague, Senator Mansfield, introduced a bill for this purpose, but the description of the land is incorrect. I concur in urging prompt action on this legislation and submit an amendment to S. 252 to correct the description.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, May 5, 1975, at 10:00 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida, vice David L. Middlebrooks, Jr., resigned.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. McClellan); the Senator from Nebraska (Mr. Hruska) and myself as chairman.

NOTICE OF HEARING

Mr. CANNON. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a hearing on Wednesday, April 30, 1975, commencing at 2 p.m., in room 301, Russell Senate Office Building, on Senate Resolutions 60 and 110, introduced by Senator Mike Gravel, and others, and relating to additional personal staff for Members of the Senate to assist them with their committee responsibilities. Any Member wishing to testify should contact William M. Cochrane, staff director, on extension 4–0275.

NOTICE OF HEARING ON FUTURE DIRECTIONS IN SOCIAL SECURITY

Mr. CHURCH. Mr. President, I wish to announce that the Senate Committee on Aging will conduct a hearing on "Future Directions in Social Security" on May 1, at 9:30 a.m., in room 6226 of the Dirksen Senate Office Building.

The hearing will focus on the operations of the supplemental security income.

Senator Kennedy, who is keenly interested in the effective administration of the SSI program, will preside.

ANNOUNCEMENT OF HEARING

Mr. ROTH. Mr. President, I wish to announce that the Subcommittee on Intergovernmental Relations of the Government Operations Committee will hold hearings in Wilmington, Del., on May 5. The hearings, third in a series on the State and local effects of proposals to reduce energy consumption and increase energy resources, will begin at 9:30 a.m. The subcommittee has scheduled a full agenda of witnesses including the Governor of Delaware and numerous other officials. The hearings will be especially timely and helpful to the Congress in soliciting views on the local effects of various national energy policy proposals.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, I want to bring to the attention of the Senate and the public that the hearing scheduled on April 30 to consider the nomination of Stanley K. Hathaway to be Secretary of the Interior will begin at 9:30 a.m. instead of 10 a.m. as originally scheduled.

Also, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee for the next 2 weeks:

April 29: Full committee and national fuels and energy policy study, 10 a.m., room 3110, hearing. Title III, re powerplant siting, of S. 984, Land Resource Planning Assistance Act, and S. 619, Energy Facilities Planning and Development Act.

April 29: House-Senate conference, 2 p.m., Room S221, Capitol, H.R. 25, surface mining legislation.

April 30: Full committee, 9:30 a.m., room 3110, hearing. Nomination of Stanley K. Hathaway to be Secretary of Interior.

May 1: Indian Affairs Subcommittee, 10 a.m., room 3110, hearing. Information hearing re Indian housing.

May 2: Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing. S. 984, Land Resources Planning Assistance Act, and S. 619, Energy facilities Planning and Development Act.

May 5: Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing. Information hearing on automotive research and development.

May 5: Senate Interior Committee and Public Works Committee, 10 a.m., room 4200, joint hearing. H.R. 3787 and H.R. 3130, re court decision relating to highway construction and environmental impact statement matter.

May 6: Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, hearing. S. 391, to amend Federal Coal Leasing Act of 1920.

May 6: Full committee, 2 p.m., room 3110, hearing. Nomination of Philip C. White to be an Assistant Administrator of Energy Research and Development.

May 7 and 8: Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, hearing. S. 391, to amend Federal Coal Leasing Act of 1920.

May 9: Indian Affairs Subcommittee, 9:30 a.m., room 3110, hearing. S. 1327, submarginal lands bill.

May 9: Environment and Land Resources, 10 a.m., room undetermined, hearing. S. 393, Montana Wilderness study area bill.

May 12: Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing. S. 82, to repeal certain provisions of the act for the establishment of Assateague Island National Seashore; S. 98, to establish the Klondike Gold Rush Park; S. 150, to construct an Indian Art and Cultural Center; S. 313, to authorize exchange of lands at Guadalupe Mountains National Park; and S. 466, to establish Franklin D. Roosevelt National Historic Site.

ADDITIONAL STATEMENTS

HANDGUN REGULATIONS

Mr. BUCKLEY. Mr. President, the ever-rising crime rate in our urban areas has resulted in renewed demands that we pass strict legislation designed to control the availability of handguns. These demands are, of course, understandable because the connection between handguns and violence is graphic and direct.

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I cannot, however, accept the argument that the solution is as simple as some would have us believe. I presented my own views on the subject in testimony submitted last week to the Subcommittee to Investigate Juvenile Delinquency. I ask unanimous consent that my testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony by Senator James L. Buckley

Mr. Chairman, I appreciate the opportunity to express my views on the issue of gun control. I share the alarm of all Americans over the increasing rate of crime in our country. Each day news reports bring additional justification for the public's fear of walking the streets at night and, in some communities, of being alone at home during the day. Parents wonder if their children are safe playing in neighborhood parks and recreational centers. All too often, the answer is that they are not.

Congress is again faced with the responsibility of responding to the public's concern for personal protection and security. In doing so, however, the Congress should be careful not to restrict unduly the liberties of all Americans in halting the crimes committed by a small minority among us. Instead, the attention of the Congress, and specifically to this committee, should focus upon the innocent, the helpless, the aged and the weak. The time is long overdue for the legislators to react strongly as their constituents against those who, by endangering the well-being of individuals, endanger as well the very fabric of our free society.

The American people have been outraged by the way terrorist groups around the world have acted as if they are immune to governmental reprisals against their barbarism. But the same attitude of immunity prevails among street criminals in our own land. They know that, if they are apprehended for their crimes, there is a strong chance that a lenient court will treat them as the unfortunate victims of their environment, rather than as perpetrators of deliberate evil. In other words, we have minimized the risks involved in committing a crime. Like most New Yorkers, I believe that our emphasis must now be upon the punishment of criminal conduct, rather than the prohibition of the possession of firearms.

Some latter-day authorities on the Constitution claim that the Second Amendment to that neglected document refers only to the right of an organized militia, rather than private individuals, to bear arms. That is not my view, and I am glad to say it was not the view of those who framed that amendment. At the time of the adoption of the Bill of Rights, this country's statesmen were concerned with the need to protect citizens from government itself, and the passage of almost two centuries has not negated the validity of this concern. The fact that Article I, Section 8, clause 16 of the Constitution grants Congress the power to organize, arm, and discipline the militia clearly indicates a quite different intention for the Second Amendment. Moreover, several of the state constitutions, newly drafted during the period of the early Republic, specifically mentioned the right of the individual to own arms. If the framers of the Constitution truly wished to protect citizens from the potential tyranny of any strong, centralized government, they could not also have intended to disarm citizens, who would then have been helpless to resist the very kind of usurpations which the Founding Fathers hated and feared.

I hate to think of the present-day consequences of the disarmament of the American people. Gordon M. Johnson, Chief of Police in Minneapolis, in an article in the Manchester Union Leader, January 3, 1974, declared:

"Police forces were never designed to provide general personal security: that reliance has of necessity rested with the people. Who provides protection before the squad car arrives?"

In an interview with a Human Events reporter, published March 22, 1975, the former Chief of Police for Los Angeles, Edward M. Davis remarked:

"If we didn't have a pro gun lobby, we would be completely disarmed by now. Frankly, I'm not going to give up my guns until government can assure me that I will be protected from the blood thirsty killers turned loose by the courts. Any individual who wants my guns will have to come and get them the hard way."

I am sure that millions of Americans share the sentiments of former police chief Davis. Can our government provide for adequate protection of all its citizenry without taking on many of the characteristics of a police state? I think not. We will not control the criminal use of guns by disarming the law-abiding.

Mr. Chairman, this country will never achieve justice and domestic order until the penalty for criminal conduct becomes commensurate with the evil it has caused. I have long advocated mandatory penalties for any felon who commits a crime while in possession of a firearm. I am a co-sponsor of Senator Domenici's bill, S. 216, which would do just that. It mandates imprisonment of not less than 1 year and not more than 10 years for a first offense, and not less than 2 years nor more than 25 for a second offense with a gun. In addition, probation would not be permitted. It therefore provides the kind of assured penalty that will discourage criminals from carrying guns under circumstances when they may be tempted to use them. Moreover, the penalties here stated could not run concurrently with any other sentence. It is my firm belief that only legislation such as that which Senator Domenici has proposed can really come to grips with the criminal use of guns that has made America a nation of fearful victims.

Mr. Chairman, I would like to address myself specifically to proposals recently made by the Attorney General regarding the Federal regulation of handguns. While I share Mr. Levi's concern for the crime rate and for the apparent inability of Federal law enforcement efforts to reduce it significantly, I find his proposals to be faulty in their conception, erroneous in their assumptions, and unworkable in their application.

As I understand Mr. Levi's plan, it provides for virtually gun-free zones in various metropolitan areas of the country, depending upon their level of population, their crime rate, and the rate of increase in their crime rate. A certain formula, as yet to be worked out, would automatically trigger the provisions of the law, making them applicable to an area when its crime rate hit a certain level. Thereafter, the possession and sale of firearms and ammunition would be severely limited. In fact, they would be almost impossible to obtain.

The plan is shot through with loopholes. In the first place, it is at best misleading to think that the Attorney General's proposals would apply only to large cities. When suburbanities, and even the residents of rural counties on the far fringes of large cities, discover that the Census Bureau and the Office of Management and Budget have included their communities in the definition of "metropolitan areas," they will also find themselves brought under Mr. Levi's proposals.

Moreover, although the plan professes to safeguard the interests of sportsmen and members of gun clubs—by allowing them the right to fire their weapons at properly licensed gun ranges—it also would require them to store their weapons at properly licensed arsenals. We can imagine the scenario. Law-abiding citizens, having registered their guns, must leave them at their gun club's vault, if that vault passes federal inspection and meets federal standards. Then, when criminals raid the vault and add those guns to their private stockpiles, the Department of Justice would presumably investigate the gun club to see if the theft was due to their negligence or oversight. This is not meant to be a humorous matter; it is all too likely to actually happen.

The fatal flaw in the Attorney General's plan, as the Washington Post pointed out in a recent editorial, is that it cannot prevent gun-running between those areas covered by the plan and those in which the possession of firearms would still be left to state jurisdiction. In short, the plan would not work, could not work, unless it were eventually extended to the entire country; and even then it is hard to believe that anything short of repeated house-to-house searches would flush out even a fraction of the millions of handguns now in private hands.

Let us face the facts, Mr. Chairman. Let no one be deluded on this point. The Attorney General's nicely crafted proposals not only would not deprive criminals of their guns, but before this decade is out, it would mean the end of legal private ownership of handguns in America, at least on the part of those law-abiding citizens whose right to bear arms should not be impaired.

In conclusion, Mr. Chairman, I repeat again what should not need repetition: the American people are frightened for their safety and security. Because our criminal justice system seems not to be protecting them, they are purchasing firearms for their own defense. Who can blame them? They are convinced, and rightly so, that their government is not taking adequate measures to bring criminals to justice. They have therefore realized that they must themselves guarantee their own safety. It is a lamentable state of affairs, but denying those facts will not change them.

THE NATO ALLIANCE

Mr. STENNIS. Mr. President, in the wake of recent unhappy events in Southeast Asia, there is an understandable tendency to review our worldwide situation and our overseas military commitments.

I refer particularly to the value of our NATO alliance. This has been the most important and the most successful treaty in our post-World War II history. Despite stresses and strains, it has proved to be a highly successful post-World War II policy both for us and our European allies. It has worked, and worked well, in deterring Communist expansionism in this key area of the world.

I want to say to my colleagues, and to the American people as well, that we should not let the adverse developments in Southeast Asia disturb and affect us to the point that our confidence in NATO is undermined. Even though a review of our commitments is always in order, we cannot draw back and try to go it alone.

The key point is that, in the face of the strength of Russian arms, the military alliance between the United States and Western Europe is just as necessary for our mutual security as it ever was. The fact is that militarily, we need our NATO allies and they need us. Bitterness over our role in South Vietnam and Cambodia is no justification for scuttling or jeopardizing the most successful alliance we formed at the end of World War II.

Some headway has been made in readjusting our military forces in Western Europe. Some U.S. expenditures have been saved. We have carried more than our part of the load at times and must insist that our allies there continue to increase their contribution. The Mutual Reduction of Armaments Conference shows more promise and I believe there is a real chance for sound accomplishments this time. All chances for achievements there would be lost if we make unilateral reductions, or wavered in any way.

Mr. President, the need for NATO was the prime reason why I felt that, on the Cyprus question, we should not tie the President's hands but should give him ample room to negotiate with Greece and Turkey, both members of NATO. If the differences between them cannot be worked out, then the southeastern flank of NATO could come apart at the seams and the whole NATO structure could be put in jeopardy.

I say again, Mr. President, that NATO has been an outstanding military and diplomatic success story for more than a quarter of a century despite some rough going along the way. Let us not let public disillusionment with respect to other events in which we were involved cause us to take any actions which will undermine or destroy it.

To the contrary all Members must keep it alert and vigorous.

WASHINGTON STRAIGHT TALK

Mr. CHURCH. Mr. President, it was recently my pleasure to be interviewed at length by correspondent Paul Duke on "Washington Straight Talk," a production of the National Public Affairs Center for Television. I ask unanimous consent that the transcript of that interview be printed in the Record.

There being no objection, the transcript of the broadcast was ordered to be printed in the Record, as follows:

Washington Straight Talk

Announcer. Senator Frank Church, Democrat of Idaho, a key member of the Senate Foreign Relations and Interior Committees, and Chairman of the Senate Select Committee on Intelligence activities. Tonight . . . on Washington Straight Talk . . . Senator Frank Church is interviewed by NPACT Correspondent, Paul Duke.

Paul Duke. Senator Church, with President Thieu stepping down in South Viet Nam, do you think this means peace is coming at last to South Viet Nam?

Senator Frank Church. It means the war is finished. The cause is lost. It probably means that with the final evacuation of the Americans, the Vietnamese will now take charge of their own affairs and that some terms of surrender will be worked out and Saigon will be spared destruction.

Duke. You mean that we will now have a negotiated settlement?

Senator Church. Yes, you can call it that, but if this is straight talk, I'd call it surrender. However, the terms of the surrender might very well make some provision for the safe passage of those Vietnamese who feel endangered and who may wish to leave. That happened, you remember, after the French surrender following Dien Bien Phu—those that had sided with the French were given 90 days to leave North Viet Nam; now perhaps those South Vietnamese who sided with the United States could be given a safe passage.

I hope that happens because that's the only way that it's possible to accommodate the numbers that President Ford has talked about. He has spoken of as many as 175- or 200-thousand endangered Vietnamese who they wished to leave.

Obviously there's no way that we can extricate that number. We can't set up a rescue mission. All the talk about using the military forces for this purpose is clearly unrealistic. If they come out, they'll come out on the basis of an agreement that's reached with the North Vietnamese.

Duke. You said the other day that you don't think any American troops should be used to help rescue the South Vietnamese who have worked with us for so long. Don't we have a moral obligation to exert every kind of means possible to help those people get out?

Senator Church. Yes, but I want possible means, means possible, possible means. Why talk about the use of American troops to rescue 175-thousand people—that would mean establishing a perimeter, opening a new theater of war, thousands of more casualties, prisoners of war, all the rest.

It would mean a Dunkirk-like evacuation, and it would take a very large American army and a brand new war. Now no one is for that, not even President Ford, so let's not talk about that. Let's talk about possible means. And as I say, the possible means for bringing out these people is an agreement reached now with the victors, which would permit their withdrawal.

It did happen after the French withdrawal, and it's possible that now with Thieu's resignation, that such an arrangement can be worked out again.

Duke. Well, are you suggesting that, given the circumstances as they now exist, with President Thieu gone, that this government should stop talking about additional military aid to try to save Saigon and should put all the emphases on trying to work out some arrangement with the Communists to prevent Saigon from being taken by military force, and to permit the evacuation of as many South Vietnamese as possible. Is that what you're really saying our policy should be from now on?

Senator Church. Yes, that's what I'm saying—let's stop the old shell game, and everyone else knows, why don't we finally level with the American people and stop talking about stabilizing the military situation or another dose of military aid, three-quarters of a billion dollars, it's past time for such posture.

Duke. Well now Senator, some Democrats are even going further and are suggesting that perhaps we should hold out a hand to the North Vietnamese, proposing to give economic aid to them to help to rebuild the entire country of Viet Nam. How do you feel about that?

Senator Church. I just don't think that's realistic either. I wouldn't jump that far in the other direction. I'd rather doubt that the North Vietnamese want us around any more. I really think they want us out of their country.

They've fought now for ten years to reunite the two halves of Viet Nam. Clearly they have had the support of the greater part of the Vietnamese people. They have been able to instill in them the kind of fighting spirit that in the end prevailed. This has been a long civil war, however differently we wished to describe it, or however differently we conceived it. It has, in fact, from the beginning been a civil war between the Vietnamese people, and it's has been won by the North. Not surprisingly, because after all Ho Chi Minh was the George Washington of Viet Nam. He was the architect of national independence, the leader of the struggle against the French, and his forces were more closely identified in the eyes of the Vietnamese people with this indigenous struggle for independence than the faction that we chose to support.

And so the cause has been lost, and the sooner that we recognize this and begin to draw the right lessons from Viet Nam, the better. I'm afraid that a lot of wrong lessons are being drawn. And we must not go through this terrible ordeal with all of the sacrifice that's been entailed, and then fail to learn the lessons.

Duke. Well, learn the lessons or not, Vice President Rockefeller was suggesting last week that what has happened has the makings of a political issue. Are we now going to be in for a political bloodbath of recriminations here at home?

Senator Church. Oh, it's possible. I hope not. And I rather suspect that it won't happen, because I think that the American people have followed this war long enough and are sufficiently well aware of what has happened out there, not to be taken in by that kind of a divisive political bloodletting in this country.

There's a natural tendency of course, to always point the fingers. Politicians are good at that. President Thieu this morning when he resigned pointed the finger of blame at Henry Kissinger and said if hadn't have been for the peace deal that Nixon and Kissinger worked out, none of this would have happened.

Henry Kissinger is pointing the finger of blame at the Democratic Congress, saying that it's failure to grant the eleventh hour requests of the President is the cause.

The President himself doesn't know quite who to blame. He seems to be ambivalent. But actually, you know, we ought to avoid this. The country can't stand another period of recrimination over this war. The Ford administration is not to blame for the fall of South Viet Nam. The Congress is not to blame. The American people are not to blame. No time in history has one country done more for another than we've done for South Viet Nam during the past ten years.

Duke. Well, who is to blame? Somebody must be to blame?

Senator Church. What's to blame was the mistake in the policy. It's been a flaw from the beginning. The notion that the United States as a Western power could intervene successfully and control the politics of an Asian country—that's the basic mistake in this understanding of the historical tides that have dominated Asia since the end of the Second World War.

Asia is for the Asians. And just as the European countries have had to give up their effort to control Asian affairs, so the United States is going to have to give up its efforts. That's the chief lesson to be learned from Viet Nam. Asia is for the Asians, and it's no longer possible for us to control the politics of that part of the world.

Duke. As you know Senator, we're now having something of a great debate building up

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in this country about the course of our foreign policy in the future. What kind of foreign policy do you think we must now rebuild in the wake of the Viet Nam disaster?

Senator CHURCH. Well I think that we have to learn that there are very definite limits to what we can do in the world in having our way. And it's very healthy that we should learn this before we bankrupt ourselves completely in a series of Viet Nams.

There's no reason, for example, why the United States must maintain a military presence on the Asian mainland.

DUKE. Now let me ask you on that point—when you refer to the Asian mainland, do you include Korea, do you include Taiwan, do you include Japan?

Senator CHURCH. No, I refer to the mainland itself. I have been arguing for the past twelve, fifteen years, nearly from the time when I first came to the Senate, that the American line of defense in the Pacific ought to be the Pacific itself, because our military strength consists primarily of naval and aerial strength. We can't match the Asians in foot soldiers.

And therefore, it would make sense to draw a line that is comparable to the kind of military strength we possess. Now the Pacific Ocean is the largest moat that God has placed on this earth. It's 8,000 miles wide. It certainly ought to be sufficient for purposes of American security.

But to insist that move beyond the Pacific, and actually establish military beachheads on the Asian mainland in places like Korea, in places like Thailand, and of course Southeast Asia, is not only enormously costly as we have discovered, but it is self-defeating.

And furthermore, there's no reason why the United States must possess these military beachheads in Asia. Asia is quite different from Europe. If we were entirely out, if we withdrew our remaining forces from the mainland of Asia, a natural equilibrium of power would develop between the Chinese, the Russians, the Indians, the Indonesians, the Japanese, that equilibrium of power can exist in Asia without the necessity of maintaining our military forces on the mainland.

DUKE. Let me ask you more specifically, would you go as far as Senator Mansfield, the Democratic leader in the Senate, who says that we should withdraw our forces from Korea, from Taiwan, that we should, instead of being a three-ocean Navy, be a two-ocean Navy now, getting out of the Mediterranean almost in effect, and also substantially reduce our military force in Europe, which would be a rather sizable pull-back of American power.

Senator CHURCH. I would say we should start on the Asian mainland. I quite agree, as I've already indicated, that we should withdraw our forces from the mainland. That would include Korea, and it would include Thailand.

Secondly, I would not insist on trying to convert the Indian Ocean into an American lake. It never has been that, and doesn't have to become that.

With respect to the Mediterranean and Europe, I would go very cautiously because Europe is more closely connected with America's security and economic well-being than these other places we've discussed. I do think, however, that we should not remain wedded to the notion that a fixed number of troops must remain on station in Europe. We've been much too inflexible in that regard. However, a general pull-back from Europe and the Mediterranean I would not endorse.

DUKE. Well, Senator, isn't all of this discussion and talk here at home bound to have repercussions abroad. For example, last week we had a West Germany leader who said he was not at all certain that if West Berlin were attacked that America would come to its defense.

And Henry Kissinger, taking note of the fact that Congress has been increasingly aggressive in its assertion on foreign policy, said only last week as well, and I would like to quote what he said, he said, "Congress has taken actions which have paralyzed our policies in the Middle East, weakened our hand in dealing with Russia, and inhibited our dialog in this hemisphere."

Now are you at all concerned that Congress, feeling its foreign policy oats, may be going too far?

Senator CHURCH. Well, I think that Mr. Kissinger has gone too far in his indictment. It's extravagant, emotional, and it's not really accurate. What is he referring to?

Let's look at his various . . . let's break that down for a minute. Would you go over it. . . .

DUKE. Yes, he says that "Congress has paralyzed our policies in the Middle East" for one.

Senator CHURCH. Well now, he must have reference there to Cyprus since the Congress has interfered in no way with respect to his effort to negotiate between the Israelis and the Arabs.

If he has reference to Cyprus, he's talking about a Congressional ban against further military aid to Turkey. Now there was a good reason for that ban. Turkey violated its solemn pledges with the United States and used *our* weapons that we had supplied Turkey to invade Cyprus, another ally of the United States, the Greeks. And so Congress said we'll give no further arms until a peaceful settlement is achieved in Cyprus. That's not entirely unreasonable.

How does the Secretary want to achieve that peace? Well, if you listen to him and the President, you'll find they want to buy the peace; they want to pay the Turks on the one hand, and the Greeks on the other hand, to settle the Cyprus affair.

Now that may be policy by grand design, but it's known as a "pay-off" in less stately terms. And there's a strong suspicion in the Congress that the United States ought not to pay both these countries to settle the Cyprus dispute.

Now, the next indictment . . .

DUKE. He said that "you've weakened the Administration's hand in dealing with Russia."

Senator CHURCH. Well, how have we weakened the Administration's hand there? We have put one restriction, that is to say, no more than 400 million dollars of American credit to help in the economic development of the Soviet Union without coming back to Congress and getting Congressional consent.

Now I don't think that's so unreasonable, particularly when you consider that they're thinking about underwriting the development of a seven billion dollar project to develop natural gas in the Soviet Union, under arrangements that would be very risky from the American point of view.

So here again, Congress, I think, has simply put a prudent restriction on the use of money in the Soviet Union and asks the Administration to come back and make a case if it wants more. I don't think that's unreasonable.

DUKE. Do you think that Kissinger has outlived his usefulness?

Senator CHURCH. I think that Kissinger is a very skillful negotiator and a very able man. I think that we put too much emphasis, however, upon the man that holds the position and too little emphasis upon the policy.

Now it wouldn't make any difference at all if Kissinger were dismissed tomorrow if the man who replaced him was an adherent of and an advocate of the same policy. And remember, the last half dozen American presidents have all been serviced by the same fraternity of foreign policy advisors. Now unless you get a man that's going to change the policy, it doesn't much matter whether Kissinger leaves or stays.

DUKE. But do you think he should go? Do you think that at this point in time . . .

Senator CHURCH. . . . Not if he's going to be replaced with another Kissinger. What difference does it make? You see, that's my whole point. We ought to be talking about changes in American foreign policy, and not about the people. . . .

DUKE. Well then if we change the . . .

Senator CHURCH. . . . who hold the positions, as long as the policy remains the same.

DUKE. But if we do change the foreign policy, then obviously you feel Kissinger must go.

Senator CHURCH. Yes.

DUKE. He couldn't administer the new foreign policy.

Senator CHURCH. That is true, and I think the policy should change.

DUKE. So you think Kissinger should go?

Senator CHURCH. If he's replaced by someone who will change the policy. You've got to look at both sides of this coin.

DUKE. Senator, the other hat you're wearing these days is that of being Chairman of the Senate's new special investigation of the CIA. On the basis of what you now know, has there been a widespread pattern of abuse of authority by the CIA?

Senator CHURCH. There has been abuse, how widespread it's been we haven't yet had a chance to determine; we're just at the early stages of the investigation. But clearly, there have been violations of the law, not only respecting the CIA but the FBI as well.

We expect to look thoroughly into the whole intelligence community, and I'll have a better idea as to how widespread these transgressions have been by the time we finish our investigation.

DUKE. But you don't know how widespread they are at this point?

Senator CHURCH. Not yet.

DUKE. We've been told that the CIA planned and carried out political assassinations. Is that a legitimate activity of the CIA?

Senator CHURCH. First of all, we don't have evidence that such assassinations were carried out, and we don't know yet whether they were really planned in any formal way. We'll be looking into that question.

As to whether it's a legitimate activity, of course it's not a legitimate activity. No agency of the Federal Government can be licensed to commit murder. And it doesn't matter whether or not they act under the President's orders; the President of the United States is not a glorified godfather. And we can't permit murder to be an instrument of our national policy in times of peace.

DUKE. We keep having recurring reports that the CIA in some fashion was involved in the assassination of John Kennedy in Dallas in 1963. Is this one of the things you're going to seriously look at?

Senator CHURCH. We'll look at it very seriously if we find any evidence that in any way substantiates that charge. I'd have to answer the question that way.

DUKE. But at this point you just don't know how much you'll get into it then, unless you get evidence, is that what you're saying?

Senator CHURCH. Of course, that's what I'm saying. If we have no evidence to pursue, naturally we're not going to be able to develop that as a focal point of our investigation. We will go where the evidence leads.

DUKE. Senator, we know by the CIA's own admission, that they have destroyed innumerable documents and papers which could

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be very important to your investigation. How can you possibly get to the bottom of all the things the CIA has done, knowing that they have destroyed potentially important material?

Senator CHURCH. Well, we'll do the best we can. We have the right to interrogate CIA employees, both past and present, we'll go to such sources, basic sources of the information as we can find, we'll try to piece together what has happened as thoroughly as time permits, and do everything we can to find out what the truth may be of the charges that have been leveled against this agency.

DUKE. But it does mean, doesn't it, that you may not necessarily get to the truth about the CIA?

Senator CHURCH. It is possible. I can't guarantee it. I can only guarantee that we'll do the best job we can with the evidence that is available.

DUKE. As you know, there's another commission that was set up by President Ford, investigating the CIA, headed by Mr. Rockefeller. And some people, some critics have suggested that this group was set up primarily to protect the CIA and in the process it may suppress certain material which could be used by your investigators. Are they cooperating with you? Do you share that fear?

Senator CHURCH. Well, first of all I think that the Rockefeller Commission will have to be judged on its findings and its general performance, and I think that it's going to wrap up its investigation by the end of May. And then the public can reach its own judgment.

However, we will be seeing—when I say we, I mean Sen. Tower and I—we will be visiting with Vice President Rockefeller very soon, and we're going to ask him to supply all of the evidence and the testimony, the transcripts, everything that has been accumulated by his commission, so that we may have the benefit of all of that in connection with our own investigation.

DUKE. One of the members of your committee, Republican Senator Howard Baker, said the other day that you can't possibly do a thorough job unless Richard Nixon testifies. Are you going to call him as a witness?

Senator CHURCH. Well, the committee hasn't yet decided what the focal points of the investigation will be. It's such a large mandate that we're going to have to narrow down on certain focal points. If one of those relates to subject matter that would require President Nixon as a witness, I would have no hesitation in recommending to the committee that he be called.

DUKE. Senator, you said some time ago, that in a free society, intelligence activities must be carried out according to strict rules, very high standards. But isn't it unrealistic to expect that this can occur? Isn't spying really a dirty business by its very nature, which can't be carried out by gentlemanly rules?

Senator CHURCH. Well, let's be clear about what we're talking about. When the CIA was set up it was set up to spy on countries that might become enemies of the United States, that is to say its spying was to be done abroad, not at home. And it is a dirty game, and that's why special precautions were taken at the time to see to it that the dirty game was not turned by such an agency upon the American people, and that the CIA did not become another Gestapo or KGB. That is terribly important if we're going to keep a free society.

And one of our particular interests in this investigation is to look at the ways that the CIA might have disregarded this prohibition in the law and turned its spying inward on the American people.

After all, what is it set up for in the first place, save to protect a free society from its enemies abroad. And we must be very careful that such an agency does not become a secret police and become a menace to the very freedom it's supposed to be protecting.

DUKE. You headed the Senate Foreign Relations Subcommittee which investigated the oil situation a few months ago. The Democrats in Congress still seem to be floundering on developing some kind of oil policy. Your subcommittee recommended a 15% cut in oil consumption and turning to gas rationing if necessary. Do you still stand by that?

Senator CHURCH. Yes, I stand by it. I think that we have to reduce our imports of foreign oil, not only because of the expense that's involved, which is one of the reasons for our serious inflation that persists despite high unemployment, but also to reduce our dependence upon uncertain foreign sources. After the Arab embargo we've been forewarned of the need to become more independent in our fuel supplies.

So I do stand by that. I think that we should reduce our imports as we effect savings in this country as we shift from oil to other sources of fuel and as we manage to conserve gasoline. And I think that's the key—it's the automobile and the need to emphasize more efficient automobiles in the future.

But as we reduce our consumption, then I think we should translate that reduction into quotas that will reduce our importation of foreign oil.

DUKE. Senator, as a rising Democratic voice in Congress, are you going to run for President?

Senator CHURCH. I've put off any decision on that score until after this investigation that I head up is completed because I just can't mix any possible involvement in presidential politics with . . .

DUKE. Well, that sounds like you are planning to run.

Senator CHURCH. I don't know where this investigation will bring me out—it's been called a Kamikaze mission, it's been called a mine field, and until I'm through that mine field I've just set aside any thought of presidential politics.

DUKE. But you think you could get through the mine field to the White House?

Senator CHURCH. Well, the future will speak.

DUKE. Well, we'll talk to you in the future then. Thank you for coming here and talking with us tonight, Senator Church.

Senator CHURCH. Thank you. It's been my pleasure.

ANNOUNCER. Washington Straight Talk. From Washington NPACT has brought you Democratic Senator Frank Church of Idaho, with NPACT correspondent Paul Duke.

Production funding provided by Public Television stations, the Ford Foundation, and the Corporation for Public Broadcasting. This has been a production of NPACT, a division of GWETA.

ARMENIAN AMERICANS

Mr. BUCKLEY. Mr. President, many Americans of Armenian descent marked April 24 as a day of mourning for those who perished at the hands of the Turks during one of the most brutal periods of the history of that region. It is estimated that over 1½ million Armenians perished during the 25 years of persecution by the Turkish Government, and estimates of those who died during forcible deportations add possibly another million individuals to that grim figure.

On this date in New York City, a series of assemblies were held to commemorate this tragic event. I believe that it is vital to recall this episode along with other experiences we have known in the 20th century, for this directs the attention of the world to a brutal example of man's inhumanity to his fellow man.

I wish at this time to extend to all of my Armenian-American constituents and to all other Armenian-Americans in the United States my thanks for keeping the memory of their past sufferings alive, and my prayers that, through their actions, such a persecution will never again be allowed to happen. We wish to be reminded of past tragedies so that we may remain determined to prevent others in the future. We owe the Armenian-American community a great debt for this reminder of our own blessings, and of the obligation we owe to others less fortunate than we during periods of great suffering.

I ask unanimous consent that there be printed in the RECORD an article from the New York Times which details some of the activities which took place in New York on April 24.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE 1915 GENOCIDE IS STILL VIVID TO ARMENIANS HERE

(By Richard F. Shepard)

New York, a city of survivors, will be reminded today by its small but articulate Armenian community of one of the century's first and worst genocides, which wiped out half of its compatriots who lived in the Turkish part of Armenia 60 years ago.

Even now, there are few among the 50,000 Armenian-American New Yorkers who were not personally touched, through the experiences of grandparents or parents, by the Turkish massacres of 1915 that led to the desolation of eastern Anatolia and left Armenia as a small state, now a Soviet Republic, on the Russian side of the border.

The observance of the day of remembrance, which commemorates April 24, 1915, when the Turks rounded up and killed more than 200 Armenian leaders in Constantinople as the prelude to a general extermination, actually began yesterday. There was an interfaith conference, and a candlelight procession last evening wound its way from the golden-domed St. Vartan Cathedral at 34th Street and Second Avenue through midtown by way of the United Nations, to St. Patrick's Cathedral, where a service was held.

TWO GOALS

Today's events, sponsored by a number of organizations, have a common thrust: to recall to the world the brutalities of 60 years ago and to call for Turkish acknowledgement of the atrocities. Samuel Azadian, deputy commissioner of the city's Department of Highways and chairman of the procession yesterday, quoted a remark by Adolf Hitler during World War II, as he prepared his own programs of extermination: "Who talks nowadays of the extermination of the Armenians?"

"We are not doing this for revenge against the Turks or for bloodlust," said Mr. Azadian, whose mother and sister survived the massacres. "We have to say what happened because it might prevent other genocides."

The Diocese of the Armenian Church of America, with the co-sponsorship of the Greek Orthodox Church, the United States Catholic Conference, the American Jewish Committee, the Islamic Center of Washington, the Council of Churches of Christ of the U.S.A., and the United States Conference

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of the World Council of Churches, will continue its conference, "Religion's Role In a Violent World," at St. Vartan's meeting halls, with sessions at 9 A.M. and 2 P.M. The conference ends tomorrow.

The Prelacy of the Armenian Apostolic Church of America, will sponsor at 9 A.M. today a "Survivor's Pilgrimage" to the Statue of Liberty, of 60 people who escaped the killings of 1915. A silver chalice will be presented to the Museum of Immigration there.

At 6:30, the prelacy will offer a special program honoring Armenian-Americans at the Felt Forum in Madison Square Garden. Among the speakers will be Barbara Tuchman, the Pulitzer-prize winning author whose grandfather was Henry Morgenthau, United States Ambassador to Turkey in 1915 and a prime figure in calling attention to the Armenian plight.

At 1 p.m., local branches of three major Armenian political parties, united in one action for the first time in their long histories, will hold a mass demonstration to protest "Turkey's continuing violation of human rights" and Turkey's failure to make reparations or to admit to the annihilation. This will start at Madison Avenue and 26th Street and will move along to the United Nations, where a formal complaint will be presented to United Nations Secretary General Waldheim. In Dag Hammarskjold Plaza, proclamations by Mayor Beame, and Governors Carey and Byrne, taking note of the occasion, will be read.

THE OPPOSITION

A Congressional resolution that would have designated today as a day of remembrance passed the House, but has not been voted upon by the Senate, where it was reported, the State Department, worried about negotiations with Turkey and Greece over Cyprus, strongly opposed to the measure.

At the New York Armenian Home for the Aged, 137-31 45th Avenue, in Flushing, Queens, a suggestion that elderly survivors dredge up what they recalled of their terror-stricken childhood reduced many to tears. An aide said that most did not even speak of it among themselves.

However, Nevart Prudian, a pleasant-looking 67-year-old woman who is a cook at the home, which has an appetizing Armenian menu, offered to tell her story because she felt it was important for the world to know.

"I was 6 or 7 years old in Erzerum, in eastern Turkey, when the soldiers came to the house in April, 1915, and pushed us out," she said, speaking through an interpreter. "We walked to a town where they separated the men from the women. They threw the men into the water and killed them. The Euphrates was red with blood.

MARCHED INTO DESERT

"I was with my mother and two younger sisters. The sisters died on the march. We tried to bury them, but the next day we saw the dogs at the grave," she said.

The Armenians were marched hundreds of miles into the Mesopotanian Desert. The Turks, Mrs. Prudian said, took the young women and raped and killed them as they went.

"People were dying of thirst and exposure on the way," she continued. "Pregnant women were killed with knives. We walked from that April until the next February, stopping here and there, but nobody did anything for us. You would see people fighting each other for a bit of garbage to eat, for an orange peel."

Unlike many companions on the march, Mrs. Prudian finally reached an American-run orphanage in Syria and in 1908 was married in Beirut.

"I often dream of those things," she said, adding, when asked what her experiences all meant for the rest of the world. "I want peace, brotherhood, love, a piece of land for Armenians where I can go."

The story repeated with infinite variations according to a particular experience, is told not only by survivors but also by their descendants. Yet few of those interviewed said they harbored a personal bitterness for the Turks.

Archbishop Torkom Manoogian, primate of the Armenian Church Diocese, said that there were several aspects to the observance.

"One is for the Armenians to commemorate events of the past to preserve their unity with history," he said. "One million or one and a half million Armenians were massacred in a premeditated genocide by the Turks. This generation followed the example of its ancestors by not denying their Christian faith when the Turks forced the Moslem religion upon them."

POSITION DETAILED

Archbishop Karekin Sarkissian, Prelate of the Armenian Apostolic Church in America, said, "We all feel this way about the Turks: You cannot suppress a whole nation. If they admit something wrong was done, then we can see about remedies. We can sit and talk. But, today we are faced with a situation they do not acknowledge. They not only do not accept the fact but they do not concede that they had anything to do with it."

This consciousness affects all levels of American Armenian life. Armenians in America number a half million, with concentration in California and pockets in Boston and Detroit, as well as in the New York area, where many have moved out of traditional Manhattan neighborhoods to such areas as Queens and Bergen County.

Many are well-educated, reasonably affluent and active in professions the arts, business and public life a change from the days when first and second generations clustered in rug-dealing and photoengraving. They go to Armenian churches, either the traditional ones or Protestant and Roman Catholic, and their children go to Sunday schools and even Armenian day schools. Identity is a central issue among Armenian Reporter, a Queens English-language weekly, for copies of the New Yorker that carried the three installments of Michael Arlen's quest for his Armenian identity.

The library was swamped with requests for copies. The writer, son of the British author, described how he learned about himself and his heritage.

THIRD GENERATION IS MILITANT

"The third generation is more active than the second," said Edward K. Boghosian, editor of the Armenian Reporter. "There's been a revival stimulated by the civil rights movements—if you have black power why not Armenian power—and because the third generation doesn't have the problem of deciding what they are as the second did."

Melik Ohanesian, the 44-year-old owner of the Dardanellen Restaurant, 86 University Place, was born in France but came to New York as a youngster. His father and mother were among those who fled Turkey unscathed.

"You are always conscious of being Armenian," he said: "Armenians do not hate the Turks, I cannot hate a Turk. We want history to be built on the truth.

"My daughters are young," he said. "But they have the feeling of being Armenian as well as American, even though they might not know the Armenian language. This is how we survive with our culture. We are, I call it, the last of the Mohicans."

LAW DAY IN CONNECTICUT

Mr. RIBICOFF. Mr. President, May first, 1975, will mark the 18th annual nationwide observance of Law Day-USA, a special day set aside by joint resolution of Congress and by Presidential proclamation for "rededication to the ideals of equality and justice under law."

The purpose of the annual observance is to dramatize the values of living under a system of laws and independent courts that protect rights and make possible a free society.

The theme selected in recognition of Law Day 1975 is: America's Goal—Justice Through Law.

The significance of the nationwide observance of Law Day on May 1 has never been more pointed than this year. Events during the past 2½ years have proved that the American judicial system does work, that it successfully resisted every attempt to subvert it, and that ours is a government of laws, not men, and those laws are sound.

More than 1,500 State and local bar organizations will observe the Law Day event with appropriate activities and ceremonies in the Nation's courts, schoolrooms and municipalities with the cooperation of thousands of public spirited agencies and organizations.

The Connecticut Bar Association, which has set an unprecedented record as the recipient of the ABA Award of Merit for 4 of the past 5 years for the excellence of its Law Day programs, will join with Connecticut's secretary of the State, Gloria Schaffer, to present young attorneys in more than 150 of Connecticut public and private high schools speaking on the rights, obligations and privileges of reaching the majority age of 18.

At the same time, Project VOTE—Voice Opinions Through Elections—cosponsored by 17 public and private organizations, including educational, political, business and community service groups, will attempt to register at the school assemblies all students who have become eligible to vote by that date.

In addition, all of Connecticut's 25 local and county bar associations will conduct a variety of programs which will include presentations in elementary and junior high schools, ceremonies in all of the State's courts, proclamations by the mayors and first selectmen of Connecticut's 169 municipalities, special distinguished service awards to deserving laymen and media presentations.

JACK SHEEHAN

Mr. PERCY. Mr. President, I noted with regret the impending departure of Gov. John Sheehan from the Federal Reserve Board.

Appointed in 1972, Jack Sheehan served with great distinction during times of extraordinary economic and financial stresses. The counsel, wisdom, and thoughtful approach he brought to his responsibilities will be missed.

Mr. President, I ask unanimous consent that an article, which appeared in the New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHN E. SHEEHAN

John E. Sheehan has resigned as a member of the Federal Reserve Systems board of governors, effective June 1, the White House announced yesterday. Mr. Sheehan,

who is 45 years old and who has been a governor since 1972, will return to private business, but his exact plans could not be determined yesterday afternoon. His term was scheduled to expire in 1982.

In recent months, Mr. Sheehan has carried several messages to the banking community. In March, he urged that bankers, who had been watching the demand for business loans sag, become more accommodating in their lending policies. Last December, Mr. Sheehan criticized what he called "the hodgepodge of bank regulation" and he came out in support of a single Federal banking regulatory agency.

Born in Johnstown, Pa., Mr. Sheehan graduated from the United States Naval Academy and the Harvard Business School. When he was appointed to the board by former President Nixon, Mr. Sheehan was president and chief executive officer of the Corhart Refractories Company of Louisville, Ky., a subsidiary of Corning Glass Works.

In resigning the $40,000-a-year position, Mr. Sheehan described serving at the Fed as "an unqualifiedly satisfying privilege and experience." He also praised the central bank's "truly brilliant staff."

VAN CAMP SEAFOOD CO. ENTERS INTO VOLUNTARY FISH INSPECTION PROGRAM

Mr. MAGNUSON. Mr. President, the Van Camp Seafood Co., a subsidiary of the Ralston Purina Co. of St. Louis, Mo., has entered into the voluntary fish inspection program administered by the National Marine Fisheries Service, an important component of the National Oceanic and Atmospheric Administration. The National Marine Fisheries Service is authorized by the Agricultural Marketing Act and the Fish and Wildlife Act to develop and implement quality grading standards for fishery products and to improve health and sanitation standards in the industry. Through the voluntary inspection program, NMFS conducts plant and product inspection services, on a continuing basis for fish processors.

While plants under the continuous inspection program are subject to inspections by the Food and Drug Administration, this program represents one more initiative at joint Government-industry cooperation. On the one hand we have the Federal agencies involved deferring to the expertise of one another. On the other hand we have an outstanding processor leading the way to insure the high quality and safety of the fisheries products which it produces.

To the Van Camp Seafood Co., I extend my heartiest congratulations for entering this voluntary inspection program. Once under the program, the level of safety and quality is as high a standard as can be expected. It is definitely a step which other fisheries processors should consider.

DAVID ROCKEFELLER ON MULTINATIONAL CORPORATIONS

Mr. PERCY. Mr. President, David Rockefeller, chairman of the Chase Manhattan Corp., recently commented on criticisms of multinational corporations. He called multinationals—

> The most important instruments in the unprecedented expansion that has taken place in world trade.

He said that they promoted competition and jobs. He called for an effort to help refute the critics of multinational corporations.

Mr. President, I ask unanimous consent that an article from the New York Times reporting Mr. Rockefeller's remarks be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAVID ROCKEFELLER ON "MULTINATIONAL CORPORATIONS

David Rockefeller called on the business community in Britain and elsewhere yesterday for a united effort in refuting what he termed "the proliferating critics" of multinational corporations.

The chairman of the Chase Manhattan Corporation, said in an address at the stock exchange in Manchester, England, that "We should be doing all in our power to lift the siege that is taking shape around the beleaguered multinational companies."

He termed the multinationals "the most important instruments in the unprecedented expansion that has taken place in world trade." He said that, instead of creating monopolies, exporting jobs and exploiting underdeveloped countries, as critics charge, the multinationals were promoting competition and creating jobs.

Mr. Rockefeller commented that the principal complaint of underdeveloped countries was that multinational companies were neglecting them in new investment and expansion.

He noted that the "fiercest kind of political and rhetorical assault" on multinationals has been coming from "academicians, from writers, from left-leaning economists and from politicians." He characterized "the spate of new publications" on multinationals "as collections of innuendo, half-truths, distortion and outright falsehood."

MUNICIPAL CLERKS WEEK

Mr. INOUYE. Mr. President, the City Councils of Gardena and South El Monte, Calif., have recently passed resolutions in support of Senate Joint Resolution 45, which I have introduced, to designate the second week in May as "Municipal Clerks Week."

I ask unanimous consent that these resolutions be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION No. 75-1761

A resolution of the City Council of the City of South El Monte, California, supporting Senate Joint Resolution No. 45 and House Resolution No. 227, relative to designating the second week in May as "Municipal Clerks Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of South El Monte, California, does hereby resolve as follows:

Section 1: That the City Council of the City of South El Monte does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2: That the City Council of the City of South El Monte does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3: That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Virginia, Committee of Post Office and Civil Service, Senate Committee on Judiciary, and all cities within Los Angeles County.

Section 4: That this Resolution shall take effect immediately.

Section 5: That the City Clerk shall certify to the passage and adoption of this Resolution; shall cause the original of same to be entered in the Book of Resolutions of said City of South El Monte, and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

RESOLUTION No. 3127 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDENA, CALIFORNIA, SUPPORTING SENATE JOINT RESOLUTION No. 45 AND HOUSE JOINT RESOLUTION No. 227, RELATIVE TO DESIGNATING THE SECOND WEEK IN MAY AS "MUNICIPAL CLERKS' WEEK"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of Gardena, California, does hereby resolve, declare, find, determine, and order as follows:

Section 1. That the City Council of the City of Gardena does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of Gardena does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressman Charles H. Wilson and G. William Whitehurst, Virginia, Committee of Post Office and Civil Service, Senate Committee on Judiciary, and all cities within Los Angeles County.

Section 4. That this Resolution shall take effect immediately.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution; shall cause the original of same to be entered in the Book of Resolutions of said City of Gardena, and shall make a mi-

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nute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

SECTION 235 HOMEOWNERSHIP PROGRAM

Mr. PERCY. Mr. President, I know my colleagues are aware of the suit which has been filed by Elmer B. Staats, Comptroller General of the United States, against President Ford, Director James Lynn of the Office of Management and Budget, and Secretary Carla Hills of the Department of Housing and Urban Development.

Mr. Staats, acting on behalf of the Congress, is seeking an order from the court requiring the President to obligate $264.1 million in contract authority available under the section 235 homeownership program.

The case, I believe, is a strong one. Under the Housing and Community Development Act of 1974, Congress specifically authorized the use this year—before August 22, 1975—of the spending authority that was impounded as a result of President Nixon's suspension of the 235 program in January 1973. Under the terms of the Budget Control Act, the Senate disapproved President Ford's request to defer implementation of the program and both the Senate and the House rejected the request to rescind the spending authority specified in the relevant appropriations acts of 1971 and 1972. The money, therefore, must be obligated.

With the need for anywhere from 2.2 to 2.7 million new housing units a year for the rest of the decade and with unemployment among construction workers running at a rate in excess of 20 percent, we should revive and adequately fund the 235 program. As Oliver H. Jones, executive vice president of the Mortgage Bankers Association, has said:

> If the Ford Administration wants quick action to stop the rising rate of unemployment in residential construction, its best bet is to open up the subsidized programs that are already on the books.

Senator Proxmire, the distinguished chairman of the Senate Banking, Housing and Urban Affairs Committee, has said that the $264.1 million could help support the purchase of 200,000 new housing units and put 400,000 workers back on the job. The National Housing Conference estimates that the impounded funds will provide 240,000 units.

I believe the 235 homeownership program should be reactivated now. I have never understood the administration's negative attitude toward this program, especially in the wake of the amendments which Congress enacted in the 1974 Housing Act.

There has been fraud and abuse in various FHA programs. But much of the fraud has been wrongly attributed to the 235 program. Whatever problems existed, and there were some, were not caused by the program's design but to a great extent by mismanagement of the program by HUD.

The program, I believe, accomplished a great deal despite poor management. The Federal budget for fiscal year 1976 estimates that by June 30, 1977, the end of the fiscal year, 447,000 units will be eligible for mortgage subsidy payments. This means that nearly 450,000 families, representing over 2 million people, will be homeowners as a result of the 235 program. With a median income of about $6,500, few of these families would have otherwise achieved this status.

According to HUD statistics, the average monthly income of 235 families was $456 in 1972. The family's share of the monthly mortgage payment was $100 and the average monthly subsidy was $68.

A significant percentage of households which receive these subsidies eventually receive reduced subsidies or no subsidies at all because of their increase in income. After one recertification of income of 235 families, 8 percent stopped receiving any subsidy, 65.8 percent received a reduced subsidy, 13.4 percent had no change, and only 20.8 percent received a larger subsidy.

"Housing in the Seventies," the comprehensive study itself commissioned by the Department of Housing and Urban Development to attempt to justify suspension of several housing subsidy programs, including section 235, reached the following conclusions about the program:

First, the program enabled a great number of low- to moderate-income families to buy homes who could not have otherwise.

Second, only a third of all homeowners nationally have incomes below $7,000, but close to two-thirds of all 235 beneficiaries had incomes below that level.

Third, the 235 program provided substantial benefits to recipients. Housing quality, the study estimated, improved 35 percent. Nonhousing expenditures made possible by 235 subsidies increased by 8 percent.

Fourth, the study did not demonstrate that section 235 housing cost more than privately built units.

The 235 program also has received high marks in other studies. Dr. Anthony Downs, vice president of the Real Estate Research Corp., reached the following conclusion:

> On balance, we believe that both the Section 235 and Section 236 programs are effective instruments for meeting the key objectives of housing subsidies . . . We believe their basic designs are sound, although some modifications can improve them. The major inadequacies so far encountered in the execution of these programs stemmed from either poor administration by HUD or the inherently higher risks of investing capital in housing for relatively low-income households in relatively deteriorating areas.

During the last few years, newspapers and magazines have given prominent coverage to the limited number of cases of fraud and abuse which have been associated with the 235 program. Few accounts of the program's success have been printed.

Two stories in particular illustrate the success of the 235 program. One involves a demonstration project conducted by the San Francisco Development Fund. A preliminary report shows that under the Development Fund's buyer agent program, serious delinquencies in the 235 total of 412 section 235 loans were included in the buyer's agent program, of which 303 were included in the analysis. By the end of August 1974, only one of the loans was in foreclosure. The key to the success of the program was mandatory prepurchase counseling. The selection and training of prospective homeowners produced responsible buyers who caught up with their cash flow problems and did not become chronic delinquents, the study reported:

> The provision of such "guidance," "counseling," or "training" was intended when the plans for the Section 235 legislation were first formulated. It is unfortunate that these plans were not carried out.

The San Francisco Fund's program differed from the usual administration of section 235 loans in a number of ways. In addition to careful screening and mandatory training sessions, prospective homebuyers themselves instead of builders or real estate brokers were given HUD subsidy reservations. Consumers then shopped for homes anywhere within a 50-mile radius of San Francisco. This demonstration project shows the effect of imaginative management of the section 235 program.

Another successful effort occurred in Chicago. The Bickerdike Redevelopment Corp., a nonprofit community housing corporation on the near-northwest side of the city, built and sold single-family homes. They were the first new single-family homes built in the community in over 50 years. Most of the homes were sold to families who qualified for interest subsidies under the 235 program. From 1970 to 1973, Bickerdike, along with two general contractors, built 65 single family homes. Sixty-three of these were sold under section 235 and two were sold with conventional FAA financing.

Seventy percent of the buyers were Latin Americans. The majority of the families were in the $7,000 to $9,000 income range and most had two, three, or four children. As of about a year ago, three families had lived in their homes for over 3 years; 24 families 2 to 3 years, 32 families for 1 to 2 years, and 5 families for about a year. Two of the homes had been turned back to HUD because of foreclosures. One was owned by a single woman with adopted children who simply left the property. The other was turned back because the divorced mother of five children died. Two families in danger of foreclosure were able to stay in their homes, because of counseling from Bickerdike.

Besides coordinating the construction of homes, arranging financing, and selling them, Bickerdike worked with the buyers to help them become knowledgeable homeowners. Meetings were held on insurance, maintenance, and budgeting for home improvements. A homeowner's association was formed to work on common problems such as high taxes.

Mr. President, success stories such as these exist in every part of the Nation.

They provide ample evidence for reactivation of the section 235 program. I hope President Ford will respond to the suit filed by the Comptroller General and allocate the appropriate funds for the program. So far as creating jobs soon and filling urgent national and human needs it is much, much preferable to release highway trust funds as the President has done.

DO NOT BLAME THE PEOPLE

Mr. CHURCH. Mr. President, the distinguished Senator from New Hampshire (Mr. McIntyre) has issued a painfully truthful indictment of the American political establishment's capacity not only for self-delusion but for delusion of the populace it leads.

In a speech excerpted in the Washington Star, he describes how the establishment has stripped itself of credibility by the failures of its guidance. He notes that, even today, with an energy crisis born of heedless gluttony, the establishment answer is more of the same, a voracious assault on dwindling reserves.

And he asks why the American people should believe their leaders when those same pretenders to wisdom are in the face of their own failures, trying "to dump a load of guilt and anguish upon the American people for the fall of South Vietnam and Cambodia in order to save face for the establishment and soothe the tender egos of those whose prophecies self-destructed before they self-fulfilled."

But if the establishment is blind, the people are not. If the establishment is incapable of learning from its mistakes, the people are not. As this pointed speech notes, the American people "finally saw what the establishment still refuses to see—that we were not supporting freedom-loving democratic governments, but callous despots who rigged their own elections, jailed their political opponents, closed down critical newspapers, and wallowed in bribery and corruption."

America can do better than that. In the future America must do better. And part of our redemption as a nation lies in heeding the sobering counsel found in this heartfelt speech. Mr. President, I ask unanimous consent that it be printed in the Record.

There being no objection, the excerpted speech was ordered to be printed in the Record, as follows:

The Establishment's Old Explanations Simply Won't Wash

(By Senator Thomas McIntyre)

(Vietnam, recession, the energy crisis, Watergate: Don't blame the people for the delusions and blunders of the power structure.)

The social ethic of the Constitution holds that the people are the ultimate authority, does it not?

But the sheer mass of 220 million Americans—scattered and preoccupied with personal and parochial interests—leaves the immediate and primary responsibility for charting the course of the nation to the power structure of the nation.

Now when we consider that the power structure of the country is, in truth, that loose coalition of business leaders, political figures, old-line labor leaders and opinion molders we call The Establishment, it would seem at first glance that our is not a democratic republic—but an elitist regime.

Is it?

It was not supposed to be.

Even if we concede the practical need for a power structure, the social ethic of the Constitution is unmistakably clear . . *and it demands that the power structure, The Establishment, if you will, be ultimately and forever accountable to the people.*

We—you and I—are part and parcel of The Establishment whether we like it or not. And so, in the context of this discussion, it is time to ask ourselves some questions.

Have we been accountable to the people? Have we met Daniel Webster's challenge to The Establishment to be alert and responsive to injustice and inequities, to be receptive to new ideas and concepts, to be tolerant of diverse opinion, to be willing to make necessary compromises and accommodate to changing circumstances?

Have we made an honest effort to preserve the viability of the public dialogue . . . to keep the lines of communication open and responsive in order to build trust and confidence?

Or—under the stress of crises and the clamor for reform of the system, re-examination of values, reordering of priorities and redefinition of national mission—have we hardened our defense lines around the status quo . . . and made bankrupt rhetoric and the cant of conventional wisdom our sole contribution to the public dialogue?

Let me drill a little closer to the nerve.

I have a strong feeling that you and I have a lot more in common than circumstantial membership in The Establishment.

Many of us are from the same generation and much the same background. We were reared in a simpler time, when value systems, authority and conventions were rarely challenged. In that sense, ours was a secure existence because it was singularly free from question if not from need. And when we grew up, even the wars we fought were fought with unswerving conviction and untroubled conscience.

In short, we came from a time and a society where it was deceptively easy to subscribe to "my country right or wrong" because to our knowledge our country never did anything wrong.

America was good . . . because it was good to us.

And within many of us, this conditioning nurtured a simplistic, single-dimension patriotism that rarely looked beyond the furls of the flag or the lyrics of the anthem and was sharply at odds with the sophistication of our education and our adult experience.

We knew what America was, didn't we?

It was God-given bounty in endless supply. It was oil and steel. It was opportunity and enterprise. It was a way of life so righteous and rewarding we were honor-bound to impose it upon other peoples and cultures whether they wanted it or not.

Moreover, there were spin-offs from this primitive concept of what America was . . . and why it was that we were no less self-deluding.

Did we not begin to equate right with respectability? Dollar success with omniscience in all matters? Conformity with competence? Traditional methods with eternal verities? Bigness with best?

If the answer is at least a qualified yes, then perhaps this explains why the public dialogue broke down.

For under siege by its own convention-defying sons and daughters, and by some thoughtful non-Establishment adults, the power structure of the country fell back to defend its vested interest in the status quo with an arsenal of rhetoric that bore little relationship to changing circumstances and new realities and was an affront to balanced judgments.

Consider some of that rhetoric:

When that quintessential figurehead of The Establishment, Richard Nixon, was toppled by Watergate, how did we respond?

Did we tell those who looked to us for balanced judgment that Watergate proved that the Founding Fathers' system of checks and balances still worked? Or did we call it "politics as usual?" Or cynically observe that Richard Nixon's only mistake was "getting caught?"

When the energy crisis caught us unawares, did we face up to it as the legacy of heedless exploitation of finite resources, the neglect of keeping refinery capacity up to demand, a pricing structure that encouraged waste and discouraged and discouraged conservation, the failure to develop alternative sources?

Or did we blame it all on the embargo and the environmentalists?

Were we guilty of the same tunnel vision in explaining the current economic crisis?

Did we blame it all on inflationary government handouts and social spending? But discreetly ignore the increasing number of industry giants seeking government bail-outs to help them socialize losses while they privatized profits?

Did we vent our moral outrage on welfare cheats . . . but save none of it for antitrust violators, price-fixers, price gougers or government contract rip-off artists?

And when our exaggerated national pride was offended by the refusal of rebel forces in far-off Indochina to surrender to government troops backed up by thousands of American advisers, soldiers, planes and equipment, how did we respond?

Did we say failure was due to our not doing enough? Did we call for more of the same? More money, more guns, more bullets, more Americans drafted from the ghetto while our sons were safe in college? Or did we admit to a colossal error in judgment and face up to the avalanching evidence that the cause we were supporting wasn't viable enough to support itself?

When national crisis shatters national illusion, the restoration of public trust and confidence depends upon the credibility of explanation and solution.

The Establishment's explanations for the crises I've noted won't wash, my friends. *They simply won't wash.*

But what concerns me now is The Establishment's post-crisis response. What solutions will the power structure offer for the American people's consideration?

Let me zero in on two, and tell you straight off that they won't wash, either.

Indeed, one of them could kill the body of America . . . and the other its soul.

Consider The Establishment's solution to the energy crisis: What does it propose to the American people?

More of the same. More oil wells, more refineries, more coal mines, more nuclear fission generating plants. All this in the face of disturbing evidence that our national sources of oil and natural gas will be gone in 25 years. That mining the tempting subsurface coal in the Western states could destroy the water supply and the food-producing capacity of that region, that generating power through nuclear fission may not be cost effective, may never become fail-safe, but may become ever more vulnerable to theft, sabotage and terrorist blackmail.

Is this all we can offer the American people? This and high and higher energy costs? I'm sure you've heard that some people are now paying more for electricity than they are on their home mortgages. And what does that do to public trust and confidence?

What ever happened to the vision, boldness and ingenuity of American enterprise?

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Did it, too, fall victim to the deluding comforts of the status quo and the rigidities of conventional wisdom?

Let me tell you a little story. A year ago, a native son of my state of New Hampshire died after a lifetime that spanned more than a century.

This man believed that the sun could be put to work to provide energy without pollution. In 1920 he invented a solar cooker. In 1938 he patented a solar engine that would produce 100,000 kilowatt hours of electrical power a year. In 1972 he secured another patent on a refinement of this engine.

But he never found anyone willing to invest in so much as building a prototype.

Some of you may have conjured up an image of an eccentric visionary no respectable investor in his right mind would take seriously.

You'd be wrong. The gentleman I'm talking about is the late Dr. Charles Greeley Abbot, a world-renowned astrophysicist who at the time of his death was the oldest member of the National Academy of Sciences, the past president of the prestigious Cosmos Club, and the longtime secretary of the Smithsonian Institution.

When a man of his credentials is not taken seriously by The Establishment, what more is there to say? Except to ask what America's energy situation would be today if The Establishment had listened to, encouraged and underwritten Dr. Abbot's efforts 55 years ago.

But if The Establishment has defaulted in its responsibility to be receptive to new concepts and responsive to new challenges in the aftermath of the energy crisis, it has all but destroyed its credibility in the closing hours of the Indochina crisis.

If ever a situation cried out for honesty with ourselves, it is here. For The Establishment has deluded itself—and misled the people—for a quarter of a century.

I can say this, because for a long, long time this particular member of The Establishment deluded himself about Vietnam, and I know I was not alone.

It was not until 1968 that I began asking myself why the light at the end of the Vietnam tunnel kept going out before we reached it. And finally it came to me that those rosy readouts from the Pentagon and the State Department computers were the direct result of faulty programming.

Not only was the information fed into the computers of suspect accuracy, but motivation—the most crucial component of all—was never factored into the equation!

The entire analytical process was skewed from the outset by this glaring omission, and the blame rests squarely with The Establishment and its faulty assumption that the government of South Vietnam was a bastion of freedom and democracy its people would fight to the death to defend.

It is now tragically self-evident that neither 56,000 American lives nor 150 billion American dollars could make that asumption fact.

And I say to you here and now: The final, ultimate and most reprehensive betrayal of truth in this endless travesty is the misbegotten effort—already under way—to dump a load of guilt and anguish upon the American people for the fall of South Vietnam and Cambodia in order to save face for The Establishment and soothe the tender egos of those prophecies self-destructed before they self-fulfilled.

The American people didn't sell out South Vietnam and Cambodia.

They gave their dollars. And they gave their sons. Fifty-six thousand Americans died in Indochina. But so far as we know, not one Soviet or Chinese soldier fought on the side of the North Vietnamese.

The American people gave 34 times as much military aid to South Vietnam as the Communist powers gave to North Vietnam. And let the record show that, by the CIA's own estimates, we gave the South Vietnamese $6.6 billion in assistance since the Paris peace accords were signed, while the Soviets and the Chinese were giving only $2.7 billion to the North Vietnamese.

The American people gave again and again and again . . . until to their everlasting credit they finally saw what The Establishment *still* refusea to see—that we were *not* supporting freedom-loving democratic governments, but callous despots who rigged their own elections, closed down critical newspapers and wallowed in bribery and corruption.

They saw the paradox of an Establishment boasting of detente with the Soviet Union and the Peoples Republic of China but obsessed with crushing rebellions—inspired more by anti-colonialism and nationalism than by communism—in tiny southeast Asia countries.

They saw the inherent flaw in a foreign policy that allied us with authoritarian regimes whose sole claim to our support was not that they stood for freedom, but that they spoke against communism. They saw that the dominoes are falling not for lack of our support—but from their own inner rot.

They saw that from beginning to end, paradox, duplicity and self-delusion have presented us with an endless series of impossible options in Southeast Asia, including the final and agonizing choice of pledging more aid or risking the lives of those Americans still in Saigon to South Vietnamese reprisal!

No, my friends, the American people cannot—and must not—be blamed for the mistakes of The Establishment.

They deserve The Establishment's admission it was wrong.

They deserve The Establishment's pledge to see straight—and talk straight—from now on.

If the people are given the facts, if they are told the truth, if their judgment is respected by The Establishment, if the public dialogue is a two-way street, they will make what sacrifices are necessary; they will honor those national commitments that deserve to be honored.

There is nothing wrong with their compassion; nothing wrong with their courage; nothing wrong with their resolve.

But don't ever try to fool them again. Because they know better now.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

RAILROAD TEMPORARY OPERATING AUTHORITY ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 917 which the clerk will state by title.

The legislative clerk read as follows:

> A bill (S. 917) to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, without the time for the recess being charged against time on the bill, I ask unanimous consent that the Senate now stand in recess until the hour of 1:30 p.m. today.

There being no objection, the Senate, at 12:44 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

ORDER OF BUSINESS

Mr. STONE. Mr. President, I ask unanimous consent to address the Senate for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

VISIT OF OFFICIAL NAVAL TRAINING SHIP OF SPAIN

Mr. STONE. Mr. President, yesterday the Port of Miami was graced by the arrival of the official naval training ship of the Spanish nation. This visit to Miami was in celebration and is in celebration of the American Bicentennial and it is a grand and glorious gesture, making a very favorable impact on our south Florida community.

The inauguration ceremonies of this visit were attended by His Excellency, the Ambassador to Washington of Spain, Jaime Alba, by naval officials of the U.S. Coast Guard and Navy, and by officials of the county, city, and the United States.

As we commence our bicentennial year, it is appropriate to recall that the origin of settlement in this Nation was Spanish and occurred in the area of St. Augustine, Fla., more than 400 years ago, twice the bicentennial period that we celebrate. Those settlements took place, and the settlements stilll exist and, in fact, the relationship between my State and Spain has grown warmer and more friendly over the decades and over the centuries.

In this period when the nation of Portugal seems to be drifting or even galloping away from its commitment to the West, while we are in negotiations with

the Spanish Government for the renewal of our treaty arrangements for military and naval installations in that nation, it is appropriate that this celebration of the bicentennial spirit take place.

I was gratified to learn, for example, that Spanish leaders greatly assisted in the American Revolution with men, with materiel, and with all sorts of support, and I wish to salute His Excellency, the Spanish Ambassador, for his warmth of friendship to this Nation.

I wish to salute the Captain de Fragata, Marcial Fournier Palicio, the officers and men of the Juan Sebastian De Elcano for their visit to Florida and to this Nation.

QUORUM CALL

Mr. STONE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 24 Leg.]

Bumpers
Griffin
Hansen
Hartke
Hruska
Mansfield
Pearson
Stafford
Stone
Weicker

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fong
Ford
Garn
Goldwater
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
McClellan
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. LONG), the Senator from Indiana (Mr. BAYH), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

I further announce that the Senator from New Hampshire (Mr. MCINTYRE) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. FANNIN), the Senator from North Carolina (Mr. HELMS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The PRESIDING OFFICER (Mr. BROCK). A quorum is present.

RAILROAD TEMPORARY OPERATING AUTHORITY ACT

The Senate continued with the consideration of the bill (S. 917) to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

Mr. HARTKE. Mr. President, I yield to the Senator from Kansas.

Mr. PEARSON. Mr. President, I am pleased that the Senate today has taken up for consideration the bill, S. 917, which I have introduced in order to provide the Interstate Commerce Commission with adequate tools to insure that a continuation of service is maintained on the Rock Island properties which are essential to communities and shippers throughout the 13-State region served by the carrier. This legislation is cosponsored by the distinguished Senators from Iowa (Mr. CLARK and Mr. CULVER), and the distinguished Senators from Minnesota (Mr. MONDALE and Mr. HUMPHREY).

After a full day of hearings on the Rock Island crisis, the Committee on Commerce met in executive session to consider whether additional legislative authority was needed to insure a continuation of service until a permanent plan of reorganization is considered and approved by the court and the Interstate Commerce Commission. The committee reported S. 917, with important and significant amendments, after a full discussion of the options available to the Congress.

Mr. President, the committee has concluded, along with the ICC, the DOT, and the Board of Directors of the U.S. Railway Association, that the financial situation of the Rock Island is hopeless. The carrier has lost money continuously since 1965. Because of the downturn in the economy and other factors, car loadings this year are down nearly 15 percent below 1 year ago. After the carrier lost some $10 million in the first 2 months of 1975, the ICC estimated that the Rock Island would suffer an aggregate $60 million cash drain during the current year.

If a reasonable program of rehabilitation would put the carrier in a financially viable position, the U.S. Railway Association undoubtedly would have approved the requested $100 million loan. But, the USRA Board determined that some $700 million would be needed over a 10-year period to rehabilitate the Rock Island system. In order for this rehabilitation program to be successful, a down payment of some $400 million would be needed now. Ultimately, the USRA Board of Directors rejected the request of the Rock Island for a $100 million loan guarantee because, in the view of the USRA, the railroad had no hope of repayment—as the law requires.

It appeared to the committee, as it did to the USRA Board, that a loan to the railroad at this time, in order to maintain the status quo, would be a little more than a grant. Such a loan could be repaid only after liquidation of the company and the sale of its properties to other railroads in the region.

The Rock Island railroad entered bankruptcy proceedings under section 77 of the Federal Bankruptcy Act on March 17. Mr. William Gibbons, a Chicago lawyer, was named by Federal District Judge Frank McGarr on March 28 as the trustee in bankruptcy. I am pleased to report that those who have had personal conversations with Mr. Gibbons are convinced that he is sensitive to the deep obligation, under section 77 of the Bankruptcy Act, to maintain service at least until a plan of reorganization is submitted for court and ICC approval.

Mr. President, a railroad in bankruptcy may defer payment of taxes and interest on debt obligations. In bankruptcy the Rock Island will defer, at most, payment of $8.2 million on an annual basis. This railroad has such a modest debt structure that an income based reorganization, under the Bankruptcy Act, is considered to be somewhat unlikely. Debt service has not been the problem for the Rock Island. Cash flow has been and continues to be a problem. The Rock Island's cash position has been the subject of almost daily scrutiny by the ICC and the DOT since the company's management announced early this year that obligations due and payable could not be met.

Mr. President, the decision of the ICC on March 25 to authorize a nationwide 7-percent freight rate increase will reduce Rock Island projected losses for 1975 to about $40 million. This is a substantial loss, of course, and must be considered a problem of major proportions by the trustee, the Court, the Commission, and the Congress. Nevertheless, it is not an unmanageable crisis, in view of the fact that cash savings are being achieved by deferral of interest and tax payments. The trustee will have an opportunity to undertake further initiatives to reduce cash drain. And finally, the trustee will have an opportunity to issue "trustee certificates," with the highest priority upon liquidation, to raise the necessary cash to continue operations. The DOT, moreover, has authority to guarantee up to $23 million in trustee certificates of the Rock Island under the terms of the Emergency Rail Services Act of 1970. This obligational authority available to DOT under existing law is the remainder of the loan guarantees approved by Congress to meet a comparable problem on the Penn Central more than 4 years ago.

Mr. President, much has been made of the fact that, upon recommendation of our committee, the Congress ultimately approved grants to continue service on the Penn Central and other bankrupt railroads in the Northeast.

The Congress approved grants for the Penn Central, however, only after the Court concluded that an unconstitutional erosion of the creditors' estate would result if further federally guaranteed trustee certificates were issued with high priority upon liquidation. The situation on the Rock Island today, of course, is materially different from that on the Penn Central. In the case of the Penn Central, the debt was enormous. The common stockholders' equity over the years had been reduced to the point where the stock was virtually worthless upon liquidation. In the case of the Rock Island, however, the trading was suspended at $8 per share of common. The management of the Rock Island, in testimony before our committee, has estimated that the common equity in their company is between $75 and $100 per share. There is no doubt that the trustee of the Rock Island properties has adequate opportunity to issue trustee certificates in order to raise cash for continuing operations pending submission of a reorganization plan to the Court and to the Commission.

Therefore, Mr. President, it appears to the committee that the trustee of the Rock Island has adequate resources to continue operations without direct Federal loans or grants through calendar 1975, at the very least.

Mr. President, throughout the difficult weeks and months since the Rock Island management announced the current cash crises, I have been impressed by the thoughtful and prudent response of the various railway labor organizations who represent affected employees on the Rock Island lines. The representatives of rail labor have worked closely with the committee and staff throughout this process, and have sought with us an appropriate response which, in the long run, will ensure viable and comprehensive rail service to the affected region. As is always the case, the Railway Labor Executives in this crisis have been concerned not only for the positions of their members, but also for the communities and shippers served by this railroad throughout its 123-year history. On April 15, 1975, the Railway Labor Executives Association met in Washington to consider the Rock Island crisis. In the course of the meeting, a resolution was adopted which sets forth, in my judgment, a very responsible recommendation for the consideration of the trustee, the Court, the ICC, the Congress, and the administration.

Mr. President, I request unanimous consent that the text of the resolution on the Rock Island crisis, as adopted by the RLEA, be inserted in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

RESOLUTION

The Railway Labor Executives' Association meeting in Washington, D.C., April 15, 1975, hereby adopts the following resolution concerning Congressional action to preserve the Chicago, Rock Island and Pacific Railway and other railroads and their operations in the States of Colorado, Illinois, Iowa, Kansas, Louisiana, Arkansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, New Mexico, South Dakota, Tennessee, Texas and Wisconsin (herein referred to as the Midwestern Region).

Whereas, the Chicago, Rock Island and Pacific Railway and certain other railroads serve sixteen states in the Midwestern Region of the United States and are important connecting links in the commerce of the United States running on East-West and North-South main routes, as well as serving the entire region through numerous branch lines and secondary main lines. As an example, the Chicago, Rock Island and Pacific has a total trackage of 7,200 miles, operated by 11,000 employees; and

Whereas, the Chicago, Rock Island and Pacific Railway is in reorganization under Section 77 of the Bankruptcy Act as a result of its having insufficient funds to meet its debts as they matured and is unable to rehabilitate its lines of railroad, rolling stock, and other equipment in order to remain competitive and provide to the Midwestern Region of the United States efficient and reliable service; and

Whereas, the Chicago, Rock Island and Pacific Railway has been denied a guaranteed loan by the United States Railway Association, because the USRA Board of Directors has not considered such a loan guarantee to be permitted under the provisions of the Regional Rail Reorganization Act of 1973:

Now, therefore, be it resolved, that the Railway Labor Executives' Association, which Association represents 80% of the railroad employees in the United States, does hereby request the Congress of the United States to give the highest priority and favorable consideration to continuation and rehabilitation of the services of the Chicago, Rock Island and Pacific Railway as well as other railroads in the Midwestern Region through legislative action which would:

(1) Urge the Trustee of the Chicago, Rock Island and Pacific Railway to seek funds now available under the provisions of the Emergency Rail Services Act of 1970, in the form of loans secured by Trustee Certificates in amounts necessary to preserve service intact pending reorganization;

(2) Urge the Trustees to publicize receipt of adequate funds through the issuance of Trustee Certificates in order to restore shipper confidence in the continued operation of that railroad;

(3) Provide for emergency public service employment to rehabilitate railroad lines;

(4) Amend the Emergency Rail Services Act of 1970 as necessary to provide the required funds or amend the Regional Rail Reorganization Act in such manner as to permit the United States Railway Association to guarantee loans to the Chicago, Rock Island and Pacific Railway and other railroads in the Midwestern Region for the purpose of rehabilitation of said railroads' track, roadbed, related facilities and rolling stock in order to enable them to continue serving as important parts of our nation's railway transportation system; and

(5) Insure that the Midwestern Region of the United States has a healthy transportation system adequate to serve the present and future needs of that region and of the United States.

Mr. PEARSON. Mr. President, the RLEA in its resolution has recognized the affirmative duty of the trustee in bankruptcy to continue service pending submission of a plan of reorganization. In its resolution, the RLEA has urged the trustees to utilize available loan guarantees if such guarantees are needed to secure trustee certificates for the continuation of service in the affected 13-State region. The Congress is admonished to insure that adequate authority is available under either the Emergency Rail Services Act of 1970 or the Regional Rail Reorganization Act to facilitate financing in the private sector for this essential transportation purpose. Inasmuch as $23 million in unexpended obligational authority is now available under the 1970 act, it would be appropriate for Congress to defer consideration of any loan or guarantee program for the Rock Island until existing remedies in law are fully exhausted.

Mr. President, in the fifth paragraph of the RLEA resolution, the unions have petitioned the Congress to "insure that the Midwestern region of the United States has a healthy transportation system adequate to serve the present and future needs of that region and of the United States."

I fully endorse this position, and I am confident that our committee will continue to work for this goal in the months ahead.

Mr. President, the committee urges the Senate to approve S. 917, as reported, to insure that, under all circumstances, the ICC has adequate authority to assure a continuation of adequate and essential services on the Rock Island properties. The authority contained in S. 917, as reported by the committee, is comparable to authority contained in part 2 of the act with respect to motor carriers. Under the terms of the bill, the ICC is authorized, on an emergency basis, to grant a petitioning railroad temporary authority to operate properties of a defunct railroad if such temporary authority is essential to maintain services and to avoid destruction or injury to the properties of the defunct carrier.

Under the terms of S. 917, as reported by the committee, those employees of the Rock Island, or any other railroad in comparable circumstances, who might be affected adversely by any orders issued, would be assured fair and equitable arrangements by the ICC in its orders. Thus, I stress that the terms of S. 971 in no way disadvantage any railroad employee. On the contrary, the fair and equitable arrangements for affected employees insure that, in the event of a Rock Island collapse, additional employees would be protected who, under existing law, are assured no protection.

Mr. President, under existing law, the ICC has authority in section 1(16)(b) of the act to order profitable railroads to operate over the lines of a defunct carrier to perform essential services for up to 8 months. The Government would be obligated to reimburse the operating carrier under this provision of the act. Section 1(16)(b) authority is adequate to protect the most essential services; however, there are other services currently performed by the Rock Island which might not be continued. The authority contained in S. 917, if exercised by the Commission upon application by operating carriers, could expand the service program supervised and administered by the ICC following a Rock Island collapse. Therefore, it provides the Commission with a needed tool to insure that the most comprehensive possible service program and pattern be continued indefinitely.

Mr. President, S. 917, as reported by the committee, contains amendments recommended by the Department of Transportation to provide timely payment to operating carriers under section 1(16)(b). Under existing law, carriers ordered to operate essential properties of a defunct carrier under section 1(16)(b) could be required to wait many months before reimbursement by the Government. S. 917 contains an amendment to this subparagraph to provide monthly reimbursement to the operating carriers.

Mr. President, I would urge the Senate to approve S. 917 as a bill which could be useful in the event that, notwithstanding his authority to issue trustee certificates, the trustee in bankruptcy of the Rock Island properties decides that the railroad should be shut down.

Although the committee does not view it as appropriate for the trustee to terminate services on the Rock Island properties at this time, or in the foreseeable future, it is possible that he may descide otherwise. In the event that this latter decision is reached by the trustee, the terms of S. 917, as it is being considered in the Senate today, will provide an appropriate and needed response.

Mr. HARTKE. Mr. President, I wish to join my distinguished colleague, the ranking minority member of the Surface Transportation Subcommittee, Senator WEICKER of Connecticut in urging the Senate to pass S. 917. This bill is designed to authorize the Interstate Commerce Commission to grant temporary approval of the operation of one railroad by another railroad if failure to grant such temporary approval would result in destruction of rail properties or a substantial limitation upon their future usefulness in the performance of service to the public. The Interstate Commerce Commission already has similar authority under part II of the act, which deals with motor carriers, and this merely extends similar provisions to part I of the act in order to deal with a possible emergency in rail service.

The exercise of this ability would result in no direct cost to the Federal Government and could provide for the continuation of essential services on railroads where those services might be threatened with a cessation of operations. The legislation emerged from the cash crisis facing Chicago, Rock Island, and Pacific Railroad. Because of the precarious condition of the Rock Island one of the major carriers in the Midwest, my subcommittee recently held hearings on the possible legislative solutions to this crisis. At the time of the hearings, the Rock Island announced that it would soon run out of cash and would, therefore, be forced to embargo traffic and suspend service or enter reorganization proceedings under section 77 of the Bankruptcy Act.

Since that hearing the latter course of action has been followed, and reorganization court has appointed a trustee to oversee the Rock Island's operations. A recently granted rate increase by the Interstate Commerce Commission, in combination with the deferal of charges through the reorganization process, has led to a more favorable cash picture for the Rock Island. White the situation has somewhat stabilized, there still needs to be a long range planning effort and rehabilitation effort in the Midwest. I should caution my colleagues here in the Senate today that the bill before us merely provides the Commission with additional tools to deal with emergencies that might arise in the future—in my opinion, it probably does not provide the long range answer to the need to thoroughly upgrade the rail system serving the Midwest portion of the United States. In the coming days, the Senate Commerce Committee will be considering a number of pieces of legislation which are designed to make major policy changes toward rail transportation throughout the United States. Without these basic policy changes, not only will the Midwest be in further jeopardy, but the rest of the Nation should also expect to face serious crises in connection with the provision of essential rail services.

Mr. President, the hearings held by the Surface Transportation Subcommittee made it clear that the Rock Island is not the only railroad in the Midwest facing financial difficulties. At the same time, there was strong support for the view that the government should not immediately intervene with additional financial assistance other than that now provided by law to continue essential services in case one or more of these marginal carriers should be faced with a cessation of service. The Senate Commerce Committee evaluated all of the possible options for dealing with the need to upgrade rail service in the Midwest, and decided that substantial financial assistance should not occur without a coordinated planning effort to assure that that assistance creates a better long range system adequate to serve the needs of that region. The additional tools of S. 917 is designed to give the Interstate Commerce Commission will permit the ICC to assure the continuation of essential services while that long range planning effort is carried out. It allows other railroads to provide services on a temporary basis until a long term solution can be effectuated.

Mr. President, it has already been pointed out that this provision contains adequate labor protection provisions which will assure that fair and equitable labor protection conditions can be imposed by the Interstate Commerce Commission should it choose to exercise the authority granted by this legislation.

This legislation would also amend section 1(16)(b) of the Interstate Commerce Act to provide greater flexibility to the Commission in issuing emergency service orders under that provision of existing law. This minor technical change is also designed to insure that there will be adequate authority to continue essential operations in the event of a cessation of rail service by permitting a more timely payment to railroads ordered to take up service on the lines of another railroad. It is a measure of the health of the entire railroad industry that the Congress needs to address the payment periods for services performed pursuant to section 1(16)(b). The simple fact of the matter is that many railroads could not sustain a 180-day billing cycle; this amendment permits more frequent payments to insure an adequate cash flow.

Mr. President, I commend the efforts of the distinguished ranking minority member of the Commerce Committee, Mr. PEARSON, in introducing this bill. I feel it helps to assure the continuation of essential rail services should we be faced with more emergencies, and I commend its provisions to the Senate.

S. 917 is not the final solution to the rail transportation problems of the Midwest—or any other region, for that matter. When my subcommittee held hearings on the Rock Island crisis, it was clear that two actions by the Congress are necessary: First, action to deal with a possible cessation of service by a rail carrier such as the Rock Island that is financially unable to continue operations; second, long-range action designed to create a healthy rail system in the Midwest and the rest of our Nation. The reason that the committee decided not to grant massive assistance to the Rock Island is that the Rock Island is not the only rail carrier that is in financial trouble. In the Midwest, for instance, both the Chicago and Northwestern and the Milwaukee Road are in a relatively precarious state. Furthermore, there is a substantial amount of excess trackage in the Midwest—we do not need six mainline direct routes between Chicago and Omaha, for instance. If the sort of massive Federal assistance that would be required to rebuild the Rock Island were provided by the Congress, it would not solve the rail transportation problems of the Midwest. In fact, we would still be faced with a Midwestern rail transportation system burdened with excessive trackage and marginal rail carriers—even if the Rock Island became a healthy carrier.

Over the next months, the Senate Commerce Committee will be working on a more comprehensive approach to the rail transportation problems of not only the Midwest, but the entire Nation. We will be looking at rail trust funds, government ownership or assistance to rehabilitate roadbeds, and many other concepts designed to bring our rail transportation system to the place it needs to be. Another concept we intend to examine is the possible role of the U.S. Railway Association in the Midwest. A planning and consolidation effort in that region similar to the effort now underway in the Northeast may be necessary. It is clear, however, that funds should not be provided without a long-range plan for improvement. I think it is important to remember that the Commerce Committee has not recommended further interim operating assistance for the northeastern railroads such as the Penn Central without tying those funds to the development and implementation of a long-range plan designed to alleviate the problem. We do not intend to do so in the Midwest either.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. PEARSON. I was yielded to by the distinguished Senator from Indiana. With his concurrence, I am pleased to yield to the Senator from Nebraska.

Mr. CURTIS. I commend the distinguished Senator from Kansas for the time and attention he has given to this matter. As I understand it, without the passage of this bill, the only way service could be provided to those areas that must have it would be for the ICC to order that another company extend the service, and then pick up the check for all their losses; is that correct?

Mr. PEARSON. The Senator is substantially correct. Of course, the service could be continued by the order of the bankruptcy court. But if full service could not be assured under the bankruptcy proceeding, the Senator is absolutely correct: The only way to maintain service would be for the ICC to issue orders and the Federal Government would have to reimburse directed carriers to the extent that they do not earn a reasonable profit from such directed service.

Mr. CURTIS. But this will broaden the authority of the ICC, and put upon them the responsibility of shopping around to see if they can get another carrier to volunteer to serve the same lines without cost to the Government?

Mr. PEARSON. The Senator is correct.

Mr. CURTIS. And that is basically the reason for the statement in the report that:

> The administration of this act will entail no appreciable additional cost.

Mr. PEARSON. The Senator is correct.

Mr. CURTIS. It is true that we cannot turn the calendar back and complain about mistakes of the past; that does not solve the problem now. On the other hand, I think it is important that in all areas of the Government we do look at the mistakes of the past in order to avoid the same mistakes in the future.

It was quite apparent for a long time that the Rock Island was losing money and was headed for trouble, and an attempt was made to merge it with other roads in order to serve the public, and at the same time give to management a situation that apparently could operate without a loan.

Can the Senator tell us why that merger never went through?

Mr. PEARSON. The ICC did finally issue an order providing for a merger, but the merger proceeding is not administratively final. It has taken some 12 years, but that is because the parties to the merger proceeding have been contesting every step of the way. Procedures within the ICC and conflicting interests among the various parties drew this matter out to the extent that, as the Senator may know, it was the new Secretary of Transportation's recommendation in the past week that Congress act on some type of legislation which would remove merger proceedings from within the jurisdiction of the ICC.

So I would say to the Senator that there is a good deal of blame that can be passed around among all parties involved.

One of the reasons why it is suggested that perhaps there would be no really great chance for reorganization under the Bankruptcy Act is the fact that the track and roadbed maintenance has been deferred and the costs of building the railroad up are so very great. Nothing has been done for a long time. There is equity in the stock, trustee certificates can be issued, and there can be a maintenance of service as a result of the bankruptcy proceedings themselves. It is thought that this is a matter very much different from the Penn Central, in that the Penn Central was down to rock bottom, no equity was left in any stock, and the assets were being dissipated from day to day.

The point is that you cannot have merger proceedings and have them run through some 12 years and have any sort of viable solution.

Mr. CURTIS. If the Senator will yield briefly for an observation——

Mr. PEARSON. Of course.

Mr. CURTIS. I do not wish to unfairly reflect upon any member of the Interstate Commerce Commission, now or at any time in the last 50 years.

Mr. PEARSON. They are prisoners of their own rules and procedures.

Mr. CURTIS. In any personal way, or anyone that works for them. Nevertheless, of all the antiquated agencies of the U.S. Government, they get the prize. They have not changed their procedures in the last 100 years. Not only does it take 10 or 11 years to get an answer on a merger matter that is of vital importance, their other procedures are just as bad. I know of one situation where a fairly small truckline was being acquired by a railroad company. Year after year went by. The seller could not find out whether he should renew the insurance on his trucks, whether he should get new licenses, whether he should repair them, whether he should buy tires—the thing was just pending in Washington.

In this day and age that is intolerable, and I do direct this criticism, not against anyone personally, but against the institution of the ICC. Not only are their procedures and laws antiquated, and while it is true that Congress writes the laws, they have been on the spot in charge of this, charged with public responsibility to provide us with transportation, and they have not come before Congress often enough and with sufficient vigor to demand changes in laws and procedures so we could have an Interstate Commerce Commission that served the public interest in a quick, efficient, and just way.

I thank my friend for yielding.

Mr. PEARSON. I thank the Senator. I might say that I think this is meritorious, and that I hope we will do some good work in that field.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. PEARSON. I yield.

Mr. TAFT. First, I commend the Senator on his assessment of the problems of the ICC, which I have been studying over a period of years, and found them so complicated and frustrating that, in fact, I have been tempted from time to time to advocate the abolition of the ICC.

Mr. CURTIS. Well, I do that several times a year, when we cannot get boxcars. So far I have not succeeded, but I keep on trying.

Mr. TAFT. I do, too. But in connection with this particular matter, it seems to me, on initial, cursory examination of it, that even though we have a bankrupt company here, it is in the order that we would establish here that a railroad could come in and start operating with ICC approval over the tracks of the Rock Island; they would be doing so without any compensation, and I have serious question, from a constitutional point of view, whether that is possible if it is true. Will the Senator tell me whether or not in his opinion that is the case, or what was the resolution by the committee of that question?

Mr. PEARSON. The bill seeks to be implemented in this way: Railroads would petition the ICC for authority to operate over lines where service was essential and necessary. The ICC could then issue an order granting temporary operating authority. Any losses are to be borne by the railroads seeking permission to operate.

Mr. TAFT. That is, their revenues and their losses, if I understand the Senator correctly. It does not go to the question of what the interest of the stockholders or the creditors of the Rock Island might be with regard to being compensated for what is obviously, if there should be profits, something of some value.

Mr. PEARSON. The partial answer to that, of course, is that the Rock Island Railroad is now in bankruptcy proceedings under section 77.

Mr. TAFT. That is certainly true, but that does not mean——

Mr. PEARSON. Where the court has the authority not only to protect the interests of the creditors, but of all interested parties.

Mr. HARTKE. Mr. President, let me say to the Senator from Ohio that the situation is such that where the Rock Island is concerned, it would be impossible for it to successfully claim any right to reimbursement for usage of its track or other facilities.

Mr. TAFT. I agree, but it seems to me that if this is something of value that is being taken in this situation, and it is of some value because of the question of profit or loss in it, and there is some property there which ultimately would have to go to creditors for the Rock Island, I wonder if the trustee in bankruptcy would not have the obligation to bring a lawsuit to test this particular piece of legislation if we do not take care of this problem and compensate the Rock Island. What remains of the Rock Island and the various holdings in it for the use of the services of the line?

Mr. HARTKE. Let me say there are a number of things in this bill that are not as protective or generous as they could be, but I do not believe it would be subject to a successful lawsuit. In the first place, there is a limitation to the initial order of 180 days, to begin with. That is one provision.

If the Senator would read on page 8 of the report, if the Senator has that print

before him, if he will look down there, it is an initial period for not to exceed 180 days. It must be found that grant authority might result in destruction or injury to the property for them to go ahead and the operation; also if the Senator would read down to the next line:

> ". . . if it shall appear that failure to grant such temporary approval may result in destruction of or injury to such railroad properties or in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public:"

I do not know how one could draw it any more clearly. As far as Rock Island is concerned, they are in a position where a service which is necessary to the public would be continued; that the continuation of that service would be for a limited period of time, and that it would not result in the reduction of the usefulness of that property for the future.

Mr. TAFT. I understand that. But it still does not seem to me to answer the question of service having some value that it does have, and they would be interested in it. It is true it has a value. If you are going to take it away for 180 days, if you take a house away from somebody for 180 days, it is depriving him of property without due process of law.

Mr. PEARSON. May I say to the Senator the petitions which would come forward under this particular provision would be filed in anticipation of cessation of the service involved. The railroad not only is in bankruptcy but is about to shut down its operations.

In addition to that, the ICC, in the issuance of its orders, can attach such conditions as it deems necessary. They might very well do that in the face of any sort of a constitutional question.

Mr. TAFT. Does the Senator think they could require the payment before the service?

Mr. PEARSON. Yes, the bill provides for the attachment of terms and conditions.

Mr. HARTKE. Let me also say that it has repeatedly been held in situations of this kind that the requirement of public convenience and necessity, the requirement for public service there, carries with it certain obligations, and one of the obligations is to the public itself. When a carrier is relieved of that obligation, which under normal circumstances it would be required to perform, it is not only an advantage to them but also to the stockholders of the railroad, even though it is in reorganization. Of course, when they are in reorganization they are under the jurisdiction of the court to begin with.

This is a case of very limited application. What we are saying is it is very limited but, at the same time, it is a very specific case we are addressing ourselves to, and that is the immediate question of the Rock Island Railroad. It is not one which is going to be unique, in my judgment.

Mr. TAFT. If the Senator will yield further, there is no question, I take it, that the Rock Island or the trustee in bankruptcy for the Rock Island actually owns the right-of-way involved.

Mr. HARTKE. Yes, they own it; and they have an obligation to use it, and that obligation, if it is not fulfilled, then three is an obligation to permit someone else to provide for that service.

Mr. TAFT. But the Senator does agree that the ICC, in arranging and approving the use of the track by others, can order compensation to the Rock Island if they find it necessary.

Mr. PEARSON. I might say to the Senator that the law already on the books today, section 1(16)(b)of the Interstate Commerce Act, says that the ICC has the authority when there is a cessation of service to order other railroads to provide that service, and if it does so the Federal Government must reimburse directed carriers to the extent that directed service does not result in a reasonable profit. That comes out of the Federal Treasury.

This is an additional provision which is voluntary in nature, which is not meant—I want to emphasize—to implement the merger plan which has been developed after some 12 years of study, but it provides that the carrier applying for temporary authority would bear any losses.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PEARSON. Yes; I yield to the Senator.

Mr. MANSFIELD. Mr. President, I feel somewhat like the Senator from Nebraska (Mr. CURTIS) and the Senator from Ohio (Mr. TAFT) about the ICC. It seems as if every time a railroad which crosses the State of Montana applies to the ICC for a rate increase, it is automatically granted, and it is granted in a hurry.

I introduced a bill some years ago—not too many years ago—to abolish the ICC because it is not only the rate structures which they increase all the time, but it is also the lack of boxcars to take care of our wheat and other commodity shipments from the State of Montana east and west.

I believe I read in the newspaper the other day that the trustees in bankruptcy of the Penn Central got pretty hefty raises in their pay; is that true?

Mr. PEARSON. I think that is correct.

Mr. MANSFIELD. Whereas on the Rock Island there have been firings and reductions in pay.

Mr. PEARSON. The Senator is correct.

Mr. MANSFIELD. Now, on page 8 it states under "Estimated Cost of the Legislation":

> The administration of this act will entail no appreciable additional cost.

Can the Senator inform the Senate what he means by no appreciable additional costs in the figures?

Mr. PEARSON. The whole thrust of the bill is to provide service at no additional cost to the Federal Government, I would assume that that language was put in there because there might be additional costs in the administration in the ICC itself.

Mr. MANSFIELD. In the ICC?

Mr. PEARSON. In the ICC itself.

Mr. MANSFIELD. How many commissioners does the ICC have and how big a staff does it have? Eleven commissioners. I think it might be well if that could be furnished for the RECORD. It is a big old outfit. It has a lot of clout. It has helped to create a bureaucracy which, I am sure, has not shrunk with the years any more than any other Government bureaucracy.

Mr. PEARSON. If the Senator will yield, I am told the estimated number of the staff of the ICC is in the range of 2,000.

Mr. MANSFIELD. 2,000.

Now, S. 917 is:

> A bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

What is the Commission's final determination going to be? Does the Senator have any idea?

Mr. PEARSON. The final determination of the reorganization of the railroad itself.

Mr. HARTKE. Let me make two points on that, if the Senator will yield.

Mr. PEARSON. I yield.

Mr. HARTKE. First, a railroad. It can be renewed by the commission under certain conditions. But these railroads are in reorganization, which means, very simply, under chapter 77 of the bankruptcy law that they are being administered by trustees under the jurisdiction of the court.

The ultimate determination of that, certainly, is not going to be made by the Interstate Commerce Commission. The ultimate decision is going to be made within the framework of the court, or other than that, within the framework, hopefully, of some type of legislative procedure which we can come forward within the future.

But as far as the Rock Island is concerned at this moment, that provision in the title of the act means, very simply, this is temporary authority granted by the Interstate Commerce Commission within the framework of the overall jurisdiction of the reorganization court.

Mr. MANSFIELD. I thank the Senator.

Mr. HARTKE. Let me point out one other thing. I doubt whether there would be any cost whatsoever under this bill. I really cannot see it, but I think rather than have a flat statement that there would be no cost whatsoever, it was our judgment if there was some additional administrative cost—such as sending people out there to do the work, or something of that kind which could not be performed under our procedures—would be providing some protection. There is no anticipation of any additional cost.

Let me say one thing to the Senator from Ohio about the constitutional and legal question. Under the cases and under the testing of the constitutionality of the Regional Reorganization Act. I think this matter has been really thoroughly litigated. I do not believe it is open to question whatsoever.

Mr. TAFT. I thank the Senator for his comments.

Mr. HARTKE. Let me make one further comment. There is always the provisions of the Tucker Act. If there has been some undue taking under the due process clause, that always is available.

But let me say, I do not think it would be available under this legislation. I think it is available, but I do not think it would apply.

Mr. TAFT. It would not apply because the Senator feels if compensation is due, the ICC——

Mr. HARTKE. That is right. I think Senator PEARSON put his finger on that. But no compensation is justified.

This authority is already contained in section 2 of the Interstate Commerce Act in regard to motor carriers. It is not new in that regard.

Mr. TAFT. The motor carriers run on the public highways, not on the right-of-way run by the trustee in bankruptcy.

Mr. HARTKE. It is basically the same thing. They receive their certificate of public convenience and necessity. They receive their certificate and authorization to go over these routes and that certificate has with it an obligation of performance.

Mr. TAFT. That is correct.

Mr. HARTKE. And with that obligation in performance, when they cease to perform that service, that in and of itself——

Mr. TAFT. But the trustee in bankruptcy of the Rock Island does not own his right-of-way.

Mr. HARTKE. The trustee in bankruptcy——

Mr. TAFT. He may to operate, but not on the right-of-way.

Mr. HARTKE. He owns the right-of-way and also to use that right-of-way, but when he fails in that performance he has forfeited his rights. In any case, they are losing money.

Mr. TAFT. I will not press the amendment at this time, but I have read the language of the act. I think the implications of it are to the contrary. Perhaps by legislative history here, we have established legislative history to say the ICC does have authority to pay compensation if required, but I do not read the language that way.

In fact, the prior clause relating to protecting the fair and equitable arrangement, protect the interests of the railroad employees, would seem to imply to me, perhaps, there is not anybody else that——

Mr. PEARSON. May I respond to the Senator by saying that I am not certain that the language was drawn at the time to anticipate the issue that the Senator has properly raised, but I think there is authority there, and will say so in relation to the legislative history, that that kind of condition could be implied and enforced by the ICC in granting the petition, or that, as the Senator from Indiana said, the Tucker Act is still there to compensate carriers.

Mr. TAFT. I thank the Senator for that remark. I think that does pretty clearly establish legislative history.

Mr. PEARSON. Will the Senator yield for a second?

The PRESIDING OFFICER (Mr. HATFIELD). The time of the Senator from Kansas has expired.

Mr. HARTKE. I yield the Senator additional time.

Mr. PEARSON. I thank the Senator from Indiana.

Mr. HARTKE. Mr. President, I have no further comments to make and I am ready for the third reading of the bill.

Mr. DOLE. Will the Senator yield

Mr. HARTKE. Yes.

Mr. DOLE. Mr. President, although I have no particularly strenuous objection to this bill—and in fact recognize there may come a time when the authority it provides could be useful—I question just how necessary it really is in dealing with the immediate problems involving the Rock Island Railroad.

As originally conceived, that is, S. 917 sought to permit what would amount to implementation of a temporary merger arrangement between two willing carriers. Specifically, it would have allowed principally the Union Pacific—through mandate of the ICC—to proceed with its operation of Rock Island routes pending final formal approval of a consolidation between the two lines.

Now, however, Union Pacific has disaffirmed its merger intent and presumably would not be agreeable to taking over Rock Island services on that basis. Moreover, the Rock Island's own bargaining position is at best clouded by its section 77 reorganization status.

I am a little concerned, therefore, that until Rock Island's ultimate destiny can be determined, this legislation may further complicate and confuse matters. There might even be a serious constitutional problem arising if, for example, another carrier who desires a "piece of the Rock" makes the designated application to the ICC who—in all its wisdom—determines that the "substantial destruction" or "future usefulness" requirements have been met with respect to a part of the Rock Island properties.

Of course, we are supposed to assume that this bill contemplates a partial shutdown or discontinuation of essential services—but it does not, after all, say that. Accordingly, we could fully expect—in the case of an ICC finding with which the Rock Island or a carrier in similar circumstances does not acquiesce—the authority provided by S. 917 to be challenged in Court.

While I am not inclined to vote against this measure in the event a rollcall is taken, I really believe we could better concentrate our efforts on other proposals—such as that introduced with my cosponsorship by the distinguished Senators from Oklahoma and Arkansas (Mr. BARTLETT and Mr. McCLELLAN). I refer to S. 1306, which would go a long way towards stabilizing the Rock Island situation until a longer-range solution can be worked out.

The PRESIDING OFFICER. The clerk will report the first committee amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

COMMITTEE AMENDMENTS

On page 1, beginning on line 8, strike out the following:

"(g) Pending the determination of an application filed with the Commission for approval of a consolidation or merger of the properties of two or more carriers by railroad; or of a purchase, lease, acquisition of control, or contract to operate the properties of one or more carriers by railroad; or of acquisition by a carrier by railroad of trackage rights over, or joint ownership in or joint use of any railroad line or lines owned or operated by any other such carrier, and terminals incident thereto,"

And insert in lieu thereof:

"Upon application by a carrier by railroad";

On page 2, in line 9, following the word "Grant", insert the words "such carrier"; in line 10, following the words "180 days," strike the words "of the operation of" and insert the words "to operate"; beginning in line 11, following the words "railroad properties" strike out the words "or property rights sought to be acquired by the party or parties proposing in such pending application to acquire such properties or property rights," and insert the words "owned or operated by another carrier by railroad,"; beginning in line 17, following the word "or" strike the words "property rights sought to be acquired, or to interfere substantially with" and insert the words "in a substantial limitation upon"; beginning in line 20, following the word "public" strike the period and insert the following:

": *Provided*, That as a condition of its approval of any such application under this subparagraph, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected.";

On page 3, beginning in line 2, following the word "warrant" strike the period and insert the following " , including but not limited to terms and conditions providing for modification or revocation of such order."; beginning in line 4, strike out the words "Extension of such temporary authority beyond 180 days may be determined by the Commission" and insert the words "The Commission may extend such temporary authority beyond 180 days"; beginning in line 7, following the word "or" strike out the words "it may determine the need therefor"; beginning in line 8, following the word "initiative." ." insert the following:

"Every 60 days, the Commission shall report to the Congress upon the effect of all such orders issued under this subparagraph in effect during such 60-day period on competition between carriers by railroad subject to this part: *Provided*, That such a report shall not be required for any such period during which no such orders are in effect.";

Beginning on line 15, insert a new section as follows:

"SEC. 3. (a) Section 1(16)(b)(A) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(A)) is amended to read as follows:

"(A) Such direction shall be effective for no longer than 60 days unless extended or renewed by the Commission for cause shown for an additional period or periods. Such additional period or periods shall not exceed in the aggregate 180 days. At the time of any such extension or renewal, the Commission may alter or amend its direction with respect to such carrier by substituting an-

other carrier or carriers for a directed carrier, or otherwise.".

(b) Section 1(16)(b)(E) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(E)) is amended by striking "90 days after expiration of such order" and inserting in lieu thereof "30 days after the last day of each calendar month during which such costs are incurred".;

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Railroad Temporary Operating Authority Act".

SEC. 2. Section 5(2) of the Interstate Commerce Act (49 U.S.C. 5(2)) is amended by adding at the end thereof the following new subsection:

Upon application by a carrier by railroad the Commission may, in its discretion, and without hearing, grant such carrier temporary approval, for a period not exceeding 180 days, to operate all or part of the railroad properties owned or operated by another carrier by railroad, if it shall appear that failure to grant such temporary approval may result in destruction of or injury to such railroad properties in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public: *Provided*, That as a condition of its approval of any such application under this subparagraph, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. The Commission may, in its discretion, attach to any order granting such temporary approval such terms and conditions as in its judgment the circumstances surrounding such temporary approval shall warrant, including but not limited to terms and conditions providing for modification or revocation of such order. The Commission may extend such temporary authority beyond 180 days upon written request by an interested party, or upon its own initiative.". Every 60 days, the Commission shall report to the Congress upon the effect of all such orders issued under this subparagraph in effect during such 60-day period on competition between carriers by railroad subject to this part: *Provided*, That such a report shall not be required for any such period during which no such orders are in effect.

SEC. 3. (a) Section 1(16)(b)(A) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(A)) is amended to read as follows:

"(A) Such direction shall be effective for no longer than 60 days unless extended or renewed by the Commission for cause shown for an additional designated period or periods. Such additional period or periods shall not exceed in the aggregate 180 days. At the time of any such extension or renewal, the Commission may alter or amend its direction with respect to such carrier by substituting another carrier or carriers for a directed carrier, or otherwise.".

(b) Section 1(16)(b)(E) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(E)) is amended by striking "90 days after expiration of such order" and inserting in lieu thereof "30 days after the last day of each calendar month during which such costs are incurred".

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. WEICKER. Mr. President, the legislation before the Senate for consideration at this time was introduced by the distinguished ranking minority member of our Committee on Commerce (Mr. PEARSON), for himself, and Senators CLARK, CULVER, HUMPHREY, and MONDALE. It would amend the Interstate Commerce Act so as to authorize the Interstate Commerce Commission—ICC—to grant temporary operating authority to a carrier by railroad to operate all or part of the railroad properties operated by another carrier by railroad; and, more specifically, it is designed to vest in the ICC the complete authority needed to insure the continuation of essential rail services in the region served by the Chicago, Rock Island, and Pacific Railroad Co.—Rock Island.

Mr. President, the Rock Island in recent weeks entered reorganization under section 77 of the Bankruptcy Act. It has a severe cash shortage problem which might at any time necessitate cessation of its rail service. Such a cessation of rail service by the Rock Island would result in significant economic hardship to the affected region. The Rock Island operates more than 7,000 miles of rail lines in 13 Midwestern States and employs approximately 10,000 people. While several other railroads provide competitive service in the Rock Island's territory, the Rock Island is the only carrier available to a substantial number—as much as 30 percent—of the shippers in the affected region. For example, 180 grain elevators in Kansas depend exclusively for rail service on the Rock Island. The Federal Energy Administration estimates that alternative motor carrier service for these elevators could require 669,000 movements per year and could consume as much as 22.2 million gallons of diesel fuel. Thus, continuation of many of the services provided by the Rock Island is essential to the maintenance of the economy in the affected region.

Mr. President, I am well aware of the reluctance of many members of this body to extend additional financial assistance to marginal railroads. Certainly, that issue has been fully aired in this chamber during the deliberations on the Regional Rail Reorganization Act of 1973 and amendments thereto. However, Mr. President, S. 917 would not provide any financial assistance to the Rock Island or any other railroad. Rather, it would provide the ICC with the authority necessary to continue Rock Island services without such assistance in instances when other railroads are willing to operate Rock Island properties on a temporary basis.

Mr. President, I find myself once again taking the floor to manage an emergency bill to address the impending collapse of a major American railroad. Once again the Federal Government is stepping into the breach to provide for continuation of vital rail services to communities in the several States.

Mr. President, as I have repeated time and again, it is becoming increasingly difficult for me to sponsor and sell stopgap measures to prop up our deteriorating railroads. Earlier this year, it was a bailout for the bankrupt Penn Central; today we propose to allow the ICC to grant temporary operating authority to other rail carriers to operate the properties of the Rock Island; tomorrow, who knows what patchwork scheme will be advanced to save rail service in one part or another of the country?

Mr. President, I confess my frustration with the pending legislation. On the one hand, it embodies a reasonable interim solution in situations when a railroad is unable to continue service by expanding the options available to the ICC before the actual crisis situation. On the other hand, little in the way of a cure, let alone a proper diagnosis, of the sickness that is sapping the life out of the railroad industry has been forthcoming.

Therefore, I call on my colleagues to focus on those initial efforts by the U.S. Railway Association, the Rail Services Planning Office, the Department of Transportation, and others, to develop a comprehensive plan to put the Nation's railroads on the right track as a viable, competitive, and energy-efficient transportation mode for America's future.

The Congress has acted to resolve the railroad problem in the Northeast region of our country, and I believe it should also take action with regard to similar problems in the Midwest and other regions. Therefore, pending a comprehensive resolution of the problems confronting all of our Nation's railroads, I urge the favorable consideration by the Senate of the pending bill, S. 917, as an appropriate response to the critical situation confronting the region served by the Rock Island.

Mr. BARTLETT. Mr. President, when S. 917 was originally introduced in the Senate on March 3, 1975. I had asked that my name be added as a cosponsor to that bill. It was my opinion that the best solution to the Rock Island crisis was to allow the railroad industry itself to solve its problems by expediting a long-sought merger between the Union Pacific Railroad Co. and the Chicago, Rock Island & Pacific Railroad Co.

The Union Pacific has since indicated that it is no longer interested in a merger, and the Rock Island filed for reorganization in bankruptcy on March 17. Therefore, S. 917 no longer offers the solution for which it was originally introduced.

S. 917 places discretionary power in the Interstate Commerce Commission—ICC—to order the temporary operation of one railroad by another railroad, "if it shall appear that failure to grant such temporary approval may result in the destruction of or injury to such railroad properties or in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public."

I have serious reservations about the ability of the ICC to carry out the new discretionary powers it would have under this bill in light of its ability to carry out its responsibilities under the Interstate Commerce Act as it is now written and under which it has operated for many years.

My distinguished colleague from Ohio, Senator TAFT, has raised serious questions regarding the constitutionality of this bill and I share those concerns also.

This bill does not help the Rock Island. It does potentially contain provisions

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that could be harmful to other railroads that are in a financially unstable condition.

I am deeply concerned also that the Commerce Committee has suggested in its report—S.R. 62—on page 7 that:

> Future action may include the need for reorganization of the railroads in the Midwest under a plan similar to that provided for the railroads in the Northeast and Midwest in the Regional Rail Reorganization Act of 1973.

If the railroad reorganization of the Northeast is an example of a solution for the problem of the railroads of the Midwest, I oppose such an approach, just as I oppose this bill.

Mr. President, I ask unanimous consent that my name be withdrawn from S. 917 as a cosponsor.

The PRESIDING OFFICER. Without objection, its is so ordered.

Does the Senator from Indiana yield back his time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HARTKE. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I yield back the remainder of my time.

Mr. PEARSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (S. 917) was passed.

The title was amended so as to read:

> A bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad and for other purposes.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill (S. 917) be printed in the RECORD as passed, and that copies be printed for the use of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 917) as passed, reads as follows:

S. 917

To amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Railroad Temporary Operating Authority Act".

SEC. 2. Section 5(2) of the Interstate Commerce Act (49 U.S.C. 5(2)) is amended by adding at the end thereof the following new subsection:

"(g) Upon application by a carrier by railroad the Commission may, in its discretion, and without hearing, grant such carrier temporary approval, for a period not exceeding 180 days, to operate all or part of the railroad properties owned or operated by another carrier by railroad, if it shall appear that failure to grant such temporary approval may result in destruction of or injury to such railroad properties or in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public: *Provided*, That as a condition of its approval of any such application under this subparagraph, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. The Commission may, in its discretion, attach to any order granting such temporary approval such terms and conditions as in its judgment the circumstances surrounding such temporary approval shall warrant, including but not limited to terms and conditions providing for modification or revocation of such order. The Commission may extent such temporary authority beyond 180 days upon written request by any interested party, or upon its own initiative. Every 60 days, the Commission shall report to the Congress upon the effect of all such orders issued under this subparagraph in effect during such 60-day period on competition between carriers by railroad subject to this part: *Provided*, That such a report shall not be required for any such period during which no such orders are in effect.".

SEC. 3. (a) Section 1(16)(b)(A) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(A)) is amended to read as follows:

"(A) Such direction shall be effective for no longer than 60 days unless extended or renewed by the Commission for cause shown for an additional designated period or periods. Such additional period or periods shall not exceed in the aggregate 180 days. At the time of any such extension or renewal, the Commission may alter or amend its direction with respect to such carrier by substituting another carrier or carriers for a directed carrier, or otherwise.".

(b) Section 1(16)(b)(E) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(E)) is amended by striking "90 days after expiration of such order" and inserting in lieu thereof "30 days after the last day of each calendar month during which such costs are incurred".

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet tomorrow at 11 a.m., following a recess. After the two leaders or their designees have been recognized under the standing order, Mr. TAFT will be recognized for not to exceed 15 minutes. Mr. JAVITS will then be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period.

At the conclusion of routine morning business, the Senate will proceed to the consideration of Senate Concurrent Resolution 31, relating to a determination of the congressional budget of the U.S. Government.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 2:53 p.m. the Senate recessed until Tuesday, April 29, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate April 28, 1975:

LEGAL SERVICES CORPORATION

The following-named persons to be members of the Board of Directors of the Legal Services Corporation for the terms indicated (new positions).

For a term of 2 years commencing upon the date of the first meeting of the Board:

Marshall Jordan Breger, of Texas.
William J. Janklow, of South Dakota.
William L. Knecht, of California.
Rodolfo Montejano, of California.
Samuel D. Thurman, of Utah.

For a term of 3 years commencing upon the date of the first meeting of the Board:

Roger C. Cramton, of New York.
Edith Green, of Oregon.
Robert J. Kutak, of Nebraska.
Revius O. Ortique, Jr., of Louisiana.
Glee S. Smith, Jr., of Kansas.
Glenn C. Stophel, of Tennessee.

NATIONAL TRANSPORTATION SAFETY BOARD

Isabel A. Burgess, of Arizona, to be a member of the National Transportation Safety Board for the term expiring December 31, 1979 (reappointment).

IN THE NAVY

The following-named officers of the Navy for permanent promotion to the grade of lieutenant commander.

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Lieutenant commander

Abbey, Donald Lewis
Abbey, James Robert
Abel, Warren Robert
Abrams, Steven Selby
Adair, Roy Ernest, Jr.
Adams, Charles Edward
Adams, Chester Anthony
Adams James Winston
Adams, John Robert
Adams, William Victor, Jr.
Addicott, Raymond Walter
Afdahl, Darwin Frank
Agnew, Alfred Howard
Agnew, James Robert
Ahern, David Gaynor
Ahlborn, Edward Richard, Jr.
Albaugh, Cleve Willis
Albright, Richard Charles
Albright Robert Ernest
Alcorn, Wendell Reed
Allen, Henry Carter
Allen, John E
Allin, John Wilfrid
Allison, William Stuart, III
Allwine Robert Anderson
Althouse Thomas Stephenson
Amundsen, Richard Oliver, Jr.
Anawalt Richard Arthur
Andersen, Franklin Dayle
Andersen Oliver Lorrain
Anderson, Gerald Lee
Anderson, Raymond Charles
Anderson, Richard Arnold
Anderson, Richard Glenn
Anderssen, Arthur Harald

Andrews, James Randolph
Andrews, Larry Joe.
Andrews, Michael Keeney
Andridge, Phillip Carl
Anselmo, Philip Shepard
Anson, Robert, Jr.
Antrim, Benjamin Franklin, III
Arnest, Charles Sherman
Arnold, David Phillips
Arnold, William Knowles, Jr.
Arnold, William Tamm
Arthur, John Robert, Jr.
Astor, Lawrence Ira
Aubuchon, Robert George
Aucella, John Paul
Auer, James Edward
Austin, Donald Gene
Austin, Leon
Austin, Michael Gaylord
Avery, Donald William, Jr.
Avery, Robert Young
Babb, Dewey Eugene
Baffer, Roger Alexander
Bagby, James Lovelace, Jr.
Bailey, Howard Lindy
Bailey, James Lindsey
Bailey, Larry Wayne
Bailey, Larry Weldon
Baird, Don Wilson
Baker, Brent
Baker, David James
Baker, John Lee
Baker, John Sherman
Baker, Milton Sumner, Jr.
Baker, Willard David
Baldwin, John Milton, III
Baldwin, Richard Charles
Balian, Alexander George
Ball, Harry Francis, Jr.
Ballard, Don Eugene
Baltutis, John Stanley
Balut, Stephen John
Barbour, Richard Elwood
Bard, Albert Eugene
Barker, Ross Daniel
Barnes, Harlan Leslie
Barnes, James Clayton, Jr.
Barnett, William Richard
Barney, William Clifford
Barnicle, Paul Edward
Baron, Michael
Barrow, Edward M., Jr.
Barrows, Blair
Barthold, Todd Alan
Bartlett, Robert Charles
Bartol, John Hone, Jr.
Bartolomei, Marino James
Barton, William Robert
Bassett, Larry Allen
Bates, Allen Webster, Jr.
Bates, Robert Carroll
Batie, Howard Franklin
Batti, Donald Edward
Batzel, Thomas Joseph
Bauer, Wayne Edmund
Baumhofer, William James
Beal, Richard Frank
Beall, David Albert
Bealle, William Edgar
Bean, Charles Dunbar
Beasley, Fenn Coffin
Beaton, John Hudson
Becker, Dennis Edward
Beckham, Robert Frederick
Beedle, Ralph Eugene
Begley, Jerry Noonan
Behrend, Robert Michael
Beland, Conrad Lucien
Belanger, Raymond Louis
Bell, Corwin Allan
Bell, Denis Joseph William
Bell, Merlin Gene
Bellingham, Herbert John
Bellis, James Richard
Belmore, Richard Kenneth
Belton, David Calvin
Benepe, John Wesley
Bennett, Paul Lawrence
Bennett, Richard Allan
Bennitt, Brent Martin
Berg, John Stoddard
Berigan, Francis Michael
Berkey, Thomas Joe
Berry, Billy W.
Berry, John David
Berry, Russell Elliott, Jr.
Betzner, Hugh William, Jr.
Beumer, Theodore Herman
Beyer, Dean Harder
Beyman, David Earl
Bezrutch, Rudolph Art
Bierig, Frederick Arthur
Bilbrey, Harlan Kenneth
Billingsley, Christopher
Bisbing, Raymond Harvey
Bishop, Joseph Brooke
Bissonnette, Laurence Arthur
Bivins, Howard Vernon
Bjorkner, Arthur Charles
Blakeley, William Robert
Bledsoe, John Francis
Blesch, Jerry Morgan
Blevins, Ladelle F.
Blumberg, Lawrence Bertram
Blunden, Alec Reginald
Bogard, Thomas Hugh
Boggess, Randolph Cowan
Bohley, Carl Martin
Bohn, Charles Joseph, Jr.
Bole, Robert Fulton, Jr.
Bolka, David Frank
Bonds, John Bledsoe
Boone, George Junior
Borghoff, Francis A.
Boss, Ronald Arthur
Boston, Michael Rhodes
Boswell, Dale Eugene
Boughton, Louis Charles
Bowers, Fred Forest
Bowes, William Charles
Bowman, Terry L.
Boyce, Robert William
Boyd, John Theodore
Boydston, James Laymance
Boyer, Philip Albert, III
Bradberry, Brent Alan
Bradshaw, Wilton Drexel
Braham, Donald Francis
Branch, Allen Drue
Brauer, Gordon Richard
Brayton, Gerald Ray
Brennan, Michael John
Brennan, William John
Brickett, John Francis
Bright, Calvin Fred
Brink, James Andrew
Brittingham, Edward Michael
Brodehl, Richard Brian
Brokaw, Charles Roger
Bronson, Marshall Wilkes
Brough, Robert Franklyn
Brown; Carroll Dean
Brown, Charles Franklin
Brown, David Charles
Brown, Donald Hugh
Brown, Emory Worth, Jr.
Brown, George Elliott, Jr.
Brown, Hal Gibbs
Brown, Joseph Richard
Brown, Joseph Zachariah
Brown, Noel Warren
Brown, Ronald Lee
Brown, William Bruce
Browne, Joseph Majette
Browning, Robert Eugene
Brucato, Philip Edward
Brun, Charles Robert
Brunelle, William Thomas
Brunhaver, Richard Marvin
Brunner, Maurice Thomas
Bryant, Herbert Victor
Bryant, James Culver
Bryant, William Harry
Buchans, James Curtis
Buck, Arthur Edwin, Jr.
Buckley, Peter Patrick
Buckley, Thomas Daniel
Buckley, William Clayton
Buell, Kenneth Richard
Buescher, Stephen Meredith
Bugg, William Edmunds
Bunn, Ronald Roy
Burch, Othney Phelps
Burcham, Devirda Houston, II
Burges, Rufus Thurman, Jr.
Burgess, Andrew Lynn, Jr.
Burgett, Bernard Edward
Burke, Gary Leigh
Burke, Kevin James
Burke, Michael Edward
Burns, Robert Louis
Burrell, Donald Overt, III
Burritt, James Graham
Burrows, John Shober, III
Burt, John Alan
Burtram, Roderick
Bussey, Laurence Throckmort
Bustamante, Charles Joseph
Butler, Francis Wayne
Butler, John Harrison
Byers, John Arthur
Byrnes, David Thomas
Byrnes, Henry Francis, Jr.
Cablk, Steven Richard
Cacchione, David Americo
Cahill, Allen Lewis
Calande, John Joseph, Jr.
Calhoun, Ronald Joel
Callahan, Paul Lawrence
Calvano, Charles Natale
Camp, Norman Thomas
Campbell, Guy Reeder, III
Canaday, Carlton Weaver
Canady, Paul Allen
Canepa, Louis Robert
Capewell, John, Jr.
Capie, Donald James
Carder, William Hunter
Carl, Lester William
Carlmark, Jon William
Carlson, John Algot
Carman, Jesse Logan
Carney, James Allen
Carpenter, Allan Russell
Carroll, Hugh Edward, II
Carson, Joe Warren
Carswell, Herschell Ronald
Carter, Clyde Louis
Carter, James O'Neill
Cash, Roy, Jr.
Cashin, Joseph William, Jr.
Cassidy, Tom Kenneth
Cassiman, Paul Arthur
Cerstvik, John Theodore
Chadwick, Stephen Kent
Chafin, Thomas Lee
Challender, Jack Lee
Chapman, Austin Eugene
Chappell, Stephen Francis
Charette, Alfred Arthur, Jr.
Charles, David Montgomery
Chasteen, Robert Wayne
Chauncey, Gregory Arthur
Chesbrough, Geoffrey Lynn
Chesser, Marvin Brooks, Jr.
Chester, James B.
Christensen, Clyde Vernon
Christensen, Edward Louis
Christensen, George Ainswor
Churbuck, James Forrest
Cima, Frank John
Ciszewsyi, Robert Allen
Clair, Robert Arthur
Clarey, Stephen Scott
Clark, Arthur
Clark, Arthur Doron
Clark, David George
Clark, Hiram Ward, Jr.
Clark, Howard Bowman
Clark, Vady Robert
Clark, Walter Thomas
Clark, William Thorkel
Clarke, Edward Joseph
Clason, Aryl Benton
Cleary, Francis Paul
Clemenger, John William
Cline, Robert Neil
Clow, Wallace Gilbert, Jr.
Coates, Thomas Ashley
Cochran, Frederick Franklin
Cockrell, Milford Norman, Jr.
Coffey, John Andrew
Cohen, Steven Robert

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Colavito, Thomas Joseph
Cole, Legrande Ogden, Jr.
Coleman, Jon Suber
Coleman, Thomas Milton
Collins, Richard Xavier
Collins, William Gerard, Jr.
Collman, Charles Bonham
Colthurst, Wallace R.
Colucci, Anthony Robert
Comfort, Anthony Jerome
Compton, Andrew Jerome
Comstock, George Alfred
Conley, Dennis Ronald
Connolly, Michael Brian
Conrey, Thomas Rolland
Conway, Frank Mark III
Cook, Bruce Conrad
Cook, Douglas Watkins
Cook, John Francis, Jr.
Cook, Raymond Lee
Cooke, Oren Boyd
Cooper, George Thomas
Copeland, Aaron Clifford
Corcoran, Joseph Francis
Corgan, Michael Thomas
Corn, Robert Holt
Cornia, Howard
Coshow, George Horace II
Costelli, John Patrick II
Coulter, William Laurence
Coupe, Jay, Jr.
Cousins, Belmont William
Covey, Robert Wesley
Covington, William Ellerbe
Coward, Asbury IV
Cowart, John Michael
Cox, John Hannan
Cox, Landon Greaud, Jr.
Cox, Virgil Glenn
Craddock, John Raymond
Craft, James Harris
Craig, Philip Charles
Crane, Mark Francis
Crawford, Leslie Paul
Creighton, Charles Benson
Creps, Stephen George
Cressy, Peter Hollon
Croix, Larry Edmond
Croll, Larry Richard
Cronin, Michael Paul
Crooks, Richard Alan
Crooks, Stephen Chapman
Cross, Stanley Owen
Crossman, Walter Augustine
Crow, Robert Lee
Crowe, Lucious Brannon
Crowley, Edward Joseph
Crumly, Jerry MacLean
Cullipher, John Oscar
Culver, John Bergen III
Cummings, Vincent Paul, Jr.
Cunha, George Daniel Martin
Curran, Lawrence E.
Currey, John Michael
Currie, Daniel Lee, Jr.
Curtin, Andrew James
Curtin, Peter Maxime
Curtis, Richard Bradford
Curtis, Robert Edwin
Cybul, Harvey John
Dadant, Dennis John
Dade, Thomas Brodrick
Dahl, Dennis Kay
Daigle, Glenn Henri
Dalberg, Richard Leo, Jr.
Dalton, Clem Edward
Daley, Michael James
Dalrymple, Edward Kent
Dalton, Gerard Holbrook
Dalton, Henry Frederick
Daly, Edward Lawrence
Daniels, James Edward
Dannheim, William Taylor
Daramus, Nicholas Thomas, Jr.
Dau, Frederick W., III
Daugherty, Shaun Michael
Daughters, Milo Philip, II
Davidson, Alan Norton
Davidson, Dan Lee
Davis, Edward Anthony
Davis, Eugene Berkeley

Davis, Gerald, Jr.
Davis, Henry Hooper, Jr.
Davis, John C.
Davis, John Paul, Jr.
Davis, Martin Dorner
Davis, Milton Edwin, Jr.
Davis, Richard Clinton
Davis, Robert Lee
Davis, Thomas Cahill, Jr.
Day, Patrick Arthur
Decarli, Wiley Paul
Decker, Wilbur Leon
Declercq, Keith Laverne
Decrona, Donald Allen
Deevy, Thomas Joseph
Defloria, Joseph George, Jr.
Defries, Melton Ellis, Sr.
Dehnert, Charles Eugene
Dekker, Jon Karel
Deklever, Vaughn Gerard
Dekshenieks, Vidvuds
Delgaizo, Theodore John
Demark, Ramon Samuel
Demech, Fred Ralph, Jr.
Denault, Donald Raymond
Denning, William James, III
Dennis, James Augustin, Jr.
Denson, James Kitchel
Denton, William Howard
Derf, Tad Arlen
Dersham, Dayton Leisle
Desrosiers, Richard Albert
Deutermann, Peter Thomas
Dewey, John Robert
Dias, Gerald Freitas
Dick, Allen Howard
Diehl, Robert Walter Johns
Dietz, Gary Conrad
Dill, Donald Lloyd
Diselrod, John Edwin
Ditchey, Robert Louis
Ditmore, George Walter, II
Dix, Paul Grover
Dixon, Douglas Mack
Dobberteen, James David
Dodd, James Lloyd
Dollard, John Anthony
Domaloan, Paul
Donaldson, William Jay
Donahue, Drake Allen
Donegan, John Joseph, Jr.
Doney, John Harvey, III
Donn, Alan Henry
Donnelly, John Joseph
Donofrio, Anthony Louis
Dorman, Craig Emery
Dorman, Merrill Herrick
Dorsey, Medford Don
Doswell, Eugene Varnon
Doty, Wells Blakeslee
Dougherty, Robert Joseph
Downs, Charles Patrick
Doyle, Thomas Francis, Jr.
Drake, Albert Wayne
Drew, James Joseph
Driscoll, Kurt Allen
Droste, James Bentley
Dryden, Victor Duane
Dryden, William Thomas
Duchock, Charles Jack, Jr.
Duda, Daniel Martin
Duffield, Carper Paul, Jr.
Dufresne, Michael Paul, Jr.
Dukat, Frank
Duncan, Duane Stewart, Jr.
Dunlap, Calvin Ray, III
Dunlap, Howard Dewitt
Dunn, Anthony Thomas
Dunne, Gerald William
Dunstan, Richard Alan
Dunton, Lewis Warren, III
Durham, Dan Wilson
Durham, Jere Carlton
Durkee, Albert White
Earner, William Anthony, Jr.
Earnhardt, John Baughn
Easley, George Alfred
Eckstein, Eric Rockhill
Edgar, Peter David
Edge, Jacob, II
Edleson, Stuart Kaufmann, Jr.

Edmonston, Lee K.
Edwards, Joseph William
Edwards, L. Vernon, Jr.
Efird, William Alexander
Ehret, Howard Charles.
Eischen, Gerald Nicholas
Eissing, Frank Eugene III
Elberfeld, Lawrence George
Eldred, William Alexander
Elkins, Frank Callihan
Eller, John Christian
Ellis, George Jeremiah
Ellis, John Richard
Ellis, Richard Hoff
Ellis, William Christopher
Ellis, Winford Gerald
Ellison, William Theodore
Ellsworth, Thomas Burpee, Jr.
Elmore, Lawrence L.
Elrod, Stephen Anthony
Emarine, Larry Lee
Emerson, Norman Perry
Emery, George Williams
Endrizzi, Raymond Louis
Engman, Lee Mathew
Engwell, Darrel Wayne
Ennis, Michael Kirby
Enriquez, Jose
Erlandson, John Lyle, Sr.
Esbeck, Leonard John
Estell, William Andrew, Jr.
Estes, Donald Harold
Eubanks, Glen Earl
Evans, Irvin Christopher, Jr.
Evans, Jimmie Wayne
Ewert, Lawrence Edward
Falcon, Michael Francis
Fant, Robert St. Clair, Jr.
Fantin, Jonnie Ronald
Farber, Donald Joseph
Farley, Robert Theodore
Farmer, Michael Arthur
Faticoni, John Anthony
Feist, Eugene Paul
Felps, Lowell Douglas
Ferguson, Jerry Edward
Ferguson, Thomas Edward
Ferranti, Nicholas Anthony
Ferrell, John Lester
Ferriter, Nicholas Mark
Fertig, Lanny Leo
Fiedeldey, Joseph Wilfred J.
Field, John Burke
Fields, James Richard
Finch, Parker Thomas, Jr.
Finley, John Cain
Finn, Edward Stephen
Fiori, Mario Peter
Firestone, Philip Giles
Firnbach, James Donald
Fischer, Ernest Collis
Fishburn, Charles George
Fisher, Gordon Everet, III
Fister, George Rodwell
Fitrell, Stuart James
Fitzgerald, James Richard
Fitzgerald, John Allen
Fitzgerald, John Edward
Flaningam, James Douglas
Fleitz, William Vincent, Jr.
Fleming, Richard Thomas
Fliegel, Robert Aalbu
Flint, Lewis Ware
Flower, Roger Paul
Folsom, John Harold
Fontana, James David
Ford, Henry, IV
Ford, Jack Charles
Forster, Robert Douglas
Fortney, Doyle Wright
Foster, Brent Dean
Foust, James Eldridge, III
Foy, Basil W., Jr.
Francis, William Charles
Franz, David
Franson, Alvin Laverne
Franz, David
Franz, Rodney Crane
Frazer, Paul David
Fredericks, Roy Charles

Fredette, Roger Aime
Freeman, Ernest Raymond
Freibert, Ralph William
French, John C., Jr.
French, Thomas Penn, Jr.
Frick, Dean Earl
Frick, Frederick Mark
Friedman, Marcus Velvil
Friedrichsen, Lewis Johnson
Fritz, Thomas Clifford
Fritz, Thomas Wayne
Froehlich, Edward William J.
Froehlich, Jacob Clare
Frost, David Eugene
Frost, John Allen
Fugard, William Harvey
Fulbright, Terrell Woodrow
Fuller, John Paul
Fuller, Robert Davis
Fulton, Stephen Howard
Fulton, William James
Fulton, William Lawrence, II
Furr, Jack Carlton
Furry, Richard Paul
Futch, George Wiley
Gabriel, Thomas Oscar
Gabryelski, Richard Marion
Gaines, George L.
Gaines, William Andrew
Gainor, John Wesley, III
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Gallagher, Lawrence Ambrose
Gallegos, Joe Rodriquez
Gapp, Donald Robert
Garmon, Gerald Sutherland
Gaston, Mack Charles
Gates, Jonathan Hubert
Gaudiano, Antonio William
Gaul, James Howard
Gautier, James Berry
Gaylord, Reginald F., Jr.
Gee, George Nicholas
Geissler, Richard Frank
Genung, Edward Noland, Jr.
George, Harold Wayne
Georgius, David Russell
Gerwe, Franklin Henry, Jr.
Ghrer, Grady Francis
Giannotti, Sterling Maurice
Gilchrist, Orville Lee
Gill, Gary Edward
Gill, James Edward
Gill, Russell Carter
Gilleece, Peter Gerard
Gilroy, Vincent J., Jr.
Gilson, James Donald
Gingras, Peter Southworth
Giorgio, Frank Arthur, Jr.
Gladwin, Harold Russell
Glaes, Roger Burton
Glasier, Peter Keith
Glass, Arnold Lee
Glenn, Danny Elloy
Glenn, Walter Lewis, Jr.
Glover, Jimmy Neal
Glover, William Ferguson H.
Gluck, John Milton
Gobbel, James Thomas, Jr.
Godek, Leonard S.
Goebel, David Maxwell
Gold, Bennett Alan
Goldman, Dan Edgar, Jr.
Goldman, Robert Barry
Gomez, Luis Vilas
Gompper, James Harold
Goodgame, Billy Donald
Goodloe, Robert Vannerson, Jr.
Goodwin, James Harvey
Googins, Bruce Russell
Gordon, Hayes Ingersoll
Gordon, Richard Scott
Gormly, Robert Anthony
Goss, Robert Wayne
Gottschalk, Gary Ward
Gower, Leon Haskell
Grabowsky, Theodore Eron
Grace, Robert Francis
Graf, Karl Rockwell
Graff, Russell John
Graham, Clark
Graham, Edward Mary

Graham, Ian Keith
Graham, Walter Harry
Grantham, Wiley George
Granuzzo, Andrew Aloysius
Graves, Bibb Logan
Graves, George William, Jr.
Graves, William Thomas
Gray, Brian Elliott
Gray, Francis David
Gray, Wyron Paul
Green, Norman Richard, Jr.
Green, Robert Leonard
Green, Thomas Ray
Green, William Jennings, Jr.
Greene, David Lockwood
Greene, James Bernard, Jr.
Greenman, Robert Pruyn
Greeson, Tommy Darell
Gregory, Francis Carl
Griffin, Charles Donald, Jr.
Griffin, Clyde William
Griffin, Harold Craven, Jr.
Griffith, Douglas Kent
Griffiths, David John
Groff, Jon Philip
Groman, Alphonse Winslow, Jr.
Gross, Charles Nicholas
Grove, Frank Henry
Grubb, Robert George
Grunwald, Gerald Max
Grzymala, Thomas Chester
Gubbins, Philip Stanley
Guest, George Robert
Gullett, Fred Wayne
Gushaw, Gregory Vance
Gyle, Robert Bentley, III
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Hadley, Allan William
Hagy, James Henry Dixon, Jr.
Hahn, William Dillon
Halenza, Hal Rodger
Hall, James Benjamin
Hall, Thomas Forrest
Hall, William Ervin
Halperin, Mark Israel
Hames, William Jewell
Hamilton, Jack Edward
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Hammer, John Levering, III
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Hanks, William Lloyd
Hanley, James Joseph
Hansen, Laurence Russell
Hanson, Claude Lee
Hanzel, Joseph A., Jr.
Hardman, Herbert Franklin
Hargrove, James Carroll
Harken, Jerry Lynn
Harker, Donald Alfred
Harley, James Harold
Harmon, Edward Keith
Harms, John Henry
Harper, John Norman, Jr.
Harris, James Partsch
Harris, Robert Harlan
Harrison, Edward James, Jr.
Hart, Harvey Hicks, Jr.
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Hartman, Charles Willia, III
Hartman, Richard Henry
Haskins, John Bryant
Haskins, Toner Charles, Jr.
Hassell, Benny Kyle
Hasty, Richard Leon
Hatfield, Philip Neal
Hauck, Frederick Hamilton
Hauert, Patrick Charles
Haugen, Ronald Gilbert
Hauhart, James Norval
Havey, Brian Joseph
Hawley, John Garland
Hayes, Cornelius Charles, Jr.
Hayes, Richard James
Hays, George Elden, Jr.
Hays, James Malcolm
Heare, Charles Ivan, Jr.
Heath, William John
Heilig, John
Heins, Raymond Rice
Heins, Roger John
Heintzelman, Thomas Gary
Heinz, Michael Kasper

Helbig, Raymond Allan
Helle, Frederick Allan
Helsper, Charles Frederick
Hendon, Jerry Edwin
Hendrick, William Smith
Hennessey, Raymond Wilson
Hennessy, William Joseph, Jr.
Henry, Russell Jones
Hering, Frederic Shriver
Hermann, Kermyn Jerome
Herring, Arthur Eugene, Jr.
Herron, Francis Joseph
Hess, Donald Robert
Hewitt, John Francis
Hewlett, Harold Eugene
Hickox, Oscar Jonathan, Jr.
Hicks, Robert Louis
Hicks, William Lloyd
Higginbotham, Harry E.
Hightower, Roger Wayne
Hillis, Robert J.
Hilton, Francis Warren, Jr.
Himchak, William Alexander
Hines, David Spencer
Hines, Henry Lee, Jr.
Hingsberger, Andrew John, Jr.
Hinkle, John Calvin
Hinkley, William Leslie
Hitch, James Harvey
Hitchborn, James Brian
Hite, Thomas Howard
Hoag, David Wesley, Jr.
Hobbs, Marvin Edward
Hockman, Robert Edward
Hodell, John Charles
Hoff, Robert Glenn
Hoffman, Carl Walter
Hoffman, David Wesley
Hoffman, William St. Clair
Hogan, James Joseph, III
Hohlstein, Julian Geoffrey
Hoivik, Thomas Harry
Hokanson, Anders, Jr.
Hollingsworth, William Louis
Holme, Thomas Timings, Jr.
Holmes, Frank Clayton
Holt, Philip Nelson
Holt, Richard Watkins, Jr.
Holton, Wilbur Earl
Homer, James Joseph
Honhart, David Crosby
Hood, John McCoy, Jr.
Hooper, Harold Danny
Howard, James Willoughby
Howell, James Dorn
Howell, Robert Lawrence
Howie, Robert John
Howson, Richard John
Hubbard, George Dallas, Jr.
Huchko, William Anthony
Huchthausen, Peter Anthony
Huchting, George Arthur
Hucks, Jerry Pierson
Hughes, Frank Weber
Hughes, Michael Bryant
Hughes, William Allen
Hughes, William Charles, Jr.
Huling, John McKee, Jr.
Hull, Kent Sherwood
Humphrey, David Deane
Hunsucker, Royce Hulton, Jr.
Hunt, Donald Bayard
Hunt, Paul Dean
Hunt, Paul Delton, Jr.
Hunter, Richard Joseph
Hupp, Arnold Jay
Hurd, Michael Fuller
Hurley, Robert Francis, Jr.
Hurst, Cecil Roy, Jr.
Hurst, Paul Drake
Huss, Jerry Francis
Hutcheson, James Edward, Jr.
Hutter, George Richard
Hutton, Joseph John Jr.
Hutton, Kenneth Laverne
Hyde, Walter John
Hyland, John Joseph, III
Hynes, William Richard
Iber, William Randolph
Idleberg, Norman
Ingram, Isom Irvin
Ireland, Delbert Howard

UMI

Isenburg, William, Jr.
Ishiguro, Guy Akira
Ison, William Bradley, Jr.
Itkin, Richard Ivan
Iverson, Michael Martin
Jacanin, John Andrew
Jackson, Grady Lee
Jackson, James Barrett
Jackson, Marshall Neil
Jackson, Robert Joseph
Jackson, Virgil Frank, Jr.
Jacobs, Lawrence Robert
Jacobs, Philip Henley
Jacobs, Philip Roberts
Jacobs, Ralph Edward
Jacobson, Gerald
Jacobson, Herbert Adolph
James, Charles Lee
James, Franklin Wilson
James, William Ednor
Janke, Roger Alan
Jarrett, John Marshall
Jarvis, Gary Thomas
Jaudon, Joel Bates
Jeffords, John Maxwell
Jenkins, Alan Kent
Jenkinson, William Raymond
Jennings, Lawrence Francis
Jensen, Jack James
Jensen, Jay Lian
Jessel, David George
Jewell, Robert Michael
Jiannas, John Stergot Emman
Johns, Constantine Albert
Johnsen, Bruce R.
Johnson, Alan Joseph
Johnson, Allan Leroy
Johnson, Arne Edward
Johnson, Bradley
Johnson, Charles Edward
Johnson, Earl Paul
Johnson, Edwin Allen
Johnson, Gerald Arthur
Johnson, John Robert
Johnson, John David
Johnson, Patrick Woodruff
Johnson, Perry Emerson Jose
Johnson, Raymond
Johnson, Richard Leroy
Johnson, Terry Lowell
Johnson, William L., Jr.
Johnson, William Spencer
Johnston, Thomas Franklyn
Jones, Dennis, Richard
Jones, Kenneth Earl
Jones, Robert Charles
Jones, Robert Eugene
Jones, William Dean
Joplin. James Edward, Jr.
Jordan, James Francis
Jordan, Jerry William
Jordan, John Alton
Jordan, John Franklin, Jr.
Jordan, Wesley Earl, Jr.
Josefosky, Kenneth Martin
Joyner, Thomas Woodrow, Jr.
Juarez, David Victor
Juengling, Robert George
Juerling, James Robert
Jurecka, Edwin Kenneth
Justice, Edward Tabb, Jr.
Kahrs, J. Henry III
Kaiser, David Gordon
Kaiser, John Martin
Kaiserian, Harry, Jr.
Kaiss, Albert L.
Kammerdeiner, Roger Neil
Kane, David Charles
Karns, Norman Milton, Jr.
Karp, Leonard
Karr, James Dale
Karr, Kenneth Richard
Kaup, Karl Lee
Kay, Norman Bruce
Keck, Leland Stanford, Jr.
Keefer, James Francis
Kehrli, Lynn Clifford
Keim, Edward Franklin
Keithley, Charles Leon, Jr.
Keleher, John Allen
Kell, Richard Edward

Keller, Douglas George
Kelley, Thomas James
Kelley, William Emanuel
Kelly, John Patrick
Kelsay, Leslie Rufus
Kemp, William Richard
Kennedy, James John
Kennedy, John Richard
Kennelly, Robert J.
Kent, Bennie Ray
Kephart, Robert Max
Kerns, Alexander Harrison
Kerns, Kenneth Harper
Kerr, Frank Leigh
Key, Wilson Denver
Kidd, George Norman
Kiem, Robert Lang
Kiess, Dean William
Kilby, Kent Thomas
Kile, Thomas Joseph
Killian, James Edward
Kimball, Darrell Hiram
Kime, Steve Francis
King, George Leonard, Jr.
King, John Barry
King, William Henry, Jr.
King, William Walter
Kinne, William Burton
Kinnear, Richard James
Kinsey, David Lawrence
Kinsley, Dudley Joseph
Kiraly, Joseph Stephen
Kirk, Gary Lee
Kirkwood, William Warren
Kisieleski, Kenneth Raymond
Kleyn, Fredrick Gilbert, II
Klimaszewski, Marcel Paul
Klintworth, Philip George
Klippert, Richard Hobdell, J
Knight, John Michael
Knight, Ralph Woodrow, Jr.
Knight, Windall Ray
Knosky, Michael Joseph, Jr.
Knostman, Paul Brayton
Knutson, Rodney Allen
Koch, Dean Henry
Koch, Frank Charles
Kochert, Gary Lee
Koczur, Daniel Joseph
Koeber, Charles John
Kohler, Charles Louis
Konewko, Everett Lawrence
Korhonen, Kenneth Roger
Koss, Howard Edward
Kost, John Gregory
Kotchka, Jerry Allen
Kottke, Robert Arthur, Jr.
Kozlowski, Neil Lee
Kramer, Lawrence Joseph
Kreinik, Eugene Gerard
Kreitzburg, John Walter
Krekich, Alexander Joseph
Krieger, Eric Weston
Krohne, Theodore Karl
Krommenhoek, Jeffrey Martin
Krotz, Charles Kit
Krueger, Dan William
Krueger, Rudolph Vince
Kruger, Richard Wayne
Krupp, Marvin Mack
Kruse, Dennis Keith
Kuepker, Donald Lee
Klunsky, David Allen
Kyzar, Sammy Berton
Laabs, Stephen Kermit
Labyak, Peter Stephen
Lachata, Donald Martin
Lachnich, John Francis
Ladwig, James Calvin
Lagassa, Robert Edward
Laidlaw, Charles Edward
Lain, Calvin Edgar
Laine, Lawrence Leroy
Lamasters, Edward Reid
Lamay, Thomas Vincent
Lamb, James Joseph
Lamb, John Peter
Lamping, James Richard
Land, Clinton Dale
Landers, Michael Francis
Lantz, Stephen P.

Laplante, John Baptiste
Larkin, Robert Rene, Jr.
Larsen, Donald Mark
Larsen, Richard Milton
Lasch, Charles Anthony
Lasswell, James Bryan
Latham, Peter Richard
Lauer, John Nikolaus
Lautenbacher, Conrad C., Jr.
Lawson, Joseph Hamilton, Jr.
Lebrecht, Clifford William
Ledoux, Lawrence James
Lee, Charles Richard
Lee, Ronald Alvin
Leeke, Howard Wardfield, Jr.,
Lehnus, Ronald Karl
Leightley, Albert Lewis, II
Lemon, Frank Michael
Lennox, Richard John
Lewis, John Michael
Leonard, Edwin Walter
Leonard, John Alexander
Leonard, William Joseph
Lepak, Ronald Roman
Lerich, Barry Harold
Lesemann, Donald Frederick
Lesh, Vincent Edward
Lester, Edwin Thatcher
Letourneau, Charles Edward
Levangie, James Clement
Levings, William H., III
Lewis, Ernest Lamar
Lewis, Frederick Lance
Lewis, Jary William
Lewis, Jerry Allen
Lewis, Lyle Eugene, Jr.
Lewis, Robert Joseph
Lierman, John Stephen
Life, Richard Aaron
Limongelli, Joseph Louis
Lind, Carl Victor, Jr.
Lindell, Colen Richard
Lindsay, James Henry, Jr.
Linn, Larry Eugene
Lippincott, Richard Jay
Little, Edwards Sanford
Little, Robert Douglas
Livingston, Donald Joseph
Lockhart, Theodore Charles
Lodge, Charles David
Lodge, Raymond Francis
Logan, Carl Flack
Lombardo, Stephen William
Long, Glenn Ulsh
Long, Herman James, Jr.
Long, Michael Darrah
Longfellow, Dennis Ray
Lonsdale, Paul Taylor
Lord, William Fred
Lounsbery, William John
Love, George Paul, III
Lovett, Billy Ray
Lowas, Emil Peter
Lowery, Fred Henry, Jr.
Lowman, Richard Whitmore
Loy, Michael Howard
Ludena, Roy
Lucey, John Francis
Lugo, Frank John
Luke, John Davidson
Lulchuk, Daniel
Lunde, Roger Kenneth
Lundquist, Dallas Earl
Lundy, George Willis, Jr.
Lutz, Gilbert Martin
Lynch, Anthony Joseph
Lynch, Charles William
Lynch, James Richard
Lynch, Thomas John
Lyons, Arvid Frederick
Lyons, Robert Woodrow
Lytikainen, Robert Carl
Mabery, Lester Richard, Jr.
Macauley, Phillip Hardin
MacDonald, Michael John, III
MacDonald, Timothy Angus
MacDonald, William Robert
MacGregor, John Andrew
Mackin, Jere Gene
Maclin, Charles Sidney
Macomber, David Blair

Maddocks, Ronald James
Maddox, George Nelson
Madison, Russell Lee
Magruder, Peyton Marshall J.
Mahaffy, Lorrence Alger, Jr.
Maher, Daniel Edward
Maher, Thomas Michael, Jr.
Maheu, John Chaisson
Mahoney, Patrick Francis
Maier, Robert Alex
Major, Watson Harris
Malchiodi, Michael Anthony
Malkus, Kenneth Charles
Mantei, Thomas Joseph
Mallen, Frank Harshman
Malloy, Charles Joseph, Jr.
Mamer, Edwin John
Maness, Anthony Ray
Manlove, William Woodrow, Jr.
Mannarino, Mario Raffaele
Mansell, Waymond
Marano, Augustine Carlo
Marchetti, Michael Joseph
Mardis, Benny Joe
Marrical, Anthony Rolland
Marsden, Phillip Scherrer
Marsh, Larry Roy
Marsh, William Lee
Marshall, James Allen
Martel, Norman Leo
Martin, David Arthur
Martin, Frank
Martin, John A.
Martin, Ralph Kenneth
Martin, Ronald Weldon
Martin, Virgil, Jr.
Martin, Walter Potts
Martin, Wayne Allen
Martinache, Charles Gilbert
Martinsen, Glenn Tracy
Masciangelo, Frederick John
Mascitto, Eddy Joe
Mason, Henry Boyd
Mason, John Allen
Massey, Scott Spencer, Jr.
Masters, David William
Matheson, Norm Keller
Mathews, Michael Frawley
Mathiowetz, Donald Ray
Mathis, Donald Wayne
Mathis, William W.
Matthews, John Garrett
Mattson, Gary Harrison
Mauro, Peter John
Maxey, Fred, Jr.
Maxwell, Malcolm Douglas
May, Cyril Victor, Jr.
Mayer, Luke Ferdinand, Jr.
Mays, Michael Everett
Mazzi, Arnold Otello
McAllister, James Peter
McAloon, Albert Joseph, Jr.
McAuley, John Anthony, Jr.
McBride, Kenneth B.
McBride, Michael Andrew
McCallum, James Archibald
McCammon, Peter Leverich
McCann, William Robert, Jr.
McCarthy, Michael James
McCleary, Joseph Raymond
McClellan, William Dean
McCloskey, David Junius
McClung, Lonny Kay
McColly, John Clark
McCormick, James Thomas
McCraith, Laurence Paul
McCrory, Donald Lee
McCrumb, James Brayton
McCulloch, David Hamilton
McCullough, Donald Charles
McCurrach, Douglas Seely
McCusker, Arthur Eugene
McDaniel, Vernon Dale
McDaniels, Joseph Eugene
McDavitt, Frederick Harry
McDevitt, Michael Allen
McDonald, Jay Gale
McDonald, John Joseph, Jr.
McGee, Robert Thomas
McGinty, Patrick Eugene
McGrath, John Michael

McGuire, Thomas Patrick
McHenry, John Walter
McHugh, Richard Gregory
McIntyre, James Edward
McKay, Dennis Albert
McKay, John Douglas
McKearn, Michael Clerk
McKechnie, Thomas William
McKenna, Richard Bernard
McKenna, Russell Edmund, Jr.
McKenney, George Gordon, Jr.
McKinley, Robert Newton
McKinnon, Clark Davis
McLane, David John
McLaughlin, George Thomas
McLean, Robert
McMillan, John Hammack
McNeely, Ellis Eugene
McNeer, William Paul, Jr.
McNeill, Corbin Asahel, Jr.
McNeill, Donald Ray
McPhail, Eugene Bates
McQuaig, Clarence Marsh
McQuown, Michael James
McRae, David Albert
McRoy, Willie Clifford
McSherry, Bernard Patrick J.
McWhinney, John Loren
Medaglia, Cornelius Peter
Meek, Danny Lee
Melampy, Ronald Francis
Melander, Errol Norman
Melanephy, James P.
Meno, Timothy Deming Barron
Merchant, Steven Lee
Merrill, Hugh Anthony
Merz, Vincent Paul
Meston, Stanley Sercomb
Meyer, Donald Robert
Meyers, David William
Meyers, John Moberg
Meyett, Frederick Elwood, Jr.
Mezmalis, Andrejs Modris
Mikolajczyk, Ronald Joseph
Miles, Richard Jeffrey
Millard, John Warren
Miller, Albert Earl
Miller, Andrew Pickens, Jr.
Miller, George Morey, III
Miller, John Michael
Miller, Paul David
Miller, Ralph Rillman, III
Miller, Raymond Paul
Miller, Thomas Hayes
Miller, William Charles
Miller, William Clark, Jr.
Millikin, Stephen Thomas
Mills, Robert Charles
Minard, Julian Edward
Minnick, Thomas Anthony
Minter, Charles Stamps, III
Mirkin, Howard Benjamin
Mister, Richard Woodie
Mitchell, Albert Hoyt, Jr.
Mitchell, Eugene Francis
Mitchell, Robert Marvin
Mitchell, William J.
Mizner, Malvern Maynard
Moessner, Paul Carl
Moir, Weston Gavin
Moller, Arthur Edward, Jr.
Monash, Richard Frank
Montana, Richard Thomas
Montgomery, Robert Creel
Mooberry, William James
Moody, William Brooks Blais
Moore, David Baker Ames
Moore, Durward Earl, Jr.
Moore, Guy Carroll, Jr.
Moore, James Edward
Moore, John Allen
Moore, Ronald Cullen
Moore, Warwick Breckinridge
Moran, Robert Colin
Moran, William Patrick, Jr.
Morawey, Michael Robert
More, Alan Robert
Morgan, Thomas Leeroy
Moritz, Carl Arthur, Jr.
Moritz, Dennis Michael
Moroney, Joseph Maris

Morris, Clarence Andrew, Jr.
Morrison, Vance Hallam
Morrow, Gary Keith
Morse, Clayton Kavanaugh
Morse, John Arthur
Morton, Norman Lee
Moseley, Leo Otto, Jr.
Moser, Alan Brown
Moses, Raleigh Warren
Moulson, John Alfred
Mount, Donald Lee
Moynihan, Brian George
Mulholland, Lyle Jerry
Mulkerrin, Joseph Martin
Mullins, David Lynn
Mullins, Willice Ralph II
Munsee, Stewart Frederick
Murdock, Charles Dale
Murphy, Jerome Thomas
Murphy, Thomas Francis
Murray, Richard Scott
Murray, William Michael
Musick, George Meredith, III
Mustian, Jonathan David
Myers, Collin Keith
Nakayama, Homer Shiro
Naldrett, William John
Nanney, Robert Gaither
Naquin, John Charles
Nash, John Mitchell
Nash, Malcolm Peters, III
Nash, Michael Arthur
Neal, John Stephen
Neapolitan, Richard Clyde
Neeb, Karl Anthony
Nelson, Jack Paul
Nelson, Richard Crawford
Nerup, Robert Kent
Neuberger, Douglas Francis
Neuman, Dennis Earl
Newton, Roy Irwin
Nickerson, Robert Gordon
Nicklas, Charles
Niederstadt, Robert Grant
Njus, Ingmar Joel
Noble, Donald Scott
Nolan, George Fred
Norman, Warren Aubrey, Jr.
Norris, Dwayne Orange
Norris, Jerry David
Northcraft, Zane Wade
Northrup, Paul William
Norton, Douglas Marvin
Norton, Jack Trask, Jr.
Norwood, Kenneth Edward
Norys, Robert Martin
Nunn, James Willis
Nystrom, Stephen Curtis
Oakes, Charles White
Oates, Anthony Brent
O'Brien, John Joseph, Jr.
O'Brien, Robert Clark
O'Brien, Terence James
O'Brien, Thomas Joseph, Jr.
O'Claray, Daniel George
O'Connor, Kip
O'Connor, Michael Bernard, Jr.
Oden, Leonard Nelson
Oertel, E. James
Oetinger, Mark
Ogles, Homer Cecil
O'Hara, Thomas N.
Ohler, Herman
O'Keefe, Cornelius Francis
Okeson, James Clifford
Okeson, Lars Holman
Oldham, George Roberts
Oliphant, Gary Thomas
Oliver, David Edward
Oliver, Richard Joseph
Olsen, Glenn Ray
Olson, David Edward
Olson, Donald Milton
Olson, Jerrold Elwood
Olson, Kenneth Paul
Olson, Phillip Roger
Olstad, Vincent Kenneth
Orluck, James Emmanuel
Oriss, David Anthony
O'Shea, Donald James
Oshell, Walter Edward

Otis, Robert Busby
Otto, Paul Eugene
Overstreet, John Wesley, Jr.
Owen, Kenneth Joseph
Owen, Robert Harrison
Owens, William Arthur
Palen, Don Gilbert
Palma, Richard John
Palmer, Jerry Dale
Palmer, Robert Earl
Palmer, William Allison, Jr.
Paquin, James Edward
Parchen, William Robert
Parent, Donn Valentine
Park, John Prentiss
Parker, Charles David
Parker, Raymond Francis
Parkhurst, Nigel Ernest
Parrie, Elman James
Patch, Frank Henry
Patrick, Roger David
Pattarozzi, Norman Joseph
Patterson, Bernard Leo III
Patterson, Jeffrey Spear
Patton, Kuemen Behling
Paul, Harold Wayne
Paul, Martin Andrew
Pauling, David Robert
Pearson, Dale Quimby
Peck, Bert Lyle
Peebles, Robert Graham, Jr.
Peirce, Frank Haber
Pelot, Kent Barry
Pendleton, Alan Ray
Pennington, Chad Allen
Penny, Douglas Corrigan
Perez, Demetrio Jose
Perez, Joseph Silvio
Perkins, Ernest Della, II
Perkinson, Brian Thomas
Pesce, Victor Louis
Peters, Joseph Paschall
Peters, Victor Lee
Peterson, Charles A.
Peterson, John Christian
Peterson, Ralph Duane
Peterson, Robert William
Peterson, Richard Norman
Petrovich, James Michael
Pfeiffer, John Jacob
Pfingstag, William Carl
Pfister, William Campbell
Phaneuf, Joseph Theodore, Jr.
Phelps, Harold Richard, Jr.
Phillips, Alexander Martin
Phillips, Joseph Larry
Phoebus, Charles Richard
Pickett, Larry James
Pieno, John Anthony, Jr.
Pierce, Cole Jon
Pierce, Sidney Robert
Pira, Peter
Piret, Ronald Sterling
Plath, Richard Neil
Plummer, Galen Robert
Poellnitz, Walter Durand, II
Popp, Arvel Jerald
Popp, Robert Leonard
Portenlanger, Stephen
Porter, John Dudley
Porter, Philip Edward
Porterfield, Gary Lloyd
Post, Warren Lee
Poulin, Norman Raymond
Powers, Thomas Edward
Powers, William Benton, Jr.
Pozzi, Robert John
Prath, Robert Lee Emerich
Prather, Jerauld Stuart
Pratt, George Washington
Pratt, Thomas Rolla
Preston, Joe Wayne
Prince, Robert Vernon
Procopio, Joseph Guydon
Provine, John Arthur
Pryzby, Stanley John
Pulfrey, Charles Allen
Punches, Robert Louis
Purcell, Darrell William
Quade, Edward Lynn
Quarles, Herbert R.
Quinn, Joseph Sydney
Quinton, Peter Douglas
Rackowitz, Marion Rex
Raebel, Dale Virgil
Raetzman, Donald Patrick
Raggett, Michael Mark
Rainey, Peter Garland
Raiter, Friedrich Eric
Ramm, Edward James
Ranson, William M.
Ranzinger, William F.
Ratcliff, John William
Rathjen, Arthur David
Rau, Morton David
Ray, Donald Joseph
Ray, Norman Wilson
Ray, Roy Lafayette, Jr.
Rea, John Paul
Read, Ray Weldon, Jr.
Reader, Robert James
Reber, Peter Michael
Reemelin, Thomas Edward
Rees, Bob Gary
Reeves, Robert Dulaney
Reff, Roger Gene
Regan, James Peter
Regan, John Thomas
Register, Mahlon Edmond
Reich, Donald Gene
Reilly, Edward L.
Reilly, Errol Francis
Reilly, John Thomas
Reinhardt, David Starr
Reistetter, Emery Andrew
Resweber, Owen Joseph, Jr.
Retz, William Andrew
Revesz, William, Jr.
Reynolds, Franklin Eugene
Reynolds, Keith Earl
Rhea, Kennedy J.
Ribolla, Romolo Thomas
Rice, Michael Gerard
Rich, James Earl
Richards, Frank Martin
Richardson, David Paul
Richardson, Earnest Wells
Richmond, Frederick James
Riddell, Richard Anderson
Ridgely, Philip Jay
Riess, James Richard
Riggle, Gordon Grant
Riggs, William Decapp
Riker, Robert Townsend
Riley, David Richard
Ring, Henry Mark
Ristad, Arnold Clifford
Ritt, Dayton William
Rixse, John Henry, III
Robbins, Charles Bruce
Robbins, David Leroy
Roberson, Bernard Gordon
Roberts, Donald Arthur
Roberts, William J.
Robertson, Thomas James
Robinson, Keith Phillips
Robinson, Paul Matthew
Robison, James Clifford
Rodriguez, Antonio Beltran
Rogers, Louis Anthony
Rogerson, Henry Porter
Rohm, Fredric William
Roll, Francis Patrick
Rooney, Philip James
Roper, James Edward
Rosenthal, Joseph Eugene
Ross, James Andrew
Ross, Raymond Harper, Jr.
Rossi, Joseph Lewis
Rosson, Vernon Lee
Roton, James Richard
Roy, Rudolph John, Jr.
Ruck, Merrill Wythe
Ruckner, Edward Aberle, Jr.
Rueff, James Louis, Jr.
Ruff, John Crawford
Ruff, Paul Gray, III
Rulifson, James Howard
Rupprecht, Robert Philip
Rust, Gregory Bedell
Rust, Robert Stanley
Rutherford, Paul Findlay
Ryan, Bruce Anthony
Ryland, Robert Baird
Saber, Gerald William
Sagerian, Ara
Salisbury, William R.
Salmon, Harry Paul, Jr.
Salners, Edward Addison, Jr.
Sampsel, Michael Martin
Sampson, Harry Burnell
Sanders, William Milfred
Sandstrom, John Fridolf, Jr.
Sanger, Kenneth Tisdale
Santamaria, Donald Frank
Santi, Ralph Louis
Sargeant, Harry, Jr.
Scarlett, Bernard
Schafer, Carl Edward, II
Schaller, Martin Nink
Schantz, John Malcolm
Schardt, Delvin Leroy
Schatz, Arthur David
Schaus, Richard Harris
Schenck, William Herman
Schery, Ferdinand Michael
Schiffer, John Richard, Jr.
Schiller, Frederick Conrad
Schmeling, Leslie Lynn
Schmidt, Charles Thomas
Schmidt, Clemens Edward
Schmidt, Donahue Henry
Schneider, George Frederick
Schoonover, Ray Richard
Schrader, John Yale, Jr.
Schroeder, Arthur Frederick
Schroeder, Gerald Mark
Schroeder, Kenneth A., Jr.
Schropp, John Warren
Schrupp, Manfred Sheldon
Schuerger, Richard Francis
Schufeldt, Coral Vance
Schultz, Peter Hutchisson
Schwab, James Alexander
Schwartz, Henry William
Scott, David E.
Scott, Gerald Dean
Scott, Jon Jaul
Seaquist, Larry Ray
Seay, Marvin Eugene, Jr.
Secades, Vincent Cecil
Segal, Harold William
Segrist, Edward Lewis, Jr.
Seiberling, Ronald Keith
Settlemyer, Charles Talmad
Shackelton, Norman John, Jr.
Shaffer, Leslie Victor, II
Shaffer, Lloyd E.
Shankel, William Leonard
Shapard, James Richard, III
Sharer, Don Allen
Sharp, David Dean
Sharp, David Robert
Sharpe, Joseph Daniel, Jr.
Sharpe, Raymond Alexander J.
Shaw, James Ashton, Jr.
Shea, Jerome
Shea, Richard Francis, Jr.
Sheafer, Edward David, Jr.
Sheehan, John Wilfred, Jr.
Sheffield, George Albert
Shepherd, Gary Lee
Sheridan, Joseph Lawrance
Sheridan, Thomas Russell
Sherman, Allan
Shermer, William Barton
Shields, Donald Kent
Shillingsburg, John William
Shirk, Robert Leroy, Jr.
Shirmer, Dan Armstrong
Shoup, Linn Tyler
Shreve, Robert Lee
Shupe, Robert David
Shutt, John Jay
Siebecke, Alfred George
Siemer, John Robert
Simon, William Frederick
Simonelli, Norman Walter
Simpson, Michael Grant
Simpson, Troy Eugene
Singer, Edward Anthony, Jr.
Sirmans, James Stanley
Sisson, Robert Harsha

Skrzypek, John Anthony
Slack, William Michael
Slater, Thomas Stafford
Slaughter, Jimmy Ray
Sloan, Robert Eugene
Small, Selden Matthew
Smith, Bernard John
Smith, Dan Howard
Smith, David Cleveland
Smith, Franklin Jerome III
Smith, John Monroe
Smith, Joseph Francis
Smith, Lary Don
Smith, Lyman Hibbard II
Smith, Robert James
Smith, Robert Seaward
Smith, Roger Walter
Smith, Vernon George
Smith, William Earl
Smith, William Richard Hawe
Smith, Wilton Jeremain, Jr.
Smyth, Gregory Stephen
Snell, Alfred Walter
Snyder, Christian Ross
Snyder, Donald Marshall
Sokol, Stanley Ernest
Soles, Thomas Edwin
Soluri, Elroy Anthony
Sootkoos, Donald Richard
Sordelet, James Robert
Soto, Octavio
Souder, James B.
Soverel, Peter Wolcott
Spane, Robert Johnson
Spang, Norman Walbridge
Spencer, Larry Howard
Spinello, John Anthony
Spofford, Barry Andrew
Spruance, James Harvey, III
Stacy, Edward Gerhard
Stahl, Dale Stough, Jr.
Stakel, Robert Wallace
Stanley, Joe Milton, Jr.
Stansbury, Frederick Alexan
Stapleton, Daniel Victor, Jr.
Stark, John Wayne
Stark, William Carleton
Stegina, Robert Francis
Steiger, Gary Carlton
Steinbruck, Charles George
Stender, Richard Henry
Stephens, Darrel Lindel
Stephenson, Gary Phillip
Stephenson, Max Olin
Sterner, George Rudolph
Stevens, John Bradford
Stewart, Jake William, Jr.
Stiger, Robert David, Jr.
Stilwell, William Carter
Stinson, William Albrecht
Stoakes, Richmond Bruce
Stoddard, Howard Sanford
Stolgitis, William Charles
Stone, Thomas Edward
Stone, William Charles
Story, William Ferguson
Stoufer, Donald Andrew
Stout, Michael Dinsmore
Stowell, Ralph Henry, Jr.
Strand, Richard Charles
Strasser, Joseph Charles
Strickler, James Wilson
Striffler, Paul John
Strole, Douglas Luther
Stromberg, David Lynn
Stryker, Lyal Maurice
Stubbs, William Olan, Jr.
Stuckemeyer, John Andrew
Studeman, William Oliver
Sturvist, Gerald Hilding
Sullivan, Joseph Cornelius
Sullivan, Kenneth David
Sullivan, Michael Edward
Surles, Billy Wayne
Sushka, Peter William, Jr.
Sutton, Gwynn Richard, Jr.
Szopinski, Robert William
Tague, James Robert, Jr.
Tahaney, Hubert Francis, Jr.
Tanner, Michael
Tansey, Philip Michael
Taranto, Richard
Tate, James Andrew
Tate, William August
Taylor, B. J., Jr.
Taylor, James Samuel
Taylor, Robert Monard
Taylor, Steven Craig
Taylor, Thomas Lee
Taylor, Wade Hampton, III
Telfer, Grant Richard
Tenney, Stuart Lowe
Terry, Donald Lee
Terry, Michael Roy
Terry, William Edwin
Testa, Ronald Fred
Testwuide, Robert Louis, Jr.
Tettenburn, Howard Thomas J.
Thaxton, David Reuben
Thomas, Frank Hughes, Jr.
Thomas, Norman Mattoon, III
Thomas, Peter Donald
Thomas, Peter William
Thomas, William Akins
Thomassy, Louis Edward, Jr.
Thompson, Allan Medley
Thompson, Clifford Jackson
Thompson, Eugene Claren
Thompson, Laille Hunter, Jr.
Thompson, Robert Gutz
Thorn, John Charles
Tidball, Douglas D.
Tiernan, Barry Vincent
Tiernan, Michael Connolly
Tillinghast, Theodore V.
Tillotson, Frank Lee
Tobergte, Paul Edwin
Tobin, Paul Edward, Jr.
Tobolski, Donald Michael
Todaro, Richard Clark
Todd, James Norman
Todd, Terrence Stephen
Toft, Richard Joseph
Tolbert, Clarence O.
Tolbert, William Haywood
Tomlin, Joseph Mayhew
Tompkins, Paul Stuart
Tonti, Louis George
Toone, John Pierce
Torbit, Jerry Bert
Tortora, Carmine
Towers, Edwin Lydell
Towle, John Moore
Trafton, Robert Truman
Traver, James Emery
Travis, David Timothy
Trefry, Edwin Victor
Tripp, Richard Willis, Jr.
Trotman, George, Jr.
Truxell, Thomas Reed
Tschudy, William Michael
Tucker, Albert Lee
Turley, John, Jr.
Turnbull, James Laverne
Turner, David Andrew
Turner, James Richard
Turner, Thomas Willard
Twardy, Clement Robert
Twomey, Daniel Timothy
Tynan, Douglas Michael
Tyner, Jimmie Cortez
Tyrrel, Norman Leroy
Uber, Thomas Edward
Ullman, Harlan Kenneth
Unger, Maurice Henry
Urice, Ronel Morgan
Usborne, Roger Way
Ussery, David Lawrence
Vanallman, Alfred Christ
Vanarsdall, Clyde James, III
Vanbrackle, Vernon Lamar, Jr.
Vance, Richard Moon
Vandergrift, Ronald William
Vandervelde, Kent Mills
Vanhoften, Scott Adrianus
Vanhoy, William Lester, Jr.
Vansaun, Arthur
Vanwormer, Thomas Park
Vaughan, Raymond Edmon
Vaupel, David Karl
Vazquez, Raul
Veazey, Luther Tracy
Verd, George Harris
Vernallis, Samuel Larry
Vernon, Larry Jay
Vetter, David Allen
Victor, Edward George
Vincent, William Lansing
Virden, Charles Samuel
Vogel, Raymond William, III
Volk, John Stanley, II
Vollmar, Fredrick, Joseph, Jr.
Vonsydow, Vernon Hans
Wagner, George Francis Odol
Walker, Jerry David
Walker, John Andrew, Jr.
Walker, Robert Ormond
Walker, Ronald Wallace
Wallace, Roy Neil
Wallin, Steven Russell
Walls, James Monroe
Walters, John Bennett, III
Walters, Ronald Francis
Walther, Arthur Ernest
Walton, Don Holland
Walton, Harold Alexander
Walton, James Allen
Wanamaker, Gregory
Wann, Charles Billy
Waples, Robert Everett
Ward, John William
Warn, Jon Christian
Warren, Ferrell Dean
Warren, Roger Clayton
Warren, Roy Dale
Warthin, Jonathan Carver
Waterman, George Russell
Watford, Jennings Clement J.
Watkins, Donald Edward
Watkins, James
Watkins, Richard Smith
Watrous, Timothy Bennett
Watson, Randolph Grant
Watt, Robert Henry
Waugaman, Merle Alvin
Weale, Gary Dean
Weaver, Charles Thomas
Weaver, James Edward, Jr.
Weegar, Carl Allen
Weidman, Robert Hulbert, Jr.
Weihmiller, Gordon Richard
Weisgerber, Donald Edwin
Welham, Walter Frederick, Jr.
Weller, Edward Emerson
Wells, David Austin
Wells, Robert Mathew
Werner, Robert Mitchell
Wernsman, Robert Lee
West, Karl Grove
West, Walter David, III
West, William Allen
Westbrook, Richard Evans
Westin, Brian E.
Westwood, James Thomas
Whalen, Frank Richard
Wheeler, Gerard Charles
Wheeler, John Rutherford
Wheeler, Sidney Earl
Wheeler, William Wayt, Jr.
Whelan, Joseph Gerard
Whisler, Glenn Edward, Jr.
Whitaker, Roger Brent
Whitcomb, Winfield John
White, Arthur Edward
White, Chester Gurnett, Jr.
White, Donald Clark
White, John Dwyer, II
White, Larry Raymond
White, Robin John
White, Ronal Lee
White, Walter Edward
Whitehurst, Bryon Paul
Whitney, Payson Rogers, Jr.
Whitt, Eugene Nye
Whitus, Ernest Ferrell
Wiggins, William Frederick
Wike, Max A.
Wilbourne, David Garner
Wilbur, Gene Leo
Wilcox, Mack Rudolph
Wilkin, Howard Arthur
Wilkins, Stephen Vincent
Wilkinson, John Glenn, Jr.

UMI

Willandt, Theodore August
Williams, David Daniel
Williams, James C.
Williams, Michael Vernon
Williams, Ronald Lee
Williams, Thomas Dan
Williamson, Gordon Morris
Williamson, James Vivian, Jr.
Willox, Clifford Paul, Jr.
Wilson, Ashley Vannorden
Wilson, Frederick Simaika
Wilson, Gary Warren
Wilson, Richard Alexander
Wilson, Robert Montague
Wilson, Torrence Bement, III
Winters, Curtis John
Wise, Randolph English
Wisehart, Kenneth Martin
Wisely, Hugh Dennis
Witcraft, William Robert
Witman, William Paul
Woehl, Robert David
Wolf, Rexford Elwood
Wolfram, Charles Barrett
Womble, Talmadge Anthony
Wood, Forrest Kent
Wood, Hansel Trevylon
Wood, Virgil West
Woodbury, Roger Lee
Woodford, Duval Sterling
Woodka, Thomas Kenny
Woodroof, Olen C., Jr.
Woodruff, Harold Hanson
Woodruff, Peter Bayard
Woodruff, Robert Bruce
Woods, James Raney, Jr.
Woods, Paul Franklin
Woodworth, George Prebble J.
Wools, Ronald Joe
Worcester, John Bowers
Wright, Donald Jay
Wright, Eugene
Wright, James Joseph
Wright, Julian Maynard, Jr.
Wright, Malcolm Sturtevant
Wright, Timothy Wayne
Wright, Will Royce
Wunderly, William Louis, Jr.
Wurts, Edward Vanuxem, III
Wynne, David Cowgill
Wyttenbach, Richard Harring
Yankura, Thomas William
Yanovsky, Allen John
Yarbrough, Milton Edward, Jr.
Yonkers, David Peter
Yonov, Serge A.
Yost, James Alfred
Young, Bruce Albert
Yufer, Kenneth Lee
Zabrocki, Alan Dale
Zaretki, John Philip
Zimmermann, Claus Erwin
Zlatoper, Ronald Joseph
Zucca, Gary Joseph

SUPPLY CORPS

Abbott, Gerald William
Abernethy, James Robert, Jr.
Actis, Charles Louis
Adelgren, Paul Wayne
Aleva, David Andrew
Anderson, Louis Gary
Andrews Ernest Lee, Jr.
Arehart, Robert Coffman
Armistead, William Bright
Atkinson, Larry Richard
Ayers, James Dennis
Baker, Charles Edmund, Sr.
Baldwin, Seth Weaver, II
Barnes, Edmund Lee, Jr.
Bartel, Joseph Richard
Bednar, Edmund Joseph
Beer, Robert Oakley, Jr.
Bergquist, John Roy
Biggins, James Alfred
Bissett, John Lynn
Blankenfeld, Richard Kieth
Blondin, Peter William
Bondi, Peter Albert
Boyd, Terran Ray
Bradley, James Smith
Brochu, Robert Adelard
Bromen, Roger Raymond
Brown, Bernard Elton
Brown, Reed Eaton
Bryant, Verle Eugene
Buhr, Joseph David
Bunch, Joseph Rovert, Jr.
Burnett, Michael Howard
Burnham, John Kenneth
Cangalosi, Davis Stewart
Cantrall, Edward Loren
Carr, William Neil
Carre, Darwin Beach, Jr.
Carroll, John Perry
Casanova, Kenneth Evelio
Caudle, Allen Davis, Jr.
Chapman, George Aubrey, Jr.
Chappell, Richard Glenn
Cleary, Richard Thomas III
Cole, Chester Benny
Conner, John Thomas
Conser, Richard Lewis
Cook, Kendall Raymond
Correll, Charles David
Crabb, Dal Ed
Crocker, William Guy
Dahm, Eugene Emile
Daniels, John G.
Danner, Glenn Richard
Davis, Fredrick Cook
Delasfuentes, Jose, Jr.
Dilger, Dean Edward
Dominy, Wilbur Dupre
Driskell, James David III
Dunn, Robert George
Duryea, Robert James
Eadie, Paul Warren
Earhart, Terry Lee
Earle, Samuel Broadus, III
Evans, George Albert
Fellows, Fred Yates, III
Fields, Billy Joe
Fincke, Edwin August
Fisher, Gary Clay
Fisher, Orville Leroy, Jr.
Fitzgerald, Thomas Patrick
Fleming, James Alexander, Jr.
Flowers, John Holder
Foley, Richard Lynde
Franklin, Norman Gale
Frantz, Harold Wayne
Frassato, Robert Charles
Fuller, Franklin Barry
Gainey, John Michael, III
Galligan, David Richard
Gallion, Robert Zurill
Garmus, David Paul
Geary, John Paul
Gee, Charles Daniel
Glisson, Donald Jerry
Grant, Robert David
Green, William Thomas
Grichel, Dietmar Fritz
Griffin, Jon Edward
Grim, James Woodrow
Groves, William Dennis
Habermann, William Frank
Hagerty, William Orme
Hale, Ronald Arthur
Hanson, Harold Charles
Harrington, Phillip Henry
Harshbarger, Eugene Burks
Hart, Charles Ashley
Hawthorne, Richard Lee
Haynes, William Mitchell, Jr.
Heider, James Martin, Jr.
Hekman, John Gilbert
Helmuth, Robert Allen
Henderson, Andy Leroy
Henson, Verlin Charter
Hering, Joseph Florian
Hernandez, Edward Simon, Jr.
Hickman, Donald Eugene
Hildebrand, Jarold Ray
Hislop, Charles Edward
Hodapp, Charles Aloysius
Hogan, Brian Thomas
Holland, Donald Lee
Holmes, Clifford Joseph
Hooker, James Stewart
Hopkins, William Leslie
Hundelt, George Robert
Hunter, Curtis Stanley, Jr.
Hutto, John Aaron
Hyman, William M.
James, William Don
Janse, Anthony Ludwig
Jenson, Ronald Lee
Johnson, Thomas Lawrence
Jones, Eric Bywater
Jones, Richard Walter
Jones, William Marcus
Karosich, James Charles
Kaufman, James David
Kavanaugh, John Thomas
Kerr, Harold Lewis, Jr.
King, David O.
King, William Delano
Kizer, John L.
Koselka, James Anthony
Kosch, Charles Arthur
Krehely, Donald Edward
Kuster, Ulrich Emil
Laflanza, Bernard John
Lafnitzegger, Frederick A.
Lambright, John James
Landon, Stewart Noel
Laurent, Daniel Henri
Lebel, Robert Francis, Jr.
Leeper, James Edward, Jr.
Lenga, James R.
Leon, Albert
Lewis, James Joseph
Lines, Donald Paul
Logan, Don Edward
Lovstedt, Joel Mathies
Lutz, Gerald Gilbert
Lynch, Michael Gerald
Macaulay, Charles Patrick
MacMurray, Michael McRobert
Maley, Michael Denton
Mandel, Allan Lee
Manning, Gary Clifford
Marohn, Louis Norman
Marshall, William Baker III
Mastrandrea, Gary Allen
McClure, John Marvin
McDermott, John Edward
McDonald, John Francis
McGraa, John Robinson III
McNutt, Beverly Daniel
Meneely, Frank Thomas
Merritt, Frank Wilbur, Jr.
Meys, Charles Pawling
Miller, James Rush
Mitchell, John Wayne
Monroe, James Leslie Dukes
Monson, Jon Philip
Moore, Thomas John
Moreland, Richard Dean
Morgan, George Parker, Jr.
Morgan, Ronald Dean
Morris, John David III
Morris, John Glenn
Mortensen, John James
Moum, Jerry Davis
Mueller, John Joseph
Musgrave, Alvin William, Jr.
Nair, Sterling Edward, Jr.
Natole, Robert Lester
Nichols, Clifford John
Nichols, Edward Hamilton
Norris, David Carter
Oberle, Michael Joseph
O'Connor, Joseph Andrew
Oehrlein, William Philip
O'Hara, Patrick Joseph
Olio, John Francis
Orahood, Douglas William
Overhalser, Dennis Dee
Owens, Joseph Frederick
Owens, Robert K.
Packard, Charles Alden
Paine, John Spaulding
Palazzolo, Gregory S.
Parks, Leonard Cranford
Parrott, Ralph Condron
Parsons, Donald Sargent, Jr.
Pearson, David Edward
Pedersen, Carl Jens
Peiffer, Robert Hurst
Perrill, Fredrick Eugene

Perry, James Hilliard, Jr.
Peterson, Roland Hokan
Phillips, James Donald
Pinskey, Carl Walter
Pittman, Harold Sherrod
Ponder, Joseph Edward
Porter, Robert Cleve
Price, Clifford Ronald
Price, Robert Francis
Quigley, Patrick Joseph
Quinn, John Thomas
Quinn, Kenneth James
Rasmussen, Kenneth Herman
Rasmussen, Paul Duane
Redman, William Ernest, Jr.
Reynolds, Kevin Thomas
Rice, Richard Ray
Ringberg, David Allen
Rittenhouse, Ferness Levere
Rodgers, Gary Lee
Rosson, Bobby Joe
Rueckert, Jon
Rumsey, Charles Gary
Ryland, Charles Wayne
Sadler, David Henry
Sandeen, John King
Sapera, Leonard Joseph
Sareeram, Ray Rupchand
Sattler, Roger Charles
Savola, Vernon Victor, Jr.
Scharff, Richard Darrell
Schiel, William Arron, Jr.
Schultz, Robert Arthur
Seddon, Thomas Albert
Sewell, John Burdon
Shannon, William Northrop
Sherman, Bruce Leslie
Shields, Edward Joseph
Siburt, Forrest Nile, Jr.
Sikes, James Eugene
Simeon, Harlan Lee
Smith, Charles Edward
Smith, Olen Brown, Jr.
Smith, Richard Michael
Smith, William James
Sneiderman, Marshall Lewis
Stafford, Joe Roberson
Standish, John Alden
Starnes, Bobby Franklin
Stebbins, Lynten Harvey
Steen, George Samuel, Jr.
Stocker, Vernon Dean
Stone, Charles Welborn, Jr.
Sulek, Kenneth James
Summers, John Howard
Suter, David Floyd
Swan, Aubrey Earl
Szalapski, Jeffrey Paul
Tarr, Nicholas William
Taube, Arden Raymond
Terwilliger, Bruce Kidd, Jr.
Thomas, Dudley Jerome
Thomas, Gary Lee
Thomas, Robert Louis
Thompson, Robert Howard
Tomcheck, John Kenneth
Torrey, Tracy Everett
Trbovich, George Melvin
Treanor, Richard Craig
Trotter, Edgar Stoker, Jr.
Tully, Albert Paul, Jr.
Ullman, Robert Chester
Unsicker, David Wayne
Vanness, Robert Louis
Vaughan, Woodrow Wilson, Jr.
Verhage, Ronald Glenn
Wachutka, James Richard
Wagner, Gregory Leonard
Waldron, Andrew John, Jr.
Walker, Charles Kerwin
Wallace, James Joseph
Wallace, William Warren
Walton, Joseph Leo
Watrach, Dennis Kenneth
Weaver, Edwin Richard, Jr.
Webster, Bert Reed
Wells, Michael Vance
Wells, Paul Denzil
Wellumson, Douglas Raymond
West, Karl Peterson
Williams, Richard Hardy
Williams, Robert Joseph
Wilson, Michael George
Windbigler, John J.
Woodward, Joseph Albert
Wootten, John Francis
Worsena, Richard Francis
Yaney, Donald L.
Young, Robert Reese
Zeppieri, Ronald James
Zumbro, Sherrod Branson

CHAPLAIN CORPS

Bartholomew, Carroll Eugene
Bruggeman, John Anthony
Coughlin, Conall R.
Curran, Wade Hampton, Jr.
Dennis, Billy Vernon
Depascale, Daniel Francis
Dorr, Charles Edward
Eckles, James Warren
Erick, Robert James
Fiorino, Alfred Lewis
Flick, Carl William
Force, Daniel Lawrence
Fullilove, Ray Weldon
Gibney, Robert George
Gill, Francis
Kerner, William Byron
Kuhn, Thomas Walter
Luebke, Robert Bingham, Jr.
Matthias, Robert William
McCoy, Charles Joseph
Meehan, Conon Joseph
Moffitt, Robert George
Murray, Edward Kevin
O'Donnell, Joseph Francis
Olander, Edward Alfred
Read, Gordon Amos
Richards, Gerald Thomas
Riley, Robert Joseph
Rowland, William Alfred, Jr.
Roy, Raymond Armand
Smith, Jerry Ronald
Stewart, Lisle Edwin
Taylor, Francis Stuart, III
Winnenberg, John Oscar

CIVIL ENGINEER CORPS

Andrews, Richard Earl
Bass, William Martin, Jr.
Bergstrom, Robert Russell
Beuby, Stephen Charles
Black, Dorwin Clay
Bookhardt, Edward Lee, Jr.
Buckner, Ernest Wesley
Buffington, Jack Eugene
Camden, Edward Brydges
Carnell, Donald Lee
Chapla, Paul Anthony
Crane, Thomas Clemson
Day, Norman Walter
Dillman, Robert Peter
Drennon, Patrick William
Eckert, James Watts
Edmiston, Robert Clair
Endebrock, Robert Neal
Everett, Ernest James
Finn, James Robert
Fluharty, David Henning
Fowler, George Edward, III
Frauenfelder, Henry Roger
Goin, Paul Thurman
Greene, Carl Deforest
Griffith, Harry Gates
Hansen, Robert Edwin
Harris, William Frank
Hathaway, James Luther
Heffernan, Thomas John
Heine, Richard Frederick, Jr.
Henley, Joseph Leo
Hosey, Gary Ronald
Hull, David Nelson
Jackson, Bruce Lawellin
Leap, Joseph Brian
Martinelli, Salvatore Aldo
McCahill, Dennis Francis
McCullagh, Paul William
Michna, Thomas Benjamin
Morrison, Paul Albert
Myers, Larry Daniel
Oconnell, Brian John
Olson, Harold Martin
Pearson, Rufus Judson, III
Rabke, Walter Edward
Renzetti, Joseph Leo
Ringel, Duane Arthur
Robertson, William Edmond J.
Rohrbach, Richard Magee
Ross, Gerald Harry
Rumbold, William Walter, Jr.
Sahlman, Claire George
Schneider, John David
Scott, Gary Hugh
Shalar, Alexander
Shaw, Arthur Robinson
Sheaffer, Donald Ralph
Sherman, Myron Bernard
Smith, Erik Theodore, Jr.
Smith, Homer Francis, II
Stevens, Joseph Michael, Jr.
Stewart, Allen Jack
Stewart, Stephen Edgar
Stokes, Stephan Robert
Vaudreuil, Wilfred Joseph, J.
Wells, Donald Raymond
Wheeler, David Earl
Wilson, Ronald King
Wood, James Albert
Zimmermann, Gerard Alan

JUDGE ADVOCATE GENERAL'S CORPS

Armstrong, Arthur John, Jr.
Berkley, Robert C.
Boasberg, Robert, Jr.
Bohaboy, Howard
Brown, Michael A.
Brush, James Dillon, II
Buchholz, Duane Carl
Burke, Charles Russell
Carroll, Paul F.
Closser, Daniel Penn, Jr.
Cohen, William David
Cromwell, James H.
Dalton, William Harvey
Derocher, Frederic George
Ellis, Donald Porter, Jr.
Fridell, Lane C.
Gall, William Dudley
Gilliam, Thomas Alfred, Jr.
Henkel, George Edward
Horst, Carl Henry
Hosken, Edward Watters, Jr.
Huff, David A.
Ise, William Henry
Kauffman, Robert K.
Kjos, Wendell Arthur
Kuhner, Robert Legier
Landen, Walter James
Little, Harvey Edward
Manning, Edward Francis
Martens, John Jerry
McCoy, Dennis Frederick
McLeran, Robert Harold
Michael, George Lewis, III
Norgaard, Kenneth Ray
Patterson, Donald Ross
Pierce, Charles David
Powell, George Butts, Jr.
Rapp, Michael Duer
Reuling, Todd Johnston
Riddle, Ervin A.
Rote, Edward A.
Sanchez, Francis P.
Sanftner, Thomas Richard
Sinor, Morris L.
Studer, John Armitage
Turner, Patrick Charles
Wigle, Gerald F.
Woods, Terrence Joseph

MEDICAL SERVICE CORPS

Anderson, Francis Glen
Armstrong, Joseph Cunningham
Beckner, William McCarty
Bell, R. Thomas, III
Bond, James Calvin
Brown, Seth Edsel
Brown, Wayne Allen
Cannizzaro, John Silvio
Carnahan, Clarence Lee
Chatelier, Paul Richard
Coan, Richard Manning
Cowan, Morris Joseph, Jr.

Curran, Patrick Michael
Cusick, Richard Allen
Deeter, Victor Raymond
Delaughter, John Douglas
Ferguson, John Christian
Funaro, Joseph Francis
Gannon, John Harry
Gay, Kenton William
Gillespie, Franklin Delano
Gooch, Roy Lee
Green, Charles Madison
Geogoire, Harvey Gilbert
Hartman, Carl Herman
Hatten, Arthur Dallas, Jr.
Henderson, S. Douglas
Hill, Thomas Alfred
Johnson, Robert Alton
Juda, Thaddeus, Albin
Laughlin, Leo Lemuel, Jr.
McAllister, Robert George
McGuire, James Stuart
Murrell, William Raymond
Nathan, Howard Wayne
Newell, Richard Lee
Parrish, William Carroll
Payton, Richard Alan
Peterson, Warren Roger
Rector, Douglas Eugene
Rice, Richard Timothy
Robinson, Patsy June
Rosplock, Jerome Donald
Santana, Frederick Joseph
Saye, Clarence Boswell
Schmutz, Clinton Elmer
Self, William Lee
Shaughnessy, Mary Kay
Skelly, Robert Stanley, Jr.
Smith, Lamar Richard
Theisen, Charles Joseph, Jr.
Tilton, Delmar Levoy
Tomczyk, Frank Edward
Toops, Paul Edwin
Walker, Jerry M.
Warren, Joseph Edmond
Wesolowski, Carl Anthony

NURSE CORPS

Ancelard, Madeline Mary
Armstrong, Susanne Russell
Arnold, Mary Ann
Benning, Luella May
Boyce, Virginia Edna
Campen, Kathryn Elizabeth
Cohagan, Mary Kathryn
Conway, Joan
Cote, Clarence William
Dexter, Marion Caroline
Dillon, Dolores Jo
Dunn, Glenda Gale
Foreman, Evelyn N.
Fox, Patricia Michele
Geraghty, Rosemary B.
Hausmann, Abigail Margaret
Henninger, Judith Erma
Hicks, Shirlee Christine
Hubbard, Carol Ann
Huskey, Bobby Gene
Janik, Barbara Ann
Kohn, Dorothy Ann
Leadford, Bonnie Ann
Lee, Elaine Elizabeth
Loughney, Juel Ann Margaret
Marks, Alita Claire
McCaughey, Anne Marie
McDonald, Patricia Kathalee
McKown, Frances Carroll
Medina, Elida Delosangeles
Megonnell, Joann Helen
Mudge, Blanche Schneider
Newton, Katheryn Eleanor
Oconnell, Anne Louise
Odom, Helen A.
Ormsby, Karen Arndt
Pack, Valaine
Peters, Shirley
Ricardi, Jean Cecilia
Riddell, June Elizabeth
Sheehan, Lona Wallace
Simer, Monica
Simpson, Barbara Lou
Skola, Nancy Ann
Smith, Joann Hennessy
Speckmann, Elissa Mary Ann
Staley, Patricia Louise
Thompson, Marjorie Christine
Tolar, Sara Campbell
Triplett, Audrain Marie
Wildeboer, Henrietta Mae
Witherow, Mary Ann
Word, Helena Mary
Yucha, Shirley Ann

IN THE NAVY

The following-named officers of the Reserve of the U.S. Navy for temporary promotion to the grade of commander in the staff corps of the Reserve of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Branson, William B.
Johnson, Roy M.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps, of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

LINE

Carlisle, James A.
Curland, James W.
Mills, Pelham E., III
Moosally, Fred P., Jr.

MEDICAL CORPS

Bayne, Gary G.
Carius, Michael L.
Cohen, Richard
Cummings, Nickie
Fawcett, William A., IV
Fitzsimmons, Michael A.
Freeland, George R.
Goad, Robert F.
Govin, Gerald G.
Hardy, William L.
Harman, Richard L.
Heckel, Charles G.
Hilton, Edwin B.
Hunt, Clyde M., Jr.
Judice, Donald T.
Koett, John W.
Lewis, William J.
McKinzie, Charles E.
McLaughlin, Charles R.
Melaragno, Anthony T.
Millbern, Stephen M.
Miller, Samuel J., III
Mitas, John A., II
Nelson, Robert C., Jr.
Scanlon, Thomas S., III
Tarquinio, Thom A.
Taylor, John H.
Ware, Lewis L., Jr.
Wilcox, John R., Jr.
Williams, David L.
Withers, Benjamin F., III

CHAPLAIN CORPS

Grove, John W.
McManus, William G., Jr.
Peterson, Jay D.

DENTAL CORPS

Bartz, Raymond D.
Carlson, Thomas D.
Clark, Dennis P.
Deluca, Alfonse T.
Hewlett, Thomas M.
Moore, Paul R.
Myers, George R.
Phillips, Charles C., III

NURSE CORPS

Ingram, Charles H.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

LINE

Bailey, James C., Jr.
Baker, William S.
Baxter, Michael J.
Bishop, Richard W.
Blaisdell, James H.
Block, Terry J.
Boyd, John T.
Broadley, Timothy S.
Casper, David C.
Conroy, Thomas, Jr.
Cranston, James S.
Curry, Peter W.
Davis, John R.
Dean, Jeffrey S.
Derego, Charles A.
Dolle, James E.
Dorsey, Danny E.
Duignan, Michael J.
Eldridge, Michael S.
Etter, Stephen S.
Foulk, Donald L., Jr.
Fullbright, Robert W.
Gardner, Brian M.
Gardner, James A.
Goar, Everett L., III
Greene, Stephen D.
Griffin, Joe E.
Groux, Roger C.
Grubaugh, Clarance E.
Honig, Joseph F.
Johnson, Gregory H.
Johnston, Terry W.
Kelly, Frank B.
Kyzer, Braddock K., Jr.
Lake, Gerald E.
Lamb, Michael P.
Link, Joseph W.
Luhan, John B.
Maniscalco, Ronald J.
Mauro, Charles T.
McBride, John G.
McLean, Bruce D.
McNamara, Robert J.
Milligan, William F., Jr.
Mills, Nile D.
Moore, William J.
Morton, Thomas W.
Nelson, James L.
Noe, Thomas W.
O'Connell, Patrick M.
Pagnotta, Alan R.
Pulsinelli, John A.
Rathneal, Melvin D.
Rohlfs, H. Warren, Jr.
Schneberger, Scott L.
Sprinkle, Charles T.
Staples, Ralph E., Jr.
Talton, George M., III
Taylor, Ronald D.
Urban, Joseph
Wakeman, Mark
Watson, Frederick D.
Xefteris, Constantine L.

SUPPLY CORPS

Carpenter, Levon H.
Mitchell, Lonsdale C.
Tabler, Alan T.

CHAPLAIN CORPS

Mennis, James F.

CIVIL ENGINEER CORPS

Foster, James F.
Parisi, Anthony M.

MEDICAL SERVICE CORPS

Crabbe, Joel R.
Dean, Larry M.
Mahlin, Patrick L.
Martin, Early M.
Mastervich, Mark M.
Penkunas, John J.
Pinkerton, Randy M.

NURSE CORPS

Benson, Donna J.
Brown, David A.
Gantz, Gary S.
Henbest, David
Kozlowski, Janet G.
Lea, Rita M.
Muller, Geraldine E.
Neirynck, William E.

Com. Thomas V. McManamon for temporary promotion to the grade of captain in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

The following-named officers of the U.S. Navy for transfer to and appointment in the Supply Corps in the permanent grade in lieutenant (junior grade).

Lyons, Daniel W.
Soule, William E.

Ensign Wayne E. Anderson, of the U.S. Navy, for transfer to and appointment in the Supply Corps in the permanent grade of ensign.

Lt. (junior grade) Walter T. Sorrow, of the U.S. Navy for transfer to and appointment in the Supply Corps as permanent ensign and temporary lieutenant (junior grade).

Lt. Com. Kent A. Willever, of the U.S. Navy for transfer to and appointment in the Judge Advocate General's Corps in the permanent grade of lieutenant and temporary grade of lieutenant commander.

Lt. (junior grade) Dan E. Babarik, of the U.S. Navy for transfer to and appointment in the Judge Advocate General's Corps in the permanent grade of lieutenant (junior grade).

Lt. James A. Carlisle for permanent appointment to the grade of lieutenant in the line of the U.S. Navy, subject to qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Ahle, Dirk R.
Allemand, Christopher D.
Andriko, Stephen W.
Arline, Johnny E., Jr.
Bailey, Cozy E.
Becker, Christopher L.
Biggs, Timothy P.
Brechtel, William J., Jr.
Brewington, Emmitt D.
Bridgeman, Randolph R.
Bronars, Bruce E.
Brown, John D.
Born, Timothy B.
Buckiewicz, Bruce A.
Carroll, Robert M.
Chinn, Courtney D.
Clark, Robert B.
Connally, Patrick D.
Cooper, Cleveland E.
Cuff, James J., Jr.
Curdy, Brian E.
Dahlen, Robert F. N.
Day, Jeremiah C.
Dempsey, Thomas L.
Dillon, Darrel W.
Dixon, William H., Jr.
Elwell, John P.
Estilow, Rex A.

Everett, Willie M.
Faigley, Phillip A.
Flynn, George J., Jr.
Forman, William M.
Gaffney, Steven J.
Garrett, Donald M.
Giuda, Robert J. W.
Gonda, Daniel B.
Gustin, Paul R., Jr.
Hammes, Thomas X.
Hampton, Myron L.
Harris, William M.
Hart, Kevin P.
Howey, William J.
Hummel, Bernard S.
Inghram, Jonathan D.
Jinnett, Michael J.
Johnson, Floyd J. III
Lawson, Henderson Jr.
Leahy, Thomas G.
Lee, Harry A.
Lindemann, Joel G.
Lindsey, Scott A.
Lundeen, Gary A.
Malone, William H.
Maximuck, Walter Jr.
McComb, Francis M. M.
Meier, Michael D.
Merrell, William
Miller, Gary L.
Montgomery, William J.
Moore, Jacques J. Jr.
Moore, Roger K.
Muthler, Daniel J.
Neundorfer, David H.
Newcomer, Lawrence A.
Ortiz, Pierre J. Jr.
Penman, David N.
Phillips, James A.
Plechash, Alexander
Poulos, Dennis D.
Richter, James S.
Robinson, James W. Jr.
Roepke, Daniel W.
Rybolt, Richard A.
Seibel, William E.
Seney, Scott G.
Sichko, William J. Jr.
Simon, David
Simons, Jeffrey R.
Stevens, Michael H.
Stevens, Robert A.
Stratmann, George E. Jr.
Theeuwen, John D. Jr.
Thumm, Michael W.
Tryon, Richard T.
Turner, Stephen A.
Warfle, Dayton F. Jr.
Wehrle, Daniel A.
Wilcox, Robert G.
Wolf, Larry J.
Wood, David B.
Young, Randolph F.
Zakula, Robert G.

The following-named (Navy enlisted scientific education program) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Hehl, Charles W.

HOUSE OF REPRESENTATIVES—*Monday, April 28, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is spirit and they that worship Him must worship Him in spirit and in truth.—John 4: 24.

O God and Father of us all, at the beginning of a new day we turn to Thee acknowledging our dependence upon Thee and praying for wisdom to walk in Thy ways and for faith that our steps may not falter in the fields of fruitful endeavors on behalf of our beloved country. Give us to see that our coming to Thee is in vain unless it brings us closer to one another and nearer to the members of our human family. With Thee and with one another we can face this hour and live through these days with honor bright, faith firm, and courage true.

Guide our Nation through this critical period to an era of enduring peace, lasting brotherhood, and abiding good will.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested bills of the House of the following titles:

H.R. 4481. An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 4485. An act to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4481) entitled "An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McClellan, Mr. Magnuson, Mr. Stennis, Mr. Pastore, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Montoya, Mr. Bayh, Mr. Young, Mr. Hruska, Mr. Case, Mr. Brooke, Mr. Hatfield, Mr. Mathias, Mr. Stevens, and Mr. Bellmon to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4485) entitled "An act to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Proxmire, Mr. Sparkman, Mr. Williams, Mr. McIntyre, Mr. Cranston, Mr. Brooke, Mr. Packwood, and Mr. Garn to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to a bill of the Senate (S. 249) entitled "An act to amend the Securities Exchange Act of 1934, and for other purposes," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Proxmire, Mr. Williams, Mr. McIntyre, Mr. Tower, and Mr. Brooke to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6096) entitled "An act to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes."

The message also announced that the Senate had passed a bill and resolutions of the following titles, in which the concurrence of the House is requested:

S. 435, An act to amend section 301(b) (7) of the Agricultural Act of 1936, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 21, and

S. Con. Res. 19. Concurrent resolution relating to the World Food Conference of 1976 in Ames, Iowa.

S. Res. 69. Resolution disapproving the proposed deferral of budget authority for Federal-Aid Highways, which deferral (D75-17) was set forth in a special message transmitted by the President to the Congress on September 20, 1974, under section 1013 of the Impoundment Control Act of 1974.

The message also announced that the President pro tempore, pursuant to Public Law 93–526, appointed Mr. Nelson and Mr. Weicker as members on the part of the Senate, of the National Study Commission on Records and Documents of Federal Officials.

The message also announced that the Vice President, pursuant to Public Law 61–435, appointed Mr. Dole to the National Forest Reservation Commission in lieu of Mr. Aiken, retired.

APPOINTMENT OF CONFEREES ON H.R. 4481, EMERGENCY EMPLOYMENT APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4481) making emergency employment appropriations for the fiscal year 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentlemen from Texas? The Chair hears none, and appoints the following conferees: Messrs. Mahon, Whitten, Sikes, Passman, Evins of Tennessee, Boland, Flood, Steed, Slack, McFall, Yates, Cederberg, Michel, Conte, Myers of Indiana, and Miller of Ohio.

CONFERENCE REPORT ON H.R. 6096, AUTHORIZING FUNDS FOR HUMANITARIAN ASSISTANCE AND EVACUATION IN VIETNAM

Mr. MORGAN submitted the following conference report and statement on the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 94–176)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

UMI

That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

SEC. 2. Funds hereafter made available under section 36 of the Foreign Assistance Act of 1974 may be used on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam without regard to the provisions of section 36(a)(1); section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act and notwithstanding any other provision of law.

SEC. 3. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam.

(b) Notwithstanding any other provisions of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000, under such terms and conditions as he may determine, to provide humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

(c) To insure that the humanitarian assistance provided under this section is provided to refugees and other needy people who are victims of the conflict in South Vietnam, such assistance shall be provided, to the extent feasible, under the direction and control of international organizations or under the auspices of voluntary relief agencies. To the extent that such assistance is so provided, it may be furnished only under the direct supervision and control of representatives of such organizations or agencies.

(d) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report with respect to humanitarian assistance provided under this Act describing fully and completely—

(1) the amount of each type of humanitarian assistance;

(2) the expected recipients of such assistance;

(3) the names of all organizations and agencies involved in the distribution of such assistance; and

(4) the means with which such distribution is carried out.

SEC. 4. (a) If the President determines that the use of United States Armed Forces is necessary to evacuate citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are being evacuated. In the event that such evacuation cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such evacuation shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such evacuation, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be evacuated as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

SEC. 5. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 4 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out—

(1) dependents of permanent residents of the United States;

(2) Vietnamese nationals eligible for immigration to the United States by reason of their family relationship to citizens of the United States; and

(3) other foreign nationals to whose lives a direct and imminent threat exists;

if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(A) every effort has been made to terminate the threat to such persons by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(B) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the evacuation of citizens of the United States and their dependents; and

(C) the duration of the use of such United States Armed Forces to hostilities will not thereby be extended; and

(D) such evacuation will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being evacuated.

SEC. 6. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of sections 5 (b) and (c) of the War Powers Resolution.

SEC. 7. Nothing contained in section 839 of Public Law 93-437, section 30 of Public Law 93-189, section 806 of Public Law 93-155, section 13 of Public Law 93-126, section 108 of Public Law 93-52, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States for the evacuation programs authorized by this Act.

SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

SEC. 9. Not more than four days after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the evacuation from Vietnam of the persons described in sections 4 and 5 of this Act.

SEC. 10. It is the sense of the Congress that as the humanitarian aid provided under this Act is made available in South Vietnam, the President is requested to use all appropriate diplomatic means at his disposal to obtain (1) an updated accounting of Americans listed as missing in action in Southeast Asia, and (2) the return of the remains of known American dead. The President is further requested to report to the Congress within 30 days after aid is made available in Southeast Asia, the diplomatic actions being taken.

SEC. 11. No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG.

And the Senate agree to the same.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
L. H. FOUNTAIN,
DANTE FASCELL,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.
JOHN SPARKMAN,
FRANK CHURCH,
H. H. HUMPHREY,
CLIFFORD P. CASE
J. JAVITS,
HUGH SCOTT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for both the text of the House bill and the Senate amendment thereto.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

SHORT TITLE

The House bill contained a short title which cited the Act as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

The Senate amendment contained a short title which cited the Act as the "Vietnam Contingency Act of 1975".

The Senate receded.

FUNDING AUTHORIZATION

The House bill authorized the appropriation of $150 million for fiscal year 1975 for humanitarian assistance to and evacuation programs from South Vietnam. The House version also authorized the use of Indochina economic aid funds previously authorized

under the Foreign Assistance Act of 1974, for humanitarian purposes without regard to the restrictions of sections 36(a)(1), 36(a)(6), 37(b) (third sentence) and 38(a)(1).

The Senate amendment authorized the appropriation of $100 million for fiscal year 1975 for humanitarian and withdrawal purposes and waived all the provisions of sections 36 and 38.

In addition the Senate version established a policy to provide humanitarian aid for war victims throughout all of South Vietnam and Cambodia, to be provided through channels acceptable to all parties; and authorized the appropriation of $150 million for fiscal year 1975 for humanitarian assistance to refugees and other victims of the conflicts in South Vietnam and Cambodia, to be furnished under the direction and control of the United Nations or under the auspices of other international organizations, international agreements, or voluntary agencies, to be distributed only under the direct supervision and control of representatives of such organizations and agencies.

The Senate amendment also required the President to report to the Congress every 90 days (A) the amount of each type of economic assistance provided under the bill, (B) the expected recipients, (C) the distributing agencies, and (D) the means of distribution.

The committee of conference agreed to authorize the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, but not yet appropriated, for humanitarian assistance to, and evacuation programs from, South Vietnam without regard to the funding limitations set in section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act.

The committee of conference also agreed to a new authorization of appropriations of $150 million for humanitarian assistance in South Vietnam. It is the intent of the committee of conference that funds made available under this section be available to administer these humanitarian programs for victims of the conflict, wherever they may be located.

It is the intention of the conference that such programs be carried out under the direction and control of international organizations and voluntary relief agencies, located in the United States and abroad, to the extent feasible. In order to insure that assistance so provided is actually delivered to refugees and others in need, the section requires that the assistance only be furnished under the direct supervision and control of representatives of the international organizations and voluntary agencies. The conferees expect the executive branch to make every reasonable effort to involve these organizations and agencies in this humanitarian effort. Finally, the section requires quarterly reports to the Congress which would describe the amount and nature of the assistance provided by the Act, the expected recipients, the organizations and agencies involved in the distribution of the assistance, and the means by which the assistance is distributed. This reporting requirement should not be construed to require the imposition of additional U.S. Government inspections and audits on the distributing agencies and organizations, if such requirements would substantially impede or diminish the involvement of these agencies and organizations in the programs authorized by this section.

The conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purpose can be supplied to needy people in Cambodia and urge that executive branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the conferees expect that the United States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugee Assistance Act.

There is no funding authorization in this Act for military assistance programs in South Vietnam.

AUTHORIZATION OF USE OF UNITED STATES ARMED FORCES FOR EVACUATION PROGRAMS IN VIETNAM

The House bill had no express authorization for the use of U.S. Armed Forces but defined "evacuation" as one "without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force" to remove the categories described in the House bill.

The Senate amendment authorized the President to use U.S. Armed Forces to assist in withdrawing Americans and their dependents and endangered foreign nationals, and placed limitations on the use of those forces. If feasible, a single operation was required where imminent involvement in hostilities was indicated.

The House receded. It is the intention of the committee of conference that references in the conference report to the use of the U.S. Armed Forces are not intended to relate to the normal logistics and related services which may be performed by the Department of Defense, using military personnel in a noncombat situation, on a reimbursable basis under the Foreign Assistance Act and other laws.

REPORTING REQUIREMENTS REGARDING USE OF ARMED FORCES IN CONNECTION WITH EVACUATION OF AMERICANS AND THEIR DEPENDENTS

The House bill did not refer to the provisions of section 4 of the War Powers Resolution which require that the President submit reports to the Congress in connection with the introduction of U.S. combat forces into a foreign country or the introduction of forces into a situation involving actual or imminent hostilities.

The Senate amendment required that if it is essential to employ the Armed Forces in withdrawal operations, a report be filed as required by Section 4 of the War Powers Resolution, and that that report certifies:

1. That a direct and imminent threat exists to the lives of U.S. citizens and their dependents;

2. That every effort was made to terminate the threat by means other than the use of forces; and

3. That, with the exception of essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

The House receded.

EVACUATION OF FOREIGN NATIONALS

The House bill authorized the use of minimum necessary force to evacuate, in addition to American citizens, their dependents, Vietnamese nationals eligible for immigration to the United States by reasons of their relationships to American citizens, and other foreign nationals "to whose lives a direct and imminent threat exists". Military force employed for this last purpose may not exceed that necessary to carry out the evacuation of the three categories of persons. The House bill also stipulated that the authority with respect to the last category does not extend to any action or conduct not essential to effectuate and protect the evacuation of the persons referred to above.

The Senate amendment authorized the President to use Armed Forces to assist in bringing out endangered foreign nationals if he certifies, pursuant to section 4(b) of the War Powers Resolution, that:

1. Every effort has been made to terminate the threat by other than military force;

2. A direct and imminent threat exists to the lives of such individuals;

3. The number of American forces used to evacuate foreign nationals will not be greater than those essential to and directly connected with a withdrawal of American citizens;

4. The duration of the use of such forces will not be extended; and

5. The withdrawal will be confined to areas where United States Forces are present for the purpose of protecting Americans while they are being withdrawn.

The conference report adopts the authorities and restrictions provided in the Senate version but adopts the definition of foreign nationals eligible for evacuation under the Act which was part of the House version.

WAR POWERS RESOLUTION

The House bill stated that nothing in this Act is to be construed in derogation of the War Powers Resolution or to constitute a specific authorization for the use of Armed Forces within the meaning of sections 5 (b) and (c) of such Resolution.

The Senate amendment stated that the authority of this Act is intended to constitute specific authorization within the meaning of section 8(a) of the War Powers Resolution and is not a specific authorization for the purpose of section 5(c) of such Resolution, and required the removal of such forces by concurrent resolution if Congress directs.

The conference report provides that the authority contained in the Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for the purposes of sections 5 (b) and (c) of the War Powers Resolution. This reference incorporates the time limitations and termination procedure of section 5(b) of the War Powers Resolution and requires that such forces be removed by the President if the Congress so directs by concurrent resolution under section 5(c) of the Resolution.

WAIVER OF PROHIBITIONS ON THE USE OF FUNDS FOR THE USE OF U.S. FORCES IN EVACUATION

The House bill waived prohibitions on the use of funds for combat activities in Vietnam, in five public laws, section 839 of Public Law 93-437, section 30 of Public Law 93-189, section 806 of Public Law 93-155, section 13 of Public Law 93-126, section 108 of Public Law 93-52 and the precautionary phrase, "or any other comparable provision of law" to the extent necessary for the evacuation programs authorized in that bill.

The Senate amendment waived the same five prohibitions, plus section 741 of Public Law 93-238, and section 307 of Public Law 93-50, "only to the extent necessary" to use U.S. armed forces to withdraw U.S. Citizens and their dependents from South Vietnam. The Senate amendment did not contain the precautionary phrase "or any other comparable provision of law."

The Senate receded.

DAILY WITHDRAWAL REPORT

The House bill contained no provision requiring a daily withdrawal report.

The Senate amendment required a daily report to the Speaker and to the Senate Committee on Foreign Relations, as long as the recipients desire such reports, on the numbers of Americans and dependents who left Vietnam the previous day, broken down by government and private contract personnel. The number remaining in South Vietnam, and the number of South Vietnamese who left South Vietnam the previous day with U.S. assistance.

The House receded.

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WITHDRAWAL PLAN

The Senate amendment required the President to submit, within 48 hours of enactment, a report to the Speaker and to the Chairman and ranking minority members of Senate Foreign Relations, Judiciary and Armed Service Committees, a report describing his general plan for withdrawal of U.S. citizens and their dependents and for withdrawal of endangered foreign nationals.

The House bill contained no provision requiring the submission to the Congress of a withdrawal plan.

The House receded, with an amendment extending the time period within which a report is required from 48 hours to 4 days.

MISSING-IN-ACTION REPORT

The House bill contained a sense of the Congress provision requesting that, as humanitarian assistance is being made available to South Vietnam, the President use all appropriate diplomatic means to obtain:

1. An updated accounting of Americans missing in action; and
2. The return of the remains of known American dead.

The House bill further requests that within 30 days after aid is made available in Southeast Asia, the President report to the Congress the diplomatic actions being taken.

The Senate amendment contained no comparable provision.

The Senate receded.

PROHIBITION ON ASSISTANCE

The House bill prohibited the use of funds authorized in this Act to aid, directly or indirectly, the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) or the channeling or administration of funds by the DRV or the PRG.

The Senate amendment contained no comparable provision.

The Senate receded, with an understanding that the provision is not intended to prohibit assistance to refugees and other needy people who are victims of the conflict located in the territories controlled by these entities, if such assistance is channeled through and directly administered by international organizations or private voluntary agencies, and public facilities (for transportation, etc.) are only used in a manner that is similar to the common practice of these agencies and organizations in noncommunist territories.

EVACUATION OF DESERTERS FROM THE U.S. MILITARY

The House bill contained no provision relating to the evacuation of deserters from the U.S. military.

The Senate amendment contained a provision which expressed the sense of Congress that the United States not abandon in Vietnam deserters from the U.S. military who remain in that country, but that upon their return to the United States they be turned over to proper authorities for prosecution in accordance with the law.

The Senate receded, with the understanding that the provision would have been subject to a point of order in the House.

RESCISSION OF PROVISIONS THROUGH CONCURRENT RESOLUTION

The House bill provided that any provisions of the bill may be rescinded by the Congress through concurrent resolution.

The Senate amendment contained no comparable provision.

The House receded, because the committee of conference believed that the safeguards contained in Section 6, concerning the War Powers Resolution, made the provision unnecessary.

DELIVERY OF PUBLIC LAW 480 SHIPMENTS TO CAMBODIA

The House bill did not contain a provision relating to delivery of Public Law 480 shipments to Cambodia.

The Senate amendment required Public Law 480 food shipments scheduled for delivery to Cambodia on or before the date of enactment of this bill to be delivered to Cambodia through international channels, provided that the assistance is requested by the Cambodian Government.

The Senate receded.

FINDING OF CONGRESS ON NORTH VIETNAMESE AND VIETCONG VIOLATION OF PARIS PEACE AGREEMENT

The House bill stated the finding of the Congress that this bill is made necessary by North Vietnamese and Vietcong military aggression in flagrant violation of the Paris Peace Agreement.

The Senate amendment contained no comparable provision.

The House receded. The committee of conference believes that a formal assessment of blame could have undesirable consequences with respect to the overall objectives of the Act and, specifically, with respect to obtaining information about Americans listed as missing in action in Southeast Asia and the return of the remains of unknown American dead.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
L. H. FOUNTAIN,
DANTE FASCELL,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

JOHN SPARKMAN,
FRANK CHURCH,
H. H. HUMPHREY,
CLIFFORD P. CASE,
J. JAVITS,
HUGH SCOTT,
Managers on the Part of the Senate.

LEGISLATION ON MEDITERRANEAN FRUIT FLY ERADICATION

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, the Mediterranean fruit fly is an incipient threat to several subtropical fruit and vegetable producing areas of the United States. One of those areas is in my south Texas district.

This pest is capable of inflicting disastrous damage on 167 varieties of fruits and plants, including citrus and stone fruits, melons, tomatoes, and peppers. It has infested sections of the United States several times and each time has been successfully combated through the efforts of the U.S. Department of Agriculture and the producers involved.

The most serious infestations have been in Florida. In my own district, however, in the Brownsville area, it was necessary in 1966 to carry out a Mediterranean fly eradication program covering some 7,000 acres of productive land.

The pest is at present well established in the State of Hawaii. It flourishes in the countries of Central America. The Department of Agriculture is deeply concerned with keeping it away from the U.S. mainland.

For this reason, I have introduced a bill to clarify the authority of the Secretary of Agriculture to carry out pest eradication programs in cooperation with other countries. For a number of years such programs have been conducted cooperatively between the United States and Mexico and have proved outstandingly successful in meeting substantial threats to crop production.

My bill would serve to remove any question of the Agriculture Department's authority to extend these programs. It would ensure the feasibility of an extensive effort to prevent the threatened invasion of the Mediterranean fruit fly, which if it should come would inevitably result in tremendous losses to fruit and vegetable producers in Texas, Louisiana, Florida, and elsewhere.

The matter is urgent. The Department of Agriculture has available contingency funds with which to undertake this necessary program without further appropriations. I hope the House will see fit to act speedily and favorably on my bill.

EVACUATING AMERICANS FROM SOUTH VIETNAM

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, I would again like to address myself to the fact that the evacuation of Americans from South Vietnam is not proceeding as rapidly as it should.

The Reuters report in the New York times yesterday stated that there were between 900 and 1,000 Americans left in South Vietnam. This figure did not include their non-American dependents. We have not been able to get the figures for noncitizen dependents from the State Department since last Thursday. It was stated that some 262 Americans were evacuated from South Vitenam during the previous 24-hour period, during which time 6,300 South Vietnamese were evacuated.

I have heard today that the figure of Americans is now over 900, which means that less than 100 were evacuated.

I would like to quote from the remarks made by the junior Senator from Kentucky (Mr. FORD) where he quoted Dean Brown as saying:

> If Saigon is under attack and the airfield is under attack, that is that, and that is when you go in for the last haul of the Americans.

I think the Americans should be out now and their dependents should be out now, and certainly there is no reason for them to be there in danger at this time.

AD HOC COMMITTEE TO REVIEW LIQUID METAL FAST BREEDER REACTOR PROJECT

(Mr. McCORMACK asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, as most of the Members are probably aware, the Joint Committee on Atomic Energy has created a new special ad hoc committee to review this Nation's liquid metal fast breeder reactor project.

Tomorrow, at 2 p.m., the subcommittee will hold its first briefing. Dr. Gerald F. Tape, U.S. Ambassador to the International Atomic Energy Commission and president of Associated Universities Inc., will relate the historical developments of

this Nation's civilian nuclear power program, starting with the early days of the Manhattan Project and progressing through the decision that made the liquid metal fast breeder reactor, as the President designated it, "this Nation's No. 1 energy project."

In addition, Mr. Ed Johnson, head of E. R. Johnson and Associates, will describe the uranium fuel cycle, describing for the Members the entire process, starting with the mining of uranium, and following it through milling and purification, the fabrication of fuel elements, what happens in a nuclear reactor, how uranium is recycled, and the plutonium recycle concept.

This briefing will be extremely valuable for any Member who wish to update himself on this subject. It will be held in the Joint Committee public hearings room in room S-407. All Members are urged to attend. The meeting is open to the public.

LEGISLATIVE PROPOSAL FOR THE NATIONAL PORTRAIT GALLERY

(Mr. YATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YATES. Mr. Speaker, the National Portrait Gallery Act of 1962 defines portraiture as "painted or sculpted likenesses." The original bill approved by the Board of Regents of the Smithsonian Institution in January 1961, and introduced by former Senator Clinton P. Anderson in February 1961, and defined portraiture as "portraits and reproductions thereof made by any means or processes, whether invented or developed heretofore or hereafter." The more restrictive language that became part of the final legislation was substituted by the Senate committee at the request of the Librarian of Congress who argued that the National Portrait Gallery would otherwise enter into competition with the Library of Congress in the collecting of prints and photographs.

It has become increasingly clear over the years that the National Portrait Gallery cannot fully perform its legislated functions, either in exhibition or in research, under the existing restriction. More than half of our national history has occurred since the invention of photography. Many Americans who should be represented in our National Portrait Gallery are best portrayed by photographs, and some are portrayed only by photographs. As a center for the study of history through portraiture, the Gallery requires photographic and printed reproductions of portraits in all media not in its own collection.

Given the very restricted area in which the Portrait Gallery would collected and display prints, photographs, films, and other likenesses, competition with the collections of the Library of Congress would be minimal. Indeed, we are confident that sensible cooperative arrangements between the Library and the Gallery can be worked out.

No other Smithsonian Museum is prevented by law from collecting prints and photographs in its areas of specialization; it is difficult to imagine that any of them could operate effectively if it were so limited.

PERSONAL EXPLANATION

Mr. MIKVA. Mr. Speaker, on Thursday, April 24, I was obliged to be in Illinois on district business and was therefore unable to vote on certain bills considered that day. Had I been present, I would have voted "Yea" on final passage of the Securities Reform Act (roll No. 153), "Aye" on the Moffett amendment to delete the salary increase for the president of Amtrak (roll No. 155), and "Yea" on final passage of the Amtrak Improvement Act (roll No. 156).

TRUTH IN ARITHMETIC

(Mr. GOLDWATER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, there is not one Member of this House who does not know that congressionally induced, Federal deficit spending is the primary cause of the economic disaster currently plaguing the United States. That it can be said of all recent Congresses that as alcohol is to the alcoholic, mindless deficit spending is to the Congress. Just as the alcoholic believes—he can drink his way to a better condition unfortunately so many Members of Congress insist on believing that the way to get out of our current economic mess is to spend more and ignore the deficit hangover. Such an attitude and practice are sheer folly.

Beginning on Wednesday of this week, the Congress will take up what has been promised to be the first of several budget resolutions. This concurrent resolution has no binding authority. It relies on verbal declarations of intent and uses such forceful wording as "recommended" and "appropriate." It says that a $73.2 billion spending deficit for fiscal year 1976 is appropriate. Well, my fellow colleagues, that strikes me as about as sensible as telling a gutter stumbling drunk to break open another case of booze and see if that will not help him recover.

If this concurrent resolution is any indication of what we can expect, what this Nation needs is a little "truth in arithmetic" legislation—legislation that means something, that is binding, and that permanently stops Federal deficits and forces this Congress to tell the truth about our fiscal policies and positions.

CONGRESS MUST AUTHORIZE PRODUCTION FROM ELK HILLS

(Mr. BELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BELL. Mr. Speaker, tomorrow the House will consider H.R. 49—a bill which will allow for long overdue production from the petroleum reserve at Elk Hills in California to help ease this Nation's dangerous energy situation.

We can no longer afford the luxury, Mr. Speaker, of allowing such a critical resource as Elk Hills—or Pet 4 in Alaska—to sit there undeveloped and in such an inadequate state of readiness.

In the national interest, the Congress must authorize production from Elk Hills as envisioned in H.R. 49.

I urge the support of my colleagues for this legislation tomorrow.

A "Dear Colleague" scurrilous letter has been circulated by some Members inferring that we may have another Teapot Dome scandal.

Let us get the facts out. Names. Names.

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES WITH REGARD TO FOREIGN ASSISTANCE ACT OF 1961 (H. DOC. NO. 94-116)

The SPEAKER laid before the House the following communication from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed:

THE WHITE HOUSE,
Washington, D.C., April 25, 1975.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C. 20515

DEAR MR. SPEAKER: In accordance with the notification requirement set forth in Section 652 of the Foreign Assistance Act of 1961, as amended, (hereinafter, the "Act"), please be advised that I intend to exercise my authority under Section 614(a) of the Act to authorize the use of Indochina Postwar Reconstruction funds for the purpose of financing the evacuation from South Vietnam of certain South Vietnamese nationals and nationals of other foreign countries without regard to the requirements of the Act, the Foreign Assistance Act of 1974, including Section 38, and Section 113 of the Act Making Appropriations for Foreign Assistance and Related Programs for the Fiscal Year Ending June 30, 1975, and for Other Purposes. Justification for this action is contained in the enclosed memorandum.

I have determined that such authorization is important to the security of the United States and will be forwarding my formal determination to you within the next few days.

Sincerely,

GERALD R. FORD.

Enclosure.

JUSTIFICATION FOR PRESIDENTIAL DETERMINATION TO AUTHORIZE THE USE OF INDOCHINA POSTWAR RECONSTRUCTION FUNDS TO FINANCE THE EVACUATION FROM SOUTH VIETNAM, AND RELATED COSTS, OF CERTAIN SOUTH VIETNAMESE NATIONALS AND THE NATIONALS OF OTHER COUNTRIES

Although Section 38(a)(1)(A) of the Foreign Assistance Act of 1974 authorizes the use of funds made available under that act for relief of refugees, the $70 million authorized for that purpose may not be sufficient to cover this evacuation and related costs when this amount is determined and added to other refugee relief programs already funded. Section 38(b) limits the amount that may be transferred out of the other major categories of assistance authorized under

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section 38(a) into the humanitarian category to not more than 20 percent of the amount authorized under each of the other major categories.

Section 113 of the Foreign Assistance Appropriations Act of 1975 requires congressional notification of the use of funds for new Indochina postwar reconstruction activities at least 15 days in advance of the obligation of such funds. An evacuation project was not presented to the Congress for Foreign Assistance Act financing at the time of the fiscal 1975 congressional presentation. Funds for such a project have been included in the legislation now before the Congress, but no funds have been appropriated as yet nor can they be in the time available. Insufficient funds are available under the Migration and Refugee Assistance Act of 1962, as amended, and there is no time to pursue appropriations thereunder for this immediate need. Accordingly, this urgent requirement, if it is to be met at all in the time available, must be met with Foreign Assistance Act funds. Of course, the use of Indochina postwar reconstruction funds will serve only as a stopgap measure pending passage of the legislation presently being considered by the Congress. Ordinarily we would notify Congress of this new activity under section 113, but to do so now, and wait 15 days, will prevent the successful evacuation of these people.

Without such a determination under section 614(a) of the act, it may not be possible to finance the evacuation from South Vietnam, and related costs, of nationals of that country and of other foreign countries. The failure to evacuate these people from South Vietnam would leave them in danger of harm, perhaps even death, in the face of Communist aggression, and would raise serious questions in the eyes of other nations regarding the U.S. Government's humanitarian concerns toward those with whom it has been closely associated and allied for many years. I therefore believe it to be important to the security of the United States to undertake such an evacuation and to finance this undertaking with Indochina postwar reconstruction funds.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 25, 1975.

Hon. CARL ALBERT,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 p.m. on Friday, April 25, 1975, and said to contain a message from the President wherein he transmits the annual report of the National Credit Union Administration.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, U. S. House of Representatives.
By W. RAYMOND COLLEY,

ANNUAL REPORT OF THE NATIONAL CREDIT UNION ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

Pursuant to the provisions of Title I, section 102, of the Federal Credit Union Act, as amended (12 U.S.C. 1752a(e)), enclosed is the Annual Report of the Administrator, National Credit Union Adminstration, for the calendar year 1974.

GERALD R. FORD.
THE WHITE HOUSE, *April 25, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *April 25, 1975.*

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 p.m. on Friday, April 25, 1975, and said to contain a message from the President wherein he transmits the annual report of the Alaska Railroad Act.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, U.S. House of Representatives.
By W. RAYMOND COLLEY.

ANNUAL REPORT BY SECRETARY OF TRANSPORTATION ON THE ALASKA RAILROAD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the annual report by the Secretary of Transportation on the operations and activities of the Alaska Railroad Act of March 12, 1914.

GERALD R. FORD.
THE WHITE HOUSE, *April 25, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 25, 1975.

Hon. CARL ALBERT,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 p.m. on Friday, April 25, 1975, and said to contain a message from the President regarding Revenue Sharing and a draft bill.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, U.S. House of Representatives.
By W. RAYMOND COLLEY,

PROPOSED LEGISLATION TO EXTEND AND REVISE THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–117)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans.

THE VALUE OF FEDERALISM

The genius of American government is the Federal system of shared sovereignty. This system permits and promotes creativity and freedom of action simultaneously at three levels of government. Federalism enables our people to approach their problems through the governments closest to them, rather than looking to an all-powerful central bureaucracy for every answer.

With the Federal Government heavily committed to international affairs, the Nation's defense, the state of the economy and the energy problem, we need strong, effective State and local governments to meet the everyday needs of our people—for good police and fire protection, education, transportation, sanitation, and the basic services of a well-governed society.

In 1972, when General Revenue Sharing was passed, the Federal partnership was in trouble. The Federal Government, with its highly efficient taxing system, then collected some two-thirds of the Nation's total tax revenues. Federal revenues, particularly because of the income tax, grew with the economy. However, State and local revenues are more dependent on real property taxes and sales taxes. These governments had to meet rising demands for services and costs through endless rounds of tax increases. Simply stated, revenues had grown fastest at the Federal level, while needs were growing fastest at the State and local levels.

The Federal Government, then as now,

sought to help States and communities meet their needs through Federal aid. For the most part, this aid is in the form of categorical grants—that is, narrowly defined, closely controlled grants for specific purposes. Today, over one thousand of these categorical grants are available for almost every imaginable objective.

However, the necessity to go to Washington for the solution to many local problems has had a stifling effect on the creativity and accountability of State and local governments. Along with Federal aid comes Federal restrictions which limit local initiative and flexibility.

Furthermore, until the concept of block grants was developed, States and localities were limited to categorical grants which were designed to lead State and local governments in new directions. Consequently, the recipients, all too often, headed in the direction where the grant moneys were available, rather than where their genuine needs existed.

Finally, much of the aid the Federal Government makes available has to be matched by State and local funds. The impact of this requirement is often to aggravate rather than to alleviate a State or local government's financial plight.

This was the situation the executive branch and the Congress faced in 1972—a Federal system endangered by the growing impoverishment of two out of the system's three partners. This is the situation that the Federal Government wisely met, by the passage of General Revenue Sharing.

This program has been a resounding success. Since its enactment, General Revenue Sharing has provided nearly $19 billion to 50 States and some 39,000 local governments—money which these governments could use as they saw fit to meet their priority needs.

These Federal revenue sharing dollars have meant new crime fighting equipment and more police on the street, help for essential mass transportation, a better environment, improved fire protection and many other useful public activities. If some communities have not used their revenue sharing funds wisely, they are a minuscule fraction of governments which have used this money well.

The current revenue sharing act has also enabled individuals and citizen groups to play their part in determining the use of these Federal funds in their communities by placing the decision on the use of these funds at the local rather than the Federal level. This citizen participation strengthens our democracy in the best possible way. It is my intention to strengthen our efforts to encourage the widest possible citizen participation.

THE NEED GOES ON

General Revenue Sharing has also been the keystone of additional efforts to reform Federal aid. The new block grant programs, more decentralized grant management, joint funding projects and grant integration, improved program information and executive reorganization have all been included in a large-scale effort to make better sense of and to get greater results from the billions granted to State and local governments.

The General Revenue Sharing program enacted in 1972 turned a corner. It caught a serious problem in time and helped us get back on the road to a sounder Federalism, of shared rights and responsibilities.

Many State and local governments are facing deficits with the prospect of having to raise additional taxes or cut services. Our States and localities are facing these adverse developments at a time when their fiscal responsibilities have mounted due to the impact of inflation on their expenditures and the tax burdens placed on citizens. Further, the present high unemployment is taking its toll in terms of lower tax receipts and higher costs on States and communities. This combination of financial pressures is likely to continue to bear down on these governments for the foreseeable future.

Many units of governments, particularly in distressed urban areas, count on these funds for their budget planning. If the flow of shared revenues were to be turned off or scaled down, the results would be immediate and painful. Our efforts to revive the economy would suffer a serious blow. States, cities, counties and small communities would have to either cut back essential services causing increased public and related private unemployment or tax more or borrow more—thus defeating the objectives of our national efforts to reduce the total tax load and revive the economy.

Enactment of Federal revenue sharing was a wise decision in 1972. Its continuation is imperative now. Before deciding to recommend extension of this program, I directed that an exhaustive study be made of the present program to identify its strengths and weaknesses. This assessment has been carried out and has taken into account the views of the Congress, State and local government officials, interested citizen bodies and private study groups analyzing governmental policy. I will also consider any signficant findings which may yet emerge from studies presently underway.

Based on our review of this work, I am now proposing to the Congress legislation which will maintain the basic features of the existing revenue sharing program while offering several improvements.

The principal elements of the renewal legislation I am proposing are:

—The basic revenue sharing formula is retained. Experience to date suggests the essential fairness of the present formula and I recommend its retention.

—Funds will be authorized for five and three-quarters years. The effect of this provision is to conform the time period to the new Federal fiscal year.

—The current method of funding with annual increases of $150 million will be retained to compensate, in part, for the impact of inflation. Over the five and three-quarters years, this level will produce a total distribution of Federal revenues of $39.85 billion. By the final year, the revenues shared will have increased by $937 million over the current level of payments.

—Recognizing the need to raise the existing per capita constraint on the basic formula, my proposal would permit those hard-pressed jurisdictions now constrained by the per capita limitation to receive more money. The impact of this change on other communities would be minimized by phasing the change in five steps and by the increase of $150 million annually.

—To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been discriminatory. This change will further enhance the Secretary's ability to insure that none of our citizens is denied on grounds of race, color, sex or national origin the benefits of any program funded in whole or in part through revenue sharing.

—To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing monies.

—The Administration proposal would also make reporting requirements more flexible to meet varying needs from community to community. The legislation would grant the Secretary of the Treasury greater latitude in determining the form of reports and the kind of information required of recipients. Similarly, he would have more flexibility to determine the method by which recipient governments must publicize their use of funds.

—Finally, the proposal requires a reconsideration of the program 2 years before its expiration.

EARLY RENEWAL IS IMPORTANT

I urge the Congress at its earliest convenience to begin deliberations on the renewal of the State and Local Fiscal Assistance Act of 1972. Effective planning at the State capitols, city halls, and county courthouses will require action in this first session of the 94th Congress. In fact, in the fall of 1975 many of our States and local governments will be preparing their fiscal year 1977 budgets. It will be essential for them to know at that time whether General Revenue Sharing funds will be available to them after December, 1976.

The expiration of the present General Revenue Sharing Law is coincident with the year in which the Nation celebrates its bicentennial. There could be no more practical reaffirmation of the Federal compact which launched this Country than to renew the program which has done so much to preserve and strengthen

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that compact—General Revenue Sharing.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

CALL OF THE HOUSE

Mr. DEVINE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 157]

Andrews, N.C.
Badillo
Biaggi
Boggs
Bolling
Brademas
Breckinridge
Broomfield
Brown, Mich.
Chappell
Cochran
Conyers
Crane
Dellums
Dent
Diggs
Flood
Flynt
Ford, Tenn.
Ginn
Gonzalez
Gradison
Hanley
Hansen
Harkin
Harsha
Hébert
Hefner
Howard
Hughes
Ichord
Jarman
Kastenmeier
Kemp
Krueger
Litton
Lott
McKinney
Matsunaga
Meeds
Milford
Mills
Mollohan
Peyser
Poage
Pritchard
Railsback
Rangel
Rhodes
Ruppe
Russo
Satterfield
Scheuer
Shipley
Shriver
Shuster
Staggers
Steiger, Ariz.
Sullivan
Symington
Taylor, N.C.
Teague
Traxler
Udall
Ullman
Vanik
Wilson, Charles, Tex.
Young, Fla.
Young, Ga.
Zablocki

The SPEAKER. On this rollcall 362 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ELECTION CAMPAIGN ACT OF 1974

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, in today's New York Times Mr. William Safire, in an "essay" speculated about a feature in the 1974 Election Campaign Act which relates to the Democrat national chairman, Mr. Straus. Mr. Safire and I discussed this matter on the telephone, and reference to our conversation was made in the "essay." None of the Safire speculation is attributed to me, but for those who have not read the article closely, I want to make the record clear that I have indulged in none.

The statute of limitations features in the law precludes investigation of Mr. Straus' part in receiving a corporate campaign contribution. It may protect him, but it also precludes a finding that he, like others who accepted similar contributions, thought they were personal contributions.

I did not like the statute of limitations when we were marking up the bill and said so, but it seemed then to be a minor issue, and it still seems to me to be a minor issue.

The Election Campaign Act of 1974 is a good law—flawed in many ways as are all complicated laws—and it reflects bipartisan credit on the 93d Congress. I believe that speculation about various features of the law is a legitimate editorial exercise, but I hope that such speculation does not cause a reduction in either the people's or the Congress' confidence in that law.

I find it likewise not fruitful to indulge in speculation as to the motivation of the people who worked on the law. Each of us who did so worked hard in an effort to present the best package that Congress could accept and the President would sign. I was unstinting in my praise of those who contributed to the passage of the bill last year, and I have no reason to suspect their motivations now nor to diminish the value of their contributions.

THE NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4222) to amend the National School Lunch and Child Nutrition Acts in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 4222, with Mr. EVANS of Colorado in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, March 25, 1975, there was pending an amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA) for the committee amendment in the nature of a substitute.

Are there further amendments to the amendment in the nature of a substitute?

Mr. PERKINS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to review for the Members the action taken thus far on the important school lunch bill and to indicate what further amendments we anticipate.

Let me begin by reviewing very briefly the provisions of the original committee bill—H.R. 4222 as reported by the committee can only be described as a balanced piece of legislation which addressed all of the component parts of the School Lunch and Child Nutrition Acts.

The major provisions of H.R. 4222 as reported—

Make permanent the authorizations of the school breakfast program;

Make children of unemployed parents automatically eligible for free meals;

Expand eligibility for reduced price lunches to an additional 5 to 7 million students;

Extend and expand the participation of children in child care institutions and preschool programs;

And extend the authorization for the supplemental feeding program for women, infants, and children—known as WIC—for 3 years at $250,000,000 per year.

Many of these provisions in the committee-reported bill reflect the Committee on Education and Labor's continuing concern for and commitment to providing nutritious meals for those in financial need. The bill is further evidence of the committee determination that these programs be effective and adequate in meeting the needs of children from financially needy families.

But in the Committee on Education and Labor we have a concern also for the children from families whose incomes exceed these eligibility guidelines. We have a concern that all children have an opportunity for at least one nutritious meal per day—and when we examined the evidence it was clear that the legislation also had to provide some additional subsidy for the regular school lunch program.

Our solution was to place a ceiling of 25 cents that could be charged any paying student. During general debate on the committee measure, it was clear that there was deep concern among the membership over the costs of this proposal and we agreed when we went into the 5-minute rule to offer a substitute for the committee bill—a substitute which retained the major provisions of the committee bill I have mentioned, but which placed the cap at 35 cents rather than 25 cents.

But even this effort—the 35 cents cap—by the committee to help working families was not acceptable to the House. We therefore have pending before us the O'Hara substitute which originally—and as it has been amended—greatly strengthened feeding programs for the needy. In fact, we were pleased to accept an amendment to the substitute to mandate the offering of reduced price lunches. That in combination with an original committee provision raising the eligibility guideline for a reduced price lunch to 100 percent of the poverty guideline, will have a significant beneficial impact.

There is no question that the bill as it now stands represents a significant effort on behalf of low-income families. But it does nothing for many of the working people of this country. If we allow the bill to remain as it is, it will be those children in families with incomes of $14,000, $15,000, and $16,000 who will be unable to pay what will be even higher school lunch prices next year.

Over the last 2 years, costs of producing a lunch have increased by 28 percent, and under existing law, virtually all of those increased costs must be passed on to students. For that reason, Mr. Chairman, I will offer an amendment to provide a 5-cent payment on every lunch served to a paying student next year.

This is quite a concession from our original committee position, and from the modified position we took in the O'Hara substitute. A step backward which I deeply regret. We will not have a standard price for paying students. We may not reduce the price of lunches for students as we had intended—but at least this amendment will help to keep prices where they are presently. It is a 1-year holding action and a necessary action.

It is my understanding, Mr. Chairman, that the State Superintendent of Education in Florida has advised that there has been a decline of 9 percent in paying students in Florida within the last year due to increased prices in the school lunch program.

Mr. Chairman, this approach will respond to the concerns that were voiced about the other proposals. Both the 25-cent and 35-cent caps would have resulted in different payments being made throughout the country. In some States, 10 cents per lunch would have been paid, while in others it might have been as high as 30 cents. Under this proposal, 5 cents will be paid on every lunch.

Under the original proposal, there was deep concern about the estimated costs—which ranged from $400,000,000 to over a billion dollars. We are here talking about a 1-year program at a cost of $125,000,000.

Mr. Chairman, during the previous debate, many Members who objected to the 25-cent and 35-cent cap said that it was unreasonable—that they would support a reasonable subsidy for the paying students. This proposal is so reasonable it not even covers the increase in the cost of producing a lunch with the 5-cent payment. I believe that all Members of the House will be able to support this measure.

Mr. QUIE. Mr. Chairmain, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, the gentlemain has stated again, as he did the other time that the numbers in the regular program have been reduced, but the total number of childrein participating in the school lunch program has increased.

Mr. PERKINS. Yes, and the gentleman knows why that is so. We increased free lunch eligibility to 125 percent of the poverty level so students could get free lunches, and we increased the price level figure up to more children to participate, but the gentleman well knows on the other hand that during the same period we have lost approximately 3 million children from the regular program.

The people that we are talking about here are not rich people. They are the people in the $11,000, $12,000, $13,000, $14,000 and $15,000 brackets. If we offer all the children from families up to the $15,000 bracket in a reduced price lunch, we would cover 62.5 percent of the children in this country.

So this is not a wealthy man's program by any means. It is the $10,000-$15,000 middle-income parents that we want to try to hold in the school lunch program, so that the children will not be priced out of the school lunch room. That is exactly what has happened.

As I stated, we are only subsidizng the regular school lunch program at 21¾ cents, and we are only asking now that we subsidize it for one additional nickel, which I feel is reasonable, and for 1 additional year.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. Yes. I yield to the distinguished gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I say to the gentleman, no matter how much we talk, we have to face facts and if we increase the eligibility for free and reduced cost lunches, more students who are paying for their lunches qualify for a free or reduced cost lunch. If that is a consideration, how can we have anything but the free and reduced cost lunches being increased and thus making the number making the regular payment decrease.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(By unanimous consent Mr. PERKINS was allowed to proceed for 1 additional minute.)

Mr. PERKINS. Mr. Chairman, I am saying to the membership of the committee that if we fail to do something for the regular school lunch program for the masses of the taxpayers in the $11,000, $12,000, and $13,000 bracket, we are not going to have any program in a few years.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when we make a decision on the amendments, I would say let us do it on the facts and the facts that each year the total number who participate in the school lunch program has increased. The table that appears on page 10 of the committee report shows 24.6 million participants in 1973, 24.7 million participants in 1974, 25.2 million participants in 1975.

Every time we increase the eligibility for free and reduced cost lunches; individuals who were paying the full amount for their lunch are then qualified to take part in the free or reduced cost. There is no way they would continue the paying for their lunches if they did not have to. We are going to increase the eligibility again for reduced cost lunches, making it 200 percent of the low-income factor. That means additional individuals who are paying for their lunches now will be able to secure lunches for 20 cents. That is what I think we intend to do. We say in the bill already that anybody from a family of four with $10,020 or less can get a lunch for 20 cents.

Why do we have to subsidize beyond the 21¾ cents the present subsidy, and the increase that is going to come in July with the automatic escalator, and the other increase that is going to come in January? That present 21¾ cents subsidy in July will go to 23¾ cents, and in January it is expected to go to 24¼ cents. That is the escalator which is already in the act so that inflation would not harm those who pay for their own lunches and have the financial capability of doing it.

In the meantime, with increased unemployment, we make it automatic that for a person who becomes unemployed, his children can come under the free lunch program. So that everybody who was paying for their lunches, whose parents become unemployed will automatically receive free lunches. Therefore, there will be that reduction in the number of paying lunches. There is no other way for the committee to do it.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, let me say to my distinguished friend that it is true we have increased the level at which reduced price lunches are available up to $9,020 for a family of four, this year, and up to approximately $10,000 beginning July 1.

Mr. QUIE. Ten thousand dollars.

Mr. PERKINS. They cannot be charged more than 20 cents, but that does not take care of the family of four with an income of $11,000, an income of $12,000, an income of $13,000.

I want to refer to the chart, if the gentleman will permit, which he referred to on page 8. If the gentleman will notice, right under the chart in the first paragraph, this chart shows that there has been a decline of approximately 192,000 paying students in the school lunch program in New York State from 1972 to the present. Only 56,000 of these students shifted to the free and reduced price program. The remaining 136,000 students simply dropped out of the program.

Mr. QUIE. M. Chairman, I refuse to yield any further.

Mr. PERKINS. I want to try to clarify a point.

Mr. QUIE. Mr. Chairman, the chairman would like to use up all my time and I will never have a chance to answer that.

Mr. Chairman, the story is, as I have been explaining to the gentleman, that any time we move children from paid lunch to free or reduced-cost lunch, naturally the number of paid lunches will go down. In fact, if we would give a free lunch to everybody, there would be nobody in this country who was counted in the paid lunch column. How do we find enough people to make the program work then?

Mr. PERKINS. Mr. Chairman, will the gentleman yield further?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Presently we do not have a million children in America receiving reduced price lunch, but we have made them eligible. We have a million children who could receive a reduced price lunch. I just want to point that out so the committee will understand that the gentleman's statement is not logical because in the regular program we have lost over three million. We did have 18 million in the regular school lunch program, which covers about 60 percent of

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total participation. We have dropped down to 15.3 million.

Mr. QUIE. Mr. Chairman, I decline to yield any further.

The reason for that is that we have increased substantially the free or reduced cost lunch eligibility, and if we continue to increase it—and I supported the increase of eligibility—that is going to draw some into that and take it away from the paid lunches.

AMENDMENT OFFERED BY MR. PERKINS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mr. PERKINS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Perkins to the amendment in the nature of a substitute offered by Mr. O'Hara: Page 25 of the amendment offered by Mr. O'Hara, after line 25, inserting the following:

ADDITIONAL PAYMENTS FOR FULL-PRICE LUNCHES DURING FISCAL YEAR 1976

Sec. 18. (a) Section 4 of the National School Lunch Act is amended by inserting "(a)" immediately before the first sentence and by adding at the end thereof the following new subsection:

"(b)(1) In the fiscal year which begins on July 1, 1975, in addition to food assistance payments under subsection (a) for that fiscal year, the Secretary shall make additional payments to each State educational agency in a total amount equal to the result obtained by multiplying (A) the number of lunches other than free lunches and reduced-price lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a)) served during that fiscal year to children in schools in the State which participate in the school lunch program under this Act under agreements with that State educational agency, by (B) 5 cents. Additional payments under this paragraph shall not be subject to the matching requirements contained in the third sentence of section 7. From the payments received under this paragraph, each State educational agency shall disburse—

"(A) to each local educational agency in the State with schools which participate in the school lunch program under this Act under agreements with that State educational agency, an amount equal to the result obtained by multiplying (i) the number of lunches described in clause (A) of the first sentence of this paragraph served in the schools of that local educational agency which participate in such program by (ii) 5 cents, and

"(B) to each school in the State which is not a school of a local educational agency in the State but which participates in the school lunch program under this Act under an agreement with that State educational agency, an amount equal to the result obtained by multiplying (i) the number of lunches described in clause (A) of the first sentence of this paragraph served in that school by (ii) 5 cents.

"(2) In the fiscal year which begins on July 1, 1975, in addition to food assistance payments under subsection (a) for that year, the Secretary shall make additional payments to each school to which the Secretary makes direct disbursements under section 10 in a total amount equal to the result obtained by multiplying (A) the number of lunches described in clause (A) of the first sentence of paragraph (1) served during that fiscal year to children in that school by (B) 5 cents. Additional payments under this paragraph shall not be subject to the matching requirements contained in section 10."

Mr. PERKINS. Mr. Chairman, my amendment provides a 5-cent supplemental payment for each lunch served to a paying student during fiscal year 1976. The payment, which will be authorized for 1 year only, is designed to assist the school districts in maintaining the 1975 school lunch price, in order to prevent further erosion of participation by paying children.

On Friday, I furnished to all Members of the House background information on this disturbing downtrend. The number of paying children in the school lunch program has declined from 18 million in 1970 to 15.3 million in 1975. This loss of 2.7 million children seriously undermines the goal of providing a nutritious meal for all children.

We have made every endeavor to reach children whose families cannot afford the rising cost of a school meal by providing Federal support which has now reached 84.25 cents per free meal. With this support the schools of the Nation feed 10 million children free, and that number will continue to rise as addtional schools come into the program.

Under this amendment adopted by this House on March 25, we are now going to be able to reach additional millions of children whose parents earn up to $10,000, by means of the mandated reduced-price lunch in all schools which are participating in the national school lunch program.

While we have made these great strides in bringing a well-balanced, nutritious meal to so many millions of children, we are alarmed at the sharp decline in the participation of children who do pay for their lunch. At the present time, that group constitutes 60 percent of all participants. I feel it is time for the Federal Government to take action to reverse the downward trend by supplying an additional supportive payment of 5 cents for each lunch served to a paying child. The cost of this amendment would be $125 million, based upon the service yearly of 2.5 billion lunches. This is a very simple amendment, and it is an equitable amendment, but I feel it will be a very effective amendment in preventing further erosion.

I hope that the schools will make every possible effort to keep their lunch prices at present levels for the next school year in view of the added 5 cents that they will receive from the Federal Government. I know they are aware that if their participation increases their unit cost will be reduced, and the best way to insure maximum participation is to keep the price at a level where most children can afford to buy the school lunch.

Mr. Chairman, I wish to take this opportunity also to advise the Members of a correction in the "Dear Colleague" letter which we circulated last Friday. Because of a typographical error, the letter indicated that the increase in the cost of producing a lunch is estimated at 12 cents. Mr. Chairman, the letter should have stated that the increase in the cost of producing a lunch has risen by 12 percent, and not 12 cents. We sincerely regret the error.

I urge my colleagues to vote in favor of this amendment, whose cost will be minimal in view of the universal benefit we can anticipate.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one might feel that this amendment is better than some of the other ones that we talked of in previous days because it is $125 million rather than $1 billion or $870 million, as it once was, or $520 million, as it once was. However, the principle is wrong.

We are going to increase the eligibility for reduced-cost lunches. At the present time a family of four with a $7,087 income or less is eligible for reduced-cost lunches, and they all do not receive it. Under the bill a family of four with a $10,020 income or less will be able to receive a reduced-cost lunch, and it will be made mandatory on the school district to provide it for them. The result of that is going to be substantially increasing the number of children who avail themselves of reduced-cost lunches, and also, the result will be that there will be a reduction in the number of children who pay for their own lunches. It just has to be. That is where they come from.

The escalator, as the chairman indicated, is going to go into effect in a 21¾-cent subsidy that is available for those who can afford to pay for the lunches of their children. In July of this year it will go up to 23¾ cents, and as expected, in January will go to 24¼ cents. If we add the 5 cents to that, then there will be a 35-percent increase by next year in the amount that the Federal Treasury will be paying for the middle- and upper-income students.

If we do that it will put the subsidy for the lunches of children of parents who can afford to pay for their lunches at a higher subsidy than the average that is available today in the food stamp program for households.

That is how generous this amendment is proposing to be.

It is also interesting to note that in the wealthier communities as well as the greatest amount of subsidy will go. The county of Montgomery, Md., with the highest median family income in America, will receive a greater Federal subsidy from this proposal than will the whole city of Chicago.

The question is: Will the students who had been paying for their lunches last year no longer be in the paid lunch program? And the answer will be: Many of them will not be in the paid lunch program because any of the children whose parents become unemployed will be able to get free lunches, and so we have that factor, plus the increased eligibility for reduced cost lunches that will increase the number who go into those two categories.

Let us look at the cost of the program. The administration has recommended $1.7 billion for the school lunch program. We have turned it down. I have turned it down. My colleagues on my side of the aisle on the committee have turned it down, and the people on the Democratic side of the aisle have turned it down.

The program now costs $2 billion a year, or slightly over. If we did nothing except extend the present act it would cost $2.4 billion next year.

However, the bill that we have before us without that 5-cent amendment on it will be a little over $3 billion.

I think we can sell that increase in cost of the school lunch program to the people of this country, and I hope also to the administration as well. Because its purpose is to help the poor and the lower middle-income families of the Nation. But when we provide a subsidy for the upper and the middle-income families of the Nation I think then we will not be able to sell it to the people of this country or to the administration. And I do not think we should be able to do that.

To me, the subsidy that we have provided for those who can afford to pay for their own lunches is high enough. We have an escalator which increases this subsidy as the meals served away from home costs increase so it therefore will be able to keep pace with the economy even though they are in the upper and middle incomes.

Mr. LEHMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Kentucky (Mr. Perkins).

Mr. Chairman, I would like to read a telegram our office received today from Ralph D. Turlington, commissioner of education of the State of Florida:

> School lunch dropout rate for Florida this year was nine percent, we believe entirely due to the increased cost. The school nutrition program is a top need. I ask you to support the school lunch program even to the exclusion of some other educational support if necessary. I urge you to support Congressman Perkins' amendment.

Signed, "Ralph D. Turlington, Commissioner of Education."

In addition, Mr. Chairman, I talked last week to the superintendent of the Dade County School System, Dr. Edward Whigham. He says that at the present time that Dade's school food service is $600,000 in debt and have been forced to raise the price another 5 cents.

This is a basically built in self-destructive program in regard to those systems still trying to maintain a school lunch program for middle income children who are still trying to pay their own way. I do not want to see this 5 cents go in any way as a windfall or extra funds to the school food service programs. This 5 cents provides a means by which we can possibly keep the middle-income young people in the school food system so that it will not continue to become, as I say, a self-destructive program, where a continued deficit means continued increases in the costs and further dropouts in the school food service paying children.

I strongly urge my colleagues to support this amendment so that we can maintain one of the most important programs in our whole school operation, that is, a reasonable and sufficient and healthful diet for our schoolchildren.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I thank the gentleman for yielding.

I am impressed with the fact that the gentleman supports this amendment and this legislation, and I will be glad to give my support to it. I have profoud respect for the gentleman in the well and what he did for education before coming to the Congress.

Mr. LEHMAN. I thank the gentleman from Wyoming.

Mr. Chairman, I yield back the remainder of my time.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am sure all members of the committee are very capable in the area of arithmetic, and I am sure that all members of the committee realize that we have had a 2.7 million increase in school lunch participation in the last 5 years. They are not figures that I dreamed up; they are figures found on page 10 of the committee's report—an increase of 2.7 million people participating in the school lunch program. Simple arithmetic has to tell us that if we have had a decrease in school population during the same time of 1.5 million and we have had an increase in participation of 2.7 million, it is very, very, very plain that we do not have a problem of people falling out of the lunch program; it is just that we have made it so much easier for them to participate in a free- and reduced-price program—which is good. Therefore, we have 5.4 million at the present time participating in those free and reduced priced programs. That is the increase in that 5-year period.

So, no matter how we add, subtract, divide, or multiply, we have to come up with the fact that there are more people participating. We have an escalator clause built into this program to take care of these people who are on a pay-as-you-go program. This escalator clause is based on the increased cost of food away from home.

Let me refer to an article that was in the Washington Post today. Let me just read a small portion of it. This is an editorial from the Washington Post. I am only going to read a section. It is very complimentary about the bill up to a point. Then it says:

> The bill recognizes the critical importance of feeding hungry children, and it has sought to fashion a program that is fiscally reasonable in every respect but one,—

I repeat, "but one"—

> and that concerns the federal subsidy for the school lunch program. The House is scheduled to debate today a provision supported by 23 members of the committee that would permit a subsidy of five cents more per lunch for the sole purpose of keeping middle class children whose families earn above $10,000 in the program. Several committee members are concerned by a drop last year of about a million children from the lunch program, which now serves 15 million children. Because many of those who dropped out were middle class, the prevailing notion among the committee members has been that an additional subsidy will bring them back or keep in the program other middle class children who might drop out.
>
> The cost of this subsidy to middle class families is estimated at $120 million. We should say that it is a modest figure; an earlier version of the same subsidy would have reached nearly $1 billion a year within five years. This scaled down subsidy has been tacked on to the school lunch program—

and I want to emphasize this—

> for only a year.

This is what the Washington Post editorial says:

> How it will be rooted out if it got in, nobody really says.

Then there comes another paragraph:

> This is almost certainly a case where the committee has wearied of well-doing. Every other provision of the bill deserves support, but it is impossible to justify this additional expense on the grounds that it will keep middle class children in the school lunch program.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the chairman, the gentleman from Kentucky (Mr. Perkins).

Mr. PERKINS. Mr. Chairman, I thank the gentleman for yielding.

But the escalator the gentleman refers to for the school lunch program, where the price of food has gone up 28 percent in the last 2 years, that escalator under section 4 has increased only one and three-quarters percent. We also have escalators for the free and reduced price lunches which amount to 8 cents a year and I do not think we should confuse the House.

So far as that editorial is concerned I do not take issue with the people who wrote it but we would never have had a regular school lunch program in the first place if we had followed the line of thinking of that editorial. We never would have had a regular lunch program in the first place.

Mr. GOODLING. Mr. Chairman, it was mentioned we should not confuse anyone. I want to make one more statement that has been made over and over again so we do not confuse people.

There has been an increase in participation in the school lunch program. There has been an increase in the last 5 years of 5.4 million people participating in free and reduced price lunches. If that is true, and it is reported in our report, then there has to be a decrease in those who pay. There is just no other way we can mathematically work it out.

I think in keeping the Record straight we should make sure we do not confuse people with the facts as they are listed on page 10 of this report.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, the gentleman from Kentucky mentioned a 1.4-percent increase in the price. I think he meant 1.4 cents increase in the price due to the escalator, which is of course a much substantially higher percentage of the price.

Mr. GOODLING. That is right.

One additional statement. The school lunch program in the 23 years I participated in it went from 25 cents to 50 cents for lunch over a 23-year period. Show me any other thing in this country that has had such a minor increase as that.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in objection to the amendment offered by Mr. Perkins.

I am gravely concerned about the wis-

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dom of adding an additional $125 million to this bill for general aid to the schools for their lunch program for children from middle income families.

One of the most often heard rationales for an amendment to section 4 is that students who are paying the full price for their lunches are dropping out of the program as the prices increase. This is presented as a widespread malaise that threatens the very existence of the entire school lunch program, threatening the reduced price and free lunch programs as well.

It seems to me that if this drop in participation were as overwhelming a program as has been presented, that the original bill, as introduced by the committee's chairman, would have included a provision to lower prices to students. There was certainly ample time to hear about the problems from those persons and organizations who provided input for that original bill and who subsequenlty fought for a price rollback. Earlier this month, the Senate Select Committee on Nutrition and Human surveyed State school food service directors on the school lunch program. Thirty-eight directors answered the questions, "Has the students price per lunch increased over last year?" and "Can you correlate loss of participation among paying students, if any, with this increase?"

More than half the State school lunch directors who responded felt they could not correlate any loss of paying students with an increase in school lunch prices. Some directors reported that many of the paying students who supposedly dropped out of the regular program actually became eligible for the reduced price program. The entire school lunch program has actually grown by about 500,000 students in the last year.

The genealogy of this amendment is fascinating. It began in committee with a ceiling of 25 cents on the cost of a regular lunch, a provision that would have cost $700 million, which would have gone directly to the pockets of the nonpoor students currently paying an average price of 45 cents for lunch. The second version of the amendment was in the O'Hara substitute. This provision fixed a ceiling of 35 cents on the price of school lunches to middle-class children. The cost of the amendment: $500 million. Mr. Goodling's amendment to strike was adopted and the bill was taken from the House floor.

During the weeks that have passed, since we last debated the School Lunch Act, several other amendments to section 4 were discussed. They were finally dismissed as either too expensive—such as an escalator provision that would have cost almost a billion dollars by 1980, or they were considered to be unacceptable to the majority of the Members of this House for some other reason.

The increase in the price of school lunch to a middle-income student now seems to have lost some of its importance. There is in this 5 cents per lunch subsidy provision, no guarantee that the student will benefit directly. The school district may decide to use the money for some other purpose within the school lunch program.

An additional reason for my opposition to this amendment is the fact that the 5 cents goes where the largest numbers of paying students are. Those areas with concentrations of poor families will get much less money than areas of the country where there are concentrations of higher income families.

My final argument against this provision concerns this Nation's Federal budget. We all know that there is a limited amount of Federal money for antihunger and antipoverty programs. Spending money to subsidize lunch programs for middle-income students will undoubtedly make it more difficult than it already is to increase benefits for those Americans who are truly needy.

At this time the average food stamp benefit is only 24 cents per person per meal. This amendment would raise the per meal subsidy for a middle-income child in the school lunch program to almost 29 cents. Is this fair?

No, it is not. Please vote against this amendment.

Mr. MEEDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the point that the gentleman from Pennsylvania made in attempting the defeat the amendment is precisely the point we want to make in passing this amendment. He cited the increase in overall participation of some 5.5 million students in the past 5 years. Had he looked very closely at these figures, he would have realized that this increase took place in free and reduced-price lunches, while in the section 4 or paid lunches there was during the same period of time a loss of 2.7 million students participating. He therefore, concludes that all of the students who were heretofore on the paid-lunch program have now joined the free and reduced cost program; and that is why we have the increase.

That is not true at all. If we look at page 8—I advise the gentleman from Pennsylvania and others to look on page 8 of the committee report and see that in New York State where there was a very close survey done on this, that there they had a decline of 192,000 paying students during this period of time, but only 56,000 of them—only 56,000, less than one-third of them—joined the free and reduced-price lunches.

So I think in the area where there are statistics available, the conclusion is inescapable that while some students who have been paying for lunches have now joined the free and reduced-price lunch group, more students have dropped out of the paying section than have done this.

That indicates what so many of us are fearful about, that the strong backbone of the school lunch program is still in the paying portion of the school lunch program, and if we lose that, we begin to lose that support. Once that support is gone, then we are either for no school lunch program or we will have only a free and reduced paid lunch program. I do not think we want that to occur in this country.

We have had a strong school lunch program to provide nutritional value for all students. It is a program which works on economies of scale. In the event the strong backbone of the paid-lunch program is lost to the program, there will not then be the economies of scale to provide a free and reduced-price lunch at present costs, so it is essential that we keep this section 4 strong.

It is essential that we have this 5 cents added so it can keep up with the increases that have occurred—increases, incidentally, which we provided for in free and in reduced-price lunches.

One other thing which I think is very important and which shows precisely what I am saying, that we have had an increase in the number of schools and students participating in addition to what I have cited as losses in the paid for program, the increases in the free and reduced price. During the period of time that the gentleman talks about, we have taken in an additional 4,000 schools which have joined the school lunch program since that time, and some 2.3 million students. One would think that with all of that increase we would have a very substantial increase in section 4, but no, that increase has come in the free and reduced price area, not in the strong backbone of section 4. The paid for program, if lost to us, will really bring about the demise of this program.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(On request of Mr. Goodling and by unanimous consent, Mr. Meeds was allowed to proceed for 2 additional minutes.)

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I think the gentleman inadvertently misquoted me. I did not say it was an increase of 5.4 million in participation in the school lunch program. I said there was a free and reduced price lunch program.

What those of us in the school business want—if the gentleman will turn to page 10——

Mr. MEEDS. On page 10, that shows 5.5 million increase in the total.

Mr. GOODLING. Free and reduced, 2.7 million increase; 2.7 million decrease in paid, and an increase of 5.4 million in free and reduced, if I read that correctly.

Mr. MEEDS. An increase of 5.4 million in the free and reduced price, that is correct. Then, we would deduct 2.7 million for the decrease in section 4 participation.

Mr. GOODLING. 2.7 million increase in participation.

Mr. MEEDS. 2.7 million decrease in the section 4, of paid for lunch, which would give us the total overall.

Mr. GOODLING. Yes. In this 84-cent situation, we get that in the free lunch. That is more than the local school districts get when they prepare and serve as paid lunch. In both instances, the school districts get 84 cents, so there is no concern about the school districts as far as their costs are concerned because they are getting more money by participating in those programs. We were happy to see the increases that were made in reduced and free lunch.

Mr. MEEDS. But here is where the gentleman's argument really bogs down. He is speaking, in effect, about increases in free and reduced price lunches. This amendment does not go to that. It goes to section 4.

Mr. GOODLING. There is no way I am speaking in opposition. The whole time through committee, I was trying to say that if we have a concern with those, 10, 11, 12, and higher people, that is the area to make the move, increase that particular area as far as being eligible.

Mr. MEEDS. This bill does that. We have already done that.

Mr. GOODLING. No, what we are trying to do now is take $125 million from needy programs where we should be concerned about plowing it into an area where we have no justification to do it.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, I rise in support of the amendment now before us and the O'Hara substitute to the original committee bill, H.R. 4222. Hopefully, we will have final action today on this strong and good supplement to America's already successful school lunch program and to the WIC program. I am pleased that after much confusion in the early penny-nickel-dime raises in the paying lunch ante we are near a decision that will assure the continuation of the program that makes nutrition and a full stomach the way of life for students who otherwise might have suffered.

Those students, the ones who benefit from the free lunch and reduced-price lunch programs are not affected by this bill, except to increase their numbers by easing eligibility and making it possible for children in families where unemployment has removed the head of the household from his or her job. This is a very valuable portion of this bill, as is the Chisholm amendment's order forcing the offering of reduced-priced meals to students eligible for them. I see it as another example of how Congress is keeping a watchful eye on the potential suffering of our citizens during these difficult economic times.

Most of the controversy in this bill has flowed around the sections of the committee bill and the substitute now before us that deals with the plight of the paying students, those who pay the full price of the school's cost, less a 22-cent subsidy by the Government. Because the maximum price of their meal is not mandated by the school lunch program's charter legislation, as the maximum price of the reduced-price lunch is, the paying students absorb most increases in costs to the schools, be they a result of genuine inflation in food or labor costs, or poor management, or waste.

There was an attempt, in the committee bill, and in the substitute, to set the maximum price of the paying student's lunch. The goal of these efforts was to keep the students' costs down, so as not to price the paying students out of the program and tip the balance of the program in the direction of a poverty program. That effort having been defeated by the Goodling amendment, we face now another amendment that intends to ease the burden of the paying student, and with a cost to the Treasury of much lesser magnitude. It is an important step to help schools absorb their increased costs, instead of forcing them to pass them on to the paying students.

Here we have a proposed increase in that meager subsidy to the paying student of one nickel per meal for 1 year, which would raise the Federal subsidy per paid meal to 27 cents. Of course, the argument that we may be subsidizing poor management, or waste, still holds in the extreme, but the fact is we are helping the students by taking one nickel of what would be additional burden off their shoulders.

It would be nice to have a larger supplemental payment, of perhaps a dime or more, as educational interests point out. I would fully support a dime supplement, or more, as I supported the larger reimbursement that was included in the 25 cents and 35 cents maximum price plans. But we must be satisfied for the moment with a nickel and we must recognize that we are voting as we vote on this measure on the daily nutritional habits of millions of students.

It is important to keep in mind the targets of the school lunch program. We should remember that we are trying to make good lunches and nutrition available to all students at equitable rates. This has been our aim since the inception of the program and we should stick by it, even if it comes to partially subsidizing lunches for students through many ranges of income.

The money involved here, $130 million, should not be the issue that begs the decision. Our decision should be based on the successful history of the school lunch program, its achievements, and a continued desire to keep this opportunity open to as many students as possible.

I urge my colleagues to support the additional hike in the Federal reimbursement of 5 cents per paid meal. In the end analysis, the beneficiary of this action will be the students, and their families, and the educational process.

The Congress can be proud of the school lunch program, as I think we can be proud of our record so far this term in battling inflation and helping Americans climb out of this recession, slowly, but surely and proudly, with self-determination.

This 5 cent additional supplement is one more significant helping hand that may or may not be noticed by many American families. Probably, it will not be noticed, for when prices stay the same consumers generally do not notice a suspended price hike unless it is suspended with great fanfare.

Even without much fanfare, I believe this extra nickel will go a long way. I urge acceptance of this amendment so we may quickly get on with the needed strengthening of the school lunch program.

Mr. CORNELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, despite what some of my colleagues have stated on the floor and despite the editorial in this morning's edition of the August Washington Post, there is evidence of a definite relationship between the cost of school lunches and student participation. A recent survey of the lunch program in elementary schools in my home State of Wisconsin shows that where the student charge was 25 cents, there was 82 percent participation; if the price was 35 cents. 68 percent participated; if the cost was 45 cents, only 44 percent bought lunches, and if the charge was 55 cents, a mere 22 percent purchased the hot lunch.

The 5 cent supplemental payment for fiscal year 1976 proposed in the committee amendment will serve only to help preserve the present price structure. Without it the figures I quoted above clearly indicate that price increases required by increased costs will further erode the entire school lunch program.

Let us keep in mind also that, as President Ford recently stated in describing the problems of the middle-class family, half of the families in this country today have an income of between $10,000 and $25,000 per year. This bill would at least in some small way aid such families while continuing the reduced and free lunch programs for the lower-income groups. It is ridiculous to oppose such a measure simply because incidentally in rare instances we may be providing some modest assistance to a well-to-do family.

The basic question: Do we want to continue a program that makes possible a nutritious hot lunch for America's schoolchildren? If your answer is yes, your vote should be yes on this amendment.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. CORNELL. I yield to the gentleman from California (Mr. Miller).

Mr. MILLER of California. Mr. Chairman, the bill that we now have before us is likely to cause very substantial improvements in the child feeding programs, particularly the school breakfast program. Since the breakfast program has failed to reach many of the impoverished children that need that program's benefits, the legislation currently being considered is of vital significance.

Under the present law, the State educational agency is required to develop a plan for child nutrition operations and submit it to the Secretary prior to January 1 of each year. The submission of this plan is a prerequisite to the distribution of any funds and commodities to States for the child nutrition operations formulated under the School Lunch and Child Nutrition Acts. This plan must not only be properly prepared but the State educational agency has a clear and mandatory responsibility to fulfill the commitments and plans its set forth in its State plan of child nutrition operations.

With regard to the breakfast program, each State educational agency is required to describe how it intends to use section 4 funds of the Child Nutrition Act, as well as funds from sources within the State, to reach—"to the maximum extent practicable"—needy children. Thus, the State educational agency must devise specific plans that set forth how schools in impoverished areas, currently without a breakfast program, will be brought into the program under an explicit timetable.

Through this process, the Secretary of Agriculture knows how many schools will initiate the breakfast program and when those schools will start serving breakfasts; this provides for orderly planning within the Agriculture Department. In addition, this process reliably informs the pertinent communities about the timetables for getting new programs started, thereby giving them confidence in their State and local educational agencies' commitments to the expansion of the breakfast program. Obviously, then, the essence of our current law is a fixed timetable, properly complied with, setting forth when new school breakfast programs will be established in each State—such timetable reflecting the requirements that needy children are to be served "to the maximum extent practicable."

The legislation which our committee drafted, and which we hope to pass today, will put more teeth in the school breakfast program requirements. We take several steps beyond the specific requirements in the current law, especially devising a meaningful procedure for the fulfillment of our commitment to make the program "available in all schools where it is needed to provide adequate nutrition for children in attendance." The Secretary of Agriculture, in cooperation with State educational agencies, is required to devise a regulatory scheme for the accomplishment of our stated objective.

We require the Secretary to conduct a program of information to expand the program. More importantly, the Secretary must devise specific plans for the expansion of the breakfast program on a mandatory basis among schools in needy areas. At a minimum, the Secretary is expected to require the implementation of the program in schools that have numerous children, in attendance therein, who are needy.

This requirement should be pertinent to schools eligible for title I assistance—under the Elementary and Secondary Education Act—for example, and to schools that have a high percentage of children eligible for free and reduced-price school lunches. A school with more than one-fourth of its children eligible for free and reduced-price lunches should, under this requirement, be obligated to implement the breakfast program.

Since we know that hungry children cannot learn properly, these significant advances in the school breakfast program will be critical to our Nation's educational advancement. The mandatory expansion of the school breakfast program, as envisioned by the current bill, will do much to feed the youngsters of our country who are in dire need of nutritional assistance. Therefore, I support this bill and urge my colleagues to do likewise.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. CORNELL. I yield to the gentleman.

Mr. GOODLING. Mr. Chairman, the gentleman touched on one area that I am very concerned about.

Does the gentleman have any statistics on those increases of a la carte lunches that were served? As we know, up until not too long ago one was not allowed to serve anything but the class A lunch. A la carte is becoming a very, very fashionable thing. It has taken many school students out of the regular program.

Does the gentleman have any figures on the increase of the a la carte lunch participation?

Mr. CORNELL. The gentleman will note that the statistics I have given in the survey that was taken were only applicable to the elementary schools, and in the elementary schools they did not have the a la carte food service. All of these figures demonstrate simply the tremendous decrease in the hot lunch program as the cost went up 5 cents at a time.

Mr. GOODLING. In my State, they do have a la carte all the way through, and it has been a very, very attractive program.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask some questions in order to clarify, at least in my mind, a problem which I find with this amendment. I do not care which side of the aisle answers the questions.

Am I to undestand that the 5-cent supplement is to be given to people who earn more than $10,000 a year?

Mr. PERKINS. If the gentleman will yield, I will answer the gentleman.

Mr. DE LA GARZA. Is that what we are doing with the amendment?

Mr. PERKINS. We have, first, the free school lunch program that provides for children from families with income of up to 125 percent of the poverty guideline. The reduced-price program is for children from families with incomes up to $9,000 presently, however, we have less than 1 million children participating presently in the reduced-price program. This amendment will take care of all children who participate in the regular school lunch program. The 5 cents is not given to any family; it is given to school districts to help them keep their prices down. It is our hope that prices will not increase, if we provide the 5-cent supplement.

Mr. DE LA GARZA. I thank the gentleman.

Maybe the gentleman from Minnesota (Mr. QUIE) can help me.

Who gets free lunch? What level of income gets a free lunch?

Mr. QUIE. If the gentleman will yield, the free lunch goes to anyone whose income is up to 25 percent above the low-income factor, which is $5,010, so the figure is a little over or is, I think, $6,262.

Mr. DE LA GARZA. Below that, one gets a free lunch?

Mr. QUIE. That is right, and everybody who is unemployed does also.

Mr. DE LA GARZA. Where does the 5 cents come in? Whom are we helping there?

Mr. QUIE. The answer to the gentleman's first question was yes; that is only for those in a family of four with an income of $10,020 and above.

Mr. DE LA GARZA. Therefore, this amendment by the gentleman from Kentucky (Mr. PERKINS) would add 5 cents onto each meal in the case of the child of any family of four earning over $10,000 a year?

Mr. QUIE. That is right; it is only for those in a family of four whose income is over $10,020 a year.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman very much. That clarifies in my mind the question I had.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the chairman of the full committee.

The Members will recall that during the last debate by this committee on the subject bill, I opposed the recommendation which the committee made with respect to establishing a national school lunch price. I felt that this was very unfair and that it would provide for very large subsidies to those school systems that had not been careful and attentive to cost and considerate of the pocketbooks of the paying students. It seemed to me that if we were going to adopt a program to help our school systems meet the rising costs of preparing their school lunches, everyone ought to receive the same amount of financial support. Therefore, in accordance with this general approach, I offered an amendment which would have provided a 10-cent additional subsidy to all school systems, with the proviso that this 10 cents would have to, in some way, be used to lower the price of the lunch.

In taking this matter back to the committee and in discussing it more thoroughly with the chairman and others who had been supporting the committee amendments, I now find that the compromise which has been worked out is a satisfactory one. True, I would prefer the 10 cents, but it seems to me that the 5-cent amendment is absolutely imperative. Anyone who has been involved in the difficult process of making ends meet, whether in a family household or in the school lunch program, surely knows, month by month, how much additional money is required just to keep even, for the purchase and preparation of food, salaries for the lunch program personnel, increases in utility costs and paper costs; everything has gone up.

It seems to me that the 5-cent recommendation which the committee is now making to the House is an entirely reasonable one. It does not guarantee that the school lunch costs will not increase, but at least it will give the school systems an opportunity to hold the line to make it possible for the families across the country that are not participating in a free lunch program or a reduced price lunch program to have the opportunity of looking forward to another school year where the prices of lunches, at least, will be held to the status quo.

If the Members would look at a Senate study which was released recently regarding a survey which was sent to the States, you will note that of the 38 States that reported with respect to increases in their school lunch prices in the school year 1973 and in the school year 1974, 27 of those school districts out of the 38 States that replied, indicated they had to raise the prices of their school lunches either a nickel or higher, some went up 10 cents, and more. In one State the increase was in excess of 10 cents.

We are not dealing with a hypothetical question. We are dealing with the immediate prospect that come September in addition to a number of schools raising the price of the school books and other items, they will have to raise the price of the school lunches.

It seems to me to be patently unfair that in increasing the number of children who will qualify for the free lunches and reduced-price lunches if we do not also provide additional funds for the general support of the program as a whole. The whole school lunch system needs to be supported. I believe students should be given some assurances that the prices of their lunches will not increase in September. Passage of this amendment will help assure this.

This is really what this debate is all about. The system needs at least this additional nickel to maintain themselves in a status quo position, in the face of the accelerating costs of the program.

The report from the Senate committee indicates that the cost of preparing the lunches have gone up some 28 percent. What has the Congress done to help meet this rise in costs?

We have only given an additional penny and three-quarters in cash, so instead of 10 cents, we have raised the Government's subsidy to 11¾ cents, far below what the increase in costs to the school system have been to prepare the lunches. Let us not be blind to the needs of the schools. This is just as critical as other school programs. Let us not divide in this House between those who want feeds only for the poor and for programs that only benefit the poor. My own State has a policy which provides that the rate is 25 cents. This means a State subsidy in excess of 30 cents for each lunch served. We are facing the possibility of having to increase that subsidy by an additional nickel in September. To the extent that the State must further subsidize this program, all children suffer, rich and poor alike, as it merely takes money away from other needed programs. It seems to me if we are truly interested in supporting this program, and if we consider the school lunch program as an integral part of our school system, then we have got to give just as much attention to this area as we do to books, libraries, and all the other aspects of elementary and secondary education that Congress supports.

I urge your support of this important amendment.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the gentleman from Minnesota (Mr. QUIE) made reference to an amendment that I offered in the committee—and I believe it was adopted unanimously, or almost unanimously—to automatically qualify a child in a household where the normal breadwinner is unemployed during that period of unemployment. It further requires the school districts to notify the population that this free lunch is to be available. However, after that amendment was adopted, I discovered through a study of the school lunch program in Wayne County, Mich., that I have already on a previous day where we discussed this bill put into the RECORD. This study covers all of the school districts in Wayne County, including the City of Detroit. We have had such a severe impact because of the increased cost of maintaining a hot-lunch program that in my congressional district, where the unemployment in some school districts is now in excess of 15 percent, my amendment cannot help children of unemployed parents because many elementary schools have long since ceased participating in the school lunch program.

With schools in States like Michigan being turned down more and more frequently on their appeals for increased millage, and with the highest millage rates in the entire State located within my area, I find that the school boards, hard pressed to make economy moves, are cutting out many extra activities. They are cutting down on counselors, and they have cut back on basic programs. One does not have to have a lot of imagination to understand how well the hot-lunch program survives under those pressures.

So the effect of my amendment would be great, I will say to the gentleman from Minnesota, if, in fact, the school lunch program were something universally available to the children in areas of working people. But I think we are going to find that the blue-collar residential communities around our industrial cities have less than half of the elementary children exposed to either a free or a paid hot lunch.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

How will this 5 cents then help the gentleman's situation?

Mr. FORD of Michigan. Because the 5 cents is an incentive for them to either continue and not drop further schools out of the program, or to come back into the program. Presumably the $125 million would do that. I am going to be realistic with the gentleman in saying that $125 million is so inadequate for the purpose that it is not likely to produce a whole lot of new exposure for children. It may, however, save a few of the existing programs. It is far worse than a band-aid on a broken arm, frankly, and I am somewhat ashamed to support this overly modest effort for a nickel.

Mr. QUIE. Will the gentleman yield further?

Mr. FORD of Michigan. Yes, I yield to the gentleman.

Mr. QUIE. For the free lunch for the unemployed, the Federal Government will pay the total cost.

Mr. FORD of Michigan. Yes, if there is a free-lunch program in the school, but there is not a free-lunch program in the school if the local school board has decided they cannot afford it.

Mr. QUIE. If the gentleman will yield further, think of what we can do to induce the school by paying 84 cents by this bill for all of the free lunches, and 64 cents for all of the reduced-cost lunches. That is going to be the incentive to bring the schools back into the program who stayed out of it. That will be the incentive to hold them in the program who are thinking of going out of it, rather than the extra 5 cents for those who can afford to pay for it.

Mr. FORD of Michigan. I agree with the gentleman, that will be helpful. What we really ought to do is provide a universal nutritional hot lunch program for all children in the public schools. Since the gentleman and others on the committee are not willing to go that far with me, I am faced with having to support this very weak, very pallid, very shameful and inadequate amendment for a measly $125 million.

Mr. QUIE. Will the gentleman yield further?

Mr. FORD of Michigan. I yield to the gentleman.

Mr. QUIE. If we went to a free lunch for everyone, then those who would pay for their own lunch would drop down to zero, if that is the concern of the gentleman's side of the aisle.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I regret rising in opposition to an amendment offered by the chairman of my committee, because I think the program and his efforts have been outstanding. I must agree with the gentlewoman from New York (Mrs. CHISHOLM) in her outline of the impact of this program.

I wonder when I hear many of my friends on this side of the aisle speaking of adding this 5 cents to the middle income area as though this is really a plus for the middle income people, because I believe we all in this Congress know this $125 million we are speaking of, which let us say is a nickel on every lunch for that middle income person or 25 cents a week or probably less than $10 a year, that $125 million is going to be paid for by the middle income family in taxes because they do pay most of the taxes, so I do not think we are doing them a favor.

However I would like to look at it a little differently and say if I had $125 million to spend how would I spend it. Frankly I would like to see more in the title I programs under the Elementary and Secondary Education Act. I would like to see more in libraries. I would like to see more in the bilingual programs. I would like to see more in summer jobs.

We have been talking about jobs now under the regulations which provide that States right now with Federal appropriated money to do road work and road repair still have to put up 10 percent of the money before the Federal Government puts up 90 percent. I would like to see us waive that 10 percent for a while and get people back to work, and this $125 million would very much help.

For my agriculture friends and people I strongly feel those who are faced with the problems of increased fertilizer cost,

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I would like to see $125 million go toward subsidizing the fertilizer cost for our farmers so they can produce food at less cost. This is the type of thing I think we should do.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman now in the well, as other speakers before him, throws around the expression "middle income." I have in my hand a print from the Federal Register of July 24, of the fiscal year 1975 figures. Would the gentleman say a family of 12 on an income of $9,220 is a middle income family well able to pay for school lunches for four children?

Mr. PEYSER. No, I would not.

Mr. FORD of Michigan. Or $10,000—that is the break-off point. Is the gentleman saying a family of four with $11,500 income is a middle income family that can pay without difficulty for its lunches at the increased cost?

Mr. PEYSER. No, I am afraid I will say to my friend, I am not saying that at all.

The gentleman is well aware of the statistics in this school lunch program. We are talking about families with $10,000 income or more and we are talking about 5 cents on each lunch for that family. If we went out to that family and talked about helping at the expense of having them lose money—because I am willing to fight for that money, and the gentleman knows I am—they are all overfunded. Let us not talk about having the middle income families pay $125 million in taxes for this small amount they receive.

Mr. FORD of Michigan. I cannot understand. Would the gentleman consider a family of seven with income of $6,450 to be middle income? That is the point where a family of seven will qualify—or as the gentleman would say they become "middle income."

Mr. PEYSER. I do not call that a middle income family.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I think we should straighten out one thing very quickly. There was reference to a family of 12 making $9,000. I would like to say a family of 12 making $18,000 could receive reduced price lunches. I do not think we should let that go unexplained.

Mr. PEYSER. I thank the gentleman.

Mr. MOTTL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MOTTL asked and was given permission to revise and extend his remarks.)

Mr. Chairman, I rise to support the amendment offered by the gentleman from Kentucky (Mr. Perkins). As the distinguished gentleman from Michigan stated, this is a token gesture at least, something we are offering to the average income people is our society.

I think this is a humanitarian amendment. We have talked last week about humanitarian aid and we spent many hours of debate on humanitarian aid to South Vietnam. Tomorrow undoubtedly Vietnam will have additional humanitarian aid given to it to the tune of well over $300 million. I think humanitarian aid should be given to the average income people, to people between $10,000 and $25,000 earning capacity. These people have been devastated by the spiraling inflation over the last several years. Let us do something for these people who provide the most taxes, which in turn provides our national defense and who provide money for HEW and who provide money for all the other bona fide programs that Congress and the people of the United States desire.

The superintendent of Cleveland schools, Mr. Paul Briggs, and all the other superintendents of schools in the 23d Congressional District of Ohio have endorsed the Perkins amendment. So let us strike a blow; let us do something for the average income people in our society. We do not want to take anything away from the poverty group or the reduced lunches programs. Let us keep them at present level, or even improve them, but let us do something once and for all for the average income people.

So I entreat my colleagues to support this amendment. As the chairman stated, we also urge to a great extent help for the poverty group and the other people up to $10,000. Let us now do something for the people from $10,000 to $25,000.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. MOTTL. I yield to the gentleman from New York.

Mr. PEYSER. The gentleman mentioned the 23d Congressional District in Ohio. The 23d Congressional District in New York did not support this amendment.

My question is basically if we pass this $125 million of extra cost we are putting in this bill, where does that money come from?

Mr. MOTTL. Mr. Chairman, it is paid by the taxpayer; but I think the average income taxpayers who bear the great tax burden of our society, those people that earn between $10,000 and $25,000, would like to get something back for once.

Mr. PEYSER. If the gentleman will yield further, I would agree with the gentleman. In other words, I would agree with a larger rebate in taxes to those individuals as well; but the problem is that we are asking those people to take this 5 cents a day, 5 days a week, and pay it back in taxes.

Mr. MOTTL. They are the ones who pay the $125 million.

Mr. PEYSER. Other than that, I think it is a great idea.

Mr. MOTTL. May I say to the gentleman from New York, his point is well taken. The point I wish to make is these taxpayers should get something back to help their sons and daughters. Also, where are our priorities? I think it is prudent to help people who are in the $10,000 to $25,000 bracket. Let us give humanitarian aid to our people, rather than the people in Vietnam.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. MOTTL. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, I might respond to the gentleman from New York by asking him who pays the taxes for the increases for free and reduced-price lunches? The middle-income people pay for that, too, and they are not getting one darned cent from that. Here is something that will get something back for them.

Mr. PEYSER. If the gentleman will yield further, I agree, that is where the money would come from; but I just do not like to see us spending this money now for the middle-income group from the middle income. They have to pay for that money today.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to say to the Committee, I do believe this idea is better than the previous one. At a different time and place I would support it. However, given the degree of the economic crisis and the other priorities that have been earlier mentioned and given the fact that what the gentleman from New York has just said is clearly true, I must oppose it at this time. The people from $10,000 to $25,000 in income are the people who will pay the bill. They will simply pay in terms of more taxes and more economic crises, if we add unnecessarily to the deficit allegedly for their sake.

I think the best way to help the average American family is by spending less money and not doing things through the Government that the average family in my district would rather do for themselves.

Therefore, I urge the defeat of the amendment and the passage of the school lunch program.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are several sets of statistics I would suggest we keep in mind as we make this decision. The one that the distinguished gentleman from Pennsylvania (Mr. Goodling), as well as the gentleman from Minnesota (Mr. Quie) have mentioned is the increasing participation; but in order to get 500,000 more young people participating in 1974, we had to have 800,000 additional free and reduced meals.

In addition, fewer and fewer schools are participating. The second set of statistics—I am going to ask the distinguished gentleman from Wisconsin (Mr. Cornell) if he would not mind repeating those, because I think these are extremely significant.

Mr. CORNELL. Mr. Chairman, if the gentleman will yield, I shall be pleased to oblige him.

The number of participating elementary schools in this survey was 1,797 throughout the State of Wisconsin. The number of students attending those schools was over 1½ million. Figures showed that as the charge for the school lunch went up, the student participation decreased substantially.

Where we have 25-cent lunches, 82 percent participated; 35-cent lunches, 68 percent participated; 45-cent lunches, 44 percent participated; and 55-cent lunches, only 22 percent participated.

Mr. SIMON. I think that is extremely significant. Then, I would add one other set of figures which I think are important. On the paying lunch, what percentage of the paying lunch is paid by the Federal Government today? Twenty-one percent. What was it 10 years ago? It was 27 percent. What was it 25 years ago? It was 33 percent. We are going in just exactly the wrong direction in my opinion.

Finally, the question was raised, I think by the gentleman from New York or the gentleman from Michigan, as to who pays. I think the fundamental question is not who pays, but what is for the benefit of the general welfare of this Nation. I think what benefits the general welfare of this Nation is maximum participation in our school lunch program.

The more schools, the more young people that participate, the healthier Nation we are going to have in 10 and 20 and 30 years from now, and a better education product we are going to have today. The other question is, will this $125 million aid in those things, and it seems to me it is clear that they will.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I do want the gentleman to know that I have actively pushed this thing and supported every school lunch program and summer feeding program to enlarge them as best we could at all times, and I will still continue in that effort.

I guess what I am hung up on is, I do not think we are helping the people that it is inferred will be helped. In other words, 5 cents a day for the so-called $10,000 and up family, because they have to pay that bill, will not help. I have talked to these people, and I have talked to them about this issue. We were talking about $80 million last week, because that is what it was at that time. They say, "We would rather pay the nickel a day for the lunches if it is going to cost us $80 million."

I do not think, in other words, there will be a large increase because we have a family with a $12,000 income who will now get lunch 5 cents cheaper.

Mr. SIMON. First of all, I will commend the gentleman from New York on his distinguished record, and I hate to see him mar that record today, but the gentleman from New York did hear the statistics that were read by the distinguished gentleman from Wisconsin.

Mr. PEYSER. I did hear the statistics that were read, and as I heard them, even applying this nickel to that, I think it would make a difference in the percentages of only about 2 or 3 percent. If we take the figures he read and the range he read, it would still only make about 2 or 3 percent difference on the 5 cents. If that is elementary school only he was talking about—and he made a point of it—if we take the entire program which includes all levels, elementary and secondary schools, I think the gentleman will find that will represent about one-half of 1 percent.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. Goodling, and by unanimous consent, Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. For this reason, I say to my friend in the well, do you have figures that would indicate that there are fewer schools participating in the school lunch program?

I would like to see those, because I think the Members will find that there has been an increase every year in the number of schools participating in this program.

The point I tried to make before was that if one gets 84 cents for free lunches, 64 plus 20, for the reduced price, we are ahead of the game in the cafeteria business.

I think if one would check carefully, we have had an increase. We now have 92 percent of all public schools participating in the school lunch program.

Mr. SIMON. In response, I was going through the reports. I was trying to find that figure. Someone testified before the committee—and I will yield to any others who are here if they remember it—that there was a decline in the number of schools participating. I do not recall the figures, but it was a pretty dramatic decline.

Mr. GOODLING. I asked for the figures on Friday. They have been increasing every year, and we are now up to 92 percent of all public schools.

Mr. SIMON. I have no figure to counter that. My impression was to the contrary, but I really cannot answer the gentleman's question.

Mr. GOODLING. I thank the gentleman.

Mr. RICHMOND. Mr. Chairman, I rise in opposition to the amendment. I am opposed to the amendment because it is not, in my mind, the proper approach to take in trying to improve our child nutrition program.

Mr. Chairman, this amendment will cost the taxpayers $120 million and will benefit those who can afford school lunches rather than those who cannot afford school lunches.

For example, right here in Montgomery County, Md., one of the richest counties in the Nation, they will receive more money as a result of this amendment than the entire city of Chicago.

In New York City, it is estimated that only 35,000 children will be helped by the amendment, 35,000 children out of more than 500,000 children participating in the school lunch program. This means less than $500,000 in Federal funds to New York City residents, while the benefits of the rest of this bill combined mean a much needed $60 million to the city.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman.

Mr. PERKINS. Let me say to the distinguished gentleman that we increased the income guideline for our reduced-price lunches from $7,900 up to $9,500. That will eventually bring in about 7 million children for reduced-price lunches. I would like to go much higher. We are trying to have a balanced program so that we will not let our regular school lunch program go down the drain.

If the gentleman will check his figures in New York City, the gentleman will find they lost several regular school lunch programs, and free and reduced-price lunch programs had to close down because the regular program was priced out of the market. The price was beyond what many school children could pay.

Here we are trying to strengthen the regular program so that there will not have to be an increase in price. That is what we are trying to do. At the same time, we have done something for the free and reduced price so that they can expand by several million children. But we have done nothing for the regular program, and I think this is something that would be beneficial.

Mr. RICHMOND. Mr. Chairman, my only answer is that I think there is so much more we can do for the middle-income people in the United States, so much more.

Mr. PERKINS. I agree with the gentleman, and I am ready to do it.

Mr. RICHMOND. Just as an example, the middle-income person who wants to build a house should get a substantial tax incentive for installing solar energy equipment on his roof.

Mr. PERKINS. I am ready to help the gentleman do it.

Mr. RICHMOND. I will just finish, if I may.

Mr. Chairman, I am also opposed to the amendment because the funds could be spent helping poor children. New York is not, as the proponents of this amendment claim, losing participation in the school lunch program; it is gaining them.

What we need to do is to help those who need help most, not give a handout to those who can take care of themselves.

With this amendment, Mr. Chairman, the bill is in jeopardy of losing the bipartisan support it has enjoyed and needs. I urge my colleagues to think twice about jeopardizing this vital legislation because of the misdirected priorities of this amendment.

Mr. LEHMAN. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Florida.

Mr. LEHMAN. Mr. Chairman, I thank the gentleman for yielding.

I will just take a moment. In Florida we cannot make up a deficit in our school lunch program by local funds. The only place we have to go is to those who are paying for school lunches. To go to them again will drive more out of the program and be, as I said before, self-destructive.

Mr. Chairman, we must pick up the burden to save the school lunch program.

Mr. CORNELL. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Wisconsin.

Mr. CORNELL. I would like to ask this question: Has the gentleman any idea of what percentage of school children

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in his home district are receiving reduced-price or free lunches?

Mr. RICHMOND. To answer the gentleman, in my own district I would expect—and I know my colleague, the gentlewoman from New York (Ms. CHISHOLM) will bear this out—that almost every child receives reduced-price lunches. The gentlewoman from New York (Ms. CHISHOLM) and I represent the two poorest districts in New York City.

Mr. CORNELL, Yes; I know.

Mr. RICHMOND. And we do not think that the middle class really needs that extra 5 cents.

Mr. CORNELL. I realize that, and that is why I rise, because I anticipate that if we really want to save the program, that is what this is for. That is our point here, so that we will have greater participation, and the addition of the 5 cents is to try to get greater participation so that we can continue the program for people such as in the gentleman's district.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA).

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. QUIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 176, not voting 43, as follows:

[Roll No. 158]

AYES—213

Adams
Addabbo
Ambro
Anderson,
  Calif.
Annunzio
Aspin
AuCoin
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bevill
Blanchard
Boland
Bolling
Bonker
Bowen
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Clay
Collins, Ill.
Corman
Cornell
Daniels,
  Dominick V.
Danielson
Davis
Delaney
Dent
Dingell
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Fascell
Fisher
Fithian
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Ginn
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammer-
  schmidt
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Holland
Horton
Howe
Hubbard
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Krebs
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McCormack
McDade
McFall
McKay
Macdonald
Madden
Madigan
Maguire
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Patman
Patten
Patterson,
  Calif.
Pattison, N.Y.
Pepper
Perkins
Pressler
Preyer
Price
Randall
Reuss
Riegle
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton,
  James V.
Stark
Steed
Stephens
Stratton
Stuckey
Studds
T ylor, N.C.
T ompson
T axler
T ongas
U all
U lman
V n Deerlin
V nder Veen
V gorito
W xman
W aver
W alen
W ite
W lson,
  Charles H.,
  Calif.
W rth
W lff
W ight
Y tes
Y tron
Y ung, Alaska
Y ung, Tex.
Z blocki
Ze eretti

NOES—176

Abdnor
Abzug
Alexander
Anderson, Ill.
Andrews,
  N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Biester
Bingham
Blouin
Breaux
Brown, Ohio
Broyhill
Buchanan
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey
Cederberg
Chisholm
Clancy
Clausen,
  Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert
  W., Jr.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dodd
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flowers
Forsythe
Frenzel
Frey
Giaimo
Gilman
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hanley
Hastings
Hébert
Heckler, Mass.
Heinz
Hightower
Hillis
Hinshaw
Holt
Holtzman
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Ketchum
Kindness
Koch
LaFalce
Lagomarsino
Landrum
Latta
Lent
McClory
McCloskey
McCollister
McDonald
McEwen
McHugh
McKinney
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Montgomery
M ore
M orhead,
  Calif.
M sher
M ers, Ind.
M ers, Pa.
Ni hols
O' rien
Ot inger
Pa sman
Pe ser
Pi kle
Pi e
Qu e
Qu llen
Re ula
Rh des
Ri hmond
Ri aldo
Ro erts
Ro inson
Ro sselot
Ru nels
Sa tini
Sa asin
Sa terfield
Sc neebeli
Sc ulze
Se ellus
Sh ster
Sik s
Sk bitz
Sm th, Nebr.
Sn der
Sp nce
Sta ton,
  J. William
Ste man
Ste ger, Ariz.
Ste ger, Wis.
Sto es
Sy ms
Tal ott
Ta or, Mo.
Tea ue
Th ne
Th rnton
Tre n
Van er Jagt
Wa gonner
Wa h
Wa pler
Wh tehurst
Wh tten
Wi gins
Wil on, Bob
Wi n
Wy er
Wyl e

NOT VOTING—43

Andrews, N.C.
Biaggi
Boggs
Brademas
Broomfield
Brown, Mich.
Burgener
Chappell
Cochran
Crane
Dellums
Diggs
Evins, Tenn.
Flood
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Jones, Ala.
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Poage
Pritchard
Rail back
Ran el
Ree
Ru pe
Rus o
Shi ley
Shri er
Sull van
Sym ngton
Van k
Wil on,
  Charles, Tex.
You g, Fla.
You g, Ga.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PERKINS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mr. PERKINS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. PERKINS to the amendment in the nature of a substitute offered by Mr. O'HARA: Page 17 of the amendment in the nature of a substitute offered by Mr. O'HARA, immediately after line 7 add the following:

(e) The last sentence of section 17(a) of the Child Nutrition Act of 1966 is further amended by striking out the period at the end of the sentence and inserting a comma in lieu thereof and adding the following: "and any eligible local health or welfare agency or private non-profit agency that applies to operate such a supplemental food program immediately shall be provided with the necessary funds to carry out the program for all eligible persons that such an applicant agency can demonstrate to the satisfaction of the health department or comparable agency of each State; Indian tribe, band, or group recognized by the Department of Interior; or the Indian Health Service of the Department of Health, Education, and Welfare that it is capable of serving under the program. The requirements set forth herein shall not be construed to permit the Secretary to ratably reduce the amount of foods that an eligible health or welfare agency shall distribute under the program to pregnant or lactating mothers and infants: *Provided however,* that the Secretary periodically may revise the types and quantities of food issued under the program as he deems necessary for the provision of adequate nutrition to pregnant or lactating mothers and infants."

(f) Subsection (f) of section 17 of the Child Nutrition Act of 1966 is amended by adding at the end thereof the following new clause:

"(5) 'Eligible local health or welfare agency or private non-profit agency' under this section shall mean any clinic or other health agency determined by the health department or comparable agency of each State; Indian tribe, band, or group recognized by the Department of Interior; or the Indian Health Service of the Department of Health, Education and Welfare to be serving significant numbers of infants and pregnant and lactating mothers at nutritional risk with, or in association with, one or more persons of competent professional authority, thus rendering such agency eligible to participate in the program."

Mr. PERKINS. Mr. Chairman, first let me state that we authorized the original so-called WIC program in 1972. It appeared that the administration was very hostile to the program, so a court order, a suit was filed, in the district court and the court ordered the first $20 million spent.

This is a very popular program. This last year we spent $95 million. We have authorized some $250 million in the O'Hara substitute, as amended; but it is believed that the money will not be spent unless we do make clear that the allocation of funds is put on a performance basis. The program is administered by the local health agency, so the Government, in my judgment, has got value received for every dollar spent under the so-called WIC program.

As I stated, the total of $125 million was made available for the WIC program

for fiscal year 1975, and the Secretary was ordered to spend the entire amount. It is projected that the approximate WIC expenditures for fiscal year 1975 will be about $95 million. Since commitments for program expansions were made very late, thereby substantially increasing the expenditure rate near the end of the fiscal year, the current authorized annual expenditure rate increased to about $200 million.

But, we have Mr. Chairman, on the national level, 647,000 applicants. On the actual December participation—think about this—on the actual December participation we only had 266,062 mothers and babies being served, receiving food through the various health centers in all the States of the Union; not taking care of one-half of the applicants.

As I stated, 48 States, the Virgin Islands, Puerto Rico, are all participating in this program, and the estimated program areas of future projects are 322, and the total fiscal year 1975 funds obligated are $122.4 million.

We started this program under section 32 funds. When the rule was granted and the bill brought to the floor, it was the opinion of many Members in the chamber that we should eliminate all the backdoor spending. I know the chairman of the House Committee on Appropriations discussed this with me, and we agreed to eliminate all the backdoor spending, section 32 funds, from this bill. That is the way this program was started.

Unless local applicant agencies are approved by the State department of health, they do not get any funds. This amendment provides the necessary funds to enable an eligible agency to carry out a program for all eligible persons whom such agency can demonstrate to the appropriate State agency a capacity to serve. Mr. Chairman, it is my judgment that this amendment should be adopted. I am of the opinion that this amendment will more nearly insure the funding of the program. That is the reason we offered this amendment, to try to get some assurance that there would be funding.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am a strong supporter of the WIC program, and even the amendment in the nature of a substitute offered by Mr. O'HARA continues to have the authorization of $250 million. The substitute, however, would remove the backdoor spending. There is no way that we can mandate the Secretary of Agriculture to spend the funds until the Congress appropriates the money. We have the means, through the appropriations process, to provide the $250 million.

The popular support of the WIC program, I think, indicates that when an appropriation bill comes before this body, if it does not carry $250 million for the WIC program, it would be added on the floor. We have the new Budget and Impoundment Control Act, which makes certain that the money is expended. We have the court decision which mandated the Department of Agriculture to spend the money. So, they cannot get out of it.

Yet, the amendment says, and I quote: "Immediately" these organizations that are running the WIC program—

Immediately shall be provided with the necessary funds to carry out the program for all eligible persons that such an applicant agency can demonstrate to the satisfaction of the Health Department or comparable agency of each State; Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare that it is capable of serving under the program.

There is no way one can mandate the Department of Agriculture to do that until the Congress appropriates the money. There is no way one can mandate the Department of Agriculture to make money available, funds available, that the Congress has not appropriated, if the request should be for more than $250 million or any lesser amount appropriated.

Then it goes on to say that he cannot ratably reduce. That means if there is a lesser amount appropriated, then there is no way he can ratably reduce payments to all eligible applicants.

So it is inconsistent. It ties the Secretary's hands, and it gives the assumption of an authority that we cannot give.

We have deluded the people for years, authorizing money that we do not appropriate.

The advantage of the $250 million in the WIC program is that I think we can appropriate the $250 million. If somebody had offered a billion dollars because they thought it was good, I would say we would again be falsely promising. But that $250 million I do not think is a false promise. The amendment that we have before us is a false promise, because we cannot assure that all applicants will be funded. So I urge my colleagues to vote this amendment down because we have the responsibility of deciding whether these programs are to be funded or not. We have it in our appropriations process. Once we appropriate that money, the Department of Agriculture must spend it, so that concern which I suppose the amendment is intended to address, is no longer valid.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the distinguished gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

Does the gentleman from Minnesota (Mr. QUIE) say that this mandates the expenditure of money? In other words, is this in effect now an appropriation rather than backdoor spending through the Public Law 32 funds?

Mr. QUIE. I do not think it is, because I do not think that the language in here can mandate the spending, even though it says he must spend it; because if the language were true, it would be backdoor spending, I would think, because it says "and any eligible local health or welfare agency," and so forth, shall immediately be provided the funds once they demonstrate that they are capable of serving the program.

Mr. MAHON. Would the gentleman interpret that as an appropriation?

Mr. QUIE. I do not so interpret it, but it is very confusing language in a law governed by a direct appropriation within a stated authorized amount.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. PERKINS. It was not intended to be an appropriation, I will say to the distinguished gentleman.

Mr. QUIE. It could not mandate him to spend money that we had not appropriated.

I would say again that there is no way under the court decision and the Budget Impoundment Control Act that the Department can refuse to spend once we appropriate the money.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding.

If it is the position of the gentleman that this is not an appropriation, that this language cannot create powers that come with an appropriation, then I think the gentleman has nothing to fear. It is very clear that this language is directed at the Secretary of Agriculture, who has shown such great hostility toward this program in the past, toward spending the money that this Congress has authorized in the past and appropriated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of California. I move to strike the requisite number of words.

Mr. Chairman, the language which is authorized in this amendment is there for the purpose, as I have just stated on the time of the gentleman from Minnesota (Mr. QUIE), to make sure that the money under this program is spent, so that the benefit this Congress has seen in this program is received by the recipients.

It is a program, if the Members will remember from the discussions that went on here some weeks ago, whereby pregnant women, infants, and young children are certified by health agencies of local governments that they are nutritionally high risk.

In that regard, that means that the woman, while she is pregnant, has a much greater chance of giving birth to a deformed child or that the child in its very infancy has much less chance to reach its full potential growth than a normal child.

The evidence in favor of this program and for the need of this program has been overwhelming, and I do not think that it is necessary that I go into it in detail, although I think one point has to be made very clearly. That is that we have established the causal chain between low incomes, poverty, low birthweight, inadequate diet, and mental retardation and physical deformities. I think that this is a program that on the cost-benefit basis, in terms of trying to prevent these deformities, in the light of the evidence, returns many, many dollars, tenfold to this Government in the fact that we now do not have to spend the astronomical amounts of money on cures, rehabilitative costs, and custodial costs.

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Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, I thank the gentleman for yielding.

I rise in strong support of this amendment and commend the gentleman for his statement that if this does not appropriate money—and I agree that it does not—the gentleman from Minnesota really has nothing to fear.

I would like to ask the gentleman from California if he would not agree with me that the same kind of application is made to all of the other programs, or a very similar kind of application; in other words, an entitlement by individual. This is an entitlement by program. In all of the other programs under this bill we have entitlement by individual.

Why can we not provide entitlement for the programs which are existing and which it is very essential that we continue this program with?

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for his remarks. I am inclined to agree with him.

In reference to what the distinguished gentleman from Minnesota (Mr. QUIE) has said, in the past, there is nothing more deluding to the people, in terms of appropriating money, than not making it available.

I suggest that that is what would be done by this Congress, given Secretary Butz' attitude toward this program where they had to get contempt citations against the Secretary to get the money released. They had to go to court twice in both fiscal years to get this program underway, especially in light of the fact that we are only serving 15 percent of the eligible population.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, let me ask the gentleman from California (Mr. MILLER) two questions.

What if one of the agencies should request the funds and demonstrates that it is capable of serving under the program, and we have not appropriated the money? What does the Secretary of Agriculture do then?

Mr. MILLER of California. To answer the gentleman, I think we have built a record here in the last few minutes that demonstrates that these funds are not to become available until they are appropriated by the Committee on Appropriations and by the Congress. I think that is the legislative history that we are building.

I also say to the gentleman that that is not the problem which this language seeks to remedy. The problem is that we have put ourselves, with all due deference to the committee, in a parliamentary position with respect to section 32 that I do not concede to be correct, but nevertheless exists.

Mr. QUIE. Mr. Chairman, could the gentleman answer my question, though. What does the Secretary do?

Mr. MILLER of California. He waits until the Committee on Appropriations appropriates the money.

Mr. QUIE. What if he has requested the funds and we have not appropriated enough money to take care of it?

Mr. MILLER of California. I am sure that he would feel very free to say that he cannot dispense the money until such time as it has been appropriated. I think that that is the record which we have created.

Mr. QUIE. But we say here that he shall provide the necessary funds.

Mr. MILLER of California. There has been no reluctance in the past by the Secretary of Agriculture not to dispense the money, even when the funds were available.

Mr. QUIE. The past is not involved. We are writing legislation here. It says that he shall immediately provide.

I want to know what he does when they have fulfilled all of the requirements, and we say in the law that he shall immediately provide. What does he do then?

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

(On request of Mr. QUIE and by unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Mr. Chairman, is the gentleman offering a corrective amendment?

Mr. QUIE. I would like to lay a basis for what the Secretary of Agriculture does.

Mr. MILLER of California. I think I have answered that question.

Mr. QUIE. What does he do if we do not provide funds?

Mr. MILLER of California. It is my contention that that question has been answered on the floor by the chairman of the committee in his response to the question of the gentleman from Texas (Mr. MAHON). It has also been answered in my response to the gentleman from Minnesota that the legislative history has been created. We have fulfilled our legislative obligations, and if the executive branch does not, these children and these women go without the program.

Mr. MILLER of California. This is not a program that can be interpreted willy-nilly.

Mr. QUIE. He could prorate the money, could he not?

Mr. MILLER of California. All right.

Mr. QUIE. Is that right?

Mr. MILLER of California. He could not readily reduce the allocation.

Mr. QUIE. Very well.

Mr. MILLER of California. This is a very important point. You are dealing with a health program, and you are dealing with basically a program where your entitlement to the program is a medical prescription. We are saying we can prevent these conditions.

Mr. QUIE. We have to get the procedure set up and then make the money available.

Mr. MILLER of California. The point is that we need sufficient funds to make the program work. If the Secretary was to take it from $21 a month and decide that there would be twice as many people served for $11 a month, or $10.50 a month, it may not have the same medical value. Just tell that to a woman who is a high risk that she will be getting only half of her needs.

Mr. QUIE. I am asking what the Secretary can do, and not for a speech about he could readily reduce.

Can the Secretary do it on a first-come, first-serve basis?

Mr. MILLER of California. He has to make the entitlement within the amount which is authorized and appropriated by this Congress. He has already extended it, and made new programs under the existing law without asking the Congress whether the money is going to be available. He is extending it today, 42 new programs in January.

Mr. QUIE. Let us suppose that the request totaled $300 million, and we authorize approximately $250 million. How does the Secretary handle it? Could he readily reduce those items on a first-come, first-serve basis?

Mr. MILLER of California. I would suggest that he could.

Mr. QUIE. The second question is——

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. QUIE, and by unanimous consent, Mr. MILLER of California was allowed to proceed for 1 additional minute.)

Mr. QUIE. If the gentleman will yield, the question is: What if the program does not have the medical components that presently are demanded by the Secretary, by the Department of Agriculture, because he will not approve, that approval will be turned over to another agency, and what if they do not provide or order adequate medical components? The gentleman from California has indicated many times himself the strong necessity for that part as well as the nutrition part.

Mr. MILLER of California. Mr. Chairman, I would say that I am not sure I have followed the gentleman's question.

Mr. QUIE. The question is, what if the program that is being approved, that is approved by an agency of the State, Indian tribe, band, or group, recognized by the Department of Interior or the Indian Health Service of the—and so forth, does not provide the medical component? For instance, we talk about the welfare agency, and it is very possible that this could be the case, that it does not provide for the medical component that is necessary, what can the Secretary do then? Because, do we not take the authority away from him to require the standards that are presently set?

Mr. MILLER of California. No, we do not do that. We do allow the Secretary to change the components of the program, and there has been evidence in the committee to show that there are some programs where perhaps the programs have too much milk, that perhaps the $21 there should be allowed for the benefit of high protein soy formulas, and so forth, this would be allowed under this amendment.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. QUIE, and by unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. They could readily reduce the program.

Mr. QUIE. I am not talking about readily reducing the program, I am talking about the standards that have to be set.

The amendment says:

> Can demonstrate to the satisfaction of the Health Department or comparable agency of each State—

which is using that, and there is not a sufficient medical component, but some new or other components presently demanded, any standard set by USDA set for that State, or by the State, what does the Secretary do about it?

Mr. MILLER of California. What does he do under existing law?

Mr. QUIE. He has the authority, he will not fund it unless they come up with the standard that they set.

Mr. MILLER of California. It would be my conclusion—let me say, I do not know the answer.

Mr. QUIE. I would say that is one of the difficulties in this amendment. Now we have standards that have been set. I recognize the Department of Agriculture did not agree with the way they should be set, and I do not agree with them any more than the gentleman does, but we have these two questions, the kind of program and, second, what happens if there is not enough money to meet the demands of the proponents?

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Washington.

Mr. MEEDS. I thank the gentleman for yielding.

I think we talked with counsel, and it is our opinion here that unless it had that medical component, it would not be approved by the State agencies.

Mr. QUIE. If the gentleman will yield, how do we know, when they have a number of them, and they have to be approved by not only the health department, but a comparable agency of each State, Indian tribe, band, or group recognized by the Department of Interior, or the Indian Health Service of the Department of Health, Education, and Welfare? We have no assurance they will meet the standards.

Mr. MEEDS. If the gentleman from California will yield further, the State must meet the standards which the Secretary prescribes, and if they do not, the program cannot be approved.

Mr. MILLER of California. I assume that the language is to be read—the State eligibility is to be read in light of the Federal requirements and USDA standards that exist elsewhere in the current law; also the fact that the program is limited to a very specific number of food products or substitutes that deal with the specific problems we have found through the medical portion of this program with a survey of the children, a survey of the women for the purpose of finding out what deficiencies they do suffer from.

Mr. QUIE. If the gentleman will yield further, this changes existing law, and that is what we ought to give our attention to. In fact, this changes the existing law and makes very difficult the administration of the program the way we in the Congress want it.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PERKINS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 152, not voting 42, as follows:

[Roll No. 159]

AYES—238

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John L.
Burton, Phillip
Carney
Carr
Carter
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Davis
de la Garza
Delaney
Dent
Derrick
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Fascell
Fisher
Fithian
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Green
Gude
Guyer
Hall
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Holland
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Lehman
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stephens
Stokes
Stratton
Stuckey
Studds
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Weaver
Whalen
White
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NOES—152

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conable
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Flowers
Flynt
Foley
Forsythe
Frenzel
Frey
Giaimo
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Haley
Hammerschmidt
Hastings
Hébert
Henderson
Hightower
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kelly
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lent
Lloyd, Tenn.
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKay
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pressler
Quie
Quillen
Regula
Rhodes
Roberts
Robinson
Rogers
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska

NOT VOTING—42

Biaggi
Boggs
Brademas
Broomfield
Brown, Mich.
Chappell
Cochran
Conlan
Conyers
Crane
Danielson
Dellums
Diggs
Evins, Tenn.
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Poage
Pritchard
Railsback
Rangel
Ruppe
Russo
Shipley
Shriver
Steiger, Wis.
Sullivan
Symington
Vanik
Wilson, Charles, Tex.
Young, Fla.
Young, Ga.

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PERKINS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mr. PERKINS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. PERKINS to the amendment in the nature of a substitute offered by Mr. O'HARA: Page 7, line 17, strike

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out "the following new paragraph:" and insert in lieu thereof "the following: 'Beginning with the fiscal year ending June 30, 1976, the income guidelines prescribed by each State educational agency for reduced price lunches for schools in that State under the fifth sentence of this paragraph shall be 100 per centum above the applicable family size income levels in the income poverty guideline prescribed by the Secretary, and any child who is a member of a household, if that household has an annual income which falls between (A) the applicable family size income level of the income guideline for free lunches prescribed by the State educational agency in accordance with the third and fourth sentences of this paragraph and (B) 100 per centum above the applicable family size income levels in the income poverty guideline prescribed by the Secretary, shall be served a reduced price lunch at a price not to exceed 20 cents."

Mr. PERKINS. Mr. Chairman, this amendment corrects the deficiency in the Chisholm amendment, which mandates the serving of reduced-price lunches to children from families with incomes which are 100 percent above the povery guidelines. Without this amendment, what we agreed to in the Chisholm amendment would be frustrated because of an error which would allow States to set eligibility below the 100-percent figure.

This amendment would carry out the original intent of the Chisholm amendment by requiring the States to set the eligibility level at 100 percent.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I thank the gentleman for yielding.

I would say that since the Chisholm amendment mandated the provision of reduced-cost lunches to all students who are eligible, undoubtedly the States would move to the 100-percent figure. I think this is a good amendment to make certain that all students are treated equitably throughout the Nation, and I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MRS. KEYS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mrs. KEYS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mrs. KEYS to the amendment in the nature of a substitute offered by Mr. O'HARA: On page 23, line 1, insert immediately after "commodities" the following: "or upon the application of a State education agency, cash in lieu of commodities in such amounts as may be provided in appropriations Act."

Mrs. KEYS. Mr. Chairman, I rise to offer a technical amendment to the day care section of this bill. Section 16 of the O'Hara substitute contains an excellent amendment offered in the Education and Labor Committee by Mrs. CHISHOLM and adopted by the committee. This amendment greatly strengthens the day care food program by providing that day care and Head Start programs receive the same level of Federal assistance that schools receive in the school lunch program, and may I add that there are few things more important for us to be doing than feeding a hungry child. As one part of this section, the bill provides that day care programs receive 10 cents per lunch in commodities, just as schools participating in the school lunch program do.

The problem here is that the bill provides no opportunity for day care centers to receive cash in lieu of commodities as well as commodities. In my State of Kansas, we no longer have any commodity distribution program, and our schools receive 10 cents in cash rather than in commodities. This approach has worked very well and to the benefit of school children. This cash has been spent to purchase a better variety of nutritional food. This approach has allowed more flexibility and has resulted in less administrative costs. Just as our schools receive cash instead of commodities, so will, too, our day care centers need to receive cash instead of commodities.

Moreover, some day care centers in other States may have difficulty in getting to railyards or warehouses to pick up their commodities and may have no freezer space in which to store commodities. In this respect, small day care centers serving 10 or 20 children are far different from entire school districts, who generally are able to pick up, transport, and store commodities.

My technical amendment allows States to elect to receive in cash the equivalent to some or all of the commodities for which they would be eligible in their child care centers, provided that this cash has been made available through the appropriations committee. If the cash has not been appropriated, then the required commodity donation rate for such States would have to be met entirely through the providing of commodities.

The purpose of this amendment is to require the Department of Agriculture to meet the State's preference—whether that be commodities or cash. Adoption of this amendment will provide States with the necessary flexibility to best meet the needs of their child care programs.

It is important to point out that my amendment does not add additional costs to this bill. In fact, it may actually save some money because it allows the States and the Federal Government to provide cash instead of commodities in situations where the logistics and expense of getting commodities to individual day care centers would be difficult. I think the amendment therefore enhances the overall purpose of this section of the bill.

Mr. PERKINS. Mr. Chairman, will the distinguished gentlewoman yield to me?

Mrs. KEYS. I yield to the distinguished gentleman.

Mr. PERKINS. The amendment, in my judgment, is a good amendment, and we on this side of the aisle accept the amendment. It merely permits the day care centers to accept cash in lieu of commodities for the meals served. This is quite different from the school lunch program because of the inadequacy of the facilities in the day care centers.

I thank the gentlewoman for offering a good amendment and I wish to compliment her.

Mrs. KEYS. I thank the gentleman.

Mr. QUIE. Mr. Chairman, will the gentlewoman yield?

Mrs. KEYS. I yield to the distinguished gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, this is just exactly what we did 2 years ago, providing that cash could be used in place of commodities. It gives flexibility to the Secretary of Agriculture if commodities are not available. I think it is an excellent provision. I will be glad to support it.

Mrs. KEYS. I thank the gentleman.

Mr. Chairman, I urge the passage of the amendment and the bill.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Kansas (Mrs. KEYS) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. KELLY was allowed to speak out of order.)

TRIBUTE TO MISS NATIONAL TEENAGER

Mr. KELLY. Mr. Chairman, the Fifth District of Florida is the largest congressional district in the United States.

This district and Florida are honored because Miss Lisa Lyon of New Port Richey, Fla., one of our young ladies, has been chosen Miss National Teenager.

Miss Lisa Lyon represents what is right about American young people and is an intelligent, involved young lady.

This beautiful young woman is in Washington today and honors our Nation's Capitol by her presence.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA), as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in support of the Perkins amendment to H.R. 4222. I want to address my remarks to the special supplemental food program for women, infants, and children or WIC.

First authorized in 1972, WIC is a supplementary feeding program available to pregnant women, infants, and children up to age 4 who are considered by physicians to be potential medical problems because of "inadequate nutrition and inadequate incomes."

The program is preventive in concept and medical in nature.

By providing highly nutritious foods to pregnant women, nursing mothers, and infants and young children, the WIC program attempts to stop serious health problems before they start.

Eligible mothers receive food vouchers which are traded for eggs, milk, cheese, high protein cereals, and infant formulas.

Allegheny County, in which my district is located, has a WIC program, one of the first in the Nation.

Each month, approximately 6,000 county residents, many from the Pittsburgh area, get food assistance and health care under the program.

Dorothy Kolodner, chief of nutritional services for the Allegheny County Health Department estimates that an additional 6,000 people in the county would also qualify if staff capacity would allow for their identification.

During the congressional Easter recess, I visited two WIC centers on my district and spoke with dozens of WIC clients. In addition, I have received hundreds of letters in my office in support of this innovative food program.

I can attest to it being one of the most successful ventures in preventative care and proper diet maintenance that I have observed in my 16 years in the Congress.

For these reasons, I urge my colleagues to promptly approve the Perkins amendment and to vote "yea" on final passage of H.R. 4222.

Mr. HAWKINS. Mr. Chairman, the bill now being debated is one that I strongly support. Although the bill has many fine features in it, and although the bills deals with all of the child feeding programs, I would like to devote my comments to the school breakfast program legislation in the bill. That part of the bill is of greatest importance to poor children.

Our committee's bill, and the O'Hara substitute which incorporates the committee's language, takes the school breakfast program from its temporary status to a permanent program. Moreover, we clearly express our purpose and intent "that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." Through this expression of purpose and intent, we mandate the Secretary to require the immediate expansion of the breakfast program to all schools in needy areas throughout the country.

To accomplish the fulfillment of congressional purposes, in this regard, we direct the Agriculture Secretary—in cooperation with State educational agencies—to conduct "a program of information." Also, the Secretary is required to formulate plans and regulations to bring about the needed expansion of the school breakfast program. Within 90 days from the passage of this legislation, the Secretary shall report to the Education and Labor Committee of the House and the Agriculture and Forestry Committee in the Senate about his plans and regulations.

In devising his regulations, we expect USDA to give highest priority to schools located in the neediest areas. Those schools—which are eligible for title I assistance under the Elementary and Secondary Education Act, or which have more than a quarter of their children eligible for free and reduced price lunches—must implement the program immediately. We expect the Secretary to mandate the establishment of the program in these impoverished-area schools so that our purposes and intentions are fulfilled and needy children are properly fed.

The need for this bill is obvious. Current statutory provisions for the expansion of the breakfast program have been ineffective. Under the law, State educational agencies—as a condition for receiving Federal child feeding aid—are required to devise child nutrition program plans of operations. For the breakfast program, those plans must specifically demonstrate how the program will be expanded to reach needy children to the maximum extent practicable. Such plans should specify which schools will come into the breakfast program and when such implementation will be accomplished. Thereafter, the State educational agency must foster and require thorough compliance with the plans.

Despite the clarity of the law, it apparently has not worked. Less than 13 percent of the public schools in our country currently participate in the breakfast program. Therefore, it is necessary that we now mandate the implementation of the breakfast program in all needy schools. I am confident that our school breakfast program legislation adequately improves the program by requiring program expansion, and, as a result, I strongly support the bill.

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 4222, the School Lunch Act and Child Nutrition Act amendments. The school lunch program is one of the cornerstones of our modern educational system. Our commitment to provide a well-balanced meal for every school child is one which this Government can ill afford to neglect.

H.R. 4222 includes provisions to make permanent the school breakfast program under the Child Nutrition Act, makes children of unemployed parents automatically eligible for free meals under the National School Lunch Act, makes licensed day care centers, Head Start centers, and other child care institutions eligible for school lunch funds, extends the school lunch program for summer camps for children from poor economic areas, makes children from families with up to 100 percent higher incomes than the poverty level eligible for reduced-price lunches, extends the nutrition program for low-income pregnant women and infants, directs the Secretary of Agriculture to purchase commodities at market prices and requires that at least 75 percent of Federal commodity assistance to school lunches be food donations.

It is obvious that we are going to have to make substantial reductions in our level of Federal spending if we are to put our economic house back in order. But I do not believe that we can make these cuts discriminately. There are certain areas where our country cannot afford to scrimp. The school lunch program is one such area.

I urge my colleagues to support this bill which, in my estimation, is as fundamental and integral a part of our educational process as the alphabet.

Mr. EDWARDS of California. Mr. Chairman, I rise to urge the support of my colleagues for the free and reduced-price school lunch provisions of the National School Lunch and Child Nutrition Act.

The purpose of the reduced-price lunch is to improve the nutritional status of the school age children of this country. We are all aware of the relationship between a healthy diet and the proper physical and mental development of a child. However, we must also be mindful of the rescession-bred pressures which are forcing even middle-class families to cut back on their food budgets. In many homes less nutritional meals are being served, and there is less money available for a child to buy a proper lunch at school. The result is that many children from poor and and middle-class families are not receiving proper nourishment.

This situation is exacerbated by the fact that the cost of preparing a school lunch has risen over the last 28 years from 30.4 cents to 84.5 cents. Yet during the same period the Federal share of this cost has dropped from 31 to 21 percent. As a result of this increased cost 1 million children dropped out of the program during last year alone.

An additional problem is that as participation in the programs declines, economies of scale will allow fewer and fewer schools to afford school lunch programs at all. On the other hand, if Congress provides an inexpensive, nutritious lunch, the number of students participating will increase, costs of preparation will be reduced and as many as 50,000 new jobs will be created.

This is not a program to subsidize the children of the rich. The great majority of children purchasing school lunches come from families with annual incomes of $10,000 to $15,000. As a result, this program serves as a form of tax relief for that portion of the population which has traditionally born the heaviest tax burden in this country.

The continuing need for this program is clearly illustrated in my own Congressional district where everyday more than 38,000 schoolchildren are nourished by a free or reduced-price lunch.

There can be no doubt that our young people are the most valuable resource we have in the United States. Their health and nutrition should be of paramount importance to us all. I ask you to consider these thoughts when voting on the reduced-price provision of the National School Lunch Act.

Mr. ZEFERETTI. Mr. Chairman, I rise in favor of the O'Hara substitute to H.R. 4222. This bill will be immensely useful to needy children throughout the country. Significant advances are made, through this legislation, in the day care, summer feeding, school lunch, and school breakfast programs. As a result, these programs will become much more responsive to the needs of poor children.

One provision of this bill can be rather significant for our Nation's needy schoolchildren and it deserves our special attention. That provision is likely to cause a very substantial expansion of the school breakfast program. It improves the current status of the school breakfast legislation under the National School Lunch and Child Nutrition Acts.

Under the current law—section 1759a (e)(1) of the School Lunch Act—each State educational agency is supposed to develop an annual State plan of child feeding operations that is supposed to detail how the State will reach needy children with the breakfast program. Such a plan must document the intended expansion of the program so that, "to the maximum extent practicable," the program will "reach needy children." Under the Department of Agriculture's regulations pursuant to that statute, this plan should set forth specific plans that will assure the provision of the breakfast program in schools with numerous "children in need of such benefits." Consequently, under the statute and regulations, such State plans must be submitted to USDA and the States must comply with those plans. Compliance with the requirements are "a prerequisite to receipt of Federal funds" under the School Lunch and Child Nutrition Acts.

The bill now before us, with the school breakfast provision we drafted in committee, will substantially expand these requirements. First, the Secretary of Agriculture is required to conduct an ongoing informational campaign, together with the State educational agencies, that will cause the expansion of the breakfast program. Second, the new bill makes it clear that the school breakfast program must be made available—"in all schools where it is needed to provide adequate nutrition for children in attendance" therein. And finally, the Secretary is required to report to the appropriate committees of Congress what he, together with the State agencies, will do to enforce our intentions that the school breakfast program be made available in all schools where it is needed.

These requirements are not to be taken lightly. We expect the Agriculture Secretary to promulgate regulations that will effectuate our intentions. Such regulations, at a minimum, should require the implementation of the breakfast program in schools that have a sizable number of needy children—schools designated as eligible for title I assistance—under the Elementary and Secondary Education Act—or schools that provide free and reduced-price meals to more than one-quarter of the children in attendance therein. Those schools should be required to implement the breakfast program, and the Department, together with the State educational agencies, should cooperate in efforts to enforce that requirement.

The time for rhetoric and exhortation is over. We now want and mandate specific action on the school breakfast program, and the Agriculture Secretary is now directed to devise regulations that will require the implementation of the breakfast program "in all schools where it is needed to provide adequate nutrition for children in attendance." As a result of these regulations, we expect that the breakfast program will be established in all the poverty area schools in the country, thus fostering better nutrition and education for the youngsters of our Nation. Consequently, I urge everyone to support this bill.

Mrs. BURKE of California. Mr. Chairman, hunger and malnutrition in America is an unfortunate reality that stands in dark contrast to the prosperity and affluence that accompany the popular image of this country as a land of plenty. The importance of an adequate diet cannot be minimized. The link between an adequate nutrition and a child's ability to learn and grow has been well established.

The National School Lunch and Child Nutrition Acts amendments are an important continuation of a national effort and commitment to the goal of assuring that every child has at least one nutritious meal during the course of the day.

The Congress showed wisdom in initiating the school lunch program. It has demonstrated greater wisdom in extending this legislation to include the school breakfast program, the supplemental food program, the women, infants, and children—WIC—food program, and the special milk and nonschool food service programs.

In California more than 5,600 schools participate in the school lunch program—1,464, or 26 percent of these participating schools are in Los Angeles County alone. I am pleased to note that this means almost every school in Los Angeles County is taking part in the school lunch program.

I am distressed by the statistics cited in the committee report that in the 5 years since 1970, the total number of students purchasing lunches daily has declined from 18 million to 15.3 million, a decrease of 1.7 million children. This downward trend in participation by paying students is also evident in Los Angeles County, where the average daily participation—ADP—is 450,560 lunches served, while the average daily attendance—as of October 1974—was approximately 1,126,600. Of the 450,560 ADP, 270,349 are free or reduced-price meals.

I wholeheartedly approve of the expanded eligibility provisions for free and reduced-price meals, which will have the effect of including those children of families who are hard-hit by our economic difficulties. Projections by the California Food and Nutrition Services estimate there would be an increase of close to 10 percent of free or reduced-price meals in California.

Free and reduced-price meals should be and must be made available to those in need. At the same time, I do not believe that we should abandon need as the test for eligibility. The improvement and expansion of the School Lunch and Child Nutrition Acts are indeed worthwhile objects, they must not be used as a backdoor method of funding the nutrition for families who can afford to pay at the expense of those who cannot.

Mr. MIKVA. Mr. Chairman, the school lunch program has been a great success since its inception. It stands as an example of what government can do and should do to meet the health and nutritional priority needs of this country.

The bill which we are considering, amending the National School Lunch and Child Nutrition Acts, extends and revises the special food service program for children and the school breakfast program. It expands eligibility for reduced-price lunches, creates a permanent child care food program, makes automatically eligible for free meals the children of unemployed parents, and expands the special supplemental feeding program for women, infants and children—the so-called WIC program.

It is because I support the program and the pending bill that I joined a bipartisan majority of the House in approving the Goodling amendment, when this bill was originally considered on March 25, and why I am today supporting the Perkins amendment, which will provide for a supplemental 5-cent payment on all lunches served in fiscal year 1976 other than free or reduced-price lunches.

Mr. Chairman, the school lunch program has been a success because it has targeted help to the children who need help. Without the Goodling amendment, adopted by the House on March 25, the proposal before the House would have spewed assistance to all children whether they needed it or not. That distorted "fair play" notion robs us of precious resources that are needed to solve the many pressing domestic problems we have. It also robs us of the credibility that Congress—and indeed government as a whole—needs to set the priorities of this country and undermines the role government should play in meeting those priorities.

We go into this next fiscal year with an ominous deficit hanging over our collective heads. It is a deficit in large part caused by inadequate tax and economic policies of the past. No matter how we cut the budget, we cannot avoid a deficit of huge proportions. The fact that we cannot void it makes it all the more essential that every Government expenditure in this period of crisis be one aimed squarely at solving a priority need of the country. The school lunch program is such a priority need, and I intend to vote for the bill on final passage. However, a school lunch program which provides free or near free lunches for kids of all income brackets, rich and poor, whether they need help or not, is not such a priority need. Indeed, it mocks the word priority.

The Perkins amendment, which provides a 5-cent supplemental payment for each lunch served to a paying student during only fiscal year 1976, on the other hand, is a well-designed and targeted approach to a particular problem, that of increasing school lunch costs. It will not subsidize in a helter-skelter fashion the children of the wealthy. It will, to the contrary, prevent further erosion of the entire school lunch program, both for paying students and those from low-income families.

The task is to compassionately assist those in need while responsibly rejecting propositions that would take deficit dollars from more urgent programs. By accepting both the Goodling and the Perkins amendments to the National School Lunch Act, Congress will be moving in that direction.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of the amendment to the amendment in the nature of a substitute offered by Mr. O'HARA. This amendment will provide for a supplemental 5-cent payment on all lunches served to paying students in fiscal year 1976.

Mr. Chairman, this amendment addresses the vital need for positive action to bolster the regular school lunch program catering to paying students.

Over the last few years, there has been a marked decline in the number of paying students participating in the school lunch program. In the 5 years since 1970, the number of children purchasing lunches daily has declined from 18 million to 15.3 million, a drop of 2.7 million children. This decline has occurred despite the fact that since 1970 nearly 4,000 schools with an enrollment of 2.3 million children have entered the program

This decline in participation is indicative of the difficulty that has been encountered by middle-income parents in absorbing regular price increases of school lunches. These price increases, in turn, are reflective of the higher cost of producing nutritionally balanced lunches because of sharply higher food and labor costs as well as costs of other items, such as utilities, transportation, and supplies used in preparing and serving lunches. Since 1967, the cost of producing lunches has increased by nearly 70 percent. In the past year alone, the increase has been well over 12 percent.

At the same time, the Federal share of lunch cost for paying children has declined, even though expenditures have increased. By way of example, when the program was initiated in 1947, the Federal Government spent $68 million in cash and commodity assistance to support the program. At that time, the total cost of the lunch was approximately 3 cents, and the Federal Government share of lunch cost for paying children was 31 percent. In 1974, even though $1.4 billion was expended, the Federal share dropped to 21 percent of the lunch cost for paying children because the total cost of preparing a lunch had risen to 84.5 cents.

The price increases that have not been offset by Government subsidies have been passed directly on paying children. Because of the economic conditions in the country, more and more parents are having increasing difficulty in keeping up with price increases for school lunches for their children.

More and more paying children are dropping out of the program. These children constitute the backbone of the program—when they drop out, the entire program is jeopardized—including the reduced and free lunch provisions for needy children.

Mr. Chairman, the committee amendment to provide a temporary 5 cent payment on all lunches served will help to keep paying children in the program.

This amendment represents a reasonable compromise in both scope and price. The committee anticipates that the amendment will cost $125,000,000. This represents a significant reduction from the cost estimates associated with the previous proposals to place ceilings on the price charged to paying students. The ceiling provisions would have cost between $600,000,000 and $1,000,000,000.

Mr. Chairman, I believe the effect of this amendment will be to encourage local school districts to hold the line on school lunch prices for paying students. It is common knowledge that without this kind of help, the school districts will have no choice but to increase lunch prices in September. If this happens, even more children will drop out of the regular program.

Mr. Chairman, I urge my colleagues to consider the needs of the middle-income parent in these troubled economic times. I also ask my colleagues to consider the nutritional needs of America's schoolchildren—needs that should not be sacrificed in some misplaced concern about costs. I have long maintained that the needs of the American people should be our first consideration. These needs include the reasonable assurance that our children will receive adequate nutrition.

Mr. Chairman, the amendment we are considering will help insure that these nutritional needs are met for millions of American schoolchildren. It is an amendment that reflects both a concern for maintaining the viability of the regular school lunch program and a concern about keeping the costs of the program within reasonable limits.

Mr. Chairman, I hope my colleagues will support this amendment, and will lend their full support to the passage of the bill.

Mr. HEINZ. Mr. Chairman, I rise today in support of the special supplemental food program for women, infants, and children, known simply as WIC.

Mr. Chairman, Samuel Johnson said that the mark of a civilized society is its provision for the poor. This is particularly valid when the poor are children totally innocent of their circumstances and totally helpless to change those circumstances. The WIC program tries to assure that despite other disadvantages, these children will grow up with their health unimpaired. First, by providing pregnant women with nutritional food, WIC has helped prevent the dangerously low weights at which infants from poor families are often born. Second, by providing these same infants with nutritional food, the programs protect children from sickness while they are most vulnerable. The administration, which supports most of the other provisions of H.R. 4222, opposes continuation of WIC. Yet, if we support the school lunch program, which protects the health of children once they begin their education, should we not consider WIC a program which helps insure that they begin this education at all, equally, if not more important?

WIC has also been that rarity in Government—an efficient program. With just $200 million, the program has established more than 1,500 individual clinic sites and enrolled 187,500 women, 178,000 infants, and 282,000 children for a total of 648,300 participants. Even in the face of such a large Federal deficit, we must not eliminate programs, like WIC, that are both necesary and efficient.

I am particularly proud to have a WIC program in my home area Allegheny County. This program, started in May of 1974, already has reached over 7,000 residents and now has the largest enrollment in Pennsylvania. Communications received from more than 30 participants attest both to the benefits they received and the support WIC deserves.

Mr. Chairman, so much time is spent in the vapid exaltation of Government programs that the ear tends to discount it. But there are programs, such as WIC in Allegheny, that by efficiently helping those who cannot help themselves bind a community together and remind us of the delights of reasoned democracy.

Mrs. CHISHOLM. Mr. Chairman, I rise in support of the bill H.R. 4222, the School Lunch and Child Nutrition Amendments of 1975.

Although I spoke earlier in opposition to one amendment to this bill, I want to go on record as supporting a piece of legislation that contains many extremely worthwhile provisions. Children's residential institutions are now included in the school lunch program. The children of the unemployed are now eligible for free lunches and breakfasts. The reduced price lunch program has been mandated in all schools participating in the lunch program, extending the 20-cent lunch to children in families with incomes between $6250 and $10,050 per year for a family of four.

Day care centers, family day care homes, and Head Start Centers are allowed into the program upon request, and their reimbursement rates are double that under current law. The amendments giving the WIC program entitlement status, along with a higher authorization of $250 million for 3 years also have my enthusiastic support.

The advances made in all these programs and in some of the others are of great importance, for as I have said many times before, I am convinced that good nutrition is one of the most effective ways of preventing the problems of poor health that cause suffering among so many Americans living in poverty, and as a result, lead to large expenses in the areas of health care and welfare programs for these people.

Another part of the bill deserves substantial attention. That part relates to the operation of the school breakfast program—a program of critical concern for youngsters who often are too hungry to learn. Currently, only about 13 percent of the schools in our Nation provide federally subsidized morning meals. Yet, from our experiences in those schools, we have found out that the breakfast program is of extraordinary usefulness in the development of decent educational opportunities for needy youngsters.

In schools where the breakfast program is operational, attendance rates have increased. In those schools, tardiness has decreased and discipline problems have diminished. Most importantly, however, impoverished children receiving school breakfasts have become far more alert and have increased their attention spans. Clearly, the implementation of the breakfast program in needy communities throughout our country is of vital concern to the educational advancement of many impoverished schoolchildren.

The school breakfast program provision that we drafted in committee, contained in the O'Hara substitute bill now before us, directs its mandate toward the expansion of the program. As a matter of clear and unmistakable policy, we state that "it is the purpose and intent

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of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." To implement this unequivocal policy, the Secretary, in cooperation with State educational agencies, must carry out an informational effort to promote the specified congressional objectives. In addition, he must devise plans and regulations to require the expansion of the school breakfast program.

With regard to the Secretary's obligations to devise plans for the expansion of the breakfast program, we expect him to target in on the schools that are located in impoverished neighborhoods. Those schools are the ones that are eligible for Federal assistance under title I of the Elementary and Secondary Education Act. Those schools are the ones that currently have large numbers of children eligible for free and reduced-price lunches. As a result, the Secretary's regulations, at an absolute minimum, must require the implementation of the breakfast program in all title I schools and in all schools in which more than one quarter of the children are eligible for free and reduced-price lunches.

In order that the Secretary's plans and regulations give substance and meaning to the policy we articulate in this bill, his regulations must require and mandate program expansion in needy schools, not just encourage it. The time for rhetoric about program expansion is over now. Our committee wants specific and unequivocal steps to be taken by the Secretary, and the State educational agencies, to require the implementation of the breakfast program in all needy schools. This mandate substantially increases our previous commitments for breakfast program expansion—commitments that required State agencies to devise child nutrition operation plans, and then implement such plans—as a precondition for the receipt of child nutrition funds—to make sure that needy children were reached with the breakfast program "to the maximum extent practicable."

In sum, under this bill, it is our expectation that the Secretary will mandate the breakfast program's expansion to all needy schools. This step is important, and indeed vital, to the improved health and educational opportunities of impoverished children throughout the country. I hope this fine bill passes.

Mrs. HOLT. Mr. Chairman, another example of congressional irresponsibility is on display in H.R. 4222 as amended. It increases the authorization for the school lunch program by 50 percent for the 1976 fiscal year by offering higher subsidies for every student, even those who can afford to pay for their lunches.

This legislation will allow the school lunch program to increase from $2 to $3 billion in a single year. Not content with helping the truly needy, the architects of this legislation are interested in swelling food subsidies for every family.

Will we never learn that Government can give nothing to the people that it does not take from the people? The people are already carrying a terrible burden of taxation and inflation that will be made worse by this kind of irresponsibility. The school lunch program, originally intended to help children who would otherwise go hungry, has become a massive giveaway in three phases. First comes the subsidized lunch for every student. Next is the reduced price lunch which is subsidized at a higher rate. Then comes the fully subsidized free lunch for the impoverished children.

What we have here is a mania for extending charity to everybody, and everybody will be forced to pay an inflated price for it. The food stamp program is another example of this philosophy at work. The rules of eligibility are so loose that nobody really knows how many millions of people will get the subsidy.

Meanwhile, the Federal budget deficit pushes toward the $80 billion mark, promising future grief for everybody. Government borrowing on so vast a scale will drain away the capital needed for private industry to expand and provide jobs. The huge deficit will cause more inflation.

Mr. OTTINGER. Mr. Chairman, it has been nearly 30 years since the Federal Government first began to participate in providing food services to children in the schools through the school lunch program. In that period of time Federal expenditures for this program have grown from less than $100 million to over $1.4 billion per year.

In 1947, when school lunches first began to be served with aid from the Federal Government, our subsidy covered about 31 percent of the cost of preparing and serving a lunch for any participating child. Today, with increased costs for preparation and the failure of the subsidy to keep pace with these increased costs, the Federal Government is contributing only about 21 percent of overall costs of meals for paying children. In recent years, however, this reduction in the percentage of Federal subsidy has been at least partially offset by the addition of special assistance for needy students.

In 1966, the Congress first appropriated money to allow for free and reduced-price meals to students from low income families. That same year the 89th Congress, in which I was privileged to serve, also created the school breakfast program, expanded the special milk and non-food assistance programs and established a special feeding program for preschoolchildren to operate in the schools.

Mr. Chairman, the feeding programs which operate under authority of the legislation we passed earlier this week are vitally important to our effort to insure that every American receives an adequate diet. In my own congressional district the preschool feeding program has been especially successful in aiding families with eligible children. I also fully support the plan to provide a special entitlement for the special supplemental feeding program for women, infants and children under which the State health agency will have the authority to determine the eligibility of clinics desiring to participate. It is my own belief that removing this authority from the Department of Agriculture, which has a long and well-known history of neglect of low-income people, can only serve to make it more effective.

We have now acted to expand these programs still further by making school breakfast a permanent program and by making children in families where the principal wage-earner has become unemployed due to the current recession eligible for free lunches during a 1-year period. We have also reduced the cost of school lunches to children in families of four members with incomes of up to $10,000 per year. Licensed day care and Head Start centers will become eligible for school lunch funds, and both breakfast and lunch programs will be provided for children in orphanages and other similar residential facilities. Since summer vacation often means to the children of the poor a temporary end to an adequate diet until school reopens in the fall, we have expanded and improved the summer feeding program.

I doubt if there is anyone in this Chamber who would argue against our effort to provide an adequate diet for Americans during their most important stages of development, when they are struggling to become productive citizens. The amendments which I have been privileged to support are particularly significant in view of the fact that they make so many extra provisions for those who have the least ability to provide proper nutrition for their children, and they are most reflective of our already established goal of Federal assistance to those who have the greatest need. I take great pride in supporting such a philosophy.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'Neill) having assumed the Chair, Mr. Evans of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4222) to amend the National School Lunch and Child Nutrition Acts in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, pursuant to House Resolution 352, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I make a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Speaker, I make a point of order against further consideration of the bill on the ground that the amendment offered by the gentleman from Kentucky (Mr. Perkins) on page 17, line 7, constitutes an appropriation in a legislative authorization bill in that it gives to the Secretary of Agriculture the duty of providing all necessary funds to carry out and maintain certain other programs to be used as sources of these funds, but leaves to his discretion the other programs that might possibly be used as sources for these funds and, therefore, constitutes an appropriation of moneys in a legislative authorization bill.

Therefore, Mr. Speaker, I make a point of order against the bill.

The SPEAKER pro tempore. Does the gentleman from Kentucky (Mr. Perkins) desire to be heard on the point of order?

Mr. PERKINS. Mr. Speaker, I desire to be heard on the point of order.

Mr. Speaker, the point of order made by the gentleman from Maryland (Mr. Bauman), comes too late, would be my first point. But, Mr. Speaker, on the merits of the bill, the point of order is not well taken because, on page 22 of the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'Hara) we find this language:

> (b) In order to carry out the program provided for under subsection (a) of this section during each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978, there is authorized to be appropriated the sum of $250,000,000 for each such fiscal year.

So that the authorization is plain, and the only thing we do is to mandate some regulations to the effect if the money is appropriated that the Secretary may be required to spend the money.

Mr. BAUMAN. Mr. Speaker, may I be heard further on the point of order?

The SPEAKER pro tempore. The gentleman from Maryland will proceed.

Mr. BAUMAN. Mr. Speaker, under the rules of the House, specifically, this point of order lies at any time, and it does not come too late. The rules of the House provide that it may be made at any time prior to the final consideration of the bill.

In this respect, Mr. Speaker, I refer the Chair to the question that was ruled on last week on either Wednesday or Thursday in regard to the Vietnamese war.

The SPEAKER pro tempore. The Chair will state that the point of order raised by the gentleman from Maryland (Mr. Bauman) comes at a time when the amendment is not being considered, and cannot be directed against consideration of the bill itself. In view of the fact that the gentleman from Maryland did not raise his point of order at the time of the consideration of the amendment the Chair holds that the point of order is out of order.

Mr. BAUMAN. But, Mr. Speaker, the rules of the House directly provide for this.

The SPEAKER pro tempore. The Chair again will state that the point of order is not well taken.

The Chair has already ruled.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WAGGONNER. My parliamentary inquiry is this: Does the Chair rule this way in view of the decision of the Chair last week when the gentleman from New York (Mr. Pike) was the Chairman of the Committee of the Whole, and who ruled that a point of order could be made at any time?

The SPEAKER pro tempore. The Chair will state it can be made at any time that the House is in the Committee of the Whole, and the amendment is pending. The House is not in the Committee of the Whole at this time, and the amendment has been agreed to.

Mr. WAGGONNER. The words "at any time," then, may be interpreted in a different way today than they were last week?

The SPEAKER pro tempore. No; the rulings are consistent.

Mr. WAGGONNER. I thank the Speaker.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. QUIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. QUIE. I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. Quie moves to recommit the bill H.R. 4222, to the Committee on Education and Labor with instructions to report back the same forthwith with the following amendment: Strike out section 18 thereof, entitled "Additional Payments for Full-Price Lunches During Fiscal Year 1976."

The SPEAKER pro tempore. Under the rules of the House, the gentleman from Minnesota is recognized for 5 minutes.

Mr. QUIE. Mr. Speaker, the issue is the same as we had when we debated the amendment offered by the gentleman from Kentucky (Mr. Perkins) to increase the subsidy for the lunches of those who can afford to pay for their own lunches, by 5 cents. The subsidy is now 21¾ cents, and will be raised by 5 cents at a cost of $125 million additionally at a time when our country is in severe economic straits and when we have a huge deficit facing us. This would mean an additional $125 million on top of a bill that is $1.4 billion over the budget, $1.1 billion over this year's costs, and $700 million over the cost it would be if we had just a straight extension of the programs as currently authorized.

I believe that to provide an additional subsidy for those who do not need it is totally unwarranted. We will have many reasons to go above the budget substantially. We will have many reasons to have a higher deficit than any of us want; but to add this, I think, is the straw that breaks the camel's back.

I urge my colleagues to accept the motion to recommit.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman for yielding.

At what point in the individual income does the increased subsidy begin?

Mr. QUIE. For a family of four, it begins for those with incomes of $10,020 and above.

Mr. LANDRUM. Incomes of what?

Mr. QUIE. $10,020 and above.

Mr. LANDRUM. In other words, a family of four making $11,000 has its school lunch program subsidized by an additional nickel over what it is now subsidized?

Mr. QUIE. That is right, or a family of $50,000 or $25,000.

Mr. LANDRUM. And the additional 5-cent subsidy will call for an added $125 million budget?

Mr. QUIE. A $125 million budget.

Mr. LANDRUM. $125 million?

Mr. QUIE. That is right.

Mr. LANDRUM. Meaning that will be added to the already heavy deficit being recommended by the Committee of the House and the committee of the other body?

Mr. QUIE. I would assume that would be correct.

Mr. LANDRUM. And the budget deficit recommended by the House committee is now $73.2 billion?

Mr. QUIE. That is what I understand.

Mr. LANDRUM. Does that mean that we add this $125 million to that?

Mr. QUIE. Since the amendment was not before the Budget Committee, I would assume that would be correct.

Mr. LANDRUM. I thank the gentleman.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding.

I certainly support his motion to recommit. This School Lunch and Nutrition Act currently is costing us $2,046,000,000, and if we simply extend the act, we would be spending $2,418,000,000. With the adoption of the amendment offered by the gentleman from Kentucky, we are going to run over $3 billion, in other words, a 50 percent increase for the comparable programs in the coming fiscal year 1976 over this fiscal year. I think it is just, frankly, too much at this time. With the adoption of the Chisholm amendment, every child in a family of four making $10,020 is entitled to have all of his or her lunch over 20 cents subsidized. If it is 90 cents, it means that there is a 70-cent Federal subsidy. And that can cost us anywhere from an additional $150 to $300 million.

While that is probably acceptable in some quarters for low-income families, certainly those of us in the middle-income and above do not need our own kids' lunches subsidized by the increase in this proposed piece of legislation. I support the gentleman's motion to recommit. I think it is sound and his approach is much more reasonable for these times.

Later on this week we are going to take

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up the budget concurrent resolution and we are going to hear all kinds of weeping and wailing over the size of the Federal deficit, but when given a chance to do something about it, we see Members running for cover.

This authorization in its present form is over $1 billion over the budget and over the current year's level of spending.

Why not support the gentleman's motion and do the right thing for a change.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

Would the gentleman repeat what he said previously in the discussion? What is the difference as far as Montgomery County is concerned and the city of Chicago, as far as this 5 cents is concerned?

Mr. QUIE. I used the comparison between Montgomery County with 569,000 residents and Chicago with 3,300,000 residents, and Montgomery County will get more money from that 5-cent amendment than the whole city of Chicago.

Mr. PERKINS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, first let me state that we have some 10 million school students, elementary and secondary, receiving free lunches that we subsidize at 84 cents a lunch. We have another 800,000 that we are subsidizing on a reduced price at 64 cents a lunch. The regular lunch program for many years has been going downhill. Presently we only have 15.3 million schoolchildren in the paid-lunch category. We have dropped from 18 million down to 15.3 million children in the last 4 years; at the same time we have added on 4,000 school lunchrooms in the country. The reason we have dropped is we are pricing the regular school lunch child out of the school lunchroom.

I want to yield briefly to the gentleman from Wisconsin but I would like to say that surveys throughout the Nation prove conclusively this 5 cents will be a holding operation to keep the school lunch programs from raising their prices next fall.

I yield now to the distinguished gentleman from Wisconsin to give us an example of what is going on in this country.

Mr. CORNELL. Mr. Speaker, I would like first of all to preface my remarks by assuring the Members of this House the 5 cents will not subsidize the school lunch program for my children.

We had a survey taken in the elementary schools in the State of Wisconsin, which were not selected but included the whole State. It showed that as we increase the cost of the hot lunch program there is a substantial reduction in the price of students. I have given these figures before but I would like to repeat them because they are very significant. Where the student charge was 25 cents, 82 percent participated; where the price was 35 cents, 68 percent participated; where the price was 45 cents, 44 percent participated; and where the price was 55 cents, only 22 percent bought the hot lunch program.

Mr. PERKINS. Let me tell the Members of this House we have escalators built in for the free and the reduced price lunch for children as the cost of the food goes up. It amounts to 11 cents a year, whereas under the escalator for the paid lunch program the cost of food is going up 28 percent during the past 2 years and the escalator under the regular school program provided 1.75 cents additional per meal.

I say to the body this 5-cent pass-on to the school lunch programs where the children participate is absolutely essential and a must if we are going to strengthen the paying program. When the paying program is shut down the free and reduced price lunch programs are also shut down. Families with a $10,000 income or $11,000 income or $12,000 income are the people who are paying the taxes in the country and they deserve to have a regular lunch program in their schools. That is all this amendment will do. It will insure that the price of the regular program will not go up.

The SPEAKER pro tempore (Mr. O'Neill). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

Mr. QUIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 144, nays 246, not voting 42, as follows:

[Roll No. 160]

YEAS—144

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biester
Bingham
Blouin
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
du Pont
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Frenzel
Frey
Giaimo
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hastings
Hébert
Heinz
Hillis
Hinshaw
Holt
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lent
McClory
McCollister
McDonald
McEwen
McKinney
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
Passman
Pickle
Quie
Quillen
Regula
Roberts
Robinson
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie

NAYS—246

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Clay
Collins, Ill.
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dent
Dingell
Dodd
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howe
Hubbard
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McCloskey
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madden
Madigan
Maguire
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Stuckey
Studds
Taylor, N.C.
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—42

Biaggi
Brodhead
Brooks
Broomfield
Brown, Mich.
Chappell
Cochran
Conyers
Crane
Dellums
Diggs
Evins, Tenn.
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Poage
Pritchard
Railsback
Rangel
Rhodes
Ruppe
Russo
Shipley
Shriver
Steiger, Wis.
Sullivan
Symington
Vanik
Wilson, Charles, Tex.
Wright
Young, Fla.
Young, Ga.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Russo with Mr. Broomfield.
Mr. Rangel with Mr. Charles Wilson of Texas.
Mr. Shipley with Mr. Rhodes.
Mr. Howard with Mr. Hansen.
Mr. Biaggi with Mr. Ruppe.
Mr. Diggs with Mr. Young of Georgia.
Mr. Matsunaga with Mr. Hardin.
Mr. Pritchard with Mr. Shriver.
Mr. Krueger with Mrs. Sullivan.
Mr. Leggett with Mr. Kemp.
Mr. Railsback with Mr. Wright.
Mr. Vanik with Mr. Steiger of Wisconsin.
Mr. Young of Florida with Mr. Mollohan.
Mr. Dellums with Mr. Lott.
Mr. Evins of Tennessee with Mr. Symington.
Mr. Gonzalez with Mr. Chappell.
Mr. Brooks with Mr. Crane.
Mr. Conyers with Mr. Brodhead.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken.

RECORDED VOTE

Mr. PERKINS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 335, noes 59, not voting 38, as follows:

[Roll No. 161]

AYES—335

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dent
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Keys
Kindness
Koch
Krebs
LaFalce
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Quillen
Randall
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowksi
Roush
Roybal
Runnels
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NOES—59

Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Broyhill
Burgener
Burleson, Tex.
Butler
Casey
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Daniel, Robert W., Jr.
Devine
Dickinson
Edwards, Ala.
Erlenborn
Eshleman
Frenzel
Giaimo
Goldwater
Holt
Hutchinson
Hyde
Jarman
Kasten
Ketchum
Lagomarsino
Landrum
Latta
McCollister
McDonald
McEwen
Martin
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Quie
Rhodes
Robinson
Rousselot
Satterfield
Schneebeli
Shuster
Skubitz
Steiger, Ariz.
Symms
Teague
Treen
Vander Jagt
Waggonner
Whitehurst
Wiggins
Wilson, Bob
Wylie

NOT VOTING—38

Biaggi
Brodhead
Broomfield
Brown, Mich.
Chappell
Cochran
Crane
Dellums
Derrick
Diggs
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Passman
Poage
Pritchard
Railsback
Rangel
Ruppe
Russo
Shipley
Shriver
Steiger, Wis.
Symington
Vanik
Wilson, Charles, Tex.
Young, Fla.
Young, Ga.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Russo with Mr. Ruppe.
Mr. Shipley with Mr. Brown of Michigan.
Mr. Pritchard with Mr. Hansen.
Mr. Biaggi with Mr. Broomfield.
Mr. Railsback with Mr. Passman.
Mr. Chappell with Mr. Lott.
Mr. Krueger with Mr. Crane.
Mr. Young of Florida with Mr. Shriver.
Mr. Matsunaga with Mr. Derrick.
Mr. Rangel with Mr. Kemp.
Mr. Howard with Mr. Harkin.
Mr. Diggs with Mr. Symington.
Mr. Mollohan with Mr. Steiger of Wisconsin.
Mr. Vanik with Mr. Ichord.
Mr. Dellums with Mr. Gonzalez.
Mr. Leggett with Mr. Young of Georgia.
Mr. Brodhead with Mr. Mills.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.".

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SYMINGTON. Mr. Speaker, I wish to make a personal explanation. When the House concludes its debate today on H.R. 4222, the school lunch bill, I will not be present due to a previous commitment to participate in the World Food Outlook Symposium in St. Louis. If I were able to be present I would vote "aye" on the final passage of H.R. 4222.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN H.R. 4222

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill just passed, the Clerk shall have authority to make any necessary corrections in punctuation and section numbers, including cross-references.

The SPEAKER pro tempore (Mr. O'Neill). Is there objection to the request of the gentleman from Kentucky?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what is the gentleman talking about on the bill here?

Mr. PERKINS. I understand there are a couple of sections that may require corrections as to punctuation and references in the bill just passed and we have always left it up to the Clerk in the engrossment. I have never heard that questioned before. There are no substantive changes involved anywhere; and I was simply asking unanimous consent that these matters be corrected. There are no substantive changes in the bill anywhere, just the numbering of the paragraphs and punctuation.

Mr. ROUSSELOT. Could that not be done in conference? Can the gentleman assure me there were no substantive changes from what we voted on here? Can the gentleman assure me of that?

Mr. PERKINS. Certainly it would be much better if we did it as we went along. All of this legislation will be gone over in conference. I think this procedure is customary. I have always made those requests and they have never been objected to.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, in voting on substantive changes, our concern is that we cannot have unanimous-consent requests, as we had in the tax rebate bill and then we find out there were all kinds of other things involved that were not presented to the House.

I certainly do not want to cause unnecessary trouble, but I am just saying, if the gentleman can assure us there are no substantive changes in what we are talking about.

Mr. PERKINS. Let me assure the gentleman from California, that is 100 percent correct.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6096

Mr. PEPPER, from the Committee on Rules, reported the following privileged resolution (H. Res. 425, Rept. No. 94–180), which was referred to the House Calendar and ordered to be printed:

H. Res. 425

Resolved, That immediately upon the adoption of this resolution, clause 2, Rule XXVIII to the contrary notwithstanding, it shall be in order to consider the conference report on the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes.

LEGISLATION FOR CARE OF VIETNAMESE REFUGEES

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, today I am introducing legislation which will enable the Federal Government to pay for the care of Vietnamese refugees upon their arrival in the United States.

This is a problem of immediate importance. The evacuation of Vietnamese refugees has been underway for some time. To date, it has unfortunately been a scene of confusion at almost every level.

We have all seen news reports of the panic among residents of Saigon. What is even more appalling is the lack of any definite plans for the accommodation of these people when and if they reach our country.

And they are coming. Indeed, many refugees from the Vietnam conflict are already in this country. Many of them have entered illegally, causing even more confusion for local officials.

My distinguished colleague from California (Mr. Mineta) has reported that a planeload of refugees arrived in his district, without any papers, legal status, or accommodations. Other areas have reported similar situations. The flow of refugees to Guam has already become so heavy that many of these people are being sent to Wake Island.

I have made repeated attempts to find out what plans are being made for the care and relocation of these people. This morning, we were informed by the State Department that plans are being made for one or more reception centers to be opened on military reserve bases in the United States, although no decision has been made as to where these bases would be opened.

Earlier, the State Department had informed California officials that the State Department's responsibilities would end with the arrival of the refugees into this Nation. I am pleased that the Federal Government is now planning some sort of operation to receive these refugees. The volunteer organizations who have offered to help relocate these people are to be commended. There are no firm figures on how many refugees we expect. The State of California has been told to expect approximately 50,000 refugees. There are already 30,000 refugees in Guam, with more on the way from Saigon and Clark Air Force Base in the Phillipines.

However, there is still a strong possibility that State and local governments will have to bear the burden, in the long run, for the care and housing of these refugees. Considering the high rate of unemployment that we already have in this country, it will undoubtedly be some time before the refugees become self-supporting. And since many of them do not speak English, and are unfamiliar with our customs and way of life, additional problems can be anticipated.

The bill I am introducing, along with my colleagues, does not in itself provide money for the refugee problem. It does give the Federal Government the authority under existing law to meet these needs.

Briefly, it amends the Migration and Refugee Assistance Act of 1962 to include refugees from Vietnam and Cambodia. As it stands now, this law provides Federal aid for refugees in the United States only if the refugees fled from a nation in the Western Hemisphere.

My bill also calls for the Federal Government to consult with the State and local officials who will be affected by an influx of refugees.

Mr. Speaker, I believe this bill will provide needed assurance to State and local officials that we do not intend to leave them with a massive financial burden, because of a massive in-migration of Vietnamese refugees. If we are to accept the responsibility for these refugees, we must do so in a complete and effective manner.

INTERGOVERNMENTAL COUNTER-CYCLICAL ASSISTANCE ACT OF 1975

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am today introducing the Intergovernmental Counter Cyclical Assistance Act of 1975 which I feel is an essential component of the Federal Government's efforts to restore prosperity and growth to the economy.

The bill will provide antirecession grants to financially pressed State and local governments. Similar legislation has been introduced in the other body by Senators Muskie and Humphrey in the Senate.

Our country is currently experiencing its most severe economic crisis since the depression. Eight million Americans were unemployed in March, almost 9 percent of the country's work force. Many economists predict that the national unemployment rate could rise as high as 10 percent later this year. This means a further reduction in production and further erosion of America's standard of living. The Joint Economic Committee has estimated that the current recession will cost America $200 billion in goods and services in 1975 alone. For the remainder of the decade we could lose as much as $1.5 trillion in output, which would have been produced at full employment. This is an amount equal to our entire gross national product in 1974.

The severity of the current recession has imposed significant financial hardships on many State and local governments. Costs have soared and revenue growth has been less than anticipated. One need only look at the combined deficit of all State and local governments to observe the tremendous impact of the current recession on their financial problems.

In 1972, the strength of the economy combined with the enactment of revenue sharing to yield a $4 billion surplus for all State and local governments. By 1973, this surplus had disappeared and State and local governments were operating in balance. In 1974, however, the combination of rising costs and declines in anticipated revenue yielded a $7.5 billion deficit. The deepening recession this year will undoubtedly exacerbate already

severe financial problems by increasing the demand for services and by further eroding the anticipated growth in revenues.

As a result of their deteriorating fiscal positions, many State and local governments have been forced to take stringent budgetary actions—laying off employees, cutting services, canceling or delaying capital construction and, in some cases, raising taxes. Without question, these budget actions by themselves impose great hardships upon the employees who lose their jobs and upon the citizens who suffer reductions in services. However, they are particularly damaging in a severe recession because they tend to undermine Federal Government efforts to stimulate a recovery.

It simply is not sound economic policy to allow State and local governments to raise regressive local taxes when the Federal Government is reducing progressive Federal income taxes. These State and local government tax actions weaken Federal efforts to stimulate a recovery and weaken the progressivity of the total tax system. Similarly, it is unwise to permit State and local governments to lay off employees and delay or cancel capital construction when the Federal Government is trying to increase employment through public service employment programs and through accelerated public works expenditures. Nor is it wise to allow State and local governments to cut essential social services, just when the need for these services is the greatest.

Unfortunately, it is unrealistic and in most cases illegal for State and local governments to correct their actions and undertake separate fiscal policies through deficit spending. State constitutions generally require State and local governments to operate with balanced budgets. However, even if these constitutional requirements did not exist, one could not realistically expect the thousands of State and local governments to coordinate their economic policies, thus formulating a consistent fiscal policy. Only the Federal Government has sufficient flexibility in economic policy to eliminate the fiscally perverse nature of State and local government budgets and to make all Government budget actions more consistent.

The legislation I am introducing today will provide the means for rationalizing the budgetary actions of all levels of government into one coherent fiscal policy. It would provide enough assistance to prevent fiscally perverse State and local government budgetary actions, but not enough to prevent essential streamlining that all sectors of the economy undergo in a recession. It will prevent State and local governments from bearing a disproportionate share of the burden imposed upon the country by recession.

The Intergovernmental Counter-Cyclical Assistance Act of 1975 will provide untied financial assistance to State and local governments, preventing them from taking budget actions that will undermine Federal Government recovery policies. It will allow these governments to maintain services and retain employees without raising taxes.

The total amount of assistance provided varies with the national unemployment rate; $2 billion would be available at 6 percent unemployment with an additional $1 billion available for each 1 percent increment in the national unemployment rate. The present unemployment rate of 8.7 percent would make $4 billion available per year.

The program is designed to target assistance toward those communities that suffer the greatest recession induced financial problems. No jurisdiction with an unemployment rate below 6 percent will receive assistance under the act. By adopting this trigger, the bill clearly chooses a pinpointed approach rather than a peanut butter approach.

Assistance will be distributed on the basis of a formula that takes into account the level of services provided by a State or local government and the total number of unemployed persons within the jurisdiction. The number of unemployed persons, is used to measure the impact of the recession on each jurisdiction's financial position.

In addition to rationalizing all governments' budget actions and providing essential relief to hard-pressed State and local governments, this bill is an effective antirecession program for three important reasons. First, the magnitude of program varies with the severity of the recession, increasing as unemployment worsens and phasing out as we return to full employment. Second, the assistance is targeted toward those communities with the greatest recession induced financial problems. Finally, expenditures under this program will be made quickly and thus will not linger long after the recession has ended.

Because of these unique advantages, I urge my colleagues to support the Intergovernmental Counter-Cyclical Assistance Act as an essential element of our efforts to reduce unemployment and restore economic growth.

Mr. Speaker, I am inserting an explanation of the bill prepared by the Senate Intergovernmental Relations Subcommittee into the Record at this point:

Explanation of Intergovernmental Countercyclical Assistance Act

This program would provide targeted emergency financial assistance to hard pressed State and local governments caught in a fiscal squeeze brought on by the combination of recession and continued inflation.

The purpose of this assistance would be to help State and local governments maintain their existing levels of services and employment without raising taxes, thereby preventing them from undertaking policies that will undercut Federal efforts to stimulate the economy.

THE PROBLEM

A. During times of severe national economic difficulties, the economies of State and local governments also suffer.

As recent testimony before the Senate Subcommittee on Intergovernmental Relations revealed, that is particularly true in the current economic situation. Hit by the double whammy of inflation and recession, State and local governments are faced with paying higher costs for providing services at the same time that higher unemployment reduces their projected revenues.

B. The impact of Federal policies to stimulate the economy can be substantially reduced if State and local governments, in an economic crunch of their own, adopt policies that undercut the Federal effort:

(1) The stimulative effect of a Federal tax cut designed to put money into the economy quickly would be substantially reduced if State and local governments increase their taxes.

(2) The net effect of a public jobs program, designed to create new jobs, would be substantially reduced if State and local governments lay off regular employees and replace them with public service employees.

(3) Federal efforts to stimulate the construction industry would be substantially damaged if State and local governments are forced to cancel construction of essential capital projects because they have no money to pay for them.

(4) Federal efforts to target the stimulus to those most in need—through the use of the progressive income tax cuts—would be distorted as State and local governments raised property and sales taxes which hit hardest at those at the bottom of the income ladder.

PROPOSED SOLUTION

This program would attempt to reduce the likelihood that State and local governments will adopt policies that blunt Federal efforts to stimulate the economy by providing such governments with emergency financial assistance.

This program would be distinct from revenue sharing. *It is an anti-recession program.* It will provide assistance to a limited number of jurisdictions—those with the most serious economic problems.

LEVEL OF FUNDING

The level of funding for this emergency assistance program would fluctuate with the national rate of unemployment.

When the national unemployment rate averages 6% or more, for three consecutive months, a maximum of $2 billion would be made available for distribution to needy State and local governments. An additional $1 billion would be made available for each subsequent percenatge point increase in the national unemployment rate.

In other words, when the national unemployment rate averages 7% for three consecutive months, a maximum of $3 billion would be available under this program. At 8% unemployment, a maximum of $4 billion would be made available.

Similarly, as unemployment decreases, the amount available under this program would decrease.

Because the program would phase out as the economy improves, it would have less long term inflationary impact than other programs enacted during a recession. Unlike other programs that may start small and then get larger over the years, this program would start large when it is most needed—when the economy is in the greatest difficulty and would get smaller as the economy improves.

The level of funding should provide enough funds to stabilize those State and local governments in the worst fiscal shape without making up in full the projected deficit of State and local governments. This is very important because a time of economic difficulty should be a belt-tightening time for all levels of government. The purpose of

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this program is not to bail out State and local governments in fiscal difficulty. Rather, it is to provide them with enough assistance so that, if they make economies of their own, they can stabilize their budgets and not be forced to reduce services or employment or taxes.

DISTRIBUTION OF FUNDS

The funds available under this program would be divided into two pots—one-third of the funds would go to State governments and two-thirds of the funds would go to local governments.

The formula for distribution to both State and local governments would take into account both unemployment and taxes raised by each recipient government with unemployment given double weight. Unemployment would provide a measure of the impact of the recession on a particular government. The level of taxes raised would provide a measure of the size of the operations of that particular government.

A. Allocations to State governments

State allocations would be made two-thirds on the basis of unemployment and one-third on the basis of its adjusted taxes. In each case the particular State's unemployment (in numbers) and its taxes raised would be compared to national totals, with the unemployment percentage weighted double. Say, for example, a State had 5% of the nation's unemployment and raised 2% of all taxes raised by all State governments. With the unemployment percentage weighted, that State would receive 4% of the funds for all State governments. At current unemployment levels, the State would receive about $52 million—or 4% of the $1.3 billion available to State governments.

B. Allocations to local governments

Allocations to local governments would be made according to the same formula—two parts unemployment and one part adjusted tax raised. For each local government for which the Labor Department has verified unemployment statistics (about 2,000 in all), there would be an allocated share. For those local governments for which the Labor Department does not have verified unemployment data, funds to be administered by the State would be set aside in each State.

Local governments for which there is no precise unemployment data would, in the aggregate, receive funds in the same proportion as the local governments for which there is unemployment data.

State or local governments whose unemployment rate drops below 6% would not receive assistance under this program. However a local jurisdiction with an unemployment rate above 6% would receive its share even if it were located within a State with an unemployment rate below 6%. Any funds not expended because they were allocated to jurisdictions with an unemployment rate below 6% would remain with the Treasury—and as a result the total funding of the program would be reduced.

In addition, the legislation provides for a contingency fund to be administered by the Secretary of the Treasury, of up to 2½% of the amount authorized for the program. This fund would be used by the Secretary for the purpose of making additional support grants to State and local governments in severe fiscal difficulty.

RESTRICTIONS ON USE OF FUNDS

It is important to give State and local governments as much flexibility as possible in the spending of these funds so that this assistance can be used to compliment other Federal programs to stimulate the economy. The principal restriction that would be placed on State and local governments is that these funds be put toward maintaining current service levels.

State governments receiving funds under this program would be required to maintain their current levels of assistance to local governments.

In addition, whenever a State or local government which receives assistance under this legislation raises its taxes or substantially reduces its services, it must report that to the Secretary of the Treasury within 30 days.

APPLICATION PROCEDURE

Unlike revenue sharing, there would be an application procedure—though be it expedited—for State and local governments obtaining funds under this program. The Secretary of the Treasury is required to approve within 30 days every application that meets the requirements of the program.

CIVIL RIGHTS ENFORCEMENT

There would be a flat prohibition against discrimination in the use of any funds under this program. In any case where the Secretary of the Treasury makes a finding of discrimination by a State or local government and is unable to achieve compliance within 30 days, he would be authorized to defer payment to the discriminating jurisdiction unless compliance is achieved.

WAGE STANDARDS FOR LABORERS

The legislation provides that laborers and mechanics employed by contractors on all substantial repair or renovation construction programs funded under this program be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor under the Davis-Bacon Act.

FORMULA

State allocations

Definitions:

State Unemployment Percentage: The ration obtained by dividing the number of unemployed persons within each State for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

State Tax Percentage: The ratio is obtained by dividing the adjusted taxes raised from own sources by each State government by the adjusted taxes raised from own sources by all State governments.

Each State's allotment is based on the following formula: 2(SUP) plus (STP) over 3 equals percentage of funds authorized for allocation to State governments.

Local allocations

Definitions:

Local Unemployment Percentage: The ratio obtained by dividing the number of unemployed within each locality for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

Local Tax Percentage: The ratio obtained by dividing the adjusted taxes raised from own sources in each locality by the adjusted taxes from our sources raised by all localities across the nation.

Each locality's allotment is based in the following formula: 2(LUP) plus (LTP) over 3 equals percentage of funds authorized for allocation to local governments.

STATE GAS TAX REVENUES IN DANGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, in our pell-mell rush to solve the energy crisis, we are on the verge of voting crippling sanctions against each of our 50 States. Ever since the oil embargo, existing and pending energy conservation measures have put the emphasis on ways to reduce gasoline consumption. Commendable and meritorious as this approach may be from an energy standpoint, it will have calamitous financial consequences for the States.

Since State gasoline tax revenues generally are based on a fixed gallonage tax, it is not too difficult to understand that reduced gasoline consumption would have a substantial impact on State revenues. In 1973, the States collected $7.6 billion in gas taxes—a total which accounted for approximately 12 percent of all State tax revenues. Based on 1973 tax rates and assuming a 5-percent annual growth in gasoline consumption, State revenues would total $1[illegible].6 billion by 1985.

However, the cumulative effect of previous Federal action and pending legislation now before the House Ways and Means Committee will reduce gasoline consumption by nearly 18 percent in 1976 and by approximately 30 percent by 1980. That means, based on 1973 rates, the States would lose $1.5 billion in gasoline tax revenue in 1976 and $3.8 billion by 1980. In my own State of Illinois, lost gasoline tax revenue would total $124 million in 1980 and would have a crippling effect on the State's highway program.

While the Federal Government earmarks gas tax revenue for highway and related transportation problems, many States use State gas tax revenue not only for transportation but for a variety of other programs. For decades, the States have relied on State gas taxes for a stable and sizable segment of their total revenue. As the accompanying table shows, gas tax revenues accounted for more than 20 percent of total tax revenues in four States. Only two States collected less than 8 percent of their total tax revenue in gas taxes.

In my own State, Governor Walker and the Illinois General Assembly will be faced with the unenviable job of trying to replace a revenue source which now provides about 10 percent of the State's total tax revenue. The only other alternative for Illinois and the other 49 States would be substantial cutbacks in programs which are financed with State gas tax revenues.

In view of the devastating impact reduced gasoline taxes will have on each of the States, I think consideration has to be given to reimbursing the States for resultant revenue losses. None of the proposals pending in the House Ways and Means Committee addresses itself to that problem.

So that the Members may see the impact of Federal energy conservation proposals on State revenues, I am submitting tables which provide data for each State and include them in the RECORD at this point:

TABLE 1.—GAS TAXES AS SOURCE OF STATE REVENUE

[In millions of dollars]

State	1973 tax per gallon of gas (cents)	1973 gas tax revenues	1973 total tax revenues	Gas tax revenues as a percentage of total tax revenues
Alabama	7.0	$130	$828	15.7
Alaska	8.0	9	79	11.4
Arizona	7.0	81	628	12.9
Arkansas	8.5	97	536	18.1
California	7.0	715	7,010	10.2
Colorado	7.0	89	636	14.0
Connecticut	10.0	131	1,065	12.3
Delaware	9.0	27	306	8.8
Florida	8.0	336	2,400	14.0
Georgia	7.5	211	1,263	16.7
Hawaii	5.0	14	304	4.6
Idaho	8.5	37	234	15.8
Illinois	7.5	354	3,471	10.2
Indiana	8.0	220	1,419	15.5
Iowa	7.0	110	821	13.4
Kansas	7.0	85	491	17.3
Kentucky	9.0	150	898	16.7
Louisiana	8.0	138	1,095	12.6
Maine	9.0	47	281	16.7
Maryland	9.0	163	1,381	11.8
Massachusetts	7.5	177	1,967	9.0
Michigan	9.0	402	4,061	9.9
Minnesota	7.0	137	1,557	8.8
Mississippi	9.0	108	624	17.3
Missouri	7.0	177	1,073	16.5
Montana	7.0	$31	$162	19.1
Nebraska	8.5	74	351	21.1
Nevada	6.0	23	146	15.8
New Hampshire	9.0	35	150	23.4
New Jersey	8.0	252	1,775	14.2
New Mexico	7.0	47	351	13.4
New York	8.0	466	8,034	5.8
North Carolina	9.0	244	1,525	16.0
North Dakota	7.0	23	164	14.0
Ohio	7.0	348	2,522	13.8
Oklahoma	6.6	103	656	15.7
Oregon	7.0	84	592	14.2
Pennsylvania	8.0	383	3,755	10.2
Rhode Island	8.0	30	297	10.1
South Carolina	8.0	116	789	14.7
South Dakota	7.0	26	110	23.6
Tennessee	7.0	156	918	17.0
Texas	5.0	358	2,613	13.7
Utah	7.0	42	313	13.4
Vermont	9.0	22	179	12.3
Virginia	9.0	217	1,315	16.5
Washington	9.0	151	1,218	12.4
West Virginia	8.5	65	533	12.2
Wisconsin	7.0	146	1,759	8.3
Wyoming	7.0	19	85	22.3

TABLE 2.—IMPACT OF REDUCED GAS CONSUMPTION ON STATE REVENUES

[In millions of dollars

State	Projected loss in gas tax revenues		
	1976	1980	1985
Alabama	31	63	115
Alaska	2	3	6
Arizona	22	48	93
Arkansas	23	49	94
California	147	312	562
Colorado	19	41	77
Connecticut	26	54	93
Delaware	4	10	17
Florida	98	212	426
Georgia	58	124	245
Hawaii	1	4	5
Idaho	7	15	26
Illinois	49	124	232
Indiana	42	89	157
Iowa	18	40	70
Kansas	10	23	37
Kentucky	34	71	131
Louisiana	31	65	120
Maine	8	18	31
Maryland	39	83	156
Massachusetts	32	65	113
Michigan	83	175	316
Minnesota	24	50	87
Mississippi	23	51	95
Missouri	34	71	126
Montana	5	11	18
Nebraska	13	26	42
Nevada	8	16	31
New Hampshire	9	18	33
New Jersey	42	89	156
New Mexico	10	21	38
New York	65	140	230
North Carolina	54	116	212
North Dakota	5	8	15
Ohio	71	174	274
Oklahoma	20	41	72
Oregon	19	42	80
Pennsylvania	67	140	242
Rhode Island	6	10	19
South Carolina	28	58	110
South Dakota	2	7	12
Tennessee	38	80	151
Texas	68	143	253
Utah	9	19	33
Vermont	4	10	18
Virginia	52	110	209
Washington	29	61	107
West Virginia	2	26	46
Wisconsin	3	58	103
Wyoming	5	8	13

SUBSTITUTE BUDGET RESOLUTION INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 15 minutes.

Mr. ROUSSELOT. Mr. Speaker, today I am introducing a concurrent resolution setting aggregate budget levels for fiscal year 1976. I intend to offer my resolution as an amendment in the nature of a substitute to the House Budget Committee's resolution (H. Con. Res. 218) when this legislation is considered later this week.

My resolution would balance budget outlays with anticipated revenues, and the following is a summary of its provisions:

First. Section 1(a)—Recommended level of Federal revenues in fiscal year 1976 is $299.4 billion. The Budget Committee's resolution has reduced Federal revenues by $4.4 billion to $295 billion in anticipation of the loss in revenue that will occur when Congress extends the tax reduction provisions in the recently enacted tax legislation—Tax Reduction Act of 1975, Public Law 94–12—to 1976. Essentially passage of the Budget Committee's resolution would be a tacit agreement by Congress to extend the tax reduction bill—legislation which has not even been considered. It is too early to know if the tax rebates will have any meaningful impact on the economy, and I do not believe that they will. In my view, the taxpayers of this Nation would rather see inflation brought under control, which could result in greater savings and spending power to the people, than a small tax rebate that is refunded to them in the year after it was collected. I have added a new section 2 to my substitute which would force Congress to act by July 15 if a revision of this budget resolution is necessary under section 304 of the Congressional Budget and Impoundment Control Act of 1974, and, in my estimation, that would be the appropriate time to make a decision on the extension of the Tax Reduction Act not 4 weeks after its enactment as the Budget Committee's resolution proposes.

Second. Section 1(b)—New budget authority in fiscal year 1976 is set at $300 billion. The committee in its resolution sets the budget authority at $395.6 billion. As you know, Mr. Speaker, the budget authority is essentially the appropriations and "back door" spending that is allowed in a fiscal year, but, of course, not all of this authority will be obligated or spent in that fiscal year. If we are truly to bring the budgetary process under control, we must put an end to massive appropriating and "back door" spending bills that mandate spending in years to come—commonly referred to as the so-called "uncontrollables" in the budget. As a matter of fact, approximately $110 billion is mandated to be spent in fiscal year 1976 under budget authority enacted in previous years unless congressional action is taken to amend and reduce that budget authority.

Third. Section 1(c)—Budget outlays in fiscal year 1976 limited to the amount of anticipated revenues, $299.4 billion. The Budget Committee's resolution would set outlays at $368.2 billion—a $100 billion increase over fiscal year 1974—which would result in a deficit for fiscal year 1976 of $73.2 billion. Although the Budget Committees' report on House Concurrent Resolution 218 admits that the economy cannot continue to tolerate huge deficits in fiscal year 1977, it dismisses its recommended deficit of $73.2 billion for fiscal year 1976 as "unavoidable and necessary." The committee reasons that Treasury borrowing to finance its recommended deficit will not displace borrowing in the private sector, and it gives as one of its reasons that, "private demand for loans has fallen rapidly during the current recession." In other words, the committee believes that if the recession continues there is no problem with financing the deficit. The "catch-22" of this theory is that their justification for the excessively high level of Federal spending and the resultant exorbitant deficit is that such action is needed to stimulate the economy, and—

> Given that result, continued Federal borrowing at the fiscal year 1976 level could compete with revived private loan demand and drive interest rates beyond what many borrowers could afford. Under those circumstances, to avoid high interest rates would require a further expansion of the money supply in excess of productive capabilities. This excess supply of money could lead to higher rates of inflation, if the strength of private demand again rises strongly. (House Budget Committee's Report on H. Con. Res. 218, H. Rept. 94–145, page 16.)

Many companies are already being pushed out of the bond market as a result of Treasury borrowing to finance the deficit. These stories have appeared in recent issues of the Wall Street Journal:

> The corporate bond market may be on the verge of collapse.
>
> "The door into the capital market is beginning to close, and soon perhaps only the stronger companies will be able to squeeze in," warns one official of a prestigious investment banking firm, Morgan Stanley & Co. And one veteran trader says he believes that, "major segments of the bond market" are near collapse.
>
> The reason so many companies are being forced out of the bond market is the vast sums of money that the U.S. Treasury will have to raise there, thus causing a shortage of cash for other issues. It's estimated that the Treasury will have to tap the public debt market for an estimated $80 billion over the rest of this year to offset a record U.S. budget deficit. Earlier this week the Treasury said it must raise about $17.5 billion in net new money by June 30. This is a staggering $13 billion more than had been forecast as recently as late February. (Wall Street Journal, April 3, 1975)
>
> In puzzling over the outlook for corporate credit in the months to come, private economists generally agree on certain points.
>
> For one, the government will go on trying to stimulate the economy out of the current recession, following up the $22.8 billion tax cut with new federal spending programs. At some point a vigorous recovery will get underway, accompanied by a sharp rise in business demands for credit.
>
> The Treasury, however, will preempt a large share of the available funds as it finances big federal deficits. So the upshot will be one of the following or, quite possibly, a combination of both:
>
> Interest rates will rise and some business borrowers will be crowded out of the market; a rush to avoid just such a development has helped to push the bond market close to collapse within the past few days.
>
> The Federal Reserve System will supply enough funds to meet the combined needs of the Treasury and business. But the swift growth of the money supply eventually will rekindle inflation and that will push up interest rates. (Wall Street Journal, April 7, 1975)

It is clear to me that the only solution to restoring long-term economic stability is to bring Federal spending under control and ease the inflationary pressures on the economy. A balanced budget would mean more credit available in the private money markets—a fact which would encourage capital investments by industry to expand production and jobs.

Fourth. Section 1(d)—Deficit for fiscal year 1976 recommended in my substitute would be $0, while the committee's resolution would ask the economy to accept a $73.2 billion deficit.

Fifth. Section 1(e)—Increase in the public debt limitation necessary in my substitute is $11.4 billion for fiscal year 1976. The committee's proposal includes a $93 billion increase in the debt limitation—the current debt limitation is $531 billion through June 30, 1975. The $11.4 billion increase in my substitute is necessary primarily to account for the outlays of the off-budget Federal agencies. These off-budget agencies currently include the Export-Import Bank, the Federal Financing Bank, the Rural Electrification and Telephone Revolving Fund, the Rural Telephone Bank, and the U.S. Railway Association. It is necessary to include the outlays of the off-budget agencies in the budget deficit since the lending of these Government-sponsored enterprises has to be financed by borrowing from the public or by other means.

It is only by including their outlays that a true picture can be given of the total Federal deficit that has to be financed in fiscal year 1976. As you know, Mr. Speaker, section 606 of the Congressional Budget and Impoundment Control Act requires the Budget Committees of Congress to study the provisions of law which exempt the off-budget agencies from inclusion in the normal budgetary computations. The committees are further authorized to recommend changes terminating or modifying these provisions—this is an action which I hope will be forthcoming in the near future.

The House Budget Committee included approximately $8 billion in its $93 billion recommendation to increase the debt limitation to compensate for the rise in the debt ceiling that it estimates will be necessary at the end of fiscal year 1975. However, we are dealing with a fiscal year 1976 resolution, and the budget control provisions in the Congressional Budget and Impoundment Control Act of 1974 are not effective until fiscal year 1976 and then only partially implemented. In addition, such an increase to cover fiscal year 1975 expenditures has not been approved by Congress. If the Ways and Means Committee also believes that an $8 billion increase in the debt limitation is necessary to cover fiscal year 1975 expenditures, it should bring such a bill before the House for consideration before the end of this fiscal year. It is for these reasons that I did not include this estimate in my substitute, and I do not think it is appropriate that it should be included.

Following is the full text of the resolution I am introducing setting aggregate budget levels for fiscal year 1976:

H. Con. Res. 254

Resolved by the House of Representatives (the Senate concurring),

Sec. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) the appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should be accordingly increased is $11,400,000,000.

Sec. 2. The Congress may adopt a revision of this resolution, pursuant to section 304 of the Congressional Budget Act of 1974, in the event of sharp revisions in revenue or spending estimates brought on by major changes in the economy or other developments. The adoption by the Congress of any such concurrent resolution described in this section, revising the recommended or appropriate aggregate levels contained in the first section of this resolution, shall be not later than July 15, 1975.

THE CAUSE OF THE RECESSION WAS INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, economic analysts now agree the key cause of our recession was inflation.

It was inflation which created the turmoil in the economy which made recession inevitable.

And, this inflation—to a very great degree—was caused by the Federal Government, including its out-of-control spending and the deficits arising from that reckless spending.

The day after tomorrow, the House will begin a historic 10-hour debate on the resolution to establish the "target" ceilings on Federal expenditures and the deficit this coming fiscal year.

For years Congress sought a greater role in the formulation of the Federal budget, and the Congressional Budget Control Act of 1974 finally vested the Congress with that enhanced role. For those who had hoped that this would mean less—instead of more—Federal spending I am sorry to report that Congress is apparently about to fail the test.

The resolution which will be before us calls for Federal spending of about $73 billion in excess of revenue. Little or no restraint has been exercised. Programs have not been trimmed, and there has been little reluctance to engage in more new programs.

This staggering deficit will add to the national public debt—the burden not only saddled upon the living but those yet to be born.

The disastrous effects of this additional spending on efforts to control inflation will be severe, touching off another round of double-digit inflation. The result: a great likelihood of an even more severe recession, probably beginning in or soon following the winter of 1976–77—conveniently after the November 1976 elections.

How does this excessive spending bring about inflation?

When Government spends more than it takes in, it still must pay its bills. It pays those bills through borrowing funds from the same financial institutions that lend them out privately to businesses, to contractors, to prospective home purchasers, et cetera. The more capital Government takes out of the markets, the less remains.

Thus competition for those dollars remaining allows those institutions to sets higher rates of interest. This in itself reduces the amount of speculative capital, because those with speculative ventures cannot nearly as well afford to pay the higher rates of interest. But, the effect is higher interest rates, and when business, contractors, home purchasers, and so forth, cannot borrow, recession is the inevitable result, meaning the loss of productivity and jobs.

The Federal Government, unlike you or me, has another way to pay off its bills. The Government may pay off a portion of its new debt by monetizing it—a process by which the Federal Reserve System extends credit to its member banks, through "high-powered" money devices.

If the money supply increases faster than production, higher prices are always the result. There has never been a dramatic increase in money supply in the last century which has not been followed by a dramatic increase in prices. As the rate of inflation goes up, so to does the rate of prices, following by a few months to a year.

What is the effect on the dollar? Let me use an example.

If there is a level of national productivity of, for example, 1,000 units, and there are $1,000 in circulation, then each has a value of $1. Now, if Government increases the money supply by 100 the next year—without any commensurate increase in national productivity—that means we have $1,100 in circulation, but productivity still stands at 1,000. Thus, the value of each unit of money is decreased to about $0.91. That simply means that it takes more of those units of money today to buy what you could have bought last year. What cost $1 last year, now costs about $1.09. That is inflation.

A majority of members of the Committee on the Budget have apparently not learned their lessons sufficiently as to the direct consequences of what they are asking us to approve this week—the inflationary, then recessionary, consequences of too much Federal spending.

The debate on this issue is usually structured this way. One side argues that it was the recession which created the deficits. The other side—the one with which I agree—contends that it was the deficits which through inflation created the recession.

I think the proof of the accuracy of the latter position is in the facts.

We have had deficits 16 out of the past 18 years—a substantial and sustained Government stimulus to the economy—one designed, according to the advocates of deficit financing, to create jobs and assure prosperity. It ought to be obvious to even the most casual observer that this has not happened.

Instead, we now have the highest level of unemployment since before the Second World War and the lowest level of national productivity in 37 years.

Their plans have backfired, and it is time for them to acknowledge it and set about a separate course—one designed to reduce Government spending and deficits, thereby reducing inflation and the risks of recession.

A penetrating analysis published last Friday in the Wall Street Journal substantiates this growing awareness among economic analysts that it was inflation which caused the recession.

I think it is well worth the time of every Member to read this thoughtful study. It certainly shows us what we ought not to do this week—rubberstamp the committee's recommendations that we spend more and more of the taxpayers' already scarce money and that we set into motion policies which will burden the taxpayer with continued inflation.

The analysis follows:

STUDYING THE SLUMP: ANALYSTS NOW AGREE RECESSION'S KEY CAUSE WAS RAMPANT INFLATION

(By James P. Gannon)

"It was all held up by mirrors."

Looking back on last year's apparent business prosperity from the depths of this year's severe recession, economist Charles Reeder of Du Pont Co. finds it clear that there was a basic phoniness about it all. In mid-1974, production was booming, prices were climbing, profits were rising and orders were pouring in so that that Du Pont's plants couldn't keep up with them.

But even then, Mr. Reeder had a nagging worry that this boom wasn't real. "Our manufacturing divisions kept telling me I was wrong," he recalls. "They were flat sold out and scrambling to get raw materials." Still, the economist knew that consumer spending had been weak for months, so the order strength had to reflect inventory building by businesses rather than final sales. Du Pont's customers were ordering feverishly to beat expected price increases and to stockpile goods against possible shortages that might disrupt their operations or retard their sales.

This buying panic, fueled by inflationary psychology, was going on all across the industrial economy. Businessmen were selling goods to one another at a hectic pace, largely ignoring the steady erosion of consumer purchasing power being wrought by inflation. "It was the kind of situation where, when change came, it had to come fast," the Du Pont economist reflects. "Sort of like the stock market: When a bull market ends, it can happen quickly."

THE COLLAPSE

It did happen quickly. The phony prosperity of 1974 collapsed so fast last fall that it caught the federal government, American businessmen and the economics profession flat-footed. In September, the White House was holding its summit conference on inflation and pooh-poohing talk about a recession; the head of General Motors Corp. was predicting sales of 10 million 1975-model cars, a 5% rise from expected 1974-model sales; a quarterly survey of 50 leading economists yielded a consensus forecast of a fourth quarter upturn. Yet at the same time the bottom was starting to drop out of the U.S. economy.

None of the authorities foresaw what the next six months would bring: the worst recession in America since the great Depression of the 1930s. Since September, industrial production has plunged 12.7%, employment has dropped by 2.5 million jobs, and the nation's unemployment rate has leaped to 8.7%, the highest since 1941, from 5.8%. That means eight million jobless people.

Though the economy's slide is still continuing it is losing momentum. The decline in factory production is moderating, and businesses are selling the unwanted inventories that forced the big production cuts and layoffs. Businessmen and economists generally expect a gradual recovery in summer or fall.

ROOT CAUSE: INFLATION

What caused the recession? And why did it sweep through the economy with such frightening speed? Extensive interviews with academic economists, business forecasters, corporate executives and other analysts across the country indicate that they are still sifting the debris of their shattered expectations for the answers. That process may go on for months or years, but the most important conclusion already is evident: The root cause of this recession was rampant inflation.

When Mr. Reeder of Du Pont says last year's fragile prosperity was "held up by mirrors," he is thinking of all the reflections of inflation that distorted the true picture of the economy. Inflation swelled profits and sales figures, producing a phony euphoria among businessmen; it distorted government economic statistics, making it hard to see that a recession was brewing; it bred a buy-and-stockpile psychology among businessmen even as it was eroding purchasing power and increasing the income-tax bite on consumers, producing a save-and-retrench attitude. Inflation's impact is the key thread linking all the many causes of recession, including the Federal Reserve's heavy-handed tight-money policy of 1974 that sought to stop the frightening price spiral at all costs.

"What we have here," comments Edwin N. Yeo, senior economist and vice chairman of Pittsburgh National Bank, "is an inventory recession that has its roots in inflation." Like many other economists, Mr. Yeo thinks of the current slump as a two-stage recession: a consumer recession, which began late in 1973 as increasing costs of food, fuel and other basics undermined people's ability to buy cars, refrigerators, clothing and other things; and a business recession, which started soon after last Labor Day. "The consumer recession has been mild, but the business recession has been wild." Mr. Yeo says.

Consumers ran a losing race with prices all through 1973 and 1974. The workingman's income just couldn't keep up with double-digit inflation. Real spendable earnings—take-home pay after tax and price increases are considered—fell 8.8% between November 1973, when the economy was at its peak, and last month. One key reason was the explosion in retail food prices, which soared 20% in 1973 and another 12.2% in 1974, according to government statistics.

Two elements of the inflationary squeeze on consumers had especially debilitating effects. One was the "oil tax" imposed by Arab and all oil-exporting states; the other was the hidden income-tax increase imposed by the interaction of inflation and the progressive federal income-tax system.

By more than tripling the price of oil exported to the U.S., the foreign oil producers extracted an additional $18 billion from Americans last year. That increase in the U.S. oil-import bill represented a deadweight loss to the economy; the money flowed entirely out of the American spend-

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ing stream into foreign pockets. The oil-price explosion triggered other energy-price increases that may have doubled the direct impact of $18 billion, according to some estimates.

Many economists liken the impact of these price rises to that of a massive excise tax. "It's as though we put a 4% sales tax on everything we buy," with the government keeping rather than spending the receipts, says Arthur Okun of the Brookings Institute.

This "oil tax" was at once both inflationary and deflationary; it pushed up prices to consumers and pushed down the economy by taking a vast amount of income out of the spending stream. "We get the worst of both worlds" in such a case, Mr. Okun observes.

THE TAX BURDEN

The unlegislated income-tax increase of 1974 also is gaining recognition as a cause of the consumer recession. Again, inflation is the culprit. "The tax system treats an increase in money income as an increase in real income and takes a bigger withholding bite," explains F. Thomas Juster, a University of Michigan economist who studies consumer behavior.

Families whose incomes rose just enough last year to keep up with the 12% pace of price rises didn't have any increase in real income. But their nominal gain was subject to taxation, and this pushed many into higher tax brackets. Thus, last year's 8% incrase in total personal income produced a 15% jump in tax collections from individuals. Mr. Juster says that "the tax system is supposed to be an automatic stabilizer" that extracts less from the economy during recessions than during booms but that "it didn't work out that way in 1974" because of inflation.

"As a result of inflation-swollen tax collections," states a study by the Joint Economic Committee of Congress, "this is the first recession during which the overall tax burden on individuals and families has increased." The committee study reports that tax payments last year rose faster than any other part of the family budget, outstripping hefty advances in food and housing costs. The study figures that for a typical family of four with an income of $14,466, income taxes rose by $426 and Social Security taxes by $140 last year, mainly because the family's income rose $1,840 from the year before.

As they watched grocery bills, fuel bills, tax bills and other budget items climb alarmingly, consumers lapsed into a state of inflation-shock. Frightened and confused, they cut back spending postponing purchases of things that weren't absolutely essential. In this bearish, unstable environment, Detroit unleashed its summer stunner: price increases averaging $500 per car. The consumer recession deepened as the expensive 1975-model autos went on sale to an unreceptive public. The "powerful combination" of inflation-shock and auto-industry layoffs created "a real air pocket in consumer spending in September, October, November and December," Mr. Juster of Michigan says.

BUSINESS GETS THE MESSAGE

Although consumer markets had been sluggish since late 1974, the recession message didn't really get through to most businessmen until autumn.

"They just didn't see the recession because they were selling to each other," explains David Grove, chief economist for International Business Machines Corp. "They weren't looking at the consumer, they were looking at all the orders from other producers." With profits holding high and orders strong, he says, "businessmen were misled into thinking, 'What recession?'"

Certainly, there were a lot of misleading signals. In Washington, government officials were assuring businessmen as late as mid-October that the economy was just "waffling sideways" through a temporary energy-crisis "spasm." Private economists were widely divided about the outlook, with those predicting a recession generally saying it would be mild.

Economic statistics were confusing, too. "We had lots of data problems that were puzzling," says Geoffrey Moore, vice president of the National Bureau of Economic Research, a private outfit that keeps track of economic trends. Real gross national product (the physical output of all goods and services) was down sharply, but industrial production was essentially flat and employment was rising through much of 1974, he notes.

Inflation turned some key statistics into misleading indicators. Mr. Moore says that "the profits situation was confusing because profits in dollars looked very good and kept going up all through 1974." But, he adds, when profits were adjusted for gains in inventory values because of inflation, "they looked very sick indeed." Most businessmen, however, had a hard time thinking recession when their earnings statements looked so good.

INVENTORY ACCUMULATION

Spurred by fears of shortages, a stream of materials-price increases and their own inflation-distorted profits and sales figures, businessmen kept building up inventories. "The inventory accumulation was stupendous," says Raymond J. Saulnier, chief White House economist under President Eisenhower. "And it was all obscured by totally misleading inventory statistics."

In July, the Commerce Department reported that it had massively underestimated the pileup of inventories in 1973 and early 1974. Its revised figures showed that inventory building in 1973 had been double its earlier estimate and that inventory accumulation in the first quarter of 1974 ran at a dangerously high $16.9 billion annual rate, rather than a $5.5 billion rate as previously thought.

"Overnight, we went from a position of saying that there was no inventory overhang to saying that we've got the biggest overhang in years," Mr. Grove of IBM says. "It became clear that we were going to have a humdinger of an inventory correction." And that means a deep recession "This is one of the reasons the slide is so steep now," Mr. Grove adds, "because it is a delayed reaction." In other words, if businesses had gradually lowered production last year in line with weakening consumer buying, the collapse in autumn could have been avoided.

The forces building toward an economic bust were strongly reinforced by government policies in 1974. Horrified by the eruption of double-digit inflation, officials of the Ford administration and the Federal Reserve Board decided to risk a recession in adopting restrictive fiscal and monetary policies to halt the price spiral.

"LEANING TOO FAR"

Herbert Stein, who resigned as chief White House economist last September, told Congress in mid-1974 that strong restraint must be used to subdue inflation, "even at the risk of possibly leaning too far" toward recession. Now a professor at the University of Virginia, Mr. Stein concedes that the administration and the Fed leaned too far. The chief anti-inflation hawks, Treasury Secretary William Simon and Fed Chairman Arthur Burns, promoted a type of "zealotry" that made more moderate policies impossible, Mr. Stein says.

William Fellner, another member of the President's economic council until he resigned in February, confirms that the policymakers were willing to risk a recession. "The feeling was that if we don't get inflation under control," he says, "then the system is lost." Officials felt that a free-enterprise democracy couldn't survive long with double-digit inflation because "ruthless" government controls on economic activity would have become necessary.

This climate of fear produced not only restrictive budget and monetary policies but also a post-summit Ford proposal for an income-tax increase and a WIN-button campaign. The tax proposal was doomed in Congress from the outset—as administration officials undoubtedly knew—but it helped buy some time to permit the Fed's tight-money policy to slow inflation.

Was the recession an accident, or was it made in Washington on purpose? Probably it was some of both. "It wasn't that Simon and Burns wanted to fill the record books with bad economic numbers, like 9% unemployment," says Mr. Okun of Brookings, who was chief economist under a Democratic President, Lyndon Johnson. "But all the risks were taken on the downside."

Inflation had sown the seeds, and the crusade against inflation had reaped the harvest: the bitter fruit of recession.

Mr. Speaker, it is time we went on a spending diet. Inflation is not an act of God. It is a result of politicians' irresponsible actions. I can think of no better time than now to put a stop to it.

CONDOMINIUM TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, I introduced a bill to provide tax relief for condominium owners, homeowner's association, and cooperative housing corporations by adding to the list of exempt organizations contained in the Internal Revenue Code (a) section 501 (c) those organizations set up to operate, preserve and maintain the common areas and facilities of the same.

I represent the Fort Lauderdale, Fla., area which is known as the condominium capital of the United States. Specifically my district is composed of 13 municipalities, and a large portion of the unincorporated areas of Broward County, the fastest growing county in the United States. The cities include Dania, Davie, Fort Lauderdale, Hollywood, Lauderdale-by-the-Sea, Lauderdale Lakes, Lauderhill, Miramar, Pembroke Pines, Plantation, Oakland Park, Sunrise, and Wilton Manors.

Last year we passed the Housing and Community Development Act of 1974 which mandated the Department of Housing and Urban Development—HUD—to conduct a full investigation and study of condominiums and cooperatives and to report its findings to Congress before August 22, 1975. I was happy to offer my support for this legislation.

While condominiums have been popular in Europe for years, they are a new

concept in the United States. Only since 1962 have people been able to buy condominiums. In fact, in 1970 condominiums accounted for only 11 percent of new home sales. Now, in Broward County, Fla., condominiums are the prevalent form of housing, and, if the experts are correct, they will soon be the prevalent form of housing for all Americans.

At the present time approximately 35,000 condominiums in the Fort Lauderdale area are vacant. When the Consumer Price Index—CPI—started to rise many condominium buyers became aware of the fine print in their purchase contracts, notably those containing recreation leases and escalation clauses tied to the CPI. Some leases obligate buyers, their heirs, or subsequent purchasers to continual monthly payments to the developers for such amenities as swimming pools and saunas, and the payments go up but not down with the Consumer Price Index. Failure to make such monthly payments can result in foreclosures and the loss of the purchaser's investment.

Pursuant to the law passed by the 93d Congress, early in 1975, I requested the HUD Condominium Task Force to hold field hearings on condominium problems in Fort Lauderdale so that concerned Floridians could have the opportunity to give their views to HUD officials charged with handling condominium problems. A team of investigators headed by Assistant Secretary for Policy Development and Research, Michael H. Moskow, in accordance with my request, did hold hearings in Fort Lauderdale on March 24, 1975. Voluminous information was obtained from both the developers and owners as to the problems of condominium development and ownership.

Condominiums, of course, may be office buildings, resort hotels, townhouses, or single family homes, but national concern is presently on alleged abuses involving apartments. Basically, a buyer gets fee simple title to an apartment and part of a common interest in other facilities, including public hallways, elevators, grounds, lobbies, and recreation.

One may purchase an interest in such facilities outright or pay a monthly rental under a lease with a developer. Generally the lease arrangement is more favorable to the latter, since it enables him to sell at a more competitive price and still receive residuals for as long as 99 years.

One might ask why anyone would sign a purchase contract with a recreation lease. According to testimony in Fort Lauderdale, only about 5 percent of the buyers were represented by an attorney when they signed contracts which often ran to 60 pages. The buyers apparently were dazzled by what the Sunshine State offered—beautiful apartments at modest prices, well-landscaped grounds with enticing recreational facilities, and just ignored the fine print and signed up.

Although the State of Florida recently passed a law governing full disclosure of facts in condominium sales, it does not protect buyers who signed contracts for the purchase of a condominium prior to passage. Problems still remain such as:

Long-term recreation leases that force owners to pay for use of facilities for years after the cost of such facilities has been recouped by the developer.

Management contracts that state maintenance service charges are included automatically in condominimum ownership.

Conversion of apartment units to condominiums, forcing renters, many elderly and poor, to move.

Possible bankruptcy of developers who have received down payments for building condominiums, but who have found themselves unable to build.

Furthermore, the Florida law does not establish authority for any specific agency to administer the law, hence this necessitates a great amount of litigation by the State attorney general and individuals.

Despite the many problems with condominium ownership there are still many advantages. Any new type of housing requires adjustments and proper protective legislation.

Mobile homes created problems when they were first introduced, so it is not surprising that today condominiums which are so popular—and, by the way—here to stay—concern all levels of government.

The legislation I introduced today will deal with one of the serious problems faced by condominium owners. Recently the Internal Revenue Service held that condominiums and housing associations are, in fact, corporations under the law, thus they should be taxed at corporate levels. The practical effect of this ruling is to severely hamper the development of such housing concepts by placing heavy tax penalties on the accumulation of reserve funds, and thus require associations to make heavy assessments on homeowners whenever extensive repairs must be made.

Mr. Speaker, as you know, condominium owners, are responsible for the maintenance of the interior of their units, but, the commonly held areas, are maintained by an association composed of the individual owners. This ownership management association takes the form of a corporation in order to protect owners from unlimited liability. Unit owners then pay, usually in monthly installments, a sum to the management organization, or the association, to meet these maintenance costs. The bulk of the monthly assessment is used for utilities, current maintenance and repairs and capital replacement and repairs. However, a smaller portion of this fee generally is set aside as a reserve for future capital replacement or repairs, such as for repairs to roofs, sidewalks, heating and air conditioning equipment and other pertinent recreational facilities. It is there reserve funds which are taxable by the IRS decision. The amount of tax involved could be as high as 48 percent at the Federal level, in addition to any State corporation tax such as we have in Florida.

Mr. Speaker, there are presently over 20,000 "community associations" in the United States. To allow the IRS ruling to stand would be to force each and every owner to pay the high tax assessments on this reserve fund, an amount which is often in the tens of thousands of dollars.

Such a tax, in my opinion, is double taxation on these owners. The owner has already paid income taxes on the money deposited with the association for maintenance, but he must in effect pay another higher tax when that money goes into the reserve.

We have a situation where the Government and private lenders are requiring the maintenance of a reserve as a good, sound financial procedure, but another Government agency—the IRS—is taxing the reserve to death.

On January 15, 1974, the Internal Revenue Service, in Revenue Ruling 74–17, ruled that organizations "Formed by the unit owners of a condominium housing project to provide for the management maintenance and care of the common areas of the project as defined by State statute, with membership assessments paid by the unit owners does not qualify for exemption under section 501(c)(4) of the code." This decision reversed the traditional IRS interpretation which stated that organizations which are operated primarily for the purpose of bringing about civic betterment and social improvement, such as condominiums, were tax-exempt.

On March 6, 1974, Revenue Ruling 74—17 was modified to apply to homeowners associations, although not in such as an all-inclusive order as was the case with condominiums. In Revenue Ruling 74–99, a homeowners' association my qualify for exemption under section 501(c)(4) of the code, if first, it serves a "community" which bears a reasonable recognizable relationship to an area ordinarily identified as governmental; second, does not conduct activities directed to the exterior maintenance of private residences; and third, offers the common areas or facilities it owns for the use of the general public. Thus, although some homeowner associations will still be tax exempt, most will no longer receive the exemption they previously enjoyed.

Cooperatives face these same heavy tax burdens when they accumulate excess assessments. In *Park Place, Inc.* v. *Commissioner of Internal Revenue*, 57 T.C. 767 (1972), the court found that excess assessments from members over and above, those amounts used for current operating expenses were taxable. Thus this ruling also prohibits cooperatives from accumulating reserves necessary for the accomplishment of long-term or costly maintenance tasks.

The individual homeowner does not have to pay a tax on the money he saves and expends for maintenance, but because of these rulings, the condominium, cooperative, and planned unit development homeowner does. In effect, the Internal Revenue Service has made it more costly for condominium homeowners than other homeowners to operate, preserve, and maintain their homes.

The bill I introduced today would exempt from corporate taxes the income derived by condominium homeowners and cooperative housing associations from owner assessments for the purpose of maintaining, repairing, and replacing common property items. The measure requires that such corporation be operated exclusively for the preservation, maintenance, management, operation, and repair of common buildings, grounds, and facilities of the association, and does not allow such associations to engage in any profitmaking ventures not connected with the performance of services for the benefit of individual members of the association.

Additionally, membership would be limited to owners or occupants of residential units in the condominium, housing development, or cooperative housing corporation. Thus my bill would preclude the use of this exemption by commercial operations seeking such favorable tax treatment. Finally, to eliminate abuse, my proposal includes a special rule that only membership income—that income derived from assessments, fees, or charges received from members of the association for maintenance, and management of the development—is exempt—and that other income, from whatever source, including interest, is still subject to taxation.

Stated briefly my legislation exempts from Federal tax those reserve funds accumulated by housing associations through membership assessments for the purpose of maintaining the common buildings, grounds, and facilities of condominium, cooperative, or homeowner associations.

With all the other headaches besetting condominimum owners, they do not need this added aggravation, and it is my hope that the Congress will act swiftly to enact my bill.

CONGRESSMAN DRINAN REFUTES CONTENTIONS THAT ISRAEL WAS INFLEXIBLE IN NEGOTIATIONS WITH EGYPT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN), is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, the Congress and the country have been assured by Secretary of State Kissinger in his recent address to the American Society of Newspaper Editors that "the American commitment to the survival of Israel will not be affected and cannot be affected" by the reassessment now being made by the Ford administration with respect to U.S. policies in the Middle East.

Although all of us would have been more pleased if Dr. Kissinger had spoken of the "security" of Israel rather than of its "survival" it seems unlikely that any important change in America's position on Israel can or will take place. Nonetheless, every possible misunderstanding must be clarified and every allegation of misconduct on the part of Israel must be answered. Israel must be able to continue to rely upon the friendship of the United States—especially in connection with the defense of Israel for which Israel is now seeking to purchase $2.2 billion in arms from the United States, including several squadrons of advanced F–15 fighters and Lance ground-to-ground missiles.

Mr. Speaker, all of the pulse-taking with respect to United States-Israel relations does not pertain to the Congress where support for Israel is at an unprecedented high. Whatever reassessment is being conducted has been ordered by the Ford administration on the allegation that Israel was less than flexible in the unsuccessful negotiations conducted by Dr. Kissinger.

All of the facts, however, that have emerged with respect to the negotiations between Israel and Egypt demonstrate that Israel was extraordinarily open while Egypt continued to be intransigent. Israel recognized the enormous difficulties confronting this tiny nation after the Rabat Conference of October 1974. The decisions at Rabat were not essentially different from those of the Khartoum Conference in 1967. In both conferences the Arab heads of state resolved and announced no peace with Israel, no recognition, and no negotiation. The Rabat Conference added the ominous declaration that the Palestinian Liberation Organization—PLO—was the sole representative of the Palestinians; the PLO of course openly seeks both in practice and as an ideological objective to exterminate Israel. The Rabat Conference also reached the decision to forbid separate or partial agreements between Israel and single Arab countries.

Despite these formidable barriers, Israel; in its negotiations with Egypt, offered to withdraw from the passes at Mitla and Gidi. In addition, Israel agreed to withdraw from the Abu Rodeis oil fields—the source of at least [illegible]0 percent of all the oil needed by Israel.

Israel offered these very tangible concessions in return for a requested long-range commitment of nonbelligerency toward Israel. President Sadat and his associates appeared at a moment in time to be talking about something approximating a declaration of peace, but at no time did they ever sincerely offer anything of substance in return for the very real and sacrificial concessions made by Israel.

Mr. Speaker, it seems difficult to understand how the allegation of intransigence or even of inflexibility against Israel has been made. The concessions offered by Israel were unprecedented in number and in depth. Not a few members of the Knesset and at least a strong minority of Israeli citizens wondered whether Israel should ever have offered the broad concessions which it extended to Egypt. The spokesmen for Israel in the negotiations quite literally wanted to progress step by step under the direction of Secretary Kissinger. A careful and comprehensive review of Egypt's reactions to each phase of the proposed step-by-step diplomacy causes one to wonder whether President Sadat ever comprehended that the negotiations depended upon concessions and compromises being made by each side on a step-by-step basis. The position of President Sadat reflects of course the hard line, "hawkish" members of the Egyptian Government. But similarly minded persons are numerous and very articulate in Israel. Despite the presence and force of these persons, however, the Israeli Government extended olive branches unparalleled in all of the negotiations since the 1967 war. The offer to withdraw from the oil fields is in and of itself a startling concession by Israel. I do not know with any certainly whether the United States made some commitment to furnish Israel with oil in the event that it did withdraw from the oil fields in Abu Rodeis. But even if the States had made such an offer, the political and economic difficulties of carrying out such a promise would be very clear to the Israelis.

The Mitla and the Gidi Passes were, moreover, the key points of access through Sinai's western mountains to the plains that reached to the very borders of Israel. It is clear that the nation that holds these passes holds the key to the Sinai. Israel was willing to withdraw first to the middle of these passes and then to the east of them if the United Nations had supervision of the passes. In return for these concessions, Israel did not ask for peace, but only for a commitment to end war as an instrument of policy.

The best that Egypt after extensive negotiations would offer was an ambiguous military formula about "the non-use of force." This was a repetition in slightly different words of the undertaking which Egypt had assumed in the military disengagement agreement made in the Sinai in January 1974. Even though Israel offered concessions that would weaken it strategically, Egypt demonstrated that it was not going to be a serious partner in the step-by-step approach to peace. It was the Egyptian intransigence and President Sadat's determination to use the peace talks for military strategic gains that inexorably brought about the suspension of the negotiations.

It should also be pointed out that it was Israel in the final days of the Yom Kippur war that made a deliberate decision not to press on to a decisive military defeat of the invading Egyptian Army. It was once again Israel that in early 1975 demonstrated that it was ready to make far-reaching concessions with the full knowledge of the military risks involved. Egypt was asked only to take the first step away from war toward some prospects of peace. It must sadly be concluded that Egypt during the recent negotiations has not deviated from its 26-year long record of refusal to negotiate even the beginning of a comprehensive peace settlement.

THREE OTHER EXAMPLES OF EGYPTIAN PRETENSIONS OF PEACE

So many voices insinuate or imply that Israel has been inflexible that it seems necessary, Mr. Speaker, to set forth the details of three areas in which Egypt has been obstinate and recalcitrant in carrying out its commitment. In these three areas Egypt has pretended to make con-

cessions when in fact it has refused all compromise. These three areas are: First, the opening of the Suez Canal; second, the extension of the United Nations Emergency Force; and, third, the return of Israeli dead and missing in action.

The widely heralded intention of President Sadat to open the Suez Canal on June 5 demonstrates the hypocrisy of Egypt. The fact is that Egypt is already required by international law under the Constantinople Convention of 1888 to keep the canal open at all times. In addition, the Israel-Egypt disengagement agreement of January 18, 1974, includes an unqualified obligation by Egypt to permit the free passage of all cargo ships including those destined for and coming from Israel.

The alleged benefits to Israel and to the world from the forthcoming opening of the Suez Canal are not therefore a concession or a compromise on the part of Egypt. The opening of the Suez Canal is simply a withdrawal by Egypt from its lawlessness in defining international law with respect to the Suez.

President Sadat's announcement that he was "extending" the United Nations Emergency Force mandate for another 3 months is a second pretended concession by Egypt. President Sadat has no mandate or right to "extend" the existence of this emergency force in the Sinai Desert. By law, such a decision is entirely up to the Security Council and not to Sadat. This fact is clearly stipulated in the Security Council's Resolution No. 341—1973—which states that the force in the Sinai—

> . . . shall be established . . . for an initial period of six months and it shall continue in operation thereafter, if required, provided the Security Council so decides.

President Sadat's unilateral decision to extend the duration of this mandate is not a concession or a compromise but rather a usurpation of the exclusive function of the Security Council of the United Nations.

A third reason why Israel and the world can be skeptical of the so-called concessions of President Sadat comes from the manner in which he has handled the issue of the return of the bodies of Israeli soldiers who died in the Yom Kippur war in October 1973. On March 29, 1975, President Sadat announced to the Parliament in Cairo that he would return the bodies of 39 Israeli soldiers. Sadat pretended to the world that he was performing a great humanitarian act. The fact is, however, that in the Israel-Egypt disengagement agreement of January 1974, both sides agreed to cooperate with the Red Cross with respect to the immediate exchange of bodies. Egypt delayed in fulfilling its obligation in this matter and, beginning in May 1974, the Egyptians began to impose conditions on the return of the bodies. In particular, they demanded the release of hundreds of Arab terrorists—including the bodies of the killers of the children at Ma'alot. Israel acceded to the release of 92 terrorists and spies along with 50 members of their families. In June 1974, Egypt demanded the release of more terrorists. When Israel refused, Egyptians promptly put an end to the search for the bodies of Israeli soldiers. It was not until February 1975 that the Egyptians, having extracted further concessions from Israel, indicated that they would implement the commitments which they made in January 1974, with regard to the fallen soldiers of Israel.

Egypt made no concessions in any of the three foregoing events. Indeed, it must be said with sadness that Egypt has made no concessions or compromises at any time. In fact, Egypt does not even live up to the basic agreements and commitments which it made in the Israel-Egypt disengagement agreement signed at kilometer 101 in the Sinai Desert on January 18, 1974.

ISRAEL'S PROBLEMS AND PROSPECTS

Nationally syndicated Prof. John P. Roche of Tufts University said recently that we could anticipate "a massive administration-sponsored campaign to bad-mouth Israel." One can hope that the situation will not come to this. At the same time, Israel will be criticized if she breaks off the Geneva Conference on the legitimate ground that the PLO is an Arab-Soviet front dedicated to the destruction of Israel. On the other hand, if Israel goes to the Geneva Conference, it will be construed as a de facto recognition of a certain legitimacy of the PLO.

A conclusion of the administration's "reassessment" is promised for mid-May. I cannot believe that any "reassessment" can reverse the positions of 6 Presidents and 13 Congresses.

Perhaps Secretary Kissinger spoke wisely in his recent interview with Pierre Salinger of the French newspaper. L'Express. Kissinger was asked if he felt that there were an erosion of support for Israel in the United States. He replied:

> I think in general the readiness to give foreign aid and to run the risk of war has deteriorated in America, but I think that Israel has suffered less from that deterioration than almost any other country.

Secretary Kissinger was reassuring, however, when he reaffirmed in this same interview, that the objects of the administration's reassessment is "how we are to conduct" our diplomacy. He added:

> This is the essence of our reassessment. Our reassessment isn't primarily concerned with questions of economic and military aid.

One can quarrel with the word "primarily" but overall Secretary Kissinger's words give some assurance that the unique friendship that has always existed between the United States and Israel is not being eroded.

Another area where Egypt appears to have been intransigent relates to the Arab boycott and blacklisting of American corporations that either have Jewish personnel or do business with Israel. In the negotiations between Israel and Egypt presided over by Secretary Kissinger, Israel offered concessions of a very tangible nature in return for a requested cessation of the economic boycott by Israel. Egypt seems not even to have responded to this request.

In order to eliminate American complicity with the Arab boycott of Israel, I introduced on April 14 the Foreign Discriminatory Commercial Practices Act of 1975 (H.R. 5913). This bill would prevent American companies which do business with the Arabs from releasing information about the race or religion of their employees. H.R. 5913 would also make illegal the furnishing of information which would allow the Arab nations to continue their economic boycott of Israel. This bill, if enacted into law, would offset the reported adverse effects on the economy of Israel of Arab economic warfare. Background on this proposed measure may be found in the CONGRESSIONAL RECORD of April 15, 1975 at Page 10326. A description of the insidious anti-Israel and anti-Semitic impact of the Arab boycott was described by me in some detail in the CONGRESSIONAL RECORD of March 24, 1975 at page 8445.

THE BONDS THAT LINK ISRAEL AND AMERICA

Despite any ambiguity which might exist in the minds of people at this particular moment with respect to Israel, the simple fact is that the United States is overwhelmingly committed to the protection and preservation of this small nation. Nothing in all of American history has ever resembled the bond that exists between America and Israel. One might think that there would be no reason whatsoever why a giant, immense country like America would have such a love affair with tiny Israel, one of the smallest nations of the earth, both geographically and in population. The bonds that unite these two nations are not pragmatic or political but moral and spiritual. America, like Israel, was once the land for the ingathering of the exiles. America, like Israel, is a nation of immigrants come together in a country whose main business is the extension of freedom.

The scientific poll released on April 6, 1975, by Louis Harris in the New York Times confirms the solidarity which Americans feel for the people of Israel. By a 66 percent to 24 percent majority, the people of American favor sending Israel what it needs in the way of military hardware. This is most remarkable in view of the decisive 65 percent to 22 percent majority of Americans who, according to the same Harris poll, oppose America's giving military aid to other nations. A solid majority of the public, furthermore, and 77 percent of American leaders feel that the current Government of Israel is "reasonable in wanting to work for a peace settlement." In addition, 55 percent of the public is opposed to America's pressuring Israel to hand back the occupied areas, while a larger majority, 65 percent to 14 percent is opposed to Israel's giving up occupied territory in order to let PLO leader Yasir Arafat rule it.

Even when confronted with the hypothetical question of choosing between oil from the Arabs and friendship with the Israelis, Americans, by a 68 percent to 20 percent majority, rejected the notion that "we had better find ways to get along with the Arabs, even if that means supporting Israel less."

When it came to the fundamental hypothetical question of whether we should stop supporting Israel with military aid if such were necessary to obtain Arab oil, an overwhelming majority of Americans, 64 percent to 18 percent, came down against abandoning Israel in order to secure sufficient oil.

The results of this Harris poll demonstrate that even if the Ford administration is making a "reassessment" of its position in the Middle East, the American people are not. It would seem that American citizens realize that the Arabs constitute only about 3 percent of the human race, have about 15 percent of the membership of the General Assembly of the United Nations, and have more than 60 percent of all the known oil resources in the world. Americans recognize that Arabs cannot pretend that they are the cruelly neglected and heavily underdeveloped peoples and nations of the Earth. All of the intransigence and the sabre-rattling of the Arab nations could not and hopefully never will deter the American people from continuing and intensifying that unique friendship which they have had with Israel ever since that small nation was created by international eminent domain by the United Nations some 27 years ago.

Mr. Speaker, the overwhelmingly clear message coming out of the negotiations between Israel and Egypt is that Israel will give massive withdrawal of land in return from a massive commitment of abiding peace from its neighbors. International law, in Resolutions No. 242 and No. 338 of the United Nations, supports Israel in its unwavering position that it will give withdrawal only in return for assurances that Israel will not ever again have to undergo any of the cruel wars which have tormented its people in 1948, 1956, 1967, and 1973.

Israel asks only that the United States continue its friendship and that, by diplomacy rather than by dictation, the people of America seek to help Israel in this difficult moment to obtain concessions from her enemies, alliances with her potential friends and understanding from all of the nations of the Earth.

ASSISTANCE FOR DISTRESSED STATE AND LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 10 minutes.

Mr. FORD of Tennessee. Mr. Speaker, today I am introducing legislation designed to provide urgently needed assistance to distressed State and local governments across the Nation.

We are experiencing the most severe economic crisis since World War II. Unemployment is at its highest rate since the Great Depression of the 1930's. The national rate of unemployment as of February 1975 was over 9 percent, representing well over 8 million Americans out of work. In my own district of Memphis, Tenn., unemployment jumped from 5.9 to 7.1 percent between January and February of this year alone. The gross national product has declined for 4 successive months and will undoubtedly show another decline in the first quarter of 1975.

In response to this economic turmoil, Congress has been laboring diligently to lighten the hardships and correct the ills suffered by the citizens of this country. The Tax Reduction Act, the Emergency Employment Appropriations Act, and the two emergency housing measures enacted over the past weeks will go far in alleviating our economic woes. The 94th Congress is aware of its responsibility to combat this recession and is meeting the challenge with swift and decisive action.

The bill I am today introducing, entitled the Intergovernmental Countercyclical Assistance Act of 1975, is intended to be part of this program to fight the deleterious effects of the recession/inflation squeeze on State and local governments by establishing a system of emergency support grants.

The need for this legislation is unmistakably clear. Over the past months, State and local governments have been compelled to take budgetary actions which in many instances negate or encumber Federal initiatives to deal with the recession. As the Federal Government enacts tax cuts and rebates, the State and local governments are forced to increase taxes simply to recoup falling revenues. As Congress expands the public service jobs program, the States and localities find themselves having to lay off employees and establish hiring freezes. At the same time that additional Federal appropriations have been made available for new building programs, the State and local governments are canceling job-producing capital improvement projects. Finally, drastically needed municipal and State services are undergoing widespread curtailment at precisely a period when they should be expanded.

This is a cautiously drafted, straightforward bill, the purpose of which is to assist State and local governments maintain their existing levels of services and employment without raising taxes, thereby preventing them from undertaking policies that will undercut Federal efforts to stimulate the economy. As Mayor Henry W. Maier of Milwaukee, Wis., noted:

> It makes no sense for the Federal Government to cut taxes while at the same time pursuing policies to force our cities to increase taxes.

Mr. Speaker, the economic recovery program of the Congress up to now has been directed mainly toward the private sector. Public service jobs, tax rebates, and investment credits offer no help to the ailing public sector. And yet the State and local government sector is one of the most rapidly growing segments of the economy, employing four times as many people as the Federal Government and spending almost two-third's as much. This bill would remedy this shortcoming in our national economic policy.

Moreover, the assistance provided by this proposal is not meant to bail out State and local governments which are in fiscal straits. In a depressed economy, each State and local government must take steps to economize and use their resources as efficiently as possible. This legislation would insure that the budgetary actions of all levels of government aimed at solving this crisis are taken in a coherent fashion and that they are not counterproductive.

This bill would become operative when the national rate of unemployment reached 6 percent and the level of funding would correspond to increases in unemployment. When the national rate of unemployment averages 6 percent or more, for 3 consecutive months, a maximum of $2 billion would be made available for distribution to needy State and local governments. An additional $1 billion would be made available for each subsequent percentage point increase in the national unemployment rate. Similarly, as unemployment decreases, the amount available under this program would be reduced. Finally, only those States and local governments whose own unemployment rates were 6 percent or greater would be eligible to receive assistance.

The Intergovernmental Assistance Act of 1975 would give help to States and localities now, not at some future time when the crisis we are now facing has passed. This bill is limited in scope, designed only to help those governments which need it and only until their State and local economies have achieved some degree of normalcy or stability.

Mr. Speaker, I strongly urge my colleagues both to join me in sponsoring this sorely needed legislation and to work enthusiastically for its speedy enactment. The State and local governments are the foundation upon which this great nation is based. Reason tells us that this is a most sensible approach to economic recovery. Duty demands that we give these governments nothing less than our full support during this unsettling period. The Intergovernmental Countercyclical Assistance Act of 1975 is just such support.

TAX CREDITS AND ALLOWANCES ACT OF 1975 INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. CORNELL) is recognized for 15 minutes.

Mr. CORNELL. Mr. Speaker it is with great pleasure that I rise to introduce the Tax Credits and Allowances Act of 1975. This bill provides permanent tax relief and simultaneously overhauls our confused jumble of programs that supplement low and moderate incomes. In my judgment, it is especially timely that this bill be given consideration before we move to make permanent any of the temporary individual income tax cuts

recently enacted with the passage of the Tax Reduction Act of 1975.

This plan consists of two parts: Tax relief for persons up to middle-income levels, and modest cash grants related to income for the poor. Since the existing programs of aid to families with dependent children—AFDC—and food stamps would no longer be necessary, they would be dropped.

First, a rebatable tax credit of $225 per person would replace the current personal exemption of $750 in the tax system. The credit would be deducted directly from tax liabilities rather than from taxable income. Any excess credits would be paid to the filer. Most workers would pay less taxes than now, including taxpaying families of four with earnings up to $25,000.

Second, subsistence allowances would be paid to poor families and individuals. The maximum allowance, varying by family size, would be reduced by 50 cents for each dollar earned by recipients net of social security taxes. The total value of grants and tax credits for two adults and two children would be $4,300; $3,775 for one adult and three children. These are maximum amounts and would go only to the comparatively few families without any earnings or other private income.

Under this plan, people with no private income will receive full allowances and tax credits and pay no income tax. Those with very small incomes will still receive full tax credits but reduced allowances. Persons in the modest- and middle-income range will not be eligible for allowances, but they will pay less tax than now. Taxpayers in high-income brackets, for example a family of four with more than $25,000 income, will owe somewhat more in taxes than they do now because the tax credits are less valuable than personal exemptions to filers with marginal tax rates above 30 percent. Since the tax credit and other tax reform provisions would reduce the tax burden for many, the plan would rationalize existing welfare programs while simultaneously aiding inflation-squeezed workers. Millions of people are pushed into higher tax brackets simply because their wages are increased to offset inflation. As a result, their real incomes have been falling at a time when prices are climbing beyond belief.

The Federal Government would fund and operate this program. Help to our poorer citizens would no longer depend primarily on their State's fiscal capacity. The Internal Revenue Service would administer the new program, and this will assure a higher level of accuracy and lower cost than relying on separate State agencies.

Over one-third of the $22.6 billion net Federal budget cost of the new program would be in the form of tax relief for most workers; the rest would be cash grants for the poor. The cost could be financed from the normal growth in tax revenues since spending in other areas of the Federal budget could be restricted. The program would more than halve the income deficit of families in poverty. With State supplementation of Federal benefits, their income deficit would be further reduced.

In conjunction with the supplemental security income program for the aged, blind, and disabled, all needy groups will be covered. The law now provides substantial cash benefits to female-headed families in high-income States, while categorically excluding most male-headed families trapped in poverty by low wages, poor health, or frequent unemployment. The system thereby discriminates against the working poor, and encourages husbands to desert their families in order to enable them to get on welfare. This plan will not exact the cruel price of family breakup as a condition for aid.

Benefit amounts under this plan are not designed to provide "adequate" levels of living. First, comparatively few families have no income-producing opportunities of their own. The program is thus designed to build on private efforts, rather than to substitute for them. It fits the vast majority of cases. Most beneficiaries will be low- and moderate-income workers, and benefits will provide only a minority share of total income. For example, a one-earner, two-parent family of four with earnings of $4,000 will receive supplementation totaling $2,417.

Second, persons with greater needs will be helped by the existing program of supplemental security income for the aged, blind, and disabled, or by States and localities on a case-by-case basis.

Third, the country cannot afford high support levels. For example, providing $5,400 a year to a penniless family of four, with a 50-percent reduction in benefits for each earned dollar, would carry a gross cost of $56 billion.

A revision of the tax code would give a special-earnings deduction to two-earner households and to one-parent households. The deduction would be in lieu of complex itemized work expense deductions for child care and other costs. The earnings deduction for two-earner families will reduce the "marriage penalty" that such couples now face under the income tax, and is a desirable tax reform measure in its own right.

The moderate benefit-loss rate and special earnings deduction would have three positive effects: They would provide significant supplementation of low earnings, maintain a reasonable income differentiation between workers and nonworkers and between those who work more or less, and minimize work disincentives.

This program has been designed to keep work profitable, and in effect to make it necessary. Surely, given such a structure, and given the rampant inflation, we shall have laid to rest doubts and fears about the wisdom of aiding workers. They, above all others, deserve aid, and now more than ever before, it is clear they need it. Workers need not think of themselves as welfare recipients. Instead they will be like so many in the higher income brackets—merely getting tax relief.

The existing multiplicity of welfare programs tends to smother work incentives for multibeneficiaries, by reducing the net gain from work to as low as 25 or 15 cents on the dollar or sometimes zero. But this new plan is rigorously coordinated with remaining programs to insure that beneficiaries can always gain an ample reward for each dollar earned through their own efforts.

The food stamp program would be terminated, but the rebatable tax credits will more than compensate most families and individuals—including beneficiaries of social security, veterans' pensions, and supplemental security income—for their loss.

Federal matching of AFDC would be ended. States would be required to supplement the new Federal cash grants plus tax credits given to families who received AFDC as of December 1976 for a period of at least 2 years if those families otherwise would be worse off under the new system. For AFDC recipients enrolled in the food stamp program, total Federal-State benefit income would have to equal the old AFDC grant plus 80 percent of the food stamp bonus. States could voluntarliy supplement new cases and continue to supplement old cases beyond 2 years at their own expense.

Mr. Speaker, there are two schools of thought about welfare reform. To some, welfare reform means far fewer people getting help at far lower cost to the Federal Government. This view—and plans built around it—would be correct if there were fewer poor people than the number of persons getting help from welfare or food stamps today. If the problem, in fact, were that we throw our largesse out to people indiscriminately, then draconian "reform" would be a good thing.

But consider what the problem really is. It is millions of people working full time, year round, and not making enough for their families to get by. These are not chiselers or cheaters or ne'er-do-wells. These are responsible Americans locked into a hopeless struggle to keep afloat. Cutting the rolls will not help them because they are not getting a nickel of aid now.

No, Mr. Speaker, we cannot have it both ways. We cannot extol the virtues of work, crack down on the nonworking welfare recipients, and turn a deaf ear to the needs of the working poor. Who of us here can imagine working all year for the grand sum of $4,000 gross—less $234 in social security and less about $750 in work expenses?

Putting up the money to match our words is what real welfare and tax reform is all about.

I urge my colleagues to study this plan. I urge them further to read the background documents on which it is based—the series studies in public welfare, published by the subcommittee on fiscal policy of the Joint Economic Committee, chaired by former Representative Martha W. Griffiths, who first introduced this program in the last Congress.

Before we throw billions of dollars away on permanent tax cuts that lead us nowhere, remember that these cuts can be structured in a way that moves toward overhaul of public welfare programs. The

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Tax Credits and Allowances Act of 1975 gives us both permanent tax relief and welfare overhaul. Both are badly needed.

PANAMA CANAL PROBLEM: THE KEY ISSUES

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood), is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in the course of my work on the interoceanic canal problem, I have testified a number of times before committees of the Congress, among them subcommittees of the House Committees on Appropriations, Foreign Affairs and Merchant Marine and Fisheries.

One of the lessons learned from this experience is the necessity for the Congress and the Nation to have a brief and simple statement on the major canal issues. My testimony on April 22, 1975, before the Panama Canal Subcommittee was directed toward this end.

To make that statement readily available to the Congress, I quote it as part of my remarks:

Statement of Hon. Daniel J. Flood

Mr. Chairman and Members of the Subcommittee: As a long time student of interoceanic Canal History and problems, I am glad to testify again before this subcommittee. During my last appearance on December 6, 1971, in hearings concerning the effect on canal operations that a proposed new Panama Canal treaty then being negotiated would have on the efficiency of the enterprise, I submitted a detailed historical narrative. There is little of significance that could be added to what was stated or provided in the way of documents on that and previous occasions.

Among the positive results of the 1971–72 hearings by this Subcommittee was the summary of its work as embodied in the January 2, 1973, report of the Committee on Merchant Marine and Fisheries to the House of Representatives concerning the Committee's activities during the 92d Congress. Especially notable were its statement on major Panama Canal issues which, I believe, is the first in Congressional history.

As set forth in the report these issues are:

First, the transcendent one of retaining the undiluted sovereign control by the United States over the indispensably necessary protective frame for the Canal known as the Canal Zone; and

Second, the major increase of capacity and operational improvement of the existing Canal under the Terminal Lake-Third Locks Plan.

I concur with the 1973 committee report that all other canal questions, however important, including the highly propagandized old idea of a so-called sea level canal, are "irrelevant" and should not be allowed to confuse the crucial issues of Canal Zone sovereignty and major modernization. (H. Rept. No. 92–1629, p. 36.)

These two aspects of the canal problem, sovereignty over the Canal Zone and major modernization of the Canal, are so closely related that they cannot and should not be separated. History shows that the people of the United States and their Congress will not approve expending the necessarily large sums involved for major modernization in an Isthmian area not under the sovereign control of the United States. In that land of endemic revolution and endless political instability only full sovereign control provide the authority and flexibility essential for the efficient maintenance, operation, sanitation, protection and major modernization of the Canal. Any other arrangement, however well intended, would place the United States in the position of having grave responsibility without authority, which is unthinkable. Moreover, it would constitute a "calamitous misjudgment" of the real situation.

Measures to clarify and reaffirm United States sovereignty over the Canal Zone and to authorize the long overdue major modernization are now pending in the Congress. In connection with the latter, I would repeat what has been stated on many other occasions that no treaty is required for such "expansion and new construction." (*Congressional Record*, July 24. 1939, p. 9834.)

The initial major modernization project was authorized in 1939 but suspended in 1942 after the expenditure of $76,357,405. When to this sum are added some $95,000,000 spent on the widening of Gaillard cut from 300 feet to 500 feet completed in 1970 the total already spent toward major modernization is more than $171,000,000. My information is that Gaillard Cut enlargement will continue, which is a step in the right direction.

The work accomplished in 1940–42 includes huge lock site excavation for larger locks at Gatun and Miraflores, a railroad-vehicular bridge across the Miraflores locks for construction purposes, and a new bed for the Panama Railroad near Gatun. All of this construction is usable when work on major modernization is resumed.

Ever since first studying the proposals for increased canal transit facilities, I have been impressed by the strong support that the Terminal Lake-Third Locks Plan has received from well informed engineers, geologists, economists and other experts, including active Panama Canal pilots. They hold that this plan offers the best solution when the problem is evaluated from all significant angles. Moreover, it will enable the maximum utilization of all work so far accomplished in improving the Canal and without treaty involvement.

The latest development as regards the type of canal was a telegram on April 8, 1975 by ten environmental organizations to the President in opposition to any treaty authorizing the construction of a new canal of "sea level" design and urging the President to instruct the Secretary of State to cease all negotiations for a "sea level" provision as part of a new canal treaty. This telegram emphasizes that major modernization of the existing canal would preserve the fresh water barrier of Gatun Lake and thus continue to protect the two oceans from marine ecosystem hazards involved in a "sea level" undertaking.

The major canal modernization project as provided in the pending bills will supply the best operational canal practicable of achievement with every assurance of success at least cost, benefit all users of the canal, revitalize the Isthmus with enormous benefits to Panama, help employment in the United States, and remove the fog of confusion that has for so long hovered over the Panama Canal.

In lieu of further comments, I include the following documents with the request that they be made parts of my testimony:

Daniel J. Flood, "Projected Surrender of U.S. Canal Zone Calls for National Crusade." Address before the V.F.W., Washington, D.C., March 9, 1975.

Committee for Continued U.S. Control of the Panama Canal. "Sovereignty and Modernization Memorial to the Congress, 1975 with H. Res. 75, and H.R. 198, 94th Congress attached.

Dr. James P. Lucier. "Panama Canal: Focus of Power Politics." *Strategic Review* (Spring 1974), p. 34–43.

John W. Grandy et al. Telegram to the President. April 8, 1975.

Captain W. H. Vantine, Letter of October 25, 1973, forwarding resolution of Panama Canal Pilots Association on Panama Canal Major Modernization.

CORRIDOR HOLDS PROMISE FOR FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, last week Secretary of Transportation Coleman urged that we expedite our efforts to make our Nation's system of railroads viable again, calling for establishment of a national railroad policy.

I commend the Secretary for this stand, one that is long overdue on the part of Department of Transportation officials. But I would urge that he go a step further and work toward the establishment of an overall national transportation policy which will make the most efficient use of all modes of transportation.

The April edition of the American Road Builder cites one proposal for a multi-State, multimode transportation route which I believe has great merit and is compatible with efforts to formulate a national policy on transportation.

This Missouri to Georgia multi-State corridor will fill vast gaps existing in our interstate and national defense highway system. The proposed corridor would enhance national efforts to create an efficient, multimodal transportation system using interstate highways, railroads, barge lines, and air freight. It would provide benefits to consumers throughout the Nation by helping hold down transportation costs on food and manufactured products. It would provide the missing link in our present highway network for moving national defense units as they may be needed.

I would like to share with my colleagues the article relating to this proposed transportation route, one which DOT, to this point, has rejected because, in their opinion, it would not be a "unique" addition to our transportation network:

Corridor Holds Promise for Future

Among the routes proposed, but not funded under the Interstate Highway System, was one from Jacksonville, Florida through Columbus, Georgia; Birmingham, Alabama; and Memphis, Tennessee to Kansas City, Missouri. This corridor lacks adequate transportation routes and has not experienced the prosperity that the Interstate System has brought to other parts of the Nation. In recent years, it has been the subject of several studies for improved highway facilities. In addition to several state and regional studies proposing a four-lane limited access highway in this corridor, two studies are especially significant.

A study conducted for the Ozark Express Route Association concluded that an improved route was needed to assist the economy and provide access to recreational facilities of the Ozark region. It was further concluded that such a route should be a part of a highway facility extending at least from

Kansas City to Birmingham and serving Springfield (Mo.) and Memphis.

A study conducted concurrently for the South Georgia Limited Access Highway Association (SGLAHA) concluded that high-volume high-speed traffic service is needed in Georgia between Brunswick and Columbus, and that in order to be fully effective this service should be provided by a facility built to present Interstate standards along a route extending through Birmingham, and Memphis to Kansas City.

In 1972, the SGLAHA, Ozark and other public interest groups joined forces to promote the implementation of a limited access highway connecting the Southeast with the Midwest. The Multi-State Transportation Corridor Advisory Board was formed of a permanent staff and representatives from the six states involved and several local Chambers of Commerce in the corridor. They were instrumental in establishing cooperation of the U.S. Department of Transportation and the highway and/or transportation departments of the several states to join together in a contract with Wm. S. Pollard Consultants, Inc. of Memphis and Traffic Planning Associates, Inc. of Atlanta to conduct a feasibility study for the transportation corridor.

A parametric study and study design were first completed to summarize and define factors to be analyzed by further study and to outline methods of analysis and a timetable for the feasibility study. The schedule for the feasibility study calls for it to be conducted in five phases; (1) a highway study; (2) a study of trucking, rail, and water transportation; (3) a study of special transportation elements, interface areas, and terminal areas; (4) a study of innovations in transportation; and (5) a study of communications and power production and distribution.

The general objective of the parametric study is to determine parameters and sensitive areas within the six-state study region to be considered in detail in subsequent study of the corridor. Specific objectives of the study are enumerated as follows:

1. Locate and determine the corridor's probable environmental impact on natural preservation, recreation, historic, and urban development areas;
2. Review the relationship between the coorridor and existing state and metropolitan transportation plans;
3. Locate barriers to transportation development such as environmentally sensitive areas and restrictive terrain features.
4. Identify existing transportation systems and areas of interaction between various modes;
5. Determine travel patterns within the corridor;
6. Identify and determine the probable impact of the transportation corridor on regional economic and population characteristics;
7. Indicate relative beneficial and detrimental impacts of the transportation corridor in regard to environmental, social, and economic factors.

A limited access highway in this corridor will do far more than replace the existing inadequate highways. It will be a transportation investment with the more far reaching purpose of improving the economic and social structure of the corridor in much the same way as the Appalachian Development Highway Program (See *American Road Builder*, September 1973). A highway in this corridor would provide Kansas City and other inland cities a direct route to a Southeastern port; the grain producing areas of the Midwest would be linked to the livestock producing areas of the Southeast; and urban areas along the corridor would be provided better access to recreational areas of the Ozarks and southern Appalachians.

In addition to providing improved highway access for the twenty million residents of the study region, the highway will be designed as but one element of a unified transportation system in which many transportation modes are coordinated. Along the entire route the highway will provide access to rail terminals, motor freight terminals, airports, ports on the inland waterway system, pipeline terminals, and utility terminals. Joint use of right-of-way by various transportation modes is to be considered throughout the planning of the transportation route.

HIGHWAY CORRIDOR ANALYSIS

The Highway Corridor Study, recently submitted to FHWA for their review, narrowed the one-hundred-mile-wide study corridor by selecting what, at this time, appear to be the most feasible routes for more detailed study. Characteristics of the region, transportation systems and service in the corridor, existing plans for route improvement, and route improvement standards, costs, and impact were used in the determination of the alternative routes.

Nearly 20 million people, or 10% of the Nation's population, live in the six-state study region. Six million live in the one-hundred-mile-wide by twelve-hundred-mile-long study corridor. This region suffers economic retardation as shown by a personal per capita income some $800 below the national average. A net outmigration from the region between 1960 and 1970 also reflects this retardation.

Mineral, agricultural, forest, and labor resources throughout the study region, together with improved transportation to the distribution centers of Kansas City, Memphis, and Birmingham, could spur industrial development along the entire corridor. Such development would improve the economy of both rural and urban areas in the study corridor. Improved access to the over twelve million acres of parks, recreation areas, and public forests in the region without damage to their ecological balance or social value would result in improvement of the standard of living throughout the region.

The region is presently served by a system of Interstate highways generally providing service in north-south and northeast-southwest directions. At present the I–16, I–75, and I–24 highway corridor providing service from Savannah to southern Illinois is the only northwest-southeast highway corridor in the study region. The existing highway system providing service from Brunswick to Kansas City through Columbus, Birmingham, and Memphis is in poor condition and is far from adequate for present volumes. The rail network is fairly extensive and provides moderate service to most areas. The waterway system is generally at right angles to the corridor and offers many opportunities for transportation interface areas.

In conjunction with the parameters for analysis already discussed and the recognized need determined by various state studies, each of the six states in the study region submitted one or more alignments for study. These were assembled into the alternative study routes for the entire corridor. For these routes, two cost estimates were compiled, the first based on AASHTO freeway standards and the second in accordance with each state's 1990 highway plan. The impact of each alternative route was determined in regard to transportation services, land use, environmentally sensitive areas, economic effect and social effect. Public hearings were held in each state along the corridor in which public sentiment appeared to be overwhelmingly in favor of a new limited access highway in the corridor. Some minor concern was voiced about changes in the life style indigenous to the Ozarks and encroachment on some environmentally sensitive areas.

In terms of user benefits alone, a Brunswick to Kansas City freeway should be considered a good investment. A conservative estimate of savings in operating costs, time costs, and accident costs indicated that 130 to 165 million dollars could be saved during the first year of operation. This would add up to an amount equal to the initial construction cost in *less than eleven years* based upon user benefits alone. When fuel savings, reductions in accidents and loss of life, and both national and regional developmental and recreational goals achievement are included, the feasibility and necessity are both overwhelmingly established.

FUTURE OF THE MULTIMODAL CORRIDOR

The feasibility study for rail, trucking, and water transportation modes is to be done as concurrently as possible with the highway study since the location of the highway will affect interface with these modes. The third phase of the study would concentrate on special modes of transportation such as air and pipeline with primary emphasis on methods for coordinating all modes of transportation and location of areas of interaction among modes. The fourth phase of the study will review and analyze innovations in transportation modes and services which may now be only in development or research stages or on the very threshold of technology. The application of multiple use of right-of-way to existing or new modes of power and communications distribution and production will be reviewed in the final phase of the study.

This corridor may serve not only as the route of economically reliable modes such as the highway and railroad, but as a laboratory for innovative transportation systems and services and controlled urban development. Such practical innovations as the separation of commercial vehicles and private vehicles and improved passenger train service may be tried. More imaginative systems such as a high speed rapid transit system, pneumatic tube for freight or passenger transit, or guideways for automobiles may be tested.

Electrical power plants and distribution lines along the corridor would provide power for development of industrial parks and the implementation of electric powered trains or other modes of transportation utilizing large quantities of electrical energy. Since most of the corridor passes through open land, generous rights-of-way may be reserved to experiment with joint use between various modes of passenger, freight, and utility transportation.

Concepts in urban development such as planned transportation interface areas, planned towns about the interface areas, and planned satellite towns along the corridor route could be combined with a comprehensive transportation system to make the Multi-Mode Multi-State Transportation Corridor one of the important projects of this century.

SUPPORT THE EMERGENCY FARM BILL OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Fithian) is recognized for 10 minutes.

Mr. FITHIAN. Mr. Speaker, I rise today to support the emergency farm bill (H.R. 4296) which adjusts the target prices, loan rates, and purchase levels

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on the 1975 crops of corn, wheat, soybeans, upland cotton, and dairy products.

I view this emergency farm bill as a moderate compromise between those who prefer much higher levels of protection and those who prefer little change from the status quo. Both farmers and consumers have a mutual interest in a farm bill which increases production, but provides adequate income for farmers.

This program is designed to insure the farmer the kind of income which will allow him to replace machinery and maximize production of food, thus assuring consumers that food will be reasonably priced and of sufficient quantity and quality to meet present and future needs. Jobs for ruralities and urbanities, as well as American laborers and farmers will be continued and further stimulated by a sensible farm program.

This emergency farm bill establishes loan rates and target prices which serve as an insurance policy but in no way guarantee a profit. The prices of corn and feed grains—$1.87 loan and $2.25 target—and on wheat—$2.50 loan and $3.10 target—are well below present market prices. These rates will not add to consumer prices, but will give farmers the confidence they need to plant a full crop rather than cut back production, and thus, insure that the American people will have a sufficient supply of foodstuff for our domestic needs.

If the market should decline low enough to activate the new loan rate, then the production of agricultural products will drop, and the supply will become uncertain. Higher prices, therefore, would be an inevitable result of this situation.

The bill also provides for an interest rate on these loans at a level not to exceed cost of the money to the Treasury. At present, the Department of Agriculture charges the farmer 9.4 percent on money loaned against his crops. With the prime rate in steady decline—some banks have lowered the prime rate to 7.5 percent—farmers should not be forced to pay an exorbitant rate of interest. If loans are designed to insure an orderly marketing of grain that will allow the farmer to sell, not at the bottom of the market, but at a more favorable price, then a lower interest rate is absolutely necessary.

Mr. Speaker, most individuals engage in business or commerce not only to cover their costs of production, but also to make a profit. The role of the Federal Government should not be to guarantee high profits for any industry or to become so involved in the private sector as to totally upset the free market system. Yet the Federal Government can and should provide basic insurance for farmers to encourage the high production levels we all recognize as being necessary. The target prices and loan rates now in effect do not provide this insurance. They do not even come close to covering production costs. The changes in target prices and loan rates suggested in the bill passed by the House will help rectify this situation. It must be pointed out that the bill in no way guarantees profits for farmers. In the case of every agricultural commodity covered by the bill, loan rates run below current market prices. But farmers will accept the risks and produce more, as they have been asked to do, if they have assurances, such as those provided for in this bill, that they will not also be asked to lose their shirts.

The average estimated figures for the cost of production of corn, as computed by the five State universities in the major corn producing States, is $2.01. The loan rate of $1.87 is 14 cents below the farmer's cost of producing that bushel of corn. The State universities in the five leading wheat producing States estimate that it costs a wheat farmer $3.01 per bushel, or some 51 cents more than the loan which this bill provides. Although these loan rates do not cover the cost of production, they go a long way toward providing the minimum protection that farmers need.

Dairy farmers face the same plight as do grain farmers. Last year alone, Minnesota and Wisconsin each lost between 3,000 and 5,000 dairy farmers. Across the Nation 20,000 dairy farmers were forced out of business, and existing conditions threaten that many more dairy farmers will be forced to leave their farms.

The emergency farm bill offers little relief for the American dairy farmer. The milk price supports will remain at 80 percent of parity. I strongly supported the original section in the bill that would have raised the parity level to 85 percent, and voted against the Richmond amendment that struck this section of the bill. At a time of increasing inflation and declining farm prices, the dairy farmer faces a most perplexing economic future. From March to December 1974, the Minnesota-Wisconsin base price fell from $8.15—85 percent of parity—to $6.41—67 percent of parity—per hundredweight. The price has since increased slightly, but certainly not enough for many dairy farmers to cover the cost of production.

The cost of production for grain and dairy farmers has risen sharply from 1973 to 1974. The Department of Agriculture estimates that the cost of labor, feed grains, energy, and credit rose 17 percent. Everything that a farmer must purchase has dramatically increased in price. Diesel fuel has jumped nearly 100 percent, fertilizer prices have leaped more than 150 percent, and items like bailer twine, fencing wire, and nails have increased by 275, 122, and 200 percent respectively.

While the cost of production has risen sharply over the past 2 years, the price for raw agricultural products has dropped for the fifth straight month. The farm price index began its slide last November 15. By March 15, the Department of Agriculture reported that the average of all farm prices was 15 percent below a year earlier. The food grains portion of the index, however, was 28 percent below a year earlier. Farm prices on meat animals was 20 percent below the prices of 1 year ago. Soybeans, for example, averaged about $5.31, a drop of 41 cents from a month earlier, and 65 cents below mid-March, 1974 prices. Food prices continue to increase, and the prices that farmers have to pay to meet expenses have averaged about 10 percent above March 15, 1974, figures. The continued expansion of the gap between farm prices and the goods and services that farmers and consumers purchase has raised serious questions about the 1975 crop. Farmers cannot continue to be caught in the cycle of soaring production costs and falling farm prices.

In 1974, farmers across this Nation suffered a loss in net income. Cash receipts from farm marketing climbed $6.5 billion to a record $95 billion, but the $10 billion surge in the cost of production more than offset the gain in income. Total personal income of farm people declined last year. Income from farm sources was off almost 20 percent, while nonfarm earnings were up 10 percent. The year 1974 was not a good year for the American farmer. Unless something is done now to alter this disastrous trend, 1975 will not be any better, and could possibly be worse.

As farm prices decline, many farmers are considering the reduction of their acreage. If farmers trim their planting plans for 1975, it could well mean that another spiral of shortages and rising food prices will take place. This is something that both farmers and consumers can ill afford now or in the future

Mr. Speaker, how much longer must the American farmer endure rapidly increasing costs of production and falling farm prices without some modest assistance from the Federal Government?

As a Nation, can we afford to drive the family farm, the backbone of American agriculture, out of business? Can we afford to allow continued bankruptcies to push the average working farmer off the land? Can we afford to allow the consolidation of family farms and farmland into corporate entities that increase monopolistic practices and potential price fixing with resulting higher prices to the American consumer?

We cannot afford to wait any longer. Action is demanded. We must act now to do what we can to protect the basic interests of farmers across this country. To do less would be to shrink from our responsibilities. I ask only for a policy that is fair and just, a policy that provides equity for the American farmer.

The timing of this bill is very critical. The planting season is upon us. As I travel throughout northwestern Indiana I see many farmers plowing their fields. It is absolutely imperative that farmers know exactly where they stand vis-a-vis target prices and loan rates. They have to make difficult decisions of how many acres to plant and what kinds of crops to plant. Farmers also need lead time to purchase the seed, fertilizer and chemicals that are necessary. Adequate time is a necessary prerequisite for proper planning.

This Congress has worked very hard to get this farm bill through the subcommittees, the full committees and the entire House in time for farmers to plant

this spring. Within a few weeks, the bill will be before the President. I urge him to sign the bill because I believe that it is in the best interests of the farmers, consumers, and the entire Nation. A Presidential veto would only delay the Nation's recovery and raise many uncertainties in the farm community setting off a chain of events that could lead to a decrease in acreage and the upward spiraling of food costs. This is something that farmers, consumers and the Nation must avoid at all costs.

In addition to the present price squeeze that the American farmer finds himself, he is also faced with significant destabilizing influences that greatly affect his ability to compete in the world market. Modern farming requires massive capital investment. Farm debts have been rising at a rapid rate, increasing from $38 billion in 1965 to $82 billion last year. Farmers have experienced considerable difficulty in bringing new lands under cultivation and again face the age-old problem of the inadaptability of lands to other crops. To the many uncertainties facing the American farmer, the list of shortages now includes fertilizer, propane gas, and other energy sources.

Foreign trading states, such as the Common Market and the Soviet Union, cause sharp fluctuations in farm prices by subsidizing internal farm prices and dumping products overseas in the World Market. Last year, about 60 percent of our wheat crop, 40 percent of our soybeans, and 20 percent of our feed grains were exported. These farm exports earned $22 billion, an all-time high. Although the Nation benefits from these foreign sales, farmers are faced with quick shifts in world supplies and demand. The American farmer, I believe, bears the burden of adjusting to the fluctuations of the supply and demand cycle in international agriculture commodities.

While farmers helped us earn a considerable amount of foreign exchange and nearly helped to balance the trade deficit, our Government has asked farmers to produce record crops, to cultivate record acreage, and to export as much as possible, but has not seen fit to provide a fair and equitable price structure that adequately covers the cost of production. The emergency farm bill now under discussion will help rectify this injustice to farmers.

Too often, Mr. Speaker, the debate over the farm bill has degenerated into a conflict between farmer and consumer. The adversary tone of this dialog is frequently construed to mean that the interests of the consumer and the interests of the farmers are somehow different and opposed to one another. Nothing could be further from the truth.

This bill seeks to protect the American farmer as well as the American consumer. We must encourage farmers to produce adequate food supplies at reasonable prices. Every American, whether consumer or farmer, benefits from such a program. As the Consumer Federation of America pointed out on March 14, 1975:

> Federal programs to support adequate farm income are as essential to the nation's economic policy as minimum wages. The critical issue is not whether consumers should support farm income policies, but whether such policies are adequately designed and implemented to insure that consumer interests are properly considered and weighed with the interest and need of family farmers.

Both farmers and consumers have a mutual interest in stabilizing prices in an unstable market.

Some opponents of the emergency farm bill suggest that it will have an adverse impact on the consumer. The Agriculture Committee, of which I am a member, reported a bill that called for milk prices at 85 percent of parity. The Department of Agriculture mistakenly reported that milk prices at 85 percent of parity would result in price increases of milk by 8 cents a gallon, cheese by 10 cents a pound, and butter by 20 cents a pound. Using these distorted figures, Congress adopted the Richmond amendment on March 20 which lowered the parity rate to 80 percent. The U.S. Department of Agriculture now frankly admits that its estimates were inaccurate. How significant was the error? How large was the discrepancy? The revised USDA figures are now 4.5 cents a gallon for milk, 5.25 cents a pound for cheese, and 5.3 cents a pound for butter. This represents an error of 77.8 percent on milk, 90.5 percent on cheese, and 277.4 percent on butter. It is incredible that such errors and distorted facts could be presented to the Congress and the American people. Congress too frequently depends on departments and agencies for information, and too frequently finds they are wrong.

The USDA explains its error by stating that its original figures were mistaken because it misread the quarterly adjustment provision of the bill. The USDA originally thought that the support price for manufacturing milk would be set at 80 percent of the parity price for that quarterly adjustment. Actually, the farm bill will adjust the price each quarter according to the change in the cost of production index. The inflationary "family living" component of parity, therefore, should not have been included in the projected cost of milk product.

The USDA has now suggested new projections for all indexes. These new projections show that the consumer impact of a support floor at 85 percent of parity would actually be less than they had previously estimated for 80 percent of parity. The impact of 80 percent of parity on consumer prices would be negligible—an increase on only 1.1 cent per gallon for milk—or one-quarter of a cent per quart—1.3 cents per pound of cheese and 1.3 cents per pound of butter. These price increases are less than 1 percent, and are well below the double-digit inflation that plagued the Nation for the last 2 years.

The impact of 80 percent parity on the American dairy farmer may be devastating. Instead of a modest increase in the price of milk products, the dairy farmer faces economic uncertainty and possible disaster if the hundredweight of milk increases only from $7.24 to $7.31, as the USDA now projects. The farmers that need the most immediate assistance will get very little or no help from this legislation.

The USDA mistaken figures were first discovered, not by the executive branch or the USDA, not by my distinguished colleagues in the Democratic Party or consumer advocate groups, but by a distinguished Republican colleague from Vermont, James M. Jeffords. His dedication and persistent hard work discovered the glaring errors that existed in the USDA reports. The Congress owes James Jeffords a debt of gratitude.

Opponents of farm legislation over the years have attempted to pit farmer against consumer. As a Congressman who represents urban, suburban, and rural areas, I have had an opportunity to meet thousands of my constituents who represent these different sectors of the economy. The farmland of America must flourish and produce if people in the suburbs and urban areas are going to eat and survive. Some of my urban colleagues from the Northeast do not understand that everyone, including farmers, must have a decent income and a decent standard of living. At a time when the Congress is taking several steps toward providing additional jobs and unemployment compensation for urban workers, can we afford to forget about the American farmer. Can we afford to do less for the farmer than for the average working family.

Mr. Speaker, I was born and raised in a rural farming community during the Great Depression. I saw firsthand how farmers were driven from the land, forced out of their homes, and reduced to subsistence living. We must never return to those disastrous days. I chose to live on a farm because I deeply believe that it is the best place to raise a family, to teach them to great values of the American way of life, to instill in them an appreciation of the free enterprise system, and to give us all a deeper appreciation of the earth that God put us on.

As I look around the Second District of Indiana, I see many disturbing things in the agricultural arena. I see farmers leaving the land. I see the rapid consolidation of family farms into corporate agriculture. I see young farmers going out of business and leaving the rural community. These things I see, but do not like. We can and we must do more for the family farmers.

We must take whatever steps are necessary to prevent the collapse of American agriculture similar to that which took place at the beginning of the Great Depression in the 1930's. When farmers go broke and are forced off the land, merchants who sell to them also go out of business. In turn manufacturers, who sell to merchants, cut back production and lay off workers. The whole downward spiral can start from any sector of the economy. But agriculture is so basic, so primary, and so central, that it is the keystone of the arch in our Nation's economy.

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Mr. Speaker, all Americans, including farmers are consumers. Farmers buy food, clothing, automobiles, and other products as do other Americans. They are forced to pay high prices in the marketplace as is the American consumer. Farmers know what it is like to go into a supermarket and purchase food at inflated prices. These high prices in the grocery stores and chain stores are not the result of farm prices. Farm prices are declining, but food costs are rising. A farmer from my district recently raised a provocative question: "If farmers can't afford to produce and consumers can't afford to buy, who is ripping off both the farmer and the consumer."

Mr. Speaker, the plain truth is that the middleman—the food processors and the giant food chains—are piling up huge profits at the expense of the American farmer and consumer. The time has come to initiate a full-scale congressional investigation of the food processing and distribution system of this Nation, and to carefully examine the soaring profits of chain grocery stores.

We need to look into the activities of conglomerates and multinational corporations that have become involved in agriculture. We need to analyze the extent to which food chains and other distributors of food products have bought into the food producing end of the business—buying dairy farms, vegetable truck farms, cattle ranches, and grain producing farms. The farmer is forced to sell his product to the giant output industries that process, market, and retail foodstuffs. The individual farmer is almost powerless when faced with large corporations that monopolize the food industries.

While the farmer is confronted with giant corporations that control the output industries, he is also facing monopolized conglomerates that control the input industries. These input industries control the farmer's supply of capital, machinery, pesticides, seed and feed, and fertilizers. and other energy-related products. The family farmer is particularly feeling the pinch of fuel costs that have doubled and fertilizer costs that have tripled in the last year. The time has come for the Congress to fully investigate oil pricing and the distribution of oil products and their effects on American agriculture. We need to look into possible anti-trust violations in both the input and output industries, and determine if the farmer and the consumer are getting "ripped off."

For years farmers, consumers, and politicians have talked about investigating the input and output industries that dominate American agriculture and have talked the proposals to death. Since the administration and the Justice Department have not taken the initiative in this area, I urge the Congress to act immediately to investigate these matters. But an investigation is only the first step in coming to grips with these problems. The Congress must rededicate itself to the proposition that it is going to put its shoulder to the wheel and come forth with some meaningful legislation this year to alleviate the price gouging by food processors and chain stores.

This emergency farm bill is but a tiny step in the direction of securing equity and fairness for the American farmer and consumer. It is, however, a step that must be taken to restore confidence in the farm community, to provide increased target prices and loan rates, to partially meet the rising costs of production, to guarantee that adequate food supplies will be produced, and to assure that the consumer has food at reasonable prices. Once this step is taken to meet the emergency situation, then it is time for Congress to investigate the twin problems caused by the monopolistic control of the input and output industries, and arrive at some much-needed legislation that would benefit the farmer and the consumer.

REPEAL OF "FAIR TRADE" EXEMPTIONS APRIL 28,1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I was delighted to see President Ford reiterate his support this week for repeal of the so-called fair trade exemptions to our Federal antitrust laws. Here is an issue, I think, on which a Democratic Congress and a Republican President can happily agree.

It has been estimated conservatively that these laws, which sanction price fixing, cost the consumers of this country at least $2.5 billion a year. I believe that the simplest and most effective action we in the Congress could take to combat inflation would be to repeal the Miller-Tydings and McGuire Acts, which exempt State fair trade laws from the prohibitions of the Sherman Act and the Federal Trade Commission Act.

Repeal of Miller-Tydings and McGuire has strong bipartisan support. Bills have been introduced to repeal these laws by members of both parties in the Monopolies and Commercial Law Subcommittee of the Judiciary Committee.

The subcommittee has moved rapidly in this area. We have completed hearings already and hope to mark up the bill before mid-May. Early action by the full committee should follow.

The Senate is moving on a parallel track, again with bipartisan support.

The Congress is not alone in rejecting these inflationary laws. At their high-water mark, fair trade laws prevailed in 45 States. Now the figure is close to 30, and an accurate count is difficult to maintain as more legislatures act each month. New York recently repealed its law, and I am happy that in my own State of New Jersey the assembly passed repealing legislation overwhelmingly on April 17.

As Senator BROOKE, the principal sponsor of repeal in the other body, has said:

> Repeal of our fair trade laws is not a panacea for our economic ills, but it is a start, a needed start.

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The April 1975 list includes:

Improved Procedures Needed for Implementing Safety Recommendations, RED–75–334.

Assistance to the Nonrubber Footwear Industry, ID–75–36.

Audit of United States Railway Association, February 1 through June 30, 1974, RED–75–341.

Weakness in Administration of the Program to Correct Defects in Housing Insured Under the Section 235 Program, RED–75–340.

Examination of Financial Statements of the Pennsylvania Avenue Development Corporation for the Fiscal Year Ended June 30, 1974, FOD–75–13.

Data-Reporting Requirements for State and Local Educational Agencies, MWD–75–28.

Substantial Improvements Needed in Work Incentive Program, Atlanta, Georgia, MWD–74–161.

Assessment of the Work Incentive Program in Washington State, MWD–74–152.

From Welfare to Self-Sufficiency: An Assessment of the Work Incentive Program in Wayne County, Michigan, MWD–75–24.

Problems in the Work Incentive Program in Los Angeles and San Diego, MWD–75–24.

Slow Implementation of the Work Incentive Program in New York City, MWD–75–41.

Forecast of Postal Service Self-Sufficiency Potential, GGD–75–58.

Acquisition of a Building in Laguna Niguel, California in Exchange for Government-Owned Properties, LCD–75–314.

States Need, But Are Not Getting, Full Information on Federal Financial Assistance Received. GGD–75–55.

Stockpile Objectives of Strategic and Critical Materials Should Be Reconsidered Because of Shortages, LCD–74–440.

General Services Administration's Methods for Computing Rent for Federally Occupied Buildings Need Further Improvement, LCD–75–323.

How To Improve Administration of the Federal Employees' Compensation Benefits Program, MWD–75–23.

Executive Branch Action on Recommendations of the Commission on Government Procurement, PSAD–75–61.

Opportunities for Improving Computer Use in the Bureau of the Mint, FGMSD–75–19.

Savings Expected From Better Use of Truck Warranties by Government Agencies, PSAD–75–64.

What Is Being Done About Individuals Who Fail To File a District Income Tax Return? GGD–75–8.

Progress and Problems in Implementing the Intergovernmental Personnel Act of 1970, FPCD–75–85.

Mandatory Tax Withholding Recommended for Agricultural Employees, GGD–75–53.

Services for Special Beneficiaries: Costs Not Being Recovered, GGD–75–7[illegible].

Excluding Substandard Canned Pineapple From the United States, MWD–75–40.

Food and Drug Administration's Investigation of Defective Cardiac Pacemakers Recalled by the General Electric Company, MWD–75–71.

Many Medicare and Medicaid Nursing Homes Do Not Meet Federal Fire Safety Requirements, MWD–75–46.

Information on United States Ocean Interests Together With Positions and Results of Law of the Sea Conference at Caracas, ID–75–46.

Export of U.S.-Manufactured Aircraft—Financing and Competitiveness, ID–75–41.

Holiday Administration Overseas: Improvements Needed To Achieve More Equitable Treatment of Employees, ID–75–42.

Proposals to Strengthen the Foreign Gifts and Decorations Act of 1966, ID–75–71.

Improving Productivity Through Better

Management of Maintenance Operations in Europe, LCD–75–401.

Readiness of Navy Air and Surface Units for Antisubmarine Warfare, LCD–74–429.

Number and Legality of Military Officers Holding Certain Key Department of Defense Posts, FPCD–75–143.

Need to Eliminate Incentive for Accumulating Military Leave, FPCD–75–139.

Opportunity for Improving Computerized Civilian Payroll Processing Operations, FGMSD–75–15.

How to Improve the Selected Acquisition Reporting System, PSAD–75–63.

Impact of the All-Volunteer Army on Discipline, Troop Training, and Personnel Use of Fort Campbell, Kentucky, FPCD–75–104.

Effectiveness of the Financial Disclosure System for Employees of the U.S. Geological Survey, FPCD–75–131.

National Attempts to Reduce Losses from Floods by Planning for and Controlling the Uses of Flood-Prone Lands, RED–75–327.

Problems in Identifying, Developing, and Using Geothermal Resources, RED–75–330.

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Cleaning up the Great Lakes: United States and Canada Are Making Progress in Controlling Pollution from Cities and Towns, RED–75–338.

Examination of Financial Statements of the Tennessee Valley Authority for Fiscal Year 1974, FOD–75–11.

Additionally, letter reports are summarized including:

Notification of intent to the Comptroller General to file a law suit for release of over $1.2 billion of budget rescissions required to be released under the Impoundment Control Act of 1974, ACG–75–15.

Release of $1.2 billion of budget authority withheld by deferrals which were disapproved by the Congress, or proposed for rescission but required to be released, ACG–75–16.

Rescission of Office of Education budget authority, which the President did not report to the Congress as required by the Impoundment Control Act, ACG–75–17.

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Inconsistent accounting procedures by Department of Defense caused $21.5 million error in military assistance to Cambodia, ID–75–59.

Department of Defense procedures for accumulating cost information on the Military Assistance Service funded (MASF) program in support of the South Vietnamese Government, LCD–75–410.

Can the economic impact of Defense and other Government spending be analyzed? PSAD–75–42.

Corps of Engineers' acquisition of Minisink Island properties at the Tocks Island Lake project in New Jersey, RED–75–331.

GAO comments on allegations by Gordon Rule concerning the Navy's contract to build the Trident submarine, B–178056.

Department of Defense actions to conserve petroleum, LCD–75–430.

NASA expenditures for public affairs activities, LCD–74–417.

Progress by the Federal Trade Commission in improving the Line-of-Business report, OSP–75–9.

Improvements need in the Navy Aviation Supply Office's automated system for computing procurement requirements for reparable aviation items, LCD–75–423.

Significant problems in the Office of Education's financial management information system, MWD–75–69.

Examination of financial statements of the Southeastern Federal Power Program for fiscal year 1974, RED–75–335.

Excess personnel costs of $17 million annually because Military Airlift Command aerial ports are staffed to provide wartime strategic airlift capability rather than to meet current peacetime workloads, LCD–75–110.

Need for military departments to periodically reevaluate communications requirements to identify changes in equipment needs and, when needed, reallocate equipment or adjust contract requirements, LCD–75–110.

The Army's enlisted personnel assignment and distribution system, FPCD–75–130.

Better supply of spare parts needed to realize benefits of modular design concept of aircraft electronic equipment, LCD–75–429.

Navy's planned procurement of aircraft not consistent with Secretary of Defense's decision to consolidate all tactical support missions within the Air Force, LCD–75–434.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street NW., Washington, D.C. 20548. Phone (202) 386–6594.

A TRIBUTE TO LOUIS JORDAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. BURKE) is recognized for 5 minutes.

Mrs. BURKE of California. Mr. Speaker, in these troubled times, it is often refreshing to remember those who brightened our lives through the gift of self. Louis Jordan of "Tympany Five" fame was such a giver and made many outstanding contributions to the national spirit through his work as an entertainer. Sunday, April 27, 1975, many of those friends who joyed in Louis Jordan's life and his gifts of music, humor, love and wit honored his memory with a "Tribute" in Los Angeles.

Moving to Los Angeles in the 1960's, Louis Jordan brought his special blend of musical magic to our community and expanded his giving. Already noted in many quarters as the "father" of the story-to-music art form in the jazz idiom, Louis went on to become one of our foremost musical ambassadors. In this capacity, he traveled extensively throughout Europe and Asia performing for foreign dignitaries and American military forces.

We lost Louis Jordan last February in his 66th year, but his musical imprint, his life impact, remains to delight our ear and excite warm feelings of nostalgia. The years he gave America were nationally important ones. The music he composed and played is regularly heard and will continue to bring pleasure to all of us.

I urge my colleagues to pause a moment and reflect with me on the wealth of this man's gifts and the joys he brought the world.

ONE HUNDRED AND NINE CONGRESSMEN ASK FOR AUDIT OF THE FEDERAL RESERVE SYSTEM AND STILL DR. ARTHUR BURNS REFUSES TO APPEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, the Domestic Monetary Policy Subcommittee has been conducting hearings on H.R. 4316 and companion bills to require a GAO audit of the Federal Reserve System. This would be the first full-scale audit of the entire Federal Reserve System since it began operations in 1914.

The need for this audit becomes crystal clear when one looks at the skyrocketing operating expenses of the Federal Reserve System in recent years. This super-secret and vitally important agency has spent $6,461,414,578 to operate since 1914. But $2,154,373,386 of this sum—or 33 percent—has been spent just since 1970, the year Dr. Arthur Burns took over as Chairman of the Board of Governors.

Mr. Speaker, I am sure many Members of this Congress would like to know the reason behind this increase. This was, after all, the period when Dr. Burns was on the front pages regularly decrying inflation and defending tight monetary policies as the only way to cure inflation. Surely, if inflation was our problem, the operating expenses of the Federal Reserve System should have been trimmed, not allowed to mushroom.

Mr. Speaker, 109 Members of the House are cosponsoring this legislation to find out more about this secretive bureaucracy.

And yet our ability to learn the reasons behind this fantastic increase is being hampered by the same arrogant tendencies Dr. Burns has always used when Congress gets too close to what he considers his prerogatives. After 4 weeks of negotiations and several exchanges of correspondence Dr. Burns is still refusing to testify as a witness on H.R. 4316.

This just cannot be allowed to go on. The arrogance of this agency is based on its unique funding system. The Federal Reserve System holds U.S. Government securities in its Open Market Committee in New York—at present, $86 billion worth—on which the U.S. Treasury pays the Federal Reserve interest on bonds which have already been paid at once. The Federal Reserve System takes its operating expenses out of this interest and then sends the excess to the Treasury. No budget is submitted to the Congress for authorization and appropriation. No one from the General Accounting Office is allowed to check the books. Congress has to practically get down on its hands and knees to get even a morsel of information—and that only what Dr. Burns approves of.

Mr. Speaker, in all the years the Federal Reserve System has been operating, it has taken in $41,757,146,741 in interest from the U.S. Treasury. $20,430,848,929—or 49 percent of that—has been taken in since Dr. Burns began his term as Chairman. One has to wonder if the sight of all that unaudited money did not weaken some budgetary restraints in the mind of the Nation's so-called No. 1 inflation fighter.

All of this makes it that much more important that we get an audit of this agency. Unfortunately, to date, Dr. Burns has refused to cooperate with our subcommittee and appear on the bill to provide for an audit and without this legislation we will never have an accurate assessment of just how and why these expenses have increased so much.

Mr. Speaker, I place in the RECORD a chart detailing the figures I have mentioned here:

BONDS HELD IN OPEN MARKET COMMITTEE; NET EARNINGS ON BONOS BEFORE PAYMENTS TO U.S. TREASURY; OPERATING EXPENSES OF ALL FEDERAL RESERVE BANKS; DOLLAR AND PERCENTAGE COMPARISONS OF EXPENSES WITH PREVIOUS YEARS; 1914-74

Year	Bonds held in open market committee	Net earnings before payments to U.S. Treasury	Operating expenses	Expenses—Comparison with previous year dollar	Percentage
1914-15	$16,000,000	-$141,459	$2,320,586		
1916	55,000,000	2,750,998	2,273,999	-$46,687	-2.01
1917	122,000,000	9,582,067	5,159,727	+2,885,728	+126.9
1918	239,000,000	52,716,310	10,959,533	+5,799,806	+112.41
1919	300,000,000	78,367,504	19,339,633	+8,380,100	+76.46
1920	287,000,000	149,294,774	28,258,030	+8,918,397	+46.11
1921	234,000,000	82,087,225	34,463,845	+6,205,815	+21.96
1922	436,000,000	16,497,736	29,559,049	-4,904,796	-14.23
1923	134,000,000	12,711,286	29,764,173	+205,124	+.69
1924	540,000,000	3,718,180	28,431,126	-1,333,047	+4.4
1925	375,000,000	9,449,066	27,528,163	-902,963	-3.18
1926	315,000,000	16,611,745	27,350,182	-177,981	-.65
1927	617,000,000	13,408,249	27,518,443	+168,231	+.62
1928	228,000,000	32,122,021	26,904,810	-613,633	-2.23
1929	511,000,000	36,402,741	29,691,113	+2,786,303	+10.36
1930	729,000,000	7,988,182	28,342,726	-1,348,387	-4.54
1931	817,000,000	2,972,066	27,040,664	-1,302,062	-4.59
1932	1,855,000,000	22,314,244	26,291,381	-749,283	-2.77
1933	2,437,000,000	7,957,407	29,222,837	+2,931,456	+11.15
1934	2,430,000,000	15,231,409	29,241,396	+18,559	+.06
1935	2,431,000,000	9,437,758	31,577,443	+2,336,047	+7.99
1936	2,430,000,000	8,512,433	29,874,023	-1,703,420	-5.39
1937	2,564,000,000	10,801,247	28,800,614	-1,073,409	-3.59
1938	2,564,000,000	9,581,954	28,911,600	+110,986	+.39
1939	2,484,000,000	12,243,365	28,646,855	-264,745	-.92
1940	2,184,000,000	25,860,025	29,165,477	+518,622	+1.81
1941	2,254,000,000	9,137,581	32,963,150	+3,797,673	+13.02
1942	6,189,000,000	12,470,451	38,624,044	+5,560,894	+17.17
1943	11,543,000,000	49,528,433	43,545,564	+4,921,502	+12.74
1944	18,846,000,000	58,437,788	49,175,921	+5,630,357	+12.93
1945	24,262,000,000	92,662,268	48,717,271	-458,650	-.93
1946	23,350,000,000	92,523,935	57,235,107	+8,517,836	+17.48
1947	22,559,000,000	95,235,592	65,392,975	+8,157,868	+14.25
1948	23,333,000,000	197,132,683	72,710,188	+7,317,213	+11.19
1949	18,855,000,000	226,936,980	77,477,676	+4,767,488	+6.56
1950	20,778,000,000	231,561,340	80,571,771	+3,094,101	+3.99
1951	23,801,000,000	297,059,097	95,469,086	+14,897,315	+18.49
1952	24,697,000,000	352,950,157	104,694,091	+9,225,005	+9.66
1953	25,916,000,000	398,463,224	113,515,020	+8,820,929	+8.43
1954	24,932,000,000	328,619,468	109,732,931	-3,782,089	-3.33
1955	24,785,000,000	302,162,452	110,060,023	+327,092	+.30
1956	24,915,000,000	474,443,160	121,182,496	+11,122,473	+10.11
1957	24,238,000,000	624,392,613	131,814,003	+10,631,507	+8.77
1958	26,347,000,000	604,470,670	137,721,655	+5,907,652	+4.48
1959	26,648,000,000	839,770,663	144,702,706	+6,981,051	+5.07
1960	27,384,000,000	963,377,684	153,882,275	+9,179,569	+6.34
1961	28,881,000,000	783,855,223	161,274,575	+7,392,300	+4.80
1962	30,820,000,000	872,316,422	176,136,134	+14,861,559	+9.22
1963	33,593,000,000	964,461,538	187,273,357	+11,137,223	+6.32
1964	27,044,000,000	1,147,077,362	197,395,889	+10,122,532	+5.41
1965	40,768,000,000	1,356,215,455	204,290,186	+6,894,297	+3.49
1966	44,282,000,000	1,702,095,000	207,401,126	+3,110,940	+1.52
1967	49,112,000,000	1,972,376,782	220,120,846	+12,719,720	+6.13
1968	52,937,000,000	2,530,615,569	242,350,370	+22,229,524	+10.10
1969	57,154,000,000	3,097,829,686	274,973,320	+32,622,950	+13.46
1970	62,142,000,000	3,567,286,887	321,373,386	+46,000,000	+17
1971	70,000,000,000	3,440,451,196	377,000,000	+56,000,000	+17
1972	70,600,000,000	3,328,112,382	414,000,000	+37,000,000	+10
1973	76,000,000,000	4,440,998,464	495,000,000	+81,000,000	+19.56
1974	81,059,000,000	5,654,000,000	547,000,000	+52,000,000	+10
Total		41,757,146,741	6,461,414,578		

Net earnings before payments to U.S. Treasury—total 1914–1974, $41,757,146,741.

1970–1974 total net earnings before payments to U.S. Treasury, $20,430,848,929.

49% of the net earnings before payments to U.S. Treasury since 1914 have occurred since 1970.

Total operating expenses, 1914–1974, $6,461,414,578.

1970–1974 total operating expenses, $2,154,373,386.

33% of all the operating expenses since 1914 have occurred since 1970.

PETROLEUM RESERVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 5 minutes.

Mr. METCALFE. Mr. Speaker, this week we will be asked to vote on H.R. 49, a bill which would authorize the Secretary of the Interior to establish national petroleum reserves. The bill would accomplish more than that. According to House Report 94–81, part 2—

> The thrust of the language in that Report (House Report 94–81, Part 1) . . . makes it evident that the real purpose of H.R. 49 is to break through the protection afforded Naval Petroleum Reserves 1 and 3 and open them for commercial exploitation with little apparent regard for national security consideration.

Because of the far-reaching ramifications of this legislation, I would like to call my colleagues' attention to an article in the April 26, 1975, issue of the Nation.

The article follows:

STANDARD OIL KEEPS POPPING UP—ELK HILLS RIP-OFF

(By George L. Baker)

WASHINGTON.—A lot of strange things are happening in the name of Operation Independence, the attempt to make the United States self-sufficient in energy by 1985. And one of the oldest is a plan to tap four petroleum reserves held in trust by the Navy since the 1920s.

It is natural enough for interest to focus on the reserves, particularly on Elk Hills in California and Pet 4 in Alaska. Elk Hills contains a minimum of 1.3 billion barrels of oil, all ready to be pumped out with a minimum effort or expense. Pet 4, 23 million acres, contains 10 to 33 billion barrels of oil. If the estimate is accurate, this field would dwarf the commercial Prudhoe Bay, lying directly east of Pet 4. The Navy's two other reserves, Teapot Dome in Wyoming and Buena Vista close to Elk Hills, hold too little oil to warrant such excitement.

Last year, at the height of the Arab embargo, Congress was all set to turn the reserves over to the oil companies to do with as they saw fit. The move failed because of the intransigence of the House Armed Services Committee, which passionately resists anything that faintly smacks of an attack on national defense. When they found their way blocked in one committee, proponents of exploiting the reserves conceived an end run. Why not transfer control of the reserves from the Navy to the oil-industry-dominated Interior Department?

Brushing aside warnings that a similar transfer in the 1920s had precipitated the infamous Teapot Dome scandal, the pliable House Interior Committee a few weeks ago reported out a bill so weak and carelessly drawn that it would give the Interior Secretary virtual *carte blanche* to decide how oil companies might make one of the richest land grabs in memory. Reposing control of the reserves in Interior would certainly assure production, for the department has one function—to give away the nation's natural resources—and it performs that admirably.

Yet, laudable as is the goal of increased domestic oil production, tapping the reserves for the purpose raises disturbing questions, some of which have hardly been given thorough scrutiny. For instance, given its record, how would the Interior Department structure bids to produce from Elk Hills? The normal government royalty for an unexplored field is from 10 to 16 per cent of the wellhead price of crude. But at Elk Hills the oil is spotted and ready to be produced. Navy witnesses testified that it costs less than $1 to produce a barrel of that oil, which can be sold by commercial oil companies for at least $10. How would Interior recapture what obviously is a huge public benefit? Various officials of Interior have said the department would ask for competitive bidding, but that doesn't mean much in the oil industry. Further, the bill, which is likely to be enacted soon, gives no guidelines as to how the bidding should be done.

Indeed, would Interior be able to get any competitive bids? There is a great deal of evidence to show that the major oil companies in California, led by the San Francisco-based Standard Oil Co., would continue to maintain their stranglehold on the access to and price of oil. Congress has paid scant attention to possible violations of antitrust law by some of the companies that would be either producing or purchasing oil from Elk Hills. The investigation, begun in 1970 by the U.S. Department of Justice, has only lately been revived after a dormant period that coincided with John Mitchell's reign. But those who are pushing for production at Elk Hills—including several otherwise knowledgeable Congressmen, such as Reps. John Melcher (D., Mont.) and Alphonzo Bell (R., Calif.) profess little knowledge of it.

Everywhere you turn Standard's name pops up. It owns 20 per cent of Elk Hills and when oil is pumped from there the company will make a substantial profit. At present, because the field is operated under a contract whereby Standard and the government pool their reserves, the oil company isn't able to get to its oil. If commercial production were authorized, it could do so.

While it is evident that a few oil companies would benefit by drawing on the reserves, it is a good deal less clear that the public or government would be enriched. Theoretically, the planned 300,000 barrels a day from Elk Hills would reduce dependence on overseas oil by that amount. But there are no assurances that the oil companies would not simply continue those imports and shut down other domestic wells—especially since imported oil fetches the uncontrolled price of $10 a barrel, as would oil from Elk Hills, while much of domestic production is still controlled at the "old" oil price of $5.25.

It seems to have occurred to no one that, rather than give the companies a huge parcel of public property, a more workable and equitable approach would be to use the reserves as a building block for a government-owned oil exploration and production company. That proposal has been kicking around Congress for several years and is gaining considerable strength. As it stands, the government merely acts as agent for oil companies that want to exploit a resource that belongs to everyone.

The concept of retaining for the government what belongs to it surely would be in the public interest, but in Washington these days little thought is given to public interest. Cerainly it isn't a concept that would weigh heavily on the conscience of the Interior Department. For years, the Bureau of Land Management, an Interior agency, allowed private oil developers to poach oil from the edges of all four reserves; it has only recently halted the practice in response to rising protests.

In fact, the department is acting as if it already had the reserves in its grasp. It has plotted routes for the eventual construction of a pipeline to carry oil from Pet 4, and it has established what it calls the North Slope Project in Palo Alto, to study the subsurface geology. Since most of Prudhoe Bay has already been explored, one can conclude that Pet 4, with its vast riches, is the center of its interest.

The Ford Administration has not exactly fronted for the Interior proposal, lest unkind parallels be drawn between it and the Harding administration, but it is clear that Ford's people are doing nothing to discourage the idea. Rather than move straight ahead, the President has chosen an oblique way to get at the reserves and to prod Congress into action. As part of his energy package, he has proposed the establishment of what he calls the National Strategic Petroleum Reserve, which would stockpile 1.3 billion barrels for commercial and military use in the event of another embargo. Oil would be stored in salt domes in Texas and Louisiana and in steel tanks to be constructed throughout the country. Some people haven't taken to the idea. Rep. Otis Pike (D., N.Y.) said it sounded to him vaguely similar to an earlier scheme proposed by Interior Secretary Albert Fall when he agreed to lease Elk Hills and Teapot Dome in exchange for construction of oil storage tanks in Hawaii.

No one is talking about such a scandal this time, but there remains nevertheless the antitrust question. Investigators are trying to find out if six companies—Standard, Shell, Union Oil, Tidewater, Mobil and Texaco—have violated the Sherman Act by using their control of California pipelines to squeeze out competition from independent refiners. Further, they want to know if a "posted price" system, employed by several of the majors in moving oil throughout the state, is illegal price-fixing. The questions are intriguing, but the Interior Committee, in hearings dating back to last year, has never found time to explore them.

As long ago as 1970, memoranda prepared by Justice attorneys warned that competition for oil produced at Elk Hills might be strangled by the companies and that the government would receive less money than it deserved. The key figure in the setup is Standard, the nation's fifth largest oil company. As then Deputy Atty. Gen. Richard Kleindienst wrote in a 1970 letter to then director of the Bureau of the Budget Robert Mayo, Standard "is the largest producer and purchaser in the locality, indeed in the whole state. Moreover, Standard owns the only pipeline connected to the field, which any purchaser of Elk Hills oil must use for the first link in transportation to any refinery. The Standard line, however, is a private carrier, handling only oil owned by that company."

"Acting in concert with other companies," Kliendienst continued, "Standard could drive the Elk Hills wellhead price down, while still maintaining it at a higher price at the point where delivery is actually made to the refinery. Consequently, in order to move the oil, any purchaser must make arrangements for sale to Standard and repurchase from it at the delivery point."

Because of its privileged position, Standard, even if it produced not a drop at Elk Hills, could thus control the flow of oil from the reserve; and it could dictate the price and terms to any firm that wanted the oil from its pipeline, particularly independent firms which must rely on the good will of the majors.

But that is only part of the story. Last year a joint legislative committee in California, headed by the current state Controller Ken Cory, examined how the pipeline system in the state operated and how crude oil prices were set. Late last year, the committee concluded that crude oil flows into California according to a "closed system in which market price is a deliberate illusion veiling the real value of that supply and the division of revenues therefrom."

The committee said this after examining company records and discovering that oil is very seldom sold in the open market. It is customarily traded from one company's pipeline at a so-called "posted price," which is artificially set. Accordingly, "There is no free market for crude oil in which a willing buyer and willing seller can bargain. Most of the crude oil is not traded on the market. It is kept within the select group of seven [companies]; produced by them, singly and jointly, and sent either directly to the producer's refinery or traded within the group without reference to the 'market price.' "

In Congressional testimony, Keith I. Clearwaters, deputy assistant attorney general for antitrust, said the Justice Department has intensified its antitrust investigation, but as yet has no conclusive evidence of violations. He added, "We are still investigating, however, and I would not want to suggest that the charge cannot ultimately be made."

Though no evidence has been received that independent refiners have been denied access to oil by major oil companies, Clearwaters said investigators are also looking into allegations by the Cory committee. "That is, whether there is an implied agreement to fix the prices of crude oil." Such a possibility could be inferred, he said, because "there is a pattern of substantial uniformity of postings" by at least four majors, including Standard.

Given this demonstration of rather sleazy free enterprise on the part of the major oil companies, one wonders if those who advocate turning the Navy reserves over to the Interior Department have tried to foresee the consequences. Though Congress appears to be in a panic to give away the oil, the least it can do is wait until the antitrust questions are resolved. To do otherwise would be an abdication of public responsibility.

The Navy's case for holding onto its oil for World War III is rather weak, but the proposal to hand over the oil to Interior for distribution among a few industry giants, is even more dubious. To do so will almost certainly mean that the taxpayer, once again has his pocket picked.

As Rep. John E. Moss (D., Calif.), a persistent critic of production at the reserves, has noted, "Past patterns of behavior by [Standard] and Interior do not inspire confidence in their ability or desire to protect the public interest." But then, one man's national emergency is another man's larceny.

PLANNING AND THE ECONOMIC CRISIS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I should like to draw to the attention of my colleagues an article that appeared in Newsday on April 10 by Arnold Saltzman. From his experience serving in World War II on the National Industrial Mobilization Committee, the Office of Price Administration, and the U.S. Procurement Policy Board, he sees the need for an Economic Strategy Board. Mr. Saltzman, who lives in Great Neck, is president of Seagrave Corporation, a diversified manufacturing company. In the 93d Congress he rendered great volunteer service to the New York bi-partisan congressional delegation. The text of the article follows:

THE WAY I SEE IT—A DECLARATION OF WAR ON STAGFLATION

(By Arnold A. Saltzman)

More and more Americans are beginning to realize that our country is in deeper economic trouble than they have been told. The politicians have been unable or unwilling to explain the problems so that people can understand them. And economists, like doctors, speak in their own special jargon which is hard for anybody else to understand.

One year ago we were suffering from several economic diseases at the same time. Inflation was stealing from rich and poor, businessman and worker, and especially from the old, the pensioned, the jobless. It still is.

Recession was galloping into depression with 5,000,000 of our people unemployed. Now we are getting close to 9,000,000, with 25 per cent of our plant capacity idle, and the waste is shameful. Every day a man doesn't work, the potential wealth he creates—bricks, sewing machines, shoes, bread—is lost. It's like pouring milk down a sewer. And the increase in the rate of crime keeps pace with the increase in the rate of unemployment.

One year ago Washington was moaning about the energy crisis, reflecting the fact that a year before that, even before the Arab-Israeli war, the Arabs had tripled the price of oil. The reality is that for 10 years America has been using energy faster than we have replaced it, so while Washington has done nothing but beat its breast about the energy shortage Con Edison has raised prices 300 per cent.

We are losing $125 billion of annual production and spending $35 billion to feed 9,000,000 unemployed—all of that money down the drain. And we didn't restore our cities, turn coal into oil, cure cancer, or modernize our railroads. The $60 billion deficit projected by June, 1975, I call the deficit of omission.

In recent weeks we have seen a great drama unfold between the President and the Congress on how to "spend us out of recession." It was all shadowboxing, because no way in the world does it matter whether the President spent $17 billion or Congress spent $22 billion. Neither expenditure would get us out of our mess, and the White House must know it if they want to extend special unemployment benefits into 1977.

There is no way that we can get healthy without attacking all of our illnesses at the same time. There is no way the White House could crush inflation without economic controls or without throwing people out of work, so in 1974 they starved us into a recession. There is no way they can spend us out of a depression without economic controls and without serious price inflation in 1975.

We need strong medicine to cure our several economic diseases *at the same time.* It won't help us if we improve our heart disease and die from cancer. And until we can get out of serious trouble at home, our standing in the capitals of the world diminishes as does the value of the dollar.

We need an overall plan for national progress and survival instead of being nibbled to death by one crisis after another. The government must intervene until we get back on the track here at home and get straightened out abroad. But this must be done logically and boldly, not in a helter-skelter fashion that upsets all of us. The American people will accept and do whatever is necessary if they can believe that the White House and Congress know where they are heading and have the courage to take us there.

It is ridiculous to have idle workers in the glass, lumber, aluminum and construction industries coexisting with a shortage of decent housing. It makes no sense to say that spending $800,000,000 to subsidize mass transit so people can get to work at the cheapest energy cost is inflationary, but on the same day to allocate $2 billion to the cattle interests to encourage them to keep beef off the market and raise meat prices that consumers forced down. It makes no sense to make such little use of the nation's coal, while high-priced imported oil puts us in a financial straitjacket.

Since we are in crisis we need to create the equivalent of a War Production Board and a Bureau of Economic Warfare. This combination of economic planning and prescription for action I call an Economic Strategy Board. Such a board would long since have made it clear that we could not lick *both recession and inflation* without tough wage-price-money and export-import controls. It would have been clear long ago that we were using energy faster than we were creating it and would have produced a sensible plan to meet such problems.

The United States no longer has an infinite store of natural resources—in fact, on balance we have to import them. We no longer are the most efficient industrial producer in the world, nor is our dollar the strongest and most sought-after currency. And at the rate we are now exporting our last great superiority, our technology, we will soon not be supreme there as well. While we are still strong, we should realize that we can no longer do everything, waste our resources, save the whole world whether or not it desires to be saved, and increase our consumption without measuring the cost. We need to plan ahead as well-run corporations and wise heads of households do. We need to determine what our people will need next year and five years from now and what resources we will have to meet those needs.

In calling for an Economic Strategy Board, I purposely invoke the wartime names of War Production Board and Bureau of Economic Warfare. We are at war today—a war to preserve the American standard of living at home and a war to prevent our great country, which is under economic attack all over the world, from submitting to such pressures. If we act now, we can still preserve the promise of America for ourselves and our children. We don't have much time.

CONSUMERS MUST BEAR COST FOR STRIP MINING LEGISLATION

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, for weeks I have been trying to get an answer to a simple question. How much will the Surface Mining Control and Reclamation Act of 1975, now in conference, cost the consumers of America?

Apparently this is a difficult question to answer and one which appears not to have been studied very deeply. Yet to me and to millions of Virginians concerned about the phenomenal rise in their electric bills, it is a valid question and a pressing question. I should also think this question would also be important to millions upon millions of other American consumers who are also alarmed about the recent rise in their electric bills.

Several weeks ago I requested the Congressional Research Service of the Library of Congress to draft me a statement, using the best available data, which would present in recapitulation form, the economic and social costs of implementing the surface mining control and reclamation bills, H.R. 25 and S. 7, with special emphasis on how much these bills would cost consumers. I received a fine report from the Library and inserted it in the CONGRESSIONAL RECORD, page H2870 on April 16. However, my question on "how much these bills would cost the American consumers" was not answered. Finally, I received another report. Unfortunately, it is an economic report and is couched in economic jargon, but, it does contain some very important facts.

The report states that there are quantifiable and unquantifiable costs to consumers, under these bills, of $850 million annually; plus, an unnecessary $11 billion in payments for imported oil, which would annually be charged to consumers, because of losses in coal production that will be brought about by enactment of this legislation.

To me, an annual energy cost increase to the American consumers of approximately $12 billion for any legislation is disturbing. I would think the consumers of this Nation would want to know why this increase is necessary. I would think the press of America would want to know why these costs have not been presented to the public before. I know I am not satisfied that this much of an increase in cost is necessary, and I intend to continue my efforts to find a more detailed answer to the question: How much will the Surface Mining Control and Reclamation Act of 1975, now in conference, cost the consumers of America?

Mr. Speaker, the statement drafted for me by the Library of Congress follows:

THE COST TO CONSUMERS IF STRIP MINING LEGISLATION IS ENACTED

The potential for damage to consumers' vital interests from passage of H.R. 25 lies in its implications for both the cost and availability of coal. Whatever the initial impact of higher production costs, it is predictably the final energy user who will eventually be called on to shoulder these increased expenses. Through higher priced fuels and the additions to prices of every product that uses energy from coal in its production, America's consumers will end up paying the check for this ill-considered measure. Quantifiable costs for the 684 million tons of coal affected after 1976 will burden consumers with more than $350 million in additional energy expenses. Unquantifiable costs could, according to the Administration, boost this total to nearly half a billion dollars in additional annual outlays.

Against the heady rises in petroleum prices, this figure may seem small. Yet it is important to realize that its impact will be focused on exactly those sectors of the economy that can little afford another shock. Because coal plays so dominant a role in the fueling of electric power plants, the already hard-pressed utility industry—and its customers—will bear the brunt of more expensive coal supplies. Utility companies must either further shrink the earnings that alone enable future growth, or already dissatisfied electricity purchasers, in homes and factories across the land, must be asked to ante up millions of dollars to pay utility bills they view as excessive presently. The tasks of financing needed expansion of utility generating power, regulating the chaotic utility markets, and gaining public understanding of the problems and prospects confronting electricity users—all will be rendered more difficult by a sudden and unnecessary hike in the cost of coal.

These consequences will flow inevitably from those provisions of H.R. 25 imposing additional costs on coal production. Less easily seen, perhaps, but far more important in the long run are the effects of H.R. 25 on the actual volume of coal production that we can expect in coming years. According to the Administration, passage of the bill could cut U.S. coal output by 167 million tons annually. Even reducing this figure to 100 million tons—a figure that even advocates of strip mining bans would find hard to quarrel with—would have a decisive and disastrous effect on our overall energy dilemma. Consider: A hundred million tons of lost coal production annually translates to an increase of more than one million barrels a day of petroleum needs. This reflects the simple assumption that any reduction in the availability of one fuel source—or a decrease from what it otherwise might have been—compels the enlarged dependence on some other fuel source. For the immediate future there is only one alternative fuel source capable of replacing coal in this volume: imported crude oil and refined petroleum.

President Ford has submitted his own plan for reducing U.S. dependence on foreign oil by a million barrels a day next year. Whatever the final disposition of the Administration's and others' energy plans, I think one fact has emerged in recent debates: any workable policy designed to have this much energy will force real sacrifices on the American people. Yet the entire benefit of these sacrifices could be offset, indeed squandered by the immediate impact of this one piece of legislation.

And how will such a wasted effort hit the pocketbooks of consumers? There is no easy answer to this question; but a review of some of the issues involved leads to the inescapable conclusion that the cost could be immense. The purpose of a serious energy conservation program is chiefly to reduce America's import needs enough to moderate the price-setting manipulations of the oil cartel itself. No target number of "barrels-a-day" saved can be regarded as certain to achieve this goal. Yet it is clear that the more we save in energy the better our chances of restraining imported oil prices and the sooner we can expect to do so. Conversely, the more energy we waste—either by overconsuming or failing to develop practical reserves of coal and other sources—the longer we will have to go on paying exorbitant charges for foreign crude oil. We presently import more than six million barrels a day of crude and products at a price approaching $12/bbl. Most experts put the free market price needed to encourage oil supplies at about $7/bbl. If the coal lost because of H.R. 25 were to delay a return to something like a free international energy market by just one year (and the million barrels a day in extra oil needs indicates that this is not an unrealistic assumption) it would cost the nation an unnecessary $11 billion in payments for imported oil.

The fulfillment of that particular scenario—or of any other precise set of developments in world oil markets—cannot of course be predicted. But the point stands: H.R. 25 works against the essential directions which U.S. energy policy must take if we are to solve the problem of our addiction to foreign fuel supplies at monopoly price levels. And it works against these policies in ways that are measurable and measurably significant.

For the American consumer who has been asked to pay so much for our past oil policy mistakes, the cost of further mistakes may prove intolerable. Intolerable as well to the consumer as taxpayer and voter would be the sort of decision-making by elected representatives that would needlessly impose such costs.

BENEFITS FOR RECIPIENTS OF DISABILITY INSURANCE

(Mrs. MINK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, through legislation which I have introduced earlier in this session and through bills which I am introducing today, I seek remedies to several disadvantageous provisions of current law as it relates to benefits for recipients of disability insurance.

My bill, H.R. 3032, would equalize the earnings limitations placed on recipients of disability benefits and social security retirement benefits to whatever the limitation on the latter benefits might be for purposes of determining eligibility. Equalizing the earnings limitations not only has the obvious and desirable result of eliminating confusion between these two programs, but it also has the immediate effect of raising the earnings limitation substantially for recipients of disability benefits to allow a meaningful income for an individual who, despite his disability, is able to engage in some kind of gainful employment.

I have also introduced H.R. 5354 which would exempt disability income entirely from the income tax. These payments are exempt currently for recipients through age 65, but are considered "retirement benefits" after age 65, and are thus subject to taxation. I feel this is wrong. No additional burden should be placed on an elderly disabled person. Certainly, if anything, older recipients require more in the way of benefits to cope with increased costs of living in the face of possible reduced earning capacity which might result from reaching retirement age, in addition to whatever barriers the disability itself might place in the person's way.

My bill H.R. 5923, which was before the 93d Congress as H.R. 4029, also deals with persons who are disabled. It extends benefits to persons not now covered. This amendment liberalizes the test for the nonblind disabled so that it equals that for the blind. That is, currently, full disability benefits are available to the medically blind person at age 55 if he is unable to work in his normal occupation, whereas the nonblind disabled must show that he is unable to work at any occupation at all before these benefits become available. My bill changes this so that the nonblind disabled person need only show that he is unable to obtain work in his accustomed employment.

This latter change in the law is in line with recommendations in the recent report of the Advisory Council on Social Security which notes that a "severe, but not totally disabling impairment can have virtually the same impact on an older worker as does total disablement on a younger worker." The report suggests that these "occupationally disabled" workers over 55 years of age be paid higer disability benefits. My bill provides full benefits to these persons. In addition, medicare coverage would be provided these occupationally disabled on an equal basis with other recipients of disability benefits, which currently means that medicare coverage is available after a person has received disability payments for a period of 24 months.

I am also introducing two bills today which deal with disability benefits, one of which was my bill H.R. 4028 of the 93d Congress. This bill liberalizes the conditions governing eligibility of blind persons to receive disability benefits. Persons who meet the definition of "industrial" blindness would be considered disabled, regardless of their capacity to work, and could receive social security disability insurance benefits for any month in which they do not engage in substantial gainful activity. Such persons would qualify for disability benefits with as few as 6 calendar quarters of social security coverage; whereas in general, the law now requires that a worker be fully insured and have at least 20 quarters in the 40 quarters preceding disablement. The bill would eliminate the alternative definition of disability that now applies to blind workers aged 55 and over which requires inability to do previous work or any similar work as I have described above. Disability benefits would be payable after age 65 to blind workers who have 6 quarters of coverage even though they are not insured for retirement benefit purposes.

The other bill I offer today would alter the quarters-of-coverage concept altogether. It would correct an inequitable situation in which potential benefits may be denied disability payments even though they have paid sufficiently into the program, but at the "wrong" time in their lives.

As the law presently stands, eligibility for disability benefits requires:

First, that the individual be fully insured—that is, that he have one quarter coverage for each year elapsed since 1950, or if later, his 21st birthday, with a minimum of 6 quarters, or that he have accumulated a total of 40 quarters coverage; and

Second, either that not less than 20 of the 40 quarters immediately prior to the onset of disability were quarters of coverage, or that if under age 31, that not less than half the quarters since he was 21 were quarters of coverage, or if he has less than 12 quarters of coverage, that not less than 6 of the last 12 were quarters of coverage.

This latter requirement was placed into the law originally to insure that the program would apply to those wage earners who had been regular and recent members of the labor force. The bill I am introducing today was H.R. 4564 in the 93d Congress. It eliminates the 20 out of 40 quarters requirement altogether, leaving only the requirement that the individual be fully insured. That is, under my amendment to the Social Security Act, an individual would be qualified for disability insurance benefits if he has enough quarters of coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned. Thus, for example, a 32-year-old person with 11 quarters of coverage—one quarter per year since age 21, per the definition of "fully insured"—might be eligible for benefits under my bill.

Mr. Speaker, there is a real need today to assist our disabled citizens to exist in this time of increasing costs needed for simple living. A recent survey has indicated a continuing willingness on the part of the American people to support the Nation's social security system to help those who are now beneficiaries of the system. While there are increased demands placed on the system by the bills I have proposed, I feel those demands are justified to the end of effecting greater equity and justice. I urge my colleagues to carefully consider these bills, and to act favorably and expeditiously on them.

CHEMICAL WARFARE—AN HISTORICAL DISCUSSION

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, an important issue under consideration in this Congress is a determination whether this Nation should approve the complete modernization of our chemical warfare stockpiles. I have already introduced legislation proposing to stop this program, together with 60 of my colleagues. I will, in a few days, provide information which has been furnished to me by the Chairman of the Joint Chiefs of Staff in reply to some of my questions about United States chemical warfare programs.

It has been 60 years since large scale chemical warfare began in modern battles. Perhaps some of the Members may be interested in a review of the effects of gas in war, and some of the reasons why such programs were initiated. Dr. Robert Jones recently prepared the first of a series of articles on this subject which has been printed in the British journal, New Scientist, April 17, 1975. I offer the article for inclusion in the RECORD.

CHEMICAL WARFARE—THE INITIAL HORROR

(By Dr. Robert Jones)

The idea of using choking fumes as an offensive weapon in war is very old indeed. One of the earliest instances to be recorded occurred in 428 BC, when the Spartans burnt wood saturated with pitch and sulphur under the walls of the city of Plataea in an attempt to subdue the defending Athenians. The operation was not a success, for a sudden rainstorm extinguished the fires. History documents examples of similar incidents which took place subsequently, with varying degrees of success. But the events that occurred at the Ypres salient 60 years ago on 22 April, 1915, constitute a turning point in the development of chemical warfare.

The day was a fine one in the immediate vicinity of Ypres. At 5 pm, men in forward positions heard a light hissing noise from the direction of the German trenches. Within 15 minutes, no less than 168 tons of chlorine had been released along a front extending about four miles. A light wind of 3–4 mph bore the wall-like cloud towards trenches manned by British, Canadian, French and Algerian troops. Distant observers spoke of a low greenish mist "such as is seen over water meadows on a frosty night". The deadly gas brought horror and confusion into the ranks of the Allies. Those still capable fled past rear positions, only to run the risk of being shot in the back by their comrades unaware of the advancing terror. More chlorine was discharged on an adjoining sector of the front on 24 April, this time against Canadian troops. The Allied position was simultaneously bombarded with shells containing lachrymators. Much uncertainty exists over the numbers of victims; the figures most quoted are 15,000 casualties, of whom 5,000 died during or soon after the attacks.

The Allies had not, however, been completely without warning. Several days before, a captured deserter had provided the French with information that the Germans were intending to use "tubes of asphyxiating gas placed in batteries of 20 tubes for every 40 metres along the front of the 26th (French) Corps". The prisoner even had a cotton pad, to be dipped in a chemical that counteracted the effects of the gas. Accordingly, the Royal Flying Corps made a special reconnaissance of the German positions, but nothing suspicious was reported, and no further precautions were made. The surprise and effectiveness of the German attack rent an immense hole in the Allied front, but Canadian and British reserves were able to fill the gap before the Germans followed up their advantage. Later, in September, the British retaliated in kind at Loos, with chlorine.

As with other poisonous gases, the effects of chlorine are related to the duration and magnitude of exposure. At high concentrations, victims experience feelings of intense suffocation, fall to the ground, struggle for a few moments, and expire. Conan Doyle wrote of the scene after the attack near Ypres, when the Germans advanced through successive lines of Allied trenches "tenanted only by the dead garrisons, whose blackened faces, contorted figures, and lips fringed with blood and foam from their bursting lungs, showed the agonies in which they had died" (The British Campaign in France and Flanders 1915). Men exposed to lower doses sense a burning of the throat and feelings of suffocation, and cough repeatedly. Breathing becomes intensely difficult, and death may follow within two days. The main effect of the gas is to cause the secretion of massive quantities of a frothy fluid into the airspaces of the lungs. As fluid builds up, lack of oxygen induces feelings of weakness, fatigue, lassitude, and headache. Medical examination can detect bubbling noises within the chest. The body temperature tends to fall, and the features become bluish. When slightly tilted in a head-downwards position, patients may produce over a litre of frothy fluid. Gassed individuals surviving for 36 hours generally developed bronchitis. The fluid coughed up became greenish and purulent; the pulse became weak and rapid, while respirations became shallow and fast. Headache and debility would develop, persisting sometimes for several weeks. Those who lasted out the initial two days usually made some kind of recovery.

GROWTH OF CHEMICAL INDUSTRY

The attack of 22 April represents the culmination of a multitude of diverse events that had begun well over 100 years before, with the discovery of chlorine by Scheele in 1774. The growth of chemical knowledge that began at about that time was to lead to enormous industrial application and innovation. Whereas scientific endeavor in this country remained largely stifled throughout the nineteenth century by an excessive emphasis laid on the teaching of classics in secondary education, the Germans were quick not only to grasp the significance of the new knowledge, but also to foster its spread and application. A chief consequence was the rapid growth and dominant position attained by the massive dyestuffs industry, whose output by 1913 had reached over 110,000 tons. Germany was ideally situated to develop the war potential of her chemical industry at the beginning of hostilities. For example, dyestuff intermediates derived from coal tar were readily switched to the synthesis of explosives and, later, to the manufacture of poison gases whose structures incorporated aromatic rings. A rudimentary but adequate awareness of the irritant and poisonous properties of a small proportion of the substances discovered in previous decades was all that was further required to divert the capacity of the complex chemical industry towards novel bellicose aims.

The time was also ripe for a rapid and intensely active phase of research and development in chemical warfare. The first Hague Convention had considered the possibility of this kind of hostility as far back as 1899. Twenty-five nations had met together, and had recognised that recent advances in the technology of explosives, notably in the emergence of nitrocellulose and nitroglycerine powers as propellants, made possible the delivery at long range of "asphyxiating or deleterious gases" by means of high velocity shells. In fact, no such weapons had actually then been devised, but nearly all the participating nations agreed to ban them, despite their notional reality. The United States failed to approve the resolution, and Great Britain's vote was contingent on unanimity.

The years 1915–17 provide fascinating details of the scissors-paper-stone sequence of offence/defence in research and development During the entire period the ball remained almost exclusively in the German court. The main physiological target of chlorine is the respiratory tract, especially the lungs. The earliest protective devices, consisting of cotton pads soaked in a solution of sodium carbonate plus thiosulphate, were intended to cope with chlorine. The pads were not particularly efficient, and were only regarded as a temporary expedient. Moreover, the device offered no protection against lachrymatory agents, the use of which followed the introduction of chlorine almost simultaneously. The pads were replaced with a flannel helmet fitted with eyepieces; the solution of sodium salts was supplemented with glycerol, to prevent the cloth from drying out and losing its slender protective capacity.

British intelligence then discovered that the Germans were soon to introduce phosgene, which is several times more poisonous than chlorine. The anti-chlorine solution was changed to include sodium phenate and gylcerol, but the Russians found that hexamethylene tetrammine was more effective against phosgene. So the P. (for phenate, or phenolate in contemporary terminology) became the P.H. (phenolate-hexammine) helmet. As a countermeasure, the Germans stepped up the delivery of lachrymators; the Allies responded with rubber goggles fitted with mica eyepieces, to be used in conjunction with the P.H. helmet.

GAS MASKS INTRODUCED

The next defensive innovation was introduced by the British, in the form of a respirator. The air intake was purified by passage through a canister containing activated charcoal (against lachrymators and vapours), sodalime (against chlorine and phosgene) and potassium permanganate. The facepiece consisted of layers of muslin impregnated with sodium zincate and hexamethylene tetrammine; the eyes were protected by goggles.

The toxicity or irritant power of each new substance tended to exceed those of its predecessors. By the late spring of 1917, defence measures had been so successfully improved, despite the awkward, clumsy and cumbersome aspects of the equipment, that the casualties caused by gassing were almost entirely restricted to men caught unawares by the sudden build-up of toxic concentrations. In July, the Germans shattered the stalemate with two novel and deadly weapons.

The first of these, diphenylchloroarsine, is classified as a sternutator, or cough-inducing agent. CS also belongs to this group. Sternutators are solids of almost negligible volatility, and therefore require heat for their dissemination. The vaporisation induced by heating leads to the formation of tiny particles which readily penetrated the standard masks, causing immediate and intense irritation of the eyes and mucous membranes. Coughing, nausea, and vomiting resulted, the intention being that affected soldiers would remove their masks, thereby risking exposure to other gases such as phosgene that were included in the bombardment. The Allies responded in kind; indeed, the American Major Adams, discovered a cheap method of preparing another sternutator, namely, 10-chloro-5, 10-dihydrophenarsazine. The compound became known as Adamsite, and achieved later notoriety as a riot control agent both on its own and in conjunction with tear gas. The essential requirement of adequate protection is an air filter that effectively traps the particles. This was not easy to achieve in practice without increasing substantially the resistance to airflow.

MUSTARD GAS

The second of these new weapons overcame the problem in a different way. Mustard gas, first launched against the British near Ypres on the night of 12 July, 1917, marked the beginning of the next phase. The name mustard gas is a misnomer; the substance is an oily liquid possessing only slight volatility (0.4 mg/litre at 15° C) in relative terms, although this level is three times that necessary to kill after an exposure of 10 minutes. Unlike any of its predecessors, but like the nerve gases developed during the Second World War, the compound can inflict death by skin contact. Worse, mustard gas can penetrate rubber and even leather, causing distressing blisters to the underlying skin.

The response to mustard gas varies considerably depending on the nature of exposure. Apart from a slight irritation of the nose and a faint smell in high concentration that has been likened to mustard, garlic, or horse-radish, mustard gas produces no immediate physiological effects. So on the night of 12 July, the bombarded British noticed nothing, apart from sneezing. Within two hours, however, eyes became inflamed, and vomiting sometimes occurred. If the eyes were totally unprotected, victims were effectively blinded. The famous picture by J. S. Sergeant in the Imperial War Museums shows men blinded by gas being led in groups, each holding on to his predecessor. False membranes soon developed on tongue and trachea; with heavy exposure, lung tissue sometimes practically disintegrated.

Sufferers experienced nausea; the skin became irritated and inflamed, with blister formation at sites of splashing. High concentrations of vapour also produced blistering, especially in the armpits and body crevices of the pelvic region. Affected areas later became necrotic, taking weeks to heal. The white cell count showed a prompt initial rise soon after exposure before plummeting to levels so meagre that the body became, in effect, a welcoming culture medium for bacteria. Many of the deaths were due to infection. The lungs would become "the seat of an extensive necrotising bronchopneumonia with abscess formation . . . pneumonia is due to secondary infection, and is the principal cause of death . . . the small bronchi are entirely occluded with pus . . ." (Vedder. E. B., Medical Aspects of Chemical Warfare. 1925).

In addition, affected persons presented a picture of abject misery. Those fortunate enough to be moved from the front sometimes took months to recover. Their distress chiefly took the form of acute detestation of light and of being moved; headache, nausea, vomiting, fever, intense depression, feelings

of insuperable lassitude and fatigue, diarrhea, and extensible body wasteage were the predominant symptoms, in addition to blistering. Some idea of the detailed lethal consequences of poisoning by mustard gas can be gathered from the dispassionate account, produced for the Medical Research Committee by Dr. M. J. Stewart at the end of 1918, of 10 moribund cases. The true wretchedness of the condition is still difficult to visualize; in the appaling existence of the trenches, with frequent bombardment and risk of injury or death, perpeutal mud, lack of sanitation and facilities for hygiene, sores, lice, and substandard nutrition, that men endured such a compounded artificial hell is nothing short of miraculous. Little wonder, then, that mustard gas acquired a terrifying notoriety as the "king of the war gases" against which there was no complete defense in the front line.

WILFRED OWEN'S DESCRIPTION

Most of the poisons used offensively in the Great War produced symptoms broadly similar to those described; the effects are documented in the literature, which proliferated hugely at the end of the war and into the immediate post-war years before subsidizing to a small trickle. Yet the most vivid description of gas poisoning was penned neither by scientist nor doctor. Wilfred Owen, tragically shot a few days before the signing of the Armistice, wrote of the consequences when a soldier failed to protect himself in time.

But someone still was yelling out, and
stumbling,
And floundering like a man in fire or lime.
There, through the misty panes and dim
green light,
As under a thick sea, I saw him drowning. . . .

I must not speak of this thing as I might.
In all my dreams I hear him choking,
drowning.
In all your dreams if you could slowly pace
Behind the wagon that we laid him in,
And watch the white eyes turning in his face,
His hanging face, tortured for your own
sin,—

If you could see, at every jolt; the blood
Come belching black and frothy from the
lung,
And think how once his face was like a bud,
Fresh as a country rose, and clear, and
young,
You would not go on telling with such zest,
To children ardent for some desperate glory,
The old lie: Dulce et decorum est
Pro patria mori.

GUN CONTROL—THE NEED TO ACT QUICKLY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I would like to take this opportunity to insert into the Record two articles which have appeared recently in a local newspaper in my congressional district. These articles describe the sale of "antique" pistols which apparently are becoming something of a fad in New York State since the State gun control law was amended last year to allow those without gun permits to purchase these items in the form of a kit that can be quickly assembled. Tests show that the weapons can be easily fired, that ammunition for them is readily available and that they are capable of infliction great bodily harm.

If the deaths and injuries that result from the sale of these fad objects follow the established pattern, most of them will occur when an adult or child accidentally discharges the weapon while playing with it or examining it or will result from a heated argument between friends or relatives in which an individual decides in the passion of the moment to settle the matter once and for all. As a cosponsor of the national handgun control bill introduced recently by my distinguished colleague, Mr. Mikva, I urge that we act promptly to end this madness.

The articles referred to follow:

[From the (White Plains, N.Y.) Reporter Dispatch, Apr. 18, 1975]

No Permit Needed for Real Weapons Made From Kit

(By Charles Lachman)

A person doesn't need a pistol permit in order to legally buy a handgun in Westchester County. In fact, the individual doesn't even need to be over 18 years of age.

Many stores in Westchester are selling antique pistol kits, and the guns "can kill as easily as any weapon," according to county law enforcement officials.

The gun kits do not fall under the protective code of New York State's handgun law, and it is possible for anyone with $32 to buy the potentially lethal weapon.

The antiques are rally replicas of pistols used in the 1800's. When assembled, the kits turn into workable weapons that can fire a 44 caliber ball with enough force to penetrate a thick piece of wood.

Before Jan. 15, 1974, a person who wanted to purchase the pistol kit was required to apply for a permit. But the law was amended last year to exclude the replicas from any state gun control legislation.

Since the pistols can be purchased without a permit, there are no age limitations who the kits may be sold to, according to William Ritigliano, the agent in charge of the White Plains office of the U.S. Bureau of Alcohol, Tobacco and Firearms.

Theoretically, a 10-year-old can walk into a discount store or any of the more than 10 Westchester gun shops surveyed, pay $32 and walk out with a flint-lock pistol.

But most gun shop operators say there is a self-imposed restriction on selling the kits to minors, even though state law does not demand it.

"I doubt very much if anyone in this particular store would sell the kits to a child under 18," says Peter Remling, a gun salesman who works in the Peekskill branch of Caldors.

The law was changed because legislators believed that gun powder and the .44 caliber balls used to fire the pistol were not easily available, according to chief investigator John DeLeo from the county sheriff's office.

But the legislators were wrong.

Right now, any person can buy under five pounds of gun powder in most county gun shops. The .44 caliber balls are also sold in the gun shops and at Caldors.

The new law placed the pistol kits into the category of "antiques" that do not require permits or registration by the purchaser. The result is that a number of companies which manufacture or distribute the pistol kits increased their inventory supply to Westchester, Putnam and other counties.

The new law has a "favorable effect on our sales," says Hank Goodman, vice president of one of the largest distributors of the pistol kits, Ultra-High Products of New Jersey.

Goodman, however, would not release sales figures for his company for the past year.

Caldors has only recently begun selling the pistol kits. One reason is the lenient law, but another is growing interest in America's Bicentennial.

Ritigliano said, "With the Bicentennial coming, we get a lot of questions from people who want to participate in the parade with the pistols."

Under state law, a person who wants to fire the weapons must apply for a permit.

But no permit is required to buy the pistol kit.

This quirk in the law inevitably causes many violations, according to the sheriff's office. For example, a sales pamphlet from Ultra-High Products estimates that 30 per cent of the assembled pistols are actually fired. The remainder are displayed in the dens of aspiring gun collectors.

But as one gun salesman said. "Who's going to catch you if you fire it without a permit?" Sheriff Thomas Delaney agreed that there are many violations of the law.

The antique pistol kits come in two models. One resembles the six-cylinder Colt .45, while the other is a replica of the Revolutionary War flint-lock or percussion pistols.

Among Westchester stores that sell the pistol kits are Male Town in White Plains, Daum Company in Mount Kisco, Agramonte's in Yonkers, Armonk Gun Shop, and the Bedford, Peekskill and Yorktown branches of Caldor's.

Test Fire Shows Kit Gun Power

(By Charles Lachman)

With his feet firmly planted, Westchester ballistics specialist Joseph Reich Thursday fired a $54 pistol into three 2 by 3 inch blocks of wood.

The pistol created enough force to drive a .44 caliber ball into the first block.

These pistols come in kits, and can be purchased by anyone without a permit—including 10-year-olds.

"A skull would never stop that ball," said Westchester Sheriff Thomas Delaney after the smoke cleared away. "We've just proved that the kits are deadly weapons. There's no doubt about it."

Delaney is just one of many law enforcement officials who are showing increased concern about the sale of the pistol kits in Westchester and Putnam.

The Sheriff and his ballistics expert arranged the firing session Thursday to prove that new legislation is needed so that persons who buy the kits must apply for a permit.

The pistol kits come in many models. But the two most popular ones include a $32 Revolutionary War percussion-type pistol and a Colt .45 replica that can fire six .44 caliber balls.

Under recently passed state laws, the pistol kits are considered "antiques," not firearms. As a result, no permit or any form of registration is required of persons who buy the weapons.

But Delaney would like to see the law changed. After Thursday's demonstration, he concluded that the pistol kits "should be considered a weapon. We proved that they are capable of being fired."

Compared to a .38 caliber police revolver, the Colt .44 replica, which can be purchased for about $50 in one White Plains gun shop, is just as powerful. Both were lodged into the second of three wooden blocks that were set up near the Sheriff's firing range in Valhalla.

At the very least, Delaney says he would like to force manufacturers of the pistol kits to make the weapon "inoperable." But he would also like to require persons who buy the kits to register them with the county clerk.

In fact, Delaney vowed that any person caught with the assembled pistol, gun powder and ball will be arrested if he does not have a permit.

The Sheriff agreed that the arrest would go far in challenging the state law.

He added, "No one from the state can disprove that it is not a fireable weapon."

Chief Investigator John DeLeo said that he has already received an anonymous complaint from an irate parent who said her

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son purchased the kit in northern Westchester.

Any attempt to require permits for the pistol kits would receive the opposition of the powerful arms lobby in Albany, Delaney says. One distributor of the pistol kits, Hank Goodman of Ultra-High Products, said that the pistols are a "true sport. We strongly feel that no permit should be required for them because they are not weapons.

"They are antiques."

ELECTRICITY—NATIONAL POWER GRID BILL REINTRODUCED

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on March 17, 1975, I introduced the National Electric Energy Conservation Act of 1975, along with five of my colleagues—Record pages 6857, 6858. Senator Metcalf introduced a companion bill in the Senate on the same day.

On April 14, 1975, I reintroduced the bill, along with 25 additional colleagues who feel that it is time to use our present generating capacity more efficiently by forming a national power grid—Record, page 10091.

I am pleased to reintroduced the bill a second time today with 10 more of my colleagues who wish to cosponsor the legislation.

Additional Cosponsors

Mr. Murphy of New York, Mr. George Miller, Mr. Pattison, Mr. Ashley, Mr. Ryan, Ms. Holtzman, Mr. Solarz, Ms. Fenwick, Mr. Maguire, Mr. Hannaford, and Mr. Carr.

The Members might be interested to know that the concept of a national power grid has had the support of America's rural and public electric systems for several years. I would like to insert in the Record an advertisement that the Nation's rural electric systems are using in support of a grid:

Needed: A Nationwide Power Grid

Our country, once a land of isolated communities, is bound together today by networks of many kinds—highway, railroad, television, telephone, radio.

Missing, however, is one highly important network . . . a system for sending electricity to where it's needed, when it's needed . . . shuttling millions of kilowatts from sleeping California to up-and-about New York, for instance, and back again when required.

We of America's consumer-owned rural electric systems believe a nationwide power grid—an extra high voltage system—capable of quickly moving large blocks of power anywhere in the country—north, south, east or west—is long overdue.

It becomes clearer each day that if we, as a nation, are to solve our complex and persistent energy problems, we must take this and other steps—using to the fullest extent technical capabilities now available—that will help maximize the efficient use of our power generating facilities and energy supply.

We believe such a grid system can best be achieved within the present pluralisitc ownership structure of the electric industry. But size of profit or feasibility of investment should not be the all-determining factors. *Performance in the public interest*—that must be the principal purpose and value. This means every element of the electric utility industry—and government—must carry its fair share of the financial responsibility.

To enable our nation to use energy resources more wisely . . . to help match supply with demand and reach the primary objective of ensuring reliable electric service for all Americans . . . and for national security and consumer health, safety and convenience, we advocate speedy development of a nationwide power grid.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Dellums (at the request of Mr. O'Neill), for today and Tuesday, April 29, on account of attending a funeral.

Mr. Matsunaga (at the request of Mr. O'Neill), for today and Tuesday, April 29, on account of official business.

Mr. Railsback (at the request of Mr. Michel), for today, on account of illness (throat examination).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Moore) to revise and extend their remarks and include extraneous material:)

Mr. McKinney, for 5 minutes, today.
Mr. Derwinski, for 5 minutes, today.
Mr. Rousselot, for 15 minutes, today.
Mr. Kemp, for 15 minutes, today.
Mr. Burke of Florida, for 10 minutes, today.
Mr. Heinz, for 30 minutes, today.

(The following Members (at the request of Mr. LaFalce) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Kastenmeier, for 5 minutes, today.
Mr. Drinan, for 10 minutes, today.
Mr. Ford of Tennessee, for 10 minutes, today.
Mr. Cornell, for 15 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Alexander, for 30 minutes, today.
Mr. Fithian, for 10 minutes, today.
Mr. O'Neill, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Brooks, for 5 minutes, today.
Mrs. Burke of California, for 5 minutes, today.
Mr. Patman, for 10 minutes, today.
Mr. Metcalfe, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Moore) and to include extraneous matter:)

Mr. Hagedorn in five instances.
Mr. Crane in two instances.
Mr. Gilman.
Mr. Lent.
Mr. Esch.
Mr. Ashbrook.
Mr. Myers of Indiana.
Mr. Bell.
Mr. Horton.
Mr. Anderson of Illinois in two instances.
Mr. Thone.
Mr. Heinz in three instances.

(The following Members (at the request of Mr. LaFalce) and to include extraneous matter:)

Mr. Evins of Tennessee.
Mr. Baldus.
Mr. Annunzio in six instances.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Carney in two instances.
Mr. Mineta in five instances.
Mr. Riegle in two instances.
Mr. Rodino in two instances.
Mr. Rangel in 10 instances.
Mr. Lloyd of California in three instances.
Mr. Beard of Rhode Island in two instances.
Mr. Runnels.
Mr. Wirth.
Mr. Harris.
Mr. Mitchell of Maryland.
Mr. Simon in two instances.
Mr. Long of Maryland.
Mr. Hawkins in two instances.
Mr. Dingell.
Mr. Nowak in 10 instances.
Mr. Zeferetti.
Mr. Bolling.
Mr. Eckhardt.
Mr. Richmond.
Mr. Mikva.
Mr. Downey in two instances.
Mr. John L. Burton.
Mrs. Spellman.
Mr. McDonald of Georgia in two instances.
Mr. Jones of Tennessee.
Mr. Moorhead of Pennsylvania in 10 instances.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 435. A act to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938 as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31; to the Committee on Agriculture.

S. Con. Res. 19. Concurrent Resolution relating to the World Food Conference of 1976 in Ames, Iowa; to the Committee on International Relations.

ADJOURNMENT

Mr. CORNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 29, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

866. A letter from the President of the United States, transmitting a draft of proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

867. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 614(a) of the Foreign Assistance Act

of 1961, as amended, to authorize the use of Indochina Postwar Reconstruction funds for the purpose of financing the evacuation from South Vietnam of certain South Vietnamese nationals and others without regard to the requirements of the act, the Foreign Assistance Act of 1974, and section 113 of Public Law 94–11, pursuant to section 652 of the Foreign Assistance Act of 1961, as amended (H. Doc. No. 94–116); to the Committee on International Relations and ordered to be printed.

868. A letter from the Secretary of Defense, transmitting a semiannual report on the standardization of military equipment in NATO and other related actions, pursuant to section 302(c) of Public Law 93–365; to the Committee on Armed Services.

869. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 269(e) of title 10, United States Code, to provide that a member of the Ready Reserve may not be transferred to the Standby Reserve under that subsection unless he has served on active duty (other than for training) for at least 91 days and has requested that transfer 180 days in advance; to the Committee on Armed Services.

870. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the negotiated sale by the Department of Defense of certain equipment, materials, and obsolete spare parts to U.S. purchasers, and for other purposes; to the Committee on Armed Services.

871. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend the U.S. Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriation acts, and for other purposes; to the Committee on Banking, Currency and Housing.

872. A letter from the Secretary of Health, Education, and Welfare, transmitting an interim report on long-range projections of the service needs of the handicapped required by section 405(a)(1) of Public Law 93–112; to the Committee on Education and Labor.

873. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting his annual reports for fiscal year 1973 on the program of financial assistance to local educational agencies and the program of school construction in areas affected by Federal activities, pursuant to section 401(c) of Public Law 81–874, as amended [20 U.S.C. 242(c)], and section 12(c) of Public Law 81–815, as amended [20 U.S.C. 642(c)], respectively; to the Committee on Education and Labor.

874. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting a proposed amendment to the regulations governing the Guaranteed Student Loan Program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

875. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations and guidelines for the Rights to Read reading academy program under section 2(a)(1) of the Cooperative Research Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

876. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations and guidelines for part B of the Education of the Handicapped Act—assistance to States for education of handicapped children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

877. A letter from the Secretary of the Interior, transmitting a report on Federal programs and Alaska Natives, pursuant to section 2(c) of Public Law 92–203; to the Committee on Interior and Insular Affairs.

878. A letter from the Assistant Secretary of the Interior, transmitting his approval of the application of the Nevada Irrigation District of Grass Valley, Calif., for a loan under the Small Reclamation Projects Act, as amended, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

879. A letter from the Deputy Secretary of State, transmitting a report on the reduction of U.S. civilian and military personnel abroad, pursuant to section 15(b) of Public Law 93–475; to the Committee on International Relations.

880. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles to the Government of Tunisia, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

881. A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 511(d) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881(d)) to raise the monetary limit applicable to drug-related judicial forfeitures from $2,500 to $10,000; to the Committee on Interstate and Foreign Commerce.

882. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations; to the Committee on Interstate and Foreign Commerce.

883. A letter from the Acting Director, Office of Telecommunications Policy, Executive Office of the President, transmitting a draft of proposed legislation to amend certain provisions of the Communications Satellite Act of 1962, as amended; to the Committee on Interstate and Foreign Commerce.

884. A letter from the Postmaster General, transmitting a draft of proposed legislation to amend the Postal Reorganization Act to preserve the present method of computing the compensation of rural letter carriers; to the Committee on Post Office and Civil Service.

885. A letter from the Secretary, Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to make permanent the program of assistance for U.S. citizens returned from foreign countries; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Aug. 24, 1975, the following report was filed on Apr. 25, 1975*]

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 3902. A bill to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes; with amendment (Rept. No. 94–175). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted April 28, 1975*]

Mr. MORGAN: Committee of Conference. Conference report on H.R. 6096 (Rept. 94–176). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5357. A bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel. (Rept. No. 94–177). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5217. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes; with amendment (Rept. No. 94–178). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5272. A bill to amend the Noise Control Act of 1972 to authorize additional appropriations (Rept. No. 94–179). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules: House Resolution 425. Resolution providing for the consideration of the conference report on H.R. 6096. A bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes (Rept. No. 94–180). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself and Mr. Moffett):

H.R. 6393. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; to the Committe on Veterans' Affairs.

By Mr. ASPIN (for himself, Mr. Bedell, Mr. Bingham, Mrs. Burke of California, Mr. Carr, Mr. Carter, Mr. Dominick V. Daniels, Mr. Fenwick, Mr. Fraser, Mr. Hall, Mr. Harkin, Mrs. Heckler of Massachusetts, Mr. Metcalfe, Mr. Moakley, Mr. Moffett, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rose, and Mr. Rosenthal):

H.R. 6394. A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling; to the Joint Committee on Atomic Energy.

By Mr. BEARD of Rhode Island (for himself, Mr. Hechler of West Virginia, Mr. Brown of California, Mr. Solarz, Mr. Carr, Mr. Murphy of Illinois, Mr. Harrington, Mr. St Germain, Mr. Downey, Ms. Abzug, Mrs. Schroeder, Mr. Long of Maryland, Ms. Holtzman, Mr. Gilman, Mr. Mazzoli, Mr. Koch, and Mr. Pepper):

H.R. 6395. A bill to require unannounced State inspections of public and private extended care facilities, skilled nursing homes, and intermediate care facilities and to require State enforcement of guarantees of rights of the patients in such facilities; to the Committee on Interstate and Foreign Commerce

By Mr. BEARD of Rhode Island (for himself and Mr. St Germain):

H.R. 6396. A bill to require the Administrator of Veterans' Affairs to acquire the

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Rhode Island Veterans' Cemetery; to the Committee on Veterans' Affairs.

By Mr. CEDERBERG:

H.R. 6397. A bill to amend the National Portrait Gallery Act to redefine "portraiture"; to the Committee on House Administration.

By Mr. CRANE (for himself, Mr. Robinson, Mr. Collins of Texas, Mr. Young of Florida, Mr. Haley, Mr. Archer, Mr. Abdnor, Mr. Conlan, Mr. McDonald of Georgia, Mr. Eshleman, Mr. Bafalis, Mr. Henderson, and Mr. Beard of Tennessee):

H.R. 6398. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, to refrain from such activities; to the Committee on Education and Labor.

By Mr. CRANE (for himself, Mr. Kelly, and Mr. Beard of Tennessee):

H.R. 6399. A bill to remove statutory limitations upon the application of the Sherman Act to labor organizations and their activities, and for other purposes; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. Collins of Texas, Mr. Conlan, Mr. McDonald of Georgia, Mr. Eshleman, Mr. Bafalis, Mr. Ketchum, Mr. Henderson, and Mr. Beard of Tennessee):

H.R. 6400. A bill to protect the freedom of choice of Federal employees in employee-management relations; to the Committee on Post Office and Civil Service.

By Mr. CRANE (for himself and Mr. Kelly):

H.R. 6401. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CRANE (for himself, Mr. Symms, Mr. Lent, Mr. Hannaford, and Mr. Kindness):

H.R. 6402. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. de la GARZA:

H.R. 6403. A bill to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests; to the Committee on Agriculture.

By Mr. ESCH:

H.R. 6404. A bill to insure that recipients of veteran's pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 6405. A bill to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide adequate administrative organization to assure effective Federal support and utilization of research and development, to amend the National Aeronautics and Space Act of 1958, to amend the National Science Foundation Act of 1950, and for other purposes; jointly to the Committees on Science and Technology, and Government Operations.

By Mrs. FENWICK:

H.R. 6406. A bill to amend the Truth in Lending Act to provide that creditors who act in accordance with advisory opinions rendered by agencies under this act shall be presumed to be in compliance with the act with respect to the matter upon which the advisory opinion was rendered; to the Committee on Banking, Currency and Housing.

By Mr. FOLEY (for himself and Mr. Wampler) (by request):

H.R. 6407. A bill to further amend the Agricultural Marketing Act of 1946; to the Committee on Agriculture.

By Mr. FORD of Tennessee:

H.R. 6408. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. GIBBONS:

H.R. 6409. A bill to amend the Accounting and Auditing Act of 1950 to provide for the audit of certain Federal agencies by the Comptroller General; to the Committee on Government Operations.

By Mr. GOLDWATER (for himself and Mr. Lagomarsino):

H.R. 6410. A bill to amend the Surplus Property Act of 1944 to allow the Administrator of General Services to convey or dispose of to any State, political subdivision, municipality, or public district, without monetary consideration to the United States, surplus real or personal property which is essential, suitable, or desirable for the development, improvement, operation, maintenance, or use of a public port; to the Committee on Government Operations.

By Mr. HANSEN (for himself and Mr. Symms):

H.R. 6411. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Public Works and Transportation.

By Mr. KOCH (for himself, Mr. Moss, Mr. Simon):

H.R. 6412. A bill to provide for the payment by the United States of attorneys fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 6413. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has enough quarters of coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 6414. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mrs. MINK (for herself and Mr. Hawkins):

H.R. 6415. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities designed to achieve conservation and nonuse of energy and materials and for other related educational purposes; to the Committee on Education and Labor.

By Mr. MOORHEAD of Pennsylvania:

H.R. 6416. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. RICHMOND (for himself, Mr. Miller of California, Mr. Hechler of West Virginia, Mr. Conyers, Mr. Dellums, Mr. de Lugo, Mr. Rosenthal, Mr. Roybal, Mr. Harrington, Mr. Waxman, Mr. Koch, Mr. Zeferetti, Ms. Chisholm, Ms. Abzug, Mr. Rangel, Mr. Badillo, Mr. Vigorito, Mr. Harkin, Mr. Nolan, Mr. McHugh, Mr. Jenrette, Mr. Bergland, Mr. Melcher, and Mr. Brown of California):

H.R. 6417. A bill to amend the Food Stamp Act of 1964 to provide for improved and more extensive means of distributing food stamp informational materials, to improve the application procedure for food stamp applicants, and to provide special assistance in areas of high unemployment; to the Committee on Agriculture.

By Mr. RICHMOND (for himself, Mr. Roe, Mr. Stark, Mr. Mitchell of Maryland, Mr. Pattison of New York, and Mrs. Meyner):

H.R. 6418. A bill to amend the Food Stamp Act of 1964 to provide for improved and more extensive means of distributing food stamp informational materials to improve the application procedure for food stamp applicants, and to provide special assistance in areas of high unemployment; to the Committee on Agriculture.

By Mr. RINALDO:

H.R. 6419. A bill to provide for additional sentences for commission of a felony which use of a firearm; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 6420. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. Perkins, Mr. Brown of California, Mr. Rees, Mr. Charles H. Wilson of California, Mr. Blanchard, Mr. Udall, Mr. Hechler of West Virginia, and Mr. Buchanan):

H.R. 6421. A bill to require the Secretary of Labor to establish a pilot program for the provision of guaranteed employment opportunities in selected counties of the United States; to the Committee on Education and Labor.

By Mr. SISK (for himself, Mr. Barrett, Mr. Benitez, Mr. Brown of California, Mr. Carney, Mr. Chappell, Mr. Cornell, Mr. Derrick, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Florio, Mr. Hanley, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Hicks, Mr. Hubbard, Mr. Ichord, Mr. Kazen, Mr. LaFalce, and Mr. Litton):

H.R. 6422. A bill making appropriations for section 107 (a)(6) of the Housing and Community Development Act of 1974 for the fiscal year ending June 30, 1975; to the Committee on Appropriations.

By Mr. SISK (for himself, Mr. McCormack, Mr. McFall, Mr. Mitchell of Maryland, Mr. Moakley, Mr Mollohan, Mr. Nolan, Mr. Perkins, Mr. Rees, Mr. Roe, Mr. Ryan, Mr. Stratton, Mr. Thompson, Mr. Udall, Mr. Weaver, Mr. Young of Texas, and Mr. Zeferetti):

H.R. 6423. A bill making appropriations for section 107(a)(6) of the Housing and Community Development Act of 1974 for the fiscal year ending June 30, 1975; to the Committee on Appropriations.

By Mr. SISK (for himself, Mr. Barrett, Mr. Benitez, Mr. Brown of California, Mr. Carney, Mr. Chappell, Mr. Cornell, Mr. Derrick, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Florio, Mr. Fuqua, Mr. Hanley, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Hicks, Mr. Hubbard, Mr. Ichord, Mr. Kazen, Mr. LaFalce, and Mr. Litton):

H.R. 6424. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing additional appropriations for fiscal year 1975; to the Committee on Banking, Currency and Housing.

By Mr. SISK (for himself, Mr. McCormack, Mr. McFall, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Nolan, Mr. Perkins, Mr. Rees, Mr. Roe, Mr. Ryan, Mr. Stratton, Mr. Thompson, Mr. Udall, Mr. Weaver, Mr. Young of Texas, and Mr. Zeferetti):

H.R. 6425. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing additional appropriations for fiscal year 1975; to the Committee on Banking, Currency, and Housing.

By Mr. WHITE (for himself and Mr. Cohen):

H.R. 6426. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services and National Archives and Records Service with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. YATES:

H.R. 6427. A bill to amend the National Portrait Gallery Act to redefine "portraiture"; to the Committee on House Administration.

By Mr. ANDERSON of California (for himself, Mrs. Mink, Mr. Edwards of California, Mr. Ketchum, Mr. Won Pat, Mr. Stark, Mr. Sisk, Mr. Brown of California, Mr. Waxman, Mr. Mineta, and Mr. Fraser):

H.R. 6428. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia; to the Committee on the Judiciary.

By Mr. BURKE of Florida:

H.R. 6429. A bill to provide tax relief for condominium owners, homeowner's associations, and cooperative housing corporations; to the Committee on Ways and Means.

By Mr. CORNELL:

H.R. 6430. A bill to amend the Internal Revenue Code of 1954, the Social Security Act, and other laws to provide effective welfare reform by replacing public assistance and food stamps with a system of allowances and refundable credits, and for other purposes; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Brodhead, Mr. Brown of California, Mr. Eilberg, Mr. Fraser, Mr. Gilman, Mr. Gude, Mr. Harrington, Mr. Harris, Mr. Hicks, Mr. Koch, Mr. Krebs, Mr. LaFalce, Mr. Long of Maryland, Mr. Mazzoli, Mr. Pattison of New York, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Stark, and Mr. Waxman):

H.R. 6431. A bill to prohibit actions by U.S. exporters which have the purpose or effect of supporting restrictive trade practices or boycotts imposed against countries friendly to the United States by other foreign countries; to the Committee on International Relations.

By Mr. FASCELL:

H.R. 6432. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mr. Drinan, and Mr. Baucus):

H.R. 6433. A bill to provide that meetings of Government agencies shall be open to the public and for other purposes; to the Committe on Government Operations.

By Mr. GINN:

H.R. 6434. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. MAHON:

H.R. 6435. A bill to amend the National Portrait Gallery Act to redefine "portraiture"; to the Committee on House Administration.

By Mr. NIX:

H.R. 6436. A bill to amend the Housing Act of 1937; to the Committee on Banking, Currency and Housing.

By Mr. OTTINGER (for himself, Mr. Murphy of New York, Mr. Miller of California, Mr. Pattison of New York, Mr. Ashley, Mr. Ryan, Ms. Holtzman, Mr. Solarz, Ms. Fenwick, Mr. Maguire, Mr. Hannaford, and Mr. Carr):

H.R. 6437. A bill to improve the Nation's energy resources; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE:

H.R. 6438. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. WALSH:

H.R. 6439. A bill to amend chapter 34 of title 38, United States Code, to authorize additional payments to eligible veterans to partially defray the cost of tuition; to the Committee on Veterans' affairs.

H.R. 6440. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 6441. A bill to repeal the Fair Trade provision of the McGuire Act; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:

H.R. 6442. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed per se unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H. Con. Res. 254. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. ESHLEMAN:

H. Res. 426. Resolution to honor the sacrifices and achievements of the Pennsylvania Riflemen; to the Committee on Post Office on Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

112. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to control of communicable diseases among immigrants; to the Committee on the Judiciary.

113. Also, memorial of the Legislature of the State of Maine, relative to extension of the Voting Rights Act of 1965; to the Committee on the Judiciary.

114. Also, memorial of the Legislature of the State of Oklahoma, relative to removing the question of abortion from the jurisdiction of the Supreme Court of the United States; to the Committee on the Judicary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 6443. A bill for the relief of Georgina Kam Tong Choi (a.k.a. Georgina Kam Tong Au Yeung); to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 6444. A bill for the relief of Tran Van Bien Rosa; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 6445. A bill to authorize R. Edward Bellamy, doctor of philosophy, a retired officer of the Commissioned Corps of the U.S. Public Health Service, to accept employment by the Canadian Department of Agriculture; to the Committee on International Relations.

By Mr. SYMMS:

H.R. 6446. A bill for the relief of Brandywine-Main Line Radio, Inc., WXUR and WXUR–FM, Media, Pa.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

109. By the SPEAKER: Petition of the Southwest Regional Energy Council, Little Rock, Ark., relative to financing of State energy offices; to the Committee on Government Operations.

110. Also, petition of Mrs. Clarence W. McIntosh, Winnetka, Ill., relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

111. Also, petition of Robert J. Pryor, San Angelo, Tex., and others, relative to an accounting of men missing in action and the return of prisoners of war in Southeast Asia; to the Committee on International Relations.

112. Also, petition of the City Council, Youngstown, Ohio, relative to an investigation of the assassinations of John F. Kennedy, Robert Kennedy, and Martin Luther King, and the attempted assassination of George Wallace; to the Committee on Rules.

113. Also, petition of Richard M. Frugia, Angleton, Tex., relative to medical benefits of retired military personnel; to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mr. DINGELL:

Page 12, line 4, strike "Federal, State"; and insert "State".

By Mr. HUGHES:

Insert on Page 5, Line 11 "Each such contract, lease, or operating agreement shall terminate at the end of any calendar year during which full production is not maintained with respect to oil and gas covered by such contract, lease, or operating agreement.

Insert on page 7, line 9 and redesignate present sections (d) and (e);

"Sec. (d). No such contract, lease, or operating agreement may be entered into by the Secretary of the Interior for the development and production of such oil or gas on Naval Petroleum Reserve Numbered 1 in quantities which exceed the capacity of pipelines in existence or under construction at the time such contract, lease, or operating agreement is consummated."

By Mr. JEFFORDS:

To amend the substitute to H.R. 49, as recommended by the Committee on Interior and Insular Affairs, as further amended by the text of H.R. 5919 as a substitute as offered by the Committee on Armed Services, by further amending the text of H.R. 5919 as follows: In the text of H.R. 5919, on page 9, line 3, amend Sec. 2(a) to read as follows:

"It is hereby declared to be the policy of the United States that a National Strategic Petroleum Reserve (Military) shall be established in order that the energy requirements of the United States military will be met in the event of any disruptions of foreign supplies of petroleum and petroleum products or any military emergency. The stockpiles of such a reserve shall be created in such a manner that they may be, as a general rule, physically integrated and managed together with such stockpiles as may be created in the event the Congress creates a National Civilian Petroleum Reserve. Accordingly—

(b) Upon enactment of this Act, the Secretary of the Navy shall commence a search for suitable storage facilities within which petroleum from Naval Petroleum Reserves 1, 2, and 3 or its equivalent may be stockpiled. The Secretary shall conduct his search with the cooperation of the Administrator of the Federal Energy Administration for the purpose of integrating such stockpile with such petroleum which may be stockpiled by that Administrator in the event that a National Civilian Strategic Petroleum Reserve be created by Congress. The search shall be conducted under the assumption that storage will be needed for at least 100 million barrels of military stockpiles. This figure may be modified upon completion of the study delineated in subsection (d) hereof.

(c) When suitable facilities, either in or above ground, or both, are found, the Secretary is directed to stockpile up to 50% of the daily production of petroleum from Naval Petroleum Reserves 1, 2, and 3, or its equivalent, in such facilities.

(d) One year after the enactment of this Act, the Secretary of Defense, after consultation with the Joint Chiefs of Staff, shall provide the Congress a report recommending the amount of petroleum to be stockpiled on an annual basis in such Military Reserve.

On page 6, line 9, after "(c)", strike the word "Any", and add the following before the word "disposition": "Except as may be provided under section 2(a) of this Act, any".

On page 8, line 4, add an additional subsection as follows:

"(4) Stockpiling of petroleum products as part of the National Strategic Reserve (Military) in facilities at strategic locations in the United States."

H.R. 5919

By Mr. DINGELL:

Pages 6, lines 5 and 6, "Federal, State"; and insert "State".

H. CON. RES. 218

By Mr. ROUSSELOT:

Amendment in the nature of a substitute to House Concurrent Resolution 218 or to any amendment in the nature of a substitute to House Concurrent Resolution 218:

SEC. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) the appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should accordingly be increased is $11,400,000,000.

SEC. 2. The Congress may adopt a revision of this resolution, pursuant to section 304 of the Congressional Budget Act of 1974, in the event of sharp revisions in revenue or spending estimates brought on by major changes in the economy or other developments. The adoption by the Congress of any such concurrent resolution described in this section, revising the recommended or appropriate aggregate levels contained in the first section of this resolution, shall be not later than July 15, 1975.

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc);

On page 1, line 7, strike out "$295,000,000,000" and all that follows through line 9, and insert in lieu thereof "$299,400,000,000;";

On page 1, line 11, strike out "$395,600,000,000" and insert in lieu thereof "$300,000,000,000";

On page 2, line 2, strike out "$368,200,000,000" and insert in lieu thereof "$299,400,000,000";

On page 2, line 5, strike out "$73,200,000,000" and insert in lieu thereof "$0";

On page 2, line 7, strike out "$624,000,000,000" and insert in lieu thereof "$542,400,000,000";

On page 2, line 9, strike out "$93,000,000,000" and insert in lieu thereof "$11,400,000,000";

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc);

On page 1, line 7, strike out "$295,000,000,000" and all that follows through line 9, and insert in lieu thereof "$299,400,000,000;";

On page 2, after line 9, add the following new section:

"SEC. 2. The Congress may adopt a revision of this resolution, pursuant to section 304 of the Congressional Budget Act of 1974, in the event of sharp revisions in revenue or spending estimates brought on by major changes in the economy or other developments. The adoption by the Congress of any such concurrent resolution described in this section, revising the recommended or appropriate aggregate levels contained in the first section of this resolution, shall be not later than July 15, 1975."

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EXTENSIONS OF REMARKS

FOURTH HOUSE OFFICE BUILDING

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. **ECKHARDT**. Mr. Speaker, a considerable amount of attention has been excited by the request for an appropriation for the acquisition of New Jersey Avenue SE. as the site for a fourth House Office Building—an acquisition that would necessitate the razing of a large number of private houses. I think we should all be gratified by the widespread interest—not just on Capitol Hill and in the District of Columbia—that this has aroused. The plan is being discussed in the press and by broadcasters nationally. Their concern is welcome, for it helps to focus public attention on the Capitol, not just as a piece of architecture, but as a symbol of our legislative institution. What we do and the style in which we do it is a matter of national concern. Also, everybody pays part of the bill.

For this reason I should like to extend my remarks to include the statement of Maurice Rosenblatt which was presented to the House Appropriation Legislative Subcommittee on April 15. Mr. Rosenblatt is known to many Members as the founder of the National Committee for an Effective Congress. He has long been an active supporter and participant in various citizens' activities to back up and improve Congress.

Since I was recently elected to the chairmanship of the Democratic Study Group, I am personally interested in the part he played in its early development.

In its first stages, as I understand it, a small group of congressional Members and advisers met weekly for breakfast in the Longworth cafeteria to discuss the possibilities of a voluntary study and action group. Among the most faithful attendants were Representatives LEE METCALF, FRANK THOMPSON, Chet Holifield, John Blatnik, George Rhodes, Chester Bowles, and HENRY REUSS. They were assisted by William Phillips, an aide to Mr. Rhodes, who became the staff director for the DSG, and by Mr. Rosenblatt, who at that point represented the National Committee for an Effective Congress. I have a somewhat sentimental attachment to New Jersey Avenue since the DSG's first formal address was 435½ New Jersey Avenue SE.

But sentiment aside, there are some very practical and historic considerations which Maurice Rosenblatt's statement puts forward:

STATEMENT PREPARED BY MAURICE ROSENBLATT BEFORE THE HOUSE APPROPRIATIONS LEGISLATIVE SUBCOMMITTEE, APRIL 15, 1975

My name is Maurice Rosenblatt. I have been a resident of the District of Columbia since 1945 when I left the military service in the South Pacific. I have lived on Capitol Hill since 1950, first occupying the historic Frederick Douglass House behind the Supreme Court and now for the past ten years living and working in my home on New Jersey Avenue Southeast—part of the tract of land at present the subject of this inquiry.

My interest in Congress has always been intense—a vocation and an avocation. In 1948, I founded the National Committee for an Effective Congress with Mrs. Eleanor Roosevelt, Senator Harley Kilgore and other citizens. I am a professional Congress-watcher and Congress-worrier, one of its

most driving critics and devoted fans. I have probably known more members of Congress—in both parties—than almost any other citizen of this community not directly an official of the institution.

I am here today not because of my concern for real estate, my own or that of my neighbors; I am concerned for the Congress. Since I have lived on Capitol Hill, I have witnessed the erection of a series of buildings that obstruct, distort, clash and do violence to the spirit and integrity of the Capitol of the United States. Each one outdoes its predecessor in inappropriateness, in vulgarity and in cost. Each one is a greater affront to the spirit of the Capitol—probably the most revered and respected symbol of our government for all the people. The latest edifice, the almost-completed Madison Library, looks suspiciously like the carton in which the Rayburn building was delivered.

As Congress prepares to embark upon yet another construction project, I am reminded of Winston Churchill's remarks before the House of Commons on October 28, 1943, after Parliament had been destroyed by Nazi air raids: "We shape our buildings and afterwards our buildings shape us." Any of you who have had to make the trek to the Capitol from the far reaches of the Rayburn Building can begin to understand.

This procession of atrocities was not your doing. They just seemed to happen, like a creeping blight. But the point is not what has been done—the extravagant cost, the aesthetic affront, the gross inefficiency—but what will be done. The time has come to examine the entire question of what this Capitol Hill is all about, what its purpose is, both functionally and spiritually. You gentlemen have an opportunity to rescue the most important symbol of American political life from further violation.

What is the question we are asking here? Is it a question of real estate? Of adding another building, in the blind faith that real estate will somehow be the answer? Is it merely a question of tearing down two blocks of historic dwellings or is there a larger issue lurking beneath the surface, one that we have been putting off and putting off?

The Architect says more space is needed. He doesn't say how much more. We suggest the Rayburn garages be built upon, as was the original plan for that area. But, no, they will support only a frail two story structure. The site of the Congressional Hotel is available—and already owned by the government, I might add—but the 400,000 plus square feet there is evidently not enough either. Mr. White's amorphous needs for space remind me of the high command in Joseph Heller's *Catch-22*. Each time the pilots had completed the number of missions necessary to finish their tour of duty, the number of missions required was raised. The Architect's office claims authority to take all land south of Independence Avenue to the Anacostia River. But why be so modest and stop at the Anacostia? Why not Roanoke?

Unless Congress defines its function, it will be impossible to describe any perimeter, set any boundary to federal buildings on the Hill. And that is the real issue here—defining the function of Congress.

If Congress is a legislative body, then its facilities must be designed accordingly. The House is the national assembly of America, the locus where the elected representatives must meet to debate and to pass judgments—as a body. The well of the House is the fulcrum of our democracy. Ideally, all activity should radiate from this point. Members should be able to be personally in touch with each other as closely as possible—face to face. The physical contact on and around the House floor is vital to the proper functioning of this body.

Already, much of that function has been compromised. One of your colleagues told me the other day, almost in despair, that he had an eight o'clock breakfast in the Capitol, followed by 5 meetings and conferences in the next two hours, scattered from the Dirksen Building to the Capitol to the House office buildings. Between running, phone calls to find out about last minute room changes and more running, he managed to make perfunctory appearances at two of his five appointments. As all of you well know, the experience was not unique, nor was it likely to go unrepeated.

Adding more buildings more bases of operations more corridors and more subways is not the solution unless one is fond of the Orwellian vision of members of Congress sitting in their offices watching an empty chamber on closed circuit television and voting by flick of a switch—all done without coming in contact with another human soul.

In contrast to this let us see what Winston Churchill said about the House it size and its character. This was at the time when the House of Commons had been destroyed by Nazi bombs and he was discussing its rebuilding:

"It should not be big enough to contain all its Members at once without over-crowding and (that) there should be no question of every Member having a separate seat reserved for him. The reason for this has long been a puzzle to uninstructed outsiders, and has frequently excited the curiosity and even the criticism of new Members. Yet is not so difficult to understand if you look at it from a practical point of view. If the House is big enough to contain all its Members, nine-tenths of its Debates will be conducted in the depressing atmosphere of an almost empty or half-empty Chamber. The essence of good House of Commons speaking is the conversational style, the facility for quick, informal interruptions and interchanges. Harangues from a rostrum would be a bad substitute for the conversational style in which so much of our business is done. But the conversational style requires a fairly small space, and there should be on great occasions a sense of crowd and urgency. There should be a sense of the importance of much that is said, and a sense that great matters are being decided, there and then, by the House."

But how is the Capitol used today? An endless labyrinth of electricians' offices, carpenters' rooms, busy hives in which artisans ply their trade-activities having little to do with the true business of Congress. And this is true of the office buildings as well.

The logical solution to the problem is two-fold. First, locate the legislative functions of Congress as close as possible to the floor of the House.

Second, get the non-legislative functions off Capitol Hill.

The other day I was lunching at the Capitol Hill Club with a spry Hill veteran. He had first come to Washington on March 24, 1925, as assistant to freshman Massachusetts Congressman Joe Martin. Some of you knew Joe Martin, who later became Speaker, a man universally liked and respected. He was an effective Congressman. With one stenographer, Joe Martin and his assistant shared one room, 173, in what is now the Cannon Building. I know you will say he had a much smaller district. He had over 230,000 constituents. Today, that same area, now the Massachusetts 10th District, has 448,000, almost twice as many constituents. The staff of a representative today has grown to eighteen—sixteen more than Mr. Martin's allotment. Admittedly, the role of Congress has grown immensely since George Washington laid the cornerstone of the Capitol in 1793. There is some truth that there is an increase in Congressional responsibility and workload, but only a modicum.

Today, many Congressional offices have shifted emphasis from legislative matters to media, to case-work. More and more time is spent on informational duties and the maintenance of the office as a communications center. Without making any judgments on the propriety of such a change in emphasis, I submit that few if any of these new activities need to be conducted on the Hill. I suggest that the essential functions and responsibilities of the legislative branch is not helped but hindered by the agglomeration of these nonlegislative activities.

I have been talking about function and efficiency; but there is also the matter of spirit. Architecture is the truest and most revealing statement of a society. It was not an accident our Capitol was located in the middle of a city and intimately surrounded by private homes and private enterprises. That, in itself, is a statement of what our government is all about. To let one of the homes on New Jersey Avenue be destroyed by a wreckers' ball, without any assessment of the real need, without any idea of what will replace it, is an action of irresponsibility bordering on vandalism. For these buildings that some speak so casually of tearing down are some of the finest examples of federal architecture left in the city, and certainly in the immediate vicinity of the Capitol. Once you have razed them, they cannnot be rebuilt. No amount of money you might wish to appropriate will be able to replace them. If you decide to go ahead and destroy this small patch of history, I hope that you are certain that you will be proud of what you build in its stead.

People have come to us, important members of the House, and said to us, "You are right, this move is an abomination. But of course you know that what Congress wants, Congress gets. Don't be a damned fool. Just realize it's all set and there's really nothing for you to do but haggle for a higher price."

I do not believe this is true. This matter has not been settled and I do not think Congress will act capriciously or deceptively. You gentlemen were the ones who were deceived about the Rayburn garages, you gentlemen were the ones who were led down the primrose path, and never given the whole story, never told who was getting the goodies. But it was your good name and the Congress that suffered in the end. I don't think you will let that happen again.

May I conclude with practical suggestions, some of which are probably being implemented.

1. There should be; a complete survey of all space on the House side of the Capitol Building and the related House buildings, properties and garages. Who has it and what is it used for? I have heard many members complain that they are short of office rooms, but I have also been invited to members' "hideaways", some of which have been very modest and convenient rooms for senior members, exactly where they should be, near the floor, near the scene of the action. But there are others who are rumored to collect such space, as part of the head-hunting prestige game of the successful chieftain. Rooms unused, just trophies of power.

2. A removal from the Capitol and House facilities of general services activities, repair shops, administrative and accounting offices not absolutely needed on a day to day basis.

A plan to reassign space utilization that will bring members and activities closer to the well of the House, be it committee meetings, or the smaller conference and meeting rooms where you spend a major part of your time.

4. Let the various subcommittees of Congress, the Government Operations Committee, the Congressional Commission of Information and Facilities, and the other studies report back to Congress and the Public before—*before*—you let Mr. White start swinging his wreckers' ball.

Symbols are realities in our politics. The American public is somewhat fed up with government, its size, its cost, its insensitivity, its non-performance. Adding one more mausoleum to the capitoline hill will not be considered as a solution to Congressional space problems but as an arrogant gesture, a step toward the Imperial Congress.

We feel, gentlemen, that you are in a position to keep these things in proportion, and let us remember that Julius Caesar wrote that no Commander should have more than five people report to him personally.

COLLAPSE NOT OUR FAULT

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LLOYD of California. Mr. Speaker, the ordeal suffered by this Nation in Southeast Asia is finally coming to a close. The questions of how and why America became embroiled in this foreign tragedy and made it her own will no doubt be asked many times. However, the important thing to me, is to know that at least this Nation tried to bring about an honorable solution. The following editorial in the San Gabriel Valley Daily Tribune, published April 18, 1975, expresses precisely my feelings on the situation in Indochina.

COLLAPSE NOT OUR FAULT

It's about time that Americans stopped all the breast-beating and guilt-ridden wailing about the collapse of South Vietnam and Cambodia.

Clearly the situation in Southeast Asia is attributable to a rout of local governments and local armies. Armies that were well supplied by the U.S. It is not attributable to any American presidents, any American congressmen or any American people.

It was never a war for us to win. Our nation chose that course long before 58,000 Americans had died in Vietnam and long before we had pumped $200 billion in military aid and food into it.

It was a war, similar to the one in Korea, where the most that could be hoped was for the South Vietnamese and Cambodians to develop the leadership and military prowess to retain their own freedom. Significantly, South Korea remains free of domination by the North.

What was the situation when the nation finally brought American troops home from Vietnam?

The South Vietnamese had a manpower advantage of 3-1 over the North. It had a 12-1 advantage in armored vehicles and a 50-1 advantage in ammunition. The South had absolutely no opposition in the air.

Yet, today the South Vietnamese stand on the brink of defeat at the hands of North Vietnam.

The blame, if it is to be cast, must lay with the erratic leadership of South Vietnam's President Thieu, who proved time and again that he was too indecisive to make proper military decisions. He advanced when he should have withdrawn; he withdrew when he should have stood fast, as in March when he virtually abandoned two-thirds of his country to the North without justification.

In the headlong retreat, army supplies estimated at up to $10 billion worth were abandoned. Troops fought civilians for places on boats and planes to the seeming safety of Saigon.

Thieu set off the panic. Now his country faces destruction because of it and because of him—not because of the United States.

With U.S. military assistance, South Korea stands firm and free. With U.S. military assistance, tiny Israel has made itself the scourge of its Arab enemies.

America is not to blame for the ignominy and collapse of South Vietnam, nor for that matter, the fall of Cambodia.

If we have any fault, it is in having financed and entrusted a noble cause to incompetent leaders like Thieu and Cambodia's Lon Nol.

The families of 58,000 dead American servicemen and the tens of thousands who were wounded and maimed in Vietnam certainly realize that it was President Thieu and his generals who have stained the honor and sacrifice of their sons and loved ones.

RADICAL INTEREST IN SOUTHERN AFRICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. McDONALD of Georgia. Mr. Speaker, for some years, foreign terrorist organizations have been sending representatives to this country to develop both propaganda campaigns and programs of "concrete" support—usually money for guns and supplies. In many instances, these terrorist travellers have been Marxist-Leninist revolutionaries covertly armed, trained, and directed by the Soviet Union or Red China.

Presenting themselves to Americans as "freedom fighters for national liberation," and always as the "legitimate representatives of the people," propaganda terms of little objective reality, these revolutionary spokesmen have worked at organizing pressure campaigns by American "progressive" leaders and institutions.

Among the most popular revolutionary guerrilla groups with U.S. "progressives" and liberals are the Soviet-financed African National Congress—ANC—of South Africa and the Southwest Africa People's Organization—SWAPO. The two organizations in the United States most devoted to advancing their cause have been the American Committee on Africa—ACOA—and the National Council of Churches—NCC.

On Wednesday, April 23, 1975, NCC's local Council of Churches of Greater Washington sponsored a "Community Hearing on U.S. Corporations and Apartheid" in the District of Columbia City Council chambers. The published handbills advertising the "hearings" listed some 50 cosponsors, members of the "hearing" panel and "witnesses."

The persons involved with the "Community Hearing" include many with long records of dedicated service to the cause of the ANC, SWAPO, and other Russian sponsored guerrilla groups in Southern Africa. For the information of my colleagues, I attach the list of cosponsors and participants, together with background information wherever appropriate:

COSPONSORS, COMMUNITY HEARING, U.S. CORPORATIONS, AND APARTHEID

Rev. Harry Applewhite, Area Conference Minister, United Church of Christ Potomac Association; served as a delegate from the UCC to the Communist Party, U.S.A.-Dominated "peace front," the New Mobilization Committee and its successor, the People's Coalition for Peace and Justice (PCPJ).

Richard J. Barnet, Institute for Policy Studies; the New Left "think tank" which has "dedicated itself to ushering in the new society by inquiry and experimentation [and] is also doing what it can to hasten the demise of the present one." Barnet, a founder of IPS and its co-director, is a graduate of Harvard Law School and has been a member of the National Lawyers Guild. Barnet worked for the U.S. Department of State and for the Arms Control and Disarmament Agency in the early 1960's, before joining with Marcus Raskin, one of those who drafted the legislation setting up the Arms Control and Disarmament Agency, to found IPS. Barnet has been a supporter of many pro-North Vietnam "antiwar" activities, and was a visitor to Hanoi in 1969. A member of the elite Council on Foreign Relations, Barnet and the IPS *apparat* serve as important links between the liberal detente establishment and the Leninist factions of the old and New Lefts.

Marion Barry, D.C. City Council. Mr. Barry, then a chemistry student at Fisk University in Tennessee, was the first national chairman of the militant Student Non-Violent Coordinating Committee (SNCC) in 1960; he has supported various "antiwar" actions by the PCPJ and other "peace" groups.

Josephine Butler, D.C. Statehood Party; participated in the opening of the CPUSA's Cabral/Tubman Center in Washington, D.C. in 1974, and has been active in the "antiwar" movement.

Charles Cassell, Chairman, OPEN [Organization for Political Equality Now]; formerly head of the D.C. Statehood Party, an affiliate of the avowedly socialist People's Party which in turn was founded by IPS and CPUSA as an antiwar tactical vehicle.

Benjamin Chavis, Director, UCC Commission for Racial Justice, Washington Office; an executive of the CPUSA's National Alliance Against Racist and Political Repression (NAARPR).

David Clark, D.C. City Council.

Charles Cobb, Sr., United Church of Christ Commission for Racial Justice; and a sponsor of a 1974 NAARPR mass march in Raleigh, N.C.

Courtland Cox, S.A. Project, Center for National Security Studies; a former member of the Central Committee of SNCC and member of the Bertrand Russell International War Crimes Tribunal, associate of SNCC leader Ralph Featherstone, killed in 1970 by the bomb he was holding, and an organizer for the North American contingent at the 6th Pan-African Congress in Tanzania in 1974, a meeting dedicated to "smashing imperialism" and socialism. The Center for National Security Studies, an IPS and Fund for Peace spin-off, was described on pages 3867 to 3868 in the Congressional Record of February 20, 1975.

William Davis, Director, National Jesuit Conference.

Rev. Carl Dianda, St. Teresa's Church.

Rev. David Eaton, All Souls Unitarian Church; well-known militant "peace activist" in the Metropolitan Washington area.

Gretchin Eick, Chairperson, United Church of Christ South Africa Task Force

Dr. Therman Evans, D.C. School Board.

Hon. Walter Fauntroy, U.S. Congress [D.C. Delegate].

Ed Guinan, Community for Creative Non-Violence; a militant group of "Catholic leftists" associated with Philip and Elizabeth McAllister Berrigan who have been involved in various sit-in protests at the White House during the past two years.

Sr. Charlotte Hanson, Vice President, D.C. Council of Women Religious.

Thomas Hargrave, General Executive, YMCA of Metropolitan Washington.

Roy Johnson, Chairman, GUARD [Government Employees United Against Racial Discrimination].

Eloise Jones, Chairman, Downtown Cluster of Congregations.

John Jones, Acting Executive Director, Adams Morgan Organization.

William Jones, Black Vote Coalition.

Fr. Raymond Kemp, D.C. School Board.

Msgr. Ralph Kuehner, Director, Office of Social Development, D.C. Archdiocese.

Edgar "Ted" Lockwood, Director, Washington Office on Africa; WOA is the lobbying office for the American Committee on Africa (ACOA). Lockwood is a former leader of Episcopal Churchmen for South Africa who once wrote to *Ramparts* magazine stating he was a liberal, no doubt in case he was mistaken for something else. A member of the board of the Institute for Policy Studies (IPS), Lockwood also serves on ACOA's executive board where two other IPS policy makers, Arthur I. Waskow and Ivanhoe Donaldson, also have served. Lockwood was associated with the Redress antiwar action in the U.S. Capitol; he is a trustee of two other radical/liberal organizations promoting detente, disarmament and a new world order, the Council on Economic Priorities (CEP) and the Center for the Study of Peace and Power (CSPP). Lockwood is a member of the stridently pro-guerrilla *Southern Africa* magazine collective.

Francis Kornegay, Jr., Washington Task Force on African Affairs.

Melvin A. McCaw, Director, African American Institute, Washington office.

Rev. Douglas Moore, D.C. City Council;

Rev. Jerry Moore, D.C. City Council;

Virginia Morris, President, D.C. School Board.

Fr. John Mudd, Assistant Director, Office of Social Improvement, D.C. Archdiocese.

Mary Jane Patterson, Acting Director, United Presbyterian Church, USA Washington Office.

Jeremy Rifkin, Coordinator, People's Bicentennial Commission; an activist in publicizing alleged U.S. "atrocities" in South Vietnam who now heads PBC, a slick Marxist revoluntionary public relations outfit which aims at perverting the ideological underpinnings of American independence.

William Sanders, D.C. Black Assembly.

William Simon, President, D.C. Teachers Union; and a sponsor of numerous pro-North Vietnamese "peace" rallies organized by both CPUSA and Trotskyist communist front groups.

Sam Smith, Editor, *D.C. Gazette;* an "alternate" newspaper originally organized via the Institute for Policy Studies.

Sterling Tucker, Chairman, D.C. City Council.

Dr. Ronald Walter, Howard University and the African Heritage Studies Association.

Fr. William Wendt, St. Stephen and the Incarnation Church; an antiwar activist who has opened his church as a meeting place for radical and revolutionary groups for many years.

John Wilson, D.C. City Council.

Nadine Winter, D.C. City Council.

Fr. Jack Wintermeyer, Newman Center, George Washington University.

The members of the "hearing" panel were listed as including:

Rev. Robert Pruitt, Panel Chairperson.

Goler Butcher, attorney; in February, 1974, the *Daily World* reported that Miss Butcher, "councelor and legislative assistant for the House Subcommittee on Africa, chaired by Rep. Charles C. Diggs," spoke at an Evening Tribute to Amilcar Cabral" sponsored by the D.C. chapter of CPUSA's National Anti-Imperialist Movement in Solidarity with African Liberation (NAIMSAL). Cabral was the Marxist-Leninist founder of the PAIGC guerrillas, now granted control of Guinea-Bissau by the Portuguese revolutionary junta.

James Coates, D.C. City Council.

Charles Cobb, Jr., WHUR–FM; a SNCC activist and with Ralph Featherstone a founder of the Drum and Spear Bookstore whose Tanzanian branch was active in the organizing of the 6th Pan African Congress held in Dar-es-Salaam last July. Cobb was reportedly a member of Rep. Diggs' staff during 1974.

Ivanhoe Donaldson, rep. for Marion Barry; while head of the New York City branch of SNCC in 1966, Donaldson accompanied Stokely Carmichael to Puerto Rico where they both participated in violent demonstrations leading to riots with the Castroite Movimiento Pro Independencia, now called the Puerto Rican Socialist Party. Donaldson has been a fellow at the Institute for Policy Studies for several years and was one of the principal organizers of the National Black Political Convention. He has also been a board member of the American Committee on Africa.

Rev. David Eaton.

Sr. Charlotte Hannon.

Roy Johnson.

Virginia Morris.

William Simon.

Dr. Ronald Walters, Chairman, Political Sci., Howard University.

Those scheduled to testify at the "Community Hearings" included:

Judge William Booth, President, American Committee on Africa; a New York City Criminal Court Judge and former chairman of the NYC Human Relations Commission who replaced National Lawyers Guild activist Peter Weiss as head of ACOA.

Yvonne Reed Chapelle, Special Assistant to Congressman Charles Diggs.

Jennifer Davis, exiled South Africa economist; a member of the *Southern Africa* magazine collective and director of research for ACOA.

Tim Smith, Director, Church Project on U.S. Investment in South Africa; a Canadian educated at the University of Toronto (B.A. 1966) Smith's interest in African matters began in 1966 when he was sent to Kenya by Operation Crossroads Africa, of whose board of directors he was a member in 1970. While attending Union Theological Seminary, he served on the Southern Africa Committee of the University Christian Movement (UCM), the "Christian new left". Smith remains a member of the collective of the militantly pro-guerrilla *Southern Africa* magazine published monthly by the Southern Africa Committee. Smith has held executive posts with the Committee for a Free Mozambique, a support group for the Marxist-Leninist FRELIMO guerrillas; with the Church Project on U.S. Investments in Southern Africa; with the Interfaith Committee on Social Responsibility in Investments; the United Church of Christ Council for Christian Social Action. Smith has been a consultant for the Council on Economic Priorities and a board member of the ACOA.

Mary Jane Patterson.

Dr. Ben Magubane, African National Congress, South Africa liberation movement; the ANC is a Marxist-Leninist organization controlled by the Soviet Union. In 1961, under the direction of the South African Communist Party, ANC formed a terrorist commando known as Spear of the Nation. Illegal in South Africa, ANC acts primarily as an exile agitational organization.

Roger Wheeler, Control Data Corporation. [The program noted that representatives from IBM, ITT & Motorola also had been invited to attend].

COMMEMORATION PLANNED OF BAESBALL'S 1-MILLIONTH RUN

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HYDE. Mr. Speaker, baseball, America's national pastime, will reach an unusual milestone this spring, thanks to an enterprising young man with a flair for statistics—and a public-spirited company that brought his discovery to the public.

Mark Jay Sackler, a 24-year-old radio announcer from Westport, Conn., researched the Baseball Encyclopedia and determined that someone in baseball will score the 1,000,000th run in the history of the National—since 1876—and American—since 1901—Leagues sometime this spring. At the end of the 1974 season, a total of 997,869 runs had been scored in regular season play in both leagues; 2,131 shy of the magic number.

Mr. Sackler took his idea to Tootsie Roll Industries, whose national headquarters are in Chicago; and that company, like baseball an American institution, is sponsoring a nationwide consumer project centered around the recording of the 1,000,000th run.

The player who actually scores the landmark run will receive from Tootsie Roll among other awards the sum of $10,000, which he will, in turn, donate to the Association of Professional Ball Players, an organization dedicated to the needs of former major and minor league players. Fred Haney is president and Joe DiMaggio, first vice president, of this organization.

The 1,000,000th Run promotion is being directed by Hall of Famer Stan Musial, the former St. Louis Cardinal great· Ernie Banks, the all-time star Chicago Cubs shortstop; and ex-Brooklyn Dodger pitcher, Ralph Branca.

Baseball and the Tootsie Roll Co. are to be commended for fostering projects such as this, which prove that the youth of America, as exemplified by the scores of talented athletes and creative young men like Mr. Sackler, continues to be the most vital force in our country.

INCREASED GASOLINE TAXES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. NOWAK. Mr. Speaker, as the time approaches when we will be debating the energy conservation bill, I would like to bring to my colleagues' attention an article from the Buffalo Courier-Express on the potential impact of certain tax provisions on the boating industry.

The committee has wisely made a tentative decision not to impose a manufacturer's excise tax on motorboat engines, general aviation aircraft, or snowmobiles, but still proposes additional gasoline taxes.

Over 100 Members of the House have signed a letter to the committee members, expressing opposition to increased gasoline taxes as ineffective in reducing consumption or producing revenues and as discriminatory to lower income groups; and expressing support for a combination of allocations and closing tax loopholes.

This article emphasizes some little known points about the tiny percentage

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of fuel used in recreational boating, and the catastrophic and far-reaching effects of a disruption to the industry.

I urge a thoughtful appraisal of the following:

On the Waterfront—Boating Industry Faces Tax Threat

(By Joe Glaser)

Proposed tax—A complex energy conservation bill affecting fuel consuming products, introduced to the House Ways and Means committee by Al Ullman (D., Ore.), chairman of the committee, and expected to go before the House around the first of May, could, if passed by Congress, deal a serious blow to the boating industry.

The bill, H.R. 5005, was drafted by seven committee task forces as a starting point for the committee energy bill. One of its provisions calls for a 20 per cent excise tax on marine engines of 10 h.p. or more and replacement parts. The 20 per cent levy would also apply to general aviation aircraft, snowmobiles and recreational vehicles. Commercial aircraft and commercial fishing boats would be exempt.

The bill would also increase the gasoline tax to 37 cents a gallon by 1980. The current rate is 4 cents a gallon. The tax would be imposed gradually—3 cents more on Jan. 1, and then 8, 7, 8 and 7 cents more, respectively, each April 1 through 1980.

The Outboard Boating Club of America's Legislative Ledger, in alerting the boating public to provisions of the proposed bill, points out that recreational boating industry leaders agree that of all the proposals made by Washington to reduce the nation's fuel consumption, an excise tax on boat engines would hit recreational boating and the industry the hardest.

It would raise prices substantially, aggravate the buying slump, and cause substantial unemployment. It could also result in increased usage of fuel (continued use of older engines which are far less efficient users of fuel than new models) and decrease boat safety (the excise tax on purchase of motorboat engines would lead the average boatman to continue using his old boat, increasing the risks of boating accidents as boats in use become older and more outmoded). And it would be difficult to administer on an equitable basis.

An excise tax on engines for motorboats, the OBC Legislative Ledger notes, would intensify energy shortage in the United States. Less than one-half of one per cent of all fuel consumed in the U.S. (880 million gallons) is used by pleasure boats. This amount is equal to less than half a tank of gasoline per year for each automobile in the U.S. Accordingly, the amount of fuel "saved" by reducing boat usage would be miniscule.

The recreational boating industry consists of 2,500 manufacturers of marine products (excluding accessories) and 16,500 retail dealers and distributors of marine products. The industry employs 350,000 persons on a full-time basis and will have retail sales of boating equipment and services in 1975 of around $5 billion.

These figures do not include additional firms with a significant take in the viable recreational boating industry, such as the suppliers of raw materials used in construction and fabrication of boats, marine engines and accessories, the sport fishing industry and marine insurance companies.

The excise tax would result, all other things being equal, in a decline in the marine products industry in a ratio of 2 to 1. In other words, as noted in the OBC Legislative Ledger, a 20 per cent excise tax on pleasure craft would result in a 40 per cent decline in sales—resulting in serious injury to the pleasure boat industry and a substantial increase in unemployment.

The House Ways and Means Committee, composed of 37 members (25 democrats and 12 republicans) includes three New Yorkers. They are Barber B. Conable (R.) from Alexander, Wyoming County; Otis G. Pike (D.) of Riverhead, L.I., and Charles B. Rangel (D.) of New York City. It is to these members of the House Ways and Means Committee, in particular, that Western New York boaters, boating organizations and others interested in seeing the proposed excise tax bill (H.R. 5005) defeated, can address their protests. Cards, letters or telegrams addressed to any or all of the three committee members can be sent to the House of Representatives, Washington, D.C.

NEW YORK ISLANDERS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. WOLFF. Mr. Speaker, it is with perhaps pardonable pride that I am pleased today to call to the attention of the House an achievement by a group of Long Islanders who have come a long way in a very short time, and which, I hope, still has a journey before it.

I refer to the triumph against all odds wrested last weekend by the New York Islanders, Long Island's National Hockey League team, which came back from three straight losses to sweep four hard-fought matches against the Pittsburgh Penguins.

Tuesday night the Islanders will begin their semi-final playoff series against the current Stanley Cup champions, the Philadelphia Flyers, and I want them to know that they have the admiration and support of many of us here in this House, and, of course, of their loyal fans in New York.

The Islanders have only been in the league for 3 years, and, indeed, had to fight to finish third in the regular season, thus gaining a spot in the playoffs. I know that some of us with new districts, or strong primary battles facing us, can appreciate all the better the odds the Islanders have faced successfully to date, and will wish the team all possible success for the future.

While I certainly do not wish to unduly arouse our distinguished brethren from the great State of Pennsylvania, let me assure the delegation that we in New York are confident that our boys will not be content with only half a loaf against the Keystone State.

Mr. Speaker, let me put the good residents of Philadelphia on notice—the Stanley Cup will soon be headed north to New York, where it has been sorely missed, and will be surely appreciated.

I am now pleased to submit for the Record the box score of Saturday night's triumph by the Islanders:

NY Islanders	0	0	1	—1
Pittsburgh	0	0	0	—0

First Period—None. Penalties—Paradise, Pit, 5-min., fighting, 2:44; Gillies, NY, 5-min., fighting, 2:44; Burrows, Pit, 3:48; Lewis, NY, 6:06; Westfall, NY, 7:27; Owchar, Pit, 11:17; Lewis, NY, 17:25; Kelly, Pit, 17:25; Campbell, Pit, 18:07; St. Laurent, NY, 18:07; Hart, NY, 20:00; MacDonald, Pit, 20:00.

Second Period—None. Penalties—Pronovost, Pit, 1:11; J. Potvin, NY, 3:11; Arnason, Pit, 15:35.

Third Period—1, NY Islanders, Westfall 4 (Mashal), 14:42. Penalties—Howatt, NY, 5:48.

Shots on goal: New York 5-6-6—17. Pittsburgh 14-11-5—30.

Goalies: NY Islanders, Resch. Pittsburgh, Inness. A: 13,404.

COHEN RECEIVES B'NAI B'RITH MAN OF YEAR AWARD

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, on April 26, 1975, our colleague from Maine (Mr. Cohen) received the B'nai B'rith "Man of the Year Award" at an awards dinner held in Bangor, Maine. In accepting that award, Congressman Cohen addressed himself to the critical foreign policy challenges confronting our Nation today as we pass through the "final painful spasms of withdrawal from our involvement in Southeast Asia." He draws attention to "the danger that in our moment of wounded pride, in this hour of confusion and doubt, that we will retreat from the sunlight of a world power into the shadows of isolationism, the comforting but illusory notion that our progress and prosperity is independent of that of any other nation."

Central to our current foreign policy challenge, according to Congressman Cohen, is the need to formulate, define, and clarify a foreign policy which is now "so filled with nuance and inconsistency that it is no longer comprehensible to the average American and therefore no longer credible." Only through such a clarification can the President hope to "revitalize the flagging spirit of the American people and galvanize the bi-partisan support of Congress."

Mr. Speaker, I commend Congressman Cohen on the honor which has been bestowed upon him by B'nai B'rith, and I commend the full text of his acceptance speech to the reading of my colleagues:

Address Given by Congressman William S. Cohen at a B'nai B'rith Awards Dinner Upon Receiving the "Man of the Year" Award in Bangor, Maine, April 26, 1975

I want to take this opportunity to thank B'nai B'rith for conferring this honor upon me. The magnitude of an honor is not judged as much by the recipient as by the reputation and prestige of the organization that bestows it. In this instance, there are few if any that exceed prestige and reputation of the B'nai B'rith in its dedication to the preservation of dignity and decency of people of all races and ethnic backgrounds.

I once received a letter from a young girl in junior high school. She wanted me to define bigotry and prejudice. I labored at length in trying to formulate a definition that was simple and yet not superficial.

In retrospect, I should have referred the young girl to B'nai B'rith for a definition because it has been dealing with the subejct and problems for decades. As Seymour Graubard, the Chairman of the Anti-defamation League, points out in his forward to the book entitled, *The New Anti-Semitism*, "The Anti-defamation League has been synonymous for years with the fight against prejudice, bigotry and discrimination. Their weapons have been law, education and pulbic persussion. And in the years since 1913 when

the League was founded 'to end the defamation of Jews . . . to seek justice and fair treatment for all citizens alike,' there have been massive, hard-won changes in the status and security of American Jews—and indeed of all minorities."

As a result of the unending efforts of B'nai B'rith and a genuine sense of decency within the American people, we bore witness to a very moving moment in American history when Henry Kissinger took the oath of office as Secretary of State in the East Room of the White House. Dr. Kissinger said:

"There is no country in the world where it is conceivable that a man of my origin could be standing here next to the President of the U. S."

Three decades have passed since the horror of Auschwitz, Dachau, Bergenbelsen and Treblinka stirred the moral indignation of people in all parts of the world, most particularly in America. We would like to think that bigotry and bias and prejudice has been uprooted, but unfortunately it is like an ugly weed that springs up in the plushest of gardens, and must be constantly sprayed with herbicides of law, education and moral indignation. If we become complacent in pointing to our gains, and if we become sluggish or neglectful, than moral indignation will slide into moral indifference and the weeds will spread and choke the roots of our most prized flowers—of liberty, equality and justice.

I can tell you from personal experience last year that the weeds of bigotry are still lurking below the surface of civility, in the shadows of ignorance. There are people who in a time of stress—economic, social or political—look for scapegoats instead of solutions, who would turn on a people instead of resolving a conflict in principles or policies.

And so the mission of B'nai B'rith and other likeminded organizations is a never ending one. It must labor to possess that which it has won.

1975 was a critical year for the United States. It was a time filled with national tension, diversion, with internal struggle between conflicting loyalties to political parties and time-honored principles, between a President and a process.

I think that historians will look back upon Wategrate as our watershed, when the American people called to the top of their agenda a scrunity of the stated purposes of our Constitution to determine whether there was an intolerable departure between what we professed as a nation and what we in fact were practicing.

As we inch our way toward the bicentennial celebration of this Nation's birth, I believe that 1975 will prove as critical to our survival as a power as 1974 was to the survival of our constitutional system.

We are passing through the final painful spasms of withdrawal from our involvement in Southeast Asia. It is a bitter experience. Never quite sure of why it was essential for our intervention, we are even less certain and confident about the means and methods of our withdrawal. For years we were attacked at the international level for immorality, imperialism, barbarism in dropping bombs, and now that we have disengaged our forces and diminished our support, we are protrayed as a large corporation writing off a nation with all the callousness of a failing subsidary that is no longer producing a profit. The national magazines and networks for years spoke about a corrupt South Vietnamese government that was propped up and supported by American tax dollars that were being misspent. Now that Phnom-Penh has fallen, and Saigon is on the verge of collapse, the same networks and magazines carry the pictures of burned children, of weeping mothers, of men and women holding on to the landing gear of departing aircraft, of human faces twisted by fear of slaughter. The evening news is laced with tales of horror. Even our humane efforts to evacuate orphans was initially shattered in the wreckage of a C–5A transport plane—all while our allies look on in silence, while the United Nations Secretary General refuses to help any evacuation effort because it would be "inappropraite;" while not one of the signatories of the Paris Peace Accords has responded to our repeated requests that they at least point out North Vietnam's flagrant violations of the agreements; while Thailand prepares for the closing of our bases; while President Marcos calls for a thorough review and perhaps revision of our mutual defense pact with the Philippines; and Portugal, a member of the Nato Alliance, shifts to the Socialists and Communists with the aid of Moscow.

I mention this tonight, not to renew the debate over Vietnam, our involvement or our extrication but to draw attention to the danger that in our moment of wounded pride, in this hour of confusion and doubt, that we will retreat from the sunlight of a world power into the shadows of isolationism, the comforting but illusory notion that our progress and prosperity is independent of that of any other nation.

We seem to be floating amid the debris of shattered creeds, broken values and a debased language. Two weeks ago, for example, on the academy awards, an Oscar was presented for the documentary "Hearts and Minds."

The recipients took that opportunity to send greetings from the Viet Cong and to praise the "liberation" of Vietnam. As one political observer has noted it was a statement straight out of George Orwell's 1984 where a new language (Newspeak) was developed to accommodate the means and ends of totaliarianism. War is peace, love is hate, freedom is slavery, ignorance is wisdom. And now, conquest is liberation.

The distortion of language is the precursor and preconditioner to a distortion of values. And a great deal of the debate over America's lack of direction or decency and commitment may be attributed to our inability to articulate a straightforward and clearly defined statement of our purpose and our principles. We seem to have woven in a knit one, purl two, fashion, a foreign policy that is so filled with nuance and inconsistency that it is no longer comprehensible to the average American and therefore no longer credible.

For example, in his address to a joint session of Congress two weeks ago, President Ford, in discussing Indo-China referred to the Communist powers as adversaries or enemies who had shown no interest in negotiation. When discussing Europe and the Mid-East, they were referred to as potential adversaries. But in referring to trade talks with the Soviet Union and China, these nations were rarified into countries interested in easing tensions and building constructive relations.

Congress was asked to appropriate a billion dollars to ward off a defeat of our ally at the hands of an enemy, and then chastised for adopting the Jackson-Vanik amendment to the foreign trade bill which prohibited the granting of trade credits to the Soviet Union unless it allowed the free emigration of those who wished to leave that country.

President Ford warned our enemies not to use detente as a license to fish in troubled waters (which is exactly what they have done in Indo-China, the Middle-East and Portugal), but just last week the President stated "I don't think we can blame the Soviet Union and the peoples Republic of China. In this case, if we had done with our ally what we promised, I think this whole tragedy could have been eliminated."

As the columnist James Reston observed, "In other words if we had cheated on the spirit of the Paris Peace Accords as much as the Soviets did, Cambodia and South Vietnam would still be standing." More confusion was added when Dr. Kissinger later said that we should not turn away and ignore who supplied the arms with which North Vietnam used to make a mockery of its signature on the peace agreement.

And finally Sargent Shriver reports that Moscow is not gloating over the fall of Cambodia or South Vietnam for fear that it might stir resentment in the U.S. and endanger detente.

That is very gracious and generous of them in our dark hour. In other words, they still want our trade credits, our commerce and our technology so they can strengthen their economy while spreading the seeds of revolution or aggression in Southeast Asia, the Mid-East and now Portugal.

I raise these observations not out of a sense of berating criticism but out of concern for the conceptual and linguistic confusion that exists and must be clarified by the President if he is going to revitalize the flagging spirit of the American people and galvanize the bi-partisan support of Congress. Such a clarification is of critical importance to the state of Israel and to peace in the Mid-East—which in all likelihood will be the next point of pressure.

In recent weeks we have read reports that President Ford privately blames Israel for the failure of Kissinger's shuttle diplomacy—that the Israelis are too intransigent in their demands.

It is a familiar axiom that those who are ignorant of history are doomed to repeat it. Israel knows its history. It knows for example that in the Sinai War in 1956, President Eisenhower brought pressure on Israel to withdraw to borders that had been established in the 1949 Armistice—which had proved to be indefensible. Israel acquiesed and this set the stage for the 1967 war—which for all its success cost the Israelis more lives on a proportional basis than America lost in Vietnam. And no sooner was the war over when Israel was called upon to be generous and yield to Arab demands to return conquered territory without any concession that Israel had a right to exist and to be free from Arab calls for its destruction.

The fact is there must be compromises on part of both Israel and the Arab nations. Israel must be willing to yield some of its conquered territory just as the Arab nations must abandon their call for conquest.

Recently the Israeli foreign minister stated that Israel offered to yield the oil fields, to withdraw substantially into the strategic passes which would have remained a U.N. buffer zone. Israel even gave up its demand for a pledge of non-belligerency and agreed to a formula of non-use of force. The Egyptians refused to accept a mutual warning system that would have prevented surprise attack for each of them. Why then do we label Israel "intransigent?"

Steadfastness in the pursuit of security and survival does not appear to me to be obstinance of inflexibility or intransigence. And the U.S., if we are to remain a world power, must make it clear that in our commitment to peace we will not follow a policy of appeasement at all costs, and that in our pursuit of detente we will not sacrifice our principles under the sword of force, or for the carrot of commerce.

A clarification of language, purpose and policy must be the highest order of business of the U.S., without a clarity of purpose, and a resolution of mind and heart to cope with accumulating disorders, there will be a dangerous loss of that "reasoned self-esteem" which is the foundation upon which world respect rests.

On the day he became Secretary of State, Henry Kissinger said:

"We will strive not just for a programmatic solution for this or that difficulty, but to recognize that America has never been true to itself unless it meant something be-

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yond itself. As we work for a world at peace with justice and compassion and humanity, we know that America is fulfilling man's deepest aspirations."

Kissinger was articulating a basic tenet of the B'nai B'rith, and of Hillel who phrased the moral imperatives of each person's existence in the form of a question?

If I am not for myself who will be for me? If I am for myself alone, what am I? If not now, when?

THE PRINCIPAL ACCOMPLISHMENTS OF THE AMERICAN BAR ASSOCIATION COMMISSION ON CORRECTIONS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RODINO. Mr. Speaker, at the association's 1969 annual meeting, the Chief Justice of the United States urged the American Bar Association to assume leadership in a comprehensive examination of our penal system. It was in response to this challenge that the Board of Governors and House of Delegates of the American Bar Association created the Commission on Correctional Facilities and Services. The commission is essentially interdisciplinary in its professional background. Judicial and lawyer members were joined by outstanding authorities in penology, criminology, behavioral sciences, psychiatry, government, business, and labor. Richard J. Hughes, former Governor and now Chief Justice of the State of New Jersey, was named as chairman and led the commission effort until August 1974, when Robert McKay, dean of the New York University School of Law and director of the program on justice, society, and the individual of the Aspen Institute of Humanistic Studies, assumed the chairmanship.

Major accomplishments of the Commission include:

Through the national volunteer parole aide program, programs have been established in more than 20 States under which young lawyers help a parolee on a one-to-one basis in the difficult task of community reentry. More than 2,000 lawyers have been trained and over 1,500 have served in the past year as volunteer parole aides. In addition, the program has developed manuals on how to organize such programs, training materials for volunteers, training courses for State coordinators, and a definitive handbook on legal rights and liabilities of citizen volunteers and their agencies. During the demonstration program's final year, it will seek under its Federal grant to encourage all States to establish permanent volunteer service divisions within their correctional departments.

Through the national clearinghouse on offender employment restrictions, 15 States were assisted in the framing and passage of legislation and regulations removing unreasonable job prohibitions on released offenders. The project has also developed widely distributed manuals and studies on techniques for removing employment restrictions, such as trade licensing prohibitions applicable to ex-convicts and civil service barriers; a variety of public information pamphlets; and a bimonthly newsletter which serves as the Department of Labor's vehicle for information on offender job programs, training developments, and employment handicaps. In its final year of Federal support, the project will seek to increase the number of jurisdictions successfully achieving legislative or regulatory revision to half of the 50 States. It will also lay the ground work for continuation of its work and advocacy by other national organizations and civic groups.

Through the correctional officers education program, the commission joined forces with the American Association of Community and Junior Colleges to help double the number of junior college degree programs for guards and line officers in the period 1971 through 1973—from under 50 to over 100 programs involving enrollment expansion from roughly 7,000 to 13,000 correctional officer students. In addition, standards for line officer education, remedial legislation and career service guidelines, and important research on educational needs and resources was produced. At the time of program completion in late 1973, the 2-year correctional education degree had established itself as a recognized offering for line officer career development.

Through the Resource Center on Correctional Law and Legal Services, the commission has made an important impact in the rapidly changing body of case law, legislation, and administrative regulation covering all facets of correctional endeavor. Work of the Center has included submission of three Supreme Court amicus briefs on major issues of correctional law; development of handbooks on offender legal services law; paralegal utilization; a comprehensive compendium of model correctional legislation and standards; national surveys of parole conditions, sentence credit practices, and prison disciplinary procedures; monographs on such major legal services issues as rights to medical care, censorship, disciplinary due process, and prison law libraries; a training handbook on prison law for correctional workers; a manual on how to litigate prison cases for legal services attorneys; and a profile series on ombudsman and grievance mechanisms for early handling of inmate complaints and problems. Direct aid has been provided to several States in code revision, negotiation of new prison regulations, and training of correctional personnel. The Center is now completing its work with a major study of court decrees as a technique for implementing needed correctional system reforms.

Through the bar activation program for correctional reform, the commission has stimulated a ten-fold increase in the number of State and local bar committees constituted to work exclusively on penal reform—from 5 to 50 such committees during 1971–74—and provided a variety of technical assistance materials, program ideas, and other guidance in advancing local improvement efforts. This effort—completed in mid-1974—paved the way for the ABA's massive new program to provide not only technical and backup support but actual grant awards for State and local bar association work in penal reform—see BASICS program described below.

Through the National Pretrial Intervention Service Center, the commission has launched planning efforts and is assisting in the development of new programs for early diversion of young or nonserious offenders in 10 metropolitan areas. It has also produced information bulletins, a comprehensive analysis of legal issues, a handbook of operational profiles, a source book to guide planning of new programs and is now completing an extensive National Science Foundation study of evaluation research on the effectiveness of such programs. Important work has also been undertaken in the area of addict diversion through two monographs produced jointly with the Drug Abuse Council.

Through the statewide jail standards and inspection systems project, the commission has encouraged legislation and enforcement machinery to establish minimum standards of operation, quality, and service for local jails and juvenile detention facilities. It has worked with four States which actually succeeded in enacting jail standards legislation, has helped many others to consider new legislation or strengthen existing programs, and has produced a variety of handbooks and bulletins on designing such programs or improving their operations. A special study of the jail standards machinery of three States was also completed with Federal grant support and a widely distributed source book on female offenders in the Nation's jail systems was prepared.

Through the clearinghouse for offender literacy programs, the commission has launched regional training conferences for correctional educators covering more than 40 States and has produced a variety of handbooks to guide development of effective reading programs in prisons, planning for educational program needs, use of proper diagnostic and test procedures, reading improvement packets focused on such important subjects as job applications, filling out government forms, et cetera, and a series of profiles of outstanding prison literacy programs. The clearinghouse also completed a survey of all prisons and major pails in the country suggesting that less than one-half of all incarcerated prisoners can handle the sixth grade reading level now required even for most manual and everyday service jobs in the Nation. The clearinghouse is now engaged in a more massive workshop program which will involve some 600 correctional educators in all 50 States and lead to the stimulation of "back home" literacy volunteer tutoring programs in a number of correctional institutions.

Through its new Correctional Economics Center, the commission is attacking the critical problem of costs and resources needed to advance penal reform. It has already produced monographs for correctional administrators on cost effectiveness analysis, the value of inmate manpower, economic analysis of community corrections centers, cost and resource aspects of women offender programs, and institutional food service programs. The center has provided major assistance to six States with fiscal and cost allocation projects and, under a special Federal grant, is undertaking a comprehensive cost analysis of the dollar and resources needed to realize correctional reform proposals and standards.

Through the United Nations penal reform support program, the commission undertook the sponsorship of a special U.N. conference to plan the correctional agenda and develop recommendations for the coming Fifth United Nations Congress on Prevention of Crime and Treatment of Offenders—Toronto—September 1975; the coordination for the U.S. Government of a 50-State survey on implementation of the U.N. Standard Minmum Rules for Treatment of Prisoners; the launching of a campaign to stimulate formal adoption of the U.N. rules by the 50 State governments—thus far 5 States have responded; and development of monographs on enforcement mechanisms for the U.N. rules and their adaptation to community supervision programs. As a major goal, the project is seeking to encourage the U.N. and member governments to authorize development of world standards for offenders under community supervision comparable to the now well-accepted rules for treatment of prisoners in penal institutions.

In 1974, two new major projects were activated which offer much promise for the cause of correctional system improvement:

First, the publication of Corrections magazine—a national bimonthly magazine on correctional developments and innovations, featuring tough-minded investigative reporting and an attractive Fortune magazine-type format heretofore missing in the correctional literature. This is being produced through an affiliated project, Correctional Information Service, Inc., with the commission serving as a monitor, grant conduit, and facilitator but not the direct implementor of this needed reform tool.

Second, the launching of BASICS—Bar association support to improve correctional services—a major new million-dollar program of financial grants to State and local bar associations for well-defined projects to achieve a concrete correctional reform goal. As of the close of 1974, BASICS had awarded three action grants and 78 study/planning grants to State and local bars across the Nation for efforts ranging from prison legal services through jail improvement, elimination of offender employment restrictions, establishment of pretrial diversion programs, and comprehensive revision of State correctional codes.

In addition to the foregoing project efforts, a number of additional accomplishments and initiatives have been achieved. These include:

TV announcements. Sponsorship and dissemination of a series of TV public service announcements on behalf of correctional reform subjects which were each seen by more than 100 million viewers in the Nation's largest television markets.

Law reporter. Continued sponsorship, with the Young Lawyers Section, of the Prison Law Reporter, the only such legal publication now available for attorneys interested in correctional law.

Minority involvement. Continued advocacy through literature, meetings, review of proposed Federal regulations, et cetera, for increased representation of minorities on correctional staffs.

AMA collaboration. Major assistance to and partnership with the American Medical Association in the launching of a national program to increase medical and health care in jails and prisons, including commission compilation of what is currently the standard resource and materials book in this area.

Legislative compendium. Publication with the Council of State Governments of a comprehensive compendium which brings together, in one place and as a valuable reference tool, all major model acts and standards of responsible professional organizations dealing with some facet of penal reform.

Professional association development. Assistance to the national professional organization of corrections, the American Correctional Association, in development and funding of a project which broadened and unified its coverage and representation of juvenile corrections workers and in support of a system of accreditation for correctional agencies and facilities.

Attica documentary film. Sponsorship of the official filmed report of the New York State Special Commission on the Attica Prison Riot, the first visual undertaking of this kind by any major governmental investigating commission, and maintenance subsequent to the initial national television broadcast in September 1972—of a free national loan service for colleges, prison personnel, citizen groups and all others interested in viewing the film.

In addition to involvement of sister ABA sections and committees, the Commission has sought cosponsorship of relevant projects by such national organizations as the National District Attorneys Association, Council of State Governments, American Correctional Association, National Association of Adult Public and Continuing Education, American Medical Association, Drug Abuse Council, National Civil Service League, and American Association of Community and Junior Colleges. Thus, the Commission has proved a vital force for correctional improvement not only in its own right but has mobilized the private professional sector, both inside and outside the bar, on behalf of the important work that lies ahead in making our correctional systems work more effectively.

AMENDMENTS TO H.R. 49 AND H.R. 5919

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. DINGELL. Mr. Speaker, I wish to take this opportunity to announce that I have prepared, and expect to offer an amendment to H.R. 49, and to any bills offered as a substitute for that measure, when it is before the House later in the week.

The amendments which I will offer are designed to eliminate the possible conflict between the language of those proposals and the language of the energy legislation which my subcommittee presently has under consideration. The language proposed by the Committee on Armed Services, on pages 5 and 6 of H.R. 5919, might have the effect of allowing the allocation of oil resources in a manner which would be entirely inconsistent with a national allocation plan developed by the Federal Energy Administration. I believe that this problem should be alleviated, and consequently have drafted language to do so.

I hope that the managers of this legislation will find themselves able to accept this amendment.

The amendments to H.R. 49 and H.R. 5919 follow:

H.R. 49

Page 12, line 4, strike "Federal, State"; and insert "State".

H.R. 5919

Page 6, lines 5 and 6, strike "Federal, State"; and insert "State".

ODDS AND ENDS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. SIMON. Mr. Speaker, James Choisser edits the Benton Evening News of Benton, Ill., and writes a well-read column, "Odds and Ends." Sometimes there is a tendency in Congress to believe that back in our home districts people do not understand the thrust and weaknesses of U.S. foreign policy. To remind us that back home there is more understanding than many realize, I am inserting a recent editorial column by my friend Jim Choisser at this time, in the RECORD:

[From the Benton (Ill.) Evening News, April 21, 1975]

ODDS AND ENDS

The moral error of U.S. foreign policy in supporting strong men who assume dictatorial powers over their people has always been evident.

The strategic error became apparent today when Nguyen Van Thieu resigned as president of South Vietnam and prepares to flee. The figurehead has stepped down, and the U.S. has no allegiance from the mass of people we were ostensibly trying to help with our investment of 50,000 lives and an almost unestimable flow of dollars.

The United States does have a stake in friendly relations in Southeast Asia, as, indeed, in all parts of the world. World trade, natural resources and the very rightness of peaceful existence intertwine one part of the world with another.

But in Vietnam, as in Greece, Portugal and elsewhere we have aligned ourselves with those who hold command by force and terror, rather than with the people themselves. This is a strange concept for a nation where self-government was first brought into actuality.

We may raise another straw man in South Vietnam to support, just as we may do in so many other areas where we have suffered setbacks in prestige and respect. So long, however, as we contribute to keeping people in subjection, rather than assisting them, we will continue to suffer major disasters, just as we have in South Vietnam.

UMI

REFLECTIONS ON A THIRD FORCE

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RIEGLE. Mr. Speaker, our former colleague Allard Lowenstein has written an important article entitled "Reflections on a Third Force," which I am inserting at this point in the Record.

Reflections on a Third Force

(By Al Lowenstein)

Governor McCall of Oregon is using a "Third Force" as the best way to deal with the grave national problems which have not been eased by the general yawn that has greeted the 1976 campaign to date. This "Third Force," Governor McCall says, would provide "fresh leadership" and would "make government responsive." It would not be a third party, apparently, or he would call it that.

But what then would it be? A national lobby—a newly-McCalled Common Cause? A sort of ADA-of-the-middle, stressing its bipartisanship by finding more "good" Republicans to embarras with endorsements, and adding more letters to the alphabet of reform groups in and around the fringes of the Democratic Party? Or an independent candidacy for President, possibly like Senator McCarthy's—possibly Senator McCarthy's if joined by Governor McCall?

I respect Tom McCall. He has shown independence and courage, though not, perhaps, so much as we are now supposed to believe (his hero is Nelson Rockefeller). But even limited independence and courage are useful qualities not typically found in Republican governors, or—for that matter—in politicians of any party. Still, these qualities do not constitute or substitute for a program. Nor is "making government responsive" a program, or even a catchy new battle cry. Jobs, prices, transportation, taxes—these are not battles one can win (if you will pardon the phrase) by employing catchy new battle cries, in any case.

It can be argued that, absent simple solutions, effective leadership is the best way to start—leadership which would display, among its other virtues, independence and courage. But programless leadership that cannot get itself elected cannot "make government responsive" or do much of anything else.

Robert Kennedy was the last American politician whose personal qualities and sense of program made him at least potentially broad enough in his appeal to get elected as a "Third Force"—and he wisely waged his battles within the Democratic Party. Without a candidate of similar transcendent appeal, a "Third Force" candidacy seems mostly an announcement that one wishes to sound noble without facing the burdens of governing.

The dilemma of Tom McCall is genuine and understandable. He is a decent and sensible man troubled about the condition of his country. He is also a Republican unhappy about the record of his party, and doubtful as well about the purity and purpose of the Democratic Party—which also is uncertain of its purity and purpose. His preference for Nelson Rockefeller for President suggests that his real hope is national reform via taking over the Republican Party. Now, clearly someone should take over the Republican Party, but to suggest that a Rockefeller takeover of the party would represent new hope is to inject terminal humor early on.

Which brings us back to the question of how useful it would be to put together another out-of-power group to try to strengthen the forces of virtue in both parties. It is my view that energies available for this kind of effort would be spent more usefully in working to improve the quality of the *second* force that will be presented to the voters next time around.

Meetings like Congressman Don Fraser's in Chicago last month are efforts to do just this. In fact, Governor McCall could do a lot worse than to swap Nelson Rockefeller for Don Fraser if he wants to help provide a fresh leadership which really might make government responsive—and which has a program to which decent and sensible men could rally.

A TRIBUTE TO STEPHEN J. SOLARZ

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. SIMON. Mr. Speaker, one of the finest Members of Congress is the distinguished gentleman from New York, Stephen J. Solarz. I predict his service to the country will be long and productive.

In the report from the Committee on International Relations there was one most significant paragraph, which Congressman Solarz wrote:

> Late last week I had an opportunity to discuss the question of the evacuation of Americans and Vietnamese from Vietnam with Mr. Pham Van Ba, the head of the permanent mission in France of the Provisional Revolutionary Government of the Republic of South Vietnam, in Paris. Mr. Ba indicated to me that the PRG would be willing to permit Americans and those Vietnamese who so wish to leave Vietnam without fear of military intervention. While I do not know to what extent Mr. Ba's assurances accurately reflect the real view of the PRG, and the Democratic Republic of Vietnam with which it is associated, it seems to me that it is incumbent upon the Administration to promptly pursue this possibility before sending in any American military personnel.

As I speak, we are not certain what contacts the Government of the United States has with North Vietnam and the Provisional Revolutionary Government of South Vietnam. Apparently some type of contacts have been made which have at least reduced the warfare in South Vietnam temporarily. The lull in the attack on Saigon is encouraging, temporary though it may be.

Whether the leadership of our colleague, Congressman Solarz, had anything to do with the current unacknowledged communications I do not know. And lest I be misunderstood, I do not advocate individual Members of Congress going off and negotiating for the U.S. Government independently. That would violate the Constitution.

Congressman Solarz did not do that, but he took the initiative to do some exploring, to ask questions, to probe to see what might be done to move toward a minimum amount of bloodshed in a difficult situation. I personally am grateful to him, as I believe most of us are who are aware of his leadership in this matter.

ADDRESS OF HON. JAMES R. SCHLESINGER, SECRETARY OF DEFENSE

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BOLLING. Mr. Speaker, the Honorable James R. Schlesinger, Secretary of Defense, analyzes our defense posture in the following speech to the Overseas Press Club on Tuesday, April 15. The speech is an important and informative one which deserves careful attention:

Address by the Honorable James R. Schlesinger, Secretary of Defense

It is my intention this evening to discuss the historic ebb and flow of American sentiment regarding the proper role and responsibility of the United States in international affairs. Examination of these alternating tendencies is, I believe, essential both to understanding and to establishing the future directions of American policy. But before going into these matters in depth I should like to deal with two immediate issues.

First, the American society now is clearly passing through a bad patch. Nonetheless, make no mistake about it: this is a highly resilient society, perhaps preeminently so among the nations of the world. How and how quickly the United States passes through this transitional period is of vital importance not only from the standpoint of the internal health and cohesion of our American society, but also from the standpoint of the American impact on the stability, security, and well-being of other free states around the world.

Today, in contrast to the situation that existed before 1945, there is no acceptable alternative to deep and steady American support of and participation in the security of other free states. The only alternatives are either Finlandization or Polandization, depending on whether one happens to be an optimist or a pessimist. Such an outcome might be tolerable to the relatively few advocates of "little America"; it would be wholly intolerable to everybody else.

Second, I must refer to the tragic events in Southeast Asia—the prospective fall of all Cambodia cities still held by the government and the attempt by the Republic of Vietnam to stabilize its position in Cochin China after the collapse of its forces and position in the northern-two-thirds of the country. We cannot predict precisely how successful this attempt will prove to be, but the Vietnamese deserve not only our hope for their success, but our continued support.

This is not the time to attempt a detailed assessment of what has transpired in Southeast Asia. Perhaps a full understanding of these events will never be available, and for this reason we should endeavor to keep our passions in check—and, above all, to look to the future.

Touching upon the developments in Southeast Asia is nonetheless desirable because of the light that recent events there shed on the broader compass of American policy. Let me therefore mention the symptoms inherent in this course of events. It reflects the historic misunderstanding regarding the necessary role that force plays in the settlement of international disputes, on the one hand, and the role of noble intentions supported by moralizing but unsupported by physical force, on the other. In the absence of physical security it is apparent that hearts and minds are not enough.

Perhaps more important, the steady and, subsequently, the flagrant violations by the North Vietnamese of the Paris Accords, which they have treated with the historically familiar contempt enshrined in the phrase "a scrap of paper," should give us pause. It is an object lesson regarding how mulh constraint on the actions of at least one communist state such pledged treaty obligations have when the force balance becomes unfavorable. It illustrates, most dramatically, I believe, how our valid hopes for detente directly depend upon the retention of an underlying equilibrium of force in the areas of vital importance to the free nations of the world. Detente, as President Ford has stated, cannot be regarded as a license to fish in troubled waters.

Let me turn now to my wider issue for the evening: the historic swings in American sentiment regarding the role the United States should play in the external world. Conflicting views on this issue may be traced back to 1898, when, during the Spanish-American War, for the first time the United States exerted its power at a distance far removed from the North American continent. American sovereignty over the Philippines was the start of a steady, though frequently superficial, involvement in Asian affairs. It is interesting to note that this preceded by almost two decades any American military involvement in European affairs, though the latter was to prove to be far deeper. A characteristic of the American role in this period was to proffer high moral principles, sharply at variance with the underlying power realities, as guideposts for the conduct of their affairs by the other, somewhat skeptical, powers.

Already certain characteristic attitudes of the American public had been revealed. Quite recently the Secretary of State has posed the question: what kind of people are we? It runs parallel to Winston Churchill's defiant question in the aftermath of Pearl Harbor: what kind of people do they think we are? The question is a valid and important one. I shall attempt to deal with it, drawing on the relevant historical evidence.

The American people are highly idealistic, given to moral enthusiasm—reflected in such expressed goals as "make the World Safe for Democracy," the Four Freedoms, or the preservation of the Free World. The American people are also susceptible to disenchantment, when others fail to share our moral enthusiasms or embrace our own patterns and attitudes. In consequence, one discerns alternating patterns of enthusiasm and disenchantment. It helps to explain why the United States stands ready to embark on great crusades such as World War II, or even the Cold War—while rapidly becoming disillusioned with police actions or dealing with insurgencies. And oscillation in the public mood can become quite exaggerated in the course of public discussion.

In addition it should be reiterated that the American society is a highly resilient one. While it can be volatile in opinion, i.e., publicly expressed opinion, it is for a democracy remarkably tenacious of purpose, as I think the overall history of the war in Southeast Asia would indicate. Under attack, as the response to 7 December 1941 so graphically illustrates, dissension disappears and is replaced by a remarkable cohesion and unity of purpose.

This alternating pattern may be discerned throughout the Twentieth Century. The plunge into the first World War came after a policy of "being too proud to fight," and resulted in the elaboration of morally fetching but false hopes for the aftermath. It is sometimes said that our failure to join the League of Nations "broke the heart of the world." I am not sure that the line of causation did not run the other way around. The postwar reaction in the United States reflected our disenchantment that other nations had failed to be captured by our own moral enthusiasm. Instead, to our great displeasure, they continued to focus on the power realities. We ourselves turned away from the League of Nations not because of its obvious weaknesses and its inability to impose sanctions, but because of our failure to ignite the rest of the world with our moral enthusiasm as well as some petulance about being unappreciated.

As a consequence, in the 'twenties, the United States renounced the application of force and chose to substitute the high-flown moral commitment, as exemplified by the Kellogg-Briand Pact, emphasizing the expression on paper of good intentions divorced from both the realities of power and the sanctions necessary to enforce such intentions.

In the 'thirties things grew rather worse and we reached the high point—or the low point—of public disenchantment, so well represented in the Nye Committee investigations. There was the search for conspiracy, the mixture of paranoia and self-flagellation as the substitute for seeking an understanding of history, as well as the quasi-Marxist nonsense about the Merchants of Death—which replaced freedom of the seas, unrestricted submarine warfare, Wilsonian idealism, and astute British propaganda as the explanation of our involvement in World War I. Today, of course, the disenchantment has not gone so far. I regret to say, however, that the mentality of the Nye Committee is in some places once again with us. Perhaps it is best reflected in new-left revisionist history. Nonetheless, I am persuaded that the resiliency of the American society and the good common sense of the American public in the face of arrant nonsense will keep this nation on a stable course.

Where does this leave us with respect to policy? In what channels will American sentiments flow? Predictions can never be completely certain. Moreover, that admixture of idealism and disenchantment has historically resulted in a quest for novelty in foreign policy. But in foreign policy novelty is not available. There are at the poles only two broad lines of policy. Given the underlying realities of the single strategic stage on which world politics is now played, the United States will be obliged either to support its more or less permanent interests or withdraw into the North American Continent. There are matters of degree, of course, but in the face of the underlying realities there are no novelties suddenly to be discovered.

What then are the permanent aspects in the position of the United States that inevitably will frustrate that search for novelties in foreign policy? One interpretation which stresses the unadorned assessment of power realities—and leaves out both the role of hostile ideologies and the American sense of mission—has been elegantly stated by George Kennan (in an earlier phase):

". . . it was essential to us . . . that no single Continental land power should come to dominate the entire Eurasian land mass. Our interest has lain rather in the maintenance of some sort of stable balance among the powers of the interior, in order that none of them should effect the subjugation of the others, conquer the seafaring fringes of the land mass, become a great sea power as well as land power, shatter the position of England, and enter—as in these circumstances it certainly would—on an overseas expansion hostile to ourselves and supported by the immense resources of the interior of Europe and Asia."

Kennan's summary is not a complete statement of our policy or a full description of the motivation that lies behind any American policy. It fails to include such important ingredients as the American sense of mission, the legitimate desire to preserve liberty so that the United States can flourish in a closely integrated world in which other states share to a considerable degree the values that inspire the American spirit, the appropriate repugnance for hostile and totalitarian ideologies. Nonetheless, in the existing complex of international pressures, it represents a pragmatic guide to overall policy.

Given the realities, it explains why American forces have been and must continue to be deployed overseas. It explains why the United States and its allies must take quite seriously the need to retain a military balance—and to study carefully the changing requirements of strategy and force structure. In light of these realities, it explains why no novel discoveries will suddenly eliminate the continuing responsibility of the United States as the mainstay and cohesive force among free nations.

A substantial reduction in the American presence overseas would, in the absence of compensating measures, inevitably unsettle the military equilibrium. It would force major shifts in political calculations and relationships. To take the most dramatic example, American forces remain in Germany, as the cliche goes, thirty years after the close of World War II. That, however, is no oversight. Those forces remain an essential ingredient in the security of Western Europe. They are deployed there, not by historical accident, but because of the present and prospective utility of those forces in maintaining the balance and in achieving the security of Western Europe. Despite some of the expectations in the post-Vietnam environment there is no novel way in which those forces can be withdrawn and the military balance in Europe preserved.

I am happy to state my belief that with the slaking of the passions over Southeast Asia, an improved perspective is reemerging regarding our own role in the North Atlantic community. Once again the true American stake in the external world is undergoing serious rethinking and validation. The questions of force balance and strategy, as well as the purpose and character of the American defense effort, are once again being approached as respectable issues demanding serious intellectual discipline. Though there is no desire to be the policeman of the world, there is a developing appreciation, to revise Carlyle, that without the constable there can only be anarchy.

I cannot suggest, however, that we are out of the emotional woods. In the recent past it has been accepted as axiomatic that American policy must be based upon a position of strength. That view continues to be supported by the American public at large. Nonetheless, in the wake of the disappointments and disillusionment with the course of our policies in Southeast Asia, even that premise has suffered from the time-honored type of disenchantment. Since a position of strength failed to achieve all of the objectives that the United States might set, perhaps we should substitute a position of weakness. It is an interesting thought. But whatever the inadequacies of a position of strength, they will not be remedied by a position of weakness.

Though there is some fashionable tendency to find virtue in American weakness, let me underscore as sharply as I can: though virtue may be its own reward, it can never be its own defense.

Readjustments of course are required. But these readjustments will, I believe, be reassuring. Tell them in other lands, not that the United States is prepared to go anywhere or to pay any price in supporting others, but that the United States will continue to play its proper role in the support of other nations, when those other countries effectively demonstrate both a will and a capacity for self-help.

I would urge you not to infer too much from the developments in Southeast Asia. Southeast Asia remains unique. Only in the four successor states to French Indochina is the United States expressly prohibited by law from employing its military power. Elsewhere, by contrast, our treaty obligations, whether embodied in the mutual defense agreements with Japan and the Republic of Korea or in the North Atlantic Treaty, remain the highest law of the land. Our forces are deployed notably in Germany in support of our NATO allies. It will be understood in all nations, East and West, that an attack upon our forces supporting the Alliances will immediately bring to bear the full weight of American military power.

The role of American military power in the preservation of freedom, not only in the Western but in the Eastern Hemisphere, is indispensable. There are, for better or worse, only two superpowers.

The current configuration of world power makes the United States the indispensable ingredient for the preservation of freedom. In the past, the United States has been described as "the last, best hope of earth." Indeed, many recognize, it is the only hope.

THE RETIREMENT OF ROBERT E. QUINN

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, today a legendary political figure, Robert E. Quinn, will retire as Chief Justice of the U.S. Court of Military Appeals. As one of the truly remarkable figures in Rhode Island government, Bob Quinn was raised in the Pawtuxet Valley where he established a reputation for battling for the rights of the average person. His efforts earned him the title of "fighting Bob Quinn."

A former Rhode Island Governor, a member of the Rhode Island Legislature, a justice of the Superior Court of the State of Rhode Island, in 1950 he was honored by the President of the United States, Harry S. Truman, by appointment to his present position on the Court of Military Appeals.

It was because of his outstanding work while in the Navy that he became intimately familiar with the workings of the military law and its impact upon those in service of our country. Because of Judge Quinn's burning desire to see those in military service provided with genuine justice, he was selected for this high honor.

Like his contemporary, the late John E. Fogarty, Bob Quinn never turned a deaf ear to the needs of people. George Roche, former Chief Commissioner of the Rhode Island Workman's Compensation Commission, once said:

> There isn't a day that goes by that Robert Quinn does not do something for somebody.

That is the kind of person he is. His country and his State are proud of him. Just the other day, the President of the United States indicated similar sentiments to him in a personal letter to the judge. Truly Robert Emmett Quinn is a heavyweight champion of the people.

PARISIAN IS FIRST FEMALE TO HEAD MURRAY SGA

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. JONES of Tennessee. Mr. Speaker, our Nation has at last recognized the heretofore unnoticed potential for American women. In recent years, the female population has made itself heard in the affairs of just about every facet of our Nation.

I have the great distinction of representing one of our country's younger women who has taken up the new responsibility advocated by the leaders of the women's movement. Miss Cathy Cole is a student at Murray State University in Kentucky and has recently been elected as the first female to ever hold the office of president of that institution's Student Government Association.

I think it is certainly a healthy sign in our society when we can see the enthusiasm and dedication displayed in such an undertaking by one of our country's young people. It is also a tribute that her contemporaries would elect her to such a high office based on Miss Cole's merits as an able leader among the students of Murray State rather than on gender.

I would also like to note that Miss Cole has been active prior to this election in civic and governmental functions in her hometown of Paris, Tenn., and her home State. I welcome Miss Cole into her new role of leadership and would like at this time to enter the following article from the Paris Post-Intelligencer newspaper into the RECORD in honor of her achievements:

PARISIAN IS FIRST FEMALE TO HEAD MURRAY SGA

Cathy Cole of Paris has become the first woman in Murray State University's history to be elected president of the Student Government Association.

Miss Cole, 21, is the daughter of Mr. and Mrs. Ardelle Cole of 806 Manley Ave. A junior, she was elected last week as the first female president of the group since it was organized in 1936 as the Student Council.

Her victory over Fayte Brewer of Murray came during the first two-day April 9–10 election ever held on the campus. With a near-record 1,582 students voting, she finished with 878 votes to 704 for Brewer.

Having served previously on the SGA as executive secretary, Miss Cole was the favorite to win the election for the right to preside over all SGA activities and to serve as the student representative on the school's board of regents.

However, Brewer, a 26-year-old senior, who ran as an independent candidate, closed the final gap to one of the closest in the school's history.

Immediately after the final machine vote was tabulated, Miss Cole said, "I'd sincerely like to meet the needs and wants of the students who elected me to serve as their president."

Asked by one of her supporters about her feelings towards her unique position in MSU history, she said, "I think it's an honor to be in this position, but not just because I'm a female, rather because the students approved what I as an individual represent."

Succeeding Eugene Roberts of Mayfield, she will take office immediately.

A total of 47 candidates filed for the 31 association positions filled in the elections.

Miss Cole has won scholastic, social and beauty honors at Murray State. She is one of the 12 members of the university's chapter of Omicron Delta Kappa scholastic and service honorary. In the fall semester she held a perfect 4.00 grade average.

She was named "ideal active" of Alpha Omicron Phi social sorority, of which she has been vice president, and was a finalist in the Mountain Laurel Queen competition.

She is majoring in child psychology.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mr. Charles Bodie, director of the town of Babylon senior citizens program, was one of those witnesses. In his testimony he addressed himself to the particular problems he hears from seniors. Predominant among those problems were property taxes and transportation. I think my colleagues would benefit from reading the words of a man who is close to the concerns of our older citizens, and I insert Mr. Bodie's testimony to be reprinted in the RECORD:

TESTIMONY OF MR. CHARLES J. BODIE

Mr. BODIE. I prefer this interval between my speaking and Jack O'Shea. Following Jack O'Shea is like following a revival.

I appreciate the opportunity to come here to talk to you. I don't claim any expertise in the line of old age and senior citizens. I've listened to several of the speakers. In the interest of brevity, I'm not going to repeat a lot of things they said.

I feel one of the things we should keep in mind on a federal level is the Nutrition Program. How this can be cut, I can't see. We do have in New York State increasing taxes. I do know of several senior citizens who come to my club who are faced each year with tax increases of over $300, up to twenty-five or thirty dollars a month. If it weren't for the Nutrition Program, this would mean the difference between these people eating and not eating.

As far as SSI goes, I think the income eligibility levels are far too low. I think they should be made more generous to attract more people.

I think the biggest problem we face here in Suffolk County—and poverty isn't only a federal job; it's a state job—is mass transportation. As a Director of Senior Citizens in the Town of Babylon, the only people we can reach are those who can come to us, and I know there are thousands of others who can't come to us for lack of transportation.

I know the senior citizens have volunteered at times to take others but, because

of insurance problems, we are reluctant to do that, too. So there are many, many people we cannot give the benefit of our services to just because they can't get here.

We have many types of programs on a federal level. We have the Hot Line. As a suggestion, why can't this Hot Line have its own free number. I think then it eliminates the necessity of a toll call for several of our people, and it would make it more available to them.

I think, Mr. Downey, the biggest crunch we have as individuals other than inflation is our property taxes. It not only affects the property owner but also the renter with the increases in taxes, and most of them are on a school level. People are becoming hit and really hit hard when you tie in inflation.

I have stories of rentals where the landlord has increased the taxes not on a proportionate basis, but, if he had a twenty-family apartment, he would take one-twentieth of the tax increase and apportionate it to the renters regardless of the size of the apartment they had. A person may have a studio apartment and pay the same increase in rent for taxes that somebody with a two-bedroom apartment would pay.

The local taxes have gone to a point where it's making it impossible for people to keep their homes.

I do know this is a state problem, but I do feel the office of the Congressman would probably bring some pressure to bear and use the influence of his office to help alleviate these things.

I am encouraged by the fact that I received some literature from the state telling about some pending legislation. It's appropriately titled "Old age legislation", and I hope it doesn't get too old.

One of the things I think is of particular importance, and I would like to recommend it to everybody in the room. It's Senate Bill 744 and Senate Bill 1070 which would make partial real property tax exemptions for people sixty-five and over mandatory and reimburse the locality by the state. In other words, people sixty-five and over would get the tax exemptions, the local offices and schools wouldn't lose their tax money but they would be reimbursed by the state. I think it's only fair because people sixty-five and over have really paid and paid and paid for their schools and for their homes.

Another bill—there are six of them filed—would exclude Social Security from the definition of income in determining eligibility for the tax exemptions. I think that is a worthwhile bill, and I think people can get behind it.

I'll read one of them, but there are six of the same type. There is a Senate Bill 65 and Assembly Bill 778.

While I'm addressing myself to that, sir, I think there should be some consistency in when a person becomes classified as a senior. In New York State, for tax purposes or for State Aid, it's based on age sixty. Still, in New York State, in order to be eligible for the golden-age pass, you have to be sixty-five. Why the distinction? If we are senior citizens at age sixty for State Aid, why can't the same eligibility apply for the golden-age pass?

We have many more bills in here which take effect at a different time. These are nuisance values. Not everybody knowa when these things are available. If it was a stated age, a consistent age when a person would become a senior, then, at least, people would then know to what they would be entitled instead of saying now at sixty, I'm entitled to this and sixty-five I'm entitled to that and at sixty-four I'm entitled to that.

I have a piece of good information for Jack O'Shea. There was a bill in here which would reduce the age limit for getting a free hunting license down to sixty-five.

Mr. Downey, I personally feel that for too many years our country has been on youth oriented basis, and, therefore, they have lost sight of the fact that they have so many seniors. I do believe with the advanced state of medical knowledge today and with the decreased birth rate, the senior citizen population is going to grow and grow.

And I do believe one other thing. The senior citizens are beginning to recognize they have political muscle, and I think it's about time that the seniors banded together to do what they can for themselves because as Jack O'Shea has said, "They have paid and paid and paid."

The CHAIRMAN. Thank you, Mr. Bodie.

CONGRESSMAN HAWKINS WARNS OF RETREAT ON AFFIRMATIVE ACTION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RANGEL. Mr. Speaker, the urgent economic recession must not be allowed to destroy the progress this country has made in ending job discrimination.

Minority groups have struggled for decades to make successful inroads into the labor market, despite the presence of racism and job discrimination. Today the recession has compounded this problem by resurrecting the "last hired; first fired" syndrome, which many people thought dead or, at least, dying.

The Congress must not sit idle when programs to end job discrimination such as affirmative action, are eroded by the current economic situation. This country must continue its efforts to end job discrimination, in spite of our economic problems.

At this time I would like to share with you an article by our distinguished colleague, AUGUSTUS HAWKINS, which appeared in the April 1, 1975 edition of the Boston Evening Globe. Its content will hopefully add to the knowledge my colleagues already possess regarding this very important problem. The article follows:

ANTIDISCRIMINATION JOB LAWS IN DANGER

(By Augustus F. Hawkins)

A survey report recently released by the Equal Employment Opportunity Commission on employment discrimination in San Diego and Miami, indicates that minorities and women significantly hold many of the lowest paying jobs in those cities.

Conversely they also hold, in insignificant proportions to their numbers, only few high paying jobs.

Miami with 1270 reporting establishments, employing 213,686 employees, had a Spanish-speaking work force of 23.3 percent; blacks represented 12.4 percent of the work force.

While more than half of the white females were employed as office and clerical workers, 73 percent of the black males, and 54 percent of the black females were employed in the lowest paying jobs as laborers and service workers; 54 percent of Spanish-speaking males, and 54 percent of Spanish-speaking females were also in the low paying laborer and service worker categories.

One of the conclusions that one can make even in light of the preliminary nature of this survey (Birmingham and Cincinnati will be the next reporting cities in this series) is that job discrimination is still a crippling employment problem in the United States for minorities and women.

The dynamics of this serious issue will become even more crippling if the economic situation doesn't improve, especially as the question of nondiscriminatory hiring, and equal employment opportunity, begins to experience mounting attacks against equal employment opportunity laws and on affirmative action goals. And also as equal employment laws come into conflict with labor union seniority systems.

These organized attacks on public persons they project hiring (and when), laws and presidential orders supporting affirmative action goals contend that affirmative action programs promote quotas and reverse discrimination.

The organizational attacks, coming from some corporate sectors, coordinated higher education faculties and ethnic and religious groups, are an effort to discredit and defame the intent and character of the nation's antidiscrimination employment efforts.

In essence, affirmative action guidelines forbid employment discrimination by firms, organizations, institutions and agencies with 50 or more employees or with goods or services Federal contracts of $50,000 or more. Contractors doing business with the Federal government must have affirmative action plans, which must show how many minority if minorities are underutilized or underrepresented in their institutions.

The anti-affirmative action groups contend that affirmative action goals and timetables are quotas; they don't like quotas. The anti-affirmative action groups also say that quotas cause "reverse discrimination" and that white males therefore are being victimized by affirmative action. All of these contentions are incorrect and racist in tone.

The Legal Defense Fund of the NAACP says that "quotas imply" a fixed number or set ratio that must be filled and generally cannot be exceeded. Goals, however, in LDF's view, provide a yardstick for judging the efficiency of a program in achieving equality.

We believe that job discrimination will end if affirmative action is truly affirmative and aggressive.

TRIBUTE TO ARMENIAN PEOPLE

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LLOYD of California. Mr. Speaker, I would like to pay tribute to the Armenian people of my district, my country, and the world, as they mourn the 60th anniversary of their national tragedy. The following words from Annie Dermengian, of West Covina, Calif., express my sentiments and I am sure, of sentiments of the Armenian people:

ARMENIANS MOURN 60TH ANNIVERSARY OF MASSACRES BY THE TURKS

(By Annie Dermengian)

Sixty years ago, the Armenian people were the victims of the first genocide of the 20th Century, and many thousands were massacred by the Turkish government, and millions deported throughout the world.

April 24th, 1975, when the tragedy of Vietnam and Cambodia faces the world with horror, American Armenians mourn the 60th anniversary of the slaughter of their country by the Turkish government.

These events will never be forgotten, and American Armenians pay tribute to the United States for having helped to save the

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survivors of the massacres. Although the world is still in upheaval and insecure, the events of those days, and the martyrs who died at the hands of the Turks, will remain a constant reminder of man's inhumanity to man.

CONGRESSMAN BALDUS HONORS ONE OF THE WORLD'S TRULY TALENTED AND DISTINGUISHED EDUCATORS

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BALDUS. Mr. Speaker, it is my privilege to bring to the attention of my colleagues the achievements of a most remarkable and distinguished educator, Dr. Surrender Singh. Dr. Singh recently was appointed vice chancellor—equivalent to chancellor in the United States—of the newly established University of Faizabad in the State of Uttar Pradesh, India.

Dr. Singh was born September 12, 1932, in Uttar Pradesh, India. He received his education at Lucknow Christian College, Lucknow, India, finishing at Macalaster College, St. Paul, Minn., in 1956. He is presently a member of the board of directors of the Daily Gate City Co. and chairman of the Political Science Department of the University of Wisconsin-LaCrosse, Wis. Dr. Singh is a published authority in his field. He is listed in American Men of Science, Dictionary of International Biography, National Register of Prominent Americans and International Notables, American Men and Women of Science, Contemporary Authors and Men of Achievement.

Dr. Singh's contributions to his field include "American National Government—George Washington to Johnson" and "Twin Democracies: India and the United States."

Dr. Singh received his M.A. and P.A. at the University of Minnesota and his Ph.D. at the University of Minnesota. Having benefited from education in both the United States and India, Dr. Singh has devoted considerable effort to strengthening the bond between our two countries. He has served La Crosse University for 11 years and is now carrying his talents and goodwill to India.

Dr. Singh's achievements, though, have extended beyond the literary and academic. During the time that he worked in our country, he became a part of it. Keokuk, Iowa, will remember him as a teacher at Carthage College and a friend. He joined the Keokuk Rotary Club and was active. He worked with the Wisconsin State Political Science Association and was steadily recognized, first as secretary in 1970, as vice president in 1971, and president in 1972. He is a member of various boards and committees at La Crosse. This year, he will return to Wisconsin to finish out his duties as coordinator of the International Conference on the Status of Women, which will be held in La Crosse this year and host delegates from more than 40 countries.

Dr. Singh is fortunate to be married to Mrs. Virginia S. Singh, with whom he has established two schools in India and several other village uplift projects. Virginia graduated from Isabella Thoburne College with B.A.L.T. and M.A. from Peabody College, Nashville, Tenn.

Dr. Singh continued an active participation in the affairs of his native country during his stay in the United States. He managed a Lucknow school since 1969 and was a member of the Board of Directors of Suraj Paper and Pulp Co., Uttar Pradesh, India, in 1974.

I have every confidence that Dr. Singh will share with those he works with in India a rich collection of academic and everyday experiences. Dr. Singh's experiences, first in India, then in the United States, and now back to India will serve as a bridge of understanding and goodwill between the two countries. In his own words:

> I am not entirely severing my contacts with this University here in La Crosse which I admire so much and where I feel comfortable and at home. One of my ambitions is to establisth with the advice and help of Chancellor Lindner (of the University of Wisconsin-La Crosse) and others, some sort of meaningful relationship between our two universities. Perhaps, it can involve an exchange of students, faculty and administrators.

Throughout his long service to both countries, and despite his accomplishments, Dr. Singh has never lost sight of his mission. In the spirit of humility and goodwill as practiced by Dr. Singh, I commend him to India on behalf of the Congress as the "Ambassador from La Crosse."

FRIENDS OF FRANK HAPP HONOR HIM WITH TESTIMONIAL DINNER

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, one of my oldest acquaintances, Frank N. Happ, is being honored by his many friends and neighbors on Sunday, April 27, with a testimonial dinner in recognition of his 42 years of hard work on behalf of the Allegheny County Democratic Party.

Frank Happ is one of the reasons the party enjoys nearly a 2-to-1 registration advantage in Allegheny County.

In addition to his many party positions, including chairman of the Ross Township Democratic organization, a post he has held for 44 years, Frank served in State government under both Republican and Democratic Governors—a tribute to his ability and skill.

Frank was born in the city of Pittsburgh 74 years ago. Later in life he moved to the city's northern suburbs in nearby Ross Township.

He worked tirelessly for local and national Democratic tickets and has received awards from both the local and national party offices for his organizational acumen.

An accountant by training and profession, Frank and his lovely wife of 49 years, Marcella, have 3 children and 15 grandchildren.

With this brief review of his achievements and victories, I want to extend my sincere and heartfelt congratulations to a great friend, an excellent party worker, and a good human being, Frank N. Happ.

JOBS AND CRIME

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. MILLER of California. Mr. Speaker, the high unemployment which has been affecting our Nation for so long brings with it not only financial hardship but also terrifying social consequences. Many Americans note with grave concern the parallel rise in the jobless and crime rates. A recent article by Tom Wicker of the New York Times succinctly illustrates the relation between these two national evils. I am inserting a copy of this article into the RECORD in order to draw the attention of Congress to the social impact of unemployment on the jobless themselves, as well as upon thousands of innocent and unoffending citizens.

[From the New York Times, Apr. 25, 1975]

JOBS AND CRIME

(By Tom Wicker)

When the F.B.I. published sharply higher figures for the incidence of crime in 1974, Attorney General Edward Levi attributed part of the increase to rising unemployment, and it was remarked in this space that Americans might well "ponder the implications of the apparent link between rising unemployment and rising crime."

Now publication of crime figures for the first two months of 1975 in New York City tend to confirm that there is such a link, as Police Commissioner Michael Codd had warned that there would be. And the more chilling truth—as disclosed in a recent survey by Soma Golden of The New York Times—is that economists believe high unemployment will be with us for at least the rest of this decade, that the rate will rise even higher before it begins to come down, and that the general public seems prepared to tolerate high unemployment for some as preferable to inflation for all.

Americans, then, ought indeed "ponder the implications of the apparent link between rising unemployment and rising crime." In 1974, as a declining economy progressively forced people out of work, the rate of crime rose by 17 per cent nationally, compared to a rise of only 6 per cent in 1973.

The rate of violent crime doubled, the rate of property crime tripled, and the link to rising unemployment was suggested by the facts that crime rose the most in the last three months of the year, as did joblessness; that cities with the most unemployment had the biggest rises in the rate of crime; and that the crime rate increases were reflected most sharply in muggings, robberies and assaults—the crimes of the streets, where poor and unemployed persons often make their way.

The January–February figures for New York City show much the same pattern with serious crimes increasing by 21.3 per cent. Robberies went up most, by 26.3 per cent. Assaults rose 20.5 per cent. In New York, robberies and assaults are often street muggings—again suggesting the link to unemployment, since muggers tend to be youths, and teen-age unemployment, is now running at 20.6 per cent (and more than 40 per cent for black teenagers).

But the Golden survey tells us that it may be 1979 before unemployment—it is now nearly 9 per cent of the work force and may yet rise to 10 per cent or more—can be reduced to 6 per cent, and that economists have all but abandoned the old "full employment" target of only 4 per cent unemployment. At this moment, eight million Americans are looking for work and another 1.1 million have been so long out of work that they have given up looking for a job in frustration.

Worse, as Miss Golden pointed out, is the age-old pattern in which "the unemployment rate of women is worse than that of men, of blacks worse than whites, of teen-agers worse than adults, and of the unskilled worse than the skilled." Note the bottom categories—unskilled teen-age blacks, with unskilled teen-age whites not much better off, and the most disadvantaged of all the unskilled teen-age black female. Moreover, these particular unemployed persons usually have not worked enough to be eligible for unemployment insurance.

It seems self-evident that these patterns of unemployment are bound to have a stimulating effect on crime—particularly street crime (although it is not so clear that unemployment similarly affects murder and rape). Not only is street crime committed in most cases for economic gain; it also seems reasonable to suppose that much of it stems from the anger and frustration and alienation of those essentially rejected by a highly technological society—the enjoyable fruits of which, for the affluent many, are plainly visible to the poor and the embittered few. And even if unemployment can be reduced in four years to something like 6 per cent, Soma Golden's figures suggest that that still will mean as many as 5.5 million persons out of work, and hundreds of thousands more underemployed, poverty-stricken and probably alienated from the affluent society around them.

In attempted refutation of these views, it is sometimes asked why crime did not rise so spectacularly during the Great Depression as it has recently. One reason could be that the economic disaster of the thirties was more general, and the current contrast between widespread affluence and abject poverty was not so apparent. Another surely is that unskilled blacks had not then, to the degree that they have since, migrated from the South into the urban ghettos.

Is it not possible, in fact, that the swift and frightening increase in the crime rate in America in recent decades is due not least to the concurrent development of something like a permanent underclass not so much exploited as left behind—an economic substratum unable to rise by unskilled labor that is no longer in demand, unable to compete in a highly organized technological society, heavily damaged by being—in the cities—predominantly black in a white environment, and embittered by evidence all around of its hopeless disadvantage?

SEASHORE ENVIRONMENTAL ALLIANCE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BELL. Mr. Speaker, today I would like to recognize a special group of citizens in my home State of California. The Seashore Environmental Alliance—SEA—is a nonprofit California coalition of citizens groups and individuals dedicated to the preservation of California's 1,000 miles of coastline.

SEA was founded in June of 1974, less than a year ago, and has burgeoned to include 3,000 individual members, 91 affiliated organizations, and an affiliated membership in excess of 700,000.

SEA advocates the establishment of oil drilling and production off the California coast only as a last resort measure, or in the event of a national emergency situation, with the approval of Congress. Over last Labor Day weekend, SEA volunteers gathered over 200,000 signatures in support of this position.

SEA has from the outset sought input and support from legislators and officials from every level of those governments affected by coastal activities, and several of those officials are honorary members of the SEA board of directors.

Due in large part of such efforts, SEA's activities have been endorsed by the city councils of 14 coastal cities of southern California including Los Angeles. Their experts have testified before several governmental hearings and participated substantively on seminar panels and workshops and radio and television public interest programs to further citizen awareness of coastal issues.

SEA's newest program is the establishment of the environmental protection employment program—EP–EP—to assist public and private organizations in funding and staffing on a broad range of environmental projects.

SEA is a fine example, Mr. Speaker, of the tremendous assistance organized citizens can be to government in establishing appropriate public interest priorities. I am proud that this organization has emerged from the particular efforts of persons residing within my congressional district. Their high level of community concern and involvement is an inspiration to all of us associated with it.

TWO HUNDRED YEARS OF FREE ENTERPRISE COMMEMORATIVE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. CRANE. Mr. Speaker, I have been happy to note that, as part of our Nation's Bicentennial celebration, the U.S. Postal Service has been issuing a number of stamps commemorating the Revolutionary era. Included among these have been stamps depicting: Revolutionary flags; the Boston Tea Party; the Continental Congress; communication in Revolutionary times; craftsmen in the Revolutionary era; unsung contributors to the Revolutionary cause and, just last week, the battles of Lexington and Concord. In the next few months, these issues will be followed by others depicting uniforms of the Revolutionary War and commemorating the Battle of Bunker Hill.

Because of their widespread usage, their worldwide appeal as collectors items, and their ability to inexpensively convey both a written and a pictorial message, U.S. postage stamps have a special meaning not only for Americans but also for people in other lands. As we approach 1976, these Bicentennial stamps will serve two purposes: To remind us of the sacrifices and achievements of our Founding Fathers and to remind the rest of the world that America is proud of its heritage and the principles of freedom upon which it was founded.

As the history of colonial and revolutionary America indicates, economic as well as political freedoms were a matter of great importance to those who laid the foundation for the United States of America. Much attention, and deservedly so, has been given to the political issues such as taxation without representation, the right to local self-government, the quartering of troops in private homes without permission, and the right to a fair and speedy trial by one's peers, but we cannot forget that efforts to tailor American commerce to the needs of Great Britain, to regulate American trade with other nations, and finally to blockade and, in two instances, to burn American ports had a lot to do with the ultimate decision in favor of independence.

Since the beginning of the colonial experience, Americans had been forced to rely on their own initiative for survival. Over the years, they had established their own farms, built a few small factories, and, as a recent commemorative series indicates, had become skilled craftsmen and artisans. They asked little of government—either local or British—other than to be left alone so that they might succeed or fail on their own merits. In short, they became ardent advocates of a free enterprise system.

Certainly, the benefits of free enterprise were not lost upon the Founding Fathers. They recognized that political and economic freedoms were intertwined; that you could not have one without the other. In fact, it was this very realization that united the otherwise divergent interests of the colonies and enabled George Washington to later say:

> Much good to the community is predicted from the spirit of industry and economy which begins to prevail more extensively than it has ever before done.

Certainly the course of history has borne out the validity of Washington's prediction. In the relatively short space of 200 years, America has grown from a struggling nation of farmers, traders and small shopkeepers to the greatest agricultural and industrial power the world has ever known. And it has been done by relying on the strength of the free enterprise system. America's progress has been sponsored by those who took risks and did things on their own, not by those who looked to government for either subsidies or protection. As a result, we have achieved the highest standard of living in the annals of recorded history.

Mr. Speaker, I believe the Bicentennial celebration would be incomplete

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without adequate recognition being given to the role played by the free enterprise system, both in the founding and in the subsequent history of this Nation. And, to my way of thinking, an excellent means of extending this recognition would be through issuance of a postage stamp commemorating "200 Years of Free Enterprise."

As a matter of fact, a proposal for just such a stamp has been made and is now under consideration by the Citizens' Stamp Advisory Committee. To date, over 100 Members of Congress and upward of 20 of the Nation's Governors have endorsed the idea and I know that it would meet with widespread approval all across the country. Therefore, to add weight to individual expressions of support, I am planning to introduce a joint resolution that would put both Houses of Congress on record in favor of the idea. I hope my colleagues will give it their fullest support.

A SALUTE TO THE CITY OF NEWARK'S MAJOR NEW ANTI-CRIME OFFENSIVE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RODINO. Mr. Speaker, during this past weekend, in my home town of Newark, N.J., I had the pleasure of participating in an anticrime conference which I believe represents a very significant new commitment on the part of the citizens of Newark toward creating a crime-free Newark.

The mayor of Newark, the Honorable Kenneth Gibson, began a week of intensive activity by issuing the following proclamation:

NEWARK ANTI-CRIME WEEK, APRIL 20–27, 1975

Whereas: Crime is a serious concern for many residents and workers in our city, and has a corrosive effect on our economic and social life as well as the personal lives of its victims; and

Whereas: The Newark Police Department and other law enforcement agencies have made significant advances in the fight against crime in Newark, but need fuller cooperation from all segments of the community in order to achieve full victory; and

Whereas: Many organizations and individuals in the City of Newark are seeing a challenge and a responsibility in the fight against crime, and are actively seeking ways to restore the sense of security necessary for our city's revitalization; and

Whereas: The South District Police Community Relations Council has taken the lead in mobilizing our resources by arranging a City-wide Anti-Crime Conference on April 26 and 27, 1975, at the Robert Treat Hotel, and inviting many community leaders and residents to take part in its discussions.

Now, therefore, I, Kenneth A. Gibson, Mayor of the City of Newark, New Jersey, do hereby proclaim the week of April 20–27, 1975 as Newark Anti-Crime Week in the City of Newark, and do call upon all our citizens, particularly those in positions of leadership, to support and attend the City-wide Anti-Crime Conference, and to contribute their ideas, their time and their energy to this laudable effort to rally all the law-abiding forces in our city for a concerted attack on lawlessness and the evils that breed it; and I urge everyone who lives and works in Newark to place a personal role in the campaign to rid our streets of crime and to free our people from fear, so that our city may at last enjoy true peace and progress.

Of special note in the mayor's proclamation was the role played by the South District Police Community Relations Council in arranging a city-wide anti-crime conference for the weekend of April 26, and 27, 1975. This public spirited group has demonstrated that through concerted community action real strides can be made in our quest for safer cities. A special salute should be given to Mr. Bill Wallace of the South District Police Community Relations Council for his efforts in preparing the porgram presented at the anti-crime conference.

I found this conference to be especially practical and beneficial. Rather than focusing on the general topic of "crime in the streets" and dealing in generalities, this conference was specifically targeted to actively involve citizens in the "war on crime" in the Newark area. The program involved a great deal of interplay between the participants and members of the Newark Police Department with the police asking the citizen-participants for suggestions on ways of improving their service. Citizens were also given an opportunity to serve in a variety of ways including: block watchers, auxiliary police, special police, community crisis observers, disaster squads, and many others.

I believe this type of workshop session can go a long way toward arresting the crime rate in Newark and cities like it around the country. As I noted in my remarks to the conference:

> The work of this Conference and this community is an encouraging demonstration that we can commit ourselves to the control of crime and we can find new answers and new avenues together.

Mr. Speaker, I commend the citizens of Newark for this effort.

THE FLAT-RATE RIPOFF

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ROSENTHAL. Mr. Speaker, a major topic of consumer complaints received by my office is automobile repairs. One of the most recent was from a young woman whose car would not start. The first mechanic she took it to wanted over $100 to replace the generator and alternator. Fortunately she sought a second opinion. This time the problem was solved for less than $1 when a small piece of frayed wire leading from the generator was replaced.

This consumer was lucky. Many others, though, are not so fortunate. For them the shock comes when they are handed the mechanic's bill. That is when they learn that the simple installation of a part costing less than $5 can sometimes cost 10 times that much after labor charges are added.

Part of the reason behind this is the fact that auto mechanics are among the few persons in the world who can get paid for more hours than there are in a day. This is made possible by a book called the "flat-rate manual."

I am inserting in the RECORD at this point some articles about the controversial practice of using flat-rate manuals to compute labor charges for automotive repairs. The articles written by Margaret Bresnahan Carlson, coauthor of "How to Get Your Car Repaired Without Getting Gypped," are from Media & Consumer, a small but influential public interest magazine that addresses itself to important consumer issues.

The articles follow:

THE FLAT-RATE SYSTEM: WHEN MECHANICS TURN THE SCREW YOU PAY BY THE BOOK

(By Margaret Bresnahan Carlson)

Patrick Welsh of Alexandria, Va., paid $96 an hour to have a screw turned on the carburetor of his 1973 Pontiac.

Although you may not know it, you may occasionally pay a comparable labor rate thanks to a largely unknown, but all-pervasive system for pricing auto repairs called "flat-rate."

Under the flat-rate system, the customer is charged not for the time spent repairing his vehicle, but for the time a reference book—the flat-rate manual—says it should. For instance, one flat-rate manual lists 1.2 hours for replacement of brake linings. That the job might take a skilled mechanic eight-tenths of an hour is immaterial. The customer will be charged, and the mechanic paid, according to the listed time.

Mr. Welsh got caught by this system when he went to pick up his car from the garage and remembered that the carburetor needed to be adjusted. He asked the mechanic to take a look. Three minutes and one screw later, Mr. Welsh owed an additional $4.80.

Highway robbery? Not at all, at least not in the classic sense. Had Mr. Welsh gone to the garage around the corner, he probably would have paid the same price because this adjustment is part of a job that the flat-rate manual says should take three-tenths of an hour, or 18 minutes.

The flat-rate system is one of the truly creative ideas of the American enterprise system. Under it, a garage with 10 mechanics working an 8-hour day can typically bill customers for 120 hours instead of a normal 80 hours, as one would assume.

In the most extensive investigation of the flat-rate system yet undertaken, the Wisconsin Attorney General's office found that 12 new-car dealers in Madison, Wisconsin, typically charged customers for more hours of labor than there were hours in a day.

The study found that over a nine-month period, customers were charged for 61,887 man hours of labor than humanly possible. The shops were closed during most of those 61,887 hours. One mechanic billed customers for 594 hours of work over a nine-week period, but he was only working for 362 hours. Another charged customers for 648 hours but was only in his stall for 348. What flat-rate time worked out to for these mechanics was almost double time—80 hours pay for 40 hours work. Looking at it from the customer's angle, the labor charge quoted by the dealer was fraudulent by a factor of two, for when a customer pays $30 for labor, he is not paying for two hours of work on his car as he might think, but only one hour. The effective labor rate then is actually $30 per hour. (That the customer's bill is computed according to any system other than actual time spent is not generally disclosed.) The Attorney General's office found that the labor rate does not indicate that it will be based on anything other than the time actually spent repairing the vehicle.

By subpoenaing cumulative billing records and time cards for each mechanic, the Attorney General's office was able to compare the actual hours worked with the flat-rate time billed and find out just how inflated flat-rate times are. Although such an intensive investigation has not been undertaken for the rest of the nation, service managers and mechanics universally estimate that a good mechanic can beat the flat-rate manual on most standard jobs by 40 per cent.

A 1968 study by the Management Information Corporation, a subsidiary of the National Automotive Dealers Association, reveals that on 75 per cent of all jobs, mechanics can beat the manufacturer's suggested flat rate time, which is generally less than the times allowed by the independent manuals.

The Attorney General's office concluded that the quickest way to stop the inherent fraud in the flat rate system was to require that customers be told how much time was actually spent working on their cars and how much time they were being charged for. They proceeded to issue a trade-practice rule which in part reads:

"It is ordered . . . that the respondent, either directly or through any corporate or other business device in billing customers for auto repairs, including body repairs . . . shall disclose on the customer's repair bill the actual time required to complete the repairs, if a flat rate time or predetermined fixed time is stated on the repair bill."

Needless to say, the Wisconsin rule has not taken the nation by storm. It appears that no other state has a similar rule on the books. For now, the flat-rate system remains firmly entrenched as the predominant, if not the sole means for pricing auto repairs.

It is through the use of flat-rate manuals that the two largest consumers of auto repairs—insurance companies and the auto manufacturers under their warranty program—are able to control repair prices. The insurance companies refuse to do business with any shop that does not follow company-approved flat-rate-manual time standards. One Washington writer got two estimates for repairs to a 1974 Datsun from body shops at opposite ends of Washington, D.C., and the estimates varied by only a few dollars. Senator Hart's auto repair hearings also revealed that some insurance companies wangle a set discount based on the flat-rate time. A shop which doesn't meet the demands of the insurance companies quickly goes out of business.

The auto manufacturers require their authorized dealers to charge them for auto repairs based on factory-authorized flat-rate manuals. Thus, the manufacturers, the largest purchaser of auto repairs, set the price they will pay, while the ordinary customer, unable to wield comparable economic power, pays according to other flat-rate manuals, thus subsidizing warranty work.

This other type of flat-rate manual is known as the independent manual.

The flat-rate system came into being when manufacturers sought to develop a scheme for paying their dealers for warranty work. A brake job is a brake job is a brake job, they reasoned, and it should cost the same in every dealership.

But the system developed a life of its own, and now almost every garage in America uses some form of a flat-rate system. While a car is under warranty, the dealers generally follow their manufacturer's flat-rate book. For non-warranty repairs, dealers and independent garages turn to one of the independent flat-rate books, published by Chilton, Glen Mitchell, or Hearst, all of which are similar to the manufacturers' in style and format, with one exception—the independent flat-rate manuals' time allotments are more liberal.

As an example, the Ford manual lists one hour to the Chilton manual's 2.1 hours for replacing starter brushes. At $15 an hour for labor, the difference in repair bills between a garage using the Ford manual and a garage using Chilton's would be $16.50. These independent manuals allow more time for each job because according to the publishers, the allotments are computed without the use of power tools. Critics contend that Chilton, one of the most popular independent manuals, and others simply add extra minutes to the factory time as the spirit moves them. It helps sell more books. (A copy of Chilton costs $26 a year.) The books are used to set prices and often to justify prices for skeptical customers. It is in the garage's interest to have as much time as possible allowed for a job. Chilton is aware of this. Printed inside the front cover are instructions for use of the manual:

"Factory Time is supplied for the benefit of those shops that prefer to work on Factory Time. Chilton Recommended Labor Charges are furnished for those shops that choose to take advantage of independent time surveys."

Inflated prices are not the only problem with the flat-rate system. Putting workers on a piecework system encourages slapdash, shoddy work. In a race to clock flat-rate hours mechanics replace rather than repair parts, or don't really repair the car at all.

One example of replacing rather than repairing occurs with generators, which often fail because the brushes wear out. In the military, where time and labor are plentiful, electricians take the time to replace generator brushes. It is considered routine maintenance and is much more economical than replacing the entire generator. But the mechanic on flat rate can cut his time in half by simply replacing the entire generator because it is easier to beat the flat-rate time alloted for replacing a generator than the time alloted for repairing it. The customer ends up paying for a new generator and perhaps twice as much time as was actually spent on his car.

The flat-rate system also leads to a pitch-till-you-win approach. The mechanic cannot spend precious minutes diagnosing the problem and troubleshooting on the customer's behalf. He must do something quickly or he won't get paid. So first he replaces the spark plugs. If that doesn't do the trick he installs new points and a condenser. If the car still isn't running right, in goes a new distributor. While the car may eventually get fixed, the owner ends up paying for a bushel of unnecessary parts.

A savvy mechanic can also find time-included operations if he knows his flat-rate book well. Each flat-rate job allows a little time for getting the car, putting it in the stall, getting the tools out and locating the parts. If he can find another job to do at the same time, he can log another flat-rate time that includes the getting, putting and locating all over again, but of course he doesn't have to take the time to do it.

For instance, a mechanic who has just replaced the fan belt on your car might as well put in six new spark plugs, points, and a condenser as well. He gets a separate flat-rate time for each job, which includes locating the car, even though it's already in the stall.

Under the flat-rate system, the veteran skilled mechanics, who usually get their pick of the lot, skim off the easiest jobs, since these are the ones on which the flat-rate time is most inflated. It is the rookie mechanics, least able to handle the more complicated repairs, who get stuck with the tedious and time-consuming jobs.

By most accounts, the method of establishing flat-rate times is sloppy at best. GM, Ford, Chrysler, American Motors and others run their own time studies at the factory and tend to set low flat-rate times to limit how much they will pay for warranty work. Even so, a good mechanic can beat factory time.

The three independent manuals, Hearst, Chilton, and Glen Mitchell list factory flat-rate time and then their own flat-rate time. Testifying at the Senate Subcommittee on Antitrust and Monopoly hearings on the auto repair industry in 1970, the editor and publisher of *Motor Age* and the Chilton manual, John Kushnerick, explained that Chilton time is computed by using 11 full-time and six part-time technicians to come up with time allotments for the installation of over 100,000 parts. They also used to suggest a labor charge that they gleaned from keeping their ear to the nation's carburetors. (Glen Mitchell still publishes a labor charge.) Critics contend that the suggested labor rate is a reflection of what Chilton thinks the market will bear. Chilton time allotments are more liberal because they don't take into account the use of power tools on the novel theory that to allow less flat-rate time would penalize the businessman/mechanic for his investment and efficiency.

In defending the widespread use of flat-rate manuals, Kushnerick claims that they bring order to a diverse and chaotic industry. Apologizing for the built-in inefficiency of a flat-rate system, Kushnerick recalled Winston Churchill's comment on democracy—it's highly inefficient except when compared to every other form of government.

Kushnerick says that without the aid of the flat-rate manuals, no garage would know whether it is headed for profit or loss. "150,000 businessmen would be operating in the dark," Kushnerick says. And besides, he contends it provides the mechanic with technical information he desperately needs, and gives the mechanic an incentive to work at top capacity.

THE TWO SIDES OF FLAT RATES

PROCLAIMED BENEFITS

The flat-rate manual makes it possible for the garage to give you an estimate on any job.

A CLOSER LOOK

An accurate estimate based on time allotments that bear no relationship to the actual time spent repairing the vehicle defeats the protective purpose of an estimate. In England, the flat rate is used only for estimates, with actual clock time being charged for repairs.

PROCLAIMED BENEFITS

A consumer pays the same price for a repair even if he/she happens to get an inefficient or slow mechanic.

A CLOSER LOOK

Consumers would be better served paying the actual labor time of mechanics who are tested and licensed to insure competence.

PROCLAIMED BENEFITS

The flat-rate manual is an averaging method and provides uniform costs to consumers as a whole.

A CLOSER LOOK

The system fosters mediocrity because any shop can charge the flat-rate price. Since most garages use the flat-rate system there is little competition. Even if prices were competitive, it is difficult for the consumer to comparison shop since the published labor rate bears little relationship to the actual labor rate.

PROCLAIMED BENEFITS

The flat-rate system gives the mechanic an incentive to become more proficient.

A CLOSER LOOK

The flat-rate system encourages mechanics to beat the clock. In order to build more hours and increase their income, repairmen are encouraged to do sloppy work, replace instead of repair parts, and spend no time

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on diagnosis. Also, the mechanics with greatest seniority skim off the best jobs, that is, those jobs on which he is most likely to beat the flat-rate time. Less experienced mechanics are stuck with the more complicated jobs—the very jobs that require greater skill.

What You Can Do To Protect Yourself

The flat-rate system is pervasive, subtle, official-looking, and touted by industry as protection for the consumer. Consequently, it is deadly.

You can shop around for that rare garage that doesn't use the flat-rate system. But if you are one of the millions of car owners who must patronize dealers and garages that use the flat-rate manuals, here are a few things you can do to protect yourself:

1. Get an estimate ahead of time. There is no reason for the garage not to give you one, since a job will cost what the book says, no matter how long it takes.

2. If your garage charges by a flat-rate manual, ask to see it before you pay your bill, and look up the repair you had done. Most garages have several manuals on hand. If you are doing business with a new-car dealer, he should be charging you by the factory flat-rate manual. If he is using one of the independent manuals, he is charging you more than he charges for warranty work. This means that you are subsidizing the dealer's favorite customer—the factory. Such wholesale discounts to large customers, while not illegal, are questionable practices and should be challenged whenever they occur

3. Refuse to pay a labor surcharge. Many dealers are now tacking the surcharge onto repair bills to cover overhead items and service supplies. For example, one Maryland Chevrolet dealer adds 25 per cent to the cost of labor. Any company that uses the flat-rate times is that the mechanic must be compensated for those items.

4. Attorneys at the Federal Trade Commission are preparing to issue a proposed trade rule for the auto repair industry. Let them know how you feel about the flat-rate system:

Office of Marketing Practices, FTC, 6th and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

And, of course, send a copy to us:

Flat-Rate Project, Media & Consumer, P.O. Box 850, Norwalk, Conn. 06852.

Do Flat Rates Constitute Price Fixing?

To those unschooled in the intricacies of antitrust law, the flat-rate manuals may look like price-fixing, where, instead of competing, auto repair firms agree on what prices consumers should be charged. Critics charge that the flat-rate manuals furnish garages with a schedule on which they can base a uniform charge for labor. While this may not be price-fixing, it clearly affects one of the two elements of the price ultimately charged.

But to the experts in charge of policing such matters at the Justice Department and the Federal Trade Commission, there is recognition of the problem but no pursuit. One Justice Department attorney familiar with the flat-rate system says it is unrealistic and raises some serious questions; but where, he asks, is the agreement to fix the actual price?

Well, agreement, like beauty, may be in the eye of the beholder. In antitrust parlance, an agreement is a consensus among competitors to charge the same prices for any product or service. Consumer groups, whose complaints about auto repair top all others, see tacit if not explicit agreement in the use of the flat-rate manuals. Communication among auto industry members is good. Its trade associations are well-organized, well-informed, and well-met. Adam Smith commented in *The Wealth of Nations* that "people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public or in some contrivance to raise prices." It is perhaps with this axiom in mind that the Supreme Court has repeatedly said, "unlawful conspiracy," and that "business behavior is admissible circumstantial evidence from which the fact finder many infer agreement." More explicitly, the Court has held that any "combination formed for the purpose and with the effect of raising, depressing, fixing, pegging, or stabilizing the price of a commodity in interstate or foreign commerce is illegal per se."

The Federal Trade Commission has been investigating the auto repair industry in general and flat-rate manuals in particular for the last year, but the commission is not expected to charge the industry with unfair competition practices. Rather it is likely to issue a Trade Rule Regulation similar to that issued in Wisconsin. The Wisconsin regulation calls for disclosure to the customer that he is being charged for flat-rate time, not for the amount of time actually spent repairing his vehicle. One who knowingly violates an FTC rule can be taken to U.S. District Court and fined $10,000 per day. Others can be brought before the commission, which can issue a cease and desist order and require consumer restitution.

In the past, the FTC has said that the use of flat-rate manuals by competitors is likely to result in a restraint of trade. On February 5, 1965, the FTC issued an advisory opinion disapproving of a proposed flat-rate manual strikingly similar to the one already in existence, for the automotive radiator repair industry.

The manual, which proposed to make time studies and then publish the results for pricing purposes, "would be likely to result in a violation of the law," the commission said, "Even though couched in the form of a suggestion, the natural and probable result of such an action by the association would be to persuade substantial numbers of the members to charge the prices suggested, thus leaving an almost inescapable inference of an agreement among competitors to charge a uniform price . . . a clear restraint of trade under existing law." In considering the request, the commission compared the proposed manual to Chilton's. In fact, the proposal came into being because the radiator mechanics did not feel that Chilton's manual adequately covered the many and varied specialized repairs of the radiator garages.

Using much the same language, the FTC squelched a similar manual proposed for paint repairs by the Independent Garage Owners of America. The commission told the garage owners group that "the public expects to derive benefits from different prices offered by competing services."

Although there is little difference between the manuals disapproved and the ones that exist, the difference between issuing an advisory opinion and charging the industry with an unfair trade practice is substantial. As one Federal Trade Commission attorney put it, "Flat-rate manuals are not the major problem anyway. While they distort the economics of the industry and legitimize artificially-set prices, the costs associated with car repairs probably wouldn't come down if flat rates were abolished. That will take reform of the whole system"

As long as consumers and industry continue to confront one another with their group interests in hand, flat rates will remain an issue. Consumer groups have learned to chip away at marketplace abuses one at a time, and a new awareness that flat rates exist is prompting calls for change. The FTC's proposed remedy of disclosure is a beginning. A dollar's work for a dollar's pay may not be far behind.

Unsafe at any Flat Rate

About 55,000 people are killed each year in cars. Statistics aren't kept on how many of these can be blamed on poorly repaired or defective vehicles, but the Department of Transportation has recognized at least part of the problem by establishing an Office of Defects which is responsible for recalling cars with factory defects. As yet, however, no one has devised a system for recalling cars with mechanic-inspired defects.

Haste, as we well know, makes more than waste. Mechanics, pushed by a silent but unyielding boss called the flat-rate manual, could be more prone to mistakes. Some mistakes a mechanic makes just cost money. But others could have a far more serious cost.

One recent incident, which involved a *Media & Consumer* editor, highlights the problem. Our man took his Ford truck for repairs to a dealer. Among other things, the garage fixed his directional signals in all but one major respect—the right signal light blinked when he flipped the left-turn signal and the left signal blinked when he hit the right-turn signal. It wasn't until a car swooped by on the driver's right-hand side when he thought he had his right-hand turn signal on that the truck owner knew his signals were reversed. Had an accident occurred under these circumstances, it would have most likely been attributed to driver error when it reality it was a mechanic's error.

INDIA HAILS U.S. SETBACK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ASHBROOK. Mr. Speaker, I can only wonder why the majority of Congressmen continue to vote for billions of dollars in foreign aid. Commonsense would certainly tell us otherwise.

Between 1946 and 1974 the United States has handed out more than $164 billion to foreign nations. And what do we receive from these nations in return? Usually all we get for our money is a kick in the pants.

India is one of the prime examples. We have given millions of dollars to that country. We have sent them shipload after shipload of grain to help feed their people.

When the United States suffers some setback, however, India crows at our misfortune. Typical is their response to the Indochina situation.

As the Communist armies march over Cambodia and South Vietnam, the Indian Foreign Minister states that the American reverses are "a gratifying vindication" of India's foreign policy. According to the Foreign Minister:

> They represent the inevitable victory of forces of nationalism over attempts to undermine such forces through outside intervention, and constitute a gratifying vindication of the consistent policy maintained by us on this question over the years.

This beggar nation has a lot of nerve to refer to the forces of nationalism after it has come to the United States year after year with hat in hand, asking for handouts.

When is our Nation going to learn

from past experience? When is the Congress going to bring a halt to the foreign aid giveaways? I urge my colleagues to stop this waste of taxpayers' funds.

Following is the text of an article from the April 23 edition of the Washington Star, "U.S. Indochina Setback 'Gratifying,' India Says":

U.S. Indochina Setback "Gratifying," India Says

New Delhi.—Foreign Minister Y. B. Chavan said today the American reverses in Indochina were "a gratifying vindication" of India's foreign policy.

In the first reaction by Prime Minister Indira Gandhi's government to the victory of the Khmer Rouge in Cambodia and to Communist military successes in South Vietnam, Chavan said:

"They represent the inevitable victory of forces of nationalism over attempts to undermine such forces through outside intervention, and constitute a gratifying vindication of the consistent policy maintained by us on this question over the years."

Chavan spoke at a seminar organized by India's Institute for Defense Studies and Analyses and Indonesia's Center for Strategic and International Studies.

Meanwhile, the lower house of the Indian parliament voted 299 to 11 today to annex Sikkim as India's 22nd state, and end the 300-year-old monarchy in the Himalayan kingdom.

The only opposition to the proposed constitutional amendment, which will be considered by the upper house Friday, came from militant Marxist Communists.

THE HIDDEN TAX INCREASE

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HAGEDORN. Mr. Speaker, as the Congress grapples with the serious economic problems facing Americans, it becomes increasingly important that we recognize just how many of those problems are caused by Government itself. Most obvious of these Government-spawned economic difficulties is the burden of high taxes, particularly on middle-income Americans. That burden becomes even greater in times of rampant inflation—which is itself caused, in large part, by Government spending and regulation—when taxpayers are forced into higher tax brackets by inflated incomes, without realizing a parallel increase in purchasing power.

The following editorial, which appeared in the April 14 edition of the Minneapolis Tribune, graphically illustrates this problem and points out the need for some form of tax-indexing, or a better alternative, to help the hard-pressed taxpayer out of this dilemma:

The Hidden Tax Increase

The taxpayer, whom we shall call Jones, was content Tuesday night. State and federal returns were in the mail. ("Ought to get at those earlier next year," he thought.) He was in good health and employed, important assets for the sole source of income in a family with a wife and two children. His earnings had been substantial in 1973 ($20,000), and in 1974 Jones's employer raised his salary to $22,400, the same percentage increase as the increase in cost of living. Moreover, under the new tax law, Jones looked forward to a rebate in part of the 1974 taxes paid and lower taxes in 1975. But there was a nagging question: Why did the family budget seem tighter than ever?

With federal tax records still at hand, Jones did some calculations. He found that the salary increase moved him to a higher tax bracket. Not only did he pay a larger dollar amount of income for taxes, but a larger percentage as well, which worked out this way:

His 1973 income after paying federal taxes (and applying the standard deduction) was $16,990. The comparable figure for 1974 rose $1,758. To sustain his buying power from 1973 to 1974—which was the purpose of his 12-percent pay raise—his after-tax income would need to have risen 12 percent of $16,990, or $2,039. Instead, the increase of $1,758 fell about $280 short. So in terms of buying power, Jones was $280 worse off in 1974. Part of that decline was the result of his moving to a higher tax bracket.

Thus the irony for Jones and millions of others is that inflation, which affects both costs and personal incomes, also causes unlegislated tax increases. According to Congressional Quarterly, 1974 rebates will exceed only slightly the inflation-induced increases in personal taxes for the same year. The further irony is that Congress can claim credit for enacting four major tax cuts since 1962 even though people have found themselves paying more taxes.

One way to uncover the tax increases caused—and hidden—by inflation is to move tax brackets upward as the cost of living rises. Had that system of "tax indexing" been in effect, Jones in 1974 would have been taxed at the same rate as in 1973; his purchasing power would thus have stayed closer to living costs.

But just as it cost Jones more to support his family in 1974, so did costs of government rise. Tax savings to the Joneses of America would cause a loss in revenue to Washington. To prevent a revenue shortfall, Congress presumably would need to enact a tax increase—which explains the lack of enthusiasm on Capitol Hill for tax indexing.

The better answer is to obviate the need for both cost-of-living pay increases and tax indexing by stopping inflation. Since the record of recent years offers little encouragement that problems of inflation will soon be solved, the question is whether hidden tax increases of the kind experienced by Jones should be perpetuated. We would say no. And if indexing is not the best solution, we'd like to hear Congress discuss alternatives.

MONUMENT TO INTEGRITY: NICHOLS

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LLOYD of California. Mr. Speaker, one the great privileges of my lifetime has been my friendship with Robert Russell "Russ" Nichols, who was a mayor, city councilman, school principal, and school district administrator in West Covina, Calif. Russ' death on June 16, 1974, was likewise one of my saddest moments, for he was truly a fine man. I went to West Covina April 19, 1975, to share in a testimonial to this exceptional community leader. To further his memory, I would like to share with the Congress the following article published April 21, 1975, in the San Gabriel Valley Tribune:

Monument to Integrity: Nichols

(By Mark Landsbaum)

West Covina.—They honored an enigma Saturday.

He was a lucid, but inscrutable man, born with a gift for clarity and a drive for public service, yet a complex man of deep thought and with a selective private life.

Robert Russell "Russ" Nichols served his community in innumerable ways until his death June 16, 1974. He was a teacher, a school principal, an administrator, a civic volunteer and a city councilman.

But those were only the roles, the man was more.

Associates characterize him as a deeply devoted servant of the public. A councilman who walked away from the lure of self-profit at the expense of integrity.

It is one thing to retain integrity in the absence of temptation, but it is another to hold fast on principles when allured by examples of those around you.

There were those whose interests were selfish and not the public's. It was during the early 1960s in West Covina's booming land development, the opportunists, the whispers.

But not for Russ Nichols.

"So many times he was able to walk away from it. Not once would he give his friends information or an opportunity that would benefit him on a second-hand basis," according to Sam Sornborger.

Nichols' widow Gladys is a testament to her husband's integrity.

"He taught me a code of ethics," she said of the man supporters and opponents alike describe as a non-political politician.

Sornborger was one of a handful of confidants Nichols embraced as personal friends. He chose friends like he made decisions, with deliberation and discretion.

"He knew a lot of people, but was not too close to too many," Sornborger said. "There had to be a depth there."

A connoisseur of character, he looked for the qualities he held highly, integrity, courage, honor, intellect.

Qualities that were the measure of the man himself.

A former tank gunner in the South Pacific in World War II, Nichols had two tanks blown out from beneath him in combat. Stamped with a soul-wrenching agony of death and war, Nichols returned home to dedicate his life to the uplifting and constructive.

And that devotion to the public good was enhanced with time. He became a blend of the humanistic and the private.

And as one man near him surmised, it may have been personal tragedy that even more solidified the unlikely bond of Nichols' private desires and public ambitions.

Personal suffering may have heightened his concern for the public.

Grief didn't suddenly visit the Nichols household when 8-year-old Dale died in 1964. The youth's bout with leukemia had been a long, agonizing one for the family.

It was a hard lesson for the Nichols.

"I could never read any emotion in Russ," said John Gunn, the former minister also officiated at both Dale's and Russ' funerals.

"Russ was about 90 per cent ramrod backbone," according to Gunn.

"He was probably the greatest person I have ever known," his widow says of him today. "He was not afraid to face it, to pick up the pieces and go on."

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Upon their son's death, Gladys was understandably crushed. Nichols counseled his wife with the firmness that was his mark. Their son's death had to be accepted, he told her.

A close personal friend recently remarked that Nichols' deadpan acceptance was a sign of courage because "it had to be tearing him up inside."

And those who know his wife, credit her strength at Nichols' death with the manner in which her husband fortified her when the boy died.

"He always had his feet on the ground and faced reality," said Gladys.

The death of his son prompted Nichols to contribute his city council salary—$100 a month—for construction of a youth center.

A devoted public representative, Nichols may have given an impression of being insulated from those he represented, according to Sorenberger. But he was simply preoccupied, his friend said—a man of deep concentration.

Current Mayor Kenneth Chappel, a supporter in Nichols' unsuccessful bid for higher public office, remembers "the dean" of the city council as a steadfast defender of the rights of the homeowner.

"He knew exactly what he wanted to do, what he wanted somebody else to do," said Kay Zahrt, a local teacher who taught under Nichols' administration at California School.

Nichols' administrative prowess stemmed from his systematic mind.

"We used to kid him about his five-year plans," Sornborger recalled. Nichols plotted out his public and private futures with the articulation that marked his council activity.

He was "able to wade through the forest and pick out the problem, a gift most of us don't have," said his widow.

Gunn agrees, remembering how Nichols methodically would wipe aside the city council harangue and go to the essence of the issue.

That skill made him a mediator of disputes, the balancing on the council, according to those who watched him.

But Nichols was watched from many perspectives, not the least of which was from the school yard.

Said a one-time rowdy who once led the elementary principal on a chase out of the school yard, over a fence, down the street and into the bushes, "he was all right."

Remembering how on another occasion, Nichols put the youth inside a small restroom in the nurse's office and turned out the light from the outside "until I behaved," the now 17-year-old high schooler recalls "he had a reason because I wouldn't shut up."

"He kept trying to call my mother and I kept hanging up the phone," said the since partially reformed youth.

A school principal is part diplomat, part administrator and part counselor.

He ruled several campuses as a "hardnosed principal," one friend remembers, but in a manner described this way by a former student at California school:

"You weren't automatically wrong just because you were a kid."

It was the extra-curricular activity that best exemplified Nichols' contributions, however.

Gunn, poles apart from Nichols politically, used to delight in their philosophical debates.

"He would lead you down the garden path and then stick you," he said of the Nichols' brand of logic.

But when a crisis arose, such as the public emotion when racial minorities began to trickle into West Covina in the early 1960s. Nichols was on the firing line calming the waters.

Nichols' courage and strength prevailed to the last. He learned his disease was terminal only six weeks before he died.

His doctor told Gladys and closest friend Sornborger that Nichols was denying the inevitable.

He clung to life with a tenacious grip, denying to the very end the cancer that killed him.

"His attitude was whatever is wrong with me, they are going to find it out and cure it," according to Chappell.

Never did Nichols concede the inevitable, according to Sornborger. "As bad as he was, he resented being taken out of his home to go to the hospital."

The methodical, precisely planned life of Russ Nichols was unraveled, and for the first time there was nothing he could do about it.

Civic leaders Thursday honored him posthumously, and Saturday dedicated a memorial to him, and then established a scholarship in his name.

But Russ Nichols' contribution was one that did not have to be missed to be appreciated.

ORGANIZATION FOR SCIENCE TECHNOLOGY IN THE U.S. GOVERNMENT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. WIRTH. Mr. Speaker, today I am introducing in the RECORD in abridged form a timely and thoughtful report by the American Association for the Advancement of Science—AAAS. The report, prepared on behalf of the AAAS Board by William D. Carey and Richard A. Scribner, is entitled "Observations on Needs and Organization for Science and Technology in the Executive Branch of the U.S. Government." It has been forwarded to Vice President Rockefeller as a AAAS "white paper" and has been published in the March 7 issue of the journal, Science.

The questions of what should be our national policy toward science and how we should expect the President to utilize science and technology in helping to determine public policies are both issues of major importance. The AAAS report constitutes as clear an analysis as I have yet seen on the organizational roles for science and technology in the executive branch in support of Presidential decisionmaking.

The report sees three distinct but complementary roles for science to serve the President: the science and technology policy advice role, the R. & D. coordination role, and the science and engineering advocacy role. The first two should be in the White House or Executive Office, but the advocacy role is best explicitly lodged elsewhere in the executive branch.

We should give careful consideration to the structural needs pointed out in the report and to its organizational recommendations and caveats.

I would especially like to emphasize the report's stress upon the need for a science policy which is strategic rather than tactical in nature. In our planning for more effective use of human and material resources, we must begin to view the financing of R. & D. as investments for the future and not merely as discretionary expenditures of the present.

These distinctions are important to keep in mind, especially since they have so often been lost in much of the discussion on the subject. "What matters," in the words of the report, "is what we are doing with and to science and technology and how they can best help to define the direction and quality of our public policies." I congratulate the board of directors of the AAAS and Messrs. Carey and Scribner for this fine report and I submit it herewith:

ORGANIZATION FOR SCIENCE AND TECHNOLOGY IN THE EXECUTIVE BRANCH

Scientific advice in the White House must be viewed primarily in a substantive rather than an organizational context. In the recent discussions on the matter too little has been said about the requirements of complete presidential staff work, anticipatory planning, and the formulation of public policies toward science and technology. A disembodied decision on structure is unlikely to serve well either the needs of science policy formulation or the quality of scientific research and development.

Little would be gained by a political gesture restoring a seat at the table to the scientific community. It is a much deeper matter, which goes to the effectiveness of the national policy machinery in the decade ahead.

An examination of federal policy-making relative to science and technology must begin with the recognition that:

National goals of every description depend significantly, although in differing degrees, on scientific and technological progress.

The federal government's approach to R & D has been more tactical than strategic. (The most notable exception to this rule has been the National Science Foundation, which has consistently emphasized the long-term aspects of science.)

Reliance on a tactical, crisis-type of scientific and technical response is wasteful and disruptive of human and material resources.

Within the federal government, the financing of R & D is not yet viewed as investment, but only as discretionary expenditure.

The institutional interactions among economic planning, international policy-making, national security planning, domestic social objectives, and science and technology are ad hoc rather than systematic, with predictable malfunctions of policies and outcomes.

Here, then, is the issue: As we assess the position of the United States at home and in the world against the emerging concerns of the 1970's and 1980's, is there a clear need and opportunity to improve our national policy machinery by strengthening the role of science and technology in defining and meeting national goals? If so, how can we do this most effectively?

THE ARRAY OF POLICY PROBLEMS

It is clear that most of the driving issues of the last half of the 1970's and into the 1980's will be related to major social problems of which scientific knowledge and technological development are pervasive and critical aspects. The agenda is now tilted strongly toward consumer and public-oriented technologies in, for example, energy, transportation, health, education, natural resources, ecology and environment, and social systems.

For the remainder of this decade, and into the 1980's and beyond, policy-makers will confront a formidable and changing array of problems. The array of problems can be categorized under headings of: *social and economic; environmental, technological, and institutional; technological innovation;* and *national security.*

The national security issues in policy-making obviously require independent and critical staff work. Choices among military hardware systems aside, the real dimensions of "national security" have assumed a wholly new scale and character. They concern the uses of the sea, the environment, and the resources of the planet. They address the equities of resource allocation among developed and developing societies. They confront choices as to population stabilization, and the uses of science and technology and creating alternative social and economic structures which can help to reduce dissatisfactions leading to conflict. These are presidential issues, and our national security is tied to them. For these reasons, we believe that any realignment of the science advisory process must provide for direct involvement, within that process, in the staff work on the transnational problems on which global security will depend in the future.

This indicative enumeration of policy problems comprises a formidable menu for policy-making. Many are long lead time problems rather than quick response issues. To deal with them, policy analysis cannot rely on ad hoc improvisation. The national policy machinery must be equal to them.

While science and technology alone will not have all the answers, they certainly will have important roles in illuminating questions of choice, feasibility, and alternatives. For that reason, we believe that the national policy machinery must have an effective science and technology component which functions in concert with other policy support staffs.

THE STRUCTURAL PROBLEM

Within the context of the preceding assessment of the federal government's needs relative to science and technology, we see three distinct but complementary Executive Branch staff support roles:

1. The science and technology policy advice role.
2. The R&D management and coordination role.
3. The science and engineering advocacy role.

The first two functions can best be performed within the Executive Office of the President, and the third, while very much needed, is best kept out of the White House or the Executive Office and quite distinguishable from the others.

The science and technology policy advice role. There are two dimensions of science policy advice. The first involves frequent inputs to the traffic of *short-term* policy-making. The second involves *strategic planning* for the contribution of science and technology to national goals and objectives.

Short-term policy-making should focus on (i) budget allocations, (ii) evaluation of proposed legislation, and (iii) major program decisions or choices, such as the amount and distribution of R & D for energy, appropriate levels of expenditure, and best mix of civilian and defense R & D, or the treatment of multinational corporate R & D expenditures under proposed tax rules of the Internal Revenue Service. These are critical functions which require timely and informed science policy advice. If the policy advice role does not involve participation in them, it will have no clout or impact.

The second dimension is addressed to a longstanding gap in our national policy machinery.

The strategic planning dimension requires deliberate attempts to develop assessments of the quality and productivity of science and technology and to develop long-range goals for them in relation to the position and needs of the United States at home and in the world. Establishment of this role implies that government recognizes the character of the discovery process, accepts its long lead times, and means to create multiyear perspectives which will help to define and forecast the policy environment within which science and technology can be carried on.

An important dividend which should emerge from the planning and assessment roles is an annual guidance statement of the Office of Management and Budget (OMB) defining the ranges of new budget authority and outlays for the federal R & D effort, to be used as planning benchmarks in the preparation of the Executive budget. These guidelines should be consistent with the medium- and long-term economic, social, and international policy objectives of the Administration, and they should reflect the context of the real world in which budgetary choices have to be made. The development of the annual guidance statement does not preempt the role of the OMB in rationing resources among rival needs, but instead provides a rational framework which can help to extricate budgeting for science and technology from the constraints of incrementalism and inequities of "crash" R & D funding.

Whether both of these activities—short-term staff support and longer-range strategic planning—can be handled effectively by the same group in the Executive Office is arguable. However, it should be tried, because the realism of strategic policy planning will be fortified by immersion of the advisory staff in current decisionmaking with OMB and agency heads on the touchy issues which confront political executives from one day to the next. The danger to be guarded against is that long-range policy planning may be driven out by demands for quick response staff work for the White House.

Both of these advisory functions must be situated in the Executive Office to have the necessary ad hoc policy input and leverage required to set long-range science and technology goals. They must be accepted and tied into the delivery of staff work, and they must be headed by presidential appointees. Finally, they must be accessible to the outside world, where science and technology are largely initiated and performed, and not screened from "real life." The science and technology policy advisory staff would establish working relationships with the Domestic Council, the National Security Council, the Office of Management and Budget, the Council on Environmental Quality, and the operating departments and agencies.

There will be times when a President will need and want advice. He has to be the judge of this. The main objective, however, is to deliver sound, timely, and informed advice to the centers of the national policy machinery in and around the Executive Office—to make it an arm of complete staff work, so that facts, judgments, arguments, and alternatives work their way up the line. This is the best way to help the President.

In organizational terms, this means that the restoration of a science advisory system need not necessarily require a personal science adviser to the President; it may be enough to provide the staff capability to work on even terms with the White House and Executive Office staffs and the heads of agencies.

Finally, a degree of institutional tension is one of the risks that a staff activity must run. Science advice includes the responsibility to criticize or oppose policy trends, *within the White House staff system,* when the grounds for doing so are within the competence of science and technology.

The R & D management and coordination role. While the administration of federal R & D programs must remain the responsibility of the mission-oriented departments and agencies, there is great need for "cross-cutting" coordination and oversight. This problem has never been handled well in the past. Intraagency committee are poorly suited to the task. The OMB is necessarily concerned with issues of program content, cost-effectiveness, and dollar cost and, while some measures of oversight can be exercised through budgetary reviews, the process is selective, targeted, and may lack a balanced perspective.

What is needed, we believe, is assurance as to the priority, quality, balance, and end utilization of R & D. Crash programs, especially, call for objective evaluation and quality assurances, as in the case of cancer research and energy R & D. This evaluation requirement is particularly needed when these programs are supported by high and growing budgets while other fields of science and technology are relatively constrained by a lower support level. To make this kind of assessment, it will be necessary to reach out for help from organizations and individuals whose insights, skills, and experience will inject freshness and objectivity to the evaluation, including groups which can communicate the values and preferences of a diverse society.

Serious and unresolved questions exist as well with regard to the efficiency with which the nation's R & D capabilities are being employed; examples are failures to define R & D objectives in concert with industrial and other users of the results, disarray in the arrangements for handling scientific and technical information, contradictory practices among federal agencies with regard to patent rights, policy barriers to joint or cooperative R & D by industry, the absence of systemwide oversight of valuable federal laboratories and research centers, and costly practices in competitive proposal solicitation. Priorities for R & D will emerge from agencies' missions and role, but good science policy requires these priorities to be reviewed and coordinated to make them realistic in terms of feasibility, manpower requirements, timing of expected results, available funds, and well-defined objectives.

Equally important is the need to manage the federal government's discordant impacts on technological vitality in the United States. The attitude prevails at all levels of government that technology is the result of market forces and the decisions made in the private sector. What is not recognized adequately is that the government's policies and activities have a tremendous influence on the rate of technological investment, innovation, and risk-taking. Nor is it clear that government understands the importance of lively technology in maintaining a positive international trade balance, in improving productivity, and in generating jobs.

Yet, the federal government influences the rate of technological enterprise in ways that are critical: through its regulatory and standard-setting activities (which need a sound scientific base), through its massive procurement operations, through its R & D expenditures, through its tax policies, through its trade and monetary policies, through its economic policies, through its personnel policies, and through its educational and research policies. The aggregate effects of these disparate interactions on the directions and the scale to technological enterprise are unseen but great. No focus now exists in the public policy structure for coordinating policies and decisions relative to technological thrust. No analytic focus exists

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for considering the impacts of changing policies or regulatory actions on technological risk-taking, or for evaluating the impact of government on the marketplace in which decisions that affect technological risk-taking must be made.

An Executive Office focus is needed to deal systematically with these problems of management policy, to carry out special projects and R & D management audits, and to deal with issues which today go by default.

The science and engineering advocacy role. Because scientific research is long-range in nature—it is a discovery process whose benefits and costs must be inferred rather than quantified—its claims on resource allocation are often difficult to establish. This difficulty means that scientific research—especially basic research in the physical, biological, and social sciences—cannot compete for support on equal terms with the short-run operational responsibilities of government agencies. Budget levels for these short-run operations are resolved by bargaining and level-of-effort compromises. Year-to-year changes in budget policy erode the continuity of research and induce chronic uncertainty, while inflation forces up the costs of research manpower and laboratory investigation.

While science, as a claimant for federal support, cannot be exempted from the "ends-means squeeze," neither can it be expected to maintain its vitality under conditions of open-ended uncertainty. As a comparatively weak claimant on limited resources, science needs to have responsible champions to help its case to be heard, to identify and argue for pursuit of emerging opportunities, and to press for the maintenance of a lively and productive scientific enterprise. What must be guarded against is the creation of a special interest lobby for science, or what might be perceived as a lobby. The advocacy role within government must not be a partisan or special interest one: it should be selective and well supported with analytic assessments of the nation's research enterprise, judgments on the balance of effort among fields of research, and evaluation of the scientific and social merits of new opportunities in science. This is the kind of information which should be brought effectively to the attention of the Executive and Legislative branches and the general public.

These roles, we believe, should be carried out within government primarily, but not exclusively, by the National Science Foundation, working with the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. However, ours is a broad and pluralistic society, and openings must be made for the advocacy of views from many groups and organizations which reflect crosscurrents of change and the articulation of emergent needs. The strength of our national science and engineering endeavors will be enhanced if strongly held views on health research, applied social science, environmental science needs, basic research, and technological innovation and development, to name but a few, can find a ready, but critical and evaluative hearing within the federal government.

Furthermore, there is need for an Executive Office annual report on science, technology, and national policy addressed to the Congress. Such a report should assess the health of science and engineering endeavors and project long-range goals for science and technology applicable to the needs of the United States. Such a report could provide a degree of guidance to the scientific and engineering communities and be the focus for a continuing appraisal by the National Science Board and the director of the National Science Foundation, as well as the Academies, and such broadly based organizations as the American Association for the Advancement of Science, of critical questions affecting science and technology and requiring governmental attention.

RECOMMENDATIONS

The essential point is that the Administration must decide its posture toward the function of science and technology in the total national policy picture. Our view of the future persuades us that the country's goals and objectives are linked closely to science and technology, and that the arrangements for policy analysis, planning, resource allocation, and management should reflect that linkage.

The aim is not to aggrandize the image of science and technology, but to improve the quality and performance of public policy. If the Administration shares this view, we assume that it will take steps to put new machinery in place. If the Administration believes that our view is overstated, it should not adopt recommendations just because we make them. Otherwise, the disorder will only be compounded.

In the context of this discussion of needs and functions, we would welcome an organizational initiative comprising the following elements:

1. A. Council of Science and Technology Advisers in the Executive Office, headed by a strong chairperson, to provide continuing staff advice on scientific and technical aspects of domestic and foreign policy-making together with long-range policy research, planning, and public investment for the uses of the nation's scientific and technological resources in achieving major goals and objectives. At the discretion of the President, the head of the council could also serve as science adviser to the President.

An alternative to a council would be a single presidential appointee, assisted by a carefully chosen staff. This alternative would be appropriate in circumstances where a President might find a council unwieldy and slow-moving, and would prefer a simpler arrangement.

To ensure a strong and in-depth capability for planning and assessment to support policy-making, the Executive Office elements should be able to look to the National Science Foundation to mount and carry out a substantial level of science policy research, analysis, and reporting.

What matters, however, is not so much the organizational mechanics but rather the explicit provision for lively and complete presidential staff work—staff work which captures and gives weight to scientific and technical considerations in the examination and choice of policy alternatives and program strategies. The organizational answers should match the demands of the assignment, and should be seen as doing so.

2. An Office of Research and Development Management with the responsibility to evaluate programs, set priorities, provide quality assurance, see to policy coordination, and stimulate new initiatives. This office can be either a separate unit in the Executive Offices or an element in the OMB headed by a presidential appointee.

3. Principal reliance on the National Science Board and the director of the National Science Foundation, working closely with other federal scientific and technical agencies, for assessments of the nation's needs and opportunities for the advancement of science and education for science and engineering. Effective outreach should be maintained with the National Academy of Sciences and the National Research Council, as well as with scientific, professional, and public interest groups.

CLOSING COMMENTS

Organizational inventions tend to lose vitality over time, and to become preoccupied with problems of the past rather than the future. Organizational lag is one of the afflictions of bureaucratic life. We believe that our suggestions are appropriate for as far ahead as we can look, but we strongly recommend that future administrations keep an open mind and open options as to the character and appropriations of any set of science policy and managerial institutions. Events may call for different arrangements, and the national policy machinery must have the ability to recognize the need for change and revitalization.

HATCH ACT REVISIONS SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HARRIS. Mr. Speaker, at the April 14 hearings in northern Virginia on H.R. 3000, held by the House Subcommittee on Employee Political Rights and Intergovernmental Programs, one of my constituents, Ronald Jones, presented his case for amending the Hatch Act. He said:

> I believe that the evil of depriving any group of rights freely enjoyed by all others is far greater than the risk of abuse of official position by the few who might be unscrupulous no matter what the prevailing conditions are.

I would like to share the views of this Federal employee with my colleagues.

VIEWS OF RONALD JONES

Members of Congress and fellow-citizens, I want to express my most sincere gratitude for having been given the opportunity to offer my thoughts on H. R. 3000, the proposed amendment to the Hatch Act. My name is Ronald E. Jones, and for 5 years I have been an employee of the U. S. Department of Labor's Manpower Administration. I am a member of Local 12 of the American Federation of Government Employees, and I am a constituent of Congressman Herbert Harris, whose interest in this proposed legislation I commend to my friends and neighbors in Alexandria, Virginia. Additionally, I have studied political science through George Washington University's excellent program in Legislative Affairs. However, I claim to speak for no organization, but regard myself as a "grass roots" spokesman with deep feelings about the issue under consideration.

I strongly favor enactment of H. R. 3000, which with some strengthening would reestablish the right of civil servants to participate in the partisan political process in a way that I believe can be consistent with maintaining an effective, impartial executive branch. I am proud to serve as a civilian employee of the government, but I want to be able to contribute more—just let me have the chance! Surely the Members of the Subcommittee entered public life for similar reasons.

I am one who knows what it feels like to be part of a disadvantaged minority, whose voice is muzzled and whose actions are manacled by the majority. We of the Federal civil service are deprived of some of the rights which others take for granted as self-evident and inalienable in a democracy: of being

equally able to act and serve in our common political process. Other groups who are similarly deprived are convicted criminals and those in insane asylums. Do the American people really intend that their Civil Servants should be so equated?

The intentions of the Hatch Act are laudable in encouraging a professional civil service impartially administering public business. As the Supreme Court recently reiterated: "It is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service." But the barring of political activity does not guarantee a federal service dependant on meritorious performance. Further, I believe that voluntary service in the political arena can make a positive impact on the performance of those who choose to participate, by inculcating new human skills and awareness and by expanding the breadth of one's perspective.

The key word in the phrase "partisan political activity", from which the Hatch Act excludes us, is the word "partisan", which Title 5, Part 733, Subpart A of the Code of Federal Regulations defines as "a political party." My copy of the U.S. Constitution neither permits nor forbids political parties, it does not mention them because they were not invented until some years after Ratification. I need not remind Members of the Subcommittee that, by far, most of the policy debate and resolution which so vitally affects the lives of Americans is conducted within partisan political channels. Thus, although we have the vote, our exclusion from most stages of debate and all except final selections critically limits our choices; in effect, we can eat the menu offered, or we can leave the table hungry.

Besides the educational values of participation—which a number of Presidential candidates have noted—there are other reasons why I believe civil servants should participate. It would tend to develop our awareness of issues not usually connected with our employment but which might have bearing on the way we perform our work. There are those who criticize the Federal establishment for being unresponsive. If this were true, it could be because the avenues open to us to learn first hand the problems and needs of our countrymen through face-to-face encounters are inadequate.

We know that voting and political participation of all kinds have been declining at alarming rates in this country. It is easy enough to take a complacent attitude towards letting others conduct the policy-making business of the country. Certainly with a ban like the Hatch Act, we are provided with a too-simple excuse to ignore the responsibilities of citizenship. Further, can the nation afford to do without the political services, experience, support, and commitment of so large a portion of the adult population? I don't think so.

Similarly, I believe participation of civil servants would help raise the level of debate in the political process, bringing wealths of new expertise, experience, and approaches into the marketplace of ideas. Who knows better than those expected to carry out the law of the land, the difficulties and complexities of achieving the intent of legislation, which is but the collective will of the public.

The Hatch Act does not simply prevent my participation at the Federal level, but at State and local levels as well. In a partisan context—which is about the only context there is—I cannot even support my local dog-catcher without possibly running afoul of the law. Because of the Hatch Act, I and others like me have perhaps the least voice in the areas which affect us most, such as property taxation or in school allocations—if they fall in a partisan division.

As a possible new source of time and talent, to the extent that we would participate—if permitted—we would help revive and strengthen the two-party system, thus helping insure that there will always be a choice.

In the final analysis, I believe the evil of depriving any group of rights freely enjoyed by all others is far greater than the risk of abuse of official position by the few who might be unscrupulous no matter what the prevailing conditions are. Besides, the amendment would continue to provide strong safeguards against criminal abuse of position. Thus, we are not merely trading greater freedom for more criminality. Events of the past few years are graphic demonstration that even the Hatch Act cannot prevent abuse. In any case, whether or not improper pressures are used depends on the character, ethical integrity, and commitment to duty of those who are bound to abide by the law. The Framers of the Constitution intended that all citizens—including civil servants—could be trusted to govern themselves. It is time to restore that trust, to extend it to civil servants.

With regard to improving the proposed legislation, I believe it is vital to better define what is meant by "use of official position to influence the outcome of elections." This definition could be so vague that many of us would still refrain from participating so as to take no chance of being in the wrong. I also think the prohibition should be extended to preclude use of official position to promote the interests of a political party, particularly in non-election seasons. It might also be wise to prohibit the use for political purposes of information gained in confidence through official employment.

To help insure that participation would be above suspicion and to help us protect ourselves, it might be desirable to set up a reporting system outside normal official channels to which we might file notices of intent to participate, log our activities and file periodic reports.

Regarding possible abuse of official position, it would be valuable to specify a difference between effects which may have been intended, and from those which may have been inadvertant or unforeseeable side effects of particular administrative decisions. This raises the interesting question, too, of whether a defeated candidate could sue for a new election if he suspected improper interference by civil servants.

As I read H.R. 3000, it would be impossible for cabinet officers or other well-known political appointees to campaign, because they would be unable to disassociate themselves from their official positions. If this interpretation is accurate, it might make for a more evenly matched contest, but it also might unduly reduce the ability of incumbents to persuade, inform, and generate support for their positions.

I believe my fellow-panelists will have other suggestions for improving the legislation.

To conclude, if the definition of prohibited behavior can be nailed down and if the monitoring and oversight processes can be strengthened, I heartily urge others to join me in support of the adoption of H.R. 3000. I know this change would help bring a breath of air to freshen the holds where we who are "Hatched", wait. My thanks to Members of Congress for taking a new look at the political limbo in which we serve.

I would be pleased at this time to answer questions or clarify my statement.

MEETING FUTURE ENERGY REQUIREMENTS

HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RUNNELS. Mr. Speaker, because of an abundance of natural resources, the State of New Mexico has played a leading role in national oil and gas production in past years. Like the rest of the Nation, our State is confronted with the problem of meeting future energy requirements. As a result, a wide range of projects by local, State, and Federal agencies, our universities, and private business firms are being undertaken today to develop the technology necessary for providing energy for the future.

The energy research projects being conducted in our State include studying the merit and potential of such energy sources as solar, geothermal, atomic, laser, and gasification.

Each of these various forms of energy hold the promise of meeting some of our future energy requirements to replace depleting fossil fuels. However, during the next 15 to 20 years the primary energy supply will continue to come both directly and indirectly from fossil fuel, and therefore, the coal gasification process holds the promise of being best able to meet our immediate needs.

Preparations have been underway for some time for El Paso Natural Gas Co. and Western Gasification Co.—Wesco—to construct and operate six coal gasification plants and necessary support facilities in northwestern New Mexico on the Navajo Indian Reservation.

As expected with any new project, public concerns have been and will continue to be expressed about the environmental impact of this new process in which coal is converted into other petroleum products. Because the residents of my State have an interest in not only developing new energy sources but also in protecting the clean air environment of our State, I have sought to become as well informed as possible on the gasification process.

Recently, I had the opportunity to go to the Republic of South Africa to gain first-hand knowledge on the coal gasification technology that is proposed for operating the New Mexico gasification plants.

Unlike the United States. South Africa has no domestic petroleum reserves. But they have been able to largely overcome this deficiency by intensive coal gasification. In fact, the South African Coal, Oil, and Gas Corp.—SASOL—is presently preparing to expand their plant tenfold.

To say that I was impressed with South Africa's program is an understatement. The opportunity to visit this unique facility answered many of my questions and also raised some new issues which I feel should be pursued.

South Africa is known as a country

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that likes to be independent. Because of their remote location, and the world political situation, they are also confronted with a requirement of being able to function independently. Dr. Edward Teller, a world-renowned energy expert, after observing the SASOL facilities was quoted in the Johannesburg Star as stating that the Arabs would soon realize that the best place for their oil is not underground because technology was soon going to provide a replacement, the technology being South Africa's SASOL plant.

SASOL has been described as the "South African industrial whiz kid" in the field of gas, petroleum, and chemicals. Gasoline produced by the plant represents only a portion of the production which has resulted in the operation of the facility at a profit, even before world gas and oil prices reach new highs.

Because the gasification technology also converts undesirable components in coal, such as sulfur, into chemical forms that can be removed from the product gas, the process produces a wide range of chemicals which add to the profitability of the operation.

The following table provides an example of SASOL's major output:

Products in barrels/day

Gasoline	3,675
Kerosene	45
Diesel fuel	365
Fuel oil	90
Wax and waxy oil	295
Methanol	15
Ethanol	310
Methyl ethyl ketone	22
Acetone	16

Because of its leadership in gasification technology, South Africa today is selling its knowledge to many Western nations including the United States. They are also conducting new research to improve the technique that will allow this country, small by U.S. standards, to become completely independent of foreign energy sources.

In New Mexico, WESCO hopes to have the first plant in operation in a couple of years and producing an average of 250 million cubic feet of synthetic natural gas. I am convinced that we will be able to work out the various economical and environmental problems.

As New Mexico has so often in the past on the development of new technology, we will be providing the talents and natural resources of our State for the good of the Nation.

THIS IS THE YEAR OF BROOKLYN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RICHMOND. Mr. Speaker, I would like to submit this article for extension of remarks in the CONGRESISONAL RECORD:

THE BLOOMING OF DOWNTOWN BROOKLYN

This is the year of Brooklyn, but you'd never know it in New York. The season's top theatrical event—the visit of England's Royal Shakespeare Company—took place in Brooklyn, at the handsomely restored Brooklyn Academy of Music. Generally, it is easier to get New Yorkers to cross the Atlantic to London than to cross the East River.

Politically, as well as culturally, it is the year of Brooklyn, with a Brooklyn man in City Hall and a Brooklyn man in the State Capitol at Albany, which gives Brooklyn both clout and cachet. And with Manhattan marking time in an atmosphere of recession and gloom, most of what is happening in New York is going on quietly across the river.

Actually, the blooming of downtown Brooklyn should not really take New Yorkers so very much by surprise. It wouldn't if they didn't keep looking the other way. A walk across the Brooklyn Bridge on a magical early spring day or evening reveals more than its accustomed romantic beauty. (How spoiled we New Yorkers are; but this is part of our dubious charm.) Downtown Brooklyn has no easy answer and is still fraught with real and continuing problems, but there is enough visible accomplishment in terms of design, development and the creation and reinforcement of community and amenity for a dozen other cities.

Brooklyn's lessons in architecture and urbanism—which largely involve informed efforts to turn around an area decimated by a residential and commercial flight to the suburbs of the 1950's and 1960's—are heartening. And so are the role and achievements of the city agency in charge, the Office of Downtown Brooklyn Development, now under the direction of Richard M. Rosan, working in collaboration with exceptionally strong and dedicated local groups. This is one of those on-the-spot Mayor's planning offices that have done more for New York in terms of positive development policy than any single idea or action initiated by city government in the last decade. And at the moment, when the more glamorous planning offices are in a bind or a stalemate, Brooklyn is paying off.

You don't have to be a closet Brooklynite to know about Brooklyn's brownstone revival, but the first thing that strikes the visitor is the startling dimensions of the residential renaissance. These neighborhoods go on literally for miles, ringing downtown Brooklyn. They have an incredible population of 275,000—at least as big as three medium-size cities. Beginning with Brooklyn Heights, the revival moved to Cobble Hill, Boerum Hill and Park Slope—four areas that have been declared historic districts. Still another, Fort Greene, is in the process of designation.

Almost all of these seemingly endless, superb streets of 19th-century row houses were once slated for the bulldozer brand of urban renewal. That figured, of course, since the easiest thing to demolish is a treasury of intimately scaled, rich architectural styles of exceptional craftsmanship and quality. The revival that took place instead was a spontaneous, snowballing, bootstrap operation of individual and collective gut faith, born of a dedication to the principle that New York is livable and made by a young, committed, urban middle class.

If you want to know the extent of such faith, it is worth noting that with the exception of a few local Brooklyn institutions, New York banks would give no loans or mortgages on any of these houses in any of these areas. Has anyone ever estimated the disastrous impact of such "sound banking policy" on cities, even when street wisdom was in the act of proving the bankers wrong? They have a lot to answer for. (They'll handle the buildings now, at quintuple markups in sound, marketable neighborhoods.)

This charm, comfort and beauty, from tree-lined streets and blooming back yards to Eastlake parlors and sun-filled kitchens, is within a stone's, or a subway's throw of the big apple. Transportation facilities are excellent, although they need upgrading like the rest of New York's mass transit. Everything converges on downtown Brooklyn. And if the natives don't want to cross the river, they have an overwhelming concentration of their own cultural and educational institutions.

Again, if one stops to think about it, the score is stupefying. There are at least a dozen educational institutions, with 45,000 students enrolled in them, as compared to 26,288 students in Cambridge, Mass. Baruch College is now moving toward realization on 13 acres of the Atlantic Terminal renewal site after 10 years of backing and filling. There is a small, steady, loyal stream to the dance programs (outstanding) and exhibitions (ditto) of the topflight Academy of Music and Brooklyn Museum. (One draw, even with Manhattan's easy riches, is dinner at Gage and Tollner's landmark restaurant, an island of authentic food and atmosphere in the exponsive *ersatzchnüer* of New York dining.)

And that's not all, as they say in boostensville. Just beyond the bridge is Brooklyn's civic and commercial center. About 67,000 people, divided between the public and private sectors, work in its businesses, courts, government agencies, law and insurance offices and retail enterprises. And these are not just buildings—we are also talking about architecture. From the solid granite Romanesque Revival Post Office and the neo-classical Borough Hall to the nifty Art Deco of Corbett, Harrison and McMurray's 185 Montague Street (headquarters of the Office of Downtown Brooklyn Development), there is more substantial, stylish, top quality building in downtown Brooklyn than one can shake an architectural historian at. Block for block, it is some of the best, most underpublicized landmark territory in New York.

Most of the pivotal change and the concentrated redevelopment effort have taken place in this central business district, around Fulton Street. There has been commercial spillover beyond, from the brownstone neighborhoods, revitalizing Atlantic Avenue as well, with its older ethnic strengths and burgeoning antique and specialty shops. Atlantic Avenue is now surprisingly reminiscent of New Orleans' Magazine Street in both character and renewal. The development office has devised a special Atlantic Avenue zoning district to protect just those urban and architectural features that would be lost, without controls, in the regenerative process.

With the Downtown Brooklyn Development Association, the planners have made steady progress in the Fulton Street area. Abraham and Straus and May's have held on, while the famous movie houses died and traditional shopping turned into a redundancy of fancy shoes and wigs. But even with suburban defection and social change, this section still has the sixth largest sales volume of all U.S. central business districts, and one of the planners' proposals is a Fulton Street pedestrian mall. This seems about to go ahead. (Not the least problem is the repeated political, social and commercial mobilization needed, year after year, as every project inches forward one hearing at a time.)

A good deal less visible remedial action has also been under way. The Livingston-Bond garage that opened recently does more than provide parking space; it is a coordinating facility for off-street unloading, goods handling and new shops. Two handsome new, key buildings have been completed by the firm of Skidmore, Owings and Merrill—for Con Ed and the New York Telephone Company. Under careful planning persuasion, they feature such mandated urban assets as

arcades and new subway entrances as well as far-above-speculative-quality design.

There have been disappointments. Dreams of large amounts of new office space have died with the real estate market. Housing plans have collapsed, brought on by the failure of UDC, and it is hoped that the city will pick up some of the housing pieces.

But nothing is too big or too small for the Brooklyn planning office. A clear indication of its eye and attitude is a series of tidy, tiny, "traffic island" parklets throughout the area—carefully repaved, with trees and benches. The strength of a local planning office is that, unlike a centralized agency, its attention is focused on every street corner. This is the only kind of planning that really works.

We have saved the best till last. Downtown Brooklyn not only has an unparalleled view of Manhattan, it has a wonderful waterfront. The development office's Fulton Ferry waterfront plan ranges from the building of a small park and ferry slip, almost completed, to a pair of imaginative schemes to use a fine "modernistic" factory for the Brooklyn Museum Art School and the city-owned Fire Boat House for a Brooklyn Bridge Museum. (One of New York's secret treasures is the set of Roebling's inch-by-inch watercolor renderings of the bridge in the original wooden file cabinets in the base of the Brooklyn tower.)

Long range plans would link the area with the South Street Seaport on the Manhattan side. But it isn't necessary to wait for that to happen to explore the architectural marvels of the dramatic brick Empire Stores with their griffins and eagles and arched gates at the water's edge. Last one over the bridge this spring is a loser.

EMERGENCY LOW INCOME HOUSING ACT OF 1975

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. MITCHELL of Maryland. Mr. Speaker, the housing legislation which I introduced on Tuesday, April 22, 1975, fulfills a commitment made in 1968 and reaffirmed last year in the Housing and Community Development Act of 1974: the construction or rehabilitation of 6 million subsidized units during the 1968–78 decade. It provides for 3 million additional subsidized housing units for low and moderate income people during the next 3 years.

This House has recently dealt with two pieces of emergency housing legislation for people already in decent homes or able to afford them: one to help them get new housing and the other to avoid foreclosures. I supported both of these bills. Now it is time to enact housing legislation for low and moderate income people who have been the focus of much housing discussion, but who have been denied effective housing programs.

HUD submitted its 1974 national housing goals report 11 months late. That report makes clear that we have done too little. To meet the target of 6 million units by 1976, we will need to provide another 4 million subsidized units. Perhaps the section 8 program will provide 1 million of them. This leaves a gap of 3 million. My bill will close this gap.

It will do more. It will provide an estimated 2 million jobs over the 3-year period. This alone will reduce the unemployment level from its present 8.5 percent to the 5.5 percent which the administration assumes will not come about until 1980. Moreover, the Council of Economic Advisers, in its latest report, estimates that one-half the decline in real output in 1974 could be attributed, directly or indirectly, to the slump in housing production.

This year's budget request for low and moderate income housing subsidies is $2.6 billion—less than 1 percent of the budget. This represents the cumulative cost of all subsidized housing provided since adoption of the Housing Act of 1937. It represents about 3 percent of all our housing stock. Most of these subsidies go to people with incomes below $10,000.

While it takes no budget request, we will also have in the next fiscal year an $11.3 billion housing subsidy program. This is the cost to the Treasury of the tax deductions taken by homeowners for mortgage interest and property taxes. Most of these subsidies go to people with incomes above $15,000.

The National Rural Housing Coalition has recently calculated who benefits from our housing subsidy programs—including both tax subsidies and direct subsidies for low and moderate income housing. The conclusions are shocking:

People with incomes above $50,000—1 percent of the population—get 10 percent of all housing subsidies—$1.4 billion. People with incomes below $3,000—14 percent of the population—get only 7 percent of the housing subsidies—$0.9 billion.

Nine out of ten people with incomes above $50,000 get housing subsidies through the tax system. Nine out of ten people with incomes below $3,000 get no housing subsidies at all.

The average subsidy per household for people with incomes below $3,000 is $90. The average subsidy per household for people with incomes above $50,000 is $2,300.

More than two-thirds of all housing subsidy recipients have incomes above $10,000. Less than 3 percent have incomes below $3,000.

There will be, no doubt, charges that the program proposed in this bill is expensive. It is, in comparison with previous expenditures for low and moderate income housing. It could—if HUD's method of calculating costs is valid—be about as expensive as our present system of tax subsidies for the affluent.

It is time to recognize that there is no costless way of providing decent housing for low-income people. We do not expect to provide education at little or no cost. We do not expect to provide health care at little or no cost. We should not expect to provide housing at little or no cost. Instead we should recognize that decent housing will require Federal expenditures of substantial magnitude. We should recognize, as well, that these expenditures will be offset by both economic and human benefits.

According to the Department of Housing and Urban Development's own estimates:

There are 1.5 million households with incomes below $1,000 annually who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $1,000 and $2,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.6 million households with incomes between $2,000 and $3,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.2 million households with incomes between $3,000 and $4,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $4,000 and $5,000 who are eligible for subsidies, but for whom there is no subsidized housing available.

Almost all of these families live in housing which is either unsafe, unsanitary, or which costs so much that they cannot meet other basic needs. For example, in 1970 the median rent paid by families with incomes below $2,000 was $79, or at least 47 percent of their incomes, leaving no more than $86 for all other needs. The average renter family, in contrast, had an income of $6,300 and paid rent of $108, or 20 percent of income. This left more than $400 monthly for all other needs.

Yet, in 1972, when subsidized production was at its peak, two-thirds of all new housing production was priced to serve families with incomes above $10,000. Only 3 percent served families with incomes below $4,000. If these rates continue, it will only take 14 years to build new houses for the 25 million families with incomes above $10,000, but it will take 179 years to provide new housing for the 15 million families with incomes below $4,000.

The bill I introduced on Tuesday was developed in cooperation with the Ad Hoc Low Income Housing Coalition—a group of more than 30 public interest organizations deeply concerned with the housing needs of low- and moderate-income people. It is an emergency measure. It is a fulfillment of an existing, unhonored commitment, not a comprehensive program for meeting the full spectrum of our housing needs.

It uses the existing housing programs now on the books simply because they are there and, even given a commitment to move quickly and make a program work—as the administration has been in section 8—the evidence is overwhelming that it takes several years to start up a brand new housing program and bring it to a high level of production.

Therefore, our proposal reactivates or expands the programs presently avail-

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able—those with which HUD and Farmers Home personnel and nonprofits and others in the private sector are familiar—though some have grown rusty from disuse.

Specifically, the bill provides for the following additional subsidized units over the next 3 years:

One million units of public housing—not section 8—with at least one-third of these allocated to nonmetropolitan areas.

One million units of subsidized rental housing, as follows: 25,000 farm labor housing grants; 75,000 rural rental units under section 515 of the Housing Act of 1949, 15,000 with rent supplements; 200,000 units of section 202 housing for the elderly and handicapped; and 700,000 units of section 236 below the market interest rate.

One million units of subsidized sales housing, as follows: 250,000 units in rural areas under section 502 with interest credits; and 750,000 units of section 235 below the market interest rate.

The 1968 housing goal was set in a time when mortgage interest rates were about 6 percent, and when almost anybody with a steady job at decent pay could afford to buy or rent new housing. The situation today is very different. But instead of focusing on meeting the critical housing needs of people who have never been able to afford decent housing, we are dealing with the newer, less critical needs of people who cannot afford 8 percent or 9 percent interest rates.

What sense of national priority is it that lets us make a commitment a generation ago to "a decent home and a suitable living environment for every American family" and do so little to achieve it?

What sense of national priority—or legislative priority—is it that permits us to approve in 2 weeks a tax credit to benefit people well enough off to itemize their deductions, while there have not, since I have been in the Congress, been so much as a series of hearings focused on the housing news of low income people?

It is time to reorder these priorities—to fulfill our commitments to millions of American families who live in rural shacks or urban tenements. This bill is a beginning.

MARXISM VERSUS NATIONALISM: IDEOLOGICAL DEBATE AMONG BLACK INTELLECTUALS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in my Extensions of Remarks on March 19, 1975—page E1277—I noted an incident bringing to public attention the current sharp ideological debate among black intellectuals as to the merits of Marxism-Leninism versus Pan African nationalism. In the New York Times of April 28, 1975, Charlayne Hunter, a former citizen of my State, has written a brilliantly concise analysis of that debate which I am entering into the RECORD. I recommend it to all those interested in the ideological struggles of modern times:

[From the New York Times, Apr. 28, 1975]

BLACK INTELLECTUALS DIVIDED OVER IDEOLOGICAL DIRECTION

(By Charlayne Hunter)

An intense and growing ideological debate between the advocates of a "new" Communism-Socialism and advocates of black nationalism has galvanized major segments of the black intellectual and activist community.

The debate, which has sparked numerous conferences along with a proliferation of position papers in scholarly journals and magazines, is the chief development in black thought since the civil rights movement culminated in black power in the late nineteen-sixties.

Its importance is itself a matter of debate. There are those who feel that it is confusing, uninformed, divisive and irrelevant. But there are others, including historians and political scientists, who view it as part of a historical pattern of black development in which periods of activism are followed by periods of introspection and theorizing.

SOCIALIST SOLUTIONS

Thus, it is the graduates of the civil rights movement and the student movement whose restlessness and frustration over falling short of their goals of complete liberation have set the stage for this new development in the "cyclical process," as one historian described it.

The conflict is at once national and international, scholarly and emotional, courteous and acrimonious, confused and lucid, serious and humorous.

At the Sixth Pan African Congress in Tanzania last fall, the 200-member American delegation was awestruck when representatives of one African government after another advocated socialist solutions to race problems, which, these speakers said—to the Americans' dismay—were based on class and not on blackness or race.

There, as here, the basic issue is whether race and culture is the most important factor in the oppression of black people or whether being poor is.

The issue is color-and-culture versus class, a debate that black thinkers have engaged in since Emancipation. It has gained a new urgency today, however, among young whites, too, but particularly among blacks, who are experiencing the worst of an economic downturn that is expected to continue for some time.

Many black studies departments at universities are divided over the issue and many organizations, including the National Black Assembly, are torn by it.

Because there are divisions within each group, depending on degrees of orthodoxy, strict definitions are difficult. Moreover, there are Marxist-Leninists among the blacks who maintain a Pan Africanist view and there are black nationalists who hold Socialist views.

CALL PREDECESSORS "FAKE"

Generally, however, the "new" Marxist-Leninists reject the Communist Party U.S.A. and the Communist movement of the nineteen-thirties as "fake" and "revisionist"—thus, Angela Davis is not a party to this debate—and see blacks in the role of initiators.

Among these "scientific Socialists" who emphasize economic class struggle and the overthrow of capitalism and imperialism, are: Amiri Baraka, the activist poet-playwright; Ron Karenga the activist-philosopher now serving a sentence of from one to 10 years in a California penal institution for aggravated assault; S. E. Anderson, a mathematician on the faculty of Old Westbury college on Long Island; Owusu Sadauki, formerly head of the now-defunct Malcolm X Liberation University in North Carolina, and Mark Smith, former vice chairman of the Youth Organization for Black Unity.

Among the black nationalists who believe their oppression is due to their color and to cultural conflicts and that solutions must derive from and be carried out by black people, are: Haki Madhubuti (Don L. Lee), the Chicago-based poet; John Oliver Killens, the author; Ronald Walters, a political scientist; John Henrik Clarke, the historian; Jitu Weusi, head of the East, a black cultural organization in the Bedford Stuyvesant section of Brooklyn, and Kalamu ya Salaam, a Louisiana-based playwright and author.

The black nationalists are suspicious, even disdainful, of alliances with whites, and are extremely critical of former nationalists, like Mr. Baraka, who now say nationalists are part of "an ideology with three cutting edges—from nationalism to Pan-Africanism to Socialism .

In an edition of The Black Scholar, Mr. Madhubuti describes the black nationalists' position essentially as race "to work for race."

They regard Marxism-Leninism as "another integrationist program," according to Mr. Killens. And they accuse the advocates of being "faddist," and in some cases "opportunists."

ARMS OF SAME WHITE BODY

For Mr. Madhubuti, the conclusions of Marx and Lenin were "white and racist." And he further argues that racism predates both mercantillism and capitalism, and that capitalism and Communism are "the left and right arms of the same white body."

The problem, Mr. Madhubuti writes, is that "the Negro must stop trying to be like the American Express credit card, universally accepted. We must seek acceptance for ourselves before we seek acceptance outside the race."

Mr. Baraka's conversion to "scientific socialism" followed by some time other former black nationalists', including that of Mr. Karenga, the imprisoned former chairman of the militant West Coast group, US, who is regarded as a kind of spiritual mentor to Mr. Baraka. ("To know Baraka's position tomorrow, read Karenga today," commented a political scientist who has followed Mr. Baraka over a period of years.)

Nevertheless, Mr. Baraka has emerged—in print, a least—as a major spokesman for the "new Communism."

Distinguishing between it and the old Communism, of the thirties and forties,' Mr. Baraka writes:

"We say our ideology is scientific Socialism, specifically as practiced and theorized by Marx and Lenin and Mao Tse-tung."

In the October, 1974, Black Scholar, he elaborates:

"Our struggle is ultimately a struggle to destroy capitalism, the creator of racism. Skin nationalism cannot do that. We need to gain a clear knowledge of Socialist theory, and unite with those who really want to build a new world. That is the only criteria. Black liberation is Socialist revolution."

Not only have response to these positions proliferated, but as they have a new language, new charges, new divisions and new casualties have emerged.

Mr. Walters, responding in Black Scholar, inveighed against the "many brothers and sisters, trapped in an imperfect understanding of the long distance imperatives of black nationalism and Pan Africanism. The turn toward Marxism has represented a way out, a way to take off their African clothes, change back their names, refry their hair, pick up white friends again."

Also in Black Scholar, Mr. Anderson assailed Mr. Madhubuti's position: "In his desperate attempt to hold back the tide of the Afro-American and world revolution. Brother Madhubuti, insistently falls back on analyses and observations that have been relentlessly shown to be jive."

In addition to the charge made by some Marxist-Leninist that the nationalists "only want to talk about how many kings we had in Africa," Mr. Karenga criticizes them for "mask [ing] contradictions among blacks in pursuit of an elusive ideal unity."

"But," he goes on, 'regardless of chit'lins, fried chicken and soul, dancing-doin-it and rhythm there are basic conflictual differences among blacks and those are class differences."

Charles V. Hamilton, a political scientist at Columbia University and coauthor with Stokeley Carmichael of "Black Power: The Politics of Liberation in America," holds the view that even among those who appear to hold conflicting positions there tend to be more similarities than differences and that assigning labels adds little clarity.

On the current debate, Dr. Hamilton argues that both sides are basically Socialist and that their positions with respect to the masses of black people are not that far apart.

Both sides are accused, for example, of focusing neither on immediate needs of the people nor on public policy issues. Yet, on both sides, there are people who argue that they are involved in thinking about or moving to affect these issues in one way or another.

DIVISION OVER THE WORKER

A major perceptual division is occurring, however, around the attitude toward the worker.

Mr. Smith, who has been active in union organizing efforts among textile workers in North Carolina, writes in the January-February issue of Black Scholar:

"Our experience has been that in struggling alongside black workers on the job—struggling to organize a caucus, to fight currupt union leadership—one of the first points that brothers and sisters often raise is the need for a strategy to build unity between black and white workers!"

Ronald Walters does not oppose working with whites. "You can't turn all white people into devils," he says. "But you form coalitions—not because of some theory, but because of pragmatism—who has the resources—and you apply them on behalf of your people."

But John Oliver Killens is more cautious, arguing that blacks must integrate from a position of power, something he does not believe they now have.

"The problem with the instant Marxist," Mr. Killens says, "is that theirs is a misinterpretation of Marx." He went on:

"Marx talked about the absolute impoverishment of the working class, without talking about the absolute incorruptability of the working class. The thrust should be for black working class leadership.

"With the unemployment problem becoming more crucial, I predict that white workers are going to shoot down black workers, fight them for the few jobs that are out there."

Mr. Killens said, however, that he sees no contradiction between black nationalism and Socialism, and views the debate as "divisive at a time when we need unity; that could be why it's happening."

Harold Cruse, the acerbic political analyst whose major work is "The Crisis of the Negro Intellectual," argues that neither side knows what it is doing and that the whole debate is merely confusing.

"The kids are not equipped and the older people don't want to be bothered with the kids," he said in an interview from Michigan State, where he is a professor in both history and Afro-American studies. "But you have a generation gap created by a series of national and international developments that occurred too rapidly for anybody to embrace. Very few kids, for instance, understand the New Deal and the lasting impact it had on national forms. They take Social Security for granted, for example."

While Vincent Harding does not necessarily share Dr. Cruse's analysis,—he feels that the debate is "necessary"—he argues that there are new forces at work in the world that have implications for what happens in America. Those include "America's rise as an imperial force," and black Americans' experience in seeing revolutionary movements develop and succeed in such places as Mozambique and Guinea Bissau.

But primarily Dr. Harding, head of the Atlanta-based Institute of the Black World, believes that the black movement has "gained a right of its own to demand that it be dealt with as a power."

That is why the old questions have surfaced in a new debate, Dr. Harding believes. Can there be any real Pan-African liberation in Africa that does not involve total transformation in America? he asks. Is the working class scientifically ordained by history to lead the revolution? Is there a recognition of the uniqueness of America and of how difficult it is for black people to really open up and look at an ideology that embraces whites in a way that would not be poisoned by the realities of racism?

C. L. R. James, a leading Trinidadian Marxist theoretician and author now living and teaching in Washington, refuses to discuss the current debate.

Part of the answer may be found in his historical work on the Haitian revolution, "The Black Jacobins," first published in 1938, in which he wrote:

"The race question is subsidiary to the class question in politics, and to think of imperialism in terms of race is disastrous. But to neglect the racial factor as merely incidental is an error only less grave than to make it fundamental."

Although his life and works have spanned nearly a century of black ideological development, he confides in a whispery voice that he does not understand the conflict.

"In [George] Padmore's book, 'Pan Africanism and Communism' is an account of the work we did between 1935 and 1939. I was the editor of both the Trotsky paper and Padmore's [the Stalinist]. And we never quarreled. They were for the revolutionary emancipation of Africa and that was okay with us. We were for the overthrow of capitalism and that was okay with them. This quarreling now, I don't understand it."

If there are those among the elite who do not understand, many feel that the masses, with whom they all profess some affinity, have no idea of it at all.

"The elites are carrying them [the discussions] on as if the correct decision is absolutely fundamental for the struggle to go on, and they are absolutely wrong," said one black historian, who also prefers to stay out of the fray. "They are getting together because they feel something is on the way and they are trying to get a position so that they can say something the masses can follow. In 1960 and later, though, the ranks didn't wait for these discussions. They went into the streets in more than 150 cities. They don't need to worry about the masses. The masses will find their way."

For many of the intellectuals involved in the debate, however, there is the concern that basically what is wrong with it is that it is not broad-based enough.

As one former activist from the 'sixties said: "We wrote off everybody. The church. The political parties. The bourgeoisie. Well, it may not be all we want it to be, but it's there and it's organized.

"Take Jesse Jackson, for instance. Jesse doesn't fit into the equation, but he's trying to make a religious movement the basis for a new movement. We criticize Jesse for being a capitalist, but that's not really important. He can mobilize."

THE ILLUSIONS OF POWER

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mrs. MEYNER. Mr. Speaker, the final act of the Vietnam tragedy is being played out. It is right and proper that Americans now try to articulate the lessons that we have learned from that experience. Too often, however, these postmortems take the form of bitter assessments of blame or simple rehashing of the old arguments on the merits of the war. It was encouraging to me to see instead a careful broad view articulated by the editors of the Delaware Valley News of Frenchtown, N.J. in a recent editorial. It deserves the attention of all Members of Congress.

The editorial follows:

THE ILLUSIONS OF POWER

The Vietnam debacle, at least for the older generation, can only be described in terms of the expression, "deja vu," the sense of having seen it all happen before. During World War II and for four years after, the United States poured billions of dollars into Nationalist China in the attempt to help Chiang Kai-shek stem the communist tide. Both the Nationalist Chinese and the South Vietnamese were led by a corrupt clique of generals and politicians, put or maintained in power by successive American Administrations.

In both cases, vast quantities of U.S. arms and supplies failed to create a national will to fight on the part of the Chinese and South Vietnamese people. Huge amounts of those arms and supplies were, according to report, actually sold to the Communists. In China, and now in Vietnam, arms, ammunition, tanks, planes and guns worth billions of dollars have been abandoned to the Communists without even a pretense of resistance. Company and batallion commanders in the South Vietnamese "army" are said to even sell food and arms to their own men, and in the recent panic retreat, supposedly "crack" troops thrust aside starving civilians trying to get aboard rescue ships and planes.

And now, we have the incredible spectacle of still another American general demanding a further half billion dollars worth of military aid for an army that has never fought, is not fighting now and will never fight.

The whole sorry sequence of events in East Asia can be traced directly to the Communist hysteria of the 1950s, a hysteria that a generation of rightwing politicians, beginning with McCarthy and Nixon, has foisted on the American people. The word "communist" causes a knee-jerk reaction among

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these politicians and Pentagon generals, and their immediate reaction is to go for their guns. That hysteria created a C.I.A. that has given us a rotten-egg image all over the world.

We have been living an illusion of omnipotent American power and we will have to shed that illusion before any realistic foreign policy is obtainable. The war hawks claim that failure to support South Vietnam will hurt our credibility; instead, that credibility has already been badly damaged by misuse of our immense wealth and power. The result is an anti-American tide of opinion throughout large parts of the world.

But the war hawks in Congress show signs that at last they are beginning to listen to their constituents. Many, returning to Washington last week, said the voters are fed up with the war. And that is the only way we can find our way back to sanity in foreign policy—for the grass-roots voter to make it unmistakably plain to the politicians that the time for foreign military adventures is over.

WASTE BY THE U.S. ARMY IN EUROPE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. DOWNEY. Mr. Speaker, for more than two decades now the United States has maintained a massive military establishment in Europe. Yesterday Newsday published the first in a series of articles that raises serious questions about the effectiveness of our forces there. In the coming weeks, we in Congress will be considering the Defense budget and I think that the facts revealed in Newsday will contribute to the quality of our decision. Therefore, I would like to share this first article with my colleagues.

DECAY IN THE MOTOR POOL; FOR WANT OF A JEEP . . .

(By Patrick J. Sloyan)

Boblingen, West Germany.—Millions of taxpayer dollars are being wasted by the U.S. Army in Europe because of inadequate care of overflowing stocks of tanks, guns, trucks and other military equipment that have rusted, decayed and provided easy pickings for the arms black market.

An extensive investigation by Newsday has found that:

At least $52,000,000 is needed to repair neglected equipment supposedly ready for combat on six hours' notice.

More than $32,000,000 worth of Army hardware in West German depots cannot be accounted for and has been either stolen or misplaced. As a result, the "combat-ready" vehicles in these depots have been stripped of their batteries to prevent theft.

Expensive German labor performs exhaustive overhauls on Army vehicles requiring only minor repairs that should have been done by U.S. soldiers.

Inadequate maintenance has resulted in expensive vehicles lasting only a part of their expected lifetimes, necessitating costly overhauls ahead of schedule or the purchase of even more expensive replacement vehicles.

Thousands of vehicles meant to replace combat losses in a future war are left rusting and inoperable, untouched by human hands for years.

Army field commanders are covering up serious maintenance problems that would affect their combat capability—and Congress has overlooked them.

The findings raise serious questions about the effectiveness of what the Defense Department's Installation and Logistics Division says is a $25 billion-a-year budget for worldwide maintenance of U.S. military equipment purchased at a rate of $40 billion a year.

In recent years, the Pentagon has been under fire for the way it buys equipment that some defense officials say costs twice as much as promised and performs only half as well as expected. Largely ignored, however, has been the nuts-and-bolts side of military maintenance of goods worth billions of dollars.

The past and current failures in military housekeeping are blamed on everything from the Vietnam war to the kind of soldiers being recruited by the all-volunteer Army.

A number of Army commanders in Europe say that the Defense Department has simply refused to provide enough manpower in recent years to care adequately for European military supplies. "Our primary concern was Vietnam, and the Army in Germany suffered," said Col. William Miller, chief of logistics at U.S. Army headquarters in Heidelberg.

Another frequent criticism by some military officials is that the Army dropped its entrance standards so low when the draft was elimiated that today's soldier is unable or unwilling to keep costly equipment in good repair.

But perhaps the overriding reason is that the Army has too much equipment in Europe to care for properly. From Defense Secretary James Schlesinger on down, no one in the Ford administration knows exactly how much—in terms of total dollars or items—the Army has in European stocks.

Whatever the reasons, the poor maintenance and resulting waste is being hidden from Congress, senior civilian officials in the Pentagon and military commanders.

Extensive interviews with officials in Washington and at Army headquarters in Heidelberg produced assurances that as much as 90 per cent of the military hardware in Europe was up to snuff, ready for war.

But visits to units doing the actual work at lower levels and a still-to-be-released classified government report produced dramatically different set of facts. Proper maintenance procedures were found to be absent in combat-ready units, which are supposedly prepared for war at a moment's notice, as well as in units maintaining stockpiles of supplies for troops that would fly to Europe in a crisis.

The classified report, by the General Accounting Office, has concluded that Army front-line units have not done effective maintenance. According to GAO investigators, Army commanders were not planning or executing effective repair programs. The GAO focused on the lack of skilled or motivated soldiers to do the work; a backlog of broken tanks, jeeps and trucks throughout the Army because of inefficient motor pools or a slow supply system, and all these and other problems covered up with glowing reports of combat readiness sent on to higher headquarters.

"They just aren't doing the job, and no one really seems to care about it," one GAO investigator said.

A down-to-earth picture of Army maintenance, the key to the Army's ability to go to war and withstand the rigors of combat, can be found on a wooded hillside in Boblingen.

The scene is the headquarters motor pool of the 4th Battalion, 73rd Armored Division. This is where basic maintenance is supposed to be carried out. A sergeant speaks:

"Yeah, well, you tell him to get down to this motor pool hubba-hubba because we got work to do here and he is in deep trouble."

Warrant Officer Paul Michaelis, of Salt Lake City nods approvingly. "I've got a good motor pool sergeant. You can't do this job without a good sergeant."

Michaelis was such a good sergeant—with a keen eye and sure hand in keeping the heart of a mechanized Army pumping—that he was made an officer. He is a 13-year veteran of motor pools in Vietnam, Korea and Europe. His job is to keep 51 tanks and an assortment of trucks, tank retrievers, armored personnel carriers and jeeps out of the motor pool and on the road. This equipment belougs to the front-line U.S. troops who would bear the brunt of initial fighting in some future European war.

"Well, we try, but we're just not getting the job done," Michaelis said in an interview. "The equipment is going down much sooner than it should. They don't get near the lifetime out of these tanks, and they cost $400,000, or these five-ton trucks or the smaller trucks or the jeeps.

"Now look at this five-ton truck. It's only two years old. It won't last more than five years. It should last 15 years, maybe 20.

"If we were a commercial company we'd go broke. You should see the breakdowns on these field exercises. That's a real eye-opener."

Despite the self-criticism, Michaelis and his motor pool men put in five- and six-day weeks to accomplish what they can. He has begun his own program of maintenance on his most expensive vehicles—the tanks—so that each gets a thorough going-over twice a year. His jeeps and trucks, however, do not get that kind of attention.

Nevertheless, Michaelis said that tank crews and truck drivers are not performing the routine maintenance that is required to achieve an economical length of service for his vehicles. Instead, they are on guard duty, in a parade, in a class on racial relations or doing tasks other than maintenance.

"They say there will be a half-day of maintenance," he said. "Well, hell, it takes a half day just to open the tank and get your tools out."

The "Army way" of doing things is also wasteful. Instead of repairing, for example, the turbocharger on a tank engine, motor-pool personnel remove the whole engine and replace it with a new engine. "I can fix the turbocharger but they won't let me," said Spec. 5 Sidney Watson of Albuquerque, New Mexico. "They just waste the money."

The supply system has been another problem. On the day of his interview, Michaelis had eight vehicles out of action because of missing parts. "We got an automated, computerized supply system," he said, "but we're still running it on a manual, pencil-and-notepaper basis."

Michaelis said that the Army should reorganize its maintenance system, giving each major unit a garage. "Then you would take the vehicle to the garage to have whatever work needed done by a staff of mechanics. You could have contact teams from the garage visiting the units at a lower level.'

What the Army does have is three to four levels of maintenance, with each higher level doing more complex and extensive overhauls. What happens, however, is that lower units simply ignore their maintenance, sending equipment on to higher levels.

Regulations require that most tanks get scheduled maintenance at 500- and 1,000-mile intervals, with most of the relatively

minor work performed by American soldiers at their unit levels. However, when a tank rolls up 5,000 miles, it is scheduled for a major overhaul, getting a new lease on life by costly replacements of engines, damaged metal, electronics, gunsights and other equipment. Tanks that have been knocked out on the battlefield have gone through such overhauls and rolled out of the depot ready for war once again. But the Army doesn't always follow its own procedures.

For example, the Government Accounting Office discovered that the Army was shipping to depots hundreds of tanks that should have had minor repairs at lower levels. The depots—where tanks are revitalized through extensive rebuilding—are manned by German civilians whose hourly wages have gone from $5 in 1970 to $19.75 today because of dollar devaluation.

There are three such depots in West Germany, which spend $63,000,000 a year to do work that could be done by soldiers. As a result of the GAO study, the Army says it is closing two of the depots at a savings of $53,000,000 a year.

The Army continues to lean on Germans and other local civilian workers to maintain everything from its mess halls—it employs 2,800 German pot scrubbers—to its tanks, even though the cost of their employment has skyrocketed as the dollar's value has sunk on the international monetary market. Currently, there are 52,000 local civilian workers who run up a $435,000,000-a-year payroll paid by U.S. taxpayers.

In a series of interviews in Zell, Wurzburg, Kaiserslautern, Schwabish-Gemund and other U.S. installations in West Germany, veteran Army mechanics focused, to one degree or another, on the same problems outlined by Michaelis: lack of skilled personnel, poor scheduling of maintenance, backlogged supply systems and an overall lack of concern about nuts and bolts and the grease-gun side of Army life.

As far as the Army is officially concerned, the vehicles and equipment are ready to roll. But some senior officers said privately that while the effort in U.S. Army motor pools had improved in recent years, adequate maintenance still was far from official Army goals.

"Things are a lot better today than they were, I can tell you that," said Col. Patrick Roddy, who is in charge of $700,000,000 worth of hardware pre-positioned in Germany for troops who would be flown to Europe in an emergency.

Of the 5,000,000 components under his control, mostly in warehouses at eight sites in Germany, there is enough to equip three Army divisions and send them into battle on six hours' notice.

It turns out, however, that there are no batteries in the 28,734 trucks and jeeps, 15,960 tanks, armored personnel carriers and other vehicles stored in Roddy's warehouses. The batteries are stored in separate warehouses—often miles from the vehicles—at these eight sites. They must be filled with liquid and recharged before they are re-installed in the vehicles.

"We had to take the batteries out because they were stealing the stuff," Roddy said in an interview. "They were ripping off trucks, cranes, bulldozers—all kinds of stuff. They caught one group and they were mainly French and Czech. They'd make out a phony trip ticket and drive the stuff to Amsterdam usually.

"Then they'd sell it for the highest price, usually for the Mideast. It didn't make any difference which side—just to the highest bidder."

Roddy said he did not know how much was stolen from the stockpiles, but as a result, he has beefed up the German guard force around them with police-dog teams.

Last year, the Army could not account for $32,000,000 worth of such stockpiled goods. "It could have been stolen or just misplaced—they have so much," one government auditor said.

Today, Roddy is directing a "get-well" program for these strategic stockpiles, which have been amassed since the Berlin crisis of 1962. The Kennedy administration began the stockpiling after encountering logistics difficulties during the cold-war era.

"I'd say we're in pretty good shape now," Roddy said. According to the Army, more than $12,000,000 has been spent at the sites under Roddy's command during the past year to repair hardware that was permitted to deteriorate during the Vietnam war through lack of maintenance.

But according to the Government Accounting Office, an additional $52,000,000—or a total of $64,000,000—would be required to "restore the equipment and replace shortages."

"The repair program appears to be one of repairing equipment which should have been maintained throughout the years," the GAO said in another still-classified report. "Unless more resources are applied to keeping pre-positioned equipment operable, similar get-well programs will be necessary."

Roddy has a 1,800-member work force that continually performs maintenance on the stockpiled equipment, hoping to check and repair all of it—if necessary—on a cyclical basis. "It's hard to keep up with the volume," Roddy said.

At least once a year, the equipment under Roddy's supervision is removed from sprawling parking areas and taken to the hillsides of Germany by combat units flown from the U.S. on "Reforger" operations.

Another use for the pre-positioned stocks dedicated for use in some future European war is rarely discussed. But on more than one occasion, the U.S. has dipped into the supplies to aid foreign countries in an emergency. During the 1973 Arab-Israeli war, the U.S. quickly sent 450 tanks to Israel, many of them "borrowed" from the West German stockpiles. Last year, the stockpile again was tapped for several dozen M–60 tanks, sent that time to Ethiopia.

These little-noticed maneuvers have left the U.S. Army 1,650 tanks short of its authorized strength of 8,350. Now the Army is pushing for a replacement tank that could cost more than $1,000,000—almost triple the price of its current front-line weapons.

There is still another category of stockpiled equipment that the Army at one point "overlooked." It is at the combat theater replacement centers, designed to resupply NATO's losses after a future war is under way. In 1972, the Army complained that Vietnam had left it dangerously short of tanks that would be needed in the event of the start of war. But after some checking by Congress, the Army "found" 4,000 to 5,000 more tanks, mainly at the West German replacement centers.

Equipment in the combat replacement centers gets substantially less attention than the warehoused supplies under Roddy's command.

Rows upon rows of tanks, trucks, jeeps and other equipment at the combat center sit out in the European rain and snow. Metal rusts. Tires decay. Canvas rots. No one knows exactly how much of this equipment exists—no one has counted it.

The largest such center, in Germersheim, is manned by German civilians who, at large salaries, bicycle rather than walk around the sprawling complex doing a job they will never finish.

"We have no worries about stealing here," said an English-speaking German mechanic with a wave of his hand. "Even if they could get them started, they would not get far."

In fact, it would probably take weeks—even months—to prepare most of the Germersheim equipment for combat, provided the Army had the men and time to do the job.

The Germans, in a methodical fashion, do not check individual vehicles; instead, they sample one vehicle to get an indication of what must be done to groups of 100 and 200 vehicles. Even so, most of the equipment goes untouched by human hands for at least four years at a time. (The Army schedules major maintenance in four-year cycles).

The Army's depots at all levels appear to be designed with the idea that war will never come to Europe again. All this equipment is crammed into neat rows or clearly marked warehouses—there is no camouflage—that could be destroyed in hours by a handful of aircraft.

The sitting-duck aspect of the stockpiles has concerned some veteran members of Congress. Rep. Clarence Long (D-Md.), remembers the vulnerability of Pearl Harbor.

"They [the stockpiles] are terribly vulnerable," Long said in an interview. "There isn't very much we could do to hold off the Russians. They have the stuff there. Their bases are dispersed. The more we have over there, the more we might lose if a war really broke out."

The Pentagon has ignored Long's complaints, arguing that German real estate is simply too costly to be bought for dispersing its highly concentrated stockpiles.

Despite evidence to the contrary, Army commanders in Europe today insist that poor maintenance is behind them. "Things were bad over here during the Vietnam war," said Col. Bill Miller, who helps direct Army maintenance in Europe.

"The horror stories are true—sickeningly true. But the need then was in Vietnam and that's where the people were. Now, they're here getting the job done."

But the headquarters assessment is based on reports from field commanders—reports traditionally designed to please superiors more than present the facts. "We're making an effort to overcome this old Army tradition," said another senior officer. "We want the truth."

The truth is that Defense Secretary Schlesinger is about to cut back the Army's maintenance effort in Germany as part of reducing support units in favor of bolstering combat ranks. It's part of Schlesinger's new theory that the substantially larger Soviet and Warsaw Pact nations will no longer ride roughshod over NATO forces in Europe in the event of war. The theory, in reality, was forced on the Ford administration by a Democratic Congress increasingly fed up with the Pentagon budget in general and the cost—almost $20 billion a year—of maintaining U.S. forces in West Germany.

For 26 years, the U.S. has paid to keep 300,000 troops, along with their 250,000 dependents, ready for a war that has become increasingly improbable as Western Europe has matured economically and militarily.

The changing work scene, along with the drain on the U.S. Treasury and adverse impact on U.S. balance of payments abroad, has increased support in Congress for a proposal by Senate Majority Leader Mike Mansfield (D-Mont.) to bring American troops home from Europe.

In the face of that pressure, the Pentagon is attempting to cut costs by reducing support units charged with doing maintenance and other non-combat duties. Rather than improving care given to equipment that cost taxpayers dearly, the effort appears to be in the process of being reduced.

Until the major foreign-policy battle over U.S. troops in Europe is concluded in Congress, the Pentagon continues half-hearted preparations for a war that probably never will be.

The reality in this Alice-in-Wonderland policy centers on the Army's ability to prepare for a conventional war in Europe. In that struggle, a key weapon is the grease-gun in the motor pools of Germany. Today, the Army appears to be losing that battle, and there is no doubt that taxpayers are covering the motor-pool losses.

SYMPOSIUM ON OUR NATION'S HUNGER PROBLEM

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ESCH. Mr. Speaker, on March 13 and 14 of this year administrators of the Womens, Infants, and Children feeding program—WIC—from around the nation held a symposium on our Nation's hunger problem at the University of Michigan's School of Public Health. The participants discussed the various aspects of the program, reviewed legislative proposals and came up with a series of recommendations.

Although I am not necessarily in agreement with each and every one of the points made, I would like to share them with my colleagues. I think it is important that as the Congress considers this legislation they are aware of the opinions and recommendations of those who work with the program in the field.

RECOMMENDATIONS OF THE WIC SYMPOSIUM

I. RECOMMENDATIONS OF WORKSHOP NO. 1 "WIC PROGRAM FINANCE ISSUES"

A. This workshop finds that the administrative, fiscal and humanitarian concerns arising under the Child Nutrition Act of 1966, as amended, have been largely addressed under the proposed National School Lunch and Child Nutrition Act Amendments of 1975 (S. 850 and its counterpart H.R. 4103). This workshop endorses the elements of these amendments with the following exceptions:

1. A member of a low income population should be defined as one who is eligible for free or reduced rate medical care under any federal, state, local, public or private health care service program.

2. The term "pregnant and lacating women" as defined by Section 16(g)(1) of the proposed National School Lunch and Child Nutrition Act Amendment of 1975 should be amended to include women to one year post-partum and should be further amended by substituting the term "women" for the word "mothers" whatever the latter occurs in said definition.

3. The term "administrative costs" should be amended throughout the text to read "operational costs".

4. All rules and regulations promulgated pursuant to Section 16 of the National School Lunch and Child Nutrition Act Amendments of 1975 should be drafted within sixty days after the passage of this law and should be submitted to the National Advisory Council on Maternal, Infant and Fetal Nutrition, and to the state and local agencies, for review and comment within thirty working days of this date and prior to publication in the Federal Register.

5. Cost-of-living adjustments should be included in the legislation to permit automatic budgetary response to external fiscal pressures caused by inflation.

B. This workshop finds that the United States Department of Agriculture has promulgated rules and regulations for the implementation of the WIC Program that are directly contrary to the intent of Congress and detrimental to the best interests and health needs of the people of the United States, and that, therefore the Congress should increase its oversight function to insure Department compliance and implementation of the will of the legislative branch.

C. This workshop finds that all supplemental applications should be funded for implementation on January 1 or July 1 only. Notification of funding status should be made within six weeks prior to funding.

D. This workshop finds that the states should be permitted flexibility in adjusting the food package supplied to reflect cultural or other dietary differences among the populations served, such adjustments being allowed for at least one-half of the total allotment available to the client.

E. This workshop finds that the Congress should exercise all due speed to enact the necessary legislation to continue the WIC Program to prevent interruption of service to the women, infants and children of this nation.

II. RECOMMENDATIONS OF WORKSHOP NO. 2 "MEDICAL EVALUATION AND ASSESSMENT OF NUTRITIONAL RISK"

A. The WIC Program should remain as a component to a health care delivery system.

B. It is paramount to maintain the highest quality medical records possible within each WIC program.

C. Section 16(f) of S. 850 should be revised to read as follows:

"State or local agencies or groups carrying out any program under this section shall maintain adequate medical records for ongoing surveillance of the nutritional assistance provided under this section, for the purpose of assisting Congress in determining the appropriate role and methods of examining the benefits of the nutritional assistance provided under this section. The Secretary shall convene an advisory committee . . .

III. RECOMMENDATIONS OF WORKSHOP NO. 3 "WIC ELIGIBILITY CRITERIA"

A. This workshop wishes to emphasize its support of the view that the WIC Program is a preventive program and a remedial program second.

B. With respect to the above statement, this workshop recommends in particular that WIC eligibility shall not be limited to persons who demonstrate or have an actual history of nutritional deficiency.

C. Neither the state agency nor the United States Department of Agriculture shall impose on projects more restrictive eligibility criteria than those stated in the law. An example of such an excessively restrictive eligibility criteria would be that an individual be required to demonstrate a preexisting nutritional deficiency.

D. Benefits under section 16 of the proposed National School Lunch and Child Nutrition Act Amendments of 1975 shall be made available to women one year post partum and for infants up to age six.

E. Change Sec. 16. Section 17(g)4 of the proposed National School Lunch and Child Nutrition Act Amendments to read exactly as Section 17(f)4 of Public Law 92-433. The existing law reads as follows:

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dieticians, or State or locally medically trained health officials, or persons designated by physicians or State or local medically trained health officials as being competent professionally to evaluate nutritional risk."

F. Benefits under Section 16 of the proposed National School Lunch and Child Nutrition Act shall be made available to migrant worker families.

F. WIC program grantees shall provide or contract for prenatal health services.

G. A state/local advisory committee with consumer representation should be established to determine, among other things, the selection of foods of the nutritional supplement for various ethnic groups.

THE PRESIDENT'S BUDGET PUNISHES THE POOR

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HAWKINS. Mr. Speaker, the persons hit hardest by the current recession are the poor. With less money to spend for food, clothing, and shelter, then middle- and upper-income families, poor families are just managing to survive. Their existence is day to day, and their future does not look promising.

The President, in his 1976 budget, wants to make an even greater strike at the ability of the poor to live.

In a recently published book called UAW Proposals to Stimulate the Economy, UAW's President Leonard Woodcock presented testimony to the U.S. Senate Committee on the Budget on March 4, 1975, on the President's budgetary slashes.

Mr. Woodcock's view, which I want to share with my colleagues, draws attention to the inappropriate nature of the President's budget proposals:

SPENDING CUTS

Inconceivable as it may seem in a year when jobs and incomes are scarce, federal programs that serve the poor and elderly—community health and mental centers, Medicaid, food stamps, welfare, child nutrition programs, federal pensions and income plans—are the object of cuts in the 1976 fiscal budget. The President would like to see a decrease in spending amounting to $17 billion. Of these, only $12.8 billion require legislative action. These almost surely will be rejected by Congress. Nevertheless, it is informative to look into the specific nature and the magnitude of some of these cuts:

	Proposed cut (millions)	Proposed cut as a percentage of fiscal year 1975 outlays on each area of expenditure
INCOME SECURITY		
Old-age, survivors, and disability insurance	$3,[illegible]4	5.0
Railroad retirement	[illegible]6	3.8
Special benefits for disabled coal miners	[illegible]3	2.4
Federal employee retirement and disability	7[illegible]3	10.8
Supplemental security income	85	1.8
Grants to States for public assistance payments	499	10.3
Food stamps	217	5.9
Child nutrition and other food and nutrition programs	215	11.1
Subtotal, income security	5,122	
HEALTH		
Medicare	1,379	9.7
Medicaid	610	9.0
Health research and education	196	7.3
Subtotal, health	2,185	
EDUCATION		
Elementary, secondary and vocational education	255	6.0
Research and general education aids	98	10.4
Subtotal, education	353	
SOCIAL SERVICES		
Grants to States for social services	478	24.2
Total	8,138	

Many of these spending cuts, especially in the area of income security, result from requesting a ceiling for automatic increases under cost-of-living formulas. According to the Administration, we have gone too far in taking care of the needy. In the words of Roy Ash, Director of the Office of Management and Budget, at the time the 1976 budget was put together: "In the past 25 years, this country has been more compassionate toward those in need than at any other time in the history of this country or any other country. It is a question of how well off they should be."*

For the 23 million persons—11 percent of the U.S. population—who were living under the official (extremely low) poverty threshold in 1973, such a statement is a slap in the face. Among those people singled out for most of the cuts—the old and retired—the incidence of outright poverty was over 16 percent in 1973 and surely larger in 1974.

Other cuts, like those in Medicaid and social services, are based on the assumption that the states will pick up a larger share of the cost of programs that are jointly financed by the federal and state and local governments.

Such an assumption is totally unrealistic at a time when inflation and recession have drastically reduced the ability of state and local governments to maintain even the most essential services. This was recognized by Charles Edwards, Assistant HEW Secretary for Health, who was prompted to resign by the Administration's utterly indefensible proposals to shift health funding from Washington to state and local governments. In his resignation memo Dr. Edwards pointed out:

"Proposing to shift additional health cost burdens to the states during our current economic climate immediately translates into letting the disadvantaged carry the fight against recession.

"With our rising unemployment and inflation more people will be in need of these federally supported services and most states will be unable to absorb the cost burden."

The budget also proposes that the pay raise for federal employees next October, which usually reflects the increase in the cost of living, be held to 5 percent, for a "saving" of $1.6 billion in 1976. According to the Administration, the federal government should defray part of the cost of unemployment insurance and public employment by picking the pockets of its own employees.

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*The latter part of this statement is simply not true. Many other countries surpass ours in their care for the needy. Many do this, of course, by ensuring that there are very few people in real need—e.g., by keeping unemployment low, by more equitable distribution of income, etc.

GOVERNMENT FACILITIES AND OPEN HOUSING ACT OF 1975

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mrs. SPELLMAN. Mr. Speaker, I am introducing legislation today to require Federal agencies and Federal contractors to assure that an adequate supply of middle- and low-income employees will be available in any community in which a Federal Government facility is to be located. This legislation, the Government Facilities and Open Housing Act of 1975, requires Federal agencies and Federal contractors to expand or locate Federal facilities only in those communities willing to provide adequate housing for the facilities' low- and middle-income employees. If a contractor locates or expands a Government facility in violation of this act, the Equal Employment Opportunity Commission is given the power to terminate all Federal contracts held by such contractor unless the agency involved certifies that such termination will seriously and substantially impede the mission of the department or agency. Likewise, any State agency that locates a facility in violation of this act may have its Federal assistance terminated until compliance is achieved.

In addition, this legislation provides that the Federal Government will provide grants to local educational agencies for the anticipated additional cost of educating the influx of children brought into the locale by the construction of such new housing in the immediate area of a Federal Government facility.

In recent years more and more new jobs have been created in the suburbs by the location or expansion of Federal facilities. However, often a Federal facility is located, relocated, or expanded in a suburban area where its workers are unable to reside. This is often caused by local restrictive zoning practices or by inadequate planning by Federal Government decisionmakers. The result is a group of people who are left behind, who are unable to commute to their job or can do so only at extraordinary expense. The answer is housing for people near their place of work. In order to safeguard present employees and new employees against the present lack of housing opportunities for employees in neighborhoods close to where their place of work is located, this legislation is necessary. If this Nation wants to preserve and create neighborhoods around which people can center their work, home, and community lives, this legislation is necessary. If the Federal Government wants to recognize its responsibilities in a manner that will preserve and create communities with a full range of housing opportunities, this legislation is necessary.

The material follows:

H.R. —

A bill to require Federal agencies and Federal contractors to assure that an adequate supply of housing for middle and low-income employees will be available in any community in which a Government facility is to be located, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Government Facilities and Open Housing Act of 1975.

FINDINGS

SEC. 101. The Congress finds that—

(1) Government facilities are increasingly being located outside central cities in communities which have not made housing available for middle or lower income employees;

(2) the unavailability of middle or lower income housing in such communities compels many employees of Government facilities to commute long distances at considerable expenditure of time and money to acquire or retain employment;

(3) the growing separation of work sites from residences, especially for middle and lower income Government employees and Government contractor employees, prevents the proper matching of jobs and workers in the nation's metropolitan areas and contributes to the persistence of the manpower problems of central cities; and

(4) a positive, affirmative program is necessary to provide middle and lower income employees of Government facilities with the opportunity to purchase or rent decent and safe housing in suitable living environments, at rents and prices they can afford, in all communities in which such Government facilities are located.

STATEMENT OF PURPOSE

SEC. 102. It is the purpose of this Act—

(1) to require Federal agencies and Federal contractors to assure that an adequate supply of housing for middle and lower income employees will be available in any community in which a Government facility is to be located; and

(2) to provide financial assistance to communities to assist them in meeting the requirements of this Act.

DEFINITIONS AND DETERMINATIONS

SEC. 103. As used in this Act, except where otherwise specified—

(1) "Government agency" means any agency or authority of the Federal Government;

(2) "Government employee" means any person employed by any Government agency;

(3) "Government facility" means any building or complex of buildings occupied in whole or in part during working hours by more than twenty-five Government employees or any plant, factory, installation, office, or other place of business which houses, during working hours, more than 25 employees of a Federal contractor;

(4) "Federal contractor" means any person, corporation, partnership or association

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with more than fifty employees which is a party, the parent company of a party, a subsidiary of a party, or a subsidiary of the parent company of a party, to any contract, or which is a subcontractor under a contract, with any Government agency, which exceeds $50,000 in value;

(5) "immediate area" means any area which is within the corporate limits of the community in which a Government facility is located and which is within a reasonable commuting distance as defined by the Chairman;

(6) "middle and lower income employee" means any employee of any Government agency or Federal contractor whose wages and salary are such that he is unable to buy or rent decent and safe housing in a suitable living environment in the immediate area with 25 per centum or less of his monthly income;

(7) "Chairman" means the Chairman of the Equal Employment Opportunity Commission or his designee;

(8) "community" means any political subdivision of a State;

(9) "locate" means to establish or construct a Government facility, to move a Government facility from another location, or to make any addition or additions to, any Government facility so that such additions or the sum of such additions results in increasing the work force at that facility by fifty employees within any 365-day period;

(10) "child" means any young person who is within the age limits for which the applicable State provides free public education;

(11) "parent" means a legal guardian or other person standing in loco parentis;

(12) "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State;

(13) "current expenditures" means expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operations and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services capital outlay, and debt service, or any expenditures made from funds granted under title I, II, and III of the Elementary and Secondary Education Act of 1965;

(14) "local education agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education;

(15) "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools;

(16) "State" means a State, Puerto Rico, Wake Island, Guam, the District of Columbia, American Samoa, or the Virgin Islands;

(17) "Commissioner" means the United States Commissioner of Education;

(18) "construction" includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities;

(19) "school facilities" means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public; and

(20) "equipment" means machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility as for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and, audio-visual instructional materials, and books, periodicals, documents and other related materials.

(b) Average daily attendance shall be determined in accordance with State law, except that the average daily attendance of children with respect to whom any payment is to be made under section 1112(g)(1) shall be determined in accordance with regulations of the Commissioner.

(c) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of cost of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the States for the second fiscal year preceding the year of the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such second preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain

(d) The Commissioner shall determine whether school facilities are minimum school facilities after consultation with the State and local educational agencies, in accordance with regulations prescribed by him. Such regulations shall (1) require the local educational agency concerned to give due consideration to excellence of architecture and design, (2) provide that no facility shall be disqualified as a minimum school facility because of the inclusion of works of art in the plans thereof if the cost of such works of art does not exceed 1 per centum of the cost of the project, and (3) require compliance with such standards as the Secretary of Health, Education, and Welfare may prescribe or approve in order to insure that facilities constructed with the use of Federal funds under this Act shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons.

RESTRICTIONS ON THE LOCATION OF GOVERNMENT FACILITIES

SEC. 104. (a) After January 1, 1976, no Government facility may be located in any community which has failed to develop an acceptable plan which provides, as determined by the Chairman, an adequate supply of housing for middle and lower income employees of that facility.

(b) Each Government agency or Federal contractor shall, prior to initiating location procedures, require written assurances in the form of a plan that the appropriate government body will meet the requirements of section 105.

(c)(1) If, after the acceptance of the plan, by the Chairman, any community fails to comply with the provisions of the plan, the Chairman shall bring a civil action in the United States District Court for the District of Columbia to secure an injunction to require such community to conform to its plan.

(2) The United States District Court for the District of Columbia shall have jurisdiction of any action brought under this subsection.

(d) If any Federal contractor locates or expands any facility in violation of the provisions of this section, the Chairman shall, after giving appropriate notice, notify the heads of all Government agencies who shall suspend or terminate all Federal contracts held by such contractor, except that the head of each Government agency having a contract with such Federal contractor may, if he determines that termination or suspension will seriously and substantially impede the mission of the agency, continue such contract. Any determination made under this subsection by the head of a Government agency shall be subject to judicial review as provided in chapter 7 of title 5, United States Code.

THE PLAN

SEC. 105. Each plan required to be filed by section 104 of this Act shall—

(1) be evidenced by a contract between the Federal Government, as represented by the Chairman, and the governing body of community in which the Government facility is to be located;

(2) provide assurances that at least one unit of middle and lower income housing will be available in the community for every prospective middle and lower income employee of the Government agency or Federal contractor, and such units shall meet the requirements of size, price, location, cleanliness, and habitability as set by the Chairman after consultation with the Secretary of Housing and Urban Development;

(3) provide assurances that the community has taken the necessary steps to permit operation of all housing programs authorized under Federal housing legislation;

(4) contain a timetable for providing the housing units required by paragraph (2) of this section, at least one-half of which shall be completed within 6 months after the actual completion date of the Government facility, and the remaining units will be in existence within 12 months after its completion date; and

(5) provide for sufficient community services to serve the new residents of the community.

(b) Whenever a community does not file a plan or is found to be in noncompliance with an approved plan, and there are compelling reasons for the Government contractor facility to locate in that community, the Federal Government shall provide housing to meet the needs of current and potential middle and lower income employees.

(c) If the Chairman determines that a change in the local situation, the size of the Government facility or other relevant factors necessitates a modification of the plan, he may approve such modifications, if they are proposed by the community, or require a community to make necessary modifications, except that such modifications may not impede the effectuation or achievement of the purposes of this Act.

(d) The Chairman shall reject any plan or any modification in any plan which would result in residential segregation of low- and moderate-income families within the community.

JOINT PLANNING

SEC. 106. If the Chairman determines that, as a result of the size, location, and accessibility of two or more communities, it would facilitate implementation of the purposes of this Act for such communities to develop a joint plan, he may approve such plan.

REPORTS

SEC. 107. (a) Each Government agency and Federal contractor shall report annually to the Chairman the number of low- and moderate-income employees employed at each Government facility, the availability of housing for such employees, and such other information as the Chairman may require.

(b) The Chairman shall prepare, in cooperation with the Secretary of Housing and Urban Development, a report to the Congress describing the funds needed for existing Federal programs which the Chairman deems necessary for the successful implementation of approved plans.

EDUCATIONAL FINANCIAL ASSISTANCE

SEC. 108. (a) Each community that files a plan under this Act may also file an application with the Chairman for financial assistance under subsection (b) of this section. The local education agency which administers the schools of that community may file an application for financial assistance under subsection (c) of this subsection with the Commissioner through the appropriate State educational agency.

(b) Upon application meeting such standards as the Chairman may establish, the Chairman shall grant to each community an amount not to exceed $150,000 to reimburse such community for the expense of developing a plan meeting the requirements of this Act.

(c)(1) The Commissioner of Education shall pay to the local educational agency for each community in which moderate and lower income housing has been constructed pursuant to this title, a sum to be computed by him in consultation with the State educational agency and the local educational agency, in the following manner:

(A) He shall first determine the number of children living in moderate and lower income housing constructed pursuant to this Act for whom the community provided free public education during the fiscal year for which the computation is being made.

(B) He shall next determine the contribution derived exclusively from local sources which the local educational agency made for the cost of educating the community's school age population during the second fiscal year preceding the year for which he is making the determination.

(C) He shall then divide that aggregate expenditure by the aggregate number of children in average daily attendance in the public elementary and secondary schools of such agency during such second preceding fiscal year.

(D) He shall multiply the figure determined in subparagraph (A) by the figure determined in subparagraph (C) and divide by two.

(2) Whenever a local educational agency does not make a contribution derived from local sources or whenever the local contribution is below the national average per child contribution, the national average per child contribution for the second preceding fiscal year will be deemed to be the figure in subparagraph (C) for the purposes of the determination made under this subsection.

(3) Whenever the Commission determines that—

(A) a local educational agency has made preparations to provide during a fiscal year free public education for a certain number of children to whom subsection (a) (A) of this section applies;

(B) such preparations were reasonable in the light of the information available to such agency at the time such preparations were made; and

(C) such number has been substantially reduced by reason of a decrease in or cessation of activities at the Government facility, or by reason of a failure of any of such activities to occur.

the amount to which such agency is otherwise entitled under this section for such year shall be increased to the amount to which, in the judgment of the Commissioner, such agency would have been entitled but for such decrease in or cessation of Federal activities or the failure of such activities to occur, minus any reduction in current expenditures for such year which the Commissioner determines that such agency has effected, or reasonably should have effected, by reason of such decrease in or cessation of activities or the failure of such activities to occur.

(4)(A) No local educational agency shall be entitled to any payment under this subsection for any fiscal year except upon application therefor, submitted through the State educational agency, and filed in accordance with regulations of the Commissioner. Each such application shall provide adequate assurance that the local educational agency will submit such reports as the Commissioner may reasonably require to determine the amount to which such agency is entitled under this subsection.

(B) The Commissioner shall from time to time pay to each local educational agency, in advance or otherwise, the amount which such agency is entitled to receive under this subsection. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

(C)(i) The amount which a local educational agency in a State is otherwise entitled to receive under this subsection for any fiscal year shall be reduced in the same proportion (if any) that the State has reduced for that year its aggregate expenditures (from non-Federal sources) per pupil for current expenditure purposes for free public education (as determined pursuant to regulations of the Commissioner) below the level of such expenditures per pupil in the second preceding fiscal year. The Commissioner may waive or reduce this reduction whenever in his judgment exceptional circumstances exist which would make its application inequitable and would defeat the purpose of this subsection.

(ii) No payments may be made during any fiscal year under this subsection to any local educational agency in any State which has taken into consideration payments under this subsection in determining eligibility of any local educational agency in that State for State aid (pursuant to regulations of the Commissioner), or the amount of that aid, with respect to free public education during that year or the preceding fiscal year, or which makes such aid available to local educational agencies in such a manner as to result in less State aid to any local educational agency which is eligible for payments under this subsection than such local educational agency would receive if it were not so eligible.

(iii) No payments may be made under this subsection unless the Commissioner determines that the local educational agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance.

(d)(1) Whenever the increase in a community's school-age population brought about by the construction of housing pursuant to this title necessitates the construction of minimum school facilities to provide for public education for such children the Commissioner shall pay the local educational agency a sum to be computed in the following manner:

(A) He shall determine the number of children living in moderate and lower income housing constructed pursuant to this title for whom the community provides free public education and who will be without adequate school facilities unless new facilities are constructed.

(B) He shall determine the average per pupil cost of constructing minimum school facilities in the State in the manner set forth in section 102(c) of this Act.

(C) He shall multiply the figure determined in subparagraph (A) by the figure determined in subparagraph (B) and divide by two.

(2) The Commission shall not pay to the local educational agency any sum for the construction of minimum school facilities if the figure determined in (A) is twenty or less.

(3)(A) No payment may be made to any local educational agency under this subsection except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

(B) Each application by a local educational agency shall set forth the project for the construction of school facilities for such agency with respect to which it is filed, and shall contain or be supported by—

(i) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(ii) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than twenty years after the completion of the construction;

(iii) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

(iv) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(v) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5);

(vi) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this subsection on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

(vii) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(4)(A) Upon approving the application of any local educational agency under sub-

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section (d) (3) of this act the Commissioner shall pay to such agency an amount equal to 10 per centum of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him, and at such times and in such installments as may be reasonable, pay to such agency the remainder of the cost of the project which such agency is entitled to receive under this subsection.

(5) Whenever the Commissioner, after reasonable notice and opportunity for hearing to a local educational agency, finds

(A) that there is a substantial failure to comply with the drawings and specifications for the projects,

(B) that any funds paid to a local educational agency under this subsection have been diverted from the purposes for which paid, or

(C) that any assurance given in the application is not being or cannot be carried out,

the Commissioner may forthwith notify such agency that no further payment will be made under this chapter with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected, or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been directed or improperly expended.

(e)(1) In carrying out subsections (c) and (d) of this section, the Commissioner may make such regulations as he deems necessary.

(2) The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under subsections (c) and (d) of this section, except the making of regulations. In carrying out his functions under subsections (c) and (d), the Commissioner may also utilize the facilities and services of any other Federal department or agency and may delegate the performance of any of his functions except the making of regulations, to any officer or employee of any other Federal department or agency.

APPROPRIATIONS

SEC. 109 (a) For the fiscal year beginning October 1, 1975 and for the four fiscal years thereafter there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) Funds appropriated shall remain available for obligation for one fiscal year beyond that for which they are appropriated.

THE CARVER FEDERAL SAVINGS & LOAN ASSOCIATION MAKES BLACK HISTORY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RANGEL. Mr. Speaker, the February 22 edition of the Amsterdam News carried an article describing certain activities of the Carver Federal Savings & Loan Association. The citizens of New York City, as well as other citizens throughout the country, recognize Carver as a truely outstanding organization that has made countless contributions to the black community. I am confident that my colleagues in the House of Representatives will be interested in the work of the Carver Federal Savings & Loan Association, and I, therefore, include in the CONGRESSIONAL RECORD the full text of the article from the Amsterdam News:

CARVER FEDERAL MAKING ITS OWN BLACK HISTORY

"Black History is nothing new at Carver, we've been making it for over twenty five years!" said Carver President Richard T. Greene, as he announced Carver's plans to open a new branch office in the Crown Heights section of Brooklyn.

In a later interview, Mr. Greene explained how Carver went about creating its own history, and maybe more important, what Carver's history making growth means to the Black communities Carver serves.

"First of all," said Mr. Greene, "Carver made history when it became chartered as a Savings and Loan Association over twenty five years ago. Very few people outside of the Black community took the fledgling financial institution that Carver was at that time very seriously. Even fewer people expected Carver to grow into anything more than a "We've got one, too" token institution."

BIG MOVE

But, according to Mr. Greene, a short few years later Carver moved out of the storefront office that had been its home since its humble beginnings, and into a brand new building of its own, located in the very heart of New York's Black community: 125th Street.

"That move," said Mr. Greene, "Was due primarily to the foresight and good judgment of Carver's founders, and the support of the Black community."

But Carver was not stopping there. Carver expanded into new areas: Brooklyn's Bedford Stuyvesant, and Manhattan's Chelsea. "That expansion was more than just growth for Carver," said Mr. Greene. "It marked the beginning of Carver's leadership role in the Black business community, and firmly positioned Carver as the largest Black-owned and managed banking institution in the United States!"

"Now, Mr. Greene continued, "Carver is making history again through expansion and growth. You might say," he added. "That as far as Black History goes, Carver's been making it, and promoting it since we opened our doors to the public twenty five years ago."

CARVER CALENDARS

Mr. Greene then went on to explain exactly how Carver goes about promoting Black History. "Twenty years ago, our belief in and support of Black pride and awareness was manifested when we at Carver printed and distributed our first Black History Calendars.

"Since then," he added, "they've become an institution at Carver; one which we take so seriously, that we still insist upon producing our own Calendars, rather than purchasing them ready-made from some printer."

"Our calendars are distributed free of charge at all Carver offices," he went on, "and I might add, that the compliments and community support we have received as a result of them has made their production well worth the cost and effort. They serve to encourage Black pride and self awareness as they educate Black people to their history. And Carver, as a Federal Savings and Loan Association—founded in and for the Black community—can do little but benefit from that education."

EFFECT ON COMMUNITIES

When Greene was asked to describe Carver's effect on the communities, he responded with one word: "Positive!"

"You see," he elaborated, "as a Savings and Loan Association, Carver encourages thrift, and thrift is the first step toward remedying many of the ills that afflict the Black community. Everyone knows that in a capitalistic society money means power, and with that power you can bring about change."

"You might say that one of Carver's reasons for existence is to provide an economic power base for change within the communities it serves. And," he continued, "we do this in a very interesting way."

"First of all, we are dedicated to the communities we serve in a way that very few other financial institutions can be: we are Black owned and managed. The money that comes into Carver gets re-distributed back into the community. It gets re-distributed in the form of home mortgage loans; home improvement loans; and education loans. These loans to people who live in the community that supports Carver bring about immediate positive changes in the form of new and improved housing and education. These are changes for the good of the community."

According to Greene, the people who live in the communities Carver serves benefit in other positive ways too. Carver provides valuable jobs and training in highly marketable skills. Carver also sponsors a wide ranging list of community oriented programs like Little League Baseball teams, scholarship funds, and educational lecture programs. Carver works closely with community action groups and churches. And probably the best thing about all of these activities, besides their being free, is their effectiveness.

CARVER'S BUSINESS STYLE

Greene then went on to explain how Carver's commitment to the communities it serves goes way beyond Calendars and community oriented programs. Said Mr. Greene:

"We try to bring first class service to the people of the communities we serve. That entails knowing the nature of the problems they face on a day to day basis, then designing our services to suit their needs.

"For instance, for the past few years jobs have been getting harder and harder to find for many Black people.

"They, in many cases, had to take what they could get. This meant that many of our savers had to work at night, on weekends; whatever the job called for. In order to accommodate the needs of these people, Carver redesigned its banking hours.

"We opened sidewalk windows, which remained open long after other banks had closed. We instituted Saturday banking hours, for those people who just couldn't get to us during the week. Those two innovations, coupled with our free postage, "Save by mail" program allowed people working day jobs, night jobs, or two jobs to take care of their banking needs at Carver."

COUNSELING

"We also provide free counselling on money matters," Mr. Greene went on. Many people, lacking the necessary expertise to be able to make their own decisions as to the proper savings plan, or how to set up a mortgage, or even how to open a trust or savings account for their children, come to us seeking advice. We always try to help them, even if they aren't customers, because they represent potential customers."

Asked how one goes about supporting Carver in its work? Greene said:

"Simple, all anyone need do to support Carver is open a Carver Savings Account. After all," he added smiling, "It's in their interest!"

ADMINISTRATION'S '76 BUDGET PUNISHES THE POOR

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HAWKINS. Mr. Speaker, within recent weeks we have seen the administration exort the Congress and the Nation, to provide great sums of money to meet the humanitarian needs of the war refugees and war orphans of South Vietnam. Members of the administration have even gone so far as to suggest that if the Congress did not answer these needs with millions of American dollars, then the Congress would be to blame for the tragedy that is occurring in South Vietnam.

The administration exhibited a fine compassion for the victims of the long Vietnam war.

I am hopeful that the administration will show the same compassion for the American victims of poverty and despair, by withdrawing in their 1976 budget all the budget cuts they project making in programs designed to serve the poor and disadvantaged.

One of the best evaluations I have read on the President's 1976 budget slashes appeared in the March 1975, Washington Newsletter of the Friends Committee on National Legislation.

I am presenting the Friends' article for my colleagues review so that they can more intelligently decide how best to meet the needs of the poor in 1976:

TOUGH SLEDDING FOR DOMESTIC PROGRAMS

The Administration proposes no new domestic spending programs except for energy. In addition, a number of existing programs are slated for cuts.

PASSING THE BUCK ON HEALTH

While total federal health spending requests are up slightly because of automatic increases in obligations to Medicare and Medicaid, deep cuts have been made in certain health agency programs. Budget authority requests for FY76 are at least 20% lower than appropriations for FY75 for community health centers, family planning, maternal and child health, migrant health, immunization and venereal disease control, and lead-based paint and rat control programs. State or local governments must make up for the loss, or else many programs will be cut.

To limit the growth of the Medicaid program, which is a form of public assistance, Congress is being asked to eliminate coverage of nonemergency dental services for adults and to reduce the federal matching share from 50% to 40% (raising the burden on states by 10%). These and other redefinitions of coverage will trim the growth of Medicaid in FY75 by $217 million and in FY76 by $939 million.

The administration also is proposing to require elderly and disabled persons covered by Medicare to pay a larger share of hospitalization expenses. The plan would increase costs to Medicare recipients by $255 million in FY75 and $1.3 billion in FY76.

All proposed reductions in federal medical relief for the poor, the elderly and the disabled must win approval from Congress. Major objections are expected from states, which will need to play a larger role in medical relief.

Charles Edwards, M.D., who has just departed as HEW's Assistant Secretary of Health, protested recently. "You can't cut service programs at a time like this. Proposing to shift additional health cost burdens to the states during our current economic climate immediately translates into letting the disadvantaged carry the fight against recession."

DOUBLE BLOW TO KIDS

The FY76 budget proposes several blows to programs dealing with domestic hunger. In the area of child nutrition, for example, block grants to states would replace categorical programs, including school lunch and breakfast, special milk, day care, summer, and supplemental feeding programs. Thus, states must establish their own child nutrition programs. Some may choose to do so; others may not. Secondly, total federal budget authority for child nutrition under block grants will be $700 million less in FY76 than under categorical grants in FY75.

One USDA budget official admits that these cuts are hard to track down, since "nutrition budgets are only for economists and accountants to understand." Yet states understand that reduced federal funding under block grants will shift the nutrition burden to them. One state official estimates that in one program the changes could lead to a 40% reduction in participation in federally assisted school lunches, and "could force many schools to back out of the program completely."

Sen. McGovern, SD, chairman of the Senate Select Committee on Nutrition and Human Needs, says: "I am sure Congress will not allow 30 years of progress in the health and welfare of our children to be destroyed because of misguided values."

FOR NATIVE AMERICANS

The total budget authority for the Bureau of Indian Affairs is decreased by $84,534 despite inflation. Under HEW, Indian Health is increased by .06% and Indian Education is increased by .05% for FY76. A positive note is the addition of Indian Action Teams. The budget request for IAT is $15 million, which would help to stimulate economic development, encourage all-Indian corporations, provide specialized training and create more jobs in Indian communities. Ideally, this program will aid economic growth and therefore self-determination.

FOOD STAMP FIGHT

The Ford Administration is waging a general assault on food stamps. Congress has decisively repelled the first wave of blocking an administrative order which would have raised the cost of food stamps for recipients by an estimated total of $650 million this year. The vote in the House was 374 to 38, February 4; in the Senate, 76 to 8, February 5.

Further, President Ford would impose a 5% cost-of-living ceiling on food stamp benefits in this inflationary period. These and other measures, if accepted by Congress, would have the net effect of reducing budget authority for the food stamp program by $755 million in FY76.

BUDGET CHISELS WELFARE

The FY76 budget calls for a net decrease of $90 million in federal payments to public assistance (welfare), despite an expected increase in caseloads of almost 246,0000 persons, resulting from the current economic recession. However, budget authority for federal aid to families with dependent children (AFDC) will decrease by $124 million, since the federal matching share to AFDC programs in 12 low-paying states will be reduced and income qualifications for participants in all states will be raised.

The Administration is expected to propose legislation to reduce the share of federal contributions to social service programs administered by states benefiting low-income families and adults by an additional $448 million in FY76 (from 75% to 65% in FY76 to 50% in FY77). At the same time, budget authority for the work incentives (WIN) program for AFDC recipients will be increased by $110 million, even though high rates of unemployment will present a growing obstacle to the success of WIN job training and placement services. (Last year, fewer than 25% of AFDC recipients registered with WIN were actually placed in jobs.)

Losses in federal support for welfare for FY75 and FY76 are expected to force states to reduce benefits under many programs. The people mcst severely affected will be low income single parents and children.

BOOSTS FOR PRISONS, FBI

In the area of criminal justice, the Ford budget emphasizes punishment over prevention. Budget authority for construction of new federal prisons would rise by almost 38%, from $25.9 million in FY75 to $35.8 million in FY76. Most of this increase would speed construction of a highly controversial behavioral research center in Butner, NC, a new adult prison in the northeast region, and two new youth prisons in the southeast and west. However, no funds have been requested for FY76 to implement community crime prevention programs authorized under the Juvenile Justice and Delinquency Prevention Act of 1974. This Act is meaningless without funds.

At the same time, President Ford is requesting a $25 million increase in budget authority for the FBI, from $440.7 million in FY75 to $465.8 million in FY76. Yet budget authority for the new Legal Services Corporation to help indigent defendants would remain at the FY75 level of $71.5 million.

Budget authority requests have been cut by $110.8 million (from $880.6 to $769.8 million) for the Law Enforcement Assistance Administration (LEAA), which has been growing rapidly in recent years.

PUBLIC SERVICE JOBS DOWNGRADED

The Ford FY76 budget states a clear preference for paying unemployment compensation to those out of work, rather than providing public service jobs. Less than $4 billion will be spent on jobs and the administration of job programs. But $18.2 billion is slated for unemployment relief. Billions more will be lost because income and payroll taxes will not be collected from the unemployed.

The Congressional Joint Economic Committee has estimated that if the unemployment rate for FY76 were 4.5% instead of the projected 8.5%, there would be a budget surplus of a billion dollars rather than a minimum $52 billion deficit.

The Administration is hoping that recovery will take place rapidly, so tax receipts will increase and unemployment funds, food stamps and welfare costs will decrease. Also it does not want to become committed to long-term public service programs.

WHY BIG CUTS IN FEDERAL PROGRAMS?

The HEW FY76 Budget Report says federal programs are being cut to foster "greater local responsibility and accountability."

President Ford said on January 22 in a speech to a Washington business group, "More than a generation ago a trend was set in motion to advocate massive federal spending as a sure way to social progress. This massive spending took the form of income redistribution programs such as food stamps, social security, federal retirement benefits and so forth. I think we have to turn this trend around. To the extent that I possibly can, I intend to do so."

In his budget message for 1976 he argues, "Were the growth of domestic assistance programs to continue for the next two decades at the same rates as in the past 20 years, total government spending would grow to more than half of our national output. We cannot permit this to occur. . . . We must begin to limit the rate of growth of our budgetary commitments *in the domestic assistance area* to sustainable levels." (emphasis added).

A REPORT ON THE PANAMA CANAL ZONE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RINALDO. Mr. Speaker, I wish to take this opportunity to report to my colleagues in the Congress on my recent factfinding mission to the Panama Canal Zone.

As a new member of the Panama Canal Subcommittee, I approached my mission with an open mind. I was willing to learn and to listen to all sides. These included U.S. Ambasador William Jordan; U.S. Embassy officials; Gov. Harold R. Parfitt; Demetrio B. Lakas, President of the Republic of Panama; U.S. military officials; numerous civic councils and labor representatives. In short, our 4 days of talks and inspections of facilities in the Canal Zone and Republic of Panama was an intensified and comprehensive study of the people, the geography, the strategic importance, the economics and the political and social ramfications of present and future U.S. and Panamanian relations as they pertain to the Panama Canal and international commerce.

The factfinding trip to Panama proved the wisdom of firsthand experience in assessing U.S. policy decisions and their direct effects on the people involved.

Mr. Speaker, I am shocked at the extent of our official blundering in Panama. The State Department policy initiatives in Panama have misled the Panamanian Government into believing that our Government and this Congress can be persuaded through negotiations to surrender our sovereign control over the Panama Canal Zone to Panamanian authorities on some kind of nebulous partnership.

Before I go into the present situation, however, I wish to review some recent history, especially the student riots that broke out in Panama in January, 1964. The riots were part of a general wave of Latin American unrest inspired by Communists and pro-Castro student groups throughout Latin America.

Panama has always been as vulnerable to new political revolution stirrings in Latin America as Cuba is to the Trade Winds. Panama picks up every fresh revolutionary breeze. Indeed, it has long been identified by Latin American scholars as the Land of Endemic Revolution, endless intrigue and governmental instability. There have been 59 changes in government in Panama in 70 years.

So our State Department could hardly have been surprised when leftist student brigades began raising the Panamanian flag over U.S. territory in 1964 and deliberately provoked a wave of anti-American violence. It was part of the revolutionary fever of the times in Latin America.

In order to wet down the flames of Communist and Castro inspired revolution in that part of the hemisphere, a Joint Statement of Principles was laid down by President Johnson. It might be noted here that the Johnson administration had its hands full in Vietnam, and we had only recently experienced the ill-fated U.S. attempts at the Bay of Pigs to free Cuba from Castro domination. The United States was in no mood to have another conflagration so near to our doorstep.

It is my belief from conversations and studies that the policy at that period was designed to buy time in order to cool down passions and to avoid bloodshed in Panama. Nevertheless, the Johnson administration made the serious mistake of going too far in a Joint Statement of Principles. What it meant, in effect, was that the United States was prepared to seriously consider a new treaty to replace the Treaty of 1903 which gave to the United States in perpetuity the use, occupation and control of the Canal Zone.

If sovereignty was ever transferred to the Republic of Panama, the United States would become only a leaseholder, even though it has an agreement to maintain, operate, and defend the canal. It would be somewhat like the status of forces agreements that we have with other governments in places like Greece, the Azores and elsewhere. Need I point out that many of these bases were denied to U.S. military cargo airlift during the last Mideast crisis.

Furthermore, in Portugal a leftwing Communist dominated government is moving to limit our access to the Azores and to further curb U.S. military capability in the Mediterranean.

The point is that American sovereignty over the Panama Canal Zone is infinitely better for American interests and for the protection of international commerce through the Panama Canal than any other kind of negotiated arrangement.

Nevertheless, in order to calm down Panamanian rioters, the Johnson administration agreed to renegotiate this existing treaty that had worked so effectively for more than half a century in building peaceful commerce in Central America. Mr. Speaker, need I point out that this was of major importance to all of Latin America and not just to the United States. It meant that nations everywhere could rely on unimpeded access through the canal and that it would be maintained at peak efficiency.

In its most simple terms, this provides that hemispheric trade and prosperity are safeguarded by free access to the canal, unhindered by economic retaliation, political intimidation or tonnage rates that would amount to economic blackmail.

The U.S. policy in the Canal Zone, as judged over the course of the last 72 years, has been eminently fair to all nations that engage in trade with Latin America and need the canal to reach the Pacific and the Orient. We have a record to be proud of in building and operating the Panama Canal.

But, as a result of the panicky decision during the Johnson administration, the Government of Panama believed that we were ready to replace the 1903 treaty with a less positive and still murky new agreement to share with Panama in the canal's defense as well as turn over American property to Panama.

The history of the Panama Canal shows that the transfer of the territory to the United States was accomplished by the treaty, a fact confirmed by the U.S. Supreme Court. We paid the highest price ever negotiated for the jungle and swamps where the French had failed to build a canal. It was overrun with malaria, other diseases, snakes and all sorts of tropical vegetation and hazards.

The United States paid Panama $10 million as the price of compensation, plus $250,000 annually, the latter representing the annual fee formerly paid to Colombia by the Panama Railroad, a privately owned venture bought out by the United States.

In addition, private claims were extinguished by a United States-Panama Joint Commission which purchased the titles from private owners at fair market value under eminent domain. In all, the United States has invested nearly $163.7 million in acquiring the Canal Zone, excluding the $6 billion spent for construction and maintenance.

Reviewing the history of those negotiations, you become acutely aware of the divisions in America in 1900 by taking such an enormous risk. The Congress back then decided that the United States should only do so with the absolutely clear understanding by Panama and the other nations of the world that we would retain control over the zone so long as the Panama Canal was in existence. Well, Mr. Speaker, we have not come to Armageddon yet; the Panama Canal still stands, open to navigation by vessels from all over the world; so, also, does the 1903 treaty stand.

We have seen what happens when we turn over responsibility for the operation of a vital international waterway to a politically unstable nation. Several years ago the British, who had poured their blood and resources into building the Suez Canal, turned over the Suez Canal to Egypt. The Suez Canal has been closed for 7 years. Only now is the Suez being cleared of its last sunken ships, mines, and silt.

The cost of closing the Suez has been enormous in terms of world trade. The longer route around the African continent has added untold millions to the cost of foreign commerce. It should be mentioned that the wrecking of huge supertankers in the swirling oceans around the tip of Africa has poured millions of gallons of oil into ocean currents, threatening our marine life elsewhere.

The lesson is that the world cannot count on the good intentions of unstable, revolutionary governments to control vital waterways like the Suez and the Panama Canals. Responsibility demands that the United States retain complete control over the Panama Canal.

I am appalled, Mr. Speaker, that our State Department experts have not recognized this fact. But on February 7, 1974, U.S. Secretary of State Henry A. Kissinger initiated a joint statement of principles for negotiations on a new Panama Canal Treaty. It is this commitment that we are haunted by in Panama. Dr. Kissinger spoke of a new canal treaty in the context of worldwide international developments. It was a gesture toward a new Latin American policy of conciliation and trust.

Giving up our sovereignty in the Canal Zone would be like returning Louisiana to France, Alaska to the Soviet Union and California to Spain. Had the United States not poured its resources, engineering genius, brains and brawn into building the canal no one would have the slightest interest in the isthmus. Why should we surrender it in order to build a rickety political bridge to some of the revolutionary forces in Latin America?

An even more fundamental question is whether the new status of the canal would benefit the hemisphere economically. I very much doubt that it would. Tolls on the canal would probably go up, discouraging marginal shippers from using the canal if at all possible.

American allies, like Japan, which depend on the canal for oil and trade with Europe, would have second thoughts about America's determination to stand by its own vital interests. Japan would probably look into new trading and political relationships in China and Asia rather than toward this country.

Furthermore, a good deal of U.S. oil and coal supplies must pass through the Panama Canal. By giving up sovereignty we would make ourselves vulnerable to possible interference in the passage of our ships through the canal.

Mr. Speaker, I should also point out that our naval power might be limited by a giveaway of the land in the Canal Zone, since it would make it easier for a saboteur to enter to damage or destroy the locks, thus impending entry of U.S. naval vessels.

I believe that those State Department officials who are negotiating a new treaty have noble intentions. They see a rising tide of third world independence and national pride, and U.S. domination of the Panama Canal Zone as a vestige of the past.

Well, I believe, Mr. Speaker, that not all of the past political and economic leadership by the United States has been wrong; nor was it bad for Latin America in many respects.

The treaty with Panama has brought more prosperity to that nation than any other place in Central America. The United States has given more to Panama than it has taken out of the Canal Zone; indeed, Panama is receiving millions annually while the U.S. share of the tolls is all plowed back in to maintaining the Canal from landslides, silt, and other conditions.

The United States must continue to carry out its leadership in the world by insuring that world shipping shall have unimpeded access through the Isthmus of Panama through a route that the American people built with their resources, genius, tenacity and courage.

Finally, Mr. Speaker, during the hearings that the subcommittee held in Panama, Mr. Douglas C. Schmidt, president of the Pacific Council, which represents American civilians in the Canal Zone gave excellent testimony to our delegation. His statement summarized the current attitudes of all U.S. Civic Councils in Panama. Therefore, it would be appropriate to insert the testimony at this point in the RECORD:

PACIFIC CIVIC COUNCIL,
Balboa Hgts., C.Z., April 3, 1975.

FORMAL STATEMENT TO THE PANAMA CANAL SUB-COMMITTEE, UNITED STATES HOUSE OF REPRESENTATIVES

We welcome this opportunity to address you today as representatives of Panama Canal Company/Canal Zone Government United States citizen employees in the Pacific sector of the Canal Zone. These employees are not part of the foreign service and therefore not represented by the State Department. They are not Department of Defense employees and are therefore not the concern of that Department. Thus, the Panama Canal Company/Government employees have always looked to Congress to ensure fair treatment.

Your presence here today is evidence that the Congress of the United States is interested in the views of this group of people; individuals who have invested portions of their lives toward maintaining the operating efficiency of the Panama Canal for world commerce; therefore as representatives of these concerned citizens of the United States, the Pacific Civic Council would like to go on record with the following views:

We are more familiar with the workings of the Canal operation than other persons in the world because we live each day with the Canal. We believe that our efforts to keep the Canal operating smoothly and without interruption is a form of patriotism, because this contributes to the image of the United States as a nation known the world over for its reliability, dependability, skill and thoroughness. We feel strongly that the United States should continue to operate the Canal and not relinquish these duties to another nation for purely political reasons. Our nation has performed efficiently and creditably in this area for the history of the Canal and has the technology and expertise to continue to do so. As we present our views, we are aware that we have often been represented to the world at large as "colonialists" or "gravy-trainers" fighting to preserve the best of all possible worlds rather than as conscientious employees doing the best possible job under sometimes difficult circumstances.

Journalists from the various media visit the Canal Zone for comparatively short stays which permit only a superficial view at best of conditions in the Zone and in Panama. These "experts" then return to the United States and produce newspaper stories, radio and TV programs that purport to give an accurate picture of the Canal Zone and its residents. When Panama Canal employees are quoted directly in these journalistic efforts, the quotations are placed in a context to support the "colonialist" stereotype. There have been other sources of one-sided, detrimental views of the Canal Zone including the Government of Panama, local Panamanian newspapers, State Department spokesmen, Panamanian residents of the United States and special groups visiting the United States for propaganda purposes.

Within the past year, a segment of the CBS program "Sixty Minutes" portrayed the Canal Zone as a paradise for military assignments and seemed to leave the impression that everyone in the Canal Zone, Panama Canal Company/Canal Zone Government employees included, enjoy life around swimming pools in a country club atmosphere. So far as we can see, the Public Information Office of the Company is not permitted to provide factual balancing information to answer such distortions in the United States communication media.

We are concerned about the apparent determination of the State Department to accede to Panamanian demands, with or without the concurrence of Congress. Employees have a severe lack of information about treaty negotiations, but we cannot help but relate these treaty talks to setbacks in South Vietnam and Cambodia, and of the possible loss of military bases in the Azores. The loss of the United States sovereignty in the Canal Zone would be part of what appears to many to be a world-wide pattern.

In a word, "sovereignty" is our key concern, not only because we are employees of the Panama Canal Company/Canal Zone Government, but because we are United States citizens with the same patriotic interests as those Americans living in the United States. We believe the negotiators for the United States in the treaty talks must give serious consideration to international repercussions should a change of sovereignty in the Canal Zone occur. If the draft treaty which Congress will consider does allow for such a change-over, we hope you will give this all-important issue much thought bemore approving such an action.

We urge the Congress of the United States not to be intimidated by threats of violence by Panama as retaliation for an unfavorable treaty or for lack of ratification by the United States Congress. Threats should never cause the United States to ratify a treaty not in the best interests of the United States, the Canal, or its employees. Rather the United States should adopt a position of strength, courteous but firm, and pursue a course of action that takes into consideration long-range effects on the Canal operation, rather than current political expediency.

Retention of United States sovereignty in the Canal Zone will allow the United States citizen to continue to live and work here under the security of the United States system of justice which guarantees the liberties we hold very dear as part of our American heritage. If you wonder why we would fear to live under a Panamanian system of justice, as it now exists, we urge you to hold closed door hearings in order to obtain first hand testimony from United States citizens who have had, among other matters, personal encounters with harassment by the Guardia Nacional, including arrest and imprisonment. In such hearings, you will learn for yourself why even citizens of the Republic of Panama live in fear of their own police. Many rights which we take for granted, such as the right of *habeas corpus*, the right of legal counsel, the right to a speedy and fair trial, and other precious rights listed in our Bill of Rights, are in no way guaranteed under the Panamanian system of justice as it now exists.

Because Congress will be called upon to ratify a new canal treaty, we strongly urge members of Congress to be aware of negotiations so that they will not be caught offguard

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and forced to make a hasty decision without adequate information and study of the subject. Executive agreements made by the President of the United States have been used to make various changes in the Canal Zone. One very visible example is the appearance of two flags, United States and Panamanian, where only one flag once flew. The recent action of the Canal Zone Administration which allows Panama to use France Field accentuates our fears that, with or without a treaty, the State Department will seek to accomplish its goal of ceding the Canal to Panama.

At a recent Civic Council executive session with the Governor, a State Department representative was asked by a Pacific Civic Councilman if, in the absence of a treaty, the Administration would seek to accomplish its goals by other means. His reply was that nothing would be done without Congressional ratification of a new treaty. But, when legislation regarding France Field was held up by the Congress, the same objective was attained through the use of an obscure existing agreement dealing with furnishing sites for customs houses. It is of interest to note that in a recent news release, General Torrijos said "a part of the area could be put to use as a main street for businesses." We wonder, therefore, what assurances can be given to Company/Government employees that, even in the absence of a new treaty, functions essential to the U.S. citizen (e.g., police, schools, customs, health facilities) will not be dissolved?

We, in 1975, can look back at the 1903 Treaty and agree that there is need for some change; but certain things should not be changed, chief of which is United States sovereignty in the Panama Canal Zone.

General Torrijos has said that three years after the ratification of a new treaty, the Canal Zone Government will disappear and its activities passed into Panamanian hands. In the event that certain groups of employees are to be phased out, we strongly urge you as Congressmen to press for a reasonable transition period; an amount of time that would allow most employees to finish their careers without a change of employers. The reported three-year transition period would impose real hardships on many families where the head of household is past the age when he can easily find another job in the United States. In addition, employees whose jobs have been abolished should be assured of transfer rights to suitable employment in the United States. Panama Canal Company/Canal Zone Government employees have faithfully met their employment commitments; therefore, they should be given all possible assistance in relocating elsewhere.

Believing that the future operation of the Panama Canal is of vital importance to the United States, and assuming the continued presence of a United States citizen work force for an indefinite period, we respectfully request that this Committee consider the following recommendations:

1. That unceasing effort be given to retaining United States sovereignty in the Canal Zone;

2 That the United States Government guarantee employees Civil Service retirement benefits. apart from treaty considerations.

3. That the Panama Canal Sub-Committee (and/or other committees of the House and Senate) meet with the United States Treaty Negotiators to determine the nature and extent of concessions being negotiated and that, to the degree possible, United States citizens in the Canal Zone be informed on matters vitally affecting their lives.

4. That the Panama Canal Sub-committee hold closed-door hearings and conduct an investigation to obtain specific testimony about problems encountered, including cases of harassment, in the Republic of Panama. This will enable the Committee to better understand our overriding concern about a change in sovereignty the Canal Zone.

5. That the Canal Administration make every effort to advise its employees of all options and contingencies that might be available in the event an adverse situation develops that would be prejudicial to the best interests of the United States citizen employee; and that such information be made available at the earliest possible date.

6. That the Public Information Office of the Company be used to furnish factual balancing information to the United States press.

You, our Congressmen, are faced with a critical decision as you consider the strengths and weaknesses of a new Canal treaty with Panama. The decision you make, for or against ratification, will have widespread effects, not only on present employees, but on generations of Americans to come. We trust that your decision will not be based on pressures of political expediency but as the result of much considered thought, active debate, and vigorous investigations into all aspects of the situation.

We thank you for giving us this opportunity to contribute some of our own observations which we hope will be helpful as you consider the critical decision of ratification of a new Panama Canal treaty.

Douglas C. Schmidt,
President.

REPRESENTATIVE BEARD OF RHODE ISLAND SALUTES HIS SECRETARIES DURING NATIONAL SECRETARY WEEK

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, the occasion of National Secretaries Week of April 21 to 25, 1975 brought very forcefully to my mind the extraordinary work performed by the persons who are absolutely indispensible in the operation of any office, whether in business or in government. This tribute of mine will certainly reflect the feelings of every Member of this body.

Every one of the secretarial staff in my offices in Providence, R.I. and here in Washington is an ambassador for me and in no sense does typing and shorthand describe the job. It so happens that all nine of the secretaries who work for me are women: I am sure this tribute would apply equally to any of the male secretaries who might be upset by some emphasis on the distaff side.

My Providence office glows with the day-to-day radiance of Patricia Celletti, JoAnn Capobianco, Nancy St. Pierre, and Ann Mitchell. In Washington, the virtues of patience, kindness and calm consideration are displayed every day by Beverly Moss, Kathleen McKenna, Marilyn Pesaturo, Susan Alfiero, and Elaine Gavegnano. And all rank in my eyes as eminently qualified for a "Miss America" title.

As one Member of the 94th Congress, I salute these wonderful women without whose abilities and consummate skills the labors of this office would be grim indeed.

SEWARD, NEBR., BICENTENNIAL FEATURES WORLD'S LARGEST TIME CAPSULE

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. THONE. Mr. Speaker, the enthusiasm and energy that communities all over the Nation are putting into celebration of America's Bicentennial is phenomenal. It is especially encouraging that localities in States that were not among the Original Thirteen Colonies are entering with great vim and vigor into observance of the 200th birthday of the United States.

The American Revolution Bicentennial is going to be observed in Seward, Nebr. with the "world's largest time capsule." The inside of this capsule will measure 20 feet by 8 feet by 6 feet. It will be made of reinforced concrete with walls 1 foot thick and will weigh about 34 tons.

The capsule is to be coated with plastic and tar paper and covered with 4 feet of earth to make certain it is free from moisture.

The capsule is going to be sealed on July 4, 1975. A 3-foot plug will be left at one end, so that additional Bicentennial items can be placed in it on July 4, 1976. The capsule is to be opened on July 4, 2025.

The largest item to be placed in the capsule will be a new 1975 automobile. Schools, churches, lodges, and civic organizations within 100 miles of Seward are being invited to place small objects in the unit to be sealed. Individuals in the same area are being invited to write letters to their children or grandchildren to be read in 50 years.

This capsule will give to the people living in Seward in 2025 a wonderful picture of what life was like in 1975. Mr. Speaker, I am proud to say that I plan to be on hand when Seward's capsule is sealed on July 4, 1975. I do not plan to be representing that district in Congress, however, when the huge receptacle is opened in 2025.

MARION HEIGHTS METHODIST CHURCH, CAMPBELL, OHIO, CELEBRATES 50TH ANNIVERSARY

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. CARNEY. Mr. Speaker, on Sunday, May 18, 1975, the Marion Heights Methodist Church of Campbell, Ohio, will celebrate its 50th anniversary. The Marion Heights Methodist Church has had a beautiful and memorable history. Many of my old friends and neighbors helped to build this church. Although I will not be able to be present at the anniversary celebration, I know it will be a most joyful and inspirational service. My prayers and good wishes go to

Bishop Kearns, Reverend King, and all the members of Marion Heights Methodist Church who will take part in this important festival.

The Marion Heights United Methodist Church was formed by the union of the Coitsville and Wilson Avenue Methodist Episcopal Churches. The Coitsville Church land was a gift from the Isaac Powers family, deeded on November 18, 1839. Until the church was built, the people worshipped in homes and barns. This church, unfortunately, was destroyed by fire. A short time later, another church was erected in the same location.

This church was abandoned to unite with the Wilson Avenue Methodist Episcopal Church in the fall of 1919. The Wilson Avenue Church land was purchased from C. D. Hine on August 18, 1892, and was sold for $300 to people for a dwelling house. Known as "The Little White Church on the Hill," its memory is held most dear by all who worshipped within its sanctuary.

As with the Coitsville Methodist Episcopal Church, the kindly, happy fellowship and words of inspiration received while worshipping within its walls will always remain as tender memories of "Dear Old Wilson Avenue Church," as it has often been called by many who made it their church home. However, membership and attendance began to decline, so it was sold in 1920 to the Black Jerusalem Baptist Church for $13,500. It is still being used to this day.

After several meetings of the official boards of the two churches, it was found impractical to move the Wilson Avenue Church building. Consequently, the boards decided to meet between the former locations.

The McCartney School building, Campbell, Ohio, was procured as a temporary meeting place in which to worship and on December 14, 1919, under the pastorate of Reverend Cassidy, the forces of the two churches were united by electing a new official board. Members of the first official board were as follows: Mrs. W. H. Reed, auditor of church records; Seth Coutler, treasurer; William M. McCartney, benevolence treasurer; Mrs. Bessie M. Yost, recording secretary; music committee: Gertrude E. McCartney, J. D. Johnson, J. Richards, Warren Shively; finance committee: W. H. Reed, J. Johnston, John Reynallt, J. McCartney, and I. L. Small.

The heirs of the Joseph G. McCartney estate offered as a gift, the land on which to build a church, permitting the trustees to select any location they should desire. The offer was gladly accepted. Four lots on the corner of Woodlawn and Gladstone Streets in Campbell, Ohio, were selected, making it as centrally located as possible to all interested. The deed was granted on September 20, 1921.

Reverend Askue was the pastor for the next 3 years. During his pastorate the parsonage was built, and considerable planning was done for the new church.

In the fall of 1924, Rev. Bruce Walters was sent as pastor and through his own abundant faith and untiring efforts, together with the cooperation of the people of Marion Heights and the aid of the Divine Leader, he succeeded in bringing to a happy climax the fond desires of Marion Heights people for a church building, dedicated to the worship of God. The contract was given to Martin, Orr, Martin of Columbus, Ohio. The cornerstone was laid on November 30, 1924, and the church was dedicated on May 17, 1925.

The church was named for the granddaughter of the Joseph McCartney's who gave the land for the building.

These are the highlights of the history of the churches that formed the Marion Heights Methodist Church and that were placed in the cornerstone of the church on November 30, 1924.

Ministers Serving Marion Heights Church

1920–1921 Rev. H. A. Cassidy.
1921–1924 Rev. W. L. Askue.
1924–1926 Rev. Bruce Walters.
1926–1928 Rev. Leroy James.
1928–1931 Rev. J. F. Stomn.
1931–1933 Rev. John Hawkins, Rev. Dwight Jack, Rev. Detrick Cordes.
1933–1935 Rev. W. L. Hodder.
1935–1939 Rev. E. M. Hughgart.
1939–1944 Rev. F. A. Ashburn.
1944–1946 Rev. Paul Uhlinger.
1946–1947 Rev. R. A. Uphoff.
1947–1949 Rev. B. T. Riley.
1949–1952 Rev. L. Whiteman, Sr.
1952–1954 Rev. Paul Frantz.
1954–1963 Rev. David Boldt.
1963–1967 Rev. John Obee.
1967–1969 Rev. Able Napadona.
1969–1975 (to present) Rev. Henry King.

For 50 years, the Marion Heights Methodist Church of Campbell, Ohio, has been a source of faith hope and love for its members. I would like to take this opportunity to wish my dear friends and former neighbors many more years of peace, joy and happiness in the service of the Lord.

RECOMPUTATION OF MILITARY RETIRED PAY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LONG of Maryland. Mr. Speaker, I am most pleased to bring to the attention of my colleagues the views of Col. Donald C. Foote, legislative chairman, Maryland Retired Officers Association, on an issue of importance: recomputation of military retired pay. Colonel Foote and other members of the Reserve Officers Association shared their views with members of Maryland's congressional delegation at a meeting in Washington. Colonel Foote makes several interesting points with regard to current levels of active duty and retired military pay from a historical perspective.

The remarks follow:

Recomputation of Military Retired Pay

1. Background of recomputation;

a. Federal Statutes until 1958 guaranteed military retired pay based on current active duty rates, i.e., recomputed each time AD rates were changed.

b. System precipitiously suspended in 1958 with no "saving clause" to protect the earned rights of those already in the system.

c. Career Compensation Act of 1963. PL 88–132 again increased AD pay but permanently changed the law so as to deny the benefits of that act and of future AD pay raises to retirees. It substituted a CPI (Consumer Price Index)—CLI (Cost of Living) formula less advantageous to retirees.

d. Initial saving to the government because of the change in the system was only 29 million in 1958.

2. Interim results to restore recomputation of retired pay:

Seventeen years of frustrated effort on the part of organizations (TROA, NAUS, Fleet Reserve—others) and many individuals to restore the pre-1958 pay plan (recomput). The Congress (Senate & House) at various times—in different years—passed bills to restore equity of pay, but not both Houses in the same year. Of late years, even with Presidential blessing 360 million dollars set aside in the Defense Budget—and riders attached to the Military Approp. Bills (1972–73–74)—by parliamentary maneuvering in the House Armed Services Committee the matter was deemed "non-germane" by the Conference Committee. What a travesty of justice adversely affecting so many dedicated serviceman (enlisted and commissioned), veterans of two and even three wars now retired. In summary the net result "no progress" toward a solution of the problem.

3. Specific statistical data of how the change from recomputation to CPI plan has affected the military retiree over the years:

a. Active duty pay increase (June 1, 1958 to Oct. 1, 1973): Total is 165.7%.

Retired pay increase, actual cumulative (June 1, 1958 to July 1, 1973): 68.3%.

Differential in favor of active duty military: 97.4%.

b. Below is cited two factual examples of the wide discrepancy and injustice involved in the pay of retirees of comparable grade and length of service:

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(Enlisted man to M.Sgt., 20 years)

1958 retiree: Initial pay, $175 per month. Pay updated, (9–30–74), $312.

1974 retiree: Retiree initial pay (9–30–74), $434.

Differential of $122 or 39%..

O–5

(Lieutenant colonel, 20 years)

1958 retiree: Initial pay, $373 per month. Pay updated (9–30–74), $664.

1974 retiree: Retiree initial pay (9–30–74), $945.

Differential of $281 or 42%.

Note: Many other similar cases (different commissioned and enlisted grades) could be cited to show even a greater pay disparity among the older and more recent retirees.

c. Food stamps being issued to older retirees and lower grade enlisted men:

None other than Lt. Gen. John W. Carpenter, Pres., TROA, in a recent letter to the Sec. of Defense said, ". . . men trying to raise a family are spending some $1.5 million each month in military commissaries. Sad, indeed, honorable members of this delegation that some of our military retirees are at welfare level. We plead again with you to help rectify this longstanding injustice to our military retirees.

Concluding Remarks

Should any of this very capable Md. Delegation—after 10 to 20 or more years of congressional service—retire and find your pay

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categories for the same position and length of service radically different in the amount of retired pay, WHAT WOULD YOUR REACTION BE? Needless for this speaker to give an answer.

Another aspect for military retired pay (1958 to date) no one to our knowledge has considered (in defense or in the Congress): what the Government saved in 17 years, if the difference over what we actually received and what was justly our entitlement had the recomputation plan been operative. It would be in billions of dollars.

It would appear—as the hour grows late for many of the vets of two or more wars—appropriate that we plead again with each of you to actively support the present corrective legislation (H.R. 1167 and/or Sen. Hartke bill), or other similar legislative bill to partially rectify this injustice of 17 years. Actually H.R. 1167 and other similar legislative proposals cover only partial recomputation, i.e. to Jan. 1/72 in relation to the AD rate. Not only do we urge you to support H.R. 1167 (and Senate bill) but to utilize your combined power to insure that the Congress actually has an opportunity to vote on the appropriate House and Senate bills. Then, if necessary because of a Presidential veto, to override same. From past votes in both Houses of Congress on similar legislation the majority FOR was overwhelming.

In conclusion may we express the thanks of our Md. Ret. group and its ten chapters here represented for the current support of Mrs. Holt, Mr. Byron and Mrs. Spellman for introducing H.R. 515, 1639 & 4455—and again Mrs. Holt for co-sponsoring Bob Wilson's H.R. 1168.

HOUSE OF REPRESENTATIVES—*Tuesday, April 29, 1975*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. McFall).

PRAYER

The Reverend Mr. Robert W. Thurston, pastor, the First Baptist Church, New London, N.H., offered the following prayer:

Eternal God, we thank You for the faith which sustains us, the hope which inspires us, and the light by which we daily walk.

Help us to correct our mistakes. Cause us to look within ourselves and to see there all that we condemn in others.

Give to every nation that which we seek for our own Nation—concern for the needs of everyone, sensitivity to moral issues, deliverance from cynicism and despair, strength to be free and to carry the burden of freedom, and readiness to accept responsibility, rather than to evade its consequence.

There was no objection.

Let us go through today's work with faithfulness, strong to do justly, to love mercy, and to walk humbly with You. Amen.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 29, 1975.

I hereby designate the Honorable John J. McFall to act as Speaker pro tempore for today.

CARL ALBERT,
Speaker of the House of Representatives.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

REV. ROBERT THURSTON

(Mr. CLEVELAND asked and was given permission to revise and extend his remarks.)

Mr. CLEVELAND. Mr. Speaker, it is a distinct pleasure for me to welcome to this House my good friend, the Reverend Robert Thurston, and to also welcome his wife, Penny, and friends from our hometown in New London, N.H.

Bob has served as minister of the First Baptist Church of New London, N.H., since 1967. He has done so with great distinction. His friendship and preaching and prayers have brought comfort, inspiration, guidance, and solace to countless people who have been blessed by his ministry.

On a number of occasions he has brought his youth group here to Washington, which typifies his concern and interest in helping those of all ages and in so many ways. And speaking of help, it reminds me of the many times when I have listened to Bob Thurston and have thought—there are so many ways to help people—and this House has no corner on that market.

Following his graduation from Yale Divinity School, Bob served ministries in New York State and in Vermont where he was born. Since coming to New London, N.H., in 1967 he serves as a member and chairman, department of professional concerns, American Baptist Churches of New Hampshire; member, board of trustees, American Baptist Churches of New Hampshire; member, President's Advisory Council, Colby-Sawyer College, New London, N.H.

Reverend Thurston was selected to appear in the 1967 edition of "Who's Who in the East" and 1968 edition of "Outstanding Young Men of America."

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6096, VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 425 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 425

Resolved, That immediately upon the adoption of this resolution, clause 2, rule XXVIII to the contrary notwithstanding, it shall be in order to consider the conference report on the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes.

CALL OF THE HOUSE

Ms. ABZUG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. DELANEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 162]

Ambro
Anderson, Ill.
Biaggi
Breaux
Broomfield
Brown, Calif.
Burke, Calif.
Burton, Phillip
Cederberg
Chisholm
Clay
Conlan
Conyers
Coughlin
Crane
Dellums
Diggs
Fascell
Ford, Mich.
Gonzalez
Hansen
Harsha
Heckler, Mass.
Hightower
Krueger
McDade
McKay
Macdonald
Mahon
Matsunaga
Michel
Mills
Mollohan
Moss
O'Hara
O'Neill
Pike
Pressler
Price
Pritchard
Rhodes
Rose
Rosenthal
Rousselot
Russo
Scheuer
Shriver
Stark
Stephens
Stokes
Udall
Vanik
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wright
Young, Fla.

The SPEAKER pro tempore. On this rollcall 375 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WITHDRAWAL OF HOUSE RESOLUTION 425, PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6096, VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. DELANEY. Mr. Speaker, I have just received a message from the Speaker, who is now at the White House, and on his request I am going to withdraw the resolution at this time.

The SPEAKER pro tempore. The resolution is withdrawn.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 818. An act to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes; and

S. 917. An act to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad, and for other purposes.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT ON H.R. 4481

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 4481), making emergency employment appropriations for the fiscal year 1975, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SOUTHEAST ASIAN TRAGEDY

(Mr. McDONALD of Georgia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McDONALD of Georgia. Mr. Speaker, we gather here today as another anti-Communist nation dies in Saigon, as anti-Communist leaders are beheaded in Cambodia, as a final silence descends on Laos, and as Thailand bends before the pressure of events. The remaining nations of Southeast Asia—Malaysia, Indonesia, and the Philippines—all of which had defeated earlier Communist moves against them, are now freshly menaced.

Nations are not dominoes. The so-called domino theory cannot be dismissed as a myth, however. We are talking about nations which are indeed falling, just like dominoes.

As they weaken and fall, Members of both these great legislative bodies issue pious statements about "humanitarian relief," all of which boil down to a question of how many, if any of our friends in Vietnam will be helped to escape alive. It has been suggested that we pay off the Communists to permit an evacuation. I doubt that they will go along with such a program, although they will be happy to accept payment.

We must keep in mind that our enemies in Southeast Asia are people who turn their full ferocity on refugee columns, shredding them with heavy artillery, running them down with trucks. They want all the world to know what happens to those who resist, or who even try to flee.

Time and again, since World War II, we have fought no-win wars, and in the end we have abandoned our friends and allies. Each time, we have assuaged what passes for conscience by accepting refugees—each time, I may add, with a quota of enemy agents consciously included. We have paid ransom often enough. I believe that if force is needed to effect an evacuation, force should be used, but, to revive a phrase, "not one cent for tribute."

For more than 10 years, under four Presidents, our leaders have insisted upon bloodshed without victory. We are now face-to-face with the logical result of a no-win policy—defeat—massive, bitter, bloody defeat.

The record of communism everywhere shows that the human cost of fighting is small, when compared to the human cost of succumbing to a Communist regime. Massacre and terror are standard tools used by the Communists to consolidate their conquests. We must keep in mind that, in Russia and China alone, over 100 million people were killed after organized opposition had ended.

By now, the word "bloodbath" seems an overworked cliche. However, it is all too accurate a term. A 24-year veteran of the North Vietnamese Communist Party, Col. Tran Van Dac, has said that a Communist victory will mean the slaughter of about 3 million South Vietnamese. Another Communist, Col. Le Xuan Chuyen, tells us that some 5 million people are considered by the Communists to owe "blood debts." As we all ought to know—although it is by no means obvious that we all do know—the Communists routinely collect in blood. Sir Robert Thompson, a British general who has tried to be helpful about Vietnam, was asked whether fears of a bloodbath were exaggerated. He said no, "it could not be exaggerated. It will happen."

Really, every intelligent person who gives the matter any thought must realize that the Communists, during the past 58 years, have killed more people than any organization in the history of the world.

Now, as always, we hear calls for further negotiations. Three years ago, Representative John Schmitz, of California pointed out that:

> Since all negotiations with the Communists start out from the premise that nothing they now control can be touched . . . the worst they can ever get is a draw, while the best we can ever get is likewise a draw.

Gen. Douglas MacArthur, who was relieved of his command for trying to win the Korean war, predicted:

> We shall eventually see the fall of all Indochina to the Communists as a result of our failure in Korea. If we maintain a limited war posture against an enemy willing to fight all-out at any time they deem our weakness to be such as to warrant such attack, our nation will eventually be isolated.

Indeed, the leader of one endangered nation has reminded us that there is not an infinite supply of small nations to be sacrificed.

Speaking of sacrifices, there are many, in Congress and outside of Congress, who protest that "we went the extra mile, we have sacrificed enough." May I remind everyone that the object of war is not to make sacrifices, but to gain victory. There is no merit in sacrifices on the altar of "no-win" policy; there is no point in "going the extra mile" down the road to self-inflicted defeat.

SIMPLE LOGIC

In war, you have a winner and a loser. War is a contest of strength in which a decision is sought; from this, a winner and a loser eventually emerge. A draw merely represents "unfinished business"—as we may discover in Korea.

In any contest, if one contestant intends to win and makes every effort to do so, and his opponent declares that he does not intend to win, and makes convincing efforts in that direction, I think it is perfectly obvious who will win, even if he is weaker or less clever or possessed of other failings.

For the past 30 years, regardless of what party was in power, the U.S. Government has followed a "no-win" policy. It has been our publicly declared policy for only about 15 years, but it has been our policy, in effect, ever since the end of World War II.

A "no-win" policy simply guarantees defeat. Our Government, in fact, enforces defeat upon our own Armed Forces. Gen. Douglas MacArthur was sacked for trying to achieve victory in Korea: Most recently Lt. Gen. John D. Lavelle found himself in deep trouble for daring to strike at enemy missile sites and tank columns without permission from the "no-win" artists in Washington. During the 20 years between these events, military careers have been made and broken according to a military man's ability to accept the "no-win" dictates of our Government. Some of us may recall the degrading campaign called "muzzling the military"—a generally successful effort by our civilian leaders to banish the word "victory" from the vocabulary, and even the thoughts, of our own military officers.

Men who served in Vietnam realize that the "mistakes" we made were not "mistakes", they were policy. Our leaders chose to fight a 10-year jungle war instead of a 6-week air war which could have destroyed North Vietnam's capacity to support its aggression in the south. Our 1962 "settlement" regarding Laos gave the North Vietnamese the Ho Chi Minh Trail. Our support of the present Red Chinese puppet in Cambodia, Prince Sihanouk, meant that we built a modern port for him, connected it to Phnom Penh by a modern highway—and allowed it to be used to support Communist forces operating from Cambodia for many years before 1970.

During most of the Vietnam war, our Government granted the Communists "sanctuary" in Laos, Cambodia, and even North Vietnam itself. During most of the

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war, the most vital and obvious targets in the north were immune from attack. Indeed, the Red River dike system was never touched, the ships loaded with supplies for the enemy were never touched, either. When the bombing of Haiphong Harbor produced too great inconvenience to the enemy, it, too, was ended. Gen. Curtis Lemay, years ago, described the "no-win" system of target selection practiced by the civilians in the Pentagon, the system of taking targets listed in order of priority and bombing the least vital ones.

"Bombing halts" were almost too numerous to count. Each was advertised as a step toward "peace", but each was actually a measure for preventing victory. In December of 1972, when we closed Haiphong Harbor and settled down to some serious strategic bombing of the north, we came as close to victory as we ever had. The North Vietnamese had no more air-defense missiles, their supplies of everything were virtually cut off and they were running out of rice.

Then came the final "bombing halt," just in time to prevent victory. The result was that infamous "peace with honor", which left North Vietnamese forces in place in the south, their existence not even acknowledged. Our promises of "full economic and military support" were worth only enough to purchase that equally infamous "decent interval" between bug-out and collapse which was considered politically necessary here at home.

Our defeat in Vietnam was the logical, obvious, and inevitable product of our own Government's "no-win" policy. We must realize this. It is the only truly useful lesson we can now learn from the Vietnam disaster.

CONSEQUENCES OF "NO-WIN" POLICY

Today it is the South Vietnamese and the Cambodians who taste the full bitterness of defeat, while we, so far, must swallow only a little. We, the American people, do not confront stark, inescapable terror and slaughter, with more slavery reserved for those most capable of pleasing their conquerors.

Nearly 60,000 American sons and husbands died. Our leaders have insisted upon defeat, meaning that they have died in vain. Throughout more than 10 years of dragged-out agony in Vietnam, our Government encouraged "aid and trade" to support the slave economies which produced the weapons used to kill those men.

Tens of thousands of young men were maimed or blinded for life. Thousands will finish their lives as wretched quadriplegics; hundreds of thousands bear the scars of lesser wounds. What an unprecedented betrayal it has been. We sent those men out with instructions to fight, bleed, and die—but we forbade them to win. We made things easy for their enemies, at home as well as in the Communist countries.

What of the severe demoralization of our own Armed Forces, the result of enforced defeat? What of the brutalization of our men, who were forced to fight and the cruelest kind of war against an enemy recognizing no rules and observing no code of honor? What of the effects of years of deliberate privation, humiliation, and agonizing tortures inflicted upon our prisoners of war? These are the men who know, first hand, how the Communists treat people when they have them in their power. Yet they return home to find the enemy victorious in the propaganda war; not only were their efforts and their sufferings in vain, but they have found their own Government quite as interested in brainwashing them as the Communists ever were.

Defeat is offering bribes, ransoming your prisoners rather than liberating them, and offering "reparations" currently disguised as "humanitarian aid." Defeat is having our own mass media filled with Communist propaganda, our own Government covering up enemy atrocities. Defeat is granting amnesty, not merely to young men reluctant to fight a "no-win" war, not only to simple cowards, but to vicious and dedicated haters of their country. Defeat is hailing enemy agents who have led the "antiwar movement" as worthy citizens, morally superior to men who fought, thinking that they might prevent the very horrors now overtaking the people of South Vietnam and Cambodia. Defeat is being ashamed to face your television set when the news comes on.

WE NEED A "WIN" POLICY

On the other hand, we can adopt a policy of meeting and defeating the Communist drive for world domination. This does not mean, as our leaders would like us to believe, "nuclear holocaust," a world in ashes. It does mean using our economic and military strength properly and intelligently. It means an immediate halt to present policies of feeding and supplying machinery and technology to our shown enemies—often on credit. It means a reversal of the 15-year policy of disarmament, which we have insanely pursued throughout the Vietnam war. A "win" policy may sound dangerous, to a population softened by propaganda to accept defeat supinely.

However, what risks are worth taking, to escape a sentence of death, or life imprisonment? Quite a few, I would venture. What we must realize, before it is too late, is that Communists victory sentences every human being either to death or to life imprisonment.

INVESTIGATION OF ARAB DISCRIMINATION AGAINST AMERICANS OF JEWISH FAITH

(Mr. REES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. REES. Mr. Speaker, I am submitting for the RECORD an announcement concerning a study the Banking, Currency, and Housing Committee's Subcommittee on International Trade, Investment, and Monetary Policy will be making of Arab discrimination against American citizens of Jewish faith:

INVESTIGATION OF ARAB DISCRIMINATION AGAINST AMERICANS OF JEWISH FAITH

Direct and indirect Arab discrimination against various U.S. companies—primarily financial institutions—which are owned or controlled by, employ or do business with Americans of Jewish faith, is currently being investigated by the Subcommittee on International Trade, Investment and Monetary Policy, chaired by Thomas M. Rees (D-Calif.). Also under study are similar cases of discrimination against individuals.

Of the two current types of overlapping discrimination—(1) direct, by Arab representatives against American corporations officially being boycotted by the Arab League or other Arab groups; and (2) indirect, by U.S. companies, under Arab pressure, against other allegedly "pro-Zionist" U.S. companies or against their own employees or customers because of Jewish affiliations—it is the second type that the Subcommittee is investigating. The direct Arab boycott is currently being studied by the House Foreign Affairs Committee.

While the 30-year-old boycott is not in itself a main focus of the Subcommittee's inquiries, some discriminatory effects of the Arab boycott are being examined: i.e., how and why particular firms are blacklisted; the historically selective enforcement of the boycott; and, as mentioned, the secondary effects of the boycott, where one U.S. company is pressured by the Arabs into a middle-man role and discriminates against another U.S. company or against employees or customers of Jewish faith. The implications of the Arab's new oil wealth are obviously relevant in this context, too.

But it is discrimination per se, particularly as evidenced in international financial transactions, that concerns the Subcommittee. For example, the Comptroller of the Currency recently learned that "some national banks may have been offered large deposits and loans by agents of foreign investors, one of the conditions for which is that no member of the Jewish faith sit on the bank's board of directors or control any significant amount of the bank's outstanding stock." The boycott may not violate any existing U.S. statutes, but specific cases of economic discrimination are possibly in violation of the U.S. law.

The U.S. Government has deplored the boycott of particular U.S. firms. President Ford issued a formal statement to that effect on February 26, 1975. The Departments of State, Treasury, Justice, and the SEC have been asked to investigate the bank blacklist as well as the boycott of American companies. Also, in the Comptroller of the Currency's bulletin to presidents of all national banks, he warns against "any practices or policies that are based upon considerations of the race, or religious belief of any customer, stockholder, officer or director of the bank."

Mr. Speaker, the subcommittee's investigation was requested by Representative HENRY S. REUSS, Democrat of Wisconsin, chairman of the House Committee on Banking, Currency and Housing.

EVACUATION OF AMERICANS FROM SOUTH VIETNAM A FAIT ACCOMPLI WITHOUT ARMED UNITED STATES INTERVENTION

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, if we can believe the news reports, which I hope we can believe, the administration has finally expedited the efforts and evacuated the Americans and their dependents from South Vietnam, which I think is a very excellent thing.

It also indicates that the President

did not need the legislation providing for the introduction of U.S. troops for the purposes of accomplishing that goal. I am just very happy that finally, if we can believe the news reports, that all Americans are out; and again, I am very happy that it indicates that it was not necessary to give the President authority to use military force to accomplish such goals.

EULOGIES TO THE LATE HON. JOHN C. KLUCZYNSKI, OF ILLINOIS, AND HON. JERRY L. PETTIS, OF CALIFORNIA

Mr. HAYS of Ohio. Mr. Speaker, this announcement is to advise the membership that the closing date for printing the eulogies and encomiums to the late Representative John C. Kluczynski, of Illinois, and Representative Jerry L. Pettis, of California, has been set for Friday, May 9, 1975. All copy for insertion must be submitted before this cutoff date so as to be included in the final publication of their compendiums of eulogies.

THE ELK HILLS PETROLEUM RESERVE

(Mr. FRASER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRASER. Mr. Speaker, when the House this afternoon takes up a rule to deal with the petroleum reserves that we possess, owned by the U.S. Government, I hope the Members will pay close attention to the debate on the rule.

I think a good case can be made with respect to deferring action on the bill. Both the bill from the Committee on Interior and Insular Affairs and the amendment proposed by the Committee on Armed Services are premature in light of the fact that the Elk Hills Reserve would be best suited for use to build a strategic reserve, but as yet we do not have a strategic reserve authorized. The Committee on Commerce expects to report such a bill. Therefore, it would be appropriate to defer action on these other two bills until the strategic reserve has been authorized, because this is the best source of oil to establish this strategic reserve. We need a strategic reserve more than we need almost any other immediate action in the energy field.

Therefore, Mr. Speaker, I hope the Members will pay close attention to the debate on the rule.

REFORMING THE RECORD

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr DAN DANIEL. Mr. Speaker, there follows an editorial from the South Hill Enterprise of April 23, 1975:

REFORMING THE RECORD

The Congressional Record is a disgrace to Congress and should be reformed.

The most obvious abuse is the insertion in the printed record of personal reelection campaign material. Robert F. Drinan, D-Mass., recently has his entire voting record for 1974 printed in the Record, using 22 pages at a cost of $278 per page. That's $6,116 of the taxpayers' money.

This is a time-honored congressional prerogative but it should be curbed.

More important, the Congressional Record should be purged of extraneous matter including "speeches" never delivered (one by Hale Boggs was printed two days after his death in an Alaskan plane crash), newspaper editorials and articles, press releases and other miscellany. Such items now make the Record a confused collection.

The printed record should be an actual record of oral proceedings in the chamber. All extraneous printed or written matter should be printed, if worth printing, in a separate appendix.

Some bunkum and disorder is indigenous to democracy, can't be helped and may in fact be healthy. But the Congressional Record as now constituted carries this confusion principle to a deplorable extreme.

(Mr. Congressman, please don't reprint this in the Record.)

I could not resist the temptation.

DEBATE ON THE FIRST BUDGET RESOLUTION TOMORROW

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADAMS. Mr. Speaker, tomorrow the House will begin debate on the first budget resolution. We hope to complete general debate on Wednesday, and then proceed with the amending process with no votes until Thursday. We hope to complete action on the bill on Thursday.

I am placing in the RECORD at this point certain information which indicates the basis of the projections of the House committee, the Senate committee, and the President with regard to gross national product, Consumer Price Index, proposed or possible unemployment rates, and the basis on which the Budget Committee believes the deficit can be financed.

I hope the Members will attend tomorrow. I think this will be a very long and difficult session, both in explaining the budget and also in arriving at a final conclusion; and I am hopeful that we will be able to pass the resolution by Thursday afternoon.

The information referred to follows:

PRESIDENT'S BUDGET

[Dollar amounts in billions]

	Calendar year—		
	1974	1975	1976
Gross national product:			
Current dollars	1,397	1,498	1,686
1958 dollars	821	794	832
Consumer Price Index	1.477	1.644	1.772
Rate of change in Consumer Price Index	11.0	11.3	7.8
Unemployment rate	5.6	8.1	7.9
	Fiscal year—		
	1974	1975	1976
Deficit	−3.5	−34.7	−51.9

SENATE BUDGET COMMITTEE

[Dollar amounts in billions]

	Calendar year—		
	1974	1975	1976
Gross national product:			
Current dollars	1,397	1,465	1,665
1958 dollars	821	794	854
Consumer Price Index	1.477	NA	NA
Rate of change in Consumer Price Index	11.0	NA	NA
Unemployment rate	5.6	8.8	7.9
	Fiscal year—		
	1974	1975	1976
Deficit	−3.5	−34.7	−69.6

HOUSE COMMITTEE ON THE BUDGET

[Dollar amounts in billions]

	Calendar year—		
	1974	1975	1976
Gross national product:			
Current dollars	1,397	1,467	1,685
1958 dollars	821	789	856
Consumer Price Index	1.477	1.612	1.707
Rate of change in Consumer Price Index	11.0	9.1	5.9
Unemployment rate (average for year)	5.6	8.6	7.5
Unemployment rate (end of year)	N/A	N/A	7.0
	Fiscal year—		
	1974	1975	1976
Deficit	−3.5	−34.7	−73.2

COMPARISON OF ESTIMATES FOR FISCAL YEAR 1976—BUDGET AUTHORITY

[In millions of dollars]

Function	President's budget as submitted (1)	President's budget as adjusted [1] (2)	Budget adjusted for House committees' views and estimates (3)	House Budget Committee estimates (4)	House Budget Committee estimates as compared to— President's budget as submitted (5)	President's budget as adjusted [1] (6)	House committees' views and estimates (7)
050—National defense	107,700	107,700	109,842	99,778	−7,922	−7,922	−10,064
150—International affairs	12,627	12,627	12,627	4,677	−7,950	−7,950	−7,950
250—General science, space, and technology	4,686	4,686	4,708	4,708	22	22	0
300—Natural resources, environment, and energy	12,226	12,226	18,317	14,105	1,879	1,879	−4,212
350—Agriculture	4,273	4,273	4,273	4,273	0	0	0
400—Commerce and transportation	6,602	7,330	17,490	11,726	5,124	4,396	−5,764
450—Community and regional development	5,164	5,164	11,431	10,814	5,650	5,650	−617

COMPARISON OF ESTIMATES FOR FISCAL YEAR 1976—BUDGET AUTHORITY—Continued

[In millions of dollars]

Function	President's budget as submitted	President's budget as adjusted [1]	Budget adjusted for House committees' views and estimates	House Budget Committee estimates	House Budget Committee estimates as compared to—		
					President's budget as submitted	President's budget as adjusted [1]	House committees' views and estimates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
500—Education, manpower and social services	13,686	13,686	21,472	19,010	5,324	5,324	−2,462
550—Health	31,022	31,022	34,936	33,112	2,090	2,090	−1,824
600—Income security	135,339	137,239	142,055	141,327	5,988	4,088	−728
700—Veterans benefits and services	16,163	16,763	18,277	17,998	1,835	1,235	−279
750—Law enforcement and justice	3,169	3,169	3,346	3,291	122	122	−55
800—General government	3,335	3,335	4,897	3,300	−35	−35	−1,597
850—Revenue sharing and general purpose fiscal assistance	7,305	7,305	7,305	7,305	0	0	0
900—Interest	34,419	34,419	34,419	35,000	581	581	581
Allowances	8,325	8,325	8,750	1,325	−7,000	−7,000	−7,425
950—Undistributed offsetting receipts	−20,193	−16,193	−16,193	−16,193	4,000	0	0
Total	385,848	393,076	437,952	395,556	9,708	2,480	−42,396

[1] Adjusted to include official Presidential amendments and reestimates, administrative actions, court decisions, and underestimates of budget authority.

COMPARISON OF ESTIMATES FOR FISCAL YEAR 1976—OUTLAYS

[In millions of dollars]

Function	President's budget as submitted	President's budget as adjusted [1]	Budget adjusted for House committees' views and estimates	House Budget Committee estimates	House Budget Committee estimates as compared to—		
					President's budget as submitted	President's budget as adjusted [1]	House committees' views and estimates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
050—National defense	94,027	94,027	96,071	89,736	−4,291	−4,291	−6,335
150—International affairs	6,294	6,405	6,294	4,900	−1,394	−1,505	−1,394
250—General science, space, and technology	4,581	4,581	4,599	4,599	18	81	0
300—Natural resources, environment, and energy	10,028	10,078	13,526	11,546	1,518	1,468	−1,980
350—Agriculture	1,816	1,816	2,698	1,816	0	0	−882
400—Commerce and transportation	13,723	15,451	22,219	19,810	6,087	4,359	−2,409
450—Community and regional development	5,920	5,920	9,706	9,498	3,578	3,578	−208
500—Education, manpower and social services	14,623	16,461	22,035	20,426	5,803	3,965	−1,609
550—Health	28,050	28,082	32,507	30,702	2,652	2,620	−1,805
600—Income security	118,724	120,624	129,619	123,915	5,191	3,291	−5,704
700—Veterans benefits and services	15,592	16,192	17,741	17,469	1,877	1,277	−272
750—Law enforcement and justice	3,288	3,288	3,368	3,363	75	75	−5
800—General government	3,180	3,180	4,099	3,350	170	170	−749
850—Revenue sharing and general purpose fiscal assistance	7,249	7,249	7,249	7,249	0	0	0
900—Interest	34,149	34,419	34,419	35,000	581	581	581
Allowances	8,050	8,050	8,460	1,050	−7,000	−7,000	−7,410
950—Undistributed offsetting receipts	−20,193	−16,193	−16,193	−16,193	4,000	0	0
Total	349,371	359,630	398,417	368,326	18,865	8,606	−30,181

[1] Adjusted to include official Presidential amendments and reestimates, administrative actions, court decisions and underestimates of outlays.

DEMAND FOR LOAN FUNDS (FISCAL YEARS)—Continued

DEMAND FOR LOAN FUNDS (FISCAL YEARS)

Funds	1973 (actual)	1974 (actual)	1975 (estimate)	1976 (estimate)	1976 (Budget committee estimate)
Private short-term funds	86.5	94.4	35.2	44.3	--------
Private long-term funds	103.3	89.7	77.6	89.3	--------
Total private funds	189.8	184.1	112.8	133.6	(134.0)
U.S. Government securities	18.5	2.1	43.9	63.7	(85.0)
Federal agencies	14.4	21.3	17.6	14.7	(11.0)
State and local securities	12.6	16.8	15.9	17.0	(17.0)
Total public funds	45.5	40.2	77.4	95.4	(113.0)
Total funds raised	235.3	224.3	190.2	229.0	(247.0)

Source for first 4 cols.: Office of the Secretary of Treasury Office of Debt Analysis.

Estimate of gross savings in fiscal 1976

[Dollars in billions]

Sources:	
Personal Savings	$106
Business Savings	160
Net Foreign Investment	10
Total	275

REPUBLICAN CONFERENCE TO HOLD OPEN SESSIONS

(Mr. HILLIS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HILLIS. Mr. Speaker, I take this time to address the House to inform the Members of the action taken by the Republican conference earlier today.

Some 3 or 4 years ago, the Republican conference led the way in adopting certain amendments to our rules of procedure, including the voting on ranking members of committees, that proved to be historic. Some 3 or 4 years later, our colleagues on the other side of the aisle followed our lead and made significant changes which modified greatly the seniority system.

Today, I think, is another historic day because the Republican conference voted to go to open sessions, to make party affairs public affairs. I predict that with this move, the public will once again have a chance to see what is going on in our Government and that the problems of credibility in our Government will be removed.

This resolution is the product of much hard work by a task force studying congressional reform chaired by my good friend and colleague, the gentleman from Minnesota (Mr. Frenzel). I congratulate all of the members of the task force who worked so hard on this proposition, especially the Chairman, Mr. Frenzel, which was adopted by the conference after careful consideration.

Again I say that this is a very significant and historic move and I call upon our colleagues on the other side of the aisle to follow suit in bringing the public into their party affairs as well.

THE EVACUATION OF AMERICANS FROM VIETNAM

(Ms. ABZUG asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Ms. ABZUG. Mr. Speaker, this is a very critical day in the lives of Americans and for America. To some of us it was a relief that the President finally ordered the evacuation of all Americans from South Vietnam. At this hour it appears that the helicopter lift has accomplished this.

I regret very deeply, as I am sure everyone does, that two marines have been killed, and that one American plane was shot down. We have all been appalled by the loss of American and Asian lives during this whole unfortunate and illegal war.

I am glad to see that at this time we are not forced to give the President authority which he could use to justify armed intervention here in Vietnam or in other conflict situations. I believe that removing the rule from the floor of the House this morning for the consideration of the conference report was a wise act.

Mr. ALBERT. Mr. Speaker, will the gentlewoman yield?

Ms. ABZUG. I am happy to yield to our Speaker, the gentleman from Oklahoma (Mr. Albert).

Mr. ALBERT. Mr. Speaker, I have just returned from the White House, where it was agreed there by the President that we would take this whole matter off for today because the section 4 part, which was the controversial part, may be moot before the day is over. If so, when we consider the bill, the parliamentary situation may permit removal of that part from the final version.

Ms. ABZUG. I thank the Speaker.

I requested that the chairman of the Rules Committee and the chairman of the International Relations Committee not call up the rule of the report today, because I too believe it to be moot. For the same reason I asked a quorum call. I hope that the only part that we would consider in the conference report would be sections which would provide for humanitarian aid for food and medical supplies directly to the people through international organizations, because that great need remains.

So I would hope that whatever action this House takes will deal solely and exclusively with the granting of humanitarian aid through international auspices. That is the only way I believe that the Congress will be fulfilling its responsibility. Any other section of the conference report would yield to the President authority for reintervention at some time, which would be inappropriate.

THE CONFERENCE REPORT ON HUMANITARIAN AID FOR VIETNAM

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, I sincerely hope that as expeditiously as possible and as soon as possible we do act on the conference report. I submit that it is necessary because it does contain provision to help pay for evacuation of U.S. nationals including South Vietnamese. The legislation also authorizes money for humanitarian purposes, but what is more important, I submit, Mr. Speaker, is that the conference report contains several reporting provisions which will be of great help to the Congress in getting accurate information on how the evacuation was carried out.

Without those reporting requirements the executive branch may well be less forthcoming with such information.

Of course, the President would want us to strike section 4. That section clarifies the relationship of the evacuation with regard to the war powers resolution and sets a good precedent of congressional action pursuant to that resolution. It is understandable why the President would not want us to insist on retaining that section. In view of the reported loss of two Marines during the evacuation process or in case there were other instances of confrontation endangering the lives of U.S. Forces the President would have to report under section 4(a)(1).

OPEN REPUBLICAN CONFERENCE

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, this morning the Republican conference voted 59 to 17—77 percent—to open its conference meetings to the public. House Republicans have faith in the people of America to judge their conference actions fairly.

Republicans have acted as a responsible minority to encourage the Democrat majority to open up its meetings. Republicans, who do not determine policy for their Members, have let the sunshine on their meetings. Democrats, who make clandestine agreements by secret vote behind closed doors, are now invited to vote for sunshine, too.

The Democrat Caucus was able to consider immediately a petition for an amendment to the Tax Reduction Act. One can only wonder why a resolution to open the Democrat Caucus, signed by about twice the required number of signators, is still awaiting caucus action after several weeks.

Is King Caucus allergic to sunshine? For the sake of the people's confidence in its Government, I hope not.

PERSONAL EXPLANATION

Mrs. FENWICK. Mr. Speaker, I was away from the House last Wednesday and Thursday on official business as requested by the minority leader. I feel I should make it clear how I would have voted had I been present on those days. On the Vietnam Humanitarian Assistance and Evacuation Act of 1975, I would have voted "aye" on the final passage of the committee bill.

I supported and would have voted "aye" on the Securities Exchange Act amendments, and I would have voted "aye" on the Amtrak Improvement Act.

APPOINTMENT OF CONFEREES ON H.R. 4485, EMERGENCY MIDDLE-INCOME HOUSING ACT

Mr. REUSS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4485) Emergency Middle-Income Housing Act, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. Reuss, Barrett, Ashley, Moorhead of Pennsylvania, St Germain, Mitchell of Maryland, AuCoin, Brown of Michigan, J. William Stanton, and Rousselot.

CALL OF THE HOUSE

Mr. GOLDWATER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. SISK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 163]

Alexander
Andrews, N.C.
Bergland
Biaggi
Breaux
Burke, Calif.
Chisholm
Clay
Conlan
Conyers
Corman
Crane
Danielson
Dellums
Flowers
Ford, Mich.
Frey
Fuqua
Gonzalez
Hansen
Harsha
Hastings
Horton
Karth
Krueger
Landrum
Leggett
McCormack
McDade
Macdonald, Mass.
Matsunaga
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moss
Murphy, N.Y.
O'Hara
Patten
Pike
Pritchard
Randall
Rees
Rose
Roybal
Russo
Santini
Satterfield
Scheuer
Sebelius
Shriver
Skubitz
Smith, Nebr.
Staggers
Stanton, James V.
Stokes
Stuckey
Sullivan
Thompson
Vander Jagt
Vanik
Waxman
Whitten
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Young, Fla.

The SPEAKER pro tempore. On this rollcall 363 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FURTHER LEGISLATIVE PROGRAM

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I ask for this time for the purpose of asking whoever would like to respond what the program of the House is going to be this afternoon, since most of us were under the impression that we were having legislation.

I wonder if anyone in the leadership would like to respond as to what the plans are.

The SPEAKER. The Chair would like to state that in view of the developments, which the Chair cannot discuss in detail, neither the conference report nor the bill scheduled for today will be brought up today. There will be no further legislative business.

Mr. BAUMAN. I thank the Speaker.

THE ELK HILLS NAVAL PETROLEUM RESERVE

(Mr. MELCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MELCHER. Mr. Speaker, it has been a long road until this House could address itself to the question of Elk Hills and to resolving the issues that are involved with opening up the naval petroleum reserve, which has 1½ billion barrels of proven reserves.

That debate, in the House, was scheduled for this afternoon. The Committee on Interior and Insular Affairs had reported a bill to the House floor on March 18. We believe it is a sensible bill to provide the country with more U.S.-owned oil, provide jobs, and fight the recession. It was referred subsequently to the Armed Services Committee for its consideration, and it came back to the floor under the proposition that the House would make the decision on whether or not the Elk Hills Naval Petroleum Reserve would remain under the control of the military with the oil produced to be restricted for the military or whether our bill with greater production of oil permitting it to be used for the public in a manner to help the independent refiners and add $1 billion a year to the Treasury.

The two proposals—ours and the Armed Services' Committee's bill did accord the House an opportunity to decide between the two. But, unfortunately, there is a feeling among some Members of the House and some of the staff of the Committee on Armed Services that the bill as presented from the Committee on the Interior would allow a circumstance to develop where Elk Hills would be producing under the Mineral Leasing Act.

We did not see that in our bill. We had it examined by Interior solicitors. We have been in discussion with the Department of Justice Antitrust Division regarding H.R. 49, and none of us have seen that objectionable possibility in the bill. However, if there is some serious question that the Mineral Leasing Act could be utilized in the case of Elk Hills, should the House decide on our bill, we would want that possibility removed from the bill.

We are intent, on behalf of the Committee on Interior and Insular Affairs, to prepare such amendments so that the House can be reassured that that set of circumstances could not develop. We assure all Members of the House that our bill will definitely put all of the money from Elk Hills oil into the U.S. Treasury.

ELK HILLS NAVAL PETROLEUM RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Stratton) is recognized for 15 minutes.

Mr. STRATTON. Mr. Speaker, the gentleman from Montana (Mr. Melcher) took the well of the House a moment ago to comment on the reason for removing from the agenda today the bill H.R. 49 dealing with the right to tap and to exploit the naval petroleum reserves.

The point to which he took exception was a statement expressed by myself, as well as other Members of the House, in several "Dear Colleague" letters, to the effect that the basic issue that would have been before the House, had this bill remained on the agenda, would have been the question of whether the naval petroleum reserves were to be pumped dry without any control, without any plan, without any concern for whether there was enough petroleum available to the Armed Services in the event of an emergency, or whether the naval petroleum reserves were instead to be properly developed and produced according to a rational plan that would not only proceed at a pace cautious enough to protect us and our Armed Services in the event of a national emergency, but one that also made available to all of the people of the 50 States the funds from that production for the further exploration and development of the Naval Petroleum Reserve No. 4 in Alaska, which is the only one of these reserves with enough potential oil in it to be of some positive use in easing the civilian fuel crunch.

The Naval Petroleum Reserve No. 4 probably has such an enormous amount of oil in it that a good deal of this oil could be made available down the road for civilian consumption.

Now the particular point that the gentleman from Montana (Mr. Melcher) has taken exception to—and it is hard for me to see how he could take exception to something that appeared so plainly in our hearings—was that under his bill, under H.R. 49, the naval petroleum reserve at Elk Hills could have been exploited and developed under the Mineral Leasing Act, pursuant to section 3–A of their bill. The Mineral Leasing Act provides that 37.5 percent of proceeds from such production would go to the State in which the mineral resource is located, in the case of Elk Hills, of course, the State of California. The Mineral Leasing Act also provides that 52.5 percent of the revenue would go into the reclamation fund. But the reclamation fund, under the Reclamation Act, applies only to 17 Western States. So that of the money that would be received as a result of oil production authorized by the bill of the gentleman from Montana (Mr. Melcher), 90 percent could go to 17 Western States, and then only 10 percent would be available for the General Treasury.

By contrast, the bill which the Committee on Armed Services was preparing to bring to the House floor today as a substitute to the bill of the gentleman from Montana, H.R. 5919, would have provided that all of the money from any production at Elk Hills would go into a special fund, and that fund would be used to exclusively explore and develop Elk Hills and Teapot Dome as well as Petroleum Reserve No. 4 in Alaska, the oil reserve, as I have said, which could well provide substantial sums of oil for the civilian economy.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. Not until I have completed my statement, I will say to the gentleman from Montana.

Mr. MELCHER. Mr. Speaker, the gentleman has been very liberal with the use of the argument of the gentleman from Montana.

Mr. STRATTON. I decline to yield to the gentleman.

The gentleman from Montana maintains that somehow these figures that I have just quoted have been pulled out of the hat somewhere. He even suggests in his remarks a moment ago that a staff member of the committee somehow gave these figures in some sinister way to other Members of the House.

I would like to invite the gentleman's attention to the printed hearings of our Investigating Subcommittee, of which I am proud to be a very junior member, under the procedures established recently by our Democratic Caucus. I invite his attention to page 191.

Mr. Lally, the committee counsel, says this:

> Mr. Lally. Mr. Melcher, if the committee did not intend for the leasing of the naval petroleum reserves, why is there provision made for such leasing in section 3–A of the bill?
>
> Mr. Melcher. I think you are referring to the term leasing.
>
> Mr. Lally. Yes, sir. I am.
>
> Mr. Melcher. Does your question then imply that that term contemplates leasing under the Mineral Leasing Act?
>
> Mr. Lally. You said before you thought that any Secretary of the Interior who would lease the petroleum reserves—
>
> Mr. Melcher. Under the Mineral Leasing Act.
>
> Mr. Lally. Well, the testimony we have from Secretary Carlson the other day, was that the only existing authority of the Secretary of the Interior for leasing onshore lands, is the Mineral Leasing Act.
>
> Mr. Melcher. Well, Mr. Lally, this is additional authority. This is additional direction.
>
> I'm sure you are aware that when Congress set up or gave encouragement to the Interior Department on offshore development, that that is not under the Mineral Leasing Act.
>
> Mr. Lally. Congress specifically provided the offshore leasing would be under that legislation. It was specifically legislation for the Outer Continental Shelf leasing.
>
> This act does not provide the Mineral Leasing Act would not apply to any leasing under it.
>
> Mr. Melcher. No; it does not specifically do that.

And then on page 192, Mr. Lally, says:

> Mr. Lally. Mr. Melcher, I'm going to read you a sentence from a statement of a witness who is going to follow you here, a representative of the Antitrust Division. He characterizes H.R. 49 in this fashion:
>
> H.R. 49 would thus appear to provide a broad and ill-defined power to establish what are called national petroleum reserves on almost all public lands throughout the United States.
>
> Do you agree with the assessment of H.R. 49, Mr. Melcher?
>
> Mr. Melcher. I don't know who the witness is.
>
> Mr. Lally. Mr. Clearwaters of the Antitrust Division.
>
> Mr. Melcher. I think that is the very point Mr. Stratton made in the earlier hearings, and I think it is a very valid critique of the bill.
>
> Mr. Lally. Thank you.

Let me also go to the earlier testimony given by Secretary Carlson, which appears on page 57 of the hearings:

> Mr. Lally. What is the existing authority for the Secretary of Interior for the leasing of public lands for oil and gas development?
>
> Secretary Carlson. We have two basic laws. We have the Mineral Leasing Act of 1920 and we have the Outer Continental Shelf Act of 1953.
>
> Mr. Lally. Now the Outer Continental Shelf Act is specific legislation dealing only with the Outer Continental Shelf. Is that correct, sir?
>
> Secretary Carlson. That is correct. That is where it has been used.
>
> Mr. Lally. And the Mineral Leasing Act is your general legislation dealing with all onshore leasing; is that correct, sir?
>
> Secretary Carlson. That is correct.
>
> Mr. Lally. So at the present time any oil and gas leasing in other than the Outer Continental Shelf is under the Mineral Leasing Act of 1920.
>
> Secretary Carlson. That is correct.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. Not at this time.

Mr. Speaker, I think the record makes it perfectly clear that the material to which the gentleman from Montana takes exception, which I included in my letter to my colleagues in New York State, is not something that was dug up as a figment of the imagination; it is the actual and uncontested testimony presented to our committee.

I think, if I may say so, Mr. Speaker, coming from the State of New York, that I have stood on this floor and have sat in this Chamber time after time after time when benefit formulas dealing with mass transportation, education and welfare, were developed on this floor which were detrimental to the State of New York because everybody was claiming that New York was a rich, wealthy State, and therefore they did not need any Federal help. As a New Yorker I have resented this.

Now we have a bill here, the financial proceeds from which will be directed almost exclusively to 17 specific States.

I think it is a legitimate and a proper and a completely honest procedure for a Congressman from New York to point out to his fellow Congressmen from New York that if they want to protect their interests and the interests in the other 32 States, not benefited by the reclamation fund, they would be well advised to support the rational, carefully reasoned, cautiously developed substitute for H.R. 49 offered in H.R. 5919. I am well aware that these facts may have damaged the position of the gentleman from Montana in trying to get his bill through the House today. But I am also sure that this discussion will reinforce the support that our substitute will have on the floor when the appropriate rule is finally called up.

Mr. MITCHELL of New York. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to my colleague from New York.

Mr. MITCHELL of New York. Since there does seem to be some confusion, I should just like to point out the section of the law, section 191, "Disposition of moneys received." All money received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid into the Treasury of the United States; 37½ percentum thereof shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said moneys to be used by such State or subdivision thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State may direct; and, excepting those from Alaska, 52½ percentum thereof shall be paid into, reserved and appropriated, as a part of the reclamation fund created by the act of Congress known as the Reclamation Act, approved June 17, 1902, and of those from Alaska 52½ percentum thereof shall be paid to the State of Alaska for disposition by the legislature thereof: provided, that all moneys which may accrue to the United States under the provisions of this chapter from lands within the naval petroleum reserves shall be deposited in the Treasury as "miscellaneous receipts," as provided by the act of June 4, 1920.

I would just like to agree with the gentleman from New York and say that when one adds 37½ percent and 52½ percent, the total is 90 percent, leaving only 10 percent for the residents of all those other States.

Mr. STRATTON. I thank the gentleman for his remarks. I want to point out that the gentleman from New York (Mr. Mitchell) joined with me in signing the "Dear Colleague" letter to the Members of Congress from New York State.

It may be of interest to the gentleman and to other Members of the House that the gentleman from Montana indicated a moment ago that if this legal interpretation was indeed the case, he intended to offer an amendment to his bill that would knock out that provision so that the item that we have been pointing to and which appeared, as I have indicated, in the hearings, and which obviously was so very damaging to the prospects of H.R. 49, would be eliminated. But, I think, Mr. Speaker, that this is just another example of the fact that H.R. 49 was a very hastily drawn and ill conceived piece of legislation. It is not surprising that it should be, because the committee was dealing primarily with the naval petroleum reserves which are properly under the jurisdiction of the Committee on Armed Services, not the Committee on the Interior, and have been ever since the Teapot Dome scandal when some private oil interests tried to pump those reserves dry, and we all know about the resulting scandal.

Our committee has taken that Interior Committee bill and has developed a rational substitute program which has taken all of the relevant factors into account. We did not come up with a fly-by-night piece of legislation that must now be amended in order to make it acceptable on the floor. I am delighted the gentleman from Montana has given me the opportunity to bring this important issue to the attention of the House.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Montana.

Mr. MELCHER. I thank the gentleman for yielding.

I think the colloquy that has developed on the floor here between the two gentlemen from New York is a clear indication that they do not believe our bill clearly prevents the use of the Mineral Leasing Act at Elk Hills. Whenever there is doubt in the motivation of a bill, it is proper to take that into mind and to correct it. The Interior Committee, the Interior Department and the Justice Department do not believe that the Mineral Leasing Act would be used for Elk Hills if our bill is passed. However, to clear the air and remove any doubts we shall amend the bill to expressly and positively prohibit the use of the Mineral Leasing Act at Elk Hills. We read our bill to mean all the money from sales of Elk Hills oil goes to the U.S. Treasury and we are pleased to reinforce that by an amendment clearly stating so.

Mr. STRATTON. I decline to yield any further to the gentleman. I say to the gentleman this is not a question of doubting the motivation of the bill at all. It is a question of what is actually contained in the wording of his bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

INTRODUCTION OF PRESIDENT'S PROPOSAL FOR EXTENSION OF UNEMPLOYMENT COMPENSATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Steiger) is recognized for 5 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, today I am introducing a bill along with by colleague, Mr. Frenzel of Minnesota, which is designed to bring temporary emergency support to American workers who are unemployed through no fault of their own. On April 4, President Ford described, in a speech in San Francisco, the urgent need to provide unemployed workers adequate protection under our social insurance system, pending the period of economic recovery. The President specifically pointed to the need to increase the benefits payable under the two temporary unemployment benefit programs enacted by Congress last December.

One of the programs provides an extension of unemployment compensation for workers who exhaust their regular entitlement and are still unemployed. This is a temporary measure for 1975 and 1976. The second temporary program, due to expire at the end of this year, provides benefits for unemployed individuals with work experience, but who are not covered under the regular unemployment compensation system.

In his April 4 statement, the President also indicated that he would recommend appropriate procedures for reducing or terminating these programs as unemployment levels recede, so that available, limited resources can then be concentrated in those areas of the country where the need is greatest.

Last week, Secretary of Labor John T. Dunlop, described before the Subcommittee on Unemployment Compensation of the Committee on Ways and Means, specific administration proposals implementing the President's recommendations.

UMI

The Subcommittee on Unemployment Compensation has scheduled hearings Wednesday and Thursday of this week exclusively for the purpose of considering these proposals, as well as other bills dealing with the two temporary programs.

There is need for prompt action in this area. Under current legislation, the full entitlement of extended benefits that is now available to unemployed workers will be cut back June 30 to 13 weeks. The special unemployment assistance program will be terminated December 31.

The bill I am introducing embodies the recommendations of the President, and the specific proposals described by Secretary Dunlop. It would insure that unemployed workers receive adequate protection while unemployment continues high, and also provide an orderly reduction of the benefits available under the temporary programs as unemployment conditions improve.

Under this bill, the full entitlement of benefits under the two temporary programs would continue to be available on a nationwide basis beyond June 30 and to the end of this year. With respect to the Federal supplemental benefits program, the bill provides that during 1976, these extended benefits will continue to be available in each major population area of the country as long as unemployment levels remain high. As unemployment rates for the Nation and for each area fall below specified limits, the amounts of extended benefits available in the area will be correspondingly reduced.

With respect to the special unemployment assistance program, the bill would increase the maximum amount of benefits now provided, and extend the life of that program through 1976 for those areas of the country where high unemployment persists. The procedures for reducing the availability of Federal supplemental benefits as unemployment conditions improve would apply also to these special unemployment assistance benefits.

The bill would also deny the payment of special unemployment assistance to certain categories of school employees during the periods between school terms or between academic years. This would impose essentially the same limitation on benefits payable to school teachers that now applies, by reason of 1970 amendments to the unemployment compensation system, to instructors in colleges and universities.

A similar limitation applicable to teachers otherwise eligible for special unemployment assistance was included in the supplemental appropriations bill (H.R. 5899) passed by the House earlier this month. That limitation would extend, however, only with respect to the use of funds for the special unemployment assistance program appropriated for this fiscal year.

MAJ. GEN. THOMAS A. LANE: ARMY OFFICER, ENGINEER, STRATEGIST, PUBLICIST, AUTHOR, AND STATESMAN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, one of the greatest compensations for service in the Congress is the opportunity to know outstanding leaders of the Armed Forces of the United States. One of these was Maj. Gen. Thomas A. Lane, U.S. Army, retired, who died on April 20, 1975, at Walter Reed Hospital.

After retirement in 1962, General Lane entered upon a second career in writing. As a syndicated columnist, author, and editor he made important contributions, proving himself one of the Nation's leading strategists. Among his recent signal services were his editorials on the interoceanic canal problem about which he spoke with the authority of experience in the Canal Zone. As a member of the Committee for Continued U.S. Control of the Panama Canal, he was a strong advocate for retention of U.S. sovereignty over the Canal Zone and for the major modernization of the canal.

General Lane's latest notable contribution was his perceptive book, "The Breakdown of the Old Politics," published by Arlington House, New Rochelle, N.Y., a few weeks before his death.

As General Lane's life and achievements should be an inspiration to other officers of the Armed Forces and the youth of our land, I quote an obituary that provides additional information about his distinguished career, written by Jean R. Hailey, and which appeared in the Washington Post on April 23, 1975.

Thomas A. Lane, Ex-D.C. Commissioner, Dies

(By Jean R. Hailey)

Retired Army Maj. Gen. Thomas A. Lane, 68, engineer commissioner for the District of Columbia from 1954 to 1957, died of cancer Sunday at Walter Reed Hospital.

After his retirement from military service in 1962, he returned to the Washington area, where he had lived since, devoting most of his time to writing.

Unlike some Army officers, who found assignment to the governing three-man D.C. Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto.

He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure here. He was outspoken and didn't hesitate to step on a few toes. As a result, he was considered one of the most controversial commissioners the District had had in many years.

At the same time, his sincerity and ability were not questioned. He started as a friendly commissioner and never lost that touch.

Even before he took the job of engineer commissioner on Dec. 10, 1954, the then Col. Lane visited the District Building, shaking hands.

"I'm Col. Lane. We'll probably be talking to each other a lot," he said to secretaries, department heads and aides. He kept his word.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers.

The primary responsibility of the latter was to direct the city's highway planning and public works program.

Col. Lane, who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy in both these areas.

There was a running feud with the old Capital Transit Co. and a prolonged transit strike in 1955. Pro and con arguments were of long standing on whether to build another bridge across the Potomac River or to tunnel underneath it.

A planned 10-year public works program was having difficulty getting off the ground.

Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

He was a vigorous advocate of the District's right to build highway's and other public works with a minimum of participation by the federal government. This put him at frequent odds with federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District schools.

He minced no words when he said that many pupils, primarily those who attended segregated Negro schools before the court-ordered desegregation in 1954, were lagging behind standards for their grades.

Gen. Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Many of the things he advocated, including the bridge and improved school programs, came to pass.

The transit strike was ended shortly after he became commissioner. Some years later, the city's streetcars were phased out and public transportation was entirely by bus, which he favored.

The Southwest area was redeveloped. A 15-member citizen's review committee was established to push public works.

He considered District representation in Congress and home rule vital to the city's welfare.

When he left office in July, 1957, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all times."

Gen. Lane was born in Revere, Mass., and graduated from West Point in 1928 ranking third in a class of 261.

In 1929, he was assigned to an engineer battalion at Ft. Belvoir and went with the unit to Nicaragua, where it was on canal survey duty until 1931.

Returning to this country, he attended Massachusetts Institute of Technology, receiving a bachelor's degree in civil engineering.

He returned to Ft. Belvoir to attend the engineer school in 1932–33, and then was assigned to the Memphis district of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Ft. Belvoir in 1935, Gen. Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and in 1941–42 served with the 30th Engineer Topographic Battalion at Ft. Belvoir. He trained Army aviation engineer battalions on airfield construction then went to the Southwest Pacific with the headquarters engineer staff.

There he supervised contruction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with the Occupation Forces in 1945, then came back to Washington to serve on a Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the logistics division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new construction program for that island, and came back to Washington to attend the National War College.

Prior to his appointment at District commissioner, he was assistant to the chief of engineers for policy planning in Washington and engineer of Army field forces at Ft. Monroe, Va.

Gen. Lane became commander of Ft. Leonard Wood, Missouri, one of the Army's basic training centers, after his assignment as commissioner here, and was promoted to major general.

His final assignment before retirement from the military on July 1, 1962, was that of president of the Mississippi River Commission. He received an Oak Leaf Cluster to his Distinguished Service Medal.

He became a syndicated columnist on public affairs and served as a military analyst. From 1965 through 1969, he was president of Americans for Constitutional Action.

He was director of the United States Strategic Institute and editor-in-chief of its quartely publication, Strategic Review.

Gen. Lane had written a number of books, including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam" and "The Breakdown of the Old Politics."

He was a member of the American Society of Civil Engineers and on honorary member of the Washington Society of Engineers.

He is survived by his wife, Jean Lane, of the home, 6157 Kellogg Dr. McLean; a daughter, Julie Rasmussen, of Friendly, Md.; a son, Army Capt. Thomas Lane, of Ft. Rucker, Ala.; two brothers, Jeremiah Lane, of Fairfax, and retired Army Gen. John Lane, of Fall Church; two sisters, Julia Walsh and Mary Lane, of Roslindale, Miss., and four grandchildren.

The family suggests that expressions of sympathy be in the form of contribution to the Catholic Relief Services for Vietnam Refugees.

GEN. ROBERT E. LEE: A MAN OF CONSCIENCE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. Harris) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, today I have introduced a resolution to posthumously grant citizenship to Gen. Robert E. Lee, a Virginian who spent part of his life in my district.

Also, I have urged the Subcommittee on Immigration, Citizenship, and International Law to consider enactment of this resolution and the others before the subcommittee at an early date. I would hope that the Congress could enact this bill by June 13, a day that will mark 110 years after General Lee applied for restoration of his rights.

General Lee was a man of conviction. After the war he said:

> I have fought against the people of the North because I believed they were seeking to wrest from the South dearest rights. But I have never cherished bitter or vindictive feelings, and have never seen a day when I did not pray for them.

Even though his citzenship was never restored—and historians are still puzzled about why—he always acted as a citizen of the United States. In fact, he refused one offer to make his home in England. His answer was:

> I must abide the fortunes and share the fate of my people.

After the war, his primary interest was restoring the economic, cultural and political life of the South. One biographer says:

> He set an example of obedience to civil authority.

I have joined in this effort to restore General Lee's citizenship because I believe the Congress must set the example of respect for the conscience and beliefs of others—no matter how different they may be. Freedom of speech and thought are basic to our Government. It is in this spirit of tolerance and forgiveness that I urge my colleagues to join me.

THE BUDGET RESOLUTION: LET US CLOSE A TAX LOOPHOLE OR TWO

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, on Thursday, May 1, House Concurrent Resolution 218, the budget resolution, will be open for amendment. I intend to offer an amendment raising the aggregate revenue target by $3 billion—to be found by closing tax loopholes.

Tax expenditures—now estimated to total some $100 billion—are every bit as important as direct expenditures in determining national priorities and fiscal stimulus. If we are going to ask the poor, the elderly, the minority groups to sacrifice Federal programs which benefit them, should we not consider asking the wealthy to do without a loophole or two?

The revenue so raised—only a trifle in terms of the overall budget—will stand us in good stead later in the year. It could be used to finance an expanded public jobs or public works program, a national health insurance program, to pay for cost overruns or unexpected increases in uncontrollable outlays, or simply to reduce the deficit, if economic recovery gets under way sooner than expected.

The text of the amendment follows:

Amendment Offered by Mr. Reuss to Mr. O'Neill's Substitute for House Concurrent Resolution 218

Paragraph (1), strike "$295,181,000,000" and insert in lieu thereof "$298,181,000,000".

Paragraph (4), strike "$73,032,000,000" and insert in lieu thereof "$70,032,000,000".

Paragraph (5), strike "$622,900,000,000" and insert in lieu thereof "$619,900,000,000", and strike "$91,900,000,000" and insert in lieu thereof "$88,900,000,000".

H.R. 49, U.S. NATIONAL PETROLEUM RESERVES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. Melcher) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, I want to assure the House that the colloquy that has just gone on between the two gentlemen from New York is a clear indication of a need to satisfy the Members of the House as to the content of the bill and satisfy them that the purposes of H.R. 49 are not to provide an advantageous position for certain Western States.

We have had H.R. 49 or a similar bill before us in the Interior Committee in the last Congress or this Congress for a year and a half. We have discussed with the Department of Interior solicitors and with the Justice Department Solicitors, particularly the Antitrust Division, this bill and of course we have had it thoroughly reviewed by our own committee counsel.

We cannot find in the bill the doubts and the questions raised by the two gentlemen from New York and by others, but if there is indication of any fear that if H.R. 49 were passed and became law Elk Hills would be open under the Mineral Leasing Act, our committee will certainly want to reassure Members of the House that such a condition could not occur.

For that purpose we will prepare an amendment to explicitly state that the Mineral Leasing Act or any similar procedure does not apply to the proven petroleum reserves such as Elk Hills, and the Members can vote with confidence on H.R. 49 keeping in mind that more of the funds from Elk Hills oil would go anywhere but to the U.S. Treasury. So the set of circumstances as outlined by the two gentlemen from New York simply would not occur if H.R. 49 is passed by the House.

SETTING AGGREGATE BUDGET LEVELS FOR FISCAL YEAR 1976

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. Rousselot) is recognized for 15 minutes.

Mr. ROUSSELOT. Mr. Speaker, the following is the full text of the resolution I am introducing setting aggregate budget levels for fiscal year 1976:

H. Con. Res. 257

Resolved by the House of Representatives (the Senate concurring),

Sec. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) The appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should be accordingly increased is $11,400,000,000.

FORMER CIA AGENT GIVES DETAILS OF DOCTORED FIGURES ON STRENGTH OF VIETCONG WHICH MILITARY ESTABLISHMENT FAILED TO RECOGNIZE

(Mr. EVINS of Tennessee asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. EVINS of Tennessee. Mr. Speaker, the current issue of the magazine Harper's includes an article by Mr. Sam Adams, former agent of the Central Intelligence Agency, disclosing a "cover-up" by the CIA and the military of the true strength of the Vietcong.

Mr. Adams writes that there was no question but that the Vietcong forces numbered at least 600,000, but that CIA officials insisted on keeping the figure below 300,000—thus doctoring the figures to the military establishment, which refused to recognize the true enemy strength situation.

Because of the interest of my colleagues and the American people in this important matter, I place the article from Harper's in the RECORD herewith.

The article follows:

VIETNAM COVER-UP: PLAYING WAR WITH NUMBERS

(By Sam Adams)

(Sam Adams is a fourth cousin, seven times removed, of President John Adams.)

In late 1965, well after the United States had committed ground troops to Vietnam, the CIA assigned me to study the Vietcong. Despite the almost 200,000 American troops and the advanced state of warfare in South Vietnam, I was the first intelligence analyst in Washington to be given the full-time job of researching our South Vietnamese enemies. Incredible as it now seems, I remained the only analyst with this assignment until just before the Tet offensive of 1968.

At CIA headquarters in 1965 nobody was studying the enemy systematically, the principal effort being geared to a daily publication called the "Sitrep" (Vietnam Situation Report), which concerned itself with news about the activities of South Vietnamese politicians and the location of Vietcong units. The Sitrep analysts used the latest cables from Saigon, and tended to neglect information that didn't fit their objectives. The Johnson Administration was already wondering how long the Vietcong could stick it out, and since this seemed too complicated a question for the Sitrep to answer, the CIA's research department assigned it to me. I was told to find out the state of enemy morale.

GOOD NEWS AND BAD NEWS

I looked upon the new job as something of a promotion. Although I had graduated from Harvard in 1955, I didn't join the Agency until 1963, and I had been fortunate in my first assignment as an analyst of the Congo rebellion. My daily and weekly reports earned the praise of my superiors, and the Vietcong study was given to me by way of reward, encouraging me in my ambition to make a career within the CIA.

Without guidance and not knowing what else to do, I began to tinker with the VC defector statistics, trying to figure out such things as where the defectors came from, what jobs they had, and why they had wanted to quit. In short order I read through the collection of weekly reports, and so I asked for a ticket to Vietnam to see what other evidence was available over there. In mid-January 1966, I arrived in Saigon to take up a desk in the U.S. Embassy. After a couple of weeks, the CIA station chief (everyone called him "Jorgy") heard I was in the building adding and subtracting the number of defectors. He called me into his office. "Those statistics aren't worth a damn," he said. "No numbers in Vietnam are, and, besides, you'll never learn anything sitting around Saigon." He told me I ought to go to the field and start reading captured documents. I followed Jorgy's advice.

The captured documents suggested a phenomenon that seemed incredible to me. Not only were the VC taking extremely heavy casualties, but large numbers of them were deserting. I got together two sets of captured papers concerning desertion.

The first set consisted of enemy unit rosters, which would say, for example, that in a certain seventy-seven-man outfit only sixty men were "present for duty." Of the seventeen absent, two were down with malaria, two were at training school, and thirteen had deserted. The other documents were directives from various VC headquarters telling subordinates to do something about the growing deseration rate. "Christ Almighty," they all seemed to say. "These AWOLs are getting out of hand. Far too many of our boys going over the hill."

I soon collected a respectable stack of rosters, some of them from large units, and I began to extrapolate. I set up an equation which went like this: if A, B, and C units (the ones for which I had documents) had so many deserters in such and such a period of time, then the number of deserters per year for the whole VC Army was X. No matter how I arranged the equation, X always turned out to be a very big number. I could never get it below 50,000. Once I even got it up to 100,000.

The significance of this finding in 1966 was immense. At that time our official estimate of the strength of the enemy was 270,000. We were killing, capturing, and wounding VC at a rate of almost 150,000 a year. If to these casualties you added 50,000 to 100,000 deserters—well, it was hard to see how a 270,000-man army could last more than a year or two longer.

I returned in May to tell everyone the good news. No one at CIA headquarters had paid much attention to VC deserters because captured documents were almost entirely neglected. The finding created a big stir. Adm. William F. Raborn, Jr., then director of the CIA, called me in to brief him and his deputies about the Vietcong's AWOL problem. Right after the briefing, I was told that the Agency's chief of research, R. Jack Smith, had called me "the outstanding analyst" in the research directorate.

But there were also skeptics, particularly among the CIA's old Vietnam hands, who had long since learned that good news was often illustory. To be on the safe side, the Agency formed what was called a "Vietcong morale team" and sent it to Saigon to see if news was really true. The team consisted of myself, acting as a "consultant," and four Agency psychiatrists, who presumably understood things like morale.

The psychiatrists had no better idea than I'd had, when I started out, how to plumb the Vietcong mind. One of the psychiatrists said, "We'll never get Ho Chi Minh to lie still on a leather couch, so we better think up something else quick." They decided to ask the CIA men in the provinces that they thought about enemy morale. After a month or so of doing this, the psychiatrists went back to Washington convinced that, by and large, Vietcong spirits were in good shape. I went back with suitcases full of captured documents that supported my thesis about the Vietcong desertion rate.

But I was getting uneasy. I trusted the opinion of the CIA men in the field who had told the psychiatrists of the Vietcong's resilience. The South Vietnamese government was in one of its periodic states of collapse, and somehow it seemed unlikely that the Vietcong would be falling apart at the same time. I began to suspect that something was wrong with my prediction that the VC were headed for imminent trouble. On reexamining the logic that had led me to the prediction, I saw that it was based on three main premises. Premise number one was that the Vietcong were suffering very heavy casualties. Although I'd heard all the stories about exaggerated reporting, I tended not to believe them, because the heavy losses were also reflected in the documents. Premise two was my finding that the enemy army had a high desertion rate. Again, I believed the documents. Premise three was that both the casualties and the deserters came out of an enemy force of 270,000. An old Vietnam hand, George Allen, had already told me that this number was suspect.

In July, I went to my supervisor and told him I thought there might be something radically wrong with our estimate of enemy strength, or, in military jargon, the order of battle. "Maybe the 270,000 number is too low," I said. "Can I take a closer look at it?" He said it was okay with him just so long as I handed in an occasional item for the Sitrep. This seemed fair enough, and so I began to put together a file of captured documents.

The documents in those days were arranged in "bulletins," and by mid-August I had collected more than 600 of them. Each bulletin contained several sheets of paper with summaries in English of the information in the papers taken by American military units. On the afternoon of August 19, 1966, a Friday, Bulletin 689 reached my desk on the CIA's fifth floor. It contained a report put out by the Vietcong headquarters in Binh Dinh province, to the effect that the guerrilla-militia in the province numbered just over 50,000. I looked for our own intelligence figures for Binh Dinh in the order of battle and found the number 4,500.

"My God," I thought, "that's not even a tenth of what the VC say."

In a state of nervous excitement, I began searching through my file of bulletins for other discrepancies. Almost the next document I looked at, the one for Phu Yen province, showed 11,000 guerrilla-militia. In the official order of battle we had listed 1,400, an eighth of the Vietcong estimate. I almost shouted from my desk, "There goes the whole damn order of battle!"

Unable to contain my excitement, I began walking around the office, telling anybody who would listen about the enormity of the oversight and the implications of it for our conduct of the war. That weekend I returned to the office, and on both Saturday and Sunday I searched through the entire collection of 600-odd bulletins and found further proof of a gross underestimate of the strength of the enemy we had been fighting for almost two years.

When I arrived in the office on Monday a colleague of mine brought me a document of a year earlier which he thought might interest me. It was from Vietcong headquarters in South Vietnam, and it showed that in early 1965 the VC had about 200,000 guerrilla-militia in the south, and that they were planning to build up to 300,000 by the end of the year. Once again, I checked the official order of battle. It listed a figure of exactly 103,573 guerrilla-milita—in other words, half as many as the Vietcong said they had in early 1965, and a third as many as they planned to have by 1966.[1]

NO OFFICIAL COMMENT

That afternoon, August 22, I wrote a memorandum suggesting that the overall order of battle estimate of 270,000 might be 200,000 men too low. Supporting it with references to numerous bulletins, I sent it up to the seventh floor, and then waited anxiously for the response. I imagined all kinds of sudden and dramatic telephone calls. "Mr. Adams, come brief the director." "The President's got

to be told about this, and you'd better be able to defend those numbers." I wasn't sure what would happen, but I was sure it would be significant, because I knew this was the biggest intelligence find of the war—by far. It was important because the planners running the war in those days used statistics as a basis for everything they did, and the most important figure of all was the size of the enemy army—that order of battle number, 270,000. All our other intelligence estimates were tied to the order of battle: how much rice the VC ate, how much ammunition they shot off, and so forth. If the Vietcong Army suddenly doubled in size, our whole statistical system would collapse. We'd be fighting a war twice as big as the one we thought we were fighting. We already had about 350,000 soldiers in Vietnam, and everyone was talking about "force ratios." Some experts maintained that in a guerrilla war our side had to outnumber the enemy by a ratio of 10 to 1; others said 5 to 1; the most optimistic said 3 to 1. But even if we used the 3 to 1 ratio, the addition of 200,000 men to the enemy order of battle meant that somebody had to find an extra 600,000 troops for our side. This would put President Johnson in a very tight fix—either quit the war or send more soldiers. Once he was informed of the actual enemy strength, it seemed inconceivable that he could continue with the existing force levels. I envisioned the President calling the director on the carpet, asking him why this information hadn't been found out before.

Nothing happened. No phone calls from anybody. On Wednesday I still thought there must have been some terrible mistake; on Thursday I thought the news might have been so important that people were still trying to decide what to do with it. Instead, on Friday, the memorandum dropped back in my in-box. There was no comment on it at all—no request for amplification, no question about my numbers, nothing, just a routine slip attached showing that the entire CIA hierarchy had read it.

I was aghast. Here I had come up with 200,000 additional enemy troops, and the CIA hadn't even bothered to ask me about it, let alone tell anybody else. I got rather angry and wrote a second memorandum, attaching even more references to other documents. Among these was a report from the Vietcong high command showing that the VC controlled not 3 million people (as in our official estimate) but 6 million (their estimate). I thought that this helped to explain the origins of the extra 200,000 guerrilla-militia, and also that it was an extraordinary piece of news in its own right. A memorandum from my office—the office of Current Intelligence—ordinarily would be read, edited, and distributed within a few days to the White House, the Pentagon, and the State Department. It's a routine procedure, but once again I found myself sitting around waiting for a response, getting angrier and angrier. After about a week I went up to the seventh floor to find out what had happened to my memo. I found it in a safe, in a manila folder marked "Indefinite Hold."

I went back down to the fifth floor, and wrote still another memo, referencing even more documents. This time I didn't send it up, as I had the others, through regular channels. Instead, I carried it upstairs with the intention of giving it to somebody who would comment on it. When I reached the office of the Asia-Africa area chief, Waldo Duberstein, he looked at me and said: "It's that Goddamn memo again. Adams, stop being such a prima donna." In the next office, an official said that the order of battle was General Westmoreland's concern, and we had no business intruding. This made me even angrier. "We're all in the same government," I said. "If there's a discrepancy this big, it doesn't matter who points it out. This is no joke. We're in a war with these guys." My remarks were dismissed as rhetorical, bombastic, and irrelevant.

On the ninth of September, eighteen days after I'd written the first memo, the CIA agreed to let a version of it out of the building, but with very strange restrictions. It was to be called a "draft working paper," meaning that it lacked official status; it was issued in only 25 copies, instead of the usual run of over 200; it could go to "working-level types" only—analysts and staff people—but not to anyone in a policy-making position—to no one, for example, on the National Security Council. One copy went to Saigon, care of Westmoreland's Order of Battle Section, carried by an official who worked in the Pentagon for the Defense Intelligence Agency.

By this time I was so angry and exhausted that I decided to take two weeks off to simmer down. This was useless. I spent the whole vacation thinking about the order of battle. When I returned to the Agency, I found that it came out monthly and was divided into four parts, as follows:

Communist regulars, about 110,000 (it varied by month).
Guerrilla-militia, exactly 103,573.
Service troops, exactly 18,553.
Political cadres, exactly 39,175.
That is, 271,301, or about 270,000.

The only category that ever changed was "Communist regulars" (uniformed soldiers in the Vietcong Army). In the last two years, this figure had more than doubled. The numbers for the other three categories had remained precisely the same, even to the last digit. There was only one conclusion: no one had even looked at them! I decided to do so right away, and to find out where the numbers came from and whom they were describing.

I began by collecting more documents on the guerrilla-militia. There were "the soldiers in black pajamas" the press kept talking about; lightly armed in some areas, armed to the teeth in others, they planted most of the VC's mines and booby traps. This was important, I discovered, because in the Da Nang area, for example, mines and booby traps caused about two-thirds of all the casualties suffered by U.S. Marines.

I also found where the number 103,573 came from. The South Vietnamese had thought it up in 1964; American Intelligence had accepted it without question, and hadn't checked it since. "Can you believe it?" I said to a fellow analyst. "Here we are in the middle of a guerrilla war, and we haven't even bothered to count the number of guerrillas."

The service troops were harder to locate. The order of battle made it clear that these VC soldiers were comparable to specialists in the American Army—ordnance sergeants, quartermasters, medics, engineers, and so forth. But despite repeated phone calls to the Pentagon, to U.S. Army headquarters, and to the office of the Joint Chiefs of Staff, I couldn't find anyone who knew where or when we'd hit upon the number 18,553. Again I began collecting VC documents, and within a week or so had come to the astonishing conclusion that our official estimate for service troops was at least two years old and five times too low—it should not have been 18,553, but more like 100,000. In the process I discovered a whole new category of soldiers known as "assault youths" who weren't in the order of battle at all.

I also drew a blank at the Pentagon regarding political cadres, so I started asking CIA analysts who these cadres might be. One analyst said they belonged to something called the "infrastructure," but he wasn't quite sure what it was. Finally, George Allen, who seemed to know more about the VC than anyone else, said the "infrastructure" included Communist party members and armed police and people like that, and that there was a study around which showed how the 39,175 number had been arrived at. I eventually found a copy on a shelf in the CIA archives. Unopened, it had never been looked at before. The study had been published in Saigon in 1965, and one glance showed it was full of holes. Among other things, it left out all the VC cadres serving in the countryside—where most of them were.

By December 1966 I had concluded that the number of Vietcong in South Vietnam, instead of being 270,000, was more like 600,000, or over twice the official estimate.[2] The higher number made many things about the Vietnam war fall into place. It explained, for instance, how the Vietcong Army could have so many deserters and casualties and still remain effective.

NOBODY LISTENS

Mind you, during all this time I didn't keep this information secret—just the opposite. I not only told everyone in the Agency who'd listen, I also wrote a continuous sequence of memorandums, none of which provoked the least response. I'd write a memo, document it with footnotes, and send it up to the seventh floor. A week would pass, and then the paper would return to my in-box: no comment, only the same old buck slip showing that everyone upstairs had read it.

By this time I was so angry and so discouraged with the research directorate that I began looking for another job within the CIA, preferably in a section that had some use for real numbers. I still believed that all this indifference to unwelcome information afflicted only part of the bureaucracy, that it was not something characteristic of the entire Agency. Through George Allen I met George Carver, a man on the staff of Richard Helms, the new CIA director, who had the title "special assistant for Vietnamese affairs." Carver told me that I was "on the right track" with the numbers, and he seemed an independent-minded man who could circumvent the bureaucratic timidities of the research directorate. At the time I had great hopes of Carver because, partly as a result of his efforts, word of my memorandums had reached the White House. Cables were passing back and forth between Saigon and Washington, and it had become fairly common knowledge that something was very wrong with the enemy strength estimates.

In mid-January 1967, Gen. Earle Wheeler, chairman of the Joint Chiefs of Staff, called for an order-of-battle conference to be held in Honolulu. The idea was to assemble all the analysts from the military, the CIA, and the Defense Intelligence Agency in the hope that they might reach a consensus on the numbers. I went to Honolulu as part of the CIA delegation. I didn't trust the military and, frankly, I expected them to pull a fast one and lie about the numbers. What happened instead was that the head of Westmoreland's Order of Battle Section, Col. Gains B. Hawkins, got up right at the beginning of the conference and said, "You know, there's a lot more of these little bastards out there than we thought there were." He and his analysts then raised the estimate of the enemy strength in each category of the order of battle; instead of the

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[1] A document was later captured which showed the Vietcong not only reached but exceeded their quota. Dated April 1966, it put the number of guerrilla-militia at 330,000.

[2] This was broken down as follows: Communist regulars, about 100,000; guerrilla-militia, about 300,000; service troops, about 100,000; political cadres, about 100,000.

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103,573 guerrilla-militia, for example, they'd come up with 198,000. Hawkins's remarks were unofficial, but nevertheless, I figured, "the fight's over. They're reading the same documents that I am, and everybody's beginning to use real numbers."

I couldn't have been more wrong.

After a study trip to Vietnam, I returned to Washington in May 1967, to find a new CIA report to Secretary of Defense Robert McNamara called something like "Whither Vietnam?" Its section on the Vietcong Army listed all the discredited official figures, adding up to 270,000. Dumbfounded, I rushed into George Carver's office and got permission to correct the numbers. Instead of my own total of 600,000, I used 500,000, which was more in line with what Colonel Hawkins had said in Honolulu. Even so, one of the chief deputies of the research directorate, Drexel Godfrey, called me up to say that the directorate couldn't use 500,000 because "it wasn't official." I said: "That's the silliest thing I've ever heard. We're going to use real numbers for a change." Much to my satisfaction and relief, George Carver supported my figures. For the first time in the history of the Vietnam war a CIA paper challenging the previous estimates went directly to McNamara. Once again I said to myself: "The battle's won; virtue triumphs." Once again, I was wrong.

Soon after, I attended the annual meeting of the Board of National Estimates on Vietnam. Held in a windowless room on the CIA's seventh floor, a room furnished with leather chairs, blackboards, maps, and a large conference table, the meeting comprised the whole of the intelligence community, about forty people representing the CIA, the Defense Intelligence Agency, the Army, the Navy, the Air Force, and the State Department. Ordinarily the meeting lasted about a week, its purpose being to come to a community-wide agreement about the progress of the war. This particular consensus required the better part of six months.

The procedure of these estimates requires the CIA to submit the first draft, and then everyone else argues his group's position. If one of the services violently disagrees, it is allowed to take exception in a footnote to the report. The CIA's first draft used the same 500,000 number that had gone to McNamara in May. None of us expected what followed.

George Fowler from DIA, the same man who'd carried my guerrilla memo to Saigon in September 1966, got up and explained he was speaking for the entire military. "Gentlemen, we cannot agree to this estimate as currently written. What we object to are the numbers. We feel we should continue with the official order of battle." I almost fell off my chair. The official OB figure at that time, June 1967, was still 270,000, with all the old components, including 103,573 guerilla-militia.

In disbelief I hurried downstairs to tell my boss, George Carver, of the deception. He was reassuring. "Now, Sam," he said, "don't you worry. It's time to bite the bullet. You go on back up there and do the best you can." For the next two-and-a-half months, armed with stacks of documents, I argued with the military over the numbers. By the end of August, they no longer insisted on the official order of battle figures but would not raise them above 300,000. The CIA numbers remained at about 500,000. The meetings recessed for a few weeks at the end of the month, and I left Washington with my wife, Eleanor, to visit her parents in Alabama. No sooner had we arrived at their house when the phone rang. It was George Carver. "Sam, come back up. We're going to Saigon to thrash out the numbers."

I was a little cynical. "We won't sell out, will we?"

"No, no, we're going to bite the bullet," he said.

ARMY ESTIMATE

We went to Saigon in early September to yet another order-of-battle meeting, this one convened in the austere conference room in Westmoreland's headquarters. Among the officers supporting Westmoreland were Gen. Phillip Davidson, head of intelligence (the military calls it G–2); General Sidle, head of press relations ("What the dickens is he doing at an OB conference?" I thought); Colonel Morris, one of Davidson's aides; Col. Danny Graham, head of the G–2 Estimates Staff; and, of course, Col. Gains B. Hawkins, chief of the G–2 Order of Battle Section. There were also numerous lieutenant colonels, majors, and captains, all equipped with maps, charts, files, and pointers.

The military dominated the first day of the conference. A major gave a lecture on the VC's low morale. I kept my mouth shut on the subject, even though I knew their documents showed a dwindling VC deseration rate. Another officer gave a talk full of complicated statistics which proved the Vietcong were running out of men. It was based on something called the crossover memo which had been put together by Colonel Graham's staff. On the second day we got down to business—the numbers.

It was suspicious from the start. Every time I'd argue one category up, the military would drop another category down by the same amount. Then there was the little piece of paper put on everybody's desk saying that the military would agree to count more of one type of VC if we'd agree to eliminate another type of VC. Finally, there was the argument over a subcategory called the district-level service troops.

I stood up to present the CIA's case. I said that I had estimated that there were about seventy-five service soldiers in each of the VC's districts, explaining that I had averaged the numbers in a sample of twenty-eight documents. I briefly reviewed the evidence and asked whether there were any questions.

"I have a question," said General Davidson. "You mean to tell me that you only have twenty-eight documents?"

"Yes sir," I said. "That's all I could find."

"Well, I've been in the intelligence business for many years, and if you're trying to sell me a number on the basis of that small a sample, you might as well pack up and go home."

A lieutenant colonel then got up to present the military's side of the case. He had counted about twenty service soldiers per district, he said, and then he went on to describe how a district was organized. When he asked for questions, I said, "How many documents are in your sample?"

He looked as if somebody had kicked him in the stomach. Instead of answering the question, he repeated his description of how the VC organized a district.

Then George Carver interrupted him. "Come, come, Colonel," he said. "You're not answering the question. General Davidson has just taken Mr. Adams to task for having only twenty-eight documents in his sample. It's a perfectly legitimate question. How many have you in yours?"

In a very low voice, the lieutenant colonel said, "One." I looked over at General Davidson and Colonel Morris to see whether they'd denounce the lieutenant colonel for having such a small sample. Both of them were looking at the ceiling.

"Colonel," I continued, "may I see your document?" He didn't have it, he said, and, besides, it wasn't a document, it was a POW report.

Well, I asked, could he please try and remember who the twenty service soldiers were? He ticked them off. I kept count. The total was forty.

"Colonel," I said, "you have forty soldiers here, not twenty. How did you get from forty to twenty?"

"We scaled down the evidence," he replied.

"Scaled down the evidence?"

"Yes," he said. "We cut out the hangers-on."

"And how do you determine what a hanger-on is?"

"Civilians, for example."

Now, I knew that civilians sometimes worked alongside VC service troops, but normally the rosters listed them separately. So I waited until the next coffee break to ask Colonel Hawkins how he'd "scale down" the service troops in a document I had. It concerned Long Dat District in the southern half of South Vietnam, and its 111 service troops were broken down by components. We went over each one. Of the twenty in the medical component, Hawkins would count three, of the twelve in the ordnance section, he'd count two, and so forth, until Long Dat's 111 service soldiers were down to just over forty. There was no indication in the document that any of those dropped were civilians.

As we were driving back from the conference that day, an Army officer in the car with us explained what the real trouble was: "You know, our basic problem is that we've been told to keep our numbers under 300,000."

Later, after retiring from the Army, Colonel Hawkins confirmed that this was basically the case. At the start of the conference, he'd been told to stay below a certain number. He could no longer remember what it was, but he recalled that the person who gave it to him was Colonel Morris.

The Saigon conference was in its third day, when we received a cable from Helms that, for all its euphemisms, gave us no choice but to accept the military's numbers. We did so, and the conference concluded that the size of the Vietcong force in South Vietnam was 299,000. We accomplished this by simply marching certain categories of Vietcong out of the order of battle, and by using the military's "scaled-down" numbers.

I left the conference extremely angry. Another member of the CIA contingent, William Hyland (now head of intelligence at the Department of State), tried to explain. "Sam, don't take it so hard. You know what the political climate is. If you think they'd accept the higher numbers, you're living in a dream world." Shortly after the conference ended, another category was frog-marched out of the estimate, which dropped from 299,000 to 248,000.

I returned to Washington, and in October I went once again in front of the Board of National Estimates, by this time reduced to only its CIA members. I told them exactly what had happened at the conference—how the numbers had been scaled down, which types of Vietcong had left the order of battle, and even about the affair of Long Dat District. They were sympathetic.

"Sam, it makes my blood boil to see the military cooking the books," one of the board members said. Another asked, "Sam, have we gone beyond the bounds of reasonable dishonesty?" And I said, "Sir, we went past them last August." Nonetheless, the board sent the estimate forward for the director's signature, with the numbers unchanged. I was told there was no other choice because Helms had committed the CIA to the military's numbers.

"But that's crazy," I said. "The numbers were faked." I made one last try. My memorandum was nine pages long. The first eight pages told how the numbers had got that way. The ninth page accused the military of lying. If we accepted their numbers, I argued, we would not only be dishonest and cowardly, we would be stupid. I handed the memo to George Carver to give to the director, and sent copies to everyone I could think of in the research branch. Although I was the only CIA analyst working on the subject at the time, nobody replied. Two days later

Helms signed the estimate, along with its doctored numbers.

That was that. I went into Carver's office and quit Helms's staff. He looked embarrassed when I told him why I was doing so, but he said there was nothing he could do. I thanked him for all he had done in the earlier part of the year and for his attempt at trying to deal with real rather than imaginary numbers. I thought of leaving the CIA, but I still retained some faith in the Agency, and I knew that I was the only person in the government arguing for higher numbers with accurate evidence. I told Carver that the research directorate had formed a VC branch, in which, I said, I hoped to find somebody who would listen to me.

FACING FACTS

In November General Westmoreland returned to Washington and held a press conference. "The enemy is running out of men," he said. He based this on the fabricated numbers, and on Colonel Graham's crossover memo. In early December, the CIA sent McNamara another "Whither Vietnam?" memo. It had the doctored numbers, but this time I was forbidden to change them. It was the same story with Helms's New Year briefing to Congress. Wrong numbers, no changes allowed. When I heard that Colonel Hawkins, whom I still liked and admired, had been reassigned to Fort Holabird in Baltimore, I went to see him to find out what he really thought about the order of battle. "Those were the worst three months in my life," he said, referring to July, August, and September, and he offered to do anything he could to help. When he had been asked to lower the estimates, he said, he had retained as many of the frontline VC troops as possible. For several hours we went over the order of battle.

We had few disagreements, but I began to see for the first time that the Communist regulars, the only category I'd never looked at, were also seriously understated—perhaps by as many as 50,000 men. No one was interested, because adding 50,000 troops would have forced a reopening of the issue of numbers, which everyone thought was settled. On January 29, 1968, I began the laborious job of transferring my files from Carver's office to the newly formed Vietcong branch.

The next day the VC launched the Tet offensive. Carver's office was chaos. There were so many separate attacks that someone was assigned full time to stick red pins in the map of South Vietnam just to keep track of them. Within a week's time it was clear that the scale of the Tet offensive was the biggest surprise to American intelligence since Pearl Harbor. As I read the cables coming in, I experienced both anger and a sort of grim satisfaction. There was just no way they could have pulled it off with only 248,000 men, and the cables were beginning to show which units had taken part. Many had never been in the order of battle at all; others had been taken out or scaled down. I made a collection of these units, which I showed Carver. Two weeks later, the CIA agreed to re-open the order-of-battle controversy.

Suddenly I was asked to revise and extend the memorandums that I had been attempting to submit for the past eighteen months. People began to congratulate me, to slap me on the back and say what a fine intelligence analyst I was. The Agency's chief of research, R. Jack Smith, who had once called me "the outstanding analyst" in the CIA but who had ignored all my reporting on the Vietcong, came down from the seventh floor to shake my hand. "We're glad to have you back," he said. "You know more about Vietnam than you did about the Congo." All of this disgusted me, and I accepted the compliments without comment. What was the purpose of intelligence, I thought, if not to warn people, to tell them what to expect? As many as 10,000 American soldiers had been killed in the Tet offensive because the generals had played politics with the numbers, and here I was being congratulated by the people who had agreed to the fiction.

In February the Agency accepted my analysis, and in April another order-of-battle conference was convened at CIA headquarters. Westmoreland's delegation, headed by Colonel Graham (now a lieutenant general and head of the Defense Intelligence Agency) continued to argue for the lower numbers. But from that point forward the White House stopped using the military estimate and relied on the CIA estimate of 600,000 Vietcong.

All along I had wondered whether the White House had had anything to do with fixing the estimates. The military wanted to keep them low in order to display the "light at the end of the tunnel," but it had long since occurred to me that maybe the generals were under pressure from the politicians. Carver had told me a number of times that he had mentioned my OB figures to Walt Rostow of the White House. But even now I don't know whether Rostow ordered the falsification, or whether he was merely reluctant to face unpleasant facts. Accepting the higher numbers forced the same old decision: pack up or send a lot more troops.

On the evening of March 31, the question of the White House role became, in a way, irrelevant. President Johnson made his announcement that he wasn't going to run again. Whoever the next President was, I felt, needed to be told about the sorry state of American intelligence so that he could do something about it. The next morning, April 1, I went to the CIA inspector general's office and said: "Gentlemen, I've come here to file a complaint, and it involves both the research department and the director. I want to make sure that the next administration finds out what's gone on down here." On May 28 I filed formal charges and asked that they be sent to "appropriate members of the White House staff" and to the President's Foreign Intelligence Advisory Board. I also requested an investigation by the CIA inspector general. Helms responded by telling the inspector general to start an investigation. This took two months. The director then appointed a high-level review board to go over the inspector general's report. The review board was on its way to taking another two months when I went to the general counsel's office and talked to a Mr. Ueberhorst. I said, "Mr. Ueberhorst, I wrote a report for the White House about three months ago complaining about the CIA management, and I've been getting the run-around ever since. What I want is some legal advice. Would I be breaking any laws if I took my memo and carried it over to the White House myself?" A few days later, on September 20, 1968, the executive director of the CIA, the number-three man in the hierarchy, called me to his office: "Mr. Adams, we think well of you, but Mr. Helms says he doesn't want your memo to leave the building." I took notes of the conversation so my reproduction of it is almost verbatim. "This is not a legal problem but a practical one of your future within the CIA," I was told. "Because if you take that memo to the White House, it will be at your own peril, and even if you get what you want by doing so, your usefulness to the Agency will thereafter be nil." The executive director carried on this conversation for thirty-five minutes.

I copied it all out until he said, "Do you have anything to say, Mr. Adams?" "Yes sir," I said. "I think I'll take this right on over to the White House, and please tell the director of my intention." I wrote a memorandum of the conversation, and sent it back up to the executive director's office with a covering letter saying, "I hope I'm quoting you correctly; please tell me if I'm not."

A short while later he called me back to his office and said, "I'm afraid there's been a misunderstanding, because the last thing in the world the director wanted to do was threaten. He has decided that this thing can go forward."

I waited until after the Presidential election. Nixon won, and the next day I called the seventh floor to ask if it was now okay to send on my memo to the White House. On November 8, 1968, Mr. Helms summoned me to his office. The first thing he said to me was "Don't take notes." To the best of my recollection, the conversation then proceeded along the following lines. He asked what was bothering me; did I think my supervisors were treating me unfairly, or weren't they promoting me fast enough? No, I said. My problem was that he caved in on the numbers right before Tet. I enlarged on the theme for about ten minutes. He listened without expression, and when I was done he asked what I would have had him do—take on the whole military? I said, that under the circumstances, that was the only thing he could have done; the military's numbers were faked. He then told me that I didn't know what things were like, that we could have told the White House that there were a million more Vietcong out there, and it wouldn't have made the slightest bit of difference in our policy. I said that we weren't the ones to decide about policy; all we should do was to send up the right numbers and let them worry. He asked me who I wanted to see, and I said that I had requested appropriate members of the White House staff and the President's Foreign Intelligence Advisory Board in my memo, but, frankly, I didn't know who the appropriate members were. He asked whether Gen. Maxwell Taylor and Walt Rostow would be all right. I told him that was not only acceptable, it was generous, and he said he would arrange the appointments for me.

With that I was sent around to see the deputy directors. The chief of research, R. Jack Smith, asked me what the matter was, and I told him the same things I had told Helms. The Vietnam war, he said, was an extraordinarily complex affair, and the size of the enemy army was only—his exact words—"a small but significant byway of the problem." His deputy, Edward Procter, now the CIA's chief of research, remarked, "Mr. Adams, the real problem is you. You ought to look into yourself."

PERMISSION DENIED

After making these rounds, I wrote letters to Rostow and Taylor, telling them who I was and asking that they include a member of Nixon's staff in any talks we had about the CIA's shortcomings. I forwarded the letters, through channels, to the director's office, asking his permission to send them on. Permission was denied, and that was the last I ever heard about meeting with Mr. Rostow and General Taylor.

In early December I did manage to see the executive secretary of the President's Foreign Intelligence Advisory Board, J. Patrick Coyne. He told me that a few days earlier Helms had sent over my memo, that some members of PFIAB had read it, and that they were asking me to enlarge on my views and to make any recommendations I thought were in order. Coyne encouraged me to write a full report, and in the following weeks I put together a thirty-five-page paper explaining why I had brought charges. A few days after Nixon's inauguration, in January 1969, I sent the paper to Helm's office with a request for permission to send it to the White House. Permission was denied in a letter from the deputy director, Adm. Rufus Taylor, who informed me that the CIA was a team, and that if I didn't

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want to accept the team's decision, then I should resign.

There I was—with nobody from Nixon's staff having heard of any of this. It was far from clear whether Nixon intended to retain the President's Foreign Intelligence Advisory Board. J. Patrick Coyne said he didn't know. He also said he didn't intend to press for the release of the thirty-five-page report. I thought I had been had.

For the first time in my career, I decided to leave official channels. This had never occurred to me before, not even when Helms had authorized the doctored numbers in the month before Tet. I had met a man named John Court, a member of the incoming staff of the National Security Council, and through him I hoped for a measure of redress. I gave him my memorandum and explained its import—including Westmoreland's deceptions before Tet—and asked him to pass it around so that at least the new administration might know what had gone on at the CIA and could take any action it thought necessary. Three weeks later Court told me that the memo had gotten around, all right, but the decision had been made not to do anything about it.

So I gave up. If the White House wasn't interested, there didn't seem to be any other place I could go. I felt I'd done as much as I possibly could do, and that was that.

Once again I thought about quitting the Agency. But again I decided not to, even though my career was pretty much in ruins. Not only had the deputy director just suggested that I resign, but I was now working under all kinds of new restrictions. I was no longer permitted to go to Vietnam. After the order-of-battle conference in Saigon in September 1967, Westmoreland's headquarters had informed the CIA station chief that I was persona non grata, and that they didn't want me on any military installations throughout the country. In CIA headquarters I was more or less confined to quarters, since I was no longer asked to attend any meetings at which outsiders were present. I was even told to cut back on the lectures I was giving about the VC to CIA case officers bound for Vietnam.[3]

I suppose what kept me from quitting this time was that I loved the job. The numbers business was going along fairly well, or so I thought, and I was becoming increasingly fascinated with what struck me as another disturbing question. Why was it that the Vietcong always seemed to know what we were up to, while we could never find out about them except through captured documents? At the time of the Tet offensive, for example, the CIA had only a single agent in the enemy's midst, and he was low-level.

At about this time, Robert Klein joined the VC branch. He had just graduated from college, and I thought him one of the brightest and most delightful people I had ever met. We began batting back and forth the question of why the VC always knew what was going to happen next. Having written a study on the Vietcong secret police in 1967, I already knew that the Communists had a fairly large and sophisticated espionage system. But I had no idea *how* large, and, besides, there were several other enemy organizations in addition to the secret police that had infiltrated the Saigon government. Klein and I began to sort them out. The biggest one, we found, was called the Military Proselytizing Directorate, which concentrated on recruiting agents in the South Vietnamese Army and National Police. By May 1969 we felt things were beginning to fall into place, but we still hadn't answered the fundamental question of how many agents the VC had in the South Vietnamese government. I decided to do the obvious thing, which was to start looking in the captured documents for references to spies. Klein and I each got a big stack of documents, and we began going through them, one by one.

Within two weeks we had references to more than 1,000 VC agents. "Jesus Christ!" I said to Klein. "A thousand agents! And before Tet the CIA only had one." Furthermore, it was clear from the documents that the thousand we'd found were only the top of a very big iceberg.

Right away I went off to tell everybody the bad news. I had begun to take a perverse pleasure in my role as the man in opposition at the Agency. The first person I spoke to was the head of the Vietnam branch of the CIA Clandestine Services. I said, "Hey, a guy called Klein and I just turned up references to over 1,000 VC agents, and from the looks of the documents the overall number might run into the tens of thousands." He said, "For God's sake, don't open that Pandora's box. We have enough troubles as it is."

The next place I tried to reach was the Board of National Estimates, which was just convening its annual meeting on the Vietnam draft. Because of the trouble I'd made the year before, and because the meeting included outsiders, I wasn't allowed to attend. By now, Klein and I had come to the very tentative conclusion, based mostly on extrapolations from documents, that the Military Proselytizing Directorate alone had 20,000 agents in the South Vietnamese Army and government. This made it by far the biggest agent network in the history of espionage, and I was curious to know whether this was known in Saigon. I prompted a friend of mine to ask the CIA's Saigon station chief—back in Washington to give another briefing I wasn't allowed to attend—just how many Vietcong agents there were in the South Vietnamese Army. The station chief (a new one; Jorgy had long since moved) was taken aback at the question. He'd never considered it before. He said, "Well, the South Vietnamese Military Security Service has about 300 suspects under consideration. I think that about covers it." If Klein and I were anywhere near right with our estimate of 20,000, that made the station chief's figure too low by at least 6,000 percent.

NEW DISCOVERIES

Deciding that we didn't yet know enough to make an issue of the matter, Klein and I went back to plugging the documents. The more we read, the wilder the story became. With a great deal of help from the CIA counterintelligence staff, we eventually found that Vietcong agents were running the government's National Police in the northern part of the country, that for many years the VC had controlled the counterintelligence branch of the South Vietnamese Military Security Service (which may explain why the station chief's estimate was so low), and that in several areas of Vietnam, the VC were in charge of our own Phoenix Program. Scarcely a day passed without a new discovery.

The most dramatic of them concerned a Vietcong agent posing as a South Vietnamese ordnance sergeant in Da Nang. The document said that the agent had been responsible for setting off explosions at the American air base in April 1969, and destroying 40,000 tons of ammunition worth $100 million. The explosions were so big that they attracted a Congressional investigation, but the military managed to pass them off as having been started accidentally by a grass fire.

The problem with all these reports was not that they were hidden, but that they'd never been gathered and analyzed before in a systematic manner. Although CIA men in the field were aware of VC agents, Washington had failed to study the extent of the Vietcong network.

This is exactly what Klein and I attempted in the fall of 1969. By this time we had concluded that the total number of VC agents in the South Vietnamese Army and government was in the neighborhood of 30,000. While we admitted that the agents were a mixed bag—most of them were low-level personnel hedging their bets—we nonetheless arrived at an extremely bleak overall conclusion. That was that the agents were so numerous, so easy to recruit, and so hard to catch that their existence "called into question the basic loyalty of the South Vietnamese government and armed forces." This, in turn, brought up questions about the ultimate chances for success of our new policy of turning the war over to the Vietnamese.

In late November Klein and I had just about finished the first draft of our study when we were told that under no circumstances was it to leave CIA headquarters, and that, specifically, it shouldn't go to John Court of the White House staff. Meanwhile, however, I had called Court a number of times, telling him that the study existed, and that it suggested that Vietnamization probably wouldn't work. For the next two-and-a-half months, Court called the CIA front office asking for a draft of our memo on agents. Each time he was turned down.

Finally, in mid-February 1970, Court came over to the VC branch, and asked if he could have a copy of the agent memorandum. I told him he couldn't, but that I supposed it was okay if he looked at it at a nearby desk. By closing time Court has disappeared, along with the memo. I phoned him the next morning at the Executive Office Building and asked him if he had it. "Yes, I took it. Is that okay?" he said. It wasn't okay, and shortly after informing my superiors I received a letter of reprimand for releasing the memo to an "outsider." (Court, who worked for the White House, was the "outsider.") All copies of the study within the CIA—several were around being reviewed—were recalled to the Vietcong branch and put in a safe. Klein was removed from working on agents, and told that if he didn't "shape up," he'd be fired.

My memo was ready in early June, and this time I gave a copy to John Court of the White House the day before I turned it in at the Agency. This proved to have been a wise move, because when I turned it in I was told, "Under no circumstances does this go out of the room." It was the best order-of-battle paper I'd ever done. It had about 120 footnotes, referencing about twice that many intelligence reports, and it was as solid as a rock.

A week later, I was taken off the Khmer Communist Army and forbidden to work on numbers anymore. A junior analyst began reworking my memo with instructions to hold the figure below 30,000. The analyst puzzled over this for several months, and at last settled on the same method the military had used in lowering the Vietcong estimate before Tet. He marched two whole categories out of the order of battle and "scaled down" what was left. In November 1971, he wrote up a memo placing the size of the Khmer Communist Army at 15,000 to 30,000 men. The CIA published the memo, and that number became the U.S. government's official estimate.

MORE DISTORTIONS

The present official estimate of the Khmer rebels—65,000—derives from the earlier one. It is just as absurd. Until very recently the Royal Cambodian Army was estimated at over 20,000 men. We are therefore asked to believe that the insurgents, who control four-fifths of Cambodia's land and most of its people, are outnumbered by the ratio of

3 to 1. In fact, if we count *all* the rebel soldiers, including those dropped or omitted from the official estimate, the Khmer Rebel Army is probably larger than the government's—perhaps by a considerable margin.

The trouble with this kind of underestimate is not simply a miscalculation of numbers. It also distorts the meaning of the war. In Cambodia, as in the rest of Southeast Asia, the struggle is for allegiance, and the severest test of loyalty has to do with who can persuade the largest number of peasants to pick up a gun. When American intelligence downgrades the strength of the enemy army, it ignores the Communist success at organizing and recruiting people. This is why the Communists call the struggle a "people's war" and why the government found it difficult to understand.

I spent the rest of 1971 and a large part of 1972 trying to get the CIA to raise the Cambodian estimate. It was useless. The Agency was busy with other matters, and I became increasingly discouraged. The Cambodian affair seemed to me to be a repeat of the Vietnam one; the same people made the same mistakes, in precisely the same ways, and everybody was allowed to conceal his duplicity. In the fall of 1972 I decided to make one last attempt at bringing the shoddiness of American intelligence to the attention of someone, anyone who could do anything about it.

Between October 1972 and January 1973 I approached the U.S. Army inspector general the CIA inspector general, and the Congress—all to no avail. To the Army inspector general I delivered a memorandum setting forth the details of what had happened to the VC estimate before Tet. I mentioned the possibility of General Westmoreland's complicity, which might have implicated him in three violations of the Uniform Code of Military Justice. The memorandum asked for an investigation, but the inspector general explained that I was in the wrong jurisdiction. Of the CIA inspector general I requested an investigation of the Cambodian estimates, but he adopted the device of neglecting to answer his mail, and no inquiry took place. In a last desperate measure—desperate because my friends at the CIA assured me that Congressional watchdog committees were a joke—I even appealed to Congress. To committees in both the House and Senate that watch over the CIA I sent a thirteen-page memorandum with names, dates, numbers, and a sequence of events. A staff assistant to the Senate Armed Services Committee thought it an interesting document, but he doubted that the Intelligence Subcommittee would take it up because it hadn't met in over a year and a half. Lucien Nedzi, the chief superintendent of the CIA in the House, also thought the document "pertinent," but he observed that the forthcoming elections obliged him to concern himself primarily with the question of busing. When I telephoned his office in late November, after the elections had come and gone, his administrative assistant told me, in effect, "Don't call us; we'll call you.

By mid-January 1973 I had reached the end of the road. I happened to read a newspaper account of Daniel Ellsberg's trial in Los Angeles, and I noticed that the government was alleging that Ellsberg had injured the national security by releasing estimates of the enemy force in Vietnam. I looked and damned if they weren't from the same order of battle which the military had doctored back in 1967. Imagine! Hanging a man for leaking faked numbers!

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[3] In mid-1968 I had discovered that Agency officers sent to Vietnam received a total of only one hour's instruction on the organization and methods of operation of the Vietcong. Disturbed that they should be sent up against so formidable a foe with so little training, I had by the end of the year increased the hours from one to twenty-four. I gave most of the lectures myself.

FOOD STAMP PROBLEM

(Mr. RICHMOND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RICHMOND. Mr. Speaker, we all know the problem of food stamp applicants having to wait in lines day after day just to see a caseworker. And we all know the problems faced by the elderly and mothers with babies in their arms who have to stand for these many hours, only to be told to come back again because they could not be seen that day. And we all know that once they have applied, many applicants wait months before they get their stamps. These people need help now.

That is why I am introducing emergency food stamp legislation today. We cannot wait to streamline the application process for these citizens—they cannot wait months for assistance they need now. This legislation will remove the blockade faced by food stamp applicants.

Some of my colleagues may dispute the need for this legislation now, but a real emergency exists. Several reports and studies indicate that the problem is more widespread than some of us might like to think. I would like to insert into the CONGRESSIONAL RECORD at this point excerpts from several of these studies, particularly the study by the Senate Select Committee on Nutrition, as well as materials prepared by the Children's Foundation, Food Research and Action Center, the GAO, and many other sources. These reports and memoranda deal with the food stamp certification problem. I hope they are of some use to those of my colleagues who are interested in studying the food stamp situation further. I would urge my colleagues to not only study, but to act swiftly on legislation that deals effectively with the emergency that now confronts us:

EXCERPTS FROM A MEMORANDUM TO CONGRESSMAN RICHMOND, BY THE CHILDREN'S FOUNDATION, WASHINGTON, D.C.

In re: Recommendations for Changes in the Food Stamp Programs

In answer to your request of Barbara Bode for suggestions regarding improvement of the food stamp program, I have prepared the following outline. Please call if you have any questions or if you want to discuss any of the recommendations.

OBSERVATIONS AND GENERAL RECOMMENDATIONS

Though the reasons for low participation in the food stamp program are varied and complex, they can be usefully summarized in the following . . . points:

The certification process is extremely complicated and time-consuming, discouraging initial applications and re-applications and causing substantial inconvenience to participants.

Issuance points where stamps can be purchased are severely limited and hours of operation restrictive. Difficulties in purchasing stamps cause some participants to drop out of the program.

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No level of government responsible for the program has shown a willingness to hire the numbers of personnel necessary to certify all eligible households on a timely basis, much less to identify and inform eligible non-participants through a comprehensive outreach program.

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A. Recomendations for simplifying certification

1. *Certification by declaration:*

A simple self-certification affidavit or declaration form signed by the head of the household should constitute application for the program. The lengthy interview procedure for non-public assistance households and the requirement for income verification are the greatest causes of delay in getting households onto the program. The source of such conservative banners as coupon over-issuance and participation of ineligibles in the program is almost entirely due to errors in certification and not to fraud on the part of participants. It therefore makes good sense to eliminate the complicated procedures which produce the high error rate and to monitor the program by a system of spot checks similar to that used by the Internal Revenue Service to monitor tax fraud.

3. *Blanket Emergency Certification:*

In any project area where the level of unemployment has reached 30%, all unemployed heads of households should be deemed automatically eligible for one month's participation in the program on an emergency basis. (Emergency certification is now theoretically available to zero income households and does not require verification of income, assets or deductions.) Verification of unemployed status could be provided by employment security offices.

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D. Staff rations and outreach requirements

2. *Caseworker—Household Ratio.*

Though possibly an encroachment on state and local jurisdiction, some consideration should be given to establishing minimum staff requirements for food stamp case work, say one case worker for every 750 eligible nonpublic assistance households. Federal matching money, now at 50%, might be contingent upon a minimum staff-household ratio. Enforcement of such a provision is complicated by the fact that in some states, local jurisdictions support almost the full cost of certification and issuance and therefore make manpower allocations. Local jurisdictions with the least resources often have the highest potential case loads. (It is worth noting that states where local jurisdictions carry most of the costs, food stamp programs are poorest. At this point, however, we see no legal way of forcing greater state, as opposed to local, contributions toward administrative costs.)

EXCERPTS FROM: RECOMMENDATIONS FOR AMENDING THE FOOD STAMP ACT, BY THE FOOD AND RESEARCH AND ACTION CENTER, INC., NEW YORK CITY

Listed below are recommendations for amending the Food Stamp Act. These recommendations are proposed in the context of improving both the benefits and the administration of the Program. Each numbered proposal contains the recommendation, the proposed amendments, and an explanation. The second category "proposed amendments", contains the present legislation with the suggested changes underlined. In some instances, a series of recommendations are grouped together solely because they can be effectuated by amending the same subsection in the Act.

• • • • •

(4) a. *Recommendation:* The Food Stamp Act must explicitly require improvements in the present administration of the Program. Specifically, the Act should allow States to delegate coupon issuance to private agencies. The Act should also require that public assistance and Supplemental Security Income households (living in States that have not cashed out food stamps for SSI recipients), as well as households in areas of substantial unemployment and households with income so low as to entitle them to food stamps free of cost, all be provided food stamps immediately, upon their first reasonable attempt to receive such aid, through a simplified self-declaration application. Verification of such households eligibility would be completed within 30 days of the date of their request for aid. All other households should be certified for food stamps, or notified of

denial of these benefits, within 30 days of the date they first attempt to request assistance. Finally, the Act should require that the number of food stamp certification workers be increased, that food stamp applications be simplified in form, that non-public assistance households be certified for stamps for no less a period of time than 4 months, that participating households be notified at least 30 days prior to the expiration of their certification period of the requirement that they be recertified, that the number of food stamp issuing centers be increased and that the hours and days such centers are open to recipients be expanded.

* * * * *

c. *Explanation:* A major problem with the Food Stamp Program is the administrative hurdles and delays a recipient confronts in attempting to get on, and remain on, the Program. Often, poor households will forego needed food assistance rather than attempt these hurdles, and just as often, households attempting to receive assistance as soon as possible will simply be unsuccessful in their attempts. Mr. Richmond's proposed amendments to section 10(b) would help to alleviate much of this administrative morass.

One of the most harmful of the administrative problems that food stamp applicants are faced with is the long delay between the time the applicant requests participation and the time he is certified and actually receives such benefits. Often the recipient is told that he needs an appointment to apply for food stamps, an appointment that is made for several weeks after certification is requested. The applicant is required to wait months after his appointment interview before he is certified, and then several weeks later before he actually receives food stamps. While this kind of a situation is harmful to needy applicants, it is intolerable to the poorest of the poor, i.e., those with income so low that they are entitled to food stamps free of charge. One reason for these long certification delays is the shortage of certification workers, which is then compounded by long application forms and the sometimes tedious verification of income requirements.

The amendment to section 10(b) would help to alleviate much of these problems in the following manner: The amendment would require that each State and local agency have a sufficient number of certification workers so as to insure that applicants will be provided faster service in having their applications processed and their eligibility certified. Sufficient numbers of certification workers will help reduce, and hopefully avoid, the long lines of applicants waiting outside of the food stamp offices. The amendment would also require State Food Stamp offices to simplify their food stamp applications if such applications are too long or cumbersome, and if such applications presently request information that is unnecessary for eligibility determination purposes. The amendment would also require State Food Stamp offices to simplify their food stamp applications if such applications are too long or cumbersome, and if such applications presently request information that is unnecessary for eligibility determination purposes. The amendment would also prohibit State agencies from requesting documentation of income when such documentation is unreasonably difficult to obtain. For example, households could not be denied certification because they are unable to document that they have no income.

The amendment will be particularly helpful in insuring that needy food stamp recipients are not required to go back to the food stamp office daily until they finally get to see a certification worker. Nor will a needy person have to make an appointment to see a food stamp certification worker several weeks beforehand. Rather, under this proposed legislation, an individual must be provided the opportunity to receive and file a food stamp application on the same day that he makes his first reasonable attempt, either by oral or written request, to receive food stamp aid, and must then receive an ATP card, or be notified of a denial of eligibility, within 30 days of the day he made this attempt.

The amendment also requires that public assistance households, SSI households (in states that have not cashed-out food stamps for SSI recipients), households with monthly incomes so low as to entitle them to food stamps at no costs, and households residing in areas of substantial unemployment, shall be certified for food stamps upon their first reasonable attempt to request (either orally or in writing) such benefits, and shall receive an ATP card on that same day. These households will be required to file a self-declaratory affidavit attesting to their status as an SSI household, or a public assistance household, etc., and actual recertification of their eligibility must be completed by the State agency within 30 days of their request for aid. Most important, however, is the fact that those needy households would get their food stamp ATP card immediately rather than having to wait weeks or months for certification and resulting benefits.

The amended section will also help to eliminate the common administrative delays caused during recertification for benefits simply by making the certification period a minimum of 4 months and by requiring 30 day notification to households that they must be recertified if they wish to continue their participation. Under present food stamp regulations, non-public assistance and non-SSI recipient households are normally certified for food stamps for a 3-month period. Many households, however, with less stable incomes, are certified for one month periods. Thus, millions of recipient households must be recertified for their benefits 4 times a year or more. The result is a tremendous administrative burden on the local food stamp offices with consequent injuries to the recipients: often the local office fails to tell the recipient to come in for recertification and simply cuts off the household's benefits at the end of its certification period; sometimes the recipient is notified of the need to be recertified but the notification is provided the day before, or on the every day the recipient is expected to come in to reapply; other times the recipient is provided adequate notice but becomes the victim of hurried administrative miscalculation as to the amount he must pay for his food stamps because the recertification worker is overloaded with recertification applications. Some of this confusion and resultant errors in benefit denials will be avoided by the proposed minimum certification of 4 months.

Finally, this whole body of food stamp SSI legislation expires on June 30, 1975, and will be replaced by earlier legislation that provides an even more complicated scheme for SSI food stamp eligibility wherein SSI recipients would receive food stamps only if their present SSI income is less than the combination of benefits they would presently be entitled to under the defunct Federal Aid to the Aged, Blind and Disabled (AABD) standards of December 1973, plus the food stamp bonus they would presently receive, using the July 1973 food stamp standards. This legislation will create an administrative nightmare and should not become effective.

The proposed amendments would have the effect of keeping all SSI recipients in non-cash-out states eligible for food stamps while allowing SSI recipients in cash-out states to receive a cash-out that is equivalent to the present (January 1975) average food stamp bonus for households of similar size. This cash-out would be updated semi-annually to keep up with increases in food costs. The amendments must be made in the Food Stamp Act as well as in the relevant SSI legislation, hence the deletions of amendments to P.L. 92–603, P.L. 93–86, P.L. 93–233 and P.L. 93–335.

6) a. *Recommendation:* Section 15(b) of the Food Stamp Act should be amended to provide Federal reimbursement of 65% of all administrative costs incurred by the States implementing the Food Stamp Program. This section should also require that Food Stamp offices be staffed with sufficient personnel to fulfill the proposed amendments to section 10(b).

* * * * *

c. *Explanation:* Presently, the Federal government pays 50% of administrative costs of the Food Stamp Program with the States providing the remaining 50%. The continuing expansion of the Program, however, results in increased administrative expenditures. The States have a difficult time meeting administrative costs of the Food Stamp Program and of course, will have additional difficulties as the Program expands. Without additional reimbursement for administrative costs, state agencies may continue to be lax in their outreach efforts since effective outreach efforts means a large caseload which in turn means additional administrative costs. Thus, an increase to 65% in Federal reimbursement for these costs, will insure the alleviation of the State's administrative financial burden, and would result, thereby, in less reluctance by the States to effectively inform potential recipients of the availability of the Food Stamp Program.

Section 15(b) presently provides that the 50% Federal reimbursement for administrative costs will not be paid if the State does not demonstrate that it has hired an adequate number of qualified personnel to administer the Food Stamp Program efficiently and effectively. Under this proposed amendment, it is clear that adequate and sufficient personnel to administer the program efficiently and effectively also means the employment of enough personnel to comply with the requirements of the proposed amendments to section 10(b).

7) a. *Recommendation:* Section 8(b) should be amended to require that retail food stores authorized to accept and redeem food stamps, have food stamp applications available for their customers.

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c. *Explanation:* It is important that all needy households be aware of the availability of the Food Stamp Program and be provided ample opportunity to apply for participation in the program. The availability of food stamp applications in retail food stores will help to further these ends.

1975 STUDY OF NUTRITION PROGRAMS BY: JIM ARIDAS, SUNSET PARK FAMILY HEALTH CENTER, BROOKLYN, NEW YORK

RECOMMENDATION FOR EASEMENT OF FOOD STAMP APPLICATION PROGRAM

1. Simple declaration application should be implemented and spot checks ([illegible]0%) for eligibility should be conducted AFTER recipient is on Food Stamp rolls.

2. An A.T.P. card (temporary) should be given immediately after declaration is signed and temporary certification established. A permanent card (A.T.P.) should be issued within 30 days.

3. Extension of outreach must be implemented to seek out those new unemployed and underemployed persons who recently became eligible. Efforts must be increased to reach the isolated senior citizens.

RECENT STATEMENT BY WOMAN'S NATIONAL DEMOCRATIC CLUB: DOMESTIC FOOD POLICY: POSITIONS FOR IMMEDIATE ACTION

INTRODUCTION

Spiraling inflation, the recession and ever-increasing unemployment are placing a growing number of Americans at grave nutritional risk. Quite simply, more and more people are able to spend less and less on food. Economists agree that food is the most elastic item in a needy family's budget and that as other expenditures increase the amount of money available for food decreases.

Federal food assistance should be a national priority. Under present law, the food stamp program and four child nutrition programs providing for infants, pre-school and school age children (described in Appendix I: catalogue) are authorized to meet the needs of many of the poor and nutritionally vulnerable.

PROBLEMS

All of these programs fail to serve all the people for whom they were intended. Thus, the will of the Congress has not been carried out. For example, less than a half of those eligible to participate in the food stamp program currently are enrolled.

Many of the problems in all the federal food assistance programs stem from inadequate, complicated and recalcitrant administration.

FOOD STAMP PROGRAM PROBLEMS

Some 35 million Americans are currently eligible to participate in the food stamp program and yet only 17 million are presently participating. Too many simply do not know the program is available. Others are discouraged by waiting as long as 5 to 8 weeks merely for an appointment to be certified. Still more find the complicated certification forms combined with long waiting periods and frequent re-certification more than they can bear. And many, particularly those living on fixed incomes, find that inflation has made food stamps a luxury—with other prices rising many people can no longer set aside enough money to pay the monthly purchase price of stamps.

WNDC POSITION FOR IMMEDIATE ACTION

Since the food stamp program not only helps those most in need but also stimulates the economy by increasing spendable income and, thus, employment, the Woman's National Democratic Club suggests that the new amendments under consideration by the Congress extend the food stamp program, improve it, and make it accessible to all those for whom it is intended.

EXCERPT FROM A MEMORANDUM BY RICHARD MORRIS AND GEORGE STRAUSS, CONSULTANTS TO THE NEW YORK STATE ASSEMBLY

FISCAL IMPLICATIONS

Approximately 3.9 million Americans are enrolled in public assistance programs (35% of recipients) and are not receiving food stamp assistance (excluding those SSI recipients who live in states which have elected to cash out their food stamp benefits). The average bonus value of food stamps is currently $20 a month. This creates a potential additional cost of $975 million were all public assistance recipients to participate fully in the food stamp program. New York City, which uses the application procedure incorporated in this proposed legislation, currently sustains an 89% rate of enrollment in the food stamp program and a 90% participation rate among those eligible. Were a similar rate sustained over the United States as a whole, the cost of this amendment would approximate $425 million in additional food stamp benefits.

There are estimated, by the Institute for Research on Poverty of the University of Wisconsin, to be 18 million Americans eligible for food stamps and not receiving them. Accordingly, the 15 cent per capita requirement outlined in the second part of this amendment, would cost $2.7 million, about $1,300,000 in federal cost and the remainder in state government expenditures.

EXCERPTS FROM OBSERVATIONS ON THE FOOD STAMP PROGRAM, REPORT BY THE GENERAL ACCOUNTING OFFICE

Various studies made in recent years indicate that the 17 million people currently estimated to be participating in the program may constitute less than half of all potentially eligible people. Despite some limitations in the data on which they are based, the study estimates raise a serious question as to whether all segments of the target population are aware of their potential eligibility for food stamp benefits.

TARGET POPULATION

Several studies made by various groups in recent years indicate that from 27 million to 39 million people may be eligible for food stamps.

The staff of the Senate Select Committee on Nutrition and Human Needs estimated that 26.7 million people lived in poverty during 1972.

The staff of the Subcommittee on Fiscal Policy of the Joint Economic Committee estimated that 37 million people were eligible for food stamps in March 1974.

Two economists involved in social research work estimated that from 34 million to 39 million people were eligible for food stamps in March 1974.

The data on which these studies were based has some inherent limitations because of such things as the lack of verification of income and other data, the use of certain assumptions to compensate for data being incomplete or not being compatible with food stamp program eligibility requirements, and the lack of information regarding such things as availability of cooking facilities. However, the studies do provide useful estimates of total needs and indicate the existence of a large gap between the total estimated number of potentially eligible people and the estimated 17 million program participants as of December 1974.

Although the [USDA Food and Nutrition] Service has not always agreed with some of the specific study results and estimates because of the lack of complete data, it has nonetheless indicated essential agreement with the general extent to which potentially eligible people may not be participating in the program. During hearings on appropriations for 1975, the Administrator of the Service acknowledged that little more than about half of the people eligibue for food stamps were participating in the program in 1973.

The Service is aware of the need for more data on the people eligible for food stamps and the characteristics of eligible people not participating to improve program planning. It is considering a plan to develop a data base for the food stamp program in the form of a simulation model, similar to one HEW uses for some of its programs. Specifically, the Service hopes to program the model to provide management with useful data on such things as the number of potentially eligible people, program caseload projections based on various assumptions, and program costs.

At this time, it would be difficult to assess the potential use that could be made of such a system in managing the program at State and local levels and even at the national level. The Service has not finalized the data dimensions expected from such a model. Also, HEW's experience suggests that the resulting data in certain instances will need to be compared with actual program data to validate it.

DATA IS AVAILABLE ON SOME SEGMENTS OF THE TARGET POPULATION

Although overall data on the size and general composition of the total program target population is desirable, it may not be possible or practicable to obtain precise information of this nature. However, there is much useful information generated by other Federal agencies and the States on the number of people in certain major segments of the program target population that could be used by the Service and by the States and counties operating the program to evaluate and improve program coverage and effectiveness.

Most of this information is available from HEW which publishes monthly statistical data showing the number of people receiving social security retirement benefits, supplemental security income, aid for families with dependent children, State general welfare, and medical assistance.

The largest single group in the food stamp program is made up of public assistance households—those receiving aid for families with dependent children or State general welfare benefits. Under Federal food stamp regulations, these households are eligible for food stamps without regard to income and assets. The States compile and submit to HEW monthly data on the number of families and people receiving assistance under each of the two public assistance programs. The States also maintain this data on a county-by-county basis. Although HEW caseload figures are not precisely equivalent to food stamp caseload figures, enough data is available to give the Service a good measure of the number of people in this segment of the program's target population.

For example, available data showed that about 11.2 million people were on public assistance as of June 30, 1974. By State, the numbers ranged from 7,640 in Wyoming to 1,343,320 in California. Our analysis of the data showed that, overall, 65 percent of the people receiving public assistance were participating in the food stamp program. The percentage of participation varied significantly among the States as shown below.

Participation (note a.):	*Number of States (note b.)*
Below 30 percent	4
31 to 50	10
51 to 70	17
71 to 90	19
91 and over	0
Total	50

a. The results are somewhat understated because some non-public-assistance households in the food stamp program include individuals receiving public assistance.

b. Includes the District of Columbia but not the State of New Hampshire which was not in the program at the time.

A further analysis of program coverage for this segment of the target population could be made at the county level. In Michigan where overall program coverage for the public assistance segment was 67 percent, the situation at the county level follows.

Participation:	*Number of counties*
Below 30 percent	0
31 to 50	6
51 to 70	59
71 to 90	17
91 and over	0
Total	82

In addition to information being available through HEW, the Civil Service Commission has information on retired Federal employees, the Department of Defense on retired military personnel, the Department of Labor on unemployed, the Veterans Administration on veterans' benefits, and the Railroad Retirement Board on railroad pensioners. Not all people in all of these groups would be eligible for food stamps; however, the groups appear likely to have many potentially eligible people because the monthly benefits of many of them could be quite low. Statistical data on the levels of monthly benefits being received by the individuals may also be available from these sources to provide a better measure of the number of people in each group who may be eligible.

Excerpt From How the Food Stamp Program Works, a Publication of the Library of Congress Congressional Reference Service, by Kathryn Michelman and Joe Richardson

5. What is the Procedure for Getting Food Stamps?

A household that wishes to receive food stamps must apply through its local welfare office. That office, following general welfare program procedures and Food Stamp Program rules, certifies the household as eligible, arranges for the issuance of food stamps, and handles any grievances (through the regular "fair hearings" process used in Federally supported welfare programs such as "AFDC"). The local agency making the eligibility certification is required to act on a household's application within 30 days. However, actual issuance of food stamps to the household might take place somewhat after this 30-day period. Regulations also require that the period for which a household is certified eligible coincide, as closely as possible, with a calendar month. Thus, if a household applies in the middle of a month, it would, most likely, be certified for the following month.

If the entire applicant household is in receipt of some form of cash public assistance (for example, an "AFDC" household), it is certified eligible (automatically) through the execution of an affidavit. This allows the local welfare agency to use the information gathered for determination of eligibility for welfare (plus some additional information gathered from the affidavit) in making an eligibility certification for food stamps.

NOTE.—Applications must be processed within 30 days from the time the agency *accepts* the application. In other words, applications do not have to be acted on within 30 days from the time the applicant *first appears* at the welfare office to make an application.

If the household is "mixed" (a public assistance recipient and a nonpublic assistance applicant) or if none of the household members receive welfare, an application form is filled out and the information on it is verified according to the normal procedures followed in the other welfare programs handled by the local agency. Net income and resources (along with other data from the application form) are then checked against the eligibility standards for the Food Stamp Program and the household is either certified eligible or ineligible.*

The length of time for which a household is certified eligible depends on the stability of its income and the probability of changes in the status of the household. Federal guidelines aid the State agencies in determining the length of the certification period. The certification period can range from a half month to 12 months. Public assistance households are usually certified for a period to coincide with their public assistance eligibility review date. Non-public assistance households are normally certified for three months. However, an elderly couple whose sole income is Social Security checks might be certified for 12 months, a household headed by a temporarily unemployed worker would probably be certified eligible for less than 3 months, and a striker would generally be certified for no longer than a month. [Households are required to be recertified at the end of their period of certification if they are to continue participating.]

After a finding of eligibility (either automatically in the case of welfare recipients or through a comparison with Food Stamp Program eligibility standards for those who do not receive welfare), all households have their *net* monthly income calculated in order to determine how much they must pay to "purchase" their food stamp allotment. In the case of non-public assistance households, the *net* monthly income calculated for eligibility purposes is used. In the case of public-assistance households, it is necessary to calculate this separately from the eligibility determination process—since they were certified eligible "automatically" because they receive welfare.

The household is then issued an authorization-to-purchase ("ATP") card showing its allotment and the required "purchase" price. This ATP card is then taken to the prescribed issuance outlet (either a part of the welfare office itself or a bank or credit union with which the welfare office has contracted for issuing food stamps). The household shows its ATP card, pays its "purchase" price, and is issued the proper allotment of food stamps—in booklets containing various denominations.

If a household is found ineligible, feels that the net income which is attributed to it is in error, or has other grievances, it may have a "fair hearing" and, in some cases, may receive food stamps during that process or retroactively.

[Copy of "New for Consumers," Highlights of new federal consumer publications distributed by: Consumer Information Center General Services Administration]

You and Food Stamps

We all know how important it is to buy nutritious food for our families. But, we're also very aware of just how much it costs to put a good meal on the table. The Food Stamp Program is one way to help you stretch your food dollar.

The U.S. Department of Agriculture has a pamphlet which tells what the Food Stamp Program is and how you can qualify. It's bilingual—in Spanish and English—and it's free. For a copy of *You and Food Stamps* write to Consumer Information, Department 17, Pueblo, Colorado 81009.

The publication includes the following details:

If your income is low and you are unable to buy all the food your family needs for a good diet, you should see about joining the Food Stamp Program.

To apply for Food Stamps, take along this information to the local welfare office: rent receipts, house payment book, and utility bills; proof of all income of all those in your household; bank books or other papers that show any savings, and proof of medical bills (doctor, hospital).

If you qualify for food stamps, you will be issued an identification card. You use it when you buy your Food Stamps.

Here's how the program works: You buy the Food Stamps each month at the Food Stamp Issuance Office. Then the Food Stamp Issuance Office will add "extra" stamps. The "extra" or "free" stamps you get will depend on the size of your family and your household income. When you get your Food Stamps, you can use them like cash to buy the foods you need at any store that can take them. Generally, stores involved in the Food Stamp program will have a large sign in their window or in the store saying they participate.

You and Food Stamps is made available from the Consumer Information Center of the General Services Administration. Also available is the *Consumer Information Index,* a listing of almost 250 selected Federal consumer publications. A free copy may be obtained from Consumer Information, Dept. 17, Pueblo, Colorado 81009, or at Federal Information Centers located throughout the country.

[From the Houston (Tex.) Post, Sept. 27, 1974]

Suit Charges Poor Left Unaware of Food Stamp Eligibility

AUSTIN.—The Texas Department of Public Welfare and the U.S. Department of Agriculture are not doing enough to make poor people in Texas aware of their eligibility for food stamps, a suit in federal court in Dallas charges.

The suit has been filed by the West Dallas Welfare Rights Organization and the East Dallas Tenants Alliance with the aid of Dallas Legal Services and the Food Research and Action Center (FRAC) in New York City. Similar suits have been filed against 16 other states and the USDA with Jay N. Lipner, staff attorney for FRAC, as co-counsel for the plaintiff legal service groups in all.

Lipner said Thursday similar suits will be filed against at least four or five other states.

Texas Department of Public Welfare officials had still not seen the petition in the Texas suit Thursday, although it was filed Monday.

Lipner claimed about 2.5 million—maybe 3 million—Texans are eligible for food stamps, but only about 1,098,000 were receiving them last May.

Nationally, he said, a congressional study estimated that 37 million to 50 million Americans are eligible to receive food stamps, while only about 13.5 million were participating in the program.

The suits charge that the states have failed to comply with the requirement of a 1971 amendment to the Federal Food Stamp Act that they take effective action through an "Outreach" program to inform low-income families of the food stamp program and insure that they participate. The USDA has failed to prod the states to do so as required by the law, Lipner said.

The suits demand that they be made to comply with the Congressional mandate.

Lipner said the federal government reimburses the states for 62.5 per cent of the cost of the "Outreach" programs, but the Texas Welfare Department did not claim "a penny" of reimbursement for "Outreach" during the 1973 federal fiscal year and claimed federal reimbursement for only $1,993 through the third quarter of the 1974 fiscal year, which ended March 31.

Jerome Chapman, the welfare department's deputy commissioner for administrative management, said, however, that department records show it claimed federal reimbursement on "Outreach" expenditures of $17,516 in calendar 1973 and on $30,423 in 1974 through August.

Chapman said those expenditures did not reflect the department's full "Outreach" efforts, however, because regional officers in its social services program also do "Outreach" work and federal reimbursement for their efforts are not allocated to the food stamp program.

Chapman said the department has a coordinator of volunteers in each of its 17 regions to promote awareness of the food stamp program and has publized it with radio and television announcements and leaflets.

He said 1,035,457 Texans, from about 325,000 families, received about $35.5 million of the food stamps in July, paying about $11.7 million for them and receiving free or "bonus" stamps worth about $23.8 million.

The welfare department has estimated there are about 607,500 "poverty" families in Texas, so only about half of those eligible may be participating in the food stamp program, he said. But many who are eligible may not be participating because they do not consider the amount of free stamps they could receive, based on their family size and income, "worth the trouble," he said.

The food stamp program was started in Texas in December, 1972, and was not in operation in all 254 counties till November 1973.

The number of participants has not "leveled off" yet, he said. Several months ago the department estimated the number would level off at a little less than 400,000 families by September, 1975. But poor economic difficulties and growing unemployment may create more interest and participation, he said.

All families receiving aid to families with dependent children (AFDC) assistance and recipients of the federal supplemental security income program in eligible households are automatically eligible for food stamps. Other low-income families meeting federal eligible standards are also eligible.

There are complex formulas for the amounts of assistance available to those who are eligible, depending on family size and income.

For example, a family of four with no income is eligible for $150 worth of stamps free each month, while a family of four with monthly income from $450 to $480 must pay $126 for $150 worth of stamps. A family of eight with income up to $750 monthly is eligibile for $256 worth of stamps monthly, but must pay $215 for them.

Lipner said, however, that various deductions for shelter and other budget items considered in figuring a family's income for eligibility purposes make far more people eligible for assistance than generally supposed.

[From the Washington Star, Mar. 10, 1975]

Food Stamp Failures

Surely there should be agreement on one point as the hardship of unemployment spreads across America: Food is fundamental. It is the one basic requirement which should generate no quibbling as to the government's responsibility to assure an adequate amount for every family that lacks the capacity to buy it. But the food stamp program, despite a sharp increase of outlay in the past year, is shot through with deficiencies and laden with complexities which no doubt are causing many people to go hungry.

These are outlined shockingly in last week's report by the Senate Committee on Nutrition and Human Needs, but many people in the area around Washington have learned about them first-hand in recent months. When a jobless family has to wait several weeks to get food stamps, that a crisis no one should have to endure. The certification system has been unduly complicated by tortuous forms to be filled out, and manifold documentations to be gathered and presented. And this works hardest against the poorest and least educated members of society, who sometimes simply give up in the maze-like process and go without stamps. Better-educated applicants—especially those with some experience in bureaucratic paperwork—may get more stamps than they need in some cases, we suspect, while less adroit folk remain baffled and undernourished.

Some also give up because of unbearably long waits at state social services centers, and the need for return visits to provide more and more personal information in order to qualify. With unemployment swelling, the lines grow ever longer. One sometimes must wait many hours. But this is largely because the certification procedure is terribly overcomplicated—so time-consuming for each case. State welfare agencies can't afford enough manpower expansion to properly handle the growing crowds of stamp applicants. If the certifying process were greatly simplified, present administrative forces could cope with the load much faster. And fewer deserving people would be excluded because of inability to fill out forms very well or to find transportation—repeatedly—to welfare offices.

Congress, one way or another, should force this simplification upon the Agriculture Department, whose secretary, Earl Butz, never has been hospitable to this program as a part of his domain. In fact, the administration's intent to cut participation in the program has been glaringly obvious, most recently in its attempt to make recipients pay more for stamps. Congress, to its great credit, rebuffed this misdirected money-saving scheme in a hury. Along with simplifying the whole business, several steps by Congress are needed. It ought to increase federal aid to the states for employment of more food stamp certifiers at local levels, and provide for more stamp outlets and a much stronger effort to reach eligible citizens who still haven't qualified for food assistance.

These run into many millions; by the Senate panel's account, only 38 percent of those eligible are receiving stamps. By an Agriculture Department estimate, many others have received overpayment in stamps. Both of these situations need to be corrected with forceful action, but most importantly, the shameful negligence of real need must be stopped. This country may not be able to afford everything it needs these days but it certainly can finance—as a matter of highest priority—the prevention of hunger among its unemployed and indigent citizens. The public should demand that Congress and the administration see to this, promptly.

[From the New York Times, Mar. 5, 1975]

Food Stamps Draw Miami Beach Outcry

(By B. Drummond Ayres, Jr.)

MIAMI BEACH, March 4.—In a striking demonstration of the puzzling nature of the current recession, the poor gathered here today in a steamy community center to bemoan the inadequacies of food stamps while record numbers of the rich frolicked in the cool azure pools at Gold Coast resorts.

"My tongue is hanging out for a dollar for some food," cried Mrs. Goldie Fisher, a frail, 78-year-old woman who was one of several dozen persons to testify in the community center during a special hearing of the Select Senate Committee on Nutrition and Human Needs.

Just down the street, the well-to-do stood in grocery stores, picking through the colorful bins of fresh Florida fruit.

Farther on, the pastel facades of $100,000 condominiums and $100-a-day beach hotels soared from the golden sand toward the warm tropical sun.

A GOOD SEASON

Miami Beach is having one of the best tourist seasons in its 50-year history. No one is quite sure why.

Mrs. Fisher is having one of the worst years of her long life, along with 18 million other Americans who must depend on food stamps for subsistence. Today, she and some of her friends tried to explain why to Senator George McGovern, the South Dakota Democrat who is chairman of the special congressional committee.

They said the $4-billion food stamp program, administered by the Department of Agriculture, is bogged down in red tape, that it is inadequate in these times of high inflation and, worst of all, that it is demeaning.

PROCEDURE CRITICIZED

Earl L. Butz, the Secretary of Agriculture, was the target of a number of emotional outbursts that brought cheers from the several hundred persons who came to the hearing, one of a series being held by the Senate committee.

Hy Sachs was one who denounced Dr. Butz. Then, discussing the detailed eight-page form that food stamp applicants must fill out, Mr. Sachs added:

"I'm not asking for charity, only justice. I was made to feel like . . . like . . . well, I won't use the word because ladies are present. I was made to feel like dirt.

"I've worked. I've paid my taxes. I've fought for my country. It's ridiculous."

After a visit at dawn today to a food stamp distribution center in Miami, Senator McGovern also called the registration procedure "ridiculous."

Applicant after applicant—some had been in line since shortly after midnight—told him that the form was too complicated, that too many receipts for such items as rents and medical bills were required, and that too many clerks seemed to regard applicants as second-class citizens.

"I waited in line three hours," said Al Langston, "and then when I got ready to buy some stamps they told me they wouldn't take a check, something they'd never warned me about."

BASED ON INCOME

Mr. Langston, an unemployed warehouseman, pays $58 in cash each month for stamps that will purchase $122 worth of food. Stamp allotments are based on family income, whether from work or welfare sources.

Senator McGovern said that Secretary Butz was "violating" the food stamp law by not clearing up the confusion.

"What we need is a form on which a person simply declares a need for stamps, a form that can be picked up at any post office or bank," the Senator said. He added:

"If Mr. Butz is so worried about fraud, let him spot-check the way the tax people do. They have very short forms for low-income people and they have very little fraud, I might note."

Max Serchuk, the president of a senior citizens group, told Mr. McGovern that many persons in the Miami area were going to soup kitchens in search of food.

"I've seen some hot-meal recipients taking leftover food out of the trash can as they turned in their plates," he said.

Naomi Benson, a social worker specializing in nutritional needs, said:

"People will come in [to nongovernment facilities] for hot meals because they are treated with dignity. But they say they won't stand in line for food stamps."

Joseph Cander, a blind recipient of food stamps, said he had been forced by hunger to apply for aid despite his pride.

"Its humiliating," he asserted. "I didn't want to go through that. Oh, the humiliation. I have to come down every four weeks and be recertified. Why?" He added:

"I'd like to see that Mr. Butz investigated. Why did he send all of that grain to Russia and here we are with all these people over here with malnutrition?"

[From the Manchester Guardisn Weekly, Feb. 15, 1975]

Stamp of Sudden Poverty

(By Simon Winchester in Duluth)

The St. Louis County Welfare Department, a three-story buff brick structure that dominates the skyline of this old town from one of the steep hills on the Lake Superior shore, was filled with shivering, shabby men and

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*In determining income eligibility for food stamps, *"anticipated"* monthly *net* income is used, not the previous month's income. However, the previous month's income and expenses can be used in calculating *net* income—as a guide for verification. In addition, some households are allowed or required to average their annual income in computing a monthly *net* income. For example, farmers and certain farmworkers may average their annual income. Persons who, like teachers, work regularly for more than 8 months, but less than 12 months each year must average their income.

UMI

women seconds after it opened for business at 8 am.

The early arrivals had come, hopefully, to receive Government food stamps which are sold on a sliding cost scale, but always below redeemable value, according to income, to poor people who qualify by means test. The stamps can be exchanged at stores but only for food.

"It's like this at the beginning of every month," explained Mrs. Murial Zeleznikar, one of the five desk clerks at the Food Stamps Office. "And it's getting much worse now. Month by month more and more people are coming to get their stamps. They used to think it was pretty shameful to take food stamps—but people seem to be burying their pride these days. And this," she gestured around, "is what we get."

What Mrs. Zeleznikar had got this morning was a steamy room crammed with the new, and the not so new poor citizens of this far northern Minnesota city. Single old women on pensions and social security payments, young students unable to afford to eat, workers down from the Iron Range who can't find a job, dock workers who have been laid off because the ice has finally choked the lakes and damage down at the Soo Locks has tied up shipping for weeks to come.

Mainly though, the room teemed with children. Not the boisterous, noisy all-American children of the sort you see in the prosperous white suburbs like Grosse Pointe, Chevy Chase, and Shaker Heights, but sullen, pasty-faced children with scrawny necks who have neither enough to do, nor to eat.

Since the St. Lawrence seaway opened this city has been the most westerly port on the Atlantic Ocean—a ship from Liverpool was the first to dock here in 1959—and 1,000 ft. long cargo ships from Cherbourg to Chittagong call here daily during the summer, taking goods from the very tip of the American cornucopia to people all over the world.

But of late this great old port has ground into a savage decline. The ore in the vast Iron Range country to the north is now depleted, and the cost of smelting, combined with polultion problems, forced U.S. Steel to close its giant plant here two years ago.

The volume of shipping is going steadily down: freighters are calling at nearer Great Lakes ports like Cleveland and Milwaukee, and the wheat shipments from the prairies are increasingly being taken down the Mississippi by barge and hoisted on to cargo vessels at New Orleans or taken to the railhead at Galveston.

Then the wealthy old families that owned most of this town 20 years ago seemed to lose faith, and now they are taking their money to the banks.

And so inevitably unemployment, poverty, and hunger have arrived at this front of American largesse.

There is precious little evidence that the chunky Swedes and Finns and Germans who settled here a century ago are in the throes of some chronic unwillingness to work. The unemployment lines—about 3,000 were out of work today, from a work force of about 40,000—are growing steadily, but there is a brave reluctance to accept the prospect of the shortage being permanent, and the lines of those signing on for welfare are growing at a much slower rate.

Jim Mattheson, a 44-year-old former mill worker, typifies the Nordic stoicism of this part of the world. Since he was laid off in the wake of the steel plant closure, he has taken a job at a parking garage, checking businessmen's cars in and out for 10 hours a day. For his work he gets about $450 (£180) a month, and with a wife and two young children to support, finds it almost impossible to survive.

The Mattheson's case presents the classic picture of recession meeting inflation head on: the recession has forced him to take less money, inflation means his money can buy less. The consequence, but for the food stamp programme, is that he and his children would go hungry to bed every night.

Sarah, his 35-year-old wife, dowdy and extremely tired, her snow boots leaking from a crack in the sole, was at Mrs. Zeleznikar's desk just after dawn. "This lady is typical of the kind of poverty we are starting to find here," Mrs. Zeleznikar said.

"Look at these figures. Her husband brings back $450. The taxes he pays whittles it down to $380. Gas and electricity cost over $90 in January—the family lives in a trailer—so that brings it down to $290 (propane gas, by the way, went up from $70 to $90 just before Christmas). They have to pay $200 a month mortgage on their trailer, and $30 to rent a place to park it. That leaves them $60 a month for food and clothing. I've no need to tell you that it's not enough to keep them even in bread and water."

Elaborate calculations are made by the food stamp authorities, which end up by allowing Mrs. Mattheson to buy $154 worth of stamps—the federally-calculated amount needed to buy adequate food for four for a month—for only $34 in cash.

In Washington last week the Senate debated whether to raise the price of food stamps "to relieve the burden on the Federal budget" as the White House said the week before. The House of Representatives threw out the proposal by a massive majority, telling President Ford bluntly that no democratic Congress was going to make the country's poor people bear the heat of his "battle against inflation."

The Senate went along with the House. If it had accepted the Ford Bill, Mrs. Mattheson would have to pay $54 a month for her stamps—leaving her only $60 a month for all the papertowels and clothes and shoe repairs she so obviously needs.

[From the Los Angeles Times, Mar. 3, 1975]

Agriculture Department Denying Food Stamps to 20 Million Needy, Senate Study Says

Washington.—More than 20 million needy Americans are being denied food stamp aid by the restrictive policies of an insensitive and inefficient Department of Agriculture, according to a Senate staff study released Sunday.

The 71-page report by the Select Committee on Nutrition and Human Needs calculated that by last September at least 20 million persons eligible for food stamps were not receiving them. Only 38% of those eligible were getting food stamps assistance, it said.

The report said the number eligible for stamps had risen by 50%, from more than 26 million in 1972 to 38.6 million last year. Food stamps reached 52% of those eligible in 1972.

In addition, as many as 85,000 applicants waited more than 30 days to be certified for food stamp eligibility in February, the report said.

The committee's staff concluded:

"The failure of the food stamp program to meet the goals mandated by Congress can be traced directly to the restrictive policies and practices of the U.S. Department of Agriculture, policies that have plagued the poor for years and are now preventing the food stamp program from meeting the needs of the newly unemployed."

An Agriculture Department survey released Saturday indicated that nearly a quarter of those receiving food stamps might not be eligible or their eligibility had been calculated improperly.

The Senate report indicated that the department was more concerned about food stamp fraud by a minority than about making certain that persons who were eligible got their stamps.

The Senate report recommended that the eligibility certification process be dropped in favor of the applicant's signing a sworn statement of eligibility, that the Postal Service sell the stamps and that 20% more free stamps be provided to persons who medically require a special diet.

When told of the staff report, Undersecretary of Agriculture Phil Campbell said, "It's a little unbecoming for Congress to say we are not administering the program properly when we are doing it within the law as laid down by Congress.

"We are staying within the law. You've got to have guidelines somewhere or everybody will be on food stamps, almost."

The Agriculture Department report on fraudulent use involved a limited sampling of households, and officials said they could not determine from the results how much such overpayments might total nationally.

The analysis involved 25,585 households in 46 states. During the six-month period the households received nearly $1.8 million in bonus food stamps, which go to needy persons after they have bought a specified number of stamps. The food stamp program costs about $5 billion a year.

The 17.9 million persons in the program in December bought $252.1 million in stamps and received bonus coupons worth an added $392.9 million, a bonus of about $22 a person.

In its analysis the Agriculture Department said 7.7% of the bonus stamps had gone to ineligible households because of errors in computing incomes, resources and other required information.

The study added that an additional 7% had gone to technically ineligible homes because registration requirements had not been completed and 8% had gone to households that were eligible but which either paid too little or had been given too many stamps.

[From the Washington Post, Nov. 22, 1974]

Group Says Many Fail To Ask for Food Stamps

(By Judy Luce Mann)

About 140,000 people in the Washington area are entitled to federal funds to help them buy food but for a variety of reasons, they are not taking advantage of the food stamp program, according to the non-profit Community Nutrition Institute.

This estimate is based on reports filed by area governments and the District with the Department of Agriculture and on 1970 census income data. It was made available yesterday to about 100 people who attended a workshop in the District on ways of publicizing the food stamp program.

Officials at the Department of Agriculture verified the accuracy of the institute's data on the number of people using food stamps but said they had not made any study themselves on how many people in the local jurisdictions are now eligible for help. One official said he believes the estimate of 140,000 eligible is accurate.

Local officials and community workers were told at the workshop that the number of people eligible for help is increasing because eligibility levels are directly tied to the cost of food, which is increasing.

In July 1973, for example, a family of four was still eligible for food stamps if it had a monthly income of $387, after deductions of such things as taxes, social security, child or elderly care costs, and certain shelter costs.

The eligibility level rose to $473 last Jan. 1 and then went to $500 a month in July and will go to $513 a month on Jan. 1 for a family of four.

Food stamp participants use a certain portion of their income to buy coupons worth more than their purchase price, which are then used to buy food. A family of four with a net monthly income of $290 to $309.99 could

spend up to $83 of that income and get $150 worth of stamps.

Participants also are receiving stamps that are worth more now than a year ago, according to federal standards cited by Robert Greenstein of the institute. He said that $83 bought $116 worth of stamps a year ago and that it will buy $154 worth of stamps as of Jan. 1.

Eligibility standards and benefits are adjusted to cost of living variations every six months.

The workshop was told the eligible people are not buying food stamps because they don't know they are eligibile, they are too proud to accept public help, or they are discouraged by a myriad of procedural barriers set up by localities, such as long lines and too few outlets.

The participants were concerned about telling the elderly of the program. "Food stamps should go to everybody (who has a low income), not just people on welfare," said Catherine Jensen of the human resources department's community relations division. "We have a lot of trouble getting old people to accept food stamps because they identify (the stamps) with welfare."

According to the Community Nutrition Institute, which counts only persons living at a standard that is 125 per cent below the poverty line, there are 155,742 people in the Washington area receiving food stamps and 297,321 who are eligible.

Frank Sample, Virginia state food stamp field director for Northern Virginia, said the number of applicants has been "exploding" since August, because of the economy, but his statistics included only data drawn from early summer. According to this data and the 1970 income census data, there are 2,335 recipients in Arlington and 13,606 eligible; 4,663 recipients in Alexandria and 12,645 eligible; 3,946 recipients in Fairfax and 25,534 eligible.

There are 8,967 recipients in Montgomery County and 29,239 eligible; 26,322 recipients in Prince Georges County and 53,537 eligible; and 109,509 recipients in the District and 162,761 eligible. The District, with 67.3 per cent of those eligible receiving stamps, has the highest percentage of any local jurisdiction.

[From the Montgomery (Ala.) Advertiser, Apr. 13, 1975]

Malnutrition, Food Stamp Lines: Signs of Recession

(By Jonathan Wolman)

Hard times have brought hunger and malnutrition to millions of Americans.

Government nutrition experts estimate that at least 30 million persons—15 percent of the U.S. population—are eating less than they should or are not getting the right kind of food. They say the problem is getting worse because government food programs aren't keeping pace with inflation and recession.

Interviews with nutritionists and government food officials, as well as a nationwide Associated Press survey, show that in extreme cases the recession has forced some Americans to beg, borrow or steal the food they need to get by.

These food scavengers represent a desperate minority, to be sure. Nevertheless, not getting enough food is an everyday occurrence for many old people living on fixed incomes and for urban and rural poor, the interviews and survey showed. Higher food prices mean grocery budgets are exhausted before the end of the month, forcing cutbacks at millions of dinner tables.

And, perhaps more ominous, a growing number of middle-income families are flirting with malnutrition because of job cutbacks. For most it is the first time that obtaining an adequate diet has been a problem.

Retired New York City plumber Vincent Church, bowlegged and thin as a reed at 71, is one of those having trouble getting enough food. He says he can't afford to buy groceries every week on his Social Security allowance.

"You learn, he says. "You just learn not to want to eat."

In Detroit, a middle-aged man reaches deep into a garbage bin behind a Howard Johnson's restaurant. Clutching several slices of stale bread and what appears to be scraps of lettuce, he shrugs and says, "A man's gotta eat," and walks to his car, a 1974 Chevrolet.

Nine per cent of Americans now receive food stamps, compared with 6.3 per cent in early 1974. That's a jump of 41 per cent. One Ford administration official says wryly: "It is the nation's largest growth industry."

The government will spend $9 billion this year to help feed people, but because assistance is entangled in red tape and because President Ford proposes to cut most food aid budgets, critics say the administration is trying to sabotage its own food programs.

The Department of Agriculture (USDA) estimates that 43 million persons are eligible for food stamps. In 1969, the special Senate Committee on Nutrition and Human Needs said there were 38 million people eligible. Today, 24 million of those eligible are not getting stamps, and government nutritionists say the majority almost certainly are malnourished.

Of the 19 million persons who do receive stamps, an estimated 11 million never earn enough to go off the stamp rolls. The program provides an average of $10 per week, not enough to sustain a satisfactory diet, nutritionists agree.

A woman receiving food stamps in Richmond, Va., says: "I don't guess I'll starve, but with the little food my money buys now, I know I'm not getting what I need to eat."

According to a study spanning 1971–74, "Biochemical indicators of iron, protein and vitamin A reveal that 10 per cent of the population were below recommended standards," says Dr. Jean-Pierre Habicht of the U.S. Government's National Center for Health Statistics. Habicht says this means most of them are malnourished.

Based on the study, he guesses that "with the current economic strains, 15 per cent of of the population (32 million persons)" may be deficient in some area of their diet. Other nutrition experts within the Department of Health, Education, and Welfare, who did not want their names used, estimated as many as 40 million people are malnourished and could face health dangers.

The AP survey shows that many Americans are sacrificing protein to save money, and nutritionists say they fear the economic decline is reversing the six-year government war on malnutrition.

The problem is centered in industrial areas hit hard by layoffs, in "gray ghettos" where old people live, and in traditional poverty pockets in the South and the Northeast.

The victims are among the 23 million chronic poor—11 per cent of all Americans who never seem to make a living wage; senior citizens living on a fixed income; and the recently unemployed or working people unable to out-earn inflation.

Inflation—28.9 per cent in 1973 and 1974—has driven the federal poverty level up, covering now a family of four with an annual income of $5,040 (it was $3,743 in 1969) and a person living alone on an income of $2,360 (up from $1,757).

Dr. Michael Lane at the U.S. Center for Disease Control (CDC) in Atlanta says: "That means more people are hungry—but we don't know how many more, and we don't know how hungry."

Dr. Habicht takes a long look at the biochemical data, and muses: "Unfortunately, the specific health consequences of these deficiencies are not clearly understood."

Malnutrition—a weakened condition brought about by eating the wrong foods or not eating enough—may leave millions of Americans in a poor position to ward off illness, especially anemia and cardiac disease, the experts say. A good diet helps assure proper mental and physical development in the very young and fortifies resistance to illness in the elderly.

Hunger, the craving for food, is harder to get a grip on. Lane says the U.S. Public Health Service doesn't know how many Americans are always hungry.

Since stamps are designed to buy only a short-term, emergency diet, the 11 million persons who qualify permanently "will pay the price in good health," says Bill Clexton, director of health in Detroit.

HEW Secretary Casper Weinberger says: "Good food is probably a lot better than going to the doctor. When you have nutritional problems, I think it affects your health more quickly than anything else."

Despite what nutritionists say is a sharply increased need for food assistance, President Ford has proposed cutting back on child-nutrition programs and holding the line on meals for the elderly.

"How in the world can he expect to save money on assistance programs now?" asks one county welfare director in Michigan who did not wish to be named. "Doesn't he know what's going on out here?"

Well before dawn on a chilly Monday morning in south Florida long lines stretch outward from a food stamp center in Miami.

Some 500 persons have waited for hours, shifting uncomfortably from foot to foot beneath staunch palm trees, when a rugged looking man holding a young child bellows into the darkness:

"We're hungry, goddammit."

It is the new American breadline, these first-of-the-month marathons at food stamp distribution centers. They appear from coast-to-coast—in Seattle, Appalachia, Detroit, rural Maine—anywhere unemployment is a problem.

Perry Powers, the 42-year-old laborer who spoke up in Miami, has been working "one job or another every day since I was 17," most recently wielding a jackhammer in nearby Fort Lauderdale.

"Never missed a day in my life," Powers says—until he was laid off when the construction boom fizzled. "Now I don't know when I'll work again. My kids are hungry, and for the first time I'm scared."

Until last fall, 65 per cent of all food stamp recipients were from public assistance rolls. USDA says most recipients now are people from the workforce, the "new poor."

Because food stamp discounts are based on income, not health, many current recipients would not be malnourished even without the discounts. For others receiving stamps the food program provides just enough buying power to keep up a good diet.

But a complex income formula, which limits the amount of savings or assets a person may acquire and still be eligible, disqualifies many people no matter how little income they have after recession hits.

Alice Bean, who heads a welfare advocacy group in Portland, Maine, says that "old people who saved money just so they'll have a decent funeral" are ineligible for food stamps because more than a little money in the banks disqualifies most.

Many laid-off workers would have to give up mortgage payments to qualify for food assistance and most prefer to sacrifice their diets than their homes hoping things will get better, says Gerry Cassidy, counsel to the Senate nutrition committee.

[From the New York Times, Mar. 3, 1975]

SENATORS CHARGE 20 MILLION NEEDY LACK FOOD STAMPS

(By Nancy Hicks)

WASHINGTON, March 2.—Before dawn tomorrow, America's new breadlines will begin forming as the newly unemployed and the chronically poor begin the monthly ordeal of applying for or buying food stamps.

And as long as the lines are, a 71-page report issued today by the Senate Select Committee on Nutrition and Human Needs estimates that only 38 per cent of those eligible for food stamps are getting them, leaving off the rolls some 20 million eligible persons.

The lines will include people such as Victoria Toy, 22 years old, the wife of a Miami policeman, who has been caught in an economic bind of rising food costs, high medical expenses for her two children and a newly imposed ban on overtime on her husband's job, which has reduced the family income.

And there will be people such as Jeff Emert, 25, of Phoenix, Ariz., who lost his $150-a-week job as a construction worker and now lives on the $50 a week he earns as a part-time tennis instructor.

But there will not be people such as Gloria Long, a 30-year-old working mother with a son and a diabetic mother who will never receive food stamps because, after hours of waiting for an interview, she failed to have all the necessary documentation and vowed never to return.

"I have too much respect to go through this hassle again," she said as she left the Department of Welfare office on South Broad Street in Trenton.

All over the country, scenes such as this have been occurring in what may be one of the nation's fastest-growing and most controversial social programs.

"They wait in line, and they wait too long," said Michael J. Jacobs, supervisor of the district welfare office in Chicago, who said that he had found as many as 60 people waiting to apply when he unlocked the doors at 8:30 A.M.

ENROLLMENT RISES RAPIDLY

The demand for food stamps has pushed national enrollment in the program up to 17.9 million, as of Jan. 31. Two million joined the rolls in December and January alone, as unemployment grew to 8.2 per cent of the labor force.

Most food stamp recipients are drawn from the ranks of the chronically poor. A study by the Congressional Joint Economic Committee showed that as of November, 1973, the average recipient had a monthly income of $364, 80 per cent of that drawn from Federal and state programs for the poor. More than 70 per cent of the heads of participating families were not in the work force.

The program cost $4-billion last year.

Three reports released this weekend charged that the program was badly administered, was distributing more stamps than it should in some instances and was not reaching the people who needed them most.

"The food stamp program is suffering from grave administrative inadequacies which I fear may invite its political critics to attempt to discredit it," said Senator George McGovern, Democrat of South Dakota, who is chairman of the Senate select committee.

He offered 15 recommendations, one of which would include certification by the applicant's declaration of eligibility rather than by the complicated certifying procedure now used. This approach has resulted in some 65,000 applicants' waiting more than 30 days to receive benefits, he said. Any fraud would be detected in random audits, similar to those conducted by the Internal Revenue Service on income tax returns.

Yesterday, the Department of Agriculture, which administers the program, reported it had found in a broad sample of recipients that 23.2 per cent were receiving more assistance than they were legally entitled to. The General Accounting Office, investigative arm of Congress, issued a report critical of the structure and the administration of the program.

"HIPPIES IN COMMUNES"

The current food stamp program, in effect since 1964, allows a family of four to receive $154 a month in food stamps, which the Department of Agriculture estimates it costs to purchase food for a nutritious diet. The amount that the family pays for those coupons depends on its net income, computed from gross income with certain deductions for large medical expenses and other costs. The family of four with a net income of $130 a month or less receives its food stamps free. Others pay on a sliding scale. All payments average 22 per cent of families' net monthly income.

The department and President Ford had sought to raise the purchase price to 30 per cent but Congress voted overwhelmingly to prevent that.

The Congressional fight that held down the purchase price of the stamps, though, was rife with suggestions by legislators that the program was filled with "cheats."

Senator Milton A. Young, Republican of North Dakota, complained about "hippies in communes who do not want to work" being in the program.

Senator Herman E. Talmadge, Democrat of Georgia, recounted a story in which a man drove a Cadillac up to a store and bought $189 worth of steak with food stamps.

Senator Carl T. Curtis, Republican of Nebraska, told of a constituent whose landlord was receiving food stamps.

The complaints are reminiscent of those about welfare programs in the nineteen-sixties when the welfare rights movement began looking at the full range of benefits to which recipients were entitled and demanding that they be given. This activity resulted in a backlash against "welfare cheats" and a tightening of regulations.

With the food stamp program, however, most of the criticism has been directed at the Agriculture Department for withholding legislated benefits and failing to seek out eligible participants. In some cases, the local certifying agencies have come under attack for harassing applicants by such actions as refusing to allow them to use bathroom facilities.

JUDGE ORDERS FUNDS SPENT

Last fall, a Federal judge ordered the department to review all state recruitment programs and to require the submission of new plans where deficiencies were found to exist.

The judge, Miles W. Lord of Minneapolis, also ordered the department to spend $278-million that had been appropriated but not spent in the fiscal year 1973 for the food stamp program.

Others, such as the Senate committee, would like to see certification streamlined in other ways. Currently, recipients must appear periodically at local offices and reapply. Some localities allow participants to purchase their stamps in post offices and banks, facilities that are easily accessible.

In cities such as Miami where stamps are purchased at social service offices, an estimated 2,000 people a day show up during the first few days of the month to buy their stamps, according to Paul E. Aubert, the regional food stamp administrator for Dade County.

For this reason, the Senate committee would like recipients to be able to purchase food stamps in post offices.

Robert Greenstein of the Washington-based Community Nutrition Institute wants local food stamp workers to make it clearer to recipients that they do not have to buy all their stamps at one time.

Because this point is not emphasized, Mr. Greenstein said, many people who do not have the money needed to purchase their monthly allotment of stamps do not apply for them at all.

[From the Madison (Wis.) Times, Apr. 4, 1975]

LUCEY TRYING TO INCREASE STATE'S PARTICIPATION IN FOOD STAMP PLAN

Gov. Patrick J. Lucey said today he is looking into ways to increase the participation of eligible people in the food stamp program.

Lucey's remarks came after he gave the keynote address at a conference on nutrition being held today and Saturday at the Wisconsin Center.

Two presentations to the conference called attention to Wisconsin's low participation date in the federal program.

"I don't know how much we can do legislatively beyond mandating that the program be available," Lucey told reporters after his speech. "People just aren't informed of their eligibility."

He noted that the current budget requires all of Wisconsin's counties to provide food stamps.

One possibility to increase awareness of eligibility, Lucey said, was to use federal Manpower dollars to hire outreach workers.

Lucey drew applause from the 200 nutritionists, health planners, and consumer advocates at the conference when he made reference in his speech to the difficulties poor people have in obtaining food stamps in other nutritional programs.

"Too often these programs fail to reach those whose need is greatest because of their lack of knowledge of the existence of the program, because of bureaucratic inefficiencies, or because politically inspired barriers to access," Lucey told the conference.

In a speech scheduled for delivery this afternoon, Pat Raymond, coordinator of the People's Rights Organization, called on the governor to declare April 14–20 "Food Stamp Outreach Week" to increase the number of eligible people receiving food stamps.

Raymond cited statistics which show that less than 28 per cent of those eligible for food stamps in the state are actually receiving them. "Only seven states in the country have a worse record," she claimed.

A report by University of Wisconsin poverty researcher Maurice MacDonald put the state's participation rate even lower. Only 24.4 per cent of those eligible are participating, he said, ranking Wisconsin 45th in the nation.

The national participation average is 44 per cent, he said.

In Dane County, about 16 per cent of those eligible for food stamps are receiving them, according to MacDonald, putting it among the lowest 15 counties in the state. Madison had the lowest participation rate—also about 16 per cent—of any metropolitan area in the state.

According to MacDonald, one of the reasons for Wisconsin's low food stamp participation rate is the state's high Aid to Families of Dependent Children (AFDC) payments, which could mean some AFDC recipients do not qualify for significant amounts of food stamps and thus do not apply.

But both MacDonald and Raymond placed part of the blame on the state's failure to

push food stamps through an effective outreach program.

"Wisconsin has made no effort to reach our hungry people with news of this program in spite of the fact that Wisconsin is required by federal law to have an outreach program 'to inform low-income households concerning the availability and benefits of the food stamps program and insure the participation of such households,' " Raymond charged.

She maintained, "This failure to inform people about and insure participation in the food stamp program has led to an estimated 355,000 men, women and children being deprived of an adequate diet."

Raymond noted that 50 per cent of the cost of administering the food stamp program—which is done on a county level—is funded by the federal government. The food stamps themselves are a U.S. Department of Agriculture program.

If another 50,000 Wisconsinites were enrolled in the program, she said, "Wisconsin's economy would get an additional $10 million in federal funds, as a result of the food stamp bonus, thus increasing the purchasing power of our low income people.

[From the Pittsburgh (Pa.) New Courier, Apr. 19, 1975]

TO BE EQUAL—FOOD STAMP LOGJAM

(By Vernon E. Jordan, Jr.)

The food stamp program seems to be going the way of the welfare program—a rational attempt to help people in need deteriorates into an irrational attempt to make getting that help difficult.

Just as in the welfare system, people trying to exercise their rights to legally-mandated aid find themselves faced by suspicion, extend help find themselves instead, trying neglect and bureaucratic hurdles to overcome. The people who are supposed to be extending help find themselves instead, trying to limit people from getting that help.

The basic reason for the problems the food stamp program has been having lies not with the large increase in recipients, but in the attitude of administrators that something must be wrong with anyone who applies for them, and that applicants are probably not eligible anyway, and are trying to "rip off" the government.

It is just incredible how this nation can shovel hundreds of millions of dollars into openly corrupt dictatorships in southeast Asia, where local generals and officials literally steal us blind, but when our own jobless seek food stamps worth a few dollars a month, they're viewed with suspicion and distaste.

This is an attitude typical of popular ideas about human service programs. All those inflated stories about "welfare chiselers" have finally caught up with many workers who spent their time complaining about the "cheats on welfare" and now, having lost their jobs in the Depression, find themselves in the same position of seeking aid.

The concept of blaming the victim has to be changed. People are poor and need aid not because of personal failings, but because the economic system doesn't work for everyone in good times, and in times like these it doesn't work at all for many people. It has been estimated that over a four-year period, over 80 million people are poor at one time or another.

So let's get rid of that sickness of outlook that assumes they're all trying to cheat the government. Big operators take millions at a shot, but when an overpayment of a few dollars on a welfare check is discovered, the papers start screaming "theft."

A recent federal report indicates that some people getting food stamps are ineligible for them. Much is made of this, but what does it mean? Merely that someone applied for stamps, was granted the right to buy them, and was later discovered to be making a few dollars over the legal eligibility limit. So what? That's not cheating, it's a bureaucratic error of no real significance, since that person's actual economic condition is still bad, and the extra few dollars doesn't change that reality.

What is far worse are all those people eligible for aid who don't get it. Although some 18 million people are currently receiving food stamps, a federal study indicates they amount to only 38 percent of all eligible people.

The law makes it the duty of food stamp administrators to inform people about the program and to undertake "outreach" programs that include people in it, but no real attempt has been made to do this.

The rational way to deal with the eligibility problem is to have applicants for stamps file a simple declaration of income. Spot-checking would discourage people from lying on these forms, just as the spot-checks made by the income tax investigators keep most taxpayers honest. The point is that honesty should be assumed and should replace the suspicion that pervades the system that makes legitimate aid into something degrading and not worth the dehumanization of filling out lots of forms and being treated like a criminal.

Anyone who thinks the food stamp program is, for all its cost, giving that much help to people is not familiar with the fact that the subsidy to each person in the program comes to only $22 a month.

And, like all such transfer programs, the recipient of the aid is not the real beneficiary. In the case of food stamps, the real winners are the food producers and retail stores that exchange food for stamps. The program insures their profits and keeps many in business.

No one need apologize for participating in a program that helps people in need buy food. The real apologies are due from the administrators who strangle the program in red tape and from the budget-cutters trying to save pennies at the expense of someone else's hunger.

[From the Denver (Colo.) Post, Mar. 12, 1975]

COLO. FOOD STAMP PROGRAM "TRAGEDY"

(By Charles Roos)

A state senator said Tuesday Colorado's food-stamp program is a "tragedy" and seems to be approaching "chaos."

The remarks by Sen. Regis Groff, D-Denver, a teacher and former caseworker, followed descriptions of the program to the Senate Health, Environment, Welfare and Institutions Committee.

The committee is considering a resolution asking Congress to review the program and also to block a plan by President Ford to raise the price of food stamps to many low-income persons.

Sen. Dennis Gallagher, D-Denver, sponsor of the proposal, said the most vulnerable needy group are elderly persons, who need and deserve special treatment under the program.

CRITICAL OF BUREAUCRACY

Groff's criticisms of the program weren't directed at the people who run food-stamp offices, but chiefly at the bureaucracy.

When he was himself a caseworker, Groff said, he felt so "bound by paperwork" that he couldn't do the job the way it ought to be done.

Groff questioned the requirement of elderly people to prove over and over again that they need the food-stamp program to help fill out their dietary needs.

"Once an elderly person has shown he is needy, that isn't going to change until the day he dies," Groff said. "What's to be suspicious of the elderly? They don't have anything hidden under the bed. They don't have a boxful of money."

STATE'S HANDS TIED

"It's inhumane, and it's nonsense," Groff said.

The state director of food-stamp operations, Ronald Mikesell of the Department of Social Services, seemed to agree, but said the state's hands are tied.

"Under federal regulations, it may not be 'necessary,' but it is required," Mikesell said drily.

A pressing need is for more office workers in food-stamp centers throughout the state, Mikesell said.

Since the economic downturn hit Colorado last year, he said, office staffs have been overwhelmed by applicants for the stamps, which are purchased at a discount by needy persons to help fill out food budgets.

Lines often form at Denver food-stamp centers at 5 a.m., two hours before the doors open, Mikesell said.

He conceded that applicants may sometimes be treated rudely but argued that overworked, worn-out staffs simply can't handle the job properly.

Earlier Tuesday, the Senate took action to provide some relief for the staffing situation. A supplemental appropriation including money to hire 33 workers was approved.

Mikesell said the true need is for about three times that many workers.

Many persons who need food-stamp assistance and are qualified to get it are unable to do so because they are too proud or are physically unable to go through the procedure, Mikesell said.

He estimated only 30 per cent of eligible old people in Colorado are in the program.

CATHOLIC AGENCY'S AID

Sister Mary Alice Murphy of Denver Catholic Community Services said her agency has helped many food-stamp applicants, including advances of money to make initial purchases of stamps.

"But there is no way our agency can continue to meet the gaps in the program," she said. "The voluntary dollar can keep up with this effort."

Gallagher said older persons are hardest hit because they often have special dietary needs and find it difficult physically to go through the ordeal of applying, qualifying and buying stamps.

The committee chairman, Sen. Ted Strickland, R-Westminster, said he will insist that any message to Congress from Colorado ask the federal government to review "abuses" of the program.

Strickland specifically questioned whether strikers ought to be eligible for stamps. And he is afraid, he said, that the answer of Congress to any criticism of the program "will be just to throw more money into it."

Mikesell invited the committee to visit a Denver food-stamp center either early some morning or in the evening. Strickland said the group might do that.

[From the Kansas City (Mo.) Star, Apr. 10, 1975]

FOOD STAMP ISSUES SLOW IN CLAY COUNTY

(By Ted Stein)

The Clay County Family Services Department is about three months behind in processing applications for food stamps because of a shortage of caseworkers.

About 240 applications—some dating back to mid-December and all filed by at least March 1—were pending at the end of last month and were considered delinquent, and another 160 were pending that were filed

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after March 1, state and county family services officials said this week.

Increased case loads resulting from recent layoffs, high unemployment and economic recession cannot be handled by the three caseworkers who currently consider applicants not receiving any other welfare aid. Mrs. Sandra Brooks, Clay County director of family services, said.

Applications not processed 30 days after they are filed are termed delinquent under federal food stamp guidelines, Mrs. Brooks said. An additional five caseworkers are needed to eliminate the backlog, she added.

In nearby Platte County, although food stamp applicants have doubled during the past eight months, no significant delay problem exists, Mrs. Elsie Wells, director of family services for Platte County, said. Platte County officials have been promised one additional caseworker by the state. Nineteen applications were delinquent early this week, Mrs. Wells said.

In Jackson County state officials said about 260 applications were delinquent at the end of last month.

The three Clay County caseworkers handle about 250 food stamp applications a month, officials said.

The situation does not seem to be easing. "Let's say it's not getting any better," Mrs. Brooks said. "Usually you can't even find a place to sit down in our waiting room."

Mrs. Brooks added that those who need immediate aid are getting it. Emergency food stamps for a 30-day period are being issued to about 200 persons a month, she said.

Processing such emergency requests contributes to delays, she said, since the requests are given priority over ordinary applications.

The shortage of food stamp caseworkers is statewide, an official of the Missouri Social Services Department said.

"The whole state has felt this," Thomas McLaughlin, deputy state director of income maintenance, said. "Many of the persons applying have low-paying jobs. Last year their money went around. This year it won't."

State officials have been asking metropolitan areas like Kansas City, where the caseworker shortage is most pronounced, to donate federal public service job funds obtained by the cities to hire more workers. But so far only about 130 federally funded positions have been offered, none from the Kansas City area, McLaughlin said.

"The attitude they've taken is that it's the state's responsibility. But these people are also residents of the Kansas City area," McLaughlin said.

"We've never used public service (funds) until this year. But we've had to this year because the general funds were not there," he added.

The Clay County Court last week discussed allocating federal manpower funds to hire an additional county caseworker. The move was opposed by Charles S. Broomfield, western judge. "I think we ought to take care of ourselves (Clay County)," he said.

No action was taken on the matter.

State officials have requested an additional 87 caseworkers for the fiscal year starting July 1. McLaughlin said Gov. Christopher S. Bond has opposed the increase. "That (the increase) won't be decided until July and we need help right now," he added.

State officials want to use some federal Manpower funds for less populous counties and cities to hire caseworkers for the Kansas City area, but they have not yet received clearance to do so, McLaughlin said.

McLaughlin said he couldn't predict when more caseworkers would be assigned to Clay County. "We'll get them out there as soon as we can," he said.

Government officials, meanwhile, have been receiving complaints about delays in processing food stamp requests. Since Jan. 1 the Kansas City office of Sen. Thomas F. Eagleton (D-Mo.), has received about 20 complaints locally, a staff aide said.

Rep. Philip Snowden (D-Gladstone) said he has received about 10 complaints. "I have checked these people out with the welfare department to see if they have overlooked anyone," he said. "But generally I find out they're in the same stack with everyone else."

Most states are suffering from delays in dispensing food stamps because of shortages, McLaughlin said.

A U.S. Senate bill proposed by Sen. Philip Hart (D-Mich.) seeks to increase the share of state administrative costs paid by the federal government and allocate $20 million for hiring food stamp caseworkers and support staff nationwide from the ranks of the unemployed, a spokesman for Eagleton's office here said.

[From the Ann Arbor (Mich.) News, Apr. 4, 1975]

MILLIKEN TOLD TO CUT FOOD STAMP OBSTACLES

(By Bud Vestal)

LANSING.—Gov. William G. Milliken got a message from Washington: don't make people stand in line many hours or wait a month to get food stamps if they are eligible.

It was brought by an old friend, Edward J. Hekman, formerly a Grand Rapids industrialist and now national administrator of the Federal Food and Nutrition Service which has become a multi-billion dollar business. The food stamp program alone now costs an estimated $4 billion a year.

Other programs administered by Hekman include the school lunch program and the child nutrition program for infants and expectant mothers, and the school milk program.

Hekman said after a meeting with Gov. Milliken and staff members, lasting more than an hour, that he urged the Governor, as he is urging governors of all states, to build an adequate staff to administer the "fast-expanding federal food programs."

One objective, he said in answer to questions, is to process applications rapidly and "not make people stand in line for hours or wait 30 days to get on a program."

He said new federal regulations for the food programs will require "a certain level of competence in administrative staff" and funds can be withheld if the administration doesn't meet federal requirements.

But he had good news for Michigan: the "error rate" of overpayment in the food stamp program in Michigan is relatively low—only four and a half per cent "over-benefit" compared to a national average of eight per cent.

And he had bad news: while approximately 4,500 Michigan schools have entered the lunch program—which provides lunches at low prices and in many cases entirely free—but more than 1,000 schools are not in the program.

He also said that 640,000 persons in Michigan take part in the food stamp program, making it one of the largest federally-financed programs of aid in this state. It is estimated that, nationally, 18 million Americans will be in the program by June, Hekman said.

He emphasized that his message to Milliken was partnership "that this is a federal-state program in the management of it, and the federal government pays half the cost of administration."

Hekman is on tour in which he will visit five other states and talk with governors: California, Florida, Arkansas, Idaho, Nebraska. He said he had asked his regional directors to pick a state in each region where a visit would be beneficial.

"Michigan has a high level of unemployment, and it's my home state," Hekman noted.

The meeting was unannounced and afterward Gov. Milliken and his staff had no immediate comment on it. The Governor has already ordered the Social Services department to put more employes into the food stamp and unemployment compensation programs to speed up application processes. News media had carried pictures and stories of long lines of applicants waiting in the cold for state offices to open.

[From the Miami (Fla.) Herald, Apr. 2, 1975]

FOOD-COUPON RECIPIENTS TO RISE TO 80,000—STAMP LINES GROWING

(By Dorothy Gaiter)

Lines formed at six of the eight Dade County food stamp offices, Tuesday as 9,000 more eligible persons certified to participate in the program this month began seeking aid. Program Administrator Thomas McConnell said the number probably will increase during the next two or three months.

The increase, McConnell said, brings to 75,000 households buying stamps with 200,000 person receiving the benefits from them. On March 1, the number of residents eligible for the program reached a record 180,000.

By the end of the month, McConnell said about 80,000 households probably will be receiving stamps.

Although recipients are requested not to flock to the offices during the first week of the month, many continue to come then when their welfare and pension checks arrive and while they still have money, supervisors said.

Others cannot wait until the second or third week because inflation has boosted the cost of food and curtailed the buying power of the stamps, officials added.

Despite the increasing number of cases handled, McConnell said, his staff has grown only by four since last month. He has 221 employes.

Although a new office opened Monday at 3400 NW 135 St. in Opa-locka to relieve the Model City center of one-third of its case load, Frank Clark, supervisor of the Model City center, said people lined the streets at 4 a.m. By 3 p.m., 21,000 had been served, he said.

Many recipients who have fluctuating incomes were recertified Monday. They can return today to buy stamps.

Officials of the two offices with no lines—at 5818 SW Eighth St., and 550 Perrine Ave., said they eliminated first-of-the-month crowds by talking to the public and explaining the problems.

"If we talk to 50 per cent of them and if they understand us, they'll cooperate," Frank Calvo, manager of the Eighth Street Office said.

Supervisors at the Perrine office talk to community groups, PTAs and other school groups asking recipients to come to their offices after the first week.

Social Security offices, which normally are crowded at the same time as the food stamp outlets, enjoyed a quiet day Monday. Joe Scott, assistant manager of the downtown office said he expected to be deluged by people at the beginning of next week.

McConnell said cameramen from the British Broadcasting Corp. filmed the food-stamp operation at one office because Dade County's program is one of the best in the county "for reaching the public."

[From the Boise (Idaho) Statesman, Mar. 20, 1975]

ANNUAL VOLUME SOARS 436 PERCENT—FOOD STAMPS USE SKYROCKETS

(By Sandra Watkinson)

Across Idaho, food stamp use continues to soar—the case load through February this year was up 436 per cent over what it was in January of 1974, Health and Welfare Department officials said.

However, a loose alliance of citizens is convinced there are still many eligible people who don't know they're eligible and need the stamps. One out of every six Idahoans is eligible, according to one study.

The citizens group, formed in January, has no name. Made up of representatives of various public and private organizations, its avowed purpose is to promote and explain the food stamp program to the people who can most benefit from it.

In Idaho, the number of cases in the first month of 1974 was 1,912—by the end of January, 1975, the load was 9,201. In February the load was up 10 per cent to 10,249 and Health and Welfare predicts the March load will be 11,647 cases, up another 12 per cent, from the month before.

However, the new "outreach" group promoting food stamps said that based on Department of Special Services figures, one-third of Idaho's population is below the poverty line. A national study based on late 1974 figures said in Idaho only a fourth of those eligible for the stamps are getting them, and 17 per cent of the population is eligible.

"We're a loose-knit organization of interested people working to clear the air as to the comments being made about food stamps and trying to reach more people in the state to tell them they're eligible," said Joy-Buersmeyer, League of Women Voters member who's part of the three-month-old "outreach" organization.

The group also has representatives from the Welfare Rights Organization, the Young Women's Christian Association (YWCA), H & W, the Department of Agriculture, Community Action Agencies and others, she said. There are about 30 people actively working in the Boise area with contacts throughout the state, she added.

Ms. Buersmeyer said there are misconceptions about how many students buy food stamps. In the Boise office of H & W roughly a fourth of the recipients are college students.

A new federal ruling which was scheduled to go into effect March 1 will tighten current student use. Students whose parents claim them as dependents will no longer qualify to buy the stamps unless their parents also qualify.

However, John Clark of H & W's Regional IV public information office said the ruling won't go into effect until the regulations are forwarded from Washington. That's expected to happen early in May.

The outreach alliance says that H&W has a problem in handling food stamps because there's not enough money for enough eligibility workers. Additional funding has been requested of the legislature, a move which the alliance supports.

The group is also worried about who's going to sell the stamps. The eligibility examiners give successful applicants an "authorization to purchase"—but they have to buy the stamps from places that have bondable employees and reasonable security, such as banks, she said.

Downtown Boise banks sell the stamps, Ms. Buersmeyer said, but recently Idaho First National Bank announced it won't handle them any more. "We're concerned that the rest of the banks will follow," she said. Those who sell the stamps for the government are paid a fee.

[From the Nashville (Tenn.) Banner, Mar. 27, 1975]

FOOD STAMP ROLLS INCREASE IN STATE

The Tennessee food stamp rolls increased by 9,703 persons in February, part of a 32 percent increase since October.

In February, 129,289 households and 447,842 individuals were receiving food stamps in Tennessee. The low-income participants paid $5,070,208 of their money last month and received $11,461,577 in food stamps from the federal government.

Food stamps are provided by the U.S. Department of Agriculture and administered by the Department of Public Welfare.

In response to advertisements for a food stamp information kit costing $3, Welfare Commissioner Horace Bass pointed out that this information is available without charge in USDA and state publications available at food stamp offices.

"I want to remind everyone that complete information on all aspects of the food stamp program is available to anyone without charge," Bass said.

"I make this reminder because private companies are offering for sale the same information available for free to anyone."

[From the Denver (Colo.) Post, Oct. 4, 1974]

INFLATION LEADS TO BIG JAM FOR FOOD STAMPS

(By Sharon Sherman)

Inflation has forced so many Colorado families into food stamp lines that there is a severe backlog at food stamp offices throughout the state, according to social services officials.

Nearly half of the 129,901 persons receiving stamps are from low-income working families rather than families on welfare, a Thursday news release reported.

"Our large food stamp offices in Denver, Boulder, Colorado Springs, Greeley and Pueblo are hard-pressed to handle the increased applications, with eligibility staff stretched to the limits in certifying the flood of low-income and elderly persons applying for food stamps," said Con F. Shea, director of the Colorado Department of Social Services.

Shea said those applying for stamps in Denver and Greeley are required to make appointments as much as 30 days in advance, except in an emergency.

If families run out of food and have no money, Shea said, they may come to a food stamp office on a walk-in basis but may have to wait hours before being interviewed. In January, when the upsurge began, some applicants were waiting 10 hours, only to be turned away at the end of the day.

Shea said he will ask the General Assembly for more stamp eligibility technicians to try and reduce the backlog.

He said new U.S. Department of Agriculture rules have added to the workload of technicians. Those rules require more investigations and home inspections of applicants.

Shea also said many persons once automatically eligible for stamps now have to be recertified. Those persons are former recipients of state assistance programs for the aged, blind and disabled who are now receiving the federal Supplemental Security Income (SSI).

"This means that the elderly couple down the street living on a fixed low income of combined Social Security and SSI payments must now fill out a four-page application, be personally interviewed and await the results of income verification from all sources," Shea said.

Shea said the worst delays in processing food stamps applications are occurring in the state's 10 largest counties, who operate 17 percent of the program.

[From the Dover (Del.) State News, Oct. 4, 1974]

DELAWARE'S FOOD STAMP FOULUP

(By Donna Stevenson)

The long wait applicants to Delaware's food stamp program must undergo is an example of poor planning for which there is no excuse.

An article in yesterday's editions of an upstate newspaper revealed one Wilmington couple waited about four months for an interview and will probably have to wait another month before they receive authorization to buy stamps.

Theirs is not an isolated case, and the long wait has been attributed to a state-run system with budget limits on the amount of money and number of people that can be expended on the program.

A little foresight might have prevented a situation in which the needy suffer most. It's just common sense that 30 people is an inadequate number to run a program affecting such a large number of Delaware residents in the low-income bracket.

Why weren't enough people and money budgeted to make the program effective? Or isn't the basic need for food a priority item?

Since the Delaware program is hampered by inadequate staffing and bureaucratic red tape, perhaps another system should be tried.

Food stamp programs in other states are also being deluged with applications, but faster results are being obtained through the municipality and county-run systems.

Such a system may not be feasible for Delaware, but it wouldn't hurt to give an alternative method some consideration.

[From the Hartford (Conn.) Times, Apr. 7, 1975]

STAMPS PUSHED, BUT . . . THOUSANDS SHUN FOOD HELP

(By Dan Fitts and Jim Weslowski)

An intense new campaign may get more people to join the food stamp program, but thousands of state residents probably won't enroll because of continued ignorance or confusion.

With an estimated half of those eligible not participating in the program now, Connecticut may be losing as much as $40 million a year in federal aid for food stamps and that money, by one estimate, could create another 1,600 jobs in food services and related businesses.

Many who stay out of the program will be elderly. Cecil McCarthy, director of the state food stamp division, cites estimates that as many as 6,000 Hartford senior citizens go to bed hungry sometime each month. But they don't apply for food stamps, he says, because it is inconvenient or they believe it would be degrading.

Others will miss out because of language barriers, a lack of understanding of eligibility or because they are just too busy making ends meet to notice the program.

A recent Washington, D.C. study said only about 40 to 47 of Connecticut resident who could have gotten food stamps were getting them last fall—and that was better than most states. The national average was between 31 and 37 per cent.

McCarthy says such statistics can be misleading. He thinks the 53,000 Connecticut families now getting food stamps represent about 65 per cent of those who could qualify.

But he thinks it will be hard, even with his office's new campaign, to enroll more than three-fourths of all potential recipients.

"If we reach 75 per cent, I think we'd be doing a fantastic job," McCarthy says. "Remember the resistance, and it's a very, very real factor. Very real."

Reasons for resistance vary. One, cited repeatedly by food stamp officials, social workers and others, is the reluctance some people have about getting government aid.

Edward T. "Ned" Coll, director of the Revitalization Corps, says it is unfortunate that the food stamp program is administered by the Welfare Department. Many incorrectly assume they have to be on welfare to qualify; others feel they would be somehow degraded by receiving food stamps.

McCarthy says that if he could talk to such people he would emphasize that food stamps are a subsidy, just like federal sub-

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sidies for highways or developing aircraft engines. He'd say participating in the program is good for the state's economy and that recipient's already help pay for the program through federal income taxes. (The state investment is half the cost of administering the program.)

Connecticut now gets more than $2.5 million a month in federal food stamp aid and could get twice as much with full participation.

Robert Greenstein of the Community Nutrition Institute in Washington, D.C. estimates that one new job is created for each $25,000 in federal food stamp funds used in a year. Connecticut could gain perhaps 1,600 jobs by finding all the estimated eligible and enrolling them.

Greenstein says the hang-up of the program's connection to welfare is probably not the biggest single cause for rejections of food stamps. Polls show the initial cost of buying the stamps may be a bigger problem.

For instance, Connecticut pensioners buy food stamps once a month. A qualifying elderly couple could receive up to $154 worth of food stamps by paying $65.

The couple doesn't have to buy the full amount each month But this fact is not always made clear to those applying for the stamps.

Now the Welfare Department's food stamp division is implementing new federal court-ordered measures to increase participation. Other government and private agencies continue referring potential recipients.

The Welfare Department has set up a toll-free information hotline and is planning a number of "outreach" efforts, including a one-time mailing of food stamp information with telephone bills, posting signs explaining food stamps in state unemployment offices and setting up booths in supermarkets.

It also plans to coordinate these moves with unions, volunteer agencies and representatives of the state Department of Aging in all towns.

In an effort to reach the elderly in Hartford, food stamp applications may be processed at the new Multi-Service Center for the Elderly when it opens in about a month at 360 Main St.

Roger W. Yurkevicz, coordinator of services to the aging, said despite efforts to get the city's elderly to buy food stamps "there has been a problem getting them to go to the State Welfare Department's 2550 Main St. office to try to get the stamps."

Many senior citizens think the location is too far from their homes and the wait at the welfare office too long to check out qualifications, Yurkevicz said.

Connecticut is considering getting senior citizens using food stamps to spread word of their benefits to friends not participating. In Rhode Island officials found putting out information through churches the best method for enrolling the elderly.

The new emphasis to find people grew out of a federal court ruling which staid the poor state of the economy meant the state had to streamline its procedure for getting food stamps and had to develop ways to find potential recipients.

The Welfare Department also is hiring about 40 persons and buying special calculators to speed the processing of applications.

Many feel the attitude of those processing the applications is a major factor in whether people will come in for the stamps.

Ned Coll says the welfare administration under former Gov. Thomas J. Meskill didn't understand the plight of poor people and its negative attitude toward giving people aid kept many persons from applying for stamps.

A Meskill administration official agreed the Welfare Department under Commissioner Nicholas Norton made little effort to inform people about food stamps.

A qualifying elderly couple could receive up to $154 worth of food stamps by paying $65.

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The Welfare Department also is hiring about 40 persons and buying special calculators to speed the processing of applications. Many feel the attitude of those processing the applications is a major factor in whether people will come in for the stamps.

Ned Coll says the welfare administration under former Gov. Thomas J. Meskill didn't understand the plight of poor people and its negative attitude toward giving people aid kept many persons from applying for stamps.

A Meskill administration official agreed the Welfare Department under Commissioner Nicholas Norton made little effort to inform people about food stamps.

And McCarthy agrees that until recently "there wasn't that much attention put to the food stamp program." That, he says, is changing. Coll also thinks the attitude is improving under the new Grasso administration.

More and more people are coming in for stamps. Some, like the Newington father of three and a stock foreman out of work with a broken leg, are getting them on a temporary basis and finding them a godsend in making ends meet during an emergency.

Others may be applying because of the publicity or because of the worsening economic situation.

Ralph Davis, director of neighborhood services for the Community Renewal Team, feels it's a combination of all these factors—more need, more awareness, and a better attitude by the Welfare Department.

"And the hang-up many old Yankees have with the program is even changing," Davis said. "When it gets down to a choice between food and pride, more people are choosing the stamps."

[From the Grand Junction (Colo.), Sentinel, Apr. 2, 1975]

MORE WORKING CLASS FAMILIES ARE SEEKING FOOD STAMP HELP

GLENWOOD SPRINGS.—As the spiral of inflation-recession continues, more working class families are now seeking food stamp assistance to help offset rising grocery costs.

The trend has been noted around the state. And in several Northwest Colorado counties the tide is much the same.

In Garfield County, Ron Johnson, the director of Social Services said Tuesday that figures now show an almost even breakdown in food stamp useage by welfare and non-welfare assisted families.

"The increase in non-publically assisted families," Johnson said, "comes from working people who can't afford to make ends meet."

He said the food stamp program can often lighten the financial load on a family and stretch out its purchasing power.

Many of the families now joining the program have been long eligible, Johnson said, but worsening economic conditions are now forcing them to seek food stamp assistance.

Mesa County's food stamp coordinator, Robert Stabenow said today although food stamp applications are up from working families, he's not sure it's reached the stage to be classified a trend.

Stabenow said the current ratio between publically and non-publically assisted households in the program is about five to four. This time last year he estimates "there probably would have been a wider split." He figures then the ratio was more like six publically assisted households to four homes not receiving welfare benefits.

Eligibility for food stamp assistance is based on a set of criteria that takes into account net income, shelter costs, and medical expenses, officials say.

In Montrose County, food stamp official L. R. Gilchrist said there has been nothing exceptional in food stamp applications by non-publically assisted households.

"Our economy has not been hurt too bady," Gilchrist said this morning. As a result he saw nothing more than a seasonal trend in the clientele of applicants.

He estimated the ratio between households would show more coupon recipients came from those receiving public assistance, but he said the figures tend to vary on the local employment market.

Delta County food stamp officials report there is an increase in applications by non-welfare clients, and March figures show the program now has enrolled 279 public assisted households as opposed to 249 non-public assisted families.

Delta officials point out, however, the increase is more like a change since many families assisted by public monies during the winter are now off the program having found farming-related jobs.

[From the Chicago Tribune, Mar. 20, 1975]

PUBLIC AID CHIEF PROMISES TO ACT ON FOOD STAMPS

(By Barbara Reynolds)

After hearing angry complaints from more than 50 welfare recipients, Illinois Public Aid Director James Trainor promised to fire discourteous caseworkers and help unemployed workers who are being denied food stamps.

Members of the Northwest Community Organization [N.C.O.] packed the director's conference room at 624 S. Michigan Tuesday and demanded that the agency hire four Spanish-speaking translators at each of five aid offices; provide faster responses to requests for food stamps and medical aid; and fire "disrespectful" caseworkers.

Dorothy Maeda, a N.C.O. spokeswoman, said workers "who have been on their jobs for more than 20 years" are being denied food stamps because of poor communication between the Public Aid Department and the Bureau of Workmen's Compensation.

"A man we all know, who is too proud to be here, has been standing in the compensation lines trying to get his check for 11 weeks," she said. "He can't get his check, and then he is told by the welfare department he can't get food stamps either.

"The man has eight children. He is an honest man. But now he is talking about picking up a gun to get some money to support his family."

Shirley Jordan, N.C.O. chairman, accused the aid department of pushing responsibility for feeding the hungry on to free community pantries, which, she said, barely have the resources to operate.

In a separate interiew Trainor said that most of the complaints are legitimate. "On information turned over by the N.C.O. and from our regional directors, I will take action on the conduct of caseworkers," he said.

"If the charges are proven, they [the caseworkers] will have to go.

"Some workers are being caught between the compensation office and our department. If they are not getting their unemployment checks, they are eligible for food stamps, but because of different accounting and reporting systems, in some cases they haven't. This will be cleared up."

According to Trainor, the department has acted to speed assistance payments.

[From the Washington Post, Mar. 3, 1975]

ONLY 38 PERCENT OF ELIGIBLES PARTICIPATE—LAG ON FOOD STAMPS WIDENS

(By Austin Scott)

Although the number of Americans receiving food stamps rose from 14 million to 17.9 million in less than a year, the program is falling further behind in taking care of all those eligible, according to a staff report of the Senate committee on Nutrition and Human Needs.

Another report, issued by the Department of Agriculture, said a sample audit of the $4 billion program showed that payment errors were made in 56.1 per cent of the cases sampled. While there were overpayments as well as underpayments, the USDA report said, they added up to a 23.3 per cent overpayment.

The committee staff report said 52 per cent of those eligible for federal food assistance received it in 1972, but by September, 1974, despite the increase in numbers, only 38 per cent of those eligible were getting assistance.

In part, the drop is a measure of the state of the economy and the rise in unemployment, the report said. But it laid much heavier responsibility on what it said were unnecessarily burdensome administrative requirements, and "restrictive policies and practices of the U.S. Department of Agriculture."

Committee Chairman George McGovern (D-S.D.) said in releasing the report that he fears the program's problem might invite those who oppose it to try to discredit it. He repeated his belief that "the real problem with the food stamp program is the attitude" of Agriculture Secretary Earl L. Butz and the administration toward it.

Butz told a Senate Agriculture Committee two weeks ago that he considered the program "welfare," and would like to see it transferred out of his department.

He made the comment after McGovern told him he should either run the program properly, or resign.

Highlights from the nutrition committee staff report:

Although the law requires that food stamp applications be processed in 30 days or less, "the most conservative estimates indicate that, in mid-February, at least 85,000 people were waiting longer than 30 days . . ."

The declining economy is putting "a heavy demand on state food stamp agencies," so that the 50-50 state-federal sharing of administrative costs made law just this year no longer adequately pays for state costs.

The Agriculture Department has not encouraged states to vigorously seek out and register those who are eligible. U.S. District Judge Miles Lord of Minneapolis reached the same conclusion last fall, and handed down an opinion accusing Butz of failing to run the program properly.

Some areas are trying, and succeeding, to cure problems in their programs. The report cited Atlanta, which it said cut a backlog of 4,500 applicants to 1,000 by opening food stamp offices on Saturdays and Sundays, and using volunteers.

The survey conducted by USDA on error and overpayment did not determine whether the errors were made by applicants misstating their eligibility, or by the caseworkers who processed them, a department spokesman said.

The nutrition committee staff, however, said it found "little intentional abuse of the food stamp program."

It quoted a June, 1973, statement made by Assistant Agriculture Secretary Clayton Yeutter to the committee. Yeutter said then that the program has been "remarkably free from fraud."

Statistics submitted by USDA showed that from July 1, 1972, through March 30, 1973, there were 12 instances of embezzlement by state and local employees involving $28,376, four cases of "coupons trafficking" involving $26,000, and all told, losses amounted to 14 cents for each $1,000 worth of food stamps issued.

The committee staff report said "there is no evidence that there is more abuse of the program now than there was two years ago."

The USDA report, which sampled 25,585 households out of 5.7 million, did not claim any of the error found constituted fraud.

A USDA spokesman said the department did not know what error factor there might be in such a sample, but considered the results "quite good."

There were no tabulations in the survey for families that did not receive as much of a food stamp bonus as they were entitled to.

For those who received more than they should have gotten, the survey found 8 per-cent of the overpayments were caused by giving too much to eligible households, 7.5 per cent were caused by giving too much to households that were not yet eligible but would be once paperwork was finished, and 7.7 per cent were caused by giving food stamps to ineligible households.

Food and Nutrition Service Administrator Edward J. Hekman said the error rate is a 25 per cent improvement over the rate the same survey found in 1973.

The nutrition committee staff report included a number of recommendations. Among them were:

Selling of food stamps in all post offices, to improve on the short banking hours and long waits in banks: certification by declaration on a simple form with a random check for fraud; congressional appointment of an advisory council, including poor people; and a boost in food stamp benefits, which are now based on a diet plan the Agriculture Department says is not suitable to maintain good health over a long period of time.

[From the Wall Street Journal, Dec. 20, 1974]

BECAUSE OF INFLATION, MIDDLE-CLASS FAMILIES JOIN FOOD-STAMP ROLLS

(By David Gumpert)

BOSTON.—From all outward appearances, Cornelius and Carol Cronin and their six children are a comfortable middle-income family. Mr. Cronin, an affable 39-year-old, works as a bus mechanic for the Massachusetts Bay Transportation Authority and earns $15,000 annually. The family lives in a plain but warmly furnished seven-room house in this city's Dorchester area. The Cronins have two TV sets and a pool table. Mrs. Cronin prepares the family's meals in a spacious, wood-paneled kitchen.

Since November, those meals have been prepared with the assistance of federal food stamps. For all their middle-class trappings, the Cronins have found the rapidly rising cost of food and other basics making a shambles of their seemingly comfortable income. Mrs. Cronin figures that it now costs $130 a week to feed the family of eight, more than double the $55 it cost four years ago. Food stamps, which allow the Cronins $49 of free food monthly, have taken some of the sting out of the price rises. "It's milk and bread money," Mrs. Cronin says.

The Cronins aren't alone among middle-class families making their first trek to the local welfare office, which is responsible for administering the federal program in the states. Many of these families discover that after deducting a number of inflation-bloated fixed costs from their take-home pay, their middle-class incomes don't look quite so comfortable. More and more of them are finding that their wages have been so eroded that they are entitled to federal subsidies to feed themselves.

MORE AND MORE, "YOU AND ME"

Food-stamp applicants increasingly are "you and me," says Mary Kelly, head social-work supervisor for the Massachusetts Department of Public Welfare. Among those applying for food stamps these days, she says, are accountants, truck drivers, government employes, factory workers, college students, and even a few Massachusetts schoolteachers.

National statistics confirm that the popular image of food-stamp recipients as being only people on welfare is fast changing throughout the rest of the country as well. Individuals who don't receive any form of . . . made up about 47% of the nearly 15 million food-stamp recipients on Oct. 31, up from 38% of the total a year earlier, according to the Department of Agriculture. A department study of food-stamp recipients early this year showed that more than half the family heads who weren't getting public aid had full-time or part-time jobs. The rest were mostly students, retirees and the temporarily unemployed.

The food-stamp program, which is administered nationally by the Agriculture Department, is expected to cost the federal government $4.2 billion in the current fiscal year, which ends June 30, up from $2.7 billion in fiscal 1974. It is intended to help poor families supplement their diet. Stamps are sold to families based on their size and net income. For example, a family of four with a yearly net income of $4,400 can buy $150 worth of stamps monthly for $104 while a family of 10 with income of $11,500 can buy $300 of stamps for $252. The stamps always have a value in excess of what they're sold for. The further a family's net income falls under Department of Agriculture maximums, the less it pays for its stamps.

AS GOOD AS CASH

Applicants fill out seven-page questionnaires detailing their income and expenses, and take pay stubs and receipts to local welfare offices to substantiate their claims. Once declared eligible, recipients can buy the small coupons at many banks (or at welfare offices and even post offices) in denominations of 50 cents, $2 and $5. They are as good as cash at the supermarkets, except that they can be used toward buying only food items and can't be applied to purchases of paper products, pet food, cigarets and liquor.

Not surprisingly, the growing popularity of food stamps has led to instances of abuse. Welfare workers have been discovered taking bribes to issue or sell the stamps illegally in Philadelphia, Chicago and the Washington-Baltimore area, according to the Department of Agriculture. Caches of counterfeit food stamps have been confiscated by federal authorities in the Boston and Los Angeles areas.

The growing use of food stamps by seemingly more prosperous families has led to reports of wealthy individuals receiving food stamps. A Massachusetts legal-aid attorney tells of a bank vice president and an insurance company executive who receive food stamps, but efforts to find them proved fruitless. Such reports don't go over well with federal officials. "We've all heard the story about the lady wearing a mink coat or the man with the Cadillac using food stamps at the grocery store," Edward Hekman, administrator of the Department of Agriculture's food and nutrition service, said in a recent speech. "This is totally unfounded."

A HOST OF DEDUCTIONS

The program's rules and regulations, though, allow families in a reasonably wide variety of circumstances to qualify. Net income often can be reduced substantially from gross income through a host of allowable deductions such as all taxes, medical expenses over $10 monthly, alimony payments, tuition bills for students living at home and housing costs over 30% of income after allowing for other deductions. All families must have savings of less than $1,500—or $3,000 if a family member is over 60.

Thus the Cronins were able to qualify in part because of some sizable medical bills, parochial-school tuition for three of their children, and fast-rising heating and electricity bills that raised their housing costs substantially. With taxes and other minor deductions, their gross monthly income of about $1,300 was reduced to just over $700 for food stamp purposes. Their savings totaled only $500. They can now buy a maximum of $256 worth of food stamps for $207 monthly.

Similarly, a Cape Cod junior-high-school teacher, who is married with one child, was having trouble making ends meet on an annual salary of $9,600, which he got at the rate of $800 a month. The teacher, who prefers not to be identified, went to his welfare office "on a whim" and found that his taxes and housing costs reduced his net monthly income to about $290. That entitles him to receive $118 of food stamps for $76, or $42 of free food monthly. His experience has encouraged three of his fellow teachers to apply for the stamps, he says.

Many other families also may qualify. The Food Research and Action Center, a New York-based legal and organizing group that specializes in food-stamp problems, estimates that in addition to the nearly 15 million people currently receiving food stamps, another 25 million people might be eligible and not realize it. While some of them are extremely poor people in desperate need of the stamps, "we're probably talking in many cases about people who are earning $8,000 a year," says Roger Schwartz, a staff attorney for the group.

Of course, not all the middle-class types who qualify are employed with steady incomes. Many are students, retirees and divorcees whose outside sources of income have been reduced by the deteriorating economy or rendered less effective by inflation. Ann Goldberg, a 23-year-old graduate student at Brandeis University in Waltham, Mass., had been relying heavily on her parents for assistance through her previous college years. But by this fall, her father's Brooklyn restaurant business had declined, and she was almost completely on her own. The food stamps she now gets supplement loans and scholarship money she receives from Brandeis.

Currently, if they are living away from home, students who apply for food stamps are subject to the same criteria on income and deductions as any other food-stamp applicant. But, under a proposed change in the regulations, students would no longer be eligible for food stamps if they receive over half their financial support from a house ineligible for the stamps.

For some from middle-class backgrounds, the stigma of getting something for nothing makes applying for food stamps an uncomfortable proposition. A 70-year-old retired Worcester, Mass., traveling salesman who started receiving stamps in November had waited a year before applying for them. Finally, the burden of contributing $1,000 yearly to a son's college education from his $238 monthly Social Security check and his wife's $350 monthly earnings as a part-time nurses' aid persuaded him to apply. He still feels self-conscious, though. "I come from an old line of people that never took any handouts," he says. "I wouldn't want my friends to know about this."

Similarly, Barbara Strauss, a 27-year-old unemployed divorcee. who lives with her seven-year-old son in prosperious Brookline, Mass., put off applying for food stamps for five months. "I was embarrassed," she says. "I went to private schools and from private schools to welfare is quite a change." But because she receives only $300 a month in alimony payments, Mrs. Strauss found that by last October her savings account had shrunk to $500 from $1,500 in June. She finally applied for the stamps and now gets $82 of stamps monthly for $32.

Once people obtain food stamps, their embarrassment is sometimes just beginning. At the supermarket checkout counter, food-stamp recipients are easily distinguishable from others because they must separate the food covered by stamps from the items such as toilet paper and dog food that aren't and they also must tell the cashier that they have stamps.

Mrs. Strauss says that when she approaches the checkout counter, "I try to say real softly that I have food stamps, but someone behind me always seems to hear. Then I'll hear a remark like, 'Look how nicely her boy is dressed.' "

For most food-stamp recipients, though, the benefits of the stamps far outweigh any embarrassment that they might feel. A Leominister, Mass., mother of 12 found herself worrying about whether her children were getting a nourishing diet. "We were just getting to the point where it was getting impossible to put the right food on the table," says LaVerne Palmer, whose husband is an auto mechanic earning about $8,500 annually. The Palmers began receiving food stamps in October—$388 of food stamps for $224 monthly—and since then, Mrs. Palmer says, "I've been buying pork chops and hams and meats I wasn't buying before."

Liz Teitel, a 25-year-old college graduate and wife of a fourth-year Boston University medical student, early this year became pregnant with their first child and soon after discovered that she was anemic. With her husband's high tuition costs, "one thing we had really cut back on was food." The prospect of getting food stamps didn't sit well with her husband, she says, because "he's going to be doctor in a few years."

Financial realities won out, though, and the Teitels started receiving food stamps during the summer. Instead of starchy foods such as spaghetti that they had been eating, the Teitels began eating more meat and fresh vegetables. "After eating better food, I felt better," Mrs. Teitel says. And as far as she's concerned, the reward of a better diet came in November when she gave birth to a healthy 8½-pound boy.

[From the Detroit (Mich.) News,
Apr. 12, 1975]

FOOD AID OFFICE HOURS ASSAILED

The Wayne County Department of Social Services has agreed to extend the hours of some food stamp offices to evenings and Saturdays, but said it will be four to six weeks before it does so.

In announcing the decision yesterday, R. B. Shelton, director of Wayne County Social Services, said it would take 30 to 45 days to iron out the administrative problems in extending the hours.

But Mrs. Selma Goode, co-chairman of the Coordinating Council on Human Relations (CCHR), was critical of the Social Services Department for not moving faster.

She said members of her group met with Shelton two weeks ago and asked that the food stamp office hours be extended, so that eligible persons who are working need not take time off work to be certified for the stamps or to purchase them.

"Two weeks ago, we were told they were going to look at the problems and today, we were told they are still going to look at the problems," said Mrs. Goode.

She said the extended hours should be implemented "now rather than in the distant future."

Mrs. Goode said the Social Services Department should make a greater effort to let people know who is entitled to receive food stamps.

Shelton said the department is currently working on an information campaign to publicize food stamp eligibility requirements.

About 50 persons picketed the Executive Plaza Building during the lunch hour yesterday, while Shelton and Mrs. Goode were meeting upstairs. They carried signs asking for evening and Saturday hours at food stamp offices.

[From Newsweek magazine, Feb. 24, 1975]

THE STICKY ISSUE

The first workday of the month is food-stamp day in Miami, and by noon on Feb. 3 the line of applicants outside the welfare center on 62nd Street was a thousand strong. With hours of waiting still ahead, the crowd stood listlessly, some nursing wounds from early-morning fist-fights over spaces in the parking lot. Along the fringes of the line, vendors hawked ice cream and hot dogs. Cast-off clothes were being sold from a Winnebago camper, and a battered old Cadillac had been turned into a wig shop, with nylon Afros dangling from its aerial. Inside the center, pandemonium reigned. A welfare official stood on a table, calling out the numbers of the people next in line for service. As he surveyed the surging mass of applicants around him, the official declared to no one in particular: "There's got to be a better way."

There may be, but so far no one has found it. The Federal food-stamp program has become the last line of economic defense for the unemployed, the unemployable and the working wounded of these stagflationary times. Despite massive bureaucratic foulups, the rolls of stamp buyers increase steadily. The latest statistics, for December, show 17.1 million people in the program, an increase of 1.2 million in just one month. The program will cost the government at least $4 billion this year. In an effort to save $650 million annually, President Ford sought to raise the price of food stamps from 23 per cent of the average recipient's disposable income to 30 per cent for everyone but Congress resoundingly passed a bill to block him. Last week, Ford said he would not veto the measure but instead would allow it to pass into law without his signature.

The program thus salvaged is no model of simplicity. Typically, candidates for food stamps first go to a state welfare office to find out if they are eligible—and to set in motion a process leading eventually to receipt of an "ATP card," an authorization to purchase food stamps. With that card, they can buy stamps in denominations of 50 cents, $2 and $5 (next month new stamps will be issued bearing face values of $1, $5 and $10). How many stamps they can buy and for how much is determined by a sliding scale that accounts for family size and monthly income after necessary living expenses such as rent and electricity. An elderly couple with $150 left over after expenses each month would pay $38 for $84 worth of food stamps. A family of six with the same net income could buy $210 worth for $43.

The stamps can be used at grocery stores to purchase basic foodstuffs only—not gourmet treats. Nor can they be used for liquor, tobacco or such inedible household necessities as detergents. The stamp allotment for each household is based on what the U.S. Department of Agriculture considers to be the cheapest nutritious menu possible—

the "basic economy diet plan." But apparently the Agriculture Department, which runs and finances the food-stamp program, knows it isn't that simple. According to a report by the Senate's Committee on Nutrition and Human Needs, a department study of sample households using that budget found that "fewer than 10 per cent . . . obtained RDA's [recommended daily allowances] for the seven most essential nutrients."

"We have to cut out most of the meat," says Richard Evans, an unemployed Georgia truck driver with a wife and six children. "We get the cheapest food they have—rice, potatoes, beans." Evans pays $44 for $245 in stamps each month and estimates his food bill is still running $75 more than that. Mrs. Marjorie Robinson, who lives alone in a Chicago housing project, makes her stamp allotment do—but barely. "I can make a pot of beans last three days," she boasts. With the $46 in stamps she buys each month for $16, she supplements that basic diet with only corn bread, flour, sugar and one gallon of milk each week.

Part of the problem stems from one of the principal reasons for food stamps: inflation. Food-stamp allowances are adjusted biannually to keep pace with the cost of food, but with continually spiraling prices, the six-month lag can be devastating. Moreover, stamp buyers have to pay for their coupons in lump sums each month, creating severe "cash flow" problems, particularly for the poorest poor. Mrs. Louise Ivey of Atlanta is entitled to buy $84 worth of stamps for $50. But when she went to buy stamps early this month, she could scrape up only $37.50.

Desperate: The bureaucratic snarl also works a hardship on people who need stamps. In Fairfax County, Va., there is a wait of six to eight weeks just to begin the process. Last November, when applications skyrocketed, an office in Phoenix, Ariz., began turning away 150 to 200 people a day. Desperate applicants lined up at 5:30 in the afternoon, waiting through the chilly night for the office to open in the morning.

In most places, extensive documentation is required—driver's license, social-security cards for all members of the household, birth certificates of all children, voter's registration card, rent receipts, bank statements and cancelled checks. Failure to produce one required document can mean having to start all over again. Periodically, recipients in many states are forced to repeat the process—in person—to be "recertified." At the end of the bureaucratic maze, the payoff can be niggardly. "I pay $16.50 for $23 worth of food stamps," complains Carol Dray, 20, a student at New York University. "That's a saving of $6.50 every two weeks. It isn't worth it."

Lies: Food-stamp users come from many segments of society—retired people, self-supporting students and blue-collar workers, as well as welfare clients and the unemployed. But there are people who abuse the program. Thomas McConnell, administrator of the program in Dade County, Florida, estimates that between 5 and 6 per cent of all recipients have lied or distorted their applications in order to qualify. "The income requirements are so low," maintains a university student in California, "that you have to lie a lot."

The underworld also appears to cash in on food stamps at times. The stamps have been counterfeited (the new series of stamps is designed to thwart that activity), and in some cities there is a thriving black market in legitimate stamps. In Detroit, there are reports of ATP cards being traded for heroin fixes.

Proponents of food stamps are less concerned about the abuses of the program than about all the people who are qualified to use stamps but don't bother to because of pride or ignorance. In Los Angeles, the Neighborhood Action Participation Project is hunting for such people. We want them to know," asys coordinator Irene Rivas, "that food stamps aren't charity, that they have a right to ask for them." By some estimates, there may be another 15 to 20 million Americans—some with family incomes of as much as $9,000 a year—who could qualify for food stamps if only they knew it and were willing to endure the indignities of claiming their rights.

EXCERPTS FROM REPORT ON NUTRITION AND SPECIAL GROUPS: PART I—FOOD STAMPS

(Prepared by the staff of the Select Committee on Nutrition and Human Needs, U.S. Senate.)

SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

George McGovern, South Dakota, *Chairman*. Herman E. Talmadge, Georgia; Philip A. Hart, Michigan; Walter F. Mondale, Minnesota; Edward M. Kennedy, Massachusetts; Gaylord Nelson, Wisconsin; Alan Cranston, California; Hubert H. Humphrey, Minnesota.

Charles H. Percy, Illinois; Robert Dole; Kansas; Henry Bellmon, Oklahoma; Richard S. Schweiker, Pennsylvania; Robert Taft, Jr., Ohio; Mark O. Hatfield, Oregon.

Kenneth Schlossberg, *Staff Director*.
Gerald S. J. Casidy, *General Counsel*.

INTRODUCTION

Hunger in 1975

"I never thought I'd see the day we'd be on food stamps."—Sue Carlson, the wife of a warehouseman laid off in Minneapolis. January 1975.

Supermarket managers in Detroit have been finding food wrappers and scraps of food in the aisles of their stores where the hungry have left them.

One of those who was eating in the stores is a woman almost 70 who receives about $130 a month from the government as her sole income. She waited six months before she was certified for food stamps.

In Detroit, unemployment in the inner city was estimated to have reached 50 per cent. As of January, 1975, there were only 38 food stamp workers in seven locations in the city, even though the stamp program had more than 200,000 participants in January, 1974, before unemployment began to climb.

The program was run so poorly that in 1974, an investigation started by angry citizens uncovered 5,000 applications for stamps, not acted on, stuffed in shoeboxes in a food stamp office.

In the spring of 1974, the Detroit Mayor and Common Council's Task Force on Hunger and Malnutrition asked the state for an increase in certification centers, but nothing was done.

Eleanor Josaitis, of Focus Hope in Detroit estimates that there may be as many as 2,000 people waiting longer than 30 days for certification for food stamps. Thirty days is the maximum permitted under law. This pressure of numbers caused the governor to hire an additional 93 food stamp workers for the city in January, but a subcommittee of the City Council estimates that 200 workers are needed.

Because of the long lines and the irritability of the overworked certifiers, many in need do not go to stamp offices, Mrs. Josaitis says: "The long-standing poor are afraid . . . they don't want to go through the inhumane treatment."

Detroit is the extreme toward which other cities are headed.

In Massachusetts, state officials admitted in response to a lawsuit seeking to enforce 30-day certification, there were in mid-January as many as 18,000 people waiting more than a month for certification. Under an order from the state's Supreme Judicial Court, service is to be speeded up through the use of group certification interviews and revised certification requirements, which will be discussed in more detail later.

In Atlanta, a backlog of as many as 4,500 people waiting beyond 30 days for certification late in 1974 was cut to about 1,000 by mid-February, according to an unofficial estimate. To accomplish this, certification offices have been open Saturdays, and in some cases Sundays, and volunteers have been used in pre-certification.

Between September, 1974 and January, 1975, unemployment nationwide rose from 5.8 to 8.2 per cent, and food stamp participation rose from 15 million to 17.1 in December, 1974. Both unemployment and the demand for food stamps are continuing to rise sharply.

A quick survey of the United States by Department of Agriculture food stamp officials indicated that in mid-February, a minimum of 63,000 Americans were waiting more than 30 days to receive food stamp benefits. This figure does not include states in which there were reports of people waiting beyond 30 days but for which no estimate could be given. Based on the data provided, however, we estimate that as many as 85,000 people are waiting beyond the one month limit for certification.

Moreover, a review of recent studies on the number of people who may be eligible for food stamps indicates that there are at least 20 million Americans who are not now getting food stamps but should be receiving them. In addition, as noted in the case of Detroit, the crush of unemployment cases is creating a burden on stamp offices that, in many areas, is a handicap for long-standing poor people, particularly the elderly. And in some areas, this overload is also blocking plans to seek out those who may need stamps but do not know they are eligible.

The decline in the economy, the rapid rise in the price of food, means that these 20 million Americans are worse off than they were in June, 1974, when the Select Committee's panel on special groups reported at the National Nutritional Policy hearings that:

"The disproportionately large share of food expenses in the budgets of poor people has caused the poor person's price index to advance faster than the regular consumer price index. The result is a disastrous decrease in the purchasing power of the poor. It also means that the poor have suffered far more grievously from the recent inflationary spiral than have the affluent and the middle class."

Now, as the economy declines, the circle of suffering encompasses more and more Americans.

FINDINGS

The staff of the Senate Select Committee on Nutrition and Human Needs, based on information gathered at the National Nutrition Policy hearings, from testimony before the Select Committee and the Senate Agriculture Committee and through staff investigation, finds that:

1. The food stamp program is failing to keep pace with the growing problem of hunger in the United States.

In 1972, 52 per cent of those eligible for food assistance were receiving it; in September, 1974, only 38 per cent of those eligible were getting assistance. In September, 38.6 million people were eligible, and this figure has no doubt risen rapidly, as has participation, which now stands at close to 18 million. But even if eligibility were still at 38.6

million today, which it is not, the percentage of eligibles served would only be 46.6 percent.

2. The failure of the food stamp program to meet the goals mandated by Congress can be traced directly to the restrictive policies and practices of the U.S. Department of Agriculture, policies that have plagued the poor for years and are now preventing the food stamp program from meeting the needs of the newly unemployed.

More specifically:

The USDA verification requirements are unnecessarily burdensome and are not justified. They serve to inconvenience food stamp users and state food stamp officials and to act as a bar to participation.

The most conservative estimates indicate that, in mid-February, at least 85,000 people were waiting longer than 30 days for stamp certification, the maximum time period permitted by law for the certification process.

As the decision of Judge Miles Lord, of the U.S. District Court in Minneapolis, noted, the Department of Agriculture has failed to encourage the States to pursue a vigorous program of outreach, thereby contributing to the withholding of the benefits of the program from millions of people.

The Agriculture Department has not emphasized the importance of service to stamp participants, with the result that stamp issuance is often inconvenient, often to the degree that it discourages participation.

USDA's use of the Economy Diet Plan as the basis for determining the food stamp allotment ensures that participants will not have enough stamps to purchase an adequate diet; nor does the allotment provide for the special dietary needs of pregnant women, the elderly, and those with medical needs for a specialized diet.

Food stamp purchase prices are too high and the asset limits are too low.

3. National economic decline is placing a heavy demand on State food stamp agencies. The current 50–50 sharing of administrative costs does not adequately compensate the States for their expenses in dealing with this national problem.

RECOMMENDATIONS

(NOTE.—Asterisks indicate changes that could be made by regulation.)

One. Food stamp certification should be by declaration. Monitoring of the program for fraud would be done in the same way that the Internal Revenue Service checks for tax fraud.*

In addition, the following changes should be made to speed certification:

a. An optional standard deduction should be extended to all applicants in lieu of itemizing hardship allowances.*

b. Standard public assistance and non-public assistance food stamp Application forms should be used nationwide and should be no more than two pages long.*

2. The federal government's share of food stamp administrative costs should be increased from 50 to 65 percent.

3. The Department of Agriculture should be required to develop a model outreach program and to require all States to submit detailed outreach plans prior to the beginning of each fiscal year for comment by USDA. USDA would then make a report, evaluating the States' outreach efforts at the close of each year.*

Personal contact of potential food stamp participants by outreach workers should be a mandatory requirement in all outreach plans.

4. The Postal Service should be required by law to sell food stamps in all post offices during normal working hours.

5. The food stamp allotment should be based by law on the USDA low-cost diet plan.* The allotment should be adjusted quarterly to better compensate for inflation in food prices.

In addition, in any case in which one or more members of an eligible household medically requires a special diet, the allotment should be increased by 20 percent of a one-person allotment for each member needing the special diet, at no extra charge.*

6. The purchase price of food stamps should be reduced, with the maximum that can be charged based on 25 percent of income rather than the current 30 percent.*

In addition:

a. Asset limits for all households should be raised to $2,000 for a family of two, with $250 more for each additional household member to a maximum of $3,000.*

b. Households should automatically be allowed a $3,000 asset limit if they include one person 60 years old or older, and the limit for an elderly couple should be $4,500.*

c. The definition of income should be revised to exclude certain vendor payments, such as housing payment from the Department of Housing and Urban Development.*

7. To help define the dimension of hunger in the United States and the degree to which the food stamp program is meeting this need, the Department of Agriculture should be required to immediately undertake a study to estimate the number of persons eligible for food stamps.

8. In order to provide for greater state and public involvement in the writing and application of food stamp regulations, Congress should form a 15-member Food Stamp Advisory Council, to be composed of representatives of State governments, legal services and food stamp participants with the appointments to the Council made by Congress. The Council would meet quarterly and report to Congress annually.

I. FOOD STAMP BASICS

In 1938, Fred Waugh, a USDA economist, proposed to Agriculture Secretary Henry Wallace "that our farm relief programs put more emphasis on selling part of the crop at high prices and distributing the remainder, or 'surplus' among low-income groups, charging them whatever they can afford to pay or are willing to pay."

The result was the first food stamp program, inaugurated in 1939. The program permitted families on relief to purchase orange-colored stamps in amounts that were equivalent to their normal food purchases and then to receive free, blue stamps equal to half the value of the orange stamps. The orange stamps were good for the purchase of any food, the blue stamps could be used only for commodities that were declared surplus.

The stamp program flourished and grew to serve as many as 4 million people at its peak in 1942. However, the war reduced surpluses and unemployment, and the stamp program was ended in 1943.

After the failure of continual attempts to legislate a food stamp program in the 1950's, President Kennedy, using the authority of the Agriculture Adjustment Act established a pilot food stamp project in 196 in his first executive order.

Since then, the food stamp program has become a nationwide program, run jointly by the federal and state governments, with the federal government paying 00 per cent of the stamp bonus and sharing the cost of administration 50–50 with the States.

How the program works

The purpose of the food stamp program as described in the Food Stamp Act of 1964 is to "permit low-income households to purchase a nutritionally adequate diet through normal channels of trade." Under the program, families buy a certain amount of food stamps which then may be redeemed for more than they cost.

Eligibility is based on the income and resources of households. The maximum income standards for a household are set at three times the cost of an adequate diet standards developed by the Social Security Administration in 1965.

Currently, the net income limit for a family of four is $513 a month. In addition, the household may not have liquid assets of more than $1,500 (for households in which there are two or more people in which at least one is age 60 or older, the resource limit is $3,000.)

The allotment of stamps for each household varies with household size. All four-person households, for example, now are entitled to $154 a month in food stamps (the allotment is changed semi-annually to compensate for inflation). The purchase price for the allotment varies with monthly income.

The family of four with no income pays nothing for the $154 a month allotment, and the family of four with the maximum allowable monthly income pays $130 a month for the $154 allotment. The difference between the payment and the value of the stamps is known as the bonus.

After the food stamp certifier has verified the family's income, resources and deductions, the family receives an "authorization to purchase" card and then buys their stamps. Depending on the locality, stamps may be purchased at post offices, banks or other outlets approved by food stamp officials. As will be discussed later, hours of purchase are often limited.

The stamps may be exchanged for any food items but are not good for liquor, tobacco, pet food or non-food items. The grocer in turn exchanges the stamps for money, either from a food wholesaler or a bank.

Who uses food stamps?

A recent study paid for by the Department of Agriculture and released by the Fiscal Policy Subcommittee of the Joint Economic Committee provides a profile of food stamp participants. The study, done by Chilton Research Services, based on a 2,191 household sample and using data for November, 1973, shows the following:

The average food stamp household size was 3.2 persons, with one- and two-person households accounting for 49.9 percent of those surveyed. Almost 30 percent of all households had one person; 20 percent had two. Families with three or four persons made up 26 percent of the total, and 16 percent contained six or more.

Households headed by a person 66 years or older accounted for 27 percent of the total, and the majority of these were headed by women.

Nearly 99 percent of the household members were related to the head of the household.

By race, 55 percent of the households were white; 37 percent were black and 8 percent were Spanish-American.

Forty-four percent of the households were located in the core of cities. Metropolitan rural and rural households accounted for 18.5 percent.

About 70 percent of the heads of households surveyed were not in the work force. Of these, 18 percent were retired (over 65) and another 51 percent were described as "Unemployed (not seeking work)." A significant number of those not seeking work are mothers with children. This is supported by other statistics in the study showing that 21 percent of the heads of households using food stamps are women aged 18 to 34. Also included in the total not seeking work are the disabled and the blind.

Footnote at end of article

Twenty-three percent of the heads of households using food stamps were employed full or part-time and 8 percent were unemployed and seeking work.

Since the rise in unemployment, the number seeking work is undoubtedly greater than it was in 1973. In addition, there are a greater number of non-public assistance food stamp participants.

What is the income of food stamp participants?

The Chilton study found that income in food stamp households averaged $364 a month. Of this $238 was in cash and the remaining $126 came from "in kind" sources, such as Medicaid and the food stamp bonus.

Of the total monthly income, 80 percent came from public agencies, and 20 percent was derived from wages and other private sources, such as savings. The four principal sources of income were: AFDC, $72; Medicaid, $59; social security, $54; and food stamps $49.

Households using stamps were concentrated in the $210 to $300 a month range, 23 percent of the households were in this range. About 8 percent were in the $0 to $120 a month range.

Three percent had an income ranging from $700 to $799 a month and 5.8 percent had a monthly income of $800 or more. A cross tabulation of food stamp participants by household size and income shows that the bulk of the households in the "upper" income levels had eight, nine and ten or more members.

Table 1 gives a complete income summary. Table 2 shows household size and income.

TABLE 1.—PERCENTAGE DISTRIBUTION OF MONTHLY NET CASH AND IN-KIND INCOME OF FOOD STAMP AND FOOD DISTRIBUTION HOUSEHOLDS, NOVEMBER 1973

[In percent of households]

Monthly net income	Cash income		In-kind income		Total income	
	Food stamp	Food distribution	Food stamp	Food distribution	Food stamp	Food distribution
$0	2.5	1.1	[1] 1.0	0.0	1.2	0.8
$1 to $29	1.1	.4	19.6	26.7	.4	.4
$30 to $59	1.8	1.2	21.5	18.9	1.0	.4
$60 to $89	6.9	3.4	11.8	11.6	1.5	.9
$90 to $119	8.2	9.7	11.9	11.1	3.7	3.6
$120 to $149	12.8	11.1	9.7	9.4	6.5	8.6
$150 to $179	10.7	8.4	4.1	4.8	7.2	5.5
$180 to $209	9.4	10.6	3.7	3.7	8.4	6.8
$210 to $239	8.0	9.7	3.4	2.6	8.5	7.2
$240 to $269	6.6	9.9	2.2	2.3	7.7	8.2
$270 to $299	6.4	6.1	1.2	1.1	6.5	6.6
$300 to $399	11.8	12.9	3.9	3.1	17.3	15.8
$400 to $499	7.1	6.7	2.4	2.2	12.0	12.3
$500 to $599	3.6	3.7	1.6	1.0	7.1	8.3
$600 to $699	1.6	2.3	1.3	1.0	4.3	5.7
$700 to $799	.7	.8	.4	5	3.0	3.2
$800 and over	.9	1.7	.5	1	5.8	5.7

[1] There were some eligible households who did not take advantage of the food stamp program or other in-kind transfer income programs in November 1973.

TABLE 2.—HOUSEHOLD SIZE AND INCOME OF HOUSEHOLDS PARTICIPATING IN THE FOOD STAMP AND FOOD DISTRIBUTION PROGRAMS, NOVEMBER 1973[1]

Household size	Size distribution (percent)		Net cash income		In-kind income		Total income	
	Food stamp	Food distribution	Food stamp	Food distribution	Food stamp	Food distribution	Food stamp	Food distribution
1	28.5	27.7	$138	$145	$56	$45	$194	$190
2	20.9	25.0	200	228	90	83	290	311
3	13.3	13.4	238	270	121	107	359	377
4	12.4	10.7	289	322	172	155	461	477
5	8.8	6.8	308	382	170	192	478	574
6	5.5	6.1	347	368	235	191	582	559
7	4.1	3.8	372	367	193	205	565	572
8	2.7	3.3	401	463	301	240	702	703
9	1.6	1.5	442	467	235	252	677	719
10 and up	2.2	1.8	462	479	304	255	766	734

[1] See appendix tables 1–4 for income by household size.

There is no data available yet on how the income distribution and family size of food stamp participants may be changing because of the large jump in unemployment. We estimate, however, that the total cut-off of income from firings and lay-offs would increase the numbers at lower income levels.

How many people are eligible for stamps?

No one has exact figures on how many people are eligible for food stamps but are not receiving them. As will be discussed in more detail later, the Department of Agriculture has not gathered such figures, and consequently we must rely on other sources for an estimate.

The most detailed analysis we have found so far has been done by Gary W. Bickel of the Bureau of Social Science Research and Maurice MacDonald, of the Institute for Research on Poverty at the University of Wisconsin, Madison. (See Appendix B.)

They estimate that in any given month of 1974, the average number eligible for food stamps was 38.6 million people. Their analysis is based on income distributions published by the Census Bureau, and it takes into account food stamp maximum allowable income standards, deductions from income and limits on assets.

Their figure is in line with the results of other eligibility studies. A report by the subcommittee on fiscal policy of the Joint Economic Committee estimated that 37 million were eligible for stamps in March, 1974. And an analysis, published by the Congressional Research Service of the Library of Congress, put the number of eligible households in June, 1975 at 12 million, or 36 to 38 million people.

In September, 1974, the latest month for which final food aid participation figures are available, there were about 15 million Americans receiving either food stamps or food commodities directly. There were then 14,517,195 people using food stamps and 77,810 receiving commodities.

The participation level in the food programs has remained almost constant over the last three years. Food stamp participation, up until September, 1975, grew primarily as the commodity distribution program was phased out.

Thus, using figures for September, 1974, it is possible to estimate that, given 38.6 million eligible for food stamps and about 15 million participants, there were at least 23 million Americans who needed stamps but were not receiving them.

Since September, food stamp participation has risen. The most recent official figure, for December, puts total participants at 17.1 million. We believe that, given the nation's economic decline, the number of eligible people has also increased, but to provide the most conservative possible estimate of the participation gap we will compare the 38 million eligibility of September with the December participation figure. The result is the conclusion that there are at least 20 million Americans who are eligible for food stamps but are not receiving them.

To understand why this gap exists, it is necessary to look at the politics of food stamps and the attitude of the Department of Agriculture toward the program.

II. STILL GOING OUT OF BUSINESS

When the food stamp program was initiated in 1939, it was tied directly to the need to reduce farm surplus. A report on the effectiveness of the stamp program published by the Department of Agriculture in 1940 said:

"Price-depressing farm surpluses are co-existent with a situation in which millions of American families are receiving inadequate diets. The purpose of the Food Stamp Plan is to raise farm income and at the same time to improve the dietary standards of low-income consumers."

In its recommendations, the report said: "The stamp plan program must be increased substantially above its present extent if it is to be a major factor in meeting some of our farm problems."

However, World War II intervened, resolving the problem of surpluses and bringing high employment.

When attempts were made in the late 1950s to restart the food stamp program, the structure of farming in America and government policy toward agriculture had changed from the 1930s. The common interest between farmers and the poor, *Hunger USA* pointed out "has disintegrated as the control of agricultural policy has shifted from the small producer, the family farmer, to the large producers, the commercial, and corporate farmer."

In the late 1950s, many large farmers were cushioned by income support mechanisms and a commodity distribution program, and food stamps offered no attraction as a means of cutting surpluses. In 1956, a report requested by Congress from Secretary of Agriculture Ezra Taft Benson said that the food stamp plan "is not an effective device for disposing of surplus in the hands of the Commodity Credit Corporation," and that "a food stamp plan would not be as effective in dealing with seasonal, temporary, or localized surplus situations as would a program of Government purchase and direct distribution."

In 1958, Assistant Secretary of Agriculture Don Paarlberg (currently director of agricultural economics) testified: "In conclusion, as we now see developments ahead, we do not favor the adoption of a stamp plan. That is, we do not believe the present system of making Federal surplus foods available to needy people should be replaced by a food stamp plan."

Under these circumstances, the food stamp program was considered by agricultural interests to be an unnecessary welfare program, a view taken by President Eisenhower when, in 1959 he signed a bill that would permit the Secretary of Agriculture to start a food program but not require him to do it. The President said if the stamp provision were implemented it would add to welfare costs that were already heavy. Secretary Benson said there was "no need" for the program, and it was not implemented.

There was, however, a need for food stamps from the viewpoint of the needy, because the commodity program offered a limited selection of food and availability fluctuated with the size of surpluses. Studies have since shown that food stamps offer greater nutritional benefits than the commodity distribution programs.

One of those favoring food stamps and introducing a bill in 1959 to start a stamp program was Senator John Kennedy. His first executive order established, in 1961, pilot food stamp programs in West Virginia, Pennsylvania, Eastern Kentucky, Northern Minnesota, Southern Illinois and Detroit.

The stamp program expanded, but under continued pressure from opponents on the basis of it being a "welfare" program. However, in 1964, farm and urban interests coincided long enough to bring the passage of the Food Stamp Act, which was an extension of the pilot program, but left it up to the states to decide whether to come into the program and to set eligibility requirements.

Between 1961 and 1968, food stamp participation rose from 50,000 to about 2.5 million. During that period, the Department of Agriculture remained under pressure from agricultural interests in Congress to limit the size of the program, *Hunger USA* said:

"To date the USDA has shown concern for the hungry largely as a result of external pressures: from congressional committees other than the agriculture committees; from other agencies such as the Office of Economic Opportunity and the Civil Rights Commission; from public scrutiny and public attack; and from countervailing political considerations, both doremtis and international."

When President Nixon entered office, the nation was highly sensiitve to the issue of hunger. An atmosphere of urgency had been created by tours of areas of high incidences of hunger by Senators and Congressmen, the release of *Hunger USA* and media attention, such as CBS' *Hunger in America*.

Early in 1969, two White House staff commitees proposed a $1 billion reform in the food stamp program that would lower the cost of stamps and provide more food.

In *Let Them Eat Promises*, Nick Kotz reported:

"Presenting the plan to President Nixon, Clifford Hardin (Secretary of Agriculture) discovered conflicting motives in the politics of hunger.

"The most troublesome question is how wide is the hunger problem in fact?" asked the President.

"Replied Hardin, 'We know there are six million persons in families with less than $300 per capita income, 25 million with less than $3,000 family income, and probably one half have the nutritional problems, give or take one or two million. We're absolutely convinced this is a serious problem and one that with our abundance shouldn't be permitted to exist.'

"Nixon, somewhat skeptical but politically astute, then asked, 'To what extent does our report reflect or respond to the Senate (McGovern) hearings? I've been on that side as a congressman or senator. Are we allowing their propaganda to pull us?'

" 'No,' replied Hardin. 'We've been very cold in our analysis.' The absolute minimum a family of four can get by on is $100 a month for food.'

" 'For $100 per month,' quipped the President, 'you can't even pay the interest on the bill at Gristede's (an expensive New York grocery chain).' When everyone in the room laughed, the President quickly became grave, shook his head in dismay at the disparity in living styles, and added, 'You might see less a problem than the McGovern group. You might see more. All I hope is that we are really analyzing this for ourselves.'

"(Robert) Finch, politically aggressive and action-oriented, quickly jumped in: 'Let's take the play away from the McGovern committee and send a couple of your guys (White House aides) in a helicopter to Southern Virginia, for example.'

" 'Good, replied the President. 'Don't be props for McGovern.'

"Hardin also stressed political pressure, 'I feel very much on the spot,' he told Nixon.

" 'How soon do we have to move?' asked the President. 'This week?'

" 'I have three speeches to give this week, the first one tomorrow night,' answered Hardin. 'And what I need to do when I speak is to say that I'm speaking within the policy of this Administration.'

" 'You can say that this Administration will have the first, complete far-reaching attack on the problem of hunger in history,' Nixon told the Secretary of Agriculture. 'Use all the rhetoric, so long as it doesn't cost any money.'

Secretary Hardin thought the President was joking, Kotz reports, but it became clear he wasn't. The President put pressure on to cut the budget, and at the same time, advocates of the administration's family assistance plan downgraded the hunger problem to prevent it from diverting attention from their proposals.

When the budget was presented in April it provided for no increase in the food stamp program.

Senator McGovern, along with others, including Senators Javits, Mondale and then Senator Marlow Cook, increased the pressure on the President through field tours and speeches. A turning point in the fight came when the McGovern committee invited Secretaries Hardin and Finch to appear before the Nutrition Committee on May 5 and 6 to explain why their own food plans had not been implemented. On May 6, the President asked for $270 million in fiscal 1970 and $1 billion in fiscal 1971 for feeding programs and committed himself to eradicating hunger in America for all time.

The pledge was more rhetorical than real. In the fall of 1969 the administration lobbied against a food stamp bill sponsored by Senators Javits and McGovern, and in early 1971 it attempted to cut about 350,000 welfare recipients from the program. The plan was defeated only to have the President try again, unsuccessfully, to cut benefits to the "upper income" poor.

The recent effort by the Ford administration to increase the price of food stamps is an extension of the Nixon administration's policies.

During the period from 1969 to the present, the food stamp program has been expanded in spite of administration opposition, largely due to continued publicity about hunger, to make it a mandatory nationwide effort, based on national eligibility standards and providing a standard allotment nationwide.

As Congress has moved to liberalize the program, however, the Department of Agriculture, following the traditional line, has sought, through restrictive regulations and delay in regulation issuance to limit food stamp participation.

In October, 1974, U.S. District Court Judge Miles W. Lord, in Minneapolis, in a decision in which he ordered that USDA spend $278 million earmarked for the food stamp program:

'The Secretary's (Agriculture Secretary Earl Butz(response to the Congressional directive (the food stamp act), when viewed in its totality, is fairly described as a total failure on his part to do what the Congress clearly intended him to do."

Speaking at the National Nutrition Policy hearings in June, 1974, Arthur Schiff, a former food stamp administrator for the City of New York, said the stamp program "is really very hard to run, and the fact of the matter is that . . . the federal government does not want the program run very well, and they do everything in their power possible to inhibit any kind of efficient, reasonable, humane, meaningful food stamp program . . ."

The specifics of these charges will be discussed shortly. It is important to add here, however, that this reluctance by the Department of Agriculture to deal with food stamps gives the program a debilitating sense of impermanence as well as prompting restrictive regulations.

Secretary Butz has said often that he dislikes having a "welfare" program in the Agriculture Department and would like it transferred, perhaps to the Department of Health, Education and Welfare.

In addition, food stamps would have been eliminated under the Nixon Administration's welfare reform plan, as they would be under welfare reform proposals discussed recently by HEW Secretary Caspar Weinberger and former Congresswoman Martha Griffiths.

When a food stamp official came to work in the food stamp division of USDA's Food and Nutrition Service more than five years ago, she was told: "Don't count on having this job too long because the program is going to be abolished."

III. THE DENIAL THAT HUNGER EXISTS

Nothing symbolizes the attitude of the Department of Agriculture toward hunger so much as the continuing reluctance to estimate how many Americans are eligible for the food stamp program.

In 1972, an economist in USDA's Economic Research Service completed a study for the Food and Nutrition Service which found, among other things, that the incidence of poverty in a county is the most important variable affecting food stamp participation and that for each increase of 100 persons in the poverty population there would be an increase of 35 persons on food stamp rolls.

That conclusion, the connection it made between poverty and stamp participation, was contrary to the USDA denial that any connection could be made between the incidence of poverty and food stamp use. That denial was important to USDA as it was used to counter the conclusions of Hunger, 1973, published by the Select Committee, which related hunger to poverty statistics, county by county.

The report of the ERS economist has been through several review cycles, and it is

thought by other economists to be sound, but now, two years since it was completed, it has yet to be published.

A USDA economist, not connected with the report, asked why the report has not been published, said: "They really didn't want to know about those things (eligibility)." And, he said, "The basic attitude" has been "don't publish anything" about food stamps.

This attitude may be changing somewhat. It is reported that FNS is considering funding an eligibility study, but it may not be completed for more than a year.

Food stamp officials have a practical reason for being non-commital about food stamp eligibility since USDA and 17 states are defendants in lawsuits charging that they are not working hard enough to bring those eligible into the program. Any official estimate of the total need would verify that there is a gap in performance.

Moreover, if the primary goal is to reduce food stamp participation, as efforts of the administration over the last several years indicate, there is little reason to specify the complete dimension of need.

Food stamp officials dispute eligibility estimates, such as the 38.6 million figure quoted earlier, by saying these figures do not show the number of people who actually benefit from food stamps because people go on and off the program.

In a deposition responding to a suit filed by Legal Services of Nashville, to force improvement to the Tennessee stamp program, Edward J. Hekman, FNS administrator said:

"Information has been developed which indicates that the actual number of persons participating in the program over a 12-month period is as much as double the average number of persons participating during such period. Put another way there are large numbers of persons who come in and out of the program . . .

"In Carter County (Tennessee), 7,932 separate persons participated in the program during the period in question (a 12-month period), although the average monthly participation of persons in the program in that county was only 3,875."

FNS was asked to provide the studies on which this and other participation information was based, but the material was said to be not yet ready for release. The deposition was filed June 24, 1974.

The FNS argument is invalid first, because it seeks to compare the number of people who might use stamps at any time during a year, with a monthly average number of eligibles. If the monthly average of 38.6 million eligibles were to be converted into the total yearly figure, this number would be far higher.

What the Hekman statistics indicate, however, is that there are a number of people whose monthly incomes fluctuate a great deal, and therefore they are not eligible in all months.

A dramatic refutation of FNS contentions that most eligible people are being reached came in New Jersey last summer. In July, the state, with the help of the National Child Nutrition Project, ran a campaign to draw more people into the stamp program. Seven television stations ran 30-second commercials on stamps, giving hot-line numbers to call for more information. More than 800,000 flyers were distributed to shoppers. Food chains advertised food stamps in their ads, and 12 billboards were donated to the campaign for a month.

In the first four weeks of the campaign, nearly 12,000 people called the state-wide hot-line. Bill Stevens, the state food stamp administrator, said in August that there had developed a "deluge of applications."

Between June and August there was an 82 percent increase in authorizations to purchase, from 4,386 in June to 7,970 in August, for non-public assistance applicants. Public assistance authorizations rose 40 percent.

Between July and October, total authorizations to purchase rose from 49,593 in the area of non-public assistance to 69,931, an increase of 41 percent. Total authorizations for public assistance households rose 4 percent, from 86,454 to 90,009.

A certain percentage of the increase, particularly during the fall, resulted from layoffs, but nevertheless, it is clear that a sizeable number of working families were eligible for the program but were not participating because of ignorance about it.

Unfortunately, nation-wide participation has not risen as it has in New Jersey. The statistics show, in fact, that hunger is on the increase.

IV. HUNGER IS GROWING

In *Hunger, 1973*, the Select Committee analyzed participation in the two family food programs, food stamps and commodity distribution. (The commodity program has been phased out now in all areas except a handful of Indian reservations.) The statistics in *Hunger, 1973* are not based on the same standards as the figures in the Bickel-MacDonald study, but both standards measure eligibility for the food stamp program and can be compared nationwide, and state by state, to show the progress in alleviating hunger.

Combined participation in the food stamp and commodity programs has remained the same for the last two years (through September, 1974) while the number of those found eligible for assistance has risen by 50 percent, from over 26 million in 1972 (Hunger, 1973) to 38.6 million in 1974 (Bickel-MacDonald).

Consequently, the percentage of the needy being reached by these programs has dropped from 52 percent in 1972 to 38 percent in 1974.

A small part of this increase in eligibility is due to population increase, but the major factors affecting the eligibility increase has been the rise in the maximum level of income allowed under the food stamp program, a rise caused by inflation.

The maximum income allowed in the program is based on a standard that is three times the cost of a diet plan worked out by USDA called the "Economy Diet Plan." The adequacy of the diet plan will be discussed later. Families with income below the standard are judged to be unable to afford a nutritionally adequate diet without food assistance.

Since the standard is based on the diet plan, it rises with food costs. Food prices have risen about 33 percent in the last two years, consequently, the income standard has risen; for a family of four, the maximum income standard has gone from $373 a month in 1972 to $500 a month in 1974.

Therefore, most of the increase in the number of eligible persons has come about because inflation has put the cost of an adequate diet out of the reach of an increasing number of people.

Hunger, State by State

Table 3, from the Bickel-MacDonald study, gives a measure, state by state, of the degree to which the needy are receiving food aid. (In five states, recipients of Supplemental Security Income payments are barred from receiving food stamps, so the number of SSI recipients (column 2) is subtracted from the total number of eligibles (column 1). In states where the commodity distribution program is still operating, the number of persons receiving commodities (column 4) is added into the total number of participants.)

Table 4 lists, in order, the states having the highest rates of participation in the food programs. In this, and Table 5, comparisons are made between participation rates from the Bickel-MacDonald study and *Hunger, 1973*.

TABLE 3.—1974 FOOD STAMP PARTICIPATION RATES, BY STATE

State	Estimated average monthly number of persons eligible for food stamps in 1974 (net income and assets criteria combined)	Number of SSI recipients in 5 cash-out States, September 1974	September 1974 food program participation levels		Total food program participation rate (percent) (col. 4 divided by cols. 1–2)
			Food stamps	Commodities	
	(1)	(2)	(3)	(4)	(5)
Alabama	1,177,139		338,507		28.8
Alaska	71,968		14,205		19.7
Arizona	421,552		110,400	33,020	35.5
Arkansas	754,353		245,940		32.6
California	2,989,736	577,255	1,343,373		55.7
Colorado	411,554		131,151		31.9
Connecticut	291,513		139,532		47.9
Delaware	85,458		21,214		24.8
District of Columbia	150,783		116,392		77.2
Florida	1,713,309		514,847		30.0
Georgia	1,318,600		424,830		32.2
Hawaii	160,839		71,540		44.5
Idaho	161,812		31,695		19.6
Illinois	1,569,158		840,900		53.6
Indiana	771,298		194,036		25.2
Iowa	510,030		105,645		20.7
Kansas	425,553		53,107		12.5
Kentucky	1,035,952		400,655		38.7
Louisiana	1,269,096		502,279		39.6
Maine	212,394		96,133		45.3
Maryland	560,352		245,101		43.7
Massachusetts	724,630	111,881	284,966		46.5
Michigan	1,156,822		567,791		49.1
Minnesota	599,682		165,930	1,291	27.9
Mississippi	982,632		348,321		35.4
Missouri	1,074,852		288,353		26.8
Montana	147,786		32,821	6,719	26.8
Nebraska	299,628		44,332		14.8
Nevada	70,419	4,495	27,168		41.2

State	Estimated average monthly number of persons eligible for food stamps in 1974 (net income and assets criteria combined) (1)	Number of SSI recipients in 5 cash-out States, September 1974 (2)	September 1974 food program participation levels: Food stamps (3)	September 1974 food program participation levels: Commodities (4)	Total food program participation rate (percent) (col. 4 divided by cols. 1-2) (5)
New Hampshire	102,000		30,277		29.7
New Jersey	833,394		435,187		52.2
New Mexico	351,627		149,831		42.6
New York	2,798,187	350,651	1,195,785		48.9
North Carolina	1,484,562		341,397	497	23.0
North Dakota	155,072		18,361	6,572	16.1
Ohio	1,517,172		750,774		49.5
Oklahoma	691,202		155,463		22.5
Oregon	346,542		163,617		47.2
Pennsylvania	1,814,010		744,896		41.1
Rhode Island	143,888		77,881		54.1
South Carolina	859,161		354,484		41.3
South Dakota	204,789		30,273	13,942	21.6
Tennessee	1,247,504		329,456		26.4
Texas	3,007,732		1,057,976		35.2
Utah	188,742		39,829		21.1
Vermont	82,382		38,165		46.3
Virginia	1,030,544		215,338		20.9
Washington	475,084		228,898	9,[illegible]69	50.2
West Virginia	543,888		213,774		39.3
Wisconsin	663,712	53,727	129,463		21.2
Wyoming	62,325		9,272		14.9
Total United States	39,721,819	1,098,009	14,567,195	77,[illegible]10	37.9
	38,623,810		14,645,005		

TABLE 4.—THE TOP 10

State	Percent of eligible persons receiving food assistance: 1974	1972
District of Columbia	77.2	89
California	55.7	80
Rhode Island	54.1	72
Illinois	53.6	65
New Jersey	52.2	59
Washington	50.2	78
Ohio	49.5	61
Michigan	49.1	75
New York	48.9	66
Connecticut	47.9	64

TABLE 5.—THE BOTTOM 10

State	Percent of eligible persons receiving food assistance: 1974	1972
Kansas	12.9	24
Nebraska	14.8	28
Wyoming	14.9	28
North Dakota	16.1	30
Idaho	19.6	36
Alaska	19.7	61
Iowa	20.7	34
Virginia	20.9	30
Utah	21.1	40
Wisconsin	21.2	37

As in 1972, the District of Columbia is still reaching the largest percentage of its eligible population, although the percentage dropped from 89 percent in 1972 to 77 percent in 1974. California is second, as it was two years ago, but the percentage of eligible people receiving food aid dropped from 80 percent in 1972 to 56 percent in 1974.

It should be noted that the actual number of people participating in the District of Columbia and California has not changed a great deal since 1972 even though the number of those eligible has increased, causing the participation rate to drop.

The other states on this list also had relatively high participation rates in 1972. With the exception of Illinois, Ohio and Michigan, these high participation states are all from the northeast or far west regions, the same regions which were found to be reaching the largest percentage of needy in 1972. All the states in the Top Ten have large urban populations.

All the states listed in Table 5, the Botton Ten, with the exception of Alaska, were states reaching low percentages of their needy populations in 1972.

Kansas had the lowest participation rate in 1972, 24 percent; and its percentage of eligible participation dropped to 12.5 percent in 1974.

Nebraska and Wyoming, both with the next lowest participation rate in 1972, are now second and third from the bottom. Both were reaching 28 percent of their eligible populations in 1972; in 1974, both have participation rates of about 15 percent.

Except for Alaska and Virginia, as the states with low participation rates in food programs are located in the northern central area of the country, the same region that had the lowest participation in 1972.

The Great Lakes states show the greatest contrast within one region in terms of the percentage of the eligible populations participating in the food programs. Illinois, Ohio and Michigan all have relatively high rates of participation, while Iowa and Wisconsin have very low participation rates. Although the reason for this variation is not entirely clear, it is apparent that geography is not a major factor determining a state's percentage participation in the food programs. The state administration of the programs also determines how effective it is in reaching all of its eligible population.

The Impact of Unemployment

As we have already noted, food stamp participation remained relatively stable until September, 1974. Unemployment in that month was 5.8 percent. By November, unemployment had climbed above 6 percent, but although reports of increased applications for food stamps were coming in, USDA officials did not anticipate the impact of unemployment on the program.

In November, food stamp officials were estimating that, for each percentage point increase in the unemployment rate, stamp participation would rise 250,000 to 300,000. By January, however, they acknowledged they had thrown that yardstick away as participation figures by December climbed to 17.1 million. Unemployment in December was 7.1 percent.

Had the USDA officials the unemployment yardstick provided in the suppressed ERS participation study mentioned earlier they would have been better prepared. The study estimates that for each percentage point increase in unemployment food stamp participation will rise by 700,000 persons.

It is important to note that this rapid, record expansion in eligibility for food stamps brought about by unemployment is not part of the calculations of 38.6 million eligibles in the Bickel, or other studies. Consequently, we believe the number of those eligible for and in need of food stamps is larger than it ever has been before and that this number will continue to increase.

Moreover, this higher level of eligibility, this higher level of need, will persist for the next several years at least, based on projections of employment levels.

Many economists believe that unemployment will stand at 7 percent at the beginning of 1977. (It is important to note that the blue-collar unemployment rate is generally higher than the national average. In January it was 11.0 percent. This is the working group whose income is closest to food stamp eligibility standards.)

A study of factors contributing to change in the economic condition of households, conducted by researchers at the University of Michigan, found that unemployment had an appreciable downward pull on income when the level was six or more percent over several years.

Currently, most major metropolitan areas and many rural areas, particularly in the South, are experiencing unemployment beyond six percent. Furthermore, President Ford has predicted an average unemployment rate of 8.1 percent in 1975 and 7.9 percent in 1976. This means that at some point, the rate is likely to reach 9 percent before it falls. It reached 8.2 percent in January, considerably ahead of the predicted timetable.

The message of these statistics is that many communities in the United States are in for extended hard times. The statistics mean that many people, many more than the 38.6 million found eligible as of September, 1974, are going to be in need of food assistance.

"In 1975, if economic conditions don't improve," said Paul Levecque, a Maine welfare official, "I can envision us having 60,000 cases (using food stamps, about 210,000 people) by this time next year. In parts of the state, in some towns, 80 to 90 percent of everyone in town will be eligible."

The statistics show that unemployment, heaped on top of inflation, is making hunger a very real threat for more and more Americans. Nowhere is the evidence of this more apparent than in the lines that are forming at food stamp offices, in many places before dawn.

Recommendation

In order to help define the dimension of hunger in the United States and the degree to which the food stamp program is meeting this need, it is recommended that the Department of Agriculture undertake a study to determine the number of persons eligible for the food stamp program, with special emphasis on the elderly and migrant workers.

V. BREAKDOWN

"I came in a few mornings at 7:30, and there were about 20 waiting to get in. So I came earlier, at 6:30 a.m., and there were still 20 to 25 people." Charles Jefferson, food stamp program supervisor in Richland County, South Carolina. December, 1974.

In Front Royal, Virginia, there is one food

stamp certifier, and since the major industry in the town has practically shut down, it has become necessary to conduct group interviews to help applicants fill out applications.

A request for another certifier was made in January and has been approved, and she will be on the job by the first of March. In the meantime, regulations have prevented welfare certifiers from assisting the food stamp worker in the certification of nonwelfare applicants.

This, in miniature, is what is happening all over the United States in areas of high unemployment. In Front Royal, applicants are receiving stamps within several days at most. But in other areas, as noted in the introduction, conditions are far worse.

At the request of the Select Committee, a nationwide telephone survey of the five food stamp regions was made by USDA in mid-February to determine how many people are waiting for stamp certifications beyond the 30-day period permitted by law. Some states reported people waiting longer than 30 daya but could make no estimate of the numbers involved. From those states that did make estimates it can be calculated that there were in mid-February at least 65,000 people waiting beyond 30 days for certification.

We estimate, based on national participation figures, that in mid-February there were at least 85,000 people waiting beyond the 30-day limit. The figure is likely to be much higher, however, because we have found instances in which people make inquiries about food stamps but are not given an application until they have an appointment, and the appointments in some cases are not available for several weeks.

Although most states are not reporting waiting periods beyond 30 days, this does not mean there is no hardship in them for applicants, and food stamp employees.

Pennsylvania, for example, had in mid-February, nine counties in which the waiting period for certification was nine to 23 days and three counties in which the waiting period was nine to 16 days.

In addition, it was necessary in Philadelphia to do pre-certification interviews in groups and to transfer temporary certification help to the city to cut down the backlog.

According to a state official, the state was hit with more stamp applications in September, October and November of 1974 than in the preceding eight months.

South Carolina indicates no backlog, but the state food offices have been under severe pressure, particularly in the northwestern section of the state where textile mills have laid off heavily or closed completely.

The certification bottleneck

The element of the food stamp program creating these backlogs and the intense pressure on thousands of food stamp offices is the certification process, a process that has discriminated against the persistently poor for years.

The following extremely candid report on certification in South Carolina, prepared by the state department of social services, describes a situation representative of what is happening all across the United States. South Carolina has handled the problem much better than many states, however.

"With the downturn in the economy the certification units across the State are being taxed beyond their limits. While we do not have data to indicate the exact increase in the number of interviews certification workers must conduct, we have been told by many counties that their certification units have never been busier.

"Sixteen counties reported that some clients had to wait at least three hours before being interviewed, and in seven counties this wait was more than four hours. Some clients who arrive by 8:30 a.m. must wait all day in Union and Richland * Counties. In 30 counties, more clients arrive on some days than can be seen on those days.

One of the figures we consider particularly significant is the average number of interviews per certification worker per month. Twenty-six counties reported on the number of interviews in October. The average number of interviews per worker per month in these 26 counties ranged from a low of about 50 to a high of about 400.

If we assume that there are 20 working days per month, then the counties which average 5 or less interviews per worker per day are Cherokee, Abbeville, Hampton, Lee and Bamberg. Eighteen counties averaged between 5 and 12 interviews per worker per day. Judging from the questionnaire Union seems to have the greatest problems of these three counties, while Dorchester seems to be running smoothly.

"Thirty-two counties described their facilities in certifications as inadequate. Of these 13 are involved in obtaining new facilities. Among the most common complaints were lack of space, the heat in summer and the cold in winter, more than one interview conducted at a time in rooms with no partitions which affords little privacy (23 counties), and noisy conditions.

"Finding qualified certification workers does seem to be a problem. Of 401 allocated positions in the state 57 were not filled in October. Poor salary was most often cited as the reason for the difficulty in hiring.

"There are great variations in the lengths of certification periods from county to county. We looked at the number of ½ month, 1 month, 3 month, 6 month and 12 month certifications completed in October. Thirty counties reported these figures. Clearly, some counties have decided not to certify for certain lengths of time. Abbeville had no ½ month certifications while Oconee had three and Orangeburg two ½ month certifications. Charleston had no 3 month certifications while Orangeburg issued only four out of 950. Barnwell, Chester, Lexington, Marion and Oconee had no 12 month certifications. In Abbeville 97 out of 123 certifications were for one month. These figures indicate a need to make the determination of certification periods more uniform."

In 1968, *Hunger, USA* recommended: "Certification should be made upon applicants' affidavit alone" and "certification should be on an annual basis except at the request of the participant for adjustments either of the price he pays or the allotment he receives."

But in 1972, *Hunger USA Revisited* reported that the Department of Agriculture "appears, if anything, to have exacerbated (the) defects in the system, making certification more onerous than ever."

No control was being exerted over hours of certification offices, the report said, or the number of offices available.

"The applicants, most of whom have to return every three months to be certified once again, frequently find the application offices physically inadequate to accommodate the work load. In San Antonio, Texas, the offices were described by a witness before the Board of Inquiry as 'a cattle-like corral' adjoining a glue factory . . ."

"The certification forms today are, if anything, more complex than they were in 1968. The Department's certification instructions to state welfare agencies contain a sample application form that lists 21 question areas, most with several sub-sections. In Arkansas the application runs five pages. Multi-hour interviews are commonplace elsewhere. Bewilderment and reluctance to participate are the direct products."

The situation has not changed in two years. Certification forms vary from state to state, as do numbers of offices and certification workers per participant. Food stamp officials are as angry about the certification as applicants.

The food stamp regulations, said a welfare official in Virginia, "are so confusing and ambiguous . . . there are built-in errors."

"Right now, the program is virtually impossible to implement," according to Hilton Bolton, manager of the Knox County, Tennessee food stamp office. The main problem is the longer, more complex application forms issued by the state in November. The forms were changed after changes in Federal guidelines.

"We are aware of the many eligibility inconsistencies in the program," said James Young, welfare director in Hudson County, New Jersey, "and have been in touch with state and federal officials requesting changes."

The Federal regulations requiring some people to undergo monthly recertification are inefficient, he said.

Frank Drew, stamp administrator in Hudson County, said there are more than 60,000 participants in the county, and "the bleak economic outlook indicates that more and more people will become eligible to receive food stamps."

In North Carolina, food stamp administrators asked USDA to permit changes to break the certification bottleneck.

They included:

Declaration of counties under pressure as disaster areas to permit applicants to fill out shorter forms.

Automatic recertifications of recipients whose eligibility had expired without referring such requests to Washington. Regulations require resubmission of applications when certification lapses.

Suspension of administrative inspections and the use of inspectors to certify applicants.

Use of volunteers to interview applicants.

The request by the administrators was refused, it was reported, because the changes were "against regulations."

"On the national level," said the *Charlotte Observer*, a week before the request was made, "the complex certification system should be done away with. It takes more paperwork to get food stamps than to get married, buy a home or declare war. Those administrative costs come out of the taxpayers' pockets and do nothing to help feed hungry people. If Congress will not take the most sensible approach and merely provide needy families with cash income supplements, it should at least streamline the cumbersome application process."

A typical food stamp application appears as Appendix C.

The alternative

The alternative to the tedious and demeaning certification process is affidavit or declaration certification in which the food stamp applicant would fill out an application, just as an income tax form is filled out, and declare that the various statements of income, assets and liabilities were correct. Verification would not be required on all applications, as is now the case. Fraud would be countered through spot audits, just as it is for income tax.

A permanent step in the direction of declaration certification has been taken in Massachusetts because of the demand for food stamps. As the result of the suit by Massachusetts Law Reform Institute, mentioned earlier, the state revised its certification regulations in January 1975, dropping the requirement for verification of medical and heating deduction claims under a certain dollar limit.

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* A questionnaire was not received from Richland County, but we did visit there. During that visit, we learned that clients do wait all day and some arrive as early as 7:30 a.m.

Bills for medical care require verification, the regulations say, only when the deduction claimed exceeds $40 a month for each household. The household is expected to list the actual expenses under $40, however, not just claim the maximum. Verification for claims for deductions for oil, gas or electric heat must be made only if the claim is more than $600 a year or $50 a month.

In the case of medical and heating claims, if more than the limit is claimed and bills are not available, the maximum claim is entered and when the bills are produced to justify a higher claim, the deduction is revised.

Fraud

The principal argument against affidavit or declaration certification has been that it would result in fraud and abuse. Putting aside for the present the discretionary nature of such a position, the Select Committee has found little intentional abuse of the stamp program.

Moreover, in June, 1973, Assistant Secretary of Agriculture Clayton Yeutter said that the Department of Agriculture had found little abuse of the program.

Appearing before the Select Committee, Secretary Yeutter was asked by Senator Charles Percy whether there was excessive fraud or abuse in the food stamp program.

Mr. YEUTTER answered:

"I'm very pleased that you raised that issue, Senator Percy, because it's one that constantly arises, particularly from critics of the program who seek means by which it may be castigated or indicted. Each time a violation is prosecuted it makes big headlines. Many people assume that that means that everyone in food stamps is cheating and there is massive fraud and massive violative intent. That simply is not the case. In fact I am personally surprised to find the rate of violation to be so low. I think it is encouraging that we have a situation where really most people are still basically honest. Probably people who are participating in these programs are just as basically honest as people who do not participate in these programs."

Senator PERCY. "I think that's one of the most important statements that's ever been made before this committee because there is a feeling that there can be in the administration of this kind of a program a tremendous amount of abuse. My own personal observation is that in the area of food most people are not trying to cheat. They don't want to look like they are paupers. In fact, this great reluctance of people to say that they're in need is one of the problems you have in reaching them. They somehow feel that they don't want to be put in a degrading category of looking for a handout. Many of these people have worked all their lives, they don't want to be on the dole, they don't want to go to the county poorhouse, and that's almost the category they put this in. They're hard to find sometimes, too. They'd rather suffer in their poverty rather than admit the impoverished condition in which they find themselves and somehow we've got to reach out and say look, this is not degrading, you had nothing—it's beyond your control. You probably did have enough to live on in 1940 prices, but here you've lived twice as long as you thought you would, and you can't make the ends meet and we want to help you. I think that's what we're trying but we don't want to open the doors so wide that there is fraud. And your reassurance that you have seen very little of it in the program, I think is very important. Thank you."

Mr. YEUTTER. "In fact, if you'd like, Senator Percy, we'd be glad to submit for the record some statistics on this that very vividly illustrate that point. It has been remarkably free from fraud."

This is the statement presented by Secretary Yeutter in support of his testimony.

USDA statistics-programs remarkably free of fraud

From July 1, 1972 through March 30, 1973, there were twelve instances of embezzlement by State and local employees. The Office of Inspector General is investigating each case. Six of these cases have been completed, resulting in three prosecutions and convictions and with the U.S. Attorney declining to prosecute the other three. The total dollar loss to the program involved in the six completed investigations was $28,3[illegible]6. During the same period, there were four instances of OIG investigations into coupon trafficking, involving $26,000 in program losses. There was a prosecution and conviction in one case, two cases still are under investigation and one is pending with the U.S. Attorney. There were 24 instances of coupon theft losses resulting from burglaries and armed robberies during the first nine months of fiscal year 1973. The losses totalled $418[illegible]771 out of a total of $2.89 billion coupons issued during that period, making the loss equivalent to .0145 percent of the total volume of coupons issued. This is equivalent to just about 14 cents stolen from each $1,000 of coupons issued. During the same period, 400 retailers were disqualified. Also based on the findings of violations, the courts sentenced 115 retailers or their employees for criminal violations of the Act. These sentences have included fines ranging up to $10,[illegible]00, probation periods and confinements of periods up to two years. As the figures show, only a small percentage of the 180,000 firms who are authorized have been found to be violating the Food Stamp Program. Additionally, there were 8,250 claims established against recipients, for fraudulently receiving food stamps. These claims amounted to $1,784,427 of which $694,714 has so far been collected. The percentage of bonus coupons issued through fraudulent activity in relation to total bonus coupons issued during the first three quarters of fiscal year 1973 is 11 hundredths of one percent. For the same period, the percent of these losses in terms of total coupons issued is 6 hundredths of one percent. In the first three quarters of fiscal year 1973, the percentage of fraudulently participating households, equalled 24 thousandths of one percent.

There is no evidence that there is more abuse of the program now than there was two years ago.

State Senator Henry McDowell, of Georgia, testifying February 5, 1975, before the Senate Agriculture Committee said:

"We have been investigating in my own county, Chatham County, a very thorough investigation which was called for by my opponent, who was a Republican, and it showed that we had, after a thorough investigation by the legal staff from Atlanta, seven possible abuses of the food stamp program out of 25,000 participants in Chatham County."

At the same hearing, Cecil McCarthy, director of Connecticut's food stamp program, said: We have found some hundreds of cases (of fraud) over an eight or nine-year period." (In September there were 1[illegible]9,532 participants in the Connecticut food stamp program.)

Senator Henry Talmadge, the committee chairman, asked: "Have you had any prosecutions?"

Mr. McCarthy: Yes, we have."

Senator Talmadge: "Any convictions?"

Mr. McCarthy: "We have had convictions."

Senator Talmadge: "What recommendations would you make to tighten it up?"

Mr. McCarthy: "One of the recommendations I would make, Senator, is to have the United States Attorneys exercise their duty in these cases. We have gone to them. They do not want to talk to us."

Senator Talmadge: "I have complained to Secretary Butz time after time. Everywhere I travel in my state, of course I do not have time to look up abuses myself, but people who are reasonably responsible tell me about abuses and I hear it continually about negotiating food stamps for liquor and that kind of thing."

Mr. McCarthy: "As I said, I do know the Department of Agriculture who polices the stores in our state, and I suspect in every other state, too, are extremely diligent. I get complaints of this nature, and I turn them over to the Department of Agriculture field man.

"I know of my own knowledge the investigation starts and they are on the scene sometimes within the hour."

From these two testimonies it can be concluded that the incidence of fraud is relatively low, and moreover, that at least in Connecticut, the incidence and degree of fraud is insufficient to raise the interest of the U.S. Attorney.

Recommendations

1. Food stamp certification should be accomplished by declaration. Monitoring of the program for fraud would follow the same procedure as that used by the Internal Revenue Service for income tax.

2. An optional standard deduction should be extended to all applicants in lieu of itemizing hardship allowances.

3. Standard public assistance and non-public assistance food stamp application forms be used nationwide and that they be no more than two pages.

4. The federal government increase its share of administrative and certification costs from 50 to 65 percent.

5. Certification offices should be open at least from 9 to 5 on weekdays and at least half a day on Saturday.

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APPENDIX B—PARTICIPATION RATES IN THE FOOD STAMP PROGRAM: ESTIMATED LEVELS FOR 1974, BY STATE

(By Gary W. Bickel, Ph. D., and Maurice MacDonald, Ph. D., Bureau of Special Science Research, Inc., Washington, D.C.)

NOTE

This study, which was not available in final form for publication in "Nutrition and Special Groups, Part I—Food Stamps," is an analysis of the average monthly eligibility for the Food Stamp Program, taking into account maximum income standards, deductions from income and limits of assets.

The figures in this study are not all identical to those quoted in Part I—Food Stamps because participation figures are continuously being updated by USDA. The differences in figures, however, are not significant and do not affect the conclusions of the Report on Nutrition and Special Groups, Part I—Food Stamps.

Since 1968, the Food Stamp Program has been criticized for its inability to enroll even a majority of the persons who are eligible for food stamp benefits.[1] Because eligibility is established primarily for households with financial resources that indicate they will be virtually unable to purchase a minimally adequate diet without food stamps, the welfare implications of this charge are very serious. At the same time, the charge also implies a failure of the program to reach its other intended recipient group, the "working poor" who are eligible for food stamps because of the deductions allowed for payroll taxes and other work-related expense. As the only universally-available income support program in the United States today, embracing this important work-incentive feature designed to bridge the gap between welfare recipients and low-income working families, the failure of the program to reach the latter group is an equally serious charge.

Nevertheless, there has been empirical support for the charge. According to estimates prepared by DHEW, Office of Income Security Policy and Analysis, the number of persons eligible for food stamps on the basis of annual income projections for 1974 was approximately 37 million,[2] while the actual level of food stamp participation over the first three quarters of 1974 as reported by USDA averaged less than 13.7 million.[3] Thus, as indicated by this rough estimate of the eligible population, well under 40 percent of all persons entitled to obtain food stamps were actually receiving them during this period.

A fairer measure of the food program participation rate for 1974 might include recipients of commodities under the Family Food Distribution Program, still in operation during the first half of the year. In March 1974, for example, some 500 counties and other governmental units still maintained commodity distribution programs instead of food stamps, with nearly 2 million total participants.[4] The total level of combined food program participation averaged less than 14.5 million over the first three quarters of 1974, however, and was no higher by September. Combined food program participation nationally still amounted to less than 40 percent of the baseline number of persons eligible for food stamps as estimated by DHEW.

The present study was undertaken to develop data on food stamp participation rates at the state level. If progress toward more adequate food stamp participation is to be monitored, information of this kind is necessary, since states are responsible for the administration of the actual food stamp operation in each locale. As of July 1974, states were required by law to make food stamp programs available in all counties, and under the law each state is responsible for informing low-income households of the availability and benefits of the program, and for encouraging the participation of eligible households.[5] By September 1974, moreover, the Family Food Distribution Program was entirely phased out in all states, with the exception of certain Indian reservations and several counties in Washington, in favor of food stamps.[6]

The principal aim of our research, then, was to construct valid estimates of the 1974 Food Stamp Program participation rate for each state and the District of Columbia. For the most part, this involved estimating the size of the 1974 eligible population in each state, since information about the number of food stamp participants is readily available from USDA, Food and Nutrition Service. It also is possible to take account of some of the important determinants of food stamp eligibility in addition to household gross incomes. In the present study we have utilized recent information on the average level of deductions from gross income allowed to food-stamp participant households in 1973, as well as older data on the average financial asset holdings of low-income households. The participation rates reported here are thus based on a more detailed consideration of the various eligibility criteria under the food stamp program than has been undertaken heretofore, as well as on state level estimation of the eligible population.

The national total of our state-by-state estimates is comparable in size to the earlier estimates derived from national sample survey data. Depending on the magnitude attributed to the "turnover effect" among part-year eligible households, the size of the eligible population in the nation, on average throughout 1974, is estimated (conservatively, we believe) to be between 39.7 and 47.7 million persons. When the number of recipients of Supplemental Security Income in the five SSI "cash-out" states, who by statute are categorically ineligible for food stamps, is subtracted from these totals, the average 1974 eligible population is estimated to number between 38.6 and 46.6 million nationwide, the true size probably lying closer to the latter number. These figures indicate a combined food program participation rate over the first three quarters of 1974 amounting to something between 31 and 37 percent of the total (full-year equivalent) population eligible under current food stamp program criteria.

It should be emphasized that these estimates refer to the "full-year equivalent" level of eligible population (described in more detail below), not to the larger number of all persons ever eligible at any time during the year, irrespective of the duration of their eligibility. It might also be called the "12-month average" level of eligibility, and is the appropriate measure to compare with actual monthly participation levels, especially when the latter are averaged to smooth out seasonal variation. It also should

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be noted that these figures apply to the population eligible for food stamps on both income and assets criteria combined, and in that sense provide a more stringent measurement than estimates based on income data alone.

ESTIMATING STATE ELIGIBLE POPULATIONS: AN OVERVIEW

Federal regulations specify uniform national standards for the maximum levels of income and assets that a household of a particular size may have and still qualify for food stamps. Of the two types of criteria, the income standard is the more fundamental determinant of eligibility. The asset limitations are relatively nonstringent,[7] in the sense that households eligible on income grounds would seldom be disqualified for exceeding the asset standard. While current data on the liquid assets of low-income households are not readily available, earlier findings tend to validate the assumption that a relatively small proportion of households eligible for food stamps on income grounds, perhaps 15 to 20 percent, are ineligible on asset grounds (as described below). Consequently, our approach is to postpone detailed consideration of the asset screen initially and to concentrate first on developing sound estimates of the number of households, and persons in such households, with current income levels lower than the income standard for food stamp eligibility.

For each state and size of household, the data requirements for that computation are the following:

1. a cumulative percentage distribution of households by income;
2. the food stamp program's maximum allowable income;
3. the total number of households.

By applying the appropriate income maximum to each cumulative percentage distribution, we first estimate the percentage of all households of a given size that are eligible for food stamps. Next, multiplication of the resulting percentage by the number of households of that size produces the estimated number of eligible households. These two steps are repeated for each household size. Then, multiplying the number of eligible households by their respective sizes and cumulating products gives the total number of eligible persons in the state.

Once the data are at hand, the procedure is simple. The necessary data, however, are not normally available in the proper form for such a calculation; rather they must be generated from the household income data that do exist. Our procedure for doing this is described in detail in Appendix A below. A number of other complications exist as well in obtaining estimates that reflect comprehensively the various major elements involved in the determination of food stamp eligibility.

SOME COMPLICATIONS AFFECTING THE ESTIMATION METHOD

Income data collected by the Census Bureau, the data used here, are limited to total money income received by the household before payments for personal income taxes or any other deductions. By contrast, the food stamp income maximums are for household net income, which is total money income less a number of deductions, including allowances for the following: 10 percent of wages or salaries, not to exceed $30 a month; all mandatory deductions from earnings, including all income taxes, Social Security taxes, union dues, etc.; all medical expenses if they exceed $10 a month; child care payments if they permit a household member to be employed; tuition and mandatory educational fees; unusual necessary expenses like funerals. Finally, a further deduction is allowed for "excess shelter costs" defined as that portion of shelter costs (rent, utilities, and one telephone) that exceeds 30 percent of the net income remaining after all other deductions.

The shelter deduction alone can cause total money income to exceed household net income by a substantial margin. But, for example, even without the shelter deduction—or any other federal tax and Social Security withholdings—a working father with three dependents, filing a joint income tax return without itemizing or deducting state and local taxes, could have $7200 in gross earnings and still qualify for food stamps because his net income would be less than the maximum ($6000 on an annual basis) for a four-person household.[8]

Until recently there was no accurate way to estimate the total value of deductions from gross income that can legitimately be claimed for purposes of food stamp eligibility. Certain elements could be estimated from the U.S. Census Public Use Sample for each state, but these would be costly to obtain and at best partial in coverage.

Consequently, our line of approach was first to derive a minimum baseline estimate of the number of food stamp eligible households and persons on the unrealistic assumption (Assumption A) that no deductions are taken from gross income. The food stamp net income maximum for each household size is here applied to the distribution of households by total money incomes. This of course produces a sizeable undercount of the true numbers of households and persons eligible for food stamps in each state, but it does provide a basis for further work.

To get some idea of the relative magnitude of downward bias that results from the unrealistic assumption of zero deductions from gross income, we next calculated the number of eligible households and persons on the alternative assumption (Assumption B) that the total amount of such deductions averages 9.1 percent of gross income in each household-size category.[9] This is still a highly conservative assumption. It should be noted, for example, that in the hypothetical case quoted above, the estimated reduction from gross to net income due to the allowance for Federal income and payroll tax withholdings alone amounts to at least 17 percent of gross family income. These preliminary or baseline estimates of the food-stamp eligible population in each State are presented in the first two columns of Table 1, below.[10]

Quite recently data have become available from a USDA national sample survey of food program participants (the Chilton survey) which reveal the average level of the major non-tax deductions allowed to actual participant households in November 1973. These findings indicate that the average value of such deductions (i.e. not including tax and other payroll withholdings) was $46 per food-stamp household.[11]

The actual food stamp participant group includes a very large proportion of households with little or no earnings, however. (The Chilton data indicate that less than 30 percent of both groups of households surveyed had any earned income in November 1973, *op. cit.*, p. 2.) Yet many of the deductions from gross income allowed for food stamp purposes are oriented toward work-related expenses. Thus, the average level of legitimate deductions among the entire food-stamp eligible population, with a much greater representation of "working poor" and "near-poor" households, is almost certainly higher than that reported here.

Similarly, the tax withholdings applicable to food program participant households have been estimated by Mathematica, Inc. of Washington, D.C., working with the same Chilton survey sample data, to average about six percent of gross income.[12] But this also is much too small a figure for the average tax and other mandatory payroll withholdings appropriate to the entire group of food stamp eligible households. Conservatively estimated, these probably amount to at least ten to twelve percent of gross income, as an average, for all eligible households.

On that assumption, plus the probably very conservative assumptions that both the final net incomes and the total non-tax deductions available to all eligible households are the same, on average, as those reported for the Chilton samples of participating households, the average gross incomes of eligible households would amount to $265–270 monthly.[13] The sum of tax and non-tax deductions comes to $73–78 per month, or 28–29 percent of gross income. This latter figure probably provides a reasonable estimate for the food stamp eligible population as a whole. While average gross income is very likely larger for the group of presently *non*participating eligible households than for participants, and the average dollar amount of deductions available to the nonparticipant group is also likely to be larger, the *rate* of deductions from gross income should not differ markedly between the two groups.

The figures presented in Column 3 of Table 1 go beyond the unrealistic baseline estimates (Assumptions A and B) in embodying an overall rate of deductions from gross income of approximately 28–30 percent.[14] This of course tends to expand significantly the count of eligible households in each state.

Another correction also is introduced in the estimates obtained at this stage, however, which substantially offsets this expansionary effect. An important defect in the data underlying our baseline estimates is that the U.S. Census income data are known to suffer from a general underreporting of incomes of most types. The Current Population Survey income data for 1972 have been estimated by the Bureau of the Census to be underreported by an overall average amount of just under ten percent: wages and salaries showed virtually no underreporting in that year, but public assistance and social security receipts were underreported by eight and 26 percent respectively, and property income components by more than one-half.[15] If the reported Census household income distributions underlying our estimates are adjusted upwards by a uniform 11.1 percent (corresponding to an underreporting of 10 percent), this lowers the counts of eligible households and persons obtained through our method of estimation. The reduction in number of eligible units ranges from 14 to 17 percent for the various household sizes nationally, and average approximately 16 percent of the total number of eligible persons. The figures given in Table 1, Column 3 include this correction as well as the allowance for a more realistic level of total deductions from household gross incomes.

So far, all the estimates presented remain preliminary in two important respects: they reflect only the income limits for food stamp eligibility, not yet allowing for those households with low incomes but having financial resources too large to qualify under the assets criterion. On this score, they would give a significant overcount of the true number of eligibles. On the other hand, they reflect an even greater undercount from the actual average level of eligibility, through applying annual income data when in fact the food stamp eligibility criterion is based on monthly incomes with no requirement for carryover or averaging over a longer period (with one exception, to be noted). This aspect is discussed in detail below.

Column 4 of Table 1 presents the adjusted count of eligible that results when annual income data are retained, but the estimated relative effect of the assets screen is taken into account. To obtain an estimate for this effect, data were drawn from the 1966 study of the financial holdings of consumers conducted by Dorothy Projector and Gertrude Weiss for the Federal Reserve Board of Governors.[16]

The findings from this excellent study are admirably suited to fit the appropriate income and financial assets criteria of the current food stamp program. Two different "poverty income" levels were utilized in the original study. The higher of the two ($4000 per family of four in 1962) amounts to about $6400 per family of four in 1974 dollars, closely comparable to the current food stamp (net) income standard of $600 per four-person household. For families with incomes below this particular standard and with heads under age 65, the proportion with liquid asset holdings exceeding $1000 (in 1962 dollars, equivalent to about $1650 in 1974 dollars) ranged from 1 to 17 percent, depending on age. For two-person or larger families with heads aged 65 or older, the proportion with liquid assets exceeding $2000 (equivalent to about $3300 in 1974 dollars) was 39 percent. The weighted average by age distribution of family heads indicates that overall about 16 percent of these low-income families had liquid asset holdings greater than the current food stamp resource limits. (The weighting is by family heads in each age group with total incomes below 125 percent of the poverty line as of the 1970 census.)

TABLE 1.—NUMBER OF PERSONS ELIGIBLE FOR FOOD STAMPS, 1974 AVERAGE MONTHLY LEVEL, BY STATE: BASELINE ESTIMATES AND SUBSEQUENT CORRECTIONS

State	Estimated number of persons eligible on 1974 annual household income criteria			Estimated number of persons eligible on net annual income and assets criteria combined	Number of SSI recipients in 5 cash-out States, statutorily ineligible for food stamps, September 1974 [1]
	Gross census income basis (assumption A baseline estimate)	Adjusted for 9.1 percent rate of income deductions (assumption B)	Adjusted for 28–30 percent rate of deductions, and census income undercount		
	(1)	(2)	(3)	(4)	(5)
Alabama	840,943	950,000	993,366	784,759	----------
Alaska	50,837	58,232	60,732	47,978	----------
Arizona	295,437	342,257	355,741	281,035	----------
Arkansas	536,212	608,199	635,559	502,902	----------
California	2,061,026	2,463,220	2,522,984	1,993,157	577,255
Colorado	284,448	337,846	347,303	274,369	----------
Connecticut	200,085	243,165	246,002	194,342	----------
Delaware	59,352	89,815	72,116	56,972	----------
District of Columbia	106,558	121,998	127,243	100,522	----------
Florida	1,216,832	1,384,362	1,445,830	1,142,204	----------
Georgia	939,556	1,064,085	1,112,237	878,667	----------
Hawaii	110,913	132,465	135,729	107,226	----------
Idaho	112,620	131,966	136,550	107,875	----------
Illinois	1,132,189	1,265,177	1,324,183	1,046,105	----------
Indiana	529,781	639,638	650,885	514,199	----------
Iowa	351,407	422,172	431,038	340,020	----------
Kansas	293,684	350,017	359,117	283,702	----------
Kentucky	736,860	836,263	874,222	690,635	----------
Louisiana	915,320	1,023,277	1,070,967	846,064	----------
Maine	145,872	176,190	179,235	141,596	----------
Maryland	388,111	458,903	472,871	373,568	----------
Massachusetts	507,551	588,459	611,503	483,087	111,881
Michigan	803,946	944,400	976,221	771,215	----------
Minnesota	413,658	493,605	506,061	399,788	----------
Mississippi	721,943	792,585	829,225	655,088	----------
Missouri	751,140	874,100	907,048	716,568	----------
Montana	101,775	121,939	124,714	98,524	----------
Nebraska	206,988	246,157	252,851	199,752	----------
Nevada	50,224	56,845	59,425	46,946	4,495
New Hampshire	69,724	86,236	86,076	68,000	----------
New Jersey	576,559	683,450	703,286	555,596	----------
New Mexico	250,750	283,877	296,732	234,418	----------
New York	1,940,963	2,288,298	2,361,339	1,865,458	350,651
North Carolina	1,061,150	1,197,990	1,252,795	989,708	----------
North Dakota	107,510	126,880	130,862	102,381	----------
Ohio	1,079,640	1,225,301	1,280,314	1,011,448	----------
Oklahoma	483,835	561,542	583,293	460,801	----------
Oregon	239,428	284,609	292,441	231,028	----------
Pennsylvania	1,259,881	1,481,733	1,530,810	1,209,340	----------
Rhode Island	101,256	116,593	121,424	95,925	----------
South Carolina	616,186	693,020	725,031	572,774	----------
South Dakota	143,367	166,359	172,818	136,526	----------
Tennessee	884,938	1,008,195	1,052,746	831,669	----------
Texas	2,121,721	2,435,175	2,538,171	2,005,155	----------
Utah	129,339	157,552	159,276	125,828	----------
Vermont	56,798	67,851	69,520	54,921	----------
Virginia	723,518	836,024	869,657	687,029	----------
Washington	330,199	387,849	400,915	316,723	----------
West Virginia	381,851	441,205	458,977	362,592	----------
Wisconsin	461,511	541,664	560,095	442,475	53,727
Wyoming	42,812	51,679	52,595	41,550	----------
Total United States	27,930,264	32,319,419	33,520,132	26,481,212	1,098,009

[1] Social Security Administration, Office of Research and Statistics, Division of Supplemental Security Studies: "Advance Release of SSI Program Data for September 1974" (Washington D.C., Nov. 1, 1974).

When "unrelated individuals" are included in the average, and weighted according to our estimated number of single-person and multiperson eligible households, on the basis of 1973–74 household incomes, the overall proportion of income-eligible households not passing the food stamp assets screen is 21 percent. This estimate may be slightly overstated, due first to the inclusion of household heads aged 60–64 along with younger families under a $15000 asset limitation instead of the $3000 actually allowed, and second to the similar miscounting of households that include family member, other than the head, over age 60. On the other hand, the true average gross income level corresponding to the food stamp net income standard is probably higher than the income interval considered here, and thus some eligible households with larger assets than reported here probably are omitted. On this score, the true proportion of income-eligible households failing to pass the assets test would tend to be larger than the figure given, although this effect should be very slight. On balance, the estimate given here probably errs on the liberal side.

We have nevertheless used a figure of 21 percent for the estimated proportion of income-eligible persons excluded by the food stamp resource limitation, even though this may overstate the effect to some extent. The chief weakness of this estimate, of course, is that we do not really know whether present-day low-income households are in general better or worse off in the real value of their liquid assets than comparable households were in 1962. In the absence of more recent data, however, this probably is as realistic an estimate of the relative impact of the asset screen effect as can be developed.

Before turning to consideration of the major source of undercount inherent in any food program eligibility estimates limited to annual income data, two other aspects of the present estimates should be noted, each of which tends to create a downward bias, or undercounting of the true number of food stamp eligibles in 1974. First, while our objective is to calculate 1974 food stamp participation rates, the most recent year for which data on the size distributions of household income are available is 1973. Household incomes generally may show some growth from 1973 to 1974 (as total personal income has), although in real terms this growth will be slight, given the combination of deepening recession and high inflation throughout 1974. For the relevant group of lower-income households, the average change in real incomes from 1973 to 1974 very probably was negative, and if positive, could be only very slight at best. Thus, the 1973 household income distribution data, while not ideal, do provide an excellent proxy for the actual 1974 situation. Our procedure of deriving 1974 eligibility estimates from the 1973 income data is subject to error in the following way: if the real incomes of low-income households in fact grew from 1973 to 1974, our estimates will tend to overstate the 1974 proportion of all households eligible for food stamps on income grounds, but if in fact such real incomes declined on average over the period, our estimates will give an undercount.

There is, moreover, another aspect of using the 1973 data in proxy for the 1974 situation which definitely will produce some degree of undercount in our results. The total number of households of each size in each state plays an important role in our estimating procedure,[17] and 1973 also is the latest year for which data on household numbers by state are available. By 1974, however, normal population growth and family formation actually will have increased the number of households of most sizes in most states. Thus, even if real incomes did in fact increase over the period for the relevant segment of the population, the offsetting effect from using the smaller 1973 count of the number of households in each state will almost certainly produce a net downward bias in our estimates.[18]

The second possible source of undercount or downward bias in the estimates presented here lies in the fact that certain households that are categorically eligible for food stamps are not explicitly considered in our approach, and thus may be omitted from the counts obtained. In all states "public assistance households" (those in which all members are welfare recipients) are automatically eligible for food stamps, by statute, with no additional income or resource test. The same is true in all but five states for most aged, blind, and disabled recipients of Supplemen-

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tal Security Income (SSI), as described below.

In states with high welfare payment standards, a family with sufficiently great exempted earnings, in combination with unusually large "special need" requirements recognized by its welfare department, could conceivably have net income higher than the maximum set by the Food Stamp Program. Such a family would nevertheless be eligible (statutorily) for food stamps, but it would be omitted from our estimates. The number of families in this circumstance must be very small, however—even in the most liberal public assistance states. With the earnings disregard required for AFDC programs by Federal regulation (which exempts the first $30 monthly, plus ⅓ of all additional earnings) the earned income maximum for AFDC eligibility of a family of four would be as follows in the four states with the highest AFDC eligibility standards as of July, 1973: [19]

	Full standard for basic needs, AFDC family of 4, July 1973	Income maximum for AFDC eligibility, (assuming Federal earnings disregard)	Food stamp maximum net income for 4-person household, July, 1974
Alaska	$400	$630	$640
Hawaii	385	608	620
New York	380	600	500
Michigan	372	588	500
Median, 50 States and District of Columbia	307	490	500

According to the DHEW 1973 Study of AFDC,[20] only 16.3 percent of AFDC families in all the states surveyed had any earnings (10.4% in New York; 13.1% in Michigan). In all states, the 89–90 percent of AFDC families without earnings would qualify easily under the 1974 food stamp program criteria in any event. Among the much smaller group of families with excludable earnings (whose total incomes may thus exceed the current food stamp maximums) the normal level of food stamp deductions brings them all within the net income limit also, except for those few who are receiving substantial "special need" payments in addition to their basic AFDC grant. But in most of the higher-standard states, "special need" payments are very sparingly used: In New York state, for example, only 3.17 percent of all AFDC families received any such payment in the 1973 survey month (DHEW, *op. cit.*, p. 45). For all states included, only 3.20 percent of all AFDC families received monthly "special need" payments greater than $25. There is no cross-tabulation in the published data of those AFDC recipients with *both* earnings *and* "special need" payments simultaneously, but clearly the number is minuscule.[21]

A potentially more important omission from our estimated number of eligibles is that of SSI recipients, most of whom are categorically eligible for food stamps, except in the five so-called "cash-out" states where all SSI recipients are categorically ineligible for food stamps.[22] The Federal income-guarantee levels under SSI are considerably below the food stamp income maximums, while the Federal SSI support standards plus state supplementary payment levels are lower in all but the five high-supplementing "cash-out" states. One of the significant new departures of the SSI system, however, is its substantial disregard of earned income.[23] Consequently, those SSI recipients with earnings can have total incomes far above the food-stamp maximums: in the 24 non-supplementing states up to nearly twice the food stamp net income limits, and in the supplementing states to substantially higher levels yet.[24] Such higher-income SSI recipient households would be omitted from the present estimates of food stamp eligibles. In practice, this effect also must still be negligible at the present time. On the one hand, only a small proportion of all SSI recipients have earnings. On the other, estimates made at the Bureau of Social Science Research (using the Social Security Administration estimate of 7.2 million for the current national total of SSI eligibles) indicate that among all persons newly eligible for SSI support in 1974 (i.e. not converted from public assistance roles), only 23 percent were actually in the program as of September.

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ADJUSTMENT FOR FLUCTUATING INCOMES AND MONTHLY ELIGIBILITY DETERMINATION

One major inadequacy remains in all the estimates of food stamp eligibility levels presented so far. They are all based on annual levels of household income, while the food stamp program determines eligibility essentially on the basis of current monthly incomes.[25] Given the widespread fluctuation in incomes that normally occurs over the course of a year among many households, and especially among those in the lower income ranges,[26] it has come to be well understood that the use of annual income data necessarily will produce a significant undercount of the total number of households and persons actually eligible during the year under any program that bases income eligibility on current monthly or quarterly incomes.[27]

Ideally, for any such program, each month's participation level would be compared with that month's distribution of incomes and resultant number of eligibles, these "true" monthly participation rates then being averaged to find the annual rate. Current monthly income data would be necessary for this "ideal" measurement, corresponding to the income accounting period actually employed in the large majority of food stamp eligibility determinations.

In actuality, very little monthly income data exists, limited almost exclusively to that reported in the recent OEO and HEW income maintenance experiments. Using these data, however, estimates have been made of the degree of undercount that results when annual income figures are used to estimate the numbers of persons eligible for income supplements, such as food stamps, under monthly or quarterly income criteria (Allen, *op. cit.*). The general finding from these estimates is that a program with no requirement for carryover or averaging of income from previous months—in other words comparable (with the exceptions noted) to the food stamp program—will have a much larger eligible population on average during any year than it would if program eligibility were based on annual incomes. Stated alternatively, the number of persons estimated to be eligible based on annual income data will significantly undercount the number actually eligible based on current monthly or quarterly incomes.

This "income-accounting-period effect" may be explained as follows: the use of annual income data would produce the "proper" count of eligibles only if those persons in households with income levels qualifying them for food stamps, on average, but who failed to qualify in particular (high-income) months, were exactly equalled in number over the year by those with average incomes too high for eligibility, but who did qualify in particular (low-income) months. The valid use of 12-month average income levels (annual data) thus implicitly would require a strict condition on the circulation of households, in terms of month-to-month income variation, upwards and downwards across the program eligibility line. It would require that the number of normally lower-income household members (i.e. on average, and here defined in reference to the program income maximums) who had *above*-maximum incomes in particular months was exactly counterbalanced by the number of normally higher-income household members with *below*-maximum incomes in particular months.

This implicitly assumed condition does not exist in reality, however, but rather is violated in a predictable direction. The food-stamp income maximums are quite low relative to the entire income distribution: the number of normally below-standard-income households is a small fraction of the number normally above the standards. Thus, on quite general grounds, the number of normally above-standard households that will fall temporarily below the food stamp eligibility levels in particular months is substantially larger than the opposite number of normally below-standard households temporarily rising in some months to above-maximum incomes.

This could fail to be true only if the degree of income variability were so much greater among those households with normally below-standard incomes than among normally higher-income households that it fully offset the large difference in relative size of the two groups. In fact it is the case that low family incomes, especially wage earnings, are in general more variable than higher ones, within as well as between years,[28] but the actual differential is much too small to meet the required condition. The degree of income variability that exists at higher income levels, although proportionately declining, is nevertheless substantial,[29] while a disproportionately large share of many of the lowest incomes consists of extremely stable income types. Additionally, those categories of households that are permitted to average their incomes on annual basis for food stamp purposes probably constitute a fair proportion of all those normally lower-income units with occasional periods of temporary higher incomes. These should be excluded from the critical comparison altogether—making the required condition even more unrealistic for the rest of the population.

Appendix B, below, provides some further discussion of the eligibility measurement problems associated with the existence of widespread irregular incomes and the resultant "turnover" of households eligible for food stamps through the course of each year.

AVERAGE 1974 FOOD STAMP PARTICIPATION RATES

Table 2 presents two further estimates of the average monthly level of food stamp eligibility in each state, taking account of the "turnover effect" (or "income-accounting-period effect") resulting from fluctuating household incomes. Column 1 contains the eligibility levels that result when a very low estimate of the effect is employed, while column 2 gives the levels that result from a somewhat higher although still conservative estimate. Both of these assumed levels of the "turnover effect" are low by comparison with the best empirical evidence available to date on its probable magnitude.[30] The figures presented here should provide therefore a reasonable and conservative range of estimation for the true average level of food stamp eligibility in 1974. We should note, moreover, that these figures do not represent the broadest eligibility concept associated with the "turnover effect"—i.e. the aggregate number of persons ever eligible at any time during the year, irrespective of duration—but rather the "full year equivalent" or "12-month average" measure of eligibility. (This is the "Type II" eligibility measure described in Appendix B.)

Column 3 of Table 2 lists the actual peak monthly level of food stamp participation attained in each state during the first three

quarters of 1974. For the majority of states, this peak participation level was reached in the period after July 1, and for all but a handful of states the earlier Family Commodities Distribution program was entirely phased out by the end of this period. Columns 4 and 5 give the food stamp and commodities program participation levels, respectively, as reported for September. The increase in food stamp participation nationally over the summer of 1974 almost exactly matched the decline in number of persons receiving commodities, so that the combined food program participation level remained virtually constant, varying by little more than two percent from June through September.[31]

Footnotes at end of article.

In general, the use of either one of these figures as a proxy for the overall 1974 average monthly program level will tend to overstate the latter figure to some extent for most states. It will thus also overstate somewhat the average 1974 participation rate among the food stamp eligibility population. Moreover, this is notwithstanding the unprecedentedly rapid expansion of food stamp roles in the last quarter of 1974. On the basis of the preliminary estimates released by USDA for national program levels through December,[32] the 1974 12-month average level of food stamp participation was less than 14.3 million persons. When the combined food program levels through September are averaged with the preliminary food stamp figures for October–December, the 12-month average is still only 14.9 million.

The estimated 1974 food stamp participation rate for each state, as approximated by the actual food program level for September, is given in Columns 6 and 7 of Table 2. The variation between these two rates reflects our lack of exact knowledge, and consequent alternative assumptions, as to the magnitude of the "turnover effect" on the average or "full-year equivalent" level of eligibility.

An alternative, slightly higher, pair of participation rates estimates could be developed for most states based on the peak monthly program levels listed in Column 3. Eventually, when the detailed state participation data are reported by USDA for the final quarter of 1974, the actual average program levels for the entire year can be substituted for these proxy measures.

TABLE 2 —1974 FOOD STAMP PARTICIPATION RATES, BY STATE

State	Estimated 12-mo average number of persons eligible for food stamps (adjusted for turnover effect of monthly income accounting: Low estimate of effect (1)	Estimated 12-mo average number of persons eligible for food stamps (adjusted for turnover effect of monthly income accounting: Intermediate estimate of effect (2)	Peak monthly number of food stamp participants, January through September 1974 (3)	September, 1974 food program participation levels: Food stamps (4)	September, 1974 food program participation levels: Commodities (5)	Estimated 1974 food stamp participation rate, (September program level): With low estimate of turnover effect (6)	Estimated 1974 food stamp participation rate, (September program level): With intermediate estimate of turnover effect (7)
Alabama	1,177,139	1,412,566	338,762	338,507		28.8	24.0
Alaska	71,968	86,360	21,769	14,205		19.7	16.4
Arizona	421,552	505,863	111,520	110,400	39,020	35.4	29.5
Arkansas	754,353	905,220	249,514	245,940		32.6	27.2
California	2,412,481	3,010,427	1,404,824	1,343,373		55.7	44.6
Colorado	411,554	493,864	138,567	131,151		31.9	26.6
Connecticut	291,513	349,815	145,313	139,532		47.9	39.9
Delaware	85,458	102,549	21,214	21,214		24.8	20.7
District of Columbia	150,783	180,939	117,830	116,392		77.2	64.3
Florida	1,713,309	2,055,970	514,847	514,847		30.0	25.0
Georgia	1,318,000	1,581,600	424,830	424,830		32.2	26.9
Hawaii	160,839	193,006	71,540	71,540		44.5	37.1
Idaho	161,812	194,175	33,794	31,695		19.6	16.3
Illinois	1,569,158	1,882,989	878,455	840,900		53.6	44.7
Indiana	771,298	925,558	194,791	194,036		25.2	21.0
Iowa	510,030	612,036	116,020	105,645		20.7	17.2
Kansas	425,553	510,663	53,107	53,107		12.5	10.4
Kentucky	1,035,952	1,243,143	401,992	400,655		38.7	32.2
Louisiana	1,269,096	1,522,915	530,589	502,279		39.6	33.0
Maine	212,394	254,872	96,133	96,133		45.3	37.7
Maryland	560,352	672,422	258,710	245,101		43.7	36.4
Massachusetts	612,749	757,675	284,966	284,966		46.5	37.6
Michigan	1,156,822	1,388,187	581,754	567,791		49.1	40.9
Minnesota	599,682	719,618	184,142	165,930	1,291	27.9	23.2
Mississippi	982,632	1,179,158	351,117	348,341		35.4	29.5
Missouri	1,074,852	1,289,822	290,932	288,353		26.8	22.4
Montana	147,786	177,343	33,393	32,821	6,719	22.2	22.4
Nebraska	299,628	359,553	50,447	44,332		14.8	12.3
Nevada	65,924	80,007	27,168	27,168		41.2	34.0
New Hampshire	102,000	122,400	32,000	30,277		30.0	24.7
New Jersey	833,394	1,000,072	435,187	435,187		52.2	43.5
New Mexico	351,627	421,952	161,695	149,831		42.6	35.5
New York	2,447,536	3,007,173	1,199,870	1,195,785		48.9	40.0
North Carolina	1,484,562	1,781,474	341,397	341,397	497	23.0	19.2
North Dakota	155,072	186,085	21,666	18,361	6,572	16.1	13.4
Ohio	1,517,172	1,820,606	778,856	750,774		49.5	41.2
Oklahoma	691,202	829,441	155,463	155,463		22.5	18.7
Oregon	346,542	415,850	171,903	163,617		47.2	39.3
Pennsylvania	1,814,010	2,176,812	746,567	744,896		41.1	34.2
Rhode Island	143,388	172,665	77,881	77,881		54.1	45.1
South Carolina	859,161	1,030,993	370,991	354,484		41.3	34.4
South Dakota	204,789	245,746	30,273	30,273	13,942	21.6	18.0
Tennessee	1,247,504	1,497,004	351,579	329,456		26.4	22.0
Texas	3,007,732	3,609,279	1,104,190	1,057,976		35.2	29.3
Utah	188,742	226,490	60,939	39,829		21.1	17.6
Vermont	82,382	98,857	40,345	38,165		46.3	38.6
Virginia	1,030,544	1,236,652	217,575	215,338		20.9	17.4
Washington	475,084	570,101	261,592	228,898	9,769	50.2	41.9
West Virginia	543,888	652,665	244,615	213,774		39.3	32.8
Wisconsin	609,985	742,728	132,313	129,403		35.0	17.4
Wyoming	62,325	74,790	11,018	9,272		14.9	12.4
Total United States	38,623,810	46,568,153	14,778,715	14,411,501	77,810	37.5	31.1

One final comment is in order: the food stamp eligibility levels and participation rates presented here were designed (in Spring of 1974) to measure the "average" situation for calendar year 1974. Beginning in October, the *level* of food program participation has been rising rapidly. This probably betokens an increase in the *rate* of participation among the eligible population, but to what extent we cannot be sure. With the deepening economic recession and rapidly rising unemployment over the same period, it is certain that the size of the eligible population also is increasing. Thus the "average" 1974 estimates presented here probably understate significantly the level of food stamp eligibility prevailing in 1975, and at the same time understate to some unknown degree the ratea of participation now being achieved. This is no paradox, but perhaps one more indication of the complexity of the economic changes taking place.

FOOTNOTES

[1] See, for example, *Hunger U.S.A.*, A Report by the Citizens' Board of Inquiry into Hunger and Malnutrition in the United States, (Washington, D.C., 1968), and *Hunger 1973*, a staff report of the Select Committee on Nutrition and Human Needs, United States Senate, (Washington, D.C., G.P.O., 1973).

[2] The DHEW estimate was prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee of Congress (the Martha Griffiths Subcommittee), and is quoted in the Subcommittee Staff report, Studies in Public Welfare, Paper No. 14: *Public Welfare and Work Incentives: Theory and Practice*, (J.E.C. Print, April 15, 1974), p. 5. The figure of 37 million refers to the baseline estimate of persons eligible on the basis of income projections from *annual* income data of the Current Population Survey

of the U.S. Bureau of the Census, not to the number actually eligible as determined by *monthly* incomes. The cumulative number of persons eligible at some time during the year on the basis of low incomes in some months—and more importantly, the full-year equivalent number of such part-year eligibles—would be substantially larger. For discussion of this "turnover effect" on the size of the food-stamp eligible population, and estimates of it, see below, pp. 21–25 and Appendix B.

[3] USDA, Food and Nutrition Service, Office of Program Reporting: *Food Stamp Program, Statistical Summary of Operations* (*monthly*). These data are to a considerable extent preliminary estimates rather than actual program records. USDA does not publish any detailed monthly participation data for the food stamp program in fully corrected form.

[4] USDA, Food and Nutrition Service, Office of Program Reporting: *Family Food Distribution Program*, monthly reports.

[5] U.S. Code 2019(e)(5) and Code of Federal Regulations 271.1(k) *Federal Register*, v. 40, no. 6 (January 9, 1975), p. 1886.

[6] For excellent summary descriptions of legislative and administrative developments in the Food Stamp Program, and public food programs generally, see Community Nutrition Institute: *CNI Weekly Report*, (1910 K St., N.W., Washington, D.C., 20006).

[7] The assets portion of the food stamp means test stipulates that the countable resources of all household members may not exceed $1500, or $3000 if the household has two or more members at least one of whom is age 60 or over. Countable resources include liquid assets such as cash, savings accounts, stocks and bonds, and nonrecurring lump-sum payments. The home, one car (or two, if needed for employment), household and personal goods, insurance policies and pension funds, and any property essential to self-support are all excluded from the assets test.

For unusually lucid description of many detailed aspects of current Food Stamp Program provisions and regulations, see Food Research & Action Center (FRAC): *A Guide to the Food Stamp Program*, Revised, October 1974 (25 West 43rd St., New York, N.Y. 10036).

[8] Barry M. Blechman, *et al., Setting National Priorities: The 1975 Budget*, The Brookings Institution (Washington, D.C., 1974), p. 192.

[9] The actual method employed was to raise the income maximum interpolated into the income-distribution curve by ten percent. This is equivalent to a downward shift in the distribution curve as such (representing the adjustment from gross to net income) of 9.09 per cent at the point of interpolation.

[10] These baseline figures are presented in the preliminary version of our findings published by the University of Wisconsin, Institute for Research on Poverty, Discussion Paper No. 253–75 (Madison, January 1975).

[11] The Chilton survey was conducted for USDA at the request of the Griffiths Subcommittee of the Joint Economic Committee. A summary of some of its findings, prepared by the USDA Food and Nutrition Service, is published as the Subcommittee's last report: Studies in Public Welfare, Paper No. 17, *National Survey of Food Stamp and Food Distribution Program Recipients: A Summary of Findings on Income Sources and Amounts and Incidence of Multiple Benefits*, (JEC Print, December 31, 1974).

The report lists the average "monthly total claim" for non-tax deductions as $57 among those households with such deductions, and notes "about 80 percent" of the sample households as having deductions of this kind (note, p. 8). The average level of non-tax deductions across all households sampled would thus amount to $45.60.

[12] Personal communication from Jodie T. Allen. The Mathematica Inc. simulation indicated tax withholdings distributed as follows:

Rate of tax withholding

51% of households; 1–5% of gross income.
40% of households; 6–10% of gross income.
8% of households; 11–15% of gross income.

which averages out to approximately 6 percent of gross income. (These figures do not include union dues or other mandatory payroll deductions apart from income and payroll taxes.)

[13] The Chilton survey findings list the monthly average "cash income" of food stamp households (i.e. after taxes and other payroll deductions) as $238 (*op. cit.*, p. 8). Gross income would thus average $265–270 if basic tax and all other payroll withholdings averaged 10–12 percent of gross income. If all other deductions then averaged a total of $46 per household, the average "food stamp net income" of such households would be $192. This may be compared with the weighted average for all household sizes of the income-interval midpoint levels of "monthly household Food Stamp net income" reported in the same study (Table 13, p. 46) of $189, and with the similar weighted average level of net income reported by USDA for a sample of food stamp recipient households on June, 1973 of $226. [USDA/FNS, Food Stamp Division, Program Development Branch: "The 1973 Total United States Profile of Food Stamp Program Participants For All Persons By Household Size, By Income Range for the Month of June", March 31, 1974.]

[14] There is a small range of uncertainty as to the exact rate of deduction implied in all states, due to the particular method of calculation utilized. (In effect, an implicit overall distribution curve of the per capita incomes of the eligible persons in each state was projected, as determined from the original interpolations (A and B) into the separate household income curves.) For most states in which the adjusted (net) income levels remain within the same income intervals as the original interpolations, the rate utilized amounts to an average 28.3 percent of gross income for all households. In some states, however, in which the range of adjustment crosses an income interval boundary, and the slope of the distribution curve is perceptibly changing, the same nominal rate actually amounts to a slightly higher average rate of deduction.

In general, our method of working from the segmented linear distribution curve expressed in the published household income data (aggregated into $1,000 intervals) tends to produce an undercount of eligible households from the underlying nonlinear "true" income distribution curve. In this particular case, however, the effect is reversed: if the "true" rate of deduction is deemed to be 28.3 percent, the method of calculation produces a slight overcount of eligible households. Alternatively, if the method is deemed to reflect the "true" count of eligibles, the rate of deduction implied is slightly higher than 28.3 percent.

[15] U.S. Bureau of the Census: *Current Population Reports: Consumer Income*, series P–60, No. 95, "Supplementary Report on the Low Income Population: 1966 to 1972," p. 54 (July, 1974). See also P–60, No. 90, Table K (December, 1973).

[16] Dorothy Projector and Gertrude Weiss: *Survey of Financial Characteristics of Consumers*, (Federal Reserve Technical Paper, August, 1966) Table A–39: "Poverty Income Status—Size of Equity in Portfolio of Liquid and Investment Assets, December 31, 1962."

[17] See Appendix A for detailed description of data and estimating method.

[18] A major step in our computational method involves multiplying the proportion of eligible households of each size by the total number of households of that size in a given state to produce the estimated number of eligible households of that size. Consequently, a given proportional error in the total *number* of households of given size, due to use of the 1973 figures, would introduce a much greater (downward), bias in our estimate of the number of eligible households than would the same-sized proportional error in the *percentage* of households eligible, resulting from the use of the 1973 data on income distributions, and assuming real income growth from 1973 to 1974. Any net bias resulting from the use of the 1973 data, therefore, is almost certainly conservative in effect—that is, tending to undercount the true number of eligibles in 1974.

[19] DHEW Publication No. (SRS) 74–03200: *Public Assistance Programs, Standards for Basic Needs, July 1973*, DHEW Social and Rehabilitation Service, National Center for Social Statistics, (Washington, D.C., March 1974).

[20] DHEW Publication No. (SRS) 75–03765: *Findings of the 1973 AFDC Study, Part II–A: Financial Circumstances*, DHEW Social and Rehabilitation Service, National Center for Social Statistics, (Washington, Sept. 1974).

[21] Staff members of the USDA Food and Nutrition Service some time ago made a similar calculation and also concluded that there are virtually no AFDC families anywhere in the country who would not be eligible for food stamps under the regular income and assets criteria now in effect.

[22] Those SSI recipients who live as part of larger, nonwelfare households are the only ones who—as part of the entire household—must meet income and asset requirements. The five highest-standard states in terms of State Supplementary Payments (SSP) above the basic Federal SSI support levels are California, Massachusetts, Wisconsin, New York, and Nevada. These states also have been identified by the Secretary of HEW as food-stamp "cash-out" states for purposes of SSP cost sharing. (That is, the maximum standard for possible Federal obligation in SSP cost sharing—called the "adjusted payment level"—in these states includes, at their option, the cash equivalent of the average food stamp bonus value otherwise available to SSI recipients.) SSI recipients in these states are excluded from food stamp eligibility because they are presumed to be benefitting instead from the "cashing out" of food stamps in the SSI plus SSP support levels. For a detailed description of state supplementation in the SSI system and the state-federal cost-sharing formula involved (the "hold harmless" formula), see G. W. Bickel: *The Supplemental Security Income Program: Estimated Impact, By State*, Bureau of Social Science Research (1990 M St., N.W., Washington, D.C., 20036), January, 1974.

[23] The first $20 of unearned income and first $65 of earnings monthly (or the first $85 of earnings in the absence of any unearned income) are fully exempt from counting towards the SSI income guarantee level (currently $146 for single persons and $219 per month for couples living independently), and one-half of all additional earnings are exempt.

[24] The general formula for the income maximum for SSI eligibility is: $(E-85)\div 2=S$ or $E=2S+85$

where E is the earned-income maximum and S is the combined standard of support maintained in the state (SSI+SSP, if any)

For the 24 states with SSP=0, $E=2\times 146+85=\$377$ (single person) or $2\times 219+85=\$523$ (couple)

This compares with current food stamp net income maximums of $194 and $273 per month for one- and two-person households respectively. Among SSI supplementing states, the value of E reaches maximum levels among the five "cash-out" states. Apart from them, it exceeds $400 per month for single persons and $550 for couples in Hawaii, Maine, Michigan, New Jersey, Rhode Island and the major areas of Vermont and Washington.

[25] Certain recipients (farmers, other self-employed, and farm workers with one employer over the year) have the option of averaging or prorating their expected incomes for periods of up to one year, and some others (teachers and others on regular part-year contracts) are required to average their incomes on a 12-month basis. The annual figures are the proper income date for those households, but they are a small fraction of all eligible households. All other recipients are certified on an essentially current monthly income basis. Those with quite regular incomes (e.g. many Social Security, public assistance, and SSI recipients) are often certified for quarterly periods or sometimes even longer: their expected future incomes are equal to their current ones. All other recipients, not in the special categories noted and not having predictable future incomes, are ordinarily certified for one month at a time, on the basis of their current actual or anticipated incomes.

[26] See James N. Morgan, *et al.*, University of Michigan, Survey Research Center: *Five Thousand American Families—An Analysis* (Volume I) and *Special Studies* (Volume II) *of the First Five Years of the Panel Study of Income Dynamics*, Jacob Benus: "Income Instability" (Vol. I, pp 277–304), and Thad Mirer: "Aspects of the Variability of Family Incomes" (Vol. II, pp. 201–212), (Ann Arbor, 1974).

[27] See in particular Jodie T. Allen: "Designing Income Maintenance Systems: The Income Accounting Problem", in Studies in Public Welfare, Paper No. 5, Part III, *Issues in Welfare Administration: Implications of the Income Maintenance Experiments*, prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee of Congress, (JEC Print, March 12, 1973).

[28] Morgan, *et al., op. cit.*

[29] *Ibid.* See also A. I. Kohen, H. S. Parnes and J. R. Shea: *Income Instability Among Young and Middle-Aged Men*, The Ohio State University, Center for Human Resource Research (Columbus, May, 1973).

[30] Allen, *op. cit.*, pp. 69–97. The relevant estimates presented in this excellent and detailed simulation study of the accounting period "turnover effect" on eligibility levels for income support programs range from a value of 59% for urban households only to 140% for urban and rural households combined for the increased number of persons *ever* eligible during a year over the number who would be eligible, on average through the year, based on their annual incomes (*i.e.*, a Type I/Type III comparison, in the terminology of Appendix B). These estimated values set an upper bound to the size of the expansion factor relevant to the present study: i.e., the *full-year equivalent* level of eligibility over the level of eligibility based on annual incomes (a Type II/Type III comparison).

The Allen estimates also may be combined with the more recent work done at Mathematica, Inc. by Harold Beebout for the Congressional Research Service, [CRS Education and Public Welfare Division, Library of Congress: "Estimating The Population Eligible for Food Stamps," (CRS Multilith 75–49ED, Februray 19, 1975).] which yields a 16.3% differential in the number of persons ever eligible in a year (Type I count) over the number eligible on average in any given month. (Type II count). Taken together, these estimates imply a Type II/Type III differential (relevant to the present study) ranging from 37% for urban households alone to 106% for urban and rural households combined. (See Appendix B.)

These figures are subject to considerable uncertainty, however, as the 16.3% differential (Type I/Type II comparison) was not derived from actual monthly income data, but rather a hypothetical simulation of wage variability only, using CPS data on the periods of reported employment and unemployment of low-income family heads. The data underlying the Allen simulation also are not strictly relevant to the potential food-stamp eligible population, being limited to multiperson families with children (originally intended to test the FAP model). The recent USDA/Chilton survey data indicate, by contrast, that as many as one-half of all actual food stamp participants are one- and two-person households (*op. cit.*, pp. 25–26).

The expansion factor utilized in the DHEW study cited above (note 2) was 35% over the eligibility level determined from annual income data, yielding an estimated 50 million eligibles in comparison to the baseline 37 million. This appears a quite realistic assumption when interpreted as reflecting the Type II/Type III differential, and limited to urban households only.

The values utilized in the present study are 50 and 80% respectively for the "highly conservative" and "moderately conservative" assumptions as to the true magnitude of the "full-year-equivalent accounting period effect" (i.e., the Type II/Type III multiple) for urban and rural households combined.

If the 16.3% differential implied by the Beebout estimates is an accurate reflection of the Type I/Type II differential, then the relationship of Type II/Type III and Type I/Type III differentials is as follows:

[In percent]

A Type II/Type III Differential of:	Implies	A Type I/Type III Differential of:
37		59
40		63
50		74
60		86
80		109
100		133
106		140

[31] The combined count of persons participating in the two programs over the period (in thousands) was: 14,262 (June), 14,142 (July), 14,348 (August), and 14,448 (September). (USDA, FNS; monthly program reports).

[32] USDA, FNS, Program Reporting staff (preliminary figures): October—15,089,642; November—15,924,707; December—17,118,202.

APPENDIX A: DATA BASE AND METHOD FOR GENERATING INITIAL BASELINE ESTIMATES OF FOOD STAMP ELIGIBLE POPULATION

CUMULATIVE PERCENTAGE DISTRIBUTIONS OF HOUSEHOLDS BY INCOME SIZE FOR STATES, 1973

Published tabulations of the 1970 census can be used to derive cumulative percentage distributions of households by 1969 income, for states and for the nation as a whole.[1] Similarly, the March 1974 Current Population Survey provides a comparable national cumulative percentage distribution for household income in 1973,[2] the most recent year for which such data presently exist.

Utilizing these 1969 state, 1969 national, and 1973 national distributions to generate state cumulative percentage distributions involves one reasonable assumption about the relationship between state and national distributions, namely that the 1969 state/national ratio of the percentages of households below each income-class boundary remains constant through 1973. That is, if S69i/N69i is the state/national ratio of the percentages of households having income in or below some income bracket i (where i is in constant dollars), and S73i/N73i is the corresponding ratio for 1973, we assume

(1) $S69i/N69i=S73i/N73i$.

Since S69i, N69i, and N73i are known from the 1969 and 1973 cumulative percentage distributions, we can solve (1) for S73i.

To see how this method accounts for income growth in the period 1969–1973, consider

(2) $S73i=(N73i/N69i)\times(S69i)$

and suppose that i is chosen to coincide with the Food Stamp Program's maximum allowable income for 1973, which implies that S73i is the percentage of eligible households in 1973. Due to income growth, fewer households have low incomes in 1973 than in 1969, so (N73i/N69i) is less than one. Therefore, in each state, the predicted percentage eligible in 1973 will be less than the actual percentage eligible in 1969, using the 1973 income maximum. And since S69i is reduced by the same fraction in all states, states with a relatively high (low) predicted 1973 percentage eligible will be those that also had a relatively high (low) percentage eligible in 1969.

In other words, the ranking of states by relative proportion of households below any given comparatively low income threshold remains constant under the stated assumption, although the proportion itself is changing in all states. A further implication of the assumption, given the ordinary shape of income distributions, is that the rate of income growth among low-income households over the period has been greater than average in the "poorer" states (i.e., those with proportionately larger low-income populations) and less than average in the "richer" states, thus tending toward a convergence among the states in this particular measure of degree of income inequality. This aspect of the assumption is also consistent with the empirical evidence on the tendency toward convergence in recent years of per capita personal income levels among the states.[3]

By varying i in (1), a complete state cumulative distribution is easily constructed. In practice, it is sufficient to calculate S73i only twice for each household size, once for the income bracket above the allowable maximum for food stamps (a) and once for the bracket below that maximum (b). Then, linear interpolation between incomes a and b predicts the percentage eligible for food stamps. Figure 1 illustrates that interpolation, where S73x is the desired estimate. (Not reproduced.)

NET INCOME MAXIMUMS FOR 1973

Annual net income maximums for 1973 (the horizontal line at income level x in Figure 1) were constructed from their 1974 counterparts. The food stamp monthly income standards effective July 1, 1974 were first converted to annual equivalent levels, then expressed in average 1973 dollars. This deflation presumes an estimated figure for the 1974 average level of the Consumer Price Index. Based on the known monthly rate of inflation during January-May 1974, and the conservative assumption that this rate would decline steadily during the rest of the year, the average CPI for 1974 was projected as 147.2, which implies a 10.6 percent increase from the 1973 average CPI. The reported monthly CPI through May, 1974, and the projected levels assumed through December were:

Footnotes at end of article.

	CPI as originally reported	Monthly rate of increase (percent)	CPI, as revised by BLS	Projected CPI	Monthly rate of increase (percent)
Average, 1973	133.1				
December, 1973	138.5				
January, 1974	139.7	0.87			
February	141.5	1.29			
March	143.1	1.13			
April	144.0	.63	143.9		
May	145.6	1.11	145.5		
June			146.9	147.0	0.99
July			148.0	148.3	0.88
August			149.9	149.5	.78
September			151.7	150.5	.70
October			153.0	151.5	.62
November			154.3	152.3	.55
December, 1974			155.4	153.1	.49
Average, 1974			[1] 147.7	[2] 147.2	

[1] Actual.

[2] Projected.

The more recent actual experience with the CPI indicates that our assumed growth path over the latter half of 1974 was too conservative. The actual 1974 average CPI level was 147.7, giving an annual rate of increase from the 1973 to the 1974 average of 11.0 percent. The effect of this underestimate of inflation is to overstate slightly the current food stamp income maximums expressed in 1973 dollars, thus tending to overcount very slightly the number of eligible households. The magnitude of the error is slight, however; less than one percent of the estimated number of eligible persons.

1973 STATE TOTAL NUMBERS OF HOUSEHOLDS OF EACH SIZE

Using national data from the U.S., Current Population Survey[4] the ratio of March 1974 to March 1970 household populations was calculated for each household-size category. These ratios were then applied to the 1970 census counts of households in each state to obtain provisional estimates of the number of households of each size by state in early 1974. Next we computed a ratio of the sum of these provisional estimates to the Census Bureau projection of the total number of households in each state as of July 1, 1973.[5] Multiplying this second ratio by the provisional numbers for each household size gives the final state estimate for each size category in mid-1973. By construction, the sum of these estimates will be identical (apart from rounding error) to the July 1973 census projection for each state's total. Of course, the proportional distribution by household size of the provisional estimates is maintained in the final estimates. This implies that any divergence among states in proportional distribution of households by size in 1970 is perpetuated in the 1973 estimates, but with a slight convergence toward the national norm arising from the initial use of national ratios for provisional estimates.

FOOTNOTES

[1] U.S. Bureau of the Census: PC(1)–D series for each state, *Detailed Characteristics,* Table 206: "Income in 1969 of Households, by Size, Composition and Sex and Race of Head, 1970" (Table 258 in U.S. Summary Volume PC(1)–D1) (Washington, D.C., 1972 and 1973).

[2] U.S. Bureau of the Census: *Current Population Reports: Consumer Income,* Series P–60, No. 96, "Household Income in 1973", (Washington, D.C., 1974). These data were obtained originally in pre-publication form through the generous assistance of Vincent P. Barabba, Director of the Bureau of the Census.

[3] Robert Bretzfelder: "State and Regional Personal Income, 1959–1972", U.S. Department of Commerce, Bureau of Economic Analysis: *Survey of Current Business,* 1. 53, no. 8 (August, 1973).

[4] U.S. Bureau of the Census, *op. cit.* ("Household Income in 1973").

[5] U.S. Bureau of the Census: *Current Population Reports, Population Estimates and Projections,* series P–25, No. 515, "Estimates of the Number of Households by State, July 1, 1973 and 1972", March,. 1974.

APPENDIX B: "TURNOVER" AND "ACCOUNTING PERIOD" EFFECTS ON FOOD STAMP ELIGIBILITY ESTIMATES

There are two related but distinct aspects to the part-year income accounting problem for eligibility estimation that easily become a source of some confusion. One may be called the broad "turnover" aspect: i.e. one result of fluctuating incomes is that different households will be eligible in different months, and the total number of distinct households or persons thereby eligible at some time during the year (the cumulative number ever eligible within the year) can be much greater than the number eligible in any particular month, or eligible on average over the twelve months. And all three of these eligibility measurements will be higher than the number of persons who are continuously eligible throughout the year.

The other aspect, which may be called the "income-accounting period effect", also is a consequence of fluctuating incomes, but a different one from the broad "turnover" aspect. It refers specifically to the differential between the average monthly eligibility level over a year's time, based on monthly or quarterly incomes, and the lower apparent level of eligibility based on annual incomes. This distinction between "turnover" and "accounting period" effects in the measurement of eligibility levels may be clarified by examining the relationships between the four types of eligibility measurement mentioned so far, and their necessary relative order of magnitude.

Type I—Total number of All Persons Ever Eligible: this measure is necessarily the largest, setting an upper bound for the other three. It is the cumulative count of all persons who become eligible at any time during the course of a year, irrespective of the duration of their eligibility. It makes no distinction between part-year and full-year eligibles, but county both equally (although it may avoid double counting of persons who become eligible more than once in the same year).

Type II—"12-month Average" level of eligibility, based on current monthly incomes: this could also be termed the *"Full-Year Equivalent Level"* of eligibility, or the aggregate number of monthly "eligibilities" throughout the year (irrespective of the varying eligibility periods of the partly changing group of actual eligibles involved), divided by twelve. This measure is the most meaningful of the four types described here. It indicates the average size of the population eligible under the program over a given period, avoiding the overcounting implicit in the Type-I measure due to the rotation or "turnover" of particular eligible units. In principle, this is the proper measure to compare with actual program participation levels over the course of a year in deriving the rate of program participation among the eligible population. Unfortunately, it also is the hardest to obtain directly, given the absence of monthly data on household incomes.

Type III—"Apparent Level, Annual Basis" of eligibility, based on annual incomes: the number of households or persons who would be eligible on average over the year (i.e. on the basis of their annual incomes) although not necessarily in all months. This, of course is the count obtained from annual income data, including the preliminary estimates presented in this paper (Table 1) and all other national estimates derived from Census Current Population Survey data. It may be described as the count of people who are "normally eligible", or within the program's income limits "on average" over the period of a year. For farmers, other self-employed persons, teachers, etc. who average their incomes on a 12-month basis for food stamp purposes, this count will coincide with the Type–II eligibility level, but only for them. For the population generally, the Type–III count will fall below the Type–II measure, and it is this differential that we have called the "accounting period effect" on eligibility measurement.

Type IV—"Continuous Full-Year Level" of eligibility: is the count of persons who are continuously eligible throughout the year, with no gaps or turnover. It sets a lower bound to the other measures, although that fact is not of much importance in an actual world of widespread fluctuating incomes.

Even more measures could be envisaged: e.g. the "peak monthly" count of eligibles resulting from income fluctuations falling into seasonal patterns for many households simultaneously. Although important, perhaps, for administrative scheduling, these are not relevant to the problems of eligibility determination and estimation. Essentially, it is only the difference between the Type–II measurement (the proper count to use as denominator in participation rate calculations) and the Type–III measurement (the only count directly obtainable from annual income data) that is directly relevant to the problem of meaningful estimation of the total level of eligibility and rate of program participation. The partial overlap between this Type–II/Type–III differential ("accounting period effect") and the broader Type–I/Type–III differential ("turnover effect") is probably the source of their frequent confusion.

The available empirical evidence on the magnitude of the key Type–II/Type–III differential is indirect. The earlier work of Allen (see notes 27 and 30) provides estimates of the Type–I/Type–III differential (the broader "turnover effect"), at least for multi-person households, while the more recent work of Beebout (note 30) yields an estimate of the Type–I/Type–II differential, at least for certain income types. These two types of estimate together implicitly determine the magnitude of the Type–II/Type–III differential. Their mutual relationship may be indicated schematically as follows:

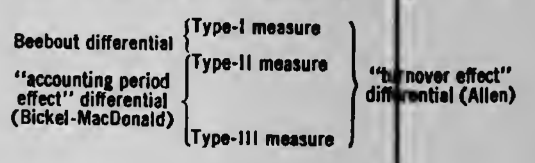
Beebout differential
Type-I measure
Type-II measure
"accounting period effect" differential (Bickel-MacDonald)
Type-III measure
"turnover effect" differential (Allen)

REGULATING AND PROVIDING FOR ADEQUATE NURSING HOME AND HOME HEALTH CARE FOR OUR ELDERLY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the newspapers of my State and those of many other Members have been filled in recent months with grim stories of human exploitation and brutality directed against the elderly in our nursing homes. Reports of corruption have mounted, many recently uncovered by the Senate Subcommittee on Long Term Care, chaired by Senator Frank Moss.

My distinguished colleague, Representative Claude Pepper, of Florida, chairman of the new House Committee on Aging's Subcommittee on Health and Long Term Care, and I are today introducing a package of 36 bills designed to strengthen and tighten the regulation of our Nation's nursing homes so that we finally end these abuses.

Senator Moss is the Senate sponsor of the legislation.

The 36 bills we are introducing today are the second part of a 48 bill package, the first 12 of which Senator Moss and I introduced on March 12.

Mr. Speaker, my National Home Health Care Act, providing home health services under medicare and medicaid as an alternative to nursing homes, was a part of that earlier package.

I am pleased to report that this bill now has 85 House cosponsors, and hearings on home health as part of national health insurance are expected soon in the House Ways and Means Subcommittee on Health.

The bills we are introducing today have six major goals:

First, to make long-term care more readily available to all older Americans;

Second, to establish higher minimum Federal standards for nursing homes participating in medicare or medicaid;

Third, to improve nursing home inspection, enforcement, and auditing procedures;

Fourth, to require public accountability by nursing homes;

Fifth, to provide financial incentives for good patient care and to encourage the development and rehabilitation of high standard nursing home facilities by loans and interest subsidies; and

Sixth, to provide training in geriatrics and training for physicians, nurses, aides, and orderlies in the special needs of nursing home patients.

I am gratified that the House-Senate package includes a new bill which I drafted in response to many of the very serious nursing home problems in New York but which are national problems as well. The legislation would for the first time do the following:

First, provide Federal oversight of the closing down of medicare and medicaid nursing homes;

Second, require nursing homes to have transfer agreements with hospitals for specific services deemed unsatisfactory after inspection, in addition to the only currently available options of shutting down the entire nursing home or leaving it open and continuing the inadequacies;

Third, allow State agencies to cut off funds for medicaid facilities pending court review, instead of after. This is already allowed for medicare facilities, but not yet medicaid;

Fourth, require the auditing of Federal reimbursement for nursing homes, with further reimbursement to be based on what a prudent buyer would spend on the audited products and services;

Fifth, require public ownership disclosure of any nursing home interest including real estate and operating interests;

Sixth, require the disclosure of nursing home suppliers;

Seventh, prohibit profit reimbursement for a supply or service if the nursing home operator has more than a 10-percent interest in the supply or service company; and

Eighth, provide for psychological and social, as well as medical, assessment of medicare and medicaid long-term care patients, so that patients can obtain the proper level and form of care—skilled nursing care, intermediate nursing care, home health care, and so forth—without being overclassified into a costly, unnecessary level.

I believe that a national commitment is needed to control nursing home abuses and provide decent care for our elderly. There is a crisis in the health of our elderly and disabled, demonstrated in the many Federal, State, and local investigations of nursing homes. The package of legislation which Senator Moss, Representative Pepper, and I are introducing today, together with the legislation introduced on March 12, responds to this crisis.

The cosponsorship of this package by Representative Pepper and Senator Moss, respective chairmen of the House and Senate subcommittees concerned with long-term care of the elderly, enhances the chances of passage in this session of Congress.

For the information of my colleagues, I am attaching for the Record a summary of the 36-bill package Senator Moss, Representative Pepper, and I are introducing today:

SUMMARY OF 36 BILL NURSING HOME REFORM PACKAGE

I. BILLS DESIGNED TO MAKE LONG-TERM CARE MORE READILY AVAILABLE TO ALL OLDER AMERICANS

1. A bill to provide nursing home coverage under Medicare without requiring prior hospital and establishing a second level of care, intermediate care, and requiring standards for Intermediate Care Facilities providing such services under Medicare. (Intermediate Care services are presently authorized under Medicaid but not under Medicare.)

2. A bill to amend the Internal Revenue Code to allow a family to deduct as a "medical expense" payments made by a family for nursing home care received by a relative.

3. A bill to provide for modification of the Medicare reimbursement formula to allow small hospitals in rural areas with chronic low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available.

4. A bill to allow the use of Supplementary Security Income payment plus state supplementary payments to house residents in Shelter Care facilities which meet certain Federal minimum standards.

See also Moss-Koch bills introduced March 12, 1975 as follows H.R. 4782, to authorize an experimental program to subsidize families to care for their elderly in their own homes.

H.R. 4783 to authorize payment for day care under Medicare.

H.R. 4772 and H.R. 4774, to expand home health services authorized under Medicare and Medicaid. (This bill, the National Home Health Care Act of 1975, is now co-sponsored by 85 House members and would create at-home alternatives to nursing homes for those who do not require the full range of nursing home services) H.R. 4784, to authorize funding for "campuses for the elderly" (a nursing home, for the aged, congregate living facility, hospital, and senior citizens center located at one site.)

II. BILLS TO CREATE NEW MINIMUM FEDERAL STANDARDS FOR NURSING HOMES PARTICIPATING IN MEDICARE AND/OR MEDICAID

5. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days.

6. A bill to require Skilled Nursing Facilities under Title 18 and 19 to have registered nurse coverage 24 hours per day, 7 days per week effective January 1, 1978.

7. A bill to require that only licensed personnel (registered nurses or licensed practical nurses) are authorized to set up and distribute medications in skilled nursing homes.

8. A bill requiring Skilled Nursing Facilities to place responsibility for medical care in a Medical Director and/or a nurse practitioner trained in geriatrics.

9. A bill to require HEW to promulgate minimum ratios for nursing personnel to patients and for supervisory nurses to total nurses and further requiring that there should be no less than 2.25 hours of nursing care per patient per day for skilled nursing care.

10. A bill to require Skilled Nursing homes to provide medically related social services.

11. A bill to require admission contracts between the nursing home and patients paid for by Medicaid and to prohibit life care contracts.

12. A bill to require the upgrading of fire safety standards for nursing homes by requiring compliance with the 23rd edition (1973) of the Life Safety Code instead of the 21st edition (1967) presently mandated by law.

13. A bill to require the posting of a nursing home's license, Medicare/Medicaid certification, a description of the services provided by the facility, a list of the owners and staff of the facility, a patient's bill of rights and other pertinent information.

14. A bill to require nursing home administrators of facilities participating in Medicare and Medicaid to report epidemic diseases, accidents and significant changes in patient condition.

See also Moss bills of March 12, 1975.

S. 1164 to require nursing home participating in Federal programs to file CPA audited cost and financial statement and to provide penalties for fraud or misrepresentation.

S. 1166, to require full and complete ownership disclosure of each and every nursing home interest with penalties for misrepresentation of a material fact.

III. BILLS TO IMPROVE NURSING HOME INSPECTION, ENFORCEMENT AND AUDITING PROCEDURES

15. A bill to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require state enforcement of the rights of patients in such facilities. (This bill originates with Congressman Ed Beard.)

16. A bill to (1) require that State plans to provide care for the aged, blind and disabled are approved by both the State's Legislative and Executive branch; (2) require such plan to be posted and available to the public; (3) require the Secretary of HEW annually to evaluate each State's compliance and administration of its plan, to publish state performance ratings and when necessary and after appropriate hearing, cut off funds to states not complying with their plan and (4) authorize any Title 19 recipient or a class of such recipients to bring a suit of specific performance against a state which substantially fails to comply with the provisions of its state plan.

17. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers.

18. A bill to require states to establish ombudsman programs to investigate nursing home complaints and represent consumer interests.

19. A bill to establish the Office of Inspector General in the Department of Health, Education, and Welfare to investigate Medicare and Medicaid fraud and to report to the Congress.

20. A bill to make unlawful the offer or receipt of money or other consideration for the referral of clients, patients or customers under Medicare and Medicaid.

21. A bill to require strict controls for the handling of patient's accounts and personal expense funds.

22. A bill to make unlawful (1) the solicitation or receipt of charges to a Medicaid recipient over and above the rates established by the states and (2) soliciting or receiving any gift, money, donation or other consideration as a precondition of admitting a patient to a long-term care facility.

23. A bill to require minimum qualifications for surveyors inspecting nursing homes under Medicare and Medicaid.

24. A bill to require that forms submitted for payment by providers participating in the Medicare and Medicaid programs carry warnings of the criminal penalties under the law for fraud, kickbacks or misrepresentation of a material fact.

25. A bill to continue 100% Federal financing of the cost of State inspections provided that the States enact new enforcement tools as an alternative to license revocation including but not limited to citation systems and protective custodianship.

26. A bill to provide 100 percent Federal funding of the audits of Medicare and Medicaid facilities conducted by state personnel.

27. A bill to create a cadre of Federal inspectors to conduct spot checks of Medicare and Medicaid facilities to test the quality of state inspection procedures.

28. A bill to authorize Medicare/Medicaid recipients individually, or as a class, to bring suit for specific performance against a long-term care facility in violation of its provider agreement.

IV. BILLS INTENDED TO PROVIDE ACCOUNTABILITY AND FINANCIAL INCENTIVES FOR GOOD CARE IN NURSING HOME REIMBURSEMENT

29. A bill to increase Federal responsibility for inspection and certification of nursing homes under Medicare and Medicaid; (2) clarify conditions under which States can withhold Federal funds; (3) require audited prospective cost-related reimbursement for nursing homes with cost pegged to what a prudent buyer would spend for such services; (4) require ownership disclosure of any nursing home interest including real estate as well as any operating interests; (5) require the disclosure of interest in nursing home supply companies and prohibit reimbursement to suppliers in whom the nursing home operator has a substantial interest and: (6) broadening the scope of Medicare and Medicaid nursing home benefits by assessment of patient's medical, psychological, and social needs. (As stated earlier, I drafted this legislation in response to problems which were revealed in New York but which are national problems as well.)

30. A bill to allow the states to allow financial incentives for good care as a component of their cost-related reimbursement of nursing homes participating in the Medicaid program.

V. BILLS TO HELP NURSING HOME UPGRADE

31. A bill to provide for the making of direct loans for the construction, and rehabilitation of nursing homes owned and operated by Churches and other non-profit agencies.

32. A bill to authorize grants for the planning, development, construction and rehabilitation of nursing homes in Black and minority communities.

33. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards.

VI. BILLS TO PROVIDE TRAINING IN GERIATRICS AND TO TRAIN PERSONNEL TO MEET THE NEEDS OF NURSING HOME PATIENTS FOR PHYSICIANS, NURSES, AIDES AND ORDERLIES

34. A bill to authorize the Secretary of HEW to enter into contracts with or make grants to colleges and universities to provide graduate programs for nurses in geriatrics and gerontology.

See also Moss bills introduced on March 12, 1975 as follows:

H.R. 4777, to provide funds to schools of medicine to help establish Departments of Geriatrics.*

H.R. 4778, to provide continuing education programs in geriatrics for physicians.*

H.R. 4780, to train medical corpsmen discharged from the armed services in geriatrics and the needs of nursing home patients.*

H.R. 4781, to provide for the training of physician's assistants trained in geriatrics to serve in nursing homes.*

H.R. 4779, to provide for the training of nurse practitioners in geriatrics in order that they may provide primary care in nursing homes.*

H.R. 4776, to provide funds to schools of nursing to provide in-service training programs for nursing home aides and orderlies.

35. A joint resolution to establish the sense of the Congress that the President call a White House Conference on Long-Term Care in 1976 and authorizing $500,000 for this purpose.

36. A bill making it an unfair labor practice to discharge an employee because he testifies before any Committee of the Congress. See also Church-Moss Sense of the Senate Resolution, S.R. 113, calling for HEW to establish a central clearinghouse and information center to help coordinate ongoing nursing home investigations.

CYPRUS—A TIME OF TESTING

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I want to take this opportunity to discuss the situation in Cyprus. The events of last year and this have once again tested the bravery of the Cypriot people and the conscience of us all.

All of us feel a profound agony for those 200,000 Cypriots who have been made refugees on their own island. Turkey's military invasion of Cyprus has caused untold suffering on the island. Turkish military forces, who occupy 40 percent of Cyprus, refer to their perimeter as the "Attila Line." How ghoulish. Yet, in a way, the Turkish Government has properly labeled, with that infamous name, its occupation as barbaric.

Yet for all this, there is an even greater outrage. The Ford administration has consistently pursued a policy of indifference to the plight of Greek Cypriots, of ignorance of their history and customs, and of insensitivity to the legitimate concern of Greek Americans. The Ford administration fought every effort by the Congress to cut off military aid to Turkey, even when all agreed that Turkey had violated the understanding and intent of that aid: that it was to be used only for defensive purposes and not for despicable actions of aggression. The Greek Cypriots were left fighting against some of the most modern, sophisticated weapons provided by the American taxpayer to Turkey. What the Greeks have had is their courage. As one Greek Cypriot soldier told a journalist, as he was fighting on a front line with only a one bolt-action rifle and supported by obsolete armored cars, "Write that Greeks were never afraid."

The State Department has shown a woeful lack in its commitment to maintain a free and independent Cyprus. Its inaction is startling. It refused to support Archbishop Makarios, the democratically elected President of Cyprus, when such support could have preserved stability and peace for Cyprus. It refused to bring pressure to bear on Turkey to prevent an invasion of Cyprus and once such aggression occurred, to restrict Turkish military activity. Contrast, if you will, the actions of the late President Johnson, who warned a Turkey preparing to go to war in no uncertain terms of the American Government's position, and thereby preserved peace in the area.

Confronted with this attitude from the administration, Congress had no choice but to take the matter of this Nation's foreign policy toward Cyprus into its own hands. Congress allowed President Ford many months to work out a just settlement in Cyprus. But in December of 1974, Congress finally called a halt to the use of American armaments and military supplies by Turkey in its subversion of the freedom of that independent republic.

Recently, Vice President ROCKEFELLER has been critical of the role Congress is taking in foreign affairs. In an airborne interview en route to Chiang Kai-shek's funeral, Mr. ROCKEFELLER seems to have succumbed to an ailment inflicting other administration figures such as Secretary of Agriculture Earl Butz: foot-in-mouth disease. Mr. ROCKEFELLER's ignorance of the Cyprus situation is startling. He clearly does not realize that continued arms aid to an aggressor, such as Turkey, is illegal. But, let me quote Mr. ROCKEFELLER's words, for they reflect better than I can the administration's attitude:

> If I were a Greek and I believed in Democracy I would be so very happy that my country as a result of the blunders of the military dictatorship in Cyprus that the government was overthrown . . . that I would be down on my knees praying to whomever they pray to.

What is the future of U.S. foreign policy toward Cyprus? A renewed battle in Congress seems to be developing concerning military aid to Turkey. I am confident that under the able leadership of Congressmen ROSENTHAL, BRADEMAS, and SARBANES, we will defeat efforts to reinstate aid to Turkey through the Mansfield-Scott resolution. Also, we must do all we can to help Cypriot refugees. As I am sure my colleagues know, a conference committee of the Foreign Operations Subcommittee of the Appropriations Committee, of which I am a member, voted on March 20 to increase aid to Greek Cypriot refugees to $25 million.

While that is important, the issue of who controls our foreign policy toward Cyprus is crucial. If we forfeit our responsibility and allow a resumption of aid to Turkey, we are in effect putting our imprimatur on aggression. And that we must not do.

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*Added as amendments to S. 66 which passed the Senate on April 10, 1975.

LONG-TERM CARE OF THE ELDERLY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I am honored to join Senator FRANK MOSS, chairman of the Subcommittee on Long-Term Care in the Senate Special Committee on Aging, in the introduction of 36 bills to provide more stringent controls of the nursing home industry and to provide training of additional persons qualified in the care of the elderly. The bills introduced today complete a 48-bill nursing home reform package designed to make a comprehensive system of adequate long-term care benefits more readily available to all older Americans. The first 12 bills were introduced on March 12 of this year.

My able and distinguished colleague, Representative EDWARD I. KOCH is joining me as the prime cosponsor of this package, and we will invite all our colleagues in the House to join in sponsoring this package later this week. It was at Congressman KOCH's request that the recent Senate Subcommittee on Long-Term Care's hearings on nursing home problems in New York and elsewhere were initiated and he has sponsored a great deal of previous legislation relating to the subject. He is the author of one of the first 12 bills, the "National Home Health Care Act of 1975." This bill is similar to the "Medicare Long-Term Care Act" which I introduced in the 93d Congress and retintroduced in this session of the Congress, H.R. 1354.

As chairman of the recently established Subcommittee on Health and Long-Term Care of the House Select Committee on Aging, I am pleased to introduce all the bills in the 48-bill package. My subcommittee is just now being organized, but I plan to see that the subcommittee considers this legislation. There are some provisions in the proposed bills which I would like to see amended and some may require refinements. The subcommittee further will surely want to recommend new or additional legislation. But the subcommittee is privileged to have the benefit of the Senate Subcommittee on Long-Term Care's hearings which have been conducted since July 1969, and their response to the problems and conditions in the nursing home industry which need correction now.

The scandals which have, over the years, pervaded nursing homes are perhaps the most tragic and pathetic of all in our Nation's history in terms of human suffering. The victims of the exploitation and unnecessary violations and abuses of the law have been the very old and the infirm. In 1965, I supported the Medicare-Medicaid Amendments to the Social Security Act and some amendments have been enacted since that time. But, both my subcommittee and the House legislative committees must give priority attention to these proposals in this session of the Congress. Legislation must be enacted to reform nursing homes on behalf of those who need the care, and to provide alternative health and the correlative services to help others avoid institutionalization.

I accepted the chairmanship of the House Subcommittee on Health and Long-Term Care because I want to see legislation to provide strong Federal programs to enable older Americans to remain in their own homes as long as they can, and to preserve their health and their dignity as long as they live.

Pollster Louis Harris published a survey this month which indicates the American public agrees with my view that the Government should use tax funds to help support the elderly. Let us begin by placing a priority on preventative health services and reforming the system of delivery of institutional benefits.

Later this week, I shall submit for the RECORD a complete list of all the 48 bills in this package. Today, I wish to summarize the scope of the major provisions of the 36 we are introducing.

Four are designed to make long-term care more readily available to all older Americans. They provide for nursing home coverage under medicare without requiring prior hospitalization. Further, they establish a second level of care—intermediate care—and require standards for such services under medicare. Included also is provision for supplementary security income payments plus State supplementary payments to house residents in shelter care facilities which meet certain Federal minimum standards. These four bills, together with 4 of the first 12 introduced on March 12, expand medicare and medicaid to provide for day care, extended home health services, and, in addition, subsidies to families to care for the elderly in their own homes.

Ten bills would create new minimum Federal standards for nursing homes participating in medicare and/or medicaid. Medicaid now pays about 50 percent of the Nation's more than $7.5 billion nursing home bill, and medicare pays another 3 percent. Thus, according to the Senate subcommittee's reports, $1 of every $2 in nursing home revenues is publicly financed. Today, there are more nursing home beds—1.2 million—in the United States than general and surgical hospitals beds—1 million.

These 10 bills provide that physician's visits to patients in skilled nursing facilities would be required at least once every 30 days; only licensed personnel—registered nurses or licensed practical nurses—would be authorized to set up and distribute medications in skilled nursing homes. Among other provisions, medically related social services would be provided: fire safety standards would be upgraded; and life care contracts would be prohibited.

Consideration of these 10 bills, along with two in the first package introduced on March 12—which provide for CPA audits, full disclosure of nursing home ownership, and penalties for fraud and misrepresentation—is essential to protect the lives and well being of 1,200,000 Americans who now reside in nursing homes.

Fourteen of the bills we are introducing today address the need to improve nursing home inspection, enforcement, and auditing procedures. States would be required to protect the rights of patients in skilled nursing and intermediate care facilities. Public disclosure of State plans to provide care for the aged, blind and disabled is required. Recipients of nursing care are authorized to bring a suit for specific performance against a State which substantially fails to comply with the provisions of a State plan, or against a long-term care facility which violates its provider agreement.

Two of the bills are intended to provide accountability and financial incentives in favor of good care in nursing home reimbursement. One bill allows the States to provide financial incentives for good care as a component of their cost-related reimbursement of nursing homes participating in the medicaid program. The second bill originating with Congressman KOCH broadens the scope of medicare and medicaid nursing home benefits to provide assessment of patients' medical, psychological, and social needs together with other provisions to tighten cost controls and accountability for utilization of Federal funds.

Three bills are designed to help nursing homes upgrade their facilities. Included are provisions: first, for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and nonprofit agencies; second, for grants for the planning, development, construction and rehabilitation of nursing homes in black and minority communities; and third, for an authorization of interest subsidy payments to assist nursing homes in repair and renovation to comply with Federal standards.

One bill is to authorize the Secretary of HEW to enter into contracts with or make grants to colleges and universities to provide graduate programs for nurses in geriatrics and gerontology. This bill, together with six others introduced on March 12, meets some of the most urgent needs for training of physicians in geriatrics, and for the training of nurse practitioners and nursing home aides and orderlies.

A House joint resolution is included in the 36-bill package to establish the sense of the Congress that the President call a White House conference on long-term care in 1976 and authorizing $500,000 for this purpose.

The 48th bill would make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress.

Mr. Speaker, the evidence which substantiates the need for early consideration of these proposals is documented in the U.S. Senate Special Committee on Aging's report entitled, "Nursing Home Care in the United States; Failure in Public Policy." Until we change Federal policy toward the elderly and their needs, aging in America will continue to be more of a burden than an honor. Only the Congress can make it possible for older Americans to share in Robert Browning's joy in his poem "Rabbi Ben Ezra":

"Grow old along with me!
"The best is yet to be,
"The last of life, for which the first was
made."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Mosher (at the request of Mr. Rhodes), for today and tomorrow on account of attending a funeral.

Mr. Young of Florida (at the request of Mr. Rhodes), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Stratton, for 15 minutes, today.

Mr. Melcher, for 5 minutes, today.

Mr. Rousselot, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Moore) to revise and extend their remarks and include extraneous material:)

Mr. Steiger of Wisconsin, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Hayes of Indiana) to revise and extend their remarks and include extraneous matter:)

Mr. Flood, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Evans of Indiana, for 5 minutes, today.

Mr. Harris, for 5 minutes, today.

Mr. Reuss, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Evins of Tennessee, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,390.

Mr. Richmond, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $7,2[illegible]8.

Mr. Madden, to extend his remarks in the Extensions of Remarks today and include an editorial.

(The following Members (at the request of Mr. Moore) and to include extraneous matter:)

Mr. Archer.

Mr. Horton in two instances.

Mr. Derwinski in two instances.

Mr. McCollister.

Mrs. Holt.

Mr. Kemp in two instances.

Mr. Heinz in two instances.

Mr. Steiger of Wisconsin.

Mr. Rousselot in two instances.

Mr. Myers of Indiana.

(The following Members (at the request of Mr. Hayes of Indiana) and to include extraneous matter:)

Mr. Mineta.

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Phillip Burton.

Mr. Reuss.

Mr. McDonald of Georgia in 13 instances.

Mr. Addabbo.

Mr. Krueger.

Mr. Rangel.

Mr. Patten.

Mr. Helstoski.

Mr. Mikva.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 818. An act to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes; to the Committee on International Relations.

S. 917. An act to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. HAYES of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 18 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 30, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

886. A letter from the Chairman and members, Federal Home Loan Bank Board, transmitting the annual report of the Board for calendar year 1974, including reports on the operations of the Federal Home Loan Bank System and the Federal Savings and Loan Insurance Corporation, pursuant to section 17(b) of the Federal Home Loan Bank Act; to the Committee on Banking, Currency and Housing.

887. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations governing the implementation of the equalization provision contained in the financial assistance in federally affected areas program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

888. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed rulemaking for section 434(b) of the General Education Provisions Act as added by section 511 of the Education Amendments of 1974, pursuant to section 431(d)(1) of the Act; to the Committee on Education and Labor.

889. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the 65th annual report of the organization, covering calendar year 1974 (H. Doc. No. 94–118); to the Committee on Education and Labor and ordered to be printed.

890. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–14, finding that it is in the national interest to make an agreement with the Government of Syria for the sale of 10,000 metric tons of rice under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, pursuant to sections 103 (d)(3) and 410 of that act, and section 620 (e)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

891. A letter from the Chief Justice of the United States, transmitting rules and official forms governing proceedings under chapters X and XII of the Bankruptcy Act, pursuant to section 2075 of title 28, United States Code, together with an excerpt from the report of the Judicial Conference of the United States containing the Advisory Committee Notes submitted to the Court (H. Doc. No. 94–119); to the Committee on the Judiciary and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself and Mr. Kasten):

H.R. 6447. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption; to the Committee on Ways and Means.

By Mr. ARCHER (for himself and Mr. Moore):

H.R. 6448. A bill to amend the Internal Revenue Code of 1954 to provide income tax relief for small businesses; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. Corman, Mr. Duncan of Tennessee, Mr. Frenzel, Mr. Helstoski, and Mr. Rostenkowski):

H.R. 6449. A bill to amend the Internal Revenue Code of 1954 to provide that the tax rules now applicable to savings and loan associations, mutual savings banks, and certain cooperative banks, shall be applicable to the comparable mortgage programs now undertaken by national mortgage associations; to the Committee on Ways and Means.

By Mr. EILBERG:

H.R. 6450. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. FULTON (for himself and Mr. Vander Jagt):

H.R. 6451. A bill to amend the Social Security Act in order to extend until June 30, 1976, the temporary assistance program for U.S. citizens returned from abroad; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 6452. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements used in the distribution or sale of trademarked soft drink products shall not be deemed per se unlawful, but shall be judged under the rule of reason standard; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 6453. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. Andrews of North Dakota, Mr. Archer, Mr. Beard of Tennessee, Mr. Bevill, Mr. Broomfield, Mr. Burgener, Mr. Robert W. Daniel, Jr., Mr. Derwinski, Mr. Devine, Mr. English, Mr. Eshleman, Mr. Gaydos, Mr. Ichord, Mr. Kasten, Mr. Ketchum, Mr. Bauman, Mr. Moore, and Mr. Pressler):

H.R. 6454. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. Lent, Mr. Long of Maryland, Mr. McDonald of Georgia, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Regula, Mr. Roe, Mr. Rousselot, Mr. Runnels, Mr. Spence, Mr. Thone, Mr. Waggonner, Mr. Weaver, Mr. Whitehurst, Mr. Winn, Mr. Yatron, and Mr. Ford of Tennessee):

H.R. 6455. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KOCH:

H.R. 6456. A bill to amend the act entitled "An Act to establish the Fire Island National Seashore, and for other purposes" approved September 11, 1964 (78 Stat. 928); to the Committee on Interior and Insular Affairs.

By Mr. KOCH (for himself, Mr. Hawkins, Mr. Santini, Mr. Bedell, Mr. Gude, and Mr. Hechler of West Virginia):

H.R. 6457. A bill to amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes, and to amend the Public Health Service Act to establish a trust fund to be used to fund the research programs of the National Cancer Institute; to the Committee on Ways and Means.

By Mr. KREBS (for himself and Mr. Sisk):

H.R. 6458. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on International Relations.

By Mr. LATTA:

H.R. 6459. A bill to amend the Interstate Commerce Act to provide assistance in rebuilding the Nation's railroad rights-of-way, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McKINNEY:

H.R. 6460. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for any individual who performs voluntary service for any organization engaged in the treatment, care or rehabilitation of the physically handicapped or the mentally ill; to the Committee on Ways and Means.

By Mr. MACDONALD of Massachusetts (for himself, Mr. Murphy of New York, Mr. Carney, Mr. Byron, Mr. Wirth, Mr. Brodhead, Mr. Frey, and Mr. Madigan):

H.R. 6461. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of Ohio:

H.R. 6462. A bill to amend the Clean Air Act to provide a postponement of certain motor vehicle emission standards and to provide for certain related studies and reports, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland:

H.R. 6463. A bill to amend the Small Business Act to impose a moratorium on the repayment of principal and interest on certain loans made by the Small Business Administration for a period of 2 years or until such time as the President determines that the United States is no longer in a period of economic recession; to the Committee on Small Business.

By Mr. MOORE (for himself and Mr. Hagedorn):

H.R. 6464. A bill to amend titles XVIII, XIX, and V of the Social Security Act to eliminate altogether any requirement that an institution have in effect a utilization review plan in order to qualify for participation in the medicare, medicaid, or maternal and child health and crippled children's services program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. NIX:

H.R. 6465. A bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons; to the Committee on Education and Labor.

By Mr. PEPPER (for himself and Mr. Koch):

H.R. 6466. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6467. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses; to the Committee on Ways and Means.

H.R. 6468. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

H.R. 6469. A bill to allow the States to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities; to the Committee on Ways and Means.

H.R. 6470. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6471. A bill to amend title 18 and 19 of the Social Security Act to require skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6472. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6473. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVII and XIX in a medical director; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6474. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6475. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6476. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6477. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6478. A bill to amend title 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefore; jointly to the Committees on Ways and Means, and Interstate and Foreign and Commerce.

H.R. 6479. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs; jointly of the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6480. A bill to require that State plans under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan; to the Committee on Interstate and Foreign Commerce.

H.R. 6481. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6482. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests; to the Committee on Interstate and Foreign Commerce.

H.R. 6483. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for health administration; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6484. A bill to amend title XVIII and XIX of the Social Security Act making unlawful the offer of receipt of consideration for the referral of patients, clients, or customere; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6485. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6486. A bill to make unlawful the solicitation or acceptance of any gift, money or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money or donation as a precondition of admitting a patient to a long-term care facility; to the Committee on Interstate and Foreign Commerce.

H.R. 6487. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act; to the Committee on Interstate and Foreign Commerce.

H.R. 6488. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6489. A bill to continue 100-percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools, such as a citation system and protective custodianship and other alternatives to license revocation; to the Committee on Interstate and Foreign Commerce.

H.R. 6490. A bill to provide 100-percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel; to the Committee on Interstate and Foreign Commerce.

H.R. 6491. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6492. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal District Court against a long-term facility which is in violation of its provider agreement; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6493. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formula effective July 1, 1976; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, and Mr. Pepper):

H.R. 6494. A bill to amend the Social Security Act to improve the survey and certification process, rate setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself and Mr. Koch):

H.R. 6495. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations; to the Committee on Interstate and Foreign Commerce.

H.R. 6496. A bill to authorize the Secretary of Health, Education, and Welfare to provide grants, for the planning, development, construction and rehabilitation of nursing homes in black and minority communities; to the Committee on Interstate and Foreign Commerce.

H.R. 6497. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards; jointly to the Committees on Banking, Currency and Housing, and Interstate and Foreign Commerce.

H.R. 6498. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology; to the Committee on Interstate and Foreign Commerce.

H.R. 6499. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. ROONEY (for himself and Mrs. Holt):

H.R. 6500. A bill to protect collectors of antique glassware against the manufacture in the United States or the importation of imitations of such glassware; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK:

H.R. 6501. A bill to prohibit common carriers in interstate commerce, and recipients of assistance under the urban mass transportation program, from charging elderly and handicapped people more than half fare for their transportation during nonpeak periods of travel; to the Committee on Public Works and Transportation.

By Mrs. SPELLMAN (for herself, Mr. Eilberg, Mr. Harrington, Ms. Abzug, Mr. Mitchell of Maryland, Mr. Fauntroy, Mr. Ryan, Mr. Zeferetti, Mr. Yatron, Mr. Downey, Mr. Stark, Ms. Schroeder, Mr. Thompson, Mr. Hawkins, Mr. Moss, Mr. Badillo, Mr. Carr, Mr. Mineta, Mrs. Boggs, Mr. Hanley, Mr. Nowak, Mr. Moakley, Mr. Scheuer, Mr. Rosenthal, and Mr. Jeffords):

H.R. 6502. A bill to extend and amend section 312 of the Housing Act of 1964; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN (for herself, Mr. LaFalce, Mr. Tsongas, Mr. Sarbanes, Mr. Patterson of California, Mr. Ottinger, and Mr. Ford of Tennessee):

H.R. 6503. A bill to extend and amend section 312 of the Housing Act of 1964; to the Committee on Banking, Currency and Housing.

By Mr. STEIGER of Wisconsin (for himself, Mr. Frenzel, and Mr. Conable):

H.R. 6504. A bill to amend the temporary unemployment benefits programs, and for other purposes; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 6505. A bill to provide for the protection and preservation of the Gruber Wagon Works in Berks County, Pa.; to the Committee on Public Works and Transportation.

By Mr. GREEN:

H.R. 6506. A bill to amend section 44 of the Internal Revenue Code of 1954 (relating to credit for purchase of new principal residence) to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations on such section 44; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.J. Res. 417. Joint resolution proposing an amendment to the Constitution of the United States to provide for mandatory retirement of Members of Congress and the Federal judiciary; to the Committee on the Judiciary.

By Mr. HARRIS:

H.J. Res. 418. Joint resolution to restore posthumously full rights of citizenship to Gen. R. E. Lee; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself, Mr. Breaux, Mr. O'Brien, and Mr. Erlenborn):

H.J. Res. 419. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. PEPPER (for himself and Mr. Koch):

H.J. Res. 420. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DERWINSKI (for himself, Mr. Ambro, Mr. Badillo, Mr. Bauman, Mr. Bedell, Mrs. Burke of California, Mr. Kasten, Mr. Richmond, Mr. Sikes, and Mr. Walsh):

H. Con. Res. 255. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. MINISH:

H. Con. Res. 256. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. ROUSSELOT:

H. Con. Res. 257. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. MURPHY of New York (for himself and Mr. Fish):

H. Res. 427. Resolution to provide funds for the expenses of the investigation and study of the exploration and exploitation of the Outer Continental Shelf to be conducted by the Ad Hoc Select Committee on the Outer Continental Shelf; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

115. By the SPEAKER: Memorial of the Legislature of the State of Mississippi, requesting that Congress call a convention for the purpose of proposing an amendment to the Constitution of the United States relative to the national debt; to the Committee on the Judiciary.

116. Also, memorial of the House of Representatives of the State of Arizona, relative to handgun controls; to the Committee on the Judiciary.

117. Also, memorial of the Legislature of the State of South Carolina, relative to energy supplies and prices; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, the Judiciary, and International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 6507. A bill for the relief of Chester C. Clark, Mary L. Clark, and Dorothy J. Wilbur; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 6508. A bill for the relief of Benjamin Kai Jeu Toy (a.k.a Choi Kai Jeu); to the Committee on the Judiciary.

By Mr. ESHLEMAN:

H.R. 6509. A bill for the relief of Sidney D. Lindenberg; to the Committee on the Judiciary.

By Mr. HÉBERT:

H.R. 6510. A bill for the relief of Seymour Joseph Gonzalez, Jr.; to the Committee on the Judiciary.

By Mr. MYERS of Indiana:

H.R. 6511. A bill for the relief of certain employees of the Naval Ordnance Systems Command; to the Committee on the Judiciary.

H.R. 6512. A bill for the relief of certain postmasters charged with postal deficiencies; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 218

By Mr. ROUSSELOT:

Amendment in the nature of a substitute to House Concurrent Resolution 218 or to any amendment in the nature of a substitute to House Concurrent Resolution 218:

Sec. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) the appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should accordingly be increased is $11,400,000,000.

SENATE—*Tuesday, April 29, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. Robert Morgan, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, we pause for this hallowed moment to quiet our souls in Thy pervading presence. We seek Thy light which outshines the drab darkness of suffering and death in a world worn and torn by war. Amid all current uncertainties grant us the calm assurance that at the heart of the universe is the love that suffers and heals, redeems and outlasts all change—a love that will not let us go nor let us down. In this faith send us to our work determined to do the right as Thou dost give us to see the right, and to have a part in shaping a new and better world.

Through Him who is the Way, the Truth, and the Light. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 29, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Robert Morgan, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. MORGAN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, April 28, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MARITIME APPROPRIATION AUTHORIZATION ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 88, S. 1542.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act of 1975".

Sec. 2. Funds are authorized to be appropriated without fiscal year limitation as the Appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(1) For acquisition, construction, or reconstruction of vessels and for construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $195,000,000;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $315,936,000;

(3) For expenses necessary for research and development activities, not to exceed $12,232,000;

(4) For reserve fleet expenses, not to exceed $4,242,000;

(5) For maritime training at the Merchant Marine Academy at Kings Point, New York, not to exceed $11,500,000;

(6) For financial assistance to State marine schools, not to exceed $4,708,000.

Sec. 3. There are authorized to be appropriated for the fiscal year 1976, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts, for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

Sec. 4. Section 607(g) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177 (g)), is amended by inserting at the end of paragraph (5) thereof the following new paragraph:

"(6) Notwithstanding any provision of paragraph (2), (3), or (4) of this subsection or any provision of law, in determining the 'qualified investment' in a vessel, barge, or container under section 46(c)(1) of the Internal Revenue Code of 1954, as amended (26 U.S.C. 46(c)(1)) or in determining the early disposition of such investmente under section 47(a)(1) of such Code (26 U.S.C. 47(a)(1)), the basis or cost of such vessel, barge, or container shall not be reduced by the amount of all or any portion of a qualified withdrawal.".

Sec. 5. Section 809(a) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1213(a)) is amended by inserting immediately after the first sentence thereof the following: "In order to assure equitable treatment for each range of ports referred to in the preceding sentence, not less than 10 percent of the funds appropriated or otherwise

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made available for the foreign-trade requirements of the United States pursuant to this Act or any law authorizing funds for the purposes of such Act shall be allocated for the foreign-trade requirements of each such port range: *Provided, however,* That in the case of funds appropriated for construction-differential and operating differential subsidies such allocation shall apply to the extent that subsidy contracts are approved by the Secretary of Commerce. Not later than March 1, 1976, and annually thereafter, the Secretary shall submit to Congress a detailed report (1) describing the actions that have been taken pursuant to this Act to assure insofar as possible that direct and adequate service is provided by United States-flag commercial vessels to each range of ports referred to in this section and (2) including any recommendations for additional legislation that may be necessary to achieve the purpose of this section.".

SEC. 6. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273(f)) is amended by striking "$5,000,000,000", and inserting in lieu thereof "$8,000,000,000".

THE EVACUATION FROM SOUTH VIETNAM

Mr. HUGH SCOTT. Mr. President, as of this moment, it is very probable that the last of the Americans have been evacuated from South Vietnam. A few were left 4 hours ago. Some escaped by boat, some from Tan Son Nhut Airport, and the remainder from downtown. A number of South Vietnamese have been evacuated incidental to this operation.

The Attorney General has asked for waiver of visas for a limited number of orphans, which the Committee on the Judiciary has approved, in addition to approving the list of all the orphans so far reported as refugees. This is a humanitarian act.

The evacuation proceeded, particularly from the 18th of April on, with as much expedition as was safe under the circumstances, bearing in mind the preservation of the lives of Americans and the risk of panic or the risk of action from indigenous forces in Vietnam.

I think it would be highly counterproductive and perhaps a little political for us to engage in any recriminations as to how the evacuation was conducted. It appears to have been conducted with great care and enormous concern on the part of Congress and the President; and, working together, they have effected this evacuation.

For Congress to blame the President on details, such as what day of the week Congress did this or what day of the week the President did that, I think would be lapsing into a deplorable form of politics which trades on the lives of Americans for political advantage. I will not engage in it, and I will condemn it if it is engaged in by others. I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Ohio (Mr. TAFT) is recognized for not to exceed 15 minutes.

THE NAVAL CHALLENGE

Mr. TAFT. Mr. President, during the last year or so the rapid expansion of Soviet naval power quite properly has become of increasing concern to many Members of Congress, as well as to the general public.

I think it important that we review, at this time, the background of this issue: the vital, complex relationship between America and the sea. We should have this background in mind as we review our defense budget.

A look at the map shows the origin of this relationship: we are an island. While our overland connections to the north and to the south are not insignificant, over 60 percent of our border is shoreline. Our basic orientation has always been to the east and west, to the Atlantic and Pacific Oceans and the resources and markets that lie beyond them.

Our geography has translated itself into our history. Our Nation was settled from across the sea and its early inhabitants looked to and over the sea for their government, their trade, and their culture. From well before our birth as an independent nation, we were a sea people, feeding ourselves on the cod of the Grand Banks and carrying our products in American-built ships with American crews to England, the Continent, Africa, and the Indies. The first American-built warship went down the ways in 1690.

Our Navy was founded 9 months before the Declaration of Independence, and it is significant that the American flag received its first international recognition at sea. Our flag became a symbol of worldwide commerce in a very short time: it appeared in Chinese waters as early as 1784.

For a brief period in the early 1800's we thought we could dispense with a seagoing Navy. We shelved our plans for line-of-battle ships, let our few frigates idle at their moorings, and built gunboats for coastal defense. We paid the price of this policy in the War of 1812, when British seapower bottled up our ports and, utilizing the ability of seapower to project force ashore where and when it chooses, razed the city of Washington.

We learned our lesson, and the 19th century saw America lead the world in many aspects of maritime development. The first steamboat was American; the world's fastest merchant ships, the clippers, were American; the world's first example of the modern, armored warship with turret guns was American. The Civil War gave our merchant fleet a blow from which it was long in recovering, but the steel Navy of the 1880's renewed our naval strength and enabled us to enter the 20th century a major maritime power. Our seapower was instrumental in the Allied victory in the First World War and decisive in the Second. Our undisputed command of the sea during our postwar contest with the Soviet Union was a key element in checking the spread of Soviet power.

Today, the sea is our lifeline. Our foreign trade, imports and exports, was worth over $139 billion in 1973; 45,795 foreign-flag ships entered our ports in that year; and an increasing percentage of the vital raw materials for our industries came from overseas, including over 84 percent of our bauxite, 64 percent of our chromite, 42 percent of our copper, 84 percent of our manganese, 92 percent of our nickel, and 36 percent of our petroleum. The importance of this trade, and the already startling degree to which we depend on imported natural resources increase each year.

In many ways our position on the sea in this century is similar to that of Britain in the 200 years preceding the First World War. If we are somewhat less dependent on imports and exports than was England, we nonetheless bear the same burden of maintaining the worldwide freedom and security of the seas that Britain bore before us. The American flag at the mast of an aircraft carrier has become the same symbol of power for peace, order, and commerce that the Union Jack on a cruiser was 70 years ago. Like Britain in the early part of the century, we face a challenge to our seapower—a challenge from a new naval power with strong interests in disrupting the peace, order, and commerce we seek to protect. Then, the challenge was Imperial Germany, where the genius of Admiral Tirpitz and the Kaiser's drive for a "place in the sun" sent dreadnoughts, battlecruisers, and U-boats down the ways at a pace which Britain was strained to match. Today, the challenge comes from Moscow, not Berlin, but its meaning for the dominant naval power, the United States, is much the same as it was then for Britain.

Since Admiral Zumwalt, then Chief of Naval Operations, stated the Soviet Navy was No. 1 in the world, there has been a great deal of inconclusive debate over the accuracy of his assertion. While his statement was relative to the ability of each navy to perform its assigned mission, most of the debate has been in terms of numbers and ship types: yet even in those terms, a case can be made for the admiral's opinion. The Soviet Union currently has 1,062 naval vessels in commission to our 514. They have 387 submarines to our 117. They have 54 major fleet units built since 1960 in commission, excluding submarines and amphibious ships; we have 66. But our slight numerical edge is partly offset by the fact that a large number of their major units are equipped with antiship missiles, a potent armament that not one of our major units presently carries. The Russians have, in addition, over 150 missile-armed attack boats.

Type for type, their ships clearly outclass our equivalents: Their *Kara* class cruiser, armed with three separate missile systems, is the most powerful cruiser in the world. "Jane's" 1974–75 edition, speaking about our rough equivalent, the DLGN's, notes that—

> It is difficult to see the justification for these ships . . . they could be highly expensive hostages if involved with ships armed with anti-ship missiles. . . .

Similarly, the Soviet *Krivak* class destroyers possess comprehensive antiship and antiaircraft missile systems. "Jane's," again speaking of the U.S. equivalent, the *Spruance* class destroyers now being built, notes that—

> They will have an anti-submarine capability but little else, lacking, in a missile age, both anti-ship missiles and long-range surface-to-air missiles.

The United States still has an advantage in numbers of aircraft carriers—the Soviets are now commissioning their first—but, paradoxically, this advantage has translated itself into a far stronger argument for Admiral Zumwalt's view than can be made on types and numbers alone. The essential elements in any military force is not equipment, not even men, but rather the concepts which direct how the equipment and men will be used. For example, in 1940, the French had more and better tanks than the Germans, but the decisive element was the Germans' concept of armored warfare. In our Navy, the fundamental operational concept is the carrier task force—an attack carrier with its antiaircraft and antisubmarine escort vessels. We evolved this concept in World War II, and today it remains the basis of our fleet. Almost all the nonnuclear striking power in the Navy, both for the antiship role and for the projection of power ashore, is contained in the carriers' aircraft.

The flaw in this fundamental concept is the fact that, in a preemptive situation, our carriers could be very vulnerable to the antiship missiles with which the Soviet Navy is equipped. A few hits can render a carrier incapable of launching or receiving aircraft until the decisive phase of the battle is past.

This is not to say that the carrier is obsolete; it still retains great utility in certain roles. But it has, in essence, undergone the same transformation the battleship underwent in World War II: from the major fleet unit for ship-to-ship engagements to a very useful but highly vulnerable means of projecting power ashore. Its vulnerability to preemptive missile attack, a possible situation in a crisis, brings into doubt the entire concept of the carrier task force as the standard fleet organization in peace or war. This concept puts our Navy, which has most of its eggs in the carrier basket, in a very dangerous position, and gives the Soviet Navy a credible chance of success, particularly if, as is possible, the Soviets choose the time and place of engagement.

The end of the aircraft carrier's unquestioned naval dominance is one weighty argument for Admiral Zumwalt's claim of Soviet naval superiority. The second argument is also the result of a concept plus the piece of equipment it involves. The concept is that, whereas our Navy's job is to keep the sea lanes open, the Soviets have the easier job of cutting them and the equipment is the submarine.

The Soviet Union today operates by far the largest fleet of submarines in the world. She has a long naval tradition of emphasis on submarines, and her boats are high quality: the latest Soviet attack submarines are the fastest in the world, and some carry antiship missiles which can be launched while submerged.

Admiral of the Soviet Fleet Sergei Gorshkov has noted that in World War II:

> For each German U-boat, there were 25 British and U.S. warships and 100 aircraft, and for every German submariner at sea there were 100 British and American anti-submariners. . . . Yet, nevertheless, this significant numerical superiority of defenders was insufficient to force the attackers to fully curtail their active operation. Therefore, the question of the ratio of submarines to anti-submarine forces is of great interest even under present-day conditions, since, if ASW forces, which were so numerous and technically up to date (for that time), possessing a vast superiority, turned out to be capable of only partially limiting the operations of diesel submarines, then what must this superiority be today to counter nuclear submarines, whose combat capabilities cannot be compared with the capabilities of World War II-era submarines.

Given that NATO can at best muster not a 25-to-1 ratio of antisubmarine ships to Soviet submarines, but about a 2-to-1 ratio. And that, as Admiral Gorshkov also indicates, the Soviet submarines would receive the support from surface ships and aircraft which the U-boats seldom had, it is hard not to agree with Admiral Zumwalt that the Soviets can perform their mission of cutting the West's sea lifeline. As Admiral Gorshkov said fully 7 years ago:

> The Soviet Navy has been converted, in the full sense of the word, into an offensive type of long-range armed force.

The distinguished chairman of the Armed Services Committee (Senator STENNIS) last fall referred to those who question U.S. naval superiority as "alarmists" who may be encouraging soviet belligerence. Despite my great respect for the distinguished chairman, I cannot accept this viewpoint. We must consider seriously and carefully the United States-Soviet naval balance, and we must not reject a priori the possibility that the Soviet Navy forces have more capability to perform their assigned mission—sea denial—than we have of performing the more difficult mission of sea control.

We must be prepared to examine this year's proposed naval procurement and R. & D. program not only from the standpoint of assuring that the taxpayers' dollars are used efficiently, but whether the proposed program is adequate, in view of Soviet naval expansion. I am examining the proposed programs carefully at this time; and I am not certain it is adequate, particularly in terms of the R. & D. funds which the Navy must have if Soviet superiority is not to be an unquestionable fact in the 1980's.

Over my objections at the moment, the R. & D. Subcommittee of the Armed Services Committee, on which I have the privilege to serve, voted to reduce funds in several naval R. & D. areas which, I believe, are key to our meeting the Soviet challenge. They voted to reduce advanced ship development funds for new carrier designs, for the nuclear powered strike cruiser, for the new mine countermeasure ship, and for the advanced hydrofoil. The subcommittee voted to remove all funds from the program for concept feasibility studies of new designs.

It is precisely in the area of new concepts and new ship designs that we must accelerate, not slow down, our efforts, if we are to meet the Soviet challenge I have discussed. As I pointed out, much of the Soviet capability springs from their new concepts and the advanced nature of their ship designs.

As I noted, although the Soviet antiship missile capability requires that we diversify the striking power of our fleet away from complete dependence on the aircraft carrier, the carrier still retains great utility in many roles, and it is certain that we will require new carriers in the future. It is also clear that we must examine new designs for these carriers, designs which will better enable them to meet the antiship missile threat. Accordingly, I voted in the subcommittee to restore requested funding for work in this area.

The strike cruiser is a new concept; and we should note that the Soviets place heavy reliance on such ships, and value their capability highly. I thus voted full funding in 197T—which the subcommittee cut—for advanced design work on this ship.

The Soviets are today the world's leader in naval mine warfare. In this they continue a long tradition; imperial Russia invented and first used naval mines during the Crimean war. I thus voted to restore funds for advanced design work for a mine countermeasure ship; the subcommittee voted to reduce the funds to zero.

The vote to zero the funds for concept feasibility studies of new ship designs particularly distressed me; this area, above all, should be funded, and funded generously.

I intend to work in the full committee and on the floor of the Senate to see that these and other vital areas of naval research and development and ship construction receive the funding necessary to permit us to meet the Soviet naval challenge.

Mr. President, I do not think I am being an "alarmist" by asking the Congress to consider the United States-Soviet naval balance carefully, thoroughly, and impartially. I realize it is difficult to face questions as complex as this—questions, the answers to which may necessitate voting additional defense funds, or transferring funds from one service to another. But I do not believe the Congress can responsibly ignore the vital question of whether the United States will continue to have maritime superiority. The question is vital because the fact is vital; America depends on the seas. I hope that each of my colleagues will keep in mind this fundamental fact during the forthcoming debate on the fiscal year 1976 naval budget, and that we will examine

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the issue with the attention and open-mindedness it requires.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. TAFT. I am pleased to yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I commend the able Senator from Ohio for his statement today, and for drawing attention to the great importance of the United States maintaining a strong navy.

Mr. TAFT. I thank the Senator from Virginia.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. Javits) is recognized for a period not to exceed 15 minutes.

Mr. JAVITS. Mr. President, I ask unanimous consent that the remarks I am about to make be separated by individual subjects.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

H.R. 2808—REPORT OF A COMMITTEE (REPT. NO. 94–98)

Mr. JAVITS. Mr. President, on behalf of the Senator from Louisiana (Mr. Johnston) I submit a report of the Committee on Interior and Insular Affairs on H.R. 2808, to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the home of Franklin D. Roosevelt National Historic Site, and for other purposes.

S. 896—REPORT OF A COMMITTEE (REPT. NO. 94–99)

Mr. JAVITS. Again on behalf of the Senator from Louisiana (Mr. Johnston), I submit a report of the Committee on Interior and Insular Affairs on S. 896, to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

THE SITUATION IN NATO, THE EUROPEAN ECONOMIC COMMUNITY, AND THE MIDDLE EAST

Mr. JAVITS. Mr. President, my purpose this morning is to report to the Senate on a trip which I took with a delegation from the Senate visiting various countries of NATO, the European Economic Community, and the Middle East.

As a member of an official Senate delegation visiting various countries of the NATO European Economic—EC—Community, I recently traveled to Western Europe and the Middle East. The official delegation was headed by Senators Humphrey, and Scott of Pennsylvania and the trip took place between March 28 and April 7 inclusive. I traveled with the delegation to Brussels and then by prior arrangement proceeded to London and Rome and then to Tehran and Tel Aviv, thereby adding a Middle East perspective to the travels of the delegation, which concentrated primarily on developments in NATO and the European Community. This report is intended as a supplement to the official report of the delegation.

THE EUROPEAN COMMUNITY

The EC is operating effectively within its established framework; however, it continues to fall far short of the full integration of Western Europe, and expectations in that regard are unlikely to be realized in the near term. Progress in coordination in the critical sphere of energy policy is somewhat disappointing, and it is likely to take a year before the Common Market countries have harmonized effectively their petroleum conservation, storage, exploration and production policies. It is, therefore, apparent that there is a continuing need for further cooperation between ourselves and the EC in this regard.

The European Community has engaged in a very important initiative with 46 Third World countries in the Lome Agreement, which establishes generalized trade preferences between these two entities. In this connection, it would be most desirable for the United States to cooperate with the EC to determine what might be done to underwrite the Third World's earnings from local products and raw materials. We can gain considerable experience from the Lome Agreement as to what new undertakings the United States might consider in its economic relations with less developed countries in Latin America, Asia and Africa. The Lome Agreement also holds significance for the International Monetary System, the reform of which will become increasingly important and necessary as the industrialized nations begin to pull out of the current recession and turn their attention to the basic structural deficiencies in the world economy revealed by the recession; and, especially to the ad hoc nature of the currencies float on which the world's trade and monetary systems are presently based.

I also found of critical importance that the Organization of Economic Cooperation and Development—OECD—is working on two codes: one for foreign investment and one for multinational corporations. In both cases, critical issues are yet to be agreed upon on an international level; this is required lest the discussions deteriorate into confrontation between the industrialized countries and the Third World, or into nationalistic and chauvinistic reactions to the deficiencies in the world economic order. The critical importance to the world of foreign investment and that the activities of multinational corporations be constructive—of which half are of the United States—dictates that we devote major attention to these OECD initiatives.

UNITED KINGDOM

The two most critical international issues now facing the United Kingdom are continued adherence to the European Community and the rate of inflation. Inflation there is presently running at an annual rate of 25 percent and the question posed is whether the United Kingdom can afford to continue to pay its workers 6 percent more than the Nation is producing. This excess is well beyond the limits of the "social contract" to which the Labor Government and the British trade unions had committed themselves, and is being financed from the expected proceeds from North Sea oil and the expected continuation of deposits in United Kingdom banks of the Arab oil states.

The Labor Cabinet is divided—estimated at 16–7, but for continued adherence to the Common Market. The general view is that the United Kingdom will opt to stay in the Common Market in the June plebiscite, but this is by no means a certainty.

In my view, it is in the U.S. interest that Britain remain in the Common Market as it is in the interest of world peace and security that we continue to move toward an economically, socially, and politically united Western Europe. In addition, should the United Kingdom opt out of the Common Market, it could start a process of disintegration of the Market itself and reverse the progress toward Western European integration already made.

While North Sea oil is perceived as a great new resource that will help the British Government to carry the national debt and better secure it, Britain looks to trade as its major support and the Government is initiating programs to develop and stimulate trade. Continuing adherence to the Common Market should be a plus in this regard—as it would be also to cope with unemployment which is at a present rate of 3½ percent, or 800,000 workers—large for Britain and could go to a million.

There seems to be general satisfaction with the currency float and no feeling of urgency to reform the international monetary system now. But this is by no means an unchallenged concept.

ITALY

With unemployment at 5 percent—a million workers—the problem there is very serious. It is compounded by a large amount of partial employment which is made available by Italian firms as there is no formal unemployment compensation in Italy. The inflation rate is said to be coming down from an annual rate of 24 percent, and the balance of payments picture is felt to be improving; however, this latter improvement is at the cost of Italy's reduced purchase of industrial raw materials from abroad and a reduction of raw materials inventories. It must be recognized that this tactic is a gamble on increased trade in the future and being able to replenish such raw materials inventories from the avails of increased exports.

A new political fact in Italy is the beginning of more active participation in public affairs by a new group of business managers at all levels. The existence of this solid constituency in the 35–45 year age bracket is heavily attributable to the president of Confindustries, the national association of manufacturers of Italy, Giovanni Agnelli, who is also the head of Fiat and the most respected industrialist in Italy. The hoped for enhanced political activity of this group is looked upon as a very hopeful sign.

There is an interesting reaction in Italy to the recent events in Portugal. It is felt that Portugal's experience of moving to the left—now corrected by the result of the popular election—is unlikely to be repeated in Spain, as Spain is a more stable society and is likely to be sobered by Portugal's experience. This

interpretation is a matter of considerable reassurance to many Italians in view of the strength of the Communist Party in Italy.

Finally, in Italy, as in the United States, much thought is being given to workers' profit sharing. It is believed there—as it is by many here—that there would be a resultant major economic improvement, through an increase in productivity and through an enhanced interest by the workers in their jobs and employers.

IRAN

The dominant factor in Iran is the Shah, who is going to great lengths to bring his country into the industrialized age with full cognizance of the great distance to be traveled in this regard, but also with full appreciation for the vast wealth that is being realized from oil and how to put that wealth to productive use.

Having met with the Shah personally, it is my judgment that he believes that binational agreements on oil prices and investments are more likely to be achieved in the near term, and that international agreements are likely to prove much more difficult to come by.

There is a real sense in Iran of a special relationship with the United States. One manifestation of this relationship is the vast amount of arms sales from the United States to Iran, resulting in a new Iranian military capability in the Persian Gulf and the Indian Ocean, a capability of which the Shah is very aware. Another manifestation is the objective and, on the whole, sympathetic view in Iran toward U.S. efforts to mediate—without excluding the U.S.S.R. from the effort—in order to bring peace to the Middle East. It is still hoped in Iran that an Israel-Egypt interim agreement, furthering the original disengagement agreement is possible. I believe, the Shah wants peace in the area and wants to see the material, educational, technological and economic improvements that would be so much more likely with peace than without it.

As I sense it, as seen from Iran, Israel ultimately represents a stable element in a generally unstable area.

There is a great interest in foreign investment in Iran and no self-consciousness or fear of it, as its nature is well understood. This is quite understandable, as Iran still has grave problems of poverty and illiteracy, and there is a real need for acquiring and retaining skilled people—many of whom are trained abroad. There is, therefore, anxiousness to avoid a "brain drain." Because of these conditions the state retains responsibility for heavy industry—steel, oil, copper, utilities and the railroads—but all else appears to be left open to private enterprise, which is greatly encouraged.

ISRAEL

I had not planned to stop in Israel, but due to commercial plane connections, I was able to stop there during a day and to see the Prime Minister who graciously accommodated his schedule to meet with me on short notice. I also had luncheon with former Foreign Minister Eban.

In Israel there continues to be much discussion over why the negotiations for another "military arrangement" between Israel and Egypt collapsed and who was responsible for this failure. This question can be really settled only by the historians and hardly in time to determine the course of U.S. policy; nor should it determine substantively the result of the "reassessment" of United States-Israel policy that is being undertaken by the President subsequent to the breakdown in Egypt-Israel negotiations.

While it must be recognized that officials so deeply involved in events will be somewhat conditoned by them for the immediate future, the national interests of the United States and Israel in the Middle East for peace and stability are so complementary, that any fundamental change in this basic relationship should be practically unthinkable.

In addition, the moral feeling in the United States as to the preservation of the security and national integrity of Israel is so profound that I do not believe any basic change in this feeling is being seriously contemplated by the American people, their representatives in Congress—or by the President and the Secretary of State. Hence, my discussions in Israel centered upon what there is to do, now, between our two countries.

In this respect, I found the view in Israel that right now the United States and Israel should come together to agree specifically and in detail both on the procedure and substantive proposals which it is possible to propose at Geneva, that such close contact was immediately needed and that such proposals should be based on three principles:

First. There must be a negotiation between Israel and the Arab States—at the very least even under the more conservative construction of U.N. Resolution 242 to adjust borders;

Second. Israel cannot negotiate with any party not accepting at least the fact of the national existence of Israel; and

Third. There must be an end to states of war between Israel and its neighbors.

There is also a feeling in Israel that either through step-by-step diplomacy, as contemplated by Secretary of State Kissinger when he undertook the Egypt-Israel shuttle in March 1975, or at Geneva, the chances of agreement should be considered to have improved, now, rather than to have deteriorated. This conclusion is based on the following considerations:

First. Israel has shown its independence as an ally of the United States and that it is not a client state;

Second, President Sadat, too, has shown his toughness, and Egypt, its self-confidence; and, at the same time, the Arab world has seen that President Sadat had only contemplated a separate agreement with Israel not to divide the Arab world, but because it would be simply interim and military in nature and could restore to Egypt a large slice of the Sinai; and

Third. The United States, it was hoped, would now show its dependability as Israel's friend by not letting the setback in the Egypt-Israel negotiations impair this friendship or endanger basic and essential U.S. economic military and diplomatic support for Israel, thereby reinforcing what Israel has claimed all along: that Israel's right to decide what is essential to its security and national integrity would be respected by the United States.

I found a very friendly and objective view there which sometimes is not reflected in the press, and I am still hopeful that the course of diplomacy which Dr. Kissinger has set for himself may be consummated, perhaps not on exactly the same terms, but with the same end result of a major step toward peace.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

ACCEPTANCE OF ADDITIONAL LANDS FOR THE HOME OF FRANKLIN D. ROOSEVELT NATIONAL HISTORIC SITE

Mr. JAVITS. Mr. President, I ask unanimous consent to call up for immediate consideration H.R. 2808, which was reported earlier from the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 2808) to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the home of Franklin D. Roosevelt National Historic Site, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JAVITS. The bill has been cleared on both sides. It is a bill to provide for the acceptance by the United States of certain additional land at the Franklin D. Roosevelt National Historic Site in the State of New York.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PRIVILEGE OF THE FLOOR—SENATE CONCURRENT RESOLUTION 32

Mr. JAVITS. Mr. President, I ask unanimous consent that during the debate on the budget, George Krumohaar, Frank Ballance, and John Scales be granted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Robert Boyd and Mr. V. Bruce Thompson of the Budget Committee staff be granted privilege of the floor during consideration of this resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that Margo Carlisle and Jim Streeter, of my staff, be accorded the privileges of the floor at all stages of the proceedings on the pending resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll:

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOW MUCH IS $1 BILLION?

Mr. HARRY F. BYRD, JR. Mr. President, as the Senate begins to debate the budget resolution providing for expenditures of $365 billion for the fiscal year beginning July 1, it is well, I think, to put in focus just how much is $1 billion. The proposed budget would spend $1 billion each day during that fiscal year.

It is interesting to note that if $1,000 a day had been spent every day beginning with the birth of Christ nearly 2,000 years ago, that by spending $1,000 a day during that long period of time it would not yet equal $1 billion.

As debate begins on the budget today, I think it is well to give some consideration to what a gigantic figure $1 billion is.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore (Mr. MORGAN) laid before the Senate a message from the President of the United States submitting the nomination of Daniel E. Wherry, of Nebraska, to be U.S. attorney for the District of Nebraska, which was referred to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE

At 11:45 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. MORGAN) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation by the President

A communication from the President of the United States transmitting a draft of proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972 (with accompanying papers); to the Committee on Finance.

Proposed Transfer Authority for the Department of Justice (S. Doc. 94–44)

A communication from the President of the United States transmitting a proposed request for transfer authority in the amount of $3,935,000 for the fiscal year 1975 for the Department of Justice (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

Report of the Director of Selective Service

A letter from the Director of Selective Service transmitting, pursuant to law, the semiannual report of the Director of Selective Service for the period July 1–December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

Proposed Legislation by the General Counsel of the Department of Defense

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to provide that a member of the Ready Reserve may not be transferred to the Standby Reserve under this section unless he has served on active duty, other than for training, for at least 91 days and such transfer will be effected 180 days after the member requests that transfer (with accompanying papers); to the Committee on Armed Services.

Proposed Legislation by the General Counsel of the Department of Defense

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize the negotiated sale by the Department of Defense of certain equipment, materials, and obsolete spare parts to U.S. purchasers, and for other purposes (with accompanying papers); to the Committee on Armed Services.

Report of the Secretary of the Treasury

A letter from the Acting Secretary of the Treasury transmitting, pursuant to law, a report on the operations of the Exchange Stabilization Fund for the fiscal year 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation by the Secretary of Housing and Urban Development

A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to provide increased authorizations for annual contributions thereunder, and to specify the manner in which annual contributions would be made subject to appropriation acts (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Report by the Export-Import Bank

A letter from the Chairman of the Export-Import Bank of the United States reporting, pursuant to law, on the transactions of the Export-Import Bank in Indonesia; to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation by the Secretary of Transportation

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations (with accompanying papers); to the Committee on Commerce.

Report of the Consumer Product Safety Commission

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, a report on S. 1000 and H.R. 5361, identical bills cited as the "Consumer Product Safety Commission Improvements Act of 1975" (with accompanying papers); to the Committee on Commerce.

Report of the Civil Aeronautics Board

A letter from the Acting Chairman of the Civil Aeronautics Board transmitting, pursuant to law, the annual report of the Board covering the fiscal year 1974 (with an accompanying report); to the Committee on Commerce.

Proposed Legislation by the Secretary of Commerce

A letter from the Acting Secretary of Commerce transmitting a draft of proposed legislation to extend the provisions of the Merchant Marine Act relating to war risk insurance for an additional 5 years ending September 7, 1980 (with accompanying papers); to the Committee on Commerce.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to amend the Social Security Act to make permanent the program of assistance for U.S. citizens returned from foreign countries (with accompanying papers); to the Committee on Finance.

Report of the United States Information Agency

A letter from the Director of the U.S. Information Agency transmitting, pursuant to law, the semiannual report of the Information Agency (with an accompanying report); to the Committee on Foreign Relations.

Proposed Legislation by the Director of Action

A letter from the Director of ACTION transmitting a draft of proposed legislation to enable the Peace Corps to continue to strengthen its work on behalf of world peace and understanding during fiscal year 1976 and the fiscal year transition quarter (with accompanying papers); to the Committee on Foreign Relations.

Report of the Comptroller General

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Overseas Food Donation Program—Its Constraints and Problems" (with an accompanying report); to the Committee on Government Operations.

Proposed Contract of the Department of the Interior

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a proposed contract with General Electric Co., Schenectady, N.Y. for a research project entitled "Horizon Control Device for Automated Longwall Mining" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Contract of the Department of the Interior

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed contract with Southwest Research Institute, San Antonio,

Tex., for a research project entitled "Research Contract Designed to Evaluate and Test the Durability of a Staged Combustion Rock Ripper" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Application for a Loan Under the Small Reclamation Projects Act

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a copy of an application by the Nevada Irrigation District of Grass Valley, California, for a loan under the Small Reclamation Projects Act (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Energy Research and Development Administration

A letter from the Freedom of Information Officer of the Energy Research and Development Administration transmitting, pursuant to law, a report on the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

Report of the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, the annual report of the Service for the year ended June 30, 1974 (with an accompanying report); to the Committee on the Judiciary.

Report of the Department of the Interior

A letter from the Secretary of the Interior transmitting, pursuant to law, a report of the Interim Compliance Panel for the calendar year 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the National Advisory Council on Education Professions Development

A letter from the Chairman of the National Advisory Council on Education Professions Development transmitting, pursuant to law, a report entitled "Staffing the Learning Society: Recommendations for Federal Legislation" (with an accompanying report); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Department of the Interior

A letter from the Commissioner of Indian Affairs of the Department of the Interior transmitting a draft of proposed legislation to declare certain submarginal lands of the United States to be held in trust for certain designated Indian tribes or communities and to make such lands part of the reservation involved (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Department of the Interior

A letter from the Secretary of the Interior transmitting, pursuant to law, a report entitled "Federal Programs and Alaska Natives" (with an accompanying report); to the Committee on Interior and Insular Affairs.

Rules and Forms of the Supreme Court

A letter from the Chief Justice of the United States transmitting, pursuant to law, the Rules and Official Forms governing proceedings under chapters X and XII of the Bankruptcy Act (with accompanying papers); to the Committee on the Judiciary.

Proposed Legislation by the Attorney General

A letter from the Attorney General transmitting a draft of proposed legislation to raise the monetary limit of drug-related judicial forfeitures from $2,500 to $10,000 (with accompanying papers); to the Committee on the Judiciary.

Proposed Regulations by the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, proposed regulations and guidelines for part B of the Education of the Handicapped Act entitled "Assistance to States for Education of Handicapped Children" (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the Secretary of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on a tabulation of funds requested for sudden infant death syndrome research in fiscal year 1976 (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Regulations of the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, proposed regulations and guidelines for the Right to Read Reading Academy program (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the National Advisory Council on Education Professions Development

A letter from the Chairman of the National Advisory Council on Education Professions Development transmitting, pursuant to law, a report entitled "Gatekeepers in Education: A Report on Institutional Licensing" (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Commissioner of Education

A letter from the Commissioner of Education transmitting, pursuant to law, the annual report of the Commissioner of Education on the administration of Public Laws 874 and 815, 81st Congress, as amended, for the fiscal year ending June 30, 1973 (with an accompanying report); to the Committee on Labor and Public Welfare.

Sale of Rice to Syria

A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, a determination with statement of reasons permitting the sale of 10,000 metric tons of rice to Syria (with an accompanying report); to the Committee on Agriculture and Forestry.

Approval of Loan by the REA

A letter from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, a statement in connection with the approval of an insured loan in the amount of $9,965,000 to Central Electric Power Cooperative, Inc., of Cayce, S.C. (with accompanying papers); to the Committee on Appropriations.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense reporting, pursuant to law, that no use was made of funds appropriated in appropriation acts during the period July 1–December 31, 1974, to make payments under contracts for any program, project, or activity in a foreign country except where the Treasury Department was not holding excess foreign currencies in the country involved; to the Committee on Appropriations.

Proposed Legislation by the Office of Telecommunications Policy

A letter from the Acting Director of the Office of Telecommunications Policy transmitting a draft of proposed legislation to amend the Communications Satellite Act of 1962 (with accompanying papers); to the Committee on Commerce.

Report of the Office of Management and Budget

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report with respect to the recommendations contained in the report entitled "Materials Needed and the Environment Today and Tomorrow" (with an accompanying report); to the Committee on Government Operations.

Report on Standardization of Military Equipment in NATO and Other Related Actions

A letter from the Secretary of Defense, transmitting, pursuant to law, a confidential report on the standardization of military equipment in NATO and other related actions (with an accompanying confidential report); to the Committee on Armed Services.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. MORGAN):

House Concurrent Resolution No. 51 adopted by the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION NO. 51

"A concurrent resolution applying to the Congress for a convention to propose an amendment to the Constitution of the United States

"Whereas, an ever-increasing public debt is inimical to the general welfare of the people of the United States; and

"Whereas, the national debt is already dangerously high and any further increases will be harmful and costly to the people of the United States; and

"Whereas, a continuous program of deficit financing by the Federal Government is one of the greatest factors supporting the inflationary conditions presently existing in this country and therefore has been the chief factor in reducing the value of the American currency; and

"Whereas, payment of the increased interest required by the ever-increasing debt would impose an undue hardship on those with fixed incomes and those in lower income brackets; and

"Whereas, it is not in the best interest of either this or future generations to continue such a practice of deficit spending particularly since this would possible deplete our supply of national resources for future generations; and

"Whereas, by constantly increasing deficit financing the Federal Government has been allowed to allocate considerable funds to wasteful and in many instances nonbeneficial public programs; and

"Whereas, by limiting the Federal Government to spend only the revenues that are estimated will be collected in a given fiscal year, except for certain specified emergencies, this could possibly result in greater selectivity of Federal Government programs of the benefit of the public and which would depend upon the willingness of the public to pay additional taxes to finance such programs; and

"Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (⅔) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may be proposed by the Congress:

"Now, therefore, be it resolved by the House of Representatives of the State of Mississippi, the Senate concurring therein, That we do hereby, pursuant to Article V of the Constitution of the United States, make application to the Congress of the United States to call a convention of the several states for the proposing of the following

UMI

amendment to the Constitution of the United States:

" 'Article —

" 'Section 1. Except as provided in Section 3, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

" 'Section 2. There shall be no increase in the national debt and such debt, as it exists on the date on which this article is ratified, shall be repaid during the one-hundred-year period beginning with the first fiscal year which begins after the date on which this article is ratified. The rate of repayment shall be such that one-tenth (1/10) of such debt shall be repaid during each ten-year interval of such one-hundred-year period.

" 'Section 3. In time of war or national emergency, as declared by the Congress, the application of Section 1 or Section 2 of this article, or both such sections, may be suspended by a concurrent resolution which has passed the Senate and the House of Representatives by an affirmative vote of three-fourths (3/4) of the authorized membership of each such house. Such suspension shall not be effective past the two-year term of the Congress which passes such resolution, and if war or an emergency continues to exist such suspension must be reenacted in the same manner as provided herein.

" 'Section 4. This article shall apply only with respect to fiscal years which begin more than six (6) months after the date on which this article is ratified.'

"Be it further resolved, That this application by the Legislature of the State of Mississippi constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds (2/3) of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical with that contained in this resolution before January 1, 1976, this application for a convention of the several states shall no longer be of any force or effect.

"Be it further resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States; the Clerk of the House of Representatives of the United States; to each member of the Congress from this state; and to each house of each state legislature in the United States."

Concurrent Resolution (H. 2796) adopted by the Legislature of the State of South Carolina; jointly, by unanimous consent, to the Committee of Interior and Insular Affairs, the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, the Committee on Public Works, the Committee on the Judiciary, and the Committee on Foreign Relations:

"A Concurrent Resolution Memorializing the Congress of the United States To Insure That Plans, Procedures, Laws, Regulations and General Oversight Are Instituted To Assure Adequate, Dependable and Reasonably Priced Supplies of Energy, Fuel Purchased To Generate Electricity

"Whereas, the people of South Carolina are particularly concerned over the substantial increase in electricity rates which have occurred in recent months, being particularly concerned with the excess fuel adjustment charges that are being imposed on all consumers; and

"Whereas, consumers understand the implication of international politics on the price of imported oil but do not understand the action of their government in decontrolling the price of coal or the action of the coal producers and suppliers in the area of price escalation since such decontrol; and

"Whereas, the citizens of South Carolina and the members of the General Assembly respectfully submit to the Congress of the United States the following resolution in order to make their position known to their elected representatives at the national level.

"Now, therefore, be it resolved by the House of Representatives, the Senate concurring; that the Congress of the United States is hereby memorialized to take whatever actions are necessary to establish or have established, possibly by the Federal Energy Administration, plans, procedures, laws, regulations and general oversight to insure the citizens of this nation adequate, dependable and reasonably priced supplies of energy which are not subject to domestic disruptions or international politics and to provide the means to eliminate or mitigate any impediment that can be reasonably foreseen to our energy supply by:

"(1) Establishing a national energy program which will efficiently and economically consolidate and oversee all energy extraction, conversion and transportation functions into an integrated program that will assure all consumers of an adequate, dependable and reasonably priced supply of energy;

"(2) Instituting an immediate and thorough investigation into the tremendous increases that have occurred in the cost of coal during the period beginning with the decontrol of coal prices, up to and including January 1975;

"(3)(a) Not considering deregulation of natural gas to the extent that coal was deregulated, allowing necessary incentives which would assure active and aggressive exploration and development and adequate return on investments so made;

"(b) Reinstituting regulation of the coal and oil industry, with incentives and financial assistance, if necessary, to encourage new exploration and development since virtually all producers and distributors of electricity to consumers operate under the regulation of some government agency, either State or Federal, as to the rates that they are allowed to charge to consumers and the return on their investment and nonregulation of their sources of energy, fuel purchased to generate electricity places an unrealistic burden on utilities and others in serving consumers at reasonable prices;

"(4) Reevaluating regulations that have been established by various Federal and State environmental agencies regarding the types of fuel that may be used in power generation in specific areas in relation to that area's air pollution problems and what the average consumer can afford to pay in higher power costs for cleaner air:

"(5) Investigating, in depth, the possibility of monopolistic practices of industries which control reserves, extraction, conversion and transportation of energy, beginning with those companies, corporations, organizations and others which control, produce, transport or finance oil, coal, natural gas and uranium with particular emphasis and study given to the members of boards of directors of such organizations which interlock with those of other energy extraction, conversion or transportation companies and their bankers or other financial institutions and applying present or, if necessary, new anti-trust laws where the investigation warrants;

"(6) Continuing, in the field of foreign policy, negotiations that could result in lower fuel costs.

"Be it further resolved that a copy of this resolution be sent to the presiding officers of both Houses of the Congress of the United States and to each member of Congress of the United States representing South Carolina."

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that a concurrent resolution (H.R. 2796) from the House of Representatives of South Carolina, be referred jointly to the Committees on Interior and Insular Affairs; Banking, Housing and Urban Affairs; Commerce; Public Works; Judiciary; and Foreign Relations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to oppose any higher tax on imported oil; to the Committee on Interior and Insular Affairs:

"Resolutions Memorializing the Congress of the United States To Oppose Any Higher Tax on Imported Oil

"Whereas, The importation of foreign oil in substantial amounts is a serious national problem; and

"Whereas, The burden of the proposed solution of imposing a three dollar a barrel tax on imported crude oil would fall primarily on the New England states, including the Commonwealth of Massachusetts, and not on the nation as a whole; and

"Whereas, The three dollar a barrel tax on imported crude oil will deny taxpayers and the economy the benefits of the anticipated cut in federal personal income tax; and

"Whereas, The proposed tax on imported crude oil will cause substantial unemployment in the New England states, including the Commonwealth of Massachusetts, and drive many industries and businesses out of existence; and

"Whereas, The proposed tax on imported crude oil will substantially increase fuel charges on electric bills, now, therefore, be it

"*Resolved*, That the Massachusetts General Court respectfully urges the Congress of the United States to oppose any new taxes, inclusive of the one dollar a barrel tax already imposed, on imported oil, to enact legislation requiring Congressional approval before any higher tariff, fee or quota could be imposed on foreign oil, to support the concept of the Kennedy-Jackson resolution requiring Congressional approval before any tax could be imposed on imported oil, to hold public hearings on the merits of a three dollar a barrel tax on imported crude oil, to enact a mandatory national allocation program for oil and to extend the Emergency Petroleum Allocation Act of 1973 beyond August of nineteen hundred and seventy-five; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to each member of the Congress of the United States from the Commonwealth and to the presiding officers of the State Legislatures of each of the other New England States."

Resolution No. 64 adopted by the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"Resolution No. 63

"Relative to supporting the Northern District Sewerage System and memorializing the Governor to take all necessary steps to provide for the construction of said system

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, certain members were briefed by Navy and Air Force, GEPA, PUAG and PW officials regarding the importance and present status of the Northern District Sewerage; and

"Whereas, the Government of Guam has entered into a contractual agreement with the Navy who will provide funds on a cost-sharing basis for the construction of the Northern District Sewerage System; and

"Whereas, the Federal Environmental Protection Agency will provide in excess of Seven Million Dollars ($7,000,000.00) toward the construction of the Northern District Sewerage; and

"Whereas, there are 11.2 Million Dollars of Federal Environmental Protection Agency funds allocated to the Territory of Guam; and

"Whereas, in excess of Two and One-Half (2.5) Million of these Federal funds will be lost to Guam if not obligated to buy June 30, 1975; and

"Whereas, the design, plans and specifications for the Northern District Sewerage System and construction of a pipeline of the System are complete, including an Environmental Impact assessment, all at a cost of nearly One Million Dollars ($1,000,000.00); and

"Whereas, several private and Government of Guam developments on the Northern part of the island depend upon the construction of the Northern District Sewerage System; and

"Whereas, the protection of Northern Guam's underground drinking water resources is of paramount concern to all the people of Guam; and

"Whereas, the Northern District Sewerage System is now jeopardized as a result of the Government of Guam's inability to enter into a cost-sharing contractual agreement with the Air Force, due apparently to a lack of compromise by both parties; now, therefore, be it

"*Resolved*, that the Governor of Guam requested to immediately take such steps that are necessary to mutually finalize the cost-sharing contractual agreement with the Air Force, and any other steps necessary to ensure that the Northern District Sewerage System will adequately service the communities of Dededo and Yigo within this time-frame limitation thus preventing any loss of Federal funds for the project; and be it further

"*Resolved*, that the Bureau of Budget and Management Research provide the Committee on Finance and Taxation with a description of the local funding situation for the Northern District Sewerage System, including a request for legislative allocation should additional funds be required; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Commander, Naval Forces, Marianas; Commanding Officer, Anderson Air Force Base; the U.S. Environmental Protection Agency; Chief Officer, Public Utility Agency of Guam; Director, Public Works Department; Administrator, Guam Environmental Protection Agency; Director, Bureau of Budget and Management Research; and Director, Bureau of Planning and to the Governor of Guam."

Senate Joint Resolution No. 9 adopted by the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"Senate Joint Resolution No. 9

"Senate joint resolution memorializing the Congress of the United States to authorize the establishment of preserves for free-roaming horses and burros and to permit the purchase of public lands and grazing privileges to assist in the establishment of such preserves

"Whereas, Wild, free-roaming horses and burros are living symbols of the historic and pioneer spirit of the West and an important part of our national heritage; and

"Whereas, The "multiple use" concept followed on public lands makes it difficult to properly supervise and manage free-roaming horses and burros; and

"Whereas, Establishing preserves for the sole use of wild, free-roaming horses and burros would protect these animals from harassment, capture or death; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the Congress of the United States is hereby memorialized to authorize the establishment of preserves on public lands administered by the Secretary of the Interior through the Bureau of Land Management or by the Secretary of Agriculture through the Forest Service for the sole use of wild, free-roaming horses and burros; and be it further

"*Resolved*, That the federal law for the protection, management and control of wild horses and burros (16 U.S.C. § 1331) be amended to permit the purchase of such public lands and the grazing privileges thereon to assist in the establishment of these preserves; and be it further

"*Resolved*, That upon the establishment of such preserves, wild, free-roaming horses and burros be removed from other public lands; and be it further

"*Resolved*, That copies of this resolution be prepared and transmitted by the legislative counsel to the President of the Senate, the Speaker of the House of Representatives, the members of the Nevada congressional delegation, the Secretary of the Interior, the Secretary of Agriculture, the Director of the Bureau of Land Management and the Chief of the Forest Service; and be it further

"*Resolved*, That this resolution shall become effective upon passage and approval."

Resolutions of the Senate of the Commonwealth of Massachusetts memorializing the Congress to enact House Concurrent Resolution 165; to the Committee on Foreign Relations:

"Resolutions Memorializing the Congress of the United States to Enact House Concurrent Resolution One Hundred Sixty-Five

"Whereas, The three Baltic states, Estonia, Latvia and Lithuania, have been illegally occupied by the Soviet Union since World War II; and

"Whereas, The Soviet Union will attempt to obtain the recognition of the annexation of these states at the European Security Conference; and

"Whereas, The United States delegation to the European Security Conference should not recognize this forcible occupation by the Soviet Union; now, therefore, be it

"*Resolved*, That the Massachusetts Senate respectfully urges the Congress of the United States to enact House Concurrent Resolution one hundred sixty-five; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, the presiding officer of each branch of Congress and to members thereof from the Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to enact legislation prohibiting the use of "an originating and closing charge" in residential mortgage loan transactions; to the Committee on Banking, Housing and Urban Affairs:

"Resolutions Memorializing the Congress of the United States to Enact Legislation Prohibiting the Use of 'an Originating and Closing Charge' in Residential Mortgage Loan Transactions"

"Whereas, The citizens of the Commonwealth of Massachusetts are rightly disturbed over the practice of leading institutions in assessing 'an originating and closing charge' in assessing points of interest before granting a mortgage; and

"Whereas, The use of points, so-called, increases the existing high cost of mortgages; and

"Whereas, The use of points, so-called, is allowed by federally charged institutions, the Federal Housing Administration and the Veterans Administration; and

"Whereas, The use of points, so-called, is in violation of the principle of truth-in-lending; now, therefore, be it

"*Resolved*, That the General Court of Massachusetts respectfully urges the Congress of the United States to take such action as may be necessary to prevent the use of points of interest before granting residential mortgages; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, Secretary of the Treasury, to the presiding officers of each branch of Congress and to the members thereof from the Commonwealth."

A petition from the Statewide Committees Opposing Regional Plan Areas seeking a redress of grievances from several citizens of the State of Arkansas; to the Committee on Government Operations.

A petition from the Statewide Committees Opposing Regional Plan Areas seeking a redress of grievances from several citizens of the State of California; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JAVITS (for Mr. Johnston), from the Committee on Interior and Insular Affairs, without amendment:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes (Rept. No. 94–98).

By Mr. JAVITS (for Mr. Johnston), from the Committee on Interior and Insular Affairs, with an amendment:

S. 896. A bill relating to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes (Rept. No. 94–99).

EXTENSION OF TIME FOR FILING REPORT OF SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, I ask unanimous consent that the time for filing the report of the Special Committee on Aging, "Developments in Aging: 1974 and January-April 1975," be extended from April 30, 1975 to May 23, 1975. This additional time is needed to consider legislative and administrative developments in the field of aging.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Lawrence S. Eagleburger, of Wisconsin, to be Deputy Under Secretary of State.

Statement of Political Contributions of Lawrence S. Eagleburger

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Lawrence S. Eagleburger.

Post: Deputy Under Secretary of State for Management.

Nominated: April 15, 1975.

CONTRIBUTIONS, AMOUNT, DATE, AND DONEE

(If none, write none)

1. Self: I contributed to the National Republican Party.* in 1972, 1973, and 1974, and to the Virginia Republican Party in 1973 and

1974, but kept no records of the contribution. However, I am certain that the total for either donee in any given year was less than $100.00.

2. Spouse: None.
3. Children and spouses: None.
4. Parents: None.
5. Grandparents: None.
6. Brothers and spouses: None.
7. Sisters and spouses: None.

*Republican National Committee.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate.

Lawrence S. Eagleburger.

William C. Harrop, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

Statement of Political Contributions of William C. Harrop

Australia, Australian Capital Territory, City of Canberra, Embassy of the United States of America, ss.

Before me, Robert LaPrade, American Consul of the United States of America at Canberra, Australia, duly commissioned and qualified, personally appeared William C. Harrop, who, being duly sworn, deposes and says as follows:

(1) My name is William C. Harrop and I reside at 12 Mugga Way, Red Hill, Australian Capital Territory, 2603, Australia.

(2) Report of Federal campaign contributions, as required by section 6, Department of State Appropriations Authorization Act of 1973, covering the period January 1, 1971 to February 21, 1975.

Nominee: William C. Harrop.

Post: Presently Canberra (American Embassy).

Contributions: Amount, date, and donee:

1. Self: $60, 1972, Allard Lowenstein.
2. Spouse Ann D. Harrop, None.
3. Children (all unmarried): Mark D. Harrop, none; Caldwell Harrop, none; Scott N. Harrop, none; and George H. Harrop, none.
4. Parents: Mother — Esther C. Harrop, none; and father — deceased more than 4 years.
5. Grandparents: Deceased more than 4 years.
6. Brothers and Spouses: Brother—David C. Harrop, none; and spouse—Penelope K. Harrop, none.
7. Sisters and Spouses: Sister—Esther H. Godfrey, none; and spouse—William Godfrey, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate.

W. C. Harrop.

Subscribed and sworn to before me this 20th day of February, 1975.

Robert LaPrade,
American Consul.

Laurence H. Silberman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Federal Republic of Yugoslavia.

Statement of Political Contributions of Laurence H. Silberman

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Laurence H. Silberman.

Post: Ambassador to Yugoslavia. Nominated: April 18, 1975.

Contributions: Amount, date, and donee:

1. Self: $400, Summer of 1972, committee to re-elect the president.
2. Spouse: None.
3. Children and spouses: Names—Robert, Katherine, and Anne; none.
4. Parents: Mrs. Irving Sherman, none, and Mr. William Silberman—I have not seen or spoken to my father for over 20 years. He and my mother were divorced when I was 9 years old.
5. Grandparents: Deceased.
6. Brothers and spouses: None.
7. Sisters: Jan Friedberg, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them other than my father. To the best of my knowledge, the information contained in this report is complete and accurate.

Laurence Silberman.

Subscribed and sworn (or affirmed) before me this 18th day of April A.D. 1975, at Washington, D.C.

[seal] Mary L. Missakian.

Laurence L. Lane, Jr., of California, for the rank of Ambassador during the tenure of his service as Commissioner General of the U.S. Exhibition at the International Ocean Exposition to be held in Okinawa, Japan, in 1975.

Statement of Political Contributions of Laurence W. Lane, Jr.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Laurence William Lane, Jr.

Post: Ambassador. Nominated: April 1975.

Contributions: Amount, date, and donee:

1. Self: See Schedule A attached.
2. Spouse: See Schedule A attached.
3. Children and spouses, none.

Names: Sharon, Robert, and Brenda.

4. Parents: Mrs. Laurence W. Lane, Sr. See Schedule B. attached.
5. Grandparents, none (deceased).
6. Brothers and spouses: Melvin B. and Joan Lane. See Schedule C attached.
7. Sisters and spouses, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

L. W. Lane, Jr.

Subscribed and sworn (or affirmed) before me this 14th day of April A.D. 1975, at Menlo Park, California.

Alan H. Hirschy.

SCHEDULE A

Report of Federal campaign (political) contributions made by Laurence W. Lane, Jr., and spouse, Donna Jean Lane, during the period January 1, 1971 through April 20, 1975.

Amount, date, and donee:

$100, 1971, San Francisco Republican Fund.

$15, Republican National Committee.

$100, Republican United Finance Committee of San Mateo Co.

$25, the Republican Campaign (18-year-old vote).

$25, the Republican (sponsorship).

$25, the Republican National Finance Committee.

$50, 1972, National Republican Congressional Committee.

$50, Finance Committee for the Reelection of the President.

$1,000, Victory '72 luncheon for the President.

$50, Republican National Finance Committee.

$100, McCloskey for Congress Committee.

$50, Campaign to Elect Bill Mailliard.

$25, GOP Emergency Fund.

$25, Smylie for Senate Committee.

$100, Republican Victory Fund.

$100, Chafee for '72 Committee.

$150, 1973, Republican National Finance Committee.

$25, Finance Committee—John McCrady.

$100, United S.F. Republican Finance Committee.

$125, United Republican Finance Committee of San Mateo.

$150, 1974, Republican National Finance Committee.

$25, Bob Mathias Campaign Committee.

$100, Summer '74 GOP Emergency Fund.

$100, Fight "King Caucus" 74 Election Fund.

$100, McCloskey for Congress Committee.

$100, 1974 Campaign Travel Committee.

$100, Campaign for Senator Alan Cranston.

$100, Campaign for Senator Barry Goldwater.

$100, 1975, Republican Campaign Committee.

SCHEDULE B

Report of Federal campaign (political) contributions made by Mrs. Laurence W. Lane, Sr., mother of Laurence William Lane, Jr. during the period January 1, 1971 through April 20, 1975.

Amount, date, and donee:

$40, 1975, Republican National Finance Committee.

$50, 1975, United San Francisco Republican Finance Committee.

$50, 1974, Committee to reelect McCloskey.

$10, 1974, Young Republican National Federation.

$25, 1974, Kehoe Committee.

$15, 1974, Citizens for Cranston.

$10, 1974, National Republican Senate Campaign.

$150, 1974, United San Francisco Republican Finance Committee.

$75, 1974, Republican National Finance Committee.

$10, 1974, Peninsula Republican Women's Federation.

$25, 1974, Knapp to Congress Committee.

$50, 1974, Senate Republican Caucus.

$25, 1974, Steiger for Congress Committee.

$50, 1974, Republican State Central Committee of California and United Republican Finance Committee of Santa Clara County.

$50, 1974, GOP 1974 Victory Fund.

$25, 1974, Richardson for U.S. Senate Committee.

$25, 1973, Republican National Committee.

$25, 1973, Republican State Central Committee of California.

$100, 1973, United San Francisco Republican Finance Committee.

$25, 1973, Friends of Senator Thurmond.

$37, 1972, Republican National Committee.

$25, 1972, Republican State Central Committee of California.

$100, 1972, United San Francisco Republican Committee.

$15, 1972, Financial Committee to Reelect the President.

$100, 1972, McCloskey for Congress Committee.

$75, 1972, Friends of Senator Thurmond.

$25, 1972, Leo Ryan for Congress.

$25, 1972, Texans for Tower.

$75, 1971, California Plan, Republican State Committee.

$200, 1971, United San Francisco Republican Finance Committee.

$15, 1971, Republican National Finance Committee.

SCHEDULE C

Report of Federal campaign (political) contributions made by Melvin B. Lane, brother of Laurence William Lane, Jr., and spouse, Joan Lane during the period January 1, 1971 through April 20, 1975.

Amount, date, and donee:

$250, 1972, McCloskey for Congress Committee.

$250, 1972, McCloskey for Congress Committee.

$200, 1973, McCloskey for Congress Committee.

$200, 1974 Committee to Reelect McCloskey.

$200, 1974, Committee to Reelect McCloskey.

$100, 1974, Committee to Reelect McCloskey.

$100, 1974, Citizens for Senator Cranston.

John L. Loughran, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Democratic Republic.

Statement of Political Contributions of John L. Loughran

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John Louis Loughran.

Post: Mogadiscio, Somalia.

Contributions: Amount, date, and donee:

1. Self: None.
2. Spouse: Katheryne Straub Loughran, none.
3. Children and spouses: Kristyne, Lisbeth, John Michael, none for all.
4. Parents: Mother: June Hookey Loughran. Father: deceased, none.
5. Grandparents: Deceased.
6. Brothers and spouses: Mr. and Mrs. Frank H. Loughran; Mr. and Mrs. Joseph L. Loughran; Mr. and Mrs. Anthony L. Loughran; and Mr. David Loughran, none for all.
7. Sisters and spouses: (Jane) Mr. and Mrs. Pierre Petier; (Elaine) Mr. and Mrs. Thomas Boyle; Mary Ann Loughran; (Antoinette) Mr. and Mrs. John Williamson, none for all.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

John L. Loughran.

Subscribed and sworn (or affirmed) before me this 1st day of April A.D. 1975, at Washington, District of Columbia.

[seal] Mary E. Misakian.

Charles S. Whitehouse, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

Statement of Political Contributions of Charles S. Whitehouse

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Charles S. Whitehouse.

Post: Vientiane. Nominated July 10, 1974.

Contributions: Amount, date, and donee:

1. Self: $1,000, December 1971, Advance R.I. Fund (Chafee); $100, October 1972, CREEP.
2. Spouse: None.
3. Children and Spouses: (Minors).
4. Parents: Mrs. Sheldon Whitehouse, $20,000, 1972, Senate Republic Campaign Committee. Father (Deceased).
5. Grandparents: (Deceased).
6. Brothers and spouses: (Deceased).
7. Sisters and spouses: Mrs. Robert O. Blake, $100, 1974, Senator Mathias; Ambassador Robert O. Blake, $200, 1972, Senator Fell; $100, 1975, Senator McGhee.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Charles S. Whitehouse.

Subscribed and sworn (or affirmed) before me this 17th day of April A.D. 1975, at Washington, District of Columbia.

[seal] Mary E. Misakian.

Willard H. Meinecke, of Maryland, to be an Assistant Director of the ACTION Agency.

Charles A. Mann, of North Carolina, to be an Assistant Administrator of the Agency for International Development.

Curtis Farrar, of Maryland, to be an Assistant Administrator of the Agency for International Development.

(The foregoing nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Lieutenant General Blanchard, U.S. Army, to be general; Lieutenant General Seitz to be placed on the retired list in that grade; Major Generals Kroesen, Jr., and Emerson to be lieutenant generals; Brigadier General Mohr, U.S. Army Reserve, to be major general as chief, Army Reserve, and chaplain, Colonel Kelley to be chief of chaplains, U.S. Army, as major general in the Regular Army; in the Navy, the following to be placed on the retired list in the grade of vice admiral, Vice Admirals Gaddis, Price, Jr., and Mack and Rear Admiral Armstrong to be vice admiral; and in the Air Force, Lieutenant General Hardin, Jr., to be placed on the retired list in that grade. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. In addition, Mr. President, there are 2,099 in the Army for appointment/promotion in the grade of colonel and below; in the Navy and Naval Reserve there 1,661 for promotion to the grade of captain and below; in the Marine Corps there are 158 for appointment to the grade of major and below; and, in the Air Force and Reserve of the Air Force there are 43 for appointments to the grade of colonel and below. Since these names have already appeared in the Congressional Record and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings in the Record of April 7, April 9, and April 16, 1975.)

HOUSE BILL REFERRED

The bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, was read twice by its title and referred to the Committee on Agriculture and Forestry.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS:

S. 1547. A bill to amend the Small Business Act to make loans available for small businesses suffering economic injuries as the result of the disruption of operations and services of public utilities. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. FONG:

S. 1548. A bill to establish an advisory commission on future civilian manpower requirements at U.S. military installations. Referred to the Committee on Government Operations.

By Mr. PHILIP A. HART (for himself, Mr. Hruska, and Mr. McClellan):

S. 1549. A bill to amend the Federal Rules of Evidence and for other purposes. Referred to the Committee on the Judiciary.

By Mr. McCLURE:

S. 1550. A bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. FORD:

S. 1551. A bill for the relief of John Pak-Chong Wan. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 1552. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes. Referred to the Committee on Finance.

S. 1553. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses. Referred to the Committee on Finance.

S. 1554. A bill to provide for the modification of the Medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. Percy):

S. 1555. A bill to allow the States to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1556. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days. Referred to the Committee on Finance.

S. 1557. A bill to amend title 18 and 19 of the Social Security Act to require skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week. Referred to the Committee on Finance.

S. 1558. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities. Referred to the Committee on Finance.

S. 1559. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVIII and XIX in a medical director. Referred to the Committee on Finance.

S. 1560. A bill to amend titles 16 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1561. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1562. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve. Referred to the Committee on Finance.

S. 1563. A bill to amend the Social Security Act to provide for the updating of safety provision in skilled nursing facilities. Referred to the Committee on Finance.

S. 1564. A bill to amend title 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefor. Referred to the Committee on Finance.

S. 1565. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs. Referred to the Committee on Finance.

S. 1566. A bill to amend title 19 of the Social Security Act to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require State enforcement of the rights of patients in such facilities. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1567. A bill to require that State plans under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan. Referred to the Committee on Finance.

S. 1568. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers. Referred to the Committee on Finance.

S. 1569. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1570. A bill to amend the Social Security Act to provide for the establishment of an inspector general for health administration. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1571. A bill to amend title XVII and XIX of the Social Security Act making unlawful the offer or receipt of consideration for the referral of patients, clients, or customers. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1572. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1573. A bill to make unlawful the solicitation or acceptance of any gift, money or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money or donation as a precondition of admitting a patient to a long-term care facility. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1574. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1575. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with respect to penalties imposed under sections 1877 and 1909. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1576. A bill to continue 100 percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools such as a citation system and protective custodianship and other alternatives to license revocation. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1577. A bill to provide 100 percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1578. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX. Referred to the Committee on Finance.

S. 1579. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal district court against a long-term care facility which is in violation of its provider agreement. Referred to the Committee on Finance.

S. 1580. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formulae effective July 1, 1976. Referred to the Committee on Finance.

S. 1581. A bill to amend the Social Security Act to improve the survey and certification process, rate-setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs. Referred to the Committee on Finance.

S. 1582. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations. Referred to the Committee on Labor and Public Welfare.

S. 1583. A bill to authorize the Secretary of HEW to provide grants, for the planning, development, construction and rehabilitation of nursing homes in black and minority communities. Referred to the Committee on Labor and Public Welfare.

S. 1584. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MOSS:

S. 1585. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology. Referred to the Committee on Labor and Public Welfare.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1586. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MONTOYA (for himself, Mr. GRAVEL, and Mr. RANDOLPH):

S. 1587. A bill to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes. Referred to the Committee on Public Works.

By Mr. PACKWOOD:

S. 1588. A bill to amend section 473 of title 18, United States Code, to provide penalties for the theft of obligations and securities of the United States and the possession and sale of such stolen obligations and securities. Referred to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself and Mr. TOWER) (by request):

S. 1589. A bill to amend the United States Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriation Acts, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. THURMOND:

S. 1590. A bill to amend title 10, United States Code, and the Military Selective Service Act to permit the assignment of members of the Armed Forces who have completed basic training and training in a military specialty as is prescribed by the Secretary concerned to overseas areas free from hostile fire, and to permit the release of Reserve component enlistees from their initial active duty for training upon the completion of basic training and training in a military specialty as is prescribed by the Secretary concerned. Referred to the Committee on Armed Services.

By Mr. JACKSON:

S. 1591. A bill for the relief of Mr. Laird H. Hall. Referred to the Committee on the Judiciary.

By Mr. MORGAN:

S. 1592. A bill to authorize the disposal of chemical grade chromite from the national stockpile. Referred to the Committee on Armed Services.

By Mr. CRANSTON (for himself, Mr. MONDALE, Mr. WILLIAMS, Mr. RANDOLPH, and Mr. LAXALT):

S. 1593. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. PEARSON:

S. 1594. A bill to amend the Internal Revenue Code of 1954 to provide an additional investment credit for property which will assist employment opportunities in counties designated as balanced growth areas under State law. Referred to the Committee on Finance.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1595. A bill to authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the U.S. Virgin Islands. Referred to the Committee on Interior and Insular Affairs.

S. 1596. A bill to amend the Water Resources Planning Act to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation. Referred

to the Committee on Interior and Insular Affairs.

By Mr. HARTKE (for himself, Mr. TALMADGE, Mr. RANDOLPH, Mr. CRANSTON, Mr. STONE, Mr. HANSEN, Mr. THURMOND, and Mr. STAFFORD):

S. 1597. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. MORGAN:

S. 1598. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for an improved method of selection of the State planning agency, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1599. A bill for the relief of Fidenciana Montes Montes. Referred to the Committee on the Judiciary.

S. 1600. A bill to amend chapter 75 of title 10, United States Code, to reduce to 1 year the duration of marriage requirement for eligibility for benefits for a surviving spouse, and to suspend deductions from retired pay when there is no eligible spouse. Referred to the Committee on Armed Services.

By Mr. EAGLETON:

S. 1601. A bill to authorize assistance for demonstration projects designed to develop reforms in the criminal justice system in the United States. Referred to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 1602. A bill to discourage the use of leghold or steel jaw traps on animals in the United States. Referred to the Committee on Commerce.

By Mr. BENTSEN:

S. 1603. A bill to provide for training programs and relative supportive services which will provide middle-aged and older workers a full opportunity for meaningful employment and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BAYH:

S. 1604. A bill to establish a committee to be known as the International Women's Year American Women's Conference Planning Committee. Referred to the Committee on Government Operations.

By Mr. MOSS (for himself and Mr. PERCY):

S.J. Res. 75. A point resolution to provide that it be the sense of Congress that a Whole House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS:

S. 1547. A bill to amend the Small Business Act to make loans available for small businesses suffering economic injuries as the result of the disruption of operations and services of public utilities. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. JAVITS. Mr. Prsident, I introduce today for appropriate reference a bill to amend the Small Business Act to enable the SBA to make loans or guarantee loans in order to assist small business concerns that have experienced substantial economic injury as a result of the disruption of operations and services of public utilities.

On numerous occasions we have been called upon to address the urgent needs of the small business community. In almost every instance we have provided the SBA with the authority it has needed to protect and safeguard the interests of the small and vulnerable, frequently undercapitalized and marginal, small business concern, who, without our assistance might not be able to survive at all.

Mr. President, the recent telephone company central office fire in New York City is just such a situation. I am informed that at least a dozen small firms in the impacted area have already declared bankruptcy, more are expected to follow. Scores more are barely managing to keep their doors open and are in desperate need of financial assistance.

In this regard I was gratified to be informed that the New York regional office of the SBA has recently announced the availability of additional direct funds which are currently being made available to the small businessmen in the affected area of Midtown Manhattan.

The bill I offer today is designed not only to address the New York situation, but to make a permanent change in the SBA's disaster loan program to enable those businesses severely impacted by the failure of a public utility to call upon the Federal agency charged with protecting their interests for the necessary financial support. The need for this legislation, Mr. President, is merely typified by the New York Telephone Co. fire, and, though the immediate problems in New York City have been somewhat relieved the circumstances under which this relief was forthcoming were merely fortuitous; the underlying danger still remains as a problem.

Mr. President, I urge early consideration of this legislation to amend the Small Business Act and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7(b) of the Small Business Act (15 U.S.C.) 636(b) is hereby amended by inserting immediately at the end of paragraph (8) the following new paragraph:

"(9) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in reestablishing or continuing its business if the Administration determines that such concern has suffered substantial economic injury as a result of the disruption of operations and services of public utilities to such small business concern, providing the disruption was of substantial scope and duration and occurred on or after January 1, 1975: Provided, however, that such loans shall be made at the rate of interest and for the period of time provided in section 7(a)(4) of the Small Business Act."

By Mr. FONG:

S.1548. A bill to establish an advisory commission on future civilian manpower requirements at U.S. military installations. Referred to the Committee on Government Operations.

Mr. FONG. Mr. President, today I introduced a bill to establish an advisory commission on future civilian manpower requirements at U.S. military installations in our 50 States.

Since the reduction of military personnel following the Vietnam war, the economies of numerous communities were substantially disrupted due to a commensurate decrease in the number of civilians that were employed at various military bases. In some cases, whole installations were closed because they were either of marginal value or of no further use to the defense needs of our country. Needless to say, such base closings or drastic reduction-in-force actions without adequate notice to the civilian communities or proper planning for the utilization of the available manpower can prove to be economically devastating.

Mr. President, before I am misunderstood, I want to assure my colleagues that I am not challenging the merits or authority of the Defense Department to carry out its mandate to reduce waste and to make its organization more efficient and effective in carrying out its mission to provide for the security of our country. I continue to believe that the professionals are in the best position to determine what is best for our defense needs and what is not. If the Pentagon decides that a base is no longer needed as part of the Defense Establishment or that a major reduction in force is necessary at a military installation, the Advisory Commission would not be authorized to prevent the plan from going into effect; nor would it have the power to reverse such a decision.

However, the Commission would be authorized to find out, as expeditiously as possible, what military installations will be reducing their manpower requirements or closing permanently and then to recommend new ways to effectively utilize the changed status of the affected bases. In doing so, the Commission would be mandated to work closely with Federal, State, and local officials on ways to train, relocate, or utilize the civilians who will no longer be employed by the Department of Defense. Such close and formal working relationships are necessary to assure the fullest cooperation and coordination among the various levels of government. Only by such an arrangement can we be certain the best efforts of all concerned will be made in behalf of those scheduled to lose their jobs.

Mr. President, in addition to dealing with the current problems of reduction in force at military installations, the Commission would be authorized to make a comprehensive study and appraisal of the trends regarding the use and employment of civilians at U.S. bases and their implications with respect to the future utilization of such manpower. It will also be evaluating the current policies, programs, and practices of the Defense Department which have a direct bearing on the requirement for and the availability of qualified civilian manpower and the effective allocation and utilization of such trained human resources.

The Commission would also be authorized to determine and project the impact that the withdrawal of U.S. troops from overseas bases and the reduction of the

Armed Forces will have on the various States and communities that are heavily engaged in defense-related industries and/or servicing the needs and requirements of the U.S. Armed Forces.

Mr. President, figures provided by the Defense Department indicate that seven States and the Washington, D.C. metropolitan area each suffered a reduction of over 5,000 military and civilian positions in 1 year. Those areas that experienced this substantial reduction in the number of people employed by the Defense Department between June 30, 1973, and June 30, 1974, are as follows:

Area	*June 30, 1973*	*June 30, 1974*
California	350, 023	342, 209
Colorado	67, 047	60, 122
Maryland	60, 139	54, 432
Massachusetts	34, 019	24, 773
Rhode Island	16, 683	10, 163
South Carolina	64, 782	58, 024
Texas	228, 732	223, 331
Washington, D.C. metropolitan area	151, 933	146, 102

My own State of Hawaii was also hit by the reduction of military and civilan personnel employed by the Pentagon. During the above time period, the number of Defense Department employees was reduced from 63,760 to 62,188. Needless to say, this meant not only that there were fewer people on the defense payroll, but that there were less of them spending their incomes in Hawaii and thereby reducing the demand for goods and services.

Mr. President, although the reduction of men in uniform in a particular State will not directly add to that State's unemployment figure, it will do so indirectly, as there will be reduced need for civilian support functions and for other goods and services that are provided to the military men from the civilian sector of the economy. Thus the removal of say a thousand soldiers from a particular community because of a base closing or a reduction in force could have a tremendous rippling effect on the economy of a locality, especially if it has been closely associated with providing goods and services to the installation.

Finally, the Advisory Commission would be authorized to make recommendations regarding actions that the Federal Government can take to:

Lessen the economic impact that a base closing or a reduction in the civilian force working at military installations will have on the respective host communities;

Channel the talent, skill, and experience of the victims of a reduction in force into new fields of employment;

Retrain and utilize those individuals affected by a reduction in force carried out by the Defense Department; and

Keep the States and local communities adequately informed, at the earliest possible date, about the prospects of future civilian employment or unemployment at military bases and other installations under the jurisdiction of the Department of Defense.

Mr. President, there is no question in my mind that the Advisory Commission can serve a useful and valuable service not only to the individuals who may be affected by a reduction in force by the Defense Department, but to the respective communities in which these substantial cuts would be taking place. The establishment of the Advisory Commission on Future Civilian Manpower Requirements at U.S. military installations would help assure a more orderly transition and readjustment by the communities hardest hit by a major reduction in force.

The composition of the Commission demonstrates the importance placed on this undertaking and the likelihood of its success. Members of the advisory panel would include the following Government officials: Secretaries of Defense, Commerce, and Labor, the Director of OMB and the Chairman of the Civil Service Commission. The States would be represented by five Governors, while the cities would likewise be represented by five mayors. The bill also provides for the membership of five county officers and five nongovernmental leaders to be appointed by the President.

It is very evident by the membership of the Commission that its work will carry much weight and authority and that its recommendations will be given full and careful consideration by all levels of Government. This is essential if the purpose of the Commission is to be carried out and its mission is to succeed.

Mr. President, I urge my colleagues to give this proposal their serious consideration and to act upon it as expeditiously as possible.

I ask unanimous consent that the bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Civilian Manpower Requirements Act".

ESTABLISHMENT

SEC. 2. There is established a commission to be known as the Advisory Commission on Future Civilian Manpower Requirements at United States Military Installations, hereinafter referred to as the "Commission."

STATEMENT OF FINDINGS AND PURPOSE

SEC. 3. (a) The Congress hereby finds that—

(1) the tight constraints on the Defense budget resulting in part from the current economic conditions in our country, and the related reduction in the size of our Armed Forces, have caused the Department of Defense to scrutinize with particular care the way in which they are using their civilian manpower resources;

(2) beginning in fiscal year 1974, the Defense Department undertook a series of reviews designed to uncover ways to increase military readiness and reduce costs through overhead and support reductions;

(3) the Defense Department is simultaneously eliminating civilian positions wherever possible and converting military positions to civilian jobs when feasible;

(4) for fiscal year 1969 there were 1,341,618 civilian personnel employed by the Department of Defense and that this number was reduced to 1,070,077 for fiscal year 1974;

(5) for fiscal year 1969 there were 3,460,162 active duty military personnel and that this number was reduced to 2,162,005 for fiscal year 1974;

(6) substantial reduction in the number of civilians employed by the Defense Department in a community or State can create economic and social turbulence which, if not adequately dealt with, could lead to significant adverse socio-economic consequences;

(7) the best interests of the Federal, State and local governments would be served by improving the contact and communication between the various levels of government regarding any plans to reduce or terminate the civilian manpower requirements at a particular military base or installation;

(8) the Federal Government should do what it can to work with State and local officials on ways to assist in training, relocating, or utilizing the civilian employees that will no longer be employed by the Defense Department.

(b) It is, therefore, the purpose of this Act to establish an advisory commission to deal with the problems surrounding the future needs of the Defense Department for civilian manpower at the various bases and military installations around the United States.

FUNCTIONS OF THE COMMISSION

SEC. 4. (a) The Commission is authorized to—

(1) make a comprehensive study and appraisal of the current situation and trends regarding the use and employment of civilians at U.S. military installations and their implications with respect to the immediate and future utilization of such manpower;

(2) evaluate the current policies, programs and practices of the Department of Defense which have a direct bearing on the requirements for and the availability of qualified civilian manpower and the effective allocation and utilization of such trained manpower;

(3) determine and project the impact that the withdrawal of U.S. troops from overseas' bases and the reduction of the Armed Forces will have on the various states and communities that are heavily engaged in defense-related industries and/or servicing the needs and requirements of the U.S. Armed Forces;

(4) find out, as expeditiously as possible, what military bases and installations will be reducing their manpower requirements or closing permanently and recommend new ways to effectively utilize the changed status of the military installations;

(5) work with Federal, state and local officials on ways to train, relocate, or utilize the civilians who will no longer be employed by the Defense Department;

(6) hold hearings and receive testimony from those living in communities that are undergoing a major reduction in force or a base closing; and

(7) make recommendations regarding actions that the Federal government can take to—

(a) lessen the economic impact that a reduction in the civilian force working on military bases will have on the respective host communities;

(b) channel the talent, skill, and experience of the victims of a reduction in force into new fields of employment;

(c) retrain and utilize those individuals affected by a cutback in military hiring of civilian personnel;

(d) keep the states and local communities adequately informed—as early as possible—about the prospects for future civilian employment or unemployment at military bases and other installations under the control of the Department of Defense.

MEMBERSHIP OF THE COMMISSION; APPOINTMENT OF MEMBERS; TERM

SEC. 5. (a) The Commission shall be composed of twenty-five members as follows:

(1) the Secretary of Defense;

(2) the Secretary of Commerce;

(3) the Secretary of Labor;

(4) the Director of the Office of Management and Budget;

(5) the Chairman of the Civil Service Commission;

(6) five Governors appointed by the President from a panel of at least ten submitted by the Governors' Conference;

(7) five Mayors appointed by the President from a panel of at least ten submitted by the United States Conference of Mayors;

(8) five county officers appointed by the President from a panel of at least ten submitted by the National Association of Counties; and

(9) five nongovernmental leaders appointed by the President from such fields as labor, business, education, etc.

(b) The term of office of each member of the Commission shall be two years; members shall be eligible for reappointment; and, except as provided in section 6(d) of this title, members shall serve until their successors are appointed.

ORGANIZATION OF THE COMMISSION—INITIAL MEETING

SEC. 6. (a) The President shall convene the Commission within 90 days following the enactment of this Act at such time and place as he may designate for the Commission's initial meeting.

(b) The President shall designate a Chairman and a Vice Chairman from among the members of the Commission.

(c) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made; except that where the number of vacancies is fewer than the number of members specified in paragraphs (6), (7), (8), and (9) of section 5(a) of this title, each panel of names submitted in accordance with the aforementioned paragraphs shall contain at least two names for each vacancy.

(d) Where any member ceases to serve in the official position from which originally appointed under section 5(a) of this title, his place on the Commission shall be deemed to be vacant.

(e) Thirteen members of the Commission shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings.

DUTIES OF THE COMMISSION

SEC. 7. It shall be the duty of the Commission—

(1) to engage in such activities and to make such studies and investigations as are necessary or desirable in the accomplishment of its functions as set forth in section 3 of this title; and

(2) to submit an annual report to the President and the Congress on or before January 31 of each year. The Commission may also submit such additional reports to the President, to the Congress, or any Committee of Congress, and to any unit of government or organization as the Commission may deem appropriate.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this chapter, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(b) Each department, agency, and instrumentality of the Executive Branch of the Federal Government is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this chapter.

(c) The Commission shall have the power to—

(1) appoint an Executive Director, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, who shall be compensated at the rate provided for a GS–18 of the General Schedule of such title;

(2) appoint and fix compensation of such additional personnel as may be necessary to carry out the provisions of this Act;

(3) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code; and

(4) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code.

(d) Except as otherwise provided in this chapter, persons in the employ of the Commission under subsection (c)(1) and (2) of this section shall be considered to be Federal employees for all purposes, including—

(1) the Civil Service Retirement Act, as amended;

(2) the Federal Employees' Group Life Insurance Act of 1954, as amended;

(3) annual and sick leave; and

(4) the Travel Expense Act of 1949, as amended.

COMPENSATION OF MEMBERS

SEC. 9. (a) Members of the Commission who are officers of the Executive Branch of the Federal Government, Governors, or full-time salaried officers of city and county governments shall serve without compensation in addition to that received in the regular public employment, but shall be allowed necessary travel expenses and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(b) Members of the Commission who are not regular, full-time employees of the Federal, state or local government shall, while serving on business of the Commission, be entitled to receive compensation at rates fixed by the President, but not exceeding the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including travel time; and while so serving away from their homes or regular place of business, they may be allowed travel expenses including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. PHILIP A. HART (for himself, Mr. HRUSKA, and Mr. McCLELLAN):

S. 1549. A bill to amend the Federal Rules of Evidence and for other purposes. Referred to the Committee on the Judiciary.

Mr. PHILIP A. HART. Mr. President, joined by the Senator from Arkansas (Mr. McCLELLAN) and the Senator from Nebraska (Mr. HRUSKA), I am introducing legislation to amend the Federal Rules of Evidence to make clear that nonsuggestive lineup, photographic and other identifications, made in compliance with the Constitution, are admissible in evidence.

The Federal Rules of Evidence, as submitted by the Supreme Court, and passed by the House of Representatives, included the following provision in rule 801 (d) (1) (C):

> A statement is not hearsay if . . . the declarant testifies at the trial or hearing and is subject to cross-examination concerning the statement, and the statement is . . . one of identification of a person made after perceiving him.

A similar provision was contained in the preliminary draft of the proposed rules—March, 1969, the revised draft—March, 1971, the Judicial Conference proposed draft, and the Supreme Court draft—November, 1972.

The purpose of the provision was to make clear, in line with the recent law in the area, that nonsuggestive lineup, photographic and other identifications was not hearsay and therefore admissible. In the lineup case of *Gilbert* v. *California*, 388 U.S. 263, 272 n. 3, the Supreme Court, noting the split of authority in admitting prior out-of-court identification, stated:

> The recent trend, however, is to admit the prior identification under the exception that admits as substantive evidence a prior communication by a witness who is available for cross-examination at the trial.

And the Federal Circuit Courts of Appeals have generally admitted these identifications. See, for example *Clemons* v. *United States,* 408 F. 2d 1230 (D.C. Cir. 1968) (en banc), cert. denied, 394 U.S. 964 (1969); *United States* v. *Miller,* 381 F. 2d 529, 538 (2d Cir. 1967) (Friendly, J.); *Edison* v. *United States,* 272 F. 2d 684, 686 (10th Cir. 1959). See also 5 Wigmore, Evidence, Sec. 1130 (Chadbourn rev. 1972) which strongly supports admissibility of prior identifications. Notwithstanding this substantial authority, the Senate deleted this provision during the final weeks of the 93d Congress. Although the House conferees initially insisted it be reinstated, they finally relented on this issue as a part of a series of compromises to gain agreement on a bill before Congress adjourned.

There was no suggestion in the Judiciary Committee report that prior identifications are not probative and should not be admitted to corroborate in-court identifications. Some members of the committee had reservations on the deletion of this provision at that time.

Upon reflection, it appears the rule is desirable. The experience of courts suggests that identifications consisting of nonsuggestive lineups or photographic spreads made reasonably soon after the offense are more reliable than in-court identifications and therefore provide greater fairness to both the prosecution and the defendant in a criminal case. See McCormick, Evidence, 602 (2d Ed. 1972). Exclusion of these identifications would be detrimental to the fair administration of criminal justice.

Moreover, the trier of fact, whether it be judge or jury, cannot perform its function, if highly probative and constitutional identification evidence is kept from it. As the Court of Appeals for the District of Columbia Circuit stated *en banc* in *Clemons* v. *United States,* 408 F. 2d at 1243:

> The rationale behind the exclusion of hearsay evidence has little force in the case of witnesses . . . who are available for cross-examination. We also think that juries in criminal cases, before being called upon to decide the awesome question of guilt or innocence, are entitled to know more of the circumstances which culminate in a courtroom identification—an event which, standing alone, often means very little to a conscientious and intelligent juror,. who rou-

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tinely expects the witnesses to identify the defendant in court and who may not attach great weight to such an identification in the absence of corroboration.

For the above reasons, I urge the Senate to give prompt consideration to the proposed legislation.

By Mr. McCLURE:

S. 1550. A bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. McCLURE. Mr. President, today I am introducing a bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress.

In the years prior to passage of the law which permits the American citizen to own gold the U.S. Treasury came up with a series of specious arguments against gold ownership. One of them was that gold is and should be treated exactly like every other commodity. During debates on this subject I often pointed out that that was precisely what Treasury was not doing, in advising against private ownership of gold. Showing the inconsistency of the Treasury's position did not, however, mean that I had brought their premise. Gold is not and never has been exactly like anything else. For century after century it has served as a numeraire that is the basis upon which the price of everything else was calculated and the ultimate reserve of value.

So called gold nuts are often criticized for a mystical reverence for the metal. But there is nothing mystical in a preference for a substance which is unique in combining the qualities of durability, malleability, and quantity and beauty.

There is more cause for surprise when a gold-based currency fails, at least until examination shows that the coinage has been deflated by government. And there is only a distinction of sophistication between the coin clipping of Emperors and the inflationary practices of democracies. Gold itself remains valuable in both its roles as a measure of value and store of reserve. For example, a barrel of oil has been worth the same 2 grains of gold for years. It is the currencies which fluctuate.

Given the overall stability of this metal it would be the height of folly to sell remaining reserves. The United States cannot unilaterally strip gold of its value. And despite all the talk of demonetization by the various committees of the International Monetary Fund gold is internationally as desirable today as it was when the United States belatedly closed the gold window in 1971 to protect its diminishing reserve. The IMF permitted members to offer gold as collateral for loans and the German-Italian loan followed. The IMF allowed members to reevalue gold at free market prices and the result was the French figure of 170. Demonetization is the popular phrase and the SDR is the fad of the moment, but the real action is in gold.

It is impossible to see why the United States or any financially responsible body would want to substitute the rapidly inflating paper currencies of the world for a metal with a proven intrinsic value. I urge therefore, that the sale of gold by the Treasury without approval by Congress be prevented by law.

By Mr. MOSS:

S. 1552. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes. Referred to the Committee on Finance.

NURSING HOME REFORM—PART II

Mr. MOSS. Mr. President, my Subcommittee on Long-Term Care has been investigating nursing home problems since 1963. Early hearings by the subcommittee resulted in a substantial number of amendments to medicare and medicaid in 1967. In fact, the existing body of uniform Federal minimum requirements from nursing homes stems from these so-called Moss amendments of 1967. Since 1969, the subcommittee has conducted 25 hearings and taken more than 5,000 pages of testimony. We are currently in the process of releasing a 12-volume report on nursing home problems entitled "Nursing Home Care in the United States: Failure in Public Policy." Five volumes of this report have been released with the remainder to follow at monthly intervals.

During a news conference last November, I detailed the subcommittee's plans to release our reports over a 12-month time frame for purposes of keeping the issue before the American public. Unfortunately, this has lead some observers to the conclusion that we would wait until the end of this year before introducing any legislation. As I said on the floor to the Senate on March 12, this is far from true. In fact, I introduced the first 12 bills of my nursing home reform package. Today I am introducing the remaining 36 bills.

I would like to emphasize a couple of points about this 48-bill package. First, I shall introduce still other bills. The present series of bills is, more than anything else, a response to the problems and conditions developed by the New York Times and hearings in that city conducted by my Subcommittee on Long-Term Care. Second, the Senate Special Committee on Aging is not a legislative committee. This means that we must rely on other committee's to enact the proposals we develop.

We have done this in the past and look forward to working with other committees of the House and Senate as they refine and hopefully enact the bills I am introducing today. This year I feel we are particularly blessed because of the creation of the House Permanent Committee on Aging chaired by my friend WILLIAM J. RANDALL of Missouri. I am grateful also for the fact that CLAUDE PEPPER of Florida has been named chairman of the House Aging Committee's Subcommittee on Health, and Long-Term Care. I look forward to working with Congressman PEPPER who has agreed to act as House sponsor for the legislation I am introducing. Congressman ED KOCH who has developed much nursing home and home health legislation on his own and who introduced my previous 12 bills in the House has graciously consented to be the prime cosponsor of the 36 bills that we are introducing today.

I should also like to emphasize that I shall be vigilant not only in my efforts to move this legislative package but also in seeing that HEW takes action to implement and enforce existing law in line with congressional directives. I have some specific points in mind:

First, HEW must begin to enforce Federal law and regulations which prohibit nursing home operators from dominating State boards which license nursing home administrators.

Second, HEW must announce regulations implementing section 242 of Public Law 92–603, which makes offering or accepting a kickback a crime punishable by a $10,000 fine and a year in jail.

Third, HEW must announce and enforce regulations implementing my measure to require the disclosure of nursing home ownership. This law was enacted in 1967 to cover indirect as well as direct interests, but HEW has made no change in regulations. There is no uniformity in the way States keep these lists or in the information they contain. They are seldom available to the public as required by law.

BILLS DESIGNED TO MAKE LONG-TERM CARE MORE READILY AVAILABLE TO ALL OLDER AMRICANS

First is a bill to provide nursing home coverage under medicare without requiring prior hospital and establishing a second level of care, intermediate care, and requiring standards for intermediate care facilities providing such services under medicare. Intermediate care services are presently authorized under medicaid but not under medicare.

Mr. President, I introduce for appropriate reference a bill to expand the scope of medicare to provide nursing homes without the prerequisite of prior hospitalization and to create a second level of care authorized in the program called intermediate care. This proposal should be viewed in tandum with several bills that I introduced last month such as:

S. 1161 to authorized an experimental program to subsidize families to care for their elderly in their own homes;

S. 1162, to authorized payment for day care services under medicare;

S. 1163, originally proposed by my colleague Congressman ED KOCH for purposes of broadening the scope of medicare and medicaid home health services; and

S. 1165 to authorize funding for "campuses for the elderly" that is, the construction and operation of a nursing home, home for the aged, congregate living facility, hospital, and senior citizens' center located on site.

These bills taken together and with those I refer to below will provide this Nation when they are enacted for the first time with a comprehensive program of treatment for our infirm elderly.

These proposals, of course, stem from our 25 hearings since 1969 and from our 12-volume series of reports. As our introductory report makes clear, we have made much progress in this field with the enactment of medicare and medicaid but we still have far to go.

HOW MANY OLDER AMERICANS NEED LONG-TERM CARE?

Ethel Shanas, a respected authority in the field, in her 1967 study, "The Needs of Older Americans in Five Countries," projected that about one-fifth of our 20 million older Americans needed some degree of protective service, ranging from personal care—help in dressing, bathing, eating, and just in getting through the day—to skilled nursing care on a continuous 24 hour nursing basis.

Of these 4 million older Americans, a little over a million are presently institutionalized. There are 900,000 in nursing homes and related facilities and 111,000 in mental institutions.

The remaining 3 million individuals are found in the community. These individuals are bedfast, housebound, or ambulate only with difficulty.

While these facts should be enough to document the increasing need for long-term care, two other factors should be added.

The first relates to the fact that more and more individuals are living longer and longer. Modern medicine has lengthened the lifespan. But while mortality has been set back, disability increases sharply with advanced age.

The second factor is the prohibitive cost of long-term care. The cost of nursing home care in the United States today averages something like $600 a month. An average retired couple receives less than $300 a month in social security benefits. Nursing home care is clearly out of their reach. The services of a home health nurse which must be purchased at an average rate of $3.50 an hour are also unavailable.

WHAT DO EXISTING PROGRAMS PROVIDE?

The explicit suggestion from the previous paragraphs is that millions of older Americans are going without needed care and services. This contention is amplified by the paucity of programs in the field of long-term care.

The medicare program which now serves our 20 million senior citizens and about 3 million disabled, provides a benefit for individuals who have been in the hospital for 3 days in a row, or who are transferred to a skilled nursing facility participating in medicare within 14 days of their discharge, providing that a physician certifies their continuing need for the kinds of services for which they were hospitalized.

In 1965, the Congress specifically considered the question of whether a nursing home benefit should be provided. The answer was negative. What was provided instead was a post-hospital benefit called "extended care." Extended care was so named because services had to be provided in separate facilities with standards just below that of the hospital itself. The level of care provided is called skilled nursing care. So last year's medicare reform bill, H.R. 1, resulted in a name change so extended care facilities are now known as skilled nursing facilities, taking the name of the acute, subhospital level of care they provide.

In 1974, this medicare nursing home program contributed only $200 million to the Nation's $3.5 billion nursing home bill. Some 70,000 nursing home patients in any given day have their care paid for by the medicare program.

The lion's share of the cost of nursing home care was assumed by the medicaid program which contributed $3.7 billion in 1974.

Medicaid is a Federal grant-in-aid program administered by HEW in which the Government pays from 50 to 83 percent of the costs incurred by the State in providing nursing home care to welfare recipients who are unable to pay for the care they need.

While it is clear that there is a great and growing need for long-term care, medicare, within the institutional context, presently provides little or no help. For those willing to take the pauper's oath, medicare now provides two levels of care. In addition to skilled nursing, that level nearest to hospital care, medicaid for the first time this year provides for a level called intermediate care. Individuals requiring more than board and room, but less than skilled nursing care, which is what most people associate with conventional nursing care, is available only to welfare patients.

NONINSTITUTIONAL CARE

What does medicare provide by way of home health benefits?

There is the skeleton of a program but no real program of substance with total outlays running less than 1 percent of medicare's $12 billion contribution care of Americans over 65.

Home health care is provided under both part A and part B of medicare. Part A provides for home health benefits—up to 100 visits for each benefit period—after an individual has been hospitalized for at least 3 days, providing that a home health plan is established for the patient within 14 days of his transfer from a hospital or medicare skilled nursing facility. Moreover, individuals must be confined to their homes and a physician must certify the need for skilled nursing care or physical therapy. Speech therapy, occupational therapy, part-time services of a home health aide and medical social services are also authorized, subject to the continuous precondition that the patient qualify for skilled nursing care.

The definition of skilled nursing care in the home health setting has been as restrictive as applied in the nursing home setting. The result has been to keep the costs of the medicare home health program down to their present minimal level and, perhaps, to deny millions of Americans the care they need.

To complete this analysis of existing programs, home health care is also provided under medicare part B, the supplementary medical insurance portion of medicare. The same preconditions for eligibility are required except for prior hospitalization which is unnecessary to claim benefits under part B. The scope of coverage is the same with the potential of benefits ranging from the services of a home health aide to speech therapy. Benefits are restricted by the limitation of qualification for skilled nursing care. In fact, home health agencies are required as a condition of participation in the medicare program to provide skilled nursing, plus one additional service. In 75 percent of the cases the other service provided is physical therapy.

SOLUTIONS: TOWARD A NATIONAL POLICY

Mr. President, my consistent theme throughout this discussion of both the home health—noninstitutional—and institutional setting is that there is a need for services broader than skilled nursing care—that most acute level of long-term care. The very absence of other levels of care undoubtedly leads to overutilization of hospital beds or skilled nursing facilities. The suggestion that needy patients are being denied services has by now become a ringing conclusion which necessitates legislative reforms.

The solution that I have proposed is to prove the broad spectrum of services to meet the individual needs of the elderly. As I noted previously, S. 1163 would provide expended home health services under medicare and medicaid. S. 1163 also introduced on March 12 would authorize programs to subsidize families to care for the elderly in their own homes. Morever, my bill, S. 1162 would authorize day care services under medicare. The bill I am introducing today expands medicare's nursing home coverage establishing a second level of care.

The level of care will be called intermediate care and will be consistent with the definition of intermediate care under title 19—medicaid. With the enactment of this proposal, medicare will for the first time provide assistance to the elderly needing levels of care characterizing conventional nursing home care. This bill provides that an individual will be entitled to 100 days care—total—per benefit period under medicare part A, regardless of whether such care is received in a skilled nursing facility or an intermediate care facility. Moreover, my bill deletes the 3-day prior hospitalization requirement and the 14-day transfer requirement so that physicians can place individuals in skilled nursing facilities or intermediate care facilities without the necessity of prior hospitalization. The present requirements for utilization review, medical review, and professional review would be continued to insure that patients are properly placed and to prevent overutilization.

In addition, the copayment features of the medicare nursing home benefit would be retained. The first 20 days care in a nursing home would be paid for irrespective of whether the patient was in a skilled nursing facility—SNF—or an intermediate care facility—ICF—the patient will continue to pay $7.50 a day thereafter for the next 80 days.

SUMMARY

Mr. President, the clear and growing needs of older Americans for long-term care is becoming an alarming reality. The problem will only become more acute in the future. If left unattended, the problems of the present will return in the form of an amplified crisis in the next few years. Equally as clear as this dramatic and growing need, is the failure of present Federal programs to insulate older Americans against the multiple costs and pressure of increased age with increased disability. With nursing home costs averaging $600 a month, a few but the rich can afford to pay for their care.

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The medicare program provides help only to those who are so ill that they require hospitalization, and then only for the continuation of care provided in the hospital. This narrow range of nursing home benefits has led many misinformed older Americans to cry that medicare has become another broken promise. Only under the medicaid welfare nursing home program is there the broad range of institutional services. In the noninstitutional sphere, medicare under both part A, the hospitalization portion, and part B, the supplementary medical insurance portion of medicare, provides a home health benefit.

In theory, a wide range of services is available, including physical therapy, occupational therapy, speech therapy, the services of a home health aide, and medical social services. In practice, these services are not available because of the statutory precondition that patients must continue to be eligible for that highest of levels of long-term care called skilled nursing care.

The legislation I am introducing today provides a secondary, less acute level of care in the medicare programs institutional benefits. The proposals would provide expanded in-home and day care services. The enactment of these measures will give the Nation, for the first time, a comprehensive set of benefits in the field of long-term care. For the first time the United States will have a national policy with regard to the infirm elderly.

By Mr. MOSS:

S. 1553. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses. Referred to the Committee on Finance.

TAX DEDUCTIONS FOR NURSING HOME CARE

Mr. MOSS. The next is a bill to amend the Internal Revenue Code to allow a family to deduct as a "medical expense" payments made by a family for nursing home care received by a relative.

Mr. President, I introduce for appropriate reference a bill to allow families to claim as a medical expense payments made for care in a nursing home received by a relative.

The purpose of this bill is obviously to help ease the tremendous financial burden of placing a family member in a long-term care facility. The average nursing home in the United States charges $625 per month. There are few families who can afford this extra expense, especially during these times of relative economic austerity.

There are still fewer elderly who can afford to pay for the nursing home care that they need.

This generally means that the elderly go without the care they need or that they must liquidate whatever assets they might have to pay for the care. Sometimes it means that families must sell their own assets or make important sacrifices. All too often there is a temptation on the part of families to "let the Government take care of it." This means that family members are placed on the welfare roles as medicaid recipients. This program pays for almost 50 percent of the Nation's nursing home bill. However, it is to be emphasized that medicaid requires a means test and is available only to indigents. The elderly must exhaust all or most of their assets before they are eligible.

At the present time the Internal Revenue Code allows a family to deduct the cost of providing nursing home care to a family member but only if that member is a dependent. My bill would make an important change allowing such deduction even when the aided person could not be claimed as a dependent.

The effect of this bill, in short, would be to encourage families to care for their aged adults. It may prevent the addition of patients to the welfare roles allowing the elderly to keep some modest assets and some modicum of their human dignity.

By Mr. MOSS:

S. 1554. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available. Referred to the Committee on Finance.

LONG-TERM CARE IN SMALL RURAL HOSPITALS

Mr. MOSS. Third is a bill to provide for modification of the medicare reimbursement formula to allow small hospitals in rural areas with chronic low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available.

Mr. President, I introduce for appropriate reference a bill for the modification of the medicare reimbursement formula to allow small hospitals with low occupancy in rural areas to provide long-term care but only where there are no appropriate nursing home beds available.

This bill is based on the Utah cost improvement project funded by the Commissioner of Social Security on December 8, 1972, and which continues under the able direction of Dr. Burce Walter, Utah's deputy director of health.

In my State, as in many others, there are many small hospitals with empty beds. In some cases average occupancy rates have dropped down below 60 percent. Such hospitals are having a tough time making ends meet with medical costs continuing to skyrocket.

At the same time, there exists in many communities an acute shortage of nursing home beds. One small town in southern Utah was in the position of having to raise a bond issue to build a county nursing home while the county hospital had half its beds empty.

It was obvious to these people that the empty hospital's beds could and should be used. Theoretically, all that was required was for the State to pay to the hospital the standard medicaid rate which it would pay to any nursing home. While the hospital would not recover its normal daily charges for such patients, it would be able to spread its overhead costs over a broader basis. Moreover, the cost of providing nursing home care is far less expensive than providing acute hospital services.

The only problem was medicare's reimbursement formula which required the allocation of the hospital's expenses proportionately throughout the facility.

The experiment in Utah is directed at arriving at an alternative reimbursement formula which would not require proportional allocation of costs to all patients. I am pleased to tell you that the program is working successfully in my home State. It allows the more efficient utilization of resources with benefit to all concerned. I hasten to emphasize, however, that I do not intend that through this formula that all nursing home care should be offered in hospitals. Only hospitals with less than 100 beds, less than 60-percent average occupancy in rural areas where there is a demonstrated shortage of nursing home beds would be allowed to participate.

I am hopeful that this proposal can be enacted in the near future to allow other States the benefits of what we have in Utah. I should add that I am particularly grateful to Commissioner Cardwell for allowing the Utah project to continue its funding into its next phase.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1555. A bill to allow the States to use Supplementary Security Income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities. Referred to the Committee on Finance.

SSI PAYMENTS TO PATIENTS IN SHELTER CARE FACILITIES

Mr. MOSS. Fourth, a bill to allow the use of supplementary security income payments plus State supplementary payments to house residents in shelter care facilities which meet certain Federal minimum standards.

Mr. President, I introduce for appropriate reference a bill to allow the States to use supplementary security income payments plus a State supplement to provide care for residents in nonmedical shelter care facilities that meet certain minimum Federal standards.

At the present time there are thousands of individuals in this Nation who need personal care, that is some kind of minimum supervision. They are not sick. They do not need medical or nursing services and consequently they cannot qualify as intermediate care patients under medicaid. Many of these patients are mentally retarded or mentally incompetent.

In recent days the lure of $146 per patient per month in supplementary security income—SSI—has fuel the discharge of thousands of patients from State hospitals or institutions for the mentally retarded into boarding homes or old hotels. The reasons are plain. It costs the States an average of $800 per patient per month to house an individual in a State hospital while the same person can be placed in a boarding home for $146 in *Federal* money.

The sad part of this tale is that most States have no standards for boarding homes. Very often such facilities are unsafe and unclean. No staff members are required to be present or to supervise

such patients. No psychiatric, restorative, or habilitative services are provided for these people.

Understandably, many patients are better off in State hospitals—as bad as they are. My bill addresses this problem by allowing Federal SSI payments to be received by individuals in shelter care facilities under certain conditions. First, and most important, the States must agree to supplement each resident's stay in a facility by at least $100 per month. Second, the State must certify that residents placed in such facilities are ambulatory, that they do not need medical care but only minimum supervision. Third, the facilities must meet all the requirements of State licensure, provide sufficient numbers of personnel to offer personal care. Fourth, they must have an administrator who assumes overall responsibility; must provide restorative or habilitative programs and comply with the residential occupancy provisions of the Life Safety Code, 23d edition, 1973. Fifth, the bill requires that only licensed personnel or those completing special courses of instruction established by the States should be allowed to distribute medications in such facilities.

Several States have requested that we introduce this bill, so I am hopeful of its early and favorable consideration.

By Mr. MOSS:

S. 1556. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days, Referred to the Committee on Finance.

B. BILLS TO CREATE NEW MINIMUM FEDERAL STANDARDS FOR NURSING HOMES PARTICIPATING IN MEDICARE AND/OR MEDICAID

MONTHLY PHYSICIAN VISITS

Mr. MOSS. I introduce the following: A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days.

Mr. President, carefully documented in our third supporting paper, "Doctors in Nursing Homes: The Shunned Responsibility," is the sad fact that doctors are infrequent visitors to nursing homes. The absence of the physician from the nursing home is one of the root causes of poor patient care. Without the doctor present and without an adequate supply of nurses, care all too often is left to untrained aides and orderlies.

Earlier medicare and medicaid regulations required physicians to visit patients in skilled nursing facilities at least once every 30 days. Present regulations require monthly visits only for the first 3 months. Thereafter, it is left to the discretion of the physician, but visits must be made at least every 60 days. My bill would return to the earlier standard.

By Mr. MOSS:

S. 1557. A bill to amend Titles 18 and 19 of the Social Security Act to require Skilled Nursing Facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week. Referred to the Committee on Finance.

RN COVERAGE: 24 HOURS PER DAY

Mr. MOSS. Mr. President, the present Federal requirements for registered nurse coverage for skilled nursing homes is one RN on the day shift, 8 hours per day, 7 days per week. Under this arrangement a nursing home, regardless of its size, may have registered nurse coverage for only one-third of each day. In light of the reports of poor patient care that continually appear, round-the-clock RN coverage for skilled facilities is a reasonable requirement.

By Mr. MOSS:

S. 1558. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personel may set up or distribute medications in skilled nursing facilities. Referred to the Committee on Finance.

HANDLING OF MEDICATIONS ONLY BY LICENSED PERSONNEL

Mr. MOSS. Mr. President, in our supporting paper No. 2, "Drugs in Nursing Homes: Misuse, High Costs, and Kickbacks," my subcommittee concluded that between 20 and 40 percent of all medications in nursing homes are administered in error. The extent of drug error is, in large part, caused by allowing unlicensed—often untrained—personnel to set up and pass daily medications. When this fact is compounded with poor attention by physicians and insufficient supervision by licensed nurses, the results can be grim. Examples of overdose, excessive tranqualization, adverse drug reaction, and drug addiction have been documented. Many States permit only licensed personnel to set up and pass medications, and I think similar Federal legislation is long overdue.

By Mr. MOSS:

S. 1559. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVIII and XIX in a medical director. Referred to the Committee on Finance.

MEDICAL DIRECTOR—NURSE PRACTITIONER

Mr. MOSS. Mr. President, medical attention in skilled nursing homes will be greatly improved if the overall responsibility for such care is in the hands of a medical director. We must get more direct physician care into nursing homes, and I believe this is one good way to do it.

Under this bill the medical director must be on call for all emergencies, and he must spend a minimum of 10 hours per week in the nursing home. In an attempt to provide more flexibility to this 10-hour requirement in the alternative the home may have working with the medical director a "nurse practitioner" trained in geriatrics who spend at least 20 hours per week in the home. Under the nurse practitioner option, however, the medical director would still be required to spend at least 2 hours per week in the home.

By Mr. MOSS:

S. 1560. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses. Referred to the Committee on Finance.

MINIMUM RATIOS FOR NURSING CARE

Mr. MOSS. Mr. President, the Department of Health, Education, and Welfare has resisted the notion of minimum ratios on the grounds that such requirements are a false benchmark and do not insure good patient care. While I agree that minimum ratios are not a guarantee, I feel there is much to be said for indicating what is minimally acceptable. Without minimum requirements, we are left with regulations that say, in effect, that one licensed practical nurse on duty in a home of 200 or 400 patients constitutes properly supervised nursing services on the afternoon and the night shift.

Several States have applied minimum ratios, and I feel similar action is warranted at the Federal level. My bill would require HEW to set up minimum ratios of nursing personnel to patients and supervisory nurses to total nurses. No less than 2.25 hours of nursing care per patient per day would be allowed in skilled facilities.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1561. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services. Referred to the Committee on Finance.

SOCIAL SERVICES REQUIREMENT

Mr. MOSS. Mr. President, the interim report released in March 1975 by HEW entitled "Long-Term Care Facility Improvement Study," recognized the importance of having social services as a required component in the nursing home care. Departmental regulations may now be in effect to address this need, but I feel it is necessary to include such a requirement in the law as well. In the past, this requirement was mandatory until it was removed by Public Law 92–603. It is an important requirement and I want to insure that it remains in the law.

By Mr. MOSS:

S. 1562. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve. Referred to the Committee on Finance.

ADMISSION CONTRACT REQUIRED BETWEEN NURSING HOME AND PATIENT

Mr. MOSS. Mr. President, in our investigations over the past few years, our subcommittee has frequently run across documents of agreement for entering a nursing home that could only be described as "adhesion" contracts. In short, they spelled out all the rights and privileges of the facility and said nothing, or very little, about patient rights. All too often finding suitable nursing home vacancies is very difficult, and the patient is rarely in any reasonable bargaining position.

It is the purpose of this bill to require a contract between the facility and the patient adequately covering the rights and responsibilities of both parties. Especially noteworthy is the requirement that any items not included in the basic rate charged and for which an additional charge may be made must be spelled out in the contract. Often prospective patients have been told of reasonable rates, only to find out later that many extra charges are added to the bill with no prior notice.

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By Mr. MOSS:

S. 1563. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities. Referred to the Committee on Finance.

LIFE SAFETY CODE (23D EDITION) MADE APPLICABLE

Mr. MOSS. Mr. President, under current law nursing homes are required to be in compliance with the 21st edition of the Life Safety Code issued in 1967. Several changes have been made in that code since that time, and a number of States have recommended that the law be updated. This bill would put that recommendation into effect and bring us more up to date.

By Mr. MOSS:

S. 1564. A bill to amend titles 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights, as well as a description of services offered by the facility and the facility's charges therefor. Referred to the Committee on Finance.

REQUIRED POSTING OF PERTINENT INFORMATION

Mr. MOSS. Mr. President, one of the many complaints that we have heard consistently over the years decries the lack of information available to the prospective patient and his or her family about nursing homes they may be considering. In an effort to make some of that basic information available, this bill would require each participating home to post for view several items including their State license and their medicare/medicaid certification. Also required for posting would be a description of the complaint procedures established under State law, a list provided by the Health Department of materials available for inspection and copying, a copy of any notice issued for a hearing, order or decision of the Health Department pertaining to the home, and a copy of the patient's bill of rights as published in the Federal Register.

By Mr. MOSS:

S. 1565. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs. Referred to the Committee on Finance.

REPORT OF EPIDEMIC DISEASE

Mr, MOSS. Mr. President, hearings before our subcommittee in 1970 included testimony from the U.S. Surgeon General and the Communicable Disease Center that less than 1 percent of all infectious diseases are ever reported in the United States. The hearings grew out of a salmonella epidemic in a Baltimore nursing home where 36 patients died. Over 40 physicians were involved with patients in the home, and not one reported the disease to the State.

This bill would require each participating home to have in effect procedures for reporting not only epidemic diseases, but also, important changes in patient condition.

By Mr. MOSS:

S. 1566. A bill to amend title 19 of the Social Security Act to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require State enforcement of the rights of patients in such facilities. Referred to the Committee on Finance.

C. BILLS TO IMPROVE NURSING HOME INSPECTION, ENFORCEMENT, AND AUDITING PROCEDURES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require State inspection of public and private nursing homes at least once every 90 days. This bill originates with the distinguished Representative from the State of Rhode Island (Mr. BEARD). Prior to his election, Congressman BEARD was very instrumental in bringing about the reform of the Rhode Island inspection and enforcement procedures. He now offers the successful reforms from his State as a model to the Nation.

His bill does address a major finding of our report which is that inspections are infrequent. For example, the Lieutenant Governor of Wisconsin, Martin J. Schreiber, recently issued a report indicating that many nursing homes in his State go a full year or more without inspection. Moreover, of 12 States surveyed in Minnesota by HEW in their test for conformity with Federal standards, the last date of inspection could not be found in seven homes, and fire safety inspections in four homes were 1 to 4 years old.

This bill also includes a patient's bill of rights and requires its enforcement. Congressman WILLIAM S. COHEN of Maine, Senator CHARLES PERCY, and others have advanced this worthwhile idea. I have cosponsored Senator PERCY'S bill. As a result of all these efforts, HEW on October 3, 1974, issued a patients bill of rights in its regulations. Despite this action, I agree with Congressman BEARD that it is necessary to write the patient's bill of rights into law.

There is one more provision worthy of note in by version of this bill. My version would require the Secretary of Health, Education, and Welfare to reinstate the specific protections and factors inherent in the medicare regulations for skilled nursing facilities prior to January 17, 1974. Our report contains many pages of discussion of how HEW inexplicably weakened these standards when the intent of Congress was simply the opposite. In short, my bill would require the medicaid standards in existence prior to January 1974 to be reinstated with respect to skilled nursing facilities participating in both medicare and medicaid.

As our report notes, the existing regulations are so vague as to virtually defy enforcement. My bill would restore the missing specifics HEW eliminated last year in the name of "providing flexibility" or "removing some of the excess verbiage."

By Mr. MOSS (for himself and Mr. PERCY):

S. 1567. A bill to require that State plan under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan. Referred to the Committee on Finance.

ENFORCEMENT OF STATE PLANS

Mr. MOSS. Mr. President, I introduce for appropriate reference, a bill to insure that States live up to their agreement with the Federal Government as set forth in their State plans.

The Federal Government requires the States to submit to the Secretary a State plan detailing the services which they promise to provide to the needy aged, blind and disabled. Such a plan must be submitted and approved as a precondition of a State's participation in the title 19, medicaid program.

The State plan is essentially a contract in which the Federal Government agrees to pay from 50 to 83 percent of the cost of providing services to certain categories of people if—the State agrees to first, provide six essential services—hospital care, nursing home care, home health care, mental health, X-ray and lab, and physician's services, second, pay the remaining 17 to 50 percent of the cost depending on the size and average individual income in the State, and third, to spell out in detail what services are to be provided to which beneficiaries for how long.

The problem is that the public rarely knows about the existence of a State plan or of its provisions. This is true even though the State plan sets forth the benefits to which individual citizens in various States are entitled. Logically, therefore, it is impossible for the general public to know if the State plan is being followed, that is—are the promised services being delivered.

In these times of economic hardship, there is a tendency at both the State and Federal level to cut many programs. There is also a specific tendency on the part of HEW to overlook the fact that a State might not be living up to its State plan. The reason for this is that if States do not provide services, the matching Federal moneys—which ordinarily would have to be paid—are saved.

My bill makes several changes. Essentially, it upgraded the importance of the State plan. It would require that the plan be ratified by both the State's executive and legislative branch. It would require that this plan be posted and made available to the general public. The Secretary of Health, Education, and Welfare would be required annually to asses the degree of each State's compliance with and the administration of its State plan. The Secretary would also be required to publish performance ratings to indicate which States are living up to their agreement and which are not. If the Secretary finds after reasonable notice and opportunity for a hearing that the State agency administering the plan has changed the plan so it no longer complies with the requirements of the Medicaid Act, or that the State has failed to comply with any provisions of its plan, he is authorized to withhold funds for such State—or for specific expenditures under the State plan—until he is satisfied that corrections have been made.

But my bill makes one more change. It will allow title 19 recipients individually, or as a class, to bring suit for specific performance in any Federal district court against any State which substantially fails to comply with the provisions of its State plan. I believe the addition of this provision provides an important, new, and a direct remedy for individuals most affected by the actions of the State. I would point out further that my bill would specifically allow class actions in Federal district court without reference to the $10,000 jurisdictional amount. It is likely that such a suit would involve a significant Federal question and would, therefore, quickly be considered by the courts.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1568. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers. Referred to the Committee on Finance.

RATING SYSTEMS FOR NURSING HOMES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require the Secretary of Health, Education, and Welfare to establish rating systems for nursing homes participating in Federal programs.

Our first supporting paper makes the point that nursing home care is a "blind item." Essentially this means that you never know from looking at the facility what kind of care you or a loved one will be receiving there. Unfortunately, there is little that consumers can do to aid themselves in selecting a good facility. Day after day my office gets calls asking us to recommend good homes in various parts of the Nation.

In some cases, consumers have been misled, taking a nursing home's certification for participation in medicare as a sort of "Good Housekeeping Seal of Approval". It is far from that, and it never was intended for that purpose. Despite this fact, many nursing homes use the phrase "approved by medicare" or a plethora of framed certificates in their foyer as evidence of the quality of care they provide. Some such honors and certificates, are of coure legitimate, but many are not.

The consumer needs some guidance in this area. I have felt for a long time that senior citizens clubs in each part of the United States should simply keep files on the various nursing homes. In a short period of time they would have their own referral service. Having encouraged this idea for many years, I regret that it has not taken root the way I hoped it would. I am now convinced that with the increasing role of Government in health in the future, that ratings for nursing homes should originate with the people best in a position to know the conditions of and the care given in various long-term-care facilities. These people are, of course, the State surveyors and the employees in HEW's Office of Nursing Home Affairs, Bureau of Standards Enforcement. But my bill does not tie the Secretary's hands. It simply says that he shall establish rating systems for nursing homes participating in Federal programs. I know that former Under Secretary Frank Carlucci and others in HEW have and continue to endorse this proposal.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1569. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests. Referred to the Committee on Finance.

STATE OMBUDSMAN PROGRAMS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require the States to establish ombudsman programs to investigate nursing home complaints as a precondition of their continuing to receive 100 percent Federal funding for the cost of making State inspections.

In June 1972, HEW funded several ombudsman units for purposes of investigating nursing home complaints. Nine of these projects are funded by HEW at the present time. Responsibility for them is vested in the Administration on Aging. These units were funded as experiments to learn if they would help improve the quality of nursing home care. The units were located in various agencies within State government and in one case completely independent of State government.

Our report recommends that every State institute an ombudsman program. It spells out that such programs can be very useful if first, they have some degree of independence from the State health department; second, they are permanent and; third, they have power to influence the State in its inspection and licensing procedures.

The State ombudsman programs have been a success. Drawing on this success, I have proposed that every State be required to institute such a program as a precondition of continuing to receive the 100-percent Federal funding of the cost of State inspections. My bill requires that State ombudsman programs be located within the State department of justice, or at least that they not be located in any State agency which has responsibility for health. Such a unit must have the cooperation of all other agencies of State government. Under my bill it would be empowered to, first, hold hearings; second, investigate nursing home complaints; third, enter a nursing home without prior notice; fourth, recommend disciplinary action against a home including license revocation; and, fifth, file an annual report to the Governor and the legislature with recommendations for action.

I am sure it is only a matter of time before this proposal is enacted. I believe that it is worthwhile and will quickly result in the improvement of the quality of nursing home care.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1570. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for Health Administration. Referred to the Committee on Finance.

INSPECTOR GENERAL FOR HEALTH ADMINISTRATION

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to establish the Office of Inspector General for Health Administration in the Department of Health, Education, and Welfare.

I cannot claim that my bill to create this office is original. I believe it was first proposed by Senator WILLIAM ROTH from Delaware. In any event, I am convinced of the need for this office, particularly after conducting our recent series of hearings in New York City.

During those hearings we heard testimony concerning widescale fraud in efforts to maximize payments and reimbursement from the Federal and State government. We heard of "no show" employees being added to the nursing home's roster for purposes of claiming more money from the State. We learned of the widespread misuse of patients' accounts and personal expense funds in violation of the fiduciary duty a nursing home owes its patients. We heard of the use of identity-of-interest vendors for purposcs of maximizing reimbursement. We discovered widespread evidence of kickbacks from such vendors and suppliers as a precondition of receiving a nursing home account.

Another area which is particularly subject to fraud is drugs and pharmaceuticals supplied to patients. The former welfare inspector general of the State of New York stated that, in his judgment, 30 percent of the drugs paid for by New York's medicaid program were either fraudulent or nonexistent. Our own studies indicate much the same thing. We learned of kickbacks in the form of cash, long-term credit arrangements, gifts of trading stamps, color television sets, cars, boats, and prepaid vacations. Over 60 percent of the 4,400 pharmacists in our study indicated that they first, had been approached for a kickback or second, had a positive belief that they were widespread.

Our report provides still other examples of charging families "under the cover payments" as a precondition of accepting a medicaid patient. In other cases families were billed extra charges over and beyond the medicaid payment. In other cases, patients have signed away their life savings or their home to a facility sometimes in return for a life care contract.

These and other abuses have been documented by the U.S. General Accounting Office. Their current investigation in the State of Illinois has produced many startling disclosures which are proper endorsements for the provisions of my bill.

The Inspector General created by my bill would not be under the supervision of any officer in the Department of Health, Education, and Welfare. He would essentially be a congressional "watchdog" located in that agency. He

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would conduct continuous evaluation and review of Government programs.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1571. A bill to amend title XVII and XIX of the Social Security Act making unlawful the offer or receipt of consideration for the referral of patients, clients, or customers. Referred to the Committee on Finance.

FEES FOR REFERRING MEDICARE OR MEDICAID PAYMENTS UNLAWFUL

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to make unlawful the acceptance of money or other consideration for the referral of medicare or medicaid patients.

This bill is aimed at stopping some fairly common abuses. The first relates to the hospital social worker or the Department of Mental Hygiene official responsible for discharging patients from the State hospital into nursing homes, boarding homes, and other community based facilities. It is a fairly common practice for these individuals to be offered money or other consideration for placing patients in a particular facility.

Testimony during our hearings indicated that the "going rate" for such referrals was $100 per head. While this is a shameful and unethical practice, it has been illegal in only a few States. My bill would make the practice illegal in every State.

But the bill addresses an even more nefarious practice which is loosely termed "the selling of patients". This is commonly practiced by nursing homes going out of business or in some cases when they want to reduce their quota of medicaid patients. The unwanted patients are "sold", that is to say, transferred to other facilities in return for certain consideration which can be anywhere from $100 to $1,000 and up. My bill would make this practice illegal and punishable by 1 year in jail, a $10,000 fine, or both.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1572. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables. Referred to the Committee on Finance.

CONTROLS FOR PATIENTS' ACCOUNTS AND PERSONAL EXPENSE MONEYS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to provide strict new controls for the handling of patients' funds.

One of the most common abuses we have encountered in our investigation is the misuse of patients' accounts or personal expense funds. I am referring primarily to the $25 a month—amounts vary in each State—given to medicaid patients by the States for their personal expenses. Supplementary Security Income is another source of such payments. While SSI cannot be received by patients in State institutions, it will pay $25 per eligible SSI beneficiary housed in a nursing home. The fund again, is to be used for personal expenses.

Such funds are supposedly held in trust for the patients, but all too often the money is not even maintained in a separate account by the administrator. There is a great temptation to use this money as operating capital.

A particular problem is created in the case of the frail elderly who do not have the health or strength to walk to the administrator's office to demand their personal expense money.

In some cases, the patients do not ever see the checks which the facility receives. Endorsement is an "X" made on the back of the check by an administrator or someone else in authority.

In some cases, the facilities have used this money to buy clothes and items which the residents need. But all too often this has not been the case.

The purpose of my bill is to provide very detailed controls for the handling of such moneys. It requires that full records and vouchers be kept. It requires that there be no comingling of such funds and that the money and other valuables of patients be returned to them when they are discharged or turned over to the person responsible for the patient in the event of the patient's death at the facility.

By Mr. MOSS:

S. 1573. A bill to make unlawful the solicitation or acceptance of any gift, money, or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money, or donation as a precondition of admitting a patient to a long-term care facility. Referred to the Committee on Finance.

REQUIRING FAMILIES TO MAKE A "DONATION" AS A PRECONDITION OF ACCEPTING MEDICAID PATIENTS IN NURSING HOMES MADE ILLEGAL

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to make illegal the practice of requiring families to supplement the care of medicaid patients.

Our studies indicate that one of the most common abuses presently practiced by some nursing homes is charging families a fee or requiring them to make a "donation as a precondition of their being accepted" in the facility. This happens whether the patient is a medicaid patient or even if he pays his own way.

In Jacksonville, Fla., one operator required the children of a patient to sign a contract conditionally accepting their mother as a patient provided they pay a $8,500 gift to the nursing home in addition to the $900 per month for her care. If the family decided against placing the mother in the facility, the contract called for them to forfeit $1,000 as a pledge to the nursing home.

In other cases operators have required families to pay them money to take their parent in as a medicaid patient. Sometimes these "under-the-table payments" continue in supplementation of the amount paid by the State through medicaid. Nursing home operators rationalize that medicaid rates set by the State are too low.

Sometimes they tell the families that "you only get what you pay for"—implying that medicaid patients receive only minimal care. Indeed, testimony before our subcommittee indicated that there are three classes of care in some homes: Private paying customer, medicare patients, and medicaid patients. Reportedly, there were three types of meals and three kinds of care with medicaid patients receiving very poor meals or services.

The purpose of this bill is to end this unwholesome practice. It would require that anyone who charges, solicits, accepts, or receives any money, gift, or consideration over and above the rates established by the States or charges, solicits, accepts, or receives any gift, money, donation, or consideration as a precondition of admitting a patient to a long-term care facility shall be guilty of a misdemeanor punishable by a $10,000 fine, a year in jail, or both.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1574. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act. Referred to the Committee on Finance.

MINIMUM QUALIFICATIONS FOR SURVEYORS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require minimum qualifications for surveyors who inspect nursing homes participating in Federal programs.

Through the years, my subcommittee has received numerous complaints about the uneven quality of State inspections and the varying qualifications of State inspectors. HEW has recently recognized the importance of providing State inspectors with minimum training. This training helps the State surveyors who also do the inspections for medicare and medicaid to become familiar with Federal standards. This means that there is more uniform and even enforcement of the Federal standards throughout the United States.

However, this training program has been on a small scale, and it is only 4 weeks long. I would add that more often than not this 4-week basic surveyors course is the only formal training received by the surveyors.

My subcommittee recently completed a study of the qualifications and training of State inspectors in 10 States: Maryland, Georgia, Michigan, Indiana, New Mexico, Texas, Iowa, Missouri, California, and Washington. We learned that 34 percent of the 400 inspectors had no formal training and 55 percent had completed only the basic, 4-week course. Only 12 percent had completed an advanced course of any kind. With respect to experience, 24 percent had served less than 1 year; 34 percent 1 to 3 years; and 43 percent served over 3 years.

These results along with some of the complaints that we have received provide ample justification for my bill which would require that inspectors complete minimum training courses established by the Secretary and have additional qualifications as established by the Secretary.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1575. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes

contain warnings with regard to penalties imposed under sections 1877 and 1909. Referred to the Committee on Finance.

LISTING PENALTIES ON PAYMENT FORMS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require that payment forms submitted by nursing homes contain warnings with respect to the penalties imposed under sections 1877 and 1909 of the Social Security Act. The intent and purpose of this bill is obvious. I believe that placing these warnings on the payment forms may well serve to deter many providers from making misrepresentations or otherwise attempting to overcharge or defraud the Government.

By Mr. MOSS:

S. 1576. A bill to continue 100 percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools such as a citation system and protective custodianship and other alternatives to license revocation. Referred to the Committee on Finance.

REQUIRING NEW ENFORCEMENT TOOLS AS AN ALTERNATIVE TO LICENSE REVOCATION

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to continue the present 100 percent Federal funding of the cost of State inspections and allow such moneys to be used for the development of new enforcement tools.

This bill addresses one of the primary problems with the inspection and enforcement system. Many States are reluctant to enforce standards against nursing homes because they have only one weapon: license revocation. Revocation is, in many ways, an impractical tool. This is true because the courts have consistently viewed a nursing home license as a property right. Consequently, the license cannot be revoked without giving the provider the full protections of the due process clause of the Constitution. This is as it should be. However, there should also be some intermediate steps which the States can take prior to instituting lengthy proceedings to close a home.

Some States such as Wisconsin, Minnesota, and California have attempted to provide such new disciplinary options. New options may include prohibiting the placement of further medicaid patients in the facility, authority to transfer medicaid patients presently in the facility, a system of fines and penalties, a citation system, and measures for self-inspection and evaluation. These new disciplinary measures all underscore the premise that closing a nursing home should be an action of last resort; it should be pursued only after all reasonable efforts to bring a home into compliance have been exhausted.

One term needs further development and that is the term "protective custodianship." Essentially, this term incorporates the lessons of bankruptcy law where the appointment of a receiver is a common practice to help a corporation out of its financial troubles. These and other techniques should be used by the States as an alternative to revocation. My bill would help the States to establish such new techniques.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1577. A bill to provide 100 percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel. Referred to the Committee on Finance.

ONE HUNDRED PERCENT FEDERAL FUNDING FOR AUDITS CONDUCTED BY THE STATES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to provide 100 percent funding of the cost of audits of nursing homes conducted by the States. This bill is another result of our hearings and reports. The evidence we received indicated that audits were few and far between. Maryland audited only two facilities in its medicaid program during an entire 3-year program. The State of New York had, until recently, only 16 auditors for all its health care facilities. Some States have no auditors who look at nursing home financial statements.

Public Law 92–603 required all the States to have "cost-related" reimbursement by July 1976, and it is likely that most States will comply. As the General Accounting Office noted, audits are particularly important in States with cost-related formulas for paying nursing homes. My bill would help the State hire additional auditors and pay for the auditing of the costs and financial statements of nursing homes participating in Federal programs.

Our recent hearings in New York suggest to us that this proposal is very urgent. Unless it is enacted soon, other States may face the prospect of nursing homes whose books do not balance, with unexplained lapses and millions of dollars missing.

By Mr. MOSS:

S. 1578. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX. Referred to the Committee on Finance.

A CADRE OF FEDERAL INSPECTORS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to create a cadre of Federal inspectors to test the quality of State inspection.

Our recent report emphasized that one of the central reasons why the inspection and enforcement system does not work is the exclusive reliance on State inspection. Under Secretary John Veneman told my subcommittee that exclusive reliance upon the States had led to "widespread nonenforcement of standards."

Our report, therefore, recommends that HEW take a more aggressive role in the enforcement of standards instead of relying exclusively on the States to do the job. At the same time, the report does not recommend nor do I advocate exclusive Federal control.

I believe this authority should continue to rest with the States and that the States should have the primary responsibility for the inspection and enforcement of nursing home standards. However, it is evident to me that a cadre of 50 Federal inspectors is necessary in order to make spot checks and test the quality of State inspection. This is precisely what my bill is designed to accomplish. Since the Federal Government pays almost 50 percent of the Nation's nursing home bill, I believe we are entitled to know first hand the degree of State compliance with its State plan and the degree to which Federal standards are being enforced.

I hope this bill can be enacted in the near future.

By Mr. MOSS:

S. 1579. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal district court against a long-term care facility which is in violation of its provider agreement. Referred to the Committee on Finance.

ALLOWING PATIENTS TO BRING SUIT AGAINST A NURSING HOME

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to allow nursing home patients to bring suit against nursing home operators for specific performance of their provider agreements.

A provider agreement is, in essence, a contract between the facility and the State, and through the State, to the Federal Government. The facility agrees that it will provide services and comply with standards. The Government agrees to pay for such services but only if the required standards and conditions are met.

At the present time, HEW and the States may terminate a provider from participating in Federal medicare and medicaid programs because the nursing home failed to live up to the terms of its provider agreement. In practice this procedure has been rarely invoked by HEW. There are many who argue that it is an effective enforcement tool and that it should be used more often.

I believe that this approach can be even more effective if it is put into the hands of the private consumer. Accordingly, my bill will allow any medicare or medicaid beneficiary to bring a suit for specific performance in any Federal district court against any facility in breach of its provider agreement. Such suits may be brought without regard to the $10,000 jurisdictional amount and may be brought in the name of an individual or in the name of a class of beneficiaries. I believe the enactment of this proposal would bring a new dimension of standards enforcement with respect to nursing homes: the element of direct patient accountability. I believe this is most desirable and I urge the proposal's enactment.

By Mr. MOSS:

S. 1580. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formulas effective July 1, 1976. Referred to the Committee on Finance.

D. BILLS INTENDED TO PROVIDE ACCOUNTABILITY AND FINANCIAL INCENTIVES IN FAVOR OF GOOD CARE IN NURSING HOME REIMBURSEMENT

INCENTIVES FOR GOOD CARE

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to allow the States to provide financial incentives in favor of good care as a com-

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ponent in their cost-related reimbursement formulas.

I believe that this is an important bill because it emphasizes the fact that very few of the existing reimbursement formulas for nursing homes contain any relationship between the dollars paid by the State and the quality of care. I believe that as long as we rely upon for-profit nursing homes, we should make an effort to line up the financial incentives so that the emphasis is toward good care.

In short this means the better the nursing home and the better the care, the higher the rate of reimbursement. I know that Dr. Paul Denson of Harvard University has been working on an incentive reimbursement formula at the request of HEW. Connecticut has a formula which provides some incentive for good care. I hope that upon the enactment of my bill, HEW and the States will develop and apply formulas which encourage good care. One has only to open the pages of our recent reports to know that the opposite is true at the present time.

By Mr. MOSS:

S. 1581. A bill to amend the Social Security Act to improve the survey and certification process, rate-setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs. Referred to the Committee on Finance.

PRUDENT BUYER CONCEPT ADDED TO COST-RELATED REIMBURSEMENT FORMULA, INCREASED FEDERAL RESPONSIBILITY FOR INSPECTION AND ENFORCEMENT

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require audited prospective cost-related reimbursement for nursing homes, pegged to what a prudent buyer would spend for such services, and for other purposes. This bill originates with my good friend, the distinguished Congressman from New York, Mr. KOCH. More specifically this bill provides the following:

First. It increases Federal responsibility for the certification of skilled nursing facilities under the medicaid program. It does this by making the two programs consistent. In the present system the States survey facilities under both programs using a unified set of regulations. However, under medicaid, the State, on its own, certifies a nursing home as eligible to participate in the medicaid program. Under medicare, the State makes the initial determination but the final certification is done by HEW. This bill would require that the States would inspect and recommend certification, but that actual certification would come from HEW under both programs;

Second. It clarifies conditions under which State health departments may terminate reimbursement to facilities in violation of standards or their provider agreement;

Third. It allows the States to use existing medical reviews for the purposes of assessing the number of individuals in nursing homes who are misplaced and possibly receiving services in excess of their needs, and to determine the total reimbursement made for services found to be inadequate and unnecessary and requires a full refund of such excessive payments;

Fourth. It requires nursing homes participating in Federal programs to post a bond "adequate as to anticipate any and all claims for overpayment to such facility which are likely to arise."

Fifth. It requires that nursing homes be reimbursed through prospective cost-based formulas in which audited costs for providing care are updated; provided, however, that costs allowed do not exceed what a prudent buyer would pay for the same goods and services;

Sixth. It requires the disclosure of the owner of land and buildings in which and on which the nursing home is housed; the names of all persons affiliated in any way; and requires that providers provide full information on any change in ownership of such facilities or corporations;

Seventh. It requires the disclosure of the names, addresses, and the extent of interest any nursing homeowner may have in businesses—including corporations—providing goods and/or services to any nursing home in the United States;

Eighth. It limits reimbursements to nursing home suppliers. When goods and services are provided to a nursing home in which there is a 10 percent or more identity of interest—the same parties own both entities—the operator of the nursing home shall be allowed only the actual cost of such goods and services to such vendor with no allowance for profit or other consideration;

Ninth. It allows the Secretary to require item by item identification of the components in a nursing home's proposed budget when there is evidence the facility provided unnecessary, over costly, or inadequate care; and

Tenth. It broadens the scope of medicare's and medicaid's nursing home services, requiring the medical, psychological and social assessment of the needs of patients.

I believe this is an excellent bill. It takes dead aim at some of the abuses we discovered in New York. I am thinking in particular about the use of identity of interest vendors for purposes of inflating reimbursement received from medicaid. The incorporation of the "prudent buyer" concept will do much to keep allowable costs within reasonable limits. Its provisions for requiring operators to identify their costs on an item by item basis will help prevent padding. The requirement that facilities post a bond will aid the recoupment of overpayments and moneys owned by the facility to the State.

Congressman KOCH is to be complimented for bringing this bill forward for hearings, discussion and debate. I hope its valuable provisions can be enacted at an early date.

By Mr. MOSS:

S. 1582. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations. Referred to the Committee on Labor and Public Welfare.

E. BILLS TO HELP NURSING HOME UPGRADE

LOAN FOR CONSTRUCTION AND REMODELING OF NONPROFIT HOMES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to aid in the construction and rehabilitation of nursing homes owned by churches or other nonprofit agencies.

There is an acute need for nursing home beds in many parts of the United States. Many nonprofit organizations and church groups would like to be able to provide such facilities but lack the funds to do so. Since such facilities are often among the best the United States has to offer, I am introducing this bill to help them construct new facilities and to repair old ones.

The bill provides long-term loans up to 100 percent of project cost directly from the Government. The sponsor will pay 4 percent interest or the Government's rate for borrowing money whichever is lower.

I anticipate the early passage of this bill.

By Mr. MOSS:

S. 1583. A bill to authorize the Secretary of HEW to provide grants, for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities. Referred to the Committee on Labor and Public Welfare.

GRANTS TO NURSING HOMES IN MINORITY AREAS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to authorize grants for the planning, construction, development, and rehabilitation of nursing homes in black and minority communities.

This bill is an effort to help provide some nursing homes in black and minority communities. Our hearings indicate that such facilities are urgently needed. They established that there are comparatively few members of minority groups in nursing homes—4 percent of the 1 million patients in U.S. nursing homes—for many reasons, but perhaps most important, because of the shortage of facilities near their homes.

All too often the existing facilities which serve minority groups are surviving on a shoestring. More often than not they are in violation of various structural standards because they defer such expenses in favor of continuing to provide good quality patient care. Nevertheless, such structural deficiencies are often used to force minority owned homes out of existence. There is a singular lack of any Government programs to help these nursing homes to upgrade.

My bill attempts to close this gap. It will provide grants from the Department of Health, Education, and Welfare for planning and development as well as for the construction of new facilities and the rehabilitation of old ones. Anyone who has studied long-term care for any length of time will readily understand the importance of this bill. I urge its enactment.

By Mr. MOSS:

S. 1584. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards. Referred to the Committee on Banking, Housing and Urban Affairs.

EMERGENCY ASSISTANCE FOR NURSING HOMES

Mr. MOSS. Mr. President, I introduce for appropriate reference the Emergency Nursing Home Assistance Act of 1975.

This bill is offered in recognition that new Federal standards have made it very difficult for some facilities to continue to qualify for and participate in Government programs. I am thinking particularly about the provisions of the Life Safety Code as enforced by the States and HEW.

My bill will allow the Secretary of Housing and Urban Development to subsidize the interest on loans for the repair and renovation of nursing homes. As in other programs of this type the Secretary may subsidize interest down to 1 percent on the loan. In other words, the sponsor may pay only principal and 1 percent interest on his loan as the Secretary establishes.

I would emphasize that these generous loans are available only to certain nursing homes. The Secretary of HEW will have to certify that the facility applying for a loan is more than substantially in compliance with all other State and Federal standards except for those physical and other deficiencies which the sponsor seeks to correct through the loan.

There are many fine nursing homes in the United States who could readily meet this test and it is my intention to help them to continue to participate in Government programs.

By Mr. MOSS:

S. 1585. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology. Referred to the Committee on Labor and Public Welfare.

F. BILLS TO PROVIDE TRAINING IN GERIATRICS AND THE NEEDS OF NURSING HOME PATIENTS FOR PHYSICIANS, NURSES, AIDES AND ORDERLIES

PROGRAMS IN GERIATRICS AND GERONTOLOGY FOR NURSES

Mr. MOSS. On April 24, 1975, our subcommittee released its Supporting Paper No. 4, "Nurses in Nursing Homes: The Heavy Burden (The Reliance on Untrained and Unlicensed Personnel)". As part of that paper, we included an excellent report submitted to the subcommittee by the American Nurses' Association. Their report was entitled "Nursing and Long-Term Care: Toward Quality Care for the Aging," and it included as a recommendation that preparation in gerontological nursing be made available on a larger scale than is available today. This bill is intended to implement that recommendation. Attracting good nurses to nursing homes and keeping them there is difficult. With more emphasis on the aging in schools of nursing and elsewhere, it is hoped that more nurses will enter this special field.

By Mr. MOSS (for himself and Mr. PERCY):

S.J. Res. 75. A joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare. Referred to the Committee on Labor and Public Welfare.

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1976 WHITE HOUSE CONFERENCE ON LONG-TERM CARE

Mr. MOSS. We are soon reaching the halfway point between the last White House Conference on Aging in 1971 and the next one. Many valuable pieces of legislation have been put into effect as a direct result of the recommendations of the 1971 Conference which served as a focal point for all the important directions and needs of older persons. The intense publicity and interest today in the problems facing the infirm elderly warrants such a conference. Nursing home problems and alternatives to institutionalization have become one of the major issues facing older Americans. The recent exposure of the issues involved in nursing home care and home health care have brought the needs of the infirm elderly out into the open.

The United States clearly needs a comprehensive policy on long-term care for its elderly citizens, and I feel that a White House conference on this subject would make possible the development of this policy.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1586. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes. Referred to the Committee on Labor and Public Welfare.

PROTECTION TO EMPLOYEES WHO TESTIFY

Mr. MOSS. Among the most valuable testimony received by our subcommittee in its investigation of nursing home abuses has been the courageous description of mistreatment provided by nurses, aides, orderlies, and other employees of long-term care facilities.

Unfortunately, for some of these witnesses, they have found themselves discharged from employment as a result of their cooperation with our committee.

In an effort to give these employees more protection, and, hopefully, to encourage more to come forward, this bill would make it an unfair labor practice for a home to fire an employee for testifying before any congressional committee.

Mr. President I ask unanimous consent that the text of the bills be printed, following my remarks.

There being no objection, the bills and joint resolution were ordered to be printed in the RECORD, as follows:

S. 1552

A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) section 1812(a) (2) of the Social Security Act is amended by striking out "post-hospital extended care service" and inserting in lieu thereof "intermediate care services or extended care services".

(2) Section 1812(b) (2) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services".

(3) Section 1812(e) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services, extended care services".

(b) Section 1813(a) (3) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services".

(c) (1) (A) Section 1814(a) (2) (C) of such Act is amended to read as follows:

"(C) in the case of extended care services such services are or were required to be given because the individual needs or needed on a daily basis skilled nursing care (provided directly by or requiring the supervision of skilled nursing personnel) or other skilled rehabilitation services, which as a practical matter can only be provided in a skilled nursing facility on an inpatient basis, for a particular health conditions including any condition with respect to which he was receiving inpatient hospital services (or services which would constitute inpatient hospital services if the institution met the requirements of paragraphs (6) and (9) of section 1861(e)) prior to transfer to the skilled nursing facility or for a condition requiring such extended care services which arose after such transfer and while he was still in the facility for treatment of the condition or conditions for which he was receiving such inpatient hospital services;".

(B) Section 1814(a) (2) of such Act is further amended—

(i) by striking out "or" at the end of subparagraph (D);

(ii) by inserting "or" at the end of subparagraph (E); and

(iii) by adding after subparagraph (E) the following new subparagraph:

"(F) in the case of intermediate care services, such services are or were required because of the health condition of the individual;".

(2) Section 1814(a) (6) of such Act is amended—

(A) by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services"; and

(B) by striking out "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, intermediate care facility, or skilled nursing facility".

(3) Section 1814(a) (7) of such Act is amended—

(A) by striking out wherever they appear, the words "services or post-hospital" and "services or further post-hospital" and inserting in lieu thereof, the words "services, intermediate care services, or" and "services, further intermediate care services, or further", respectively; and

(B) by striking out "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, intermediate care facility, or skilled nursing facility".

(d) (1) Section 1814(h) of such Act is amended by striking out "Posthospital" in the caption of such subsection.

(2) Section 1814(h) (1) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services".

(e) Section 1816(a) (1) of such Act is amended by inserting "intermediate care facilities," after "extended care facilities,".

SEC. 2. Section 1861 of the Social Security

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Act is amended by adding at the end thereof the following new subsections:

"Intermediate Care Facility

"(aa) The term 'intermediate care facility' means (except for the purposes of subsection (a)(2)) an institution (or a distinct part of a hospital or skilled nursing facility) which has in effect a transfer agreement (meeting the requirements of subsection (l) with one or more hospitals having agreements under section 1866 and which—

"(1) provides, on a regular basis, health-related care and services to individuals who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide, but who because of their mental or physical condition require care and services (above the level of room and board) which can be made available to them only through institutional facilities;

"(2) meets such standards prescribed by the Secretary as he finds appropriate for the proper provision of the care and services described in paragraph (1);

"(3) has in effect a utilization review plan which meets the requirements of subsection (k);

"(4) in the case of an institution in any State in which State or applicable local law provides for the licensing of institutions of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing;

"(5) has in effect an overall plan and budget that meets the requirements of subsection (z);

"(6) supplies full and complete information to the Secretary or his delegate as to the identity (A) of each person who has any direct or indirect ownership interest of 10 per centum or more in such intermediate care facility or who is the owner (in whole or in part) of any mortgage, deed, of trust, note, or other obligation secured (in whole or in part) by such intermediate care facility or any of the property or assets of such intermediate care facility, (B) in case an intermediate care facility is organized as a corporation, of each officer and director of the corporation, and (C) in case an intermediate care facility is organized as a partnership, of each partner; and promptly reports any changes which would affect the current accuracy of the information so required to be supplied;

"(7) cooperates in an effective program which provides for a regular program of independent medical evaluation and audit of the patients in the facility to the extent required by the programs in which the facility participates (including medical evaluation of such patient's need for intermediate care services;

"(8) meets such provisions of the Life Safety Code of the National Fire Protection Association (twenty-first edition, 1967) as are applicable to intermediate care facilities; except that the Secretary may waive, for such periods as he deems appropriate, specific provisions of such Code which if rigidly applied would result in unreasonable hardship upon an intermediate care facility, but only if such waiver will not adversely affect the health and safety of the patients; except that the provisions of such Code shall not apply in any State if the Secretary finds that in such State there is in effect a fire and safety code, imposed by State law, which adequately protects patients in intermediate care facilities; and

"(9) meets such other conditions relating to the health and safety of individuals who are furnished services in such institution or relating to the physical facilities thereof as the Secretary may find necessary (subject to the second sentence of section 1863), except that the Secretary shall not require as a condition of participation that medical social services be furnished in any such institution; and except that such term shall not (other than for purposes of subsection (a)(2)) include any institution which is primarily for the care and treatment of mental diseases or tuberculosis. For purposes of subsection (a)(2), such term includes any institution which meets the requirements of paragraph (1) of this subsection. The term 'intermediate care facility' also includes an institution described in paragraph (1) of subsection (y), to the extent and subject to the limitations provided in such subsection. Notwithstanding any other provision of law, all information concerning intermediate care facilities required by this subsection to be filed with the Secretary shall be made available to Federal or State employees for purposes consistent with the effective administration of programs established under titles XVIII and XIX of this Act.

"Intermediate Care Services

"(bb) The term 'intermediate care services' means services provided an individual in an intermediate care facility after admission to such facility."

Sec. 3. (a) The following sections of the Social Security Act are amended—

(1) by striking out the phrase "hospital or skilled nursing facility" or "hospitals and skilled nursing facilities" each time either such phrase appears therein and inserting in lieu thereof "hospital, skilled nursing facility, or intermediate care facility" or "hospitals, skilled nursing facilities or intermediate care facilities," respectively; and

(2) by inserting "or intermediate care facility", or "or intermediate care facilities" after the phrase "skilled nursing facility" or "skilled nursing facilities", respectively, wherever either such phrase appears therein (except where either such phrase is part of the phrase "hospital, skilled nursing facility, or intermediate care facility" or "hospitals, skilled nursing facilities, or intermediate care facilities"):

(A) section 1861(k);
(B) section 1861(k);
(C) section 1861(l);
(D) section 1861(m)(7);
(E) sections 1861(y) (2) and (3);
(F) section 1861(z);
(G) the last sentences of section 1866 (a)(1), section 1866(b), section 1866(c)(2), and section 1866(d); and
(H) section 1876(1)(3).

(b)(1) Section 1861(a)(1) of such Act is amended by striking out "services, or extended care services" and inserting in lieu thereof "services, intermediate care services, or extended care services".

(2) Section 1861(a)(2) of such Act is amended by striking out "neither an inpatient of a hospital nor an inpatient of a skilled nursing facility" and inserting in lieu thereof "not an inpatient of a hospital, a skilled nursing facility, or an intermediate care facility".

(c) Section 1861(i) of such Act is repealed.

(d) Section 1861(k)(3) of such Act is amended by striking out "services or extended care services" and inserting in lieu thereof "services, intermediate care services, or extended care services".

(e) Section 1861(n) of such Act is amended—

(1) by inserting "or intermediate care facility" after "skilled nursing facility" the first time such term appears therein; and

(2) by striking out all after "part A" and inserting in lieu thereof "intermediate care services or extended care services.".

(f) Section 1861(u) of such Act is amended by inserting "intermediate care facility," after "skilled nursing facility,".

(g) Section 1861(v) of such Act is amended—

(1) by inserting in paragraph (1)(B) of such subsection "on intermediate care services" after "extended care services";

(2) by inserting in paragraph (1)(E) of such subsection (i) "and intermediate care facilities" after "in the case of skilled nursing facilities", (ii) "and intermediate care facility services" after "the cost of skilled nursing facility services", and (iii) "or intermediate care facility" after "to any skilled nursing facility";

(3) by striking out in paragraphs (2)(A) and (3) of such subsection "or post-hospital" and inserting in lieu thereof ", intermediate care services, or"; and

(4) by striking out in paragraph (3) of such subsection "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, skilled nursing facility, or intermediate care facility".

(h) Section 1861(w) of such Act is amended by inserting "intermediate care facility," after "skilled nursing facility,".

(i)(1) The caption of section 1861(y) of such Act is amended to read as follows: "Extended Care and Intermediate Care in Christian Science Skilled Nursing Facilities and Intermediate Care Facilities".

(2) Section 1861(y)(1) is amended by striking out "The term 'skilled nursing facility'" and inserting in lieu thereof "The terms 'skilled nursing facility' and extended care facility'".

(3) Section 1861(y)(2) of such Act is amended by inserting "intermediate care services or" after "treated as".

(4) Sections 1861(y) (3) and (4) of such Act are amended by striking out "post-hospital extended care services" wherever such term appears in each such section and inserting in lieu thereof "intermediate care services or extended care services".

(j) Section 1864(a) of such Act is amended—

(1) by striking out "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, skilled nursing facility, or intermediate care facility";

(2) by inserting "intermediate care facility," after "hospital, skilled nursing facility,"; and

(3) by inserting "or intermediate care facility" after "skilled nursing facility".

(k) Section 1866 of such Act is further amended by striking out in subsections (b)(3) and (d) "post-hospital extended care services" and inserting in lieu thereof "intermediate care services, or extended care services".

(l) Section 1877(c) of such Act is amended by inserting "intermediate care facility," after "skilled nursing facility,".

Sec. 4. The amendments and repeal made by this Act shall be effective for months beginning after June 30, 1975, and shall apply to spells of illness beginning after June 30, 1975.

Sec. 5. There are hereby authorized to be appropriated from general revenues of the Government to the Federal Hospital Insurance Trust Fund and to the Federal Supplementary Medical Insurance Trust Fund for each fiscal year, beginning with the fiscal year ending June 30, 1974, such amounts as may be necessary to reimburse such trust funds for 100 per centum of the expenditures required to be made from such trust funds in each such fiscal year to carry out the amendments made by this Act.

S. 1553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 213 of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, and so forth, expenses) is amended by inserting immediately after subsection (b) the following new subsection:

"(c) Special Rule for Certain Nursing Home Expenses.—Amounts paid during the taxable year by the taxpayer for nursing home expenses for an individual who would be a dependent of such taxpayer, as defined in section 152, but for the support requirement in section 152(a) and which would otherwise be taken into account in computing the deduction under subsection (a) shall be taken into account under such subsection."

(b) The amendment made by this Act applies with respect to nursing home expenses paid by the taxpayer after December 31, 1975.

S. 1554

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1814 of the Social Security Act is amended by adding at the end thereof the following new section:

"(j) The Secretary shall develop and put into effect by January 1, 1977, an alternative reimbursement formula which will help hospitals participating in title 18 with less than 100 beds and less than 60 percent average occupancy located in areas where there is a demonstrated shortage of nursing home beds to provide long-term care without applying proportional allocation of overhead costs to all patients in such facilities. In developing such formulas the Secretary shall take into consideration the experience and data developed in the Utah Cost Improvement project approved by the Commissioner of Social Security on December 8, 1972."

S. 1555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1611(e)(1)(A) of the Social Security Act is amended by inserting at the end thereof the following:

"Except that nothing in this section shall prohibit benefits from being paid to residents, including the mentally retarded and mentally incompetent, in non-medical shelter care facilities if the States certify that the residents placed in such facilities are ambulatory, needing only minimum supervision, and that the amount of State supplementation is not less than $100 per resident per month. Provided further that such facilities (i) meet all the conditions of State licensure; (ii) provide sufficient numbers of personal care, laundry, dietary and maintenance staff to care for the needs of the residents including an administrator who assumes overall responsibility for the operation of the facility; (iii) conform to the residential occupancy provisions of the Life Safety Code (23d edition 1973) and such additional standards as the Secretary shall prescribe; (iv) provides restorative and habilitative programs designed to promote physical and mental well-being which are evaluated at least annually and sufficient numbers of personnel to carry out such programs; and (v) require that only licensed personnel or those completing special courses of instruction established by the States shall distribute medication."

S. 1556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j)(4) of the Social Security Act is amended by striking everything after the comma and inserting the following:

"who visits such patients not less than once every 30 days, and (B) provides for having a physician available to furnish necessary medical care in case of emergency;"

S. 1557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j)(6) of the Social Security Act is amended by striking the semicolon and adding the following:

"24 hours per day, 7 days per week;"

Sec. 2. The provisions of this act shall become effective on January 1, 1978.

S. 1558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j)(7) of the Social Security Act is amended by striking the semicolon and adding the following:

"*Provided, however,* That only registered professional nurses or licensed practical nurses shall be used for such purposes;"

S. 1559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(j) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (9);

(2) by inserting "and" after the semicolon at the end of paragraph (10); and

(3) by adding after paragraph (10) the following new paragraph:

"(11) in the case of an institution which is primarily engaged in providing skilled nursing care and related services, has a medical director (as defined in section 1861(z)(1);".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"Medical Director; Nurse Practitioner

"(z)(1) The term 'medical director' means a physician (as defined in subsection (r)(1)) who (by contract or other arrangement with a skilled nursing home) assumes responsibility for the medical care provided by such home; who is on call in emergencies and (A) spends a minimum of 10 hours per week in such nursing home or (B) has working with him a nurse practitioner trained in geriatrics who spends at least 20 hours per week in such home: *Provided, however,* That the physician spends at least 2 hours per week in such facility.

"(2) the term 'nurse practitioner' means a registered professional nurse who is licensed as such under State law and who has completed a program of study becoming competent to provide primary health care. The duties such individual may perform include but are not limited to the following:

"(A) obtaining a health history,

"(B) assessing health-illness status,

"(C) entering an individual into the health care system,

"(D) sustaining and supporting individuals who are impaired, infirm, ill, and undergoing programs of diagnosis and therapy,

"(E) managing a medical care regimen for acute and chronically ill patients within established standing orders,

"(F) assisting individuals in regaining their health,

"(G) teaching and counseling individuals about health and illness,

"(H) counseling and supporting individuals with respect to the aging and dying processes, and

"(I) supervising nursing assistants."

(b) Section 1902(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (28)(E); and

(2) by inserting after the semicolon at the end of paragraph (28)(F), "and" and the following new subparagraph:

"(C) has a medical director (as defined in section 1861(z)(1));".

(c) The amendments made by subsections (a) and (b) shall become effective on January 1, 1978.

S. 1560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j)(6) of the Social Security Act is amended by striking the entire subsection (6) and inserting in lieu thereof the following:

"(6) provides 24-hour nursing service which is sufficient to meet nursing needs in accordance with the policies developed as provided in paragraph (2), provided that each patient receives no less than 2.25 hours of nursing time per day, has at least one registered professional nurse employed full time and meets such ratios as the Secretary may prescribe with respect to numbers of supervisory nurses to total nurses and staff;"

S. 1561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j) of the Social Security Act is amended by inserting after paragraph (15) the following new paragraph:

"(16) provides a program of medically related social services."

S. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j) of the Social Security Act is amended by adding the following new subsection:

"(16) has in force a contract between the facility and each patient which covers the relative rights and duties of the parties. In the case of persons admitted to a facility on or after January 1, 1977, the facility and the patient shall conclude a contract, as far as practicable, within three days of the day of admission. Each party to a contract made hereunder shall receive a duplicate original or a copy of such contract. Whenever a patient is not competent to enter into a contract, the sponsor of such patient may contract on his behalf for the purposes enumerated hereunder.

(A) Every contract covering the relative rights and duties of a licensee and patient shall, after January 1, 1977, be in writing and on a form which the Secretary has approved. Every such contract shall contain express provision for (I) the duration of the contract, not to exceed six months; (II) the accommodations, services, and degree of care to be provided; (III) the daily or weekly rate therefor and any items not included therein for which a separate charge may be made; and (IV) specification of any rights, duties, and obligations of the parties in addition to those imposed by law. The Secretary may by regulation require that every such contract contain any provision which it finds necessary for the protection of patients or in the public interest and prohibit any provision which it finds unfair to patients or contrary

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to the public interest. The Secretary shall prepare and distribute a model contract which it finds acceptable.

(B) Every licensee of long-term care facility shall maintain in such facility a file of contracts made hereunder, and it shall retain each contract in such file for at least one year after the transfer or discharge of the patient covered thereby."

S. 1563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j) (13) is amended by striking out "21st edition, 1967" and inserting in lieu thereof "23rd edition, 1973".

S. 1564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j) of the Social Security Act is amended by adding the following new subsection:

"(16) maintains in an area of the facility accessible to patients, employees, and visitors a board suitable for posting notices and other written materials and posts conspicuously thereon such notices and materials as the Secretary may require, including but not limited to, the following:

" '(A) a current State license and Medicare/Medicaid Certification;

" '(B) a description, provided by the facility, of the accommodations, services, and degree or degrees of care provided by the facility and of the daily or weekly rate thereof and any items not included in such rate for which a patient may be separately charged;

" '(C) a list, provided by the facility, of the name, address, and principal occupation of each person who, as a stockholder or otherwise, has a proprietary interest of ten percent or more in the facility of each officer and director of a facility which is a corporation, and of each trustee and beneficiary of a facility which is a trust;

" '(D) a list, compiled by the administrator of the facility, of the names of all physicians, registered nurses, licensed practical nurses, and any other licensed personnel employed or retained by the facility;

" '(E) a description, provided by the Department of Health, of complaint procedures established under State law;

" '(F) a list, provided by the department, of such materials as are available under section 1844(j) (11) of this Act for inspection and copying; and

" '(G) for such period as the Secretary shall fix, a copy of any notice of hearing, order, or decision of the department pertaining to the facility;

" '(H) a copy of the patient's bill of rights as published in the October 3, 1974 Federal Register.' "

S. 1565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j) of the Social Security Act is amended by adding the following new subsection:

"(16) has in effect procedures to prevent epidemic diseases and accidents and for reporting them immediately to appropriate authority and next of kin of patients involved in any untoward incident affecting health and safety."

S. 1566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order for any State to be eligible for payments pursuant to title XIX of the Social Security Act, with respect to expenditures for any quarter beginning more than sixty days after the date of the enactment of this Act, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") under which the State will carry out the inspection program prescribed by the Secretary under section 2 of this Act and will enforce the guarantees of the rights of patients specified in section 3.

SEC. 2. (a) The Secretary shall by regulation prescribe a program for the inspection of public and private skilled nursing, and intermediate care facilities to determine if such facilities meet (1) health, sanitation, nursing care, and dietary standards and (2) standards respecting any other matter immediately affecting the well-being of patients of such facilities. The standards referred to in the preceding sentence shall be, with respect to Skilled Nursing Facilities participating under Title 18 and/or 19, the Conditions of Participation in an Extended Care Facility in effect *prior to* January 17, 1974 and with respect to Intermediate Care Facilities, shall be the standards set forth by the Secretary in the Federal Register of January 17, 1974.

(b) The inspection program prescribed under subsection (a) shall require the following:

(1) Inspections under the program shall be carried out as follows by the agency of the State which licenses or otherwise regulates the facilities to be inspected:

(A) Such inspections shall be made at least once every three months in such manner as shall be prescribed in the program.

(B) The inspecting agency shall make the results of its inspections open to the public and shall report them to the Secretary as required by the program.

(C) If the inspecting agency determines from an inspection under the program that a facility is not in compliance with a standard applicable to the facility under the program, such agency shall notify the facility by registered letter return receipt requested of the noncompliance and shall require the facility to take such action as may be necessary to bring it into compliance within the thirty-day period beginning on the date it receives the notice. Such thirty-day period may be extended by the agency for not more than fifteen days upon a showing of good cause for its extension.

(2) The laws of a State which has an agreement with the Secretary for the enforcement of the inspection program shall (A) require the imposition of a fine of not to exceed $300 for each willful refusal to permit any inspection required by the inspection program and for each willful failure to bring a facility into compliance with a standard under the program within the period prescribed by paragragh (1) (C), (B) require that the inspection agency of a State refer all violations of the inspection program to the attorney general of that State, and (C) otherwise authorize, as prescribed by regulations of the Secretary, appropriate and effective enforcement of the requirements of the inspection program.

SEC. 3. Each State which has an agreement with the Secretary under the first section shall, as prescribed by regulations of the Secretary, undertake the appropriate and effective enforcement of the following guarantees of rights of patients in public and private extended care facilities, skilled nursing homes, and intermediate care facilities:

(1) A guarantee that the patient's civil and religious liberties will not be infringed upon and that the facility will encourage and assist in the fullest possible exercise of these rights.

(2) A guarantee that the patient shall be furnished, upon request, with the names of the physicians, nurses, and other health care personnel directly responsible for coordinating his care in the facility.

(3) A guarantee of the patient's right to receive adequate, high quality, and appropriate medical care, including the right to have drugs administered only by personnel with appropriate training.

(4) A guarantee of the patient to be fully informed of his medical condition and proposed treatment, and to participate in the planning of all of his medical treatment, including the right to refuse medication and treatment and to know the consequences of such actions.

(5) A guarantee that if the facility or another agency proposes to use the patient in any experimentation project—human or otherwise—the patient shall be fully informed of such proposal and shall have the right to refuse to participate in such project.

(6) A guarantee of the patient's right to have private and unrestricted communications with his physician, attorney, and any other person; and the right to have privacy in caring for personal needs, confidentiality in the treatment of his personal and medical records, and security in the storage and use of his personal possessions.

(7) A guarantee that the patient shall be allowed to use his leisure time as he desires and to meet his needs for recreation, unless it infringes upon his health or rights or the health or rights of others.

(8) A guarantee of the patient's right to manage his own financial affairs and, if the patient delegates to the facility responsibility over any matter respecting his financial affairs, to have a monthly accounting of any financial transaction made in his behalf, of any debts incurred, and of investments made with, and interest and dividends accruing or paid on, the patient's money.

(9) A guarantee that before transferring a patient to another facility, the facility director must inform the patient in advance of the need for and alternatives to such a transfer.

(10) A guarantee that the patient, upon request, shall be allowed to examine and shall be given an explanation of the charges rendered by the facility irrespective of the source of payment of such charges.

(11) A guarantee that the patient shall receive services, both medical and personal, which are customarily rendered by the facility to the extent such services do not require the approval of the patient's physician or are not inconsistent with the patient's treatment.

(12) A guarantee of the patient's right to present grievances on behalf of himself or others to the facility's staff or director, to governmental officials, or to any other person, without fear or reprisal, and to join with other patients and outside parties to work for improvements in patient care.

(13) A guarantee of the patient's right to be free from mental and physical abuse and from physical and chemical restraints, except those legitimate restraints authorized in writing by a doctor for a specified limited period of time.

(14) A guarantee that the patient shall be provided a statement of the facility's regulations and an explanation of the patient's responsibilities to obey all reasonable regulations and to respect the personal rights and private property of other patients.

(15) A guarantee that the patient shall be offered long-term care and treatment without discrimination as to race, religion, sex, age, national origin, or source of income.

(16) A guarantee that, should the patient be adjudicated incompetent in accordance with State law and not be restored to legal capacity, the rights and responsibilities described in the preceding paragraphs shall devolve upon a sponsor or guardian who shall see that the patient is provided with adequate, appropriate, and respectful medical treatment and care and all rights which he is capable of exercising.

S. 1567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1901 of the Social Security Act is amended by striking the last line and substituting the following:

"The sums made available under this section shall be used for making payments to States which have State plans for medical assistance ratified by its Legislative and Executive branch and which have been submitted to and approved by the Secretary of Health, Education, and Welfare."

SEC. 2. Section 1902 is amended by adding the following new subsection:

"(37) be posted in public places and otherwise be readily available to the public."

SEC. 3. Section 1904 of the Social Security Act is amended by striking the entire section and substituting the following:

"SEC. 1904. (a) The Secretary shall conduct at least once a year a review of State plans approved under this title to determine each state's compliance with and the quality of the administration of its plan.

"(b) The Secretary shall promulgate a rating system reflecting the quality of each State's administration of and compliance with its state plan and shall publish ratings of each state's relative compliance with its plan on January 1 or every year, beginning January 1, 1977.

"(c) If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—

"(1) that the plan has been so changed that it no longer complies with the provisions of section 1902; or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision; the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure.)

"(d) Title 19 recipients individually, or as a class, without reference to the $10,000 jurisdictional amount, may bring suit for specific performance in any Federal District Court against any state which substantially fails to comply with the provisions of its state plan."

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1112 of the Social Security Act is amended by added at the end thereof the following:

"The Secretary shall establish a rating system for nursing homes participating in Title 18 and Title 19 as a guide to consumers. Ratings for nursing homes shall be determined on the basis of survey reports available to the Secretary and other pertinent data within the purview of Section 1106 of this Act."

S. 1569

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1903(a) (4) of the Social Security Act is amended by striking out "plus" at the end thereof and inserting lieu thereof the following:

"Except that no payment or compensation shall be made unless the Secretary finds and certifies that there is in operation in such State an ombudsman program which is located within the State Department of Justice (or other non health related agency) and has the cooperation of all State agencies and is empowered to (i) investigate nursing home complaints; (ii) hold hearings; (iii) enter a nursing home without prior notice at any hour of the day or night; (iv) recommend to the State Health Department license revocation or other disciplinary action against a nursing home and (v) file an annual report to the Legislature and the Governor with recommendations for action; plus".

S. 1570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title XI of the Social Security Act is amended by adding after section 1123 the following new section:

"INSPECTOR GENERAL FOR HEALTH ADMINISTRATION

"Sec. 1125. (a) (1) In addition to other officers within the Department of Health, Education and Welfare, there shall be within such department, an officer with the title of 'Inspector General for Health Administration' (hereinafter in this section referred to as the 'Inspector General') who shall be appointed or reappointed by the President, by and with the advice and consent of the Senate. In addition, there shall be a Deputy Inspector General for Health Administration (hereinafter referred to as the 'Deputy Inspector General'), and such additional personnel as may be required to carry out the functions vested in the Inspector General by this section.

"(2) The term of office of any individual appointed or reappointed to the position of Inspector General shall expire 6 years after the date he takes office pursuant to such appointment or reappointment.

"(b) The Inspector General shall report directly to the Secretary of Health, Education and Welfare (hereinafter in this section referred to as the 'Secretary'); and, in carrying out the functions vested in him by this section, the Inspector General shall not be under the control of, or subject to the supervision by, any officer of the Department of Health, Education and Welfare, other than the Secretary.

"(c) (1) It shall be the duty and responsibility of the Inspector General to arrange for, direct or conduct such reviews, inspections, and audits of the health insurance program established by title XVIII, the medical assistance programs established pursuant to title XIX and any other programs of health care authorized under any other title of this Act as he considers necessary for ascertaining the efficiency and economy of their administration, their consonance with the provisions of law by or pursuant to which such programs were established, and the attainment of the objectives and purposes for which such provisions of law were enacted.

"(2) The Inspector General shall maintain continuous observation and review of programs with respect to which he has responsibilities under paragraph (1) of this subsection for the purpose of—

"(A) determining the extent to which such programs are in compliance with applicable laws and regulations;

"(B) making recommendations for the correction of deficiencies in, or for improving the organization, plans, procedures, or administration of such programs; and

"(C) evaluating the effectiveness of such programs in attaining the objectives and purposes of the provisions of law by or pursuant to which such programs were established.

"(d) (1) For the purposes of aiding and carrying out his duties under this section, the Inspector General shall have access to all records, reports, audits, reviews, documents, papers, recommendations or other material of or available to the Department of Health, Education and Welfare which relate to the programs with respect to which the Inspector General has responsibilities under this section.

"(2) The head of any Federal department, agency, office or instrumentality shall at the request of the Inspector General, provide any information which the Inspector General determines will be helpful to him in carrying out his responsibilities under this section.

"(e) (1) The Inspector General shall have the authority to suspend any regulation, practice or procedure employed in the administration of any program with respect to which he has responsibilities under this section if as a result of any study, investigation, review, or audit of such program, he determines that—

"(A) the suspension of such regulation, practice or procedure will promote efficiency or economy in the administration of such program; or

"(B) such regulation, practice, or procedure is contrary to the applicable provisions of law, or does not carry out the objectives and purposes of the provisions of law by or pursuant to which there was established the program in connection with which such regulation, practice or procedure is promulgated, instituted or applied.

"(2) (A) Any suspension by the Inspector General of any regulation, practice or procedure pursuant to this subsection shall remain in effect until the Inspector General issues an order reinstating such regulation, practice or procedure; except that—

"(i) in the case of any existing regulation, the Secretary may, at any time after such suspension by the Inspector General, issue an order revoking such suspension, and

"(ii) in the case of a suspension of a practice or procedure or the application of a proposed regulation, the Secretary may, at any time later than 30 days after any such suspension by the Inspector General, issue an order revoking such suspension.

"(B) Whenever the Secretary issues an order revoking any such suspension by the Inspector General, he shall promptly notify the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives of such order and shall submit to each such committee information explaining his reasons for the issuance of such order.

"(f) (1) The Inspector General may, from time to time, submit such reports to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives relating to his activities as he deems to be appropriate.

"(2) Whenever either of the committees referred to in paragraph (1) makes a request to the Inspector General to furnish such committee with any information, or to conduct any study or investigation and report the findings resulting therefrom to such committee, the Inspector General shall comply with such request.

"(3) Whenever the Inspector General issues an order suspending or reinstating any regulation, practice, or procedure pursuant to subsection (e) he shall promptly notify the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives of such order and shall submit to each such committee information explaining the reasons for the issuance of such order.

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"(g) The Inspector General may make expenditures (not in excess of $50,000 in any fiscal year) of a confidential nature when he finds that such expenditures are in aid of inspections, audits or reviews under this section; but such expenditures so made shall not be utilized to make payments to any one individual, the aggregate of which exceeds $2,000. The Inspector General shall submit annually a confidential report on expenditures under this provision to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

"(h)(1) Expenses of the Inspector General relating to the health insurance program established by title XVIII shall be payable from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund, with such portions being paid from each such fund as the Secretary shall deem to be appropriate. Expenses of the Inspector General relating to medical assistance programs established pursuant to title XIX shall be payable from funds appropriated to carry out such title; and expenses of the Inspector General relating to any program of health care authorized under any title of this Act (other than titles XVIII and XIX) shall be payable from funds appropriated to carry out such program.

"(2) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

"(i) The Secretary shall provide the Inspector General and his staff with appropriate office space within the facilities of the Department of Health, Education, and Welfare together with such equipment, office supplies and communications facilities and services as may be necessary for the operation of such office and shall provide necessary maintenance services for such offices and the equipment and facilities located therein."

"(b) Section 5315 of title 5, United States Code, is amended by inserting: (105) Inspector General for Health Administration.".

S. 1571

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That Section 1877(a) of Title XVIII be amended by adding the following new subsection:

"(5) offers, solicits receives or accepts any rebate, refund, commission preference, patronage dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person, irrespective of any membership, proprietary interest or coownership in or with any person to whom such patients, clients or customers are referred."

Sec. 2. Section 1909 of Title XIX is amended by adding the following new subsection:

"(5) offers patronage dividend, receives or accepts any rebate, refund, commission, preference discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person, irrespective of any membership, proprietary interest or coownership in or with any person to whom such patients, clients or customers are referred."

S. 1572

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(j) of the Social Security Act is amended by inserting after paragraph (15) the following new paragraph:

"(16) Provides a program to insure the integrity of patients' accounts moneys or valuables and to insure that they are not mingled with those belonging to the facility. *Provided further,* That (a) patients' moneys and valuables shall be separate and intact and free from any liability the facility incurs in the use of his own or the institution's funds and valuables.

"(b) Each facility shall maintain adequate safeguards and accurate records of patients' moneys and valuables entrusted to his care.

"(1) Records of patients' moneys which are maintained as a drawing account shall include a control account for all receipts and expenditures, an account for each patient and supporting vouchers filed in chronological order. Each account shall be kept current with columns for debits, credits, and balance.

"(2) Records of patients' moneys and other valuables entrusted to the facility for safekeeping shall include a copy of the receipt furnished to the patient or to the person responsible for the patient.

"(c) Patients' moneys not kept in the licensed facility shall be deposited in a demand trust account in a local bank authorized to do business in the State in which the facility is licensed, the deposits of which are insured by the Federal Deposit Insurance Corporation, except that a county or State health facility may deposit such funds with the county or State treasurer.

"(d) When the amount of money entrusted to a licensee for patients exceeds $500, all money in excess of $500 shall be deposited in a demand trust account as specified in (c) above unless a fireproof safe is provided for protection of moneys and valuables.

"(e) Upon discharge of a patient, all money and valuables of that patient which have been entrusted to the licensee shall be surrendered to the patient or the person responsible for the patient in exchange for a signed receipt. Money and valuables kept within the facility must be surrendered upon demand, and those kept in a demand trust account or with the county or State treasurer must be made available within three normal banking days.

"(f) Following the death of a patient, all money and valuables of that patient which have been entrusted to the licensee shall be surrendered to the person responsible for the patient, the executor, or the administrator of the estate in exchange for a signed receipt, within 30 days. Whenever a patient without an agent or known heirs dies, immediate written notice thereof must be given to the appropriate county or State official as specified by law.

"(g) Upon change of ownership of a facility, a certified written audit of all patients' moneys which are being transferred to the custody of the new owner shall be obtained by the new owner in exchange for a signed receipt."

S. 1573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1909 of the Social Security Act is amended by adding the following new subsection:

"(5) charges, solicits, accepts or receives any money, gift or consideration over and above the rates established by the states or charges, solicits, accepts or receives any gift, money, donation or consideration as a precondition of admitting a patient to a long-term care facility."

S. 1574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

Section 1. Section 1903(a)(4) of the Social Security Act is amended by striking out "plus" at the end thereof and inserting in lieu thereof the following:

"Except that no payment attributable to compensation of such personnel shall be made unless the Secretary finds and certifies that, (i) such individuals have satisfactorily completed a course approved in advance by the Secretary which is specifically designed to enable said individuals to assess the compliance of institutions providing long-term care with applicable health and safety standards and, (ii) such individuals meet additional performance qualifications which the Secretary shall by regulation prescribe; plus"

Sec. 2. The amendments made by Section one shall be effective beginning July 1, 1976.

S. 1575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1877 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary in prescribing forms of payment of services under this title applicable to nursing homes, shall include in such forms a summary of the penalties prescribed by this section.".

Sec. 2. Section 1909 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary in prescribing forms for payment of services under this title applicable to nursing homes, shall include in such forms a summary of the penalties prescribed by this section.".

S. 1576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1903(a) of the Social Security Act is amended by adding a new subsection as follows:

"(7) an amount equal to 100 per centum of the sums expended in the enactment of, conversion to and enforcement of new enforcement tools short of nursing home licensure revocation including but not limited to a citation system and protective custodianship procedures."

S. 1577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1903(a) of the Social Security Act is amended by adding the following:

"(7) an amount equal to 100 per centum of the sums expended in carrying out financial audits of skilled nursing and intermediate care facilities participating in Federal programs."

S. 1578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 2007 of the Social Security Act is redesignated as section 2008.

(b) Title XX of such Act is amended by adding after section 2006 the following new section:

"INSPECTIONS

"Sec. 2007. (a) The Secretary shall provide for the continuing inspection of State inspection and enforcement programs, on a random basis, with respect to facilities receiving payments under title XVIII and XIX.

"(b) The Secretary is authorized to employ not less than 50 persons as inspectors to carry out the provisions of subsection (a).

"(c) There are authorized to be appropriated to carry out the provisions of this section such sums as may be necessary.".

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1866 of the Social Security Act is amended by adding at the end thereof a new subsection:

"(f) In addition to remedies provided to the Secretary under this section, Title 18 beneficiaries, individually, or as a class, without reference to the $10,000 jurisdictional amount, may bring suit for specific performance in any Federal District Court against any facility in breach or non-compliance with its provider agreement."

Section 2. Section 1904 of the Social Security Act is amended by adding the following sentence at the beginning of such section:

"The Secretary or Title 19 recipients, individually or as a class, and without reference to the $10,000 jurisdictional amount, may bring suit for specific performance against any facility in breach of or non-compliance with its provider agreement."

S. 1580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1902(a)(13)(E) of the Social Security Act is amended by striking the semicolon and inserting the following:

"provided however, that nothing in this section shall prohibit the States from incorporating financial incentives for good care within the context of their reasonable cost-related formulae;".

S. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SURVEY AND CERTIFICATION, RATE-SETTING AND AUDIT, AND GENERAL REGULATION OF LONG-TERM CARE FACILITIES UNDER MEDICAID PROGRAMS

REQUIREMENT OF MEDICARE APPROVAL FOR SKILLED NURSING FACILITIES UNDER MEDICAID PROGRAMS

Section 101. Section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (35);

(2) by striking out the period at the end of paragraph (36) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (36) the following new paragraph:

"(37) provide that no skilled nursing facility may receive payments under such plan unless and until it is approved to receive payments under title XVIII."

TERMINATION OF PAYMENTS TO SKILLED NURSING AND INTERMEDIATE CARE FACILITIES FOR VIOLATIONS OF PROVIDER AGREEMENTS

Sec. 102. Section 1902(a) of the Social Security Act (as amended by section 101 of this Act) is amended—

(1) by striking out "and" at the end of paragraph (36);

(2) by striking out the period at the end of paragraph (37) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (37) the following new paragraph:

"(38) provide that (A) the State agency shall have the power to terminate reimbursement to a skilled nursing or intermediate care facility which such agency has found has violated its provider agreement, with such termination being so structured as to provide that it may be effected upon a unilateral finding of the agency and remain in effect until or unless it is reversed pursuant to a legal challenge, (B) it shall be unlawful to make reimbursement for any legal expenses or administrative costs incurred in contesting any rulings of the State agency, and (c) the State agency may order a halt to reimbursement for new admissions to the skilled nursing or intermediate care facility if such agency finds that the facility has violated the terms of its provider agreement or is not in compliance with the requirements of paragraph (28)."

SAMPLING PROCESS IN MEDICAL REVIEW UNDER MEDICAID PROGRAMS

Sec. 103. Section 1902(a)(26) of the Social Security Act is amended—

(1) by striking out "and" before "(C)"; and

(2) by adding after the semicolon at the end thereof the following: "and (D) the State agency shall determine from such inspection and medical review (which shall be undertaken without prior notice to the facility) the total reimbursement made for services found to be inadequate, unnecessary, or excessively reimbursed, and shall then (i) deem such inspection and review to be a sample to serve as the basis for a computation of a total overpayment to such facility over the course of the preceding year, and (ii) require full refund of this amount of excessive reimbursement."

Sec. 104. Section 1902(a)(31) of the Social Security Act is amended—

(1) by striking out "and" before "(C)"; and

(2) by adding after the semicolon at the end thereof the following: and (D) the State agency shall determine from such inspection and medical review (which shall be undertaken without prior notice to the facility) the total reimbursement made for services found to be inadequate, unnecessary, or excessively reimbursed, and shall then (i) deem such inspection and review to be a sample to serve as the basis for a computation of a total overpayment to such facility over the course of the preceding year, and (ii) require full refund of this amount of excessive reimbursement.

UPDATED COST BASIS FOR PAYMENTS TO SKILLED NURSING AND INTERMEDIATE CARE FACILITIES UNDER MEDICAID PROGRAMS

Sec. 105 Section 1902(a)(13) of the Social Security Act is amended—

(1) by adding "and" at the end of subparagraph (E); and

(2) by adding at the end thereof the following new subparagraph:

"(F) that payments described in subparagraph (E) shall be based upon a prospective cost-based method of computation in which the audited costs of rendering service in such facilities in a prior year is updated through the use of economic indices to the year in which payment is made, with this basis being supplemented through the certification by the State agency that the costs developed through the the prospective cost-base method do not exceed what a prudent buyer would pay for each type of goods or service reimbursed under the plan, and with the Secretary reviewing these prudent buyer ceilings subsequent to the certification of the State agency and being empowered to revise or alter them so as to reflect the reasonable costs which a prudent buyer would pay."

REQUIREMENT OF BONDS UNDER MEDICAID PROGRAMS

Sec. 106. Section 1902(a) of the Social Security Act (as amended by section 102 of this Act) is amended—

(1) by striking out "and" at the end of paragraph (37):

(2) by striking out the period at the end of paragraph (38) and inserting in lieu thereof "; and "; and

(3) by inserting immediately after paragraph (38) the following new paragraph:

"(39) that any skilled nursing facility or intermediate care facility receiving payments under such plan be required to maintain with the State agency a bond in such amount, under such terms, and in such form as such agency may direct, with such agency being required to base its determination as to the nature and amount of the bond upon the amount it reasonably considers to be adequate so as to anticipate any and all claims for overpayment to such facility which are likely to arise."

REGULATION OF BUSINESS DEALINGS BY NURSING HOME OWNERS UNDER MEDICARE AND MEDICAID PROGRAMS

Sec. 107. (a) Section 1861(j)(11) of the Social Security Act is amended by striking out "and" before "(C)", and by inserting before the semicolon at the end thereof the following: ", and (D) of the owner of the land and buildings in which and on which the facility is housed, or, in the case of an owner which is a corporation, of all persons affiliated in any way with such corporation".

(b) Secton 1861(j) of such Act is further amended—

(1) by striking out "and" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (15) the following new paragraphs:

"(16) provides the Secretary (in the case of a corporation) with full information as to any changes in the identity of its corporate owners, the form of the corporation, and any change in the relative interests of the principals in the corporation.

"(17) Supplies to the Secretary or his delegate the names and addresses of and the extent of his interest in businesses (including corporations) providing goods and/or services to any nursing home in the United States."

(c) Section 1861(v)(1) of such Act is amended by adding at the end thereof the following new paragraph:

"(F) Where a vendor of a good or service, or a member of a vendor corporation having at least a 10-percent interest in such corporation has a relationship with the nursing home operator, or with a member of a corporate nursing home operator having at least a 10-percent interest in the corporation, whereby they each hold at least a 10-percent interest in any business enterprise, the reasonable cost for any purchase of goods or services from such vendor by such operator shall be only the actual cost of such goods or services to such vendor with no allowance for profit or other consideration."

(d) Section 1861(z)(1) of such Act is amended by adding after the semicolon at the end thereof the following: "except that where the Secretary or the State agency administering or charged with administering a medical assistance plan approved under title XIX shall find that a skilled nursing or intermediate care facility rendered, over a period of time, inadequate, overly costly, or unnecessary care, he or it may require such an item-by-item identification of the components of each type of anticipated expenditure or income as part of such budget;".

TITLE II—MEDICAL, PSYCHOLOGICAL, AND SOCIAL ASSESSMENT OF PATIENTS IN NEED OF LONG-TERM CARE UNDER MEDICARE AND MEDICAID PROGRAMS

CONDITIONS OF AND LIMITATIONS ON PAYMENT FOR SERVICES UNDER HOSPITAL INSURANCE PROGRAM

Sec. 201. (a) Section 1814(a)(1) of the Social Security Act is amended—

(1) by inserting "based on such patient assessment criteria as the Secretary may require," after "post-hospital extended care services," in subparagraph (C); and

(2) by inserting "based on such patient assessment criteria as the Secretary may require," after "post-hospital home health services," in subparagraph (D).

(b) Section 1814(h)(1) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

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(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) such certification is based on such patient assessment criteria as the Secretary may require, and".

(c) Section 1814(i) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) such certification is based on such patient assessment criteria as the Secretary may require, and".

DEFINITIONS OF TERMS FOR PURPOSES OF HOSPITAL INSURANCE AND MEDICAL INSURANCE PROGRAMS

SEC. 202. (a) Section 1861(j)(12) of the Social Security Act is amended by striking out "which provides" and inserting in lieu thereof "which is based on such patient assessment criteria as the Secretary may require and which provides".

(b)(1) Section 1861(k) of such Act is amended by striking out "A utilization review plan" and all that follows down through "furnished by the institution" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "A utilization review plan of a hospital, skilled nursing facility, home health agency, or (with respect to title XIX) intermediate care facility shall be considered sufficient if it is applicable to services furnished by the institution or agency".

(2) Section 1861(k) of such Act is further amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) for such review to be made, in each case of post-hospital extended care services, post-hospital home health services, or intermediate care services, with respect to each patient's initial and continued need for care based on such patient assessment criteria as the Secretary may require; and".

(3) Section 1861(k) of such Act is further amended by adding at the end thereof the following new paragraph:

"For purposes of this Act the term 'patient assessment' means an objective, quantifiable system of evaluating an individual's mobility, need for assistance in eating, behavior or mental condition, incontinence, current physical rehabilitation needs, special dietary needs, and needs for medications, injections, intravenous and subcutaneous fluids, dressings and appliances, catherization (including urigation), douches, enemas, colostomy irrigations, suctioning, oxygen and other special treatment modalities, together with such other needs or services as the Secretary may deem appropriate for the purpose of determining appropriateness of and initial or continued need for post-hospital extended care services, posthospital home health services, or intermediate care services.

"The Secretary shall not later than July 1, 1976, promulgate such regulations as may be necessary to carry out this subsection, and such regulations shall be periodically reviewed and revised thereafter in light of experience under this subsection."

(c) Section 1861(o) of such Act is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following new paragraphs:

"(6) cooperates in a program based on such patient assessment criteria as the Secretary may require which provides for a regular program of independent medical evaluation and audit of the patients;

"(7) has in effect a utilization review plan which meets the requirements of subsection (k)."

REQUIREMENTS FOR STATE PLANS UNDER MEDICAID PROGRAMS

SEC. 203. (a) Section 1902(a)(26) of the Social Security Act (as amended by section 103 of this Act) is amended—

(1) by inserting ", utilizing such criteria as are required by the Secretary under the last two paragraphs of section 1861(k)," after "for a regular program" in clause (A); and

(2) by striking out subdivisions (iii) and (iv) of clause (B) and inserting in lieu thereof the following: "(iii) the appropriateness of and initial or continued need for such services as may be furnished by the facility (or institution) involved, and (iv) the feasibility, determined by reference to the criteria and methods required by the Secretary under the last two paragraphs of section 1861(k), of meeting their health care needs through alternative institutional or noninstitutional services; and".

S. 1582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part D of title VI of the Public Health Service Act is amended by inserting immediately after section 43A the following new section:

"LOANS FOR THE CONSTRUCTION OF NURSING HOMES OWNED AND OPERATED BY CHURCHES

"SEC. 644. (a) The Secretary is authorized to make loans to any nonprofit organization, church, or association of a church, qualifying under section 501(c)(3) of the Internal Revenue Code, to meet all or a part of the cost of construction or rehabilitation of a home which will be owned and operated by such church, organization, or association.

"(b) Any such loan shall be made only on the basis of an application submitted to the Secretary in such form and containing such information and assurances as he may prescribe.

"(c) Each such loan shall bear interest at whichever of the following is the lower:

"(1) the rate of 4 per centum per annum; or

"(2) a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the month in which loan is made) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until the expiration of four years from the end of such calendar month (except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such loan shall be the multiple of one-eighth of 1 per centum nearest such market yield).

"(d) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this section."

S. 1583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part D of Title VI of the Public Health Service Act is amended by inserting immediately after section 643A the following new section:

"GRANTS FOR THE PLANNING, DEVELOPMENT, CONSTRUCTION, AND REHABILITATION OF NURSING HOMES IN BLACK AND MINORITY COMMUNITIES

SEC. 644. (a) The Secretary is authorized to make grants to any church, association of churches or other non-profit organization qualifying under section 501(c)(3) of the Internal Revenue Code to meet all or part of the cost of planning, developing, constructing, or rehabilitating a nursing home owned by such entity in black and other minority areas where there is a demonstrated shortage of nursing home beds.

"(b) Any such grants shall be made only on the basis of an application submitted to the Secretary and in such form and containing such information as he may prescribe.

"(c) There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this section."

S. 1584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 236 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(p) In addition to any other authority conferred by this section, the Secretary may make interest reduction payments with respect to a mortgage covering repair or rehabilitation of a nursing home in order to correct physical deficiencies and comply with Federal minimum standards, if—

"(1) the sponsor submits an application to the Secretary in such form and containing such information as he may prescribe; and

"(2) the Secretary of the Department of Health, Education, and Welfare or his designee or an officer of any designated single State agency certifies that such sponsor (nursing home) is in more than substantial compliance of Federal and State standards with the exception of those physical and other deficiencies the sponsor seeks to correct through this application."

S. 1585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part E of title VII of the Public Health Service Act is amended by adding at the end thereof the following new section:

"GRANTS FOR THE ESTABLISHMENT OF GRADUATE PROGRAMS FOR NURSES IN GERIATRICS AND GERONTOLOGY

"SEC. 776. The Secretary may make grants and enter into contracts with public or nonprofit colleges and universities for the purposes of developing graduate programs for nurses in geriatrics and gerontology."

S. 1586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 (a) (4) of the National Labor Relations Act (29 U.S.C.; 158 (a) (4)) is amended by inserting immediately before the semicolon a comma and the following: "or because he has given testimony before any standing special or select committee of either House of Congress or any joint committee of the Congress or in any proceeding before any agency or department of the Federal government".

S.J. RES. 75

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to call a White House Conference on Long-Term Care in 1976, in order to develop recommendations for action in establishing a national policy with respect to the needs of disabled Americans with primary emphasis on the physically and mentally impaired aged. The Conference should consider methods to:

1. Make long-term care available to those who need it;
2. Provide alternatives to nursing home placement;
3. Improve the quality of care offered in long-term care facilities;
4. Provide for appropriate training of personnel;
5. Finance the necessary benefits structure to make long-term care a right for all Americans.

(b) For purposes of developing this plan or a national policy concerning the needs of infirm Americans requiring prolonged institutional care, the conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in or concerned with long-term care.

(c) A final report of the White House Conference on Long-Term Care shall be submitted to the President not later than one hundred and twenty days following the date on which the Congerence is called and the findings and recommendations included therein shall be immediately made available to the public. The Secretary of Health, Education, and Welfare shall, within ninety days after the submission of such final report, transmit to the President and the Congress his recommendations for the administrative action and the legislation necessary to implement the recommendations contained in such report.

ADMINISTRATION

SEC. 2. In administering this joint resolution, the Secretary shall—

(a) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate in carrying out the provisions of this joint resolution;

(b) render all reasonable assistance, including financial assistance, to the States in enabling them to organize and conduct conferences on aging prior to the White House Conference on Long-Term Care;

(c) prepare and make available background materials for the use of delegates to the White House Conference as he may deem necessary and shall prepare and distribute such report or reports of the Conference as may be indicated; and

(d) in carrying out the provisions of this joint resolution, engage such additional personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and subchapter 111 of chapter 53 of such title relating to classification and General Schedule pay rates.

ADVISORY COMMITTEES

SEC. 3. The Secretary is authorized and directed to establish an Advisory Committee to the White House Conference on Long-Term Care composed of not more than twenty-eight professional and public members, with one member ex officio appointed from the staff of the Senate Special Committee on Aging, the House Committee on Aging, the House Ways and Means Committee and the Senate Finance Committee. Members of the committee appointed pursuant to this section, who are not officers or employees of the United States, while attending conferences or meetings of their committees or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding $75 per diem, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Director of the Office of Nursing Home Affairs shall act as Executive Secretary of the Committee.

DEFINITIONS

SEC. 4. For the purposes of this joint resolution—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare; and

(2) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

SEC. 5. There is authorized to be appropriated to carry out this joint resolution the sum of $500,000.

By Mr. MONTOYA (for himself, Mr. GRAVEL, and Mr. RANDOLPH):

S. 1587. A bill to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes. Referred to the Committee on Public Works.

PUBLIC WORKS EMPLOYMENT ACT OF 1975

Mr. MONTOYA. Mr. President, I introduce today the Public Works Employment Act of 1975. I introduce the bill as chairman of the Economic Development Subcommittee of the Committee on Public Works. The chairman of the Public Works Committee, Senator RANDOLPH, is cosponsoring this bill with me. Hearings will be held May 20 to 21, 1975, on this and related bills.

This is a public works bill to create jobs—to create them quickly and efficiently—with emphasis on construction jobs for the depressed construction sector. The bill does not authorize new programs. It builds on existing programs and capabilities in the Economic Development Administration, an agency with 10 years' experience in the Department of Commerce. The bill does not contain permanent authorizations. In some cases, programs "trigger off" when unemployment drops sufficiently.

The bill contains five different programs or methods to create new jobs and to maintain existing jobs, and to activate approved projects stopped because of unmanageable cost overruns or because of the inability of hard-pressed communities to meet local matching shares.

The bill authorizes $1,875,000,000 for obligation during fiscal year 1976. It amends the Public Works and Economic Development Act of 1965, as amended. Of the $1.875 billion, reliable estimates based on past program performance are that $745 million in outlays are projected for fiscal year 1976. The bill will create a total of nearly 100,000 jobs—and it will leave for the communities after the work is completed durable public facilities.

Mr. President, I am aware of two principal objections to this bill—to public works anti-recessionary legislation—the problem of increasing deficits and the so-called lead-time such projects require. I shall address these objections at a later point in these remarks.

First, the bill provides a new authorization of $750 million for the job opportunities program. The first authorization of $500 million became law on December 31, 1974, as an amendment to the emergency public service jobs legislation. Members may recall that an urgent appropriations bill enacted at the same time carried $125 million for the new job opportunities program. The Emergency Employment Appropriation Act, 1975, passed in the Senate last week, contained the appropriation of $375 million for the remainder of the authorization.

The first authorization covered calendar year 1975. Because more than 15,000 projects have been submitted to EDA totaling more than $3 billion, and because of the widespread enthusiasm for this program as a potent tool in reaching unemployed workers at all levels, a new authorization is vitally necessary for the fiscal year beginning July 1. This program complements the public service jobs programs. It may provide funds for construction materials and supplies for prime sponsor applicants under CETA. It provides funds for community improvement projects of the kind President Ford had in mind in his address to Congress last August.

I was pleased to see in the recent Joint Economic Committee economic report a recommendation for this program as one that—

> could provide productive public sector job opportunities . . . now and stimulate the development of permanent private sector jobs later. (pp. 59–60)

The most important feature of the job opportunities program is that Federal agencies having a potential to impact our national unemployment sickness may with funds from this program expand their existing programs to put people to work. Project submissions to EDA earlier this year demonstrated a convincing potential for this approach.

Second, the bill authorizes $400 million for short-term, quick impact projects for construction, repair, or improvement of public facilities. This is modeled on EDA's successful public works impact program, PWIP, authorized during the recession of 1971. It is streamlined to improve its quick start potential. Projects must be approved within 60 days after initiation. Time-consuming designation procedures are eliminated. This special authorization will trigger off, however, if unemployment drops to 6.5 percent.

Within the same title—title I—an increase in the present fiscal year 1976 authorization for long-term public facility development of $250 million is increased another $250 million—to permit an expansion to accommodate the continuing need for this program at a time when EDA's eligible areas have increased dramatically.

Third, the bill expands EDA's business loan and guarantee programs from a fiscal year 1976 authorization of $75 million to $200 million. A significant new feature is an interest subsidy for working capital loans. EDA will be able with this new tool to assist many businesses to borrow working capital so as to weather the current crises.

Presently many businesses that have a history of stability and rehability are unable to get working capital—both because of the increasing risk from the banker's point of view and because of their inability to pay 12 to 15 percent interest. With both an interest subsidy and loan guarantee authority, EDA should be able to save many of these businesses.

Five hundred jobs in a factory or other business saved through a working capital loan amounts to a fraction of the cost to create those jobs. At $10,000 a job times 500 equals $5 million is expensive medicine when the illness might have been prevented. Expanded authority is made for direct working capital loans also.

Fourth, the bill provides a $250 million authorization to activate public works projects that have been halted because the construction costs have risen unbelievably sharply between the time of approval and the letting of bids for contracts. In other instances, many worthy projects otherwise ready to go have been halted because of the rapid deterioration of State and local fiscal capability. State and local governments—as the Joint Economic Committee report points out—have gone from a 1972 aggregate $4 billion surplus to a 1974 deficit of $7.5 billion. A recent survey of the Washington Post, April 25, 1975, of 1974 and 1975 Federal grants found "billions" going unclaimed, among other reasons because of lack of matching local funds.

Fifth, and finally, the bill increases the fiscal 1976 authorization for EDA's title IX—the Special Economic Development and Adjustment Assistance—from $100 million to $200 million. This program was enacted in the 1974 EDA amendments. It is just now being implemented. Basically, it is designated as a flexible Federal response to communities suffering a major loss of employment such as the closing of a military base or the shutdown of factories because of Federal regulations. Though we had in mind adjustment to such dislocations, I believe this program can also be used in the war on unemployment. Funds are available for a variety of possible needs: planning, technical assistance, public works, business loans and guarantees, mortgage payment assistance, rent supplements, public services, and relocation of individuals.

Mr. President, bankruptcies are at record levels. Large firms are shutting down branch plants in communities across the land. This program can help these communities help themselves. It can also be used in assisting communities impacted by large scale development from military decisions or energy related development.

To sum up by program category:

[Fiscal year 1976]

Job opportunities program (title X)	$750,000,000
Quick start public works (title I)	400,000,000
Public works—long-term (title I)	250,000,000
Interest supplements, loans and guarantees to business (title II)	125,000,000
Local matching share and cost overrun supplementary fund	250,000,000
Special adjustment assistance (title IX)	100,000,000
Total	1,875,000,000

Mr. President, a call for a dramatic increase in public works authority is being heard from many quarters. The U.S. Conference of Mayors gave it high priority, calling for a vast increase in EDA programs. The Joint Economic Committee has called for the expansion of EDA programs, especially in depressed urban areas. It is these areas that currently suffer unbelievably high unemployment rates in the construction trades: Rochester, 61 percent; Miami, 49 percent; Phoenix, 40 percent; Cincinnati, 32 percent; Milwaukee, 23 percent; St. Paul, 37 percent; Newark, 32 percent; and St. Louis, 24 percent. The March seasonally unadjusted rate for construction unemployment is 24 percent.

These figures do not show the dramatic decline in average weekly work hours of construction workers who are counted as employed but are clearly underemployed.

I believe the situation warrants many initiatives to lick the recession: a relaxation of interest rates by the Federal Reserve; a public service jobs program; programs to stimulate the housing industry; and public works program to cope with the massive depression in the construction industry.

Yes, this bill will, I assume, add to the deficit. But we cannot afford to pay out money now to put people to work. As George Meany put it recently in House testimony: "The solution to deficits is jobs."

The chairman of the Joint Economic Committee has, day after day, kept us informed as to the views of deficit financing in the banking world and the community of economists. We are told that financing of expected deficits needs cause neither a new round of high interest nor a stifling of expanding because of a scarcity of funds. I am impressed by the arguments of the practitioners. I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks the monthly economic letter for April 1975 of the First National City Bank of New York. The contents convincingly show that the inflation or scarce money arguments—at least for the coming year—do not hold water.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONTOYA. Mr. President, I am impressed also by estimates that our public debt, as a percent of GNP, has been declining steadily since World War II. For example, it was 63.7 percent in 1952, 44.4 percent in 1962, and 29.4 percent in 1972. I ask unanimous consent to have printed in the RECORD to include at the conclusion of my remarks a table showing the relationship of Federal deficits and the public debt to the GNP, as prepared by the AFL–CIO Department of Research from Federal sources.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MONTOYA. Mr. President, I believe in a balanced budget. I abhor deficits. But high unemployment means human misery and social unrest. What real choice does a humane society have?

Mr. President, I mentioned early in these remarks that I would speak to the question of "leadtime" in using public works programs to fight recessions. It is said that from the inception of a public works project to its completion takes too long to have a timely effect on a recession. In the bill I have introduced today, most of the new authorizations go to labor incentive or job effective programs that are not huge, capital intensive public works. The projects are designed for quick start.

In the case of the $400 million special impact public works program, applications must be approved in 60 days. The job opportunities program projects must be completed in 12 months. For the funds that are used for local matching share or cost-overruns, the leadtime is cut because these projects are otherwise ready to begin. With respect to working capital for business, I am assured these loans or guarantees or interest subsidies can be accomplished in 60 days.

I am told $745 million for outlays during fiscal 1976—the period of these authorizations—over against a $1.875 billion authorization is a good ratio for public works. I accept that, but I wish also to point out that some misunderstanding surrounds the term "outlay." Federal project outlays are often—because of Treasury Department regulations—not paid out until completion of a project. A project taking, say 10 months, would not be funded until it was completed. But during those 10 months jobs were created and payrolls existed. Yet the Federal outlay does not show on the books until the project is complete. Thus the "leadtime" as measured by outlays is not an accurate measure. EDA, for example, each year must obligate all its project funds, since they are 1-year funds. But the lag between obligation and outlay does not show how many jobs are being created.

Senator RANDOLPH in March formally requested the GA to conduct a study to determine the amount of Federal money now available for construction either through appropriations or obligational authority. He expects those results in a few days. The request was prompted by the need to know about delays in processing grant applications, as the committee considered legislation to stimulate jobs through public works. As we consider this bill, we shall be looking at what holds projects up—administrative inertia, environmental impact statement requirements, lack of State or local compliance with Federal requirements, or what other reasons.

As we look at public works as an anti-recession tool, we must constantly monitor the capacity of our productive facilities. We do not want to risk price increases in this way by excess demand. Sadly, we are all familiar with the dramatic drop in capacity—from 79 to 70 percent in the fourth quarter. There is little danger that Federal programs through increased demand for construction materials and supplies are going to overtax our productive capacity and thereby induce more inflation in the next year. The opposite is true—we need to stimulate demand in the productive sectors of our economy.

Mr. President, as I indicated earlier hearings will be held May 20 to 21 on this bill and related legislation that may be before the Public Works Committee. I wish to call attention to a bill, S. 1189, introduced by the majority leader, and referred to the committee. It would also amend the Public Works and Economic Development Act, providing a regional impact and development assistance program. Such authorization would be extended to the title V regional commissions now embracing 31 States. In addition to adjustment assistance, the bill would authorize the seven existing commissions to assist communities greatly impacted by energy related development. I understand President Ford has said he would consider expenditures in energy-related areas that go beyond his budget. We shall be examining the bill in the coming weeks.

Mr. President, I believe the bill I have introduced today is a prudent bill. Perhaps the Senate will substantially increase it. We shall see. It is my wish that we can have it reported and acted on before the long hot summer is upon us. I hope members will join Senator RANDOLPH and me in sponsoring it.

I ask unanimous consent to have the text of the bill printed in the RECORD, and a descriptive table of the bill's provisions.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 1587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Works Employment Act of 1975".

SEC. 2. (a) The Congress finds that unemployment is at a level which severely damages our economic well-being and that such unemployment in the construction industry is 20% of the normal work force.

(b) As a result of the inflation experienced over the last two years, funds available for construction have been inadequate to meet Federal, State and local facility needs.

(c) The Congress, further, finds that projects which can be approved and initiated within 60 days for construction, repair or improvement of local public facilities and development facilities would contribute to a reduction in the level of unemployment.

SEC. 3. Title I of the Public Works and Economic Development Act of 1965, as amended, is amended—

(a) by striking the second sentence of section 101(c) and inserting in lieu thereof after the first sentence the following:

"The Secretary may reduce the non-Federal share below such per centum or waive the non-Federal share in the case of a grant for a project in a redevelopment area designated under section 401(a)(6) of this Act if he determines that the eligible applicant (including private, non-profit groups) has exhausted its effective taxing and/or borrowing capacity".

(b) by striking in the first sentence of section 105 "$250,000,000 for the fiscal year ending June 30, 1976" and inserting in lieu thereof "$500,000,000 for the fiscal year ending June 30, 1976".

(c) by adding the following new section at the end thereof:

"PUBLIC WORKS EMPLOYMENT ASSISTANCE

"SEC. 107. (a) The Secretary is authorized to make grants to applicants eligible under section 101(a) under this Act for the construction, rehabilitation, alteration, expansion or improvement of local public facilities or for the development of land and improvements for public works, public services, or facilities usage, if he finds that the project for which financial assistance is sought will—

"(1) fulfill an essential community need,

"(2) provide, to the exent possible, construction and other employment, or

"(3) assist in the early development of programs which may contribute to the long-term improvement of the area.

"(b) Grants to eligible applicants shall be made only in areas of high unemployment, actual or threatened abrupt rise in unemployment due to the closing or curtailment of a major source of employment or any area designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973.

"(c) The Federal share of a grant made for a project under this section shall be 80 per centum: *Provided*, That the Secretary may waive or reduce the non-Federal share if he determines that an eligible applicant (including a private, non-profit group) has exhausted its effective taxing and/or borrowing capacity.

"(d) Grants shall be made pursuant to the rules and regulations established under section 101 of this Act except that rules and regulations established under

"(1) the second sentence of section 101(d) of this Act, and

"(2) the second sentence of section 401(a)(6) shall not be applicable to such grants.

"(e) There is hereby authorized to be appropriated to carry out this section $400,000,000 to be available until expended: *Provided*, That no obligation of funds may be made if the national average rate of unemployment for the most recent three consecutive months has receded below 6.5 per centum as determined by the Secretary of Labor: *And provided further*, That no funds may be obligated to carry out this section after June 30, 1976."

SEC. 4. Section 201(c) of such Act, as amended, is amended to read as follows:

"(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section and section 202: *Provided*, That annual appropriations for the purpose of purchasing evidences of indebtedness, paying interest supplement to or on behalf of private entities making and participating in loans, and guaranteeing loans shall not exceed $170,000,000, for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1973, and shall not exceed $55,000,000 for the fiscal year ending June 30, 1974, and shall not exceed $75,000,000 for the fiscal year ending June 30, 1975, and shall not exceed $200,000,000 for the fiscal year ending June 30, 1976."

SEC. 5. Section 202(a)(2) of such Act, as amended, is amended by striking out the period at the end and inserting in lieu thereof "(D) contracting to pay, and to pay annually, for not more than ten years, to or on behalf of private entities amounts sufficient to reduce by up to 4 percentage points the interest paid by such entities on working capital loans which are obtained from non-Government sources, which provide for annual amortization of principal, and the proceeds of which are used for purposes referred to in this paragraph."

SEC. 6. Section 905 of such Act, as amended, is amended to read as follows:

"SEC. 905. There is authorized to be appropriated to carry out this title not to exceed $75,0000,000 for the fiscal year ending June 30, 1975, and $200,000,000 for the fiscal year ending June 30, 1976."

SEC. 7. Section 1003(e) of such Act, as amended, is amended by striking "and the Secretary of Labor jointly determine" and inserting in lieu thereof "determines".

SEC. 8. Section 1004 of such Act, as amended, is amended to read as follows:

"SEC. 1004. Within 45 days after the date of enactment of the Emergency Jobs and Unemployment Assistance Act of 1974 and within 45 days after funds are appropriated to the Secretary to carry out the purpose of this title, each department, agency, or instrumentality of the Federal Government, and each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans, and program including State, substate, and local development plans filed with such department, agency, or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in calendar year 1976 and additional programs and projects for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce recommendations for programs and projects which have the potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within 45 days of the receipt of such recommendations the Secretary of Commerce shall review such recommendations, and after consultation with such department, agency, instrumentality, and regional commissions, make allocations of funds in accordance with section 1003(e) of this title.

SEC. 9. Section 1005 of such Act, as amended, is amended by striking such section and renumbering subsequent sections accordingly.

SEC. 10. (a) Section 1006 as redesignated of such Act, as amended, is amended by inserting the following after "1975" in the first sentence: "and $750,000,000 for the fiscal year 1976".

(b) Section 1006 as redesignated is further amended by striking "1975" in the second sentence and inserting in lieu thereof "1976".

SEC. 11. Section 1007 as redesignated of such Act, as amended, is amended by striking "1975" and inserting in lieu thereof "1976".

SEC. 12. (a) The Secretary of Commerce shall provide financial assistance to federally assisted projects authorized and for which funds have been obligated at the time of enactment of the Public Works Employment Act of 1975 which because of rapid increases in wages or cost of materials cannot be completed within the amount obligated for the project: *Provided*, That nothing in this subsection shall authorize an increase in the maximum percentage of the federal contribution for any project for which funds have been obligated. (b) To be eligible for such assistance, the State or political subdivision thereof, Indian tribes, public or private non-profit group or association, or other eligible applicants to which Federal financial assistance is provided must submit an application to the Secretary setting forth the atage of project, type of project, job effectiveness of the project and the benefits to the community or region served by the project. The Secretary after reviewing the applications and with the concurrence of the agency, department, or instrumentality of the Federal Government funding the project shall provide funds for those projects which best serve the objectives of this Act: *Provided*, That not more than 15 per centum of the funds appropriated under this section may be used for projects in any one State.

(c) In addition to the grants otherwise authorized by this section, the Secretary is authorized to make a grant for the purpose of increasing the Federal contribution to a public works project for which Federal financial assistance is authorized under provisions of law other than this section to 100 per centum of the cost of the project if such Federal financial assistance under such law is immediately available for such project and construction of such project has not yet been initiated.

(d) There is hereby authorized to be appropriated $250,000,000 to carry out the pur-

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poses of this section, such amount to be available for obligation until December 31, 1976.

PUBLIC WORKS EMPLOYMENT ACT OF 1975

[In millions of dollars]

Fiscal year 1976—			
Authorized in bill	Presently authorized	Total authorization	Description
250,000	250,000	500,000	Increases EDA's title I public works authorization.
400,000	NA	400,000	Establishes separate temporary program to provide short-term construction and other employment. Projects must be approved within 60 days for construction, repairs or improvement of public facilities. Modeled on title I PWIP program except no requirement for formal designation of specific areas. Eligible areas are those of high unemployment and CETA designated areas.
125,000	75,000	200,000	Amends title II of Public Works & Economic Development Act (PWEDA) to increase authorizations for business loans and guarantees. Provides new interest supplement authority for working capital loans.
100,000	100,000	200,000	Increases title IX—Special economic development and adjustment assistance—Authorization to give this new program decided antirecession thrust. Program assists States and local areas to cope with actual or threatened severe unemployment due to economic dislocations due to drastic changes in economic conditions.
750,000	[1] 500,000	750,000	Title X—Job opportunities program. New authorization. Allocates funds to Federal agencies and regional commissions to accelerate existing programs to increase new employment in high unemployment areas. Amendments remove participation of Secretary of Labor in project review and limitations on labor and nonlabor project costs.
250,000	NA	250,000	Sec. 12 provides additional funds for cost-overruns on authorized Federally assisted projects for which funds have been obligated by the time this bill becomes law. Secretary of Commerce will decide among projects on the basis of job effectiveness of project. Authority also provided in section 12 to provide Federal assistance up to 100 percent of public works project costs for local matching shares.
1,875,000			

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[1] $125,000,000 has been appropriated, $375 is contained in Emergency Employment Appropriation Act of 1975.

EXHIBIT 1

[From the Monthly Economic Letter of the First National City Bank, April 1975]

CREDIT DEMAND—CROWDING OUT OR FILLING IN?

The recovery prognosis has been challenged by those who worry about the impact of heavy Treasury borrowing. The fear is that huge deficits in prospect for the fiscal years 1975 and 1975 will require the Treasury to aop up so much of the available credit that private borrowers will be shut off. If the Federal Reserve were to try to prevent this crowding out, the argument goes, they might create new money at such a fast clip that reasonable expectations of a new round of double-digit inflation would be quickly revived. In either case, the result could be a sharp rise in interest rates and a brake on recovery.

The logic behind the argument has serious flaws. Large as the federal budget deficit looms, it is primarily the result of the drop in tax payments and a rise in transfer payments. Estimates by government economists suggest that over $50 billion of the deficit in 1975 can be accounted for by the recession. During recessions, demands on the credit markets by households and private business diminish, and diminish the more sharply the deeper the recession. In other words, the counterpart of unusually heavy Treasury demands is a large decline in private borrowing by households and businesses.

These shifts in the apportioning of credit will be accompanied by an increase in the total credit supply. Federal Reserve policy is likely to be accommodative, as it typically has been in the past during recessions—and often in other periods when the Treasury has found it necessary to borrow large amounts. Personal saving also is likely to jump in 1975, partly due to the tax cut. The total amount of funds supplied (and raised) in the credit markets will rise, unlike the experience of 1974.

By the opening months of 1975, it was evident that the volume of nonfederal borrowing was running at less than a $100 billion annual rate, seasonally adjusted, compared with a $180 billion pace in the first half of 1974, and that this steep drop in demand for credit could become even deeper in the next few months. Later in the year, consumer borrowing should revive in response to stronger demands for durable goods and home purchases stimulated by ample supplies of mortgage credit.

Historical relationships suggest that total net nonfederal borrowing in 1975 is likely to run in the range of $90–120 billion. But the total credit supplied to ultimate borrowers—that is, consumers, nonfinancial businesses, governments and foreigners—is almost sure to top last year's estimated $172 billion, and it could rebound well above the $200 billion level. So the implication is that the total supply of credit will be sufficiently large to accommodate the total demand, including $70–90 billion of Treasury securities, without undue strain.

The judgment concerning the current year, however, does not necessarily hold for the longer run. As the economy recovers from this recession, private credit demands can be expected to escalate. As the economy nears full employment, the monetary authorities will face a painful dilemma unless the federal deficit and related Treasury borrowing diminish sufficiently. For they may find that they must either allow Treasury borrowing to crowd out private borrowers to an extent that stifles private capital formation or permit the money supply to grow at an inflationary rate.

EXHIBIT 2

RELATIONSHIP OF FEDERAL DEFICITS AND FEDERAL DEBT HELD BY THE PUBLIC TO GROSS NATIONAL PRODUCT

[Dollars in billions]

Fiscal year	Gross national product	Deficit or surplus	Debt held by public	Deficit, percent of GNP	Debt held by public, percent of GNP
1947	$219.7	$3.9	$225.6		102.7
1948	243.5	12.0	216.6		89.0
1949	260.0	.6	214.5		82.5
1950	263.3	−3.1	219.6	1.2	83.4
1951	310.5	6.1	214.3		69.0
1952	337.2	−1.5	214.9	.4	63.7
1953	358.8	−6.5	218.5	1.8	60.9
1954	362.1	−1.2	224.5	.3	62.0
1955	378.6	−3.0	226.6	.8	59.9
1956	409.4	4.1	222.2		54.3
1957	431.3	3.2	219.4		50.9
1958	440.3	−2.9	226.4	.7	51.4
1959	469.1	−12.9	235.0	2.7	50.1
1960	495.2	.3	237.2		47.9
1961	506.5	−3.4	238.6	.7	47.1
1962	$542.1	−$7.1	$248.4	1.3	45.8
1963	573.4	−4.8	254.5	.8	44.4
1964	612.2	−5.9	257.6	1.0	42.1
1965	654.2	−1.6	261.6	.2	40.0
1966	721.2	−3.8	264.7	.5	36.7
1967	769.8	−8.7	267.5	1.1	34.8
1968	826.0	−25.2	290.6	3.1	35.2
1969	898.3	3.2	279.5		31.1
1970	954.6	−2.8	284.9	.3	29.8
1971	1,012.1	−23.0	304.3	2.3	30.1
1972	1,101.6	−23.2	323.8	2.1	29.4
1973	1,224.1	−14.3	343.0	1.2	28.0
1974	1,348.9	−3.5	346.1	.3	25.7
1975	[1] 1,434.0	[1] −34.7	[1] 389.6	[1] 2.4	27.2
1976	[1] 1,596.0	[1] −51.9	[1] 453.1	[1] 3.2	28.4

[1] Estimate.

Sources: U.S. Department of Commerce, Office of Business Economics; U.S. Department of Treasury, Office of Debt Analysis; Office of Management and Budget.

Mr. RANDOLPH. Mr. President, I join with Senator MONTOYA in introducing the Public Works Employment Act of 1975. This bill will amend the Public Works and Economic Development Act of 1975 to expand the antirecessionary effectiveness of the programs conducted under the act.

This Nation faces one of the most severe economic crises in our history. Unemployment has been climbing rapidly over the past 12 months, with 8.7 percent of the work force—8,700,000 people—unemployed. Our gross national product declined in the third and fourth quarters of 1974. Current trends indicate that the decline will continue at least through the second quarter of 1975. The recession is taking its toll in business failures, which in January reached an 8-year high.

Mr. President, the Congress is receiving clear and distinct signals that the Federal Government must act quickly to

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restore our economy's health and stability. The House and Senate have responded to this economic emergency in several areas: the Tax Reform Act of 1975 has been enacted into law and the Emergency Employment Appropriations Act of 1975 is in conference. These two measures will do much to stimulate economic recovery by making money available to individuals for increased levels of spending and by providing funds for useful jobs for those currently unemployed.

The bill introduced today by the able chairman of the Subcommittee on Economic Development of the Public Works Committee, will continue the philosophy of providing meaningful jobs for the unemployed.

This measure provides increased authorizations for titles I, II, IX, and X of the Public Works and Economic Development Act of 1965. A new section will be added to title I authorizing grants for local facility improvement and development. Another new provision will authorize increases in the funding available for already approved federally-assisted projects which have experienced rapid increases in costs or to provide local matching shares where necessary to enable the project to go forward. Both of these new authorizations will make funds available for programs and projects which can have an immediate impact on economic activity.

Mr. President, the program envisioned by this legislation will provide a positive response to unemployment and recession problems. Increases in existing authorizations are for fiscal year 1976 except for title X—jobs opportunities program—which is available until December 31, 1976. Other new program authorizations cease when unemployment drops to more acceptable levels.

This bill demonstrates the ability of Congress to work to meet a pressing national need. The potential of this measure to place Americans to work is great. This is action that we must take quickly to stabilize the economic deterioration in our Nation.

By Mr. PROXMIRE (for himself and Mr. TOWER) (by request):

S. 1589. A bill to amend the U.S. Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriations acts, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

INCREASE IN PUBLIC HOUSING AUTHORITY FUNDS

Mr. PROXMIRE. Mr. President, at the request of the administration I am introducing, along with Senator TOWER, a bill to increase the amount of annual contribution which may be provided under the public housing program. I ask unanimous consent that a letter from the Secretary of HUD, explaining the legislation together with a section-by-section analysis, be printed in the RECORD.

There being no objection, the letter and analysis were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., April 23, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing proposed legislation which would amend the United States Housing Act of 1937 to provide increased authorizations for annual contributions thereunder, and to specify the manner in which annual contributions would be made subject to appropriation Acts. Also enclosed for your convenience is a section-by-section summary of the proposal.

The proposed authorization increases are consistent with and reflect recommendations for the public housing program contained in the President's budget for fiscal year 1976. Moreover, the recommendations for increased authorizations through fiscal year 1977 are in accordance with section 607 of the Congressional Budget Act of 1974; also, in accordance with section 401 of that Act; all proposed authorizations over current levels would be made subject to approval in appropriation Acts.

Together with the balance of the authorization which is expected to remain at the conclusion of fiscal year 1975, the added amounts of contract authority in the bill for fiscal year 1976 would provide for an estimated 400,000 additional subsidized new, rehabilitated, or existing housing units under the lower-income housing assistance program authorized under section 8 of the United States Housing Act of 1937. It also would provide for 6,000 units of Indian housing to be produced under other provisions of the Act. Additionally, the authorization increase proposed for fiscal year 1977 is designed to permit a fiscal year 1977 program at approximately the same level as that contemplated for fiscal 1976.

The proposal also would amend section 9 of the United States Housing Act of 1937 to authorize the Secretary of Housing and Urban Development to make annual contributions to public housing agencies for the operation of low-income housing projects, to the extent of appropriations therefor. The amendment would convert the present authorization of contract authority for operating subsidy annual contributions to an authorization of appropriations, thus making explicit in the statute the established current practice of funding such subsidies each year at a level for that year established through the appropriations process. Also, the proposed $525 million operating subsidy authorization level for fiscal year 1976 represents the level for that fiscal year reflected in the President's budget; the $572 million level proposed for fiscal year 1977 is consistent with budget projections for that fiscal year.

I ask that the enclosed bill be referred to the appropriate committee and urge its early enactment.

The Office of Management and Budget advises us that there is no objection to the submission of this legislation to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely yours,

CARLA A. HILLS.

Enclosures.

SECTION-BY-SECTION SUMMARY—APRIL 2, 1975

A bill to amend the United States Housing Act of 1937 to increase the amounts of annual contributions authorized thereunder, to specify the manner in which annual contributions shall be subject to Appropriation Acts, and for other purposes

Section 1. This section would amend section 5 of the United States Housing Act of 1937, which authorizes annual contributions undert he low-income public housing program, to increase the amounts of such contributions authorized to be made available. Current law provides that annual contributions may not aggregate more than $2,939,250,000 per annum.

Section 5 of the 1937 Act would be amended to provide additional annual contributions contract authority of $212,300,000 on July 1, 1975, with a further increase of $1,232,000,000 to occur on October 1, 1976. The section would provide, however, that the additional contract authority provided under the amendment would be effective only to such extent or in such amounts as are provided in appropriation Acts.

Section 2. This section would amend section 9 of the United States Housing Act of 1937. That section authorizes the Secretary of Housing and Urban Development to make annual contributions to public housing agencies for the operation of low-income housing projects, out of the aggregate amount of annual contributions authorized pursuant to section 5 of the 1937 Act.

Paragraph (1) of the section would amend the first sentence of section 9(a) to authorize the Secretary of Housing and Urban Development to make such annual contributions to the extent of appropriations therefor.

Paragraph (2) would authorize appropriations, for the purpose of providing annual contributions under section 9 on or after July 1, 1975, of not to exceed $525,000,000 per annum, which would be increased by $47,000,000 on October 1, 1976.

Section 3. This section would provide that the amendment to section 9 of the United States Housing Act of 1937 which would be made by paragraph (1) of section 2 would not affect authority under section 9, as such authority existed prior to such amendment, to make annual contributions for the operation of low-income housing projects pursuant to contracts for such annual contributions entered into prior to July 1, 1975.

By Mr. THURMOND:

S. 1590. A bill to amend title 10, United States Code, and the Military Selective Service Act to permit the assignment of members of the Armed Forces who have completed basic training and training in a military specialty as is prescribed by the Secretary concerned to overseas areas free from hostile fire, and to permit the release of Reserve component enlistees from their initial active duty for training upon the completion of basic training and training in a military specialty as is prescribed by the Secretary concerned. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, today I introduce legislation to amend title 10 of the United States Code which would permit the assignment of military personnel upon completion of basic or specialty training to overseas areas free from hostile fire.

This legislation would also permit the release of National Guard and Reserve component enlistees from their initial active duty for training upon completion of basic or specialty training.

Mr. President, currently there is a requirement that no individual can be sent overseas even to a nonhostile area or return to a Reserve or Guard unit until after completion of 4 months active duty. While this is appropriate for the majority of concerned personnel, there are those individuals who complete basic or specialty training within 3 months.

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Under current regulations these individuals have to be maintained on active duty or delayed on overseas assignments although their training has been completed.

Mr. President, this is important legislation and will result in a more efficient operation of our military services as well as result in budgetary savings for the Department of Defense.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asembled, That section 671 of title 10, United States Code is amended to read as follows:

Sec. 671. Members not to be assigned outside the United States before completing training—

"(a) Except as provided by subsection (b), no member of an armed force may be assigned to active duty on land outside the United States and its Territories and possessions until he has had four months of basic training or its equivalent.

"(b) Under regulations prescribed by the Secretary of Defense or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a Service of the Navy, a member of an armed force who has completed basic training and training in a military specialty as is prescribed by the Secretary concerned may be assigned to active duty on land outside the United States and its Territories and possessions, where, at the time of such assignment, members of the armed forces are not subject to hostile fire, explosion of hostile mines, or other hostile action."

Sec. 2. The sixth paragraph of section 4(a) of the Military Selective Service Act (50 U.S.C. App 454(a)) is amended by inserting ", except as provided by section 671(b) of title 10, United States Code" after "(including the Canal Zone)".

Sec. 3. The second sentence of section 511(d) of title 10, United States Code, is amended to read as follows:

"Each person enlisted under this subsection shall perform an initial period of active duty for training and may be released from active duty upon completion of basic training and training in a military specialty as is prescribed by the Secretary concerned. Insofar as practicable, the initial period of active duty for training shall commence within 180 days after the date of that enlistment."

Sec. 4. The third sentence of section 6(c)(2)(A)(iii) of the Military Selective Service Act (50 U.S.C. App. 456(c)), is amended by striking out the words "for not less than four consecutive months," and inserting in place thereof the words "as provided by section 511(d) of title 10, United States Code,".

By Mr. MORGAN:

S. 1592. A bill to authorize the disposal of chemical grade chromite from the national stockpile. Referred to the Committee on Armed Services.

Mr. MORGAN. Mr. President, in order to alleviate an immediate critical situation, and to assure continuity of the U.S. chrome chemical business, I am introducing S. 1592, a bill to release from the national stockpile 219,000 short dry tons of chemical grade chromite ore. The national stockpile currently contains 250,000 short dry tons of chemical grade chromite ore, and the Office of Emergency Preparedness 3-year requirement is 31,000 short dry tons; thus leaving the excess of 219,000 which I propose should be freed immediately.

United States imports 100 percent of the chromite ore used and processed in this country. Chemical industry uses a chemical grade chromite ore imported almost exclusively from the Republic of South Africa. The metallurgical grade is imported primarily from the Soviet Union, Republic of South Africa, Turkey, and Rhodesia. The refractory grade chromite comes from the Philippines, Soviet Union, and Turkey.

The material that I propose to be freed up is exclusively classified as chemical grade, and would be used by the chemical industry. South African mining companies send this ore by rail to the Port of Lourenco Marques, Mozambique, for ship loading. A variety of problems including rail car shortage and other problems at Lourenco Marques have caused shipping delays of 2½ to 3 months.

Further, indications are that these problems could very well continue for some time. To date, U.S. chemical producers have had to absorb excessive demurrage charges when they could get materials. These demurrage charges ultimately will have to be passed on to the U.S. consumer and will have an adverse affect on inflation in the United States. It should be pointed out that there is no substitute for chromite ore in the chemical process, and without ore, chemical plants will be forced to cease operations resulting in further unemployment. Based on current low inventories of chrome ore, such plant shutdowns could start taking place by early summer.

The principal product made from chromite ore is sodium bichromate, which ultimately finds its way into the manufacture of pigments, chromic acid, which is primarily used for metal finishing and plating, as well as bichromate being used for corrosion control, petroleum usages, textiles, preservatives, and other miscellaneous uses.

I urge unanimous support of this legislation so there will not be a countrywide cessation of production by the U.S. chrome chemical processors causing a chain reaction of the many industries served by the chrome chemical business. If this industry is unable to produce its products because of lack of chromite ore, the only other source of obtaining these products would be from imports, if available. Past experience of importing these materials has not proved to be in the long-term best interest to U.S. industries and consumers. Time is a major factor and I urge immediate action by the Senate.

By Mr. CRANSTON (for himself, Mr. Mondale, Mr. Williams, Mr. Randolph, and Mr. Laxalt):

S. 1593. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

OPPORTUNITIES FOR ADOPTION ACT OF 1975

Mr. CRANSTON. Mr. President, during the 93d Congress, on April 3, 1974, I introduced for myself and the chairman of the Labor and Public Welfare Committee's Subcommittee on Children and Youth (Mr. Mondale) and the chairman of the Labor and Public Welfare Committee (Mr. Williams), S. 3298, the proposed Opportunities for Adoption Act. The measure was referred to the Labor and Public Welfare Committee, but unfortunately, other priorities prevented its being considered before the close of the last Congress.

I am pleased today to reintroduce this measure, again on behalf of myself, Mr. Mondale, and Mr. Williams, and to welcome as cosponsors the distinguished ranking majority member of the committee (Mr. Randolph) and the committee's new minority member (Mr. Laxalt). The substance of the bill remains intact, although we have made several changes of a technical or clarifying nature, based largely on comments we have received from the public.

Among the most significant of these changes is the added language in the proposed section 1402(a)(1) making express the authorization of financial assistance to adoption agencies for the purpose of identifying children in need of adoption services and of freeing them for adoption. The process of identifying and freeing children for adoption—for instance those who have been institutionalized or in foster care for extended periods of time—is an expensive and time-consuming process which adoption agencies cannot afford to undertake without such assistance.

Such an endeavor was initiated on a pilot basis in Los Angeles in early 1970. Known as the "Reach-Out Program," its purpose was to determine whether children who were staying for extended periods of time in foster care and who stood little chance of ever returning to their own homes could be identified and freed for adoption. In fiscal year 1970–71, 177 "Reach-Out" children were freed for adoption. In the following year when the program operated throughout Los Angeles County, 621 children were freed. Adoptive placements totaled 121 in the first year and increased to 493 in the second year.

A second significant change is the new clause (5) in proposed section 1403(b), which would include among the duties of the Director of the National Office of Adoption Information and Services the responsibility for coordinating and consulting with other appropriate Federal departments and agencies and charged with providing related services and benefits under their programs and with other units within the Department of Health, Education, and Welfare insofar as the programs they administer relate to the purposes and provisions of the proposed title XIV which this bill would add to the Public Health Service Act.

I believe this coordinating function is most important, Mr. President, particularly with respect to the new title XX programs of the Social Security Act which provide funds to States for services to children including, at the option of the States, foster care for children and grant aid for child welfare services; with respect to the Developmental Disabilities Act, since its provisions relate directly to most of the "special needs" children; with respect to medicaid—title XIX of the Social Security Act—which provides support for the board, room, and care of disabled children in public institutions; and, finally, with respect to the supplemental security income—SSI—program which establishes a Federal program of income maintenance for the aged, blind and disabled—including blind and disabled children under 18 years of age. Under the SSI program, since the benefit is vested in the handicapped youngster, an adoptive family could receive SSI assistance for an adopted child. The coordination of these programs would result in the optimum utilization and enhance the cost effectiveness of the benefits to children which they were created to provide.

Mr. President, I can think of no better time than now for the reintroduction of this measure. We have seen in recent weeks the moving response to "Operation Baby Lift". Americans have demonstrated that they care deeply about the youngest victims of the Indochina war. That concern, ironically, has forced us to further probe our national conscience regarding the 120,000 young Americans who are in need of adoption. I am sure we will all agree that they are equally deserving of the kind of compassion and humanity that our Nation is showing toward the Vietnamese orphans. S. 1593 asks the American people to open their hearts and homes to our Nation's own children with "special needs"—those who have not been adopted because of their age, race, mental or physical defect, or because they are members of a sibling group.

SUMMARY OF THE BILL

S. 1593 would add a new title XIV—adoption assistance programs—to the Public Health Service Act. It is designed to promote the health and welfare of children in need of adoption by:

Encouraging States to subscribe to uniform adoption regulations so that legal and jurisdiction obstacles to adoption might be eliminated;

Encouraging States to enter into adoption assistance agreements with adoptive parents so that financial obstacles to adoption might be alleviated; and

Providing for the establishment of a National Office of Adoption Information and Services to insure quality standards for adoption services and postadoption counseling.

Mr. President, the need for this legislation is clear. It is estimated by informed sources that there are at least 120,000 children waiting in foster homes or in institutions because they are in legal limbo, are physically or mentally handicapped, or are otherwise difficult to place, due to their age or racial background. The tragedy of the adoption situation today is that the adopting public remains mostly white, wedded to the idea that adoption means a healthy white infant.

The legislation we offer today, Mr. President, is intended to benefit the 120,000 hard-to-place children. There are 7,800 to 8,600 in foster homes in California alone.

In introducing S. 1543 we are not attempting to interfere with the traditional role of the State in regulating domestic relations as they pertain to adoption. Rather, we are attempting to give leadership for the implementation of a plan of action, involving concerned agencies and public and private groups dealing with adoption, designed to overcome the longstanding barriers to interstate adoption—barriers which hinder the healthy and beneficial adoptive placement of so many thousands of children.

In 1971 the Children's Bureau granted funds to the Child Welfare League of America for a project designed to identify the specific legal and policy provisions and practices that constitute common impediments to adoption. The study, undertaken by Roberta Hunt for the League's Research Center and entitled "Obstacles to Interstate Adoption," examines the varying and sometimes conflicting ways in which the States strive to achieve both socially desirable and legally incontestable adoptions.

Among the obstacles she summarizes are the following:

First. Conflicting termination or relinquishment proceedings among and even within States which result in a situation where the adoption of a child in one State would not be recognized as valid were the family to move to another State.

Second. Local emphasis of laws and policies restricting the right to consent to adoption to executives of local agencies, thereby prohibiting the transfer of guardianship from State to State. This results in a situation where adoptive parents must go to the State of the child's origin to file a petition. And in some States, laws restrict the filing of petitions to residents of that State.

Third. Conflicting State laws and policies regarding the termination of guardianships: The laws of one State making no provision for the termination of guardianship except in proceedings for adoption; the laws of another State requiring such termination even before the adoptive placement is made.

Fourth. Diversity in State adoption laws on the question of when an adoption decree may be granted.

Fifth. The existence of "importation and exportation of children" laws in some States which, while enacted to provide safeguards for the children, constitute an obstacle to interstate adoption since the original purpose of these laws was to block the movement of children across State lines.

Sixth. The absence of uniform or coordinated interstate adoption assistance policies, for expenditures such as transportation, epecially where older children are involved and preliminary visits across State lines are needed. In addition, the diverse provisions for subsidizing unusual adoption costs present obstacles to interstate adoption. For example, where a family in a State having adoption subsidy arrangements adopts a hard-to-place child from another State, that family will often be ineligible for subsidy assistance unless the other State also has a subsidy arrangement.

In her report, Ms. Hunt also suggests possible solutions to these obtacles, but concludes by citing the need for leadership in implementing a plan of action toward those solutions.

Our bill attempts to promote this leadership.

Section 1401 of the proposed new title provides for the establishment within HEW of a "Committee on Uniform Adoption Regulations" to review current conditions, practices, and laws relating to adoption and to propose to the Secretary uniform adoption regulations which would facilitate the finding of suitable adoptive homes for children. The committee would be composed of representatives of National, State, and local child welfare organizations and representatives of other groups interested in facilitating the objectives of adoption agencies, as well as the Chief of the Children's Bureau in HEW.

Section 1402 of the proposed new title would provide Federal grants to States for the purpose of assisting them in meeting certain adoption costs. The grants would be available only to those States implementing programs consistent with the regulations proposed by the committee and finalized by the Secretary within 24 months after enactment of this bill. In this way, the bill is designed to provide an incentive to States to review their adoption laws and policies and make them consistent with uniform regulations aimed at alleviating the barriers to interstate adoption.

But the adoption assistance grants to States, Mr. President, are vitally important in themselves. They would be made available in the respective States to State agencies principally responsible for services to families and children, these agencies would then allocate funds to public and private nonprofit agencies meeting certain standards of quality, the establishment of which are required by the bill. Funds under this act could be used to—

First. Assist agencies in meeting certain costs involved in locating, freeing for adoption and placing children with special needs—defined in the bill as individuals between the ages of birth and 18 years who are physically, emotionally, or mentally handicapped, members of a sibling group, members of a minority group, children having other impediments—including age—to their adoption, or children for whom an adoptive placement has not been made within 6 months after such child is available for adoptive placement.

Second. Assist agencies in meeting costs of providing prenatal and postpart-

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um services to mothers, voluntarily planning to place their children for adoption, who are unable to assume such costs, but only to the extent that there are not alternative sources of bearing the costs of such services readily available under other Federal or State programs in the community, such as medicaid, maternal and child health services, or neighborhood health centers. We believe this provision is important, Mr. President, for two reasons. First, it would provide expectant mothers, who do not feel able to raise their offspring, the financial assistance needed to carry their pregnancies to term, while better assuring them that their offspring will be placed in the healthy and beneficial adoptive situation afforded by agency adoptions. Such women might otherwise feel no alternative but to resort to abortion or to infant adoption black marketeers. Second, this provision would relieve agencies of some of the costs they now bear for such purposes and enable them to direct their limited resources to furthering the placement for adoption of children with special needs.

Mr. President, the developing tide of grey and black market adoptions in these times of declining birth rates was discussed last year in a New York Times feature article of February 20, 1973, by Judy Klemesrud, in which she presented an in depth analysis of this growing problem, which I will ask to be printed in the Record at the conclusion of my remarks.

Third. Assist agencies in meeting costs of providing professional counseling and other social services to children in need of adoption, and to prospective and actual adoptive parents and foster parents to help them provide a supportive and healthy family environment;

Fourth. Provide assistance directly to adoptive parents in defraying the costs of special services to children required as a result of conditions which existed prior to their placement, up to an amount not exceeding the amount which similar services would cost the State were it to provide them as the guardian of these children. These special services are defined in the bill as including medical, dental, surgical, physical therapy, and psychotherapy services, and other services necessary for the well-being of the child; and

Fifth. Provide assistance directly to prospective adoptive parents, who would consider adoption but for their economic inability to meet a child's needs, in defraying the postplacement and post-adoption costs of supporting children with special needs, in amounts of assistance determined by the Secretary to be adequate to enable them to assume the responsibility for raising such children.

Thirty-six States and the District of Columbia have enacted forms of so-called adoption subsidy legislation which include provisions incorporating the areas of support I have just discussed. Mr. President, I will ask that a list of those States be printed at the conclusion of my remarks.

Mr. President, in addition, I would like to point out that we have included a provision in the bill—section 1402(c)—requiring the Secretary to take such steps as he deems necessary to encourage and facilitate the consideration of comprehensive adoption assistance legislation by those States which have not enacted such legislation.

Mr. President, subsidized adoption has proven to be much less costly than institutional care, and in many instances, less costly than long-term foster care. Under either of these alternatives, the obligation of the State as guardian to support the child will generally continue until the child is 18.

Cost-effectiveness aside, however, Mr. President, the major importance of the concept of assisting adoptive parents in meeting special costs associated with adoption is that such assistance has proven to be vitally helpful in alleviating the difficulty of finding permanent homes for children with special needs and giving these children identification with their own mom and dad.

My own State of California has a successful adoption assistance program carried out pursuant to a bill named for its author, my good friend, former State Senator and now Lt. Gov. Mervyn Dymally. By 1973, 704 children with special needs had been placed in permanent adoptive homes in Los Angeles County alone. The county estimates it saved nearly $8 million just in 1970 and 1971 by removing children from foster homes and placing them in adoptive homes. Here are two examples of the value, in human and cost-effectiveness terms, of the Los Angeles County program.

Jerry, who is now 8, was born with a brain dysfunction. He also suffers from myopia, hearing loss, and congenital heart disease. Jerry lived in various foster homes in Los Angeles County until he was finally placed for adoption in February 1973 by the Los Angeles County Department of Adoptions.

The family who adopted him has one child of its own and is giving Jerry the love and special attention he especially needs because of his physical and learning handicaps. They are getting $137 a month from the county for 3 years to help them correct some of Jerry's problems.

This compares with the $159 a month the county spent and would have had to continue spending for 10 more years until Jerry was 18 in order to keep him in foster homes. The total savings to Los Angeles County will amount to $19,080.

Debby, 4, had been in a foster home. She and her 5-year-old brother, Jim, who was living in another foster home, were adopted by the same family. Since their new father was only irregularly employed in the construction business and Jim needed special therapy, Los Angeles County paid the family $126 a month for Jim's medical care for a year.

If both children had remained in foster homes until they were 18, it would have cost the county $150 a month per child. This subsidized adoption enabled the county to save $47,088.

The net savings, after subtracting the foster home payments and the adoption assistance payments, to the county from these two cases alone is $66,168.

I will also ask to print in the Record, at the conclusion of my remarks, Mr. President, a most impressive and succinct report on the benefits of subsidized adoption prepared for the Illinois General Assembly. The case histories included in this report speak for themselves in providing a convincing justification for the concept of adoption assistance grants.

Finally, Mr. President, section 1403 of the proposed new title provides for the establishment of a National Office of Adoption Information and Services in the Children's Bureau of HEW's Office of Child Development. The Office would be the principal agency for carrying out the provisions of the new title.

The Director of the Office would be charged with the responsibility of conducting an educational program on adoption, evaluating and measuring the impact of the programs authorized by the new title, insuring that adoption agencies receiving assistance authorized under the new title subscribe to standards of quality which he would prescribe and coordinating and consulting with other appropriate Federal entities charged with providing related services and benefits. The office would also provide for, directly or by contract or grant, the operation of a national adoption information exchange system to assist in the location of children in need of adoption and in placing them in healthy adoptive homes.

I wish to acknowledge the many groups and individuals who have generously responded to our requests for assistance and information in our efforts to develop this legislation. They include staff members of the Child Welfare League of America, the American Academy of Pediatrics, the American Public Welfare Association, the National Conference of Commissioners on Uniform State Laws, the National Conference of Catholic Charities, the U.S. Children's Bureau, Julian K. Brantley of the Children's Home Society of California, Dorothy C. Williamson, former chief of Adoption Services, San Bernardino County, California Welfare Department; Walter A. Heath, former director, Department of Adoption, County of Los Angeles, and the present director, Lenore Campbell, and Evelyn Morton, Legislative Council on Adoptable Children. Their advice and constructive suggestions have been invaluable, and I am most grateful for their cooperation.

Mr. President, I ask unanimous consent that there be printed in the Record at this point the list of States with adoption subsidy laws, the New York Times article, and the Illinois General Assembly report on subsidized adoption.

There being no objection, the material was ordered to be printed in the Record, as follows:

States With Adoption Subsidy Laws

Alaska, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington (State), and Wisconsin.

[From the New York Times, Feb. 20, 1973]

Adoption Costs Soar as Births Decline

(By Judy Klemesrud)

Childless New York couples, made desperate by the current shortage of healthy white infants, are turning to the legal but often expensive field of private adoption.

In this nonagency procedure—widely known as the "gray market"—lawyers arrange for couples to acquire a baby at a total cost, including legal and medical expenses, that may range as high as $25,000. Although the procedure is legal in all but two states (Connecticut and Delaware), critics have questioned the high costs.

Behind the baby shortage lie the pill and other modern contraceptive devices, liberalized abortion laws and the lessening of the stigma once attached to unwed motherhood.

The adoption agencies, which once were able to provide a steady stream of white infants at fees ranging from $500 to $2,000, have found that their sources have virtually dried up. A result: Waiting lists of from three to five years for a baby.

The agencies have shifted their emphasis to children who used to be classified as "hard to place": They are either black or of mixed race, over the age of 2, or physically handicapped. The Children's Bureau of the United States Department of Health, Education and Welfare estimates that 60,000 of these children are now available for adoption, 1,050 of them in New York City.

"Gray market" adoption differs from "black market" adoption—which is illegal—in that the black market involves bypassing legal procedures to directly sell a child for something of value (usually money), or it involves outright fraud—such as the falsification of a birth certificate.

But what both the "gray" and "black" procedures boil down to is the ability to pay. And generally, the fees are sky high.

"There is no law about legal fees—we can charge any fee that we want to," said Walter Lebowitz, a Miami lawyer who was acquitted there last November on charges that he sold an infant to a couple for $7,000—$5,500 in legal fees and $1,500 in medical expenses.

The judge ruled that the case was a legal adoption and that the fees were all legitimate adoption expenses. Since then Mr. Lebowitz has written 200 pages of a book about himself and the case, with the working title of "The Baby Seller." He hopes that it will become a best seller.

And what does he define as a black market adoption? "Oh, we recently had one of those in Florida," he replied. "A lady sold her baby for a car. Now that's clearly black market."

In private adoption (known as "independent adoption" in some states), a couple generally go to an adoption lawyer who is either already in touch with a pregnant woman or knows other lawyers who may be. (There is a group of about 40 lawyers across the country who frequently work together.) The couple then agree to pay the mother's medical expenses and all legal fees. Of course, the use of a second lawyer raises the cost. In any event, the total ranges from $3,000 to $25,000.

Once the mother officially relinquishes the baby in court, adoptive parents in New York are investigated by the city and the report is turned over to either Surrogates or Family Court, which have the final say on whether the adoption will be permitted. Court approval means the parents will receive a birth certificate in their name and that the original certificate will be locked away.

In agency adoptions, the agency does all of the investigating—before the baby is given to the couple. With private adoptions, the city investigation comes after the placement and is much more cursory.

The private placements, however, are rarely turned down. "We have to find something really drastic for that to happen," a city investigator said.

According to Joseph M. Reid, executive director of the Child Welfare League of America, a total cost of $10,000 for a baby involved in a "gray" or a "black" procedure is becoming "rather normal."

"What we're hearing about these days are $25,000 babies," Mr. Reid said. "This is a very serious situation and one that may develop into a very critical one.

"The baby business is expanding rapidly all over the country, judging from what people in the child welfare field are telling me," he added. "These profiteers are using any method they can, including hiring someone on a campus to keep an eye out for pregnant girls, hiring someone to watch maternity homes for new arrivals—and even accosting doctors, lawyers and social workers for the names of pregnant girls."

There is very sketchy evidence available as to the extent of such adoption abuses as sky-high fees, falsification of records, illegal payment to mothers and blackmail following some illegal transactions. Court cases such as the one involving Mr. Lebowitz are rare, although district attorneys in New York and Miami, where many of the shadier dealings occur, said "investigations" in this area were now under way.

In New York, selling babies is a Class A misdemeanor, punishable by a one-year jail sentence and a $1,000 fine for each act. In Florida, it is a felony, and the offender faces a fine of up to $5,000 and up to 5 years in prison.

"You rarely find prosecution in this area," Mr. Reid said, "because it is a very messy situation. There is a baby involved, and a family involved, and they generally don't want to testify."

Nationally, the percentage of private adoptions compared with agency adoptions has held steady over the years, even though the total number of adoptions is rapidly declining due to the baby drought.

In 1970, the last year for which Government figures are available, 69,600 children were adopted through agencies and 19,600 were adopted privately. In New York State, the figures for 1971–72 were 4,457 agency placements and 1,637 private placements.

Ten New York area couples who were interviewed about their experiences with private and black market adoptions all vehemently refused to have their names used, for fear of cutting off their contacts for future adoptions, or because they feared that the children they had already adopted in this manner might somehow be taken away from them.

Here are some of their stories:

A Brooklyn Heights couple learned through a lawyer friend of a man who allegedly had a steady supply of white babies born of prostitutes. The man visited the couple at their home a few nights later and said he knew of two babies who would be born in a few months.

If the couple agreed to his $5,000 fee, he said, one of the pregnant women would check into a hospital under the name of the Brooklyn Heights wife, and the baby's birth certificate would bear the couple's names. No adoption proceedings would therefore be necessary, The couple pondered this highly illegal offer for an hour, then dismissed it as "sordid."

An East Side couple in their early 40's, who had been rejected by an adoption agency as being "too old" to adopt, received a telephone call one evening. It was from a Manhattan lawyer whom they had never met, or even heard of.

"I may be able to help you," he said, sympathetically. "If you like, I will mail you photographs of some handsome single young men and beautiful single young women. For $10,000, you can choose the couple you want to make the baby for you." At last report, the couple were still considering the offer.

A Jewish couple from the Caribbean decided they wanted that rarest commodity in the baby market—a Jewish baby. So they called a Miami lawyer and said that money was no object. A few days later they flew to Miami with $12,000 in cash and flew home the same day with the baby.

Several of the couples who have adopted privately spoke highly, almost reverently, about their lawyers, and said they would have no hesitancy about going through the process again.

"The only thing that bothered me was the $700 that was unaccounted for in our adoptions," said a Westchester County woman who, with her husband, adopted two babies privately through a Manhattan lawyer before the market dried up. (Each adoption cost around $2,500, including legal and medical fees.) "But my husband says that's the way you play this game," she added.

Other lawyers, such as Helen Hope of Miami, a former airline stewardess who is one of about 10 Miami lawyers who specialize in private adoptions, send itemized lists to their clients showing every single expense in the adoption.

When does the cost of a private adoption become "excessive"? Observers of the adoption field say anything more than $1,000 for the lawyer and a total cost of more than $3,000 is questionable, with certain exceptions. Sometimes, for example, the cost can soar much higher due to unexpected medical expenses. A New Jersey couple who had planned to pay $3,000 wound up paying $6,500 because the mother required extensive surgery following the birth of her baby.

Lawyers hear of babies in several ways: Referrals from obstetricians and abortion counselors, who, lawyers say, often get kick-back fees; contacts on college campuses; from the pregnant woman or her family, and from prospective adoptive couples who find pregnant women through their own sources.

Among the better known adoption lawyers in New York are Joseph Spencer, of 545 Fifth Avenue, who is sometimes called "the dean of private adoption"; Terry Milburn, who works out of her home at 670 West End Avenue; Stanley B. Michelman, of 250 West 57th Street, whose specialty is babies born in this country of visiting German and Austrian mothers; Leonard N. Tarr, of 40 Exchange Place, whose babies are sometimes called "Tarr babies," and Emanuel H. Pavsner, of 630 Third Avenue.

Mr. Tarr, who was also a stockbroker, could not be reached for an interview. He is serving the eighth month of a two-year prison sentence in the Federal Correctional Institution in Danbury, Conn., for perjury in a Securities and Exchange Commission case. He will be paroled March 7.

Mr. Pavsner received a three-year suspension last March from the Association of the Bar of the City of New York for "converting to his own use" money he received as a guardian for two elderly men designated as "incompetents." The sums involved were $17,690 and $17,887, according to bar association records.

Mr. Pavsner, who is still arranging adoptions, was one of three Manhattan lawyers who were visited recently by a New York Times reporter and a male friend who were posing as a prospective adoptive couple.

At the meeting, which was held on a Saturday morning, the day after the initial telephone conversation, Mr. Pavsner told the couple that for $10,000 they had a good chance of getting a baby by the end of February. He did not mention his suspension, but said that another lawyer would handle the court proceedings.

The parents, he said, were an 18-year-old Jewish girl and a 19-year-old Protestant boy,

both college students from middle-class backgrounds. He said the girl did not know she was pregnant until it was too late for an abortion.

Mr. Pavsner, a modly dressed man in a navy turtle-neck and a goatee, spent 20 minutes taking a thorough written biography of the couple, including detailed information about their financial status. Then he said that if the couple were interested, they would have to pay him $10,000, which would be put in escrow in case the baby was not perfect.

"If the baby has any defects or is a mongoloid," he told the couple, "you will get the next available baby."

Mr. Paysner said that both the couple and the pregnant girl and her family would be given each other's name—which is in opposition to agencies' policies of strict anonymity—and each would have the right to decide on the other's qualifications.

Mr. Michelman, the second lawyer who was visited, told the couple that for approximately $6,200 he could probably arrange for them to have a baby within six to eight months. The mothers he deals with, he said, are German and Austrian girls who are found by his associates in Europe.

"The mother flies to New York in her ninth month and is housed in a private home until she gives birth at Flower and Fifth Avenue Hospitals," he said. "I work with three German-speaking doctors there, and they give the girls excellent care."

Mr. Michelman said he had arranged 45 similar adoptions, and that, so far, only one woman had decided to keep her baby and take it back to Europe.

He said his portion of the $6,200 would be $2,250. "I know that's a lot of money for an hour's paper work and two court appearances," he said, "but we do take very good care of the girl while she's here."

When the couple called Joseph Spence, they were told that he would be unable to see them before the end of March, and that he charged $100 for an hour's consultation. He added that the "situation was grim," and that the couple would probably have to wait two years for a baby.

However, when the "husband" indicated that money was no object, Mr. Spencer told him, "Well, I do take certain cases in my home in Jackson Heights." An appointment was set for the following week in his office.

Two days later Mr. Spencer called the couple and told them that a Philadelphia lawyer, who usually handles babies from Greece, Italy and Yugoslavia, know of a white American infant who was about to be born. The cost was $9,500, plus an additional $2,500 fee for Mr. Spencer.

"If you're not interested," Mr. Spencer said, "we can still have the meeting in my office on Monday." The appointment was confirmed the next day by letter, which informed the couple that Mr. Spencer's fee for an hour's consultation had risen to $250. The couple canceled the appointment.

The following week, Mr. Spencer was interviewed in his office by the reporter, whom he did not know was a member of the couple who had seemed so eager to adopt a baby.

The lawyer, a wizened man with a full head of silver hair, refused to discuss his fees, saying only that "when you go to the best, you pay more. That's why Louis Nizer can command $5,000. That's why I get more than other people."

Mr. Spencer said he abhorred the practices of certain profiteering lawyers whom he called "buccaneers," but said he often dealt with them when his clients desperately wanted a baby and agreed to pay their inflated fees.

"Money talks in this business," he said. "It's gotten to the point where babies that are supposed to go to my clients are being snatched right out from under our noses for more mony. There's a terrific hunger out there, and the people who will suffer are those in the $15,000–$16,000 bracket or less, because they'll never be able to afford to adopt—unless they have wealthy parents."

Mr. Spencer said that even though it was illegal, he thought there was nothing wrong with an adoptive couple giving a gift of money to the mother for her baby in addition to legal and medical expenses. The way to circumvent the law in this case, he said, is to give the mother $750 to $1,000 "for living expenses."

"I feel philosophically that a mother who is doing this noble thing should be rewarded for her pain and suffering," he said.

Many child welfare experts say the only answer to adoption abuse is to put all adoptions in the hands of agencies. Such a situation now exists in Connecticut and Delaware, and similar legislation has been introduced but defeated in recent years in Florida and California.

"The all-agency system has been absolutely successful in preventing independent adoptions in Connecticut," said Robert Budney, that state's chief of adoption and unwed mother services. "About a dozen couples try to arrange independent adoptions a year, but that's only because they're ignorant of the law."

The system has been in effect there since 1959, and allows adoptions only through public or private adoption agencies. The public agencies charge no fee; the private agencies' fees are figured on a sliding scale based on a couple's income. Religion becomes a factor only when a mother requests that her child be placed with a couple of a particular faith.

Proponents of private adoption in New York are critical of what they consider to be the archaic and sanctimonious practices of agencies as they are now set up here, as well as of the agencies' long waits for babies, their impersonality, and their rigid requirements that make it difficult for middle-aged people to adopt and virtually bar adoptions across religious lines.

"We just didn't want to go through the humiliation that applying at an agency involves," said one Queens mother who had adopted a child privately. "They ask you such personal questions, like all about your sex life and the size of your house."

Judge Nanette Dembitz of the New York City Family Court, who has presided over hundreds of adoption proceedings, said that the occasional result of a system in which money is the most important factor in getting a child was the "obnoxious practice" of babies going to "undesirable parents."

"I think all private adoptions should be abolished," she said. "But first we must have a sufficient network of agencies that are truly nonsectarian and do not act arbitrarily. That would be the ideal situation."

SUBSIDIZED ADOPTION—A REPORT TO THE ILLINOIS GENERAL ASSEMBLY

(By Edward T. Weaver, Director, Department of Children and Family Services)

This report on subsidized adoption is submitted by the Department of Children and Family Services to members of the Illinois General Assembly in compliance with Public Act 76–1683, approved on October 6, 1969. The law amended the Act establishing the Department by adding the following language:

"The Department may provide financial assistance, and shall establish rules and regulations concerning such assistance, to persons who adopt physically or mentally handicapped, older and other hard-to-place children who immediately prior to their adoption were legal wards of the Department. The amount of assistance may vary, depending upon the needs of the child and the adoptive parents, but must be less than the monthly cost of care of the child in a foster home. Special purpose grants are allowed where the child requires a special service but such costs services would cost the Department if it were to provide or secure them as guardian of the child. The Department shall report to the General Assembly on the cost benefit of this program by April 1, 1970."

Accordingly, by official regulation effective November 14, 1969, the subsidized adoption program was implemented. Subsidized adoption is a plan by which the Department continues financial involvement beyond the legal consumption of an adoption of a child for whom the Department had responsibility by court order or surrender immediately prior to adoption. It makes adoption possible for children who would otherwise remain in tax-supported foster care until they reach adulthood. Included are children who cannot be placed for adoption through existing resources because of age, race, physical and/or mental condition, or other serious impediments.

Because of the program's newness and the need to familiarize staff with the criteria and procedures to be employed, only one subsidized adoption was completed in 1969. However, by March 20, 1970, a total of 45 applications for subsidized adoption had been approved, and the program was gaining momentum in each of the Department's eight regions throughout the state.

A careful, conservative projection of anticipated savings to the State of Illinois that will be realized while these 45 children grow to maturity has been set at $292,518. This figure was computed, at current dollar rates, by subtracting the total anticipated costs of the subsidies until the children reach 18 from the higher total of boarding care payments which the state would have to assume if it maintained guardianship of the children until they reach their majority. Known extra costs to the state to facilitate the adoptions—e.g., payment of a significant one-time medical or dental bill—have been deducted in arriving at the projected dollar benefit.

There will also be savings in administrative costs because Department caseworkers will no longer provide supervision of the child, which is required for youngsters in foster family care who remain under state guardianship. However, because the sample of approved cases is small and staff need time to become familiar with the processing of subsidized adoption (which represents an administrative cost), no attempt was made at this time to project the anticipated savings in administrative expenses. If the volume of children accepted under this program grows significantly, the savings in this area will be considerable.

All 45 children for whom subsidized adoption has been approved are being adopted by their foster parents. Twenty-two of the youngsters are white, 20 are black, two are of mixed race, and one is an American Indian. Thirty-two of the children are under five years of age. Some are physically handicapped. Some are mentally retarded. Some are older children who have been with the same foster parents for years and for whom placement in another home would definitely be traumatic for them.

The following examples have been taken from case records, with only the names of the individuals changed. They illustrate how the subsidized adoption program benefits the children, the adoptive family, and the taxpayer.

Margaret, 8, and Sarah, 5, are sisters. Joseph, 3, is a half-brother. All were victims of severe physical and mental abuse.

Margaret was brain damaged and is emotionally disturbed as well as retarded. She also suffers partial paralysis of the vocal cords from being choked, an incident which resulted in her stepfather's being sent to prison.

Sarah is a borderline retardate who was raped at age three and suffered other severe parental abuse and neglect.

Joseph was also abused in his former home and is a very slow learner.

These youngsters were placed in August, 1967, with a foster mother who has given them the love and security they so desperately need. The foster mother is divorced and works the night shift at a hospital as a licensed practical nurse. Her salary is $356 per month, and she has been receiving $290 per month from the Department for care of the three foster children. A young woman reared by the foster mother and now living in her home provides supervision for the youngsters when the foster mother is at her job. To enable her to adopt the children whom she has grown to love as her own, the foster mother is willing to reduce the Department's monthly care payments to $185 and to pay a lawyer to represent her in the three adoptions.

The Department has approved subsidized adoption. The dollar savings to the State of Illinois will amount to an estimated $22,900. In human terms, the "savings" to the children from obtaining a permanent home is inestimable.

Mary is a "hard-to-place" child. She is black and was born 8 years ago with a left arm stumped and malformed. Since she was one week old, Mary has lived with Mrs. Jenkins, a widow who is poor in material terms but rich in love for her foster child. Mary has called Mrs. Jenkins "Mom" as long as she can remember. They have been through much together, including the first fitting of a prosthesis on Mary's deformed arm. The prosthesis will need to be replaced two or three more times as Mary grows to maturity.

Mrs. Jenkins cannot afford a substantial loss of income, but she does want to adopt Mary. The Department has approved a subsidized adoption in which the agency will reimburse her for the lawyer's fee and will continue responsibility for Mary's medical care. The continuing monthly subsidy will be $75, or $17 less than the agency now pays for Mary's foster care. The estimated savings on "out-of-pocket" expenses over the next 10 years: $3,903.

Jimmy and Jonah are 4½-year old twins who were born prematurely. Both have a hare lip and cleft palate. For some time, the boys received medical care, through the University of Illinois' Division of Services for Crippled Children, at a specialized cleft palate clinic. Both have undergone successful surgery for repair of the defects, but Jonah still has an opening in his palate. Consideration is being given to a further operation.

A physician says "physically they are about like 2½-year olds and also in their apparent mental and social development. It is not realistic to assume they will ever reach normal intelligence or size." A psychologist is less fearful of mental retardation and believes the boys may continue to develop to "a low average to average intelligence potential."

Before the boys were six months old, the Department arranged through a private agency to place them with the Morris foster family. According to the caseworker, "much of the progress and continued development can be attributed to the Morris' support, incredible patience, and constant effort in behalf of the twins. Mr. and Mrs. Morris and their other children realize the limitations that the twins have physically and intellectually and accept their limitations with understanding and love."

Mr. Morris, an $810 a month design engineer, and his wife have adopted four children already, all of whom were "hard to place" by reason of physical or mental handicap or racial background. They range in age from six to seventeen years of age. Payments provided by the Department for care of the twins have represented the family's only income in addition to Mr. Morris' salary. However, the family recently received placement of a three-month old mulatto child who they will ultimately adopt.

The subsidy agreement worked out with Mr. and Mrs. Morris, enabling them to adopt the twins, calls for the Department to provide a $75 monthly subsidy per child instead of the $115 per month per child boarding care fee. The Department will also assume responsibility for the legal fees, plus any medical treatment, speech therapy, or special education costs relating to the twins' handicaps.

The dollar savings to the State of Illinois over the next 13 years is estimated at $12,120.

Jerry, a six-year old black youngster, has been considered for adoption by several families, but plans have fallen through in each instance. This handsome, intelligent youngster has an allergic condition that has required treatment by a specialist nearly every week for the past two years.

Jerry has been in the Washburn foster home since he was one week old. Both the foster mother and the foster father, who was forced into early retirement because of a ruptured spleen, want to adopt Jerry. The child has assumed their last name and knows no other parents.

The family income is based on the father's Social Security and disability pension. The couple has cared for other foster children in the past, and will continue to do so. However, Jerry is the only adoptable youngster who has been with them on a long term basis. In fact, in 1967, when it became apparent that Jerry's chances for adoption were quite slim, a long-term placement agreement was entered into with the family. The Washburns agreed to pay full clothing costs with the Department paying just the regular boarding care fee, without a clothing allowance.

Subsidized adoption will facilitate agency withdrawal from the case through payment to the family for legal fees for the adoption and by agreement to underwrite the cost of Jerry's medical treatment for the allergies. He is expected to need this type of medical treatment for only two or three years.

The savings that will accrue to the State of Illinois as a result of subsidizing Jerry's adoption has been estimated at $9,924.

Pamela is 5 and has been in the same foster home since she was four months of age. She did not become adoptable until she was more than 2½ years of age, well past the baby stage which appeals to most potential adoptive parents. Her foster mother and foster father, a steelworker who makes $400 per month, had not pursued the matter of adoption aggressively because they could not afford to hire a lawyer.

The case record states: "There is a strong emotional bond between the child and the prospective adoptive parents. Placement with this family has given the child a secure early childhood. To make any other plan for the child would be destructive, traumatic . . ."

The agreement recently approved by the Department of Children and Family Services calls for the agency to pay the family for necessary legal work to complete the adoption. This one-time fee will be more than offset by the foster parents' willingness to terminate the $81 monthly child care payments entirely. The savings, projected until Pamela reaches age 18, amounts to $15,782. Equally important, the parents and child are benefited by a program which enables them to become a permanent family.

Success of this program will not reduce Department efforts to find new parents for adoptable children. On the contrary, by moving into adoption the backlog of children who form the hard core of the "hard to place," Department staff will be in a better position to engage in enterprising efforts to recruit applicants for adoption of minority race or handicapped children as they are released for adoption.

Policies and procedures utilized in the subsidized adoption program are currently under review, but processing of initial applicants suggests no major problems. Appropriate safeguards have been built into the procedures for determining a family's eligibility for subsidized adoption. For example, the prospective adoptive parents must submit their most recent federal income tax return along with their application for a subsidy.

It is too early for the Department to make far-reaching claims of success in cost/benefit terms. However, the examples cited earlier demonstrate that subsidized adoption is a bold new approach to meet the need of "hard to place" children and that it has significant potential for conservation of public funds. The savings that may be effected by reducing, or at least controlling, worker caseloads should, moreover, not be overlooked. A significant long range benefit of this program is likely to be more effective utilization of the time of child welfare workers. If workers spend more time providing preventive services that hold families together, they reduce the need to place children outside their own homes, either in foster care or in adoption.

By Mr. PEARSON:

S. 1594. A bill to amend the Internal Revenue Code of 1954 to provide an additional investment credit for property which will assist employment opportunities in counties designated as balanced growth areas under State law. Referred to the Committee on Finance.

BALANCED GROWTH TAX INCENTIVES

Mr. PEARSON. Mr. President, I introduce a bill providing special tax incentives for job-creating investments in rural areas and in certain urban areas. The objective of this proposal is to advance the goal of rural development and balanced national growth.

Mr. President, over the past several years there have been many expressions of concern in the Congress and across the country about the imbalance in the distribution of our Nation's population; that too many of our people are concentrated in too few metropolitan agglomerations. Many of us have argued that this tilt in the population balance away from the countryside and the small town toward the large cities is economically inefficient, environmentally unsound, and socially undesirable. And we have argued that this imbalance will worsen unless steps are taken to counter it.

Congress has formally recognized the problem and declared a commitment to policies of rural-urban balance. Title X of the Agricultural Act of 1970 states:

> The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

And title VII of the Housing and Urban Development Act of 1970 declares:

> The Congress finds that the rapid growth of urban population and uneven expansion of urban development in the United States, together with a decline in farm population, slower growth in rural areas, and migration to the cities, has created an imbalance between the Nation's needs and resources and seriously threatens our physical environ-

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ment, and that the economic and social development of the Nation, the proper conservation of our natural resources, and the achievement of satisfactory living standards depend upon the sound, orderly, and more balanced development of all areas of the Nation.

These are bold declarations. I believe the intent they embody is sound; that the achievement of a more rational, balanced growth is essential to the Nation's health and welfare.

Yet the gap between these broad declarations and the concrete programs to achieve them is enormous. We did adopt the Rural Development Act of 1972. This was a significant legislative achievement, although the implementation of this act has been far from satisfactory. And in the Housing and Community Development Act of 1974 we adopted several measures, particularly in the area of housing which will further the cause of rural development. There have been other actions favorable to the cause of rural development, at least indirectly. But all in all the record of concrete action is painfully disappointing.

Mr. President, given the nature of our Federal system and our aversion to centralized planning, it is not likely that we will ever implement a comprehensive, unified balanced growth policy as such. It is not likely that we will, at least in the near future, emulate the rather comprehensive balanced growth policies that many of the European countries have already adopted. But certainly we can and must take additional steps to advance the cause of balanced growth. The legislation I propose today is one such step, a step which I believe is timely and essential.

Specifically, I propose that Public Law 94–12, the Tax Reduction Act of 1975, be amended to provide a special tax credit of 13 percent during 1975 and 1976 for job-creating investments locating in designated "balanced growth areas." This bill further provides that after the expiration of the 2-year emergency period provided in Public Law 94–12, and the general investment tax credit reverts to the 7 percent level, the special investment tax for job-creating industries locating in "balanced growth areas" be retained permanently at the level of 10 percent.

Mr. President, the special investment tax credit provided for in this bill applies to the manufacturing, processing, assembling, and distribution of personal property only. It does not apply to retailing, extractive industries, and agriculture.

Mr. President, this proposal defines two types of balanced growth areas. First, are the nonmetropolitan, or rural counties. These are counties which are not a part of a standard metropolitan statistical area, which for the most part means they do not contain a city of over 50,000 people. There is one exception. Nonmetropolitan areas of over 250,000 would be excluded.

Second, certain portions of urban counties which are suffering a serious decline in population could be designated as eligible balanced growth areas. This provision is made in recognition of the fact that while the primary problem is an imbalance between metropolitan and nonmetropolitan America, there is also a growing imbalance within some of our metropolitan communities. The movement of jobs from the central cities to the suburbs has created a great economic imbalance which needs to be addressed.

In summary, most nonmetropolitan areas and some metropolitan areas are potentially eligible for designation as balanced growth areas and, therefore, job-creating industries locating in these areas would be eligible for the special balanced growth tax credit.

Mr. President, one very important provision of this legislation involves State governments in the decisionmaking process as to how the system of balanced growth tax credits is to be used.

Specifically, areas which meet the definitions provided for in this legislation will not actually become eligible until they are formally designated as balanced growth areas by the individual State governments.

In other words, the State would have the option of designating all, some, or none of the areas within its boundaries which meet the definitional standards of the legislation. I would anticipate that some States would designate all potential balanced growth areas to be eligible. Other States which have already developed some land use and balanced growth planning mechanisms would be selective and would designate only certain areas to be eligible for balanced growth tax credit. And, it might be, that some States would decide not to participate in the program at all.

In any case, this gives to the States an important responsibility. It would, I believe, provide an important stimulus to the development of land use and economic growth planning within each State. And, certainly, it would encourage a greater dialog between the State governments and the local communities. In this connection, this legislation provides that States shall designate the eligible balanced growth areas consistent with the State's goals of balanced growth and land use and in accordance with the expressed desires of the affected local communities.

Mr. President, one further comment in regard to the possible designation of balanced growth areas in metropolitan communities. If a county in a Standard Metropolitan Statistical Area has shown a net decline in population over the past 5 years, portions or all of that county may be designated as a balanced growth area. However, the State in designating balanced growth areas within metropolitan areas may not designate metropolitan balanced growth areas which contain a total population greater than the total population contained in designated nonmetropolitan balanced growth areas.

Mr. President, over the years that I have advanced this proposal, I have found broad-based public support for this concept. At one time or another the use of tax incentives to encourage more dispersed population and economic growth patterns has been endorsed by such varied organizations and groups as the Advisory Commission on Intergovernmental Relations, the National Governors Conference, the National Advisory Commission on Rural Poverty, the National Advisory Commission on Civil Disorders, and many other groups and individuals interested in rural development and balanced national growth. One of the most recent and persuasive endorsements comes from the Science Advisory Panel to the Committee on Public Works of the House of Representatives.

This broad-based support has been manifested in the fact that proposals similar to the one I introduce today have twice, in 1969 and 1971, passed the Senate.

Mr. President, later this year the tax writing committees in both Houses will undertake comprehensive hearings on general tax reform. This will provide the proper forum for a full and detailed consideration of the use of tax credits to stimulate the rural development and balanced national growth. A full hearing of the issues involved may result in suggestions to modify the specifics of the bill I introduce today. On the other hand, I am fully convinced that a full and fair hearing of this issue will generate widespread support for the general proposition that the goal of rural development is a desirable one and that tax incentives can be used effectively to advance that goal.

Mr. President, this proposal builds on the established principle that investment tax credits can be used to stimulate the development of new jobs. It proposes to use this tool to encourage the development of new jobs in areas which will contribute to the goal of balanced national growth. And, of particular importance, it brings the States into the decisionmaking process. This proposal provides them a powerful new tool that they can use to shape the growth patterns within their boundaries. Thus, while contributing to the goal of balanced national growth, this legislation I believe, also, would help to strengthen our Federal system.

Mr. President, I ask unanimous consent that the text of the Balanced Growth Tax Credit Act of 1975 be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraphs (A) and (C) of section 46(a)(1) of the Internal Revenue Code of 1954 (relating to determination of amount of the investment credit) are each amended by inserting before the period at the end thereof the following: ", plus an additional 3 percent of the qualified investment (as so determined) attributable to section 38 property which is (or, for purposes of applying subsection (d), will be) qualified balanced growth property (as defined in section 48(l))."

(b) Section 48 of such Code (relating to definitions and special rules) is amended by redesignating subsection (k) as (l), and by inserting after subsection (j) the following new subsection:

"(k) Qualified Balanced Growth Property.—

"(1) In general.—For purposes of this subpart, the term 'qualified balanced growth property' means balanced growth property—

"(A) which is used predominantly in one or more designated balanced growth areas (or former balanced growth areas), and

"(B) the construction, reconstruction, or erection of which is commenced at a time when the area is a designated balanced growth area or the acquisition of which is pursuant to a binding order or contract placed or entered into at a time when the area is designated balanced growth area.

"(2) Balanced growth property.—For purposes of this subpart, the term 'balanced growth property' means section 38 property with respect to which the taxpayer establishes, under regulations prescribed by the Secretary or his delegate, that—

"(i) such property will assist in providing new employment opportunities in the balanced growth area or areas (or former balanced growth area or areas) in which it is used,

"(ii) such property will be used in the manufacture, processing, assembling, or distribution of personal property (other than in a business consisting primarily of selling or leasing property at retail), or in connection with, or a part of, a facility providing recreation to the public which is not inconsistent with State recreation plans, approved by the Bureau of Outdoor Recreation, and with local economic development plans, and

"(iii) the new employment opportunities in the balanced growth area or areas (or former balanced growth area or areas) which will be assisted by such property will not result in a decrease in employment in any other area.

"(3) Designated balanced growth areas.—For purposes of this subpart, the term 'designated balanced growth area' means a geographical area, designated pursuant to a law of the State in which the area is located by the Governor or other officer or agency of the State prescribed by the State law, which is within—

"(A) a county (i) no part of which is within a standard metropolitan statistical area designated by the Office of Management and Budget, and (ii) no part of which is within 25 miles of a standard metropolitan statistical area which has a population of 250,000 or more, or

"(B) a county (other than a county described in subparagraph (A)) which has suffered a net decline in population during the immediately preceding five-year period. Such term also includes any area within an Indian reservation.

"(4) Criteria for State laws.—In order to qualify under this subsection, a State law must provide—

"(A) that balanced growth areas will be designated consistent with goals for balanced growth in the State and its counties and other political subdivisions and areas thereof, and consistent with the expressed desires of the governing bodies of its counties and other political subdivisions,

"(B) for an annual review of all designations and the revocation of any designation of an area which is no longer an area described in subparagraph (A) or (B) of paragraph (3), and

"(C) that the total population of designated balanced growth areas described in subparagraph (B) of paragraph (3) may not exceed the total population of designated balanced growth areas described in subparagraph (A) of such paragraph."

(c) The amendments made by subsections (a) and (b) shall apply as if they had been enacted as part of the Tax Reduction Act of 1975.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 1595. A bill to authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the U.S. Virgin Islands. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. Fannin) a bill to authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the Virgin Islands.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of the Interior be printed in the Record.

There being no objection, the item was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., March 28, 1975.

Hon. Nelson A. Rockefeller,
President of the U.S. Senate,
Washington, D.C.
Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. President, and Dear Mr. Speaker: Enclosed is a proposed bill, "To authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the Virgin Islands."

We recommend that the bill be referred to the Appropriate Committee for consideration, and that it be enacted.

Our proposed bill provides that on May 1, 1975, the amount determined by the Administrator of the Federal Energy Administration of oil import license fees collected by him pursuant to Presidential Proclamation 3279, as amended, between May 1, 1973 and January 31, 1975, for imports of crude oil, unfinished oils and finished products into Puerto Rico (other than imports from the Virgin Islands) and into the Customs Territory of the United States from the Virgin Islands, shall be transferred and paid into the treasuries of Puerto Rico and the Virgin Islands. The sums so transferred and paid over shall be used by these Governments for public purposes as authorized by law.

Presidential Proclamation 3270, as amended by Proclamation 4210 and 4227, provides, in section 3(c)(1) (ii) and (iii), for payments to Puerto Rico, the Virgin Islands, Guam and American Samoa derived from funds collected as oil import license fees pursuant to the Proclamation. On June 19, 1973, the President, by amending Proclamation 3270, ordered payments to these territorial Governments of the license fees collected on imports of crude oil, unfinished oils, and finished products into Puerto Rico (other than imports from the Virgin Islands) and into the Customs Territory of the United States from the Virgin Islands. To carry out this mandate, a "Budget Clearing Account (Suspense)" was established in the Treasury in which the license fees have been deposited but from which no payments have been made to either Puerto Rico or the Virgin Islands.

On November 23, 1974, the Assistant Attorney General for the Office of Legal Counsel, Department of Justice, ruled that there was no legal authority for providing that the payments contemplated by the Proclamation be made to Puerto Rico and the Virgin Islands. On the basis of this ruling, the funds in the suspense account which otherwise would have been available under the Proclamation for payment to these jurisdictions are necessarily to be regarded as deposited into the Treasury of the United States, from which they cannot be drawn except upon Congressional appropriation.

The Assistant Attorney General expressly ruled that the license fees under the Proclamation are not duties within the meaning of 48 U.S.C. 70, which provides a continuing appropriation for the payment to the Treasury of Puerto Rico of duties collected on foreign goods entering Puert Rico.

As a result of the Department of Justice ruling Puerto Rico has lost revenues that, prior to the Proclamation, as amended, it normally would have received from such imports. The Virgin Islands, in turn, has relied on this new revenue source to aid its rapidly deteriorating economy and has programmed these monies into its approved 1975 budget. The situation in the Virgin Islands is equally as acute as that in Puerto Rico, because tourism, a major source of income, is in a sharp decline. We also note that without further Federal authorization, the Virgin Islands has no authority to levy income taxes.

America Samoa and Guam are not included in the relief sought by this bill because there were no imports into the United States from these territories.

Because of their reliance upon receipts from the oil import license fees under the President's June 19, 1973 Proclamation, the Governments of both Puerto Rico and the Virgin Islands have programmed these receipts into their budget planning. These anticipated receipts are of particular importance because of the declining economies in both places. Since the monies accumulated in the Suspense Account between May 1, 1973 and February 1, 1975, were accumulated in accord with the Presidential mandate and intent we believe there is a moral obligation to pay them into the treasuries of the Virgin Islands and Puerto Rico in order not to cause further economic hardship.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely yours,
Rayston C. Hughes,
Assistant Secretary of the Interior.

By Mr. JACKSON (for himself and Mr. Fannin) (by request):

S. 1596. A bill to amend the Water Resources Planning Act to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. Fannin) a bill to amend the Water Resources Planning Act to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation.

Mr. President, this draft legislation was submitted and recommended by the U.S. Water Resources Council, and I ask unanimous consent that the letter of explanation accompanying the proposal from the chairman of the Council be printed in the Record.

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There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. WATER RESOURCES COUNCIL,
Washington, D.C., February 11, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a bill to amend Water Resources Planning Act of 1965 (Public Law 89-80), to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation.

The current provisions of the Water Resources Planning Act allow the Council and each river basin commission to employ experts and consultants at rates not to exceed $100 per diem. The bill would raise this amount by providing a rate of compensation not in excess of the daily equivalent of the highest rate of basic pay under Section 5332 of Title 5 of the United States Code (GS-18—approximately $138.00 per day). The proposed rate is commensurate with that offered by other Federal agencies.

The current Act does not contain authorization for preparation of regional or river basin plans for FY 1976 and the current ceiling of authorization for administration and coordination for Council activities has been reached in the FY 1976 budget. The bill would authorize to be appropriated to the Council without fiscal year limitation such sums as necessary to carry out the provisions of this Act. The proposal for no specific program ceilings is to provide for executive flexibility in establishing program levels through the budget and appropriation process.

The Office of Management and Budget advises that enactment of this legislation is consistent with the President's programs and objectives.

Sincerely,

ROGERS C. B. MORTON,
Chairman.

By Mr. HARTKE (for himself, Mr. TALMADGE, Mr. RANDOLPH, Mr. CRANSTON, Mr. STONE, Mr. HANSEN, Mr. THURMOND, and Mr. STAFFORD):

S. 1597. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1975

Mr. HARTKE. Mr. President, today I introduce for myself and for the distinguished Chairman of the Subcommittee on Compensation and Pension (Mr. TALMADGE), the Veterans Disability Compensation and Survivor Benefits Act of 1975. I am also pleased that joining me in this measure are the other members of the committee, the Senator from West Virginia (Mr. RANDOLPH), the Senator from California (Mr. CRANSTON), the Senator from Florida (Mr. STONE), the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Vermont (Mr. STAFFORD).

This bill I introduce today would provide needed cost-of-living increases in compensation payable to those veterans who have sustained service-connected disabilities and similar increases in the dependency and indemnity compensation—DIC—paid to the survivors of veterans who die of service-connected causes.

The Subcommittee on Compensation and Pension will hold hearings on this measure on Thursday, May 8. I am hopeful that both the subcommittee and the full Committee on Veterans' Affairs can expeditiously complete action on this measure so that the full Senate can consider this measure in the near future so that it can be enacted by the commencement of the new fiscal year.

There are currently 2.2 million veterans—including 405,800 Vietnam-era veterans—receiving disability payments to compensate for the loss or reduction of earning capacities resulting from their service-connected injuries. There are another 369,000 widows and children of veterans who have died of service-connected causes receiving survivor benefits known as dependency and indemnity compensation—DIC. Mr. President, I ask unanimous consent that the following table showing average cost and caseload of veterans disability and compensation costs by period of service be inserted in the RECORD at this point.

There being no objection, the table was ordered printed in the RECORD as follows:

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS DISABILITY AND SURVIVOR COMPENSATION CASES

Total costs	Fiscal year 1974			Fiscal year 1975			Fiscal year 1976		
	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Total cost			$6,734,437			$7,443,174			$7,499,700
Compensation total	2,579,237	$1,568	4,045,471	2,583,[illegible]84	$1,785	4,612,428	2,577,969	$1,791	4,617,506
Veterans—total	2,207,001	1,489	3,285,411	2,214,4[illegible]7	1,689	3,740,220	2,211,915	1,693	3,744,400
Spanish-American War	11	6,270	69	5	7,225	36	5	7,225	36
Mexican border period	13	5,253	68	12	6,250	75	10	6,300	63
World War I	61,937	2,105	130,349	56,9[illegible]0	2,379	135,370	52,400	2,379	124,660
World War II	1,339,747	1,376	1,844,035	1,318,5[illegible]0	1,565	2,063,711	1,300,000	1,570	2,041,058
Korean conflict	240,573	1,682	404,745	240,2[illegible]0	1,921	461,438	240,000	1,927	462,415
Vietnam era	372,824	1,587	591,581	405,8[illegible]0	1,778	721,705	425,500	1,777	756,134
Peacetime service	191,896	1,639	314,564	193,0[illegible]0	1,854	357,885	194,000	1,855	360,034
Survivors—total	372,236	2,042	760,060	369,3[illegible]7	2,361	872,208	366,054	2,385	873,106
Indian wars	1	1,814	2	1	2,064	2	1	2,064	2
Civil War	12	2,267	27	9	2,556	23	6	2,556	15
Spanish-American War	291	2,395	697	2[illegible]5	2,751	729	245	2,751	674
Mexican border period	2	3,098	6	2	3,011	6	2	3,011	6
World War I	36,164	2,415	87,336	35,4[illegible]0	2,773	98,178	34,500	2,792	96,309
World War II	198,350	1,745	346,176	194,2[illegible]0	2,020	392,294	189,700	2,036	386,171
Korean conflict	39,288	1,985	78,005	39,0[illegible]0	2,289	89,280	38,800	2,305	89,438
Vietnam era	49,187	2,587	127,252	52,0[illegible]0	2,971	154,507	54,500	2,990	162,977
Peacetime service	48,941	2,463	120,559	48,5[illegible]0	2,829	137,189	48,300	2,847	137,514

Mr. HARTKE. Mr. President, it has been traditional practice under normal circumstances for the committee to review the rates of disability compensation and DIC every 2 years. My colleagues will remember that last year we enacted my bill the Veterans' Disability Compensation and Survivors Benefits Act of 1974—Public Law 93-295—which provided increases in these benefits. However, each of these disabled veterans and their survivors has in the last year become the victim of persistent, continuing rapid increases in the cost of living. The inflation experienced by the country in the last 12 months especially hits hard on disabled veterans and survivors who depend upon these fixed rates of income. Since May 1, 1974, the effective date of Public Law 93-295, the Consumer Price Index has risen 9.6 percent as of March 31 as shown in the following table:

TABLE 2.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS—CONSUMER PRICE INDEX

	1974	1975
January	139.7	156.1
February	141.5	157.2
March	143.1	157.8
April	144.0	
May	145.6	
June	147.1	
July	148.3	
August	150.2	
September	151.9	
October	153.2	
November	154.3	
December	155.4	

On an 11-month basis this represents an increase of 0.87 percent per month. For calendar year 1975 the President's Council of Economic Advisors estimates an inflation rate of 9 percent or 0.75 percent per month. Thus actual inflation to date plus projections for the 3 additional months to a July 1, 1975 effective date would require increases for compensation and DIC ranging from 11.8[illegible] percent to 12.2 percent, depending upon the inflation rate assumption utilized.

Mr. President, it is because of this increase in the cost of living that I pledged to the Disabled American Veterans when their national commander appeared before the full committee on February 26 that we would act this year to increase disability compensation to help restore purchasing power lost to the ravages of inflation.

Accordingly, the measure which I introduce today would provide increases of 12 percent in the rates payable to a veteran whose disability is rated 10 to 50 percent and a slightly higher increase of 14 percent in the rates payable to more severely disabled veterans whose disabilities are rated from 60 percent to totally and permanently disabled. A cost-of-living increase would be authorized for those receiving benefits under section 314(k) for anatomical loss and 14-percent increases would be authorized for those receiving statutory awards for severe anatomical losses.

The following table indicates rates payable under current law and the proposed increases in compensation payments if the Veterans' Disability Compensation and Survivors Benefits Act of 1975 is enacted:

TABLE 3.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER S. 1597

Disability	Present law	S. 1597	Number of veterans
(a) Rated at 10 percent	$32	$36	867,474
(b) Rated at 20 percent	59	66	343,550
(c) Rated at 30 percent	89	100	314,173
(d) Rated at 40 percent	122	137	179,542
(e) Rated at 50 percent	171	192	112,546
(f) Rated at 60 percent	211	241	115,104
(g) Rated at 70 percent	250	285	75,348
(h) Rated at 80 percent	289	329	37,380
(i) Rated at 90 percent	325	371	13,016
(j) Rated at total	584	666	122,215
Limit for veterans receiving payments under (a) to (j) above			
(l) Anatomical loss or loss of use of both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	727	829	9,129
(m) Anatomical loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, rendering veteran so helpless as to require regular aid and attendance	800	912	5,387
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthesis, anatomical loss of both eyes	909	1,036	1,602
Limit for veterans receiving payments under (l) to (n) above			
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or total deafness in combination with total blindness (5/200 visual acuity or less)	1,017	1,159	29
(p) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	1,017	1,159	6,370
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to whatever he is receiving under (o) or (p)	437	498	8,285
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	654	746	7,135
Total number of cases affected			2,211,915

In sum, 2.2 million disabled veterans will receive additional benefits totaling $467 million in the coming year.

In addition, Mr. President, the bill would increase the annual clothing allowance payable under section 362 of title 38, United States Code from $150 to $175. My colleagues will recall that this provision which I was privileged to author, was part of the Veterans' Compensation and Relief Act of 1972—Public Law 93-328. This provision provided for an annual clothing allowance of $150 to a veteran, who because of his compensable disability wears or uses a prosthetic or orthopedic appliance—including a wheelchair—which tends to wear out or tear his clothing.

Because this allowance has not been revised since it was first created, it is our conviction that the modest cost-of-living increase provided in this bill is thoroughly justified. Preliminary estimates indicate that this amendment will have a first year additional cost of approximately $1.4 million.

The bill would also provide a 14 percent increase in the rates of dependency and indemnity compensation payable to survivors of veterans who have died of service-connected causes. I have been in close contact with the Gold Star Wives of America, particularly with their able national legislative chairman, Geraldine G. Chittick, concerning the need for these increases. Just last March, Mrs. Chittick and a number of officers of the Gold Star Wives relayed these concerns as to the need for such increases to me.

The following table indicates rates proposed in the Veterans' Disability Compensation and Survivors Benefits payable under current law, and those

TABLE 4.—COMPARISON OF DIC RATES UNDER PRESENT LAW AND S. 1597

Pay grade	Present law	S. 1597
E-1	$215	$245
E-2	221	252
E-3	228	260
E-4	241	275
E-5	248	283
E-6	254	290
E-7	266	303
E-8	281	320
E-9	294	335
W-1	271	309
W-2	282	321
W-3	291	332
W-4	307	350
O-1	271	309
O-2	281	320
O-3	301	343
O-4	318	363
O-5	350	399
O-6	394	449
O-7	427	487
O-8	467	532
O-9	502	572
O-10	549	626

Mr. President, the Veterans' Disability Compensation and Survivor Benefits Act would also liberalize the eligibility for payment of DIC to certain survivors of disabled veterans. Currently survivors are entitled to DIC payments if it can be established that the veteran died as a direct result of a service-connected disability. The bill I introduce today would automatically entitle a survivor of any veteran who at the time of his death had a compensable disability rated total and permanent in nature to DIC benefits.

A similar provision was included in my bill, S. 3072, which was considered by the Committee last year. At that time the committee received considerable testimony in favor of this automatic entitlement from the Disabled American Veterans, the American Legion and the Blinded Veterans of America. The administration however opposed the provision. In light of conflicting viewpoints, and the lack of available information the committee did not report this provision, but instead directed the Veterans' Administration pursuant to section 207 of Public Law 93-295 to conduct a study of DIC claims of survivors of those veterans who had been rated totally and permanently disabled at the time of their death.

The committee directed the Veterans' Administration to place particular emphasis in its analysis of disposition of DIC applications, first, to the difficulties in establishing service-connected death by widows; and second, to the financial situation of those widows and families denied DIC benefits.

The study, which was submitted to the committee on January 20, 1975, reveals a number of things which bear on both of those questions. First, the study reveals that nearly 25 percent of all claims for death benefits by widows of veterans who were totally and permanently disabled during their lifetime, were denied by the Veterans' Administration. It is my conviction that many of these denials were caused by the Veterans' Administration's failure—however well meaning claims adjudicators may be—in taking into full account the total impact of a total and permanent disability. Such a condition may be a contributing factor to a death resulting from a disease of disfunction which of itself may not be regarded as service-connected in origin. Existing procedures often do not take into account the recognized fact that catastrophic disabilities cannot be isolated in the body to one organ, one limb or one particular

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disfunction, but rather affects in one way or another a person's entire physical and mental system. The present practice also fails to adequately acknowledge that a total and permanent disability can severely shorten a life expectancy of a veteran. In short, the present system is imprecise, vague, and can lead to injustice where injustice is particularly tragic.

In its comments accompanying the report on its study of DIC denials, the Veterans' Administration said that its determinations were made on a "very liberal basis." Nevertheless, the Veterans' Administration recently recognized the inherent problems and difficulties in making such judgments in a program guide change issued on March 27, 1975, subsequent to report to the committee. The purpose of the program guide issued by the Acting Director of the Veterans' Administration Compensation and Pension Service—and approved by the Chief Benefits Director—was "to reemphasize and encourage more equitable use of the broad discretionary power" in the rating boards with respect to death claims. Whether or not this implicitly admits that less than equitable decisions have been made in the past, it seems to me that it does point up the need for increased compassion when dealing with surviving spouses of veterans who are totally and permanently disabled during their lifetime.

The program guide acknowledges that greater consideration should be given to whether service-connected conditions impaired the general health of the individual so that he or she was less able to ward off the effects of disease or trauma.

I ask unanimous consent that the entire text of the program change be inserted in the RECORD at this point.

There being no objection the program guide change was ordered printed as follows:

VETERANS' ADMINISTRATION,
Washington, D.C., March 28, 1975.

Department of Veterans Benefits PG 21-1, "Program Guide, Compensation and Pension", is changed as follows:

Pages P-2-1 and P-2-2: Insert these pages attached.

These pages are added to reemphasize and encourage a more equitable use of the discretionary power which is vested in the rating boards by controlling regulations and instructions pertaining to contributory cause of death.

J. C. PECKARSKY,
Acting Director, Compensation and Pension Service.
RUFUS H. WILSON,
Chief Benefits Director.

RATING PRACTICES AND PROCEDURES

DEATH

The purpose of this program guide is to reemphasize and encourage a more equitable use of the broad discretionary power which is vested in the rating boards by controlling regulations and instructions pertaining to contributory cause. Toward this end, the provisions of VAR 1312(C) and PG 21-1, section P-1, should be carefully studied and applied.

In giving more thought as to how a service-connected condition can contribute to death, the following should be considered by the rating board:

(1) Does it impair the general health of the individual so that he or she is less able to ward off the effects of disease or trauma?

(2) Does it act together with other conditions so as to produce a combined effect that overwhelms the individual's natural defenses?

(3) Does it deprive his body of its built-in reserve capabilities such as when one lung, or one kidney is removed and death is later due to a non-service connected involvement of the paired organ?

(4) Does it leave a vital organ so damaged that it renders it incapable of resisting the effects of an unrelated superimposed pathology such as viral pneumonia upon fibrotic lungs?

(5) Does it materially adversely affect the natural psyche to live, leading in the obvious cases to suicide and in the more subtle cases to subconscious behavior patterns, such as alcoholism, gluttony and drug addiction; or such as a profound and total disregard of normal self care measures leading inevitably to fatal consequences? These mental processes are often observed in psychotics and psychoneurotics with severe symptoms bordering on psychosis and those with very incapacitating conditions such as paraplegia, gross mutilation and disfigurement.

During the rating board's deliberation, the following guideposts should trigger in-depth consideration of the issue of contributory cause of death:

Does he have service connection for:

(1) A cadiovascular condition?
(2) A genitourinary condition?
(3) Other involvement of a vital organ?
(4) A chronic constitutional disease?
(5) A disability ratable at 50% or more?

Minor service-connected disabilities of a static nature which do not affect a vital organ do not, as a general rule, play a part in hastening death from an unrelated disease. It is to be recognized, however, that these disabilities of low evaluation can increase in severity prior to and at time of death and may as an active process become a material factor in hastening death.

Mr. HARTKE. Mr. President, aside from the very difficult question of deciding whether death was service connected, there is the additional question of the financial condition of those the totally disabled veteran leaves behind. According to the study submitted by the Veterans' Administration, the total income of those widows denied the DIC benefits averaged $2,621 a year. Thus, even if we assume a case in which there is no ambiguity with respect to service connection, I believe a strong argument can be made for a compassion and generosity toward this group of widows who have devoted so much of their lives to their totally disabled veteran spouses. Such recognition for those married to veterans with disabilities total and permanent in nature would not be unique. For example, educational and training assistance benefits are currently provided under chapter 35 of title 38, United States Code. Second, medical benefits are authorized for the spouses of totally disabled veterans under the CHAMPVA program, created by the Veterans' Health Care Expansion Act of 1973—Public Law 93-82. And finally, job counseling, training, and placement assistance under chapter 41 of title 38, United States Code was made available to this group under the Vietnam Era Veterans Readjustment Assistance Act of 1974—Public Law 93-508. Thus, automatic entitlement to DIC benefits would be a logical extension of the special status we accord to the spouses of severely disabled veterans. Further, the assurance of this additional income for the survivors should provide peace of mind for severely disabled veterans during their lifetime, knowing that their widows and children will be cared for.

The cost of this provision would, according to the Veterans' Administration, be "negligible"—probably less than $1 million a year. In addition, this cost should be considerably offset by reduced administrative costs currently entailed in determining such claims.

In closing, Mr. President, it should also be noted that cost-of-living increases have been acknowledged in the overall budgetary process as contemplated by the Congressional Budget Act of 1974. Earlier this year I wrote the Senate Budget Committee, pursuant to section 301(c) of Public Law 93-344, setting forth views with respect to matters within the jurisdiction of the committee which I am privileged to chair. In that report I noted that because of rapid increases in the consumer price index that there was a "pressing need for rate adjustments this year in the range of from 10 percent to 14 percent producing first full-year additional costs of from $300 to $600 million." The Budget Committee in its deliberations explicitly agreed with the need for cost-of-living increases. The precise cost of this cost-of-living measure, which has just been received by the committee from the Veterans' Administration, clearly falls within the parameters submitted to the Budget Committee.

In introducing this measure I am aware as my colleagues undoubtedly are also, of the President's intention to "draw the line" and oppose any new spending programs. However, as I just noted, the Veterans' Disability Compensation and Survivor Benefits Act of 1975 has been considered by the Budget Committee and has been incorporated as part of the overall budget resolution reported by that committee. Moreover, the President in his March 29 televised address, acknowledged an exception to his no new spending position for what he termed "urgent humanitarian needs." I am hopeful that the President will recognize that restoring lost purchasing power to the Nation's disabled veterans and survivors of those who have died as a result of the military service is a measure which is clearly humanitarian in nature and should be supported by him.

In closing, Mr. President, I ask unanimous consent that the text of the bill as introduced, together with a section-by-section analysis be printed in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1975".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$32" in subsection (a) and inserting in lieu thereof "$36";

(2) by striking out "$59" in subsection (b) and inserting in lieu thereof "$66";

(3) by striking out "$89" in subsection (c) and inserting in lieu thereof "$100";

(4) by striking out "$122" in subsection (d) and inserting in lieu thereof "$137";

(5) by striking out "$171" in subsection (e) and inserting in lieu thereof "$192";

(6) by striking out "$211" in subsection (f) and inserting in lieu thereof "$241";

(7) by striking out "$250" in subsection (g) and inserting in lieu thereof "$285";

(8) by striking out "$289" in subsection (h) and inserting in lieu thereof "$329";

(9) by striking out "$325" in subsection (i) and inserting in lieu thereof "$371";

(10) by striking out "$584" in subsection (j) and inserting in lieu thereof "$666";

(11) by striking out "$52" and "$727" and "$1,017" in subsection (k) and inserting in lieu thereof "$58" and "$814" and "$1,139", respectively;

(12) by striking out "$727" in subsection (l) and inserting in lieu thereof "$829";

(13) by striking out "$800" in subsection (m) and inserting in lieu thereof "$912";

(14) by striking out "$909" in subsection (n) and inserting in lieu thereof "$1,036";

(15) by striking out "$1,017" in subsections (o) and (p) and inserting in lieu thereof "$1,159";

(16) by striking out "$437" in subsection (r) and inserting in lieu thereof $498"; and

(17) by striking out "$654" in subsection (s) and inserting in lieu thereof "$746".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315 (1) of title 38, United States Code, is amended—

(1) by striking out "$36" in subparagraph (A) and inserting in lieu thereof "$40";

(2) by striking out "$61" in subparagraph (B) and inserting in lieu thereof "$68";

(3) by striking out "$77" in subparagraph (C) and inserting in lieu thereof "$86";

(4) by striking out "$95" and "$17" in subparagraph (D) and inserting in lieu thereof "$68" and "$19", respectively;

(6) by striking out "$41" in subparagraph (E) and inserting in lieu thereof "$27";

(6) by striking out "$41" in subpargarph (F) and inserting in lieu thereof "$46";

(7) by striking out "$61" and "$17" in subparagraph (G) and inserting in lieu thereof "$68" and '$19", respectively;

(8) by striking out "$29" in subparagraph (H) and inserting in lieu thereof "$32"; and

(9) by striking out "$55" in subparagraph (I) and inserting in lieu thereof "$63".

SEC. 103. Section 362 of to title 38, United States Code, is amended by striking out "$150" and inserting in lieu thereof "$175".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E-1	$245
E-2	252
E-3	260
E-4	275
E-5	283
E-6	290
E-7	303
E-8	320
E-9	[1]335
W-1	309
W-2	321
W-3	332
W-4	$350
O-1	309
O-2	320
O-3	343
O-4	363
O-5	399
O-6	449
O-7	487
O-8	532
O-9	572
O-10	[2]626

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $360.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $671.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $30 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a widow shall be increased by $73 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $123.
"(2) Two children, $178.
"(3) Three children, $229.
"(4) More than three children, $229, plus $46 for each child in excess of three.".

SEC. 203. (a) Subsection (a) of this section 414 of title 38, United States Code, is amended by striking out "$64" and inserting in lieu thereof "$73".

(b) Subsection (b) of section 414 of such title is amended by striking out "$108" and inserting in lieu thereof "$123".

(c) Subsection (c) of section 414 of such title is amended by striking out "$55" and inserting in lieu thereof "$63".

SEC. 204. Section 410(a) of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall pay dependency and indemnity compensation to the widow, children, and parents of any veteran who dies after December 31, 1956, and who

"(1) dies from a service-connected or compensable disability; or

"(2) was at the time of his death in receipt of or entitled to receive compensation for a total service-connected disability permanent in nature.

The standards and criteria for determining whether or not a disability is service-connected shall be those applicable under chapter 11 of this title.".

TITLE III—EFFECTIVE DATE

SEC. 301. The provisions of this Act shall become effective on July 1, 1975.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF S. 1597

Section 1

This section provides that the proposed act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1975."

TITLE I—VETERANS DISABILITY COMPENSATION

Section 101

Subsection (a) provides increases in the basic rates of service-connected disability compensation payable under section 314 of title 38, United States Code, ranging from 12 percent to 14 percent depending upon the degree of severity of disability. Increases of 12 percent are provided for disabilities rated 10 to 50 percent. Increases of 14 percent are provided for disabilities rated 60 to 100 percent. Currently, a veteran with a 10-percent disability receives $32 monthly and a veteran with a disability rated at 100 percent receives $584, the rates would be increased to $36 and $666 respectively. An increase of 14 percent is provided for all higher statutory awards involving combinations of severe disabilities. A 12-percent increase is provided for the statutory awards payable under section 314(k).

Subsection (b) authorizes administrative adjustment consistent with the rate increases specified in *subsection (a)*, of the rates of disability compensation payable to persons under section 10 of Public Law 85-857 who are not in receipt of compensation under chapter 11 of title 38, United States Code.

Section 102

This section provides increases in the additional allowances payable under section 315 of title 38, United States Code to service-connected disabled veterans with spouses, children, and dependent parents when the veteran is rated 50 percent or more disabled. These allowances are increased by 12 percent and would affect approximately 365,000 veterans.

Section 103

This section would provide an increase in the clothing allowance of $25 payable under section 362 for a veteran who because of his compensation disability wears or uses a prosthetic or orthopedic appliance, including a wheelchair, which tends to wear out or tear his clothing, from $150 to $175.

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

Section 201

Subsection (a) would increase the rates of dependency and indemnity compensation (DIC) payable under section 411 to the widows of veterans who died of service-connected causes. Currently, the minimum amount of DIC payable is for the widow of a veteran who attained the grade of E-1, $215 monthly, ranging upward to the DIC payable to the widow of a veteran who attained the grade of O-10, $549 per month. These rates would be increased by 14 percent or $245 per month for an E-1, to $626 per month for an O-10.

Subsection (b) would increase the additional monthly allowance payable under section 411(b) to a widow receiving DIC for each child under eighteen by 14 percent from $26 to $30.

Subsection (c) would provide a 14-percent increase in the additional allowance payable under section 411(c) to a widow in receipt of DIC who is in need of aid and attendance from $64 per month to $73.

Section 202

This section would provide a 14-percent increase in the rates of DIC payable under section 413 for children when there is no widow entitled. Currently the rates range from $108 for one child to $201 for three children plus $40 per month for each additional child. The increases would provide rates of $123, to $229, respectively, with $46 for each additional child.

Section 203

Subsection (a) would provide a 14-percent increase in the additional allowance payable under section 414(a) to a child eligi-

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ble for DIC who had attained the age of eighteen and is permanently incapable of self-support from $64 to $73 per month.

Subsection (b) would provide an increase of 14 percent in the additional allowance payable under section 414(b) to a widow receiving DIC when there is a child eligible who has attained the age of eighteen and is permanently incapable of self-support from $108 to $123 per month.

Subsection (c) would provide a 14-percent increase in the additional allowance payable under section 414(c) to a widow in receipt of DIC when there is a child pursuing a course of education approved under section 104 from $55 per month to $63.

Section 204

This section would amend section 410(a) to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled would be automatically entitled to dependency and indemnity compensation.

TITLE III—EFFECTIVE DATE

Section 301

Provides that the provisions of this Act shall become effective on July 1, 1975.

By Mr. MORGAN:

S. 1598. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for an improved method of selection of the State planning agency, and for other purposes. Referred to the Committee on the Judiciary.

Mr. MORGAN. Mr. President, today I am introducing S. 1598, a bill which allows the legislatures of the various States to determine for themselves who will administer the Law Enforcement Assistance Administration program in their States. They have been told by way of legal interpretations that the current law does not give them that right: I believe it only reasonable that they should have it and thus I am introducing this legislation.

Earlier in the session I introduced a similar bill, S. 1297. Since that time, I have given the matter additional attention and believe that this new bill will be an improvement. S. 1297 would have required that the States take affirmative action either to ratify the present method of administration or else establish some new means. This bill will allow those States which are satisfied with things as they now are to leave it that way without taking any legislative action. However, those who wish to transfer the direction and control of the program will have the power to do so within certain limits.

The LEAA program has come under strong criticism. I think that any action which we could take at the Federal level to make the program more efficient and responsive at either the national or State level should be done.

By Mr. THURMOND:

S. 1600. A bill to amend chapter 75 of title 10, United States Code, to reduce to 1 year the duration of marriage requirement for eligibility for benefits for a surviving spouse, and to suspend deductions from retired pay when there is no eligible spouse. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, the Congress passed Public Law 92–425 in 1972 to establish the survivor benefit plan for military widows. Under the provisions of this plan, a retired military member may elect to accept a reduction in his retired pay in order to provide an annuity for his spouse in the event he predeceases her.

Unfortunately, this reduction in a retiree's retired pay continues for the remainder of his life even though his spouse predeceases him or the marriage is terminated by divorce. In the event of remarriage, he may provide coverage for the new spouse provided he elects to do so within 1 year from the date of that remarriage. The benefits of the plan are available to the new spouse only if the retired member's death is at least 2 years after the marriage.

Mr. President, I am proposing legislation to amend chapter 75 of title 10, United States Code, to reduce to 1 year the duration of marriage requirement for eligibility for benefits for a surviving spouse and to suspend deductions from retired pay when there is not an eligible spouse. In my view, the requirement to continue contributing for the remainder of the retiree's life even though he no longer has an eligible spouse beneficiary is grossly unfair. Also, I believe that a 1-year delay between marriage and the eligibility of the new spouse will suffice to eliminate abuses arising from so-called death bed marriages entered into solely for the purpose of providing benefits under the plan.

The Survivor Benefit Plan was patterned in many respects on a plan available to retired civil service employees. In particular, the provisions for continuation of the deductions from the member's retired pay for the remainder of his life, and the 2-year delay in the coverage for the new spouse were adopted from the Civil Service Survivorship Plan.

However, the 93d Congress enacted legislation which changed those provisions to provide for discontinuing the reduction of a Civil Service retiree's retired pay at the time the marriage is terminated by death or divorce. The 93d Congress also reduced from 2 years to 1 year the interval between the date a retiree remarries and the date coverage for the new spouse becomes effective. Consequently, I am proposing legislation to amend the military Survivor Benefit Plan to make it consistent with the Civil Service Plan.

Mr. President, this is the objective of my amendment. I urge my distinguished colleagues to give this legislation serious and favorable consideration. I request that this amendment be appropriately referred and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter II of Chapter 73 of title 10, United States Code, is amended as follows:

(1) Clauses (3)(A) and (4)(A) of section 1447 are each amended by striking out "two years" and inserting in place thereof "one year".

(2) Subsection (a) of section 1452 is amended by adding the following at the end thereof:

"The reduction in retired or retainer pay prescribed by the first sentence of this subsection shall not be applicable during any months in which there is no eligible spouse beneficiary."

By Mr. EAGLETON:

S. 1601. A bill to authorize assistance for demonstration projects designed to develop reforms in the criminal justice system in the United States. Referred to the Committee on the Judiciary.

CRIMINAL JUSTICE REFORM ACT

Mr. EAGLETON. Mr. President, our involvement in foreign wars is, hopefully, ended for the present. But I believe that we, as a society, should turn our energies and resources to fight a new war—a war against crime here in the United States. It is a war that must be fought with all the determination and imagination that we can command, Mr. President, for in this war the enemy has imprisoned not thousands, but millions, of Americans in a cage of fear that leaves them incapable of carrying on the normal activities of daily life.

I make this proposal with some hesitancy, Mr. President. In recent years, we have declared war on poverty, on hunger, and on a host of other social ills. In each case, after the initial fanfare of the declaration of war and the announcement of bold new programs, there followed a steady erosion of support for that particular effort.

Regardless of these reservations, I have concluded that a declaration of war on crime would not be simply another exercise in governmental hyperbole. For it seems that only in wartime do we achieve the determination and the unity of purpose among our people that are necessary if we are to check the ever-growing rise in crime.

The available evidence points to the conclusion that, on this issue, the public is indeed aware and concerned and ready to support an attack on crime. National polls have repeatedly showed that Americans rate crime as the most serious domestic problem and the one that should be given top priority by Government.

Aside from these practical considerations, there is the certain knowledge of the debilitating effects of crime on the quality of life in this country and on the confidence and esteem accorded the Government by its citizens. If Government cannot protect us in the streets and in our homes against assault, and robbery, and rape, and murder, it might reasonably be asked, then of what value are the other accomplishments of the Government here, or abroad, or in space.

It has to stop. We simply cannot go on being the prisoners of crime—working behind locked doors in offices and even in detail establishments where customers must ring for admission—fearing to venture out to cash pension checks—living with the terror that any one of us may be the next victim. And no one is immune.

There are those who say that crime can be dealt with effectively only by attacking the underlying problems—lack of job opportunities, inferior education systems, discrimination against minorities, and a host of other social inequities.

Improvements in these areas necessarily involve massive programs of social reform, taking many years to influence the makeup of our society. I do not believe we have to wait that long. I believe we can start now.

We can begin by making improvements in the criminal justice system which we rely upon to deal with crime problems as they exist today. There is no need to wait for the millennium to reform the criminal justice system. Its deterioration has long been noted and there is a broad consensus on the need for improvement. But this system does not have an alumni body, or a parent-teachers association, or a lobby that can be depended upon for a forceful and timely presentation of its interests. It is largely dependent upon a public awareness of its needs, and a public concern that it be equipped to deal with modern criminal problems.

Given these circumstances, there is a great deal that can be done by the Federal Government to aid local law enforcement agencies—without absorbing them. It can offer financial support and technical assistance. Perhaps most importantly, it can provide leadership to point the way for the comprehensive reforms needed to equip the entire criminal justice system to combat crime more effectively.

Substantial financial assistance is already being provided. As a nation, we are now spending close to $10 billion annually for law enforcement purposes at all levels of government. Nearly 10 percent of that amount is dispensed by the Federal Law Enforcement Assistance Administration—LEAA—in the form of grants to States and communities under the authority of the Safe Streets Act of 1968, as amended.

It was hoped that leadership for reform would be forthcoming from LEAA, but the track record of LEAA shows this not to be the case. LEAA has functioned largely as a disbursing agent, with relatively little influence on the manner in which funds have been used. These conditions were perhaps inevitable, given the block grant approach and the unwieldly administrative structure for LEAA contained in the original Safe Streets Act. Improvements have been made, both in revising LEAA administration through subsequent legislation and, it is my understanding, in the imposition of better fiscal controls.

Nevertheless, the fact remains that LEAA has not served as a necessary catalyst for reform of the criminal justice system; rather, it has tended to reinforce the existing system in its traditional modes of operation.

There are exceptions to this pattern. Among the most noteworthy have been a number of programs funded through the Missouri Law Enforcement Assistance Council. This is not just my opinion as a booster of the State I represent—it is drawn from the observations of experts who do not have a parochial view.

When we speak of reform, we are talking about some of the very things that are being done in Missouri. Such things as statewide police recruitment and training standards, support for training of law-enforcement officers of all kinds, extension of parole and probation services, revision of the State's criminal code, and supplying alternatives for the care and treatment of juvenile offenders.

But, again, the experience in Missouri is an exception to the national rule. Even authorities within LEAA concede that disproportionate amounts of Federal funds have gone for arms and other equipment, or for construction of facilities that are not essential to the immediate task of reducing the amount of crime.

I am convinced, Mr. President, that no substantial improvements will come about until we approach the problems of law enforcement on a systematic basis. Indeed, it is an overstatement to refer to the current modes of enforcing criminal justice as a system. A 1969 staff report to the National Commission on the Causes and Prevention of Violence gives the following picture of the manner in which criminal justice is enforced in this country:

> A system implies some unity of purpose and organized interrelationship among component parts. In the typical American city and state, and under federal jurisdiction as well, no such relationship exists. There is instead, a reasonably well-defined criminal process, a continuum through which each accused offender may pass: from the hands of the police, to the jurisdiction of the courts, behind the walls of a prison, then back onto the street. The inefficiency, fallout, and failure of purpose during this process is notorious . . .

The bill I propose today represents an effort to change this pattern. This bill is grounded on the principle that what we call the criminal justice system must be viewed in its entirety, for if any one part malfunctions, the effectiveness of the whole is impaired. An excellent police force is hampered in preventing crime if there are long delays in bringing a defendant to trial. A criminal court system that disposes of cases quickly and fairly cannot salvage a convicted defendant who is sentenced to an institution which is only a breeding place for more crime.

The bill authorizes LEAA to make grants to States and localities which elect to participate, on a strictly voluntary basis, for the purpose of bringing about comprehensive reform. Initially, grants would be limited to a few States and localities as pilot programs, with the hope that these will point the way toward implementing the program nationally.

The bill does not contemplate detailed directions from Washington as to how each State must improve its system. Rather it sets a number of goals which participating States must undertake to meet—each through its own methods, each in the light of local conditions.

I will not attempt to enumerate all of the standards contained in this bill but they cover such things as the recruitment, training, pay, and retirement benefits of law enforcement personnel—criminal court operations, including the mandatory disposition of criminal cases within a fixed period after arrest, the extension of probation and parole services, correctional facilities—from local jails to State institutions, juvenile offenders, treatment of narcotics addiction, and alcoholism. For the most part, these are performance standards—that is, each State would be free to devise the most suitable way for it to meet the goals set out in the bill without Federal dictation at each step along the way, so long as these goals are being attained.

I do not suggest, Mr. President, that this bill is the final answer to the problems of fighting crime. We all know that those problems are too many and too complex to admit of a "single package" solution, but my bill does provide a starting point. Moreover, it may well be suited to amendments offered in the light of the final report of the National Advisory Commission on Criminal Justice.

Neither do I expect this bill—or any other bill—to reform human nature. Yet there are two things that we know can be done, and we know how to do them: first, law enforcement agencies can be improved so that more offenders are apprehended and brought into the criminal justice system; and, second, the entire system can be improved so that punishment will have greater meaning as a deterrent and incarceration will more nearly operate to rehabilitate.

For too long, government at all levels has acted as though an ever-increasing rate of crime is an inevitable fact of modern life—even though the rate of increase has been greater than population growth, has exceeded the rate at which our society has become urbanized, and has gone beyond the limits of our citizens' tolerance.

We have it within our power to reverse the upward trend in crime. Continued rising crime need not be an "inevitable" fact of life in this decade if we are willing to commit against it our talent, our means, and our determination.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Justice Reform Act."

DECLARATION OF POLICY

SEC. 2. The Congress finds that—

(1) in order to obtain effective control and prevention of crime, there is a need for demonstration projects to test within states and localities comprehensive criminal justice reforms, including reforms in recruiting, training, compensating, and supervising police and other law enforcement personnel, expediting and improving criminal court procedure, and strengthening correctional systems; and

(2) the recommendations of the President's Commission on Law Enforcement and the Administration of Justice, together with the planning and recommendations of a number of State planning agencies and commissions and other agencies, provide an excellent basis for the adoption of such reforms.

DEMONSTRATION PROJECTS AUTHORIZED

SEC. 3. (a) The Administrator of the Law Enforcement Assistance Administration is authorized to make grants to and to enter into contracts with States and, where appropriate, with localities for the conduct of demonstration projects designed to test the effectiveness of comprehensive criminal jus-

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tice reforms as described in subsection (b) of this section.

(b) A demonstration project assisted under this section may involve the testing of the following comprehensive criminal justice reforms:

(1) A State or, where appropriate, a locality will establish with respect to police and other similar law enforcement personnel—

(A) standards for recruitment which are uniform throughout the State;

(B) appropriate educational requirements for advancement which are uniform throughout the State;

(C) beginning compensation and increases in compensation which are appropriate for a professional, considering the size of the community and the cost of living in the community in which such personnel serve;

(D) a retirement system that is uniform throughout the State, and a statewide pension plan for such personnel;

(E) to the extent possible, uniform promotional policies for such personnel throughout the State;

(F) to the extent appropriate, standard operational procedures for such personnel throughout the State;

(G) lateral entry between law enforcement agencies of each locality within the State and between Federal, State, and local law enforcement agencies located within the State, with appropriate conditions on the period of initial service for such personnel; or

(H) facilities offering short-term mandatory training for all such personnel within the State.

(2) A State or a locality having jurisdiction over the trial of criminal offenses will implement such necessary reforms as will insure that (A) the trial of all such offenses (excluding juvenile offenses) will be commenced no later than sixty days from the date on which the defendant was arrested or from the date on which the defendant was charged by the authorities with such offense, whichever occurs first, and (B) the charges will be dismissed with prejudice for failure to comply with the requirements of this paragraph, except that the Administrator shall, by regulation, provide for the exclusion from such sixty-day period of any periods of delay that he designates as may reasonably be necessitated in the interest of justice; and reforms under this paragraph may include, without limitation—

(i) increasing the number of judges trying criminal offenses;

(ii) improving the efficiency of criminal court procedures;

(iii) appointing professional court administrators; and

(iv) increasing personnel engaged in prosecuting and defending criminal cases.

(3) A State or, where appropriate, a locality within such State—

(A) will establish a system for classifying persons charged with, or convicted of, criminal offenses so as to permit individualized treatment and security standards appropriate to the individual;

(B) will establish a range of correctional facilities that are adequately equipped and staffed to treat the particular classifications of inmates assigned there, including small-unit, community-based correctional institutions;

(C) will provide comprehensive vocational and educational programs designed for the special needs of rehabilitating each class of persons charged with or convicted of criminal offenses;

(D) will provide separate detention facilities for juveniles, including shelter facilities outside the correctional system for abandoned, neglected, or runaway children;

(E) will establish standards applicable throughout the State for local jails and misdemeanant institutions to be enforced by the appropriate State corrections agency;

(F) will provide parole and probation services for felons, for juveniles, for adult misdemeanants who need or can profit from community treatment, and supervisory services for offenders who are released from correctional institutions without parole;

(G) will establish caseload standards for parole and probation officers that vary in size and in type and intensity of treatment according to the needs and problems of the offender;

(H) will establish statewide job qualifications and compensation schedules for correctional officers, including probation and parole officers, along with a mandatory system of in-service training;

(I) will develop and operate programs of treatment and rehabilitation for persons suffering from alcoholism and drug abuse, available both to inmates and as an alternative to incarceration.

(4) A State will study by an appropriate and responsible group the consolidation of law enforcement agencies within such State best suited to the particular needs of that State; and will report to the Administrator on its findings not later than two years following the approval of its application;

(5) A State or a locality will study by an appropriate and responsible group the application of the criminal laws, as well as the propriety of the application of such laws to—

(A) alcoholism and drunkenness;

(B) narcotics addiction and drug abuse,

(C) gambling;

(D) vagrancy and disorderly conduct; and

(E) such other related areas which the State deems appropriate,

and will report to the Administrator on its findings with respect to such matters not later than two years after the approval of its application.

(c) No grant may be made and no contract may be entered into under this section unless an application is made to the Administrator at such time, in such manner, and containing or accompanied by such information as he may reasonably require.

LIMITATION

Sec. 4. No grant may be made and no contract may be entered into under section 3—

(1) for any statewide comprehensive criminal justice reform with more than 4 States; or

(2) with more than 10 localities located in any one State, or with more than 500 localities in all States, not covered by paragraph (1) of this section.

ADDITIONAL PROVISIONS OF AGREEMENTS

Sec. 5. Any agreement evidencing a grant or contract under this Act shall contain provisions adequate to assure that—

(1) Federal funds made available under this Act will not be used to supplant State or local funds for the purpose for which the agreement is made;

(2) whenever there is a failure to comply with the provisions of that agreement, the Administrator may withhold further payments, until there is no longer such a failure;

(3) in the case of the construction of any facility—

(A) the design and cost of construction will be reasonable; and

(B) all laborers and mechanics employed by contractors or subcontractors will be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5); and

(C) in any case in which—

(i) the ownership of the facility ceases to be a public agency, or

(ii) the facility ceases to be used for the purposes for which it was constructed unless there is good cause for releasing the applicant from the requirement of this clause, as determined by the Administrator, the interests of the United States will be protected.

TECHNICAL ASSISTANCE

Sec. 6. The Administrator is authorized to provide by grant, contract, or otherwise, technical assistance to a State or locality required to carry out the provisions of this Act.

PAYMENTS AND AUDIT

Sec. 7. (a) The Administrator shall pay in any fiscal year to each State or locality with which he has entered into an agreement pursuant to this Act for that fiscal year the Federal share of the cost of such agreement as determined by him.

(b) The Federal share for each fiscal year shall be 75 per centum of the cost of the programs and projects assisted under this Act.

(c) Payments under this section may be made in installments, in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

(d) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination, to any books, documents, papers, and records of a grant recipient under this Act that are pertinent to the grant received.

DEFINITIONS

Sec. 8. As used in this Act —

(1) "Administration" means the Law Enforcement Assistance Administration;

(2) "Administrator" means the Administrator of the Law Enforcement Assistance Administration;

(3) "criminal offense" includes juvenile offenses, except as otherwise specified;

(4) "locality" means any city or other municipality (or two or more municipalities acting jointly) or any county or other political subdivision or State (or two or more acting jointly) having general governmental powers; and

(5) "State" means each of the several States of the Union, and the District of Columbia.

APPROPRIATIONS AUTHORIZED

Sec. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of the Act.

By Mr. MATHIAS:

S. 1602. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States. Referred to the Committee on Commerce.

OUTLAWING THE STEEL JAW LEG-HOLD TRAP

Mr. MATHIAS. Mr. President, every year countless numbers of animals are maimed or killed by a method of trapping that is excessively cruel and inhumane. I am speaking about the steel jaw leg-hold trap. Not only is needless maiming and suffering inflicted upon wild animals by the use of these traps, but also many family pets and valuable hunting dogs are lost each year due to entrapment by these painful devices. In some cases, the animals snared by these traps are never found and consequently suffer a slow, terrifying, and agonizing death. I do not believe that anyone who has taken a careful look at these traps can still condone their use. I would like to share with my colleagues an article that highlights the cruelty of these devices that appeared in the January 15, 1975, issue of Farmland News entitled "Public Opinion Stirring Against Steel Jaw Traps." I ask unanimous consent that the article appear in the Record immediately following my remarks.

Mr. President, today I am introducing legislation to prohibit the use of the steel jaw leg-hold trap in the United States. I hope that my colleagues in the Senate will realize the justification for such a measure and support outlawing this most inhumane method of trapping. I ask unanimous consent that the text of my bill also be inserted in the Record following my remarks.

There being no objection, the article and bill was ordered to be printed in the Record, as follows:

Public Opinion Stirring Against Steel Jaw Traps

(By Jill Susan Rowe)

Trapping, long regarded as a necessary evil by some, a sport by others, is under attack by a growing number of vocal critics who contend that it is an unconscionable violation of the laws of humanity. There is no justification for the pain and terror suffered by millions of hapless animals caught every year in the steel jaws of the leghold trap, insist the critics.

Trappers often characterize their detractors as bleeding-heart do-gooders who oppose hunting and even fishing, as well as trapping. The fact is hunters are among trapping's strongest critics, because hunting dogs are so often victims of the trap.

It was the loss of two valued dogs, and injury of three others in steel jaw traps set near his lakeside home in Shell Knob, Mo., that began Stanley Patterson's crusade against trapping.

In December, 1971, three of Patterson's collie-shepherd pups disappeared. Two of them finally limped home on badly mangled feet. The third never returned. Then, just before Christmas, Taffy, the mother dog, disappeared with another pup. Christmas eve and day were spent searching for the dogs, to no avail. Then, the day after Christmas, Patterson found the missing pup.

"She had dragged the trap more than 100 yards before it caught in the underbrush," he remembers. "She had been in the trap for four days and was suffering from exposure, as well as a crushed front paw. She survived, but she still limps."

Taffy, a beloved family pet, was still missing. In his search for her Patterson found many unmarked traps, baited with small animals or household garbage. The weakened condition of raccoons and opossums found in some traps indicated the traps had not been checked for some time.

Finally, Patterson found evidence that Taffy had indeed been trapped, then shot and disposed of by the trapper. A spot where the ground has been dug up and underbrush uprooted was typical of an area where an animal has been trapped. The imprint of a trap, along with dog droppings and hair, pools of blood and a spent 22-caliber shell told the story. On the strength of this evidence, Patterson, a lawyer, signed a complaint against the trapper, who was convicted of willfully killing a dumb animal and assessed the maximum penalty—a $50 fine.

Outraged by the indiscriminate cruelty inflicted by traps, Patterson formed the Committee to Outlaw Steel Traps. His efforts have done much to arouse public outcry against trapping in Missouri, but, so far, nothing toward changing trapping statutes.

In response to strong public pressure, the Missouri Conservation Commission recently conducted a review of trapping. The result: they determined that trapping is a legitimate method of "harvesting" fur-bearing animals and that the moral issue involved is too nebulous and subjective to justify a revision in the statutes.

Patterson does not oppose the controlled trapping of individual predators, but deplores the use of wholesale trapping by part-time amateurs out to make a few dollars, or even worse, those who regard trapping as a "sport."

There are few professional trappers, he says. "Almost any other type of employment, given the same effort, would be more rewarding than trapping. I think it's reasonable to say that a ban on trapping would not deprive anyone of a livelihood."

It is the "sport" or trapping that arouses the most heated emotions among critics.

To any person with normal sensibilities and a share of compassion, trapping, which invariably causes hours and in many cases days of unspeakable suffering and terror, can hardly be considered a wholesome sport, says Patterson. "As for pitting a trapper's skill and wits against that of the wild animal, it reminds one of a stacked deck or loaded dice. The odds are indecent; man's passing gratification on the one hand and the animal's life on the other, with a lot of slow torture thrown in."

The ordeal of an animal caught in a leg-hold trap begins when the powerful jaws of the trap spring shut against its leg. The trap is strong and fast and this first impact often shatters the bone.

Initially stunned, the animal panics when it realizes it is trapped. In its frenzied attempts to free itself, it increases its pain by pulling and twisting the leg.

The animal may regain its freedom by gnawing off its own foot, although in its weakened and mutilated state it is unlikely to survive for long.

More likely it will remain in the trap. Thirst, hunger and the elements add to the suffering of the animal, whose leg becomes swollen and infected. For days, or even weeks, the animal may linger, until it dies of thirst, starvation or infection, is killed by a predator or finally destroyed by the trapper himself.

The trap is unselective and even trappers admit that more than half of the animals caught are not the ones the traps are intended for. This unwanted catch is referred to as "trash." Many cherished family pets and useful working or hunting dogs have been among the "trash."

An alternative to the painful steel jaw trap is the Conibear "killer" trap, which springs back against an animal's neck to kill it instantly. Invented by a Canadian trapper who finally sickened of watching the agony of the animals he trapped, the Conibear is a more humane method trapping. But trappers show little inclination to turn in their steel jaw traps for the slightly more expensive Conibear traps.

Behind every steel jaw trap in use today is a story—it's an ugly story filled with pain, terror and lingering death. That story used to be hidden in the woods and lakes and farmland where few saw it. But it's being told today, on television and in print. Films of trapped animals in the throes of death, followed by interviews with trappers calmly justifying their "harvest," build groundswells of popular resentment that are reaching the ears of elected representatives. The trap has already been banned in several European nations.

The steel jaw trap—simple, inexpensive and incredibly painful—may eventually become a relic of the past.

S. 1602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

Section 1. It is hereby declared to be the public policy of the United States to discourage the manufacture, sale, and use of leg-hold or steel jaw traps on animals in the United States and abroad.

PROHIBITION

Sec. 2. No fur or leather, whether raw or in finished form, shall be shipped in interstate or foreign commerce if such fur or leather comes from animals trapped in any State of the Union or any foreign country which has not banned the manufacture, sale, or use of leg-hold on steel jaw traps.

CURRENT LIST

Sec. 3. The Secretary of Commerce shall compile, publish, and keep current a list of States of the Union and foreign countries which have not banned the manufacture, sale, and use of leg-hold or steel jaw traps.

PENALTIES

Sec. 4. Anyone shipping or receiving fur or leather in contravention of section 2 of this Act shall, for the first offense, be fined not more than $2,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and shall be sentenced to a jail term of one to three years.

EFFECTIVENESS

Sec. 5. The provisions of this Act shall become effective two years after the date of its enactment.

By Mr. BENTSEN:

S. 1603. A bill to provide for training programs and relative supportive services which will provide middle-aged and older workers a full opportunity for meaningful employment and for other purposes. Referred to the Committee on Labor and Public Welfare.

MIDDLE-AGED AND OLDER WORKERS JOB ASSISTANCE ACT

Mr. BENTSEN. Mr. President, I am today introducing the Middle-Aged and Older Workers Job Assistance Act.

The deepening recession is endangering the livelihood and lives of a growing number of workers. They are being forced off the payrolls and onto lengthening unemployment lines at a rate unknown since the depression days of the 1930's.

Unemployment is particularly destructive to middle-aged and older workers who are in the period of life when their financial obligations are apt to be the heaviest. They have mortgages to meet, car payments to keep up, increasing medical expenses, a child or two in college, and perhaps an older parent who requires nursing home care. The loss of a job threatens them with the loss of everything they have worked for all their lives.

According to the Department of Labor, the number of unemployed workers over the age of 40 stood at 2,230,000 in March 1975. This is an alarming figure, but what is even more distressing is that this figure represents an increase of 86.9 percent since March 1974, just a year ago. Middle-aged and older workers now make up 26.7 percent of the total unemployed.

Even in the best of times unemployed older workers have faced special difficulties in securing new jobs. Despite the passage of the Age Discrimination in Employment Act, job bias against older workers persists. As a consequence, once unemployed, an older worker runs a substantial risk of being unemployed for a long period of time. Long-term joblessness of 15 weeks or longer is common.

Many never find new employment. They drop out of the workforce altogether, accepting as they reach the age of 62, actuarially reduced social security benefits. The result is the creation of a new generation of elderly poor who remain below the poverty level despite increases in social security payments.

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In a time of widespread unemployment such as we have today these difficulties are obviously aggravated. Moreover, our economy is undergoing a number of realinements caused by the energy crisis. Many older workers have been trained for jobs that will not exist in the future through no fault of their own.

For all of these reasons, our country's older workers need special help in securing new employment or being retained for new jobs. But it is precisely this category of workers who have been consistently neglected by present and past manpower programs.

What will happen to these workers when their unemployment checks eventually run out? Unless they are to be required to take premature retirement, we must enable them to find new uses for their talents and abilities.

The U.S. Employment Service has directed relatively little of its efforts toward helping older workers. As a result only 13 percent of the 55- to 64-year olds find jobs through the U.S. Employment Service compared to 21.4 percent of those under 22, and 16.5 percent of those 22 to 39 years old. The same insensitivity toward the needs of older workers exists within the Department of Labor's manpower programs. Older workers are substantially under-represented in job training programs and public service employment jobs. They comprise only 6.4 percent of those enrolled in job training programs and 15 percent of those in public service jobs.

While Congress has already taken significant steps to ease the crisis of unemployment for the unemployed, we need to direct special efforts toward middle-aged and older workers who are out of work.

Toward that goal I am introducing today the Middle-Aged and Older Workers Job Assistance Act which will set up a midcareer development program to be administered by the Manpower Administration in the Department of Labor. It would help to provide training, counseling, and special support services especially designed to meet the neglected needs of the unemployed worker over 40.

It would authorize the Secretary of Labor to make loans and grants to suitable public and private groups for manpower training which would upgrade the work skills of workers over 40. It further authorizes the Secretary of Labor to set up a program which would train personnel to teach such skills to older workers.

The Middle-Aged and Older Workers Jobs Assistance Act will be of special help in areas of high unemployment. In these areas the Secretary of Labor would be authorized to recruit and train personnel to provide out-of-work older workers with recruitment, placement, and counseling services.

Through this program, unemployed older workers would be able to participate in training to upgrade existing skills, and undergo retraining for jobs which are needed in their communities. Special efforts would be made to reach unemployed older workers by recruiting and training personnel to provide placement, recruitment, and counseling services in communities with substantial numbers of unemployed older workers.

The cost of this program is small when we look at the alternatives. If we do nothing to help these people find jobs now, we will have to help them later when the cost will be higher still. The welfare rolls will rise as unemployed older workers exhaust their unemployment benefits and turn to public assistance. The food stamp program will be similarly swollen. And, eventually, social security benefits will have to be increased to compensate for lost earnings and reduced benefits.

I believe it is time we focused attention on the special problems of older unemployed workers. This measure would be a strong step in that direction.

At this point, I ask unanimous consent to insert the text of this legislation in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Middle-Aged and Older Workers Job Assistance Act".

MIDCAREER DEVELOPMENT SERVICE PROGRAM

SEC. 2. There is hereby established a comprehensive midcareer development service program, to be administered by the Manpower Administration in the Department of Labor, to assist middle-aged and older workers to retain and obtain remunerative employment by providing manpower training, counseling, and special supportive services to such workers.

TRAINING PROGRAMS

SEC. 3. The Secretary is authorized to make loans and grants to public and private nonprofit agencies, institutions, and organizations and to individuals for manpower training, including on-the-job, institutional, residential, and other training, designed to upgrade the work skills and capabilities of middle-aged and older persons.

(b) Any grant or loan made pursuant to this section may be used to pay all or part of the cost of any such program plus such stipends (including allowances for subsistence or other expenses) for such persons and their dependents as he may determine to be consistent with prevailing practices under comparable Federal programs.

(c)(1) A grant or loan under this section shall be made on such terms and conditions as the Secretary shall prescribe and may be made only upon application to the Secretary at such time or times and containing such information as he deems necessary.

(2) The Secretary shall not approve an application for assistance under this section unless it sets forth a program for training which meets criteria established by him, including training costs and tuition schedules.

(d) Individuals receiving stipends under the provisions of this section while undergoing training shall continue to receive such stipends only during such period as the Secretary finds that they are maintaining satisfactory progress in such training program.

(e) The Secretary is authorized to enter into agreements to provide loan guarantees to lending institutions on such terms and conditions as the Secretary shall prescribe in order to permit such institutions to make loans to middle-aged and older persons for training which qualifies under this section.

TRAINING PERSONS TO TRAIN AND RETRAIN MIDDLE-AGED AND OLDER WORKERS

SEC. 4. The Secretary is authorized to develop and carry out a program under which an adequate number of persons are trained to understand the manpower training and educational needs of middle-aged and older persons and to become qualified to train and retrain middle-aged and older workers in skills needed in the economy in the community in which such workers reside. Such programs shall emphasize developing innovative techniques for training middle-aged and older persons.

SPECIAL SERVICES FOR MASS LAYOFFS

SEC. 5. The Secretary is authorized to recruit and train personnel within the Department of Labor to be made available to localities in which substantial numbers of middle-aged and older persons are unemployed or underemployed, as a result of the closing of a plant or factory or a permanent large-scale reduction in the work force in such locality, or in communities where the rate of unemployment exceeds the national average rate for unemployment. In carrying out the provisions of this section, the Secretary is authorized to provide such persons with recruitment, placement, and counseling services.

SPECIALIZED SERVICES

SEC. 6. (a) The Secretary shall establish and carry out specialized services for middle-aged and older workers who desire to improve their employability, to receive manpower training to improve their capabilities at their present employment, or to obtain counseling in planning to maximize earning opportunities for the remainder of their working lives.

(b) The Secretary is authorized to recruit and train manpower specialists, including older and retired employment counselors and personnel directors to serve in programs authorized under this section.

EMPLOYMENT SERVICES FOR PART-TIME EMPLOYMENT

SEC. 7. The Secretary may, where appropriate, make special provisions through the United States employment service, or with the advice and assistance of the employment service, by means of grants to, or contracts with, nonprofit volunteer agencies to assist such agencies in securing part-time or temporary employment for additional members of middle-aged and older persons who wish such employment.

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 8. (a) The amounts appropriated under this Act for any fiscal year shall be allocated by the Secretary in such manner that of such amounts—

(1) not less than 80 percent shall be apportioned among the States in an equitable manner, taking into consideration the proportion which the total number of unemployed middle-aged and older persons in each such State bears to the total number of such persons in all States; and

(2) the remainder shall be available as the Secretary deems appropriate to carry out the purposes of this Act.

(b) The amount apportioned to each such State under paragraph (1) of subsection (a) shall be apportioned among areas within each such State in an equitable manner, taking into consideration the proportion which the total number of unemployed middle-aged and older persons in each such area bears to the total number of such persons, respectively, in that State.

(c) As soon as practicable after funds are apportioned to carry out this Act for any fiscal year, the Secretary shall publish in the Federal Register the apportionments required by subsections (a)(1) and (b) of this section.

ADMINISTRATION

SEC. 9. (a) In order to carry out the purposes of this Act the Secretary is authorized to—

(1) promulgate such rules and regulations as he deems necessary;

(2) employ experts and consultants in

accordance with section 3109 of title 5, United States Code;

(3) appoint such advisory committees composed of private citizens and public officials who, by reason of their experience or training, are knowledgeable in the area of job opportunities for middle-aged and older individuals, as he deems desirable to advise him with respect to his functions under this Act; and

(4) utilize, with their consent, the services, personnel, information, and facilities of other Federal and State agencies, with or without reimbursement therefor.

(b) Each member of a committee appointed pursuant to clause (3) of subsection (a) of this section who is not an officer or employee of the Federal Government shall receive an amount equal to the daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, for each day on which he is engaged in the actual performance of his duties (including traveltime) as a member of the committee. All members shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

(c) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipients of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(d) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants, agreements, or contracts entered into under this Act.

PROGRAM DEVELOPMENT AND COORDINATION

SEC. 10. (a) In addition to any other provisions for the administration of this Act, the Secretary shall designate personnel to have responsibility for program leadership, development, and coordination.

(b) No individual, institution, organization, or agency shall evaluate any program under this Act if that individual, or any member of any such institution, organization, or agency, is associated with the program as a consultant, technical adviser, or in any other capacity.

(c)(1) The Secretary is authorized and directed to require agencies, institutions, and organizations administering training and other programs and activities assisted under this Act to coordinate their activities with agencies and organizations conducting related manpower and employment programs under other provisions of law such as the Comprehensive Employment and Training Act of 1973, and the Emergency Job and Unemployment Assistance Act of 1974. In carrying out the provisions of this paragraph, the Secretary is authorized to make necessary arrangements to include projects and activities assisted under this Act within a common agreement and a common application with projects assisted under other provisions of law such as the Comprehensive Employment and Training Act of 1973, and the Emergency Job and Unemployment Assistance Act of 1974.

(2) The Secretary is authorized to make whatever arrangements that are necessary to carry out the programs assisted under this Act as part of any general manpower legislation.

DEFINITIONS

SEC. 11. As used in this Act the term—

(1) "middle-aged and older" means an individual who is 40 years of age or older;

(2) "middle-aged" means an individual who is at least 40 years of age but not older than 54 years of age;

(3) "older" means an individual who is at least 55 years of age;

(4) "Secretary" means the Secretary of Labor; and

(5) "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated to carry out the provisions of this Act $150,000,000 for the fiscal year ending June 30, 1976.

By Mr. BAYH:

S. 1604. A bill to establish a committee to be known as the International Women's Year American Women's Conference Planning Committee. Referred to the Committee on Government Operations.

Mr. BAYH. Mr. President, the United Nations has designated 1975 as International Women's Year. In making this declaration, the United Nations General Assembly stated three major goals—to promote equality between men and women, to insure full participation of women in the total development of their countries, and to recognize the importance of women's increasing contribution to world peace. In order to further recognize the importance of the United Nations declaration, the President, through Executive Order 11832, established a National Commission on the Observation of International Women's Year. It is a privilege for me to have been appointed as a member of this Commission by the President.

International Women's Year provides an unprecedented opportunity for all concerned with promoting equality for men and women, to affect the ways and means by which women can achieve full participation in all aspects of our society. It is now incumbent upon the Congress to implement measures which will make this symbolic recognition a meaningful one.

It is for this reason, Mr. President, that I am introducing a bill today which calls for the convening of an American Women's Conference to assess and evaluate the progress that has been made in achieving the goals of International Women's Year.

Under the provisions of my bill, a committee would be established within the executive branch with the express purpose of planning and convening an American Women's Conference. This conference would occur no later than December 31, 1976, and would be composed of representatives from local, State, regional, national and international institutions, agencies, or unions which promote the advancement of women's rights and world peace; representative men and women involved in policymaking and decisionmaking in Government, private industry, education, child care, social welfare, the media, and other fields; and members of the general public with special emphasis on the representation of low-income and minority women. The planning committee would remain in existence until the completion of a report to the Congress and to the President summarizing the recommendations of the conference.

Significant progress has been made in this country toward furthering women's rights and in recognizing the value of women's contributions to society within and outside the home. Women provide a substantial portion of the human resources of our Nation. More than half of all women between the ages of 18 and 64 are in the labor force. Among married women with children, 45.7 percent work today. The American economy needs the talents and skills of women. Despite the fact there are over 36 million women in the labor force, there are still barriers which prevent women from preparing for and entering suitable employment, in addition to barriers which prevent advancement or full recognition.

Women who work at full-time jobs the year round, earn on an average, less than $3 for every $5 earned by similarly employed men. The ratio varies slightly from year to year, but the earnings gap is greater than it was 15 years ago. Women's median earnings of $6,335 in 1973 were 56.6 percent of the salary for similarly employed men. It will be the mandate of the American Women's Conference to identify and address such barriers. The conference will develop the specific recommendations for the elimination of these barriers as well as establishing a timetable for their implementation.

International Women's Year is an important year. We have a unique opportunity to focus attention on the current status of American women and on the means to improve their status. Our emphasis must be on constructive action. Other nations already have begun preparations for national conventions, such as I am suggesting. I urge the Congress to act promptly to insure that an American Women's Conference be held as part of this Nation's commitment to International Women's Year and to the goals of equality, development, and peace.

I ask unanimous consent that the full text of this legislation be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

FINDINGS

SECTION 1. The Congress hereby finds that—

(a) International Women's Year 1975 is a particularly appropriate time for the United States to assess the progress that has been made toward insuring equality for all women, to set goals for the elimination of all barriers to the full and equal participation of women in all aspects of life, and to recognize the importance of the contribution of women in the effort to secure world peace; and

(b) An American Women's Conference is the most suitable mechanism by which such a national evaluation of the status of women and issues of concern to them can be effected.

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ESTABLISHMENT AND DURATION

SEC. 2. (a) There is hereby established in the executive branch a Committee to be known as the International Women's Year American Women's Conference Planning Committee (hereinafter in this Act referred to as the "Committee").

(b) The Committee shall remain in existence until the issuance of the report of the International Women's Year American Women's Conference.

MEMBERSHIP

SEC. 3. (a) The Committee shall be composed of twenty-one women members who are qualified to serve because of their achievements in the field of women's rights, human rights, world peace, child care, education, or other related areas of national or international concern.

(b) The members shall be appointed as follows:

(1) seven appointed by the Speaker of the House of Representatives;

(2) seven appointed by the majority leader of the Senate; and

(3) seven appointed by the President.

(c) Appointments made pursuant to subsection (b) shall be made not later than thirty days after the date of the enactment of this Act.

(d) Members shall be appointed for the life of the Committee. Any vacancy in the Committee shall be filled in the manner in which the original appointment was made.

(e) Members of the Committee shall, while attending to the business of the Committee, be entitled to receive compensation therefor at the rate of pay for grade GS–18 in section 5332 of title 5, United States Code, including travel time. Such members may, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(f) The Chairwoman and Vice Chairwoman of the Committee shall be elected by the members of the Committee.

(g) The Committee shall meet at such times as it considers necessary to carry out its duties under this Act.

(h) Fourteen members of the Committee shall constitute a quorum.

DUTIES AND POWERS

SEC. 4. (a) The Committee shall call, organize, and convene an American Women's Conference at a time and place it determines, to be held not later than December 31, 1976.

(b) The Committee may appoint such staff personnel as it considers necessary to carry out its duties under this. Act, and such personnel may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of such title, relating to the classification and General Schedule pay rates, respectively.

(c) The Committee may accept, use, and dispose of contributions of money, services, and property.

(d) The Committee may use the United States mails under the same conditions as other departments and agencies of the United States.

(e) The Administrator of General Services shall provide to the Committee on a reimbursable basis such administrative support services as the Committee may request.

(f) When so authorized by the Committee, any member or agent of the Committee may take any action which the Commission is authorized to take by this Act.

(g)(1) The Committee may, when appropriate, request the cooperation and assistance of other Federal agencies and departments in order to carry out its responsibilities.

(2) Each Federal agency and department is authorized and directed to cooperate with, and provide assistance to, the Committee upon its request under paragraph (1). For that purpose, each Federal agency and department is authorized to provide personnel to the Committee.

(h) The Committee may make technical and financial assistance available by grant, contract, or otherwise, to public and private, nonprofit organizations to enable them to organize and conduct conferences and other meetings in order to prepare for the Conference.

(i) The Committee may prepare and make available background materials for the use of representatives to the Conference.

(j) The Committee is authorized to publish and distribute for the Conference the report required under this Act.

(k) The Committee shall, in carrying out its duties under this Act, consult with the National Commission on the Observance of International Women's Year 1975 and with such other national and international organizations concerned with women's rights and related matters as the Committee considers advisable to carry out its duties.

COMPOSITION AND GOALS OF THE CONFERENCE

SEC. 5. (a) The International Women's Year American Women's Conference shall:

(1) assess the progress that has been made to date by both the private and public sectors in promoting equality between women and men in all aspects of life in the United States;

(2) assess the role of women in economic, social, and cultural development;

(3) assess the participation of women in efforts designed to achieve world peace;

(4) identify the barriers that prevent women from participating fully and equally in all aspects of national life, and develop recommendations for means by which such barriers can be removed;

(5) establish a timetable for the achievement of the objectives set forth in such recommendations;

(6) provide for the convening of a second national conference to be held in 1980 to assess the progress made in achieving the objectives set forth in paragraphs (3) and (4); and

(7) provide for the convening of decennial national conferences on the status of women starting in 1990.

(b) The International Women's Year American Women's Conference shall be composed of:

(1) representatives of local, State, regional, national and international institutions, agencies, organizations, unions and associations which promote the advancement of women's rights and world peace;

(2) representative women and men involved in policymaking and decisionmaking in Government, private industry, education, child care and social welfare, the media, and other fields; and

(3) members of the general public, with special emphasis on the representation of low-income and minority women.

(c) A final report of the American Women's Conference containing a detailed summary of the findings and recommendations developed under subsection (b) shall be submitted concurrently to the Congress and to the President not later than one hundred and twenty days following the close of the Conference, which final report shall be made public. Within ninety days of the receipt of the report by the President, the President shall transmit to Congress his or her recommendations with respect to such report.

AUTHORIZATION FOR APPROPRIATION

SEC. 6. There are authorized to be appropriated without fiscal year limitation, such sums, but not to exceed $3,500,000, as may be necessary to carry out the provisions of this Act. Such sums shall remain available for obligation until expended.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 80

At the request of Mr. MATHIAS, the Senator from Oregon (Mr. PACKWOOD), the Senator from New York (Mr. BUCKLEY), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 80, a bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land—rather than at its fair market value—and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 93

At the request of Mr. MATHIAS, the Senator from Vermont (Mr. LEAHY), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 93, a bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual.

S. 123

At the request of Mr. INOUYE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 123, a bill to amend the Social Security Act.

S. 136, S. 137, S. 138, AND S. 139

At the request of Mr. MONTOYA, the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) were added to S. 136 and S. 137, bills to amend the Internal Revenue Code; and the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 138 and S. 139, bills to amend the Internal Revenue Code.

S. 408

At the request of Mr. BROOKE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 408, a bill to repeal exemptions in the antitrust laws relating to fair trade laws.

S. 588

At the request of Mr. HANSEN, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 588, a bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled

"imported" at all stages of distribution until delivery to the ultimate consumer.

S. 997

At the request of Mr. MOSS, the Senators from Indiana (Mr. HARTKE and Mr. BAYH) were added as cosponsors of S. 997, a bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes.

S. 1124

At the request of Mr. BUCKLEY, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1124, a bill to provide equity financing for minority businesses.

S. 1193

At the request of Mr. JACKSON, the Senator from Hawaii (Mr. INOUYE) and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 1193, to provide additional medical and dental benefits for members of the National Guard and the reserve military forces.

S. 1345

At the request of Mr. GOLDWATER, the Senator from Michigan (Mr. PHILIP A. HART) was added as a cosponsor of S. 1345, a bill to amend section 106 of title 38, United States Code, to deem certain service performed by members of the Women's Air Forces Service Pilots to have been active duty for purposes of laws administered by the Veterans' Administration.

S. 1359

At the request of Mr. MUSKIE, the Senator from Rhode Island (Mr. PASTORE) was added as a cosponsor of S. 1359, a bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments.

S. 1406

At the request of Mr. MONTOYA, the Senator from Montana (Mr. METCALF), the Senator from Colorado (Mr. HASKELL), the Senator from Idaho (Mr. CHURCH), the Senator from Maine (Mr. HATHAWAY), the Senator from California (Mr. TUNNEY), the Senator from New Jersey (Mr. CASE), the Senator from Missouri (Mr. EAGLETON), and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 1406, a bill to amend title 38 of the United States Code to provide that veteran's pension and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 1436

At the request of Mr. RANDOLPH, the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 1436, a bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities.

At the request of Mr. BENTSEN, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 1507, a bill to amend title 38, United States Code, to provide or a salary increase not to exceed 25 percent for qualified physicians, dentists, and nurses in the Veterans' Administration's Department of Medicine and Surgery.

S. 1526

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 1526, to make additional funds available for the purpose of acquiring certain lands in northern Minnesota.

SENATE RESOLUTION 143—SUBMISSION OF A RESOLUTION TO AMEND RULE XXII OF THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. HATHAWAY submitted the following resolution:

S. RES. 143

Resolved, That rule XXII of the Standing Rules of the Senate is amended to read as follows:

"1. When a question is pending, no motion shall be received but—

"To adjourn.

"To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain.

"To take a recess.

"To proceed to the consideration of executive business.

"To lay on the table.

"To postpone indefinitely.

"To postpone to a day certain.

"To commit.

"To amend.

Which several motions shall have procedure as they stand arranged; and the motions relating to adjournment, to take a recess, to proceed to the consideration of executive business, to lay on the table, shall be decided without debate.

"2. Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, except one to amend the Senate rules, is presented to the Senate, the Presiding Officer shall, upon the ascertainment that a quorum is present, shall at once state the motion to the Senate.

"Thereafter, the motion to close debate shall be the unfinished business to the exclusion of all other business until disposed of. Debate upon the motion, and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees. Such leaders shall equitably divide the time allotted between Senators favoring and Senators opposing the motion: *Provided*, That any Senator so requesting shall be allocated a minimum total of 30 minutes. It shall be the duty of the Presiding Officer to keep the time.

"Thereafter, but in no case sooner than three calendar days after the cloture petition is filed (exclusive of Sundays, legal holidays, and non-session days), the Presiding Officer shall lay the cloture motion before the Senate and direct the Secretary to call the roll, and upon ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by three-fifths of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than thirty minutes on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

"3. Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, or other matter to amend the Senate rules, is presented to the Senate, the Presiding Officer shall, upon the ascertainment that a quorum is present, shall at once state the motion to the Senate.

"Thereafter, the motion to close debate shall be the unfinished business to the exclusion of all other business until disposed of. Debate upon the motion, and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees. Such leaders shall equitably divide the time allotted between Senators favoring and Senators opposing the motion; provided that any Senator so requesting shall be allocated a minimum total of 30 minutes. It shall be the duty of the Presiding Officer to keep the time.

Thereafter, but in no case sooner than three calendar days after the cloture petition is filed (exclusive of Sundays, legal holidays, and non-session days), the Presiding Officer shall lay the cloture motion before the Senate and direct the Secretary to call the roll, and upon ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by two-thirds of the Senators present and voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than thirty minutes on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented tion, or dilatory amendment, or amendment and read prior to that time. No dilatory mo- not germane shall be in order. Points of

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order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

"4. The provisions of the last paragraph of rule VIII (prohibiting debate on motions made before 2 o'clock) shall not apply to any motion to proceed to the consideration of any motion, resolution, or proposal to change any of the Standing Rules of the Senate.".

SENATE CONCURRENT RESOLUTION 36—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF SENATE HEARINGS ON PROPOSED CONSTITUTIONAL AMENDMENTS TO LIMIT ABORTIONS

(Referred to the Committee on Rules and Administration.)

Mr. BAYH submitted the following concurrent resolution:

S. CON. RES. 36

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary not to exceed two thousand additional copies of each part of its hearings during the second session of the 93rd Congress and the first session of the 94th Congress on proposed constitutional amendments to limit abortion.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENT NO. 383

(Ordered to be printed and to lie on the table.)

LABOR AMENDMENT

Mr. DOLE. Mr. President, I have proposed a number of amendments to the bill to create an Agency for Consumer Advocacy, S. 200. These amendments have been offered in an effort to make the bill a better bill and to make it more acceptable to those of my colleagues who have strong reservations about S. 200 as written, but who share the general concern felt in this body that legislation to assist the consumer is desirable.

I note that one provision of S. 200 which has prompted serious opposition among many of my colleagues is the so-called labor exemption. During debate last year on the predecessor to this bill, I described the feeling shared by a number of people—among both our colleagues and the public at large—that with this exemption "somehow labor was getting the break and business was getting a brake."

Analysts differ as to the real potential impact of this labor exemption. Some feel quite strongly that it gives labor an unfair advantage by in effect granting it immunity from the agency's ability to intervene. Proponents of the exemption argue that it does nothing of the kind, that it merely makes explicit the exemption of private negotiations which would be implicit in the bill in any event.

Obviously, Mr. President, if the exemption does provide to labor an unfair advantage, then it is not desirable. If it adds nothing of substance that would not be otherwise implied in the legislation, then it is not necessary. And, I am persuaded that it is a major stumbling block to support by many of my colleagues and so am proposing this amendment to delete it.

AMENDMENT NO. 385

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted an amendment intended to be proposed by him to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

HEALTH INSURANCE FOR THE UNEMPLOYED—S. 625

AMENDMENT NO. 384

(Ordered to be printed and to lie on the table.)

Mr. HARTKE. Mr. President, I submit, for myself and the Senator from South Dakota (Mr. MCGOVERN) an amendment to S. 625, providing health insurance for the unemployed, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 384

"TITLE I—EMERGENCY HEALTH BENEFITS FOR INDIVIDUALS WITH PRIOR COVERAGE"

On page 6, line 22, strike "2" and insert in lieu thereof "101".

On page 15, after line 24 add the following:

TITLE II—EMERGENCY HEALTH BENEFITS FOR INDIVIDUALS WITHOUT PRIOR COVERAGE

AMENDMENT TO THE SOCIAL SECURITY ACT

SEC. 201. Section 226 of the Social Security Act is amended by adding at the end thereof the following new subsection:

provisions of this section or any provisions

"(j) (1) Notwithstanding the foregoing of title XVIII—

"(A) every individual who—

"(i) is unemployed,

"(ii) is not, and upon filing any appropriate application would not be, entitled under any other provision of law to hospital insurance benefits, and

"(iii) is not the dependent spouse (as defined in regulations of the Secretary), and

"(B) every individual who is the dependent spouse or dependent child (as defined in regulations of the Secretary) of an individual described in clause (A), shall be antitled to hospital insurance benefits under title XX for each calendar month for which the conditions prescribed in clause (A) or clause (B), as the case may be.

"(2) An individual shall be deemed to be unemployed for a calendar month only if, for the first week which ends in such month, such individual has established, under a State or Federal unemployment compensation law, entitlement to weekly benefits under such law. For the purposes of the preceding sentence, an individual shall not be regarded as having failed to establish entitlement to a weekly benefit under such law for any week if a benefit for such week is not payable to him solely because he was unable to work because of illness or disease if such individual received a weekly benefit under such law for the week preceding the first week he was unable to work because of illness or disease."

SEC. 202. The Social Security Act is amended by adding after title XIX the following new title:

"TITLE XX. CATASTROPHIC HEALTH INSURANCE FOR THE UNEMPLOYED

"DESCRIPTION OF PROGRAM

"SEC. 2001. The insurance program established by this title provides protection against the high cost of catastrophic illnesses for the unemployed and establishes the conditions individuals must meet to become entitled thereto.

"ELIGIBILITY

"SEC. 2002. (a) The Secretary shall make grants to States equal to 100 percent of the costs and administration for the implementation of programs which provide health benefits to the unemployed in accordance with the requirements of subsection (b).

"(b) To be eligible for a grant under subsection (a) a State shall have in effect an agreement with insurance carriers within such State that such insurance carriers shall provide for payments for health services as described in section 2003 on behalf of individuals described in section 226(j).

"SCOPE OF BENEFITS

"SEC. 2003. (a) The benefits provided to an individual by the insurance program under this title shall be—

"(1) hospital insurance benefits which shall consist of entitlement to have payment made on behalf of an individual for—

"(A) inpatient hospital services (as defined in section 1861(b));

"(B) post hospital extended care services (as defined in section 1861(i) but only if with respect to at least one of the three days of hospitalization required by such section payment may be made pursuant to section 2004(a) (1) (A) for services furnished on each day);

"(C) home health services (as defined in section 1861(m));

"(D) outpatient physical therapy services (as defined in section 1861(p));

"(E) medical and other health services (as defined in section 1861(s), but subject to the limitation and conditions described in section 1832(a) (2) (B)); and

"(2) medical insurance benefits which shall consist of entitlement to have payment made to an individual or on his behalf for—

"(A) medical and other health services (as defined in section 1861 (s));

"(B) services of the type described in section 1814(d) (1) for which payment cannot be made under paragraph (1) (A) or subparagraph (A) of this paragraph solely because the hospital does not elect to claim payment, but only if the provisions of section 1814(d) (2) (B) or section 1835(b) (2) (B) are met);

"(C) services described in section 1814(f).

"(b) (1) Notwithstanding the previous provisions of this section no payment may be made with respect to expenses incurred for items or services if pursuant to section 1862 (a), (b), (c), or (d) payment may not be made for such expenses under title XVIII.

"(2) Notwithstanding the previous provisions of this section no payment may be made with respect to expenses incurred for items and services provided under subparagraph (a) (1) (B) for any individual over and above those provided under section 1812 (a) (2).

"PAYMENTS, DEDUCTIBLES, AND COINSURANCE

"SEC. 2004. (a) Subject to the succeeding provisions of this section, there shall be paid to the States from the Federal Catastrophic Health Insurance Trust Fund for the Unemployed, in the case of each individual who is covered under the insurance program established by this title and incurs expense for services with respect to which benefits are payable under this title, amounts equal to—

"(1) (A) in the case of services described in subparagraph (A) of section 2003(a) (1), the reasonable cost of such services (as de-

fined in section 1861(v)) furnished after the 7th day of inpatient hospital services (as defined in section 1861(b)) to such individual in any calendar year, reduced by a coinsurance amount (subject to subsection (e)) equal to one-quarter of the inpatient hospital deductible (as determined under section 1813(b) (2)) for each day after such 7th day on which such individual is furnished such services, except that—

"(i) the days on which such individual was an inpatient of a hospital in the last 3 months of the preceding calendar year and which were included in the 7 day period for which no benefits were payable during such calendar year shall be included in determining such 7 day period; and

"(ii) the reduction under this sentence for any day shall not exceed the charges imposed for that day with respect to such individual for services (and for this purpose, if the customary charges for such services are graded in the charges so imposed, such customary charges shall be considered to be the charges so imposed);

"(B) In the case of services described in subparagraph (B) of section 2003(a) (1), the reasonable costs of such services (as defined in section 1861(v)) reduced by a coinsurance amount (subject to subsection (e)) equal to one-eighth of the inpatient hospital deductible (as determined under section 1813(b) (2)) for each day on which such individual is furnished such services;

"(2) In the case of services described in subparagraphs (c), (d), and (e) of section 2003(a) (1), 80 percent of the reasonable costs of the services (as determined under section 1861(v)) and subject to subsection (e) of this section; and

"(3) In the case of services described in subsection (a) (2) of section 2003, 80 percent of the reasonable charges for such services (subject to subsection (e)).

For the purposes of paragraph (1) (A), any individual who is entitled to benefits under this title and to hospital insurance benefits under part A of title XVIII shall be deemed in the case of services described in section 2003(a) (1) (A) to be entitled to a payment made only under this title when such services are furnished after the 7th day of inpatient hospital services (as defined in section 1861(b)) to such individual in any calendar year.

"(b) Before applying paragraphs (2) and (3) of subsection (a) with respect to expenses incurred by an individual during any calendar year, the total amount of the expenses incurred for such individual during such year, including any expenses incurred for medical insurance benefits provided under part B of title XVIII (which would but for this subsection constitute incurred expenses from which benefits payable under paragraphs (2) and (3) of subsection (a) are determinable) shall be reduced by deductible of $300; except that—

"(1) the amount of the deductible for such calendar year as so determined shall first be reduced by the amount of any expenses incurred by such individual in the last three months of the preceding calendar year and applied toward such individual's deductible under this section for such preceding year, and

"(2) any such expenses so incurred by other members of such individual's family shall be deemed to have been incurred by such individual.

For the purposes of paragraph (2), a family may consist of one or more individuals (i) one of whom is entitled to benefits under this title by reason of section 2002(a) (1) (A) or (B), (ii) such others of whom are so entitled by reason of section 2002(a) (1) (C) or (D), but only to the extent that the individuals included under clause (i) and (ii) are living in a place of residence maintained by one or more of them as his or her own home.

"(c) The Secretary shall between July 1 and October 1, 1975, and each year thereafter determine and promulgate the deductible which shall be applicable for purposes of subsection (b) in the succeeding calendar year. Such deductibles shall be equal to whichever is higher—

"(1) $300, or

"(2) $300 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated which represents fees for physician's services to such component of such Consumer Price Index for the month of June 1974, with such product, if not a multiple of $50 being rounded to the nearest multiple of $50.

"(d) Payment for services under this title shall also be subject to limitations described in section 1812 (c) and (e) and section 1813 (c) and (e).

"(e) Whenever the total of any coinsurance amounts under subsection (a) (1) (A) or (B) and any deductible under subsection (a) (2) and (3) which is required to be paid by an individual under this title exceeds the sum of $500 in any calendar year the Secretary shall pay any such amounts as are in excess of $500 during such calendar year.

"CONDITIONS OF AND LIMITATIONS ON PAYMENT FOR SERVICES

"SEC. 2005. (a) To the extent that payment may be made for services described in section 2003(a) (1), the provisions of section 1814, 1815, 1816, 1833(f), and 1835 shall apply.

"(b) To the extent that payment may be made for services described in section 2003 (a) (2), the provisions of section 1842 shall apply.

"APPLICABILITY OF CERTAIN PROVISIONS OF TITLE XVIII

"SEC. 2006. The provisions of section 1861 (except subsection (a) and (y)), 1866, 1867, 1869, 1870, 1871, 1872, 1873, 1874, and 1875 shall apply with respect to this title to the same extent as they are applicable with respect to title XVIII.

"(b) The provisions of section 402(a) of the Social Security Amendments of 1967 shall be applicable to title XVIII.

"FEDERAL CATASTROPHIC HEALTH INSURANCE TRUST FUND FOR THE UNEMPLOYED

"SEC. 2007. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Federal Catastrophic Health Insurance Fund for the Unemployed (hereinafter in this section referred to as the 'trust fund'). The trust fund shall consist of such amounts as may be deposited in, or appropriated to, such fund as provided in this part. There are hereby appropriated to the trust fund for the fiscal year ending June 30, 1975, and for each of the next 2 succeeding fiscal years thereafter, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this title. The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the trust fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than taxes specified in such sentence.

"(b) With respect to the trust fund, there is hereby created a body to be known as the 'board of trustees of the trust fund' (hereinafter in this section referred to as the 'board of trustees'), composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the board of trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Commissioner of Social Security shall serve as the secretary of the board of trustees. The board of trustees shall meet not less frequently than once each calendar year. It shall be the duty of the board of trustees to—

"(1) hold the trust fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the trust fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the board is of the opinion that the amount of the trust fund is unduly small; and

"(4) review the general policies followed in managing the trust fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the trust fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the trust fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the trust fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the trust fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purpose for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the trust fund. Such obligations issued for purchase by the trust fund shall have maturities fixed with due regard for the needs of the trust fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the trust fund (except public debt obligations issued exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(c) The interest on, and the proceeds

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from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"APPROPRIATIONS FOR CONTINGENCY RESERVE

"Sec. 2008. In order to assure prompt payment of benefits provided under this title and the administrative expenses thereunder during the early months of the program established by this title, and to provide a contingency reserve, there is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, to remain available for the 2 calendar years immediately following December 31, 1975, for repayable advances (without interest) to the trust fund, an amount equal to one-half of the amount of benefits estimated to be paid under this title in each of such calendar years.".

(b) Section 201(g) of the Social Security Act is amended by—

(1) inserting after "title XVIII" the first time it appears the following: "and the Federal Catastrophic Health Insurance Trust Fund for the Unemployed established by title XX";

(2) inserting after "title XVIII" each time it appears therein after the first time the following: "and title XX".

Sec. 203. Effective 3 years after the date of enactment the amendments made by this Act are repealed.

CONGRESSIONAL BUDGET DETERMINATION—SENATE CONCURRENT RESOLUTION 32

AMENDMENT NO. 386

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

AMENDMENT NO. 387

(Ordered to be printed and to lie on the table.)

Mr. MONDALE (for himself, Mr. Humphrey, Mr. Javits, Mr. Williams, and Mr. Schweiker) submitted an amendment intended to be proposed by them jointly to the concurrent resolution (S. Con. Res. 32), supra.

AMENDMENT NO. 391

(Ordered to be printed and to lie on the table.)

Mr. HELMS. Mr. President, Senate Concurrent Resolution 32 purports to reflect the will of Congress. It seeks to put us on record as favoring a gargantuan budget deficit for fiscal year 1976. According to the resolution—

> The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $67.2 billion.

In my view, this amount is preposterous and I wish to go on record as unalterably opposed to this kind of fiscal irresponsibility.

What are these so-called economic conditions and other relevant factors justifying this resolution? The answer is, there are none, none at all. We are told that this vast deficit is necessary to stimulate the economy, an argument that I find incomprehensible in light of the fact our present economic situation is a product of successive deficit budgets. Instead of stimulating the economy, the new budget will, in all likelihood, run it further into the ground.

Certainly I need not remind my colleagues of the ever-increasing price of just about every commodity one can possibly imagine, including the necessities of life such as food, shelter, and clothing. Who is so blind as to ignore the obvious truth that this spiraling inflation is the offspring of deficit Federal spending during the past four decades?

For many years now—longer than I care to remember—we have been living on tomorrow's income. According to figures released on February 3, 1975, the Federal budget for fiscal year 1975 exceeds $313 billion, with a deficit of more than $35 billion. Then the Federal budget for fiscal year 1976 was estimated to exceed $349 billion, with a deficit of over $51 billion. Senate Concurrent Resolution 32 proposes that the budget outlays for fiscal year 1976 should be $365 billion, with a deficit of $67.2 billion.

As I have noted on previous occasions, the interest alone on the Federal debt exceeds $30 billion a year. For fiscal year 1975, the interest is estimated at $32.9 billion. If we consider simply the round figure of $30 billion a year in interest on the debt, we are paying $62,596 a minute in interest. This is $1,043.25 every second of the day.

And here are more disturbing figures. On December 31, 1972, the national debt was $449.3 billion. A year later it was up $20.6 billion to the sum of $469.9 billion. On December 31, 1974, the debt was up again—to $492.7 billion, an increase of $22.8 billion over the previous 12 months and an increase of a whopping $43.4 billion in the 2-year period.

Where does it end? The answer is obvious. If action is not taken in this Chamber to stop deficit spending, and emancipate our fiscal policies from the economic theories of John Keynes, we are headed for economic disaster. The American people know this, if the polls be any guide. Their faith in the American economy has already been shaken to the point that they fear a real depression, and here we are singing hosannah to the gods of big spending.

In the interest of candor and honesty, let us level with the American people for a change and admit that it is Congress which has created our current economic collapse and only Congress can do something about it. It is not pleasant to contemplate one's own folly, but I for one believe that it is time for Congress to say to the American people, "Yes, we caused this economic mess—we and our predecessors, who led the Government of the United States into the swamps of deficit spending and, what is worse, led the American people to believe that the swamps were a good place to be."

Before we become more deeply mired, let us turn to commonsense and simple arithmetic for an honest solution to our economic problems. Any real solution must address itself to the real cause of the problem, and not just the symptoms. Any budget that falls short of the balanced budget falls short of our goal of economic prosperity, for even a little deficit spending and a little inflation hurts everyone.

I, therefore, propose an amendment in the nature of a substitute to Senate Concurrent Resolution 32. My substitute provides a balanced Federal budget—a zero deficit. It works this way: the Budget Committee estimated that Federal revenues under existing law would be $297.8 billion. Accepting this figure for income, and applying the concept of a balanced budget, I propose that the appropriate level of total budget outlays is $297.8 billion. The Treasury Department has projected the amount of the national debt at the conclusion of the current fiscal year to be $531 billion. Since the Government should operate on a balanced budget for the next fiscal year, including the expenditures for interest payments on the debt, no increase in the debt level is necessary. The appropriate level for the deficit, of course, is zero.

One final figure remains in my substitute. That is the appropriate level of total new budget authority. I have simply accepted the Budget Committee figure of $388.6 billion for budget authority. I frankly doubt that we should go on increasing spending authority. The ultimate result will be that the Government eventually controls every sector of our economy, with a consequent diminishing of freedom and justice. But I recognize that this Congress will probably not turn away from the siren call of initiating new programs.

Yet in the long run we must recognize that simply because the authority is granted, it need not be fully exercised. This authority should be exercised only in a manner consistent with the concept of a balanced budget not only for fiscal year 1976, but also for succeeding fiscal years.

A final question remains. Where should the necessary reductions in expenditures be made in order to achieve a zero deficit? As my colleagues are aware, there are many competing points of view in response to this question. I am aware that there are some who would substantially reduce defense spending, but I favor a strong national defense with appropriate expenditures to accomplish that important goal.

There are some who feel that appropriations for social welfare programs are not large enough at present, but I feel there is a great deal of wasteful spending in this area. Considering all of the diverse views, I propose that Federal spending be cut across the board, on a pro-rata basis, with the single exception of interest payments on the national debt, in order to achieve a zero deficit. The interest payments on the debt should be paid as they accrue. As a basis for determining the prorata reductions, the budget message of the President relative to the Federal budget for fiscal year 1976 together with supporting material should be used.

While this approach is not fully responsive to all of my concerns regarding wasteful Federal programs, it is perhaps the most realistic proposal in the light of the realities of life that confront us. I make this proposal of across-the-board reductions frankly as a concession to opposing philosophies, but I do so because I believe so firmly that the future of my grandchildren is at stake, together with the future of every American who hopes that his lineage may face the future with a reasonable expectation of prosperity and freedom. I say this because there is no real freedom without economic freedom. And, there is no economic freedom in the midst of spiraling inflation, and confiscatory taxation, and there certainly is no real prosperity.

I urge the adoption of this substitute.

HUMANITARIAN ASSISTANCE FOR CAMBODIA—S. 1541

AMENDMENT NO. 388

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. HATFIELD. Mr. President, I am introducing an amendment to S. 1541, and I ask unanimous consent that it appear at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 388

On page 3, after line 9, insert the new following section:

"Sec. 3. Notwithstanding any other provision of law, any food assistance under Title I or Title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled on or before the date of enactment of this Act for delivery to Cambodia shall be delivered to Cambodia, through international channels, if necessary: *Provided,* That such assistance is requested by the government of Cambodia and is found necessary to meet pressing needs of hungry and starving people in Cambodia."

Mr. HATFIELD. Mr. President, this amendment is nearly identical to my amendment No. 362 to S. 1484, the Vietnam evacuation bill. That amendment was accepted by the Senate and became part of S. 1541. However, the conference committee did not agree to the amendment because the conferees from the House insisted that it was not germane to the House bill and thus subject to a point of order on the floor of the House. The chairman of the Foreign Relations Committee (Mr. Sparkman) and others explained this matter to the Senate during debate on the conference committee report on April 25, 1975.

The effect of this amendment is simple and clear. It provides that the food assistance for Cambodia which our Government has already scheduled, bought, and even shipped for Cambodia during fiscal year 1975 be made available to the people of Cambodia if such assistance is requested by the new government there. I have added an additional phrase to this version of the amendment, so that the last clause now reads:

> *Provided,* That such assistance is requested by the Government of Cambodia and is found necessary to meet the needs of hungry and starving peoples in Cambodia.

Thus, such food assistance would be sent only if it was clearly seen as essential to meeting pressing humanitarian needs of the people. Further, the amount of food sent need not necessarily be the difference between that originally scheduled for delivery and that actually sent to date; it could be the amount determined as necessary to meet the needs of those hungry. This added provision insures that food assistance to Cambodia need not be in excess of that necessary to meet the pressing needs of those faced with inadequate food.

It is envisioned that such food assistance would, of necessity, have to go through international channels, such as the U.N. world food program, the International Red Cross, UNICEF, or multilateral means. That being so, the assistance would have to be transferred from title I to title II, Public Law 480 food aid. This presents no difficulty since the administration had already been converting portions of title I food in the pipeline into title II assistance prior to the fall of the Lon Nol government. Further, officials from the U.N. world food program are in Saigon, and officials of UNICEF and the International Red Cross are still in Cambodia.

Mr. President, if there has been any degree of integrity in all of the administration's public statements about its concern for the humanitarian needs of the Cambodian people, then it is unthinkable that we should hesitate a moment from providing that food already purchased and shipped for Cambodia to its people, if it is requested and needed to save those who hunger.

Mr. President, I have prepared a background paper explaining in detail the rationale for this amendment, and its implications. I ask unanimous consent that it appear in the Record at this point.

There being no objection, the paper was ordered to be printed in the Record, as follows:

Senate Amendment to S. 1541, Relating to Food Assistance to Cambodia

BACKGROUND

The swollen population of Phnom Penh—about 2,000,000 people—became totally dependent on external food supplies during the course of the war, which forced hundreds of thousands off of productive farm lands into the cities. At the time of Phnom Penh's fall, A.I.D. figures demonstrate that about 700 tons of rice were being distributed daily to the residents of the city; about 150 to 200 tons were going directly to refugees through voluntary agencies and the remainder was being put into the market. On Tuesday, April 15, A.I.D. reported that the stockpiles of rice in the city could last for only six days. At that time the airlift had been suspended. There has been no definitive communication out of Phnom Penh since then but all indications would suggest that a critical food situation exists. The hundreds of thousands dependent upon our airlift of food have now been cut off from that life-line.

Under the FY 1975 authorization and appropriation measures for P.L. 480, 189,000 tons of rice, valued at $81 million, were allocated and shipped for Cambodia. This amount would meet Cambodia's food need through June, or the end of the fiscal year. However, 90,000 tons of this rice was still to be delivered to Cambodia at the time of its fall to the Khmer Rouge. (Specifically, 30,000 tons of rice destined for Cambodia is in Singapore, and another 60,000 such tons is in Saigon.)

Senate Amendment No. 362, introduced by Senator Hatfield to S. 1484 and accepted on the floor by the bill's managers, stipulated that this food which we have already allocated, paid for, and shipped for Cambodia for this fiscal year, shall still be sent to Cambodia through international agencies if it is needed and requested by the new government there.

POSITION OF THE STATE DEPARTMENT

Communications from the State Department and statements of Secretary Kissinger have stated support for continuing to give humanitarian aid through international channels to the people of Cambodia.

On March 7, Senators Hatfield and Brooke wrote to Secretary Kissinger asking him what the policy of the Administration would be relating to humanitarian assistance to Cambodia if the Lon Nol government collapsed. The State Department's reply of March 27, 1975, stated:

"In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Red Cross, if for whatever reason bilateral aid is no longer possible."

On April 15, Secretary Kissinger appeared before the Senate Appropriations Committee. Senator Mathias asked the Secretary if the Administration was prepared to provide humanitarian relief through the U.N. and other agencies for Indochina. The Senator specifically cited reports that day of Khmer Rouge rebels taking over Phnom Penh. Secretary Kissinger replied:

". . . With respect to Cambodia we would have no difficulty supporting humanitarian efforts under the current circumstances."

A minute later, the Secretary added, on the same point,

"In a situation like Cambodia where there is no longer—if that report which you tell me is correct and it is certainly plausible—under that hypothetical situation the humanitarian concerns would dominate."

(The report he referred to was that of Khmer Rogue rebels in the streets of Phnom Penh, indicating the final collapse of the Lon Nol regime.)

WHY NOT LET THE COMMUNISTS FEED THE CAMBODIANS?

The State Department has estimated that even if the Khmer Rouge turned to the People's Republic of China for food assistance, it would take at least 30 to 45 days for any to arrive. In the meantime thousands would still be faced without adequate food. This provision of the Senate bill allows for food assistance only through the end of this fiscal year to Cambodia.

It is only the short term food situation in Cambodia that is likely to be critical. Once the people return from the city to the countryside, and once the next rice harvest comes in by the end of this year, Cambodia could again have a rice surplus, as it has had in the past.

America's humanitarian concern for feeding those thousands in Cambodia who have been starving surely should not have been predicated, then or now, on what regime was in power. When President Ford sent to Congress his supplemental request for appropriations to Indochina on January 28, 1975, he said in justifying the additional economic assistance to Cambodia, "This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food the victims of war. . . ." Our concern for seeing that people are saved from starvation should remain just as strong now as then.

It is possible that the Khmer Rouge government will attempt to get the refugees who have fled into Phnom Penh back to the countryside as soon as possible. It is also possible that they may have no interest whatsoever in receiving external assistance from the U.N. or any other such multilateral institutions. In such a case the amendment would have no effect, since it is dependent upon food assistance being requested by the Khmer Rouge government.

U.S. INTERESTS

Beyond the pure humanitarian considerations, if the U.S. has any hope of encouraging

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the new regime in Cambodia to adopt a course of policy marked by some degree of independence from the dominance of either China or North Vietnam, it can do so by insuring that the Khmer Rouge do not have to become totally dependent on either of those nations for crucially needed food supplies. This gives them an option of turning to international channels for any needed food relief.

WHO CAN ARRANGE FOR THIS FOOD TO REACH PHNOM PENH?

Senators Humphrey and Hatfield met with Dr. Francisco Aquino, Executive Director of the U.N. World Food Program, to discuss precisely this issue. Dr. Aquino told the Senators that the U.N. World Food Program would be eager and totally willing to perform this task, if asked. He pointed out that the World Food Program presently has personnel in Saigon, and that they could arrange for rice there to reach Cambodia, and oversee its distribution. Shipments from elsewhere could be arranged as well, with no difficulty. Other international agencies would also be available to accomplish this task. In any event, no Americans would be required in the Saigon Embassy to insure the shipment of any rice there to Cambodia. That point was made abundantly clear in the legislative history of the amendment.

In this regard, if our government does not take immediate steps to transfer the 60,000 tons of rice in Saigon destined for Cambodia into the hands of international agencies for relief purposes, it will end up in control of the P.R.G. when they take Saigon.

Mr. HATFIELD. Finally, Mr. President, I ask unanimous consent that the Senate debate of Tuesday, April 22, 1975, relating to amendment No. 362 and its adoption by the Senate appear at this point in the Record.

Just yesterday, I was in contact with the president of one of the major voluntary agencies which has been operating in Cambodia, and he remains gravely concerned about the plight of those thousands who are most certainly faced today with hunger and malnutrition.

There being no objection, the debate was ordered to be printed in the Record, as follows:

[From the Congressional Record, Apr. 22, 1975]

The Presiding Officer. The Senator from Oregon is recognized.

AMENDMENT NO. 362

Mr. Hatfield. Mr. President, I call up my amendment at this time.

The Presiding Officer. The amendment will be stated.

The legislative clerk read as follows:

"The Senator from Oregon (Mr. Hatfield) proposes an amendment numbered 362:

"At the end of the bill add the following new subsection:

" '(c) Notwithstanding any other provision of law, any assistance under title I or title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled for delivery to Cambodia on or before the date of enactment of this Act shall be delivered to Cambodia through multilateral, international channels, in accordance with section 35(a)(7) of the Foreign Assistance Act of 1974: *Provided*, That such assistance is requested by the Government of Cambodia.' "

The Presiding Officer. On this amendment there is a half hour, to be divided equally, 15 minutes to each side.

Who yields time?

Mr. Hatfield. I yield myself 10 minutes.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Delaware (Mr. Biden) be added as a cosponsor of the amendment.

The Presiding Officer. Without objection, it is so ordered.

Mr. Hatfield. Mr. President, I shall be very brief concerning this amendment, because it is very simple. It merely puts into this bill the commitments made by both the executive and the legislative branches of Government over the past few months.

On January 28 of this year, the President of the United States presented to Congress his Vietnam and Cambodian supplemental appropriations requests, and he made this statement in the language transmitting the proposal:

"This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food for the victims of war and to prevent the economic collapse of the country."

Mr. President, I think it clearly can be implied that the requests made by the President constituted basically an objective of meeting the food requirements for the people who are the victims of war—namely, the citizens of the country of Cambodia—more especially, than to a political regime that might be in power at any given time.

On March 7, because of the concern that the Senator from Massachusetts (Mr. Brooke) and I had on this subject, we wrote a letter to the Honorable Henry Kissinger, Secretary of State. In this letter, Senator Brooke and I stated:

"Since raising the ceiling on economic aid will have an actual effect on the conditions there next summer rather than at present, we believe the Administration should explore all contingencies that may occur between now and then. One such contingency, of course, is the collapse of the Lon Nol government. It is our firm view that America should have a commitment for using those food resources destined now for Cambodia, and those added by the raising of the ceiling, to relieve the needy and malnourished thousands of Phnom Penh, regardless of what government is in power, provided that such humanitarian assistance is requested."

Then, on March 27, the Secretary responded to the letter, under the signature of Robert J. McCloskey, the Assistant Secretary for Congressional Relations. I ask unanimous consent that both letters be printed at this point in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Washington, D.C., March 7, 1975.

Hon. Henry Kissinger,
Secretary of State, Department of State,
Washington, D.C.

Dear Mr. Secretary: We are deeply concerned, as are most members of Congress, that the necessary humanitarian relief for the sick and starving in Cambodia reach those who suffer there. In an effort to insure that such assistance is available to the people of Cambodia, we are prepared to support an increase in the legislative ceiling of our assistance to Cambodia specifically for this purpose. However, in practical terms, the raising of this ceiling will have little immediate effect on the situation in Phnom Penh, under present conditions. As long as the Mekong River is inaccessible, and as long as we send as much ammunition through the airlift as at present, little more food can reach Phnom Penh over the 600–700 daily tons being flown there now. Payment for this food is coming out of obligations already made under the ceiling.

Since raising the ceiling on economic aid will have an actual effect on the conditions there next summer rather than at present, we believe the Administration should explore all contingencies that may occur between now and then. One such contingency, of course, is the collapse of the Lon Nol government. It is our firm view that America should have a commitment for using those food resources destined now for Cambodia, and those added by the raising of the ceiling, to relieve the needy and malnourished thousands of Phnom Penh, regardless of what government is in power, provided that such humanitarian assistance is requested. Further, this course of action holds the hope of enabling us to exercise some moderating influence over any insurgent-dominated government likely to emerge in control of Cambodia. Therefore, we are willing to lift this ceiling on economic assistance provided the Administration indicates its willingness to make available such humanitarian aid to the people of Cambodia, even if the present government in Phnom Penh fails to survive.

Under this arrangement, such assistance would have to be distributed and channeled primarily through U.N. agencies, voluntary agencies, and other multilateral or private groups operating in Cambodia in accord with Section 35(a)(7) of the Foreign Assistance Act of 1974. In this regard, we have met with Dr. Francisco Aquino, Executive Director of the World Food Program. He has assured us that the World Food Program, which presently has an infrastructure in South Vietnam, will be ready and available to administer food aid to Cambodia in such a situation.

We would respectfully ask you for your immediate reactions to this proposal, with any suggestions or comments you have to offer.

Sincerely,

Mark O. Hatfield,
U.S. Senator.
Edward W. Brooke,
U.S. Senator.

Department of State,
Washington, D.C., March 27, 1975.

Hon. Mark O. Hatfield,
U.S. Senate
Washington, D.C.

Dear Senator Hatfield: The Secretary has asked me to reply to your letter of March 7 on continued food aid to Cambodia. We, too, are deeply concerned that the humanitarian relief that we are providing in Cambodia reach those who suffer. In an effort further to demonstrate our concern, we have recently approved a Title II grants of up to 20,000 tons of rice for delivery to participating international and U.S. voluntary agencies such as Catholic Relief Services, Cooperative for American Relief Everywhere, Lutheran World Relief and World Vision Relief Organization. This donated rice will be used to support feeding programs for refugees, displaced persons and other needy Khmers. Unfortunately, at this time the FAA economic and PL 480 funding ceilings preclude immediate action to expand rice procurement; thus the 20,000 ton was provided for Title II by converting Title I rice which was in Saigon awaiting shipment to Phnom Penh.

With the deteriorating situation in Cambodia, the need for the Congress to increase the portion of the Cambodia ceiling applicable to economic and food obligations from $177 million to $250 million is now more urgent than ever. We need to respond to emergency humanitarian needs as they are identified either by providing Title I rice, Title II rice, Title II high-protein foods, or medicines financed from the Indochina Post-War Reconstruction account, along with funds to airlift these commodities.

Speedy action on lifting the economic and food assistance ceiling contained in Section 655(a) of the Foreign Assistance Act or increasing it in adequate amounts is essential. Sufficient PL–480 authorization and appropriation already exist under present law. No additional economic appropriations other than the $100 million authorized in the 1974 Foreign Assistance Act are required.

The food, nutrients and medicines which can be procured if the ceiling is raised may save or extend the lives of thousands of Cambodians if the Congress quickly approves appropriate levels of military and economic assistance authority. In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Committee of the Red Cross, if for whatever reason bilateral aid is no longer possible.

If we can be of further service please do not hesitate to let me know.

Sincerely,

Robert J. McCloskey,
Assistant Secretary for Congressional Relations.

Mr. Hatfield. Mr. President, I read from Mr. McCloskey's letter:

"In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Committee of the Red Cross, if for whatever reason bilateral aid is no longer possible."

The next document to which I refer is the document of the Foreign Relations Committee relating to S. 663, which was reported to the floor of the Senate on March 21. As Senators will recall, this bill was not acted upon finally because of the collapse of Phnom Penh, but the Foreign Relations Committee, in carrying this bill for the appropriation, said this:

"In approving the additional food aid the Committee has included language stating that 'primary emphasis shall be given to relieving human suffering.' Under the bill approved by the Committee humanitarian aid can be made available to any new government that may emerge from the present situation."

We have, further, the language of the pending bill, which says in section 7:

"It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia."

That being the documentary background to this amendment, I point out that the amendment simply does one thing—that is, it stipulates that the delivery of this food is to be accomplished through multilateral international channels, in keeping with section 35(a), subsection 7, of the Foreign Assistance Act of 1974. The aid we are talking about is simply 60,000 tons of rice which is now in Saigon and 30,000 tons enroute to Saigon, which is now located in Singapore, both of which total 90,000 tons, and together were designated for the people of Cambodia.

All we are attempting to do is to put into the legislation a restatement of what has been stated by the President, as I have interpreted it with his statement to Congress in January, what has been stated very clearly on behalf of the administration in response to a letter of inquiry as to whether or not this rice was a commitment to the people or to a regime, the statement by Mr. McCloskey, on behalf of Secretary Kissinger, which clearly stated that it is a commitment to people, not to a regime, and the language of the Committee on Foreign Relations. We are merely restating that concept in this bill through this amendment.

Let it be understood clearly by the legislative record made here today that this is not to be interpreted either to implement or to camouflage or in any way to become an instrument, directly or indirectly, for military policy or for foreign policy as it relates to the extrication and evacuation of Americans in Saigon. This is simply a statement of fact, that we are committed here with resources that are already over there, to let those resources be placed to meet the needs of the Cambodian people, provided that they are requested and provided that it is made through the aegis and under the auspices of the United Nations. This does not involve the United States in any way militarily or politically; but strictly from a humanitarian point of view, it is carrying out the implied and explicit comments and promises made through both the legislative and the executive branches of Government.

Mr. Brooke. Mr. President, will the Senator yield?

Mr. Hatfield. I yield.

Mr. Brooke. Mr. President, I commend my distinguished colleague for offering this amendment and for bringing this matter to the attention of the Senate. He has always taken a leadership role in these matters.

I believe this is an excellent amendment. I hope that the floor manager of the bill will see fit to accept the amendment.

I ask my colleague if he will add my name as a cosponsor of this amendment.

Mr. Hatfield. Mr. President, I thank the Senator from Massachusets for his generous remark. I will be very proud to have his name appear as a cosponsor.

I ask unanimous consent that the name of the distinguished Senator from Massachusetts (Mr. Brooke) be added as a cosponsor of the amendment.

The Presiding Officer. Without objection, it is so ordered.

Mr. Hatfield. Mr. President, I have discussed this amendment with the ranking Republican member of the Committee on Foreign Relations, and my discussion with him indicated that it was not out of keeping with the record of that committee as I have referred to it today. I do not have any information from the chairman of that committee, but I assume that consultation has occurred between the ranking member and the chairman.

May I make an assumption? I should like to call my amendment up for a vote?

Mr. Mansfield. Mr. President, the amendment is acceptable to the Chair and to the ranking minority member of the committee.

Mr. Hatfield. I thank the distinguished majority leader.

Mr. President, I yield back the remainder of my time.

Mr. Mansfield. I yield back the time on this side.

The Presiding Officer. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT OF THE SMALL BUSINESS ACT—S. 545

AMENDMENT NO. 389

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. McGOVERN (for himself, Mr. Abourezk, Mr. Curtis, and Mr. Young) submitted an amendment intended to be proposed by them jointly to the bill (S. 545) to amend the Small Business Act to provide for compensation for small business and other losses arising out of the disturbances at Wounded Knee, S. Dak.

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION ACT—S. 409

AMENDMENT NO. 390

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, last Friday, I introduced three amendments to S. 409, the Council on Wage and Price Stability Extension Act, to encourage the Council to continue and expand its current anti-inflation role. Those amendments, Nos. 379, 380, and 381, are described on pages 11891–11892 of the Record for April 25, 1975.

Today, I am submitting an additional amendment, designed to enhance the status of the Council by raising the position of Director from level IV, $38,000 annual salary, to level III, $40,000 annual salary, of the executive schedule, and by requiring Senate confirmation of future Directors. The Council is the Nation's first line of defense against inflation, and I believe it deserves the additional status these changes will bring to its increasingly important role. I hope that the amendment will be approved by the Senate.

Mr. President, I ask unanimous consent that the text of the amendment may be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 390

At the end of the Act, add the following new section:

Sec. . (a) The first sentence of Section 2(c) of the Council on Wage and Price Stability Act is amended by adding "by and with the advice and consent of the Senate" after the word "President".

(b) Section 2(c) of such Act is further amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(c) The amendment made by subsection (a) of this section shall take effect immediately after the individual holding the office of Director of the Council on Wage and Price Stability on the date of the enactment of this Act ceases to hold that office. The amendment made by subsection (b) of this section shall take effect on the date of the enactment of this Act.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 312

At the request of Mr. Bayh, the Senator from Indiana (Mr. Hartke), the Senator from Kentucky (Mr. Huddleston), the Senator from Minnesota (Mr. Humphrey), the Senator from Vermont (Mr. Leahy), the Senator from Minnesota (Mr. Mondale), and the Senator from Utah (Mr. Moss) were added as cosponsors of amendment No. 312, intended to be proposed to the bill (S. 1279), a bill to extend the Voting Rights Act of 1965.

AMENDMENTS NOS. 376, 377, AND 378

At the request of Mr. Humphrey, the Senator from Illinois (Mr. Stevenson), was added as a cosponsor of amendments Nos. 376, 377, and 378 intended to be proposed to the bill (S. 409) to extend the authorization for the Wage-Price Council.

NOTICE OF HEARING

Mr. PHILIP A. HART. Mr. President, I wish to advise my colleagues and other interested persons that the Antitrust and Monopoly Subcommittee will meet at 3 p.m., May 5, in room 146 of the Capitol

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to mark up S. 408. This bill, introduced by Senator Brooke and several others, would repeal the Miller-Tydings and McGuire Acts which in turn would outlaw fair trade laws.

NOTICE OF HEARING

Mr. PHILIP A. HART. Mr. President, the Subcommittee on Antitrust and Monopoly will hold open hearings on S. 1284, the Antitrust Improvements Act of 1975, introduced by Senator Hugh Scott and myself.

The hearings will be held on May 7 and 8, 1975, in room 2228 of the Dirksen Senate Office Building, beginning at 9:30 a.m. on May 7 and 10 a.m. on May 8. Additional hearings will be scheduled in June.

All persons who wish to testify or submit a statement for inclusion in the record should contact Pat Springer, room A517, Senate Office Building; telephone 224–7489.

ANNOUNCEMENT OF HEARINGS—THE UNITED STATES AND THE UNITED NATIONS

Mr. SPARKMAN. Mr. President, I am pleased to announce today that the Committee on Foreign Relations has scheduled a series of hearings on a very timely and important subject, "The United States and the United Nations."

On the eve of becoming chairman, I noted the continuing need to reassess the United Nations. Another United Nations General Assembly session is not far off and now is the time to bring the best thinking and ideas to bear on our role in the United Nations and on the institution itself.

Inasmuch as the impetus for these hearings came on the recommendation of the senior Senator from Illinois (Mr. Percy) in his report on "The United Nations," and in order to rekindle the bipartisan cooperation that resulted in the overwhelming acceptance of the United Nations Charter in the beginning, I am looking to him to act as cochairman of these hearings.

All the hearings outlined below will be open to the public and take place at 10 a.m., in room 4221, Dirksen Senate Office building.

In addition to the witnesses listed below, the committee is making arrangements for testimony by Secretary of State Henry A. Kissinger, which have not yet been finalized:

THE UNITED STATES AND THE UNITED NATIONS

May 7—*The U.S. Role in the U.N.: the Vision and the Reality:*

Harold E. Stassen, Member of the U.S. Delegation to the United Nations Conference on International Organization, San Francisco 1945.

Henry Cabot Lodge, former U.S. Representative to the United Nations.

Arthur Goldberg, former U.S. Representative to the United Nations.

Charles W. Yost, former U.S. Representative to the United Nations.

May 8—*The U.N. in the Seventies:*

The U.S. Role Today: Senator J. W. Fulbright, former Chairman, Committee on Foreign Relations; sponsor of the Fulbright Resolution of 1943.

Is the U.N. Working?:

Richard N. Gardner, Henry L. Moses, Professor of Law and International Organization, Columbia University.

Abraham Yeselson, Chairman, Political Science Department, Rutgers University; author, *A Dangerous Place: The United Nations as a Weapon in International Politics.*

Joseph Segel, Chairman, Board of Directors, United Nations Association; U.S. Alternate Representative to the 29th U.N. General Assembly.

C. Maxwell Stanley, President, Stanley Foundation.

May 14—*The Impact of Détente:*

William F. Buckley, Jr., Editor-in-Chief, The National Review.

Marshall Shulman, Director, Russian Institute, Columbia University.

The Impact of the Third World:

Daniel Patrick Moynihan, former Member of the U.S. Delegation to the 26th United Nations General Assembly.

Richard A. Falk, Professor of International Law and Practice, Princeton University.

May 15—*The United Nations: Other Visions:*

Buckminster Fuller, Architect.

Richard Scammon, Governmental Affairs Institute.

Bruno W. Bitker, Chairman, Wisconsin Governor's Commission on the United Nations.

Pauline Frederick, former *New York Times* Reporter.

May 21—*The United Nations: Other Visions* (continued):

William Sloane Coffin, Chaplain, Yale University.

Seyom Brown, Brookings Institution.

Alvin Toffler, Author.

Norman Cousins, Editor, Saturday Review of Literature.

May 22—*The U.S. Role in the U.N.: Official Views:*

Ambassador John A. Scali, U.S. Representative to the United Nations.

William Buffum, Assistant Secretary of State for International Organization Affairs.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

W. Laird Stabler, Jr., of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years vice Ralph F. Keil, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, May 6, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF CHANGE IN HEARING DATE

Mr. RIBICOFF. Mr. President, on April 21, 1975, I announced, on behalf of the Committee on Government Operations, that the committee had scheduled a hearing on May 14, 1975, on the proposed public access regulations and explanatory report promulgated by the Administrator of General Services pursuant to Public Law 93–526, the Presidential Recordings and Materials Preservation Act.

Due to a change of plans, this hearing will be held on Tuesday, May 13, 1975, at 10:30 a.m., in room 3302, Dirksen Senate Office Building. I announce again that persons desiring to submit their comments and views to the committee should make their submissions by May 7, 1975.

NOTICE OF HEARINGS ON DRUGS

Mr. NELSON. Mr. President, I wish to announce that the Subcommittee on Monopoly of the Senate Small Business Committee has scheduled a resumption of hearings dealing with Federal expenditures on pharmaceuticals on May 16 in room 318—caucus room—of the Russell Senate Office Building at 10 a.m.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, I wish to announce to the Senators and other interested persons that a hearing on the nominations of Harold L. Hodgkinson, of California, to be Director of the National Institute of Education; Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare; and Donald Sharp Frederickson, of Maryland, to be Director of the National Institutes of Health, will be held by the Senate Committee on Labor and Public Welfare on May 2. The hearing will begin at 9:30 a.m. in room 4232, Dirksen Senate Office Building. Interested persons who wish to submit testimony to be included in the Record should contact Donald Elisburg, general counsel, Senate Committee on Labor and Public Welfare, 224–7665.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, I wish to announce to the Senators and other interested persons that a joint hearing on S. 1326 and S. 1426, Rail Transportation Improvement and Employment Legislation, will be held by the Senate Committee on Labor and Public Welfare and by the Subcommittee on Surface Transportation of the Senate Committee on Commerce on May 1. The hearing will begin at 9:30 a.m. in room 5110, Dirksen Senate Office Building. Interested persons who wish to submit testimony to be included in the record should contact Donald Elisburg, general counsel, Senate Committee on Labor and Public Welfare, 224–7665.

NOTICE OF HEARINGS

Mr. MUSKIE. Mr. President, on May 6, 7, and 8, the Subcommittee on Intergovernmental Relations will hold hearings on S. 1359, the Intergovernmental Countercyclical Assistance Act of 1975. Witnesses will include economists, representatives of State and local government and of labor.

The hearings are scheduled to begin at 10 a.m., in room 3302 of the Dirksen Office Building. Anyone wishing to submit statements for the hearing record, please contact Mrs. Lucinda Dennis, chief clerk of the subcommittee, in room 508 of the Capitol Hill Hotel, 301 First Street NE., Washington, D.C. 20510.

ADDITIONAL STATEMENTS

FINAL PARAGRAPH IN VIETNAM

Mr. SPARKMAN. Mr. President, as the final paragraph in the current chapter of our relations with Vietnam is being written today I hope and pray: that the killing has stopped; that the few Americans who have decided to stay in South Vietnam and those Vietnamese who feel endangered will be treated fairly and humanely; that those Vietnamese who have been evacuated will eventually find peace in new homes, in this country or in other countries, and the emotional scars of their leaving family and friends will eventually disappear; that the equally severe scar upon the American body politic caused by our involvement in the Vietnamese war will be removed and we can go on to more important matters; that we will be able to develop new stronger relationships with our Asian friends.

The closing of the chapter on military involvement in Vietnam does not close the book. We will continue to have positive interests in Southeast Asia.

PASSING THE ENERGY BUCK

Mr. McCLURE. Mr. President, now that the Senate has overwhelmingly passed the Standby Energy Authorities Act of 1975 (S. 622), I believe that it is important for us to comprehend the damage which such legislation does to public confidence.

When this bill was first reported from the Committee on Interior and Insular Affairs, I joined with other Senators in minority views which summarized our objections to S. 622. One such objection was that the proposed legislation is another shirking of congressional responsibility. There is no need at this time to reiterate the basis for that concern. The facts were extensively presented during the final debate before the full Senate. But, it is now evident that there are those outside the Senate who recognize the basic truth contained in those facts. One such person is Columnist David S. Broder.

In his column of April 23, 1975, contained in the Washington Post, he has accurately explained how the Senate has approved legislation which is "a hodgepodge," and which would "put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess." Mr. Broder's painfully accurate column has described S. 622 as "near perfect an example of buck-passing as Washington has ever seen."

He has concluded his indictment of our action by stating the simple truth:

> By the most charitable interpretation, the Senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.
>
> That's the kind of performance that already has brought the Federal Government into disrepute with its citizens.

Mr. President, I ask unanimous consent that the full text of Mr. Broder's column be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

PASSING THE ENERGY BUCK

(By David S. Broder)

Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.

It was approved on the same afternoon that the Senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.

It would be hard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.

The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.

Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.

That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.

It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."

None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.

What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.

While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong. Congress can veto any of his guidelines, with suitable rhetoric within the following 30 days.

That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.

On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.

So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.

That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design and not by happenstance.

By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.

That's the kind of performance that already has brought the federal government into disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

DECLINING SUPPORT FOR PLANT SCIENCE RESEARCH

Mr. PHILIP A. HART. Mr. President, Dr. Robert S. Bandurski of the Botany and Plant Pathology Department of Michigan State University has brought to my attention the unfortunate but apparent, declining support in this country for plant science research. In our efforts to alleviate hunger and plan for the future it seems this area should be playing a very significant role. Mr. President, I ask unanimous consent that Dr. Bandurski's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

MICHIGAN STATE UNIVERSITY,
East Lansing, Mich.

DEAR SENATOR HART: I am writing to request your interest in a matter which, I believe, affects our nation's ability to produce and export food crops. As you are well aware, for humanitarian and economic reasons, our crop productivity should double in the coming 25 years—and this must be accomplished with few new acres and, hopefully, with reduced fossil fuel input. Attaining this goal depends on producing more plant material on the same acreage and that, in turn, requires new knowledge and technology. Curiously though our national investment in plant science research has been steadily declining.

Total dollars invested in plant science research, corrected by the federal deflationary factor, have declined. A similar erosion has also occurred at the state level. Further, plant science research in 1965 amounted to 7.4% of the total federal bio-medical budget and decreased to 5.6% by 1971. I do not have more current data but the decline has continued so that now perhaps less than 5% of federal bio-medical funds go to support plant science research. Thus, plant science research support has declined, in terms of 1965 dollars, and the plant science effort has declined as a percentage of all biomedical research.

In retrospect, it is easy to see how this situation came about. Our nation was faced with crop surpluses so that further investment in plant research seemed unnecessary. Further, research in the physical sciences had greater appeal to industry and medical research had an understandably greater personal appeal for all of us. Consequently, as the appended table shows; NIH gradually withdrew from what appeared to be non-programmatic plant science research, NASA curtailed its exo-biology program and AEC essentially halted its extra-mural biology program. The USDA plant science research budget was eroded by freezes and inflation and the few additional drop out dollars NSF obtained for plant science research did not nearly compensate for the cuts that occurred elsewhere.

Thus, the situation is serious. It is made more dramatic by the simultaneous concern with food, energy and petro dollars. A good example of this relationship is the following. The total annual *biological* fixation of nitrogen from the atmosphere in the U.S. is 23.8 million tons. At current prices this quantity would cost 6.6 billion dollars and, were it chemically fixed, would require enormous amounts of energy and petroleum. Despite this our total federal investment in trying to improve biological nitrogen fixation is probably of the order of one million dollars. Almost all areas of agriculture are similarly poorly research financed in proportion to the value of the product.

In general terms, AEC, NIH and NSF have supported the longer range aspects of plant science research, with NSF being the largest source, while the CSRS and ARS of the USDA have, in general, supported research on more immediate problems. It is going to take dollars and thought and effort to increase the levels of plant science research support in all of these agencies so as to continue the excellent results they have attained with relatively few dollars. Clearly too, we do not wish to increase plant science research at the expense of equally vital research in other areas.

I have gathered these data while serving as Chairman of the Plant Science Research Group composed of Presidents and representatives of the major plant science societies. I believe it is important that these data be better known by the congress. I hope that you are personally interested and, that if you feel it is desirable, that you supply a copy of this letter to those of your colleagues who are concerned with NSF, USDA and AEC (ERDA) funding. If I can be of any help I will be pleased to visit with you or to supply such additional information as you might find helpful.

Thank you for your kind attention.

Sincerely yours,

ROBERT S. BANDURSKI,
Professor.

GOOD-BYE, GREAT BRITAIN

Mr. DOMENICI. Mr. President, the lead editorial in the Wall Street Journal for today, Tuesday, April 29, 1975, is titled "Good-Bye Great Britain." It refers to the April 25 cover story of the Economist, the British weekly journal of news and opinion.

The Economist story, called "Steady as She Sinks," points out in bald, unemotional terms the certain result of Britain's present economic moves. The editorial describes Great Britain's "current contribution to the world" as revelation of "the ultimate result of economic and social policies rapidly gaining ascendancy in the United States." It cites the fact that, combining 20-percent inflation with the additional $3 billion in taxes just enacted, an Englishman earning $24,000 must have a pay raise of $9,600 just to maintain his present economic position.

The editorial goes on to say that England's $128 billion budget, 60 percent of a gross national product one-eighth the size of ours, is equivalent to a $900 billion budget in this country.

Mr. President, the lesson for America is so clear that we ignore it at our peril. Although imitation is said to be the most sincere form of flattery, let us not delude ourselves in this instance. The price England is paying will destroy England, in due and inevitable course.

If applied to America, it will destroy the Nation and the system we have been building for 200 years. Is this what we want to imitate?

Mr. President, I ask unanimous consent that this editorial, as printed in the Wall Street Journal for this morning, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance coverage they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

DIRECTOR, DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 21, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 75-

24, concerning the Department of the Air Force's proposed Letter of Offer to Norway, Denmark, Netherlands, and Belgium for 348, F-16 aircraft and associated support equipment and services estimated to cost $2.119 billion. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

TRANSMITTAL No. 75–24

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Norway, Denmark, Netherlands, & Belgium.

b. Total Estimated Value $2.119 Billion.

c. Description of Articles or Services Offered: A single purchase consortium of 348 F-16A and B model aircraft and associated support equipment and services.

d. Military Department: Air Force.

e. Date Report Delivered to Congress: April 22, 1975.

DIRECTOR DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 17, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirement of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75–21, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for the design of an Air Force Academy. The initial phase of this case is not expected to reach the value of $25 million; however, the follow-on phases are expected to exceed $25 million and will be reported to Congress as they develop.

Sincerely,

WALTER B. LIGON,
Acting Director.

[Transmittal No. 75–21]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Saudi Arabia.

b. Total Estimated Value: In excess of $25 million. (See Note below.)

c. Description of Articles and Services Offered:

Planning, design, and supervision of construction of the King Faisal Air Academy and airfield at Al Batin.

d. Military Department: Army (Corps of Engineers).

e. Date Report Delivered to Congress: April 18, 1975.

NOTE.—The estimated cost of construction will not be known until the planning and design phases of the project have been completed. However, the total cost is expected to exceed $25 million, and Congress is therefore being advised of the undertaking at this time. Upon development of a construction cost estimate, the Congress will be advised of the estimated total value of the project.

HRH Prince Sultan, Saudi Arabian Minister of Defense and Aviation, requested that this project be accomplished under the Engineer Assistance Agreement. This is an agreement between the U.S. Government and the Government of Saudi Arabia, effected by an exchange of notes in 1965 (Treaties and Other International Acts Series 5830) and extended in 1971 and 1973. The original legal authority for the agreement was Section 507 (a) of the Foreign Assistance Act of 1961, as amended, now superseded by the Foreign Military Sales Act, as amended. The Engineer Assistance Agreement, in effect, established procedures other than the standard Form 1513 Letter of Offer and Acceptance later adopted for Foreign Military Sales cases. Under these procedures, the Saudi Government submits a request to the U.S. Ambassador to Saudi Arabia for the Corps of Engineers to undertake planning, design, and supervision of construction of facilities. Upon approval by the Departments of State and Defense, the Ambassador is informed of the U.S. decision to honor the Saudi Government's request. The Saudi Government then deposits irrevocable letters of credit in a U.S. bank to pay the Corp's costs.

DIRECTOR, DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 16, 1975

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75–23, concerning the Department of the Army's proposed Letter of Offer to Iran for repair parts, tools and components to support Augusta Bell helicopters models 205, 206 and Boeing Vertol CH-47C helicopters estimated to cost $30.0 million.

Sincerely,

WALTER B. LIGON,
Acting Director.

[TRANSMITTAL No. 75–23]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Iran.

b. Total Estimated Value: $30.0 million.

c. Description of Articles or Service Offered: Repair parts, tools and components to support Augusta Bell helicopters models 205, and 206 and Boeing Vertol CH-47C helicopters for FY 76.

d. Military Department: Army.

e. Date Report Delivered to Congress: April 17, 1975.

PLIGHT OF THE RETIRED ENLISTED MAN OR OFFICER

Mr. GOLDWATER. Mr. President, since 1958 practically nothing has been done for the retired enlisted man or the retired officer. Efforts have been made, although I must say, sadly, of a very small nature on both sides of the Congress. Once again the Retired Officers Association and the Retired Enlisted Association are concerned for the plight of their members who are suffering almost alone among all the other millions of people who are retired on different programs.

Since 1958, frankly, the retired person has not received what I call a fair shake. I have not always gone along with all of their desires because of the highly inflationary aspects of what they come to. I have to come to this opinion, and I do this reluctantly, and I do it because I feel I am speaking for a minority of the Congress. If we are going to benefit everybody in this country who has worked or not workd, who has done some thing or not done something for our country, then I think it is time we think about our veterans.

For this reason I am going to look in a different light at the request put forth by the different retired associations this year, and so that my colleagues might have an understanding of just what these different approaches might be, I ask unanimous consent that the statement of the Retired Officers Association before the Defense Manpower Commission on March 13 be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE RETIRED OFFICERS ASSOCIATION

(Presented by Col. George F. Hennrikus, Jr., USAF, Retired)

Mr. CHAIRMAN and MEMBERS of the Commission:

This opportunity to present the views of The Retired Officers Association and the Retired Enlisted Association concerning some of the issues this Commission has been charged to study is appreciated.

In deference to the capability and experience represented on this Commission and conscious of the limitations of Associations such as ours to recommend substantive changes or solutions to the current problems of military personnel management, this statement will be limited to matters of concern to the retiree.

The major issues with which our members are most concerned are well-known to this Commission. For record purposes, however, recent statements which summarize our position with respect to recomputation and medical care are attached, together with a list of our legislative goals.

One other enclosure lists modifications we feel will improve the Survivor Benefit Plan (SBP). Three of these modifications have already been introduced in the 94th Congress by Congressman Bob Wilson.

H.R. 1162 would change the present inequitable social security offset for widows who receive social security payments based on their own employment.

H.R. 4032 would reduce from two years to one year the marriage requirement for a widow or widower to be entitled to a survivor annuity.

H.R. 4033 would eliminate the lock-in provision. By the way, similar legislation was introduced in the Senate last week by Senator Fong. His Bill is S. 919.

The remaining changes to the SBP are now being incorporated in legislative proposals by Mr. Wilson's staff. We feel, if adopted, they will improve an already fine plan and effect a higher percentage of participation. We anticipate that final leglislation will provide for an open enrollment period to give another opportunity to those retirees who chose, originally, not to participate.

I intend to use the balance of my time to discuss a matter of immediate concern to all retirees. However, I'll be happy to answer any questions or provide additional information with respect to any of the foregoing subject.

Mr. Chairman, we feel it is essential that the conditions of the work contract under which military members now serve—the rights, benefits and entitlements—be abrogated only in instances where an improvement can be realized.

With one great exception, there have been few instances in recent history when a modification has not represented an improvement. Historically, this improving trend has been the nature of the Government's treatment of all Federal employees. The exception, of course, is the suspension in 1958, and finally, the repeal in 1963, of the law which provided for recomputation of military retired pay. Other setbacks affecting limited numbers have usually been related to ungovernable circumstances, such as base closures and the consequent loss of medical facilities, commissaries and exchanges.

CHAMPUS, The Survivor Benefit Plan, the cost of living formula, the effort to achieve active duty pay comparability—all have contributed to an excellent retirement system for recent retirees. Even for older retirees who are tied to deflated pay scales, the improvements have prevented complete disaster and have, at least, permitted them and their dependents minimal subsistence.

Now, faced with a combined inflation/recession, and the urgent requirement to maintain a viable defense through an expensive, but essential, weapons modernization program, Secretary Schlesinger has decided he must reduce manpower costs.

Since last summer, when consideration was given to modifying CHAMPUS, every pronouncement from the Secretary's office concerning personnel policy has constituted a threat to the military careerist and the retiree.

In its wisdom, the 93rd Congress successfully blunted the full effect of these threats. Now, Secretary Schlesinger has mounted a new effort to reduce costs by reducing or eliminating people-related expenditures. The President's Budget Request for 1976 recommends the withdrawal of support for recomputation, limiting cost of living increases, and a two-stage reduction of funds normally used to cover personnel costs of commissary operations. An Inter-Agency study, not yet released, is rumored to recommend substantial reductions in the military medical service, over and above those already in force.

In supporting these planned reductions, the Secretary and his assistants contend that military pay has now achieved comparability with civilian pay.

We do not agree. Pay comparability has not been achieved, even in dollars and cents terms. The current military pay scale begins below the poverty level and ends far short of the executive level. Presented graphically, it more nearly resembles a mushroom than the classic pyramid.

But the point I want to make here is that military compensation by the very nature of the profession cannot be fully represented in dollars and cents terms, except possibly with respect to hired mercenaries.

Consider the present circumstances. Despite the most severe recession in 30 years and a catastrophic unemployment rate; despite major force reductions; despite the continued promises of the very benefits which are now being considered for elimination, the Services still must spend millions of dollars each year to recruit and retain volunteers. Granted, recruiting goals are being met at lower cost per recruit, and retention rates are improving. However, most expert observers agree that no matter what pay incentives are offered, the Services will never compete on equal terms with industry for people.

The reasons for this seem fairly obvious. Several are sometimes categorized under the general title, "exigencies of the service": willingness to engage an armed enemy; long and erratic duty hours; frequent and expensive moves with little opportunity to build an investment in a home or to enjoy the long-term security of a familiar community; mental and, sometimes, physical stress on dependents; a work contract that can be changed at the whim of the government; and probably most important, the surrender of certain basic freedoms.

In an article in the January, 1974, issue of The Retired Officer magazine entitled "Military Careerists: A New Scapegoat Minority", Dr. Theodore C. Kahn, a clinical psychologist, stated:

"The greatly misunderstood fringe benefits, commissaries, post exchanges, medical care and space available travel, all have a symbolic significance that overrides their dollar value many times. Their continuation represents a symbolic expression of national appreciation for the sacrifices that almost every military person has been called upon to make sometime in his career. There is no substitute for them. The military culture prescribes symbols and the nation must reciprocate—at least partially—with symbols in order to maintain military morale."

We can only conclude from his recent actions and pronouncements, that Secretary Schlesinger has decided it's time for the Defense Department to begin emulating the personnel methodology of private industry—that what's good for General Motors is good for our Armed Forces.

We dispute this premise with as much vigor as we support the need for a constantly vigilant, well-equipped defense establishment.

Troops undergoing the rigors and discomforts of field exercises, sailors on long cruises away from their families, airmen in lonely missile silos or on alert beside their aircraft, staffers putting in 60-hour weeks in some recess of the Pentagon are not there because their pay is comparable to their peers in private enterprise.

If this were the case, they would form a union and strike for overtime pay. Furthermore, if they were called upon to engage the enemy, they would probably do so reluctantly, and only after their shop steward had obtained a majority vote.

In predicting the consequences of what we perceive to be Secretary Schlesingers' plan to action, I would cite the sad state of our Merchant Marine. The pay scales necessary to man our merchant ships finally put it out of business.

If this perception of Secretary Schlesinger's intention is correct, and if he achieves acceptance in the Congress, I can only foresee the most dire consequences.

We ask this Commission to do everything in its power to avert what we feel will be a disaster.

In conclusion I would also ask your support for a recomputation compromise. Until recently, our Associations have based our fight for pay equalization solely on its innate legitimacy—righting a wrong. Now, for the first time we have sufficient evidence to support an added argument based on need.

We recognize that, if any or all of the current proposals to reduce benefits were accepted by the Congress, the resultant changes would affect retirees at all levels. However, I want to stress that our particular concern is for the older retirees, those who retired prior to 1967 or 1968. This group represents about two-thirds of the total number of retirees. All of this group were not only affected by the repeal of recomputation in 1963, but also had the misfortune of retiring before the move toward pay comparability got underway. Though the cost of living formula has helped them to cope with the inflationary trend, they are still tied to an extremely low pay rate.

When Secretary Schlesinger and his key people use the term "pay comparability" in justifying reduction in retirement benefits, it is our contention that they are completely ignoring these older retirees. According to Defense Department statistics, more than half of this group receive incomes below $4,000 per year. This means that many of them subsist below the National poverty level. Almost all of them depend upon the commissary and the cost of living formula to survive. Many, even now, must rely on welfare programs to some extent. According to a recent report, more than $1.5 million in food stamps are being redeemed in military commissaries each month.

In the Budget Request for Fiscal Year 1976, the Administration justified its withdrawal of support for recomputation by citing the need to restrain spending, and further noting that "the present retirement system, with its provision for consumer price index adjustments, already had the effect of recomputing retired military pay."

In a White House meeting held two weeks ago, I had an opportunity to discuss this rationale with the executive staff who had prepared the Defense portion of the Budget. When Mr. Ogilvie of the Office of Management and Budget restated their belief that all retirees would ultimately receive equal pay for equal rank and time in service as a result of the cost of living formula, I was able to convince him that this would never occur in anyone's lifetime, much less the lifetime of an individual who retired prior to 1958. Though he was finally convinced I was not at all reassured that it would cause any change of position on the issue.

This incident, plus other indications we have noted recently, have convinced us that the older retiree has been forgotten by the current Administration. Thus we are taking advantage of this opportunity and any others we are afforded to restate our support of the Hartke-Wilson Compromise plan for recomputation.

Again let me re-emphasize the point that we defend the rights, benefits and entitlements of all retirees under any circumstances but we particularly ask that this Commission give special consideration to the older retiree who is now having great difficulty coping with the current inflation/recession.

Finally, though I know it's unnecessary to point out to persons who hold the credentials of the members of this commission, I would like to note this thought for the record: The treatment accorded by the government to retirees on this or any other earned entitlement is closely watched by the active forces. Clearly it must have an impact on career decisions they must make.

ENERGY AND THE AMERICAN FUTURE

Mr. NELSON. Mr. President, the distinguished chairman of the House Committee on Interior and Insular Affairs Subcommittee on Energy and Environment (Mr. UDALL) recently delivered a very thoughtful speech on the topic "Energy and the American Future."

Congressman UDALL outlines a sound and practical approach to solving our Nation's energy problems. This approach correctly strikes a fair balance between environmental protection and the need to become energy self-sufficient.

This speech is an important document. I ask unanimous consent that Congressman UDALL's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ENERGY AND THE AMERICAN FUTURE

(By MORRIS K. UDALL)

If we are to have an energy system that strengthens our economy and serves the real needs of our citizens, it is now plain that drastic reforms are required.

The first question that must be answered in formulating a national energy policy is whether the government or the petroleum industry will guide and direct what happens.

The American people have had it with the oil companies.

They are outraged by disclosures of frauds, price fixing conspiracies, and political slush funds.

They are suspicious of the claim of the oil companies that they need bigger and bigger profits for more drilling and exploration, when they witness a steady decline in our production and proven reserves of oil and gas.

They are tired of living under the threat that a few oil producing countries will embargo us and disrupt our economy.

They are incensed by special tax privileges

which produce windfall profits—but no improvements in the U.S. oil outlook.

And they are at the end of their rope with governmental leadership that has allowed such an anti-competitive system to prosper and dominate our national life.

What the American people want in 1975 are policies that will end special privileges and practices which stifle competition.

They want their government to compel competition and halt the manipulation of energy prices by all segments of the energy industry.

They want their government to control all oil imports and arrange for embargo-proof systems of supply.

They are not demanding a nationalized energy system, but they want the energy resources owned by all of the people developed for the common good under plans and policies that will guarantee adequate energy for future needs, protect the environment from despoilation and protect consumers from exploitation.

The energy crisis has pitched us into a serious predicament: the country, at once, must grapple with the interrelated problems of economic recovery, runaway prices, shortages, increases in pollution, and threats to foreign policies vital to our future.

The American people want the hard facts about this energy predicament. They are willing to make sacrifices if sacrifices are necessary, but they are convinced the energy policies of the past are working against the national interest. In short, they want our energy destiny taken out of the hands of oil company executives and put in the hands of the people.

It is increasingly clear that Americans cannot have the kind of energy system they want unless the system itself is reorganized. Patchwork solutions will not be adequate. Structural changes are needed, changes which will enable us to shape an energy economy which serves the common good.

We have had no national energy policy in the past because as long as petroleum was cheap and seemingly superabundant, there did not seem to be a need for one. We called our policy a "free market" policy, but in fact it consisted largely of oil industry free-wheeling dedicated to the proposition that what was good for the oil companies was good for the country.

This policy is a disaster for consumers in a time of shortages. It jacks up all prices and enlarges the unbridled power of those who control our petroleum. The real energy crisis we face today is not—as some oil industry spokesmen would have us believe—a short term crisis of production: even if herculean efforts are made, our lives in the next decade will be dominated by energy shortages. The crisis centers on conservation, the rapid development of sound alternate energy sources, and actions to break the iron grip a few large oil companies have had on our energy system.

POLICY GUIDELINES

Action to implement this new national energy policy should be guided by eight broad concepts:

a) awareness that we live on a planet where energy resources are scarce, not abundant, that we must use them with a high degree of efficiency and conserve energy wherever possible;

b) the premise that whatever energy is available should be allocated to assure everyone enough for basic necessities at fair prices and according to priorities that protect jobs and promote economic health;

c) the idea that all laws and regulations should be reformed to penalize waste and encourage energy thrift;

d) an understanding that environmental protection must be a major objective of any national energy policy;

e) the belief that we should take steps now to reduce our dependence on unreliable sources of imported oil;

f) a steadfast commitment to support whatever level of research and development is needed to give this country stable, adequate energy supplies for the long haul;

g) a bias for open energy industries which compete aggressively for markets in all sectors of our energy economy; and

h) a recognition that it is the job of government to set policies and priorities that will reorient the energy future of this country.

STRUCTURAL CHANGES IN THE U.S. ENERGY SYSTEM

As stated, the framework of a national energy policy will involve fundamental changes in our systems of supply and distribution. Reforms, like the pieces of a puzzle, must fit together in a unified whole. My plan takes the form of six interrelated proposals.

PROPOSAL I: BREAKING UP THE ENERGY CONGLOMERATES

By any reasonable criteria of what constitutes a concentrated industry—high prices, inefficiency, lack of innovation and exploration, bloated profits and the power to control and direct the economy—the energy industry qualifies; and is in clear violation of the intent of the anti-trust laws.

The problem as now defined is not one of restraint of trade—but a naked question of who will determine America's energy future.

The time has come to restructure the oil industry and eliminate those features which stifle competition. This must be done by legislation; there is too much at stake to wait for conventional anti-trust proceedings.

Legislation should be enacted which would break up the energy conglomerates. It should fix reasonable deadlines for divestiture and prohibit any corporation from engaging in more than one phase of the petroleum business. Once this restructuring is consummated, separate companies would: a) explore and produce petroleum, b) transport it, c) refine it, and, d) market it at retail.

Such legislation should also prohibit the multiple ownership of competing energy resources. Already four coal companies owned by Big Oil account for 35% of domestic coal output. In addition, oil companies control over 30% of the nation's privately-held coal reserves, and 50% of the uranium reserves. Major oil companies which have become energy conglomerates are stifling the very competition needed to eliminate energy shortages.

The trend towards horizontal integration points to the further need for price controls on all domestic fuels until such time as divestiture is achieved and competition is injected into the energy market. For in the absence of controls, the energy conglomerates are pushing the price of all fuels—oil, gas and coal—up to the OPEC level.

This real danger is dramatized by what is now happening in the coal industry. Under the combined pressures of short supplies and increasing horizontal integration of the energy industry, coal prices are rising towards the artificially high price level of OPEC oil. Even independent coal companies, riding this trend for all it is worth, are now reporting windfall profits. For example, two independent coal companies recently reported annual profit increases of 669% and 340%. This policy of inflated, OPEC-level prices for all fossil fuels, would institutionalize inflation and make a return to economic vitality vastly more difficult.

PROPOSAL II: THE MANAGEMENT OF OIL IMPORTS

The government must also take immeditae steps to reduce America's dependence on unreliable sources of imported oil.

To achieve this, legislation should be enacted to accomplish the following:

a) The control over the importation of oil should be taken out of the hands of the multi-national companies and placed in the hands of the government. This should be done by reinstituting a system of quotas under which a federal agency would determine the amount of oil imported in order to reduce gradually our reliance on imports over the next decade.

Import quotas adjusted quarterly, would insure that all reductions in energy use come out of imports, rather than from reduced domestic production, as has been the case in the past year.

b) Once the control over oil imports is vested in the government, a bidding procedure and/or other appropriate negotiating techniques should be instituted which would give the government the final say over the source and price of all such imports.

In the 1960's our previous oil import quota program was administered under a "preference" which favored Western Hemisphere sources of supply (i.e. Venezuela and Canada). The new quota program should contain a "reliable sources" preference which would enable the U.S. to reduce—and ultimately eliminate—imports from the countries which embargoed us in 1973–74 and tie our future supply sources to such nations as Venezuela, Nigeria, Iran, Indonesia and Canada.

It is also urgent for the U.S. to start now to create a national oil stockpile of one billion barrels, including a 300 million barrel military stockpile. The purchase of this reserve should be rapidly escalated once the world price of oil falls to reasonable levels.

The paramount need of all the oil consuming nations is the lowering of oil prices. Because our self-sufficiency is greater, the U.S. should lead the effort to achieve this objective. We can do this by keeping price controls on supplies of domestic oil and gas, by instituting rigorous programs of energy conservation, by giving industry incentives to switch from petroleum to coal—and by other steps which will keep steady pressures on the oil cartel.

One step we should not take is to attempt to negotiate an international floor price for oil. Secretary Kissinger's proposal to commit the U.S. and the other oil importing nations to such a price is totally inexplicable. If we institute import quotas, adjustable on a quarterly basis, prospective domestic investors in energy resources need fear no loss of market from foreign oil at any price. At first glance, there is a kernel of economic sense in the Kissinger plan, but on further analysis, it blossoms into an absurdity. Whether we are talking about tertiary recovery methods for oil, expensive off-shore development of gas, or the highly capital intensive requirements of new synthetic fuels, all can be subsidized directly by the government without extending that subsidy indirectly to the OPEC cartel.

PROPOSAL III: THE MANAGEMENT OF U.S. RESOURCES

A third structural reform should be the creation by Congress of a new public agency with well-defined powers to manage our publicly owned energy resources.

Our privately owned resources are rapidly depleting. The great bulk of the remaining undeveloped fossil fuel resources of this country are in public ownership. It has been estimated that close to 70% of our undeveloped oil and gas resources lie under public lands, and that at least half of our mineable coal and over 85% of our oil shale are likewise owned by all the American people.

The time has come for the federal government to play a larger role in the management of our energy future. We can no longer afford to leave our lives and vital economic interests to the mercies of an oil cartel and a handful of giant corporations that have forfeited the trust of U.S. citizens.

This important agency (which might be

called The National Authority for Energy Management) should be chartered and given the power to play a catalyst role in the development of the nation's publicly-owned fossil fuel resources. It should be empowered:

1) to carry out the initial exploratory drilling on the remaining offshore frontier areas on the continental shelves of the Atlantic and Pacific oceans;

2) to develop sufficient producing oil and gas wells on public lands to provide a yardstick on production costs against which the performance of private companies would be measured;

3) to be the steward of the resources of all Naval Petroleum Reserves, and have the exclusive responsibility to inventory the petroleum resources within National Wildlife Refuges prior to any decisions concerning the actual development of such resources;

4) to be the manager of the U.S. petroleum stockpile.

To propose the creation of this authority, is not to propose the nationalization of the U.S. oil industry. To the contrary, such an agency will provide a cutting edge that will sharpen competition in the domestic industry.

Finally, government must take a more active part in the development of new energy resources: solar, geothermal, fuel cells, and a whole variety of energy conservation technologies. Under authority already vested in the Energy Research and Development Administration, joint government-industry corporations should be set up to insure that new technologies are promptly introduced into the marketplace.

PROPOSAL IV: A NEW APPROACH TO NATURAL GAS REGULATION

Of all the near term energy shortages we face, the prospect of a serious natural gas ontage is the most ominous. For example, some experts are forecasting a 40% drop in gas availability for the North Central states by 1980. The natural gas industry has rightly been a regulated monopoly since its inception. But with the President dangling prospects of taking the lid off prices, it is not surprising that very little new gas is coming to market.

With the current shortages in the sky-high price of alternatives, decontrol of natural gas prices would be a multi-billion giveaway to the Big Oil companies who also monopolize gas production. Congress must act to end the uncertainty over the future of the natural gas industry.

The new legislation being developed by the Senate Commerce Committee is a step in the right direction. It will permit somewhat high prices for new gas discoveries to reflect higher costs, together with end-use controls phasing out the wasteful burning of natural gas as boiler fuel. This legislation will elicit all the gas that can be economically found and still protect the consumer against price-gouging.

We must remember that the fundamental answer to the natural gas shortage is to switch America's industrial boilers to coal as rapidly as possible in conformity with suitable environmental safeguards.

In the meantime, it is crucial that the Federal Power Commission make a decision that the gas from the Prudhoe Bay Field in Arctic Alaska be brought down the MacKenzie River Valley to replenish the dwindling supplies of the north central states. Canada will benefit as well as the U.S.

PROPOSAL V: LONG-TERM DIRECTIONS FOR THE COAL INDUSTRY

With the decline of our petroleum reserves, coal must once again become a key factor in our energy economy. The recent controversy over stripmining has temporarily clouded the outlook for coal, but now that new ground rules are about to be written into law, I am confident the coal industry will respond to the challenge.

Unfortunately, in recent years, the promise of widely expanded development of western coal has been overstated while the problems have been woefully underestimated. The Ford administration and one segment of the coal industry have pushed for headlong stripmining of western coal, despite its relatively low quality and the high cost of transporting it to the industrial states. Moreover, as long as the vast tracts of western coal are controlled largely by oil, railroads, and big mining concerns, there is little room for competition from the independent coal producers who have long played an important role in the eastern coalfields. And too many states have competed for the jobs that come with stripmining by ignoring the environmental and social devastation that also accompany it. Likewise, the Administration has closed its eyes to these matters in buying the strip-at-any-cost philosophy of the big coal producers.

Congress, however, has risen to the challenge. The balanced bill that will soon be on the President's desk will set fair national ground rules for coal development. This legislation has said to the coal companies, "Strip if you will, but not by permanently destroying the western way of life, not by poisoning the streams and groundwater as you have in the East, not by leaving productive farm and range lands desolate for centuries." We have tried to assure that any shift in production from eastern to western coal, from deep mined to stripmined coal, will not leave us with ghost towns in the East and ill-planned boom towns in the West.

In addition, the comeback of coal must be tied to a planned renaissance for American railroads. Nothing can do more to promote energy conservation than the rebuilding of our most efficient means of transportation. Coal cannot play the much larger role that it clearly must unless the government gives an immediate high priority to railroad rehabilitation.

PROPOSAL VI: AN OBJECTIVE ASSESSMENT OF NUCLEAR POWER

There is probably no area of energy policy more fraught with emotion, uncertainty, and dubious information from both proponents and opponents than nuclear power generation. On the one hand, utilities advertise that a nuclear power plant is "no more dangerous than a chocolate factory," and at the same time we hear prophesies of doom from informed nuclear opponents.

We need to know the real risks and benefits of nuclear power plants: what the short-and-long-range costs are, what the most reliable and economical technologies are. Beginning next week and continuing throughout the year, the Subcommittee on Energy and the Environment, which I chair, will take a leading role in promoting a national dialogue on nuclear energy. For the first time, both sides of the nuclear debate will get a fair hearing in a neutral forum. We will undertake a comprehensive analysis of the hard technical data to present in comprehensible form all that is known about nuclear safety, and to pinpoint the unanswered questions. Only with this kind of solid background, so lacking in the hyperbolic claims which have dominated the nuclear debate, can we make a rational, informed decision on how far and how fast the nation can afford to go.

Transportation reforms and energy efficiency

Personal mobility has been the most conspicuous boon of the cheap energy era. But we have paid a frightful price for the psychic and economic benefits of this freedom in the form of congestion, pollution, atrophied inner cities, and the disappearance of the neighborhood as a functioning social unit. We have permitted, even encouraged, the decline of public transportation by unneeded highways and inadequate financial support, so that even today, in the throes of an energy and economic crisis, we pour nearly three times as much federal money into highways as into all mass transit modes. We have the means to reverse these trends. We can replace our entire auto fleet in six or seven years if we make it a national goal to do so. If we convert our automotive fleet to vehicles which will get double the miles-per-gallon as today's dinosaurs, by 1981 (even assuming we use our cars almost as much as we use them today), the consumption of gasoline can be reduced 50 percent, or about 3½ million barrels per day.

The way to restore the auto industry to a condition of health is to build small cars that will stretch our existing oil and reduce our dependence on imported sources of supply. By gradual steps, if our automakers manufacture more buses and new kinds of public vehicles and provide more and better hardware for the new modes of public transportation, the whole country will be more efficient and more prosperous.

Conservation, jobs and the future

In the past eighteen months, we have learned much about the benefits and bonuses offered by a national strategy of conservation. Industries which have eliminated energy waste have improved their profits and made the jobs of their employees more secure, just as the practice of energy thrift has enabled families to make significant savings in their budgets. The fewer billions we spend on OPEC oil, the more billions we will have to spend on products and projects that benefit everyone in this country.

A well-designed energy conservation program will strengthen our economy in the years ahead. If the U.S. is a lean and efficient country, it will be stronger socially and economically. Conservation will mean shifts in patterns of investments and industrial growth—but will not mean reductions in employment.

To appreciate this prediction, it must be recognized first that the energy industry, while capital intensive, provides relatively few jobs. Today the energy industry accounts for nearly 10 percent of GNP but provides only 3 percent of American jobs. Dollars spent on energy generate fewer jobs than dollars spent elsewhere in the economy. To be more precise, it requires an investment of about $150,000 to provide for one permanent job in the energy industry, whereas only $22,000 is required in general manufacturing. So whenever we substitute better workmanship, more efficient machines or more carefully designed systems for wasteful energy use, we not only employ more people in implementing the conservation program itself, we also employ more workers when we spend the released dollars that no longer must be invested in producing energy.

While broad economic projections are always uncertain, the results of a pioneer University of Illinois study which attempted to calculate the energy and jobs consequences of diverting $5 billion from the highway construction program into other sectors, are instructive about the effects of various priorities. If the $5 billion were diverted to railroad and mass transit construction, the study calculates there would be a net saving of 61 percent in energy and a net gain of 3 percent in jobs. If the money were put into water and waste treatment facilities construction, there would be a 41 percent reduction in energy use and a very small—around 1 percent—increase in jobs. If the money were spent on the construction of education facilities, there would be a 36 percent decrease in energy use and a 5 percent increase in jobs. If the same sum were to be spent on national health insurance, there would be a 64 percent reduction in energy required and a huge 65 percent increase in jobs. If spent on improving the police and criminal justice systems, the $5 billion would

mean a 3 percent loss of energy, but again, a huge 53 percent increase in jobs. And finally, if you took the $5 billion away from the government completely and gave it back to the people through tax reductions, there would be a 23 percent decrease in energy use and a 7 percent increase in jobs.

These predictions may not prove to be absolutely accurate, but the general trends are undeniably clear. Tens of thousands of new jobs can be created if we use our wealth and technology creatively. For example, Governor Milton Shapp of Pennsylvania has developed a plan—recently endorsed by other Eastern Governors—to rehabilitate the nation's railroads by investing $2 billion to $3 billion annually in restoring roadbeds and new rails and rolling stock. Shapp's studies show that such a program would create over 400,000 new jobs. Other areas where energy-effiency and economic revitalization could go hand in hand are:

Building more subways and modernizing mass transportation in all of our cities;

Providing the machines and incentives to bring to birth new resource recycling industries in all parts of the country;

Giving an impetus to urban housing improvement programs which will make our cities more compact, more efficient, and more livable.

These are but some of the neglected areas of our national life where we can generate jobs that will utilize the full potential of America. These activities will require energy, but they will represent a rejection of the idea that we can work our way back to prosperity by building more gas guzzling cars, more energy-wasting glass houses, and more and more junky, resource-wasting products.

U.S. energy use soared in the past twenty years not because of need, but because energy was seemingly so cheap and so abundant. But now our wasteful economy is in serious trouble. The solution lies in learning to get to work, keep warm, and to run factories with less energy per unit of service. That clearly can be done and is being done. If we do this, the energy required per dollar of GNP will also go down—and the money saved can create thousands of new jobs. Once the full genius of U.S. know-how is brought to bear on the problems of energy efficiency, a stronger and sounder economic system will be created.

One thing is certain. The worst mistake any society can make in a time of rapid change is to stand pat. Each month we continue energy consumption as usual, we are forfeiting valuable options. If we are willing to make some hard decisions now—and begin stretching our oil resources now—we can save tomorrow's jobs and share our remaining petroleum resources with future generations as well.

FRANKLIN R. LITTLE—A SPOKESMAN FOR NEW YORK'S NORTHERN FRONTIER

Mr. JAVITS. Mr. President, with the death of Franklin R. Little, New York's northern frontier has lost a loyal and and effective spokesman. As chairman of the board and chief executive officer of the Northern New York Publishing Co., he provided a vital service to the citizens of St. Lawrence County for over 50 years.

Dedicated to preserving the natural beauty of the St. Lawrence River, most recently Frank Little editorialized firmly in favor of a "green belt." And, with equal strength he sought industrial development for that region and fought vigorously on behalf of the Massena powerplant. He respected the importance of the business community, and in recognition of that fact he was elected president of the Northern Federation, the Ogdensburg, and the St. Lawrence Counties Chambers of Commerce.

Although he spent most of his time in St. Lawrence County, the voice of Frank Little went far beyond the State of New York. He was a former director of the Associated Press, a vice president of the U.S. Society of Editors and Commentators, and a founder of the New York Society of Newspaper Editors.

Frank Little will be long remembered in the north country for his achievements as an outstanding journalist, and for his interest and active participation in civic, business, and environmental affairs. He was my friend during all the years I have held statewide office.

I ask unanimous consent that an article and editorial from the Watertown Daily Times also a major voice in the north country and with which Frank Little had his differences, regarding Franklin R. Little be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Watertown Daily Times, Apr. 22, 1975]

FRANKLIN R. LITTLE

Franklin R. Little, who died Sunday, aggressively championed St. Lawrence county, Ogdensburg, and the river valley. His newspapers, particularly the Ogdensburg Journal which he personally directed, recorded in ample detail his crusades, whether in behalf of the seaway, Massena power, or a self-applied antipathy toward the Watertown Daily Times. Personally as a man he always seemed most friendly to the editors and staff of this newspaper, so his frequent words about The Times we came to accept as a public display of brotherly disaffection which really didn't exist in his heart. If his provocations were based on a failure on our part to rise to the attack, he probably didn't receive the kind of satisfaction he wanted, but on the occasion of his death, we record our full remorse and are glad that we exercised self-denial.

Frank Little possessed a prodigious memory. He enjoyed tremendously visiting with leaders, state, federal, and international. His stories about his interviews had to be based on his memory because it would have been humanly impossible to take notes on the many details of his observant eye and ear. Many was the occasion when he traveled to Albany, New York or Washington and reported with thoroughness in the columns of his newspaper. He was energetic and enterprising, and in his observation, most dedicated to his newspapers and to his readers. He could write both with invective and with enthusiasm. He would frighten and he would please. He was unafraid and courageous.

As a businessman he was most successful in carrying out his desires as an editor. Originally he joined with the late Frank Gannett in the purchae of the Ogdensburg Journal in 1928. In that relationship he took the leadership in acquiring the Massena Observer, the Ogdensburg Advance News, the Potsdam Courier and Freeman, and the St. Lawrence Plaindealer. He took over 17 years ago the compelte ownership of these newspapers to the extent that they were part of the Gannett organization. Thus not only did he preserve several weeklies in a day when such publications dwindled in numbers in the nation, but also he allowed them to maintain their voices in their respective communities.

At the age of 74 Mr. Little's career ended after several years of illness. Nevertheless he wrote regularly, including an editorial as recently as last Thursday when he recommended a green belt in Ogdensburg to preserve the beauty of the St. Lawrence river for this and future generations. There may even be more comments stored in his editorial bank.

His middle name which began with R causes confusion upon his death. It may come out Rockefeller. Governor Nelson Rockefeller often invited his "cousin" to sleep in the mansion at Albany when newspaper editors made their annual trip to the Capitol for briefings on the state budget. Sometimes the spelling of the middle name came out with "a" rather than an "e", suggesting a different branch of the family. His father was Dr. Wilbur Taylor Little. His mother was Florence Rockefeller, spelling not clear, of a pioneer family in Colorado. His name was also known to have been spelled as Rockafellow, a form that we believe was correct. However, as so frequently happens, names in newspapers often go through interesting mutations.

After 50 years of being editor and publisher in Ogdensburg, Frank Little will be missed by his friends and those he may have misconceived as his enemies. In death he may want to continue his differences with this newspaper, but it would strain his talents to take exception to the foregoing comments.

FRANKLIN R. LITTLE DIES; NEWSPAPER PUBLISHER

OGDENSBURG.—Franklin R. Little, 74, chairman of the board and chief executive officer of the Northern New York Publishing Co., died at 6 a.m. Sunday at A. Barton Hepburn Hospital, where he had been a patient since last Monday. He had been in failing health for four years.

He dictated his final editorial for publication Friday. In it, he supported the creation of a "green belt" along the waterfront here as part of an urban renewal project.

Funeral services will be at 10:30 a.m. Wednesday at the McLellan Funeral Home and at 11 at St. John's Episcopal Church, Ogdensburg. The body will be cremated. He stipulated that half of his remains be buried next to his wife's and that the remainder be scattered in Colorado.

Friends may call at the McLellan Funeral Home, 400 Caroline St., today and Tuesday in the afternoon and evening.

He is survived by two sons, Franklin P., news editor of the Harrisburg Patriot-News, Harrisburg, Pa., and George R., Potsdam, president of the Northern New York Publishing Co. and editor of the Potsdam Courier and Freeman.

SON OF DOCTOR

Mr. Little was born Sept. 10, 1900, in Canon City., Colo., the son of Dr. Wilbur T. and Florence Rockafellow Little. His father was one of the leading specialists in tuberculosis in the West and was one of the pioneers with the late Dr. Solley of London, England, and Colorado Springs, in the early study of the influence of climate in the treatment of tuberculosis. Dr. Little was chairman of the committee of physicians named to design and supervise the building of the medical department at the University of Colorado.

Franklin R. Little was graduated from Princeton University in 1922 and began his newspaper career in Colorado where he was a member of the advertising department of the Colorado Springs Gazette and Telegraph.

UMI

In 1921 he married Miss Janet Pennoyer. The couple moved to Williamsport, Pa., in 1925 when Mr. Little became advertising manager of the Williamsport Sun.

GANNETT PARTNERSHIP

They came to Ogdensburg in 1928 when Mr. Little and the late Frank E. Gannett of Rochester purchased the Ogdensburg Journal from A. Eugene Sansoucy. The men formed the Ogdensburg Publishing Co.

The men remained in partnership 30 years, purchasing the Massena Observer from Leslie C. Sutton in 1937, purchased the Ogdensburg Advance-News in 1940 from Frederick C. King and Joseph Brandy and acquiring the Potsdam Courier & Freeman from the late Congressman Bertrand E. Snell in 1949.

The corporate name became the Northern New York Publishing Co. in 1937, following purchase of the Observer.

In October, 1958, controlling interest in the corporation was sold to Mr. Little by the Gannett Co., with Mr. Little, who had been serving as secretary-treasurer of the corporation, becoming president.

He was president until 1973, when his son George was elected, while he continued as chairman of the Board of Directors and chief executive officer of the corporation.

The fifth St. Lawrence County newapaper was added to the corporation in September, 1969, when Mr. Little purchased the St. Lawrence Plaindealer Canton, from Mr. and Mrs. Ralph J. Heinzen, Nutley, N.J.

Mrs. Janet Little, who had served as vice president of the Northern New York Publishing Co., died July 20, 1963, at Royal Victoria Hospital, Montreal, at the age of 63. Mrs. Little had been stricken with a rare paralyzing disease, Guillain-Barre Syndrome, while aboard the tour ship Kungsholm on a tour of the Orient with her husband.

Mr. and Mrs. Little had traveled extensively, with Mr. Little frequently addressing civic and school groups on his observations and experiences while abroad.

Mr. Little had traveled to India, the Orient, Africa, Russia and South Vietnam, Africa and the Middle East, having circled the globe several times.

He enjoyed writing of his meetings with such personages as Jawaharlal Nehru, Indira Gandhi, Abdul Nasser, Haile Selassie, Chiang Kai-Shek, and Nog Dien Diem.

HONORS

Honored by two Northern New York colleges, he received a North Country Citation at the Oct. 16, 1971, Homecoming Recognition Program at St. Lawrence University, Canton. The citation noted, "as publisher of St. Lawrence County's principal newspapers, he has provided a strong voice for Northern New York in the leadership councils of both state and nation."

He was awarded an honorary Doctor of Letters degree by Clarkson College of Technology, Potsdam in May, 1974. The citation accompanying the degree said in part: "For his ardent involvement in community endeavors; for his pursuit of excellence in North Country journalism and for his unerring pride in St. Lawrence County, Clarkson College expresses its high regard to Franklin R. Little."

In a statement this morning, Clarkson College President Robert A. Plane said, "Clarkson College is saddened by the death of Franklin R. Little, honory Clarkson alumnus. He will be long remembered for his loyal service to the North Country. Such loyalty to, and love for, the region will be sorely missed.

"But above all, we are saddened by the loss of a good friend and extend our sincere condolences to his family and friends."

Mr. Little was respected for his knowledge of business, news and advertising. He was a supporter of business and industrial development and actively sought a nuclear electrical power plant for this area despite the opposition of environmentalists.

He was a former director of the Associated Press, a vice president of the U.S. Society of Editors and Commentators, and was a member of the International Press Institute, the National Press Club, the National Newspaper Association and the Inter-American Press Association.

Mr. Little was a founder of the New York State Society of Newspaper Editors and had been a president of the Associated Dailies of New York.

He served as an officer and director of the New York Press Association, was a former director of the New York State Publishers Association, and was a director of the professional journalism society, Sigma Delta Chi.

He took an active interest in local affairs, having served as president of the board of trustees of the Ogdensburg Public Library and the Remington Art Museum.

He was also vice president and secretary of the Ogdensburg Bridge and Port Authority, chairman of the Ogdensburg Housing Authority and a trustee of A. Barton Hepburn Hospital.

He had been chairman of the Marine Midland Trust Co. advisory board at Potsdam, and president of the Northern Federation Chambers of Commerce and of the Ogdensburg and St. Lawrence County Chambers of Commerce.

He was a director of the St. Lawrence Council, Boy Scouts of America and the Ogdensburg Boys Club. Mr. Little was a member of the Ogdensburg Elks Club, the Ogdensburg Masonic Lodge and St. John's Episcopal Church.

JOHN M. BAILEY

Mr. RIBICOFF. Mr. President, John Bailey was one of my closest personal friends. More than 40 years ago as young men we started our political careers together. John's good works and memory will always have a unique place in the annals of Connecticut's history. He contributed so much to the success of the Democratic Party and to our State and Nation.

There will never be the likes of him again. John Bailey was an original. He was a political genius. So many in our State and Nation owe their political success to John's help, wisdom, and hard work.

John made my political career possible—as he did all those who attained prominence in the State of Connecticut for the past four decades. He was especially proud of his last victory—the election of his protege, Ella Grasso, as Governor of the State of Connecticut. John Fitzgerald Kennedy, too, would not have become the President of the United States were it not for John's help, dedication, and friendship.

A great Democrat, yet he always planned and worked for the nomination of candidates to high public office who, when elected, would serve the people of our State and Nation free from party politics and with the highest distinction.

John Bailey left a great legacy to good and wise government. The greatest legacy of all, however, will be found in a special and great lady who was his wife, Barbara, and their outstanding children and grandchildren. They will carry on his memory and good works for many years to come.

After his death, his memory and achievements received extensive comment and tribute. One of the most moving came at the Mass of Christian Burial for John. The Cathedral of St. Joseph was filled to capacity by family and friends as Msgr. John S. Kennedy gave a sensitive and thoughtful homily about John's life and service.

I would like to share this and the many other memorable comments about John with you. I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOMILY DELIVERED BY MSGR. JOHN S. KENNEDY, EDITOR OF THE CATHOLIC TRANSCRIPT, AT THE MASS OF CHRISTIAN BURIAL FOR JOHN M. BAILEY IN THE CATHEDRAL OF ST. JOSEPH, HARTFORD, APRIL 12, 1975

In the Gospel passage just read, Jesus is enunciating a principle which he intends to have prevail in the Christian Church.

Leadership there, authority and power there, are to take the form of service. The first places are not to be a license for self-aggrandizement, an excuse for lording it over people. The occupants of those places are so situated not to be served, but to serve and, it may even be, to lay down their lives for the community.

This rule cannot be transferred entire to the political sphere. There the concern is chiefly with the conduct of temporal affairs. There, too, men and women may quite properly propose themselves for office and seek election. Yet those who are entrusted with the public business would do well and wisely to reflect on the conception of service and sacrifice presented in the Gospel, and make it the norm for themselves.

The fact is that many do something of the sort. Were this not the case, a political system such as ours (of, by, and for the people) would be subverted. When it is not the case, our system is damaged, and the people sorely penalized.

Scandalous failures in this respect have led some people to attach opprobrium to the very word "politician," as if it were indelibly dyed with dishonor. But this is irrational. It is like saying that because some baseball players generally strike out, all baseball players always strike out or that because some surgeons are bunglers, all surgeons are butchers.

The political system is indispensable, and if it is to work, it requires expert handling, continuous professional attention. Which is to say it requires politicians. To expect perfection of them is to expect something which is not demanded of people in any other line of endeavor. A reasonable standard of conscientious performance should suffice. If anything, we probably are not grateful enough to those who keep the system working.

John Moran Bailey was a professional politician. The spell of politics was cast upon him in his boyhood, and this fascination was to be lifelong.

As a young man, he played a small role in one section of the local stage, and from this he moved on to bigger parts in the city, the state, the nation. This is not the time or the place, nor have I the competence, to judge his record. Indeed, the complete record of all aspects of his life has now been definitely judged by the highest authority.

But it should be said that, whatever recognition or reward his political career brought him, that career can be perceived as one of service—service to the community, the commonweal, the people.

It was exciting for him at times, but exacting as well. It could be tedious, burdensome, wounding. Much of the long journey was at a plodding pace, and in buffeting

weather. But he stayed the course. He rendered an essential service, creditable service.

He was a public man who, curiously, was also a very private man. For the most part, he was not demonstrative or even ordinarily expressive. It was hard to read his face, and he rationed his words.

But during the long illness which wrestled him slowly down to death, he revealed something of his exceptional personal quality. He suffered, but it was without complaint. The strength of his patience and the buoyancy of his spirit impressed everyone who watched the grim and finally unequal struggle. He was a mettlesome man.

His wife and his children were his joy and his comfort. Theirs is the greatest loss in his passing, which is a loss to many and to the political process. He lived by Christian faith. He died in Christian hope. May he be at peace in the glorious light of the Resurrection.

[From the Washington Post, Apr. 16, 1975]

POLITICS, "BAILEY-STYLE"

(By David S. Broder)

The last time John M. Bailey appeared at a national Democratic Party function waa last December in Kansas City. The 70-year-old Connecticut boss and former chairman of the Democratic National Committee, ravaged by the cancer that killed him last week, was given appreciative applause by the delegates to the party's first mid-term mini-convention.

That sentimental gesture did not cloak the fact that it was hail and farewell in more than the personal sense. For the kind of party envisaged by the charter adopted in Kansas City has little room in it for future John Baileys. The organization leader or boss he symbolized is scorned by both the public and the party activists nowadays.

Even more than Chicago Mayor Richard J. Daley, Bailey was the archetype of the boss. He was the pure organization man, who ran the Connecticut Democratic party for a record 29 years without ever holding elective office.

His real power was his influence—amounting, at times, to virtual control—over the Democratic nominating process. He guided or strong-armed the selection of the party's candidates for state and federal office for almost three decades, manipulating the Connecticut convention system like the superb inside operator he was. That kind of power is the prime target of the rules changes enacted by the Democrats, by Congress and by the state legislatures in recent years, but the reformers have yet to prove their "open" system works as well as Boss Bailey's tactics.

There is no doubt that his long reign saw some cruel blows dealt to the ambitions of able contenders; often, there was arbitrariness in the punishments and rewards.

An obscure retired Army colonel named Frank Kowalski saw himself converted into an instant congressman in 1958 because he fit the ticket envisaged by John Bailey. That same Frank Kowalski, grown too big for his britches, was broken by Bailey four years later when he had the temerity to challenge Abe Ribicoff for the Senate nomination.

But over the years, the hallmark of Bailey's candidates was their quality. His long tenure and his success came because he never underestimated the electorate or forgot that the voters had the ultimate voice in deciding who held office. As long as the organization was responsible for picking those who represented the party, he was fully prepared to be held accountable for the character and competitiveness of his nominees.

He was a boss who understood far earlier than most reformers that increasingly educated and independent voters demanded candidates whose ability and integrity were greater than their loyalty to the machine. The first governor he helped elect was Chester Bowles and the last was Ella Grasso. His greatest political creation, Abe Ribicoff was given his chance to run for governor only a year after a rift with the Bailey organization that Ribicoff himself thought had ended his career.

John Bailey did not talk the reformers' jargon of affirmative action, but he understood both the worth of individuals and the attraction of the balanced ticket. In his time, he helped bring the first blacks to statewide office, the first Jew and the first woman to the governorship, and the first Catholic to the presidency.

He was able to maintain discipline in his organization because he kept tight rein on his own emotions and appetities. He understood that ambition and greed are part of politics, as they are part of human nature. He never was captured by the myth that laws or regulations could purge politics of such crass concerns. But by restraining his own hunger for glory and gain, he avoided for 30 years the stain of scandal that has destroyed so many other dominant party organizations.

John Bailey believed in a political party that was vigorous and outspoken when in opposition, and supportive of its officeholders when in power. When John Kennedy made him national chairman, Bailey gave him only one promise, and kept it: "I won't get you in trouble." Other, later Presidents might have valued such a principle in their political aides.

Bailey and his style of politics were anathema to some, but he survived and outdistanced them. The late Tom Dodd, who never accepted Bailey's leadership role, proclaimed after the party's defeat in 1970 that "the Democratic machine under John Bailey is now defunct."

He could not have been more wrong. The organization Bailey built gave the old and ailing boss one last, great victory in 1974.

Now cancer has conquered what no political foe could defeat. The loss will be felt by those who knew John Bailey. But it will be felt even more by those who, not having known him, missed what may well have been their last best lesson in political responsibility as taught by a party boss.

[From the Hartford Courant, Apr. 11, 1975]

JOHN BAILEY, DEMOCRATIC CHAIRMAN, DEAD AT 70—IS MOURNED BY LEADERS NATIONWIDE

John M. Bailey, who guided the state Democratic party to unprecedented power and helped elect John F. Kennedy as president of the United States, died Thursday at 2:15 p.m. in Hartford Hospital. He was 70 years old.

Bailey, chairman of the Democratic State Central Committee since 1946, died after a two-year battle with throat cancer.

The lifelong Hartford resident became Democratic national chairman after Kennedy's victory in 1960, as the first Roman Catholic president in U.S. history, and remained in that post until 1968.

MOURNED NATIONWIDE

Statements mourning Bailey's death were issued by political figures across the state and nation, many of whom owed their careers to his guidance.

Gov. Grasso, whose triumph as the nation's first elected woman governor in her own right was Bailey's last political victory, described her longtime mentor as "a noble warrior who brought to the political arena the rare combination of vision, judgment and respect that made every combat an exercise in excellence."

Flanked by the state constitutional officers elected in Bailey's last campaign, Mrs. Grasso, her voice strained, told a crowded State Capitol press conference that Bailey had "a special sense of decency and civility that made the political process and all of us better than we were."

She quoted a newsman who once wrote, "All of John Bailey's enemies live to fight another day on his side."

DEMPSEY AT HOSPITAL

Former Gov. John N. Dempsey, also a Bailey disciple, said he had arrived at Hartford Hospital Thursday afternoon "to find the doctor looking for me. I walked into his room just as God took our good friend home."

The news of his father-in-law's death reached House Speaker James J. Kennelly of Hartford while he was presiding over a roll-call vote in the Hall of the House. He turned pale and left the podium to speak with House Majority Leader William A. O'Neill of East Hampton.

O'Neill gave the news to the legislators and said Kennelly had urged them to carry on as Bailey would have wished. After a moment of silence, the House did so.

In Washington, Sen. Edward M. Kennedy, D-Mass., said, "Those of us who want politics to be held in esteem by the citizens of this country need only adhere to the standards which were so natural to John."

POLITICAL GENIUS

U.S. Sen. Abraham A. Ribicoff, who was elected Connecticut's first Jewish governor under Bailey's tutelage, said, "There will never be the likes of him again. John Bailey was an original. He was a political genius."

Said Connecticut's Republican U.S. Sen. Lowell P. Weicker Jr., "He was a fighter. He was a winner. I'll miss him."

U.S. Sen. Hubert H. Humphrey, D-Minn., who became a Bailey friend during the administrations of Kennedy and Lyndon B. Johnson, said that even as national chairman, Bailey "never forgot where his home was . . . Even though I wasn't acquainted with the politics of Connecticut, I heard a great deal about it."

Lawrence F. O'Brien, who succeeded Bailey as national chairman, said, "John Bailey was in the true sense a political pro . . . He was a political leader of integrity who was nationally respected."

PERSONAL TRIBUTE

The present national chairman, Robert Strauss, recalled, "The warmest moment at the Democratic conference in Kansas City last December was when I presented John Bailey and the delegates stood and cheered with great affection. Many of us knew it would probably be his last convention. It was a very moving occasion . . . as well as a personal tribute to John."

State Democratic Vice Chairman Katherine T. Quinn, who worked at Bailey's side for more than 30 years, said, "John Bailey did more good for more people over a longer period of time then any other citizen of Connecticut."

Another longtime Bailey associate, U.S. Rep. William R. Cotter, D-1st Dist., called the chairman "one of a kind, a great political leader. Connecticut has lost a statesman."

Lt. Gov. Robert K. Killian said a little-known Bailey quality was his "keen sense of humor—the fact that he was the champion needler of all time . . . He knew my foibles and failings and took advantage of every one."

Republican leaders whose ambitions were so often foiled by Bailey's political skills were unanimous in mourning his passing.

Said Republican State Chairman Vincent A. Laudone, "His passing leaves a void in the state of Connecticut which will probably never be filled in quite the same way again. He was a giant among political personalities and a true gentleman in every sense of the word."

Former GOP State Chairman J. Brian Gaffney called his rival "one of the fairest men I ever met. His word was good."

Former Republican Gov. Thomas J. Meskill said "The leadership which he gave his party was largely responsible for its growth and success in Connecticut."

And U.S. Rep. Stewart B. McKinney, R–4th Dist., said "I only wish he had been a Republican."

[From the Hartford Courant, Apr. 11, 1975]

Party Chairman, Always Tough, Never Gave Up

(By Jack Zaiman)

If ever a profile in courage is written in Connecticut about someone in politics and government, it will be written about John M. Bailey. He died, as he wanted, with his boots on.

He wouldn't give up. To the end, he was still talking to people and clearing patronage. This was the Democratic party he had created in Connecticut, this was his rags-to-riches political career from Hartford precincts to the White House. This was his life and he yielded it reluctantly and grudgingly, by inches, to death.

What a marvelous political career! He transformed Connecticut from a conservative Republican state to one that is moderate-liberal Democratic. He made governors, he made U.S. senators and he helped make John F. Kennedy president.

He became an institution in Connecticut, being a state chairman longer than any other man in history. He was a political boss, yes, and a power broker. He was a total politician.

It was his job to grab the patronage for the Democrats and he did. It was his job to win elections and he found candidates who could win for him and the party. He did all a Democratic state chairman was supposed to do. In politics he worked 24 hours a day, seven days a week. He loved every minute of it.

They couldn't keep him in his hospital bed. He amazed everyone by coming to Gov. Grasso's inaugural and to the ball that followed. "I wouldn't miss it," he said in a voice choked by cancer. He amazed everyone again by coming to the Jefferson-Jackson Day Democratic fund-raiser at the Hartford Hilton March 1.

He could hardly stand. Yet, when a reporter asked how he felt, his reply was "good." Everyone else knew different.

POLITICAL MENTOR

"He was my political mentor," Mrs. Grasso said the other day. Above all, his family will miss him. But Mrs. Grasso will miss him, too—his instinctive political reactions, his desire to do well by his state, his joy at being with people who could talk politics and trade stories about the close ones, and, for laughs, the runs, hits and errors of politics.

Running side by side with Bailey over nearly 40 years of Connecticut politics, watching and analyzing his moves, I can say that he has written the unwritten rule book of modern politics in this state. His style was instinctive politics—an automatic political reaction to almost anything that happened.

In 1946, when Bailey became state chairman, a reporter said to him: "What do you want it for? You're going to get your block knocked off in the election."

"I have to take it," said Bailey. "You take it when it comes. It may never come around again."

Bailey's block was knocked off in 1946 by close to 100,000 votes in the state election.

When he ran for probate judge in 1940, and he got his block knocked off when all other Democrats were winning, he said: "Never again. You're either a leader or a candidate. Not both."

DIDN'T STAY ANGRY

He begged a reluctant Abraham A. Ribicoff to run for the U.S. House in 1948 and made his career. He got angry at Chester Bowles in 1946 and then got friendly again in 1948. The rule: don't stay angry.

Above all, loyalty! Bailey was Tom Spellacy's man in Hartford, and everyone knew it. But, against Spellacy's wishes, Bailey supported the late Gov. Robert A. Hurley for renomination in 1944. Why? Because Hurley had appointed him statute revision commissioner, a job now known as legislative commissioner. "You're loyal to the guy who appoints you," explained Bailey at the time.

Again he broke with Spellacy in the famous Hartford Democratic primary in 1946, a primary that led to Bailey's appointment as State chairman. Bailey beat Spellacy, among others, in that fracas. Yet, years later when Ribicoff was governor, Bailey got Spellacy appointed state insurance commissioner.

SOFT SPOT

For Bailey had a soft spot in his heart for "long Tom," as Spellacy was known. He was Spellacy's runner in Hartford—the messenger—and he learned much of his political wisdom from him. He also learned what not to do and that was to stay angry. "Spellacy used to stay mad at people," Bailey said. "Not me."

What was Bailey's biggest disappointment? He hated, of course, to lose a political fight or an election. Those were disappointments.

Could it be, perhaps, that his biggest disappointment was the refusal of Bowles, when he was governor in 1949, to appoint Bailey to a vacancy term in the U.S. Senate? This was the vacancy caused by the resignation of Raymond E. Baldwin.

Bailey promised that he wouldn't seek the full-term election later. All he wanted was the honor. But Bowles, who then was looking to be president, thought it would look bad to the country for him to appoint a politician as a U.S. senator. So he appointed the late William Benton as senator. Soon, Benton and Bailey were close friends.

The one who never forgot Bailey's rejection by Bowles was Katherine T. Quinn of Wethersfield, the Democratic state vice chairman who perhaps has been Bailey's closest political friend. They started out together in politics in the 1930s and they stayed together.

While national chairman in the 1960s, Bailey would on occasion come home to sit around with old friends. But a reporter never could get him to talk about the inside of the Kennedy Administration. "I don't want them thinking down there that I'm shooting off my mouth in Connecticut," he said.

TOLD STORY

But he often told the story about sitting around with Kennedy and chewing the fat. Bailey said he looked at the White House floor while they were talking and noticed that it was full of little holes.

Kennedy saw him looking at the holes. "You know what those are?" Kennedy said. "Eisenhower made those with his golf shoes while running in and out to practice shots out on the lawn."

How did Bailey get along with his Democratic governors? Very well. The rule was laid down by Ribicoff, and Bailey followed it to the letter. "I run the government," said Ribicoff, "and you (Bailey) run the party."

And that's the way it has been.

There are hundreds of stories about Bailey and the world he lived in.

KNEW DEATH COMING

But the story that stands out now as one looks at the career of this remarkable boss and power broker is this one:

He knew he was going to die, for he spoke about it to friends. But he wanted that last big one, the taste of that last victory. He wanted, like everything, to win that 1974 gubernatorial election.

He had pulled off the biggest deal of his late career—getting U.S. Rep. Ella T. Grasso and then Atty. Gen. Robert K. Killian, two of his closest friends, to make peace. Nobody thought he could do it. But, ill as he was, he did it. And, ill as he was, he led his party to victory in 1974.

"He wanted to get Ella started off well," a friend said the other day. So, from his hospital bed, he "worked" the telephone. He summoned politicians to his bedside to get patronage straightened out. Mrs. Grasso visited him nearly every day.

Then, one day, the "no visitors" sign went up on Bailey's door and everyone knew that he had gone as far as he could go.

Rites Scheduled Saturday for Party Chairman

The funeral of Democratic State Chairman John M. Bailey will be at noon Saturday at the Cathedral of St. Joseph, 140 Farmington Ave.

The funeral procession will leave Bailey's home at 150 Scarborough St. at 11 a.m.

Burial will be in Cedar Hill Cemetery on Fairfield Avenue. The Ahern Funeral Home, 180 Farmington Ave., has charge of arrangements.

Calling hours will be today from 2 to 5 p.m. and 7 to 9 p.m. at the Bailey home.

Pallbearers will be Frank Daly of West Hartford, former Hartford Democratic Town Chairman Michael J. Zabbaro, Dr. John Winters of West Hartford, Atty. Joseph P. Cooney of Hartford, U.S. Rep. William R. Cotter of Hartford, Atty. Stephen K. Elliott of Southington, Dr. Thomas Murphy of West Hartford and John Budds of West Hartford.

Bailey leaves his wife, the former Barbara Leary; a son, Atty. John Michael Bailey of Colchester; three daughters, Mrs. Barbara Kennelly of Hartford, wife of House Speaker James J. Kennelly; Mrs. Louise Kronholm of West Hartford and Mrs. Judith Perkins of West Hartford, and 12 grandchildren.

Memorial contributions may be made to the American Cancer Society or other charity.

[From the Hartford (Conn.) Courant, Apr. 11, 1975]

Bailey's Political Style: Contradiction in Terms

Damned as a political boss, revered as a political master, John M. Bailey was a contradiction—a cigar smoking Harvard educated lawyer who thrived on the machinations of politicas at any level. He knew them all, ward, city, state, national.

He lost by a wide margin the only elective office for which he ever ran. That was in 1940 when he ran for Judge of Probate in Hartford. Everybody else on his ticket rode Franklin D. Roosevelt's coattails to landslide victories.

But just six years later he became state Democratic chairman. Ten years after that, in 1956, he was pushing hard for a young Massachusetts senator named John F. Kennedy to be nominated vice president.

Bailey failed, only to help elect Kennedy president in 1960. Bailey won Kennedy's approval to become national Democratic party chairman.

He left his national post in 1968, but was still the head of the state party at his death.

John Moran Bailey was born on Nov. 23, 1904, in Hartford's old east side. One biographer has said he was weaned on politics.

His father was Michael Bailey, a doctor who found time to serve on the Board of Education, the Common Council and the Board of Aldermen.

His mother was Louise Moran Bailey. She was the first woman to serve as vice chairman in the Second Ward, where her son was to learn the rudiments of politics. When she was appointed to the Hartford Juvenile Commission, she became the first woman city commissioner.

Bailey attended St. Peter's Parochial School, Hartford Public High School and Catholic University. There he was quarterback of the football team, a member of the

basketball team and captain of the baseball team.

After college he enrolled in Harvard Law School and was graduated in 1929. While in law school he met Barbara Leary of Mansfield, Mass. He married her four years after his graduation from law school and after he had begun his political career.

That beginning came in late 1929 when he tangled with Hartford's veteran political boss, Thomas J. Spellacy, for control of his family's own Second Ward. Bailey lost and a short time later became Spellacy's ally.

In 1931 Bailey received his first paid political post, secretary to then-Hartford Mayor William Rankin. The pay was $19.75 a week.

In 1933 he was appointed judge of Hartford Police Court, served as its clerk from 1935–39, then as judge again until 1941, when he was appointed state statute revision commissioner.

This post placed him in close daily contact with state leaders. And Bailey had not been inactive during his years in Hartford. As Spellacy's lieutenant he had made some state contacts and from 1937 to 1941 he served as treasurer of the National Young Democrats.

In 1944, Bailey broke with Spellacy over the best choice for the gubernatorial nomination. Bailey's favorite lost and two years later, as punishment, Bailey was dropped from the State Central Committee.

But somehow, in that same year, supposedly deprived of a power base, Bailey won control of the Democrats' state convention, named his own slate of candidates and was elected state chairman.

His candidates lost in state elections, however, and he spent a rough two years until the next election. His chairmanship remained secure through it all. Nobody else wanted it, he later claimed. After that loss, Bailey lost only two other gubernatorial elections, the latest in 1970.

His power was so great that Republicans often campaigned against Bailey instead of the Democratic nominees.

For a man usually at work behind the scenes, Bailey's finest hour may have come at the podium of the Democratic National Convention in 1964. The Courant reported it this way:

"John M. Bailey looked out over the roaring sea of Democrats and gavelled for order.

"The steady roar continued and Bailey pounded on.

"Suddenly he stopped. A wry smile crept over his face. Back to the microphones he stepped. Into the bedlam of the convention he boomed:

"Will the delegation from Connecticut please be in order!

"Up went the glasses to the familiar forehead perch. He stood there grinning at Gov. Dempsey and the laughing faces in the delegation.

"This was the greatest night of his political career and he was enjoying it."

Earlier in the week he had told some of the state delegation how he would handle the convention.

"We'll hit that gavel hard; away we'll go and hope we get through it all right."

Bailey led the Democratic party to gubernatorial victories in 1948, 1954, 1958, 1962 and 1966. His candidates lost in 1946, 1950 and 1970.

In 1974 came a big test when two of his close personal and political friends, Robert K. Killian of Hartford and Mrs. Ella T. Grasso of Windsor Locks, clashed over the Democratic gubernatorial nomination. The contest between the two became bitter.

Eventually,. Mrs. Grasso took an insurmountable lead for the nomination. Killian, deeply hurt, indicated he would step out of politics. Democrats feared an Irish-American defection from the party would result along the lines of 1970.

In that year, an Irish-American defection caused the defeat of Emilio Q. Daddario of Hartford, the Democratic gubernatorial nominee. Daddario, early in the campaign, had indicated he might replace Bailey as state chairman.

In 1974, Bailey sought to avert the same defection by inducing Mrs. Grasso and Killian to make peace. After considerable behind-the-scenes work, Killian agreed to run for lieutenant governor. The threat of a defection was ended.

Mrs. Grasso was elected by a margin of 203,000 votes in the 1974 election. Democrats swept the state. It was Bailey's sixth gubernatorial victory since he became state chairman in 1946.

Bailey's health began to deteriorate toward the end of the campaign. He was admitted to Hartford Hospital for treatment several times for cancer of the throat.

He continued to run party affairs from his hospital bed, talking to party leaders by telephone, summoning others in person. He was in the hospital on Jan. 8, the day Mrs. Grasso was inaugurated.

He left the hospital for the day's events. He attended an inaugural luncheon at the Hartford Hilton. Then he went to the inaugural at the State Capitol. Later, he had dinner with Mrs. Grasso at the Governor's Residence. Then he went to the Governor's Ball at the State Armory. He received an ovation there.

Then he went back into the hospital.

Occasionally, he was released from the hospital to go home. But his condition was such that he had to return to the hospital after a few days to be cared for. Mrs. Grasso visited him nearly every day. He talked to party leaders on the telephone. Others came to his bedside, at his invitation, to talk political business.

On March 1, he insisted on going to the Democratic Jefferson-Jackson Day fund-raising dinner at the Hartford Hilton. He got an ovation from the more than 1,500 Democrats who attended. He spoke briefly. He stayed until the dinner was over and then was driven back to the hospital.

It was his last political hurrah.

Party Chief Portrayed as Lover of Politics

Former Gov. Wilbert Snow of Middletown, who started John M. Bailey on his career as Democratic state chairman in 1946, Thursday described him as a man "who loved the intricate game of politics more than any man I ever knew."

"It was strange to me," said Snow. "But he was like a horse raring to go for a race."

Snow, who is 92, was the Democratic nominee for governor in 1946. He won the nomination with the support of Bailey, who was then just a Hartford party leader. As a reward, Snow designated Bailey as his choice for Democratic state chairman and the State Central Committee named him.

"He had a gift of leadership," Snow said.

"He knew I was going to lose in 1946 and he told me so," the former governor said. "So he took several thousand dollars from the campaign that year to set up a new Democratic headquarters in Hartford."

Snow lost by some 100,000 votes in 1946.

"I gave him his real start," said Snow, who served as lieutenant governor in 1945 and 1946 under Gov. Raymond E. Baldwin, and served as governor 13 days after Baldwin resigned to serve in the U.S. Senate.

"By nature," he said "he was not a liberal but a lot of us tried to make him one. At heart, he was very conservative."

"We became very good friends," said Snow.

Snow expressed his deepest sympathy to Bailey's family.

[From The Hartford (Conn.) Times, Apr. 11, 1975]

Funeral for John Bailey Saturday

John Moran Bailey, chairman emeritus of the Democratic National Committee and leader of his party in Connecticut for 28 years, died at 2:15 p.m. Thursday at Hartford Hospital. He was 70.

His funeral will be Saturday noon at the Cathedral of St. Joseph.

Gov. Ella T. Grasso, whose career in politics had been encouraged and enhanced by Bailey, said, "Now is a time of sadness—of very special sadness."

Expressions of regret over Bailey's death and of sympathy for his family were coming today from top personalities in public life.

Former Gov. John N. Dempsey, who had arrived at the hospital only a few minutes before Bailey died, said with some difficulty during an emotional moment Thursday that his long-time friend in politics was "a man of great compassion."

Calling hours will be at the Bailey home, 150 Scarborough St. from 2 to 5 and from 7 to 9 p.m. today. After the funeral Saturday, burial will be at Cedar Hill Cemetery.

Bailey's death was reported to the State Capitol, where the decision was made immediately to continue with the General Assembly session because it was felt Bailey would want no interruption of the business of the state.

His son-in-law, House Speaker James J. Kennelly, broke the news to legislative colleagues.

Thursday night, this list of pallbearers was given by the Ahern Funeral Home, which is handling arrangements: Frank Daly of West Hartford, Dr. Michael Zabbaro of Hartford, Joseph P. Cooney of Hartford, U.S. Rep. William R. Cotter of Hartford, Stephen K. Elliott of Southington, Dr. Thomas Murphy of West Hartford and John Budds of West Hartford.

Bailey, who was national chairman under the late Presidents John F. Kennedy and Lyndon B. Johnson, succumbed at last to throat cancer that afflicted him about two year ago.

He had never surrendered to his illness in spirit, however, and had been politically active, alert and consulted in a year of special accomplishment for him.

That was the election in November of Gov. Ella T. Grasso, the first woman in the nation to attain that office in her own right, and the return to power this year of Democrats on Capitol Hill.

Bailey, who had become one of the country's most successful and durable political strategists in a career covering 40 years, forged the ticket headed by Mrs. Grasso in a bit of finesse and diplomacy at his Scarborough St. home last June.

Through his persuasion, former Atty. Gen. Robert K. Killian agreed to run for lieutenant governor with Mrs. Grasso after Killian had battled mightily for the gubernatorial nomination.

Mrs. Grasso and Killian, both long-time political associates and friends of Bailey, swept to victory by more than 200,000 votes.

Bailey relished every moment of the campaign as it gained momentum under his experienced but off-stage direction and sense of timing.

Part of the time he had to watch from the hospital, where he had a phone by his bed. His stays there were becoming more frequent and for longer periods.

But the inauguration of Mrs. Grasso was almost as big an occasion for Bailey as it was for her.

The veteran chairman insisted on leaving the hospital to attend a luncheon for Mrs. Grasso. He was at the State Capitol when she took her oath of office that Jan. 8 afternoon and he escorted Mrs. Bailey to the formal Inauguration Ball that night.

In the early days of the Grasso administration, Bailey was back at the political work he loved—helping a governor choose the people who would make up the official family.

Bailey and the Democrats had been sidelined between 1970 and 1974, when Republicans held the governor's office and majorities in the legislature much of that time.

Although he was weak from his illness and medication, Bailey attended the party's Jefferson-Jackson Day dinner at the Hilton on March 1.

Typically, he looked ahead to the next political battle. It was time, Bailey said, to start work on the challenges of 1975 and 1976.

Bailey was unable to make a March 19 meeting of the Democratic State Central Committee, however. Instead, he sent a prepared statement endorsing reforms he knew would be under consideration that night.

The message was vintage Bailey, the organization man who rose from precinct captain in Hartford to the Democratic heights on the basic tenet that the name of the game is to win. He said it again that night in the statement for his troops downtown.

John Moran Bailey learned his politics originally from his parents in the years he was growing up at the family home on Main St., now the site of the federal building.

He was the only child of Dr. Michael A. and Louise Moran Bailey. He was born Nov. 23, 1904.

Bailey's doctor father was a councilman, alderman and member of the school board here. When the elder Bailey tried for nomination to the State Senate, he was beaten by a Democrat whose own political life was to influence young John greatly—Thomas J. Spellacy.

Bailey's mother was a ward chairman here and became the first woman to win appointment in city government when she was named to the Juvenile Commission.

Bailey attended St. Peter's School and Hartford High School. At Catholic University, the "skinny" undergraduate from Hartford was captain of the baseball team and quarterback of the football team.

He earned his law degree at Harvard Law School and returned to Hartford to go into practice. He opened an office in the house where he was born and plunged almost immediately into politics.

Bailey attracted the attention of Spellacy because of his work in the old East Side. Spellacy, his tutor then, would eventually yield control to his pupil Bailey.

In the 1930s, Bailey was political secretary to the mayor here, clerk of Hartford police court, judge of police court, and a member of the statute revision commission at the capitol.

The story is that Bailey, needing position and income to marry his college sweetheart, Barbara Leary of Framingham, Mass., was made judge of the police court through the good offices of Spellacy and the state legislature.

Bailey's only attempt to win elective office was a disaster. He was soundly beaten when he ran for judge of probate in 1940.

Bailey and Spellacy drifted apart in the mid-1940s and Bailey paved the way for his takeover as state chairman in 1946 when he backed Wesleyan Prof. Wilbert Snow for the nomination for governor while Spellacy supported Chester Bowles of Essex. Snow won, and Bailey went on to be elected unanimously at a meeting in New Haven on Sept. 23.

But in his first test as party chairman, Bailey took a beating. Democrats lost control of the legislature and Snow lost the contest for governor.

Bailey had made peace, however, with the Bowles faction and went on to back the former director of the federal Office of Price Administration for governor in 1948. This time Bailey's man won, and so did another Democrat who was to continue with a long and successful association with the chairman—Abraham A. Ribicoff.

Ribicoff won a term in Congress that year. He would later be governor and senator.

Bailey began to attract national attention when he was chosen as floor leader for Connecticut's delegation to the Democratic National Convention in Chicago in 1952. He backed Adlai E. Stevenson for the presidential nomination.

In 1954, Bailey took what he described as a major gamble in supporting Ribicoff, a Jew, for nomination as governor. Bailey sensed that the state was ready for such a breakthrough acceptance and he was correct. Ribicoff won over Republican Gov. John D. Lodge by 3,000 in what Ribicoff called his "American Dream" candidacy.

Ribicoff was re-elected by 246,000 votes in 1958. Bailey was now secure in the chairmanship and Democrats were on the beginning of a prolonged heyday.

Bailey's style had developed into fine tuning of the art of compromise and, when necessary, gentle headknocking. His victories illustrated a basic Bailey belief that candidates make the difference in politics, with issues and organization following.

He liked to say that even the best organization never stopped a landslide. He made no apologies for being something less than expert on issues. During his tenure as national chairman, Bailey had to perform speaking chores that he did not relish. He felt more comfortable in the raw political atmosphere of the inner rooms and the corridors.

Bailey never closed the door completely on individuals or ideas. Another favorite Bailey expression—especially when liberals forced many changes in the Democratic party structure and its philosophical position—was that you "do what you have to do."

He was a caricature of a political boss, with his cigar and his glasses on his bald head. But the scores of people in or close to politics who came to know Bailey over the years found him to be something far different from the textbook stereotype of a political boss.

Negotiation and compromise, with a lot of conversation thrown in, were Bailey standbys. He haid it was always possible to say "yes" after having said "no," but not the other way around.

Bailey was a fixture in the capitol corridors during a legislative session. He was sought after by politicians, and by newsmen who hoped for an occasional tip on what was happening. Bailey didn't always have a story for reporters, but he was usually accessible and they enjoyed the conversation.

Bailey saw the presidential possibilities in young John F. Kennedy of Massachusetts in the mid-1950s. He began to travel around with Kennedy and when Kennedy became a candidate in 1959, Bailey ran his campaign in the Northeast.

Bailey and Ribicoff had been among the earlybirds on the Kennedy bandwagon—even backing him for vice president in 1956. The chairman had no trouble convincing other Connecticut Democrats that Kennedy was the man to support in 1960.

He was close to, and trusted by, Kennedy by now.

Bailey was destined to become national party chairman as Kennedy's personal choice after winning the nomination. As it turned out, Bailey didn't take office until Kennedy's inauguration. There were two versions of why he was delayed.

Lawrence F. O'Brien, who was to become national chairman later, said Kennedy let Washington Sen. Henry M. Jackson serve as party chieftain during the campaign that year as a consolation prize for giving way to Lyndon Johnson as the nominee for vice president. O'Brien said Bailey agreed to wait.

The other report was that Kennedy, a Catholic, thought having Catholic John Bailey as chairman might pose a problem in the campaign so he turned to Protestant Jackson with the understanding that Bailey would take over if the Democrats won.

He continued as state chairman during the years he was also in the national post.

Johnson, the new president after Kennedy was assassinated in November of 1963, asked Bailey to stay on. O'Brien succeeded Bailey in 1968, when Democrats nominated Sen. Hubert H. Humphrey for president.

Bailey retained his chairmanship of the state organization throughout this period. Much of the detail work and routine direction was provided by his long-time co-worker in the Democratic hierarchy, Katherine Quinn.

And while Bailey was dividing his time between Washington and Hartford, a new star was emerging in the party as a strong force with the voters.

John N. Dempsey, a former state legislator and aide to Ribicoff, became governor when Kennedy named Ribicoff his secretary of Health, Education, and Welfare.

Dempsey was to continue as governor until his voluntary retirement in 1970—a withdrawal that stunned Bailey. Republicans, with Thomas J. Meskill, won that year over a candidate who had not been Bailey's original choice—U.S. Rep. Emilio Q. Daddario.

Bailey stepped back offstage and began firing at the GOP governor and others in his administration. He instituted what the writers dubbed the "Sabbath Message," a weekend critique of the Meskill performance.

Last year, with Mrs. Grasso leading the way, the Democrats and Bailey were back in political control of Capitol Hill.

John and Barbara Bailey had four children. They are Louise (Mrs. Conrad Kronholm), Barbara (Mrs. James J. Kennelly), Judith (Mrs. Brewster B. Perkins) and Judith's twin, John Michael.

Kennelly is Speaker of the House of Representatives in a chamber controlled by Democrats this year.

Bailey, whose favorite diversion away from politics was golf, belonged to Wampanoag Country Club in West Hartford and Burning Tree Country Club in Bethesda, Md.

He was a member of the American Bar Association, and was a director of the New Amsterdam Casualty Co., the South End Bank and St. Francis Hospital.

He and Mrs. Bailey lived at 150 Scarborough St. here.

[From the Hartford (Conn.) Times, Apr. 11, 1975]

Top Officials Eulogize Bailey

(By Mark Penders)

Long expected as it was, the death Thursday afternoon of Democratic State Chairman John M. Bailey, nonetheless saddened leaders who rose under his political tutelage.

Yet even as Gov. Ella Grasso and other elected officials announced their messages of sympathy to newsmen in the State Capitol's media room, the voices of the clerks of the legislature were heard on the booming loudspeakers of the building, calling senators and representatives for roll call votes.

House Majority Leader William O'Neill explained that Speaker James Kennelly—Bailey's son-in-law—was at the House podium when word came of the death.

As former Gov. John N. Dempsey nooded vigorously in agreement, O'Neill went on to say Kennelly insisted that the House remain in session because that was what Bailey, the master politician, would have wanted.

Gov. Grasso said Bailey had "a special sense of civility and decency" which enabled him "to make all of the political process better than it was."

"I give fervent thanks for every day of every year that I was the beneficiary of his advice . . .", she stated.

Dempsey noted that he had gone to Hartford Hospital to visit Bailey on Thursday afternoon, but arrived to find that his longtime friend had just died.

Most people, Dempsey commented, will "remember him as the tough political leader, glasses on his head, leaning back in his chair . . . few people knew of his warmth and compassion and real love of people."

Comptroller J. Edward Caldwell called Bailey "a warm, kind, thoughtful human being . . . I hope I will be able to carry forth the principles which he exemplified."

Secretary of State Gloria Schaffer said he brought "a very special quality to the moral and ethical life of the State of Connecticut."

Bailey's honor was lauded by O'Neill, "John Bailey's word was his bond." Bailey taught, he said, "don't give it unless you are going to keep it."

Att. Gen. Carl Ajello noted, "he was a great teacher, not only about government and politics, but of responsibility courage." He said Bailey had a unique talent for encouraging young people and treating them as equals.

Attorney General Robert Killian, who noted that three generations of his family have been friends of Bailey, cited the chairman's sense of humour: "He was a champion needler of all time . . . he would use it frequently on me . . . he knew my foibles and failings and he took advantage of every one."

Bailey was the man "who hit the political grand-slam," declared Treasurer Henry Parker. He was personally responsible, Parker said for the election of the first Catholic president (John F. Kennedy), the first Jewish governor of Connecticut (Abraham Ribicoff), the first black treasurer of any state (Gerald Lamb) and Mrs. Grasso, the first woman governor, of Connecticut.

Among other leaders who reacted to Bailey's death were:

U.S. Sen. Abraham Ribicoff: "There will never be the likes of him again. John Bailey was an original. He was a political genius. So many in our state and nation owe their political careers to John's help, wisdom and hard work."

U.S. Sen. Lowell Weicker Jr.: "This man was dedicated, not just to the success of the Democratic party, but also to the success of his country and his state. He was a fighter. He was a winner."

Democratic State vice-chairman Katherine T. Quinn, a political ally for more than 30 years: "John Bailey did more good for more people over a longer period of time than any other citizen of Connecticut. . . . He will be missed by all of us who cherish decency and integrity in government. I have lost a close associate and dear friend, but more than that, humanity has lost a loyal supporter."

Former Republican Gov. Thomas Meskill: "The passing of John Bailey marks the end of a political era. The leadership which he gave his party was largely responsible for its growth and success in Connecticut."

GOP State Chairman Vincent Landone: "He was a giant among political personalities and a true gentleman in every sense of the word. The long and exceptionally successful career he had as a leader of the Democratic party exemplifies all that is of the best in our government and in our two-party system."

Connecticut's two freshman Democratic congressmen, Reps. Christopher Dodd and Toby Moffett offered their condolences and tributes.

Dodd said he knew Bailey most of his life not only as a politician but "on a personal basis through many years of close association with my parents."

Dodd is son of the late Sen. Thomas J. Dodd.

Bailey was "a humanitarian who demonstrated time and time again his great concern for the well being, not only of the residents of his beloved Connecticut, but for the people of his country," said Dodd.

Moffett called Bailey's death "a tragic loss."

He said at a time "when all of us are extremely concerned by the low level of public participation in American politics, it is especially tragic to lose a man who devoted his entire life to political involvement, and to leadership both in his party and in the State of Connecticut."

In New Haven, Democratic Town Chairman Arthur T. Barbieri said he lost his "dearest friend" in the death of Bailey.

"I don't think anybody in the rest of the century can match 10 per cent of John's abilities.

"While he and I may have differed on occasion politically, we never differed socially. He was my dearest friend. I have lost a great friend and I'm very sorry," said Barbieri.

[From The Hartford (Conn.) Times, Apr. 11, 1975]

John Bailey—A Leader to the End

(By Bob Conrad)

Top Democratic leaders in Connecticut were reluctant to speculate today, or even talk about, the leadership vacuum their party faces because of the death Thursday of John M. Bailey, the state chairman since 1946.

Gov. Ella T. Grasso, who will have more to say about a successor than anyone else, said only: "We will not do anything for a while. We want a chance to mourn, and to say our own farewell."

Bailey, the undisputed leader to the end, died of throat cancer Thursday afternoon at Hartford Hospital.

He died just as one of the most successful of the Democratic politicians he developed—former Gov. John N. Dempsey—arrived at the hospital for a weekly visit.

The quiet speculation within the party for about two years has been that Dempsey would succeed Bailey in the state chairmanship, at least on an interim basis, at the request of Mrs. Grasso.

For the present, however, Bailey's associate in directing the party, Vice Chairman Katherine Quinn, would be the acting chairman.

Bailey's term as chairman—the latest in an unbroken string that began with his unanimous election in September of 1946—runs until the Democratic state convention next year.

Periodically through the later years of his chairmanship there were rumors of campaigns to oust him. Various second and third echelon party leaders occasionally called for his resignation.

But Bailey's hold on the party apparatus was such that the party finds itself today with no obvious or designated successor. Bailey never entertained for a moment the thought of quitting. It was a party he brought from minority status in Connecticut to one that leads the Republicans in voter strength today by a wide margin.

Even so, in recent weeks there has been a stirring around in some party circles because of the widely-known terminal status of the veteran John Bailey's illness.

City leaders have been holding highly-secret meetings. Attending these strategy sessions have been Hartford Chairman Nicholas R. Carbone, New Haven Chairman Arthur T. Barbieri, Bridgeport Chairman John Luckart and Naugatuck Valley leader Henry Healy.

Of the names that have cropped up in talks about a new chairman, House Majority Leader William A. O'Neill of East Hampton is one. So is that of Danbury attorney Norman A. Buzaid, who heads a special Democratic committee on revising party rules.

The city bosses—Carbone, Barbieri and Luckart—are thought by some to be possibilities, but not by anything approaching a consensus. Their role, if any, may be in trying to have a say in who becomes chairman.

Meanwhile, tributes from some of the best-known and ranking figures in public life were coming in today to the late John Moran Bailey.

The present national chairman, who holds the job Bailey filled during the administrations of the late Presidents John F. Kennedy and Lyndon B. Johnson, Robert Strauss of Texas described Bailey as "a close and cherished friend and a tower of strength to me in my work as chairman."

Massachusetts Sen. Edward M. Kennedy, brother of the late President, said: "The years of ascendancy of the Democratic party in Connecticut can only be attributed to his leadership which he later brought to the national level."

[From The Washington Post, Apr. 11, 1975]

John M. Bailey, Former Democratic Chairman, Dies

(By Jules Witcover)

Former Democratic National Chairman John M. Bailey, who in the political parlance he always used help "put it together" for John F. Kennedy in the 1960 presidential campaign, died yesterday of throat cancer at the age of 70.

Mr. Bailey, a gruff-talking but gentle-dispositioned man who first saw Sen. Kennedy's potential and gave him entree to party leaders in key states across the country, died at Hartford Hospital in his native Connecticut where he had been undergoing lengthy treatment.

In 1956, he was a central figure in then Sen. Kennedy's unsuccessful but eye-catching bid for the Democratic vice presidential nomination in Chicago, which projected the young Massachusetts senator into the 1960 presidential picture.

In the years preceding the 1960 convention, Mr. Bailey, along with Kennedy aids Kenneth O'Donnell and Theodore Sorensen, called on big city and state Democratic leaders for little-perceived meetings that provided the foundation for what later was known as "the well-oiled Kennedy machine."

And during the 1960 presidential primaries in which John Kennedy demonstrated his electability as the first Roman Catholic President, Mr. Bailey worked among states to help fashion the first-ballot nomination.

For his labors, the new President appointed Mr. Bailey chairman of the Democratic National Committee, a post he held for eight years, from 1961 to 1968, continuing under President Lyndon B. Johnson when Mr. Johnson assumed the White House in November 1963.

At his death, Mr. Bailey had been Democratic state chairman in Connecticut for 29 years, far longer than any chairman had served. In that time, he cracked solid Republican control and created a winning Democratic Party in the state. He was a visible symbol of hard-nosed, pragmatic politics at every national convention in those years, whispering in important ears, with a big cigar in his teeth and horn-rimmed glasses perched on the top of his bald head.

For all his orthodox style and reputation as a regular party man, John Bailey was a shatterer of precedent within the part. In addition to helping engineer the nomination and election of the first Catholic president, he helped elect Abraham Ribicoff, now a U.S. senator, as Connecticut's first Jewish governor, and last fall, Ella T. Grasso as the state's first woman governor.

According to Sorensen, Ribicoff and Mr. Bailey first began to talk of John Kennedy as a vice presidential prospect when the young senator spoke at a Connecticut Jefferson-Jackson Day dinner early in 1956.

"John Bailey was one of the very first politicians in the country to recognize in John Kennedy a potential President," Sorensen said yesterday on hearing the news of his death. "The fact that we had a political pro in our camp obviously made a difference on the other pros who tended to be very skeptical of John Kennedy."

O'Donnell agreed. He said Mr. Bailey personally introduced him to many old pros

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who "looked askance at a young fellow from Harvard" but eventually signed up for the Kennedy campaign.

"An Irish Catholic candidate for President was unthinkable in 1956," O'Donnell said, "but for Vice President was thinkable, and Bailey was the one who thought of it."

When the victorious President Kennedy turned to Mr. Bailey to be his national chairman after the campaign, Mr. Bailey, also a Catholic, first balked on grounds the President and the party chairman should not both be Catholics. The new President overruled him and Mr. Bailey took the job.

In the Kennedy administration, Mr. Bailey ran the Democratic National Committee as an obedient adjunct to the White House, and there were few problems. But during the Johnson years, President Johnson moved to strip the committee of much of its political power and bring that power into the hands of loyal Johnson men in the White House.

Mr. Bailey stepped down in favor of Lawrence F. O'Brien, another old John Kennedy hand in 1968 when then Vice President Hubert H. Humphrey was nominated for the presidency.

As national chairman, Mr. Bailey eschewed the limelight and spoke in public only when he had to. In a business where knowing people's names was considered essential, he always had troubles. For example, he habitually referred to the senator from Minnesota, whom he knew intimately for years, as "Senator Humphreys."

In the late 1960s and early 1970s, as dissent over the Vietnam war brought a new style of activist into mainstream politics, Mr. Bailey seemed perplexed at what was happening to the party of Roosevelt, Truman and Kennedy. But in Connecticut, he learned to do business with the new elements, or beat them.

He used to say, as Gov. Grasso recalled to David S. Broder of The Washington Post last year, that he would run a woman for office only when he thought the office was lost—and would laugh when he said it. But Mr. Bailey lined up solidly behind Mrs. Grasso in her winning effort last fall.

At the Democratic Party's miniconvention in Kansas City in December, he received a rousing ovation from the delegates, a majority still reflecting the left-of-center wing that nominated Sen. George McGovern in 1972.

Sen. Edward M. Kennedy (D-Mass.) expressed the sympathy of the Kennedy family yesterday to the Bailey family and said: "Those who want politics to be held in esteem by the citizens of the country need only adhere to the standards which were so natural to John."

O'Brien, recalling his service with Mr. Bailey in the John Kennedy campaign, said of him: "John Bailey was in the true sense a political pro . . . He was a political leader of integrity who was vastly respected."

Sen. Ribicoff said of Mr. Bailey yesterday: "There will never be the likes of him again. John Bailey was an original. He was a political genius."

Robert S. Strauss, the present Democratic national chairman, said: "With Democrats all across America, I share a deep sense of loss . . . He was a close and cherished personal freind and a tower of strength to me . . ."

O'Donnell said of him: "He was a lovely guy. He never put himself out front. I loved the guy."

During a recent visit to the hospital, O'Donnell recalled, Mr. Bailey took a phone call from Gov. Grasso and discussed politics. Before O'Donnell left, he recalled, Mr. Bailey told him: "We have to sit down soon and discuss what we're going to do in '76."

Mr. Bailey was born in Hartford on Nov. 23, 1904, the only child of Dr. Michael and Louise A. Bailey.

He graduated from Catholic University here, where he played baseball, football and basketball, and from Harvard University's law school in 1929.

He married Barbara Leary of Mansfield, Mass., in 1933. In addition to his wife, he is survived by three daughters and a son.

[From the New York Times, Apr. 11, 1975]

John M. Bailey Dies in Hartford; Headed Democratic Committee

Hartford, April 10.—John M. Bailey, Democratic National Chairman during the Presidencies of John F. Kennedy and Lyndon B. Johnson, and Democratic State Chairman in Connecticut for nearly three decades, died this afternoon after a long battle with throat cancer. He was 70 years old.

Surviving are his widow, Barbara; a son, John Michael Bailey of Colchester, and three daughters, Barbara Kennelly of Hartford, Mrs. Louis Kronholm of Hartford and Judith Perkins of West Hartford.

The funeral will be Saturday at noon at St. Joseph's Cathedral here.

Lone, Unbroken Tenure

(By Robert McG. Thomas)

John Moran Bailey looked like a political boss, talked like a political boss and for more than 25 years operated as one of the most effective political bosses in the country.

No other state chairman of either party came close to matching his unbroken tenure, which began when he seized control of the Connecticut Democratic Central Committee in 1946 and continued with rarely a grumble from party regulars until his death.

He was an important figure on the national political scene as well as in Connecticut, for Mr. Bailey, after laboring mightily and well in John F. Kennedy's Presidential campaign in 1960, was rewarded with the chairmanship of the Democratic National Committee, a post he held for eight years.

Regardless of their tenure, few political leaders in recent times have wielded such power over the fortunes of his party's aspirants as the tall, bald man from Hartford who wore his glasses shoved up on his pate and smoked cigars constantly, even when deep in concentration during a game of high stakes poker, a favorite pastime.

With a voice that usually seemed to be coming confidentially from the side of his mouth, Mr. Bailey spoke in brusque tones that belied his genteel upbringing and Harvard education. But he spoke the language of Connecticut politicians, and to many his word was law.

POWER AND VISION

A consummate politician and proud of it, Mr. Bailey was a well-to-do physician's son. Joseph Duffey, who ran for the United States Senate in 1970 without Mr. Bailey's blessing, and learned to regret it, summed him up this way: "He was born with a silver spoon in his mouth and gilded it at the public trough."

It was a tribute to both his power and his vision that he successfully backed candidates who, according to the conventional political wisdom, could not be elected.

He supported Chester Bowles in a winning race for Governor in 1948 when the Bailey candidate was considered far more liberal than the state's voters; his support of Abraham A. Ribicoff in 1956 gave New England the first Jewish Governor in its history, and his early and enthusiastic support of Mr. Kennedy helped give the nation its first Roman Catholic President.

And in 1974, long after pundits had announced his decline, he orchestrated the nomination of Representative Ella T. Grasso, who became the first woman ever elected Governor of a Northeastern state. Another part of the oldtime politician's "last hurrah" was the satisfaction of seeing control of the State Legislature return to the Democrats.

The Grasso nomination illustrated a favorite Bailey stratagem: He talked her chief rival into accepting the nomination for Lieutenant Governor.

"I'm not a table thumper," Mr. Bailey once said. "I never back a man so far in a corner he can't find his way back to his own side."

Independently wealthy, with huge real estate holdings and a lucrative law practice that required little of his time, Mr. Bailey was a full-time politician who talked politics at home, at the office and on the golf course. "I like John," a prominent politician was once quoted as saying, "but after a half-hour he bores me; I like to talk politics, but John won't talk anything else."

Mr. Bailey got his taste for politics early. Both his parents were active in Hartford politics, and their only child was an eager listener to dinner-table political discussions on the city's east side where he was born Nov. 23, 1904.

After being graduated from the Catholic University in Washington and receiving a law degree from Harvard, he plunged into the errand-running life of aspiring politicians, quickly becoming the protege and chauffeur of Hartford's reigning Democratic boss, the late Thomas B. Spellacy. "I drove him all over the state," Mr. Bailey since recalled, describing how he got to attend numerous high-level party caucuses. "I was only the kid on the door, but I was learning my trade."

DEFEATED FOR JUDGE

After a series of appointive positions that included two terms on the municipal bench, Mr. Bailey made his first and last bid for elective office in 1940, when he was soundly defeated in the race for probate judge.

Thereafter, he retired to the back room and developed a philosophy to justify it. "Politics is in two parts," he said, "the candidates and the people who run the organization. The two shouldn't mix." His resolve weakened only once, in 1949 when he asked Governor Bowles to appoint him to an unexpired Senate seat. Mr. Bowles refused, causing what Mr. Bailey saw to it was only a brief rift.

One of his first efforts at king-making was to prove his most successful: he persuaded Mr. Ribicoff, a struggling Hartford lawyer, whose parents were Polish immigrants, to succeed him on the municipal bench. Later, as both Governor and Senator Mr. Ribicoff was to become a vertually unassailable institution and a firm Bailey ally.

Though he had been a member of the central committee since 1932, it was not until 1946 that Mr. Bailey managed to take over the party. The occasion was a tumultuous party convention in which he engineered the gubernatorial nomination of Wilbert Snow, a college professor, who rewarded Mr. Bailey with the chairmanship. Mr. Snow lost the election, but Mr. Bailey remained chairman.

BRIEF INTERREGNUM

After a brief Republican interregnum following Mr. Bowles's term, Mr. Bailey presided over a 16-year Democratic reign that began with Mr. Ribicoff's election in 1954. The stunning upset over the Republican incumbent, John Davis Lodge, set the stage for Mr. Bailey's move to the national arena in 1956, when he organized the drive that came within a few votes of winning the Vice-Presidential nomination for John Kennedy.

Four years later, Mr. Bailey was named chairman of the Democratic National Committee. He strengthened his reputation as a cool tactician even while his blunt comments stirred occasional waves.

However, his long absence from the day-to-day affairs of Connecticut politics was costly, and was cited as a cause of the Republican gubernatorial victory of 1970. The end of Mr. Bailey's long rule was now widely proclaimed.

His response was the successful Grasso gubernatorial bid in 1974 and his own election to his 15th successive two-year term as state chairman, a post he had made his own.

[From The Washington Star News, Apr. 11, 1975]

John M. Bailey Dies at 70; Democratic Head 8 Years

(By James R. Dickenson)

John Moran Bailey, an early backer of President John F. Kennedy and one of the predominant Democratic party leaders of the last 40 years, died yesterday at the age of 70 in Hartford, Conn. He had been hospitalized with cancer of the throat for several months.

Mr. Bailey was chairman of the national Democratic party for eight years during the 1960s and chairman of the Connecticut state Democratic party for 28 years, from 1946 to 1974, the longest anyone has held that post in Connecticut.

During his active political career Connecticut changed from a predominantly Republican state that voted for Thomas Dewey rather than Harry Truman in 1948 to a basically Democratic state that voted for Hubert Humphrey while Richard Nixon was carrying the country in 1968.

Bailey's peak years of political influence were between 1958, when the Democrats won control of the Connecticut state legislature for the first time, and 1968, when he lost control of the state Senate and new anti-war elements began to challenge the old guard in the national Democratic party.

The highlight of his career was his backing of John Kennedy in Kennedy's successful 1960 presidential campaign. The day after Kennedy was inaugurated in January 1961, he nominated Bailey as chairman of the national Democratic party and Bailey was unanimously elected by the members of the Democratic National Committee.

As national chairman he began building an organization to try to push Kennedy's domestic programs through Congress and elect Democrats to Congress in 1962 and 1964. During those years he spent as much time in Washington as in Connecticut.

Bailey cast his lot with Kennedy at the 1956 Democratic National Convention when Sen. Kennedy ran for the vice-presidential nomination after Adlai Stevenson, the party's presidential candidate, threw the nomination open.

Bailey distributed what has become known as the "Bailey Memorandum," which was written by Kennedy's chief aide, Theodore Sorensen. It listed the advantages of having a Roman Catholic on the Democratic ticket, reasons that proved valid when Kennedy, an Irish Catholic, was elected president four years later.

John Kennedy probably was the one great love of John Bailey's political life. Born in Hartford, Conn., he too was an Irish Catholic and his father, a physician, was active in Hartford politics. Bailey attended Catholic University here where he was captain of the baseball team, quarterback on the football team and a member of the basketball team. He received a B.A. degree in science in 1926 and his law degree from Harvard Law School in 1929.

A tall, bald, beefy man who walked in a heavy flat-footed away with his shoulders slightly slouched and his spectacles pushed up on his freckled forehead, Bailey looked, thought and acted like the ultimate politician.

He brought an amateur's enthusiasm to politics, an avocation he practiced like a professional. "John Bailey loved politics more than anyone I ever knew," Wilbert Snow, a poet, scholar and former lieutenant governor of Connecticut, once said.

Bailey, however, was a fourth generation American who was born to a family of considerable wealth and was described by Theodore H. White in his book, *The Making of the President 1960*, as a man who "conceals the fact that he is a Harvard Law School graduate."

Bailey started in Hartford politics as a precinct worker in the early 1930s and lost his only attempt at elective office, for probate judge, in 1940. By 1944, however, he was the man to see for anyone wanting a statewide Democratic nomination.

Sen. Abraham Ribicoff, the first and only Jew elected as U.S. senator from Connecticut, was a protege. Bailey understood ethnic politics in Connecticut, where the Irish, Italians and Poles have become dominant political factors, and was adept at balancing tickets.

He knew that patronage was the glue of politics and ruled by consensus rather than flat. In 1965, when Connecticut was forced by the U.S. Supreme Court to reapportion its badly balanced state legislature on a "one-man one-vote" basis, Bailey worked out a compromise with the Republicans.

They agreed that the delegates to the constitutional convention would be half Democrat and half Republican and that a two-thirds majority would be required, a move that forced them to compromise.

For years Bailey held forth at his "office," a pillar that he leaned against in Connecticut's state capital building, and at Parma's Restaurant specializing in Italian food and Democratic politics.

He leaves his wife of 42 years, the former Barbara Leary of Mansfield, Mass., and three daughters and a son.

[From the Boston Globe, Apr. 11, 1975]

Ex-Democratic Chief John M. Bailey, at 70

(By Malcolm Johnson)

Hartford.—John M. Bailey, Democratic national chairman under two presidents and leader of his party in Connecticut for 27 years, died of cancer yesterday in Hartford Hospital. He was 70.

Bailey came to national prominence in 1961, when he was named chairman by President Kennedy, whom he helped to win the nomination and then the election.

He stayed on as national chairman under President Johnson and held the office nearly a decade, longer than any other Democratic chairman except James M. Farley.

Although he gained recognition for his political work, on the national level, his main interest always was in Connecticut. He remained state chairman all during his years in Washington and continued to play a major role on the state political scene.

John Moran Bailey was born Nov. 23, 1904, on Hartford's old East Side, and it was said he was weaned on politics, His parents, Dr. Michael Bailey and Louise Moran Bailey, were active in city politics, and his mother was the first woman vice chairman of the Second Ward.

Bailey was an athlete at Catholic University and went on to Harvard Law School, graduating in 1929. His biographer, Joseph I. Lieberman, now a state senator, wrote of Bailey in "The Power Broker": "He is Welsh and Harvard; he is the wards and Hartford."

Bailey lost his first political fight for control of the Second Ward in 1929 and again in his only bid for elective office when he ran for judge of probate in Hartford in 1940.

During his rise to the chairmanship of the state party in 1946, there were other setbacks, but once he became head of the party he not only was a frequent winner but also saw the transformation of Connecticut from a conservative Republican state to a moderate Democratic one.

The first Democratic governor elected under Bailey's reign was former Ambassador Chester Bowles, in 1948. Then, in 1954, now-senator Abraham Ribicoff became the first Jew to be elected governor.

"That was my decision," Bailey said later. "I convinced the other leaders. You've got to realize that we had elected only one Catholic governor before then."

In 1974 Bailey was instrumental in the election of Connecticut's first woman governor, Ella T. Grasso, by a margin of 203,000 votes.

In his years as state chairman Bailey had six gubernatorial victories and lost three times—in 1946, 1950 and 1970.

Together with then-governor Ribicoff, Bailey worked hard to bring John F. Kennedy to national prominence—first in a losing bid for the vice presidential nomination in 1956 and then in his victory in 1960.

The cigar-smoking lawyer, often seen with his horn-rimmed glasses perched on his high balding forehead, remained as boss of Connecticut's Democrats until the end.

Only last summer he headed off a fight for the Democratic nomination for governor by persuading Robert A. Killian to give up his bid for governor to run as lieutenant governor with Mrs. Grasso.

He came to Mrs. Grasso's inauguration despite his failing health. "I wouldn't miss it," he said, in a voice choked by throat cancer.

"He was my political mentor," Mrs. Grasso said of Bailey recently.

Bailey's philosophy of politics was expressed sometimes in terms of sport "just another ball game, one game after another."

At other times he talked of the activity in which he had spent his life as "the art of compromise."

Bailey leaves his wife, Barbara (Leary), and four children, Mrs. Barbara Ann Kennelly of Hartford, wife of Democratic House Speaker James J. Kennelly; Mrs. Louise Kronholm of Hartford, Mrs. Judith Perkins of West Hartford, and Atty. Jack Bailey of Colchester.

Services will be at noon tomorrow in St. Joseph's Cathedral.

[From the Danbury, (Conn.) News-Times, Apr. 12, 1975]

John Bailey's Unique Career

John M. Bailey brought honor to the term "politician." His unique career, spanning three decades as Connecticut Democratic chairman and including eight years as Democratic national chairman, was ended Thursday by death. The throat cancer which had afflicted him for the past two years could not keep him from active guidance of party affairs to the very end.

Friend and foe alike in the political wars of bygone years have joined in mourning at his funeral today in Hartford. In death as in life, he held their respect.

Commentators have pointed to the many "firsts" for which he could take credit. He had a major part in the election of Abraham Ribicoff as first Jewish governor of Connecticut in 1954. His was a key role in the nomination and election of John F. Kennedy as the first Catholic to hold the presidency in 1960.

Even though he was seriously ill a year ago. Mr. Bailey employed his adroit and astute political skills to keep the state Democratic Party from fracturing itself. He brought together varied and conflicting interests into a united effort which saw election of the state's first woman governor and first governor of Italian descent.

Governor Ella T. Grasso, in leading the mourning of state officials, past and present, for their longtime associate, noted Mr. Bailey was "a noble warrior who brought to the political arena the rare combination of

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vision, judgment and respect that made every combat an exercise in excellence."

Two other factors contributed to the length, the success and the fascination of John Bailey's political career.

He played the game of politics for the love of it, not for power, nor money, nor influence, nor other rewards. That's one reason Connecticut has been free these past three decades of major scandals such as those which have rocked nearby states.

Mr. Bailey was also adaptable. He might have been the last of the old time political leaders, the likes of which will not be seen again for a long time. But he thought in terms of the present and the future.

As conditions changed, he adapted to them. As personalities came and went in various levels of party affairs, he adapted to them. He did not insist that what was good for 1948 had to be good for 1973.

Although he never held any major elective or appointive office, John M. Bailey had great influence on the affairs of Connecticut for some 30 years, and the state is better because of it.

[From the Waterbury (Conn.) Sunday Republican, Apr. 13, 1975]

John Moran Bailey

The death of John Moran Bailey has removed from the Connecticut scene a true giant in politics and government.

He has been called a "power broker," "a political boss," and countless other names. The fact is, he left his mark on Connecticut government which will be remembered for decades.

Mr. Bailey served as chairman of the Democratic Party in Connecticut for close to 30 years. He also served simultaneously for a time as Democratic national chairman, but his real love, his real concern, remained this state.

Despite his long tenure, Mr. Bailey was one who continually accepted new ideas. He was even in the forefront of those broaching new methods to advance the fortunes of the Democratic Party.

He took over the party at a time when it was at a low ebb. He put his entire political future on the line when he backed Abraham A. Ribicoff as the candidate for governor in 1954. Ribicoff won the election, the first Jew ever to hold the office in Connecticut.

Mr. Bailey and Ribicoff quickly assessed the national potential of the late John F. Kennedy and backed him—to the astonishment of many political observers—for the Democratic nomination for Vice-President in 1956. Kennedy did not make it, but the impetus given his candidacy, combined with a continuing drive for four years, netted him the presidential nomination and election. Bailey's foresight in supporting a Catholic for national office paid off.

Last year, despite his illness, Mr. Bailey again proved the voters are ahead of most politicians in their acceptance of change. He supported Ella Grasso, a long-time political associate and friend, for the gubernatorial nomination. She was elected the first woman chief executive in Connecticut.

Mr. Bailey had a knack of quickly analyzing a political situation. When he met people from other communities, he was always the first to inquire of them of the local political situation. He stored up answers in his mind so he could make the sound judgments that are required of every political leader.

He had three assets which are rare in most men. He avoided so punishing a political enemy that it was impossible to gather that person back into the fold. He fought hard, but when the fight ended, he was willing to talk.

He always did business with the local leader, even in cases where there was open animosity between them.

And finally, he recognized his personal limitations. He did not try to get everything for himself. Only once did he run for political office—and lost. Mr. Bailey said: "Never again. You're either a leader or a candidate. Not both."

There are too many others in politics who try to be both, and are unsuccessful.

Mr. Bailey was able to develop intense loyalty among his supporters—and great admiration among his opponents. His word in politics was better than a written contract.

Not only the Democratic Party, the entire state is the loser with his death. We offer sincerest sympathy to his widow and family.

[From the Middletown (Conn.) Press, Apr. 11, 1975]

An Era Ends

The death yesterday in Hartford of John Moran Bailey brings to an end a remarkably successful career in politics and, for the Democratic party of which he was a member for a half century, the end of an era probably unmatched for the party in this state.

The enthusiasm which marked his efforts in the activities of the Democratic party led to his advancement until in 1946 he became its state chairman and later to his choice as national chairman of the party, a position he held for seven years. Even in recent months of deteriorating health in his battle against cancer Chairman Bailey's enthusiasm for his party was evident as he left his sick bed for brief appearances at party functions.

Coupled with his enthusiasm was a remarkable grasp of practical politics which made him a man to reckon with both on the state and national levels. Among the first aboard the bandwagon for John F. Kennedy were Mr. Bailey and U.S. Senator Abraham Ribicoff, both of whom worked diligently in behalf of his nomination for the presidency. After his election Bailey was chosen to head the Democratic National Committee and Mr. Ribicoff became a cabinet member.

Along with the successes, victory in 14 straight elections for president, governor, senator and congressman-at-large, there were major disappointments. One came in 1970 when Mr. Bailey's choice for gubernatorial candidate, Alphonsus Donahue of Stamford, lost the first state-wide primary and the party chose a former Middletown mayor, Emilo Q. Daddario, who lost the election. And after the death of President Kennedy, National Chairman Bailey kept losing ground under the Johnson regime, ultimately to be replaced by Hubert Humphrey's decision to appoint Lawrence F. O'Brien.

There was trouble for Chairman Bailey in his home state as well during Governor Dempsey's last term when then State Senator Edward Marcus, the majority leader, reduced the Bailey influence in the General Assembly and sowed the seeds for party divisions. The long years of Bailey influence were waning and others were in the wings waiting for the opportune moment to take over the power.

Only once before in the memory of the living did the state have a political leader wielding power over the state for a long period of time. He was J. Henry Roraback who was for many years the Republican state chairman and, like Bailey, an astute and forceful leader who chalked up many victories but the time came when he faded from the picture but none of his successors came anywhere near matching his skills. Time alone will reveal whether the Democrats of the state will ever have a leader who will measure up to Chairman Bailey's widely acknowledged skills in the political arena or equal his record.

[From the New Haven Register, Apr. 1[illegible], 1975]

John M. Bailey

The death of John Moran Bailey leaves a power vacuum in Connecticut politics. Although this master of the art of politics had to some extent relinquished his hold on the State Democratic Party in the late stages of his fatal illness, he still wielded great influence. Perhaps his last great triumph was the instrumental role he played, despite the poor state of his health, in putting together the ticket that resulted in the election of Gov. Ella Grasso.

Once again the Democratic chieftain had returned his party to power—achieving another historic "first." His candidate was the first woman governor to win office on her own in the history of the nation. Once again, Bailey had successfully taken a reading of the public pulse, realizing that the idea of a woman governor was an idea whose time had come—and that he had the candidate to materialize the idea.

One reason that Bailey kept an iron grip on the party for so long was his uncanny ability to back appealing candidates. Although he sometimes seemed to be more interested in the success of the party rather than public policy, he used his wheeling and dealing skills to reconcile various elements of the party. So he offered candidates who represented "pioneer" developments and who responded to the climate of the times.

Bailey backed Abraham Ribicoff, the first Jewish governor of Connecticut, a candidate who was re-elected by a record-high vote. And Ribicoff achieved some of the most "impossible" reforms in the history of the state—including reform of the court system that had been perpetuated by politics.

Bailey was instrumental in the election of President John F. Kennedy, first Catholic to serve as the nation's Chief Executive. The Connecticut political strategist made important contributions to the Kennedy campaign.

At the peak of his power, John M. Bailey was chairman of both the national and state Democratic Parties. His genius for politics had a major impact on the national level.

Bailey was not above using party discipline and trading tactics typical of the political boss. Yet he was a complex figure who was more than a patronage-dispenser. He had a keen understanding of political trends and the changing times. And so through almost three decades as the leader of his party, John Moran Bailey gained the respect of politicians of every stripe. He was party welder and king-maker whose candidates responded to public demands.

The political scene seems so different today without the powerful presence of John Moran Bailey.

[From the Hartford Courant, Apr. 11, 1975]

John M. Bailey

There is probably no one on either side of the aisle, as the saying goes, but who feels an acute sense of loss with the passing of John M. Bailey. How many times have such words risen on the occasion of death, and yet what can more simply and accurately encompass the finality of the moment and the irretrievability of life.

Still, countless times, and this is no exception, the first sense of sudden void is quickly filled by memories and a sad, glad inventorying of them. John Bailey was a man of national accomplishment and recognition and his death after a long and courageous battle with illness will be mourned in many circles beyond his home city and state where he was a powerful political figure for a record number of years.

John Bailey's life was politics and it is with conscious admiration that one can say his was a legendary career. He was the butt, more than once, of the type of allegations to which almost any successful person, particularly in politics, is prey. Mr. Bailey was a master at compromise, he won points by undiluted effort, he marshalled delegates and directed them with unmatched generalship, and motivating it all was a bold, determined, far-seeing reach which brought strength to

his party and the sapience to back the first Jewish governor of this state, the first Roman Catholic President of the United States, and to elect Connecticut's first Italian American governor, also the nation's first woman governor not preceded by her husband.

John Bailey, Democratic state chairman for an uninterrupted and unprecedented period of close to 30 years, and national chairman of his party for most of the 1960s, will be remembered, vividly, for an over-sized unlighted cigar, his glasses perched imperiously high on a glistening forehead from which hair had early receded, for his terse, plain but incisive, no-nonsense speech, and his penetrating, instant analysis looks and glances. To many, he appeared cool and aloof, which was, in truth, his public mien, but his warmth and appreciation of friends, their feelings and their worth were valued by those so touched.

But too much can be made of the outward marks and characteristics of the man. John Bailey was a durable and enduring leder because he knew every face and facet of his field of endeavor; he would rather convince than threaten; he drew and gained strength for himself and his party by emphasizing each common purpose, and above all, he was the type of leader who could provide leadership without demanding a blind following.

It is therefore with profound regret that we note the death of John Moran Bailey at the age of 70, and it is with equally profound respect that we salute his long and able leadership in the competitive, frenetic, necessary world of politics.

[From the New Britain Herald, Apr. 11, 1975]

John Moran Bailey

He came to the ball, those who knew him best say, not to dance and not to celebrate, but to say goodbye. John Moran Bailey, suffering a throat cancer that he knew to be terminal, left his hospital bed that one last time in January to mark, in in a bitter-sweet kind of way, one last political victory—that of Governor Ella T. Grasso.

Thus, his death yesterday came as no surprise. Rather, it was the closing of the curtain on a remarkable political career. Bailey had been, of course, Democratic State Chairman since 1946. And as National Democratic Chairman from 1962 to 1968, he proved as adept at winning on the national level as the state.

Yet, he was an enigma. He rarely gave an outright 'no' to anybody, be it a prospective candidate to run for an office or to maneuver for an appointment. His 'no' was, rather, the absence of a 'yes', and the luckless one who had been denied Bailey's blessing knew that the Power Broker's word was so authoritative as to be absolute.

With wit and—depending on the circumstances, bluntness or charm—Bailey would fence with the press, analyze, mediate, cajole, or do what had to be done to hold control. He beat back challengers to his own authority, time and again—yet, months or years later, would re-emerge with those one-time party enemies as friends.

He could be secretive or candid. He could be in the forefront or virtually unseen. But through three successful decades, he was the boss; controlling conventions, dispensing patronage, masterminding the fund-raising, overseeing the political atructure as few in Connecticut have ever done.

At times, this newspaper, like all other newspapers in this state, fought him tenaciously over the impact of his various strategic maneuvers. But always—like everybody else—we returned another day to admire a particular move or tactic.

Now, that chapter in Connecticut history is over, ended. John Bailey, the political legend in his time, is dead and is a legend for history. He never held an elective office—but he was as instrumental as any who did in shaping the course of this state's activities for three decades. We mourn his passing.

[From the Hartford Times, Apr. 11, 1975]

John Moran Bailey, November 23, 1904–April 10, 1975

A legend died in Hartford Thursday, and Connecticut politics never will be quite the same.

John Moran Bailey. Chairman emeritus of the Democratic National Committee. Chairman of the Democratic Party in Connecticut since 1946. One of the last of the great political bosses. In fact, with the exception of Chicago Mayor Richard Daley, the last of the political bosses. A larger than-life legend, the kind Frank O'Connor wrote about in "The Last Hurrah."

John Moran Bailey. The man who said, "My candidate is the one who can win the election," and then proceeded to do it over and over again, associating himself, in the process of winning, with candidates who broke down all of the old barriers.

Abraham A. Ribicoff, elected governor and now United States Senator in Connecticut where only one voter in 20 is Jewish.

John F. Kennedy, who he backed way back in 1956, when Kennedy sought the Democratic vice presidential nomination, elected the first Roman Catholic President in the nation's history in 1960.

Lyndon Baines Johnson, re-elected President in 1964 in a landslide, while John M. Bailey served as national chairman, the first Southerner to win the office since the Civil War.

Ella T. Grasso, elected governor of Connecticut in 1974, the first woman ever elected governor in her own right in the nation's history.

Good candidates all, and that was what mattered most to John Bailey: He won elections because he backed good candidates who then backed good legislation. In the process, he became a legend, but more importantly, Connecticut and the United States were a little bit better for the quality of the candidate he helped elect.

John Moran Bailey learned his politics at the cradle, from his father, a physician who loved politics, and from his mother, a Hartford ward chairman and the first woman to win an appointment in city government, a fact the chairman obviously never forgot.

He attended St. Peter's School, Hartford High, Catholic University and Harvard Law School. But almost as soon as he opened his law office he launched his real career: Politics.

By 1946 John Moran Bailey had worked his way up through the system, as political secretary to the mayor, clerk of the Hartford police court, judge of the police court, member of the statute revision commission at the Capitol, and as candidate—his one and only venture into the political arena on his own behalf, a sobering experience: He lost.

1946. That year was different, with John Bailey winning the first of his Democratic Party nomination battles in support of Wesleyan professor Wilbert Snow. Snow lost the race for governor, but John Bailey won the chairmanship of the state Democratic Party.

And in 1948 he helped elect his first governor: Chester Bowles. Two years later, John Lodge, a Republican, was elected governor and he held the office for four years. But by then, John M. Bailey was ready with the first of his firsts: Abraham A. Ribicoff. And it was smooth sailing until 1970, when Bailey protege John Dempsey suddenly decided to retire after almost 10 years as governor, a move that left the Democratic Party chairman without a candidate.

That was the state story, but there was another John Bailey, the one that was electing Presidents of the United States. The John Moran Bailey who went to his first Democratic National Convention as an alternate in 1932. That was the John Bailey who saw presidential possibilities in young John F. Kennedy, the United States Senator from neighboring Massachusetts. John Bailey and Abraham Ribicoff backed young Kennedy for the vice presidency in 1956, and in 1959, when Jack Kennedy was off and running for President, John M. Bailey was at his side and running his campaign in the Northeast.

One day after President Kennedy's inaugueration, John M. Bailey was chairman of the Democratic National Committee, a post he held until 1968, when Springfield, Massachusetts native Lawrence F. O'Brien succeeded him.

Somehow, though, the victories and the statistics tell precious little about John Bailey. Oh, they convey the image of the winner—and John M. Bailey was a winner—and they are the stuff the Bailey legend is made of, but they tell nothing of the man, of his humanity, his compassion, his warmth—contrary to the legends which claim he didn't have any.

It takes a very special kind of person to shape the political history of a state over a period of more than 28 years—and John Bailey was that kind of man.

He knew people, the candidates they would vote for, the issues they were concerned about. He knew that just because a candidate could win a nomination, George McGovern for instance, didn't mean he could win the election. He also had that unique ability to bring other people around to his way of thinking—and then leave them thinking the idea was original with them.

John Moran Bailey is gone now. In time, the talk will turn to the Bailey legacy, the larger-than-life legend. Perhaps even to the consideration of a successor. But that talk will lead nowhere—John Moran Bailey was one of a kind. The last of his kind.

But death cannot cheat Connecticut out of the legacy of good government that John Bailey left behind, and that is what he should most be remembered for.

In Memoriam: John M. Bailey

John Bailey was a noble warrior who brought to the political arena the rare combination of vision, judgment and respect that made every combat an exercise in excellence. Democratic State Chairman for nearly thirty years and the National Chairman of his beloved party during the presidencies of John Kennedy and Lyndon Johnson, he earned a well deserved reputation as a skilled and successful leader who added new luster to the art of politics.

John Bailey was my political mentor and my friend. From the first days of my first legislative session, I learned from him valued lessons in the application of political skills to secure programs of benefit to the people and shared his deep respect for the essential wisdom and good sense of the electorate.

Although he did not hold public office, he brought courage, commitment and rare humor to a brilliant lifetime of involvement and concern for the state he loved and the people he cherished.

Government at every level has been enriched by the contributions of candidates for public office whom he encouraged. His stewardship has been reflected in their outstanding performance.

Ella T. Grasso,
Governor.

[From the Hartford Courant, Apr. 21, 1975]

A Recollection

(By Jack Zaiman)

As a newspaperman, I knew the late John M. Bailey for 40 years. I got to know him in 1935 when, as a youngster still not old enough to vote, I was assigned to cover the State Capitol beat. Our paths crossed occasionally in those days.

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Both of us were fascinated by politics. It had everything. It was like baseball—another game every day. You win one, you lose one. The excitment of combat, win or lose, was indescribable. Mr. Bailey frequently used the words "ball game" to describe a political action.

In those years, Mr. Bailey was building his base of power that eventually led to his capture of statewide Democratic control. As he moved slowly but steadily from the Hartford level of politics to the state level, I got to know him more and more. His instinctive politics intrigued me. His mind was like a computer. Put the situation in, watch the almost instantaneous reaction in his eyes, and then out would come the answer.

Mr. Bailey was the political pupil of the late Mayor Thomas J. Spellacy. In those early years, the late Anthony P. Zazzaro was a major Democratic power in Hartford. T. J. or Long Tom, as Mr. Spellacy was known, would frequently get into fights with Tony Zazzaro, some of them real and some of them fake, and Mr. Bailey frequently found himself in the middle.

Somehow, Mr. Bailey managed to survive these rough and tumble Democratic fights in Hartford. Not only that. He had learned his lessons so well from T. J. that, in 1946, Mr. Bailey took control of Hartford away from the local organization, parlayed the revolution into a state convention victory, and became state chairman.

I learned a great deal of politics from Mr. Bailey. Political strategy intrigues me. Why do certain things happen in certain ways? Unwritten political rules apply in most situations. Yet there are occasions when the rules have to be bent. How does a political leader handle his troops? What is the strategy of "clearance"—the art of keeping political troops informed? Where does political loyalty begin and end?

Mr. Bailey and I used to sit around at times, during those early years, to discuss the strategy of each of his situations as they came up. Why did he do this and that? What considerations entered into his decisions? Why did he say yes or no?

I began to learn how his mind worked. After a while, I could anticipate what he would do in certain situations. Later on, when Mr. Bailey became a statewide power, this sense of anticipation that I had about the way he handled things got him into occasional trouble with Governors and others. I would see a situation, anticipate the way Mr. Bailey would handle it, and then write the story.

The story was usually correct. Governors then would holler at Mr. Bailey, the state chairman, for leaking some important news. But he never did. He used to get telephone calls at dawn from Governors when they read political news in The Courant. Mr. Bailey insisted he never leaked the stories. He was right.

I shall never forget a situation in 1949. One day, Mr. Bailey asked me for a ride overtown to his office while I was on my way back to The Courant's office.

We were coming from the State Capitol building. Usually, Mr. Bailey would make a lot of conversation. But, on this short automobile ride overtown, he was grim and silent. He just stared out the window. I asked him a question once and he never heard me. I knew him so well that I sensed something was up. He wasn't acting himself.

I spent much of that evening telephoning Democratic friends to find out if something big was up. Presently I found out Raymond E. Baldwin was resigning from the U.S. Senate to become an associate Justice of the State Supreme Court. Chester Bowles, then Governor, was to announce the resignation the next morning at a 9 a.m. press conference.

The Courant broke the story that same morning. Governor Bowles was outraged and blamed Mr. Bailey for leaking it. But he never did. I knew him so well that by his grim silence I was able to sense the story.

In his later career, after real success struck him, Mr. Bailey clammed up a great deal. He would rarely originate a story. He would confirm one if you got it somewhere else or almost confirm it.

I remember, a few weeks ago, asking him about a rumor of a certain appointment to a state commissionership. He didn't say yes or no. "He's not a bad fellow," Mr. Bailey said about the man I mentioned. That was his way of confirmation.

Mr. Bailey created his own political rule book. He taught hundreds of people his style of politics, maybe thousands. He operated under a political code of honor that involved keeping your word and playing with the enemy. I enjoyed all the ball games with him.

[From the Catholic Transcript, Apr. 25, 1975]

JOHN BAILEY KNEW MEDIA

(By John Clare)

The late John Moran Bailey, former state and national Democratic chairman has been eulogized in numerous publications for his political genius and public service. Yet, Mr. Bailey, renowned as an innovative politician, has not yet been credited for his understanding of the electronic media's role in the science and art of practical politics and government. With this in mind, this observer would like to share some first-hand knowledge of his positive attitude toward modern communication, television in particular, in his life-long vocation.

When he was at the forefront of the John F. Kennedy Presidential campaign in 1960, he was kind enough to intercede for this observer in securing the personal comments of the Democratic nominee on the effects of television in his campaign, the first in which use of that medium proved a distinct advantage to his candidate. John F. Kennedy's remarks were printed in this newspaper just before the election and were reprinted in other journals as well.

FIRST TIME

To my knowledge, the occasion marked the first time that a major political figure had made such a public statement and with due respect to The Transcript, it was hardly a giant circulation-wise, nor was it particularly influential outside the borders of a state with only eight electoral votes. Yet Bailey apparently looked seriously enough upon television to urge Kennedy to take the time during the frenetic, last stages of the campaign, to record his thoughts.

Further, the response to a request from a columnist of little repute indicated to me, at least, Bailey's attention to detail and his willingness to become involved personally in what most assuredly was a relatively minor activity of campaigning.

Mr. Bailey was a good friend of public television over the years. He believed in state support for, but not state control of what back in 1962 was the fledgling Connecticut Educational Television Corporation and confirmed this belief many times both publicly and privately. He saw the need for the noncommercial medium to be free from political or governmental pressure while also being aware of the large sums of money necessary to equip and operate a truly effective ETV system. His own state, Connecticut, is the only example in the nation of a network financed by a partnership of private and public interests.

He also regarded television coverage of governmental and political affairs as both desirable and necessary for a better informed, more participatory citizenry. He approved and applauded the efforts of Connecticut stations, both commercial and public, in bringing sessions of the General Assembly, the state political conventions and the candidates themselves into the living rooms of the state. Where there was reluctance to allow TV cameras where they never had been before. Mr. Bailey would persuade away such reluctance.

When Connecticut Public Television was seeking financial support from the Benton Foundation to cover the 1969 session of the Connecticut legislature, John Bailey wrote a personal letter to the former U.S. Senator from Connecticut whose name the foundation bears, urging that the funding be forthcoming. As viewers of that coverage know, the Benton Foundation helped support that coverage annually until the Senator's death two years ago.

Although I never had the opportunity to ask him, I feel sure that John Bailey would have supported the efforts now underway to permit TV on the floor of the U.S. Senate and House of Representatives. It is inevitable that television will be permitted access to these chambers soon. And this will come to pass because John Bailey and other political innovators could foresee that the benefits of permitting the people to look in on the political process through the miracle of modern-day electronics far outweigh the disadvantages.

HOSPITAL BOARD PRAISES JOHN BAILEY

To the Editor:

The Board of directors of St. Francis Hospital learned with deep sorrow of the death of its friend and colleague, John Moran Bailey, on April 10.

John Bailey, serving as a member of the board of directors since December 1938, had responded generously to the hospital's needs, be they needs of time or resources.

John Bailey's career as one of the top-level political strategists of our century, took him to high places. A famous president, eminent governors and senators, called him friend and advisor.

Yet, to John, of equal importance was the fine thread which for three generations, kept the Bailey family close to St. Francis Hospital.

His father, Doctor Michael A. Bailey, who was among the founders of St. Francis Hospital, was described by colleagues as "recognized for the unstinting devotion and ability which he applied to Saint Francis and to the practice of medicine."

John Bailey's mother, Mrs. Louise A. M. Bailey, was a memorable activist as president of the Ladies of Charity of St. Francis Hospital, a dynamic group devoted to serving the hospital's patients with time, funds, and countless personal amenities.

John's wife and daughters have carried on the family tradition of interest in and devotion to St. Francis Hospital, in particular through the Women's Auxiliary, thus continuing the skein of service from the mid-nineteenth century to the late twentieth century.

A distinguished record, this, and one of which John Bailey was legitimately proud.

The board of directors of St. Francis Hospital expresses appreciation of John Moran Bailey's service to St. Francis Hospital and sends condolences to his widow, Mrs. Barbara Bailey and to her children.

JAMES G. PETTIT,
Secretary of the Board of Directors,
St. Francis Hospital.

HARTFORD.

[From the Bridgeport (Conn.) Post, Apr. 20, 1975]

JOHN BAILEY'S STYLE

(By Alan E. Schoenhaus)

HARTFORD.—Sentimentality is always a highly suspect characteristic on the state political scene.

It's not that those who inhabit the Capitol arena lack warmth or human feeling, or that the political chromosome doesn't normally co-exist with the one that encourages tears at

lullaby time. But the art of the possible leaves little room for other than the most pragmatic expression.

That's why, at the risk of sounding cynical, it appears that the walve of anecdotes gaining currency about the late John Moran Bailey threatens to obscure the legacy of his better than two decades as the top banana in Connecticut party politics. Something seems to get lost in the translation of most of the well-intentioned Bailey stories, for many of them are designed to demonstrate a kind of political one-upmanship that was totally alien to the man.

FEW WORDS

John Bailey's political genius had little to do with an ability to get off bon mots at appropriate moments, nor to bedevil his opponents with rapier-like rhetoric that cuts the philosophical premises out from under them. As was correctly noted by the clergyman who delivered his principal, and most accurate, eulogy, John Bailey was a man who rationed his words. As a matter of fact, he rationed them in much the same manner as he handled the trappings of his power.

In attempting to assess the nature of Bailey's extraordinary success as a political leader, measured against the unrelenting yardsticks of record and tenure, it is apparent that his was a record of solidly conceived game plans carried out with consistent determination over most of the more than a quarter century he headed the Connecticut Democratic organization.

Bailey's forte was execution; the ability to make a basic decision on a candidate or a course of action and follow it through to the very end. He was not a political technician by any stretch of the imagination and often scorned some of the sophisticated campaign techniques recommended by an army of experts, most of whom eventually moved on to other fields of endeavor.

What Bailey did was to determine a course of action and then doggedly follow through on its implementation. His basic decisions on selecting standard-bearers were often brilliant, and his approach to underticket building was often complex and almost always parochial.

STOCKHOLDER

All through his years of leadership, he manipulated raw political power in a way that gained him a reputation as a power broker when he was, in fact, a principal stockholder in most of the political operations he so painstakingly brokered from a position of strength. Even his detractors generally conceded Bailey's ability to ram through his will on a major matter while tying the rest of the congregation into knots in a negotiation over lesser matters.

Perhaps his most important characteristic was his ability to impose a pattern of political life on those around him. The Bailey method of operation gradually became a way of life in Connecticut politics. Through imitation, admiration, and self-defense, the political community began to adapt itself to the Bailey method. He became, in other words, the master teacher of the state political scene, and his success in that endeavor was enormously helpful to him, as well as to those who began to play the game by his rules.

Bailey's influence crossed party lines and his methods were discernable in many of the actions taken by GOP leaders over the years. Moreover, he visibly enjoyed jousting with just about all comers knowing full well they had to play in his ball park.

MANEUVERING

However, it is in his own Democratic Party that his brand of politics is almost certain to hold sway for years and years to come. Late last week, one of the bright stars in the Democratic political galaxy sat musing over the inside maneuvering that surrounds the selection of a new Democratic state chairman to replace Bailey. "It's amazing," he said as he verbally reviewed some of the reasoning expressed by key party people from Ella Grasso on down. "They all think along the same lines. They don't agree, but the pattern and the approach is the same one they all learned under Bailey."

Bailey himself would have been amused to be referred to as a teacher. Before he took on the battle for his life with an uncompromising throat malignancy, he carried off his role as a modern political boss (to use the words of his biographer, Joseph I. Lieberman) with an obvious relish. A well-spoken man, he often communicated with political associates in kind of Stengelese jargon that had the dual effect of offering the listener the feeling he was being treated as an insider, and then leaving him wondering whether he was putting the correct interpretation on the words.

This kind of minimal cue communication was characteristic of Bailey's responses to the hundreds of requests he used to receive weekly in his heyday as state chairman.

USED PATRONAGE

Bailey's attitude toward patronage was totally traditional. He used it to enhance the party position and to solve political problems. His supporters insist he took a benevolent approach toward its use, and his foes were critical of the way he dominated and controlled the patronage situation.

One thing is certain, however. No successor to Bailey or any other state party chairman is likely to hold such an iron grip on patronage and party control.

His legacy, then, is in the system of political thought and operation he leaves behind. His influence rests with the dogged determination he showed others, and the absolute dapper, courageous effort he made against the alien, non-political cancer that wrested him from the scene of fresh political victory.

Several years ago, in a moment of unhindered communication with John Bailey, I handed him my copy of Lieberman's biography of him and asked him to make a note on the title page.

"I hope you enjoy reading this as much as I did living it," he wrote without even taking the cigar out of his mouth. It may not have been original, but the execution was superb.

[From the New London (Conn.) Day, Apr. 12, 1975]

JOHN BAILEY'S LEGACY TO STATE DEMOCRATS

(By Stan DeCoster)

During a lull in last fall's campaign, Ella T. Grasso, the Democratic candidate for governor, lingered over a cheese omelet.

A young, perky campaign worker burst into the room.

Mrs. Grasso looked up. "How are things at the hospital and how is the boss?" she asked.

The boss—John Moran Bailey—was doing reasonably well then. He was dying of throat cancer—everyone knew that—but he was hanging in tough, fighting with the tenacity that had been his trademark for nearly 40 years in politics.

During those years, Bailey was the Democrats' premiere peacemaker, strategist, catalyst, father confessor, head-banger and manipulator.

He was, in short, Boss Bailey.

His loss will create a vacuum Democrats will not be able to fill.

The first 100 days of Mrs. Grasso's administration, a time in which Bailey's physical condition went from bad to extremely bad, marked the beginning of leadership gap. Bailey still was involved in doling out patronage and conferring with longtime political allies. But he was not the Boss Bailey of old.

There were clear signs of rebellion in the ranks, something that a healthy John Bailey would not have tolerated.

The best example came March 1 when party leaders from the largest Connecticut cities—upset over the way patronage was being handed out—boycotted the Jefferson-Jackson Day fund-raising dinner.

Bailey attended the dinner despite his poor health. But cancer obviously had weakened his political muscle. Despite his insatiable love for the political arena, he was expending most of his energy in the fight to stay alive.

The night of the dinner a veteran Democrat looked around, noting the absence of prominent town chairmen.

"This never would have happened with a healthy John Bailey," he said. "He would have said to hell with them all. They wouldn't have dared to stand against him."

Certainly, there were clear indictations that some of the local party bosses—with only a fraction of Bailey's political acumen—were flexing their muscles with the knowledge that Bailey was on his way out.

They were girding for the vicious political in-fighting that now will come to determine who will succeed Bailey as state chairman.

A leadership vacuum also became apparent in the day-to-day operation of state government. The most obvious indication was that Bailey, usually a regular in the corridors of the State Capitol, hardly ever was spotted there during this legislative session.

Mrs. Grasso has been trying to assert herself as party leader. She will have to fill the leadership vacuum until a successor to Bailey is found.

The governor has been traveling around the state, talking tough about a need for citizens to sacrifice by swallowing budget cuts and tax increases. She is conducting regional public hearings on her spending and taxation proposals although there outwardly would appear to be no reason for it. The budget and taxing plans she prepared now are out of her hands as they are scrutinized by the General Assembly.

All she is accomplishing is ridding herself of a portion of the sweet, compassionate image she has nurtured over the years.

Now Ella Grasso wants to be respected as a tough political leader capable of making the hard, unpopular political decisions.

The only certainty is that no one will be able to fill Bailey's shoes. He was the complete politician. He used a sledge hammer when strong-arm tactics were called for. But he could perform near-miracles with the precision of a surgeon's scapel when the delicate touch was required.

The uncanny thing about Bailey was that he almost always was right. He attracted more than his share of expletive deleteds over the years. Political enemies come with the job, and Bailey's insistence that his boat not be rocked didn't help his popularity in many quarters.

Bailey's longevity was directly attributable to his proven track record. He had molded the careers of the Ribicoffs, Grassos, Dempseys, and Killians and had provided Connecticut with the most loyal and dependable Democratic machine in the country.

The Bailey legacy is that of a winner. He was not loved by everyone but he was universally respected. And that is the best tribute anyone can pay John Moran Bailey.

[From the Bridgeport (Conn.) Post, Nov. 7, 1974]

BAILEY'S BEST DAY

(By Joseph A. Owens)

There was a special sweetness to the victory on Tuesday for the grand old gentleman of Connecticut politics.

John M. Bailey proved that a champion can come back.

He left a hospital room Sunday so that he

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could personally tend to a few details in Hartford the following day.

On Election Day he pulled the lever he loves—the little gadget which registers votes for Democrats all across the line.

That evening he settled down in his comfortable home with his wife, Barbara, fairly certain that the words of Sophocles would be appropriate:

"One must wait until the evening to see how splendid the day has been."

OTHER DAYS

There had been many magnificent days in the life of this kingmaker. Abe Ribicoff's hairline win of the governorship in '54; the Ribicoff landslide in '58; and the victory of John F. Kennedy in '60 are probably successes which take on a special glimmer when Bailey summons events of the past to mind.

And now Election Day '74 must be placed in his museum of trophies.

As broadcast commentators talked about the history-making achievement of Ella T. Grasso and the marvelous run of Abe Ribicoff, there must have been special satisfaction for the Irishman who prefers to remain in the background.

Let the candidates bask in the glory.

That is the Bailey philosophy.

But this is one year when the spotlight should be turned on him. Here is why:

HIS CREATION

Many, many months ago he told the chief contenders for the gubernatorial nomination to go out into the hinterlands and let the rank and file Democrats decide who they wanted. Whether it be Ella or Bob Killian, the Chairman would be ready to support the choice of the party faithful.

It turned out to be Ella.

At that point last summer only Bailey could have brought Bob Killian into the second spot. The master of ticket-making proved himself again.

The Grasso-Killian team was a creation of Bailey.

And it goes back much further, and deeper.

He brought Killian along in Hartford politics when the red head was a young, aspiring lawyer.

Ella, he spotted in the Legislature in the fifties and soon she was a candidate for the Secretary of the State.

And Abe Ribicoff.

That is a book, not a few lines in a column, the relationship between Bailey and Ribicoff.

Three Bailey people—Grasso, Killian, and Ribicoff—were the main forces firing the engine which roared to victory. But wait, there was another. Like Bailey his name was not on the ticket.

DEMPSEY TOO

Over in the eastern part of the state John Dempsey was out campaigning, working as hard as he ever did when his name was on the machines. He promised Bailey that the 2nd Congressional District would not deliver a big plurality for Bob Steele.

The base of Steele's support collapsed. Grasso carried the district. She and Bailey know where the credit belongs.

Looking down that Democrat lineup there was another individual for whom John Bailey nurtures warm affection—Ed Caldwell, "that good little soldier from Bridgeport."

There was a lot of maneuvering at the state convention. Bailey listened to many possible rosters, knowing in the end that Caldwell rated a position and would have one.

So Caldwell's election as comptroller was a cause for joy too.

The Democratic triumph on Tuesday was a victory which Bailey thirsted for. The Republican success in '70 was painful, but he survived.

The years and cancer in his throat have slowed his pace. He would not, however, enter the hospital in September until he had gone out to meetings in various parts of the state and placed before local leaders his strategy for success.

When he did go into Hartford Hospital, Bailey turned his private room into an antiseptic campaign headquarters. By phone he talked to the candidates and town chairmen daily. Posters and bumper strickers were affixed to the walls, creating an atmosphere, unlike any other in the institution.

AT DINNER

As time for the kickoff dinner approached, he let it be known he would be no place other than the head table, despite the word of doctors that he should stay in the hospital.

Bailey was at the Hilton that Saturday night. Perhaps then it was more apparent than ever before that this man has been responsible for writing a good share of history in Connecticut—and a few pages in the national book as well.

John Bailey had the foresight and the trust in people to believe that back in 1954 they would elect a Jew as their Governor. He perceived the qualities in JFK and the fairness of the electorate to envision a Catholic in the White House in '60. And in '74 his recognition of the talents of a woman, and his confidence in the people of this state to be conscientious in their decision, brought about Ella's election.

John Bailey would be the first to say Ella and Abe and all the rest belong in the sun, and he in their shadows. That is the manner of the man.

Maybe November 5, 1974 was his best Election Day ever. He is not a sentimentalist, so if it was, Bailey won't say so.

There are friends who think that it was.

[From the Bridgeport (Conn.) Post, Apr. 11, 1975]

JOHN M. BAILEY

Always it is sad to see a good man leave the public stage.

Yesterday afternoon life ended for an extraordinary individual, John Moran Bailey. By profession he was a lawyer. By choice he was a politician, certainly the most skilled man to practice this special and demanding science in Connecticut—perhaps in the entire country.

For many months Mr. Bailey knew that a debilitating illness, cancer, would not be denied. It was not his nature to give an inch. He continued to serve as Democratic state chairman until the final hour, counseling Governor Ella T. Grasso and others who made regular pilgrimages to his hospital room.

Mr. Bailey was best known as a kingmaker, the political scout who could perceive in certain individuals special qualities and potentials which would prove appealing to the electorate.

Coupled with this ability to accurately measure the worth of men and women as candidates was an equally important characteristic: courage. He was endowed with unique political foresight which was in union with a firmness of mind. That is perhaps the best way to explain his tremendous success in proving that seemingly insurmountable barriers could be overcome.

In 1954 Mr. Bailey sensed that Abraham Ribicoff's religion would not be a negative factor in the gubernatorial contest, though never before had either party nominated a Jew.

A few years later, when the thought of a Catholic living in the White House was believed appalling to millions, Mr. Bailey was the first prominent Democratic leader to endorse the presidential candidacy of John F. Kennedy.

As recently as last year, Mr. Bailey proved again that age and illness had not suppressed his natural instinct for detecting the mood of the people. He knew that Ella Grasso would be judged on her qualifications, and thus he recorded another first, the election of a woman to the Governor's office.

For 29 years Mr. Bailey served as state chairman of the Democratic Party and during the presidencies of Mr. Kennedy and Lyndon B. Johnson he was national chairman. Despite his long presence on the public scene, the true depth of the man was not generally known.

And old comrade in political arms and close personal friend, former Governor John N. Dempsey, observed in a tribute to Mr. Bailey that there had been countless beneficiaries of the warmth, kindness, and love of people which dwelled within the gentleman so many people affectionately referred to as "Mr. Chairman."

Mr. Bailey never thought of himself as a political power, even when he walked with presidents. When pressed to offer an explanation for his success, Mr. Bailey, glasses perched on his forehead and a cigar working, would often say: "You do what you got to do. You be where you got to be."

There was, of course, much more to it than that. John Bailey never shunted off to another a difficult task which was his responsibility. And, when in battle, he treated his opponents in a manner which allowed them to join him in the next contest, if they so desired.

Throughout his long public career Mr. Bailey was a modest and humble man who was thoroughly respected for many reasons, not the least of which was the fact his "word" was an unbreakable bond.

We know there will be no argument over our contention that Connnecticut was privileged to have had John M. Bailey for so long.

[From the Bridgeport (Conn.) Post, Apr. 11, 1975]

BAILEY: A GOOD DAY

(By Joseph A. Owens)

On occasion, a writer can and probably should share his experiences and memories.

Today, I exercise that privilege. My thoughts go back to a golden October afternoon. If ever nature had provided a perfect autumn day for 18 holes of golf it was October 4, 1973.

Maybe I am succumbing to sentimentality and emotionalism, but that round played with John Bailey, Brian Gaffney, and Bob Killian on that tranquil beautiful day was a most pleasurable experience.

OLD POWER GONE

Earlier, in the summer, Bailey had undergone surgery for cancer of the throat. He had lost weight. Illness and age had robbed him of the ability to drive a golf ball 200 yards or more. In his younger days Bailey was a scratch player—he could play the toughest courses in par and was ranked among the best amateurs in the state.

Even though his game had slipped, John still loved to play. So, it was with the enthusiasm of a youngster that he accepted a challenge thrust at him and Killian a few weeks earlier by myself and Gaffney.

Let it be clearly understood that one J. Brian Gaffney, then the Republican state chairman, rarely has to make excuses for his performance on a golf course, particularly his home grounds, Shuttle Meadow, which is just outside New Britain.

Bailey and Gaffney had not previously competed on the golf course. Their only contests had been strictly political in the hallways of the Capitol in Hartford. The old veteran had taken a liking to his young adversary. He admired Gaffney's spunk. In turn, Gaffney knew Bailey had virtually written the book on politics and that a fairer man never played the political game.

WANTS TO WIN

After the third hole, Gaffney, a serious look masking his cherubic countenance, announced to me, "This old guy really wants to beat us today."

And that was the truth.

When John Bailey stepped onto a golf course, it was like entering a political campaign, victory was his goal. Though he could no longer record considerable distance, he was uncanny with his chip shots around the greens and his putting.

The match was even most of the way around.

At the 17th tee Bailey hit a poor drive, the only tee shot of his which went astray all day. The ball went into the woods which line the right side of the fairway. Partner Killian said, "Hit another one Judge, we'll never find that one."

THE SEARCH

Bailey merely shook his head.

After everyone else had driven, the search for Bailey's ball began. According to the etiquette of golf, no more than five minutes should be allowed to look for a lost ball.

Gaffney, realizing Bailey was compiling a respectable score, said to me, "If I had a ball like the one John is playing I'd drop it in here."

After about 10 minutes Bailey's ball was located. The discoverer was none other than Gaffney.

Exuding confidence, Bailey took a five iron, blasted the ball out of a pile of leaves onto the fairway. He put his next shot on the green. Then with the finesse of Bobby Jones, he dropped the ball in the cup with one putt.

I wondered if people unacquainted with the ways of politicians would believe that Bailey's counterpart, GOP Chairman Gaffney, was actually rooting for Old John.

As matters turned out the Gaffney-Owens combo won the last hole and the match.

BAILEY LOW MAN

But when the individual scores were added up, who was the low man for the day with a highly respectable 82? None other than John Moran Bailey.

With the match over we seated ourselves on a second floor porch of the clubhouse in what seemed to be serene comfort. Dutifully, the good shots of all four were replayed along with some of the not so good efforts. And then it came time to talk politics.

When Killian left briefly to make a phone call, Bailey expressed his personal affection for Bob, noting that he had been in politics with Killian's father.

Quick with the needle, Gaffney asked, "What's the matter John, are you afraid that if Ella is the candidate and wins, you won't get into the office?"

Bailey smiled, "Don't forget that Ella's my girl. I made her a leader in the Legislature and then put her on the state ticket. No, I wouldn't have any problems with Ella Grasso."

With sincerity marking his words, the political warrior added, "My wife tells me that when this whole thing is over (the contest between Grasso and Killian for the gubernatorial nomination) I am bound to lose a friend. I hope it does not turn out that way."

Subsequent events proved Barbara Bailey's fears were not to be realized. It was John Bailey who convinced Ella and Bob to team up and head the Democratic ticket the following year. Yesterday the eyes of both glistened as they spoke lovingly about the friend they had lost.

That day at Shuttle Meadow the verbal sparring went on, much to the enjoyment of all. Both Bailey and Killian assured Gaffney that his man, Tom Meskill, was doomed for defeat if he sought reelection the following year.

As late afternoon turned to early evening, the session broke up.

A GOOD DAY

John Bailey looked at me and Brian and declared, "It was a good day. That's the best score I've had all year. And I was in good company. We'll have to do it again."

We did get the same foursome together last summer, but by then his illness had sapped most of Bailey's strength. It was a struggle, not a joy, for him to play the game he loved. By then Gaffney had resigned the GOP chairmanship. So, it simply wasn't the same. The day is not worth recounting.

But that gorgeous fall afternoon in '73, well—that was something special. The Old Master had shown three younger fellows how the game of golf is supposed to be played.

And at the 19th hole John Bailey was as good with the political quips as he was with his putter out on the course.

[From the Waterbury (Conn.) Republican, Apr. 17, 1975]

BAILEY'S SPECIAL SMILE

(By Alan H. Olmstead)

John M. Bailey had one special little smile. It had a mixture of many things in it, a touch of ruefulness, a hint of the apologetic, a suggestion of demurral. It appeared on his face in a wide variety of situations, serving a variety of mods and purposes.

This small glimpse of a self-deprecating smile would appear on his face when and if it came to pass that one of his intricate political plays—like his pretense of neutrality in the 1958 state convention when he engineered the nomination of Tom Dodd for the United States Senate—had been uncovered and exposed.

The same smile would hover over some of his own recollection of feats of wicked political derring-do in the days when he was taking his political education in what might well have been labeled A School For Scoundrels.

It also served, this smile-look with which he seemed to ask himself how and why he could ever have done such a thing, in instances when he found he had made mistakes in judgment, such as taking one of his own governors too much for granted, which helped cost him a whole state election, or such as taking political spoils he did not need, which broke part of his heart when he realized it had resulted in anxiety for those he had wanted to please.

This same half-smile, which might seem at least half-apologetic for some Bailey moves and moments, also because the way he looked at himself as he found himself making gains and scoring successes and beginning to chalk up accomplishments which might have been justification for real pride on his part. It was a look which seemed to ask people not to blame him if they found him playing a higher brand of politics than had been taught in that original School For Scoundrels. It seemed to ask what else he could have done, but pick the best candidates he could find, when Abe Ribicoff and John Kennedy were ready to become the first Jew and the first Catholic in their respective offices.

But the most appealing and happy of all the instances in which the particular half twist would come into the lip and the little extra light of bemused self-analysis into the Bailey eye were those instances in which, at the summit of his career, he found himself in a position where, all political necessities taken care of, he could afford the luxury of a pure good deed.

To find himself working for some measure which had no political angle, which promised no patronage and no votes for anybody, but which appealed to him as a civilized and sensible thing to do—this gave him particular pleasure as he pretended to be surprised at being discovered in such a non-political mood.

"Who? Me?" the Bailey look always seemed to ask.

Surely, if he could have seen the throngs in Hartford last Friday and Saturday, throngs greater than any of those which noted the passing of any of the other captains and kings of his time, that same quizzical, half-unbelieving, disclaimer smile would have come to the John Bailey face, one more happy time.

EXPORT CONTROLS FOR GRAINS AND OTHER COMMODITIES

Mr. McCLURE. Mr. President, the continuing discussions of export controls for grains and other commodities are creating genuine concern among many of our farmers, and generating quite a bit of editorial comment in agricultural publications. Although export controls have been removed for the present, there is a real expectation among many farmers and writers that they will be "slapped back on" if prices show too much life.

One article in particular has been brought to my attention by a couple of my friends and constituents in Idaho, Mr. Harold West, administrator of the Idaho Wheat Commission in Boise, and Mr. Bill Corbett of Soda Springs.

I feel that the article from the Furrow, has enough merit to justify its being read by every Member of the Senate, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICE CONTROL BY EMBARGO HURTS EVERYBODY

(By Ralph Reynolds)

It is easy to understand why an undeveloped nation, facing starvation, might place an embargo on the export of foodstuffs to other countries. Such a step would seem just and necessary in order to reduce hunger at home. But for a rich trade-oriented country to do so, as a way of manipulating domestic food prices, seems not only unncessary, unwise, and unfair, but counterproductive and downright callous.

An embargo or quasi-embargo against crop exports, such as U.S. restrictions on soybean exports in 1973, or the oft-threatened and widely-demanded (but never imposed) embargo on U.S. corn and wheat last year, can play havoc with crop marketing and consumption patterns. It creates a situation something like an auction of scarce commodities at which only one buyer (in this case the richest one) is allowed to bid on most of the lots. Lacking competition, the protected buyer can purchase what he desires at the price he wishes to pay. Others must scramble for what's left, and some—the poorest of course—go away empty-handed.

Have the best interests of the protected buyer really been served?

The answer, in my opinion, is no. Some short-term national benefit may be derived, but the aftershock can affect national and international well-being for years to come.

BUYER BEWARE

First of all, an export embargo on any scarce commodity causes a certain degree of economic disruption and hardship in countries that are traditional buyers of the crop. So those countries immediately begin searching for substitute foods or for ways to become self-sufficient. At the very least, they look carefully at other producing countries, seeking more dependable sources of supply. Thus there is great risk of losing future trade

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with valued customers, perhaps some long and carefully cultivated.

Fragile trading patterns and practices are disrupted by embargoes. World trade is inhibited by unpredictably gyrating supplies and prices. Commodity contracts lose viability and futures markets may become confused and depressed by fear of unnatural restrictions on trade.

SUBSIDIZED LUXURY

An embargo can also be directly damaging at home because it results in a false price that is well below the world value. Because this price does not function to dampen buying, the result is luxury domestic consumption of a scarce, high-value product in much demand overseas. Associated is the lost opportunity to strengthen the national currency through free trade of the product. Also, crop embargoes discourage home farmers, who find themselves subsidizing domestic consumption (or, by world standards, overconsumption). And demoralized farmers are not likely to produce a plentiful supply of anything.

Viewed through the eyes of would-be purchasers, one can see in food embargoes a kind of cynicism that places politics and short-term expediency above good world citizenship and responsible humanism. To deny people in other countries the right to bid for what is produced is to tell them: "Even though you may want and need this commodity more than we do, it is not available to you at any price." This kind of self-indulgence, if widespread, can't help but create a climate of international selfishness and distrust.

What is feed in one nation may be food in another. Thus, if the embargo idea spreads, one nation may fatten pigs with commodities that other countries want to purchase for human food, only to find the product can't be bought for love or money, even for both.

Food embargoes, imposed on scarce commodities, shut off supply when the customers' need is greatest. After years of trade have created dependence and trust, embargoes should be applied only to stave off famine at home. If you refuse to share a farm commodity when there's not a lot of it, the rest of the world will do everything possible to get along without your product even when you have too much of it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been more than a quarter century since President Truman first submitted the Genocide Convention for ratification by the Congress. Many critics contend that, because the treaty is so old, its time is passed. But the issue that it deals with is all too current and still bears importance that deserves our fullest attention.

The report of the individual rights section of the ABA states it best:

> Ratification and accession keep coming in all the time—Nepal was the latest in January of 1969. America's foes say, "You see what we mean . . ." and America's friends ask, "Where are you?"
>
> More important, more tragic, is the fact that the threats and acts of Genocide are in no sense remote. In Africa, in the Middle East, Southeast Asia, in the Mediterranean, and the Caribbean, it is clear that the ethnic hatreds war with hunger and depredation as weapons, brain-washing and torture are not of the past. If the excesses of World War II have not quite been repeated, the Genocide Convention may have had a part to play. No one can say that the concerns of the treaty are not the concerns of today and tomorrow.
>
> It may well be that the Genocide Convention has already been violated many times, even by those who have joined it. Magna Carta was violated many times in English history; the American Bill of Rights was violated many times—indeed continues to be violated all too often. So are the Fourteenth and Fifteenth Amendments. But none could gainsay their importance, and overall effectiveness.
>
> It is too early to tell whether the Genocide Convention will take its place alongside Magna Carta and the Bill of Rights. It is too late to pretend it does not matter.

Mr. President, this eloquent plea speaks for itself. I announce my firm support again, and urge ratification.

A VISIT TO SAIGON

Mr. GARY W. HART. Mr. President, early this month my legislative assistant was invited by the South Vietnam Government to visit Saigon. The purpose of the trip was to assess the military situation and the possible results increased U.S. arms aid might have on it. The observations, made in the critical period of early April, are particularly timely in view of the Senate's continuing debate on the administration's request for assistance to South Vietnam. Dr. Miller is a former career officer of the Air Force and well qualified to make professional judgments on military matters.

I ask unanimous consent that the report of my legislative assistant be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF A VISIT TO SOUTH VIETNAM, MARCH 31–APRIL 4, 1975, EDWARD A. MILLER, JR., LEGISLATIVE ASSISTANT TO SENATOR GARY HART OF COLORADO

On 28 March the South Vietnamese Embassy extended me an invitation to visit South Vietnam as a guest of the Foreign Minister. The purpose of the trip was to assess the military situation in South Vietnam and military assistance requirements and alternatives. I was accompanied on the trip by Dr. William Schneider, Jr., Legislative Assistant to Senator James L. Buckley of New York, Mr. William Sharpless of the Carnegie Foundation for International Peace, New York, and Mr. Jeff Gaynor of the Heritage Foundation, Washington, D.C. The views expressed in this report are my own, and they are not necessarily shared by the other participants.

BACKGROUND

The group met with South Vietnam government officials at minister level and below and with ARVN (Army of Vietnam) and VNAF (Vietnamese Air Force) officers in Saigon and in the field. The U.S. Embassy and Office of the Defense Attache provided briefings and made specialized personnel available on request. Most visits were in the Saigon area, but a visit to a representative refugee camp was made and some of the group flew to Can Tho for an inspection of security conditions in the Mekong Delta Region.

CONCLUSIONS

In my opinion, South Vietnam is suffering a crisis of leadership which extends from top to bottom. This apparent paralyzation of definitive direction has demoralized the South Vietnamese people, and I was convinced that unless some drastic changes are made among civilian and military officials, the chance for the ARVN to stabilize the military situation was not good.

U.S. Embassy and GVN (Government of Vietnam) officials with few exceptions want to soldier on with President Thieu despite the obvious fact that he is a thoroughly discredited leader. Their argument is that there is no alternative, but I think any one would now be better, even if just because Thieu is a prisoner in his own palace, unable to go into the field to build support for the war. The unqualified, back-Thieu-at-all-costs policy of our government is not sensible now, and it has probably been a poor policy since former Ambassador Bunker began it so long ago.

All officials, whether GVN or U.S., shared a common belief that American military aid in either arms assistance or B–52 bombing support was the sine qua non for survival. All appeared to believe that some immediate demonstration of a U.S. commitment would improve morale to a point where resistance to the Communists would be possible. In any event, all agreed that the amount of aid had no relevance to the immediate military situation. Whatever might be done would have a purely psychological value.

While it is certain that any new military aid is not going to stiffen the defenses of Saigon overnight, it is uncertain that what is in the pipeline now, much less new arms, will be effectively used. The evidence is not yet clear that the ARVN can regain its ability to fight, even temporarily.

The notion so widely expressed that B–52's would reverse the tide of war had a certain air of *deja vu* about it. As in 1964-1965, bombing is now seen as necessary to "show resolve" or to "hurt the NVA (North Vietnam Army)", thereby buying time to organize the shattered defenses. It was my impression that the advocates of this means of restoring SVN (South Vietnam) civilian and military morale were being unrealistic for the obvious reason that Congress and the people would not stand for it, but also because it probably would not work. Experience a decade ago demonstrated that bombing did give SVN a morale boost, but it was transitory, and it would be less lasting now because of the unprecedented ARVN collapse. Furthermore, my investigation of intelligence information available in Saigon leads to the conclusion that B–52 bombing would have little if any military utility. B–52 advocacy shows the basic sterility of thought in Saigon. The Embassy talks to the Thieu government and that government talks to the Embassy. Not the slightest attention is paid to what the American people think.

With respect to the war situation, I was convinced that military activities in the past month clearly demonstrated that the character of the battle had drastically changed. The North Vietnamese Army had launched an undisguised invasion of the South, marking the end of small unit warfare. The GVN decision to abandon the Central Highlands was made in anticipation of large, new attacks by DRV (Democratic Republic of Vietnam) regular forces, and it was a legitimate military decision.

The evacuation was, however, grossly mismanaged and resulted in the loss of all the equipment and supplies of several ARVN divisions and 400 aircraft. Some of the men escaped, and the government is now consolidating them into units to be used in the defense of Saigon. During the withdrawal, not one major battle was fought, demonstrating the depth of demoralization of the ARVN and its commanders. What isolated actions there were had no influence on the retreat and may have resulted in the useless sacrifice of good battalions that could have been better used in the battles for the capital.

Last month the Central Highlands were as much the key to the Vietnam War as they had been in 1965. Then, having abandoned the Taylor/Gavin enclave theory, the United States chose to meet main force Communist units there. The idea was to fight a war of attrition. As we know, the NVA selected the time and place of the battles and found it no trouble to match our buildups. The ARVN, on the other hand, without our mobility and firepower and perhaps without our will, was simply incapable of battles of attrition. As usual the NVA chose where to fight and through superior mobility could concentrate against thinly spread units as it wished. The NVA was always able to neutralize its enemies; this time it could overwhelm them. It used counterescalation, the game Westmoreland played, against the ARVN, but the South Vietnamese were not capable, as the NVA had been earlier in the war, of matching buildup with buildup.

I believe from my observations that the estimated 2 million South Vietnamese who fled before the NVA advance did so in order to escape from Communist control. Whether they feared a bloodbath or simply preferred life under the GVN to life under the DRV is unimportant. It seems apparent that the GVN did not encourage their flight, and the PRG Radio begged them to stay. In the end, however, only a few hundred thousand got away, and the GVN seems to have adequate plans if not resources to resettle all of them in the southern part of the country.

I was struck by the fact that no government officials looked forward to a reconquest of the territories lost in the past month. All seemed satisfied to keep what was left of SVN on the valid grounds that they still held the most valuable rice-and-oil producing lands. These alone would make SVN self-sufficient and, what is more, provide a large foreign exchange surplus in the next two or three years providing the war were settled.

Some officials thought the war's settlement might come about as the DRV would be unable to conquer Saigon because of scarcity of means. This premise was not as unrealistic as it may seem because the DRV was stretched very thin. In addition, it is NVA policy to go slow before major moves, and no doubt the Communists are just as much off balance from the speed and magnitude of their victory as the GVN is from the depths of its defeat. Because the rainy season is but several weeks away, the DRV might not be able to finish off Saigon before that time.

On the other hand, other officials thought that renewed negotiations between the two parties were the only solution to a continuing war that SVN would sooner or later lose. I reached no conclusion as to which view is most likely, but I am convinced that a military solution favorable to SVN is not probable over the long term.

South Vietnam at this time has sufficient arms and available funds which can be reprogramed to purchase essentials to continue combat operations for several weeks or more. Replacement of all that was lost in the retreat is not desired or necessary for survival of a SVN independent of DRV control. What is necessary, is a thorough shakeup in the nation's leadership, a demonstration that the ARVN is capable of establishing a battle line well north of Saigon and perhaps some possibility that a new ceasefire can be negotiated. Without these preconditions, American military assistance in excess of the more than $100 million already appropriated but not yet spent cannot drastically alter the critical situation. All it would accomplish is to boost morale, but whether this is enough to save South Vietnam is questionable.

Although we did not intend to investigate the problems inherent in evacuation of American and perhaps South Vietnamese nationals from SVN, the subject was one of concern during our visit. Naturally, no GVN officials brought up the subject; U.S. officials did. All the latter expressed their concern that they felt an obligation to evacuate U.S. employees of whatever nationality, but had no idea how or when this could or should be done. Some, in fact, thought it already too late for massive moves of people because the panic which would be induced in the population of Saigon would be uncontrollable. Others did not like the idea of making life or death decision about South Vietnamese, and a few predicted that we would end up firing on some South Vietnamese in the attempt to rescue others. In any event, I thought discussions of massive evacuations of Saigon, the members of the SVN armed forces and the South Vietnamese population generally.

Such discussions may also be dangerous because they could provide justification for American armed intervention: troops to protect evacuation bases, airpower to protect troops, and so on up the spiral of escalation. At best evacuation under fire requires a secure enclave; it might require several of them. What might seem to be a worthy humanitarian gesture could turn into a continuing fire fight against old enemies and even former friends.

PART V—MARCH 31, 1975

Call on Vuong Van Bac, Minister of Foreign Affairs. The Minister's general tone was at first angry, with the thesis that the present military situation is due primarily, if not exclusively, to the cut-back in U.S. assistance. He said the North Vietnamese offensive was undertaken because the GVN was unable to maintain isolated outposts, particularly in the Central Highlands. Although he did not say so, the gist of his remarks leads to the conclusion that the ARVN had learned methods of war from the U.S. to whom abundant means was the rule. Defense of points under this system is done by harassing fire on approach routes and possible attack assembly points. Patrolling is likewise covered by artillery support, perhaps aircraft, etc. Of course, defense of fixed points does not work without the ability to move units quickly for blocking and spoiling actions. This requires helicopter lift and associated expensive air support.

Because of aid limits, not much of this kind of defensive warfare was possible. Consequently, the GVN planned a pullback from Pleiku and Kontum, but it is unclear if the Minister believes that was all the plan called for or if abandonment of the highlands would not have automatically led to loss of some coastal areas.

Minister Bac said the pullback was absolutely required, not because of a general erosion of the defense but because a large-scale offensive was anticipated. He did not, and perhaps could not explain why the planned withdrawal ended up in chaos and a total rout, except to say the refugee situation was unexpected. He had no criticisms, unlike others later, of military leadership or of the performance of the troops. On the contrary, he seemed to think they showed as much courage and fighting ability as could have been expected given the odds they faced and the confusion the refugees caused.

At the time of the meeting with Mr. Bac, the military situation was unclear, and, although he said he thought it had stabilized, obviously it had not. In fact, he forecast that the ARVN was capable of providing strong covering forces for the refugees along the coast roads, and he was optimistic that the ARVN was capable of expanding control of coastal areas in I and II Military Regions. None of these predictions turned out to be accurate two or three days later.

Mr. Bac admitted he did not know the number of refugees nor was he certain where they would go and what would become of them. It seemed to me that he was equally uninformed about the military situation. Given his high position, my observation would lead to the conclusion that the government generally was out of touch with the entire military situation in the upper half of the country and that, since there was an almost complete lack of information the government was incapable of planning what to do to halt the headlong retreat. It seemed that events were in command, and not even the NVA was pushing hard enough to justify the enormous losses of land, men and material even then going on. In respect to U.S. aid, he said the citizens of Vietnam think we let them down by not providing the $1 billion requested for this fiscal year.

He understands the American political process and the demands of other foreign and domestic needs, but does not believe SVN citizens do. Although SVN was aware of the Communist buildup, Mr. Bac thinks the U.S. would not listen because it had forgotten about Vietnam following the Paris Agreement. He also said he thinks the American public was unconvinced about the buildup reports and believed it was the usual budget time "sky is falling" approach to get more money out of the Congress.

Mr. Bac talked at length of the refugee situation, which was at the time of most apparent importance. He admitted data on the extent of the refugee volume was unclear; but that the government was making plans to resettle large numbers around Saigon and in the Delta region. He also said troops had been ordered to cover the flight of the refugees, but gave no specific information.

Perhaps the most interesting of Mr. Bac's observations concerned the involvement of other nations in the planning and the control of the Communist invasion. He said the PRC and USSR do not control the situation in SVN nor are these nations capable of controlling matters even in big power conferences. This is because of detente and other world political complications. The impression was given that the decision to invade was the plan of the DRV without outside consultation, even with the suppliers of means of war. He also said the Cambodia situation was irrelevant to the war in Vietnam.

Speaking of the new aid desired, Mr. Bac held that morale would be boosted by a positive demonstration of U.S. support, but any new arms would have very little practical military effort. Assistance would be mostly psychological, showing continued U.S. interest in the fate of SVN. Whatever assistance was provided would be used up mostly in POL and ammunition, not new equipment to replace that lost.

Mr. Bac said the GVN did not expect open-ended U.S. assistance. He said a two, three, or four year promise would be enough, but some promise was necessary to show U.S. support would not suddenly end. Asked if a loan to be paid from future oil ventures or rice exports was possible, Mr. Bac said it was, but that as a practical matter it would cause much political criticism. Bac claimed the GVN would accept a loan or grant aid, anything to keep going over the next few years.

Speaking of refugees, Bac suggested international pressure should be brought to bear to allow freedom of choice for all of them, those who got away and those who got caught up by the invasion in port cities and elsewhere.

Mr. Bac did not predict an attack on Saigon and predicted that the ARVN had an open option to expand control of more coastal areas, presumably in II and III Military Regions.

The visit with the Minister led me to think the general situation was bad but not critical. He also made the decision to evacuate the highlands seem militarily wise and perhaps a good political move. He had no explanation for why it all went wrong, leaving me with the impression that the people of

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SVN were unprepared, especially for the magnitude of the mismanagement. This caused a chain reaction which many times multiplied the severity of the disaster.

Later the same day a group of U.S. Embassy officials briefed us on the U.S. appreciation of the military situation. Generally, the discussion concerned troop dispositions on 31 March, but some general details and observations have continuing value. For one thing, the Embassy thinks the Central Highlands evacuation was ordered because of the ARVN's failure to provide a successful defense of Bau Me Thuot, the Capital of Darlac Province. The significance of this point is that it means the evacuation was hurried. It also is contrary to what the Minister said. It would seem that the Embassy has no real explanation for the total collapse of resistance in I and II Military Regions any more than does Mr. Bac. Interestingly, as of 31 March, the DRV radio had not yet discussed any facet of the invasion but PRG radio was active, in particular asking the population not to leave threatened areas. It is uncertain if these pleas were in response to the evacuations already underway or whether they were made in advance of significant movements.

The U.S. Embassy, although well aware of the size of the NVA invasion, appears to think the disaster is due primarily to panic on the part of the ARVN and its commanders and not because of any significant military pressure on the withdrawing forces. Just how this collapse of ARVN morale can be arrested is uncertain, and the Embassy briefers gave little hope that the slide toward total DRV victory could be stopped or even slowed. But such a victory would not be one of the triumph of arms; it would be because of the GVN's lack of control over its own resources.

The only upbeat note was a qualified belief that some positive support by the U.S. would give breathing space to do something to reverse the situation. This opinion, which was very like that of Mr. Bac and other GVN officers and officials with whom we would speak, was unsupported by a view of just what physical acts might result from a psychological boost.

As for the state of forces in the evacuated I and II Military Regions, nearly everything was lost except for a handful of thoroughly disorganized and disarmed men. In all, somewhere from three to five divisional sets of equipment, including artillery, M–48 tanks, large ammunition supplies were lost. The replacement value of all this would be from $3 to $5 billion, but, even if replacement were authorized, it could not arrive in Vietnam soon enough to influence the situation.

Of the troops saved from MR I, one division might be reformed in a month from the odds and ends of the airborne brigade and the 22nd and 23rd Divisions who got away. On 31 March, it appeared that only 8,000 men from the Marine Division; one regiment of the 22nd Division and perhaps three ranger groups would be considered a potential fighting force.

In the rest of the country, only the Delta area (IV Military Region) seemed relatively secure. Military actions there were limited to small scale actions. But even there, the DRV with PRC augmentation would be capable of cutting communication lines with Saigon. To the west of the city in the area of Tay Ninh, one division, the 25th was strung out in penny packets, seemingly ripe to be overrun by a major attack. In fact, one Embassy briefer considered the province and city as good as lost. When it goes, if it does, Saigon will be in artillery range; but even more serious were the eastern and north-eastern approaches to Saigon because all cover of this so far undefended area was evaporating with the fall of MR's I and II. It would be there, I concluded after the briefing, that the battle for Saigon would be fought, but it would only be fought if the ARVN could successfully reconstitute the troops rescued from the lost territories. It appeared that the only thing keeping the NVA out of Saigon was its own surprise over the speed and extent of its victory. This view was shared by the Embassy briefer.

By far the most discouraging note in the generally pessimistic Embassy analysis of the military situation was provided by the expert, detailed information given us by U.S. Army Col. Le Gro of the Defense Attache Office. He, as did others on the Embassy team, appeared to believe only B–52 raids by U.S. could reverse the situation, but I confess that this proposal seemed as much a grasping at straws as a valid military action. In fact, Col. Le Gro did not claim bombing would destroy or seriously damage the communist forces. Once again only a morale boost could be expected. Therefore, even in the unlikely event the American people and Congress were to be asked to approve renewed U.S. bombing, a better military rationale would have to be found; but, as will be seen, bombing would not be militarily useful.

On the evening of the 31st, we dined with four junior officials and former officials of the U.S. State Department in Vietnam. Without exception, they shared the views of GVN officials that the reduction of U.S. aid below the amount requested was largely responsible for the erosion of the SVN military position, and it directly led to the debacle. I must admit, however, that I found this argument unconvincing since SVN had enough consumables to fight at a high level for some time. It is true that the FY 75 appropriation would have run out before June if that had been done, that very little worn out equipment was replaced and that spare parts were in short supply. Nevertheless, I thought that any nation facing absolute defeat would use all it had, rather than saving resources for the uncertain future. The fact of the matter is that, apart from gallant actions by scattered units, nearly everything, several years' worth of military assistance, was given up without a fight. Yet what the young Embassy officers said was not without merit because they, just like the Vietnamese, need an explanation for the collapse, but there is not one. It is not enough to say America did not listen to warnings that a North Vietnamese invasion by large-scale military forces was at hand. All the U.S. could have done would have been to provide more equipment and ammunition, but it, too, would have been lost because there is some doubt the ARVN would have fought for the Central Highlands and coastal areas even if the government had not ordered the pull back. Plain and simple, the failure seems to have been GVN leadership at every level even to include intermediate military commanders.

In retrospect, the pull back from the highlands was a good military decision and nothing much should have been lost even if the coastal area was given up. Actually SVN would be a better country without I and II Corps because these areas contain relatively poor land without potential for improvement. The young Embassy officers recognize this, but they do not seem to appreciate the complete leadership breakdown which caused a sensible plan to become a rout. They are like young, educated Vietnamese in this respect. That is they can see a bright future for SVN without war, and they know how to bring that future about. They do not have a solution for the war, however, and they have not yet appreciated that the GVN doesn't have one either.

PART II—TUESDAY, APRIL 1, 1975

The early morning was spent at U.S. military headquarters for briefings by the U.S. Delegation to the Four Parties Team which supervises the Paris Agreement. Needless to say, in view of the NVA invasion, the information received on the organization of this activity was not relevant to the present situation. The group was also briefed by the chief of the Saigon branch of the Joint Casualty Resolution Center, which is charged with recovering the remains of U.S. personnel killed in Southeast Asia. In general, this organization does not hold much hope that any still listed as missing are alive, and it is improbable many more remains will be discovered even if the Communists cooperate—which is doubtful. The briefer incidentally denied that absolutely that there is any truth to the Communist claim that his search teams engage in intelligence-gathering activities.

The same morning we met with Phan Quang Dan, the Deputy Prime Minister in charge of Social Welfare and Resettlement. Dr. Dan, who is a physician, explained his views of the refugee situation. Much of what he said about the help and assistance the GVN and other nations were providing is out of date; since then many refugees who escaped one trap were caught up in another. There were, according to Dr. Dan, two million new refugees created by the NVA offensive of which 1.5 million were caught in Da Nang. Planning for the 100,000 to 200,000 expected escapees seemed well organized, with plans underway to resettle most of them.

When we spoke to Dr. Dan, the Da Nang situation was unclear because ships were standing off the city hoping to bring out more escapees. Dan was still hoping the Communists could be included to allow those who wished to leave to be evacuated, but this did not happen. He did say that all people in the areas given up should have the right to choose their own futures, a procedures similar to that which followed the 1954 settlement. Possibly this freedom of choice can eventually be worked out; but it is unlikely this will occur until after the fighting stops, as was the case in 1954. Even then such an eventuality depends on whether SVN negotiates a peace or is just overrun. If the latter, few refugees are going to escape.

Dan said he had information that 23 "groups" of people were marked for liquidation by the Communists and that in the occupied areas some killing had already begun. He did not, however, identify the groups nor did he say how the information came to him.

He was impressed that Japan had suspended assistance to the DRV because of the invasion, but he did know how the world could likewise be convinced that the character of the war had changed. Over our suggestion, which we made to other officials as well, that the UN was a natural forum for this, Dan was not enthusiastic. He believes the UN is ineffective, but I concluded that he fails to realize the importance of using it to make known the facts to the world. I did not think then nor do I think now that most understand that this war is a new one. It is no longer a guerrilla conflict; it is an outright invasion by regular forces.

Dan commented on the change to a conventional conflict, and he said that the DRV did not have the resources to sustain a continuing major effort. He did not think the DRV capable of feeding the population it had acquired nor that the DRV could do much more than occupy abandoned territories. This analysis led him to the conclusion that if the GVN could stabilize the military situation for six months a favorable climate for negotiations would result. Whether talks would be based on the Paris Agreement or a new set of cease-fire rules was not made clear.

Other information which we received from U.S. Embassy officials and other sources seemed to support Dr. Dan's view that the DRV was at the end of its string. For example, we know that all the active divisions of the NVA are in the North or on the way

there, that the entire training base has been depleted and that 15- and 16-year-olds with minimum training are in front-line divisions.

Dr. Dan blamed the U.S. cutback of aid funds for the DRV invasion and said that the people do not understand why the U.S. does not give more military assistance since we spent so much there already. He also criticized the U.S. Congress for taking its Easter recess despite the crisis in Vietnam. I told him, however, that Congressmen have a responsibility to hear the views of their constituents before making major decisions, but Dan said he thinks Congressmen should do what their consciences require even if it means disregarding public opinion. Our counter to this was that the GVN had not made a good case internationally so that its situation was understood.

Dan also said that his nation's demoralization was not due to the collapse of the pull-out but rather almost entirely to the insufficient level of U.S. assistance.

The Minister listed, more or less by priority, the measures he thought the U.S. should take. First, he argued for some psychological boost for the people of SVN. Perhaps some strong talk by U.S. officials, threatening some unspecified actions if the DRV invasion was not stopped, or demands for respect for the Paris Agreement, would be appropriate. On the other hand, the U.S. might repudiate that agreement. Second, some military assistance was needed unless the supplies of the SRV were also cut off. Dan was willing to allow military supplies for both sides to be restricted to the replacement provisions of the Paris Agreement. This would also mean, of course, that the DRV regular would have to be withdrawn from SVN. Third, he called for humanitarian aid and finally, for a few years of economic aid.

Dr. Dan announced to us that he intended to loosen up controls over the immigration of orphans and would allow the various private agencies in Vietnam to send as soon as possible 600 or more children out of the country. He said his motive was to influence public opinion so the plight of SVN might be better understood. As we now know, he did as he said he would, and the orphans began moving later that same week. This was, according to information we received, a large concession on the part of the GVN because Vietnamese do not think their infants, orphans or not, should leave the country.

Dr. Dan made one interesting observation in his explanation of how much the Vietnamese people respect Americans. He was apparently worried that we would think the Vietnamese were so upset with the U.S. that the population was turning against us. He said atrocities by Americans were "isolated incidents," and during the war most Vietnamese were attracted to the Americans because of the protection and jobs they could provide. He said urbanization of the population from 15 percent to 41 percent since 1960 was illustrative of how great this at-many Vietnamese went to cities for the reason Dr. Dan cited, it is also true that urbanization was forced by compulsory relocation policies and the extremely destructive methods of war in an underdeveloped country. For example, we know US/GVN policy was to evacuate whole areas and plow up the ground to deny support to the communists. This made masses of refugees who seldom had any option but to go to the cities where some work might be available.

In general, his remarks stressed the urgency of the situation in the eyes of GVN officials. He is convinced that, unless the U.S. does something quickly, the situation will get worse. He concluded by observing that help too late will do no good. "When a patient dies, you can give him only tears," he said.

Late that day, we spoke to Lt. Gen. Tran Van Trung, Chief of the General Political Warfare Department, the organization responsible for national morale and for population indoctrination.

Gen. Trung told us little about the state of civilian and military morale or about what actions he is taking to inform the people about the current situation. Instead, he began with a discussion of the faults of the Paris Agreement and other matters. He asked if the Agreement meant the U.S. intended to abandon South Vietnam and discussed two deficiencies in it which led him to conclude that it did. First, no cease fire lines were clearly determined, making it impossible to resolve disputes over area control between the factions involved. Second, he said control and supervision was at best vague and therefore, a permanent or even temporary peace was from the beginning unattainable.

Gen. Trung was not as certain as were other officials that reduction of U.S. aid caused the invasion, but he was as insistent as they that the $300 million supplementary request before Congress had symbolic importance as a demonstration of the U.S. intention not to abandon SVN. He said the dollar amount of this assistance was not significant because a psychological boost was what was needed.

He went on to say that he favored the resumption of U.S. B–52 bombing raids as the most readily available means of doing something immediately to raise morale. He said bombing would clearly show the U.S. guarantee of SVN was still current, and it would force the Communists to revise their plans. He also observed that immediate bombing would be effective because the NVA was concentrated. (On this point, we made further investigations which will be discussed later.)

In general, Trung's argument was that U.S. assistance should not be seen as a matter of finance but should be viewed as a necessary humanitarian measure. He called for something to help stabilize the military situation and said the next two weeks were the critical period because at least that long would be required for consolidation.

Trung said the DRV's objective was, of course, to seize Saigon, but he went on to observe that the campaign was part of a plan by Russia and China to seize all of Asia. I was struck by the disagreement on third power intentions among various GVN and U.S. officials. It seemed to me that those who saw some centrally directed plot on the part of Communism were missing the point. Clearly, the NVA invasion should have been the focus of attention, not Cold War *rhetoric* which we have all heard before. It may be true, but it was hardly relevant to the emergency nature of conditions in South Vietnam. I told Trung that Americans knew those old arguments, and, if he expected some change in their attitude, he had to stress the fact that the war is now conventional with more or less clearly defined battle lines.

Following the meeting with Trung, we visited the psychological warfare headquarters of the Army where we were shown a film on the refugee exodus from the Central Highlands to the coast. The film had a Vietnamese sound track for which we were supplied an English translation. In my opinion, the film was visually moving even though some of us thought some scenes might have been staged.

The sound track was very bad propaganda, and we observed the obvious suffering of the refugees as seen on the screen did not need further embellishment. In fact, were the sound track used outside Vietnam, we were certain the film would be dismissed as entirely self-serving, without any merit. In short, it would damage attempts to publicize the very real suffering of the tens of thousands of refugees who fled from the highlands. But the film was already overtaken by events because most of the refugees pictured never got away. Nearly all of them were later trapped in Da Nang and elsewhere when evacuation efforts proved too little and too late.

Later that day, I went to Ton Son Nhat Air base for an informal discussion of the air situation with Colonel Hughes of the U.S. Defense Attache Office. I was interested in learning what air force assets had been lost and what the prospects were for reconstitution of a fighting force. Colonel Hughes outlined aircraft and *munition* losses at the several air bases in I and II Military Regions. In regard to munitions, at three bases alone bombs, rockets and ammunition sufficient for at least three months' operations was abandoned, and this was only a small part of the total lost. Aircraft losses were especially heavy, not due to energy action, but because nonflying equipment had to be left behind. At one base, for example, at least 100 aircraft were left, most because they were out of commission but some pilots for them were not available.

When we spoke to Colonel Hughes, the large base at Phan Rang and the airfield at Na Trang had not yet been given up. Nevertheless, the bases are of no further use for operational purposes, and at Na Trang all air force personnel have been evacuated.

PART II

Col. Hughes viewed the loss of air bases as a critical factor which made VNAF recovery chances doubtful. With the loss of so many stations the VNAF was reduced to only three operational locations. One of these, Bien Hoo, was already threatened by the communists and could be made unusable by artillery fire. The base is very important because it is where most of the VNAF's tactical fighters are stationed. It also is close to the largest Army supply center. This makes an early stabilization of the line as far north of Saigon a critical requirement. If these bases are lost or made unusable, the war might become more hopeless than it now appears.

In respect to petroleum products (POL), the SVN Air Force has sufficient JP–4 fuel for jets but has a shortage of aviation gas to fuel AC–47 and AC–119 gun ships being taken out of storage.

Colonel Hughes when asked about the military utility of B–52 raids was pessimistic that they would have any effect on the situation. He conceded that B–52 bombing might have an important influence on the morale of both North and South Vietnam, but he was not optimistic that renewed U.S. air action could improve the ARVN military picture.

We also discussed the redevelopment of NVA surface-to-air missiles (SAM's) to the South and the possibility that the DRV air force would operate from captured bases. He had no information on either subject but speculated that the open coast road made new SAM deployments practical and that, if moved, the SAM's could prevent SVN Air Force operations over the lost territories. He did not think that the bases would be used to permanently station aircraft, but thought that aircraft could be brought south temporarily for strikes against Saigon. I was aware that this staging technique was used in the air war over North Vietnam, so it is reasonable to presume attacks on the SVN capital are possible. What might prevent them is not physical impracticality but rather the apparent unwillingness of the SRV to openly show its armed forces as conducting the offensive. In any event, no air attacks could be militarily important, but they would cause further demoralization in Saigon.

That evening the group attended a dinner hosted by Le Quang Giang, Deputy Minister for Foreign Affairs. Other guests were officials of the government attached to the information section of the military.

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Dinner conversation did not concern itself with the new matters of substance, but we did exchange opinions about how the GVN could better present its case to the world. We also spoke of our impression that the GVN was not keeping its own citizens sufficiently informed, and this was contributing to the general demoralization which we had observed.

PART III—APRIL 2, 1975

The morning was spent at a refugee camp 30 kilometers north of Saigon near the provincial capital of Phu Cuong. Although this camp is if anything an example of the best, conditions in it are shocking. It is a good camp because the refugees moved to it in village groups without being harassed on the way by the communists. The camp has 10,500 people in 2,000 families, and 580 refugees are less than two years of age. All come from the Tam district of Binh-Duong province which was overrun on March 13.

The camp is an old army training center which had been abandoned and virtually stripped some years ago. Consequently, not much is there except 26 iron roofed buildings on concrete platforms. There is no electricity or running water. Administration is by GVN officials, a few regional force troops and by the village officials who fled with their people. The camp has few management and control problems because it is populated by like-people who mostly know each other. Each refugee receives 500 grams of rice a day and nothing else. Some powdered milk is available for infants, but the amount each gets is far less than required for basic nutrition.

The camp has a dispensary served by a physician and several nurses and health workers. Very little medicine is available and the building is not much more than a crude hut without any sanitary facilities at all. Patients must use plastic cots, and the whole dispensary is very dirty.

The people seem as content as possible since they have abandoned their lands and the tombs of their ancestors, and their future is uncertain. They live on the bare concrete floors in family units, without privacy and with only what comforts they brought with them.

Although the provincial capital is only a mile or so away and is a rather substantial city by SVN standards, there seems to be very little contact between city and camp.

On the east-west road which borders the camp and at least one other road nearby the government is building some of the defenses of Saigon using regional force (RF) soldiers. The defensive works consist of a ditch about 10 feet wide and four to five feet deep parallel to the road. Between it and the road a fence of bamboo, 10 feet high, is being woven. The purpose of all this, we were told, was to stop tanks, but more likely it is for infiltration control. Against any vehicle, even cars, the ditch does not provide a substantial barrier.

On the road to Saigon, other control devices consisting of groups of 50 gallon drums filled with sand and plastered over with mud are placed in the road so as to restrict traffic. Each block is manned by some RF troops. Also, each bridge, no matter how small, has an armed guard. It would seem that these measures, while useful against guerrilla attacks, serve little purpose in a conventional war. Taken together a very large number of troops is tied at a time when mobile forces should replace static defenses.

After returning to Saigon, we met at the SVN Senate with Dr. Nguyen Duy Tai, Chairman of the Foreign Relations Committee and several other senators. Generally, they are critical of the leadership being provided by the Thieu Administration in this time. They also made a plea for U.S. assistance, again on the grounds that something, even if symbolic, would do a lot for national morale.

The meeting was short because of a call for a vote on the Senate floor, and we were privileged to observe the proceedings. The first vote was on a resolution deploring the scarcity of U.S. aid since the cease fire. It carried unanimously. The second resolution called for a change in GVN leadership, and it likewise passed without dissent. The resolution seems to me purposely vague since it did not ask Thieu to resign. The question is whether the SVN Senate has the power of independent action, although I was impressed that the vote, even on such an unsubstantial resolution had much significance. It showed at least that the Senate wanted some changes and that government business as usual was not the reaction to disaster that the senators and presumably their constituents expected.

Following the brief Senate visit, we went to the Saigon naval dockyard for what turned out to be an inspection of its facilities. The main activity seemed to be banging on iron with large hammers, and the visit was generally unproductive. A large number of ocean-going ships, including two destroyer escorts, were at dockside, and I wondered why these vessels were not off the coast aiding in the evacuation of refugees.

We then proceeded to Tan Sun Nhat airport to visit an operational air unit. The visit was set up on short notice at our request to substitute for a briefing by General Cau Van Vien, Chief of the Joint Staff, who was understandably not available. The officer who received us was Brig. General Tien. General Tien, Commander of the 5th Air Division, an organization which flies and maintains all the VNAF's 30 C–130 transports, some C–7's, C–47's and all the C–119 transports and gunships.

At the time we spoke, Gen. Tien had been on duty for two days as had nearly all of his organization. The 5th AD had just completed the evacuation of all VNAF personnel plus their families from Na Trang Air Base. The movement was done at night and in secret because of fears that the base would be overrun by refugees as happened at Da Nang. One C–130 carried 300 persons, about triple its capacity on one flight, and the crews generally flew three missions a day to accomplish the airlift.

Tien said his main problems were lack of spare parts for his C–130's. These aircraft, the first of the kind sent to Vietnam just before the peace agreement, were very old models to begin with and require considerable maintenance to keep them in commission. He said he has the technical staff to do all his maintenance, but without parts is unable to keep more than 50 percent of his 30 aircraft flying. We inspected his maintenance facilities and found them up to the highest USAF standards. Perhaps this is one of the problems the VNAF has because these standards might not be relevant in a grave tactical situation. It occurred to us that if other units at abandoned bases also took such pains with maintenance, many aircraft under repair might have been given up to the NVA when they could have been flown out.

Tien observed that his crews were flying at 300 percent of their fuel allocation which means they will run out before the end of June unless funds are reprogrammed or new funds provided for POL. He said he could keep 15 to 18 C–130's in commission for 60 to 70 days after which the poor parts supply situation would rapidly ground most of them.

Tien was putting AC–119 aircraft, which had been stored for lack of maintenance funds, back in service, but he was unable to repair the complex electronic gun sighting mechanism because of no spare parts and no calibration facilities. As a result, the gunships could only use visual sighting methods for attacks. This makes them less than fully effective, especially for night operations in which the best targets are normally found. Tien held no hope that low light level TV's could be repaired, but was planning to do the best he could with the equipment available.

Tien was the first tactical commander with whom we spoke, but, like the others later, he blamed the generals and other commanders for the MR I and II debacle. He said the leadership of the nation and the armed forces was clearly deficient and required a change before resistance would be effective. Perhaps because he is an air force officer, Tien favored Marshal Cao Ky, also a flyer, for chief of state, and he said military commanders who did not do their duty should be punished. Tien said he was prepared to fight to the finish and that his officers and men had the same intent. Of course his is an elite unit, but he observed that most of the armed forces had no option but to do the same in defense of Saigon and their families. He noted that there was literally no place to go.

That evening the group was invited to dinner by Senator Tai with whom we discussed the political alternatives open to the GVN. Tai did not necessarily favor the removal of Thieu, largely on the grounds that no good alternative was available. He thought a change would be disruptive in light of the crisis.

PART IV—APRIL 3, 75

Originally the group was scheduled to meet with Prime Minister Khiem, but unknown to us he was in the process of being removed from office. Consequently, we were taken in the morning to visit an agrichemical plant which makes all the fertilizer requirements for South Vietnam. The operation was apparently efficient and profitable, packaging sufficient quantities for export to Thailand, Indonesia and elsewhere in Southeast Asia.

Following this we were received by Nguyen Ba Can, speaker of the National Assembly. He said he had just come from visiting President Thieu, but, although we did not know it, he would be named Prime Minister the following day. He said very little in the short meeting, but did tell us the present Prime Minister was attempting to broaden the government by giving official positions to several political factions not then represented. Mr. Can also told us what he said should be the minimum support the United States should give SVN. It is that something should be done to reimplement the Paris Agreement which would result in a return to the lines before the SRV invasion. Just how this might be accomplished is not clear, and I thought it an unrealistic suggestion.

The next visit was with Nguyen Van Hao, Deputy Prime Minister in charge of Economic Development, and eight or ten of his assistants, all specialists in various economic areas. Mr. Hao stressed the need in SVN for political and military stability which, if attained, would be followed by economic prosperity. He and his assistants supported this declaration with specific data on the viability of the SVN economy. What was particularly impressive in this presentation was the thorough professionalism of Mr. Hao's staff and the seemingly accurate and non-self-serving information they provided.

What struck all of us as significant was the vitality of Mr. Hao's young men and the dedication they seemed to have for making SVN a self-sufficient nation. All of them were educated abroad, some in America at Harvard, Iowa and Colorado State, and others in France and Germany. One, for example, is a graduate in economics of the Ecole Polytechnique, and he was a full professor at the University of Paris when in his late twenties the youngest professor in any school in France. He decided, however, to give this up to return to Vietnam; whether to the North or South was the decision he had to make. Opting for the SVN, he is now working for one tenth his old salary.

All these men volunteered for front line combat duty in the defenses of Saigon, but Mr. Hao refused their requests, telling them they still have a job to do.

This job they seem to be doing very well indeed. For example, we were told of the oil well development work being done off shore and on land in the MeKong Delta region. SVN has brought in two out of four wells which produce 1,000 to 2,000 barrels a day; each well is in a potentially vast field. The petroleum is especially clean of sulfur and other impurities, and the product of one well is nearly good enough to be usable as fuel without refining. The Vietnamese say they will need two or three years to get enough wells drilled to provide for SVN needs and for export sales, but, of course, the war, even though the oil bearing area is relatively secure, is preventing this development.

The GVN is also a rice surplus area for this year, but feeding refugees might use up the excess over the short term. The government is promoting wheat consumption at home so that exports of rice can be increased. Since wheat costs $200 per metric ton and rice sells for $500, a foreign exchange surplus can result. Advances are being made in agricultural development through the use of new rice strains. Where before each hectare or riceland produces a yearly crop of 1.7 to 1.9 metric tons, it is now possible to get at least 3 tons and perhaps as many as 7.5 tons per hectare.

Hao and his men also discussed the military situation with us. They said the NVA has all it needs in the way of outside support to take over SVN. On the other hand SVN was obliged to keep the peace with very little support. Mr. Hao said the present situation was not dissimilar from the American experience in the Korean War in that after the Chinese intervention we also retreated, abandoning all our equipment. But, he said, in every war we have recently fought as in Europe and Korea we never did pull out completely leaving the nation we aided to its own devices.

Hao summarized his remarks, saying that many Vietnamese asked for no more than a chance for the new generation as represented by the young men working as his deputies. These were the next generation of leaders to replace the old or discredited, and they had the potential to make SVN a viable nation. It would be a pity, he concluded, if all their promise was lost because of the invasion, because surely they would have no place in a Communist Vietnam.

Hao then invited us to have dinner with his men that same evening, an offer which we accepted. The discussion that evening confirmed our general impression that Hao's men would be outstanding in any society. We concluded that America would think better of SVN if they knew these remarkable men who do represent, as Hao said, the future of his nation providing there is one.

After the meeting with Minister Hao, we met with Major General Smith, the U.S. Defense Attache for Vietnam. Smith, a logistician, is responsible for the administration of U.S. military aid. We were particularly interested in hearing General Smith's evaluation of the military situation, the prospects for an improvement of the GVN position and his explanation for the magnitude of the disaster.

Smith said there was nothing militarily wrong with the evacuation plan since holding the highlands was wasteful of troops and equipment. The plan was drawn up as a result of the failure to defend Ban Me Thuot in Darlac Province. It was prepared by the ARVN logistics chief, an officer General Smith respects for his professional competence. Unfortunately, after making the plan this officer left the country for personal reasons. It was transmitted to the field on 11 March and ordered implemented on the 15th, obviously in too short a time for proper execution. Although he did not directly say so, I thought General Smith believed the field commanders were generally deficient in their duty, and this led to the panic among the troops.

Smith outlined the amount of equipment lost, tanks, artillery pieces and nearly everything necessary to outfit three divisions. He also said that air strikes were attempted on some of the abandoned ammunition depots but not much was destroyed because the bunkers containing the ammunition were so well constructed by the United States, He thinks, therefore, that it is all lost, and it will be used by the NVA.

In regard to the ability of the ARVN to recover, General Smith said he has reprogrammed available funds, amounting to over $100 million, to provide small arms and consumables such as ammunition instead of the scheduled field rations, clothing and other less essential planned assistance. With this material and with what can be withdrawn from depots in SVN, he expects to be able to equip 18 battalions with light weapons in several weeks time.

Smith did not specify what he thought the nature and direction of the attack on Saigon would be. When asked how he thought the tide could be turned, he said much the same as had the GVN officials with whom we had spoken. He thought some new military aid would uplift morale, but he also suggested B–52 bombing as the most effective, immediately available method of doing the same.

My impression of General Smith's remarks was that he had very little idea of the prospects the ARVN had to defend Saigon, but he did say there was a plan. He also did not seem to know the current state of the ARVN, reflecting perhaps the uncertainty of his counterparts on the Vietnamese general staff.

Smith said he was particularly worried about his Vietnamese civilian employees who had presented him with a petition asking evacuation of themselves and their families in case the Americans left. He was also worried how he could evacuate the more than 5,000 Americans in Vietnam and Vietnamese who had served our government. He had no solutions to these problems and seems to have accepted a stabilization of the military situation as the only real, if somewhat uncertain, answer to the dilemma he faces. He said he was evacuating some American employees because of a reduction directed earlier and was sending others home before they are due for reassignment. He did not tell us that he was sending a large number of his employees out on the C–5 orphan flight the next day, perhaps because he didn't want any leaks to the SVN civilian population.

We had just learned before meeting with Smith of an Embassy directive allowing U. S. employees to send their families to Thailand and other places at government expense, to include per diem and permitting them to pack up and ship their personal belongings and automobiles. This decision was made, we were told, so U. S. employees would not incur any temporary expenses. They could have shipped their families at their own expense and been reimbursed later, but this order guarantees no one would suffer any financial inconvenience. We thought the order particularly stupid and issued for entirely the wrong reasons. It caused immediate concern among the Vietnamese we met that the Americans were abandoning them before it was necessary. General Smith did not dispute the poor timing of the order, but he said it made his concerns a little lighter if full evacuation were ordered.

Some of the groups asked for a meeting with an intelligence officer to determine whether B–52 strikes could have any military utility. We had been told earlier that 511 strikes had been asked for by the ARVN and 95 of these were considered suitable by the U.S. Air Force. We spoke with a photo interpreter who showed us a map detailing the 95 "validated" targets. To get on this list the USAF had to have a photograph of a target and an evaluation that it was sufficiently important to justify a strike. The map showed most suitable targets were up along the old DMZ border in Quang Tri province and all were protected by SAMs and a sophisticated air defense system. This meant that strikes would put at risk USAF crews, and it was inconceivable that the American people would be willing to accept losses. The most concentrated more southerly targets were north and northwest of Saigon in Tay Ninh, Binh Long and Binh Buong provinces. They totaled about 50, and all were concentrations of supplies. Bombing these targets would not necessarily kill NVA troops and the supplies lost would probably not be critical to the battle for Saigon. In addition, what supplies were not destroyed in the first strikes would be rapidly moved and later hidden.

The result of my analysis of the military effectiveness of B–52 bombing is that it would not be tactically useful. During the U. S. involvement in the war, the number of sorties available and flown was in excess of the valid targets available. By starting up the bombing again, we would soon find ourselves in the same situation as before. That is, we would soon be out of targets and end up bombing an uncertain intelligence. Furthermore, the campaign would have to run from Guam because it is extremely doubtful Thailand would allow us to operate the B–52's stationed there. All reopening the B–52's air campaign could possibly accomplish in the present situation would be to improve morale. That does not seem certain enough to justify it on military grounds even if overriding political considerations would be disregarded.

PART V—APRIL 4, 75

I had intended to go to Phnom Phen this day, but the Saigon Embassy had made unsolicited demands on the U.S. Embassy in Cambodia which led to a denial of permission. Therefore, we requested a visit to an operational ARVN unit in contact with the SRV. We specified the 25th ARVN division which defends the western approaches to Saigon in Tay Ninh province. Unfortunately, this trip too could not be arranged, probably on sufficient grounds that no one was willing to put us at personal risk.

Consenquently, a visit to Can Tho, the principal city in the Mekong Delta region was arranged by the Saigon Embassy. We were flown to the city by Air America and met on arrival by the U.S. Consul General, Francis T. McNamara. He took us to his consulate where he and an assistant gave us a thorough briefing on the tactical situation in the Delta. His analysis was that the delta was secure and that what Viet Cong and NVA units were operating there were engaged in harassing operations. The objective of the communists seemed to be to cut route 4 in Long An province so as to break Saigon's road connection to the Delta. An operation a week earlier had been turned back by the ARVN, but renewed activity was expected. As it happened, new attacks were made the following week.

Mr. McNamara thinks that the Delta situation is under control of the ARVN and that no large-scale military actions should be expected there.

We then went to the headquarters of the local military commander, Col. Vinh, who gave us his analysis of the tactical picture in the four provinces he is responsible for: Phong Dinh, Ba Zuyen, Vinh Long and Vinh Binh. He commands RF and Popular Force (PF) units plus whatever regular ARVN units are operating in his area. At the time he had 3 or 4 battalions.

Vinh said he has very few problems with the level of activity as it is, but he does find his effectiveness limited by the lack of helicopter flight time forced by the short-

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age of operating funds. Actually, a large number of helicopters are stationed at Can Tho airport near his headquarters, but we did not see even one of them operating. The result is that Vinh is unable to move his troops by air to counter attacks and often misses the enemy because his men arrive too late. The VC were launching occasional rockets against the airport and city, and some had been fired the night before without causing any damage except to a temple.

Vinh offered that he could hold his own with no difficulty providing enemy activity remained the same, but he complained of shortages of such items of hand grenades. While this might not seem a major item, it is important to PF soldiers who are on duty in isolated outposts. When attacked they are supposed to hold their ground until help arrives. Since they are poorly trained local militia, firepower greatly improves their staying power.

Another serious shortage was of sufficient flight time for medical evacuation helicopters This had morale implications because a wounded soldier could not get rapid medical aid without them. The result is, Col. Vinh said, some of his troops did not fight as well as they had when supplies were more abundant.

Vinh's operation was a low-level and not illustrative of the kind of serious military activity that units in defense of Saigon could expect. He made the usual plea of the need for more assistance, and clearly he would use it.

More instructive was his observations on what the ARVN needed to do to become a fighting force once again. Because he is, we understand, the senior active colonel in the ARVN and has a distinguished combat record with elite airborne troops, his remarks have particular importance. He believes the ARVN suffers from a crisis of leadership and that SVN has no room for incompetent, political commanders. He thinks the commanders in MR's I and II with few exceptions failed to do their duty and should be punished. This, he believes, would boost ARVN morale at a time when most needed. That it has not been done to our knowledge, shows how little the GVN has done to recognize its own shortcomings. I think in retrospect that Col. Vinh's sound suggestions are an obvious, easy step to take, but the GVN is paralyzed and unable to believe the rout in MR's I and II is due to anything but a scarcity of U.S. aid. The only solution at hand, the GVN seems to think, is to boost aid and begin B–52 bombing. Then all will be well again.

We followed our visit to Vinh with lunch at Mr. McNamar's residence. He is the most impressive individual we met in Vietnam and by far the most perceptive and imaginative U.S. foreign service officer. We discussed with him the Embassy evacuation order, and he said he told his 1,000 U.S. employees scattered throughout the Delta that they could "go on vacation," but no one was going to pack his personal belongings. They would all, as he would, have to risk their possessions because to ship them out would unduly alarm the Vietnamese.

Returning to Saigon by air, we stopped by My Tho, another Delta city. The airfield was seemingly abandoned, and we saw no sign of military activity. On the aircraft we met a U.S. AID official who told us that the Delta was prepared to accommodate up to 500,000 refugees, and that U.S. and GVN officials had done all the necessary planning to resettle them. He was optimistic that protection from attack could be provided, and their presence in the Delta would greatly increase the already abundant food production.

On arrival in Saigon we learned our appointment with Ambassador Martin had been cancelled but that his deputy, Wolfgang Lehmann, would receive us. He told us primarily of his concerns for the safety of Americans in SVN, but little else. He did say, however, that he had news of ARVN offensive actions in MR II which had regained some lost territory. Since we have subsequently heard no more about this, we do not know if it occurred.

Mr. Lehmann did not tell us of the planned orphan evacuation flight leaving that evening aboard a C–5 from Saigon even though we discussed the C–5 flights with him. He also did not tell us he was evacuating U.S. employees on this same flight.

Leaving the Embassy we went to Tan Son Nhut Airport for departure from SVN. The airport was in total confusion because the German Embassy was evacuating its citizens, and many westerners were seeking flights out. Security was extremely tight, and we understand no Vietnamese without diplomatic status were being admitted to the airport. In general, the airport atmosphere was extremely tense, and it gave me my first real impression of how close to panic the city really was. One had the feeling of being trapped, expecting at any moment to be rushed by Vietnamese determined to leave their country.

At the airport we heard of the crash of the C–5 evacuation flight, but no one seemed particularly concerned or even interested in the fate of those aboard, such was the mental state of those present. In fact, our U.S. Embassy escort officer who arrived later told us nothing more than 100 or so children had been killed. He also said some escorts from "voluntary agencies" were casualties, but he never mentioned, although he must have known, that most of the escorts were U.S. civilian employees being evacuated clandestinely.

My final impression of the mood of Saigon is one of the absolute desperation of the people. Many Vietnamese are particulary apprehensive over the safety of their families, and all look for some magic by the United States to extract them from the situation. Whether their sorcery be aid or B–52 bombing, belief in its efficacy is universal in SVN. No one, it seems, has any faith in SVN's ability to do anything on its own, even with the abundant aid still available from this year's appropriation. I submit that SVN has to show more ability to reform its government and to defend itself before American magic can be expected. Even then, it is uncertain what can be saved of the crumbling structure of SVN life.

SENATE STAFF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAMS

Mr. McCLURE. Mr. President, in compliance with Senate regulations pertaining to Senate staff participation in educational exchange programs, I submit the following report on behalf of myself, and Senators CURTIS, HANSEN, HELMS, and GARN.

Five staff members—Jeff Bingham (Senator GARN); Paul Weyrich (Senator CURTIS); James McClellan (Senator HELMS); Sam Marler (Senator HANSEN), and Marco Carlisle of my staff went to South Africa as guests of the Institute of Strategic Studies of the University of Pretoria.

The purpose of spending this time, April 3 to April 14, in South Africa was to observe and evaluate political trends, social changes, and economic positions of the country. To this effect, meetings and interviews were held with government officials, members of the various political parties, professors, and the press including, but not limited to, the following: Prof. J. H. Moolman, director of the Africa Institute; Mr. M. Zimmerman, head of the Internal Division of the Department of Information; Prof. D. Nieuwoudt, dean of the Faculty of Economic and Political Sciences and J. van der Merwe of the department of economics of the University of Pretoria; Maj. Gen. J. H. Robbertze, director of the Institute of Strategic Studies; Mr. J. Lang of the Chamber of Mines; Chief George Matanzima, Minister of Justice of the Transkei; Mr. K. Guzana, leader of the opposition; various members of Parliament including Mr. R. J. Lorimer of the United Party, Mr. T. Langley of the National Party, and Mrs. Suzeman of the Progressive Party; and Mr. B. Steyn, head of Nguni Services; Radio Bantu, Mr. J. Poorter, editor in chief of To the Point; Mr. J. R. Coleman, editor of the Cape Argus; and Mr. J. Scholtz, editor of Die Burger.

In addition, staff members participated in a panel discussion which included discussions of various systems of government, the political system of the United States, and economic considerations of international interest.

MONETARY POLICY GUIDELINES

Mr. PROXMIRE. Mr. President, today, tomorrow, and Thursday, the Committee on Banking, Housing and Urban Affairs is holding hearings on the conduct of monetary policy pursuant to House Concurrent Resolution 133. These are historic hearings. For the first time, congressional oversight of monetary policy is concerning on how it will be conducted in the future rather than on what was done in the past. In specific, the hearings will focus on the Federal Reserve's "objectives and plans with respect to the ranges of growth or diminution of monetary and credit aggregates in the upcoming 12 months."

An editorial in the April 28 issue of Business Week points out how important it is that we obtain concrete information on the Fed's money supply plans. On the same theme, Hobart Rowen writing in the Washington Post indicates that Dr. Burns "intends to be forthcoming—at our hearings—by announcing a 'target' for growth of the money supply during the next year." It is my fervent hope that Dr. Burns does exactly this when he appears before our committee on May 1. All sectors of the economy will benefit by the reduction of uncertainty which will be derived from setting such a target. Another result will be a rise in confidence both in government in general and the Federal Reserve in particular. I ask unanimous consent that the Business Week editorial and the article by Hobart Rowen be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Editorial From Business Week,
Apr. 21, 1975]

THE FED'S CREDIBILITY

Perhaps the greatest uncertainty in the minds of businessmen, investors, and economic forecasters today is a totally unnecessary one: They do not know how far the Federal Reserve will go in increasing the supply

of money or when it will reverse course and start tightening again.

The Fed itself is sticking to the traditional policy of saying little, and what it says comes out in circumlocutions that require translation and interpretation. Not all bankers and economists interpret the Fed's obscure language the same way. So a lot of people believe that Chairman Arthur Burns is ready to put the economy through the wringer.

As a result, the Fed is rapidly losing credibility. Mounting worries about its policies—intensified by reports of dissension within the Fed's own staff—are seriously affecting the bond market.

There is a very simple way to end the suspense. The Fed should stop talking like the Delphic priestess and announce its plans in plain English.

There never has been much justification for the tradition of mystery in central bank operations, and most scholars suspect that the real reason for it is the reluctance of money managers to explain their mistakes. Recently, a number of Continental central banks have begun stating their monetary targets clearly. West Germany's Bundesbank, for one, has informed the money markets that it intends to generate 8% monetary growth this year, thus giving an important boost to the upturn of the German economy.

This is not only the modern way to do things, but at a time when the importance of money management is widely recognized, it is also an effective way to help stabilize the financial markets.

Arthur Burns should stop playing man of mystery and commit the Fed unequivocally to a policy of monetary growth in the remainder of 1975—by expansion of the monetary base, which consists mainly of bank reserves. And he should let everyone know what the target rate is. There are enough real uncertainties in the present situation without creating artificial ones.

[From the Washington Post]

BATTLING THE FEDERAL RESERVE

(By Hobart Rowen)

The battle over Federal Reserve Chairman Arthur Burns and his management of monetary policy is just beginning, although the canny head of the U.S. central bank will make a historic concession on May 1 before the Senate Banking Committee.

Having been directed by a joint resolution to define the objectives of Federal Reserve policy, Burns intends to be forthcoming by announcing a "target" for growth of the money supply during the next year, perhaps a range of 5 to 7 per cent.

Most will regard that as quite a commitment from Burns, one he has been reluctant to make. Congress, worried about recession, would not have been in mood to accept a vague formulation like "moderate growth"—and Burns is smart enough to know when to bend.

Most of the heat has been applied by Congress, which has arranged for two interrogations of Burns every year by each of the two banking committees. But there is also growing pressure on Burns from within the Federal Reserve establishment to shift policy.

When the record is finally published (after 45 days) of last week's Federal Open Market Committee meeting, it is likely to show that Burns was able to cling to much the same cautious policy only after some bitter disagreements and sharp exchanges.

Thus, the old-style unanimity of Fed decisions has ended, at least for the present. And although the situation is far from a palace revolt, some highly placed staff economists have been making anti-Burns noises loud enough to be heard outside the Fed's austere marble palace on Constitution Avenue.

What the inside and outside critics want is a money supply growth of at least 8 to 10 per cent over the next six months to lubricate a speedier rate of recovery.

This would be something like the "hard" target of 8 per cent money growth for 1975 just announced by the German Bundesbank.

A board member of the Bundesbank, Dr. Helmut Schlesinger, told an international monetary conference in Chicago over the weekend that "we do not regard this as an approach to any dogma, but consider it one attempt among others to prevent people from expecting too much or too little of monetary policy with regard to the inception of the upswing."

Burns won't buy anything as precise as the German target. He fears that if one fixed number is put out for public consumption, the tendency for politicians will be to keep an eye on the number, instead of economic objectives.

Besides, he argues, who's wise enough to know exactly what the target should be? He himself thinks that a basis has already been laid for U.S. economic recovery, but he likes to say there are no experts on the future.

Burns is known to maintain stolidly that too easy a policy now will sow the seeds of a new inflationary binge later. That's why he urged President Ford to veto the $23 billion tax cut bill, warning among other things that the "bad" features of the bill (such as a start on a negative income tax) would have to be retained in 1976.

Privately, Burns is contemptuous of the criticism he is getting from other economists. Some of them, he is known to believe, have become more like "pamphleteers or journalists," flitting from one public platform to another.

But some of Burns' colleagues and associates consider Burns' attitude unyielding and self-righteous and argue that unwillingness to alter policy in 1974 is responsible for the unprecedented joint congressional resolution.

"Arthur himself is to blame for putting the Fed in the spot it's in," a high official says flatly.

Having now succeeded in getting a kind of overview of Fed policymaking, the congressional appetite may be whetted for other reforms of the Fed. For example, an incoming President could be allowed to designate the chairman shortly after taking office, instead of waiting two years.

A more basic reform would be to make the board more representative of labor, consumers and others in the economy and less dominated by bankers and businessmen.

Chairman Henry Reuss of the House Banking Committee hasn't announced it yet, but he intends to launch into a year-long study of the whole financial system, the structure of the Fed, the operation of the bank regulatory agencies and the relationship between foreign and domestic banking.

This is a healthy basis for discussion. However, Congress could overreach itself. As they toy with the idea of managing the monetary policy themselves, politicians would do well to remember what Hubert Humphrey once said about the Senate: "It can't even run its own restaurant."

McCLAUGHRY ANALYZES THE SECTION 235 PROGRAM—HOMEOWNERSHIP FOR LOWER INCOME PEOPLE

Mr. PERCY. Mr. President, the current number of the Law Journal of Loyola University of Chicago features an analysis of the FHA section 235, homeownership program for lower income people, written by John McClaughry. I had the privilege of writing a preface for the article which is based on a study Mr. McClaughry prepared for the Senate Government Operations Committee.

This objective, fair, and lucidly written article joins the growing body of literature which points out how successful the section 235 program has been despite dreadful mismanagement by the Department of Housing and Urban Development through the years. I hope administration officials will carefully read the article and then reactivate the 235 program, the only program in memory cosponsored by every Republican in the Senate in 1967, when first introduced, and many Democrats.

I ask unanimous consent that John McClaughry's article "The Troubled Dream: The Life and Times of Section 235 of the National Housing Act," be printed in the RECORD together with my preface.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TROUBLED DREAM: THE LIFE AND TIMES OF SECTION 235 OF THE NATIONAL HOUSING ACT

(By John McClaughry) *

PREFACE

I welcome John McClaughry's analysis of the FHA's section 235 home ownership program. His article is based on the report he prepared as a consultant to the Senate Government Operations Committee, on which I serve.

At the height of the controversy over the so-called "subsidized housing moratorium" announced in January, 1973, I recommend to Senator Sam J. Ervin, the Chairman of the Committee, that Mr. McClaughry evaluate the section 235 program, home ownership assistance for low and moderate income families. He had been my special assistant on housing when I drafted the National Home Ownership Foundation Act, one of several bills the Senate Committee on Banking and Currency considered in drafting section 235 of the National Housing Act, so I knew that he was uniquely qualified to examine the successes and failures of that program. I knew, too, that he would not hesitate to point out exactly where the fault lay for the problems which led to the 1973 moratorium.

Mr. McClaughry's conclusions and his analysis of policy alternatives make valuable reading for anyone, lawyers and laymen alike, concerned about the future of the federal housing programs. I agree with him that the 235 program compiled an enviable record of success even while being plagued by mismanagement. In my opinion, the National Home Ownership Foundation, had it been made operational after being authorized by the Congress in 1968, could have provided the oversight and direction necessary to avoid or quickly eliminate administrative problems as they arose.

That is in the past, however. The important point now is that we must apply in the future what we have learned from the history of the 235 program. Mr. McClaughry describes how this can be accomplished. I hope we pay heed—Senator CHARLES H. PERCY.

INTRODUCTION

In 1968, Congress, with considerable enthusiasm, enacted a major new program to enable lower income families to acquire the ownership of their own homes. Six years later, after an expenditure of $1.37 billion in assistance payments for over half a million families, the optimism of 1968 was thoroughly dissipated. Scandals and calamities had rocked the Department of Housing and

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Urban Development and its local Federal Housing Administration offices; FFA found itself the owner of record of tens of thousands of abandoned properties; the program itself had been suspended for 18 months; the Administration and Congress had clashed on the causes of the disaster; and everyone was more or less desperately looking for some way to deal with the emerging problems.

The 1973 program moratorium, the history of the 1968 HUD Act, the Moskow report, the Presidential Message of September, 1973, and the Housing and Community Development Act of 1974 are discussed, and eight conclusions reached as to the lessons learned to date from the whole experience. Five alternative strategies for dealing with the housing problems of lower income families are described in broad outlines, and a judicious mixture of four of them is suggested as a starting point for future policy.

THE GROWTH OF HOME OWNERSHIP PROBLEMS

"Home Ownership for the Poor,"[1] a rallying cry of 1967 in the battle to save the cities, has fallen upon evil times.[2]

The Housing and Urban Development Act of 1968,[3] became, in the words of HUD Secretary George Romney, "a watershed in defining the objectives and means of Federal housing programs."[4] The 1968 HUD Act contained new programs aimed at reaching the sweeping housing production goals proclaimed by President Johnson in his February 26, 1968, message to Congress on housing and the cities: 26 million new housing units, 6 million of them for low and moderate income families, over a 10 year period.[5] This Act initiated a major new program for helping low and moderate income families to own their own homes.[6] It also put Congress squarely on record in favor of relaxed FHA insurance requirements in declining inner city areas[7]—the areas convulsed by the urban disorders of the mid-sixties.

Through January of 1974, 453,791 families had become homeowners under the new FHA section 235 home ownership program. Of these, 45,608 (10.05 percent) had been foreclosed, or their mortgages had been assigned to FHA for defaults.[8] By contrast, as of 1973 the basic FHA 203(b), unsubsidized home ownership program had shown only a 2 percent rate of default termination.[9] This higher rate of failure might not have been such an issue had not a combination of factors pushed the troubles of the FHA onto page one of the newspapers.[10]

A Brooklyn grand jury in March, 1972, returned a 500 count indictment against 10 real estate corporations and 40 individuals, including 7 FHA employees. A Philadelphia grand jury later indicted 46 persons for similar offenses, including the former head of FHA's Philadelphia insuring office.[11] The problems attracted a number of investigations, among them those of the Surveys and Investigations Staff of the House Appropriations Committee,[12] the House Banking and Currency Committee;[13] the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee;[14] the General Accounting Office;[15] the HUD Office of Audit;[16] and the Joint Economic Committee.[17]

As a result of these disturbing events, HUD Secretary George Romney moved to tighten internal procedures. But at the same time, the Administration began to develop the position that the assisted housing programs adopted by Congress were inherently unworkable. Testifying before the House Housing Subcommittee on February 22, 1972, Secretary Romney said of the subsidized housing programs:

"When I came in I had certain tools handed me and I used them. And I used them in the inner city. That is what [Congress] told us to do. Now, I am here today because it hasn't worked. . . . [W]hat you have asked me to do hasn't worked."[18]

Footnotes at end of article.

Two weeks later Secretary Romney carried this theme further. In a March 6 address to the National Housing Conference, he said of the subsidized ownership and rental programs:

"This program was so poorly conceived and so uncautiously developed that we estimate the Federal government will in the next few years have more than 240,000 units in default—and with little resale value except at a catastrophic level of loss."[19]

Finally, on January 5, 1973, the section 235 and 236 programs were suspended.[20] The action paralleled the Nixon Administration's impoundment of appropriated funds for many other domestic programs.[21] Secretary Romney defended the action by observing:

"It became crystal clear by 1970 that the patchwork, year-by-year piecemeal addition of programs over a period of more than three decades, had created a statutory and administrative monstrosity that could not possibly yield effective results even with the wisest and most professional management systems."[22]

Speaking in President Nixon's name, White House assistant Kenneth R. Cole wrote Senator John Sparkman, Chairman of the Senate Banking Housing and Urban Affairs Committee:

"The program structure we have now cannot possibly yield effective results even with the most professional management. There is mounting evidence that the present programs, for the most part, have proven inequitable, wasteful, and ineffective in meeting housing needs. They have proven inadequate and in most cases counter-productive in the greater solution of our urban and rural problems."[23]

Members of Congress were quick to voice concern. In a stinging report issued on March 2, 1973, the majority of the Joint Economic Committee's Subcommittee on Priorities and Economy in Government concluded that "the primary problem with housing subsidies has been HUD mismanagement."[24] The subcommittee majority went on to say that:

"The actions that have been taken, and similar announcements affecting many other programs, raise the most serious constitutional issue in many decades regarding our form of government. We recognize the need for some executive discretion in the management of Federal funds. But if the President can ignore the wishes of the Congress to implement programs for which it has authorized and appropriated funds, by the unilateral gutting of programs, the power of Congress to raise funds for designated purposes has been destroyed. The elected representatives of the people will no longer have any power to decide upon priorities in the expenditure of Federal revenues which it alone can raise."[25]

In a Senate speech, Senator William Proxmire elaborated on this theme:

"Section 235 housing has worked very well in some areas and not very well in others. But where it has failed, it has failed primarily because of bad, and sometimes criminal, HUD management."[26]

Joining in the debate, Senator Hubert Humphrey said:

"The administration has indiscriminately characterized all our housing programs as ineffective, not serving the poor, and wasteful. They have made these assertions without evidence, and they keep repeating the assertions over and over again in the hope that they will be accepted."[27]

Thus, the Nixon Administration and Congress moved into a position of confrontation on yet another front. The Administration claimed that the present housing programs were unworkable, and unilaterally halted further program activity. Congressional leaders replied that the programs were well designed, and that the problems arose solely from mismanagement by the Administration.

Clearly, if the Administration position is correct, nothing short of a massive overhaul of federal housing programs is necessary. If the Proxmire-Humphrey position is correct, the programs are soundly conceived, and with capable management will attain their intended objectives.

THREE POSSIBLE STRATEGIES

To develop a balanced judgment on these competing claims, it is necessary to keep sharply in mind the policies underlying current and alternative home ownership assistance programs. Over the past six years three essentially differing strategies have been advanced to support the idea of expanding home ownership opportunities for lower income families.

The individual opportunity strategy

This strategy recognizes home ownership as a worthy aspiration of Americans. It defines the problem as a denial of opportunity to some aspiring individuals: insufficient income to purchase a home, racial discrimination that limits home selection, inability to manage credit, and limited capital in the home mortgage market. To help these worthy families become home owners, the Individual Opportunity Strategy calls for such federal policies as open housing, credit counseling for potential home buyers, an expansion of available mortgage credit, ending the artificial redlining of high-risk neighborhoods,[28] and lowered costs of home purchase through subsidy. This strategy is not particularly concerned about where the new home owners purchase their home, so long as the opportunity for home wonership is opened for them.

The production strategy

This strategy focuses on increased volume of housing production as a primary goal. It defines the problem as artificial constraints on housing production, lack of large scale management capacity for home building, a shortage of mortgage money, and insufficient consumer demand for the new units to be produced. The Production Strategy calls for stimulating economic policies; rationalization and relaxation of building codes, work rules, and zoning requirements; the use of eminent domain for land assembly; production incentives; increased mortgage money through federal credit policies and institutions; and subsidies to enable more potential consumers to afford the costs of home ownership. The Production Strategy, like the Individual Opportunity Strategy, is not particularly concerned with where the new housing is to be built, and, all rhetoric aside, it is not so concerned about the housing plight of low income families as it is about a low number of housing starts. Nor is it particularly concerned about open housing, so long as high production is achieved; with high production the housing stock will increase and the poor will necessarily have a broader choice at prices they can afford, with or without subsidy. The Production Strategy is vocally advanced by such groups as the National Association of Homebuilders and the Mortgage Bankers Association.

The neighborhood strategy

This strategy begins with a concern about declining urban neighborhoods. It seeks policies for preventing the decline of neighborhoods and revitalizing them as decent living environments. It recognizes that no housing policy alone can produce the desired result—that revitalizing a decaying urban neighborhood requires a full panoply of programs, public and private, to deal with the manifold problems of the slum: joblessness, dependency, alienation, powerlessness, poor housing.

The Neighborhood Strategy embraces policies that promise to mobilize the people in

the neighborhoods to work together to preserve their neighborhoods. Chief among these is the promise of steady improvement in living conditions to the most capable neighborhood citizens, those who must provide essential indigenous leadership. Since neighborhood improvement is characteristically led by homeowners rather than tenants, creating opportunities for residents to acquire the ownership of decent homes is a key ingredient in this strategy. Other ingredients are public and private programs that motivate lower income residents to achieve, make available to them basic education, job training, and job opportunities, and generate mutual self-help efforts toward a wide variety of community goals.

The Neighborhood Strategy is not particularly interested in rural areas, for which the concept loses much of its meaning, or in open housing, or in massive housing production. It recognizes that many neighborhoods are too far gone to respond to a Neighborhood Strategy, and for these neighborhoods it has no well defined solution. Its goal is to provide the people of declining neighborhoods with the tools and the will to reverse the decline. Home ownership, associated with upkeep and retention of neighborhood leadership, is thus essential to success.

With the capsule summary of these three strategies, it is instructive to examine the genesis of the present 235, 223(e) and 237 programs,[29] noting carefully which strategies underlay which legislative proposals, and how the rationales subtly shifted through the legislative process.

GENESIS OF HOME OWNERSHIP ASSISTANCE FOR LOWER INCOME FAMILIES

The year 1967 saw the emergence of home ownership for the poor as a national issue. The rioting in the nation's large cities, the well publicized Ribicoff subcommittee hearings on the crisis of the cities,[30] the Kerner Commission study,[31] and the innovative spirit of President Johnson's Great Society combined to focus the nation's attention on solutions to the problems of the slums.

A limited experimental FHA program had been enacted in 1966[32] under the leadership of Congresswoman Leonor K. Sullivan of Missouri. Tailored to meet the circumstances of an active slum improvement project in St. Louis,[33] 212(h) provided FHA insurance for mortgages, initiated by nonprofit sponsors, on rehabilitated single family houses. Eligible home buyers could obtain a 3 percent, 25-year mortgage with a minmium of $200 downpayment. Buyers' incomes were required to be lower than the income levels for continued occupancy of public housing in the locality.[34] The program included a $20 million mortgage purchase appropriation to FNMA.[35] Among the principal liabilities of the 221(h) program was its reliance on a below market interest rate,[36] that made the resulting mortgages unmarketable and required a full-value budget expenditure to purchase every mortgage insured.

When President Johnson devoted only three lines to urban problems in his 1967 state of the Union message,[37] a group of 26 Republican Senators, led by freshman Sen. Charles H. Percy of Illinois, issued a statement calling for "a new dawn of opportunity."[38] Chiding the Democratic President for his virtual omission of the urban issue from his address, the Republicans offered three principles "on which a new national effort to bring dignity and a better life to today's slum dwellers must be based."[39] These principles were:

1. harnessing the energies of private enterprise to the problems of the cities;
2. fostering self-help efforts by the people of the slums; and
3. advancing home ownership for the "economically underprivileged," with its associated value of pride, dignity, and independence.[40]

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On July 17, 1967, major hearings began before the Senate Subcommittee on Housing and Urban Affairs, Senator John Sparkman, chairman.[41] The Johnson Administration had submitted a measure making modest changes in a number of programs and offering as a response to the crisis of the cities only a new program for rat control.[42] Others, however, both Democrats and Republicans, had offered creative new initiatives toward home ownership for the poor.

Senator Abraham Ribicoff (D-Conn.) offered a bill[43] which would have created a new 3 percent BMIR mortgage for home ownership. This, he said, "would give families in this moderate income bracket a much needed and much deserved alternative—the opportunity to purchase a home of their choice that is within their means."[44]

Senator Ribicoff's proposal clearly emphasized the Individual Opportunity Strategy, placing no emphasis on overall housing production and requiring no neighborhood focus. At the same time, interestingly enough, he also sponsored S. 1433, the Neighborhood Development Corporation Assistance Act,[45] a bill based squarely on the Neighborhood Strategy. It would have required the Secretaries of HUD, Commerce, Labor, and HEW, and the Director of OEO, to study "the most practicable ways to coordinate the activities of neighborhood development corporations with federally assisted programs and activities for improving housing conditions, increasing employment and business opportunities, expanding worker productivity through job training and education."[46]

The two Ribicoff bills were, however, totally independent of each other.

Senator Charles Percy, with 39 Senate cosponsors and 112 House sponsors, led by Rep. William B. Widnall of New Jersey, offered the National Home Ownership Foundation Act, S. 1592.[47] This bill, exemplifying the Neighborhood Strategy, would have chartered a quasi-public National Home Ownership Foundation. The bill had these main provisions:

1. federal assistance to lower income home buyers to help them pay the costs of their mortgages—the payments would be made directly by the Treasury to the mortgagee through a "coupon mortgage;" as a home owner's income rose, the government payment was reduced by means of an income tax recapture provision; this financial device obviated the need for subsidy via a BMIR mortgage;
2. a Home Ownership Loan Fund, capitalized at $2 billion through the public sale of federally guaranteed debentures, to provide necessary mortgage capital;
3. a Technical Assistance Service to assist neighborhood nonprofit groups to organize and conduct broad-based home ownership programs, including generating widespread participation by business, labor, churches, colleges, and government agencies; funding the elements of a housing construction or rehabilitation program; training local people in program management; and obtaining access to supporting programs in the fields of training, employment and counseling and other related programs necessary to the success of a home ownership program.

S. 1592 called for a 3 year authorization of $60 million in mortgage payment support. It was estimated that this amount would produce some 200,000 housing units over a 3 year period. Senator Percy also proposed a number of options to the workings of the proposed Foundation.[48]

The Percy-Widnall bill, which limited its assistance to neighborhood organizations attacking neighborhood problems along a broad front, was squarely based on the Neighborhood Strategy. While supportive of the Individual Opportunity Strategy in part, the bill did not contemplate financing the out-migration of the most affluent families from a declining neighborhood. The bill did attempt to give these families an incentive to stay and devote their talents to neighborhood revitalization. Its goal of 200,000 units over 3 years was timid in comparision with President Johnson's 1968 goal of 6 million subsidized units over a decade; Senator Percy recognized that the lack of a strong neighborhood infrastructure would limit his bill's utility to a far lower figure.

The third major home ownership bill to be introduced was S. 2115,[49] by Senator Joseph Clark (D-Penn.). The purpose of S. 2115 was to provide mortgage insurance for persons whose credit histories precluded insurability under current FHA home mortgage programs. The bill permitted FHA to insure mortgages for persons with a poor credit history and fluctuating incomes, provided such persons were given budget, debt management and related counseling services. Mortgages insured under this new section were to be assigned to a new Special Insurance Fund, and would thus not threaten the fiscal integrity of the regular FHA reserve funds. The new fund was to be capitalized by a direct $15 million appropriation, instead of through the payment of mortgage insurance premiums as in the standard FHA section 203 program.[50]

Senator Clark's bill was also an Individual Opportunity bill. It had been inspired by a HUD-sponsored, low income housing demonstration project in Gainesville, Florida.[51] Project sponsors found that many families were needlessly barred from home ownership by dubious credit reporting practices, and that, with proper counseling and assistance, these families could become responsible homeowners. The Clark bill did not carry a subsidy, other than the waiver of the ½ percent mortgage insurance premium.

Senator Walter F. Mondale (D-Minn.) offered another homeownership bill, S. 2124.[52] In essence, it was a combination of Senator Percy's financial mechanism, and Senator Clark's special risk insurance fund, applied to existing housing only. Under S. 2124, an eligible "person of modest means" could equivalent of 3 percent interest while the FHA made the required supplementary payment to the mortgagee to make up the full market interest rate. The mortgages would be assigned to a special "home purchase insurance fund" backed, if necessary, by appropriations instead of premiums. The bill authorized $50 million in mortgage payment assistance over 2 years, and up to $200 million in FNMA purchase authority to ensure a strong secondary market for the new mortgage instrument.

Senator Mondale stated that his bill aimed at dealing with "the dual problem of the high cost of credit and the scarcity of mortgage money for lower priced housing."[53] He explicitly rejected the Neighborhood Strategy,[54] and his authorization levels, coupled with the restriction to existing housing only, implied a rejection of the Production Strategy as well. Like the Ribicoff and Clark bills, the Mondale bill was principally an Individual Opportunity bill.

In addition to considering these various measures for encouraging home ownership among low and moderate income families, the Housing and Urban Affairs Subcommittee members became increasingly concerned about the redlining of declining urban areas by both FHA and private lenders.[55] Historically, in its popular 203 ownership[56] and 207 rental[57] programs, FHA had by law been required to apply a test of "economic soundness" in insuring mortgages. This test basically related to the location of the proposed unit. To pass the "economic soundness" test, the neighborhood had to exhibit market acceptability in terms of future viability and stability. Slum areas and rapidly changing urban neighborhoods could not meet the test, and it was these areas which were redlined by FHA and private lenders alike.[58]

Two steps had previously been taken to relax the "economic soundness" criterion in certain instances. The section 220 program, enacted in 1954, allowed the substitution of an "acceptable risk," criterion in place of "economic soundness," and the use of "replacement cost" instead of "value" in appraising insured properties.[59] The 220 program was available only in urban renewal and concentrated code enforcement areas, and was justified by the anticipated restoration of those areas to decent living environments and viable mortgage markets. In 1966, Congress also enacted a new section 203(*l*) mortgage insurance program[60] which substituted "acceptable risk" for "economic soundness" in riot-prone areas. This section was only sparingly used before its repeal by the HUD Act of 1968.[61]

The Senate Subcommittee in 1967, in the omnibus bill ultimately reported to the Senate, included a new section 223(e), that substituted "acceptable risk" for "economic soundness" in "reasonably viable" inner city areas, "giving consideration to the need for providing adequate housing for families of low and moderate income" in such areas.[62] Claims arising from mortgages insured under section 223(e) were to be paid from a special risk insurance fund created by the 1967 Act.[63]

As the Housing and Urban Affairs Subcommittee completed work on the 1967 Housing and Urban Development Act, a significant development took place at HUD. On October 23, 1967, FHA Director Philip N. Brownstein delivered a celebrated address to FHA directors and underwriters. Apparently stung by the criticism of FHA for redlining inner cities, and fearful of congressional action to establish a parallel home mortgage insurance program outside FHA, Brownstein issued a stirring mandate to his administrators:

"We have got to recognize that stimulating a flow of mortgage funds into the inner city, yes, even the slums, for the transfer of houses, for rehabilitation, and for new construction, is an FHA mission of the highest priority. No longer can we afford to wait until an applicant comes in and bludgeons us into this kind of activity. . . .

"We must be willing to take the risks necessary to accomplish the urgent job of assisting and encouraging private enterprise to house low- and moderate-income families and to revive the inner city. It is highly likely that there are more risks inherent in achieving this kind of urgent social purpose than in the insurance of loans on suburban subdivisions.

". . . I am asking you and every employee of FHA to enter into a new crusade—to see that our programs are used to the fullest extent possible to improve housing conditions for low- and moderate-income families and to revive the inner city.[64]

This address signaled a major broadening of policy at FHA: from suburban-only insuring and a defense of its reserve funds to a new emphasis on inner city involvement at admittedly higher risk.

On November 28, the Senate Banking and Currency Committee reported a clean bill to the Senate.[65] The bill included these major provisions:

1. a home ownership assistance program, designated section 235 of the National Housing Act, that authorized HUD to pay to section 235 mortgages a monthly payment sufficient to produce the equivalent of a 3 percent mortgage to the home buyer;[66]

2. a rental assistance program, designated section 236, to make equivalent subsidized housing available on a rental basis;[67]

3. a Special Risk Mortgage Fund, not designed to be actuarially sound through the payment of mortgage insurance premiums, to which the new section 223(e), 235, and 236 mortgages would be assigned;[68]

4. a relaxation of the "economic soundness" mortgage insurance criterion in older, declining urban areas, in favor of a doctrine of "acceptable risk" in view of the need for low and moderate income housing in those areas,[69]

5. loans and technical assistance to nonprofit housing sponsors;[70]

6. miscellaneous studies, commissions, and housekeeping amendments, including a National Home Ownership Foundation lacking any clear-cut function.[71]

Thus reported, the home ownership provisions of S. 2700 were based squarely on the Individual Opportunity Strategy. The scope of the proposed 235 program was limited: 200,000 units over 3 years, as proposed in Senator Percy's bill.[72] The authorizations for mortgage payment assistance were $10 million in Fiscal Year 1968, $35 million in Fiscal Year 1969, and $70 million in Fiscal Year 1970.[73] The only Production Strategy ingredient evident in S. 2700 was the requirement that, with the exceptions of public housing residents, families with five or more children, or displacees, none of the proposed payments could be made with respect to existing housing.[74]

The Senate did not, however, act on the proposed Housing and Urban Development Act of 1967. Instead, it waited for President Johnson's message on the problems of the cities, which arrived on February 26, 1968.[75]

The President's message proposed a program of federal assistance for the construction and rehabilitation of 6 million housing units over a 10-year period for the low and moderate income families as a part of the goal of 26 million overall housing units to be produced during this same 10-year period. This ambitious goal contrasted sharply with the actual number of publicly assisted housing units built in immediately preceding fiscal years: 1966, 49,000; 1967, 57,000; 1968, 126,000.[76] The President was placing the emphasis on a Production Strategy.

On May 15, 1968, the Senate Banking and Currency Committee reported a new committee bill, S. 3497.[77] In so doing the committee had obviously adopted a strong emphasis on production. With respect to the home ownership provisions, the 1968 bill, as passed, increased the first year authorization from $10 million to $75 million; the second year from $35 million to $175 million; and the third year from $70 million to $300 million, compared to the authorizations in the 1967 bill.[78] In addition, the new bill deepened the interest subsidy from 3 percent mortgage payments to 1 percent mortgage payments,[79] thus enlarging the number of potential homeowners significantly.

The Johnson Administration had pressed for an even larger clientele for the new home ownership and rental program. When the committee proposed to limit eligibility to income levels not in excess of 70 percent of the local 221(d)(3) income levels, HUD Secretary Weaver objected on the grounds that "by having the more liberal upper limits, you have the possibility of getting a greater volume quicker."[80] In the final version, the level was set at a more liberal 90 percent of the 221(d)(3) levels.

The Senate bill, which was to become the Housing and Urban Development Act of 1968 without major change, thus superimposed a strong Production Strategy approach on the Individual Opportunity approach of the previous year. The Neighborhood Strategy was abandoned precisely because it was incompatible with a Production Strategy. If the new programs were to be available only in neighborhoods that had formed a housing corporation and had begun comprehensive and expensive efforts to upgrade not only housing but also the living environment and the life opportunities of the residents, then it was clearly impossible to attain anything like the national housing goals proposed by the Johnson Administration.

This rejection of the Neighborhood Strategy was peculiarly ironic in that Secretary Weaver had attacked the Percy proposal on the grounds that it did not adequately integrate and coordinate a wide variety of neighborhood improvement programs nor sufficiently involve local governments.[81] Whatever the merits of the Secretary's attack on the Percy-Widnall proposal, this much was absolutely certain in 1968: the HUD Act of 1968 initiated a program to help far poorer home owners than Senator Percy's bill; it omitted any connection with local government or other public programs to help the homeowners advance economically; and it contemplated a program five times as large as the one offered by Senator Percy.

While ardently supporting the 1968 bill, Senator Percy expressed his deep concern over the committee's abandonment of what he termed the "integrated approach"—dealing simultaneously with both people and housing problems. In individual views on the 1967 bill, the Illinois Senator observed:

"Merely installing lower income families in decent structures that they own may well not, absent other considerations, result in the achievement of the goals of this program. Lower income families need the education and training that leads to decent jobs and advancement up the job ladder. They need instruction in the intricacies of mortgage financing, consumer buying, insurance and taxes, home maintenance, and community participation that accompany effective home ownership. Unless these factors are fully taken into account, the result may only confirm the fears of the skeptics in HUD and elsewhere that lower income families do not have the capacity to sustain home ownership, but must remain perpetual wards of the public housing agency or tenants of a benevolent landlord."[82]

Senator Percy's 1967 fears were to prove prophetic.

In addition to the foregoing provisions, the HUD Act of 1968 enacted a new section 237 of the National Housing Act,[83] providing for the insurance of mortgages to low and moderate income home buyers who, with counseling assistance, could overcome poor credit history and irregular income patterns to qualify. This provision, originally Senator Clark's bill,[84] had not been included in the 1967 omnibus bill. Strangely, the counseling assistance authorized under section 237 was not initially directed to regular 235 home buyers, who might be expected to need it most. It was not until the Housing and Urban Development Act of 1969 that section 237 was amended to explicitly authorize HUD counseling to 235 buyers.[85]

In summary, the home ownership provisions of the HUD Act of 1968 had these characteristics:

1. The Act created a major new program of subsidized mortgage insurance to help lower income families become home owners. The section was based on the Individual Opportunity approach, on which had been superimposed a very strong Production emphasis.

2. The terms of the new program made it possible for hundreds of thousands of families to qualify for home ownership by lowering the effective mortgage interest rate to 1 percent, with minimal down payments and long mortgage terms. The income eligibility levels had been raised, generally, to 90 percent of the moderate income 221(d)(3) program to increase the universe of eligible home buyers at the high end of the scale, just as the availability of 1 percent money increased it at the lower end of the scale. Both of these actions were necessary to create enough eligible buyers to make the production goals attainable.

3. The new program was made available to home buyers with absolutely no regard to any neighborhood organization, nonprofit sponsor, housing authority, or local government body with a continuing concern for the preparation and protection of the unsophisticated buyer. The counseling provisions authorized under the new section 237, moreover, were not directed to section 235(i) home buyer.[86]

4. The traditional "economic soundness" standard for mortgage insurability, relating to the location of the house in a neighborhood of stable or rising property values, was abandoned in favor of an "acceptable risk" standard, which coupled with FHA Commissioner Brownstein's urgent exhortations,[87] virtually forced FHA into previously redlined areas.

5. By establishing a Special Risk Insurance Fund, section 238, Congress for the first time initiated a mortgage insurance program not designed to be actuarially sound over the long run, and separated it from the traditional FHA insurance funds. By this action, FHA's jealous protection of its reserve was made far less important than previously, and consequently FHA was encouraged to embark on higher risk programs.

Under these terms, a poor person who had never before been able to buy a home became a potential home buyer; no counseling or community support was available to help him understand this new proposition; previously shunned areas were now opened up for FHA insurance; FHA was given a mandate to reverse its past policies of inner city caution; and the President and Congress had subscribed to a drastically increased production level of subsidized housing. This combination of factors pointed directly to trouble.

THE HOME OWNERSHIP PROGRAM IN OPERATION

The new home ownership programs were enthusiastically received by builders, brokers, and mortgage financiers, as well as by many lower income families. The procedure was simple; the prospective home buyer located a home, either existing, rehabilitated, or new; went to FHA for mortgage insurance, closed the loan with the bank, and became a homeowner. Builders, brokers, and sellers regularly scouted up prospective lower income families, peddled homes to them, and made their profits.

In many cases, of course, everyone was happy with the sale and the new homeowner made his payments regularly. Not infrequently, however, things did not go so smoothly. In a typical case, a real estate operator would buy up a number of rundown or abandoned buildings in an inner city slum. He would make sufficient cosmetic repairs to make the building temporarily presentable. A FHA appraiser—often a fee appraiser—would inflate the appraisal value, occasionally for an illegal kickback. The operator would find an aspiring low income family with little knowledge of the responsibilities of home ownership. The bank would make the loan, knowing, of course, that FHA would step in in case of default. The operator would take his money and disappear. Later, the homeowner would discover that his home had many substandard conditions—conditions more expensive to correct than his limited budget permitted. Having only some $200 in the deal, and facing huge expenses and protracted wrangling, the homeowner would abandon the property and disappear. And another problem home went into the FHA inventory.[88]

The most spectacular disaster occurred in Detroit. There, in Secretary Romney's words:

"FHA personnel were encouraged to begin to do what they had not been doing; namely, to put families into homeownership situations in the central city in areas that had previously been redlined.

"This was undertaken by personnel that had previously been putting middle-income families into homeownership situations in the suburbs who have mortgage insurance, but not families with problems of the type encountered in the central city and not in an environment of the type encountered in the central city and they were putting them into new homes more than existing units."[89]

By May, 1972, the General Accounting Office had reported to the House Government Operations Committee's Subcommittee on Legal and Monetary Affairs that:

"Acquisitions of property insured during 1968 [in Detroit] have reached alarming proportions. More significant, however, is the fact that acquisitions of property insured during 1969 and 1970 are following the same trend. For example, as of February, 1972, the acquisition rate for houses insured under the 223(e) program during 1968 has reached 34.6 percent and is still climbing; the rate for houses insured during 1969—1 year later—is already 26.4 percent and climbing; and the rate for houses insured during 1970—2 years later—is already 11.6 percent and climbing. Only time will tell what the ultimate rate will be."[90]

The GAO investigators estimated that when the FHA-owned properties in Detroit were completely sold or razed, the total loss to the FHA would run as high as $200 million. This estimate apparently did not take into account the further difficulties experienced in the Detroit office due to the tremendous unexpected volume of acquisitions and liquidations. This high volume, handled without significant staff increases, so disrupted the routine operations of the FHA office that "normal" FHA 203 acquisitions, usually at the 2 percent level of insurance in force, could not be handled properly. In many desirable areas of the city, $35,000 houses stood vacant until they were vandalized, merely because of the congestion caused by the inner city crisis.[91]

The causes of the increased foreclosures in Detroit, according to the House Subcommittee, were: overpriced and structurally unsound houses; unsophisticated home purchasers; a failure by the state of Michigan to properly regulate the real estate industry; failure of FHA and FNMA to curb imprudent lending by mortgage companies; failure by HUD to screen and counsel inner city home buyers; inadequate HUD staffing; lack of interagency coordination; and a desultory approach to prosecution of lawbreakers.[92]

Other investigations had reached similar conclusions about the home ownership programs in general. The December, 1971, report of the HUD Office of Audit[93] cited defective appraisals, inadequate internal supervision, lax penalty procedures, and inadequate handling of complaints by home buyers. These problems, said the report, were caused by "the attitude of certain HUD–FHA personnel, including management, supervisory and line staff, regarding the socio-economic aspects of the program;"[94] the quality and quantity of appraisals, and poor middle management.

In a more formal investigation of the entire home ownership program, the General Accounting Office recommended reinspection of all houses within the 1 year warranty period after purchase, a new effort to link program resources to needs, and additional study of defaults to aid screening and counseling programs.[95] In addition to these reports, Secretary Romney and his staff were subjected to intensive interrogation by the Appropriations Committees of both House and Senate in 1971 and 1972.[96]

In a candid statement before the House Banking and Currency Committee on December 16, 1970, Secretary Romney outlined the genesis of the debacle: "Faced with a housing shortage of crisis proportions, in the teeth of the worst credit crunch and housing shortage since World War II . . . we pushed the 235 program and all our assisted housing programs to the limit."[97] Citing a growing involvement of FHA in inner city problems since 1965, and particularly since 1968, the Secretary observed that "neither FHA nor anyone else had an adequate understanding of the problems inherent in an effort to place low-income families in a homeownership situation."[98] The combination of high production goals, the relaxation of the "economic soundness" doctrine in inner cities, the availability of 1 percent mortgages under 235, the special risk fund without a requirement of actuarial soundness, and the congressional mandate to accord "a preference to those families whose incomes are within the lowest practicable limits for achieving howeownership with assistance under this section"[99] taken together with virtually no increase in FHA staff, could hardly fail to produce a serious default problem.

Despite this relatively early recognition of problems, and despite numerous internal steps to tighten up the program, things had scarcely improved by April 10, 1972, when Secretary Romney told the House Appropriations Committee:

"These changes in the rules and procedures under which FHA had operated for years brought—along with some substantial successes—some unexpected and damaging results.

"These unexpected problems and their potential, I regret to say, were not apparent when I became Secretary of Housing and Urban Development in January, 1969. The problems we tackled immediately were of a different character. Housing production was declining. Housing costs were soaring. Mortgage money was in short supply. Congress had set an ambitious goal in the 1968 Housing Act, calling for production of 26 million housing units—6 million of them for low and moderate income families—by 1978.

"I concentrated on solving these problems. In retrospect, it was a mistake—in part—not to realize that the FHA was not prepared for its new role in central cities and its exposure to speculators and fast-buck artists.

"There was practically no preparation for this fundamental change [at FHA]; as a matter of fact, it occurred when FHA was least prepared for it."[100]

As a temporary emergency measure, Secretary Romney suspended approvals of all pending applications for section 235 existing home financing in early 1971. As internal changes were made in various insuring offices, this suspension was lifted. On January 8, 1973, however, the Administration announced suspension of all section 235 activity for a period of 18 months, ostensibly to give the Administration time to propose alternative methods of meeting the low income housing problem.[101] The Administration, however, was not too explicit about why, after 3 full years of rising costs, front page scandals, and congressional investigations of the low income housing program, plus an almost annual confession of sins by the responsible cabinet officer, it had not been able to generate any alternative ideas. There was considerable reason to believe that overall budget considerations had a great deal to do with the "necessity" of the suspension.[102]

COUNSELING

In one particular FHA office—Milwaukee—the results of the 235 program had been spectacularly gratifying. Under the leadership of Director Lawrence Katz, as of early 1972 the Wisconsin FHA area had a record of only nine foreclosures out of 8500 mortgages insured under sections 235 and 237—a .09 percent foreclosure rate. "The secret of Wisconsin's success has been to mobilize every conceivable national, State and local, pub-

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lic and private ally, in a well-coordinated blitz on the barriers to upward mobility of the poor," according to a report prepared by the Mortgage Bankers Association.[103]

In Milwaukee, the program worked as follows:

The applicant, frequently a welfare mother, must attend three pre-purchase counseling classes in which two FHA staffers explain taxes, insurance, amortization and the buyer's responsibility. Graduates are then told: "You are on your own. Find a house and talk to a real estate broker." FHA has a list of brokers and properties.

If the applicant doesn't have the required $200 minimum downpayment, the St. Vincent dePaul Society will provide it from a $100,000 fund for downpayment grants.

The buyer selects a house, and the county welfare agency checks its condition and adequacy. One of the 12 welfare agency housing aides then may certify approval of the structure.

The welfare agency's approval triggers the standard FHA inspection. If FHA approves, they notify the St. Vincent dePaul Society to release the downpayment, if needed.

Five days before closing, the buyer goes to the property, examines its condition and signs an acceptance that lists anything he does not like about the condition. This is important where there was no model home to inspect.

Next, a voluntary group of lawyers operating under an OEO program is cranked into the procedure, to represent the buyer at settlement.

After purchase, the buyer goes to classes in home maintenance conducted by the Milwaukee County Welfare Department, and is paid $53 a month for 2 months' attendance. The buyer receives transportation and is provided nursery services to look after the children while in class. The University of Wisconsin's extension program assists the program with a select group of welfare mothers, previously counseled in 235 ownership, as team leaders. The buyer is taught to replace faucet washers and fuses, how to upholster, make drapes, and purchase groceries wisely.

At the end of the course, the buyer gets his choice of $65 worth of tools provided from a government grant to the University of Wisconsin.

Since the Welfare Department has financial exposure (when they endorsed the house prior to purchase, they guaranteed to take care of all major and minor repairs that the buyer cannot make) a welfare aide returns for inspections scheduled every 3 months to spot neglect that might cause serious deterioration.

Costs incurred in this program are shared 55 percent by the Federal Government (OEO), 27.5 percent by the State and 17.5 percent by the county.[104]

Ironically, for his careful work to achieve both the goals of lower income home ownership and expanded production, Katz became the "bad boy" of FHA.[105] His "body count" of housing was too low. At the same time, the Detroit FHA director was getting rave reviews[106] for his aggressive processing of inner city homes, the subsequent results of which are now well-known.

The success of section 235 for welfare mothers in inner city Milwaukee is a testament to the importance of counseling. In his statement before the House Banking and Currency Committee on March 31, 1971, Secretary Romney observed that "neither FHA nor anyone else had adequate understanding of the problems inherent in an effort to place low income families in a home ownership situation."[107] This statement was demonstrably untrue.

During the Senate Housing and Urban Affairs Subcommittee's deliberations on what became the HUD Act of 1966, a host of witnesses came at Senator Percy's invitation to describe their work in helping low income families become home owners. Among these were the representatives of the Bicentennial Civic Improvement Corporation of St. Louis the Interfaith Interracial Council of the Clergy in Philadelphia; the Board for Fundamental Education in Indianapolis; Lincoln Estates of Gainesville, Florida; Better Rochester Living, of Rochester, N.Y.; HOPE, Baltimore; along with many other experts with practical experience in housing lower income families.[108] Even HUD Secretary Robert C. Weaver placed a strong emphasis on this point, saying in 1967:

"Under favorable circumstances, an effective neighborhood development effort can utilize housing and neighborhood rehabilitation as an instrument for reversing the cycle of poverty. Home ownership can be an important element in that total effort. But without such a comprehensive and coordinated attack for reversing that cycle, homeownership alone will often be doomed to failure.[109]

HUD had, in fact, funded a number of low income housing demonstration projects, notably in Gainesville, Florida, San Francisco, California, and Tulsa, Oklahoma, specifically aimed at shedding light on the essentials of lower income home ownership.[110] In addition, the Senate Report on the HUD Act of 1968 stated:

"Since many of the families who would be assisted have had little experience in the proper care of a home and the budgeting of income to meet regular monthly payments on a mortgage, this section would authorize appropriate counseling, either directly by HUD or by contract with public or private agencies, to assist these families in meeting their new responsibilities. Appropriations would be authorized for this purpose."[111]

In his individual views on S. 3497, Senator Percy once again observed:

"The credit assistance and counseling provided in the bill are essential to a successful home ownership program. It is vital that the Department of Housing and Urban Development recognizes the importance of these programs and administers them wisely.[112]

In Fiscal Years 1970 and 1971, HUD requested an appropriation to implement the counseling authorized under section 237, which had been made the vehicle for section 235 counseling by the Housing and Urban Development Act of 1969. Each year HUD was rebuffed by Congress. Denying HUD's plea for $3.1 million in Fiscal Year 1971, the HUD Appropriations Act directed HUD to use existing departmental funds for any program to be developed.[113] As a result of these two rebuffs, HUD did not request counseling funds for Fiscal Years 1972 and 1973.[114]

Instead, HUD initiated two different unfunded counseling programs. Under section 237, HUD was forced to rely on unpaid voluntary organizations to counsel families with poor credit ratings, to enable them to qualify as section 235 homeowners. In addition, HUD developed a pilot program in 15 selected cities where $100 was withheld from the mortgage proceeds due the seller. This $100 was paid, if necessary, to a local counseling organization to prepare the prospective homeowner for the responsibilities of ownership.[115]

In Fiscal Year 1972, somewhat to HUD's surprise, Congress volunteered a $3.25 million appropriation for home ownership counseling. HUD hastily put a group to work on ways of using the funds. In 1970, the last year that HUD had requested appropriations for counseling, a small contract program with a central office staff of five was presented to the appropriations committees.[116] In 1972, however, the HUD working group proposed a program which would have, in Secretary Romney's words, built "quite a sizeable organization."[117] Romney vetoed the plan,[118] with the result that HUD just barely managed to obligate most of the $3.25 million in Fiscal Year 1972.

HUD used the Fiscal Year 1972 funds to set up a "Counseling Fee System Demonstration" to offset the administrative costs of local counseling agencies in the 15 pilot cities. The contracts were let in June, 1972. HUD did not request a further appropriation for Fiscal Year 1973, stating that approximately $750,000 needed to complete and evaluate the counseling service system would be allocated from the HUD research and technology budget.[119]

As a result of this ragged history, there was in Fiscal Year 1974 no comprehensive system for assuring prospective homeowners such counseling as may have been needed to enable them to become effective homeowners. With the 18 month suspension of section 235 in effect, and a presidential policy of limiting domestic expenditures for overall economic reasons, Congress failed to make any counseling appropriation in 1973 for Fiscal Year 1974.

In 1972, Senator Percy proposed additional legislation to make explicit HUD's responsibility to assist the unsophisticated homebuyer. Reintroduced in 1973 as the Home Buyer and Home Owner Protection Act (S. 1614),[120] Senator Percy's bill would amend section 518 of the National Housing Act. This section had been enacted in 1964[121] to authorize the Secretary of HUD to pay for correcting structural defects in certain FHA-insured properties. In 1970, as a result of the adverse home ownership publicity, Congress added section 518(b) to authorize similar payments for "structural and other" aspects in the case of section 235 housing.[122] S. 1614 would extend eligibility for compensation to all FHA programs, require a 3 year builder's warranty and allow a 5 year period for claims. In addition, the bill would create an Office of Consumer Assistance in HUD, authorize FHA neighborhood assistance offices, require additional seller/broker disclosures prior to closings, require annual reinspections for 5 years after initial insurance, and require a HUD-administered home ownership counseling program within 1 year after enactment.

The general provisions of the Percy bill have now become law, though in considerably less stringent form, in the Housing and Community Development Act of 1974.[123] In addition, that Act amends the HUD Act of 1968, that had authorized the Secretary of HUD to make technical assistance and front-end revolving loans available to nonprofit housing sponsors. Prior to the 1974 amendment, the law authorized "counseling on household management, self-help, budgeting, money management, child care, and related counseling services" to assist subsidized housing receipients in "improving their living conditions and housing opportunities, and in meeting the responsibilities of homeownership."[124] The 1974 amendment now makes this provision read "counseling and advice to tenants and homeowners with respect to property management, financial management, and such other matters as may dized housing recipients in "improving their housing conditions and in meeting the responsibilities of tenancy and homeownership."[125] The Secretary was required to make such counseling available to section 235 homeowners.[126] Whether this new provision, with its implied narrowing of the counseling focus to property and financial management, will be effective remains to be seen.

THE PROGRAM MORATORIUM, MOSKOW REPORT, AND HOUSING AND COMMUNITY DEVELOPMENT ACT, 1974

In his celebrated—and in some circles notorious—address to the National Association of Homebuilders on January 8, 1973,[127] HUD Secretary George Romney announced that the Nixon Administration had, as of

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January 5, imposed a suspension or moratorium on all subsidized housing programs. According to Secretary Lynn who took office shortly thereafter, "the suspension of the housing subsidy programs was necessary to avoid committing the Government to many additional billions of future dollars while we study alternative ways to better meet housing needs without the inequities, inefficiency and waste which has [sic] characterized these programs in the past."[128]

In announcing the program suspension, the Department of Housing and Urban Development embarked on a massive, top-priority study of the programs involved, under the direction of Assistant Secretary Michael H. Moskow. The study, according to Secretary Lynn, was to focus on:

"First, the roles of government in housing and housing finance . . . Second, what should be the role of Government in housing and housing finance? Third, what changes in policy and programs are necessary to achieve the appropriate role of Government in housing and housing finance?"[129]

Over 80 full time employees were assigned to the study, in addition to numerous contractors and consultants. In his state of the Union message to Congress on community development on March 8, President Nixon pledged that policy recommendations would be made to Congress by September 7, 1973.[130]

As noted above, the suspension and study received an enthusiastically negative reception on Capitol Hill.[131] In his first appearance before the Senate Housing and Urban Affairs Subcommittee since his confirmation, Secretary Lynn was grilled relentlessly on the rationale for the program suspension and the schedule for delivery of the Administration's recommendations.[132] When, for example, Secretary Lynn told Senator J. Bennett Johnston, Jr., Louisiana Democrat, that he hoped to be able to "be at least a long way toward the legislation" by the September 7 target date, Senator John Tower, a strongly pro-Administration Texas Republican, broke in to say pointedly, "I would suggest that it be in your best interest to have the legislation prepared at that time."[133]

In a special message to Congress on September 19, President Nixon unveiled the long-awaited recommendations,[134] purportedly based on the HUD study which was made public on October 8. After discussing proposals to ease the credit crunch and make long-term improvements in the credit system, President Nixon turned to "the challenge of low income housing."[135]

"All across America," the President observed, "the Federal Government has become the biggest slumlord in history."[136] The main flaw in the subsidized housing approach, he averred, was "its underlying assumption that the basic problem of the poor is a lack of housing rather than a lack of income. . . . [O]f the policy alternatives available, the most promising way to achieve decent housing for all our families at an acceptable cost appears to be direct cash assistance."[137] Citing a number of unresolved policy questions with respect to this approach, the President declared that they deserved "close examination," so that a decision could be reached in late 1974 or early 1975.[138] Title I of the Administration's proposed legislation[139] contained a formal endorsement of direct cash assistance, but only experimental authority.

Remarkably, close examination of the Moskow report[140] revealed that it contained no discussion whatever of the direct cash assistance or housing allowance scheme! While experimental work on the concept had been under way for 3 years, involving a total projected expenditure of $168.8 million,[141] the final results of all the housing allowance experiments were not expected until 1976 at the earliest.[142]

Reaction to the presidential message of September 19 was predictably harsh. A New York investment bank newsletter observed:

"Perhaps the greatest significance of the President's message last week lies in its insignificance . . . the failure to propose anything to fill the void between now and the 1976–77 implementation of allowances means that the Government role in the provision of low income housing will be nearly nil for several years."[143]

At the more liberal end of the spectrum, the newsletter of the Movement for Economic Justice reported:

"The President's new housing program offers immediate and substantial monetary benefits to housing investors. It offers middle America an opportunity to spend more money. The moderate and low income citizenry will have to wait to find out what it offers them. For the next 18 months they have been guaranteed a continuing study of their problems.[144]

Senator William Proxmire, Wisconsin Democrat, a frequent and harsh critic of the Nixon Administration policy, described the September 19 message in a Senate speech: "[It is] not only a disappointment. It is a disaster."[145] Ridiculing this "no policy" policy, Proxmire branded it as a "cover-up for HUD's own mismanagement and in far too many cases, actually corruption." He accused Administration spokesmen of "talking out of both sides of their mouths," characterized the policy as "cruel, brutal and harsh" and claimed that it condemns millions of American families to a tragic plight."[146]

Senator Robert Taft, Jr., Ohio Republican, offered this more even appraisal:

"[T]he Administration's proposal after months of study that the thrust of our housing program over the next two years be still another study, raised additional doubts about its commitment to eliminate America's remaining housing problems with all possible speed . . . a very skeptical [Senate Banking, Housing and Urban Affairs] Committee placed the burden of proof on the Administration's shoulders to submit convincing evidence that the old programs could not be made to work satisfactorily. Such evidence was never presented."[147]

With little guidance from the Nixon Administration, other than its interest in a special revenue sharing program for community development,[148] Congress passed and President Ford signed the Housing and Community Development Act of 1974,[149] containing a number of provisions relevant to housing strategy and the home ownership programs.

Despite a major effort by the Senate to rationalize and consolidate all FHA programs into a Revised National Housing Act,[150] The Act ultimately passed settles for making numerous amendments to the existing mortgage credit assistance programs.[151] Of particular interest was a new provision requiring federal housing assistance funds to be used in accordance with State and local housing assistance plans.[152] This provision signals the end of the unrestricted Individual Opportunity Strategy. Under it, a municipality could require that public housing and interest credit programs be offered only in specific areas, presaging the resurrection of the Neighborhood Strategy proposed by the Percy-Widnall bill in 1967.[153]

In the same vein, the Act adds two new subsections to the declaration of the national housing goal contained in the HUD Act of 1968.[154]

That declaration had focused exclusively on the Production Strategy goal of 26 million new housing units over the decade 1969-79, 6 million of them for low and moderate income families. The new language begins to resurrect a Neighborhood Strategy approach, although it continues to lack any emphasis on the initiative of neighborhood people that had characterized the 1967 proposals:

(b) The Congress further finds that policies designed to contribute to the achievement of the national housing goal have not directed sufficient attention and resources to the preservation of existing housing and neighborhoods, that the deterioration and abandonment of housing for the Nation's lower income families has accelerated over the last decade, and that this acceleration has contributed to neighborhood disintegration and has partially negated the progress toward achieving the national housing goal which has been made primarily through new housing construction.

(c) The Congress declares that if the national housing goal is to be achieved, a greater effort must be able to encourage the preservation of existing housing and neighborhoods through such measures as housing preservation, moderate rehabilitation, and improvements in housing management and maintenance, in conjunction with the provision of adequate municipal services. Such an effort should concentrate, to a greater extent than it has in the past, on housing and neighborhoods where deterioration is evident but has not yet become acute.[155]

The new Act also provides an explicit new authorization for the experimental housing allowance program, including a pointed requirement that the Secretary report to Congress with his findings by May, 1976.[156] Finally, the Act includes the new provisions on counseling and protection of unwary homebuyers previously described.[157] While these provisions are unquestionably important, the 1974 Act does not appear to signal any dramatic turn in national housing or home ownership policy, although it may later be regarded as having planted the seeds of some emerging new ideas along those lines.

CONCLUSIONS

As of mid-1974, the following conclusions and recommendations can be offered based on the experience of the preceding 6 years of the federal effort to encourage lower income home ownership:

1. *In Thousands of Instances Home Ownership for Lower Income Families Has Been an Outstanding Success.*

During Fiscal Year 1975 it is estimated that assistance payments will be made on 504,000 section 235 units, at a cost of $372 million.[158] Despite a high default termination rate—now over 10 percent nationally,[159] the FHA 235 program has been of vast importance in housing nearly half a million American families in decent homes of their own. This is no mean achievement. While the weaknesses of the program come first to the eye, it is well to remember that the successes to date have outnumbered the failures by about nine to one.

2. *Contrary to Various Apologies Offered by Administration Officials, Home Ownership for Lower Income Families Was not an Uncharted Field in 1968.*

Extensive testimony before congressional committees, plus the results of numerous publicly and privately sponsored projects across the country, constituted a virtually complete picture of the pitfalls and opportunities associated with lower income home ownership. There can be no excuse of ignorance for HUD officials although the tremendous emphasis on increasing housing production might be cited as a mitigating factor.

3. *By Superimposing a Strong Production Strategy on the Home Ownership Proposals Being Discussed in 1967 and 1968, the President and Congress Set the Stage for Inescapable Problems.*

The bills under consideration, prior to President Johnson's 1968 message on the cities, envisioned no more than 200,000 home ownership units over a 3 year period—through a Neighborhood Strategy, in the case of Senator Percy's proposal, and through an Individual Opportunity Strategy, in the

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case of the proposals of Senators Mondale, Ribicoff, and Clark. By superimposing a goal of 6 million assisted units over the ensuing decade, the President and Congress created a situation pregnant with future peril. The combination of these high production goals, the deep interest subsidy, the special risk insurance fund, FHA's unfamiliarity with inner city areas, the relaxation of the "economic soundness" doctrine, and the absence of either congressional or FHA emphasis on homeowner preparation and protection, was a certain recipe for serious problems.

4. *Having Enacted the Combination of Provisions in the 1968 Act, Congress Failed to Follow Through on the Counseling It Had Advocated.*

By rebuffing HUD's budget request for counseling funds in Fiscal Years 1970 and 1971, Congress not only made an effective counseling program impossible, but also gave HUD the impression that Congress did not think it as important as it had once stated. This was to have serious consequences.

5. *Despite the Failure of Congress to Fund Counseling Programs, HUD Had Little Excuse for Abandoning Its Demands, and When Unexpectedly Granted Counseling Funds, Fumbling Their Utilization.*

For 3 years, as the problems of lower income home ownership programs became more and more serious, HUD seemingly was unable to mount any effort to deal with the "people problems" involved. Secretary Romney made commendable efforts to tighten internal procedures and change negative attitudes within the department, but, as usual, FHA remained more interested in "units" and "insurance in force," than in shepherding individual home buyers. And when Congress unexpectedly provided a counseling appropriation, HUD gave a strong impression of having little idea how to use it effectively.

6. *While Counseling May Alleviate the Most Serious Problems of Lower Income Home Ownership and Bring Default Terminations Down to Respectable Levels, in the Long Run There Is Probably No Realistic Substitute for a Fully Integrated Approach to Helping Lower Income Families Achieve Economic Security and Improved Life Opportunities.*

For 8 years the federal government has pondered methods for coordinating its resources with those of State and local governments and private businesses and organizations to help lower income families achieve the goals of economic security and improved life opportunities. These methods have included the War on Poverty,[160] Model Cities,[161] Work Incentive Program (WIN),[162] and Federal Regional Councils.[163] Extensive studies have been undertaken on the subject,[164] with the almost inevitable finding that the desired coordination and focusing of effort has only very rarely been achieved. This conclusion has been so clear-cut that it cannot have failed to have been a major influence in President Nixon's revenue sharing strategy.[165] While revenue sharing in no way guarantees an effective integrated approach in solving these problems, it does have the effect of removing the federal government as the major actor, thus reducing by several the number of programs to be integrated locally.

Perhaps the greatest hope for achieving such an integrated approach, at least in urban areas, lies in reviving the Neighborhood Strategy. Local community development corporations[166] and housing development corporations, or possibly local subunits of government, may well afford the brightest opportunity for achieving these goals.

7. *A Neighborhood Strategy and a Production Strategy Are Necessarily in Conflict in Inner City Areas.*

If reviving declining urban neighborhoods through an integrated, neighborhood-oriented approach is adopted as a major strategy, either at the national level or at a State or local level, it is highly unlikely that the housing goals of the 1968 Act can be thereby achieved. The fact is that moving forward on a broad front within an urban neighborhood, relying in considerable measure upon the talents and resources of neighborhood residents, is a slow, fitful process. As every developer and urban renewal administrator knows, the way to get housing units quickly is to bulldoze and build new construction, with little concern for the former inhabitants of the area. That kind of program clearly violates the Neighborhood Strategy.

This is not to say that the Neighborhood and Production Strategies are completely incompatible in all areas. Where there is no neighborhood—as in dispersed rural areas—the Production Strategy will work well so long as there are customers available. In urban neighborhoods characterized by rows of abandoned and decrepit housing and a few stable families, traditional bulldozing and rebuilding may be the only alternative to inaction. But a goal of empowering urban neighborhood people to revive and preserve their own neighborhoods is not a goal that can maximize housing production.

8. *Housing the Lower Income Family Is Going to Continue to Cost The Taxpayer Money.*

Liberalized building codes, amended zoning laws, technological and managerial breakthroughs, and the like may lower the cost of housing relative to the resources available to members of the lower income group. They may succeed in increasing their incomes through better jobs and increased productivity. But it is hard to conceive of hundreds of thousands of America's lower income families enjoying decent housing in the large urban areas without the public footing a substantial part of the bill through one device or another. The public has committed itself, for better or for worse, to accepting this burden on behalf of those unable to care for themselves in education, health, income, and housing; there is no cheap and easy way out of this responsibility.

ALTERNATIVE POLICIES

Having set forth these conclusions from the examination of the FHA lower income home ownership programs, it remains to consider alternative policies that might be adopted by Congress in this area.

Policy 1: Revenue sharing

President Nixon initiated a strong effort toward termination of categorical grant assistance programs in favor of general and special revenue sharing with State and local governments. While this approach has no particular merit in solving the ultimate problems, it does have the merit of relieving the federal government from any active responsibility for their solution. For this reason, of course, it is controversial.

Although at least one city (Fresno, California) has experimented with its own mortgage insurance program,[167] it would seem unwise to terminate FHA and expect each state or locality to create its own mortgage insurance organization. There are two possibilities, however, that could build upon a revenue sharing approach to place the principal responsibility for improving housing at lower levels of government.

Under revenue sharing, housing subsidies could be terminated as federal programs, with FHA remaining as an unsubsidized mortgage insurance agency. FHA would agree to insure mortgages coinsured by State or local governments. Such a program might provide that whenever the default termination rate for the single family FHA program exceeded 3 percent of the insurance in force, in a participating state or municipality, that unit of government would be assessed the additional costs resulting from the defaults. This would maintain the mortgage insuring machinery of FHA intact, but require the State and local governments to exercise considerable care in coinsuring, and to provide any subsidy. If a given state wished to reap the benefits of a high housing production rate for lower income families, it would have to provide the subsidies out of its revenue sharing funds, and stand the risk of terminations resulting in assessments on it by FHA. Such a program would clearly involve a drastic reorganization of FHA and a major new involvement in housing by most State or local governments.

A second variation on this theme would involve private mortgage insurance companies, such as Mortgage Guaranty Insurance Company, headquartered in Milwaukee. A State or local government could agree to indemnify the reserve fund of such a private company, provided the company insured a specified number of families who would otherwise not be eligible for normal-risk insurance. The Wisconsin State Indemnity Fund, in fact, has since 1967 offered just such a program in that State.[168] This type of program is analogous to the Nuclear Energy Liability Insurance Association,[169] an association of private liability insurers formed to insure nuclear power stations against utterly unpredictable claims that might result from a major nuclear incident. NELIA is underwritten by the federal government in the event losses, to date nonexistent, exceed a specified dollar amount.

Under this variation, both the State and the private mortgage insurance company would have an economic interest to minimize the number of defaults.

Policy 2: An income strategy

This policy is exemplified by President Nixon's now defunct Family Assistance Plan,[170] the idea of housing allowances, now under intensive study at HUD, and the Negative Income Tax proposal of Dr. Milton Friedman.[171] Basically, this strategy eschews governmental assistance programs other than the provision of money to those without money. It affirms that the problem of lower income people is that they have little money; it prescribes the governmental provision of a sufficient amount of subsidy to poor people and the termination of all social service programs. According to this strategy, the poor know better than anyone else what is good for them, and if provided with money will purchase what they need, whether it is alcohol or night school.

The housing version of the income strategy is the housing allowance. Under this plan, the government gives eligible families a voucher redeemable in decent housing, either ownership or rental. It has the virtue of allowing the family to choose its own housing, rather than making assistance available only to those who are willing to live in certain kinds of housing in certain locations.

There are, however, grave problems with the housing allowance. An obvious one is that in a low-vacancy housing market a large infusion of housing allowance funds can only drive up the price of the existing housing. Since housing allowances are not made available on a contract basis covering the life of a typical housing mortage, no builder or developer is likely to expand his construction because of the allowances. That is, where there is no assurance that Congress will not cancel the program next year, no reasonable home builder will commit himself to increasing the housing stock in anticipation of long term buying power that may well not materialize.

If this economic obstacle is resolved by providing for a long term allowance—say 20 years—then one of the problems that led to the housing allowance idea in the first place—the length of the assistance obligations involved in present public housing, 235 and 236, and rent supplement—reappears.

Footnotes at end of article.

Congress will no doubt peruse the findings of the HUD housing allowance study with great care, for these reasons.

Policy 3: An Improved 235/236 assistance strategy

In addition to the internal improvements instituted at FHA in response to the recent problems, there are a number of structural changes that would improve the existing 235/236 mechanism. None of these changes, however, will relieve the Government from the responsibility for either purchasing and holding the mortgage itself for a number of years, as under the old BMIR programs, or contracting to make payments to a private mortgagee so long as the unit is occupied by an eligible family.

The first improvement to the 235 program would be the addition of a strong counseling and protection program for home buyers in advance of purchase and for a period thereafter. This has been discussed above,[172] and the parameters are fairly well-known.

A second major improvement would be to replace the clumsy and burdensome income recertification procedure with a graduated income tax recapture system. Under this system, worked out in detail by a task force at Harvard's Institute of Politics in 1968,[173] FHA would pay a fixed monthly amount to the mortgagee over the lifetime of the mortgage. The occupant, whether owner or renter, would, however, file an additional statement with his annual federal income tax return. As his income rose, a graduated recapture surtax would be imposed to offset the fixed subsidy. At a specified level of income the surtax would completely cancel the federal payment, leaving the occupant completely unsubsidized. This method obviates any need for having the landlord, mortgagee, employer or FHA office certify the occupant's income year after year.

In a further refinement of the idea, the amount of net subsidy (payment less surtax) paid each year would be accrued in what would amount to a revolving charge account in the Internal Revenue Service's computers. For those occupants whose incomes rose to middle income or upper income levels, not only would the annual net subsidy decline to zero, but the surtax would continue to offset the accumulated subsidy from previous years. This would be true whether the occupant sold his subsidized home or vacated his subsidized apartment. For those whose incomes did not rise, of course, the payments would continue as a subsidy.

In addition to solving the awkward recertification problem, this plan would phase down the subsidy smoothly as incomes rose, and increase the subsidy in case family income dropped. It would ease the problem of inequity often cited by critics of the 235 program by permitting many families to take part in the program, with widely varying subsidies, and confidentiality preserved. A careful study of the capacity of the Treasury's data processing equipment and procedures, made by IBM in 1967, revealed that the operating cost of maintaining such a system, once the initial information had been inserted, was ridiculously small.[174]

A third improvement in this category would be a limitation of the assisted housing programs to neighborhoods in which some public or private body has a continuing interest, *i.e.*, an urban renewal, code enforcement, model cities neighborhood or Community Development Corporation (CDC) area. This would necessarily restrict the production opportunities, but it would almost certainly reduce the default rate and focus neighborhoods. The disadvantage of such a provision, absent a full fledged Neighborhood Strategy, is that it creates an invidious distinction among different urban areas and restricts individual opportunity to take advantage of the program wherever the individual desires to locate.

A fourth improvement would be the initiation of a home ownership equity insurance program. The Housing and Urban Development Act of 1968 directed the Secretary of Housing and Urban Development to report to Congress within 6 months his recommendations for an insurance program for protecting homeowners against defaults due to death, disability, and involuntary unemployment.[175] This report is now 5½ years overdue, and Congress has seemingly lost interest.

This is regrettable. The late Professor Charles Abrams, long known as the dean of American housing, felt strongly that enactment of such an insurance plan, which he believed to be highly feasible, would be a "landmark in American housing legislation."[176]

There are, to be sure, problems involved in constructing a home ownership equity insurance program. These have been well outlined in a technical report prepared by the private insurance industry and submitted to HUD in 1969.[177] The value and cost of a sound scheme of this kind will not be known until Congress insists that the Secretary of HUD discharge his responsibility under this neglected section of the 1968 Act.

Policy 4: A full fledged neighborhood strategy

A full fledged Neighborhood Strategy would leave open the question of rural areas and of urban neighborhoods too far gone to be rescued. It would, however, in the remaining urban neighborhoods, attempt to marshal the talents and energies of neighborhood residents, along with increased knowledge and resources, to revive their neighborhoods and make them once again decent, wholesome, productive places in which to live.

The central role that housing policy might play in this neighborhood revival was extensively described by Senator Percy in 1967, in the explanation of his National Home Ownership Foundation Act of that year. But beyond mere housing programs, the concurrent programs for jobs, education, municipal services, transportation, beautification, and crime prevention would require a high degree of resource concentration and program coordination—a degree yet unachieved in any American city of any size.

Indeed, a Neighborhood Strategy is open to the charge that the neighborhood may no longer be the viable human community of the city. Secretary Romney, for instance, has argued strongly the case for dealing with the "Real City," the metropolitan area, instead of subcities such as model city areas.[178] While it is evident that an urban neighborhood cannot reasonably assume control of all transportation, sewage disposal, and police functions, there are nevertheless a number of functions that could lend themselves to neighborhood "mini-city" supervision. In fact, a combination of the "Real City" approach and the "mini-city" approach might come to supersede the present structure of a centralized city government, powerless neighborhoods, and governmentally unrelated suburbs.[179]

A full fledged Neighborhood Strategy would only be attempted after extensive experimentation and hence a considerable time delay. The community development corporations funded under Title VII of the Economic Opportunity Act[180] could offer useful vehicles, in cooperation with a city government, for pioneering this approach. Using CDC's to test the concept would seem to be a useful approach.

Policy 5: A straight out production strategy

A straight out Production Strategy, if successful, would increase the housing supply to the point where lower income families would have increased choice in decent housing within their price range. This of course relies on the much abused trickle-down effect, where upper income families move into the new homes, and lower income families move up a notch into homes vacated by middle income families.

There is no reason, other than costs and overall economic policy, for not embarking on a responsible Production Strategy. But to be truly responsible, the Production Strategy cannot at one and the same time emphasize high production, low income families, relaxed mortgage requirements, a special risk insurance fund, and no support for unsophisticated homeowners. Instead, it can seek to increase overall housing production in areas favored by private market forces.

Elements of a Production Strategy would be: technological advances; new techniques of management and land assembly, typified by New York's Urban Development Corporation;[181] new towns development; building code and work rule reform; lowering entry barriers to construction labor and contractors by ending restrictive union practices and onerous bonding requirements for contractors; and tax incentives to produce more of certain kinds of housing.[182] Except for some foregone revenue in the case of tax incentives, much of this program could be undertaken at minimal economic cost to the Government, but, as can be seen by the nature of the elements listed, the political costs would not be inconsiderable. In addition, this strategy would not include any explicit commitment to creating housing for the poor; if past experience is any guide, criticism of the trickle-down approach to better housing would be intense from many organized interest groups.

There may, perhaps, be additional policies which could be developed, but the foregoing would seem to be the most likely to emerge in one mixture or another.

Barring a full scale commitment to an income strategy (Policy 2), wise policy would indicate a compatible blend of an improved 235/236 strategy (Policy 3), with special attention to rebuilding urban neighborhoods (Policy 4), using revenue sharing funds (Policy 1), in an overall climate of a responsible program for expanding production (Policy 5). Contriving such a blend will obviously require a serious effort. Yet the experience is available to construct such a policy blend. There are resources available, despite conflicting demands and overall economic problems. What has been missing so far is an eagerness to learn from experience, and to admit that much of the Gordian knot of urban housing is caused not by the intrinsic economics of housing production, but by the people problems of urban America, compounded by the nature of the public programs, laws, and regulations that define the ground rules for problem solving.

The events of the past 6 years have not signaled the death of the idea of home ownership for the aspiring and upwardly mobile poor family, or even, under certain circumstances, of the welfare family. They have, instead, made it clear what circumstances are requisite to the success of home ownership for lower income families. Knowing those circumstances, Congress can continue to help to make home ownership available to many thousands of Americans, as it pledged to do in the euphoric year of 1968.

FOOTNOTES

*President, Institute for Liberty and Community, Concord, Vermont. Special Assistant for Housing and Urban Affairs to Senator Charles H. Percy (R.-Ill.) 1967. B.A. 1958, Miami University (Ohio); M.S. 1960, Columbia University; M.A. 1963, University of California (Berkeley).

[1] *See generally* C. Abrams & R. Kolodny, Home Ownership for the Poor (1970); H. Wehner, Jr., Sections 235 and 236, 1973 (monograph, American Enterprise Institute Washington, D.C.); Butler, *An Approach to*

Low and Moderate Income Home Ownership, 22 Rutgers L. Rev. 67 (1967); Carnegie, *Home Ownership for The Poor: Running The Washington Gauntlet,* 36 J. Am. Inst. Plan, 160 (1970); Downs, *The Success and Failure of Federal Housing Policy,* 34 Public Interest 124 (1974); Shafer & Field, *Section 235 of the National Housing Act: Home Ownership for Lower Income Families,* 46 J. Urban L. 667 (1968); F. & M. Sengstock, *Home Ownership: A Goal for All Americans,* 46 J. Urban L. 317 (1968).

[3] *Hearings on HUD-Space-Science-Veterans Appropriations for 1975 of the House Comm. on Appropriations,* 93d Cong., 2d Sess., pt. 6, at 81–82 (1974).

[4] Act of Aug. 1, 1968, Pub. L. No. 90–448, 82 Stat. 476 (codified as amended in scattered sections of 5, 12, 15, 18, 20, 31, 38, 40, 42 & 49 U.S.C.) [hereinafter cited as HUD Act of 1968].

[4] *Hearings on Real Estate Settlement Costs, FHA Mortgage Foreclosures, Housing Abandonment, and Site Selection Policies before the House Comm. on Banking and Currency,* 92 Cong., 2d Sess., pt. 1, at 25 (1972).

[5] *Crisis of the Cities: Message from the President of the United States,* 114 Cong. Rec. 3957 (1968).

[6] HUD Act of 1968, Pub. L. No. 90–448, § 101, 82 Stat. 477–85 (codified as amended in scattered subsections of 12 U.S.C. §§ 1701 and 1715).

[7] *Id.* § 103, 82 Stat. 486 (codified as amended at 12 U.S.C. §§ 1715n and 1709 (1970)).

[8] The 1974 data ws obtained by the author by phone from the Office of Research and Statistics of the Department of Housing and Urban Development, Washington, D.C., Aug. 22, 1974.

[9] *Hearings on HUD-Space-Science-Veterans Appropriations for 1974 before a Subcommittee of the House Comm. on Appropriations,* 93d Cong., 1st Sess., pt. 3, at 30 (1973).

[10] Beginning in 1970, housing scandals began to make sensational copy in the nation's newspapers and magazines. *See e.g.*, Breckenfeld, *Housing Subsidies Are a Grand Delusion,* 85 Fortune 136 (Feb. 1972); Karmin, *Scandalized FHA Rules Toughened in Bid to Save Ailing Agenda of Government Programs,* 3 Black Enterprise 20 (Aug. 1972); Lilley & Clark, *Immense Costs, Scandals, Social Ills Plague Low-Income Housing Programs,* 4 National Journal 1075 (July 1, 1972); *The Bankruptcy of Subsidized Housing,* Business Week, May 27, 1972, at 42; Ball, *HUD—The Comedy Isn't So Funny,* Detroit News, March 16, 1973, at 1A, col. 1 (one of a series published by the Detroit News and reprinted at 119 Cong. Rec. E1699 (daily ed. Mar. 21, 1973)); Chapman, *FHA Scandal Spreads Across Nation,* Washington Post, March 10, 1974, at 1, col. 1; Shah, *Housing Mess,* National Observer, June 24, 1972, at 1, col. 4; Teuscher & Wilson, *Home Owning Poor Being Bilked: Speculators Reap Huge Profits while Public Picks up Bill,* St. Louis Globe Democrat, March 4, 1972, at 1A, col. 1 (reprinted at 118 Cong. Rec. 7052 (1972)); *Ailing FHA,* Wall Street Journal, March 19, 1974, at 1, col. 6.

[11] Shah, *Housing Mess,* National Observer, June 24, 1974, at 1, col. 4.

[12] Staff of House Comm. on Appropriations, 92d Cong., 2d Sess., Surveys and Investigations, March 3, 1972; bound in *Hearings on Hud-Space-Science-Veterans Appropriations for 1973 before a Subcomm. of the House Comm. on Appropriations,* 92d Cong., 2d Sess., pt. 3, at 1294 (1972).

[13] House Comm. on Banking and Currency, 91st Cong., 2d Sess., Investigation and Hearing on Abuses in Federal Low and Moderate Income Housing Programs, Dec. 1970; bound in *Hearing on HUD Investigation of Low- and Moderate-Income Housing Programs before the House Comm. on Banking and Currency,* 92d Cong., 1st Sess. 99 (1971).

[14] *Hearings on Defaults on FHA Insured Mortgages before a Subcomm. of the House Comm. on Government Operations,* 92d Cong., 1st & 2d Sess. (1971–72).

[15] Comptroller General, Report to the Congress: Opportunities to Improve Effectiveness and Reduce Costs of Homeownership Assistance Programs (B–171630, Dec. 1972); reprinted in *Hearings on Housing Subsidies and Housing Policies before the Subcommittee on Priorities and Economy in Government of the Joint Economic Comm.,* 92d Cong., 2d Sess. 46 (1972).

[16] Office of Audit, Dep't of Housing and Urban Development, Audit Review of Section 235 Single Family Housing (HUD Pub. No. 05–2–2001–4900, Dec. 10, 1972) (the findings are reported in Opportunities to Improve Effectiveness and Reduce Costs of Homeownership Assistance Programs; bound in *Hearings on Housing Subsidies and Housing Policies, supra* note 15, at 103).

[17] Subcommittee on Priorities and Economy in Government, Joint Economic Committee, 93d Cong., 1st Sess., Housing Subsidies and Housing Policy (1973).

[18] *Hearings on Real Estate Settlement Costs, supra* note 4, pt. 1, at 286.

[19] Address by HUD Secretary George Romney, National Housing Conference, March 6, 1972, quoted in *Hearings on Defaults on FHA Insured Mortgages, supra* note 14, pt. 3, at 488 (1972).

[20] The suspension was challenged in the courts by Pennsylvania, Maine and several nonprofit housing sponsors. In Commonwealth of Pennsylvania v. Lynn, 362 F. Supp. 1363 (D.D.C. 1973), the court held that the suspension was beyond the authority of the Secretary both in terms of the congressional mandate found in the statute and the constitutional duty of the executive branch to execute the laws. The court ordered HUD to resume processing applications.

[21] For general discussion of the legal and constitutional issues raised by impoundment see Fisher. *Presidential Spending Discretion and Congressional Controls,* 37 Law & Contemp. Prob. 135 (1972); Mills, *Impoundment: A Search for Legal Principles* 26 U. Fla. L. Rev. 191 (1974); 23 Cath. U. of Am. L. Rev. 359 (1973); and 27 Rutgers L. Rev. 201 (1973). In 1974, Congress itself took action passing the Budget and Impoundment Control Act, Pub. L. No. 93–344 (July 12, 1974). The statute requires the President to notify Congress of any impoundment by special message. The executive decision to impound can be overruled by a simple resolution of disapproval by either house.

[22] Address by HUD Secretary George Romney, National Association of Homebuilders, January 8, 1973, quoted in Housing Subsidies and Housing Policy, *supra* note 17, at 3.

[23] Quoted in Housing Subsidies and Housing Policy, *supra* note 17, at 3.

[24] Housing Subsidies and Housing Policy, *supra* note 17, at 4.

[25] *Id.* at 5.

[26] 119 Cong. Rec. S10,676 (daily ed. June 8, 1973).

[27] Id. at S10,679.

[28] Redlining is the practice of marking a city map with a red line to indicate an area in which no further mortgage loans are to be made because of economic and physical conditions within the area. For further discussion of redlining by FHA see p. 14 *infra; Testimony of Harold Greenwood, Hearings on Proposed Housing Legislation of 1967 before the Subcomm. on Housing and Urban Affairs of the Senate Comm. on Banking and Currency,* 90th Cong., 1st Sess., pt. 1, at 500 (1967) [hereinafter cited as *1967 Senate Housing Hearings*]; and Note, *Redlining—The Fight Against Discrimination in Mortgage Lending,* 6 Loyola U. Chi. L.J. 71 (1975).

[29] The programs take their names from their respective section numbers in the National Housing Act of 1934, ch. 847, 48 Stat. 1246. Sections 235, 223(e), and 237 were added respectively by sections 101(a), 103(a) and 102(a) of the HUD Act of 1968, Pub. L. No. 90–448, 82 Stat. 477–85, 486, 485–86 (codified as amended at 12 U.S.C. §§ 1715z, 1715n, 1715z–2 (1970)).

[30] *Hearings on the Federal Role in Urban Affairs of the Subcommittee on Executive Reorganization of the Senate Comm. on Government Operations,* 90th Cong., 1st Sess. (1967).

[31] Report of the National Advisory Commission on Civil Disorders (E.P. Dutton & Co. ed., 1968).

[32] Commonly known as section 221(h), the program was enacted as a part of the Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. No. 89–754, § 310(a), 80 Stat. 1268–70 (codified at 12 U.S.C. § 1715l (1970)).

[33] The Bicentennial Civic Improvement Corporation, St. Louis, Mo. The project is described in some detail in *Testimony of J.-T. Dykman and Arnice Slaughter, 1967 Senate Housing Hearings, supra* note 28, pt. 2, at 974–82. *See also* Mazer & Granat, *Rehabilitation in St. Louis,* 24 Journal of Housing 200 (May 1967).

[34] This income level was set by Congress in the 1968 amendments to the 221(h) program, HUD Act of 1968, Pub. L. No. 90–448, § 105 (a), 82 Stat. 448, *amending* 12 U.S.C. § 1715l (1964).

[35] Act of Nov. 3, 1966, Pub. L. No. 89–754, § 310(a), 80 Stat. 1269. The authorization was increased to $50 million in the HUD Act of 1968, Pub. L. No. 90–448, § 10[illegible] (c)(2), 82 Stat. 483.

[36] The below market interest rate had previously appeared as a feature of the rental property mortgages authorized by section 221(d)(3) in the Housing Act of 1961, Pub. L. No. 87–70, § 101(a), 75 Stat. 15[illegible]. This section authorized the HUD Secretary to insure mortgage loans for rental housing for moderate income or displaced families at an interest rate as low as 3 percent or the current yield of outstanding Treasury obligations. In practice this became the "3 percent BMIR mortgage." Because of the below market rate, such mortgages could not be traded on the private market without enormous discounts. As a result, the Federal National Mortgage Association (after 1968 the Government National Mortgage Association) was forced to issue commitments to mortgagees to purchase BMIR mortgages at the mortgage closing, making the mortgagee merely a servicing agency instead of a lender. FNMA (GNMA) had to pay the full amount of the mortgage at its inception. This led to huge budget items and zero leverage of federal funds. Furthermore, to replenish its funds FNMA (GNMA) resorted to the sale of participations in mortgage pools. Since the pools contained many mortgages at a below market interest rate, the selling agency lost money on every sale and was forced to obtain an annual insufficiency appropriation from Congress. This whole system became increasingly ridiculous and, by 1965, had led to a search for alternative means for injecting the federal subsidy.

[37] 113 Cong. Rec. 36 (1967).

[38] 113 Cong. Rec. 1523 (1967).

[39] *Id.* at 1524.

[40] *Id.*

[41] 1967 *Senate Housing Hearings, supra* note 28.

[42] S. 1445, 90th Cong. 1st Sess. (1967).

[43] S. 1434, 90th Cong., 1st Sess. (1967).

[44] *1967 Senate Housing Hearings, supra* note 28, pt. 1, at 268.

[45] S. 1433, 90th Cong., 1st Sess. (1967).

[46] *Id.* at § 5(b).

[47] S. 1592, 90th Cong., 1st Sess. (1967). The bill is described in detail in the *1967 Senate Housing Hearings, supra* note 28, pt. 2, at 1517–45, 1609–37. The text appears therein, at 1414.

[48] *1967 Senate Housing Hearings, supra* note 28, pt. 2, at 1817–20.

[49] S. 2115, 90th Cong., 1st Sess. (1967).

[50] 12 U.S.C. § 1709 (1970).

[51] For a description of the Gainesville project see *Testimony of Gloria Richards and Phillip Emmer, 1967 Senate Housing Hearings, supra* note 28, pt. 1, at 825.

[52] S. 2124, 90th Cong., 1st Sess. (1967).

[53] *1967 Senate Housing Hearings, supra* note 28, pt. 1, at 476.

[54] *Id.* at 480.

[55] *See* note 28 *supra.*

[56] National Housing Act of 1934, ch. 847, § 203(c), 48 Stat. 1249 (codified as amended at 12 U.S.C. § 1709 (1970)).

[57] National Housing Act Amendments of 1938, ch. 13, § 4, 52 Stat. 18 (codified as amended at 12 U.S.C. § 1713 (1970)).

[58] For background *see generally* History of Risk Concepts in Home Mortgage Insurance Legislation, in House Comm. on Government Operations, Defaults on FHA Insured Home Mortgages—Detroit, Michigan, H.R. Rep. No. 92–1152, 92d Cong., 2d Sess. 51–56 (1972).

[59] The Housing Act of 1954, ch. 649, § 123, 68 Stat. 597–98 (codified at 12 U.S.C. § 1715k (1970)). *See also* Legislative History of Congressional Guidance for Administration of Section 220 Programs by the FHA, in *1967 Senate Housing Hearings, supra* note 28, pt. 1, at 25–30.

[60] Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. No. 89–754, §302, 80 Stat. 1266.

[61] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 103, 82 Stat. 486, repealed section 203(*l*) and provided for insurance in "older, declining urban areas" out of a Special Risk Insurance Fund (12 U.S.C. § 1715n (1970)).

[62] S. 2700, 90th Cong., 1st Sess. § 105 (1967).

[63] *Id.* § 103.

[64] Address by FHA Director Philip N. Brownstein to FHA Directors and Conference, October 23, 1967, in *Hearings on Real Estate Settlement Costs, supra* note 4, pt. 1, at 264, 266–67.

[65] S. 2700, 90th Cong., 1st Sess. (1967).

[66] *Id.* §§ 101 and 107.

[67] *Id.* § 102.

[68] *Id.* § 103.

[69] *Id.* § 105.

[70] *Id.* § 111.

[71] *Id.* §§ 104, 106, 108, 109, 110 and Title II. No appointments to the Board of the National Home Ownership Foundation were ever made and no appropriations were ever voted.

[72] S. Rep. No. 90–809, 90th Cong., 1st Sess. 10 (1967).

[73] *Id.*

[74] *Id.* at 9.

[75] *Crisis of The Cities—Message from the President of the United States,* 114 Cong. Rec. 3956 (1968).

[76] S. Rep. No. 90–1123, 90th Cong., 2d Sess. 178 (1968).

[77] S. 3497, 90th Cong., 2d Sess. (1968).

[78] 1968 HUD Act, Pub. L. No. 90–448, § 101 (a), 82 Stat. 479 (codified at 12 U.S.C. § 1715z (1970)).

[79] *Id* § 101(a), 82 Stat. 478.

[80] S. Rep. No. 90–1123, 90th Cong., 2d Sess. 179 (1968).

[81] In a release dated April 21, 1967, the day the Percy-Widnall bill was introduced with wide sponsorship and publicity, Secretary Weaver issued a statement which said:

"The failure of the proposal to involve local government means that it cannot become a major instrument for revitalizing urban slums and blighted areas. . . . The local governing body has to be involved in any large scale attempt to improve neighborhoods. . . . The failure of the proposal to involve local plans for its redevelopment or growth."

Soon thereafter, in a radio interview, the Secretary described the proposal as a "snare and a delusion":

"To promise large numbers of low income people that in the immediate future they are going to be able to achieve home ownership is a snare and a delusion and it can be a cruel hoax because in many instances with these extremely low down payments, with these long periods of loans after three years they will have a negative equity. And if they lose their jobs, or if they are sick, they will lose their home." . . .

After describing his department's experimental work with the 221(h) program, Secretary Weaver added:

"We are tying this to other programs, as contrasted to the Percy program which would be out there by itself and would not be coordinated with all that's going on."

These statements were reprinted at 113 Cong. Rec. 18,036–37 (1967).

[82] S. Rep. No. 90–809, 90th Cong., 1st Sess. 71 (1967).

[83] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 102(a), 82 Stat. 485 (codified as amended at 12 U.S.C. § 1715z–2 (1970)).

[84] S. 2115, 90th Cong., 1st Sess. (1967).

[85] Act of Dec. 24, 1969, Pub. L. No. 91–152, § 110, 83 Stat. 382 (codified at 12 U.S.C. § 1725z-2(e) (1970)).

[86] In fact, no funds were appropriated for this purpose until Fiscal Year 1972.

[87] *See* note 64 *supra.*

[88] *See generally* Shah, *Housing Mess, supra* note 11.

[89] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 68–69.

[90] Defaults on FHA Insured Home Mortgages—Detroit, Michigan, *supra* note 58, at 9.

[91] See the series of articles from the Detroit News reprinted at 119 Cong. Rec. E1699 (daily ed. Mar. 21, 1973).

[92] Defaults on FHA Insured Home Mortgages—Detroit, Michigan, *supra* note 58, at 13-35.

[93] Audit Review of Section 235 Single Family Housing, *supra* note 16.

[94] *Id.* at 5.

[95] Opportunities to Improve Effectiveness and Reduce Costs of Home Ownership Assistance Programs, *supra* note 15, at 33, 39, 45.

[96] *Hearings on HUD-Space-Science Appropriations for 1972 before a Subcomm. of the House Comm. on Appropriations,* 92d Cong., 1st Sess., pt. 2, at 1 (1971); *Hearings on HUD Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973 before a Subcomm. of the Senate Comm. on Appropriations,* 92d Cong., 1st Sess. 307 (1971); *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1974 before a Subcomm. of the Senate Comm. on Appropriations,* 92d Cong., 2d Sess. 479 (1972).

[97] *Hearings on HUD Investigation of Low- and Moderate-Income Housing Programs, supra* note 13, at 234.

[98] *Id.* at 237.

[99] HUD Act of 1968, Aug. 1, 1968, Pub. L. No. 90–448, § 101(a), 82 Stat. 479 (codified at 12 U.S.C. § 1715z (1970)).

[100] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 29, 32.

[101] See note 20 *supra* and accompanying text, *See also* Nenno & Maguire, *Housing and Community Development Issues Looming for 1973—White House/Congressional Debate,* 30 Journal of Housing 63 (Feb. 1973).

[102] *Hearings on Oversight on Housing and Urban Development Programs before the Subcomm. on Housing and Urban Affairs of the Senate Comm. on Banking, Housing and Urban Affairs,* 93d Cong., 1st Sess., pt. 1, at 2 (1973).

[103] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 1515. This was precisely the approach advocated by Senator Percy's 1967 legislation. For example, section 110(a)(2) of S. 1592 required that the neighborhood housing sponsor, to qualify for a mortgage loan, "must be conducting, or otherwise arranging for, supporting programs in such fields as training, employment, credit counseling and budget management as needed to enable lower income families to assume the privileges and responsibilities of homeownership." This integrated approach, as a basic part of a Neighborhood Strategy, was rejected in the HUD Act of 1968. See discussion *supra* at pp. 17–18.

[104] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 1515–16.

[105] *See Testimony of HUD Assistant Secretary Eugene Gulledge, Hearings on Defaults on FHA Insured Mortgages, supra* note 14, pt. 3, at 525. Katz was later hired as a consultant to Secretary Romney, *id.* pt. 2, at 319.

[106] *See Testimony of HUD Secretary Romney, Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 68.

[107] *Hearing on HUD Investigation of Low- and Moderate-Income Housing Programs, supra* note 13, at 237.

[108] *1967 Senate Housing Hearings, supra* note 28.

[109] *Id.* pt. 1, at 9.

[110] These projects were funded as demonstration projects under the Housing Act of 1961, Pub. L. No. 87–70, § 207, 75 Stat. 165, repealed in the Housing and Urban Development Act of 1970, Pub. L. No. 91–609, § 503(4), 84 Stat. 1786.

[111] S. Rep. No. 90–1123, 90th Cong., 2d Sess. 11 (1968).

[112] *Id.* at 204.

[113] *See* dialog between Senator Pastore and HUD Departmental Budget Officer Nathaniel Eisemen, *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1972 before a Subcomm, of the Senate Comm. on Appropriations,* 92d Cong., 1st Sess (1971); and *Hearings on HUD-Space-Science-Veterans Appropriations for 1974, supra* note 9, pt. 3, at 34–35.

[114] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 451.

[115] *See Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973, supra* note 96, at 557; *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3 at 498; *and Hearings on Defaults on FHA Insured Mortgages, supra* note 14, pt. 3, at 507.

[116] *See* generally *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973, supra* note 96, at 557–63; and *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 401–04.

[117] *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973, supra* note 96, at 562.

[118] *Id.*

[119] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973,* supra note 12, pt. 3, at 29, 32.

[120] S. 1614, 93d Cong., 1st Sess. (1973). For a detailed description, see 119 Cong. Rec. S7549 (daily ed. April 17, 1973).

[121] Housing Act of 1964, Pub. L. No. 88–560, § 121. 78 Stat. 783 (codified as amended at 12 U.S.C. § 1735b (1970)).

[122] Housing and Urban Development Act of 1970, Pub. L. No. 91–609, § 104, 84 Stat. 1771 (codified at 12 U.S.C. § 1735b (1970)).

[123] Act of Aug. 22, 1974, Pub. L. No. 93–383, § 306, *amending* 12 U.S.C. § 1735b (1970) (1974 U.S. Code. Cong. & Adm. News 3297).

[124] 12 U.S.C. § 1701x(a)(1)(iii) (1970).

[125] Housing and Community Development Act of 1974, Pub. L. No. 93–383, § 811(b)(1), *amending* 12 U.S.C. § 701x(a)(1)(iii) (1970) (1974 U.S. Code Con & Adm. News 3368).

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[126] *Id.* § 811(b)(2), *amending* 12 U.S.C. § 1701x(a) (1970) (1974 U.S. Code Cong. & Adm. News 3368).

[127] *See note* 21 *supra.*

[128] *Hearings on HUD-Space-Science Veterans Appropriations for 1974, supra* note 9, pt. 3, at 8.

[129] *Hearings on Oversight on Housing and Urban Development Programs, supra* note 102, pt. 1, at 245.

[130] 119 Cong. Rec. S4122 (daily ed. March 8, 1973).

[131] *See* pp. 6–7 *supra.*

[132] *Hearings on Oversight of Housing and Urban Development Programs, supra* note 102, pt. 1, at 249–67.

[133] *Id.* at 251.

[134] 119 Cong. Rec. S16,861 (daily ed. Sept. 19, 1973).

[135] *Id.* at S16,863.

[136] *Id.* at S16,864.

[137] *Id.*

[138] *Id.*

[139] S. 2507, 93d Con., 1st Sess. (1973).

[140] Dept. of Housing and Urban Development, Housing in the Seventies (October 6, 1973).

[141] *Hearings on HUD-Space-Science-Veterans Appropriations for 1974, supra* note 9, pt. 3, at 882.

[142] For a detailed description of the housing allowance experiment, see *Hearings on HUD-Space-Science-Veterans Appropriations for 1974, supra* note 9, pt. 3, at 877–85.

[143] Smith, Barney & Co., Inc., Research Brief (Oct. 1, 1973).

[144] Movement for Economic Justice, Just Economics (Nov.–Dec. 1973).

[145] 119 Cong. Rec. S18,129 (daily ed. Oct. 1, 1973).

[146] *Id.* at S18,130–31.

[147] S. Rep. No. 93–693, 93d Cong., 2d Sess. 177 (1974).

[148] S. 1743, 93d Cong., 1st Sess. (1973).

[149] Act of Aug. 22, 1974, Pub. L. No. 93–383 (1974 U.S. Code Cong. & Adm. News 3243).

[150] S. 3066, 93d Cong., 2d Sess. ch. 1 (1974). *See also* S. Rep. No. 93–693, 93d Cong., 2d Sess. 22–36 (1974).

[151] Housing and Community Development Act of 1974, Pub. L. No. 93–383, Title III, *amending* scattered sections of 12 U.S.C. (1974 U.S. Code Cong. & Adm. News 3294).

[152] *Id.* § 213 (1974 U.S. Code Cong. & Adm. News 3292).

[153] *See* note 47 *supra.*

[154] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 1601, 82 Stat. 601 (codified at 42 U.S.C. § 1441a (1970)).

[155] Housing and Community Development Act of 1974, Pub. L. No. 93–383, § 601, *amending* 42 U.S.C. § 1441a *et seq.* (1970) (1974 U.S. Code Cong. & Adm. News 3350).

[156] *Id.* § 802 (1974 U.S. Code Cong. & Adm. News 3350).

[157] See text accompanying notes 123–26 *supra.*

[158] *Hearings on HUD-Space-Science-Veterans Appropriations for 1975, supra* note 2, pt. 6, at 249, 501.

[159] *See* text accompanying note 8 *supra.*

[160] Economic Opportunity Act, Pub. L. No. 88–452, 78 Stat. 508 (codified as amended at 42 U.S.C.A. §§ 2701–2995d (1973)).

[161] Demonstration Cities and Metropolitan Government Act of 1966, Pub. L. No. 89–754, 80 Stat. 1255 (codified in scattered sections of 11, 12, 15, 16, 40, 42 U.S.C.). *See also* Congressional Research Service, Library of Cong. for the Senate Committee on Banking, Housing and Urban Affairs, 93d Cong., 1st Sess., The Central City Problem and Urban Renewal Policy 68–84, 171–207 (1973).

[162] 42 U.S.C. 630 (1970). The program is described in some detail in The Central City Problem and Urban Renewal Policy, *supra* note 161, at 290–92.

[163] Established under Exec. Order No. 11647, 3 C.F.R. 335 (1974).

[164] *See, e.g.,* San Francisco Federal Executive Board, an Analysis of Federal Decision Making and Impact: The Federal Government in Oakland (v. 1, 1968, v. 2, 1969); *Reorganization of the Federal Government—Message from The President of The United States,* 117 Cong. Rec. 7962 (1971); and Office of Management and Budget, Papers Relating to the President's Department Reorganization Program, chs. 3, 5 (February 1972).

[165] *The State of the Union Address of the President of the United States,* 117 Cong. Rec. 167–8 (1971).

[166] Some 35 community development corporations have been funded by the Office of Economic Opportunity under Title VII of the Economic Opportunity Act, 42 U.S.C. §§ 2981–85 (1970), *as amended* (Supp. II, 1972). *See generally* Twentieth Century Fund, CDC's New Hope for the Inner City (1971); *Community Economic Development,* 36 Law & Contemp. Prob. No. 1 & 2 (1971); J. McClaughry, Expanded Ownership 3–76 (Sabre Foundation, Fond du Lac, Wisconsin, 1972); Bibliography on Community Development Corporations (Center for Community Economic Development, 5 Upland Road, Cambridge, Mass. 02140, updated periodically).

[167] *See* National Urban Coalition, Municipal Mortgage Insurance Program: Housing Finance Board of Fresno, California (Program Case Study No. 2, Washington, D.C.).

[168] Wisconsin State Indemnity Fund, ch. 609, Laws of Wisconsin, ch. 117, Laws of 1973. It has not, however, been widely used, reportedly due to lack of interest in inner city development.

[169] 42 U.S.C. § 2210 (1970). The Association is discussed in some detail in S. Rep. No. 296, 85th Cong., 1st Sess. (1957), reprinted at 1957 U.S. Code Cong. & Adm. News 18 1–12.

[170] H.R. 1, 92d Cong., 1st Sess. (1971).

[171] M. Friedman, Capitalism and Freedom ch. XII (1962). *See also* Ripon Society, The Negative Income Tax (P67–2, 1967); R. Hollister & M. Lefcowitz, Income Maintenance (1971).

[172] See discussion pp. 25–30 *supra.*

[173] Financing Publicly Assisted Housing (task force report, Institute of Politics, Harvard University, 1968).

[174] Memorandum to the author from Ralph Hawes, Washington Representative, IBM, April 1967.

[175] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 109, 82 Stat. 496–97.

[176] *1967 Senate Housing Hearings, supra* note 28, at 717.

[177] Insurance Technical Assistance Group, Insurance Protection against Foreclosure in Government Assisted Home Mortgage Programs, April 24, 1969.

[178] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 30.

[179] *See, e.g.,* the Indianapolis "Minigov" Act, Ind. Code of 1971, 18–4–15.5 (1972) (enacted at Acts 1972, Pub. L. No. 129, Feb. 17, 1972). As of mid-1974, however, the City-Council County of Indianapolis had failed to approve the necessary implementing plan. *See generally* Dept. of Metropolitan Development, City of Indianapolis, Minigov Communities Plan, December 2, 1972); *Remarks of Senator Mark Hatfield Introducing S. 2502, the Neighborhood Government Act of 1973,* 119 Cong. Rec. S18, 133–40 (daily ed. Oct. 1, 1973). The National Association of Public Administration has been awarded a grant by HUD to explore this approach.

[180] *See* note 166 *supra.*

[181] New York Urban Development Corporation Act, L. 1968, ch. 174, April 10, 1968 (codified at N.Y. Unconsol. Laws §§ 6251–6360 (McKinney Supp. 1973). For a description of the program, see Reilly & Schulman, *The State Urban Development Corporation: New York's Innovation,* 1 The Urban Lawyer 129 (1969).

[182] Int. Rev. Code of 1954, § 167(k) allows a 60 month depreciation period and zero salvage value for specified rehabilitation expenditures for low income rental housing.

DRAWING ON THE RICHES OF ELK HILLS

Mr. CRANSTON. Mr. President, the Sunday edition of the Los Angeles Times carried an editorial in support of legislation scheduled for debate in the House of Representatives today to authorize production from the Elk Hills Naval Petroleum Reserve.

On December 19, 1973, the Senate recognized the importance of opening up this rich pool of petroleum by approving Senate Joint Resolution 176. Unfortunately, the House Armed Services Committee, to which Senate Joint Resolution 176 was referred and which has long opposed any alteration of the Elk Hills status quo, was able to block the Senate's bill. It thus died in committee upon adjournment of the 93d Congress.

Senator TUNNEY and I have reintroduced a similar Senate resolution in the 94th Congress—Senate Joint Resolution 9. It now awaits action in the Armed Services Committee.

Congressman AL BELL of California has been particularly effective in pushing Elk Hills legislation in the House. H.R. 49 contains his recommendations for transferring authority for administering this Federal property from the Navy to the Department of the Interior and would authorize the Department to contract to sell oil from the naval reserves. This bill has been approved by the House Interior Committee. Those of us in the Senate who favor opening these reserves will be watching closely the progress of H.R. 59 in the House. Hopefully it will meet with House approval so that the Senate can go on record once again in favor of using this basically untapped 1.3-billion-barrel reserve to meet our essential domestic fuel needs.

Mr. President, I ask unanimous consent that the text of the Los Angeles Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> DRAWING ON THE RICHES OF ELK HILLS
>
> The House is at long last scheduled to vote this week on legislation to open up for production the rich Elk Hills Naval Petroleum Reserve in Kern County.
>
> A number of competing bills are up for possible consideration. None is entirely satisfactory. That means that amendments from the floor will be needed to produce the kind of measure essential to the nation's goal of reducing reliance on insecure foreign sources of petroleum.
>
> The Senate recognized the importance of tapping the huge Elk Hills reserve as long ago as 1973, when it approved a production plan in the wake of the Arab oil embargo. But companion legislation died in the House Armed Services Committee, which is traditionally committed to keeping Elk Hills locked up for potential military use.
>
> The Armed Services Committee has not abandoned that goal. It will try this week to thwart the move to put Elk Hills on a permanent production basis by seeking to win approval for legislation of its own.
>
> That legislation would limit production from Elk Hills and two smaller naval reserves to 200,000 barrels a day for no longer than three years, with the oil going exclusively for military use. Such a plan is a far cry from what the nation needs, from what President Ford wants, or from what is provided in H.R. 49, a bill coauthored by Rep. Alphonzo Bell (R-Calif.) and approved by the House Interior Committee.
>
> H.R. 49 recognizes the anachronism of maintaining 46,000-acre Elk Hills site as a naval reserve. It would transfer administrative authority over Elk Hills to the Interior Department, and open the way to producing 160,000 barrels of oil a day by the end of this year, up to 300,000 barrels a day in 1977.
>
> Production at that level is feasible and necessary, and could continue for a long time. Elk Hills has at least a billion barrels of recoverable reserves, and possibly 3.7 billion. Use of this potential output could save the nation up to $1 billion a year in its balance of payments by reducing imported oil, which now makes up about 40% of the American supply.
>
> H.R. 49 would authorize the Interior Department to contract to sell oil from the naval reserves, but would make no provision for channeling some of this output into a stored strategic reserve. That is the bill's major weakness, and the reason why it should be amended on the floor.
>
> The President has asked for establishment of a 1.3 billion-barrel strategic reserve, 1 billion barrels for the civilian economy, the rest for military use. The purpose of a strategic reserve is to insure that the country could not suffer hardship from any interruption of foreign supplies. The size of the requested reserve would give the military a 100-day fuel supply on the basis of its estimated maximum war-time oil needs. At current consumption levels, it would provide a six-month supply for the civilian sector should all foreign imports be stopped, or a 16-month supply should only the Arab oil imports be cut off.
>
> Creation of a strategic reserve could come either from an expansion in imports, with a commensurate dollar drain, or from augmenting domestic production, clearly the preferable route.
>
> Elk Hills can be brought up to impressive maximum production in a short while. It is time to draw on this asset, and to use Elk Hills output for the best purposes. The House has the opportunity to see that this is done.

NATURAL GAS SHORTAGES

Mr. DOMENICI. Mr. President, those of us from States in which natural gas is found and produced have often discussed our concern that shortages of this natural gift will soon occur throughout the Nation. I wish to mention today one set of ironic circumstances that sheds light on how Government policy has too often taken us down the path of natural gas shortages.

Federal regulation of natural gas is a hodge-podge of cross-purposes that has left too many Americans without natural gas at any price. The Commerce Committee now has before it a bill, S. 692, which would extend Federal Power Commission authority to intrastate gas produced on Federal land. This legislation, if passed through the Congress and signed into law, would increase the likelihood that less and less New Mexico-produced gas would be available for New Mexico consumers, and would seriously hamper the State's efforts to attract new, clean industry that depends upon firm, long-term commitments of intrastate natural gas for either feed stock or general use. No reasonable man can see S. 692 in its initial form as anything less than a step backwards. It will not increase supplies; it will not increase conservation; it will decrease the tax revenues of the States affected, including New Mexico; and it will signal another failure of Congress to confront the realities of an important facet of the energy crisis.

We have a clearly unjust situation in New Mexico, where at least three communities have been denied more natural gas under a recent FPC ruling, and where irrigation farmers have been threatened with a large reduction in natural gas for their pumps. Yet, New Mexico is the fifth largest producer of oil and gas in the Nation. Such a situation is a direct indictment of this Nation's natural gas policy in the past. The legislation now before the Commerce Committee would increase the burden unfairly placed on New Mexico communities and farmers and could lead to Federal intervention in almost all natural gas produced in the Nation.

More than 54 percent of New Mexico's natural gas is from wells on Federal land. The provisions of S. 692 would make all this gas subject to Federal regulation, which has been so patchwork in the past. While the New Mexico communities of Las Cruces, Deming, and Lordsburg hunger for natural gas for their citizens, large pipelines full of natural gas for non-New Mexico users pass by these communities. Much of that natural gas in those pipelines is produced in New Mexico, yet these three towns are prohibited from use of it. S. 692 would mean that there would be less intrastate gas for New Mexico communities. It would mean that more New Mexico citizens would be hit by natural gas shortages.

We in the Federal Government are going to have to face up to the natural gas problem soon. We all know what the answer is. And we know that S. 692 in its present proposed form is not part of that answer.

STANDARD FOR HERMETIC SEALING OF PACEMAKER CIRCUITRY

Mr. RIBICOFF. Mr. President, I am today releasing a letter I received from the National Bureau of Standards recommending that the Food and Drug Administration "establish a standard for hermetic selling of pacemaker circuitry," in conjunction with other high standards, to prevent short circuiting of surgically implanted cardiac pacemakers.

As chairman of the Senate Government Operations Committee, I sought technical advice from the Bureau of Standards after the FDA's investigation of a series of recalls involving 23,000 pacemakers was severely criticized in a General Accounting Office report.

The Bureau of Standards' recommendation supports my criticism of FDA for not establishing a standard for hermetic sealing to prevent a recurrence of pacemaker short circuiting. It raises serious question as to whether the health and safety of the 125,000 Americans who use pacemakers is being adequately protected in the absence of such a standard.

The GAO found that despite the fact that leakage was the common defect causing short circuiting in the recalled pacemakers, the FDA's top medical device officer, David M. Link, said he had not developed a standard for hermetically sealing pacemakers because "such a standard might restrain manufacturers' efforts in developing a solution to the moisture problem."

Mr. Link's decision was reiterated by Caspar W. Weinberger, Secretary of Health, Education, and Welfare, in a letter to me on April 4:

> FDA, at this time, does not believe imposition of a standard simply to require the hermetic sealing of all implanted pacemakers is necessary or wise.

Mr. President, I turned to the Bureau of Standards to resolve conflicting points of view between the FDA and some pacemaker manufacturers, as well as between the Agency and its own staff, on the necessity of hermetically sealing pacemaker circuitry.

The General Electric Co. recently has hermetically sealed the circuit board of pacemakers being used to replace 2,600 of its pacemakers which were recalled because of the moisture-leakage problem. Other manufacturers have hermetically sealed the circuitry of their pacemakers on a voluntary basis, as well. Back in 1972, during the first recall of about 600 pacemakers by GE, Mr. Link had ignored the recommendation of a member of his staff that the FDA adapt a U.S. Navy standard for hermetically sealing high-reliability electronic components, as well as call a conference of pacemaker manufacturers to alert them to the moisture/short-circuiting problem.

The Bureau of Standards now reports that—

> Hermetic sealing of electronic devices and circuits is without doubt the most effective way of isolating them from the effects of moisture in the external environment and to reduce the incidence of failures from this cause.

The Bureau reported to me that several principles of the Navy standard for using hermetic sealing to overcome a serious seal problem in plastic encapsulated devices "could be applied to the present—circuit board—case." The Bureau also disclosed that plans are underway for the Bureau of Standards to run a pacemaker industry "workshop" for the FDA.

It is tragic that the FDA did not turn to the Bureau of Standards for this lifesaving information and assistance in 1972 when the first pacemakers were recalled. To date, the FDA has not turned to the Bureau of Standards for advice on hermetic sealing and other aspects of the moisture problem; nor has it developed any standards to deal with the pacemaker moisture problem. I, therefore, am turning this information over to Secretary Weinberger, with the urgent request that he direct the FDA immediately to implement the Bureau of Standards' recommendations with respect to hermetic sealing to prevent short circuiting in pacemakers.

The GAO investigation, which was initiated by me in 1973 and was completed 20 months later on March 10, found that FHA did not exercise existing legal au-

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thority in a "life threatening situation" to inspect pacemaker plants, obtain samples of recalled devices, or conduct its own tests to independently determine the cause and correct the defect. The report cited "the lack of FDA inspection guidelines, safety, and performance standards and good manufacturing criteria" with respect to pacemakers.

Mr. President, several pacemaker manufacturers already have adopted hermetic sealing and other high quality controls to insure safe, effective operation of the surgically implanted devices. Any questions that a pacemaker user has with respect to a particular device should be directed to his or her physician. Hopefully, new FDA pacemaker standards, as well as strong medical-device legislation which has just passed the Senate with my strong support, will insure the high reliability of all pacemakers sold to the American consumer.

I ask unanimous consent that the letter to me from the National Bureau of Standards, as well as my letter to Secretary Weinberger, be printed at the conclusion of my statement in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, I also ask unanimous consent that a letter to me from Secretary Weinberger, containing the Department's comments on the findings and recommendations of the GAO report, be printed in the RECORD following the other documents.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. RIBICOFF. Mr. President, despite the serious criticism by GAO of the FDA's recall, inspection and investigative procedures, the Secretary writes:

> After considering the FDA's capabilities and reviewing the Agency's performance in the recall, we believe that FDA's investigation of the GE pacemaker recall provided adequate protection to the public from further risk in this situation.

Mr. President, this is a conclusion with which I sharply disagree. I received the letter yesterday and considered it important to release the Department's comments immediately. However, I do intend to study the statement in detail and may have more to say about it after I receive the Secretary's reply as to what action he will take with respect to establishing a standard for hermetically sealing pacemakers.

EXHIBIT 1

NATIONAL BUREAU OF STANDARDS,
Washington, D.C., April 23, 1975.
Hon. ABRAHAM RIBICOFF,
Chairman,
Committee on Government Operations,
Washington, D.C.

DEAR MR. CHAIRMAN: In your letter of April 15, 1975, you posed questions on eight issues related to hermetic sealing of cardiac pacemakers and the effects of hermetic sealing on the reliability of the product. Our responses to these questions are enclosed.

Some of our responses are not as definitive as we would like them to be. The reason is that prediction of the reliability or effective life of an electronic product is not an exact science. Design, materials selection, component quality, manufacturing technology, and manufacturing practice all affect the reliability of the final product. Tests are required at each step in the process for incoming acceptance of materials, through control of the manufacturing procedures, to final performance and quality verification. Such tests are more effective in predicting susceptibility to failure in cases where the long-time behavior of the constituent materials and components of the system is better known.

In the case of many of the materials and parts used in cardiac pacemakers, the available information is incomplete. Therefore, in testing cardiac pacemakers, it is necessary to proceed on the basis of the knowledge we have now in a manner such that the data base on the various materials and processes is increased. In this way, a more effective means of assuring reliability can be developed.

As you know, the FDA has discussed with us the problem of pacemaker reliability. As a result we have proposed to FDA a workshop for the purpose of sharing with the pacemaker industry information available in the electronics community relating to semiconductor test and evaluation methods. Plans for this workshop are going forward at the present time.

Our experience with semiconductor measurement technology has been developed primarily in connection with programs conducted in coperation with the Department of Defense which has had a long and extensive interest in high-reliability electronic systems. We would be pleased to cooperate in a similar way with other government and industrial organizations which are concerned with applications of electronics which require high reliability.

Sincerely,

F. K. WILLENBROCK,
Director,
Institute for Applied Technology.

RESPONSES TO QUESTIONS IN SENATOR ABRAHAM RIBICOFF'S LETTER OF APRIL 1[illegible], 1975

Question 1. Is the dendritic growth on the circuitry boards of defective pacemakers caused by moisture, and can such growth be prevented by hermetically sealing circuitry boards?

RESPONSE

Without examining and testing the circuit boards in question, we are unable to comment on the cause of the dendritic growths to which failure was ascribed. It is our understanding, from the various reports available on the dendritic growths in question, that the presence of moisture was found to be an essential causative factor. In such cases, hermetic sealing would, if properly carried out in a moisture-free environment, prevent such growths, provided also that the sealed enclosure contained no moisture-generating elements.

Question 2. Although the U.S. Navy Standard for hermetic sealing of discrete electronic components is not directly applicable to circuitry boards, can the findings in this standard relating to "a serious (plastic) seal problem" be *adapted* to an FDA standard for hermetic sealing of pacemaker circuitry boards?

RESPONSE

The chemistry and metallurgy of the printed circuit boards, hereinafter referred to as PCBs, are different from those of the semiconductor devices and microcircuits, hereinafter referred to as devices, which were the subject of Navelex Instruction 4120.6. However, the circumstances in existence now with respect to the PCB moisture problem and then with respect to moisture problems in devices contain many similar elements. In each case there was

(1) knowledge that under at least some conditions moisture penetration into the plastic encapsulated volume resulted in electrical failure,

(2) imperfect knowledge concerning the physical mechanisms causing failure, and

(3) considerable variations in the reliability of various plastic encapsulated parts.

It would appear, therefore, that the following principles of the Navelex Instruction could be adapted to the present (PCB) case:

(1) Prohibition of the use of a suspect technology (plastic encapsulation) in critical instruments (sections 6a. and 6b.),

(2) Provision for use of this technology in prescribed circumstances (section 6c.), and

(3) Establishment of procedures which govern introduction of such technology (sections 6d. and 6e.).

The last item is particularly important because it does not preclude completely the use of the technology in question as better material systems are found and reliability of the technology increases.

Question 3. What problems, if any, might be introduced if such hermetic sealing were required?

RESPONSE

If hermetic sealing were required it would be essential to estsblish, on the bases of adequate tests, the following:

(1) that deleterious materials, including moisture and corrosive chemicals, are not sealed within the enclosure in such a way that they could attack the electronic circuit or components,

(2) that the leak rate of the hermetically sealed enclosure is below an appropriate level,

(3) that the materials used for the enclosure itself and for the electrical connections (feed throughs) which pass through the enclosure are compatible with each other and with the environment in which the instrument is to be used and that these parts would maintain the hermetic seal during the expected lifetime of the instrument, and

(4) that reliable means for venting or absorbing the gas is provided, if gas-producing parts, such as batteries, are sealed within a hermetic enclosure.

It should be observed that the problems of testing for leakage in hermetic enclosures become more difficult as enclosure size increases and as plastic potting compounds are used to enclose parts within the enclosure. Furthermore, the presence of gas absorbing materials within the enclosure makes it impossible to interpret the results of almost all leak test procedures.

Question 4. Can the relative risks of pacemaker failure be assessed between hermetic sealing and no hermetic sealing of circuitry boards?

RESPONSE

It is generally accepted that hermetic sealing is the most effective way now known of keeping moisture and other deleterious elements from entering semiconductor devices and integrated circuits. However, the relationship between leak rate of hermetic enclosures and moisture penetration into such enclosures is not now well understood. It is the subject of several investigations being carried out at the present time in various government departments. The situation is further complicated by the fact that failure can occur through mechanisms not associated in any way with hermetic sealing or lack thereof.

Information regarding the behavior of plastic materials of various kinds in electronic applications is only slowly being accumulated. The most extensive series of tests yet conducted (the Panama tests on semiconductor devices described in Dr. Bullis' letter of April 3) has not yielded conclusive results.

In the absence of a solid data base against which to test specific materials and techniques, the degree of certainty with which an assessment can be made of risks of failure for hermetically sealed PCBs or non-hermetically sealed PCBs is not high.

Question 5. Would you recommend that FDA establish a standard for hermetic sealing of pacemaker circuitry boards?

RESPONSE

It is difficult to determine accurately from the GAO report and the Secretary's letter the precise causes of failure in all of the pacemakers subject to recall. It would appear from these sources and press reports that the problems attributed to the recalled Cordis units not have been prevented by hermetic sealing of the circuitry boards since the problems with these are attributed to the presence of moisture which entered or was sealed within discrete parts during manufacture. Whether the units were subsequently hermetically sealed or not, the moisture would have remained within the affected parts. Leakage of battery electrolyte such as is reported to have occurred in the Vitatron units would not have been prevented by hermetic sealing of the entire unit with the unsealed batteries inside. On the other hand, if the circuitry had been individually sealed within an enclosure, and if none of he externally exposed materials were subject to attack by the electrolyte, the circuit or its components would have been damaged by the leaking electrolyte.

At the present time, provided it is properly performed and suitable materials are used hermetic sealing of electronic devices and circuits is without doubt the most effective way of isolating them from the effects of moisture in the external environment and to reduce the incidence of failures from this cause. However, component and manufacturing faults, or improper design or materials, can also result in failures.

Therefore we would recommend that FDA establish a standard for hermetic sealing of pacemaker circuitry, but only in conjunction with other standards which cover design, materials selection, component testing, manufacturing quality control, and both accelerated stress and life testing of the assembled unit. In the event that a standard which required the hermetic sealing of the unit is adopted, it would seem prudent to provide a mechanism for modification, should other technologies be introduced which are demonstrated to have equal or superior reliability characteristics.

Question 6. Would hermetic sealing of circuitry boards also eliminate the short-circuiting problem caused by leakage of electrolyte from pacemaker batteries?

RESPONSE

This point was discussed in the response to question 5. Only if the batteries or PCB or both were sealed in separate enclosures resistant to attack by the electrolyte could hermetic sealing solve this problem.

Question 7. Would hermetic sealing of batteries pose a trapped-gas problem inside the pacemakers? In particular, can an absorbant agent be used to eliminate this problem under hermetically sealed conditions?

RESPONSE

We regret that NBS has no experience or data on which we could base a response to these questions. We are not aware of any work elsewhere now being conducted along these lines.

Question 8. Would you recommend that the FDA establish a standard for hermetically sealing the entire pacemaker unit, including the batteries; or excluding the batteries?

RESPONSE

The evidence before us at the present time does not suggest that reliability improvements would be obtained by requiring the batteries to be included within the sealed enclosure containing the PCB. On the other hand, in cases where there is no trapped gas or electrolyte leaking problem, there is no reason to exclude the batteries from the PCB enclosure. Therefore we cannot formulate a specific recommendation on this question, but would suggest that the FDA standards include provisions for qualification testing of cardiac pacemakers with either integral or separate battery assemblies.

U.S. SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., April 29, 1975.
Hon. CASPAR W. WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. WEINBERGER: I have sought the technical advice of the National Bureau of Standards in an effort to resolve conflicting points of view within the Food and Drug Administration and between the FDA and some manufacturers of cardiac pacemakers on the need for hermetically sealing pacemaker circuitry.

Enclosed please find a letter to me from F. K. Willenbrock, Director of the Bureau's Institution for Applied Technology, which recommends "that FDA establish a standard for hermetic sealing of pacemaker circuitry" in conjunction with other high standards. The letter also points out that several principles in a U.S. Navy standard for hermetic sealing of electronic components "could be adapted to the present (circuit board) case."

I urgently request, therefore, that in the interest of public health and safety, you reconsider FDA's position against adopting a standard for hermetically sealing pacemaker circuitry which you reiterated in your letter to me of April 4th. I urge you to direct the Agency to adopt such a standard immediately. I would appreciate your advising me within two weeks on what action you will require the FDA to take in response to the Bureau of Standards recommendations.

Sincerely,

ABE RIBICOFF.

EXHIBIT 2

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., April 25, 1975.
Hon. ABRAHAM RIBICOFF,
Chairman,
Committee on Government Operations,
Washington, D.C.

DEAR MR. CHAIRMAN: In your letters of March 11th and 20th, 1975, you asked four specific questions related to the Food and Drug Administration's regulation of cardiac pacemakers, and also requested the Department's comments concerning the Comptroller General's report entitled, "Food And Drug Administration's Investigation Of Defective Cardiac Pacemakers Recalled By The General Electric Company."

In my letter of April 4th, I responded to your four questions. We have now completed our analysis of the Comptroller General's report and our comments on his findings and recommendations are enclosed.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

DEPARTMENT COMMENTS ON THE FINAL GAO REPORT ENTITLED "FOOD AND DRUG ADMINISTRATION'S INVESTIGATION OF DEFECTIVE CARDIAC PACEMAKERS RECALLED BY THE GENERAL ELECTRIC COMPANY"

GENERAL

Most of the recommendations in this report stem from the circumstances surrounding the recall of General Electric pacemakers in the Spring of 1972. In the intervening three years, the Administration and the Congress have recognized the need for increased resources in FDA's medical device program, and as a result, the Agency has strengthened its capabilities substantially. Today, for example, FDA's Bureau of Medical Devices and Diagnostic Products has six times as many personnel as the comparable organization had in the Spring of 1972. Many of the GAO recommendations have been overtaken by these changes; but to view the report in its historical perspective, it is useful to reconstruct the medical device situation as it existed in 1972.

In 1969, the President directed the Department to consider appropriate actions to strengthen the regulation of medical devices. At that time, the Secretary appointed a committee headed by Theodore Cooper, M.D., then Director of the National Heart and Lung Institute, to investigate and recommend steps to improve the regulation of medical devices. The report of this task force was released in September 1970. The Secretary subsequently directed the Food and Drug Administration to implement the committee's recommendations. In September 1971, FDA established the Office of Medical Devices with a staff of 9 professional personnel and 5 clerical employees to implement those recommendations which could be undertaken without specific new legal authority. These activities included (1) initiation of a medical device inventory, (2) classification of the devices identified in the inventory into an order of priority for regulation, and (3) the initiation of steps to stimulate the development of standards for medical devices.

At the time of the GE pacemaker recall in April 1972, the Office of Medical Devices had only 10 professional and 7 clerical employees. This small group, with no laboratory capability of its own and very limited contractual resources, was responsible for regulation of more than 8,000 medical devices manufactured by thousands of firms. In the Spring of 1972, this staff was involved in a significant number of recalls and regulatory activities in addition to the pacemaker problem. During the last three months of FY 1972, for example, this staff evaluated reports of 71 adverse effects, hazards, and injuries related to medical devices, recommended or initiated nine field investigations, provided 350 advisory opinions relating to the safety, efficacy and labeling of medical devices, recommended five regulatory actions and reviewed many inspection reports and related documents.

After considering FDA's capabilities in 1972 and reviewing the Agency's performance in the recall, we believe that FDA's investigation of the GE pacemaker recall provided adequate protection to the public from further risk in this situation. The following responses to specific GAO recommendations provide additional details to support this conclusion.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to make a concerted effort to insure that the requirements of FDA's recall procedures are complied with.

DEPARTMENT COMMENT

The Food and Drug Administration has taken and will continue to take prompt and effective action to fulfill the requirements of current recall policies. These policies are set forth in detail in the Agency's Regulatory Procedures Manual. Chapter 5 of this manual contains guidelines to assist all Agency personnel in recalls of all products regulated by FDA.

The 1972 GE pacemaker recall complied with recall procedures now in effect. All physicians who had patients with a suspect pacemaker implanted at the time of the recall were notified by the General Electric Company. The GE recall appeared on the Agency's public list of recalls for the week of April 13, 1972. The effectiveness of the GE recall was monitored by the Agency. Since the company had maintained detailed records for all units being recalled, the Agency utilized these records to determine the adequacy and status of the recall. Recall records showed that of 574 suspect pacemakers marketed around the world, all but one could be accounted for, and to this date, while the consignee is known, there is no indication that this one device was ever implanted in a patient. Of the remaining 573 devices, the location of every one was identified and FDA could verify that, for the 366 which were marketed in the United States and Canada, none remained implanted in a patient without the physician's full knowledge of the facts relating to the recall. Since the Agency checked the serial numbers of the returned units against the list of serial numbers for which recall had been requested, the effectiveness of the recall could be completely verified without contacting each consignee independently.

The Agency decided that, in this case, notification of the physicians involved was the most effective and logical method to protect the health of those using the possibly defective pacemakers. In 1972 GE pacemaker recall presented a situation quite different from a recall of widely available food and drug products. The GE pacemaker problem was the first instance of a recall of a life-sustaining medical device whose distribution and use was limited and completely controlled through physicians. General Electric was able to identify each of the suspect devices by serial number as well as the consignee to whom each was shipped. Since the potential defect involved with the GE pacemaker was one that could be monitored, the patient's physician was determined to be the one best qualified, based on his experience, training, and knowledge of his patient's specific condition, to decide whether the device should be dis-implanted immediately, or carefully monitored and replaced as needed.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to establish guidelines and provide training for FDA inspections of pacemaker manufacturing facilities and equipment.

DEPARTMENT COMMENT

Since 1972, the Food and Drug Administration has taken steps to provide guidelines and training for inspection of pacemaker manufacturers. A guideline was issued to FDA's inspection personnel in February 1973, providing information on pacemaker design, components, power sources, and general problems encountered in the manufacture of pacemakers. In addition, the Inspector Operations Manual was revised to furnish improved procedures for the conduct of medical device inspection. The Agency has also conducted several special training sessions to familiarize inspectors with pacemaker design and manufacture. At the most recent week-long course in February 1975, the instruction was augmented by technical personnel from the National Institutes of Health. These courses will continue to be conducted as part of FDA's training program for medical device inspection personnel.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to establish good manufacturing criteria for pacemakers.

DEPARTMENT COMMENT

We concur. The Food and Drug Administration recognizes the need for Current Good Manufacturing Practice Regulations not only for pacemakers but for all medical devices that present significant risks to consumers. The Agency has been working since 1973 with a number of interested parties to develop such regulations. FDA plans to issue a draft of these regulations later this year.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to make a public disclosure through the news media or a statement of facts to all affected parties (i.e., physicians, hospitals, or consumers) to insure timely notification of potentially hazardous products.

DEPARTMENT COMMENT

The present recall procedures of the Food and Drug Administration include a requirement that the Agency, as directed by the Commissioner, issue a public warning or issue a statement of facts to the appropriate segment of the public concerning the product being recalled and the problem involved. Determination of the need for issuance of a press release or public warning related to a recall is based on the circumstances of each recall.

In the GE pacemaker situation, a statement of facts concerning the units being recalled was furnished to each physician involved and the recall appeared on the Weekly Recall List for April 13, 1972. A general press release or public warning was considered inappropriate since the company had already notified the affected parties through the physicians involved and this recall involved less than 1% of the pacemakers in use.

This pacemaker recall illustrates a situation where the Agency believes a general press release may alarm or frighten those not affected by the recall. An example of such reaction occurred after release of the GAO pacemaker report to the media. A number of concerned pacemaker wearers across the country contacted FDA or their physicians in the mistaken belief that they were affected by this publicity. The emotional trauma experienced by many patients when unnecessary publicity is generated should not be understated.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to require that FDA's legal counsel be consulted before a final determination is reached as to whether a manufacturer should be prosecuted for violation of the FD&C Act.

DEPARTMENT COMMENT

We believe that implementation of this recommendation is neither feasible nor desirable in all cases. The Office of the Assistant General Counsel, Food and Drug Division, does review and approve all prosecutions recommended by the Agency. However, when Agency officials decide that the facts in a particular case do not warrant prosecution of an individual or corporation, or, for that matter, decide not to seize, enjoin, or issue a warning letter for an alleged violation of the Act, the Assistant General Counsel's office is not routinely notified nor is there any present merit for a change in this procedure. If every case were referred to the Assistant General Counsel, the caseload of that office would increase several fold and prevent thorough and prompt preparation of cases requiring prosecution action. In FDA's investigation of the GE pacemaker recall, the firm and certain responsible individuals of the firm were cited to show cause why they should not be prosecuted. A hearing was held by the FDA District Office which forwarded the results to FDA headquarters. The Office of Medical Devices reviewed the hearing record and decided that prosecution could not be supported.

In order to understand FDA's decision in the 1972 GE pacemaker situation, it is necessary to recognize the criteria which the Agency and the courts apply in these situations. These legal criteria are described in a recent case, argued before the United States Supreme Court by the Solicitor General, in a Brief joined in by the Assistant General Counsel, Food and Drug Division:

"Congress and this Court in Dotterweich recognized that the strict standard of liability of the 1938 Act could operate harshly, or even unfairly, and that FDA should therefore exercise reasonable discretion in pursuing criminal prosecutions. It has, accordingly, been FDA policy to limit prosecutions to continuing violations, violations of an obvious or flagrant nature, and intentionally false or fraudulent violations. Prosecution of individual corporate officials is confined to those in a 'responsible relation' to the offense; that is, officials who have the power and responsibility to prevent or discover and correct violations and fail to do so."

"In exercising the reasonable prosecutorial discretion contemplated by Congress and this Court, FDA has applied criteria which do not result in criminal prosecutions for every violation of the statute's strict standard of criminal liability. The government is interested in the prevention and correction of conditions potentially dangerous to the public health and welfare, not in prosecution for its own sake."

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to establish pacemaker safety and performance standards to reduce or eliminate the risk of injury or illness to potential pacemaker users.

DEPARTMENT COMMENT

We concur. The Department agrees that pacemaker safety and performance standards should be established. In spite of the absence of an explicit statutory mandate to promulgate and enforce such standards, FDA, with the assistance of the Panel on Review of Cardiovascular Devices, has taken progressive steps leading to the development of appropriate standards. In May 1974, FDA awarded a contract to the Association for the Advancement of Medical Instrumentation for the development of pacemaker standards including (1) labeling, (2) standard test procedures, (3) performance standards, (4) power source standards and other design standards. FDA expects the results of this contract to provide the basis for a comprehensive pacemaker standard.

Although a performance standard is necessary, it is important to recognize that there is a relatively short use-history for pacemakers and their components and that manufacturers are continually applying new technologies to make these life sustaining devices more reliable. In order to create a standard for a product, one must have thorough knowledge of the technology involved as well as the product and the interrelation of its components in order not to create new problems while attempting to correct more obvious deficiencies.

SENATOR PERCY'S MIDEAST REPORT

Mr. SPARKMAN. Mr. President, in January my distinguished colleague from Illinois (Senator Percy) conducted an extensive factfinding tour of the Middle East under the auspices of the Committee on Foreign Relations. In 23 days he visited a dozen nations and had the unique opportunity to confer at length with the heads of government and other political and opinion leaders in that volatile and important region.

Senator Percy has now presented his formal report on that journey to the committee. It is a comprehensive and informative description of the Middle Eastern situation, one that I think can be of immense value to our colleagues on the committee and to the Senate as a whole. In his report, Senator Percy warns that time is running out on the efforts to achieve a lasting peace in the Middle East. But he expresses hope that, given the collective moderate leadership now in power in the region, peace can be achieved.

Mr. President, I ask unanimous consent that the conclusions of Senator Percy's report, along with an editorial comment on the report published in the Chicago Tribune on April 23 be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

War or Peace: Some Conclusions

Throughout the Middle East, I found widespread expressions of peaceful intent coupled with a general sense of pessimism as to whether peace in the region can soon be achieved. In all of the confrontation states, I was repeatedly warned that time is running short, and that unless significant negotiating progress is made in the near future, there exists a very real danger of war this year. It is widely perceived that this danger will be sharply heightened if the United Nations' mandate in the area is not renewed.

I do not believe these warnings are ill-founded. For although all parties profess a deep desire for peace, they seem far from agreeing on what peace should consist of and on how to proceed from the present state of belligerency to a genuine relaxation of tensions. The danger signs pointing to the possibility of yet another Arab-Israeli war include the following:

The recent suspension of the step-by-step negotiations diminishes the chances of a negotiated settlement in the near future; Israel is likely to find it more difficult to reach an accord with a group of united Arab nations at Geneva if it cannot first reach an agreement with Egypt alone.

The Arab confrontation states (along with most of the rest of the Arab world) are united in their demand that Israel return almost all of the land occupied during the 1967 Six-Day War.

President Sadat of Egypt is insisting both publicly and privately that there be negotiating progress not only between Egypt and Israel, but on all fronts, thus easing particularly Syrian and Palestinian concern that Egypt will act solely in its own interest.

The Arab states continue to be understandably concerned about the continuing flow of U.S. military aid to Israel, while Israel is deeply concerned, also understandably, about the inflow of Soviet arms to neighboring, hostile nations. On both sides, there is a steadily increasing military buildup, including intensive training activities.

The Palestinian problem is a more contentious and a more dangerous one now that the Arab world is united in its insistence on the creation of a sovereign Palestinian state to be negotiated for by the PLO, an organization with which Israel flatly refuses to negotiate, citing public declarations by the PLO that it is dedicated to the destruction of Israel as a Jewish state.

Egypt is demanding the return of the Abu Rudeis oil fields in the Sinai, which provide Israel with about 50 percent of her energy requirements.

Many Arab leaders continue to insist that at least part of Jerusalem be put under Arab control, even as Israel continues its building and population expansion program in the primarily Arab eastern sector of the city.

These are some of the major reasons why so many observers in the region view the possibility of a fifth war as very great. Perhaps Jordan's King Hussein summarized the mood best when he characterized the present situation as "a false peace that is shrinking by the hour." In addition, of coures, there is always the danger that unexpected developments could trigger an outbreak of hostilities. As we have seen in recent weeks with the PLO attack on Tel Aviv, with King Faisal's death, and with the suspension of the step-by-step negotiations, critical events in the Middle East can occur with great suddenness.

Nonetheless, I came away from the Middle East not without hope that a lasting peace can still be achieved between Israel and her Arab neighbors. For one thing, there is so much logic in favor of peace. Moreover, there is a fundamental understanding on all sides that still another war would be terribly damaging to "winners" and losers alike, and that the continuation of the present no-war, no-peace situation can only prove ever more costly to everyone involved.

Financing their war establishments is pushing both Egypt and Israel toward national bankruptcy. Egypt, with a gross national product of $9 billion, will have a balance of trade deficit in 1975 approximating $2 billion; inflation is estimated to be near 20 percent, but figures are so poor that no real index exists. Israel's balance of payments deficit will be approximately $3.5 billion this year, a $2.5 billion increase over last year; inflation is running at 30 percent. To remain solvent, Israel has had to devalue its currency and raise taxes.

Another reason for hope is that despite their occasional rhetoric to the contrary, moderates hold power in many of the key countries, at least for now. I perceived President Sadat, Prime Minister Rabin and King Hussein as reasonable men with little appetite for another war. Even President Assad of Syria, whose reputation is that of a hard-liner and a hawk, seems to provide a vital moderating voice within the context of his own government.

If this collective moderate leadership does not soon make substantive progress toward peace, it seems most unlikely from what I saw and heard in the region that more moderate leadership will take its place. That is why I believe the present moment is such an important and opportune one, one which must be seized before it is too late. For this fortuitous mix of personalities will not last indefinitely; in fact, a failure to achieve a settlement soon may well result in the political downfall of one or more of these leaders.

Given a genuine desire for peace on the part of generally responsible leaders, what is required to bring about a settlement that might endure? What adjustments of policy might enable the peace effort to succeed?

To begin with, I believe the Arabs must try to better understand Israel's deep fears for her safety, indeed for her very existence. After all, the horror of the holocaust was real and can never be forgotten; throughout Israel, there are men and women whose relatives perished in concentration camps, or who themselves were there. Former President Nasser of Egypt left Israelis with the impression that he would like to see their young nation pushed into the sea. And much more recently, last fall at the United Nations, Yasir Arafat, head of the Palestine Liberation Organization (PLO), repeated in the form of a "dream" his organization's goal of a secular Palestinian state of Moslems, Jews and Christians; to most Israelis, this was a threat to the survival of Israel as a primarily Jewish state. At the very least, the PLO's wanton terror raids and its unwillingness to accept Israel's sovereignty can only add to Israel's understandable fears.

A hopeful fact is that there has been a distinct trend within the Arab world since the 1973 war toward an acceptance of Israel's right to exist and of Israel's people to be secure from outside force. Perhaps the most notable breakthrough in this regard came in November, 1973, when Syria finally accepted the basic elements of the six-year-old United Nations Security Council Resolution 242; the resolution not only called for Israeli withdrawals, but upheld the right to exist of each country in the region. Throughout my trip, Arab leaders pointed (privately) to Resolution 242 as evidence that Israel had achieved de facto recognition among most Arab nations.

Throughout the Arab world, we heard very little animosity expressed toward Israel or the Jews; this was in sharp contrast with my first visit to the region 13 years ago. Frequently, the Arabs point out that Arabs and Jews lived side by side in the Middle East for centuries. Prime Minister Rabin was never referred to in disparaging terms; he was looked to as more moderate in approach than others who could replace him as Israel's leader. (But always concern was expressed as to whether he would be driven to war or prevented from ever negotiating a peace by the "hardliners.")

My hope is that what Arab leaders told me and others privately they might now make publicly and unmistakably clear: that they do accept Israel's right to exist. I believe this would be a significant demonstration of good will. (In this connection, I might note that I did not see the State of Israel named on a single Arab map. As a gesture of good faith, why not now put her there, "on the map," where she rightfully belongs.)

Another way in which Egypt in particular can promote a spirit of compromise and peace is to at least allow the passage of Israeli cargo through the Suez Canal when it is reopened this June; this again would be a sign of the good faith which is so badly needed in the present situation.

Everywhere I traveled in the Arab world, Arab leaders told me that a new Palestinian state combining the West Bank and the Gaza Strip would have to be an essential ingredient in any permanent peace package; they insisted that such a Palestinian state could and would be a moderate one with no designs on Israel Although Yasir Arafat is widely viewed in America and elsewhere as a pistol-wielding terrorist, there is a definite concensus among Arab and neutral observers in the region that within the Palestinian liberation movement, Arafat himself must be considered less extreme than many of his followers or potential successors.

All of this may well be true, but it is understandably difficult for Israel to accept these claims and promises of Palestinian moderation when the PLO and others continue to conduct savage terrorist raids inside Israel. It is little wonder that Israel questions Arab motives and intentions when it is Arab nations which encourage, aid and finance the terrorists. The prospects of peace would be significantly enhanced if the Arab world would use its considerable influence to do everything possible to end Palestinian terrorist raids into Israel. Now, and even more so if a Palestinian state is eventually created, the Arab world has a responsibility to act as a moderating force.

Finally, if the Arab world would end its economic warfare against Israel, if it would end its boycott of Israeli goods and of companies doing business with Israel, the climate for peace would be improved. Regretfully, I should add, I saw little prospect of such a move in the near future.

Since my return from the Middle East, I have been repeatedly asked, "What would the Arabs give up in exchange for substantial Israeli withdrawals?" Frankly, I do not know what they would give up, but while in the region, I suggested to Arab leaders a number of political concessions which I urged them to consider—concessions which would surely contribute to stability and peace in the region.

To summarize, this is what the Arabs could do:

(1) Publicly acknowledge Israel's right to exist.

(2) Give assurances of non-belligerency.

(3) Allow free migration to Israel of Jews living in the Arab countries, giving them the same rights accorded all other residents.

UMI

(4) Establish limited diplomatic relations, very much as we have done in China, leading to full diplomatic recognition of Israel.

(5) Allow the beginning of cultural and non-military technical exchanges with Israel.

(6) Permit the opening of trade with Israel.

(7) End the Arab boycott.

(8) Guarantee free access of Israeli-flag ships, as well as cargoes, through the Suez Canal when it is opened.

(9) Develop joint economic projects to combine Israeli technology and know-how with Arab manpower and money.

(10) Put Israel literally on Arab maps of the region, and

(11) State publicly and clearly their continued adherence to UN Resolution 242, which acknowledges the sovereignty, border integrity and the right of all citizens in the region to live in peace, including the citizens of Israel.

These are actions which I believe the Arabs should take in their own interest and in the interest of peace.

What of the Israelis themselves? What might they do to promote the cause of peace at this critical juncture?

First and foremost, while their desire for guaranteed national security is completely understandable, it is also unrealistic and in fact impossible; no nation on earth, including the United States and the Soviet Union, enjoys such a guarantee. I left Israel with the impression that until she is willing to take some risks for a peace which is so clearly in her self-interest, peace will continue to elude her.

Some Israeli leaders appear to believe that the current state of no-war, no-peace, can continue indefinitely; if they do, I think it is a dangerous misconception. The Arab confrontation states believe that while they might well lose a next war, or even another after that, time in the long run is on their side. And I tend to agree with them. For one thing, the Arab nations are more united now. Population has always been on their side, and now, with their fast-growing oil wealth, so is money. "The gap," said one observer, "has always been technological, but now the Arabs are closing that gap." Egypt and Syria will soon become at least as well armed as Israel; we know now, for instance, that the Soviet Union recently delivered six MIG–23 fighters to Egypt, reportedly the first installment of 48, or enough for four squadrons. "The introduction of the supersonic MIG–23's in Egypt," the New York *Times* has reported, "after the delivery of 45 of these planes to Syria and 40 to Iraq, is expected to alter the balance of air power in the Middle East. Air Force sources here and abroad regard the MIG–23 as more maneuverable and slightly faster than the F–4 Phantoms, which are the cutting edge of the Israeli air force." I only hope that Israel will not pass up any legitimate negotiating opportunities which may now exist, because six months or a year or two years from now, a negotiated settlement may seem less desirable to the Arabs.

Throughout the Middle East, Arab leaders, as well as Palestinians not affiliated with the PLO, insist that there can be no meaningful settlement in the region until a permanent homeland is established for the displaced Palestinians. It seems to me that if anyone should be sympathetic to the desire of Palestinians for both recognition and a home of their own, it should be the people of Israel, who have worked so diligently and courageously to achieve those same objectives for themselves.

One can well understand Israel's reluctance to negotiate with the PLO given that organization's sickening record of terrorism and threat. Too, one may deeply regret that a man who is an acknowledged terrorist leader should be regarded as even a "relative moderate" in the context of the Palestinian liberation movement, but clearly that is the reality facing Israel—and the world—today. And unhappily, in this all-too-real world, we cannot select our enemies; we have to deal with adversaries as they are, striving for mutually beneficial accommodations which hopefully will lead to an end of the bloodshed. This does *not* mean appeasement; it means an effort to seek mutual advantage and peace for both parties.

If Israel continues to refuse to talk with the chosen leader of the Palestinian liberationists—a leader both acknowledged and supported by the entire Arab world—then I believe there will be no possibility of a durable peace in the Middle East and certainly no security for Israel. Such talks may get nowhere, may change nothing. But without them, I can foresee only a mounting toll of those innocent victims of PLO attack and Israeli counter-attack, ad infinitum. And should Yasir Arafat be succeeded by someone more extreme (as most observers believe would happen should he fall from power in the near future), then the terrorism will very probably be escalated, and with it the chances of the full-scale war we are all trying so hard to forestall.

I also believe there will be no peace for Israel, no security for Israel, until she withdraws from most of the lands she has occupied since the 1967 war. Egypt and Syria are no more likely to passively or permanently forfeit that land than Israel would if regional positions were reversed. Adjustments will probably have to be made in the pre-1967 borders, especially along the strategically critical Golan Heights, but I view the return of most of the occupied territory as an absolute prerequisite to a settlement that is to have any real chance of success. I personally believe that major withdrawals are absolutely inevitable. Why not take the first step now?

The remarkable first Prime Minister of modern Israel, David Ben-Gurion, put it this way: ". . . To get peace, we *must* return in principle to the pre-1967 borders. We simply haven't the available Jews to populate all Biblical Palestine. So when I consider the future of Israel. I only consider the country before the Six-Day War. We should return all gains except East Jerusalem and the Golan . . . East Jerusalem for history and the Golan for security—and considering the strength of Arab sentiment, some degree of accommodation will be necessary even here. As for Sinai, Sharm-el-Sheikh, Gaza, the West Bank—let them go. Peace is more important than real estate. With proper irrigation we now have quite enough land here in the Negev to care for all the Jews in the world—if they come. And they certainly will not all come.

"As for security, militarily defensible borders, while desirable, cannot by themselves guarantee our future. Some sections of our people still have not learned this lesson. Real peace with our Arab neighbors; mutual respect and even affection; perhaps an Arab-Israeli alliance; in any case a settlement they will not reluctantly agree to live with, but will enthusiastically welcome from their hearts as esential for our common future—that is our only *true* security."

Although I was not aware of these words of Mr. Ben-Gurion until I returned from the Middle East, they reflect precisely the conclusions I reached during my journey.

I have not changed my long-held support for the legitimate aspirations of the brave people of Israel. I continue to support Israel's desire for peace and security. And as I told the rulers in each of the 12 Arab nations. I visited, in any settlement the sovereignty of the State of Israel and its people must be assured.

But it is precisely *because* I care deeply about Israel and her future well-being that I now recommend changes in her policy vis-a-vis her Arab neighbors.

The changed circumstances in the Middle East requires changes in Israel's policy, because, for one thing, her potential enemies are no longer as weak as they were only a few short years ago. And unfortunately, as I have said, time is not on Israel's side. My hope, therefore, is that Israel will now negotiate in such a way that will enable the more moderate Arab leaders to resist the pressures of hawkish and radical elements in their respective countries, elements which would welcome another war.

As I have already indicated, in exchange for Israeli withdrawal from most of the occupied lands, Israel can reasonably insist upon formal diplomatic recognition by the Arab states, free and unhampered use of the Suez Canal for cargoes destined for Israel as well as for Israeli-flag ships, the beginning of economic and cultural contacts with the Arab nations, an end to the Arab boycott, and freedom for Jews to travel in and from Arab countries.

During the difficult period of negotiation ahead, during any period of rearrangement, and on into the future, I favor appropriate American diplomatic, economic, political and military assistance for Israel.

But as I stressed to Prime Minister Rabin and other Israeli leaders, I believe that Israel can continue to enjoy overwhelming American public and Congresional support only if Israel's efforts for peace are credible. The growing impression of Israeli rigidity in negotiation must be dispelled. This certainly does not mean that Israel is expected to take actions contrary to her national interests; even her enemies wouldn't expect that.

I would hope that Israel, in her own interest, would make those adjustments of policy which could help avert a fifth and bloodier war. There are perils in any policy, in any path, but I for one am convinced that the long-term peril to Israel is far greater if she fails to bend more in negotiations now than she has in the recent past.

Some other observations which apply to both sides in this long-running conflict:

As much as I admire the diplomatic skills of Henry Kissinger, I came away from the Middle East concerned that all the confrontation states were relying too heavily on the U.S. to make peace in their area of the world. For ultimately, only the parties directly involved can take the steps, demonstrate the good faith, create the good will, and make the concessions and compromises which are required for a lasting settlement of their differences.

Jerusalem is a city, and an issue, so complex and laden with religious emotion that I would suggest saving it as the final point to be negotiated *after* dealing first with other issues which might more easily yield to solution. When the other problems are settled, there may then be sufficient trust generated—and momentum—that an accommodation can be reached on Jersualem.

At the earliest possible opportunity, I hope both sides will sit down for face-to-face negotiations. Both sides are presently led by intelligent men who, in direct negotiations, could be expected to deal with differences more effectively than by always relying on even the most skilled of middle-men.

Throughout the region, there are extremists bringing pressure to bear on those in power, and it would be a disaster to let them push the region into an unwanted war. The last war left both sides much worst off economically; a next war would have the same effect, only more so.

I cannot stress too strongly my belief that the United States neither should nor would support an unprovoked preemptive strike by either side. In my judgment, such a strike by an Arab nation will do more than anything else to insure continued heavy U.S. military assistance to Israel, as well as to turn off the American people to Arab interests and needs. Such a strike by Israel would almost inevitably cause a dimunition of support for Israel in the United States. Moreover, the entire world has an important stake in peace in the Middle East; the entire world could well be endangered by a new full-scale war between Israel and the Arab nations. For either side to initiate such a war would be the height of international irresponsibility.

The recent suspension of the step-by-step negotiations raises the spectre of further stalemate at Geneva. For this reason, I urge that efforts for a pre-Geneva arrangement—either partial or total—be accelerated and pursued on an urgent basis.

Finally, for those of us in the United States, there are a number of policy questions which we owe it to ourselves to examine carefully in the weeks and months ahead:

To what extent should we continue to directly or indirectly arm both sides in the Middle East conflict? I find this a particularly disturbing trend, one which I hope the Congress and the Executive will reevaluate together. If there is another war in the area, it is likly to be more devastating than past wars, partly because ever more sophisticated and punishing U.S.-supplied weapons will be in the hands of both sides.

To what extent, if any, should we be willing to contribute U.S. troops to a multinational peace-keeping operation in the Middle East, or to finance UN forces or observers (e.g., border patrols)?

How can detente be used to influence the USSR to moderate its own policies of arms aid in the Middle East, thus helping to create an atmosphere more conducive to successful negotiations and peace?

Is our approach to the Middle East conflict a prudent, constructive one? If not, what can be done to make it more so?

SENATOR PERCY'S UNPOPULAR ADVICE

In his report to the Senate Foreign Relations Committee on his fact-finding tour of the Middle East, Illinois' Sen. Charles Percy offers both Arabs and Israelis just the kind of advice that neither side wants to hear. This speaks well for his impartiality, but won't do much for his popularity in either camp. We wish the chances of his advice being heeded were better than they seem to be.

Mr. Percy's thoughtful, 69-page analysis of the Arab-Israeli conflict boils down to this: Continuing the present deadlock can lead only to more war. To break it, both sides must make concessions very difficult for them; they must smother their feelings and deal with facts. And the time to start is now, when "reasonable men" are in positions of leadership on both sides. These leaders—Sadat of Egypt, Hussein of Jordan, Rabin of Israel—might be replaced by hard-liners and hawks unless their policies show signs of success.

Mr. Percy's counsel will grate hard on Arab nerves. He suggests among other things that they "publicly recognize Israel's right to exist," give assurances of nonbelligerency, and put Israel—literally—on their maps. These are largely symbolic moves, but to many Arabs what they symbolize is surrender and it will take extremely careful persuasion on the part of moderate leaders to bring them about.

The key to this conflict, however, is Palestinian rights, and this bears hardest on Israel. According to Mr. Percy, Israel's refusal to deal with the Palestinian Liberation Organization is "unrealistic" and makes her efforts for peace "less credible"; the results may include a dwindling of American support for Israel in and out of Congress.

To Israeli ears this is blunt and disagreeable talk, but what Mr. Percy is saying in essence seems to us undeniable. It is that Israel, or any nation in a similar situation of danger, had better deal with that situation as cooly and logically as it can; that when national survival is at stake, facts should be given more weight than feelings, no matter how strong.

The Israelis' feelings are certainly understandable. To them the P. L. O. and its leader, Yassir Arafat, represent total evil—an army of homicidal fiends who have indiscriminately murdered Israeli men, women, and children, and mean to go on murdering more.

Once this has been stated, however, the following facte remain:

Without a settlement of the Palestinian problem there will be no peace in the Middle East. There can be no settlement unless the Palestinians are represented in it. There is no one to represent them but the P. L. O. And no expression of feeling will have the slightest effect on those facts.

The facts may provide a common basis for agreement. Feelings cannot. Israeli search-and-destroy missions into southern Lebanon, for instance, have produced their share of tragedies; families on both sides have seen sons and daughters killed by mistake. How is the world to judge which grief is greater, Arab or Israeli?

The Israelis may keep saying, in effect, "We feel so strongly about this question that we must be excused from dealing with it rationally." And we may be inclined to excuse them. The results, however, will be no better on that account for them or for us.

The simplest, and in the long run the best, standard for judging a nation's policies is their effectiveness in producing desired results. By that standard Sen. Percy's approach is far more promising than the current Israeli policy of saying "Never."

THE PORTUGUESE ELECTIONS

Mr. PELL. Mr. President, wherever freedom rings there is rejoicing over the results of the Portuguese elections last Saturday to choose members of a constituent assembly. In my statement a week before these first free elections in Portugal in 50 years—CONGRESSIONAL RECORD, pages 10857–58, April 18, 1975—I expressed confidence that if the electoral process were really free and fair, the Portuguese people would eschew an extremist choice for the middle way.

With the moderate candidates of the Socialist and Popular Democratic Parties winning 64 percent of the vote and the Communist and small allied parties only some 19 percent, that confidence was resoundingly substantiated. The innate sense of moderation and proportion of the Portuguese people did, indeed, prevail.

The Portuguese leadership commendably fulfilled its promise to provide genuinely free elecitons. And congratulations are due the Portuguese electorate for its vote of confidence in a democratic rather than an authoritarian way of national life.

The months and years ahead for Portugal will still be difficult and slippery. But with the ballot box and the megaphone, the Portuguese people have broadcast a message loud and clear to their own leaders in the Superior Council of the Revolution and to the Armed Forces Movement as well as to the world. "Hear this," the message reads, "we renounce the exchange of one dictatorship for another." What a great and encouraging message that is to all the democratic world assailed with self-doubts and wobbly leadership.

I believe that only at their peril can extremist elements in Portugal now attempt to subvert such a determined message. I believe, too, that the outside world, East or West, must equally heed this message and scrupulously refrain from interfering in any way in Portugal's internal choices. If as claimed, for instance, the Soviet Union gave massive pre-election support to the Communist Party in Portugal, it must now be disappointed with the return on its investment. On the other hand, our Ambassador Frank Carlucci has every reason to be pleased that despite agonizing in high places in the United States, his calm advocacy of a measure of patience and understanding in our policy toward Portugal has been amply vindicated.

I know that the friends of Portugal everywhere will join me in congratulating the Portuguese people for the faith they have shown in the democratic process and in wishing them well as they join the ranks of open societies in the march to a free future.

THE WORSENING SITUATION IN CHILE

Mr. ABOUREZK. Mr. President, Victor Perera, a Guatemalan novelist and free-lance journalist has written an excellent article in the New York Times Magazine on the deplorable state of affairs which continues in Chile. Contrary to recent reports that the crisis is easing and the situation is improving, Mr. Perera found it worsening. The inflationary spiral reached nearly 400 percent in the last year. Even when one considers the serious problems which our 11-percent inflation rate has caused, it is impossible to realize the ramifications of the awesome rate now found in Chile.

The systematic and inhuman torture of the Chilean people continues and according to Mr. Perera, due process under the law for most political prisoners is nonexistent. Censorship is still as heavy handed as during the first days of the coup and academic freedom for Chilean students is only a dream. The Chilean junta has clamped its grip on every facet of Chilean society and the repercussions of that are fèlt even beyond its own borders.

There is a great deal of talk these days about the lessons to be learned from our experiences and our involvement in Vietnam. We should add to those lessons another chapter from our tragic and despicable involvement in the internal affairs of Chile.

Mr. President, I ask unanimous consent that the article by Mr. Perera be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine, Apr. 13, 1975]

LAW AND ORDER IN CHILE

(By Victor Perera)

SANTIAGO.—I had come to Chile not long ago as an admitted opponent of the military junta that unseated Marxist President Salvador Allende Gossens on Sept. 11, 1973, in one of the bloodiest military take-overs in Latin America's history. I would find that

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the military junta's policies have crippled the country's long-standing democratic institutions in ways that go far beyond the damage already suffered during Allende's three years in office.

I entered as a tourist, to forestall the harassment encountered by two fellow journalists after they had written articles critical of the Government. Joseph Novitski of The Washington Post had been placed under house arrest for several hours, and Jonathan Kandell of The New York Times had been stopped at Pudahuel Airport and placed on the next plane to Lima.

Tensions then were heightened by the assassination of exiled Army Gen. Carlos Prats Gonzáles, who had been Allende's Commander in Chief. The general and his wife were blown up in their car, in Argentina, by unknown assailants, and his body was flown back to Santiago for a politically charged funeral. General Prats, who had still commanded the respect and loyalty of many younger officers and enlisted men despite his promise to keep a "correct" silence while in exile, had remained one of the few men considered strong enough to spark an internal rebellion against Gen. Augusto Pinochet Ugarte and his ruling junta. Another source of added tension was a holdup of the Bank of Chile, an act that embarrassed the junta and led to massive roundups of suspected leftists.

Soon after my arrival, I walked around Santiago's inner city, which is outwardly calm and orderly. The streets are spotlessly clean and the air is so clear that distant Andean snow peaks seem to hang in air, just above the city's rooftops. The department stores seem scantily stocked and devoid of chic; even the store-window manequins look dowdy and outmoded. Bookstore windows prominently display Piers Paul Read's account of the Uruguayan Andean survivors, "Alive," in Spanish translation. Other favorite titles are "The Little Prince" and Richard Bach's "Salvador Gaviota" ("Jonathan Livingston Seagull"). In university bookstores, student journals contain articles on archeology, the stiff new grading system and pre-20th-century literature and history. There is a conspicuous vacuum on politics and current events.

An uneasy stillness pervades Santiago's restaurants and cafes, particularly in the evening; the strain of speaking in hushed voices is felt like a cold draft. As I sit in the Waldorf Cafe I hear on the radio a Government spokesman expressing "the people's great admiration for the men who guard us." He calls for closer relations between the grateful citizenry and the military. "On the Day of the Fatherland write your local garrison and share with a soldier some anecdotes of his life . . . and you, women citizens, partake with a soldier's wife her valorous experiences while he is in the guardhouse performing his duty. . . ."

The huge central post office is empty, as desolate as a mausoleum. The sullen clerk refuses to sell me stamps and insists on machine-stamping my letter so that I cannot mail it from outside. A hand-lettered sign in front of another window reads, "Do not inquire except for urgent reasons, and then be brief." The clerk sits thumbing desultorily through a sheaf of papers.

At the rear of the post office a large red and blue poster boasts with specious logic, "In Every Chilean There Is a Soldier. In Every Soldier There Is a Chilean." The small copyright below belongs to a United States advertising agency.

The oppressiveness in the city lets up briefly at dusk, in that charged interval between day and night when the blood quickens and strangers smile and brush shoulders in the street. At twilight, a schoolgirl smiles and lifts her shoulders at me. This innocent flirtation startles me out of a deepening numbness. I realize that during my stay in Chile my senses have been closing up; I am becoming anesthetized. The absence of gesture has been so prevalent that even the simplest transactions acquire a lucid distinctness.

By around 10 at night, three hours before the curfew, restless crowds mill about the parklike Plaza de Armas. Under state-of-seige provisions, organized public assembly is prohibited, but tensions build during the day and the plaza is one of the few places where they can be released without attracting the attention of the military police.

As I enter the square a ragpicker is screaming that his sack of old clothes has been stolen. "They have robbed me," he shouts, flailing his arms at the crowd that has gathered to jeer him. "They have beaten me on the head. I am not a bad man." A policeman tries to calm the ragpicker but he keeps breaking loose and flailing his arms at the spectators who taunt him and squeal aloud as they dodge his blows. A second policeman starts to beat him.

"They are all the same, these filthy police," a woman in provincial dress mutters aloud. A bent old man standing nearby reproaches her: "One doesn't speak that way any more."

The woman wheels around and turns on the old man. "Who are you to tell me how to speak, you dried-up old goat? I have three small children who could beat you up."

"I said you don't speak like that now, you silly ———," the man says. "Have you no respect for your elders?"

Within seconds, two hostile camps have formed. Two peasant women and several urchins in ragged clothes side with the woman, while three elderly men who look like park regulars rally to the man's side.

"You queer old lady," the woman shouts. "Faggot of Pinochet. I have no respect for you or your kind. I respect only the young." She laughs mockingly and sticks out her tongue.

"We'll call the military on you," warns one old man in a straw hat, as he shakes his cane at the woman.

She turns her backside and bumps it at the old men, which makes the urchins shriek and clap their hands in delight. But the people disperse.

I walk to the other end of the park, where a one-legged newspaper vendor on crutches and a barefoot bootblack are trading insults, gathering still another crowd of oglers and hecklers. I can still hear the shrill, jeering laughter of the provincial woman, the piercing screams of the mad ragpicker. This is a plague-ridden medieval town.

I am in my hotel room by midnight, looking at the empty, brightly lighted Plaza Constitución. About an hour later, three shots ring out, followed by a police siren, which causes two dogs to bark in concert for the remainder of the night. Sometime before dawn a rooster crows, in the heart of the city.

The newspapers at this time were full of the death of Miguel Enriquez, secretary general of the underground MIR (Movement of the Revolutionary Left), who had been killed in a gun battle with military, security and police forces in a suburb of Santiago. Two other MIR leaders had been wounded: Pascal Allende, nephew of the former President, and his companion, Carmen Castillo, who was seven months pregnant. Pascal Allende had escaped.

"We have won a victory," said Col. Pedro Ewing, the Government Secretary General, "but the war is not over." The front pages showed him returning 15 million escudos ($7,500) to the Bank of Chile.

In the following days, the military uncovered a number of underground arsenals and clandestine hospitals belonging to MIR, as they continued intensive house searches and massive detentions in Santiago and the outlying shantytowns. The conservative newspaper El Mercurio reprinted a story from Le Monde, in which Enriquez's brother Edgardo mourned his death and vowed to continue the struggle. "His successor has already been chosen," Edgardo said. "This is not a catastrophe for MIR because it is deeply rooted in the working class."

An editorial in the conservative newsweekly *Que Pasa?* dealt not unsympathetically with Enriquez and his followers, after deploring their misguided idealism: ". . . and if we realize that the MIRist youth constituted the human élite of the country, destined to signal and light the way for the rest of the people . . . then we shall understand to what extent, without knowing it, we were a sick country, in need of a painful and complete surgery."

The Movement of the Revolutionary Left began in 1966 as a radical student organization of disaffected Maoists and Trotskyists from the Socialist and Communist parties; it never formally joined Allende's Popular Unity Government, although it had supported his election, and often worked with the far-left faction of his Socialist party.

During Allende's three years in office MIR organized armed cadres of peasants, students and workers; they stockpiled large quantities of Soviet arms smuggled from Cuba and reinforced their ranks with trained guerrillas from abroad. They continually pressed Allende into moving faster in nationalizing foreign industries and agricultural estates, even when doing so led to serious constitutional infringements. Ironically, MIR probably contributed as much as any of his enemies to undermining Allende by antagonizing moderates and inflaming the anti-Marxist hatreds of landlords and the top military brass. Much of the junta's brutality was sown by the extremist tactics of MIR, whose leaders are now sharing the fate suffered by thousands of Popular Unity members and supporters assassinated or jailed by the junta.

There is evidence that the coup may have been plotted by Adm. José Toribio Merino from his naval stronghold in Valparaiso, with the enthusiastic backing of Air Force Gen. Gustavo Leigh Guzmán. But Army General Pinochet, who is said to have been the most reluctant to join the conspiracy, emerged as the strongest member of the new military junta and, last June, proclaimed himself President of the Republic. Admiral Toribio Merino, occupying second position, is in charge of the economy; General Gustavo Leigh, in third, deals with social policy.

The military seizure left at least 2,000 dead in the first week—among them Salvador Allende, who was officially ruled a suicide after he died defending the Moneda Palace—and an estimated 20,000 Allende supporters in Government prisons and detention centers scattered throughout the country. (Figures for the total number of Chileans killed by the junta range from 4,000 to 18,000.) The systematic and continuing torture of hundreds of political prisoners has been confirmed by a number of international organizations, among them the Organization of American States and Amnesty International.

A week after the coup, a "State of Siege in Time of War" was declared by the four-man junta, which called itself "a Government of national restoration and dignity" and pledged to uphold legality and the Constitution. Within a matter of days, it proceeded, nevertheless, to issue a succession of decrees

that dissolved the National Congress and suspended most constitutional liberties, including the right of assembly; banned the Central Workers' Confederation, with a membership of more than one million, and killed or jailed most of its leaders; outlawed strikes and collective bargaining and did away with much of the hard-won protective legislation passed by previous administrations. MIR, the Communist and Socialist parties were outlawed, and all other political parties were declared in "indefinite recess." The junta emasculated the already weakened court system by pressuring its allies in the Supreme Court and the Chilean Bar Association to quash effectively all habeas corpus petitions; it has indefinitely postponed civil trials of an estimated minimum of 6,000 to 7,000 political prisoners.

The junta has imposed a heavy press and TV censorship, after closing down five leftist newspapers. La Prensa, official organ of the once centrist Christian Democratic party, shut down voluntarily soon after the coup. "There seems no point in putting out a political newspaper when politics is banned," declared a spokesman. Of the remaining five newspapers, two are ultraright Government mouthpieces and three belong to the conservative El Mercurio organization, which consistently opposed Allende's policies. (El Mercurio, it was revealed to The Times by a source in the Central Intelligence Agency, was one of the principal beneficiaries of C.I.A. funds earmarked for the "destabilization" of Allende's Government.)

The junta violated a long tradition of university autonomy by outing recent Allende appointees and installing military rectors in most of Chile's seven universities and purging them of scores of thousands of Marxist and left-leaning faculty members and students. "Prosecutors" were named among rightist faculty members and students to encourage denunciations of leftist sympathizers. Sociology and philosophy courses were replaced by more in technology and indlustrial science.

All Cabinet posts have been filled with military brass or members of the conservative National party, which represents the large landholding families and corporate interests. Among the junta's economic and political advisers are former members of the fascist Fatherland and Liberty party, now defunct, and by a group of United States-trained laissez-faire economists known inside Chile as "the Chicago Boys." The junta has also briefly hired subsidiaries of United States advertising agencies such as J. Walter Thompson and McCann-Erickson to "sell" the military Government domestically and abroad. It has enlisted as consultant for DINA (the Chilean secret police) the former Nazi S.S. officer Walter Rauff, who supervised the extermination of thousands of Jews in mobile gas chambers during World War II.

The coup had not only the support of landowners and industrialists directly affected by nationalization under Allende and his predecessor, Eduardo Frei, but also the support of large sectors of the middle class which had grown disillusioned with Allende's harsh taxation and economic measures. The coup had the tacit backing of the United States military, particularly the Air Force, which went on sending supplies to the Chilean armed forces ($47 million worth) after credit loans to Allende were cut off by U.S. banks. And the C.I.A., as has now been publicly revealed by C.I.A. director William Colby and President Ford, contributed directly to Allende's downfall, if not to the military take-over, by spending well over $8 million to subsidize opposition parties and newspapers and finance the paralyzing strike by 40,000 truck owners in October, 1972.

The country's Christian Democrats, which had been the largest opposition party, and which had severely criticized Allende's economic and constitutional excesses, at first welcomed the junta as a transitional Government of national reconstruction. In recent months it has grown increasingly disaffected with the junta's far more extensive constitutional violations, the jailing of exiling of its members, particularly those who had cooperated with Allende: Bernardo Leighton, Frei's former Vice President, for example, was banned from returning to Chile after making antijunta declarations in Europe; former Senator Renan Fuentealba was expelled after calling for a return to civil liberties. Even Frei, who heads the now splintered Christian Democrats but who never cooperated with Allende, broke a long silence recently and denounced the Government's flagrant disregard for human rights.

The Communist party has gone underground. Its secretary general, Luis Corvalan, was thrown into jail. In late December, a Communist party spokesman issued a clandestine invitation to the Christian Democrats to join it in forming a united front against the ruling junta. So far, the Christian Democrats have ignored the summons. The Socialist and Radical parties, two other members of Allende's Popular Unity coalition, are in a shambles, most of their surviving members in exile, underground or in jail.

Meanwhile, the military junta shows no signs of surrendering power or preparing the country for a return to elected constitutional government. In a speech delivered at the Catholic University, General Gustavo Leigh declared: "We do not pretend to stay in power in perpetuity, but we will not surrender our command before our profound creative and corrective task is concluded. . . . It is an indisputable fact that there exists today no force capable of governing Chile other than the armed forces." And General Pinochet has declared, "I never said this was a transition government. . . . It may last 10 years or 20 years or maybe only 5."

One indication of General Pinochet's growing confidence in office was his decision to publish in El Mercurio an exchange of letters between himself and U.S. Senator Edward Kennedy, after Kennedy had sent a senatorial subcommittee to Chile, at General Pinochet's suggestion. In his peremptory reply to Senator Kennedy's balanced and specific charges, based on the committee's findings, of continued Government repression, arbitrary arrests and torture, General Pinochet accused Kennedy of an imperialist mentality and of meddling in Chilean affairs.

The military has continued to tighten its grip on all sectors of Chilean society, particularly its youth. A Government circular spells out obligatory patriotic programs for the public schools. The circular warns of "appropriate measures" to be taken against school directors who ignore or show disinterest in these programs, the purpose of which is to root out the "Marxist cancer."

On Catholic University's own TV channel a military spokesman warned Chilean youth of "major difficulties" if they did not show up for obligatory military training. On another program, a military official closed a grim news analysis of growing food scarcities, rising prices and unemployment with a reminder to viewers of how lucky they were to have homes and jobs and TV sets. "If you are not content," he warned, staring fixedly at the camera, "keep in mind that you can be replaced."

I have scanned the Government-controlled press and TV for signs of an effective resistance to the dictatorial authority. Prior to the first anniversary some provisions of the "State of Siege" had been relaxed, at least nominally. Several hundred pro-Allende detainees and others who had sought asylum in foreign embassies have been permitted to leave the country. The promise of relaxed controls and the release of these prisoners have led junta supporters in United States Government, military and business circles to claim that democracy is gradually being restored in Chile, and urge that all remaining trade and credit restrictions imposed against Allende be lifted. (Since the military takeover, more than $150-million in short-term credits have been extended to Chile by U.S. banks and the Pentagon has sold it 52 jet fighter and combat support planes.) But the thousands of political prisoners remain in Government jails and detention centers, security measures are as harsh as ever and the 1 A.M. curfew is still in effect.

Chile's severe economic problems are headed by an inflationary spiral of nearly 400 per cent in the past year. The official unemployment rate is given as 10.3 per cent, or three times that during Salvador Allende's last year in office. Two million Chileans, or 20 per cent of the population, are described by the Government as living in conditions of "extreme poverty." Allende's legacy is blamed as the principal villain.

The juntas Minister of Economy, Fernando Léniz, is a former manager of El Mercurio who represents the interests of the most entrenched capitalistic sectors of Chilean society. His solution to Chile's rampant economic ills has been to abolish food subsidies and price controls and promote unfettered competition at the expense of the poor and lower middle classes. In his efforts to stimulate foreign investment Léniz has granted concessions to multinational corporations and reversed the agrarian and economic reforms of both Eduardo Frei and Allende. One of his first measures as Minister of Economy was to compensate United States corporations—Anaconda and Kennecott—for losses they suffered after Allende nationalized the copper mines. Chile now finds itself unable to meet its debts to Scandinavian and Western European countries which are insisting on a restoration of basic human rights before they will agree to renegotiate Chile's loans. In the past month, the escudo has been devalued 50 per cent, but Léniz insists that "free competition will end up working. There is no other way." A front-page article in El Mercurio disclosed that 20 major United States corporations had opened negotiations to invest capital in Chilean enterprises. Two smiling General Motors executives herald the introduction of the new Open Kadett line over the caption, "We have come to stay a long, long time."

Because of the intensified security and xenophobia generated by the assassinations of Enriquez and General Prats, I could not make direct contact with Government officials, university faculty members or leaders of any political party. When I called some of the professionals and heads of middle-class families I had been given as "friendly" contacts, the telephone was invariably slammed in my ear. I soon learned to avoid the words "interview" and "journalist" and to disown any connection with The New York Times.

One evening I attended a performance of Federico Garcia Lorca's "Blood Wedding," put on by the University of Chile's department of performing arts. It was an excellent production. The part of the mother was played with dignity by a professional actress; one passage she delivered slowly, with added emphasis, and drew audible gasps:

"Do I not seem mad? Well, I am mad from not having screamed all that is in my breast. I have in my chest a scream always ready which I must punish and thrust between my shawls. But the dead are taken away, and one must be silent. . . ."

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I visited the university in the hope of talking with students and faculty members. I had tried without success to contact the poet Nicanor Parra and other literary figures who have chosen to remain in Chile and accommodate themselves to the military government. The university's public-relations office proved sullen and unhelpful, so I wandered around the campus on my own, conscious of being watched by plainclothes guards posted on stairwells and balconies.

Most students were uncommunicative. They stood or sat alone on benches, absorbed in their textbooks; in a small room of the law school I finally spoke with a youngish professor who expressed great relief at the state of calm and order in the university, as he nervously adjusted his thick lenses.

"You cannot imagine the anarchy that prevailed here in the last months of Allende," he said. "The university had been infiltrated by Marxist terrorists from Cuba and Argentina who had hidden large caches of armaments in the school of social sciences and other parts of the campus. Whole departments were under the direct control of MIR, which provoked violent clashes with moderate students nearly every day. The university had turned into an armed camp." He adjusts his lenses and mops his brow. "Now the situation has been normalized . . . and the students can get on with their studies in a calm, unpoliticized atmosphere, as they were intended to."

Outside the campus I struck up a conversation with an outspoken engineering student I shall call Juan. "The university board exams are very stiff now," he explained, as we strolled on La Alameda, "and everyone is afraid of flunking out or being expelled, because there are so few jobs available. What would they do?"

I asked Juan if he supported the military Government and he turned to meet my eyes, probing, as Chileans do. "Look, I don't know who you are, but I'll be open with you. My father is an official of the Christian Democratic party. We were strongly against Allende and his Marxist philosophy, which seriously harmed this country's economic and social structure. My family supported the military take-over and so did I, personally. It is doubtless true that we Chileans are still lacking in political maturity, and we felt the country needed a firm hand during this period of restoration. But I am a firm upholder of the Constitution, and I feel the military junta has dangerously overstepped its constitutional authority. The junta seems bent on silencing all opposing voices, including its former allies, in order to conceal its failures. That is my opinion, and I am not afraid to express it."

I asked Juan what he knew about the C.I.A. role in the military coup, and he shrugged: "But of course, this was known to anyone who kept his eyes open. You must understand, for us the revelations of C.I.A. intervention in our internal affairs are not the scandal they might appear to you in the States. We are keenly aware of the C.I.A. precedents in Guatemala, in Brazil and the Dominican Republic, and of course in the Bay of Pigs. To most of us this is part of the folklore of our situation, and we tend to take it for granted. The junta, of course, will go on denying vehemently that they had C.I.A. aid, but that, too is part of the folklore—a kind of ritual, you might say. . . ."

Las Rejas is one of the older and more respectable *poblaciónes* or shantytowns in the western outskirts of Santiago, where most of the city's 600,000 poor eke out a meager subsistence. Many of the original small cottages here date from the Frei administration and were built of durable brick and mortar; the newer wooden shacks already show signs of decay. I walked along the narrow dirt lanes, stopping here and there to inquire after the family Galindez, a name I had made up to start conversation. A small, green-eyed woman living in one of the brick cottages said she'd known a young couple by that name when she first moved in, six years earlier.

"They've gone to Argentina," she added. "Anybody who can is leaving Santiago these days, either for the provinces or abroad."

Surprised by her forth-rightness I asked "Then you are not happy here?"

The woman fixed her clear green eyes on mine, testingly. As she began to speak her three small daughters gathered around us, peering up at me from behind their mother's skirts. They all had green eyes and pale, delicate complexions. "My husband would tell you we are happy here," she said. "This is one of the cleanest and quietest residential areas. We have three schools and good friendly neighbors. We have not been disturbed by the military recently, as with some of the neighboring *poblaciónes*. Last week in La Bandera they rounded up 10,000 residents and arrested 60, because of the bank robbery. For now we have tranquillity here, but we are not content. You must understand that before, although things were bad, we could go anywhere we wanted, and we could unburden ourselves. Now we cannot."

"I understand," I said, and turned to go. She held my arm.

"Look, my husband would tell you that everything is fine here, because he is afraid. I don't know who you are. My husband has been unemployed for six months. We cannot buy milk for the children. . . .

"If one of them gets sick in the night and we go out to look for a doctor, they will kill us. It happened to a friend of mine, and her son. . . . *Esto ya no se compone*," she said, shaking her head. "The situation is beyond repair." It was a phrase I had heard before, and would hear several times again in the coming days.

At the Israelite Bank of Chile, which is state-run under Jewish management, I spoke with the manager Gil Sinay, a forceful-looking man of about 60. Sinay, a leader of Chile's Jewish community of 35,000 told me that 7,000 Jews—among them some of the wealthiest families—have left the country in the past four years.

"In Allende's time we lived under a sword of Damocles," Sinay said. "There were doubts, insecurities, bleak economic portents. Between 80 and 100 Jews, many of them avowed Marxists, held important positions in Allende's Government. Jews helped to frame both the agrarian reform program and the nationalization of the copper mines. For this reason, among others, many of us feared anti-Semitic outbreaks after Allende's overthrow. But the opposite is true. The fact is, the military regime has brought us tranquillity and security, and has opened many economic incentives for us. If we had had to invent an ideal alternative to Allende, it would have been very much like the present Government."

Uncertain if he is dissembling, I asked how he feels, as a Jew and a humanist, about the suppression of liberties. A pained expression crossed his fact, but he quickly recovered. "It's true of course that our freedom of expression is curtailed at the present time, but we are still living in a state of emergency. Now that the head of MIR has been eliminated we may look forward to some relaxation of controls. And I must say that the efficient way they located and gunned down Enriquez and recovered the bank loot is impressive.

"Many people in the United States criticize our Government without trying to understand our situation—without appreciating the chaos that existed in the last year of Allende's administration. Allende was taxing the middle class to death, to pay for his disastrous economic policies. He printed money almost at a whim, increasing the supply of escudos by 10 per cent each month and distributing most of it among the poor. But there was no productivity to back up the exploding money supply, and it became increasingly worthless. As a result Chile had to import $600-million in foodstuffs annually and hundreds of millions of dollars worth of manufactured goods. In three years, Allende raised our national debt to $3.5-billion. By the summer of 1973 the agrarian reform program was in total disarray, and the management of the copper mines was an unmitigated catastrophe. You must understand that Chile was on the verge of fiscal bankruptcy. The country was sliding into a civil war."

Sinay wagged a finger at me. "Tell our North American friends not to be too hasty in judging us. People living in houses of glass should not cast the first stone."

As I got up to leave Sinay presented me with a transcript of a conversation he and Chief Rabbi Angel Kreiman had held with General Pinochet, requesting that he lift the ban on the film, "Fiddler on the Roof." Sinay and Rabbi Kreiman argued that the Russian Jews in the film were not Marxists but Czarists, and that the ban might be mistaken as anti-Semitism. Pinochet flatly denied any anti-Semitic motive but insisted that the film was of a "clearly Marxist inspiration."

At one point, I began to feel uncomfortable in my hotel and decided to move to a smaller one, removed from the city center. The bellhop who carried my bags, a jovial dwarfish little man, asked me on the elevator where I was from.

I told him, "Guatemala."

"Ahh . . . Arbenz," he said, and winked at me.*

The taxi driver, who seemed to be connected with the hotel, also asked me where I was from, and what I did. I did not like his inquisitorial tone and told him I was a university lecturer from California.

"How do you find Santiago?" he asked, squinting at me in the rearview mirror.

"Oppressive," I said.

He gave a small tinny laugh. "Well, you should have seen it a year and a half ago. This city was crawling with Communists, and they were all armed with Soviet weapons smuggled in from Cuba. No one was safe—they would kill you on your way to work. The generals put a stop to that." He laughed. "This week they got the big fish. . . . They are still there, the Communists and protesters, but now they are paralyzed."

I gazed intently out the window.

"Tell me, did the bellhop ask you where you're from?"

"No," I said, and met his small gray eyes in the mirror. I knew those eyes, that mirthless laugh.

"Well, he's one of them. . . . The first time he blabs to someone we trust, we'll get him."

In the afternoon I walked to the telephone exchange and called a spokesman for the interchurch Committee of Cooperation For Peace in Chile.

The Comite de Paz, as it is generally known, was established soon after the 1973 coup by four churchmen: a Lutheran and a Roman Catholic bishop, a Jesuit father and the Chief Rabbi. Its declared purpose is to oversee the preservation of human rights under the military regime. In practical terms, it has become the only agency inside Chile to provide legal and material aid openly to political prisoners and their families or to help them leave the country. So far more than 25,000 Chileans have received its assistance.

I met with Luis, as I shall call him, in the committee's headquarters, a large old colonial house in a back street of Santiago. He took me around to meet the staff and inspect the committee's extensive files, which have been made available to various libertarian groups abroad, among them Amnesty International

and the Human Rights Commission of the Organization of American States.

"Since the suspension of all political parties by the military junta, the church has become the only effective voice of opposition," Luis said. "The Government would like to contain the committee's activities, but they haven't figured out a way. This is a predominantly Catholic country, and the committee grew and grew before they became aware of its reach. Of course, there have been repercussions, including arrests and interrogations of dissident churchmen. Air Force General Gustavo Leigh has referred to us as unintentional agents of international Marxism; El Mercurio has called for our abolition and a committee has been set up to press for the resignation of Lutheran Bishop Helmut Frenz, one of our founders."

"The role of the Catholic Church has evolved gradually," Luis goes on. "In the early months Bishop Fernando Ariztia or Raul Cardinal Silva Henriquez would intervene only in cases that touched directly on the church. Since last Easter they have been pronouncing on generalized abuses such as torture and arbitrary arrest, as well as on the economy and the regimentation of the schools. At the same time, the church has been careful to avoid an open break with the junta. The military, needless to say, has its conservative allies in the church hierarchy. About half the Catholic clergy, among them five or six bishops, are on the side of the junta, so an open defiance would create a crippling disunity and play us directly into the military's hands. . . . The right in Chile is a lucid, coherent entity," Luis added. "This must be taken into account. The take-over by the generals had a large middle-class backing, as evidenced by the thousands who turned out for the anniversary observances. It is hoped that as the economic situation worsens and the inequities in the distribution of income become more pronounced, much of this support will erode."

I visited the home of Angel Parra, a leftist singer and poet who had spent five months in Chacabuco Prison, and was awaiting his passport so he could leave the country. Angel belongs to one of Chile's best-known families. His mother Violeta, the popular folk singer who committed suicide in 1967, was a heroine of the working class and the poor. (A shantytown dedicated to her has been allowed to retain her name.) Violeta's brother, Nicanor Parra, is Chile's most reputable poet since the death of Pablo Neruda. Unlike his nephew Angel, Nicanor had become disillusioned with Allende before the coup and has not spent time in jail or been threatened with exile; he has retained his post at the University of Chile. (When I asked Angel if he had tried to enlist his uncle's aid to obtain release from prison, he remarked sharply: "I want nothing from that man!")

My talk with Angel, a thin, intense man with a Zapata mustache, began stiffly. He responded warily when I asked about his experiences in Chacabuco Prison and a remarkable Christmas mass he was reported to have held there.

"I cannot speak about that," he said curtly. "I can tell you that I was humiliated many times, that I was often hungry, but I was not tortured or physically abused, as were a large number of my companions." Although Angel did not mention him by name, I knew that he counted among these companions Victor Jara, the popular Marxist musician and poet. On the day of the coup Victor Jara was taken to the army commander Estadio Chile and forced to sing while his fingers were shattered. He was then kicked repeatedly in the groin and shot to death in the presence of hundreds of prisoners.

Parra continued, "I had hoped to stay in Chile, but what good is it? All my companions are dead, underground, or in exile. . . ." He fell silent and stroked his mustache, which did not conceal the ascetic pallor of his face. I could not get over how small he looked, crouched silently in a corner of the sofa as his pretty wife, Marta, sat knitting a sweater across from him.

Marta said, "After the take-over we were determined to stay in the open, to show them that we had nothing to hide, that we were not afraid of them. When they came to arrest Angel he was sitting right there, playing on his guitar. . . ." Marta resumed her knitting. I watched a sliver of light advance slowly on the living room carpet.

The brooding silence was broken by the appearance of Marta's small grandson, Rodrigo, who took me by the hand and led me around the house. He had me touch his bed, his blocks, his rag dolls, which he carefully placed on my lap. Angel followed us, bemused. "He's taken a liking to you," he said, and smiled for the first time.

When I return to the living room Marta had put away her knitting and asked if I would like some tea. The atmosphere had dramatically eased.

Angel and Marta spoke openly of what it was like in Chile before the coup: "The economy was a mess," said Marta. "We had little food to eat, but there was a camaraderie among us, a common spirit of adventure that is indelible, unforgettable. The sense of liberation we were experiencing went far beyond Allende's socialist policies, and their success or failure. For the first time in our history, the poor laborers and farmers were taking part in a process of social reform. When the poor *campesinos* sat down to discuss their problems, their hopes and desires, unlimited possibilities seemed to open up. It was like. . . . It was like. . . ." She shaped an answer with her hands. ". . . like the soul of an entire people awakening, struggling to become whole." Angel talked of the innocence, the spirit of companionship: "We actually believed that the *carabinaros* and the army were on our side."

I met one night with 10 Chileans who had been imprisoned and tortured, or who had spouses and close relatives in jail awaiting trial. They formed the nucleus of one of the small communities of aboveground dissenters surviving in Chile. (I am not going to use their real names; on the night we met a number of their companions were arrested.)

Their ages ranged between 19 and 50. What first struck me was the gentle, creaturely way they tended to one another's needs. The younger women would sit next to the men and slowly massage their necks or rub shoulders as they talked in subdued voices. After a while they would change places and the stroking and fondling would begin anew, without interrupting the flow of conversation.

I spoke first with the young wife of a doctor who was in prison awaiting trial. She sat very close to me as she spoke in a soft, steady voice:

"My husband, Jorge, was accused of attending to wounded MIR guerrillas in a clandestine hospital. One of his closest colleagues informed on him, which is not at all unusual. You should understand that the Medical College here is very conservative. On the day of his arrest, Jorge was stripped naked, beaten and then tortured with electrical instruments, not for purposes of information, but just as a matter of procedure. I cannot describe to you some of the other indignities he has been made to suffer. Jorge had completed his internship in a medical school in New York. Several of his colleagues and former professors there have written to the Government and have tried in other ways to intervene on his behalf. We are still awaiting his trial and our hope is that he will be expelled from the country so we can live abroad."

Roberto, who had been a provincial official under Allende, underwent two simulated executions, electrical shocks to his genitals, forced ingestion of excrement, prolonged solitary confinement and other torture during his months in prison. At age 50 Roberto's hair has turned almost completely white. He tends to forget names and events, but his mind seems otherwise lucid. Roberto quoted at length from Baudelaire and Rimbaud and asked me to stay in Santiago so I could meet some of his friends. He would not speak to me of his prison experiences, which had been documented and verified by witnesses.

Cecilia, a young university student, confessed apologetically that she had been in jail "one month only."

"They tried to break my spirit, to make me embrace the yoke of military authority. They treated me as a rebellious, perverse child who does not know right from wrong. Well, they miscalculated. I discovered in prison that my will is unbreakable, regardless of what they do to my body. I am more than ever determined to stay, and I feel more combative than I was before . . ." (The women I spoke with endured torture far better than the men.)

Maria Elena, whose young husband had died from the prison torture, sat down at my side and gazed at me with silent, limpid brown eyes. After some moments she began slowly to rub my back. Tears of relief rose in my eyes as an oppressive weight melted from my neck and shoulders.

Afterward I felt I had been part of an initiation rite, and that it was mainly through physical contact that they communicated to one another the reality of their experience. I had witnessed other instances of this Chilean *dulzura* or sweetness, the capacity to invest all of themselves into a single moment. Perhaps more than anything else it is this quality of total commitment that makes the events of the past year and a half an unrelieved tragedy.

A great many Chileans had sought under Allende to heal the country's deep internal contradictions, and, like Allende himself, they threw themselves with an often naive and reckless abandon into a socialist adventure that now seems to have been doomed to failure by the entrenched Chilean right and the conservative sector of the middle class. One becomes obsessed in Chile with the abysmal discrepancies between the causes and the effects of Allende's failure. Not even T. S. Eliot's bleakest vision casts a shadow like the dark night that has fallen between the expectations of Allende's experiment and its aftermath. What makes the Chilean tragedy most difficult to absorb is that the *dulzura* and the libertarian traditions made the country so vulnerable when the inevitable right-wing reaction set in, and allowed Chile to become a battleground for forces far larger than its history.

Military take-overs in Chile's recent history, in 1891, 1924 and 1932, led to a reinstatement of civilian Government within a matter of months. Although this junta speaks from time to time of staying in power only to complete its task of national restoration, it is hard to conceive of what kind of replacement could now emerge from the constitutional ruins. The Government's true course seems rather to be developing further along the lines of a fascist police state. Though there is scattered resistance by MIR guerrillas, the fragmented left is under constant threat of extinction. There is now no General Prats to challenge the junta. Economic pressures could possibly force a rapprochement between the junta and the Christian Democrats' center faction. But Defense Minister Oscar Bonilla, the only one who maintained close ties with the Christian Democrats, dropped out of sight, and last month the Government reported that he had died in what was said to have been an accidental helicopter crash in southern Chile.

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*Guatemalan Socialist President Jacobo Arbenz Guzman, who was overthrown with C.I.A. complicity in 1954.

UMI

STATEMENT ON VIETNAM

Mr. CANNON. Mr. President, the final chapter of the long Vietnamese conflict is at an end. For nearly 30 years, the people of Vietnam have known nothing but warfare, either in the struggle for independence from French colonial domination, or in the civil war pitting Vietnamese against Vietnamese.

Unfortunately, successive American administrations with the best of intentions have not been able to help the South Vietnamese people maintain their independence from the north. Toward this effort we lost our 14-year investment of 50,000 American lives and billions of dollars in military and political aid.

The questions of how and why America became embroiled in this tragedy, and made it our own, will no doubt be asked many times. It is important to understand, however, that this Nation did try to bring about an honorable solution but failed due to implacability of the Communist adversaries.

Some view it as up to America to help the Communist victors in Vietnam with some sort of postwar reconstruction and development aid. It is not up to us to shore up the military victories of the Communists. The Senate has rightfully passed a Vietnam Contingency Act which in effect rules out aid to the Vietcong's Provisional Revolutionary Government.

Only time will tell what these sad events mean to our foreign policy. There are many lessons to be learned from this ordeal, and out of the ashes of Vietnam and Cambodia must come a revised understanding of what role we should play in world affairs within the scope of our influence, consistent with our national goals.

REPRESENTATIVE MOFFETT AND THE F-111

Mr. McGOVERN. Mr. President, the April issue of Sane World contains an instructive report on the response of one Member of Congress, Representative TOBY MOFFETT of the Sixth District of Connecticut, to pressure for arms spending in his district.

A few weeks ago Representative MOFFETT took the unusual step of voting to uphold a Presidential recission of funds—in this case for the F-111—despite the fact that it involved jobs in his district. A decision of that kind takes a rare degree of courage, as every Member knows.

Yet it appears that courage is being rewarded. The protests have been far outweighed by strong expressions of support from constituents who welcome Mr. MOFFETT's opposition to military waste, even when it may hurt some at home.

This incident suggests to me that there is a great tendency in the Congress to overestimate local support for unneeded military projects, and to seriously underestimate the growing public revulsion against an arms budget that has grown beyond all reason. The old patterns are changing faster than we may realize. Military porkbarrel may be just as unpopular where it has an economic impact as where it does not.

In any event, I think Representative MOFFETT has set a good example for us all. I commend him, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPRESENTATIVE MOFFETT: FRESH AIR IN CONGRESS

Toby Moffett is a freshman Democrat from Connecticut's 6th District, which has a 12% jobless rate. There are about 9,000 employees of United Aircraft in his district. United's Pratt & Whitney division makes the engines for the F-111 fighter. The Pentagon, for once, doesn't want to spend more money on F-111's. When President Ford refused to spend the money Congress had allocated for F-111's, Congress upheld him by a vote of 230-164.

Moffett, who previously headed Ralph Nader's operation in Connecticut, was the only Congressman from that state to vote with the President.

Then the trouble started. The local newspapers quoted United Aircraft and Rep. Robert Giaimo of Connecticut, an influential member of the Appropriations Committee, as saying the vote by Congress would cause layoffs of about 400 Pratt & Whitney workers. Blue-collar workers and one local Machinists union official called Moffett's office to protest his vote.

ON THE OFFENSIVE

Moffett went on the offensive. He charged that the claims of jobs loss were "after-the-fact conclusions, never officially issued, never researched and never substantiated." He reported that United Aircraft had told him after the vote that there could be a "loss equivalent" of up to 400 jobs when present production stops in 1976. But the "loss equivalent" may never take place, the company said, because of shifts to other types of work. Moffett is very interested in encouraging the big aircraft firm to move into civilian fields.

Moffett's mail supported his stand by a six-to-one ratio. One constituent wrote, "What we need are more people like you who are not at all concerned about reelection, but only in acting for the good of the country." Another wrote: "Just wish to applaud your vote on F-111 funding. Trust that your future judgments will prevail over the pressures of the multinational corporations, who have progressively dictated foreign, social and domestic policy since World War II, and thereby guide America from arsenal status to honest and mature leadership power."

When Toby Moffett returns to the district these days, people keep saying, "That was great! It's a breath of fresh air!"

MUNICIPAL CLERKS' WEEK

Mr. INOUYE. Mr. President, I ask unanimous consent that the resolutions in support of Senate Joint Resolution 45, to designate Municipal Clerks' Week passed by the City Councils of Baldwin Park, Compton, Hawaiian Gardens, Huntington Park, Norwalk, and San Fernando, Calif., be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION No. 75-31

A resolution of the City Council of the City of Baldwin Park, California, supporting Senate Joint Resolution No. 45 and House Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of Baldwin Park, California, does hereby resolve as follows:

Section 1. That the City Council of the City of Baldwin Park does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week".

Section 2. That the City Council of the City of Baldwin Park does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to Congressmen Andrew Hinshaw, Norman Y. Mineta, John H. Rousselot, Charles H. Wilson and G. William Whitehurst, members of the Post Office and Civil Service Committee and to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, and all cities within Los Angeles County.

Section 4. That this Resolution shall take effect immediately.

Section 5. That the City Clerk shall certify to the adoption of this Resolution.

RESOLUTION 11,062

A resolution of the city council of the city of Compton, California, supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "municipal clerks' week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the city council of the city of Compton, California, does hereby resolve declare, find, determine and proclaim as follows:

Section 1. That the City Council of the City of Compton does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week,"

Section 2. That the City Council of the City of Compton does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Compton to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Virginia,

Committee of Post Office and Civil Service, Senate Committee on Judiciary.

Section 4. That the Mayor and City Clerk of the City of Compton be, and they are hereby authorized to execute on behalf of the City of Compton this Resolution.

RESOLUTION No. 42-45 OF THE CITY OF HAWAIIAN GARDENS

A resolution of the city council of the city of Hawaiian Gardens, California, supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the city council of the city of Hawaiian Gardens does hereby resolve as follows:

Section 1. That the City Council of the City of Hawaiian Gardens does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of Hawaiian Gardens does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressman Mark Hannaford and Senate Committee on Judiciary.

Section 4. The Mayor, or presiding officer, is hereby authorized to affix his signature to this resolution on behalf of the City Council, and the City Clerk or his duly appointed Deputy, is directed to attest thereto.

RESOLUTION No. 75-48

A resolution of the city council of the city of Huntington Park, California, supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as 'Municipal Clerks' Week'."

Whereas, it is recognized that the City Clerk performs the important functions of keeping a record of ordinances, resolutions, contracts and certain other records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of information which is made available to the citizens of our community; and

Whereas, the office of the City Clerk is the one which has day-to-day contact with members of the public and therefore which projects the City's image to the public;

Now, therefore, the city council of the city of Huntington Park, California does resolve as follows:

Section 1: That the City Council of the City of Huntington Park hereby voices its support of the national movement to recognize the importance of the position of City Clerk by the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2: That the City Council hereby encourages the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to consider favorably the passage of Senate Joint Resolution No. 45 and House Joint Resolution No. 227.

Section 3: The City Clerk is authorized and instructed to forward a copy of this Resolution to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Committee on Post Office and Civil Service and to the Senate Committee on Judiciary.

Section 4: The City Clerk shall certify to the adoption of this Resolution.

RESOLUTION No. 2728

A resolution of the Norwalk City Council supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of Norwalk does hereby resolve as follows:

Section 1. That the City Council of the City of Norwalk does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of Norwalk does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Virginia, Committee on Post Office and Civil Service, Senate Committee on Judiciary.

RESOLUTION

A resolution of the city council of the city of San Fernando, California supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the city council of the city of San Fernando, California, does hereby resolve, declare, find, determine and order as follows:

Section 1. That the City Council of the City of San Fernando does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of San Fernando does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen James C. Corman, John H. Rousselot, G. William Whitehurst, Virginia, Charles H. Wilson, Norman Y. Mineta, Andrew Hinshaw, Committee on Post Office and Civil Service, Senate Committee on Judiciary.

Section 4. That this Resolution shall take effect immediately.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution:

PASSING THE ENERGY BUCK

Mr. MATHIAS. Mr. President, Congress has recently considered the Standby Energy Authorities Act of 1975. I strongly opposed that particular piece of legislation because I believe that the Congress has a responsibility to legislate with greater specificity. We are today paying a heavy price in many areas of national life for broad congressional mandates of the past, filled with inadequate standards and definitions. We will pay a particularly heavy price if Congress is sloppy in enacting energy legislation. In short, the time has passed when bills can be enacted without a clear idea of what the fiscal burden will be on Federal and State treasuries and how the various programs mandated by Federal legislation will be carried out by Federal, State, and local government.

David S. Broder analyzes the Standby Energy Act in his column which appeared in the April 23, 1975, Washington Post. I commend his thoughts to all Senators because the final chapter is far from written on this particular legislation. Mr. President, I ask unanimous consent that David S. Broder's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PASSING THE ENERGY BUCK

(By David S. Broder)

Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.

It was approved on the same afternoon that the senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of cittizenship to Gen. Robert E. Lee.

It would be hard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.

The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.

Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.

That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.

It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."

None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.

What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.

While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric within the following 30 days.

That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.

On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 percent within a year of the bill becoming law.

So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.

That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design, and not by happenstance.

By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.

That's the kind of performance that already has brought the federal government into the disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

AFRICAN ART ON CAPITOL HILL

Mr. HUMPHREY. Mr. President, Washington, D.C., has many marvelous museums, galleries, and other cultural facilities. But, as a recent editorial in the Washington Post noted, one of the finer museums is the Museum of African Art right here on Capitol Hill. It is my privilege to serve as Chairman of the Board of Trustees of this museum which is so ably directed by Mr. Warren Robbins. The editorial in the Washington Post of March 27 tells the story of this museum in concise and succinct terms. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AFRICAN ART ON CAPITOL HILL

Among the most wondrous of the many wonders on display in Washington's numerous museums is the permanent exhibition of the Frederick Douglass Museum of African Art on Capitol Hill. It consists of a fine and extensive collection of sculptures, masks, fetishes, artifacts and photographs which add up to a vivid survey of African culture. Like the one best liked teacher who stands out in most everyone's school day memories as having kindled a lifetime passion for one subject over many others, this small museum grips you and moves you and heightens your sense of wonder not only with the objects it presents, but also with the flair of its presentation. Our African Museum has a personality all its own.

The person behind this institutional personality is Warren Robbins, a former Foreign Service officer, who specialized in the sweeping pursuit of "cross-cultural communication." Ten years ago, he decided to be more specific. He set out to put African culture across. With nothing much more than his own modest savings, some borrowed money, the help of friends, many of them black community leaders, the loan of art works and a great deal of drive, Mr. Robbins opened the Museum of African Art in a townhouse at 318 A Street NE, where Frederick Douglass, the famous black abolitionist, had lived. It was an idea whose time had come. In only 10 years, Mr. Robbins and his museum have been able to make an important contribution to the acceptance, understanding and appreciation of Africa's ancient culture antecedents and they have done so far beyond Washington.

This acceptance, understanding and appreciation, in turn, have done much to advance black pride and interracial respect. In 10 short years the museum, with the help of donations and foundation grants (particularly a grant from the National Endowment for the Humanities), has also developed a remarkable education program for young and old that employs music, dance, costumes and story-telling to convey the history and culture of the peoples of Africa and give social meaning to the displays. Mr. Robbins, in fact, restricts special exhibits to one or two a year to be able to concentrate on lecture tours and classes in which last year alone almost 1,000 groups—about 32,000 people—participated. More than half of them were children from both inner city and suburban schools. The museum also includes a growing library and a picture archive, built on an estimated 100,000 color slides, photos and films made and donated by the late Eliot Elisofon, a Life photographer with a special passion for Africa. With all these activities, the museum, which now has a staff of 24 and an annual operating budget of $400,000, has also physically expanded into seven of the eight 3-story townhouses on its block. Perhaps it is the friendly intimacy of these old houses; perhaps it is Warren Robbins' intensely enthusiastic guidance; and most likely it is both, that has kept the Museum of African Art from becoming a stuffy institution. May it keep its vivacious personality for many more decades to come.

A BASIS FOR PEACE—WHERE KISSINGER WENT WRONG

Mr. PACKWOOD. Mr. President, last week I entered into the RECORD two articles I felt my colleagues should have the opportunity to read on the failure to reach a new agreement in the Middle East. Today, I commend to the attention of the Senate an essay by Eugene V. Rostow, professor of law at Yale University and former Under Secretary of State from 1966 to 1969.

It is a thoughtful and comprehensive view of the negotiations to date between Israel and Egypt, via the Secretary of State. Establishing his perspective in the opening paragraph, Professor Rostow states his belief that:

> The essence of the American national interest in world politics is not order alone, but peace. Our goal is not simply to achieve and maintain a deterrent balance of power, but on that indispensable foundation to help build a system of peace, characterized by the expectations that the basic rules of the United Nations Charter regarding the international use of force will be generally, and reciprocally obeyed and enforced. The ideal of law has been the organizing principle guiding the evolution of American democracy at home. It is the only possible first principle for the foreign policy of a democracy that aspires to remain a democracy.

He presents a strong case for redirecting our efforts toward the achievement of a settlement of the Arab-Israeli conflict consistent with the principles set forth in the two United Nations Security Council Resolutions 242 and 338. Professor Rostow further emphasizes that it will be virtually impossible to achieve any kind of lasting settlement without the participation of the Soviet Union in the negotiation process, something the Secretary of State has avoided in his step-by-step, shuttle diplomacy program. The fact that the Soviet Union has signed both Security Council Resolutions 242 and 338 should give added impetus to employing these resolutions as a framework within which an agreement might be reached. In Mr. Rostow's view,

> The only feasible procedure for achieving a condition of peace between Israel and its neighbors is that prescribed by the Security Council resolution.

Since the step-by-step approach is currently bankrupt and the transferral of further talks to the Geneva Conference seems inevitable, I think Mr. Rostow's comments are timely and worthy of note. Mr. President, I ask unanimous consent that the full text of Professor Rostow's essay, "A Basis for Peace" from the April 5, 1975 issue of The New Republic be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHERE KISSINGER WENT WRONG—A BASIS FOR PEACE

(By Eugene V. Rostow)

The essence of the American national interest in world politics is not order alone, but peace. Our goal is not simply to achieve and maintain a deterrent balance of power, but on that indispensable foundation to help build a system of peace, characterized by the expectation that the basic rules of the United Nations Charter regarding the international use of force will be generally, and reciprocally, obeyed and enforced. The ideal of law has been the organizing principle guiding the evolution of American democracy at home. It is the only possible first principle for the foreign policy of a democracy that aspires to remain a democracy.

The New Republic's editorial, "Mideast Peace?" (March 8, 1975) does not invoke this standard for judgment in discussing Secretary Kissinger's step-by-step Middle East diplomacy. Instead The New Republic, like every other newspaper and magazine I have seen in recent months, examines the subject in terms of the administration's premises, which it fully accepts. "Mideast Peace?" starts with the official thesis that Mr. Kissinger's approach was necessary in order "to maintain the momentum" for peace in the area; prevent any threat to the future of "détente"; and minimize the risk of another war, and another oil embargo. Behind these phrases was the hope that the Secretary would be able to separate Egypt from the other Arab states, and from the Soviet Union, and thus diminish Soviet influence in the area. Therefore our columnists and editorial writers said, Israel should not be "intransigent," "unimaginative," or "too difficult" about terms; on the contrary it should withdraw from some, or most, or all of the territories occupied in the course of the 1967 and 1973 wars, without a firm agreement of peace, in exchange for more or less impalpable political assurances, conveyed to the United States and not to Israel, and perhaps even conveyed secretly. There are, of course, differences of emphasis among those who write and speak on the subject. Some are clearly vexed with the Israelis for not withdrawing from all the occupied territories forthwith, and urge the Secretary of State to put even more pressure on Israel to withdraw quickly, and without real political counterparts. The New Republic, to the contrary, argued that it really wasn't unreasonable, after all, for the Israelis to hold out for "reciprocal—if necessarily asymmetrical—political concessions from Egypt" in return for partial withdrawals from territory of military significance.

The New Republic did not mention the most important feature of Mr. Kissinger's ill-fated Middle East campaign: the fact that the Secretary has abandoned the two key Security Council resolutions on the subject: Resolution 242 of November 22, 1967, and Resolution 338 of October 22, 1973. Resolution 338 is one of the Security Council's rare "decisions," imposing a binding legal obligation on all members of the United Nations. Legally and politically it has the extraordinary status of the Security Council resolutions on Namibia (the former South African mandate for German Southwest Africa) and Rhodesia. Resolution 338 was adopted in time to prevent the complete route of the defeated Arab forces in 1973; it commands the parties concerned to negotiate a just and durable peace "immediately and concurrently with the cease-fire," in accordance with the principles and provisions of Resolution 242. Equally it commands every other member of the United Nations to help the parties fulfill these difficult instructions.

Under the Security Council resolutions, Israel is not required to withdraw one inch from the territories it holds as the occupying power until its Arab neighbors have made peace. This is the famous "package deal" of Resolution 242—withdrawal for peace, and no withdrawal without peace. The twin Security Council resolutions require the parties to negotiate peace agreements that prescribe security arrangements, including demilitarized zones; provide guarantees for maritime rights through all the international waterways of the region; deal justly with the refugees; and establish secure and recognized boundaries—which need not be the same as the Armistice Demarcation Lines of 1949—to which Israel would withdraw.

In the diplomacy of Resolution 242 it has been understood since 1967 that the transition from the present armistice regime to a regime of peace would take time, perhaps a good deal of time, and that Israeli withdrawals, and the development of peaceful relations, should be accomplished in stages. The Egyptians particularly have stressed that the agreements of peace called for by Resolution 242 should be built around a "timetable," which spelled out in advance exactly what each party would do at each stage of the process.

In the perspective of the Security Council resolutions, there is therefore no ground for criticizing Israel for being "intransigent," "unimaginative" and generally difficult in the present round of negotiation. According to those resolutions Israel is under no obligation to withdraw except within the framework of an agreement of peace satisfying all terms of Resolution 242. Any Israeli withdrawal without such an agreement of peace is a political concession on Israel's part—a very important concession indeed.

The Security Council resolutions were reached by difficult procedures of negotiation, dominated by reality. The 1967 resolution, sponsored by the British government, was the achievement of concerted Atlantic Alliance diplomacy, in which British, Danish, Canadian, Belgian, Italian and American officials played important and effective parts. Resolution 338 was the accomplishment of Mr. Kissinger himself who rightly refused to consider any cease-fire resolution during the hectic crisis of October 1973 unless it contained the key language of Resolution 338, making Resolution 242 mandatory. Mr. Kissinger's Resolution 338 is the most important American diplomatic achievement in the area in 25 years, climaxing longstanding American efforts to achieve peace between Israel and its neighbors, and, for the first time, providing firm rules for the process of achieving peace.

There is a tendency in popular opinion to dismiss United Nations resolutions as scraps of paper. But there are many categories of United Nations resolutions. General Assembly resolutions can never be more than "recommendations" under the Charter save in a few cases not relevant to the Middle East conflict. Some General Asesmbly resolutions have a great deal of importance, nonetheless, as crystallizations of world opinion. Many are indeed trivial, or cynical, or both, and fully deserve to be disregarded.

Most Security Council resolutions are also "recommendations," and do not purport to be legally binding. That fact highlights the importance of the few Security Council "decisions" that have been given a binding legal effect under Article 25 of the Charter when they concern breaches of the peace, threats to the peace and aggressions.

Resolutions 242 and 338 are not abstract essays in international law. And they were not voted in a fit of absentmindedness. On the contrary they embody reluctant conclusions reached by the powers, and the world community, under circumstances of great stress, perceived in their context of international law and international politics. The twin Middle East resolutions therefore declare a judgment of critical importance on the nature of the Middle East conflict, and the way to resolve it in the light of its history, the passions and interests engaged, and the rules of minimal world public order expressed in the Charter—rules to which each state clings as the ultimate assurance of its own survival.

This is the rock on which Secretary Kissinger's step-by-step diplomacy foundered. The collapse of his efforts was caused by a fundamental flaw in the perception of reality on which it was based. The Security Council resolutions embody and reconcile two overriding aspects of the controversy over Israel's right to exist. The Arabs are afraid that Israel will never withdraw from any territories occupied in the course of war; the Israelis are afraid the Arabs will never make peace. Given the depth and intensity of these fears, the approach prescribed by the resolutions highlighted by the Arab aggression of October 1973, defines the only possible road to peace for the area.

I find it puzzling that no editorial I have seen, and no speech on the floor of the House or the Senate, examines the question whether Mr. Kissinger's approach was wise or prudent or necessary or better calculated to protect the national interests of the United States than a diplomatic effort based on the Security Council resolutions, and framed by them. Nor have I seen or heard any debate on the question whether the President of the United States has the right to disregard a mandatory resolution of the Security Council.

These questions are fundamental and difficult. They cannot be escaped by ignoring them. My own view is that Mr. Kissinger's policy of ad hoc negotiation in the Middle East put fundamental security interests of the United States into unnecessary peril, and betrayed one of the most vital permanent principles of American foreign policy. By ignoring the Security Council resolutions, the Secretary cut a great taproot of our foreign policy, its legitimate basis in international law. And by embarking on these negotiations without Security Council parameters and guidelines, Mr. Kissinger played a game in which the Soviets could always outbid him. The Soviet Union can offer the Arabs far more than we could ever bring ourselves to press the Israelis to accept: the borders recommended in the General Assembly Partition Resolution of 1947, for example; negotiations with the PLO rather than with Jordan; or a binational Palestinian state. American interests would have been far better protected if the Secretary of State had put the same energy and conviction into a peace effort based squarely on unwavering American support for the Security Council resolutions.

Instead of striving for peace under the resolutions, however, Mr. Kissinger tried to do exactly what John Foster Dulles did in 1957: to push the Israelis out of the Sanai without peace. What Dulles did turned out to be a disaster. I am persuaded that a repetition of Dulles' strategy would have been an even greater disaster today.

American interests in the Middle East rank high on any list of issues that require a national, and not a sentimental or a partisan approach. What is at stake for us in that feverish area should be examined in the perspective of the national interest, not of sympathy either for the Arabs or the Israelis. We can sympathize with both Arabs and Israelis, caught up in a web of history they did not make. But events in the region, and at other points on the periphery of NATO, are approaching a flash point. Vital security interests of the United States are in peril. They should be analyzed, and protected, as such.

What are the interests of the United States in the Middle East? The first and most basic is the geopolitical importance of the Middle East to the defense of Europe. Our alliance with Western Europe is absolutely essential to the balance of world power on which the primordial safety of the United States depends. On this proposition there is nearly complete unanimity in the United States. But the larger part of public opinion is not yet fully conscious of the fact that Middle East conflicts are not isolated regional problems, but are integral to the security of NATO.

For 20 years the Soviets have pursued a strategy of enveloping NATO. They have exploited Arab hostility to the existence of Israel as an important weapon of that strategy. The Arab-Israeli conflict is not, of course, the only arrow in their quiver. As the Soviets say they "push at every open door." They have tried to take advantage of every political and military opportunity that served their purposes, if it did not involve excessive risk or cost. Thus they have probed in Iceland and Norway. They are now moving on a large scale in Portgual. They have a naval base on Conakry, and have explored possibilities in many other places on the marches of Europe.

By playing on the Arab-Israeli conflict, and other issues, the Soviets have made considerable progress in the Middle East, from Iraq and Aden to Algeria. And their investment in that effort is by now massive. They have supplied Arab states with billions of dollars worth of arms and economic aid. And their technical assistance, especially in the military sphere, often becomes participatory. If the Soviet Union were to achieve domination of the Mediterranean, North Africa and the Middle East, it would outflank the NATO defenses in Central Europe, and threaten Europe from its soft underbelly, as President Pompidou once remarked. It has been painfully obvious since October 1973 that hegemonial control of the oil, the space and the mass of the region by the Soviet Union would carry with it domination over Western Europe as well. NATO would be dismantled. Europe would be reduced to the status of Finland, at best—a major supplier of technology and consumer goods to the Soviet Union, and a political eunuch.

In this perspective the American and the NATO interest in Israel is of critical importance. It has two aspects, related but distinct.

The first is the historical responsibility we share with other nations for the existence of Israel. Israel came into being in reliance on the solemn promises of the world community. Depending upon those pledges, nearly three million people have come together, refugees and idealists from the ends of the earth. They have forged a living democratic community, state and nation. While Arab public opinion is changing, it probably still believes that the creation of Israel was an injustice to the Arabs, beyond the powers of the League of Nations and the United Nations. But the United Nations has emphatically reiterated the judgment that Israel exists of right, and that the Arabs must at long last make peace. The most recent and most fundamental assertion of this judgment was the decision of the Security Council stated in Resolution 338. It is morally and politically unthinkable that the United States and its allies, and many other nations as well, could stand by and allow Israel to be destroyed. On this issue the verdict of history, however debatable, is irreversible. On such an issue we pass beyond the realm of power politics to the true sources of our being: to the ultimate and abiding question, what manner of men are we? The United States, Great Britain, France and Germany all made the answer clear in their responses last fall to the threats of Arafat in the General Assembly of the United Nations.

The second aspect of our national and NATO interest in the fate of Israel is the use the Soviets have made of the Arab-Israeli conflict in their programs for gaining control of Western Europe. In the late '40s the Soviets supported Israel in order to help drive Britain out of the Mediterranean. A few years later they changed sides. With massive arms supplies and political backing, they dangled before the eyes of the Arabs the irresistable temptation of an opportunity to drive out the Israelis, as the Crusaders had been driven out many centuries before. The wars of 1956, 1967, 1969–1970 and 1973 could never have taken place without Soviet support for Arab policy. Were the policy to succeed, the Soviets believe, the Arabs would be irrevocably committed to their protection. Before the incalculable storm the destruction of Israel would provoke, the Arabs would have no other choice.

Our political and strategic goal in the Arab-Israeli conflict, therefore, should be to convince the Arabs that their flirtation with Soviet policy can bring them nothing but tragedy, and to insist on a fair and even-handed peace, which both Arabs and Israelis could welcome and live with. The Soviet interest is to prolong and envenom the Arab-Israeli dispute as long as possible, provided that the risks do not become excessive. They have profited greatly from it. Some Israelis may think that Israel would be better protected by territorial acquisitions than by unequivocal peace treaties. The United States and its NATO allies must always favor peace as the goal of their policy for the Arab-Israeli dispute—a fair peace, a balanced peace, but peace, nonetheless, and not a truce, an armistice or a modus vivendi. American and allied interests in the Middle East will not be automatically safeguarded by peace between Israel and its Arab neighbors. Many other complex and difficult programs will be required to assure that end. But our common interests in the entire region cannot be safeguarded without an Arab-Israeli peace. This has been a principal theme of our Middle East policy, and of allied policy, whenever there was one, since 1948.

The goal of peace between Israel and its neighbors has been blocked, from that day to this, by Egypt's persistent refusal to make peace. Journalists, scholars and diplomats talk vaguely of missed opportunities for peace. They often reproach the United States and Israel for failing to discover or to invent the formula that might have persuaded Egypt to make peace. Two and a half years of direct and responsible experience with the problem, and a good deal of study since, have convinced me that these reproaches miss the point. No doubt mistakes have been made in conducting the complex diplomacy of the Middle East problem, many of them serious. But there has been no "intransigence," no "arrogance," no lack of imagination. Dozens of approaches to Egypt, some of the most important based on terms Egypt had professed to offer, all met the same fate: with full Soviet support Egypt simply said "No." In the nature of Arab political life it was impossible for Jordan or Lebanon to make peace, in the absence of action by Egypt.

Egypt did not even say that it was willing to make peace under Resolution 242 until 1971, and then only on terms that the Security Council had rejected in 1967. When Egypt went to the Geneva Conference in 1974, it abandoned that position, although it has since tried to revive it, in view of the apparent willingness of the United States to proceed with a diplomatic effort that puts the Security Council resolutions to one side.

Soviet support for the Arab aggression of October 1973 was only the most open and dramatic step in a long campaign on many fronts. Soviet policy in relation to the October war contradicted the public assurances the Soviets had given to President Nixon in May 1972 and in the summer of 1973. Instead of pressing for a diplomatic settlement of the Arab-Israeli dispute in accordance with Security Council Resolution 242, as they had promised, the Soviets helped to prepare and equip the Arab attack of October 6, 1973, supported the oil embargo, and urged distant Arab states to enter the fray. And, at the end, they threatened to intervene in order to prevent the total destruction of the Egyptian and Syrian armed forces.

While Nixon and Kissinger responded well to the final Soviet threat, by putting our own forces on a worldwide alert, they did accept a cease-fire immediately, as the Soviets demanded once it became obvious that the Israelis had defeated the Arab armies on both fronts. Since the Soviets and the Arabs had refused even to discuss American cease-fire proposals during the first two weeks of the war, there was no American interest in ending the war before the aggression was visibly and totally defeated. In October 1973 however, Nixon and Kissinger lived in the looming presence of Watergate. They were so completely the prisoners of their own détente rhetoric that they covered up the Soviet role in the war, both by what they said and what they did not say to American and to world opinion. Mr. Kissinger still tells us that Soviet behavior before, during and after the October war was "not unreasonable," and "less obstructive than in 1967," and that our détente relations with the Soviet Union contributed to an agreed settlement. In the United Nations our representative was instructed not to comment on the critical issue of Arab aggression, and Soviet complicity in that aggression. That policy was a grave error, denying our position the immense moral and political authority that still inheres in the charter of the United Nations, and further weakening the norms of the Charter as a restraint against the unchecked use of violence in international affairs.

The Soviet plan did not of course succeed in 1973. The brilliant victory of Israeli arms backed by American supplies and diplomacy and the terms of Resolution 338, which that victory made possible, gave the United States and its allies a fresh opportunity to protect their interests in the Middle East.

The content and structure of Resolution 242, now reaffirmed by Resolution 338, was determined by the refusal of the Arabs to make peace since the early '50s, and above all by the fate of the settlement reached between Israel and Egypt in 1957. In 1957 we were persuaded by Egypt to push Israel out of the Sinai without peace, in exchange for a long list of glittering promises that were made to us as well as to Israel, and were not kept. In 1957 we deferred to Nasser's sensibilities by acting as the broker of an agreement between Israel and Egypt. The terms of the agreement were put forward in a carefully planned scenario of apparently unconnected statements at the UN and in the capitols. I still have the printed volume of the State Department documents on the subject supplied to me during the 1967 crisis.

It is decorated by 15 or 20 paper clips. I was instructed that the pages marked by the paper clips constituted the peace agreement of 1957. Israel withdrew from the Sinai in reliance on assurances that the Strait of Tiran would be kept open; guerrilla attacks from Egypt would cease; Israel would be allowed to use the Suez Canal; and peace would be made in due course. And it was expressly understood that if Egypt ever closed the Strait of Tiran, Israel would be entitled to respond with force as an act of self-defense. This is why no majority could be brought together, either in the Security Council or the General Assembly, to condemn Israel's attack in 1967.

As a result of this experience the Security Council ruled in 1967, and again with binding force in 1973, that Israel need not withdraw without a binding, public, signed agreement of peace.

The United States did not build its recent diplomatic effort in the Middle East on this unassailable legal and political foundation. Instead it pursued Mr. Kissinger's tactics of step-by-step negotiations, intended to achieve Israeli withdrawals without peace. In order to evade the terms of the Security Council resolutions, the arrangements for Israeli withdrawal are called agreements of "military disengagement." It is hardly remarkable that Mr. Kissinger's efforts were warmly received in Arab capitals, and were

encouraged, or at least not seriously opposed, by the Soviet Union.

There was justification under the Security Council resolutions for the original "military disengagement" agreement between Israel and Egypt, though not for all its terms. The cease-fire of October 22, 1973 had left Israeli and Egyptian forces precariously—and dangerously—intermingled. There was a legitimate legal and practical reason for establishing more workable cease-fire lines, especially since no one knew where the battle lines were on October 22. In the perspective of a long-term settlement, however, it was a mistake to allow even limited Egyptian forces to cross the canal, and to be stationed in the Sinai.

There were no corresponding justifications for the "military disengagement" agreement between Israel and Syria. There was no argument about the emplacement of Syrian and Israeli forces on October 22, 1973. The Syrian disengagement agreement began to erode the authority of the Security Council resolutions, which have been, and should continue to be the foundation of our policy.

Mr. Kissinger chose to ignore another central feature of Resolution 338: its command that the parties themselves conduct the negotiations. Instead of having Israel and Arab negotiators meet in his office, secretly if necessary, he was trapped into acting as a go-between, as Ambassador Jarring did. This procedure abandoned a principle whose importance is made obvious by the nature and history of the conflict. It is notable that the most significant agreements in the long, tragic cycle—the Armistice Agreements in 1949, and the Egyptian-Israeli disengagement agreement of 1973—resulted from direct negotiations between the parties, assisted by the good offices of outsiders.

There was no justification of necessity for the course we have been pursuing. If Mr. Kissinger's program of step-by-step negotiations could work, it should be equally possible, at far less risk, to reach agreements with each of the states subject to the command of the Security Council Resolution 338—framework agreements, agreements-to-make agreements, in the style of the Vladivostok understanding, pursuant to which the parties would move, stage by agreed stage, to the final step of full peace. If any one of those states is unwilling to commit itself to peace in accordance with the Security Council's mandate, the first remedy prescribed by the Security Council is clear—Israeli occupation of the territories taken in the course of the 1967 and 1973 wars, in the phrase of a French scholar, as "the gage for peace."

The United States has been seeking to avoid a return to the full Geneva Conference. There is no doubt that such a conference would present difficult problems, largely because Nixon and Kissinger—struggling to preserve the appearance of détente—agreed to the joint presidency of the United States and the Soviet Union. And such a conference might make it even more difficult than it is now to isolate Syria, which has never committed itself to the principle of peace.

But a peace conference at Geneva is not in itself an odious idea.

Our diplomacy has been struggling to convene such a conference since 1949. And the Geneva Conference would of necessity be based squarely on the Security Council resolutions. If the United States and its allies reach a firm common position on what those resolutions require and permit, and pursue a steady diplomacy in support of that position, the risks of such a conference would be far less, both for us and for Israel, than the course we followed until March 22.

It was in any event a fantasy to suppose that the Soviet Union can be excluded from the process of making peace in the Middle East. That goal would be undesirable even if it were possible. There will be no peace in the Middle East or in other inflamed regions of the world until the Soviet Union does accept responsibility for peace. The Soviets cannot, after all, be ignored. And they have, and will continue to have, a considerable capacity for mischief. The only sensible goal for our diplomacy therefore is to induce the Soviets to accept peace based on the Security Council resolutions for which they voted. The Soviet Union has been persuaded to accept many sensible policies during the last 30 years once it came to realize that the alternatives were all worse. Soviet acquiescence in Resolutions 242 and 338 are vivid cases in point.

In Israel recently Mr. Kissinger is reported to have told the Israelis that peace would require "an act of faith" on their part. In context his meaning was clear: he was asking the Israelis to repeat the procedures of withdrawal without peace that proved to be such a catastrophe in 1957.

One can accept, as I am glad to do, the view that President Sadat is genuinely and sincerely interested in making peace. But he speaks of leaving office soon. And in any event the issues at stake are the ongoing policy of states, which should be expressed in documents and policies of ongoing vitality. The only feasible procedure for achieving a condition of peace between Israel and its neighbors is that prescribed by the Security Council resolutions.

SENATOR TUNNEY SPEAKS OUT ON BEHALF OF OLDER AMERICANS

Mr. CHURCH. Mr. President, the Subcommittee on Aging of the Senate Labor and Public Welfare Committee concluded hearings on April 23 on proposals to extend the Older Americans Act and other legislation affecting the elderly.

The 4 days of hearings produced excellent testimony on a wide range of subjects from leaders in the field of aging, Government officials, older Americans, and others.

One such example was a statement by Senator JOHN TUNNEY, a member of the Committee on Aging and an effective advocate on behalf of the elderly.

Senator TUNNEY, I am pleased to say, has joined me in sponsoring the Older Americans Amendments, which would improve and extend the Older Americans Act, the Older American Community Service Employment Act, and other important legislation.

He has also taken the lead in attempting to strengthen legal representation for the aged.

Senator TUNNEY's testimony provides fresh new perspectives on a number of key issues.

For this reason, Mr. President, I ask unanimous consent that his April 23 statement before the Subcommittee on Aging be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN V. TUNNEY

Mr. Chairman, I am pleased to take this opportunity to speak briefly on behalf of S. 1426, the Older Americans Act Amendments of 1975, introduced by Senator Church on April 14. I was pleased to cosponsor this forward-thinking legislation.

On this, the tenth anniversary of passage of the first comprehensive legislation targeted toward the older American, I find it most fitting that we are considering legislation which will further expand the scope of services to aid our senior citizens.

It must be acknowledged that the economic hardships faced by our society these days have hit hardest upon the elderly. The effect of inflation on those with fixed incomes has been especially devastating, and the majority of our senior citizens fit this category. There are now more than 20 million people in this country who are 65 or over, and this number increases every day. One fourth of these people live in poverty. These are proud people, people who have worked hard all their lives. They do not want handouts or token sympathy. All they ask of us is the most basic assistance for living. The Older Americans Act Amendments of 1975 must provide such requisites.

Our nation long has been youth directed. We are instructed to "think young, dress, act and be young." The youth is the "future of America," and we rightly spend many millions of Federal money to secure their futures. Frequently, however, few stop to recognize that those who have retired from business, who imperceptibly have slid into old age, have well served our society and can continue to do so. There is no need to shelve an individual once he or she has become a "senior citizen." That person continues to grow, to develop, and, most important, to contribute to our society if given a chance.

The Older Americans Act Amendments of 1975 will extend that chance to countless senior citizens who otherwise would not have the opportunity to do so. It permits the older American to participate in part-time work, to get out among other people, to receive adequate nutrition, to play an active role in the society in which he or she lives.

During the ten-year history of the Act, many small but significant steps have been taken. Over 200,000 senior citizens are receiving the benefits of the congregate meals program, providing not only a nourishing hot meal, but the person to person contact that so many senior citizens need and miss. Through volunteer and part-time employment programs, over 130,000 senior citizens are giving of their talents. Countless young persons have been trained to the special legal, fiscal and social needs of our older citizens and are now using their talents to better the lives of the senior citizens.

These efforts are to be commended, as are the efforts of many area and state agencies on aging for their decade of work. However, we cannot afford to stop here. I believe that S. 1426 will provide the additional impetus to continue these most crucial services to older Americans and to continue them with rededicated purpose and resolve.

The bill extends the authorization for all the programs of the Older Americans Act including: Title III grants for state and community programs on aging; Title IV research, demonstration and training programs to meet the special needs of the elderly, and Title V to develop and perpetuate valuable multi-purpose senior centers. Also retained is Title VII which provides important congregate meals programs to thousands of senior citizens across the nation. Title IX, the Older Americans Community Service Employment Act, is also continued, and the job opportunities broadened.

The bill, comparable in part to the House-passed bill, is most significant in several ways. First, it earmarks special services as crucial to the needs of senior citizens in a new Title VIII. The title mandates that at least twenty percent of the funds expended by states and area agencies on aging under Title III must be spent on five special areas. These include special homemaker and other home services, housing repairs and renovation, transportation services, mortgage aid, and legal counseling services. Through the course of its hearings, both House and Senate have learned that these areas are of particular importance and are among those in greatest need of Federal program support. The legal services program is one in which I take special pride. The needs are well documented in hearings, and I

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have worked hard during the past year to insure that legal needs are met in the best way possible. This bill provides just that.

Several provisions mark the Senate bill as different, however. Title VII includes provision of Federal cost-sharing of the administrative costs to run the nutrition program. We have been careful, however, to insure no cutback in the number of meals to be served. A new special emphasis has been placed on rural area delivery systems in the demonstration program under Title III.

There is also a major difference in the appropriations. First, S. 1426 provides slightly increased funds for Title III area planning and social services. While the increase is not substantial, it will provide the relief necessary in the development of quality delivery systems. Second, and most important, this bill authorizes the Act for two more years, rather than four. We believe that this is sound fiscal planning. The cost is not exorbitant—$800 million over the two-year time—to provide senior citizens the means to carry on their lives with dignity.

The House has passed their version of this legislation by a resounding majority. It is now time for this Subcommittee to come to grips with the various alternative bills to extend the Older American Act.

Mr. Chairman, whatever final version emerges from this Subcommittee, I am hopeful that it will reflect the firm commitment of Congress to insure the sanctity of the lives of our senior citizens. The Older Americans Act has come a long way since 1965, and I am certain that the implementation of strong amendments will allow it not only to continue, but to flourish.

DEFENSE INDUSTRY LOBBIES TO RETAIN HIDDEN PROFITS

Mr PROXMIRE. Mr. President, Congress created the Cost Accounting Standards Board to provide uniform cost accounting standards for defense contracts. The Board was established as a legislative agency because Congress wanted assurance that taxpayers are not being required to pay for unwarranted charges against defense contracts and that contract costs are properly identified.

PROFITS HIDDEN IN DEPRECIATION CHARGES

One of the most serious abuses of the contract system has been the practice of padding defense contracts with profits that are hidden in depreciation charges. The Cost Accounting Standards Board promulgated a new standard on depreciation recently to eliminate hidden profits, and it should come as no surprise that the defense industry is now vigorously lobbying on both sides of Capitol Hill to overturn or water down the new standard.

DEFENSE CONTRACTOR'S INFLUENCE IN WASHINGTON

I do not criticize the defense contractors for doing whatever they can to protect what they perceive as their interests. This is a natural reaction. But their influence in Washington is something to behold.

One hearing before a Senate committee has already been held at the request of the contractors, intended as far as the contractors are concerned to create pressure against the new standard. Another hearing before a House committee is scheduled for later this week.

It is not every group or interest in America that can get committees of the House and Senate to move so quickly into hearings.

I do not mean to imply that the hearings have been loaded or are rigged in favor of the defense contractors. Both committees in question are chaired by men whom I admire and respect very much, and I am a member of the Senate committee with jurisdiction over this matter. But the efforts of the defense industry—the letter writing campaign, the buttonholing, the concerted action—is something to behold. It is a tribute to this group that it can organize so quickly and effectively.

Nevertheless, there is no doubt in my mind that the hearings will prove that the new depreciation standard is both reasonable and necessary to protect the public interest and to prevent overcharges on defense contracts.

NEW STANDARD MATCHES COSTS AND BENEFITS

One of the most important benefits of the standard is that it will result in proper matching of depreciation costs with the benefits to the contractor from the use of the asset being depreciated. This point was emphasized in the testimony given by Elmer Staats, Chairman of the Costs Accounting Standards Board, before the Subcommittee on Stabilization and Productivity of the Senate Banking Committee. Mr. Staats stated:

Testimony of Elmer Staats

Standard No. 409, which permits the determination of the proper measurement and allocation of depreciation costs under negotiated defense contracts should be of value to both the Government and the contractor. If a contractor performs nothing but defense work, it is important that his different defense contracts bear the correct costs of depreciation of the assets used in performance of those contracts. The costs of all procurements are distorted if some procurements bear disproportionately heavy depreciation costs while others bear disproportionately light depreciation costs. For the same reason, a contractor whose business is mixed between defense and commercial business must be able to allocate the correct costs of depreciation to the defense portion of his business.

Mr. President, this comment by Mr. Staats is very significant. Preliminary information in my possession indicates that several major defense contractors may have charged the Government for the depreciation costs of equipment and subsequently used that equipment for their commercial business. It is entirely possible that millions of dollars may have been drained from the United States.

Fortunately, the new standard on depreciation will put a stop to such improper allocations of depreciation cost. But the new standard will not be included in defense contracts until July 1, 1975. Whatever improper allocations of depreciation cost have been made in the past, resulting in millions of dollars in benefits to defense contractors, will remain buried and hidden.

The defense contractors' current efforts are designed to keep those benefits well hidden from public view or congressional scrutiny.

I ask unanimous consent that the testimony presented by Elmer Staats on April 14, 1975, be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ELMER B. STAATS

I welcome this opportunity to discuss Cost Accounting Standard Number 409, Depreciation of Tangible Capital Assets. There has been considerable misunderstanding among some defense contractors and defense industry associations as to what the Standard provides. This hearing should help both in clarifying the reasons for promulgation of the Standard and also in explaining its provisions.

The Cost Accounting Standards Board believes that the Standard is a keystone to the development of Cost Accounting Standards for defense contracts. The Board believes that it establishes fair and equitable requirements for measuring and allocating depreciation costs under negotiated defense contracts and subcontracts, and that it promotes a greater degree of uniformity and consistency in the pricing of those contracts.

I have prepared a brief statement about the background of the Board, about the nine Cost Accounting Standards which the Board has promulgated and about the Board's Disclosure regulations. The statement also includes other background information which may be of interest to the Subcommittee. Rather than read that background material, I would appreciate your including it as part of the record of this hearing as an attachment to this Statement. I want to discuss the background of the Standard and the provisions of it which I understand are objectionable to some defense contractors.

The Board instructed its staff almost four years ago to begin the work which has led to Standard No. 409. The subject of depreciation is not a new one. It was identified as a major problem area in the General Accounting Office's Feasibility Study conducted in 1968 and 1969—the work which preceded Congressional creation in 1970 of the Cost Accounting Standards Board. Beginning in May 1971, our staff conducted rigorous research of published material, including Government procurement regulations dealing with depreciation and the changes made in them from time to time. We considered the research data made available to us by the American Institute of Certified Public Accountants and the Management Accounting Practices Committee of the National Association of Accountants. We consulted with the Treasury Department and the Internal Revenue Service.

We also have had the benefit of a great deal of research work performed by the Board relating specifically to depreciation in connection with negotiated defense contracts. We made analyses of the several hundred Disclosure Statements of contractor accounting practices which are on file with the Board. An issues paper dealing with capitalization and depreciation was distributed on December 23, 1971 to 50 individuals and organizations who expressed an interest in the Board's work. A questionnaire derived in part from the responses to the issues paper was distributed to about 100 interested parties in April 1972. Staff Members made numerous plant visitations and held discussions with company officials at contractor locations during the more than three years spent in developing the Standard on depreciation. We benefited from a detailed Staff study of depreciation costs of 107 contractor profit centers.

In addition the Board invited representatives of the Department of Defense, the Aerospace Industries Association, the American Institute of Certified Public Accountants, the Financial Executives Institute, and the Machinery and Allied Products Institute to meet with us for a discussion of the issues

involved. Board staff also arranged for informal meetings with representatives of professional accounting and industry organizations. We rely heavily on these organizations to provide us with an understanding of the view of those who will be affected by any Standard, if promulgated.

Based on this general background research and on our understanding of the issues involved, a preliminary Staff proposal was mailed in March 1973, to 270 contractors and others to provide them an opportunity to comment and advise the Board. We received over 100 letters of comment on that Staff proposal. At subsequent meetings, the Board had numerous discussions about issues highlighted and alternative approaches to those issues.

On June 11, 1974, a Board exposure draft was published in the Federal Register, soliciting comments from all interested parties. It was also mailed directly to the approximately 1,000 persons then on the Board's mailing list of individuals and organizations who have expressed an interest in the Board's work. We received more than 100 letters commenting on that proposal. After careful Board consideration of those comments, the proposed Standard was revised and published again in the Federal Register of October 3, 1974. This second publication of a proposal was unprecedented for the Board; it was also sent to the entire Board mailing list. We received 80 letters in response to this second exposure draft.

On December 20, 1974, at the request of industry spokesmen, the Board scheduled a special meeting. This meeting was attended by many industry representatives who provided a further exchange of views which assisted the Board as it began its final deliberations on the proposed Standard. The Board by a four to one vote decided at its January meeting this year to promulgate the Standard.

The Standard was submitted to the Congress on January 24, 1974, in accordance with Section 719(h)(3) of the Defense Production Act, which requires that sixty days of continuous legislative session elapse before the Standard goes into effect. In the absence of a concurrent resolution stating in substance that the Congress disapproved of the promulgated Standard, it became final on March 25, 1975. It will be incorporated in appropriate negotiated defense contracts made on and after July 1, 1975.

Even after that date, however, the requirements of the Standard are phased so that those contractors for whom accounting changes will be required will not experience the full impact of the Standard for many years. This long-delayed impact of this Standard on the negotiation of defense contracts will not even begin for most defense contractors until some time in 1978.

I would like to turn now to a discussion of the provisions of the Standard itself. The first point I would make—and it is a matter of very considerable significance—is that the Standard has not been challenged or questioned with respect to its accounting concepts or techniques. The purpose which the Congress prescribed for any Cost Accounting Standard is that it provide for fair and equitable means whereby costs under negotiated Government contracts may be measured and allocated to the Government business of the contractor, in such a way as to provide increased uniformity and consistency in cost accounting practices used in Government contracts. The Board has heard little criticism that Standard No. 409 fails to satisfy this primary, statutory requirement of all Cost Accounting Standards.

As I mentioned earlier, accounting for depreciation costs was clearly identified as a significant problem area, even before the Cost Accounting Standards Board was created. The Government's procurement regulations such as the Armed Services Procurement Regulation were relying largely on financial accounting practices and Federal income tax regulations for the determination of depreciation costs. The Board's research showed that defense contractors often used minimum lives permitted for tax purposes for financial accounting rather than lives based on actual experience. During its research, the Board was also urged to rely on tax accounting for the determination of service lives. The Board recognized that contract costing often deals with the same expenditures and the same problems of allocation to time periods that are of interest in income tax accounting. The Board recognized however that tax regulations are intended to achieve a variety of social and economic goals quite foreign to the purposes of contract costing.

I should emphasize at this point that Cost Accounting Standards do not modify tax laws or accounting practices used for reporting Federal income taxes. Compliance with Standards No. 409 for contract cost accounting purposes will in no way affect the accounting practices a firm uses for making its tax returns, and accounting practices suitable for tax accounting will continue for that purpose.

Standard No. 409, which permits the determination of the proper measurement and allocation of depreciation costs under negotiated defense contracts should be of value to both the Government and the contractor. If a contractor performs nothing but defense work, it is important that his different defense contracts bear the correct costs of depreciation of the assets used in performance of those contracts. The costs of all procurements are distorted if some procurements bear disproportionately heavy depreciation costs while others bear disproportionately light depreciation costs. For the same reason, a contractor whose business is mixed between defense and commercial business must be able to allocate the correct costs of depreciation to the defense portion of his business. Finally, it is in the public interest that the Government not be forced to continue to make premature borrowings or an unduly early use of its revenues to reimburse contractors for depreciation costs which under sound cost accounting principles would not be subject to reimbursement as early as they now are.

What then are the economic arguments being presented against Standard No. 409? Let me say briefly that the principal objections from those opposing the Standard have been that it will, several years from now, require them to base depreciation costs under negotiated defense contracts on estimates of the actual expected lives of the assets being depreciated, rather than on the shorter periods of time which they have up to now been entitled to use for tax purposes. The result of this future requirement will in most cases stretch out the period of time under which the costs of those assets will be reimbursed, from an artificially short period to a more realistic and longer period based on the experience of each company.

This in turn leads to what the opponents of the Standard see as a deprivation of cash-flow advantages which many defense contractors have enjoyed for many years. They believe that the effect of the Standard may inhibit investment in plant and equipment, that it may "strangle" capital formation and regeneration, and that it may adversely affect earnings.

The Board was of course well aware of the potential impact on many contractors' cash-flow of Standard 409, and it heard the arguments of the economic consequences of this impact from industry spokesmen. The Board sought to answer these arguments in its prefatory comments issued at the time the Board promulgated the Standard. For contractors who have been using realistic service lives, the Standard is likely to have little effect. For contractors who have not been using realistic service lives, what we indicated in the prefatory comments and would repeat today is that the Board understands that the stretching out of lives will deprive them of the cash-flow advantages which they have been realizing in the performance of those contracts.

The Board believes that if the profits made in the performance of defense contracts are inadequate to provide an incentive for the necessary investment in new plant and equipment or inadequate to provide sufficient incentive to American industry to undertake defense contracting, then this problem should be addressed directly by the procuring agencies in the application of, or in a reformulation of, their profit policies. The Board believes that profits should not be realized on the basis of inappropriate accounting practices. Profit objectives should be set openly and realistically as a matter of public policy. The Government obviously wants to retain its present supplies base and expand that base if possible. Profits should be sufficient and sufficiently visible to accomplish those objectives.

Contrariwise, we do not believe that Cost Accounting Standards should overlook real costs involved in fulfilling a negotiated contract. For example, the Cost Accounting Standards Board has under consideration the question of whether the cost of capital should be recognized as a cost in fulfillment of these contracts. Interest, as you know, is now disallowed. The Board does not have authority to direct that this policy be changed. However, we do have authority to require that these costs be identified and properly allocated as a cost in fulfilling negotiated contracts, and our staff is currently working on such a standard with this as our objective.

The Board deliberately delayed the impact of Standard No. 409 so that any necessary readjustments of Government profit policy could be made deliberately. Thus Standard No. 409 will have no impact at all on most Government contractors until some time in 1978, almost 3 years after its promulgation. Furthermore, even if the Standard begins at that time to affect the reimbursement of depreciation costs of some contractors, it will be three or four more years before that impact can possibly be substantial. The Board is fully confident that the Government and its suppliers, both current and potential, given several years within which to address themselves to the proper profit levels and the need for new plant and equipment for the performance of Government contracts, will resolve these matters equitably. These solutions can be arrived at in an atmosphere in which both parties can address themselves specifically to the profit and capital requirements of Government suppliers, without the distortion which has persisted throughout prior years of consideration of these specific issues because of the availability to some of accounting practices which may produce unacknowledged profits during the performance of Government contracts.

One final argument has been made against the Standard which I have not specifically dealt with. That is that the Standard will require the establishment and maintenance of records bearing on the life of capital assets beyond anything presently established and maintained by defense contractors, and that this record-keeping requirement will be so burdensome and expensive that its costs themselves will outweigh any advantage to be derived from use of the Standard.

The Board gave careful consideration to these arguments prior to its promulgation of Standard No. 409. The Board responded to these concerns by providing that contractors might employ statistical sampling from existing records or judgmental samples with analyses to support a large portion of the dollar amounts involved. In this way, rea-

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sonable estimates may be developed through the use of relatively small samples. Furthermore, the Board urged procurement agencies to provide early written guidance to their field personnel on ways in which contractor estimates of the expected lives of assets will be evaluated by Government auditors and contracting officers. The Board also volunteered its own assistance, if requested, in the development of this guidance. Our assistance has indeed been requested, and our Staff is now working with Government agencies on this matter.

We have in this connection learned that the Department of Defense has surveyed 92 defense contractors, including large, medium and small firms, to determine the quality of their records of their fixed assets. Of that number, all 92 have records showing the acquisition dates of their assets, 91 have records showing the acquisition costs of those assets, and 82 have records showing the disposition date of those assets. The survey concluded that all of the 92 contractors have records which are either adequate to determine the service lives of assets or which are available for that purpose but required analysis to determine such lives. All of the 92 companies surveyed were found to have records adequate to be used as a base line for estimating the service lives of future acquisitions.

All of these companies and other defense contractors will have until some time in 1978 in which to develop the necessary estimates. The Board's belief that the record-keeping requirements of the Standard are not unusual and do not in fact require the huge majority of defense contractors to establish and maintain records which they do not already maintain appears to have been wholly justified.

I have taken some time to explain the way in which the Board researched the entire subject of depreciation before promulgating Standard No. 409. My purpose was to provide to you an understanding of the way in which the Board seeks to carry out its statutory responsibilities of promulgating this and all other Cost Accounting Standards to achieve greater uniformity and consistency in the cost accounting practices used by defense contractors and subcontractors.

The Board's research, development, testing, consideration, and reconsideration of proposals have been exhaustive, have been conducted objectively by skilled professional staff, and have resulted in Cost Accounting Standards which we believe are most likely to satisfy the requirements which the Congress through Public Law 91–379 has placed upon the Board.

Having entered a strong defense of the Board's action, let me hasten to add that we will proceed with an open mind and, should experience indicate the desirability of a modification of the Standard, you can be assured that we will make the appropriate changes. This principle applies to all of the Standards issued by the Board, and for this reason we have agreed that we need to systematically assess from time to time how these Standards are working out. We do this on a continuing basis. In addition, we have scheduled in early June a 2-day conference in Chicago specifically for this purpose at which we will hear the views of all interested parties with respect to the Standards which have been in effect for a reasonable period of time.

I am prepared to respond to your questions at this point.

Summary of Cost Accounting Standards Board Achievements and Activities, 1970–1974

The Cost Accounting Standards Board was established as an agent of the Congress and independent of the executive departments by enactment of Public Law 91–379 on August 15, 1970.

In January 1971, following appropriations for the work of the Board, I appointed the four persons who first served with me on the Board. These were Mr. Herman W. Bevis, who was Senior Partner of Price Waterhouse & Co., Certified Public Accountants; Mr. Robert K. Mautz, who is currently a Partner in the firm of Ernst & Ernst, Certified Public Accountants; Mr. Charles A. Dana, who is Director of Government Accounting Controls of Raytheon Company; and the Honorable Robert C. Moot who was Assistant Secretary (Comptroller) of the Department of Defense. The terms of those four Board Members expired early in 1975, and I reappointed Mr. Bevis and Mr. Mautz to second terms. The Honorable Terence E. McClary, now the Assistant Secretary of Defense (Comptroller), was appointed to succeed Mr. Moot; and Mr. John M. Walker, Vice President and Controller of Texas Instruments, Incorporated, was appointed to succeed Mr. Dana.

Early in 1971, the Board selected Mr. Arthur Schoenhaut as its Executive Secretary, and a small full-time staff—now numbering 24 professional persons—was soon formed.

The Board generally holds monthly meetings, lasting from one to three days. The Board operates on the basis of staff papers, and each Board Member is personally briefed by the staff in advance of each Board meeting on the items included in the meeting agenda. Board Members are in frequent communication with the staff on materials being developed by the staff. Thus, the Board Members are deeply involved in all aspects of research and development of Standards and regulations.

The Board has promulgated nine Cost Accounting Standards and implementing regulations; seven of them are now required to be included in negotiated defense contracts and subcontracts covered by Public Law 91–379. Standards Nos. 408 and 409 will be included in such contracts made on and after July 1, 1975.

The nine Cost Accounting Standards promulgated by the Board to date are:

No. 401 Consistency in Estimating, Accumulating, and Reporting Costs;

No. 402 Consistency in Allocating Costs Incurred for the Same Purpose;

No. 403 Allocation of Home Office Expenses to Segments;

No. 404 Capitalization of Tangible Assets;

No. 405 Accounting for Unallowable Costs;

No. 406 Cost Accounting Period;

No. 407 Use of Standard Costs for Direct Material and Direct Labor;

No. 408 Accounting for Costs of Compensated Personal Absence; and

No. 409 Depreciation of Tangible Capital Assets.

The Board has also solicited comments from the general public on a proposal for Standard No. 410, dealing with allocation of business unit general and administrative expenses to cost objectives, and a proposal for Standard No. 411, concerned with accounting for acquisition costs of material. Comments submitted to the Board on these proposals are being analyzed prior to Board consideration of whether to go forward with promulgation of Cost Accounting Standards on the two subjects.

The Board is working on approximately 10 additional subjects, many of which we believe will culminate in Cost Accounting Standards.

The Board has also designed a Disclosure Statement of cost accounting practices which certain contractors must submit to the Government as a condition of contracting. These Disclosure Statements require major defense contractors to describe the principal practices they will follow for applicable negotiated defense contracts. Initially, each contractor who received negotiated prime defense awards in excess of $30 million in Fiscal Year 1971 was required to submit a Disclosure Statement. The Board amended that regulation to provide that, beginning April 1, 1974, Disclosure Statements were also required from companies which received in excess of $10 million of negotiated prime defense contracts of the kind subject to the Board's jurisdiction in either Fiscal Year 1972 or Fiscal Year 1973. The Board has only recently published a proposed amendment to its regulations on the Disclosure Statement which, if adopted, would require firms to file Disclosure Statements on the basis of awards received in subsequent fiscal years.

As of March 31, 1975, the Board had received copies of 1,260 Disclosure Statements from 155 multi-divisional companies required to make disclosure of cost accounting practices to the Government. The Board has established a computerized data bank into which are placed the responses contained in every Disclosure Statement received. We have the capacity now to provide aggregate data with respect to any question or combination of questions covered by the Disclosure Statement. This data bank is of considerable assistance to the Board in its research into possible Standards.

In 1974 the Board promulgated a Disclosure Statement for use by colleges and universities receiving defense contracts and subcontracts. The Statement closely parallels the Disclosure Statement submitted by commercial firms but is designed specifically for use by colleges and universities.

In 1974 the Board completed a study leading to establishment of a contract threshold amount below which the Board's Standards and regulations need not be followed. The Board decided to increase the exemption from the statutory limit of $100,000 to $500,000. The increase became effective January 1, 1975. Based on Department of Defense statistics, the Board estimates that about 70 percent of the companies receiving DOD prime contract awards representing only about ten percent of the total dollar value of annual DOD contract awards, will be exempt. Contractors who do not receive a covered contract in excess of $500,000 can, however, elect to comply with the Board's Standards and regulations.

Recognizing that cooperation by departments and agencies of the Executive Branch would be very important in achieving the full benefit of its regulations and Standards, the Board established an Interagency Advisory Committee in 1972. The Committee is composed of controller and procurement representatives of the Energy Research and Development Administration, the Department of Defense, the General Services Administration, the National Aeronautics and Space Administration, the Department of Health, Education and Welfare, and the Department of Transportation. The Committee is chaired by a representative of the General Services Administration.

The cooperative spirit of this Committee and of the individual Federal agencies involved has materially assisted in the implementation of promulgated Standards, rules and regulations. For example, the Atomic Energy Commission, the Department of Defense and the National Aeronautics and Space Administration, the original three principal relevant Federal agencies under Public Law 91–379, have issued uniform implementing regulations. The General Services Administration, in its publication of the Federal Procurement Regulations, provided that, with certain exceptions, the Board's Standards, rules, and regulations, as a matter of policy, are to be extended to nondefense contracts, thus better assuring consistent application of Board issuances to contractors having both defense and nondefense contracts.

To improve understanding of the Board's fundamental objectives and concepts and thus to provide the basis for a productive dialogue with those concerned with the Board's work, the Board formulated and published in March 1973, a Statement of Operating Policies, Procedures and Objectives. Interested members of the public should, on the basis of this Statement, be better able to focus on the complex and difficult substantive issues which the Board faces in promulgating Cost Accounting Standards.

The task of issuing sound, fair Cost Accounting Standards is exceedingly complex. To assist the Board in achieving its objectives, the Board has actively sought the cooperation of all those who have an interest in its work. The Board has established active, open consultations with representatives of all groups, including Government agencies, professional and industry associations, the academic community, and representatives of individual companies. Participation on both an individual basis and an organizational basis has been excellent. There are now more than 1,500 organizations and individuals to whom Board proposals and promulgations are regularly mailed during the course of the Board's research. These organizations and individuals generally have provided constructive reviews and comments on Board materials.

As an aspect of its conviction of the need for candid and regular communication with industry and Executive Branch agencies and also of its continuing concern for the orderly implementation of its rules, regulations, and Cost Accounting Standards, the Board undertook to sponsor in 1972 and 1973 a series of 1-day briefing sessions held throughout the country for both Government and industry representatives to explain its Standards and regulations. We estimate that approximately 11,000 persons attended those sessions.

Believing that training should be assumed by established training organizations, at least after the Board's early materials had been covered in Board-conducted sessions, the Board in 1974 encouraged the Civil Service Commission, the Army Logistics Management Center, and the American Institute of Certified Public Accountants to establish and maintain training courses in Cost Accounting Standards matters. The Board worked closely with those organizations in the preparation of their courses and continues to provide assistance with respect to the course material and also to provide occasional speakers at the training sessions.

As a further example of the Board's earnest desire to foster communications between itself and defense industries, the Board has announced that it will hold in June of this year an Evaluation Conference on Promulgated Standards and Regulations. The conference will be held in Chicago, Illinois, in order to facilitate attendance by any interested persons. Anyone wishing to appear before the Board to discuss his company's experience with promulgated Standards and regulations is invited to participate in the conference. The conference will also be open to the general public. There are early indications that industry greatly welcomes this opportunity to meet directly with the Board and that attendance at the conference will be high.

To assure effective coordination of the work of the Board with other agencies and groups concerned with accounting principles, the Board has established and maintains regular exchanges with the Securities and Exchange Commission, the Internal Revenue Service, and the principal standard-setting body in the private sector, the Financial Accounting Standards Board.

NATIONAL HEALTH INSURANCE

Mr. TAFT. Mr. President, the 94th Congress is likely to consider very seriously the enactment of national health insurance legislation. While the resolution of this issue is several months away at the very least, now is an opportune time for Congress to be listening to the views of all interested parties on this issue.

In that connection, the views of those in the life and health insurance industries must be regarded as crucial. Congress would be performing a great disservice to the public if it unquestionably accepted the health insurance recommendations of the industry, but Congress would also be performing a disservice if it blinded itself to the industry's comments, needs, and concerns. As we deal with the crucial issue of health insurance, we need the advice of those who have been working in this field for years.

The National Association of Life Underwriters has prepared a nine-point position paper on national health insurance. I will be pleased to insert that position paper in the Record for the benefit of my colleagues and others, because I believe it is important that Congress hear the views from the 130,000 life insurance agents, general agents, and managers who comprise this organization. This group obviously is vitally concerned with national health insurance because it could affect their jobs so crucially, and their experience in the field gives them a good perspective for commenting on the issues.

I also find many principles in the position paper which I feel are extremely important. Some of these include the principle that all Americans must have access to adequate health care, the great need for catastrophic insurance coverage, and the importance of effective cost control mechanics. I also agree strongly with the life underwriters that a proposal to federalize the entire health industry and delivery system must shoulder a burden of proof which it probably cannot bear. It is only logical that to the extent feasible and possible any national health program should utilize the delivery system we now have in place.

I ask unanimous consent that the position paper of the National Association of Life Underwriters on Health Care be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

NALU Policy on Healthcare

The National Association of Life Underwriters, with a countrywide membership of 130,000 career agents, managers and general agents vitally concerned with the best interests of the insurance buying public, believes that any national healthcare program should encompass the following principles:

1. Adequate Healthcare should be regarded as a right, rather than a privilege. Nationalization or serious impairment of the private health insurance business will hinder rather than assure guarantee of this right. Rather, the private health insurance financing and delivery sectors should be supported by government in attainment and preservation of this right.

2. The private health insurance industry should build on its demonstrated strengths by developing a portable uniform minimum of comprehensive benefits with a minimum catastrophic benefit of $250,000. This benefit should be made available to groups and individuals with competition in rate structure preserved and optional benefits at additional cost available.

3. The uniform minimum program should be available to all, including the poor, near poor and uninsurables. The cost of protection for the poor and near poor to be borne by Federal-State Governments. The cost of uninsurables to be borne by the covered individual and the insurer through a pooling system.

4. In order to minimize cost and provide equity to all insureds, benefits payable by all and all medical coverage on an individual must not provide more than the actual total expense incurred.

5. The private health insurance industry, through its agents and agency system, must continue to merchandise its products under a free competitive market and be reasonably compensated for their sales and service efforts.

6. An effective means of cost control is an absolute necessity so that any program of national health insurance will work efficiently and economically.

7. The entire costs to individuals and employers required to provide at least a uniform minimum healthcare program must allow for an appropriate deduction from income taxes.

8. We urge Congress to consider seriously the adverse economic impact, that any nationalization of the health insurance industry will have on the nearly one million employed and their families, an industry which has contributed so greatly to the economic and social well-being of most Americans.

9. We have the largest Federal debt in history—about $500 billion. We have a Federal Budget of more than three hundred billion a year and face increasing deficits each year. Recognizing these facts we should not increase Federal expenditures by some 50 to 100 billion a year. Neither should we destroy by legislative fiat an industry and hundreds of thousands of individuals who strengthen our economy by constant tax payments.

It will be the purpose of The National Association of Life Underwriters to articulate these relevant principles in fulfilling its commitment to assure the best possible healthcare for all Americans.

TANZANIA CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, the East African country of Tanzania celebrated its National Day on April 26.

Famed for its high mountain peak, Kilimanjaro, the highest in Africa, and the Olduvia Gorge, where the oldest fossils of man have been found, Tanzania has moved politically forward since independence.

Under President Julius Nyerere's concept of "Ujamaa"—familyhood—the country is moving toward self-sufficiency.

What Tanzania lacks in natural resources, she makes up in the ambition and ceaseless effort of the people, who number approximately 14 million.

There is no major manufacturing industry to balance the agriculture sector, which accounts for over 40 percent of the gross domestic product. Major exports are diamonds, cloves, coffee, sisal and pyrethrum.

The United States enjoys friendly bilateral relations with the United Republic of Tanzania, and with this in mind I join the American people in wishing the government, the President and the people of Tanzania, continued development and peace on her national day.

SENATOR GRAVEL WARNS OF NUCLEAR POWERPLANT PROLIFERATION

Mr. CRANSTON. Mr. President, the "fallout" of nuclear powerplants around the world is becoming a matter of grave concern. The proliferation of these plants means the dispersed production of nuclear materials which in turn can mean the spread of nuclear weapons.

In a speech before the 15th annual foreign affairs conference at the Naval Academy on April 23, the Director of the Arms Control and Disarmament Agency, Fred Ikle, sounded a warning we should all heed:

> As if to saddle mankind with a double curse, the nuclear technology now of greatest interest throughout the world—reactors to produce energy—is also a technology that yields material necessary to build nuclear bombs. From a powerful mixture of economic and nationalistic motives, nation after nation will want this technology. The most dangerous material man has ever fashioned will gradually spread all over the world.

On the morning following Dr. Ikle's speech, the New York Times ran a front page story by Walter Sullivan headlined "U.S. Lab Develops a Laser Technique That May Facilitate Atom Arms Output." The story was about a new isotope enrichment technique using laser beams. The process raises the possibility that uranium fuel for atomic bombs might be more accessible to terrorist groups or small countries that presently are without nuclear weapons.

What can be done as the nuclear reactor trade grows and science marches on?

Last month Senator STEVENSON and I introduced Senate Joint Resolution 51 directing the Eximbank to defer action on a loan to the Republic of South Korea for a nuclear powerplant until Congress could review reports from the President on the adequacy of domestic and international safeguards. The Bank later withdrew its offer of assistance to South Korea. The powerplant that was to have been underwritten would have been capable of producing enough plutonium in a single year to make several nuclear bombs. Incidentally, Mr. President, South Korea is not a party to the Nuclear Non-Proliferation Treaty—NPT.

Also, late last month the Nuclear Regulatory Commission wisely stopped issuing licenses to import and export nuclear reactors and several materials such as plutonium—pending a review of procedures in this area. A total of 5 import applications and 77 export applications would be affected by the Commission's decision.

Just last week Representative LES ASPIN urged the Nuclear Regulatory Commission to withdraw a license for a shipment of nuclear materials to South Korea that he said would give it the capacity to make 100 nuclear bombs. And the Senate Government Operations Committee began hearings last Friday on the whole question of the adequacy of Federal restrictions that are designed to prevent the conversion of exported U.S. nuclear technology into weapons. Legislation is being considered that would establish a system of interagency checks on exports, including a requirement that safeguards against theft, diversion, or sabotage in the receiving nation be at least as stringent as those required in the United States.

These precautionary steps by the executive and legislative branches of our Government can at least serve to slow down the spread of the means to make the bomb. But the United States alone cannot stop the spread, as one of our colleagues recently reminded the world.

Senator MIKE GRAVEL met for 2 days in early April with Swedish leaders concerned about the spread of nuclear powerplants and the production of plutonium. Among those who talked with Senator GRAVEL were Torbjorn Falldin, the leader of the Center—opposition—Party in the Riksdag—parliament; Mrs. Birgitta Hambraeus, a member of the Riksdag; and Dr. Hannes Alfven, Nobel laureate in physics.

While in Sweden, the Senator from Alaska called on all the nations that have signed or ratified the Nuclear Non-Proliferation Treaty, when they meet in Geneva in May, to reexamine the basic philosophy of the treaty and act to prevent the spread not only of nuclear weapons but also of nuclear power reactors.

Mr. President, I ask unanimous consent that Senator Gravel's statement of April 4 be printed in the RECORD, along with the article from the Times.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY U.S. SENATOR MIKE GRAVEL

During my short stay here I have been gratified to note that Swedish-American relations have returned to normalcy. They are rooted in a long period of peace and understanding. A century and a half of active commerce and the ties of kinship established by Swedish settlement in America form a strong foundation for these relations. I am confident that the favorable development in relations will continue to the mutual benefit of both our people.

The main reason I'm visiting Sweden is to develop contacts with your national leaders engaged in the political dialogue on the commercialization of nuclear activity.

Sweden has been the nation to have the most rational dialogue on the subject in the world.

I'm deeply grateful that Sweden has not rushed into the nuclearization of its power industry without its first knowing the benefits and objections.

As stated at the Pugwash meeting in Aulanko:

"Owing to potentially grave and as yet unresolved problems related to waste management, diversion of fissionable material, and major radioactivity releases arising from accidents, natural disasters, sabotage, or acts of war, the wisdom of a commitment to nuclear fission as a principal energy source for mankind must be seriously questioned at the present time."

Next month, the nations that have signed or ratified the Nuclear Non-Proliferation Treaty will meet in Geneva to discuss the effectiveness of the Treaty and any changes that may be desirable.

I am asking today that these nations reexamine the basic philosophy of the Treaty and that they act to prevent the spread not only of nuclear weapons, but also of nuclear power reactors. These two activities are inextricably interrelated.

I believe that the events of the past year have demonstrated that peaceful uses of the atom cannot be separated from the terrible threat of atomic weapons proliferation.

I ask that the nations represented in Geneva consider not how nuclear fission energy can be spread around the world, but how we can fill our energy needs without nuclear fission.

The Non-Proliferation Treaty was written to prevent the spread of nuclear weaponry while at the same time assuring all nations that the "benefits" of nuclear power would be available to them.

In the last few years, more and more people have become aware that these benefits are offset by enormous potential hazards. Quantities of radioactive wastes, some of the deadliest poisons known to man, accumulate in the peaceful reactors and threaten our land, health and genetic integrity.

And more than that, the peaceful reactors themselves can be used as nuclear weapon factories. A byproduct of uranium fissioning is plutonium, the actinide that can be used to make nuclear bombs.

It was with a "peaceful" reactor that India constructed its "peaceful" bomb.

It was with a "peaceful" reactor that Israel carried out its top-secret project in the Negev desert.

Now South Korea wants a "peaceful" reactor like India's, Iran wants "peaceful" reactors, too, and a "peaceful" reprocessing plant.

The basic premise of the Non-Proliferation Treaty is simply being proven wrong. The peaceful employment of the fission process is bringing us to the very same precarious limb that we were trying to avoid—and it may be bringing us there even more quickly than we would otherwise arrive.

We are actually arming the most unstable areas in the world with atomic potential.

The duty of the Treaty countries is to keep the world from becoming a storehouse of nuclear weapons.

These nations must recognize that the spread of peaceful reactors, encouraged by the Non-Proliferation Treaty, is not slowing the proliferation of weapons. It is actually accelerating that proliferation. There is only one answer and that is the total control of all plutonium and U235 by one central international body. This would include fissionable material for "peaceful" and military use.

I am hopeful that Sweden in view of its long history of concern for man's world being for the last 150 years will help provide leadership toward the attainment of this goal.

U.S. LAB DEVELOPS A LASER TECHNIQUE THAT MAY FACILITATE ATOM ARMS OUTPUT

(By Walter Sullivan)

A laser technique that scientists believe will make it easier to produce nuclear weapons and commercial nuclear power has been developed by the Los Alamos Scientific Laboratory.

The hitherto secret process presumably could be used for extracting uranium 235—a key isotope used to produce nuclear energy—from the raw uranium metal more simply and cheaply than methods now employed.

The process may hasten the development of cheaper nuclear power. But it also is expected to complicate efforts to limit the proliferation of nuclear weapons because it would make possible the production of uranium 235 used in such weapons with a minimum of technical sophistication.

It also casts in a new light fears about the theft of potential bomb fuel, such as plutonium, by terrorists, since it suggests that bomb fuel could more easily be extracted from raw uranium without recourse to elaborate thievery.

The process was made public this week following disclosure that the new technique had been achieved by scientists in the Soviet Union.

The new process separates the varying

forms, or isotopes, of an element by means of a laser beam tuned precisely to the vibrational frequency characteristic of one such isotope. In this way, it is possible to break that isotope loose from the chemical compound of which it is a part without affecting its almost identical sister isotopes.

Each of the elements, from the lightest (hydrogen) to the heaviest (such as uranium) occur as isotopes that, for each element, are identical chemically but vary slightly in weight because of differences in the number of neutrons in their nucleus.

The isotope uranium 235, with 235 protons and neutrons in its nucleus, can be used to generate nuclear power or a nuclear explosion. Uranium 238 neutrons cannot be so employed.

More than 99 per cent of raw uranium is of the latter type, and therefore a major challenge in the original atomic bomb project was the extraction of the uranium 235.

The account of the new development at Los Alamos makes no mention of attempts to use the method for uranium separation. Rather it tells of recent success with isotopes of boron, chlorine and sulphur.

However, the leader of the group there, Dr. C. Paul Robinson, believes that the method, "if completely successful," will extract Uranium 235 with one-hundredth to one-thousandth the energy required with present methods.

This, he told a meeting here on laser technology, could worsen the problem of checking nuclear proliferation. He presented a paper on the subject Tuesday and elaborated on it in an interview yesterday.

Since all the isotopes of one element react in the same manner chemically, they cannot be separated by chemical means. Instead, their very slight differences in weight or magnetic properties have been exploited.

This led, for example, to the huge gaseous diffusion plant at Oak Ridge, Tenn., where the compound uranium hexafluoride was run through some 3,000 successive stages to produce enough uranium 235 for the first atomic bombs. Each stage enriched the product by a factoral only 1,004.

In the work reported this week isotopes of boron, chlorine and sulphur were enriched—by factors of from 5 to 33.

In previous attempts at isotope separation by means of lasers, several steps were needed. A laser generating infrared light tuned to excite vibrations in only one isotope of an element was aimed at a compound containing the element in its raw form.

This raised that isotope to the next higher energy state, whereupon another laser beam at an ultra-violet wave length raised the isotope to a sufficiently high energy level to break it loose from the compound of which it was a part. Those molecules of the compound containing other isotopes of the element would not be affected.

In 1973, Dr. Robinson proposed that, if an infrared laser beam were powerful enough, it would do the entire job alone. It is this that has now proved correct in the experiments at Los Alamos and at the Institute of Spectrocopy in Moscow. The group there is led by R. V. Ambartsumian, son of the Soviet astronomer who formerly headed the International Astronomical Union.

The Los Alamos group was clearly disappointed when word of the Soviet work reached them a few days ago. Dr. Robinson said the Moscow scientists had achieved even higher levels of sulphur enrichment.

COST COMPARISON

He reported that sulphur 34 normally costs $1,000 a gram in terms of the energy required for its extraction, whereas the energy cost under the new method is 40 cents a gram. Thus the method would appear applicable to a wide range of situations where isotopes are used for industrial, medical or other purposes—for example for tracers of bodily function.

The isotopes sulphur 34, for example, is seen as potentially useful in tracing the manner in which plant and animal food passes through a complex system of living organisms.

A few years ago the separation of uranium isotopes by means of centrifuges emerged as a method of bomb fuel production that one feared could be exploited by nations lacking high technology. However, each stage of this process enriches the uranium by so small an amount that a large number of stages are required.

LOS ALAMOS BUDGET

The scope of the effort at the Los Alamos Scientific Laboratory is indicated by its $8-million budget for the current fiscal year. Some $2-million of this went into outside contracts for the special lasers required. The laboratory is operated by the University of California for the Energy Research and Development Administration.

Concerning the current emphasis on safeguarding nuclear fuel, Dr Robinson said the possibility of producing bomb fuel "in small, lower-cost plants is expected to seriously impair" such safeguarding. It was this fear, he added, that had led to the "strict classification" of the project—keeping it strictly secret.

The code name for the project—JUMPer—was chosen because participants felt they were under such pressure they were always "on the jump." However only "Jumper" was given in a catalogue of permitted code names for secret scientific work, so they decided to capitalize the first four letters.

Experiments in laser separation began at Los Alamos in 1970, but did not gain momentum until the end of 1971. That the Soviet group had also devised the single-stage method became known when letters from the Soviet scientists describing the effort reached a number of their American counterparts.

Mr. CRANSTON. Mr. President, I also ask unanimous consent to have printed in the RECORD another article by Mr. Sullivan from this morning's Times, entitled "Physicists Voice Long-Term Worry on Reactor Peril."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PHYSICISTS VOICE LONG-TERM WORRY ON REACTOR PERIL: NOT FEARFUL FOR PRESENT BUT THINK GROWING NUMBERS OF PLANTS MIGHT POSE HAZARD

(By Walter Sullivan)

Special to The New York Times

WASHINGTON, April 28.—A team of physicists, convened last year by the American Physical Society to assess the safety of American nuclear reactors, has found no reason for "substantial short-term concern," but is critical in terms of long-range prospects.

The study focused on the water-cooled reactors that are the standard energy source in American atomic power plants. Fifty-four are in operation, as well as one gas-cooled reactor. A total of 236 water-cooled reactors have been built or are under construction or projected.

The physicists noted that so far the safety record of such reactors "has been excellent, in that there has been no major release of radioactivity," and said they had uncovered no reasons for substantial short-range concern regarding risk of accidents. But they did express concern for long-term operation of an increasingly large number of such power plants when the likelihood of seemingly "improbable" accidents becomes greater.

DANGER OF LETHAL DEBRIS

One major source of concern to the panel is the absence of any realistic, full-scale test of what would happen in case of the most serious accident—a core melt-down. If all the cooling systems failed, the reactor core and its fuel rods could heat sufficiently to melt.

The reactors are enclosed in pressure vessels designed to contain the radioactive gases released if melting occurred. If heat or internal pressure became sufficient to rupture the pressure vessel, winds could carry this lethal debris hundreds of miles.

The physicists, chosen to be independent of any connections with the reactor safety program, accepted estimates of the former Atomic Energy Commission that the likelihood of such a casualty was very small. The calculated probability that it would happen to any one reactor in any one year ranged from one in 50,000 to one in 50 million.

The study found, however, that estimates of cancer deaths resulting from such an event should be 50 times higher than those of the A.E.C. It also regarded the A.E.C. estimates of genetic injuries as much too low.

The physicists' higher figure for cancer deaths derived from consideration of two factors not considered by the A.E.C.

One was the long-term effect on populations downwind of radioactive material deposited on the ground. The other was the effect of radioactive debris on organs such as lungs and thyroid gland. In the extreme case considered, the physicists estimated that from 20,000 to 300,000 residents would have thyroid glands damaged from exposure to radioactive iodine.

Although this is less frequently fatal than other such exposures, it would help raise the total cancer deaths to 10,000 to 20,000 in the 10,000 to 20,000 square miles downwind from the plant, the physicists estimated. These estimates assume a population density of 300 a square mile.

It was pointed out here today by Dr. Wolfgang K. H. Panofsky, director of the Stanford Linear Accelerator in California, that since the exposed population was very large, these additional cancer deaths would add only 0.1 per cent to the 20 per cent of the exposed population who would be expected to die of cancer normally, according to national statistics.

Since many of the deaths would occur long after the accident, it would be hard to pin down the blame. It would also be difficult to persuade people to leave their homes in the contaminated area if the added risk of their dying of cancer was less than 1 per cent.

Dr. Panofsky presided over a session of the Physical Society's spring meeting here at which results of the study were presented by some of its dozen participants. Dr. Panofsky was chairman of a trio of internationally known physicists who reviewed the study's findings.

REPORT MADE PUBLIC

The two others were Dr. Hans Bethe of Cornell University and Dr. Victor F. Weisskopf of the Massachusetts Institute of Technology. Like Dr. Panofsky, both are former presidents of the society. The published report was also made public yesteday.

At a news conference before the session at the Shoreham Hotel, Dr. Harold W. Lewis of the University of California at Santa Barbara, chairman of the year-long study, noted that it was focused entirely on the safety of reactors cooled by ordinary water, such as those now in use in this country.

It did not assess other reactor types or the relative merits of other energy sources.

"We studied risks; we didn't study benefits," he said.

Publication of the report followed an assessment last week by the Environmental Protection Agency suggesting that development of breeder reactors be delayed from 4 to 12 years. Such reactors would "breed" new atomic fuel.

Their chain reactions would not only generate power but also would release neutrons with sufficient energy to penetrate the nucleus of Uranium 238, which is useless as fuel. This would convert it into plutonium 239, which can power a reactor—or a bomb. Breeder reactors are already functioning in Europe and the Soviet Union. Opponents of the program fear that, if many are built, enough plutonium will be produced to tempt seizure of the material by terrorists.

The E. P. A. report said that new estimates of national power needs through the year 2020 indicated that the requirements would not be so great as assumed in earlier planning. It proposed, thereupon, that the breeder program could be delayed while alternatives were assessed.

Today, Elmer B. Staats, Controller General of the United States, submitted to Congress a report on the primary breeder development effort—that of a liquid metal fast breeder reactor. He called it "our nation's highest priority energy program." While his report is a background paper that makes no recommendations, it finds projections by the Energy Research and Development Administration "optimistic and possibly unrealistic."

The administration, which has acquired many of the functions of the defunct A.E.C., has projected operation of the first breeder reactor in 1987. It has also projected that 186 commercial-size breeders will be operating by the year 2000, and 1,178 by the year 2020.

The cost to the Government of breeder development so far has been close to $2-billion. By 2020 it has been projected to $10.7-billion. However, inquiries within the atomic industry indicated, according to Mr. Statas, "that few utilities would be willing to commit large amounts of capital until they were fairly certain that Lmf Br's [breeder reactors] would be technically and economically viable."

MAJOR STEPS PROPOSED

Members of the Physical Society's study group cited a long delay in carrying out a test designed to provide data needed to assess what would happen if the cooling system of present reactors failed. Much concern has been expressed in recent years about the adequacy of the emergency core cooling systems provided in case of such failures.

The performances of various elements of the reactor system in an emergency have been simulated in computer models. However, the panel found, there has been no such modeling of the system as an interrelated whole.

In view of the large number of water-cooled reactors now operating and being planned, the panel said, "we believe it is important that the reactor safety research program quickly take major steps to bring about a convincing resolution of the uncertainties in [emergency core cooling] performance."

Likewise it was found that operating personnel had not been trained adequately to respond quickly and correctly to unexpected emergencies.

It was noted that, at a typical atomic plant, about 10 "scrams" occur each year. The term goes back to early days in reactor development when, if anything went wrong, a "scram" button was pushed, the reactor was shut down and everyone "scrammed." In current parlance it means an instrument reading indicating that something is sufficiently amiss to call for a temporary shutdown.

Personnel are well trained for the commonly occurring scram, the panel found, but not for the rare, unusual combination of factors that could lead to major trouble.

It recommended the use of training simulators like those designed to train airline pilots for the unexpected.

As an example of a "weak point" found in the safety program it was noted that diesel generators, like those at air traffic control centers, were provided at reactor sites in case of a power failure. However, inquiries of the Federal Aviation Administration showed that such generators fail to start up 3 per cent of the time. Two are needed for high reliability.

Among the recommendations of the study were the following:

Greater automation of reactor operation to reduce to a minimum the danger of human error.

Consideration of controlled venting to prevent explosion of the containment vessel after an accident.

Preparations to lessen the effects of a major accident such as providing the population with iodine pills to reduce uptake of radioactive iodine.

Defense measures against sabotage, including provisions for shutdown before invaders could reach their goal.

"Careful assessment" of benefits and costs of placing atomic plants underground or in remote "nuclear park" settings.

The study also recommended a major expansion of research on many aspects of reactor safety, including quality control of components and biological effects of an accident.

THE U.S. ECONOMY NEEDS MAJOR OVERHAUL, NOT TUNEUP

Mr. HUMPHREY. Mr. President, one of our colleagues, the distinguished junior Senator from Colorado, Mr. GARY HART, in a feature article that appeared in the Minneapolis Tribune for Sunday, April 27, has stated that "the U.S. economy needs major overhaul, not tuneup." His article is a challenge to all of us and, in particular, to those committees of Congress that deal with the economy. As chairman of the Joint Economic Committee, I am determined to have that committee undertake the thorough and comprehensive analysis of the American economic system which Senator HART has recommended. We are indebted to our colleague for his provocative and thoughtful proposals. I ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE U.S. ECONOMY NEEDS MAJOR OVERHAUL, NOT TUNEUP

(By GARY HART)

WASHINGTON.—The thought seems hardly to have occurred to any one, during our current scramble to cure the nation's economic ills, that we may be treating only the symptoms of the illness, or, even worse, the wrong disease.

Congress has voted a hodge-podge of tax rebates, tax reductions, investment tax credits and tax reforms—all representing "fine tuning" of an economic engine that requires a major overhaul.

Consider what the mood of the country will be in six to 12 months if these measures have gone into effect and nothing happens: Inflation runs rampant and unemployment remains at recession levels.

Politicians and economists must realize that times have changed. The creaking economic ship of state is taking on water from leaks that did not exist in the Great Depression or even more recent recessions:

Keystone industries have become increasingly concentrated and anti-competitive and spend more money on sexy advertising campaigns than they do on innovation, invention, product quality and product safety.

New Deal regulatory agencies stifle competition, create bureaucratic nightmares and are seduced by the industries they were designed to regulate.

Government procurement policies, particularly for military hardware, are political footballs that, with acquiescence by organized labor, have become tools for "economic stimulation" in favored regions.

Giant multinational corporations—chartered in this country, but owing allegiance to no flag—run roughshod over our foreign policy and dominate our economy through control of vast quantities of raw materials and productive facilities.

The tax structure is increasingly used as a subsidy mechanism in the amount of $92 billion a year, over half of which goes to powerful special interests.

Much of the nation's capital assets—railroads, seaports and shipyards, plants and productive capacity—deteriorate while we seek to "stimulate" an economy premised on wasteful consumption and planned obsolescence.

More than anything else, the nation cries out for leaders who will tell the hard truth—that old-time, "fine-tuning" economic remedies are no better than leeches and snake oil in the last quarter of the 20th century; that the free lunch is over, and, in fact, the economic pie is shrinking; that economic stimulation through weapons procurement is inherently inflationary; that a democracy cannot long survive with a tax system as inequitable as ours; that our "free-enterprise" economy is being eaten alive by big enterprise while the government acquiesces; that the quality of life is more important than the quantity of goods consumed.

But those same leaders could offer a message of hope and a return of fundamental values. Translating these values into sound policy will require strong measures such as these:

Fiscal stimulation through rebuilding our national assets, not through weapons production; a return to true competition through strict antitrust action and public-interest regulation; stimulation of private savings and investment through programs to broaden private ownership of productive assets; subsidies dispensed above the table and not hidden in the tax laws; replacement of a paternalistic government's handout programs with guaranteed employment and income maintenance, and thorough review and reform of our economic institutions—the Federal Reserve Board and our monetary system; our planning and budgeting process, where progress has been made; our credit system, and our tax structure.

The administration and Congress have merely taken the easiest course, the one most readily at hand. But the hard questions have not been asked and the causes have not been identified, and the people know it.

The people know that a fundamentally sound structure is beginning to rot and decay through misuse and lack of maintenance.

THE LESSONS OF VIETNAM

Mr. ABOUREZK. Mr. President, events in South Vietnam are occurring at a rapid pace. Gen. Duong Van Minh's accession to the Presidency and our total withdrawal from that country have negated the need for consideration of the President's request for additional assistance to that government. President Ford's statement at Tulane University that this country has ended its involvement in South Vietnam should serve as the last milestone in our disastrous and unforgettable experience of the last generation.

A great deal has been written and said about this colossal mistake in U.S. foreign policy. Nevertheless, rather than putting the whole matter behind us and chalking it up to experience, I believe that American foreign policymakers ought to be forced to recall the tragic repercussions of faulty and misguided decisionmaking. Only in this way can the country "learn from our experience" and resolve never to follow the same path again.

In the past week, Anthony Lewis has written two of the best articles I have read in recent memory on the lessons which we should have learned from our 30-year involvement in Vietnam. I I heartily recommend that all who read the RECORD devote a sufficient amount of time to read the two Lewis articles.

Mr. President, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

NO END OF A LESSON: I

(By Anthony Lewis)

BOSTON, April 23.—We should have had no illusion that it would end well, when it finally did end. But we did not have to expect the nightmare that now confronts us: Americans fleeing Saigon, leaving behind most of those whom we enlisted in our war against Communism. It is a final horror in the series of horrors that has marked the American intervention in Indochina.

If we are to learn the lessons of our disastrous involvement over all these years, we ought at least to understand the ending. And doing so will in fact afford insight into what went wrong in general. For a crucial element at the end was the same one that caused disaster all along: deception by American officials—deception of others and ourselves.

The last long phase of deceit began with Henry Kissinger's declaration of peace just before the 1972 election. When the published peace terms were not signed over the next two months, Mr. Kissinger and President Nixon blamed North Vietnamese intransigence. There was the same explanation for the Christmas bombing of Hanoi. But we know now that that was all a charade.

The obstacle to agreement at the end of 1972 was not Hanoi but Saigon. President Thieu, in his resignation speech, has just confirmed what many had surmised: that he at first refused to sign the agreed terms, objecting to the lack of any provision for removal of North Vietnamese forces from the South. To overcome his resistance, the United States rushed $1 billion in fresh arms to Thieu—and bombed Hanoi as a demonstration of our will.

What happened at the end of 1972 was more than just an isolated episode of deception and brutality. It foreshadowed the nature of the "peace" that followed.

It was "peace with honor," Mr. Nixon said when the Paris agreements were signed in January, 1973. Such a peace would necessarily mean the substitution of political for military struggle in South Vietnam. And the accords did contain numerous provisions to start a political process, notably the creation of a National Council of Reconciliation.

But Mr. Kissinger and Mr. Nixon did not really favor political compromise in South Vietnam. Their policy was "Vietnamization"—making the Thieu regime strong enough militarily to survive without compromise. They saw the Paris agreements as essentially providing a military pause in Vietnam and meeting the domestic demand to bring home the American soldiers and prisoners of war.

Accordingly, after the 1973 agreements were signed, American officials encouraged Mr. Thieu to believe that he could disregard the political provisions. If the Communists returned to the offensive on the battlefield, as they inevitably would in the absence of a political process, he could defeat them with American arms.

In the words of Richard Holbrooke of the magazine Foreign Policy, who spent years in Vietnam, that policy was "a fantastic gamble." In 1965 and 1968 and 1972 only the most massive American power—troops and bombers—had denied the insurgents victory. How could anyone conceivably expect the South Vietnamese to win without that kind of intervention?

The answer is that Mr. Thieu was led to believe that the United States *would* send its bombers back, if necessary. He says now that he had a "solid pledge" from Mr. Nixon to "actively and strongly intervene" against any renewed North Vietnamese "aggression." President Ford confirms that there were Nixon-Thieu letters but refuses to publish them, saying that they did not go beyond public expressions of support for Saigon.

What did Mr. Nixon and Mr. Kissinger really intend in whatever they conveyed to Mr. Thieu? Perhaps their words were ambivalent, implying more to him than they knew could be delivered. After all, it was hardly likely that Congress would have supported a pledge of re-intervention if it had been informed of such a thing following the Paris agreements.

But if our leaders really meant what they signaled to Mr. Thieu—if they really meant to use the B-52's again—then that policy came to a dead end on Aug. 15, 1973, when Congress prohibited all American military activity in or over Indochina. After that it was rank cynicism to go on with the policy of resisting political accommodation in Vietnam and banking on military victory. By doing so, we saved face for a little while, and assured a bloodier, more shameful version of the same ending.

Deceit does not pay; it may have worked in some other century or some other country, but in the United States at the end of the twentieth century it cannot. That is the lesson, the familiar lesson, of what has happened since Henry Kissinger declared that peace was at hand.

NO END OF A LESSON: II

(By Anthony Lewis)

When we learned about the Thirty Years War in school, its origins seemed beyond understanding. To go on so long, to devastate the center of Europe for reasons of theology and dynasty—it was some 17th century lunacy.

Now, toward the end of the 20th century, we are finishing a thirty years war. That is how long the Vietnamese have been fighting. And for most of that war, and most of the incredible suffering that resulted, the United States was responsible. Will school children in the future be able to understand it? Can we understand ourselves? If we hope to avoid repeating what went wrong, we have to try.

An accident of history played a part at the beginning. President Roosevelt was determined not to let the French resume their colonial role in Indochina; but he was dead when the French, with our acquiescence, marched back in the summer of 1945. Ho Chi Minh declared Vietnam independent, using Jefferson's words. The French attacked his Saigon headquarters, but Ho escaped. In November 1946, the French bombared Haiphong, killing 6,000 people. The war was on.

On May 8, 1950, the U.S. Government decided to help the French in their Indochina war. President Truman and Secretary of State Acheson were doubtless moved to that decision, in part, by the political attack they were undergoing for "losing" China to the Communists.

By 1954, the United States was paying 78 per cent of France's war budget. On May 8 of that year the French were defeated at Dienbienphu. When they decided to pull out, and Ho's government was established in Hanoi, the United States moved in to create and support a separate regime in Saigon. Our chosen instrument, highly touted by American diplomats and journalists, was a politician named Ngo Dinh Diem.

How easily it could all have been avoided, how often it could have been stopped: Those are the thoughts that assail us as we look back over the years ignorance and lies and death.

Ignorance first, because it was the foundation of our folly. We knew virtually nothing about the Vietnamese, their culture or their history. Worse yet, we did not understand the simplest fact of their politics, after 1945, which was the overwhelming appeal of nationalism, of anti-colonialism. Ho and the Communists understood and assumed the leadership of the movement. We took the losing side.

On top of ignorance, presumption. We presumed to tell the South Vietnamese how to order their society. We sent over advisers to build an army and an economy and a government on the American model. And when the result was not American freedom and productivity but corruption and tiger cages, we tried not to notice.

And then, obsession. Whatever did not work, we doubled. More bombs, more defoliants—and means became madly disproportionate to ends that we would not reexamine. And the same in politics, for twenty years we struggled to maintain a right-wing anti-Communist government in Saigon, preventing coalition, preventing compromise: preventing, as we now can see, a Vietnamese solution.

The lessons of it all will require books to list and years to explore. But a few are plain enough.

First, America does not have the answers to all the world's problems. We should not really be surprised to discover that our perspective is different from that of a peasant in Southeast Asia. Why should we think that American democracy and capitalism are what he wants? We have come, finally, to realize that Chinese Communism meets China's needs, however little we would like it. We ought now to accept diversity in general—and to stop treating and society's choice of a different model as a provocation.

Second, means cannot be separated from ends; countries, like individuals, must be able to justify both. For a generation, American leaders lied to the public and Congress about Vietnam, telling themselves that it would work better that way. But unprincipled means corrupted our politics as they ravaged Indochina. In the end, correction came when our democratic process was able to function.

Third, pride exacts a terrible price. For years we refused to admit the failure of our disastrous enterprise in Indochina; our politicians and diplomats and generals were afraid of losing face, afraid of being blamed for defeat. But when President Ford said in New Orleans the other night that the war was over for Americans, what a feeling of relief there was—and that feeling would have come years ago if someone else had been willing to say: Enough.

The American feeling now should be one of release, not despair. For if we understand what has happened in Vietnam, we shall know that it did not represent American ideals. We went wrong because we strayed from openness, realism, humanity. We can regain our ideals and our confidence. But understanding comes first.

THE ANTIPYRAMID-SALES BILL—S. 1509

Mr. MONDALE. Mr. President, earlier this week I introduced S. 1509, the antipyramid-sales bill. The bill is designed to outlaw the No. 1 consumer fraud problem in this country—the pyramid sales scheme.

Each year, thousands of Americans are defrauded of millions of dollars by ruthless pyramiders. Although action has been taken at both the State and the Federal level to eliminate their practices, stronger measures are needed.

My bill would provide an effective solution to this problem. With a combination of private rights of action, criminal penalties, and injunctive powers, Federal and State law enforcement officials would be able to effectively deal with the problem.

Mr. President, last month the Special Committee on Consumer Affairs of the Association of the Bar of the City of New York issued a committee report. I am proud to say that the committee endorsed S. 1509—formerly S. 1939 during the 93d Congress.

I am extremely grateful to the association for its support and hopeful that the Congress will soon respond by passing this important legislation.

Mr. President, I ask unanimous consent that the report of the special committee on consumer affairs be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE REPORT

REPORT ON LEGISLATION TO PROHIBIT PYRAMID SALES TRANSACTIONS

(By The Special Committee on Consumer Affairs)

The idea of an endless chain of people, each paying the person representing the prior link, has long fascinated promoters as a source of gain.

The mischievous lure of such schemes consists in the fact that each prospect can indeed make money—but only by getting more people involved, and so forth until the number becomes impossibly large. If each person must recruit 10 others in order to recoup the investment and expenses, for example, a billion customers must be brought in by the ninth step for the scheme to work.

Such schemes may be compared to a game in which one person goes under water. To get out from under water, that person must get 10 others to put their heads under. Each of them can get out by getting 10 others to go under, etc. Whenever the whistle is blown, more are under water than above it.

These schemes often involve sale of franchises. They can also involve sale of a consumer product to a consumer who can allegedly recoup the cost and even make money by getting others to buy the item. The former type are generally known as "pyramid" schemes and the latter as "chain referral" swindles.

Large numbers of people have lost their life savings in such ventures in the past few years. S. Rep. No. 93-1114, 93d Cong., 2d Sess. (1974).

The distinguishing feature of such schemes is that money is to be made, not on the actual sale of products or services to the ultimate consumer, but on the recruitment of others into the scheme.

S. 1939, 93d Cong., 2d Sess. (1974) was unanimously recommended by the Senate Commerce Committee and passed by the Senate on August 22, 1974 and prohibits pyramid sales schemes, defined as plans whereby a person pays $100 or more for the right to earn compensation by recruiting still others. The sanctions provided include criminal penalties, administrative civil penalties, injunctive relief, private treble damage actions, and voiding of pyramid sales contracts. Under Section 6 of the bill, the injunctive remedies in federal court are available at the suit of either state or federal authorities, an innovative approach which we commend. See Comment, 24 Case-Western Res. L. Rev. 144, 152 (1972).

Pyramid schemes have been held illegal under the existing mail fraud statute (18 U.S.C. 1341). Such schemes have also been attacked under the Federal Trade Commission Act and the federal securities laws. E.g. United States v. Armantrout, 411 F. 2d 60 (2d Cir. 1969). However, both the specific provisions of S. 1939 and its additional remedies are important in attacking this serious evil. Consequently we recommend approval of S. 1939 unanimously.

Respectfully submitted,

SPECIAL COMMITTEE ON
CONSUMERS AFFAIRS.

LIST OF SPECIAL COMMITTEE ON CONSUMER AFFAIRS

Rhoda H. Karpatkin, Chairperson; Douglas V. Ackerman, Evan A. Davis, George B. Adams, Jr., James D. Dougherty, Albert W. Driver, Jr., Robert J. Egan, Carl Felsenfeld, Richard A. Givens, Joseph Good, Leon I. Jacobson, James J. Lack, Richard S. Lane (Hon.), Michael B. Maw, Sheila Rush Okpaku.

Barbara B. Opotowsky, David Paget, James T. Prendergast, Don Allen Resnikoff, Irving Scher, Philip Schrag, Andrew B. Schultz, Randolph J. Seifert, David Caplovitz, Martin Cole, Emilo Gautier, Leon Harris, Patricia Hynes, Bruce C. Ratner.

THE INTERGOVERNMENTAL COUNTERCYCLICAL ASSISTANCE ACT—S. 1359

Mr. MUSKIE. Mr. President, when Senators HUMPHREY and BROCK and I introduced the Intergovernmental Countercyclical Assistance Act (S. 1359) on April 7, an explanation of the bill was inadvertently omitted I ask unanimous consent that the explanation of the countercyclical proposal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 1975.

EXPLANATION OF INTERGOVERNMENTAL COUNTERCYCLICAL ASSISTANCE ACT

This program would provide targeted emergency financial assistance to hard pressed State and local governments caught in a fiscal squeeze brought on by the combination of recession and continued inflation.

The purpose of this assistance would be to help State and local governments maintain their existing levels of services and employment without raising taxes, thereby preventing them from undertaking policies that will undercut Federal efforts to stimulate the economy.

THE PROBLEM

A. During times of severe national economic difficulties, the economies of State and local governments also suffer.

As recent testimony before the Senate Subcommittee on Intergovernmental Relations revealed, that is particularly true in the current economic situation. Hit by the double whammy of inflation and recession, State and local governments are faced with paying higher costs for providing services at the same time that higher unemployment reduces their projected revenues.

B. The impact of Federal policies to stimulate the economy can be substantially reduced if State and local governments, in an economic crunch of their own, adopt policies that undercut the Federal effort:

(1) The stimulative effect of a Federal tax cut designed to put money into the economy quickly would be substantially reduced if State and local governments increase their taxes.

(2) The net effect of a public jobs program, designed to create new jobs, would be substantially reduced if State and local governments lay off regular employees and replace them with public service employees.

(3) Federal efforts to stimulate the construction industry would be substantially damaged if State and local governments are forced to cancel construction of essential capital projects because they have no money to pay for them.

(4) Federal efforts to target the stimulus to those most in need—through the use of the progressive income tax cuts—would be distorted as State and local governments raised property and sales taxes which hit hardest at those at the bottom of the income ladder.

PROPOSED SOLUTION

This program would attempt to reduce the likelihood that State and local governments will adopt policies that blunt Federal efforts to stimulate the economy by providing such governments with emergency financial assistance.

This program would be distinct from revenue sharing. It is an anti-recession program. It will provide assistance to a limited number of jurisdictions—those with the most serious economic problems.

LEVEL OF FUNDING

The level of funding for this emergency assistance program would fluctuate with the national rate of unemployment.

When the national unemployment rate averages 6% or more, for three consecutive months, a maximum of $2 billion would be made available for distribution to needy State and local governments. An additional $1 billion would be made available for each subsequent percentage point increase in the national unemployment rate.

In other words, when the national unemployment rate averages 7% for three consecutive months, a maximum of $3 billion would be available under this program. At 8% unemployment, a maximum of $4 billion would be made available.

Similarly, as unemployment decreases, the amount available under this program would decrease.

Because the program would phase out as the economy improves, it would have less long term inflationary impact than other programs enacted during a recession. Unlike other programs that may start small and then get larger over the years, this program would start large when it is most needed—when the economy is in the greatest difficulty—and would get smaller as the economy improves.

The level of funding should provide enough funds to stabilize those State and local governments in the worst fiscal shape without making up in full the projected deficit of State and local governments. This is very important because a time of economic difficulty should be a belt-tightened time for all levels of government. The purpose of this program is not to bail out State and local governments in fiscal difficulty. Rather, it is to provide them with enough assistance so that, if they make economies of their own, they can stabilize their budgets and not be forced to reduce services or employment or taxes.

DISTRIBUTION OF FUNDS

The funds available under this program would be divided into two pots—one-third of the funds would go to State governments and two-thirds of the funds would go to local governments.

The formula for distribution to both State and local governments would take into account both unemployment and taxes raised by each recipient government with unemployment given double weight. Unemployment would provide a measure of the impact of the recession on a particular government. The level of taxes raised would provide a measure of the size of the operations of that particular government.

A. Allocations to State governments

State allocations would be made two-thirds on the basis of unemployment and one-third on the basis of its adjusted taxes. In each case the particular State's unemployment (in numbers) and its taxes raised would be compared to national totals, with the unemployment percentage weighted double. Say, for example, a State had 5% of the nation's unemployment and raised 2% of all taxes raised by all State governments. With the unemployment percentage weighted, that State would receive 4% of the funds for all State governments. At current unemployment levels, the State would receive about $52 million—or 4% of the $1.3 billion available to State governments.

B. Allocations to local governments

Allocations to local governments would be made according to the same formula—two parts unemployment and one part adjusted taxes raised. For each local government for which the Labor Department has verified unemployment statistics (about 2,000 in all), there would be an allocated share. For those local governments for which the Labor Department does not have verified unemployment data, funds to be administered by the State would be set aside in each State.

Local governments for which there is no precise unemployment data would, in the aggregate, receive funds in the same proportion as the local governments for which there is unemployment data.

State or local governments whose unemployment rate drops below 6% would not receive assistance under this program. However, a local jurisdiction with an unemployment rate above 6% would receive its share even if it were located within a State with an unemployment rate below 6%. Any funds not expended because they were allocated to jurisdictions with an unemployment rate below 6% would remain with the Treasury—and as a result the total funding of the program would be reduced.

In addition, the legislation provides for a contingency fund to be administered by the Secretary of the Treasury, of up to 2½% of the amount authorized for the program. This fund would be used by the Secretary for the purpose of making additional support grants to State and local governments in severe fiscal difficulty.

RESTRICTIONS ON USE OF FUNDS

It is important to give State and local governments as much flexibility as possible in the spending of these funds so that this assistance can be used to compliment other Federal programs to stimulate the economy. The principal restriction that would be placed on State and local governments is that these funds be put toward maintaining current service levels.

State governments receiving funds under this program would be required to maintain their current levels of assistance to local governments.

In addition, whenever a State or local government which receives assistance under this legislation raises its taxes or substantially reduces its services, it must report that to the Secretary of the Treasury within 30 days.

APPLICATION PROCEDURE

Unlike revenue sharing, there would be an application procedure—though be it expedited—for State and local governments obtaining funds under this program. The Secretary of the Treasury is required to approve within 30 days every application that meets the requirements of the program.

CIVIL RIGHTS ENFORCEMENT

There would be a flat prohibition against discrimination in the use of any funds under this program. In any case where the Secretary of the Treasury makes a finding of discrimination by a State or local government and is unable to achieve compliance within 30 days, he would be authorized to defer payment to the discriminating jurisdiction for up to 160 days unless compliance is achieved.

WAGE STANDARDS FOR LABORERS

The legislation provides that laborers and mechanics employed by contractors on all substantial repair or renovation construction programs funded under this program be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor under the Davis-Bacon Act.

FORMULA

State allocations

Definitions:

State Unemployment Percentage: The ratio obtained by dividing the number of unemployed persons within each State for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

State Tax Percentage: The ratio obtained by dividing the adjusted taxes raised from own sources by each State government by the adjusted taxes raised from own sources by all State governments.

Each State's allotment is based on the following formula:

2(SUP) + (STP) /3 = % of funds authorized for allocation to State governments.

Local allocations

Definitions:

Local Unemployment Percentage: The ratio obtained by dividing the number of unemployed persons within each locality for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

Local Tax Percentage: The ratio obtained by dividing the adjusted taxes raised from own sources in each locality by the adjusted taxes from own sources raised by all localities across the nation.

Each locality's allotment is based on the following formula:

2(LUP)+(LTP)/3=% of funds authorized for allocation to local governments.

JAPANESE NATIONAL DAY—APRIL 29

Mr. HARTKE. Mr. President, Emperor Hirohito's birthday, April 29, is celebrated as Japan's National Day.

Japan's parliamentary government—a constitutional monarchy—operates within the framework of a constitution which became effective on May 3, 1947. Sovereignty, previously embodied in the Emperor, is now vested in the Japanese people, and the Emperor—Head of State—is defined as the symbol of the state. Japan has universal adult suffrage with a secret ballot for all elective offices. The government has an executive responsible to the legislature, and an independent judiciary.

In 1971, for the first time in the history of Japan, the reigning Emperor left his homeland and visited with the President of the United States in Anchorage, Alaska. This informal visit is being followed in October of this year with a state visit to Washington, D.C., with an extended visit from October 1 to October 3.

Japan ranks among the most densely inhabited nations in the world and yet there was not a single incident of homicide with a handgun in the capital city of Tokyo.

In spite of its lack of land and natural resources, Japan has emerged as one of the leading industrial nations of the world. The Japanese have made steady progress in their foreign assistance programs to the point where they are second only to the United States in terms of total resource flows to the less-developed countries.

After reflecting on the close relationship that has developed between the United States and Japan, I take these few moments to congratulate H.I.H. Hirohito on his birthday and the Government and people of Japan on their National Day.

TRYING TO FILL THE MEDICARE GAPS

Mr. CHURCH. Mr. President, recently the Senate Special Committee on Aging published a study of private health insurance supplementary to medicare.

Written by economist Gladys Ellenbogen, the paper provided a balanced account of the protection—and the pitfalls—provided by such insurance.

It also pointed out that Americans of age 65 and up pay out well over half a billion dollars annually for such "Medi-Gap" coverage, even though they often have serious misconceptions about the extent and nature of that coverage.

Recently, the New York Times offered two articles by its "Personal Finance" columnist, Leonard Sloane, who commented on the Ellenbogen report and added new information and commentary of his own.

Mr. Sloane's articles are informative and timely; I ask unanimous consent to have them printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

PERSONAL FINANCE: OTHER INSURANCE IS HELPFUL IN FILLING MEDICARE GAP

(By Leonard Sloane)

Payments by Medicare, principally for the hospital and medical needs of those 65 and older, are likely to amount to almost $15-billion in 1975. Nonetheless, more than half of the 20 million-plus Americans participating in Medicare spend over a half-billion dollars annually through supplementary private health insurance.

The fact that so many people believe it necessary to pay for additional insurance points up the gaps in Medicare protection. These fall into two broad categories: expenses that are only partly covered by Medicare and costs at Medicare does not cover at all.

Medicare is available to all citizens 65 and older, regardless of income level. It is often confused with, but unrelated to Medicaid, a

Federal-state program that provides cash-assistance payments to such groups as the aged, blind and disabled who are defined as medically needy.

DEFINITION VARIES

This definition varies from state to state. In New York, for example, a family of four qualifies for Medicaid if its income is $5,000 or less and its assets (excluding equity in a home) are $4,500 or less.

But Medicare, like Social Security, is designed for everyone. Employes and self-employed persons now pay 0.9 per cent of their first $14,100 of yearly earnings during their working years and can enjoy the benefits of Medicare to reduce their health expenses after age 65.

Yet according to Dr. Gladys Ellenbogen, an economist and consultant to the Senate Special Committee on Aging, Medicare "is removing less and less of the crushing burden of health costs from the aged in our nation."

In a paper prepared last December for the committee, Dr. Ellenbogen said: "Private insurance fills a need since Medicare was not designed to be a program to cover all health costs of the elderly. Unless Medicare is substantially expanded, private policies will continue to be important sources of protection."

Many elderly people, however, do not understand either the provisions of Medicare or of the private insurance policies purchased. This lack of understanding, the Health Insurance Institute reports, derives from misconceptions about the nature of group health insurance.

Medicare is a health insurance program for the aged and disabled, financed under the Social Security program. It has two basic parts: hospital insurance and medical insurance.

Part A, hospital insurance benefits, pays mainly for hospital costs as well as for some health services and nursing home expenses. Since this coverage does not give "first dollar" insurance, there are deductibles similar to private policies.

SERVICES OF PHYSICIANS

Part B, medical insurance benefits, helps to meet the costs of services of physicians and certain other medical practitioners. It is voluntary, though, and—in addition to the Federal contribution—entails a monthly premium charge set by the Government and typically deducted from Social Security checks.

Among the gaps in Medicare causing individuals to purchase private health insurance are:

The dollar amount of the deductibles before Medicare payments begin has steadily risen. For hospitalization, the deductible has increased from $40 in 1966 to $92 today, while the medical deductible has advanced from $50 to $60 in the same period.

Coinsurance—the provision by which the insured and the insurer share the covered losses under a specified ratio—of the hospital coverage has risen correspondingly. The daily amount paid by individuals for services between the 61st and 19th day of hospitalization is up from $10 to $23 over the last 10 years.

Medicare will generally pay 80 percent of "reasonable charges" for medical services. But if a doctor bills a patient for more than what Medicare terms the "approved charge" for a particular service, the patient must pay the entire amount of the difference.

There has been a growing percentage of denials of Medicare claims by the Social Security Administration, particularly for persons in skilled nursing facilities. In addition, the elderly have been making increased usage of such uncovered items as out-of-hospital prescription drugs, eyeglasses, hearing aids and the first three pints of blood each year.

"Medicare has been oversold and underexplained to the American public," Dr. Ellenbegen declared. "The major economic dissatisfaction and disappointment with medicare derives from the illusion, shared by many of the elderly, that it is a comprehensive insurance program. It is not such a program and it was not designed to be such a program."

Millions of people, or Medicare therefore, must turn to private health carriers to give them more comprehensive coverage. And most of them pay for such insurance individually because they do not qualify for group coverage while working or their company does not provide health insurance to their retired employees.

The next Personal Finance column will discuss the advantages and disadvantages of the private policies supplementing Medicare.

Personal Finance: Augmenting Medicare

(By Leonard Sloane)

Millions of individuals above the age of 65 who receive the benefits of Medicare also buy private health insurance policies.

These men and women have purchased additional coverage because of the gaps in the Government-sponsored program. Less than 50 per cent of the average medical costs of the aged is covered by Medicare, according to the Social Security Administration, and the proportion is declining.

Thus private policies fill a real need. Sold by many health insurance companies, they offer—for a monthly premium—such benefits as the amount deductible under Medicare's hospital insurance, the co-insurance amount after the first 60 days of free semi-private hospitalization and the amount that must be paid by senior citizens after the 20th day in an extended-care facility.

BENEFIT LACKING

Since relatively few employers provide health insurance for retired workers, most people who buy supplementary policies must do so individually or through membership in a group. A recent survey by the Conference Board showed that only 48 per cent of 1,800 major corporations offer this benefit to their retired employes—with most of those that do reducing the amount of coverage upon retirement.

Supplementary health policies provide either service benefits or benefits on an indemnity basis. With service benefits, the insurer pays the entire cost incurred for a particular service. For instance, when such a policy supplements the 20 per cent co-insurance requirement of Medicare, the insurance company pays 20 per cent of covered services regardless of cost.

Indemnity policies pay a flat, stated amount for certain health services. But many experts believe that payment of a fixed number of dollars in an inflationary period does not offer adequate protection.

REPORT FOR SENATE

One such expert is Dr. Gladys Ellenbogen, who recently prepared a report for the Senate Special Committee on Aging. "The cost of some of the policies is really greater than the benefits you get," she said.

Dr. Ellenbogen asserted that many complaints have been received by state insurance departments from old people who did not understand their policies or who found certain provisions unfair. "Age 65 is not a magic age at which one is likely to become suddenly expert on the technicalities and legalities of insurance policies," she said.

A major source of complaints is the refusal of companies to pay a claim on the ground that it involves a "pre-existing condition"—an illness that began or originated before the policy was written. Many insurance departments recommend, therefore, that the period for such an exclusion be shortened to, say, six months or a year.

MATTER OF WORDING

In its "model bill" for minimum standards in health policies moreover, the National Association of Insurance Commissioners recommends that when an application has no questions on health or medical treatment history, "the policy must cover any loss occurring from any pre-existing condition not specifically excluded from coverage by terms of the policy."

Another type of complaint adversely affecting the elderly deals with unscrupulous selling tactics—such as over-insurance and the replacement of one policy with another from the same agent—used by some companies.

"The sale of several policies to the same individual to cover the same risk results in a waste of the money spent for the premiums," Dr. Ellenbogen said. "Benefits are coordinated so that overpayments to policyholders are avoided."

Cancellation of a policy and sale of a new one leads to an additional commission for the selling agent, of course. But it could also be a disadvantage to the purchaser of the prior exclusion clause usually found in these policies—resulting in no benefits for any condition existing at the time of purchase until the policy has been in effect for a minimum period of perhaps one year or so.

A third major category of complaints is the mail-order advertising of health policies directed toward the elderly. Insurance departments have determined that many mail-order policies were deceptive in that they did not deliver what was expected by their purchasers.

For example, one ad discussed what a policyholder could "collect" in the way of benefits. Yet, after a study by various state officials, it was deemed to be misleading because the holder would not actually be paid any money. Instead, the funds would go directly to the hospital to meet the co-insurance required by Medicare.

EYE ON ADVERTISING

Some states have even banned the use of certain words and phrases in advertising that tend to exaggerate benefits. Among them are "all," "full," "comprehensive," "unlimited," "as high as" and 'this policy will pay your hospital and surgical bills."

The Health Insurance Institute, the trade association of health insurance companies, says that the best major medical policies are those purchased before a person reaches his 64th birthday and which are guaranteed renewable for life. A number of these policies are available to persons over 65, it added, but are now being offered only by a limited number of companies.

HOW TO LIMIT STRATEGIC WEAPONS UNDER THE VLADIVOSTOK AGREEMENT

Mr. MONDALE. Mr. President, I request unanimous consent to have an article by the Senator from Massachusetts (Mr. KENNEDY), in the April 1975 issue of Center Report, printed in the RECORD.

The article, "How To Limit Strategic Weapons Under the Vladivostok Agreement," represents what I believe to be a very thorough analysis of the goals of the Vladivostok resolution, now pending before the Senate. This article is not only a statement of the challenges that face both superpowers in this very critical area, it is also a call for a unified policy on the part of both branches of Government that is required if we are to achieve a meaningful arms control agreement from the current negotiations in Geneva.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

How To Limit Strategic Weapons Under the Vladivostok Agreement

(By EDWARD M. KENNEDY)

(The Vladivostok Agreement as concluded by President Ford and Secretary Brezhnev in November of 1974 is clearly inadequate as a final expression of efforts to limit the development and production of strategic armaments, Senator Edward M. Kennedy contends in the following comments written in response to an inquiry by Center Report. He suggests a series of steps which need to be taken "if Vladivostok is not simply to permit a qualitative arms race that will make the agreed ceiling almost meaningless.")

With the growth of new economic issues in the world, it is tempting to ignore some older problems—including the continuing nuclear arms race. Yet we would do so at our peril. Despite controls placed on the arms race so far, there is still very real danger of nuclear war. There is a new qualitative arms race, that threatens the build-up of so many advanced warheads on both sides (MIRVs), that the side "striking first" could appear to gain a significant advantage. And there is a danger of a further spread of nuclear weapons. This problem will become far worse if the superpowers do not exercise real restraint in their own arms race.

Following my trip to the Soviet Union last April, and conversations with General Secretary Brezhnev and other Soviet leaders, I am convinced that we must move forward to seek further arms control agreements with the Soviet Union—and that there is a good chance of success.

The Vladivostok Agreement, concluded by President Ford and General Secretary Brezhnev last November, could be a step in the right direction. In providing for an upper limit of 2400 missiles and heavy bombers for each side (plus a sublimit of 1320 on missiles with MIRVs), Vladivostok does set an overall quantitative ceiling for the first time, and enshrines the principle of parity in numbers of launchers. But it is clearly inadequate as a final expression of efforts to limit the development and production of arms. Indeed, if arms control comes to an end with Vladivostok, the agreement could prove to be worse than nothing.

It is therefore critical that the Vladivostok Agreement be only the beginning of real arms control, not its end. Only by tying this agreement firmly to future efforts can it have real value, and begin the process of getting nuclear weapons under control once and for all.

Because of concerns like these, last December I joined with Senators Mathias and Mondale in introducing a Vladivostok Resolution in the Senate. In modified form, we reintroduced this resolution in the 94th Congress. It has received strong bipartisan Senate support, and the public backing of Secretary of State Kissinger. He indicated that "upon completion of the Vladivostok Accords, this resolution will serve as a guideline for further negotiations on arms control." He also indicated that: "This is an excellent example of how cooperation between the Congress and the executive branch can further the national interest without touching on each other's prerogatives."

The Vladivostok Resolution, as introduced this year, does express support for the agreement of November 24th. In this way, we believe we are contributing to the negotiations now in progress, leading to final accords tying down the Vladivostok numbers. We believe that the sensitive nature of détente—symbolized by Soviet abrogation of the 1972 Trade Agreement in January—requires some positive demonstration in favor of an arms control agreement that has already been reached between the two countries. We were also impressed with the argument that it would be difficult to try reducing the Vladivostok numbers in this brief period before the final accords were concluded.

Yet the Resolution makes a firm statement of what Vladivostok is not. It is not a license to build more missiles; it does not require either the United States or the Soviet Union to build anything. No one can be justified in citing Vladivostok as reason for increasing the size or potency of the U.S. strategic arsenal. If compelling reasons of national security later argue for building more missiles, or modernizing the ones we have, we should take appropriate action. But the existence of Vladivostok ceilings must in no way influence debate and decision in that direction. Here, it is regrettable that an early statement by the President gave the opposite impression.

In fact, it is our hope—and intention—that the existence of Vladivostok ceilings will be effective in gaining real restraints: a level for further control—not for acceleration—of new programs. Above all else the arms process must not go forward so fast that arms control, itself, is defeated.

The body of the Resolution relates the current negotiations on Vladivostok to the future in three ways. It calls on the President to make "every possible effort" to gain Soviet agreement in three areas:

First, it seeks positive action in the area that is most critical: mutual restraint on the character and pace of both development and deployment of strategic weapon systems. This is an indispensable step if Vladivostok is not simply to permit a qualitative arms race that will make the agreed ceilings almost meaningless.

Can it be done? There are encouraging signs. Indeed, both the U.S. and Soviet governments say they are for negotiating such restraints, to keep the arms race from going faster than further efforts to control it. The difference lies in what would be restrained, and how this would be achieved. But we believe that common ground can be found, provided that political leaders on both sides join the issue, and recognize the urgency of restraint.

Nor does this provision rule out unilateral restraints. In fact, there is a strong case for a freeze on new U.S. MIRV deployments (where we already have more than 800 missiles in place), while efforts go forward to get the Vladivostok numbers down. We would lose nothing in terms of our security; rather, we would enhance our security, by striving to remove the uncertainties that could appear when both sides get 1000 or 1200 MIRVed missiles—or the full complement of 1320.

Second, the Vladivostok Resolution calls upon the President to negotiate a commitment with the Russians to get the Vladivostok numbers down. Though perhaps less critical in the short-term than the exercise of mutual restraint, a further limitation on the numbers, themselves, would have a significant long-term benefit.

Finally, the Resolution calls for further negotiations in areas not now covered by the 1972 or 1974 strategic arms agreements. These areas include a Comprehensive Test Ban (for which the arguments are now overwhelming), limits on the flight-testing of weapons systems, limits on cruise missiles, and the like.

When should these negotiations begin? In the words of the Resolution, this should happen "as soon as possible." We argue that this means the Administration should begin introducing these subjects—and especially the urgency of mutual restraint—during the current negotiations. Certainly, the further efforts must begin no later than the ratification of the final Vladivostok Accords—and not "prior to 1980/81," as promised in the Vladivostok communiqué and the *aide-mémoire* of December 10, 1974.

Certainly, when the final Vladivostok Accords come to the Senate, we will question Administration spokesmen closely on what they have done pursuant to this Resolution. There is already considerable skepticism in the Congress about the value of Vladivostok; much of this skepticism can be dispelled by firm evidence that the Administration sees the Vladivostok process as intimately tied to further, immediate arms control efforts along the lines we have suggested.

This does not mean that Senate "advice and consent" for the Accords will be conditioned on the results of other, immediate efforts. But favorable consideration is more likely if a positive commitment is shown.

We are encouraged that Secretary of State Kissinger endorsed our Resolution. This positive response illustrates another central principle we are seeking to advance· the need for effective cooperation between Congress and the Administration in vital areas of foreign policy. Prior to Secretary Kissinger's January 24 speech in Los Angeles, in which he called for a new partnership between the legislative and executive branches, we worked closely with the State Department on the Vladivostok Resolution. In fact, it is couched as the "advice" of the Senate—the first time, we believe, that such an action has ever been taken. Rather than waiting for submission of a formal treaty before exercising the Senate's Constitutional responsibilities, we believe the Administration should have a clear indication of Congressional thinking while there is still time for the President and the Secretary to take this thinking into account. There is no suggestion of tying the Secretary's hands, or of interfering with the details of negotiations. But there is a strong suggestion that the whole process of making foreign policy would be aided by a timely expression of Senate views.

At the same time, we also took pains to inform the Soviet Union that our resolution was a firm declaration in support of *détente*—which at that point was being tarnished by the abrogation of the 1972 Trade Agreement. Soviet officials in Washington also expressed satisfaction with our intentions, and the role that the Resolution could play in developing relations between the two superpowers.

In sum, therefore, we believe that the Vladivostok Resolution is a useful contribution by the Senate of the United States to furthering a critical objective of our foreign policy; halting the nuclear arms race, once and for all. We hope that it will advance the day when the dangers of nuclear war will finally be put behind us, forever.

THE ROLE OF ETHICS IN OUR SOCIETY

Mr. MORGAN. Mr. President, I was recently sent a copy of a speech given by Mr. Ivan Hill to the management group of the Caterpillar Tractor Co. Upon reading the text, I felt compelled to share Mr. Hill's thoughts and insights with this body.

I am fully aware of the busy schedules of my distinguished colleagues, but I ask unanimous consent that this presentation be printed in the RECORD in the hopes that my friends here will take the opportunity to read what Mr. Hill has to say about the role of ethics in our society and its relationship to our economic and political system.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORGAN. Mr. President, Mr. Hill is president of American Viewpoint, Inc., a 53 year old organization which is involved in a program seeking to "restigmatize dishonesty" and improve the ethics in all phases of American life.

Mr. Hill's speech is worth the reading, Mr. President, and I would hope that my colleagues have the time to take a look at what he has to say.

EXHIBIT 1

LET'S USE ETHICS FOR THE BIG JOB

(By Ivan Hill)

That was the subject of an informal talk I recently made at a luncheon meeting in Washington to a group of personnel executives representing some of the major multinational corporations. I believed that personnel executives would understand that a big job sould receive a first rate allocation. I wish to emphasize then, as I do here today, that when all the headline news is sifted, the bedrock fact that confronts us is that we must greatly strengthen the ethical underpinnings of our society if we can expect to maintain a reasonably free economic and political system.

Not so long ago ethics was a word that one seldom saw on the front pages of newspapers or as the heading of a news story. Long before Watergate, ethics started to creep into the main news. For several years, I have kept newspaper and magazine clippings of items referring to ethics. The change from the discussion of ethics in relation to many different problems to the discussion of ethics as *the* problem is rather significant. As a nation, we are beginning to wonder if we are on the main road in terms of values, in terms of the quality of life—a phrase that seems to be sharing the spotlight with ethics.

What is ethics? Of all the definitions I have heard or read, the one given by Dr. Albert Schweitzer is not only the briefest but also seems to embody the essence of all the others. "In a general sense, Dr. Schweitzer said. "ethics is the name we give to our concern for good behavior. We feel an obligation to consider not only our personal well-being, but also that of others and of human society as a whole." In his definition, Dr. Schweitzer has stated in another way the foundation principle of all ethical behavior—the Golden Rule, which is the common denominator of all major religions.

Recently a writer for a business magazine asked me: "What is the difference between ethics and plain, old-fashioned morality?" The terms ethics and morality have long been used more or less interchangeably. Both ethics and morality refer to rules or standards of conduct. We can distinguish between the two by stating that when the term morality is used in our society it is generally assumed that what is moral or immoral relates to religious guidelines. Ethical standards, although common to all major religions, need not be related to any transcendental or religious source. But we may find it much more difficult to be ethical than moral. A businessman may be considered very moral, be a leader in his church, sleep only with his own wife, and yet easily be less than ethical. When good conduct is solely dependent on religion, one can often do bad acts because he has been taught, and believes, that God is so compassionate that He will forgive him. One whose ethical standards are high, finds it more difficult to be forgiving and forgetful of his own misconduct. He cannot depend on the solace of Sunday for his sins of Saturday. Fortunate, indeed, is the person who has both ethical and moral guidance.

How does honesty relate to ethics? Honesty is the beginning point of all ethical behavior. You cannot be ethical without being honest. Honesty is a basic working social principle, not just a moral guideline. The predominance of honesty within a free society is essential to justice, to equity and to the effectiveness of law. Without an overwhelming pattern of honesty, a free society cannot function and will become unmanageable. Hypocrisy is an insidious form of dishonesty that tends to thrive in any large bureaucratic structure. Honesty does mean not lying and not stealing. But honesty must be affirmative. It is being forthright and truthful. The practice of honesty must begin with being honest with oneself. You cannot effectively communicate with others or with your own conscience without being honest. Honesty, as with ethics, is part of the earliest survival principle for mankind—the Golden Rule, the concept of communicating, cooperating and sharing in order to survive. Therefore, it is both wise and selfishly beneficial to be honest—in one's home life, business life and as a citizen in a free society.

Are we as honest today as we used to be? This question is almost an insult to our ancestors. The evidence indicates rather dramatically that we are not nearly so honest today as we were even a few decades ago. Acts of crimes against property reflect the changing mores of society. Taking one example, burglaries per 100,000 population have increased almost 400 per cent since 1940. Shoplifting is so rampant now that in some communities family discount stores cannot survive the high shrinkage of goods—from outside and inside thefts. No doubt, the easy opportunities have fostered dishonesty. Society's attitude toward rip-offs has moved from condemnation, to indifference, to condoning.

When you travel around America today, you see so many large and beautiful headquarters office buildings. But when you enter many of them, your admiration of such beauty in design and decor is interrupted by the security guard and the pinning on of the security button. Usually such procedure is required only to protect classified activity. Now, most managements require it because they simply don't want to lose their typewriters and other items not bolted to the floor. We do live in the age of the security button for the office and the triple-locked door for the home. What will the quality of life in America be like in five or 10 years? How has all this come about? There are many reasons and they may vary from place to place, but let's just briefly review the past 30 years.

It was August 6, 1945 when the first of a series of cataclysmic events occurred that have seriously dislocated all societies, especially life in America. When the atomic bomb fell on Hiroshima on that summer day, there began the spread of a concern over right and wrong, and a fog of fear that would hang over the world. It was in the mid 1940s here in America when an even greater event began to pour out its effect over all societies, especially ours—the development and rapid expansion of computers, with all its business, weaponry and government uses. We were not able to escape the full consequences of such social earthquakes because television came of age in the late '40s and '50s, and presented us a daily diet of violence—real and fictional horrors thrown right into our living rooms and onto the breakfast table. How simple the world was when President Truman's aide accepted only a food freezer for a gift.

Here in America, these sharp social shakes began to weaken the base of our traditional values. Along came Senator McCarthy, the Korean War, and the 1975 Supreme Court school integration decision. Before Eisenhower's presidency could lull us into a social nap, Sputnik burst out over the world and the technology bug really bit into our educational system. Sherman Adams, Eisenhower's assistant, took a vicuna coat. It was more stylish than a freezer.

The '60s arrived with the inspiring speeches of Kennedy to be followed by the Bay of Pigs and his assassination. The crucible of Vietnam began to boil over into our whole society. Then another Kennedy and a King were killed. The late dawning of civil rights caught us with long overdue obligations. Students rioted and were shot. Business and government got bigger. In 1968, Democrats fought Democrats in Chicago. President Johnson was forced not to run again. We landed on the moon and moved into the decade of the '70s hoping for a place and time to catch our breath but we got Watergate, inflation and recession.

During all these decades, our population kept growing and moving from place to place, having no time to form community ties and supports. Jet aircraft, satellites and rapidly increasing international interdependence reduced national economic freedom. That our society, our nation, has survived all these social earthquakes within so short a time span is a testimony to the vitality and viability that freedom gives to a people. But we have been seriously weakened.

In the 30 years since Hiroshima we have read or heard the phrase: "God is dead." Our churches have been somewhat covered with a dust of doubt, blown in on the winds of pornography and vulgarity. The sanction of the belief in a personal God has declined. Far too many of our church leaders failed to show the courage and forthrightness that an uncompromising faith should have given them. So many of their members, so many young people, have needed spiritual heroes during these past few decades. They have believed that the practice of religion is far more important than its form.

In this period of great social faulting, what did the schools, colleges and universities do to strengthen our lives; our values? Where were the teachers whose examples were ethical and moral guidelines? Some were overcome by the notion that the nuclear and space age was too demanding of their talents to permit them to be concerned with values. Rarely did an advanced degree graduate ever have any kind of course in ethics or values. Academic leaders, especially the social scientists, grabbed the spirit of the rockets and computers, waded into the midst of the new behavioral fields, and declaimed that it was wrong for educators to be teaching or talking about values. In a current book, one stated that, "Values like 'honesty,' 'religion' and 'patriotism' may be beautiful ideas, but they simply do not answer specific dilemmas in which people find themselves."

Since World War II our academic communities have been quite upset by the rapid social changes. They have retreated from a value-oriented concept of teaching. They have generally developed such a fear of stating what is or may be a given value that they have been careful to make no value commitments. Teachers have received very little help from textbook publishers in obtaining value teaching and value clarification materials. In the absence of being able to teach religious guidelines, they have failed to teach the ethical values that are basic not only to all major religions but also basic to a free society. Yet, it has never ceased to be the obligation of the educational system of a nation to be a transmitter of values.

An editor recently observed that a valueless education is apt to produce a valueless people. I wish to emphasize that a society that tries to function without a prime emphasis on ethical values cannot remain free. We have discussed why we must restigmatize dishonesty and improve our ethics. Let's discuss how we can do the big job of making

America more honest—honest enough to stay free.

The first question the skeptic may ask is, "How do you change people?" The quick answer is that we do not intend to try to change people. People have been the same for thousands of years and we are not stupid enough to try to change the basic nature of man. But we must try to understand man. As I have grown older, I have studied more, observed more and experienced ever deepening feelings. What bothers me, when I read what some men wrote hundreds of years ago, is to find that what they said then is so completely true and applicable today. I wonder how they knew hundreds of years ago what I am just finding out now. Then I ask why shouldn't this be so? Man has not changed. His environment has changed greatly. And most of the environmental changes he himself effected.

We have heard much in recent years about situational ethics and the need for new standards of ethics. It has been said that the "traditional practices, customs, and conventions which could be justified from the moral point of view in the past can no longer be sustained in the light of advances in human knowledge of nature, society and human nature." Does not our knowledge of the world make honesty as a prime value more essential than ever? Does not our knowledge of the world where there is no freedom inspire us to want to keep ours? Ask Solzhenitsyn. Read "The Gulag Archipelago." Is not our ability to survive today more dependent than ever on cooperation with our fellow humans?

The consequences of being ethical or unethical with one person to an acre are quite different from those with one thousand to an acre. We must recognize that in a highly interdependent, supertechnological society the tolerance for individual irresponsibility is very narrow. To be free, to live in an open society in our complex post-industrial age requires far more honesty and far deeper acceptance of ethical responsibilities than in the past. We face this demand now. The public senses the need.

It may seem paradoxical, considering the evidence, but I believe that the people of the United States are ready and eager for a better quality life, a more genuine life. I believe that the old as well as the young are sick of hypocrisy and irresponsibility. The vast majority of our citizens would like to be more honest. They know that being more honest and responsible would be better for them as well as for their neighbors. They feel the pressures of insecurity, of discord, of inequities. But they do not wish to be looked at by their peers and made to feel they are not quite bright because they don't cheat or steal. They do not wish to be taken advantage of, or to be treated unfairly. Of course, they want their fair share. Most people, I believe, would be happy to settle for only their fair share of rewards and responsibilities if they could feel "safe" in doing so—if others would do the same. That's why they are vulnerable to a move for more ethics and honesty or more government authority. Underneath the crust of our current alienation is a powerful yearning for a quality of life no nation has ever known.

How do we cause these seeds of hope to bloom? We must create for the public, through mass media, a consensual validation for their desire for more satisfying values. We must make it socially and culturally "safe" and "practical" for each individual to be honest and forthright. We must protect him from pockets of peer groups pressure that can make him feel like a sucker for believing he doesn't have to be adaptable in principle as well as in method. To do this, we need the proper use of mass media. And the social scientist who told me he rather hoped we couldn't succeed because he didn't wish to believe the public could be so influenced did not tell me why we shouldn't influence the public for honesty and the Golden Rule as well as for violence, thievery, pornography and statism.

We have already prepared, with the help of Leo Burnett Advertising Agency in Chicago, both radio and TV messages. The TV spots are in storyboard form and the radio spots will need to be recorded with the best voices and production. Our procedure now is to produce the radio and TV spots and adapt the TV messages in cartoon form for use in newspapers. Then we shall select test markets such as Syracuse, Columbus, Birmingham and San Diego, and set up certain criteria to assess effectiveness. We wish to measure the retail shrinkage factor from shoplifting and employee thefts, robberies, vandalism, and so on. We shall form a local working unit in each market with representatives from the local chamber of commerce, local schools, churches, law enforcement agencies, service clubs and media. The media time and space would be obtained locally on a public service basis. With local sponsors being directly involved, the media would likely give us better time and space than that for one of numerous national programs through the government and the Advertising Council. We urgently wish to get this mass media program under way.

It should be clear to everyone in America, even to the Department of Justice and to the Law Enforcement Assistance Administration, that we'll never stop the increases in crimes until the public, the individual citizens, quit thinking it's smart to condone crime and heroize the grafters. For example, the Law Enforcement Assistance Administration has spent between 3 and 4 billion dollars within the past six years to diminish crime, only to see it increase ever more rapidly. They will not and cannot succeed until a proper and effective approach has been made to achieve public sanction and support. Any good policeman on any beat in any city will tell you that. He must have public endorsement and public support. The bureaucrats are kidding themselves and the American taxpayers if they really believe that by spending billions more on law enforcement and technology we shall reduce crime.

So, we wish to test our program and measure its success by the simplest and most realistic standards. Are they stealing and killing and vandalizing less?

The cost of doing a top-flight professional job of producing the TV, radio and newspaper ads and carrying out the test campaign should be between 100 thousand and 150 thousand dollars. Once you have the basic campaign produced, tested and formatted, it could be extended nationally at a nominal additional cost. The national campaign should also be locally initiated throughout the country and merchandised in cooperation with local leaders. Compare this cost with billions of non-productive tax dollars now being spent, and wasted, in the task. Compare these modest costs with the 20 billion dollars a year lost in shoplifting, employee thefts, embezzlement and ordinary crimes. And who knows the costs of countless rip-offs and goof-offs that seem to engage so many people? But the ultimate and highest cost of dishonesty and crime is the loss of quality in human life and the final degrading cost—the loss of individual freedom.

Our second "right now" task that we wish to quickly get underway is to publish a very substantive book on American codes of ethics. We hope to get this book printed and in use this year. It will be in hardcover and contain about 400 to 500 pages. In recent weeks we have had so many requests from around the country for ethical codes and practice guidelines—from municipalities, states, universities, business schools, professional and trade associations, TV repair associations, and even a volunteer fire department, among others. Such a book could be of enormous value to the American economy and to American freedom. It could accelerate a strong desire and movement toward increased efficiency and better industry cooperation. It could make excessive government regulation not only unnecessary but obviously contrary to the concepts of our basic freedoms.

In this book we hope to develop new approaches that lead to ethical contracts or ethical accords. We hope to stimulate far better implementation of ethical standards and challenge any government agency to show cause why it should not be supporting such a movement for citizen self-discipline. We'll make this book authoritative to the extent we can. We shall have a coordinating editor of high professional experience and several participating editors for the different segments of business and professions. We need a minimum of 40 thousand dollars for research and writing. The per unit selling price of this book should be about $12.95. The prime market is the business and professional area but every library of any size should have a copy. Every sizeable chamber of commerce, trade association and professional organization should have at least one copy. Certainly some of the corporations will find increasing need for such a book. The universities and business schools should either buy copies or someone should make sure they get a copy. We are proceeding rapidly on the basis that now, surely, we can get funding for this urgently needed book. We plan to publish it ourselves because we prefer to hire the best business editors and present the material with an authoritative directness.

Now, do other people share our views as to what can be done—to whom our program should be directed, as to where rests the sanction for its success?

The chairman of the American Bar Association's Committee on Ethics stated: "Our land is particularly fadist. Feds may here be quickly changed. The time is short between long and short skirts and back again. The time span is equally short between overemphasis on production and overemphasis on ecology. Similarly, truth, openness, and respect for law can be made the fads as easily as sharp, secretive corner-cutting. The members of the bar—all of them, however and wherever they practice, as counsellors of all our people—could, if they would, be the means of changing the fad."

Jenkin Lloyd Jones, in his Washington-Star News column stated: "A people can be conditioned to save or to destroy their civilization. Mass communications simply speed and intensify the process. Who really thinks that young America is being conditioned for survival of a decent, orderly and just nation."

John Chamberlain, in The Wall Street Journal, said: "People move in droves, and if the momentum toward statism becomes too pronounced it must entail a cost that is beyond the government's taxing power to pay for the ever widening projects."

Donald Santarelli, who resigned as head of the Law Enforcement Assistance Administration, said that he believes, "We have overemphasized the capabilities of paid professionals—police, courts and correctional institutions—to form the civic, social and basic duty of establishing an orderly society. What we need is more citizen participation, rather than more and more paid professionals, in reducing the cause of crime."

Daniel Yankelóvich, researcher, believes that: "A large core of faith lies under the thin layer of cynicism, to the effect that the system can work and that honest leadership can be found to make it work if only a climate of moral integrity can be restored."

Those comments are representative of an increasing conviction in America that something must be done that hasn't been done to reduce dishonesty and crime and they

point to the approach we have recommended. We must develop solutions other than those of a police state. Those solutions can come only from the sanction of the public, from the cooperation and participation of individual citizens. But individual citizens fear to go it alone. They need to know that others, all others, are willing to help. It is only through the use of mass media will every citizen be made aware that all other citizens are hearing the same call to honor, that he is not alone, that his peers share his concern about honesty and freedom. The public must come to realize that nothing less than our free market economy, our political freedom, and our individual liberties are being eroded by the ever rising flood of lying, stealing, cheating, embezzling, kickbacking, playing rip-off, vandalizing, raping and murdering. In addition to all these, the worst damage is developing from a lack of faith in business, in government and in our free and open society. From the top-most businessmen and educators, from minorities and the discontented middle majority, we are hearing comments about an alternative system. What alternative system? One that can deal with crime and disorder? Will it be force or freedom? Arnold Toynbee, the great historian, reminded us not long ago that, "Freedom is expendable; stability is indispensable."

Economists have been telling us about the post-industrial society, about our rapid movement from a hardware or manufacturing economy to a software or service economy. Unfortunately, economists have not mentioned the essentiality of honesty and good ethics to the workings of a free market economy. They should be warning us that as we move into a predominantly service economy, the need for a much higher ethical standard will be urgent indeed. Why our economic leaders have virtually ignored the historical relationship of honesty and trust to freedom and the accuracy of economic predictions, I do not know. Perhaps they do not think honesty is scientific? Yet, without honesty economics is certainly not scientific. Some business leaders, especially those who came up through the legal and MBA routes, are very shy when it comes to publicly discussing the paramount importance of ethical and moral values in the functioning of a free market economy. They seem to believe business ethics and personal ethics can be separated.

On CBS Television's "Sixty Minutes" program, I saw Mike Wallace interview Bob Haldeman. You'll remember Mr. Haldeman of the White House. One thing that Haldeman said should not go without being noted in every business in America. I was amazed that Haldeman seemed surprised that Mike Wallace would think that the morals and practices of the White House were carried over into his or Nixon's personal life. How can a man believe that when he leaves the ethics of his office, he can shed them at the door of his home before he enters to kiss his wife or pick up his child. When will we all learn that governments, corporations and institutions do not have ethics and morals. Only individuals have ethics and morals and they are his or hers alone, 24 hours a day. We cannot assign to the myth of any government or corporate institution our own responsibilities for our own conduct. No duress of team play can eradicate one's own conscience. How lucky, or how wise, one is who works for a company whose leadership morality is the highest. And how much easier it is for any institution or nation to maintain high internal morale when every employee or every citizen is proud of the character of the leadership.

There have been some favorably changing attitudes in the business community in the 15 months since American Viewpoint purchased a full page in The Wall Street Journal and outlined our program to extend economic and political freedom in America by improving our ethics. At first, some business leaders apparently thought our program was too idealistic. The leadership of the Chamber of Commerce of the United States passed our material down the line but it came back up and Mr. Arch Booth, the Chamber president, and his staff have been among our most ardent supporters. The same thing happened at the National Association of Manufacturers, but a few months later, acting on their own initiative, they ran my speech on Honesty and Freedom in the NAM Reports. Following the leadership of the Christian Science Monitor, the U.S. News and World Report, and the "Today" show, the press is beginning to understand the pragmatism of our approach. The timing is certainly right. Each day another headline tells us to hasten our efforts.

But some who have waved the banner of free enterprise have done more harm than good. They have failed to understand the service nature of profits. But far more important, we have all failed in helping the public to understand a simple and universal fact about world societies—where there is little or no profit, there is little or no freedom. And I wonder sometimes if business understands that when it gets in bed with government, the union often breeds a slave child of restrictions. However, I have noticed that many who condemn the institutions of a free society are far too often individuals who have been its beneficiaries without having made a corresponding contribution in innovative entrepreneurship or investment risk.

Not long ago the retiring chairman of General Motors was quoted in Time magazine as saying that "free enterprise is dead." He must have been thinking of the catalytic converter. But he hasn't been alone among business leaders who are saying that free enterprise has gone down the drain. These spokesmen know they are wrong, as of now. They just do not see how they can save it. They have been unwilling to face up to the singular fact that honesty, ethics and forthrightness are not Sunday school issues but are the core issues of keeping free enterprise alive. The business community has dramatically suffered from the same peer group pressure that the kid in school suffers when he fears if he doesn't cheat he won't get a passing grade. He feels that he must do as his competitors do or he won't pass. To the kid, his passing is his profit. Not all children cheat. They survive and learn and many make straight A's. Not all businessmen cheat. They survive and make good profits. They are the ones to whom we owe the continuance of not only our free enterprise system but also the continuance of our personal liberties. These men and women must rise up and fight that element in American business that is so committed to a certain target of sales or profits or personal glory that they will do anything to achieve it.

Those who cannot relate honesty, fairness and ethics to the conduct of a business enterprise must be openly condemned by their own peers. Attack the inside destroyers of free enterprise. Don't fraternize with the enemy of profits in perpetuity. They are the ones who are opening the doors to coercive collectivism. They care not for the freedom of those who follow them on that stage of business prominence too many have grabbed and not earned.

I have served multi-billion dollar corporations. I know that it takes courage and confidence for business leadership to be honest and forthright, in the face of competitors, the government and dissident shareholders. It takes even greater courage and personal faith in freedom for business leadership to eliminate from its inner circles those whose actions bring public condemnation and government regulations onto the entire business community. Without that determination to act, we'll soon be forced to agree with Mr. Gerstenberg; an element in the business community will have proved him prescient—free enterprise will be dead in America, for 200 years the lighthouse for freedom. Business has never been given fair credit for its role in building America, but I hope that fact will not keep business, yes, big business, from saving freedom, which is the essence of America.

We need no new religions. We need no new ethics. We do not need to go back for anything. We do need to go forward to fulfill America's destiny, to the greater achievements possible to an ethical free enterprise system, to an ethical capitalism. We need no new system. Marxism and America's worship of materialism for materialism's sake are 19th century concepts that are blooming to their death. If we are to achieve more of our human potential, an upward movement possible only in an open society, ethics must be our bridge to the 21st century. We must strive for the fullest realization of the inspiration inherent in the Declaration of Independence and build on the laws that have given lasting substance to the Constitution of the United States. To meet this challenge, we must, as they did in 1776, call on the people of America. Shall we be honest and free or dishonest and policed? I believe the citizens of this country will respond for freedom, as they did in 1776.

THE ROCK ISLAND CRISIS

Mr. HUMPHREY. Mr. President, yesterday the Senate passed S. 917, with amendments. I was pleased to join my distinguished colleague from Kansas, Mr. PEARSON, in sponsoring this bill, the Railroad Temporary Operating Authority Act.

The collapse of the Chicago, Rock Island, and Pacific Railroad, and similar prospects for other railroads in the Midwest, confirm what many of us have suspected for some time—that the problems facing the railroads of the Northeast are not limited to that region alone. However, while we work together to develop a solution to the pressing problems confronting our Nation's railroads, we must take care to insure the continuation of essential rail services to shippers and to provide for fair and equitable protection of the affected railroad employees.

Continuation of many of the services provided by the Rock Island is essential to the economy of the regions it serves. Not only is it the only carrier available to as many as 30 percent of the shippers in its service region, but the Federal Energy Administration has estimated that alternative motor carrier services would be costly and require many millions of extra gallons of diesel fuel. An excellent report just completed by the Countryside Council's Study of Commodity Transportation Problems in Southwestern Minnesota underscored this fact in its economic analysis of the rail service versus motor carrier service to grain elevators in that region.

There are several possible responses to the current crisis under provisions of existing law. S. 917 complements these and provides the Interstate Commerce Commission with a needed addition to the tools necessary to continue essential rail services in regions that are also

served by other carriers, while an equitable and fair long-range solution to the problems confronting the Nation's railroads is achieved. This bill permits the Commission to authorize service to avoid the deterioration of essential rail properties which might occur during the interim between the expiration of emergency service and completion of a more permanent proceeding.

I understand the apprehension on the part of some rail carriers that this legislation may adversely affect competitive relationships in regions suffering a discontinuance of service. Bimonthly reports to Congress on the competitive effects of orders will be examined closely to determine whether this issue deserves further consideration.

I also want to state clearly my concern and expectation that every possible effort will be made to meet the needs and protect the rights of Rock Island employees while a long-range solution to meeting the Nation's rail requirements is developed. For this reason, I fully support appropriate proposed amendments relating to employee protections.

Several long-range solutions to the railroad problem which are national in scope, have been proposed. My recently introduced Railroad Rehabilitation and Recovery Act would provide for Government maintenance of tracks and roadbeds in a national network of rail lines for those companies which find themselves unable to meet high maintenance standards. Proposals to create a nonprofit corporation to which the rail lines may be conveyed have also been made.

In the interim, however, I believe we are obligated to maintain and protect the railroads' right-of-way including that of the Rock Island, while responding to the needs of businessmen using rail service, the employees of the various railroads, and the general public. The amendments to the Interstate Commerce Act set forth in S. 917 are intended to ensure that the ICC has adequate authority to continue essential rail services at the lowest possible cost and to provide the ICC with a full complement of tools to use not only for immediate crises, such as that presented by the Rock Island, but also to establish contingency plans for potential future service interruptions whenever and wherever they may occur.

REPUBLIC OF TOGO CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, very recently the Organization for the Development of Tourism in Africa, ODTA, transferred its headquarters from Paris to Lome, the capital of Togo. This significant step placed Togo as the capital of all tourism in Africa.

The Republic of Togo, a small West African country, has been independent of the colonial yoke since 1960 and maintained political stability under her able President, Maj. Gen. Etienne Eyadema, whose work fostering peace between Mali and Upper Volta was recently applauded by the world community.

When President Eyadema assumed control of the government, political parties were prohibited and all constitutional processes were suspended. With a mixed civilian and military cabinet, President Eydema embarked on an ambitious program to unify Togo. In 1969, party rule was restored and a formal election placed the incumbent into the Presidency.

The February 28 meeting in Togo between the nine ECC nations plus 46 developing nations of the Caribbean and Pacific areas formulated new economic plans to replace the old Yaounde Pact.

Togo is a member of the French Franc area and of the Union Monetaire del'Afrique de l'Ouest, in common with the Ivory Coast, Dattomey, Niger, Senegal, and Upper Volta. The Government of Togo has aspirations for a strong economic program between the West African States and an improved atmosphere for internal investment.

The economy of Togo is basically agriculture, but the mineral resources of this nation show a great deal of promise.

Mr. President, I take this opportunity to express the good will of the people of the United States to the Government, the President and the people of the Republic of Togo on her National Day, April 27.

CRANSTON EARTHQUAKE BILL WOULD HELP PREPARE FOR "BIG QUAKE"

Mr. CRANSTON. Mr. President, yesterday's edition of the Washington Post carried a story by Leroy F. Aarons, that newspaper's west coast correspondent, describing the unfortunate fact that Californians are generally unprepared for the inevitable "big quake."

Bruce A. Bolt, the distinguished professor of geology and director of the U.S. Seismographic Station at the University of California, Berkeley, is quoted by Aarons as saying:

> My rule of thumb is we must expect a large earthquake tonight, not at the end of the century.

Mr. President, using Dr. Bolt's wise rule of thumb, I want to call the attention of my colleagues once again to the urgency I attach to legislation now pending in the Senate Commerce Committee to expand and coordinate the Federal Government's support for earthquake-related research and preparedness programs.

It is important—vitally so—not only to Californians but to citizens everywhere.

That legislation, S. 1174, which I introduced on March 13 with 12 cosponsors, is a revision of similar bills I have introduced in the 92d and 93d Congresses. The Earthquake Disaster Mitigation Act of 1975 would authorize a 10-year, $50 million a year program, to be carried out principally by the U.S. Geological Survey and the National Science Foundation. Its general goals are to seek a better understanding of the causes of earthquakes, to develop from this understanding an operational system for predicting earthquakes and to issue appropriate warnings to the public, to advance earthquake engineering research and its application to hazardous structures, and to improve the human and community response to earthquakes and the threat of earthquakes.

It would, in short, Mr. President, provide a framework for the effective action we must take now to mitigate the destructive effect of future earthquakes. We cannot afford to wait for the kind of reminder we had in February of 1971 when a 6.5-magnitude earthquake shook the quiet communities north of Los Angeles, killing 64 people and costing more than $500 million in property damage. I hope that the Congress will have the foresight and the wisdom to enact this much needed legislation without having to be literally shaken out of our complaisance.

Mr. President, I ask unanimous consent that the text of the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CALIFORNIA ILL-EQUIPPED FOR BIG QUAKE

(By Leroy F. Aarons)

SAN FRANCISCO.—"My rule of thumb is we must expect a large earthquake tonight, not at the end of the century," said Bruce A. Bolt, distinguished professor of geology and director of the U.S. Seismographic Station at the University of California at Berkeley.

Bolt lives on a hillside close to the Hayward Fault, a 100-mile branch of the 650-mile San Andreas Fault.

"Nearly all the professors in this department live very near the fault," Bolt said. "It's very pleasant, with a view of the Bay."

Millions of Californians take the same approach to the earthquake threat.

Nearly 70 years after the disastrous 1906 earthquake that destroyed San Francisco and more than four years after the ominous temblor of San Fernando in Los Angeles County that took 58 lives, California remains highly vulnerable to and unprepared for a cataclysmic quake that most scientists agree will come before the end of the century.

Many changes have been made, largely as a result of the scare factor that followed the San Fernando quake. But California has a penchant to opt for pleasant living over preparedness or for bowing to the economic pressure of the real estate industry.

The state is criss-crossed with thousands of faults, some active, some inactive, and many undetected.

What is known is that the state is ripe for a major eruption, which seems to occur every hundred years or so. The last big one in Southern California was in 1857 along the famous San Andreas Fault.

The main cause of earthquakes is rocks fracturing from the gradual accumulation of strain during geological changes. When strain exceeds the strength of the rocks, there is sudden fracture.

Quakes also occur along pre-existing fractures—such as the San Andreas fault or its offshoots—when enough tension builds up to overcome the friction between the rock faces of the fracture. Such tension is often relieved by slow, harmless slippage, but it can also occur suddenly with an explosive release of energy.

In northern California the largest earthquake of recent history occurred in 1906 in San Francisco. It registered more than 8 on the Richter scale, killed more than 500 people, and caused fires that leveled the city.

The Richter scale, devised by Dr. Charles Richter of California Institute of Technology, measures the energy released—and thus the potential for damage—by an earthquake. The scale is open-ended and logarithmic, meaning that each increase of one unit represents a 100-fold increase in the energy released.

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A quake that registered 2 on the scale is imperceptible, while 2.5 can be felt near the point of origin and 3 can be felt over a fair-sized area. Slight damage can be caused at 4.5, a level of 5 is considered damaging, 7 is major, and 8 is a "great earthquake."

The issue, most geologists and seismic experts agree, is not whether another blockbuster quake will occur, but when. It could happen any time.

Should that earthquake occur "tomorrow," these experts believe, the following realities await Californians:

Tens of thousands of buildings built in the first half of the century, clearly hazardous under severe earthquake conditions, in use in San Francisco and Los Angeles, could topple, endangering thousands of lives (an estimated 200,000 in Los Angeles alone).

Other thousands of buildings built on or near faults face destruction from ground shaking and land fill.

High-rise buildings, built to more modern standards, may not topple, but face serious hazards of fire, disabled elevators and inadequate stairwell safety.

Earthquake disaster urgency plans are in the nascent stages throughout the state, hampered by apathy among public officials, lack of funds and infrequent exercises.

The public is ill-prepared to cope with earthquakes or their aftermaths. There is virtually no publicity about what to do during or after a major quake. Earthquake drills are rarely, if ever, held in communities or in public buildings (schools are an exception).

A recent federally sponsored study gives these estimates of death and injury should a temblor of more than 7 or 8 on the Richter scale occur in or near San Francisco or Los Angeles:

San Francisco—as many as 10,000 persons dead and 40,000 injured. (Should a major dam break, the death toll could rise to 60,000.) Another 56,000 could be left homeless (not including dam evacuees).

Los Angeles—as many as 20,000 deaths and up to 600,000 injured. Additional deaths possible due to major dam failure—up to 14,000. Homeless (not including dam evacuees), up to 180,000.

At the very best, Californians are fatalistic about earthquakes, accepting that they will come, and hoping they will be out of the affected area when it happens.

"You don't know when it is going to be or how it's going to be," said one West Los Angeles resident. "I should put money into making my house earthquake-proof when I could be in some skyscraper swaying when it happens? Who cares?"

In San Francisco, a college professor recently asked 125 residents in a random sampling what they would do if an earthquake comes. Sixty per cent said, in effect, "Start praying. What else is there to do?"

What can be done? In fact, quite a lot—and some of it is being accomplished in the areas of building code upgrading, land-use planning, emergency preparedness, earthquake prediction, and public education. But the effort of a few aggressive legislators, state and local officials, and private citizens is frustrated by the low level of priority generally assigned to earthquake protection.

The "kill ratio" of past California earthquakes is extremely low compared to, say, traffic accidents. About 900 persons have died as the results of quakes since the turn of the century compared to an average annual highway toll of 4,800. Thus there are those who argue against expenditures of time and effort on something as mercurial and unpredictable as an earthquake.

California's new governor, Edmund G. Brown, Jr., is said to be one of those. According to a recent news story, Brown suggested that money being allocated for safe buildings might be used to improve the quality of education, to rehabilitate housing for the poor, or to create construction jobs.

After the San Fernando quake, there was a flurry of studies, hearings, plans and legislation.

In Los Angeles, the building code requirements were toughened. Explained Bob Williams, general manager of Los Angeles' Department of Building and Safety: "We doubled the loading strength requirements and required standards twice as strong in reinforced concrete and reinforced masonry."

Los Angeles' building code is in some respect tougher than the Uniform Building Code to which most jurisdictions in the state adhere. One official, Long Beach building director Edward M. O'Connor, a leading proponent of better preparedness, contends that the Uniform Building Code falls short.

"It does not fulfill the purpose of the code: to preserve life, limb, property and the public welfare in the event of an earthquake," he said.

Changes in the uniform code come slowly. They are modeled after recommendations by the California Structural Engineers Association, composed of professional engineers who help design buildings.

The recommendations usually represent a balance of conservative and liberal strains within the association, and, according to some observers, are strongly influenced by economic considerations.

The drafters of the uniform code are still wrestling with one of the central lessons of the San Fernando earthquake—the fact that major buildings are being constructed with little knowledge or consideration of soil and geological conditions and how they might respond to ground shocks.

Geologists and seismic experts admit they know very little about what causes earthquakes or precisely how buildings are affected by local or even distant shocks. Now, for the first time, California is placing instruments that measure motion in key buildings around the state. But they must await another earthquake to produce usable data.

In the meantime, seismic considerations are working their way slowly—some say too slowly—into building requirements.

New laws ban construction directly over active faults, require satisfactory geologic studies before new hospitals are built, require that a "seismic safety element" be included in local planning, and require the correction of unsafe dam conditions.

This legislation added up to the most progressive package of earthquake measures in 40 years, but it was not accomplished without resistance. The restriction on building on or near faults, for example, inspired a storm of protest from real estate developers and individual lot owners that eventually forced a modification softening the restriction.

A hospital law passed in 1972 requires that detailed geological and soil reports for proposed hospital construction be reviewed by state geologists.

James Flosson, director of the state Department of Mines and Geology, promptly ran into problems.

"The reports the first few months were a disgrace to the profession," Flosson said. "We insisted that they be redone, and done again until they were right. I've had my head bloodied many times as a result. I've been threatened, told my career would be ruined—a few geologists tried to get me fired. But we stood by our guns and now the quality of the reports is excellent."

Another area of controversy is highrise safety. Berkeley architect Karl V. Steinbrugge believes the modern steelframe construction will withstand intense shocks. But Henry J. Degunkolb, a San Francisco structural engineer and frequent critic of safety standards, said:

"I would not find it unreasonable to expect . . . there will be 15 to 30 total collapses with another 50 to 100 severely damaged" in San Francisco.

While there is disagreement about high-rise collapse, there is a broad consensus that most existing high rises are vulnerable to extensive internal damage from unbolted equipment and, most significantly, from fire.

The dangers are serious enough to have prompted major changes recently in fire regulations for all future buildings.

All future high rises (above 75 feet) will be built with automatic governors that bring elevators instantly to ground level, and, most importantly, with sprinkler systems at every level.

All but a minuscule number of the nearly 2,000 high rises presently in Los Angeles and San Francisco lack sprinkler systems.

Requirements that they be installed were written into a state law last year, but efforts to draft regulations ran into fierce opposition from builders, the Chambers of Commerce and other businessmen.

The battle is still being fought.

San Francisco's disaster plan is advanced over those of other municipalities, but it suffers from lack of a central communications network, insufficient coordination among departments and inadequate practical exercises, according to a city planning department study.

"All it is is a paper organization," said Alfred Goldberg, head of the city's building department.

Goldberg's concerns are echoed by James Haigwood, state emergency services officer in charge of helping to create state-level disaster plan for Southern California.

Commented Haigwood: "I don't think most elected and appointed officials understand they have a real responsibility to have their jurisdictions prepared. They are only doing a barebones job."

RULES OF PROCEDURE FOR THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

Mr. CHURCH. Mr. President, in accordance with the provisions of the Legislative Reorganization Act of 1970, I submit now for publication in the RECORD the rules of procedure for the Select Committee To Study Governmental Operations With Respect to Intelligence Activities. These rules were adopted by the members of the Select Committee on April 9, 1975. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

Rules of Procedure for the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, U.S. Senate, Adopted April 9, 1975

These Rules are issued pursuant to the 1st Section of Senate Resolution 21, 94th Congress, 1st Session, agreed to January 27, 1975, and printed in full in the appendix hereto.

RULE 1. CONVENING OF MEETINGS

1.1 The Committee may schedule a regular day and hour for the Committee to meet.

1.2 The Chairman shall have authority, upon proper notice, to call such additional meetings of the Committee as he may deem necessary and may delegate such authority to any other member of the Committee.

1.3 A special meeting of the Committee may be called at any time upon the written request of six or more members of the Committee filed with the Clerk of the Committee.

1.4 In the case of any meeting of the Committee, other than a regularly scheduled meeting, the Clerk of the Committee

shall notify every member of the Committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C. and at least 48 hours in the case of any meeting held outside Washington, D.C.

1.5 If a majority of the members of the Committee have made a request in writing to the Chairman to call a meeting of the Committee and the Chairman fails to call such a meeting within seven calendar days thereafter, including the day on which the written notice is submitted, such majority may call a meeting by filing a written notice with the Clerk of the Committee who shall promptly notify each member of the Committee in writing of the date and time of the meeting.

RULE 2. MEETING PROCEDURES

2.1 Meetings of the Committee shall be open to the public except when otherwise directed by the Chairman or majority vote of members present.

2.2 It shall be the duty of the staff director to keep or cause to be kept a record of all Committee proceedings.

2.3 The Chairman of the Committee, or if the Chairman is not present the Vice Chairman, shall preside over all meetings of the Committee. In the absence of the Chairman and the Vice Chairman at any meeting majority member is present the ranking minority member present, shall preside.

2.4 Except as otherwise provided in these Rules, decisions of the Committee shall be by majority vote of the members present and voting. A quorum for the transaction of Committee business, including the conduct of Executive sessions, shall consist of six Committee members except, that for the purpose of hearing witnesses, taking sworn testimony, and receiving evidence under oath, a quorum may consist of one Senator.

2.5 A vote by any member of the Committee with respect to any measure or matter being considered by the Committee may be cast by proxy if the proxy authorization (1) is in writing to the Chairman or Vice Chairman; (2) designates the member of the Committee who is to exercise the proxy; and (3) is limited to a specific measure or matter and any amendments pertaining thereto. Proxies shall not be considered for the establishment of a quorum.

RULE 3. BROADCASTING, TELEVISION, AND PHOTOGRAPHY

Any Committee meeting which is open to the public may, subject to Rule 6.7, be covered, in whole or in part, by television, radio, still photography or other media coverage, if the Chairman authorizes such coverage. When coverage by any such media is authorized it must be conducted in an orderly and unobtrusive manner, and the Chairman may for good cause terminate such media coverage in whole or in part, or take such other action as the circumstances may warrant.

RULE 4. INVESTIGATIONS

No investigation shall be initiated by the Committee unless a majority of the members of the Committee has specifically authorized such investigation, but any member of the Committee shall be entitled to pursue any inquiry individually unless specifically prohibited by a majority vote of the members of the Committee. Authorized investigations or inquiries may be conducted by members of the Committee and/or by designated staff members.

RULE 5. SUBPOENAS

Subpoenas for attendance of witnesses or the production of memoranda, documents, records, or any other material may be issued by the Chairman, or any other member designated by him after consultation with the Vice Chairman, and may be served by any person designated by the Chairman or member. Each subpoena shall contain a copy of Senate Resolution 21, 94th Congress, 1st Session.

RULE 6. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

6.1 *Notice.*—Witnesses required to appear before the Committee shall be given reasonable notice and all witnesses shall be furnished a copy of these Rules.

6.2 *Oath or Affirmation.*—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the Committee.

6.3 *Interrogation.*—Committee interrogation shall be conducted by members of the Committee and such staff personnel as is authorized by the Chairman, the Vice Chairman, or the presiding member.

6.4 *Counsel for the Witness.*—(a) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the Committee of such fact, and if consistent with the notice given under Section 6.1 hereof, at least 24 hours prior to his appearance before the Committee, the Committee shall then endeavor to obtain voluntary counsel for the witness, but failure to obtain such counsel will not excuse the witness from appearing and testifying.

(b) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members present, subject such counsel to disciplinary action which may include warning, censure, removal, or a recommendation of contempt proceedings.

(c) There shall be no direct or cross examination by counsel. However, counsel may submit in writing any questions he wishes propounded to his client or to any other witness and may, at the conclusion of his client's testimony suggest the presentation of other evidence or the calling of other witnesses. The Committee may use such questions and dispose of such suggestions as it may see fit.

6.5 *Statements by Witnesses.*—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his testimony. Such statements shall not exceed a reasonable period of time as determined by the Chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the Clerk of the Committee, and in so far as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his appearance before the Committee.

6.6 *Objections and Rulings.*—Any objection raised by a witness or counsel shall be ruled upon by the Chairman or other presiding member, and such ruling shall be the ruling of the Committee unless a majority of the Committee present overrules the ruling. In the case of tie votes the rule of the chair will prevail.

6.7 *Lights and Broadcasting.*—(a) A witness may request, on grounds of distraction, harassment, or physical discomfort, that during his testimony, television, motion picture, and other cameras and lights shall not be directed at him, such requests to be ruled on in accordance with Rule 2.4.

(b) No witness subpenaed by the Committee shall be required against his will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. So far as is practicable, a witness desiring to make such a request shall so inform the Chief Counsel of the Committee at least 24 hours prior to the time that witness is scheduled to testify.

6.8 *Inspection and Correction.*—All witnesses testifying before the Committee shall be given a reasonable opportunity to inspect, in the office of the Committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submited in writing to the Committee within five days of the availability of the transcript. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the Chairman. Upon request, those parts of testimony given by a witness in Executive session which are subsequently quoted or made part of a record shall be made available to that witness at his expense.

6.9 *Persons Affected by Testimony.*—A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a Committee member or Committee counsel, may tend to affect adversely his reputation, may request to appear personally before the Committee to testify on his own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the Chairman proposed questions in writing for the cross-examination of other witnesses. The Committee shall take such action as it deems appropriate.

6.10 *Contempt Procedures.*—No recommendations that a person be cited for contempt of Congress shall be forwarded to the Senate unless and until the Committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he should not be held in contempt, and agreed, by majority vote of the Committee to forward such recommendation to the Senate.

6.11 *Release of Name of Witness.*—Unless authorized by the Chairman, the name of any witness scheduled to be heard by the Committee shall not be released prior to his appearance before the Committee.

RULE 7. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

7.1 Committee staff offices on the first floor of the Dirksen Office Building shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. All persons before entering the offices shall identify themselves. At least one additional security guard shall be posted at night for surveillance of the secure area where sensitive documents are kept.

7.2 Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the Committee staff offices of such documents and other materials is prohibited except as is necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, and in conformity with Section 9.2 hereof.

7.3 Each member of the Committee shall at all times have access to all papers and other material received from any source. The Staff Director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all papers and other materials in the possession of the Committee, and such registry shall be available to any member of the Committee.

7.4 Access to classified information supplied to the Committee shall be limited to the Staff Director, the Chief Counsel and the Council to the Minority, and those staff members with appropriate security clearances and a need-to-know.

7.5 No testimony taken including the names of witnesses testifying or material

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presented at an Executive Session, or classified papers, and other materials received by the staff or its consultants while in the employ of the Committee shall be made public, in whole or in part or by way of summary, or disclosed to any person outside the Committee unless authorized by a majority vote of the entire Committee, or after the termination of the Committee, in such manner as may be determined by the Senate.

7.6 Before the Committee is called upon to make any disposition with respect to the testimony, papers, or other materials presented to it, the Committee members shall have a reasonable opportunity to examine all pertinent testimony, papers and other materials that have been obtained by the Committee staff. No member shall release any such testimony, papers, or other materials, or any information contained in such testimony, papers, or other materials, to the public or any person outside the Committee unless authorized by a majority vote of the entire Committee, or after the termination of the Committee, in such manner as may be determined by the Senate.

RULE 8. PREPARATION FOR COMMITTEE MEETINGS

8.1 Under direction of the Chairman, the Staff Director, Chief Counsel, Counsel to the Minority, or other designated staff members shall brief members of the Committee at a time sufficiently prior to any Committee meeting in order to assist the Committee members in preparation for such meeting and to determine any matter which the Committee member might wish considered during the meeting. Such briefing shall include a list of all pertinent papers and other materials that have been obtained by the Committee that bear on matters to be considered at the meeting.

8.2 The Staff Director, the Chief Counsel, and the Counsel to the Minority shall recommend to the Chairman and the Vice Chairman the testimony, papers, and other materials to be presented to the Committee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or Executive session shall be made pursuant to the rules of the Senate.

RULE 9. STAFF

9.1 The appointment of all staff members and consultants shall be confirmed by a majority vote of the Committee. After confirmation, the Chairman shall certify staff appointments to the Financial Clerk of the Senate in writing.

9.2 Except as otherwise provided by the Committee, the duties of staff and consultants shall be performed, and staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the Staff Director and the Chief Counsel. The Counsel for the Minority shall be kept fully informed regarding all matters and shall have access to all material in the files of the Committee.

9.3 The staff of the Committee shall not discuss either the substance or procedure of the work of the Committee with anyone other than a member of the Committee or other Committee personnel. Upon termination of employment by the Committee, each member of the staff, or consultant, shall surrender all classified and other material relating to the work of the Committee which came into his possession while in the employ of the Committee.

9.4 The employment of any member of the staff or consultant who fails to conform to any of these Rules shall be immediately terminated.

RULE 10. SERVICES, INFORMATION, FACILITIES, AND PERSONNEL OF THE GOVERNMENT; CONSULTANTS

The Chairman shall have the authority to utilize the services, information, facilities, and personnel of the departments and agencies of the government, and to procure the temporary or intermittent services of experts or consultants or organizations thereof to make studies or assist or advise the Committee with respect to any matter under investigation.

RULE 11. REPORTING OF MEASURES OR RECOMMENDATIONS

11.1 No measure or recommendations shall be reported from the Committee unless a majority of the Committee is actually present and a majority of those present concur.

11.2 In any case in which the Committee is unable to reach a unanimous decision, separate views or reports may be presented and printed by any member or members of the Committee.

11.3 A member of the Committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the Clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report.

RULE 12. CHANGES IN RULES

These Rules may be modified, amended, or repealed by the Committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

THE IMPORTANCE OF LATIN AMERICA

Mr. HUMPHREY. Mr. President. I wish to call to the attention of my colleagues an editorial which appeared in the Washington Post on April 26 entitled, "The Importance of Latin America." Frankly, it is a sorry thing we have to be reminded.

For too long, we have neglected what President Kennedy recognized as our "sister republics"—and when we have dealt with them, it has too often been on the basis of paternalism rather than equality. Yet the good neighbor policy and the alliance for progress remind us that our relations have been—and again can be—warm and constructive. They should occupy a central place in our foreign policy, and they should be conducted with the mutual respect they deserve.

Unfortunately, we have been distracted in recent years by hotter spots, such as Indochina and the Middle East, not to mention our traditional absorption in superpower politics. To be sure, it is some measure of our indifference that we have withheld trade preferences across-the-board, despite the fact that countries like Venezuela and Ecuador did not participate in the Arab oil embargo which provoked our action.

Beset by massive social and economic problems, South America continues in ferment. We should not wait to be confronted with revolution and crisis. Rather, we should anticipate and encourage progress and peaceful change. We might begin by supporting a new and fairer Panama Canal Treaty, by seriously reevaluating the present policy of sanctions on Cuba, and by forswearing interference in internal affairs, which has had such serious repercussions in Chile and Honduras.

Clearly, the mere visit of Secretary Kissinger cannot substitute for the substantive reassessment and improvement of our attitudes and policies. Latin America is coming of age; so should America. Perhaps for our bicentennial we shall establish a new corollary to the Monroe Doctrine, that Latin America be protected not only from European excesses, but from our own as well.

Mr. President, I ask unanimous consent that the excellent Post editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE IMPORTANCE OF LATIN AMERICA

It is regrettable but not disastrous that the Indochina crisis should have forced Secretary of State Kissinger to postpone yet again his long-scheduled trip to Argentina, Brazil and Venezuela. The trip would surely have enhanced the secretary's understanding of a region of far more critical and enduring importance to the United States than Indochina. And it would have given his hosts the opportunity to get what Latins perennially feel is a commodity in short supply—the high level attention of the U.S. government. Yet the visit of an American Secretary of State, even one who is a celebrity, is not something that would turn the heads of thoughtful Latins. They will wish to see what else of a serious nature in Latin-U.S. relations is going on.

The chief political task of American policy in the hemisphere is, plainly, to move beyond the arrogance and paranoia that led American officials to think it was not only appropriate but necessary to "destabilize" the elected governments of Chile in 1970–73. Since some of the same key officials, including Dr. Kissinger, are still in posts of responsibility, this is no small task. Optimists might hope that the newly heightened public and congressional vigilance over the CIA, and the agency's own announced reforms, are enough to forestall another "Chile." Pessimists will remain skeptical, at least until the test of the next Chile is met.

Meanwhile, the developing emphasis of U.S. policy on treating Latin countries individually, rather than as look-alike members of a hemispheric collective, is a healthy sign. This new emphasis fits the reality that Latins are different. It fits the current Latin inclination to take a step away from the old notion of a hemispheric "community." And if deepened, it should free American policymakers from the insidious idea that what happens in one corner of Latin America will also happen in other corners. It is precisely this idea that led Washington to fear that Cuba and Chile, in their respective times, would contaminate the rest of the region. Thus aroused, the United States moved against both countries.

In this regard, nothing could better show that Washington had matured than to move promptly to end the formal isolation of socialist Cuba. The issue of property claims alone assures that good relations between Washington and Havana are a long way off. But at least the United States can and should demonstrate, by removing political constraints on direct dealings with Cuba, that it is prepared to accept ideological diversity in the Americas.

The chief economic task is to try to keep up with the rapid global changes that have rendered many of the past patterns obsolete. Given the complexities, there is simply no way to assure "good" U.S.-Latin economic ties. Anyway, in both investment and trade, Latins are increasingly moving out into the world economy—a healthy trend all around.

But the U.S. must keep on searching with its Latin American friends for ways to ease the inevitable strains. When Washington belatedly did grant tariff preferences, for instance, the Congress foiled much of the political effect by excluding Venezuela and Ecuador, although neither had participated in the Arab oil embargo. Remedial legislation is obviously called for.

Although Latins are far from united among themselves on how they wish to deal economically with the U.S., Washington is not required to wait for a Latin consensus before taking certain measures desirable on their own grounds. For example, the State Department's recent performance in the United Brands scandal in Honduras was entirely refreshing. Rather than embrace or appear to defend an embattled American corporation in the old ITT style, the department at once put distance between itself and United Brands, which has admitted paying a $1.25 million bribe to obtain reduction of a banana tax. In a promising follow-up, American officials are now studying what other steps might be taken to preclude any more "banana" scandals.

But perhaps the single most notable advance now within reach is the successful negotiations, and then the ratification, of a new Panama Canal treaty. Teddy Roosevelt stuffed the current treaty down Panama's throat in an act that still symbolizes the worst excesses of 20th-century American imperialism. If normalization of ties with Cuba would mark the end of the Cold War in the hemisphere, then a new canal treaty would mark the end of an empire. With due respect to Dr. Kissinger, his Latin travel plans weigh very little compared to the potential in developments such as these.

TOWARD A BALANCED TRANSPORTATION SYSTEM

Mr. McGOVERN. Mr. President, in the midst of a seemingly endless parade of problems of both the State and National levels, there is one that I believe is central to our continuing effort to resolve the current recession and the energy shortage—and that is the improvement of our national rail system.

We have seen a continuing deterioration of railroad facilities and equipment. In South Dakota we have no passenger service and our freight trains are frequently forced to creep along at 10 miles per hour or less because of the condition of the track and roadbeds.

But we are now at a point where we cannot consider only the problems of the railroads—we must work to secure a balanced national transportation system that will maximize the fuel efficient use of all modes of transport including rail, air, and highway travel.

One South Dakota newspaper, the Watertown Public Opinion recently published a comment on my ideas for improving the transportation system. Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Watertown (S. Dak.) Public Opinion, Apr. 22, 1975]

BALANCED SOUTH DAKOTA TRANSPORTATION SYSTEM CALLED GOAL

An incidental but interesting overview of South Dakota's transportation network was provided recently in a communication by U.S. Senator George McGovern calling attention chiefly to the need for stopping the continued deterioration of the state's railroad facilities. The senator disclosed he is proposing the creation of a national transportation board which would control the allocation of federal money for highways, airports and rail construction.

Coincidentally, he points out that "South Dakota must have a balanced transportation network that will provide the best type of transport we may need to meet a given requirement." In this connection, he cites this foundation:

On Dec. 31, 1972, there were 3,379 miles of railroad track in the state (but this has shrunk somewhat since then).

There were 114 general aviation airports, 72 of which were public and 43 of which were private. Scheduled airline service was provided by North Central, Western, Ozark and Frontier.

Of the 678.96 miles of interstate highway authorized in South Dakota, 567.77 miles is finished and open to traffic with 111.19 either under construction or in final design stages. (Most of this is I–29 from the State 28 intersection east of Estelline northward to the North Dakota line).

South Dakota's basic transportation method is, and will continue to be, the motor vehicle. According to 1973 figures, there were 323,061 automobiles, 1,945 buses and 161,053 trucks, figures which incidentally help to spotlight one important but often overlooked facet of the state's transportation network—the highway bus system bringing common carrier convenience and efficiency to many communities which otherwise would have no public transportation whatever.

Of all this, McGovern says, "The goal must be a balanced transportation system, not only in South Dakota but throughout the country. In urban areas the emphasis should be on mass transit. In essentially rural areas, motor vehicles will continue to provide the basic transportation needs into the foreseeable future and certainly until we can improve our rail network."

The senator adds, "The challenge ahead is a formidable one," a statement which will beget no argument. Revitalization of the railroads into a system even remotely approaching their one-time stature is challenge enough in itself. When the financially overwhelming chore of underwriting adequate highway maintenance and improvement is added, the job becomes even more important.

McGovern adds, "I continue to believe that we are equal to the task."

We hope so. Anything less could be real calamity.

LOCAL RAIL SERVICE IN THE MIDWEST

Mr. GRIFFIN. Mr. President, yesterday, the Rail Services Planning Office—RSPO—of the Interstate Commerce Commission released its report on the preliminary system plan prepared by the United States Railway Association—USRA—for the reorganization of the Penn Central and several other bankrupt railroads.

Echoing many of the objections voiced by hundreds of witnesses, including myself, at its recent hearings, the Rail Services Planning Office severely criticized the USRA plan—particularly the proposals calling for massive rail abandonments in the 17-State region served by the bankrupt lines.

Nowhere is the impact of the USRA plan felt more severely than in Michigan. My State would lose service on more than 1,100 miles of rail lines under that plan.

The RSPO critique highlights four principal reasons for the failure of the USRA plan to resolve the branch-line problem:

First, the Association approached its task with a wholly negative attitude, asking itself the question, "What services can be eliminated?" instead of "What services can be made to contribute to ConRail's profitability?" Second, it has followed a methodology which serves to obscure true costs and revenues. Third, it has relied on an inadequate data base, resulting in the introduction of numerous factual errors into its analysis. Finally, it arrived at its branch-line decisions in ivory-towered isolation instead of actually examining local operations on the scene.

In fact, the ICC's Planning Office concludes that the data collected for specific rail lines by USRA is so questionable that "no last minute patching-up of the computer program will make it possible to achieve informed and rational local-service line decisions."

To resolve this problem, RSPO recommends that service on all of the branch lines be continued for 2 years after the new ConRail system is put into effect, so that better cost-revenue data can be developed. The report notes that even with a 100-percent Federal subsidy the $180 million already authorized by law for local rail service subsidies is more than enough to cover the costs of continuing this service for a 2-year period.

A similar proposal was endorsed last week by the Upper Great Lakes Regional Commission, and I ask unanimous consent that a copy of its resolution on this matter and an ICC news release be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRIFFIN. Mr. President, while Congress should consider this proposal as promptly as possible, it is extremely important for USRA to recognize that it cannot sit back and wait for Congress to take care of the problem.

Unfortunately, I am deeply concerned that USRA is relying too heavily on the subsidy program and congressional changes in that program as a justification for dropping thousands of miles of rail lines in the Midwest and Northeast. This attitude is reflected in a recent letter I received from Mr. Arthur Lewis, chairman of the board of USRA, which places great emphasis on the subsidy program. I ask unanimous consent that a copy of that letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES RAILWAY ASSOCIATION,
Washington, D.C., April 23, 1975.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: Thank you very much for the comments contained in your letter of April 9th, and in the attached re-print of your remarks to the Senate, on February 26th, expressing your concern over the impact our Preliminary System Plan for restructuring the Northeast/Midwest rail system would have on Michigan.

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I am keenly aware of the fact that Michigan would, under the Plan, face a disproportionate potential loss of railroad mileage when compared to other States in the planning Region. Let me assure you, however, that Michigan was not "singled out" for such treatment. Rather, the result stemmed from the fact that your State happened to have more railroad mileage than any other which failed to meet the standards we applied to all so-called "branch-lines" in an effort to determine, as we were called to do under the Regional Rail Reorganization Act of 1973, their economic justification.

This was an essential task, but not an easy one. It was essential if we were to propose a restructured private system that was to have a chance of economic viability. It was difficult because, under the Act, what we proposed in the way of that new system was not only to be "self-sufficient" but "adequate" in terms of service, as well.

This effort required a complex balancing of goals, and we believed we had accomplished this about as well as could be done by proposing a system that would handle 95.5 percent of all the freight carried by the seven bankrupt railroads in our charge. Unfortunately, however, the burden of reducing the system does not fall evenly on all States. It has been our assumption that Congress intended recourse to the "rail service continuation subsidy" provisions of the Act; and it further intended that the "discretionary" subsidy fund made available thereunder to the Secretary of Transportation would, in turn, be available to take care of whatever special problems arose in any State such as now is the case, in Michigan, where its maximum 10 percent share of the regular subsidy funds would appear to be insufficient.

It might be helpful, in this regard, for you to address an inquiry to the Secretary of Transportation relative to the availability, if needed, of assistance to your State from the "discretionary fund." Beyond that, Congress is well aware of the changed economic situation, as between 1973 and now, that makes it more difficult than had been anticipated for many States—especially one like Michigan with more severe economic problems—to make State funds available to match Federal subsidy dollars. This is a problem we feel certain Congress will wish to review—perhaps along the line of legislation as recently introduced by Senator Hartke, whereunder, during the first year of ConRail operations the Federal government would provide 100 percent of needed branch-line subsidies, with that percentage thereafter falling to 90/10 in the second year, to 80/20 in the third, and back to the intended 70/30 split in the fourth and subsequent years.

At the same time, we recognize the fact that both the methodology and the data we used in an effort to determine branch-line viabiltiy has come under some attack. This was to have been anticipated, since it is a complicated problem to accurately decide on valid branch-line "losses," and since the only data we had available was that mostly provided by the bankrupt carriers, themselves. As to the latter we have looked forward to corrections being provided through this latest round of RSPO hearings, in which there has been good and constructive participation on the part of both the public and the Congress. Particularly, through this forum, did we anticipate obtaining necessary information concerning the traffic-growth potential on certain branch-lines as well as information on certain special problems, such as the rail-car ferry service one applicable to Michigan. We are currently in the process of reviewing all this information and will reevaluate the pertinent branch-line decisions affected thereby as soon as possible.

This is because, just as you point out, our original proposal was—as its very title indicates—a "preliminary" one and we know full well that, for it to be acceptable in the end to Congress, it must be the best and fairest plan we can possibly put together, by working together with people such as yourself.

Sincerely,

ARTHUR D. LEWIS,
Chairman of the Board.

Mr. GRIFFIN. Mr. President, as a member of the Commerce Committee which considered the Regional Rail Reorganization Act, I know that Congress certainly did not intend for the subsidy program to be a substitute for a careful balancing of the eight goals set forth in the act for reorganization of the bankrupt railroads.

Furthermore, Congress did not intend the subsidy program to be a substitute for faulty analysis of the economic viability of particular rail lines.

And Congress did not intend the subsidy program to be the only available means of providing rail service to large areas of the region that would otherwise be cut off from all rail service. As the RSPO report pointed out:

> The most obvious example of this situation is found in the northern half of the lower peninsula of Michigan.

In his letter to me, Chairman Lewis acknowledged that—

> Our original proposal was—as its very title indicates—a "preliminary" one and we know full well that, for it to be acceptable in the end to Congress, it must be the best and fairest plan we can possibly put together.

Clearly, the plan is unacceptable as it now stands. As far as Michigan is concerned, some substantial changes will be needed to make it the "best and fairest plan" possible.

Time is short, but the job can and must be done.

EXHIBIT 1

UPPER GREAT LAKES REGIONAL COMMISSION, RESOLUTION NUMBER 5

A resolution of the Upper Great Lakes Regional Commission on the U.S. Railway Association's Preliminary System Plan

Whereas the continuation of effective railroad service to and within the Upper Great Lakes Region to permit development of the resource base and industrial diversification is of the greatest importance; and

Whereas continued decline of rail activity and worsened service quality can only harm the Commission's economic growth efforts; and

Whereas the U.S. Railway Association (USRA) has published a Preliminary System Plan for proposed Conrail activities; and

Whereas that Plan may eliminate some 1,100 miles of rail line in the Upper Great Lakes Region and finds that car-ferry service on Lake Michigan should be excluded from the federal Conrail system "on the basis of economic factors"; and

Whereas the USRA's Plan does not adequately consider all goals of the Regional Rail Reorganization Act such as the use of modes consuming the smallest amount of scarce energy resources, the maintenance of energy standards, the alternatives of public ownership of rail rights-of-way, and most important the economic goal of minimization of job losses;

Be it therefore resolved that the Upper Great Lakes Regional Commission hereby rejects the U.S. Railway Association Preliminary System Plan as it affects the Upper Great Lakes Region and insists that the USRA reconsider the findings of the proposed Conrail plan to the end that Regional railroad trackage and ferry routes be retained in operation by Conrail, and be upgraded and supported to offer high-quality rail service necessary to the livelihood and growth of the Region.

Be it further resolved that the Upper Great Lakes Regional Commission unanimously request a two-year moratorium on the elimination of any rail service in the Region to allow adequate time to collect true and necessary data in which to base future decisions regarding branch lines.

RAIL SERVICES PLANNING OFFICE ISSUES EVALUATION OF U.S. RAILWAY ASSOCIATION'S PRELIMINARY SYSTEM PLAN

The Interstate Commerce Commission's Rail Services Planning Office (RSPO) today issued a report criticizing the United States Railway Association's Preliminary System Plan for reorganizing and restructuring the bankrupt railroads operating in the Northeastern quadrant of the United States. RSPO made more than 50 principal recommendations in its report entitled "Evaluation of the U.S. Railway Association's Preliminary System Plan."

Planning Office Director George M. Chandler characterized the Association's Plan as "a disappointing document, despite its size and the vast amount of work that obviously went into its production." He urged that the Association's Final System Plan, due to be issued in July, correct the deficiencies of the Preliminary Plan by making complete disclosure of all facts that might affect the potential success of ConRail, the new railroad company to be formed from the properties of the bankrupt eastern roads.

Noting that he considered the Preliminary Plan to be "more a commentary or a report than a plan," Chandler went on to quote from the Planning Office's report:

"A plan for anything as important and as complex as a new railroad system must be at once a blueprint, setting forth clearly what the new structure is to look like; a set of specifications, not only describing the means by which it is proposed to attain the end in view, but also explaining the planners' actions and revealing the factors that influenced their decisions; and a financial statement, disclosing the costs of the proposed project, the anticipated return on the investment, and the risks involved."

In making its evaluation, the Rail Services Planning Office considered evidence received at public hearings held by it in 27 cities within the Region drawing more than 1900 witnesses in 87 days of hearings. In addition, it reviewed more than 500 documents submitted to the Office in lieu of oral testimony.

Among the Office's recommendations, it asks that the Association's present process of evaluating light-density rail lines be stopped, and that the Congress amend the Regional Rail Reorganization Act to permit and to direct another attack on the light-density rail line problem. The report found that two successive attempts at computer-based local line analysis, first by the U.S. Department of Transportation and then by USRA, had failed accurately to measure the light-density line situation.

The RSPO report finds that the fundamental problem is with the data used in the branch line studies, and that this problem would not be solved by simply modifying the methodology USRA applied in the line analysis. From this it concluded that no last minute patching-up of a computer program would make it possible to achieve informed and rational local-service decisions.

The Office's proposal to Congress asks that all lines not recommended for inclusion in the restructured rail system be kept in service for two years by ConRail. ConRail would be reimbursed for any losses incurred during the period from the subsidy funds already available under the Act.

During the two-year period, the RSPO recommendation proposes that accurate data be assembled and further local-service line analysis performed. At the close of that period, individual line retention decisions would be made, with ConRail acquiring the properties to be retained as provided by the Act. The two-year Federal 70 percent matching grant subsidy program for which the Act now provides would go into effect then for the lines not acquired by ConRail.

In discussing the funding of railroad improvements, both for ConRail and other railroads as well, the Office concluded that if the public wants the railroads, including their rights of way and structures, to remain under private ownership and management, if it wants these properties rehabilitated and modernized, and if it wants to save itself the cost of condemning and paying for those properties, some portion of the over-all rehabilitation and modernization costs will have to be assumed by the taxpaying public without reimbursement by the railroads.

The report recommends that Congress consider establishment of a broad-based Federal grant-in-aid program to provide funding to rehabilitate the Nation's railroad properties. Chandler said, "We are suggesting a program by which matching fund grants would be made directly to rail carriers or to State transportation authorities for this purpose." To finance this program the Office suggests the assessment of a tax on the fuel used by certain surface transportation vehicles and vessels.

On the structure of ConRail, the Office's evaluation calls for the Association to give further consideration to the creation of a "Mid-Atlantic/EL System." The proposed system would be built around the lines of the Lehigh Valley, the Reading, the Central Railroad of New Jersey, the Lehigh and Hudson River and the eastern portion of the Erie Lackawanna. RSPO noted that such a system would serve as a means of meeting the essential transportation requirements to more areas of the Region while providing real and necessary competition for ConRail.

The report noted that the carriers to be included in a "Mid-Atlantic/EL System" would operate in areas where they are already established, and where, over the years they have developed a traffic base and a service relationship with the shippers. The restructuring process according to RSPO should strive to take advantage of this intangible asset.

The Planning Office found that the "Three-Carrier system" favored by USRA would be an acceptable operating plan for rail service in the Northeast and Midwest Region, assuming that it could be brought about. However, noting that its implementation depends upon the willingness of solvent railroads to extend their services and to make substantial investments, RSPO expressed fear that they might refuse to participate in carrying out USERA's plan.

In considering ConRail's financial prospects, RSPO criticized USRA's Plan for failing to provide convincing financial data. The evaluation noted that the pro forma financial projections of the Plan do not reflect results to be anticipated from the three-system structure the Association says it prefers for the Region, but relate instead to one of the Association's earlier choices, a merger of all bankrupt railroads, except the Erie Lackawanna, into a single system.

Chandler likened the Final System Plan scheduled for release July 26, to a prospectus. "The Final System Plan," he said, "will propose one of the largest reorganizations ever undertaken." Again quoting from the Office's report, he went on to say: "There can be no doubt in the mind of any reader of the Plan that the investment is going to have to be a great deal larger even than the Act contemplated. The investment opportunity involved is a new rail system for a large part of the United States, and the potential investors are the American people, acting through their elected representatives who will have to make the decision whether, and to what extent, public monies should be committed to this endeavor."

"Due to these circumstances," Chandler continued, "it is absolutely essential that USRA assure that the Final System Plan embody full and fair disclosure of all pertinent facts with such accuracy and clarity, and in enough detail, to facilitate independent analysis and to elicit confidence in the integrity of the pro forma financial statements."

Also included in the RSPO report are discussions of marketing strategies, intermodal transportation services, personnel policies, passenger service, and environmental considerations.

The Report also contains detailed summaries of the evidence received by the Office with respect to each light-density rail line which USRA proposed to exclude from ConRail and of all those coordination projects which had received USRA's tentative approval in the Preliminary Plan. Also included is an analysis of the adequacy of the rail service continuation subsidy program established by the Act.

The report, "Evaluation of the U.S. Railway Association's Preliminary System Plan" is available from either the Rail Services Planning Office, 1900 L Street, N.W., Washington, D.C. 20036 or the Public Information Office, Interstate Commerce Commission, Washington, D.C. 20423.

For further information call (202) 254-3294 or 254-3287.

REASSESSING FARM POLICY

Mr. HUMPHREY. Mr. President, the administration's farm policy is woefully inadequate. The administration urges all-out production, yet an adequate level of price supports for farmers is repeatedly criticized, presumably because the administration feels farm incomes are high enough. Yet, per capita farm income is estimated to be 30 percent below per capita nonfarm income this year; and net farm income is likely to be off an incredible 40 percent from the 1973 level of $32 billion.

The administration's policies on export management and commodity reserves are equally inconsistent. For example, the administration urges free and full exportation of commodities, yet pursues an on-and-then-off export policy, imposing emergency export controls and embargoes only to then remove them without warning. Similarly, President Ford in his Economic Report of February endorsed the creation of international commodity reserves as one vehicle capable of achieving greater world food security. Yet, we see no positive steps being taken now or in the foreseeable future to create significant commodity reserves to stabilize both farm and retail food prices.

I could go on and on. But, I believe it most useful and I ask unanimous consent to present excerpts of the testimony regarding administration policy, commodity reserves, and export controls presented April 11, 1975, before the Joint Economic Committee. I urge my colleagues to review the entire hearing record of that date.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ADMINISTRATION POLICY

The Secretary of Agriculture is encouraging farmers to plant from fence row to fence row. They dare not do this without more protection against loss. Production costs are spiraling. Farmer's production costs were $12 billion more in 1973 than in 1972, and nearly $10 billion more in 1974 than in 1973. It is for this reason adequate protection must be provided with loan and target prices which reflect prevailing economic conditions.

Mr. Chairman, I was the principal speaker at an annual meeting of a MFA dairy cooperative just a few days ago. The one thought that I noted running through the entire group was to not go all out on production, to not use expensive fertilizer on pastures, and a feeling that since climatic conditions were somewhat adverse last year and a full crop was not produced, they will not need to apply fertilizer in the same proportions they had in the past. This meeting was held in Northeast Missouri, one of our better productive areas, and included members from all over North Missouri and Southern Iowa. I have a feeling that these plans may change materially if emergency farm legislation now being contemplated by both houses of Congress is passed and signed by the President.—Mr. L. C. Carpenter, Mid-Continent Farmers Association.

If there are good crops in 1975 and if the world continues in a depressed economic state, as it is now and which even threatens to worsen, then I think we can have a disastrous farm price crash in the U.S. that would wreck many highly efficient family farm operations. On the other hand, if we have weather as bad as 1974 or 1972, we can have a disastrous food shortage in the world, and it could impinge severely against American consumers . . . *I have never seen farmers coming to meetings more genuinely afraid of the future.*—Robert Lewis, National Farmers Union.

COMMODITY RESERVES

Second, given the average variability in world production of the past two decades of about 3 percent from trend, it is technically possible to even out supplies over time through the operation of a grain reserve stock program and stabilize prices within a reasonable range, say, plus or minus 15 percent of the present level of prices, with a high degree of probability. We have the technical capability to even out supplies and stabilize prices and income at a cost that is not exhorbitant.

In this connection, I wish to make abundantly clear that what I am talking about here is a program to even out supplies of grain over time and thereby stabilize prices to consumers and producers alike.—Dr. Willard Cochran, University of Minnesota.

I believe that there are three major purposes that can be met by reserves. One is to aid developing countries in meeting shortfalls in their production. A second is to assist in our bargining for a reduction in trade barriers in the current round of negotiations. The third is to meet unusual contingencies in commercial export trade. I feel that whatever we do to meet the second objective should be part of the current trade negotiations. Because of our use of controls on the exports of soybeans and wheat I believe that we will have to provide assurance to our

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trading partners that we are reliable suppliers. One of the ways of doing is to offer to hold stocks, either unilaterally or in cooperation with other exporters and with importers.

I would urge that if there is a substantial decline in U.S. grain prices during the early part of the 1975 crop year that a start be made toward creating such a reserve. If necessary, the start should be a unilateral one but hopefully cooperation could be obtained from Canada and Australia.

It may be that the most likely way of minimizing the effects of another major Soviet purchase of grain within the next decade would be to create a special reserve for commercial export contingencies. This reserve would be separate from the reserve for the developing country and any stocks acquired through price support operations.—Dr. D. Gale Johnson, University of Chicago.

EXPORT POLICIES

I outlined the essential points of an explicit export policy in the National Planning Association essay *Feast or Famine*. The essential points are:

1. It (the U.S.) should announce to the world its domestic requirements, as well as the trade requirements of its regular foreign customers, and indicate that those supply requirements will be protected by whatever management devices are required.

2. It should periodically, possibly every three months, announce the drawdowns in supply that have occurred and indicate the extent to which domestic requirements and those of regular foreign customers can be met without the imposition of export management devices.

3. Food aid exports to LDC's on concessional terms should be adjusted to the situation, or guaranteed in light of the situation, to protect the requirements of the United States and the needs of LDCs.

4. Sales of grains and related commodities to state trading nations should be negotiated by the U.S. government with respect to the total volume of sales, range of prices and other economic considerations such as transport subsidies. Specific sales and the handling of grain would be conducted in the United States, as in the past, by private trading firms. But by this procedure, the volume of sales to state trading nations would be limited to and made consistent with the guaranteed requirements discussed in point 1.

5. If the worldwide shortage were of such magnitude and if free exports from the United States were so large as to cut into the requirements guaranteed under point 1, then the United States should impose export controls, after properly informing world traders as indicated under point 2. Exempt from these controls, of course, would be the already guaranteed exports to regular foreign purchasers. This would be the action of last resort, to protect and guarantee domestic requirements and the requirements of foreign purchasers regularly dependent on the United States for supplies.—Dr. Cochran, University of Minnesota.

STABILITY AND COMMODITY PRICES

Mr. HUMPHREY. Mr. President, I wish to call to the attention of this body a March 15 article in Farmland News entitled, "The Case for 'Instability' in Commodity Prices," by Mr. Clayton K. Yeutter, Assistant Secretary of Agriculture, and my response, "The Case for Stability in Commodity Prices," which was included in the April 15, 1975 issue of Farmland News.

The articles present sharply contrasting views of the desirability for stability in commodity prices and the cost of maintaining or discouraging stability in commodity prices.

The article, by Assistant Secretary Yeutter, speaks in terms of the marketplace in a very theoretical way as the forum where competing consumer demands are resolved. This article almost totally ignores the very critical role of governmental decisions in the international markets in making decisions concerning commodity purchases. In fact, there is almost a total lack of awareness of the context in which purchase decisions are made by governmentally owned or operated corporations.

Stability is looked on by Mr. Yeutter as meaning stagnation and low prices. In his view, instability is desirable, and it involves making adjustments which are in the best interests of both user and producer.

In spite of all the rhetoric to the contrary, we need to be aware of how large a role our Government plays in the commodity markets. We should recall the efforts of the USDA to have the European Economic Community nations cut down on imports of U.S. grains during the past fall in order to avoid drawing down our stocks to unbearably low levels. This was a form of "jawboning" designed to protect an outmoded notion of the "free market."

The article refuses to face the very sharp price gyrations which have beset our agricultural picture in the last few years. These have been more than minor adjustments, which is the implication of the Yeutter article.

In my article, I pointed out observations by the Department of Agriculture's own chief economist, Don Paarlberg, who indicated some of the vices connected with instability of commodities such as:

Prices of farm products gyrated wildly as the familiar supply-demand benchmarks were swept away;

Net farm income almost doubled and then plunged downward again;

New export markets suddenly developed and the overseas movement of grains increased dramatically;

Reserve stocks were drawn down and we scraped the bins;

Price relationships between feed and livestock first turned very favorable to livestock and then sharply unfavorable;

Land values increased 46 percent in 2 years. Some young men who went deeply into debt to buy land recently at these high prices got into difficulty.

Prices and production costs of wheat and corn rose above the loans and targets specified in the Agricultural Act of 1973 and left these producers virtually without a program; and

Public concern about the price of food escalated and became a major factor in agricultural policy.

What Mr. Yeutter paints as minor adjustments have been a boom and bust cycle, whereby one year the grain producers are hurt and the next year it is the livestock producers.

Our grain producers are this year very seriously concerned that bumper crops—and with a reduced livestock herd—would lead to drastically reduced prices which could drive many farmers out of production.

We have seen in the last 2 years that commodity prices can fluctuate very sharply when in a short supply situation. Rumors concerning purchases or changes in the weather can lead to price changes far beyond what is warranted from the supply situation.

It hardly is necessary to, each year, drive out of production a number of our best farmers in order to prove someone's outmoded economic theory.

Continuing present programs will simply mean perpetuating today's instability which does not benefit producer or user. Those with limited resources will not be able to stay in production, and we will have a further movement toward a corporate agriculture. Efficiency in production will not really be the determining factor as to who survives. And the end result will be higher food prices for consumers.

Unfortunately, the administration has not yet learned this lesson. Our farmers are expressing a great deal of concern because of the Department's unwillingness to face the threat of ruin if we have a bumper crop this year.

I hope that the Congress, after careful reflection, will see the value and indeed the need for increased stability in our commodity prices. We have paid too high a price in the last 3 years to allow a continuation of this yo-yo policy.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Farmland News, Apr. 15, 1975]

THE CASE FOR STABILITY IN COMMODITY PRICES

(By. Sen. Hubert H. Humphrey)

(NOTE.—The following is a response to remarks of Clayton K. Yeutter, Assistant Secretary of Agriculture, who was quoted as favoring commodity price instability in the March 15, 1976, issue of Farmland News.)

Instability versus stability—that is the farm policy question if we believe the words of the Department of Agriculture. But is it really? Isn't the issue disastrously low farm prices versus farm prices that provide farm families with a decent living? Isn't the issue sudden slumps in farm income that cause near-bankruptcy, compared to stable and rising farm income?

Or do we have to have farm prices that fluctuate up and down repeatedly just to prove the marketplace works?

Not everyone thinks so. Not even everyone in the Department of Agriculture. In fact, for the long list of "virtues" that Assistant Secretary Yeutter credits to price instability, the Department's chief economist, Don Paarlberg, recently cited a long list of vices. Looking back, he made this assessment of the past two years:

Prices of farm products gyrated wildly as the familiar supply-demand benchmarks were swept away;

Net farm income almost doubled and then plunged downward again;

New export markets suddenly developed and the overseas movement of grains increased dramatically;

Reserve stocks were drawn down and we scraped the bins;

Price relationships between feed and livestock first turned very favorably to livestock and then sharply unfavorable;

Land values increased 46% in two years. Some young men who went deeply into debt to buy land recently at these high prices got into difficulty;

Prices and production costs of wheat and corn rose above the loans and targets specified in the Agricultural Act of 1973 and left these producers virtually without a program; and

Public concern about the price of food escalated and became a major factor in agricultural policy.

This list of the end results of instability certainly contrasts with the claims for instability cited by Mr. Yeutter. And for good reason. Almost 80% of the "benefit" from fluctuating grain prices is paid for by our own livestock producers. They have paid a high price for the absolute freedom of market prices over the past two years. The ups and downs of feed prices have brought massive losses to dairymen, cattle feeders, poultrymen and pork producers.

Livestock losses are part of the "benefits" that "boom and bust" cycles bring to farm families. It is a feature that, far from recommending instability as a national policy for agriculture, condemns it. Further, it supports my belief that we must change the policies of the last two years.

We must change because current Federal farm programs are not ensuring farm families against economic deprivation. In the coming years, we must provide programs that will help farm families reach certain goals.

First, we must assure farm families that their lifetime investments will not be swept away by one bad year. One year of extremely high feed prices must not threaten livestock producers. One year of extremely low grain prices must not threaten grain producers.

Second, we must provide insurance for farm families against natural and economic disasters beyond their control like we provide working people through unemployment compensation and retired persons through social security.

Third, we must provide an opportunity for the new farmers who are capable of starting up a farming enterprise. And we must give them some assurance that unstable farm prices will not force them out before they can prove themselves.

Fourth, we must assure the nation's food consumers that food markets will have a steady supply of food every week when they go to the store, and not only if they go early or stand in long lines. These are symptoms of fluctuating food prices. Glutted markets one month and empty counters the next cannot be tolerated.

Finally, we must assure our foreign customers of stable grain and fiber supplies at prices that do not bounce wildly from year to year. When prices move sharply up and down, we end up with broken export contracts. Either the United States decides to protect its own supplies—as in the soybean export embargo—or a foreign country decides it must protect its own buyers—as in the recent cancellation of cotton contracts. These kinds of action are the result of instability—in commodity prices, and commodity supplies.

We should be clear about the causes—it is not too much stability that leads to these kinds of outcomes.

Clearly, we have first-hand experience with what extreme instability can bring. Look at the past two and a half years: food shortages for consumers in 1973, feed shortages for livestock producers in 1974, and fears of grain surpluses for crop growers in 1975. That kind of instability—from feast to famine and back again—brings back visions of the 1920s and 1930s when farm foreclosures struck fear into the hearts of rural Americans and brought about "farmer holidays" in the grain belt of the nation.

The livestock kills and consumer boycotts of the past two years differ in form but not in the intensity of people involved. As both farmers and food consumers rode the economic roller coaster in 1973 and 1974, there were outcries for government action to stop this madness. We are a civilized nation with our destiny in our hands—not a nation at the mercy of a free and unfettered market that brings hardship to our people.

Long ago, we learned the cruel lesson of price instability when the Great Depression bankrupted farm families. We do not have to return to those days to relearn those lessons. We can reread the history books if we need that kind of knowledge.

While others spend their time reacquainting themselves with that debacle, I will spend my time building programs that include economic stabilizers for the farmers of this great nation. Those stabilizers must be fashioned so that farmers will not bear the future burden of abundant food supplies, the burdens of providing food for school breakfast and lunch programs, or the burdens for large amounts of grain for food aid.

These are programs that rank high in our national set of priorities, but they are programs that require economic protection for food producers. Instability of commodity prices and supplies will not give this nation the stable food supplies to meet these programs. It might during a year of surpluses but not year after year. We must remember that our people must eat both in good years and bad, when weather is kind and when weather is hostile. It is too much to ask our poorest consumers to eat only in good years when favorable weather or economic cycles result in abundant food supplies.

A policy of instability in commodity prices forces us to accept variation in food supplies as a demonstration of the merits of the marketplace. A healthy market place is a valuable asset for agriculture but not so valuable that we must let half our farm families be put through an economic wringer every other year. It may be that the Department of Agriculture believes that "a few farmers going broke each year is a healthy thing." Mr. Yeutter, apparently does. I do not!

[From the Farmland News, Mar. 15, 1975]

THE CASE FOR "INSTABILITY" IN COMMODITY PRICES

(NOTE.—The following is excerpted from a recent speech by Clayton K. Yeutter, assistant secretary of Agriculture and the man considered by some as the most likely to succeed Earl Butz should he step down as Agriculture secretary.)

We are beginning to hear more and more discussion by consumer groups and even by some farm organization leaders on the "stability" problem (in regard to commodity prices).

Some economists are beginning to talk again about the high cost to society of instability. This is ironic, for many of those same economists were not long ago discussing the high cost of rigidity under farm programs. The whole stability discussion sounds like a replay of the 1920s and 1930s before the experiments in government stabilization were launched.

Instability does not happen for its own sake. It happens when the supply-demand balance changes or when production costs or consumer buying power shifts.

When supply and demand become unstable, it is imperative that prices vary. Under such circumstances price has a vital economic function to perform. Crop prices, for example, rose sharply (in the 1972–74 period) to help encourage more crop production. We could have done this through government price supports—but not nearly as well. And it would have taken much longer. The market is more responsive to change than any bureaucracy.

Price changes perform another vital function—guiding consumer buying decisions. When soybean supplies were short two years ago, the government used a soybean embargo to ration the scarcity. The embargo caused panic in the streets of Japan, which had come to depend on U.S. soybeans for its protein supply.

The government action came after domestic soybean prices had already reached their high point, and threw too much of the adjustment burden on our export customers. We cost ourselves important future sales without helping consumers here at all.

Contrast the sudden and unpredictable soybean embargo with the orderly adjustment in 1973-crop wheat. The government was urged to embargo wheat exports to prevent mass hunger and $1-a-loaf bread prices in the U.S. An embargo would have triggered severe hunger in other countries. But the government did not embargo wheat shipments, prices did not go to $1 a loaf and the market found enough wheat to meet the demand of purchasers.

This year, the shortfall was in feed grains. The entire world had been building its livestock industries in recent years and economists shuddered at the thought of slaughtering those flocks and herds for lack of feed. As it turned out, the market has done a remarkable job of rationing the supply to users who need it most.

Instability also plays an important role in encouraging efficiency throughout the economy. Economists agree that one of the significant factors in recent price inflation has been the long-time boom. Consumer demand has been so strong that companies—and farms—have felt less pressure to sharpen their management pencils.

"Stability" does not achieve such results. It delays them, discourages them, sometimes even precludes them. Price changes do not cause instability; they help correct it.

Instability has a cost; there is no denying that. Uncertainty involves risk, and someone has to be compensated for taking risks. The cost of uncertainty in agriculture is illustrated by the farmer who decides to take a lower yield rather than invest extra capital in more fertilizer. It also is represented by the consumer who buys more flour than she needs for fear the price will go up.

Too much uncertainty can make it hard for farmers to figure out what consumers really want or to borrow the capital they need from wary bankers. Consumers may become confused about what represents a good food buy. Certainly, at times, the market overreacts to actual supply and demand conditions.

Those who favor more government-imposed stability often argue that some price variability is acceptable, but why not put limits on it. The problem is that consumers want prices stabilized at low levels; producers want them stabilized at high levels.

And whatever the permissible price range, supply must be controlled if prices are to remain within that range. Corn, for example, used to vary from $1.05 to $1.20. At that range we got acreage allotments, some semblance of supply control, production inefficiency and lots of surpluses.

Perhaps the worst aspect of government-imposed stability was that it prevented U.S. farmers from competing for export markets. We were consistently undersold by competitors who always knew what the U.S. price would be. Only in the last few years, when overwhelming export demand pulled our old supply-management programs out from under us, did we finally start to use our comparative advantage in agriculture. We wast-

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ed our farming power for years, in the name of stability.

It is nonsensical to talk of "stability" in farm commodities today except in an international setting. And who is it that would have the authority or omniscience to impose stability worldwide? And would the shortcomings and costs of international stability be any less signficant than those incurred domestically? Of course not, for the same economic principles apply.

We can, however, use existing marketing tools to reduce instability, without placing market forces in a straitjacket. Long-term contracts and the increased use of futures markets and two such tools. I expect that both will receive much more attention in the future—both domestically and internationally.

The world market can be counted on to:

Encourage production when it is needed;

Signal a slowdown when it is not;

Conserve items that are scarce;

Stimulate efficiency; and

Rapidly shift commodities from where they are produced most economically to where they are wanted for consumption.

Perhaps our discussions for improving the world's food security should begin with ways to improve the world market (such as lowering trade barriers) instead of trying to displace it.

OUT OF THE CITIES, BACK TO THE COUNTRY

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate an excellent report published by U.S. News & World Report describing the new development in rural America.

As the author of the Rural Development Act of 1972, I was particularly pleased to learn of the constructive changes that are taking place in our rural communities. For example, after many years of outmigration of rural people to the cities, the situation has now been reversed and people are returning to the rural countryside, the smaller cities, towns, and villages.

Mr. William Erwin, Assistant Secretary for Rural Development, Department of Agriculture, has noted:

> In the 1970–1973 period, rural areas grew more rapidly than metropolitan areas and the rate of new jobs created was about twice as high in rural America.
>
> While this movement was primarly created by local people in the private sector, the Federal Government has been a significant help. Since 1969, total funding for Rural Electrification Administration and Farmers Home Administration have quadrupled and many other USDA rural development programs have increased substantially. All funded sections of the Rural Development Act of 1972 have been implemented and all funds provided by Congress under the Act either have been or will shortly be used.

I ask unanimous consent that the article in the U.S. News & World Report entitled "Out of the Cities, Back to the Country—" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POPULATION TURNABOUT: OUT OF THE CITIES, BACK TO THE COUNTRY—

A REPORT FROM SIX SMALL TOWNS

Almost unnoticed, America's small towns and rural areas are staging a comeback.

These regions now are making gains in population—at a faster rate, in fact, than the big cities and their sprawling suburbs.

It's quite a turnabout after decades during which people left smaller communities by the millions to make their way in the big city.

From 1970 to 1973, according to the latest Census Bureau findings, population of the nonmetropolitan areas of the U.S. grew by 4.3 per cent—at a time when large cities and their suburbs picked up only 2.8 per cent population.

What's more, nearly three times as many people moved into small towns and farm regions as into metropolitan areas during the same span.

Why the trend back to small towns? Among the reasons cited by authorities:

Farm population is stabilizing at about 9.5 million after declining steadily from 30.5 million in 1940—the result of growing world demand for American food.

Industry is leaving huge urban complexes for rural areas to improve efficiency and boost employe morale.

The rapid spread of community and junior colleges means life in a small town no longer has to be an educational or cultural exile.

Many young people today prefer a simpler life, and often older couples want to spend their retirement years in little communities similar to those in which they grew up.

More and more Americans are getting fed up with big cities—their high living costs, zooming crime rates, breakdown of services.

To pinpoint what lies behind the resurgence of small towns, staff members of U.S. News & World Report visited six communities with records of impressive population gains. What they found—

COMING HOME AGAIN

This little town in the red hills of southern Kentucky manages to grow by deliberately not trying to keep pace with a rapidly changing world.

Columbia boasts no major industry, no outstanding scenic attractions, and it's not easy to reach. The nearest city of any appreciable size is Bowling Green, 65 miles to the west.

Yet, Columbia's population has almost doubled to 4,500 in 20 years. The 14,700 residents in all of surrounding Adair County represent a gain of 13 per cent in five years.

The attractions: stability, a simplier life and just plain good neighbors.

"Here you have close family ties, and most people who lived here in days past still have family here, so they want to come back and retire," explains J. T. Coomer, who teaches rural sociology at Lindsey Wilson Junior College.

The churches are filled every Sunday. Crime is nothing more serious than a few arrests for public intoxication and an occasional bad check. It has been two years since there was an armed robbery. Even more important, neighborliness is practiced as a fine art.

Take George T. Wade, 53, a fertilizer salesman who moved here last July after living in Louisville for 19 years. He didn't have to buy any vegetables at all last summer. Neighbors provided them.

"You are closer together, and you help one another better in a small town than in a large one," says Mr. Wade.

Mayor W. R. Murphy notes that many of the people who have moved into Columbia in the last few years are former residents who had to leave during the 1930s depression in order to seek work.

George C. Harvey, 64, is one of them. Mr. Harvey left Adair County in 1934, worked in a Chicago factory and later moved to a farm in southern Indiana. But memories of Columbia, he recalls, "lay in the back of my mind most of the time." He returned last year and bought an 11-acre tract of land with a house.

Good fishing, too

Some new residents are retirees, attracted by the town's proximity to the giant Lake Cumberland recreation area 25 miles away. Other reservoirs that offer good fishing virtually surround the county.

Younger people, too, often find life in larger cities can't match what their old home town has to offer.

Robert R. Moss, 28, quit his job as a draftsman in Lexington, Ky., to return two years ago and join his family's oilwell-drilling firm. Oil was discovered here about five years ago, and Adair County now has about 100 working wells—most of them small producers.

Mr. Moss reports that a dentist and a lawyer from his 1965 high-school graduating class also have returned to Columbia after living in other parts of the country.

"Rules can bend"

Mr. and Mrs. J. W. Keltner simply couldn't take the big city. They moved here with their two teen-age daughters two years ago, although Mr. Keltner still commutes two hours to his truck-driving job in their former home town of Louisville.

"The teachers here take time and work with children," Mrs. Keltner explains. "In Louisville, they went by steadfast rules. In a small community, the rules can bend a little."

Despite its remote location, Columbia still manages to attract factories to its 110-acre industrial park. A jeans-and-overalls plant has been expanded and now employs 210 people. Another 60 work in a facility opened last year to make hydraulic pumps for elevators.

Still, there's not enough work for everyone. As in hundreds of other small towns, some young people leave to seek careers elsewhere. The difference with Columbia is that many of them will come back.

THE GOOD LIFE

Mild climate, plenty of room and a strategic location draw people to Kingman and surrounding Mohave County in Arizona's northwest.

The steady stream of newcomers—Kingman's population has jumped from 4,525 in 1960 to more than 7,000 today—gives the community a frontier air. Mohave County has tripled its population to more than 34,000 in the same period.

Outside Kingman itself, much of the growth has come along the Colorado River between Bullhead City and Lake Havasu City. The latter is a planned community of some 9,500 residents. It is the highly publicized site of London Bridge, brought from England and reassembled to span a man-made river.

Ringed by mountains that are laced with snow in winter, Kingman stays snow-free most of the time. Temperatures on some summer days reach the 90s, but evenings cool down rapidly because of the town's 3,000-foot elevation.

About 25 per cent of the residents are retired. Keith A. West, president of Mohave Community College, explained the attraction for older people:

"Many are choosing Kingman because it's on the high desert—not too cold and not too hot. It's close to California, Las Vegas, water, and there's plenty of hunting and fishing nearby."

Water is a key

Water is no problem for most Kingman residents, although wells must be dug to a depth of 1,000 feet. Authorities estimate they have enough water to last until about 1990 before they will have to build a pipeline to the Colorado River. Some rural residents have no water in their homes but haul in what they need.

Access to transportation is a key factor in Kingman's recent development. The city is a main stop on famous U.S. Route 66—also known these days as Interstate 40—which stretches between Chicago and Los Angeles. Another principal thoroughfare is U.S. Route

93, heavily traveled by motorists moving between Las Vegas and Phoenix.

"We're expecting some 80 million dollars in interstate-highway construction in the next five years or so," reports Joe Torres, Kingman's first native-born mayor. "Construction always does a lot to bring more things to a town."

"See the best shows"

Residents think nothing of driving the 107 miles to Las Vegas for entertainment or shopping. Says a local housewife:

"You can see the best shows in the world, you can buy anything and then be home in Kingman in two hours."

Shopping facilities in the city itself are improving. Twenty-two national and Statewide firms have opened or expanded retail facilities since 1971. The local radio station has added FM programing, and the *Kingman Daily Miner* shifted from weekly publication to five days a week last autumn.

Major employers include an open-pit copper and molybdenum mine, desert proving grounds for an automobile maker, a cable factory and a wax-paper plant.

Although nobody pretends that Kingman is paradise, the community quickly makes boosters of people who move in from other parts of the country.

Typical is the reaction of Mrs. Barbara Hill, whose husband operates a service station. They and their two sons moved here five years ago from Los Angeles. Says Mrs. Hill:

"Opportunities are unlimited for a person willing to work. We've found a good life here."

COLLEGE BOOM TOWN

A college where people learn to work is the major reason why an isolated town on Michigan's Lower Peninsula keeps growing and prospering.

Residents agree that the presence of Ferris State College makes all the difference to Big Rapids, a community whose population has doubled in the last 25 years and now exceeds 13,000.

Not all the school's 9,000 students live in town, but along with their families they still make up more than half of the Big Rapids population. Ferris also employs more than 1,200 persons, making it the largest industry.

"The people of Ferris are obviously a great resource to this community," says Mayor William Grigsby.

Aside from the sheer economic impact of the school, it contributes skills that aid in governing Big Rapids. A business professor and his students conducted a parking-facilities survey that saved the town an estimated $6,000. A former president of the college acts as a consultant on improving the local hospital—free of charge.

What draws students to Ferris in the first place is its policy—unique in Michigan—of emphasizing job skills over academic theory.

Less than a third of the students intend to earn bachelor degrees. Most are shooting for associate degrees or certificates that can be obtained in less than four years. School officials claim a high rate of success in job placements.

Among courses offered are classes in health professions, commercial art, auto repair, broadcast electronics, building construction, court reporting, computer programing, solid-waste management, offset printing and how to produce and direct plays.

Local employment

But Big Rapids, a community of pleasant brick and frame homes on the Muskegon River, 200 miles northwest of Detroit, does not rely totally on the college.

Nearly 800 persons work in two local shoe factories, and others are employed by a couple of small auto-supply firms. These industries, however, are not enough to provide work for everyone. Many Ferris graduates would prefer to stay here but are forced to go elsewhere to find jobs.

In a move to expand work opportunities, officials have built an industrial park. Half a dozen firms have started small plants in the last 18 months, and eight new retail shops have been opened.

Federal authorities bring in public officials from around the country to see Parkview Village, praised as a model public-housing project designed to serve low-income families and older residents.

Anticipating further expansion, the town is putting the finishing touches on a master growth plan. Recreational needs are being studied, and the hospital that serves all of Mecosta County is being modernized.

Most of all, however, the people of Big Rapids are counting on Ferris State College to keep providing the spark that makes their community flourish.

SMALL IS BETTER

An unlikely combination of State government and gambling has combined to turn this old silver-mining town into a rapidly expanding community.

Probably in no other city can people buttonhole the Governor for a chat on a street corner and a few minutes later be dropping coins into legal slot machines.

Although still the smallest State capital in the nation, Carson City has seen its population shoot up by more than two thirds to an estimated 26,000 in five years.

"The openness of Nevada attracts me," says Douglas Loberg, former State controller who moved here from Minnesota in 1951. "California cities are close enough to take advantage of, but you're glad to get back from the congestion and environmental problems."

Situated at an elevation of about 4,500 feet—and midway between Reno and South Lake Tahoe—Carson City is surrounded by mountains. Temperatures hit an average high of 89 degrees in July and an average low of 19 in January.

A U.S. mint that turned out silver dollars from ore dug in nearby mines operated here in the midnineteenth century.

But the town shriveled when the famed Comstock Lode ran out, and population fell to as low as 150 by 1881.

Government provides nearly half the jobs in Carson City. Most people know each other, and dealing with official agencies tends to be a casual thing instead of the irritating encounters so common in other capitals.

Close to politics

"You feel much closer to political parties and government," explains one resident. "I've never run into a closed door. There's always somebody to listen and try to help."

Gambling is important to Carson City, but it does not dominate the scene. Says Bob Gray, director of public services at the State library:

"The gaming is here, but it's not overwhelming, as it is in Las Vegas."

Divorce, once a major industry in this State, has given way to marriages. Carson City has seven chapels, and last year the town saw more than 8,000 weddings but only 375 divorces. Almost half the population is under age 20, and many of the youths stay only a brief time.

Several light industries have moved into the community in recent years. Among them are plants which produce automotive ignitions, engine parts, sports equipment and plastics.

Henry Etchemendy, city manager, explains that the town seeks only certain types of industries—primarily nonpolluting businesses that don't need much of the area's limited water supply.

Education and culture are important parts of life in Carson City. The local branch of Western Nevada Community College has about 1,300 students and expects 5,000 by 1990. The average student's age is 31, and most take courses relating to their work or special interests—not in pursuit of degrees.

In addition to visiting attractions in Reno, only 30 miles away, residents have access to a variety of outdoor sports in the mountains or at nearby Lake Tahoe.

"We hope to bring in new art forms," reports James Deere, executive director of the State art commission. "We already have a museum, theater groups and tours and dance groups.

"The musicians' union trust fund will help to open a small theater later this year," he added.

Bruce McCone, a telephone lineman who has lived here eight years, probably expressed the sentiments of many when he said of Carson City:

"I'm really happy here. I'd have come from Los Angeles sooner if I had known what it's like."

A placid farming village tucked away in foothills of the Catskill Mountains offers just what many refugees from crowded Easern cities are seeking.

It's one of the major reasons why Cobleskill—a three-hour drive from New York City and less than an hour from Albany—has grown 30 per cent in 15 years to some 4,500 persons.

Advantages offered retired persons a thriving college for the young add about the village's growing to the point where it loses its rustic charm.

"We get a lot of people from New York City and the New Jersey area," reports attorney Jacob L. Wildove. "They tell me they live in a neighborhood that's getting tough, and they just want to get out of the city."

What newcomers find is a town with a small business section of two and three-story buildings dating bach to the 1800s. Clustered around the perimeter are large, old single-family homes. Nearby are mountains for skiing in winter and lakes for swimming or fishing in summer. Rolling farmland stretches out in every direction.

Mayor Leon E. Wilson says most residents fall into one of three categories—those who prefer a rural life style but commute daily to jobs in Schenectady or Albany, persons nearing retirement and employes of Cobleskill Agricultural and Technical College.

The streets at night

Typical testimony comes from Albie Harris, director of facilities planning for the college:

"Where else are you going to find a place where people still talk to strangers on the street? The schools compare well with those in nearby cities, and my kids have no qualms about walking home at night."

Mrs. Sonja Pinkney, a college counselor, agrees, saying: "When I first moved here, I couldn't get over how friendly the people were and how willing they were to help. I thought perhaps it was because I was new, but I've been here a while now and the people are still the same."

Many residents move to Cobleskill to retire after spending summer vacations in the area, observes Walton A. Brown, the college president. One important factor for older citizens: proximity to the town's modern 73-bed hospital, which provides care for people throughout Schoharie County.

Cobleskill College, a two-year institution that is part of the State University of New York, plays a leading role in growth of the village. Enrollment has risen steadily since the school was founded in 1916 and now totals more than 2,500.

The college generates more than 10 per cent of the county's income, and real estate owned by the school's employes represents 10 per cent of the taxable property in the town.

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Cobleskill College also offers plays, concerts and other activities. Students often conduct fund drives for community causes, and residents take advantage of adult-education courses.

But Cobleskill has its problems, too.

Jobs and crime

While the college remains a stable employer, jobs have dropped recently in area industries. A fabrics factory closed down, and workers have been laid off at a cement plant and a company that produces windows. Crime is on the increase. Authorities also are worried about plans for construction of a major interstate highway nearby.

"We'd like to get some light industry and have a balanced growth," says Mayor Wilson.

"We're concerned," he adds, "about becoming a bedroom community, because we're not in a position to finance the expansion of services that would be needed."

For many residents, Cobleskill already is big enough.

"This is the kind of life my wife and I enjoy," says Stuart D. Lamb, a college faculty member. "I would hate to see the community get any larger."

THE WIDE-OPEN SPACES

A solid economy based on rich farmland enables this community in southwestern Idaho to stay alive and growing.

Both Caldwell and surrounding Canyon County have grown about 15 per cent in population since 1970—Caldwell to more than 16,000 and the county to 70,000. Many of the newcomers are transplanted Californians.

The secret: The soil in this area, known as Treasure Valley, is rated by many as the best in the State. With the aid of irrigation, farmers harvest a broad variety of crops ranging from staples, such as sugar beets, to exotic produce that even includes wine grapes.

"We can grow almost anything that grows in California," exults one resident.

Founded in 1883 as a railroad-construction camp, Caldwell benefits from a climate that is surprisingly mild for the region's altitude of more than 2,000 feet and its northern latitude. One former Californian describes the weather as only "about 10 degrees cooler than Los Angeles."

Residents represent a wide spectrum of ethnic backgrounds. Included are descendants of old Mormon settlers, a sizable colony of people with German and Dutch backgrounds, Basques whose families originally came from Spain to herd sheep and some 2,500 Japanese-Americans who stayed after being interned in the area during World War II.

"Work for food"

Dairy and beef-cattle farmers these days are being pressed by low market prices, but others report doing quite well.

Good farmland sells for $2,000 an acre. As Mrs. Joseph Turner, a farm wife of nearby Meridian, puts it:

"Here you can eat or always work for your food, where in a city you'd starve."

Wages run a bit lower in Caldwell than in larger cities, but so do expenses.

Sears, Roebuck manager Walter Lewis reports that he lives in a three-bedroom house with a large garden for $70 a month less than he paid for a small apartment in Sacramento, Calif.

Even much of the industry is farm-oriented—meat packing, one of the nation's largest creameries, a seed-corn company and a big food-processing plant that hires 1,600 workers at peak periods.

Most residents don't think they miss anything by not living in a larger city.

If people can't find what they want in local stores, they drive to the State capital of Boise, only 26 miles east. They also watch television programs beamed from Boise or nearby Nampa. Caldwell itself has two radio stations.

Caldwell is the home of the State's oldest college, the privately operated College of Idaho. Although it has only about 700 students, the school enjoys a high academic ranking.

The college also sponsors frequent musical, artistic and scientific programs—often with participation by townspeople.

"The American dream"

Most residents would agree with William Cassell, the college's president, who says of life in Caldwell:

"This is the great American dream—fresh air and wide-open spaces."

SOVIET GRAIN PROSPECTS

Mr. HUMPHREY. Mr. President, over the years Soviet production has been the largest variable affecting world grain supplies. The lack of information on Soviet crop prospects and Soviet intentions has resulted in unexpected and massive purchases which have often disrupted U.S. and world cereal markets. Timely and complete information on Soviet crop prospects then is essential to the production planning and market stability of other nations around the world.

Radio Liberty, through its extensive and competent research facilities, has provided a summary of Soviet cereal prospects for 1975. This thoughtful essay by Dr. Keith Bush projects Soviet grain production in 1975 at 230 million metric tons. This is considerably above the projection of the U.S. Department of Agriculture which recently indicated that the Soviets would harvest 210 metric tons.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Radio Liberty Research, Apr. 11, 1975]

SOVIET GRAIN PROSPECTS FOR 1975

(By Keith Bush)

Summary. Some of the principal inputs and other factors affecting this year's grain harvest in the Soviet Union are listed. An outturn of around 230 million tons is forecast.

Although it is somewhat hazardous to try to forecast the final outturn of the Soviet grain harvest before the sowing of spring grains has even been completed, Western observers have felt obliged to do just that. Their motivation may be ascribed to two principal considerations. Firstly, despite bland assurances made in 1973 that they would provide meaningful data on crop prospects and import requirements, the Soviet authorities have maintained their obsessive secrecy in this area. Secondly, the massive Soviet purchases of grain on the world market in 1972–73 (39.4 million metric tons[1]) have spawned an understandable interest on the part of grain-exporting nations in future possible Soviet demand.

Having sought to justify our foolhardiness, we would now beg to differ from the first authoritative Western estimate of the Soviet grain harvest in 1975. The USDA has ventured a preliminary projection of 210 million tons (Soviet definition[2]: this is roughly in line with the formal Soviet output target variously given as 215.7 million tons[3] and as 210–220 million tons.[4]

Footnotes at end of article.

On the basis of information received to this date, our preliminary projection is around 230 million tons, i.e., an all-time record, although much of the winter grain will be of lower quality than in recent years.

To simplify, almost ad absurdum, the rough parameters of the Soviet grain harvest in 1975 may be projected from the interaction of the following principal inputs and other less quantifiable factors. All other things being equal, the factors making for an increase in grain output over last year's total of 195.5 million tons are:

a) The additional quantities of mineral fertilizer to be applied to grain. In 1975, 33 million tons of fertilizer are to be applied to grain: this is five times more than in 1965 and twice as much as in 1970. The anticipated response from each ton of fertilizer is, on average, 1.2 tons of grain.[5]

b) The total area under grain has been increased by 2 percent to over 1[illegible]0 million hectares.[6]

c) The area of irrigated land under grain has grown gradually each year from 3.8 million hectares in 1965 to 6.2 million hectares scheduled for this year.[7] Yields of grain on irrigated land have typically been some 50 percent higher than the all-union average on all land.[8]

d) The application of growing quantities of pesticides and other agricultural chemicals. This is good for yields if distressing for the environment.

e) Higher yielding and more resistant strains have been developed and introduced.

f) A gradual increase in the quantity and quality of farm machinery and transport, enabling the more timely completion of agricultural operations.

An anticipated input which could, arguably, have both positive and negative influences is:

g) Yet another, the seventh consecutive annual harvest decree, which may be expected any week now.[9] This will probably offer even higher bonuses than its predecessors, a few "Zhigulis" to Stakhanovite mechanizers, medals to the meritorious, and so on. The operations of many other sectors of the economy will be disrupted to help out the farmers. Against these dubious benefits might be set the undoubted apathy induced among the toilers to agricultural administration by exhortation.

Factors working against higher yields and output are:

h) The exhaustion of marginal soils subjected to years of monoculture. Once again the prescribed norms for fallow and long-term rotation patterns have been ignored largely because this year, like most of the preceding years in recent memory, has been declared to be the decisive year.

i) The gradual decline, largely through wastage, of the agricultural workforce.

But of course all other things never are equal and the most important single factor, i.e., the weather, is largely unpredictable. Although various provisions of the March 1965 reform program have succeeded in reducing the fluctuations of output owing to climate, the annual swings are still large. The past three years, for example, have witnessed harvests of 168.2 million tons, 222.5 million tons and 195.5 million tons. However, after a severe initial setback in November, when winter grain areas in Southern Belorussia and in the Western Ukraine were flood,[10] the weather has been generally benevolent. Fears of massive winter-kill, after unusually mild temperatures in December and January had depleted the protective snow cover, proved unfounded. Spring snowing was delaying in late March in several regions by low temperatures and water-logged fields, but the temperature picked up well in early April and the latest long-range forecast is favorable for most major grain-growing regions.[11] Because of

early maturation, much of the winter grain is expected to be of lower quality than usual.

The mechanics of arriving at an output forecast are far too complicated to spell out in detail here. In addition the factors listed above, the procedure involves a judicious mix of observations based upon satellite data, fresh entrails, tea leaves, crystal balls and a close examination of the boots of Western agricultural attachés. But, to turn a much-loved Soviet phrase, suffice to say that, in ten out of the past eleven years, our preliminary projections have been within 5 percent of the final declared outturn.[12]

What would be the implications of a harvest of 230 million tons, or of something approaching this figure? Domestically, a crop of this magnitude would replenish the grain reserves which were drawn down last year, it would provide a gratifying conclusion to the Ninth Five-Year Plan, it would insure the overfulfillment of the 9 FYP target of an annual average harvest of 195 million tons (even if the 9 FYP target increase in the gross agricultural product is out of reach) and it could strengthen the proponents of the present course of centralization, massive inputs but little meaningful reorganization or reform.[13] Its possible external consequences are less easy to predict. Even with a record harvest and with state purchases of over 90 million tons, the Soviet Union would still have commitments to fraternal customers in Eastern Europe, Cuba and North Korea. It is still more rational to import a million tons or so of capitalist grain for the Soviet Far East than to transport an equivalent amount of domestic grain by rail over thousands of kilometers. And even if much of the anticipated low quality food grain is used for fodder, present Soviet feeding norms are more than one fifth below the optimal. This would suggest a "feed gap" of over 20 million tons at the current levels of livestock inventories, while the USSR will need all the feed imports it can afford if the "scientific norms" or meat consumption are to be met in the 1980s. Substantial Soviet purchases on the world market during the foreseeable future cannot be excluded: all will depend upon substitution possibilities, availability and price.

FOOTNOTES

[1] *Vneshtorg 73*, p. 46.

[2] *Foreign Agriculture*, April 7, 1975, p. 11.

[3] *Ekonomika sel'skogo khozyaistva*, No. 2, 1975, p. 5.

[4] For instance, Moscow Television–1, 1330 GMT, March 19, 1975.

[5] See *Ekonomika sel'skogo khozyaistva*, No. 10, 1974, p. 62 & No. 2, 1975, p. 10; *Sel'skaya zhizn'*, March 23, 1975.

[6] Including one million hectares more in the Ukraine: see *Sel'skaya zhizn'*. January 25, 1975; *Ekonomika sel'skogo khozyaistva*, No. 2, 1975, p. 5, and *Pravda*, April 8, 1975.

[7] *Pravda*, March 6, 1975.

[8] Derived from *Zemledelie*, No. 6, 1969, p. 53; *Narkhoz 68*, p. 349; and *Pravda*, February 5, 1971.

[9] Previous joint decrees of this nature appeared in *Pravda*, June 15, 1969; June 25, 1970; May 29, 1971; May 19, 1972; May 4, 1973 and May 11, 1974.

[10] Detailed reports of the floods and of their aftermath were carried by Radio Moscow–1, 1900 GMT, November 15, 1974; Radio Moscow–2, 1330 GMT, December 4, 1974; *Sovetskaya Belorussiya*, February 15, 1975.

[11] *Sel'skaya zhizn'*, April 3, 1975.

[12] The exception was 1973, when our forecast was 10 percent down.

[13] A careful analysis of Kulakov's speech on the occasion of the tenth anniversary of the March 1965 plenum *Pravada*, March 25, 1975 suggested that he is critical of the current policy of massive and growing capital inputs (*The Christian Science Monitor*, April 9, 1975).

THE CONTINUING PUSH FOR HUMAN RIGHTS

Mr. ABOUREZK. Mr. President, perhaps no group in this country or anywhere else in the world has done more to secure the basic freedoms and rights of all people than has Amnesty International. Their tireless effort has affected both the political prisoners themselves and the governments holding them in a very significant way.

In numerous debates in which I have participated in recent years on the issue of human rights, it is Amnesty International which continues to be quoted as an authoritative source. In scores of instances throughout the world, this organization is responsible for the humane treatment and the occasional release of some of the thousands of political prisoners now being held in various countries.

Recently, Robert Karen wrote an excellent article entitled, "Fighting the Tide of Torture," on the work of Amnesty International. It describes the work in which Amnesty International has been involved and the tremendous impact which has resulted in many parts of the world.

Mr. President, I ask unanimous consent that the article by Mr. Karen, in addition to two letters to the editor by members of Group 34 of Amnesty International here in Washington, be printed in the RECORD.

There being no objection, the article and letters were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 8, 1975]

FIGHTING THE TIDE OF TORTURE

(By Robert Karen)

In the winter of 1945 in northern Italy, the Gestapo picked up a young Italian resistance worker and tortured her for 45 days. Convinced that giving them information of any kind would make her immediately dispensable, she never talked and in the end was made to type her own death sentence. However, on the day she was to be executed, two men in Gestapo uniforms took her away for some "final questioning." Inexplicably, they left her at a hospital and in two years she was fully recovered.

Today, almost 30 years later, Ginetta Sagan has become one of the major organizers for Amnesty International, the London-based group that "adopts" and fights for the release of political prisoners the world over. Founded in 1961 by a British lawyer, Peter Beneson, Amnesty has 38,000 members in 32 countries and claims responsibility for the release of more than 10,000 political prisoners.

Sagan became involved with Amnesty International in 1967, when the Greek junta took power; it was the first time since the war that repression and torture again touched her life. "I had a lot of friends who were in jail because so many of them had studied in France when I was there. My former professor there had just met Christos Sartzetakis, who is the judge portrayed in the movie Z. They were sending me file after file of prisoners and horrible, horrible stories of torture. I remember one in particular, the dean of a university who was 80 years old and given the *falanga*—tying a person to a table and beating the soles of his feet until they are swollen. So painful, dreadfully painful."

In 1971 Sagan prevailed upon Melina Mercouri and Joan Baez to come to Berkeley for a concert to benefit the Greek relief fund. A crowd of 10,000 attended and Sagan has since proved that direct action to salvage individual lives can generate the kind of personal commitment that seemed to have faded with the anti-war movement. In the three years since that first Berkeley concert, Amnesty's West Coast membership (concentrated in California and Texas) has shot up from 52 to almost 52,000.

Today the San Francisco office at 3618 Sacramento Street has four full-time staff members, including Sagan and Kit Bricca, formerly with the Farm Workers. The region now accounts for about half of Amnesty's 100 U.S. groups, and the leadership understandably believes that similar organizing elsewhere in the country would produce comparable results. Recently Amnesty hired Joel Carlson, a South African civil rights lawyer who was forced to leave his country in 1971, to be full-time national coordinator, an investment which it hopes will lead to the creation of regional offices in Chicago, Denver, Atlanta and some places in Texas.

All this activity for human rights would be a cause for celebration were it not for the historical events which have helped to generate it. In the short time since Ginetta Sagan began organizing for Amnesty, there has been a marked increase in political repression and a severe upswing in the use of torture. In the last few months, Amnesty papers on Chile and North Korea and a worldwide survey called "Report on Torture" have revealed that not only is freedom of speech and association endangered by state action but torture, remarkably similar to the kind the Gestapo practiced in Italy and throughout occupied Europe, seems to be spreading in epidemic proportions across the continents.

"When talking with the victims of torture today, I have a sense of *deja vu*," says Sagan. "The same thing—interrogation, beating, fear, insult, degradation. They really want to destroy you as a human being, to reduce you to the level of a groveling animal."

The data Amnesty has gathered over the past 10 years on the detention policies of some 62 nations indicate that torture is a perennial form of political oppression.

It would be impossible to enumerate all the methods now in use. Old standbys from near drowning and suffocation to pulling out the fingernails are still prominent. But "Report on Torture" also enumerates modern developments. The omnipresent electric shock is probably the key contribution of advanced technology. Psychological and manipulative techniques, such as sensory deprivation, isolation, exhaustion, degradation and threats (of permanent injury, disease, economic retaliation, or harm to one's family) are more widely and sometimes more cleverly applied. Sagan relates that in Brazil and the Soviet Union the secret police have been known to torture people while showing slides of members of their families, creating an association of family with pain.

Perhaps the most important new weapons available to modern torture are the scores of drugs which terrify and melt the will of their victims. None of these drugs can force anyone to reveal what he has the courage to withhold; most, if the victim survives, will have no lasting physiological effects, though the emotional damage is frequently severe and permanent; and virtually all have some legitimate medical use. But the fears of the victim, the threatening atmosphere and the extremely unpleasant physical sensations make these medicines a potent form of terror.

While a sadist is the most likely candidate for a career in interrogation, recent clinical tests seem to demonstrate that many people, normally indisposed to cruelty, will nonetheless administer pain if told to do so by someone in authority. That is a crucial point when one considers the scores of doctors and nurses—some of whom are presumably not sadists—who, in the ultimate perversion of their professional roles, show up at secret police villas to act as consultants and practitioners of the black mechanics of interrogation. "Torture could not take place without the cooperation of physicians," says Sagan. "It is the doctor who examines the prisoner before interrogation, it is the doctor who says how far they can go, it is the doctor who treats the victim of torture and who remains silent."

It must be understood that torture is a very *inefficient* means of gathering information and for the most part is not used for that purpose. That fact is reflected in the black humor of South Vietnamese interrogators, who have been heard to say, "If they're not guilty, torture them until they are!" Torture is a weapon, widely perceived as a proper response to domestic or colonial insurrection, and sometimes openly advocated by counter-insurgency strategists. All told, according to the Amnesty report, at least 30 nations use torture as an administrative routine and have given free rein to men and women who achieve personal gratification from the destruction of other human beings. These torture states share information, educate torture trainees from less developed police states, and have even produced films on the subject (one found in the secret police headquarters in Portugal was made in part to instruct prison doctors).

Unfortunately, many victims of torture, including Sagan, have been unwilling to discuss their ordeals. Torture victims are often deeply ashamed of what has been done to them and what they have been made to do. Many have lasting and often disastrous emotional disorders.

"I wasn't able to talk about it for many years because of the humiliation and the degradation that they forced on me," says Sagan. "That is why I feel strongly that the Amnesty project to help to care for the victims of torture and to rehabilitate them psychologically is an urgent and crucial one. I wouldn't want anyone to go through years without being able to share, to talk, and to be assured that we are human beings still. It is hard for any person to think himself still human after they strap you to a table, after they insult you, and after they force on you these unspeakable, *unspeakable*, unspeakable, unspeakable actions."

Sex, degradation and power form a special weave in the torturer's mentality. An obsession with excrement and urine and forcing prisoners to smear themselves is common. So is rape and demeaning sexual positions.

What Amnesty offers the political prisoner and the victim of torture is the promise that his case will not be forgotten. Its basic organizational unit, the "group" is responsible for three prisoners of conscience—one from the Eastern bloc, one from the West, and one from a nonaligned nation. This careful policy of neutrality has been a key to Amnesty's success, and with political oppression so widespread, the meticulous nonpartisanship is unfortunately easy to maintain.

Letters on behalf of adopted prisoners are sent to the United Nations and other international bodies, to the press, and to the responsible government. Amnesty International sends observers to trials of those accused of political crimes and, when possible, visits prisons and interviews prisoners and ex-prisoners.

Its success is a testament to the power of public opinion. And yet, within and without the responsible state, public opinion is a difficult weapon to mobilize. "I can understand the fear," says Sagan. "Anything that threatens the status quo or the fragility of our day-to-day existence is better pushed back into the unconscious. It is much more comfortable to go on with our daily lives without worrying about the man in Czechoslovakia who has been picked up, who has lost his job, who is being held some place incommunicado. But the only way to break the power of the secret police is if enough people speak up."

Can it happen here? Amnesty does have 30 prisoners of conscience in the United States, most of them members of ethnic minorities who were caught in situations where racial and/or political prejudice was evident in the arrest, conviction or sentencing. It has also described numerous instances of police and prison brutality. But regarding torture, it has concluded: "It would be incorrect to suggest that there is an administrative practice of torture by the law-enforcement authorities of the United States within their own domestic jurisdiction."

Still, there is reason to be concerned about the U.S. position. As a major supplier of funds and hardware for foreign military and secret police, the country bears a responsibility for how these resources are used. Our government has never officially condemned the practice of torture in Brazil, although there is no disputing its prevalence, and there is a persistent suspicion, bluntly portrayed in the movie "State of Seige," that the United States provides the training for many of Latin America's novice interrogators. To bring the issue even closer to home there have been widespread reports, abundantly documented by the confessions of repentant GIs, of direct involvement of American troops in the torture of Vietnamese.

The very personal quality of caring which Amnesty offers is evident in the title of a new quarterly magazine, Matchbox, which is being published by the West Coast office. The name derives from an incident during Sagan's imprisonment by the Gestapo. A few nights after she had been forced to watch a comrade tortured to death, one of her jailers began cursing her and then kicked open the door to her cell and threw in a loaf of bread. "I was hungry. I wanted to eat, but at the same time the thought crossed my mind that perhaps it was poisoned. But when I picked it up and started eating, I chewed on something hard. It was a little matchbox. There were matches inside and a piece of paper saying: *'Coraggio. Lavoriamo per te.'* Take courage, we are working for you."

[From the Washington Post, Feb. 21, 1975]

LETTERS TO THE EDITOR—POLITICAL PRISONERS

HYATTSVILLE.

In 1970 Mrs. Ina Anis, an Indonesian housewife, was arrested by the military police in Jakarta. Separated from her children, she was taken to the Bukit Duri Women's Prison, where for the last four years she has been held without charge or trial.

Mrs. Anis has seen neither a lawyer nor a judge. She will be detained indefinitely—for 10, 20, or maybe even 50 years. Her children have been portioned out among relatives. Her husband is also being held indefinitely for an alleged political offense.

Mrs. Anis is only one of 55,000 untried "political" prisoners in Indonesia. Although a few may, in fact, be threats to their country's military dictatorship, many, like Mrs. Anis, are only victims of circumstance, arrested by mistake or military inefficiency.

Like most political prisoners, Ina Anis thinks she has been abandoned by the world outside. What she does not know is that for the past year and a half, we in the Washington, D.C., group of Amnesty International have been writing letters on her behalf to high Indonesian officials and wearying the Indonesian Embassy with requests for her release. Over and over we explain to them that Indonesia's image abroad can only benefit from the humane and just treatment of a woman who is ill and of no threat to her countrymen.

I am moved to write of Mrs. Anis's case after having read Robert Karen's affecting article February 8 on the work Amnesty International is doing to aid victims of torture and political imprisonment around the world. Mr. Karen left the impression that in the United States Amnesty operates primarily on the West Coast. However, the fact is that there are over 100 Amnesty groups throughout the United States, each of which works for the release of three persons imprisoned for their political, religious, or other conscientiously-held beliefs or for their race, language, or ethnic origin.

Our own group is patiently working for the freedom of not only an Indonesian housewife but also an East German physicist and a rural Bolivian mayor.

LINDA HUF.

[From the Washington Post, Apr. 1, 1975]

LETTERS TO THE EDITOR—VLADIMIR BUKOVSKY

VIENNA.

On Saturday, March 2, The Washington Post published on the editorial page, an article by Colman McCarthy, describing the ordeals of Mihajo Mihajlov, the dissident Yugoslav writer.

In the course of the article, mention was made of other 20th century writers, that have been denied freedom of expression in their own countries.

One writer that McCarthy could have mentioned among those who "because they are not published abroad, disappear without a trace," is Vladimir K. Bukovsky, 32 year old Soviet, now being detained in Moscow's Vladimir Prison, for "anti-Soviet agitation and propaganda."

He has been spending the greatest part of the last 10 years in prisons, labor camps and mental hospitals, on account of his protests against violations of human rights.

In 1972 he was sentenced to 12 years, of which, two were to be spent in prison, five in a hard-labor camp, and five in exile. After two years in Moscow's Vladimir Prison, where he was almost starved to death, he was transferred to a camp for political prisoners. In 1974, however, as a punishment for going on a hunger strike to protest prisoners' conditions in the camp, he was returned to the Vladimir Prison in Moscow.

His health is very poor and steadily deteriorating. Already suffering from a rheumatic heart condition, he has now contracted a liver and gall-bladder ailment, peptic ulcers and has lost considerable weight. The food which he receives in prison (consisting mainly of herring) causes him great pain. Yet he is not undergoing medical treatment, nor has he been placed on a hospital diet.

The charges of "anti-Soviet agitation and propaganda," for which he was sentenced in 1972, were the result of publicly documenting the use of mental hospitals to silence dissenters in the Soviet Union. In several 1970 interviews, such as those with CBS ("Voices from Russian Underground," with Reasoner and Cole, who were thereafter expelled from the U.S.S.R.), Susan Jacoby ("Russian Unfinished Conversations") with Associated Press ("Interviews with Three Dissidents," with H. Jensen), he let the world catch a glimse of the horrors taking place within the walls of mental hospitals, where Soviet dissenters are being "treated." Injections with drugs that raise body temperatures to 104 degrees leaving the "patients" in a vegetative state for days and from which it takes months to recover, the wrapping of a person's whole body in wet canvas bandages that shrink when drying, the state of semi-unconsciousness in which prisoners are kept while constantly watched, are some of the practices he denounced.

He is also the author of articles for the Human Rights Movement and of Guidelines for Dissenters in Mental Hospitals.

As stated by his mother, he has made no scientific discoveries and has not written

any great work of art, yet does not his name deserve to become well known too, for revealing the frightening potential of violence that unlimited power carries within itself?

SILVANA BOBBA,
Graduate Student,
The American University.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONGRESSIONAL BUDGET DETERMINATION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 32, which will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) relating to a determination of the Congressional Budget for the United States Government for the fiscal year beginning July 1, 1975.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget have the privilege of the floor during consideration of and votes on Senate Concurrent Resolution 32:

Douglas Bennet, John McEvoy, Arnold Packer, Sid Brown, Marc Lackritz, Steve Browning, Rodger Schlickeisen, Ira Tannenbaum, Dennis Sachs, Mike Joy.

Robert Boyd, Bruce Thompson, Franklin Jones, David Blackburn, William Stringer, Bert Carp, Hal Gross, Susan Kinsman, Bill Jackson, Nik Edes, Jon Steinberg.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. I yield myself such time as I may need.

Mr. President, today we test the new Budget Act for the first time.

The results will say a lot about Congress' ability to manage the Nation's future.

For the Budget and Impoundment Control Act of 1974 is not a bookkeeping tool. It is a policy instrument that gives us new control over the direction America takes.

It enables us to say indeed, it requires us to say—how America's resources will be used.

How much shall we spend? How much can we afford?

How much shall we tax? How big will the public sector be?

Will the transition from energy plenty to energy scarcity be smooth or rough?

How and where shall we invest today to meet the energy needs of tomorrow?

Who will bear the heaviest burden?

What challenges does the world hold for us after Vietnam? How much shall we invest in arms? How much in trade development? How much in intelligence? How much in diplomacy?

Where shall we encourage Americans to live; in cities or in suburbs, or in rural America?

How much for education?

How much for health; for research; or disease prevention; or hospitals; or doctor training; or clean water and clean air?

Shall we do all of these things, knowing that it will mean not doing something else?

How can we insure 200 million Americans a better life tomorrow, and next year, and for generations?

We will not address all of these issues this year.

We are taking only a first step; we will determine how much we mean to spend altogether, without voting on how we mean to divide the pie.

But we are launching a process which hopefully will serve us all in future years, when these issues are more starkly drawn and when the decisions will, therefore, be much harder.

Why start now?

The act would permit us to put off this concurrent resolution for another year, and this debate and the discipline it implies. But the state of the Nation will not.

If we did not have a means of matching total spending with economic need this year, we would want one.

If we did not have an instrument for making overall fiscal policy and monetary policy judgments; if we did not have a way to total up spending programs before we make commitments rather than after we make them, then we would be searching for one.

For Congress must now shape a recovery program that will help pull the United States out of the worst recession in a generation.

This year, the public looks to Congress for assurance on two counts. People want an end to the harsh cycles of recession and inflation that have dominated the economy for a decade. They want help for people who are suffering because the economy has faltered.

So writing the Federal budget this year is more than a dry exercise in cost accounting. The costs this year are counted not only in dollars, but in the fears and needs of millions of wage earners who leave their families in the morning on their way to unemployment lines, not to jobs.

The act requires the Budget Committee to spell out every year at this time the levels of revenue and levels of outlay for the next fiscal budget, and to describe the size of the surplus or deficit that those levels would produce. Even without the function-by-function allocations which the Budget Committee will report in future years, these overall totals will have enormous significance for America's fiscal policy.

The act requires the Senate to take action on those recommendations at least twice—once in May, to give standing committees a financial target toward which to work; and once in September, to confirm these levels of outlay, or adjust them in light of changed economic conditions. Resolutions to adjust the totals may be introduced at any time that changing national needs dictate changes in the budget, and the Budget Committee will certainly report again before September if conditions deteriorate beyond what we anticipate in our present resolution.

The committee believes that the revenues which will be produced by existing tax laws—including the tax reductions which Congress approved last month—are at an appropriate level: $297.8 billion.

We recommend outlays of $365 billion. It is the judgment of most members of the committee that the deficit which this budget calls for—$67.2 billion—is not only inevitable but necessary.

The deficit contemplated by the committee's proposal is not significantly different from that which would result from the administration budget. But there are major differences in emphasis. Some money which the administration would spend for defense, for example, can be moved into programs that will help families buy food and clothing. Some money which would have been sent abroad can be invested here at home to develop resources for the future. The committee's proposal allows for $4.5 billion in emergency antirecession programs including the Emergency Employment Appropriations Act passed last week.

The Budget Committee did not endorse that deficit easily. I think it is fair to say that the size of the deficit dominated the final markup sessions that led to this resolution.

But the deficit is a recession deficit, not a spending deficit. With full employment, this budget would product a modest surplus. But we do not have full employment, and the deficit is a direct consequence. The recession will take more than $200 billion out of the pockets of Americans in wages and profits in the next fiscal year alone. The Federal share of that loss is about $53 billion in taxes that will not be paid because people are not working and because plants are closed.

The rest of the deficit will result from payments for unemployment insurance and for food stamps and for other programs whose costs are up because of the recession.

This new budget process will pinch. It is supposed to pinch. It is supposed to remind all of us that some of our favorite programs must be funded at levels lower than we want. My colleagues will be reminded many times during this debate of things we cannot do with a $365 billion budget.

I would like to run through a partial list of the things we can do with $365 billion, which is after all, quite a lot of money.

We can provide some income through unemployment insurance and other assistance programs for millions of families in which the breadwinners have been laid off. It can help them ride out the recession.

We can pay the hospital and doctor bills of the elderly and of low-income families which cannot afford medical care.

We can increase the checks of social security pensioners to help offset the rising cost of living.

We can help thousands of youngsters start and finish college. We can hire unemployed workers to rehabilitate the Nation's railroads and repair veterans' hospitals.

We can support space programs, buy land which is needed for parks, and finance energy research.

And we can pay for a strong defense force that will protect the Nation's interests.

Could the Federal Government spend less, Mr. President? Not when the very economic stability of the Nation is at stake. The Budget Committee's near-unanimous judgment is that we cannot spend less and still help millions of unemployed workers and their families weather the worst recession in a generation. We cannot spend less and still meet our commitments in national defense, transportation, and other programs.

Why cannot the budget be balanced? The surest way to turn a serious recession into a real depression would be to cut spending drastically or increase taxes drastically. Either way, the amount of purchasing power in the economy would decline still further. As Charls W. Walker, former Deputy Secretary of the Treasury Department in the Nixon administration, told the committee during hearings, the Federal Government tried to balance its budget in 1931. As Mr. Walker put it:

> They raised the taxes and they further exacerbated the deflationary pressures and incomes dropped and profits dropped and it just did not work.

Is the spending target high enough, Mr. President? Nobody can answer that question with absolute certainty now. As I told the Committee on the Budget, I would have preferred a bigger investment in temporary recovery programs, such as emergency revenue sharing to help cities and States which are losing income because of the recession. I believed we could do more now to fight unemployment without risking renewed inflation, but the committee wanted to move one step at a time, and I support that decision. If unemployment continues to rise as sharply in the next few months as it has in recent months, the committee will consider another resolution to adjust the spending target to meet the changing needs.

Is the pattern of spending appropriate? In future years, spending targets for each function of Government will appear in the concurrent resolutions. This year we have put them in the report only, where they serve as benchmarks which should help the Senate stay within the overall spending totals we recommend.

The committee has moved about $4 billion from the President's budget for defense and international affairs to programs that will help people cope with the recession and inflation. It has added to that some $4.5 billion in temporary recovery outlays. It would not be possible to produce a pattern that would satisfy every Member of the Senate or even of the committee on the budget.

I am persuaded that this budget and its deficit represent the figures which the Budget Act requires the committee to recommend—the appropriate levels of income and outlay. It is not a perfect document. It does not fully reflect the views of every member of the committee. To do that, it would call simultaneously for higher and lower levels of spending on defense. It would leave room both for increases and decreases in existing programs. The deficit would at once be larger and smaller. But it is a budget on which a substantial majority of members of the committee could and did agree.

Is the deficit inflationary? Not when the Nation's economy is operating at a level so far below capacity. This proposed budget will provide between $50 and $75 billion in stimulus. The economy is more than $200 billion below par. Even with this budget, there will be slack in the economy.

I want to emphasize an important feature of this budget which should allay fears of more inflation in the future. A number of witnesses urged the committee to approach this resolution as though it were preparing two budgets. One budget would cover permanent programs which would be required regardless of economic conditions—education, health, defense, social security and transportation. The other would be a budget designed to support temporary recovery programs, such as public service jobs. Although the line between the two cannot always be clearly drawn, our total figure is the result of just such a two-budget approach.

The money which is allocated to basic programs has been increased over fiscal 1975 by just about enough to make up for the effect of inflation. The base budget is about $345 billion. The remainder of the budget is devoted to temporary spending programs that will disappear as unemployment drops and the economy is restored to a pattern of stable growth.

One reason, Mr. President, for the two-budget approach is to assure that outlays for permanent programs this year do not lock Congress into an unrealistic base for shaping the fiscal 1977 budget. Another reason is that it will be of some help to Congress in tracking the budget and other budgets to guard against spending more than the economy can absorb without creating new inflationary pressures.

I am not going to claim that the Budget Committee has solved that very difficult problem. The record as brought out in our hearings and seminars is clear that fiscal and monetray decisions over the past decade often came too late to be effective. In the past 2 years, the policy decisions have simply been wrong, based on a misreading of the real state of the economy. The Budget Committee had that history very much in mind when it drafted this resolution and report.

In my opinion, this budget will meet present needs as we perceive them at this time, and still take fully into account the need to avoid creating problems for the future. I would neither raise nor lower the ceiling the committee recommends. As I have said, if conditions change and a new resolution seems necessary, we will promptly report a new resolution.

Mr. President, the Senate Budget Committee has been gingerly feeling its way into a whole new field of congressional responsibility. I want to congratulate and thank every one of my colleagues for the patience and imagination they have displayed.

Each of us has had to watch cuts made in areas we hold dear. Each of us has agonized over the question of where true fiscal responsibility lies.

While our product may not be as complete as it will be in future years, I put it before the Senate with pride and confidence.

I want to thank every other committee for the cooperation they have given us in advising us of their needs and recommendations, and in understanding why we make the recommendations now before the Senate.

And finally I commend this new process to each of my colleagues. Some of it will seem complicated at first. The pinch of fiscal realism will frustrate them as it has the members of the Budget Committee.

But as our debate progresses, I believe each of us will find himself getting a handle on the real choices before this Nation.

I believe our debate will set a positive and useful precedent for future years.

I believe it will help restore public confidence in America's economic future.

And I believe it will show that our budget reform makes as much sense in practice as it does on paper.

I close finally, Mr. President, by expressing my appreciation to the staff of this committee. The staff is made up of a core staff of professionals who fully serve every member of the committee, regardless of party. I think their performance has been of the highest conceivable professional standard, under the pressure of inadequate time, in learning to live with each other and the committee, as well as to organize themselves and their ideas.

The other part of the staff is made up of the professional assistants which the Senate has provided for every member of the committee, and I must compliment them as well on fitting into what I suspect has been a frustrating role, the work of the committee as a whole. My impression of the staff, both the core staff and the aides of the Senators on both sides of the party line, has been that they regard themselves as members of a unit—the Senate Budget Committee—whose responsibility is to present this kind of report to the Senate as a whole.

I now yield, with full appreciation, to my good friend from Oklahoma, the ranking Republican member of the committee, with my personal thanks for his extensive cooperation.

Before I do that, I wish to make a unanimous-consent request, the necessity for which I find incredible. I ask unanimous consent to use hand calculators on the Senate floor.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. MUSKIE. I understand that the rules are so ancient and esoteric that the ability to use these calculators except by unanimous consent seems to be in doubt. I asked whether or not I could use my fingers without unanimous consent—I assume that that is the original hand calculator—and there seems to be doubt on that score, too.

I yield to the Senator from Oklahoma.

Mr. DOLE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BELLMON. I yield.

Mr. DOLE. I ask unanimous consent that Jim Wells and Bob Downen of my staff have the privilege of the floor during the consideration of Senate Concurrent Resolution 32.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I would first like to congratulate our distinguished chairman, the Senator from Maine, on the excellent statement he has just made. This is entirely consistent with the extraordinary job he has done so far as chairman of the Budget Committee. During months of hearings and the lengthy deliberations on this resolution, the Senator has been incisive, thorough, tough, and fair, and has led the committee to the introduction of this resolution, which I hope the Senate will support overwhelmingly.

I would also like to join the Senator from Maine in complimenting the staff. The staff has had a difficult job in getting organized, under the pressure of time which the committee has faced, to get this resolution in shape for consideration. They have met these challenges, have had a high degree of expertise, and have been invaluable to the committee members as we considered this measure.

Mr. President, the Senate today is embarking upon a historic new procedure as we undertake to establish a more responsible method of managing the fiscal affairs of our Nation. If this venture succeeds—and it must succeed—it will usher in a new era of better informed decisionmaking by the Congress. It will mark the beginning of the careful weighing of the relative worth of various governmental activities so that a proper balancing of available resources with recognized need can be achieved. While today is the first time the attention of the full Senate has been directed toward the budgeting process, many months of work has already gone into this effort by the members and the staff of the Budget Committee. Both members and staff have worked tirelessly and constructively in the preparation of the First Concurrent Resolution on the budget which is now before us.

Mr. President, I would now like to address what I feel are the central issues as regards the overall implications of the Federal budget—the issues of inflation and unemployment.

This resolution contains the Budget Committee recommendations for an overall spending limit for fiscal 1976, our best estimate of Federal revenues and necessarily a recession induced deficit which the committee believes represents the maximum amount of stimulation our economy can tolerate without rekindling the recent destructive inflation. There are, of course, those on the committee and those in the Senate who believe we can and should do more to stimulate the economic recovery. Likewise, there are those on the committee and in the Senate, myself included, who, while recognizing the need to provide economic stimulation and to reduce unemployment, believe that spending priorities must be set and followed. Fiscal restraint must be used to avoid the mistakes of the past. We cannot afford another dangerous round of inflation with the inevitable and probably more severe recessionary correction which would follow.

Inflation is the result of excesses in our economy that ultimately are corrected by a recession. These excesses themselves are partly the result of past spending practices of the Federal Government. We are all familiar with the basics of Keynesian economics. Specifically, we have been quick to sponsor his ideas of deficit spending. We have, unfortunately, ignored the second portion of his rules which states that deficits incurred in recession years should be retired by budget surpluses in boom years. The budget is supposed to act as a brake on both sides of the cycle, thereby smoothing it. Our budget has been in deficit 14 out of the last 15 years. What we have done in the past is remove the brake on the upside of the cycle.

Admittedly, the expansion that results initially is quite pleasant for everyone. However, we are now paying the price for our excesses. The price is the most severe recession since the 1930's. Sadly, the vast majority of the blame for these excesses and the current recession must be attributed to our past fiscal irresponsibility. Congress has no one to blame but ourselves.

My concern, however, is not with allocating blame; it is with seeing that we do not repeat the same mistakes. We must realize that we have limited resources and that all our problems cannot be solved at once. We must set spending levels and priorities which reflect national needs and live with them. More importantly, these spending priorities must be set in light of budget revenues. We must say to the American people that, while we recognize the problems, we also recognize that we will create more and worse problems in the future if we do not begin to enforce discipline through the budgetary process. This is why the work of the Budget Committee and the Congress on establishing levels of spending is of such vital importance.

Our most crucial duty to the American people is to deal responsibly with our current problems and those problems that may arise in the foreseeable future. This requires that we concern ourselves not only with current problems, but also the longer term effects of our current solutions. It requires that we discard our short-term approach to problem solving and replace it with an approach that also emphasizes the future results. To do otherwise is to shirk our duty.

As our committee's hearings progressed, I asked virtually every witness to give me their view as to how our economy reached its present state. Dr. William J. Fellner of the American Enterprise Institute and former member of the Council of Economic Advisers stated the causes most succinctly:

> ". . . governments are strongly tempted to engage in inflationary policies that have a short term political payoff and for which later on a substantial price needs to be paid.
>
> "Also, there is a very strong temptation to embark on spending programs without making the burden explicit, and inflation is a method of not making the burden explicit but letting it develop in a fashion at first unnoticed . . .
>
> "Inflationary policies have resulted also from the desire to postpone the unfavorable phases of the business cycle, but postponement led to the situation where the unfavorable phase really comes upon us with vengegance now."

By way of putting these issues in perspective, I would point out that the net budget deficit for fiscal years 1965–74 was $102.9 billion and the net budget deficit now estimated for the 2 fiscal years of 1975–76—$45–$67—is $112 billion. I submit that this may be a difficult burden on our credit markets and on our society. This is a matter the Budget Committee considered carefully at arriving at our spending limit.

The unfortunate result of the prospects outlined above is that the unusually large deficits force the Federal Reserve to expand the money supply at high rate for a lengthy period of time. A slower rate of growth in the money supply would result in even higher interest rates which would tend to choke off the recovery. This combination of extreme fiscal and monetary stimulus significantly enhances the risk of renewing inflation. This would, of course, also choke off the recovery. The Budget Committee recommendation has taken into account these dangers. We have also attempted to set levels of stimulus needed to hasten recovery. This will lessen the low revenue impact caused by high unemployment and result in a lower deficit over the long run.

Dr. Fellner's position is that in reality and over a longer time span, there is no tradeoff between inflation and unemployment. That is, it is not axiomatic that if we are willing to accept a higher rate of inflation, we can have less unemployment. Recent events suggest that inflation causes unemployment; that inflation above a moderate rate increasingly exerts depressing effects on our economy. Fortune magazine, in its March 1975 edition, refers to those depressing effects:

> Inflation erodes consumer purchasing power and confidence. It causes interest rates to rise, thereby blighting the stock market, depressing the housing industry and expanding corporate borrowing costs. It creates illusory investory profits on which businesses have to pay nonillusory taxes. It undermines the financial position of companies, such as regulated utilities whose prices rise less rapidly than their costs, etc.

The probable result of inflationary stimulation is a short term reduction of unemployment, followed by a long term increase in unemployment and other unpleasant factors that accompany a severe economic correction.

The simple fact of the matter is that we still, after enduring the pain of severe inflation and while enduring the pain of historically high unemployment, are in danger of beginning a new process of governmental overspending, deficit financing, and overstimulation. I can only urge that we reexamine the recent events and take heed of the lesson that we absolutely must learn.

The Budget Committee has kept this danger in mind and attempted, success-

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fully, I believe, to balance it against the dangers of deepening recession.

The impact of continued deficits is devastatingly inflationary for our economy. This is particularly the case when the monetary expansion required to finance the deficits is considered. This dual stimulation increases demand for goods at a rate faster than the capacity to produce these goods is increased. The result is upward pressure on the price level. This effect is bad enough, but probably the most unfortunate result is the undermining of the public confidence in Government's ability to cope with economic realities. The restoration of this confidence must be our primary objective. To accomplish this goal we must begin by exhibiting fiscal responsibility. Once this process has begun, people can begin again to plan with some degree of certainty and we will have begun the journey back to reasonable economic growth and much less inflation. I support the Budget Committee's resolution because I believe it can help reach their objective.

It is my earnest desire that the Committee on the Budget can work to provide this fiscal discipline by forcing us to make hard choices and forcing us to allocate resources in a manner which is designed to yield the maximum benefit. I am equally earnest in admonishing my colleagues on the committee and in the Senate to realize that we cannot continue to spend with little or no regard for revenues. We must consider both sides of the equation.

It is for these reasons that I favor the lowest level of deficit which is consistent with the Federal Government's responsibilities, to paraphrase the Preamble of the Constitution, to provide for the common defense, promote the general welfare, and endeavor to insure domestic tranquility. While the establishment of proper levels of spending to attain these goals is an imprecise science at best, the levels recommended represent the best judgment of the Budget Committee. These judgments were arrived at after many weeks of testimony from well-informed witnesses—witnesses representing a broad spectrum of economic thought and experience.

Mr. President, the apparent differences between the recommendations of the President and the Budget Committee are not large. If the same assumptions of income and levels of unemployment are used, the differences almost totally disappear. In candor I must say that the assumptions made by the Budget Committee appear to be more realistic at this time than those made by the President at an earlier date. Levels of unemployment have continued to rise, reducing prospects for Treasury income and increasing costs of unemployment and welfare programs. Also, the reduced vitality of the energy industry coupled with continued opposition to development of the Outer Continental Shelf reduces the prospects for income from lease sales. Also, there is little prospect for the energy program proposed by the administration ever becoming law.

The Budget Committee has realistically taken these facts into account. I am deeply disappointed that the administration has refused until now to do likewise. When they do, the line the President drew at $60 billion deficit will of necessity be raised to very close to the Budget Committee level of $67.2 billion.

Mr. President, I came into the Senate after serving as Governor of Oklahoma. Oklahoma's constitution wisely requires that our State government operate on a balanced budget. In my opinion the Federal Government should do the same over a period of years. My objective in supporting both the budget process and this resolution is to attain that objective.

The facts are that the present economic difficulty is the direct result of past indiscretions in the levels of Federal spending. Inflation, high interest, reduced consumer confidence, reduced production and high unemployment have resulted, causing the present imbalance between Federal income and outlays.

It would be impractical if not impossible to attain a balanced budget in fiscal year 1976. However, by achieving a realistic level of economic stimulation, which I feel the Budget Committee resolution does, we can produce a stronger economy and lower level of unemployment making possible a balanced budget within a relatively short time. Once we achieve that objective, the budget process will help Congress avoid repeating the mistakes of the past.

Mr. President, I feel it is significant that while no member of the Budget Committee is completely pleased with this resolution, it was reported out by a vote of 13 yeas and 2 nays. Also, separate views have been entered both by those who would spend more and those who would spend less. The inescapable conclusion must be that the levels recommended by the Budget Committee represent a reasonable and responsible attempt to reach a realistic level of Federal spending for fiscal year 1976.

I urge the adoption of the resolution.

Mr. MUSKIE. Mr. President, I would like to compliment my distinguished friend from Oklahoma for his excellent statement.

We did not work together to make our statements complementary, but I think that is the way it developed, and I am pleased with the points the Senator selected for emphasis.

At this point, I am delighted to yield to my colleague from the committee, my good friend from Utah, who has given the committee such dedicated, patient, committed attention and good work over the weeks of our labors.

I would like to take this opportunity to say thanks to him, too.

Mr. DOMENICI. Will the Senator yield for a unanimous-consent request?

Mr. MOSS. Yes, I yield for that purpose.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Franklin Jones of the committee staff be granted floor privilege for the remainder of the debate on this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah.

Mr. MOSS. Mr. President, the Federal budget is the most important policy document which the Congress considers each year. Through its policy, fiscal, and monetary implications the budget can serve the purpose and causes of progress and enable achievement of national goals and objectives.

The budget is a comprehensive economic, political, and social statement that affects every American.

In considering the first concurrent resolution for fiscal year 1976 and the Budget Committee report, the first to be filed under the budget reform procedures enacted last year, we are pioneering in a new procedure and plowing new ground. I believe the process which the Congress adopted last year, under the Congressional Budget Act, is one of the most significant and positive changes in Government in decades. The Congress has new opportunities in Federal budget making and the policies and programs which flow from it.

As an instrument of the Senate, the Budget Committee has had a unique opportunity to examine and consider the Federal budget.

Testimony of witnesses representing the administration, labor, management, and other public and private sectors and information from a variety of sources were considered. We also received and carefully considered reports of the Appropriations and the several authorizing committees of the Senate in developing the end product.

Developing a budget under the demanding requirements of the Budget Act provides an enlightening and sobering experience. It manifests the foresight and wisdom of the Congress in enacting this budget process for control of the Federal budget. In considering the budget as a whole, to develop the concurrent resolution, the committee was given a mountaintop view—perspective—and I am pleased to have been a participant in the process as a member of the committee.

This was not an easy year for budget making. Rejecting a meat cleaver approach to budget cutting and avoiding inaccurate if politically useful revenue projections, the committee's initial effort proceeded well and resulted in the development of an effective and responsible product for the consideration of this body.

Included in its first concurrent resolution are recommendations on the following five items: First, total budget authority; second, total budget outlays; third, total Federal revenues; fourth, amount of Federal deficit; and fifth, changes in the public debt. These parts dovetail together and logically should be considered as integral parts of a total package if the end product is to be sound.

In future, the concurrent resolution will specify totals for each functional category of Government programs as well as the overall ceiling which appears in this year's resolution. Functional targets are not specified this year, partly to give all committees and Members more time to become familiar with the new budget process and partly to allow Congress flexibility in devising an economic program. I believe the report's discussion of programs by function is useful as a guide to what the Nation can afford this year and what it cannot.

Because of pressing domestic problems, there is now an urgent need for positive action to arrest the economic slide, to get people back to work and to provide for expanded economic recovery. The resolution and accompanying report by the committee outlines a strategy to address these problems, to reduce unemployment and to prevent a recurrence of last year's double digit inflation rate. In the view of the committee the budget for fiscal year 1976 should meet four important tests. It should:

First. Provide funds for national security, education, health care, pensions, and other established programs, which the people of the United States would need, regardless of the state of the economy.

Second. Provide funds over and above such basic needs to help pull the United States out of its most devastating economic decline since the 1930's.

Third. Be designed as a first step toward ending the increasingly harsh cycle of inflation and recession which has dominated our economy for nearly a decade.

Fourth. Provide direct help to those Americans whose incomes have been cut off or reduced by the recession.

In the judgment of the committee the level of spending that best meets all of these tests is a budget of $365 billion with revenues of $297.8 billion. At these levels the deficit of 1976 would be $67.2 billion. If, however, most provisions of the Tax Reduction Act of 1975 are extended into calendar year 1976 and if an energy tax is enacted, the revenues would then be $295.4 billion and the deficit would be $69.6 billion.

Assuming similar estimates of Federal revenues and program costs, the committee estimates a Federal deficit which is within $1.2 billion of President Ford's proposed deficit ceiling. However, it should be pointed out that the report calls for a different pattern of Federal spending than the administration proposed. The alternative strategy would give greater priority to programs aimed at reducing unemployment and providing relief for those affected by it. For example, the committee strategy includes: Full cost of living increases for recipients of Federal programs such as social security, medicare, and medicaid; $4.5 billion for temporary recovery programs such as unemployment compensation and food stamps; and a $4 billion shift from defense and foreign aid spending to programs which address human needs. The committee's proposal would also enable unemployment to be reduced faster and to a lower rate than the President's proposed budget.

The committee believes that such measures together with the $22.4 billion in tax relief already enacted by the Congress this year will help restore consumer confidence and purchasing power needed for economic recovery.

To the question about deficit, we already have one; it is a fact of economic life. Further, I believe it is significant that every witness who appeared before the committee agreed that a sizable deficit was inevitable in fiscal year 1976. The inevitability becomes necessity if the economy is to be turned around. Thus, the real question is not whether, but how much deficit. Regarding the size of the deficit—some say a deficit of $60 to $70 billion is too much, others will say it is too little. But after study and careful consideration, it is the committee's best judgment that the strategy recommended provides the right program to address our present economic needs and problems.

To those who advocate a greater deficit to provide more antirecession programs, let me point out that the committee's proposal already includes $4.5 billion in temporary recovery programs over and above some $15.2 billion built in relief programs such as unemployment compensation and food stamps. Additionally, we will monitor the economic picture between now and September, when action is to be completed on a second concurrent resolution. This will provide the opportunity to consider additional temporary recovery programs or make other adjustments based on the economy's actual performance.

I share the concern of those who advocate a smaller deficit. But official figures indicate 8.7 percent unemployed. Adding another million plus, to account for those who have become discouraged and stopped looking for work makes the real figure closer to 10 percent. In some groups, particularly among minorities, youth and in some cities, estimates of unemployment are in the range of 40 percent.

Only this last weekend we witnessed a great influx into this city of vast numbers of people complaining about being unemployed.

Over 2 million household heads are among the unemployed. Moreover, each percent of unemployment costs the Federal Government about $16 billion in reduced taxes and increased spending for unemployment compensation and related programs; costs State and local governments about $5 billion annually, and costs our economy over $48 billion in lost production. Our economy is now operating about $230 billion below potential. In other words, $230 billion of goods and services that could have been produced were not. We have idle machines and idle people. This is a waste of resources, and a waste of human resources which is the most cruel and costly of all.

These figures do not begin to quantify human costs or to tell the story of human suffering, fear, or broken lives. If social justice means anything at all, it means to prevent over 8 million people from being unemployed for 2 years, it means getting them back on the job and keeping their hopes and aspirations alive.

With this in mind, the committee's strategy is one which is aimed toward stopping the economic slide, turning the economy around, getting people back to work and reducing unemployment in a way which avoids a recurrence of last year's double digit inflation rates. These are national requirements which must be met. The concurrent resolution and the accompanying report proposes a strategy to meet these requirements and to bring the economy back to something closer to full employment. That is the only way to stop deficit spending in today's economic situation.

Mr. President, I think that the budget which has been fashioned, and the concurrent resolution which presents it, states the stark facts that we have before us with which we have to deal. It provides us with the guidelines of trying to get our economy moving again so that people are back to work and paying taxes, and that our deficit then can be brought down. If we do not do that, we will go along for a much, much longer period before we can expect to see the upturn of the economy that will take us out of the recession in which we find ourselves.

Mr. President, I compliment the chairman of the new Budget Committee. He has, in this very first year of our existence, brought us together to work diligently and long on the matters before us. It is a first effort, but it certainly is one to which every member of the committee has devoted his energy and his time. I believe the chairman, the ranking minority member, and, in fact, all members of the committee are to be commended. I have felt great pride in being able to sit with this group and to work on the problems that were before us.

I thank the chairman for yielding to me.

Mr. STENNIS. Mr. President, let me emphasize that I fully support this completely new legislative process under which the Congress will systematically deal with what the Federal Government receives and what the Federal Government spends each year. Nothing is more crucial to the Nation's well-being in these difficult times than the manner in which total Federal revenues and expenditures are determined.

I was on the original special committee to study the need for this legislation, although I never had the opportunity to serve during the year 1973 due to circumstances entirely beyond my control. Nevertheless, I have attempted to follow the new process in some detail, not only from the standpoint of the Senate, because of its relationship to the Committees on Armed Services and Appropriations. What is being attempted under this act is a most complex process which has not been fully tested as yet. At this point in time, however, I want to congratulate the chairman of the committee, Senator Muskie, and all the other members for the first steps they have taken on this most difficult task. While I may not always agree with the results of the committee's recommendations, insofar as the merits are concerned, the Budget Committee has my full support in attempting to carry out the letter and spirit of this law and to focus attention on the whole Federal budget.

While I recognize that this is a transition year and in some sense a dry run, I think it is essential that the Congress carry out the process required by the Congressional Budget Act to the fullest extent possible this year thereby assuring that both the country and the Congress can determine the overall revenue and spending targets for this year and provide a firm basis for the more specific requirements of next year.

Mr. President, I would be remiss in not pointing out what could be potential problems in the years ahead with respect to this new budget process. First of all, keeping in mind we are injecting a third

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committee process into the authorizing and appropriating activities, we must make sure that all of the affected committees observe their own jurisdiction and not duplicate the others' activities. I have no doubt that this will be done in the Congressional Budget Act for has prevailed thus far.

Also, it will probably be necessary to revise the schedule which is contained ing the Congressional Budget Act for deadlines of the various committees.

The law may well have to be revised to require that the Budget Resolution be debated and agreed to from 1 to 2 months earlier than the present law requires. As an example, the Armed Services Committee is beginning the markup for the annual authorization bill today, and should report to the Senate by May 15. The concurrent resolution being debated here today must, by law, be completed by May 15, and probably earlier. The authorizing committees, therefore, will not have the benefit of the final congressional resolution until it is too late. In order to overcome this problem, however, many timing adjustments will be necessary, including the submission by the executive branch of budget information far earlier than is presently the practice.

Mr. President, the pending resolution is a historical beginning for a new congressional process, and I look forward to the debate and consideration of this act.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that a statement on the pending budget resolution by the Senator from South Carolina (Mr. Hollings) be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Hollings

I support the Budget Committee Concurrent Resolution and urge its adoption. The process that produced this Resolution and the accompanying report was a long and tedious one and representa considerable effort on the part of each member of the Committee. There were some who sought a higher level for the budget which of course would result in a higher deficit. Others, including myself, sought to reduce the deficit by cutting budget authority and outlays. As a result of this procedure we arrived at the numbers contained in the Resolution now before us. While the resolution represents the Committee's best collective judgment I should like to offer some thoughts of my own.

The concept of fiscal stimulus in time of economic recession is sound. Nevertheless, I feel that the Committee report pays insufficient heed to the stimulation already provided the economy through government action. The stimulus of the recently enacted tax bill, for example, is $22.8 billion. Additional stimuli have been provided through rejection of Executive Branch recissions and deferrals of approximately $1.7 billion. These financial incentives will have a direct impact in encouraging a revival of economic activity. From a more general standpoint, the high level of government spending in recent years has been anything but frugal.

In the determination of the federal budget, I believe the Committee's role is to balance the general need with available finances. Since we are spending so much more than we are receiving from revenues, the government's impact on the money market takes on great significance. Deficits of $45 billion for 1975, $69.6 billion for 1976, and a probable $35 billion for 1977 add up to $147 billion which the capital markets will be called upon to provide in the next 18 months. Government monopolization of the capital market can only have a debilitating effect upon the ability of the private sector to borrow and to generate the kind of soundly-based recovery we would all like to see.

This is what bothers me, and this is the one element which I believe the Committee accorded inadequate attention. Rather, we found ourselves too often attempting to discern a consensus of what we thought the Senate should or would do. This put us more in the role of Senate polling than of Senate budgeting. Apparently, the members felt that since this was our first effort, one of the objectives was to attain a degree of credibility with the authorizing and appropriating committees. The members had to appraise and predict Senate action on some 14 separate budgets. Too restrictive a budget in any one instance would have brought a rebuff before the Budget Committee established its own credibility. But in the final analysis, these legitimate considerations were carried too far, and the recommended level of deficit is simply too high.

To bring the budget back to manageable form, some belt-tightening and self-restraint is clearly in order. For this reason, I offered in Committee a proposal for a 1% across-the-board cut-back. My figure was admittedly, and purposively, abritrary. It is not addressed to the logic or the merits of the individual departmental budgets. The priority is to cut, and to keep the budget from destroying our capital markets. To do this, we must act—and act now. We are not here to legislate logic of philosophy or air-tight, ivory tower theories. The fact of the matter is that statehouses and localities are making these across-the-board cuts, they are exercising self-restraint, and all the while we go pell-mell in the opposite direction.

I am cognizant of the many obstacles the Budget Committee confronted in preparing its first-year report. We operated generally without guidelines and without the full-fledged staffing, data-gathering, and informational input which will be available in the future. I remain convinced that the newly-established budgetary procedures of the Congress can and will play a constructive role in the economy.

I pledge myself to work within this system to encourage the kind of budgetary policy which will generate a sound and long-lasting recovery based on the workings of the market system and urge the adoption of this resolution.

GETTING A GRIP ON THE FEDERAL BUDGET

Mr. MATHIAS. Mr. President, the concurrent resolution before us is the first concrete product of the Budget Reform Act of 1974. This resolution provides the first truly comprehensive look at the Federal budget in the history of the Congress.

By taking a comprehensive view, this resolution permits us to decide now: First, how much revenue we wish to collect; second, how much our Federal expenditures should be; and third, how large the resulting deficit for fiscal year 1976 should be.

These are fundamental questions. They represent the first step toward a rational division of expenditures among competing programs and causes. They permit us to take a realistic approach to tax reform. And they permit the financial community, and all taxpayers, to know what the Congress intends the deficit to be.

The most remarkable fact about this resolution, however, is that it is the first of its kind in the history of our Republic. No Congress prior to this has attempted, in acting on budget requests, to begin at the beginning by setting the goals on expenditures and revenues. The failure of previous Congresses to take this rational approach to the budget has helped to create unanticipated and unwanted deficits in the budget which have fueled the inflation of past years and helped to lead us into our current state of economic hardship.

It was for this reason that I urged for several years an overhaul of the way Congress dealt with the Federal budget. I introduced legislation, important parts of which were incorporated into the Budget Reform Act of last year, of which I was a cosponsor. When we consider that the resolution before us envisions expenditures during the next fiscal year of more than $1,800 for every American, we can appreciate the significance of our actions today.

As we debated this resolution, however, we must recognize that by itself it cannot impose economic wisdom or responsibility on the acts of the Congress. While this new process is a useful tool, the end product will be valuable only if we use this tool with patience and skill.

We now have the ability to know the consequences of our action. It remains for us to use this information wisely.

I ask unanimous consent that an editorial on this resolution which appears in the Baltimore Sun this morning be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Baltimore Sun, Apr. 29, 1975]

Acting Responsibly on the Budget

The Senate today and the House of Representatives tomorrow begin consideration, for the first time ever, of budget resolutions. Until now Congress has never considered the federal budget as a whole. In recent years what happened was the President's budget officers would carefully put together a budget, with Cabinet officers and their representatives arguing over who got how much for what, each knowing that if you increased spending here you had to decrease it there or accept a deficit or change the tax structure. This budget went to Congress, where it was taken apart and each section approved by separate committees with little or no coordination. It was an irresponsible process.

This year a new law forced House and Senate Budget committees to review the presidential budget whole. Committee members could raise or lower spending in different categories, but it was a responsible vote. Members accepted the fact that to raise spending here without reducing it there was the same as a vote for an increased deficit or new taxes. The finished resolutions are what go before the House and Senate this week. Those bodies may raise or lower the resolutions, but there, as in the committees, a vote to spend more or less has to be tied to a willingness to change the contour of the entire budget. The resolutions are guides to the committees that then draft legislation authorizing and appropriating funds for specific purposes as before.

Both House and Senate committee budgets envision larger deficits than the President forecast. The President's figure was $60 billion, the House committee's $73 billion, the Senate committee's $67 billion. Many Democrats in the House, especially, want to go beyond even $73 billion. In their view great stimulation is needed to get the nation out of a slump.

Senator Edmund Muskie, chairman of the Senate Budget Committee, was outvoted on a majority of the votes in committee aimed at changing spending levels for specific programs. He took the "liberal" position; that is, he wanted cuts in defense spending, increases in education, manpower and social services. But he has said he will fight for adoption of the resolution on the floor because he thinks it is important for the Senate to do its duty. In the House, Chairman Brock Adams is also pledged to fight for a resolution with which he does not totally agree. These are good examples for liberal lawmakers.

Conservatives in Congress have a different problem. They believe almost any deficit is lamentable and find it hard to vote for a resolution legitimizing one. They, too, can look to the Budget committees for guidance. In the House, such conservatives provided the votes necessary to send the resolution to the floor. In the Senate, even so unbending an ideologue as Senator James Buckley, one of two senators to oppose the resolution, expressed a willingness to support a deficit of $35 billion. If he's willing to go that far in order to see the new process work, we should imagine less rigid senators would be willing to go a lot, lot further.

MORE FISCAL STIMULUS NEEDED IN BUDGET RESOLUTION

Mr. HUMPHREY. Mr. President, this week the Senate is conducting a debate of considerable historic importance. For the first time, overall levels of spending, receipts, and the resulting surplus or deficit will be debated and voted upon in a systematic way. It is most fortunate that Congress has decided to observe this new procedure in this particular year. There have been few years in our history in which decisions of fiscal policy were of such crucial importance as they are at this moment.

The Budget Committee has done a splendid job. I know how difficult it has been to review the spending requests of all the Senate committees and reduce them to a manageable total. The difficulty has been compounded by the fact that the President's budget was not in all respects an honest and realistic document. The recommendations presented by the Budget Committee are honest, realistic, up to date, and, in most respects, make good provision for our public needs. A serious deficiency of these recommendations, however, is that they do not provide sufficient temporary fiscal stimulus to bring the economy out of the present recession as rapidly as we would all like to see.

In its report to the Budget Committees in March, the Joint Economic Committee recommended that economic policy be designed to achieve a growth of real output of at least 8 to 9 percent from the end of 1975 to the end of 1976. We judged that this would be sufficient to bring the unemployment rate down to 7 percent by the end of 1976 or early in 1977. The fiscal policies we recommended were designed to achieve that result.

Nothing in the economic developments of the past 2 months suggests that the amount of fiscal stimulus we recommended is no longer needed. Indeed, the economic outlook is, if anything, somewhat weaker than we thought 2 months ago. Not only did real output fall at an annual rate of 10 percent in the first quarter, as we had expected, but housing starts and building permits have continued to decline, the length of the average workweek has continued to fall, automobile sales have not picked up in the way manufacturers had hoped, and business fixed investment has fallen off sharply.

In light of this continued weakness of the economy, the recommendations of the Senate Budget Committee are not fully adequate with respect to the temporary fiscal stimulus required. Therefore, Senators Mondale, Javits, Williams, Schweiker, and I will offer an amendment to provide this stimulus. It would greatly improve our chances of achieving the output and employment targets recommended by the Joint Economic Committee last month. I do not think we should settle for targets any less ambitious than those. I am not satisfied with the Budget Committee estimate that unemployment will still be about 7½ percent at the end of next year. The Mondale amendment meets the test of sound fiscal management and fiscal responsibility.

It is the intent of the amendment that the funds would be used only if the unemployment rate continues to average above 8½ percent during the remaining months of fiscal year 1975. Funds would be used for temporary emergency economic recovery purchases. One purpose for which they could be used would be temporary antirecession grants to State and local governments which I feel are so badly needed. The funds would be used for projects which would expire automatically as unemployment declined. Nothing in the Mondale, Humphrey, Javits, Williams, Schweiker amendment would prevent our achieving a budget balance, and even a surplus, once full employment is restored.

I know my colleagues are concerned about the size of the budget deficit. Let me assure the Senate that no one wants to get rid of this deficit any more than I do. However, what we must remember is that this deficit is arising in its entirety from the high levels of unemployment. The only way we are going to get rid of this deficit is to restore the high levels of personal income and corporate profits which come with full employment.

I know my colleagues are concerned with the financial aspects of the large budget deficit. Can the credit markets handle the deficit? The Joint Economic Committee is investigating this question, and I plan to speak on it at greater length during debate on this amendment. One conclusion on which everyone we have consulted agrees is that, given a reasonable monetary policy, the credit markets can handle a deficit which stems from high unemployment. At a time of recession, private credit demands drop. The credit needed by the Government to finance the deficit simply fills the resulting vacuum.

Of course, at a time of full employment the situation is quite different. If we were at full employment, large Government borrowing would, indeed, "crowd out" private borrowing and interest rates would rise. That is why it is essential that we maintain a budget policy which provides for a balanced budget—or a surplus—at full employment.

I am pleased to cosponsor this amendment, which provides for the temporary fiscal stimulus we need without affecting the budget balance which we can expect to regain as the economy recovers.

The PRESIDING OFFICER. The Senator from Maryland has been on his feet several times. I realize the Senator from Maine is the manager of the bill.

Mr. MUSKIE. He is next on my list. I yield to my good friend, the distinguished Senator from Maryland, who has also been a dedicated member of the committee. I do not think he missed a session. For that I thank him.

Mr. BEALL. I thank the Senator from Maine for yielding.

Mr. President, I rise in support of Senate Concurrent Resolution 32, the first resolution reported to the Senate by the new Budget Committee established under the landmark Congressional Budget and Impoundment Control Act passed unanimously by the Senate last year.

This act is generally felt to be the most significant reform of our budgetary process in a half century. While the spending levels in Senate Concurrent Resolution 32 and the report's functional recommendations are not exactly what I, or any individual committee member would have urged, Senate Concurrent Resolution 32 merits the overwhelming endorsement of the full Senate and I so urge.

Before going further, I want to take this opportunity to commend the chairman of the Budget Committee (Mr. Muskie) and the ranking minority member (Mr. Bellmon) for their work, effort and leadership in making this initial run a success and for bringing to the floor a responsive and responsible budget resolution. I also applaud the committee staff who labored long and hard under the most demanding circumstances and tight timetables. They provided us with needed information and analysis without which we would have been unable to complete our work.

For me, participating in this inaugural effort has been an educational, encouraging and most rewarding experience. As one who introduced budget reform legislation in the last Congress, and strongly supported the enacted measure, my belief in the necessity and desirability of new budget structures and procedures for the Congress has been confirmed, indeed strengthened, as a result of my work on the committee.

The Congress under the Budget Reform Act has the opportunity to be a full partner with the executive branch in determining overall economic policy and in determining national priorities. We have the opportunity to reassert the important congressional "power of the purse;" but to do so we must take a comprehensive approach to the budget as a whole. In the past, we considered the various authorization and appropriations bills individually, often with little or no thought as to how each related to the other, and as to how total spending related to revenues and the appropriate size of the budget surplus or deficit.

The committee, as contemplated in the 1974 Budget Act, has made it possible to end our fragmented, piecemeal approach and to take the comprehensive, overall approach.

It could be argued that this is the worst possible time to implement our new budget procedures. Certainly, it would be simpler if we faced only one danger as we did last fall with inflation.

But, of course, since then, in a matter of months, we find ourselves in the worst economic downturn since the 1930's. At the same time inflation, although reduced, persists and remains a threat. Yet, if there ever was a time for a comprehensive and overall approach to the budget and national priorities, that time is now.

The recession is our No. 1 problem. The economy must be revitalized and jobs created. Americans must be returned to their jobs. But the dilemma confronting the Congress and the country is that the prescription economists prescribe for the recession, more stimulant, could, if applied in too large a dose, trigger the reoccurrence of double digit inflation. And we have come too far and with too much difficulty to allow that to happen.

Senate Concurrent Resolution 32, as reported to the Senate, we believe, strikes the delicate balance between doing too little and doing too much. In Senate Concurrent Resolution 32, we seek to:

First. Stimulate the economy without reigniting inflation and creating another inflation-recession cycle;

Second. Respond to the needs of the victims of recession, particularly those who have loss their jobs, and

Third. Support needed domestic programs and provide for the national defense.

The Budget Committee in Senate Concurrent Resolution 32 urges a spending level of $365 billion. Revenue is projected at $297.8 billion. This would result in a deficit for fiscal 1976 of $67.2 billion.

While this deficit is staggering, it needs to be emphasized that the deficit results from two factors, namely reduced revenue as the result of the recession—revenues are $53 billion less than they would have been if the economy was operating at full employment—and increased payments for unemployment compensation and other programs—between $12–$15 billion depending on if one elects to define full employment at 4 or 5 percent.

Thus, the recession with resulting reduced revenues and increased unemployment and other payments accounts for a deficit of some $68 billion. In addition, the committee added $4.5 billion for temporary recovery programs. Using the full employment budget concept, the committee's budget shows a slight surplus. It is critical that the temporary or self-destruct nature of these efforts be emphasized, for this means that, as the economy recovers, these programs will be ending or phasing out, and we will be moving in the direction of a balanced budget.

As high as the deficit is, it could and probably would have been much higher without the Budget Committee and our overall examination of the economy and our evaluation of what is being proposed and what we felt was prudent and affordable. For example, the Budget Committee had before it proposals totaling $419 billion. Most of these programs had merit. Individually, many could be adopted by the Senate. However, as the totals indicate, we cannot afford them.

As high as the deficit is, I must confess that I along with many witnesses, feared the deficit would be much higher. Indeed, most were predicting an $80–$100 billion deficit. So, the budget process has worked. It has reduced spending; it has reduced the deficit; it has altered priorities since approximately $4.6 billion has been shifted to domestic programs from defense and foreign aid.

Mr. President, the committee's deficit, which approaches $70 billion, for fiscal year 1976, will follow a deficit likely to exceed $45 billion for fiscal 1975.

This means that the combined deficits for the 2 years will exceed $100 billion. It means that the line on spending must be held as the committee recommends. While it is true that there has been a substantial decline in the economy and private credit demand is off, there is danger that if the deficit is too large when the economy turns around and recovers, Treasury borrowing will "crowd out" private borrrowers in the credit markets. Some believe that the Federal Reserve could accommodate the increased credit demands by increasing the supply of money and thus prevent interest rates from rising in response to increased demands. While I believe the Federal Reserve will help finance the deficit, the fear is that a double digit increase in the money supply, over any prolonged period, could bring back double digit inflation.

What your Budget Committee faced was the need for a delicate balancing act. A stimulant medicine was needed for a sick economy suffering from recession, but to provide too much medicine, too much stimulant, could produce a reoccurrence of the virus, inflation, which produced our current recession sickness.

We believe that we have recommended as much as is prudent.

As Dr. Greenspan stated:

> It is my evaluation that a budget deficit on the order of that proposed in the Budget or even one slightly larger probably does not pose serious risks for 1976. However, a deficit of this magnitude if continued into 1976 and beyond would add greatly to the risks of steep rises in interest rates and serious side effects upon housing and business investment.

And Dr. Greenspan clearly saw the danger on the "too much side," saying:

> I think the dangers are clearly on the side of providing far too much stimulus and far too large a budget deficit.
>
> I am concerned that we are just sort of losing sight that there is a turnaround out there and we may make what in retrospect, will, in my judgment, have been a bad mistake by providing too much stimulus.

We also need to keep in mind that our decision on Senate Resolution 32 is not irrevocable. The Budget Committee will continue to monitor the economy and the recovery. When we come back in September with our second resolution, we can provide more or less stimulant depending on the recovery.

In a response to a question by me, Dr. Burns counseled the "go slow" approach, as follows:

> Watch the course of events, particularly since this committee has a great responsibility. If you find that the pessimists or realists—call them as you will—are right, namely that long-term interest rates begin shooting up and that private borrowers are being crowded out, then I hope that your committee would act promptly to cut back on many of the programs that will have been legislated.

and,

> I don't think we need greater stimulus. The stimulus that we need is something that I would determine as we move along, as I have tried to indicate. Let's not go overboard now. Let's do what is reasonable now, rest for 2 or 3 months. I think we will thus build confidence in the process. Let's watch the course of events.

In the same vein, Budget Director Lynn urged the same saying:

> So, I think all of us have to look at this month by month. Put in tax stimulus now. Get that on the books. Get it working out there in the economy now. If more is needed later, by way of tax stimulus, or by way of other things that are identified by this committee and by the Congress as good ways to do it, let us do it then.

The Budget Committee's recommendations reflect our views that recession is our most immediate problem. Our budget for fiscal 1976 recognizes that we must not only attack the recession, but also, at the same time, continue our campaign against inflation.

We simply cannot afford to lose on either our antirecession or our anti-inflation fronts.

Our antirecession efforts include—

First. The $22.8 billion tax cut enacted into law; and

Second. $20 billion in recovery expenditures, including $15 billion for the unemployed and other programs.

Our anti-inflation campaign provides—

First. For a slight full employment budget surplus; and

Second. For the "self-destruct" or temporary programs which will end or phase out as the economy recovers.

Mr. President, I believe the wisdom of the 1974 Budget Reform Act is confirmed by the work of the Budget Committee. In future years, the Budget Committee will be providing binding recommendations in each of the functional categories. Our report, accompanying Senate Concurrent Resolution 32, provides only recommendations this time. In subsequent years, we will be examining closer Federal programs and trends. In the future, we will also examine tax expenditures.

Given the relatively short time since the Budget Committee was created, the process appears promising.

The Senate should be aware that in the past various procedures and mechanisms have been established by Congress to improve its budgetary process. However, in 1947 the Congress failed to adopt a spending ceiling proposed by the committee. In 1948 it adopted the budget ceiling, but failed to abide by it. In 1950, we experimented somewhat successfully with an omnibus appropriations bill, but this approach was subsequently abandoned. For the country's sake, and for the sake of a vigorous legislative body, Congress should not and must not fail this time.

Last year, the Senate unanimously approved the Budget Reform Act signaling our desire to subject ourselves to a disciplined, overall approach.

The Senate can give a boost to the new budget process and procedures and vote for a prudent, yet responsive, budget by supporting the committee.

A strong endorsement by the Senate would also decisively signal that we mean business with respect to both recession and inflation and help restore consumer confidence, a key to our ultimate recovery.

Mr. President, I sincerely hope the Senate will act with favor on Senate Concurrent Resolution 32.

Mr. CRANSTON. Mr. President, I rise as an advocate of the congressional budget reform process, in support of the amounts contained in Senate Concurrent Resolution 32, the first concurrent resolution on the budget.

In my view, the legislative budget process, as it becomes fully implemented, will have important and far-reaching consequences for the American people, and for our Nation's economy.

Those of us who serve on the Budget Committee, I believe, have a special responsibility to support, if we can, the conclusions it has reached in a spirit of consensus, even though those views may differ somewhat from our own. In the long run, it is the process of budget reform which will ultimately matter the most, not any single number we arrive at in a particular year. This is certainly the concept underlying the First Concurrent Resolution—the target setter. This is particularly true this year, when the first resolution does not contain functional totals.

Mr. President, I want especially to congratulate for their leadership throughout these inaugural budget proceedings the distinguished chairman (Mr. MUSKIE) and ranking minority member (Mr. BELLMON). They have done a truly fine job, most ably assisted by the fine budget committee staff. I want to thank, too, Hal Gross, Susan Kinsman, Bill Jackson, and Jon Steinberg for their excellent help to me in connection with this budget effort.

The budget reform process has two main thrusts:

First, to eliminate the long-standing, fiscally irresponsible, congressional practice of piecemeal budgeting—that is, appropriating funds for this perceived need, and then for that, without ever looking at the total on the bottom line, or the amount of revenues available to spend.

Second, to permit the Congress to reassert its congressional power of the purse in establishing national budget priorities.

It is clearly a congressional responsibility, not a Presidential one, to determine among various competing programs, the spending priorities of the Nation.

Both of these reforms magnify the responsibilities, as well as powers, of the Congress.

By next year, when the functional totals adopted by the Budget Committee will be part of the First Concurrent Resolution, Congress will have perceived, if it has not already, the great difficulty of living legislatively within budgetary limits.

This is a more responsible approach than we are used to—it may be more difficult and constraining than some are willing to accept. But, it is a critical necessity, if we are ever to move toward a balanced economy and avoid recurring deficits and continuing economic crises.

We have chosen to implement budget reform at a time when the Nation is facing its worst economic crisis since the end of the Great Depression.

The unemployment rate is at 8.7 percent, and rising. When "discouraged workers" are included in the totals, almost 10 million Americans are out of work, while millions more are working on curtailed hours.

Our economy is operating at two-thirds of its capacity, and slumping. In the first quarter of 1975, real GNP dropped 10.4 percent, the largest drop in a single quarter recorded since we started keeping track of this information.

The serious economic climate adds to the gravity of the decisions the Senate must make. It also means that great attention is focused on this budget exercise. It means that the American people are anxious to see Congress exercise responsible leadership in all areas affecting the economic environment. It, therefore, means that this exercise has important immediate as well as long-term consequences.

It might, as the Washington Post pointed out recently in a lead editorial, have been more comfortable to inaugurate this new system some other year.

But the very turbulence and uncertainty of the season makes it exactly the right time to take on the new responsibility, for, as the Post said:

> There is not likely to be another year for quite a long time when a thorough and informed debate in Congress on fiscal policy will serve as useful a purpose.

The Budget Committee worked long and hard in examining the entire Federal budget within constraints unique to the first year of the congressional budget process. It considered not only the contemplated expenditures, but the effect that these outlays would have on Federal revenues, and on the economic situation as a whole.

The functional totals that the committee arrived at, which are reflected only in its report, by no means all reflect precisely my own views—and I will make my points of difference very clear, as I have in my separate detail views on the committee report.

But, I believe that the totals that the committee reached in its resolution represent a reasonable current judgment as to the outlays we can now afford, and the size of the deficit we can finance responsibly without inflationary consequences.

We have, indeed, had a thorough and informed debate on fiscal policy within the Budget Committee.

After examining the March 15 reports of all authorizing committees to the Budget Committee, we have trimmed more than $31 billion from their requests.

To have failed to do so would have been to have failed to meet our responsibility to choose among competing priorities.

It would have been to expand the anticipated deficit beyond acceptable limits.

I believe that the committee adopted a responsible approach, not only in choosing among competing spending requests, but also in rejecting "meat-ax", across-the-board approaches to budget cutting.

The committee chose specific, intelligent analysis, and rejected "broad brush", unspecified cuts, which are far easier to propose than to apply.

I believe that, within our overall outlay amount, we have been too generous in approving defense spending, and that we have shortchanged the temporary recovery programs.

On the other hand, although I would like to see the budget in balance—when the economy is at full employment—I do not think that it is possible to decrease the deficit, by simply cutting Federal expenditures, without producing additional unemployment.

In California, the seasonally adjusted unemployment rate for March was 9.3 percent.

The Budget Committee has proposed a resolution designed to begin the process of reducing this rate.

To tolerate unemployment at this rate in unthinkable.

To knowingly adopt as Federal policy a program which would increase it is the height of folly.

Yet, there are those who propose to put before you budget-cutting amendments designed, they say, to cut the deficit by decreasing Federal expenditures by amounts ranging from $25 to $65 billion.

A $25 billion cut would throw another 1,250,000 people out of work and give us a double-digit unemployment rate of 10 percent. In addition to the cost in human misery, such a 1.25 percent increase in the unemployment rate would cost the Government $20 billion in reduced tax revenues and increased unemployment compensation.

A $65 billion cut would be an out-and-out national disaster. It would throw another 3,250,000 people out of work on top of the 9 million unemployed we have now.

Not only would such action represent the worst possible social policy—it would also fail to balance the budget.

Each 1 percent of unemployment—roughly 900,000 more out-of-work persons—costs the Government roughly $16 billion in reduced taxes and increased spending for unemployment compensation and related programs.

The committee heard from administration and other expert witnesses that attempts to eliminate the deficit not only would be futile but destructive, and could cause a major 1930's-style depression.

The last time an attempt was made to balance the budget during similar economic circumstances was during the Hoover administration. And it did not work then, either.

To adopt policies now which would drive up unemployment would be both heartless and senseless.

The committee's proposed deficit reflects a subtraction of $4 billion from the President's overstatement of Outer Continental Shelf oil lease revenues. Although the President's exaggerated estimate makes his budget deficit appear smaller, it is demonstrably inaccurate, and the committee quite properly rejected it. It is this kind of acceptance of responsibility that I believe is essential to the longrun success of the congressional budget process.

Among the duties of the Budget Committee is a weighing of the priorities in the President's budget.

I chaired a field hearing of the committee in California in February, when inflation was higher, and unemployment lower. The witnesses examined the Presidential priorities, and, for the most part, rejected them.

One economist observed:

> The President makes the point in the budget that if we extrapolate the trends of the last 20 years into the next 20 years, the expenditures will absorb about half of the GNP. This . . . is like arguing that if you gained five pounds last week, at that rate you will weigh two tons two years from now.
>
> We had a very significant increase in expenditures for social services in the last 20 or 25 years, because we had a lopsided economy . . . which was very rich in terms of the private sector, but very poor in the public sector, and for 20, 25 years we have attempted to redress that balance.
>
> I don't think the trend will continue, but whatever one's philosophical position, the notion that you take the worst recession years since the Great Depression to make this dramatic change in priorities is simply incredible. When unemployment is 8.2 and inflation is 12 percent, that's the time you take it out on the poor and the elderly and on schools and students? This is . . . appalling.

The President's budget imposes cuts on the elderly, the disadvantaged, the poor, the sick, and the unemployed, while requesting a "turn-around" real growth budget for the military.

These are priorities badly in need of reversal.

The committee believes that "the pattern of the President's spending recommendations is markedly different from the one the committee recommends."

In my view, we should have differed far more sharply in the area of national defense, and were the functional totals in the resolution before the Senate, I would be offering an amendment to those functional totals. I would also be offering an amendment to provide more antirecession jobs. Indeed, if the pace of economic recovery is slower than predicted, I will urge that the Budget Committee recommend, and the Senate authorize, larger-scale antirecession jobs programs.

The fact is that the functional targets of the committee are not mandates to spend, but upper guideposts. Without altering the amount of the deficit, I believe that substantial savings in defense outlays at least $4.2 billion—can be realized below the committee's recommended total. This $4.2 billion should be channeled into temporary recovery programs to speed our economic recovery.

Since the Senate will soon get an opportunity to pass on the defense budget, in both authorization and appropriations bills, I believe it worthwhile to share perceptions which the Budget Committee examination of the defense budget revealed, even though the present resolution does not contain functional totals.

The committee examined not only the numbers in the defense budget, but also the principal policy judgments, assumptions, and perceptions on which the huge real increase in the defense request, over and above compensation for inflation, is based.

It is readily apparent to me that this budget was built on a number of assumptions and judgments which Congress ought to specifically review; and that if Congress has differing assumptions from those of DOD about global strategy and the U.S. role in the world, substantial cuts can be made in the defense budget without injuring national security.

Secretary Schlesinger himself outlined in his posture statement the three choices he presumed were before the Congress with respect to the defense budget:

First, to make a percentage cut of about 5 percent in the request. Implying that this would give the United States the shadow rather than the substance of military power, the Secretary stated that were this our chosen course, it should be adopted explicitly, rather than "in a casual and impulsive fashion over a period of time." He thus rejected the nonspecific, lump-sum defense cut, unrelated to defense mission or objectives.

Second, the second choice offered by the Secretary was to recognize the connection "between the safety, interests, commitments, and foreign policy of the United States on the one hand, and the size, composition, and deployment of our Defense Establishment on the other." While the Secretary's statement of this position assumes that DOD correctly perceives its budgetary needs in carrying out any defined mission—an assumption that bears further examination—it does recognize the intimate relationship between mission and budget.

The defense budget request for fiscal year 1976 assumes that the United States needs to continue substantial military assistance to Vietnam, Cambodia, and a series of unnamed other nations. It assumes that we need "essential equivalence" in the strategic characteristics of our weapons posture. Despite the fact that the Secretary sees no threat to our deterrent "for the next several decades," Congress is asked to support characteristics of strategic weapons in which we may be behind—even though we have an offsetting capability. "Essential equivalence" is a radical, expensive, unnecessary, and, I believe, a misguided departure from the Nixon defense posture of "sufficiency."

There is a critical difference here which the Congress and the American people must understand. I question very seriously whether the United States should return to a military defense posture which is dictated by a discredited arms race philosophy. We must not allow ourselves to mistake the need for military strength and national security for a "me too" approach which threatens endless arms escalation, ever-increasing and ever more enormous expenditures, and heightened international tensions.

The Schlesinger budget assumes our total need for division strength has not been satisfied, and that, as a result, the potential manpower saving achieved by trimming unnecessary "tail"—service and support troops—must be immediately restored as "teeth"—combat troops—by creating 3 new divisions over our present 13. Neither the risks to which the United States was exposed without such additional "teeth," nor the increased threat which is deemed to justify the establishment of three new divisions, are adequately explained. In this context, Congress has recently made plain its view that the United States should limit military intervention to parts of the world where our national interest is at stake and, specifically, that it is not in the national interest to fight a land war in Southeast Asia.

The third choice perceived by the Secretary is the acceptance by Congress of not only the DOD's perception of global responsibilities as presented by the Secretary—seeming to suggest that the United States must keep on trying to be the world's policeman—but also DOD's perception of the manpower and weaponry necessary to carry out that responsibility. Calling this choice "more reasonable," the Secretary makes plain that "such a choice implies acceptance not only of the administration's budgetary request, but of the strategic concepts on which it is based."

However, to accept all or much of this defense budget this year without a detailed examination is to lock in place the Schlesinger strategy. We will have committed ourselves to the purchase of a camel after examining only the tip of the camel's nose that shows up in this year's outlay budget. The national defense budget is projected at $1[illegible]9.4 billion in budget authority, and $141.[illegible] billion in outlays in 1980, according to the President's own budget figures. Based on past experience with the costs of weapons systems, this is bound to be an underestimate, unless Congress exercises its responsibility to restrict some of the projected budget authority now.

If we wait until next year to apply the missions approach to our examination of the defense budget, we may well find that we have permitted the authorization of the expenditure of billions of dollars presently and vitally needed for our economy. We may also have locked Congress into the purchase of weapons systems of arguable need which will be purchased over a period of years, depreciating our ability to deal with significant national priorities, and causing expenditures during periods of recovery which may in themselves be a factor in triggering inflation.

The Budget Committee approved the first national defense budget in the Nation's history having new obligational authority of over $100 billion.

Our national resources are too small, and our needs are too great, for me to accept this action with equanimity.

I firmly believe that each dollar spent on defense unnecessarily could be better used to support temporary recovery programs, underfunded by the committee, which would, unlike defense dollars, not commit us to expensive, long-run programs which will continue to burn up our financial resources long after the economy has recovered from its present malaise.

The information which the committee gathered reveals several debatable assumptions which I believe the Senate should bear in mind as it considers the authorization and appropriation requests that will come before it in the next several months.

I encourage Senators, in making spending decisions affecting the national defense function, to examine closely the assumptions and other judgments that are implicit within the defense budget.

Senators who, like me, disagree with one or more of the debatable assumptions can realize substantial savings in defense spending by eliminating the manpower or weaponry that result from these assumptions. Using this approach—and by disagreeing with some, but by no means necessarily all, of the assumptions—I believe it is easily possible to cut fiscal year 1976 national defense outlays to as low as $87 billion. By the same means, I believe new budget authority can be reduced to $96.7 billion. While the aforesaid figures represent a significant cut in the Schlesinger budget request, they would still leave defense expenditures in both outlays and budget authority higher than fiscal year 1975 totals.

The following debatable assumptions are found in the defense budget:

First. That the Vladivostok agreement means that both nations must race to reach its ceilings;

Second. That we must maintain "essential equivalence" in strategic weapons, despite our present possession of a secure deterrent for the foreseeable future;

Third. That development of sea and air launch cruise missiles, which would adversely affect arms control negotiations, should proceed, with a potential price tag of $16 billion;

Fourth. That we need a hard target capability for the Trident II SLBM;

Fifth. That current world conditions require further development and procurement of advanced ICBM's and SLBM's despite our current overkill capacity;

Sixth. That we need to procure an additional 50 Minuteman III missiles at a cost of $270 million for flight testing and possible future deployment, even though we already have the 1,000 Minuteman missiles originally desired;

Seventh. That we need to continue an ABM effort, to defend our ICBM's;

Eighth. That the present world situation requires the creation and equippage of three new Army divisions;

Ninth. That we need to maintain U.S. forces in Taiwan, Korea, Thailand, Japan, and the Philippines which leads to a total estimated cost for the Asian force posture of between $20 and $25 billion per year;

Tenth. That we need overall to maintain over 500,000 military personnel overseas in 33 countries;

Eleventh. That we need an airborne surveillance command and control system—AWACS—housed in a large airplane, at a cost of $111 million per unit, to provide battle management in tactical air warfare;

Twelfth. That we need to modify 747's and DC–10's to a convertible cargo/transport configuration at a cost of $6.8 billion;

Thirteenth. That we need to authorize $130 million in new budget authority for procurement of the SAM–D missile, even though its production has been delayed because its guidance system does not work;

Fourteenth. That we need to develop a new battle tank at a cost of $1.9 million each;

Fifteenth. That we need a new tanker/cargo aircraft to support general purpose forces;

Sixteenth. That we need to authorize $4.2 billion in new budget authority for shipbuilding of a variety of ships;

Seventeenth. That the possibility of nuclear air attack justifies spending $88 million on civil defense as a starter, with far vaster expenditures to follow, once we move in this direction; and

Eighteenth. That we need both an all-volunteer Army with a fully subscribed recruitment quota and a selective service system costing $47.9 million annually, for "the development of alternate contingency processing procedures designed to increase the system's capability to meet the DOD manpower requirements in a major military crisis should existing procedures prove inadequate."

In addition to these 18 points, I would point out that the House Budget Committee—in arriving at its lower defense outlay and authority figures—saw fit to recommend cutting several additional items in the defense budget. These included funds from prior years' budgets which have become "unprogramed" and can be transferred for use in fiscal year 1976, and the cash balance of defense stock funds. These funds are used to acquire inventories of consumable materials and supplies.

Still another possible reduction is the Inventory Replenishment Fund. This fund is used to buy weapons—with U.S. appropriated dollars—to sell to other countries.

These and other funds buried in DOD's budget deserve close scrutiny.

I do not believe we have exhausted our ability to make cuts in outdated or unwise Federal programs. Indeed, we have barely begun this process. I believe that certain parts of the LEAA program and new highway construction spending are places where budget cuts or reallocation of funds must be seriously considered. Other members of the committee have suggested ways to decrease costs and increase cost-effectiveness within functional areas which I think should be pursued.

To the extent that these savings are realized—and I strongly believe they should be realized—and that revenues are increased through reform in the tax expenditure budget—a task which also must be undertaken—some and perhaps all—depending on the total—of the resulting funds should be pumped into temporary recovery programs until we have emerged from the present recession.

It is quite possible that the amount allowed for temporary programs in the committee budget will not be enough—either to promote a rapid reduction in the rate of unemployment, or to bring about a prompt recovery from our deep recession. To some extent, I fear that the committee's quite proper concern for macroeconomic issues tends to mask the microeconomic realities occasioned by staggering numbers of unemployed workers, discouraged workers, and workers with depleted paychecks because of drastically cut workweeks. Nothing is more harsh or real than the human suffering and tragedies in as many as one of seven American families torn by the strife of mortgage foreclosures, bankrupt small businesses, wiped-out lifetime savings and investments, lost health insurance protection, and the debilitation, frustration, and insecurity of being out of work.

At the same time, it seems likely to me that, despite its arduous effort and careful consideration, the committee may have incorrectly projected some program costs, may have been overoptimistic in its revenue projections—whether from taxes or from OCS oil leases—and may have failed to take into account all the new spending ideas that the President may promote or Congress may conceive and fund as the fiscal year progresses, especially if the economy continues to deteriorate. These factors are virtually certain in my opinion, to increase the projected deficit, and keep me from voting to increase it at this time.

Given the present economic situation and the currently incomplete state of our knowledge, I do not believe it wise to project now a greater deficit than is projected in the committee resolution. I know that the committee will be watching the economy carefully during the period between the first and second concurrent resolutions on the budget. I certainly will do so.

Should economic recovery lag, we must consider necessary revisions in order to increase stimulation.

The committee's efforts this year represent a historic beginning. I believe the committee, operating under severe constraints, has taken a critical first step toward establishing an effective congressional budget process.

It is very clear, however, that our work has only begun.

Mr. MUSKIE. Mr. President, I express my appreciation to the distinguished Senator from California for his statement, and for his dedicated efforts in the work of the committee.

I think the Senator's description of his disagreements in the social area are appropriate as a part of the debate this afternoon, and really highlight the problems we will face a year from now when we have to work out those differences on the Senate floor.

Mr. CRANSTON. I thank the chairman very much, and I again applaud his leadership of the committee.

In behalf of the Senator from South Dakota (Mr. ABOUREZK), I ask unanimous consent that Alan Chvotkin of his staff be accorded the privilege of the floor during the consideration of the budget concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I yield to my good friend the Senator from New Mexico (Mr. DOMENICI), who has been such a valuable member of the committee.

Mr. DOMENICI. I thank the Senator.

First let me say, Mr. President, that I wish to congratulate our distinguished chairman, the ranking Republican member, and all the other members of the committee.

Two years ago, when I came to the Senate, the 13 freshmen Senators, after about 6 months of watching appropriation bills come to the floor that we could not understand, that had no relationship one to the other, nor to the spending total, authorized a letter to our bipartisan leadership. We said to the leadership, "We are disposed to stop voting on appropriation bills, or to vote 'No' on them all, because we just do not understand what it is all about. We would have to carry calculators around, because these spending bills do not relate to any priorities relative to one another, nor even to any time frame."

We requested a meeting with our leaders, and received assurances from them that they, too, were concerned, and would join with us in pushing for expeditious hearings before the Committee on Government Operations and others on budget reform.

I really did not think, Mr. President, that we would be here today, so soon after that, with a historic first: The beginning of budget reform, for the first time in some 5 decades, for the U.S. Senate and Congress.

I wish I could say that with this resolution, which we expect to pass tomorrow, which I support and am confident will pass, we will have completed the quest of those 13 freshman Senators, and will be able to say that budget reform is really a completed fact. I think our optimism here on the Senate floor should be tempered a little bit by the fact that we are just beginning. We have come to the Senate today with a concurrent resolution and some essential recommendations in regard to its components that I think are tremendous and make great sense. On the other hand, we could not have chosen a more difficult time to begin this budgetary process.

I think perhaps there are two ways to look at that. Perhaps the easiest way out would have been to say, "Let us wait until next year," for that is when we were given the mandate. We were only given the option to begin this year. But another way to look at it is that when we start something in difficult times, times more or less calculated to make it fail, if it does work then, it is probably here for a long time and will become a very meaningful part of the most important policymaking component of the U.S. Government, which is its budget.

We can talk about policy statements by those in positions of power, but American citizens, local governments, and people out in the field in American business recognize that the budget, the document which determines how we spend money, is the policy decided for America. Not who says what, but where we spend, determines the policies of this great Nation.

SUPPORT FOR THE BUDGET RESOLUTION

So, Mr. President, I support the Budget Committee's concurrent resolution despite my reluctance to see the Federal debt increased by the $67.2 billion deficit. I am convinced that revenues will run somewhere between $295 and $300 billion and that outlays cannot be kept significantly under the $365 billion contemplated by the resolution. Spending can be held to that figure only if we in the Congress have the courage to exercise the most careful fiscal discipline based on constantly updated budget information. We must be prepared to make hard choices among the many meritorious programs making demands on the same dollars.

MINIMAL SHORT-TERM CONTROL

During the several months of intensive work by the Senate Budget Committee, it has become clear that only minimal control can be exercised over outlays in a single budget. If the congressional budget process is to achieve any substantial portion of the benefits claimed for it by its supporters, the Budget Committees and, in turn, the Congress at large must base current actions on constantly corrected projections of long-term effects.

DEFICIT: THE RESULT OF PRIOR DECISIONS

The outlays for fiscal year 1976 are for the most part, the result of prior actions which are impossible to reverse in the short run. The deficit which has occurred in this fiscal year and the deficits which will occur in 1976 and in the next 2 fiscal years are clear signals. The Federal Government, if it is not to remain a prime cause of "boom-bust" cycles, must use the budget as the means for defining its areas of responsibility. Complete responsibility for, and control over, other actions must be left to the States, the cities, the counties and the people themselves.

We will need to abandon some programs, accept full responsibility for others and leave to the good judgment of the people and their local officials the establishment of priorities in the non-Federal areas. The Federal Government must attempt less but do that "less" very well.

"BOOM-BUST" CYCLES

In the years since World War II, this country has suffered five "boom-bust" cycles of varying intensity and duration. The present recession is the most intense and promises to be of the longest duration of any economic catastrophe since the Great Depression. The Budget Act process can be a significant tool in dampening the violence of the cyclical swings if technical competence is accompanied by political courage.

RESTRAINING STIMULATIVE SPENDING

While I disagree with many of the economic theories which have currency today, I am convinced that something like the full-employment budget concept is useful in establishing a ceiling for outlays not related to the recession. To the extent that expenditures in excess of the full-employment budget amount are adopted by Congress, good fiscal management dictates that such outlays end as economic recovery begins. The mechanisms for detecting and reacting to early indicators of changing economic conditions must be perfected and applied if we are to avoid action which is "too much, too late."

PRIVATE SECTOR IMPORTANCE

It is my belief that economic factors largely outside the control of the Federal Government are much more significant than many economists admit and that incautious acceptance of unverified economic theory can cause substantial fiscal and monetary policy errors. I am convinced that the private sector contains great internal strength when allowed to operate in an essentially free market environment.

This resolution is based upon a very moderate involvement of Government in management of the economy. Much room should be left for the operation of market mechanisms. If stimulative spending is carefully related to the state of the economy and is moderate in amount, the interference of Federal fiscal policy with the productivity of the private sector will be minimized, assuming that monetary policy is also moderate.

FINANCING THE DEFICIT

The financing of the additional Federal debt that will result from the massive deficits for 1975, 1976, 1977, and possibly 1978 will place severe strains on the capital markets. Careful and skillful management will be required to accomplish this financing without, on the one hand, aborting economic recovery by crowding the private sector out of the capital markets and without, on the other hand, so increasing the money supply as to create an inflationary push into a new "boom-bust" cycle. Sustained economic stability can only be achieved by an adequately financed private sector developing and utilizing productive capacity to satisfy, at stable prices, the needs of a work force which is nearly fully employed at good but stable wages. The task will require superior monetary judgment and painful fiscal restraint.

CONCLUSION

The Congress is now embarked on a difficult reexamination of the role of the Federal Government in our system. Having, in prior years, tested the outer limits of our capacity to solve perceived problems by disregarding the finite limits of the resources available, we made our system vulnerable to outside events such as the oil embargo and the worldwide food shortage. This must not happen again. We owe the people of this country the freedom to pursue their happiness without fear that well-intentioned but poorly conceived and clumsily executed government programs will wreck the economic framework of their lives.

We must discipline our spending actions in the future by constant reference to accurate and current information. There is no hope of staying within spending limits if the individual components are uncontrolled. "Business as usual" will cause us to fail our fiscal responsibilities.

Assessing blame for the situation which forces us to accept the presently inevitable, by way of deficits, will divert us from our task of solving the short-range problem in a way which is minimally destructive to our future.

While I might disagree with certain aspects of the budget presented in the resolution, I am unable to find acceptable options for reducing outlays in ways which would significantly diminish the total. I urge that we promptly approve the resolution and move on to the difficult task of so reordering the future of the Federal Government that the people of this great country are relieved of the cruel burdens imposed by an unstable economy; economic instability resulting, in large part, from our failure to look at the long-run effects of our present actions.

I thank my distinguished chairman for yielding.

Mr. MUSKIE. I thank my good friend from New Mexico for his excellent statement.

I think it might be useful for the record, Mr. President, to indicate some of the disabilities under which we have tried to make this process work this year compared to the circumstances which we expect for next year.

In the first place, in a normal year the committee and Congress would have the benefit in November of the preceding year of a current services budget submitted by the President of the United States.

That current services budget was not available this year, and thus our work, as a committee and as a Congress, on the President's budget could not really begin until his regular budget submission on February 3. That was a loss of more than 2 months in working time which we will not face a year from now.

Second, a year from this fall we will see the inauguration of the new fiscal year which will begin on October 1 of 1976 as compared with July 1 in this year of 1975.

Now those two dates, taken together, mean that next year we will have 11 months from the beginning of this process until its conclusion, whereas this year we have technically only from February 3 until July 1 if we were to operate within the constraints of the fiscal year. Those are very real limitations.

Then, finally, Mr. President, this year the Budget Committees were not created until August, and we began the process of organizing and staffing them in late August and September but did not really complete the formation of the core staff until about January or February of this year. That also was a limitation, and although the staff has responded in outstanding fashion to the constraints of this year, I am hopeful that next year they will be able to perform even better.

It also took some time to get the Congressional Budget Office off the ground. There was, of course, a long period of consideration and evaluation of candidates as Director of the Congressional Budget Office. Both the House and the Senate regarded that as a key appointment. There were several outstanding candidates available, and the process of accommodating the two Houses to a final selection was more time-consuming than we had expected.

It was not until Congress came back this year that we were finally in a position to agree on a Director in Dr. Alice Rivlin, who is proceeding with the organization of that office.

Unfortunately, that office has not been available to assist the two Budget Committees in connection with this budget. A year from now they will be in place, staffed and organized, and in a position to make a solid contribution to our work.

So for all of these reasons, I suppose we could find excuses for not undertaking to do what we are doing today. I am so pleased that with all of those shortcomings, we were in a position to move as effectively as I think we are moving today.

The fact that we are not able to get into a debate on the 16 functional categories deprives this debate of some of the priority issues that we will have to face next year, and that may be a loss. But, on the other hand, getting prepared for that kind of debate may well take the kind of flexibility that is built into this year's procedures.

I again would like to thank my good friend from Oklahoma for making it possible by his cooperation and his patience for us to come to the Senate as fully prepared as I think we are.

Mr. BELLMON. Mr. President, will the Senator yield

Mr. MUSKIE. Yes, I yield.

Mr. BELLMON. I thank the Senator for paying the Senator from Oklahoma a tribute he does not deserve.

I thank the Senator also for pointing out the constraints the Budget Committee worked under this year, but I also invite the chairman to bring the Senate up to date, if he will, on the Congressional Budget Office. This might serve other committees and other Members if we know how soon the Congressional Budget Office will begin to function and what services we might expect from it.

Mr. MUSKIE. We now have about 30 persons on board in the Congressional Budget Office. We have temporary space arranged, part on the House side and part on the Senate side of the Capitol. So the Congressional Budget Office is operating under very difficult circumstances.

I think both the Senator and I, as well as Representative BROCK ADAMS on the House side, assured Dr. Rivlin that she ought not to concern herself with the needs of this budget; that it was more important for her to gear up and prepare for next year, and that is her focus at the present time.

She is putting together a professional staff. She has available to her qualified people in the academic world and people who have had experience in the Federal budget practices, and so I think her staff is going to be outstanding.

Her function, as she sees it, and I concur with her fully, is the development of options for the Congress to consider—options to set against the President's options.

The essence of this budget process is the making of choices. I think it is clear from the debate we have had this afternoon, that we must learn to choose among our limited resources. We have to learn to say no, learn to discriminate between programs, learn to select those which are most clearly at the top of the list in terms of the country's interests.

So I think the first obligation is that of developing the options which the Congress ought to consider next year, in all of these functional areas from defense to education, environment, transportation, and energy.

Dr. Rivlin does not see the office as that of an advocate. I think we would agree with that. It is not the function of the office, the Director of the CBO, to impose the economic philosophy of the Director or of any staff member of the Congressional Budget Office, but it is their responsibility to present us with the options.

Second, it is their responsibility to keep us on track with respect to the costs of the options we adopt.

One of the important requirements, it seems to me, to make this process work is that from the moment Congress adopts a first concurrent resolution until we act finally in September to nail in place our budget decisions, we have got to stay on track in terms of the budgetary consequencies and implications of every decision we make in between. Every appropriations bill, every authorizations bill, every policy decision that we make has to be kept on the track which we will set in motion with this first concurrent resolution.

The Congressional Budget Office has a very important function in helping us to do that, so that every time a vote is taken on the Senate floor which has an impact upon the budget, upon the decisions we have made, each Member of the Senate will know what the consequences are in terms of the budget.

Now, going beyond that, of course, the Congressional Budget Office has long-term responsibilities of enormous consequence, but I think we can get into that at another time.

Mr. BELLMON. I thank my distinguished chairman and I believe that once the Congressional Budget Office is functioning, as it will be when we begin consideration of the 1977 fiscal year budget, it will be in a better position to deal with the problems than this year.

Mr. MUSKIE. May I make one other point, and then I will yield to my good friend from Delaware.

The Senate might be interested to know how we proceeded through the process of bringing these numbers to the Senate. We did so by taking up each of the 16 budget functions of the Government, which are reflected on the chart at the back of the Senate Chamber.

We debated each of these 16 functions, not in terms of particular programs, but in terms of the way the resources were needed by these various functions in our Government, from a priorities point of view.

When we got through that whole process, then, and only then, did we add up the numbers. Those numbers came to $365 billion.

Now, those numbers reflect a wide disagreement within the committee about how much should be spent in particular functional categories.

So each of us, as a member of the committee, had to decide whether it was more important to agree as a committee on an outlay ceiling and on a deficit, or more important to pursue our individual priorities.

We decided, as the vote of the committee will indicate, that it was more important that we come to the Senate in agreement about an outlay ceiling and a deficit ceiling than to come to the floor debating again our differences as to priorities.

We believe that this ceiling will accommodate the priorities, the essential priorities that are represented in the Senate as a whole.

Beyond that, it will have a disciplinary impact upon our disposition as individual Senators to vote for good programs as they come along, not simply because they are attractive.

This ceiling imposes some discipline, but it also provides an opportunity for rearranging priorities in accordance with the differences which are so well known to Senators individually.

At this point, I yield to the youngest member of the Budget Committee, who already has gone so far to establish the role of juniority in the Senate being a member of both the Foreign Relations Committee, which I had to leave in order to come to this Budget Committee, and the Budget Committee.

As always, the Senator is a very articulate, vocal and vigorous Member of the Senate. We are delighted to have him on the Budget Committee.

I yield to the Senator at this point for whatever time he may need.

Mr. BIDEN. Mr. President, I thank the distinguished chairman very much for those kind words and ask unanimous consent that Richard Andrews of the Budget Committee staff be granted privilege of the floor during consideration and votes on Senate Concurrent Resolution 32.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. BIDEN. Mr. President, the Senate today begins consideration of its first budget resolution.

I believe that this marks the beginning of a new era of responsible fiscal policy for our country.

This is the day when Congress starts looking at the whole budget, not just the pieces.

This new process, which is built upon the strong foundations developed by the Appropriations and Finance Committees, is surely one of the most important things that has happened in American Government in many years.

I believe that the Senate Budget Committee has done a good job.

The members have worked together, disagreed together, and finally come up with a budget that most members felt was supportable and proper under our current economic circumstances.

I hope to see this responsible view of the process continued here on the floor of the Senate in the next day or so.

Trying to put together a budget this year was not an easy task, given the problems of organizing the committee and its staff, and embarking on a new venture.

However, it was important to start this year to provide as much fiscal guidance as possible in these difficult economic times.

The credit for the success that I believe we have had goes in large measure to the careful guidance provided by the committee's chairman, Senator MUSKIE.

Senator MUSKIE deserves the commendation of the entire Senate for his willingness to undertake the chairmanship of this new endeavor. In fact, to give up for this new process, particularly, the Foreign Relations Committee spot which is so sought after by many of us.

Ever since a group of Senators sat down around a table last summer to organize this new committee, he has carefully pointed it in the direction which has led to what I believe to be a remarkably good end product.

I would also commend all of the other committees of the Senate for the spirit in which they have entered into this new process.

They have given us careful and thoughtful reports about the budget as they saw it, which have really formed the base for our decisions.

In addition to the formal reports, the members and the staffs of the committees have been most helpful in providing information which we needed to do our job.

I believe that this cooperative effort is a good sign for the future in the Senate.

I think one other thing should be said about this new process, and that is that it is not quite as new as some Senators make it out to be.

There has been a myth around that the Congress never looks at financial matters, and is totally irresponsible in dealing with them.

The fact of the matter is that the Appropriations and Finance Committees in the Senate, and their counterparts in the House of Representatives, have been looking at our money problems for a long time.

These committees have many knowledgeable members, as well as staff, and their work forms the base on which this new process is built.

Getting now to the resolution, Mr. President, I would urge my colleagues to support the committee's efforts.

I realize that there is probably not a Senator here who could not find something to disagree with in the committee report or with the total figures in the resolution itself.

I do not subscribe to every word of the report myself.

I do believe, however, that the committee's recommended figures contained in the concurrent resolution are supportable at the present time.

By and large, the $365 billion outlay target represents a fairly tight spending level.

Some would wish that the figures were higher, and others that they were lower, which is one thing that makes me think that they may be just about right.

I believe that the committee has walked a fine line between a budget which would be ineffective in encouraging recovery from the recession, and one which, on the other hand, would be too stimulative and would lead to a resurgence of inflation.

No economist from whom we heard has said that there should not be a deficit. They all concurred that there was a need for a deficit.

The deficit is caused, in large part, by the economic conditions in which we find ourselves.

This is not a spending deficit, it is a recession deficit.

Present economic conditions tend to decrease tax revenues, and to increase such spending programs as unemployment compensation.

The result is an almost automatic deficit.

The deficit which the Budget Committee has presented is not caused by massive new spending programs.

These are totally absent from the considerations which led the committee to its recommendations.

I believe that in recommending the figures we did, we have reached the point where we would soon have to dig into programs that are essential to the national welfare if we were going to reduce the budget further under present economic conditions.

I would like to take a moment to examine the Budget Committee's role in the entire budget process and the purpose of the concurrent resolution before us now.

Our purpose here is to set budget totals that are consistent with the needs of an economy that is in deep recession, with unemployment now at 8.7 percent.

We are also looking at broad priorities for spending within available resources.

We are not looking at line items.

It would be a mistake were we to do it here.

The Appropriations Committee and the authorizing committees will do this.

If we disagree with their review, then we can take up individual items on the floor of the Senate.

I know there is waste that can be cut out and I intend to try to get it out.

But to do that would distract us from the first, big decision we must make about the spending of our Government and the areas of priority.

The Senate should keep in mind that this budget was developed on the basis of the best economic information available to us right now.

The course of the recession is not clear at this time.

There are some optimistic signs that the economy may be getting ready to turn up.

On the other hand, there are the very discouraging figures on unemployment, which continues to climb.

Whichever way the economy goes, I hope that the Members of this body will keep in mind that the figures they are being asked to approve are not set in concrete.

These figures are targets to guide us.

Even under the Congressional Budget Act, the life of the first concurrent resolution and its figures is only 120 days.

In September, it is supplanted by a more final and more permanent second concurrent resolution, which can alter the budget figures drastically if that is appropriate.

There is no need to change this resolution now to anticipate what may happen.

We need not try to foresee every development in the economy now.

It is the intention of the Budget Committee to carefully monitor the economy during the period between the first and the second concurrent resolutions when the Senate is considering various spending measures.

If it sees any significant changes in economic trends which would have a significant impact upon the budget, it will certainly announce that fact.

It is always appropriate to consider an interim concurrent resolution setting new totals more appropriate to changed conditions.

So I would urge my colleagues to support this resolution with the clear understanding that, if conditions warrant, the committee will reconsider its recommendations.

In addition, of course, any Senator has the right at any time to introduce a concurrent resolution to change the ceilings, and I am sure the Budget Committee would give careful consideration to it.

I am sure that the Senate will give careful, serious, and responsible consideration to this resolution.

To do otherwise would be to doom two of the most promising recent developments in American Government.

The first is the possibility that we may finally have a mechanism for setting a sound fiscal policy for our country.

The second is that Congress will be able to assert its responsibility in guiding the financial policies of our Government.

Mr. President, again I cannot emphasize too strongly how difficult it was to get this whole mechanism in order, and how much credit the chairman of the committee deserves. He has taken this on almost singlehandedly, pushed some of us, prodded some of us, cajoled the rest of us, and insisted that, in fact, we get about the business of getting that resolution in and doing it not in a piecemeal way but in a very thorough way. Sometimes I have been a little disturbed at some of the decisions that have been made in the committee. Sometimes I have disagreed. But by and large my opinion has been one that has done nothing but increase my respect for the mental prowess and leadership of the gentlemen of the committee. I also now know if someone is going to take a position in opposition to the chairman of that committee they had better have their facts together and know what they are talking about or they will have a very serious problem. I hope my colleagues, those few who might come in here with superfluous amendments, ones not particularly thought out, will keep that in mind. I can assure them that the chairman and the ranking minority member are very well prepared. They have very thoroughly gone through this and I suspect will be prepared to argue on its merits.

Again, I would like to compliment the ranking minority member and the chairman of the committee for the fine job they have done.

Mr. MUSKIE. Mr. President, I express my appreciation to my good friend from Delaware for his excellent statement and his overgenerous remarks. I hope the leadership of the committee is not too intimidated but just intimidated enough to get this job done.

It might be useful to members to know what is coming up this afternoon and tomorrow. I expect the first amendment to come up at about 2:45. It will be a Buckley amendment to lower the outlay ceiling and to lower the deficit number. In respect of tomorrow there will be an amendment to be offered by Senator MONDALE and some of his colleagues to raise the outlay ceiling and, in effect, to raise the deficit number.

There may be one or two variations of a cutting amendment that will come up tomorrow.

I hope that we can begin debate in about 45 minutes on the first amendment. I would be willing to entertain another one before then. That is the time that we sort of agreed that the Buckley amendment could be offered. We hope to get to a vote this afternoon.

May I make clear to the Members of the Senate that the budget-reform legislation provides for 50 hours of debate. Included in that 50 hours is all time on amendments. Amendments have a maximum of 2 hours to be equally divided for debate. So the Buckley amendment, unless we give additional time from the resolution, ought to be in shape for a vote late this afternoon.

That is the latest intelligence that I have. This is not like a normal piece of legislation where there would be a lot of amendments in the wings. There should not be, as I see it, more than four or five amendments, unless I am taken by surprise, between now and tomorrow.

At this point I am happy to yield to any Senator who may have comments.

Mr. BELLMON. Mr. President, the Senator from Nebraska has asked for some time. I yield 15 miutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I believe this new budget law is serving a purpose. I believe in the requirement that sometime early in the session the Congress assemble a budget and take a look at where we are going as to receipts and expenditures.

I believe it is important that we retain this procedure and try to improve it. I do not believe that we should consider a cure-all. I doubt very much if we can regard it as a measure to hold down expenditures.

At any rate, I am convinced that there are a number of Members this year, and a number of staff members this year, who have taken a look at the overall budget in a way that they have not done in the years gone by.

We cannot, by a mere statute, control spending. I believe that the basic drive over the country that we have budgetary reform in the Congress was not for the purpose of just mere efficiency of operation. I think the underlying force of that was that we stop going into debt, that we end deficit financing, that we go on a pay-as-you-go basis. A statutory requirement that we do that is quite ineffective, because it is a mere statute; and Congress can, 15 minutes later, 15 days later, or a year later, by a legislative act, a mere appropriation or any other statute, supersede the statute. So there is no budgetary ceiling that has any force and effect when it comes down to that.

I stated that I thought one of the values of this law was that it focused attention upon our financial situation. I commend not only to Members of the Congress but to all other citizens as well this little book that is published each year, "The United States Budget in Brief."

This one is for fiscal 1976, which begins July 1. The most informative page is the first inside cover. It shows where the money comes from and where it goes. It is the saddest looking picture we have had in any year.

As to where the money will come from in the next fiscal year, 15 percent will be borrowed. Do people realize that we will borrow more money to run this Government than the corporations pay in income tax? Do people realize the amount borrowed will equal half of all the income taxes paid by individuals?

The chart shows that of every dollar coming into Washington, 15 cents is borrowed, 30 cents comes from individual income taxes, and only 14 cents comes from corporation taxes.

Millions and millions of people pay more social security tax than they do income tax, but the amount that is borrowed in their behalf exceeds that. The payroll social security tax on employees accounts for 13 cents for every dollar received, but we will be borrowing 15 cents. This is what that means: If you pay $1,000 in personal income tax, your Government is signing your name to a note for $500, not to solve some problem of refinancing, but to pay the current costs of Government.

If your income tax bill is $10,000, the Government is borrowing in your name—and you will have to pay it back—$5,000. If you are more fortunate and are paying $20,000 in income tax, the Government has to borrow $10,000 to put with it, in order for this Government to meet operating expenses.

There is another misapprehension about this budget, and it is shown on the inside page. This shows where the money goes.

It is easy to say we have high expenses and great debts because of Vietnam or Cambodia. It is not so at all. This year, 27 cents of every dollar of expenditure goes for national defense. Two years ago, it was 29 cents. Ten years ago, it was 40 cents. The amount of money going to the Defense Establishment is being reduced and reduced.

Where does the big money go? The big money goes for the welfare state. It is all in this chart. Thirty-nine cents of every dollar you send to Washington goes for direct payments to individuals. Another 16 cents goes for payments to States and localities. Of that 16 cents, they pass 5 cents on to individuals. Thirty-nine cents and 16 cents make 55 cents.

The interest on the national debt is another 7 cents. That is 62 cents. Twenty-seven cents goes for national defense. All other functions of Government take only 11 cents.

We are breaking the bank because of the millions and millions of checks that are sent out of Washington to individuals, to States and localities, some of which is passed on to individuals. The financial

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problems of this Government in paying for the cost of governing are rather modest. The big crunch comes with respect to providing.

Take the field of medical care. If we look at page 36, we find that 10 years ago, the Federal Government was spending about $3 billion for all health programs. In the next year, it is going to be close to $30 billion.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays on the amendment I will offer a little later.

The PRESIDING OFFICER (Mr. Garn). Is there objection to ordering the yeas and nays on an amendment which is not before the Senate? The Chair hears none, and it is in order .

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, 10 years ago, we were spending $3 billion of Federal money for health. In the next year, it is going to be $30 billion; a 10-fold increase in 10 years.

It will take a change of some substantive law to reduce that.

We are engaged in a program whereby, through the payroll tax, we are taxing young people and middle aged people who are buying their own homes, paying their medical bills, educating their children, buying life insurance, and contributing to local churches and institutions. We are taxing them to pay the hospital and medical bills of everybody over 65, regardless of their income. Certainly, government has a responsibility to provide medical care for people who cannot provide it for themselves. Yet, we are putting a tax burden on the people to provide a service that many people are well able to provide for themselves. In order to carry out this multiplicity of programs, we not only have high taxes upon our people, but also, we are borrowing 15 percent of our outlays.

There is another very interesting chart in this booklet. It is the one on social services. Ten years ago, it was about a quarter of a billion dollars; now, it is more than $2½ billion.

As to the field of education, some of us were here when the whole concept of Federal aid to education was promoted. It was argued that there were States and localities that did not have the resources to provide good schools. Long speeches were made about this pocket of poverty and that pocket of poverty which did not have a tax base, and that caused many people to say, "We'll shift the burden of running schools from back home to Washington."

There were other people, some of them quite conservative minded, but they were disturbed about the high taxes locally, so they said, "We favor Federal aid to education," thinking it would lower their taxes. It has not.

What has happened in the meantime? A chart on page 32 shows that 10 years ago, we were spending for education a little less than $3 billion. This next year it will be a little more than $7 billion.

In other words, what I am trying to say is that the heavy cost of government comes not from governing but from providing; it comes from our adoption of a welfare state, which has been built, brick by brick, over the last four decades.

Sometimes we are rather thoughtless in our criticism. Somebody will say, "I do not like President Ford's budget." Well, the poor President did not have anything to do with this budget. It is sort of an adding machine process to see what these programs call for and then add it up and ask Congress for it.

In a conversation with the President a short while after he submitted his budget, I heard him say that he was $2 billion short. Only a few days had elapsed, and his budget was $2 billion less than it needed to be. Here was his explanation: More people went on unemployment compensation and increased the outgo. At the same time, it decreased the income. Then more people elected to retire under the Social Security Act. The average age of retirement is not 65 years, it is a little over 67; but when jobs become scarce, more people elect to retire. Those two acts alone increased the expenditures by $2 billion. Yet it is so easy for someone here who may have voted for every social program that has come along and placed the burden on the President to ask for money to execute the law to say, "I do not like President Ford's budget."

Here is another thing about the welfare state: It carries a long-term commitment. How on earth can we have a program that someone participates in as a payer for years and years and then, when he gets to a place to draw benefits, we say, "It is going to be discontinued or reduced." They are, in a sense, programs that run into perpetuity. And we have had so many of them that that is where our money goes. Fifty-five cents out of every dollar that is expended goes to support the welfare state.

There are other programs that we can control. We might get enthusiasm about a highway program for 2 or 3 or 5 or 19 years, but if we need to, we can slow it up for a short while. There are other programs that, by the nature of their operation, the cost goes down on. On page 28 of the budget booklet is a chart showing the expenditures for the Department of Agriculture. Back in about 1968, those expenditures were nearly $6 billion.

The PRESIDING OFFICER. The 15 minutes of the Senator from Nebraska have expired.

Mr. CURTIS. I yield myself 10 more minutes.

In 1968, those expenditures for Agriculture were near $6 billion. They are going to be down below $2 billion this next year. But not so with these benefits to individuals and to States. They run in perpetuity at an increasing rate. It is going to be most difficult to do anything about many of them, but there is one thing we can do: we can stop adding to the programs. We can stop expanding the welfare state.

Take the field of health. We have a program for the aged, medicare. It could stand a lot of improvement. We have a program for the poor, medicaid. It could stand a lot of improvement. But lo and behold, we are talking about national health insurance. What is the issue there? The issue is, Shall we have a medical program for people who are neither poor nor aged?

Imagine facing a $100 billion deficit and then we so depart from responsibility that we suggest a medical care program for people who are neither poor nor aged.

Mr. President, I said at the beginning that while this exercise in establishing the congressional budget had value, and it has, to focus attention on the problem, it is not a law with any teeth in it. It is a statute. An appropriation bill is a statute of equal power, and the last one prevails. So it does not hold down expenditures; it cannot. Regardless of what is done on this resolution today, it will be the subsequent acts of Congress that determine how much we spend.

There is one way we can do it. There is one way that we can go on a pay-as-you-go basis. That is by making it a constitutional requirement. The Constitution is the supreme law of the land. Anything we write into the Constitution prevails over every statute, and statutes must conform to it. It is not easy to amend the Constitution. It must pass both Houses of Congress by a two-thirds vote and be ratified by three-fourths of the States. I have spoken very critically of many social programs. I have voted the way I have spoken. But I have recognized that there are many people who believe in a lot more government than I do. I respect them in that view. But I say that we should be willing to pay for whatever government we vote for. To vote for Government programs and then not levy the taxes to pay for them is immoral and dishonest.

This year, we have to borrow 15 percent of the amount of our expenditures—and that says nothing about the bonds that will become due from past borrowings. Therefore, I have a constitutional amendment pending. It has a number of cosponsors. I hope that as time goes on, it will have more cosponsors. It would compel the Federal Government to go on a pay-as-you-go basis. If an individual Member believes that a program is good, he ought to believe it enough to vote to levy the taxes to carry it on, not just to add it on this heap of debt that could only bring chaos.

Here is how this proposed constitutional amendment, Senate Joint Resolution 55, would work:

It would require the President, in submitting his budget, to submit a balanced budget. If the President recommended more expenditures than estimated receipts, he would have to figure out how much surtax it would take to put his budget in balance. The surtax, of course, is a percentage tax increase on your regular tax. If it took a 10 percent surtax, 5 percent, 3 percent, or 12 percent, the President would have to declare it.

That would have a very wholesome effect throughout the country. People all over the United States, the next morning, would say to one another, "Did you hear what the President is going to do? He is going to raise our taxes 10 percent," or 12 percent, or 3 percent. And they would get busy right away and write their Representatives and Senators.

They would become interested in the budget of the United States.

I believe under our system the power over taxation and spending belongs to Congress. Under my proposal, it would still be there. Congress could do one of several things with the President's budget. First, they could lower expenditures, and the surtax would not be necessary. Or they could find some other source of revenue, and the surtax would not be necessary.

Sometimes, however, Congress increases the President's budget. This proposal provides that at periodic times, the Speaker of the House of Representatives shall calculate the amount of spending authorized and the estimated receipts, and determine how much surtax it would take to put the two in balance. If Congress does not do so, and neither provides other revenues nor reduces expenditures, the finding of the Speaker of the House of Representatives as to the amount of surtax needed to put it in balance would automatically go into effect, and the surtax would automatically go into effect.

Here is what that would do, Mr. President: It would force the President and Congress either to reduce expenditures or to collect the tax.

Some might well ask, "Why would a conservative from Nebraska like Carl Curtis be advocating a proposal that could lead to more taxes?"

There is a twofold answer. First, if we are going to have high expenditures, we have to have high taxes. No one can go into all the stores in town, make large purchases, and not have some high bills to pay at the end. If we are going to have high expenditures, we have to have high taxes. That is one part of the answer.

The other part of the answer is that if Congress and the President are forced to choose between controlling expenditures and decreasing taxes, we will establish a greater control over expenditures. We will establish some priorities. We will not be so quick to enlarge the Government. There will be some things that we can change. There will be other things that we can correct. If we had to levy the taxes this year, believe me, Congress would vote some reform in the food stamp program. When it started just a few years ago, its costs was a quarter-of-a-million dollars. Now it is over $4 billion. Seventeen million Americans got food stamps last December. If we do not change the law, 25 percent of the population is going to qualify for food stamps. That is nearly 55 million people.

There are individuals with incomes over $10,000 who are drawing food stamps. It was never intended that food stamps supplement one's income. It was intended as a nutrition program, to be confined to those people who just could not get enough to eat, and were undernourished, so that they should be able to improve their nourishment. Yet it has now been ushered in as an income-supplement program, to help a quarter of the population.

If we had to face the music in this Chamber, in the House of Representatives, and in the Office of the President——

The PRESIDING OFFICER. The Senator's additional 10 minutes have expired.

Mr. CURTIS. I yield myself 5 additional minutes. I do not have any to yield, but I am happy to do it.

If we had to choose between having some reform of the food stamp program or collecting enough taxes to pay for such a program, we would reform it.

That is the reason why I hope, Mr. President, that I shall live to see the day when we do have two-thirds of the votes of both Houses of Congress to submit a constitutional amendment to the States for their consideration that would compel the Government of the United States to live within its means. That would do more to spur our economy than anything else that I know of.

Our Secretary of State pointed out before the Committee on Finance that our recession is caused by the inflation, and I heard an economist say within the last week that this tax bill that we went overboard to vote for, a tax reduction at a time when we are borrowing money to operate on, was laying the foundation for a recession in the latter part of 1976.

It is the inflation that is causing the recession. It is the inflation that is causing people to be frightened. The savings and loan institutions here in the city of Washington attained their biggest month in their history last year, with people putting their money in there because they lacked the confidence that they should have to spend it.

If we want to guard against recessions, let us put our financial house in order. If the word would go out in Washington that we had put our financial house in order, men would enter into contracts, individuals would launch out on new ventures. They would take an idea, develop it, build a factory, and hire people. Individuals with money would choose to invest it in a worthwhile enterprise that would prod economic activity in the country, and jobs, if they felt that our house was in order. The nations of the world would take notice if we balanced the Federal budget and operated on a basis that we would always balance the budget.

Mr. President, it used to be said that there is nothing wrong with this country that an election would not cure. That is not true any longer. We could have an economy-minded Congress in here for 10 years, and they could hold down a lot of expenditures. Then we could have one election where the spenders sweep the country, and they could start a lot of programs that would multiply over and over the expenditures and obligations that we have now.

Mr. President, every generation is called upon to make a sacrifice to preserve this country. The frontiersmen went through it. The pioneers, the original settlers, those who won our independence, those who fought in the great war between the States—every generation is called upon to do something. I believe that the burden of this generation is one of putting our financial house in order, and that if we lose that fight, we will have damaged our country for a long, long time to come, and that we will have further accentuated the nosedive toward becoming a second, third, or fourth-rate power.

Mr. President, I yield the floor.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CURTIS. It is totally immaterial to me.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 374

Mr. BUCKLEY. Mr. President, I call up my amendment No. 374 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. Buckley), for himself, Mr. McClure, Mr. Thurmond, and Mr. Brock, proposes an amendment No. 374.

The amendment is as follows:

Strike out all after the resolving clause and insert the following:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $340,000,000,000;

(2) the appropriate level of total new budget authority is $388,600,000,000;

(3) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $34,700,000,000;

(4) the recommended level of Federal revenues is $305,300,000,000, and in order to achieve this level the amount by which the aggregate level of Federal revenues should be increased is $7,500,000,000; and

(5) the appropriate level of the public debt is $611,100,000,000.

Sec. 2. The Congress, in setting forth the amounts contained in the first section of this resolution, estimates that Federal receipts from the leasing of the Outer Continental Shelf for oil exploration purposes will be $4,000,000,000, rather than the $8,000,000,000 estimated in the budget submitted by the President. If the $8,000,000,000 estimated is realized, the appropriate deficit set forth in paragraph (3) of the first section is $30,700,000,000.

Mr. BUCKLEY. Mr. President, my amendment No. 374 to Senate Concurrent Resolution 32 is in the form of a substitute. It recommends a spending level of $340 billion, revenues of $305.3 billion, and a resulting deficit of $34.7 billion as opposed to the Senate Budget Committee's recommendation of $365 billion for outlays, $297.8 billion for revenues, and a deficit of $67.2 billion resulting therefrom.

Mr. President, I request that the Senator from Texas (Mr. Tower), the Senator from Virginia (Mr. Scott), the Senator from Oregon (Mr. Packwood), the Senator from Utah (Mr. Garn), the Senator from Nevada (Mr. Laxalt), the Senator from Arizona (Mr. Fannin) and the Senator from Wyoming (Mr. Hansen) be added as cosponsors of amendment No. 374, intended to be proposed to Senate Concurrent Resolution 32, relat-

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ing to the determination of the Congressional Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. I would like to say at the outset that, in questioning the Budget Committee's recommendations and the economic thinking that led to them, I do not wish to suggest anything but the highest enthusiasm for the new budget process itself. It represents an important step toward providing the Congress with the ability to determine national spending priorities in a comprehensive and responsible manner. It is a process that is long overdue; and I want to commend the chairman, Mr. MUSKIE, and the ranking minority member, Mr. BELLMON, for their work in bringing the machinery into operation in so short a period. By the same token, every member of the Senate Budget Committee recognizes the severe handicaps under which we have been forced to operate in this initial "dry run" of the procedures stipulated by statute.

What I believe to be of particular value about this initial attempt to commit the Congress to specified spending limitations and to assume responsibility for the resulting deficit, is that it provides us, really for the first time, the opportunity to examine the underlying assumptions on which the Congressional fiscal policy is based. In a sense, this is far more important than the actual figures that will be adopted by the Congress, as the final recommendations will reflect the Congress' underlying understanding of how the economy operates and of the impact fiscal policy has on its long-range health.

A challenge to the basic premises on which the majority of the committee has operated, then, its not a challenge to the new budgetary process itself. Rather, it is an attempt to make it work more effectively, and to make sure it more accurately reflects the economic thinking of the Congress as a whole, by raising questions as to the key premises.

Most specifically, I challenge the committee's single-minded emphasis on stimulation at the expense of long-term stabilization, in its attempt to address the problem of economic recovery. It seems to me that this offers nothing more than a larger dose of the economic snake oil which is largely responsible for our current economic difficulties. In rejecting that prescription, I will present data to support my contention that a spending deficit in the neighborhood of $70 billion is far in excess of the stimulus which the economy can safely accommodate without discouraging investment and reintroducing into the economy, by 1977, a new wave of inflation.

Before pursuing my analysis, I would like to make a comment or two on the procedures we have followed in arriving at our recommendations.

In the first instance, I would have preferred to see the authorizing committees provide the Budget Committee, not only with an estimate of the amount they wish spent during the subsequent fiscal year, but also with information as to what they consider to be the absolute minimum levels of spending that are feasible in their respective areas. Had this been done, it would have provided the Budget Committee with a better understanding of the options available to it. As it was, the Budget Committee had to work backwards from the authorizing committee requests in order to reach its spending recommendation of $365 billion. This has made the belt-tightening function of the budgetary process more difficult to achieve.

I also believe that greater attention might have been given to the revenue side of the budget equation; but I recognize the difficulties of doing so this year, especially in light of the substantial changes being made in the tax laws.

Finally, I believe that a greater effort should be made in the future to extend the committee's vision beyond the fiscal year immediately under consideration, both in terms of the development of fiscal policy and in estimating the long-range needs within the various functional areas.

My major criticism of the fiscal policy reflected in the committee's recommendations is that its vision does not extend beyond their immediate impact on unemployment statistics. It does not try to estimate the long-range effects of the huge fiscal 1976 deficit on inflation, on inflationary expectations, and on the rate of investment in the private sector. I also believe—as I pointed out in my supplemental views on the recommended reductions in levels of defense spending—that it was extremely difficult to determine appropriate levels of spending in any given fiscal year without an understanding of longer-term requirements. I am sure, however, that we will be developing this greater perspective as we move into the next fiscal cycle and have at our disposal the full facilities of the Congressional Budget Office.

There is no question that the present state of the economy is deeply disturbing; but in many ways, it is not nearly so disturbing as the response to it by the Senate Budget Committee. The American people want a stable economy; the committee offers them instead an inflationary budget. The people want a sound dollar; the committee offers them instead the sound of high-spending rhetoric. The people want prices to level off; the committee recommendations all but guarantee that prices will go up—and that more Americans will be driven out of productive jobs. The people want an end to the recession; the committee's actions threaten to cripple the recovery and plunge us back into another, deeper recession.

While inflation has abated over the last few months, the economy has undergone a recession at a rate which caught most economic observers by surprise. That recession follows inflation is—or should be—no surprise. Inflation induces business to build unsustainable inventories at the same time that it reduces real wages and purchasing power. Inevitably, spending and production cuts follow; and usually they are attenuated by the belated shifts of monetary policy to flight inflation. The "inflation-recession" cycle is being accentuated. The committee's proposal will not put an end to that cycle. To the contrary, it would almost assuredly deepen it.

The current recession is the worst since the last days of the Great Depression. Unemployment stands at 8.7 percent for March 1975, and threatens to go higher. Some predict a 10 percent rate before a turnaround comes. Production has fallen for three straight economic quarters, and the decline is likely to continue for at least an additional quarter. Housing starts and construction, as a whole, slumped to what can only be called depression levels; and the automobile industry, after a virtual shutdown in November of last year, is only now beginning to call workers back as inventories of unsold new cars reach levels which justify new production. But car sales remain weak. They are still off by more than 25 percent from last year's figures. In a word, the American wage earner is being battered by the one-two punch of inflation-recession.

The response of the Budget Committee to the recession is to recommend for fiscal year 1976 a Federal deficit of almost $70 billion, and an increase in Government spending of $50 billion. This is a 16.25 percent increase over estimated spending for the current fiscal year. The committee urges upon the Senate the idea that these are not only sound recommendations, but that they are necessary to our recovery. I beg to differ. The committee's recommendations constitute a major threat to the economy's long-term ability to perform without recession-creating inflations. In addition, the figures the committee recommends will have an adverse impact upon the ability of American families and businesses to obtain needed credit. Because of the high level of Federal borrowing that would be required to finance the proposed deficit, as much as $40 billion in private demand for credit and capital will be crowded out by the committee's recommended fiscal policies.

There has been considerable attempt of late to discount this possibility, Mr. President. I submit, however, that those who say there will be no crowding out are relying upon unrealistically low projections of private demand for credit. In attempting to determine whether where would be crowding out in fiscal year 1976, I have studied the opinions of such authorities as Henry Kaufman of Solomon Bros., Dr. Norman Ture, several excellent editorials recently published in the Wall Street Journal, and a number of other sources, including Federal Reserve projections.

Mr. President, I ask unanimous consent that copies of these Wall Street Journal editorials be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUCKLEY. I have concluded that a best estimate for total private demand for credit is $195 billion, although I am advised that such a figure might well understate private demand if the anticipated recovery is strong and interest rates kept low. The private demand figure could go to $225 billion.

State and local government can be expected to come into the credit market for another $20 to $24 billion.

The Federal Government's demands for credit, net of Federal Reserve borrowings, will be at least $55–$60 billion, resulting in a total demand for new credit in fiscal year 1976 of at least $290 billion.

There will be a credit shortfall if total savings does not meet total demand. Thus far, the highest figure I have seen quoted for total available resources is $260 billion, a figure which most consider highly optimistic. Realistically, a $240 to $250 figure should be used. A very substantial crowding out figure will, in fact, be caused by a $70 billion budget; and its effect will be nothing more nor less than to reduce private spending and investment. That reduction is exactly the opposite of what our economic doctors ought to be prescribing.

The Nation's economic policymakers, attempting to move too quickly to end the recession, will—unless they are stopped—deliver the Nation by 1977 into the hands of another and more virulent wave of inflation which could have us looking back with nostalgia to the rates we experienced in 1973 and 1974; and such an inflation will inevitably be replaced by another and more terrible recession.

In the concurrent resolution recommended to the Senate by its Budget Committee, the following is urged:

First. A Federal outlays level of $365 billion;

Second. A projected revenue level of $297.8 billion; and

Third. A recommended budget deficit of $67.2 billion. As the concurrent resolution points out, however, the actual deficit would probably be $69.6 billion because of anticipated net tax reductions.

Just as the administration has urged upon the Congress an outlays level of $355.6 billion, the Senate Budget Committee is recommending its $365 billion figure because it is believed that the greatly increased spending levels will aid the economic recovery, rather than injure it. My economic analysis suggests that both the President's and the Senate Budget Committee's spending recommendations are too large.

Spending is stimulative only to the extent that it adds to aggregate spending. If the Federal Government spends $365 billion in fiscal year 1976 and all of it comes from taxpayers in the form of either taxes or borrowing—which, if retained, would have been spent or loaned in the private sector—then the action by Government would constitute nothing more than a transfer of economic choice from private citizens to government. In other words, Government spending, unless it uses private funds which would not otherwise be spent or loaned, or unless it is supported by the creation of new money, will do nothing for the economy other than make Government larger relative to the whole of the Nation's economic activity. The consequences of such a relative shift are that American families and businesses will have less to spend and invest because the Government has chosen to spend more. This means that fewer productive private jobs will be created because the Congress has used the money to create public-related jobs instead.

The present condition of the economy, the need to break the destructive inflation-recession cycle that has afflicted our economy in recent years, and the part the budget will play in generating or delaying recovery, are the problems we should be facing today. I am disturbed that the committee failed to invest more of its time and effort analyzing these matters. The majority ignored the inflation-recession cycle and simply asserted as "truth" that its proposed budget deficit would bring recovery. It did not question whether such a recovery could long endure. It does not matter that there is no intent to create problems. The consequences arising out of the committee's recommendations are such that they should have been considered within the time-frame of at least the next 3 to 4 years. Rational policy is not possible if the policymakers are overly committed to short-term goals. There are more problems within our economy than just the recession in which we are now mired. We all desire recovery as soon as possible. But it makes no sense to try to end this recession through measures that will incur the grave risk of another round of still higher inflation followed by a still steeper recession.

On the understanding that fiscal reform cannot be achieved overnight, my cosponsors and I propose the following alternative recommendations for outlays and budget deficit:

First. A Federal outlays level of $340 billion.

Second. A projected revenue level of $305.3 billion.

This, Mr. President, reflects our recommended $7.5 billion in energy conservation taxes and a decision not to extend the 1975 tax reductions.

Third. A resulting budget deficit of $37.3 billion.

I want to make it very clear that the sponsors of this substitute resolution are not happy with either this level of Federal spending or the resulting size of the Federal deficit. We offer this economic plan because it is better, in our opinion, than the committee's venture in high-risk economics. We recommend a budget which represents an 8-percent increase over current spending. Is is not a stingy budget. We dare say it represents an increase in real spending which will be denied most Americans. But it is not a reckless budget. Our recommended levels can be achieved by cutting where the Nation can afford to cut: in foreign aid and subsidies to businesses, while holding pay increases for Government employees to 5 percent. It does not deny us a reasonable national security budget, and it provides for the full cost of living increase promised to social security recipients.

At this point, I ask unanimous consent to have printed in the RECORD my own suggested "limits" for each of the 16 functional categories:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FUNCTIONAL BREAKDOWN

Function	Estimated fiscal year 1975 outlays	President's adjusted budget request (Mar. 12, 1975)	Suggested Buckley budget request
060—National defense	85.20	94.0	93.0
150—International affairs	4.85	6.4	4.0
250—General science, space, and technology	4.18	4.6	3.8
300—National resources, environment, and energy	9.41	10.1	9.5
350—Agriculture	1.77	1.8	1.3
400—Commerce and transportation	11.79	14.7	12.9
450—Community and regional development	4.88	5.9	4.7
500—Education, manpower, and social services	14.71	16.5	15.0
550—Health	26.48	28.1	27.8
600—Income security	106.70	119.4	121.9
700—Veterans benefits and services	15.46	15.6	15.6
750—Law enforcement and justice	3.02	3.3	3.1
800—General government	2.65	3.2	3.2
850—Revenue sharing and general purpose fiscal assistance	7.03	7.2	7.2
900—Interest	31.33	34.4	32.9
Allowances	.70	8.1	1.1
950—Undistributed offsetting receipts	−16.8	−20.2	−16.2
Total outlays	313.45	353.1	340.8

Mr. BUCKLEY. Mr. President, I should point out that these outlay figures represent only my own thinking, which is not necessarily shared by my cosponsors. They represent rough estimates of feasibility rather than the results of a line-by-line examination of the budget. The committee, of course, is charged with analyzing the macroeconomic effect of Federal expenditures and recommending the appropriate aggregate spending levels. By submitting a functional breakdown, I am indicating where I believe the line can be held on expenditures in order to meet those levels.

While I believe that my suggested levels are achievable without serious dislocation, I point out that a still larger reduction is in order if one is to assume a lower rate of inflation than anticipated by the committee and the administration. Because the executive assumed a 6-percent rate of inflation, they wrote in roughly an $18-billion increase in outlays just to stay even in terms of real spending. Inflation in fiscal 1976 is more likely to be 3 to 4 percent, which means a potential saving of as much as $9 billion, by merely writing down the spending level to match the actual impact of inflation. Unfortunately, if Congress anticipates an inflation in excess of the actual fact, we will have authorized spending in real terms in excess of those recommended by the committee. As I indicated, this saving alone could range in the area of $9 billion.

While my cosponsors may not share my views as far as each functional outlay is concerned, we all concur that our recommended outlay figure of $340 billion draws a line of demarcation between the old policies of unsound, reckless economics and our economic plan of growth without inflation. Almost all of the projected deficit can be accommodated by a noninflationary increase in the money supply that is geared to the long-term growth potential of the American economy, in accordance with the monetary policy recently enacted by the Congress as Concurrent Resolution No. 133. The resulting $15 to $18 billion increase in the money stock means there would be approximately $15 billion of additional Federal borrowing in competition with the private sector.

Our proposal is not only far sounder economically, but it is also more just. We question the justice of the Government's taking an even larger portion of the economic pie. We question the justice of increasing Federal spending by more than 15 percent when Americans have been forced by inflation to settle for less or have been unemployed or underemployed because of the recession. The fact of the matter is that the Budget Committee recommendations take advantage of the recession to increase the role of the Federal Government relative to the whole of the American economy.

We feel that the economic plan we have recommended is the one in which the Nation can place confidence, one that will facilitate recovery with a prudent regard for future stability. Admittedly, it represents a compromise; but it is a compromise made necessary by the sheer impossibility of terminating or cutting back over night hundreds of programs on which others have come to depend. It represents, however, a major step in the direction of fiscal responsibility; and if the Congress will take it, this in itself will foster a degree of public confidence that will hasten us to our goal of sustained growth without inflation.

Mr. President, I reserve the remainder of my time.

Exhibit 1

[From the Wall Street Journal, Mar. 13, 1975]

Crowding Out

Understanding the economy in 1975, unfortunately for those of us with enough on our minds already, requires an understanding of an esoteric economic debate over something called "crowding out."

Treasury Secretary Simon sounded the first guns in this debate by warning that financial markets cannot finance both the huge federal deficit and the needs of private borrowers. Some economists have described his fear as "hysterical." In a letter to The New York Times, six prestigious liberal economists said the problem would be handled through an "accounting identity." But in recent weeks, independent analyses have been conducted by Norman B. Ture, a Washington-based consulting economist, and Alain H. Meltzer of Carnegie-Mellon University. Each reports that, until he got the numbers down, he could not believe things are as bad as they are.

The crux of the matter is that when the federal government borrows to cover its deficits, it competes with private borrowers who need funds to invest in plant construction and housing. Both government and private needs must be met from the savings pool, which consists of business savings (profits plus depreciation and other "capital consumption allowances"), personal savings and inflows of foreign funds. Allowing for special factors and statistical error, the two totals will always be the same; this is the "accounting identity."

The problem is that if you plug some reasonable 1975 projections into this equation, it is very hard to get the totals to come out equal. This suggests that as the heavy government borrowings come on stream in the second half, the economy may well be in for some type of severe shock now only dimly foreseen. A typical projection, with calendar year 1974 as a base, would look something like this:

Billion Dollars

Invest.	+	Deficit	Eq.	Bus. Sav.	+	Per. Sav.	+	For. Inv.
				1974				
208.9	+	5.9	Eq.	136.5	+	76.7	+	3.6
Total		214.8.	Eq. total	216.8.				
				1975				
205	+	70	Eq.	150	+	80	+	10
Total		275.	Eq.	240.				

Eq. means equals.

First, a word about the estimates. Private investment may fall off more rapidly, but so may corporate profits. Personal savings may be higher if the savings rate rises but will be lower if personal income falls. The net inflow of foreign funds may increase, but the above estimate already provides a tripling in a year's time. The estimate of a $35 billion gap is essentially a conservative one, and the question is, how will this gap be closed?

Part of the gap—and in a sense the whole debate is over how much—will be filled by the Federal Reserve System's purchases of federal debt by in effect printing up new money. Over the course of a normal year, the Fed will buy federal securities, thus injecting reserves into the banking system and making the money supply grow. It's easy enough to calculate roughly the relationship between the Fed's purchases and money growth. At a 6% growth in the narrowly defined money supply, the Fed would buy about $7 billion in new federal debt. If the Fed closes the gap by buying the whole $35 billion, the money supply would grow by about 30% over a year's time.

Before we go one sentence further, let everyone understand that money growth anything like the latter figure will not only rekindle inflation, but will make interest rates go up, not down. As soon as lenders and borrowers see that kind of money growth coming, they will start to crank higher inflation estimates into their calculations. Mr. Ture expects the Fed to monetize the bulk of the deficit, for example, and talks in terms of a prime rate of 20% by the end of 1975.

If the Fed pursues reasonably moderate money growth, the deficits will still make interest rates rise, though not so astronomically. The normal operations of the market would balance the equation through higher interest rates, discouraging borrowing and encouraging savings and foreign inflows. But with a $35 billion gap to close, this implies interest rates that still might be high enough to cause severe problems.

A drop in business investment below $205 billion implies a much deeper economic decline than so far predicted. Even the pessimistic predictions of the Council of Economic Advisers looked for a small increase, not decrease, in private investment.

Alternatively, the $80 billion in personal savings is based on a savings rate of 7.9% of a disposable income of $1,049 billion. Over the last 25 years, the savings rate has ranged from 4.9% to 8.2%. To generate an extra $35 billion it would have to leap to an implausible 11%.

Finally, the interest rates necessary to force savings up and investment down by such an amount might themselves be high enough to prevent a recovery. The effect on the housing sector, in particular, is entirely predictable.

The long and short of the analysis is that somewhere between a federal deficit of $50 billion and a federal deficit of $80 billion the string snaps. To maintain the "accounting identity," you are all but forced to assume the economy will unwind in one way or another. You can make the same kind of analysis not through the National Income Accounts as above, but through a different "flow of funds" methodology. Salomon Brothers did this earlier in the year, coming to this conclusion:

"The consequences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized. Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise the budget deficit would either lead to a vicious struggle for funds between private borrowers and the government, or the Federal Reserve would have to supply funds without regard to its long-range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of government, by crowding out medium to lower rated borrowers, many of whom are already in peril, and mortgage borrowers as well, thus aborting recovery in housing activity."

Last week Walter W. Heller, a valued member of our Board of Contributors, cited the Salomon Brothers analysis as reason not to worry about crowding out. But by now the Salomon Brothers analysts are well aware the deficit for calendar 1975 will be far above $50 billion. The St. Louis Fed puts the calendar year deficit at $62 billion merely on the basis of administration proposals, which included (on a fiscal year basis), $16 billion in expenditure reductions and a tax cut of only $16 billion.

But suppose for a minute that Mr. Heller is right about 1975 and that the gap is filled by a happy combination of events. Suppose money growth is moderate, and the Fed takes up some debt. Falling inflation means lower interest rates, and suppose this effect is powerful enough that non-destructive rates can balance the supply and demand for funds. There still remain two problems.

One is simply that private borrowers will still be crowded out, that private investment will decline. In other words, because of the huge deficits, we have a lower rate of capital formation and thus slower economic growth in future years. Assuming that the deficits cannot be reduced, this is the smallest price we can possibly pay.

The final problem is 1976, or whenever recovery does get under way in earnest. At that point, the investment needs of business and housing will go up, not down. If the government is by then still running $70 billion deficits, this will call for an even more impossible-looking increase on the savings side of the ledger. At that point, high deficits will again threaten to abort the recovery. This destruction of capital formation, excessive monetization of debt and aborting of real growth is essentially what has already happened in Great Britain.

Yet Congress goes its happy way, adding to expenditures, increasing tax cuts, charting tax bills that discourage saving instead of encourage it, secure in the knowledge that there is a recession on, and in that case Dr. Keynes always assured them that budget deficits are a free lunch. Didn't he?

Our "crowding out" editorial, warning that the impending huge federal deficit would either crowd out private borrowers or induce the Federal Reserve to balloon the money supply, apparently was the subject of some discussion along Wall Street. There is an opposing school of analysis, summarized very aptly in today's letters columns by IBM economist Larry Chimerine.

The burden of our argument, to refresh the reader's memory, was that it is axiomatic that private investment plus government deficits must equal total saving—comprising personal savings, business savings and inflows of foreign funds. We argued that, given the huge federal deficit, it was hard to see how the economy would balance this equation without severe shock. We presented this illustrative table:

Billion Dollars

Investment	+	Deficit	eq.	Bus. Sav.	+	Per. Sav.	+	For. Inflow
				1974				
208.9	+	5.9 214.8	eq. eq.	136.5 216.8	+	76.7	+	3.1 6
				1975?				
205	+	70 275	eq. ??	150 240	+	80	+	10

To take a technical confusion first, it's misleading to think of this $35 billion gap as something to be directly closed by the expansion of monetary aggregates—either the monetary base as in our original editorial or the narrowly defined money supply picked by a number of other analysts. In expanding the base, the Fed at the same time directly purchases securities and provides money with which the banking system could purchase more. Yet an increase in M–1 would be dissipated in many uses not reflected in the savings-investment equation.

In any event, the above equation will balance in its own terms regardless of money growth. The only question is which of the numbers will bear the brunt of the adjustment. Yet the answer to this question depends chiefly on how fast the Fed expands bank reserves and the money supply .

Faced with a $70 billion deficit, the Fed's key decision is how much of it to buy, and how much can be financed by the public. If new Treasury bonds are bought by the public, the effect is to substitute public spending for private spending. If the bonds are bought by the Fed, it pays for them by crediting bank reserves. For every $1 of this high-powered money the Fed creates, M–1 will expand by roughly $2.50.

Between 1965 and 1974, the Treasury's cumulative deficit was roughly $100 billion, and the Fed's portfolio of government bonds grew about $40 billion. In other words, some 40% of the deficit was "monetized," or bought by the Fed with high powered money. Bluntly, 40% of the deficit was financed by feeding money growth, and, to the extent this exceeded real growth, inflation. To give some idea of the magnitudes now facing the Fed, and not as a prediction of what will happen in any one year, say that 40% of this year's $70 billion is monetized. This translates into Fed purchases of $28 billion, which would expand into a M–1 growth of $70 billion, or 25%.

Now, if the Fed pursues anything like that course, the adjustment in the savings-investment equation will come principally on the savings side. Nominal incomes will be greater, and therefore nominal savings. The market will perceive the eventual inflationary implications, and nominal interest rates will rise because of an increased inflationary premium. This will attract more savings, but have far less influence on investment, which responds not to nominal interest rates but to real ones. At some point, high nominal interest rates may themselves interfere with recovery.

Alternatively, if the Fed decides that the great bulk of the deficit must be financed by the public, the adjustment will come on the investment side. This time real interest rates will rise because of supply and demand for funds. So private investment will be "crowded out." For any one year, this is by far the preferable horn of the dilemma, but it does mean slower economic growth in future years.

We fail to see how the implications of this analysis are changed by arguments about any one year. Perhaps the numbers in the above table are off, because of special factors like inventory adjustments, tax rebates and whatnot. We are far from sure of that, with the auto assembly lines already starting up, the deficit itself growing daily and so on. Since our initial editorial, in fact, the bond markets, have displayed every symptom of crowding out. But let the point pass, if the critics are right about 1975 it only pushes the problem to a somewhat later date.

Recovery will of course shrink the deficit. The problem would have been eased some if Congress directed its tax cutting in ways designed to produce maximum recovery rather than maximum income redistribution, but it has not done so. Nor do we as yet see a single reason to doubt the $100-billion deficit projections for fiscal 1976. What has Congress so far turned down? And the bulk of the spending programs will linger on even after recovery.

From 1965 to 1974, we observed the effects of a cumulative deficit of $100 billion, 40% monetized. We now face a new era. The deficit will surely be far above $100 billion in two years, perhaps one. Deficits in the $35 billion range seem likely to linger even after recovery. Either these deficits will be financed by monetization, or they will be financed by crowding out the private investment without which robust economic growth will be impossible.

The only way out of this dilemma is for Congress to recognize the simple lesson that there is no free lunch. If it persists in running the kind of deficits now on the table, either it will be unleashing a new round of inflation, or it will force the economy to start eating its seed corn.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I yield myself 5 minutes.

Mr. President, will the Senator from New York yield for a question?

Mr. BUCKLEY. I yield.

Mr. BELLMON. I have before me the functional breakdown which the Senator has submitted for the Record. I note that the estimated fiscal year 1975 outlays are $313,450,000,000. That is the figure I believe the President used in his budget submission in February. However, since that time there has been an increase in the outlays of the Defense Department of $1 billion. There has been an increase in the HEW outlays of $1 billion. There is a rebate to social security recipients of $1.9 billion. The food stamp program is up $600 million. The veterans' benefits are up $500 million.

The rescissions referrals that Congress has acted upon have increased the outlays by about $500 million. The receipts from the sale of Outer Continental Shelf leases are less than anticipated, which is going to have a net effect of increasing outlays by $2.5 billion.

That is a total increase of $8 billion. Does the Senator accept those changes, and would the figure of $313 billion then become, roughly, $322 billion?

Mr. BUCKLEY. I certainly accept the figures given to me by the distinguished Senator from Oklahoma, Mr. President, and I ask that the figures be modified accordingly.

What this means is that we are talking about not a $50 billion increase but only a $42 billion increase. I suggest that this is a matter of degree and is not substantively important.

Mr. BELLMON. The Senator from New York, in his minority views, has recommended that the President's budget outlays be increased, as I remember, by some 8 percent. So if we use the figure of $322 billion and increase it by 8 percent, as the Senator has recommended, this, then, puts the outlays up to about $347 billion. We are using the current level of outlays, increasing them by 8 percent. This raises the figure to $347 billion.

Mr. BUCKLEY. The Senator from New York is not recommending an 8-percent increase. He is just suggesting that this shows the range that we are talking about. There is substantially more spending under our recommendation than we are spending in the current fiscal year.

Mr. BELLMON. The Senator's recommendation, then, is not for an 8-percent increase?

Mr. BUCKLEY. No.

Mr. BELLMON. Also, I note in the supplemental views of the Senator from New York, in which he is joined by the Senator from Idaho, that there is a recommendation for an increase in the defense expenditures of $10 billion over the President's recommendation. I notice, in the functional breakdown, that is actually a $1 billion decrease, to $93 billion.

Mr. BUCKLEY. That is correct, Mr. President. As I stated in presenting the substitute amendment, it involves compromises. I know that I have a greater concern for defense needs than do many of our colleagues, so I was trying to come up with recommendations—and they, of course, are reflected in my own functional breakdown—that I believe could have a broad acceptance in this body.

Mr. BELLMON. I call the attention of the Senator to the language in the supplemental views on page 148.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. BELLMON. Yes.

Mr. BUCKLEY. Attention was called to the fact that I did not recommend in the supplemental views that $10 billion increase. I was merely citing a Democratic group that had made that recommendation. My recommendation was a 10-percent increase in research and development, which, of course, comes to a substantially lower figure. I was quoting the Coalition for a Democratic Majority, which, in a recent report, advocated an increase in defense expenditures of $10 billion.

Mr. BELLMON. Does the Senator support that recommendation for a $10 billion increase?

Mr. BUCKLEY. Mr. President, I have not examined that report in sufficient detail to see whether or not I would accept this recommendation. I do believe that we live in a far more dangerous world today than we did, say, a month ago, and that we will probably have to be moving into higher defense expenditures rather than lower.

I also certainly believe, based on the testimony by, I think, almost every witness, even those advocating dramatic reductions in expenditures, that we need an increase in research and development.

The PRESIDING OFFICER. The 5 minutes of the Senator from Oklahoma have expired.

Mr. BELLMON. I yield myself 5 more minutes.

I point out that the budget breakdown submitted by the Senator from New York suggests a $1 billion decrease in defense expenditures. It is a billion dollars less than the amount that the President has recommended.

Mr. BUCKLEY. There is a factor that I call to the attention of the Senator from Oklahoma. That is the fact that the President's budgetary request contemplated an inflationary 14 percent. As I remarked a little earlier, we are having a far lower rate of inflation than was anticipated when these budgetary requests were made. Although the overall assumption was 6 percent, military spending tends to be higher in its rate of increase than the others. So I believe we could achieve a billion-dollar reduction

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just by having our assumptions reflect more realistically what inflation will do to military procurements.

If the Senator will pardon me, I might say, of course, that neither I nor anyone else have the function—in fact, it is not the function of the Committee on the Budget—to go into a line-by-line examination of the budget, but, rather, to rough out large areas and to rely upon the authorizing committees to determine where, exactly, savings ought to be made.

Mr. BELLMON. The Senator is correct. At the same time, in order to get to a bottom-line figure as to how much Federal spending will be, we do need to know what is contemplated within the various categories.

I also ask an additional question: On page 148 of the supplemental views, the Senator from New York says this:

> * * * and it cuts where we feel the Nation can absorb cuts without undue dislocations: in foreign aid.

The cut in foreign aid in the functional breakdown that has just been submitted is $0.9 billion. So that would be a saving of roughly $1 billion.

"In subsidies to businesses"—what is the amount of saving in subsidies to business that is contemplated?

Mr. BUCKLEY. We have, Mr. President, substantial subsidies for agriculture, just approved by Congress, which I hope the President will veto; and I hope the veto will be sustained. Certain export subsidies, too, I believe, could be done away with.

Mr. BELLMON. What are the total amounts that have been reduced in subsidies to business?

Mr. BUCKLEY. Mr. President, we are dealing in categories. As I say, we have in the agriculture bill alone more than enough to make the adjustment we recommend.

Mr. BELLMON. The total in the agricultural bill, as I remember, for subsidies is about $1,200,000,000. This is all eliminated, which is very unlikely.

Mr. BUCKLEY. Mr. President, we are talking about less than a half billion dollars here.

Mr. BELLMON. I did not hear the Senator.

Mr. BUCKLEY. We are talking about a reduction of less than a half billion dollars.

Mr. BELLMON. Then it would be a reduction of about a billion dollars in foreign aid and a half billion dollars in subsidies to business. I believe that if the Senator will check, he will find that the committee already anticipates placing a 5-percent cap on automatic pay increases to Government employees. So the total savings the Senator is recommending here is $1.5 billion. That is hardly adequate to accommodate the very large reduction in outlays that the Senator is suggesting.

Mr. BUCKLEY. Mr. President, I thought that I had made it clear that we are not, except in a few categories here, recommending reductions in outlays but a reduction in the extraordinary rate at which outlays are growing. It seems to me self-evident that we cannot continue indefinitely having the cost of Government increase at two, three, or four times the rate of increase of the economy of the United States. A few years ago, the average American wage earner was able to keep $8 out of every $10 earned. Today he is able to keep $6 out of every $10 earned. At the rate we are going, with the kind of budgets the committee recommends, before the decade is over, we shall be working more than half the time for the Federal Government and other governments.

The PRESIDING OFFICER. The additional time of the Senator from Oklahoma has expired.

Mr. BELLMON. I yield myself an additional 5 minutes.

Mr. MUSKIE. Mr. President, I wish to make a few observations on the amendment of the distinguished Senator from New York, if I may. I wish to make the point at the outset that, until a few moments ago, there was very little evidence as to precisely where the distinguished Senator proposed to make his cut in outlays with respect to the 16 functional categories of the Federal budget. The only clue we had, until we received a one-page chart—which, presumably, is the Senator's proposal—is language in the additional views of the Senator on the committee report on page 148, where he said this:

> We recommend a budget with a maximum spending level of $340 billion, a figure which represents an 8.5 percent increase over the current fiscal year.

Actually, given the updated figures on the current fiscal year, the figure which the Senator has attributed to current spending is now at an annual rate of $322 billion. The $340 billion figure is only a 5.5 percent increase, and not an 8.5 percent increase.

The Senator goes on, in his individual views in the report:

> It is not a stingy budget. We dare say it represents an increase in real spending which will be denied most Americans. But it is not a reckless budget, and it cuts where we feel the Nation can absorb the cuts without undue dislocations: in foreign aid, subsidies to businesses, and placing a 5-percent cap on automatic pay increases to Government employees. It does not deny us a reasonable national security budget as some would do, and it provides for the full cost of living increase promised to social security recipients.

I would just like to add these two or three numbers together. If I am not in error, I think the Senator's mathematics are off.

We begin with the $322 billion in current spending which the Senator used as his basis. Interest paid by the Federal Government adds $4 billion more this year, which takes it to $326 billion. Increases in the income security function totaled $16.3 billion. That takes us to $340.3 billion. The President's proposed budget adds $8.8 billion above the current level of spending for defense. That makes the total $348.8 billion.

If my figures are correct, the Senator cannot get down to his $340 billion without cutting Federal obligations to pay interest, which is impossible, or cutting defense and social security, which the Senator says is not his intent.

Of course, I leave it to the Senator to respond to that in due course. But without knowing what his proposed functional cuts might be, those conclusions seem to be rather irresistible. As a matter of fact, Mr. President, a $340 billion spending ceiling is almost impossible to achieve, if one is concerned at all with what happens to programs. Cuts like the following would appear to be required, at the very least:

Ending economic assistance programs designed to foster peace in the Middle East.

Terminating the space shuttle.

No new starts in energy.

Cuts in environmental and conservation programs.

Deep cuts in agricultural research.

No funds for loans.

Reimpoundment of highway money.

Cutting community and regional development programs beyond current levels.

No increases in social services to cover inflation.

Greater burdens on State and local governments.

Increasing medicare and medicaid costs to recipients.

No inflation adjustment for veterans.

I am not suggesting that these are all the programs which the Senator would target on, but in trying to estimate in advance where the Senator could find $25 billion in cuts, in examining the issues that were discussed in the Budget Committee markups, it seemed to me that in talking about cuts of that magnitude, one must have those effects on some of these programs, if not all of them, and I think that we ought to have the benefit of that analysis.

Let me make another point with all respect to the Senator: in the Budget Committee, no one, at the outset of the markup, offered an outlay ceiling or a deficit figure. That was the last decision that the committee made. We began by going through these 16 functional categories, examining each of them, entertaining motions to increase or decrease the amounts to be spent under each, voting on them up or down, and then moving on to the next. In some cases the more conservative members prevailed; in some cases the less conservative members prevailed. But when we were through, we added up the total, and it came to $365 billion. I do not recall the Senator from New York, or any Senator in the markup sessions offering a program of $25 billion in cuts distributed through the 16 functional areas for the purpose of achieving the kind of cuts which the Senator is suggesting to the Senate today.

It is all well and good to say, "Well, somewhere we will find it," but I think the Senator will agree that we in the Budget Committee felt that our responsibility required that we be more precise in dealing with the expenditures of Government than utilizing across-the-board cuts.

It seems to me that if I had thought in advance that Government spending should be no more than $340 billion, I would have regarded it as my responsibility to put together 16 functional categories, with the numbers indicating where the cuts would come and what programs would be terminated. To do otherwise, I think, is to impose the possibility of unconscionable damage to programs or people dependent upon programs.

I suggested earlier that using the Senator's own figures—beginning with $322 billion and just adding defense, interest, and income security—requires a cut in those programs, in those functions, of something like $7 or $8 billion, notwithstanding the Senator's very clear expression of intention not to cut those areas. That may be an inadvertent result of the Senator's amendment. He apparently had not focused on the $322 billion figure before today, but was using a $313 billion figure as the level of current spending in the Federal Government.

This illustrates my point that just throwing an arbitrary number like $340 billion into a budget of this kind can do unintended damage to people who ought to be protected rather than hurt.

Now let me turn to another implication of the Senator's amendment. The Senator will recall, I think, that I asked several witnesses with respect to the President's original deficit of $52 billion:

> The President obviously does not like to present this kind of a deficit. Why do we have to have it? Why do we not eliminate it? I hear administration witnesses saying it is a horrible figure. If it is so horrible, then it cannot possibly be sound economic policy. Why do we not cut Federal spending to eliminate it or raise Federal taxes to pay for it?

I asked that question over and over again. On one particular morning we had two witnesses who gave us the classic answer that was never challenged by other witnesses, to the best of my recollection, in the budget hearings. We had as witnesses that morning Mr. Joseph Pechman, who is director of economics at the Brooking's Institution, and Mr. Charls Walker, who was Deputy Assistant Secretary of the Treasury in the Nixon administration.

One is regarded as a liberal economist; the other is regarded as a conservative.

When I put that question to Mr. Pechman he said:

> If we were to cut $52 billion from Federal spending, the result would be a further decline in gross national product, a further shrinkage in Federal revenues of up to $25 billion, so after you were cutting $52 billion there would be another $25 billion to go, and an unemployment rate in excess of 10 percent.

That was Mr. Pechman's answer.

I asked Mr. Walker if he agreed, and he said yes. He said:

> A deficit of this magnitude is unavoidable.

I asked Secretary of Treasury Simon whether he agreed with this judgment. He said:

> Of course I do. This kind of a deficit is unavoidable when you are trying to stimulate the economy.

So this is not just the judgment of a majority of the Budget Committee. This is the judgment of these estimable economists from liberal to conservative that was offered to us in our hearings.

Now, what the Senator proposes is to reduce the deficit to $34.7 billion, with a spending ceiling set at $340 billion and revenues at $305.3 billion. The Senator has suggested that the revenue target can be achieved by foregoing the extension of the recently legislated tax reductions into the second half of fiscal year 1976, and by imposing an energy conservation tax of $7.5 billion to be put into effect on July 1, 1975.

In my judgment, this cannot be accomplished because reducing outlays by $25 billion and increasing taxes will increase automatic spending for unemployment compensation, for food stamps, and for other costs related to rising unemployment, and would decrease revenues, as a result, by at least another $12 billion, thus requiring a further tax increase of about $15 billion.

Now the probable effect of this policy on the economy is as follows: The swing in the budget implied by those policy changes would represent a deflationary impact of about $52 billion, $25 billion in spending, and $27 billion in taxes. This would lower GNP within the fiscal year by at least $100 billion below the committee's forecast and would raise unemployment to 11 or 12 percent of the labor force.

That is not my judgment as an economist—I am not an economist—but it is a judgment based upon the testimony which this committee received.

I am interested in some of the charts which the Senator has mounted at the rear of the Senate Chamber. I am looking at the one entitled "U.S. Government Borrowing as a Percent of Total Funds Raised."

I must say that the Senator acts as if the number of houses sold, for example, depends only on the money that the banks have to lend. But my builder friends tell me that you need customers as well.

Over 2 million family heads are unemployed. These families are not in the market for new homes. More importantly, our report calls for fiscal and monetary policies that will support expansion and increased employment.

The Buckley-McClure amendment, in contrast, calls for tighter money, less spending, and more taxes. Their policy means less employment and less housing. This always means less investment and lower economic growth.

I rely on the recent data. In years of tight money but high employment investment goes forward. During recessions, investments fall. This year investments and interest rates are both falling, and I think those data run counter to the conclusion which the Senator would have us draw from his fifth chart.

With respect to the chart next to that, which undertakes to draw upon our experience in the thirties and our experience postwar, let me point out that the Senator ignores the years in between during which unemployment in this country dropped from 17 percent to 2 percent.

The Senator will point out that that was war spending. Well, the dollars did not know whether they were being spent for war or for other things. No one would advocate a war to drive us to the economic policies that will cure this recession, but the fact is, it was the expenditure of Government money in those years, for a purpose that I hope will not be repeated, that brought the unemployment rate down from 17 percent to 2 percent.

What we are proposing in this budget is that those kinds of Government expenditures shall be used for constructive, socially useful purposes, and that the results economically can be similar to what they were in that period which the Senator left off his chart.

Then, there is that interesting chart to the left on real spendable earnings or take-home pay. Now, real take-home pay increased between 1958 and 1965 by 14.4 percent as unemployment fell from 6.8 percent to 4.5 percent, and Government spending rose from $82.6 billion to $118.4 billion.

Last year's 5-percent reduction in real spendable earnings came while fiscal policy was restrictive, while interest rates were rising, and while national production was falling.

The Senator's evidence, I suggest, indicates conclusions contrary to those which he would ask the Senate to accept.

Mr. President, I yield the floor.

Mr. BUCKLEY. Mr. President, I would like to take up one or two little items.

No. 1, the continuation of the tax cuts into the next fiscal year would not involve $24 billion but $4.4 billion.

No. 2, when administration witnesses talked about the impossibility of reducing the debt below $52 billion or, later, $60 billion, whatever the figure is, they were talking about uncontrollables. The obligation of a President is to project the expenses of the Federal Government on the basis of the laws then in effect. It would seem to me that one of the challenges to which the Budget Committee is supposed to address itself is bringing uncontrollable expenditures back within control. Now this is something we must get on top of because we cannot plan intelligently as long as three-quarters of the budget remains beyond our control.

Now, I described our proposal as a compromise. I believe that it does represent targets, target levels of spending that can be accommodated within the time we have without the devastation suggested by the distinguished Senator from Maine.

He was correct, incidentally, in saying that our proposal would affect one of the uncontrollables; namely, debt service. Of course it would, because it would clearly not be inflationary. It would thereby reduce interest rates in the longer term; and because the Federal Government would not be competing to the tune of $40 billion with the private sector, there would be less competition to force up interest rates.

Therefore, I think that, whereas we reflect a $2 billion decrease, the actual figure would be substantially lower.

The distinguished Senator from Maine says that, if we reduce Government spending by $25 billion, we are not really reducing by $25 billion. Rather, we are failing to raise it by $50 billion.

There is a distinction there and it is not semantics.

Second, we are talking about a fiscal year in which we have already begun to turn the corner in the productive sector of our economy.

So, although we can dip into the capital markets today and borrow large sums of money without inhibiting investment, without affecting short-term interest rates too much, that is not true of what we will be expecting and anticipating next year.

At that point, if we are going to have recovery—and I am talking about a sustained recovery, not the kind that comes

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from hiring people to count dogs in a dog pound; I am talking about jobs in the productive private sector—the $25 billion that the distinguished Senator from Maine is talking about, money that would otherwise be spent in the private sector, is not going to cause a tremendous void.

As a matter of fact, if that $25 billion all went into housing, we would be solving our housing problems overnight.

The fact is, the strength of our economy is in the private sector. It comes when people can afford to borrow in order to build houses, in order to buy cars, to buy major appliances, or when a small businessman who wants to expand his capacity or modernize his plant is able to go out into the money market and borrow the funds with which to do so.

Increasingly, we are crowding the private investment factor out of our economy with the result that today we have a scandalously low rate of reinvestment in this country. We are near the bottom of the pile of industrial nations in carrying forward the vital work of expanding our productive base in order to maintain a growing standard of living.

The Senator from Maine complains that, in the charts we have presented, I have failed to reflect the war years.

Well, I have never heard it stated that one can analyze a wartime economic situation, in which much of the able manpower has been conscripted for military service, with the same sort of diagram that makes sense in terms of peacetime.

I am suggesting that, in these two periods of peace and war, the trends of employment and Government spending have been in directions in which they should not have moved.

I also remind the Senator from Maine, Mr. President, that over the past 5 years we have suffered deficits of $150 billion. And what has happened? We have had inflation, we have had high interest rates, we have had high unemployment.

It is now proposed that in order to stay on top of inflation, in order to bring down interest rates, in order to decrease unemployment, we spend still more money and incur still larger deficits, thereby placing still greater pressures on the money markets in competition with the private sector.

As I said at the outset, Mr. President, what is important about this debate is, I think, not the final figures we come up with. We in the Budget Committee are all conscious that, because of startup staffing, the minority side did not really get its staff underway until well into the session, because we do not have the facilities of the Congressional Budget Office available to us.

This is a dry run. It is a dry run, but it is an important dry run, not so much because of the figures we use but because we can reexamine and debate an alternative understanding of how our economy works, how it best functions, how we can maintain the extraordinary productive capacity that has given us such a high standard of living.

Most importantly, we have the opportunity to discuss how we can restore stability to a system that has grown more and more erratic in recent years.

I suggest that it is precisely the kind of budget we are talking about now that has caused the erratic movement from inflation to recession. I predict, if this budget is adopted, we will see in 1977 a return to the kind of interest rates that crucify precisely the people for whom the Senator from Maine is concerned. We crucify the prudent, we crucify the American middle class, we crucify the people who have retired, who can no longer go back into the labor market and restore the depleted value of their savings.

I believe, Mr. President, that this argument is an extraordinarily important one. I only wish there were more of our colleagues here to participate in it because we are plowing new ground with this budgetary process, I believe. For the first time in my 4 years here, we have had a chance to debate the crucial issues now under discussion; and I value the opportunity to do so with my friend from Maine.

Mr. MUSKIE. How much time does the Senator from New York want?

Mr. JAVITS. Just 10 minutes.

Mr. MUSKIE. I yield 10 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I am a member of the Joint Economic Committee, and we went very deeply into the question of the so-called crowding-out theory, which is one of the bases for this amendment which I oppose. I would like to confine myself for the moment to that particular question.

On April 24, the Joint Economic Committee held a hearing on the subject of financing of the Federal deficit, and I believe that hearing is very instructive to those who think that private borrowers are going to be crowded out of our capital markets. Three witnesses testified before our hearing. One, Dr. Andrew Brimmer, is a recent member of the Board of Governors of the Federal Reserve. Another, Dr. James Tobin, is a distinguished professor of economics at Yale University and a former member of the President's Council of Economic Advisers. The third, Dr. Frank L. Modigliani, is an internationally renowned economist and a professor at the Massachusetts Institute of Technology—chairman of MIT economics department.

Senator HUMPHREY has caused to be distributed to every Member, excerpts from that testimony.

To a man, these witnesses stated or implied that the crowding-out theory is vastly overrated. For example, Dr. Brimmer pointed out that this theory "overlooks the fact that several of the strong demands for funds recorded last year"—to wit, 1974—will moderate significantly during 1975."

Being a lawyer, I might sum up the argument immediately, as follows:

One, they said no crowding out in view of the fact that American industry is operating at 70 percent of capacity and, therefore, capital demands are reduced.

Two, they assume, and I feel they have a right to assume, that an increase in the money supply commensurate with the situation which we face would be made by the Federal Reserve Board, and there is every indication that that is not a vain assumption.

Now, Dr. Brimmer said:

> The theory of crowding out overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly during 1975.

Dr. Brimmer analyzed the likely demand for funds among corporations estimating a drop of $27 billion in net business claims on the capital market from the 1973 level. Household borrowings and the borrowings of Federal credit agencies are two other areas where there is expected to be a substantial fall-off in the rate of increase demand for borrowed funds. These fall-offs taken all together, in the opinion of these aspects, are likely to outweigh those sectors, such as residential mortgages, where the rate of increase in demand is expected to climb. Dr. Brimmer went on in his testimony to examine the sources of funds, which Senator BUCKLEY referred to a little while ago, and concluded that:

> One should expect the demand for money and capital market accommodation by borrowers other than the Federal Government to place little or no strain on the ability of these markets to perform.

Dr. Brimmer and the other witnesses, however, placed one important caveat on their conclusions: that the Federal Reserve must pursue an accommodative monetary policy. Their detailed examinations convinced me that such an accommodative policy, although inadvisable in the long run, is not only preferred but also essential in the short run. They have also convinced me that with our manufacturing plant operating at 70 percent of capacity and with considerable price slack in the wholesale market at the present time, such an accommodative monetary policy runs absolutely no risk of reigniting the fires of inflation.

Not only did the witnesses in question oppose any cutbacks in spending on economic recovery efforts; they specifically endorsed efforts to inject more Federal moneys into economic recovery with the only caveat that such funds be pinpointed toward direct employment effort such as public sector jobs.

These economists and academicians by no means stand alone.

Mr. President, because I think it is so illuminating as we are always thinking of bankers as being so hardheaded, I would like to refer to the Morgan Guaranty survey for February 1975, Morgan Guaranty being one of our largest banks. I would like to read from that survey.

I ask unanimous consent that the entire document be printed with my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

[From the Morgan Guaranty Survey, February 1975]

CAN THE GOVERNMENT FINANCE THOSE BIG DEFICITS?

The economy's downward slide is continuing with no early end in sight. January's slump in industrial production was the steepest in 37 years. Unemployment, already the highest since 1941, is headed higher. And consumers, despite the enticement of rebates in auto and other lines, are hardly battering down the doors to get at the merchandise.

With alacrity, the White House and Congress now are moving to stem what clearly is the nation's worst post-war recession. The House Ways and Means Committee's tax-

relief measure is indeed larger than the President had requested, and no one would be greatly surprised if the Senate sweetened it still more.

At the same time, Congress gives every sign of turning down most—if not all—of the President's program to tax oil and gas consumers $30 billion. Additionally, Congress apparently is going to ignore White House requests for a curb on certain spending programs. President Ford has advocated either rescinding or deferring $17 billion in spending that would otherwise take place in fiscal 1976. Most of such savings are not possible without Congressional approval. Some of the cuts, particularly those made possible by a 5% limit on Social Security increases for a year, probably will fail to generate Congressional support. The White House plan to increase the cost of food stamps was rejected by Congress. On the other hand, the 17% increase in budget authority requested for the Department of Defense for fiscal 1976 probably will be pared; the 10% increase in outlays for national defense forecast by the budget may thus be on the high side.

Despite the Administration's resolve to limit fiscal-1976 spending and its advocacy of a slowdown in the growth of government outlays thereafter, the budget figures presented to Congress earlier this month indicate that the Administration is far from averse to a significant near-term increase in spending. That disposition is clearly evident in official estimates of expenditures (on a national income accounts basis) for the first half of 1975—up 17% at an annual rate over the last half of 1974. And it was underscored by President Ford's post-budget announcement that the federal government is now prepared to free up some $2 billion in highway construction funds from the impoundment list.

With so many fiscal matters in flux, it is obvious that the Administration's budget estimates for the current fiscal year and for the year beginning July 1—estimates that in any year are subject to a wide margin of error—are especially vulnerable. Whatever the size of the tax-and-spending program Congress and the President settle on, however, huge deficits are a certainty. Borrowing needs of the government clearly can be expected to exceed post-World-War-II records for an eighteen-month period.

Such huge prospective deficits have raised a chorus of alarms from observers both in and out of government that the money and capital markets cannot handle such huge flows without serious disruption. According to this line of thinking, interest rates will rise, and private borrowers, especially those with lesser credit ratings, will be crowded off the credit queue. On a larger scale, it is said, the borrowing requirements of the federal government and the resulting higher interest rates will detour money from thrift institutions, prevent a rebound in housing, and abort a recovery.

While it is understandable that concern should exist in the face of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated. Indeed, an examination of the potential sources and uses of funds in 1975 indicates that government financing—under certain seemingly reasonable assumptions—can be accommodated without major disruptions of money and capital markets. This is particularly so because many traditional borrowers seem likely to be cutting back on their borrowing in response to a slumping economy.

Nonfinancial corporations, for example, are expected to cut back sharply on their bank borrowing from $27.5 billion in 1974 to less than $15 billion this year. This reflects a reduced need by businesses to finance inventories and an effort to restructure balance sheets and improve liquidity positions by extending the maturity of their liabilities. Thus, they will be tapping the long-term bond markets more heavily and paying down bank loans. This process is already under way: in the first five weeks of the year, business loans at large commercial banks have dropped more than $5 billion while the corporate bond calendar has been huge. The reduced demand for bank loans will encourage commercial bank purchases of government securities, while the bond calendar will be placed with typical buyers of corporate bonds (such as life insurance companies, pension funds, and state and local retirement funds) who traditionally show little or no interest in Treasury issues.

WHERE THE MONEY MIGHT COME FROM

[In billions of dollars]

	1971	1972	1973	1974	[1] 1975
Commercial banks	3.1	2.4	−8.8	−2.7	[1] 30.0
Federal Reserve banks	8.1	−.3	8.6	2.0	9.0
Nonbank financial institutions	−1.7	2.3	−1.1	3.0	6.0
Nonfinancial corporations	2.1	−3.2	−3.0	1.2	4.0
Government	−2.4	3.7	2.6	2.3	1.0
Foreign investors	26.3	8.4	.3	3.9	7.0
Individuals and other	−9.4	.7	9.2	3.4	−7.0
Net change in U.S. Government securities	26.0	13.9	7.7	13.1	50.0

[1] Projected.

Note: Data are for calendar years.

Consumers, cutting back on purchases of big-ticket durable goods and autos, will be borrowing much less than the $9.6 billion by which consumer credit increased in 1974 (which was itself far below the record $22.9-billion increase in 1973). This is a typical recession response. People are concerned about the state of their personal finances and want to get monthly payments down in fear of rising unemployment and lower personal income.

Meanwhile, renewed strength in savings flows, expected to continue for the rest of the year, should cut the borrowing of federal credit agencies to about $12 billion, more than 40% below 1974's volume. Finally, the use of funds by the mortgage market and state and local governments probably will be no larger than it was in 1974.

DOUBLE-BARRELED STIMULUS

Such a pattern of credit demands would free a sizable portion of commercial bank credit for investment in Treasury debt as the Federal Reserve continues in 1975 to push monetary ease. As with fiscal policy, expansionary monetary policy with lower interest rates is a traditional, and appropriate, anti-recession reaction: in the past when economic activity turned down, fiscal and monetary policy both turned stimulative. Thus, enlarged federal budget deficits have generally been associated with falling—not rising—interest rates (chart on page 3).

Federal Reserve Chairman Arthur F. Burns has indicated that monetary policy in 1975 would provide for moderate growth in the money supply to accommodate the Treasury's borrowing requirements without soaring interest rates. Acquisition by the Federal Reserve of something like $9 billion of Treasury securities in 1975 for its open-market account would be consistent with moderate monetary expansion. If this analysis is correct, the private capital markets would have to absorb about $41 billion of Treasury borrowing (box on page 2).

This would be a record peacetime amount but would not be unmanageable if slackened private credit demands materialize as is widely expected. Against that backdrop, commercial banks might take $30 billion of federal debt, which would be consistent with moderate bank credit expansion of about 10%. Corporations and nonbank financial institutions are also expected to step up their investment in government securities in their efforts to rebuild liquidity. Foreign investors, largely central banks and monetary authorities, are assumed to acquire, on balance, a modest volume of Treasury debt although that figure is almost impossible to project. As can be seen from the box on page 2, such foreign buying has ranged from as high as $26 billion in 1971 to practically zero in 1973. With rates of return sharply reduced, individual and miscellaneous investors are expected to be net sellers of government securities.

Even if the Treasury's money needs turn out to be $10 billion or so larger than the $50 billion assumed in this analysis, the impact on credit markets would not be significantly different. How things will ultimately work out is obviously uncertain. But it seems reasonable at this early juncture that the interplay of steep declines in economic activity and easing monetary policy affords latitude for an orderly matching of the supply and demand for credit during 1975. As this process unfolds, the near hysterical whoops in some quarters of an impending financial crunch should subside.

Mr. JAVITS. At page 2 is the following statement:

> While it is understandable that concern should exist in the face of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated. Indeed, an examination of the potential sources and uses of funds in 1975 indicates that government financing—under certain seemingly reasonable assumptions—can be accommodated without major disruptions of money and capital markets.

That is from one of our largest and most conservative banks. I think that is entitled to a considerable amount of weight in this debate.

I would also like to refer my colleagues to a recent speech by the Treasury Department's own flow of funds expert, Dr. Sally S. Ronk, in which she anticipates that because of the decline in short-term credit demands this year, Treasury financing efforts can be absorbed with little difficulty. Dr. Ronk's analysis and that of the Morgan Guaranty generally compliment that of Dr. Brimmer, who made a sector-by-sector analysis.

I think it might be a good idea, I say to the manager of the bill, to print his testimony in the RECORD.

Mr. President, I also ask unanimous consent to insert the whole speech of Dr. Ronk made before the Washington Chapter of the National Association of Business Economists.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FLOWS OF FUNDS IN RECESSION AND RECOVERY

(Remarks by Sally S. Ronk)

The big question on many minds, ever since the Budget and the Economic Report were unveiled three weeks ago, is how the prospective deficits are going to be financed without either (1) driving up interest rates or (2) reviving inflation. I have addressed myself to that question by preparing a flow of funds forecast based on the economic outlook projected in the Economic Report and on the Treasury and Federal agency financing contained in the Budget. The attached tables showing my flow of funds projections are on a fiscal year basis. This serves to pinpoint the magnitude of the problem over the coming period when the brunt of the recession-induced deficits will be felt.

The first observation one may make concerning the projections in the tables is that in the current fiscal year—fiscal 1975—private demands for funds are falling off sharply. Thus, even though Treasury demands are skyrocketing, total demands for funds are declining by an estimated 15 percent. The biggest reduction is, of course, in business loans from the commercial banks;

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business loan demands slackened noticeably last fall and have sloughed off week by week so far this year. If the inventory liquidation in sight materializes, it may be anticipated that business loan demands will be dampened even further in the period ahead. Other types of business borrowings, except those from the U.S. Government, are also dropping back noticeably. At the same time, consumer credit is still being liquidated. According to my projections, total short-term credit demands will decline from $94.4 billion in fiscal 1974 to $35.2 billion in fiscal 1975.

Total government demands for credit are projected as rising from $40.2 billion in fiscal 1974 to $77.4 billion in fiscal 1975. This rise would be even greater if it were not for the fact that Federal agency borrowings, which include GNMA pass-throughs as well as Budget and sponsored agency issues, will probably be substantially smaller in fiscal 1975 than in fiscal 1974, as the Federal Home Loan banks retire debt during the current half year period. In all, during fiscal 1975 the increase in demands by government will fall short of the reduction in short-term demands by some $22 billion.

On top of that, long-term credit demands, in total, are estimated at some $12 billion less in fiscal 1975 than in fiscal 1974. True, corporate bond borrowings are surging, but mortgages—which still make up the larger part of demand in the long-term credit markets—have been registering smaller and smaller increases for the past two years. The mortgage market is now probably bottoming out at an annual rate of increase in mortgages outstanding of about $42½ billion, compared to the peak rate of increase of over $60 billion in the second quarter of 1973. However, any revival in the mortgage market is likely to proceed slowly, since the savings institutions are expected to utilize a large portion of their renewed savings inflows to pay off debt and rebuild liquidity.

Similarly, the disarray in the stock market has brought the net new issuance of stocks virtually to a halt; over the past half year, July–December 1974, net new issues amounted to only $1.2 billion, compared with peak annual rates of $13–14 billion three years ago. A much longer period of gain in the stock market than we have witnessed recently will probably be required before there is much strength in the new equity issues market.

This slackening in demands from the private sector during the 1975 fiscal year is currently being accompanied by improving savings inflows and a more expansive credit policy. The rate of expansion of bank credit was exceptionally low during the July–December 1974 period, and, even after the substantial step-up anticipated for the rate during the current half year, the rate for the entire fiscal year 1975 is estimated at a relatively low 7.5 percent compared with the 17 percent and 14 percent rates of the two previous fiscal years.

In sum, on the supply side of the equation, the major suppliers, i.e., savings institutions and commercial banks, have the funds available to absorb the amount of credit instruments demanded. Over the current half year, with demands for funds—except from the Treasury—still on the low side, the funds are available to finance the huge demands from the Treasury.

But one may ask, is not the current period one representing the depths of a recession? What about the situation in fiscal 1976 when private credit demands revive and Treasury borrowings are still mounting?

The economic assumptions in the Budget and Economic Report do not suggest a strong rebound in real growth, while at the same time, the rate of price increases is expected to be slackening (after the boost given prices by the oil import levy in calendar 1975). However, because of the depressed level of activity in calendar 1975, the growth of current dollar GNP in calendar 1976 is estimated at 12.6 percent. This represents the dimensions of the extra activity that will need to be financed in the credit markets.

For fiscal 1976, Treasury borrowings, which includes borrowings to finance the lending activities of the Federal Financing Bank, are estimated at $63.7 billion in the Budget, while Federal agency financing will subside further to $14.7 billion. Even under the assumption that state and local government borrowings will virtually level off from fiscal 1974 to fiscal 1976, borrowings by government at all levels in fiscal 1976 will reach a whopping total of $95.4 billion, up $18 billion from fiscal 1975's unprecedented total of $77.4 billion.

At the same time, mortgage and short-term credit demands—the laggards currently—will undoubtedly pick up. The question is how strongly? For the mortgage market, I am in the camp that believes that the large overhang of housing inventory will inhibit the spurt in housing starts that usually follows the resumption of savings inflows to, and shoring up of liquidity positions of, the thrift institutions. Consequently, my projection for starts calls for only about a 1.3–1.4 million annual rate in calendar 1975 and an average of 1.6–1.7 million during the first half of calendar 1976. This would bring the net new volume of mortgages issued only part way back to the fiscal 1974 total, which itself was considerably below the fiscal 1973 total.

Concurrently, in fiscal 1976, corporate bond offerings will probably begin to diminish, although the level will probably remain historically high. Even though their external requirements for funds for plant and equipment and inventories still remain relatively low, corporations will probably maintain a relatively high level of long-term borrowings in order to continue to increase their net working capital and liquidity positions. However, net new stock issues, which are currently almost nonexistent should begin to pick up. In all, long-term borrowings are projected as rising by nearly $12 billion, or 15 percent, in fiscal 1976.

The volume of short-term credit issued in fiscal 1976 should show an even stronger revival than long-term funds, if only because the fiscal 1975 level is so weakened. While business borrowings from the banks will probably strengthen from their current slack, a fairly substantial reversal will be required to bring the 1976 fiscal year's total above the level of fiscal 1975; this is because the current half year's flattening in bank loans to business was preceded by a period of moderate growth during the first part of fiscal 1975. With other types of business borrowings—open market paper, finance company loans and government and agency loans—still soft, total business borrowings will probably show a levelling off rather than an increase during fiscal 1976. Nevertheless, with consumer credit demands beginning to revive and security credit turning around, a strong—25 percent—increase in total short-term funds is projected for fiscal 1976. Thus, at the very time when Treasury demands are peaking, virtually all sectors of the credit markets will be under greater pressures from demands.

The crucial question is, will this confluence of stronger demands place the credit markets under undue strain so that rising interest rates will again be necessary in order for the demands to be financed?

The projections which I have made for the supply side foresee continued growth in savings flows in fiscal 1976, but not the very strong revival that we have witnessed in past post-disintermediation periods. Bank credit, on the other hand, should increase smartly as the Federal Reserve's easing process continues and takes hold. The projected expansion of $51 billion for commercial bank credit in fiscal 1975 will come only if there is a large increase during the current—January–June 1975—period since there was a virtual halt in the growth of bank credit during the latter half of calendar 1974. For fiscal 1976, I have projected an increase in bank credit of $75 billion, which is considerably below the $88 and $82 billion increases, respectively, in fiscal 1973 and 1974. Such an increase would represent a 10.2 percent rate of growth, which compares with 7.5 percent in fiscal 1975.

My assumptions also include fairly strong foreign investment in the United States—$16.8 billion in fiscal 1975 and $17.4 billion in fiscal 1976—but these would still be below the record levels of fiscal 1971 and 1972.

These projections suggest that the enhanced volume of funds to be raised in fiscal 1976 may be financed without much call on residual investors. In other words, the credit markets may be in position to absorb the financing without undue upward pressure on interest rates. Thus, there is reason to expect that interest rates will continue to decline through late this year and that thereafter there may be only moderate rises, unless the Federal deficit situation should worsen.

TOTAL FUNDS RAISED IN U.S. CREDIT MARKETS, FISCAL YEARS

[In billions of dollars]

	Actual—			1975	1976
	1972	1973	1974	(estimate)	(projected)
FUNDS RAISED					
Long-term funds:					
Mortgages:					
Home	34.6	44.9	37.0	26.7	34.2
Multifamily	9.2	10.8	7.3	6.6	7.5
Commercial	12.7	16.7	16.6	7.3	8.0
Farm	2.5	3.4	4.4	5.1	5.2
Total	59.0	75.7	65.2	45.7	54.9
Corporate securities:[1]					
Bonds	21.7	15.4	17.4	28.6	26.9
Stocks	14.3	12.2	7.1	3.3	7.5
Total	36.0	27.6	24.5	31.9	34.4
Total, long-term funds	95.0	103.3	89.7	77.6	89.3
Government securities:					
U.S. Government	19.6	18.5	2.1	43.9	63.7
Federal agencies	8.7	14.4	21.3	17.6	14.7
State and local governments	15.6	12.6	16.8	15.9	17.0
Total, Government securities	43.9	45.5	40.2	77.4	95.4
Short-term funds[2]:					
Business credit:					
Open market paper	2.9	1.6	15.0	10.0	4.0
Bank loans	11.2	40.9	40.5	10.6	14.0
U.S. Government loans	.3	.9	1.1	6.2	3.6
Federal agency loans	−.7	6.3	8.1	3.8	−.7
Other[3]	5.1	3.6	4.9	−5.6	2.7
Total	18.8	53.3	69.6	25.0	23.6
Consumer credit	14.5	23.3	16.3	1.7	7.0
Security credit	9.0	−3.2	−3.3	−4.0	1.0
Banks	4.5	7.5	8.4	7.5	5.0
U.S. Government	1.1	2.1	2.1	1.6	2.9
Total	5.6	9.6	9.9	9.1	7.9
Other loans:					
Banks	2.3	1.7	−1.4	−1.8	.4
U.S. Government	.6	.6	.6	2.7	3.0
Policy loans	1.0	1.2	2.7	2.5	1.4
Total	3.9	3.5	1.9	3.4	4.8
Total, short-term funds	51.8	86.5	94.4	35.2	44.3
Total funds raised	190.7	235.3	224.3	190.2	229.0

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[1] Including foreign securities.

[2] Including bank term loans and long-term Federal credits.

[3] Finance Company loans to business and security RPs.

TOTAL FUNDS SUPPLIED IN U.S. CREDIT MARKETS, FISCAL YEARS

[In billions of dollars]

	Actual—			1975	1976
	1972	1973	1974	(estimate)	(projected)
FUNDS SUPPLIED					
Savings institutions:					
Contractual-type:					
Life insurance companies	13.1	14.3	16.4	15.7	17.2
Private pension funds	6.4	6.9	7.0	9.4	10.0
State and local retirement funds	6.5	8.8	9.3	12.1	12.0
Fire and casualty insurance costs	6.5	6.2	4.7	4.4	5.0
Total	32.5	36.2	37.4	41.6	44.2
Deposit-type:					
Savings and loan associations	31.0	38.4	22.1	18.0	30.0
Mutual savings banks	10.3	8.6	3.7	3.0	7.0
Credit unions	3.0	3.0	2.4	2.7	2.5
Total	44.3	50.0	28.2	23.7	39.5
Other:					
Investment companies	−.2	−2.8	−1.3	1.9	2.0
Real estate investment trusts	3.9	4.8	3.0	−.2	---
Total	3.7	2.0	1.7	1.7	2.0
Total savings institutions	80.5	88.2	67.3	67.0	85.7
Banking:					
Federal Reserve banks	7.0	4.0	7.4	7.8	9.0
Commercial banks	57.8	88.0	82.0	51.0	75.0
Total banking	64.8	92.0	89.4	58.8	84.0
Business:					
Nonfinancial corporations	7.2	6.6	8.5	2.2	4.0
Finance companies	5.8	12.2	6.8	1.1	2.0
Security brokers and dealers	3.7	−1.7	−1.3	−.7	2.0
Nonfarm noncorporation business	.6	1.2	1.0	1.4	1.1
Total business	17.3	18.3	15.0	4.0	9.1
Government:					
Federal Government	1.9	2.3	3.7	15.6	12.3
Federal agencies	7.5	12.1	21.2	19.1	15.8
State and local governments	1.7	.3	1.8	6.1	1.5
Total Government	11.1	14.7	26.7	40.8	29.6
Foreign	18.1	13.3	2.5	16.8	17.4
Households (residual)	−1.1	8.8	23.4	2.8	3.2
Total funds supplied	190.7	235.3	224.3	190.2	229.0

Mr. JAVITS. Mr. President, just by way of summation, one conference that I participated in at the White House not too long ago on the economy ended up by the President going around the table to get, as he generally does, a summary of the various views. I was among those who had the good fortune and honor to be present.

It is never good taste, though in this case it happens to be very illustrative, but I would like to quote myself because my summation was in two words. I said to the President, "Be bold."

That is really what this is all about. Be bold. We have a $1¼ trillion economy. We owe less public debt in relationship to that economy than in our history. The ratio of debt to GNP is better than it was before.

Any businessman knows that it is not what you owe that counts; it is what you have, your cash flow, what you are earning.

Therefore, at a time of difficulty when our cash flow has fallen off, we can retrench and pull back and cause more unemployment, more distress, more failed businesses, or we can be bold.

I can never forget, Mr. President, a lesson in life taught to me in foreign policy by Winston Churchill. In 1940, in Britain's darkest hour, when Hitler had his barges all set on the other side of the channel, Churchill had two armored divisions. He sent one to North Africa at that time.

Mr. President, that was probably as bold an act as any government leader is capable of performing. He did it.

It seems to me that that is really what we are facing in this budget debate. I agree with Senator Buckley. It is very refreshing that at long last we should get down to the nuts and bolts of economics. Whether he is right or I am right only God will tell. But the idea of disclosing the fundamental thrust of policy and the premises upon which it is based in an open debate with a Senate vote is tremendously healthy. That is what we are doing now.

So I believe, Mr. President, that as when the President went for the tax cut and signed the bill which he did not agree with, because he wanted to say to the country, "Look, this is the way we have to go; I do not like this bill, but it is the way we have to go," it was the same spirit without being improvident which animated the Budget Committee.

I was on the Budget Committee but I had to get off because of the limitations on what premier committees one could belong to.

I am very proud that Senator Muskie and Senator Bellmon are in the Chamber at the moment. I believe they have really sailed through Scylla and Charybdis in a very admirable way.

Mr. President, I have given some of the evidence on which I base my representation, and, like Senator Buckley, I do represent a State which has large financial institutions. I might say the sentiment in the street, if it is any use to Members, is there is no great fear that we will break the back of the capital market by the Federal debt which has to be incurred in this situation.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Will the Senator yield 2 additional minutes?

Mr. MUSKIE. I yield 2 additional minutes.

Mr. JAVITS. What I have seen is the fact that we would not understand that when you get into a jam like this you have to invest and you have to take some risks.

I think the Budget Committee has given us the budget which takes minimal risks—which takes risks but minimal risks—but which should not be invalidated by the idea that we cannot raise the money or we will cause new inflation or a dearth of capital.

I said in my own statement that for the long run, no. For the long run, we would have to produce more capital than we have. But for the short run, I do not believe that this is a reason for knocking down the proposal brought to us by the Budget Committee.

Mr. BUCKLEY. Will the Senator yield for a question or two, Mr. President?

Mr. JAVITS. Of course.

Mr. BUCKLEY. My distinguished colleague refers to testimony given by Mr. Brimmer, stating that the capital demands were going down in 1975. Is that correct?

Mr. JAVITS. Yes.

Mr. BUCKLEY. Did he testify as to 1976?

Mr. JAVITS. No, he testified as to 1975, when the greater part of borrowing for fiscal year 1976 will take place. His testimony was that he estimated a drop of 27 million net business claims on the capital market from the 1973 market. That is what I said. By the way, the excerpts are here.

Mr. BROCK. I wonder if the Senator will again yield, if I may interject. The Senator is aware that Mr. Brimmer is one of the authors or supporters of a plan to allocate credit which implies a presumption on his part that credit will be short.

Mr. JAVITS. I do not think it implies that presumption. I was of that school at one time myself. What it does imply is the fact that what you want is to pinpoint massing at a given point, which is the military doctrine of great advantage, a massive capital for a particular breakthrough, in this case housing. I do not see that that invalidates the theory that we have been discussing.

Sure, he is an advocate of that theory, and I was, as I say, at a given time. But I do not think that that concedes that there is a dearth of capital for this purpose, that is, Government lending in order to meet this budget.

Mr. BUCKLEY. Mr. President, I believe we all agree that in this year we do not have the problem of overcrowding but we are talking about a budget for the following fiscal year.

Mr. JAVITS. I remind the Senator that fiscal year 1975 means half of this year and that the heavy Treasury borrowing will be this year.

Mr. BUCKLEY. Half of this year, at least.

Mr. JAVITS. It goes into half the year, exactly, for fiscal 1975, but the greater part of fiscal year 1976 borrowing will also be this year.

Mr. BUCKLEY. Does the Senator know Henry Kaufman of Salomon Brothers?

Mr. JAVITS. Yes. I have great respect for him.

Mr. BUCKLEY. Mr. President, Mr. Kaufman is one of those who share our concern over the crowding out factor. One of the problems of economists is that economy is not an exact art, as we all know.

Among those who have expressed precisely the same concerns expressed by my cosponsors and myself are Allen Meltzer, Chairman of the Shadow Open Market Commission; Karl Brunner, of the University of Rochester; Berglo Sprinkle, of the Harris Trust Co.; and Lief Olson, of the First National City Bank.

Notwithstanding the input we have received from my distinguished senior colleague, I believe that these concerns over the effect of this huge deficit are real.

The PRESIDING OFFICER. The Chair inquires whether this colloquy is on the time of the junior Senator from New York or the senior Senator from New York.

Mr. JAVITS. I had only 2 minutes. I could not spend any more.

The PRESIDING OFFICER. The Senator's 2 minutes had expired. That is why the Chair wonders whose time is being used at present.

Mr. JAVITS. I thank my colleague.

Mr. BUCKLEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The junior Senator from New York has 26 minutes remaining.

Mr. BUCKLEY. Mr. President, I yield to the Senator from Tennessee such time as he requires.

Mr. BROCK. Mr. President, I ask for 5 minutes, just so that I have some measurement of how I am progressing.

First, I would like to express my gratitude to the committee for taking on this tough job, a job with which I can sympathize, having worked a long time to author, with the Senator from Maine, the proposed legislation. Also, I would like to express my appreciation in that they have put together a first approximation to this complex endeavor in a very short period of time. The need to staff it up and to come up with a bill of this magnitude and complexity is an enormous job, and they deserve our appreciation.

I have some problems with it, because, as the Senator from Maine pointed out, it is almost impossible to arrive at a total without adding up the component parts. I understand that.

The reason why I became interested in a rational budget process is that, in the past, Congress never has totaled component parts of the budget until the end of the year, when we had already spent all the component parts. What we are trying to do with this budget is to force the Membership of the House and Senate to debate the priorities at the outset, before we begin spending.

The first concurrent resolution was designed to afford us a device in which we could place all our resources, all our revenues, all our expenditures, and the net surplus or deficit in some economic context which would apply to the given fiscal situation in the economy.

The problem with that is I think we have chosen now to present to Congress, for its approval, an excessive response to that explicit economic situation. I understand how hard it is to cut programs, but I suggest that there is no need to cut any program. Some of them will deserve cuts, but there is no need to cut any program at all from the current levels. As a matter of fact, if we wish to do so, we can calculate very quickly the 1975 line item expenditures through the whole budget, at a 5-percent increment, which is greater than the rate of inflation in the past month, and we still come to less than we have in this $340 billion figure—less, not more. That is a 5-percent increase across the board in every line item of every piece in every part of the budget. So nobody has suggested a cut.

What this Senator is suggesting is that we are in a supermarket debate instead of an economic debate. The criticism that the Senator from Oklahoma leveled against the Senator from New York and his approach was on whether or not this figure was right or that figure was right. That is not the purpose of this first concurrent resolution. The purpose of this first concurrent resolution is for us to set objectives for Congress to try to live within as we go through the authorizing and appropriation process between now and September, at which point we reach a final determination and reconcile the figures in the context of the economy as it exists at that time. We can adjust those figures. Nothing in the world inhibits us from making those adjustments. But the point is that we are trying rationally to determine right now, as best we can, not only the quantity of Federal spending, the quantity of Federal revenues, but also the quality thereof and the effect thereof in sum total upon the deeply beseiged and beset 220 million American people.

Let me cite an example of what is happening to people in this country. We just passed a tax cut. It was a beautiful program. We are really going to take care of everybody in the United States. The average family of four receives $200.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BUCKLEY. Mr. President, I yield the Senator such additional time as he requires.

Mr. BROCK. Three minutes.

There is a $200 tax cut to the average family. It sounds good. Boy, we are really doing something for them. Here is Congress, responding quickly, right to the point, stimulating the economy, putting money back into the hands of the American people. Nobody took the trouble to tell them what it was going to cost. I will relate what it is going to cost.

This year, if we meet the Budget Committee's deficit projection, if we create $69 billion in new debts, at today's money rate, the average family in this country is going to pay $120 next year, the following year, and the year after that, as long as they live in this country, to pay the interest on the new debt that is being created by this Congress in their name.

Talk about bankers ripping off the American people with a high interest rate, what do you think 60 percent is? That is exactly what the pro rata share is of the new debt that is being created in the name of the American people, in order to afford them all the blessings of this Government.

We can argue about displacement of capital. I have heard the testimony of the Joint Economic Committee before the Budget Committee, and I can accept some of the sophisticated economic arguments that say we can accommodate a pretty sizable deficit by a beautiful combination of borrowing from the American people to the extent that we can, without raising interest rates, and borrowing the rest from the Federal Reserve, but not enough to create an inflationary pressure. I would like very much to live in that perfect world, but I do not. I have to make an assumption, if I accept those statements, and that assumption is that the American people are not going to decide that the recession is over and start buying again; because the

minute they do, they are going to find out that in order to get money to buy a refrigerator, much less a car or a house, they have to compete with their own Government. That is tough competition; because, when the Federal Government borrows money, it goes to the front of the line. People cannot buy a refrigerator or a house, because we have preempted that segment of the money market, because we assumed they were not going to buy. We want to stimulate, but we do not want the American people to buy. What are they going to say then?

What happened? What happened to our ability to work our way out of this recession we have? What happened to our ability to rebuild our inventories, to restock our shelves? What happened to our ability to start producing things again, to make investments in technology, machinery, equipment, plant? What happened?

At that time, Government can only respond, "Well, gee, we are sorry, but we decided it was better for the public sector to make investments than for the American people to have that privilege." That is the danger that we have in this kind of a deficit.

I am not suggesting—I cannot speak for any other Senator, but I am not suggesting that we cut anything out of any Federal programs. I can name some which I would like to. I am saying we can hold every Federal program at current levels, add 5 percent on top of it, at least, and where we have a commitment on the part of the Government to the American people, as we do in social security, for the cost-of-living increase that cumulates back over the last several months, meet that commitment, still hold his budget to $340 billion in gross spending. If the Senators do not believe me, I will show them the figures. They are right here.

If we do that, then we can offer the American people the opportunity to recover from being besieged by their own Government. I do not see that we have any choice other than to pass this alternative budget and make ourselves, for once, live with it like the American people are having to live with their family budget every day of every week of every month of the year.

Nobody around here seems to want to tighten up. They always tell the American people, "You tighten up." Well, it is about time we met some responsibility for a change. Until we do, I do not think we deserve the commendations of the American people for being concerned, because we have not met the responsibility that goes with the authority that has been handed to us by our constituents.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I am going to take it on the bill, if I may.

The PRESIDING OFFICER. Who yields time to the Senator from Oregon?

Mr. MUSKIE. Would the Senator like time on the bill?

Mr. PACKWOOD. If that is all right.

Mr. MUSKIE. How much time would the Senator like?

Mr. PACKWOOD. About 5 or 10 minutes.

Mr. MUSKIE. I am happy to yield 5 minutes.

Mr. PACKWOOD. Mr. President, I congratulate the Senator from Maine (Mr. Muskie) on the effort he has given to bringing forth this budget bill from the inception, and for his willingness to leave a very prestigious committee, the Committee on Foreign Relations, to take on the chairmanship of this committee. But I am constrained to disagree with him about the total budget and the total deficit that the Committee on the Budget has come forth with. I shall support the motion and the amendment of Senator McClure and Senator Buckley. I shall tell the Senate why.

I sit on both the Committee on Banking and the Committee on Finance, and over the last 6 or 7 months, I have listened to different economists testify. They testified about total spending, testified about how much of a deficit we can float or absorb—use the word you choose. I have noticed that it has floated upward about $25 billion in the past 4 to 5 months. I find it has floated upward pretty much as the philosophical inclination of those who were testifying chose to finance pet projects of theirs.

Last October, last November, last December, it was generally conceded that we did not dare go beyond a $50 billion deficit for the next fiscal year. When the President came forth with his budget message projecting a $51.9 billion deficit for next year, it floated upwards in most other people's minds to $55 billion, to $60 billion. I now see consistent statements that we can absorb a $70 billion deficit next year.

I am afraid that when push comes to shove, this Congress will not have the nerve to vote "no" on a variety of specific items substantially in excess of the amounts suggested to be spent by the Budget Committee. I do not think the full fight and the meaningful fight is going to come over this resolution today, regardless of whether Senator Buckley's and Senator McClure's amendment is adopted or the proposals as set forth by the committee are adopted, or whether the proposals by the Senator from Minnesota (Mr. Mondale) are adopted. I think that next August or September, when somebody on this floor rises to add an additional $700 million or $800 million or $900 million or $1 billion or more to a specific appropriation, the Senate is likely to adopt it.

When I was in Oregon during the spring recess, every place I went—high schools, factories, service clubs—I consistently asked people to raise their hands and make a choice between the two: Which did they think was worse, both for them and for the country, what was the greatest fear they had—recession or inflation. By margins of anywhere from 30 to 1 to 50 to 1, the answer was inflation, and it did not matter to what group I was speaking.

Granted, I was not in the unemployment office. I was not talking to those who were unemployed. But I was talking to the 90 to 92 percent of the people who are still employed in this country.

It is understandable why those who are employed think that inflation is still the greatest problem that they face. So to attempt to corroborate the feelings I found when I was in Oregon personally, I mailed a questionnaire to several hundred thousand Oregon voters. I posed the question in somewhat the same fashion, but I gave them a third choice. What did they think was the worst problem facing them—unemployment, recession, or inflation? This went to all groups of voters, whether or not they were employed or unemployed. Inflation ranked substantially ahead of the other two items put together.

I shall tell the Senators what I think we are asking for, even under the relatively conservative estimates of Senator Buckley. I think we are asking for unconscionable inflation in this country. I know there are economists who will testify otherwise. I think they honestly believe it. I have yet to find any two who agree. They can be from the same class, from the same university, having been taught by the same professor in graduate school. But I think we are looking forward, within a year to 18 months, to interest rates of 15 percent or inflation of 15 percent, or a combination of both. And really, the only variant will depend upon whether we choose to finance the deficit by borrowing in the private marketplace or simply by having the Federal Reserve Board print the money and buy the Treasury bonds.

To the extent that the Federal Reserve Board prints the money, we are going to have a rapid rate of inflation, perhaps with a slightly lower interest rate than 15 percent. To the extent that we choose to borrow in the private marketplace, the inflation may not be quite so bad. But the interest rates will be higher.

I wish to quote from several articles. The first is from Salomon Brothers in New York, well-known investment bankers, a publication entitled "Supply and Demand for Credit in 1975";

> The consquences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized.

Let me add here, this was written late last year.

> Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise, the budget deficit would either lead to a vicious struggle for funds between private borrowers and the Government, or the Federal Reserve would have to supply funds without regard to its long range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of Government by crowding out medium to lower rated business borrowers, many of whom are already in peril, and mortgage borrowers as well, thus aborting recovery in housing activity.

Mr. President, I ask unanimous consent that a report published by Salomon Brothers, entitled "Supply and Demand for Credit in 1975," be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

UMI

TABLE 1.—SUMMARY OF SUPPLY AND DEMAND FOR CREDIT

[In billions of dollars]

	See table	Annual net increases in amounts outstanding: 1969	1970	1971	1972	1973	1974 estimated	197 preliminary	Amounts outstanding, Dec. 31, 1974 estimated
Net demand:									
Privately held mortgages	II	22.7	20.2	41.7	59.0	60.0	35.4	33.9	614.9
Corporate bonds	III	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4
State and local securities	IV	7.1	14.7	21.3	12.5	14.5	15.5	15.0	208.3
Domestically held foreign bonds	V	1.0	.9	.9	1.0	1.0	2.2	3.1	18.8
Subtotal, long-term non-Federal		44.6	58.5	87.6	91.6	88.2	77.8	82.9	1,115.4
Business loans	IX	18.4	2.5	7.7	24.8	38.4	34.3	12.1	248.8
Consumer loans	IX	10.4	6.0	11.2	19.2	22.9	9.9	3.5	190.4
All other bank loans	IX	2.0	2.9	7.3	10.1	7.8	2.2	4.5	72.2
Open market paper	VIII	12.4	2.	−.1	1.6	8.4	16.9	9.6	66.9
Subtotal, short-term private		43.2	12.6	26.1	55.7	77.5	63.3	29.7	578.3
Privately held treasury debt	VI	−5.8	5.7	18.9	15.1	−2.1	10.7	41.0	268.9
Privately held Federal agency debt	VII	8.1	9.0	2.8	9.2	21.5	20.0	9.7	101.8
Subtotal, Federal		2.3	14.	21.7	24.3	19.4	30.7	50.7	370.7
Total, net demand for credit		90.1	85.9	135.4	171.6	185.1	171.8	163.3	2,064.4
Net supply:[1]									
Mutual savings banks	X	2.5	3.8	9.0	8.9	5.3	2.7	6.6	99.1
Savings and loan associations	X	10.1	11.9	30.5	37.4	29.3	23.3	26.5	285.6
Credit unions	X	1.5	1.	2.6	3.1	2.9	3.2	3.5	26.4
Life insurance companies	X	4.4	4.	7.2	8.8	9.6	10.9	12.5	194.9
Fire and casualty companies	X	1.6	3.	3.7	3.8	3.5	3.7	2.9	44.9
Private noninsured pension funds	X	1.0	2.	−1.8	−.5	2.1	5.4	5.0	43.0
State and local retirement funds	X	3.7	3.	3.7	3.7	3.7	5.7	6.7	65.2
Open-end mutual funds	X	.9	.	0	0	−.2	.9	−.2	7.9
Real estate investment trusts	X	.9	2.	2.5	4.9	4.5	1.2	.2	16.2
Total, nonbank investing institutions		26.6	34.	57.4	70.1	60.7	57.0	63.7	783.2
Commercial banks[2]	X	15.6	33.	51.0	73.3	77.6	53.6	65.0	704.4
Finance companies	X	8.1	.	4.2	10.7	10.2	4.9	1.4	89.8
Business corporations	XI	7.4	.	5.2	1.3	5.4	8.0	5.7	76.6
State and local governments	XI	3.4	−.	−1.5	4.1	4.5	2.4	−3.0	30.1
Foreigners	XI	−.9	10.	26.4	9.1	2.0	7.0	10.5	71.7
Subtotal		60.2	79.6	142.7	168.6	160.4	132.9	143.3	1,755.8
Residual: Individuals and miscellaneous	XII	29.9	6.3	−7.3	3.0	24.7	38.9	20.0	308.6
Total, net supply of credit		90.1	85.9	135.4	171.6	185.1	171.8	163.3	2,064.4

[1] Excludes funds for equities, cash, and miscellaneous demands not tabulated above.

[2] Includes nonoperating holding and other bank related companies.

SUMMARY AND CONCLUSIONS

The summary table as well as the supporting tables present our current estimates for credit flows in 1975. The 1975 estimates do not show all of the *potential* transaction flows, but rather those we believe will be realized. They are, therefore, directly comparable with the realized flows shown for 1974 and earlier years. The following comments summarize our major conclusions and findings for both the 1974 and the prospective 1975 credit flows.

1974

Last year, an estimated $171.8 billion of net new credit demands were satisfied in the financial markets of the United States. The most burdensome rate of price inflation in decades simply overwhelmed a substantial real decline in economic activity, generating total credit needs equal to those of 1972 and not too far below those of 1973, a boom year. Indeed, total demands failed to exceed those of 1973 only because of a very restrictive stance on the part of the monetary authorities for the better part of the year.

The unprecedented nature of economic and financial conditions last year produced rather unusual and dramatic market phenomena, which are to a large extent reflected in the accompanying credit flow tables. The coupling of worsening domestic recession and unresponsive price trends against an international backdrop of oil aggravated payment deficits and business and institutional failures, produced uncertainty and caution among consumers, mounting problems for business and governmental borrowers and widespread re-appraisals of credit risk and investment strategy. Moreover, the persistence of a clearly unacceptable rate of inflation, left the burden of restraint with the Federal Reserve. Monetary restraint and huge short-term demands combined to produce record levels of interest rates and sharp reductions in new savings at thrift institutions.

Consumer uncertainty and caution, combined with the effects of disintermediation produced all and more of the decline in net satisfied demands from the record 1973 levels. Excluding direct Federal agency financing, net mortgage formation declined 41% or nearly $25 billion to $35.4 billion last year. And consumer lending plummeted 57% to a mere $9.9 billion net. Both mortgage and consumer loans were at their lowest levels since 1970. These two types of borrowing declined a total of $38 billion last year, more than offsetting big increases in business and governmental credit demands.

On the supply side, commercial bank credit expansion declined $24 billion from the 1973 record to $53.6 billion, accounting for more than all of the total decline in credit demands. Partly offsetting the bank credit slowdown was a record $38.9 billion of direct credit market investment by individuals and miscellaneous investors.

The external financing requirements of non-financial business corporations rose to a record $75.2 billion despite the economic slowdown (See Table IIIB). Physical investment requirements continued to rise: plant and equipment expenditures rose nearly 12% over 1973 levels, due mainly to price increases, and inventory accumulation approached 1973's steep rise. Moreover, net receivables rose in a most unusual contra-cyclical fashion, most probably reflecting the difficulties non-corporate customers experienced in meeting liabilities. Internal cash flow was virtually unchanged at $38.3 billion because the large aggregate increases in reported before tax profits reflected inventory valuation increases. Consequently, corporate cash needs to finance purely operational requirements rose $15.8 billion to a record $68.7 billion. Even though corporations added relatively little to financial assets, therefore, total external requirements rose above the 1973 record.

Because of the condition of the equity markets last year (See Table IIIC), corporations were unusually dependent upon debt markets. Net new stock financing declined to $3.2 billion, including preferreds, the lowest annual volume since 1968. Consequently, business corporations raised a record volume of short-term funds and issued record amounts of both taxable and tax-exempt (pollution control) bonds. The increase in corporate bank loans about matched 1973's record $31 billion, and issuance of open market paper rose dramatically to a record $4.8 billion. This unfortunately worsened the already unfavorable maturity structure of corporate debt. The ratio of bonds to short-term debt reached a record low of only a shade above 1 to 1 as the year ended. As Table IIIA shows, moreover, increasing emphasis on quality on the part of bond investors resulted in a dramatic increase last year in the volume of medium-term bond financing; there were months in which virtually no public utility offerings were long bonds.

The bond market financing of business corporations was supplemented by a large volume of commercial bank and bank holding company debentures. Moreover, as the summary table shows, foreign bond offerings, especially those of Canadian issuers, swelled to a record $2.2 billion net.

The record volume of paper financing of non-financial business corporations was similarly augmented by the very heavy use of paper financing on the part of both commercial banks and finance companies, although virtually all of the outstanding paper issued by real estate investment trusts was paid down last year (See Table VIII). Moreover, the volume of bankers' acceptances outstanding was doubled in a single year!

As noted above, Federal government market financing increased rapidly, especially towards year-end. Treasury debt financing, net of Federal Reserve System purchases, rose to $10.7 billion compared to a net retirement of $2.1 billion in 1973 (See Table VI). Virtually all of this financing was purchased directly by individual investors.

The precipitous decline in private mortgage financing last year compelled Federal housing agencies, moreover, to step up their support of this market. They acquired an estimated $14.9 billion of mortgages in the secondary market and Federal Home Loan Banks advanced almost $8 billion to savings and loan associations, financing an equivalent volume of their mortgage acquisitions. Despite this support and the now mammoth level of repayments on seasoned mortgages, housing starts plunged further last year to only 1.3 million units (See Table II).

The supply of market credit was decisively affected by two major developments last year. The first was the monetary authorities' determined return to restraint early in the year, with concomitant levels of disintermediation. The second was a wholesale revaluation of the credit worthiness and future prospects for American business enterprise.

Monetary restraint finally slowed credit growth last year. Bank credit expansion was actually negative at times, taking seasonals into account, and, for the year as a whole, was the smallest since 1971, despite a record increase in bank issuance of CDs and paper (See Table X, p. 23). Privately held demand deposits increased only $2.9 billion compared with $19.4 billion in 1972 and $14 billion in 1973 (when restraint was obviously less determined). With the notable exception of money center banks able to compete for short-term funds in the market place, monetary restraint cut much more deeply into loan accommodation than an already low level of security purchases.

The impact of monetary restraint was felt even more by thrift institutions than banks. Record open market rates throughout much of 1974 aggravated the shift away from these traditional venues of saving into more direct market activity. Mutual savings banks (See Table X), for example, recorded aggregate regular savings deposit gains of only $2.3 billion, less than half the amount of interest they credited to these accounts during the year, and even less than the savings gain in 1969. Savings and loan associations, moreover, did not do too much better on balance. Their savings inflows declined about 25% compared to 1973, but they compensated in part by obtaining massive advances from the Federal Home Loan Banks. Towards the end of the year, however, a major part of the fresh inflows of savings were applied to the replenishment of liquidity levels rather than new mortgage financing.

The widespread reappraisal of investment strategy by many hitherto equity oriented institutions produced sharp cutbacks in the volume of stock purchases in favor of fixed income investment (See table below). The most dramatic example of this kind of shift from stocks to bonds was that of private non-insured pension funds, who cut back their new net stock investment almost 60% and increased their net new bond investment over 200% last year. Moreover, market declines produced pension fund stock portfolio loses of nearly 25% in the aggregate. The changes in investment attitudes also forced real estate investment trusts into marked dependency upon commercial banks when open market sources of funds dried up.

NET ACQUISITIONS OF CORPORATE SECURITIES, BY TYPE, FOR VARIOUS KINDS OF INVESTOR GROUPS

[In billions of dollars]

	1969	1970	1971	1972	1973	1974[1]
Life insurance companies:						
Bonds	1.6	1.2	5.4	6.4	5.1	4.9
Stocks	1.7	2.0	3.7	3.7	3.5	2.0
Private pension funds:						
Bonds	.5	1.9	−.7	−.7	1.4	4.3
Stocks	4.5	4.6	8.9	7.3	5.3	2.2
State and local retirement funds:						
Bonds	3.2	3.7	3.9	4.3	3.5	5.5
Stocks	1.8	2.1	3.2	3.5	3.9	3.6
Other institutions and foreigners:						
Bonds	1.7	5.6	5.4	3.1	−1.9	2.5
Stocks	4.4	4.3	4.3	4.3	3.1	2.0
Individual (and miscellaneous) investors:						
Bonds	6.8	10.4	9.7	6.0	4.7	7.5
Stocks	−9.0	−5.3	−6.6	−5.8	−6.8	−6.6

[1] Estimated.

Continued gains in personal savings (despite the impact of inflation upon the cost of necessities) enabled individuals to acquire a substantial, but not record, amount of financial assets again last year. Even higher market rates of interest than in 1973 resulted in a further shift away from institutional forms of saving. Direct purchases of securities by our residual, "Individuals and Miscellaneous Investors" soared to a record $38.9 billion (See Table XII), with over half of this concentrated in new investments in Federal securities. Individuals also invested substantially in commercial paper and both the corporate and tax-exempt bond markets.

The unique character of credit flow developments last year can hardly be exaggerated. The high rate of short-term business borrowing, the slowdown in bank credit expansion and the substantial shift of individuals' funds from deposits into direct security purchases, for example, are typical of periods of booming business rather than one in which real economic activity declined 2%. They reflected the heavy burden of inflation upon market participants of all kinds, and deferred the urgent task of restoring the financial prerequisites of sustainable growth to 1975 and beyond.

1975

The forces generated by business contraction will profoundly shape credit flows this year. Nevertheless, as the events of 1974 demonstrated, it would be a serious error to envisage these forces as having merely cyclical dimensions or significance. While fiscal and monetary stimulation are typical responses to cyclical slowdowns, it is doubtful that the economy ever before entered the second year of recession with anything like the recent extraordinarily high rates of price inflation, or the degree of illiquidity evident in business concerns, commercial banks and a few other institutions. These unusual adverse factors will add severe and cyclically uncharacteristic burdens on financial markets. Moreover, there is no cyclical (or other) precedent to the international monetary instability and heavy payments drain imposed by the increased price of oil. Thus, a high degree of volatility and abnormal developments are likely to determine credit market flows this year.

Our credit flow estimates for 1975 are essential to finance the 5½ to 6% increase in GNP which we anticipate. That increase, reflecting an inflation rate of 8.5% or so and a further decline in real activity of about 2.5 to 3% (we foresee the recession lasting most of 1975, with perhaps a glimmer of recovery in the closing months), would bring the full year level to roughly $1,475 billion, in nominal dollars. Consumer uncertainty in the face of very high levels of unemployment, declining business spending and little hope of lifting housing activity above 1974 levels all cast a pall upon prospects for an immediate or vigorous recovery. Only Federal spending, among all the major economic factors, is likely to provide some upward thrust.

These developments will produce several unique credit flow features. First, while the magnitude of net new credit demands financed this year will slow from the previous year, it will still be enormous for a business recession, especially one this deep. Like last year, these demands will go well beyond cyclical proportion because of the high rate of inflation. We estimate a net increase in all credit market obligations of $163.3 billion or an 8% increase on top of the amount outstanding at the start of the year. Second, while better credit rated business corporations will gradually be able to improve their liability structure in contrast to 1974, by reducing short-term borrowings and stepping up long-term financing, lower rated firms will remain heavily dependent upon commercial banks because of very intense quality preferences in the open markets. Third, the huge budget deficit of the Federal Government will pose difficult challenges later on this year that could threaten the corporate balance sheet restructuring. Finally, while personal savings generation should improve this year due to the cautiousness of consumers, the threat of some disintermediation has not been entirely dissipated. Although they will save rather than spend a good portion of the early tax rebates or reductions, for example, part of these new savings will be invested directly in credit market obligations instead of being entirely channelled through intermediaries as was the case in most previous business recessions.

In the aggregate, the net credit demands of the private sector (consisting of long-term and short-term private demands, as shown in the summary table) will total an estimated $112.6 billion, down $28.5 billion from the previous year's total. At the same time however, the net market demands of the Federal government will rise to $50.7 billion, up $20 billion from 1974.

The most striking falloff in financing demands in the private sector should come from business firms. We estimate that the external financing demands of nonfinancial corporations will fall from $75.2 billion last year to $56.3 billion, largely because of re-

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duced physical investment (See Table IIIB). As the following chart shows, purely operational needs will fall sharply, and a moderate increase in financial asset holdings will modify this decline very little as far as total financing needs are concerned.

Elements of corporate external financing needs

(Graph omitted.)

The decline in corporate demands will show up primarily in business loans, which will total $12.1 billion, down sharply from 1974 but still higher than in 1970 and 1971; this should help arrest, but not reverse, the deterioration in corporate liquidity profiled in the table below. There should also be a gradual slowing in the high rate of open market paper issuance. In contrast, the net issuance of corporate bonds is expected to total a record $31.3 billion, surpassing the 1974 record by $6.6 billion (See Table III). The drive to improve balance sheet positions will again be concentrated among manufacturers; commercial enterprises, however, will begin to fund short-term debt also. New public bond offerings will again dominate the corporate bond market despite some pickup in the volume of private placements. The increased investor requirements for safety of funds and the impact of reduced corporate profitability will produce an even larger issuance of medium-term bonds than last year's record. We also anticipate a moderate pickup in the net new issuance of common and preferred stocks to $4 billion this year from the depressed volume of $3.2 billion in 1974. While the need to issue equity is very great, these requirements will not be satisfied appreciably until there is some improvement in market conditions. In the meantime, the financial structure of some corporations may result in a number of bankruptcies and will, in time, accelerate cash mergers and acquisitions on terms very favorable to buyers.

The only other increase in long-term demands for credit this year will come from foreigners. Although still very small when compared with domestic debt issuance, their net issuance of bonds here should increase by nearly $1 billion to $3.1 billion, reflecting mainly the growing needs of Canadian issuers and, to a lesser extent, obligations of oil deficit nations acceptable to U.S. investors.

SOME MEASURES OF AGGREGATE CORPORATE LIQUIDITY IN THE POSTWAR PERIOD

[Cyclical year-end highs and lows, ratios of outstanding amounts]

	Bond debt to short-term debt		Liquid assets to short-term debt	
	High	Low	High	Low
1945–48	2.11	1.54	3.47	1.98
1949–53	2.69	1.63	2.41	1.85
1954–57	2.04	1.67	1.97	1.38
1958–60	1.93	1.70	1.45	1.19
1961–70	1.75	1.25	1.23	.63
1971–74	1.42	[1] 1.05	.69	[1] .56

[1] Estimated.

On the other hand, mortgage formation, while still the major factor in the long-term market, should again slow this year although not as precipitously as in 1974. Including reduced mortgage acquisitions by the Federal credit agencies, and $33.5 billion of net new mortgage formation by private investors, down $1.9 billion from 1974, the total will fall to $43.5 billion. The overall level of private housing starts is expected to fall just short of last year's depressed total, reflecting the large overhang of unsold homes, continued high real estate prices and buyer uncertainty stemming from very high levels of unemployment. Moreover, private institutions financing housing will probably prefer to improve their impaired liquidity before they seek to extend new mortgage commitments, and real estate investment trusts, a highly stimulative force in commercial construction financing just a few years ago, now have serious financial problems of their own.

The long-term bond issuance by state and local governments will also slow in 1975 but this will be nearly offset by a larger volume of short-term borrowings (See Table IV). As a consequence, total new state and local borrowings will vary little from last year. Among other factors affecting this market this year will be the continued investor preference for high quality, smaller purchases by fire and casualty companies and larger but still well below record purchases by commercial banks.

Fiscal stimulation means a huge increase in borrowings by the Federal government. We project a unified U.S. budget deficit approaching $50 billion in calendar 1975 as compared with a deficit of $10 billion last year. Our estimate includes the revenues generated by the just enacted new tariff on oil imports but no other energy tax, personal income tax rebates and tax reductions of $20 billion, a good increase in expenditures and shortfalls in revenues due to the economic contraction. As a result, the net market demands of the U.S. Treasury will total a postwar record of $41 billion, nearly $30 billion larger than last year and more than two times the financing absorbed by the market in 1971 when the Government also pushed to restimulate the economy. Partly alleviating this huge increase in Treasury debt will be an estimated $10.3 billion decline in the net offerings of Federal credit agencies, due in large measure to debt retirement by the Federal Home Loan Banks and smaller borrowing by the Federal National Mortgage Association.

Despite the fact that the slowing of private credit demands neatly offsets the enlarged borrowing requirements of the U.S. Treasury, the financing of the latter poses potential problems for the credit markets. For example, if, by chance, the inflation rate does not diminish significantly, private credit demands will remain high, intensifying the struggle for available funds. Moreover, a crucial element in our picture of how the deficit is to be financed with a minimum of friction is the over $20 billion of U.S. Governments we expect commercial banks to acquire (a postwar record and an estimated 30% increase in their holdings, as the chart below dramatically shows). This assumes a moderately large expansion in bank credit totaling $65 billion or 9%, of which only $30 billion will be allocated to finance loans compared to the $50 billion in 1974. Thus, the deficit financing would create problems if loan demand exceeds expectations.

Commercial bank security holdings, by type

(Graph omitted.)

We are also assuming that non-bank investing institutions will acquire a record $6.4 billion net of U.S. Governments. Nevertheless, even these generous assumptions leave a large volume of Governments to be absorbed by other investors, mainly individuals. In fact, even allowing for a substantial volume of reintermediation and an expansionary monetary policy, our overall residual, consisting of individuals and miscellaneous investors, still totals an estimated $20 billion. While this residual is only half as large as in 1974, it is nevertheless abnormally large for a business contraction (See the chart below). During the 1970 business recession, the residual financed only 7% of net credit market demands and in 1971, it was actually negative due to massive reintermediation.

Disposition of individuals' disposable financial savings

(Graph omitted.)

Considering the likely profile of economic and financial developments this year, the Federal Reserve will be faced with difficult problems of both a fundamental and tactical nature. It will have to supply a substantial volume of new reserves despite a still very high rate of inflation and strong inflationary expectations. To encourage the purchase of a substantial volume of Governments by the commercial banks, the authorities will have to keep the Federal funds rate very close to or below the bill rate to provide an arbitrage inducement. This should prove no problem as long as the economy is slowing down. As the economy levels out or picks up in the second half of the year, however, the resumption of private credit demands coupled with increased Treasury financing should pose some difficult choices for monetary policy. Keeping markets and especially the banks conducive to substantial Treasury financing may require more rapid injection of reserves than is consistent with the objective of longer run economic stability.

To some extent, these troubles could be minimized if foreigners sharply increased their purchases of American securities over the $10 billion estimated by us and if borrowing here by oil deficit nations subsides. The latter is unlikely unless oil prices decline or financing restrictions are imposed. The recycling problems are far from resolved and in fact have been substantially aggravated of late. For both political and market reasons, the oil producing nations receiving payments mainly in dollars have invested only a small part of their excess funds in American obligations. One of the consequences has been renewed dollar weaknesses, which poses an imponderable element in these credit flow estimates.

The consequences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized. Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise, the budget deficit would either lead to a vicious struggle for funds between private borrowers and the Government, or the Federal Reserve would have to supply funds without regard to its long range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of Government, by crowding out medium to lower rated business borrowers, many of whom are already in peril, and mortgage borrowers as well, thus aborting recovery in housing activity.

Our credit flow projections suggest, by themselves, a few broad observations on interest rate prospects. The yield curve is likely to remain sharply positive for the near-term with short-term interest rates declining more than the highest rated long-term bonds. Some flattening of the yield curve is likely later on, as recovery begins. At that time, short-term interest rates could rise in response to increased economic demands, even though the Fed may not be actively slowing credit availability. In addition, considering that the weight of financing requirements will fall most heavily upon medium and lower rated borrowers, their illiquidity will persist for an unusually long period of time. The selectivity of investors, therefore, will maintain quality spreads in the bond market at relatively wide levels.

TECHNICAL NOTES ON TABLES

Table I summarizes all the chief factors of supply and demand for credit. The detailed supporting data for each of these chief factors, as well as other supplementary statistics, are shown in Tables II through XII on the following pages. In the summary (Table I), net credit demands are divided arbitrarily into three types: (1) long-term, which include privately held mortgages, corporate bonds, municipal bonds and foreign bonds; (2) short-term private demands, and (3) privately held Treasury and Federal agency debt. The suppliers of these funds are broken down into: (1) non-bank investing institutions; (2) commercial banks; (3) finance companies, corporations, state and local governments as well as foreigners, and, finally

(4) the residual: "individuals and miscellaneous," which comprise all types of investors in these credit instruments that are not otherwise specified in these tables.

All of the summary figures are in terms of net demand or net supply, that is to say, the net annual increases in outstandings of the various types of debt, and the net annual increases in the holdings of the various investor groups. The much larger gross volumes of new financing are reported in some supporting tables, but not in the summary table.

In addition, on the extreme right-hand side of each table a boxed column shows estimates for amounts outstanding and holdings as of year-end 1974. These amounts are shown at book value except for corporate stock which is shown at market. Totals for various institutions holding stock are the sums of the market value of their stock holdings and the book value of all other assets.

The summary table excludes equities both on the supply side and the demand side. Table IIIC, however, carries supply and demand estimates for equities. Because net demand and supply data for corporate stock transactions provide an incomplete picture of stock activities and values, net transactions are reconciled with gross and with changes in market value for various kinds of investors at the bottom of this table.

The summary table also excludes such non-market credit items as business receivables. It further excludes, on both the demand and supply sides, private credit instruments bought and held by the Federal Government. Thus, for example, the mortgage estimate excludes net purchases of mortgages by Government agencies; these are reflected, however, in part of the increase in Federal agency debt. Similarly, the Treasury and Federal agency debt changes are net of purchases of Treasuries and agencies by the Federal Reserve, Federal trust funds and agencies.

Tables II through IX show each demand factor in detail with supporting data and the net purchases by each investor group of each specific form of credit. Tables X through XII, which analyze sources of funds, contain all of the ownership data from preceding tables rearranged according to investor groups, together with their other assets, so that the financial activities of each type of investor can be reviewed. Thus, these tables are intended to make sense primarily when seen as a whole.

We also want to express our appreciation to Jeffrey Cohn for his contributions to the preparation of these tables.

TABLE II.—REAL ESTATE MORTGAGES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
1–4 family nonfarm home mortgages	15.6	13.4	27.2	38.3	41.0	27.6	24.4	414.2
Multifamily mortgages	4.9	5.8	9.3	9.2	8.8	5.7	5.3	91.1
Commercial mortgages	5.4	5.5	10.0	15.3	16.2	12.8	8.8	136.7
Farm mortgages	1.9	1.7	1.6	2.6	3.9	4.2	5.0	43.5
Total	27.8	26.4	48.1	65.4	69.9	50.3	43.5	685.5
Less Federal agency holdings [1]	5.1	6.2	6.4	6.4	9.9	14.9	10.0	70.6
Privately held mortgages (see table I)	22.7	20.2	41.7	59.0	60.0	35.4	33.5	614.9
Private ownership:								
Mutual savings banks	2.5	2.0	4.1	5.5	5.7	2.3	3.3	75.1
Savings and loan associations	9.6	10.3	24.1	32.0	26.6	17.7	21.0	249.4
Credit unions	0	.1	0	.2	0	0	.1	1.0
Life insurance companies	2.1	2.3	1.1	1.5	4.2	4.9	3.0	86.1
Private noninsured pension funds	.1	.1	−.6	−.7	−.3	−.1	−.2	2.6
State and local retirement funds	.8	.7	.3	−.1	.7	.3	.1	8.2
Real estate investment trusts	.9	2.1	2.5	4.9	4.5	1.2	.2	16.2
Total, nonbank investing institutions	16.0	17.6	31.5	43.3	41.4	26.3	27.5	438.6
Commercial banks	5.0	2.6	9.2	16.8	19.8	11.2	10.2	130.3
Finance companies	.3	.1	1.1	4.1	1.4	−.1	−.2	12.4
Residual: Individuals and miscellaneous	1.4	−.1	−.1	−5.2	−2.6	−2.0	−4.0	33.6
Total, private ownership	22.7	20.2	41.7	59.0	60.0	35.4	33.5	614.9
Memo: Private housing starts (1,000 units):								
1–4 family	896	898	1,271	1,451	1,249	956	950	54,000
Multifamily	571	536	781	906	794	379	365	15,500
Total	1,467	1,434	2,052	2,357	2,043	1,334	1,315	[2] 69,500
Completions	1,399	1,418	1,706	1,972	2,014	1,685	1,525	

[1] Includes very small amount of State subsidies.

[2] Reflects substantial retirements of stock. Net additions to stock (excluding mobile homes) was probably on the order of 3,500,000 to 4,000,000 units in 1971–74.

TABLE IIA.—SUPPLY OF MORTGAGE FUNDS—BY TYPE OF MORTGAGE

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Ownership 1–4 family mortgages:								
Mutual savings banks	1.4	1.0	1.1	3.0	2.6	0.7	1.4	44.9
Savings and loan associations	7.7	7.3	17.6	24.7	21.0	14.5	17.5	202.6
Credit unions	0	.1	0	.2	0	0	.1	1.0
Life insurance companies	−1.1	−1.4	−2.0	−2.1	−.5	−1.0	−1.5	21.0
Private noninsured pension funds	0	0	0	0	0	0	0	0
State and local retirement funds	0	0	0	0	0	0	0	0
Real estate investment trusts	.1	.5	.7	1.4	1.3	.3	0	4.4
Total, nonbank investing institutions	8.1	7.5	17.4	27.2	24.4	14.5	17.5	273.9
Commercial banks	2.6	1.0	5.7	9.0	11.0	5.9	4.5	73.9
Finance companies	.3	.1	1.1	4.1	1.4	−.1	−.2	12.4
Individuals and miscellaneous	.7	.7	−2.3	−5.7	−1.1	−1.5	−2.9	9.7
Total, private ownership	11.7	9.3	21.9	34.6	35.7	18.8	18.9	369.9
Federal agencies [1]	3.9	4.1	5.3	3.7	5.3	8.8	5.5	44.3
Total outstanding	15.6	13.4	27.2	38.3	41.0	27.6	24.4	414.2

[1] Includes very small amount of State subsidies.

TABLE IIA.—SUPPLY OF MORTGAGE FUNDS—BY TYPE OF MORTGAGE—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Ownership other mortgages:								
Mutual savings banks	1.1	1.0	3.0	2.5	3.1	1.6	1.9	30.2
Savings and loan associations	1.9	3.0	6.5	7.3	5.6	3.2	3.5	46.8
Life insurance companies	3.2	3.7	3.1	3.6	4.7	5.9	4.5	65.1
Private noninsured pension funds	.1	.1	−.6	−.7	−.3	−.1	−.2	2.6
State and local retirement funds	.8	.7	.3	−.1	.7	.3	.1	8.2
Real estate investment trusts	.8	1.6	1.8	3.5	3.2	.9	.2	11.8
Total, nonbank investing institutions	7.9	10.1	14.1	16.1	17.0	11.8	10.0	164.7
Commercial banks	2.4	1.6	3.5	7.8	8.8	5.3	5.7	56.4
Individuals and miscellaneous	.7	.8	2.2	.5	−1.5	−.5	−1.1	23.9
Total, private ownership	11.0	10.9	19.8	24.4	24.3	16.6	14.6	245.0
Federal agencies	1.2	2.1	1.1	2.7	4.6	6.1	4.5	26.3
Total outstanding	12.2	13.0	20.9	27.1	28.9	22.7	19.1	271.3

TABLE III.—CORPORATE BONDS

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Gross new cash issues by industry:								
Public utilities	5.2	8.0	7.6	6.2	5.4	8.6	9.0	....
Communication	1.9	5.0	4.2	3.7	3.5	3.7	3.6	....
Railroads	.3	.7	.7	.6	.4	.6	.9	....
Other transportation	1.6	1.3	1.3	1.9	1.6	1.3	1.1	....
Manufacturing	4.2	9.2	9.3	4.4	3.9	9.3	14.8	....
Mining	.3	.1	.2	.8	.2	.3	1.0	....
Financial and real estate	2.6	3.5	6.5	7.9	5.0	5.6	6.5	....
Commercial and miscellaneous	1.4	1.5	2.0	1.5	1.2	.9	3.0	....
Total	17.5	29.3	21.8	27.0	21.2	30.3	39.9	....
Less maturities and cash retirements	4.5	5.8	6.3	6.2	7.2	5.5	8.5	....
Plus (merger) exchanges for stock	2.0	.2	.1	.1	.3	.1	0	....
Less conversions into stock	1.2	.9	1.9	1.8	1.6	.2	.1	....
Net issuance (see table I)	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4
Ownership:								
Mutual savings banks	.3	1.2	2.9	2.1	−1.4	.8	2.2	13.9
Life insurance companies	1.6	1.2	5.4	6.4	5.1	4.9	7.2	88.4
Fire and casualty companies	.8	2.2	.3	−.7	−.1	.2	1.6	7.8
Private noninsured pension funds	.5	1.9	−.7	−.7	1.4	4.3	3.4	31.8
State and local retirement funds	3.2	3.7	3.9	4.3	3.5	5.5	5.7	48.8
Open-end mutual funds	.2	.7	.6	.2	−.9	−.5	−1.2	3.7
Total, nonbank investing institutions	6.6	10.9	12.4	11.6	7.6	15.2	18.9	194.4
Commercial banks	−.1	.8	1.3	1.4	.4	.6	1.5	6.4
Foreigners	.5	.7	.3	.1	.1	1.4	1.5	3.8
Residual: Individuals and miscellaneous	6.8	10.4	9.7	6.0	4.6	7.5	9.4	68.8
Total ownership	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4
Memo: Sector analysis:								
Nonfinancial corporations (see table IIIB)	12.1	20.2	18.7	12.6	9.2	20.4	27.0	227.9
Real estate investment trusts	.1	.5	.4	.4	.6	.1	−.1	2.0
Nonbank financial corporations	1.8	2.0	3.7	5.0	2.9	3.1	3.0	38.3
Commercial banks	−.2	.1	.9	1.1	0	1.1	1.4	5.2
Total, net change outstanding	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4

TABLE IIIA.—CORPORATE BONDS—BY TYPE OF ISSUE

[In millions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Straight public debt:								
Cash offerings:								
Public utilities	4.7	7.5	6.6	5.3	4.7	8.0	8.6	....
Communication	1.7	4.8	4.0	2.8	3.2	3.4	3.3	....
Railroads	.3	.6	.7	.5	.4	.6	.9	....
Other transportation	.1	.4	.3	.3	.1	1.0	.8	....
Manufacturing	1.7	6.7	5.6	1.9	1.1	6.5	11.0	....
Mining	0	0	.1	.1	0	0	.4	....
Financial and real estate	.9	2.1	3.6	4.6	2.4	4.6	4.6	....
Commercial and miscellaneous	.1	1.0	.4	.2	.4	.3	1.5	....
Total, cash offerings [1]	9.5	23.1	21.3	15.7	12.3	24.4	31.1	....
Less cash retirements	1.4	2.0	2.4	2.4	1.6	2.4	4.4	....

Footnotes at end of table.

TABLE IIIA.—CORPORATE BONDS—BY TYPE OF ISSUE—Continued

[In millions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimates	1975 preliminary	
Straight public debt—Continued								
Net issuance public straight debt	8.1	21.1	18.9	13.3	10.7	22.0	26.7	175.7
Straight private debt: [2]								
Cash offerings:								
Public utilities	.5	.4	.9	.9	.7	.6	.4	....
Communication	.1	.1	.2	.8	.3	.3	.3	....
Railroads	0	.1	0	0	0	0	0	....
Other transportation	1.1	.7	1.0	1.5	1.5	.3	.3	....
Manufacturing	.9	1.4	2.4	1.9	2.7	2.6	3.6	....
Mining	.1	.1	.1	.4	.2	.3	.6	....
Financial and real estate	.9	.7	1.5	2.5	2.2	1.0	1.8	....
Commercial and miscelleneous	.4	0	.8	1.0	.8	.4	1.3	....
Total, cash offerings	4.0	3.5	6.9	9.0	8.4	5.5	8.3	....
Less cash retirements	3.1	3.6	3.8	3.7	5.6	3.0	4.0	....
Net issuance private straight debt	.9	.1	3.1	5.3	2.8	2.5	4.3	71.8
Convertible bonds:								
Cash offerings (mostly public):								
Public utilities	0	.1	.1	0	0	0	0	....
Communication	.1	.1	0	.1	0	0	0	....
Railroads	0	0	0	.1	0	0	0	....
Other transportation	.4	.2	0	.1	0	0	0	....
Manufacturing	1.6	1.1	1.3	.6	.1	.2	.2	....
Mining	.2	0	0	.3	0	0	0	....
Financial and real estate	.8	.7	1.4	.8	.4	0	.1	....
Commercial and miscellaneous	.9	.5	.8	.3	0	.2	.2	....
Total cash offerings	4.0	2.7	3.6	2.3	.5	.4	.5	....
Plus (merger) exchanges for stock	2.0	.2	.1	.1	.3	.1	0	....
Less conversions into stock	1.2	.9	1.9	1.8	1.6	.2	.1	....
Less calls and other retirements	0	.2	.1	.1	0	.1	.1	....
Net, issuance convertible debt	4.8	1.8	1.7	.5	−.8	.2	.3	25.9
Net, issuance all corporate bonds	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4

[1] Includes medium-term offerings as follows:

1969	1.4
1970	4.9
1971	3.1
1972	3.8
1973	1.0
1974	7.7
1975	12.5

[2] Many private placements have some kind of equity feature.

TABLE IIIB.—SOURCES AND USES OF CORPORATE FUNDS [1]

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Uses of funds:								
Plant and equipment	74.0	75.1	77.1	87.1	103.3	115.3	115.0	....
Land [3]	7.7	7.8	8.2	9.3	10.9	11.9	10.0	....
Direct foreign investment	2.2	3.6	3.8	1.5	3.6	5.0	2.8	....
Residential construction	2.9	3.3	5.0	5.7	5.3	4.0	1.5	....
Inventories, adjusted for valuation	6.7	5.7	5.1	9.7	12.9	11.8	−1.5	....
Total, physical investment	93.5	95.5	99.2	113.3	136.0	148.0	127.8	....
Net trade and consumer credit	2.1	1.6	[3] 6.3	[3] 8.9	[3] 4.0	[3] 9.0	2.5	69.2
Demand deposits and currency	2.6	.9	.5	−.1	−.3	−1.5	1.0	38.0
Time deposits	−2.4	1.7	3.6	3.1	1.4	7.0	3.0	28.5
U.S. Governments	−2.8	.4	2.1	−3.2	−3.0	1.5	2.8	2.6
Federal agencies	.5	.1	.1	.7	1.2	0	0	4.3
Open market paper	7.3	−.1	−.3	1.5	3.7	4.2	2.0	29.9
State and local securities	1.5	−.8	2.1	−.4	.2	.8	1.2	6.4
Repurchase agreements	1.4	−3.4	.8	1.6	2.6	1.6	2.0	6.9
Foreign currencies	−.4	−.4	1.4	1.8	2.6	−.4	−1.7	6.3
Other financial assets (net)	−6.7	.6	1.5	7.9	7.4	−6.7	.2	....
Total uses	96.6	96.1	117.4	135.1	155.8	163.5	140.8	....
Sources of funds:								
Internal cash generation	58.0	56.5	69.9	78.3	87.1	88.3	84.5	....
Mortgage debt	4.6	5.2	11.4	15.6	16.1	11.3	3.7	131.5
Bank long-term loans	4.7	−.5	−.5	2.8	12.0	12.7	3.5	73.5
Bank short-term loans	7.1	6.1	4.9	10.7	18.6	18.1	11.2	108.0
Finance company loans	4.3	.4	1.9	2.8	2.0	2.7	2.0	23.1
U.S. Government loans	.1	.3	.2	.2	.3	.1	1.0	2.3
Net sales of open market paper	2.3	2.2	−.6	.7	1.3	4.8	2.4	14.9
Net new stock issues	3.4	5.7	11.4	10.9	7.4	3.1	3.5	[4] 528.0
Net new tax-exempt bond issues	0	0	.1	.5	1.8	2.0	2.0	4.4
Net new taxable bond issues	12.1	20.2	18.7	12.6	9.2	20.4	27.0	227.9
Total external sources	38.6	39.6	47.5	56.8	68.7	75.2	56.3	....
Total sources	96.6	96.1	117.4	135.1	155.8	163.5	140.8	....

Footnote at end of table.

TABLE IIIB.—SOURCES AND USES OF CORPORATE FUNDS[1]—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Memoranda:								
Profits before taxes and IVA	67.9	55.7	63.1	76.0	95.2	120.0	74.0	
Plus inventory valuation adj	−5.1	−4.8	−4.9	−7.0	−17.6	−43.0	−13.0	
Plus repatriated foreign profits	2.5	2.3	2.0	2.1	3.7	11.2	5.0	
Less Federal tax payments	36.4	30.3	27.8	33.7	38.1	41.8	34.0	
Less dividends	20.7	20.0	20.2	22.1	23.6	30.6	26.0	
Plus depreciation	49.8	53.6	57.7	63.0	67.5	72.5	78.5	
Internal cash generation	58.0	56.5	69.9	78.3	87.1	88.3	84.5	
Physical investment	93.5	95.5	99.2	113.3	136.0	148.0	127.8	
Plus net trade and consumer credit	2.1	1.6	[3]6.4	[3]8.9	[3]4.0	[3]9.0	2.5	
Less internal cash generation	58.0	56.5	69.9	78.3	87.1	88.3	84.5	
Equals operational requirements	37.6	40.6	35.7	43.9	52.9	68.7	45.8	
Plus requirements for financial assets	1.0	−1.0	11.8	12.9	15.8	6.5	10.5	
Equals extension of financial requirements	38.6	39.6	47.5	56.8	68.7	75.2	56.3	

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[1] Excludes banks, other financial institutions, REIT's and farm corporations.

[2] Our estimate.

[3] FOF figures increased $4,000,000,000 and $1,000,000,000 for 1971 and 1972 to reflect assumed payment of current liabilities to foreigners, and decreased $1,000,000,000 and $2,500,000,000 for 1973 and 1974 to reflect gradual buildup of liabilities.

[4] At market.

TABLE IIIC.—CORPORATE STOCK ISSUES (COMMON AND PREFERRED)

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Gross new cash offerings:								
Public utilities	1.1	2.4	4.1	5.0	4.4	2.3	1.8	
Communications	.2	.1	1.6	1.1	1.3	.2	1.4	
Railroads	0	0	0	0	0	0	0	
Other transportation	.2	0	.4	.2	0	0	0	
Manufacturing	1.6	1.4	1.8	1.8	.6	.5	.3	
Mining	1.2	1.5	.9	1.3	.7	.6	.5	
Financial and real estate	1.4	1.4	2.0	2.1	1.0	.4	.3	
Commercial and miscellaneous	1.5	.8	1.2	1.6	.3	.1	.1	
Total cash offerings	7.2	7.6	12.0	13.1	8.3	4.1	4.4	
Plus stock options and all other sales	.9	.8	1.2	.4	2.1	.9	.3	
Less cash retirements	2.9	2.2	1.5	2.2	2.7	1.9	1.0	
Plus conversion of bonds	1.2	.8	1.9	1.8	1.6	.2	.1	
Less (merger) exchanges into bonds	2.1	.2	.1	.1	.3	.1	0	
Net issuance	4.3	6.8	13.5	13.0	9.0	3.2	3.8	636.0
Ownership:								
Mutual savings banks	.3	.3	.5	.6	.4	.2	.4	3.6
Life insurance companies	1.7	2.0	3.7	3.7	3.5	2.0	2.2	24.0
Fire and casualty companies	.8	1.2	2.6	3.2	2.2	1.2	1.5	16.0
Private noninsured pension funds	5.4	4.6	8.9	7.3	5.3	2.2	3.2	69.9
State and local retirement funds	1.8	2.1	3.2	3.5	3.9	3.6	3.6	17.3
Open-end mutual funds	1.7	1.2	.4	−1.8	−2.3	0	.5	28.1
Total nonbank investing institutions	11.7	11.4	19.3	16.5	13.0	9.2	11.4	158.9
Foreigners	1.6	.7	.8	2.3	2.8	.6	.8	18.7
Residual: individuals and miscellaneous	−9.0	−5.3	−6.6	−5.8	−6.8	−6.6	−8.4	458.4
Total ownership	4.3	6.8	13.5	13.0	9.0	3.2	3.8	636.0

	Changes in market value of holdings							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Institutions and foreigners:								
Market value at start of year	160.9	155.6	164.8	208.8	254.2	225.1	177.6	
Plus gross purchases	61.5	51.5	71.2	80.7	69.6	53.0	53.2	
Less gross sales	48.2	39.4	51.1	61.9	54.1	43.2	41.0	
Plus appreciation	−18.6	−2.9	23.9	26.6	−44.9	−57.3		
Equals market value at end of year	155.6	164.8	208.8	254.2	225.1	177.6		
Individuals:								
Market value at start of year	814.0	705.8	690.0	795.9	914.3	687.8	458.4	
Plus gross purchases	137.4	99.4	139.8	166.4	140.9	84.2	65.6	
Less gross sales	146.4	104.7	146.4	172.2	147.7	90.8	74.0	
Plus appreciation	−99.2	−10.5	112.5	124.2	−219.7	−222.8		
Equals market value at end of year	705.8	690.0	795.9	914.3	687.8	458.4		
All holders:								
Market value at start of year	974.9	861.4	854.8	1,004.7	1,168.5	912.9	636.0	
Plus gross purchases	198.9	150.9	211.0	247.1	210.8	137.2	118.8	
Less gross sales	194.6	144.1	197.5	234.1	201.8	134.0	115.0	
Plus appreciation	−117.8	−13.4	136.4	150.8	−264.6	−280.1		
Equals market value at end of year	861.4	854.8	1,004.7	1,168.5	912.9	636.0		

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[1] At market.

TABLE IV.—STATE AND LOCAL SECURITIES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Gross new bond issues	11.5	17.8	24.4	22.9	23.0	22.6	20.0	
Refundings	0	.1	[1].2	[1].3	[1].3	[1].2	.4	
Maturities (estimated)	6.7	7.1	8.0	8.6	8.8	9.1	9.4	
Net sinking fund purchases (estimated)	.2	.2	.2	.2	.2	.2	.2	
Net increase in bonds	4.6	10.4	16.0	13.8	13.7	13.1	10.0	188.1
Gross new note issues	11.8	17.9	26.3	25.2	24.7	28.8	35.0	
Maturities (estimated)	9.3	13.6	21.0	26.5	23.9	26.4	30.0	
Net increase in notes	2.5	4.3	5.3	−1.3	.8	2.4	5.0	20.2
Total net increase (see table I)	7.1	14.7	21.3	12.5	14.5	15.5	15.0	208.3
Ownership:								
Mutual savings banks	0	0	.2	.5	0	−.1	.2	.8
Life insurance companies	.1	.1	.1	0	.1	.2	.3	3.6
Fire and casualty companies	1.1	1.5	3.4	4.4	3.6	3.6	.8	31.8
State and local retirement funds	−.1	−.3	−.1	−.2	−.4	−.5	−.3	.8
Total nonbank investing institutions	1.1	1.3	3.6	4.7	3.3	3.2	1.0	37.0
Commercial banks	.2	10.5	12.8	7.1	3.9	4.0	7.5	99.1
Business corporations	1.5	−.8	2.1	−.4	.2	.8	1.2	6.4
Residual: individuals and miscellaneous	4.3	3.7	2.8	1.1	7.1	7.5	5.3	65.8
Total ownership	7.1	14.7	21.3	12.5	14.5	15.5	15.0	208.3

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[1] Omits $300,000,000, $1,100,000,000, $900,000,000, and $400,000,000 of advance refundings for 1971, 1972, 1973, and 1974, respectively.

TABLE V.—FOREIGN BONDS

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Domestically held	1.0	0.9	0.9	1.0	1.0	2.2	3.1	18.8
Ownership:								
Life insurance companies	.2	.3	.1	.6	.3	.6	.8	9.0
Fire and casualty companies	0	.1	0	0	0	0	.1	.3
Private noninsured pension funds	.1	.2	0	−.1	.2	.4	.4	2.7
State and local retirement funds	.2	.3	.3	.3	.3	.5	.6	3.7
Total nonbank investing institutions	.5	.9	.4	.8	.8	1.5	1.9	15.7
Residual: Individuals and miscellaneous	.5	0	.5	.2	.2	.7	1.2	3.1
Total ownership	1.0	.9	.9	1.0	1.0	2.2	3.1	18.8

TABLE VI.—U.S. TREASURY DEBT

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
Treasury debt	10.2	20.8	35.0	[1] 20.7	20.6	[2] 23.4	[2] 62.0	493.4
Less Holdings of:								
U.S. trust funds	12.5	8.1	9.1	[1] 6.2	12.7	11.5	10.0	140.8
Federal agencies	−.7	2.0	−1.1	−.3	1.4	−3.1	1.0	.9
Federal Reserve banks	4.2	5.0	8.1	−.3	8.6	4.3	10.0	82.8
Privately held (see table I)	−5.8	5.7	18.9	15.1	−2.1	10.7	41.0	268.9
Ownership:								
Mutual savings banks	−.6	−.1	.1	.2	−.5	−.6	.4	2.4
Savings and loan associations	−1.0	−.4	1.4	.9	0	2.3	3.0	14.1
Credit unions	−.1	.3	.3	.4	.2	.1	.7	1.5
Life insurance companies	−.3	−.1	−.2	0	−.3	−.2	.4	3.3
Fire and casualty companies	−.4	−.1	.2	0	0	−.2	.3	4.4
Private noninsured pension funds	0	−.1	0	.9	.1	0	1.0	3.2
State and local retirement funds	−.8	−.6	−.2	−.5	−.8	−.5	.4	1.3
Open-end mutual funds	−.5	.2	−.3	.1	.5	−.2	.2	1.0
Total, nonbank investing institutions	−3.7	−.9	1.3	2.0	−.8	.7	6.4	31.2
Commercial banks	−9.8	7.0	3.2	2.1	−8.7	−3.9	20.6	54.4
Business corporations	−2.8	.4	2.1	−3.2	−3.0	1.5	2.8	2.6
State and local governments	2.6	0	−.1	2.8	1.8	.8	−.8	21.7
Foreigners	−1.8	9.1	26.3	8.4	.2	2.6	7.0	58.1
Residual: Individuals and miscellaneous	9.7	−9.9	−13.9	3.0	8.4	9.0	5.0	100.9
Total ownership	−5.8	5.7	18.9	15.1	−2.1	10.7	41.0	268.9

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[1] In October 1972, gross Treasury debt outstanding and trust fund holdings were each increased $4,500,000,000 to reflect a nonrecurring accounting change. Accordingly we have reduced the net increases for 1972 in these two items by $4,500,000,000 each.

[2] Includes Federal Financing Bank issuance of $1,500,000,000 and an estimated $2,500,000,000 for 1974 and 1975, respectively.

TABLE VII.—FEDERAL AGENCY DEBT

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
Federal land banks	0.6	0.5	0.7	1.0	1.9	2.6	3.0	12.7
Federal home loan banks	3.7	1.8	−3.0	−.2	8.4	6.5	−3.5	21.8
Federal intermediate credit banks	.6	.7	.7	.3	1.1	2.4	1.3	9.4
Banks for cooperatives	.1	.3	0	.1	.7	1.4	.9	4.1
FNMA	4.1	3.7	2.6	1.7	3.4	4.8	2.2	26.8
GNMA (including passthroughs)	0	1.8	2.9	3.2	3.7	4.4	3.3	15.9
Export-Import Bank	−.5	0	.3	1.3	.2	.4	.9	2.6
Farmers Home Administration	0	.9	.7	2.1	1.8	.2	.8	5.8
TVA	.2	.3	.4	.5	.4	0	.4	2.4
Postal Service	0	0	0	.3	0	0	0	.2
General Services Administration	0	0	0	.4	.2	.1	.3	.8
Washington Metropolitan Area Transit	0	0	0	.2	.4	.2	.2	.7
All other	0	0	0	0	.3	0	.3	.4
Subtotal	8.8	10.0	5.3	10.9	22.5	23.0	10.1	103.6
Certificates of participation [2]	−1.9	−1.4	−2.1	−1.2	−.6	−.3	−.1	4.5
Total	6.9	8.6	3.2	9.7	21.9	22.7	10.0	108.1
Less holdings of trust funds and Federal reserves	−1.2	−.4	.4	.5	.4	2.7	.3	6.3
Privately held (see table I)	8.1	9.0	2.8	9.2	21.5	20.0	9.7	101.8
Ownership:								
Mutual savings banks	.1	.4	1.4	.5	1.4	−.1	.2	4.2
Savings and loan associations	1.3	1.5	3.9	3.4	1.3	1.6	1.8	14.5
Credit unions	−.1	.1	.5	.4	0	.4	.3	1.6
Life insurance companies	0	.1	.1	.1	.1	.1	.1	1.0
Fire and casualty companies	.1	.1	−.2	.1	0	.1	.1	.6
Private noninsured pension funds	0	.3	−.3	.1	.5	.6	.3	1.8
State and local retirement funds	.1	0	−.2	−.1	.2	.1	.1	1.4
Total, nonbank investing institutions	1.5	2.5	5.2	4.5	3.5	2.8	2.9	25.1
Commercial banks	−.3	3.5	3.8	3.9	9.1	4.0	5.5	33.2
Business corporations	.5	.1	.1	.7	1.2	0	0	4.3
State and local governments	.4	−.1	−1.2	1.0	1.6	1.2	−1.7	6.3
Foreigners	−.6	0	0	.7	1.4	−.3	0	2.1
Residual: Individuals and miscellaneous	6.6	3.0	−5.1	−1.6	4.7	12.3	3.0	30.8
Total ownership	8.1	9.0	2.8	9.2	21.5	20.0	9.7	101.8

[1] Includes both "budgeted" and "sponsored" issuers.

[2] Includes obligations of GNMA, Export-Import Bank, and Commodity Credit Corporation.

TABLE VIII.—OPEN MARKET PAPER

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
Dealer placed	4.6	0.9	−1.2	0.8	0.9	3.4	2.9	17.3
Directly placed	6.8	−.4	.3	1.8	5.5	4.6	1.2	31.8
Bankers acceptances	1.0	1.6	.8	−1.0	2.0	8.9	5.5	17.8
Total (see table I)	12.4	2.1	−.1	1.6	8.4	16.9	9.6	66.9
Ownership:								
Mutual savings banks	.1	.2	.2	−.2	−.1	.2	.2	.8
Savings and loan associations	0	.2	1.0	.9	1.2	1.5	.6	4.8
Life insurance companies	.7	.8	.6	.2	.1	.4	.7	3.5
Private noninsured pension funds	.3	.1	−.2	0	.2	.2	.1	.9
State and local retirement funds	.3	0	−.3	0	.2	.3	.1	1.0
Open-end mutual funds	1.2	−.4	−.3	−.3	.2	1.6	.8	3.2
Total nonbank investing institutions	2.6	.9	1.0	.6	1.8	4.2	2.5	14.2
Commercial banks	.5	2.0	.8	−.2	−.8	.9	3.5	7.4
Business corporations	7.3	−.1	−.3	1.5	3.7	4.2	2.0	29.9
State and local governments	.4	−.4	−.2	.3	1.1	.4	−.5	2.1
Foreigners	1.0	.5	−.2	−.1	.3	3.3	2.0	7.7
Residual: Individuals and miscellaneous	.6	−.8	−1.2	−.5	2.3	3.9	.1	5.6
Total ownership	12.4	2.1	−.1	1.6	8.4	16.9	9.6	66.9
Memo: Sector analysis of liabilities:								
Nonfinancial corporations	2.3	2.2	−.6	.7	1.3	4.8	2.4	14.9
Noncorporate business	.4	.4	.3	0	0	.5	−.3	2.2
Finance companies	5.2	.6	−.5	−1.3	2.0	3.5	1.0	27.3
Commercial banks	4.2	−1.9	−.4	.7	2.2	3.4	1.2	8.3
Real estate investment trusts	0	0	.8	2.5	.7	−3.3	−.5	.7
Foreigners	.3	.8	.3	−1.0	2.2	8.0	5.8	13.5
Total, net change	12.4	2.1	−.1	1.6	8.4	16.9	9.6	66.9

TABLE IX.—LOANS[1]

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Loans by type (see table I):								
Business loans	18.4	2.5	7.7	24.8	38.4	34.3	12.1	248.8
Consumer loans:								
Installment	9.4	4.9	9.2	16.1	20.1	9.4	3.7	156.9
Noninstallment	1.0	1.1	2.0	3.1	2.8	.5	−.2	33.5
Other bank loans	2.0	2.0	7.3	10.1	7.8	2.2	4.5	72.2
Total loans	30.8	10.5	26.2	54.1	69.1	46.4	20.1	511.4
Ownership:								
Mutual savings banks: Consumer loans	.1	.1	.1	.3	.2	.2	.1	1.9
Savings and loan associations: Consumer loans	.2	.3	.1	.2	.2	.2	.1	2.8
Credit unions: Consumer loans	1.7	1.0	1.8	2.1	2.7	2.7	2.4	22.3
Commercial banks:								
Business loans	13.4	2.4	5.9	22.0	35.5	31.1	10.7	216.6
Consumer loans	4.7	2.9	6.7	10.1	10.6	3.5	1.0	84.8
Other loans	2.0	2.0	7.3	10.1	7.8	2.2	4.5	72.2
Finance companies:								
Business loans	5.0	.1	1.8	2.8	2.9	3.2	1.4	32.2
Consumer loans	2.8	.5	1.3	3.8	5.9	1.8	.2	45.2
Business corporations: Consumer loans	.9	1.2	1.2	2.7	3.3	1.5	−.3	33.4
All lenders, total loans	30.8	10.5	26.2	54.1	69.1	46.4	20.1	511.4

[1] Excludes loans included elsewhere, such as mortgages and open market paper.

TABLE X.—INSTITUTIONAL SOURCES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Mutual savings banks:								
U.S. governments	−0.6	−0.1	0.1	0.2	−0.5	−0.6	0.4	2.4
Federal agencies	.1	.4	1.4	.5	1.4	−.1	.2	4.2
Open market paper	.1	.2	.2	−.2	−.1	.2	.2	0.8
Corporate bonds	.3	1.2	2.9	2.1	−1.4	.8	2.2	13.9
Mortgages	2.5	2.0	4.1	5.5	5.7	2.3	3.3	75.1
State and local securities	0	0	.2	.5	0	−.1	.2	.8
Consumer loans	.1	.1	.1	.3	.2	.2	.1	1.9
Total credit (see table I)	2.5	3.8	9.0	8.9	5.3	2.7	6.6	99.1
Stocks	.3	.3	.5	.6	.4	.2	.4	[1]3.6
Repurchase agreements	.2	.1	.2	.1	.7	.7	1.0	2.2
Cash and miscellaneous	.3	1.4	.9	1.3	−.4	−.9	0	3.8
Total assets	3.3	5.6	10.6	10.9	6.0	2.7	8.0	108.7
Regular savings deposits	2.5	4.5	9.6	10.1	4.7	2.3	7.2	97.6
Other liabilities and reserves	.8	1.1	1.0	.8	1.3	.4	.8	11.1
Savings and loan associations:								
U.S. governments	−1.0	−.4	1.4	.9	0	2.3	3.0	14.1
Federal agencies	1.3	1.5	3.9	3.4	1.3	1.6	1.8	14.5
Open market paper [2]	0	.2	1.0	.9	1.2	1.5	.6	4.8
Mortgages	9.6	10.3	24.1	32.0	26.6	17.7	21.0	249.4
Consumer loans	.2	.3	.1	.2	.2	.2	.1	2.8
Total credit (see table I)	10.1	11.9	30.5	37.4	29.3	23.3	26.5	285.6
Cash and miscellaneous	−.7	2.3	−.5	−.2	−.1	1.3	.5	10.9
Total assets	9.4	14.2	30.0	37.2	29.2	24.6	27.0	296.5
Savings accounts	4.1	11.0	28.0	32.7	20.2	15.3	26.0	242.2
Borrowings	4.0	1.2	−1.9	.8	7.4	8.3	−3.0	25.5
Loans in process	0	.6	2.0	1.2	−1.5	−1.4	1.2	3.2
Other liabilities and surplus	1.3	1.4	1.9	2.5	3.1	2.4	2.8	25.6
Credit unions:								
U.S. governments	−.1	.3	.3	.4	.2	.1	.7	1.5
Federal agencies	−.1	.1	.5	.4	0	.4	.3	1.6
Mortgage loans (1–4 family)	0	.1	0	.2	0	0	.1	1.0
Consumer loans	1.7	1.0	1.8	2.1	2.7	2.7	2.4	22.3
Total credit (see table I)	1.5	1.5	2.6	3.1	2.9	3.2	3.5	26.4
Cash and miscellaneous	−.1	.2	.3	.3	0	.1	.2	1.5
Total assets	1.4	1.7	2.9	3.4	2.9	3.3	3.7	27.9
Life insurance companies:								
U.S. governments	−.3	−.1	−.2	0	−.3	−.2	.4	3.3
Federal agencies	0	.1	.1	.1	.1	.1	.1	1.0
Open market paper	.7	.8	.6	.2	.1	.4	.7	3.5
Corporate bonds	1.6	1.2	5.4	6.4	5.1	4.9	7.2	88.4
Foreign bonds	.2	.3	.1	.6	.3	.6	.8	9.0
Mortgages	2.1	2.3	1.1	1.5	4.2	4.9	3.0	86.1
State and local securities	.1	.1	.1	0	.1	.2	.3	3.6
Total credit (see table I)	4.4	4.7	7.2	8.8	9.6	10.9	12.5	194.9
Stocks	1.7	2.0	3.7	3.7	3.5	2.0	2.2	[1]24.0
Real estate	.3	.4	.6	.4	.5	.4	.6	8.2
Policy loans	2.5	2.2	1.0	.9	2.1	2.7	1.2	22.8
Cash	0	.1	0	.2	.3	.1	.3	2.4
Miscellaneous	−.4	.9	.9	1.1	.4	.9	1.2	12.7
Total assets	8.5	10.3	13.4	15.1	16.4	17.0	18.0	265.0

Footnotes at end of table.

TABLE X.—INSTITUTIONAL SOURCES—Continued

[In billions of dollars]

	See table	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
		1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Fire and casualty companies:									
U.S. governments		−0.4	−0.1	0.2	0	0	−0.2	0.	4.4
Federal agencies		.1	.1	−.2	.1	0	.1	.	.6
Foreign bonds		0	.1	0	0	0	0	.	.3
Corporate bonds		.8	2.2	.3	−.7	−.1	.2	1.	7.8
State and local securities		1.1	1.5	3.4	4.4	3.6	3.6	.	31.8
Total credit (see table I)		1.6	3.8	3.7	3.8	3.5	3.7	2.	44.9
Stocks		.8	1.2	2.6	3.2	2.2	1.2	1.	[3] 16.0
Cash and miscellaneous		.5	.5	.3	.9	−.1	0	.	8.0
Total assets		2.9	5.5	6.6	7.9	5.6	4.9	4.	68.9
Private noninsured pension funds:									
U.S. governments		0	−.1	0	.9	.1	0	1.	3.2
Federal agencies		0	.3	−.3	.1	.5	.6	.	1.8
Open market paper		.3	.1	−.2	0	.2	.2	.	.9
Foreign bonds		.1	.2	0	−.1	.2	.4	.	2.7
Corporate bonds		.5	1.9	−.7	−.7	1.4	4.3	3.	31.8
Mortgages		.1	.1	−.6	−.7	−.3	−.1	−.	2.6
Total credit (see table I)		1.0	2.5	−1.8	−.5	2.1	5.4	5.	43.0
Stocks		5.4	4.6	8.9	7.3	5.3	2.2	3.	[3] 69.9
Cash and miscellaneous		−.2	.1	.1	0	.5	.6	.	7.0
Total assets		6.3	7.2	7.2	6.8	7.9	8.2	8.	119.9
State and local retirement funds:									
U.S. governments		−.8	−.6	−.2	−.5	−.8	−.5	.	1.3
Federal agencies		.1	0	−.2	−.1	.2	.1	.	1.4
Open market paper		.3	0	−.3	0	.2	.3	.	1.0
Foreign bonds		.2	.3	.3	.3	.3	.5	.	3.7
Corporate bonds		3.2	3.7	3.9	4.3	3.5	5.5	5.	48.8
Mortgages		.8	.7	.3	−.1	.7	.3	.	8.2
State and local securities		.1	−.3	−.1	−.2	−.4	−.5	−.	.8
Total credit (see table I)		3.7	3.8	3.7	3.7	3.7	5.7	6.	65.2
Stocks		1.8	2.1	3.2	3.5	3.9	3.6	3.	[3] 17.3
Cash and miscellaneous		.2	−.1	.2	.9	.8	.7	.	5.7
Total assets		5.7	5.8	7.1	8.1	8.4	10.0	10.	88.2
Open-end mutual funds:									
U.S. governments		−.5	.2	−.3	.1	.5	−.2	.	1.0
Open market paper		1.2	−.4	−.3	−.3	−.2	1.6	.	3.2
Corporate bonds		.2	.7	.6	.2	−.9	−.5	−1.	3.7
Total credit (see table I)		.9	.5	0	0	−.2	.9	−.	7.9
Stocks		1.7	1.2	.4	−1.8	−2.3	0	.	[3] 28.1
Cash and miscellaneous		−.1	0	.2	0	.3	.3	.	1.5
Total assets		2.5	1.7	.6	−1.8	−2.2	1.2	.	37.5
Real estate investment trusts:									
Mortgages and total credit (see table I)		.9	2.1	2.5	4.9	4.5	1.2	.	16.2
Cash and miscellaneous		.1	.3	.1	.1	1.1	−.9	−.	1.0
Total assets		1.0	2.4	2.6	5.0	5.6	.3	−.	17.2
Net new bond issues		.1	.5	.4	.4	.6	.1	−.	2.0
Net new stock issues		.8	1.4	.9	1.5	.7	0	−.	[3] 1.5
Open market paper		0	0	.8	2.5	.7	−3.3	−.	.7
Bank loans		.2	.6	.7	1.3	4.0	3.5	.	10.5
Other liabilities		−.1	−.1	−.2	−.7	−.4	0	0	1.5
Commercial banks:									
Loans:									
Business, corporate, term		4.7	−.5	−.5	2.8	12.0	12.7	3.	73.5
Business, corporate, short-term		7.1	6.1	4.9	10.7	18.6	18.1	11.	108.0
Business, other and finance		1.6	−3.2	1.5	8.5	4.9	.3	−4.	35.1
Open market paper		.5	2.0	.8	−.2	−.8	.9	3.	7.4
Agricultural		.6	.8	1.3	1.8	3.0	3.3	3.	20.6
Security		−1.0	.5	.8	4.7	−3.0	−4.1	2.	10.5
Mortgage		5.0	2.6	9.2	16.8	19.8	11.2	10.	130.3
Consumer		4.7	2.9	6.7	10.1	10.6	3.5	1.	84.8
Other		2.4	.7	5.2	3.6	7.8	3.0	−.	41.1
Total loans [4]		25.6	11.9	29.9	58.8	72.9	48.9	29.	511.3
U.S. governments		−9.8	7.0	3.2	2.1	−8.7	−3.9	20.	54.4
Federal agencies		−.3	3.5	3.8	3.9	9.1	4.0	5.	33.2
Corporate bonds		−.1	.8	1.3	1.4	.4	.6	1.	6.4
State and local securities		.2	10.5	12.8	7.1	3.9	4.0	7.	99.1
Total credit (see table I)		15.6	33.7	51.0	73.3	77.6	53.6	65.	704.4
Demand deposits (private nonbank)		4.6	1.7	10.7	19.4	14.0	2.9	10.	221.8
Demand deposits (United States)		0	2.9	2.2	.7	−1.0	−4.6	0	5.3
Negotiable CDs		−12.5	15.2	8.7	9.8	20.0	27.3	18.	91.8
Other time deposits		2.9	22.4	32.4	33.0	30.3	21.0	33.	322.4
Commercial paper		4.2	−1.9	−.4	.7	2.2	3.4	1.	8.3
Eurodollar borrowings		6.8	−7.2	−4.8	.5	.4	2.2	−1.	4.4
Net new bond issues		−.2	.1	.9	1.1	0	1.1	1.	5.2
Other liabilities		9.8	.5	1.3	8.1	11.7	.3	2.	45.2
Total credit		15.6	33.7	51.0	73.3	77.6	53.6	65.	704.4

Footnotes at end of table.

TABLE X.—INSTITUTIONAL SOURCES—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Finance companies:								
Loans:								
Business, corporate	4.3	0.4	1.9	2.8	2.0	2.7	2.0	23.1
Business, noncorporate	.7	−.3	−.1	0	.9	.5	−.6	9.1
Mortgage (1–4 family)	.3	.1	1.1	4.1	1.4	−.1	−.1	12.4
Consumer	2.8	.5	1.3	3.8	5.9	1.8	.2	45.2
Total credit (see table I)	8.1	.7	4.2	10.7	10.2	4.9	1.4	89.8
Cash and miscellaneous	.1	.2	.3	.3	.2	.1	.2	3.6
Total assets	8.2	.9	4.5	11.0	10.4	5.0	1.6	93.4

[1] At market.

[2] Restricted to State chartered institutions.

[3] At market. Real estate investment trust shares selling below book.

[4] Includes loans transferred by commercial banks to books of bank-related companies.

TABLE XI.—OTHER SOURCES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Business corporations:								
U.S. Governments	−2.8	0.4	2.1	−3.2	−3.0	1.5	2.8	2.6
Federal agencies	.5	.1	.1	.7	1.2	0	0	4.3
Open market paper	7.3	−.1	−.3	1.5	3.7	4.2	2.0	29.9
State and local securities	1.5	−.8	2.1	−.4	.2	.8	1.2	6.4
Consumer loans	.9	1.2	1.2	2.7	3.3	1.5	−.3	33.4
Total credit (see table I)	7.4	.8	5.2	1.3	5.4	8.0	5.7	76.6
Repurchase agreements	1.4	−3.4	.8	1.6	2.6	1.6	2.0	6.9
Foreign currencies	−.4	−.4	1.4	1.8	2.6	−.4	−1.7	6.3
Demand deposits and currency	2.6	.9	.5	−.1	−.3	−1.5	1.0	38.0
Time deposits	−2.4	1.7	3.6	3.1	1.4	7.0	3.0	28.5
Net trade credit (receivables)	1.8	.9	[1] 5.9	[1] 7.3	[1] 3.5	[1] 10.0	4.0	56.0
Selected financial assets	10.4	.5	17.4	15.0	15.2	24.7	14.0	212.3
State and local governments:								
U.S. Governments	2.6	0	−.1	2.8	1.8	.8	−.8	21.7
Federal agencies	.4	−.1	−1.2	1.0	1.6	1.2	−1.7	6.3
Open market paper	.4	−.4	−.2	.3	1.1	.4	−.5	2.1
Total credit (see table I)	3.4	−.5	−1.5	4.1	4.5	2.4	−3.0	30.1
Demand deposits and currency	1.4	−2.9	1.0	1.5	−.3	−1.0	−2.0	13.7
Time deposits	−5.9	10.0	7.2	6.8	7.2	7.5	9.0	51.9
Net receivables	−1.2	−1.3	[2] 1.9	−.1	[2] −.1	−2.5	−4.0	−7.7
Selected financial assets	−2.3	5.3	8.6	12.3	11.3	6.4	0	88.0
Foreigners:								
U.S. Governments	−1.8	9.1	26.3	8.4	.2	2.6	7.0	58.1
Federal agencies	−.6	0	0	.7	1.4	−.3	0	2.1
Open market paper	1.0	.5	−.2	−.1	.3	3.3	2.0	7.7
Corporate bonds	.5	.7	.3	.1	.1	1.4	1.5	3.8
Total credit (see table I)	−.9	10.3	26.4	9.1	2.0	7.0	10.5	7.17
Stocks	1.6	.7	.8	2.3	2.8	.6	.8	[3] 18.7
Demand deposits and currency	.3	.2	.3	1.5	2.5	2.6	2.5	13.2
Time deposits	1.1	−1.7	.5	2.7	2.9	5.0	4.2	17.8
Total financial assets in the United States	2.1	9.5	28.0	15.6	10.2	15.2	18.0	121.4

[1] FOF figures increased $4,000,000,000 and $1,000,000,000 for 1971 and 1972 to reflect assumed payment of current liabilities to foreigners, and decreased $1,000,000,000 and $2,500,000,000 for 1973 and 1974 to reflect gradual buildup of liabilities.

[2] FOF figures increased $2,200,000,000 for 1971 to reflect payment of current liabilites, and decreased $500,000,000 and $1,000,000,000 to reflect 1973 and 1974 reversals.

[3] At market.

TABLE XII.—INDIVIDUALS AND MISCELLANEOUS INVESTORS

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Residual: Individuals and miscellaneous:								
U.S. Governments	9.7	−9.9	−13.9	3.0	8.4	9.0	5.0	100.9
Federal agencies	6.6	3.0	−5.1	−1.6	4.7	12.3	3.0	30.8
Open market paper	.6	−.8	−1.2	−.5	2.3	3.9	.1	5.6
Corporate bonds	6.8	10.4	9.7	6.0	4.6	7.5	9.4	68.8
Foreign bonds	.5	0	.5	.2	.2	.7	1.2	3.1
Mortgages	1.4	−.1	−.1	−5.2	−2.6	−2.0	−4.0	33.6
State and local securities	4.3	3.7	2.8	1.1	7.1	7.5	5.3	65.8
Total credit (see table I)	29.9	6.3	−7.3	3.0	24.7	38.9	20.0	308.6
Stocks	−9.0	−5.3	−6.6	−5.8	−6.8	−6.6	−8.4	458.4
Investment company shares	2.5	1.7	.6	−1.8	−2.2	1.2	.5	37.5
Savings accounts	6.0	44.4	70.3	75.4	67.7	52.0	71.9	687.6
Demand deposits and currency	1.5	11.2	11.0	11.8	13.1	.3	8.0	170.5
Selected financial assets	30.9	58.3	68.0	82.6	96.5	85.8	92.0	1,662.6

TABLE XII.—INDIVIDUALS AND MISCELLANEOUS INVESTORS—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Personal income, NIA accounts	750.9	808.3	64.0	944.9	1,055.0	1,152.0	1,221.0	
Less taxes and consumption, NIA accounts	712.7	752.1	03.5	899.3	980.7	1,076.0	1,141.5	
Plus F/F adjustments to NIA accounts	110.7	111.7	25.0	149.9	155.3	158.8	168.5	
Equals gross savings	148.9	167.9	85.5	195.5	229.6	234.8	248.0	
Less physical investment	117.8	116.2	36.4	158.8	174.1	165.0	160.0	
Plus borrowings:								
Consumer credit	10.4	6.0	11.2	19.2	22.9	9.9	3.5	190.4
Mortgages	17.3	13.8	25.4	39.8	45.6	30.0	25.8	433.5
Other loans	4.9	4.4	3.9	5.3	5.3	2.7	2.0	66.7
Security credit	−1.6	−.9	2.1	4.5	−4.4	−1.1	1.0	7.2
Less life insurance and pension reserve	21.3	24.3	27.7	30.3	31.6	33.5	35.5	491.6
Equals net increase financial assets	40.8	50.7	64.0	75.2	93.3	77.8	84.8	
Plus statistical adjustment	−9.9	7.6	4.0	7.4	3.2	8.0	7.2	
Selected financial assets	30.9	58.3	68.0	82.6	96.5	85.8	92.0	

Mr. PACKWOOD. Mr. President, the following quotation is from The Bank Credit Analyst of December 18, 1974:

> If you assume a recession only as mild as 1969–70 you could expect the budget deficit to rise up to the area of $55 billion in the period ahead. If you expect the recession to be worse, as we do, you could probably add another $10 billion or so. If you think Congress will increase expenditure and cut taxes, as we do, then you could add a lot more to the deficit. Our guess is that you will see the Federal budget deficit running at an annual rate of between $70–$90 billion within the next 12–18 months. As the experience of 1970–73 showed, once you build a large deficit into the system, it is very hard to unwind. In fact, as the U.K. has shown, when you get to the very late stages of runaway inflation, the budget deficit just keeps ballooning. Thus, the fourth law of runaway inflation is that the budgetary position of governments deteriorates at an accelerating rate. There is little enthusiasm to attempt to restore fiscal balance out of fear of an economic collapse.

Mr. PACKWOOD. Lastly, I ask unanimous consent to have printed in the RECORD an article entitled, "The Bitter Taste of Recovery," written by George F. Will and published in the Washington Post last Friday, in which he in essence says the same thing and reaches the same conclusion as the two articles to which I referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BITTER TASTE OF RECOVERY

(By George F. Will)

If you think the recession is noxious, brace yourself for the bitter taste of recovery. Quickening economic activity will unleash inflationary pressures and a scramble for scarce credit, which will produce a giant expansion of government control of the economy and our lives.

Of course, recovery is not an immediate threat. Housing starts are at an annual rate of 1 million, 60 per cent below the 1973 record of 2.5 million.

Detroit must sell about 9.5 million cars a year to cover costs. But after the $100 million rebate extravaganza, sales sagged to a 6.2 million annual rate. The primary effect of the rebates was to sell cars in February that would have been sold soon anyway.

Unemployment is 8.7 per cent and probably will go higher and stay-high for a long time. The average American work week is down to 35.9 hours and overtime is scarce, so there must be a lot of recovery before people currently employed are fully employed and many new hands must be hired.

In the next three months, 4 million people will leave high schools and universities, and 500,000 will fail to find jobs. Unemployment is expected to pass 9 percent and Congress will pass legislation to spend $6 billion to put 900,000 more Americans on government payrolls.

(One in six Americans already works for the government. In the last 10 years, 4.4 million Americans—1,200 a day, 50 an hour—were added to public payrolls.)

Still, government is incorrigible but not infallible, so it won't be able to prevent some recovery, however slight and brief. Alas, the recovery—an ill-favored thing, but our own—will bang apang into the government's ravenous appetite for the nation's inadequate credit resources.

This will produce a ruinous political chemistry, and an accelerated slide into a statist economy.

The economy is suffering acute emaciation as a result of several decades of underinvestment, the predictable but nevertheless unforeseen result of public policies—primarily welfare and tax policies—that favor redistribution of society's resources from producers to nonproducers in order to promote consumption at the expense of savings and investment.

In the last dozen years there has been $1.5 trillion of capital investment in the private sector. In the next 10 years we need three times that—$4.5 trillion—to create jobs and increase productivity.

An inadequate fraction of this sum will come from the capital resources left after government finishes borrowing as much as it needs to finance its unprecedented deficits, and its lending and guaranteeing activities. The federal government (state and municipal governments add to the credit crisis) and its extended family of sponsored agencies are preempting half the total flow of credit, and this lion's share will increase.

Many economists—including Walter Heller, Arthur Okun and others who led us to our current bog—say: "Everything is going to be all right. Relax, the government can finance its deficits and other activities because there is no substantial competition for the credit it preempts."

The theory—surprise, it happens to rationalize the perpetual waxing of the liberal state—is that today's enormous government borrowing is harmless because private demand for credit is slack in this recession.

The argument seems to be: Huge deficits are good because they are stimulative, and they are harmless as long as the economy is slack. So government can finance its extravagance without suffocating recovery as long as there isn't much recovery.

Of course, the government can borrow less if it recklessly inflates the money supply. This will unleash raging inflation and a clamor for palliatives like wage and price controls. But heavy borrowing will do this, too, by sending interest rates soaring.

In any case, government borrowing over the next four years almost certainly will be large enough to make corporations desperate for credit, especially when there is a recovery struggling to be born. Corporations will come to the government as mendicants for credit.

Then the government may allocate scarce credit. And, having sopped up voluntary credit, the government may make tax dollars available as credit—with strings, of course.

The power to tax is indeed the power to destroy. When that power becomes the primary producer of investment capital, it destroys capitalism, and the open society that has flourished with capitalism.

Mr. PACKWOOD. Mr. President, it is not with any great enthusiasm that I support Senator BUCKLEY and Senator MCCLURE. I would like to spend more money. I would like to spend more money for housing. Oregon is dependent upon housing. The lumber industry is still the backbone of my State. When housing is down, lumber is down, and when lumber is down, Oregon is down.

I would like to spend more money for the National Institutes of Health. I would like to spend more money for education. But I think the greatest disservice we can render to the middle-income taxpayer in this country is to drive him or her farther and farther to the wall.

I think all of us as professional, practicing politicians should realize that the future of this Government and its support depend upon the good will and the tolerance of the middle-income taxpayers—not the wealthy, who can fend for themselves, and not the poor, who are dependent upon our largess, but the middle-income taxpayers. If these middle-income taxpayers lose their tolerance and lose their forgiveness of our fiscal insanity, they are going to strike both ways: They are going to strike at the rich—because they think that the rich are wealthy because of unjustified loopholes—and bring down free enterprise; and they are going to strike at the poor and cut them off, because they think they are undeserving.

I hope that does not happen, but I can feel the welling up of resentment and frustration, and I am afraid a budget deficit of the size proposed by the Budget Committee, let alone what I fear Congress will end up with by the time this year is out, will cause that middle-income taxpayer to turn against all of us.

Mr. President, I yield the floor.

Mr. HARRY F. BYRD, JR. and **Mr. MUSKIE** addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield myself 2 or 3 minutes to respond to some points that have been made by the distinguished Senator from Oregon.

He gave us the date of only one of those publications.

He described it as being published in the latter part of last year. In terms of the economics of the situation, the latter part of last year was very different from April and May of 1975.

The second point I would make to the Senator is this: Whether his apocalyptic view of the Budget Committee's economic policy is justified by events or whether my apocalyptic view of the consequences of the amendment of the Senator from New York is justified by events, we are going to be held accountable. Either course, with hindsight, could be perceived as the course of insanity. So it is not quite that simple.

The Senator refers to the fact that estimates of a safe deficit have floated upward in the hearings which he has attended. Let me suggest that those estimates have floated upward because economic activity has floated downward. As investment, housing, and inventories decrease, two things happen: Private borrowing needs also decrease, and the deficit increases. So we can invest in that downward slide by doing what the Senator suggests, and hope that somewhere we will bottom out and can begin to build an economy again; or we can invest in an upward climb, hoping that the time for building has come. With tighter money, a cutback in Federal programs, which is the effect of a $340 billion ceiling in real terms, can have one consequence: It is going to slow down the economy some more. We may quarrel as to how much more, but I do not think there is any doubt but that it will.

So if we adopt this policy, we will have more unemployment, not less. We will have less economic activity, not more. And the Senator is going to hear from his middle-income constituents, and so will I.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I would like to get some time on the bill.

Mr. MUSKIE. How much time would the Senator like?

Mr. HARRY F. BYRD, JR. I do not expect to use it, but so I will not be rushed, I would like 30 minutes.

Mr. MUSKIE. I am happy to yield 30 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I realize the very difficult assignment that the new Budget Committee has had. I know how conscientious is the able chairman of that committee, the distinguished senior Senator from Maine.

I do not rise to express criticism of the budget proposal brought before the Senate. I do rise, however, to express a minority viewpoint as to the entire philosophy underlying the budget.

That philosophy was laid down insofar as this budget is concerned by the President of the United States, when he submitted to Congress a deliberately unbalanced budget, and stated to Congress that it is essential that we have a deficit of at least $52 billion, which he recommended.

That became the floor for the Federal deficit for the upcoming fiscal year. The Democratic Congress is building on that and increasing the deficit.

The Budget Committee, consisting of splendid individuals, conscientious in their desire to do what is best for the people of the United States, has proposed a budget deficit of $70 billion.

It has brought before Congress a budget calling for the expenditure of $1 billion every day during the fiscal year 1976.

My opposition is to the philosophy of spending our way to prosperity—the philosophy that more and more spending and more and more deficits will solve our problems.

I say that is fundamentally unsound. Federal deficit spending is a major reason that the Nation today is in a fundamentally unsound condition. We have tried deficit spending for years, and have utilized such a philosophy over a long period of time.

The budget resolution before us today proposes more of the same.

It is somewhat significant in my mind that today is the last day, apparently, that Americans will be involved in Vietnam.

Perhaps it is appropriate that this new budget proposal calling for the greatest deficit in the history of the United States should be debated on the floor of the Senate at the same time.

I will tell you why I feel this way.

Ten years ago the dominant question facing our Nation was Vietnam. Our President and our Congress made two fundamental errors of judgment.

The first error was becoming involved in a ground war in Asia. The second fundamental error was the way the experts, the way the President of the United States, the way the Secretary of Defense fought that war.

They embarked on a theory of a limited war, and around the corridors of the Capitol of the United States during 1965, 1966, 1967, and 1968 the sophisticated Members of Congress, who were in the majority, applauded that theory of a limited war. They said that is the way to fight the war. That was the party line.

I took the opposite view. I said it was fundamentally unsound. If we are going to be in a war, which I do not think we should be in, we should fight it to win.

So I think what culminated today in the debacle in Vietnam was inevitable, because Congress and the President made fundamental errors 10 years ago.

I tie that in with what we are doing today. The whole philosophy of what we are doing, although I admit the experts do not agree with me, I think what we are doing is fundamentally unsound. I fear we are going to end up in an economic debacle 5 years from now, or maybe 2 or 3 years from now, and pay a huge price, just as we have paid a huge price for misjudging the situation in Vietnam.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I would prefer to finish my comments and then I would be pleased to yield.

The whole philosophy underlying this budget—and the able Senator from Maine made it clear—is that because we have some recessionary problems, the way to solve those problems is to spend more money and run up huge deficits.

I might say that is not a partisan philosophy, because the President of the United States, a Republican, took the same view. It is a question of figures. The President did not go quite as high, but he recognized the same philosophy.

Just as President Johnson was wrong in 1965 in regard to Vietnam, and Congress was wrong then in regard to Vietnam, both Congress and President Ford, in my judgment, are wrong today in this whole basic philosophy.

It is the accumulation of these deficits—and the deficits have been accumulating over a long period of years—that will be so devastating to the people of the United States as the months and years go by.

Here is what we plan to do now if we pass this resolution—and it will pass. With the passage of this resolution we will have increased spending by at least 35 percent in 2 years.

Let me repeat, 35 percent in 2 years.

How are we going to hold inflation down that way? Well, we say inflation is not as high now as it was some months back, and that is correct. Inflation ebbs and flows and, at the moment, it is ebbing. But it will begin flowing, it will begin flowing not immediately, but in the next 12 to 18 months, because of the terrific deficits which this piece of legislation envisions—$125 billion in 2 years.

I think it is of some significance that the national debt—and I realize that not many of the Members of Congress have a particular interest in the national debt—at the end of the next fiscal year will exceed $600 billion.

Now, the significant and startling figure, so far as the Senator from Virginia is concerned, is that more than one-third of that entire national debt will have been accumulated in the short span of 6 years, namely, 1971 to 1976.

Yes, during those 6 fiscal years, one-third of our total debt will have been created.

To me that is highly dangerous.

Let us get to the effect a $365 billion budget will have on interest rates.

The Secretary of the Treasury has confirmed to me that during the fiscal year beginning July 1 of this year, fiscal 1976, the Federal Government will go into the money markets for 63 percent of all the lendable funds.

He also confirmed to me that during that period of time the Federal Government will borrow more money than the Federal Government, the State governments, the local governments, and the corporate entities have ever borrowed together in any previous fiscal year.

The senior Senator from New York (Mr. JAVITS) addressed himself to that matter, and he correctly pointed out that the Federal Reserve Board can have some effect on this by printing more money, by increasing the money supply. By so doing it can help hold down interest rates in the short run. It cannot, however, in the longer run.

Senator JAVITS' argument convinced me all the more that a $70 billion deficit is a blueprint for inflation, because the more dollars the Government printing presses roll out, the less valuable the dollar becomes, and the more inflation inevitably will follow.

I invite the attention of the Senate to the fact that what we are doing now in regard to deficit spending was tried—just several years ago—as a matter of fact, it has been tried every year, but it was tried with great emphasis in December of 1971. It was at that time that Congress passed the Tax Reduction Act of 1971. That act reduced taxes in the next 2 fiscal years by $21 billion; $11 billion 1 year, $10 billion the next year.

The interesting aspect of that is that page one of the Finance Committee report gives as reason for doing this these three major reasons:

First, put our present lagging economy on the high growth path.

Well, that is the purpose of the present deficit-spending legislation.

Second, increase the number of jobs and diminish the high unemployment rate.

That is the purpose of the present deficit-spending program.

Third, relieve the hardships imposed by inflation on those with moderate incomes.

It is claimed that that is another purpose of this legislation.

So we rolled up a big deficit in those succeeding years, and what happened?

Now, 3 years later, we have higher unemployment and we have had double the rate of inflation.

As I mentioned earlier, the experts do not agree with the viewpoint and the philosophy expressed by the Senator from Virginia, but the Senator from Virginia is accustomed to being in the minority.

Also, the Senator from Virginia, having been around Washington, D.C., a while has limited enthusiasm for so-called experts. I feel they have been wrong more often than they have been right.

I have great faith, however, in the collective judgment of the American people. I think the collective judgment of the American people is far sounder than the philosophy coming out of Washington, D.C.

I have not found too much to be optimistic about recently, but there was one incident that occurred that gave me a considerable amount of optimism and a considerable amount of hope.

There is a plant in Virginia, a General Electric plant at Portsmouth, Va., which employs 3,000 persons. The representatives of those employees, 8 or 10 of them, came to my office with a petition. That petition was signed by 2,588 workers in that industrial plant.

The petition was very simple. It said:

> We urge the President and the Congress to reduce taxes, to reduce interest rates, and to get excessive government spending under control.

I told those representatives of the workers of the General Electric plant that in my judgment their program is far sounder than any program that has been to date enunciated in the city of Washington.

They asked me if I would come to the plant and talk with the workers. So I went to Portsmouth one Sunday night and at 6 o'clock the next morning, the representatives of the workers came around to my motel and took me to the plant. By 8:30 that morning I had made six different speeches to six different groups in that plant. There was not an area to hold them all.

I told them that I felt that their philosophy was sound, because they tied in three key matters.

First, our taxes are too high and they should be reduced.

Second, our interest rates are too high and they should be reduced. But, I said, neither one of those can be accomplished unless we get excessive Federal spending under control. By getting excessive Federal spending under control, it will then make it possible to reduce taxes and to reduce interest rates.

I explained to them why I could not vote to cut taxes now when the Government is heavily in debt. To cut taxes but increase spending would, in my judgment be a phony and cruel hoax. I voted against the $22 billion tax cut and I told those working people why I was voting against it. The reaction I got was tremendously encouraging to me.

I think the people realize that we in Washington cannot give them something for nothing. Somebody has got to pay for the spending.

Now, Congress can reduce taxes, but unless spending it got under control it cannot be a true tax cut. If the people do not pay for it by direct taxation they are going to pay for it—and they realize that, I believe—through the insidious tax, the hidden tax and the cruel tax of inflation.

I am convinced that to increase Government spending as this concurrent resolution proposes to do, by 35 percent in 2 years—35 percent in 2 years, a $95 billion increase—is just bound to lead to more inflation.

Not now, not next month, maybe not even 6 months from now, but it is going to lead to a severe inflation somewhere between 12 and 18 months into the future. That will hit hardest those on fixed income, the elderly, and those in the lower- and middle-economic groups.

I think the Senator from Oregon (Mr. PACKWOOD) made an excellent point a few moments ago when he pointed out that this spending when it is paid for will be paid for mostly by those in the middle-economic brackets, and those people are getting to a point where they feel that they are carrying a very heavy burden, and I certainly agree with them.

I dislike to be in opposition to the first budget proposal that comes before the Congress under the new budget law. The new law is a step in the right direction. Something had to be done from the old process that the Congress had used.

But the trouble with the budget legislation, as I see it, and the reason I had not great enthusiasm for it from the beginning—and I want to see it succeed, I hope it will succeed—but there is nothing in there to give Congress any discipline. The legislation itself specifies that the Congress shall set the deficit.

That being the case, we, as the Congress, can make the deficit anything we want. In just a few months now, the deficit that started at $52 billion is $70 billion. I do not like to make predictions, but my guess is that when the fiscal year ends in 1976, the deficit will be $80 billion.

Be that as it may, it is not each exact figure in the budget that I am quarreling with. Indeed, I do not intend to be quarrelling, really.

But I do want to express my opposition to the philosophy of deficit spending which has been going on now for years and years and years. The only change is that it has accelerated.

I would like to suggest if anyone has the time to do it, to go back to those hearings of 1971 before the Senate Finance Committee and the House Ways and Means Committee, urging a reduction in taxes to stimulate the economy by deficit spending and thus reduce unemployment.

Yet now both unemployment and inflation are greater.

The same economists who advocated high deficit spending in 1971 came before the Congress in 1974 and advocated the same thing over again.

The way I look at it they are saying, "Since two pints of whisky did not sober up the patient, we will give him two quarts of whisky and that damn well ought to sober him up.

Mr. BROCK. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I promised to yield to the Senator from California.

Mr. CRANSTON. Earlier in the Senator's remarks he commented on the impact of Vietnam on the deficit budget situation in which we find ourselves. This is an appropriate time to think of that, obviously, as the Senator noted, for in these very hours the last Americans are on their way out of Vietnam and our direct involvement in that tragedy comes to an end insofar as Americans being on the soil of Vietnam. Obviously, it was the cost of that war when we went in initially not dealt with by tax increases at the time that induced the inflation that caused the counterinflation programs of earlier years that led to our terrible economic plight when we have had both recession and high unemployment, business bankruptcies and inflation. I think it would be appropriate at this point to speak for one moment about what the total cost of that war has been.

A recent article in the Congressional Quarterly of April 26 states that it is impossible to ascertain the cost to the United States of the Vietnam war. The Defense Department has reported total outlays of $140.6 billion for the period 1966 to 1976. That does not take account of some expenditures in earlier years. There are no figures pulled together anywhere that I am aware of on exactly how much in military aid and economic assistance, and so forth, was poured into South Vietnam. Then when you take into account the cost of veterans benefits which will perhaps reach the level of $33 billion by 1980, and beyond that you cannot calculate them as you do not know how many veterans will take advantage of the various programs there will possibly be, the U.S. statistical abstract has managed to place a final figure on the cost of the Vietnam war at $352 billion to the American taxpayer.

There are many economists who double or triple that amount and estimate that the cost of the Vietnam war will finally exceed $1 trillion to the American people.

Plainly, beyond the military expenditures and veterans benefits are intangibles that defy analysis on a cost basis—lost human lives, disabled bodies, displaced persons, and devastated countrysides. The war cost at least 10 times more than support for all levels of education, and 50 times more than was spent for housing and community development during the period in which we have financed the war. The United States spent more money on Vietnam in 10 years than was spent during the Nation's entire history—the entire history of our Nation—for public higher education or for police protection.

It has also been calculated that the United States could have paid off the mortgage on every home in the Nation and had money left over had there been no Vietnam war.

Let me just say that while doing what we can now about the serious economic situation that we face, seeking to deal with a rational budget, a rational deficit, with rational expenditures, let us also, in the hope that we can prevent a situation like this from confronting us in the future, do what we can to avoid wars that would be so unwise as the American involvement in Vietnam.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point the full text of the Congressional Quarterly article, including several tables.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VIETNAM STATISTICS—WAR COSTS: COMPLETE PICTURE IMPOSSIBLE

The total cost of the Vietnam War is impossible to determine.

Although the Defense Department reported that the U.S. military share of the Southeast Asian conflict would total $140.6-billion for the period 1965–76, no figures are available on the exact amount of economic and military assistance channeled to Vietnam since 1950, when the United States agreed to give arms aid to the French-sponsored states of Indochina. Even if a grand total were available, it would only reflect a part of the true price of the war.

Veterans benefits, for example, were expected to reach a $33-billion level by 1980. But beyond that year there was uncertainty. Government estimates placed the eventual cost of benefits above the amount spent by the Pentagon in Vietnam. The ultimate figure would depend on how many veterans bought homes with VA mortgages, were hospitalized at government expense or took advantage of education grants.

And beyond the military expenditures and veterans benefits were the intangibles that defy cost analysis—lost human lives, disabled bodies, displaced persons and devastated countrysides.

"The impact of Vietnam is so gigantic and diffuse that no adequate calculation of all the political, sociological and economic costs can be made," said Dennis Mueller of Cornell University in 1970.

Barry Blechman, a senior fellow in foreign policy at the Brookings Institution, assessed the cost of the war this way

"The real cost, the most damaging costs are not quantifiable—they are the effects on attitudes here in this country, on our conceptions, and the effect these will have on our policies. We have a whole generation of [young] people who mistrust the government, who won't have anything to do with the government."

MILITARY COSTS

While the Pentagon estimated that actual military expenses for the Vietnam war between fiscal 1965 and 1974 amounted to $137.7-billion, the department noted that $29-billion of that sum would have been spent for training and practice ammunition even if there had been no war. The fiscal 1975 and 1976 budgets called for additional expenditures in Vietnam of $1.5-billion and $1.2-billion, respectively.

To make the Defense Department statistics comprehensible to the public, James L. Clayton of the University of Utah made several comparisons.

The war cost 10 times more than support for all levels of education and 50 times more than was spent for housing and community development during that same period, Clayton said. The United States spent more money on Vietnam in 10 years than it spent during the nation's entire history for public higher education or for police protection.

GOVERNMENT COSTS

In 1974, the Library of Congress reported that there had been no official study of the long-range cost of the Vietnam conflict. The U.S. Statistical Abstract, however, placed the final government cost at $352-billion, and private economists double or triple this amount. Taking the highest estimates, it has been calculated that the United States could have paid off the mortgage on every home in the nation and had money left over had there been no Vietnam War.

Surprisingly, Congress had not compiled figures on the total cost of the war as of April 1975. The House Defense Appropriations Subcommittee, for example, told a *Boston Globe* reporter that the figure was "hard to get a handle on" because of "sloppy bookkeeping" at the outset of the nation's involvement in Vietnam.

LOST EQUIPMENT

The Pentagon, however, has kept accurate records on one cost of the war—the number of U.S. aircraft lost between 1961 and 1973. A total of 3,699 fixed wing planes were lost in combat or accidents during the period, while 4,865 helicopters were written off by the Defense Department.

Secretary of Defense James R. Schlesinger in testimony before the Senate Foreign Relations Committee April 15 estimated the cost of U.S. equipment in South Vietnam through mid-April as $3-billion to $4-billion based on original cost figures, although he said much of the equipment was damaged.

He also estimated that equipment left behind by South Vietnamese forces during their withdrawal from some southern provinces had cost more than $800-million. Final accounting, he added, probably would push that figure above $1-billion.

WAR CASUALTIES

Estimates of lives lost in the Southeast Asian conflict reached more than 1.5 million by the end of 1974. U.S. military losses between 1960 and 1974 totaled 46,370, and the figure for U.S. wounded for that period was 303,656. South Vietnam battle deaths were set at 254,257. Enemy deaths were given as 1,027,085.

Figures on American casualties were compiled by the Defense Department. The South Vietnamese command provides its own and enemy casualty estimates.

The highest number of combat deaths in U.S. history were recorded in World War II, when 291,557 were said to have lost their lives. In other modern conflicts the death toll was recorded as 53,402 in World War I and 33,629 in the Korean conflict.

The war toll among civilians is much more difficult to estimate. Statistics are scarce.

The following table, a composite of estimates made by the Agency for International Development and the Senate Judiciary Subcommittee on Refugees and Escapees,[1] indicates some of the war's effect on the civilian population in South Vietnam.[2]

Year	AID estimated war casualty hospital admissions	Subcommittee casualty estimate including deaths	Subcommittee death estimates
1965	[2] 50,000	100,000	25,000
1966	[2] 50,000	150,000	50,000
1967	49,707	175,000	60,000
1968	86,993	300,000	100,000
1969	66,002	200,000	60,000
1970	59,663	125,000	30,000
1971	50,737	100,000	25,000
1972	53,901	200,000	65,000
1973	43,166	85,000	15,000
1974	43,090	(3)	(3)
Total	553,279	1,435,000	430,000

[1] Report of Senate Judiciary Subcommittee on Refugees and Escapees, Humanitarian Problems in South Vietnam and Cambodia: Two Years After the Cease-Fire, Jan. 27, 1975.

[2] General Accounting Office estimate.

[3] Estimates not available.

VIETNAM WAR COSTS, 1965–76

Following are Defense Department estimates of the cost of the Vietnam war since fiscal year 1965, including the amount requested for fiscal 1976. President Johnson began a massive build-up of U.S. military strength in Vietnam in 1965, reaching a peak of 536,100 troops in 1968. American military involvement in Vietnam officially ended in March 1973 with the withdrawal of the last U.S. troops there. The total estimated cost of $140.6-billion includes $134.8-billion for the 1965–73 period of major U.S. involvement.

Fiscal year:	Cost
1965	$103,000,000
1966	5,812,000,000
1967	20,133,000,000
1968	26,547,000,000
1969	28,805,000,000
1970	23,052,000,000
1971	14,719,000,000
1972	9,353,000,000
1973	6,271,000,000
1974	3,110,000,000
1975 (estimated)	1,507,000,000
1976 (budget request)	1,232,000,000
Total	140,644,000,000

Source: Department of Defense.

U.S. PRISONERS/MISSING

In the following table, the total figure for prisoners of war (POWs) represents the number of prisoners repatriated under the Paris peace accords. The yearly listings show when the prisoners were captured.

Year	POWs	MIAs
1964	3	4
1965	74	54
1966	97	204
1967	179	226
1968	95	294
1969	13	176
1970	12	86
1971	11	79
1972	105	209
1973	2	2
Totals	591	1,334

The Defense Department listed only 904 men missing in action (MIAs) as of March 31, 1975. The discrepancy between this figure and the year-by-year total was attributed by the Pentagon to changes in status of persons originally listed as missing and later declared dead or returned from captivity.

Source: Department of Defense.

Mr. HARRY F. BYRD, JR. I thank the Senator from California.

I also ask unanimous consent to have printed in the RECORD a table showing that during the course of that war there were no such deficits as the Congress is contemplating today.

There being no objection, the table was ordered to be printed in the RECORD.

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1957-76 INCLUSIVE

[In billions of dollars]

Year	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
1957	68.8	67.1	+1.7	7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+0.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974	181.2	198.7	−17.5	29.3
1975 [1]	186.0	229.0	−43.0	32.9
1976 [1]	199.3	254.2	−70.0	36.0
20-yr total	2,318.3	2,626.8	−308.5	330.9

[1] Estimated figures.

Note: Prepared by Senator Harry F. Byrd, Jr., of Virginia.

Source: Office of Management and Budget and Department of the Treasury.

Mr. HARRY F. BYRD, JR. Before yielding to the Senator from Tennessee, I will say that the point brought out by the Senator from California reinforces my original statement. Once you make a fundamental error—and that was the point of my original statement in regard to Vietnam—an error such as we made in regard to Vietnam getting involved in a ground war there, No. 1, and fighting a no-win war, a second fundamental error, then you are bound to end in a debacle.

I feel that we are making a fundamental error in a $70 billion deficit this year which is going to lead to an economic debacle in the future.

I yield to the Senator from Tennessee.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired. Who yields time?

Mr. HARRY F. BYRD, JR. I would like to have another 15 minutes.

Mr. MUSKIE. I yield an additional 15 minutes.

Mr. HARRY F. BYRD, JR. I yield to the Senator from Tennessee.

Mr. BROCK. I thank the Senator for yielding. I would like to comment on the remarks of the Senator from California. We have been in disagreement, but we have no disagreements now. I believe we have learned clear lessons with regard to past mistakes of the Congress and the administration alike, particularly with regard to Vietnam. I do not know how to calculate the costs either. But there is no question but what we will be paying for a long, long time, heeding the Biblical injunction that the sins of the father will be visited upon the children for seven generations or so.

I think there is one lesson, however, that the Senator did not mention which I would like to draw from that experience. That is that in 1965 when the President of these United States proposed in a state of the Union message to the Congress that the American people could have guns and butter, the Congress very quickly grabbed that option and did so. We bought both guns and butter on credit during the course of the Vietnam war. Now we are paying that price.

I wonder what it is that offers my colleague some confidence that the Congress will act differently at this particular juncture.

We continue to think that we can have guns, butter, or anything else on credit and that there is no price.

I would ask the Senator from Virginia if he can tell me of any experience we have had in the 200 years—I do not want to draw the age of the Senator into the problem, but only his knowledge of the history of this society—if there is any experience which we have in which the Federal Government did not have to pay the interest on its indebtedness that it incurred on behalf of the American people. We have to pay that interest, do we not?

Mr. HARRY F. BYRD, JR. We have to pay that interest, I will say to the Senator from Tennessee. The budget which is now before the Senate has an interest charge on the debt of $36 billion, which is equal to the total cost of the Department of Health, Education, and Welfare, if you subtract the social security benefits.

Mr. BROCK. One of my colleagues, a very distinguished Senator from the State of Alabama, remarked to me just in passing a few moments ago that when he first came to the Congress the total Federal budget was $9 billion.

Now we propose a deficit of the Federal Government that is almost 8 times as much as the total Federal budget when he first came here.

I believe it would be important to the Senate to note that the interest on the new debt which would be created, were this resolution to become law and were we to implement it with authorization and appropriation, would be something on the magnitude of a minimum of $4 billion and perhaps as much as $6 billion per year. If that is divided by the number of people in this country who pay taxes, each one will have to pay $40 to $60 a year for the rest of his life.

Mr. HARRY F. BYRD, JR. That is an astonishing figure that the Senator from Tennessee has developed. It wipes out many times over the so-called tax cut that Congress claims it is giving the people.

Mr. BROCK. That is exactly the point I am making.

If this is prorated as to a family of four, the Senator will find that their payments for the rest of their lives, per year, as long as they live on the face of God's Earth, will be $120 a family, to pay the interest on the deficit that is created in their name in this one year.

Mr. HARRY F. BYRD, JR. If the people of the United States could realize that point, they would be marching on Washington in condemnation of what we are doing here now.

Mr. BROCK. The Senator is absolutely right. I appreciate his statements and his sense of integrity in this matter, and I support him fully.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. BROCK. I do not have the floor.

Mr. BELLMON. I yield myself 5 minutes on the bill, and I ask the Senator if he will yield for a question.

Mr. BROCK. Surely.

Mr. BELLMON. Will the Senator go through the arithmetic that led to the last conclusion, that this is going to cost the average family of four $120 per year in interest charges?

Mr. BROCK. That is right.

Mr. BELLMON. The figure has been used that if the deficit goes up to roughly $65 billion or $67 billion, this will increase the interest on the deficit to $4 billion a year.

Mr. BROCK. The Senator from Tennessee was using the latest issue on the Federal funds of 15-year debentures, priced at about 8.25 percent, if I recall correctly, which came out in February, I believe, and was enormously disruptive to the market. Applying that to the Senator's projection of $70 billion or $80 billion, I think we can come up with a different figure than $4 billion; but if we take $4 billion, we will prorate it down and see where we end up.

Mr. BELLMON. With a population of 200 million, a billion dollars would cost each man, woman, and child $5 a year. So if the interest is $4 billion, this would be $20 per person. For a family of four, it would be $80.

Mr. BROCK. It will be only $80 if we are lucky.

Mr. BELLMON. I thought we should keep the record straight.

Mr. BROCK. Fine. I do not accept the Senator's figures; but even if I do, it would be $80 a family each year, when they get a $200 tax rebate this year. We gripe about bankers charging people 8 to 10 percent interest.

Mr. BELLMON. The Senator makes a good point, and this has been considered

by the Budget Committee. But the conclusion we had to reach, reluctantly, was that the budget deficit we are recommending is the lesser of all the various evils; because if we do follow the recommendations made here and cut back substantially on spending, we prolong the length of the recession and produce a net deficit that is larger than the one that is anticipated by following the course of action the Budget Committee has adopted.

Mr. BROCK. Will the Senator tell me how many jobs are involved in the foreign aid program?

Mr. BELLMON. The foreign aid program involves an uncertain number of jobs. Much of that money goes for the purchase of material made in this country. It does involve a certain number of jobs. I do not think anyone could give a precise figure.

Mr. BROCK. If that were logical, if it were an adequate return on the investment, we should buy everything that people produce in this country and resell it to them.

Mr. BELLMON. That is unrealistic.

Mr. BROCK. I think we have to look at our Federal expenditures on a line item basis and see those that are prudent and those that are not.

Mr. BELLMON. The purpose of foreign aid is not to stimulate the economy. This has been an ongoing program since World War II. It is on a lower level than in the past. No economic stimulation is intended in that appropriation.

Mr. BROCK. Show me some other areas where we have economic stimulation. Show me where the increase in Federal employment, instead of putting it into the private sector, is constructive.

Mr. BELLMON. The Budget Committee's recommendation maintains the cap on the increases in Federal employment at 5 percent, as the President recommended.

Mr. BROCK. The cap on pay raises?

Mr. BELLMON. That is right.

Mr. BROCK. But it does not put a cap on the number of employees, does it?

Mr. BELLMON. I do not believe the Budget Committee recommendation includes an increase in the number of Federal employees.

Mr. BROCK. If the Senator will look at the President's budget, on which the committee's budget is based, he will find that there are some rather sizable increases. I do not understand why we cannot cut Federal employment. No one need be fired. We have a turnover of 14 percent to 18 percent a year just because of resignation and retirement. Why must those jobs be filled? Does not the Senator think that we could reduce much taxpayer expenditure through that means? Wherein is the damage to the economy?

Mr. BELLMON. I am not able, from memory, to give the Senator the number of new jobs included in this budget. I do not recall that there are any. Perhaps the chairman of the committee would recall.

Are new Federal jobs contemplated in this budget?

Mr. MUSKIE. The civil service or the new recovery programs?

Mr. BELLMON. Just regular Federal employment. Are we increasing the number?

Mr. MUSKIE. I do not believe so.

According to the President's budget, the Federal civil payroll in 1950 was 2.5 million. The Federal civil payroll last year also was 2.5 million. It goes above that in times of war. It tends to level off at that figure otherwise. That table is in the President's budget. State and local payrolls have gone up from about $3 billion in 1950 to more than $11 billion today. So that Government payroll has gone up.

So far as I know, in this budget, outside of the so-called recovery program and the automatic increases attributable to unemployment compensation, and so forth, there are no new programs, except the energy programs in this budget.

Mr. BROCK. I appreciate that, and I will accept the figures.

However, I have been in Congress for 12 years, and in those 12 years I have watched downtown, from the White House and the Lincoln Memorial to the Capitol, just explode with the most beautiful, new, massive, marble buildings I have ever seen; $150 million was spent on the Rayburn House Office Building, and that is just a pittance compared to what they have spent downtown for the agencies. If all those people were on the payrolls before, where were they housed?

Mr. MUSKIE. In the temporary buildings on the mall. I saw the temporary World War I buildings come down in the last 2 years and the temporary World War II buildings come down in the last 5 years.

All I can tell the Senator is that this budget document for 1974 shows 2,479,000 permanent civilian employees in the executive branch. The 1976 estimate is 2,488,000. For 1950, it was roughly the same number. I did not put these figures together. This came in the budget document.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. BELLMON. I point out that the total cost of General Government, everything—legislative, executive, all the rest—for fiscal 1974 was $3.3 billion, and for fiscal 1976 it was still $3.3 billion. We have not changed it substantially at all. There is no place here for any substantial saving. Even if we wiped out all Federal employees and had no people working for the Federal Government, the saving would not be significant.

Mr. BROCK. I am tempted by the offer, but I do not think we can take advantage of it.

Mr. MUSKIE. The Senator from Virginia talked about a 35-percent increase in the Federal budget in 2 years. There was a 20-percent increase due to inflation.

Inflation does not add a single person to the payroll, not a single person.

Mr. BROCK. Wait a minute, Senator. It is true that an awful lot of our increase——

Mr. MUSKIE. It is true, there is a 20-percent increase attributable to inflation.

Mr. BROCK. And the increases in our Federal spending have been considerably in excess of the inflation, considerably. And the increases here——

Mr. MUSKIE. And I shall tell the Senator what some of the other increases are. There are $15 billion in unemployment compensation and similar recession-induced expenditures.

Mr. BROCK. Fine. I understand that.

Mr. MUSKIE. And that is included in the 35 percent.

The 35 percent is an accurate figure.

What I am trying to drive home to the Senator is its components. We cannot wish them away, any more than we can wish away the 35 percent. Twenty percent of that was inflation. There is another $15 billion in unemployment compensation and in the other costs attributable to people we have to feed when they are unemployed, and so on, food stamps, welfare costs. That is $15 billion. I do not know what that figures out to, percentagewise, but that is a pretty good figure.

Mr. BROCK. If we want to feed those who need feeding—and I think every Member of this body would like to do that—to help those who cannot help themselves, then why not deal with the need for welfare and food stamp reform where people are getting it who are not qualified or deserving? I can cite some specific examples.

Mr. MUSKIE. I am simply trying to explain the 35 percent number that the Senator from Virginia used.

Mr. BROCK. I understand the Senator's point.

Mr. MUSKIE. I should think the Senator from Tennessee would want to know what makes it up. It is not some arbitrary, thoughtless, irresponsible judgment of those Senators who disagree with us to increase Government spending. There is a reason for it. We ought to know the reason.

Senator BYRD will still disagree. He always has been consistent. So would the Senator from Tennessee. But, at least, let the RECORD reflect what these numbers represent.

Mr. BROCK. I am not arguing with the Senator at all. I understand his statement and I appreciate it. I hope he will give us the same credit for the same sincerity that he asks that we give him.

Mr. MUSKIE. I do not challenge the sincerity of the Senator whatever. I think he is wrong, but I give him credit for sincerity.

Mr. BROCK. I appreciate that.

Mr. BEALL. Will the Senator yield?

Mr. BROCK. I do not have the floor.

Mr. MUSKIE. I yield 5 minutes to the Senator from Maryland.

Mr. BEALL. I have heard the arguments of the Senator from Tennessee and the Senator from New York and the Senator from Oregon before, and the Senator from Virginia, and I must say I think there is an awful lot with which I agree. I am disturbed by the deficits and I am disturbed by the fact that the interest on the national debt is going to cost $36 billion next year. I do not think we can afford to create the kind of conditions in the capital market that are going to crowd out private borrowers, because I think this will have a very serious adverse effect on the state of our economy. And I am greatly concerned about the impact all of this has on the great bulk of the middle-income Americans, who pay a disproportionate share of the high cost of inflation and pay the greatest proportion of the taxes that are paid in this country. I think they are the kind of people about whom we should be concerned.

I think the Senator from Tennessee, particularly, was concerned about the idea that we should adopt a new concept of budget in Congress in order that we could carry out our important constitutional responsibility of appropriating money for the operation of the Federal Government. If we are really going to be successful in adopting this new budget process, I think we have to make it a process that is believable. To be believable, the process has to be realistic, and realistically, I do not see any way that we can come up with a Federal budget for fiscal year 1976 of $340 billion.

If we follow the mathematics suggested by the Senator from New York and we start at the point where the President now is in fiscal year 1975, we are at $322 billion. If we allow for a 5-percent increase to get up to the $340 billion, which only takes us up to $338.1 billion, so we have a little room to play there, what do we have?

Well, out of that 5 percent, we have to pay for additional unemployment compensation, which we cannot do anything about today. We have to pay it. We have to pay for the cost of food stamps, additional cost of food stamps. We cannot do anything about that today.

Something can be done about it, but we cannot do anything about it today, and we are recommending in the report of the Committee on the Budget that something be done about it, because we know that we can save $1 billion this year if we tighten up the eligibility requirements for food stamps. But we cannot do anything about it, we cannot propose a budget on what we want conditions to be. We have to propose a budget on the way conditions are today.

Mr. BROCK. Well, we have.

Mr. BEALL. To be realistic. I am suggesting that there is no way we can come up with $340 billion, because unemployment compensation, the additional cost of food stamps and the additional cost of social security, without removing the 5 percent cap—and I am sure this Congress is going to remove the 5 percent cap—are going to take us to more than $340 billion.

Mr. BUCKLEY. Will the Senator yield?

Mr. BEALL. In just a minute.

There is no way we can keep within that $340 billion. I think it is extremely important that, in order to preserve the credibility of this process, we report to our colleagues conditions as they are and come up with a budget figure which is a realistic budget figure, one that can be, that we can live within as we go through the next fiscal year.

Now I am happy to yield to the Senator from New York.

Mr. BUCKLEY. First of all, I wish to point out to my friend from Maryland that the projections on which we based our alternative proposal presuppose the full cost of living increase for social security.

I also point out that the items that he mentioned involve a total of $10 billion, whereas we are talking about an increase in the order of $45 to $50 billion.

Finally, if it is the function of the Committee on the Budget merely to recommend where we are already, a continuation of the status quo, I am not sure this is quite what Congress, or at least this Member of the Senate, had in mind when he voted in favor of the machinery.

It seems to me that if the Senator from Maryland agrees that we can cut $1 billion from the cost of food stamps without cutting anyone from it who is in need of help, this is precisely what we ought to be doing.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. BELLMON. I yield an additional 5 minutes.

Mr. BEALL. I suggest to the Senator from New York that we cannot, in this budget resolution, change the food stamp requirements.

Mr. BROCK. If the Senator will yield——

Mr. BEALL. Let us talk about the figures of the Senator from New York for a minute. He said he approved the removal of the cap on social security and he approved the removal of the cap on a certain amount of unemployment compensation benefits, but I have not seen the Senator's charts, because they were handwritten, I understand, and given to the desk. I understand that they were predicated initially on a lower figure than the initial $322 billion the President now estimates he is going to spend in 1975. It was estimated at about $310 billion originally, or something of that sort, is that correct?

Mr. BUCKLEY. $313 billion, I think it was.

Mr. BEALL. It is now up to $322 billion. So I think the Senator will admit that he cannot stay within $340 billion.

Mr. BUCKLEY. That is why we need to hold the line.

Mr. BEALL. When we have done that, even accepting a 5-percent inflation rate, all for 1976—which I cannot, because I think the inflation rate is going to be higher than that—then we have not allowed for any increased cost in any other program of government because of inflation.

The Senator has expressed a great deal of concern, as have I, about the tremendous strains under which our Defense Department is being placed because of budgetary restrictions. Imagine what would be done to the Department of Defense if we adopt the $340 billion limit that the Senator is proposing here today. They would not only be not allowed to increase as the President has requested, they would be forced to take a cut additional to the one we have already given them, because they would not have anything built in for inflation anymore.

Mr. BUCKLEY. I believe, Mr. President, as I indicated earlier in the debate, before the Senator from Maryland was here, that we can accommodate the defense requests of the President, making only an adjustment to reflect the fact that we are talking not about the 15 percent inflation factor reflected in that budgetary request, but a much smaller one.

I believe, as I said earlier, Mr. President, that the purpose of the Committee on the Budget, as I understand it, anyway, is to try to come up with a prudent fiscal policy for Congress to adopt. I think that the Senator from Maryland admitted in his opening statement that what the committee proposes could be ruinous, could break the back of the middle class in this country, the people who pay most of the taxes. It could trigger another round of inflation.

Mr. BEALL. If the Senator will yield, I did not say that. I said I share those concerns, but I think the document we are bringing to the floor today protects the middle class, because I think our economy is in such a state, unfortunately, that it can accommodate a deficit of about $70 billion.

Mr. BUCKLEY. And crowd out how many billion——

Mr. BEALL. We crowd out nobody.

Mr. BUCKLEY. I am sorry the Senator from Maryland said that, because there are some people with deep familiarity with the money markets, such as the Secretary of the Treasury, and many others, who are deeply concerned that a deficit of $70 billion will do precisely that and inhibit investment in our economy.

Mr. BEALL. The Secretary of the Treasury did not so testify to our committee. He would not allow himself to be pinned down to a figure. He just said deficits were bad, and growing deficits were even worse. When I asked him about $70 billion, he would not answer the question because he did not know, but I think the testimony before our committee showed that it may be. The bankers who appeared indicated that we could accommodate a $70 billion deficit.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. BEALL. Yes. I am happy to yield the floor.

Mr. BROCK. No, I would just like to continue with that thought for a moment.

I think it is possible, if we are very fortunate, to be able to fund something on the order of $60 billion in deficits without displacing, but that presupposes no economic recovery; and I think what bothers me is, what would Congress do, I would ask my colleague from Maryland, for whom I have enormous respect——

Mr. BEALL. I thank the Senator.

Mr. BROCK. What would Congress do if we started recovering faster than anyone thought, as we have declined faster than any of these brilliant economists thought? Every one of them told us last fall, in October, that the problem was inflation, and not to worry about recession; and here they are, 180 degrees out of phase with their own remarks.

What if they continue to be wrong? They have obvious talent in that direction, on occasion. What if they continue to be wrong, and we bounce back too fast?

Will Congress, at that point, back off and cut down its deficit, so as not to stimulate the economy, or will it be too late? Or will we have already spent the money, and it will be impossible to push inflation back to 15 percent?

Mr. BEALL. I think we have already taken that into account in the committee. If Senators will read the committee report, they will find that there were proposals that we do more than we did in a way of recovery measures, and we resisted the temptation. We kept it down, because we knew we ought to play this month by month, because there is a possibility that the economy will recover faster than many people expect. It may be a V-type recovery. So we resisted the temptation to do it all now, and decided that we will have another resolution come through here in September, and we can look at the conditions that exist between now and September and decide whether at that time we need some additional medicine to be applied to a sick economy, or whether we ought to go about the business of ending temporary relief measures.

Most of the measures included here are temporary in nature, and would automatically cut off as the economy starts to recover.

I agree with the Senator; I think that is the only type of expenditure we ought to allow to take place at this time.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HARRY F. BYRD, JR. Mr. President, I have several minutes remaining. I commend the able Senator from New York, Mr. BUCKLEY, the able Senator from Tennessee, Mr. BROCK, and the able Senator from Idaho, Mr. MCCLURE, for the amendment which they have presented.

The pending concurrent resolution provides for a 35-percent increase in spending in a 2-year period. I think that is totally unjustified, and I support the proposal of the Senator from New York.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote on this amendment take place not later than 5:45 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. BUCKLEY. Mr. President, I yield 10 minutes to the Senator from Idaho.

Mr. McCLURE. Mr. President, I have listened to the debate with great interest, as I listened to the weeks and months of deliberations in the Budget Committee.

Let me start by saying publicly what I have said on several occasions before, that I have the highest regard for the Senator from Maine. He has conducted the deliberations in a very fair and evenhanded manner. I think the dispassionate way in which the Budget Committee considered the very difficult questions is a tribute to the committee and to his leadership. Likewise, I would like to say that the admiration that I feel for the Senator from Oklahoma and his leadership on our side of the aisle brings great credit upon the Budget Committee and upon the Senate itself.

Whatever remarks I have or whatever reservations I have concerning the results of the deliberations are confined entirely to matter of judgment as to how we apply the factual matter which was presented to us. As has been noted here today, our disagreements are disagreements as to whether or not it is right, whether or not the conclusions are correct, and not with respect to the aims and the intentions of the members of the committee or Members of the Senate.

But it has also been noted here today, and I think should be noted again, that if our judgment was wrong as to the kind of budget deficit that we can have, the stimulation and the crowding out of the opportunities for investment by individuals and by corporations which would fill jobs, and by the individual citizens in our country who would consume the TV sets, the automobiles and the refrigerators, the education for their children, and the various things that individuals of our country spend their money for, if they are priced out of the opportunity to do those things by Government spending that deprives the capital markets of their opportunities, then we will not only have done them a disservice—not because we intended to, but because we were wrong—but we will have put off the economic recovery that we also devoutly professed to desire.

I know that any figure that we have is subject to some kind of disagreement. Any figure we use may be explained, or we may disagree with it. But the fundamental problem that has presented itself to some of us is that we do not believe the basic theory upon which this budget is premised: that somehow Government spending in excess of its revenues is good for the country.

The Senator from California (Mr. CRANSTON) took occasion earlier in the day to talk about the terrible results of the spending for the war in Vietnam, and that that excessive spending created the conditions which have caused both recession and inflation; and I agree that he was correct.

But if that spending caused that kind of result, why does not this spending cause that kind of result? Certainly the basic economy of our country is in a different posture today. I think the only thing we can really say is that at no two times are conditions exactly the same. So whatever we look to in the past to guide us today will be to some degree out of phase with present conditions.

But let us look for a moment at some of our history. I have some charts prepared at the back of the room that I would like to refer to.

Government spending is supposed to reduce inflation. It is supposed to reduce interest rates. And above all, it is supposed to cure unemployment. Refer to the chart over here for a moment, if you will, in regard to what happened to the unemployment rates during the Great Depression, with massive Federal spending and deficits in comparison to the gross national product at that time—much larger than now. The unemployment rates in 1939 were still 17 percent. If Government deficit spending was going to cure that problem, why did it not cure it then?

Let us take another look—and admittedly it is a different period of time, with different economic circumstances. Again on the same chart, immediately following World War II, Government spending went down precipitously. What happened to the unemployment rates in this country? They rose for a while, and then dropped off slightly. And they did that during a period of time that Federal Government spending went down, not up.

If the arguments of the majority are correct, why did we not have massive increases in unemployment in that period of time; and, as a matter of fact, if you will go back and read your history, there were a great many economists in our country who told us that is exactly what would happen.

As I recall some of the colloquy, President Truman at that time was advised by his learned counselors if he chopped off all of the Government defense spending at once we would have a massive depression. He said, "Chop them off." And they said, "But, Mr. President, you cannot do that, you will cause an economic crash." And he said, "Chop them off, cut them off today."

They canceled their contracts, they chopped off the Government spending, and President Truman, who was not so overly wise that he did not have some commonsense, recognized what would happen, and we did not have the increases in unemployment and we did not have the economic collapse that many of our learned people in this country had so gravely predicted.

I think we are seeing in this country today a recognition on the part of many working men and women that they are being cheated by Government policies by which, as Government spending goes up and their wages go up, their real disposable income remains somewhat constant. As a matter of fact, it has remained constant during most of the period from 1965 through 1970, as the chart on the left shows. It rose from 1970 through 1972, and it has been in a steady decline since 1972 primarily as a result of Government policies, where real Government spending went up and the workers' real spendable earnings remained constant, and then started going down. Those are facts. Those are just as immutable as any of the rest of the statistics we are talking about.

If you want to look at the other chart which shows now how many hours the average working man or woman worked for the Government, look at the pie-shaped chart up there that indicates that nearly half of the workers' time is spent in producing the income to pay their taxes to run the Government.

Well, it used to be that we celebrated the 4th of July as Independence Day, independence from the Crown of Great Britain. If we continue with this trend, it will not be long before we are celebrating Independence Day as being the day in the year when we finally get out from under the load of government tax-

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ation, and we will work the remainder of the year for ourselves, having worked all of the period from January 1 to the 4th of July to pay the cost of Government.

We need an Independence Day today, independence from our own Government's oppressiveness. Overstimulation can choke off our recovery just when, as the majority report indicates, we see many signs of that recovery commencing.

Instead we have—and we see now—short-term interest rates for a rather historic period of time lower than long-term interest rates, which is simply an indication that the market's evaluation of a long term would indicate that there will be continued inflation in spite of the assurances by many in our country that we can have $70 billion deficits without the continuation of inflation, so I think the market in itself is evaluating what we are doing here today, and their evaluation says the majority is wrong.

I was one of those who asked for the assignment to the Budget Committee because I think the budget process that it sets up may be the last best chance we have to get control of the budgetary processes.

I participated in government at every level of government. I started out 25 years ago working for the county and for the school district, and 22 years ago started working with city budgets, and about 15 years ago started in working at the State legislative level, and I know how budgets are developed, because all of those levels must work against one fixed point.

The PRESIDING OFFICER (Mr. CULVER). The Senator's time has expired.

Mr. McCLURE. I ask the Senator from Oklahoma if he might yield 5 minutes to me on the bill.

Mr. BELLMON. I yield 5 minutes to the Senator on the bill.

Mr. McCLURE. I thank the Senator.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. McCLURE. All levels of government hammer out their budgets on the anvil of the necessity of achieving a balance, and I think many of us, who were looking at the budget bill and the procedure which we are building in the budget process, were hoping that that would bring some of the same sense of discipline to Congress, to congressional actions on the budget.

I fear now that I see something that I did not see clearly when that bill was before Congress, and that is our response, the thing that really made us look at the budget process was that we had for 14 out of the last 15 years piled up deficit upon deficit upon deficit, and we said that is bad. Those were unplanned deficits. They just happened because of the lack of discipline in the budgetary process, and we said that is bad; we said that we must change it.

So we adopted a bill that requires us to go through a budgetary process in which deficits no longer are unplanned and, therefore, bad. We have adopted the politically expedient way of saying, "This budget is planned for and, therefore, good."

Instead of having the unplanned deficits that cause inflation and high interest rates, recession and unemployment, we will now plan for good deficits which, by definition, then will do the opposite.

The American people are looking at what we are saying and doing, and they say, "baloney," because, as is usually the case, the American people are way ahead of the Congress of the United States and oftentimes react with much greater wisdom.

But I want to address myself for just a brief moment to what this amendment that the Senator and I have introduced does not do.

I understand that a great deal of the debate today was around the point that this was going to force cuts in spending. Actually it accommodates an increase in spending of at least $20 billion, perhaps $21 billion, and it may be that that is absorbed by inflation. It may be that those are for countercyclical or stimulative programs, and it may be that it is for built-in increases in this program or the other program. But the fact is under our resolution the total expenditure would be $20 billion greater than the total expenditure under the present fiscal year. That is an increase.

I think those people who tried to tell us that we have to spend our way out of the recession are playing a very dangerous game when we balance the budget in essence in this resolution by a $70 billion deficit and say, "That is good," because if their judgment is wrong and, as the Senator from Tennessee has pointed out, there could occur a rapid economic recovery for which we all hope, that there will be a crowding out in the private sector as the result of the deferred spending built into the Government budgets, and only a small portion of the stimulative spending in the proposed budget is so automatic that it reduces with economic recovery.

A large portion of it will be programed and actually spent at the latter portion of the fiscal year without regard to whether or not the economy needs the stimulus, without regard to whether or not there is available capital in the money markets, without regard to whether that Federal spending chokes off the economy recovery that is then under way if, indeed, we are successful in getting an economic recovery at those rates.

I think the debate has been useful. I again commend all of the members of the Budget Committee. I do not question any of them for their sincerity. I know I have worked with these men and under both the majority and minority staffs, and I know of their dedication and sincerity and the amount of hard work they put into it, and I just think the result is wrong.

In our trial run, the Senate Budget Committee demonstrated clearly that the Congress now has the means to exercise real control over Federal spending—but in proposing a nearly $70 billion Federal deficit, the committee also clearly demonstrated a failure to come to grips with a hard reality the average taxpayer already lives with—that our economy will not easily survive the ravages of that much Federal red ink. In essence, and in fact, we are placing the taxpayer in hock up to his ears. Ultimately, he must pay the bill, and he knows it only too well.

We have been told by various economists that this $70 billion deficit will bring prosperity, jobs, and an end to inflation.

That is utter nonsense, and the American taxpayer knows it. And he will ask one simple question—a question the economists cannot answer, even with all the impossible words at their command. The question: If, after all, deficits are good for the country, for the economy, why have the accumulated Federal deficits of the last dozen years failed to bring prosperity, provide high employment, and create stable currency?

All we have to do for the answer is look at the accumulation of those Federal deficits. They have brought on double-digit inflation, the worst recession in 30 years, and staggering unemployment. And if we look to the future with any commonsense, the addition of this $70 billion in deficit will bring much more of the same—and we just might not be able to survive that much more of the same.

We are now seeing real signs of a natural economic recovery. That natural recovery should be the cause of restraint and a very cautions action by the Congress and by the administration.

It can be argued that a certain amount of pump-priming now might help get the economy moving. But this $70 billion deficit goes far beyond any mere pump priming. It will inundate the economy. It will drown any natural recovery that is now beginning.

Quite simply, when the Federal Government goes into debt, the money has to come from somewhere. That somewhere is either from the private money markets, or from the Federal money machine—the printing press.

How can we have economic recovery when the money available for private borrowing is taken by the Federal Government to pay the interest on its deficit? How can we create lasting employment and job security when business and industry cannot borrow capital to expand? Those factors just do not work together. We cannot have that large a Federal deficit without smothering economic recovery. If we prevent the crowding out of private borrowing by speeding up the printing presses, the dollar is cheapened and the workingman is robbed once again by more inflation.

Clearly inflation feeds recession. We must have a response that does not just put off the day of reckoning with another round of inflation or another fall into depression. Clearly deficits got us where we are, and they will not get us out. We might not survive what looms on the horizon.

The American people want us to break out of this dangerous economic cycle of alternating periods of inflation and recession.

Our goal must be full and sustained economic recovery and not just another attempt to force a recovery—an attempt that can only hasten renewed inflation and another round of recession, or worse.

A prerequisite of a solid, stable economy is the exercise of fiscal responsibility by the Congress. To this end, we offer an alternative budget designed to hold Federal spending down to $340 billion—a budget that will hold the deficit to $34.7 billion. The harsh realities of this Congress and what it will do dictates there will be a deficit. I do not like it. But in this alternative budget, we are talking about a deficit we can live with, a deficit the economy can stand.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. BELLMON. I yield myself 5 minutes.

Will the Senator from Idaho respond to a question?

Mr. McCLURE. Certainly.

Mr. BELLMON. I believe I understood the Senator from Idaho to say that the Budget Committee's anticipated level of spending was $20 billion higher than that anticipated by the President?

Mr. McCLURE. No, the Senator misunderstood.

I said the level of spending under the proposal which the Senator from New York and I have offered would be at least a $20 billion increase over the level of spending of this fiscal year.

Mr. BELLMON. I thank the Senator.

I yield back the remainder of my time.

Mr. MUSKIE. Does the distinguished Senator want some time?

Mr. DOLE. Just about 1 minute.

Mr. MUSKIE. All right, I yield a minute to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I listened with interest throughout the afternoon and I certainly commend, as everyone else who has spoken, the chairman, the ranking Republican on the Budget Committee, and the staff of the committee.

I have studied the Buckley-McClure approach and while I am sympathetic and while it has a great deal of popular appeal, it is my opinion that a more realistic approach is possible.

The Senator from Kansas may propose an amendment that would reduce the deficit by about $2.4 billion, which I think is realistic. And that action would depend on whether or not the amendment to be offered by the distinguished Senator from Louisiana is adopted. If that is adopted, the net result might be the same, and we would have about a $67.2-billion deficit instead of $69.6 billion.

As a member of the Budget Committee, and having unfortunately missed the last day because of a rather painful back injury, I think there was consideration of other figures and there was the opportunity on that day to offer cuts of any proposals. As I read the record, they were not proposed.

As the Senator from Maine has indicated, sometimes the conservative members won, sometimes the liberal members won. The net result, by and large, I think, was a rather realistic proposal.

While no one likes to discuss a deficit of $10 billion or $69.6 billion, it seems to be much better to talk about one that has been reduced by $20 to $30 billion. It just seems in the opinion of this Senator, it is not the most appropriate cut at this time due to the need to pump up the economy and end the recession. It is my strong hope that the Senate can make a cut, but make one more in line with the needs of the economy.

Mr. DOMENICI. Will the Senator yield?

Mr. MUSKIE. Yes, I yield to the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator.

I think my colleague from New York and my colleague from Idaho know that philosophically I agree with much of what they have said today.

It has been tough for me to listen to them, to listen to their concerns about the private sector, whether we are going to crowd them out, and their concern about whether we will be in the middle of a recovery and not be able to turn off some of that which was turned on by this budget.

But I went through 2 months of listening to this, to the details, and I do not trust economists any more than they do. In fact, I asked how much they knew about curing a recession and not curing inflation, and they just about admitted it.

But I think we are missing some very important points if we do not understand that this budget does not have a significant amount of new programs that are calculated by law to go on indefinitely.

In fact, I know of no new open-ended program that is funded here. The major expenditures under this budget are the reasons for the recession.

They are stabilizers that came in after the depression, that blessed us with not having 30-percent unemployment, in this kind of ripple effect recession we are having. If we did not have unemployment, did not have social security and some of those other programs helping people, perhaps we would be starting at a 32-percent unemployment and working up.

We are paying for those programs in this budget.

I admit unemployment recovery lags so that we may not recover as quickly in this budget when recession abates as we should.

But I would submit to those who are concerned about the fact that we may get into recovery and not be able to turn things off, we have not abandoned the portions of this act that would permit the President, 6 months into next year, to impound some highway funds and send them over to us, and impound water and sewer. Those are the kind of programs we put more money in than wanted and we think they are the kind that have a chance of abating the recession and do not continue on indefinitely.

Mr. TOWER. Mr. President, the Senate has a rare opportunity today. We can prove to ourselves and to the Nation that we have the will to impose self discipline and control massive Federal spending.

The first concurrent resolution in the budgeting process, which we are considering today, establishes the boundaries for Federal expenditures and the level of expected Federal receipts. Several proposals have been made; one calls for a spending ceiling of $365 billion while the other proposes a more modest $355 billion spending limit. I contend that these are not viable alternatives. They offer, respectively, $67 and $58 billion deficits.

I would like to call the attention of my colleagues to an article recently appearing in the Wall Street Journal which dramatizes the magnitude of total government—local, State, and Federal—spending. In 1929 U.S. Government spending was $10 billion or 10 percent of our gross national product. By 1960 this figure rose to $136 billion, or 27 percent of GNP. Since 1960 Federal expenditures have expanded more than threefold, so that in 1974 Government expenditures totaled 33 percent of GNP or $461 billion. This means that our Government has put substantial pressure on the real productive resources of our economy and has handicapped the private sector by taking one-third of our Nation's total output of goods and services. Combine this with the pressures of an expanding productive private sector and it is no wonder that our inflation rate jumped to the highest in decades last year.

The Senate Budget Committee's proposal would increase Federal spending by more than $50 billion, or 16 percent over the current fiscal year, and would result in a projected budget deficit of close to $70 billion. This will pose an inordinate strain on the real and capital resources of our economy and could reflate our economy in 6 to 8 months depending on the timing of our Nation's economic recovery.

Let us look at the present situation. The capital markets are already nervous over the proposed Federal deficits. This is reflected in the recent decline in bond prices and the upturn in long-term interest rates. The implications are that if a large Federal deficit becomes reality the monetary authorities will either have to accomodate the increase in Federal borrowing, thus fueling inflation down the road, or pursue a more moderate expansionary course resulting in higher interest rates. In either situation the American public is the big loser.

There is an alternative to the Senate Budget Committee's proposal and one which I strongly support. It is the current resolution introduced by Senators BUCKLEY and McCLURE which calls for a $340 billion spending ceiling and a deficit not to exceed $38 billion.

This proposal, though still 8 percent above 1975 spending, would impose the necessary discipline on Federal spending which our economy so desperately needs. If we in the Congress are not willing to hold the line and set an example for responsible fiscal management, who will?

This proposal would ease the difficult task of the Federal Reserve Board in monetary management. By making the critical spending choices ourselves we are passing the buck to the nonelected monetary authorities who all too often are forced to choose between high interest rates or potentially damaging inflation.

In addition, our proposal realistically addresses the long run needs of our economy rather than the short term demands. It recognizes that a high level of employment is only possible with stable prices. The notion that a large Federal deficit is necessary to insure a high level of employment is subject to serious question. Rapidly rising prices due to overly stimulative fiscal policies are not compatible with a low level of unemployment.

If we in the Congress choose to run a large Federal deficit in hopes of increasing the number of individuals employed we are fooling ourselves. Though some improvement may be seen in the short run, it is only an illusion, for around the corner high prices and high unemployment wait.

The Federal budget has expanded rapidly in almost every area save one which is the most vital to our Nation's security. That is in the area of national defense. Defense spending as a percentage of gross national product has fallen sharply, some think dangerously, in the last decade. It is now no exaggeration to describe our defense outlays as a barebones budget. Any further cuts could jeopardize our Nation's security, especially in this time of uncertain world conditions. Many of the cuts that have to be made will have to come from the area of Government that has exploded in recent years.

Our economy is in an extremely sensitive state. Anticipation of a large Federal deficit is high, while confidence in Congress to impose reasonable spending limits is low. The total deficit for 1975–76 is likely to be in excess of $120 billion. This compares to a cumulative budget deficit in the preceeding 10 years of only $100 billion or about a $10 billion deficit per year.

Most economists agree that there will be a contraction in available credit in 1976 as business loan demand picks up and the Federal Government continues its large borrowing. The problem is not in the short run; there is ample slack in the economy for noninflationary financing of a large deficit, at least for the next 6 months. But what happens after that time, when the economy picks up speed and the Federal Government continues to borrow and refinance its existing debt? Someone will be displaced from the capital market and it will not be the Federal Government, it will be private individual and business borrowers.

A Federal deficit in the $60 to $100 billion range is inconsistent with the goals to insure a high rate of employment and stable prices. The real answer to our economic problems is fiscal responsibility. Congress must hold the line on Federal spending.

Mr. President, to emphasize and clarify the growing impact of Government spending on our economy, I ask unanimous consent that the article which I mentioned earlier from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was order to be printed in the RECORD, as follows:

THE OUTLOOK: REVIEW OF CURRENT TRENDS IN BUSINESS AND FINANCE

Government spending. It is big in the news these days. The government, they say, is doing more of it to boost the economy. So while we wait to see how effective the boosting is, and what inflationary side effects it may have, it may be well to take a long-term look at the historic pattern of such spending in this country. And to ponder the outlook ahead if the trend continues into the future. The impact upon what money you have left to spend upon personal consumption of your own selection may be bigger than you think.

Everybody knows, of course, that spending by government, money that represents taxes on the public's end of the deal, has grown greatly over the years. But, it may be said, everything has grown. The population has grown. And the GNP. We are in a trillion-dollar-plus economy now. So naturally government spending is a lot bigger.

But the story is not that simple. The government spending is getting bigger faster than most other things. Its total at all levels—local, state, federal—is a steadily swelling chunk of the entire economy.

The table below traces the record over nearly half a century. The first column is the whole economy, the gross national product. The second shows total government (local, state, federal) spending. The last gives the government spending as a percent of the whole. The first two columns represent billions of dollars.

GOVERNMENT SPENDING VERSUS GNP

Year	GNP	Government spending	Percent of GNP
1929	103	10	10
1940	99	18	18
1950	284	60	21
1960	503	136	27
1970	977	312	32
1974	1, 397	461	33

The U.S. is the greatest industrial power on earth. And the "big business" country, they say. Yet government spending of $461 billion in 1974 was more than five times the after-tax profits of all the corporations in the country. It is hard to escape the question: "Who's big?"

While spending from the public coffers increases as a percentage of the economy, that spent by consumers on things of their own individual choice declines—as a percentage of all spending. While the shrinkage is not as dramatic as the expansion in public spending, it is there. It is hard to spend on yourself the same dollar you give to the tax man.

The following table shows the relationship to the total economy (GNP) of all the money the citizens spend on all their personal consumption—for food, clothes, housing, services, cars, gasoline, TV sets, medicine, and so on. GNP and spending figures represent billions of dollars. Percentage figures in this table and the first one do not add to 100% because there are other types of spending, mainly by business.

CONSUMPTION SPENDING VERSUS GNP

Year	GNP	Personal consumption spending	Percent of GNP
1929	103	77	74
1940	99	70	70
1950	284	191	67
1960	503	325	64
1970	977	617	63
1974	1, 397	877	62

Government spending in 1974 was more than half as much money as was spent by the country's 212 million people on all personal consumption things—from food to footwear.

Closely linked with government spending, of course, has been the growth in government payrolls. As with the spending, the climb has not been just a matter of keeping up with the population climb, which it has vastly outpaced.

In the table below, the first column shows Labor Department figures covering all the nonfarm payrolls (000 omitted) in the country, including government workers. The second column shows those on local, state, and federal government payrolls. And the third column shows the government workers as a percentage of the total.

GROWING GOVERNMENT PAYROLLS

Year	All payrolls	Government payrolls	Government percent of all
1929	31, 339	3, 065	9. 7
1940	32, 376	4, 202	12. 9
1950	45, 222	6, 026	13. 3
1960	54, 232	8, 353	15. 4
1970	70, 920	12, 561	17. 7
1974	78, 334	14, 284	18. 2

The recession had reduced total payrolls by 2.5 million as of last month. But the government figure had actually risen. In March, public payrolls came to 19.3% of the total.

There are now more people working for government at all levels—local, state, federal—than there are men, women, and children in New York City, Chicago, and Los Angeles combined. Their number is greater than the entire population of Australia.

There are more public workers today than there are production workers in all the nation's factories. There are more than there are on all retail store payrolls. And there are four times as many as there are people at work on all the farms.

Is all this good or bad? Much of it is necessary. Much is required by urbanization of the nation. Scattered across the land on farms, people don't need big police forces. Nor large sanitation forces. But, packed in massive urban concentrations, they need both. Other complexities of the changing society call for bigger public payrolls, more public spending.

But how much more? The pros and cons aren't argued here. But one thing seems certain. If the trend goes on and on, less and less of the consumer's money will be spent as he chooses. More and more will be spent on government through taxes. Maybe that's what the public wants. But if so, it should not complain about a sharper bite on "take home pay" by the tax man. You can't eat the same piece of pie twice.—JOHN O'RILEY

Mr. FANNIN. Mr. President, I am pleased to cosponsor the substitute concurrent budget resolution introduced by Senators BUCKLEY, McCLURE, and BROCK. In my opinion, their amendment provides a rational approach to Federal spending and congressional budgetary control which I consider more fiscally sound than the concurrent resolution recommended by the Senate Budget Committee.

The substitute resolution would limit the Federal Government's total budget outlay for fiscal year 1976 to $340 billion, or $25 billion less than the level recommended by the Budget Committee resolution. The substitute would also recommend the level of Federal revenues at $305.3 billion, or an increase of $7.5 billion over the revenues projected by the Budget Committee. And it would anticipate a budget deficit of $34.7 billion, or roughly half the deficit of $67.2 billion proposed by the Budget Committee.

Mr. President, there is the story that in the early 1960's former President Lyndon Johnson summoned to the Pedernales White House his closest advisers and members of the Cabinet to discuss what to do about a very hot political potato; namely, whether to propose to the Congress the first $100 billion budget in our Nation's history. Now, here we are a mere dozen years later, watching the level of Government spending rise above $350 billion a year—almost a billion dollars a day—and it is the deficit that is heading toward $100 billion.

During that dozen years I have been a Member of the U.S. Senate and I have observed, with increasing alarm, as the spending figures of our National Government have gone higher and higher while the deficit has grown bigger and bigger. And I wonder how far this spending and these deficits can go before the American taxpayers rise up in anger and the economy of the richest Nation on Earth collapses. Only once during my years in the Senate has there been a budget surplus, against 10 years of deficit. I have done all I could as a Senator from Arizona representing the wishes of the taxpaying citizens of Arizona, to resist higher spending, to fight against more Government programs, to cut waste and inefficiency in those Government programs that I do consider essential and to reduce the amount of our annual deficit.

As I look at the Budget Committee's report and concurrent resolution, I see that the majority is proposing not just red-ink figures of almost $70 billion, but a planned deficit of unparalleled proportions. At least during the past 11 years of deficit, the results were arrived at without conscientious effort and conscious planning.

Mr. President, I was privileged to serve as a member of the Joint Study Committee on Budget Control which recommended to the Congress the legislation which ultimately created the House and Senate Budget Committees. I favored then, and I strongly support now, the principle that there must be stronger and more effective congressional control over the Federal budgetary process.

I voted for the Congressional Budgetary and Impoundment Act of 1974 which established the procedures for implementing this congressional reform. But many of us who supported that measure warned then that, for the new process to work, the obligation must finally rest with the Congress. Without the self-restraint and self-discipline required of the Members themselves, budgetary reform would prove a myth, no matter how noble the principle or sound the procedures.

It appears that many of our worst fears may soon be realized. The new budgetmaking procedures are to become effective next year. Yet in the trial process which the Budget Committees are now pursuing we already see, in this first proposed concurrent resolution, the problems and difficulties that will intensify next year. Judging by the figures that the Senate Budget Committee proposes for fiscal year 1976, those problems and difficulties will be enormous and perhaps crippling to the congressional budgetary process. Where is the restraint that we who supported budgetary reform hoped for? We certainly do not find it in the new spending totals presented by the Senate Budget Committee.

Now, I do not intend to denigrate the hard work and long hours that obviously went into the Budget Committee's report. I am greatly impressed by that effort, but I do have serious reservations about the underlying assumptions and methods and the recommendations which the majority has presented us for consideration.

I am a fiscal conservative. I make no apologies for my fiscal conservatism. I am also an economic realist. I realize full well that in a period of recession, particularly when unemployment is high, the Government has an obligation to do what it can, reasonably and within certain fixed limits, to stimulate and expand the Nation's economy and to help foster jobs for the unemployed. But I also realize that the problems that we have found ourselves in lately, with high unemployment accompanied by high inflation, provide good evidence that the old spending formulas of the past have not been working. In fact, the fiscal and monetary policies followed by successive administrations and successive Congresses have led us to our recent economic troubles and may, if continued, lead us to future cycles of chronic unemployment and inflation and future recessions of even greater proportion and impact on our taxpayers.

Many of my colleagues in the Congress have long prided themselves on being full-fledged Keynesians, supporters of the principles of the late economist John Maynard Keynes. The problem is that they have followed only one-half of the Keynesian theory. In bad economic times these Members want the Federal Government to follow generous fiscal policies and spend the people's hard-earned tax moneys on programs designed to stimulate economic recovery. But when we enjoy good economic times, these same congressional Keynesians are reluctant to end those programs or cut back Federal spending to acceptable levels. Proposals for reducing the budget deficit or planning for a budgetary surplus are never even considered.

The result has been that we always find ourselves deeper in debt and beset by higher inflation. As a result of the unbroken process of huge Federal budgets and resulting deficits during the past decade, we find ourselves in an unusual and troubling situation.

Recent economic reports indicate inflation seems to have been brought substantially under control. Certain economic indicators and quite a lot of economists and bankers tell us the recession is beginning to bottom out. If this is, in fact, a correct analysis—and I believe it is—why must we continue on the path of profligate spending as the majority's resolution would have us do? Surely we should have learned by this time that for the Congress to appropriate the levels of funding recommended by the Budget Committee will only trigger another round of intense inflation followed or accompanied by recession.

While there is substantial money currently available for private lending, there will be a genuine credit crunch in coming months if Federal borrowing reaches the magnitude anticipated by ths majority resolution.

Let me reemphasize that while there are differences of opinion on this point, many economists and businessmen believe our economy will be on the upswing by the end of this year. Private credit demands will certainly rise as a matter of course, but the lack of borrowing capacity will have serious detrimental effects on economic recovery. This "crowding out" of private capital is a problem the Budget Committee resolution and report does not face squarely.

Many have expressed the attitude that a carefully directed monetary policy by the Federal Reserve System can avoid any such crowding out of credit resources. I cannot agree with this view. It is true that the Federal Reserve has been able to monetize a substantial portion of our previous deficits as they were incurred. The banking system, however, can manage only a certain portion of any sizable deficit. This leaves the Treasury no choice but to enter into the private money market and absorb virtually all available private funds. What money they cannot find there must be run off the Government printing presses. Funds borrowed by the Government are no longer available for the private sector. When industry cannot find capital to borrow, it cannot expand operations or modernize plants and equipment. When businessmen cannot expand or modernize, America's workers cannot find new jobs, in fact, they may lose their jobs, and the once dynamic American economy stagnates.

Mr. President, I shall not dwell any longer on economic theory or practice, but I would like to call the attention of my colleagues to the minority views of Senators BUCKLEY and McCLURE as set forth in the committee report. Their discussion of monetary policy is especially enlightening.

I also share the concerns expressed by Senators McCLURE and BUCKLEY that the Senate Budget Committee has not given full and appropriate consideration to the strategic needs of our Nation.

In light of our foreign policy commitments and the deteriorating political situation throughout the world, we must maintain the best possible national defense program. I do not feel the Budget Committee proposals accomplish this.

I commend the distinguished junior Senators from New York and Idaho for their excellent discussion of defense matters, with one additional reservation of my own. For years we have been providing a protective umbrella for most of the rest of the non-Communist world. We have spent millions of dollars trying to defend not only the nations of the Western World and the perimeter of small states along Soviet-Chinese borders. We have also been providing a defense shield for many of the rich, oil-producing countries which today have us, literally, over a barrel. I believe that it is about time we ask these countries of Western Europe and the Far East, particularly those members of OPEC, to assume their own defense obligations.

Mr. President, in summary, I believe that the Budget Committee's concurrent resolution is not realistic or responsible but is a blueprint for economic disaster.

UMI

The Buckley-McClure-Brock substitute places in proper perspective our national needs and priorities and our ability to meet these needs and priorities. Furthermore, it strikes a better balance between our domestic, economic, and defense requirements. For these reasons I urge you to join me in supporting the amendment.

The PRESIDING OFFICER. The Senator's time has expired.

The hour of 5:45 p.m. having arrived, the question is on agreeing to the amendment of the Senator from New York (Mr. Buckley). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Kentucky (Mr. Ford), the Senator from South Carolina (Mr. Hollings), the Senator from Kentucky (Mr. Huddleston), the Senator from Rhode Island (Mr. Pell), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Delaware (Mr. Roth), the Senator from Virginia (Mr. Scott), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The result was announced—yeas 21, nays 69, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—21

Allen
Bartlett
Brock
Buckley
Byrd,
  Harry F., Jr.
Curtis
Fannin

Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Laxalt
McClure

Morgan
Nunn
Packwood
Talmadge
Thurmond
Tower

NAYS—69

Abourezk
Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Eastland
Fong
Glenn

Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf

Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
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Taft
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NOT VOTING—9

Bumpers
Ford
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Pell
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Scott,
  William L.

Symington
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So Mr. Buckley's amendment (No. 374) was rejected.

Mr. LONG. Mr. President, it is now almost exactly 2 years since the Joint Study Committee on Budget Control issued its final report calling for the creation of an entirely new process designed to permit Congress to look at the budget as a whole and to set priorities which would be reflected in its actions on individual legislative measures. I was pleased to serve as one of the vice chairmen of the Joint Study Committee and to strongly support its recommendation. Last year, the new congressional budget procedure was made a reality through the enactment of the Congressional Budget Act of 1974, and the first fruits of this new process are now before us in the form of the first concurrent resolution on the budget for fiscal year 1976.

I have examined the text of Senate Concurrent Resolution 32 and its accompanying report, and I want to congratulate the chairman and members of the Budget Committee for the thoughtful effort and hard work they put into it. Because this is a new procedure, the present resolution represents only a down-payment on the full congressional budget process which will be effective for future years.

As chairman of the Committee on Finance which has jurisdiction over virtually all Federal revenues and over programs involving more than one-third of all Federal expenditures, I am acutely aware of the limitations which exist on our ability to project income and outgo under existing law, let alone under various legislative proposals. To begin with, all projections are necessarily based on assumptions concerning the gross national product, inflation, unemployment rates, income levels, and so forth. Different economists have different expectations in these areas even when their estimates are given as of the same time; and, of course, the passage of time can quickly make estimates obsolete.

I am pleased that the Budget Committee recognized and stated explicitly in its report that revenue estimates and estimates of outlays for social security, unemployment compensation, and a number of other programs are only estimates, a set of figures which appear to be the most reasonable according to the information available. We have to recognize, however, that even slight changes in economic conditions can have a strong impact on our estimates. If levels of income and profits rise, we can expect increased revenues and smaller deficits. Similarly, if our estimates as to unemployment rates prove to be somewhat wide of the mark, we can certainly anticipate that the estimated expenditures for unemployment compensation will have to be adjusted.

The congressional budget process is intended to deal with the larger elements of the Federal budget—aggregate revenues and expenditures, deficits and debt levels, and not to be an attempt to substitute for or foreclose the detailed decisionmaking which the various committees and the Senate must undertake as the year progresses. Yet the Budget Committee report gives some indication of the assumptions on which their aggregate figures are based, and I suspect that throughout the years to come one of the most difficult parts of the congressional budget process will be maintaining a proper balance between an overly detailed approach and an overly abstract approach. In this respect, I think the current effort of the Budget Committee has set an admirable precedent.

In particular, I am pleased that the Budget Committee figures follow the advice of the Finance Committee, in assuming that the Congress will not enact the President's proposal to cut back the social security cost-of-living benefit increase and to cut back in the medicare, medicaid, and social services programs.

I note that according to the committee report, the Budget Committee figures are based on the assumption that no legislation will be enacted this year providing health insurance for unemployed persons. Perhaps the $1.8 billion recommended by the Committee on Finance to the Budget Committee is not the right figure, but I believe the Congress will be acting on this issue within a month and if we are serious about the new budget process, we should make allowance for actions we are likely to take.

I am also concerned that the Budget Committee, on page 83 of its report, states that:

> The Committee's recommended outlay level includes an estimate of $1.8 billion in savings that could be realized through administrative improvements in the food stamp program and through legislative improvements in AFDC, OASDI and Federal employee retirement programs.

I do not know what the Budget Committee had in mind but it seems to me that this is an unrealistically high estimate of savings in these programs through legislation.

Altogether, I feel that the Budget Committee's report and resolution represent a very great stride along the road of implementing a truly effective congressional budget process. Although in this first year we are dealing with an incomplete procedure, I think no one will make the mistake of thinking that this is simply a theoretical exercise. The Budget Committee is to be commended for a diligent and conscientious job.

Mr. President, I call up my amendments at the desk, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The legislative clerk read as follows:

> The Senator from Louisiana proposes amendments.

The amendments are as follows:

> On page 2, lines 2 and 3, delete ", and $69,600,000,000 if the revenue measures referred to in paragraph (4) are extended and enacted".
>
> On page 2, line 5, delete "and, if certain provisions of the Federal Tax Reduction Act of 1975 are extended to 1976 and additional taxes on energy are enacted, the level of Federal revenues will be $295,400,000,000".
>
> On page 2, lines 11 through 13, delete "and $620,000,000,000 if the revenue measures referred to in paragraph (4) are extended and enacted".
>
> On page 2, lines 21 through 23, delete "and $65,600,000,000 if the revenue measures referred to in paragraph (4) of such section are extended and enacted".

Mr. LONG. Mr. President, I ask unanimous consent that Michael Stern be permitted the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that George Rucker, of the Budget Committee staff, be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I ask unanimous consent that a member of my staff have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I am concerned that the pending resolution makes some assumptions about the revenue effect of energy and other tax legislation the Senate will be considering later this year. I think it is too early for us to predict the revenue effect of this legislation. We will have a second budget resolution in the fall, and we will have an opportunity to consider the effect of further tax legislation in light of economic circumstances at that time.

My amendment would simply delete the language in the resolution referring to the possible revenue effect of upcoming legislation.

I have discussed this matter with the distinguished manager of the bill, and I believe he is willing to accept the amendment.

Mr. MUSKIE. Yes.

Mr. President, I have discussed this matter with the distinguished Senator from Oklahoma (Mr. Bellmon) and with members of the committee on both sides, and we are willing to accept this amendment. Before doing so, I should like to take a few moments to explain why that language was included.

In the first place, under the Budget Reform Act, it is our responsibility to estimate revenues and to recommend changes that may be consistent with what we believe to be the interests of the country.

In this case, we included this language for informational purposes. We understood that the tax cut approved by Congress this winter extended only through the first half of fiscal 1976 and that the probability was that it would be extended into the last half of fiscal 1976. We felt that we could not discharge our responsibility without reflecting that possibility in our resolution.

Second, it was clear that energy taxes of one kind or another were under consideration by the administration—indeed, the administration had imposed some. On the House side, the Ways and Means Committee was considering some energy taxes and we felt that we should indicate the possibility of some energy tax revenues accruing to the Treasury in the latter part of the fiscal year.

We wanted Members to understand that if tax actions of this order were enacted, the impact on the deficit would be to increase it by $2.4 billion.

However, our point having been made, and the information having been conveyed to the Senate with all Senators understanding that possibility, I see no reason to insist upon inclusion of the language in the resolution; and I am more than happy to support the amendment of the distinguished Senator from Louisiana, the chairman of the Committee on Finance.

Mr. BELLMON. Mr. President, I join the chairman in accepting the amendment.

I believe it is important to invite the attention of the Senate to the fact that the Budget Committee tried every way it knew to lay out the record so that the full Senate would know what is involved in this budgeting process. We tried very hard to be candid and straightforward, to the extent even of reducing the present anticipated revenues from the sale of Outer Continental Shelf leases by $4 billion. This would have made our deficit $4 billion less than it is. This is the reason why we have the figure that the Senator from Louisiana is now moving to remove.

I agree with the chairman that the point has been made and that the Members have been informed as to what the situation is, and I join in accepting the amendments.

Mr. MUSKIE. Mr. President, I think we are ready for a vote on the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LONG. I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Louisiana.

The amendments were agreed to.

Mr. ROBERT C. BYRD. Mr. President, I simply wish to state for the benefit of the Members that there will be no more rollcall votes today.

Mr. MUSKIE. Mr. President, I yield 15 minutes to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, while the acting majority leader is in the Chamber, together with the manager of the bill and the ranking minority member of the Budget Committee, is it possible to get some idea as to when we might have a vote on passage of the bill tomorrow? I presume that passage will occur tomorrow. It will be appreciated very much by the Senator from Illinois if it is possible to have the vote no later than 3:30 tomorrow afternoon.

Mr. MUSKIE. There are two possible amendments, one which is being considered by Senator Dole, and another by Senator Mondale. The Dole amendment may not materialize, but that is not finally resolved. I have asked Senator Humphrey, who is a cosponsor of the Mondale amendment, if they could begin discussion of their amendment at 11 o'clock. There are 2 hours allotted under the order to an amendment. We could, of course, grant some additional time under the bill.

I made the point to Senator Humphrey that we would like to have a final vote on that amendment substantially before 3 o'clock, if possible. I think that would accommodate the Senator from Illinois if it materializes.

Mr. PERCY. It would be very much appreciated indeed. I shall speak this evening for 10 or 15 minutes to accelerate the process tomorrow, then.

The PRESIDING OFFICER. Who yields time to the Senator from Illinois?

Mr. BELLMON. I yield the Senator 15 minutes on the bill.

Mr. PERCY. Mr. President, it is with a great deal of personal satisfaction and a sense of real accomplishment that I rise to participate in this opening day of debate on the first of what I hope will be a great many "first concurrent resolutions on the budget."

As the distinguished managers of the resolution well know, I devoted a great deal of personal effort to the passage of what I considered to be the most important reform of congressional procedures since the Civil War. I enjoyed very much working with my colleagues on both sides of the aisle on the Committee on Government Operations.

The very able Senator from Maine, the chairman of the Budget Committee (Mr. Muskie), and I worked very closely together on this legislation in the Government Operations Committee (Mr. Ervin). I am proud of this result of our work. The first concurrent resolution is the keystone of the process we created.

Though we all recognize that this is the "trial run" of the new budget processes, which will not become fully effective until next year, I think the Budget Committee has set the correct course.

The authors of this reform intended these processes to bring order out of an increasingly apparent fiscal and budgetary chaos. Faced with apparently undisciplined spending, increasing debt, higher taxes, runaway inflation, and dwindling purchasing power, Americans had come to the perfectly logical conclusion that we were failing in our constitutional duty to manage the national budget. These criticisms were summed up by the respected Committee on Economic Development in a way which had a particularly strong impact on me.

This is a quotation that I have used constantly throughout the country over a period of many months in trying to convince the country, the U.S. Chamber of Commerce, the National Association of Manufacturers, the UAW, the AFL-CIO, the United Steel Workers and other organizations, of the necessity of having this budget process. The CED had this to say:

> The present congressional approach to fiscal affairs is indefensible. When budget decisions are extended long past the beginning of the fiscal year for which they are intended, when there is no congressional mechanism to tie revenues and appropriations into a coherent pattern, when no legislative procedure exists to initiate actions based on a comprehensive view of the economy, then national stability is endangered.

We answered these harsh judgments with the Congressional Budget and Impoundment Control Act. We are answering them again today in this debate.

I cannot commend too highly the managers of the bill, and all members of the Budget Committee. I think they have produced a remarkable document, a fiscally responsible document.

I regret that some administration spokesmen have characterized this as an excessively deficit budget. I disagree. When the perhaps unrealistic assumptions underlying the deficit projected by the President are taken into account, the deficit projected by this first concurrent resolution is extremely close to the administration's projection.

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The deficit projected by this first concurrent resolution is extremely close to the administration's projections. I think that time will show that the Budget Committee's deliberations have been far more realistic than the OMB have been in the presentation of the President's program to Congress and to the American people. I will join my colleagues in refuting any insinuation that this is an irresponsible document.

On the contrary, it is a politically exceptional document. I have an acutely clear understanding of the intense, diverse, political pressures that were focused on the Budget Committee. The drafters of this legislation intended that. We also anticipated that the Budget Committee would act in a statesman like way, and it has.

There is one sense in which the budget document seems of particular value. The concurrent resolution, when passed, will be the formal expression of Congress on national fiscal issues. It, and the processes and institutions that back it up, now permit Congress to speak with one voice on fiscal policy. The concurrent resolution tells the American people and the executive branch what our judgments are about national fiscal needs. It is going to go a long way toward keeping everyone honest.

Of all of the comments that I made at the luncheon today at the U.S. Chamber of Commerce, the one that drew the strongest and most instanteous and enthusiastic response was when I said they will always remember this day, the first day of debate on a concurrent resolution that the Senate of the United States has gotten on a bill that the Chamber, in its final deliberation on this bill and measure, strongly supported as being in the national interest and certainly, the first major attempt in many, many years to have Congress establish a spending goal and establish revenue and spending levels and a national debt level in perspective before it even considers the detail of the budget. We have some guidelines now and some guideposts. Certainly the vote on the first amendment offering, an historic amendment—I am sure we shall have more exicting votes than that in the future, but it was an indication that there was a strong vote on confidence for the judgment of this committee.

If I have one regret about this first concurrent resolution, it is that it does not contain the functional subtotals that are instead contained in the report at page 37. I think inclusion of the subtotals in the concurrent resolution would have permitted a more realistic debate. But I respect the judgment of the Budget Committee that in this trial run it is wiser to limit the debate to the aggregate figures.

As I went through the record of the hearings—I certainly commend to my colleagues for reading the views that are available, the condensations and summaries that are available in the Congressional Quarterly on it, I think they will get a sense of the drama and debate and exchange of ideas that went on in those hearings—I think that I wanted to be a member of the committee, I wanted to live through the experiences. I think my concurrence would have been the same after watching the flow of that debate, that this was the main goal that we should work on and that the next one that we present, next year, obviously, is the time to move in with those functional subtotals that will be difficult to arrive at—but again terribly good discipline for us to have, guideposts which we can go by.

I do not believe that any of us anticipated that the first, "trial" run for our new process would face such overwhelming difficulties. I ask the distinguished chairman: When we were drafting this bill did we anticipate that its first test would take place in an economic environment worse than any since the Great Depression?

This may be the worst of times for this test to take place, but in another sense it is also the best of times. If the trial run succeeds in this climate, as I anticipate that it will, I think we can expect that our new processes will work when fully in force next year.

I must say that, as the economic conditions unfold, I have felt a sense of disheartenment that this would be the first challenge of the Committee on the Budget. I had hoped that we could start the history of this new chapter in the fiscal life of Congress with a balanced budget—that goal that we always dream about, that we always talk about in our political campaigns and never seem to get hold of when we take the floor in the House of Representatives or in the Senate.

But, on the other hand, I have to bury my dream and recognize, what if we did not have the Budget Committee? Today we are faced with one of the greatest climactic experiences, economically, that we have had since the days of the so-called Great Depression. Never have we had an economic environment that has been any worse except in that particular period, nor more difficult to appraise or analyze. It has caused every economist in the country to wonder whether economics really is a science. Maybe it is more an art than a science.

But what if we did not have this whole budget process installed? It would be much worse. And rather than dealing in the best of times, with the possibility of a balanced budget, maybe from the standpoint of the learning process we are going to have to go through, it was just as well to have it in the worst of times; and certainly these are the worst of times.

A more personal observation: At the beginning of this Congress when the Republican Caucus adopted rules that effectively prevented the more senior members of the minority from taking seats on the Budget Committee I regretted that I could not participate directly in the implementation of the reforms we had conceived. However, I must say to the ranking minority member, my friend from Oklahoma, that I have great admiration for the job he and the other members of the minority have done.

Certainly when we look at the members of the minority, and we see the fact that seniority is low by experience in all levels of Government, yet from the standpoint of judgment and background, we certainly have a fine complement on the minority side in the Senator from Oklahoma (Mr. BELLMON) as ranking minority member, the Senator from Kansas (Mr. DOLE), the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), the Senator from Idaho (Mr. MCCLURE), and the Senator from New Mexico (Mr. DOMENICI).

I do not think the chairman will mind my repeating in the confidence of this Chamber this evening, when there are few of us left, the comment that he made to the Senator from Illinois that he was extraordinarily proud of the work that has been done by all members of the Budget Committee, and was particularly pleased with the spirit of cooperation and the way that the minority has worked with the majority in this regard, and the seriousness with which they have taken their responsibilities.

I admire it tremendously myself, and I have to reluctantly conclude that the decision of the caucus was absolutely correct. The more junior Republican members have had the time to focus their attention on it, and have done very well indeed, and this early in their Senate careers to have assumed a position on an important committee such as the Budget Committee, with the enthusiasm and the effort they have put into it, will in the end offset the fact that there could be more senior Members, possibly, serving on the committee, but it is a lot better to have those Members there who have the time and the real interest, and who look upon this as a major committee assignment, rather than as a second or third committee, as it might have to be with the ranking members of other committees.

Mr. MUSKIE. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I am happy to yield.

Mr. MUSKIE. As the Senator knows, I had hoped that he might represent the minority on the Budget Committee. We had worked together for long months in writing the budget legislation, and I had come to greatly enjoy the association with the Senator from Illinois. But having said that, I must say how enormously impressed I have been by the contributions of all the members of the committee, and especially those on the Republican side.

I say "especially" because I suppose I would expect a certain ideological and partisan strain across the party lines, but I have not found that at all. I have found all the members of the committee on both sides to regard the matter as a challenge to be faced. We have all regarded this as an exciting and stimulating educational experience. I think it was more than just the responsibility that prompted the members to attend the committee sessions so religiously, but they did attend, and I think beyond that they enjoyed it.

Speaking personally, I have learned more about the overall perspectives that one must have in dealing with our Government than I ever knew before. So it has been a real personal pleasure for me to deal with such people as the distinguished Senator from Oklahoma, whom I happened to know well before and whom I now count not only as a valued colleague, but as a friend.

So, if I could not have the distinguished Senator from Illinois as the ranking minority member, I was most happy to have the distinguished Senator from Oklahoma.

Mr. PERCY. As among the three of us, we represent the West, the Midwest, and the East. I think that is a great spectrum, and I think that is the important point.

So I intend to support the concurrent resolution, and to vote against amendments which would alter it.

I believe it sets out a realistic and economically sound program for Federal budgetary policy as we begin fiscal 1976.

I do not believe the projected deficit should be raised from the level recommended by the committee. While I appreciate the motivation of those who believe a greater Federal effort should be made to counter the recession, a significant effort is already underway.

The first rebates from the $22.8 billion tax reduction bill will soon be received. Approximately $6 billion in emergency appropriations for additional public service jobs and accelerated public works projects will soon be available. Our unemployment compensation program has been extended and expanded, as have other programs to assist those out of work. We should allow the programs we have initiated to take hold and assess their impact before piling more programs and spending on top of them.

Certain counter-recessionary proposals—such as fiscal relief for State and local governments—may prove to be necessary and if so I will support them. However, I will attempt to support such programs within the outlay ceiling recommended by the Budget Committee. If additional counterrecessionary programs are needed, less essential spending should be postponed.

I will also work to include revenue raising measures in any tax reform bill adopted this year. If the Congress extends portions of the Tax Reduction Act on a permanent basis, it should pay for the tax cuts with permanent tax increases. Nonrecessionary revenue-raising measures could include an increase in the excise tax on alcohol and tobacco. Additional revenue could also be raised, and our energy posture improved, through a substantial tax on gasoline.

Certainly between now and the time of the second concurrent resolution, which would be in September, we will have a chance to appraise and assess, and I for one will be working earnestly, if the economy can absorb it, to find ways to close this gap just as promptly as we possibly can.

Certainly in an area where we have not increased the tax on gasoline for 23 years, where we have not increased the tax on alcohol for 23 years, and where we have not increased the tax on cigarettes for 23 years, relatively speaking, they are the lowest-priced products in the world. We literally, in a sense, subsidize them. I think there is no reason not to properly tax those products and try to bring the revenue more in line with our expenditure levels.

While it is tragic for any worker to be without a job, it will be even more tragic if in our efforts to reduce unemployment quickly we lay the base for a new round of inflation-caused recession several years hence.

In addition, I think it would set a bad precedent, and one contrary to the intent of the Budget Reform Act, to "trigger" different levels of spending and revenues on the basis of unemployment or other economic indicators. A number of factors, including unemployment, must be weighed in determining the correct level of outlays, revenues and deficit. I do not believe it can be done properly on the basis of a simple formula. It is the responsibility of the Budget Committee to continue to analyze budgetary and other economic data and to present additional recommendations to the full Senate in its second concurrent resolution. If we build a triggering formula into the first concurrent resolution, there is little point in the Budget Committee proceeding; indeed, there is very little point to the entire process.

I am also opposed to any significant reduction in the committee's recommended deficit level. The $67.2 billion deficit recommended is higher than the administration's figure of $60 billion only because of a more realistic assessment of economic assumptions and estimated program costs. In addition, the full amount of the deficit can be attributed to the economic downturn. If the economy were operating at full employment, outlays would be $15 billion lower and revenue would be $53 billion higher. To attempt a significant reduction in the recommended deficit level would be recessionary.

An outlay cut in the amount of $25 billion would, in my opinion, be impossible as a practical matter. On a constant dollar basis it would require a cut in program costs from their fiscal year 1975 level and thus a significant cut in personnel and services. In addition, the cut would have to come from the 28 percent of the Federal budget that is "controllable", further exacerbating its impact.

While I look forward to the day when we can enact a balanced Federal budget, economic realities make this impossible and unwise now at a time of deep recession.

In conclusion, I suggest the recommendations and the work of the Budget Committee. I urge my colleague to do so.

I commend most highly our distinguished chairman and our distinguished ranking minority member for the extraordinary work they and the members of their committee have done in the past few months to bring us up to this stage.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. BELLMON. I thank the distinguished senior Senator from Illinois for his kind comments. I know a little of the great contribution that the Senator made in the formation of the budget legislation which the Senate approved last year.

I regret that the Senator from Illinois is not on the Budget Committee. He could have made a great contribution to this committee. But, in all honesty, I must confess that I count it somewhat a fortuitous development that things worked out so that I could become the ranking member. It has truly been a great experience and, as Chairman MUSKIE has said, it has been a learning experience for all of us.

Senator PERCY has had wide experience in government, and before coming to the Senate he had an illustrious career in the private sector, and clearly could have made a great contribution to the deliberations of the Budget Committee. As I say, I am sorry he was not able to serve on the committee because of the other important committee assignments he has.

I would like to say to the Senator that, having served with the committee now since the first of January, I am convinced that the members of the Budget Committee are determined to live up to the high expectations that those who perfected the Budget Act had when the law was passed.

It seems we do have a group who, under the able chairmanship of Senator MUSKIE, are dedicated to this work. Their attendance at committee hearings has been exceptionally high, and their level of participation has been high, and I believe among all the committees on which I have served in Congress, the work of the Budget Committee is outstanding. So I think the group we have together is going to do a job as good as humanly possible.

I would again like to compliment our chairman, the Senator from Maine. I believe under his chairmanship we have real hope that a new day has dawned in the management of this country's fiscal affairs.

Again I would like to congratulate the distinguished senior Senator from Illinois for the role he had in perfecting this legislation.

Mr. PERCY. I thank my distinguished colleague.

Now that the budget process has been put together, the hard work really begins. It is going to take a lot of tenacity, a lot of determination. But I would like to say that since the Senator from Illinois has come to the Senate—and this is his 9th year—he has never introduced a piece of legislation that would cost money above the budget that he did not find another way to reduce another expenditure to pay for that additional money above the budget. He has never introduced an expenditure without an offsetting program to reduce an element of lesser priority.

I know that President Nixon said to me one time when I went there to discuss the process with him that we have been operating under in our office, that he had never heard of a Member of Congress who ever did that.

The Senator from Illinois has done it now for 9 years, and it works. I think we, as a whole, ought to adopt that process.

Once we set this ceiling, and we decide no matter what happens, an emergency comes along, and we need a new program, we have to have something we did not take into account, it was going to break the ceiling, then we have got to go through the whole process again, and I hope the first inclination will be to take out some other program of lesser priority and cut the spending.

The second inclination should be if you cannot cut anything else, then raise the

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revenue and vote the taxes that will do it and pay-as-we-go.

And third—and only third—is to raise the ceiling. That is the easy way out, but that will then bring about, I think, what we all feared and what we hope will never transpire; that elastic ceiling has to be just as fixed as we possibly can make it, and live within it. I could not imagine we could have finer committee members and leadership on the committee than to hold to those principles.

Mr. MUSKIE. At that point, we may be raising the roof. [Laughter.]

I would like to thank the distinguished Senator from Illinois for his support and his expression of approval. They are particularly meaningful to me because I know how closely he has followed the processes we followed as we worked out the law, so I have a deep appreciation for that spirit.

I think we are through for today, and I believe we will resume deliberations on the bill at about 11 in the morning.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. Garn). The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 93–568, appoints the Senator from New York (Mr. Javits) to the Advisory Committee to the White House Conference on Library and Information Services.

PROMOTION OF FORESTRY RESEARCH AT PRIVATE UNIVERSITY FORESTRY SCHOOLS

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of S. 1529, a bill to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I ask unanimous consent that the Senate proceed to consider the bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1529) to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HELMS. Mr. President, S. 1529 is a simple bill intended to clarify any misunderstanding of the purpose and application of the provisions of S. 1307, which was passed by the Senate on March 24.

The bill authorizes the Secretary of Agriculture to make matching grants of funds to "private" colleges and universities which carried out a forestry research program prior to the date of enactment. Under existing law, the McIntire-Stennis Act is limited to State-certified institutions.

Additional funds—not a transfer of funds from presently qualified State institutions—would be authorized. Additional appropriations would, of course, be necessary in making the benefits of the act applicable to private colleges and universities.

Mr. President, I have cleared this legislation with the joint leadership and find no objection to its passage.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the McIntire-Stennis Act (76 Stat. 806; 16 U.S.C. 582a to 582a–7) is amended by (1) inserting "(a)" after the section designation and (2) adding at the end thereof the following new subsection (b):

"(b) The Secretary is also authorized to cooperate with private colleges and universities which carried out a forestry research program prior to the date of enactment of this subsection for the purpose of encouraging and assisting them in carrying out their programs of forestry research. Assistance under this subsection shall be provided in a manner prescribed by the Secretary consistent, to the maximum extent practicable, with the provisions of sections 4 and 5 of this Act with regard to State-certified institutions. There are hereby authorized to be appropriated, in addition to the amounts authorized in section 3, such sums as the Congress may from time to time determine to be necessary to carry out the provisions of this subsection, including such amounts as may be required to pay administrative costs.".

Sec. 2. Section 3 of the McIntire-Stennis Act is amended by inserting in the first sentence thereof after the word "sums" the following: ", including such amounts as may be required to pay administrative costs,".

Sec. 3. Section 6 of the McIntire-Stennis Act is amended by inserting after the second sentence thereof the following new sentence: "The Secretary is also authorized to appoint to the advisory committee officials of private colleges and universities participating in the programs authorized by this Act.".

ORDER FOR SENATE TO CONVENE AT 10:15 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow, it convene at the hour of 10:15 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR McGOVERN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the two leaders or their designees have been recognized under the standing order, the Senator from South Dakota (Mr. McGovern) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW AND DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow after the distinguished Senator from South Dakota (Mr. McGovern) has been recognized under the order previously entered, Mr. Javits be recognized for not to exceed 15 minutes, and that at the conclusion of his remarks, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period and that at the conclusion of routine morning business the Senate resume consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION AT 12:30 P.M. TOMORROW OF SENATOR PASTORE, FOLLOWED BY SENATOR BAKER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 12:30 p.m. tomorrow, the distinguished Senator from Rhode Island (Mr. Pastore) be recognized for not to exceed 10 minutes to speak out of order, without the time being charged against either side on the pending resolution, and that Mr. Pastore be followed by Mr. Baker for not to exceed 10 minutes, to speak out of order without the time being charged against either side on the pending resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10:15 a.m. following a recess. Mr. McGovern will be recognized for not to exceed 15 minutes, after which Mr. Javits will be recognized for not to exceed, 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with a limitation on speeches therein of 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of the pending resolution (S. Con. Res. 32), congressional budget determination. Rollcall votes will occur on amendments thereto. Hopefully, final passage will occur tomorrow, and a rollcall vote can be expected thereon.

RECESS UNTIL 10:15 A.M. TOMORROW

Mr. LEAHY. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 10:15 a.m. tomorrow.

The motion was agreed to; and at 6:39 p.m., the Senate recessed until Wednesday, April 30, 1975, at 10:15 a.m.

NOMINATION

Executive nomination received by the Senate April 29, 1975:

Department of Justice

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska for the term of 4 years vice William K. Schaphorst, resigning.

EXTENSIONS OF REMARKS

DECLARATION OF INTERDEPENDENCE

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 29, 1975

Mr. FANNIN. Mr. President, many patriotic citizens are giving thought to our National Bicentennial and what can be done to make it more meaningful.

One proposal comes from Harry P. Clausen of Prescott, Ariz. Mr. Clausen, who is blind, has composed a "Declaration of Interdependence" which he would like to have perfected and adopted at the time of our Nation's 200th birthday, July 4, 1976.

This declaration is a statement of our responsibilities to our country and to each other as we strive to meet the challenges of the times. As Mr. Clausen points out, he would supplement, not supplant, the Declaration of Independence.

Mr. President, I ask unanimous consent to have this printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

To the Declaration of Interdependence—July 4, 1976

When in the course of National Events it becomes necessary to check certain trends developing in our Country, then we, as loyal Americans, must prepare ourselves to Pull Together to check these trends and we must work as one to bring to these United States new honors, more brilliant achievements, and a place of respect among the Nations of the World.

In this modern age, we hold these truths to be vital and necessary to our complex way of life: That all men are created to work freely and equally, according to their several abilities, in their chosen fields of activity. That we have all been endowed by our Creator with the ability to live the good life, to have liberty only within the framework of our Society's needs and requirements and that our happiness is dependent upon "what measure ye mete," for as we give, so shall we receive.

We hold this paramount fact to be of crucial importance in our continuance as a Nation: That we are not all isolated islands unto ourselves but that we must here and now embrace the Doctrine of Interdependence. That we understand, Interdependence as Reciprocally Dependent. One for all and all for one, all pulling together. That we understand that "Reciprocally Dependent" is a two-way street, not a one-way! The late President, John F. Kennedy said, "Ask not what your country can do for you—ask what you can do for your Country." If we all desire to shun our responsibilities, to relinquish our citizenship by ceasing to do our part and to seek the welfare state, we then must eventually face the inevitable question, "Who'll pull the wagon when we all get on to ride." (Author unknown). We help most to establish a strong Nation when we help our citizens to help themselves.

We acknowledge and admit that if our citizens wish to shirk their moral and civic responsibility, if they wish not to give to the State, but have the State give to them, then this will surely lead to the erosion of individual character.

We acknowledge that the American home is the foundation stone—the anchor—of our democratic Society. That as we improve the standard of the home, we improve the standard of the Nation. Honesty, integrity, sincerity, fair play, and the Golden Rule in the home, means honesty, integrity, and fair play in Government. Without good in our homes the Government deteriorates. The thinking of the individual is the thinking of the Nation.

We acknowledge the vital need to establish strong moral and spiritual values if we wish to save our civilization.

We acknowledge and understand that in the true sense of the word, we are not born Americans, we grow into Americans. And we acknowledge that patriotism is one of the prime ingredients in that growth and that love of our Flag and love of our Country nourish the will to serve.

We acknowledge that we are a free people, free to worship as we choose. We are free to live as we desire, as long as we do not tread upon the rights of others.

We acknowledge that World Interdependence is as vital to us as Interdependence here at home. Without the Nations of the World working together and pulling together, for the common good, we will reap only chaos. First let us establish cooperation and good will at home and then we will be free to go out and help a confused World to learn what is meant by Interdependence!

Now, finally, for the preservation and dissemination of this valued Document—and with the help of Divine Providence—we mutually pledge to each other, in our efforts to work and to strive for the common good, our hearts, our minds, and our sacred trust.

Done in the City of Washington, this 4th day of July in the year of our Lord, One Thousand Nine Hundred and Seventy-six, and of the Independence of the United States of America, the Two Hundredth.

Footnote: The Declaration of Interdependence is not intended to supplant nor yet to infringe upon the Original Declaration of Independence of 1776 but rather to Commemorate and Honor it. When displayed with the Original, it must always be of smaller size and set definitely to one side, never in the center of the display.

Comment: This is youth's Pull Together Declaration—a declaration initiated today, to guide the citizens of tomorrow. If we are to ever have a better world it will be up to the teenagers and the young adults of this modern age to forge new and better concepts and a more rigorous way of conduct. Some of their elders seem unable, or possibly unwilling, to adjust to changing times. Youth must take the lead.

A MESSAGE TO THE LIBERAL MAJORITY IN THE CONGRESS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, a constituent of mine, who is somewhat less than pleased with the performance of this Congress and who feels the blame lies with the prevailing liberal majority in the Congress sends this message, which I feel is worth repeating for the benefit of my colleagues. The message follows:

The moving finger writes, and the message is—you have been weighed and found wanting. You have provided us butter borrowed from our children's future supply. Our friends and allies have held out their hand for weapons to defend themselves, and have been handed a backhand slap. You have encouraged and defended the enemies of the United States, and discouraged our friends. If you expect to be reelected to office, you should take steps to insure that constitutional government will survive.

MORE SUPPORT FOR THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT OF 1975

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HEINZ. Mr. Speaker, attached are more examples of the kind of support I have received for H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975:

Bureau of National Affairs,
Washington, D.C., March 14, 1975.

Bills Offered To Underwrite Jobs for Rebuilding Nation's Railroads

Legislation to hire 50,000 persons and underwrite the rebuilding of thousands of miles of rail beds and track is drawing attention in Congress as bills to accomplish this have been introduced in both the House and Senate while the Department of Transportation reportedly is preparing a similar measure for the Ford Administration to offer possibly within a week.

H.R. 4622 has been introduced in the House by H. John Heinz, III (R-Pa) who has gotten as co-sponsors Representatives Joe Skubitz (R-Kan) and James Hastings (R-NY), the only two GOP members of the House Commerce Committee's Subcommittee on Transportation, which will handle the legislation. Heinz is not a member of either the full committee or the subcommittee; however, his fellow Pennsylvania Congressman, Democrat Fred Rooney is chairman of the subcommittee and has promised the three sponsors there will be early hearings held on their bill, probably after the Easter recess ends April 7.

On the Senate side, Senator James Buckley (C-NY), a member of the Commerce Committee and its Surface Transportation Subcommittee, has introduced S. 967. Subcommittee Chairman Vance Hartke (D-Ind) has promised early hearings on that measure also.

The Heinz bill would grant $2.5 billion over the next two-and-a-half year period to hire 50,000 persons for rebuilding the roadbeds and track of the nation's railroads. Buckley's measure would take $500 million from the Comprehensive Employment and Training Act's authorized funds of $2.5 billion, "redeploying" these funds, Buckley says, for use in rebuilding the railroads.

Heinz has received an endorsement of his legislation from the Association of American Railroads and the Brotherhood of Maintenance of Way Employes, while the United Transportation Union has expressed interest in it, promising to analyze the proposal to decide on whether to endorse it.

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In introducing the measure, Heinz told the House that a healthy rail system is essential to nation's economy and quotes one analysis which says rail transportation "can move most goods in volume between the same points with less than one-third the fuel, one-third the air pollution, one-sixth the casualties, and one-tenth the land" required for competing transport systems.

He reported that 21,000 rail workers were laid off in January of this year, marking the largest monthly drop in employment during any nonstrike period of the past 15 years.

He urged the utilization of federal money being designated to stimulate the economy in this major two-and-a-half year program, calling it far superior to the usual public service jobs for "raking leaves, cleaning streets, or maintaining public buildings." Heinz would give priority for all of the created jobs to those former railroad employees who have been laid off, particularly any maintenance of way employees who have lost their jobs.

Buckley agreed on preference for railroad jobs over what he called "outdated public service programs that contribute little beyond the direct employment of those involved."

[From the UTU News, Mar. 22, 1975]

RAIL REBUILDING PLAN GAINS SUPPORT

Support is reportedly growing for legislation that calls for a two-and-a-half-year, 2.5 billion-dollar public works program designed to put more than 50,000 unemployed persons to work rebuilding the nation's railroad yards and rights-of-way.

Cong. H. John Heinz (R-Pa.) introduced the bill—H.R. 4622—on behalf of a bipartisan group of House members. Heinz is a member of the Commerce Committee.

Under the rail-rebuilding program, the Federal Government would spend 500 million dollars by June 30, plus one billion in each of the next two years, to pay for salaries and materials necessary to upgrade deteriorating railroad rights-of-way.

Under the program, unemployed rail maintenance workers would be first to be hired for the work, followed by other unemployed rail workers, then individuals registered on state unemployment rolls.

[From the Locomotive Engineer, Apr. 11, 1975]

HEINZ BILL DESERVES SUPPORT

(By B. N. Whitmire, President)

Legislation introduced in the House of Representatives by Congressman H. J. Heinz of Pennsylvania which would put thousands of unemployed to work rebuilding this country's rails and roadbeds deserves the support of everyone who cares about our industry.

Congressman Heinz's bill—H.R. 4622—calls for the appropriation of $2.5 billion over a two and one-half year period, which is a lot of money. But the investment would pay important dividends.

The legislation contemplates that rail maintenance workers who are presently unemployed would be the first to be called back to work. After that, other unemployed rail workers would be put to work, with jobless workers from other industries then given employment.

It is estimated that passage of this bill would result in putting almost 50,000 men to work almost at once. Obviously such a massive work force would stimulate other industries, and the repair and rebuilding of substandard mainline and yard trackage would bring about stepped-up production in the steel industry.

In my opinion, anything that can be done to improve the condition of the rails over which BLE members operate their trains will be a welcome step. It is no secret that the deplorable condition of so many miles of track results in derailments, which result in injuries and even death, as we have seen so many times.

There is a provision in the Heinz legislation to assure that anyone put to work would be paid in accordance with the terms of collective bargaining agreements between the brotherhoods and the carriers. This is an important provision and one which must be retained when the legislation is passed.

According to the Congressman, this legislation would go a long way toward solving two vexing problems: the rebuilding of the railroads and the reduction of unemployment. I agree.

I strongly urge every member of this Organization to write his Congressman, asking him to approve H.R. 4622.

[From the Labor Newspaper, Mar. 30, 1975]

UNIONS BACK $2.5 BILLION PLAN TO UPGRADE RAILS: LAID-OFF RAILMEN WOULD GET PRIORITY ON JOBS

Bills designed to upgrade deteriorating trackage on the nation's railroads have poured into Congress lately. Some would have a government acquire and improve rail rights of way and finance the cost by a tax on freight shipments and by "user charges" for carriers operating over them.

Others would provide federal funds for track rehabilitation, but without accompanying government ownership.

A major bill embodying the letter goal was introduced by Rep. H. John Heinz (R., Pa.) with the co-sponsorship of other House members from both parties. This one, known as the Railroad Right of Way Improvement Act of 1975, drew quick support from rail labor and management, as well as from other quarters, including the Federal Railroad Administration.

Under the Heinz bill, $2.5 billion would be appropriated for use in upgrading dilapidated rail rights of way—$500 million for this fiscal year ending June 30, and $1 billion in each of the next two fiscal years.

Moreover, laid-off maintenance of way workers would have first priority to jobs on such rehabilitation projects. Next in line would be other jobless railmen, and then the unemployed in other industries. Heinz estimated that 50,000 could be employed on this work.

Also, railroads chosen for the projects would be those in bankruptcy, those having high density freight lines and those with "serious safety hazards or substantial bottlenecks in lines and yards."

Further, the workers hired would be employed under the terms of labor agreements in effect between rail unions and the carriers on which the funds are to be expanded.

A key goal of his bill, Heinz said, is to provide rehabilitation rather than abandonment of rundown rail lines—and at the same time to reduce the toll of unemployment.

"The economic health of this country is dependent on rail service," he stressed.

Heinz also pointed out that the railroad industry has for many years "been forced to compete at a disadvantage with other forms of transportation which have been heavily subsidized by the government . . . The time has come for Congress to correct the inequities in distribution of government support."

He declared further that "rebuilding roadbeds to improve rail service makes much more sense than putting people to work raking leaves or cleaning streets" and constitutes "a better use of hard-earned taxpayer dollars."

President Harold C. Crotty of the Maintenance of Way Employes, the union most affected by the Heinz proposal, hailed it as a "meaningful approach that would contribute to the well-being, not only of the railroads, but of the nation as a whole."

He voiced opposition to other pending measures which call for a federal takeover of rail rights of way. "We are opposed to nationalization of the railroad lines," he said.

UNION, INDUSTRY SUPPORT

Statements in support of the goals of the Heinz bill were also made by J. Raymond McGlaughlin, national legislative representative of Crotty's union, and by J. R. Snyder, national legislative representative of the United Transportation Union.

Also, President Stephen Ailes of the Association of Railroads declared that "the railroad industry would welcome legislation of this kind." He called it "a constructive way to help ease the unemployment crisis," but added that "more importantly, the work to be performed is sorely needed in the public interest."

A measure somewhat similar to the Heinz bill was introduced by Sen. James Buckley (D., N.Y.), but it was narrower in scope.

MIKHAIL LEVIEV

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. LENT. Mr. Speaker, we are all aware of the persecution by the Soviet Government of its Jewish population, and especially of those Soviet Jews wishing to emigrate. My attention has been brought to the case of Mikhail Leviev, who was arrested 1 hour before he was scheduled to emigrate, detained for 2½ years, and sentenced to death for bribery. This crime normally carries a maximum penalty of 5 years imprisonment.

I have written to the Soviet Procurator General on behalf of Mikhail Leviev, and include the text of my letter in the RECORD. I would urge my colleagues who share my concern to make their feelings known to the appropriate Soviet officials.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 28, 1975.

Honorable ROMAN RUDENKO,
Procurator General,
Kremlin, Moscow,
RSFSR, USSR.

YOUR EXCELLENCY: I am writing to express my deep concern for a Soviet citizen, Mikhail Leviev. I understand that Mr. Leviev has been sentenced to death for bribery, a crime which normally carries a five-year prison sentence. I further understand that Mr. Leviev was arrested one hour before emigrating to Israel and that he was detained for more than two years for investigation before sentence was passed.

I must in all honesty admit that I do not understand what productive purpose is served by the persecution of members of your society who, for whatever reasons, wish to leave your country. I cannot, of course, be a judge of Mikhail Leviev's guilt or innocence, but I do ask that you consider meting out punishment commensurate with the crime involved.

Despite the political and philosophical differences which nations have, all of us share the common trait of humanity. Your country recognized this fact by signing the Universal Declaration of Human Rights. I hope that the Soviet Union will live up to the high ideals of this Declaration by reconsidering the sentence placed upon Mikhail Leviev. Good will between our nations could only be enhanced through such an action.

Your consideration of this matter will be greatly appreciated.

Sincerely,

NORMAN F. LENT,
Member of Congress.

COMMENTS ON TAX BILL

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MYERS of Indiana. Mr. Speaker, I want to share with you and my colleagues the observations of a respected member of the Washington press corps, Mr. Ben Cole of the Indianapolis Star. His comments about the effect of the tax cut bill deserve the attention of this Congress as we consider the budget for the coming year.

The following is Mr. Cole's "Personally Speaking" column which appeared Sunday, April 20:

SIGNING TAX BILL A MISTAKE

President Ford should not have signed the tax-cut bill. If he had done as he is reported to have indicated privately, the Congress might well have upheld his veto. Minority Leader John J. Rhodes (R-Ariz.) who urged the veto, felt certain of this. By letting the bill become law, Mr. Ford canceled out a lot of sacrifice already made to restore the nation's fiscal stability and to right its economy.

Treasury Secretary William Simon said at the time there was reason to believe the recession was bottoming out and that there was prospect of steady if not fast recovery.

Other economists have seconded Secretary Simon's observation, and there was hard evidence: Orders for manufactured goods were increasing, the dollar was stabilizing, the rate of inflation was slowed, automobile sales were starting to rise, prices were beginning to attract purchasers, and there was money in the banks to meet homebuyers' mortgage requirements. The boom hadn't come back, but things were looking up.

And all this had been bought with sacrifice.

It was bought with the anxiety of jobless auto workers, with the disappointment of workers whose hopes for more pay dwindled, with the concern of businessmen who were having trouble showing a profit in a hard year. It was bought with long lines at gasoline stations during the Arab oil boycott, and with the losses suffered by investors, and by the diminished earnings on the securities held by persons whose old-age is provided for by savings.

Now, the tax-cut law is going to give all that away.

President Ford may have been told that Congress would give him a worse bill. Or he may have been convinced that to sign the bill could fortify his demands for cuts in Federal spending—an empty dream.

Some of us will get little tax rebates. A lot of people will have a $50 bill they wouldn't otherwise have had, and it will cost them many times over that amount in future inflation.

Americans have been told time and time again that they can't get something for nothing.

Those tax rebates, those $50 Social Security bonuses—they will cost the taxpayers not in taxes, but in a heavier burden. They will be paid for with another bite out of the value of the dollar—with diminished values in war bonds, with insurance benefits that won't be worth nearly what they cost, with higher prices at the grocery store, at the clothing store, at the gasoline pump—everywhere.

They will be paid for, as well, by future unemployment when once more the economy slows with buyers refusing to buy cars when bread takes all their pay.

But what is so sad is that just as things were looking up, and after we had paid all that in misery and worry, the President acceded to a Congress that was more concerned about another election than the good of the people.

It's kind of funny. President Kennedy asked the people to inquire what they could do for their country. In this instance, they gave a lot of sacrifice; and for their pains they'll get back another big dose of inflation.

LAW DAY

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mrs. HOLT. Mr. Speaker, most of us have been asked to participate in Law Day exercises, and I believe it is a time for sober reflection on how well the rule of law is working in these United States.

Some of us believe that this is an occasion to commend the law enforcement officers who are on the front line of our defenses against crime. It is a tribute that our policemen richly deserve.

The police, I believe, are performing with great courage and efficiency under extremely difficult circumstances to fulfill their mission of public safety. Unfortunately, other parts of the criminal justice system are not performing as well.

I am delighted that the National Church of God, a Washington congregation led by the Reverend John F. Warren, has scheduled a special service May 4 to commend our law enforcement officers.

While the courts and other agencies involved with criminal justice appear to falter and weave, the police continue to have a strong sense of mission and the determination to protect the public. However, the American system of criminal justice is failing the people. Something is wrong. No person is safe in his home, on the street, in his place of employment.

Serious crime in these United States increased by 30 percent from 1968 through 1973. The data for 1974 is even more depressing—a 17-percent increase in a single year. The public's fear of crime is entirely justified. The people know that the system of justice is not protecting them from the desperadoes that increasingly threaten their lives and property.

As a lawmaker who practiced law for many years and served as the clerk of circuit court for Anne Arundel County, I am very proud that our system is intended to pursue justice through law. However, we are in grave trouble. We are actually receding from this goal instead of advancing toward it.

The foremost responsibility of government is the protection of the lives, liberty, and property of its citizens. This responsibility includes not only the defense of the national sovereignty against foreign aggressors, but also the defense of individual sovereignty against domestic aggressors. Today, the American people have ample cause to doubt whether their government is capable of achieving either.

It is no secret that the National Government has allowed the strength of our military deterrent to erode to dangerous weakness in comparison with the might of those who would threaten our freedom. There are brutal, totalitarian powers where the people are never consulted as to priorities for spending public funds. If there is one outstanding lesson of history that we should have learned, it is that weakness invites aggression. In comparatively recent times, this principle was demonstrated by Chamberlain at Munich, by the American posture before Pearl Harbor, and by our disarmament before the Korean war.

The principle that weakness invites aggression is demonstrated on the domestic scene by the official abandonment of society's historic defenses against crime.

In bygone times in virtually all societies, it was practically certain that the perpetrator of a serious crime would not only be caught, but would thereafter be punished so severely that the assurance of it would have deterrent value.

In recent years, however, we have not only abandoned the hangman's noose, the whipping post and unspeakable dungeons, but also the very concept of punishing the wrongdoer, and this is where we have erred. In our advance toward more civilized means of dealing with criminals, our courts, our prison systems, our parole and probation departments have gone overboard in an effort to treat crime as a sociology problem to be solved by experimentation, even at grave risk to public safety. The criminal knows that the consequences of his acts are not likely to be severe.

The sociological approach to crime has maintained that society is somehow responsible for criminal acts, which is to say that no individual is responsible. Government cannot protect the large majority of its law-abiding citizens if it continues this trend. Instead, the bandit is run through a criminal justice system that tends to regard him as a patient instead of a predator, never recognizing that some individuals must be separated from society and securely confined to protect the rights and lives of the vast majority of citizens.

We have also witnessed in recent years the politicization of crime. We hear criminals describing crimes as political acts against repression, although one wonders how the national orgy of permissiveness can be described as repression.

Juvenile crime has become a national epidemic, primarily because juveniles understand that their age protects them from serious consequences of their acts.

The American public these days is thoroughly disillusioned with government that not only fails to protect the people, but appears to lack the will to protect them. The American goal may be justice through law, but the law is obviously failing to bring justice to the majority of law-abiding citizens whose lives, liberty,

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and property are daily threatened by criminals. However, I do not despair. I believe our country will recover the will to defend its citizens against predators both domestic and foreign.

Before he was appointed ambassador to India, former Attorney General William B. Saxbe outlined the course we must pursue to deal with the domestic crime problem. He recognized that we must make diligent efforts to treat first offenders, but he emphasized that we must protect society by locking up repeat offenders for long periods of time. Forceful deterrent action is our major need. We must also tighten our laws and procedures to speed the process of justice and eliminate the technical escape hatches that enable criminals to evade justice.

Homes, neighborhoods, schools, and the entire Nation must recover a sense of morality, based on the principle that every individual is responsible for his acts and must face the consequences.

Reducing the amount of violence shown on television would be a step in the right direction. Stronger discipline in the schools would help our young toward responsible citizenship. The adults in every community should be organizing programs for our youth.

The overwhelming majority of people of our country are demanding justice, and I retain my faith that the system will respond.

FRIENDS OF QUEENSBOROUGH COMMUNITY COLLEGE HONOR ELLA STREATOR

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. ADDABBO. Mr. Speaker, on May 4, the Friends of Queensborough Community College pay tribute to the Honorable Ella Streator for outstanding service to education in Queens, New York. Ella Streator has earned this recognition and appreciation through a dedicated career of active support for improvement of educational opportunities for the people of Queens and surrounding areas.

As a former teacher, Ella Streator not only learned the importance of a public education system designed to open new avenues of learning for millions but she personally assumed a leadership role which made the founding of Queensborough Community College a reality.

Mr. Speaker, I join the Friends of Queensborough Community College and the many friends of Ella Streator in paying tribute to this fine person and outstanding educator. The following remarks about Ella Streator's career were prepared by the Friends of Queensborough Community College and included in the invitation to the reception in her honor on May 4 and I include them in the record at this point for the information of my colleagues in the House:

REMARKS ON ELLA STREATOR'S CAREER

It is entirely fitting that Ella Streator be honored by the Friends of Queensborough Community College since she played an important role in the founding of the College in 1959, and has served as honorary chairman of the Friends since its inception in 1974.

No one has done more for education in Queens than Ella Streator. She has been a leading force in education for students of all ages in the borough for 35 years. She was a member of the Board of Higher Education for 23 years where she served as a member and chairman of the committee on QCC. And she served as Education Assistant to the Borough President of Queens from 1958 to January of 1975.

A former teacher, she was active in PTA when her son and daughter were growing up in Queens, where she and her husband, the late Edward Streator, moved in 1929.

From 1942 to 1947 she was chairman of the old Local School Board 52 in northeast Queens. First named to the Board of Higher Education in 1947 by then Mayor William O'Dwyer. Mrs. Streator was reappointed to successive terms until her retirement from the Board in 1970.

Long dedicated to the concept of public higher education, she was active in the drive to establish Queens College in the 1930's. She often accompanied her husband to the Oakland Golf Club close to their home where he was a member. Her role in the establishment and development of the College on 37 acres of the former golf course was vital to QCC's growth.

We hope you will join us on May 4 to pay tribute to an outstanding educator and individual.

EPA BLUNDER COSTLY FOR CONSUMERS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. ARCHER. Mr. Speaker, the American consumer is once again left holding the bag, thanks to the ill-conceived actions of a Federal agency.

I am speaking of the manner in which the Environmental Protection Agency has approached the question of controlling air pollutants resulting from automobile emissions.

Like other Americans, I am deeply concerned about the protection of our Nation's physical environment, but also like other Americans, I expect the agency charged with that task to carry out its duties more responsibly than the EPA has in this case.

The use of the catalytic converter on automobiles is apparently a stopgap device that automobile manufacturers were forced to turn to in an attempt to meet the EPA's arbitrary timetable for meeting pollution standards. Other alternatives, based upon technology that will be available in a very short time—perhaps less than 2 years—were not as fully explored as they should have been. Economic considerations seemed to have meant little.

Now we have new cars coming off the assembly line spewing sulfuric acid into the air, a problem that EPA failed to fully anticipate. Millions of dollars have been invested by small retailers and wholesalers in equipment needed to service these cars. All of this is expected to be obsolete in the near future.

Mr. Speaker, what we need is more testing and more consideration of the alternatives available to us as technology is developed, and if this testing requires additional time, extensions should be granted.

The economic impact of such arbitrary agency regulation cannot be ignored as it apparently was in the promulgation of regulations that gave us the costly catalytic converter. We can avoid such costly mistakes in the future by exercising greater control over ill-conceived arbitrary decisionmaking.

We owe that to the American consumer who is paying the bills for the Federal Government's mistakes.

SEVEN DAYS: NEW LEFT PUBLISHING VENTURE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the first "preview" edition of the newsweekly Seven Days, has been distributed. Seven Days is published by the Institute for New Communications from 353 Lexington Avenue, New York, N.Y. 10016. Created as a "nonprofit" corporation in the summer of 1974, INC states that:

> By being comprehensive, reliable, and relevant, we hope to earn the trust, and even affection, of the large and growing number of Americans who want to remake our society.

The direction in which INC would like to "remake our society" is indicated by the radical Marxist backgrounds of many of its directors and staffers. The majority of INC's initial directors are present or former members of the Liberation magazine collective, headed for many years by David Dellinger.

Dellinger, a leader of the pro-North Vietnamese "antiwar" movement, has stated he is a Communist, "though not of the pro-Soviet variety." His record of service to the Vietcong tends to support that statement.

Liberation states in its March/April, 1975 issue that:

> It plays a critical and unique political role, both by speaking to people newly radicalized during the social crisis of the 70's and by providing a space to discuss the problems facing a thoughtful and independent American radical movement.

At the time of its incorporation, INC listed its directors as Stanley Aronowitz, Gwenda Linda Blair, Richard P. Goldensohn, Carol Lopate, Robert Lefcourt, David Dellinger, David Wyland, and Jon Steinberg. Aronowitz, Blair, Goldensohn, Dellinger, and Lopate remain on the Liberation masthead as "friends and associates."

INC's Seven Days does not hide its double goal of being both a unifying communications link for the spectrum of the American left and being a mass circulation magazine to attract more people to its point of view. In a fundraising letter circulated early in April 1975. the Seven Days staff wrote:

> Seven Days * * * will be an independent, nonrhetorical, opposition newsweekly. It will avoid in-group language and be geared to a mass audience. Its coverage will be comprehensive and its information scrupulously accurate, even when the news does not coincide with our wishes for what it might be. Seven Days will even have a sense of humor. But—we will edit and publish the news in ways that reflect the values, concerns, and curiosities of the wide range of people—by now millions—associated with the nonstatus-quo movements of the Sixties and early Seventies: from feminism, black, brown, yellow, and red liberation, anti-war and anti-exploitation to ecology, freedom of sexual preference, alternate life styles and, yes, human potential movements, to mention a few. (Our columnists will range from Ellen Frankfort, Richard Barnet, and Joyce Kolko to Julius Lester, Susan Sontag, and Ram Das.)

Since the time of INC's incorporation, Stanley Aronowitz, a Marxist writer recently associated with Arthur Kinoy's National Interin Committee for a Mass Party of the People; and Robert Lefcourt, brother of National Lawyers Guild activist Gerry Lefcourt, have been dropped from the board of directors.

New additions to the board include Elizabeth Hess, Jeff Holmgren, Marian McCue, and Lenny Nakamura. Others listed as assisting this New Left media venture are Peter Biskind, Martha Boesing, Minton Brooks, Deirdre English, Robert Friedman, James Gianninato, Marty Goldensohn, Clifford Mason, Kathy Shagass, Mike Shuster, Maddy Sunshine, and John Wolman.

The Institute for New Communications is offering a special preview series of 10 issues of Seven Days for $10. Presently a skinny 16-page magazine adhering to the Time/Newsweek/People format, the publishers promise to expand the magazine to 40 pages by the time it makes national newsstands.

The preview edition of Seven Days indicates a decided prorevolutionary stance in that three of its pages eulogize anti-imperialist movements in Africa while four pages, one quarter of the space, is devoted to attacks on the Federal Bureau of Investigation.

This, and the acknowledged assistance of other radical news media including Liberation News Service, People's Translation Service, Asia News Service, and the Pacifica Foundation's WBAI–FM strongly indicates that INC's not-for-profit incorporation statement that "nothing other than an insubstantial part of the activities of the corporation shall be carrying on propaganda" will be ignored.

THE LATE JUDGE THOMAS G. WEAVER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. RANGEL. Mr. Speaker, on April 15 the people of New York City lost a distinguished judge of the criminal court, Thomas G. Weaver, and I lost a personal friend. Judge Weaver was first chairman of the board of trustees of the Neighborhood Youth Diversion program and president of the United Church of Christ's Board for Homeland Ministries. He brought his deep ethical and religious conscience to the criminal court where he quickly earned a reputation for dispensing justice without favoritism or discrimination. His community commitments included Grace Congregational Church, the Urban League Advisory Committee, the New York Branch of the NAACP, Big Brothers, Inc., and the Interalumni Council of the United Negro College Fund. A graduate of Talladega College and Brooklyn Law School, his belief in the importance of higher education served as an inspiration for the youth of Harlem. We in New York will miss him.

FOREIGN INDEBTEDNESS TO THE UNITED STATES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. KEMP. Mr. Speaker, I believe that any foreign government that has outstanding debts owed the United States should be required to repay those debts promptly, on the mutually agreed-upon terms.

I also believe that any attempts by the executive branch to cancel, reschedule, renegotiate, or settle any foreign debt at less than the full value of that debt should require the approval of Congress.

These debts are, after all, owed the U.S. taxpayer—who extended the loans on the reasonable assumption that they would be honored, and fully repaid according to the agreed-upon terms.

I think the American taxpayer would be interested to know that as of June 30, 1974, the foreign debt owed them was $32 billion, exclusive of World War I debts. Furthermore, the executive branch has in recent years entered into agreements with several debtor nations which have resulted in the effective write-off of some $5 billion in outstanding debts.

I strongly doubt that, informed of these facts, the heavily taxed American worker would share our Government's generosity in cancelling some delinquent debts, and in failing to collect others.

To end this giveaway, Senator BYRD in the Senate, and I have recently introduced legislation which would require congressional approval for the settlement of any foreign debt at less than full value. I am pleased with the strong bipartisan support we have received for this legislation, and include for the RECORD a list of those who are joining today in reintroducing the bill:

Andrews, Mark.
Archer, Bill.
Beard, Robin.
Bevill, Tom.
Broomfield, Wm.
Burgener, Clair.
Daniel, Robert.
Derwinski, Ed.
Devine, Sam.
English, Glenn.
Eshleman, Edwin.
Gaydos, Jos.
Ichord, Richard.
Kasten, Robert.
Ketchum, William.
Lent, Norman.
Long, Clarence.
McDonald, Larry.
Miller, Clarence.
Mitchell, Don.
Regula, Ralph.
Roe, Robert.
Rousselot, John.
Runnels, Harold.
Spence, Floyd.
Thone, Chas.
Waggonner, Joe.
Weaver, James.
Whitehurst, Wm.
Winn, Larry.
Yatron, Gus.
Ford, Harold.
Pressler, Larry.
Bauman, Bob.
Moore, Henson.

SIGMUND HENRY UMINSKI

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HELSTOSKI. Mr. Speaker, Sigmund Henry Uminski, a man who made many important intellectual and cultural contributions to the people of Bergen County and to Americans of Polish descent, died March 24 at the age of 56, and I would like to take this opportunity to pay tribute to him.

A resident of River Edge, N.J., Mr. Uminski was the author of many important studies and articles dealing with the history and cultural heritage of Poland and with the history of the community of River Edge. His many achievements include articles dealing with St. Stanislaus Kostka, a Polish saint and hero; and an outstanding history of River Edge.

Mr. Speaker, an article summarizing his achievements appeared March 26 in the Record, a Bergen County daily newspaper. In view of the fact that Mr. Uminski, through his intellectual curiosity and painstaking research left us an important legacy, I would like to take this opportunity to share this article with my colleagues. The article follows:

SIGMUND HENRY UMINSKI, ACCOUNTANT AND HISTORIAN

(By Gary Luggiero)

RIVER EDGE.—Sigmund Henry Uminski, who wrote scholarly studies of Poland and a history of his own community, died Monday in Holy Name Hospital, Teaneck.

Mr. Uminski, 56, lived at 295 Howland Ave. He wrote articles, essays, and books on Polish culture, including works on St. Stanislaus Kostka, the 16th-century Polish hero and saint.

His "Tales of Early Poland," published in 1968, is a collection of colorful tales of 9th and 10th Century Poland.

In January 1965, after two years of research and writing, he completed "The History of River Edge," which traces the story of the community from Indian days to the present.

Mr. Uminski used manuscripts owned by the Bergen County Historical Society, old copies of The Record and other newspapers, and privately published pamphlets to weave his tale of the borough.

BORN IN JERSEY CITY

Mr. Uminski's parents emigrated from Poland after World War I, and he was born in

Jersey City. The family moved to Buffalo, and he attended the public schools there, learning the Polish language in School.

He studied at St. John's University in Brooklyn and Columbia University. He was graduated as an accountant from Pace College and Southeastern University and received a master of arts degree in economics at the Polish University Abroad in London.

Mr. Uminski was active in several academic and civic committees and organizations.

In 1964 he was the New Jersey state chairman of the American-Polish Civil War Centennial Committee.

In 1965, he received a merit award from Dr. Edward C. Rozanski of the Illinois Civil War Centennial Commission for stimulating a deeper understanding of the Civil War period.

He was completing a monograph on Gen. Joseph Karge, a New Jersey cavalry commander during the Civil War at the time of the award.

Mr. Uminski was founder and past president of the Friends of the Felician College Library in Lodi.

He was invested as chancellor of the Royal Order of Piast, a Polish chivalric organization, and was a former president of the Polish American Historical Association.

He was assistant editor of "Polish American Studies," a history journal.

Mr. Uminski held the honorary title of Grand Chancellor of Polish Nobility and the Order of St. John.

He is survived by a sister, Adele Skowronski.

A special blessing was pronounced in St. Peter the Apostle R.C. Church, River Edge.

AMENDMENT TO FIRST CONCURRENT RESOLUTION ON THE BUDGET

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. O'NEILL. Mr. Speaker, when the first concurrent resolution on the budget is considered for amendment, Thursday, I intend to offer an amendment in the nature of a substitute. My amendment changes the aggregate figures so as to reflect lifting all caps on pay as well as retirement. It recoups the resulting added expenditures by decreasing outlay estimates in six other areas to reflect developments since the Budget Committee reported its resolution, and by slightly increasing revenue estimates consistent with the lifting of the caps. I include the text of my amendment as well as a more detailed explanation below.

AMENDMENT IN THE NATURE OF A SUBSTITUTE TO HOUSE CONGRESSIONAL RESOLUTION 218, OFFERED BY MR. O'NEILL

Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $295,181,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

(2) the appropriate level of total new budget authority is $395,938,000,000;

(3) the appropriate level of total budget outlays is $368,213,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $73,032,000,000; and

(5) the appropriate level of the public debt is $622,900,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $91,900,000,000.

AMENDMENT TO H. CON. RES. 218, OFFERED BY MR. O'NEILL

	H. Con. Res. 218	Effect of amendment	Amended resolution
Revenues	295,000	+181	295,181
Budget authority	395,600	+338	395,938
Outlays	368,200	+13	368,213
Deficit	73,200	−168	73,032
Public debt	624,000	−1,100	622,900

	Budget authority	Outlays
1. Remove entire budget committee cap	+1,858	+2,763
Function:		
050—National defense	(+1,448)	(1,409)
600—Income security	(0)	(944)
Allowances	(+410)	(410)
This amendment eliminates all caps from the budget resolution. The President proposed a $6,000,000,000 5 percent cap on all Federal pay, and retirement and welfare benefits indexed to cost-of-living increases. The Budget Committee rejected this approach. Instead, the committee put a 5 percent cap on pay, lifted the cap entirely from welfare benefits such as food stamps and the supplemental security income program and from benefits for the disabled, but put a 7 percent cap on retirement benefits such as social security—which otherwise would be increased by 8 percent. This amendment adds $2,763,000,000 in outlays to remove the 5 percent cap on pay and the 7 percent cap on social security and retirement, allowing pay and benefits to rise as they would under the operation of current law. The cost of this amendment is less than had been anticipated in committee markup. The new estimate reflects cost-of-living statistics for March 1975, which were released on Apr. 22.		
2. Eliminate overlap between Tax Act and budget resolution	−250	−250
Function: 400—Commerce and transportation	(−250)	(−250)
This amendment eliminates the overlap between the budget resolution and the Tax Act provision for a $2,000 credit on home purchases. The Budget Resolution includes $250,000,000 for a financing option aimed at reducing the 400,000 to 600,000 overhang of completed unsold houses. Since the $2,000 credit is aimed at the same goal, it is assumed that the financing option will not be implemented.		
3. Home-Heating Efficiency Act (H.R. 3573)	−500	−500
Function: 400—Commerce and transportation	(−500)	(−500)
H.R. 3573 was included in the budget resolution as recommended by the Committee on Banking, Currency and Housing at the level of $500,000,000 in outlays. H.R. 3573 was subsequently turned down by the Housing Subcommittee and the Chairman of the Committee on Banking, Currency and Housing has indicated provision for it would be deleted from the Budget Resolution.		
4. Highway spending	0	−600
Function: 400—Commerce and transportation	(0)	(−600)
This amendment reduces total estimated spending for highways in fiscal year 1976. It does not reduce available program authority. In his April 18 deferral message, the President provided a revised estimate of 1976 highway program outlays, including the effect of releasing all withheld highway funds. Total 1976 outlays are now estimated at $6,300,000,000—$600,000,000 below the House Budget Committee estimate of $6,900,000,000.		
5. Accelerated public works (Speaker's program)	0	−500
Function: 450—Community and regional development	(0)	(−500)
This amendment reduces estimated spending for the Speaker's program in fiscal year 1976. It does not reduce program authority. The budget resolution provides $3,000,000,000 in fiscal year 1976 spending for the Speaker's $5,000,000,000 "Emergency Local Public Works Capital Development and Investment Act." OMB Director Lynn on Apr. 22, stated that he would strongly recommend a Presidential veto of this bill. If the bill is vetoed, as Director Lynn suggests, and if the subsequent appropriation measure is also vetoed in turn, the lapse of time required for overturning these vetoes would result in a reduction of $500,000,000 in estimated fiscal year 1976 outlays.		
6. Southeast Asia military assistance	−700	−800
Function:		
050—National defense	(−700)	(−850)
150—International affairs	(0)	(+90)
This amendment reduces estimated fiscal year 1976 spending which was included in the resolution for Southeast Asia. The Budget Committee recommendation included budget authority of $522,000,000 in fiscal year 1975 and $700,000,000 in fiscal year 1976 for military assistance to South Vietnam. House Appropriations Committee action pending before the House consists of $165,000,000 for military aid and $165,000,000 for humanitarian aid. Including the pending appropriations for fiscal year 1975 and eliminating the fiscal year 1976 amount results in a reduction of $800,000,000 in fiscal year 1976. outlays.		
7. Elk Hills	−70	−100
Function: 050—National defense	(−70)	(−100)
H. Con. Res. 218 did not anticipate any revenues from sale of petroleum from the Naval Petroleum Reserves because new legislation was required. Currently, 2 bills have been reported out of committee (H.R. 49, Interior; H.R. 5919, Armed Services). Both would permit development, production, and sale of oil. Under both bills, there would be net receipts to the Treasury in fiscal year 1976. Without prejudging the final outcome of these legislative proposals it is possible to make a conservative estimate that net receipts to the Treasury will be $100,000,000 in fiscal year 1976. Receipts of this type are counted as offsets to spending.		
Subtotal	+338	+13
REVENUES		
Feedback from cap removal	181	
As a result of removing the 5 percent cap from military and civilian pay, as well as the 7 percent cap off nondisabled retired military pay, revenues are expected to increase by $181,000,000 in fiscal year 1976. This revenue feedback results from Government taxation on these portions of the cap. No revenue increases result from removing the cap from social security which is nontaxable.		

LEE HAMILTON'S WASHINGTON REPORT OF APRIL 9, 1975, "AUTO EMISSION CONTROLS"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my April 9, 1975, Washington Report, "Auto Emission Controls":

AUTO EMISSION CONTROLS

The Congress will soon be forced to come to grips with the complex and controversial problem of automobile pollution standards.

The major problem confronting the Congress will be to reconcile the equally worthy but conflicting needs to improve new car gasoline mileage and to reduce harmful exhaust emissions.

In 1970 the Congress set up a schedule of gradually tightening standards under the Clean Air Act which would sharply reduce permissible emissions in 1977–78. The present requirement is for an 83% reduction in hydrocarbon and carbon monoxide emissions and a 44% reduction in nitrogen oxide emissions as compared with automobiles without pollution control devices. The Ford Administration has asked for a five-year freeze at the present standards on grounds that better automobile gasoline mileage is more important than tighter emission restrictions while we strive for independence from foreign oil suppliers.

EPA Director Russell Train recently announced that the catalytic converter, the main component in most 1976 emission control systems, emits potentially dangerous sulphuric acid mist, and he granted a one-year postponement of the 1977 emission standards and will ask Congress for a further postponement until the 1980 model year in light of the sulphuric acid problem. Mr. Train says more time is needed to allow manufacturers to develop a substitute for the catalytic converter or to eliminate acid emissions by improving it.

Some environmentalists argue that the Ford Administration is simply giving in to the automobile companies which have always been opposed to tough emission control standards. On present evidence of the catalytic converter's acid emission and in view of the present energy problems, it would seem that the President's proposal for a freeze is reasonable. The issues are exceedingly complex, and no course is free from risks or costs.

Before the Congress makes its decision on this matter, it must consider such factors as the cost of pollution control devices (which takes on added importance in the face of the depressed auto markets) and their effect on gasoline mileage, the environmental cost of reduced emission control standards, and the part the catalytic converter will play in future emission control systems.

To meet the present 1977 emission standards would require installation of equipment estimated by the National Academy of Science to add $302 to the list price of the average automobile, and the total lifetime cost, including maintenance, would be more than $775. The annual cost to consumers (at an estimated production of eight million cars) would be $2.4 billion.

Added to these costs are fuel economy losses, an unavoidable result of emission control, at least at the present state of technology. The 1973–74 models suffered losses in gasoline mileage at the 5–15 per cent level below 1970 models. Use of the catalytic converter on many 1975 models apparently recouped most of that loss while allowing a further reduction in hydrocarbon emissions, but the data are somewhat contradictory.

Of course, the catalytic converter may prove unworkable if the sulphuric acid emissions cannot be eliminated and, without the converter, gasoline mileage could remain distressingly low for some years unless emission standards are relaxed. Since sulphur-free gasoline could eliminate the acid emissions, which are produced by the combining of oxygen and sulphur in the catalytic converter, some consideration is being given to attacking the problem from that direction.

Part of the sulphur in gasoline can be removed at the refinery, but the process is estimated to add two to three cents to the price per gallon. A possible less-expensive alternative is the use of gasoline refined from low-sulphur oil. By allocating the low-sulphur gasolines to cars equipped with the converter, a 50 per cent reduction in sulphuric acid emissions could be achieved for one or two years until an improved catalytic converter could be put into production.

Obviously, the factors involved are complex and our present knowledge is incompleted. House and Senate committees are attempting to compile the necessary information to allow the Congress to come to grips with the problem and should report on their efforts soon. Until then, no reliable prediction about the action of the Congress can be made. It appears, however, that Congress will be forced to accept either higher gasoline prices, a relaxation of auto emission standards with harmful health results, or potentially hazardous sulphuric acid emissions.

Setting environmental standards involves an intricate and complex balancing of large risks to public health and substantial costs, many of them unknown. It is important that we not create new problems by imposing tougher standards until the evidence is in, and it is equally as important that we continue to make cautious progress beyond existing achievements toward cleaning up our air and the environment.

SUPPORT FOR H.R. 4222

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. KRUEGER. Mr. Speaker, although a previous commitment in my congressional district prevented my aiding in its passage yesterday, I want to express my support for H.R. 4222 and, more importantly, for the good programs which it strengthens and expands. The benefits of the school lunch program are known to everyone, and I am glad to note that H.R. 4222 will extend free and reduced-price lunches to a greater number of students in the future. Children of families whose major breadwinner is unemployed will receive a full subsidy, and reduced-price lunches will now be available to more children than ever before, due to more realistic guidelines.

Also, the legislation extends school lunch program benefits to nonprofit child care institutions and residential summer camps. An amendment mandating participation in the free and reduced-price lunch programs by all those institutions which participate in the regular school lunch program will also expand coverage to a greater number of young Americans. H.R. 4222 also continues funding of the school breakfast program, and steps-up support for the supplemental feeding program for women, infants and children, which has been especially beneficial to Texans.

I personally disagree, however, with the 5-cent-per-child supplement approved by the House, and I asked to be paired against this provision. There is no reason why the Federal Government should make assistance payments to those in no need of such assistance. Middle-income taxpayers will not be fooled by legislation purporting to bestow a "benefit" upon them, when in fact the supposed "benefit" is culled from their own tax dollars. This provision will actually give more aid to the richest county in the United States, Montgomery County, Md., than it will provide to the entire city of Chicago. The wisdom of such a move seems highly questionable to me.

With the present budgetary situation and unsatisfactory rate of inflation, the supplement increases the likelihood that an otherwise meritorius bill will be vetoed by President Ford. Nevertheless, this single shortcoming of H.R. 4222 has not blinded me to its essentially beneficial and necessary nature. I would have supported the bill, had I been present at its passage, and I am glad that my colleagues in the House have so resoundingly joined me in this support.

APRIL 1975 NEWSLETTER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. PATTEN. Mr. Speaker, during April 1975, I will mail my latest newsletter to some of my constituents.

One-half of it will be devoted to a bill I cosponsored and is urgently needed: The propsed Consumer Protection Act of 1975. The remaining half is devoted to my voting record of the first few months, and some of the bills I sponsored or cosponsored.

I hereby insert the text of the newsletter in the RECORD:

CONGRESSMAN EDWARD J. PATTEN'S WASHINGTON REPORT

AN URGENT NATIONAL NEED: A CONSUMER PROTECTION ACT

One of the major disappointments of the 93rd Congress (1973–74) was its failure to pass legislation that would establish an independent Consumer Protection Agency (CPA) in the executive branch of the government—a bill I helped sponsor.

The blame, however, should not be placed on the House, for on April 3rd, 1974, it approved a CPA measure by an overwhelming margin, 293–94. After such an impressive victory, chances looked bright for passage in the Senate, especially when the Government Operations Committee approved the CPA proposal by a 9–3 vote.

Once it reached the Senate Floor, though, it was slowly destroyed by the favorite weapon of the conservatives—the filibuster. The CPA bill was doomed on September 19th, when a fourth cloture vote (attempt to limit debate) failed by only two votes. Senate sponsors than withdrew the bill and placed their hopes in the next Congress—the 94th.

UMI

TO PROTECT AND PROMOTE CONSUMER INTERESTS

Despite the defeat suffered in the Senate last year, hope is strong in both the House and Senate that consumer protection legislation will be enacted this year, a goal that would have been reached years ago if it had not been for the formidable opposition of some business and industrial interests and conservatives in Congress.

Because I strongly believe that CPA legislation is necessary, I again have helped sponsor a measure to protect and promote consumer interests. The bill establishes the CPA in four principal roles:

Consumer Advocacy—To represent the interests of consumers in proceedings and activities of Federal agencies.

Complaint Handling—To receive, evaluate, and respond to consumer complaints and to transmit complaints to Federal and other entities for proper action.

Information Development—To gather, develop, and disseminate information involving consumer products, services, and problems, and to promote testing and research by others in the interest of improving consumer products and services.

Advising Congress and the President—To advise them on matters affecting the interests of consumers, and to recommend legislation needed to improve the operations of the U.S. government in the protection and promotion of the interests of consumers.

The legislation contains provisions that prohibit the disclosure of trade secrets and other information considered confidential, and also requires fair and equitable procedures in the execution of its objectives.

There is, of course, some opposition by certain business and industrial groups to creating an independent CPA that would represent consumer interests by participating in Federal agency and court actions. However, there is also vigorous support for a CPA by consumer groups, ranging from the Consumer Federation of America, to Giant Food stores, which supports the basic provisions of the bill. Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, also advocates "a separate CPA that will assure adequate representation of the consumer . . ."

In the past, real consumer protection was merely a hope. With the expected passage of the Consumer Protection Act of 1975, that hope will become a reality; and consumers will finally get the protection they have always deserved, but have not always received.

IMPORTANT VOTES CAST IN EARLY MONTHS OF 94TH CONGRESS

In the first few months of any new Congress, there usually are not many key Floor votes. During that period, majority and minority leaders are chosen, subcommittees and committees are reorganized, and legislation is drafted and introduced. However, there were some Floor votes I cast that were important and therefore of interest to constituents. Some of them, would:

H.R. 25—Curb environmental abuses of strip mining. (Voted *yes*)

H. Con. Res. 133—Urge the Federal Reserve Board to exert its influence to lower long-term interest rates. This would stimulate construction of housing and public works. (Voted *yes*)

H.R. 1589—Stop the Administration's proposed increase in cost of food stamps used by the poor, elderly, and others who need them. (Over 17 million persons now use food stamps) (Voted *yes*)

H.R. 1767—Suspend for a 90-day period authority of the President to increase the tariff on imported oil by $3-a-barrel. Such an increase would raise the prices of all petroleum products. (Voted *yes*)

H.R. 2051—Increase financial aid available under the Rail Reorganization Act to keep several bankrupt eastern and mid-western railroads operating until they reorganize. (Voted *yes*)

H.R. 2166—Provide $8.1 billion in rebates on 1974 taxes, $8.1 billion in tax cuts on 1975 taxes, and about $5 billion in increased investment tax credit to business. (Voted *yes*)

Amendments to above tax reduction act

Repeal the 22% oil and gas depletion allowance worth $2.47 billion a year to the oil industry, effective January 1st, 1975. (Voted *yes*)

Retain the depletion allowance on the first 3,000 barrels of oil a day. (Voted *no*)

H.R. 4075—Cut or delay several programs involving Federal funds. Rescissions I rejected included such important areas as health research, education, veterans affairs, etc. (Voted *no*)

H.R. 4481—Appropriate more Federal funds for public service jobs to help the unemployed. (Voted *yes*)

PATTEN BILLS INTRODUCED

I'm confident that the 94th Congress (1975–76) will met the challenge it faces with responsibility and compassion, especially in helping to find jobs for the unemployed—our No. 1 priority. Middlesex County, alone, has over 32,000 persons looking for work—a real economic tragedy. With the support of the 75 new progressive Members, I believe that the American people will be proud of the legislative record established by the present Congress.

A few of the bills I sponsored or co-sponsored since Congress convened in mid-January, would:

Extend and expand the Nurse Training Act, which would help Rutgers and the Msx. Cty. College.

Develop and implement national standards for youth camp safety.

Prohibit an increase in food stamp costs.

Allow a tax credit or reduction relating to the energy-saving design of a person's home.

Provide more U.S. funds for public service jobs to help the nation's unemployed.

Extend the present 12-mile fishing limit to 200 miles and protect our fishing areas from foreign exploitation.

Require the Federal Power Commission (FPC) to advertise in area newspapers substantially in advance of building natural gas facilities.

Provide for Federal participation in strengthening the financial condition of the Social Security Program.

Regulate lobbying and related activities.

Require personal financial disclosure, and promote public confidence in the legislative, executive, and judicial branches of the U.S. Government.

H.R. 4222

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MEEDS. Mr. Speaker, the legislation we passed yesterday, H.R. 4222, will vastly improve the day care feeding program, the summer feeding program, the supplemental food program for women, infants and children, and the school lunch and breakfast programs. The proposed legislation deserves our strongest support.

For the sake of brevity, I will focus my comments on the school breakfast program provisions in the bill. I believe that those provisions are very good and I would like to emphasize their importance.

The legislation that we drafted in committee establishes the breakfast program on a permanent basis. Also, we emphatically state that "it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." This policy is to be carried out through two specific directives.

First, the Agriculture Secretary must develop an informational program in conjunction with State educational agencies. This informational program should be designed and implemented in a manner that encourages maximum participation in the breakfast program. Publicity about the benefits of the breakfast program, and Outreach activities with school boards and other school officials, should be included in this informational program.

Second, the Agriculture Secretary is required to formulate plans and regulations for the mandatory expansion of the program. Within 90 days after the enactment of this legislation, the Secretary must report, to the committees of jurisdiction in the Congress, about his plans and regulations requiring program expansion.

We expect the Secretary, at the outset, to place special emphasis on schools located in needy areas. These are the schools that are eligible for assistance under title I of the Elementary and Secondary Education Act, and these schools are the ones that have 25 or more percent of their children eligible for free and reduced-price meals under the school lunch program.

We expect USDA to require the implementation of the breakfast program in these schools immediately. Thereafter, the Secretary may promulgate regulations about program expansion in schools located in less needy areas. By complying with our intentions in this manner, the Secretary will accomplish an orderly expansion of the breakfast program.

Current law, in this area, is inadequate. We now require the State educational agencies to draft plans of child feeding operations every January 1. These plans must detail how the breakfast program is to be expanded to needy children to the maximum extent practicable. In so doing, States must devise explicit plans to get the breakfast program implemented in specific schools within specified dates; these plans must then be followed.

To our regret, however, our current legislative scheme is not causing a substantial expansion of the breakfast program. Thus, this legislation, which mandates breakfast program expansion to all needy schools, is vitally necessary.

A COMMENTARY ON VIETNAM

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HORTON. Mr. Speaker, Andrew Wolfe, editor and publisher of the Gennesee Valley Newspapers, is recognized as one of the most respected suburban journalists in the country. Mr. Wolfe's recent editorial, "Eighteen Steps to a National Failure: The Via Dolorosa of

the United States-Vietnam Debacle," is an excellent commentary on our involvement in Vietnam and I commend it to the attention of my colleagues:

EIGHTEEN STEPS TO A NATIONAL FAILURE; THE VIA DOLOROSA OF THE UNITED STATES-VIETNAM DEBACLE

(By Andrew D. Wolfe)

"Not with a bang, but a whimper," in T. S. Eliot's famed phrase, is the U.S. venture in Vietnam heading toward what seems a final debacle.

As the snow sped past the office window in those blinding swirls Friday afternoon, a radio, between storm bulletins, told of the continuing tragedies in Vietnam.

The office was quiet. Everyone else had gone off to fight their way homeward through the drifts. And, for once, the telephone was still. The storm preoccupied people; they were not thinking of calling the newspaper office.

The occasional radio bulletins from Vietnam kept coming in. They made me think about that whole incredible trail of idealism and stupidity, courage and cowardice, selfishness and selflessness which Americans lump under the single word "Vietnam."

For a long time we've thought of listing the main points of recognition along that trail. Anyone can do this, and you don't need to be an expert on Southeast Asia to do so.

Let's start at the beginning:

1. The United States came out of World War 2 feeling a responsibility for maintaining world order, and convinced that it must blunt the aggressive efforts of totalitarian Communism.

2. Most Americans idealistically felt that peace could be preserved and collective security enforced through a democratic world organization—the United Nations.

3. Most Americans felt that failure of the Western democracies to unite against the dictators in the 1930's had led to World War 2, and its many tragedies.

4. The Cold War, the Marshall Plan, and similarly generous world relief efforts were undertaken partly to prevent much of mankind coming under Communist dictatorships.

5. Berlin Airlift, Greece, Turkey, Korea and other military or quasi-military actions seemed to stem the Red advance, while the beginnings of extraordinary economic growth strengthened much of the free world against internal subversion.

6. But by the late 1950's, the world situation was changing rapidly, while U.S. policy remained relatively rigid. These changes involved the end af Russia's control of world Communism, the fantastic economic growth in Japan and Western Europe, and the beginning of the emergence of the undeveloped or Third World countries.

7. Reassured by their own growing strength, and often annoyed by U.S. domination, the Western nations became increasingly disunited. The United Nations, slipping away from western leadership, lost much of its power.

8. In 1961 John Kennedy became president and launched his administration with a challenge to Americans to continue to help right the wrongs of the world. Though the pendulum later swung strongly in the opposite direction, the Kennedy challenge, with its echoes of Theodore Roosevelt and Woodrow Wilson, was the wrong challenge at the wrong time.

(Even today—after Vietnam—millions of Americans urge foreign action based on idealism, politics, or emotion rather than a sober appraisal of world realities).

9. Through the early 1960's, the world power situation changed with great rapidity, but U.S. policy did not. Ignoring the potential rift between China and Russia, not recognizing that Japan had become an industrial (hence possible military) force second only to the U.S. and Russia, and underestimating the strength of non-Communist forces in Indonesia, U.S. foreign policy under Kennedy and Johnson clung to the idea that the Red advance in Southeast Asia must be halted.

10. U.S. military theorists, making an awesome mistake, felt that South Vietnam, aided by U.S. guns and advisors, could defeat North Vietnam.

11. When that failed to work, Lyndon Johnson sent U.S. troops to help out, not realizing:

a. that changes in the world situation no longer required U.S. intervention.

b. that the Western Alliance had become virtually inoperative.

c. that the social and political complexities of Vietnam would make it impossible to galvanize South Vietnam into action as a democratic nation determined to halt what was thought by the West to be an arm of international communism.

12. With an outdated view of world power factors, but full of the idealism of World War 2, and much overimpressed with our military skill and strength, American leaders proceeded to violate Dwight Eisenhower's dictum that we should never become involved in a land war in Asia.

And the whole undertaking became greatly complicated by Lyndon Johnson's political decision that the war could be fought without fully involving the American people, or really telling them what was going on.

13. This helped create a situation in which the greatest problem of the war for the U.S. was not the actual conflict in Southeast Asia, but the explosive factor that the war became in social, political, and psychological convulsions within the United States.

With hindsight, it can now be seen that the mid-1960's were the worst possible period for the United States, virtually without allies, to become involved in a war which few wanted, which made less and less sense in terms of the changing world power situation, and in which the United States for fear of starting a world conflict, couldn't use its full strength. What made it so wrong a time?

a. Racial conflict and the restructuring it was forcing on American society.

b. The arrival at maturity of the huge Post-World War 2 "baby crop"—a generation including millions who had been brought up in a protected world of idealism and affluence and were suddenly told to fight a war they didn't understand or believe in.

c. A large mass of intellectual, educational, philosophical and religious leaders, long restive under the alliance with the "establishment" forced on them by World War 2, suddenly found that establishment at a moral and emotional disadvantage, and seemingly open to easy attack.

So headlong did this attack on the establishment become that North Vietnam became a demi-paradise and Ho Chi Minh a latter-day George Washington—and peace activists returned from Hanoi with glowing reports that sounded embarrassingly like the reports that came out of the Fascist dictatorships in the 1930's ("people are dedicated and working hard"—"There is no crime"—"the trains run on time").

And in the topsy-turvy world of the mid-1950's these leaders sanctioned street violence to end violence abroad, and in the name of "freedom" painted a tough and militant dictatorship in glowing democratic terms.

And, on the other side of the fence, those who had created the war laid near treason at the door of anyone who questioned the rationality of the war.

The antagonisms, spurred by the press, became personal, bitter, vengeful, and an obstacle to rational policymaking.

d. The political leadership mechanism which had appeared so strong from the 1930's through the 1950's seemed to collapse—and under the leadership of a not-trusted Lyndon Johnson led the nation into the confusions and duplicities of the "Great Society" at the same time that it tried to fight an undeclared war.

Out of all this came riots, draft opposition, sabotage, the 1968 Chicago Democratic convention, Kent State, and a flood of domestic disorder.

14. And that disorder, of course, created its own massive counterreactions which resulted in the election of Richard Nixon in 1968 and 1972.

15. With a constituency which, confusingly, was both lukewarm on the war and violently hostile to the radical peace movement, Nixon then moved to disengage without further badly damaging the declining U.S. leverage in world affairs.

This, of course, took four years. And while the U.S. involvement dropped sharply, the domestic furor was kept at a high level until 1971.

Nixon, to give him credit, was alert to the changing world power situation. He more or less unlocked the Vietnam mess by working to have the U.S. play a balance-of-power role in the continuing friction between China and Russia.

There may well come a time when the Nixon-Kissinger diplomacy may be acclaimed as brilliant. But the Vietnam mess was to have further incredibly ironic effects.

16. The radical peace movement, although it was to be decisively rejected in the voting of 1972, nevertheless created the fear psychology which largely led the Nixon administration to commit the colossal futility of Watergate.

Moreover, the anger of war opposition groups and politicians remained so strong and was so centered on Richard Nixon that it played a key role in the efforts to use Watergate to drive him from power.

17. The collapse of the Nixon administration obviously helped open the way for the collapse of South Vietnam in the Spring of 1975. The disappearance of Nixon was a body blow to South Vietnam and a tremendous moral lift for North Vietnam.

18. Finally, the Watergate-Nixon tragedy left President Ford in a position in which even logical, limited aid to an ally was undercut in Congress.

Today we see a U.S. foreign policy in disarray, with the basic structure of world peace probably more seriously threatened than at any time since 1939.

The real question is whether the American people and their leaders will have the courage and honesty to admit that very few people or groups within the nation did not contribute to this mess.

The national leadership was wrong. The military leadership's stupidity rivaled that of the Union in the first year of the Civil War. And much of the war opposition became more involved in engineering social revolution than with solving problems of war and peace.

Lessons?

1. The United States must learn to temper the messianic ferver that first helped get us into the war, and then created even greater problems in getting us out of the war. Idealism, yes, but it must be an idealism that recognizes that not everyone wants to live in an American-style democracy. And idealism that recognizes we are less than five percent of the world's population and we cannot espouse every appealing cause everywhere.

2. Without once again espousing the full rhetoric of John Kennedy's inaugural address, we surely must see the world as no candy cane affair with Utopia waiting just around the corner, but as a challenging, confusing planet, on which our survival will demand toughness, determination, and sacrifice.

3. To survive in a dangerous world in a nuclear age, our political system must be refined and restructured so that it can cre-

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ate intelligent, realistic policy, both internal and foreign. In the 1960's, and early 1970's we seemed to oscillate between pressure politics and chaos.

The objective, of course, must be unified national policy. We must have leadership that carefully considers all segments of our people, and seeks common denominators in creating true national policy.

From somewhere must come the maturity that recognizes that foreign policy must have its reconciliations and its compromises—simply because we do not have all the wisdom in the world and we do not have the power to enforce our decisions whenever and wherever we like.

(Example: How can we convincingly bolster the position of Israel if at the same time we alienate our longtime ally, Turkey, unquestionably the strong nation militarily in the Near East? And all this came out of the Belfast-like mess on Cyprus precipitated by a junta we didn't like!)

If Vietnam shows anything, it shows the futility of one group or combination of groups trying to impose its policies on a divided nation. Both the military activists and the peace radicals proved that conclusively.

What all this amounts to, of course, is a major national failure—a failure which approaches, although it does not equal, the political failure that resulted in the Civil War.

Yet, instead of learning from Vietnam, the experience seems only to have sharpened the determination of many different groups to impose their special needs and priorities on the nation. The actions of Congress in the first three months of 1975 are chillingly irresponsible and unmindful of what we should have learned.

Unless this complicated and diverse nation can learn to develop true national policy—realistically, sympathetically, humanely without jealously and without bitterness—Vietnam may only have been the forerunner of a far greater disaster.

You may have had similar thoughts as you watched the snow swirl past that April afternoon.

And perhaps you may have thought, too, that the greatest tragedy of Vietnam for America was that it seemed to nurture and magnify the nation's defects.

The Washington who could never compromise his ideals, never descend to pettiness, the anguished Lincoln who could write after another bitter and controversial war "With malice toward none—"

Can we again generate such leaders?

REPORT OF THE COOK COUNTY ADVISORY COUNCIL ON RAPE

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MIKVA. Mr. Speaker, in 1973 there were over 51,000 reported cases of forcible rape in the United States. Of these reported cases, only 4,600 resulted in prosecution and fewer than 2,000 resulted in a conviction—a conviction rate of only 4 percent.

To large extent, the low prosecution and conviction rate is due to the callous, unthinking treatment accorded the rape victim. A rape is a traumatic emotional and physical experience. Information vital to the prosecution of a rape charge frequently is lost due to the hostile, suspicious and unsensitive manner of the hospital authorities and law enforcement personnel, which causes the victim to forget important facts and creates an atmosphere of guilt.

With a view toward increasing the percentage of rape convictions, the Cook County Advisory Council on Rape conducted a detailed study of the manner in which a reported forcible rape was handled by all authorities involved. Their study resulted in an excellent report, proposing several needed changes in the method in which police and medical personnel treat rape victims.

Mr. Speaker, I would like to take this opportunity to share this report with my colleagues.

RECOMMENDATIONS AND SUMMARY OF REPORT OF THE COOK COUNTY CITIZENS ADVISORY COUNCIL ON RAPE

RECOMMENDATIONS TO THE OFFICE OF THE STATES ATTORNEY AND THE CRIMINAL COURTS

Recommendations concerning the victim and the court process

States attorneys should always treat the victim of rape or sexual assault with courtesy and respect, recognizing that the criminal proceedings can be very confusing and frightening to someone who has already been subjected to a traumatizing experience.

A. Rape cases should be prosecuted by competent, prepared and sympathetic states attorneys be they male or female. Since some attorneys feel uncomfortable handling rape cases, they should be excused from those cases. Supervisors should be aware which attorneys handle rape cases well, and try to assign such cases to them. No special effort should be made to assign all rape cases to female prosecutors.

B. All states attorneys who deal with cases of rape or sexual assault, including those on the Felony Review Unit and those in boys court, juvenile court, and the felony courts, should periodically receive special training to sensitize them to the special needs and problems of the victims of sex crimes. Citizens groups which work with rape victims should be used as a resource for such training.

C. There should be a central phone number maintained by the States Attorney's Office where the victim can call to determine the status and progress of her case and where she can give notice of any change of her address.

D. The states attorney assigned to the case should give the victim a card where she can reach her/him.

E. 48 hours prior to the preliminary hearing, the victim should be contacted by phone or in person by the states attorney's office, and the hearing and grand jury procedures should be explained to her in lay terminology. In cases with foreign language speaking victims or witnesses, interpreters should be pre-arranged.

F. Whenever the states attorney knows that a case will be continued, the victim should be notified immediately that she does not need to be present in court.

G. The states attorney who will be handling the case should meet with the victim in a private setting to prepare her testimony, allowing adequate time to discuss her concerns.

H. In general, states attorneys should not seek continuances and should oppose continuances requested by the defendant.

I. Whenever the states attorney intends to accept a guilty plea, the victim should be consulted beforehand, and she should be invited to be present at the plea and sentencing.

J. Once a case has been assigned to a states attorney for trial, that states attorney should remain on the case through final disposition even if she/he is transferred to another courtroom or division.

K. The states attorney should inform the victim of what to do in case of harassment. The limits of police protection should also be made clear.

L. Victims should be reimbursed for all expenses incurred for prosecuting her case including transportation costs, both local and out-of-state, child care costs, lunches and loss of wages, or in the alternative, a set fee should be paid for each day spent in court similar to the fee paid to citizens called for jury duty.

Recommendations to the felony review unit

Crucial decisions as to how a crime will be charged are made at this early stage. Although the attorney's considered judgment as to the likelihood of successful prosecution of the charges is important, at a minimum the states attorney making that judgment should be guided by the following recommendations:

A. Because of the importance of a victim's testimony in rape and sexual assault cases, no case should be rejected unless the victim has first been interviewed in person by a states attorney. In every rape case which is rejected for prosecution or in which a lesser charge is brought, the states attorney should meet with or telephone the victim and discuss that decision with her.

B. The Felony Review Unit of the States Attorney's Office should have written guidelines of criteria used to evaluate rape and sexual assault cases for prosecution. The guidelines should be available to the public and to a victim upon request.

C. Because of fear due to threats and intimidation and because of cultural conditioning, victims commonly do not immediately report sex-related crimes. Rape and sexual assault cases should not be rejected for lack of "immediate outcry".

D. The Felony Review Unit should establish procedures for regular, ongoing re-examination. The Coordinator of the Rape Prosecution Task Force should review the case with authority to over-rule the decision of the Felony Review Unit.

E. The Felony Review attorneys should have access to interpreters whenever necessary in order to communicate with Spanish-speaking and other non-English speaking victims.

Recommendations regarding child victims

The crime of rape, sufficiently hideous in itself, becomes even more heinous when perpetrated against a child victim. Because of their vulnerability and helplessness, society has always viewed crimes of sexual aggression against children of either sex as extraordinarily serious. Yet, the criminal process which is discouraging enough to the adult victim who seeks to prosecute, represents an even greater barrier to the families of child victims. Although we do not in any way seek to infringe upon the constitutional due process rights of the defendant accused of a crime against a child, because of the peculiar problems involved in prosecuting cases of child rape and indecent liberties with a minor and because of society's need to encourage prosecution of such cases, we make the following recommendations:

A. In the case of child victims, one states attorney should be assigned the case at the earliest possible point in time, if possible at the station contact level. That states attorney should handle the case all the way through trial regardless of the court to which the case is assigned.

B. The special states attorneys chosen to handle child victim cases should be competent trial attorneys who have an interest in child victims and who have a demonstrated sympathetic ability to relate well to child victims and to work with the child's vocabulary.

C. Every effort should be made to expedite trials when the victim is a child so that the child is not forced to repeatedly review the traumatic events. The states attorneys should not seek continuances and should oppose continuances requested by the defendant.

D. Testimony of a child victim should be taken in chambers or in a courtroom from which the public has been excluded.

E. We recognize the problems involved in the prosecution of child victim cases are difficult and complex. The procedure designed to insure fairness to the defendant often present an insurmountable and unwarranted barrier to legitimate prosecutions of persons who victimize children. Particularly troublesome areas of concern include regarding the testimonial competency of children, certain rules of evidence and hearsay, and the difficult situations arising in incest rape cases. We recommend that the States Attorneys Office devote special attention and further study to these problems with a view to creation of special procedures and/or recommendations for legislation regarding child victim cases. Anti-rape and women's groups should be involved in this study.

Recommendations to the courts

Rape is a serious crime of violence. In an overburdened court system, rape and sexual assault must be given the priority reserved for the most serious crimes of violence.

A. All cases of rape and sexual assault, including those cases now prosecuted in boys court, should be handled in Branch 66 along with homicides.

B. Branch 66 should be assigned to a permanent courtroom and should convene in the morning so that it will be possible to take the case to the grand jury on the same day as the preliminary hearing. Thus it would reduce the number of times the victim would need to come to the court building.

C. The subpoenas should be printed in both Spanish and English with a phone number on the form for further information. If possible, the subpoena should be issued in sufficient time to insure the victim has one week's notice of any proceeding requiring her presence. A phone or police check should be made, when possible, to check with the victim the day before she is due in court.

RECOMMENDATIONS TO THE CHICAGO POLICE DEPARTMENT

The initial contact that the victim of rape or sexual assault has with the social institutions designed to respond to her crisis is usually with the police. The nature of this contact is crucial in determining whether the victim perceives a system responsive to her needs or a system which merely victimizes her further. The response of the police is also fundamentally important to the success of any subsequent prosecution. For these reasons we make the following recommendations:

1. Police should file all appropriate criminal charges that relate to the attack. Police should not reduce charges on the basis of their judgment of the possibility of successful prosecution of the rape charge.

2. More investigators and more patrol officers should be specially trained in the handling of rape cases. These specially trained officers should include as many women officers, both white and minority, as possible. There is also a pressing need for more Spanish speaking officers to deal with rape cases. Specially trained patrol officers should be assigned to every precinct in the city.

3. Special training for these investigators and selected patrol officers should emphasize:

(a) Formal input from the states attorneys in Branch 66 and in the felony trial courts, especially including members of the Rape Prosecution Task Force, regarding the evidence needed for prosecution;

(b) Sensitivity to the handling of child victims;

(c) Sensitivity to the unique impact of the rape trauma upon women of different cultural and ethnic backgrounds and the effect that the trauma may have on the ability of such women to relate the events and cooperate with male police officers;

(d) Thoroughness of sex crime investigations including the gathering of pre- and post-occurrence evidence and witness identification; and the gathering of clothing, hospital records, etc.

(e) The importance to subsequent prosecution of objective, factual, and professionally written police reports; and

(f) The analysis and dissemination of modus operandi information. Citizen groups concerned about rape and representing rape victims should be used as a resource by the police department in training officers to be sensitive to the victim's needs.

4. All of the above training areas should be integrated into the regular pre-service and in-service training for all police officers.

5. Standard procedures for all officers dealing with the victim of rape or sexual assault should include:

(a) The investigating officer should always leave with the victim her or his card with her or his name, district, working hours, and phone number. The officer should also give the victim the central phone number of the States Attorney's Office where she can call to determine the status of her case;

(b) If the investigating officer is assigned to night duty and can only be reached during late hours, an alternative contact should be given to the victim which identifies a person whom she can reach for information during regular working hours;

(c) The police officer should be sensitive to the psychological stress that the victim experiences and should take this into consideration in her or his dealings with the victim. An effort should be made to keep to an absolute minimum the number of times a victim must relate the events of the crime: and

(d) The police officer should always conduct herself or himself in a professional manner when dealing with the victim, avoiding unnecessary and improper questions concerning the crime of the victim's behavior and avoiding any appearance of prurient curiosity.

6. Because the identification procedures themselves can be traumatic and intimidating to the victim, she should be prepared ahead of time by the investigating officer for the procedures which will be used. Since there is no confrontation right involved in line-ups and since there is nothing to be gained by a face to face confrontation between victim and suspect at this stage of the investigation, whenever possible, line-ups should be conducted in such a way that the persons participating in the lineup cannot see the victim. If this is not possible, the victim should be informed that she will be in the same room with the suspect and that she will be asked to make an identification in his presence.

7. The victim should be accurately informed of her right to protection from harassment and intimidation by the suspect, how to report it, and the realistic limits of the protection which the police can provide.

8. Modus operandi information should be made available to the public and to citizen groups within the community where the rapist appears to be attacking women.

THE REPORT OF THE HOSPITAL SUBCOMMITTEE ON RAPE

1. The purpose of this report is to suggest guidelines for the establishment of approved rape treatment centers for the most effective treatment of rape victims in our health institutions by health care personnel. While we have been aware for some time of the problems encountered by rape victims with other institutions of the society, specifically the police and the courts, less attention has been paid to the vital role of the hospital in diminishing both the psychic and physical trauma and in contributing to the chain of evidence that will enable the rapist to be apprehended.

There should be a recognition by all personnel that some medical treatment may feel like another rape. The victim needs respect, validation and privacy. Suggestions for meeting these needs will be specified below. Certain praiseworthy programs such as the rape centers at Philadelphia General Hospital, Jackson Memorial Hospital and Boston City Hospital, and the rape victims advocacy program at Rush-Presbyterian St. Luke's in Chicago have been studied, and suggestions based on their experience have been included in this report. Based on these data we will suggest that three hospitals be designated as rape treatment centers for adults, and two or three for children. After examining the distributions of rapes in Cook County, we encourage a center serving the North side, the Near West side and the South, and encourage hospitals to present their programs to us so that we may decide which one will best meet the needs of the rape victims. While this suggestion seems to run counter to present policy, after careful thought and discussion we make this suggestion because:

(1) Such a program enables the concentration of highly skilled personnel, particularly sensitive to the unique problems of rape victims. These personnel include not only health care workers such as physicians, but rape victim advocates. Such hospitals will be designated as approved rape treatment centers. Police and the public will be informed that each rape victim will be offered by the police or on their own referral the choice of treatment at a Rape Treatment Center or any other licensed hospital of her choice. We think it unrealistic at this time to have such programs available at all hospitals, although we do recognize both the victim's right to go to a hospital of her choice, which should be respected, and the problem of rape in nonmetropolitan areas in which case the victim may first be treated at a local hospital if she so desires. In case of serious physical injuries requiring immediate treatment, we recommend that the victim first be taken to the nearest hospital for treatment of those injuries and then to the nearest special rape treatment center. It is the experience of Philadelphia General Hospital that such cases make up only a fraction of the total cases and that the overwhelming majority of women prefer being treated at a specialized rape treatment center. However, no hospital may refuse to treat a rape victim who, after being informed of the existence of a Rape Treatment Center, still prefers treatment at that hospital.

(2) Monitoring. It will be easier to make sure that the quality of services offered to rape victims will remain high if such treatment is localized in a few centers.

We have used the pronoun she, specified that the rape advocate be female, and specified that women do the training. After speaking with rape victims, it has become clear to us that after telling her story to a male police officer (usually) and a male physician (usually) she does not wish to have to tell it again to another male. In addition, many victims are angry with men, and few males are able to deal with this anger in a way useful to the victim. Moreover, it is easier for a woman to identify with the rape victime since she is well aware of her own vulnerablity.

The hospital treatment of a rape victim shall be prompt, supportive and private. Provision of a separate examining room shall be made so that the victim will not need to wait in the general waiting area. The victim will be allowed to have with her at all times whatever supportive individuals she may bring to the hospital with her or who come there to be with her. At no time should the victim be left alone unless she chooses. The rape victim advocate shall be called as soon as the woman arrives at the Emergency Room and a female nurse shall be available to wait with the victim until the advocate arrives if the woman so desires.

All hospital personnel dealing with rape victims need to do so with an acute awareness of the traumatic nature of the experience the victim has recently undergone. They must deal with the woman with re-

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spect for the ordeal she has experienced and particular appreciation of the overwhelming sense of powerlessness which may well have accompanied it. It is imperative that hospital staff avoid dealing with the patient in any way which may recreate the experience.

GUN CONTROL

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McCOLLISTER. Mr. Speaker, as a member of the Consumer Protection and Finance Subcommittee, I was pleased to hear the testimony of my distinguished colleague from Idaho, Mr. SYMMS, last week. Beginning with the introduction of H.R. 1087 on the opening day of the 94th Congress, Mr. SYMMS has led the way in challenging the jurisdiction of the Consumer Product Safety Commission to regulate handgun ammunition. As a cosponsor of the Symms legislation, I concur with my colleague in the belief that Congress never intended the CPSC to involve itself in gun control matters. The testimony of Mr. SYMMS sheds a great deal of light on this growing controversy and makes a compelling case for why this body must not permit the legislative process to be circumvented on the question of Federal firearms control. I encourage my colleagues to carefully consider the points raised in this excellent statement:

TESTIMONY OF CONGRESSMAN STEVEN D. SYMMS

Thank you, Mr. Chairman, for the opportunity to testify before your committee this morning. The matter I bring before you today is one which begs your esrnest attention and prompt action.

On June 22, 1974, a small Chicago-based anti-gun lobby called the Committee for Handgun Control petitioned the Consumer Product Safety Commission for a rule to ban the sale, distribution and manufacture of handgun bullets as a hazardous substance. By September the Commissioners had decided overwhelmingly to deny the petition, but a subsequent ruling by the U.S. District Court for the District of Columbia reversed their decision and ordered the Commission to entertain the proposed ban. Suddenly the CPSC found itself thrust into a position which it very much wished to avoid—that of assuming responsibility over the vastly complex and controversial area of federal gun control. Following the court ruling, the Consumer Product Safety Commission published the proposed bullet ban in the Federal Register and solicited public opinion for sixty days. That comment period ended eight days ago, and they are still opening letters. The Commission informs me that over 100,000 letters on the bullet ban have already been read, of which about 200 expressed support for such action. In other words, less than two-tenths of one percent of those who wrote the Commission actually favored the proposed ban.

It would be easy to dismiss these figures as being the result of an organized letter writing campaign by pro-gun groups, and therefore not representative of the general populace. To do so, however, would be a gross injustice to the thousands of sincere Americans who took the time to write their government to express their views. My own experience with the constituent mail I have received on this issue, now well over 2,000 letters, is that it has represented a large cross section of people, young and old, male and female, shooters and non-shooters. Of these, the number favoring a bullet ban by the Commission can be counted on one hand. A great many of the letters I received are from people who do not even own guns, but who are nevertheless extremely concerned about what they consider to be a rear attack on a basic Constitutional right. Their most strenuous objection is to the manner in which this de facto gun control is being carried out, in absence of any deliberation by the nation's elected representatives. Here is where the crux of the issue lies.

My personal opinions on federal gun control, Mr. Chairman, are well known and need not be reiterated here. Moreover, this committee should not get bogged down in debate over the merits and demerits of gun control. Gun control per se is not the issue which confronts us here today. The questions to be answered are: 1) Did Congress ever intend for the Consumer Product Safety Commission to expand into the area of gun control, and 2) If not, should it have? To answer these questions, we should begin with a brief look at the bullet ban petition which precipitated this growing controversy.

The petition of the Committee for Handgun Control asserts in general that handgun bullets constitute a serious threat to human health and therefore qualify to be regulated as a hazardous substance under the 1960 Act This Act defines a "hazardous substance" as "any substance or mixture of substances which . . . is flammable or combustible, or generates pressure through decomposition, heat, or other means, if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children."

Mr. Chairman, I would submit to you that under no stretch of the imagination could handgun bullets meet these requirements as a "hazardous substance". A bullet is nothing more than a molded piece of lead which, by itself, is no more dangerous than this chair I am sitting in. It is significant, though, that the gun control zealots who proposed this bullet ban as a way to bring about federal control of handguns are apparently unfamiliar with even the most basic firearms nomenclature.

Let us give the petitioners the benefit of the doubt for the moment, and assume that what they meant in their ban proposal was handgun cartridges, of which bullets are but one of four major components. Here again their proposal runs in direct conflict to existing law. The Consumer Product Safety Act confers authority upon the CPSC to ban certain "hazardous consumer products", but also defines the term "consumer product" as excluding pistols, revolvers, firearms, shells and cartridges, which are items subject to tax under section 4181 of the Internal Revenue Code. It was clearly the intent of Congress when authorizing the creation of the Consumer Product Safety Commission, to deny it any jurisdiction over the sale, distribution and manufacture of firearms and ammunition.

The legislative history of the Consumer Product Safety Act from the committee hearings and floor debate puts the intent of Congress into sharp focus. Perhaps most significant is the fact that Mr. Bingham of New York offered an amendment on the House floor which would have placed firearms and ammunition under the Act. The House rejected the Bingham amendment on the grounds that Congress, rather than any regulatory agency, must assume full responsibility for the gun control issue. As Congressman Randall said at the time, "I am willing to face the issue of gun control squarely, either vote it up or down. But let us not do it this way, through the back door."

I for one believe that the common sense reasoning Congress showed in 197[illegible] is as valid now as it was then. It is for this reason that I have introduced H.R. 1087 which prohibits the Consumer Product Safety Commission from regulating the sale, distribution and manufacture of firearms, ammunition and ammunition components. It thereby places the authority squarely in the lap of Congress where it rightfully belongs.

Mr. Chairman, the people of this country do not deserve to be saddled with gun control by Congressional default. The responsibility for a resolution of the federal gun control issue and the proper forum for its open debate is Congress. We must allow that responsibility to be pre-empted by either the courts or the bureaucratic community. The people's elected representatives are ultimately the ones who should decide on controversies of this magnitude and significance. To allow gun control to be "legislated" by a federal court is a betrayal of the people's trust and a sham on our republican form of government.

In the District Court's decision on the bullet petition, one remark was made with which I heartily agree. Judge Flannery suggested that the Commission approach Congress for a clarification of the rightful authority of the CPSC in the area of firearms control. H.R. 1087 provides that desperately needed clarification by reasserting the role of Congress in resolving the federal gun control issue. I urge the members of the Committee to act swiftly on this legislation before we and the American people lose that proper responsibility.

BROAD SUPPORT FOR H.R. 4622, THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HEINZ. Mr. Speaker, my colleagues in the House may soon have an opportunity to vote on H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975, a bill I introduced to put people to work rebuilding our Nation's railroad rights-of-way.

Because this bill has received widespread editorial endorsements, as well as support from labor and management in and outside the railroad industry, I would like to take this opportunity to share some samples of this support with my colleagues:

SOUTHERN RAILWAY SYSTEM,
Washington, D.C., March 17, 1975.

HON. HENRY J. HEINZ, III
Cannon House Office Building,
Washington, D.C.
Attention: Mr. Gillespie.

DEAR CONGRESSMAN HEINZ: Southern Railway Company has reviewed your bill, H.R. 4622, the "Railroad Right-of-Way Improvement Act of 1975", and we feel it is a constructive approach to both the unemployment problem and the railroad right-of-way maintenance problem. We support the action of Stephen Ailes, President of AAR, in approving the concept contained in this bill.

We appreciate your efforts in addressing the problems of the economy and the railroad industry and are hopeful that the ideas contained in your bill will prevail.

Yours very truly,

JAMES L. GRANUM.

BROTHERHOOD OF
LOCOMOTIVE ENGINEERS,
March 18, 1975.

HON. H. JOHN HEINZ, III,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. HEINZ: The idea behind your plan for a public works program to rebuild the Nation's deteriorating railroad track and roadbed system is sound, fresh and the kind of new approach to an old problem needed at this stage in our economy.

As an interested party to the House Interstate and Foreign Commerce Committee proceedings on railroad problems for the past several years, it is my conclusion that the National railroad transportation crisis of today resulted from the absence of a National Transportation Policy in yesteryears.

Common sense dictates that a government cannot invest several billion dollars a year in competing modes of transportation and realistically expect the railroad industry to prosper as a free enterprise system.

The Northeast railroad crisis and now a new Midwest railroad crisis is direct evidence that a new legislative approach is necessary to reclaim the thousands of miles of railroad track in the Northeast and Midwest. We must rehabilitate and streamline our rail system in these regions. Such a program should contribute significantly to the health of the Nation's economy.

Sincerely,

E. L. MCCULLOCH,
Secretary and National Legislative Representative.

COMMENTS OF STEPHEN AILES, PRESIDENT OF THE ASSOCIATION OF AMERICAN RAILROADS, ON THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT OF 1975—A PROPOSAL OF CONGRESSMAN H. JOHN HEINZ, III

The railroad industry would welcome legislation of this kind. It would attack in a meaningful and constructive way not just one, but two, problems of serious public concern. It would help ease the unemployment crisis by furnishing the means to provide work for furloughed and other unemployed railroad workers. And, importantly, the work to be performed is vital and sorely needed in the public interest.

Many railroads have been forced for financial reasons to defer maintenance and upkeep of their rights-of-way. Of course, the resulting deterioration in the quality of service the railroads are able to offer the public is a source of critical concern not only to the railroads and their customers but to the nation as a whole.

Mr. Heinz's bill is a constructive approach to both the unemployment problem and the right-of-way problem.

DEPARTMENT OF LABOR AND INDUSTRY,
Harrisburg, Pa., March 26, 1975.

Representative H. JOHN HEINZ III,
Cannon House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE HEINZ: I have received a copy of your legislation as printed in the Congressional Record that would provide funds for hiring the unemployed to work on repairing railroad rights of way.

I think it is an excellent concept. Obviously, in Pennsylvania there are hundreds of miles of tracks which are in need of repair, as well as hundreds of thousands of Pennsylvanians who need jobs. I have asked members of the staff of the Bureau of Employment Security to review the bill and to provide me with estimates of the number of railway workers who are unemployed and the number of people who possibly could be employed through the enactment of this bill.

I will forward to you such information, which you may find helpful in the consideration of this bill.

Sincerely,

PAUL J. SMITH.

[From the Pittsburgh Press, Mar. 28, 1975]

LETTERS TO THE EDITOR: UNION DEFENDS RAIL-REBUILDING STAND

Your March 19 editorial, "Rebuilding The Rails," has been brought to my attention.

Perhaps you would be interested in the following:

I have been working closely with Pittsburgh's Rep. H. John Heinz III and U.S. Sen. Jacob K. Javits of New York in the preparation of the bills to rebuild the nation's railroads.

The average straight-time pay of railroad maintenance-of-way employees, including the recently negotiated settlement, is $5.50 per hour.

There is no featherbedding in the maintenance-of-way department of American railroads.

The work performed by maintenance-of-way employees is not only of a highly responsible nature but it is arduous and hazardous.

These workers must be prepared to work under all kinds of weather conditions. In fact, it is when weather conditions are the worst that these men are most likely to be called out to look after the safety of the right-of-way.

They are subject to call at any time of the day or night, to work at wrecks, slides, washouts or fires, or when any condition occurs to prevent the flow of railroad traffic. Frequently, they are required to work hours on end without adequate food and rest.

Maintenance-of-way crews constantly work under the hazards of traffic. Men in track, bridge, building, paint and steel crews must often work at dangerous heights in repairing and maintaining tracks, bridges, trestles, buildings and other structures.

To the uninitiated, maintenance-of-way work may appear to be a rather cut-and-dried proposition. In reality, it is both an art and a science.

HAROLD C. CROTTY.

DETROIT.

(The writer is president of the AFL-CIO Brotherhood of Maintenance of Way Employes.)

[From the Houston Post, Apr. 20, 1975]

MAKING TRACKS

Railroad tracks need repair and modernization. Unemployed Americans need jobs. Obviously the practical solution to unemployment is to hire those who need jobs to do work that desperately needs doing. This idea is so good that it should be acted upon immediately.

Congress is now considering several proposals for hiring thousands of workers to rebuild tracks. Fourteen senators support a plan to spend $300 million for 20,000 public works jobs in fiscal 1975. Rep. Henry John Heinz III, R-Penn., has a proposal before the House to hire 50,000 workers at a cost of $2.5 billion through fiscal 1977. And the Department of Transportation is planning legislation of its own. This would not be the first time that public works jobs have come to the rescue of transportation in general and railroad tracks in particular. During the 1930s public works employes rebuilt much of the Pennsylvania Railroad.

Both the railroad industry and the railroad unions approve the idea, though the union leaders insist that furloughed railroad workers be given priority in hiring. We must hope that the legislation will not suffer from too many cooks trying to add seasoning to the broth. And hope that the important purpose of the legislation—to improve railroad tracks and provide jobs—does not get lost among so many proponents.

The American railroads offer a practical solution to some of the greatest problems of our day. Massive transportation with a minimum use of fuel, a minimum of pollution and no addition whatsoever to the growing traffic congestion on the highways. But so long as the scheduled trains are plagued with derailment, lives are being risked, property is being damaged, trains thrown off schedule as well as off the track.

If public service jobs did no more than modernize the American railroad network, they would have been worthwhile. Congress might even consider giving the railroads first priority claim on public works jobs to be financed.

JONES & LAUGHLIN STEEL CORP.,
Pittsburgh, Pa., April 4, 1975.

Re: H.R. 4622.

HON. H. JOHN HEINZ, III,
U.S. House of Representatives,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HEINZ: I wish to commend you for introducing H.R. 4622 which would serve the double purpose of providing much needed maintenance of the railroad road beds and create additional jobs.

Almost all of our raw materials and a large portion of our finished products are shipped by rail. The rights-of-way are sorely in need of upgrading but with the present financial state of the nation's railroads, their maintenance has been too long neglected.

We enthusiastically support your bill.

With kindest personal regards,

Sincerely,

R. B. SOMOGYE.

UNITED STEELWORKERS OF AMERICA,
Washington, D.C., April 7, 1975.

HON. H. JOHN HEINZ, 3d,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HEINZ: As I indicated to you, your bill on railroad bed reconstruction meets two needs: job creation and rail service upgrading. President Abel has mentioned to me that he has also spoken to you about your bill.

The recent report from USRA, wherein 6,500 light density railroad lines may be taken out of service, highlights the need for this legislation. We do support your efforts to obtain its passage.

Sincerely,

JOHN J. SHEEHAN,
Legislative Director.

THE LIBRARY OF CONGRESS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HARRINGTON. Mr. Speaker, the Library of Congress is one of the most important institutions of the Federal Government. It provides both Members of Congress and their constituents with the services of one of the largest libraries in the world.

Therefore, in view of the Library's 175th birthday, I would like to take the opportunity to insert in the CONGRESSIONAL RECORD, for the information of my colleagues, an article written by Marjorie Hunter which appeared in the New York Times on April 25, 1975.

The text of the article follows:

LIBRARY OF CONGRESS: 75 MILLION BOOKS OLD

(By Marjorie Hunter)

WASHINGTON, April 24.—The Library of Congress, begun with just a few hundred books shipped from London, observed its 175th birthday today, its 320 miles of shelves groaning under the weight of 75 million books, photographs, musical scores, maps and microfilm.

Now one of the two largest libraries in the world—rivaled only by the Lenin State Library in Moscow—and no one is sure which is the largest—it houses items as diverse as Thomas Jefferson's famous "original rought draught" of the Declaration of Independence

UMI

to dozens of one- and two-reel silent movies starring Mary Pickford.

The Congress of 1800 would have been astounded at what its appropriation of just $5,000 set in motion.

Originally housed in the new Capitol, the library's first offerings were about 900 books and maps, purchased in London and shipped in 11 trunks aboard a British cargo ship, the American.

Among the purchases were Adam Smith's "Wealth of Nations" and Postlewayte's "Dictionary of Commerce"—heavy reading for the fledging American Congress.

Then, Congress found itself nearly bookless again when the British burned the Capitol in the summer of 1814. Only the most valuable records and papers in the library were saved.

JEFFERSON'S LIBRARY

To replace the loss, former President, Thomas Jefferson offered his private library of about 6,500 volumes at cost—about $23,700.

"There is no subject to which a member of Congress may not have occasion to refer," Mr. Jefferson observed.

The Senate readily agreed to pay the price, but the appropriation bill encountered strong opposition in the House. Some called the move extravagant. Others protested what they viewed as the irreligious character of many of the Jefferson books.

Finally, after long and bitter debate, the House agreed to appropriate the money—but by a scant margin of 10 votes.

In 1851, the Library of Congress was ravaged again by fire, destroying two-thirds of the Jefferson collection, plus thousands of other volumes.

With another $100,000 appropriation from Congress, additional volumes were acquired and a new room, abounding in ornate cast iron to ward off further fires, was constructed in the Capitol.

By the end of the Civil War in 1865, the library could boast of more than 80,000 books and other manuscripts. And, a year later, the total soared over 100,000 with transfer of the Smithsonian Institution's 40,000 volumes to the library.

A CROWDED ROOM

With the acquisition of more and more material, the "iron room" in the Capitol was soon overflowing. Books were piled in the middle of the floor, members of Congress could scarcely find room for quiet research.

A separate library building, authorized in 1886, was completed in 1897, a massive structure of ornate Renaissance style topped with a squat copper dome. The building, just off the Capitol Plaza, is still in use today, along with an almost equally large annex. A third building is nearing completion.

No longer just a library for Congress, it administers a wide variety of services, including talking records for the blind, a legislative reference center, overseas exchange programs. It sponsors chamber music performances and literary programs. It stages exhibitions.

One exhibition on display now is of the 11 men who have served as Librarian of Congress from its beginning—such figures as Herbert Putman, Archibald Macleish and L. Quincy Mumford, who recently retired. Until Mr. Mumford's successor is named, John G. Lorenz is serving as Acting Librarian of Congress.

Today's birthday party was a quiet one, marked only by Vice President Rockefeller speaking at the opening of a new exhibition, "To Set a Country Free," depicting the nation's Revolutionary War era.

But tomorrow, things will be livelier. Joined by members of Congress, the library's 4,500 staff members will hold an outdoor "block party," including patriotic music, a "sing along" and which all due apologies to the Congress of 1800, a rock band.

A GREAT DAY IN AVIATION HISTORY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MINETA. Mr. Speaker, I speak out today in commemoration of a great event in our history, a great day in the story of our American ingenuity, and a great moment in the annals of aviation. On this day, 70 years ago, the ageless question of man's ability to fly was, for many people in this country and even some in foreign countries, finally answered in the affirmative. That answer came not in the form of an abstract proof from theoretical physics, but as a flight demonstration of the most dramatic and public nature.

I speak of April 29, 1905. The event was a college holiday at Santa Clara College—now the University of Santa Clara—in California. As part of the day's festivities, a 47-year-old professor from the college physics department offered a demonstration of nothing less than controlled human flight.

Only 70 years later it is difficult for us to imagine how such a proposition must have sounded to the average American of that time. Such a person would probably have been aware of the then recent attempts of one of America's foremost scientists, Samuel Langley, to achieve manned flight, and how those attempts had in the end produced only ridicule and derision of Langley. Such a person would probably also have known of balloon flight and of efforts to power and steer balloons, and he quite possibly might have seen a hot air balloon ascension as part of a fair or exhibition.

If he were well informed, he might have read of the prevailing opinion among physicists that heavier-than-air flight was not practicable, and that such pessimistic conclusions were firmly founded on the bedrock of Newtonian physics. If he were well informed, he might have read of some short-hop gliding experiments by Lilienthal, Pilcher, and Chanute, and of a power experiment by Maxim which, after enormous expenditure of money and power, lifted off its track a few inches. In short, he would have known that men had often talked of flying and, as far as he was concerned, had never done it.

He most certainly would not have known that a little over a year earlier the Wright brothers had made their first powered takeoff and had flown straight forward about 600 feet, just a few feet off the ground. He would not have known that they were still at work on their aeroplane, trying to enable it to turn more sharply and not in just the broad, shallow curves that were all they had yet achieved. It would be several months yet before the Wright brothers would complete their design and achieve full manuverability, but even then our average American would not hear of them or of their success, because they preferred secrecy as they sought to obtain contract sales for their design. Our average American would not hear of the Wright brothers for several more years, not, in fact, until 1908.

But back in the spring of 1905, this California professor offered a dramatic and public demonstration of his mastery of aerodynamics. At a time when no heavier-than-air experiments had ever been higher than about 30 feet, he proposed that the glider he had designed and built would, with his pilot, be hauled up by a hot air balloon to a height of 4,000 feet and then cut loose. Then his mastery of aerodynamics, of lift and balance and control and stability and structural soundness, would either be fully demonstrated, or the pilot would meet a tragic death. To this demonstration were invited the representatives of many northern California newspapers and national publications, as well as the members and friends of the college.

Lest we portray this professor as a reckless man, we should note that he was himself a trained physicist, that he had studied aerodynamics in relative isolation since the 1880's, and that he and his pilot had recently practiced this demonstration in several successful test flights along an isolated stretch of coast in a neighboring county.

But to those who witnessed the flight of April 29, 1905, and to those who read about it in the following days, there could not have been a more reckless attempt nor a more astounding achievement. As an example of the popular reaction of the time, I include excerpts from an article in the next day's San Francisco Examiner, written by reporter Thomas Nunan, an eyewitness to the flight:

> Man has learned to fly. Down at Santa Clara College yesterday, I beheld him use his wings. . . .
>
> Slowly and steadily the machine circled to one direction and then the other, repeating these maneuvers several times. Then it headed straight before the wind and took a sudden dive that was something like the thunderbolt fall described by Tennyson . . . Then, on the moment, the wings turned gracefully back to the horizontal position. The aeroplane glided down in a circle, and after heading back into the wind it mounted preceptibly. Twice the feat of sailing upward on the air was accomplished. Gradually we groping mortals who watched from the ground began to realize that the aeronaut was truly flying on wings, and seemingly with the utmost of ease. . . .
>
> He had complete command of the machine. He accomplished just what a bird accomplishes in flight without flapping its wings. He sailed on the air and rose and fell, and tacked one way or the other, just as the hawks and buzzards do.

And the following is excerpted from the Oakland Times account:

> The observers from the ground below saw the aeroplane begin to turn from side to side, after the manner of a bird tilting its wings in its flight. The downward motion was not rapid so far as appearance went, but the movement of the aeroplane in circles and in tacking backward and forward across its course was very evident almost equal to the speed of an express train. . . .
>
> The exhibition of circling and soaring was continued for several minutes and finally the landing was made without a jar or a break in the apparently frail machine, and the aeronaut stepped from the cross-bar astride of which he had ridden.

Such stories appeared in newspapers across the United States and even in Britain and Germany, and in such national magazines as Scientific American and Motor magazine. The popular assessment of this event is evident in these press reports; for example, from another article in the Examiner:

> He has proved that wings can be constructed of such a form that man can fly with them, that the craft can be controlled and guided with precision among the air currents. . . . The biggest stride the world has yet known toward sailing the skies. . . .

And yet we have come to forget this popular perspective of the time, this first dawning of aviation consciousness among the American people. How many of you can tell me the name of this pioneer of aviation? The name is John J. Montgomery, a life-long resident of California. From his contemporaries Montgomery received considerable praise. From the account in the June 1905 Motor magazine:

> To John J. Montgomery, who is a professor at Santa Clara College, and who designed the remarkable craft, undoubtedly belongs the credit of constructing the first aeroplane that has proved itself capable of carrying a human operator, and possessed of perfect equilibrium, and susceptible of guidance at will, regardless of aerial conditions.

On reading of the flight in the press, the most famous American proponents of human flight responded with fulsome praise. Alexander Graham Bell said:

> All subsequent attempts in aviation must begin with the Montgomery flight.

And Octave Chanute described the flight as "the most daring feat ever attempted in gliding flight." Yet among us today, just 70 years later, Montgomery is unknown, his history neglected, his achievements lost to obscurity. We seem to have a very short memory.

There are perhaps many reasons for this unfortunate obscurity, but among them is the bitterness created in a long and hard-fought trial during the 1920's which pitted the Montgomery heirs against some of the proprietary claims of the Wright brothers. The ill will born of that long struggle has been passed on to successive generations of advocates, like some backwood family feud that over many generations has become an unthinking and automatic animosity. On this 70th anniversary of Montgomery's Santa Clara flight, I appeal to all scholars to set aside their assumptions on this subject and to each insist on reviewing the facts first-hand, not through intermediate generations of hatred. The debate over proprietary ownership of certain inventions may necessarily admit only of absolute determinations, but in the history of ideas we see more often than not that progress is wrought by the efforts and contributions of many people, and that in history there is room for them all.

Thank you.

LEFTIST CAMPAIGN DESTROYED HCIS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, knowing that exposure tended to cripple their plans and stratagems, the tacticians of the Soviet Union-dominated world Communist movement waged a protracted war against the House Internal Security Committee and its predecessors. The following article by Dr. Susan L. M. Huck on that long campaign I commend to the attention of my colleagues:

[From American Opinion, May 1975]

THE OPERATIONS TO DESTROY AMERICA'S INTERNAL SECURITY

(By Susan L. M. Huck)

Way back in 1960, the Communists in the United States set out to "get" the House Committee on Un-American Activities. Operation Abolition, it was called; "Abolish H.U.A.C.!" was the slogan. That was not the proper acronym for the Committee, but it was shoutable, whereas H.C.U.C. was not. The attacks were immediate, orchestrated, and carried on through propaganda, legalistic assaults, and, of course, violence. Fifteen years later, as of January 14, 1975, "H.U.A.C." was abolished. It had been beaten down over the years, its appropriations cut, and its reputation torn to shreds by false propaganda.

Midway in this Communist campaign, the target became known as the House Internal Security Committee (H.I.S.C., matching S.I.S.S. on the Senate side) when propaganda had somehow made laughable the concept that anything could be "un-American" The term had been coined before World War II, when Americans *felt* what un-American meant. It didn't have to be explained. Un-American referred to any of the alien totalitarian ideologies which targeted our country for destruction from within, without, or both. Usually both. Nobody carped about the term when, during World War II, the Committee took aim at Nazis and Fascists. But an equal concern about Communists—well, somehow that could not be permitted.

After the name change, as a body looking after 'internal security," the beleaguered Committee was still concerned with subversion. That term, too, was quickly subjected to attack. Frank Djnner, an alleged "constitutional lawyer" who had been identified repeatedly under oath as a Communist and whose contribution to the propaganda war was a 1961 book entitled *The Un-Americans*, claimed that "subversive" had no meaning either, and was simply an epithet. Well, let's see. They haven't completely purged the dictionaries yet, maybe we can still find a definition of that term.

Webster's International Dictionary (the huge one) says this:

> subvert [sub—under+verte—to turn] 1. to overthrow from the foundation, to ruin utterly. . . . 2. to pervent or corrupt (one) by undermining his morals, allegiance, or faith; to alienate. . . . 3, to destroy completely the existence, potency, or soundness of; to render futile, void, or inoperative.

We used to say "to undermine," and that is still a good term, since undermining is a good way to "overthrow from the foundation." Anyone who has a memory running back even ten years must realize, reading these definitions, that we have certainly been the victim of subversion. Have we ever known such alienation, such perversion, such corruption? Have we ever seen our society so unsound, patriotic efforts so seemingly futile? And what, after all, is the objective brayed forth, punctuated by terrorist bombs, if not the objective of utter ruin for "America"?

In short, we have never been more greatly menaced by subversion than today. And, not at all coincidentally, during the past two years alone, half a dozen supposed guardians against subversion have been eliminated or rendered nearly impotent. It is, of course, a campaign that has been going on for some time—the burning of files to protect the guilty began, at the State Department, over a decade ago. There were protests I recall of that sort of thing as early as the fall of 1964. What is important is, first, that the pace has picked up so greatly, and second that there are so few remaining barriers to total freedom of subversion!

An editorial in *The Review Of The News* for March 26, 1975, pointed out that, since March of 1973, the Subversive Activities Control Board has been eliminated, as well as the Internal Security Division of the Department of Justice, the Attorney General's List of subversive organizations, and the House Internal Security Committee. Let us look first at the destruction of the House Committee, for the campaign to eliminate it was a classic of persistence and Communist "united front" tactics. Without the cooperation of "Liberals" who are anxious to make the country safe for their Red friends, it could never have been accomplished.

Several "stars" of Operation Abolition are fifteen-year veterans of this single campaign. The executive secretary of the chief Front (the National Committee Against Repressive Legislation, one of the incarnations of the National Committee to Abolish H.U.A.C.) is Frank Wilkinson. He has been many times identified as a member of the Communist Party—even as a member of its elite security group. And on January 14, 1975, Congressman Robert Drinan (D-Massachusetts) publicly commended Wilkinson and the Comrades for their "uniquely valuable" work in helping to destroy the Committee.

Another of the "stars," who appeared as a member of a Communist anti-Committee mob in the documentary film *Operation Abolition*, can be found nearly fifteen years later as the third-ranking Democrat in the House of Representatives. He is Representative Phillip Burton (D.-California).

Hordes of Party hacks seeking to abolish the Committee also found common cause with Common Cause, a leading Council on Foreign Relations pressure group aimed at sandbagging Congress. What a spectacle—aristocratic John Gardner (C.F.R.) rolling in the political hay with aging Stalinoids. Talk about degenerate! Another pack of anti-Committee "Liberals," a rank or two lower than John Gardner's bully boys, pitched in as a special-action agency under the National Committee for an Effective Congress (exposed by Congressman Lawrence P. McDonald (D.-Georgia) in *The Review Of The News* for February 19, 1975). Both of these Establishment participants in the Red "united front" receive buckets of Rockefeller money. No doubt it's all part of *détente*—the Rockfellers and others are busy selling the Comrades rope with which to hang us.

The tactics were such that a decision on the fate of the House Committee was kept out of the hands of the full House of Representatives. It was all managed through the Common Cause and N.C.E.C. pawns in the Democratic Caucus, headed by the long-time pro-Communist Representative Phillip Burton.

Oh, and then there was the "inside man"—the aforementioned Representative Robert Drinan, a vice president of the National Lawyers Guild, officially cited as "the foremost legal bulwark of the Communist Party." Drinan had asked for and been given a Committee assignment—Internal Security—when he was first elected in 1971. The Committee had already cited him at least three times for his Red-lining activities. In fact, in April of 1967, Drinan had attended a Communist Party meeting at the Congress Hotel, with identified Communists Frank Wilkinson, Carl Braden, Jack Spiegel, Abe Feinglass, and Jesse Prosten, for the avowed purpose of finding ways to destroy the House and Senate internal security committees. As a member of the Committee he sought to destroy, Comrade Drinan did little overtly. (Observers believe he left his brain in charge of Yale Law Professor Thomas I. Emerson.) But it is always useful to have an inside man against whom to check your tactics and timing.

Mary McGrory, a "united front" type herself, writing in the *Washington Star-News*, laid it out:

> *The death of the House Internal Security Committee . . . was accomplished in the end by a cloak-and-dagger operation, which is probably the only way it could have been done.*
>
> *The cloak was in the manner of voting. On Monday, in the blessed anonymity of a voice vote, the Democratic Caucus shouted acceptance of HISC Chairman Richard Ichord's extorted proposal that HISC's functions, its files, and some of its staff members be turned over to the House Judiciary Committee.*
>
> *Tuesday, the entire membership of the Democratic Caucus, under cover of voting on a package of rules changes in which the elimination of HISC was included, gave the* coup de grace *to the panel . . . .*
>
> *The two daggers were a pair of determined Congressmen, Rep. Robert Drinan (D.-Mass.), who joined HISC in order to destroy it from within, and Rep. Phillip Burton (D.-Cal.) the fire-breathing new chairman of the Democratic Caucus, who has hated HUAC and HISC with a genuine passion since 1949, when he undertook the defense of several of its targets.*[*]

Before this assault, half a dozen units of government were supposed to protect our society from subversion—very real, very dangerous, subversion; the sort which could well be the death of us. The now abolished Subversive Activities Control Board was supposed to decide whether organizations investigated were in fact subversive. If so, there might at least be a public statement to that effect. Like termites, these people and their groups cannot stand exposure. They scuttle for cover, but while scuttling they are not fulfilling their function of subversion, so exposure is inconvenient.

Unfortunately, despite the presence of some good members, the S.A.C.B. was emasculated years before it was eliminated. Without funds and with few cases sent over by the Attorney General, it accomplished little or nothing. This was used to justify abolition. The tactic is common to bureaucracies, even though the Board was not technically such. It was "a quasi-judicial" Board—given no cases to hear.

The now abolished Internal Security Division of the Justice Department was also supposed to concern itself with subversion. Again, however, for years before its abolition it too was emasculated. Some years ago, I had occasion to talk to the good folk at Internal Security in a journalistic capacity. Laws were being broken right and left, riots and bombings sweeping the nation, subversive organizations crowding each other out of the headlines, but the full-salaried government lawyers were telling me *then* that they hadn't tried any subversion cases for something like nine years, and that was because, even though the law is pretty clear, they didn't want all the bother of prosecuting a case and having the Supreme Court throw it out. The Supreme Court, as we know, is very good at that. Still, for what were those lawyers being paid?

According to the *Herald of Freedom* for December 6, 1974, the F.B.I. had just informed the House Internal Security Committee of the following rather awful facts. During the period 1971–1973, there were 573 known incidents of violence attributed to terrorists. This included 114 fire-bombings and 127 other types of bombings, 114 shooting incidents *plus* 23 ambushes (usually of police officers), plus many other less lethal attacks. The results included 43 police and 22 civilian deaths, 152 police woundings and 53 civilian woundings. The Bureau estimates some fifteen thousand people are involved with the subversive underground.

Yet in the midst of this, in March of 1973, the Justice Department downgraded "internal security" to a section. Why? When we asked, we were told that "there was not enough work—enough demand—for a division," and "the Assistant Attorney General slot was needed elsewhere"! When we read the above figures to the information officer at Justice, he said, "Oh, but it used to be worse!" We asked how many of these people had been caught. He didn't know. There was Armstrong, in the University of Wisconsin case . . . . Oh, and then they are very good at bagging Klansmen and Minutemen, he said. *That* I believe—the feds can get away with anything in those cases, and the press and civil liberties people will never raise a peep about planted evidence, perjured testimony, paid informers, entrapment and so forth. The only folks who have even fewer civil rights than Klansmen and Minutemen are citizens in the clutches of the Internal Revenue Service.

It occurred to me that, when last I had talked to the Justice Department about internal security, bombing and burning of R.O.T.C. buildings was all the rage. There were hundreds of such incidents, coast to coast. Well, the spokesman granted, true, Justice hadn't done so well with that. But wait! There were those three fellows in St. Louis who had interfered with the firemen afterwards, and they were sent up, by golly! He was *sure* that the internal security folk were very much on the job, but the convictions "are of people you never heard of." Right. Small fry. Then, of course, they only prosecute cases "we think we can win." And talk about a bunch of defeatists! Anyway, the Justice Department and the Law Enforcement Assistance Administration are fighting crime! After more billions spent last year, the F.B.I. crime reports are out—crime up seventeen percent. All that money is evidently a dandy green mulch. Also, the staff reduction on the internal security front, we were told, was in order because . . . our experts on internal security "don't have to chase draft-dodgers any more."

So there we have their meat—draft-dodgers, Klansmen, and Minutemen whose crimes don't seem to have made the news, small-fry terrorists "you never heard of." Of course there was Karleton Armstrong (give 'em that), and those three dreadful fellows who interfered with the firemen at an R.O.T.C. bombing in St. Louis.

Former Attorney General William Saxbe had begun an inquiry as to why the Justice Department keeps losing "political" cases. Shortly thereafter, he was en route to India. The Deputy Attorney General who was in charge of the investigation is being replaced by former federal judge Harold Tyler, "so it will be a while" before anything comes of it.

Don't hold your breath!

We were assured by the spokesman at Justice that responsibility for this sorry record can be spread around among the judges, too; even juries are to blame. Then there's the Constitution. That's to blame, too. When we suggested that the nation had been under the Constitution all along, but only recently had it been interpreted to provide a license for revolutionary crime and terror, while any dirty trick could be pulled on a taxpayer, we learned from the man at Justice that the Constitution meant, after all, whatever "public opinion" said it meant. A protest that public opinion did not support these quaint interpretations of the Constitution brought the rejoinder that, after all, people vote for the officials who appoint the judges who interpret the Constitution, so there you have it. The conversation was obviously going downhill, so we quit. We both knew it was useless to discuss the tenuous connection, blanketed from start to finish in deception, by which votes are translated into appointed, untouchable federal judges. It is a tenuous connection the people of South Boston may or may not learn to recognize, even now.

Once upon a time there was an Attorney General's List of subversive organizations. It was very handy—for citizens who didn't want to be suckered by fine-sounding outfits like the Young Patriots (a Red Front aimed at poor rural Southern *whites* in the big cities, which supplied them with Confederate hats and flags), or the usual Committees for the Protection of the Downtrodden, for Peace, Democracy, Justice (but never quite Motherhood and Apple Pie). They always have letterheads full of Reverends and Professors and even Congressmen, so that without an Attorney General's List a person can really be forgiven for not believing that some such fine-sounding outfits take their orders, ultimately, from Moscow.

Where would the Party be without its Fronts—hundreds, even thousands of them, some durable, some evanescent, some chameleon-like, in their constant change of names? Yet the government is trying to ignore its duty to keep tabs on Communist Fronts; to notice which names appear over and over, and always on the Red letterheads; to collect their publications, read them, cross-reference them, to find out what they actually do, and from where their money comes. It's all very tedious, time-consuming, and results in bulky records, "raw files" which must be sifted and verified and given expert consideration. But it is essential to our national security.

Prospective federal employees used to be asked to read over the Attorney General's List and swear that they had never been members (or that they had been, or were still) of any of the Fronts identified by the Justice Department. It was easy enough to lie—but it happens that Communists don't like being subject to possible perjury charges. (Look what happened to Alger Hiss. They got *him* on perjury. And quite a few others.) Hence the big fight to end loyalty oaths, and then to get rid of the Attorney General's List. The Communists won those fights.

It should be in the government's interest to protect itself from subversion, since it is certainly a prime target of the subverties. It is also the duty of the government toward its citizens, who want and deserve that protection *and* some straight information, to act efficiently in exposing subversion. These interests and duties are being ignored.

One of the major public complaints the Communists and their allies made about both Congressional Internal Security bodies was that they "pilloried" people by holding Hearings on their Communist activities. Well, now if the Reds are so proud of what they are doing, why wouldn't they be delighted to have the world in general know about it?

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[*] One of them, of course, was identified Communist John Caughlan, one of the Party's army of lawyers.

There is that awkward difference between being pilloried and being *exposed*. The Communists, knowing that the American people just don't like Communists, realize that this could reduce their effectiveness to a very serious degree. Hence the determined campaign against being identified, "exposed," or "pilloried." Good citizens are not ashamed of their activities. I say, if the pillory fits, wear it!

Recalling days of young innocence, I remember once discovering a real live Communist among my colleagues at Hunter College. Being a cautious soul, only ninety-five percent sure, I innocently asked the local F.B.I. office about the gentleman. Ha! It surprised me at the time to discover that the F.B.I. was sworn to *secrecy*. I couldn't see why the identity of our Communists was a state secret. In this case, the gentleman was indeed a Communist, as was his wife; both were therefore employed illegally in a public educational institution, since those days there was a law (unenforced, I discovered) agaist handing over all those impressionable youngsters to Stalinists like the fellow in question.

Plagued even in those ancient days with a tendency to call 'em as I see 'em, your correspondent said just enough to get fired by the "Liberals" who always protect the Reds. I was lucky not to be sued, probably, because how could I have proven him a Communist, armed only with "every indication"? I could have been destroyed in a lawsuit, while my government, knowing full well the man was a Communist, sat deaf to all appeals for the truth. In actual consequence, the fellow stayed on, and got a couple hundred fresh brains to scrub every year, and eventually a fat government pension after a lifetime of faithful service to the Soviet Union.

Ah, but there *was* a way around such an impasse. The identification of Communist individuals and groups could become public record through the Hearings of a Congressional Committee. Even if *citizens* didn't have a right to know, Congressmen did. This became, in effect, the only way people could find out, because the mass media, then as now, were much too far to the Left to perform any such public service. More important, perhaps, than informing the citizenry in general (let's face it, few want to bother their heads about subversives, figuring it's the government's job), the Hearings of the House Committee were circulated to state and local police departments, so that they might have some idea of the "big picture."

By abolishing the House Internal Security Committee, the radicals in the Ninety-Fourth Congress have closed off one of the few means of access to information about subversion that we had. The Reds intend to close off *all* such means—and are taking further steps.

What more could happen? Well, for at least ten years now, there has been an Establishment-sponsored campaign to make home-front traitors and overseas mass-murders positively *respectable*. The Reds may then be able to come out of the closet, just like the perverts. The success of this campaign among young people who haven't seen much of the real world—or who have been twisted into sad pretzels by the no-win policies and unparalleled treason associated with Vietnam—is most discouraging. Let's not forget that *they* will be the ones condemned to spend the longest time under slavery if this campaign succeeds.

What else could happen is what is beginning to happen right now. We are to be taught, via the usual staged trauma, that it is illegal and immoral and even *unthinkable* that anyone, in government or out of it, should dare to keep tabs on the subversive and treacherous behavior of certain people living in the United States. We are to be sold the notion, for instance, that it makes no more difference who goes in and out of the Soviet Embassy than who goes in and out of a hamburger stand.

One of the more brazen performances—twin performances, actually—might be called Theater of the Absurd I and II. Picture it. Picture two of the most notorious Leftists in the public eye, Communist Frontiers for twenty or thirty years, with records that you have to wheel around on dollies, being *handed* the files on their traitorous activities by an apologetic government.

It really happened. First, at the end of February, we had Congressperson Robert Drinan wandering into the F.B.I.'s headquarters and just happening to pull open a file drawer on the way to the men's room, or whatever the tale was. Groveling, the Bureau hands him some of the material and allows him to carry it off, complaining loudly all the while.

The second performance, a week or so later, varied little from the first. Congressthing Bella Abzuz, on the way to whichever room she uses, happens to find *her* file (which must have been blocking the corridor at the C.I.A.). Same result—they give it to her, and C.I.A. Director Colby takes a dive on behalf of the Agency.

Who says that the Federal Bureau of Investigation and the Central Intelligence Agency must humble themselves at the feet of subversives? I wish I knew, but it is certainly coming from the stratospheric levels of the Council on Foreign Relations, because if they didn't want it to happen, it wouldn't happen. The Bureau and the Agency—the latter especially, having a record of fewer scruples—are more than capable of handling the Drinans and Abzugs, just as the U.S. Armed Forces are more than capable of handling North Vietnam and Cuba. But that is not allowed.

Small wonder that honest federal agents quit in despair or turn to drink, after watching subversive creeps they've been studying for years get elected to Congress and invited to the White House, while the government helps them keep their records secret from the public.

Now Bella wants to be a Senator. We will see whether New York will bear even that indignity. To show you where the Abzug's heart is, recall to mind the horrifying spectacle of millions of betrayed Vietnamese fleeing their "liberators" in wild terror. According to Bella Abzug, anti-Communist Vietnamese "deserve the punishment that awaits them." She understands these things. She has always gotten along just fine with the proprietors of the Gulag Archipelago and the torturers of our Prisoners of War. She brings to mind an equally charming female who was imposed upon Romania by Soviet bayonets after World War II. Her name was Ana Pauker, and she took real pleasure in murdering people. Consider these things, then take a long, hard look at Bella, and ask yourself what it would be like to be totally at her mercy. If it doesn't make your scalp crawl, you just have no imagination.

Ask a medical doctor to explain in non-technical terms what defenses the human body has against disease—the invasion of the body by harmful alien organisms which disrupt its vital processes. He will tell you that the body must have a system of knowing when it is endangered; then messages are sent which raise the white blood count, for instance, so that the harmful intruders can be attacked. Sometimes the defense is too little and/or too late—and death results. But there is a rare condition (with a wild technical name) in which the body has lost the ability even to detect when it is threatened. Then, the defenses are not alerted, and the result is a "fulminating" course of disease—swift devastation of the body which has not even sensed that it is diseased.

"Subversives" are people who are trying their best to play the role of a fatal societal disease. Not only have we failed to mobilize our defenses against them, but we are now in the process of being deprived of the very ability to perceive that we are under attack; Give these characters free rein, and they'll simply do us in. Yet our government says we must give them free rein—and not embarass them by publicizing their long records of Communist activities.

The Weather Underground boasts: "We are a guerrilla organization. We are Communist men and women, underground in the United States for more than four years. Our intention is . . . to attack from the inside . . . We are at an early stage, going from small to large . . ." These people have declared war on the rest of us. They punctuate with bombs. They commit and advocate any crime which will damage our society. They wish to join hands with thousands more, in order to become America's fatal disease. Unless they are exposed and prosecuted, even such microbes as these could succeed.

Ask the Portuguese if there isn't such a thing as subversion. Just a year after the C.I.A.'s stumblebum Kerensky, General Antonio de Sinpola, replaced the anti-Commuist Portuguese Government, the entire country has been delievered into the hands of Moscow's underground team. At last report, thousands and thousands of anti-Communist members of the Portuguese Armed Forces had been marched off, disarmed, to some unkown fate, the specter of Katyn Forest looming large. Polls show that ninety percent of the people oppose the Communists—yet the Communists are in charge and Portugal is on its way to Darkness at Noon.

If we give our subversives a free ride . . . well, it can't be allowed to happen. Which is why Congressman John Ashbrook (R.-Ohio) has proposed House Resolution 67 to reestablish the House Internal Security Committee and return national security to sanity. The Comrades and their friends have already bottled up the bill in the House Rules Committee. To get it out on the floor for a vote—where John Ashbrook is certain it can be approved—will probably require a discharge petition. This means that Congressmen must be told by their constituents in no uncertain terms, that national security demands they support House Resolution 67 and support it now!

STATEMENT OF PERSONAL, FAMILY, OFFICIAL, AND CAMPAIGN FINANCES, 1974

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HORTON. Mr. Speaker, increased public awareness of Government and its officials and increased public concern about the way in which the stewardship of public trust and of public funds is conducted led me 1 year ago to enter into the RECORD a complete statement of my personal, family, official, and campaign finances. I am pleased today to enter into the RECORD a similar disclosure statement covering the calendar year 1974.

I make this annual disclosure statement for two purposes. My first purpose is to go far beyond the minimal disclosure requirements of the House Committee on Standards of Official Conduct in making clear that I conduct my office with neither actual nor potential conflicts of interest. My second purpose is to provide sufficiently detailed information to my constituents to illustrate what is involved financially in the proper operation of a congressional office and in the conduct of a Congressman's job.

It is for these reasons that I submit the following summary of my personal, family, official, and campaign finances for 1974. The statement includes full disclosures of my personal and family tax payments, income and sources, personal assets and debts, my official expenditures and my use of Federal reimbursement accounts, funds returned to the U.S. Treasury, my campaign finances during 1974, my organizational affiliations and my handling of congressional papers and records:

STATEMENT OF PERSONAL, FAMILY, OFFICIAL, AND CAMPAIGN FINANCES, 1974

I. PERSONAL AND FAMILY FINANCES AND TAXES

A. Taxes

1. Federal income tax paid for 1974 (joint return filed by Frank and Marjorie Horton), $4,335.69.*

2. New York State income tax paid for 1974 (joint return), $1,691.08.*

3. Montgomery County, Maryland real estate tax on personal residence (jointly owned) paid for 1974, $1,285.10.

4. Herkimer County, New York real estate tax on cottage (jointly owned) paid for 1974, $406.23.

(*See II.B. regarding deductions of official expenses not reimbursed by the government.)

B. Sources of all income

1. Annual salary as U.S. Congressman, $42,500.00.

2. Total dividends received on common stock in 1974, $49.20 (received jointly).

3. Interest received on savings account and on notes outstanding, $1,424.36.

4. Income from rentals of Big Moose cottage, $1,800.00.

5. Other: I received no income from any services rendered, including none from honoraria for speeches or appearances. It is my policy not to accept honoraria or expenses from persons, groups or organizations for appearances within my Congressional District.

Total 1974 income: $45,773.56.

C. Summary of personal assets and liabilities

1. Family residence at 9607 Hillridge Drive, Kensington, Maryland: Approximate value, excluding furnishings, $70,000.00; jointly owned with Marjorie Horton; mortgage amount outstanding as of May 1975, $37,340.00

2. Cottage at Big Moose Lake (Herkimer County), New York: Approximate value, excluding furnishings, $35,000.00; jointly owned with Marjorie Horton; mortgage amount outstanding as of May 1975, $12,500.00.

(NOTE.—My residence in the 34th District is a rented apartment at 2123 East Avenue in the Town of Brigton, New York, in which I have no ownership interest.)

3. Common Stocks (all owned jointly with Marjorie Horton):

(a) 10 shares of Eastman Kodak Company stock, valued in April 1975 at $103.50 per share, total value, $1,035.00.

(b) 10 shares of Xerox Corporation stock, valued in April 1975 at $74.38 per share, total value $743.80.

(c) 10 shares of Rochester Community Baseball, Inc., stock, valued in April 1975 at $5 per share, total value $50.00.

4. Automobiles:

(a) 1973 Buick valued in April 1975 by a Washington area Buick dealer at $3,100.00.

(b) 1972 Buick valued in April 1975 by the same dealer at $2,550.00.

5. Other assets:

(a) I am owed $34,700.00 by the partnership of Johnson, Reif and Mullan law firm as the proceeds for my sale to (them) of shares of stock in Blackacre, Inc., a Rochester, New York real estate corporation which owns the building at 47 S. Fitzhugh Street in which the law firm of Johnson, Reif and Mullan has its offices. I ceased all active practice of law at the time of my election to the Congress in 1962, and I am no longer affiliated with this or any other law firm. I no longer hold any stock in Blackacre, Inc.

(b) Not included in this statement of assets are such miscellaneous items as clothing and household furnishings, and cash value of life insurance, which have not been appraised and all of which are within the normal range of expectation for a man of my age and income.

D. Personal debts

(NOTE.—Mortgage liabilities for home and cottage are disclosed under C.1. assets summary.)

1. I owe $5,000.00 on a loan account with the National Bank of Washington, Washington, D.C.

2. I owe $800.00 to Blackacre, Inc., as part of the purchase price of stock in Blackacre, Inc., which I have since sold.

Except for the assets shown as jointly owned by my wife and me, Mrs. Horton has no assets of her own and no independent sources of income.

II. OFFICIAL EXPENSES AND REIMBURSEMENTS CONNECTED WITH MY DUTIES AS A U.S. CONGRESSMAN

(NOTE.—With the single exception of the Stationery Allowance, any unused portion of which is taxable to a Congressman as income, none of the other accounts accrue any personal benefit to a Congressman or to members of his staff.)

A. Office accounts

1. In 1974, each Congressman was authorized a Stationary Allowance of $6,500.00 for office use. I expended the entire amount and deposited additional personal funds to make up the difference between this amount and the amount needed for the operations of my Washington, Rochester and Wayne County offices. At the end of 1974, this account showed a debit balance of $460.0[illegible], which was carried over to my 1975 Stationery Allowance.

2. Each Congressman was authorized a postage allowance of $1,140.00 in stamps for the year, of which I withdrew the full amount, some of which was carried over for use in 1975.

3. Each Congressman is permitted an actual transportation expense (auto mileage or air fare) reimbursement for 19 round trips to his home district per year. I claimed reimbursement for all of these trips, at a total reimbursement of $1,990.64. In addition to these 19 trips, I made 15 additional trips to the 34th District at my own personal expense. Transportation expenses for these additional trips, car rental for all air trips, plus meals and other expenses for all trips are not reimbursed by the government and amounted to personal travel expenses of $5,815.43 for me in 1974.

4. The staff of each Congressman is allowed a *total* of three government-reimbursed round trips to the home district per year. As in the case of the Congressman, the reimbursement is limited to actual transportation expense (auto mileage or air fare). Meals, lodging and other expenses are not reimbursed. Similarly, there is no reimbursement for mileage expenses of staff members or Congressmen who travel within the Congressional District on official business. In 1974, all three reimbursed trips were utilized by my Administrative Assistance, for a total reimbursement of $289.08. He made six additional trips to the District at his personal expense in 1974, and other members of my staff traveled to the Rochester area less frequently either at my expense or at personal expense. I believe that personal contacts with government officials and constituent groups in my District by professional staff members contribute a great deal to the quality of my service and representation. However, this practice has had to be carried out at considerable expense to myself and members of my staff.

5. Each Congressman was permitted 16 staff positions and a total annual staff salary allowance of $196,683.00 in 1974. The number is uneven because one change was made in this allotment during the calendar year. I utilized a total of $190,829.78 from this amount, with the balance of $5,853.22 reverting to the U.S. Treasury. I currently employ 12 full-time and two part-time staff members, with eight of the full-time people serving in Washington, and the remainder in my District Offices.

6. Each Congressman was authorized a telephone and telegraph allowance of 100,000 message units in 1974. Unused message units may be carried over from one year to the next. I used 72,352 telephone message units in 1974, and 1,552 telegraph units for a total of 73,904 units used. All units used were for official communication by myself or my staff and the bulk of them were consumed in communications to constituents in Monroe and Wayne Counties about federal matters affecting the 34th District.

7. Each Congressman was permitted reimbursement up to $4,200.00 in 1974 for the rental of space for District Offices. Since my Rochester office is in the Federal Building, and my Wayne County office is in the County Office Building, I did not claim any portion of this amount. Thus, $4,200.00 reverted to the U.S. Treasury.

8. Each Congressman was permitted reimbursement up to $2,000.00 for District Office Expenses in 1974. Since my District Office expenses exceeded this amount, I claimed the full $2,000.00.

9. Each Congressman was permitted reimbursement up to $2,400.00 for District Office telephone expenses in 1974. Although my actual District Office telephone expenses exceeded this annual figure, variations in these expenses from one quarter of the year to another enabled me to claim only $1,616.27 of this amount. All of these reimbursements are applied to the payment of monthly bills to my office from the U.S. General Services Administration, which operates the phone service in the Rochester Federal Building. There is no phone service in my Wayne County office. From this account, $783.73 reverted to the U.S. Treasury.

B. Official expenses met personally

Out of my personal income in 1974, I expended $8,682.01 for official expenses above and beyond the amounts of reimbursements I received from accounts listed above. These official expenses met with personal funds were properly deducted from my Federal and New York State taxable income.

Summary:

Total allowances (not including telephone units)	$215,202.72
Total expended	−204,365.77
Returned to U.S. Treasury	10,836.59
Official expenses met personally (not reimbursed)	8,682.01

III. POLITICAL AND CAMPAIGN FINANCES

A. It has been my practice neither to accept nor expend any monies personally for campaign purposes. All campaign contributions for my re-election campaigns have been received and expended by one of two campaign committees which have been organized for this purpose.

1. The Committee for the Re-Election of Congressman Frank Horton was reorganized in 1972 for the purpose of that year's Congressional election campaign. Its treasurer is David Lang, a Rochester CPA with Price,

Waterhouse. The Committee has submitted all required disclosure reports to the Clerk of the House of Representatives (Washington, D.C. 20515) and with the Secretary of State in Albany, New York, as required under Federal campaign finance disclosure laws. These reports are available for public inspection at these offices.

Summary of the committee's finances in 1974:

Cash on hand, January 1, 1974	$1,236.02
Total receipts	68,438.70
Total expenditures	68,207.04
Cash on hand, December 31, 1974	1,467.68

2. The Citizens Committee to Re-Elect Congressman Frank Horton was also reorganized in 1972, with Matthew Fairbanks, M.D. of Honeoye Falls, New York as its Treasurer. It has also filed all required reports with the two offices listed above, which are available for public inspection. This Committee was dissolved in June 1974 with its assets transferred to the Lang Committee (above).

(NOTE.—None of the funds in these committees are subject to my personal control.)

B. Each Republican Congressman was allowed $2,000.00 by the National Republican Congressional Committee for use to defray public information expenditures in 1974. I utilized the full amount for purposes such as the production of public service radio and television broadcasts, photographic services and other public information expenses related to my duties as a Member of Congress.

IV. AFFILIATIONS

I hold no directorships or partnerships in any professional or corporate profit-making entity, except I do serve as a director of Rochester Community Baseball, Inc., which I served as President prior to my election to Congress in 1962.

I also serve on the board of the Genessee Valley Arts Center, Inc. I receive no fees or expenses for membership or service from any of these organizations.

In addition, I serve on advisory boards of the Center for Migrant Studies at the SUNY College at Geneseo, of SOHI, a non-profit group which promotes investments in low and moderate income housing projects around the country, and of a group called Citizens for Decent Literature. These are relatively inactive, honorary positions in which I serve without fee. I am also a dues-paying member of a large number of Rochester area civic, masonic and community organizations, a list of which I would gladly provide upon request.

In my official capacity as a Member of Congress, I serve as Ranking Minority Member, House Committee on Government Operations, and Member, Joint Committee on Atomic Energy.

I made no trips aboard at government expense or otherwise in 1974.

V. CONGRESSIONAL PAPERS

In 1967, I selected the University of Rochester as the repository for all of the files and papers resulting from my service in the Congress. In that year, I executed a document making a gift to the University of my Congressional papers then in existence as well as those that would result from further years of service as a Congressman. A substantial portion of my papers, from my first 12 years in the House are already filed at the University. At the time of this gift, University officials brough to my attention the availability of a tax deduction for the appraisal of these papers. Because much of the paper itself as well as much of the staff work which created the files was properly paid for by the government, through stationery and staff allowances, I declined the opportunity to take any tax deduction for this gift. In fact, I declined to have the papers appraised.

Therefore, the gift of my Congressional papers to the University of Rochester did not result and will not result in any tax or financial benefit to me whatsoever.

(Prepared as of April 18, 1974).

ADDITIONAL SUPPORT FOR H.R. 4622, THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT OF 1975

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HEINZ. Mr. Speaker, for the benefit of my colleagues in the House, I am including for the RECORD some additional samples of the type of support H.R. 4622 has received since I introduced it on March 11, 1975:

[From the Washington Post, Mar. 12, 1975]

RAILROAD JOB PLAN IS URGED

(By William H. Jones)

A $2.5 billion public works program to help rebuild the nation's deteriorating railroad system was proposed yesterday on Capitol Hill.

Rep. H. John Heinz (R.-Pa.), who introduced the legislation on behalf of a bipartisan group of House members, said more than 50,000 persons could be put to work annually under the program.

The federal government would spend $500 million in the fiscal year ending June 30, plus $1 billion in each of the next two years, to pay for salaries and materials necessary to upgrade thousands of miles of dilapidated tracks and yards.

Sen. James L. Buckley (Cons.-N.Y.), meanwhile, introduced a somewhat different plan to accomplish the same goal. Buckley proposed drawing $500 million from existing public works plans to pay salaries of rail improvement workers. The money would be coupled with government guarantees for $2 billion of loans to railroad companies to buy materials.

A groundswell of support for some sort of track improvement is building in both the House and Senate. The two houses were unable to reach agreement on a $2 billion loan plan last year despite agreement in principle on the need for capital improvements.

Since then, the rail system has deteriorated further—with thousands of miles of track so unsafe that trains must operate at 10 miles an hour or less. During that time, the nation's unemployment rate has soared to a post-Depression high of 8.2 per cent.

A Ford administration official, acting Federal Railroad Administrator Asaph Hall, expressed support yesterday for the Heinz legislation, which was co-sponsored initially by Reps. James F. Hastings (R.-N.Y.) and Joe Skubitz (R-Kans.).

Spokesmen for organized labor and railroad management also endorsed the program, which was suggested first by a large rail shipper, James V. Springrose, vice president for transportation of Cargill, Inc., a Minneapolis-based firm.

"Government improvements in the rail system will come about anyway." Springrose said in a telephone interview yesterday. "Let's use these public works funds where they'll be most productive . . . from the standpoint of long-term efficiency for the American economy."

Of slightly more than 200,000 miles of railroad track in the U.S., an estimated 20-to-45 per cent is operated under some type of slow order, with the degree of deferred maintenance varying from railroad to railroad. The overall cost of needed track improvements is estimated at $3-to-$5 billion.

Heinz said yesterday the unemployment and railroad problems "are interrelated in ways that suggest to me it's time to set forth new priorities in Congress . . . In the Northeast we're looking at the probable abandonment of railroads. In the West we see deferred maintenance today that could lead to abandonment tomorrow."

Under the House legislation, furloughed rail workers—currently more than 25,000 are out of jobs because of recession cutbacks—would be put at work first, followed by people on state unemployment rolls.

RAILWAY LABOR
EXECUTIVES' ASSOCIATION,
Washington, D.C., April 4, 1975.

Hon. FRED B. ROONEY,
Chairman, Subcommittee on Transportation and Commerce, 2301 Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ROONEY: There are several legislative measures designed to stimulate our distressed economy by providing jobs for the unemployed with the use of Federal funds. Among these are proposals to accomplish the dual objectives of providing productive employment while undertaking the essential task of rehabilitating the railroads' tracks and roadbeds.

While we are not committed to any specific bill, railway labor joins with the industry in wholehearted endorsement of this type program. Enclosed is copy of a joint memorandum reflecting our position.

Long before the current recession set in it became obvious that massive Federal assistance would be required if the railroad industry is to perform its role in providing the efficient, reliable transportation service for the American public which they must have in the years immediately ahead.

We respectfully urge that you schedule hearings on this matter at the earliest possible date so that we may take advantage of the good weather season during which the bulk of such work is normally performed. Since your schedule for hearings is set through May, we suggest that if you cannot arrange for hearings at an earlier date, railway labor would be willing to have this matter handled during the period now set for the Railroad Safety and Hazardous Material Acts.

Sincerely yours,
C. J. CHAMBERLAIN, *Chairman.*

BROTHERHOOD OF
MAINTENANCE OF WAY EMPLOYEES,
Detroit, Mich., April 11, 1975.

Hon. FRED B. ROONEY,
Chairman, Subcommittee on Transportation and Commerce, 2301 Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ROONEY: As you know, President Stephen Ailes, of the Association of American Railroads, and I have been working closely with Congressman John Heinz in support of his Railroad Rights-of-Way Improvement Act of 1975, identified as H.R. 4622.

It has come to my attention that you, as Chairman of the Subcommittee on Transportation and Commerce, have indicated that you are willing to schedule hearings and mark-up on this emergency railroad legislation after May 16.

Congressman Heinz, in his letter of March 28, 1975, has set forth to you valid reasons why he feels these hearings should begin on April 15, if at all possible. He further states in discussing the matter with you that you felt it was possible to amend the schedule to begin these hearings at an early date, provided there was joint support from labor and management for these advance hearings.

I strongly concur with the reasons Con-

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gressman Heinz has set forth in his letter to you. Aside from the fact that it is imperative that work begin immediately on rehabilitating the roadbeds, this program must start at an early date to reach the effectiveness desired.

In view of all the above, I personally would appreciate your serious consideration in scheduling these hearings and mark-up on H.R. 4622 as close to April 15 as possible.

Sincerely yours,

H. C. CROTTY, *President*.

AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES,
Washington, D.C., April 16, 1975.

Hon. FRED ROONEY,
Chairman, Subcommittee on Transportation, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to you on behalf of the American Federation of State, County, and Municipal Employees, AFL–CIO. I am writing to urge you to schedule hearings and Subcommittee action as soon as possible on legislation to upgrade the tracks of the nation's railroads.

In a time of economic recession, such as this, we believe that improvement of the country's mass transit system and the creation of jobs are critical and long overdue. The passage of this type of legislation would provide an alternative to the automobile, reduce our dependency on foreign oil, and provide work for many thousands of maintenance employees.

We urge your serious and prompt consideration of this legislation and we thank you in advance for your prompt attention to this matter.

If you have any questions regarding this matter, please feel free to contact me.

Sincerely,

MARTIN J. GLEASON,
Director of Legislation.

[From the Wall Street Journal, Apr. 15, 1975]

JOB SUBSIDIES TO REBUILD RAIL TRACKS DRAW UNION, CARRIER SUPPORT

Congress considers several proposals to hire thousands of jobless workers to rebuild tracks. Fourteen Senators back a plan to spend $300 million for 20,000 jobs in fiscal 1975. A broader measure sponsored by Rep. Heinz (R., Pa.) would hire 50,000 persons and cost $2.5 billion through fiscal 1977. The Transportation Department is drafting its own version of such a measure.

The idea draws broad industry backing. "We're very sympathetic," says the chairman of the Chicago, Milwaukee, St. Paul & Pacific. The president of the Chicago & North Western says such spending "would be as productive as any place we can think of." The key union involved—the Brotherhood of Maintenance of Way Employes—also endorses the plans, but insists that furloughed railroad workers get priority in filling the proposed jobs.

Industry historians note that public works spending helped rebuild much of the Pennsylvania Railroad in the 1930s.

HOUSE OF REPRESENTATIVES—*Wednesday, April 30, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He hath showed thee, O man, what is good; and what doth the Lord require of thee, but to do justly, to love mercy, and to walk humbly with thy God.—Micah 6: 8.

Our Father, in this hallowed moment of prayer we bow before Thee and in all sincerity and truth lift our spirits unto Thee unto whom all hearts are open, all desires known and from whom no secrets are hid. Cleanse Thou the thoughts of our hearts by the inspiration of Thy Holy Spirit that we may more perfectly love Thee and more worthily walk in Thy ways among the people on our planet.

As we go forward in this decisive day we pray that Thy Spirit may heal our divisions, strengthen our unity and make us one in purpose that our strength may be used for good and for the good of all. May we be among those who do justly, love mercy and walk humbly with Thee.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on April 24, 1975, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 375. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1529. An act to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools; and

S. 1542. An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

The message also announced that the President pro tempore, pursuant to Public Law 93–568, appointed Mr. JAVITS as a member, on the part of the Senate, of the Advisory Committee to the White House Conference on Library and Information Services.

EULOGIES TO THE LATE HON. JOHN C. KLUCZYNSKI, OF ILLINOIS, AND HON. JERRY L. PETTIS, OF CALIFORNIA

Mr. HAYS of Ohio. Mr. Speaker, this announcement is to advise the membership that the closing date for printing the eulogies and encomiums to the late Representative John C. Kluczynski, of Illinois, and Representative Jerry L. Pettis, of California, has been set for Friday, May 9, 1975. All copy for insertion must be submitted before this cutoff date so as to be included in the final publication of their compendiums of eulogies.

COMMUNICATION FROM THE MINORITY DOORKEEPER

The SPEAKER laid before the House the following communication from the Minority Doorkeeper:

Hon. CARL ALBERT,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: After twenty-nine years of service in the Congress of the United States, I have decided to leave the hallowed halls of our great Capitol for a life of leisure in retirement.

Please accept my resignation effective at the close of business on April 30, 1975.

It has been a great privilege and a high personal honor to have served the House of Representatives and you as one of the elected Minority officers of the House. One of the rewards of my position has been to know great, unusual, remarkable, and gifted men and women serving their country. I have had many rewards based on that standard and have enjoyed just being associated with such great statesmen and public servants.

The people I have known in the House of Representatives will forever hold a special place in my affections. I have benefited greatly by the wise counsel and friendship of the many Members I have known over these years. I am humbled by the thought of the greatness of such individuals. Thank you for affording me the opportunity to be a very small part of the government process for the United States of America.

Sincerely,

WILLIAM R. BONSELL,
Minority Doorkeeper.

FAREWELL TO MINORITY DOORKEEPER BILL BONSELL

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am sure my colleagues on both sides of the aisle will join me in wishing a fond farewell to our retiring minority doorkeeper, Bill Bonsell. There are many things that make service in the Congress pleasant and one of these is the outstanding officers of the House such as Bill Bonsell.

While my contact with Bill has not been as close as my Republican colleagues, I have enjoyed my association with him and always found Bill to be a man of immense capabilities and a profound sense of duty to the House of Representatives. His 29 years of service have always reflected credit on this body.

In between his gardening activities and extended fishing trips, I hope Bill will find time to visit with us often. He will always be welcome. Thank you, Bill, for a job well done and best wishes for a relaxing and enjoyable retirement.

Mr. McFALL. Mr. Speaker, I want to join with my colleagues on both sides of the aisle in expressing my appreciation for William R. Bonsell—our friend, Bill Bonsell—who concludes 29 years of devoted service to the Congress today.

He can be proud of his record of achievement here in the House which he has served as an elected Republican officer for the past 22 years. All Members, regardless of party, have been the beneficiaries of his service. Throughout his long and distinguished career, he has been one of those key staff members who have made it all work.

We have known Bill for the last 20 years as the minority Doorkeeper. He was, immediately preceding, the Sergeant at Arms of the House for the 83d Congress, and he earlier served as assistant bill clerk of the House and a staff member of the Senate Committee on Appropriations.

Bill is a native of the State of Pennsylvania, a combat veteran of World War II, and a devoted husband and father.

I want to wish Bill and Mrs. Bonsell and their four children all good wishes for the future—for the "life of leisure in retirement" that Bill looks forward to now and whatever else he may choose.

Mr. RHODES. Mr. Speaker, at its meeting on Tuesday, the House Republican Conference adopted a resolution of commendation recognizing the long and outstanding service of one of our floor assistants, William R. Bonsell, who is retiring today after more than two decades here in the House. This is a well-deserved and heartfelt tribute from our membership, which has benefited from the dedication Bill Bonsell put into performing his many and varied duties. The conference resolution reads:

COMMENDATION

Whereas: William Richard Bonsell is retiring from Congressional Service on May 1, 1975, and

Whereas: We, the members of the House Republican Conference, wish to express our deep appreciation for the outstanding service he has given us during his twenty-one years as Floor Assistant and Minority nominee for Doorkeeper,

Now therefore: This assembly does hereby commend Bill Bonsell highly for the proficiency he has shown and for his dedication to the Republican Party and our Membership, and

We do hereby extend our very best wishes for a long, and happy retirement.

Dated this 29th Day of April, 1975.

JACK EDWARDS,
Secretary House Republican Conference.
JOHN B. ANDERSON,
Chairman House Republican Conference.

It is with mixed feelings that we take this opportunity to commend Bill Bonsell, and to thank him for making service of the Congress his career. He has earned the respect and friendship of Members on both sides of the aisle through 21 years in the House. I know that my colleagues join me in expressing our appreciation, and extending our very best wishes in whatever endeavor he embarks on for the future.

GENERAL LEAVE

Mr. MITCHELL of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and pay tribute to the service retirement of our esteemed minority staff assistant, William Bonsell.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMERICAN HEROES IN VIETNAM

(Mr. MAHON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, according to reports, two U.S. Marines lost their lives at the Saigon Airport on Monday, and yesterday two other Marines were killed in a helicopter crash in connection with the evacuation from Saigon to a Navy ship.

Mr. Speaker, these Marines are heroes in my book, and deserve the gratitude and appreciation of the American people. Moreover, Mr. Speaker, all Americans who gave their lives in Southeast Asia are heroes. They fought for their country, and they deserve the same honor that our heroes of the past have deserved. I wish to pay tribute to them.

This country must not forget those who sacrificed life or limb in serving their country in Southeast Asia. They are Americans who came when called and served their country well.

If there is blame for the handling of our problem in Southeast Asia—and there is blame—the blame cannot be placed upon those of whom I speak today.

PERMISSION FOR COMMITTEE ON JUDICIARY TO SIT DURING PROCEEDINGS UNDER 5-MINUTE RULE ON THURSDAY, MAY 1, 1975

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on Thursday, May 1, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NUCLEAR POWER PROGRAM BRIEFINGS

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, the Joint Committee's Subcommittee on Review of the National Breeder Reactor Program began a series of briefings on Tuesday of this week and heard from Dr. Gerry Tape on the historical background of the civilian nuclear power program and from Mr. E. R. Johnson on the characteristics of the uranium fuel cycle. I will include a summary of the presentations which were heard from those speakers in the Extensions of Remarks in today's RECORD.

Tomorrow, May 1, the subcommittee will convene at 2 p.m. for a second briefing session during which we will hear a description of the basic nuclear reactor types by Dr. E. Linn Draper and a description of the uranium enriching process and plutonium recycle by Mr. George Quinn.

I would like to publicly acknowledge the fine presentations given by Dr. Tape and Mr. Johnson. The material was excellent and subcommittee members in attendance had the opportunity to question the speakers on matters of special interest to them. I was particularly pleased that the following members of the subcommittee participated in yesterday's briefing session: Congressman TENO RONCALIO, Congressman FRANK HORTON, Congressman ANDREW HINSHAW, Senator HOWARD BAKER, and Senator CLIFFORD CASE.

NO MORE VIETNAMS

(Ms. ABZUG asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. ABZUG. Mr. Speaker, it is hard to believe that after so many years, the war in Vietnam is really ended. The President asks that there be no recrimination and indeed, recrimination is useless: It will not bring back lost lives or ill-spent billions. However, I believe it is essential to ask ourselves, how can we prevent such a war from ever happening again?

First, it is a good sign that the American people have become increasingly vocal about their opposition to intervention in the affairs of other nations. At every step, public opinion played a decisive role in the pull-out from Vietnam and Cambodia. Without such expression we might still be conducting secret bombings.

Exposure of CIA activities in attempting to overthrow other governments is receiving very careful scrutiny. Our people are overwhelmingly opposed to such tactics and are strongly expressing this opposition.

Second, the Congress is taking a firmer hand in restraining executive action. The seven legislative prohibitions against further military involvement in Indochina were hopeful signs—although we must note that a good many Members were ready to repeal these prohibitions, during the evacuation process. We must be prepared, next time, to keep a firm rein on the executive. The evacuation of Americans from both Vietnam and Cambodia shows that our citizens' lives can be protected without expanding Presidential powers.

Third, Americans have once more shown themselves to be compassionate people, desirous of aiding those in need. We are about to give generous humanitarian aid to the war's victims. Whether or not we agree with their governments, we must accept the fact that all are human beings, in need of food, shelter and medicine.

But I hope that next time we can combine that compassion with foresight, before we bolster unpopular governments. Perhaps we can act in time to prevent the horrors of war, rather than trying to bind the wounds of its victims.

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These are my hopes for the post-Vietnam era, and I will try to turn them into realities.

HOUSE RESOLUTION 428, CONTINUATION OF PAY FOR COMMITTEE STAFFS

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 428 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 428

Resolved, That (a) there shall be paid out of the contingent fund of the House of Representatives for the period beginning May 1, 1975, and ending at the close of May 31, 1975, such additional sums as may be necessary for the continuance of the same necessary projects, activities, operations, and services by contract or otherwise (including payment of staff salaries for services performed), and the accomplishment of the same necessary purposes, undertaken by each standing or select committee, subcommittee, or force of the House in the calendar year 1974 on the same basis and at not to exceed the same rates utilized in 1974 which have not been previously provided funds for the First Session of the 94th Congress by a primary expense or other resolution of the House.

(b) Payments of salary for services performed in the period beginning May 1, 1975, and ending at the close of May 31, 1975, shall be made to each person—

(1) who, on January 2, 1975, was employed by a standing or select committee in the Ninety-third Congress and whose salary was paid under authority of a House resolution adopted in such Congress; or

(2) who was appointed after January 2, 1975, to fill a vacancy, existing on or occurring after such date, in a position created under authority of such House resolution, if any such person employed as described in paragraph (1) or appointed as described in paragraph (2) or is certified by the chairman of the committee involved as performing such services for such committee during such period.

(c) Salaries authorized to be paid under subsection (b) shall be paid to persons certified under subsection (b)—

(1) at a rate not to exceed the rate any such person was receiving on January 2, 1975;

(2) in the case of a person appointed after January 2, 1975, to fill a vacancy described in subsection (b)(2), at a rate not to exceed the rate applicable on January 2, 1975, to the vacant position; or

(3) in the case of a person appointed to fill a new position established by the amendments made by the Committee Reform Amendments of 1974 (H. Res. 988, Ninety-third Congress, adopted October 8, 1974), at a rate fixed by the chairman of the committee involved, which does not exceed the highest rate of basic pay, as in effect on the date of such appointment, of level V of Executive Schedule in section 5316 of title 5, United States Code.

Sec. 2. Regulations established by the Committee on House Administration under section 4 shall take into account any change in the jurisdiction or status of any standing committee of the House which was in existence as a standing committee during the Ninety-third Congress, or of any select committee of the House which was in existence as a select committee duing the Ninety-third Congress.

Sec. 3. There shall be paid out of the contingent fund of the House of Representatives for the period beginning May 1, 1975, and ending at the close of May 31, 1975, such sums as may be necessary for the operation during such period of any standing committee which was not in existence as a standing committee on the first day of the second session of the Ninety-third Congress, or of any select committee which was not in existence as a select committee on the first day of the second session of the Ninety-third Congress.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with law.

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio (Mr. Hays)?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, this is a continuing resolution to provide contingent funds to continue the functions of the pension task force of the Committee on Education and Labor for the month of May.

The resolution was agreed to.

A motion to consider was laid on the table.

FIR3T ANNUAL REPORT OF NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and the Committee on International Relations:

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Voluntary Service Advisory Council as required by section 405 of the Domestic Volunteer Service Act of 1973.

Gerald R. Ford.

The White House, *April 30, 1975.*

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. ROSE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 383 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 383

Resolved, That (a) the Committee on House Administration is authorized to incur such further expenses (not in excess of $3,700,000) as the committee considers advisable to provide for maintenance and improvement of ongoing computer services for the House of Representatives and for the investigation of additional computer services for the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise.

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

(b) Not to exceed $450,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $15,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ROSE (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record at this point.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I wonder if the gentleman will give us some explanation as to what he is doing.

Mr. ROSE. If the gentleman will yield, I will be happy to say that this resolution provides for the funding of House Information Services for the year 1975.

Mr. Speaker, House Information Services is an organization within this Congress that provides computer services to Members, computer services to committees, and computer services to the administration of this House. The computer services that we now provide include the bill status system, the record voting system in this particular body, as well as numerous other services to committees and to Members individually.

We were confronted with requests of $4.8 million this year which, under the direction of our new Subcommitee on Computers, we cut to $3.7 million.

I can assure the gentleman from Maryland (Mr. Bauman) that we will be holding hearings all year to weed out unnecessary services from the House Information Services and to provide new ones that will be cost effective and meaningful to this body.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. SYMMS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 164]

Anderson, Ill.
Andrews, N.C.
Ashley
Barrett
Bergland
Biaggi
Boggs
Breckinridge
Brown, Calif.
Brown, Ohio
Burke, Calif.
Cederberg
Chappell
Chisholm
Cohen
Conable
Corman
Crane
Dellums
Devine
Diggs
Dodd
Edwards, Ala.
Eshleman
Flood
Foley
Ford, Tenn.
Forsythe
Fraser
Frey
Gonzalez
Hannaford
Hansen
Harsha
Hébert
Holtzman
Jeffords
Jones, Ala.
McKinney
Michel
Milford
Mills
Moakley
Mollohan
Mosher
Murphy, N.Y.
O'Hara
O'Neill
Quillen
Rhodes
Ruppe
Russo
Scheuer
Schneebeli
Shriver
Simon
Skubitz
Steiger, Ariz.
Sullivan
Teague
Treen
Udall
Vander Jagt
Vanik
Waxman
Young, Fla.

The SPEAKER. On this rollcall, 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, pursuant to section 305(a), title 3, Public Law 93–344 of the Congressional Budget Act of 1974, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 218, setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

GENERAL LEAVE

Mr. Speaker, pending that motion, I ask unanimous consent that all Members be allowed to revise and extend their remarks and include extraneous matter during the consideration of House Concurrent Resolution 218.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, with Mr. Bolling in the chair.

The Clerk read the title of the House concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN. Pursuant to section 305(a), title 3, Public Law 93–344, of the Congressional Budget Act of 1974, the gentleman from Washington (Mr. Adams) will be recognized for 5 hours and the gentleman from Ohio (Mr. Latta) will be recognized for 5 hours.

The Chair recognizes the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the Budget Committee has worked long and hard to produce this resolution in order to provide the House with an opportunity this year to make certain vital fiscal policy and priority determinations. I might state that the job has been anything but simple.

For various reasons, the committee was unable to organize until February. Immediately after the recess, the committee held hearings and proceeded immediately to mark up. All of this was accomplished even though the staff was not complete and the Congressional Budget Office was not yet in existence. Lacking the time and the analytical support necessary to dissect the budget on an item-by-item and program-by-program basis, the committee relied heavily on the House itself for the creation of this resolution.

The building blocks of our budget resolution were as follows:

A. The actions the House had already taken.

B. The March 15 report of authorizing committees and the Appropriations Commitee to the Budget Committee.

C. Directions that the House had received from the House leadership.

D. Finally, the committee's own judgment on programs and fiscal policy for the fiscal year, 1976.

Foreseeing the Nation's developing economic crisis, the Budget Committee attempted to produce a counter-recessionary plan by providing spending authority for nearly every stimulative program that had been passed by a House committee, passed by the House, or recommended by the House leadership.

In making these programs mesh, the committee found a certain degree of overlap and certain proposed stimulus that could not be translated into real stimulus in fiscal year 1976. These overlaps have been eliminated from the proposed target.

I want to say that I believe the House has performed very well. I think that our efforts will be successful in building a budget that is responsive to the Nation's needs.

I rise in strong support of House Concurrent Resolution 218, which is the first budget resolution for fiscal year 1976. Its adoption will mark an important milestone in Congress effort to regain control over spending.

Before discussing the importance of this resolution, I would like to commend all the members of the Budget Committee for their contributions to the resolution. I commend the staff for their untiring efforts in trying to be certain that we met the deadlines of the statute.

In addition, I would like to express my personal thanks to the ranking member of the committee, the gentleman from Ohio (Mr. Latta) for his cooperation, not only with respect to the resolution, but with regard to organizing the committee and seeing to it that the committee functioned and met its deadlines.

I would like also to publicly acknowledge the efforts of the gentleman from Oregon (Mr. Ullman) and the distinguished minority leader, the gentleman from Arizona (Mr. Rhodes), who worked so hard late last year to organize a staff so that we might be ready to meet the act's deadlines this year.

I would like to discuss three aspects of this resolution. First, the nature and purpose of the resolution and the role it plays in the congressional budget process; second, its economic objectives; and third, its overall importance to Congress efforts to regain control of the Federal spending policy.

I would like to state immediately and unequivocally to my friends on this side of the aisle, the minority side, that I understand that any type of resolution with any type of deficit is going to meet with objections from many Members on that side of the aisle. To my friends on this side, the majority side, I understand that any resolution that is presented, to many of them, is not going to be of sufficient size to cover the programs that we all want. So, we are between two very hard points. I understand that.

I plead with Members for this: That after we have considered this process and the amendments have been made to this resolution, I plead with Members to support this resolution as it is finally acted upon as the will of the House; because absent that, we will have failed after so many statements in the press and among ourselves that we want to control Federal spending and be involved in the process; we as an institution will have failed to accept our responsibility and we will be left in this position: we will have only the President's budget before us, and the various fragmentary indications from the committee chairmen as to what they believe the Congress will do.

The difference between these two positions, as originally stated, would be this: a $51.9 billion deficit under the President's proposal, and a $100 billion deficit as proposed by the various committees. The proposal that we have presented, I think, is a rational one. The Members will find, as the debate continues, that it is very close to the President's own budget, as revised by him.

The Members will find that it is about $30 billion below what has been indicated by the various committee chairmen as potential spending. So if the Members want a rational process, I urge them to vote these targets so that they will know, as Members of the House of Representatives, where they are with the budget this year and what kind of a deficit they will finally face this year.

I say this because, my colleagues, I can tell you this: At the end of this calendar year, after we have adopted programs for the year and the Congress has finally finished its work on appropriations and on authorizations, we cannot run away from the deficit figure that will exist. Far better that we control our own destiny and know what it is than to end up in March or April being told that we have created a deficit of enormous size, and with no Member knowing what that deficit would be until it is reported by the administration to us. So, I urge that at the end of this process, that we must pass a resolution.

As will appear in my colloquy at the end of these remarks, when I address a parliamentary inquiry to the Chair, this is a macroeconomic resolution; but we are asking those who offer amendments to explain, not as a part of their amendment but in their presentation, what they expect money to be spent for or not to be spent for.

The reason for that is so that, when we finish with this resolution, we will have a rational report that can be crosswalked back to the authorizing and appropriating committees; and we can then tell them what the House, generally, has proposed.

Next year we will have the 16 functional categories, which appear in the chart on my left, incorporated into the resolution, and they will be subject to amendment or change as individual items. We simply could not do that this year because we did not have the current services budget from the administration, which will come in on November 10 of this year. Nor did the authorizing committees and appropriating committees of the House have the time to fully report to us what they expect to spend in each of these categories.

The Budget Committee, immediately after the completion of action on this resolution, will be working on the structure of the functional categories. I urge Members who are interested in this to give us their views. It may be that some will not want to use the administration's functional categories, which is what we used this year. Members may want a different breakdown. We may have hearings on this subject so that we can know what type of proposal to bring to the House floor next year.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Do the remarks of the gentleman mean, then, that the committee has decided that these present functional categories, which are listed in both the report and are shown here in the charts before us, is not necessarily the way they will be categorized eventually in 1977?

Mr. ADAMS. That is correct. But for fiscal year 1976 we will use this. For fiscal year 1977, in the budget resolution to be presented in the spring of next year, the committee will make a recommendation as to what functional categories should be used. It may be that these will be the ones decided upon. But that decision has not as yet been finally determined.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman.

Mr. ADAMS. I will now go to the objectives of this resolution. I will be very brief because I know this will be brought out in detail during the debate.

We have suggested revenues of $295 billion. This is the figure that, basically, reflect the administration's estimate, plus the position of the Committee on Ways and Means, and what our staff and our committee developed as to what would actually happen. It does not include any additional gasoline tax. It assumes that the Tax Reduction Act of 1975 will be extended to the end of the fiscal year 1976. If that were not done, there would be $4.4 billion more in revenues in the committee's figure.

We have tried to make this an accurate figure. So far as I know, the figure is considered to be accurate. If the economic slump should continue or become deeper, yes, the revenues will decrease. But this is our best estimate.

In budget authority, which is listed on this chart, the total of the 16 is at $395.6 billion. That is translated to an outlay figure of $368.2 billion in the resolution.

The outlay figure is very important. It is usually not considered by the House, since we usually deal with budget authority; but the outlay figure is simply what is expected to be spent from the amount that has been previously appropriated or is authorized as budget authority.

The CHAIRMAN. The time of the gentleman from Washington (Mr. ADAMS) has expired.

Mr. ADAMS. Mr. Chairman, I yield myself 5 additional minutes.

The outlay figure is $368.2 billion. That figure is necessary in this resolution because that figure, minus receipts, gives us the deficit figure, which is required by the statute.

The Committee recommendation is at $73.2 billion. That, in turn, is translated into a public debt figure. This is basically a mechanical translation, once we arrive at a deficit number. This includes, in our resolution, $624 billion as the necessary public debt figure to cover the deficit, off-budget financing, and the presently existing debt that is also required by statute. We believe that figure is accurate in line with the other figures we have presented.

As Members offer amendments, they will have the opportunity to amend these figures. The statute provides the opportunity, after the Committee of the Whole has completed its deliberations, and if the figures do not match, for the chairman of the Budget Committee to offer an amendment to achieve mathematical consistency, which is obvious. We cannot have revenues at one figure and outlays at another figure, and have a deficit figure that does not match. If this situation were to occur we would need to offer, after returning to the whole House, an amendment for mathematical consistency. It would simply match up the figures that have been decided on by the House in the amending process.

Finally, there will be a question as to whether this deficit can be financed. The Members will find in the committee report that we have gone to bankers scattered throughout the country, 13 of them in various areas, and asked them to comment on whether or not this would crowd out the private sector. Yesterday, I put in the CONGRESSIONAL RECORD—and the Members will find it in the beginning of the CONGRESSIONAL RECORD, at pages 12121 and 12122, the estimate of the total amount of savings that we based our projection on. Please notice that I have also placed in tables of what the total demand would be if the present resolution is adopted. The Members will notice that this assumes that the monetary policy of the United States expands only moderately. In other words, we are not monetizing the debt. The reason for this is that the bankers estimate that the slack in private demand will continue through calendar year 1975. They fear pressure on the long-term interest rate but this will not happen because the increase in public debt would basically be funded originally in the short-term market.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield on that point?

Mr. ADAMS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

I have read the compilations of some 13 bank representatives who responded to the request from the committee for what would be the impact on the national economy, or the deficit.

Many of them say that they believe that that deficit can be handled. But when one goes on further to ask them what their preferences would be and/or what share of that debt they would be willing to take, they always preface it by saying, "Well, it depends on what the interest charge is," that is, what is the yield that they are able to get on Treasury bonds that are used to finance that debt. These bankers will then say further that they want to be sure that the debt instruments be of a high enough yield so that it will be competitive in their individual portfolios. The bankers will further say that at present interest rates, which are much lower, they will not take many of these instruments and they will wait until the yields are higher. In other words, they will wait until the Federal Treasury is willing to compete with the higher interest rate yield which, of course, accelerates the inflationary demand all over the country.

I ask this question: Did the gentleman's committee really pursue that problem?

Mr. ADAMS. We pursued it, not in the depth that the gentleman from California may have pursued it, but as I indicated the committee expects the debt would be financed in the short-term market.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ADAMS. Mr. Chairman, I yield myself 5 additional minutes.

One of the bases for this, and it is very important that the entire House understand it, is that if upward pressure on interest rates begins to occur we should then have a monetary policy from the Federal Reserve that makes the necessary funds available to the private sector.

That is why we tried to get the debt down below the $75 billion deficit. That is why we are trying to say in this resolution that this, we hope, will bring the economy out. If the economy is brought out of the recession, under our resolution, we do not continue to stimulate. It is a very difficult business. And I am stating it to the gentleman from California as directly as I can why we are at the point we are, and what our projections are based on.

Mr. ROUSSELOT. I appreciate the gentleman's comments. The point I wish to establish at this point—and I am sure it will be established at other points in the debate—is just because a banker says it is a potentially acceptable level to him as to their participation in taking debt securities they also add that they will not contract to buy that debt in effect unless there are good interest rates so that they can justify it in their portfolio.

The problem comes through placing the Federal Government so totally in the marketplace that presence alone contributes to driving competitive interest rates upward just by financing that $73 billion add-on deficit and Congress has then created a tremendous inflationary impact.

Mr. ADAMS. It depends entirely upon the amount of slack in the private sector demand for capital, particularly in the lending market. So that has to be very carefully watched.

Mr. ROUSSELOT. And that is not an exact science?

Mr. ADAMS. It is not an exact science.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding, and I also appreciate the concern the gentleman in the well has shown over this problem of financing the debt.

I have a real fear that, as our economy continues this process of liquidating inventories and then as the economy does turn around the demands in the private credit market for available capital by the private sector will increase as we move into late 1975 and 1976. It is at that point I think, that our worst fears will come true. At that point the public sector's demand on the private credit markets will outrun the available credit and necessitate a huge expansion of the money supply and unleash runaway inflation.

I would suggest to my colleagues that last month, as I understand the figures, the Federal Reserve increased the money supply at a rate on an annualized basis of 15 percent in order to help accommodate the bond market. We are moving into a time when long-term and short-term interest rates will not come down any further, and in fact will turn up thereby further impeding a recovery in durable and capital goods, housing, automobiles, et cetera, as well as small business people. At that point, the U.S. Government will be trying to finance the $73 billion deficit, and many billions of dollars of off-budget items.

Mr. ADAMS. This is a very dynamic business, it is not at a standstill. We will have a second resolution in September. At that point we may place a ceiling, and we may have to change the targeted amounts depending on what is happening.

The economic analysts within the United States are split in their opinion as to whether we are going to come out of the recession in the last two calendar quarters or not. I would suggest that we deal with the world as it is today, and then in September if we are having the problems that gentleman says, we may very well want to change our targeting process. In that event, we would want to have further testimony from the Committee on Banking, Currency and Housing, and from Arthur Burns of the Federal Reserve Board.

I think, as the gentleman from California said, this is not an exact science. If the Congress is going to be in the budget process, we have got to stay in it. This is just an opening round.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. I yield myself 5 additional minutes.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

I might say to the gentleman that I appreciate the fact that we will have another resolution in September and relook at this problem.

Mr. ADAMS. This is called for by the statute.

Mr. KEMP. What I am concerned about is we are setting into motion an inexorable flow of events beyond which we will not be able to recover. Without trying to preach doom, I think the real disaster will be this, a continuation of these inflation-recession cycles. We are telling the American people that we can finance $170 billion of Government borrowing over the next 18 months, in such a way as not to disrupt the private capital markets. I think we are misleading them, that there is not going to be a large expansion of the money supply and a resultant rise in inflation. We have had calls in this and the other body of the Congress for the Federal Reserve to expand at a rate of 8 percent to 10 percent. That is dangerously inflationary.

I think it has been about 4 percent for the past 4 or 5 months. Last month it went to 15 percent. We have many Members of Congress and in the Senate calling for an 8- to 10-percent growth rate irrespective of our productivity. That is going to unleash upon this Nation another round of disastrous inflation.

Mr. ADAMS. I will say to the gentleman that I hope his fears are not such that they will, one, panic people in the market now, and, two, I hope that they do not come true. I hope they do not, but, as I said, this is a dynamic business, the Congress is in it now as an institution, and I hope we do it well.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield for just one brief moment?

Mr. ADAMS. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

I think it is important that the point that the gentleman made is that we have another look at this goal setting in September and that is part of the budget control law. Hopefully, our Budget Committee will again look at this in a hard-nosed fashion in September. But is it not true that by such action we take here today we outline a general principle of the way we think the course of our Federal budget should go? That is why the debate over the issue of how much of this debt we want the treasury to put into the market place becomes an important issue?

Mr. ADAMS. Yes. I have indicated to the gentleman I think it is an important issue, but I would like to make this point to all of the Members about the process itself. In the Legislative Reorganization Act of 1946 we provided for a legislative budget recommended by a joint committee. All members of the House and Senate Appropriations, Ways and Means, and Finance Committees were on the Joint Committee. Yet in 1947, the first time the process was tried, the Congress was unable to set a budget ceiling. They simply could not agree. In 1948, they did set a ceiling, but it was ignored in the later spending decisions. Finally in 1949, Congress threw up its hands and abandoned the whole process entirely.

In 1950, the Congress tried again. It enacted an Omnibus Appropriations Act containing all the regular appropriation bills in one measure. The next year that too was abandoned.

In the Congressional Budget Act of 1974 we have been given the tools to deal with the budget as a whole. The Budget Committee has attempted to come in and give its position as to how this should be done.

So we cannot say we do not have the ability to do it. I think the question becomes: Do we want to do it? When we come to the end of consideration of the resolution, I ask the Members to consider the history. If we do not adopt anything, and some may feel that is the way they have to go, then the budget process will go the way of the budget process in the Legislative Reorganization Act of 1946 and the omnibus appropriations process of 1950.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, the implication of the dialog between the gentleman and the gentlemen from California and from New York is they seemed to be saying there will be inflation as a result of the recommendations the committee of the gentleman has made. As I understand the gentleman, that is not correct, that the bankers will not be in a position to raise interest rates simply because they want to.

If what the gentleman says is correct, there is going to be a need for their lending money at a competitive rate in the marketplace, that there has been a dropoff in the demand for private capital, and there is this $75 billion span in which we can reasonably finance this debt.

If we want to take the other premise that the other gentleman from New York took, that down the road we have to watch out for this and if we do something now inevitably we are going to have inflation, it seems to me we would not do anything at all.

We have got to do something now that is reasonable and it seems to me what the gentleman is saying is that inflation is not inevitable.

Mr. ADAMS. That is correct. We have tried to run this budget process through all the various econometric models. The economy is so slack at the present time that we can find no inflationary impact from this size deficit. In fact we cannot get movement at all because the economy is projected to be flat through the rest of this year, hopefully with an upturn in the last two quarters. This is an inexact science but we are operating based on what we know today.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I firmly support the motion to eliminate from the pending resolution that will be offered later the limitation on the increase in Federal retirement benefits it contains. As I understand the Budget Committee's recommendation, there would be a 7-percent limitation, or cap, on benefit increases under all of the Federal retirement programs through June of 1976. There would be no limitation on welfare or disability benefits, however.

Clearly the largest number of people affected by the Budget Committee's recommendation are elderly social security beneficiaries for whom I have a particular responsibility as chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

Mr. Chairman, I think it is totally unrealistic to even expect that the ceiling on the cost-of-living social security increases could be adopted at this time. For one thing, it is not a simple matter to raise the social security payments of all beneficiaries even by a uniform percentage increase. I have had some disagreement with the Social Security Administration in the past concerning the amount of time that is required to implement a social security benefit increase. However, the Social Security Administration states very clearly that a minimum period of about 2½ months is required in order to convert the checks of social security beneficiaries to reflect a uniform benefit increase. The Social Security Administration is presently engaged in effectuating the 8-percent cost-of-living increase that is to be paid out in the checks mailed early in July. If the 7-percent ceiling on retirement benefits as recommended by the Budget Committee were to be adopted, legislation would have to clear both the House and the Senate this week in order for the Social Security Administration to have a fighting chance of converting the social security payments to reflect it in the July checks. This is assuming that the limitation is feasible in itself, which I do not believe it is.

It makes no sense to me whatever to distinguish between benefits that are paid out of the social security retirement fund and those which are paid out of the social security disability trust fund, as the pending resolution does. I do not know why retirement beneficiaries are in any less need for the full amount of the cost-of-living increase than the disability beneficiaries are. Yet, the Budget Committee's resolution would limit the cost-of-living increase for retirement beneficiaries and their dependents to 7 percent, while permitting disability beneficiaries and their dependents to receive the full amount of the 8-percent cost-of-living increase provided for in the law.

Moreover, it makes absolutely no sense to me, Mr. Chairman, to reduce the amount of the cost-of-living benefit increase for retirement beneficiaries at a time when we have just so recently enacted the Tax Reduction Act of 1975, which provided a $22.8 billion stimulus to the national economy. In effect we are now being asked to reduce that economic stimulus by some $600 million in fiscal 1976 entirely at the cost of old-age beneficiaries.

The Budget Committee's resolution makes no more sense to me than did the recommendation of the President to provide a 5-percent limitation on the cost-of living increases for all social security beneficiaries. The President's recommendation was disapproved by the Social Security Subcommittee and the full Committee on Ways and Means, and would most assuredly have been disapproved by the full membership of this House, just as the limitation recommended by the Budget Committee is about to be disapproved.

Mr. Chairman, I urge that each and every one of my colleagues support the motion to provide that all of the social security beneficiaries will receive the full amount of the social security cost-of-living increase to which they are entitled under the law.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I rise in support of the resolution and I offer my hearty congratulations to the gentleman in the well as well as other members of the committee for the fine and diligent work they have performed in the time they have had to do so.

Mr. Chairman, I thank the gentleman from Washington (Mr. ADAMS) for yielding. When I first came to Congress in January 1969, I was shocked to come face to face with the stark reality that Congress—the legislative branch of our Government—had some years ago abdicated its constitutional responsibility of producing its own budget.

Thereafter, I joined with others interested in fiscal responsibility to enact what is now known as the Budget and Impoundment Act of 1974. The new congressional budget procedure is now taking hold. It is painful to Congress, even unsettling to those who are accustomed to the cozy old custom of blaming the deficit on the Administration which has been equally guilty by its pretended innocence and which always blamed the deficit on the Congress.

The gist of the Budget Act is to require Congress to acknowledge a responsibility for the budget as a whole, including the size and shape of the deficit, rather than simply passing a series of disjointed appropriations bills and leaving it up to the White House to add up the totals at the end of the year.

It is a self-imposed discipline, both the House and the Senate must adopt resolutions setting basic limits for spending, revenues and the resulting deficit, if any. In the past, of course, nothing remotely like this ever happened. We are all aware that traditionally the President would send his budget up to the Congress early each year after which it was broken down into separate pieces and parcelled out to the various committees in the House and the Senate. It was never put back together until a year and a half later, at the end of the fiscal year, when the President's Office of Management and Budget would reveal the final figures to those of us on Capitol Hill. The congressional committees then would take credit for the goodies that benefited their constituents. But no Member would accept the blame for the size of the deficit. Congress is now setting its own totals which is a giant leap forward.

This is indeed a great day for the Constitution, the Congress and the American people.

Again, I thank the gentleman for yielding.

Mr. ADAMS. I thank the gentleman for his support.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I commend the gentleman from Washington, the chairman of the Budget Committee and the members of the committee for the very hard and diligent work they have done, but I have one or two questions which perhaps the gentleman can clarify concerning the procedure which he has outlined.

Mr. ADAMS. If the gentleman will withhold his questions, I will yield to the gentleman later, I will proceed with a parliamentary question through which I hope the Chair will outline to us the process that will be followed.

Mr. LEVITAS. I would ask the chairman a question regarding the comment he made earlier about the amendments which would be offered to change the figures in the bill. As I understood the gentleman's remarks, we could not amend the amounts as to the specific categories or programs, the amendments will relate to the gross amounts only.

Mr. ADAMS. That is the opinion of the chairman and of the Committee on the Budget and I will address that question momentarily to the Chairman of the Committee of the Whole so we will have a ruling as to the manner in which we will proceed here.

Mr. LEVITAS. If that is the case, is it true contrary to what we have been told by some persons who are proponents for amendments, who say they are increasing the limits in order to remove the cap for social security benefits, that those caps could be removed without increasing spending limits in the budget resolution but letting it stay where it is, or lower, and simply making cuts in other programs and adjusting other priorities within these limits?

Mr. ADAMS. Mr. Chairman, that is exactly so, because the limit could be kept exactly where it is, or perhaps even reduced, and the various committees or the Congress itself can make sufficient adjustments in other programs so that the limits could be lived with as far as social security benefits are concerned.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. ADAMS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I have a question concerning the chart of the distinguished chairman of the committee, in order to clarify my understanding of the same. The chart shows the President's budget as adjusted as approximately $359 billion. The recommendation of the Budget Committee, which the gentleman shares, calls for a total budget outlay of $368 billion. The difference is because of the increase of approximately $11 billion in human resource programs, a decrease of aproximately $6 billion in the national security program and also an increase in the community resources and general government programs, as well as an increase in the—is it an increase in the physical resources program? I cannot see from here.

Mr. ADAMS. That is correct.

Mr. ICHORD. If the gentleman will yield further, my question is, as far as the difference is concerned, is the President's budget as adjusted a realistic figure now? That is, can we adjust it to take out the programs which Presidents always omit from their budgets to make it look better, knowing full well that the Congress will adopt the programs; is that so adjusted?

Mr. ADAMS. That includes adjustments of the nature the gentleman refers to, but it does not include two major adjustments which are still up in the air: First, the President says he will receive $8 billion in offshore oil; our estimates indicate that $4 billion is the most that will be received; and second, the President estimates his revenues will be higher because the Reduction Act will terminate on December 31; the committee expects it to continue to July 1. Furthermore, the President does not include additional spending for a deficit for the Post Office of about $700 million. The committee has put that amount into the resolution.

There is also about $1 billion in additional welfare costs, unemployment costs, and food stamp costs that are underestimated by the President. So if we take those figures, the President is at a deficit of approximately $70 billion.

Mr. ICHORD. For the last several years one of the items that has been traditionally omitted is impacted-area school funds. Is that reflected in that figure?

Mr. ADAMS. It is not in the President's budget; it is in our budget.

Mr. ICHORD. It is in the budget of the gentleman's?

Mr. ADAMS. Yes. Now, if I might address a parliamentary inquiry, then I will yield further time. I want to go to the other side so they have an opportunity; but those who wish to speak will be given time and I will certainly allow time; but I would like at this time to turn to the procedures to be followed.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ADAMS. Mr. Chairman, would the Chair state the procedures governing the consideration of this first budget resolution?

The CHAIRMAN. The Chair will be glad to comply with that request.

The procedures governing consideration of budget resolutions are set forth in section 305(a) of the Congressional Budget and Impoundment Control Act of 1974. They are as follows:

First, 10 hours are permitted for general debate, which is to be equally divided between the majority and minority parties. A motion to limit debate is not debatable.

Second, amendments are to be considered under the 5-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives.

Third, after the Committee of the Whole rises and reports the resolution back to the House, the previous question is considered to be ordered on the resolution and any amendments to the resolution to final passage without intervening motion, except that at any time prior to final passage, it is in order to adopt an amendment or series of amendments changing any figure or figures in the resolution to the extent necessary to achieve mathematical consistency.

Fourth, a motion to recommit the resolution or reconsider the vote by which the resolution is agreed to or disagreed to, is not in order.

Mr. ADAMS. Further, Mr. Chairman, since the Budget Act makes no special rules with respect to amendments to budget resolutions, is it correct to state that the usual House rules regarding amendments will apply?

The CHAIRMAN. The gentleman is correct. To be perfectly precise, the Chair would like to remind the Members that House Resolution 5, which was the adoption of the rules of this Congress, included therein the applicable provisions of the Budget Act, and that makes a part of the rules of the House those provisions of the Budget Act.

The gentleman's point is correct that in the amendment stage we will be following the rules of the House.

PARLIAMENTARY INQUIRY

Mr. LATTA. Mr. Chairman, will the gentleman yield so that I may make a parliamentary inquiry?

Mr. ADAMS. I yield to the gentleman from Ohio for his parliamentary inquiry.

Mr. LATTA. Mr. Chairman, am I correct in assuming, since the resolution contains only one section, that it will be open to amendment at any point?

The CHAIRMAN. The gentleman is correct.

Mr. LATTA. Mr. Chairman, at this point I would like to address a question to my colleague, the gentleman from Washington.

Is any special form required on amendments to the resolution?

Mr. ADAMS. Mr. Chairman, in answer to the gentleman's question, no special form is required. Amendments should simply strike out one figure, or figures, and insert another or others in their place. The explanation of the amendment should make clear the purpose of the changed figures, indicating the functional categories that would be affected. These categories are spelled out in the committee report this year. Next year, they will be contained in the resolution itself.

It should be noted that in nearly every case where expenditures are intended to be changed, the amendment will have to change not only the outlay figure of the resolution, but the budget authority, deficit and public debt figures as well. Furthermore, since the relationship between budget authority and outlays on one hand and deficit and public debt on the other must be determined specifically for each amendment, I urge Members to contact the Budget Committee staff for help for their amendments.

It should also be noted that it is not possible, through the amendment process, to shift a certain amount of funds, either budget authority or outlays, from one functional category to another with no change in figures in the resolution. At least one of the budget aggregate figures in the resolution must be changed.

Obviously, since the Committee on the Budget has not yet implemented that part of the Budget Act relating to the inclusion in the resolution of totals for major functional categories, amendments seeking to change these categories can, at this point, only be expressed through amendments to the aggregate levels with an explanation that the purpose of the amendment is to change the category level. The appropriate way to implement such changes is through the authorization and appropriation process. When functional categories are included in the resolution next year they may, of course be subject to amendment.

Finally, since this resolution is a macroeconomic resolution containing budget aggregates only, I want to state that it is my intention to raise a point of order against any amendments which attempt to earmark or limit funds for a particular program or functional category, or to exclude from the aggregate totals in the resolution funds for a particular program or functional category, or any other amendments which deviate from the fundamental purpose of the resolution.

In my opinion, such amendments would not be germane to a macroeconomic resolution. The legislative history is clear that these resolutions should be confined to the overall budget picture.

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The act itself, in section 301(a)(1), provides that the resolution must contain such totals. Amendments which seek to exclude from the totals funds for a particular program or category in effect increase the level of total budget outlays. Such amendments would violate the provisions of the act and would not be within the fundamental purpose of the resolution and should, therefore, not be considered germane.

When the conference report on the Budget Act was presented, the gentleman from Missouri (Mr. Bolling) who was involved with the act from its inception, stated that to allow the resolution to get into particular programs, agencies, appropriations, or projects would destroy its utility as an instrument for making national economic policy. Not only would such amendments not be germane because they deviate from the fundamental purpose of the resolution, they would also not be germane because they are not within the jurisdiction of the Committee on the Budget.

The appropriate committees to consider limitations on funds are those legislative committees which report authorization bills and the Appropriations Committee in the various appropriations bills.

I would like to ask the gentleman from Ohio if he agrees with me with respect to my statement on such amendments.

Mr. LATTA. I agree with the gentleman completely. Such amendments have no place in the resolution containing budget aggregates only and intended to deal with macroeconomic matters.

I would now like to direct another question to the Chair.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman from Washington yield?

Mr. ADAMS. I would request that the gentleman from Ohio (Mr. Latta) be permitted to complete his colloquy.

Mr. LATTA. I only have one further question to address to the Chair.

Am I correct in assuming that once a figure in the resolution is amended, it is no longer subject to further amendment?

The CHAIRMAN. The gentleman from Ohio (Mr. Latta) is correct. A further amendment merely changing that amended figure would not be in order.

Mr. ADAMS. I thank the Chair, and I yield to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. I appreciate the gentleman's yielding. I would like to ask two questions. I appreciate the inquiry that the gentleman has made to the Chair.

Mr. ADAMS. Mr. Chairman, if I could yield back for a parliamentary inquiry of the Chair, am I correct that this is under the parliamentary inquiry time and is not included within the debate time allotted to the majority party?

The CHAIRMAN. The time is included within the time of the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, then I refuse to yield further.

Mr. LATTA. Mr. Chairman, I yield myself 15 minutes.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

The gentleman from Washington is saying in his inquiry as I understand it, we are addressing ourselves to the basic five elements that are called for in this current resolution under the Budget Control Act. It is not required that individuals justify by amendment language their differences with the Budget Committee over the functional classifications?

Mr. ADAMS. It is not required.

Mr. ROUSSELOT. We can certainly challenge the functional figures, but it is not required to amend the resolution in this goal-setting procedure to make our point?

Mr. ADAMS. Yes.

Mr. ROUSSELOT. Secondly, if I can quote from the act that is Public Law 93–344. Section 304 of the act states, and I quote:

> PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS OF THE BUDGET
>
> 31 U.S.C. 1325
>
> SEC. 304. At any time after the first concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the concurrent resolution on the budget for such fiscal year most recently agreed to.

Can we, then, in amendments to this resolution not properly address ourselves to section 304?

Mr. ADAMS. I would state to the gentleman that I would raise a point of order if there was a specific direction that indicated that a resolution had to be brought out at any time different than that provided in the statute.

Mr. ROUSSELOT. What about reconsideration prior to September in order to keep ourselves current? If we ask the Committee on the Budget to report back on its findings prior to September in order to keep us up to date, what about that? I agree with the gentleman that it should be part of our permanent procedure.

Mr. ADAMS. I would raise a point of order against an instruction within the resolution, I will state to the gentleman.

Mr. ROUSSELOT. Even though the provision is in the law or is allowable under the law?

Mr. ADAMS. The law provides discretionary authority in the committee, and the committee may well do this; but I think an instruction would be not within the scope of the resolution.

Mr. ROUSSELOT. On what basis would the gentleman raise a point of order if it is contained within the law?

Mr. ADAMS. On the basis that this would be an amendment to the law.

Mr. ROUSSELOT. But is it not an appropriate amendment if the law allows it or actually provides for such an action as I propose.

Mr. ADAMS. I will state to the gentleman that there are three bases: Either that the gentleman's amendment is an amendment of the law, or it goes beyond the scope of the budget resolution, or that it is not germane to House Concurrent Resolution 218.

Mr. ROUSSELOT. As the gentleman knows, I have discussed my proposed section with the staff. The scope of my amendment does not go beyond the law. It is merely within the provisions of the law, and what I am trying to establish is an understanding of a trigger date for review. I probably will not offer it, but I would really like to know the basis for the point of order.

Mr. ADAMS. The gentleman wants me to state it, and the point of order would be this:

Section 2 of the amendment inserted in the Record by the gentleman from California (Mr. Rousselot) goes beyond the scope of the budget resolution and is not germane to House Concurrent Resolution 218. Section 2 is a limitation on the jurisdiction of the Committee on the Budget provided under rule X, clause 1 (e) of the Rules of the House and the Congressional Budget Act which under House Resolution 5 was incorporated into the Rules of the House.

Section 2 revises the timetable for House actions on budget resolutions. It does not deal with the congressional budget, which is the subject matter of this resolution. Instead, it goes to congressional procedures, which should more properly be handled by a separate resolution or by amending House Rules or the Congressional Budget Act.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's statement. I will read the gentleman's point of record in the Record tomorrow. I may wish to challenge the point of order.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding.

I would like to direct some questions to the distinguished chairman of the committee, if I might.

I would refer to page 5 of the committee report, the general explanation of the resolution. Under "Unemployment" there is an extremely basic statement with regard to the impact of unemployment and the impact on tax revenues. It states that for every increase of one percent in unemployment in today's economy, there is a corresponding $14 billion loss in Federal tax revenues.

If the gentleman will bear with me, I would like to step through some calculations here. I must be wrong. Indeed, I hope I am wrong because if I am not, there is a fundamental flaw in the report.

First of all, in just round numbers, if we are talking about 1 percent in unemployment, if we have roughly 8 million unemployed, we are talking about a 1-million shift or roughly 1 million people going back to work. Would the gentleman agree with that?

Mr. ADAMS. Yes.

Mr. SHUSTER. In rough numbers?

Mr. ADAMS. In general terms.

Mr. SHUSTER. Therefore, there would be 1 million people back to work. If the average income of those 1 million is, let us say, $10,000 a year, then the average Federal income tax paid on that $10,000-a-year income, let us say, is roughly $2,000. Would the gentleman agree with that crude approximation?

Mr. ADAMS. Yes.

Mr. SHUSTER. It is probably too high.

Mr. ADAMS. Probably too high; it is 14 percent.

Mr. SHUSTER. The figure is on the high side, $2,000. If we take $2,000 times the 1 million people who go back to work, at least in the Ninth Congressional District in Pennsylvania, $2,000 times 1 million equals $2 billion, not $14 billion. Now, I realize that there might be a ripple effect.

I certainly would like to know what that ripple effect is.

First of all, as to the arithmetic, does the gentleman agree?

Mr. ADAMS. The gentleman's problem is that he has not included, for example, the Social Security tax which is now 11.7 percent, which would be paid.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield one additional minute to the gentleman from Pennsylvania.

Mr. ADAMS. Page 46 of the President's own budget shows full employment receipts of $352 billion. The actual receipts are estimated at $297.5 billion on page 6. This gives us a loss of revenue due to the recession of $54.5 billion, divided by the four points of unemployment, in excess of 4 percent, yields an estimate of $13.6 billion per point.

Mr. SHUSTER. I do not question that those are the numbers in the President's budget. What I am trying to do is get behind the numbers, to the reasonableness of the numbers. I will go back again to my statement: If the 1 percent shift brings about 1 million people being employed, and if we say the average income is about $10,000, I can only get to $2 or $3 billion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHUSTER. Will the gentleman yield me 1 additional minute?

Mr. LATTA. I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman.

Mr. Chairman, I see an enormously fundamental flaw in this enormously important part of the basic assumption. I am waiting not to hear what the numbers in some report might be, but the reasonableness behind those numbers.

I do not see how we can get the $14 billion. In fact, I would make the guess, a sheer guess, that you can get to a $14 billion figure by applying the additional tax revenue not on a 1-percent reduction in unemployment, but an 8 percent—wiping out the unemployment. And that is why if you wipe out the 8 million unemployed, that is the way you can get to the $14 billion shift.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Maryland, Mr. Bauman.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, I would like to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, my parliamentary inquiry is this: A few minutes ago the gentleman from Ohio (Mr. Latta) asked some questions of the gentleman from Washington (Mr. Adams). In reply, I understood the distinguished chairman of the Committee on the Budget to say that in his opinion amendments would only be in order changing the aggregate sums contained in the resolution, and any functional category changes or spending policy changes which the propounder or amender wished to effect would have to be governed by the remarks made in debate; that no special limitations can be written into this resolution by amendments.

I would ask the Chair whether under the rules of the House any discussion or comment made in debate regarding an aggregate sum offered as an amendment would have any controlling effect on any policy or functional category spending? Would they not be limited to changes in the total sums, and not to any policy matter?

The CHAIRMAN (Mr. Bolling). The Chair will answer the gentleman from Maryland by saying that those matters would only affect the legislative history on the action, and not the action on the resolution.

Mr. BAUMAN. So that ultimately the Congress would have to decide policy matters regarding specific parts of the budget, and any remarks made in debate would have no effect, no legislative effect, except as a recording of the intent of the Member who offered the amendment?

The CHAIRMAN. The Chair will state that the debate is part of the legislative history. That is all the Chair can say.

Mr. BAUMAN. But remarks made would have no controlling policy effect as to aggregate amount amendments which might be offered.

The CHAIRMAN. The Chair cannot agree to the word "control" because the legislative history under certain circumstances could control the final decision, but the gentleman's statement is essentially correct.

Mr. BAUMAN. I thank the Chairman.

Mr. LATTA. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Conable).

Mr. CONABLE. Mr. Chairman, I have a question also for the distinguished gentleman from the State of Washington (Mr. Adams). It is not a parliamentary inquiry, but a question of intent and procedure. I am quite concerned about our process here.

The manner in which the report emerged from the committee, and the statements that I have heard from people who either think the deficit is too large or too small, lead me to believe that there is a distinct possibility that this report will be defeated on the floor. If so, I wonder what would be the intention of the gentleman as to the next step? I would like to get this ugly question right out on the table so that people will know where they stand and will understand the consequences of voting to defeat a report in whatever form it finally emerges from the Committee of the Whole here today.

Mr. ADAMS. The chairman does not really want to contemplate such a horrifying possibility. It would be the position of the chairman that if this fails, the committee would meet and decide what it would want to do at that point. I cannot predict what the committee might want to do at that point.

Mr. CONABLE. What I am asking is, Would it have the effect of the prohibited recommittal motion were we to vote down the report today or tomorrow, or whenever the vote comes? Would the committee then return and possibly try to bring out a different report?

Mr. ADAMS. I have no idea about that. It is like a little boy about to cross the stream. I am not going to roll up my pants until I get to the water. There is no way I can predict that. I would certainly call the committee back into session, but what the committee might do in its wisdom at that point I do not know.

Mr. CONABLE. There is no required procedure for us to go through if that point arrives? We are on our own? This year is our virgin year, and so we are in virgin territory if we find ourselves faced with rejection?

Mr. ADAMS. I think the gentleman might find himself faced with the situation of no resolution at all. I cannot predict what the committee would do, and I think it would be a great tragedy for the Congress to start out on this endeavor in that position.

Mr. CONABLE. It would not be the chairman's intention, however, simply to accept the rejection as final, were that to happen?

Mr. ADAMS. I do not think I, as chairman of the committee, am entitled to make that decision. I think that is the committee's decision.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for his frank responses. I must say that the credibility of the Budget Commitee is bound to be tested in a very difficult year like this when we start out with a deficit of such incredible dimensions, and I think we are going to have to approach the subject with a great deal of judgment for this reason. I would like to see this committee succeed. I certainly will do what I can to be sure that it succeeds. The question of credibility, however, is affected by both the end product of our deliberations and by the honesty of our continuing efforts to find a close relation between Federal income and outgo.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, at the outset I would like to thank the gentleman from Wash-

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ington for his cooperation with the minority and compliment him on the way he has handled his chairmanship. I do not believe I have, during the time I have been in the Congress, served on any committee where the chairman was fairer and harder working, and I wish to publicly commend the gentleman for his efforts, and likewise the other members of the committee. I think the members of the committee realized that they had a responsibility to fulfill, and they have responded accordingly.

Let me say further that the staff is probably one of the hardest working we have in the Congress. It was assembled very quickly. I might also say I do not believe any committee has ever had more applicants for positions on its staff than this committee. I think at last count the committee had something like 1,200 or 1,300 job applicants on file for work on the staff.

This is somewhat of a new experiment that has not been attempted since 1949, but I think it comes at the right time. I disagree with those who say that because we have an impending deficit of the magnitude we discuss here today that we should not carry forward on this resolution this year and we ought to wait until we have an easy task of it. I do not agree with that. I think when we have a tough task ahead of us we ought to meet it head on.

It would be disastrous for the economy and this Congress for us to defeat this resolution.

The chairman and I, and certainly other members of the committee, disagree over the figures, but we do not disagree over the fact that we have to have a budget resolution.

It is almost impossible for an outsider who does not know anything about the work of the Congress of the United States to comprehend the fact that we do not have any idea as to how much money we are going to spend in any fiscal year as we go down the road. We just keep spending and spending and spending and hoping that at the end of the road everything is going to end all right.

The fact that we are faced now with the prospect of a $624 billion or higher public debt indicates that things are not as we would have hoped. We need some procedure such as that which has been outlined in this new budget procedure.

Since this is a so-called dry run, we can improve on it and find the imperfections and do something about them.

But we are in place, we are working, we are ongoing. I might say it is facing us at a very difficult time in our history. We have here a budget resolution that is calling for $73.2 billion in deficit financing, and the Office of Management and Budget calls to our attention, and we call it to the attention of the Members on page 85 of the report in our minority views, there is the possibility of a $100 billion deficit for fiscal year 1976. It scares one no end. We will have acquired by fiscal year 1976 only—and I think I probably ought to strike the "only"—$600 plus billion in debt since the beginning of our history, but we are going to acquire one-sixth of that in one single year. That is scary. That is scary.

I think as Members of Congress we have to measure up to our responsibilities. Every place we go people are talking about Government spending. I suggest Members read their mail. They will see their constituents are talking about it. They are concerned. They are ahead of us.

Hopefully through this process we can do something about the problem. And in doing something about that, as these appropriation bills come forward for every conceivable project under the sun, we must realize we cannot say: "That is a really good project and we ought to appropriate more." We have to think about how much we are appropriating in total. But that is not what we have been doing, very frankly. Just a couple of weeks ago we had an education bill on the floor. Everybody is for education of our children. They are our most prized assets. We want to get an education for them. We want the best that money can buy. What did we do? We added $1 billion-plus with that one bill. Everybody is for school lunch programs, so we came along and added $1 billion to the school lunch program. And I could go on down a list as long as my arm as to what we have been doing in the past.

When it comes to spending, whatever it is, we are for it in greater proportions. I am for it, too, in greater proportions if we can pay for it, if the economy and the Nation can stand it. That is a key consideration.

It seems that we forget when we appropriate these funds and we pile up deficits that we are piling up interest indebtedness. We are paying for a dead horse in this budget of about $36 billion just for interest alone and we are passing this tremendous debt onto our children and their children. I think that is downright immoral. I have difficulty looking my two teenagers in the eyes and thinking, "Well, I have been spending you into debt. We have been living on a credit card that you are going to have to pay for." That is not fair.

Then we say to them, "Look what we are doing to you." We are not doing anything for them, other than putting them more into debt.

I know there are going to be propositions offered for a balanced budget. Well, I have always believed fully in balanced budgets. I am not one of these big-time spenders, as most of the Members know; but to have a balanced budget here is completely out of the question. We would put this economy in a tailspin from which we might not recover for years. In this budget we need something to spur on the economy that is flagging.

The question is going to arise as to how much stimulant we need. We ought to pay attention to the Secretary of the Treasury, to the blue patches that the Secretary of the Treasury and others have mentioned and whether or not we ought to let our great free enterprise system, that has given us the greatest standard of living of any nation on Earth, work its way more than we provide for in this resolution.

I think it is important that we consider these things as we go down this road.

I heard somebody remark the other day that we are trying to do so many things for so many people and adding to the cost that we are going to have so many people in the wagon that we are not going to have enough people to pull it.

Now, I think it is important that we consider that. Who is going to pull this wagon? Somebody is going to have to make these dollars that we are spending.

Everyone here is aware that this legislation comes before the House at a time when we are riding the crest of a Federal spending binge that has produced a deficit in 14 of the last 15 years and in 40 out of the last 50 years. Federal expenditures since the 1960's have moved upwards in startling proportions.

Furthermore, it is not just the size but also the type of spending programs enacted during those years that is cause for alarm. Far too often Congress has played the role of an irresponsible Santa Claus in spending the people's money. Much of the increased spending has been in the form of direct assistance to individuals known as transfer payments. In essence, what that means is money taken out of the pockets of some individuals and placed in the pockets of others.

To demonstrate how this has grown, while the national defense spending in current dollars was virtually level between 1969 and 1974 and there was a relatively small rise in nondefense operation expenditures, Federal spending on domestic assistance programs rose by $80 billion. As an indication of where all this could lead us, if the Federal, State, and local spending growth rate over the past two decades continues, by the end of this century governments would claim up to 60 percent of the Nation's entire output.

This frightening prospect must be stopped, and it must be stopped now. The Congressional Budget Act of 1974 was enacted for sound reasons. There was a deep concern about big Federal spending, about these deficits year after year and about the lack of adequate means to deal with the problem. There was concern about the need for an improvement in setting national priorities. Unfortunately, the resolution does not effectively deal with these problems in the minds of many.

The deficit figure of $73.2 billion in H. Con. Res. 218, in my humble judgment, is far too high. As was stressed in testimony before the Budget Committee, even though inflation is being eased somewhat, if we follow a path of excessive fiscal and monetary policy, there is a real danger that inflationary pressures will be set off all over again. Inflation, in turn, will bring up more recession if rising prices cause the people to stop buying.

A massive Federal deficit could have serious effects on the private credit market. This too would interfere with our efforts to promote economic health and overcome the recession. Under a deficit as contained in the resolution, the Treasury would have to borrow significantly more in the capital market this calendar year than has ever been borrowed before in any single year by both the private and public sectors. This could set in motion sharp competition between the Federal Government and private borrowers for capital funds. The result could be rising interest rates and overturning of the economic recovery and rising unemployment.

What makes the problem still more serious is the fact that deficit figures do not constitute nearly all the Federal debt that will be generated during the year. The activities of so-called off budget agencies and the federally sponsored and federally guaranteed borrowing that will take place must also be taken into account. These could amount to more than $20 billion in borrowing.

The resolution endorses excessive stimulative spending. It should have been learned from our experience during the 1930's that the Government cannot spend its way into prosperity. During that period, extremely high unemployment continued in spite of a variety of job creating programs. That lesson seems to have been completely forgotten.

I might say that during that period in our history, in 1931 we had an unemployment rate of 15.9 percent in the Nation; in 1932, 23.6 percent; in 1933, 24.9 percent; in 1934, 21.7; in 1935, 20.1 percent; in 1936, 16.9 percent; in 1937, 14.3 percent; in 1938, 19 percent; in 1939, 17.2 percent; in 1940, 14.6 percent; and the year that we entered World War II, 9.9 percent.

So, we ought to take a lesson from the past. We had all the alphabet programs one could think of trying to increase employment and bring down those unemployment figures, and the record shows that it just did not work.

Not only is the stimulative spending endorsed by the resolution excessive, it is also the wrong kind. The resolution proposes to add many billions of dollars to the budget for public works programs. In addition to being extremely costly, public works programs by their very nature are very slow starting, and most of their impact will come after the need to stimulate the economy no longer exists.

This means the public works program would have to have a limited effect in fiscal year 1976 in overcoming recession and would have a severe inflationary impact in fiscal years 1977 and 1978.

And so it goes for the stimulative effect of the public service jobs. These, too, have many drawbacks. Studies have shown that public service programs over a period of time add very little to the net amount of additional jobs. Instead, they tend to displace regular jobs by subsidized public jobs and substitute public spending in place of State and local spending. The proper approach is to allow our free enterprise to work more toward creating jobs and to minimize economic distortions such as have occurred in the past years due to Federal spending policies.

There is reason for concern as to what this resolution does to our defense program, and I might say that this should be a real concern to everyone.

The Secretary of Defense came before our committee with a series of charts, and I want to call them to the Members' attention. They are set forth in our hearings. I want to direct the attention of the Members to one chart, which appears on page 349 of the hearings, which shows the comparison of the production of various implements needed in case of war between the United States and the Soviet Union.

I was amazed to find that our production in only one category exceeded that of the Soviet Union, and that was on helicopters.

In armored personnel carriers, the United States in 1972–74 produced 860. The Soviet Union in the same period produced 4,400.

In tanks, the United States in that period produced 462. The Soviet Union produced 3,000.

In helicopters, the only one that we were ahead, we produced 920. The Soviet Union produced 710.

In the tactical fighter category, we produced 540. The Soviet Union produced 930. In bombers, we produced none. They produced 10.

In attack submarines, we produced three. They produced five.

In warships, we produced 11. They produced 39.

In strategic submarines, we did not produce any. They produced six.

How about the inventory? The inventory estimates are that in tanks the United States, which is supposed to be the most powerful nation on earth, has 9,000. The Soviet Union has 40,000.

Armored personnel carriers, we have 27,000. They have 40,000.

Artillery, we have 6,000. They have 20,000.

Helicopters, 9,000 for the United States, 2,000 for the Soviet Union.

Tactical fighters, 5,400 for the United States, 6,000 for the Soviet Union.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield myself 5 additional minutes.

In bombers, we exceed in our inventory that of the Soviet Union. We have 498. They have 180.

Nuclear submarines, the Soviet Union has 64, the United States 80.

Warships, 189 for the United States, 220 for the Soviet Union.

Strategic submarines, the United States has 41, the U.S.S.R. 62.

General purpose submarines, 10 for the United States; 200 for the Soviet Union.

I wish that those who believe that we ought to cut the defense budget further would keep these figures in mind before offering their amendments.

For a number of years there has been a constant erosion of the U.S. defense effort while at the same time there has been a steady increase in defense spending by the Soviet Union. In recent years, outside of retirement pay, the Soviet Union has outspent the United States on defense by at least 25 percent.

The Congress simply cannot keep spending for practically every imaginable type of domestic assistance program and assume that we can shake down the defense budget for all or a part of the money. As a practical matter, that cannot continue.

Someone has calculated that if the erosion in our defense program continues at its present rate, in 10 years' time we will be down to the Secretary of Defense; no soldiers, sailors, airmen, or marines at all, just the Secretary of Defense, and he would be armed with a single rifle.

With the state of things in the world today, we cannot allow a continuation of this erosion of our forces. The resolution contains some arbitrary cuts in the proposed defense budget that could lead to significantly reduced readiness of our forces, and in my view, these reductions must be modified.

The items I have discussed represent some of the serious shortcomings of the resolution, as reported by our committee. The resolution also contains substantial increases above the budget in such areas as social services, community development, manpower, health and education, and these are in areas where reductions or adjustments must be made if we are to bring outlays and the deficit down to a tolerable level.

The major lesson that I believe we must learn today is that Congress must exercise strict fiscal discipline if we are truly interested in promoting responsible Government and a sound and healthy economy. That applies not only to what we do with this budget resolution. The acid test comes when Members are called on to vote on other legislation, on the appropriation bills and on the authorizing legislation.

Mr. Chairman, I have just been handed a statement by the President of the United States pertaining to this resolution, and I would like to read it. It is dated April 30, 1975.

It reads as follows:

> This week the Congress has an opportunity to show the American people where they stand on fiscal responsibility:
>
> Under a new procedure established by the Congress last year, Budget Committees have been established in both the House and the Senate. These Committees have been hard at work since the 94th Congress convened. Each Committee has now produced a resolution calling for a ceiling on Federal spending for fiscal year 1976 and these resolutions will come before the Members for a vote this week.
>
> As you know, when I signed the tax cut bill, I drew my line on the Federal deficit at $60 billion. I reaffirm my commitment to that $60 billion ceiling and urge in strongest possible terms its acceptance by Congress.
>
> Both the House and the Senate resolutions would raise my ceiling. The Senate resolution would approve a defict of $67 billion; the House $73 billion. I strongly believe my limit is far preferable to either alternative.
>
> Until now, there has been no mechanism for instilling discipline in the total spending actions of the Congress. Instead, the legislative process has proceeded in a piecemeal fashion, each Committee acting on its own. As a result, no one in Congress was responsible for assuring that we could afford everything that was enacted.
>
> Our economic circumstances cannot tolerate such a haphazard approach. Therefore, I urge, in the strongest possible terms, that both Houses of Congress adopt a spending

ceiling resolution. The national interest requires that Congress draw a firm spending and deficit line.

Mr. ADAMS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, serving on the Budget Committee this year has been an extremely enriching, educational experience for me. I am somewhat ashamed to confess that after some 20 years in the Congress there were many things I had never been able to fit together in their accurate perspective prior to having the opportunity to serve on this committee. I further think it would be a great experience for every Member of the House to have the privilege and responsibility of trying to sit down and put together in some composite form the budget expectations and probabilities of the Nation.

This budget resolution projects a total deficit for the coming fiscal year of $73.2 billion. As an abstract proposition, I suppose any one of us would say "no" to that kind of a deficit. If we were to ask any citizen if it were a good idea to have a $73.2 billion deficit simply for the sake of having such a deficit, I think his answer would have to be "no." Just as a person would have to say "no" if one were to ask him in the abstract whether it was a good idea for him or his family to borrow a lot of money. As a simple proposition, it is not a good idea to be in debt. Almost everyone would agree with that. But almost everyone also would have to agree that there are some circumstances in which it is both necessary and unavoidable.

I do believe that if we look at the historic movement of the Federal debt in connection with the historic movement in the gross national product over the past 30 years, we may see the estimated figure of a $73.2 deficit in a slightly less terrifying perspective.

In fiscal year 1945, 30 years ago, the gross national product—all the goods and services turned out by this entire Nation—amounted to $216.8 billion. In that year our Federal debt was $259.1 billion.

Ten years later, in fiscal year 1955, our gross national product had grown to $378.6 billion, and our Federal debt had grown to $274.4 billion.

Ten years ago, in fiscal year 1965, our gross national product had taken a tremendous jump to $654.2 billion, while our Federal debt had grown to $323.2 billion.

The estimate for fiscal year 1975 is that our gross national product will stand at $1,434,000,000,000, and that our Federal debt will come to about $538.5 billion.

Mr. Chairman, here is the point of my making this recitation. I think these figures have a relationship, one to the other. Just as the amount of money that a family might reasonably, healthily and manageably expect to borrow has a relationship to the net worth of that family and to that family's annual income, so does the amount of debt that the Government of the United States can sustain have a reasonable relationship to the amount of money that the economy is generating.

For example, Mr. Chairman, let us take the 1945 figures and hypothecate a situation roughly analogous to a family. If it were reasonable for a family making $21,000 that year to sustain a debt of $25,000 or $26,000, or if it were reasonable, assuming the 1965 figures, for a family earning $65,000 in a year to sustain a $32,000 debt, then perhaps it is not altogether unreasonable to expect a family making $143,000 a year to sustain a debt of $53,000. This would be comparable to the growth of our national debt as related to the growth of our national income.

Let us consider the percentage of the gross national product which the Federal debt represents. This next chart reflects these facts. In 1945, 30 years ago, the Federal debt was 119.4 percent of our gross national product. By 1955 it had shrunk to 72.5 percent. By 1965 our Federal debt was 49.4 percent, just almost exactly half of our gross national product. In fiscal 1975, even in spite of the fact that our gross national product has not been growing in the past few months, the debt is 37.6 percent of our gross national product.

What these figures indicate, it seems to me, is that over the past 30 years the Federal debt, measured as a percentage of our gross national product, rather than increasing, has steadily and consistently declined.

A great deal of concern has been expressed about the ability of the capital supply markets in the United States to finance a $73 billion deficit without triggering distortions in the interest rate, exerting upward pressures.

I must confess that I have been concerned about that, and yet I think the figures reflected on this next chart may set the gravest of these apprehensions at rest, at least to a considerable degree. These reflect the last 3 fiscal years and the total demand for loan funds in the United States.

In fiscal 1973 the private demand for loan funds stood at some $189.8 billion. Private capital sources were seeking that much money to finance economic activity in the private sector. State and local borrowings amounted to $12.6 billion, and the total Federal borrowing came to $32.9 billion. One can see that for fiscal 1973 the total demand for credit in the United States was $235.3 billion.

In fiscal 1974 private demand was $184.1 billion. State and local demand was $16.8 billion, and the Federal demand was $23.4 billion, for a total of $224.3 billion of total demand.

In fiscal 1975, the year which will end on June 30, it is estimated that the total private demand for borrowing will have come to only $112.8 billion. One can see the very substantial decline in private demand for capital funds. That is, of course, both a result and a contributing cause of the recession. Business is not optimistic about the future. Consumers are not optimistic about the future. They are not seeking to borrow money because they are so apprehensive about the future of the economy.

State and local governments will be borrowing this year $15.9 billion, less than they borrowed in the last fiscal year, and the total Federal requirement will have grown to $61.5 billion in the capital markets.

But the significant thing, it seems to me, is that in fiscal 1975 the total aggregate demand for borrowing comes to only some $190.2 billion, which is considerably less than that for fiscal 1974, which was $224.3 billion, and considerably less than it was in fiscal 1973, which was $235.2 billion.

The First National City Bank of New York in a recently published paper declares that for the first 3 months of calendar year 1975, January, February, and March, private demand had shrunk to the point that on an annual basis it would come to only about $100 billion. This is almost $90 billion less than the private sector was seeking in fiscal 1973.

If on top of that level of private credit demands we add Federal borrowing to the extent of $73.2 billion, the two would impact money markets only to the level of about $173 billion. What I am suggesting is that, as distasteful as this level of Federal debt is to me and I am sure to all of us, in this present situation we obviously need a stimulative budget. Most of the projected deficit is the direct result of the severe economic decline. We must do those things necessary to get us out of the depression and put Americans back to work and begin an upward climb. Until we do this, there will be no way to reduce the deficit.

We must be realistic, of course, and face the fact that to the degree we are successful in sparking economic revival, we will stimulate more private demand for investment capital. But I do believe these figures indicate that there is room, given an accommodating attitude on the part of the Federal Reserve, to accommodate this much Federal borrowing without increasing interest rates.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, there are a couple of points I would like to make and then end up with a question. What concerns me is that statistics of $110 billion of total private borrowing alluded to by the gentlemen. The fact that it is so low today certainly points out one of the basic problems in our economy, and that is that there is not enough private investment nor confidence enough in private investment in this country to stimulate a resurgence of our economy, the construction and housing and jobs and a better standard of living which we want for America.

Mr. WRIGHT. I quite agree.

Mr. KEMP. The question some of us are asking, I say to my friend, is: What role do we think the Federal Government should play in stimulating our economy? The gentleman says if there is an accommodating Federal Reserve expansion of money supply the gentleman thinks we might be able to accommodate the huge credit demands of Government borrowing. Could the gentleman tell us what he thinks an accommodating increase in the money supply would be?

Mr. WRIGHT. I think a normal growth of 4 to 6 percent in the money supply would accommodate this much additional Federal borrowing while at the same time allowing room for a stimulus to private borrowing. If we do not stimulate private activity, obviously we have not achieved the result we are seeking.

Mr. KEMP. I agree with you that a 4 to 5 percent growth rate is desirable, but is the gentleman suggesting more and more Government spending will stimulate private spending?

Mr. WRIGHT. As a matter of fact I think that may be quite correct. To the extent we put Americans back to work, to the extent the stimulative facets of the budget direct themselves to reducing unemployment rolls and putting people back to work and back in the business of earning money on which they base purchases, I believe that it does stimulate the private economy.

Mr. KEMP. Is it not a question how we put people back to work, not necessarily just putting them back to work in the public sector, where one out of every five Americans today is working? Is it not a question how we put them back to work so they are producing taxes instead of just consuming taxes?

Mr. WRIGHT. Obviously the most desirable thing of all would be to put Americans to work in private business turning out goods and services for sale. However, when we have about 9 percent of the work force unemployed at the present time and 24 or 25 percent of the work force in the construction trades unemployed, and a vast inventory of construction equipment lying idle, I think it is the role and responsibility of the Government to do those things necessary to get those people back to work. That in turn stimulates production and transportation of construction equipment and goods and that in turn puts more people to work in the private sector. In many communities it will create the infrastructure through public works which will attract additional private investment. I think we can demonstrate that each dollar spent, for example, on the interstate highway system has generated investments of at least $8 or $9 in the private sector in job-producing business enterprises.

Mr. KEMP. Could I make a point before the gentleman finishes

Mr. WRIGHT. I promised I would not take much more time. Perhaps later in the debate we can continue this colloquy.

Mr. Chairman, in closing let me say this one thing only, that whatever the Members of the House in their wisdom decide to do about this budget resolution, whether to raise or lower the projected deficit, I want to plead that we support the final product. When the majority of the House has worked its will, then let us vote for the resolution. If we should fail to adopt a budget resolution, we be refusing to adopt any kind of overall target. This, of course, would subject the Congress itself to the most severe and justifiable criticism.

So I plead that whatever amendments Members think reflect their philosophy of a good budget, get on record and vote for them; then when the majority has worked its will, in the interests of the institution itself, in the interest of the future, and in the interests of regaining congressional control of the budget, support the budget resolutions on final passage, so that we can have at least some yardstick.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I would like to say to my friend the gentleman from Texas (Mr. WRIGHT) that I appreciate the hard work both the gentleman from Texas and my friend, the gentleman from Washington (Mr. ADAMS) have done on this Budget Committee. I could not agree more that the Budget Committee is absolutely mandatory if we are going to get a hold on this budget process, but I would also say to the gentleman it seems to me that the basic premise outlined in their approach is that Government spending is the best way to stimulate the economy.

I would like to say why I disagree.

When I came to this Congress, or when I was elected in 1970, unemployment was around 4.2 percent and the Federal budget was $193 billion. We are today debating a budget in fiscal year 1976 of upward of $390 billion while unemployment is hovering around 8.7 to 9 percent and higher in my area of western New York. If, in fact, Government spending were the answer to creating employment and stimulating the economy, why is it that as we have doubled the Federal budget, we have doubled the unemployment?

Mr. WRIGHT. Mr. Chairman, for one thing, we have more than tripled the gross national product. I am not an advocate nor an apostle of Government spending. I am certainly not an apostle of debt, per se; but in the present situation I would have to say to my friend, the gentleman from New York, that while the best possible world would be investment in the private sector, the Government has the responsibility to do some things to revive the economy and revive the hopes of the private sector, to the end that they will make those investments and capital expenditures and pull us out of this recession. These are the things we have to do.

Mr. KEMP. Mr. Chairman, I would agree with the gentleman that the Federal Government has a responsibility to support programs that will increase incentives for investment and savings in this country. This will create jobs, stimulate construction and finance a more stable recovery than all the deficits in the world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LATTA. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. KEMP. Mr. Chairman, I would say to my friend, the gentleman from Texas, that when the gentleman presents those charts showing the borrowing of the Federal, State, and local governments, and the percentage of the GNP, we also ought to show to our colleagues on the floor—and I am sorry more are not here—we ought to show them the percentage of private investment as a percentage of the gross national product. How much of the GNP are we investing in our private, productive sector? I would say in juxtaposition with every other economy in the world, our rate of investment is noncompetitive. We have only 10 percent of our GNP reinvested. Japan has 35 to 36 percent. West Germany over 30 percent. Even France is over 25 percent.

We are not investing enough capital in the private and productive sector to create jobs and stimulate housing and produce a higher standard of living in this country. That is what bothers me, that we are expanding the public sector to such a degree that the Government sector is interfering with the private sector's ability to create wealth.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. ROUSSELOT).

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would want to ask about the information I have received that the deficit will not be $73 billion, but that there is an additional $30 billion. Where do those figures come from, and are they justified?

Mr. ROUSSELOT. Mr. Chairman, I will try to answer the question, and perhaps some member of the Budget Committee would care to respond.

It is my understanding that there have been additional projections by various people in the Treasury Department, the Federal Reserve Board and by others even in this Congress, including the chairman of the Appropriations Committee, that there may be additional add-on debt, even though we set the debt limit at $73 billion. The reason for even more add-on debt is because of so many add-on programs, and cost the Congress has tacked on to appropriations bills going through this House in the past few months. The add-on's to the high debt, by the time we get to the conclusion of fiscal year 1976, may well exceed even the $73 billion add-on deficit that is projected by the majority vote of this Budget Committee. The answer to the gentlewoman's question is that this Congreses, this House, constantly adds to appropriation bills, rolls over even our own Appropriation Committee and adds just as we did this week to the "free lunch" program a billion and a half dollars we have a bad habit of adding a billion and half here, and by the time we get to the end of fiscal 1976, it well could be as Chairman MAHON has said, $30 billion more, than even the liberal projection of the budget committee.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, may I just take a minute to answer the gentlewoman's question? The chairman of the Appropriations Committee, on which I am proud to serve, said several months ago when the budget was first prepared that the projected unified budget deficit, adding to that the borrowing from the States and adding the borrowing to finance off budget agencies and other financing, totalling them all up for the next 18 months, he predicted $166 billion or $170 billion of net borrowing by the Federal Government alone, not to say what State and local governments must do.

At that point, my concern is that we will be taking 4 out of every 5 dollars of private credit available in the country, which is going to be borrowed by Federal, State, or local governments. That is a frightening statistic to those of us who believe in free enterprise.

Mr. ROUSSELOT. Mr. Chairman, I think the gentlewoman has made an excellent point. I know the gentleman from New York identified an important source of the $30 billion add-on. Part of the problem has been—and what the Budget Committee is trying to resolve, although I do not think quite strongly enough, but at least it has made the attempt—is that unfortunately in the past, if an individual Member of Congress tends to justify an add-on item on here, an add-on item on there, that same Member then says, "Well, I voted against that appropriation, so I am really basically a fiscal conservative because I voted against the Defense Department appropriation. Therefore, I am a fiscal conservative even though I may choose, as an individual, to add on a lot of other places amendments that contribute to massive additions."

So, the gentlewoman makes an excellent point. I do not think anybody can accuse the chairman of our Appropriations Committee of being irresponsible. He has been willing to accept add-ons in appropriations. I think the point is well taken.

The problem is that constantly we justify to ourselves, as individual Members, certain additions to the appropriation process as we go along, and there is no attempt to put a cumulative ceiling some place. That, of course, is the purpose of the Budget Control Act and its constituent efforts as we go through the process.

Mr. Chairman, I will offer at the appropriate time an amendment to this resolution, with consistent figures, to call for a balanced budget at roughly a $300 billion expenditure level.

Mr. Chairman, I rise in opposition to House Concurrent Resolution 218 as reported by the House Budget Committee. In my estimation, the Federal spending and the deficit that would be called for in the committee's reported resolution for fiscal year 1976 would result in giving the economy another dose of inflation-recession—an action which I do not think the economy can tolerate, and an action which I do not believe the citizens of this Nation can tolerate.

It is for these reasons that I will offer an amendment in the nature of a substitute during consideration of House Concurrent Resolution 218. My substitute calls for a balanced budget in fiscal year 1976—the only solution to restoring long-term economic stability, and stimulating job-producing programs. The job-producing programs I am referring to are those which will be developed in the private sector as a result of easing the Government-caused inflation, and creating an atmosphere whereby industry can expand. The committee would have us continue the same economic philosophy that has gotten us into the situation we are in now. More Federal spending leads to more inflation which causes recession, and the spiral will continue if we in Congress continue to treat the symptoms by providing a larger dose of the cause. My alternative would shift the emphasis in the economy from the Federal sector to the private sector, and I believe it offers the Members of this body a clear choice between continuing inflation-recession, or moving the economy toward long-term stability.

At this point, I would like to direct a few questions to the chairman of the committee, Mr. Adams:

First, on page 16 of your report, you state that the $73.2 billion recommended deficit for fiscal year 1976 is "unavoidable and necessary." If the recession is caused by inflation, and we know that it is, and the inflation is primarily caused by the financing of the Federal deficit, and we know that this is also true, how can you believe that your proposals can do anything to help the economy pull out of the recession?

Second, it is obvious to me that the answer to finding jobs for our Nation's unemployed lies in creating an atmosphere whereby private industry can expand and production can be stimulated. Full production would lead to full employment—and employment without inflation. On page 17 of the committee report, you state that:

> (I)n 1973, 83% of manufacturing capacity was utilized. By the final quarter of 1974, capacity utilization was down to 75.9% (Federal Reserve Board index), and all indications are that utilization declined further during the first quarter of 1975.

Production cannot be stimulated if the Treasury is absorbing all the capital in the private money market, or the Federal Reserve increases the supply of money in the economy to finance the deficits—the only two ways to finance Federal deficits both of which are inflationary and neither of which can produce jobs. How can the committee recommendations start us on the road to expanding job-producing programs in the private sector when it continues the inflation-recession that has caused the unemployment in the first place?

Third, also on page 16, the committee report states that Treasury borrowing to finance the committee's recommended deficit will not displace borrowing in the private sector, and it gives as one of its reasons that, "private demand for loans has fallen rapidly during the current recession." However, the committee report goes on to state:

> If the stimulus to current economic activity provided by the Committee's budget recommendations revives lagging demand and production in 1976 as expected, this expansion will probably restimulate private demands for investment funds. Given that result, continued Federal borrowing at the fiscal year 1976 level could compete with revived private loan demand and drive interest rates beyond what many borrowers could afford. Under those circumstances, to avoid high interest rates would require a further expansion of the money supply in excess of productive capabilities. This excess supply of money could lead to higher rates of inflation, if the strength of private demand again rises strongly.

Would you please explain to me and several other confused colleagues, how this makes sense? Is what you are saying that the committee recognizes that the money will not be available in the private money markets for industry expansion and job-creating economic activity, and that we have no hope of moving toward economic recovery under the committee's proposals? If this is the case, it is a point on which we would agree, I might add.

Mr. Chairman, at the appropriate time, I will be offering my substitute and the following is a comparison between my alternative. the President's budget, and the committee's proposal, House Concurrent Resolution 218, as reported. I urge my colleagues to study this comparison carefully, and to join me in this effort to set aggregate budget totals balancing the budget for fiscal year 1976—the only levels that will insure that the economy will start on the road to long-term recovery, and job-producing economic activity.

I include the following:

COMPARISON OF THE ROUSSELOT SUBSTITUTE WITH THE PRESIDENT'S BUDGET AND THE BUDGET COMMITTEE'S RESOLUTION

[In billions of dollars]

	President's budget	House Budget Committee's resolution (H. Con. Res. 218)	Rousselot substitute (H. Con. Res. ——)
Estimated revenues for fiscal year 1976	$297.5	[1] $295	[2] $299.4
New budget authority	385.8	[illegible]95.6	300
Budget outlays	349.4	[illegible]68.2	[3] 299.4
Deficit for fiscal year 1976	51.9	73.2	0
Increase in the public debt limit (currently $531,000,000,000)	65.4	93	[4] 11.4

[1] After $4,400,000,000 was deducted in anticipation of the extension of the Tax Reduction Act of 1975 to 1976.

[2] Does not include extension of the Tax Reduction Act—if such estimate adjustments are required, they should be accomplished in an additional budget resolution as allowed under sec. 304 of the Congressional Budget Act.

[3] Balanced with anticipated revenues.

[4] Primarily composed of the outlays of the off-budget Federal agencies.

The committee suggested that the anticipated revenues for 1976 would be roughly $300 billion. Actually $299,400 million.

My belief is that if one were to talk to any major money manager in this country and said to them. "If you came to the Federal Government, do you think you could get along on $300 billion and manage a budget in that constraint?" the overwhelming majority would say, "Yes, that seems like a reasonable expenditure level. I think I can live within that constraint."

My belief is that we should set that target, to live within that anticipated revenue of $300 billion.

I know there are all kinds of justifications—and I am sure I might quote an exception here or there—but I wish to announce to this Congress today that I would be willing to suffer setbacks even in that area where I thought an appropriation might be increased here and there, say for fire protection in the Angeles National Forest, which is in my own district, if only this Congress would finally come to grips with the argument that we should be responsible, like any other level of government, any city council, any State government, the overwhelming number of which must live within the constraints of anticipated income. But we do not do it. We constantly say to ourselves, "Well, here there are exceptions. Here is another exception." And never once have we really lived up to that "claim" that we are great champions of a balanced budget.

I have looked in the records of every single Member of this Congress, and well over 70 percent of this Congress campaigned aggressively last election for a balanced budget and said so in their campaigns.

Do the Members believe that we will abide by that in this simple resolution, which is only a target resolution? It does not even commit us to a final course in 1976 because we come back here, as the chairman of our Budget Committee has said, in September and revise those estimates. I believe we should.

I believe we should send a major signal to this Nation and say, on the basic elements of this resolution, five basic points, that we intend to live within a cash flow of $300 billion and we intend to do it in fiscal 1976.

And so that is why I will offer that resolution at the point that I believe it is appropriate for that issue to be debated and considered. I wish to do so in order that this issue can be put before us, because we are only setting targets for 1976. We basically have 18 months to respond to that goal of trying to live within $300 billion. And I would be more than willing to leave the final decision to the total Congress and maybe even lose in some areas where I think the level of expenditure should be higher than some of my other colleagues. I believe the Members would send, by accepting that concurrent resolution that I am recommending, a message to the entire country that for once we intend to debate the issue of living within a very substantial projected revenue of $300 billion, and do it.

I realize that there will be some legislative requirements of change in present law in some slight ways coming out of various legislative committees, but I would be willing to have the response come from those legislative committees because I know of the problem, of the ongoing commitment to in place legislation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Chairman, I commend the gentleman from California (Mr. Rousselot) for his statement.

There has been much talk here today about percentage of debt going down in relation to the total gross national product, and much talk about the comparison of family debt to the Government debt.

Would the gentleman not agree with me that there is a vast difference between comparing Government debt and family debt, because when a family borrows money, it is the same family which pays back that debt eventually? However, when the Government borrows money, it is not the same people. Rather, it is one set of people which borrows the money, and it is the children and grandchildren of those people who must pay that money back.

Mr. ROUSSELOT. The gentleman is correct, especially when the Federal Government goes into the market place, it is an entirely different situation. That is deficit financing which presently is costing us roughly $33 billion a year in interest charges. Our problem here today, as the gentleman knows and has pointed out, is not just the add-on deficit of $73 billion that our budget committee is recommending, but also the refinancing of the tremendous, massive debt that is already on the books. Therefore, while my colleague from Texas talks about only $61 billion of loan demand for Federal debt instruments to finance this debt, there is also the rollover of current debt we already have. So if the goals of this resolution are actually realized, the treasury will have even greater interest charges with which to cope.

Mr. SHUSTER. Mr. Chairman, if the gentleman will yield further, will the gentleman not agree that while he talks about $33 billion in interest now, based on this add-on factor with respect to the national debt, it is not going to be $33 billion in interest; it is going to be close to $40 billion a year this year and every year of our lives and the lives of our children until we are told when and how this debt is going to be repaid?

Mr. ROUSSELOT. I thank my colleague, the gentleman from Pennsylvania, for his comments. I want to say that the interest charges could be even more.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

It could be even more than $40 billion or $45 billion add-on cost in interest charges, if the Federal Government has to go out in the marketplace to finance this recommended debt and to pay at even higher interest rates, if we commit our Federal Government to that kind of $73 billion add-on debt.

Mr. D'AMOURS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes; I yield to the gentleman from New Hampshire.

Mr. D'AMOURS. Mr. Chairman, I appreciate the gentleman's remarks.

I mentioned balanced budgets in my campaign as an objective.

Mr. ROUSSELOT. Mr. Chairman, I hope the gentleman will agree with me and support my resolution.

Mr. D'AMOURS. Before I consider supporting the gentleman's proposed amendment, can the gentleman indicate to me how much of an effect that $300 billion budget will have on unemployment?

Mr. ROUSSELOT. Yes, I would be glad to estimate it, if I can. I am not sure the gentleman will accept my analysis of the projected situation. I sit on the Committee on Banking, Currency and Housing, the Joint Economic Committee, and other related subcommittees, so I have had a chance to look at those estimates or projections.

Part of the problem that we now face is that the Federal Government presence in the marketplace is so great that it nearly preempts available capital. For instance, last year the Federal Government took up 60 percent of the total amount of money that was available in the marketplace. The Federal Government, if we approve this budget recommendation, will not only have to refinance the old debt, but we will have to add on $73 billion of new borrowings. The estimates by the Treasury Department are that if we adopt the policies of this resolution it could take up anywhere from 80 to 85 percent of the total of the money available in the private market place to finance old debt. Added to that problem is the new commitment.

My answer to the gentleman is this. that the Federal Government cannot create one single job that it does not finance out of the hip pocket of the taxpayer, the working people of this country, the 85 million working people of this country or the alternative method of making by demands on our children and grandchildren through deficit financing.

So that the answer to the gentleman's question is that I believe that the private marketplace in the housing field, general construction, new tools for manufacturing, provide the real long-range employment, not an overabundance of Government-created jobs.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Chairman, I rise in support of House Concurrent Resolution 218. At the outset I want to commend the gentleman from Washington, the Chairman, Mr. Adams, and his counterpart, my good friend and colleague, the gentleman from Ohio (Mr. LATTA) for efforts which really deserve our respect, admiration, and congratulations.

The startup of this budget process was not meant to be an easy one. I think that the Chairman of the Committee of the Whole, the gentleman from Missouri (Mr. BOLLING) knows full well what I am saying. It has been a most difficult job. It has taken an enormous amount of not only hard work, but understanding and commitment on the part of both sides, on the part of all the Members, indeed, of the House Committee on the Budget.

Mr. Chairman, I think we all recognize that the new budget process is of enormous importance to the future of our Nation. I think we are aware of the responsible role Congress must play in the formulation of the fiscal policy of our Nation, if public confidence in our system of government is to be rebuilt and strengthened. We must accept this responsibility. We must make the new process work.

If I may say so, Mr. Chairman, I think that this was very much what President Ford was saying in a letter that was delivered to our ranking minority member, and read by him, the gentleman from Ohio (Mr. LATTA).

I rise in support of the resolution before us not because I think it is perfect—because I do not believe that at all—I support the resolution because it reflects at least a general concensus on the levels of Federal taxing and spending that should be approved during fiscal year 1976.

As I say, the task of the Committee on the Budget was not an easy one, because we were faced with widely divergent positions: On one hand, the administration's budget that, at least in the view of most, was not sufficiently stimulating to promote recovery and reduce unemployment substantially and, on the other hand, the spending plans of the various House committees, which, again in the opinion of most, would have resulted in a staggering deficit of nearly $100 billion.

I think the committee recommendation provides considerable stimulus to the economy. I think it does this without resulting in an unreasonably high or unmanageable Federal deficit. It was done, generally, by accepting only those new spending proposals that involve job-producing activities—housing, public service jobs, accelerated public works projects, and so forth, which can be quickly activated and which will not become part of the permanent program fabric which obviously burdens future budgets.

I think it is important to recognize that our deliberations today go beyond the fiscal 1976 budget, and this is what I think the gentleman from Ohio (Mr. LATTA) quite appropriately was talking to. We must understand that our national economy is not a giant spigot that can be turned on and off by the actions of the Federal Government. Total Government spending at all levels, State, local, and Federal, represents about 35 percent of the gross national product. The Federal Government itself accounts for about 21 percent of the gross national product. The remainder, that is to say, the other two-thirds of our total economic activity, is attributable to the private sector. It is here, Mr. Chairman, that we must look for most of the jobs that can return us to full employment.

But the private sector must be given the opportunity to respond. It is quite true, in my view, that unlimited congressional pump-priming denies this opportunity and works at direct cross-purposes to promoting recovery and jobs, because the credit necessary to fund ongoing Federal deficits becomes unavailable to business, which can function effectively only when it does have prompt access to the money market at interest rates which are reasonable.

Personally, Mr. Chairman, I suppose I might be more comfortable with a lower deficit than the $73.2 billion recommendation of the committee. I think this amount can be handled. however, during fiscal 1976 without the inflationary pressures and without crowding business out of the credit market. My reservations go to fiscal year 1977 when an economic upturn is all but certain, and upturn which can be short-circuited if in that year there is anything like the same level of deficit and Federal spending that can be justified in fiscal year 1976 for stimulative purposes.

What I am saying is that, in my judgment, on balance I consider the resolution to contain honest and responsible recommendations, and on this basis it has my support. But for the reasons that I have indicated, I will find it very difficult, nay, impossible, to support any amendments which add to the size of the budget and to the deficit as proposed by the committee.

As I have pointed out in my supplementary views, the reordering of national priorities is a laudable pursuit until it becomes my priority that is being reordered. Yet, if none of us is willing to yield on our priorities, then the price must and will be paid in certain inflation and certain joblessness. Because I believe the resolution addresses itself responsibly to the dual problem of recession and inflation, I urge its adoption.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, this is a real tragedy. Here we are, the U.S. House of Representatives, debating under a statutory rule of 10 hours one of the most important pieces of legislation that has come across this body. Less than 10 percent of the membership is on the floor of the House to listen to it. I do not know where all of those eager beavers are who were here yesterday waiting to vote on Vietnam. They have all disappeared. They must not be concerned about the budget and the state of the inflation of this Nation.

I was going to ask the Chairman if the Sergeant at Arms ought not go up and see if somebody has locked the doors to the press gallery. Two people were up there a while ago. I do not know how many are there now, but it looks like ghost town up there.

No one seems to be interested in this most important piece of legislation.

We properly created in the last Congress this Budget Committee. I understand they have hired 65 people on their staff already to do the job we have asked them to do. But nobody seems to be interested. Where is everybody, Mr. Chairman?

This budget situation is horrendous. Those of us who are here know at least this Congress generally has a bad reputation. Look at the polls. They downgrade the Congress more than anything else, and this may be an example why. On the other hand, we are criticized because we take too many recesses, although I think that perhaps might be in the best interest of the Nation that we do go back home and get the views of the people and find out what they think. Maybe we will change our ways.

Yes, we are talking about a budget deficit of $72 billion. A great deal of it has been swept under the rug. Probably it will be a great deal closer to $100 billion.

I will tell the Members why. Those who are responsible know who they are. It is a great thing to tell your constituents and it is the easy thing to do in Congress to vote "yes" on everything. They can go home and tell their people: "Look what I did for you." And who can afford to go home and say: "I voted against school lunches?" But we do not talk about the fact that we blew the budget by $1.3 billion to do that. We just say: "Look what I did for you." On the education budget we did a similar thing. And we cannot be against education or against teachers or against old folks. We say: "I voted aye. I voted aye."

But when it comes to raising revenues to pay for the excesses, then where are those who voted aye?

They must vote no and be "responsible." We all are tarred with the same brush back home no matter how we vote. We voted for the tax cut legislation and I am sure we made a serious mistake. The President should have vetoed it. We reduced revenues by $25 billion and yet Congress continues to spend at current and even greater rates.

What does this do? It puts us under an obligation to fund programs with money we do not have, so we have to go out in the private sector and borrow money. That dries up money from private sources and it runs up the rate of inflation and it hurts the little people we are trying to help.

Before our final vote there will be amendments to reduce this legislation from $72 to $70 billion, or maybe $65 or $50 billion, or maybe even balance the budget. Many big spenders will vote "aye" to reduce so they can go home and say: "I voted to cut the budget" and it will be their only conservative vote of the whole session. That is why I think Congress has such a bad reputation and why it is rated so low in the polls of this country.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I commend the gentleman for his speech and for the stance he has taken in the last 15 to 18 years in this body. I think what the gentleman is saying is the system we are operating on with the deficit spending really rewards the irresponsible and is the root of all our problems in the United States.

Mr. DEVINE. I thank the gentleman.

To say "I told you so" does not help. The thing we must do is to hit the cause and not the effect, and the cause is big spending. We do not produce a nickel's worth of things in Washington. We are really distributors. We have to take from the people back home before we can give it to them, but we take less from them than we can give back, and that is why we have inflation.

Mr. ADAMS. Mr. Chairman, I yield 7 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, the first concurrent resolution on the budget comes before the House of Representatives at a time when we as a nation face bewildering and complex economic problems both at home and abroad.

At home, we have the unholy entanglement of inflation and recession. Thousands of workers are idle, millions of others are being burdened with the high cost of living. Our great industrial complex, from the huge River Rouge plants to the smallest manufacturers, are shut down or operating far below capacity. Internationally, the Vietnam ordeal has been long, arduous, and extremely costly in every way. An acute energy shortage results from our international dependence on oil and related raw materials. The integrity of the dollar is threatened in even the most remote corners of the globe.

In every respect, a new sense of urgency confronts us all. We in the Congress have been elected to provide leadership, no matter how difficult or seemingly impossible that task may be. We must not shirk our responsibility, for in the long run there will be no escape from that responsibility.

It is no secret that congressional leadership in basic budgetary decisions has been diluted over the past several decades. With almost unconscious abandon, we have allowed, through backdoor spending provisions, multiyear appropriations, and similar measures, approximately 73 percent of our Federal outlays to become virtually uncontrollable. Our public debt now well over $500 billion and estimated to exceed $600 billion in this resolution, is staggering. Yearly Federal deficits have reached such totals that our annual net interest payments, what the taxpayers pay, is in excess of $20 billion. I do not have to tell you the hardships this places on our elderly, our young, and our people with modest incomes.

Congress has not been particularly successful in the past in its attempts to establish an orderly procedure for determining national spending and revenue policies and priorities. In the Legislative Reorganization Act of 1946, Congress tried to assert new and meaningful control over the budget process through creation of a legislative budget. After three unsuccessful attempts to use this device, it was abandoned as an unqualified failure.

When the legislative budget failed, the omnibus appropriations bill of 1950 was put into effect to require the House Appropriations Committee to combine the numerous separate appropriations bills into one omnibus measure. After limited success in 1950, in January 1951 the committee voted to return to handling appropriations bills separately. When in 1953, the Senate proposed a return to the omnibus plan, the House did not respond.

Neither have other more recent attempts to manage logically national spending and revenues had enough force to provide real control. The idea of a Joint Committee on the Budget was approved seven times between 1952 and 1965 in the Senate without House consideration any of those seven times. Also the spending limits Congress attempted in the Johnson years did not give Congress the strength it needed either. When spending was held down, it was accomplished by selective executive impoundments after Congress had appropriated funds.

Certainly, a satisfactory approach to congressional control was not found in cutbacks on spending in the 1967 continuing resolution that required executive branch agencies to hold down obligations. Nor can much be said for the 1968 effort to cut Federal spending by $6 billion via the Revenue and Expenditure Control Act, or the 1969 and 1971 tries at establishing a ceiling on expenditures.

We have needed a rational procedure to manage the country's finances for a long time. Now we have it. Now we can no longer afford to ignore it in favor of piecemeal approaches at arriving at national priorities or at attempts to hack away at expenditures by across-the-board cuts that take away our budgetary discretion. If Congress is willing to discipline itself, we will have a budget based on reason and foresight and a means to turn around the country's economic situation.

The Congressional Budget and Impoundment Control Act gives the Congress a process for reason. It well affords us an opportunity to exert authority long needed by the Congress. Rather than simply reacting to the President's budget, we can now take a proactive stance with a legislative budget based on better and more complete analyses. This first resolution culminates an intense and reasoned beginning effort to arrive at totals which will serve as a gage of our future legislative actions. The members of the committee, although not in total agreement on every assumption, have been able to set aside their differences in the interests of creating reasonable aggregate figures and an important fiscal and economic mechanism.

I want to compliment Chairman ADAMS for the fine work he has done in directing this committee and in motivating us to work together to formulate the first resolution on the budget that promises a sound approach to Federal budgeting.

And so, Mr. Chairman, I support this legislation. This is an area where there is great disagreement; witness the fact that my good friend who preceded me in the well berated us in Congress for being all too often high spenders. I plead partial guilt to that, although I can say that I join with the gentleman in some areas such as the school lunch giveaway program last week where I tried to save some money.

That is not the issue before us. The issue is, what do we do about the state of our economy? We in this committee have two concerns, two basic concerns. One is unemployment. The other is inflation. They are both deadly, deadly diseases, in our body politic. We have got to find some answers to it.

The American people are looking to this institution. True, our rating in the polls is low; but who rates highly in the polls in the eyes of the American people? The executive branch does not rate highly. Our financial institutions do not rate highly. Our religious institutions do not rate highly. The American people are disillusioned with most of their institutions, including their Congress. But they are looking to Congress for solutions.

I think this is a good piece of legislation. I want to commend our chairman, the gentleman from Washington (Mr. ADAMS) for taking on a new job with a new committee, probably a first in American history, trying to get this body, this Congress, to discipline itself and come up with a budget. No easy task I say to you. I commend the chairman for a job well done. That is what we are trying to do here. We are trying to find solutions rationally.

I am encouraged because there is strong opposition to this budget resolution. I am encouraged because the opposition comes from either of two groups of extremists who say, "You are not spending enough" or "You are spending too much."

Some oppose this resolution because the $73 billion deficit is too high and others oppose it because the deficit is too low.

Here we are, as so often happens in the Congress. We have the coming together of two groups from the extreme left and the extreme right of the economic spectrum saying, "We both oppose your legislation for absolutely different reasons."

What does that say to me and to the rest of us who like to think we are rational and moderate? It says there must be something good about this resolution. We are trying to come up with a compromise figure insofar as the deficit is concerned. We speak of $73 billion as the correct amount. We are not that far wrong. The President himself starts out with $60 billion. So the differential is between $60 billion and $73 billion.

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Now, none of us have the kind of insight which can say with absolute preciseness wherein between $73 billion and $60 billion the true figure rests. But reasonable men and women can get together and work that out.

This rate of spending will protect us against massive and increasing unemployment, hopefully, by stimulating our economy and it will also protect us, hopefully, against a tremendous inflation by rejecting greater deficits.

I think more important is the fact that we do establish a congressional budget for the first time. There are many who say that we are incapable of establishing this congressional budget. They say that Congress is too undisciplined a body to form a budget. This is our first attempt.

I submit we cannot and we must not fail. We have got to come forth proposing a budget with the necessary figures, as our committee has recommended, compromise them out as we hope to do tomorrow; but once that debate has taken place, for heaven's sake, let us pull together and vote yes to this budget resolution. It would be a most disastrous thing, not only for the country, but also for the Congress if we were to show the Nation that we were incapable of approving a congressional budget.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, does the gentleman from Connecticut take the position that, regardless of our fiscal philosophy, regardless whether we lean toward more spending or less spending, it is urgent that we must not abandon budget control legislation in order that we can pursue the objective of getting a better handle on Federal spending?

Mr. GIAIMO. Yes, I do.

Mr. MAHON. Does the gentleman advocate that those of us who are pretty conservative in our views and think the deficit proposed is too high, vote for this resolution? Conversely, does the gentleman advocate that those who feel that the budget deficit is too low, vote for the resolution? Does the gentleman think we all, as a practical matter, should vote for some sort of bill after the House has worked its will?

Mr. GIAIMO. I think we should express our disagreements and differences of opinion as to the magnitude of the budget deficit when we address it in the amendments process, but then after that has taken place, I urge the Members to abide by the committee resolution as amended and come forth with a budget.

Mr. MAHON. Mr. Chairman, I think all of us are concerned that our vote on this resolution will not be misinterpreted as to our political or fiscal philosophy, but I am inclined to agree with the gentleman that we must proceed to try to make this new procedure work successfully. How successful we may be at the beginning is, of course, uncertain, and what may happen thereafter is uncertain, but surely we need to move in this direction and demonstrate the will to get a better handle on Federal revenues and spending.

Mr. GIAIMO. I thank the gentleman.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. Kemp).

Mr. KEMP. Mr. Chairman, I rise as one of the cosponsors of the Budget Control Act and as someone who has been constantly concerned and interested in getting control over the runaway Federal budget process. I am glad to join my distinguished chairman of the Appropriations Committee on that committee and I look forward to working with him and serving under his leadership in the future of that great committee.

As I understood his question, should we vote for this particular resolution primarily because we have no alternative? Is that what my distinguished chairman's statement was?

Mr. MAHON. Mr. Chairman, if the gentleman will yield, I will say that I was just raising the issue. I might say to my friend from New York, as to what some of us should do who are very much troubled about this situation. I do not think we want to destroy this program, and we do not want to place ourselves in a false position. If we vote down the resolution, after we have tried to amend it and work our will, it would seem to me to be a step in the wrong direction. That is my general view. What could be done toward revising the legislation during House consideration remains to be seen.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's answering that for me, because again I say that I have such a great respect and regard for the effort he has made over the years to help control Federal spending and I am opposed to this resolution of deficit spending. It is a recipe for recession and inflation.

One of the interests I have had in this whole process, I say to my friends who are here, has been to try to get a handle on the Federal budget and the huge deficits so destructive to the American economy. The statement has been made that we are dealing today with both unemployment and inflation, and that should be quite obvious to all of us. Unfortunately it is more fun and better politics to fight recession than it is to fight inflation.

What we are dealing with is a resolution which has as its budget authority $395 billion for fiscal year 1976, $73 billion of deficit and submit the taxpayers of this country will reject it. I mentioned earlier in the debate that when I came to the Congress, or when I was elected in 1970, the Federal budget for fiscal year 1970, was around $195 billion, and unemployment was hovering around perhaps 4.5 percent.

Today we are talking about a budget authority of $395 billion, just a few years later, and unemployment is 9 percent; even higher in New York State. Government spending and out of controls deficits are strangling free enterprise. So there is a legitimate debate about what creates jobs and what creates prosperity, and what helps stimulate the economy of America.

I say, as one Member of this body on the minority side of the aisle, I welcome this debate. I think it has been too long in coming. I think all of us ought to welcome it in the spirit of the process in which we as legislators must decide what is the best source of economic stimulation in our country.

I might also add that in the last 5 years there has been $150 billion of deficits and who can deny the fact that unemployment is up and inflation is up? Deficits destroy jobs and only stimulate inflation rather than recovery.

This is an important debate, for the future of a free and prosperous America and I just say again, like my good friend from Ohio (Mr. Devine), I wish there were more Members here to participate and to be edified by this debate.

Mr. KREBS. Mr. Chairman, the gentleman in the well just mentioned the gentleman from Ohio (Mr. Devine), who stood here 15 minutes ago and lectured this Congress about the poor attendance; whereupon, the gentleman from Ohio (Mr. Devine) left the Chamber.

Mr. Chairman, I am making the point of order that a quorum is not present to give the gentleman from Ohio (Mr. Devine) an opportunity to participate in these discussions.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

CALL OF THE HOUSE

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 165]

Andrews, N.C.
Barrett
Biaggi
Bingham
Boggs
Breaux
Broomfield
Brown, Calif.
Burton, John
Carr
Chisholm
Clausen, Don H.
Cohen
Coughlin
Crane
Delaney
Dellums
Derwinski
Downey
Drinan
Edwards, Calif.
Eshleman
Evins, Tenn.
Fascell
Foley
Ford, Tenn.
Fraser
Ginn
Gonzalez
Hansen
Harrington
Harsha
Hastings
Hawkins
Hébert
Horton
Jones, Ala.
Kastenmeier
Koch
LaFalce
Lott
McFall
McKinney
Mathis
Mikva
Mills
Mollohan
Mosher
Mottl
Murphy, N.Y.
Nedzi
O'Hara
O'Neill
Peyser
Price
Rees
Reuss
Rhodes
Riegle
Rodino
Roe

Rosenthal
Russo
St Germain
Satterfield
Scheuer
Shipley
Shriver
Slack
Stark
Steiger, Ariz.
Stokes
Sullivan
Teague
Thompson
Traxler
Vanik
Whitten
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Young, Fla.

Accordingly, the Committee rose; and the Speaker having resumed the chair (Mr. Bolling) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution, House Concurrent Resolution 218, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 349 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose, the gentleman from New York (Mr. Kemp) was recognized for 5 minutes.)

Mr. KEMP. Mr. Chairman, the premises that I was making before the quorum call were twofold: a) that those of us who supported budget control did so in the hope that it would lead to controlling this out of control Federal deficit, and b) a second premise is that we must enlarge that sector of the economy to which Government must rely for its resources. that is, the productive or private sector.

May I say to my colleagues today that the only way to create employment; the only way to create a better standard of living for the American people; the only way to reduce poverty in this country and to stimulate housing and construction; the only way to do the many socially desirable things that all of us want to do for the future of this country, is to increase the amount of capital investment per capita.

This budget resolution fails on both accounts and in fact will help strangle the capital market to accomplish the type of recovery we want.

I would suggest that this resolution today is a recipe for profligacy. I made the point earlier that in the last 5 years we have had $150 billion of deficit. We have had a growth of the Federal budget from $190 billion to $390 billion. Is there a man or woman in this Chamber today who can tell me that unemployment has been reduced? Of course not. Unemployment, as a result, has gone from 4.5 percent in 1970 to 8.7 percent today. In fact today I am informed Bethlehem Steel in Buffalo is laying off 2,000 more workers.

Unemployment is a result of unwise, out-of-control Government deficit spending. The same politicians who were on this floor a few weeks ago saying that there is not enough mortgage money to finance the recovery of housing are the same ones who have run this deficit into uncontrollable proportions, taking the money out of thrift institutions in order to finance the borrowing needs of the Federal Government and thus killing the housing market. As the chairman of the Appropriations Committee said several months ago:

> The budget calls for spending in fiscal year 1975 of $313.4 billion and $349.4 billion in fiscal year 1976. This is an increase from 1974 to 1975 of $45 billion and from 1975 to 1976 of $36 billion. This will cause a unified budget deficit of $4.7 billion in 1975 and $51.9 billion in 1976, but the total additional increase in debt will be $52.8 billion in 1975 and $67.8 billion in 1976—an increase of $120.4 billion over 2 years. If that will not shock the American people to the marrow of their bones then we as a nation are insensitive to the fiscal situation which confronts us.
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> The total increase in the amount of the debt which must concern us over the next 18 months is not the $87 billion increase in the Unified budget but the likelihood that we will go into the capital market for as much of $150 to $170 billion just on the matters proposed in this budget. That amount, alarming as it may be, does not reflect the liability associated with loans guaranteed by the Government.

The implications of the chairman's remarks are grave for all of us who are charged with the constitutional responsibility of exercising fiscal and monetary responsibility.

Let me put before this House, in chart form, what the chairman put before us several days ago:

PROJECTED FEDERAL DEBT INCREASES

[In billions of dollars]

	Fiscal year—		
	1975	1976	Total
Projected unified budget deficit	$34.7	$51.9	$86.6
Borrowing from the trust funds	+8.3	+3.1	+11.4
Borrowing to finance off-the-budget agencies	+13.7	+10.4	+24.1
Other financing	−4.1	+2.2	−1.9
Subtotal: projected real base deficit	52.8	67.6	120.4
Effects of congressional refusal to support President's proposed selected spending reductions	+5.9	+17.0	+22.9
Subtotal	58.7	84.6	143.3
Possible congressional action on proposed tax cuts offered by the President	+4.3	+19.0	+23.3
Total	63.0	103.6	166.6

The likelihood of the Federal Government borrowing nearly $170 billion or even $100 billion from the capital markets in this Nation over the next 18 months is staggering. Interest rates would soar to even new record highs; and there would be little, if any, money left for private borrowing by manufacturers, homebuilders, et cetera. Inflation would rise steadily as the Federal Reserve System pumped up the supply of new money—through extensions of credit to boost available funding for borrowing. A deeper recession and higher inflation could well set in. Thus, these measures—designed to get us out of recession—would actually put us further into it, all caused by trying to cure our problems with inflated dollars.

The basic issue, I think, is the role the Federal Government, the role of the public sector in the economic recovery of this Nation. I agree with those who said earlier that we do have a role. The same methods that were used in the 1930's as the gentleman from Ohio, the ranking minority Member on the committee, pointed out don't work, unemployment in 1938, after 6 years of these very same programs, was higher than it was in 1930 and 1931. It was 17 percent at the start of the depression, 1930–31 and in 1938 was 19 percent plus.

Look at what has happened to Great Britain.

Great Britain spends $128 billion, or 60 percent of their GNP. If we juxtapose the budget in Great Britain with that in the United States, it would mean that we would have an equivalent Federal budget in the United States of $900 billion; 60 percent of all spending in Great Britain is now consumed by the Federal Government and we are headed in the same direction.

At this point, we have about one-third of our GNP consumed by the public sector. Public spending, as a share of the gross national product, is around one-third, 33⅓ percent. Federal, State and local spending as a percentage of private income, business and personal income in this country, is 43 percent. Taxes and inflation are destroying jobs and asphyxiating free enterprise.

In the President's own budget figures, they show that for the year 1985—10 years henceforth the public sector of our economy—local, State and Federal Government—will consume 55 percent of all private income in this country. By the year 2000, it will be 66⅔ percent. That is without any new spending programs.

The point is that if we do not control this out of control Federal budget, if we do not exercise some restraint, if we do not match revenues with our expenditures, we are going to come to a point far before the year 2000 where we have done great damage both to incentive and to productivity not to say what damage will be done to freedom of choice in this Nation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LATTA. Mr. Chairman, I yield 9 additional minutes to the gentleman from New York.

Mr. KEMP. Mr. Chairman, it is evident by the fact that Government today dominates our way of life. It permeates it. Almost everything we do or want to do is circumscribed by regulating policies and bureaucratic dictates of Government. And, it is at great cost to the taxpayer—both in terms of the pocketbook and in terms of individual freedom.

These are but a few of the many indicators which reflect this growth of Government.

The public sector continues to absorb an increasing share of our gross national product, GNP, despite significant relative declines in defense spending. The share of GNP absorbed by the public sector rose from 26.5 percent in 1954 to 32.8 percent in 1974. It will rise even more in fiscal years 1975 and 1976.

Civilian domestic expenditures increased dramatically from 12.9 percent of GNP in 1954 to 25.4 percent in 1974, while at the same time the share of GNP absorbed by national defense was cut nearly in half from 13.7 percent of GNP to 7.4 percent, in 1976 it will be less than 6 percent. And, half of the growth of civilian domestic expenditures represents totally new governmental growth—requiring both increased taxes and more deficit spending.

In 1952, after 163 years since the inception of our Republic, Federal expenditures for domestic purposes totaled $12 billion. In the succeeding 20 years, those expenditures increased by $12 billion every 2 years—I repeat, every 2 years. And, the growth has been even steeper in the past 7 years. In the fiscal year 1969 budget Federal expenditures for domestic purposes totaled $72 billion. By contrast, for fiscal year 1976, they will total $273 billion.

All levels of government have grown at rates exceeding the general growth of the economy; the Federal growth has not been at the expense of State and local government growth.

In 1954 Federal domestic expenditures accounted for 5.5 percent of GNP. By 1974, it was 13.8 percent of GNP.

Federal aid, which accounted for 11.4 percent of State and local general revenue in 1954, expanded to 26.5 percent in 1974. And, State and local expenditures grew during this 20-year period from 7.4 percent of GNP to 11.6 percent.

The bureacucracy which depends upon this growth—and the tax dollars to sustain it—grew too. Almost 15 percent of our Nation's employed labor force now works for Government—1 out of every 6—in civilian capacities. To that, we would also have to add all those in military capacities.

The bureaucracy which depends upon very well for itself too. The average annual earnings of Federal employees now exceed the average annual earnings in private industry by a staggering 46 percent and they have increased more rapidly than earnings in any other major sector. Similarly, the average annual earnings of State and local employees have increased almost as rapidly as earnings of Federal employees, now themselves exceeding earnings in private industry by 6 percent.

One can now make more money by working for any level of government than working—in a productive capacity—in the private sector. The implications of that should be apparent and distressing.

All of this is sustained by the taxes imposed on the people and our businesses, and we should never forget that the people pay all the taxes—either directly through income, sales, real estate, gasoline, and a myriad other tax devices or indirectly through higher prices paid for goods and services purchased from companies big and small.

The Federal Government alone will take $1,336 from every man, woman, and child to finance that part of next year's budget met through tax receipts. It will, of course, finance the rest of the budget through deficit financing, which places a greater public debt burden on all of us. What the Government does not take in one form—taxes, it will take in another tax, is the erosion of purchasing power through the inflation tax.

That $1,336 per person—or $5,344 for the "average" American family of four—compares to $899 per person during the first year of the Nixon administration, to $566 the first year of the Johnson administration, and to $497 the first year of the Kennedy administration. And, the increase in 1976 over 1975—in just 1 year—is almost 6 percent.

The "average" family in 1953 had an income of $5,000 and it paid 11.8 percent of that income in direct Federal, State, and local taxes. By 1974, that "average" family had an income of $13,000, but it was paying 23.4 percent of family income in such direct taxes—almost a dollar out of every four earned.

That tax burden means that if a man or woman works a 40-hour week, that all the income for the first 9½ hours is for Government. Looked at in calendar terms, one has to work from January 1 until about the last week in March for the Government's share of income. And, of course, this is only for direct taxation. Add to it the indirect costs of Government—such as higher prices which must be paid by the consumer because of taxes on corporations—and by some estimates it takes until mid-May each year to work off Government's share of your income—over 40 percent of private income. The most recenlty compiled statistics of the U.S. Bureau of the Census show that Government revenues—direct and indirect—equal 42.6 percent of the national income. We cannot long endure at such levels.

Yet the pace continues—and it is gathering momentum.

The Morgan Guaranty survey in February reported that official Department of the Treasury estimates confirmed that the Federal Government was spending in the first half of 1975 at an annual rate of 17-percent more than during the first half of 1974.

Writing in his book-length study, "The Growth of American Government: A Morphology of the Welfare State," Dr. Roger A. Freeman, a former adviser to several Presidents, now at Stanford University, depicts the logical consequence of such growth in this way:

> A straight projection of governmental trends of the 1952–1972 period would produce results by the year 2000 that seem absurd. There would then be one person working for government for every 1.75 persons in private employment—compared with a ratio of 1 to 4 at the present time—and governmental spending would equal 70 percent of the GNP.

Big government at these levels and the maintenance of freedom are inconsistent.

What all of this—Government's continued and growing interference in the economic lives of the people—adds up to is declining economic freedom. To the degree that economic choices are governed by the policies and actions of Government, rather than by oneself, freedom is diminished. Once that process starts, it too easily leads to the eventual loss of freedom.

Does one have genuine economic freedom when one gives up over one-third of his income to Government?

Or, when he involuntarily surrenders his purchasing power because of Government-created and Government-fostered inflation?

Or, when he cannot plan his future and that of his children—for school, for retirement, or for whatever—because Government's policies are so unpredictable and are so corrosive of his livelihood?

I think not.

The essence of economic freedom is freedom of individual choice in the marketplace.

Does one have that freedom when one cannot get a loan—for himself or his business—because the money is so tight and the interest rates so high?

Or, when his life savings can be wiped out in several years' time by double-digit inflation.

Or, when he cannot buy a product or pay a freely negotiated price for it because of Government-control created shortages on one hand or mandatory price regulation on the other?

I think not.

There are countless more examples which could be cited.

Which can best assure an enduring revitalization of our economy: Government through a stimulative budget and the deficits which necessarily arise from such a budget, or the private sector of the economy—private industry—through investment capital sufficient to bolster productivity and create more jobs?

I think it is clearly the latter, and its proof is in our recent experience.

We have had Federal deficits 16 out of the past 18 years—substantial and sustained Government stimulus for the economy. It ought to be obvious by the highest unemployment rate in decades and by the lowest productivity rate in 37 years—both of which we now have—that these budgets and deficits—this stimulus—have not assured our prosperity.

Quite to the contrary, they have brought us record-high prices, double-digit inflation, massive unemployment, substantial stockpiles of goods, and virtually total disillusionment with the problem-solving abilities of Government. That last point—but not the preceding dislocations—may be encouraging, if we learn from it.

The reasons why these disastrous consequences arose from such policies ought to have been obvious to everyone while they were occurring, not only after they occurred.

We should, therefore, be moving to eliminate deficits, not create additional ones. To create additional deficit is blatantly counterproductive, for it is this borrowing of money from the Nation's capital markets by the Federal Government which drives up interest rates and drives down available capital for private individuals and businesses, and it is the monetizing of the national debt which produces the additional increase in money stock which causes inflation.

When Government spends more than it takes in, it still must pay its bills. It pays those bills through borrowing funds from the same financial institutions that lend them out privately to businesses, to contractors, to prospective home purchasers, et cetera. The more capital Government takes out of the markets, the less remains.

Thus, competition for those dollars remaining allows those institutions to set higher rates of interest. This, in and of itself, reduces the amount of speculative capital, because those with speculative ventures cannot nearly as well afford to pay the higher rate of interest. But, the effect is higher interest rates, and when businesses, contractors, home purchasers, and so forth, cannot borrow, recession is the inevitable result, meaning the loss of productivity and jobs.

The Federal Government, unlike you or me, has another way to pay off its bills. The Government may pay off a portion of its new debt by monetizing it—a process by which the Federal Reserve System extends credit to its member banks, through "high-powered" money devices. If the money supply increases faster than production, higher prices are always the result. There has never been a dramatic increase in money supply in the last century which has not been followed by a dramatic increase in prices. As the rate of inflation goes up, so to does the rate of prices, following by a few months to a year.

The conclusion to be drawn from this is that deficit spending must be substantially reduced—with the eventual goal of balancing the budget.

The borrowing from private markets—required to finance a large share of the deficit—"crowds out" or preempts the private credit and capital so necessary to housing markets and construction in general.

When Government borrows from the capital markets, it crowds out the mortgage money. Capital is diverted away from mortgages for home, commercial, and industrial construction. The result is depressed construction and rising unemployment. That unemployment starts first among those actually engaged on the sites, then works its way backward through the manufacturers of materials used in construction—from electrical wire to nails.

Senator **WILLIAM PROXMIRE** of Wisconsin, the chairman of the Senate Committee on Banking, Housing and Urban Affairs, pointed out last August 22 the effect of this "crowding out" phenomenon. For every $10 billion taken in Federal borrowing, approximately 500,000 new housing starts cannot begin for lack of mortgage funds. That results in the direct loss of over 1 million jobs and the indirect loss of over 2 million more.

By comparing those statistics to the bill considered yesterday—spending nearly $6 billion for public service jobs—we can see how much that $6 billion drain from the capital markets will hurt employment. It will prevent about 300,000 jobs starts from getting off the ground this spring, resulting in direct unemployment of about 600,000 and indirect unemployment of an additional 1.2 million—1.8 million altogether.

It simply does not make sense to jeopardize, then destroy, 1.8 million tax-generating productive jobs to create—at even the best, most optimistic estimate—900,000 tax-consuming, essentially unproductive jobs.

Yet, the concurrent resolution before us mandates that we continue these counterproductive policies—even in the face of a growing awareness that the stimulation provided through it could substantially overheat the economy—driving up both the rates of inflation and interest—in the months to come. That could set off another recessionary spiral—perhaps even worse than the present one.

My distinguished colleague, the gentleman from Connecticut (Mr. **GIAIMO**), with whom I serve on the Committee on Appropriations, expressed this concern in his additional views accompanying the report of the Committee on the Budget to the House in this way:

> A policy that contributes to more inflation is a policy that contributes to increased discouragement on the part of the American people. We may have reached the point where people do not believe inflation will cease. Recent polls indicate that 75 percent of the American people see prices continuing to rise. If this is true, it is an easy step to understand why businesses will not drop prices and why labor unions demand sizeable cost-of-living increases in contracts.
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> I am troubled when our Government must be a "necessitous borrower" whose requirements must be satisfied even if it means indirectly penalizing individuals, corporations, and State and local government. I am also troubled when I see evidence of uncertainty and confusion for Americans when they can no longer plan for the education of their children, for their retirement years, or in some cases for the day-to-day well-being of their families. We must ask ourselves to what extent massive deficit spending, year after year, removes incentives and freedom of choice from private investors. We must realize that a large deficit is no "free lunch."

It could not be better expressed—especially when there are alternative policies available to us—policies which we could pursue as rapidly as those constituting the rationale underlying the concurrent resolution before us.

I speak, of course, of pursuing policies designed to assure adequate investment capital formation.

The adequacy of capital formation can be assured only through a consistent, coherent, coordinated economic policy—

To reduce the bias in our existing tax laws against capital formation, most notably our present corporate and small business income tax structure;

To ameliorate the harsh treatment of capital gains;

To end the individual taxation of dividends;

To provide greater incentive for increasing individual savings;

To establish more productive guidelines for depreciation allowances such as increasing the asset depreciation range from 20 percent to 40 percent;

To stabilize our fiscal and monetary policies and to reduce those regulations and controls that are stifling competition and forcing consumers to pay higher prices in transportation, energy, and other areas of our economy;

To reduce the cost of Government and reduce commensurately the tax burdens placed upon the people, leaving them with more funds to invest; and

To establish a limit on both Federal revenue and expenditures, assuring thereby that the growth of Government would be limited, insofar as its relation to the people's wealth is concerned and assuring that Government borrowing from the capital markets to finance deficits would be greatly reduced.

All of this is sorely needed.

A tabulation of growth rates by the Organization for Economic Cooperation and Development of 20 advanced economies for 1960–70 put the United States in 18th place—3d from the bottom.

We anticipate a capital shortfall of $1.5 trillion—that is 1,500 times $1 billion—over the next 10 years in what it will take to assure continued growth in our prosperity—even to stay at the standard of living at which we now find ourselves—to avoid sliding even further backward. This shortfall means we will be underinvesting $400 million each and every day for a full decade.

These startling figures are why I believe the highest priority of our economy should lie in the nurture and stimulation of capital formation—for corporations, for small businesses, for farmers—because everything the American people want and need grows out of that capital formation.

What could happen in this country if we do meet this challenge is so encouraging that every Member of Congress ought to be working every day to assure it. Assume that we meet this challenge and invest sufficient capital to sustain a 5.2 percent real growth rate.

America in 1985 would have:

First. A 50 percent decline in the number of people living in poverty—which means 12 million fewer poor people.

Second. A total of 20 million more jobs for Americans—the work force would grow from 86 million to 106 million people—up a full 25 percent

Third. An increase in median family income of 75 percent.

And, fourth, 35 million more housing units.

Mr. **DEVINE**. Mr. Chairman, will the gentleman yield?

Mr. **KEMP**. I yield to the gentleman from Ohio.

Mr. **DEVINE**. I want to compliment the gentleman. I know the gentleman took the floor, in a group of about 30 of us, 6 or 8 weeks ago. I know the gentleman personally gave this message to the President of the United States at a meeting this morning, where I was present, and I want to compliment the gentleman for his leadership and his enthusiasm to followthrough on this.

Mr. **KEMP**. I appreciate the gentleman's comments.

Mr. **WRIGHT**. Mr. Chairman, will the gentleman yield?

Mr. **KEMP**. I yield to the gentleman from Texas.

Mr. **WRIGHT**. I thank the gentleman for yielding, and I would say that a number of things the gentleman is saying are things that most of us could embrace philosophically.

The gentleman talked about the need to stimulate investment in the private sector. Is the gentleman aware that a part of the reason we project this deficit is because we do provide a 10-percent investment tax credit that is going to have a $3.450 billion loss of revenue this year? We can stimulate more. We provide this 5-percent credit for housing investments in the private sector that is going to cost $563 million. There are a number of things.

We do that and we create this deficit,

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but the purpose of it is to stimulate activity in the private sector.

Mr. KEMP. I appreciate the gentleman's comments, and I recognize that those are some of the more important ingredients of the tax cut measure. What I observed in the tax cut was that most of the cuts, the preponderance of the stimulation, was toward consumption and not enough toward production.

What I am suggesting to the gentleman—and I would appreciate the gentleman bearing with me—is that the quickest and most efficient and most effective way to create jobs in this economy and stimulate housing and put people back to work and to create tax revenues to the Federal Government is to cut the tremendous tax burden on the private and productive sector, the productive people, of this country.

Let me make a statement to the gentleman that I think was alluded to earlier by the gentleman from Ohio. I am not so doctrinaire as to believe that we need a balanced budget in any one fiscal year. I recognize the concept that over 1 or 2 years it may take a stimulus, but I would like to see the stimulus come in the productive sector as well as in the consumption sector. The tax cut bill does not do enough to create new productivity in durable and capitol goods, its mostly stimulating consumer goods spending. I would rather see a person get a job than a $100 rebate, especially when those who pay no taxes get up to $400 rebate.

I suggested earlier an accelerated jobs creation bill of mine that could reduce the tax loan on individuals and businesses and do more to stimulate recovery than all the emergency new deal type programs ever devised.

These are, I think, basic predicates upon which a healthy recovery will be based. The 1940 dollar is now worth 25 cents. The 1950 dollar is worth 50 cents. The 1970 dollar is worth 75 cents.

The record on which we embarked a number of years ago to suggest to the American people that the way out of economic stagnation is for the Federal Government to finance recovery and put everybody to work with a Federal rake and a Federal hoe is not the answer, as pointed out by the gentleman from Ohio. It did not work in the 1930's. It did not work in Great Britain. Sixty percent of England's total private industry is now nationalized and controlled by the central bureaucracy.

The problem in America today is that we are consuming more than we are producing. The total indebtedness of the United States of America is $2.6 trillion. There are $1.1 trillion of corporate debt, $600 billion of mortgage debt, $500 billion of Federal debt, $200 billion of State and local debt, and $200 billion of consumer credit card debt. That is compared to just a few years ago when it was only $400 billion, that is, 1956.

Mr. Chairman, the argument has been made that we can finance $170 billion of debt in the next 18 months without any trouble to the private credit markets of this country. I would agree that while we can, in the short run, do that, it is when the recovery does begin, that we are then going to have tremendous demands for private credit. The only way to finance it at that point will be if the Federal Reserve goes out and monetizes that debt at such a rate as to lead to an inflation that is now trivial compared to what it will be.

Let me tell the Members this: Last month the Federal Reserve expanded the money stock, that is, M–1, currency in circulation plus demand deposits, between 12 and 13 percent. And if you add on M–2, which is currently in circulation, plus demand deposits plus time deposits; you get a 15-percent increase in the money supply. If that continues unchecked, we will have a galloping inflation, and somewhere down the road it will destroy the integrity of the currency of the American people. People say, "Oh you conservatives, you fiscally conscious types, all you care about is money, and not about people."

All right, just let me ask them this question: Can you be concerned about the American people if you are not concerned about the integrity and purchasing power of the dollars? Can you be concerned about the senior citizens of our country who are forced to live on a fixed income and not be concerned about their retirement dollars, the dollars that they put away in the 1940s, and 50's, so that now they do not have enough money on which to live. Can you look labor in the face and tell them you care about their pay check and what it will buy, if you do not exercise fiscal responsibility?

Remember this: God did not create inflation. Inflation is created here in Washington, and that is where the answer and solution is. If we really care about people, jobs, housing and a better standard of living for all Americans, we will exercise restraint and responsibility. We'll come back with a plan to reduce these deficits and then adopt incentives to stimulate the greatest free enterprise system in mankinds history.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, Alexander Pope could hardly have foreseen a U.S. national deficit of a predicted $100 billion when he wrote his often-quoted lines in "An Essay on Man":

> Vice is a monster of so frightful mien
> As to be hated needs but to be seen,
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

But the message is there for us in the Congress in 1975 if we only substitute the word "debt" for vice. And who can argue with the assumption that at some point in time habitual indebtedness becomes a vice?

Spending beyond our national means has progressed from a budget of $118.4 billion in 1965 to a total of $[illegible]13.4 billion in 1975. The escalation has been rapid, and gaining in momentum. We appear to be increasingly deaf to our own individual "alarm systems". Ignoring the dire predictions of many experts and the rules of plain common sense, we have come to tolerate deficits that boggle the mind. We are willing, apparently, to put off until tomorrow tough decisions that only grow in dimension and complexity every hour they are deferred.

Each increase in the Federal deficit in the last decade must be counted as a failure to face up to the world of reality where money is money and not some mysterious government euphemism known as "funding." The money obviously must come from somewhere even if some erroneously suggest that we are only borrowing from ourselves. But each step into deeper national debt must also be recognized as another advance in a line of progression to a point where finally all restraint is abandoned and we embrace the "vice" of reckless government spending as a goal to be pursued in itself—a concept diametrically opposed to the concept underlying the Congressional Budget Act of 1974.

As we consider the first budget resolution under that act, I believe it is important that the House take a hard, jaundiced look at where we have been and where we are headed on the all-too-easy road to Federal fiscal suicide. The proposed budget deficit of $73.2 billion is not acceptable. The committee resolution fails short of merely holding the line. Worse, it contains authority to stimulate the economy beyond the point of no return so that we will surely embark on a new round of combined inflation and recession. Stepped up Federal borrowing can also be expected to raise interest rates as the Federal Government competes with the very private individuals we are supposed to be serving, the people who are already bearing the brunt of the accumulated excess which led us to undertake budget reform in the first place. The easy way out is not an escape route; it leads only to the self-imposed destruction of our financial system and the private enterprise economy which, for all its supposed faults, has provided a standard of living and a measure of personal freedom for most Americans unparalleled in the rest of the world.

Mr. ADAMS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I have had several inquiries as to what procedure the Committee hopes to follow in terms of time, and our discussion procedure. I wish to state that I am hopeful that we will complete general debate today, since we do not have that many more requests for time.

I have discussed this matter with the gentleman from Ohio (Mr. LATTA) on the other side of the aisle, and I have in addition discussed the matter with the leadership. They are going to request, when we go back into the House, that we come in tomorrow morning at 10 o'clock. We will then try to complete the resolution in the afternoon tomorrow, thus being able to give ample time to those who wish to proceed with amendments.

That is the intention of the Committee. We would start the amending process tomorrow morning at 10 o'clock, provided that is provided by the House.

Mr. Chairman, I now yield 5 minutes

to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, preliminarily I would like to congratulate the Chairman of this Committee, the gentleman from Washington (Mr. ADAMS) for the very excellent job he has done in bringing our committee of age during extremely troubled times.

There has been much discussion here that we are moving in the wrong direction and are not doing the right thing; that we ought to be able to get a handle on the economy and that we ought to have a balanced budget, and such as that.

I think a lot of us on the Committee on the Budget have been elected to these positions in large part on the representation that we were going to work toward a balanced budget. Certainly I have paid a lot of lip service remarks to that effect on this floor. Unfortunately, we are in the situation where a previous administration has expanded our national debt, trying to live within the framework of a balanced economy, about 50 percent over a period of 6 years, and we are in this rather diabolical situation where our national debt is well in excess of $500 billion, and we are going to have to pay $35 billion interest on that debt in the next year, which is 12 percent of all of the amounts that we pay in taxes. I think this is unfair.

But Bill Simon came before our committee, and he said that if we continue operating the country the way we have been, which means the way the Government has been operating over the past 6 years, we will be operating at a deficit of some $45 billion this year, and $60 billion next year, and then $70 billion the year after that, and if we add this very quickly another $400 billion or $500 billion in just the short 1970 time frame before 1980 will occur, we have got to get a handle on what we are doing, and this effort today is an attempt to set in perspective what the Congress does. We have never taken a looksee at what we do.

I know there is a tremendous tendency to try to reorganize the Government in this bill, and I appreciate the zeal of the gentleman from New York (Mr. KEMP) who just occupied the well before me, that he would like to reorganize Government through the Budget Department.

Certainly I have my own priorities, and I would like to impress those priorities in this bill. We are not trying to change heaven and earth here today. What we are trying to do is to take the President's budget and figure out how much of that we are going to accept and how much of that the Congress, considering its polarizations, will reject, and to come up with a figure, rather than just blindly stacking programs. We are now in the position when we can now recognize in this bill that we in Congress are probably $15 to $20 billion out of phase with the President's budget—this means vetoes and attempts to override vetoes, and misapplications of priorities, and deferrals and rescissions and confusion and a hopeless economy unless we face up to this crisis. We are trying to figure out where we are going from here.

I will tell the Members, basically we have got a basket case economy. Any time we have got to plan a deficit of $70 billion, we are in a basket situation.

I recall some years ago when President Nixon submitted a planned deficit of some $30 billion, we indicated that things were bad because this was the first time that we had to say in advance that we were going to have a planned deficit of any magnitude. We had enjoyed deficits previously under other administrations, but they just came about; they were not planned.

Essentially our plan here in the country today is to stimulate the economy through the tax-refund program, through the other stimuli that we have generally agreed on the majority side, and to an extent on the minority side, to plug in maybe $40 billion to the economy and do it in such a way that we create gross national product, and we create tax revenue, and then we do not have so many people out of work, and so that later on we can borrow back out of the economy maybe $70 billion, or maybe $60 billion, if that is the will of the House and things will get going again, and we can do it. It is kind of a make-soup-from-a-nail kind of approach, but our economists indicate we can do it. I do not think that this bill is really worth everybody's getting exercised about. We have done a reasonably good job, I think, in the committee. We have tried to go over our figures as best we could in a few months' period of time. I at one time took the view that we should not bring this resolution here today, but considering the fact that our figures produce the realization that this House probably is at a minimum $10 billion out of phase with the President, and considering the fact that his priorities are not our priorities, and that his first $60 billion of deficit is not our first $60 billion deficit, and that we are probably $15 billion apart at a bare minimum as of today.

We are not going to get rid of the Federal income tax, and we are not going to have a zero balanced budget.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. LEGGETT. Were we to attempt to take $95 billion out of this budget, as the motion from the minority side might indicate we should do in order to balance the budget, the net effect would be that we would reduce our income by another $35 billion, so that would necessitate not only taking $95 billion out but perhaps another $35 billion. But it would mean that we would be taking the money out of the controllable items, and if we look at the budget printed by our President, it indicates the controllable items are about $95 billion, of which $63 billion is national defense; so unless the motion would contemplate that we actually change the operative structural law in a great number of legislative areas, including social security and railroad retirement and military retirement and military pay, et cetera, what we will do in an attempt to balance this budget is just cause utter confusion, and I do not think we can do it.

I would say that regardless of whatever end figures we come up with, this resolution here today will not be ideal. I voted against the national debt limit before in the past because I have not agreed with the priorities of spending. I would have voted for the debt limit to pass the bill however. I think it is important that we differentiate between protesting the priorities that are set forth in this resolution and not passing the resolution, because I think if we do not pass this resolution, we are going to be in much the situation that we would be in if we did not pass the debt limit bill.

We need equally a debt limit bill and we also need a budget resolution—they are imperative.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we have had many instances in this House where we have maybe done a great deal, but in some instances we have turned down a bill that has come out of a committee and that does not mean the end of the process. I believe in this budget process. But if this House would say within a few days we have had a disagreement with the Budget Committee and their perception of the five elements of this resolution, that would not mean the end of the process.

Mr. LEGGETT. No.

Mr. ROUSSELOT. It may mean the Budget Committee would have to go back to the drawing board and maybe come back with another five elements. So that does not mean the end of the process if we turn down this resolution.

Mr. LEGGETT. If this House wants to turn down this resolution and to have these numbers changed, that is the privilege of the House, but these are majority House numbers and this is kind of where we are. It is like the national debt. The national debt limit is going to fund health programs the gentleman perhaps may not have agreed to and such as that but a great many people will support the debt limits who do not support everything the debt limit supports and we will have to pay for it. We have to recognize when we vote for this resolution we are not ratifying the priorities that are here and particularly this year when it is only a target.

Mr. Chairman, the opportunity we have today for the House to exert its will to control the Federal Budget represents the culmination of years of intensive legislative effort. We now have a mechanism whereby we can assume responsibility for the budget as a whole, including the deficit, rather than merely passing a series of piecemeal provisions and adding the figures at the end. This procedure comes at a time when we need an effective means of influencing our economic policy to help the country out of this recession. The committee has, in formulating its resolution, received the recommendations of the authorizing and appropriating committees and has consolidated these views and estimates into aggregate totals, acceptance of which represents an opportunity for Congress to act with foresight, instead of hindsight.

Clearly, the assumptions on which these totals are built incorporate strategy to stimulate a national economy in trouble. Unemployment now looms over this nation at 8.7 percent and is expected to reach an incredible 9.3 percent by early summer. Inflation, although it shows signs of abating, still hovers at about 6 percent. For the first time in over a quarter of a century, real disposable income has declined for five successive quarters.

I know there are some Members who object to the size of the deficit figure contained in this resolution. No one advocates deficit financing unless it can be justified to help heal our economy. Let me assure my fellow Members that the size of this deficit figure, in my analysis, is very necessary at this time. Let me assure you that it is no higher than we had to recommend to start this country's economy moving again. It is the recession that must make the resolution's deficit figure so high, not irresponsible action on the part of the committee. Indeed the committee has carefully evaluated the impact of employment-related program increases that will not obligate us to long-term spending. I would strongly urge acceptance of the critically needed public works and public employment initiatives.

Obviously, the aggregate totals represent varying views among the members of the committee and will have to represent some differences of opinions among the 435 Members of the House. Notwithstanding the soundness of the approach that the Congressional Budget and Impoundment Control Act gives us, I would personally recommend that we act formally to modify some of the assumptions used to build aggregate figures, either by amendment to this resolution or by later congressional action reflecting cognizance of this resolution. I would not advocate the limitations on Federal salary increases and on social security benefit increases as part of a strategy to control unreasonable trends in inflation.

These "caps" will have, little effect on general inflationary trends in wages and prices and represent an inequitable control mechanism if some limitations are not placed on the private sector as well. What we need now is an increase in budget authority of $4 million and an outlay increase $0.5 million to permit the Council on Wage and Price Stability to maintain surveillance over price and wage changes in the economy. This surveillance must be accompanied by the authority to question the necessity of proposed wage and price, interest, and profit increases above 5 percent annually and to disallow them in specified instances. In our Macroeconomic figures we have suggested a reduction in national defense.

In the national defense category, the President submitted an authorization request for $107.7 billion, $16.4 billion above the fiscal year 1975 level, an increase of 18 percent. Corresponding outlays were $94 billion, $8.7 billion above the fiscal year 1975 level of $85.3 billion, an increase of 12 percent.

This request was carefully reviewed by the Budget Committee and it was determined that the primary objective of the proposed increase was to maintain the purchasing power of the Defense dollar and, in addition, to provide a substantial measure of real growth for Defense programs in the fiscal year 1976. There did not appear to be any justification for the proposed increase based on any change in the estimates of the threat and, indeed, the Secretary of Defense did not address any such revised threat estimates in his appearance before the committee. The committee then was faced with the question of whether, in the absence of any change in the threat and in view of an impending deficit in excess of $70 billion, we could justify this massive increase in Defense spending.

The answer was clearly that such an increase could not be justified and that the estimate should be reduced to a level which would provide adequately for Defense programs while allowing a balanced approach to the Nation's total economic and budget needs.

In order to accomplish these objectives the Budget Committee did a careful review of the details of the request and concluded that certain adjustments could be made which would take advantage of assets expected to become available to the Department of Defense in fiscal year 1976 without requiring new budget authority. These assets included estimates of funds which will become available from prior year balances and from the sale to foreign governments of surplus military equipment from Defense stocks. Such funds have, in fact, historically been used to finance Defense program and, in view of the growth in unexpended balances and foreign military sales over the recent past, it must be assumed that this source of financing will continue.

The committee also reviewed the requirements for cash balances in the various stock fund accounts. While the need for some increases in the cash-on-hand balances was recognized, and is included in the committee's estimate, it was determined that projected Defense increases in this area was excessive. With good management the stock funds should easily be able to continue and improve services to their customers in fiscal year 1976.

The committee did not include in its estimate the amounts requested for procurement of war reserves for allies and for advanced procurement of equipment which might later be sold to foreign countries. These programs would require legislation to change a proviso of the Foreign Assistance Act of 1974 which precludes such procurement. The committee had no reason to assume such legislation would be approved by the Congress.

In the related area of war reserves for the U.S. forces the committee did recognize a requirement and included funding in its estimate, although at a reduced level from that proposed in the Defense request.

The committee also reviewed in detail the Pentagon's method of calculating the impact of inflation on funding requirements. It compared the factors the Pentagon used with the latest economic data available and found that the rate of inflation is decreasing faster than had been projected in the Defense budget. By applying the latest projections to the appropriate Defense spending categories it was determined that funding requirements for the requested Defense programs would be reduced by almost $1.8 billion in fiscal year 1976 outlays.

Other economic issues, such as sale of oil from the Naval Petroleum Reserves and sale of goods from the strategic stockpile, which require new legislation, were also considered. The committee concluded that the receipts anticipated in the budget would not be forthcoming and, consequently, appropriate changes in the estimates were made.

After concluding the financial review described above, the committee turned its attention to the requested increase for real program growth. The Defense request identified this amount as $5 billion in fiscal year 1976 and indicated that it was meant to reverse the trend of continually declining Defense budgets over the last few years. The committee reviewed this proposal carefully. It took into consideration the fact that the Defense spending in constant dollars had indeed been declining since fiscal year 1968. However, it also noted that within those declining dollars the Department was able to finance an extensive modernization program in many areas, including development of new tactical aircraft, new tanks and helicopters, and the Trident strategic program. In view of these considerations the committee included an amount of $1 billion for real program growth in its estimate.

The effect on employment was another factor investigated. There are no military or civil service jobs affected by this reduction. The only job issue is in defense-related industry. In its budget presentation, the Department indicated that the Defense budget supported 1,494 million jobs as of the end of fiscal year 1975. At the end of fiscal year 1976, this number would decrease by 25,000 to 1,469 million jobs. This is in spite of an 18-percent increase in the request for new obligational authority. Obviously, the increase would not affect employment until fiscal year 1977 and later. Therefore, the Budget Committee recommendation should not affect employment in fiscal year 1976. However, potential increases in jobs which would be created in fiscal year 1977 and later years will not be forthcoming at the rate anticipated.

Another major issue considered, of course, was the request for military assistance to Southeast Asia. The committee eliminated all military support of Cambodia and reduced the request for South Vietnam to the approved fiscal year 1975 level to about $1 billion, but this item is now not needed.

In summary, the recommendations of

the Budget Committee as reflected in the resolution reflect a very significant reduction in the Defense budget as submitted. At the same time, allowances have been made for the effects of inflation and some funds are included for technological growth to insure that necessary programs are not adversely affected.

I emphasize that I am optimistic that the process this resolution represents will provide the basis for reasonable decisions. These totals in the resolution on which we will vote are not to be construed as irrevocable restraints. The resolution is a touchstone by which we can judge the fiscal soundness of congressional future actions.

Finally, I wish to thank our chairman for his concentrated effort and positive approach in helping the committee perform its task. I am appreciative of the hard work he has undertaken to launch this new budgetary process, a process that will have far-reaching impact on congressional action.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I voted to bring this resolution out for the full consideration of the House. I did so with a very strong feeling of concern because it seems to me that in this resolution as it is proposed there are some terribly inequitable and unjust propositions set forth. One such proposition is with reference to placing the caps on various categories of people, Federal employees and military employees and the disabled and those who are our senior citizens.

Mr. Chairman, we have achieved a remarkable degree of camaraderie, mutual respect, and good interpersonal relations in this House. The climate in which we work tends to obscure the fact that we have not eradicated prejudice, racism, and discrimination in America.

I want to discuss with you what that residue of racism, prejudice, and discrimination means with reference to the caps some seek to impose. I understand that Americans of all races and colors will be adversely affected if the caps are imposed, however, for today I want to focus in on black Americans.

Let us look at the military caps from this perspective.

Black citizens make up 22.4 percent of the new Volunteer Army. Many of them volunteered because there were simply no jobs for them in civilian life. The recession/depression hit black communities with great impact beginning in 1972, and these communities have had to live with chronic, endemic unemployment since the close of Worldd War II.

Black citizens in the Volunteer Army are concentrated in the lower echelon of the enlisted grades; 21 percent are E–1's, earning $4,129 in basic pay and $5,202 in take-home pay, 27.6 percent are E–2's, earning $4,601 in basic pay and $5,607 in take-home pay, 25.4 percent are at the E–3 grade, earning $4,781 in basic pay and $5,826 in take-home pay.

Please remember that many of these men must send substantial portions of their take-home pay to their families, mothers, fathers, brothers who are the victims of high unemployment rates which have been found in black communities for the last three decades.

Some may argue that basic pay is supplemented by fringe benefits, retirement benefits, for example. The real fact is that lower grade enlisted personnel never stay in the service long enough to get retirement benefits. Out of the last 47,000 retirees only 7 have been at grade E–1.

I think the unique circumstance of black servicemen becomes a strong part of the argument against the imposition of caps on military pay.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, in the resolution I have before me, House Concurrent Resolution 218, I do not see any priorities, any categories of caps. Is the gentleman referring to line 2, page 2, that the total outlay is $368,200 million?

Mr. MITCHELL of Maryland. In the language in the report accompanying the resolution, unless there was some dramatic shift, there was the attempt to impose caps of 5 percent on Federal pay and military pay and 7 percent caps in the social security area.

It is my further understanding that the majority leader during the course of the amending process tomorrow will introduce an amendment which will preclude the imposing of caps in those categories.

Mr. WYLIE. I do not think those are caps, if I understand the meaning of the term, the word the gentleman is using. Those were categorical estimates that were provided us for drafting in the reporting process, but really have no legislative meaning.

Mr. MITCHELL of Maryland. But they would have the effect, the meaning of imposing caps in those categories.

Let me finish my statement and we will discuss that a little further.

Mr. Chairman, let me examine the proposed caps on social security benefits from the same perspective.

It is well known that in the past prejudice against black citizens kept us locked into the lowest paying menial jobs. Please remember that title VII of the Civil Rights Act was not passed until 1964. Many of those who are now receiving OASI benefits worked in low paying jobs for many years before this Nation sought to end employment discrimination. Many are now the people who receive the minimum amount under disability or retirement and that minimum is $93.80 a month, and the maximum is $140 monthly if a family is involved.

While is is true that under disability or retirement benefits a maximum of $573 monthly can be garnered, I submit to you that most black beneficiaries, because of a past, sorry history of discrimination are concentrated in the minimum benefit range.

If we impose a cap on OASI or disability benefits we are, in effect, making black disabled persons, black senior citizens pay a double penalty. Stop for just a moment and think if you would want your family, or your senior citizen relatives to live on $140.80 a month?

Of course, you would not want this. Can you in all good conscience impose this fate on other families less fortunate than your family?

Even if we permitted a 15-percent increase in benefits—and I think it most unlikely that the Congress will do this—we would lift a widow and three children to the grand total of $161 a month—$1,932 annually, in effect leaving that family to live below the poverty level.

The imposition of a 7-percent cap on social security payments will hurt all Americans. However, I hope you will realize now the reasons why black citizens will be hurt in a unique fashion if the 7-percent cap is imposed.

I voted to bring the budget resolution to the floor, acting out my sincere belief that this House, in working its will, would not countenance the imposition of the 5- or 7-percent caps. When the O'Neill amendment is offered, I entreat you to give it full support because it is fair, it is just, and it is right.

Mr. Chairman, my colleagues, earlier I spoke to this body, explaining how the proposed budget resolution would hurt those who are already the worst off. Although fully recognizing that impoverished whites and upwardly mobile whites coming from impoverished backgrounds will be hurt if we pass the resolution in its present form, I focused in on the plight of black Americans.

Let me pursue this line of reasoning, applying it to the budget resolution that we as a nation must tolerate an unemployment rate of 7.4 percent for the next year. Let me, using the statistics on black unemployment try to show you how manifestly unfair, how manifestly cruel this proposition is.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. BADILLO. Mr. Chairman, I want to associate myself with the statements of my friend and colleague in the well.

I want to say that I do not think that it is impossible to do something about reducing the level of unemployment. I think that it is possible to propose an amendment which will do just that, and that is what I intend to do, hopefully, tomorrow.

I am astonished that the committee points out that an increase of 1 percent in unemployment brings about a $16 billion increase in the Federal deficit, but does not carry through and recognize that providing for 1 million public service jobs would cost only $10 billion. Therefore, we are actually reducing the budget deficit by providing more for public service employment.

This is what I hope to bring out tomorrow, and I hope the Members will look at my statement as it appears in the Congressional Record so that they can see that the best way to reduce the deficit is by providing an increase in public service jobs.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for his remarks. I certainly want to see his amendment, and if indeed it goes as he suggests, I would be proud and honored to support it in any fashion possible on this floor.

Mr. Chairman, the rate of unemployment in black communities is astronomically high—and has been so for years—that when you talk about an unemployment rate of 7.4 percent, you are really saying that black citizens who are unemployed will be expected to live with, to accept high rates of unemployment for another year.

This is unthinkable. We simply cannot do this.

At this point let me give you an analysis of the 7.4 percent rate of unemployment and black unemployment.

If in 1976, we achieve full employment—a misnomer for 4.9 percent unemployment—black citizens in the 16 to 19 age group would still have an unemployment rate of 23.2 percent. If we permit 7.4 permanent unemployment, the unemployment rate for that age category would be 35.7 percent.

If in 1976, we achieved full employment, black citizens in the age category 20 to 24 would have a 15.7 percent rate of unemployment. But if we permit unemployment to remain at 7,4 percent, the unemployment rate for that age category would be 25 percent.

Similarly, full employment in 1976 would yield 4.8 percent unemployment for the age category 25 to 29, but a recessional rate of unemployment—7.4 to 8 percent—would result in a 7.7 percent unemployment rate for that category.

The data I have just given you is for black males. Comparable data exists for nonwhite females who are unemployed.

What will be the consequences of this 7.4 percent unemployment goal? What are the prices we must pay?

We are now paying a terrible price in youth and young adult crime—violent crime and I assure you that if we permit 7.4 percent unemployment, the rate of youth and young adult crime will continue to rise.

If we permit this, we shall have encouraged a climate of discouragement. Every youth and young adult, who seeks employment earnestly and with persistence and who does not get employment may well become an unwitting agent discouraging others and thereby adding to the numbers of persons who simply drop out of the labor market—those who are not even counted in the unemployment statistics.

If we, this Congress, permits a 7.4-percent unemployment rate to remain as our goal, we then are establishing a destructive policy which will deteriorate and disrupt the family life of those who are worst off.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I will be glad to yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I want to say that the able gentleman in the well, in my opinion, is not only speaking this afternoon good sense and good public morality, but good economics, that too many people think we are not paying anything for idleness, for lack of productivity in this country. We are paying for it. It is just a question of whether we recognize the deficit or not.

Mr. Chairman, I want to commend the gentleman on his position and I associate myself with it.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for his remarks.

Mr. Chairman, we must establish a more realistic, a more humane unemployment goal.

Let me conclude by quoting from the spring 1975 report from the Urban Institute:

> The high levels of unemployment and work discouragement affecting these groups must be counted not only in terms of current income losses, but also in terms of their losing out on job skills and on seniority relative to other employees. Women and Blacks have made important gains in the job market in recent years. A long and deep recession can wipe out their hard-fought-for improvements, because they are still relatively disadvantaged. With jobs scarce, these groups will tend to be left out.

Mr. BADILLO. Mr. Chairman, I congratulate the House Budget Committee and its distinguished chairman, Mr. Adams, for the comprehensive work they have done in bringing this first concurrent budget resolution to the floor of the House. However, I have some strong reservations about House Concurrent Resolution 218 in its present form. Specifically, I reject the committee's projection of an unemployment rate of 7.4 percent by the end of fiscal year 1976 and believe that the resolution provides insufficient funding for temporary, recession-fighting programs which are necessary if we are to realize the speedy reduction of unemployment so essential to the restoration of our Nation's economic well-being.

The present 8.7 percent unemployment rate is shocking testimony on the current state of the Nation's economic condition. Nearly 8 million people are out of work and looking for jobs. However, these alarming statistics fail to illuminate the full dimensions of the unemployment picture. It is an acknowledged fact that among minorities—blacks, Puerto Ricans, Chicanos, American Indians—official unemployment has averaged at least twice that reported for the rest of the Nation. Nor do the statistics reflect the millions of persons who have simply dropped out of the labor force completely or who are underemployed or those who are working only part-time.

By every measure, we are in the midst of a lengthy, continuing unemployment crisis which seems likely to approach the frightening proportions of a massive depression. This state of affairs is clearly unacceptable.

President Ford has presented the Congress with an economic program and proposed budget for fiscal year 1976 which clearly fails to take account of the rapidly deteriorating economic situation or the gravity of the growing unemployment crisis. The administration's program offers the American people a steady diet of increased inflation, deepening recession, and expanding unemployment. It is characterized by severe inequities, especially among those persons least able to bear additional economic burdens.

In presenting House Concurrent Resolution 218, the House Budget Committee has sought to develop a budget framework for congressional action to reduce unemployment and the recent high levels of inflation, while keeping the budget deficit and Federal borrowing within reasonable limits. The committee has rightly called upon the Congress to direct our basic efforts at stimulating the economy through employment-generating programs.

The Budget Committee's proposal calls for an estimated expenditure of $13.6 billion in fiscal year 1976 for economic stimulus, forecasting a resulting 1,726,500 jobs—450,000 of which would be public service jobs—and a 1.3 percent reduction in the unemployment rate from the current 8.7 to 7.4 percent by the end of the fiscal year 1976. I do not believe the committee has gone far enough in this area, and I strongly suggest that the House consider a more aggressive policy.

According to Report No. 94–145 which accompanied House Concurrent Resolution 218, the Budget Committee estimates that—

> For every increase of 1% in unemployment in today's economy, there is a corresponding $14 billion loss in Federal tax revenues and a $2 billion expenditure for regular unemployment compensation. Thus, a 1% increase in unemployment leads to at least $16 billion increase in the Federal deficit.

In addition, the committee report clearly documents the negative economic impact of high unemployment on other major indicators of the Nation's economic health—for example, lagging consumer demand, declining GNP, and sharply decreased housing starts.

The committee report further notes that their projected deficit of $73.2 billion is caused by the recession itself and not excessive Federal spending.

I share with many of my colleagues their genuine concern about large budget deficits. However, the fact is that the deficit we face today is largely the result of high unemployment. The administration's own budget recognizes this fact. It indicates that if unemployment were at 4 percent, long held as the "full employment" rate, the fiscal year 1976 budget submitted by the President would have shown a surplus of $12 billion rather than a $51.9 billion deficit.

The Budget Committee's report properly states that—

> The budget deficit can best be reduced in the future by generating jobs, which will produce increased tax revenues and a reduction in the Federal expenditures for unemployment compensation and other forms of income assistance.

I endorse that policy and believe that the first concurrent budget resolution adopted by this Congress should more accurately reflect a commitment to

achieve that goal during the coming fiscal year.

It is for this reason, Mr. Chairman, that at the appropriate time I will offer an amendment to House Concurrent Resolution 218 to reflect an increase in outlays for public service jobs in order to achieve a 4.4 percent unemployment rate by the end of fiscal year 1976 and, at the same time, a reduction in the Federal budget deficit.

My proposed amendment would accomplish that purpose by providing for an increase of $27.6 billion in temporary outlay authority for an additional 2,754,870 public service jobs. These figures are calculated on the basis of each public service job at cost of $10,000.

Based upon the Budget Committee's own estimates and forecasts, the additional temporary outlays for this purpose would be accompanied by a corresponding increase in Federal tax revenues of $42 billion and a reduction in outlays for unemployment compensation and other forms of income assistance of at least $6 billion. The resulting budget deficit would be $52.8 billion, only $9 million more than proposed by the President and $20.4 billion less than the committee's estimate.

The net effect of my proposed amendment on the comprehensive budget totals contained in House Concurrent Resolution 218 would be as follows:

Revenues—$337 billion as compared to $295 billion—an increase of $42 billion;

Budget authority—$415.6 billion as compared to $395.6 billion—an increase of $20 billion;

Outlays—$389.8 billion as compared to $368.2 billion—an increase of $21.6 billion;

Deficit—$52.8 billion as compared to $73.2 billion—a decrease of $20.4 billion; and

Public debt—$600 billion as compared to $624 billion—a decrease of $24 billion.

At this point, I include the text of my amendment and a comparison of the budget aggregates as proposed by the committee, my amendment, and the President in full in the Record.

Amendment to House Concurrent Resolution 218 To Be Offered by Mr. Badillo

On page 1, line 6, strike "$295,000,000,000" and insert in lieu thereof "$337,000,000,000".

On page 1, line 11, strike "$395,600,000,000" and insert in lieu thereof "$415,600,000,000".

On page 2, line 2, strike "$368,200,000,000" and insert in lieu thereof "$389,800,000,000".

On page 2, line 5, strike "$73,200,000,000" and insert in lieu thereof "$52,800,000,000".

On page 2, line 7, strike "$624,000,000,000" and insert in lieu thereof "$600,000,000,000", and on line 9, strike "$93,000,000,000" and insert in lieu thereof "$69,000,000,000".

COMPARISON OF BUDGET AGGREGATES

[In billions of dollars]

	H. Con. Res. 658	Badillo amendment	President's
(5) Revenues	295.0	337.0	297.5
(6) Budget authority	395.6	415.6	385.8
(3) Outlays	368.2	389.9	349.4
(4) Deficit	−73.2	−52.8	−51.9
(5) Public debt	624.0	600.0	596.4

Mr. Chairman, the objective of achieving maximum employment is no longer simply a desirable philosophical goal, but a clear economic necessity. There are presently pending before the House Committee on Education and Labor a number of bills which would create a public service jobs program to accomplish the purpose of providing maximum gainful employment of the magnitude now required.

There is broad consensus among economists that public service employment is an effective tool for creating jobs with a minimal impact on inflation. The net cost of a public service employment program has proven to be substantially less than the expenditures made for it due to the large offsetting savings in income assistant programs—unemployment compensation, food stamps and welfare payments—and resulting increases in tax receipts. Furthermore, the experience under the Emergency Employment Act shows that a large scale public service program can be mounted quickly and provides both significant employment opportunities and needed public services.

I urge my colleagues to consider the modifications of House Concurrent Resolution 218 to provide for greater employment-generating expenditures. I believe the millions of unemployed American people deserve more deliberate and aggressive congressional action than is presently contained in this resolution now before us for consideration.

Mr. LATTA. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio (Mr. Wylie).

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. THONE. Mr. Chairman, let us examine a grizzly bear in wolf's clothing.

House Concurrent Resolution 218 proposes a Federal deficit for fiscal 1976 of $73.2 billion. If this were the true nature of the beast, it would be a wolf that would cause all prudent men to fear for the safety of our Nation.

The budget as submitted by the President provides for a deficit for fiscal 1976 of more than $67 billion. All of the minority members of the House Budget Committee have pointed out that "under the President's budget as submitted, it was estimated that the Treasury would be coming into capital markets during this calendar year for almost $70 billion of net new financing, of which $65 billion would be in marketable securities. Federally sponsored agencies would account for another $14 billion in borrowing. These are huge sums — more net funds, both in absolute terms and in relation to the size of the economy—than have ever been borrowed before in the capital markets in any single year by the public and private sectors combined."

The proposal before us purports to offer a deficit about $6 billion higher than the President's budget. If this were the nature of the animal, it would resemble the world's most dangerous wolf.

Mr. Chairman, let me give you briefly four reasons why this document is not what it appears — a most dangerous wolf—but is in reality the most terrifying of all beasts on earth—a grizzly bear.

Reason No. 1: The gentleman from Michigan (Mr. Cederberg) in his additional views published in the report of the Committee on the Budget points out that—

> It would be a service to the American public if the Committee report dealt more fully with Federal finances outside the official budget categories—off-budget agencies, Government-sponsored enterprises and Government guaranteed borrowing. Estimates in the budget documents place the deficit-like short-fall in these activities at $26 billion.

Reason No. 2: It is difficult for anyone to predict what the total income or outgo of the Federal Government will be for the fiscal year that ends 14 months from now. The majority members of the Committee on the Budget appear to have been overoptimistic. They may have greatly underestimated the cost of some Government-mandated expenditures and they may have overestimated Federal incomes. Again the gentleman from Michigan (Mr. Cederberg) points out that the potential errors and uncertainty in the budget estimates could result in a deficit that would be $30 billion greater than the $73.2 billion predicted.

Reason No. 3: Three members of the majority party on the Committee on the Budget, the gentleman from Texas (Mr. Burleson), from Georgia (Mr. Landrum), and from New Mexico (Mr. Runnels), have warned against adopting this budget. They have said, "We are alarmed and dismayed by the budget figures presented in this resolution. In particular, we are strongly opposed to the $73.2 billion deficit presented. We feel this is an encouragement for the Congress to go far beyond this figure; perhaps as high as $90 billion." In other words, a majority in the House may vote for a $72.3 billion deficit in an attempt to show some bounds of fiscal restraint, and then subsequently vote for many billions more of Federal spending during the 1976 fiscal year.

Reason No. 4: Another member of the majority party on the Committee on the Budget, the gentleman from South Carolina (Mr. Derrick) warns that adoption of this budget will mandate huge deficits in fiscal 1977. He stated that—

> The Committee has adopted a series of measures to stimulate employment through the construction of various types of public highways, water pollution facilities, and other local community facilities. In my opinion, none of these stimulus proposals can contribute sufficiently to reducing unemployment in fiscal year 1976. Yet by the Committee's own admission most of these programs will have a major impact on expenditures in fiscal 1977, when even those economists and members of the financial community who feel that a $70 to $80 billion deficit is acceptable in fiscal 1976 warn that it would be extremely dangerous to risk a comparable deficit in fiscal year 1977 when the economy is in the midst of recovery.

Mr. Chairman, I do want to commend those members of the Committee on the Budget who voted to bring this resolution to the floor. Some members were in favor of even greater deficits. All of the minority members opposed so large a deficit. Some members desired different priorities within the budget as submitted.

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Since a majority opposed the resolution as it stands, there was a danger that the House might not be required to take a stand on a budget this year. I salute those who voted to give all Members of the House an opportunity to vote for or against fiscal responsibility. I commend the committee also for doing as much work on a budget document as it could. This year, the committee has not had the time, nor the staff, nor the facilities that it will have in future years.

How shall we reduce this budget?

First, we must eliminate programs that are described as aids to unemployment that either will not do much toward that end at all or that will provide jobs after our current recession is over.

Such a program is the proposed $5 billion accelerated public works program. The minority views in the committee report that in a similar 1972 program only 7 percent of the amount appropriated went for wage payments. The minority also pointed out that "22 months after approval of the act, only 121 of the 203 fiscal year 1972 projects had been completed.".

The minority views also point out that legislation for public service jobs is a program that is not efficient in eradicating unemployment. The minority states:

> It is understood that evaluations of the Emergency Employment Act, the predecessor to the present Comprehensive Employment and Training Act (CETA), have consistently concluded that there is substantial displacement of regular jobs by subsidized public jobs, and of State and local spending by Federal spending.
>
> These studies agree that after 1 year of a temporary program only 5 out of 10 jobs funded are actually net additions to the stock of job opportunities, and that after several years of a temporary or permanent program, only 1 out of 10 jobs funded is a net addition. Thus, under the permanent CETA program 9 out of 10 jobs that were "created" probably would have existed anyway. Even with a modest overhead, the cost of a public service job slot is about $10,000 per year. This means that the cost of actually creating one net job is probably around $100,000.

In addition to eliminating measures that will not deliver on their promises to relieve unemployment efficiently and now, we must take more drastic action. The third ranking majority member of the Committee on the Budget, the highly esteemed gentleman from Texas (Mr. WRIGHT) has suggested such drastic action. In his supplemental views to the committee report, he states:

> It is a distressing fact that somewhat less than one-third of the total budget outlays are "controllable" through the congressional appropriations process. When we take out the "uncontrollables," such as interest on the national debt, social security commitments and other such irrevocable and irreducible expenditure requirements, there remains only some $106 billion which is amendable to direct and discretionary congressional action this year.
>
> Even so. I am convinced that further economies can be made in this $106 billion aggregate. Every function can stand some tightening. An across-the-board reduction of only 3 percent in these "controllable" expenditures would net a saving of some $3.2 billion. During the deliberations of the Committee, I offered an amendment to achieve ths degree of saving.

Mr. Chairman, I urge the whole House to support what the committee would not, a 3-percent cut in all appropriations.

As we consider the first congressional budget, let us be mindful of what caused the present recession. It was the irresponsible pattern of Federal deficits in 14 of the last 15 years and in 40 of the last 48 years. As the gentleman from Michigan (Mr. CEDERBERG) has told us, inflation "is a prime cause of severe economic disruption which destroys jobs, depresses productive activity, and injures human well-being on the widest scale."

Mr. Chairman, I urge members of the House to make substantial cuts in the budget as presented in the pending resolution. We must cut out whole proposed programs. We must make across-the-board cuts in every appropriation.

Unless we take such action, the fourth ranking majority member of the Committee on the Budget, the gentleman from Ohio (Mr. ASHLEY) has forecast what will happen. He has stated,

> My judgment is that an additional $73.2 billion—the committee's projected fiscal year 1976 deficit—will be too much for Treasury borrowing to handle without the unacceptable risk of bringing on a whole new round of inflationary pressures, to be followed—as day the night—by another round of recession.

Columnist George F. Will has warned us that we are going to reap the holocaust with these words:

> If you think the recession is noxious, brace yourself for the bitter taste of recovery. Quickening economic activity will unleash inflationary pressures and a scramble for scarce credit, which will produce a giant expansion of government control of the economy and our lives.

Finally, Mr. Chairman, former U.S. Senator Sam Ervin, who now certainly has no reason to speak but for the good of the Nation, has said:

> Deficit spending is dishonest in purpose and ruinous in the end. Too many politicians are more interested in getting elected than fighting our economic war.

Mr. Chairman, I hope the majority of Members will rise above politics in considering this resolution and will enlist in the war to return to economic sanity.

Mr. WYLIE. Mr. Chairman, I cannot in good conscience support this first concurrent resolution on the budget. It seems to me that we are digging the hole deeper and deeper as we debate this $73 billion deficit which is proposed in this concurrent resolution.

The gentleman from New York (Mr. BADILLO) expressed an interesting theory a little while ago that we can in effect reduce our deficit by going further in debt.

It seems to me that this is the philosophy of economics that this Congress has been practicing for the last 20 years, and it just has not worked. Inflation continues to go up and up. When the Congressional Budget Control and Impoundment Act of 1974 was being debated last year here on the floor of the House, I supported it with certain reservations, because I felt that the move toward creating a procedure whereby we could set responsible spending and revenue levels, moving toward creating a goal of a balanced budget was desirable.

By this approach we supposedly could abandon the practice which we have been using over the past several years whereby we would simply appropriate money through spending measures, and at the end of the fiscal year we would add them all up to ascertain the size of the national deficit.

This resolution before us approves a $73 billion deficit. That is rather unsettling to me, to say the least. It is unsettling to anyone who is on a fixed income or to anyone who has put a savings account in the bank for a rainy day, thinking that it will take care of his future.

This budget-control concept by Congress started 2 years ago when certain Members of this body criticized the President of the United States for impounding moneys appropriated by Congress. Congress said: "We will tell you, Mr. President, how much you can spend and when you can spend it." A part of the title of this resolution is, indeed, the Impoundment Act.

The hidden tax of inflation caused by deficit financing means that we must at some time in the future pick up the bill. This deficit belongs to an economic dreamworld. It seems to me that it is based on the premise that Congress can somehow provide ever-expanding spending programs without having to pay for them, ever.

The first thing that came to my mind as I read this resolution was that I would introduce an amendment calling for more fiscal responsibility and my amendment simply would incorporate the provisions of the bill which I have introduced, H.R. 2800, which, simply stated, would stipulate that expenditures in any 1 fiscal year cannot exceed revenues except during a declared war or during a period of economic necessity declared in the budget resolution and approved by a two-thirds vote of the membership of each Chamber.

This language, as I say is in H.R. 2800, and the bill is now pending in the Committee on Government Operations, with no action scheduled at the present time. However, the Parliamentarian advised me that my amendment would not be germane, so I will not be offering it.

In any event, it seems to me that my balanced-budget proposal is the proper approach, and that, therefore, I must somehow figure out a way to try to amend the Congressional Budget Control Act of 1974.

The concurrent resolution before us today clearly indicates that the new budget procedure must have stronger policy direction if Congress is ever going to put the Nation's fiscal house in order. The Congress, it seems to me, must make budgetary provision to bring spending into line now or at some time in the immediate future. Maybe it is not realistic to bring spending in line with revenues this year, but at least an attempt should be made, maybe if not this year, the next fiscal year or at the outside the year following that.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

I wish to compliment the gentleman on his statement and the concept he has offered in the form of legislation. Additionally, I am pleased, as I know many Members are, for the suggestion that the amendment actually be submitted in the form of an amendment to the Budget Control Act.

The gentleman in the well has felt that this legislative vehicle that he recommends would be a very appropriate way to force to the floor a genuine discussion and realistic debate on whether Members of Congress are really going to back up their recommended increases by a two-thirds vote of the entire House. This provision will require Members who wish increased spending to increase taxes and revenues to support the increases that they are recommending. Therefore, I think that the gentleman from Ohio has recommended a worthly legislative device.

It was originally suggested in the Budget Control Act as a discussion item, but was not in the final bill that came to the floor last year.

I know that the gentleman from Ohio has been a strong advocate of this rational position. I think it would be an excellent device. I commend it, and recommend it to the whole House. Many of us are hopeful that the House will consider the gentleman's amendment favorably when it is finally offered.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from California (Mr. ROUSSELOT) for the commendations he has made with reference to my statement and for the gentleman's support.

As the gentleman from California well knows, the gentleman and I cosponsored H.R. 144, which was introduced by the distinguished former member the gentleman from Iowa, Mr. Gross, for several years. I thought about that approach again this year. I just did not think it was quite realistic this year to say we were going to reduce income to expenditures, and at the same time reduce the Federal debt by some amount which was a part of original H.R. 144. So, as I thought it through, it seemed it was not realistic to say we can have a balanced budget this year, but if we are not going to have a balanced budget this year then Congress ought to go on record as saying this is a time of fiscal emergency by a two-thirds vote of the Members of each House and we ought to be willing to say that there is a state of economic emergency. We all ought to stand up and be counted on the issue of a budget deficit.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chariman, I thank the gentleman from Ohio for yielding to me, and I agree with the gentleman from Ohio that if we enter into this type of spending, and if we want to go down this road, then we ought to do it with our eyes open, knowing full well what we will be getting into, and to look at it from the empirical evidence that is there in front of our eyes as to what has happened to other nations who have embarked on that course.

In reference to the statement that was made earlier that if we do not allow this deficit to occur, it means that that amount of money will not be spent. That is not the case at all. That is not true. The Federal Government is not the only spender of money. Every $10 billion of deficit that takes place, as the Senator from Wisconsin, Senator PROXMIRE, said, represents 500,000 housing starts that will not get started, 1 million primary jobs, and 2 million secondary and tertiary jobs, not to mention the money that is being siphoned off in the marketplace, and thus preventing recovery. For every $10 billion of national deficit that has to be financed, we are talking about an inflation rate of about 1.5 percent.

If one looks at all of the factors concerning the deficit over the last 20 years one can see a direct correlation between the amount of that deficit and the rate of inflation in our country.

So to those of us who are trying to reduce the amount of the deficit I do not think this should be labeled that we do not want to see that money spent to help private investment and to reduce inflation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. WYLIE. I appreciate the gentleman from Ohio yielding me the additional time, and I also appreciate the remarks just made by the gentleman from New York (Mr. KEMP). The gentleman has stated exactly the thrust of my bill, H.R. 2800, which would in effect establish priorities on an emergency basis at this time, or what we think are items of economic necessity.

I also think the gentleman from New York (Mr. KEMP) made a very important point in his statement given earlier when he talked about restoring confidence in the private sector; that we must stimulate the private sector, and that we must stimulate private capital investment if we are ever to bring our economic problems under control.

As I see it, the balanced budget, a responsible fiscal policy, would stabilize purchasing power of the dollar in the private sector, and, in the long run, instill, restore and increase consumer confidence.

I think that an end to inflationary expectations would result in a reduction of both the short-term and long-term interest rates which are in themselves the result of inflation. At the same time this confidence would stimulate capital investment, industrial production, expand employment opportunities, and the dollar would again be stabilized and recognized the world over as a medium of exchange in international commerce upon which all can depend.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am happy to yield to my distinguished colleague, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I agree with the gentleman and commend the gentleman for the statement he has made.

I believe that we in the Congress must also face up to reality and accept the responsibility for the inflation that has occurred.

There have been some inferences here across the aisle that this administration and the immediately preceding administration are somehow responsible for these policies, but in our country only Congress can authorize and only the Congress can appropriate public funds. Regarding these debts that have been built up over year after year, as the gentleman from New York (Mr. KEMP) said, for the last 20 years, we have to keep in mind who was in charge of the Congress for the last 20 consecutive years and who has been in charge of the Congress for 40 of the last 44 years. Let us put the hat on the man who should wear it.

Mr. WYLIE. I thank the gentleman for his contribution, and for the compliment.

In conclusion, I would just like to say that I am very disappointed that this first concurrent resolution on the budget makes no effort, in my judgment, to curb the inordinate deficit which will surely unleash another round of inflation followed by further recession. We must somehow get off of this economic treadmill. I repeat, I cannot in good conscience vote for the resolution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Chairman, tomorrow I shall offer an amendment to reduce the deficit in this resolution by $10.98 billion.

The resolution asks the endorsement of the House of Representatives on an estimated budget deficit of $73.2 billion. If we could stop with positive assurance that the top of the deficit would be no more than $73.2, current economic conditions might well justify approval of a deficit in this amount. My fear, however, is that the actual deficit may prove to be much larger. One reason for this apprehension and fear stems from the fact that the actual expenditures in Government operations almost always outrun early estimates.

Another reason is the committee estimates the projected level of revenues to be $295 billion, but this estimate is based on what, I think, is an optimistic outlook for growth in personal income and in corporate profits. The $295 billion revenue estimate assumes a 43-percent rise in corporate profits during calendar year 1976 and it assumes a rise of 13 percent in personal income during the same period.

Let us look back a few years to the

1957–58 recession, much less damaging than our present one, and see what the recovery rate from that rather mild recession was. Corporate profits rose 26 per cent between 1958 and 1959, and personal incomes rose only 6 percent. All of us hope that recovery from our current recession or depression will be as vigorous and will result in the estimates developed by the committee but we must not be carried away by unwarranted optimism. While we are considering these estimates, the membership must also consider a substantial part of the profits and income estimated, are predicted to come from public expenditures which adds to the deficit without adding any permanent earning capacity or permanent resources to the economy. But I say that we are able, with restraints that we rarely demonstrate but often declare, to realize a deficit of only $73.2 billion. The volume of governmental borrowing that the financial markets would have to absorb would exceed this $73 billion deficit by a very substantial margin.

Allowing for projected outlays of the off-budget agencies, the Federal deficit rises immediately from $73 billion to $84 billion and if the net outlays of governmental sponsored enterprises are added the total deficit goes to about $90 billion. It requires no great power of discernment, therefore, to envision that borrowings of such magnitudes will disrupt the function of private credit markets and by this disruption weaken our chances for a strong economic recovery. Interest rates will inevitably rise rapidly, mortgage funds will disappear, and certainly the cost of long-term credit could discourage the expansion of industrial capacity that we need so badly to fight the twin evils of inflation and recession.

The committee has produced the views of 13 bankers from over the United States, saying that the $73 billion deficit will not bring too much strain on the money market. If you read the views of these 13 bankers carefully, you will see in each of their statements the "hedge" that their judgment is based on the deficit stabilizing at $73 billion and remaining there.

None of them say that additional governmental borrowings, local, State, or Federal, will not have an adverse influence on money available for lending, and none of them say that it will not generate high, perhaps double-digit, interest rates. When I saw this committee print of the views of the 13 various bankers. I telephoned prominent bankers and financial leaders in St. Louis, Mo., in Selma, Ala., in New York City, in Seattle, Wash., and in Atlanta, Ga., and discussed this question with executive officers of very large banks in these areas. The consensus of all of these was substantially what the views of the 13 bankers supported by the committee say but with the emphasis on added warning that danger lurks around the corner if we get beyond the $70 billion figure and in the remarks at the outset of this I believe it is shown without question that we stand on the precipice of this budget being more nearly $90 billion than $73 billion.

I include the following:

First National City Bank,
New York, N.Y., April 18, 1975.

Hon. Phillip M. Landrum,
House of Representatives,
Washington, D.C.

Dear Congressman Landrum: I am writing you to express my deep concern over emerging trends in government spending and to urge that you and your colleagues utilize the machinery of the newly created Congressional budget Committees to constrain the rate of growth of future federal spending within prudent limits. I am firmly convinced that this is vital to the future well being of the U.S. economy.

My concern is not primarily centered on the size of the federal budget deficit in the near term. In a recession, the counterpart to heavier Treasury borrowing will be reduced demand by households and private businesses. Furthermore, the overall supply of credit can be expected to increase in the wake of Federal Reserve policy favoring more rapid growth in money and credit. In the short term, therefore, Treasury borrowing occasioned by the large deficit will probably be accommodated without undue strains.

The situation can be quite different in the longer run, however, if federal spending programs are enacted at the time of peak concern over unemployment which then come on stream long after the recovery in the economy has been under way. This has been unfortunately true in past recessions. Such ill-timed increases in federal expenditures would provide some of the major ingredients for another painful period of accelerating price inflation.

If spending programs perpetuate outsized deficits even after the economy has recovered along with rising tax receipts, the Federal Reserve, which has responsibility for the nation's money supply, will find itself forced into a dilemma. It will either have to print large increases in money in order to accommodate the growing Federal financing demands together with rising private requirements, or it will have to allow government borrowing to crowd out the credit needs of housing, business and consumers. Irresponsible government spending programs consequently hand the Federal Reserve a "no win" proposition. If the money supply is enlarged to meet current credit demands, this will, in due course, produce much more inflation with higher interest rates and the consequent damage to the housing market once again. If it follows a less accommodating policy, then government is likely to crowd out private demands. Eventually the persistence of large and growing deficits in our economy as employment grows and as we approach capacity levels will force a shift in financial and real resources from private to public use. If this happens early in the recovery, it will mean the private sector will be hampered in its ability to produce jobs. If it happens later in the recovery, it will hamper additional private capital formation which is essential to productivity gains and improvements in our standards of living.

In any event, failure to practice fiscal discipline by eliminating the deficit as the economy recovers from recessions would force on the private sector a government claim on financial resources which would be the same as if large tax increases were enacted in order to finance burgeoning federal government expenditures.

We face net borrowing by State and municipalities whose needs have grown significantly as a consequence of recent inflation. If we add to this persistent federal deficit financing together with the off-balance sheet financing by federal agencies, the capital markets are likely to squeeze out more and more marginal private borrowers—business, home buyers and consumers—in 1977–78.

From his highly regarded work on the sources of economic growth in the United States, Edward F. Denison has concluded that private business enterprise has accounted for far and away the largest share of total U.S. economic growth over the 40-year period from 1929 to 1969. Although government expanded mightily in this period, it accounted for only 13% of total growth while nonresidential business accounted for 80% of that growth.

Denison's results point up the vital role a healthy private business community plays in the U.S. economy. In the long run, the growth of employment and incomes will depend crucially on fostering the development of private business. Stable, accommodating credit markets free from the chaos of inflationary demands and free from the elephantine demands of government borrowing are essential to the achievement of this goal. Congress can identify its contribution to that achievement in its resistance to higher federal expenditures.

Yours sincerely,
Walter B. Wriston.

Trust Company of Georgia,
April 16, 1975.

Hon. Phil M. Landrum,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

Dear Phil: It was good to talk to you today and I am glad to give you my thoughts and reactions with respect to projected budget deficits.

As I understand it, the Budget Committee on which you serve is about to recommend a budget for fiscal year 1976, which would involve a $73 billion deficit. If the history of such things means anything to us, that $73 billion could well be $80 or $90 billion by the time June 30, 1976, rolls around.

It seems to me that unless we want to ignore the prospects of a ruinous inflation we must assume that there is a limited supply of money, and with Uncle Sam requiring something approaching $100 billion, I would just wonder how there would be enough left to finance an energy development program, meet the demands of utilities, private industry, and political subdivisions. The combination of all of these demands could at the same time run rates through the roof. It would seem to me that the Federal Reserve plays an important role here. They would either make available to banks such a large portion of the funds required as to lay the foundation for what might eventually be double-digit inflation, or the Fed keeps the lid on, in which case rates could go up sharply—and sooner. Under this last set of circumstances, the Federal Government could pre-empt the available supply of credit. In summary, I think a budget deficit, as contemplated, could cause serious disruption in the flow of funds to meet critical needs in this country and possibly start us on an inflation round the likes of which we haven't seen yet.

Phil, I appreciate what you do for us and for the country in the House of Representatives. The Congress has a tough job and anyone would have to acknowledge that, but it is their job and they are going to have to make some critical choices and substantially pare the budget. I appreciate your giving me the opportunity to express myself on this subject.

Hope I'll see you soon.

Sincerely,
——— ———.

[Telegram]

First National Bank
of Atlanta,
April 16, 1975.

Re Federal Deficit Spending.

Hon. Phil M. Landrum,
Rayburn House Office Building,
Washington, D.C.

The greatest danger to our economic system today is the possibility of excess deficit

financing on behalf of the Federal Government. This can lead to abruptly increasing rates, a return to double-digit inflation, and negate all the efforts of 1973–75 to control inflation. This is a matter for the urgent and diligent attention of Congress. Under no circumstances should the fiscal 1976 deficit be allowed to exceed $60 billion, which figure in itself is startlingly high.

Edward D. Smith.

One does not like to be a pessimist. My inclination is always to look for the bright part, and a system of government such as ours requires an optimistic outlook, an aggressive, adventurous attitude on the part of our citizens and especially on the part of its public officials, but in times like we face today, with depression denying the jobs thousands of citizens want and inflation gnawing at the purchasing capacity of those who have jobs, and devouring the purchasing power of those who rely on savings and investments, we need to take a careful look at the fiscal movements we make in both our private and public capacities. We need to look, moreover, to the policies and practices of some of our traditional allies in commerce, and in the progress and development of cultures and international business prosperity. Let us look briefly at the oldest of these allies—Great Britain. Twenty years ago Great Britain's public expenditures, the contribution from public expenditures to the gross national product was less than 40 percent. Today Great Britain's gross national product contains more than 60 percent public or governmental expenditures. Twenty years ago our gross national product, the gross national product of the United States of America, contained about 25 percent public expenditures. Some economists say no more than 20 percent. Depending upon which economic philosophy you are listening to or interrogating, you will find that we now contribute from local, State, and Federal expenditures somewhere between 34 and 42 percent of our gross national product. If you are talking to the extreme liberal, we are probably contributing no more than 34 percent from public funds to our gross national product. If you are talking to the moderate conservatives of our economic philosophy, we are contributing more nearly 42 percent. So, depending on which philosophy one supports, we are today in these United States within 15 percent or within 8 percent of 50 percent of our population living off the other 50 percent. What happens when we reach that level of dependence on public expenditures? Listen to some quotes from a recent editorial in the Wall Street Journal:

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendary in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this mildly "deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which would be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

Now, let me go back to the early part of my statement when I was speaking in terms of what could be required for governmental borrowings for fiscal 1976 deficit. If we stand on this $73 billion deficit, total Federal borrowings during fiscal year 1976 will account for 68 percent of the new funds borrowed in the capital markets. Adding to that amount the anticipated borrowings by State and local governments, those governmental borrowings during the 1976 fiscal year will be 80 percent of the capital markets. Only 20 percent will be left to private industries in a financial market that has always been the foundation of the free enterprise system.

Now, therefore, I have prepared an amendment taking into account all of these potentials and possibilities which suggests a modest cut from the $73.2 billion to about $62 billion. Why? Besides all of the reasons advanced in this statement, let me say that I think it is imperative for us to endorse a budget that will keep us as far away from the 50 percent level of contribution to the gross national product as possible.

We should endorse a budget that will leave as much available money as possible to the free market, the very foundation, again I say, of the free enterprise system, and beyond that, give our constituencies, the taxpayers of this nation some reassurance, some basis to form a new confidence in our system and a new respect for the institution of Congress. This amendment does not ask too much from $73.2 billion to $62 billion. It is only about $10.98 billion and we distribute that prorata among all of the controlable functions so that every function will have in fiscal 1976 more money than it has had in fiscal 1975. Sure, some functions will be harder-pressed than desired, but this Nation is hard-pressed today, and again may I say with inflation, with depression gnawing the vitals of our Nation, we need to be careful.

Certainly, we would like to have all of the things that the committee wants to do. Certainly, we would like to respond to all of the needs of our people, but when we are unable to do this without going to an unconscionable, to an unmanageable level of debt, let us do the best we can and ask our constituencies, ask our taxpayers, to bear with us for a year or so while we pull back to the prosperous level that can support some of these demands.

I know that here today we state our praise, and justifiably so, we have spoken accolades, well deserved, about the able

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and distinguished chairman of our committee. We have engaged in some well-deserved mutual admirations about our combined efforts to produce, under difficult circumstances, this concurrent resolution. We are proud of ourselves. We are proud of the leadership responsible for this production, but let me ask you to think upon one other fact.

However much we admire ourselves, whatever the degree of respect we have for each other, for our combined and our separate efforts, however high and important in our own estimation we may be, we are held some in degree lower esteem by the taxpayers, by our constituencies, and one of the prime reasons for it is that we are becoming fiscally irresponsible. It is time to wake up, else we can be charged as an old proverb in history says, "we could be eating our own livers and congratulating ourselves on a good meal."

LANDRUM AMENDMENT TO BUDGET RESOLUTION

Mr. Chairman, tomorrow I shall offer an amendment to House Concurrent Resolution 218, the first concurrent resolution on the budget.

PRESIDENT'S ADJUSTED DEFICIT

President Ford recommended a deficit of $51.9 billion in his budget recommendation to Congress of February 3. Since that date, this deficit figure has been adjusted to account for various court actions, supplemental requests by the President, and updated estimates in revenues and spending figures as follows:

Adjustments to President's budget

[In millions of dollars]

	Outlays
President's budget as submitted on February 3	$349,392
Executive and court action:	
Supplemental foreign aid request of February 24, 1975	100
Supplemental public service employment request	1,838
Reestimates of food stamp costs	1,500
Reestimates of veterans benefits	600
Release of impounded highway funds	1,000
Release of impounded Hill-Burton funds	32
Release of impounded water pollution grant construction funds	50
Updated estimates in President's budget:	
Overestimates of royalties from leases on Outer Continental Shelf	4,000
Underestimates of payments to Postal Service	728
Rejection of proposed AFDC benefit changes	499
President's budget as adjusted	359,739

In effect, today, April 30, the House is concerned with a budget presented to Congress by the administration which, if accepted, would create a deficit for fiscal year 1976 of $60 billion.

UNEMPLOYMENT DEFICIT

The House Committee on the Budget devoted a major portion of its time and efforts to the problem of unemployment. Most economists, among those on the committee staff, those within the executive branch and those in the private sector who were contacted by the committee, agree that each percentage point of unemployment above a rate of 4 percent contributes $16 billion toward the deficit.

Using these figures, it is estimated that abnormal unemployment at a rate of about 8 percent in fiscal year 1976 will reduce Federal revenues by $56 billion and require $8 billion in Federal outlays, principally for unemployment compensation.

In effect, on April 30, the House will be concerned with a budget that will, in a sense, contain a $64 billion unemployment deficit. A further discussion of this matter appears in the President's budget message of February 3.

COMPROMISE DEFICIT

It is my intention in offering this amendment, to reach a compromise deficit recommendation in House Concurrent Resolution 218 between the President's adjusted deficit of $60 billion and the unemployment deficit of $64 billion. The $62.2 billion deficit which will result if my amendment is adopted would be a decrease of $10.974 billion below the $73.2 billion deficit recommended by the House Budget Committee.

The Budget Committee recommended a $54.8 billion increase in outlays for fiscal year 1976 over the estimated fiscal year 1975 outlay level.

My amendment would cut that $54.8 billion outlay increase by $10.974 billion. The cut is prorated among those functional categories where spending is subject to annual discretion. The following chart indicates the outlay increases over fiscal year 1975 recommended by the Budget Committee and the corresponding cuts in those increases which my amendment would make:

Identification No.	Function	Increases over fiscal year 1975 outlays (millions)	Landrum amendment outlay cuts
050	National defense	4,460	−981
150	International affairs	47	−10
250	General science, space, and technology.	416	−91
300	Natural resources, environment and energy.	2,134	−469
350	Agriculture	43	−9
400	Commerce and transportation	8,014	−1,763
450	Community and regional development.	4,611	−1,014
500	Education, manpower, and social services.	5,712	−1,256
550	Health	4,216	−927
600	Income security	7,213	−3,786
700	Veterans benefits and services	2,003	−440
750	Law enforcement and justice	337	−74
800	General government	704	−154
850	Revenue sharing and general purpose fiscal assistance.	216	0
900	Interest	3,669	0
	Allowances	350	0
950	Undistributed offsetting receipts.	646	0
	Total	[illegible]4,791	−10,974

BUDGET AUTHORITY

The committee drafted House Concurrent Resolution 218 over a period of several weeks. In considering each functional category, it added or subtracted various programs, made adjustments where deemed appropriate, provided for actions taken by the House of Representatives and came up with a set of figures that can be explained and justified to the last dollar. Chairman Adams did a masterful job of guiding committee members through a labyrinth of executive recommendations, standing committee recommendations, and suggestions by committee members.

Congress works through budget authority figures. I do not presume to enter this area which rightfully belongs to each standing committee and the Budget Committee. Therefore, I have used the 3 percent figure which represents the reduction this amendment would make in total outlays and reduced the budget authority figure in House Concurrent Resolution 218 by an equal percentage.

Obviously, a reduction in a certain outlay figure will mean a concomitant reduction in a corresponding budget authority figure. Since I did not choose which programs should be reduced in each category, an accurate estimation of reductions in budget authority could not be made. To do otherwise would be to reject the economic policy decisions of the committee, something I have not done.

DEFENSE

The committee recommended increasing outlays for Defense by 5 percent above the fiscal year 1975 level, an increase of $4.5 billion. This amendment would cut that increase by $981 million. Such a reduction in outlays may very well be made in large part, as a result of recent events in Southeast Asia since the committee recommendation includes $700 million for support for South Vietnam next fiscal year. I am strongly opposed to efforts to cut defense spending below what is necessary for an adequate national defense posture. However, the cut this amendment would make does not represent a reduction which would weaken our Nation's defense. It amounts to less than 1.1 percent of the $89.7 billion in outlays recommended for this category.

INTERNATIONAL AFFAIRS

The committee recommended a relatively small increase in outlays for this category. In view of the $100 million increase in foreign economic assistance and other matters recommended by the committee, I do not feel that a $10 million cut within this category is beyond reason.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

This category includes funding for what remains of our space program, the National Science Foundation, and certain other programs administered by ERDA. It is my opinion that a reduction of $91 million in outlays could be absorbed through minor adjustments in several of these programs. The various research grant programs administered by the National Science Foundation which have come to be so popular in the Nation's press come readily to mind.

NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

The increase in outlays for this category over the fiscal year 1975 level is over $2 billion. With $262 million worth of new programs included in this committee's outlay recommendations which are not even classified as stimulus programs, a cut in the $2 billion increase of only $469 million could be absorbed. Stimulation programs of $440 million to be administered by the Bureau of Reclamation and Corps of Engineers are included in the committee's recommendations. Also included is $190 million in increased funding over President Ford's budget recommendation for the National Parks System.

AGRICULTURE

The committee accepted President Ford's budget recommendation to increase outlays over the fiscal year 1975 level for this functional category by $43 million. The $9 million cut which this amendment proposes in this increase could be easily absorbed by minor reductions in the programs in this category which amount to over $1.8 billion.

COMMERCE AND TRANSPORTATION

The committee has recommended an $8 billion increase in outlays over the fiscal year 1975 level for this category. Included in the category is $6.9 billion in highway construction funding, $1.8 billion for new programs to stimulate the housing industry out of its slump, and even $122 million in additional funding for METRO construction. Locating areas in which a $1.7 billion cut could be made should not be difficult.

COMMUNITY AND REGIONAL DEVELOPMENT

The committee has recommended a $4.6 billion increase in outlays over the fiscal year 1975 level for this category. This increase is comprised primarily of funding for the proposed Emergency Local Public Works Capital Development and Investment Act of 1975, H.R. 5247, which is being considered by the House Public Works Committee. If decreasing outlays in this $9.4 billion category proves to be difficult, a reduction in funding for that $3 billion stimulation proposal might be in order. Other areas to consider would be proposed funding for the communuity development block grant program and funding for the emergency employment appropriations bill, H.R. 4481.

EDUCATION, MANPOWER, AND SOCIAL SERVICES

The committee recommended a $5.7 billion increase in this category over the fiscal year 1975 funding level. The $1.2 billion cut which this amendment proposes could be allocated among the various new stimulus programs in this category which would collectively spend over $3.7 billion. It should be noted that outlays in this category amount to over $20 billion as recommended by the committee.

HEALTH

The committee recommended a $4.2 billion increase in outlays for this category over the fiscal year 1975 funding level. Much of this increase was included in the President's budget as submitted to Congress on February 3. This category includes a good deal of Federal spending which is not easily changed by Congress. However, cutting $927 million out of $30.7 billion worth of programs does not appear to be beyond reason.

INCOME SECURITY

The committee recommended a $17.2 billion increase in outlays for this category over the fiscal year 1975 funding level. Included in this category is funding for the unemployment compensation program, the social security program, the civil service retirement program, the aid of dependent children program, the food stamp program, and many others.

This is a $123.9 billion category. The cut in this amendment proposed amounts to less than 3.1 percent of this staggering outlay figure. The standing committees of the House which have jurisdiction over funding for this functional category certainly ought to be able to provide for this modest decrease in what has come to be by far the largest category in our entire budget.

VETERANS' BENEFITS AND SERVICES

The committee has recommended a $2 billion increase in outlays for this category over the fiscal year 1975 level. Funding for many of the programs in this category is quite difficult to estimate. The committee found that the President's estimates in his February 3 recommendation to Congress appeared to be $500 million low. I recommend that the standing committees of the House having jurisdiction over funding for this category take this into account in making the relatively modest $440 million cut which this amendment proposes if it is adopted.

LAW ENFORCEMENT AND JUSTICE

The committee recommended a $337 million increase in outlays for this category over the fiscal year 1975 level. Most of this increase was included in the President's budget. The cut this amendment proposes, $74 million, is only 2.2 percent of the outlays for this category. Such a modest cut could be allocated among the Federal Government's expenditures for Department of Treasury construction projects, the Law Enforcement Assistance Administration grant program, and other programs. I might note that this category includes $11 million to be used to expand the Executive Protection Service.

GENERAL GOVERNMENT

The committee recommended a $704 million increase in outlays for this category over the fiscal year 1975 level. Most of this increase was included in the President's budget. This category includes funding for certain Federal building construction and it should be voted that $195 million in funding out of the Emergency Employment Appropriations Act, H.R. 4481, has been allocated to this category to fund construction, alteration, repair and real property operations.

The $154 million cut proposed in this amendment amounts to 4.6 percent, of the $3.3 billion outlay total for this category.

REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

The amendment would make no changes in this category because its funding level is permanent to the extent that any changes would require major legislative amendments to existing statutes.

INTEREST

This amendment would make no changes in this category because its outlay level is dictated by the level of the public debt and interest rates.

ALLOWANCES

This amendment would make no changes in this segment of the budget because it is composed primarily of a large number of contingency programs and Federal employees salaries. I note that some of my colleagues would like to remove the 5-percent cap, pay ceiling, which the committee and the President have recommended for Federal employees. If that ceiling is removed, outlays in this category would be increased by $410 million.

At this point, it should be noted that this amendment does not recommend placing any new additional ceilings on any salaries or retirement benefits or compensation payments. It accepts the economic policy decision of the committee in this important area.

UNDISTRIBUTED OFFSETTING RECEIPTS

This amendment would make no changes in this category because its outlay level is almost completely automatic and independent of congressional action.

CONCLUSION

In summary, let me point out that this amendment which I propose would cut total outlays in the budget by less than 3 percent.

This amendment takes into account the extensive time and effort the Committee on the Budget has devoted to its unprecedented job. I have accepted the decisions of the committee to expand certain outlays where it has deemed expansion necessary and to make cuts where it has found them essential. My amendment would merely reduce the end result.

I have distributed my modest cut, on a pro rata basis among those functional categories which can be easily reduced, to a level which I think a majority of my colleagues can accept.

This would be a budget comparable to our President's budget where total outlays and the resultant deficit is concerned. This would be a budget based upon the sound economic policy decisions of the House Committee on the Budget. This would be a budget that the taxpayers of the Nation could accept during this unique economic situation in which our Nation finds itself.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. ADAMS. Mr. Chairman, I yield 7 additional minutes to the gentleman from Georgia (Mr. Landrum).

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield to my colleague from Georgia.

Mr. FLYNT. Mr. Chairman, I want to associate myself with the remarks of my colleague from Georgia. I think that the proposal which he is making for approximately $11.3 billion is certainly deserving of the careful consideration of the House of Representatives.

With great respect for the majority of the House Committee on Budget Control which has brought in the report which is under consideration in the House today, it occurs to me that instead of taking the necessary actions to correct some of the ills which beset our economy, that this budget, if adopted as

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the product of the House, it is my opinion, Mr. Chairman, that unless the amendment which is proposed to be offered by my colleague from Georgia (Mr. LANDRUM) is adopted, that this will have the effect of returning to a double and, in a few isolated instances, triple digit inflation which we have recently experienced.

I know that everybody has his own idea of the causes of both inflation and of economic recession, but I still belong to the school of thought that believes that the prime cause of the inflation which straddles our economy is and has been the continually increasing and apparently uncontrolled deficit spending by the Federal Government of the United States.

Unless and until we in the Congress undertake to restore some semblance of sanity to the operation of the Budget of the United States, then I foresee a continued weakening of the economy.

We hear a great deal everywhere we turn today about the apparent loss of confidence in the United States by the governments of other countries in the world. It occurs to me, Mr. Chairman, that the remarks made by my colleague from Georgia (Mr. LANDRUM) would point directly to the fact that one reason for this loss of confidence by our friends and foes throughout the world, has been the manifestation that the Congress and the Government of the United States are no longer capable of putting our fiscal house in order.

Mr. Chairman, I congratulate my colleagues on his very learned exposition of his views on this subject. I wish to associate myself with them.

I certainly hope that the amendment offered by the gentleman from Georgia will be adopted.

Mr. LANDRUM. I thank the gentleman.

Mr. SARBANES. Mr. Chairman, will the gentleman from Georgia yield?

Mr. LANDRUM. I yield to the gentleman.

Mr. SARBANES. Mr. Chairman, in this proposed amendment that the gentleman intends to introduce which would lower the deficit which is projected, how much of it results from a drop in the revenues because of a diminishing of expenditures?

Mr. LANDRUM. None.

Mr. SARBANES. Do I understand that the gentleman in effect projects a cut of $11 billion?

Mr. LANDRUM. $10.98 billion, distributed pro rata among the functions.

Mr. SARBANES. I understand that.

Mr. LANDRUM. Yes.

Mr. SARBANES. And how much of a fall-off in revenue would result because of the drop of $10.9 billion in expenditures?

Mr. LANDRUM. Our estimate so far is that there is not anything that we could say would fall off except the prospect of some of that coming out of the income security provision, and that depends on whether or not the tap is put on or taken off.

Mr. SARBANES. I understand that. I guess the only question I am trying to ask of the gentleman is: If we are going to diminish expenditures, what will happen to revenues?

Mr. LANDRUM. I just told the gentleman as plainly as I know that we do not anticipate reducing the revenues by reducing this, for the plain reason that we are depending on the private sector for the revenue.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Chairman, the House Committee on the Budget today takes the second step along the path which the Congress laid out last year in the Congressional Budget and Impoundment Control Act of 1974. Today we begin consideration of House Concurrent Resolution 218, which sets out in aggregate figures the expenditure and revenue targets the committee feels are those which will provide economic stimulus in fiscal year 1976 with a budget that allows a sizeable, but manageable deficit for that year.

I think that it is abundantly clear that we are all concerned about the size of the deficit, and many of our discussions centered around this matter. I think that it must be pointed out to Members of this House, however, that the deficit figure which we include in our resolution is not totally the result of the expenditure targets which the committee has adopted. Our analysis indicates that even if the Congress did nothing at all, if we authorized Federal spending to continue at the same pace as in the current year, we would still be talking about a $60 billion deficit.

An examination of the condition of the economy indicates why this is so. The unemployment rate has risen from 4.6 percent in 1973 to 8.7 percent in March 1975, with an estimated 8 million people out of work and looking for jobs. We heard testimony that for every 1 percent increase in unemployment in today's economy, under these conditions, there is a corresponding $14 billion loss in Federal tax revenues and a $2 billion expenditure for regular unemployment compensation. Taken together, these figures mean that every time the unemployment figures go up by 1 percent, there is a corresponding increase in the Federal budget deficit of $16 billion.

Economic indicators such as the Consumer Price Index and the Wholesale Price Index offer a measure of the impact of inflation on the economy. The Consumer Price Index rose 11 percent during 1974, and increased at an annual rate of 8 percent in the early months of 1975. The Wholesale Price Index rose by 18.9 percent in 1974, and continues to decline at an average annual rate of 8 percent in early 1975.

The purchasing power of the average hour of work stood at nearly 3 percent below what it was a year ago in February as price increases have run far ahead of wages. Adjusting the impact for price increases, consumer purchases of goods and services decreased at an annual rate or 13.2 percent at the end of 1974, the sharpest such decline in 40 years.

The demand for durable consumer goods fell nearly 14 percent in the final quarter of 1974, or at an annual rate of more than 45 percent. Inventories of unsold goods remained high, and as a result, total output, the gross national product, fell at an annual rate of 10.3 percent between September and March. Total output in 1974 decreased by 2.1 percent. Business investment dropped at an annual rate of 15 percent in the last 6 months of 1974.

In the housing industry, unemployment was running at 18 percent in the last few weeks, while new housing starts in 1974 decreased from 2.4 million in the first quarter of 1973 to 1 million in the fourth quarter of 1974. That annual rate declined further to 977,000 by February of this year, all a result of lagging consumer demand and restrictive monetary policy.

In addition, high interest rates and restrictive monetary policy contributed to economic difficulties in 1974. The prime rate on commercial paper—paid by large, creditworthy borrowers—was up to 11.72 percent in July and remained above 11 percent through August. Since September, the prime rate and other short-term interest rates have dropped sharply to the point where at the end of March, the prime rate stood at 5.91 percent.

In much of fiscal 1975, we saw the administration trying to cure our economic maladies by fighting inflation. Nevertheless, the deficit increased markedly, primarily because the deficit increases that have occurred in 1975 and those which will occur in 1976 are not the result of Government spending, but are because of our rapidly deteriorating economy.

The President's budget indicates that at full employment—that is with a reduction of the current unemployment rate to about 4 percent—the fiscal 1976 budget as submitted by the administration would have shown a $12 billion surplus, rather than the President's projected $51.9 billion deficit. It is on this basis that the Committee on the Budget has moved with determination to recommend programs which will reduce unemployment as rapidly as possible to restore economic well-being.

House Concurrent Resolution 218 provides a vehicle for congressional action to reduce the two dominant problems in our Nation's economy—the serious and unacceptably high unemployment rate and the damaging, wage-eroding inflation level. I share the widespread concern that our current economic difficulties will worsen.

If Federal public policy does not respond rapidly and responsibly, the resolution contains $28.4 billion of critical, employment-related spending programs and tax reductions already enacted to move this economy out of the present recession.

This $28.4 billion includes the following:

Major housing legislation with estimated outlays of $1.9 billion to stimulate additional construction of 400,000 units and provide approximately 125,000 new jobs in the construction industry.

The sum of $3.6 billion in outlays for

public service jobs and manpower training under the emergency employment appropriations bill and the previously enacted public service jobs legislation to create a total of approximately 450,000 jobs in fiscal year 1976, along with funds for CETA title III and IV manpower training programs.

Public works programs aimed at providing more than 1 million jobs and accomplishing needed public works projects add an $8.1 billion sum to the committee's recommended fiscal stimulus package.

The total impact of the Tax Reduction Act of 1975 is estimated at $14.8 billion, on the assumption that the tax cuts in the act will be extended to the end of the fiscal year 1976.

It should be noted that the President's budget deficit of $51.9 proposed stringent expenditure reduction proposals, including in area of benefits payments to retirees and others. The President's budget cut of $17 billion from the budget in fiscal year 1976, $6 billion of which resulted from a 5-percent ceiling on increases in Federal civilian and military pay and retirement, social security, and other benefit programs where increases are tied to changes in the Consumer Price Index or to private wage scales. In addition, the President proposed a moratorium on new Federal spending programs other than energy programs, and a significant increase in program growth for national defense. The committee has restored funds to its proposed budget through disapproval of reductions through rescissions—$.7 billion; legislation—$5.3 billion; and administrative action—food stamps, $.6 billion; and increased outlays by $2.8 billion by revision of the President's proposed 5-percent limitations—$2.8 billion. Together, these total $9.4 billion.

While in basic agreement with the concern of my Budget Committee colleagues to keep the deficit within economically sound levels, I cannot support economies at the expense of specific groups of individuals, some of whom are the most economically hard-pressed in our Nation. I do not endorse the committee's position which includes a 7-percent ceiling on benefit increases for nondisabled social security retirees and Federal retirees, both civilian and military.

The committee's major areas of recommended decreases in funding levels are in the defense and international affairs areas. The reduction in assistance for Vietnam and Cambodia results in a $1 billion decrease in budget authority. The real program increase requested by the President for the Department of Defense amounts to about $5 billion, and the committee's estimates include a reduction of $4 billion in this area, with the result that on the basis of our estimates and budget assumptions, the defense budget would remain at approximately the fiscal year 1975 level of funding with allowances for inflation and some technological growth.

In the international affairs areas, which include funds for foreign economic and financial assistance, the conduct of foreign affairs, and foreign information and exchange activities, the committee has recommended decreases of nearly 8 billion in budget authority, including $950,000,000 in authority for Indochina postwar reconstruction and bilateral development assistance. Recent action by the Congress on the foreign assistance appropriation bill for the current fiscal year in which the Congress reduced money in these areas was taken into account. The sum of $7 billion in budget authority and $1 billion in outlays was eliminated from the international affairs functional category for the President's proposed special financing facility.

I cannot stress enough the importance of favorable action on this first budget resolution by the Congress. Through this resolution, we have the opportunity to take an overview of the Federal budget, to approach the expenditure and revenues processes in a more coordinated way, and to assure that the whole Congress is aware of the total budget effect of our legislative actions. We have the opportunity today to set a national legislative policy by adopting this resolution which endorses the imperative to put the unemployed back to work, to increase productivity, and to uplift our badly sagging economy. It is my view the committee has made a commendable start in implementing the Budget Act, the chairman in particular must be complimented for his sterling leadership. With the endorsement of the House of this first concurrent resolution, the process can proceed towards an even closer examination of program activities in succeeding fiscal years.

Mr. Chairman, I also would like to indicate my support of our distinguished colleague from Michigan, Representative JAMES G. O'HARA's views contained in the report of the Committee of the Budget accompanying House Concurrent Resolution 218. Members of the Budget Committee had a hectic 6 weeks in the preparation of this first concurrent resolution on the budget. The chairman of the Budget Committee deserves the highest praise for his tremendous leadership. In looking at the next step, it would be helpful to use codes or categories that cover activities and programs under the jurisdictional control of each of the standing committees. This would be helpful to the House. The Budget Committee should submit its report in a format that can more readily be understood by the House. The 16 functional codes of the executive branch are very confusing, and involve such gross numbers as to make it impossible to relate these figures to the specific program concerns of the committees of the House.

The Congress should not import an executive format and system into the Halls of Congress. Indeed, every committee has a significant role to play in this process.

For some months now, some of the authorizing committees have been assisted by the General Accounting Office to develop a budgetary information system which will provide budget information understandable to Members so that they can make more informed judgments on how well Federal programs are working and how much is being spent on specific program categories. Moreover, there is hope that such a system may be linked with the present appropriations process so that Members could make better and more informed decisions in that process. Indeed the Congressional Budget Act of 1974 intends that the Comptroller General shall conduct a continuing program to identify and specify the needs of committees and Members of Congress for fiscal, budgetary, and, I emphasize, program-related information.

Moreover, the act provides for review and evaluation by standing committees of Government programs and activities. Title VII of the Congressional Budget Act of 1974 requires the Comptroller General to assist committees in developing legislative goals and objectives and goals and methods for assessing and reporting actual program performance in relation to such legislative objectives and goals.

Authorizing committees will require strengthened date collection and information retrieval capabilities in order to participate fully in the new budgetary process. They need expeditious and reliable information in order to link basic legal authorities to program data and appropriated moneys. They need an ADP capability for retrieval of information relevant to their unique responsibility for program initiation and program control.

Mr. Chairman, I would call the Members' attention to what such a system would look like in the recently printed report of the Senate Committee on Labor and Public Welfare to the Senate Committee on the Budget. The committee compiled 87 separate statutory authorities with amendments, and began the laborious process of comparing authorizations with appropriated amounts, of identifying the effective levels of funding, and the application of appropriated funds. In this process of compiling information relating program-level funding with statutory areas, the committee had "the invaluable assistance of the staff of the General Accounting Office" and the committee expects "to expand and refine this program information system during the coming year in preparation for the fiscal year 1977 budget process with the continued assistance and cooperation of GAO."

We need an information system that will permit all Members to focus on the details on the budget so that they may exercise an informed judgment on what programs should be cut or increased.

At this stage of the process we are only voting on totals; and, therefore, the budget authority and outlay subtotals recommended by functional category are neither binding nor subject to amendment. But next year when under section 301(a)(2) of the act we will vote on budget authority and outlays for the 16 major functional categories. These comments are made with a hope that it will contribute to the strengthening of the budget review process.

I conclude these remarks by asking that this House endorse this resolution.

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Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Stokes).

Mr. STOKES. Mr. Chairman, I join with my other colleagues who have commended the chairman of our committee, the distinguished gentleman from Washington (Mr. Adams) for the excellent leadership the gentleman has given to this House on the first Committee on the Budget.

Mr. Chairman, as a member of the House Budget Committee, I have witnessed the committee take testimony and debate important questions affecting both the economy and our priorities. While I commend the committee's efforts the result is disappointing in several ways.

One area which particularly concerns me, both because of its significance for the millions of citizens affected and because of what it exemplifies about the trend of decisions made by the committee is the recommended imposition of Federal payment ceilings. These "caps" limit the amount by which existing Federal payments, for retirement benefits, including social security, and Federal civilian and military salaries, can be adjusted, to prevent their erosion by continued economic inflation. Specifically, the committee proposes to impose a 7-percent ceiling on social security and other Federal retirement benefits, while imposing a 5-percent ceiling on all Federal civilian and military pay. This means that the 7-percent cap would effect 32.2 million people receiving social security benefits, plus an additional 3.3 million people receiving benefits under the railroad, civil service, or Armed Forces retirement programs.

While I commend the committee for rejecting a more severe 5-percent cap as proposed by the administration which would have covered 35.9 million additional citizens who rely on the supplemental security income, food stamp and school lunch programs, nevertheless, the committee's proposed 7-percent ceiling will still effect 35.5 million people who greatly rely on the marginal benefits they now receive, even without the cap. The committee followed the administration in proposing a 5-percent ceiling on nearly 5 million Federal civilian and military employees, including some 2.9 million civilian employees and 2.1 million members of the Armed Forces.

I want to stress that I find this cap proposal grossly ineffective, unnecessary, and unfair. With regard to the supposed purpose of such ceilings, I utterly reject the concept that efforts to maintain the true value of pay earned or retirement benefits promised is somehow promoting inflation. Inflation is an economic evil because it erodes effective purchasing power, especially for those on fixed incomes. The proposed caps will make more incomes fixed and will guarantee the erosion of the purchasing power of 40.5 million adult Americans. This is not stopping inflation. In a time of severe economic recession it is vital that we should instead pump money back into the economy in a way so as to increase the consumer purchasing power for those who need it and are likely to spend it.

Senior citizens already hold down excessive spending because their limited incomes hardly permit them to do otherwise. When the Congress provided automatic cost-of-living increases in retirement benefits, it recognized that our elderly Americans, on low, fixed incomes cannot absorb the costs of inflation.

We cannot reverse this policy now.

In our current economic situation, it is not possible to stand still without going backward. Over recent years, salaries and social security have only rarely caught up with increased costs of living. The administration request and its pressure on Congress concerning these ceilings once again demonstrates an all-too-eager willingness on its part to force the elderly, poor, disadvantaged and vulnerable to bear the brunt of our efforts to control inflation, and to bear the greatest economic suffering.

This Congress approves a ceiling, those on social security in their remaining years would have to further reduce an already intolerable standard of living, because many elderly Americans rely on their social security payments as their sole source of income. The impact would be devastating to those who have always had the weakest voice in Government, the poor and the working poor. I fervently believe that the Federal Government—if no other body—has a top priority and obligation to support, aid, help provide a point of recourse and to do whatever is necessary to ease the plight of the poor, working poor, elderly, and otherwise economically disadvantaged segments of our populace. These groups are most often overlooked in our braggings of national progress and most frequently called upon to sacrifice in our cries of national crisis.

With particular regard to the ceiling on Federal pay, it is an arbitrary, unfair, and inequitable attempt to require one portion of the Nation's workers to stand still as inflation outstrips their salaries. And in spite of popular rhetoric the Federal Government payroll is not primarily filled with overpaid bureaucrats and generals, even if there are too many of them. The lower ranks of the Federal Government have been accessible to many disadvantaged, even while the higher levels continue to be underrepresented. As a strong critic of excessive defense spending, let me use it as an example. In the various military services a total of 67 percent of all members have a basic pay of less than $7,000, and 83 percent have a basic pay which is below $10,000. It is these low-paid Federal employees upon whom the budget of a ceiling will fall the hardest. It is clear that the ceiling will impose a disproportionate burden upon the increasing percentage of minorities in the lower levels of the military. Currently, the percentage of enlisted minority personnel is 15.7 percent, but the percentage of blacks in the officer ranks is merely 2.8 percent.

The working poor and disadvantaged are thus the target sacrifices of this proposed ceiling. Many of these are the discriminated-against Americans who have chosen not to reject their Government but to enter public service and to try to serve from the inside. Why should those who have undertaken, voluntarily, positions of public trust and service now be required to sacrifice far above that asked of other citizens? While such a ceiling may mean a great deal to those affected, it amounts to less than 1 percent of the $368 billion budget under consideration.

To state it simply this ceiling proposal is an unwarranted, unfair, and irresponsible method of reducing Federal outlays which should not be reduced except when waste and clearly unnecessary expenditures can be eliminated.

As I stated in my supplemental comments in the report, my foremost concern is to chart a national policy direction which will immediately stimulate our beleagured economy. Unemployment must be decreased dramatically and production must be increased significantly. Excessive concern with the amount of deficit ignores the key fact that the single most important cause of the deficit is the recession itself, and not excessive Federal spending.

Every increase of 1 percent in unemployment in today's economy results in an approximately $16 billion increase in the Federal deficit—$14 billion due to loss of tax revenues and $2 billion due to increased spending for unemployment compensation. According to the President's budget, if the unemployment rate could be reduced to 4.2 percent during the coming fiscal year, the budget would be balanced.

In terms of people the refusal of the committee to commit itself to a full employment budget means, for example, that the black community will continue to experience joblessness rates of 15 to 40 percent, and that black youth between the ages of 16 and 19 will be unemployed for years to come.

Obviously, for both human and economic reasons, our overriding concern must be to reduce unemployment as quickly as possible.

The other major issue raised, or more accurately, not raised, is the need to reorder our priorities. As a result of the action of this committee, the defense budget remains virtually sacrosanct. It can and must be even more significantly reduced, though not artificially through pay ceilings. Such funds must then be rechanneled for constructive domestic purposes. Excessive research and development programs, such as the one proposed for the controversial B–1 bomber inevitably result in abnormally high cost overruns and must be terminated. The administration and we in the Congress have many many lessons to learn concerning the difference between supporting and funding a military establishment, and providing adequate national defense.

As recent events in Southeast Asia demonstrate overreliance on weapons and force is shortsighted and ineffective. Neither the $150 billion spent on Southeast Asia, nor the lives lost in combat, were effective because the needs and

well-being of the South Vietnamese people were never the focus of our attention or that of the local government. Meeting the true needs of the people is the only way to gain their loyalty and faith, and we fool ourselves if we think our national security is anchored anywhere except in the hearts, minds, and hopes of people who respect and believe that their Government cares about them.

The committee has not fully recognized the kind of national reordering of priorities that is clearly called for. For example, how can we afford to spend over a billion dollars on a space Shuttle program and at the same time not be able to adequately finance urban and rural mass transportation projects? In spite of some increased awareness of this absurdity, the programing areas still facing the greatest peril at the hands of the administration and Congress are, for social security cost-of-living benefits, retirement benefits, veterans benefits, food stamps, medicare, child nutrition, and special impact to education.

Again, those with the least power, economically or otherwise, are the first to be called upon to bite bullets and tighten belts. I cannot support any spending diet, if one is necessary, which results in human starvation. Having been given the tools to finally get better control over our priorities it will be distressing and tragic to see the opportunity unused. As a nation, we have great unmet needs in health, housing, education, transportation, and many other areas. We also have millions unemployed. I only ask that we take this opportunity to help people who want to work and who can be used to solve our problems. Our course of action should be clear and we should cease following an administration using policies identical to those which have created our troubles.

The battles over our priorities will continue in appropriation bills, in new legislation, and in the fall budget resolution, but today one vital improvement toward creating a greater economic stimulus, promoting equity, and properly judging our priorities, can be made by the House if it adopts the amendment to remove the 5-percent and 7-percent ceilings. We have a long way to go to correct our economic policies and our priorities and I urge my colleagues to take this first important step.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. Levitas).

Mr. LEVITAS. Mr. Chairman, I sincerely hope that this House will be able to adopt a budget resolution and do it expeditiously. When I was campaigning for this seat in Congress, I advocated a process of this sort long before I knew that the Congress had adopted one, because I felt that it was unthinkable that the Congress of the United States could have gone for so many years, spending money and piling up deficits throughout the year, without having any idea how much was being spent and how large the deficit was going to be. For that reason I commend those who have participated in this progress.

Yet I have heard some things here today that really surprise me. I have heard speaker after speaker stand and say we must adopt a budget resolution regardless of whether it is a good one or a bad one. It makes absolutely no sense to me—indeed, I consider it an abandonment of the most minimum legislative responsibility—to vote for any resolution simply because it is there. It would be far better for us to reject bad legislation so that we will have an opportunity to vote for good legislation.

Under the rules established by the Budget Act, a motion to recommit is not permitted, but I certainly believe that if this House were to reject this resolution, if that unfortunately becomes necessary, the budget committee will understand what the message of this Congress is and bring back a budget resolution that is acceptable.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the distinguished chairman.

Mr. ADAMS. I thank the gentleman.

One of the problems, and the reason I did not answer more directly the question which would be before the Budget Committee earlier—and I still have the same problem—is that the gentleman has listened to the debate today and will listen to what will follow tomorrow. The problem the committee will have is what to bring back. In other words, as the gentleman can see, there is a great division between those who wish the deficit figure to go down and those who wish the deficit figure to go up, and unless in some fashion magic strikes the committee as to what we have done wrong, I would have a very difficult time telling the committee what at that point was the appropriate manner in which to proceed.

I thank the gentleman for yielding to me.

Mr. LEVITAS. I thank the distinguished chairman for his comments, and I certainly understand the dilemma the committee finds itself in. In fact, the next comment I was going to make was to urge that this House, in the course of the vote tomorrow, or whenever it comes, to reach a consensus—to make a decision; but I deplore the suggestion that we would simply adopt a resolution because it is there.

Mr. Chairman, I have two remaining points. There will be amendments to this bill offered under the pretext of removing "caps" from certain programs. I would like to point out as emphatically as I can that there is no amendment that can be offered to this resolution that can remove a "cap" from any program. The law forbids any such amendment. We can only change gross amounts and figures. We cannot legislate about specific programs. We can keep a $73 billion limitation on a deficit and still permit the "caps" to be removed, because that is a matter that addresses itself to the various committees in the Congress.

It simply would require us in the Congress to have enough intestinal fortitude to make cuts in other programs in order to permit these "caps" to be removed; but I think we should not vote for an increase in the size of this budget deficit on the false and misleading pretext that it, in itself, will lead to a removal of the "caps" on social security and other programs. That simply is not true.

Finally, one last observation: We hear a lot that we cannot make cuts in this budget because there are uncontrollable expenditures and that there is only a small amount of the budget that is controllable. I suggest to the Members that every part of this budget is controllable if Congress simply had the courage to go back and write the laws in a way which will give us the opportunity to vote annually on whether the appropriation for any program should be made or not. That would place Congress back in control of the budget and bring us fiscal responsibility.

Mr. Chairman, I yield back the remainder of my time.

Mr. ADAMS. I yield 5 minutes to the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Mr. Chairman, I will be supporting the resolution.

I share the concerns about imbalances. The gentleman from New York (Mr. Kemp) spoke most eloquently about this problem. I happen to be cosponsoring a constitutional amendment with the gentleman from California (Mr. Rousselot), a constitutional amendment sponsored chiefly by the gentleman from Louisiana (Mr. Treen) which would say we are mandated to balance the budget unlesss there is a two-thirds vote of Congress to the contrary.

I think several things have been said of significance in support of the deficit in this current economic situation. I think the gentleman from Texas (Mr. Wright) has shown us a graph here which would indicate that the money market for this current situation can afford this deficit. The difficulty is that today's emergency becomes tomorrow's habit.

But there is another area of opposition, coming from some of those on our side of the aisle who say that the $73 billion deficit is an unrealistic figure, that in reality it must be much higher than that. In going through the document prepared by the committee, Mr. Chairman, and I was impressed by the work of that committee, I was particularly intrigued by the difference in outlay between the President's estimate and the committee's estimate.

Having served for some years on a State budgetary commission I recall that one of the ways we estimated this difference in outlay was not only the precise dollar estimate but also by going on a percentage basis as to what had happened in the past. I suggest to those on either side of the aisle who believe that the figure is unrealistically low, that there is built-in flexibility here, and I cite these figures, and I hope that not only the colleagues here will listen but also that some Members and staff personnel will read this in the Record tomorrow.

The projection by the committee shows a 7-percent differential between outlay and budgetary authority. For fiscal year 1975 the actual difference will be approximately 26 percent. In 1974 the actual difference was 17 percent. In 1973 the actual difference was 12 percent. From 1963 through the estimate for 1976, the average was 13 percent.

If we project the budget on the basis of the average in the past, we end up with another $27 billion that could reduce that deficit appreciably. So I suggest there is a silver lining to the cloud that we are hearing very much about. There is a little more cause for hope in the fiscal picture than some of the figures might suggest.

I am pleased to support the resolution.

Mr. ADAMS. Mr. Chairman, I thank the gentleman for the comment he has made. I think it is a very important one.

The reason for that type of approach in this budget is that we have tried to go with programs that would produce immediate outlays and be an immediate stimulus to the economy. We would then move back out of that kind of outlay so that we would not have a stimulus when the economy returns to full action.

The gentleman is absolutely correct. If we wish to take the figures and apply the usual outlay to budget authority relationships, then our outlay figures would drop by a considerable amount. I can mention just one program, for example, the accelerated public works program. This projects $3 billion outlays on $5 billion in budget authority in the next fiscal year. As the gentleman knows, the standard outlay figure in public works is usually about one-third, and that would be high. So the gentleman is absolutely correct. I thank the gentleman for his comment.

Mr. SIMON. I thank the chairman for his comments and his leadership. I think what he has done is obviously to be conservative on the outlays. That is another reason for us to support the work of the committee.

Mr. ADAMS. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. THORNTON).

Mr. THORNTON. Mr. Chairman, I am for this resolution.

It may be appropriate to list some of the problems that exist in the resolution. It is not a balanced budget. It is a larger deficit than I like. It is $24 billion larger because of the adoption of the tax rebate that I opposed. It does not set priorities exactly as I would have them set, but I think those comments can be made as we deal with specific amendments later on.

The point about this resolution is that it is necessary if the Congress is to establish ceilings and to fulfill its obligation to exercise the control of the purse strings which is required by the Constitution of the United States and by the voice of the people we represent.

This resolution is not an easy resolution to support. Perhaps that is a reason for supporting it. It makes us shoulder for the first time the responsibility of considering at the same time this Nation's revenues and expenditures. It is an honest resolution. It does not exaggerate figures or engage in self-deception.

Our financial house today is in disarray, but that is no reason for abdicating our responsibility to gain control of our Nation's purse strings. We should not vote for this resolution merely because it is there, but because it is needed.

Mr. Chairman, this in my view is a necessary and vital first step to gain control of the runaway economy which we are now experiencing and I urge support of the resolution.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, as a member of the House Budget Committee, I know that the committee members and the chairman have labored diligently on a very difficult task in reaching a consensus on a budgetary resolution. I think it is very important that the Members of the House recognize that the Budget Committee has labored under very severe constraints. The main difficulty is that we were not able really to dig into the budgets of all the agencies and eliminate waste and unnecessary spending. I deeply regret that we were not in a position to do that.

I am troubled also by this substantial deficit of $73.2 billion. Interest payments on the national debt constitute the third highest item in our budget.

I have several reservations about this budgetary resolution.

First, I think it is an enormous injustice to try to economize at the expense of the senior citizens of this country. I would very much hope that an amendment would be passed to restore the full statutory amount of the social security increase to the budget resolution.

Second, I would also like to raise the matter of the enormous size of the defense budget.

One of the problems, in my estimation, is that almost one out of every two general tax revenue dollars has gone to support the defense budget as proposed by the President, and even as proposed by the Budget Committee. In fact, about 47.1 percent of our general revenues is going to support the defense budget.

It seems to me that in time of peace, that is an extraordinarily high amount to be devoting to the defense budget. It is also interesting to note that the proportion of the general revenues that goes to the defense budget has been increasing over the past few years. This increase is particularly disturbing: during the period of our military involvement in Vietnam—between 1965 and 1973—the proportion of our general revenues that went for the defense budget continued to escalate—up to 57.8 percent in 1973. Following the withdrawal of U.S. forces from Vietnam in 1974 the defense budget, as expected, dropped to 43.3 percent of the general tax revenues. But in 1975, in a peacetime economy, it is anticipated that it will escalate to 45.8 percent. And under the President's budget, it will even escalate further to 47.1 percent.

Even if we want to return only to the fiscal year 1975 proportion of military expenditures—which is a modest beginning in de-escalating our military economy—we will have to cut $2.3 billion out of the committee's resolution.

In time of peace, it seems to me that spending almost one out of every two general revenue tax dollars on defense is unwarranted. We have got to think seriously about curbing growing defense spending. I have worked up some figures which do not really deal with any of the strategic programs but which deal with some of the inefficiencies and waste in defense programs:

Item	Budget authority (millions)	Outlays (millions)	Justification for cut
1. Increased recruiting costs	63	60	Applicants for the Armed Forces far exceed our present needs. There is no reason for increased spending to attract more volunteers.
2. Increased depot maintenance and overhauls.	667	500	Increases could be deferred because the basic program appears to have adequately loaded maintenance facilities.
3. Increases in other procurement	1,500	180	Significant increases in procurement of miscellaneous equipment for the general force. With no increase in force levels, there is no need for increased procurement.
4. Graduate education for military personnel.	100	95	This category involves non-military-related graduate training—a luxury at best.
5. Cut 40,000 support (noncombatant) personnel over 3 yr.	150	150	The Army recognizes that these personnel are unnecessary, but seeks to replace them with combat personnel. No justification has been given for 3 new combat divisions. It is pointless to fight one kind of waste by creating another.
6. Minute Man III test missiles	265	90	Only purpose of this expenditure is to keep production lines open.
7. Site defense (ABM and ICBM)	180	90	Since these R. & D. programs are designed to develop an ABM system despite the SALT treaty, they are unnecessary.
8. F-15 aircraft (keep present production level at 6, not 9 per month).	600	60	No need to speed up production of F-15 from 6 to 9 per month when production of F-16 has been speeded up.
9. Program growth	1,000	200	Original committee mark deferred $4,000,000,000 out of the $5,000,000,000 in the requested level of defense program growth. In view of current financial situation, the entire growth request could be deferred.
10. Troops in Thailand	100	100	Thai Government has requested withdrawal of these troops.
11. AWACS	[1] 690 (620 FY 75)	400	Militarily questionable. Useless for original purpose to defend United States. Present purpose is for NATO use. If so, and if NATO wants it, let NATO pay.
12. Shipbuilding	3,000	240	This represents new shipbuilding authority. Yet, $2,300,000,000 in cost overruns show Navy's program in serious trouble. We should not reward mismanagement. Also Navy needs lead time to comply with Congressional requirement that ships have nuclear capacity.
13. B–1 bomber	749	350	Need for new strategic bomber unproven. At present time United States has 500 bombers. Air Force has lengthened life and penetration capability of B–52's by extensive modification programs. Strategic use of bombers as deterrent doubtful at best.
14. Military support to South Vietnam	700	500	This item is self-explanatory.
Total savings	9,764	3,015	

[1] 620 in fiscal year 1975.

If we were to look at the item of increased recruiting costs—which in my judgment are unnecessary because recruiting is not a problem at this time—if we were to look at costs for depot maintenance and overhauls; at costs for graduate education for military personnel; costs for some support personnel in the Armed Forces; costs for increase in other procurement—all of these are listed at pages 112 and 113 of the committee report—we could cut almost $1 billion in budgetary outlays without affecting in any respect the question of military strength.

It is about time we begin to look at the defense budget from the point of view of waste. We can disagree about the B–1 bomber and disagree about some of the strategic programs. Some of us may support them, while others may oppose them. But none of us, it seems to me, can disagree on the proposition that waste and inefficiency even in the defense budget must be eliminated if we are to control future deficits and have the Federal funds needed for domestic programs.

Mr. ADAMS. Mr. Chairman, I have no further requests for time.

Mr. CONABLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, when I spoke earlier in this session to interrogate the distinguished chairman of the Budget Committee, who has labored earnestly and hard to perform these very difficult labors, I did not make my own position clear.

As a member of the Budget Committee, I have been distressed in this first year in which we are trying to determine the relationship between income and outgo in some orderly fashion, to find that the relationship is a very distant relationship indeed. As a matter of fact, up in western New York, we would not even call income and outgo shirttail relations if they are as far apart as they are here judging from the first report brought out by the Budget Committee.

Our failures of consanguinity, we can correct by affinity. I would like to see this report sent back to the Budget Committee by a resounding rejection on the floor of the House. The Budget Committee could then perform some sort of shotgun marriage and bring these two into a much closer relationship than they apparently have, judging from the figures that are before us.

I think this whole process will be viewed as incredible by the American people if we advocate a deficit of the dimension of $73.2 billion by our support and recommendation here on the floor of the House. This process is too important to let its credibility be damaged in that way.

I realize that our procedures do not permit a recommittal, but it appears it is within the power of the Budget Committee further to deliberate and further to recommend, particularly in this year in which we have a dry run, so-called. And so I hope, Mr. Chairman, that we will reject a deficit of this dimension and give the Budget Committee by that fact not the coup de grace but instead a mandate to go back and try to bring a closer relationship out of the two basic elements of our fiscal policy.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Chairman, I was listening with interest to the remarks of the gentlewoman from New York (Ms. HOLTZMAN) in which she was apparently castigating the great amount that was targeted for defense.

I have in my hand the United States Budget in Brief for fiscal year 1976. Inside of the cover is the pie showing where it goes, and national defense is only indicated for 27 cents, and 39 cents is in direct benefits, payments to individuals, plus another 5 cents in grants to individuals. So I think the figures the gentlewoman quoted were in error.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. I thank the gentleman for yielding.

Mr. Chairman, I would like to answer the comment that was made, because it is a very important point. Perhaps I did not make myself clear. The defense budget occupies 47.1 percent of the general revenues. I was not talking about all of the revenues the Federal Government gets, but I was talking about what I would call the discretionary revenues. I am not talking about the revenues that go into the social security trust fund or the highway trust fund, because those revenues must be spent for the trust purposes. But if we eliminate the amounts that are raised for these special trust funds, and we talk about general revenues, then I think we see a clearer picture of where our tax dollars are going.

According to my arithmetic, under the President's budget, defense spending accounts for 47.1 percent of the general revenues, or general tax dollars.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentlewoman from New York (Ms. HOLTZMAN).

Mr. DEVINE. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman.

Mr. DEVINE. Mr. Chairman, in that connection, I understand the gentlewoman from New York (Ms. HOLTZMAN) was on the Budget Committee. In the estimated deficit of 72 and some percent deficit, did that include the votes that were taken in the last week and on which, I believe, the gentlewoman from New York (Ms. HOLTZMAN) voted aye on the school lunch program, which did violence to the budget of about $1.3 billion, and the educational bill, which was about $1 billion over the budget? Were those included in the estimated deficit of 72 and some percent?

Ms. HOLTZMAN. I am advised that they are.

Mr. DEVINE. They are included?

Ms. HOLTZMAN. Yes, sir.

Mr. DEVINE. I thank the gentlewoman.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, I would like to direct a couple of questions in colloquy to the distinguished chairman of the House Budget Committee.

In the report of the committee, there is no inflation impact statement reported, and as is generally required of other committee reports that we have received over the past year. I would say that those impact statements have been generally very disappointing, because it has been characteristically true that not a single committee, regardless of how large a spending program it estimated, proposed to take any responsibility for any inflationary impact. Regardless of how extravagant the spending was, all of them, so far as I can tell, universally reported and believed that there would be no inflationary impact on their program.

In the committee report and in the chairman's earlier remarks, the chairman does discuss his conclusions and his belief that if this budget is enacted and if this $73 billion deficit is the result of spending for the next fiscal year, that there would be no inflationary impact.

I believe the chairman said that all of those "models" to whom he had submitted this information had derived a projection that there would be no inflationary effect; is that correct?

Mr. ADAMS. That is correct. That is the position in which we find the present economy even with the stimulus that is assumed in this resolution. We could get no indication of any increase in the Consumer Price Index.

Mr. MARTIN. That is because of sagging employment and business activity; is that right?

Mr. ADAMS. If the gentleman will look in the CONGRESSIONAL RECORD, I placed in it yesterday a series of tables which indicate the President's budget, the Senate Budget Committee projections, and the House Budget Committee projections. In those tables, the gentleman will find the Consumer Price Index is falling and the model projection would indicate a continuing decline in 1976 with the stimulus programs in the committee budget.

Mr. MARTIN. The projection of these models is, then, that the stimulus of this kind of deficit budget leads to the end of reducing unemployment; is that correct? Does the gentleman project that unemployment will decline?

Mr. ADAMS. That is correct. We are moving into a slack economy. We would be putting people to work and using productive capacity that is presently not being used, and that is why we do not get an inflationary impact.

Mr. MARTIN. I thank the gentleman. I can understand that if we put people to work in public service jobs, that would reduce unemployment; but is it the gentleman's belief that productive employment in the private sector would also be stimulated and that unemployment would thereby be reduced?

Mr. ADAMS. Yes. The main stimulus in this resolution is in the housing bill which has passed the House, the public works program; and the public service jobs program, as well as the tax cut. Those four separate stimuli, three of which are directed toward stimulating the private sector, are included in this budget.

Mr. MARTIN. May I ask the gentleman if these projections were for fiscal 1976 only or would they go into 1977, or is that stretching the model too much?

Mr. ADAMS. We went to the end of calendar year 1976.

Mr. MARTIN. That would be into the first half of fiscal year 1977?

Mr. ADAMS. Yes. We will have a subcommittee, probably a task force actually, on long-range projections. Five-year projections are required by the Budget Act when all provisions are in effect. As the Congressional Budget Office computer services come on line we will project out 5 years. As part of our report this year, we were unable to get to that particular phase.

Mr. MARTIN. At these levels of spending, did these projections into the last half of calendar year 1976, that is, the first half of fiscal year 1977, lead the members of the committee to believe that there would be a substantial inflationary effect at that time?

Mr. ADAMS. No, it did not. We do not see the economy using up excess capacity until approximately calendar year 1978. With respect to the unemployment rate, that is one of the complaints we heard from other Members. We have not been successful in the programs that we have in here in moving it down below the 6-percent figure, we do not expect, for at least 2 years.

Mr. MARTIN. I am familiar with the speculation that if the recovery is relatively slow—and that is, of course, a very vague term—but if the recovery is slow, there would therefore be no problem in financing the debt because we would still have high unemployment and low levels of economic activity.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. Martin) has expired.

Mr. LATTA. Mr. Chairman, I yield 3 additional minutes to the gentleman from North Carolina.

Mr. MARTIN. However, if the recovery were faster, we would then have excess demand on the economy, and we would also have an excessive demand for borrowed money, which would have the effect of driving up both the inflation rate and the interest rates. I would ask the gentleman whether he could characterize the models which he has used in the committee work as projecting a slow rate of recovery or a fast rate.

Mr. ADAMS. They all project a slow rate of recovery. The committee in its deliberations was especially careful to avoid driving up the inflation rate.

As I indicated earlier to the gentleman from California and the gentleman from New York, it is a very dynamic world that we live in, and that can change.

We used the three econometric models, and they all came out with the same results insofar as rates of inflation were concerned.

Mr. MARTIN. If they all came to the conclusion that there would be a relatively slow rate of recovery then I would ask what the expectations of the gentleman from Washington would be if despite this, or perhaps because of the stimuli which are provided, we then began to realize a faster rate of recovery? If we do have a faster rate of recovery then the chairman's budget will have overstimulated the economy. Does the gentleman from Washington have in mind a procedure that we could use so as to turn down the fires under the economic boilers?

For example, in July, August or September we will have the Second Concurrent Resolution from his committee, and we will at that time already have the monthly indices of June, July and August which would show us whether there was an increase in automobile sales, or whether sales generally have increased, and if there was an indication of consumer confidence rising, and whether savings were being converted to spending which would indicate the economy was picking up. I am asking the gentleman whether he would then recommend slowing down the proposed stimuli which the committee has built into this First Concurrent Resolution?

Mr. ADAMS. We would certainly consider that. As I said this morning, this is what we are trying to do, to get out of the recession, and at the same time not go into another round of inflation. This is a very delicate and dynamic business, and we are trying to do this. We are trying to put programs in here, as the gentleman I am sure heard me say to the gentleman from Arkansas that are not long-time stimulus programs that would stretch out beyond the time the private sector picked up, for example.

Mr. MARTIN. Has the gentleman thought that he would then recommend we not extend the tax reduction act?

Mr. ADAMS. No; we have only said we would extend it to July 1 of 1976, in other words, a 6-month period.

Mr. MARTIN. But, as an example, if in the middle or late 1975 it appeared that the economy would recover rapidly, the gentleman from Washington would then recommend that the tax reduction act not be extended?

Mr. ADAMS. The gentleman can, but the administration has general rescission and deferral powers and can send its recommendation to the various authorizing and appropriating committees.

As I tried to make clear in my opening remarks, and I know the gentleman from Texas (Mr. Brooks) will be making some remarks tomorrow, that the Committee on the Budget was aware of how things were working, and how things will work, but the individual authorizing and appropriating committees are the ones that need to consider the specific line items.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I would like to direct a question to my good chairman of the Committee on the Budget. I suppose this was considered, but I will ask, has the Committee on the Budget ever asked for an input to the economic models that are used as to what would happen if we had a balanced budget?

Mr. ADAMS. I specifically asked our people to do that, having in mind that the gentleman from California was interested in such.

Mr. ROUSSELOT. The gentleman has used this in all three of the economic models?

Mr. ADAMS. That is correct.

Mr. ROUSSELOT. What were the results of that insofar as the levels of unemployment are concerned? Say, at the $300 billion level.

Mr. ADAMS. It comes out with an unemployment rate of 15 percent.

Mr. ROUSSELOT. What are the factors used in those economic models; can we have that so we can understand that?

Mr. ADAMS. Yes, the staff will be very pleased to sit down and detail it to the gentleman. As the gentleman from California knows, and also the gentleman from New York, I am sure, these are models of the United States economy, and we place in the various figures, set up the other various standards, and apply those budgetary factors.

Mr. ROUSSELOT. You would then have the standards for the $300 billion expense level, even though the presence of the Treasury in the marketplace would be reduced by $73 billion.

Mr. ADAMS. Oh, yes, the problem, as the gentleman knows, is what has been described as the problem of pushing on a string.

Mr. ROUSSELOT. I understand.

Mr. ADAMS. In other words, if the demand is not there from the private sector, the fact that the availability of credit is there does not mean that the private sector absorbs it or moves with it.

Mr. ROUSSELOT. The private sector has to take the $73 billion because we apparently do not have it in the Treasury.

Mr. ADAMS. Precisely. What I am saying to the gentleman is that funds are becoming available. Money is freeing up, but the private sector is not taking it because it does not have confidence at this moment that it wants to go into borrowing at a higher rate.

Mr. ROUSSELOT. That is right.

Mr. ADAMS. So we cannot push the string out.

Mr. ROUSSELOT. But, of course, the same economic models have obviously been imperfect in other observations that have been made.

Mr. ADAMS. I agree with the gentleman.

Mr. ROUSSELOT. But now we can be assured, at least as far as the economic models tell us, that if we go for this $73 billion deficit, unemployment by the year end of 1976 will be, according to the gentleman's committee report, 7.4 percent; is that correct? That is what the committee report says.

Mr. ADAMS. Seven percent by the end of the calendar year 1976; 7.4 percent, at the end of June 1976.

Mr. ROUSSELOT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I intend to offer an amendment tomorrow to reduce these figures, and they will be printed in the Record along with an explanation at this point.

(The statement of Mr. Latta is as follows:)

Mr. LATTA. Mr. Chairman, the amendment I propose would make various important changes in the budget aggregate figures contained in House Concurrent Resolution 218. Perhaps of most significance, it would reduce the proposed deficit from $73.2 billion to $54.1 billion. In so doing it would eliminate excessive, badly planned and potentially wasteful public works spending that could aggravate inflation and recession rather than help overcome those problems. It proposes that Federal employees, including Defense Department personnel, help lead the way in returning fiscal responsibility to Government and a lowering of the rate of inflation in America by foregoing any increases in salaries in fiscal year 1976. This seems proper since they do benefit from having recession-proof job security generally not possessed by other individuals. It would cut back on unbudgeted items, reduce wasteful spending programs, and stretch out programs where that can be done without harm. It would allow the tax reduction act to expire at the end of this year. The amendment attempts to bring about the type of decisionmaking that we must encourage and accomplish if the new budget procedure is to be effective.

Under my amendment, the following target figures would be included in House Concurrent Resolution 218:

(In billions)

Revenues	$296.4
Budget Authority	371.9
Outlays	350.5
Deficit	54.1
Public Debt	603.4

Following are the various areas where reductions and cuts would be made and are reflected in the new target figures:

COMMUNITY AND REGIONAL DEVELOPMENT

Budget authority would be reduced by $5.6 billion and outlays by $3.5 billion. Most of this would be in a proposed new emergency public works program that is not budgeted, and it would also affect several proposed increases over the budget for community grants, community action and planning programs. Public works programs are expensive and ill-suited as programs to stimulate the economy in fiscal year 1976. These unbudgeted funds should be removed from the resolution.

EDUCATION, MANPOWER, AND SOCIAL SERVICES

Reductions would be made amounting to $4.9 billion budget authority and $3.5 billion in outlays. This represents proposed funding over the budget, with adjustments for rejection of proposed rescissions, for certain additional education programs, and large amounts not contemplated in the budget for public service and public works jobs and training programs. Here too, the proposed spending for stimulative purposes is clearly excessive and is not appropriate as the means to combat recession in fiscal year 1976.

HEALTH

Reductions here would amount to $2 billion in budget authority and $0.92 billion in outlays. This reflects acceptance of the President's proposal to reduce expenditures by requiring States to pay a larger portion of their medicaid costs, which would result in a reduction in outlays, and various other reductions that represent unbudgeted items.

NATURAL RESOURCES

Reductions in this area would be to remove from the resolution $1.8 billion in budget authority and $1.5 billion in outlays that are associated with a variety of unbudgeted items pertaining to public works, parks, land use planning, conservation and research. Attractive as some of these may seem, this is not the time to add increased spending in these areas at a time when we are facing massive deficits.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

Outlays in this category would be reduced by $200 million which would be intended to stretch out space activities. This would reduce the outlay total somewhat below the budget, but that appears appropriate at this time of mounting spending and deficits.

COMMERCE AND TRANSPORTATION

Reductions here would be $4 billion in budget authority and $4 billion in outlays. A significant portion of the cuts would be to remove funds for unbudgeted Federal-aid highway programs which it appears cannot be effectively utilized, unbudgeted housing proposals, and the D.C. metro system. Also included would be an unbudgeted $720 million payment to the Postal Service. Such costs should be assumed by those who use the Postal Service, and for whom the payment would be made, second and third class users.

VETERANS

Budget authority and outlays would each be reduced by $400 million. This would keep compensation and pensions in line with the 7-percent cap on retirement and take out new program initiatives that are over the budget.

INCOME SECURITY

Budget authority would be reduced by $0.7 billion and outlays by $1.3 billion. This would reflect elimination of the monthly retirement test which favors high-income retirees, adoption of a standard deduction for work expenses in the food stamp program to increase efficiency, improve the Social Security minimum benefit law which was intended originally as an administrative convenience but has been turned into a welfare device, and improve the management of the program of aid to families with dependent children.

DEFENSE

In the defense area there would be some net additions to both budget authority and outlays over the amounts embraced by the resolution. These represent a cutting back on reductions proposed in the resolution for several purposes, including reductions associated with funds available for transfer from prior years and nonreplacement of equipment that is sold, reductions in the defense stock funds cash balances, reductions in war reserves and inventory replenishment funds, and reduction adjustments made for inflation and for program growth. These increases, which would amount to $5 billion in budget authority and $3 billion in outlays, would be offset by reductions of $1.2 billion in budget authority and $1.2 billion in outlays which represent holding DOD civilian pay and military pay at its present level. In these days of financial stress and huge Federal deficits it seems appropriate to hold the line on Federal salaries. There are instances in the private sector, I understand, where labor and management have voluntarily agreed to maintain wages at present levels. This example should be followed by the Federal Government. The net addition in budget authority would therefore be $3.8 billion and $1.8 billion in outlays.

ALLOWANCES

In this category budget authority would be reduced by $575 million and outlays by $550 million to reflect savings that would result by retaining salaries for all other civilian employees also at the present levels.

REVENUES

It has been calculated that revenues would amount to $4.4 billion in excess of $295 billion, the revenue figure contained in House Concurrent Resolution 218, if the tax reduction act is not extended beyond calendar year 1975. The amendment proposes that the tax reduction not be extended, which would increase revenue. There would not be a net increase of the full $4.4 billion, however, because offsetting this in part would be the somewhat lower revenue intake that would result due to a lower level of Federal expenditures. The reduction in revenue has been set at $3 billion, placing the net revenue level at $296.4 billion.

I include a copy of my amendment:

AMENDMENT BY MR. LATTA

Amendment to be offered as a substitute by Mr. Latta of Ohio for the amendment in the nature of a substitute offered by Mr. O'Neill of Massachusetts: Strike out all after the resolving clause in House Concurrent Resolution 218 and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $296,400,000,000;

(2) the appropriate level of total new budget authority is $371,900,000,000;

(3) the appropriate level of total budget outlays is $350,500,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $54,100,000,000; and

(5) the appropriate level of the public debt is $603,400,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $72,400,000,000.

Mr. CEDERBERG. Mr. Chairman, the first concurrent resolution on the budget, House Concurrent Resolution 218, is proposed by the House Budget Committee at a time in which our Nation's economy is experiencing a high level of unemployment and high inflation. There is wide public concern that unless public policy initiatives are taken which confront these problems effectively, our na-

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tional economic situation may grow worse.

Under the new Budget Control Act, enacted last year, Congress is attempting to utilize a new framework for budgetary decisionmaking. This resolution represents a first step in that process. We are now called upon to act in a way which responds to the pressing circumstances of our economic situation.

Among the important reasons for enacting the Congressional Budget and Impoundment Control Act of 1974 was the need to meet the problems of mounting Federal expenditures and deficts, as well as their impacts on the national economy.

Federal expenditures have grown rapidly from the 1960's onward. A recent Office of Management and Budget study shows that if the growth in spending continues, governments would take from 55 to 60 percent of the Nation's entire output by the end of the century. This would mean government domination of our lives and our means of livelihood to a far greater extent than we now experience. It would diminish our ability to make meaningful personal choices far more than at present. In short, it would diminish our independence. Surely, we will not knowingly take that step on the eve of the 200th anniversary of our national independence.

Federal deficits have also grown rapidly from the sixties onward. The Office of Management and Budget has estimated that if spending proposals now before the Congress should be enacted, the Federal deficit could reach the neighborhood of $100 billion. Such a figure would exceed total Federal spending of some 14 years ago.

I include the following:

FEDERAL BUDGET RECEIPTS AND OUTLAYS AND DEBT (APRIL 1975 "ECONOMIC INDICATORS", P. 35)

[In billions of dollars]

Period	Receipts	Outlays	Surplus or deficit (—)	Federal debt (end of period): Total[1]	Federal debt (end of period): Held by the public
Fiscal year:					
1965	116.8	118.4	—1.6	323.2	261.6
1966	130.9	134.7	—3.8	329.5	264.7
1967	149.6	158.3	—8.7	341.3	267.5
1968	153.7	178.8	—25.2	369.8	290.6
1969	187.8	184.5	3.2	367.1	279.5
1970	193.7	196.6	—2.8	382.6	284.9
1971	188.4	211.4	—23.0	409.6	304.3
1972	208.6	231.9	—23.2	437.3	323.8
1973	232.2	246.5	—14.3	458.4	343.0
1974	264.9	268.4	—3.5	486.2	346.1
1975[2]	274.5	324.2	—49.7	553.8	405.7
1976[2]	296.8	355.3	—58.5	627.9	476.7
Cumulative totals for 1st 8 mo.:					
Fiscal year 1974	168.0	175.1	—7.1	481.4	348.1
Fiscal year 1975	184.8	208.5	—23.7	510.7	369.0

[1] Excludes non-interest-bearing public debt securities held by IMF.

[2] Estimates as of Apr. 18, 1975. Receipts estimates reflect changes from February Budget for effect of Tax Reduction Act of 1975 only.

Sources: Department of the Treasury and Office of Management and Budget.

These mounting expenditures and deficits, which have gained greater momentum over that time period have also been accompanied by rising inflationary pressures. The strongest inflationary pressures occurred in 1973 and 1974. Consumer prices in general rose about 21 percent over the 2-year period. The largest general rise, a 12.2-percent increase, took place in 1974. However, food prices rose about 20 percent in 1973 alone, and over 12 percent further last year. Meanwhile, energy prices to consumers rose over 21 percent in 1974.

Such sharp rises in consumer necessities caused substantial cutbacks in customary and discretionary forms of spending. Sales of consumer durables for example, dropped 13 percent in the last 3 months of 1974 alone, reflecting almost a 45-percent decline in annual rate over that period. Consumer spending generally fell at about a 13-percent annual rate in the final quarter of 1974. I include a table:

CONSUMER PRICES (APRIL 1975 ECONOMIC INDICATORS, P. 26)

[1967=100]

Period	All items	Commodities: All commodities	Commodities: Food	Commodities less food: All	Commodities less food: Durable	Commodities less food: Nondurable	Services: All services	Services: Rent	Services: Services less rent
1966	97.2	98.2	99.1	97.5	98.5	97.0	95.8	98.[illegible]	95.3
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.[illegible]	100.0
1968	104.2	103.7	103.6	103.7	103.1	104.1	105.2	102.[illegible]	105.7
1969	109.8	108.4	108.9	108.1	107.0	108.8	112.5	105.[illegible]	113.8
1970	116.3	113.5	114.9	112.5	111.8	113.1	121.6	110.[illegible]	123.7
1971	121.3	117.4	118.4	116.8	116.5	117.0	128.4	115.[illegible]	130.8
1972	125.3	120.9	123.5	119.4	118.9	119.8	133.3	119.[illegible]	135.9
1973	133.1	129.9	141.4	123.5	121.9	124.8	139.1	124.[illegible]	141.8
1974	147.7	145.5	161.7	136.6	130.6	140.9	152.0	130.[illegible]	156.0
1974:									
February	141.5	139.3	157.6	129.2	123.4	133.5	145.8	128.[illegible]	149.1
March	143.1	141.0	159.1	131.1	124.3	136.1	147.0	128.[illegible]	150.4
April	143.9	141.8	158.6	132.6	125.6	137.7	147.9	128.[illegible]	151.4
May	145.5	143.4	159.7	134.5	127.5	139.5	149.4	129.[illegible]	153.1
June	146.9	144.8	160.3	136.2	129.7	141.0	150.9	129.[illegible]	154.7
July	148.0	145.6	160.5	137.5	131.5	141.8	152.5	130.[illegible]	156.6
August	149.9	147.6	162.8	139.3	133.2	143.7	154.2	130.[illegible]	158.4
September	151.7	149.4	165.0	140.9	134.8	145.3	155.9	131.[illegible]	160.3
October	153.0	150.7	166.1	142.2	136.8	146.1	157.3	132.[illegible]	161.9
November	154.3	152.0	167.8	143.3	138.0	147.2	158.6	132.[illegible]	163.3
December	155.4	153.0	169.7	143.9	138.8	147.7	160.0	133.[illegible]	164.8
1975:									
January	156.1	153.4	170.9	143.9	139.3	147.2	161.3	134.[illegible]	166.2
February	157.2	154.4	171.6	144.9	140.3	148.2	162.6	135.[illegible]	167.5
March	157.8	155.0	171.3	146.0	142.1	148.8	163.2	135.[illegible]	168.3

Source: Department of Labor, Bureau of Labor Statistics.

The sales decline led first to a rise in business inventories of unsold goods; then to a cutback in production. Thus, total output of the economy also fell about 10 percent from September 1974 to March 1975.

Unemployment has grown, in response to reduced productive activities, reaching an 8.7 percent annual rate and about 8 million people, according to recent figures. Meanwhile, overall employment has gone down about 1.4 million between last December and this March.

Our need now, as a nation, is to act in a way which assists economic recovery without rekindling the inflationary forces which have brought us to our present difficulties. This places a strong responsibility on the Congress to choose target budget figures which meet this need.

A vital part of this decisionmaking is the size and character of the $73.2 billion budget deficit contained in the Budget Committee's proposed budget resolution.

One problem in dealing with this deficit figure is that it does not really present the full impact that anticipated Federal borrowing will be considerably larger because there are off-budget and other Federal finance components to be added.

The simplest and most conservative version of these additions would combine the fiscal 1976 deficit of off-budget Federal agencies, about $10.6 billion, to the finance requirement of $7.7 billion for Government-sponsored enterprises, a combination resulting in $18.3 billion in borrowing requirements above that of the Federal unified budget deficit.

There are other federally assisted credit activities, whose proceeds go to non-Federal borrowers, amounting to a further $7.7 billion. The impact of these on financial markets differs from other Federal borrowing, partly because a large component of these funds goes to private individuals and corporations. But there is a residual liability, and these funds do not respond to market forces in the same way as other private market transactions.

Conservatively, these additions to Federal and federally assisted borrowing range from about $20 billion up to $26 billion above the unified budget deficit. I include the following:

TABLE C-2.—MEANS OF FINANCING THE FEDERAL DEFICIT[1]

[In millions of dollars]

Description	1974 actual	1975 estimate	1976 estimate
Budget surplus or deficit (—)	—3,460	—34,696	—51,852
Surplus or deficit (—) of off-budget Federal agencies[2]	—2,675	—13,931	—10,642
Total surplus or deficit (—)	—6,135	—48,627	—62,494
Means of financing other than borrowing from the public:			
Decrease or increase (—) in cash and monetary assets	2,519	3,147	—367
Increase or decrease (—) in liabilities for:			
Checks outstanding, etc[3]	—913	1,500	—1,500
Deposit fund balances	—19	—133	189
Seigniorage on coins	321	613	672
Increment on gold	1,219		
Total means of financing other than borrowing from the public	3,127	5,127	—1,006
Total requirements for borrowing from the public	—3,009	—43,500	—63,500
Change in debt held by the public	3,009	43,500	63,500

[1] Taken from "Special Analyses—Budget of the U.S. Government Fiscal Year 1976." p. 42.

[2] The off-budget Federal agencies consist of the Rural Electrification and Telephone revolving fund, Rural Telephone Bank, Housing for the Elderly and Handicapped fund (as of Sept. 1, 1974). Pension Benefit Guaranty Corp. Environmental Financing Authority, Federal Financing Bank, Export-Import Bank, Postal Service, and U.S. Railway Association. Not all these agencies existed during the entire period.

[3] Besides checks outstanding, includes military payment certificates, accrued interest (less unamortized discount) payable on Treasury debt, and, as an offsetting change in assets, certain collections in transit.

TABLE C-9.—NET BORROWING FROM THE PUBLIC BY GOVERNMENT GOVERNMENT-SPONSORED ENTERPRISES; AND GOVERNMENT-GUARANTEED BORROWERS

[In billions of dollars]

Description	Borrowing or repayment (—): 1974 actual	Borrowing or repayment (—): 1975 estimate	Borrowing or repayment (—): 1976 estimate	Debt outstanding end 1976 estimate
Federal borrowing from the public[1]	3.0	43.5	63.5	453.1
Borrowing by Government-sponsored enterprises[2]	14.9	14.2	8.1	88.7
Less increase in holdings of Federal debt	(3)	.4	(3)	1.1
Less increase in Government-sponsored debt held by Federal agencies	.1	.2	.3	.6
Net Government-sponsored borrowing from public	14.8	13.6	7.7	87.0
Government-guaranteed borrowing[4]	1.1	15.4	16.1	215.5
Less increase in Government-guaranteed loans held by:				
Federal agencies:				
Federal Financing Bank	.1	10.6	5.8	16.5
Government National Mortgage Association	—.3	—.1	—.4	3.0
Environmental Financing Authority		.1		
Government-sponsored enterprises:				
Student Loan Market Association	.1	.1	.3	.6
Federal National Mortgage Association	3.7	3.7	2.4	31.4
Federal Home Loan Mortgage Corporation	.2	.2	.3	2.4
Net Government-guaranteed borrowing from public	6.2	.8	7.7	161.7
Total Federal and federally assisted borrowing from the public	24.1	57.9	78.9	701.7

[1] See table C-1.

[2] See table C-8.

[3] Less than $50,000,000.

[4] The same as Government-guaranteed loans. See table E-7.

Their combined impact on private financial markets places larger total demand on those markets than ever before—a new record in credit demands. Can anyone believe that this level of financing will not have new inflationary consequences?

There have been recent signs this spring that the pace of inflation had been slowing down. Consumer prices rose more slowly and some interest rates were coming down. Very recently, however, both short- and long-term interest rates began to rise again. Major business firms have experienced difficulty in selling debt securities and some private borrowers are being "crowded out" of the market as investors anticipate the effects of large new Federal borrowing.

State and local governments will also face this "crowding" pressure. Recently, a Canadian Province joined other borrowers in going to the U.S. money market before the new market forces take greater effect.

We must not overlook these signals of a new inflationary danger in reaching our budget target decisions. Recently, home mortgage interest rates moved moderately downward, while housing starts improved. This private market improvement, like many others, will be choked off if inflation is renewed. Business borrowing has recently increased strongly. If it is not crowded out by large new Federal borrowing, it should contribute to business recovery and increased private employment.

Dr. Arthur Burns has warned that impending additions to Federal financing needs, including the off-budget items, can lead to a Federal borrowing figure above $100 billion, with corresponding enormous strains on money and capital markets, in which interest rates shoot up and many private borrowers are crowded out of markets.

A related problem involves the Budget Committee proposal that part of new Federal borrowing be financed by Federal Reserve purchases. Through the fractional reserve principle, this will create "high-powered money" to stimulate a multiple expansion of bank credit and thus to "monetize" this part of the additional debt. The inflationary effects of this process are well known.

In particular, the proposed stimulus involving public service jobs, speedup of public works and the like, faces familiar difficulties. Past experience suggests these programs work slowly, add new jobs slowly, shift about experienced workers into new programs, and provide belated stimulus just at the time when financial and other experts tell our Budget Committee we should be reducing the stimulus.

In short, they cost too much, do too little good when it is needed, and interfere with private business expansion at just the wrong time.

Essentially, our contemplated action indicated by the budget resolution and the reasoning indicated in the committee report call upon us to apply a familiar deficit medicine in larger doses to remedy the illness it has aggravated in the past.

Moreover, they tell us to rely on familiar and time-worn Government-sponsored job stimulus in place of the reliance on expansion of private business activities which our budgetary proposals will seriously hinder and may choke off.

In summary, at a time when the American public wants less government in their lives, less burdensome government in terms of taxing and spending, less dominance of government in their economy, the Budget Committee deficit proposal would have us go in the opposite direction.

If Congress adopts this resolution as it now stands, it will not meet national needs. It will not achieve the budgetary restraints hoped for and desired under the new budgetary process. I urge that this resolution be rejected and that we renew our efforts to seek effective budgetary control.

Mr. RHODES. Mr. Chairman, I speak today more in sorrow than in anger. It is always saddening when bright promise fades—and potential is unrealized.

The message from the Committee on the Budget—House Concurrent Resolution 218—requests that we approve another excursion into massive deficit financing. I know it comes as a disappointment to so many Americans who had hoped for a new era of fiscal responsibility in Congress.

From its inception, I have supported the idea of a budget committee strongly. I held high hopes that it would be effective. As a member of the Select Committee which drafted the budget-reform bill, I took part in the give-and-take that accompanied its being shaped into a workable adjunct to the Congress. I also served as ranking minority member on the House Budget Committee during its formative period.

The entire motivation behind creation of the budget-reform bill was to supply Congress—for the first time—with a mechanism through which we could make rational budgetary decisions. We now have that mechanism. We ought to use it in a more effective manner.

Those who expected restraint can hardly fail to be alarmed at the $395.6 billion recommendation by the committee. For our 214 million population, this represents a Federal expenditure, of $1,850 for every man, woman and child in America. For a family of four it is $7,400. If the final budget is held to this figure, we will, during our Bicentennial year, spend more than our Nation spent from the founding of our Republic through the year 1943.

It took us into 1962 to reach the $100 billion spending mark. Then we doubled that in 9 years. In 4 years we went over the $300 billion mark, and now we are threatening in just 1 year to vault past the $400 billion level. The pace of spending is accelerating, and threatens to go into orbit.

This huge expenditure will race past revenues by $73 billion in deficits—according to committee calculations. I believe this is an unrealistic estimate. In the absence of any hard budgetary decisions, the deficit will undoubtedly be much higher. I greatly respect the chairman of the House Appropriations Committee—he is as informed and knowledgeable as anyone on budgetary matters, and is recognized for his ability and perception. Chairman MAHON has stated that, if present conditions continue, our budget deficit will exceed $100 billion.

As spending has spiraled upward, the rate of debt creation has soared. From 1929 through 1947 it was an average of 4 percent; from 1947 through 1965 it was 6 percent; and from 1965 through 1974 it was 9 percent. Now, despite our having set up the Budget Committee to corral Federal credit-card operations, we are asked to approve a level of debt that represents one-fifth of all the borrowing our Government did in 199 years. During this time we funded World War I, World War II, the Korean war, and the Vietnam war, plus a host of expansive and expensive social programs.

This tremendous Federal debt will adversely affect our national well-being. The tide of Federal spending must be reversed in order for the economy to have any hope of recovery. Congress must make this happen. I do not pretend for a moment that it is going to be easy. But the effects of inflation have not been especially pleasant for millions of Americans.

There have been encouraging signs of late that our economy is righting itself, that inflation and interest rates are leveling off. The contemplated deficit would require dangerous levels of Federal borrowing that would refuel inflation and stifle production efforts in the private sector. The impact of Uncle Sam's foray into the capital markets could be disastrous.

Despite the cavalier disregard by many in this body for the effects of inflation, it is still our most deadly fiscal foe, and if left unchecked, it could ruin us economically.

Congress has an obligation of responsibility for our monetary system. Federal spending is nearing one-fourth of our gross national product. Its effects on our economy are huge.

I believe that this 94th Congress has the duty to reevaluate all existing programs—even those considered uncontrollable, and cut even many that we all agree are in the main desirable programs.

The Budget Committee has labored, and brought forth a monster. That is why, in good conscience, I must vote against this proposal, and urge my colleagues to join me in striking a blow for fiscal sanity for America.

I want to emphasize that a "No" vote in this resolution should not be interpreted as an expression against the new budgetary process. It is a sound system, and one that can work. But, it takes people to make it work, and I hope that the members of the new Budget Committee will face up to their responsibility to hold the line on Federal spending. If this resolution is rejected, I would urge the Budget Committee to reconsider its proposal and bring a new resolution to the House floor as soon as possible.

Mr. REUSS. Mr. Chairman, I commend the House Budget Committee and its able chairman for the impressive job they have done. They have brought to the floor an historic piece of legislation—one for which no precedent existed—and they have not shirked the difficult choices involved in ordering Federal budget priorities. I am in accord with the general lines of their proposals.

I also strongly support the majority leader in his attempt to remove the cap on cost-of-living adjustments to retirement and Federal employment payments. It is clearly unfair to put so heavy a burden of sacrifice on the shoulders of the poorest groups in our society. I intend to vote for the O'Neill substitute.

However, Mr. Chairman, in the search to cut back unnecessary programs and eliminate waste, a sum equal to one-quarter of the budget has been put off limits. In fiscal 1976, tax expenditures will total close to $100 billion, more than 25 percent of the $368.2 billion estimated total outlays. Yet nowhere does the concurrent resolution suggest that even a few tax loopholes be closed.

"Tax expenditures" are defined by law as "those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability." To the laymen, these preferences are "loopholes." Some are good, some bad; some expensive, some modest; some blatantly skewed to higher income taxpayers, some more widely distributed. But all involve a loss of revenue to the Federal Treasury and all exist at the expense of some other use of the funds. They comprise a huge, if often disregarded, portion of the Federal budget.

It is not as though there were any doubt that the Budget Committee has the authority to examine tax loopholes. Indeed, it is the committee's duty to do so. Title I of the Congressional Budget and Impoundment Control Act of 1974 states:

> Such committee [the House Committee on the Budget] shall have the duty . . . to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays. . . .

Title III specifies that the concurrent budget resolution shall set forth—

> The recommended level of Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees.

Part of the task has been fulfilled. The resolution recommends that the recently-enacted tax cut be extended. The report sets forth existing tax expenditures. But this is far from enough. No doubt lack of time prevented the committee from doing its full job—recommending to the House which tax expenditures, as well as which direct expenditures, should be retained, expanded, cut back. Without such examination and such recommendations, any congressional budgetmaking decisions will be crippled by half-knowledge. In future years, I am sure that the committee will go the full mile.

But what of this year—fiscal 1976? Can we in all conscience cut back programs benefitting low- and moderate-income families, the elderly, minority groups, without demanding some measure of sacrifice from wealthy loophole-lovers? Can we deny health insurance benefits to the unemployed without getting rid of hobby farm tax shelters, for example, or Domestic International Sales Corporation—DISCs—or similar tax bonanzas?

Mr. Chairman, I will offer an amendment tomorrow to raise the aggregate Federal revenues target for fiscal 1976 by $3 billion—a very modest increase and well within the capacity of this Congress this session. The revenue gain, while not great, could stand us in good stead later this year—to finance additional public service jobs, a national health insurance system, to pay for cost overruns on contracts or unexpected increases in uncontrollable outlays—interest on the national debt, perhaps?—or simply to reduce the deficit if economic recovery gets underway faster than predicted.

Where could $3 billion worth of loopholes for immediate plugging be found? I could give a whole list of candidates—tax provisions which are not only expensive and unfair, but actually distort the economy at a moment when we can least afford it. Their yield adds up to more than double $3 billion. On my list are:

Domestic International Sales Corporation—DISC's; DISC's are allowed to defer U.S. taxes on half their export earnings. But when the goods exported is in short supply at home—as scrap metal, fertilizer, baling wire, feed grains were only last summer—the DISC tax break contributes to domestic inflation and bottlenecks. Repealing DISC would pick up $1.3 billion a year.

Minimum tax: This tax on loophole income, nominally 10 percent, is itself so full of loopholes that its effective rate is only 4 percent. Restoring the minimum tax to something like a 10 percent effective rate could pick up $500 million a year.

Gasoline taxes: Taxpayers who itemize deductions, normally in middle- and upper-income brackets, are permitted to deduct State taxes on gasoline used for nonbusiness driving. In these times of severe oil shortages, this provision encourages nonessential consumption of gasoline. Removing the deduction would raise $850 million a year.

Foreign-source income: The Ways and Means Committee tax bill last year would have repealed a handful of tax breaks for Western Hemisphere trade corporations, corporations in less developed countries, and certain U.S. citizens living and earning abroad. Insofar as these provisions do anything other than cost the Government money, they encourage the export of valuable U.S. capital and know-how. Persisting in this reform this year would gain $200 million for the Treasury.

State and local bonds: Holders of qualifying State and local bonds—mostly people in the 50 percent-and-up tax brackets, or financial institutions—accept lower-than-market interest rates in exchange for tax exemption on the interest. This loophole restricts the bond market to a few purchasers and produces an annual revenue loss for the Federal Government of almost $5 billion—far more than the interest saved by States and municipalities. Optional federally-subsidized taxable bonds would broaden the dangerously thin market, assist State and local governments, and save the Federal Government several hundred million dollars a year.

Phony farm losses: Farm accounting procedures are more liberal than nonfarm business accounting methods. These rules provide a cozy tax shelter for wealthy nonfarmers—doctors, lawyers, coupon clippers—who maintain a farm, or part ownership in one, to manufacture accounting losses used to offset nonfarm income. These "tax farms" help run up the cost of land for the family farmer who has to make a living at farming. Curtailing farm losses could save $100 million a year.

Housing tax breaks: The tax code properly encourages homeownership through the deduction of mortgage interest and property taxes—at an annual cost of $12 billion to the Government. But in the process it gives extravagant bonanzas, subsidizing not only family homes, but also luxurious villas by the sea, ski condominiums in the mountains, Newport mansions. One reason why so many real estate investment trusts—(REIT's)—and their affiliated banks are in trouble is that these tax provisions encourage speculation and overbuilding in luxury vacation housing. Limiting tax deductions to one principal residence per family could end much of this wasteful diversion of capital. This reform and setting a ceiling on the deductions, so as to limit the tax subsidies on the stately pleasures-domes of the rich, could raise several billion dollars without in any way affecting the vast majority of homeowners.

Asset depreciation range system—ADR: This system of rapid depreciation allows corporations to write off certain assets up to 20 percent faster than normal useful lives. Criticized by economists since its inception in 1971 as an imprecise investment incentive contributing to cyclical economic ups and downs, the ADR could surely be retired now that a 10-percent investment tax credit is in place. Repealing ADR entirely would pick up $1.6 billion for the Treasury; phasing it out for newly acquired equipment only would net $400 million.

The list could go on and on.

These loopholes do not contribute a thing to productive activity—they are wasters of money, purely and simply, not creators of jobs. Repealing them would benefit not only our impaired Federal revenues, but also the economy as a whole.

Some argue that it is too late for tax reform which could be effective in fiscal 1976. This just is not so. If DISC, for instance, were repealed as of July 1, 1976, the full revenue impact of $1.3 billion would be felt this year. Other tax reforms—tightening the minimum tax and phasing out tax-exempt State and local bonds, to name but two—have been serious legislative prospects for at least 2 years. It would hardly take any taxpayer by unfair surprise to enact them into law for calendar 1975. And foreign income provisions, part of last year's Ways and Means tax bill, are long overdue.

The Ways and Means Committee intends to devote its attention to tax reform this spring. I applaud their resolve, and hope that far-reaching changes will emerge from their deliberations. But the time for action on tax expenditures is now, while the concurrent resolution sets clearly before us our budget options. I urge my colleagues to act on the budget as a whole tax expenditures as well as direct expenditures, today and tomorrow, and to hasten the leisurely pace of tax reform by adopting my amendment.

Mr. FRASER. Mr. Chairman, the House Budget Committee's first budget resolution, which is before us today, represents a significant step by the Congress in asserting its influence on the economic policies of our Government. It is a responsibility we have shirked too long.

In the past, with little predetermined fiscal policy to use as a reference, Congress voted on appropriations bills and authorizing legislation with only a limited picture of how that legislation related to total Government spending. I am optimistic that the budgetary process established last year in the Budget and Impoundment Act will give Congress the invaluable overview and coordinated fiscal policy it needs.

However, my optimism has been dampened by the fiscal priorities set by the Budget Committee in House Concurrent Resolution 218. I am specifically referring to the committee's recommendation to place a 7-percent ceiling on social security retirement and other retirement cost-of-living benefit increases and a 5-percent ceiling on Federal civilian and military pay raises.

I believe that one of the principal reasons we established a congressional budgetary process was to insure that our country's human and social needs are assigned the highest priority. I am disappointed that this philosophy is not reflected in the committee's resolution.

Over the last few years, Congress has found itself in the midst of many battles with this administration, and the previous administration, over spending priorities. Earlier this year, it was necessary for Congress to block President Ford's attempt to increase food stamp prices and rescind fiscal year 1975 funds for certain programs affecting the young and the elderly. His new budget continues to emphasize defense rather than social needs. And now we find that our own Budget Committee recommends similar, though not as severe, cuts in benefits to aid senior citizens.

The Budget Committee justifies its recommendation by asserting that the ceilings—which I view as arbitrary limitations—would both reduce the current budget deficit by $3.2 billion and serve as a fair compromise between President Ford's proposed 5 percent limitation and the anticipated 8 percent cost-of-living increase, as estimated by the Bureau of Labor Statistics.

I find this compromise unacceptable.

The committee, other than arguing that this is a slight cut in the Federal budget, cannot justify why the cost-of-living escalator should not take effect.

Currently, more than 30 percent of all persons receiving social security benefits individually have incomes below the poverty line. More than 10 percent of all families receiving benefits fall in this category. In effect, the Budget Committee resolution asks those people and millions

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of other recipients with near-poverty level incomes to make additional financial sacrifices.

In the past, social security recipients have always been unsure if and when their benefits would be increased by Congress. The purpose of the cost-of-living escalator, originally approved by Congress in 1972 and later revised in 1973, was to help eliminate this uncertainty. The committee recommendations would reintroduce that unsureness into a procedure which took effect only last year.

I think it is important that we here reaffirm our commitment to this July's scheduled 8 percent increase in benefits. Contrary to the opinions of some economists that the Nation faces a taxpayer revolt because of rising social security taxes, a recent Harris poll found that 97 percent of the American people believed that social security payments should include automatic cost-of-living increases.

I urge the House to amend the Budget Committee's resolution accordingly.

Mr. McCLORY. Mr. Chairman, when Congress enacted the Budget Control and Impoundment Act of 1974, most Members, I believe, had two basic goals in mind: To try to regain from the executive branch greater control over the fiscal policy of this Nation, and to establish overall priorities in spending programs in an effort to hold down spending and weed out waste in Federal programs.

Today we are considering the first of the budget resolutions called for in the Budget Act, and I am afraid that we stand an excellent chance of failing our first test.

The resolution before us calls for a budget deficit for the coming fiscal year of $73.2 billion—a truly staggering figure. Not even in the midst of World War II did we encounter deficits of such enormity. This proposed deficit is greater than either the total receipts or the total expenditures in the Federal Government in any single year in our history up until fiscal year 1955. And this is being proposed in the name of budget control.

Mr. Chairman, even if we were to accept the unprecedented size of this projected deficit as being inevitable, we have no assurance that it will not ultimately be even higher. This resolution Mr. Chairman, is just the beginning—just the first of several that we will be called upon to consider for fiscal year 1976—and the others are intended to be revisions of this one. Does anyone seriously imagine that those revisions will be anywhere but upward?

Mr. Chairman, we not only are not controlling the budget in this resolution today, we are continuing to sanction spending at ever-increasing levels—and giving little or no thought to the consequences. In January of this year, President Ford submitted a budget that projected a deficit of under $52 billion—second highest budget deficit in the entire history of this Nation. It was exceeded only in 1943, when the war-swollen deficit hit the peak of $54.8 billion.

We immediately began to bust—not control—but to bust that budget with a tax reduction and rebate bill that was too much and probably too late to do the job it was intended to do. But it most certainly will add substantially to this record deficit.

Despite his misgivings, President Ford reluctantly signed the tax reduction bill—but served a warning that he would draw the line at a deficit of $60 billion, itself no miserly figure.

Mr. Chairman, we were all heartened to note last week that consumer prices for the month of March rose at an annual rate of only 3.6 percent—a far cry from the towering annual rate of 15.6 percent which we experienced last September. There is good reason to believe that although the recession has not yet "bottomed out," the economy is cooling off; that we may be in for a period of greater stability in consumer prices. But we are not out of the woods yet, and I think we must bear this in mind when considering the size of the Federal deficit that we are willing to accept for the next fiscal year.

Inflation is not a dead issue; nor is it something that we can turn on or off quickly, as we should certainly have learned over the past decade. The action we take here today in establishing spending and deficit limits will, if we are not careful, propel us right back into the inflationary spiral that we now appear to be coming out of.

Mr. Chairman, we are under a severe test here today; it is a test we cannot afford to fail—not just for ourselves, but for the people and the economy of this Nation. We said in passing the Budget Control and Impoundment Act last year that we were dissatisfied with a budget out of control. Today we have the opportunity to exercise some control.

I question that we are measuring up to our responsibilities if we acquiesce in a deficit of more than the President has proposed—based largely on a temporary need to stimulate our sagging economy.

Mr. Chairman, there are some who will brush aside our actions today on the ground that the exercise of our authority this year under the Budget Control and Impoundment Act is a dry run. I reject that argument. The House of Representatives is being tested today. What we do today will be interpreted as a clear indication of how responsible the Congress will be in the exercise of its legitimate and constitutional authority as keeper of the Nation's purse strings. The time to demonstrate that responsibility—and assume that authority—is now—today.

Mr. SCHNEEBELI. Mr. Chairman, this is an occasion of historic significance. We are faced with a decision on the first legislative result of the Congressional Budget and Impoundment Control Act of 1974.

The Committee on the Budget, which brought us to this milestone, has faced an extremely difficult task. I personally regret that circumstances, in the form of emergency legislation before the Committee on Ways and Means, have prevented me from playing a more active role in this committee's operation.

The Committee on the Budget has been fortunate, however, in its leadership. Its first two chairmen, the gentlemen from Oregon and Washington, have proved to be very capable, and have exercised good judgment in the selection of a competent staff. Despite the brief period of time which the committee and its staff have to develop House Concurrent Resolution 218, the professionalism behind it is apparent.

Whatever else may be said about it, the resolution before us has cast the budgetary die, clearly and unequivocally. Even though we are going through a trial run, this does mark the initial test of our will to make legislative budget control really effective.

And that, Mr. Chairman, underlies the reason for my opposition to the resolution. I have great respect for the work of the committee, but I cannot support its opening effort.

I think this is a potentially dangerous resolution, Mr. Chairman, because it threatens the basic aims of the legislation which provided for it.

The Congressional Budget and Impoundment Control Act was enacted with high hopes. It was hailed widely as the vehicle which could force the Congress, for the first time, to come to grips with fiscal reality. But if this concurrent resolution is a true indicator of things to come, those high hopes may be dashed on the rocks of excessive spending.

The resolution sets as a target for fiscal 1976 a deficit of $73.2 billion. This is more than the President feels is a responsible limit, it is even more than the other body has called for, and it is more of a blow than our economy should be expected to withstand.

It should be kept in mind that the majority report on the resolution quite correctly refers to the $73.2 billion deficit as a target. And our own history should tell us it is a target which may be shot full of holes before the end of the year.

The Office of Management and Budget has warned that we could be facing a deficit of $100 billion or more if various spending proposals already pending in the Congress should be enacted. If additional programs are proposed and approved, there is simply no telling how high the red ink will rise.

Our public debt subject to statutory limitation is now hovering around $515 billion. Interest payments on that indebtedness will reach an estimated $32.9 billion this year, and that breaks down to more than $90 million a day, nearly three-and-a-quarter million dollars an hour, and more than $1,040 per second.

Not only will a deficit of the size contemplated in this resolution add to that shocking rate of interest, it will have a pervasive, damaging impact on the economy, particularly in the areas of money and credit.

Our economic skies are showing signs of clearing, and many experts are predicting an upturn later in the year. But if we fail to exercise real restraint in Federal spending, that upturn may well be accompanied by another unwelcome wave of inflation.

Government spending as a percentage of gross national product has been rising over the years, while consumption spending—the money people pay out for food, clothing, shelter, and other personal items—has been declining. The Wall Street Journal reported recently that Government spending as a percentage of GNP rose from 21 percent in 1950 to 33 percent this past year, for a gain of 57 percent.

Over the same period, consumption spending as a percentage of GNP de-

creased from 67 percent to 62 percent, a drop of more than 7 percent. In terms of dollars, Government spending this past year rose to $461 billion, more than half the total expended by the American people for all personal consumption.

Frankly, Mr. Chairman, I do not know how long the taxpayers of this country are going to let that trend continue. We may be able to keep on kidding ourselves, but not the people who support this Government. The bucks begin here, and the bucks must stop here.

House Concurrent Resolution 218 proposes too much spending and, to some extent, the wrong kind of spending. It proposes greater outlays in social areas, substantial cuts in national defense, and ignores the crying need for an effective, comprehensive energy policy.

Although this is a trial run, Mr. Chairman, it has nevertheless put the Congress on trial.

The Congressional Budget and Impoundment Control Act held great promise, but House Concurrent Resolution 218 may well provide for an early demise of the Federal congressional budget process. I hope that this is not so, since we need for proper fiscal management an effective budget control procedure.

Mr. GRASSLEY. Mr. Chairman, the Nation and this Congress are at an economic crossroad today that may well determine if the United States will remain financially solvent. I have been a Member of Congress only 4 short months, but in that amount of time I have witnessed the evaporation of a $50 billion deficit ceiling, then $60 billion, and now we are told by the newly created House Budget Committee that fiscal restraint begins at a 1976 fiscal year deficit in excess of $72 billion.

This country is faced with complex economic problems which require urgent congressional action. While considering a solution to these problems, I urge my colleagues to never lose sight of the fact that the United States today has a public debt greater than that of the combined nations of the world. This is the peril with which we are faced at today's economic crossroads.

The Members of this legislative body have an opportunity to continue down the path of deficit spending where no end is in sight; or they may choose to restore fiscal responsibility to government spending by holding the line on any spending program that would further endanger our economic solvency. I trust the vast majority of the Members present here today will join me in changing the direction of Federal spending so that we may all enjoy the celebration of this young Republic's Bicentennial with the assurance of a strong and bright economic future.

Mr. Chairman, the report filed to accompany the concurrent resolution on the budget currently under discussion contains ample evidence that the $73.2 billion fiscal year 1976 debt limit is nothing more than a sleight-of-hand, soon to be scrapped for what some may believe will be a $100 billion deficit for the next fiscal year. Such a deficit would amount to more than the total Federal outlays of as recently as 14 years ago. I ask, can we ever retire this debt by orderly means?

The following listing of what has been happening in various programs and activities, essentially all domestic assistance programs, gives a good indication of why we find ourselves in the predicament we are in today:

In the area of public assistance and other income supplements, Federal spending has risen from $3.4 billion in fiscal year 1966, to $18.4 billion in fiscal year 1976, an 18 percent annual rate of growth.

Social security has risen from $20.2 billion in fiscal year 1966, to $73.3 billion in fiscal year 1976, a 14-percent annual rate of growth.

Over the same 10-year period, health care services, primarily medicare and medicaid, have risen from $1.2 billion to $24.1 billion, a 35-percent annual rate of growth.

Food stamp spending has risen from $100 million in fiscal year 1966, to $3.86 billion in fiscal year 1976, a 44-percent annual rate of growth.

Pollution control and abatement spending has risen from $200 million to $3 billion in the 10-year period from fiscal year 1966, to fiscal year 1976, a 31-percent annual rate of growth.

Federal employee retirement and disability spending has risen from $1.7 billion in fiscal year 1966 to $7.9 billion in fiscal year 1976, a 17-percent annual rate of growth.

Military retirement over the same period has grown from $1.6 billion to $6.9 billion, a 16-percent annual rate of growth.

Spending for veterans benefits and services grew from $5.9 billion in fiscal year 1966, to $15.59 billion in fiscal year 1976, a 10-percent annual rate of growth.

Federal spending for education grew from $2.74 billion in fiscal year 1966 to $7.38 billion in fiscal year 1976, a 10-percent annual rate of growth.

Federal spending for manpower and related social services rose from $1.36 billion in fiscal year 1966 to $7.28 billion in fiscal year 1976, an 18-percent rate of growth.

Spending for community development rose from $0.724 billion in fiscal year 1966 to $4.068 billion in fiscal year 1976, a 10-percent annual rate of growth.

Since 1970, Federal aid to State and local governments has had an annual increase of 15 percent and is expected to reach $56 billion in fiscal year 1976.

With that kind of growth in programs and spending, it is not difficult to understand why our Nation has come under the gun of inflationary pressures and resultant recession, even recognizing, of course, that Federal spending as such is but one of the major factors contributing to inflation. With such a growth pattern in spending—and many of them are mandatory because they are written into law—can there be any wonder why there is concern over the ability of Congress to control Federal spending effectively or why we need a new budget control process.

During a meeting at the White House this morning the President assured many Republican Congressmen that he will stand firm against any further congressional deviation from fiscal responsibility. I truly hope he will do so and that the overwhelming majority of the Congress will stand with him.

Mr. BINGHAM. Mr. Chairman, we have before us the first concurrent resolution on the budget, House Concurrent Resolution 218, which sets target levels for Federal spending, income and the deficit for fiscal year 1976. These targets are not binding but are meant to serve as guidelines for the Congress as it considers legislation affecting Federal spending for the coming fiscal year.

This is a new process, established by the Budget and Impoundment Control Act of 1974, and this resolution has been described as a trial run. The process is designed to allow the Congress to make decisions about Federal spending in a comprehensive rather than piecemeal way, thereby enabling the legislative branch to regain the power of the purse which recent executive actions had threatened to destroy.

The resolution before us today sets targets for outlays of $368.2 billion and revenues of $295.0 billion, leaving a deficit of $73.2 billion. This is $8.6 billion more spending than the administration recommended, resulting in a deficit apparently $11 billion larger than President Ford would like. I say "apparently" because I believe some of the administration's revenue estimates are unrealistic.

Such a large deficit is to my mind justifiable in the midst of the recession which is gripping this Nation, the worst in 30 years. The unemployment rate is now 8.7 percent nationally and in New York City it is 11.5 percent and rising. The GNP, total national output, fell by 10.3 per cent in the last 7 months. Business investment, housing starts, consumer demand, and real wages have all been declining at startling rates. These economic forces are in fact responsible for much of the deficit. It is estimated that for every increase of 1 percent in unemployment in today's economy, there is a corresponding $16 billion increase in the Federal deficit because of reduced tax revenues and increased unemployment compensation. If the economy were stronger and unemployment lower, the Federal deficit would automatically be smaller. Since the economy is weak and getting weaker, the stimulation of increased Federal spending is vitally necessary.

In fact, I am inclined to believe that even more stimulus is indicated by the condition of today's economy. The $73 billion deficit envisioned by the Budget Committee is not expected to reduce unemployment below 7.4 percent in fiscal year 1976, a far cry from the "full employment" level of 3 to 4 percent unemployed. The immense human tragedy of 8 million men and women unemployed surely calls for more dramatic and effective action by the Federal Government. Increased expenditures for public employment, public works and State and local governments are clearly required, and I will support legislation later in this session to begin such expenditure programs. If such programs cause the deficit to increase, despite companion programs to increase revenues by closing tax loopholes and to reduce military spending, the second budget resolution to be considered this fall can be adjusted accordingly.

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There is at least one change in this budget resolution which must be made now, and that is contained in the amendment to be offered by the distinguished majority leader, Representative TIP O'NEILL. Representative O'NEILL's amendment will remove the 7 percent ceiling on automatic cost-of-living adjustments in social security and other retirement and welfare programs which the Budget Committee has recommended.

Such an arbitrary cap on cost-of-living adjustments would be unconscionable. These adjustments are the only means by which the elderly and handicapped can hope to be brought even with inflation in the costs of food, shelter and clothing. These adjustments already lag behind price increases, forcing the elderly to bear the burden of higher prices without relief for many months at a time. To deny them even delayed relief would be doubly unfair and an irresponsible method of reducing Federal expenditures. I urge my colleagues to support Representative O'NEILL's important amendment.

There are other defects in the budget resolution before us, but they are understandable and tolerable given the fact that this is the maiden effort of a new committee. Nevertheless I think they are worth mentioning, lest a vote in favor of the resolution—if it is suitably amended—be interpreted as a blanket endorsement for all the assumptions and recommendations underlying the five aggregate dollar figures involved. First, it should be noted that the Committee has not tackled some of the major questions confronting this Congress—how defense spending can be sharply reduced, how we can establish and finance national health insurance, how tax reform can be achieved.

All of these pressing issues have major budgetary implications. Many responsible analysts have concluded for example, that $10 to $20 billion can be cut from the defense budget without reducing national security. The Budget Committee recommended a cut of $4.3 billion in national defense expenditures from the President's request, which would merely hold defense expenditures at current levels. Deferring or cancelling the B–1 bomber alone could reduce the Federal deficit by almost $800 million in fiscal year 1976. Many more such reductions are not only possible but highly sensible as well, and adoption of this resolution must not be interpreted as eliminating such options.

Curiously, while the committee avoided these hard questions, it did take some drastic action in the field of foreign assistance. The budget resolution recommends a reduction of about half, or some $1.6 billion, in outlays for development assistance and foreign military aid programs. This reduction was made despite the fact that no estimates or recommendations as to reasonable expenditures could be made by the authorizing committees involved, a requirement of the new budget procedures. The committee merely endorsed a level of foreign assistance outlays which would match present spending levels. Unfortunately, this does not allow for the fact that important new expenditures for military and economic aid for Israel are pending and could well increase total outlays in the coming fiscal year.

Despite these shortcomings, I want to commend the committee and its hardworking chairman, our distinguished colleague from Washington (Mr. ADAMS) for a remarkably good set of recommendations for the fiscal year 1976 budget. They include some substantial reordering of national priorities in the direction of economic stimulus, human resource programs and energy research programs and energy research and development. If it is appropriately amended, the first budget resolution for fiscal year 1976 will deserve the support of the House.

Mr. CONYERS. Mr. Chairman, today the House of Representatives has begun what will likely be a historic debate over the first House concurrent budget resolution. By adopting or rejecting this resolution, which I know the distinguished chairman and members of the committee and their staff have worked long and hard to produce, the Members of the House will be establishing what our legislative priorities will be for the coming fiscal year. It is important that every Member realize, regardless of the particular programs that he or she favors or is opposed to, that by this resolution we will set the parameters within which the House will be expected to operate for the coming fiscal year.

Beyond any particular programs or legislation that any of us may personally favor, the overriding interests and needs of the people of this country should by our guiding light and our primary concern. Given the present state of the economy, Congress could set no higher goal for itself than to restore the economic health of our Nation; and the fastest, most practical, and most humane way to restore that economic health is to provide the greatest number of unemployed people with jobs as is humanly possible.

But the report of the Budget Committee does not foresee our doing this. I believe the committee has mistaken the concept of what a congressional budget should be for, namely that it should be used as an instrument to allocate the goods and services to people which cannot be provided by State and local governments or by private enterprise. If it does nothing else, a budget resolution should reflect a policy; its aggregate totals should be the result of computing the costs of necessary and desirable programs designed to meet human needs, with the considerations of available revenues and resources. But the present Budget Committee resolution and its accompanying report appear to be simply a pot pourri of figures collected from committee chairmen, spokesmen for the banking industry, and the same economists who are routinely consulted by the legislative branch.

In fact, the committee did not even consider a budget which could have been part of a full employment economy. No one bothered to consult to Dr. Leon Keyserling, one of the most eminent economists in the country, or any of his associates who have worked with him at the Conference on Economic Progress, or any of the other noted economists with other points of view; yet these distinguished economists and social planners would have been able to demonstrate for the members of the committee, and for the Congress, how a budget could have been created which would have sharply curtailed unemployment without adversely affecting other programs and without increasing the much-dreaded deficit; in fact, a budget could have been devised which would actually have decreased the deficit while still putting millions of people back to work.

Although I commend the committee for its hard work and for its personal assistance to me and my staff, and although I admire and respect the able chairman of the committee, still I feel I must vote against the resolution. The people of Detroit and of other hard-pressed areas need to know that their Representatives in Congress will not abandon them to a mythically insurmountable rate of unemployment such as that contemplated in the Budget Committee report. They need a budgetary policy from the two Houses of Congress which will genuinely meet their needs and reduce their hardships in this economically depressed time.

I plan to continue to work with all my strength to enact programs which will put people back to work, for these are the same programs that will restore economic health and confidence in the Congress. But for now I must decline to pass favorably on this resolution; I cannot in good conscience consign 7.4 percent of the labor force to unemployment through the next fiscal year. I hope that my colleagues will consider the grave implications of such a move and will move forward on some alternative that will give the unemployed and desperate people in this country some measure of hope. They have nowhere to turn but to the Congress.

May I call to the attention of my colleagues this fine elaboration of the point I have just made. It is a letter from the Full Employment Action Council which correctly states how a congressional budget and a monetary policy should impact on unemployment. It is extremely important, and I only hope that all Members of the House will have the benefit of reading it before they come to vote on the resolution:

FULL EMPLOYMENT ACTION COUNCIL,
Washington, D.C., April 28, 1975.

DEAR CONGRESSMAN: We are deeply disturbed by the April 14, 1975 Report of the Committee on the Budget of the House of Representatives, to accompany House Concurrent Resolution 218, relating to the Federal Budget for the fiscal year 1976.

This Report embodies, in our considered judgment, a fundamental wrong approach to the entire problem of the Federal Budget, and one that we think would be disasterous to the economy and to the well-being of the people if put in effect without substantial alteration.

It seems clear that the primary concern of national economic and social policy should be to restore full employment and full production as soon as feasible, with due attention to the great priorities of our neglected domestic public needs. The factors which really should condition how fast and how far we should move in these directions are our unused economic capabilities and the increases in them in the near future, our organizing skills, and our moral commitment. Our current unused capabilities are stupendous—8 million full-time officially recorded unemployed and 10.7 million under a full count, and an economy operating more than 200 billion dollars below reasonably full production. The true purpose of the Federal Budget is to facilitate in every practical way the attainment of economic and social restoration as soon as feasible. There are no natural limitations upon the Federal budget or the Federal deficit in the sense that there are natural limitations upon available labor supply, skills, plant and other real resources.

In vivid contrast, the Report issued by the House Budget Committee moves in the upsidedown fashion of starting with a fixed conceptual view of what the Federal budget and deficits should be, and then proceeds to announce or forecast how much unemployment and in consequence other idle resources we should continue to tolerate in consequence of a Budget thus improperly determined. The alarming nature of this procedure is that the Report itself forecasts that we should continue to tolerate 7.4 percent unemployment as officially measured (and perhaps 8.5–10.5 percent unemployment when fully measured) as late as the end of fiscal 1975. This approach implies intolerably high unemployment of labor force and other productive resources perhaps until 1980.

The second defect in the Report issued by the House Committee on the Budget is that it stops those imperative increases in federal spending which are essential to adequate economic recovery and our essential public needs. They include, among others, energy development, mass transportation, housing, health and educational facilities and services, improved social insurance and unemployment insurance, and a start toward meaningful income support for those in need who are not employed. The Report, therefore, imparts a further moratorium upon some of the most vital of our unmet economic and social needs, at the very time when the huge size of our unused resources affords us a unique opportunity to take care of these needs by transforming idleness into useful output.

The minimum competent estimates are that we need an annual rate of Federal spending or investment about 30–40 billion dollars above the President's fiscal 1976 Budget to move surely and rationally toward the economic and social improvements clearly within our short-range reach. The fiscal 1976 Federal outlays proposed in the Report are only 368.2 billion or less than 19 billion above the President's fiscal 1976 Budget.

We are not concerned because the course we recommend would temporarily increase the size of the Federal deficit. The condition of the Federal Budget is less important than the condition of the national economy and the well-being of the people. Moreover, the increased pace of economic restoration which an appropriate Federal Budget would promote would, through its impact on tax revenues, reduce the additional deficit caused by these proposed increases in the Federal Budget to about 10 billion dollars at most in the short-run. In the longer run, a sound Budget policy related directly to the needs of the economy would bring the Budget into balance or even into surplus upon restoration of reasonably full resource use. Most of the large deficit in the current and prospective Budget is due to the poor performance of the economy, and perpetration of this poor performance by an improperly devised Federal Budget would assuredly prevent anything approximating a balanced Budget for as far ahead as we can see.

Nor can we accept the unconscionable view that the evils imposed by unemployment upon scores of millions of people whose breadwinners are unemployed are acceptable in the name of restraining inflation. There are more decent ways of restraining inflation. Indeed, all experience, and especially that during the most recent years, demonstrates that a healthy economy is far less subject to inflation than a sick economy.

We, therefore, respectfully urge that you support all amendments which would expand the federal role in the areas essential to economic recovery and reduced unemployment. We further urge that the Budget Committee reconsider its method of computing the budget so as to present in the future a budget aimed at full employment. A budget which would result in 7.4 percent unemployment by the end of the fiscal year is not a satisfactory budget for the American people.

Sincerely,

CORETTA SCOTT KING,
MURRAY H. FINLEY,
Chairpersons.

Mr. OTTINGER. Mr. Chairman, I oppose the budget before us today. I simply cannot in good conscience support a program which contemplates continuation of an unemployment rate of 7.4 percent through fiscal year 1976, nor can I approve a budget which reflects the priorities of the past which I deeply feel are seriously out of kilter.

This is in no way a derogation of the outstanding and conscientious job done by my close friend, the gentleman from Washington (Mr. ADAMS), the chairman of the new Budget Committee or the other fine members and staff of that committee. Within the limited time and mandate given the committee, it did well what it was given to do. The gentleman from Washington did a truly incredible job of pulling together all the facts and figures on contemplated committee action, rationalizing them in the resolution before us and explaining the situation to the House. His performance and that of the excellent staff borders on the superhuman.

Nor do I quarrel with the budgetary process, though many of those who have spoken to this resolution have stated that a vote against the resolution is a vote against the process. This just cannot be so, that a Member of Congress has to vote for a budget which he cannot in good conscience support to demonstrate his affirmation of the process.

I think it is long past time that Congress address itself to the overall economic consequencies of its actions rather than proceeding in piecemeal fashion, committee by committee, just acting on small pieces of the budget within jurisdictional limits of committees. I have long advocated such a process and the opportunity for weighing priorities that it presents.

At the bottom line, however, I still confront a budget which I think is wrong for the country, so I must oppose it.

Perhaps the most distressing aspect of the budget is its projected failure to deal with the horrendous unemployment situation that we face and the attendant depression in business activity throughout the country. The 7.4 percent unemployment it projects through a year from this September is simply intolerable and my guess is that it is understated. As I understand it, the figure is projected starting from a basis of the President's unemployment projection of 8.7 percent under his budget and adjusting the President's figures according to the anticipated employment effects of program changes made by the committee. The difficulty is that the President has been consistently wrong in his projections and overstated estimated recovery of economic activity, thus overstating Government revenues. The likelihood is great that, under the President's budget, unemployment will climb close to 10 percent in the coming fiscal year, revenues will fall far short of his forecasts and his anticipated deficit figure will be greatly exceeded. If this is so, the Budget Committee's figures will be correspondingly in error, reflecting a real unemployment rate of up to 8.7 percent.

Whatever the correct Budget Committee figures, 7.4 or 8.7 percent unemployment, we would be ratifying it by adoption of this budget and stating that the Government is unequal to the challenge it presents. I am unwilling to do this.

To those who have said that the actions necessary to reduce the unemployment rate below 7.4 percent in the next fiscal year would require an unmanageable deficit, I reply with my strongly held opinion that the primary reason for the deficit is our high unemployment rate and catastrophic decline in economic activity. Indeed, this is clearly reflected in the President's budgetary statement, affirmed by the Budget Committee report, which asserts that a 4.2 percent unemployment rate would produce a balanced budget. This clearly indicates that reducing unemployment, stimulating the economy, will decrease the deficit, not increase it; and on the other side of the coin, failure to address soaring unemployment will result in continued momentum for our catastrophic economic decline and even larger deficits.

The other grave defect in the budget is that it does not address itself to the fundamental reordering of priorities so many of us have been advocating over the years. The budget is reflective, obtained by soliciting the various committee estimates of programs anticipated to be passed, rather than a prescription for what should be done to put the country on its feet again.

The budget presented made no provision for tax reform, and with the Reuss amendment which I supported, has only minimal provision for this vital subject. Yet, we all know that very substantial areas of our economy escape their fair share of bearing the tax burdens of the country. Former Assistant Secretary of the Treasury Stanley Surrey tells us that there are some $160 billion per year of "tax expenditures" and that a program designed to eliminate just the worst abuses could produce $40 billion a year in additional revenues. Those most concerned about reducing the deficit should jump at this opportunity, yet it is they who seem most reluctant to address meaningful tax reform.

On the expenditure side, reordering priorities means, in addition to providing for full employment, making provision for national health insurance, social reforms, welfare reforms and greater educational and mass transit funding, balanced by reductions in wasteful spending in such areas as defense, space, and nuclear development.

UMI

I want to make it clear that I do not believe it is the Budget Committee's duty in the first instance to pave the way for reordering priorities, thus not that committee's responsibility for failure to achieve it. The leadership, the Steering and Policy Committee and perhaps the caucus or a task force thereof should produce a comprehensive majority program reflecting reordered priorities. Then the Budget Committee would have a proper alternative to consider. It is very distressing that these leadership instruments have failed to produce such a program.

In summary, the budget presented is a ratification of a program which has failed, rather than a proposal for a program of promise. It is on this basis that I feel I must reject it.

Mr. ADAMS. Mr. Chairman, I have no further requests for time.

Mr. LATTA. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $295,000,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

(2) the appropriate level of total new budget authority is $395,600,000,000;

(3) the appropriate level of total budget outlays is $368,200,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $73,200,000,000; and

(5) the appropriate level of the public debt is $624,000,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $93,000,000,000.

Mr. ADAMS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (House Concurrent Resolution 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, had come to no resolution thereon.

RESOLUTION APPOINTING A MINORITY FLOOR ASSISTANT

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 429) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 429

Resolved, That effective May 1, 1975, until otherwise ordered by the House, Ronald W. Lasch shall be a Minority Floor Assistant pursuant to the Legislative Pay Act of 1929, as amended, at a gross compensation of $30,000.00 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO 10 O'CLOCK A.M. TOMORROW

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENVIRONMENT AND THE ATMOSPHERE OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT DURING 5-MINUTE RULE ON THURSDAY, MAY 1, 1975

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Environment and Atmosphere of the Committee on Science and Technology be allowed to sit during the 5-minute rule on tomorrow May 1.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SCIENCE, RESEARCH, AND TECHNOLOGY OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT DURING 5-MINUTE RULE ON THURSDAY, MAY 1, 1975

Mr. SYMINGTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Science, Research, and Technology of the Committee on Science and Technology have permission to sit on the morning of Thursday, May 1, while the House is in session during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

POLISH AMERICANS NEED NO DEFENSE AGAINST POLISH JOKES

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, I have never really appreciated the humor in the so-called "Polish joke." I do not say this because I am of Polish extraction, for in reality, I have always been offended by all forms of ethnic humor. I am very proud of my Polish heritage just like, I am sure, my friend TIP O'NEILL, is proud of his Irish heritage.

In Monday's edition of the Chicago Daily News, columnist Sydney J. Harris performed an excellent public service by explaining away some of the many myths that are often collectively associated with Polish America.

I have rarely spoken out publicly on this subject because I have always felt that Americans of Polish descent were not in need of a defense—least of all from DAN ROSTENKOWSKI.

Sydney Harris has written an excellent, well-thought out article It has, in my opinion, a universal application and for this reason, I include the text at this point in the RECORD.

WHY POLES ARE THE BUTT OF JOKES

(By Sydney J. Harris)

At dinner the other night, one of my children wanted the explanation for the Polish jokes that have been making the rounds the last couple of years. "Why do they pick on the Polish?" he wanted to know.

As the professor would say, the reason is economic-cultural. Broken down into English, this means that Polish emigration to the United States has consisted mainly of the poor, the rural and the uneducated, who had the least to lose by leaving Poland and the most to gain here.

This is only one part of the answer. Another important part is that Poland remained largely a feudal country much later than the rest of Europe. That is, it had an upper class and a lower class, but not much of a middle class; and the immigrants were almost entirely from the latter. They were not representative of the whole country.

Actually, there is hardly anybody more cultivated or intelligent than a Pole who has had the benefits of breeding and education. Perhaps the most eminent example is Joseph Conrad, the writer. Polish was his first language, French his second, and English his third—yet he wrote an English that was superb, putting to shame most of his English-born contemporaries. And his sensibility was equal to his style.

I have been fortunate in knowing several persons of Polish origin who had had educational advantages, and they were as bright and talented as any people I have ever met. Actually, few Americans know that Copernicus, the great astronomer of the Renaissance was a Pole named Mikolaj Kopernik, who laid the whole foundation for modern astronomy.

(And the University of Cracow, which he attended, was founded as early as 1364—before most of the colleges at Oxford had been formed—and has since been a leading European center of learning.)

Americans have a necessarily distorted view of foreigners because, as in the case of Poland especially, a representative cross-section of the people did not emigrate to our shores. The early Irish who came here were mostly laborers; the early Germans mostly farmers; professional people tended to stay at home.

What we fail to recognize, also, is that our first settlers from England were also of the same class—virtually none of the passengers on the Mayflower was from a "good" family. Time has elevated them socially, but in their own period they were rag-tag and bob-tail Englishmen of no particular standing or substance. Not one of them had the academic qualifications to enroll at the University of Cracow.

POSTAL SERVICE

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, cognizant as I am of the trendy set in Congress and its penchant for instant criticism of the U.S. Postal Service and other targets of opportunity, I will gladly invite invective when it involves taking the proper stance against the Soviet Union. A case in point is the action of our Postal Service in insisting that the Soviet Union comply with provisions of Universal Postal Union Regulations which govern the flow of international mail.

It is a matter of record that Soviet citizens of the Jewish faith have not been receiving personal letters sent to them by friends, relatives, and professional colleagues in the United States. I know I have received numerous complaints concerning the discriminatory mail delivery practices in the Soviet Union.

The Postal Service is to be commended for its insistence that the Soviet Union abide by pertinent Universal Postal Union regulations. At this point, Mr. Speaker, I would like to insert as part of my remarks a communication I received from the Postal Service concerning its latest action on this matter:

APRIL 29, 1975.

Hon. EDWARD J. DERWINSKI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DERWINSKI: Knowing very well of your long-time and continuing interest in respect to non-delivery of registered mail to addresses in the Union of Soviet Socialist Republics (USSR), I should like to make you aware of the most recent developments concerning this matter; attaching at the same time a brief resume of the past problems encountered and procedures the U.S. Postal Service has adopted to attempt to correct unsatisfactory situations.

Most recently, on April 14, I had an opportunity, in Moscow, to discuss the matter of non-delivery of registered items—and, in particular, such items addressed to Soviet citizens of the Jewish faith—with an appropriate official of the USSR Ministry of Posts and Telecommunications.

Briefly, I explained to him: that the U.S. Postal Service continued to be concerned over this matter; that we were under continuing pressure from both the Congress and the general public—in particular, organizations of U.S. citizens of Jewish faith—to improve the prevailing situation; and, that we would continue to insist upon strict compliance with the applicable provisions of Universal Postal Union regulations governing the exchange of international mail—pursuing individual cases as these were brought to our attention.

He said he fully understood the existing situation, our position and, also, our intent. He stated that many Soviet citizens were unwilling recipients of letters from "bulk" mailings from U.S. persons or groups unknown to them and had reported this to Soviet postal officials, wishing to avoid any possible difficulties with their governmental authorities. I pointed out to him what we had, on occasion, discouraged such mailings and that what we were primarily concerned with was the proper delivery of personal correspondence to relatives, friends, and professional colleagues by individual U.S. citizens.

I again emphasized our firm intent to insist on the application of pertinent Universal Postal Union regulations.

In summary, I make known our position to him; he indicated a full understanding of our position and made me aware of the Soviet views; and, he said he would bring my message to the attention of other proper Soviet officials.

This information has also been passed on to Senator Charles Percy (R-Ill.) who has expressed continued interest in mail to Soviet Jewry.

Sincerely,

H. EDGAR S. STOCK,
Director.

POST CARD VOTER REGISTRATION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 5 minutes.

Mr. SKUBITZ. Mr. Speaker, I am presenting for insertion into the RECORD a resolution adopted by the executive board of the National Association of Secretaries of State.

Last May, the House of Representatives narrowly defeated the rule for the Voter Registration Act, a bill which would have established a post card voter registration program.

Many of us felt that although the goal of increased numbers of citizens registered to vote is meritorious, the added expense, heavy workload on local election officials, and the possibility of fraud outweighed the benefits.

Similar bills have again been introduced in both Houses of Congress. Recently, I received letters from Elwill M. Shanahan, the secretary of the State of Kansas, and copies of the resolution of the National Association of Secretaries of State. I call the attention of all our colleagues to these two documents as excellent testimony as to why this legislation should once again be rejected:

RESOLUTION

Whereas, the Congress of the United States is now considering two bills designed to create a national system of post card voter registration, S. 1177 and H.R. 1686, and

Whereas, these two bills are virtually the same as proposals considered by the Congress last year, which were defeated by the Congress after considerable concern was raised by the election administrators throughout the country, and

Whereas, the Executive Committee of the National Association of Secretaries of State, an organization concerned with the orderly administration of elections and the full participation in the elective process by all Americans, is meeting this day in regular session in Lexington, Kentucky, and

Whereas, the National Association of Secretaries of State has heretofore opposed bills substantially identical with these bills, and

Whereas, the Executive Committee now reaffirms its position and recognizing that these bills will, if adopted, create nationwide confusion among the electorate, interfere with the states' traditional operation or their election machinery, and impose a substantial cost on the American taxpayers at a time when their tax dollars are already stretched to the limit, and

Whereas, neither of these bills offers the promise of substantially increasing the number of registered voters in this country, which is the only conceivable purpose for such legislation, and

Whereas, any "post card" that may be required by both bills would be so complex and confusing that the average voter will not even attempt to complete it, and, since for that reason the states will not adopt the syatem in lieu of their present registration systems, nearly every state will be required to operate dual registration systems, and

Whereas, the experience in other countries demonstrates that there are alternative methods of registration which are more effective and less costly.

Now, therefore, be it *Resolved* that the National Association of Secretales of State communicate through its officers and its Election Committee to the appropriate committees of the Congress its serious concern that the passage of a national post card voter registration bill will not achieve what its sponsors claim; will create an undue burden on the American taxpayer, who will pay the cost of dual registration systems; is an unconstitutional infringement on the rights of the various states to conduct elections; and will seriously confuse voters and may result in disenfranchising them for certain elections.

And be it further *Resolved* that NASS reaffirm its position against any such system, that it work closely with other groups interested in the conduct of elections to defeat these proposals, and that it conduct a comprehensive public awareness program designed to alert the voters, public officials, and the press of the dangers of this proposed legislation.

And be it further *Resolved* that NASS offer to work closely with others interested in improving the administration of elections to develop methods and programs not only to increase the registration of voters, but also to increase voter participation in elections throughout our country, to the end that full and knowledgeable participation may be made by all Americans.

OFFICE OF SECRETARY OF STATE,
Topeka, Kans., April 15, 1975.

Hon. JOE SKUBITZ.
House of Representatives,
Washington, D.C.

DEAR JOE: Enclosed is a copy of a resolution presented to the executive board by the Elections Section of the National Association of Secretaries of State. This resolution was adopted by the executive board at the meeting which I attended in Lexington, Kentucky, last week.

The federal postcard registration bills (H.R. 1686 and S. 1777) have been introduced in Congress again this year. It appears to me that the federal postcard registration will create administrative chaos at the level of local election authorities. Kansas passed a bill in regard to statewide registration in 1972. Prior to the general election in 1974 seventy-five percent of the eligible voters had registered.

My greatest concern is that the bills make no provision for permanent registration. Every two years the country will be flooded with postcards. Undoubtedly many people already registered in Kansas will send in cards. Local election workers, already pressed by tight budgets and late registrations, will be forced to hire additional clerks to sort out the duplications. A number of Kansas citizens do not have telephones or have unlisted numbers and it would be most difficult for local election officers to contact every person who sends in an incomplete or illegible card. In this type of registration I can foresee many problems arising in preparing adequate registration books for each precinct.

The passage of either bill by Congress would require Kansas election officers to set up a dual system of registration. Federal postcard registration permits an elector to vote only on federal elections. Kansas registration law permits a voter to vote in all elections.

Election officers throughout the state provide many outposts such as schools, nursing homes, churches, grocery stores, banks, etc. for the citizen to register. We in Kansas don't need to be flooded with postcards to cause confusion in our electoral process.

I urge you to vote against H.R. 1686 and S. 1177. I pledge my full support in working with Governor Bennett and the Kansas Legislature and the citizens of our great state to promote more effective means of voter registration and a greater turnout at the polls.

May you have a pleasant day.

Yours very sincerely,

ELWILL M. SHANAHAN,
Secretary of State.

RECORD STATEMENT ON AMENDMENTS TO H.R. 4622

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. HEINZ) is recognized for 10 minutes.

Mr. HEINZ. Mr. Speaker, as many of my colleagues know, on March 11, 1975, I introduced H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975.

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This legislation has demonstrated to many of my colleagues and the American people that there is a very logical and practical use of Federal funds earmarked for public employment programs. That use is creating meaningful employment opportunities by putting people to work rebuilding the railroad rights-of-way, additionally stimulating the many other segments of our economy supplying the railroad industry, and at the same time, improving the service of our most inexpensive and energy efficient mode of transportation.

Briefly, my bill would authorize the Secretary of Transportation to enter into agreements with railroads to put people to work rebuilding deteriorated rights-of-way provided that those railroads have sufficient materials to perform the necessary maintenance, that they will not substitute jobs under this program for existing jobs, that priority will be given to unemployed railroad workers, that the people hired under this act will be paid the same rates as those currently performing this type of work, and that the Secretary insure that the public interest is protected in the benefits accruing from the use and expenditure of such funds.

The legislation has received enormous support from the press as well as labor and management both in and outside the railroad industry. However, because this legislation is time sensitive—we are just now beginning the peak season for track improvement and maintenance—hearings should begin immediately so that we may resolve any technical or other problems that may exist with H.R. 4622 or similar legislation. While I am confident that H.R. 4622 embodies the necessary provisions basic to achieve our goal of putting to work and maintaining a viable rail network, I intend to work with the members of the Subcommittee on Transportation to include the following perfecting amendments in my legislation. I believe these amendments would further strengthen the legislation in two ways: First, by requiring the Secretary of Transportation to take specific additional steps to protect the public interest in any funds expended; and second, by authorizing the Secretary to take into consideration areas of high unemployment.

The first amendment would prevent the railroads or their creditors from achieving a financial gain by requiring the Secretary of Transportation to assure, as part of the grant agreement with any carrier, that in the event of sale, lease, or transfer or property to another entity, the full dollar amount of the grant would be returned to the Secretary as a condition of the sale, lease or transfer. This would provide desirable extra protection to the taxpayers' dollar—much more so in fact than the taxpayer protections currently provided for in other kinds of direct and indirect subsidies in such areas as aviation, trucking, and shipbuilding.

In the second amendment, the Secretary, in approving contracts may give preference to those railroads who put people to work in areas of high unemployment. The intent is to facilitate spending the money where the public's need is greatest.

For the benefit of my colleagues, I am including the text of my amendments:

AMENDMENTS TO H.R. 4622

Page 3, line 14, after the period insert the following new sentence: "Such conditions shall provide that in the event that rail property which is improved as a result of financial assistance under this section is sold, leased, or transferred to any entity, the railroad shall pay or assign to the Secretary that portion of the proceeds of such salc, lease, or transfer which reflects value attributable to the improvement provided pursuant to such assistance."

Page 6, line 13, strike out "and".

Page 6, line 16, strike out the period and insert in lieu thereof ", and".

Page 6, after line 16, insert the following new subparagraph:

"(C) to railroads performing maintenance or improving rights-of-way under this act in areas of severe unemployment."

HONORING MR. WILLIAM R. BONSELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 20 minutes.

Mr. McDADE. Mr. Speaker, I want to add my deep appreciation for the contribution Bill Bonsell has made to the House of Representatives for almost three decades. We all, of course, feel that no institution in the world better reflects the country's pulse than does this House. For 29 years Bill Bonsell has been dedicated to making this revered institution even better.

As a fellow Pennsylvanian, I will especially miss Bill. He is one of the most capable, personable, and knowledgeable people intimately involved with the House of Representatives. He has assisted literally hundreds of Members throughout the years and the gratitude of all of us is substantial indeed. A short statement of Mark Twain's tells better than I can how Bill has served us in the House:

> Always do right, it will gratify some people and astonish the rest.

Bill Bonsell has served the House well and he will be greatly missed by the House of Representatives.

GENERAL LEAVE

Mr. MOORE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the special order taken today by the gentleman from Pennsylvania (Mr. McDADE).

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

A TRIBUTE TO GEORGE MORTON LEVY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. LENT) is recognized for 20 minutes.

Mr. LENT. Mr. Speaker, at this time I wish to pay tribute to George Morton Levy, a dear friend and an outstanding sportsman, humanitarian, and personality, who resides in my Fourth Congressional District of New York.

Mr. Levy grew up in Freeport, N.Y., on the south shore of Long Island. After graduating in 1905 from Freeport High School, where he was star shortstop on the baseball team and captain and quarterback of football, he graduated from New York University Law School. He was admitted to the New York bar in 1912. He established a record as one of New York's outstanding trial lawyers, handling hundreds of civil and criminal cases. During his career he associated in law practice with Elvin Edwards and Martin W. Littleton who had both served as Nassau County District Attorney, and with Judge Townsend Scudder, who later graced the bench of the appellate division, second department.

Mr. Levy is best known for his accomplishments in the sport of harness racing. If this dynamic sportsman had not put his money, career and reputation into this experiment, the sport might have faded into oblivion. He continues to head the trotting track he founded on Long Island, Roosevelt Raceway.

Unpretentious and humble, Mr. Levy's many acts of charity and service to his fellow man have largely gone unpublicized. He has been honored literally hundreds of times by charitable and philanthropic groups for his efforts in their behalf. The prestigious list of awards that have come to him in a lifetime of achievement includes: Connie Mack, Babe Ruth, and Little Leagues of Westbury; Boy Scouts of America; several awards from the Boys' Towns of Italy and special recognition from Pope Pius XII in the form of 12 gold medals given to service to mankind.

Other representative awards include those from the Nassau Building and Construction Trades Council; a plaque from the National Conference of Christians and Jews; several awards from the State of Israel Bonds; a special tribute from the Long Island Cerebral Palsy Association; a bronze plaque from the United Cerebral Palsy Association of Suffolk County; several awards and many citations from the United Jewish Appeal of New York; and the Norman F. Lent, Sr. Memorial Award by the Criminal Courts Bar Association of Nassau County. He was honored as the first person to be placed in the Living Hall of Fame of the Trotter, and for being instrumental in bringing the first law school to Nassau County at Hofstra University.

His memberships include the Bar Association of Nassau County of which he is a past president; the Benevolent Protective Order of Elks, Freeport Lodge, P.E.R.; the Friar's Club; New York University Alumni Association; New York Lawyers Association; South Nassau Lawyers Association; and the Freeport Chamber of Commerce. In addition he is a director of United Cerebral Palsy Association of Nassau County, a director of Hope for Youth, Inc., and is on the Bishop's Committee for Education.

Even today—only a month from his 86th birthday—Mr. Levy is still best described as a fighter. Those who know him best say there are no lost causes to him. He puts his heart and energy into everything he does, whether it is business, law or golf.

At the age of 80 he did what no other lawyer in Nassau County would do—returned to the active practice of law to defend an unjustly accused friend. In spite of tremendous circumstantial evidence, he proved the innocence of his friend beyond any doubt. Of such stuff are great men like George Morton Levy made.

Mr. Speaker, only one quite undeserved blemish spots the exemplary record of the life of Mr. Levy and, because this distortion came at the hands of a committee of the Congress, I believe it fitting that we lay it to rest today, officially and finally.

In 1951, when the Special Senate Committee To Investigate Organized Crime in Interstate Commerce, chaired by Senator Estes Kefauver, was holding hearings around the country, Mr. Levy was invited to testify about possible bookmaking activities at the Roosevelt Raceway. Although emphatic in his testimony that he had continually fought to keep bookmaking away from the track, and steadfast in his denial of any wrongdoing, the committee presented a disputed transcript of a telephone conversation manually recorded 8 years before the hearing. The transcript was permitted to be read into the record before the television cameras.

Although undocumented hearsay and laced with errors, the transcript left the erroneous impression that some of Mr. Levy's associations, friendships and activities were sinister and tainted. After the hearings were concluded and the record completed and written, Senator Kefauver was persuaded to have two staff lawyers conduct a complete investigation and then report back to the committee on the questioned testimony. After a thorough investigation, their report to Senator Kefauver said:

> We conclude, therefore, that the additional testimony now made available is corrobative of Mr. Levy's testimony before the Committee. The injury suffered by Mr. Levy is most unfortunate, it is regrettable that this corrobative testimony was not available to the Committee before it prepared its report.

Subsequently, every Senator who was a member of the Senate Committee wrote to Senator Kefauver concurring without reservation with the exculpatory findings contained in the staff report. Later, Senator Kefauver wrote a letter in which he apologized to Mr. Levy for the injustice he suffered. Unfortunately, these retractions and apologies came after the committee had departed New York, the excitement had died down and the newspapers and television networks were no longer interested. As a result the Kefauver letter was not seen or heard by the television audience that had witnessed Mr. Levy's accusation and it never appeared in a newspaper. Because the committee's work was then concluded, the committee report was never officially amended by the inclusion of the staff report on the Levy incident.

Mr. Speaker, although the full story of George Morton Levy's unfortunate confrontation with the Kefauver committee appears in the book, "My Partner-in-Law," written by Martin W. Littleton—published 1957 by Farrar, Straus & Cudahy of New York—there never has been any official forum in which to correct and perfect the public record. I know Mr. Levy has been sorely troubled by this incident during the ensuing 24 years. Therefore, I am inserting the text of the following documents in the CONGRESSIONAL RECORD so that Mr. Levy's reputation for honesty and integrity will be completely restored and vindicated:

Memorandum report to Senator Estes Kefauver—Tennessee—dated April 22, 1952, made by David I. Shivitz and James D. Walsh;

Letter addressed to George Morton Levy by Senator Kefauver dated July 11, 1952;

Letter addressed to Senator Kefauver by Senator Lester C. Hunt—Wyoming—dated June 13, 1952;

Letter addressed to Senator Kefauver by Senator Herbert R. O'Conor—Maryland—dated July 3, 1952;

Letter addressed to Sentaor Kefauver by Senator Alexander Wiley—Wisconsin—dated July 4, 1952; and

Letter addressed to Senator Kefauver by Senator C. W. Tobey—New Hampshire—dated July 10, 1952.

MEMORANDUM IN RE GEORGE MORTON LEVY

To: Honorable Estes Kefauver.
From: James D. Walsh and David I. Shivitz.

Pursuant to your reqeust, we have examined and reviewed:

I. Material before the Special Committee to Investigate Organized Crime in Interstate Commerce, relating to George Morton Levy (to be found at pages 513, 514–15, 758*, 816–17, 620–21, 940–41–42–43–44–45, 948–49–50–51, 956–57, 1016–17–18–19–20–21, 1042–43*, 1375 and 1599, of Part VII of the transcript of the hearings before the Committee (*–Direct Testimony)).

II. The Committee's statements in its Third Interim Report, relating to Mr. Levy (pp. 113–115).

III. Papers which you turned over to us, as follows:

(a) Letter dated July 27, 1942, from Mr. Levy to his mother, Mrs. Annie Brandenburger, Sharon Springs, New York;

(b) Mortgage, made the 28th day of July, 1942, by David Levy and Florie Levy, his wife; Annie Brandenburger, formerly Annie Levy, widow of Adolph Levy, deceased, and Jeanette Miller, all residing at 246 South Ocean Avenue, in the Village of Freeport, Nassau County, New York, and Henry J. Schiller and George Morton Levy, as executors and trustees under the Last Will and Testament of Ambrose Schiller, deceased, recorded in the Clerk's Office of Nassau County, in Liber 2463 of Mortgages, at page 95, on August 7, 1942;

(c) Letters of:

Pinkerton National Detective Agency, Inc., dated July 27, 1943, together with report annexed thereto;

R. C. Larkin, president of Lexington Trots Breeders Association, dated December 7, 1951;

Elbridge T. Gerry, dated December 14, 1951;

Lawrence B. Sheppard, United States Trotting Association, dated December 10, 1951;

James J. Dunnigan, Buffalo Trotting Association, Inc., dated December 10, 1951:

(d) Copy of agreement, dated July 13, 1943, between the Empire City Racing Association Charities, Inc., with William Ellis Gilmore, et al;

(e) Affidavits of:

Felix DeMartini, sworn to March 27, 1951,

James E. Stiles, sworn to April 23, 1951,

F. Alden Gray, sworn to April 23, 1951,

Amanda D. Abrahams, sworn to April 20, 1951,

Harold Strohson, sworn to March 22, 1951,

Martin W. Littleton, sworn to July 12, 1950,

Rose Downing, sworn to June 13, 1950.

In addition to the foregoing, you delivered to us thirty-four (34) communications all bearing testimony to the good reputation enjoyed by George Morton Levy in his community. These letters were from leaders in the field of business, finance, labor, the Bench and Bar. It appears that the judges of the highest courts of original jurisdiction in Nassau County, State of New York, joined in these testimonials.

The only material matter on which the report attacks Mr. Levy's veracity is on the question, whether it would be to the advantage of the operators to have bookmakers present at the Yonkers Trotting Meeting in 1943.

In opposition to Mr. Levy's contrary testimony was that of Costello and the manually recorded telephone tap of the conversation between Costello and Levy in 1943, wherein Levy is said to have stated, "We can't jeopardize the bookmakers."

In support of Levy's contention that he had a substantial portion of his worldly goods invested in trotting, that his financial position was not too strong at that time and he could ill afford to endanger it, and that what he must have said was "We can't be jeopardized by the bookmakers," there is a volume of unusually high character references, together with documentation of his financial position at that time (a and b). Levy contended, and contends, that the presence of bookmakers at the tracks would be fatal to its successful operation. The unimpeachable evidence given by outstanding leaders and organizations in the field of trotting (c) support his position.

Some transactions brought to light by the Committee, relating to Mr. Levy, appear to be of a bizarre nature. However, it cannot be that the Committee intentionally sought to destroy any man's reputation, based on a disputed transcript of a telephone conversation manually recorded 8 years before the hearing.

Mr. Levy has acquired, beyond dispute, fair fame as a lawyer. We are reminded of the words of Judge CARDOZO, in *People ex rel Karlin* v. *Culkin*, 248 N.Y., 465, p. 478, who, in discussing the fair fame of a lawyer, said:

"Reputation in such a calling is a plant of tender growth, and its bloom, once lost, is not easily restored. The mere summons to appear at such a hearing and make report as to one's conduct, may become a slur and a reproach."

In the last sentence on page 114 of the Third Interim Report, it is clear that the derogatory conclusion complained of by Mr. Levy was bottomed solely upon the reading of the telephone interception. It will be recalled that the individual who intercepted the telephone conversation did not testify and that Mr. Levy disputed the transcription.

Mr. Levy contends, and it can readily be assumed, that the report as it presently stands has greatly damaged, if not destroyed his reputation. There can be no cavil with the contention that a transcript without the interceptor would be inadmissible in a court of law. It is hearsay. Furthermore, we believe that even with the testimony of the interceptor, eight years after the event Mr. Levy's explanation and contrary testimony would have to be given equal weight. As indicated above, this would apply to any citizen or witness. Especially is this so in the case of this witness, a member of the Bar, in whom his fellow lawyers had sufficient confidence to elect him President of their Bar Association, and in whom other leaders in various walks of life in his community readily voiced confidence even after his appearance before the Committee.

Levy stated that he had been constrained to hire Costello's services in order to keep bookmakers away from the Roosevelt Raceway. In this he is supported by the affidavit of the widow of the late Commissioner Benjamin Downing, and the affidavit of Martin

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W. Littleton, former District Attorney of Nassau County.

The letters of R. C. Larkin, Elbridge T. Gerry, Lawrence B. Sheppard, and James J. Dunningan, further support Levy's testimony before the Committee as to the detrimental effect of bookmakers at a trotting track.

We conclude, therefore, that the additional testimony now made available is corroborative of Mr. Levy's testimony before the Committee. The injury suffered by Mr. Levy is most unfortunate. It is regrettable that this corroborative testimony was not available to the Committee before it prepared its report.

Respectfully submitted,
David I. Shivitz.
James D. Walsh.

Dated, New York, N.Y., April 22, 1952.

U.S. Senate,
Committee on the Judiciary,
July 11, 1952.

Mr. George Morton Levy,
Mineola, N.Y.

Dear Mr. Levy: As I advised you by letter dated June 12, 1952, I transmitted to the members of the Senate Committee to Investigate Organized Crime in Interstate Commerce, the copy of the memorandum and findings in the matter prepared by the former Assolcate Counsel members of our committee, Messrs. Walsh and Shivitz, which concluded:

"We conclude, therefore, that the additional testimony which was made available is corroborative of Mr. Levy's testimony before the Committee. The injury suffered by Mr. Levy is most unfortunate. It is regrettable that this corroborative testimony was not available to the committee before it prepared its report."

I have now heard from my colleagues on the committee and am pleased to advise you that they approve the findings and conclusions of the committee counsel without reservation. I certainly hope that this action by the committee will be of real help in straightening out the record.

It is apparent from reading the report of Messrs. Walsh and Shivitz, and also the many affidavits and records you have left with me, that you did a very inadequate job in presenting your side of the controversy to the committee when you appeared before us in New York. You assumed that many things were known that were not known. Some inferences and accusations were made which were unanswered. I am glad that we now have the benefit of fuller information and facts and that we can take this opportunity of remedying any injustice that you suffered.

I am sorry that some time has been taken in getting this matter straightened out since you presented the additional evidence, et cetera to us but I wanted to present the matter to all of the former members of our committee and also, as you know, I have been out of Washington a good deal.

With best wishes,
Sincerely,
Estes Kefauver.

U.S. Senate,
Committee on Armed Services,
June 13, 1952.

Hon. Estes Kefauver,
U.S. Senate,
Washington, D.C.

Dear Estes: Receipt is acknowledged of your letter of June 6th with the enclosures, and after a careful review of the report by Mr. Walsh and Mr. Shivitz on new evidence corroborating Mr. George Morton Levy's testimony, I am glad to approve their findings.

It is indeed regrettable that this unfortunate circumstance occurred.

With best personal regards, I am
Sincerely yours,
Lester C. Hunt,
U.S. Senator.

July 3, 1952.

Hon. Estes Kefauver,
U.S. Senate,
Washington, D.C.

Dear Senator Kefauver: I have reviewed the additional testimony submitted in connection with the appearance of George Morton Levy, Esq., before the Senate Crime Investigating Committee, and have also refreshed my recollection concerning his testimony in the New York hearings.

In my opinion, justice and fair play requires us to state that the evidence and data on the point of the telephone conversation of 1943, in support of Mr. Levy's contention, are entitled to proper weight and effect. I have no hesitancy in stating that, based upon the record, Mr. Levy was not proven to have any involvement in any wrong doing or reprehensible conduct.

I may add that I found Mr. Levy most cooperative and helpful during the sessions over which I presided as a member of the Committee.

With kindest regsrds, I remain,
Sincerely yours,
Herbert R. O'Conor.

U.S. Senate,
Committee on the Judiciary,
July 4, 1952.

Hon. Estes Kefauver,
Senate Office Building,
Washington, D.C.

My Dear Estes: I read with interest your letter to our former colleagues on the Crime Committee, including myself, with regard to Mr. George Morton Levy's deep concern over the effect of previous Crime Committee references to him. I also noted the memorandum prepared by Mr. Walsh and Mr. Shivitz with regard to the material corroborative of Mr. Levy's testimony.

I see no reason why I for one should doubt the judgment of these two able investigators.

In those instances where it was brought to our attention that an appearance before the Crime Committee may have done unfortunate damage to wholly innocent or comparatively innocent individuals, I have done my level best, as I know you have, to try to redress whatever wrong has been done. Not having attended the particular New York hearings at which Mr. Levy testified, I am not in a particularly expert position to come to a final appraisal of his position, but I should be happy to abide by the views of those of my colleagues who were present at that time and of the staff investigators who then or subsequently studied his testimony.

Please excuse the delay in responding to your message. Like yourself, I, and our other colleagues, have been completely swamped in these final days of the Session.

With best regards, I am,
Sincerely yours,
Alexander Wiley.

July 10, 1952.

Hon. Estes Kefauver,
Senate Office Building,
Washington, D.C.

Dear Estes: With reference to your letter of June 6th concerning George Morton Levy, upon examination of the Memorandum of Messrs. Shivitz and Walsh, I concur with their findings and will be glad to go along with the Committee in sending a joint letter to Mr. Levy to that effect.

Sincerely yours,
C. W. Tobey.

PERSONAL ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. Cleveland) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, as a participating member of the official U.S. delegation to the 16th meeting of the Canada-United States Interparliamentary Group held on April 24–27 in Quebec City, I was necessarily absent for the latter part of the legislative day on April 24.

I would like to point out for the record, therefore, how I would have voted on the two votes I missed on that date. I would have voted "aye" on the Moffett amendment to H.R. 4975, Amtrak Improvement Act, which sought to delete the section that provides for an increase in the salary of the president of Amtrak from $60,000 to $85,000. I would also have voted "aye" on final passage of H.R. 4975, the Amtrak Improvement Act.

BILL BONSELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Johnson) is recognized for 5 minutes.

Mr. JOHNSON of Pennsylvania. Mr. Speaker, the announcement which I received several weeks ago from Bill Bonsell that he had decided to retire on May 1, 1975 from his important position as the minority doorkeeper came as a great shock to me.

Over the years that I have been associated with Bill, I have come to depend upon him for many things—information of what is taking place on the floor, the Republican position with respect to a vote on the pending bill, and also information on amendments that have been or will be offered. Bill has always shown a remarkable ability to comprehend legislative procedure, and has been right up to the minute on what is going on.

Bill's long connection with Republican politics and that of minority Members has made him a source of political advice and counsel. He just seemed to be tailor-made for the job which he has been doing for all of us for so many years.

As the time comes to every man when he elects to retire, so that time has come for Bill Bonsell. As he leaves these halls of Congress to take life easier, I certainly want to wish him a long and happy life which will be full of good cheer and good health, so that he and his dear wife and young son may share the future together.

THE B–1 BOMBER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashbrook) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, the most recurring theme around the Congress these days is increase social programs and cut defense. This is a dangerous doctrine. While I fully subscribe to the theory that all expenditures, including defense, must be carefully scrutinized and unnecessary projects should be scuttled or delayed, we must not lose sight of the fact that national security is still the overriding responsibility of the Federal Government. It is far more important that we be secure than that we give food stamps to additional groups,

needy or not. It is far more important that we maintain our free system against the Communist challenge than any other social issue. It will not matter if we clean up the environment, lick the problem of crime in our cities or successfully turn away from inflation and recession toward full employment if we are militarily weak and subject to Communist blackmail or conquest.

Anyone who thinks the Communists have changed has his head in the sand. They have moved ahead in many areas where we formerly had military superiority. I made a speech on February 1, 1972, entitled "How the U.S. Lost Military Superiority." I will be glad to send it to anyone who has doubts. I have not had to retract one statement.

Let me quote again something I said in 1972:

> The only viable national strategy is to regain and retain a clearly superior strategic capability. . . . The road to peace has never been through appeasement, unilateral disarmament or negotiation from weakness. The entire recorded history of mankind is precisely to the contrary. Among the great nations, only the strong survive.

Now we see one more area where many Americans want to cut military spending. I am referring to the B–1 bomber. Any new military project is fair game. Of course, it will cost a great amount of money. Of course, there are critical choices, chances of error and changing technology. The answer is very clear: if there are chances of error, it is in our national interest to have those chances of error on the side of being more powerful rather than being second rate.

If our country were ever attacked, the very people and groups who now attack our Military Establishment with such delight would be the first to charge that they had been criminally irresponsible in not providing for our security. The time to provide for security is now, when the cold war is not hot, rather than when we are on the brink of war. No one wants war but history proves we must be strong to maintain peace.

Hitler started World War II when he thought he could win quick easy victories because the West was disarmed under the influence of the Kellogg-Briand Pact and the London and Washington naval disarmament treaties. The umbrella-carrying officials of 1939 naively thought that we had moved from an age of confrontation to a new age of negotiation. The negotiations at Munich, however, only convinced Hitler that England and France were too weak to resist and whetted his appetite to devour other countries.

The manned bomber has not been shown by any test to be outmoded. Bombers of the B–1 category are and will continue to be for the forseeable future our most important strategic weapon. The present fleet of B–52's have been nothing short of fantastic but we cannot expect the Strategic Air Command to depend on them indefinitely. Many critics of the B–1 say we should merely upgrade them. This is a poor option.

Former SAC Commander Bruce K. Holloway has put the case the way I believe it to be:

> The bomber is the only strategic system which can be applied across the spectrum from show of force (as in the Cuban crisis), to jungle combat (as in Vietnam), to conventional conflict (as in Korea), to nuclear holocaust and post-attack conditions.

From every standpoint, I believe we must proceed with the B–1 bomber. As I pointed out in 1972, we should have placed the B–1 in production at that time. Inflation costs continue to be critical. Delay will make it that much worse. Overall defense expenditures on adjusted dollars have remained fairly constant in the last 15 years, even down some. The defense of our country is no place to cut.

On the keel of the nuclear aircraft carrier that bears the name of President Dwight Eisenhower are his great words:

> Until war is eliminated from international relations, unpreparedness for it is well nigh as criminal as war itself.

Mr. Speaker, at this point I would like to include two speeches and an article from a personal friend and great American, Lt. Gen. Ira C. Eaker, U.S. Air Force, retired. I believe he has stated the case excellently and commend his remarks to the attention of all who are interested in the survival of our Nation:

March 9, 1975.

The B–1 Bomber Debate

(By Ira C. Eaker)

One of the critical weapon systems now being considered by the 94th Congress is the B–1 bomber. It is the major Air Force weapon development in the '76 defense budget.

Two questions put the current B–1 bomber debate in focus:

Is the bomber a necessary weapon in our defense forces for the future?

If so, why is a new bomber now necessary, in view of the proven effectiveness of the B–52 in Vietnam?

During the last two decades, our war-deterrent forces have been called the TRIAD, consisting of strategic bombers and land and sea launched missiles (ICBMs and SLBMs). All three continue to be necessary and each has unique advantages.

The bomber is the only member of the TRIAD which has seen war service. Naturally, a weapon which has been used successfully in warfare has a defense credibility over systems without combat experience.

The bomber provides 55% of our current nuclear delivery capability, in megatonnage. We know the Soviets respect and value the bomber for they are now deploying their Backfire, supersonic bomber. Two hundred of these will be in combat units this year and production rates are currently being doubled.

The Russians have spent more money to defend against bombers than against all other strategic weapons combined.

The B–1, which has been under development more than four years as a replacement for the B–52, is urgently required as soon as development and tests can be completed.

The B–52s will have been flying 30 years before the B–1 can be produced in quantity. In the intervening years antibomber defenses have become much more sophisticated and effective.

The B–1 has electronic devices, performance and productivity to serve effectively until well into the next century. It has a maximum speed nearly three times the B–52, carries more than twice the bomb load, and has much greater survivability in a modern defense environment.

The B–1 has a much shorter take off run than the B–52, making it possible to use more than 200 commercial fields for dispersion not now usable by B–52s. Its quicker take off and greater rate of climb make it less vulnerable to enemy SLBM attacks on bomber fields.

Since those charged with defense responsibilities, the President, Secretary of Defense, the Secretaries of the three armed services, and the Joint Chiefs of Staff, agree that development of the B–1 is essential, the congressional critics of the program have concentrated their opposition mainly on its "excessive" cost.

The B–1 will cost more than the original estimates projected four years ago. During that time, the wholesale price inflation (the civilian economy) is up by 59%. B–1 inflation is up but 31.3%. Without the inflation factor, B–1 increased costs have averaged but 2½% per year, less than for most weapons systems.

As a matter of fact, the cost factor may favor the B–1, after a careful analysis of its capability and survivability, when compared with other strategic weapons.

Dr. Malcolm Currier, Director of Research and Development, Department of Science, recently told a congressional committee, "A bomber force including the B–1 is considered to be the most cost-effective for meeting the anticipated Soviet threat beyond 1980. . . . Of the equal cost forces examined, those containing the B–1 out performed all other vehicles by a wide margin."

Continued development of the B–1 greatly improves the chances for SALT II agreements. With or without such agreements, it is vital to our future activity.

November 17, 1974.

The Case for the B–1 Bomber

(by Ira C. Eaker)

Ever since the extensive deployment of nuclear weapons by the great powers, the paramount mission of our defense forces has been to prevent war.

During the last decade, our war-deterrent forces have been called the TRIAD, consisting of strategic bombers, land and sea launched ICBMs.

All are necessary and each has unique advantages.

The advantages of the bomber include:

It is the only member of the TRIAD with war service. A weapon which has been used successfully in warfare naturally has a defense credibility over any system without combat experience.

It provides about 55% of our nuclear capacity, in megatons.

It is the only member of the TRIAD which can be re-used on successive missions; the only one which can be launched on warning, to be used if needed and if not needed, recalled.

It is the only member of the defense TRIAD which carries a crew. This gives it many collateral advantages. Decisions can be made in flight; targets can be changed in flight; damage assessment can be made immediately; and equipment malfunctions can be detected and repaired in flight.

It has equal or greater survivability, in comparison with the other members of the defense TRIAD.

It passes the "cost-effective test" with high marks.

The strategic bomber is the only member of the TRIAD with conventional, nonnuclear capability. The great importance of this was demonstrated in Vietnam.

We know that the Russians respect the bomber's deterrent value more than they do missiles. They have spent several times as much on bomber defenses than on missile defenses. Also, they are now engaged in extensive expansion of their bomber forces. They already have deployed the Backfire, a modern supersonic strategic bomber. One hundred, or more, will be in tactical units this year and they have recently tripled production. Equally significant, they recently tested a new tanker aircraft to give it the needed range.

UMI

All responsible defense leaders in the Executive Branch support the bomber and the TRIAD defense concept, including the President, successive Secretaries of Defense, the National Security Council, the Joint Chiefs of Staff, and the Secretaries of all three Armed Services.

Congress, after conducting the most thorough and exhaustive hearings ever given a modern weapon system, voted overwhelmingly to continue the development of the B–1. The House Amendment to terminate it was defeated 311–93.

Some commentators and defense critics have suggested that we continue to rely on the B–52 for the bomber share of the TRIAD. The latest B–52 will be 20 years old before the B–1's can be available in quantity. Clearly the bomber force for the future will require technological modernization. The B–1 is more than twice as fast, has three times the survivability and carries twice the nuclear load of the B–52. We could still be flying B–52's at the end of the century, but they would lose some credibility as an effective deterrent.

Secretary of Defense James R. Schlesinger recently stated, "We live in constant knowledge that the Soviet Union, at any time, could launch a nuclear attack, large or small, against the U.S.

"If we are to continue to maintain an effective strategic bomber force through the 1980s and beyond, as I am convinced we should, we must provide ourselves the option to replace the existing bomber force with a more capable aircraft. The B–1 is being developed for this purpose."

UNITED STATES FOLLOWING FATAL EXAMPLE OF CARTHAGE

(By Lt. Gen. Ira C. Eaker, USAF (Ret.))

Uneasy lies our land. A sense of fear and foreboding has seized the normal optimistic, fearless spirit of the American people. As usual the intuitive apprehension of the people is well founded. We face simultaneously grave dangers from within and without.

The danger from within is the combination of the economic inflation-recession, popular divisiveness and confused leadership engaged in disarming our country.

The danger from without flows from the fact that for the first time in our history there is a nation whose leaders now have the will and the power to destroy us.

The United States has been endangered from within before, as in the Civil War period. We have faced hazards from without, as in World War II. But this is the first time our country has faced grave danger from within and without simultaneously.

Twenty-two centuries ago on the North African shores of the Mediterranean, near Tunis, lived the Carthaginians, a prosperous, secure people, a million strong.

They were governed by a legislature of two houses. The members of the upper house inherited their seats, heirs of earlier tribal chiefs. In the lower house sat the merchant princes, selected for their economic status, ownership of land or commerce enterprises.

Carthage thrived and grew as her ships carried her products all over the Mediterranean to trade centers in Sicily, Sardinia, Greece and Rome. Her merchant ships were protected by armed galleons. The city's walls were manned by an adequate, dedicated army supported by a thriving economy.

The Roman legions were then engaged in the land conquest of Europe. Rome welcomed the commerce of Carthage for a time; but eventually, in order to aid her colonies in Sardinia and Sicily and to relieve her dependence on Carthaginian trade and commerce, she developed a fleet of her own and turned toward the sea.

At about this time the rulers of Carthage decided to do away with the galleons protecting their sea trade and the soldiers guarding the city. They reasoned that without this costly burden their profits from commerce would be greatly increased. They followed this policy of disarmament long after a Roman senator, Cato, was ending all his speeches with the inflammatory admonition, "Carthage must be destroyed."

As the time passed, Rome became more aggressive, seizing Carthaginian ships and even threatening Carthage with armed invasion.

In this extremity, the Carthaginian legislature conferred at length and decided it would be cheaper to pay tribute for security rather than to rebuild their army and navy and revive their dismantled weapons-making industry.

But the powerful, confident Romans callously increased the tribute price year by year. Eventually the burden became unbearable. Carthage hastily recalled her army generals, feverishly training recruits and revived her weapons industry. It was too late. The Romans had already crossed the sea unopposed and were beseiging the walls of the city. Carthage fell and was destroyed. Only a vast mound of grass-covered earth now marks the site of where a great city and vast civilization once flourished.

Today, the United States appears to be following the Carthaginian example. We have been engaged in unilateral disarmament for several years. Presently, we see the first offers of tribute—gifts of technology and favorable trade in return for detente. If long pursued, the ultimate result is inevitably tragic.

"ESSE ET VIDERE"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 15 minutes.

Mr. MARTIN. Mr. Speaker, what we are doing to our Nation and ourselves is not going unnoticed. Adjectives aside, ours is a free enterprise, or free market economy. Not a pure one, by any means, but substantially a free one. Whether one is an economic conservative or an economic liberal, a follower of Keynes and Galbraith or a follower of Hayek and Friedman, it must be recognized that our well-being depends on a high degree of confidence in the nationality of government and the stability of our system. Our progress and advancement depend on millions of people being willing to take risks, to invest, to try something new. Investment is a risk, so is trying something new. In fact, given what we are doing here these days, we may soon add saving to the list of risks.

It is as important to appear rational and stable as to be rational and stable. If all we do is right, but appears mad, we are no better off than if all we did was mad, but appeared stable and rational. "Esse et Videre!"

If we set full employment as our goal, reaching it will require a high degree of citizen confidence. That confidence is the prerequisite to anyone risking a million dollars to expand a factory or a hundred dollars in a savings bank. At this point, I would like to submit for the RECORD a copy of an investment firm's periodic letter. We may not all agree with the views of the writer, Mr. J. Leigh Skinner, but we should all agree that it evidences the presence of what we desperately need to avoid: a loss of confidence in government and, particularly, in our Branch thereof. Charts and graphs, unfortunately must be deleted because of printing difficulties:

IDIOT'S DELIGHT

(The Congressional Attempt To Break the Bank)

". . . Never blame a legislative body for NOT doing something. When they do nothing, that don't hurt anybody. When they DO something is when they become dangerous . . . Congress meets tomorrow morning. Let us all pray to the lord to give us strength to bear that which is about to be inflicted upon us . . ."—Will Rogers.

The wisdom of 45 years ago is uncomfortably appropriate today. Simply put, *the Congress of the United States appears to have lost its alleged mind!* We are amazed that a two year federal deficit of between $85 and $125 billion is even being discussed, much less *advocated*. The warnings of Treasury Secretary Simon (the Don Quixote of fiscal sanity) appear to generate little concern. He even attracts ridicule from some well-meaning (though poorly educated) types who believe government policy must be stimulative at all costs.

This paper has been prepared in order to focus investor attention on the proposed budget deficits, their financial and political consequences, and most importantly, the investment implications of these deficits. Our approach is unconventional. It attempts to peel away the fog surrounding the issue of budget deficits. We hope it will at least put a crack in the "conventional wisdom" that such deficits can be pulled off without causing unprecedented damage to our economic system! A secondary impact of this paper will be a slap at the influence of professional politicians on our governmental process. Our quarrel is with those politicians who continuously screw up our government and economic system. We believe they are one of the fundamental causes of the fiscal problem to be analyzed in this paper. We are not disposed toward hedging or "sugar coating the pill". The chips will fall where they may and if offense is taken . . . so be it.

THE ISSUE

The American people are being told that the government will save them from the recession. Congress is going to spend us all into prosperity once again. We are even being told by some of the discredited economic "experts" (but newsworthy press heroes) that the proposed stimulus is *not enough!* At the same time, these idiots are saying the system can easily accommodate their proposed deficits of up to $125 billion over the next 18 months. It seems they never learn.

We are concerned about two things:

1. The size of the deficits—*relative to the money supply*—is unprecedented in peace time.

2. The flexibility of the system (in accommodating such deficits) has deteriorated substantially over the past decade (as we discussed in detail in our "Tax Cuts" report of February 4, 1975).

In an effort to place deficit spending in the proper perspective, we tried to ignore all the superficial commentary on the subject ("you *need* deficits in a recession"; "its not really so big" . . . etc.) Common sense suggets that: ". . . he who spends what isn't his'n must pay the bill or go to prison . . . (to paraphrase the short seller's creed). Therefore, we reconstructed the post-war history of the government's efforts to spend us into prosperity. The first thing we noticed was the relationship between government deficits, government borrowing, and interest rates. Since 1946 the cumulative deficit of the federal government (through fiscal year 1974) amounted to about $12[illegible] billion. For the same period, the net increase in federal government debt held by the public amounted to about $124.5 billion (random coincidence?). Finally, during the same period, the average annual interest rate on 90 day Treasury Bills rose from less than 1% to almost 8%. Could it be that the government's need to finance deficit spending was progressively drying up the available supply of real, hard dollar capital faster than the private productive sector could provide it, thus driving up interest rates? ? ?

Any basic knowledge of the laws of supply and demand would suggest that indeed this has been the case. The private sector has its own financing requirements. If it is to grow, it needs to generate the investment capital to finance such growth. However, excessive demands for funds (relative to the available supply) inevitably will drive up the price of such funds (interest rates) as the system allocates scarce resources (investment capital) among the competing entities (government and business). One of the ultimate results of such competition for funds would be concentration of economic power within the various segments of the private sector. (Giants such as IMB, GM, etc., can compete with the U.S. government for funds, whereas the Padunk Mfg. Company cannot).

Carried one step further, "creation of money" at a *rate* which *exceeds* the REAL (deflated) growth rate in GNP should logically tend to be inflationary. This "excessive creation of money" for consumption (as opposed to investment) would only be required or implemented if one of two conditions were present:

1. Politicians had *direct* control of the money creation mechanism and consistently printed the stuff in order to buy their way back into office every election year. Or,

2. Politicians *forced* the "independent" central banker to print the stuff by spending money they did not have and then throwing the "default responsibility" at the central banker (by saying, in effect: "Here you go, boy! Don't let the checks bounce!")

The U.S. suffers from case number 2. Traditionally, central bankers are conservative and are not prone to mismanage the money stock. They *know* the consequences. However, the jerks who actually control the federal purse strings are not disciplined by meaningful spending ceilings of any kind. Thus, we have been blessed with deficit spending—inflation—economic instability—declining productivity—insufficient capital investment and incentives, and—a growing sense of unreality (as the hillbilly would say, ". . . it's mostly 'nuff to make a full-growed man cry.")

(Strange how the politicians blame the Arabs, or the weather, or the devil for inflation! The public is uninformed about the *true* causes of inflation and, therefore, they accept the politicians' explanations. If the voters only knew, they'd "throw the bums out!")

The next step was to examine the relationship between deficits and interest rates. Our reasoning went this way:

1. There is a lag between a June 30 *fiscal year* deficit and the government's need to finance that deficit. (Seasonal cash flows permit a lag of 6 to 18 months before financing strains begin to surface in financial markets.)

2. The government will always be able to finance *its* deficit if it bids up the cost of existing money high enough (or "prints" enough new money.)

3. The critical relationship to consider is the *size* of the broad based M_2 money supply and the *size* of the financing requirements. (This is simplistic, but illustrates the point more logically than comparing the deficit to GNP.)

NOTE.—*The course of interest rates follows very closely the variation in pressure* on the money supply caused by cumulative deficits and surpluses. The logic is simple—the government wades into the market, grabs its money, and leaves the private sector scrambling for a reduced supply of money at higher rates the next year. As government financing pressures subside, interest rates drop. An explanation for the one-year lag in interest rates could be the time between the government's *decision* to push a deficit and the actual *implementation* of the *financing* effort. By the time the politicians and bureaucrats swing into gear, their actions become *coincidental* with what's going on in the private sector, rather than countercyclical. This way, the government winds up intensifying the business cycle rather than smoothing it out. (The basic flaw in the theory—that politicians can "manage" the business cycle.)

The 1975 and 1976 estimates are very important because of variations in underlying assumptions. For the purpose of constructing the chart, we used the following 1975–76 assumptions:

1. T-Bill rates will average about 6% for 1975 responding to the slack in the private system and reduced government deficits in 1973 and 1974 ("only" $14.3 billion and $3.5 billion, respectively).

2. The budget deficit in 1975 will be between $35 billion and $50 billion. Therefore, the cumulative 1974–75 deficit will range between $38.5–$53.5 billion.

3. The 1976 deficit will be between $50 billion and $80 billion. Therefore, the cumulative 1975–76 deficit will range between $85–$130 billion.

4. M_2 money supply will grow at record annual rates of *at least* 12% in 1975 and 14% in 1976. (Highest previous rates were 11.24% in 1971 and 11.12% in 1972 as the Fed "accommodated" two back-to-back $23 billion deficits in 1971 and 1972).

The implications of the chart are obvious:

1. *Interest rates will rise sharply*—to record highs in 1976 and 1977 *despite unbelievable increases* in the money supply! (We don't think GM's treasurer is stupid—or the treasurers of all the other companies currently jamming up the bond markets!! They *know* what's coming and are going after their money now!)

2. Most economists expect no growth in real GNP for 1975, and perhaps 6% growth in 1976. Therefore, if M_2 *is* expanded at the rate of 12% to 14% in the next two years, inflation will accelerate well past the pain threshold of the American public.

At this point, we wander into an "Alice in Wonderland" scenario. If the government tries to pull off a cumulative deficit of up to $130 billion over the next 18 months, several things *could* happen:

1. Arthur Burns could get his back up and decide NOT to goose the money supply. This would force the Treasury to bid up the cost of money very early and draw out all the available capital in the system. There would be no business recovery. The private sector would experience a panic similar to 1907 when barrels of beer were used for currency. (This was the panic which led to creation of the Federal Reserve System in 1913.)

2. The Fed could decide to accommodate the Treasury financing by opening up the spigots full blast. This would promote a business boom unprecedented in our history. Inflation would rise to at least 25% and the stock market would rise sharply—at first. The boom would be followed by a total collapse—super bust—everything would go to zero!

3. Somehow the Fed, the Treasury, the banks, and an altruistic private sector could all get together, do a tightrope act together and pull it off—just maybe—this time. Or, finally,

4. The government could try to put together a massive set of controls—similar to World War II—whereby the system will be *forced* to accommodate the deficit (pegged interest rates, capital allocations, rationing of everything, vulgar expansion of the bureaucracy, etc.). Simply put, we would lose our economic freedom—hence, our personal freedom.

Of course, we may be over-reacting—overstating the problem. However, the history books *we* read tend to support the case pretty well.

INVESTMENT IMPLICATIONS

Someone will make an awful lot of money over the next two years—in spite of OR because of—the enormous pressure which will hit our economy. If runaway inflation becomes apparent, stock prices could enjoy a good run up simply because money will be exchanged rapidly for "things"—including equities. Of course, this has *not* been the case in recent years. As inflation accelerated, stocks went down. However, stocks went down because they were overvalued on a speculative basis *and* inflation did NOT get out of control and reach true "runaway" proportions.

Another great investment opportunity may lie ahead in short-term, high-grade debt instruments (Treasury Bills, commercial paper, etc.). If interest rates rise into the 15% to 20% are, short-term maturities (less than 30 days) would allow the investor to roll over quickly into higher and higher returns, thus allowing the portfolio to ride up with the yield curve. Cash could become the next scarce commodity—a "shortage play" with a sharply rising price tag.

In any event, we believe the next two years will offer some of the most exciting investment opportunities in history. The point of finesse lies in reading the signals correctly—which we intend to do. (Incidentally, our readings which gave a major buy signal on the stock market in December 1974 have now given a sell signal for the near term, with the Dow average at 786. We enjoyed the 210 point rise while it lasted.)

SUMMARY

In lines with our February 4th paper on the tax structure, we have assumed something of an advocate's position. We are convinced that our economic system is in serious danger and we do not intend to remain silent about this concern. Our economy is being progressively looted by a legislative structure which apparently is not equipped to deal with rational economic policy. The Congress is dominated by lawyers who, by training and mentality, are obviously in over their depth when it comes to basic economics. They spend, spend, spend—with no apparent regard to the long-term consequences. *Their proposed budget deficit over the next 18 months could equal the entire accumulated deficit since World War II.* Unless they cut back spending to a manageable level, and adopt some sort of spending limits in the future, there won't be any system left for them to loot!

We are reminded of the doctors who get trapped by prescribing a potent drug for a minor illness. They wind up killing the patient in an attempt to treat the side effects of the treatment for the side effects of the treatment for the basic illness—ad nauseum. You see computer programmers get so hung up with their "systems" that they completely lose sight of the original problem they set out to solve. And sometimes you see legislative bodies legislate to justify their existence and wind up chasing their tails trying to unwind bad law with worse law. Sound familiar?

Deficit spending is a bankrupt concept without counterbalancing mechanisms to produce surpluses. Cumulative deficits should be prohibited by law. If money is to be spent—do it with REAL money. Raise taxes—don't play with phantom concepts. If the public won't stand for the tax increases, don't spend the money. That's the name of the game. (STOP taxing us through the back door with inflation!)

If a businessman or private citizen tried to pull such a stunt, he would be waltzed off to jail with a "fraud" sign around his neck. Strange, how Congress gets away with it under the label "just politics"!

Well, we are damn tired of all this nonsense and we hope we can find some company!!

UMI

GOVERNMENT IS SUFFOCATING ECONOMIC GROWTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. Holt) is recognized for 10 minutes.

Mrs. HOLT. Mr. Speaker, the growth of government is the greatest enemy of a prosperous economy. It is suffocating the economic growth that we need to produce jobs, goods and services for the American people.

Spending by all levels of government last year consumed 33 percent of the Gross National Product, the total value of all goods and services produced for sale in the market places of the world, and more than 40 percent of national income. These percentages will be even higher this year.

When we consider the monstrous growth of government spending, it is not surprising that tax increases were the largest factor in the double-digit inflation we experienced last year. The Congressional Joint Economic Committee reported that income taxes paid by the average middle-class family leaped by 26 percent last year. As family income climbed with inflation, the graduated tax structure not only took more of family income, but a higher percentage of it.

The voracious appetite of government for the hard-earned dollars of the people is not only reflected by taxation, however, but also by the borrowing of horrendous sums.

The Federal Government alone will borrow as much as $80 billion in the next fiscal year to cover its deficit spending. Add State and local bond issues to that figure and you have a truly staggering raid on the capital resources of the Nation.

This means there will be insufficient capital to serve the expansion needs of private industry. It means there will be fierce competition between government and private industry for the available capital.

Interest rates will surge upward again. Housing will be pushed out of the money market again. Industrial growth will be handicapped even more than it has been.

The Federal Reserve System will be under extreme pressure to increase the money supply, which would fire inflation to hyper levels.

If all this sounds familiar, it is because we have been there before. Soaring interest rates and consumer resistance to inflation have combined to cause recession. It is a recession caused by extravagant government that pretends it can do everything for everybody without imposing ruinous consequences on the people.

Federal deficit spending averaged something more than $20 billion a year in the 5-year period ending June 30, but the deficit for the 1976 fiscal year may reach an almost unbelievable $80 billion.

This means that all levels of government will be borrowing an estimated 80 percent of capital available in the Nation in the next fiscal year.

The current recession has brought some decline in interest rates because demand for credit in the private sector has slackened, but watch what happens when demand starts picking up in the next few months. Demand will very quickly be crashing against the limits of capital, forcing interest rates upward again next year.

The very worst part of this scenario is its impact on employment. Even before the recession, the economy was not producing jobs fast enough to keep pace with the growing labor force.

But the number of job seekers will be much higher throughout the next decade as the "baby boom" of the late 1950's and early 1960's reaches the labor market. We are already experiencing the phenomenon.

With unemployment already pushing toward 9 percent, some 4 million young people will be graduating from high schools and colleges this June.

It is quite obvious that the economic recovery predicted within the next year will be inadequate unless it is the beginning of a long period of sustained economic growth.

Capital investment in the next decade will need to be three or four times as great as capital investment in the last 10 years to provide the jobs needed by our swelling work force. It will not be available if Government continues to devour most of the capital in the Nation.

We must cut Government spending, and I am not talking about just shaving a couple of billion off the budget. We must be ruthless as we approach programs that are not absolutely essential to the survival of the Nation or its people. It is time to budget in terms of critical needs only. It is time to eliminate the things that are merely desirable.

But even this would not be sufficient to make capital available in the amounts we need because capital first must be formed by profits and savings.

Increasingly for 40 years, our tax structure has been directed toward taking more from the productive forces in society and transferring it to nonproductive uses. The effect of this has been to stimulate consumption and apply brakes to the growth of production.

The steady acceleration of this tax policy for decades has now reached the critical stage. In combination with massive government borrowing, it is choking our economic development.

Savings by individuals are critical to the capital needs of the housing industry, but the increasing tax burden and inflation have stripped legions of middle-income taxpayers of the ability to save. Even those who manage to put something away find that they are taxed on the interest earnings of their savings.

I have sponsored legislation to provide a tax exemption on the first $800 of interest earnings from savings each year. This would not only stimulate savings and provide mortgage fund for the desperately depressed housing industry, but would also provide some modest relief for taxpayers saving for their old age, family emergencies or business investment. I hope the Congress will enact this legislation.

But it is also time to consider reduction of the corporate income tax, which is imposed at a fantastic rate of 48 percent. At a time when capital formation must be our critical concern, it is insanity for the Federal Government to be taking nearly half of corporate profits for nonproductive uses.

It should be obvious that the consumers pay most of this tax in the form of higher prices. Every tax imposed by government is ultimately paid by the people.

However, another effect of the confiscatory corporate income tax is its disastrous impact against the formation of capital.

In the years immediately ahead, our country will have the greatest need for capital investment in its history, but Government policy is structured against capital.

If we fail to cut government spending dramatically, and if we fail to reduce the tax burden that is suffocating economic growth, we will continue to have high rates of unemployment.

The creation of more government jobs is not a remedy, but is a device that can only make matters worse.

Nearly 20 percent of the work force is already employed in Government, consuming the wealth created by the private sector and its production. The proliferation of government jobs is not an answer to the problem; it is a significant part of the problem.

Production of marketable goods and services is the only source of real wealth, and the growth of government is consuming the capital we need for investment in production.

I was hoping that Congress would recognize the problem and make the difficult decisions necessary to cope with them, but I must confess to considerable pessimism after watching some recent votes here.

Government cannot spend the country to prosperity, but is actually demolishing the hope for future prosperity.

THE GROWTH OF AMERICAN GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp), is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, on February 5, 1975, I submitted to this House on behalf of myself and 29 other Members a "Statement on Alternative Economic Policies" in which we expressed our grave concern over the economic and fiscal policies of our Government. We were then faced with a budget for the fiscal year 1976 which, as submitted by the President, showed a red balance of $51.9 billion, a deficit of unprecedented size in United States peacetime history. We then proposed: Controlling the runaway growth of Government and the soaring increases in Federal expenditures and deficits, in an effort to better balance the budget.

But the Congress has since made several decisions which instead of reducing expenditures and the deficit raised them even further. The Budget Committee of the House has submitted a resolution with an estimated deficit of $73.2 billion which is $21.3 billion higher than the red balance in the President's budget and $3.6 billion over the amount recommended by the Budget Committee of the Senate.

But that is not all. Numerous proposals are pending before the Congress which would not only boost the deficit to well

over $80 billion in the fiscal year 1976 but make deficits of astronomical size in future years a virtual certainty. Great pressures are being exerted for the enactment of huge new and expanded spending programs, largely in the field of social welfare which, if carried out, would push inflation to even higher levels, wreak tremendous and irreparable damage on our economy and ruin the country's financial structure.

It is ironical now to consider that only 2 years ago two of the country's most respected research establishments, the Brookings Institution and the American Enterprise Institute for Public Policy Research, published studies which envisaged a balanced budget for the fiscal years 1975 and 1976, and from then on.[1] Those forecasts were prepared on the assumption of full employment conditions. But it is largely our counterproductive and wasteful tax and expenditure policies that penalize capital formation and enterprise while rewarding dependence on governmental largesse which have aggravated inflation and raised unemployment to such intolerable levels. Yet there are attempts to administer more of the same "medicine."

When new or expanded spending proposals are submitted it is sometimes asserted that Federal expenditures have grown only in proportion to the Nation's economy and still fail to meet many urgent needs. Yet, we all know that governmental activities in the field of domestic services have been expanded at an exorbitant and unprecedented rate within the past decade or two.

A new study, just published by one of the Nation's most prestigious research centers, the Hoover Institution on War, Revolution, and Peace at Stanford University, clarifies this seeming contradiction and sets the record straight. Its author is one of the country's best known authorities on government finance, Roger A. Freeman, who for the past 25 years has held several high governmental posts, interspersed with academic research. Dr. Freeman has served as an assistant to Presidents Eisenhower and Nixon, previously to Governor Langlie of the State of Washington, has been called to testify on many occasions by committees of both Houses of Congress and held memberships or staff positions in several presidential commissions and on various national boards and committees. At this time, besides being a Senior Fellow at the Hoover Institution, he is Chairman of the Advisory Council on Financial Aid to Students and also Chairman of the Census Advisory Committee on Privacy and Confidentiality.

The new volume "The Growth of American Government: A Morphology of the Welfare State" is a truly authoritative handbook and one of the best documented research studies of governmental finances to appear in many years. This wide-ranging historical and economic analysis examines and reports developments in the past two decades, thereby updating and extending to the present time studies of the growth of government, sponsored and published more than 20 years ago by the National Bureau of Economic Research.[2]

The author shows that Federal outlays for domestic services have virtually exploded within the past 20 years:

> It took 163 years, from 1789 to 1952, for federal expenditures for domestic purposes to reach a level of $13 billion. In the succeeding twenty years they multiplied *tenfold*, jumping from $13 billion to $134 billion. In other words, in the past two decades we increased federal spending for domestic services *every two years* by as much as the total growth in the preceding 163 years" (p. 39).

Trends of the past 6 years—between 1969 and 1975—are even more astounding:

> It took 180 years, from 1789 to 1969 for federal expenditures for domestic purposes to reach a level of $13 billion. In the succeeding 6 years that total more than doubled, jumping from $72 to $167 billion, an increase of 132 percent" (p. 113).

Dr. Freeman traces the results of the spectacular expansion of programs in the social welfare field and finds that most of them have not only fallen short of their sponsors' promises but that positive returns have often been absent and that many programs have been counterproductive. Though spending for public education multiplied 8 times over the past 20 years while enrollment less than doubled and staff in schools and colleges tripled, learning has, to all appearances not improved and seems to be declining:

> While expenditures per pupil were increasing every year and the number of pupils per class was shrinking, learning achievements in the schools were falling: mean scores on college board tests (S.A.T.'s) have been declining dramatically for over a decade, from 478 (verbal) and 502 (mathematical)—out of a possible 800—in 1962–63 to 444 and 480 respectively in 1973–74 (p. 16).
>
> The evidence is overwhelming that there is little if any cost-quality relationship in the schools (p. 15).
>
> In 1965 Congress was persuaded that a vast expansion of 'compensatory education' programs would reduce the lag of one or several years in basic skills of children from low-income backgrounds. Now, nine years and more than twelve billion dollars later, the record of thousands of programs, from 'Higher Horizons' and 'More Effective Schools' in New York to 'Bannecker' in St. Louis, from 'Madison' in Syracuse to the Berkeley schools, all of them begun with great enthusiasm, tells a story of consistent failure to produce the educational improvement among so-called deprived children that their sponsors had hoped for and promised (p. 16).

The author describes the spectacular expansion of welfare progams:

> The child population (under 18) went up 41 percent between 1952 and 1972, but the number of AFDC (Aid to Families with Dependent Children) recipients increased 456 percent . . . (p. 10). "The growth in AFDC can largely be traced to the fact that the number of 'absent fathers' quadrupled from 590,000 in 1961 to 2,482,000 in 1973. Six out of seven absent AFDC fathers paid no support whatsoever for their children and many of them—or possibly most—may have abandoned their families because the AFDC program had made it attractive and lucrative to do so" (p. 141).
>
> Spending under public income maintenance programs jumped from $7 billion in 1950 to $23 billion in 1960 and is now running at an annual clip of $150 billion. The number of families with a money income under $3,000 fell from 33.4 percent of all families in 1952 to 22.7 percent in 1959 and to 7.2 percent in 1972 (if counted in dollars of 1972 value, from 18.3 percent to 14.3 percent and to 7.2 percent respectively); the number of families classified "below the poverty level" fell from 18.5 percent in 1959 to 9.3 percent in 1972 (p. 25). But while social spending multiplied at an unprecedented rate, so did property crimes, delinquency, violence, social tensions and other forms of social ills. "According to FBI reports, the number of serious crimes leaped from 2 million in 1960 to 5.9 million in 1972. That averages out to a 9 percent increase each year—while population was growing approximately 1 percent per year" (pp. 24–25).

Dr. Freeman cites dozens of other examples of programs which were sold to Congress on the premise that they would improve social conditions and lessen social tensions but turned out to be counterproductive.

The author is also sharply critical of our tax system:

> No other industrial country has a tax system that is so heavily biased in favor of consumption and against capital formation, in a determined attempt to redistribute income. Most major countries use a consumption tax as the mainstay of their revenue system; the United States is the only country that does not use such a tax at all at the national level. Nor does any other country rely for its revenue as heavily on income taxes as does the United States (p. 33).

Yet, on an over-all basis, Dr. Freeman finds that the Federal Government—as measured by taxes, expenditures and payroll—grew more slowly in the past 20 years than it did in earlier decades. Moreover tax revenues and expenditures did not expand faster than the Gross National Product. This was possible because much of the exorbitant expansion of social welfare spending was financed by cutting outlays for national defense to less than half their former share of GNP or of the Federal Budget. Expenditures for national security fell from 14.3 percent of GNP in 1952 to 7.2 percent in 1972 and continued to decline:

> The United States is now devoting less than 6 percent of its GNP to national defense . . . while the USSR is probably exerting at least twice that effort, and also reported to be allocating twice as much to defense research and development as we are (p. 30).

The author concludes that:

> Under current trends the Soviets are headed for a decisive military superiority (p. 31).

Until about a decade ago Congress used to boost presidential recommendations for defense outlays every year. More recently, however, the President's proposals on defense appropriations have been reduced each year by several billions of dollars—p. 29—for the purpose of raising the funds for social welfare programs. To continue that policy could lead to national disaster.

Dr. Freeman concludes his study with projections to the year 2000. He feels that the final outcome and the fate of the American Commonwealth will depend on decisions by the Congress on three major issues:

> 1. Freedom vs. government: As governmental activity expands, aiming to deal with and resolve major social ills by appropriations of funds and intensification of service programs, the freedom of the individual to make his own decisions and to rise and fall by his own action gradually diminishes. Whether the positive value of the benefits that may at some time be derived from government will exceed the diminution of per-

Footnotes at end of article.

sonal freedom and responsibility remains an open question.

2. Rewards by the free market vs. redistribution of income: Those who view the allocation of rewards by the market to be purely fortuitous, devoid of personal merit, and grossly unjust, push for a more effective redistribution of income—from those who earn it to those who yearn it. They may continue to succeed, as they have in recent decades. If so, government will play an increasingly powerful role in changing income distribution through tax, transfer, and social service programs.

3. Strengthening or cutbacks in national defense: An increasingly large number of Americans now believe that national defense is consuming too large a share of our national resources and that funds for the military can be cut further with impunity, because we already possess an "overkill" capacity and are not likely to be attacked by anyone, if we stay out of other countries' affairs. Others feel that this is an area where we cannot afford to incur risks because there would be no possibility of a "second chance" in case of a mistake and that existence of an adequate military preparedness and bility to inflict intolerable losses upon an aggressor—and awareness of this by a would-be aggressor—are the best and only guarantors of national security and preservation of peace. In a recent speech, Secretary of Defense James Schlesinger said that "democracies are suffering from their traditional problem that they need an overt manifest threat in order to bring about the appropriate allocation of resources within the society to maintain a defense establishment that continues militarily to deter rather than to rely upon the goodwill of potential opponents."[3]

It may well be that the ancient Roman proverb, *si vis pacem para bellum*, is as valid today as it ever was. (pp. 200–01).

I believe, Mr. Speaker, that this book should be "must reading" for every Member of Congress, for public officials at every level of government and for all Americans with an interest in public affairs throughout the Nation.

FOOTNOTES

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[1] Edward R. Fried et al., *Setting National Priorities: The 1974 Budget* (Washington, D.C.: The Brookings Institution, 1973), p. 414.

David J. Ott et al., *Public Claims on U.S. Output: Federal Budget Options in the Last Half of the Seventies* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1973), p. 14.

[2] Solomon Fabricant, *The Trend of Government Activity in the United States Since 1900* (New York: National Bureau of Economic Research, 1952).

M. Slade Kendrick, *A Century and a Half of Federal Expenditures* (New York: National Bureau of Economic Research, 1955).

[3] Quoted in Leslie H. Gelb, "Schlesinger for Defense," *New York Times Magazine*, August 4, 1974.

FAMILY FARM ANTITRUST ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER), is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the family farm in the United States is steadily being plowed into oblivion. In the last 25 years, the number of farms in America has decreased from 5.4 million to 2.9 million; with some predictions indicating that another 1 million will cease production by 1980, unless the trend toward vertical integration of agriculture is slowed.

Concern over this trend is not founded in nostalgia, but in economic commonsense. A recent research study by the Economic Research Service of the U.S. Department of Agriculture, found that the fully mechanized one-man farm, the family farm, producing maximum acreage, is generally a technically efficient farm. What does "technically efficient" mean? Simply a production unit large enough to capture economies of size related to costs per unit of production. The chief incentive for farm enlargement beyond this optimum size is not to reduce costs of production but to achieve a larger business, more output, and more total income.

We have come to equate bigness with efficiency. Many people assume that large-scale undertakings are inherently more efficient than smaller ones. Yet, the USDA study determined that farms larger than "optimum" are essentially multiples of the optimum farm, and are technically no more efficient than the one-man farm. Although technically optimum one-man farms are larger and more capital intensive than many farms in the United States today, it is equally clear that many farms have greatly exceeded economies of scale, for various reasons. Indeed, the adverse impact of farms larger than necessary, can lead to debits in the social ledger.

One factor that can give large farms with corporate connections in the nonagricultural sector, an artificial advantage is the ability to purchase production inputs at a lower cost than other farmers. The advantage is considered "artificial" because it does not occur from efficiency or other competitive reasons but from ownership of several successive stages of the production process; vertical integration.

An example of vertical integration is a supermarket chain that owns manufacturing plants, produce packaging plants, bakeries, milk and ice cream plants, meat processing units, soft drink bottlers, coffee roasting plants, a soup factory, a peanut-butter factory, and a salad oil factory. The notion of vertical integration also applies to a livestock feeder who builds or buys a packaging plant to provide an outlet for his feed cattle. Vertical integration in short, is a situation where two or more stages in the production process that were formerly handled by separate firms, become merged into one firm. The Family Farm Antitrust Act of 1975 is specifically concerned with vertical integration between farm and nonfarm stages of production.

Former concern with antitrust matters was principally focused on "horizontal integration" of business activities. The classic examples were the so-called Standard Oil and United States Steel trusts. When these companies controlled substantially all of the production of oil and steel, respectively, it became evident that such market control gave these firms a great amount of price control. The response to that situation was to legislate against control of markets by virtue of monopoly.

We are now faced with a variation of the problems faced in former times. The trend toward vertical integration in the agricultural sector is every bit as undesirable as was horizontal integration. But vertical integration is less evident and therefore, less a matter of public concern and legislative attention. The effects of vertical integration must be recognized and the Family Farm Antitrust Act of 1975 must be passed to deal effectively with the increasing interdependence between stages in the production process that should remain separate.

Consumers will be adversely affected by allowing the trend toward vertical integration to continue. A study by the University of Missouri concluded that retail food prices would rise if nothing is done to alter the trend toward vertical integration. Merchandising and market costs would increase as integrated firms advertise and stress product differences on basic agricultural commodities. Aggressive unionization of agricultural and agribusiness workers will increase labor costs that the familly farm operator presently absorbs. Finally, lack of effective price competition would push up food prices. Considering the USDA study that found the one-man farm to achieve optimal economies of scale, one can only wonder why any rational person would want to continue policies that allow the one-man farm, known as family farms, to continue to be forced out of operation by anticompetitive market forces.

We cannot consider a decision to do nothing about this situation to be in any way, neutral. Rather, to allow the present situation to continue is a decision in favor of the trend toward continued vertical integration of agriculture. It is a decision to allow less efficient firms to replace more efficient firms. It is a decision to permit increasing market dominance by less efficient firms.

To allow the present trends to continue will result in greater centralization of economic power and decisionmaking resting in fewer hands and places, with a resultant loss of flexibility and diversity in our national economic life. Finally, to allow present trends to continue will result in a rural social structure dominated by a small number of "company farms" that will yield a deadening conformity and a restricted environment in which to develop the full potential of the quality of rural life. Schools and public recreational facilities suffer as more of the money generated in an area is spent outside the area, as is the case with absentee ownership of farms when vertical integration assumes dominance.

There is another possible outcome of the present trend toward vertical integration in agriculture—perhaps the least desirable situation of all. This possibility is the dominance of agriculture by corporations that are larger than family size and are absentee-owned, but not national in scope or scale of operation. It is quite possible to have farming corporations that are too small, just as it is possible to have individually owned and operated farms that are too small. It would be tragic to exchange a system of family farms for a system of corporate farms that prove to be too small by social tests. We can have the worst of both

worlds if we emerge from this period of change with a system of medium-sized corporate farms, financially weak and socially unresponsive. Some of the recent growth in corporate growth points in this direction.

We must make a decision now, as to what structure will be allowed to prevail in U.S. agricultural production. Change is rapidly overtaking our system of agricultural production. Once the system has changed, it will be too late to reverse the trend. Our history of agricultural policies has been to encourage a system of family farms. Due to tax laws and other reasons, the system that we have carefully fashioned over the last 200 years, is being rapidly changed. We must act now to reverse the trend toward corporate domination of food production in this country. I am, for that reason, glad to be joined by 27 of my colleagues in introducing the Family Farm Act of 1975.

The Family Farm Antitrust Act would prohibit persons or businesses with in excess of $3 million in nonfarm assets from engaging in agricultural production. Further, businesses with close ties to farming, such as packinghouses, feed manufacturers, chemical and fertilizer manufacturers, and farm machinery suppliers with more than $1 million in assets, would be prohibited from engaging in agricultural production. Farm cooperatives would be exempted from this act, as would charitable, educational, and nonprofit institutions.

I include certain statistics in the RECORD:

Table 1.—7 Examples

Examples of 7 types of technically optimum 1-man farms are shown below

	Acres	Land value	Other capital
Montana: Wheat-barley	1,960	$245,000	$57,000
Kansas: Wheat-grain sorghum	1,950	200,000	55,000
Indiana: Corn-soybeans	800	480,000	130,000
Louisiana: Rice-soybeans	360	108,000	50,000
Delta: Cotton-soybeans	600	255,000	80,000
California: Irrigated cotton	400	320,000	64,000
California: Vegetables	200	400,000	85,000

Source: Economic Research Service, U.S. Department of Agriculture "The 1-Man Farm" (ERS-519) August 1973.

TABLE 2.—AVERAGE NUMBER OF FOOD SYSTEM FUNCTIONS PER LARGE MULTIESTABLISHMENT FIRM AND PERCENT OF FIRMS PERFORMING 3 OR MORE FUNCTIONS, 1969

Type of firm	Average functions per firm (number)	Percent of firms with 3 or more functions
Farm	2.20	30.9
Agricultural input	2.58	34.6
Agricultural processing	2.84	66.7
Agricultural distribution	2.54	39.1
Nonagricultural	1.62	18.2
Total	2.25	32.7

Source: Dunn & Bradstreet complex business file, 1970.

TABLE 3.—FARM FIRMS: FARMING ACTIVITIES OF LARGE MULTIESTABLISHMENT FIRMS, BY PRIMARY ACTIVITY AND TYPE OF FARM PRODUCTION, 1970

Type of farm production	Primary farm type of owning firm										
	Cotton	Cash grain	field Other crops	Fruit and tree nuts	Vegetable	Dairy	Broiler	Other poultry	Beef	General and other farms	Total
Number of firms:											
Cotton	6		1	2	1				1		11
Cash grain	3	2		1	1			1	1	2	11
Other field crops	3		7	1					2		13
Fruit and tree nuts	1			27	4				2	1	35
Vegetable	2			6	27				2	1	39
Dairy						17					17
Broiler							9	3			12
Other poultry			1					15		3	18
Beef cattle	1	1		1	3	1		2	26	2	37
General and other farms	3		1	1		2		1	3	13	24
Total firms	6	2	7	27	27	17	9	15	26	13	149
Percent of firms	4	1	5	18	18	11	6	10	17	9	100
Average number of farm enterprise types/firm	3.17	1.50	1.43	1.44	1.33	1.18	1.00	1.47	1.42	1.69	1.46

Source: Dun & Bradstreet complex business file, 1970.

TABLE 4.—ESTIMATED PERCENTAGE OF TOTAL FARM OUTPUT PRODUCED UNDER PRODUCTION CONTRACTS, VERTICAL INTEGRATION, AND BOTH COMBINED, 1960 AND 1970

Kind of coordination	1960	1970
Production contracts	15.1	17.2
Vertical integration	3.9	4.8
Both	19.0	22.0

[1] See tables 5 and 6 for individual crop and livestock items. Totals for production contracts and vertical integration in this table were obtained by combining the total estimates for crops and livestock after adjusting for double counting of farm-produced feed corps consumed by livestock. As in the ERS index of total farm output, crops represent about ⅗ of the final weight and livestock ⅓.

TABLE 5.—CROPS: ESTIMATED PERCENTAGE OF OUTPUT PRODUCED UNDER PRODUCTION CONTRACTS AND UNDER VERTICAL INTEGRATION, UNITED STATES, 1960 AND 1970

Crop	Production contracts		Vertical integration	
	1960	1970	1960	1970
Feed grains	0.1	0.1	0.4	0.5
Hay and forage	.3	.3		
Food grains	1.0	2.0	.3	.5
Vegetables for fresh market	20.0	21.0	25.0	30.0
Vegetables for processing	67.0	85.0	8.0	10.0
Dry beans and peas	35.0	1.0	1.0	1.0
Potatoes	40.0	45.0	30.0	25.0
Citrus fruits	60.0	55.0	20.0	30.0
Other fruits and nuts	20.0	20.0	15.0	20.0
Sugarbeets	98.0	98.0	2.0	2.0
Sugarcane	40.0	40.0	60.0	60.0
Other sugar crops	5.0	5.0	2.0	2.0
Cotton	5.0	11.0	3.0	1.0
Tobacco	2.0	2.0	2.0	2.0
Oil bearing crops	1.0	1.0	.4	.5
Seed crops	80.0	80.0	.3	.5
Miscellaneous crops	5.0	5.0	1.0	1.0
Total crops [1]	8.6	9.5	4.3	4.8

[1] The estimates for individual items are based on the informed judgments of a number of production and marketing specialists in the U.S. Department of Agriculture. The totals were obtained by weighting the individual items by the relative weights used in computing the ERS index of total arm output.

Source: U.S. Department of Agriculture, Economic Research Service, "Contract Production and Vertical Integration in Farming, 1960 and 1970." (ERS-479) April 1972.

TABLE 6.—LIVESTOCK AND LIVESTOCK PRODUCTS: ESTIMATED PERCENTAGE OF OUTPUT PRODUCED UNDER PRODUCTION CONTRACTS, AND UNDER VERTICAL INTEGRATION, UNITED STATES, 1960 and 1970

[In percent]

Crop	Production contracts		Vertical integration	
	1960	1970	1960	1970
Fed cattle	10.0	18.0	3.0	4.0
Sheep and lambs	2.0	7.0	2.0	3.0
Hogs	.7	1.0	.7	1.0
Fluid (grade milk)	95.0	95.0	3.0	3.0
Manufacturing (grade milk)	25.0	25.0	2.0	1.0
Eggs	93.0	90.0	5.0	7.0
Broilers	5.0	20.0	10.0	20.0
Turkeys	30.0	42.0	4.0	12.0
Miscellaneous	3.0	3.0	1.0	1.0
Total livestock items [1]	27.2	31.4	3.2	4.8

[1] See footnote 1, table 4.

"THE LESSONS OF VIETNAM FOR AMERICAN FOREIGN POLICY"—AN ADDRESS BY CONGRESSMAN JOHN BRADEMAS OF INDIANA

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, last Saturday, April 26, 1975, at the Rhein-Main Air Base, Germany, our distinguished colleague, Congressman JOHN BRADEMAS of Indiana, delivered the address at commencement exercises for students graduating in the education programs of a European branch of Ball State University, Muncie, Ind.

The subject of Congressman BRADEMAS' address was "The Lessons of Vietnam for American Foreign Policy."

I believe Members of the House will read with great interest our colleague's thoughtful analysis and I insert the text of his address at this point in the RECORD:

THE LESSONS OF VIETNAM FOR AMERICAN FOREIGN POLICY

(Address of Congressman JOHN BRADEMAS of Indiana)

I am for several reasons pleased to be here with you at Rhein-Main today.

As a fellow alumnus of Ball State University—although you earned your degrees and mine was honorary—and as a Representative in Congress from Ball State's home state, I feel at home with you.

And I am pleased, as I know you are, that John Pruis, my valued friend and the distinguished President of the University, should be here for this occasion.

I join President Pruis in congratulating all of you on your achievements and in wishing you well in whatever you now undertake to do.

I am also grateful for the chance to pay a visit, however brief, to the Federal Republic of Germany, a vital and vigorous democracy with a strong and prospering economy, a faithful friend and ally of the United States.

But there is a final reason that I accepted the invitation to come all the way from Washington to Wiesbaden for the weekend. It is the opportunity to speak to you, graduates of the European branch of an American university, about where we as Americans go from here in the aftermath of the tragedy of Vietnam.

LESSONS FROM VIETNAM

For the war in Vietnam has been a central fact of American life for well over a decade now and as the debate in Washington over how we can best extricate ourselves from Indochina moves to a climax, it is, in my view, imperative that we look ahead to the next ten years and ask what lessons we as a people can learn from our most divisive and searing national experience since our Civil War.

It will not be my central purpose here today to point the finger of blame with respect to what went wrong with American policy in Vietnam.

That both historians and, if there is to be any accountability in our democratic society, citizens, must make such judgments, I do not deny.

I prefer, however, now to ask a different question: Can we learn any lessons from Vietnam that can point us as a nation toward a more constructive, effective foreign policy in the years immediately ahead?

I here think of the New Testament passage—John I:46—in which, while Jesus was recruiting followers in Galilee, a skeptic, referring to what 2,000 years ago was regarded as a dull, dreary little Judean town, asked one of the disciples, "Can any good thing come out of Nazareth?"

So, too, after all the death and destruction that have come to Asians and Americans and others—if the tragedy in Indochina has any quality of redemption—we must ask what we can learn from experience and what we as Americans ought now to do.

Can any good thing come out of Vietnam?

I believe that the answer is yes, that there are lessons from Vietnam which, if heeded, can cause the American people and our national government to act more constructively and effectively in the world.

Let me here outline a few of these lessons as I, as only one Member of Congress, see them:

MORE ATTENTION TO WESTERN EUROPE

1. First of all, freed from our preoccupation with Vietnam, we can turn our attention to other areas of the world which we have been neglecting but where America's vital interests are clearly at stake.

The most obvious of these areas is Western Europe, where the NATO alliance has been enduring a variety of strains.

Portugal, where elections were held only yesterday, presents the threat of a burgeoning authoritarianism of the Left.

Tensions remain between our long-time NATO allies, Greece and Turkey, over Cyprus and Aegean oil.

The future of Italy, beset with serious troubles, both economic and political, has received far too little attention from the United States.

And there is a whole spectrum of issues arising out of the economic and energy relationships between and among the United Kingdom, the Common Market countries and the United States. There is, indeed, a kind of limbo now in Europe until the British referendum in June on Common Market membership.

It is in particular essential that we carefully review the defense structure of NATO and our own role in the alliance.

Let me here interject, as one who is strongly critical of United States policy in Southeast Asia and the Eastern Mediterranean, that I with equal fervor favor—as I believe the overwhelming majority of Democrats and Republicans in Congress do—a vigorous NATO and a continuing commitment by the United States to support it and work within it.

And I must add that I anticipate no serious effort, such as U.S. troop withdrawals from Europe, to reduce that commitment.

Now I list all these problems not to make bold to offer answers to them but rather to indicate that these are matters to which, in the post-Vietnam era, we must give far greater attention that we have been doing.

DEFENSE AND ARMS CONTROL POLICIES

2. Second, in the years just ahead, we must invest more of our thoughts and energies in two intimately related fields of policy: the shaping of a more rational military structure for the United States and the development of comprehensive arms control arrangements with the Soviet Union.

With a military budget now running at a $108 billion level, we need a much more careful effort than we have so far had to link the structure of our defense system both to the purposes of our foreign policy and the realities of our economy.

Members of Congress were not amused to read this week the report of a 1974 study showing that the Atlantic allies waste between $10 billion and $20 billion a year because of duplication and lack of standardization in military equipment.

At a time of economic recession and deepening concern about national budgets, the report declares that the military effectiveness of NATO's conventional forces "is far below the standard we and our European allies should expect from the more than $90 billion a year that together we spend on general purpose forces."

To put the point another way, it will no longer suffice for American Presidents simply to assert that we cannot cut defense spending or the nation's security will be endangered.

We need far more reasoned justifications than we have been getting—in terms of our military posture, our foreign policy, and our national economy—for a particular defense mix at a particular level of spending.

And I could make an identical observation with respect to our efforts to come to arms control agreements with the Soviet Union.

Let me here note that, without question, Congress will be insisting on a more substantial role in both these life and death areas of national policy.

THE DEVELOPING WORLD

3. We must also in the decade ahead give more attention to our policies toward the developing countries of Asia, Africa and Latin America.

A sense of justice coupled with our own national interest in reducing the causes of violence require that we, the world's richest country, share our resources with the world's poorest lands. For example, only last month in my own home community in Indiana, President Ford, speaking at the University of Notre Dame, called for more contributions of food from the United States to peoples struggling to survive.

But the President, rightly, asserted that the United States must provide such peoples with more than food. They need our technical assistance to build their own productive capacity and they require from us as well trade policies that do not strip them of their national resources for the further enrichment of the nations of the West.

BETTER JUDGING OUR VITAL INTERESTS

4. There is another lesson which Vietnam presses insistently upon the American people.

It is that we must be far more careful than we have been in assessing where our national interests really lie.

It is not being invidious to say that Presidents of the United States should stop suggesting that Cambodia is as vital to our national security as the Federal Republic of Germany.

Nor should Secretaries of State continue to assert that so inextricably linked to each other are America's global commitments that a failure in Vietnam means that all is lost everywhere, that no one will again believe America's word.

It is of such overblown and extravagant rhetoric, unrooted in realistic judgments about our genuine interests, that the seeds of future conflicts are sown.

As America leaves Vietnam, I detect no wave of fear sweeping across Western Europe but rather hear sighs of relief from our allies and expressions of hope that we can reinvigorate our ties to them.

I trust that what I have so far said, and will later say, suggests no rush of Congress, like the Gadarene swine, over the cliff into the abyss of isolationism.

Neither Senators nor Congressmen nor the American people who elected them are going isolationist.

The American people, however, and their Congress, are unwilling any longer to support a universalistic interventionism that sees our national interests equally at stake everywhere.

A thoughtful internationalism then, neither an impossible isolationism nor a mindless adventurism, ought to be our prescription for the future.

NON-MILITARY FACTORS

5. So, too, in the world after Vietnam, we must learn to give more heed, in the shaping of our policies, to factors that are not solely military—immensely important though that dimension is.

We must, in far more sophisticated and sensitive fashion than we have been doing, attend to the political, economic and cultural factors which can also profoundly influence the decisions of our friends and foes.

It will, for example, no longer be adequate, in a world in which the United States preaches detente with the two great bastions of Communism, the Soviet Union and China, to follow a primitivist policy of flooding repressive military dictatorships with American arms solely because these states are "anti-Communist."

One need cite only the seven years of U.S. support of military juntas in Greece and the calamitous consequences of that policy today to see the bankruptcy, militarily as well as politically, of such short-sightedness.

A GREATER ROLE FOR CONGRESS IN FOREIGN POLICY

6. I believe that one of the most significant of all lessons that Vietnam has taught the American people is that there must be a crucial role for Congress in the making of foreign policy.

The Constitution of the United States is neither a charter for authoritarian government, in which one man or a group of them makes all the crucial decisions, nor is it a prescription for parliamentary democracy, in which the legislative branch must, by definition, support the executive.

The American Constitution is different. It is based on separated institutions sharing powers, and checks and balances run throughout the system.

Yet over the last generation and, increasingly in recent years, Congress has been largely excluded from a significant role in the shaping of foreign policy and until a short time ago was relegated to the role of rubber stamp or cheerleader for the executive branch.

But as a consequence of Watergate and Vietnam, this relationship between Congress and the White House is no more.

Evidence for the validity of this assertion is the 1973 vote in Congress to end money for U.S. military involvement in Vietnam, passage that year of the War Powers Act, imposing restrictions on the power of a President unilaterally to plunge the nation into war, and the rejection by Congress only this week of President Ford's pleas for more military aid for Southeast Asia.

Because I am a Member of Congress—one who has served now with five Presidents—Eisenhower, Kennedy, Johnson, Nixon and Ford—and because I have argued that, in the period after Vietnam, Congress should play a much more important part in foreign policy, I want to linger on this point a little longer.

I believe that most objective observers would agree that, although the Constitution assigns to the President chief responsibility for the conduct of foreign policy, there are three major roles Congress should properly play in this field.

First, Congress can establish, through law or in other ways, or give sanction to, certain principles that govern the nation's foreign affairs. I here cite NATO, trade legislation and arms control treaties as but three examples.

Second, Congress can oversee the implementation of these principles by the executive branch. Clearly, Congress cannot—nor should it—conduct foreign policy on a day-to-day basis but Congress has the right, indeed, the obligation, to monitor the executive branch in its direction of foreign affairs.

Third, under the Constitution, it is Congress that has power to appropriate money, essential to the carrying out of policy abroad as well as at home.

I here recall my earlier observation about the nature of the American charter of government. Ours is a constitutional democracy where, as I once heard Carl Sandburg tell Congress, in describing Abraham Lincoln's view of our system, "where the people have the say-so".

I can put my point another way by quoting that American of long experience and much wisdom in foreign affairs, Averill Harriman: "No foreign policy will stick unless the American people are behind it. And unless Congress understands it, the American people aren't going to understand it."

And one of the lessons of Vietnam must surely be that Members of Congress, the elected representatives of the American people, will no longer tolerate so-called "commitments", moral or legal, to which they were not a party and of which they had no knowledge.

Secret covenants secretly arrived at may suit the convenience of those who make them; they are not—and this is especially clear after Indochina—appropriate to a system in which "the people have the say-so".

After Vietnam then, Congress will no longer stand before the President or the Secretary of State like, in the words of Robert Burns' famous poem, "To a Mouse", "wee, sleekit, cow'rin', tim'rous beastie."

Having said that, I hasten to add that, in line with President Ford's call at New Orleans this week for "reconciliation" among Americans in the era after Vietnam, I believe the time is here for some serious effort to improve the relationships between the Department of State and Capitol Hill.

My suggestions are modest. I am not utopian and I do not pretend that my proposals even run to some of the fundamental differences of which I have earlier spoken.

But it is from modest, piecemeal efforts that we may begin to establish some constructive dialogue between Congress and the Department of State that will outlast those who hold office today in both institutions.

It was many years ago as a very new Member of the House of Representatives that I wrote Secretary of State Dean Rusk to propose that he arrange mid-week coffee sessions on the Hill at which top State Department officials could brief Congressmen on major issues. For most of us not on the Foreign Affairs Committee had little opportunity for such contact with our foreign policy makers.

These sessions continue today as one of the few vehicles for direct interchange between House members and State Department officers.

I have now two other suggestions that may be worth considering.

Why not build into the career pattern of every Foreign Service officer a brief stint of work for a Congressman and a Senator, preferably one who does not sit on the foreign affairs committees?

Patterned after the American Political Science Association fellowships, under which young journalists and college teachers serve for four months on each side of the Capitol, such a program could have two benefits.

Foreign Service officers, who after all represent not only the Department of State but the American people, would have a clearer understanding of, and appreciation for, the nature of the American constitutional system, the role of Congress, the syle of elected politicians and the issues of domestic life. Such an experience could provide particularly helpful when the officers are assigned to represent our country abroad.

Members of Congress, on the other hand, most of whom rarely see members of the Foreign Service unless on a foreign trip, would, hopefully, develop a keener sensitivity to the capacities and the necessity of intelligent, well-prepared Foreign Service officers.

A second modest proposition is that the State Department organize a series of informal evening seminars at which several Members of Congress not on the foreign affairs committees would hear assistant secretaries, country desk officers and others discuss key problems in our foreign policy and invite comment and criticism. For example, the able and respected Assistant Secretary of State for Inter-American Affairs, William D. Rogers, and his top counsellors on Argentina, Brazil and Chile could sketch U.S. problems in those countries and hear the views of Congressmen.

The legislators would unquestionably learn about matters on which they may have to vote and I have little doubt that the Foggy Bottom types would benefit as well.

Although not a Senator, I have already talked too long and I am fully aware that there are other vital aspects of our foreign policy which I have scarcely touched—the Middle East, our relations with China, Japan and the Soviet Union, our international policies on trade and energy.

THE LINK BETWEEN OUR PRINCIPLES AT HOME AND OUR POLICIES ABROAD

Yet I must take time to offer just one other lesson of Vietnam for the United States in the decade before us.

I speak of the urgent need to reestablish a relationship between the principles we espouse as a free society and the nature of the policies we pursue in the conduct of our foreign policy.

UMI

One of the reasons Franklin D. Roosevelt was so extraordinarily respected and admired by other peoples of the world was that they perceived him as seeking for the citizens of his own land the justice and freedom which he contended was the birthright of all mankind.

Over twenty years ago George F. Kennan with characteristic eloquence articulated this connection between the quality of life in America and the strength of our posture in the world.

Said Kennan:

"Now this problem of the adjustment of man to his natural resources, and the problem of how such things as industrialization and urbanization can be accepted without destroying the traditional values of a civilization and corrupting the inner vitality of its life—these things are not only the problems of America; they are the problems of men everywhere. To the extent that we Americans become able to show that we are aware of these problems, and that we are approaching them with coherent and effective ideas of our own which we have the courage to put into effect in our own lives, to that extent a new dimension will come into our relations with the peoples beyond our borders, to that extent, in fact, the dreams of these earlier generations of Americans who saw us as leaders and helpers to the peoples of the world at large will begin to take on flesh and reality."

At a time when "linkage" has become a fashionable word in foreign policy, we have, I fear, lost this more fundamental sense of linkage between the purposes of a free society and the purposes of our policies in the world.

It is being neither romantic nor unrealistic to insist that a recovery of the awareness of this vital relationship is indispensable to America's role in the world after Vietnam.

I remind you here, in the heart of Germany, that the North Atlantic Treaty is not simply the charter of a military alliance but that NATO was founded for an overriding purpose, in the words of the signatories to the Treaty:

". . . to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law."

There are at least two consequences of an insistence on the tie that binds the principles we espouse at home to the policies we press abroad.

The first is that in our dealings with other nations, we must be much more sensitive than we have been to their efforts to build the institutions of freedom and democracy for their own peoples.

The second is that we must renew and deepen our commitment to building a genuinely just and free society in our own country.

Here is where there is a role for you who graduate from Ball State University today, whether you go into public service or decide on a career in private life.

America needs, in the wake of Watergate and after Vietnam, educated men and women whose spirit is that of the greatest of leaders whom America has given to the world, Abraham Lincoln.

Wrote Lincoln: "What constitutes the bulwark of our own liberty and independence? It is not our frowning battlements or bristling seacoasts, our army and navy . . . Our defense is in the spirit which prized liberty as the heritage of all men in all lands everywhere."

DAR, 1975 CONTINENTAL CONGRESS: ADDRESS BY SECRETARY OF THE ARMY, HOWARD H. CALLAWAY, ON "TODAY'S VOLUNTEER ARMY"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD, Mr. Speaker, one of the great national patriotic organizations of the United States is the Daughters of the American Revolution of which Mrs. Wakelee Rawson Smith is president-general and Mrs. Lawrence R. Andrus is national chairman of the National Defense Committee. One of the highlights of its 1975 Continental Congress at Constitution Hall in Washington, D.C., was the national defense program on the evening of April 15 when Secretary of the Army, Hon. Howard H. Callaway, was the guest speaker.

Addressing the great gathering on the timely subject, "Today's Volunteer Army," he supplied interesting information on how the present Army of Volunteers compares with that under Selective Service.

One point of special significance was that in the draft Army of 1972 the enlisted force had 70 percent high school graduates whereas in today's volunteer Army there are 73 percent. Another was that the 1972 draft Army had 78 percent in three top mental categories but now the Army has 83 percent. He expressed the view that counter to many predictions the all-volunteer Army is making a better fighting force than the draft Army.

Because Secretary Callaway's address should be of wide interest, especially to Members of the Congress, I quote major portions of it as part of my remarks:

TODAY'S VOLUNTEER ARMY

It's truly a great experience to be here tonight—in this magnificent hall—to speak to the DAR. Your motto "home and country" is the very reason the Army exists. The national defense is not just guns, planes, and ships. It's measured in terms of national will and national resolve as well. Over the years the DAR has been a rallying point for the gathering of national will. In 1897 the DAR was asked to serve our fighting men by locating their unmarked graves, and you are continuing to serve our fighting men and their country in so many ways. And that's why it's so exciting to be here tonight . . . because we're just naturally partners in the same cause.

You asked me to speak on national defense—and I will. But national defense is a mighty large subject. So I think I'll break the current trend here in Washington—I'm going to talk about something I know about and stick to that.

And I'm going to break another long precedent. I'm not going to stand here and talk to you about the Army of 1776. Because you probably know more about the Army of 1776 than I do. I know—and you know—our Army has a grand and glorious past with a string of great victories and a perfect record in the won and lost columns of warfare. But I'd like to talk to you about the Army of today and tomorrow. I've been told that the DAR Constitution Hall stage just naturally brings out the poet and orator in speakers, but I think I'll save us both a lot of agony and tell you about the Army I know in the way I like to tell it.

I'm excited and anxious to tell you about today's Army . . . our successes and our failures. I'm going to talk about the contributions our young men and women in uniform are making in today's world and some of the exciting innovations which the Army is providing to challenge our soldiers—to train them—and to provide them with satisfying tours and careers.

It just goes without saying that we're living in a time that every part of the world is undergoing some kind of upheaval. You pick up the paper and the headlines jump out at you. A famine here—an overthrow there—alliances breaking up—old partners becoming enemies—old enemies becoming partners.

It's hard enough to make a reasonable estimate of the effect any one of these crises, disasters, or upheavals will have on the United States or world peace. It is harder yet to build an Army prepared for any one or a combination of the possible challenges—at any time—anywhere in the world.

Not only is the world in a state of restless agitation, but our own Nation here at home is undergoing a critical economic period. Quite often, the solutions required to resolve or improve internal problems seem contrary to the actions needed to meet our international obligations and defense challenges.

Our legislators are under great pressure to respond to the internal needs of the Nation—and rightly so. But we cannot allow the Nation to withdraw as a world power. First, because no modern industrial nation can prosper without access to world resources—and second—because, if we abrogate our responsibilities to world leadership we default to the Soviet Union. And that can't happen.

What's changed in the last few years? In just a few years? Well, we've moved from a period of confrontation, internationally, to a time of negotiation. We've moved from a wartime economy to a peacetime economy. As a result, we begin a reordering of priorities in our country—a reordering away from defense to other sectors of the economy.

Only four short years ago defense spending amounted to 10 percent of the gross national product. Today defense spending accounts for less than 6 percent of the gross national product. Twenty years ago, defense spending was twice that of all other Government spending combined. Today, that situation is exactly reversed—defense now receives less than half as much as the rest of the Government put together. Now that is a drastic change in just 20 years, and it's certainly a far cry from the accusations of our critics.

It's important that everyone recognise just how fast attitudes are changing in this country. The attitudes of the American people toward the Army have changed dramatically. You know the Army is very much like the policeman on our streets. The policeman doesn't make the law. He enforces it—under stringent control. Similarly, the Army doesn't make national policy. We execute it. Also under very stringent control. That's the American way. And that's the way it should be.

The Vietnam War was unpopular with many of our citizens. But popular or not, the Army has served with great pride. Our officers and men not only fought bravely, but they fought compassionately and with great restraint.

As a matter of fact, I can prove with some pride that the attitude of the American people toward the military is healthy.

Recently, the University of Michigan conducted a survey on how good a job they felt each, of a number of national institutions, was doing for the country. The United States military, as it turned out, was considered the most admired institution on how well we serve the country. Now that's quite an achievement. We're proud that the Nation realizes that we did not let it down.

The achievements of the all-volunteer Army is probably one of the most exciting success stories in the Army for the past 10 years. I don't mind telling you that the first orders to implement the all-volunteer Army were met with predictions of complete disaster inside and outside the Army. Most said it simply couldn't be done. Many felt that even if the all-volunteer force were achievable it would be an Army of rejects—or an Army of minorities—or any Army of urban misfits.

Well, they were all wrong. Not just partially wrong but totally wrong. Men with vision made the all-volunteer Army work. We are able to be a great deal more selective in our Army recruiting. Sure, the state of the economy has helped our recruitment but we are achieving our all-volunteer goals before our Nation was in serious economic difficulty. And I'm convinced that we'll continue to provide an all-volunteer Army even after the economy recovers.

The all-volunteer Army will survive in a strong economy because we can offer most of the opportunities of civilian life and we can also offer some opportunities unique to the service. The Army has a host of opportunities. The trend is away from young marriages, and many of our modern young men and women are taking time to explore life and mature before setting out on a specific path. How many of you know young men and women who don't know what they want? I mean even the super-youngsters—what I like to call the Jack Armstrongs of America . . . and the Jane Armstrongs too. Young men and women who have graduated at the top of their class—were the head cheerleader or captain of the football team—who could get into any college in the country.

These youngsters are bright. They don't feel rushed to check off the college diploma and the master's degree. We find that many of our finest recruits are taking a tour in the Army where they have a host of other great options available—just for the asking. They want to see and experience something different. They want to go somewhere . . . do different things with different people in a different environment.

They're finding out that the Army will treat them as individuals. They know from their friends that the volunteer Army requires a two-way contract. The incentive is simple . . . if the all-volunteer Army doesn't find rewarding work for a majority of young men and women, there won't be any more volunteer Army.

I know it's hard for most of you to picture a different Army. Many of you knew the old Army firsthand. Many of you supported your sons and husbands during their Army service. You know the stereotype.

In a draft Army just too many people took the position that the draftee was in the Army as a sacrifice to serve his country—and since he was there to sacrifice he might as well sacrifice to the maximum extent possible. And if he was used to warmer climates you sent him to Alaska. What better sacrifice could he make? If he liked cold climates, why then Panama was obviously the place where he could make a truly dramatic sacrifice. If he liked racing cars you made him a cook. If he liked to cook, what better place than the motor pool for a real sacrifice?

I know I'm exaggerating but some of that type thinking was carried into the 50's and 60's, however this time it was done scientifically. Through achievement testing. Now there was a great example of establishing job satisfaction. Under the scientific approach, we'd give each new soldier a battery of tests—somewhere between the time he got his GI haircut and the time he was issued the wrong-sized uniform.

We'd herd these soldiers into a huge room, rattle off some instructions, and let them decide then to tell their Army future by darkening lines on a machine graded paper.

You could be a master mechanic, but if you weren't good on machine testing, you'd be off to the infantry . . . while the guy who could take tests but hated the sight of oil went off to mechanic's school.

Well, I'm glad to say those days are over. A volunteer Army has to compete for talent with General Motors and IBM for talent and we're going to have to provide good training, satisfying jobs, and good living conditions.

As an organization of women, I'm sure you in the DAR would be interested in the role of the women in the Army. And I couldn't be happier to have an opportunity to tell you some of the exciting and rewarding opportunities we have for women in today's Army. I'm not talking tokenism—or whether it's appropriate to say Miss or Ms—although these are important. I'm talking about economic opportunity . . . leadership . . . challenge . . . and a competitive atmosphere—a place where talented women compete against men and other women for good paying jobs and leadership positions.

Here again we have to change an old perception and stereotype. Many people still retain the old and totally incorrect perception of the young WAC. She's homely—a runaway—a high school dropout—and the only reason she's joined the WAC's is to find a man.

Well, it wasn't true before and it's even less true now. First, I don't have to tell you there's been a dramatic change in the attitude of women over the past years. These modern gals want a share of the excitement in the world—some for a career—some for just a challenging "change-of-pace" before they settle down to homes and children.

Although times are changing rapidly, many educated young women go out into the job market, and the first question they normally get is "how many words a minute can you type?" In the Army, our clerical skills are usually asked for early, so we try to get our new women in the nontraditional female fields, such as communications, intelligence, surveying, mapping, interpreters. Only the combat fields are closed to women. She can't be a tanker, an infantryman, a combat engineer, or an artilleryman. But any other job in the Army is open.

Our young women—both officer and enlisted—are trained and placed in important jobs. If they have the rank and qualifications to be the boss—then they're the boss. All our young women are high school graduates. And in 1974, 92 percent more young women enlisted for Army service than had the year before. And I think that's just great. The women of our country have been an underused resource for a long time. And the Army is going to benefit by providing more opportunities for women.

We can and we must provide opportunities for our servicemen and women, but that doesn't mean that discipline is going out the window. It can't—and it won't. "Rag-tag" outfits dont fight well, and once more—no one wants to be part of a "rag-tag" outfit.

In the conversion from the draft Army to the volunteer Army, the entire relationship of the individual to the Army changed also. In the draft Army we'd capture a man for two years, pay him a small allowance—and get the most we could out of him for two years. In the all-volunteer Army—on the other hand—you have a contractural agreement. The Army agrees to do certain things and the soldier had better produce or we fire him.

If you think I'm fooling you, it might surprise you to know that we fired 10 percent of our new soldiers last year before they completed their initial training. Can you believe that? We told one out of every 10 young men and women during their training cycle, "I'm sorry, you don't meet our standards. Pack your bags and go home. No hard feelings, but you're just not what we want." We provide competitive wages and offer some tremendous opportunities, and we don't have to keep people who don't or can't give their country a fair return.

You know there's more to the Army than just the Active forces. The Army National Guard and the Army Reserve are a big portion of our Total Army and our total fighting strength. We're working hard to bring the Active Army closer to the Reserve Components.

There are many fine opportunities for extra money, training, and excitement in many of the National Guard and Army Reserve organizations.

If the American people are going to reap the full benefits of the all-volunteer Army improvements, our concerned citizens must change some of the old stereotyped perceptions of what the Army is all about. Revellie is gone. I assume you wives in the audience don't have to blast your husbands out of bed with a horn or a whistle and stand him on the front lawn to get him to work in the morning. Well, we don't either.

The volunteer force is working enormously well. It's a representative Army with all the good things in it we had in the draft Army. We can and are attracting good people. As a matter of fact, the all-volunteer Army is of better quality than the draft Army. Now that's hard to believe. But look at this evidence. In the draft Army of 1972 our enlisted force had 70 percent high school graduates . . . now we have over 73 percent. During the same period the percent of our enlisted force in the top three national mental categories climbed from 78 percent in the draft Army of June 1972 to where we now have over 83 percent. So you see, the all-volunteer Army is a reality . . . a working, fruitful reality . . . which is making a better fighting force for the American people.

I think the Army's role is to be ready—combat ready—well-disciplined, well-trained—to be prepared—so that our President can negotiate for peace while maintaining the necessary ground fighting options to enable him to negotiate from a position of strength.

You know it's the constitutional obligation of Congress to raise armies. The Congress represents the American people and the American people have the right and even the duty to make sure it has an Army that is strong, efficient, and productive. We can't just say the magic words "national security"—tell the Congress what we need and expect them to fund it. Congress would be letting you down if they didn't make sure that the Nation got the most defense and deterrence for every dollar you pay. Now the Army has to justify in detail virtually every kind of expenditure—not because the need is not valid—but sometimes because we simply were not believed. As you know, this is true of the other services and departments as well.

In my view the Army does not have the credibility with the Congress it deserves. To attain a healthy credibility with the Congress, there's only one course of action and that's to tell the truth—tell the whole story—tell it like it is—and get the bad news out just as fast you can. No cover-ups and no whitewashes. General Abrams, our late Army Chief of Staff, used to say, "In all my Army experience I've never known bad news to improve with age." And it doesn't.

As a matter of fact, we started a kind of catch phrase in our office a little while back to catch the spirit of the openness and honesty we must maintain with Congress and the American people. We call it the "Glad You Asked" attitude. Which means, quite simply, that the Army must conduct its business and activities in such a scrupulously honest and open way that if a reporter or a Congressman or anybody points a finger and says, "What are you doing with thus and so?", we can sincerely reply, "I'm glad you asked" because we're proud of the way we conducted ourselves or we recovered from a mistake.

We're going to make mistakes—some of them bad ones—but we're going to get those mistakes right out in the open. Tell the Congress—tell the people . . . "Hey, look here, we goofed, it was an expensive mistake, but this is what we plan to do about it." You'd just be amazed at the reception you'll get.

A short while back we were experimenting with a new helicopter and they briefed me on all the wonderful things this new helicopter would do. You know . . . all kinds of technical stuff I didn't understand.

UMI

But then they said the helicopter had to fit in the back of our big cargo planes. Well, I understood that. It had to fit in the box. That was clear. Well, several months later, the experts came back and told me everything was going great but there was one small problem. It was too big for the cargo planes. I thought "Oh, my gosh, all the money and it won't fit in the box." Well everyone wanted to keep the problem "hush-hush" but I said, "No, we're going to tell the Congress tomorrow." There was almost a great human cry. Tell the Congress. You can't do that. I said: "Tomorrow!" Well we told the Congress and you know what their attitude was? "How can we help?" Nobody accused us of stupidity—there were no recriminations. The attitude was simply what can we Congressmen do to help.

That's what honesty does for you. If you're open—you're honest 'til it hurts—if you act in good faith and make mistakes, but are open and honest. . . . America will have a better Army.

I'm truly glad you invited me here this evening. I hope that maybe I've changed some old opinions about what the modern Army is—and what it is not. This volunteer Army is a whole new ballgame. We've got to compete for our share of quality people. We are competing—we're offering opportunities for education and satisfying work. It's exciting to see what has been accomplished over just a few short years—to see the quality of young people the Army is attracting. Thank you for inviting me. I know that the Army has a strong supporter in the DAR, and speaking for our soldiers, we're just very grateful.

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

Mr. ASHLEY. Mr. Speaker, on February 4, I was not here because of illness when rollcall No. 11 was taken on passage of H.R. 1589, a bill to prohibit the administration's proposal to increase the price of food stamps to a flat 30 percent of the recipients' income. Had I been present, I would have voted in favor of the passage of H.R. 1589.

On March 14, because of a meeting with Federal Communication Commission officials, I was not here when rollcall No. 51 was taken on agreeing to the rule on H.R. 25, the proposed Surface Mining Control and Reclamation Act. Had I been present, I would have voted in favor of agreeing to the rule.

On April 9, when H.R. 4723, to authorize appropriations to the National Science Foundation for fiscal year 1976, was being considered, I had to temporarily leave the floor to attend the swearing-in of Otto Stoltz as Director of the New Communities Administration—an area of great interest to me as one of the authors of the Urban Growth and New Communities Development Act which set up the New Communities Administration, as contained in the Housing and Urban Development Act of 1970. Accordingly, I missed rollcall No. 108 which was on an amendment to require congressional approval of the promotion and marketing of curriculum programs by the National Science Foundation. Had I been present, I would have voted against this amendment.

On April 16 and 17, I was out of town attending the funeral of an old and dear friend. Had I been present for rollcall No. 121 on passage of House Resolution 46, to amend the Code of Official Conduct of the Rules of the House of Representatives, I would have voted for its passage.

With regard to H.R. 5901, to make fiscal year 1976 appropriations for education, on rollcall No. 122, I would have voted against the amendment to a previous amendment that sought to increase educational services funds by $137 million in lieu of $487.5 million; on rollcall No. 123, I would have voted for the amendment to increase educational services funds by $487.5 million; and, on rollcall No. 124, I would have voted for the amendment to prohibit HEW from issuing regulations to require integration by sex in physical education classes.

On April 17, the House took up H.R. 46, the proposed Youth Camp Safety Act. On rollcall No. 127, I would have voted against the amendment to narrow the definition of youth camps, and provide $22.5 million in grants to the States as incentive to initiate their own safety standards. On rollcall No. 128, I would have voted for the passage of H.R. 46.

On April 21, I was in Chicago to give a speech to the Urban Land Institute. Had I been present for rollcall No. 130, on the passage of H.R. 3787, to enable delayed highway construction projects in New York, Vermont, and Connecticut to proceed, I would have voted for the bill's passage. On rollcall No. 131, I would have also voted for the passage of H.R. 3130, to mend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements.

On April 22, I was undergoing a medical examination and missed rollcall No. 133 on the passage of H.R. 5541, a bill to provide relief to small businessmen by permitting the Government to terminate or modify fixed-price contracts if the small businessman, through no fault of his own, is experiencing significant unanticipated cost increases. Had I been present, I would have voted for H.R. 5541.

On April 23 I kept a longstanding appointment with two constituents and, as a result, missed 2 of the 16 votes taken on H.R. 6096, the bill to authorize funds for South Vietnam humanitarian aid and evacuation. On rollcall No. 143, I would have voted for the amendment to channel the funds authorized for humanitarian aid through the United Nations and private charities as far as that might be feasible. On rollcall No. 144, I would have voted against the motion that the Committee of the Whole rise.

TRUTH IN OCTANE ACT OF 1975

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

Mr. DINGELL. Mr. Speaker, today I am introducing, on behalf of myself and the gentleman from Massachusetts (Mr. CONTE), a bill which would provide consumers with the means to compare gasolines of differing octane quality—without confusion. Presently gasoline consumers are either not provided octane ratings or are confronted by octane ratings which are misleading.

This bill, the Truth in Octane Act of 1975, is intended to end the consumer confusion which results in wasteful octane overbuying. Octane overbuying is the use of gasoline of a higher octane rating than the engine needs. Octane overbuying has been the cause of:

First, the waste of 1 million gallons of gasoline energy per day;

Second, economic waste of 3 million consumer dollars per day; and

Third, environmental damage due to the dangerous emission of nearly 400,000 pounds of excess lead per day in the form of air pollutants.

Consumers have sought disclosure of the octane quality of gasoline since the 1930's. In 1974 three Federal agencies, the Federal Trade Commission, the Cost of Living Council, and the Federal Energy Administration, rushed to rescue consumers from the frying pan of ignorance. Unfortunately, the actions of these agencies resulted in a regulation which dropped consumers into the fires of confusion.

Instead of using the familiar research octane rating system that had been used in owners' manuals, advertising, and consumer literature for decades, at the suggestion of Texaco these agencies issued regulations—but did not enforce them—which use a new octane rating system. Under the Texaco-sponsored system, the number to be posted on gasoline pumps is on the average 4 octane numbers less than the research octane ratings to which consumers have been exposed for nearly 40 years.

Visualize the plight of owners of 1971, 1972, 1973, and 1974 model year vehicles—nearly 40 million vehicles. Virtually all of these model year vehicles were designed to run on 91 research octane gasoline—91 RON—or economy grade. A typical owner tries to follow the directions on the owner's manual which directs the use of gasoline "of at least 91 RON." Driving into a typical three-pump station the motorist would find, under FEA's regulations, premium of 100 RON posted at 96 octane; regular of 94 RON posted at 90 octane; and economy of 91 RON posted at 87 octane. The motorist would be misled into purchasing premium rather than economy grade because premium is the only grade "of at least 91" octane.

The Truth in Octane Act of 1975 introduced today is designed to avoid confusion resulting from the discrepancies between the Texaco sponsored octane rating system which has been accepted by FEA and the traditional research octane numbers.

The Truth in Octane Act of 1975 would prospectively require compatability between rating systems used in owners' manuals and on gasoline pumps.

The Truth in Octane Act of 1975 would provide consumers with a reliable index to the octane quality of gasolines offered in the marketplace. This disclosure legislation is consistent with the principles of the free market. For the free enterprise system to work properly consumers must be able to know both the quality and the price of commodities. For years consumers have known only the price of gasolines; now they also will know an important aspect of the quality of gasolines. Under this bill consumers would be permitted to make an informed choice in the purchase of gasoline. Without this legislation consumers will be condemned to choose in ignorance, wasting scarce energy resources and consumer dollars while adding unnecessarily to air pollution.

In 1969 and 1970 the Federal Trade Commission held extensive hearings on the subject of gasoline octane posting. I participated in those hearings through testimony and introduced H.R. 1649. At the conclusion of its proceedings the FTC found that:

> The failure to post minimum research octane ratings on gasoline dispensing pumps constitutes an unfair trade practice and an unfair method of competition.

The sad history of octane posting since that time is convincing evidence of the need for early and decisive congressional action at this time. First Texaco successfully suggested a change in the FTC regulation from posting of the research rating to posting of an average of the research and motor octane ratings.

Then, the National Petroleum Refiners Association—NPRA—successfully prevented implementation of the octane posting regulations through litigation which continues to this date.

Next, the Cost of Living Council repeated the experience of the Federal Trade Commission by adopting the Texaco formula. The Cost of Living Council did require postings on pumps for a few months at the end of 1973 but its regulatory responsibility for petroleum products was then transferred to FEA.

In February 1975 the FEA repromulgated the Texaco sponsored octane rating regulations inherited from the Cost of Living Council. However, according to an April 3, 1975, New York Times article, the NPRA will challenge FEA's regulation in the courts as well. I ask unanimous consent that the New York Times article be printed in the RECORD. Thus, the need is clear for congressional action to short circuit the dilatory maneuvers which have frustrated consumer demands for unambiguous and meaningful disclosure of gasoline octane quality for nearly 40 years.

Let us look at some conservative estimates of the effects of governmental failure to provide consumers with meaningful octane ratings in the 5 years since 1970.

Assuming the 5-year average to be one-half of the 1974 rate of octane overbuying, the following estimates result. Since 1970 the United States has wasted: 900 million gallons of gasoline energy or enough energy to provide the gasoline needs of 1 million families for 1 year; $2.7 billion, or enough money for consumers to purchase nearly 1 million new automobiles; and 365 million pounds of lead were emitted into the air, enough lead to produce 13 million new car batteries.

The significance of these estimates may be relatively minor compared to statistics we do not have. For example, what has been the impact of gasoline lead emission resulting from octane overbuying on the lead poisoning problem. The Environmental Protection Agency was so concerned about the impact of lead emissions on health that it promulgated a regulation calling for a 65-percent reduction in the use of gasoline lead additives by 1980. Yet octane overbuying has been estimated to contribute about 35 percent of all gasoline lead emissions. Without going into the merits of EPA's lead regulations, I think most would agree that any lead emissions that can be avoided, as would occur with the reduction of octane overbuying, would be most welcome.

While EPA scientists have not quantified the contribution of gasoline additives to the total lead poisoning problem, they believe it to be significant enough to have endorsed the octane posting principle and the formulation embodied in this bill. I ask unanimous consent that the letter from EPA to FEA to this effect be printed in the RECORD.

The following lead poisoning statistics from the Department of Health, Education, and Welfare show that lead poisoning is a national problem affecting the citizens of many of our urban areas. Detroit alone had 873 documented cases of children suffering from dangerously high blood lead levels—over 40 micrograms of lead per 100 millimeters of blood—in 1974. Here in Washington, D.C., the number was 2,410. A selection of 10 cities showed a total of over 12,000 cases:

NUMBER OF CHILDREN POISONED, FISCAL YEAR 1974

City:	
Philadelphia	1,106
Baltimore	811
Washington, D.C.	2,410
Savannah	466
Cleveland	1,460
Detroit	873
Chicago	3,192
Milwaukee	649
New Orleans	612
Norfolk	454
Total	12,033

It is my belief that this bill could put in the hands of motorists a tool by which they can save themselves money while conserving the Nation's natural and human resources at virtually no cost to the taxpayer. The Congress must require the disclosure of octane ratings in an unambiguous and meaningful manner.

I include the following:

ENERGY AGENCY CRITICIZED ON OCTANE-POSTING SYSTEM

(By Frances Cerra)

A Federal Energy Administration regulation requiring the posting of octane ratings on gasoline pumps is not being enforced, the Public Interest Campaign charged yesterday.

The campaign, an environmental group in Washington, also charged that even if the posting were enforced it would confuse consumers into buying gasoline with unnecessarily high octane. This would be true, according to Louis Lombardo, president of the campaign, because the Federal agency's rule specifies the use of an octane rating system that is different from the one long used in the manuals received by buyers of new cars.

Based on an analysis of gasoline consumption in the early part of 1974, the campaign maintains that the public is wasting $3-million a day buying gasoline with a higher octane rating than their cars require. This gasoline "overbuying," Mr. Lombardo charged, also contributes to pollution of the air with lead and to the waste of crude oil.

Mr. Lombardo is scheduled to meet with officials of the energy agency today to discuss a possible revision of the agency's octane posting regulations, which took effect on Feb. 5.

In supporting his charge that the posting regulation is not being enforced, Mr. Lombardo said in a phone interview that he had been present at a meeting where F.E.A. public affairs officials acknowledged that the agency's regional offices had been asking for guidelines on enforcement of the posting rule, but that none had been forthcoming.

Mr. Lombardo noted that the agency had not provided gas station proprietors with stickers on which to record the octane information, and that the regulation contained no penalty for nonposting.

"During the comment period prior to the final publishing of the rule, we proposed that there be a $50 fine for not posting," he said. "If there are no fines spelled out, how meaningful can the rule be?"

Repeated attempts to obtain comment on Mr. Lombardo's charge of non-enforcement from the agency's compliance division in Washington were unsuccessful yesterday. A spokesman for the agency's New York regional office commented, "Let's face it, if they [gas station proprietors] don't get a sticker from us, they'll wait for an inspector to come in before they put something up."

The octane rating of a gasoline is a measure of its anti-knock properties. Experts within the oil and auto industries and outside critics all agree that a car should be operated on the lowest octane gasoline that does not result in knocking, a rattling sound that pistons make when gasoline is being burned unevenly. Higher octane gasolines require additional refining and therefore are more expensive and consume more crude oil in production.

Under the octane rating system that was used for years by auto manufacturers in recommending the proper gasoline to new-car buyers, about 100 octane is premium gasoline, 94 is regular and 91 is subregular. These numbers are referred to as research octane numbers.

However, the F.E.A.'s posting rules specify an octane rating system that uses an average of the research octane number and the motor octane number, another type of measure. Under this system, premium gasoline is generally 96 octane, regular is 90 and subregular is 87.

If these numbers were posted as required, Mr. Lombardo said they would mislead the public because they are four digits lower than the research octane numbers. Thus, he explained, a motorist who had been told his car could run on 91 research octane would consult the posted average numbers and might conclude wrongly that the only gas with high enough octane would be the premium.

Mr. Lombardo says his organization believes that there is validity to using an average figure that takes into account the motor octane rating. But to make the average comparable to the better-known research rating, the group proposes adding four digits.

In explaining why the agency adopted the average rating system, Everward Marseglia, a staff attorney, said that the agency had "deferred to the expertise of the Federal Trade Commission," which in 1971 proposed an octane posting rule that would have employed the same system now embodied in the F.E.A. rule.

Donald O'Hara, president of the National Petroleum Refiners Association, which has opposed octane-posting proposals snice 1971, said he believed that adding four digits to the average would result in "a misrepresentation of the octane rating." Asked to comment on the charge that the public is overbuying gasoline, Mr. O'Hara said, "Gasoline is one of the few commodities you can buy and know in five minutes if it's good. If it's not, the car will knock."

The association is expected to file suit against the F.E.A.'s octane posting rule within a month.

The Public Interest Campaign's estimate that consumers are wasting $3-million a day on unnecessary high-octane gasoline is based on the fact that since 1971, almost all new cars have been designed to run on sub-regular 91 research octane gasoline. By early 1974, when an octane posting rule of the Cost of Living Council had been in effect for about two years, such cars should have accounted for about 45 per cent of those on the road, according to Mr. Lombardo. Yet sales of 91 research octane gasoline up to that time were only about five per cent of the total, he said.

In addition to being economically wasteful, overbuying results in the loss of an estimated total of 7,900 barrels of crude oil a day in the refining process, said Mr. Lombardo.

U.S. Environmental Protection Agency,
Washington, D.C., October 30, 1974.
Mr. Robert E. Montgomery, Jr.,
Acting General Counsel, Federal Energy Administration, Washington, D.C.

Dear Mr. Montgomery: First let me thank you for the Federal Energy Administration's participation in the September 27 meeting at which the Environmental Protection Agency, the Federal Energy Administration, the Federal Trade Commission and the Department of Defense met informally to discuss the status of gasoline octane designation systems and Federal octane posting regulations. As discussed at the meeting, the EPA wants to ensure that the consumer is given the information necessary to enable him to reduce octane overbuying. As you know, the consequences of overbuying include increased airborne lead emissions which can result in adverse health effects as well as an energy waste and a monetary loss for the consumer.

We support the intent of FEA to require that a designation of octane be posted on each gasoline pump. However, there is still some concern as to whether the posted octane value should be the antiknock index (AKI) which averages the Research Octane Number (RON) and the Motor Octane Number (MON) or some other formula. It is generally accepted that, compared to either RON or MON alone, the AKI is more technically correct over the current mix of cars and is, therefore, a more useful basis for an octane rating system. However, the posted AKI value may encourage octane overbuying since the AKI is typically four numbers less than the RON with which the consumer may be more familiar. For example, a consumer whose automobile operating manual states that a gasoline of at least 91 RON is required would typically see 87 AKI on the pump and, thus, may elect to purchase 96 AKI (100 RON) premium gasoline in order to supposedly comply with the manufacturer's recommendations. Since approximately one-half of the cars on the road contain owner manuals which recommend fuel octane in terms of RON, we feel that the posting of the AKI system may cause misunderstanding and lead to the purchase of gasoline characterized by unnecessarily high octane.

Several alternative octane designation systems are available. In addition to the historic use of RON and the recent use of AKI by FTC and FEA, other systems include: use of both RON and MON, use of a value equal to four numbers greater than the AKI (suggested by the Public Interest Campaign), and use of the symbol system developed jointly by the American Society for Testing Materials and the Society of Automotive Engineers. As we discussed in the September 27 meeting, each system has advantages and disadvantages. For example, the symbol system has the advantage of avoiding the confusion between RON and AKI which exists in the minds of some motorists as well as an inherent simplicity and understandability that can create a permanent octane awareness on the part of the public. However, only about 25 percent of the cars on the road contain a symbol fuel recommendation in their owner manuals, and so most owners do not have available a handy symbol reference to guide their selection of octane.

This limitation of the otherwise desirable symbol system can be overcome by a statement placed under the symbol declaring: "approximately equivalent to XX RON." This equivalency statement would be based upon the addition of four numbers to the minimum AKI value represented by the symbol. A symbol designation of 5 represents an AKI of 95; the addition of 4 numbers (AKI+4) would result in an approximately equivalent RON of 99. Since the difference between RON and MON is usually 8 numbers, the addition of 4 numbers to the AKI provides a reasonably accurate estimate of RON.

By combining the symbol with this statement of RON equivalency, the public can be introduced to this simple and easily recognizable octane designation while at the same time be provided with RON octane information that may potentially be used by owners of approximately one-half of the vehicle population to avoid octane overbuying. When most cars containing owner manuals with the RON recommendation are phased out of the vehicle population mix, the RON declaration could be discarded, leaving a simple system fixed in the minds of many motorists. We feel that this combined system has the potential to maximize an immediate reduction in overbuying while providing the basis for a simple and effective octane designation system.

While we will not request an opportunity to make an oral presentation at the forthcoming public hearing to be held on the proposed amendment to the Octane and Price Posting Regulation, we would like this letter to serve as a written statement and be included in the record of the hearing.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,

Alan G. Kirk II,
Assistant Administrator for Enforcement and General Counsel.

Mr. CONTE. Mr. Speaker, my colleague, the gentleman from Michigan (Mr. Dingell), has introduced a bill on our behalf with which I believe the rest of my colleagues will be able to agree. The Truth in Octane Act of 1975 would require the disclosure of the octane quality of gasoline purchased by consumers in plain and familiar terms.

Enactment of this bill would be a significant step toward the informed purchase of gasolines by the Nation's motorists. Studies have shown that, without meaningful and comprehensible information regarding the octane quality of the gasolines required by motor vehicles and dispensed through gasoline pumps, consumers are wasting money, energy, clean air, and the public's health and welfare.

I believe that Members from every State and both political parties, liberals and conservatives alike, can unite against waste.

The Truth in Octane Act of 1975 introduced today would enable consumers to match the octane requirement of their vehicle with the octane of the gasolines offered in the marketplace to achieve economy and efficiency. A motorist using gasoline with too low an octane rating risks damage to the vehicle's engine. A motorist using gasoline of too high an octane rating wastes money and energy and creates unnecessary air pollution.

The principles embodied in this bill have been endorsed by the President's Citizens' Advisory Committee on Environmental Quality. After 6 months of careful review the Advisory Committee described the proposal embodied in this bill in a letter to President Ford:

> It is one of those rare actions which cost nothing and will have immediate effect.

I ask consent that this letter to the President be printed in the Record.

I also ask unanimous consent that a farsighted editorial by WRC–TV which 1 year ago called for a resolution of the confusion over octane posting, be printed in the Record. This editorial indicates the need for legislative leadership in an area where the executive branch has been hamstrung.

The public is clamoring for effective leadership and government in the fields of economics and energy conservation. The Truth in Octane Act of 1975 could provide 100 million motorists with tangible evidence of effective government within months of congressional action. I urge that we place in the hands of motorists a tool by which they can begin to save as much as $1 each and every time they fill up with gasoline.

We are beginning to appreciate the fact that there is no panacea for the Nation's energy related economic problems. But there are building blocks which can be made into a coherent and effective national policy. The Truth in Octane Act of 1975 is such a building block. It appears to me that until those measures which can save consumers money and cut waste are enacted, the Congress will be hard pressed to defend policies which will be more burdensome to consumers no matter how necessary such policies may become in the future.

I include the following:

Citizens' Advisory Committee on
Environmental Quality.
Washington, D.C., January 20, 1975.
The President,
The White House,
Washington, D.C.

Dear Mr. President: At its last meeting, the Committee discussed a subject that has a direct bearing upon your efforts to stimulate energy conservation. It is one of those rare actions which cost nothing and will have immediate effect.

Major savings of energy could be achieved through improvement of current procedures for posting of octane ratings on gasoline pumps at service stations. This has been the subject of extensive controversy and confusion for several years, primarily because there are several different systems of octane ratings in general use. The current regulation, issued by the Cost of Living Council in 1973 and very poorly enforced, calls for the posting of an octane rating that is four numbers lower than the figure which appears in nearly half of car owners' manuals.

This discrepancy contributes to the widespread purchase of a higher grade of gasoline than is necessary for proper automobile operation. This in turn causes a substantial waste of scarce energy, an increase in toxic lead emissions, and the unnecessary expenditure of consumer dollars.

The Federal Energy Administration has for some time been considering a revision in the octane posting regulation. The Committee recommends that the new regulations be issued as soon as possible and that it include the following provisions:

(1) The octane rating should be conspicuously posted on all service station pumps.

(2) The posted rating should correspond with that which appears in the largest possible percentage of owners' manuals for cars now on the road (the proposal made by the Public Interest Campaign of Bethesda, Maryland, to the Federal Energy Administration that the posted rating be the "average number plus 4" appears to meet this criterion).

(3) Car manufacturers should be required to include in all future owners' manuals the figure corresponding to the posted rating. In addition, the Federal Government should launch an extensive public education campaign to reduce buying of unnecessarily high octane fuel.

The Committee believes that the implementation of these recommendations would produce major public benefits in the form of energy conservation, reduced lead emissions, anti-inflationary reduction of consumer spending, and improvement in the Nation's balance of payments. It would appear that most of the recommended steps could be taken in a matter of weeks and start producing benefits immediately thereafter.

The Committee stands ready to assist in efforts to encourage citizens to conserve energy by purchasing gasoline with the proper octane rating.

A copy of this letter is being sent to the Secretary of the Interior, the Administrator of the Federal Energy Administration, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency.

Sincerely,

Henry L. Diamond,
Chairman.

(WRC–TV Editorial)

Octane Rating

Federal rules and regulations require gasoline filling stations to display a sticker on each pump showing the octane rating of the fuel. Too many of them don't, or they are placed on only one side of the pump. Some stations have put up a paper sign that has faded or been washed away by rain.

Tougher regulations are needed with strict enforcement to protect the consumer.

But even with highly visible octane rating stickers—what you see is not necessarily what you get in terms of what your car needs to operate efficiently and economically.

The owners manual may recommend 91 octane, but another system called Motor Use Number says 84 will do. So the Federal Energy Office, in its wisdom, took the two figures, added them together, divided by two and came up with a rating of 87, and that's the one you see on the sticker, if you can find the sticker.

The motorist thinking he needs at least 91 octane, and not seeing it available buys the next highest quality, perhaps 94. He could have used 87, but he doesn't know that.

Millions of gallons of precious gasoline are thus wasted and hundreds of millions of dollars are thrown away in over-buying.

It is up to the Federal Energy Office to end this ridiculous confusion.

One further word. It won't make much difference if there are stickers or that the octane ratings are accurate if motorists don't continue their voluntary conservation of gasoline. Without that this area and the nation will be right back in long lines and restricted gasoline purchases within a very short time.

It is up to you—conserve or suffer.

GENERAL LEAVE

Mr. D'AMOURS. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks and include extraneous material on the subject of the special order today of the gentleman from Michigan (Mr. Dingell).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

DEPRESSION IN THE FOREST PRODUCTS INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

Mr. AuCOIN. Mr. Speaker, I would like to call the attention of my colleagues to the severely depressed economic condition of the forest products industry and to the implication this will have for our long term supply of wood products.

Residential construction accounts for nearly 50 percent of the softwood and 35 percent of all wood products in the United States. Unemployment in the wood products industry was 17.8 percent in January, and this industry ranked fourth among all industries in total number of workers unemployed. Some 291 Western lumber mills had curtailed production in early December, with 90 of them shut down completely.

I am concerned about what this means for the future of the wood products industry. The industry giants have capital reserves, extensive timber holdings and worldwide operations that offer them at least some protection against the periodic slumps in housing starts, but even for them, the future seems grim. For many small companies which lack these advantages, however, the end either has come or is approaching rapidly.

I find no intrinsic danger in largeness of firms, per se. But unless some answers are found, it is clear that we could face the same domination of wood product supplies that now exists for petroleum: Domination of the entire market by a few multinational giants. I do see danger in that development.

To emphasize the seriousness of the present situation, I enclose a profile of the current slump and its effects on western Oregon, much of which I represent in the Congress. The article, written by John W. Wilson, first appeared in the April 14 issue of Business Week magazine.

Oregon Lumbermen Really Feel the Pinch

(By John W. Wilson)

Tillamook, as anyone on the West Coast will tell you, is known for its cheese, a nippy cheddar made in the cooperative creamery set among the neat dairy farms just outside the city limits and sold by mail order all over the West. But this compact, rain-washed town of 4,000 has lately achieved a new notoriety: It and its surrounding county has had the highest unemployment in Oregon. One out of five is idle.

The reason is that cheese doesn't keep Tillamook going; wood does. And with a profound depression in the housing industry, the 42 sawmills, plywood plants, and logging operations on which Tillamook depends for its livelihood are in desperate straits. Wilson River Lumber and Oregon-Washington Plywood Co. have both closed down their mills. And Publishers Paper Co. has laid off about 100 men.

In a converted blimp hangar (the Navy once patrolled this coast during World War II) that Louisiana-Pacific Corp. uses as a plywood mill, the normal bustle of manufacturing continues. But manager Jack R. Harmon has already laid off half his 180-man crew, and it is a constant struggle to find the combination of customers, prices, and costs that will keep the mill going. "You can't just shut these things down and walk away from them," said Harmon, shouting over the hiss of the giant press that squeezes a foot-high stack of veneer into an inch-thick panel. "There are a lot of fixed costs that go on even if you're closed." The equation is simple. As long as Harmon can keep operating losses below those entailed by a shutdown, the mill will keep going.

Tillamook is admittedly something special: It has never managed to attract much industry outside the wood products business. Some of the larger lumbering towns such as Eugene, Grants Pass, and Albany, nestled in the inland river valleys, have managed to diversify enough over the years to cushion the housing downturns that periodically devastated the western part of the state. And Portland, which contains half of Oregon's work force, has developed enough machinery and electrical manufacturing so that unemployment is a relatively low 7%.

But the western part of Oregon, between the Cascades and the Pacific, produces about a fifth of the nation's lumber and plywood and thus is tied tightly to the housing cycle. Flying north from California to Portland, the whole region looks like one vast tree farm, an undulating green carpet of Douglas fir. Down in the south, the big Medford Corp., has sent home a third of its work force, while Fourply, a small veneer plant, shut down in November. Louisiana-Pacific converted its stud mill, which manufactures the basic structural members for house framing, to chip production for the pulp mills.

THE HOUSING SLUMP HURTS

Waves of layoffs and closures have hit the mountainous Douglas fir country around Roseburg and Eugene and have extended into the pine forests of eastern Oregon. At Oakridge, some 45 mi. into the Cascades from Eugene, Pope & Talbot, Inc., no sooner finished a $10-million sawmill than it had to cut production by 50%. About 300 jobs were eliminated—no small matter. The mill, a sophisticated "log-processing center" where incoming logs are scanned electronically and diverted to the sawmill, the veneer plant, or the chipper, is the only major plant in the area. As a P&T spokesman said, "We have the only piece of flat ground."

Sweating out a dip in the housing cycle is nothing new for Oregon's forest products industry. But this one has some wrinkles that make it seem to many operators the toughest since the 1930s. "I've been in this business for 27 years," says one hardbitten Tillamook mill boss, "and I've never seen anything that even resembles it in terms of depressed conditions." Ninety miles away in Portland, where most of the big forest products companies have their headquarters, executives complain that while lumber prices have dropped along with the housing market, costs have stayed high. "It's a double whammy," says Gene D. Knudson, president of Willamette Industries, Inc., which operates seven plywood plants and seven lumber mills in Oregon.

Energy costs have quadrupled in the last year for mills that burn fuel oil, and those that tried to switch to natural gas were hit with service interruptions. On top of that the mills are under orders from the state's tough Environmental Quality Dept. to either clean up the big conical metal burners used to incinerate wood wastes—or to get rid of them.

"And now the water quality people are looking at the runoff from our log decks," sighs Lee C. Simpson, vice-president in charge of Louisiana-Pacific's Western operations. The decks, the mills' raw materials inventory stacked in piles as high as 20 ft., are the source of tannic acid and other pollutants that rainwater leaches from the bark into streams and lakes.

The biggest cost of all, though, is in the prices lumbermen are paying for timber. Drawls Guy B. Pope, president of Pope & Talbot: "We go to sales and see prices triple and quadruple the already very generous price we had figured we could bid."

Although the price of Douglas fir two-by-fours never rose above $190 per 1,000 board feet even at the crest of the 1973 housing boom and is currently around $100 per 1,000 bd. ft., the cost of stumpage—the same 1,000 bd. ft. in the form of unfelled trees—is being bid up to $200 and more. In one recent U.S. Forest Service sale, a major source of timber in Oregon, Champion International won the right to harvest 3.3-million bd. ft. of timber in Mt. Hood National Forest at a price of $210 per 1,000. "We're never seen this before," marvels C. Glen Jorgensen, who directs timber management for the Forest Service's Pacific Northwest region from an office in Portland's Multnomah Hotel.

No one is quite sure why timber prices are so high, although naturally everyone in Portland has an opinion. "It's like any other commodity," says Louisiana-Pacific's Simpson. "The thing that moves the price is the amount offered." Maybe so. But Jorgensen points out that the national forests in his region auctioned 1-billion ft. more timber than was actually harvested in the last fiscal year. In other words, the timber has been bought and is being held, and some in the industry blame speculators who are counting on a housing market upturn.

HIGH-PRICED LOGS

Companies such as Weyerhaeuser Co. and Georgia-Pacific Corp., which own or control substantial stands of their own timber, are in relatively good shape because they can average the price of expensive market timber with that of their own low-cost logs and still make a profit. But companies such as Pope & Talbot have trouble. P&T counts on public lands to supply its Oakridge plant. Louisiana-Pacific, which was spun off from Georgia-Pacific two years ago—with relatively little timber of its own—has curtailed some 40% of its operations in the state.

The harsh economics of the forest products business are clearly at work at Louisiana-Pacific's pair of converted blimp hangars outside Tillamook. The company bought out the two small companies that ran the plants in 1973, pumped in $250,000 to modernize them, and ran them at capacity for a year. But the operation depends on open-market timber, normally purchased from state or federal forests and from the choicer logs cut by the big paper companies. As lumber and plywood prices began to fall last year, mill manager Gil Oldenkamp decided to build up his inventory of logs rather than cut them up at a loss. "Our biggest obstacle now," he says, "is that high-priced log deck. We have 12-million ft. of logs, about 8-million more than we should."

Despite the problems, Tillamook is hanging on, and things are even looking up. Midway Shakes, a shingle mill near the blimp hangars, recently started up after a long closure. And two hardwood mills are still operating. "This is not like Detroit," remarks Robert Almquist, the bearded young editor of the weekly *Headlight Herald*. "People here can often find work on a farm or a fishing boat." Most people, adds David Scheele, who runs the local employment office, "are hanging tough and waiting for spring."

TESTIMONY OF THE HONORABLE ROSCOE BOBO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, on Wednesday, April 23, Commissioner Roscoe Bobo, chairman of the Wayne County Board of Commissioners in Michigan, testified before the House Public Works Committee concerning H.R. 5247, authorizing a local public works capital development and investment program.

Although Commissioner Bobo speaks specifically to the bill's application to Detroit and Wayne County, I believe his comments reflect the concern felt across the country in areas hard hit by the current economic conditions.

I believe that my colleagues in the House will find his comments most enlightening, and hereby insert them into the RECORD for the information and study of the House:

TESTIMONY OF CHAIRMAN ROSCOE BOBO, WAYNE COUNTY BOARD OF COMMISSIONERS

Mr. Chairman and Members of the Committee: I wish to speak to you of the imperative need for immediate assistance to relieve the perils and the poverty in the Detroit area.

We are in the grips of the worst economic crisis in our community since the Great Depression.

While there may be forecasts of hope for recovery by some, the agonizing facts of the matter are that recovery is months, perhaps years ahead of us.

We need assistance now.

I believe that the legislation pending before this committee offers hope for this assistance and I appear today to urge you to approve it as soon as possible.

Every day of delay by the Congress will add days of distress for thousands of our people.

First, let me give you a measure of perspective on the dimensions of the problem in the County of Wayne. Our county is the home of two million, six hundred thousand people, and it includes the City of Detroit, with about one million four hundred thousand residents.

The counties bordering the County of Wayne—Macomb, Oakland, Washtenaw and Monroe provide homes for another two million residents. The economic plight in these counties is very similar to that in the County of Wayne.

Thus, while I do not represent the entire region officially, what I have to say applies to our neighbors as well. And because we are neighbors, the pains and the pressures in the core of Detroit are transmitted to those in the surrounding area.

Only recently, we frequently referred to "pockets of poverty" in our cities. These so-called "pockets" now can be more appropriately called—"prairies of poverty."

In the City of Detroit as a whole, there presently are 136,800 employable persons out of jobs. This is 23.3 percent of the work force in the city. In some sections, more than 50 percent of those available to work and willing to work are not employed. The rate of unemployment in this area has been at this level through last winter and there is no prospect that things will be any better in the immediate months ahead.

In the County of Wayne as a whole, including, of course, the City of Detroit, 16.2 percent of the total work force is not employed.

In the surrounding counties, the unemployment rate is about the same, so that in the five-county area, some 31[illegible],600 persons are out of work. Usually, they are clustered in low income areas.

Thus, throughout the area, what once were "pockets" now can better be described as "prairies." The size varies only with the location.

The impact on revenues of the county naturally has forced a series of curtailments that is aggravating the problem.

In our county government, we have placed a hold on new hires and on promotions and we are facing layoffs and other curtailments that will deprive citizens of needed services.

Our operations for years have been pared to the bone and we are now at the point of having to knick chips in the bone.

For example, the office space we provide the Department of Social Welfare of the State of Michigan as required by state law, is miserably inadequate. With mounting caseloads, the facilities provided are potential breeding places for discontent. Long lines. Long waits. A series of call backs.

More manpower is, in truth, needed. But that is not sufficient. More space and more accommodations are also essential. How does a county government in economic distress provide such facilities at a point in time when the need is urgent yet its revenue base is shrinking?

I have previously written to the members of the Congress who represent our area. In this letter I have stressed, as I do again here today, that there is urgent need for expanded public works funding.

By urgent, I mean right now. I strongly support the concept that legislation be passed immediately to make available funds whereby county and local units of government can get started on the preliminary planning, the design, and the other needed advance work. This would provide jobs for many unemployed draftsmen, for architects, and for related craftsmen who must do the desk work that always precedes construction.

In Wayne County, we are already into some of that work in connection with one of our most urgent building needs—two new county jailhouses.

We have been plagued for years by a jail structure that is obsolete. We have spent three million dollars in three years to comply with court orders for improvements—but there is no way the building can be made to meet the standards of the State Penal Code of the Michigan Corrections Commission.

Were we to have assurances that federal funding would be available, we could begin within weeks to build two jails—one in downtown Detroit and one in the suburban area. Our last estimate was that about $35 million would be needed for these jail structures.

We need court facilities. The preliminary design of a proposed building for these activities was published only last week. Until the funds are made available, however, that building will remain an architect's sketch only.

We need proper facilities for our county medical examiner. Four years ago, we employed one of the outstanding authorities in the nation to modernize our methods in our morgue. But his success has been hampered because the facilities in which he functions are a half-century old.

These are only highlights of our construction needs.

I cite them as examples of projects we are ready to build, or need to design and build.

These are types of projects we in Wayne County could launch under terms of the proposed bill. The bill would achieve the objectives of providing both needed facilities to improve our community and employment to improve the economy.

Let me stress three major points.

1. Early action in the Congress is critically important.

2. The County of Wayne is ready to get into action—and I'm sure this is true for most local and county units of government.

3. The impact of improving our economy by providing employment would be immediate.

I clearly recognize that the proposals we are talking about today would not be a quick-cure for all of our economic ills. Nevertheless, the provisions would provide a measure of relief—both economic and psychological.

And believe me, ladies and gentlemen, we want to do everything and anything we can to relieve the distress, and the poverty, and the tension that are the unhappy by-products of a depression economy.

I believe the members of this committee and of the Congress share this desire with those of us at the county and local levels of government.

I urge you to act out of this desire and to provide people of our nation with this investment in our future. We need it now. Delay will only aggravate the problem.

In concluding, let me stress two vital factors.

First, by investing dollars in needed building construction, there are provided both facilities of lasting value and an immediate ripple effect on the economy. A substantial part of the dollars spent for such construction goes into the pocketbooks of a labor force which in turn passes this money on to retailers, to banks, to loan companies, and to others. This kind of stimulant is of great value to a depressed economy like that in and around Detroit.

Finally, it is essential that this legislation provide for the least possible degree of bureaucratic entanglement. I urge the least possible amount of bureaucratic entanglement. The need for an early flow of the economic energy dollars will furnish is great. Therefore, I urge you to place the clearly established rules whereby the funds can be quickly released.

We in Wayne County are committed to making the best possible use of these dollars. We will keep that commitment if the Congress will act soon.

SUPPORT OF ISRAEL IS DEEP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

Mr. PHILLIP BURTON. Mr. Speaker, I wish to call to your attention and to the attention of all my colleagues the article authored by Louis Harris, the public opinion analyst, which appeared in the New York Times Magazine of April 6 and authoritatively refutes the myth that support for Israel has eroded in the United States.

Mr. Harris' survey, completed in January of this year, clearly indicates that support for Israel is deep and wide in the United States and that most Americans are unwilling to make Israel the victim of the "game of Arab oil blackmail."

The article follows:

OIL OR ISRAEL?

(By Louis Harris)

There is a deep and disturbing counterpoint to Henry Kissinger's flying diplomacy (now grounded) in the Middle East. It is the feeling here at home—and particularly among the Eastern Establishment—that the traditional American support of Israel is crumbling and that anti-Semitism may be on the rise. Put somewhat differently, in the prospective trade-off between the need to get along with the oil-rich Arabs and sympathy for the Jewish state, the Jews are going to be the losers.

The sentiment is expressed in many other ways. A prominent Eastern newspaper publisher, who is Jewish, remarked: "Most Americans are practical and pragmatic. They are not that principled. And when they become convinced that we must get oil from the Arabs, they'll say, 'The Jews be damned.'" A leading doctor, also Jewish, had a more apocalyptic vision: "I'm not even religious, nor have I been that enamored of Israel. But now I think that if Israel goes down the drain, it will be followed by pogroms against the Jews in every Western country, including this one."

This apprehension, this deep distrust of the world about them is characteristic of the way many Jews see the present situation. And it must be said that they can find reasons for their fears. During a recent conversation, a top executive of an oil company in New York City summed up his view of the current scene: "The balance of power in the world has passed into new hands. Israel is going to be lucky to survive. The old voting power of Jews in America is going to give way to a new realization that Arab oil power is a price America must both reckon with and ultimately compromise with, even if Israel has to go."

A highly publicized variant of this view was offered by Gen. George Brown, the chairman of the Joint Chiefs of Staff, during an informal talk at the Duke University Law School. He said that if Americans suffered enough because of the energy shortage "they might get tough minded enough to stop the Jewish influence in this country and break that lobby." And then, rather mindlessly, he went on to say that the "Jews own the banks and the newspapers in this country. Just look where the Jewish money is." General Brown was scolded by President Ford; he apologized and the matter was dropped. When Jewish organizations threatened to demand his removal, they were persuaded to hold back on the grounds that forcing the general out would be taken as proof of the power of "Jewish influence" at the highest levels.

Others have pointed out the obvious misconceptions behind General Brown's remarks. There also seemed to be a series of linked underlying assumptions: Israel's reputation in the United States was built on its military success. The life-line for Israel was American military assistance. The more the Soviet Union poured arms into Egypt and Syria, the bigger the United States build-up in Israel. As former Senator William Fulbright remarked several times, the pro-Israel Jewish influence in Washington was so great that it could command as many as 71 out of 100 members of the United States Senate. Thus, Jewish voting power, strategically located in pivotal states, such as New York, California, Illinois, Michigan and Pennsylvania, along with Jewish money in political campaigns, provided the political muscle to guarantee unlimited American backing for Israel.

But now, the argument goes, things are different. The myth of Israeli military invincibility has been shattered. Israel did not win the Yom Kippur War in 1973. With its traditional air-power supremacy blunted by Russian missiles in the hands of the Egyptian and Syrian Armies there was a stand-off. At the same time the Arab stereotype has changed. No longer could they be seen as backward sheiks garbed in white sheets and living in desert tents. They control a large part of the world's most precious raw material—oil. And the American people have to come to terms with this new power or find themselves in the deepest trouble for lack of energy. Finally, the relentless Jewish effort to keep in touch with the power centers in Washington is beginning to backfire.

Indeed, the failure of Kissinger's mission was underscored by President Ford's statement, made less than 24 hours after Kissinger's return, that if Israel "had been a bit more flexible . . . it would have been the best insurance for peace." The Administration stressed that the time had come to reassess American policy, though Kissinger was quick to point out that "punishment of a friend cannot be the purpose"; nor would he publicly affix blame on the Israelis or the Arabs for the collapse of the talks. Nevertheless, a sensible inference was that Ford, who needs a conspicuous success in the international field for his own political well-being, did blame the Israelis and was angry at them. It is also possible that he misjudged American public opinion on the matter.

Taken together, the cumulative effect of the events of the last year and a half seem to have produced three main conceptions in many American minds: (1) Jewish power could well be eroding in the United States, accordingly weakening the life-line to Israel; (2) traditional Israeli intransigence would no longer be tolerated; (3) with the decline of sympathy for Israel and the growth of Arab power, a spate of anti-Semitism could well break out in the Western world.

The trouble with almost all of this is that it simply doesn't square with prevailing public opinion in the United States. And the single group which most underestimates the pro-Israel sentiment in this country and most overestimates the possibility of the anti-Semitism is none other than the American Jewish community. Instead of slipping away, support for Israel is now at a record peak. A recent Harris survey indicates that 52 per cent of the public now sympathizes with Israel, up sharply from the 39 per cent who felt that way in 1973, right after the Yom Kippur War. By contrast, 7 per cent of the American people expressed sympathy with the Arab side in the Middle Eastern conflict. A national leadership group drawn from government and politics, business, labor, communications, education, religion, and voluntary organizations was 56 per cent in sympathy with Israel, while only 5 per cent supported the Arab cause.

Later this year, Congress must decide whether to give Israel $1.8-billion in military aid, a much higher sum than that country has ever asked for before. American public opinion has not always favored sending military assistance to Israel. Back in 1967, when Israel was rolling up its smashing victory of the Six Day War, a 39 per cent to 35 per cent plurality of the public opposed sending military aid. During the 1973 war, opinion shifted and a relatively narrow 46 to 34 per cent plurality supported aid.

But now, even as the myth of Israel's invincibility has lost its hold on the public, support for sending weapons to Israel has grown enormously. A rather lopsided 66 to 24 per cent majority favors sending Israel what it needs in the way of military hardware. (Some have suggested that the very size of this margin might tempt the Israelis to bypass the Administration and take their case, no doubt ill-advisedly, to the public and the Congress directly.) This is all the more remarkable in view of the decisive 65 to 22 per cent majority who oppose this country's giving military aid in general and the 74 to 17 per cent who oppose sending any more military assistance to Vietnam.

These findings about the attitudes of Americans towards the Arab-Israeli conflict and toward Jews in the United States came from a survey that was finished by the second week of January. Two major groups were interviewed: First the public, in the form of a representative national cross section of 3,377 adults, including a number of Jews; and, second, the leadership community, a total of 491 persons who are opinion leaders in such areas as business, government, religion, education, labor and communications.

The obvious conclusion to be drawn from the survey is that when Israel is seen as a tough, cocky Sparta, the top military power in the Middle East, most Americans feel little sense of urgency to send aid. But when Israel appears to be the underdog, alone and surrounded by hostile Arabs, then a better than 3 to 1 majority wants to send military aid. (In passing, I should point out that only 34 per cent of the public is confident that Israel would win another war.) Thus, Israeli leaders who think the world always wants to ride with a winner may be sorely underestimating the compassion of the American people for the underdog. Of course, there are other reasons for this overwhelming support for military aid for Israel (which rises to an even higher 75 to 13 per cent majority among the leaders). One is a persistent worry about the Russians and their arms. As a mechanic in Youngstown, Ohio, put it: "I hear the Russians have sent the Arabs all their latest planes and missiles. So we better do the same or Israel will be wiped out, and Russia will take over the whole area."

It must be said that only one out of four Americans would approve sending American troops to the Middle East even "if Israel were being defeated by the Arabs," and there are some who will find this a very distressing figure. But this is a very remote scenario and the Israelis have always insisted that they would never ask for troops. The reluctance to send troops should not be taken as a sign of an erosion of American support for more military aid for Israel. To the contrary, there is every sign that such backing is at a peak.

Despite all that has been said about it, neither the public nor the leadership group seems particularly disturbed about Israel's so-called intransigence in the Middle East peace negotiations. A solid majority of the public and 77 per cent of the leaders feel that the current Government of Israel is "reasonable in wanting to work for a peace settlement." It should be added that the Egypt regime is also felt to be "reasonable" by a 2 to 1 majority among the public and a 4 to 1 margin among the leadership group. In fact, there is little demand from American public opinion that Israel be persuaded to give back the territories it has occupied since the 1967 war. The heavily prevailing view at all levels is that "Israel has helped develop occupied Arab territories and will work out a fair way for the Arabs to rule themselves in their own territory." A 55 per cent majority of the public is opposed to America's pressuring Israel to hand back the occupied areas, and a wide 65 to 14 per cent majority is against Israel's "giving up occupied Palestinian Arab territory and letting P.L.O. leader Yasir Arafat rule it."

Indeed, neither Arafat nor the P.L.O. is held in high regard by the public. Arafat's appearance before the United Nations met with a negative response of 50 to 30 percent. Compared to last summer, the majorities that see him as "an extremist who conducts terrorist activities" and "responsible for the slaughter of innocent children" have grown in number. Yet Arafat is gaining ground as the recognized leader of the Palestinians (up from 19 per cent to 35 per cent in 6 months), and there is no strong feeling among either the public or the leaders that he should be barred from the Geneva peace talks if they ever take place.

The reasons people think Arafat ought to have a seat at Geneva are interesting and reflect an underlying cynicism about world politics. It is a cynicism so widespread that it is becoming hard to find majorities of Americans who are ready to condemn aggressors. The head of the P.L.O. is seen as being only a cut below many of the other figures who might be seated in Geneva. Moreover, Americans have become used to seeing Secretary of State Kissinger holding cordial negotiating sessions with all kinds of previously hostile leaders: Brezhnev, Mao, the North Vietnamese and every shade of Arab potentate. Why shouldn't Arafat sit in at Geneva, the reasoning goes, even if the P.L.O.'s acts of terrorism are despicable?

In the complex web of concerns that make up the Middle East problem, there is one that dominates all others in the mind of the American public. It can be summed up in a statement from our recent survey: "Arabs are getting rich on our dollars, and as a result we and the rest of the world are suffering bad inflation and economic hardship, which is wrong."

Since last fall, a massive backlash against foreign oil-producing countries has formed in the United States and it now colors nearly all other American views. When asked to name the leading cause of inflation, 76 per cent of the public singled out foreign oil-producing countries. When asked to account for the recession, 63 per cent pinpointed "Arab oil producers." Fully three out of four Americans blame last year's oil shortage on the Arab embargo, while two out of three blame the Arabs for the rise in the price of oil. With a kind of indiscriminate intensity, the American people attribute their energy troubles, as well as their general economic woes, to oil—and to most, oil means "the Arabs."

But even as they appreciate the spectacular increase in the wealth and power of the Arab world, the American people remain firm in their support of Israel and determined to maintain this position. A 68 to 20 per cent majority rejected the notion that "we need Arab oil for our gasoline shortage here at home, so we had better find ways to get along with the Arabs, even if that means supporting Israel less." The percentage that rejected this argument last summer was only 61 to 23.

The response to the pivotal question in the entire survey was profoundly illuminating. The question was this: "If it came down to it and the only way we could get Arab oil in enough quantity and at lower prices was to stop supporting Israel with military aid, would you favor or oppose such a move by this country?" A 64 to 18 per cent majority of the public, which contains only 3 per cent Jews, came down decisively against abandoning Israel to get enough oil. An even higher, almost unanimous 93 to 5 per cent majority of the leaders expressed the same view. Yet, when a special national cross section of 567 Jews was asked how non-Jews in America would feel, by 45 to 34 per cent, the Jews were quite sure that they would opt for oil, not Israel.

It is clear that most Americans are unwilling to make Israel the victim of what many feel is a "game of Arab oil blackmail," as one United States Senator put it. There is little doubt that the Arabs have badly miscalculated American public opinion in this country. This is not to say that the public favors the use of force to take over the Arab oil fields. A 58 to 25 per cent majority opposes this. But that is beside the point. With the exception of Egypt's President Sadat and Jordan's King Hussein, Arab leaders, including the murdered King Faisal of Saudi Arabia, are now viewed as foes of the United States and are highly unpopular. Sadat is a familiar figure to 55 per cent of the public, more than know most Democratic candidates for President, and 69 per cent have a favorable view of him. He is one of the few bridges the Arab world has to the American public.

Though opinion in this country has deep reservations about the Arab world, it does not accept Israel uncritically. Americans feel that the Israelis have taken American support for granted too easily. A majority of 62 per cent to 24 per cent and only a slightly smaller majority of 56 to 36 per cent of leaders believe that "Israel is friendly to the United States because it wants our military supplies." Even more damaging is the 48 to 33 per cent plurality of the public which holds that "Israel seems to feel the United States will back them up, no matter what they do." The leaders deny this, but the difference is only marginal.

If Israel projects the view that it takes American aid for granted, there is certain to be a serious erosion of votes in the Congress during the military aid debate in the coming months. An Israel which appears to shun all peace efforts and boasts of its military power could well be told to find its backing elsewhere. In sharp contrast, an Israel which appeared eminently reasonable about negotiations can easily make its case for continued military aid. At the moment, Israel is benefiting as much from anti-Arab sentiment over oil as from pro-Israeli feeling in its own right.

The extent and depth of support for Israel may come as a surprise to many, but the most surprised group of all will be American Jews, who now seem totally possessed of a doomsday vision of what will happen to Israel and what might happen to Jews in this country. A prominent Jewish lawyer in Chicago put it this way, "Senator Percy is known for having his ear to the ground. When he made all those friendly remarks about the Arabs, he could see the handwriting on the wall. Don't kid yourself, the fact that Arabs have oil power is changing everything. Combined with the recession, you'll see Jews not being hired and I wouldn't be surprised to see middle America blame the whole economic mess on the Jews before it is all over."

Let us return to the case of General Brown. By 45 per cent to 42 per cent, most Jews felt that non-Jews thought "it was proper and right" for the general to say what he did. Yet, when non-Jews were asked about the general's statements, by 61 to 19 per cent, a solid majority—and an even higher 78 to 15 per cent of the leadership—said Brown's comments were "improper and wrong."

But this discrepancy is only the beginning. Where American Jews really take off into flights of fantasy is on the subject of anti-Semitism itself.

It can be argued that people may say one thing and really believe another when it comes to such delicate matters as racial and religious prejudice, and anyone who looks closely at public opinion must take this into account. In the case of Jews and non-Jews, the Harris survey took steps to deal with the problem. An attempt was made to match Jewish interviewers with Jewish respondents and non-Jewish interviewers with their counterparts to reduce as much as possible any hesitation among non-Jews to express anti-Semitic attitudes or among Jews to express their perceptions of anti-Semitic attitudes.

There is evidence that the exercise was useful. Compare these Jewish estimates of non-Jewish attitudes with the facts of the matter: 62 per cent of all Jews hold the view that non-Jews think "Jews are irritating because they are too aggressive." Yet, no more than 31 per cent of the non-Jewish public believes this. Fifty-two per cent of all Jews think non-Jews feel that "when it comes to choosing between people and money, Jews will choose money." Only 32 per cent of the non-Jews actually feel that way. This same pattern could be repeated on a whole list of attitudes. For each, Jews vastly overestimate the hostile feelings of non-Jews.

If we total all the unfavorable stereotypes, it can be estimated that 31 per cent of the non-Jewish public in the United States hold attitudes about Jews which can be described as anti-Semitic. This is not a small number and it certainly confirms the fact that anti-Semitism is very much alive. Indeed, trend measures indicate that there has been a marginal rise in anti-Jewish feeling from 28 per cent last year. However, when Jews were asked to estimate anti-Semitism, a much

higher 56 per cent estimated that non-Jews held prejudiced views about them.

The inescapable conclusion is that American Jews have somehow lost touch with the reality of where anti-Semitism really is. The dangers in this major miscalculation by the Jewish community are many. It could mean that American Jews may be consistently ignoring their natural allies in the fight against anti-Semitism. It could also mean that they are serving Israel poorly by automatically assuming hostility to Israel when rather powerful support actually exists. Most importantly, American Jews could well be giving an impression of such insecurity that they are inviting the hostility they fear.

All minorities tend to think things are worse for them than they are. It is part of the survival mechanism and is understandable in human terms. But in today's climate of opinion, American Jews have vastly overestimated their own problems as well as the precariousness of Israel's position. What we have found is that support for Israel is deep and wide among non-Jews, and anti-Semitism is holding at traditional levels. This may be no great consolation to the American-Jewish minority, but it is hardly a prelude to holocaust.

GENERAL REVENUE SHARING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

Mr. FOUNTAIN. Mr. Speaker, at the request of the administration and jointly with the gentlemen from New York (Mr. HORTON and Mr. WYDLER), I am today introducing legislation proposed by the President to extend and revise the State and Local Fiscal Assistance Act of 1972. The present act, which authorizes a program of general revenue sharing with our State and local governments, expires at the end of 1976; the President proposes extending it, with minor changes, for an additional 5¾ years at a total cost of $39.85 billion.

Mr. Speaker, the Intergovernmental Relations and Human Resources Subcommittee, which I chair, has been assigned the legislative responsibility for this measure which previously was exercised by the Ways and Means Committee. This responsibility, in my judgment, is a very heavy one, both because of the fiscal importance of revenue sharing to the States and their political subdivisions and the impact of this program on the Federal budget.

The subcommittee plans to make a careful, thorough, and objective review of the functioning of the present program when it studies the various changes proposed by the President and by those Members sponsoring other revenue sharing bills.

As a means of preparing for the consideration of these bills, the subcommittee will hold hearings within the next few months on the manner in which State and local governments are financed and the factors that contribute to their fiscal problems. While I personally favor the revenue sharing concept, I believe the subcommittee has an obligation to be well informed about the fiscal needs and resources of all levels of government if it is to formulate an effective and efficient program to assist local and State governments to meet their pressing problems.

I think it is widely accepted today that the maintenance of a strong and balanced federal system, a principle to which our Nation is committed, requires that each governmental level have available to it adequate resources to perform those functions for which it is responsible. Our task, then, in designing an optimum revenue sharing mechanism is to match resources with needs in a practical program that is equitable, efficient, and responsible. This is a difficult assignment, but one which I am sure the subcommittee and the Committee on Government Operations will work diligently to accomplish.

Mr. HORTON. Mr. Speaker, since the beginning of this Nation, our federal system has been a bulwark against one level of government obtaining a stranglehold on any other level. The people of this Nation have, on many occasions, demanded that government of the people must also be government by the people.

In 1972 the Congress made a giant step in guaranteeing that the proper balance between the Federal and State and local governments would be maintained when it enacted the State and Local Assistance Act of 1972, more commonly known as general revenue sharing.

It is a great pleasure and privilege for me today to join with the distinguished chairman of the House Intergovernmental Relations Subcommittee, Mr. FOUNTAIN, and the ranking minority member of that subcommittee, Mr. WYDLER, in introducing, by request of the administration, the State and Local Assistance Act of 1975, a reenactment proposal for general revenue sharing.

Since the original enactment of revenue sharing, State and local governments have shown their diversity and wisdom by their allocation of revenue sharing funds. The Office of Revenue Sharing reports on the use of the funds show that the money has been used for everything from capital spending projects to general operating expenses for the purpose of stabilizing property taxes.

Revenue sharing has its critics, and the use of some of the revenue sharing funds is the source of some of this criticism. But it appears that the basic concept of the program has gained wide acceptance.

For my view, revenue sharing represents the first major adjustment in the fiscal stability of our Federal system since the income tax was enacted.

During the reenactment hearings in both the House and Senate, there will undoubtedly be recommendations for altering the formula by which revenue sharing money is distributed. Some of these recommendations will have merit and should be considered. It will be up to the Government Operations and the other responsible committees of the Congress to balance these recommendations with the basic philosophy of the program so that the benefits which have been developed at the State and local level are not lost.

Mr. WYDLER. Mr. Speaker, each Congress inevitably brings with it a series of well-intentioned proposals which, if enacted, would concentrate more power in the central Government of the United States. Whether it be the creation of a new agency, or a new series of Federal rules, the end result of a substantial portion of legislation the Congress considers is a stronger domination by Washington of State and local automony.

Because of the history of much of our legislative activity, it is with particular pride and gratitude that I rise today as a chief sponsor of the State and Local Fiscal Assistance Act of 1975, a bill to reenact general revenue sharing.

On Friday of this past week, President Ford announced the administration's proposal for extension of the general revenue sharing program. The contents of that proposal are contained in the bill we are introducing today.

For the benefit of our colleagues in the House, I think it would be helpful to briefly outline the major provisions of that bill:

The basic revenue sharing formula is retained.

Funds will be authorized for 5¾ years. The effect of this provision is to conform the time period to the new Federal fiscal year.

The current method of funding with annual increases of $150 million will be retained to compensate, in part, for the impact of inflation. Over the 5¾ years, this level will produce a total distribution of Federal revenues of $39.85 billion. By the final year, the revenues shared will have increased by $937 million over the current level of payments.

To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been discriminatory.

This change will further enhance the Secretary's ability to insure that none of our citizens is denied, on grounds of race, color, sex, or national origin, the benefits of any program funded in whole or in part through revenue sharing.

To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing moneys.

The administration proposal would also make reporting requirements more flexible to meet varying needs from community to community.

Mr. Speaker, our Federal system has withstood many challenges. Through times of international and domestic turmoil, there have been pressures to center more and more power in the Federal Establishment. The growth of the Federal Government has not brought with it the stability and certainty that some would have us believe.

It was my belief during the original debate on the general revenue sharing bill in the 92d Congress, and it remains my

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belief today, that the best way to improve the delivery of services to the American people is through a strengthening of State and local government's capacity to perform.

General revenue sharing is the strongest means by which to accomplish this.

As the ranking Republican on the House Intergovernmental Relations and Human Resources Subcommittee, I look forward to a close working relationship with our distinguished Chairman Fountain. I am confident that through our combined efforts we will provide a bill for the President to sign which will continue the great progress of the revenue sharing program.

GENERAL LEAVE

Mr. D'AMOURS. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks and include extraneous material on the subject of the special order today of the gentleman from North Carolina (Mr. Fountain).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

FMHA BASE MORTGAGE INTEREST RATE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, I am today introducing legislation to require the Secretary of the Treasury to establish a base interest rate for Farmers Home Administration mortgages every 60 days, instead of annually as presently required. The purpose of the bill is to insure maximum flexibility of FmHA mortgage interest rates so that the public may obtain these mortgages at rates that are applied to nearly all other types of Federal housing loans.

Currently, under the Housing Act of 1949, the Secretary of the Treasury annually determines a base interest rate below which FmHA mortgage may not be lent to the public. During the year, the Secretary of Agriculture, whose department administers FmHA mortgages, has the authority under this act to increase the mortgage rate below the base rate, but he may not lower the rate below the base.

In July 1974, Secretary Simon established the base FmHA interest rate at 8.125 percent. In the months since last July, Agriculture Secretary Butz has exercised his authority and raised FmHA interest rates to as high as 9.5 percent.

Currently, however, Secretary Butz has lowered them to the base of 8.125 percent. Whereas the legislation I am introducing today does not deal with Secretary Butz's authority to alter the interest rate upwards, the Secretary's actions of dramatically changing the interest rate in the last several months show that national economic conditions can change radically in a brief period of time. By allowing only an annual reevaluation of the base rate, FHA mortgage rates can be arbitrarily trapped above a base rate not reflective of current economic conditions.

As a rule the FmHA has used the interest rate of mortgage loans from the Department of Housing and Urban Development as a guide for establishing FmHA mortgage rates above the base. HUD mortgage loans are currently being lent at an 8.0 percent interest rate. Presumably, FmHA interest rates would lower to 8.0 percent also if the law allowed the base rate to be reexamined and established more often.

The legislation I am introducing would require the Secretary of the Treasury to establish a base rate every 60 days, thereby providing needed flexibility in the base rate, and ensuring that the public receives FmHA mortgages at an interest rate comparable with other federal mortgage loan rates.

FINANCIAL DISCLOSURE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am submitting my complete net worth statement for publication in the Congressional Record. I also have submitted this statement as part of my financial disclosure report filed with the House Committee on Standards of Official Conduct and have asked that the statement be made available in its entirety for inspection by the public. Since coming to Congress in 1969, I have filed a net worth statement with the House every year and made it public. I have done so because I believe constituents have a right to know about their Congressman's income, stockholdings, and liabilities.

I am also making public my 1974 income tax return. I have included the return in my financial disclosure statement submitted to the Committee on Standards of Official Conduct and have requested that it be made available to anyone wishing to see it.

I include the following:

Olshan & Olshan,
Washington, D.C., April 2, 1975.

Hon. Edward I. Koch,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Koch: Enclosed please find your 1974 federal, state and city individual income tax returns. Each return must be signed and dated and mailed by April 15, 1975.

The federal Form 1040 should be mailed to Internal Revenue Service, 1040 Waverly Avenue, Holtsville, New York 11799. You are due a refund of $6,238.00.

The New York State Form IT–201 should be mailed to the New York State Income Tax Bureau, The State Campus, Albany, New York 12227. Draw a check payable to the N.Y. State Income Tax Bureau in the amount of $209.00. Write your social security number on your check.

The New York City Form 201 should be mailed to The City of New York, Finance Administration, Department of Tax Collection, Box 3122, General Post Office, New York, New York 10001. You are due a refund of $30.00.

Yours truly,

Olshan & Olshan,
Certified Public Accountants.

Hon. Edward I. Koch, statement of net worth, Dec. 31, 1974

ASSETS	
Cash in checking and savings accounts:	
Sergeant at Arms—checking	$47.35
Seamen's Bank for savings	8,297.96
Seamen's Bank for savings	1,906.05
Total cash in checking and savings accounts	10,251.36
Due from brokerage account—Goldman, Sachs & Co.	80.11
Salary due from House of Representatives (received Jan. 2, 1975)	3,541.66
Marketable securities—See attached schedule	20,091.27
Cash surrender value of life insurance policies:	
Mutual Benefit Life Insurance Co. (includes dividend accumulation)	3,445.64
Mutual Benefit Life Insurance Co. (includes dividend accumulation)	6,379.93
Veterans Administration	2,876.75
Total cash surrender value of life insurance policies	12,702.32
Pension account—New York City Employees Retirement System	1,924.08
1974 Federal and New York City income tax refunds receivable	6,268.00
Total assets	54,858.80
LIABILITIES AND NET WORTH	
1974 New York State income tax payable	209.00
Trade accounts payable	406.98
Hon. Edward I. Koch—net worth	54,242.82
Total liabilities and net worth	54,858.80

HONORABLE EDWARD I. KOCH SCHEDULE OF MARKETABLE SECURITIES DEC. 31, 1974

Number of shares and company	FMV per share Dec. 31, 1974	FMV Dec. 31, 1974
1,184.545—Dreyfus Liquid Assets Fund	$10.00	$11,845.45
600—Intercraft Industries Corporation	4.00	2,400.00
370—T. Rowe Price Growth Stock Fund	7.65	2,830.50
356—T. Rowe Price New Era Fund	8.47	3,015.32
Total marketable securities		20,091.27

LEGISLATION REGULATING NURSING HOMES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the newspapers of my State and those of many other Members have been filled in recent months with grim stories of human exploitation and brutality directed against the elderly in our nursing homes. Reports of corruption have mounted, many recently uncovered by the Senate Subcommittee on Long-Term Care, chaired by Senator Frank Moss.

My distinguished colleague, Representative Claude Pepper, of Florida, chairman of the new House Committee on Aging's Subcommittee on Health and Long-Term Care, and I yesterday introduced legislation, H.R. 6494, to strengthen and tighten the regulation of our Nation's nursing homes so that we finally end these abuses.

I am extremely pleased that Senator Moss is sponsoring my bill in the Senate.

The legislation seeks to overhaul the regulatory processes of the medicaid program under which the vast bulk of nursing home moneys are paid, to build in the necessary regulatory procedures and powers. Some procedures we recommend are now practiced at the Federal level in the medicare program but are absent in most States in the larger medicaid effort.

Here is how my bill would work.

When a nursing home seeks to open its doors, it applies to either the medicare or medicaid programs for reimbursement or to both. However, recently, medicaid, the State program, has been far less severe in its regulations than medicare. While each program nominally follows the same rules, the inspections, controls, and enforcement under the medicare program has proven far superior to that under medicaid. As a result, nursing home operators guilty of widespread abuse almost invariably choose to enroll only under medicaid and not under medicare. Since medicare does not pay a large share of the bill, there is no reason not to avoid medicare's strict regulation by not enrolling in the program. My bill would require all nursing homes to enroll under medicare to receive benefits under medicaid. Thus, the stronger Federal regulatory supervision will be brought into play.

But even this oversight is not adequate. The regulators of nursing homes are hampered by two limitations on their power which my bill would eliminate:

First. Currently, when a State medicaid agency chooses to cut off reimbursements to a nursing home which has violated its agreement to provide decent and safe care, the State agency may not cut off such payments until the process of judicial review is complete. My bill would vest State medicaid agency heads with the powers now enjoyed by Federal medicare officials to cut off payments pending court review.

Second. Currently, the State administrator has no choice but to close a home entirely or leave it open. My bill would allow him two other remedies: he could bar new patients, putting gradual financial pressure on a home, and he could order that certain services in which the home is especially lacking be performed by a hospital, not the nursing home itself, on a transfer basis.

But we must do more than see to it that nursing home programs are good and their facilities are sound. We must see to it that they actually use these capabilities to treat patients well.

Currently, we seek to assure high quality through medical reviews in which a medical team examines patients and collects back payments that were made for care they find was not adequately rendered or was not needed. But they can only collect on patients they actually examine. They obviously do not have the staff to examine all patients, and the small fraction that does so does not constitute a sufficient possible sum of money to pose a real threat to the poorly run home. It is cheaper to pay the back charges than to render good care. My bill would permit State administrators to collect back payments not merely on the patients examined, but on all patients in the home, based on the statistically valid sample they actually treated. This elevates the punishment to fit the crime and makes it possible to enforce care quality standards. This sampling technique is now permitted Federal medicare administrators; my bill would confer the power on medicaid as well.

Another part of my bill would deal with methods of payment. It is always inconceivable to me that men like Dr. Bernard Bergman actually overcharged when they could make so much money legally through the kind of uncontrolled reimbursement now in force.

Some States pay nursing homes on a flat rate per day. They leave themselves open to low quality care and usually set unreasonably low payment levels. Other States pay based on costs. They do not ask if the costs are reasonable, just that they were incurred. These States leave themselves open for massive overcharges.

My bill would base reimbursement on costs but delimited by what the State administrator and the Secretary of HEW decide a prudent buyer should spend for the service. We will now ask not merely what did it cost, but what should it have cost.

A related provision would require nursing home operators to post a bond. This is to avoid the increasingly common situation in which we audit a home and find it owes us, the taxpayers, money, but, when the Government tries to collect what it is due, the operator closes down and leaves us with an unpaid bill. By posting a bond, we could be sure to get our money back.

The legislation also would end sweetheart deals between those who sell goods to nursing homes and those who operate the homes. Now, we only bar people related to one another or owning a piece of one another's business from selling or buying from one another. My bill would provide that any transaction between two people engaged in any third business together, in whatever field, would be covered by this prohibition.

My bill would also provide for psychological and social, as well as medical, assessment of medicare and medicaid long-term care patients, so that patients can obtain the proper level and form of care—skilled nursing care, intermediate nursing care, home health care, and so forth—without being overclassified into a costly, unnecessary level.

A New York Times article of April 13, 1975, reported a study by New York City physicians showing that "medicaid is wasting $126 million a year by keeping patients in the wrong kind of nursing home." The national figures must be even more staggering.

Finally, my bill would:

Provide for disclosure of the identity of the owners of the land and building on which the nursing home is operating, not merely of the operators.

Provide for full reporting of the members of the operator corporation and for reportage of any changes in the corporate form; and

Provide for full itemization of budgets of homes found to render consistently poor or overly costly service.

The cosponsorship of this legislation by Representative Pepper and Senator Moss, respective chairmen of the House and Senate subcommittee concerned with long-term care of the elderly, enhances the changes of passage in this session of Congress.

DR. MARTIN LUTHER KING, JR.: THE CASUALTIES OF THE WAR IN VIETNAM

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, as the American agony in Vietnam ends, it would be well for us to recall what Dr. Martin Luther King, Jr., was trying to teach us years ago.

One of his most prophetic and profound statements on the war in Vietnam came on February 25, 1967, when Dr. King addressed the Nation Institute in Los Angeles. The text of that speech follows:

The Casualties of the War in Vietnam

(By Dr. Martin Luther King, Jr.)

I need not pause to say how happy I am to have the privilege of being a participant in this significant symposium. In these days of emotional tension when the problems of the world are gigantic in extent and chaotic in detail, there is no greater need than for sober-thinking, healthy debate, creative dissent and enlightened discussion. This is why this symposium is so important.

I would like to speak to you candidly and forthrightly this afternoon about our present involvement in Viet Nam. I have chosen as a subject, "The Casualties of the War In Viet Nam." We are all aware of the nightmarish physical casualties. We see them in our living rooms in all of their tragic dimensions on television screens, and we read about them on our subway and bus rides in daily newspaper accounts. We see the rice fields of a small Asian country being trampled at will and burned at whim; we see grief-stricken mothers with crying babies clutched in their arms as they watch their little huts burst forth into flames; we see the fields and valleys of battle being painted with humankind's blood; we see the broken bodies left prostrate in countless fields; we see young men being sent home half-men—physically handicapped and mentally deranged.

Most tragic of all is the casualty list among children. Some one million Vietnamese children have been casualties of this brutal war. A war in which children are incinerated by napalm, in which American soldiers die in mounting numbers while other American soldiers, according to press accounts, in unrestrained hatred shoot the wounded enemy as they lie on the ground, is a war that mutilates the conscience. These casualties are enough to cause all men to rise up with righteous indignation and oppose the very nature of this war.

But the physical casualties of the war in Viet Nam are not alone the catastrophies. The casualties of principles and values are equally disastrous and injurious. Indeed, they are ultimately more harmful because they are self-perpetuating. If the casualties of principle are not healed, the physical casualties will continue to mount.

One of the first casualties of the war in Viet Nam was the Charter of the United Nations. In taking armed action against the Vietcong and North Viet Nam, the United States clearly violated the United Nations charter which provides, in Chapter I, Article II (4):

> All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the purposes of the United Nations.

and in Chapter VII, (39):

> The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression, and shall make recommendations or shall decide what measures shall be taken . . . to maintain or restore international peace and security.

It is very obvious that our government blatantly violated its obligation under the charter of the United Nations to submit to the Security Council its charge of aggression against North Viet Nam. Instead we unilaterally launched an all-out war on Asian soil. In the process we have underminded the purpose of the United Nations and caused its effectiveness to atrophy. We have also placed our nation in the position of being morally and politically isolated. Even the long standing allies of our nation have adamantly refused to join our government in this ugly war. As Americans and lovers of Democracy we should carefully ponder the consequences of our nation's declining moral status in the world.

The second casualty of the war in Viet Nam is the principle of self-determination. By entering a war that is little more than a domestic civil war, America has ended up supporting a new forum of colonialism covered up by certain niceties of complexity. Whether we realize it or not, our participation in the war in Viet Nam is an ominous expression of our lack of sympathy for the oppressed, our paranoid anti-Communism, our failure to feel the ache and anguish of the have nots. It reveals our willingness to continue participating in neo-colonialist adventures.

A brief look at the background and history of this war reveals with brutal clarity the ugliness of our policy. The Vietnamese people proclaimed their own independence in 1945 after a combined French and Japanese occupation, and before the Communist revolution in China. They were led by the now well-known Ho Chi Minh. Even though they quoted the American Declaration of Independence in their own document of freedom, we refused to recognize them. Instead, we decided to support France in its re-conquest of her former colony.

President Truman felt then that the Vietnamese people were not "ready" for independence, and we again fell victim to the deadly western arrogance that has poisoned the international atmosphere for so long. With that tragic decision we rejected a revolutionary government seeking self-determination, and a government that had been established not by China (for whom the Vietnamese have no great love) but by clearly indigenous forces that included some Communists.

For nine years following 1945 we denied the people of Viet Nam the right to independence. For nine years we vigorously supported the French in their abortive effort to recolonize Viet Nam.

Before the end of the war we were meeting 80% of the French war costs. Even before the French were defeated at Dien Bien Phu, they began to despair of their reckless action, but we did not. We encouraged them with our huge financial and military supplies to continue the war even after they had lost the will.

During this period United States governmental officials began to brainwash the American public. John Foster Dulles assiduously sought to prove that Indo-China was essential to our security against the Chinese Communist peril. When a negotiated settlement of the war was reached in 1954, through the Geneva Accord, it was done against our will. After doing all that we could to sabotage the planning for the Geneva Accord, we finally refused to sign it.

Soon after this we helped install Ngo Dinh Diem. We supported him in his betrayal of the Geneva Accord and his refusal to have the promised 1956 election. We watched with approval as he engaged in ruthless bloody persecution of all opposition forces. When Diem's infamous actions finally led to the formation of The National Liberation Front, the American public was duped into believing that the civil rebellion was being waged by puppets from Hanoi. As Douglas Pike wrote: "In horror, Americans helplessly watched Diem tear apart the fabric of Vietnamese society more effectively than the Communists had ever been able to do it. It was the most efficient act of his entire career."

Since Diem's death we have actively supported another dozen military dictatorships all in the name of fighting for freedom. When it became evident that these regimes could not defeat the Vietcong, we began to steadily increase our forces, calling them "military advisers" rather than fighting soldiers.

Today we are fighting an all-out war—undeclared by Congress. We have well over 300,000 American servicemen fighting in that benighted and unhappy country. American planes are bombing the territory of another country, and we are committing atrocities equal to any perpetrated by the Vietcong. This is the third largest war in American history.

All of this reveals that we are in an untenable position morally and politically. We are left standing before the world glutted by our barbarity. We are engaged in a war that seeks to turn the clock of history back and perpetuate white colonialism. The greatest irony and tragedy of all is that our nation which initiated so much of the revolutionary spirit of the modern world, is now cast in the mold of being an arch anti-revolutionary.

A third casualty of the war in Viet Nam is the Great Society. This confused war has played havoc with our domestic destinies.

Despite feeble protestations to the contrary, the promises of the Great Society have been shot down on the battlefield of Viet Nam. The pursuit of this widened war has narrowed domestic welfare programs, making the poor, white and Negro, bear the heaviest burdens both at the front and at home.

While the anti-poverty program is cautiously initiated, zealously supervised and evaluated for immediate results, billions are liberally expended for this ill-considered war. The recently revealed mis-estimate of the war budget amounts to ten billions of dollars for a single year. This error alone is more than five times the amount committed to anti-poverty programs. The security we profess to seek in foreign adventures we will lose in our decaying cities. The bombs in Viet Nam explode at home: they destroy the hopes and possibilities for a decent America.

If we reversed investments and gave the armed forces the anti-poverty budget, the generals could be forgiven if they walked off the battlefield in disgust.

Poverty, urban problems and social progress generally are ignored when the guns of war become a national obsession. When it is not our security that is at stake, but questionable and vague commitments to reactionary regimes, values disintegrate into foolish and adolescent slogans.

It is estimated that we spend $322,000 for each enemy we kill, while we spend in the so-called war on poverty in America only about $53.00 for each person classified as "poor." And much of that 53 dollars goes for salaries of people who are not poor. We have escalated the war in Viet Nam and de-escalated the skirmish against poverty. It challenges the imagination to contemplate what lives we could transform if we were to cease killing.

At this moment in history it is irrefutable that our world prestige is pathetically frail. Our war policy excites pronounced contempt and aversion virtually everywhere. Even when some national governments, for reasons of economic and diplomatic interest do not condemn us, their people in surprising measure have made clear they do not share the official policy.

We are isolated in our false values in a world demanding social and economic justice. We must undergo a vigorous re-ordering of our national priorities.

A fourth casualty of the war in Viet Nam is the humility of our nation. Through rugged determination, scientific and technological progress and dazzling achievements, America has become the richest and most powerful nation in the world. We have built machines that think and instruments that peer into the unfathomable ranges of interstellar space. We have built gargantuan bridges to span the seas and gigantic buildings to kiss the skies. Through our airplanes and spaceships we have dwarfed distance and placed time in chains, and through our submarines we have penetrated oceanic depths. This year our national gross product will reach the astounding figure of 780 billion dollars. All of this is a staggering picture of our great power.

But honesty impells me to admit that our power has often made us arrogant. We feel that our money can do anything. We arrogantly feel that we have everything to teach other nations and nothing to learn from them. We often arrogantly feel that we have some divine, messianic mission to police the whole world. We are arrogant in not allowing young nations to go through the same growing pains, turbulence and revolution that characterized our history. We are arrogant in our contention that we have some sacred mission to protect people from totalitarian rule, while we make little use of our power to end the evils of South Africa and Rhodesia, and while we are in fact supporting dictatorships with guns and money under the guise of fighting Communism. We are arrogant in professing to be concerned about the freedom of foreign nations while not setting our own house in order.

Many of our Senators and Congressmen vote joyously to appropriate billions of dollars for war in Viet Nam, and these same Senators and Congressmen vote loudly against a Fair Housing Bill to make it possible for a Negro veteran of Viet Nam to purchase a decent home. We arm Negro soldiers to kill on foreign battlefields, but offer little protection for their relatives from beatings and killings in our own south. We are willing to make the Negro 100% of a citizen in warfare, but reduce him to 50% of a citizen on American soil. Of all the good things in life the Negro has approximately one half those of whites; of the bad he has twice that of whites.

Thus, half of all Negroes live in substandard housing and Negroes have half the income of whites. When we turn to the negative experiences of life, the Negro has a double share. There are twice as many unemployed. The infant mortality rate is double that of white. There are twice as many Negroes in combat in Viet Nam at the beginning of 1967 and twice as many died in action (20.6%) in proportion to their numbers in the population as whites.

All of this reveals that our nation has not

yet used its vast resources of power to end the long night of poverty, racism and man's inhumanity to man. Enlarged power means enlarged peril if there is not concommitant growth of the soul. Genuine power is the right use of strength. If our nation's strength is not used responsibly and with restraint, it will be, following Action's dictum, power that tends to corrupt and absolute power that corrupts absolutely. Our arrogance can be our doom. It can bring the curtains down on our national drama. Ultimately a great nation is a compassionate nation. We are challenged in these turbulent days to use our power to speed up the day when "every valley shall be exalted, and every mountain and hill shall be made low: and the crooked shall be made straight, and the rough places plain."

A fifth casualty of the war in Viet Nam is the principle of dissent. An ugly repressive sentiment to silence peace-seekers depicts advocates of immediate negotiation under terms of the Geneva agreement and persons who call for a cessation of bombings in the north as quasi-traitors, fools or venal enemies of our soldiers and institutions. Free speech and the privilege of dissent and discussion are rights being shot down by bombers in Viet Nam. When those who stand for peace are so villified it is time to consider where we are going and whether free speech has not become one of the major casualties of the war.

Curtailment of free speech is rationalized on grounds that a more compelling American tradition forbids criticism of the government when the nation is at war. More than a century ago when we were in a declared state of war with Mexico, a first term congressman by the name of Abraham Lincoln stood in the halls of Congress and fearlessly denounced that war. Congressman Abraham Lincoln of Illinois had not heard of this tradition or he was not inclined to respect it. Nor had Thoreau and Emerson and many other philosophers who shaped our democratic principles. Nothing can be more destructive of our fundamental democratic traditions than the vicious effort to silence dissenters.

A sixth casualty of the war in Viet Nam is the prospects of mankind's survival. This war has created the climate for greater armament and further expansion of destructive nuclear power.

One of the most persistent ambiguities that we face is that everybody talks about peace as a goal. However, it does not take sharpest-eyed sophistication to discern that while everybody talks about peace, peace has become practically nobody's business among the power-wielders. Many men cry peace! peace! but they refuse to do the things that make for peace.

The large power blocs of the world talk passionately of pursuing peace while burgeoning defense budgets that already bulge, enlarging already awesome armies, and devising even more devasting weapons. Call the roll of those who sing the glad tidings of peace and one's ears will be surprised by the responding sounds. The heads of all of the nations issue clarion calls for peace yet these destiny determiners come accompanied by a band and a brigand of national choristers, each bearing unsheathed swords rather than olive branches.

The stages of history are replete with the chants and choruses of the conquerors of old who came killing in pursuit of peace. Alexander, Ghenghis Khan, Julius Caesar, Charlemagne, and Napoleon were akin in their seeking a peaceful world order, a world fashioned after their selfish conceptions of an ideal existence. Each sought a world at peace which would personify their egotistic dreams. Even within the life-span of most of us, another megalomaniac strode across the world stage. He sent his blitzkrieg-bent legions blazing across Europe, bringing havoc and halocaust in his wake. There is grave irony in the fact that Hitler could come forth, following the nakedly aggressive expansionist theories he revealed in *Mein Kampf*, and do it all in the name of peace.

So when I see in this day the leaders of nations similarly talking peace while preparing for war, I take frightful pause. When I see our country today intervening in what is basically a civil war, destroying hundreds of thousands of Vietnamese children with Napalm, leaving broken bodies in countless fields and sending home half-men, mutilated, mentally and physically; when I see the recalcitrant unwillingness of our government to create the atmosphere for a negotiated settlement of this awful conflict by halting bombings in the north and agreeing to talk with the Vietcong—and all this in the name of pursuing the goal of peace—I tremble for our world. I do so not only from dire recall of the nightmares wreaked in the wars of yesterday, but also from dreadful realization of today's possible nuclear destructiveness, and tomorrow's even more damnable prospects.

In the light of all this, I say that we must narrow the gaping chasm between our proclamations of peace and our lowly deeds which precipitate and perpetuate war. We are called upon to look up from the quagmire of military programs and defense commitments and read history's signposts and today's trends.

The past is prophetic in that it asserts loudly that wars are poor chisels for carving out peaceful tomorrows. One day we must come to see that peace is not merely a distant goal that we seek, but a means by which we arrive at that goal. We must pursue peaceful ends through peaceful means. How much longer must we play at deadly war games before we heed the plaintive pleas of the unnumbered dead and maimed of past wars? Why can't we at long last grow up, and take off our blindfolds, chart new courses, put our hands to the rudder and set sail for the distant destination, the port city of peace?

President John F. Kennedy said on one occasion, "Mankind must put an end to war or war will put an end to mankind." Wisdom born of experience should tell us that war is obsolete. There may have been a time when war served as a negative good by preventing the spread and growth of an evil force, but the destructive power of modern weapons eliminates even the possibility that war may serve as a negative good. If we assume that life is worth living and that man has a right to survive, then we must find an alternative to war. In a day when vehicles hurtle through outer space and guided ballistic missiles carve highways of death through the stratosphere, no nation can claim victory in war. A so-called limited war will leave little more than a calamitous legacy of human suffering, political turmoil, and spiritual disillusionment. A world war—God forbid!—will leave only smouldering ashes as a mute testimony of a human race whose folly led inexorably to ulitmate death. So if modern man continues to flirt unhesitatingly with war, he will transform his earthly habitat into an inferno such as even the mind of Dante could not imagine.

I do not wish to minimize the complexity of the problems that need to be faced in achieving disarmament and peace. But I think it is a fact that we shall not have the will, the courage and the insight to deal with such matters unless in this field we are prepared to undergo a mental and spiritual re-evaluation, a change of focus which will enable us to see that the things which seem most real and powerful are indeed now unreal and have come under the sentence of death. We need to make a supreme effort to generate the readiness, indeed the eagerness, to enter into the new world which is now possible.

We will not build a peaceful world by following a negative path. It is not enough to say "we must not wage war." It is necessary to love peace and sacrifice for it. We must concentrate not merely on the negative expulsion of war, but on the positive affirmation of peace. There is a fascinating little story that is preserved for us in Greek literature about Ulysses and the Sirens. The Sirens had the ability to sing so sweetly that sailors could not resist steering toward their island. Many ships were lured upon the rocks and the men forgot home, duty and honor as they flung themselves into the sea to be embraced by arms that drew them down to death. Ulysses, determined not to be lured by the Sirens, first decided to tie himself tightly to the mast of his boat and his crew stuffed their ears with wax. But finally he and his crew learned a better way to save themselves: they took on board the beautiful singer Orpheus whose melodies were sweeter than the music of the Sirens. When Orpheus sang, who bothered to listen to the Sirens? So we must fix our visions not merely on the negative expulsion of war. But upon the positive affirmation of peace. We must see that peace represents a sweeter music, a cosmic melody that is far superior to the discords of war. Somehow we must transform the dynamics of the world power struggle from the negative nuclear arms race which no one can win to a positive contest to harness man's creative genius for the purpose of making peace and prosperity a reality for all of the nations of the world. In short, we must shift the arms race into a "peace race." If we have the will and determination to mount such a peace offensive we will unlock hitherto tightly sealed doors of hope and bring new light into the dark chambers of pessimism.

Let me say finally that I oppose the war in Viet Nam because I love America. I speak out against it not in anger but with anxiety and sorrow in my heart, and above all with a passionate desire to see our beloved country stand as the moral example of the world. I speak out against this war because I am disappointed with America. There can be no great disappointment where there is no great love. I am disappointed with our failure to deal positively and forthrightly with the triple evils of racism, extreme materialism and militarism. We are presently moving down a dead-end road that can lead to national disaster.

Jesus once told a parable of a young man who left home and wandered into a far country where, in adventure after adventure and sensation after sensation, he sought life. But he never found it; he found only frustration and bewilderment. The farther he moved from his father's house, the closer he came to the house of despair. The more he did what he liked, the less he liked what he did. After the boy had wasted all, a famine developed in the land, and he ended up seeking food in a pig's trough. But the story does not end there. It goes on to say that in this state of disillusionment, blinding frustration and homesickness, the boy "came to himself" and said, "I will arise and go to my father, and will say to him, Father, I have sinned against heaven and before thee." The prodigal son was not himself when he left his father's house or when he dreamed that pleasure was the end of life. Only when he made up his mind to go home and be a son again did he really come to himself. The parable ends with the boy returning home to find a loving father waiting with outstretched arms and heart filled with unutterable job.

This is an analogy of what American confronts today. Like all human analogies, it is imperfect, but it does suggest some parallels worth considering. America has strayed to

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the far country of racism and militarism. The home that all too many Americans left was solidly structured idealistically. Its pillars were soundly grounded in the insights of our Judeo-Christian heritage—all men are made in the image of God; all men are brothers; all men are created equal; every man is heir to a legacy of dignity and worth; every man has rights that are neither conferred by nor derived from the state, they are God-given; out of one blood God made all men to dwell upon the face of the earth. What a marvelous foundation for any home! What a glorious and healthy place to inhabit! But America strayed away; and this unnatural excursion has brought only confusion and bewilderment. It has left hearts aching with guilt and minds distorted with irrationality. It has driven wisdom from her sacred throne. This long and callous sojourn in the far country of racism and militarism has brought a moral and spiritual famine to the nation.

It is time for all people of conscience to call upon America to return to her true home of brotherhood and peaceful pursuits. We cannot remain silent as our nation engages in one of history's most cruel and senseless wars. America must continue to have, during these days of human travail, a company of creative dissenters. We need them because the thunder of their fearless voices will be the only sound stronger than the blasts of bombs and the clamour of war hysteria.

Those of us who love peace must organize as effectively as the war hawks. As they spread the propaganda of war we must spread the propaganda of peace. We must combine the fervor of the civil rights movement with the peace movement. We must demonstrate, teach and preach, until the very foundations of our nation are shaken. We must work unceasingly to lift this nation that we love to a higher destiny, to a new plateau of compassion, to a more noble expression of humaneness.

I have tried to be honest today. To be honest is to confront the truth. To be honest is to realize that the ultimate measure of a man is not where he stands in moments of convenience and moments of comfort, but where he stands in moments of challenge and moments of controversy. However unpleasant and inconvenient the truth may be, I believe we must expose and face it if we are to achieve a better quality of American life.

Just the other day, the distinguished American historian, Henry Steele Commager, told a Senate Committee: "Justice Holmes used to say that the first lesson a judge had to learn was that he was not God . . . we do tend perhaps more than other nations, to transform our wars into crusades . . . our current involvement in Viet Nam is cast, increasingly, into a moral mold . . . It is my feeling that we do not have the resources, material, intellectual or moral, to be at once an American power, a European power and an Asian power."

I agree with Mr. Commager. And I would suggest that there is, however, another kind of power that America can and should be. It is a moral power, a power harnessed to the service of peace and human beings, not an inhumane power unleased against defenseless people. All the world knows that America is a great military power. We need not be diligent in seeking to prove it. We must now show the world our moral power.

There is an element of urgency in our redirecting American power. We are now faced with the fact that tomorrow is today. We are confronted with the fierce urgency of now. In this unfolding conundrum of life and history there is such a thing as being too late. Procrastination is still the thief of time. Life often leaves us standing bare, naked, and dejected with a lost opportunity. The "tide in the affairs of men" does not remain at flood: it ebbs. We may cry out desperately for time to pause in her passage, but time is adamant to every plea and rushes on. Over the bleached bones and jumbled residue of numerous civilizations are written the pathetic words: "Too late." There is an invisible book of life that faithfully records our vigilance or our neglect. "The moving finger writes, and having writ moves on . . ." We still have a choice today: nonviolent coexistence or violent co-annihilation. History will record the choice we made. It is still not too late to make the proper choice. If we decide to become a moral power we will be able to transform the jangling discords of this world into a beautiful symphony of brotherhood. If we make the wise decision we will be able to transform our pending cosmic elegy into a creative psalm of peace. This will be a glorious day. In reaching it we can fulfill the noblest of American dreams.

LONG-TERM CARE OF THE ELDERLY—PART II

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I insert in the Record at this time the list of bills in the nursing home reform package which I described in my statement appearing in the Congressional Record for Tuesday, April 29, beginning at page 12165. The evidence which substantiates the need for early consideration of these proposals is documented in the U.S. Senate Special Committee on Aging's report entitled, "Nursing Home Care in the United States: Failure in Public Policy." I am honored to join Senator Frank Moss, chairman of the Subcommittee on Long-Term Care in the Senate Special Committee on Aging, in the introduction of this legislation, and my able and distinguished colleague in the House, Representative Edward I. Koch. Representative Koch introduced the first 12 of these bills on March 12 and he is the author of two in the package, H.R. 4772 and H.R. 6494.

The list follows:

H.R. 4772. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to require contributions by adult children toward their parents' nursing and home health care expenses under the medicaid program, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4774. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4776. A bill to amend the Public Health Service Act to provide for inservice training of nursing home personnel; to the Committee on Interstate and Foreign Commerce.

H.R. 4777. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of departments of geriatrics; to the Committee on Interstate and Foreign Commerce.

H.R. 4778. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of continuing education programs in geriatrics for physicians; to the Committee on Interstate and Foreign Commerce.

H.R. 4779. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of nurse practitioners to provide primary health care in nursing homes; to the Committee on Interstate and Foreign Commerce.

H.R. 4780. A bill to amend title VII of the Public Health Service Act to train certain veterans, with appropriate experience as paramedical personnel, to serve as medical assistants in long-term health care facilities; to the Committee on Interstate and Foreign Commerce.

H.R. 4781. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of physicians' assistants; to the Committee on Interstate and Foreign Commerce.

H.R. 4782. A bill to authorize an experimental program to provide for care for elderly individuals in their own homes; to the Committee on Interstate and Foreign Commerce.

H.R. 4783. A bill to amend title XVIII of the Social Security Act to expand the definition of "provider of service" to include "day care center"; to the Committee on Ways and Means.

H.R. 4784. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health-care and related needs of elderly persons in a campus-type setting; to the Committee on Interstate and Foreign Commerce.

H.R. 4785. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under State plans approved under such title, fully to disclose to the State licensing agency the identity of each person who has any ownership interest in such home or is the owner (in whole or in part) of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by such home; to the Committee on Interstate and Foreign Commerce.

H. Res. 306. Resolution expressing the sense of the House of Representatives that the President should submit an action plan to correct abuses in nursing homes; to the Committee on Interstate and Foreign Commerce.

H.R. 6466. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6467. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses; to the Committee on Ways and Means.

H.R. 6468. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

H.R. 6469. A bill to allow the States to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities; to the Committee on Ways and Means.

H.R. 6470. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6471. A bill to amend title 18 and 19 of the Social Security Act to required skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6472. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6473. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVII and XIX in a medical director; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6474. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6475. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6476. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6477. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6478. A bill to amend title 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefore; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6479. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6480. A bill to require that State plan under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a course of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan; to the Committee on Interstate and Foreign Commerce.

H.R. 6481. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6482. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests; to the Committee on Interstate and Foreign Commerce.

H.R. 6483. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for health administration; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6484. A bill to amend title XVIII and XIX of the Social Security Act making unlawful the offer of receipt of consideration for the referral of patients, clients, or customers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6485. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6486. A bill to make unlawful the solicitation or acceptance of any gift, money or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money or donation as a precondition of admitting a patient to a long-term care facility; to the Committee on Interstate and Foreign Commerce.

H.R. 6487. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act; to the Committee on Interstate and Foreign Commerce.

H.R. 6488. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6489. A bill to continue 100-percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools, such as a citation system and protective custodianship and other alternatives to license revocation; to the Committee on Interstate and Foreign Commerce.

H.R. 6490. A bill to provide 100-percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel; to the Committee on Interstate and Foreign Commerce.

H.R. 6491. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6492. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal District Court against a long-term facility which is in violation of its provider agreement; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6493. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formula effective July 1, 1976; to the Committee on Interstate and Foreign Commerce.

H.R. 6494. A bill to amend the Social Security Act to improve the survey and certification process, rate setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6495. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations; to the Committee on Interstate and Foreign Commerce.

H.R. 6496. A bill to authorize the Secretary of Health, Education, and Welfare to provide grants, for the planning, development, construction and rehabilitation of nursing homes in black and minority communities; to the Committee on Interstate and Foreign Commerce.

H.R. 6497. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation, in order to comply with Federal standards; jointly to the Committees on Banking, Currency and Housing, and Interstate and Foreign Commerce.

H.R. 6498. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology; to the Committee on Interstate and Foreign Commerce.

H.R. 6499. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes; to the Committee on Education and Labor.

H.J. Res. 420. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

LEGISLATION TO RECONVEY THE MAR-A-LAGO RESIDENCE OF THE LATE MARJORIE M. POST

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, today I along with Mr. Bafalis, am introducing legislation which would require the Secretary of the Interior to reconvey the Mar-A-Lago residence of the late Marjorie Merriweather Post to the Majorie Merriweather Post Foundation of the District of Columbia within 120 days after enactment into law. Under the provisions of the bill, the reconveyance of the property would not effect its designation as a national historic site. The bill also provides that the property be reconveyed to the Marjorie Merriweather Post Foundation of the District of Columbia as provided under the terms of the original deed of conveyance from Mrs. Post to the United States which she executed on December 18, 1972.

The Department of Interior has explored the possibility of using the property as a vacation retreat for the President of the United States and for use by visiting foreign dignitaries. The Secret Service, however, has indicated that the residence would be impossible to secure sufficiently to provide adequate protection for the President. Furthermore, the Department of the Interior has indicated that the trust fund established by Mrs. Post for the maintenance of the property, is insufficient to maintain the property at a proper standard.

It seems to be the wisest course available to return the property to the Post Foundation since it is not presently being used and, as a practical matter, I am informed cannot be used for the purpose Mrs. Post had contemplated at the time she made the gift, without supplemental expenditures of public funds.

Mr. Speaker, I would at this time like to insert in the Record, a resolution of the town of Palm Beach, Fla., requesting that the President of the United States and Congress of the United States convey and return Mar-A-Lago to the original donor:

RESOLUTION No. 12–75

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, CONCERNING MAR-A-LAGO

Whereas, the Title to Mar-A-Lago, the former Palm beach home of the late Marjorie Merriweather Post, has vested in the Government of the United States of America as a part of the National Park System, and

Whereas, no governmental use has yet been made of Mar-A-Lago, and any governmental use will require funds to be appropriated at the expense of the taxpayers, and

Whereas, the County of Palm Beach and the Town of Palm Beach are being deprived of substantial tax revenues, and

Whereas, Mar-A-Lago has been limited in uses by the donor to a retreat for the President and certain other designated public figures, and which uses do not appear likely to occur, and

Whereas, the Town Council does hereby find and determine that it will be in the best interests of the Town of Palm Beach for Mar-A-Lago to be returned by the United States Government to the donor thereof; now, therefore, be it

Resolved by the Town Council of the Town of Palm Beach, as follows:

SECTION 1. That the Town Council does hereby respectfully petition and request the President of the United States and the Congress of the United States to convey and return Mar-A-Lago to the original donor.

SECTION 2. That a certified copy hereof be furnished to the President of the United States, members of the Florida Congressional Delegation, the National Park System, and such other persons or government agencies as may be deemed to be appropriate.

Passed and adopted in regular, adjourned session assembled this 17th day of March, 1975.

Mr. Speaker, it is my understanding that the Department of Interior is currently considering recommending to the Congress that the Mar-A-Lago residence be reconveyed from the United States to the donor. The legislation I am introducing, would accomplish this purpose. I am hopeful that my colleague, Congressman Roy Taylor, chairman of the Subcommittee on National Parks and Recreation of the House Interior and Insular Affairs Committee, will give consideration to holding hearings on this legislation early this session.

CONSUMER AFFAIRS SUBCOMMITTEE REPORTS EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS

(Mr. ANNUNZIO asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, on Monday the Consumer Affairs Subcommittee of the House Banking, Currency and Housing Committee voted unanimously to recommend to the full committee the Equal Credit Opportunity Act Amendments of 1975.

The subcommittee, by an 8-to-0 vote, endorsed the principles contained in H.R. 3386 but because of several amendments the subcommittee felt that a clean bill should be introduced.

Today, along with all of the other members of the subcommittee, Mrs. Sullivan, Mrs. Spellman, Mr. Barrett, Mr. Gonzalez, Mr. Fauntroy, Mr. Neal, Mr. Wylie, Mrs. Fenwick, and Mrs. Grassley, I am introducing the Equal Credit Opportunity Act Amendments of 1975 as recommended by the subcommittee.

Basically this legislation prohibits creditors from discriminating against loan applicants on the basis of race, color, religion, national origin, or age, provided that in the age category the applicant has the capacity to contract. That language was necessary to make it clear that the bill does not force creditors to lend money to minors.

Mr. Speaker, I am extremely proud of the work done by the subcommittee. As the chairman of this subcommittee, I want to commend the members of the subcommittee for the effort that they put forth in dealing with this highly important bill.

It is my understand that the full committee will consider the bill in markup session next Tuesday and hopefully the bill will be on the floor shortly thereafter. The subcommittee has come up with a good bill and one that I can recommend to every Member of this body.

I am including as part of my remarks a copy of the clean bill as recommended by the subcommittee:

H.R. 6516

A bill to amend the Equal Credit Opportunity Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Credit Opportunity Act Amendments of 1975".

SEC. 2. (a) Section 701(a) of the Equal Credit Opportunity Act (title V of Public Law 93–495) is amended by inserting "age provided the applicant has the capacity to contract, race, color, religion, national origin," immediately before "sex".

(b) Section 701(b) of the Equal Credit Opportunity Act is amended by inserting "or age" immediately after "marital status".

(c) Section 701 of the Equal Credit Opportunity Act is amended by adding at the end thereof the following new subsection:

"(c) The declination of credit on terms offered pursuant to—

"(1) any loan assistance program expressly authorized by law for an economically disadvantaged class of persons;

"(2) any loan assistance program administered by a nonprofit organization for its members or an economically disadvantaged class of persons; or

"(3) any special purpose loan program offered by a profitmaking organization to meet special social needs which meets standards prescribed in regulations by the Board;

shall not constitute a violation of this section.".

SEC. 3. (a) Section 703 of the Equal Credit Opportunity Act is amended by inserting "(a)" immediately prior to "The", and by adding at the end thereof the following new subsections:

"(b) The fact that a creditor's loans to any classification enumerated in section 701(a) are not equal to the population percentage of such classifications in the creditor's trade area, is not a violation of section 701. In addition, a creditor shall not be deemed to be in violation of section 701 if the creditor excludes the classifications in section 701(a) from its determination of the credit worthiness of an applicant or from any other aspect of a credit transaction.

"(c) The Board shall establish an advisory committee to advise and consult with it in the exercise of its functions under this Act. In appointing the members of the committee, the Board shall seek to achieve a fair representation of the interests of creditors and consumers. The committee shall meet from time to time at the call of the Board Members of the committee who are not regular full-time employees of the United States shall, while attending meetings of such committee, be entitled to receive compensation at a rate fixed by the Board, but not exceeding $100 per day, including traveltime. Such members may be allowed travel expenses, including transportation and subsistence, while away from their homes or regular place of business.".

SEC. 4. Section 705(e) of the Equal Credit Opportunity Act is amended by inserting "age provided the applicant has the capacity to contract, race, color, religions, national origin," immediately before "sex".

SEC. 5. Section 706 of the Equal Credit Opportunity Act is amended to read as follows:

"CIVIL LIABILITY

"SEC. 706. (a) Any creditor who violates section 701 or any regulation prescribed under section 703 shall be liable to the aggrieved applicant in an amount equal to the sum of any actual damages sustained by such applicant acting either in an individual capacity or as a member of a class.

"(b) Except with respect to any Government or governmental subdivision or agency, any creditor who willfully violates section 701 or any regulation prescribed under section 703 shall be liable to the aggrieved applicant for punitive damages in an amount not greater than $10,000, in addition to any actual damages provided in subsection (a), except in the case of a class action the total recovery shall not exceed the lesser of $100,000 or 1 per centum of the net worth of the creditor. In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional.

"(c) Upon application by an aggrieved applicant, the appropriate United States district court may grant such equitable and declaratory relief as is necessary to enforce section 701 or any regulation prescribed under section 703.

"(d) In the case of any successful action under subsection (a), (b), or (c), the costs of the action, together with a reasonable attorney's fee as determined by the court, shall be added to any damages awarded by the court under such subsection.

"(e) No provision of this title imposing liability shall apply to any act done or omitted in good faith in conformity with any official regulation or interpretation thereof by the Board or any other agency having rulewriting or enforcement responsibilities under the Act, notwithstanding that after such act or omission has occurred, such rule or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(f) Any action under this section may be brought in the appropriate United States district court without regard to the amount in controversy. No such action shall be brought later than one year from the date of the occurrence of the violation, except—

(1) whenever any agency having responsibility for administrative enforcement under section 704 commences its enforcement proceeding within one year from the date of the occurrence of the violation and obtains compliance with this title by a creditor who was in violation of such title, or

"(2) whenever the Attorney General commences a civil action within one year from the date of the occurrence of the violation in an appropriate United States district court under this section against a creditor who is found by the court to be in violation of this title, then any applicant who has been a victim of the discrimination with respect to the administration action under paragraph (1) or the judgment of the court under paragraph (2) may, within one year after the date of compliance with the administrative action or within one year after the date of the judgment of the court, as the case may be, bring an action under this section against such creditor.

"(g) The agencies having responsibility for administrative enforcement under section 704, if unable to obtain compliance with section 701, are authorized to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted.

"(h) When a matter is referred to the Attorney General pursuant to subsection (g), or whenever he has reason to believe that one or more creditors are engaged in a pattern or practice in violation of this title, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(i) No person aggrieved by a violation of this title and by a violation of section 805 of the Civil Rights Act of 1968 shall recover under this title and section 812 of the Civil Rights Act of 1968, if each violation is based on the same transaction.".

SEC. 6. The Equal Credit Opportunity Act is amended by redesignating section 707 as section 708 and by inserting immediately after section 706 the following new section:

"ANNUAL REPORTS TO CONGRESS

"SEC. 707. Not later than February 1 of each year after 1976, the Board and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, each report of the Board shall include its assessment of the extent to which compliance with the requirements of this title is being achieved, and a summary of the enforcement actions taken by each of the agencies assigned administrative enforcement responsibilities under section 704.".

SEC. 7. Section 708 of the Equal Credit Opportunity Act, as redesignated by section 5 of this Act, is amended by inserting ", except that the amendments made by the Equal Credit Opportunity Act Amendments of 1975 shall take effect six months after the date of its enactment" immediately before the period at the end thereof.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Hansen (at the request of Mr. Michel) for such time this week as will permit him to respond to a subpena to appear as a government witness at a trial in Boise, Idaho.

Mr. Russo (at the request of Mr. O'Neill), from Monday, April 28, through Wednesday, April 30, on account of official business.

Mr. Young of Florida (at the request of Mr. Rhodes), for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Moore) and to revise and extend their remarks and include extraneous matter:)

Mr. Derwinski, for 5 minutes, today.

Mr. Wydler, for 5 minutes, today.

Mr. Skubitz, for 5 minutes, today.

Mr. Heinz, for 10 minutes, today.

Mr. McDade, for 20 minutes, today.

Mr. Cleveland, for 5 minutes, today.

Mr. Johnson of Pennsylvania, for 5 minutes, today.

Mr. Don H. Clausen, for 5 minutes, today.

Mr. Buchanan, for 60 minutes, on May 20.

Mr. Martin, for 15 minutes, today.

Mr. Martin, for 15 minutes, tomorrow.

Mrs. Holt, for 10 minutes, today.

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. D'Amours) and to revise and extend their remarks and include extraneous matter.)

Mr. Gonzalez, for 5 minutes. today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. O'Neill, for 10 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Ashley, for 5 minutes, today.

Mr. Dingell, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Reuss, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Phillip Burton, for 10 minutes, today.

Mr. Fountain, for 5 minutes, today.

Mr. McFall, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Cederberg, to revise and extend his remarks, and include tables and extraneous matter, during general debate in the Committee of the Whole on House Concurrent Resolution 218, first concurrent resolution on the budget, fiscal year 1976.

Mr. Bennett.

Mr. Young of Georgia and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $765.

Mr. Rhodes, to extend his remarks in the body of the Record, and to revise and extend his remarks, immediately after the remarks of Mr. McFall on the retirement of William R. Bonsell.

Mr. Wright, to include certain charts and tables for printing in the Record during general debate today, April 30.

(The following Members (at the request of Mr. Moore) and to include extraneous matter:)

Mr. Sarasin.

Mr. Ashbrook.

Mr. Steiger of Wisconsin.

Mr. Carter.

Mr. Emery.

Mr. Wydler.

Mr. Jeffords.

Mr. Martin in two instances.

Mr. Archer in two instances.

Mr. Latta.

Mr. Ketchum.

Mr. Grassley.

Mr. Derwinski in two instances.

Mr. Lagomarsino.

Mr. Whalen.

Mr. Forsythe.

Mr. Anderson of Illinois.

Mr. Kemp in two instances.

(The following Members (at the request of Mr. D'Amours) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Evins of Tennessee.

Mr. Mazzoli.

Mr. Lloyd of California in two instances.

Mr. Jenrette in three instances.

Mr. Risenhoover.

Mr. Edgar.

Mr. Kastenmeier.

Mr. Richmond.

Mr. Murtha.

Mr. Fraser in two instances.

Mr. McDonald of Georgia in three instances.

Mr. Bolling in two instances.

Mr. AuCoin.

Mr. Carney.

Mr. Charles H. Wilson of California.

Mr. Karth in two instances.

Mr. Fisher in three instances.

Mr. Dingell in two instances.

Mr. Russo.
Mr. Rangel.
Mr. Bennett.
Mr. James V. Stanton.
Mr. Koch in five instances.
Mr. Harris.
Mr. Dominick V. Daniels.
Mr. Mineta.
Mr. Downey in two instances.
Mr. Jones of Tennessee.
Mr. Cornell.
Mr. McCormack.
Mrs. Burke of California.
Mr. Nowak.
Mr. Badillo.
Mr. Symington.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1529. An act to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools; to the Committee on Agriculture.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

ADJOURNMENT

Mr. D'AMOURS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 1, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

892. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting the Reserve manpower requirements report for fiscal year 1976, in response to a request in Senate Report No. 93-385; to the Committee on Armed Services.

893. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

894. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1-9, "To amend the District of Columbia Rent Control Act of 1973 to eliminate the limitation on appropriations for the operation of the Commission and administration of the rent control program," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

895. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1-10, "To amend the Housing Regulations of the District of Columbia Regarding Security Deposits for Rentals, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

896. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1-11, "To amend the Motor Vehicle Regulation of the District of Columbia to provide for the identification of organ donors," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

897. A letter from the Acting Director, D.C. Unemployment Compensation Board, transmitting the annual report of the Board for calendar year 1974, pursuant to section 313(c) of title 46, District of Columbia Code; to the Committee on the District of Columbia.

898. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Higher Education Act of 1965 to authorize the carryover of excess funds under the basic educational opportunity grant program; to the Committee on Education and Labor.

899. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the final report of the National Commission on Materials Policy entitled "Materials Needs and the Environment Today and Tomorrow," pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94-121); to the Committee on Government Operations and ordered to be printed.

900. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to a concession contract providing for the continued operation of a motion picture, lecture, and photographic studio for the public on the south rim of Grand Canyon National Park, Ariz., for a term ending December 31, 1975, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

901. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation providing for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor; to the Committee on International Relations.

902. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the country allocations of military grant assistance for fiscal year 1975, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

903. A letter from the Administrator, Agency for International Development, Department of State, transmitting the country and international organization allocations for programs administered by the Agency for fiscal year 1975, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

904. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to section 122(b) of Public Law 92-403; to the Committee on International Relations.

905. A letter from the Secretary of Transportation, transmitting the eighth annual report of activities under the High Speed Ground Transportation Act of 1965, covering the year ended September 30, 1974, pursuant to section 10 of Public Law 89-220 [49 U.S.C. 1640]; to the Committee on Interstate and Foreign Commerce.

906. A letter from the Vice President for Government and Public Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of January 1975, pursuant to section 308(a) (1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

907. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on applications for orders authorizing or approving the interception of wire or oral communications, covering calendar year 1974, pursuant to 18 U.S.C. 2519; to the Committee on the Judiciary.

908. A letter from the Acting Secretary of Commerce, transmitting an evaluation of the final report of the National Commission on Fire Prevention and Control; to the Committee on Science and Technology.

Received From the Comptroller General

909. A letter from the Assistant Comptroller General of the United States, transmitting a report on the release of budget authority for the Railroad-Highway Crossings Demonstration projects, reported to Congress by the Comptroller General as a rescission not reported by the President (H. Doc. No. 94-72), and which was not approved by the Congress; to the Committee on Appropriations.

910. A letter from the Comptroller General of the United States, transmitting a report on opportunities for savings in interest cost through improved letter-of-credit financing methods; jointly to the Committees on Government Operations, and Banking, Currency and Housing.

911. A letter from the Comptroller General of the United States, transmitting a report that upward mobility programs in the Federal Government should be made more effective; jointly to the Committees on Government Operations, and Post Office and Civil Service.

912. A letter from the Comptroller General of the United States, transmitting a report on the liquid metal fast breeder reactor programs; jointly to the Committee on Government Operations, and the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EVINS of Tennessee: Committee on Small Business. Hearings on Selected Programs of the Small Business Administration (Rept. No. 94-181). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5405. A bill to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more

than 16 passengers when emergency situations arise; with amendment (Rept. No. 94-182). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 6209. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates; with amendment (Rept. No. 94-183). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AMBRO (for himself, Ms. Abzug, Mr. Badillo, Mrs. Chisholm, Mr. Downey, Mr. Edgar, Mr. Ford of Michigan, Mr. Gilman, Mr. LaFalce, Mr. Lent, Mr. Miller of California, Mr. Moffett, Mr. Ottinger, Mr. Pattison of New York, Mr. Peyser, Mr. Pike, Mr. Roe, Mrs. Schroeder, Mr. Solarz, Mr. Stratton, Mr. Studds, Mr. Wolff, Mr. Wydler, and Mr. Zeferetti):

H.R. 6513. A bill to amend the Housing and Community Development Act of 1974 with regard to the definition of the term "city" as it is used in that Act; to the Committee on Banking, Currency and Housing.

By Mr. ANDERSON of California (for himself, Mr. Harrington, Mr. Hannaford, Mr. Charles H. Wilson of California, Mrs. Burke of California, Mr. Lagomarsino, Mr. Rees, Mr. Hawkins, and Mr. Burgener):

H.R. 6514. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia; to the Committee on the Judiciary.

By Mr. ARCHER:

H.R. 6515. A bill to amend the Internal Revenue Code of 1954 to provide a permanent increase to 12 percent in the rate of the investment credit; to the Committee on Ways and Means.

By Mr. ANNUNZIO (for himself, Mrs. Sullivan, Mrs. Spellman, Mr. Barrett, Mr. Gonzalez, Mr. Fauntroy, Mr. Neal, Mr. Wylie, Mrs. Fenwick, and Mr. Grassley):

H.R. 6516. A bill to amend the Equal Credit Opportunity Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. ARCHER (for himself and Mr. Corman):

H.R. 6517. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on strip of iron or steel, in coils, imported for use in the manufacture of cotton bale ties, and for other purposes; to the Committee on Ways and Means.

By Mr. BREAUX (for himself and Mr. Moss):

H.R. 6518. A bill to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 with regard to the rice programs established in those Acts; to the Committee on Agriculture.

By Mr. DON H. CLAUSEN:

H.R. 6519. A bill to amend the Small Business Act to include small business establishments primarily engaged in the production of cow's milk for purposes of obtaining loans to assist them in meeting the requirements established under the Federal Water Pollution Control Act; to the Committee on Small Business.

By Mr. DINGELL (for himself and Mr. Conte):

H.R. 6520. A bill to require that certain information about automotive gasoline octane be disclosed to consumers; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 6521. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself and Mr. Esch):

H.R. 6522. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on International Relations.

By Mr. HELSTOSKI (for himself and Mr. Conte):

H.R. 6523. A bill to designate the John C. Kluczynski Federal Building; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself and Mr. D'Amours):

H.R. 6524. A bill to provide compensation to U.S. commercial fishing vessel owners for damages incurred by them as a result of an action of a vessel operated by a foreign government or a citizen of a foreign government; to the Committee on Merchant Marine and Fisheries.

By Mr. HUTCHINSON:

H.R. 6525. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself, Mr. Badillo, Mr. Baldus, Mr. Bedell, Mr. John L. Burton, Mr. Carr, Mr. Cornell, Mr. Downey, Mr. Edwards of California, Mr. Evans of Indiana, Mr. Fithian, Mr. Gude, Mr. Harkin, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Hicks, and Mr. Hungate):

H.R. 6526. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Mikva, Mr. Nix, Mr. Obey, Mr. Ottinger, Mr. Pattison of New York, Mr. Rosenthal, Mr. Seiberling, Mr. Simon, Mr. Solarz, Mr. Stark, and Mr. Thompson):

H.R. 6527. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. LaFalce, and Mr. Harrington):

H.R. 6528. A bill to provide for the payment by the United States of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 6529. A bill to amend the Internal Revenue Code of 1954 to provide that the discharge of disaster relief loans by the United States shall not constitute income to the taxpayer and shall not reduce the amount of any casualty loss deduction; to the Committee on Ways and Means.

By Mrs. LLOYD of Tennessee:

H.R. 6530. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Obed River and its tributaries, in Tennessee, as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCORMACK (for himself, Mr. Brown of California, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Andrews of North Dakota, and Mr. Solarz):

H.R. 6531. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; to the Committee on Science and Technology.

By Mr. McFALL:

H.R. 6532. A bill to amend section 521(a) (1) of the Housing Act of 1949 for the purpose of changing the time period when the Secretary of the Treasury adjusts the interest rate to a level below which the Secretary of Agriculture may not charge on loans made under such section; to the Committee on Banking, Currency and Housing.

By Mr. MATSUNAGA:

H.R. 6533. A bill to amend title 5, United States Code, to authorize the payment of increased annuities to secretaries of justices and judges of the United States; to the Committee on Post Office and Civil Service.

By Mr. MURTHA:

H.R. 6534. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

H.R. 6535. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. PEYSER:

H.R. 6536. A bill to amend the Small Business Act to include small business establishments primarily engaged in the production of cow's milk for purposes of obtaining loans to assist them in meeting the requirements established under the Federal Water Pollution Control Act; to the Committee on Small Business.

By Mr. RANGEL:

H.R. 6537. A bill to amend title 10 of the United States Code in order to count, for purposes of nonregular retirement pay, service before World War II in certain State militia units which were racially segregated; to the Committee on Armed Services.

By Mr. ROGERS (for himself and Mr. Bafalis):

H.R. 6538. A bill to provide for the transfer of the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia; to the Committee on Interior and Insular Affairs.

By Mr. ROUSH (for himself, Mr. Meeds, and Mr. Pattison of New York):

H.R. 6539. A bill to amend the Federal Water Pollution Control Act to provide that Federal reimbursement may be made with respect to certain treatment works, construction of which was initiated before October 18, 1972; to the Committee on Public Works and Transportation.

By Mr. ROUSH (for himself, Mr. Baucus, Mr. Carney, Mr. Jeffords, Mr. McKinney, Mr. Murphy of New York, Mr. Pattison of New York, and Mr. Solarz):

H.R. 6540. A bill to amend part A of title XVIII of the Social Security Act to authorize payment for emergency inpatient

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hospital services furnished outside the United States, to a qualified individual whose principal residence is within the United States, without regard to where the emergency occurred; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 6541. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. SIMON:

H.R. 6542. A bill to amend title 5, United States Code, to restore the survivor annuities of certain remarried spouses whose remarriages have terminated, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN:

H.R. 6543. A bill to require Federal agencies and contractors to assure that an adequate supply of housing for middle- and low-income employees will be available in any community in which a Government facility is to be located, and for other purposes; jointly to the Committees on Government Operations, Banking, Currency and Housing, and Education and Labor.

By Mr. STRATTON:

H.R. 6544. A bill to grant a Federal charter to the Pearl Harbor Survivors Association, Inc.; to the Committee on the Judiciary.

By Mr. STRATTON for himself, Ms. Abzug, Mr. Blanchard, Mr. Del Clawson, Mr. Gilman, Mr. Johnson of Pennsylvania, Mr. Morgan, Mr. Nichols, Mr. Price, Mr. Roe, Mr. Santini, Mr. Van Deerlin, Mr. Won Pat, and Mr. Wright):

H.R. 6545. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER:

H.R. 6546. A bill to amend the Commodity Credit Corporation Charter Act, as amended, to provide the highest possible prices in foreign markets for American agricultural producers and to assure a reliable supply of raw foodstuffs to foreign purchasers; to the Committee on Agriculture.

By Mr. BROOMFIELD:

H.R. 6547. A bill to delay the effective date of noise emission standards and procedures to enforce such standards which apply to certain motor vehicles; to the Committee on Interstate and Foreign Commerce.

H.R. 6548. A bill to delay the effective date of a standard applicable to hydraulic service brake systems and associated parking brake systems; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER (for himself, Mr. Brown of California, Mr. Conyers, Mr. Downey, Mr. Eilberg, Mr. Koch, Mr. Matsunaga, Mr. Preyer, Mr. Solarz, Mr. Symington, and Mr. Waxman):

H.R. 6549. A bill to provide for the establishment of the National Center for Health Education and Promotion and the Institution for Health Education and Promotion to advance the national health; to reduce preventable illness, disability and death; to moderate self-imposed risks; to promote progress and scholarship in consumer health education and preventive medicine; to the Committee on Interstate and Foreign Commerce.

By Mr. CLANCY:

H.R. 6550. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 6551. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of police officers and firefighters killed in the line of duty; to the Committee on the Judiciary.

H.R. 6552. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose; to the Committee on the Judiciary.

H.R. 6553. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

H.R. 6554. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Wolff, Mr. Weaver, Mr. Scheuer, and Mr. Mitchell of Maryland):

H.R. 6555. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for amounts paid or incurred for repairs or improvements of, or additions to, their principal residences; to the Committee on Ways and Means.

By Mr. DENT (for himself, and Mr. Levitas):

H.R. 6556. A bill to establish a Voter Registration Administration within the General Accounting Office for the purpose of administering a voter registration program through the Postal Service; to the Committee on House Administration.

By Mr. EILBERG:

H.R. 6557. A bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain discriminatory practices in the pricing of fuels and other forms of energy, including electricity; to the Committee on Interstate and Foreign Commerce.

By Mr. FOUNTAIN (for himself, Mr. Horton, and Mr. Wydler):

H.R. 6558. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Mr. Ashley, Mr. Conyers, Mr. Dominick V. Daniels, Mr. Eilberg, Mr. Fascell, Mr. Fish, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hicks, Mr. Koch, Mr. Macdonald of Massachusetts, Mr. Maguire, Mr. Minish, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Ottinger, Mr. Pattison of New York, Mr. Rinaldo, Mr. Rosenthal, Mr. Thompson, Mr. Waxman, and Mr. Zeferetti):

H.R. 6559. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Mr. Anderson of California, Mr. Badillo, Mr. Bingham, Mr. Blanchard, Mr. Burke of Massachusetts, Ms. Collins of Illinois, Mr. Edgar, Mr. Fauntroy, Mr. Forsythe, Mr. Fraser, Mr. Long of Maryland, Mr. Mikva, Mr. Moss, Mr. Murphy of New York, Mr. Obey, Mr. Richmond, Mr. St Germain, Mr. Sarbanes, Mrs. Schroeder, Mr. Simon, Mrs. Spellman, Mr. Stark, and Mr. Udall):

H.R. 6560. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. HUNGATE (for himself, Mr. Randall, Mrs. Sullivan, Mr. Bolling, Mr. Litton, Mr. Clay, and Mr. Ichord):

H.R. 6561. A bill to amend title XVI of the Social Security Act to permit individuals who are residents in certain public institutions to receive supplementary security income benefits; to the Committee on Ways and Means.

By Mr. JONES of Alabama (for himself, Mr. Roe, Mr. Hammerschmidt, Mr. Patterson of California, Mr. Maguire, Mr. Minish, Mrs. Meyner, Mr. Dominick V. Daniels, and Mr. Rinaldo):

H.R. 6562. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. LITTON:

H.R. 6563. A bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS:

H.R. 6564. A bill to authorize the lease and transfer of tobacco from marketing quotas to farms in contiguous counties within the same State; to the Committee on Agriculture.

H.R. 6565. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of Ohio:

H.R. 6566. A bill to amend the Federal Salary Act of 1967, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATMAN (for himself, Mrs. Sullivan, Mr. Reuss, and Mr. Ashley):

H.R. 6567. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking, Currency and Housing.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6568. A bill to amend section 511(d) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881 (d)) to raise the monetary unit applicable to drug-related judicial forfeitures from $2,500 to $10,000; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6569. A bill to amend section 212 of the Federal Railroad Safety Act of 1970 to authorize additional appropriations; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS:

H.R. 6570. A bill to amend the act of June 4, 1897, to increase the value limitation on the amount of forest products which the Secretary of Agriculture may sell without advertisement; to the Committee on Agriculture.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6571. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; jointly to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. JEFFORDS (for himself, Mr. Carr, Mr. Sarbanes, Mrs. Burke of California, Mr. Adams, and Mr. Frenzel):

H.J. Res. 421. Joint resolution to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or any refined petroleum product without congressional authority, to prohibit the President from using section 232(b) of the Trade Expansion Act of 1962 or any other provision of law to establish such minimum prices without congressional authority, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. LENT:

H.J. Res. 422. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself and Mr. Nolan):

H.J. Res. 423. Joint resolution authorizing the President to proclaim September 8 of each year as "National Cancer Day"; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas (for himself, Mr. Kindness, Mr. Bevill, Mr. Ketchum, Mr. McDonald of Georgia, Mr. Devine, Mr. Sikes, Mr. Frenzel, Mr. Taylor of Missouri, Mr. Archer, Mr. Abdnor, Mr. Dickinson, Mr. Treen, Mr. Jenrette, Mrs. Holt, and Mr. Lent):

H. Con. Res. 258. Concurrent resolution recommending voluntary agreements between Government and industry for the development of passive restraint systems in automobiles until these systems have been proven effective; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H. Con. Res. 259. Concurrent resolution expressing the sense of the Congress that Mother Teresa of Calcutta be recommended for nomination for the 1975 Nobel Peace Prize; to the Committee on International Relations.

By Mr. ROUSSELOT (for himself, Mr. Beard of Tennessee, Mr. Collins of Texas, Mr. Crane, Mr. Edwards of Alabama, Mr. Goldwater, Mr. Guyer, Mr. Hansen, Mr. Johnson of Pennsylvania, Mr. Ketchum, Mr. Martin, and Mr. Miller of Ohio):

H. Con. Res. 260. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. ROUSSELOT (for himself, Mr Beard of Tennessee, Mr. Collins of Texas, Mr. Crane, Mr. Edwards of Alabama, Mr. Goldwater, Mr. Guyer, Mr. Hansen, Mr. Johnson of Pennsylvania, Mr. Ketchum, Mr. Martin, and Mr. Miller of Ohio):

H. Con. Res. 261. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. CLANCY:

H. Res. 430. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. DENT (for himself, Mr. Ottinger, Mr. Harrington, Mr. Ford of Michigan, Mr. Ketchum, Mr. du Pont, Mr. Addabbo, Mr. Vander Veen, Mr. Biaggi, Mr. Stark, Mr. Zeferetti, Mr. Carney, Mr. Riegle, Mr. Solarz, Mr. Gaydos, Mr. Dominick V. Daniels, Mr. Vanik, Mr. Carr, and Mr. Lagomarsino):

H. Res. 431. Resolution; impact of imports on unemployment investigation; to the Committee on Education and Labor.

By Mr. DOWNING (for himself, Mr. Whitehurst, and Mr. Harris):

H. Res. 432. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy; to the Committee on Rules.

By Mr. LITTON (for himself, Mr. Mineta, and Mr. Scheuer):

H. Res. 433. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agricultural research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

By Mr. MILLER of Ohio:

H. Res. 434. Resolution to require approval by the House of Representatives with respect to the fixing or adjustment of certain allowances for Members of the House; to the Committee on House Administration.

By Mr. PRESSLER:

H. Res. 435. Resolution to provide that individuals attending or teaching at vocational schools shall be eligible to serve as congressional interns in the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

118. By the SPEAKER: Memorial of the Senate of the State of New Jersey, relative to the Soviet Union's emigration policies; to the Committee on International Relations.

119. Also, memorial of the Legislature of the State of Oklahoma, relative to Vienamese and Cambodian orphans; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ROONEY introduced a bill (H.R. 6572) to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes, which was referred to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

114. By the SPEAKER: Petition of the Schuyler County Human Services Committee, Corning, N.Y., relative to child development legislation; to the Committee on Education and Labor.

115. Also, petition of the National Academy of Sciences, Washington, D.C., relative to the United Nations Educational, Scientific, and Cultural Organization; to the Committee on International Relations.

116. Also, petition of the school board of Palm Beach County, Fla., relative to designating the third Friday in May of each year as Teachers' Day; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 218

By Mr. DINGELL:

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc):

On page 1, line 11, strike out $395,600,000,000" and insert in lieu thereof "395,615,000,000";

On page 2, line 2, strike out "$368,200,000,000" and insert in lieu thereof "368,215,000,000";

On page 2, line 5, strike out $73,200,000,000" and insert in lieu thereof $73,215,000,000";

On page 2, line 7, strike out "$624,000,000,000,000" and insert in lieu thereof "$624,015,000,000";

On page 2, line 9, strike out $93,000,000,000" and insert in lieu thereof "$93,015,000,000."

SENATE—*Wednesday, April 30, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God of creation and Lord of all history, in the solemn silence of this moment make us sure of Thy presence, Thy power, and Thy providence in the affairs of men and nations. May deliverance from past burdens never become despair in the work of the present. Save us from censoriousness, from self-disdain, from condemnation of others. Mend our divisions, heal our wounds, unite our hearts and minds in common endeavor for that peace and justice which are the tokens of Thy kingdom. Fill our needs according to the abundance of Thy grace.

Hasten the end of suffering from war in other lands.

Quicken our love of America that beyond the shadows of today we may see the shining glory of the Republic both as heritage and trust. May we be steadfast in our love of life, our devotion to freedom, our intolerance of evil, and our abiding faith in the things of the spirit.

In the Redeemer's name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, April 29, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go

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into executive session to consider certain nominations on the calendar beginning with the Agency for International Development.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations will be stated.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The legislative clerk proceeded to read nominations in the Agency for International Development.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. AIR FORCE

The legislative clerk read the nomination of Lt. Gen. Ernest C. Hardin, Jr. to be lieutenant general.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. I ask unanimous consent that those nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. I ask unanimous consent that those nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Air Force, Army, Navy, and Marine Corps.

Mr. MANSFIELD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WHEN THE PRESIDENT AND CONGRESS COOPERATE

Mr. MANSFIELD. Mr. President, on yesterday, President Ford made the following statement:

> This action closes a chapter in the American experience. I ask all Americans to close ranks, to avoid recrimination about the past, to look ahead to the many goals we share and to work together on the great tasks that remain to be accomplished.—President Ford.

A tragic episode in our history has now come to a close in Vietnam. There will be time enough to probe the wreckage of the policy of involvement. There will be time enough to draw new perceptions from the experience for future guidance.

For now, however, before these last impressions fade, it seems to me very necessary to underline one aspect of the matter. That is, the immense difficulty even at the end to move the reluctant machinery of this Government to the point where the last Americans could be removed in relative safety by the Marines. Even then, the cost was four more American lives, not to speak of the death and anguish of countless Vietnamese. In the end, it took the cooperation of the President and the Congress to bring about a termination. It came, finally, because Congress was unwilling to give the executive branch a blank check in providing the closeout funds. Congress insisted not only on the withdrawal of American personnel but on a speedup of that withdrawal as a precondition of further appropriations. Working with the Congress, moreover, the President moved the executive branch to proceed on that basis. So, together, the President and the Congress achieved the result. To be sure, it was late. To be sure, weeks were lost after the great collapse in the highlands. To be sure, there were last minute human tragedies. But think what else might have been had the procrastination been allowed to continue until an attack on Saigon was underway. Think what might have been had a U.S. reinvolvement in the war taken place at that time.

So I wanted to take this moment to stress the importance of the closest collaboration between the President and the Congress. It was the decisive factor in this situation. He kept the Congress informed and consulted repeatedly. That is the only fashion in which this Government can deal effectively with a critical confrontation abroad. In moments of crises, at least, the President and the Congress cannot be adversaries; they must be allies who, together must delineate the path to guide the Nation's massive machinery of government in a fashion which serves the interests of the people and is acceptable to the people.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Does the Senator from North Carolina seek recognition in behalf of the minority?

Mr. HELMS. No.

The PRESIDENT pro tempore. Under the previous order, the Senator from South Dakota (Mr. McGovern) is authorized to proceed for not to exceed 15 minutes.

Mr. JAVITS. Mr. President, it is my understanding that the Senator from South Dakota has waived his time this morning, and I think I am next in order, if I may proceed. May I be recognized?

The PRESIDENT pro tempore. The Senator from New York is recognized.

ACTION ON THE VIETNAM HUMANITARIAN ASSISTANCE CONFERENCE REPORT MUST BE COMPLETED

Mr. JAVITS. It is interesting, Mr. President, that the majority leader, with his fresh approach to great public affairs matters, should have spoken as he has this morning. I had in mind calling the Senate's and the country's attention to a specific implementation of the general position which the majority leader has outlined, which requires action on the part of the other body at this particular moment, indeed, today.

For, Mr. President, in the collaboration between Congress and the President, which was admirable and which had an extremely constructive result, in that I do not believe that the movement for as early an evacuation, which has proved to be just in the nick of time, would have occurred had it not been for the strong view, especially, of the Committee on Foreign Relations and the Senate; and the basis for that collaboration was embodied in a bill called the Vietnam humanitarian and evacuation bill, which was passed by both Houses in different versions, compromised in conference, and the conference report agreed to by the Senate on last Friday.

This represents, as it were, the consummation of that collaboration which was praised, and quite rightly, by the majority leader, and it all stems back to the assertion of power by Congress in the war powers resolution which was dealt with in this particular bill and in other measures which we have taken at long last to recapture one-half the authority over foreign policy, and especially the making of war, which we had yielded to the Executive over the decades, either by failing to use it or by actually passing the authority to the Chief Executive.

The conference report, very unfortunately, Mr. President, was not dealt with in the House of Representatives. It was supposed to be dealt with yesterday, and was passed over because of the fact that such portentous events were taking place; but they await action, and in my judgment action is essential and the conference report already agreed to by the Senate should be agreed to by the House and become law.

That conference report contained certain money authorizations respecting relief of the victims of the Vietnam war, and there certainly should be no question about the need for those authorizations, and I am sure they would be given whether in that law or not. But equally with the authorization, there should be no question about those sections of the bill which clarify the President's authority, and give him the additional authority he required under the war powers resolution and the Constitution. The President properly asked the Congress to clarify the question of his lawful authority and this has been done; it must be carried through to completion. The evacuation was materially accelerated and shaped in its nature through the insistence of the Senate Foreign Relations Committee and the Senate.

Mr. President, the keys to the authority of the President which is dealt with by this measure, and why we must pass it as a law, are twofold:

First, the extent of the President's authority under the Constitution—and he has such authority—to evacuate Americans from a war zone; and second, the authority to use the Armed Forces in the process. The extent of that, the size, time, duration, et cetera, is one of the subjects of the bill.

The critical subject in the bill is that it deals with the evacuation of the Vietnamese, because in my judgment, Mr. President, the President has no constitutional or legal authority to evacuate Vietnamese.

In using U.S. Armed Forces to evacuate Vietnamese, the President went beyond his constitutional authority. This is understandable and under the tragic circumstances probably inevitable, and I doubt that any of us as President would have done anything else, and in addition the President was buttressed by the fact that what he did was in substantial agreement with the views of both Houses, as expressed in their separate bills and in the conference report—if it becomes law.

In order, therefore, to serve as an effective and adequate precedent for the future, however, and to ratify the agreement already, in effect, worked out by the Congress and the Executive concerning the President's actions, the conference report must become law. It will serve, as well, as a model and precedent in this all important war responsibility in the future, to have these questions of the power of the President and the power of the Congress definitively settled by this law. Not to do so will abort a vital element in the determination of who makes war—and will be a disservice to our country.

As I said a moment ago, the President has the constitutional authority to rescue Americans from a war zone and to use armed forces in the process, but he does not have the constitutional authority to rescue Vietnamese and we gave him that authority specifically in this bill.

As I stated previously, the President's actions in bringing out the Vietnamese friends of the United States, with a conference report giving him this authority already passed by the Senate is not legal, but it is understandable and inevitable, I doubt very much that any of us as President would have done anything different. But to fail to ratify this action by making the bill law would be only a confirmation of the way Congress waived its authority for years on the war making power in favor of Presidents, and would be compromising the recapture of these powers according to the war powers resolution. The Congress must in dignity and self-respect, and in the interest of the country, stand fast, in my judgment.

Now, Mr. President, this is critically important because there is no way of suing the President of the United States to enforce this law. The only remedy against the President, if one were going to take an overt remedy, is impeachment, and no one is even talking about that seriously, or should. But the Congress can, Mr. President, by standing on its prerogatives, assert its rights and get them, and that is why it is absolutely vital that this conference report, now solely in the province of the other body, should become law.

Finally, Mr. President—and I apologize to Senator Mansfield if he has already said this—speaking as one Senator and as a Member of this body, I feel that the Senate has accredited itself extremely well in this situation, and its impact upon the administration has been felt, and very creditably and creatively. I also feel that the Armed Forces of our country, which performed so nobly in Phnom Penh in a much similar situation, have again performed remarkably well, notwithstanding the problems and the small failures and the difficulties about which we have read in the press. Our Armed Forces have performed remarkably well in this very, very tragic situation which we saw the other day.

Mr. President, I cannot emphasize too strongly the test which is now before Congress, and the need to meet that test, and that is that, recognizing the limits of a President's authority both as to Americans and as to Vietnamese, and especially as to the latter, it is essential that Congress show its own determination to stick to its new-found authority after so many years by acting on the Vietnam humanitarian and evacuation bill, finally asking the President to sign it into law, thereby the board which, I think, would be a colossal mistake and a grave disservice to the country.

Mr. President, I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

TRAVEL EXPENSE AMENDMENTS ACT OF 1975

Mr. RIBICOFF. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 172.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Travel Expense Amendments Act of 1975".

SEC. 2. (a) Section 5701(2) of title 5, United States Code, is amended to read as follows:

"(2) 'employee' means an individual employed in or under an agency including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at $1 a year";

(b) Section 5705 of such title 5 is amended by striking out "or individual" wherever it appears.

SEC. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. PER DIEM; EMPLOYEE TRAVELING ON OFFICIAL BUSINESS

"(a) Under regulations prescribed under section 5707 of this title, an employee while traveling on official business away from his designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regular place of business, is entitled to (1) a per diem allowance for travel inside the continental United States at a rate not to exceed $35, and (2) a per diem allowance for travel outside the continental United States, that may not exceed the rate established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rate may be allocated proportionately.

"(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty or, in the case of an individual described under section 5703 of this title, his home or regular place of business, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses to his designated post of duty, or home or regular place of business, as the case may be.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed $50 for each day in a travel status within the continental United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707 of this title.

"(d) Under regulations prescribed under section 5707 of this title, for travel outside the continental United States, the Administrator of General Services or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, except that such reimbursement shall not exceed $21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

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"(e) This section does not apply to a justice or judge, except to the extent provided by section 456 of title 28.".

Sec. 4. Section 5703 of title 5, United States Code, is amended to read as follows:

"§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay

"An employee serving intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis, or serving without pay or at $1 a year, may be allowed travel or transportation expenses, under this subchapter, while away from his home or regular place of business and at the place of employment or service.".

Sec. 5. Section 5704 of title 5, United States Code, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to not in excess of—

"(1) 11 cents a mile for the use of a privately owned motorcycle;

"(2) 20 cents a mile for the use of a privately owned automobile; or

"(3) 24 cents a mile for the use of a privately owned airplane;

instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of such advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem. Notwithstanding the preceding provisions of this subsection, in any case in which an employee who is engaged on official business for the Government chooses to use a privately owned vehicle in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a Government vehicle.

"(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;

"(2) ferry fees;

"(3) bridge, road, and tunnel costs; and

"(4) airplane landing and tie-down fees.".

Sec. 6. (a) Section 5707 of title 5, United States Code, is amended to read as follows:

"§ 5707. Regulations and reports.

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter, except that the Director of the Administrative Office of the United States Courts shall prescribe such regulations with respect to official travel by employees of the judicial branch of the Government.

"(b)(1) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations, of employees of the Government, shall conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator shall review and analyze among other factors—

"(A) depreciation of original vehicle cost;

"(B) gasoline and oil (excluding taxes):

"(C) maintenance, accessories, parts, and tires;

"(D) insurance; and

"(E) State and Federal taxes.

"(2) The Administrator shall issue regulations under this section which shall prescribe mileage allowances which shall not exceed the amounts set forth in section 5704(a) of this title and which reflect the current costs, as determined by the Administrator, of operating privately owned motorcycles, automobiles, and airplanes. At least once each year after the issuance of the regulations described in the preceding sentence, the Administrator shall determine, based upon the results of his investigation, specific figures, each rounded to the nearest one-half cent, of the average, actual cost a mile during the period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than five working days after he makes his determination. Each such report shall be printed in the Federal Register. The mileage allowances contained in regulations prescribed under this section shall be adjusted within thirty days following the submission of that report to the figures so determined and reported by the Administrator.".

(b) The regulations required under the first sentence of section 5707(b)(2) of title 5, United States Code, as amended by subsection (a) of this section, shall be issued no later than thirty days after the effective date of this Act.

Sec. 7. Item 5707 contained in the analysis of subchapter I of chapter 57 of title 5, United States Code, is amended to read as follows:

"5707. Regulations and reports.".

Mr. RIBICOFF. Mr. President, the bill, S. 172, was passed by the Senate on March 20, 1975. On April 22, the House of Representatives, after passing its version of the measure, H.R. 4834, vacated passage and passed the Senate-passed version, S. 172, after amending it by substituting the language of the House-passed bill.

S. 172, as it passed the Senate, contained a provision which applied the new Government-wide per diem rates to Senators and committee and other Senate staff employees traveling on official Senate or committee business. The House amendment omits this provision.

I move that the Senate concur in the House amendment with an amendment which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

On page 7, immediately below the matter appearing below line 15, insert the following new section:

Sec. 8. The seventh paragraph under the heading "Administrative provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1967 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

Mr. RIBICOFF. Mr. President, the amendment would restore to the bill the provisions referred to and I move its adoption.

The PRESIDENT pro tempore. The question is on agreeing to the motion.

Mr. HELMS. Mr. President, if the Senator would be willing to have a brief quorum call so that I can discuss one spect, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I move that the Senate concur in the House amendment with the amendment I have sent to the desk.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting the annual report of the National Voluntary Service Advisory Council, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Voluntary Service Advisory Council as required by section 405 of the Domestic Volunteer Service Act of 1973.

Gerald R. Ford.

The White House, *April 30, 1975.*

MESSAGES FROM THE HOUSE

At 10:17 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Reuss, Mr. Barrett, Mr. Ashley, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Mitchell of Maryland, Mr. AuCoin, Mr. Brown of Michigan, Mr. J. William Stanton, and Mr. Rousselot were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

At 12:24 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (H.R. 2808) to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

Amendment to Supplemental 1975 Appropriations for the Legislative Branch—(S. Doc. 94–46)

A communication from the President of the United States submitting a proposed amendment in the amount of $531,530 to a request for supplemental 1975 appropriations for the Legislative Branch (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore (Mr. Eastland):

A petition seeking a redress of grievances from the Statewide Committee Opposing Regional Plan Areas, Barstow, Calif.; to the Committee on the Government Operations.

A petition seeking a redress of grievances from the Statewide Committee Opposing Regional Plan Areas, Terre Haute, Ind.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the Statewide Committee Opposing Regional Plan Areas, Winnetka, Ill.; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HRUSKA, from the Committee on the Judiciary without amendment:

H.J. Res. 242. A joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week" (Rept. No. 94–100).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with reservation:

Ex. M, 93rd Congress, 2d Session. International Agreement for the Creation at Paris of an International Office of Epizootics, done at Paris on January 25, 1924, with annexes (Exec. Rept. 94–4).

Mr. SPARKMAN. Mr. President, as in executive session, I report favorably from the Committee on Foreign Relations sundry nominations in the Foreign Service which have previously appeared in the Congressional Record and, to save the expense on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. RIBICOFF (for himself, Mr. McIntyre, and Mr. Weicker):

S. 1605. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

By Mr. CLARK:

S. 1606. A bill to make more chemical fertilizer available throughout the world for the production of food by substantially reducing the amount of such fertilizer used in the United States for nonfood growing purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. RANDOLPH:

S. 1607. A bill to amend chapter 31 of title 5, United States Code, to authorize the employment of reading assistants for blind employees and interpreters for deaf employees. Referred to the Committee on Post Office and Civil Service.

By Mr. HATHAWAY (for himself, Mr. Williams, Mr. Randolph, Mr. Schweiker, and Mr. Javits):

S. 1608. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes. Referred to the Committee on Government Operations and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

By Mr. BURDICK:

S. 1609. A bill designating the park established pursuant to the Act of April 25, 1947 (61 Stat. 52), as the "Theodore Roosevelt National Park." (Referred to the Committee on Interior and Insular Affairs.

By Mr. RIBICOFF:

S. 1610. A bill for the relief of Robert Lionel Reid and Nadia Alice Reid. Referred to the Committee on the Judiciary.

By Mr. ROTH:

S. 1611. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification. Referred to the Committee on Public Works.

By Mr. DOLE:

S.J. Res. 76. A joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as "National Beta Sigma Phi Week". Referred to the Committee on the Judiciary.

By Mr. McINTYRE (for himself, Mr. Kennedy, Mr. Leahy, Mr. Muskie, Mr. Pastore, Mr. Ribicoff, and Mr. Stafford):

S.J. Res. 77. A joint resolution to amend the Act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIBICOFF (for himself, Mr. McIntyre, and Mr. Weicker):

S. 1605. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

Mr. RIBICOFF. Mr. President, today I am introducing legislation to exempt officially sanctioned State lotteries from the 2-percent excise tax on gross lottery revenues and to exempt sellers of State lottery tickets from the $500 occupational tax.

State governments throughout America face an economic crisis. The cost of government services is increasing but the ability of States to pay for these services through taxes is reaching its limits.

As a result, at least a dozen States, including Connecticut, have enacted a State lottery to help the States raise money.

The Connecticut lottery has already raised over $44 million for the State's general fund. It has been a success.

Now the Federal Government wants a piece of the action. This is completely unfair to Connecticut. Connecticut's taxpayers already pay their fair share of taxes to the Federal Government. I am simply not going to stand by while the Treasury Department scoops off an extra percentage.

Last year, the Senate passed a bill to exempt States from the 10-percent excise tax and the $50 occupational tax. But the bill was stalled in the House. Subsequently, over my objections, the House succeeded in getting a bill enacted which, while it lowered the excise tax from 10 to 2 percent, raised the occupational tax from $50 to $500.

I have been informed that these taxes will soon be imposed on States by the Bureau of Alcohol, Tobacco, and Firearms. At the present time the Treasury has taken no action to implement the tax.

But, if Treasury decides to impose the tax it is clear that it will drive the Connecticut lottery and other State lotteries out of business.

People who sell lottery tickets are not big corporations. They are drug stores, gas stations, newsstands, and other small shops and individuals. They do not make much money off lottery sales. It is more a convenience than anything else. In fact the 3,300 lottery sales agents in Connecticut who receive 5 percent of their gross revenues of ticket sales, would have to sell some 20,000 tickets just to break even if a $500 occupational head tax was enacted.

If the Treasury Department imposes its 2 percent excise tax on a retroactive basis, it would cost the Connecticut lottery $2,056,213. It is conceivable that Treasury may not only make it retroactive but also require payment of the earlier 10 percent excise tax which was never collected. This would cost Connecticut $9,506,084 just to pay back taxes.

The 3,300 ticket vendors would have to pay over $1.5 million in occupational taxes if a $500 occupational tax was enacted.

I strongly urge my colleagues to support repeal of these unfair taxes and to allow the people and government of Connecticut to keep the proceeds of the Connecticut lotteries. The concept of a lottery tax was originally to get at the illegal lottery operation. Even in its amended form the lottery tax has no place in the affairs of the official State lotteries.

By Mr. CLARK:

S. 1606. A bill to make more chemical fertilizer available throughout the world for the production of food by substantially reducing the amount of such fertilizer used in the United States for nonfood growing purposes. Referred to the Committee on Agriculture and Forestry.

FERTILIZER FOR FOOD

Mr. CLARK. Mr. President, the administration earlier this year announced an increase in the food for peace program. Two million more tons of food became available—an increase as welcome as it was needed by some of the underdeveloped nations. There is some concern that the additional wheat and rice commitment was announced too late to have the maximum effectiveness, but there can be no question that any effort to help ease the immediate world hunger will help.

Of course, food aid can only be a short-term solution. Food production is the long-term answer. Today, I am introducing legislation designed to help increase world food production by increasing the availability of fertilizer.

In the past 2 years, the world supply of fertilizer has not kept up with demand. There are many causes for this, including inadequate manufacturing capacity, and oil and gas shortages, but whatever the cause the results have been unmistakable. The price of fertilizer has skyrocket—up 400 percent or more in some instances—pricing many users out of the market, especially in less developed countries which have been forced by high oil prices to curtail drastically other imports. This has reduced yield throughout the world—with devastating reductions in some areas. The green revolution, which promised to bring agriculture self-sufficiency to many less developed countries, has been disrupted by the fertilizer shortage.

Some improvement is in sight. Many fertilizer producers are currently building new plants and expanding their capacity. However, it takes time to build these plants, and farmers will still be unable to obtain all the fertilizer they need in 1975. Once again, food production will suffer because of a lack of fertilizer.

One way to help alleviate this is to encourage the use of as much of the world's fertilizer as possible for agricultural production. This, in turn, means using as little as possible for ornamental and decorative growing purposes. Although estimates vary, it has been suggested that as much as 15 percent of the fertilizer used in the United States is for nonfarm purposes, the great bulk of this for ornamental use. If some of this fertilizer could be diverted to agriculture, it could result in a significant increase in world food production in the coming year.

This bill attempts to achieve that goal in three ways. First, it requires the Federal Government to reduce its use of fertilizer for ornamental and decorative purposes to not more than 10 percent of its average annual use for these purposes during the 3 preceding years. Second, it calls on the President to urge State and local governments, corporations, associations, foundations, and individuals to reduce the amount of fertilizer they use for ornamental and decorative purposes. Third, it directs the President to establish a commission to determine methods of increasing fertilizer production.

It is one concrete step that can be taken to help alleviate hunger.

Mr. President, I ask unanimous consent that the bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) Shortfalls in food production over the past several years have resulted in malnutrition, suffering, and starvation for millions of people throughout the world.

(2) A significant factor in these shortfalls in food production has been the lack of availability of fertilizer supplies.

(3) Considerable potential exists for increasing fertilizer availability through conservation measures such as reducing nonfood producing uses of fertilizer supplies which could be directed into food production, and more efficient application of fertilizer supplies available for food production.

Sec. 2. In order to address the crucial shortfall of fertilizer for food production the President shall appoint a commission on fertilizer availability (1) to review and recommend specific conservation steps and other measures which would be taken to increase the short-term availability of fertilizer for food production and (2) to encourage increased production of fertilizer to meet the medium- and long-term fertilizer needs such as investment incentives, priority access to basic materials and machinery to increase production capacity, and necessary adjustments in the cost structure of fertilizer feed stocks.

Sec. 3. No department or agency of the Federal Government, including the United States Postal Service and Federal corporations, shall use chemical fertilizer during a period of a year following enactment of this bill for ornamental or decorative growing purposes in any amount greater than an amount equal to 10 per centum of the average annual amount of such fertilizer used by such departments and agencies for such purposes during the calendar years 1972, 1973, and 1974. The foregoing limitation shall not apply with respect to any ornamental or decorative growing purpose the primary purpose of which is to prevent soil erosion or serve some other necessary conservation purpose.

Sec. 4. It is the sense of the Congress that the President should issue a proclamation calling upon all States, and political subdivisions thereof, and upon all corporations, associations, foundations, and other entities, and on all private individuals of the United States to substantially reduce the amount of chemical fertilizer they purchase and use for ornamental or decorative growing purposes which could be redirected into food production during the calendar year 1975.

By Mr. RANDOLPH:

S. 1607. A bill to amend chapter 31 of title 5, United States Code, to authorize the employment of reading assistants for blind employees and interpreters for deaf employees. Referred to the Committee on Post Office and Civil Service.

Mr. RANDOLPH. Mr. President, today I introduce legislation to assist blind and deaf Government employees. I am sure there would not be a dissenting vote in this body, if a vote of confidence were to be taken on the performance by blind and deaf employees in the Federal Government. They have labored well under difficult circumstances.

Public Law 87–614 which I was privileged to cosponsor aided the placement of blind persons to some extent by authorizing the employment of reading assistants. That law authorizes the payment of reading assistants by the blind employee or a nonprofit organization. Agency funds, however, cannot be used for this purpose. Additionally, there is no authority comparable to Public Law 87–614 that makes provision for interpreters for the deaf. Under this law the employee is often required to use his own funds in order to carry out responsibilities of his job. No other Federal worker has such a responsibility placed on him.

We have made substantial progress in providing opportunity for handicapped persons. It is time for Government, however, to realistically assist Federal employees who are blind and deaf to have the same opportunities as other Americans. The bill provides that a certain percentage of positions available in all agencies be set aside for reading assistants for the blind and interpreters for the deaf. In a period of 3 years from enactment of this legislation the Federal Government work force would contain a minimum of 4 percent reading assistants and interpreters to provide the supportive services to deaf and blind employees.

Blind and deaf Americans have demonstrated that they can do the work and that there is no justification for requiring them to pay for their own assistants and interpreters. Mr. President, it is my hope that the members of the Post Office and Civil Service Committee will move promptly on this vital legislation which has the potential to assist the over 18 percent of Americans who are either blind or deaf.

By Mr. HATHAWAY (for himself, Mr. Williams, Mr. Randolph, Mr. Schweiker, and Mr. Javits):

S. 1608. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for

other purposes. Referred to the Committee on Government Operations and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

Mr. HATHAWAY. Mr. President, more than 3 years ago, the distinguished Senator from Arkansas (Mr. McClellan) made an important statement in this Chamber about the tragic problem of drug abuse in this country. Rising in support of the original Drug Abuse Office and Treatment Act, the Senator said:

> This (drug abuse) pestilence affects all Americans—rich or poor, black or white, residents of our inner cities, suburbs or rural communities. The ravages of drug abuse have already taken an irreparable toll and succumbed countless victims. We cannot afford to continue a lackadaisical or haphazard approach to this immense national problem.
>
> The cost of flagrant drug abuse is devastating to our Nation. Beyond the physical pain and miseries—which exact an incalculable price being paid in dollars for the addict to cope with his insatiable appetite. The hard statistics of addiction are shocking, cruel, and pathetic. They sound their own clarion call for action and relief. They—more than any words of rhetorical utterances—speak for the cogent need to make (this Act) a part of America's arsenal against drug abuse.

A great deal has happened since those words were spoken, Mr. President—including the development of a coordinated national strategy to combat drug abuse as well as a commitment of substantial Federal funds to this end. Drug treatment capacity more than doubled as all the States and thousands of localities actively joined in the effort. Federal treatment and enforcement agencies worked together to diminish both the supply of drugs and the demand for them. Innovative primary prevention programs were developed while much needed research—on drug use as well as on drugs themselves—has taken place.

And for awhile, Mr. President, we saw some real progress. In many areas, particularly our great Eastern cities where the problem had been most severe, the drug abuse indicators were down. A combination of diminished supply of heroin from Turkey and significantly increased treatment capacity seemed to have a real impact on the problem. Indeed, it appeared for a moment that we had "turned the corner on drug abuse." Unfortunately, we now know that moment has passed.

During several days of hearings late in March, the Subcommittee on Alcoholism and Narcotics got an update on the present drug abuse situation from law enforcement officials, those in charge of the Federal effort in this field, State and local program coordinators and active drug abuse workers.

The news, I am sorry to report, was not good. The availability and purity of heroin on the street is up; overdose deaths and drug related hospital admissions are up; and applications for treatment are up, to the point that programs which had empty spaces as recently as last summer have now had to reinstitute waiting lists. And it became apparent that although much has been accomplished, we still have a great deal left to do. Mr. Jesse Pratt, one of our witnesses who is a program director in California, put it very clearly;

> 1. Drug abuse is continually, rapidly increasing in the nation.
>
> 2. Drug abuse continues to substantially increase crime.
>
> 3. Much has been learned about drug abuse in the last five years and one of the most significant things we have learned is that we still know too little about drug abuse, its causes, the ways to treat it, and the ways to prevent it.
>
> 4. Efforts by the state and local governments to control and treat drug abuse are still hampered due to the fact that many significant single state agencies are hardly more than one year in operation.
>
> 5. Though drug abuse programs, generally demonstrating success, have recognized that education, treatment, rehabilitation, prevention, research, training, and law enforcement efforts are interrelated, only the surface of broad, indepth coordination has been touched.

The inescapable conclusion from all of this, it seems to me, is that now is not the time to retrench or diminish our efforts in this area in any way. The problem has not gone away, and all the factors which generated the first Drug Abuse Office and Treatment Act are still present. It is in this context that I, along with my distinguished colleagues from the Alcoholism and Narcotics Subcommittee, Senators Williams, Randolph, Schweiker, and Javits, am introducing the Drug Abuse Office and Treatment Amendments of 1975.

I would ask unanimous consent, Mr. President, that this bill, along with a section-by-section analysis, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Because a section-by-section analysis is being made available, I will not describe the bill in detail. I would, however, like to describe its basic thrust as well as explain the thinking behind it.

The most important aspect of the bill is that it trims and refines the authority of the present Special Action Office on Drug Abuse Prevention in the White House and extends the life of that Office for another 3 years. In the original act, this Office was designed to terminate its entire existence on June 30 of this year. This unusual termination provision was established because the Special Action Office was to be an extraordinary administrative organization designed to meet what was viewed as a limited duration crisis, a crisis which could be dealt with within traditional bureaucratic channels after an initial period of organization and coordination. It was expected—as has, in fact, been the case—that the direct program functions of the Office—support of treatment facilities, research, training, or prevention programs—would gradually be turned over to the new National Institute on Drug Abuse—NIDA—in the Department of Health, Education, and Welfare. And, it was expected that the overall Federal planning, policy development, and coordination functions would diminish in importance once the general direction of the Federal effort was set. While the transfer of the program functions has worked out as expected, the anticipated decline in the need for overall planning and coordination has not.

Unique among health-related Federal programs, drug abuse prevention, control and treatment necessarily involves a strong law enforcement component. More than half the Federal funds expended in the drug abuse field are in the area of enforcement, and enforcement policy impacts on treatment and prevention at all levels—from the White House through the State and local agencies right down to the street. Because of the close relationship between drug abuse and crime, drug enforcement is a high priority at the Department of Justice, being placed in the Drug Enforcement Administration, just below the level of the Attorney General. As a health problem, however, drug abuse is one among many concerns at HEW and is therefore assigned a subordinate role in the bureaucratic structure.

It is the necessity for the continuing coordination of these two aspects of the problem—treatment and enforcement—that forms the basis of our decision to recommend the continuation of a White House level office. A secondary reason is the need for coordination among the many Federal agencies—such as the Department of Defense and the Veterans' Administration—which have their own independent drug abuse programs. Additionally, we have learned over the past 3 years that drug abuse is a fast-moving problem involving ever-changing patterns of drug use.

This phenomenon—which includes shifts in types of abuse as well as shifts in the geography of the problem—necessitates an unusually flexible Federal response, a kind of response more likely in an office situated at the highest level of the Federal organization.

Because we recommend continuation of a White House level office, however, does not mean we are insensitive to the developments of the past 3 years in this field nor to the dangers of duplication and administrative overlap. For this reason, we took great care in the bill to trim down and refine the size and area of responsibility of the new Office. To be called the Office of Drug Abuse Prevention Policy, this Office will have a limited mandate to provide planning, policy development, and coordination to the Federal effort and will be limited to a size appropriate to carry out that mandate.

With regard to the size of the Office, we are recommending the following changes:

Reduce the authority for assistant directors from six to two;

Reduce the number of supergrade positions from 10 to 4 and the number of consultant positions from 15 to 6; and

Limit authorized appropriations to $10 million a year—currently authorized at $82 million.

More importantly, we are recommending that the functions of the Office be strictly limited to policy and coordination—program, technical assistance and research functions are transferred to NIDA while the use of the Office's "special fund" is restricted to use through other public agencies. Retaining some funds to be used in this way is important, we think, in order to provide the Office with the leverage necessary to encourage action and cooperation by and among the various agencies and levels of government involved in the drug abuse field.

In this way, Mr. President, we have tried very carefully to limit the scope and authority of the new Office to those functions which cannot be transferred to another entity or allowed to lapse. Although negative in the sense of providing limits to existing authority, we think the thrust of the bill is positive in that it reaffirms a significant Federal commitment to the control of this most difficult problem, in terms of both organization and resources.

Mr. President, because of the June 30 deadline for action in this area—because of the termination of the present Special Action Office as well as the expiration of the NIDA authorities extended in the bill—the subcommittee will be moving rapidly on this matter.

Hearings have already been held which produced a rather thorough discussion of the principles contained in the bill; comments on the bill itself will be solicited shortly. I hope my colleagues will give close attention to this matter and provide us with their comments and suggestions as we continue to grapple with this most difficult and complex problem.

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 (21 U.S.C. 1101) of the Drug Abuse Office and Treatment Act of 1972 (hereinafter in this Act referred to as the "Act") is amended by adding at the end thereof the following new paragraph:

"(10) Although the three-year period subsequent to the original enactment of this Act saw a significant reduction in the rate of increase of drug abuse, and, during certain periods of time and in certain areas of the country, an apparent reduction in its incidence, the increase and spread of heroin consumption in 1974, as well as continuing problems with other drugs, make it clear that government policy must be predicated on a recognition that drug abuse must be dealt with on a continuing basis, rather than as a crisis which can be attacked and forgotten."

Sec. 2. Section 102 of the Act (21 U.S.C. 1102) is amended by changing "immediate objective of significantly reducing the incidence of drug abuse in the United States within the shortest possible period of time, and to develop" to read "objective of significantly reducing the incidence, as well as the social and personal costs of drug abuse in the United States, and to develop and assure the implementation of".

Sec. 3. (a) Section 104 of the Act (21 U.S.C. 1104) is repealed, and the table of sections at the beginning of title I of the Act is amended by striking the following item:

"104. Termination."

(b)(1) The first sentence of section 302 of the Act (21 U.S.C. 1162) is amended by striking "until the date specified in section 104 of this Act".

(2) The second sentence of such section is amended to read as follows: "The Director shall provide such services as are required to assure that the strategy is prepared.".

(c)(1) Sections 303(b) and 303(c) of Public Law 93–282 (21 U.S.C. 1175 note) are repealed.

(2) Section 303(d) of Public Law 93–282 is amended (1) by striking "prior to the date specified in section 104 of that Act (21 U.S.C. 1104)", and (2) by striking "or the Secretary of the Department of Health, Education, and Welfare, as the case may be".

Sec. 4. (a) The following provisions of law are each amended by striking "Special Action Office for Drug Abuse Prevention" and inserting "Office of Drug Abuse Prevention Policy" in lieu thereof:

(1) The heading of title II of the Act (21 U.S.C., chapter 16, subchapter II), and sections 201, 302, and 406(g) of the Act (21 U.S.C. 1111, 1162, and 1175(g)).

(2) Section 5313(21) of Title 5, United States Code.

(3) Section 303(d) of Public Law 93–282 (21 U.S.C. 1175 note).

(4) Section 454 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3750c).

(5) Section 206(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)).

(b) The redesignation provided for in subsection (a) of this section shall not otherwise affect the regulations, grants, contracts, personnel, property, or unexpended balances of appropriations of the agency so redesignated.

Sec. 5. Section 202 of the Act (21 U.S.C. 1112) is amended by adding at the end thereof the following new sentence: "The Director shall not hold office in any other department or agency of the United States, whether on an acting basis or otherwise, except on such occasions as may be appropriate in connection with the performance of such duties as may be assigned to him pursuant to section 232.".

Sec. 6. (a) Section 204 of the Act (21 U.S.C. 1114) is amended by changing "six" to read "two".

(b) Section 5316(131) of Title 5, United States Code, is amended by changing "(6)" to read "(2)".

Sec. 7. Section 206(b) of the Act (21 U.S.C. 1116(b)) is amended (1) by changing "ten" in the first sentence thereof to read "four" and (2) by striking the second sentence thereof.

Sec. 8. The second sentence of section 207 of the Act (21 U.S.C. 1117) is amended by changing "fifteen" to read "six".

Sec. 9. Section 211 of the Act (21 U.S.C. 1121) is repealed, and the table of sections at the beginning of chapter 1 of title II of the Act is amended by striking the following item:

"211. Acting Director and Deputy Director.".

Sec. 10. (a) Section 214 of the Act (21 U.S.C. 1123) is amended (1) by striking subsection (b) thereof and (2) by changing "(a)(1)" to read "(1)".

(b) Paragraph (2) of such section is amended by inserting ".; and $7,000,000 for the fiscal year ending June 30, 1976; $1,750,000 for the period July 1, 1976 through September 30, 1976; and $7,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978" immediately before the period at the end thereof.

(c) Such section is further amended by adding at the end thereof the following new paragraph:

"(4) For the purposes of carrying out the functions of the Director, other than transfers of funds under section 223, there are authorized to be appropriated $3,000,000 for the fiscal year ending June 30, 1976; $750,000 for the period July 1, 1976 through September 30, 1976; and $3,000,000 for each of the fiscal years ending September 30, 1977 and September 30, 1978."

Sec. 11. (a) Section 223(a) of the Act (21 U.S.C. 1133(a)) is amended (1) by inserting "and other public entities" immediately after "Federal departments and agencies", and (2) by striking ", and respond quickly and effectively to,".

(b) Section 223(b) of the Act is amended by changing "Except as provided in subsection (c) of this section, sums" to read "Sums".

(c) Section 223(c) of the Act is repealed.

Sec. 12. (a) Section 224 of the Act (21 U.S.C. 1134) is repealed, and the table of sections at the beginning of chapter 2 of title II of the Act is amended by striking the following item:

"224. Encouragement of certain research and development."

(b) The repeal made by subsection (a) of this section shall not affect the continuing validity of any grant or contract made thereunder prior to its repeal, and shall not affect the authority of the National Institute on Drug Abuse or any other agency to carry on research.

Sec. 13. Section 228 of the Act (21 U.S.C. 1138) is amended by changing "one of the Assistant Directors of the Office" to read "The Director".

Sec. 14. (a) Section 229 of the Act (21 U.S.C. 1139) is amended to read as follows:

"§ 229. Coordination with State and local agencies.

"(a) The Director shall coordinate or assure coordination of Federal drug abuse prevention functions with such functions of State and local governments.

"(b) In carrying out his functions under this section, the Director may provide for uniform criteria, procedures, and forms of grant or contract applications for drug abuse control and treatment proposals submitted by State and local governments and private organizations, institutions, and individuals."

(b)(1) The first sentence of section 501(a) of the Act is amended by changing "section" to read "title" both places it appears therein.

(2) Section 501(b)(1) of the Act (21 U.S.C. 1191(b)) is amended by inserting "(hereinafter in this title referred to as the 'Director')" immediately after "Director".

(c) Section 502 of the Act is amended to read as follows:

"§ 502. Technical assistance to State and local agencies.

"(a) The Director shall

"(1) coordinate or assure coordination of the functions of the Institute with corresponding functions of State and local governments; and

"(2) provide for a central clearinghouse for Federal, State, and local governments, public and private agencies, and individuals seeking drug abuse information and assistance from the Federal Government.

"(b) In carrying out his functions under this section, the Director may

"(1) provide technical assistance—including advice and consultation relating to local programs, technical and professional assistance, and, where deemed necessary, use of task forces of public officials or other persons assigned to work with State and local governments—to analyze and identify State and local drug abuse problems and assist in the developing of plans and programs to meet the problems so identified;

"(2) convene conferences of State, local, and Federal officials, and such other persons as the Director shall designate, to promote the purposes of this Act, and the Director is authorized to pay reasonable expenses of individuals incurred in connection with their participation in such conferences; and

"(3) draft and make available to State and local governments model legislation with respect to State and local drug abuse programs and activities."

(c) In implementation of his authority under subsection (b)(1), the Director may

"(1) take such action as may be necessary to request the assignment, with or without reimbursement, of any individual employed by any Federal department or agency and engaged in any Federal drug abuse prevention function or drug traffic prevention function to serve as a member of any such task force; except that no such person shall be so assigned during any one fiscal year for more than an aggregate of ninety days without the express approval of the head of the Federal department or agency with respect to which he was so employed prior to such assignment;

"(2) assign any person employed by the Institute to serve as a member of any such task force or to coordinate management of such task forces; and

"(3) enter into contracts or other agreements with any person or organization to serve on or work with such task forces.".

(d) The table of sections at the beginning of title V of the Act is amended by adding at the end thereof the following item:

"502. Technical assistance to State and local agencies."

Sec. 715. (a) Section 252(b) of the Act (21 U.S.C. 1152(b)) is amended by striking the last two sentences thereof and inserting in lieu thereof the following: "The appointive members of the Council shall represent a broad range of interests, disciplines, and expertise in the drug area and shall be selected from outstanding professionals, paraprofessionals, and others in the fields of medicine, education, science, the social sciences and other related disciplines, who have been active in the areas of drug abuse prevention, treatment, rehabilitation, training, or research. Of the members so appointed, at least two shall be officials of State or local governments who are actively engaged in drug abuse prevention functions, and at least two shall be former drug addicts or drug abusers."

(b) Section 252 of the Act is amended by adding at the end thereof the following new subsection:

"(c) Each member of the Council shall be appointed for a term expiring on June 30 of one of the first three calendar years following the year in which he is appointed, as designated by the President at the time of appointment, subject to the limitation that not more than four members may have terms scheduled to expire within any one year. A member of the Council who has completed more than five consecutive years of service shall not be eligible for reappointment for a period of two years following his most recent period of five or more consecutive years of service. Any member of the Council may continue to serve as such after the expiration of the term for which he was appointed unless and until his successor has been appointed and has qualified."

(c) Notwithstanding the repeal of section 104 of the Act, the term of any member of the National Advisory Council for Drug Abuse Prevention appointed prior to December 31, 1972 shall expire on June 30, 1975.

(d) Section 255 of the Act (21 U.S.C. 1155) is amended by adding at the end thereof the following new subsection:

"(c) The Council shall advise, consult with, and make recommendations to, the Secretary of Health, Education and Welfare.

"(1) concerning matters relating to the activities and functions of the Secretary in the field of drug abuse, including, but not limited to, the development of new programs and priorities, the efficient administration of programs, and the supplying of needed scientific and statistical data and program information to professionals, paraprofessionals, and the general public; and

"(2) concerning policies and priorities respecting grants and contracts in the field of drug abuse."

(e) The table of sections at the beginning of title V of the Act is amended by striking the following item: "502. Establishment of National Advisory Council on Drug Abuse."

(f) Section 217(e) of the Public Health Service Act (42 U.S.C. 218(e)) is repealed.

(g) The last sentence of section 266 of Community Mental Health Centers Act (42 U.S.C. 2688t) is amended by changing "section 217(e) of the Public Health Service Act" to read "section 255(c) of the Drug Abuse Office and Treatment Act of 1972".

(h) The heading of title V of the Act is amended by striking "; National Advisory Council on Drug Abuse".

Sec. 16. Section 305 of the Act (21 U.S.C. 1165) is amended by striking "from time to time as the President deems appropriate, but not less often than once a year" and inserting in lieu thereof "prior to June 1 of each year."

Sec. 17. Section 407 of the Act (21 U.S.C. 1174) and the heading of such section are each amended by striking "emergency", and the table of sections at the beginning of title IV of the Act is amended correspondingly.

Sec. 18. The first sentence of section 409(a) of the Act (21 U.S.C. 1176(a)), is amended by changing "and $45,000,000 for the fiscal year ending June 30, 1975," to read "$45,000,000 for each of the fiscal years ending June 30, 1975, and June 30, 1976, $11,250,000 for the period July 1, 1976, through September 30, 1976, and $45,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978,".

Sec. 19. Section 409(e)(5) of the Act (21 U.S.C. 1176 (e)(5)) is amended by inserting "in accordance with such needs" immediately before the semicolon at the end thereof.

Sec. 20. Section 409(f) (21 U.S.C. 1176(f)) is amended by inserting ", acting through the National Institute on Drug Abuse," between "Secretary" and "shall."

Sec. 21. Section 410(b) of the Act (21 U.S.C. 1177(b)) is amended by changing "and $160,000,000 for the fiscal year ending June 30, 1975," to read "$160,000,000 for each of the fiscal years ending June 30, 1975 and June 30, 1976; $40,000,000 for the period July 1, 1976, through September 30, 1976; and $160,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978,".

Sec. 22. Section 410(c) of the Act (21 U.S.C. 1177(c)) is amended by adding at the end thereof the following new paragraph:

"(4) In the implementation of his authority under this section, the Secretary shall accord primary prevention a high priority. To the extent that appropriations authorized under this section are used to fund treatment services, the Secretary shall not limit such funding to treatment for opiate abuse, but shall also provide support for treatment for nonopiate drug abuse including polydrug abuse."

SUMMARY OF THE BILL

This bill provides urgently needed continuity for the Federal effort to combat drug abuse. It redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, redefines its role as strictly that of coordination and policy direction, and provides for its continued existence. The programmatic role of the National Institute on Drug Abuse is confirmed and clarified, and appropriations are authorized for its continued operation.

Under existing law, on June 30 of this year the policymaking and coordinative functions of the Special Action Office for Drug Abuse Prevention would be completely abolished along with the Office itself, with no provision for their assumption by any other agency of Government. Moreover, authority for appropriations to the National Institute on Drug Abuse lapses on the same date. Prompt action on the bill is therefore a necessity if a jarring and wasteful interruption of Federal effort is to be avoided.

SECTION-BY-SECTION ANALYSIS

The first section. Amendment of Congressional findings to show need for continuing effort.

The first section of the bill adds a new paragraph (10) to the Congressional findings set forth in section 101 of Public Law 92–255 (hereinafter referred to as the "Act"). This paragraph states that on the basis of the past three years' experience, which has seen some reductions in the growth and extent of drug abuse, but also some increases, it is clear that this problem must be dealt with on a continuing basis, "rather than as a crisis which can be attacked and forgotten."

Section 2. Declaration of national policy made consistent with long-range effort.

The declaration of national policy in section 102 of the Act is amended to define the objective of national policy with respect to drug abuse as including a reduction not only of its incidence, but also of its social and personal costs. To emphasize the necessity for continuing effort, the adjective "immediate", modifying the "objective" of national policy, has been stricken. Finally, the purpose of assuring the implementation, as well as the development, of Federal strategy to combat drug abuse, is made explicit.

Section 3. Repeal of termination provision.

Subsection (a) of this section repeals section 104 of the Act. As it now stands, section 104 totally abolishes the Special Action Office as of June 30, and although certain of its programmatic functions are transferred to the National Institute on Drug Abuse, there is no provision in the Act or elsewhere for any agency to assume its coordinating and policymaking role. The repeal of section 104, together with other amendments discussed below, would assure the continuity of that role under the aegis of the Office of Drug Abuse Prevention Policy, while at the same time prohibiting any resumption of programmatic functions. Periodic Congressional review would be assured by the necessity to renew the authorizations for appropriations (see section 11 below). Section 3(b) of the bill makes conforming amendments to title III of the Act (relating to the National Strategy on Drug Abuse) to reflect the repeal of section 104.

Section 303 of Public Law 93–282 conferred substantive rulemaking authority on the Director with respect to confidentiality of drug abuse patient records, and provided for the transfer of that authority to the Secretary of Health, Education, and Welfare on the termination of the Office. Section 3(c) of the bill repeals the provision for transfer.

Section 4. Redesignation of the Office as the Office of Drug Abuse Prevention Policy.

This section redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, and

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provides for the continuity of its existence under the new name.

Section 5. Prohibition on dual office holding by Director.

Section 5 amends section 202 of the Act to prohibit the Director from holding office "in any other department or agency of the United States, . . . except on such occasions as may be appropriate in connection with such duties as may be assigned to him pursuant to section 232." The exception pertains to designation of the Director to represent the United States in international negotiations relating to drug abuse and drug traffic prevention. When so designated, the exception would permit the Director to hold an office in the State Department for the duration of his assignment.

Section 6. Authorized number of Assistant Directors reduced from six to two.

Section 6(a) of the bill reduces from six to two the number of Assistant Directors provided for in section 204 of the Act. Section 6(b) makes a corresponding technical amendment to section 5316(131) of title 5 of the United States Code, which provides for the compensation of the Assistant Directors.

Section 7. Authorized number of supergrade positions reduced from ten to four.

Section 206(b) of the Act authorized the Office to fill up to ten positions in grades GS–16, 17, and 18, if both the positions and the incumbents were approved by the Civil Service Commission as meeting the standards for those grades, without requiring the Civil Service Commission to take such positions away from other agencies. Section 7 of the bill reduces the number of such positions to four.

Section 8. Authorized number of permanent expert/consultant positions reduced from fifteen to six.

Section 8 of the bill amends section 207 of the Act to reduce from fifteen to six the number of employees who may be retained indefinitely in an expert or consultant capacity.

Section 9. Technical amendment repealing executed provision for compensation of initial acting Director and Deputy Director.

Section 9 of the bill repeals section 211 of the Act, which has been fully executed and is now obsolete. It permitted the President to authorize the persons acting as Director and Deputy Director at the time of the original enactment of the Act, if already employed in the eexcutive branch of the Government, to be paid the full statutory compensation attached to those offices.

Section 10. Annual appropriations of $3,000,000 authorized for administrative expenses, and $7,000,000 for the Special Fund.

Section 10(a) of the bill repeals section 214 (b) of the Act, which authorized the appropriation of so-called two-year money, that is, funds which, if not obligated in the year for which appropriated, would remain available in the following fiscal year.

Section 10(b) of the bill amends paragraph (2) of section 214 of the Act to authorize appropriations of $7,000,000 for the fiscal year 1976, $1,750,000 for the July–September quarter of the calendar year 1976 (an authorization occasioned by the shift to a fiscal year ending September 30), and $7,000,000 for each of the fiscal years 1977 and 1978. These authorizations are for the Special Fund provided for in section 223 of the Act, which is discussed below in connection with section 11 of the bill. They compare with authorizations of $40,000,000 for each of the fiscal years 1973, 1974, and 1975.

Section 10(c) of the bill amends section 214 of the Act by adding a new paragraph (4) to authorize appropriations of $3,000,000 for the fiscal year 1976, $750,000 for the July–September quarter of the calendar year 1976, and $3,000,000 for each of the fiscal years 1977 and 1978. These authorizations are for all of the functions of the Director except transfers of funds under section 223, and compare with authorizations of $5,000,000, $10,000,000, $11,000,000, and $12,000,000 for the fiscal years 1972, 1973, 1974, and 1975 respectively.

Section 11. Special Fund use restricted to sums transferred to other agencies.

Section 223(a) of the Act set up a Special Fund "to provide additional incentives to Federal departments and agencies to develop more effective drug abuse prevention functions and to give the Director the flexibility to encourage, and respond quickly and effectively to, the development of promising programs and approaches." Section 223(b) requires such funds to be used "only for the purpose of (1) developing and demonstrating promising new concepts or methods in respect of drug abuse prevention functions; or (2) supplementing or expanding existing drug abuse prevention functions which the Director finds to be exceptionally effective or for which he finds there exists exceptional need." Under sections 223(b) and 223(c), not more than 10 per cent of the Special Fund could be expended by the Director, the balance being required to be transferred to other Federal departments and agencies.

Section 11 of the bill eliminates altogether the authority for direct programmatic expenditure, even on a demonstration basis. To emphasize the importance of State and local effort, the phrase "and other public entities" is added after "Federal departments and agencies" in section 223(a). Finally, the phrase "and respond quickly and effectively to," is deleted from section 223(a) as surplusage, not by way of suggesting that the Director should be limited to slow, ineffective responses.

Section 12. Repeal of authority for direct funding of certain pharmacological research and development.

Section 224 of the Act requires the Director to encourage and promote expanded research on nonaddictive synthetic analgesics, nonaddictive opiate blocking agents, and detoxification agents for easing heroin withdrawal. This authority is wholly redundant to the authority of the National Institute on Drug Abuse, and is repealed by section 12(a) of the bill. Section 12(b) of the bill makes clear that the repeal is in no way intended to discourage such research on the part of NIDA.

Section 13. Vesting of Director with function of liaison with drug traffic prevention.

Section 228 of the Act is anomalous in that it vests a significant function, that of maintaining communication and liaison with respect to drug traffic prevention functions, in an Assistant Director. Section 13 of the bill amends that section to vest this function in the Director.

Section 14. Transfer of programmatic technical assistance functions to NIDA.

Section 229 of the Act vests in the Director the responsibility and authority to coordinate Federal drug abuse prevention functions with those of State and local governments, and authorizes him to provide for uniform criteria, procedures, and forms of grant and contract applications. Section 229 also authorizes the Director to provide a variety of technical assistance to State and local governments. Section 14 of the bill transfers the latter authority to NIDA by amending sections 229, and 501, and 502 of the Act, leaving the Director with general policy authority, including authority to prescribe Federal funding criteria.

Section 15. Merger of the Advisory Councils provided for in title II and title V of the Act.

Chapter 3 of title II of the Act provides for a National Advisory Council for Drug Abuse Prevention. Its membership consists of the Secretary of Health, Education and Welfare, the Secretary of Defense, and the Administrator of Veterans' Affairs, or their respective designees, plus twelve members appointed by the President. Title V of the Act provides for a National Advisory Council on Drug Abuse with ex-officio representation from the same three Federal agencies, plus twelve members appointed by the Secretary of Health, Education, and Welfare.

Section 15 of the bill merges the latter Council into the former by adopting the qualifications for appointive members provided for in title V, and assigning to the title II Council the duty of advising the Secretary of Health, Education, and Welfare as well as the Director of the Office of Drug Abuse Prevention Policy. The requirement in existing law that four members of the Council be officials of State or local governments is changed to apply to not less than two members, and a new requirement is added that at least two members be former drug addicts or drug abusers. Existing law provides no limit on the term of members of either Council; section 16 of the bill adds a new section 252(c) to the Act to provide for three-year staggered terms, with a maximum of two consecutive terms. Technical and conforming amendments are made to reflect the merger of the title V Council into the title II Council.

Section 16. *Establishes date certain for submission of National Drug Abuse strategy.*

Section 305 presently requires promulgation of the national strategy "from time to time as the President deems appropriate." Section 16 of the bill sets a date certain (June 1) to ensure that the strategy will be available to guide policy formation in the ensuing year.

Section 17. Prohibition on discrimination against drug abusers in hospital admissions.

Section 407 of the Act prohibits Federally aided hospitals from refusing admission or treatment to drug abusers suffering from emergency medical conditions, solely because of their drug abuse or drug dependence. Section 17 of the bill amends this section by deleting "emergency", thus bringing it into line with the corresponding provision relating to alcohol abusers as set forth in the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974 (42 U.S.C. 4581).

Section 18. Authorization of appropriations for formula grants.

Section 18. of the bill amends section 409(a) of the Act by continuing the authorization for appropriations the next three years at its current annual rate of $45,000,000.

Section 19. Requirement that State plans provide for development and distribution of resources in accordance with need.

Section 409(e)(5) of the Act requires that the State plan include a plan for the development and distribution of health facilities to provide services for drug abuse and drug dependence, and section 19 of the bill amends this provision to require that such plan be in accordance with need. Such a requirement is arguably implicit in existing law, but making it explicit may serve to underline the Congressional intention that the States no less than the Federal government should give weight to need in the distribution of resources.

Section 20. Establishes responsibility of the National Institute on Drug Abuse to review and approve state plans.

Some question presently exists as to proper state plan approval mechanism. Section 20 of the bill makes clear the responsibility of N.I.D.A. in this process.

Section 21. Authorization of appropriations for special project grants and contracts.

Section 21 of the bill amends section 410 (b) of the Act by continuing the authorization for apropriations for the next three years at its current annual rate of $160,000,000.

Section 22. Primary prevention to be accorded high priority; funds to be made available for treatment of nonopiate as well as opiate abuse.

Section 22 amends section 410(c) of the Act to require that primary prevention be accorded a high priority in the distribution of funds appropriated for special project grants and contracts. The amendment also prohibits the Secretary from limiting treatment funds to treatment for opiate abuse.

Mr. HATHAWAY subsequently said: Mr. President, today I have introduced the Drug Abuse Office and Treatment Act amendments and I ask unanimous consent that the bill be referred jointly to the Committee on Government Operations and the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, today I join with Senator HATHAWAY in a bill which provides urgently needed continuity for the Federal effort to combat drug abuse. The measure continues the existence of the White House Special Action Office for Drug Abuse Prevention—redesignated as the Office of Drug Abuse Prevention Policy in recognition of its redefined limited role of strict coordination and policy direction. The transfer in existing law of the program functions—drug abuse and formula project grants—to the National Institute on Drug Abuse is confirmed, and appropriations are authorized for such continued operation at their current levels of authorization.

The measure is essential if wasteful interruption of Federal effort is to be avoided. Under existing law, on June 30 of this year the policymaking and coordinative functions of the Special Action Office for Drug Abuse Prevention would be completely abolished along with the office itself, with no provision for their assumption by any other agency of Government. Moreover, authority for appropriations to the National Institute on Drug Abuse lapses on the same date.

The growth and extent of drug abuse over the past 3 years of experience had shown some decline until recently. It is clear that the drug abuse problem—which so tragically afflicts America's young people—must be dealt with on a continuing basis.

The evidence presented during recent 2 days of hearings by the Alcoholism and Narcotics Subcommittee of the Committee on Labor and Public Welfare, of which I am ranking minority member, documented and strongly supported the need for an ongoing White House drug policymaking body to continue to coordinate drug traffic law enforcement and health/education drug prevention activities.

At the same time the hearing record evidenced the tragic failure to implement the formula grants to assist States to deal with drug abuse as required by law.

The formula grant program provides for allotments among the States of the funds appropriated on the basis of relative population, financial need, and need for programs of education, training, treatment, and rehabilitation re drug abuse.

It is important to understand that in the Senate Report 92–509, it was specifically stated that:

> The Committee considers that each of these factors should be weighted equally and that the last factor—the need for the various programs—is no different from the first—population.

In disregard of this clear legislative history of congressional intent with respect to the equal weighting to the three criteria in the formula—population, capita income, and need—the need factor has not been considered at all in determining the State allocations.

Thus, although New York State has the distinct misfortune of the greatest need for combating drug abuse, that critical factor in determining a State's allotment under the formula has been disregarded.

In recognition that drug abuse is a national problem which does not recognize regional boundaries, I do not intend to propose a change in the criteria for the formula, targeted solely on need—New York having the greatest need. However, I do intend to press for White House assurance that the three factors in the formula are implemented as required by the law. Indeed, recourse through the courts for failure to enforce the law may become necessary.

Mr. SCHWEIKER. Mr. President, in 1972 Congress established a single office at the highest level of Government, the Special Action Office on Drug Abuse Prevention, responsible for coordinating the many Federal programs and approaches to the drug program, so that treatment, prevention and law enforcement efforts would be conducted in a proper balance under a comprehensive program. That law expires June 30, 1975 and the Special Action Office will cease to exist. Also, the authority for appropriations to the National Institute on Drug Abuse terminates on that date.

The bill we introduce today is a response to both of those circumstances. The bill provides the needed continuity for the ongoing attack on drug abuse. At the outset the bill states that on the basis of the past 3 years' experience, which has seen some reductions in the growth and extent of drug abuse, but also increases, it is clear that it must be dealt with on a continuing basis "rather than as a crisis that can be surmounted and be forgotten." During the hearings held by the Senate Subcommittee on Alcoholism and Narcotics the witnesses affirmed that the drug abuse problem in this Nation grows worse day by day. This bill continues the Special Action Office for Drug Abuse Prevention under a new name with a redefinition of its role as an entity responsible for coordination and policy direction.

In my judgment, the conditions which led to the creation of the Special Action Office remain with us. Thus, despite the administration's recommendation that we allow the authority for the office to expire, this bill, it is hoped, can help us meet the goals in combating drug abuse we set for ourselves several years ago.

Mr. President, this bill is the initial response of the subcommittee to the hearings on this question. One of the issues raised in the hearings, which is particularly troublesome, involves the administration of the Federal funds for the Nation's drug abuse program. A controversy persists regarding the funding of programs through a single State agency or providing direct grants to programs. The subcommittee recognizes the frustrations of State drug abuse program administrators who feel that it is difficult to coordinate the programs within their States if the Federal Government is not channeling all the funds through their office. On the other hand, city representatives as well as those persons directly involved in programs, asserted strongly their preference to reduce the levels of Government they must struggle through in order to get the support they need.

In addition, it became apparent that the administration has not complied with the provision of existing law dealing with the assessment of "need" in determining the funding allocations under the program. The administration contends that it is virtually impossible to arrive at a uniformly acceptable definition of need. In this connection, it may be useful to require the Secretary to establish a uniform methodology to assess and determine the incidence and prevalence of drug abuse which all States would be required to use in identifying their areas of need.

In addition to extending the existing authorities for appropriations without major change, the pending bill combines the advisory councils established under titles III and V of the present law.

Mr. President, prompt action is needed in order to avoid an interruption of the Federal effort against drug abuse and I look forward to the subcommittee's markup of the bill introduced today.

Mr. WILLIAMS. Mr. President, the chairman of the Subcommittee on Alcoholism and Narcotics (Mr. HATHAWAY) has made a clear and forceful statement as to the need for continued and renewed Federal efforts in the area of drug abuse treatment and prevention.

This bill provides urgently needed continuity for the Federal effort to combat drug abuse. It redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, redefines its role as strictly that of coordination and policy direction, and provides for its continued existence. The programmatic role of the National Institute on Drug Abuse is confirmed and clarified, and appropriations are authorized for its continued operation.

Under existnig law, on June 30 of this year the policymaking and coordinative functions of the Special Action Office for Drug Abuse Prevention would be completely abolished along with the office itself, with no provision for their assump-

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tion by any other agency of Government. Moreover, authority for appropriations to the National Institute on Drug Abuse lapses on the same date. Prompt action on the bill is therefore a necessity if a jarring and wasteful interruption of Federal effort is to be avoided.

As much as we would all like to see this problem go away, the hard truth is that drug abuse and its related social and economic consequences will be with us for some time to come. This does not mean however, that the effort expended thus far has been futile. On the contrary, we are closer than ever before to learning how to treat and, more importantly, how to prevent the terrible incidence of drug abuse. Promising breakthroughs in research, both pharmacological and social, promise more effective treatment and prevention programs in the future. But the deep-seated causes of drug abuse, almost certainly related to underlying social and economic deprivations, will probably continue to be a part of any modern society.

One of the witnesses at the recent hearings held by the Subcommittee on Alcoholism and Narcotics was Dr. Paul T. Jordan, M.D., the mayor of Jersey City, N.J. Dr. Jordan is uniquely qualified to speak on this subject because of his position as both a doctor with long experience in the drug abuse field and as a mayor of an urban area which contains almost one-fourth of the entire addict population of the State of New Jersey. In his statement before the committee, Dr. Jordan summed up the present situation succinctly and outlined the directions in which we must now move:

> The Federal government has progressed in coping with drug abuse through the passage and implementation of the Drug Abuse Office and Treatment Act of 1972. The creation of the Special Action Office for Drug Abuse Prevention which has made a major contribution to coordinating disparate factions as well as the establishment of NIDA and increased federal funding for drug abuse efforts at all levels of government represents significant accomplishments.
>
> However, much remains to be done. In some parts of the country, heroin addiction is increasing again. Polydrug use, which did not receive major emphasis because of the heroin epidemic, can no longer be considered a secondary drug problem. The dangerous abuse of barbiturates, amphetamines, and the inhalants such as glue, gasoline and paint, which are particularly abused by children, must be given equal focus in the Nation's response to drug abuse. Nonaddictive alternatives to methadone must be found. Evaluation of effectiveness of various modalities should increase. We must strive to maximize the use of health care systems and social services in cooperation with criminal justice systems.

Mayor Jordan and others at the hearings recommended the continuation of the Special Action Office, a provision which is a major focus of this bill. Mayor Jordan also made the important point that "prevention must be of primary emphasis if the chronic abuser population is to be contained." I am glad to note that a specific section urging a special priority for the development of prevention programs has been added to the bill which, hopefully, will generate the needed emphasis in this area by the National Institute on Drug Abuse.

A final aspect of the bill which I feel is of importance are changes made in the State planning process so as to assure that the needs of localities are considered in the development of State-level drug abuse planning and policy.

Just as the original Drug Abuse Office and Treatment Act was a landmark in the Federal response to this problem, so this bill is also, by providing for a recognition that the problem is a continuing one which will require a continuing commitment. As a complicated social, health, and law enforcement problem, the control of drug abuse will necessarily involve close coordination and serious effort by different agencies and different levels of government. It is my hope that this bill will provide us with the necessary tools to continue with this task. I pledge that it will receive most careful and, at the same time, expeditious treatment in the Committee on Labor and Public Welfare so that all those involved in this problem, from the top of the bureaucracy to the workers in the field, can get on with the job at hand.

By Mr. ROTH:

S. 1611. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification. Referred to the Committee on Public Works.

Mr. ROTH. Mr. President, today I am introducing legislation that would amend the Federal Water Pollution Control Act to cut out bureaucratic "redtape" which stifles timely initiation and construction of water treatment projects.

More specifically, my proposal would minimize the time involved in applying for wastewater treatment grants, give the States greater authority and responsibility over their water pollution programs, accelerate the timetable for meeting our water quality goals, and stimulate employment opportunities in the construction industry.

Congressman CLEVELAND of New Hampshire has introduced the same measure in the House. Today, I bring this timely legislation to the attention of the Senate.

Mr. President, last week newspapers across our Nation have carried alarming reports calling to our attention the dangerously poor status of America's water quality and the lack of responsive action being taken to improve the situation.

On April 18, EPA Administrator, Russell Train, released the findings of a survey which indicated that the quality of the drinking water of many major metropolitan areas was questionable because of the presence of organic chemicals. A more recent article in the Washton Post revealed that some $5 billion in EPA Federal grants are unclaimed by State and local governments at this time. Advice that I have received from water treatment officials in my home State of Delaware indicates that expenditures of large portions of these funds are delayed though unneeded and duplicative Federal and State feasibility reviews, technical reviews, and environmental assessment before projects can move forward from planning to construction. Adequate water treatment planning is essential but the system currently provided for in terms of Federal and State steps is replete with too much study and not enough action. Blueprints do not clean water. Waste water treatment plants do.

In 1972, Congress made a major commitment to reduce the pollutants in our waters by entering into a comprehensive water quality program. That law, Public Law 92–500, was an ambitious undertaking.

However, far more often than is desirable, I have heard criticisms from State officials that the program was being restrained by its own provisions. They were not complaining of impoundments or lack of commitment; they were complaining about the administrative processes, the reviews and approvals, and more reviews. Months of delay are being experienced due to the extensive and duplicative reviews done at both the State and Federal level.

The legislation I am introducing today would resolve most of the delay problems and accelerate implementation of Public Law 92–500. This, in turn, would benefit the taxpayer by reducing projects costs, and stimulate employment.

The legislation amends the act to give States the authority to do the technical reviews and make grant decisions. With the multistage application procedure as it is now structured, numerous delays are encountered between the stages in the process. The system proposed in this legislation would relieve the Federal Government, or the regions, of the review responsibility by recognizing those States that have been successful in the implementation program by qualifying them to certify water treatment projects at the State level.

Accelerating the application process and reducing paperwork will invariably have an effect on costs. Delaware officials estimate that the cost of a project increases 15 percent each year it is delayed. By reducing the application time, it will reduce the effects of inflation on a project's costs. Eliminating the duplicative review will reduce Federal costs and project costs.

Reducing the application period to a more reasonable length of time will accelerate the construction of water treatment plants. In addition to helping us meet our clean water goals sooner, it will provide countless construction jobs at a time when unemployment in the construction industry is 18 percent.

Although this is a new approach to the water treatment program, it is not an unprecedented one. The EPA has initiated a similar program already and has distributed some of its responsibilities to 21 "certified States" to administer the national pollution discharge elimination system with the expectation of granting this authority to 15 more by the end of the fiscal year. The certification concept has also applied to the highway program for some time.

In 1972 we set ambitious goals and undertook a massive commitment to improve the quality of this Nation's water. The action I propose today will bring us closer to those goals.

Mr. President, I request that a copy of the legislation be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end thereof the following new section:

"CERTIFICATION

"SEC. 213. (a) The Administrator may discharge any of his responsibilities for actions, determinations, or approvals under sections 201(g) (2) and (3), 203(a) and (d), 204(a), (b) (1), and (b) (3), and 212(2) (B) of this Act with respect to projects or proposed projects for treatment works by accepting a certification by the State water pollution control agency of its performance of such responsibilities.

"(b) The Administrator shall not accept any certification provided for in subsection (a) of this section unless the Administrator determines that the State water pollution control agency has the authority, responsibility, and capability to take all of the actions, determinations, or approvals for which certification is submitted under subsection (a) of this section.

"(c) If the Administrator determines after public hearings that a State water pollution control agency, with respect to any requirement, condition, or limitation for which he has accepted a certification under subsection (a), fails to meet the requirements of this Act, he may suspend his acceptance of certification as to such requirement, condition, or limitation with respect to any project, or with respect to all projects in such State, as he determines necessary, and during such suspension he shall be responsible for such requirement, condition, or limitation.

"(d) (1) The Administrator is authorized to conduct interim and final inspections and audits, and to require such information, data, and reports as he may determine necessary to carry out this section.

"(2) Nothing in this section shall affect or discharge any responsibility or obligation of the Administrator under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(e) (1) The Administrator shall reserve an amount not to exceed 2 per centum of the allotment made to each State for each fiscal year under section 205, after the date of enactment of this section. Sums so reserved shall be available for making grants to such State under paragraph (2) of this subsection for the same period as sums are available from such allotment under subsection (b) of section 205 and any such grant shall be available for obligation only during such period. Any grant from sums reserved under this subsection which has not been obligated by the end of the period for which available shall be added to the amounts last allotted to such State under section 205 and shall be immediately available for obligation in the same manner and to the same extent as such last allotment.

"(2) The Administrator is authorized to grant to any State exercising, or proposing to exercise certification authority under this section, from amount reserved to such State under this subsection, the reasonable costs, as determined by the Administrator, of carrying out such authority.

"(f) The Administrator shall promulgate such rules and regulations as may be necessary to carry out this section. The initial rules and regulations necessary to carry out this section shall be promulgated not later than the ninetieth day after date of enactment of this section.".

By Mr. DOLE:

S.J. Res. 76. A joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as "National Beta Sigma Phi Week." Referred to the Committee on the Judiciary.

Mr. DOLE. Mr. President, Beta Sigma Phi—the world's largest international Greek-letter women's organization—was founded 44 years ago today in my State of Kansas at the historic town of Abilene.

From that first chapter of 7 members, it has grown to include more than 250,000 of the most socially respected women in the world. With 333 active chapters in Kansas alone, it boasts a total of nearly 11,000 now in 23 countries and territories worldwide.

When originally conceived by its founder, the late Walter W. Ross, Beta Sigma Phi was designed to be a social and cultural organization dedicated to the ideals of life, learning, and friendship. It has naturally followed, however, that perhaps the major influence of its thought and action has been in the area of service to others.

This pursuit manifested itself in 1947 with creation of the Beta Sigma Phi International Endowment Fund—a fund which now makes available tens of thousands of dollars annually for the support of numerous humanitarian projects. These include such worthwhile activities as cancer and cystic fibrosis research; university scholarships; day and vacation care for mentally retarded children; and homes and treatment centers for predelinquent boys and girls.

Applying their belief that the only right they have is the right to be useful, Beta Sigma Phi's regularly seek to promote the cultural enrichment of their communities. Arts and crafts shows, music festivals, libraries, the theater, antique shows, museums, and talent contests are a few of the many creative projects to which Beta Sigma Phi's enthusiastically contribute their time, money, and talent.

It is through these types of exemplary programs that Beta Sigma Phi has become such a powerful force for good in the world. It is from their mutual desire—expressed in every ritual—for friendship and dignity that they have unified to strive for a firm and forward design in the art of living.

Mr. President, in this International Women's Year, I think it is only fitting that we extend recognition to the leadership, inspiration, and guidance which Beta Sigma Phi has provided to women both within and without its membership. I am very pleased, therefore, to be introducing this resolution today and would hope that a proclamation calling for establishment of a "National Beta Sigma Phi Week" can be issued before we begin our Bicentennial year.

If that is accomplished, Beta Sigma Phi's will be able to celebrate the first such event in conjunction with the 45th anniversary of their founding next April 30, 1976. As an annual tradition, it would indeed be appropriate for this organization of Kansas heritage to be the focal point for a meaningful tribute to the advancement of all women everywhere.

I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 76

Whereas 1975 has been designated International Women's Year, with the United Nations having asked all countries and all interested organizations to join in working to advance the status of women throughout the world;

Whereas Beta Sigma Phi Sorority, the world's largest international Greek-letter women's organization, with more than 250,000 members from 11,000 active chapters in 23 countries, has been pursuing that goal since its founding on April 30, 1931,

Whereas the Beta Sigma Phi International Endowment Fund promotes the additional aim of "service free from self and selfishness" through the support of such projects as cancer and cystic fibrosis research, educational scholarships, homes for exceptional children, and rehabilitation centers for pre-delinquent boys and girls; and

Whereas Beta Sigma Phi's social, cultural, and service programs have a significant impact on the lives of its members as well as their communities and local, State, and national governmental officials around the world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue annually a proclamation designating the seven-day period commencing on April 30 of each year as "National Beta Sigma Phi Week", and calling upon the people of the United States and interested groups and organizations to observe that week with appropriate ceremonies and activities to recognize the National Beta Sigma Phi Sorority and its social, cultural, and service programs and the high ideals for which the Sorority stands.

By Mr. MCINTYRE (for himself, Mr. KENNEDY, Mr. LEAHY, Mr. MUSKIE, Mr. PASTORE, Mr. RIBICOFF, and Mr. STAFFORD):

S.J. Res. 77. A joint resolution to amend the act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States. Referred to the Committee on the Judiciary.

Mr. McINTYRE. Mr. President, I send to the desk for appropriate reference, a joint resolution to amend the act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States.

UMI

I am pleased to state that this resolution is cosponsored by six of my New England colleagues: Senators Kennedy, Leahy, Muskie, Pastore, Ribicoff, and Stafford. An identical resolution is being offered in the House today by my colleague from New Hampshire, Representative Norman E. D'Amours.

The Advisory Council will have a significant role in the planning for our Nation's Bicentennial. Yet when the 25 appointees were named by President Ford earlier this year, the list included not one representative of the New England States. Considering the crucial historical role of New England in the American Revolution, I find this oversight unacceptable.

When Congress enacted Public Law 93–179, which established the Council, it was understood, and the law so directs, that the members should "be chosen from private life, and shall be broadly representative of the Nation's people."

In the words of John Warner, the administrator of the American Revolution Bicentennial Administration:

> The Council will be playing an extremely important role in planning the Nation's Bicentennial.

How can the Council fulfill the intent of the legislation if no member is from the six New England States?

The joint resolution I introduce today would increase the size of the Advisory Council to 30 members. It further directs the President to consider the historic importance of the New England States and other States comprising the original 13 colonies when making the additional appointments to the Council. My purpose is not to cast aspersions on any of the 25 distinguished Americans already chosen for the Council. Nor is it to stress the importance or significance of one region of the country over the others. I merely want to insure that all regions of our Nation have proper representation in the planning of our Nation's 200th birthday.

Mr. President, I ask unanimous consent that the full text of the joint resolution and the text of a news release from the Bicentennial Administration, announcing the appointment of the Advisory Council members, be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Senate Joint Resolution 77

Whereas the American Revolution Bicentennial Advisory Council as presently constituted has not one member from any of the New England States; and

Whereas it was those very states that the seeds of the Revolution were first sown; and

Whereas it was those states which produced many of the leaders of the Revolution, and in which many of that war's most memorable battles and events took place; and

Whereas it would not be in conformity with the language of the Act creating the council to fail to give the New England States representation on the Advisory Council: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 3 (a) of the Act of December 11, 1973, entitled "An Act to establish the American Revolution Bicentennial Administration, and for other purposes.", is amended—

(1) by striking out the words "twenty-five members" in the first sentence thereof and inserting in place thereof the words "thirty members", and

(2) by striking out the word "fifteen" in the first sentence thereof and inserting in place thereof the word "eighteen", and

(3) by inserting after the words "learned professions" in the fourth sentence thereof, the following new language, ", and to the historic importance of the New England States and the other states comprising the original thirteen colonies".

Sec. 2. The persons authorized to be appointed pursuant to the preceding section shall be appointed not later than 20 days after the date of enactment of this joint resolution.

Bicentennial Advisory Council Members Named

Washington, D.C.—President Ford today named the 25 members of the American Revolution Bicentennial Advisory Council which will advise the Administrator of the American Revolution Bicentennial Administration (ARBA) on matters relating to the commemoration of the nation's 200th anniversary.

Serving on the Council advising John W. Warner, ARBA Administrator, will be:

Maya Angelou, of Sonoma, California, Writer, Poet, Gerrard Purcell Association of New York, New York.

William J. Baroody, Sr., of Alexandria, Virginia. President, American Enterprise Institute, Washington, D.C.

Laura Bergt, of Fairbanks, Alaska. Homemaker and Community Representative, Fairbanks, Alaska.

The Most Reverend Joseph L. Bernardin, of Cincinnati, Ohio. Archbishop of Cincinnati. Cincinnati, Ohio.

Anna Chennault, of the District of Columbia. Vice President, International Affairs, Flying Tiger Line, Washington, D.C.

Joan Ganz Cooney, of New York, New York. President, Children's Television Workshop, New York, New York.

Martin Diamond, of Geneva, Illinois, Professor of Political Science, Northern Illinois University at DeKalb. Currently Woodrow Wilson Fellow at International Center for Scholars, Smithsonian, Washington, D.C.

Janice E. Sutton, of Parrotsville, Tennessee. Student, College of Agriculture, University of Tennessee at Knoxville.

Richard Gambino, of Port Washington, New York, Associate Professor of Education Philosophy, Queens College, Flushing, New York.

David L. Hale, of Little Rock, Arkansas, President, United States Jaycees, Tulsa, Oklahoma.

Alex P. Haley, of San Francisco, California, Author, San Francisco, California.

Martin S. Hayden, of Grosse Pointe, Michigan, Vice President and Editor, The Detroit News, Detroit, Michigan.

Ann Hawkes Hutton, of Bristol, Pennsylvania. Author/Historian and Chairman of the Board, Washington Crossing Foundation, Washington Crossing, Pennsylvania.

Mrs. Lyndon B. Johnson, of Stonewall, Texas. Former First Lady; Member, Board of Regents, University of Texas; Honorary Chairman, LBJ Memorial Grove on the Potomac, Stonewall, Texas.

Hobart D. Lewis, of Bedford Hills, New York. Chairman of the Board and Editor-in-Chief, Reader's Digest, Pleasantville, New York.

F. David Mathews, of Tuscaloosa, Alabama. President, University of Alabama, Tuscaloosa, Alabama.

James A. Michener, of Pipersville, Pennsylvania, Writer, Pipersville, Pennsylvania.

Lyle M. Nelson, of Stanford, California. Professor and Chairman of the Department of Communications, Stanford University, Stanford, California.

L. Tom Perry, of Bountiful, Utah. Member of the Council of the Twelve Apostles, The Church of Jesus Christ of Latter-day Saints, Salt Lake City, Utah.

Jacinto J. Quirarte, of San Antonio, Texas, Dean, School of Fine and Applied Arts, University of Texas, San Antonio, Texas.

Betty Shabazz, of Mt. Vernon, New York, Ph. D., candidate student at the University of Massachusetts, Mt. Vernon, New York.

Frank Stanton, of New York, New York. Chairman, The American National Red Cross, New York, New York.

Harry Van Arsdale, Jr., of Flushing, New York, President, New York City Central Labor Council, New York, New York.

David L. Wolper, of Los Angeles, California, President, Wolper Organization, Los Angeles, California.

Anne Armstrong, of Armstrong, Texas, Former Counsellor to the President, Armstrong, Texas.

Public Law 93–179 established the Council whose members are to be appointed by the President, with no more than 15 being from the same political party. Under the law: "Members of the Council shall be chosen from private life and shall be broadly representative of the nation's people."

The law further states: ". . . the President shall give due consideration to the contributions, among others, of the nation's youth, women, elders, racial and ethnic minorities, artists and craftsmen, and learned professions."

The law requires the Council to meet at least once every two months and hold other meetings at the call of the Chairman, the Administrtaor of ARBA, or a majority of its members.

Council members will not receive any pay for their work.

Under the law, the Chairperson and Vice Chairperson and other appropriate officers of the Council shall be elected by and from members of the Council other than the Administrator, who is an ex officio member.

The Chairperson and Vice Chairperson of the Council will also serve on the American Revolution Bicentennial Board, an 11-member group which establishes policy for the ARBA.

Following the President's announcement, John W. Warner, Administrator of the ARBA said: "I am very pleased that these distinguished Americans have accepted the challenge and responsibility of serving on the Bicentennial Advisory Council.

"The Council will be playing an extremely important role in planning the nation's Bicentennial."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 327

At the request of Mr. Jackson, the Senator from Iowa (Mr. Clark) was added as a cosponsor of S. 327, a bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

S. 624

At the request of Mr. Thurmond, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 624, a bill to prohibit any change in the status of any member of the uniformed

services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes.

S. 1421

At the request of Mr. Schweiker, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of S. 1421, a bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain discriminatory practices in the pricing of fuels and other forms of energy, including electricity.

S. 1532

At the request of Mr. Clark, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 1532, the packer bonding bill.

SENATE RESOLUTION 131

At the request of Mr. Stone, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of Senate Resolution 131, to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy.

SENATE RESOLUTION 135

At the request of Mr. Mondale, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of Senate Resolution 135, a resolution proposing the designation of Norwegian-American Day.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. Curtis, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic Nations.

SENATE JOINT RESOLUTION 69

At the request of Mr. Domenici, the Senator from Georgia (Mr. Talmadge) was added as a cosponsor to Senate Joint Resolution 69, relating to obtaining a full and accurate accounting for members of the U.S. Armed Forces missing in action in Southeast Asia and U.S. contribution to the United Nations.

SENATE RESOLUTION 144—SUBMISSION OF A RESOLUTION REGARDING THE AMATEUR STATUS OF THE LATE JIM THORPE

(Referred to the Committee on Foreign Relations.)

Mr. BURDICK submitted the following resolution:

S. RES. 144

Resolved, That it is the sense of the Senate that the Amateur Athletic Union restore to the late Jim Thorpe the status of amateur athlete.

Sec. 2. Further, it is the sense of the Senate that the International Olympic Committee officially recognize the achievements of said Jim Thorpe during the 1912 Olympic Games.

AMENDMENTS SUBMITTED FOR PRINTING

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION ACT—S. 409

AMENDMENT NO. 392

(Ordered to be printed and to lie on the table.)

Mr. CHURCH (for himself, Mr. Kennedy, Mr. Williams, and Mr. Mondale) submitted an amendment intended to be proposed by them jointly to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

NOTICE OF CHANGE IN TIME FOR BANKRUPTCY HEARING ON APRIL 30, 1975

Mr. BURDICK. Mr. President, the time of the hearing previously noticed to be held on April 30, 1975, in room 2228, Dirksen Senate Office Building, for consideration of S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States, has been changed from 10:00 a.m. to 11:00 a.m.

NOTICE OF HEARINGS ON A NOMINATION

Mr. JACKSON. Mr. President, I wish to advise my colleagues and the public that because of the continuing interest and the number of witnesses who wish to testify on the nomination of Gov. Stanley K. Hathaway to be Secretary of the Interior, I have scheduled additional hearings to be held on May 5, at 2 p.m. in room 3110, Dirksen Senate Office Building and on May 6 at 9:30 a.m. in room 3110, Dirksen Senate Office Building. In view of these additional hearings on the Hathaway nomination, the hearing scheduled by the Minerals, Materials and Fuels Subcommittee on May 6 at 10 a.m. regarding S. 391, a bill to amend the Federal Coal Leasing Act of 1920, and the hearing scheduled by the full committee at 2 p.m. on May 6, to consider the nomination of Philip White to be Assistant Administrator of ERDA, have been canceled until further notice.

NOTICE OF VETERANS DISABILITY COMPENSATION HEARINGS

Mr. HARTKE. Mr. President, as chairman of the Committee on Veterans' Affairs, I would like to announce that the Subcommittee on Compensation and Pension, chaired by Mr. Talmadge, will hold hearings on cost-of-living increases for veterans receiving disability compensation for service-connected injuries and for survivors of veterans who died of service-connected causes in receipt of dependency and indemnity compensation. These hearings will be held on May 8 in room 154, Russell Senate Office Building at 10 a.m. The following bills will be the subject of the hearing: S. 1597, the Veterans Disability Compensation and Survivors Benefits Act of 1975, introduced by committee members today, together with S. 110, S. 770, and S. 1432. Those wishing to appear before the subcommittee or submit testimony should notify Guy H. McMichael III, general counsel to the committee on extension 224–9126.

ADDITIONAL STATEMENTS

DELIVERANCE

Mr. HUGH SCOTT. Mr. President, in the final days of our presence in Vietnam, the United States acted with compassion and integrity to evacuate not only all of our own citizens, but tens of thousands of Vietnamese as well.

Now that the role of the American military in Vietnam has passed, we must look to the future in a spirit of unity, hope and brotherhood.

As the Washington Post pointed out this morning—

> Not just the absence of recrimination, but also the presence of insight and honesty is required to bind up the nation's wounds. . . . For the moment, it is perhaps enough to say the country will fare better if it regards what has happened in Vietnam as bearing, for Americans, the potential for deliverance as well as disaster. Such a perception is the best foundation on which the future can be built.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 30, 1975]

Deliverance

The last stage of an era-long American involvement in Vietnam was distinctive, not only because it brought a particular agony to an end but also because during that brief stage the United States acted with notable responsibility and care. All Americans, save the few inadvertently lost, were removed safely and in a way which deterred any larger accident and which provided time and an atmosphere in which tens of thousands of Vietnamese who chose to leave could do so. The effort made to assist those Vietnamese was an admirable demonstration of loyalty to a group of human beings otherwise bereft of hope. It may not have nullified so many other excesses committed during long years of war, but it had this virtue: it was the right thing to do. The United States also, in the last days, made what seems to us an entirely genuine and selfless attempt to facilitate a negotiated solution that would cut short further Vietnamese suffering. That the attempt did not forestall the unconditional surrender forced out of President Minh last night is no reflection on the motives of those who made it.

Americans, in other words, can include a positive judgment of their government's final acts in Vietnam in their larger judgment of the war as a whole. And they should. For if much of the actual conduct of Vietnam policy over the years was wrong and misguided—even tragic—it cannot be denied that some part of the purpose of that policy was right and defensible. Specifically, it was right to hope that the people of South Vietnam would be able to decide on their own form of government and social order. The American public is entitled, indeed obligated, to explore how good impulses came to be transmuted into bad policy, but we cannot afford to cast out all remembrance of that earlier impulse. For the fundamental "lesson" of Vietnam surely is not that we as a people are intrinsically bad, but rather that we are capable of error—and on a gigantic scale. That is the spirit in which the post-mortems on Vietnam ought now to go forward. Not just the absence of recrimination, but also the presence of insight and honesty is required to bind up the nation's wounds.

Dr. Kissinger was wise, in his news conference last evening, not to make stark predictions one way or the other about how the foreign policy of the United States would henceforth unfold. That is not just because there are so many obvious uncertainties. It is also because foreign policy proceeds a great deal more from the character and outlook of a people than from the specific manipulations of public men. Vietnam—by which we mean the whole play through the years—has made Americans extremely sensitive to limitations on American power, but it has provided so far no clear guide to or consensus on how that power should be used. The large sprawling domestic debate on foreign policy that has gone on in recent years will not end now. It will intensify. Fortunately, the United States still has the great power, measured in conventional military and economic terms, to afford the luxury of a debate. For the moment, it is perhaps enough to say the country will fare better if it regards what has finally happened in Vietnam as bearing, for Americans, the potential for deliverance as well as disaster. Such a perception is the best foundation on which the future can be built.

AFTER VIETNAM

Mr. TUNNEY. Mr. President, America's bloodiest blunder, the involvement in Vietnam, now is over, but not its consequences.

For if the 56,000 Americans sacrificed there are not to have died in vain, our Nation must seek new means to fulfill her destiny as a world power than bombast at home and bombs abroad.

This should be a quiet time of reassessment, free of recrimination and blame.

If there is a lesson to be learned from Vietnam it is that the scars that may be inflicted in battlefields overseas can infect our own land with dissent and division, and it is time to heal those wounds.

Now that Communist tanks have rolled in triumph into Saigon, we should take specific steps to assure a more stable world.

First. We should reevaluate our policies in Asia to assure that our alliance with Japan remains strong.

Second. We should continue the careful diplomatic development of relations with the People's Republic of China.

Third. We should assist other countries in Asia in feeding their hungry and in helping them develop their agriculture and industry without meddling in their internal politics.

Fourth. We should continue to solidify our ties with Europe and with Latin America.

Fifth. We should keep our defenses strong, but never suppose that we can impose our will on others by military might alone.

Vietnam clearly taught that napalm and helicopter gunships and whole brigades of fighting men cannot turn the tide of nationalism and determination.

Yet we would forsake those Americans who gave their lives in Vietnam if we should forsake our leadership in world affairs.

We remain the world's bastion of democracy. We continue to be an enormous power, and we can apply that power constructively to limit arms, to forge détente and, with perseverance, to open diplomatic channels that hopefully will avert war in the Middle East.

The loss in Vietnam has not reduced the United States from the first rank of world power, but it has—or, at least, should have—removed any delusions that we can exercise our national will through gunboat diplomacy.

The heritage of the war is burned in the minds of most of us—the little girl running, mouth agape, seared by napalm; Marines dragging their wounded buddies through the bush; the bombers dropping their deadly cargo; the dusty graves row on row; and, here at home, the Kent State student lying dead, a bullet through his head.

And the aftereffects of our futile and foolish involvement are felt in our daily lives—inflation that continues to soar because we did not match our escalating commitment in Vietnam with necessary taxes, and now are paying the bill; the lingering plight of the young men disabled in the war, now in the pale limbo of our veterans' hospitals; the disenchantment of many young people with our political processes, now adding to a shocking majority that is not voting in our elections.

Now, too, we have the 50,000 or so Vietnamese refugees in tent camps in our island bases in the Pacific and in three camps in this country.

Humanity compelled that we not leave them to the vengeance of the Communist conquerers, yet now the Government must develop detailed plans for assisting them to relocate and become productive citizens in this country.

Many are the wives and children of Americans, others are employees of American firms, and they should be assimilated easily into our society.

Others will need the helping hand of church, service, community, business, and labor organizations, and I have been assured that they will find homes throughout the United States in rough proportion to the population of each State, which means that California will absorb 5,000 or so, which should be within its capacity.

Back in the 1960's, as our military effort intensified in Vietnam, many saw our involvement as simply one more Berlin wall at which the spread of communism would be contained.

There were those of us, who in individual visits to Vietnam, after seeing the villages and talking with the people, came to the realization that the war was not some monolithic Communist onslaught, but had its origins deep within the history of that troubled land and was, essentially, a civil war in which we had no right to intervene.

That opposition to the war, developing in the second half of the 1960's, burgeoned into a commanding effort that engulfed the Nation and, finally, led Congress to recapture its warmaking powers and limit the President from arbitrarily dispatching our troops into combat.

Congress removed the imperial eagles that the Constitution never intended for the Presidency, and, I would hope, reasserted a constitutional balance that never again will permit the White House to become secretive with and isolated from the American people.

Now, it should be time for reconstruction, where we begin to commit to rebuilding our economy some of the resources we have been pouring into the House of Thieu we so long tried to prop up only to see it collapse in disarray.

Now, there should be no distraction from the imperatives of our own lagging economy, and from our essential responsibility for reconstituting a sense of unity from which this Nation should find special meaning and strength for its Bicentennial.

MUSICIANS SUPPORT PERFORMANCE ROYALTY BILL, S. 1111

Mr. BAKER. Mr. President, I ask unanimous consent that an article by Hal C. Davis in the latest issue of International Musician be printed in the Record. It endorses the performance royalty bill, S. 1111, introduced by the senior Senator from Pennsylvania (Mr. Hugh Scott) and cosponsored by me.

There being no objection, the article was ordered to be printed in the Record, as follows:

Extra Money in Your Pocket: Senator Scott's New Royalty Legislation Would Provide Added Income for Musicians

(By Hal C. Davis)

Only a few years ago, radio stations and the radio networks were a good source of employment for musicians. Networks had their own orchestras. Live music was necessary.

Today the networks and the stations use recorded music instead of live musicians. On the average, 75 per cent of radio time is devoted to recorded music.

Every time a recording is played over the air, the composer and the publisher of the music get paid through a performance royalty. This stems from U.S. copyright law.

MUSICIANS LEFT OUT

Unfortunately, the musicians and the artists who bring the composer's music to life get no such royalty. Nor does the recording company which creates the recording and produces it.

There is now new legislation in the U.S. Senate to correct this unfair situation. Senator Hugh Scott has introduced Senate Bill 1111 to provide a performance royalty for the musicians, artists and recording companies. Six other members of the Senate are co-sponsoring the legislation: Howard Baker of Tennessee, Alan Cranston and John Tunney of California, Birch Bayh and Vance Hartke of Indiana, and Harrison Williams of New Jersey.

More co-sponsors are needed. Strong support from other members of Congress is needed.

Similar legislation has been introduced in the House of Representatives.

Senator Scott has said: "The real issue to me is whether or not a person who uses his creative talents to produce music should be entitled to compensation from someone who takes the music and makes a profit from it. My answer is 'yes.'"

Certainly all musicians and performers agree.

It is unfair for the law to reward only the composer and his publisher and not reward the musicians, artists and recording companies who actually create the recording. Each recording is unique. For example, take the old favorite, "White Christmas." Many versions of this song have been recorded but it was the version by Bing Crosby that made "White Christmas" a big hit. Without Crosby's rendition, it might have been just another song.

Or consider the various renditions of "Hello Dolly." This song was recorded by Carol Channing, Louis Armstrong, Pearl Bailey, the Ray Charles Singers, Ray Conniff, Duke Ellington, and Judy Garland with Liza Minnelli, to mention a few. Each had a different approach. The song was played again and again on the radio yet only the composer and the publisher received performance royalties.

Senator Scott's legislation will update the law and benefit the creators of the recording. And it is not designed just for the big names. For each Crosby or Armstrong, there are hundreds of lesser-known artists and thousands of backup musicians who create modern recordings, working with the record producer. For this reason, surely all the creators should be rewarded—not just the composer and the publisher.

WHY NOT U.S.?

Forty other nations provide some kind of performance royalty for recordings. The U.S. is one of the few Western nations which does not. Why not? When the copyright law was passed in 1909, it provided a copyright royalty for composers and music publishers. Who knew then that recordings would become so popular? Unquestionably, things have changed a lot since 1909 and the law needs changing.

BROADCASTERS OPPOSED

Key opposition to performance royalty legislation comes from broadcasters. They want the right to use recordings for their own profit, without compensating the musician, the artists and the recording company for their creativity.

Ironically, the broadcasters are being totally inconsistent. While opposing Senator Scott on this, they are pushing for other legislation that means money in their pockets and the issue is exactly the same. They want cable television stations to pay broadcasters when the cable stations pick up copyrighted broadcast programming and use it for profit. It's exactly the same principle: The creator should be rewarded. Obviously, the broadcasters must pay for other major parts of their program material—news, drama, weather, talk shows, etc.

ROYALTY FEES MODEST

Under Senator Scott's bill, radio stations would pay an annual fee ranging from $250 for small stations to 1 per cent of net receipts from advertisers for the big stations. Stations with annual income of less than $25,000 would pay no royalty. Television stations, background music services and others who use music for profit would be required to pay modest fees. The fee for jukebox operators would be $1 a year per box.

Can broadcasters and others afford to pay these modest fees? No doubt about it! Radio advertising income grew 46 per cent from 1967 to 1972. Pretax profit for all radio stations grew 66 per cent during those years. Income and profits for TV stations have gone up much the same.

How will the money be allocated? Half the royalty fees would go to the musicians and artists, half would go to recording companies. Distribution methods would be worked out by organizations representing these groups, including the American Federation of Musicians, the American Federation of Television and Radio Artists, and the appropriate performers' unions.

Last year, a Copyright Revision Bill considered in the Senate included performance royalties for sound recordings. This provision was eliminated because of oppostion from broadcasters. Senator Scott's new bill can change that if enough of our members speak out. This can mean extra money for many musicians.

WHAT YOU CAN DO

1. Write to your Senator. Urge him to co-sponsor and support Senate Bill 1111.

2. Write to your Representative in the House of Representatives. Ask him or her to sponsor Bill No. 5345 or to support its passage.

Every action that each one of us takes today will help all of us in the future.

JOINT RESOLUTION OF THE MAINE LEGISLATURE MEMORIALIZING CONGRESS TO EXTEND VOTING RIGHTS ACT OF 1965 FOR 10 ADDITIONAL YEARS

Mr. MUSKIE. Mr. President, the 107th Maine Legislature has adopted a joint resolution memorializing Congress to extend for 10 years the Voting Rights Act of 1965, which will expire on August 6 of this year.

On behalf of myself and Mr. Hathaway, I ask unanimous consent that this joint resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Joint Resolution Memorializing the United States Congress to Extend the Voting Rights Act of 1965 for 10 Additional Years

We, your Memorialists, the House of Representatives and Senate of the State of Maine of the One Hundred and Seventh Legislative Session assembled, most respectfully present and petition the United States Congress, as follows:

Whereas, the 1965 Voting Rights Act is one of the most significant pieces of civil rights legislation ever enacted; and

Whereas, the Voting Rights Act is a complex piece of legislation that was developed in response to the failure of earlier legislation to remedy discrimination in voting, and is designed to enable minority citizens to gain access to the political process and to gain the influence that participation brings; and

Whereas, its passage and enforcement have been responsible for substantial increases in the number of blacks registered, voting and elected to office in the seven southern states covered by the Act; and

Whereas, the Voting Rights Act Amendment of 1970 continues the special coverage provisions which reach into every corner of the United States; and

Whereas, the United States Commission on Civil Rights, in its January, 1975 evaluation of the current status on minority rights in jurisdictions covered under the Voting Rights Act of 1965 as amended in 1970, concluded that there is still hostility and resistance to the free and effective political participation of blacks, native Americans, Puerto Ricans and Mexican-Americans; and

Whereas, a democratic system depends on the full participation of all its citizens; and

Whereas, the Voting Rights Act of 1965 will expire on August 6, 1975 of this year unless it is further extended by Congress; now, therefore, be it

Resolved: That we, your Memorialists, do hereby respectfully urge that Congress, prior to August 6, 1975, extend the Voting Rights Act of 1965 for an additional 10 years; and be it further

Resolved: That a copy of this resolution, duly authenticated by the Secretary of State, be transmitted by the Secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to each Member of the Maine Congressional Delegation.

FEDERAL RULES OF EVIDENCE

Mr. HRUSKA. Mr. President, I am pleased to join with the distinguished senior Senator from Michigan (Mr. Hart) as cosponsor of S. 1549, a bill to amend the Federal Rules of Evidence, and for other purposes. The proposed legislation would insure the admissibility in court of a valuable and reliable kind of evidence. The evidence I speak of is evidence that an eyewitness, testifying at the trial, made an earlier identification of the criminal perpetrator, at a time closer to the crime than is the trial. The amendment would make this evidence admissible if all constitutional safeguards have been complied with and there are no special facts and circumstances impugning reliability. The amendment would not override the constitutional requirement of presence of counsel and nonsuggestive circumstances at an identification occurring at a lineup or the like, as set forth in the Wade, Gilbert, and Stovall cases in the Supreme Court. Additionally, as in the case of all evidence of whatever kind, rule 403 would still apply to exclude the evidence if some fact impugning reliability were present in a particular case.

In the absence of special circumstances, like those just noted, there is little reason to exclude the evidence. The witness is present for confrontation and cross-examination. His prior statement, nearer in time to the occurrence than his present statement, is likely to be at least as valuable if not more so, than his later statement. The evidence can be used for or against the accused.

Turning to the exact language, the proposed amendment would add to rule 801(d)(1) a new subsection (C). This new subsection would add to the list of statements which are expressly exempted from the hearsay rule. The new provision, put in context of the rule, would read:

> A statement is not hearsay if . . . the declarant testifies at the trial or hearing and is subject to cross examination concerning the statement, and the statement is . . . one of identification of a person made after perceiving him.

UMI

This provision was included in the draft of the Federal Rules of Evidence submitted to Congress by the Supreme Court, and all drafts preceding it. The provision was also found in the Federal Rules of Evidence as they passed the House. The Senate deleted the provision, although some members of the Judiciary Committee had reservations. The House, in the spirit of compromise, acquiesced to gain agreement on the bill as a whole.

Upon further consideration, it appears that the amendment is desirable. The position reflected in the amendment has considerable support amongst the decisions, statutes, and commentators. The authorities are collected in Rothstein, Understanding the New Federal Rules of Evidence, pages 385–86—1975 supplement.

The Advisory Committee on the Federal Rules of Evidence said in support of the position reflected in this amendment:

> The admission of evidence of identification finds substantial support. . . . The basis is the generally unsatisfactory and inconclusive nature of courtroom identifications as compared with those made at an earlier time under less suggestive conditions.

The Attorney General's Advisory Committee of U.S. Attorneys has supported the amendment, stating:

> . . . (N)on-suggestive lineups or other pretrial identifications made reasonably soon after the offense are more reliable than in-court identifications. . . . (T)he Federal Rules of Evidence (should) make clear that non-suggestive lineup, photographic, and other pre-trial identifications, made in compliance with the United States Constitution are admissible in evidence. . . .

The Supreme Court, in *Gilbert* v. *California*, 388 U.S. 263, 272, remarked as follows on the admissibility of these identifications:

> The recent trend . . . is to admit the prior identification under the exception (to the hearsay rule) that admits as substantive evidence a prior communication by a witness who is available for cross examination at the trial.

For these reasons, I urge that the Senate act promptly to approve this amendment before the effective date of the Federal Rules of Evidence, July 1, 1975.

THE UNSTABLE CONDITION OF THE NUCLEAR BALANCE

Mr. CRANSTON. Mr. President, in remarks prepared for delivery at the U.S. Naval Academy on April 23, Dr. Fred C. Iklé, Director of the U.S. Arms Control and Disarmament Agency—ACDA—outlined problems of "the second nuclear era," now beginning, in which more and more nations will acquire the materials for making nuclear bombs. He said:

> We will no longer be able to prevent the use of the nuclear bomb solely by deterring one or two potential adversaries. Further, we will no longer be able to curb nuclear arms competition through bilateral agreements alone.

Dr. Iklé projected a long-term U.S. arms control program, which would encourage the evolution of an "international guardianship of dangerous nuclear materials—to coordinate, or manage directly, the flow of nuclear materials among a steadily growing number of countries." He said:

> A decade hence, the performance of this international guardianship will vitally engage the attention of governments throughout the world. It will affect the most elementary interests of the general public and political leaders alike—their welfare and their physical survival.

I was struck by the skepticism and humaneness of Dr. Iklé's remarks. He is not fooled by the easy assurances offered by strategic planners. At one point, he warns:

> Today, nuclear strategists of all countries analyze a shadow world of abstract calculations. We are not moved by compassion or revulsion, and the corrective mechanism of learning from experience cannot work.

The Director of ACDA goes on to remind us of the fragility of the mechanism we have constructed:

> A great deal more needs to be done to make deterrence safer. We must search for improvements with a distrust of anyone who pretends all is well. Year in, year out, the avoidance of nuclear war now depends on the proper working of farflung armaments, on the safety of alert missile forces halfway around the globe, on the integrity of military command chains stretched thousands of miles. We have to rely on the absolute control of these engines of destruction, all in a state of readiness day and night, month after month, all managed by people, large communities of people, with the usual admixture of heroes and villains, wise men and fools.
>
> It would be an insult to the ingenuity of our strategic experts and our engineers to argue that, for decades to come, such an unbelievably explosive contraption is the best we can build.

Mr. President, I ask unanimous consent to have Dr. Iklé's speech printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE SECOND NUCLEAR ERA

Mankind's first nuclear era began thirty years ago. Three-fifths of the people alive today had not yet been born.

For those who remember that beginning, it offers mixed memories. People were stunned by the destructiveness of this new power. At the same time, they looked upon the bomb as bringing an end to a war that threatened to grow bloodier and go on for endless days.

And there was a widespread feeling that the world now had a singular opportunity to rebuild itself in a better way. Almost everyone recognized the world could never be the same—atomic power had revolutionized the nature of peace and war.

Americans were confident that their country would show the way. Our self-confidence found concrete expression in a proposal to the United Nations—a proposal that combined our hopefulness of that time with acceptance of our responsibility as sole possessor of the atom bomb. This proposal—known as the Baruch Plan—envisaged placing all nuclear resources throughout the world under the ownership and control of an independent international authority. Its purpose was to assure that this new force served only peaceful ends.

Some debate has arisen about the realism of the Baruch Plan, and even about the sincerity with which it was offered. Let me lay a myth to rest.

Was it realistic? No, because its optimism demanded too great a change in the politics of power. Yes, because its boldness matched the magnitude of the problem.

Was it sincere? While preparing and pressing this proposal, did we exploit our nuclear monopoly to the hilt or did we exercise self-restraint?

What we did was this: First, the United States diminished its nuclear research and development from $940-million in 1944 to $280-million in 1946. Second, in 1946 and early 1947, the United States exploited its nuclear monopoly by having on hand a total stockpile of battle-ready weapons that numbered—I will give you the exact figure—zero. As late as April 1947, President Truman noted that we still had only few components of bombs and that our bombs were not assembled. Evidently, Harry Truman—that alleged cold warrior—had not ordered a crash program.

These facts are available to any historian. Yet they have been conveniently overlooked in recent attempts to rewrite the history of how the Cold War began. We do not have to assert that we were without flaw during that period. But we should not forget the truth: the self-restraint and generosity in American foreign policy during that period, a period when the United States had a world monopoly on power without parallel in history.

The United States, during the critical years of 1946 and 1947, continued to press for an effective international system of control and ownership of the atom. It did not launch a massive research and development program to assure that its nuclear superiority would remain unchallengeable. It did not rush to amass a stockpile of nuclear weapons. Thus, it did not exploit its monopoly to impose its own interpretation of the World War II settlements. But at the end of 1947 it seemed clear that the Baruch Plan—or any comparable, effective constraint on nuclear arms—would not be accepted. In 1949, the Soviet Union exploded its first nuclear bomb. Over the next fifteen years, the nuclear arsenals grew competitively on both sides to incomprehensible levels of destructiveness.

The United States maintained its lead in this deadly competition. Nevertheless, in the mid-1960's, it took the initiative of restraining the expansion of its strategic offensive and defensive forces, seeking stability by a renewed effort for agreed controls. This American self-restraint found formal expression in the 1969 decision to discard "strategic superiority" as official U.S. policy. The Soviet Union would thus be allowed to achieve equality where the United States had held an advantage for 25 years. This decision was based on recognition that a stable world order cannot be achieved if either superpower engages in the futile and dangerous pursuit of unilateral advantages. We have pursued this principle of equality and mutual self-restraint through six years of difficult strategic arms talks, and we continue to pursue it in other East-West arms control negotiations.

Given the historic development of the American and Soviet positions in the world, parity between our strategic forces is a relationship that can add to stability. And strategic parity is to be anchored even more securely in the agreement on offensive arms based on the accord reached at Vladivostok. The agreement will complement the Anti-Ballistic Missile Treaty of 1972 and its 1974 Protocol. By that ground-breaking set of agreements, we and the Russians effectively renounced major potential weaponry in the interests of world stability.

Now these are substantial achievements. The world's two most powerful nations, to enhance their own security, have begun to rely on controlling their armaments. It might thus seem as if the road ahead was clear. Successive limitations and reductions, to be negotiated between the United States and

the Soviet Union, might seem all that is needed to avoid nuclear war.

But something more is needed.

For we are now moving into a new era that will differ fundamentally from the world to which we have, in part, adjusted. The revolutionary agent is the inexorable diffusion of nuclear technology throughout the world. We can slow down the spread of the means to make the bomb; but we—the United States—cannot stop it. As if to saddle mankind with a double curse, the nuclear technology now of greatest interest throughout the world—reactors to produce energy—is also a technology that yields the material necessary to build nuclear bombs. From a powerful mixture of economic and nationalistic motives, nation after nation will want this technology. The most dangerous material man has ever fashioned will gradually spread all over the world.

In the coming era, we will no longer be able to prevent use of the nuclear bomb solely by deterring one or two potential adversaries. Further, we will no longer be able to curb nuclear arms competition through *bilateral* agreements alone.

Realism forces us to recognize that most nations which acquire nuclear arms will insist on retaining sovereign control over them, for decades to come. For this and other reasons, "general and complete disarmament" is not a guideline for policies to shape the foreseeable future. Yet, realism also forces us to recognize that the continuing spread of nuclear materials cannot coexist, for decades, with the present structure of nuclear deterrence, on the one hand, and the present fragile controls over nuclear explosive technology, on the other.

Political philosophers, to be sure, may wish to explore the possibility of a world in which nations-states—as we now know them—will have disappeared in a dispensation of general and complete disarmament. Similarly, military strategists may wish to speculate on how nuclear deterrence, as we now understand it, could survive in a world with several dozens of nuclear powers, and where even criminal groups might obtain nuclear bombs. But I believe neither of these worlds is realistic. Something will have to give.

The coming era calls for realism and for vision, for an effort that will mobilize the support of other nations and draw on our own vast intellectual, scientific, and moral strength. The second nuclear age calls for a United States arms control program that reaches far enough ahead so that we can shape our future.

As I see such a program taking shape, three important tasks stand out:

First, for many non-nuclear powers, protection against nuclear threat or attack rests on American commitments. America's self-interest dictates that we sustain our alliances. If we withdrew our protection—or if confidence in it were shaken—strong internal pressures would arise in many countries to acquire nuclear armaments for their self protection. Then, their neighbors would feel threatened and follow suit.

To the degree that we appear to turn inward, we encourage non-nuclear nations—from Asia to Europe and the Middle East—to create their own nuclear forces. We will thus make the future less manageable and eventually bring arms control efforts to a dead end. How could arms control and disarmament make progress in a world where nations increasingly depend for security on a tangled web of nuclear threats and counter-threats among dozens of nuclear-armed countries? Our alliances help protect both other nations and ourselves from the dangers of nuclear proliferation.

A second task is to make safer our reliance on nuclear deterrence—to be very clear about its shortcomings and to find ways to correct them.

Never in man's history has the technology of warfare changed so sweepingly and so rapidly, and never without being tested in real battles. We can only be thankful, of course, that the generation which has grown up since the second World War has never been witness to the cruel impact of nuclear destruction. But to be spared such experience has also insulated this generation from the grim reality of nuclear arsenals. Today, nuclear strategists of all countries analyze a shadow world of abstract calculations. We are not moved by compassion or revulsion, and the corrective mechanism of learning from experience cannot work.

In past centuries, every advance in technology, was eventually used for war. Then, however, the scope and suddenness of destruction were never so immense. Weaponry was never rigged in such a way that one single failure could mean the last chance had passed. But we have made mutual deterrence hinge on cataclysmic speed. There would be no time for learning, no time for human compassion and mercy to call a halt, no pause in the battle long enough for governments to reflect and gain a sense of proportion. Over the long term, this emphasis on speed imposes a risk that is intolerable—and unnecessary.

Major changes in deterrence will be needed in the second nuclear era, when the danger of nuclear war from deliberate attack may be overshadowed by the chances of war from accident or miscalculation.

We have already taken promising steps, both unilaterally and through agreement, to escape from the interlock of hair-triggered nuclear armaments where one tragic episode could lead to mutual genocide. We have reached agreements with the Soviet Union on measures against the risk of accidents and on improvements in the Washington-Moscow hot line. We must take further steps along this important road. Unilaterally, we continue to improve the controls and safety of our nuclear armaments.

We are also adjusting our strategic doctrine to changing conditions. Here we must carefully strike a balance. On the one hand, we must not stake our survival on one single gamble, the gamble that deterrence will never be seriously tested and that we will never require room for choice—after some nuclear weapons have been used—to avoid mutual genocide. On the other hand, we must not slide back into errors of the past, by permitting nuclear weapons to be regarded as a substitute for conventional defenses. We must not mistake nuclear war, or the threat of it, for an acceptable instrument of foreign policy.

A great deal more needs to be done to make deterrence safer. We must search for improvements with a distrust of anyone who pretends all is well. Year in, year out, the avoidance of nuclear war now depends on the proper working of farflung armaments, on the safety of alert missile forces halfway around the globe, on the integrity of military command chains stretched thousands of miles. We have to rely on the absolute control of these engines of destruction, all in a state of readiness day and night, month after month, all managed by people, large communities of people, with the usual admixture of heroes and villains, wise men and fools.

It would be an insult to the ingenuity of our strategic experts and our engineers to argue that, for decades to come, such an unbelievably explosive contraption is the best we can build.

A third task is to create an international guardianship of peaceful nuclear technology.

To keep nuclear technology peaceful was a need manifest from the very beginning; but it will be far more compelling in the second nuclear era. Its urgency will increase as technology spreads and nuclear materials increasingly supply the world's energy needs. Hence, the effort to assure that these resources serve only peaceful ends must expand and intensify year by year.

Inevitably, the international guardianship of dangerous nuclear materials will become steadily more important. Its work will involve an increasing number of people and a broadening array of tools, to coordinate, or manage directly, the flow of nuclear materials among a steadily growing number of countries. The timely supply of these fuels will be crucial to the economy of many people; their perpetual and total safety will be crucial to the safety of all people.

The activities of this guardianship will be a matter of daily concern rather than a matter of sporadic intervention in emergencies. It will have to deal chiefly with persistent problems, such as the growing worldwide need for nuclear waste disposal and the ever-present danger of theft of nuclear materials. Unlike mutual deterrence and the strategic analysis that supports it, it will not be condemned to live in a world of theory and abstraction. Its workings will be tested every day. Hence, it can learn from trial and error; because failures will not inevitably be fatal, experience can teach.

Again unlike deterrence, the guardianship of the world's peaceful nuclear resources does not fix nations in a posture of deadly antagonism. The dangers which must be controlled—some man-made, some essentially natural forces—are the by-products of peaceful activities, not the result of a hostile arms competition.

Can the nations of the world ever reach the kind of agreement that produces an effective and reliable guardianship? Over the last 20 years—when the risks were not yet so compelling—over 100 countries have learned to work harmoniously together in the International Atomic Energy Agency in Vienna. The fruitfulness of that collective effort—based on an American initiative—should give solid encouragement.

I do not mean to project some instant Utopia. There will be pitfalls of many kinds. The effort to build an international guardianship might become entangled in the short-term politics of the struggle for resources. Or it could fail because of ideological schisms. There may be break-away or outcast nations, whose obsolete view of the world blinds them to the realities of their own interests. But we have the promise of the International Atomic Energy Agency. And over eighty nations support the Non-Proliferation Treaty. These examples point the way to the political consensus we must create.

A decade hence, the performance of this international guardianship will vitally engage the attention of governments throughout the world. It will affect the most elementary interests of the general public and political leaders alike—their welfare and their physical survival. By the nature of its task and the way it must work, it can forge a common bond among nations that may prove more fruitful and sturdy than any we have tried to create, and teach a more meaningful collaboration than any we have known. Given America's position as the leader in nuclear technology and our skill in designing international institutions, we can play a particularly creative role.

America has lately suffered sorrows and disappointments. But you, the younger people, reject pessimism and passive doubt. You will want a part in shaping your future, and I am certain you will support a constructive foreign policy and arms control program. You will indeed have important things to do.

PRIVACY AND THE INSURANCE INDUSTRY

Mr. PERCY. Mr. President, in the course of my work on the Federal Privacy Act of 1974 in the Government Operations Committee, I have come across several interesting and rather remarkable speeches by Benjamin Lipson, of Boston, Massachusetts. The topic of these speeches is the personal abuse and suffering that results from the misuse and misinterpretation of individual psychiatric records by life insurance companies and other organizations.

The remarkable fact is that Mr. Lipson is himself a life insurance underwriter. He is waging a solitary and courageous campaign to awaken others in his industry to the need for reforms in the collection and use of sensitive psychiatric information. Such information is routinely used by insurance underwriters, who usually are not trained in psychiatry and who do not subscribe to a universal and fair set of criteria for evaluating psychiatric comments and diagnoses. As a result of inconsistent and unjustified interpretations of such information, according to Mr. Lipson, millions of Americans are unfairly deprived of life insurance each year.

Mr. President, the problems addressed by Mr. Lipson are directly related to the purpose of the Federal Privacy Act. Namely, it is fundamentally important that we ensure the right of individuals in this country to limit access and use by others to their personal information. No information is more personal, or should be more privileged than psychiatric records. This is an essential part of establishing and safeguarding a universally recognized right of privacy for our citizenry.

The earliest version of S. 3418, the Senate version of the Federal Privacy Act, extended its Code of Fair Information Practices to data banks in the private sector as well as in the Federal Government. For a variety of reasons, such broad coverage of so many diverse institutions in one piece of legislation was not deemed feasible by the Government Operations Committee. Thus the need for privacy protection with regard to private data banks still remains.

Mr. Lipson addresses himself to the personal data handling practices of an industry that could voluntarily adopt a code of fair information practices. This would indeed be a desirable outcome. In fact, such an action by this vital industry might set an example that would encourage other parts of the private sector to follow suit.

Mr. President, I feel that Mr. Lipson is to be congratulated for his fine efforts to promote a greater respect for personal data within the insurance industry. I would like to share with my colleagues two speeches by Mr. Lipson. I ask unanimous consent for them to be printed in the Record.

There being no objection, the speeches were ordered to be printed in the Record, as follows:

PSYCHIATRY AND UNDERWRITING: ARE WE DISCRIMINATING?

(Address by Benjamin Lipson)

I approach this occasion with the fervent hope that even though we represent differing points of view, that together we can reason so that the benefits of our expertise will accrue principally to the insured.

At the outset, it should be made clear that I come here as an independent life insurance broker. A general insurance man for the first 10 years of my insurance career that started in 1953, I am a product of the American agency system, and my loyalty lies with the customer; I represent the customer first. On the other hand, we all understand that your first responsibility, as underwriters, is to the company you represent. Nevertheless, we must work together, be cooperative, responsible, honest, fair and understanding of each other's responsibilities and obligations.

The very fact that I am here today would indicate that we all recognize that for too long we have neglected the concern of those individuals who have had contact with a psychiatrist and who have had difficulty getting life insurance. These difficulties may have been both real and imaginery—real in the sense that in some areas there has been callous indifference and widespread misinterpretation of the psychiatric risk at the underwriting desk, imaginary in the sense that many people with a psychiatric medical history are usually afraid to even apply for insurance coverage.

Part of this problem had its origin with the health insurance industry in that in many instances a form of duress exists when an insured has no choice but to authorize the release of an entire file in order to be reimbursed for medical expenses he has already paid out of pocket, or when diagnoses are distorted so as to conform with specific policy provisions. The resultant abuses of this information, much of which is not required, inhibits the individual from any further contact with the insurance industry.

Gun-shy is one way to describe the psychiatric patient who pays for benefits normally covered by his health insurance, because he is frightened of a breach of confidentiality. A Maryland psychiatrist reported recently, for instance, that in the six years from 1968 through 1973, patients of his having Federal Employees Health Benefits Insurance with Blue Cross paid amounts ranging from $11,950 in one year to $1[illegible],050 in another year for psychiatric care that otherwise would be covered or defrayed by their insurance. In 1974, during only the first ten months, the figure for this one psychiatrist's patients came to $18,400. The doctor estimated that in the past ten years, his patients paid at least $150,000 out of their own pockets needlessly. And these are not isolated cases.

In commencing a discussion of this nature, I believe it timely to quote from the recently-released first interim report of the Masachusetts Special Legislative Commission on Privacy. "As America prepares to celebrate its 200th year of independence, the erosion of its citizens' rights of privacy has become an issue of national concern. Privacy, we are told, is a fundamental part of our spiritual heritage of freedom. The framers of the Bill of Rights were reported sensitive to the privacy issue, implicitly including it in the guaranteed rights of the First, Third, Fourth, Fifth and Ninth Amendments. This was done, according to Justice Brandeis, because 'the makers of our Constitution sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations.'

"In order to receive the apparent benefits of society we passively, voluntarily and sometimes under pressure consent to what are essentially intrusions of our right to privacy."

Ladies and Gentlemen, this is the forfeiture that you are demanding from the insuring public under your guidelines and sincere belief that you have an obligation and responsibility to make a profit. Rather than give up this priceless right, many individuals forego benefits rightfully entitled to them under health insurance and refrain from applying for life insurance.

In obtaining life insurance, the applicant for insurance is faced with an early decision—whether to sign the consent form that allows the insurance company complete access to all of his medical files, not just those reasonably pertinent to his insurability as might be expected, but to all of his files, erroneous or not, pertinent or not, including his psychiatric file.

Most applicants sign the form passively or voluntarily, to use the Privacy Commission's words. Some, forced by circumstances that require insurance but fearful of what complete disclosure could mean, sign the form under a subtle yet real form of pressure, to use the Commission's word again. But passively, voluntarily or under pressure, the applicant is still agreeing to an intrusion to his right of privacy.

Consider for a moment the problems faced by the psychiatric patient who is applying for life insurance. Although we have come a long way toward understanding of emotional illnesses and toward acceptance of the fact that often a psychiatrist must be consulted, there exists even in 1975 an enormous pool of skepticism, mistrust and misunderstanding when it comes to psychiatry and diseases of the psyche. The psychiatric patient knows this all too well, and is therefore naturally reluctant to divulge his psychiatric treatment. Right at this point, at the moment of application for life insurance, the psychiatric patient has a difficult choice. He may forgo altogether the application for insurance, fearful of the consequences of divulging his true medical and psychiatric background. He may compromise in his mind and complete the application form without mentioning thereon his psychiatric history. Or, he may come clean and honestly fill out the form, knowing again the dangers should his psychiatric history become known to his employer, business associates or others who shouldn't have this information.

At some point, however, the insurance underwriter learns of the applicant's history and sends to the psychiatrist a form requesting information about the applicant.

Now the psychiatrist is faced with a difficult decision. The traditional stance of the psychiatrist has been to proclaim total confidentiality as the principle and then to make exception. In current society there is a question as to whether or not this traditional stance can survive.

The constitutional right to be secure in home and person is basic to the general right to privacy to which all citizens are entitled. In medicine this extends to the right of the patient to be secure in the privacy of his communications with his physician. In psychiatry where the very essence of the profession is to deal with the most private corners of the patient's personal life, security from abuses of privacy form a provision without which it would be difficult to practice psychiatry and psychotherapy.

Still another element enters into the psychiatrist's decision on whether to divulge his patient's record. A component part of the therapist's treatment of a patient is the confidentiality involved in their relationship. If we were to interrupt this confidentiality, the therapist could not adequately treat his patient. It would be akin to interrupting a surgeon in the course of surgery.

The average psychiatrist answers the insurance company's form—or doesn't answer it—based on a belief that the company will breach the confidentiality of the patient/doctor relationship. If you doubt this, consider the results of a survey I conducted to which nearly a thousand psychiatrists nationwide responded. It should be pointed out here that victims of psychiatric underwriting discrimination will complain to their therapist rather than to their agent or broker, the insurance company or to the State Insurance Commissioner, all of which would require further dissemination of confidential information.

77 percent of the doctors fear a breach of confidentiality upon release to the insurance company of medical records.

50 percent of the therapists say they are certain that insurance companies breach confidentiality.

Of even more significance to the underwriting fraternity is the fact that 75% of the psychiatrists responding to the survey find the forms supplied to them by insurance companies to be inappropriate for relating psychiatric data to an insurance risk.

From the personal comments that doctors sent me with their survey answers, it is clear that the psychiatrists know of the many forms of discrimination against insurance applicants with a history of psychiatric care.

The psychiatrists know, for instance, that few underwriters have clinical psychiatric training. Yet, these laymen are passing judgment on the insurability of persons with psychiatric history.

The psychiatrist knows that the consuming public has never had an input on matters of underwriting policies and is therefore at the mercy of the companies' vastly different methods of judging insurance applicants.

Yes, the psychiatrist knows that his patients' confidential records often lie around home office desks for anyone to see them, or pass from clerk to clerk and from secretary to secretary.

Yet, the psychiatrist knows, as does the patient, that unless a full disclosure is made of these confidential records, the applicant's insurance may not be approved, or he may be rated unfairly high.

So the psychiatrist is damned if he does and damned if he doesn't. A Masschusetts psychiatrist put it well when he said: "I tell the truth and my patients suffer the consequences."

What a system we have built! A system that perpetuates lies and inhibits the truth—it is, ladies and gentlemen, however little we like to hear it, a corrupt system, whether we intended it to be or not. Corrupt it is because of a society that looks askance at the person who is a psychiatric patient, corrupt because that patient's confidential files are necessary, regardless of whether they are pertinent, and corrupt because the confidentiality of those files is not kept secure. We know all too well what can happen to a corrupt system.

Most of you say the psychiatric risk is no great problem. Less than 1% of the applicants admit to psychiatric history, yet it is a fact that at the present time 2% of the population is in some form of psychiatric treatment and an even greater percentage has a past psychiatric history.

If any one of you had contacted with a psychiatrist, would you want those with whom you work to know about it?

If either the pressure of your job, domestic difficulties, problems with your children or other emotional problems cause you to seek psychiatric help, would you want your fellow employees and those who have the ability to promotes you to know this?

How much information would you want disclosed to your insurance company?

Would you want this type of personal information involving an emotional history to pass through many hands?

Would you want the files left unguarded at lunch time?

Would you want to limit access to this data?

How much of this data would you want put into the computers?

If your psychiatrist wrote to the insurance company and advised the company that you were being treated for depression, your underwriter quite properly would want to know what caused the depression, how it was being treated and what the future outlook is.

How would you feel if the psychiatrist wrote and said the cause of your depression was your inability to cope with the pressure in the corporate jungle, or would you like him to write that your depression was due to the fact that your spouse was having an affair. Would you want that information spelled out?

Of course not. But these are the types of traumas to which you are subjecting many Americans.

Recently the American Psychiatric Association held a four-day conference on the subject of confidentiality. One of its committees, of which I was a member, was organized to work on a problem of confidentiality with regard to third party payers. You may be interested to learn of some of that committee's recommendations.

The Committee recommended a wider use of coding procedures to depict the nature of psychiatric diagnosis, the degree of impairment and the probable extent to duration of therapy.

Also, the Committee recommended the review and correction of patient consent forms so as to remedy potentially harmful uses.

It also called for the tightening of procedures where patient records are used or stored so as to avoid casual viewing, require appropriate credentials, and generally limit the release of information to that for which there is specific purpose and specific authority.

The Committee wanted a limit to the amount of sensitive information entered into computers and others such storage and retrieval devices and a limit to the exchange of such information for secondary purposes.

An important recommendation to your group was the committee's call for third parties, insurance companies especially, to make full use of appropriate medical specialties to guide their practice in developing queries for medical information and to assist them in the interpretation of information received. The Committee added, and I quote: "It is especially appropriate to utilize psychiatrists as such consultants when dealing with mental health, due to the distinctive and sensitive nature of this field as compared to others."

May I ask each of you assembled here today, how many of your companies employ a psychiatrist as well as a medical director to assist in the judgment of all cases exhibiting psychiatric histories?

Finally, the Committee noted, "There are cases where applicants may be denied access to life insurance due to the inability of the carrier to secure a response from a physician." Does that sound familiar to any of you underwriters? The Committee continued, "As a result, patients suffer needless injury."

The Committee recommended that all providers answer all such correspondence in a timely manner, even though the reply indicates a refusal to supply information for any reason.

To these recommendations I would add a call for a meaningful dialogue in the area of psychiatry as it relates to insurance underwriting, a meaningful dialogue with all parties concerned—without name calling or shouting. We need an ongoing, continuing dialogue so that all parties will get to better know each other, so that there will be a dissipation of the mutual distrust that exists between underwriter and therapist. We can and should create a climate where the public will not be afraid to disclose certain vital information about their medical and psychiatric history and have the full confidence that when they are asked to disclose such information, that it is handled with the utmost confidentiality and that the decisions made as to an applicant's insurability are made by those individuals who have a sensitivity and a grasp of mental illness.

We continually hear about the outstanding achievements our product has been responsible for. The perpetuity of business and family life in America. Annually hundreds of insurance company conventions honor the winners. But what about the losers. Those insureds who lose out at the underwriting table. Don't you think the time has come for an even greater effort to find the ways to make our product available to an even greater number of people?

Has not the time come for the consumer to have representation in matters of underwriting policies. For too long, he has been left out in matters most seriously affecting him. When was the last time a consumer had the opportunity to state his case directly to the underwriter? How many of you have been face to face with a family when we have to tell them that the cost of insurance is highly disproportionate to their income or that insurance is unavailable to them at any price?

Unfortunately there is discrimination practiced in the underwriting of the psychiatric risk. Certainly this does not happen at all times, in all situations and by all underwriters.

What is even more disturbing is that when this happens, I do not believe that in many cases the underwriter realizes what his actions have caused and the individual because he does not know of the competitive forces at work in the market place (i.e. different standards for medically examined group insurance vs ordinary or the fact the underwriting problems can differ from company to company) does not realize other avenues are open to him.

It is incumbent upon you who have the ability and you who through your courageous decisions have brought peace of mind to many thousands, it is incumbent upon you to find a solution to this problem of discrimination within the life insurance industry against those with a psychiatric history.

Certainly, you as men and women of mature judgment and a willingness to be of service to fellow man, can find a way to restore to those individuals who may have had contact with a psychiatrist the dignity they lose or they are afraid of losing when they consider acquisition of the life insurance product which today is more vital to them, their families and their businesses than ever before.

Our industry, with its more than 900,000 people has a moral responsibility to act now, before solutions are imposed upon us. For as never before, an aroused public is claiming what is rightfully its own—privacy in its person and its property.

Let's stop the shouting matches, the bitter debates, the indifference. Let us all reason together so that the companies will quite properly fulfill their legal and moral obligation to their policy holders and stockholders and regulatory agencies, and at the same time will protect and preserve the privacy and dignity of all individuals with whom they come into contact.

Let us remember, as was graphically illustrated by the many psychiatrists who responded to my previously-mentioned survey, that quite often those who have undergone psychiatric treatment are better risks than those who have not had such treatment.

And let us also consider that, in our complex 1975 society, men and women consult psychiatrists for problems that years ago would have been brought to the family doctor or the family clergyman.

I call on you who control the destiny of many thousands of Americans to find a solution to this perplexing problem now. I call on you to find solutions to the problem of insurability some of which you have manufactured, some of which all segments and members of society have contributed to and others over which none of us have any control. Let us remember that today is not yesterday, and as Shakespeare mentioned in King Lear, "Men are as the time is."

In these changing times I do not call for breaking of the rules, I call instead for the reform of these rules. The financial resources of our industry serve as a source of funds necessary to build homes, commercial buildings and urban developments. Billions of dollars have been invested. Cannot we invest in people—Are they not just as important as property, if not more valuable? Surely there must be a way; surely there has to be a way; surely you can find the way.

SEARCH WARRANTS WITHOUT DUE PROCESS

(Remarks by Benjamin Lipson)

In my home state of Massachusetts a few days ago a national celebration began. Thousands of Americans joined the townspeople of Concord and Lexington to commemorate the actions of a group of rebels, men—and women—who, 200 years ago, cared enough about their liberty to risk their lives in its defense.

Our founding fathers drafted a Constitution that provided an individual the right to privacy. Yet, as we all celebrate America's 200th year of independence, the erosion of citizen's rights of privacy has become the cause of public issue and hundreds of meetings such as this one, scores of commissions comprised of business and government leaders, state legislatures and even Congress itself have heard thousands and even millions of words on the subject of privacy.

But what it all boils down to is simply this—how can an individual in 1975 maintain the privacy promised him in 1775? How can the individual in a complex society protest himself against the prying eyes and listening ears of his neighbor, his protector, his business associate, his government, his insurer and his employer? How, indeed!

In order to receive the apparent benefit of society, as in the case of insurance, we passively, voluntary and sometimes under pressure consent to what are essentially intrusions to our right to privacy.

Ladies and Gentlemen, this is the forfeiture demanded from the insurance industry under its guidelines and sincere belief that it has an obligation and responsibility to make a profit. Rather than give up this priceless right, many individuals forego benefits rightfully entitled to them under health insurance and refrain from applying for life insurance.

The promise of privacy is in grave danger in this country. Each day, we pick up the newspaper to read of another encroachment on this sacred right. The government is prying; private enterprise is prying; the police are prying. Everybody wants to know something about somebody, something that shouldn't be disclosed publicly, something that is simply private.

We are all aware, I am sure, of the endangered status of privacy, whether it concerns us or not. But, if we were to go out on a busy city street to conduct a poll of the citizenry as to why privacy is endangered, I'm not sure we would get the right answer.

Most people, I believe, would blame computers, pointing to the almost incredible amounts of information that can be stored—and retrieved—from the almost innumerable computer banks available to most large U.S. companies and to the government. But blaming the computers for breach of privacy is akin to Paul blaming his horse after the British captured them both.

The incontestable fact is that we control the computers, not vice-versa—not yet, anyway. If we want to use the computer to pry, our job will be that much easier, thanks to the sophistication of our electronics. But we first must make the decision to pry; we must first have the will to make use of the way. And that is not a computer problem; it's a matter of ethics.

I'm in the life insurance business, a business unfairly thought to be devoid of ethics, a business thought generally to be, at best, a necessary evil.

In the insurance industry, as you know, reliance on computers is essential. But this reliance, combined with the public's requirements for confidentiality in insurance underwriting, often places my business in the spotlight on the privacy debate stage.

Confidentiality, or the measure of privacy, is the process of balancing a public "need to know" with an individual "right to privacy." The public, of which I speak, is the insurance company, which has the need to know certain facts about the individual before it can assign that individual correct and proper premium rates. The insurance company representative, whether speaking for the policyholders in a mutual insurance company, or for the stockholders in a stock company, has an obligation to be careful with the company's money. He cannot afford to insure everybody at the same rate; he cannot give away the company treasure in an industry that is already heavily regulated. On the other hand, he does not have the right to hurt people, to deny them coverage. The underwriter must know some basic facts about the insurability of the individual before a policy can be issued to that individual and before the company can set a premium that is both fair and equitable, not only to the policyholder, but to the company as well. For the most part, the most cogent information relating to an individual's insurability is that individual's medical history.

We have all seen the standard insurance application form. At the bottom of the form, a printed statement to which you affix your signature, certifies that the information you have provided is truthful, and it gives the insurance company the right to check into your personal and medical records.

This two-part statement is a certification and an authorization. The certification is definite and specific enough. It merely affirms that the information you have provided is the truth.

The authorization is different, though, and few prospective policyholders, and importantly, few medical practitioners realize that this authorization is a blanket authorization, relating not only to the information provided on the form by the prospective policyholder, but also to any other fact that may be uncovered in an investigation of that individual's medical history. What this authorization is, in point of fact, is a search warrant issued without due process.

Most authorization statements as they are currently written contain the wording "I hereby authorize any licensed physician, medical practitioner, hospital, clinic or other medical or medically related facility, insurance company the Medical Information Bureau, or other organization, institution or person, having any records or knowledge of me or my health, to give to the insurance company any such information. A photocopy of this signed Authorization shall be as valid as the orginal."

Right here, at this point, is the source of most of the abuses that the computer industry is blamed for. The insurance industry either through the mail, or by the use of credit reporting company employees, traffics immorally with these photostatic blanket forms.

Credit company representatives show up at hospital record rooms and doctor's offices with what the practitioner believes to be informed consent forms on the part of the insured when in reality they are not.

John Q. Public has no comprehension as to what happens to these forms after he signs them. Sacred confidential information which in many cases is not pertinent to either the underwriting of his insurance or the settling of an insurance claim is extracted from its source and placed in the hands of the computer.

This information can effect one's economic security and physical and mental well-being.

Individuals armed with these search warrants, oftentimes not experienced in medical terminology nor sensitive to the importance of confidentiality, are engaged in a fishing expedition at the expense of the individual's right of privacy.

Once the insurance application is made, insurance companies have entered into an arrangement by which they can pry almost without limits and can report everything of a derrogatory nature they have learned about an individual to a central data bank, to which every other insurance company also subscribes. This data bank, with its computer located in my city, Boston, is called the Medical Information Bureau, and although chances are pretty good that you've never heard of it, it probably has heard of you.

In fact, the MIB may have a detailed dossier on you containing information on your medical history, social habits and profession.

Insurance companies that belong to the MIB—those who write most of the life insurance in the United States—can receive your secret MIB file in less than 30 minutes at a cost averaging about 20 cents per inquiry. But, no matter how much you wish to pay, and no matter how long you wait, no guarantee exists that you can see your file. You can't be sure that the information on you is correct; nor can you be sure that any wrong information on you can be corrected.

The MIB has in its computer information on about 12 million Americans. Except for those maintained by the U.S. Social Security Administration for programs such as Medicare, the MIB data-processing system probably qualifies as the largest in the medical field.

Unless you agree to allow the insurance company to exchange information with the MIB, your application for insurance won't be processed by most companies.

Despite MIB claims to the contrary, the American Civil Liberties Union Foundation recently reported, "There is no guarantee that the information traded back and forth between the Bureau and its members is even remotely correct. Enough stories," the ACLU continued, "have surfaced of applications denied or rated high risk on the basis of nonexistent heart diseases, cancer, or diabetes, for example, to suggest that the incidence of mistakes may be high."

And, the ACLU pointed out, "MIB does not come under the Fair Credit Reporting Act, hence people do not have an FCRA right to inspect and correct their files."

The situation is even further compounded when you consider the possibilities inherent in a system that has each individual insurance company with its own computer capable of storing all of the MIB data, correct or not, and trading that information, plus its own information on applicants, with the MIB again, which in turn can supply that information to any of hundreds of other insurance companies who all have their own computers and data banks.

As a broker who is concerned about my industry, I recently conducted two surveys, one in Massachusetts and one nationally. The people polled are psychiatrists in both cases. I was trying to find out from these doctors, men and women engaged in the most sensitive areas of confidential medical treatment, whether they believe that discrimination based on erroneous reporting and interpretation of information exists in the insurance industry. And, I wanted to determine what doctors, especially psychiatrists, do when they receive queries from insurance companies about their patients, queries accompanied by those authorization forms—or at least photostatic copies of the forms.

I found widespread fears that discrimination does occur frequently, that insurance companies, in the psychiatrists' opinion, cannot properly judge the insurability of those who have had occasion to consult with a psychiatrist, and I found a majority of psychiatrists actually believing that confidentiality of their patient's records is breached repeatedly by insurance companies, and that their patients didn't realize what they did when they signed the blanket consent form.

Recently the American Psychiatric Association held a four-day conference on the subject of confidentiality. One of its committees, of which I was a member, was organized to work on a problem of confidentiality with regard to third party payers. You may be interested to learn of some of that committee's recommendations.

The Committee recommended a wider use of coding procedures to depict the nature of psychiatric diagnosis, the degree of impairment and the probable extent to duration of therapy.

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The Committee wanted a limit to the amount of sensitive information entered into computers and other such storage and retrieval devices and a limit to the exchange of such information for secondary purposes.

To even divulge psychiatric history is asking a lot of a doctor, especially if the patient is still in treatment and the real threat of such information being fed to the computer. It is like interrupting a surgeon while he is operating. It is absolutely counter-productive to the effective treatment, the psychiatrists themselves report.

Patients under psychiatric care cannot complain to government agencies or to the insurance companies without further endangering their own privacy and employment. They can only complain to their psychiatrist, if they believe they are being discriminated against because of their psychiatric history.

This session is on the new Federal Privacy Act, and what the impact of that law will be on data communications. Unfortunately, that new law, as wide-ranging as it is at the present time does not go beyond regulating federal agencies. It does not guarantee anyone an extension of their right of privacy when dealing with the private sector, the insurance industry, for instance.

I, for one, am optimistic and believe the insurance industry is capable of correcting many privacy abuses and breaches of confidentiality. No one wants further infringements by the government on our right to do business in a fair and equitable manner. But, there are those of us who value privacy above all else and if it means greater government control of business to insure the right of privacy, then so be it.

There is a great need for those involved in data processing, whether it be insurance companies or whoever, to have a sensitivity to the interest of the individuals whose confidential data they have been entrusted with.

We must educate all segments of society on the importance of restricting the indiscriminate use of photostatic copies of blanket insurance authorization forms that trigger many of the problems we are discussing here today.

Confidentiality is trust, and trust is essential if we are to have privacy. And privacy is essential if we are to survive as a nation of individuals and celebrate our next two hundred years with the same fervor as in this bicentennial year.

ONE MAN'S CAMPAIGN AGAINST HUNGER

Mr. HUMPHREY. Mr. President, I wish to point out an informative article in the April 27, 1975, New York Times Magazine entitled, "The Green Revolution Lives." This is to story of Norman Borlaug's efforts to increase the world's supply of food.

Dr. Borlaug has been hard at work now for over 30 years in trying to increase the world's supply of wheat and corn. In fact, one can hardly find anyone throughout the world who has devoted his efforts with such dedication and determination in the food area.

While there has been much discussion and misunderstanding regarding the "Green Revolution," it is clear that this effort has already brought rather significant results. And, the surface has really only been scratched in terms of the benefits which can be derived from the new seed varieties.

In recent years, Dr. Borlaug has not only been hard at work at the research effort, located in Mexico, but he has also spent a great deal of time traveling around the world to alert national leaders to the food crisis and also learn more about growing conditions and world crop prospects.

We can learn a great deal from the example of this dedicated citizen of the world. His Nobel peace prize in 1970 could not have been awarded to a more deserving individual. At the same time, he would be the first to concede that there is still a long way to go in the wider dissemination of these new seed varieties. We also must develop ways of assuring that the new seeds are made more readily available to the small farmers in the developing world.

Much more remains to be done, but at least one dedicated man, Dr. Norman Borlaug, has made a major contribution in the world's struggle to produce enough food.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GREEN REVOLUTION LIVES

(By Alan Anderson, Jr.)

One morning in late February, Dr. Norman E. Borlaug, the Iowa farmer and plant pathologist who won the 1970 Nobel Peace Prize, arose at 6 in the Costa de Oro Motel in Ciudad Obregón, in northwestern Mexico, pulled on his khaki trousers and work boots and walked to the motel coffee shop. There he swapped gossip with the local farmers who gather there each morning, and downed his customary breakfast of *huevos rancheros*. Finished, he put on his baseball cap (Borlaug introduced Little League baseball to Mexico, and proudly sports the cap of the Mexico City Aztecas, the last all-star team he coached), and walked to his Chevrolet in the shortened, splay-footed gait he has acquired from a lifetime of navigating the U-shaped furrows of plowed fields.

Borlaug's dedication to agriculture has always been intense to the point of fanaticism; his involvement with baseball was urged upon him years ago by a colleague who perceived that Borlaug was suffering from overwork and exhaustion. Almost single-handed, Borlaug has been responsible for quadrupling the production of wheat in Mexico since 1950, for more than doubling wheat output in both India and Pakistan between 1968 and 1972, and for working out techniques of breeding, fertilization and irrigation that have since been applied to rice and other crops in a broad but now controversial movement known as the Green Revolution.

The Green Revolution refers to the effort that began about a decade ago to stimulate agriculture in developing nations through the use of high-yielding varieties of grains—especially wheat and rice. The varieties usually have short, stiff stalks, respond quickly to fertilizer and resist common plant diseases. Their proper cultivation usually requires insecticides, pesticides and irrigation, in addition to fertilizer and good farming practices. The earliest successes of the grains came in Mexico, a nation that moved from large-scale wheat importing to self-sufficiency to modest exporting in less than 15 years. The most dramatic leap forward came in India and Pakistan, where the Green Revolution produced its first headlines. Before the advent of Green Revolution wheat in India, most farmers would expect to harvest about one metric ton of wheat and 1.5 tons of rice per year per hectare. With the new grains, fertilizer and good farm management, the same farmer saw his harvest soar to five tons of wheat and seven tons of rice per hectare. Lesser, but increasing gains in wheat yields were under way in Iran, Turkey, Jordan, Syria, Egypt, Libya, Tunisia, mainland China and dozens of other developing countries. New rice varieties were pushing up yields in the Philippines, Thailand, Bangladesh, India and elsewhere in Asia.

In 1972, however, the movement was staggered by a succession of blows. The Ukrainian wheat crop failed, and crafty Russian traders subsequently pulled off the biggest Chicago grain purchase in history, leading to the sudden disappearance of grain reserves in North America. A worldwide fertilizer shortage developed, as consumption began to outpace production, and the situation was aggravated by the Arab oil embargo (nitrogen fertilizer is made from petroleum products). Worldwide inflation did not help, nor did an epidemic of bad weather that continued through 1973 and 1974. In a period of two years, wheat prices rose 250 per cent, rice prices 300 per cent and fertilizer prices as much as 700 per cent. It became painfully clear during those years, too, that whatever the successes of the Green Revolution, they were not enough to prevent starvation in areas of drought or continued population explosion, and predictions of dire food shortages grew common.

In the meantime, Borlaug and his work had become the focus of controversy as well as acclaim. Though Borlaug had made an immense contribution to alleviating the food-population crises, the world could not simply accept it for what it was. Borlaug and his revolution, critics charged, raised the false hope that technology could continue indefinitely to increase crop yields as fast as humans are producing more humans. They also argued that the Green Resolution was moving the world toward dependence on a few highly specialized varieties, thereby increasing the risk of catastrophic crop failures because of disease, and that these specialized varieties were forcing the world's farmers to become too dependent on fertilizer. And some faulted Borlaug for developing a farming approach that seemed best suited to wealthy owners of large farms rather than poor

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peasants. The central, urgent question of how to provide enough food for the hungry seemed to grow obscure behind a welter of social and political issues.

"It's so damned hard to comprehend," Borlaug said over his breakfast. "Sometimes I feel that we're running a losing battle all the way along the line, because the emptier the stomachs get, the more political the questions get. But let's go out to the station and perhaps I can explain some of it."

As we drove, it was difficult to believe that critics were calling the Green Revolution a flop. Obregón itself was a scene of new cars, large stores and other signs of prosperity won with Green Revolution wheat. We left the city on Calle Norman E. Borlaug, a street named in his honor several years ago, and rode through a thick carpet of green that covered most of the great Yaqui Valley, a region that used to support only creosote bush, mesquite, cactus and other tough vegetation of the Sonora desert (and, if we are to believe Carlos Castaneda, the elusive presence of Don Juan). As Borlaug drove, his eye roamed ceaselessly over the fields, searching for color changes in the wheat that reveal to the expert an invasion of rust fungus, a shortage of water, a lack of fertilizer. "We're in this shape now because of bad planning, not lack of food," he said in a tone of frustration. "The grain surpluses we had in the sixties would have made it possible to export food cheaply during this crisis, but we couldn't decide who should finance our grain surplus, so we got rid of it. People prevented subsidies because they would have gone to a minority group—farmers. Seen in hindsight, with world stability at stake, it might just have been worth it. . . .

"Now governments are regulating the price of grain, but not of fertilizers, and the poor countries can't afford it. At the World Food Conference in Rome, they never even got down to dealing with fertilizer prices. They should have locked all the delegates up without food for. 10 days. Then they would have made some hard decisions about food."

Borlaug turned into the driveway of the 500-acre research station known as CIANO, or the Northwest Agricultural Research Center. The station is owned by the Mexican Government, and cooperates with CIMMYT (pronounced SIM-it), the Centro Internacional de Mejoramiento de Maiz y Trigo, or the International Maize and Wheat Improvement Center. Headquartered in El Batán, 30 miles from Mexico City, CIMMYT is financed by U.S.A.I.D., the United Nations Development Program, the International Bank for Reconstruction and Development, the Ford and Rockefeller Foundations and other groups. Both CIMMYT and CIANO grew out of the work of Borlaug and his colleagues, and have formed the model for a network of eight international centers, including the International Rice Research Institute in the Philippines and others in South America, Africa and Asia.

Inside CIANO, it is plain that no matter what outsiders think, the Green Revolution is proceeding apace, and at the center of the action is Borlaug himself. The man is at once a *jefe* and a *campesino*, an agricultural superstar and a down-home sodbuster. He waves a greeting to everyone, from visiting scientists to groundskeepers: *"Qué tal, Carlos? Como estas?"* There is always a word of encouragement, a phrase to bolster the troops. He passes an assistant engaged in the tedious chore of crossing one strain of wheat with another: "How's the matchmaker today?" Borlaug tramps through both fields and offices in shirtsleeves and dusty boots, a uniform faithfully copied by his assistants. Determinedly apolitical, his candor and charisma allow him to globetrot and arm-twist anywhere in the world, dealing simultaneously with Pakistanis and Indians, with Israelis and Egyptians. In his office in El Batán, his Nobel Prize hangs near a citation from the National Association of Wheat Growers, a Sons of Norway Award and the little red book of Quotations from Chairman Mao Tse-Tung. (Borlaug feels that China has reined in its population growth in a way not possible in other countries.)

"He is some guy, that Borlaug," says an admiring Mexican colleague at CIMMYT. "He isn't part of the U.S., and he isn't part of Mexico—he is part of the whole world. He stands up on a mountaintop and looks and says, 'Let's take something from here and put it there.' "

As we got out of the car, Borlaug grinned. "This is a sweat, dust and mud operation." We walked toward a knot of trainees bent over wheat plants in the hot Sonoran sun. He said that when he first went to Mexico with the Rockefeller Foundation, part of his goal was to train agronomists. When they showed up for work in suits and shiny shoes, he took them straight into the muddy fields until they got the message or went back to an office job. "We don't do much indoor work here," said Dr. Matthew McMahon, an Irishman who has worked with Borlaug for several years. "We get some criticism for this—not enough laboratory genetics, not writing enough scientific papers and so on. But we believe in judging a plant by how it grows in the field, not in the lab." McMahon, like other CIMMYT staffers, speaks in admiring tones of Borlaug's "feel for wheat. "The guy's amazing in the field. He's a very visual person. He can spot a good plant on the far side of the valley."

Borlaug was sent to Mexico as an unusual form of foreign aid. Just before World War II, the Mexican Government sent the United States an official plea for economic help. The Rockefeller Foundation was asked to respond to the agricultural segment of the plea, and Borlaug was part of that response. Soon after his arrival in 1944, he was charged with boosting wheat production, which was in a piteous state. The average national yield was only 750 kilograms per hectare, or 11 bushels per acre; wheat fields in the United States today commonly yield 10 times as much. Virtually no research was being done on wheat breeding, fertilization, disease resistance or irrigation. Popular demand for bread was growing, forcing the nation to import 55 per cent of its wheat at an annual cost of $21-million. The foreign exchange currency was desperately needed for farm machinery and fertilizer. In Mexico, as in most tropical regions, population was beginning the slow explosion that continues today; almost without exception, however, governments were totally neglecting agricultural research in favor of industrial expansion. The Rockefeller team quickly saw that food production must be stimulated fairly quickly, and that was with the cereals.

Cereals, or grains, as they are commonly called; are the fruits of cultivated grasses—enlarged and pampered versions of what a suburbanite would see if his lawn were allowed to go to see. Grains are the single most important component of the world's food supply, and the most widely grown types in the world are wheat, rice, maize, barley, millet, oats and rye.

Wheat is by far the most important of the world's grains. It is nourishing, adaptable, and easy to grow. Its taste is mild, and it can be stored for many years or shipped easily around the world. The protein of wheat, gluten, has an elastic quality unique among grains. Because of this elasticity, wheat dough is able to hold the tiny gas bubbles emitted by yeast during fermentation, so that light, fluffy bread can be produced from wheat flour.

Borlaug realized that three major obstacles stood between Mexican farmers and good wheat crops: First, during moist periods, the plants were helpless against rust fungus; second, no single variety of wheat could grow in Mexico's diverse climatic regions and, third, although the wheats yielded poorly, fertilizer caused them to grow top-heavy and "lodge," or fall over, before harvest time. He reasoned that solutions lay in selective breeding—the development of varieties with favorable genes, such as those for high yield, disease-resistance and the ability to flourish in a wide range of environments. Such breeding amounts to a process of trial and error, repeated over and over.

Borlaug stopped the car. We hopped over an irrigation ditch and walked into the wheat field where two men wearing straw hats sat at an aluminum table. One man riffled through a pile of notebooks and talked rapidly into a walkie-talkie. "This is the crossing table," Borlaug explained, "where we do our match-making. These notebooks have records of every mating we've done between two wheat plants. This fellow is talking to that fellow [he gestured at a figure several hundred yards away] who is looking for a good 'bull,' and to that other fellow [another figure stooped over a wheat plot in the opposite direction] who is finding a 'cow' to mate with 'him.' We make about 10,000 of these crosses each year just in the bread wheats—and they all have to be done by hand."

Wheat, like nearly all grains except corn, is by nature a self-pollinating plant: Every head of wheat bears 60 or more flowers, each complete with both male and female parts, and without interference, each plan bears offspring that are faithful copies of the parent. Interference, however, is the name of the breeding game, a wearying and muscle cramping operation central to the entire CIMMYT program. Seated motionless on a three-legged stool, the breeder must carefully remove the pollen-producing anther from each flower of each plant that is to be a female. This "emasculation" prevents self-fertilization, creating a "cow" which must be carefully covered with a paper envelope to prevent accidental pollination by another plant. For each cow, a bull is selected on the basis of some desirable trait, such as disease resistance, straw strength, or good milling and baking qualities. When both bull and cow are ripe, the head is severed from the bull, brought to the cow, and twirled quickly inside the protecting envelope. This scatters pollen over the 60 or more ovaries.

Borlaug stopped to finger a head of wheat. "I used to be a pretty fast emasculator myself. Now it seems that I never have time for that any more. Anyway, after a cross, the offspring of the first generation look like one or the other parent—nothing new. By the third and fourth generation, new characteristics are showing up—some good, some bad. Here's one that's obviously no damned good, so we'll just throw it out. You have to be ruthless in this business. About 60 percent of all our crosses are eliminated in each generation. A new line that looks good is allowed to self-pollinate for about five generations, and after each generation, we make up about 150 packets of seeds and send them to governments, universities and others who want to test them. If we get good feedback, we select the best of the best and send them out again, to 125 locations all over the world. If a new variety is resistant and yields well in all those environments, we may release it as a new variety. Other countries can then multiply the seed and plant it commercially. I doubt if there's a wheat-growing country in the world that hasn't been influenced by the traits of Mexican wheats."

Borlaug's own special trait is impatience, and it was this impatience, combined with intuition, that produced two key breakthroughs early in the breeding program. At first, progress was slow because he and his colleagues were producing only one crop a year—and thus only one new set of crossings. Wheat is ready for harvest about 140 days

after planting, so that half the year was "wasted," to Borlaug's way of thinking, and he decided to try raising a second crop during this time with the seed from the first. Both the local farmers and his own superiors told him that the same crop couldn't be grown twice in one year—according to farming lore, seeds had to rest for part of the year. But he stubbornly went ahead, found that a rest period was unnecessary, and cut in half the time required to develop a new variety. Today, double- and even triple-cropping are common throughout the world with rice and other plants in addition to wheat.

The second breakthrough was the breeding of varieties that can be planted at any time of year. Borlaug was baffled by the failure of Canadian wheats to grow in Mexico. After much testing, colleagues discovered that the problem lay in photosensitivity: The plants were genetically sensitized to the long daylight of northern summers. The researchers began shuttling wheats north and south between Obregón and Mexico City, 10 degrees apart in latitude. By selecting plants that thrived in both places, they developed varieties without genes for photosensitivity. These photosensitive wheats were capable of growing at any latitude. In addition, the shuttle achieved an extra goal: Any varieties that succeeded in both the hot fields of Obregón near sea level and in the cooler southern fields at an altitude of 8,500 feet showed themselves to be hardy enough to flourish in widely different environments.

We came to a dense stand of large-headed wheat, and Borlaug pointed a blunt finger. "Here's the star of our show—number 8156 itself. This variety is being used by so many countries that it has over 30 different names. It's a very high-yielding variety—as much as seven tons of grain or more per hectare. We are trying to cross its genes for high yield into other varieties. This is tricky to do without losing other desirable genes. That's the heck of it. It's a little like collecting a cageful of butterflies. You find one you like, and as you put it into the cage, some of the others fly out."

Through the late nineteen-forties and early fifties, Borlaug spent all his time crossing wheats. Improvements came quickly, but the tradition-bound farmers were skeptical, and refused to try the new seeds. When he was able to point to rich demonstration fields, however, and talk to the farmers in terms of pesos and centavos, they began to listen. By the mid-fifties, the new wheats were catching on, and by 1956 Mexico was self-sufficient in wheat, as she has been ever since. Even greater yield increases came with the introduction of dwarf wheats, developed in the state of Washington in the nineteen-fifties by Dr. Orville Vogel—short, stiff-stalked plants that could be fertilized heavily without lodging. By 1962, Mexico was releasing its own tropical dwarfs, and yields leaped from four and a half tons per hectare to six, seven and even eight tons per hectare. Demand for the dwarf seed was so brisk that black markets flourished for years; the same thing happened later in India and Pakistan.

While CIMMYT licked the problem of low yield early on, it is still locked in battle with a dizzying range of wheat diseases. Worst among them is wheat rust, a general term for a reddish-brown fungus that mutates into new races almost as fast as breeders can develop new varieties of wheat. "There are three kinds of wheat rust," said Borlaug as he maneuvered along a furrow, toes pointed outward for balance. "Stem rust, stripe rust and leaf rust. The most serious kind is stem rust. The last time I checked, about 10 years ago, there were over 300 different kinds of stem rust. I gave up counting after that; it was too discouraging."

He introduced me to Dr. Santiago Fuentes, his chief wheat pathologist. "Our job is to keep one step ahead of the fungus," said Dr. Fuentes. "One variety of wheat may survive about four to five years before the fungus mutates into a new virulent strain. Every year we collect all the rust we can find in Mexico. We can tell when a new rust is emerging, and we know then that it is time to switch to a new wheat. Other scientists are doing the same thing in other countries. This process will never end, but at least we think we can keep ahead of the rust. A new mutant doesn't cause an epidemic right away; its numbers are too small. It must spread and multiply before it can cause much trouble. By that time, after several years, we are ready with a new wheat. These new wheats are sent all over the world where they are tested for resistance to other rusts."

Indeed, one of the secrets of CIMMYT's success is its network of international nurseries in nearly 100 cooperating countries. "The most important information we can get about a variety is how well it grows on the other side of the world," I was told later by Dr. Maximino Alcala, director of the nurseries program. "Some of the places our seeds are grown are Alaska, South Africa, Bangladesh, Nigeria, Kenya, Norway and New Zealand. They grow at altitudes of 10,200 feet in Ecuador, below sea level in the Netherlands, in the desert in Libya and southern Egypt and near the Arctic Circle in Scandinavia. Each of the nurseries sends us a report on how well each variety yields and how well it resists diseases. If a variety does well in all of those places, we are pretty confident it is adaptable enough for worldwide use."

Just as CIMMYT furnishes other countries with a constant flow of new varieties (about 30 have been released so far), so they extend their expertise through an international trainee program. The director of the training program, Dr. John Lindt, is a Californian who has previously worked with the rice institute in the Philippines. "We've trained 316 people from other countries," said Dr. Lindt, "mostly in the last five years. They spend six to eight months with us, both here and in El Batan. Some of them have gone on to become ministers of agriculture. This year we have trainees from Algeria, Bangladesh, Mexico, Saudi Arabia, Nigeria, Ecuador, Turkey, Iran, Egypt, Kenya, Peru, France, Jordan, Pakistan, India, Tunisia and Nepal. The program has three goals. First, techniques in everything from plowing and pollinating to preparing seed and testing for rust resistance, as this group is doing now. Second, principles of agricultural development. We try to show them how conditions vary from here, where they are nearly the best in the world, to the jungle where you poke a hole in the ground with a sharp stick and drop in your kernel of corn. Third, and most important, we try to develop team spirit and good work habits. They must be able to work with people from other countries. I am trying to give them some of the enthusiasm Borlaug has for this business. If they take some of that back home, they may have a fighting chance to change some of the bureaucratic bottlenecks that hold back agricultural change more than anything else."

Despite the obvious achievements of the Green Revolution, Bourlaug and his colleagues are well aware of the bad press that has been stirred up by the setbacks of the last few years. That evening, back at the motel, I asked his about an article in Fortune, which charged that "the price that has been paid for the high productivity may be a lack of adaptability," He grunted, and took a sip of a margarita. "You'll see a lot of nonsense that we are becoming susceptible to disease because we are just growing a few varieties. But those few varieties are the result of so many crosses made within our program and in affiliated countries that there is tremendous built-in resistance. More genetic variability is being put into grains now then ever before in the history of the world."

Well, I went on, what about the charge that Green Revolution grains are "addicted" to large diets of fertilizer, without which they are even less productive than native varieties? Again, his answer was blunt. "People are always asking us to develop a kind of grain that doesn't need fertilizer. All right, I say, I'll have that grain for you six months or a year after you develop a man or woman who doesn't need to eat. Once you've established the principle, I can apply it to grains."

Dr. Keith Finlay, deputy director of CIMMYT, shook his head when I mentioned fertilizer addiction to him later in El Batán. "In general, the new varieties are more productive over the full range, from no fertilizer or water to the ideal conditions we have at CIMMYT. The reason is that a dwarf plant is more efficient: It puts more of its energy and total plant matter into grain than a taller plant does. Many countries can and do grow these new varieties without fertilizer, and they still get yields as good as or better than their native varieties. But there's no way you can increase production much without fertilizer and good farming practices, such as weed control, proper depth of planting and soil preparation."

While at El Batán, I also relayed the charge that the Green Revolution is helping only large farmers. "Our goal," said Elmer Johnson, who is trying to do for corn what has been done for wheat and rice, "is to produce something that will grow in poor countries and will reach the small farmers. But this isn't easy where there are no national programs to communicate with the farmer. We can't give him seed if he doesn't know about it. We can't give him fertilizer unless someone can pay for it. We can't give him a tractor if his land isn't big enough to turn a tractor around on. In some countries, the agricultural engineers don't even know what the small farmers are growing." So far, the corn breeders at CIMMYT have reduced the height of native corn by about a meter, and are patiently trying to introduce a gene for high-quality protein into popular varieties.

Back in Obregón, Borlaug heatedly rebutted the same charge. "I get so damned much criticism about making the rich richer and the poor poorer. Well, our primary concern has to be to produce food. We're not a land-reform agency; we can't decide to split up land into small pieces, because we can't say that this would produce more food. Sociologists and some economists say that some way must be found to give these people a better life. But someone with one or two hectares of land is usually not irrigated, and in many regions there isn't water for irrigation. He probably can't even pay back loans to buy fertilizer. Governments are just going to have to find some way to give these people seed and fertilizer and water—outright."

A recently released U.S. Government report, "The World Food Situation and Prospects to 1985" (Economic Research Service, U.S. Department of Agriculture), argues that the full effects of the Green Revolution cannot yet be judged: The impact of the new wheat and rice grains has yet to be felt in most parts of the world. The Green Revolution has been highly concentrated in Asia, and within Asia, India and Pakistan have planted 81 per cent of the new wheats sown so far, while India, the Philippines, Indonesia and Bangladesh together have planted 83 per cent of the new rices. "The Green Revolution has not been a solution to the food-deficit problem in the tropics," according to the report, "nor has it failed because shortages have reemerged. Only a few years have elapsed since the HYV's (high-yielding varieties) were first disseminated in Asia, and just as it took from one to two decades for hybrid corn in the United States and HYV

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wheat in Mexico to achieve full adoption and high sustained yields, it will take time in Asia."

At the same time CIMMYT scientists are pressing for full adoption of the new grains in Asia and elsewhere, they are plunging ahead with new projects in the confidence that the Green Revolution can and must continue. The most promising "crossing" scheme at the moment is not genetic at all but mechanical: The idea is to stir together seeds from 750 varieties of 8156 that look, taste and feel the same but that contain slightly different genes for rust resistance. Because a single race of rust can attack only a single variety of wheat, a field of such a mixture would possess a tough defense against diseases. An individual race of rust would be confronted by such complex host diversity that rapid spread would be impossible.

The next day, Borlaug showed me the most exciting triumph of the CIMMYT breeding program: triticale, the world's first man-made cereal. Triticale (tri-ti-KAY-lee), a cross between wheat (*Triticum*) and rye (*Secale*), combines the high yield of wheat with the extreme hardiness and disease resistance of rye. In the beginning, the chief obstacle was lack of fertility: By natural laws, crosses between different species are usually sterile, like a mule. But by genetic accident ("natural, promiscuous, unplanned, probably in the dark of night at CIANO," guessed Borlaug), a triticale "mule" managed to cross with a dwarf of wheat. Triticale goes into semicommercial production this year in the central highlands of Mexico. In Texas and California, there are already more than a dozen Triticale products on the market including Tritiflakes, Triticakes and Tritipizza.

Triticale, novelty though it is, may prove to be genetic child's play compared with some of the "wide crosses" being attempted today—both sexual and asexual crossings of such distant relatives as oats, barley, wheat, wild grasses and even legumes such as soybeans, common beans and peanuts. Such crossings will not occur without elaborate technological trickery. Botanists have recently learned how to grow entire plants from single cells in a test tube; they can also create new species from the nuclear material of body cells as well as sex cells, a process that makes possible the crossing of plants to genetically different to mate in conventional fashion.

The most exciting goal at the moment is a long-dreamed-of "super cereal" combining the high yielding ability of a cereal with the legume. Soybeans and other legumes grow in symbiosis with colonies of bacteria that possess the priceless ability to "fix" nitrogen, or convert it from the free, gaseous state into solid nitrogen compounds that can be used by plants to build proteins and other essential chemicals. A cereal that could fix its own nitrogen would manufacture much of its own fertilizer, skirt the energy crisis and save farmers hundreds of thousands of dollars a year.

Last summer's sad scenes of starvation in parts of Africa, coupled with current food shortages and price inflation, have propagated a wave of pessimism perhaps unequaled since Thomas Malthus wrote his influential essay in 1798. California biologist Garrett Hardin says it is time for a new system of "life-boat ethics." The Environmental Fund, a Washington-based group, declares that "we have reached, or nearly reached, the limit of the world's ability to feed even our present numbers adequately." In their book "By Bread Alone," Lester R. Brown and Erik P. Eckholm predict ". . . a period of more or less chronic scarcity and higher [food] prices." Some critics of the Green Revolution say that its very goal is inappropriate: Greater food production will increase the number of people who must eventually starve.

Borlaug, who spent nine and a half months last year traveling and lecturing outside Mexico, is also worried by what he has seen and heard. "It's not just physically I'm beat to a pulp," he admitted that evening back at his motel lobby. "It's all the political demagoguery that's doing me in. I've dealt with demagogues in Socialist countries and Communist countries and capitalist countries, and after all the dust has settled they all have the same problem—they all have to eat. There is no free flow of information among nations—the Russians didn't tell us about their grain failure in 1972 until it was too late. The only way to absorb those shortfalls is to know about them in advance. Then we have to have an international granary to supply emergency grain, but countries can't agree on how to set one up. The U.N. is the only body we've got to organize this, but it's so damned ineffective. You'd think they'd shape up a little and develop a sense of urgency.

"What we need more than anything," said Borlaug, banging his fist on the table, "is the will and commitment of governments to support dedicated agricultural scientists as leaders. And these leaders have got to go out into the field with the farmers. If we can't get the Green Revolution to the little guy, there is no revolution."

These days, he went on, population is at least as much on his mind as food. "I've calculated that in 1971, the year of the record harvests, the world produced enough grain to lay a highway all the way around the equator, 55½ feet wide and 6 feet deep. Each year another 78 million people are born, and to feed them we have to grow enough grain to extend that highway 625 miles. Unless we want those 78 million people to starve, we have to grow that extra grain."

Borlaug stood up to go off to bed, then paused. "I guess I shouldn't be too depressed about all this. I lectured in 1967 across Canada on fertility and the food problem, and touched a lot of sensitive nerves. I was a little ahead of my time. But Glenn Anderson, the associate director of the wheat staff, went back last year on the same tour with the same message and found very receptive audiences everywhere. I've been finding the same thing. It's not considered poor taste any more to mention food and population in the same breath." He smiled and stretched out his hand. "Well, let's call it a night. There's a lot to do tomorrow."

THE ADMINISTRATION'S GENERAL REVENUE SHARING BILL

Mr. BROCK. Mr. President, this past Friday, the administration transmitted to Congress their proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. This act, more popularly called general revenue sharing, expires on December 31, 1976.

I am pleased that the administration has finally introduced their proposal because now the legislative process to renew this vitally important act can begin. I am also particularly pleased that the President stressed the crucial need to pass this act this session of Congress since State and local governments will begin planning the 1977 budgets after this summer.

While pleased with these actions, I am afraid that I am gravely disappointed in the administration's bill from several perspectives—some major, some minor. I would like to take a minute here, Mr. President, to list what I consider major shortcomings of the bill.

Major shortcomings:

I see two very serious shortcomings to the administration's bill, first, they did not even try to make the program permanent, despite its great success, and second, the program makes no attempt to keep revenue sharing inflation-proof.

First. Permanency question—The administration's bill only extends the act for another 5 years. Actual extension is 5¾ years with the three-fourths year required to adjust to the new fiscal year of October 1. In my opinion, the program should be made permanent. I have always felt that general revenue sharing should be permanent, but I was willing to support the 5-year period in 1972 because I also support the concept of pilot testing any new major program. However, that pilot testing is now over and I strongly believe the general revenue sharing should be made permanent as in my S. 11 bill.

Second. Inflation proof question—In this age of double-digit inflation, I am astounded that the administration continued the $150 million annual increase which works out to about a 2-percent increase per year. And, since it is a constant figure, real income will actually diminish over the years. Another interesting point is that, although this program is properly referred to as "revenue sharing," there is in fact no "sharing" with a constant figure increase. To obtain the sharing concept, the funding level should be tied into the income tax base as recommended by the Advisory Committee on Intergovernmental Relations, a concept which is incorporated in my bill. This not only makes revenue sharing inflation-proof, it gives State and local governments a real stake in the health of our economy.

Mr. President, I hope that the tone of this speech is not "negative," because that is not the intent. Rather, the intent is one of "disappointment" that the administration has not substantially strengthened the revenue sharing concept. Indeed, by not making it permanent and inflation-proof, I think that they have diminished that concept.

In short, what the administration has introduced is, in my estimation, the absolute "minimum" that I would want in any new bill and I certainly hate to start with a "minimum" position when I know that the fight for renewing general revenue sharing is going to be hard and long. I, for one, shall stick by my S. 11 which makes revenue sharing permanent and inflation-proof.

CONFERENCE ON NPT AND WORLD SECURITY

Mr. CLARK. Mr. President, on January 31 and February 1 of this year it was my privilege to participate in the Conference on the NPT and World Security, sponsored by the Stanley Foundation. Attended by U.S. Government officials, Members of Congress, foreign diplomats, academicians, and concerned private citizens, the conference provided an excellent opportunity to exchange views on the critically important question of nuclear proliferation.

Mr. President, I ask unanimous consent that the report on the conference be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONFERENCE ON THE NPT AND WORLD SECURITY

[Airlie House, Warrenton, Va., January 31–February 1, 1975]

(Global Issues Conference 2, Sponsored by The Stanley Foundation, Muscatine, Iowa 52761, U.S.A.)

PREFACE

The Conference on the NPT and World Security, sponsored by The Stanley Foundation, was held January 31–February 1, 1975, at Airlie House, near Warrenton, Virginia. This was the second in an annual series of educational Global Issues Conferences designed principally for national and international officials involved with vital problems confronting the world community.

The report of the rapporteur has not been reviewed by those attending the conference and therefore does not necessarily represent the views of all participants. Moreover, participants supporting various parts of the report do not necessarily endorse them in their entirety or specific language. Government officials taking part in the conference are in no way committed to any reported position or finding of the discussion groups.

The views expressed in this report are not necessarily the views of The Stanley Foundation.

CHAIRMAN'S REMARKS

C. Maxwell Stanley

In 1974 The Stanley Foundation, in cooperation with a committee of the Members of Congress for Peace through Law, held a conference on Ocean Management at Airlie House. Again we gather here to deal with another important global issue, the NPT and World Security. We trust that this new Global Issues conference series, primarily involving governmental officials, will be educational and informative. Our topic represents a continuation of The Stanley Foundation's longstanding interest in non-proliferation of nuclear weapons as an important part of the world's quest for secure peace with justice and freedom.

Our first related conference, "Proliferation Unlimited," was held in March of 1966. Annual Strategy for Peace Conferences dealing with U.S. foreign policy have repeatedly included discussion groups regarding arms control and disarmament. The 13th Strategy for Peace Conference in 1972 dealt with the topic "Non-Proliferation: What Progress?" under the chairmanship of Herbert Scoville who is with us this evening. Last year our 15th Strategy for Peace Conference discussed "Non-Proliferation Treaty Review Conference'" James Leonard, who is also participating, chaired that group.

Our major series of international conferences, the Conferences on the United Nations of the Next Decade, has also dealt with non-proliferation as an element of disarmament and arms control.

The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) entered into force on March 5, 1970. The ceremonies were presided over by former President Nixon in Washington, Premier Kosygin in Moscow, and Prime Minister Wilson in London. The United States and the Soviet Union concurrently deposited their instruments of ratification bringing the total of ratifying nations, at that time, to 47, including three nuclear weapon states—the United States, the Soviet Union, and Great Britain. Both President Nixon and Premier Kosygin related the NPT to further arms limitation and to SALT. President Nixon described the treaty as "One of the first and major steps in the process in which the nations of the world move from a period of confrontation to a period of negotiation and a period of lasting peace." Premier Kosygin said that all powers should "do their utmost to end the nuclear armaments race and to achieve progress in the field of general and complete disarmament."

No doubt, many assumed that non-proliferation of nuclear weapons could henceforth be taken for granted. That optimism has not been warranted; support for the NPT has been marginal from the beginning. The Political Committee of the U.N. General Assembly endorsed the NPT in June, 1968, with 92 in favor, 4 against and 22 abstentions. The then 124-member General Assembly took similar action also in June, 1968, with 95 favorable votes, 4 negative votes and 21 abstentions. By September, 1974, 84 nations were full parties to the treaty and 22 others had signed but not ratified. As of June, 1974, only 44 nations had signed the required safeguard agreements with the International Atomic Energy Agency (IAEA) and 31 of these were in full force. Non-ratifying nations include two nuclear weapon states, the People's Republic of China and France, the newest member of the nuclear club—India, and near-nuclear weapon states such as Argentina, Brazil, Egypt, Federal Republic of Germany, Israel, Italy, Japan, Pakistan and South Africa.

To date, the NPT falls far short of the definition often accorded a treaty—an after-the-fact repository for a previously reached agreement. It remains an expression of hope and opportunity rather than an operating vehicle reasonably certain to curtail proliferation.

The NPT is one of the series of treaties developed under the wing of the United Nations to restrict the nuclear arms races. Others include the Antarctica Treaty of 1959, the Limited Test Ban Treaty of 1963, the Outer-Space Treaty of 1967, and the Seabed Arms Control Treaty of 1971. The Treaty for the Prohibition of Nuclear Weapons in Latin America of 1967 has also enjoyed considerable support in the United Nations but was negotiated in an independent forum. While none of these treaties directly confronts the nuclear arms race, each seeks to limit its geographical scope or to make the development of nuclear weapons more difficult.

The purpose of the NPT is simple—to halt the spread of nuclear weapons to more countries. This objective makes sense to those who view the spread of nuclear weapons as a destabilizing factor affecting the bilateral deterrent systems of the two superpowers. It seems logical to deprive non-nuclear weapon states of something they do not have and thus forestall the spreading of nuclear arms. Until the nuclear arms race is defused and reversed, serious progress toward either nuclear disarmament, general and complete disarmament, or the development of a security system more adequate than the present nation state system is unlikely. The curtailment of nuclear weapons development would avoid increasing opportunities for nuclear blackmail or releasing nuclear weapons through inadvertence, accident, escalation, or miscalculation.

The initiators of the NPT, the Soviet Union and the United States, forcefully advocated such logic. But several potential nuclear weapon states and other nations have been reluctant to accept the NPT. Some call it discriminatory and it most certainly is; the haves keep their nuclear weapons but the have-nots are prohibited from developing or acquiring them. The have-nots are subjected to IAEA inspection but the haves, according to the treaty, are not. Many non-nuclear weapon states are concerned about the availability of nuclear technology for peaceful purposes. All are concerned about security and the *quid pro quo* from the nuclear powers.

After the initial treaty proposals were made, objections arose from the non-nuclear weapon states, both in the Eighteen Nation Disarmament Committee and the U.N. General Assembly. The nuclear powers were compelled to add certain treaty objectives to those originally proposed. As a result, the adopted treaty has four major elements: (1) commitments against the spread of nuclear weapons; (2) a safeguard system to police commitments; (3) an assurance of the availability of nuclear technology to signatories; and (4) a commitment that nuclear powers will undertake negotiations on disarmament and an end to the nuclear arms race. A related Tripartite Resolution of the U.N. Security Council sought to appease the security concerns of non-nuclear weapon states with some rather ambiguous language intended to serve as guarantees.

Appraisal of the NPT is appropriate on the eve of the treaty-stipulated Review Conference. What has been accomplished? Certainly growth of the nuclear weapon club has not been squelched. India is country *n* plus 1 and others are not far behind. Nor have many key non-nuclear weapon states ratified the treaty. However, some benefits from the NPT are apparent and the potential for further benefits is substantial. I refer to four of the realized benefits.

First, the NPT has established a standard for the world regarding dispersal of nuclear weapons. Its criteria for limitation, fewer buttons available to fewer fingers, is in the common interest of all.

Second, the NPT has forced many non-nuclear weapon states to examine their posture toward nuclear weapons and to do so in considerable detail, weighing national priorities and costs against benefits. Such examination is bound to be sobering and often deters decisions to go nuclear.

Third, the IAEA and its member nations are gaining valuable experience in the preparation and adoption of inspection and verification procedures called for by the safeguard requirements of the NPT. Such experience is essential to future action to control armaments and to achieve general and complete disarmament.

Fourth, the NPT has undoubtedly stimulated U.S.-Soviet arms control negotiations. These nations worked jointly to propose and to promote the NPT even during severe tensions over Vietnam and the Middle East at that time.

Such benefits from the NPT are but the tip of an iceberg. If a fully effective treaty with fulfilled objectives were in force, proliferation would halt, the safeguard system would function with confidence, and peaceful nuclear explosives would be available to non-nuclear weapon states without discrimination. Perhaps most importantly, the nuclear weapon states would deliberate and act, according to Article 6, in good faith on nuclear and other arms limitation and disarmament.

Such a desirable state of affairs is well worth sustained and determined effort to gain broad adherence to the treaty and to assure reasonable durability. But what are the chances?

What changes, if any, need to be made? Can the treaty be an ongoing effective element in controlling nuclear arms? At the moment the outlook appears bleak. The highly touted NPT is well on its way to becoming another scrap of paper, the common end of too many treaties. Should this occur, primary blame will probably accrue to the original sponsors and promoters of the treaty—the United States and the Soviet Union.

Though several factors contribute to poor reception of the NPT, a major one is uncertainty about U.S.-Soviet willingness to halt and reverse their own spiraling arms race. This is a clear commitment of the treaty in Article 6. Another concern of the non-nuclear weapon states centers upon NPT Articles 4

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and 5 regarding availability of nuclear technology for peaceful uses. Here again, there is deep suspicion of the intent of the United States and the Soviet Union. How will the two major nuclear weapon states overcome uncertainties and suspicion?

The non-nuclear weapon states are not blameless either. They, too, have a responsibility for international peace and security. They, too, must recognize the need to curtail and control nuclear weapons. What alternatives or initiatives do they propose? These are some of the questions before our conference.

This conference is structured to include participants from Congress, both the Senate and the House; key advisors to members of Congress; U.S. government officials from the Department of State, the Department of Defense, and the Atomic Energy Commission; and international representatives from the Soviet Union and several other nations, both parties and non-parties of the NPT. Additionally, several experts and resource people who have been deeply involved in study of the NPT are with us.

Our off-the-record discussions will deal with four questions: vertical disarmament, security guarantees, peaceful nuclear explosives, and responsibilities of non-nuclear weapon states. We hope our brief time together will produce a very fruitful exchange of ideas.

REPORT OF THE RAPPORTEUR

Introduction

The Conference on the NPT and World Security was designed to consider the current and future status of the Non-Proliferation Treaty of 1968. Particular emphasis was focused upon issues likely to arise at the NPT Review Conference scheduled for May, 1975. Discussion focused upon four principal items: Vertical Disarmament; Security Guarantees; Peaceful Nuclear Explosives (PNEs); and Responsibility of Non-Nuclear Weapon States.

I. Vertical Disarmament.—*What specific arms control and disarmament agreements* by *nuclear weapon states are considered essential for progress in halting the further spread of nuclear weapons?*

There are two principal areas of the NPT relevant to this item: a preambular section in which the parties declare "their intention to achieve at the earliest possible date the cessation of the nuclear arms race and to undertake creative measures in the direction of nuclear disarmament." Also, Article 6 of the Treaty which states "Each of the parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of a nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control."

The majority of the participants were of the opinion that there is a clear and direct linkage between nuclear disarmament by the superpowers and the prevention of the further proliferation of nuclear weapons to current non-nuclear weapon states. Many participants believed the linkage to be in the nature of a contractual bargain between nuclear and non-nuclear weapon states. From this point of view, the nuclear weapon states have not lived up to their side of the bargain by failing to achieve meaningful progress in bilateral disarmament measures. Other participants, while questioning whether there was an actual bargain, stated that nonetheless, the important point is that non-nuclear weapon states *believe* there was such a bargain and are basing policy decisions on this belief. A third point of view attacked the linkage between vertical and horizontal disarmament as a convenient instrument utilized by threshold countries to justify the eventual development of nuclear weapons. This view stressed that global realities confronting nuclear weapon states have changed from 1968 (when the NPT was signed) to today. Nonetheless, it was argued that both at the time of its initiation and today, the NPT embodies a recognition of mutual vulnerability and global interdependence and that additional nuclear weapon states will increase the possibility of insecurity and conflict.

Two principal points of view were advanced regarding the disarmament progress of nuclear weapon states and its relationship to the NPT. One view commended the several bilateral steps of progress including the ABM treaty of 1972 in the defensive area and the more recent Vladivostok agreement in 1974 which for the first time set upper limits on offensive missiles. (In particular, it was argued the Vladivostok agreement could set an important framework for continued negotiations. However, some concern was expressed by supporters of the agreement regarding the possibility of a bilateral race to the agreed upper limits.) Such partial agreements, it was stated, represent starting or reference points for long and difficult negotiations. If progress has not been as rapid as initially hoped, it is because the problems are complex and central to the security of each nation. The important point, however, is that serious good faith negotiations are underway between the two superpowers as required under Article 6 of the NPT.

The other view was highly critical of "token" progress by the two superpowers. The bilateral agreements of the last several years were described as cosmetic devices which have not produced meaningful reductions in the vast destructive weaponry of the superpowers. Particular criticism was directed toward the Vladivostok agreement which, rather than capping the arms race, was portrayed as stimulating it to new heights. Only if the nuclear weapon states make rapid and meaningful progress toward general and complete disarmament will a world atmosphere be created which will permit non-nuclear weapon states to feel secure, thus removing impetus for nuclear weapon development.

Among the possible disarmament initiatives discussed in relation to furthering the objectives of the NPT were the following:

1. The principles for quantitative reduction embraced in the Vladivostok agreement must be translated into firm treaty commitments, and rapid progress must be achieved by the two superpowers concerning new qualitative reductions in weapon stocks.

2. Some participants considered it imperative that China be brought into ongoing disarmament negotiations. Others cautioned that to term China's participation crucial at this point could prevent further disarmament progress for many years. The forces of the Soviet Union and the United States are so extensive, it was maintained, that considerable bilateral reductions can be undertaken without fear of a Chinese strategic threat.

3. A new effort for a comprehensive test ban (CTB) on all weapons' tests was considered essential by most participants in order to gain support by non-nuclear weapon states for the NPT. Other participants, while welcoming a CTB, questioned the wisdom of linking it to the success of the NPT. It was feared that success in reaching a CTB might lull some into a relaxation of efforts regarding development of an effective safeguard system considered essential to the effectiveness of the NPT.

4. Nuclear weapon states should advance a specific pledge of non-use or threat of use of nuclear weapons to all non-nuclear weapon states that sign and ratify the NPT.

5. The International Atomic Energy Agency (IAEA) with the full support of the nuclear weapon states should develop procedures for initiating an international service for peaceful nuclear explosives.

6. The superpowers (and all nuclear weapon states) should refrain from acquiring new foreign military bases—particularly those in which nuclear weapons may be stored.

7. Nuclear weapon states should give full support to new disarmament initiatives, such as the World Disarmament Conference and nuclear weapon free zones, which may be advanced in the U.N. General Assembly and other international forums.

II. Security Guarantees.—What meaningful assurance or guarantee of security can be offered to states asked to yield their option to possess nuclear weapons under the NPT?

In Resolution 255 of July, 1968, the U.N. Security Council affirmed that aggression or threat of aggression with nuclear weapons against non-nuclear weapon states "would create a situation in which the Security Council and above all its nuclear weapon states would have to act immediately in accordance with their obligations under the U.N. Charter." The resolution also welcomed the "intention expressed by certain states that they will provide or support immediate assistance" to states under such threat.

Most participants believed security guarantees to be an important element greatly affecting the degree of support by non-nuclear weapon states for the NPT. Those nations not possessing nuclear weapons have a genuine suspicion of the motives of certain nuclear weapon states, and genuine fears for their own national security in a world of nuclear powers. The point was strongly articulated by some that a basic imbalance in the NPT is that it provides no mechanism to protect the world's "second class" nuclear citizens. It was also pointed out that ironically détente has had the affect of breaking down alliance patterns which, at the time of the NPT signing, provided an assurance of security to many nations. Other participants noted that the privileged class of nations are those non-nuclear weapon states which do not have thousands of nuclear weapons aimed at their national territory. The vast and expensive nuclear weapon stocks of the nuclear weapon states have not brought these nations security, and proliferation to further nations will not contribute to a more peaceful and secure world, it was argued. Recognition of this fact lead the superpowers to initiate the NPT and prompted these powers to make continued progress in détente. Bilateral superpowers arms control limitations, it was stressed, has significantly reduced the rationale for linkage between security guarantees and the NPT.

It was recognized that the majority of the non-nuclear weapons states do not believe the existing guarantee (Security Council Resolution 255) is adequate. It was noted in this regard that India, for whom the guarantee was particularly fashioned, has found it completely unsatisfactory. Some participants believed however that security guarantees should be extended to all states including those possessing peaceful nuclear explosives. Others strongly disagreed, arguing that a "PNE state" is a nuclear weapon state and security guarantees against nuclear threat for such states are superfluous.

It was agreed that security is a state of mind, dependent to a great extent on good faith among nations, and that it cannot be total in the current world climate. Some nations may have particular difficulty in declaring what type of international guarantees would provide real national security. Nor is it realistic (or necessarily desirable) at this point to expect the two superpowers to provide iron clad guarantees.

Some possibilities, mentioned above with respect to item one, were envisioned as helpful (but not in themselves fully adequate) in providing a guarantee of security. These include declarations of non-use or threat of use by nuclear weapon states and support by nuclear weapon states for new disarmament initiatives. Other possibilities include creation of nuclear weapon free zones in other areas, the development of new regional security systems, particularly in such areas as the Middle East, Southern Asia, and Southeast Asia, and universal adherence to the NPT by all nuclear and non-nuclear weapon states.

The ultimate answer to security guarantees, it was unanimously agreed, is the creation of a global climate of confidence and in particular strengthening the effectiveness of the United Nations. For non-nuclear weapon states to have confidence in Security Council guarantees on the NPT, evidence must be presented of Security Council willingness to implement its own resolutions in other areas affecting world peace such as Cyprus and the Middle East.

III. Peaceful Nuclear Explosives (PNEs).—What cooperative measures can be suggested to assure complete availability of any beneficial results of PNEs while eliminating the technology's clear and present danger to further nuclear weapons proliferation?

Article 5 of the NPT states in part that "potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear weapon states Party to the Treaty on a non-discriminatory basis . . ." Further, "non-nuclear weapons States Party to the Treaty shall be able to obtain such benefits . . . through an appropriate international body with adequate representation of non-nuclear weapons states. Negotiations on this subject shall commence as soon as possible after the Treaty enters into force."

The question of so-called "peaceful" nuclear explosive devices provoked sharp disagreement among participants. The principal criticism was based upon the perceived complicating effects that independent development of PNEs would have on further arms limitation measures. PNEs, it was argued, cannot be distinguished from nuclear weapons. The only meaningful difference is the "intent" of the user. Despite intensive efforts in both the United States and the Soviet Union, PNE technology has yet to demonstrate its commercial feasibility. Major problems include safety for surrounding population, possible environmental damage (which in the case of venting beyond national borders would be in violation of the Limited Test Ban Treaty of 1963) and the availability of non-nuclear methods for resource extraction requiring far less sophisticated technology. Critics noted that PNE technology can be divided into two general categories: underground extraction (deep mining) and surface excavation. The former has been the subject of serious study in the United States with respect to oil stimulation experiments (Rulison, Gas Buggy, Rio Blanco) but has not produced satisfactory results. Development of deep mining technology, it was argued, requires a sophisticated nuclear energy program and technology which even the two superpowers have not developed. Excavation efforts on the other hand require massive thermonuclear explosions and are considered viable only in vast unpopulated expanses. More importantly the technology is properly considered an add-on to a pre-existing nuclear weapons program. It was argued that this fact coupled with the tremendous costs involved limit the technology to existing large nuclear weapon states (United States, Soviet Union) who have pledged to share it with others through appropriate international channels. Only in the Soviet Union are serious (but thus far inconclusive) investigatory efforts still under way in this area. The important factor, according to this view, was the need for creation of international consensus concerning arms limitation goals and then an evaluation as to whether PNEs are commensurable with these goals.

Other participants defended current efforts within less developed countries to develop and exploit PNE technology and strongly denied assertions that PNE states should be considered nuclear weapon states. More PNE states, it was argued, need not produce global insecurity if adequate international controls are developed. It was also noted that the dramatic rise in oil prices has served to make underground mining (gas stimulation, mineral extraction) more competitive. Considerable interest was expressed in the Soviet excavation program designed to create canals for irrigation purposes. Those supporting this view, while admitting that the worth of PNE technology is not yet proven, nonetheless strongly defended the desirability of continued national research and development.

The following points were advanced in discussions regarding PNEs:

1. Reference was made to the study recently ordered by the U.N. General Assembly on the question of PNEs (to be reported to the 30th General Assembly). While all participants welcomed such studies some were of the belief that there is an explicit need for an extremely high level study which would focus specifically on the political problems (arms control implications, etc.) surrounding the PNE question. All nuclear weapon states and non-nuclear weapon states with an interest in PNE technology should support and participate in such a study, it was recommended.

2. Several participants noted the failure of the superpowers to fulfill an implicit obligation of the NPT to cooperate in making available PNE technology to non-nuclear weapon states at the earliest possible date. It was suggested that the United States and the Soviet Union should immediately initiate measures of cooperation similar to ongoing cooperative efforts in the space program. Some participants, however, feared that a high level U.S.-Soviet effort in this area would simply arouse suspicions of a duopoly and further stimulate national programs.

3. Several participants condemned the slow progress toward the creation of an international service for PNEs as envisioned in the NPT. In this regard it was noted that the U.N. General Assembly has recommended that the IAEA is the appropriate organ to exercise the functions of an international PNE service when and if one is established. The IAEA has continued to make progress regarding guidelines for international observation of detonations and has established procedures for the agency to use in responding to requests for PNE services. However, it was noted that progress, toward this goal has been unimpressive in part due to the fact that nuclear weapon states have failed to provide much support in developing draft guideline proposals for an international service. Finally it was observed that PNEs will be a major topic of discussion at the forthcoming NPT Review Conference. Some suggested there should be a major revision of the NPT on this question. Among the discussed possible revisions were: permitting PNEs under the NPT; immediately establishing an international program for PNE services; and prohibiting all nuclear detonations (i.e., a universal comprehensive test ban).

IV. Responsibility of Non-Nuclear Weapon States.—*What actions can be undertaken by non-nuclear weapon states to assure future world peace and security?*

All participants believed non-nuclear weapon states can exercise an important role in assuring world peace and security, but that the critical element continues to be the actions of the nuclear weapon states. It was reiterated that the most important action non-nuclear weapon sates can take is to assist in constructing a world climate of confidence, and then to appeal for the cooperation of the nuclear weapon states. Non-nuclear weapon states, it was emphasized, must continue to pressure nuclear weapon states in order to prod them into a positive direction regarding arms limitation and disarmament efforts.

Included in discussion concerning possible actions to be undertaken by non-nuclear weapon states were the following points:

1. Non-nuclear weapon states should continue to foster détente between the two superpowers. In addition non-nuclear weapon states should work to expand the spirit of détente by seeking to involve all nuclear weapon states in current and future arms limitation and disarmament forums.

2. All non-nuclear weapon states should sign, and move quickly to ratify, the Non-Proliferation Treaty.

3. Non-nuclear weapon states should fully support the IAEA and cooperate in strengthening the Agency's safeguards system. In this regard it was suggested that non-nuclear weapon states seeking to purchase nuclear power plants on the international market should not "shop around" for the arrangement offering the least safeguards.

4. Non-nuclear weapon states with significant nuclear programs should take particular care not to disseminate nuclear technology which could contribute to the proliferation of nuclear weapons. Support was expressed for an international agreement, generalized in its application, which would delineate the type and scope of information that should not be shared. It was suggested that this could be an important topic of discussion for the NPT Review Conference.

5. Non-nuclear weapon states should take special precautions to reduce the danger of theft of fissionable material or terrorist attack on nuclear installations.

6. Non-nuclear weapon states should continue to advance and support new arms limitation and disarmament measures such as nuclear weapon free zones and the World Disarmament Conference (WDC). Nuclear weapon free zones were cited as an extremely promising method of controlling the vulnerable stages of the nuclear fuel cycle, and support was urged for enhancement of existing zones and the creation of new zones. Strong support was voiced for continued progress toward convening a WDC, envisioned as potentially an important new disarmament forum. The majority of the participants, however, emphasized that full and creative support by all nuclear weapon states was a prerequisite for success of the WDC.

CONCLUSION

All participants were of the opinion that the creation of new nuclear weapon states would breed more global insecurity and potential conflict, and consequently should be discouraged. An important factor in assuring that fissionable material is not diverted to weapons purposes is the IAEA safeguard system, and all participants believed it warranted broad international support. However, a second approach to halting further proliferation was the suggestion that, in the future, critical elements of the nuclear fuel cycle should not be under exclusive national control of individual states. Thus it was suggested by several individuals that national acquisition of nuclear technology under regional or international control was a desirable objective. Nuclear facilities could be colocated and subject to either regional or international control mechanisms. It was pointed out that the economics of the fuel cycle (particularly uranium enrichment and plutonium separation facilities) argue for a multilateral approach in order to take advantage of economies of scale. It was noted that certain regions such as Latin America,

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with an existing nuclear weapon free zone arrangement and its own control mechanism, might be particularly amenable to such a program in the future. Advantages to this approach, in addition to reducing the possibilities for nuclear weapons proliferation, are a considerable savings in investment cost, reduced possibilities for nuclear theft and dissident attack, and assured national access to the benefits of peaceful nuclear technology. In conclusion the development of regional or international mechanisms for shared control of nuclear technology could be a beneficial topic of discussion when representatives meet to review the Non-Proliferation Treaty.

EXCERPTS FROM AN ADDRESS

(By Mason Willrich, Professor of Law, the University of Virginia)

This conference offers an important opportunity to generally probe our thoughts about where we are headed with respect to the problem of nuclear weapon proliferation and its international security ramifications. In looking forward to the Non-Proliferation Treaty (NPT) Review. Conference in May, 1975, it is worth noting that the treaty is being reviewed after three decades of experience in the nuclear age.

It was shortly after the first explosion of a nuclear device in 1945, that the effort to halt the spread of nuclear weapons began. At that point the United States, United Kingdom and Canada realized that their monopoly on nuclear weapons would be transitory and nuclear disarmament was the only alternative to nuclear proliferation. Unfortunately the Baruch Plan presented by the U.S. government to the United Nations in 1946—a plan which provided for development of nuclear energy for peaceful purposes under a limited form of world government, and also for complete nuclear disarmament—was not accepted by the Soviet Union.

The next major point of reference is Eisenhower's "Atoms for Peace" address in 1953 in which he called for international cooperation in the peaceful development of nuclear power under safeguards, but unlinked from nuclear disarmament, and proposed the establishment of an International Atomic Energy Agency (IAEA). Yet another important benchmark is the 1963 Nuclear Test Ban Treaty which had three important effects: as a political breakthrough towards a climate in which detente between the United States and the Soviet Union might gradually emerge; as an international environmental treaty reducing radioactive fallout in the atmosphere; and as an initial restraint on the proliferation of nuclear weapons.

In 1968 the NPT was opened for signature and I think it is important to bear in mind that the treaty has always suffered from its authorship by the two superpowers. It was prepared with the German problem in mind, and U.S. proposals for a multilateral nuclear force within NATO were a major stumbling block to agreement. This factor and others delayed agreement on the treaty beyond the takeoff point for nuclear power. It is important to note, however, that the success of the NPT was conceived by the superpowers as depending on policies and decisions made by non-nuclear weapon states. Thus the treaty presented a framework for nuclear arms control that depended on non-nuclear weapon states ultimately perceiving there is more security *for them* in a general restraint on further proliferation.

With respect to nuclear power development, it is now possible to see the picture all the way out to 1980 quite clearly because all of the nuclear power plants and major facilities that will be in operation by that time are now under construction. Furthermore, the oil crisis has reinforced the trend toward nuclear power throughout the world. By 1980 there will be power reactors operable in some thirty countries with plutonium production rates ranging from, for example, several thousand kilograms annually in the Federal Republic of Germany and Japan to several hundred kilograms in Taiwan and Argentina. One other relevant figure: about five to ten kilograms of plutonium is enough for the kind of device that India exploded in May of 1974.

Among the issues that will affect the future of the Non-Proliferation Treaty, the U.S.-Soviet SALT negotiations are of the utmost importance. Further, it is important that non-nuclear weapon states perceive that international controls on nuclear power development are in their interests quite independently of the interests of the superpowers. Thus, I would argue that it is important that there be rapid agreement on reductions from the high strategic arms ceilings agreed at the Vladivostok summit meeting. It also seems important that non-nuclear weapon states recognize that, thanks to superpower détente the link between the horizontal proliferation and vertical proliferation by the two superpowers may be less important.

The IAEA and its NPT safeguards system provide a useful mechanism for accountability which nations can reassure one another. But the system is limited in its scope and effect. It is not an enforcement device or even a particularly effective inspection device.

Finally, from the standpoint of both nuclear weapon and non-nuclear weapon states, it will be a safer world, if nuclear power can be developed on the basis of interdependence. This argues very strongly for co-location of key facilities in the nuclear power fuel cycle (i.e., fuel fabrication and plutonium separation plants) and multinational ownership of such facilities, perhaps on a regional basis. Progress in this area will also have considerable implications in another area of growing threat: that of nuclear theft and terrorism. By creating situations of interdependence and by co-location of facilities the most vulnerable links in the nuclear fuel cycle, from the viewpoint of nuclear theft, would be eliminated.

In summary, the NPT and the IAEA safeguards system can provide a framework for controlling nuclear weapons proliferation. Indeed, it is the only basis we have to work from.

PARTICIPANTS

Conference Chairman—C. Maxwell Stanley, President, The Stanley Foundation.

Ahmed Esmat Abdel Meguid, Permanent Representative of the Arab Republic of Egypt to the United Nations.

Iqbal Akhund, Permanent Representative of Pakistan to the United Nations.

Jonathan B. Bingham, U.S. Representative.

John Boright, Staff Member, Nuclear Weapons and Advance Technology Bureau, U.S. Arms Control and Disarmament Agency.

Dick Clark, U.S. Senator.

Steve Collins, Foreign Policy Assistant to U.S. Senator Edward Kennedy.

A. S. Friedman, Director, Division of International Programs, U.S. Atomic Energy Commission.

Thomas A. Halsted, Executive Director, Arms Control Association.

Fereydoun Hoveyda, Permanent Representative of Iran to the United Nations.

Rikhi Jaipal, Permanent Representative of India to the United Nations.

Jan H. Kalicki, Member, Policy Planning Staff, U.S. Department of State.

Albion Knight, Jr., Professional Staff Member, Joint Congressional Committee on Atomic Energy.

Alexander Kokorev, First Secretary, Embassy of the Union of Soviet Socialist Republics.

James Leonard, President, UNA-USA.

Mike McCormack, U.S. Representative.

Laurence McIntyre, C.B.E., Permanent Representative of Australia to the United Nations.

David H. McKillop, Special Consultant to U.S. Senator Claiborne Pell.

Ed Mezvinsky, U.S. Representative.

Frank Moss, U.S. Senator.

Alan F. Neidle, Director of Policy Planning. Bureau of International Organization Affairs, U.S. Department of State.

Sinclaire Nutting, Counsellor, Embassy of Canada to the United Nations.

Carlos Ortiz De Rozas, Permanent Representative of Argentina to the United Nations. tions.

Alfred H. Paddock, Jr., Chief, Policy Planning, Politico-Military Division, Department of the Army.

Marcello Salimei, Counsellor, Embassy of Italy to the United States.

Herbert Scoville, Secretary, Arms Control Association.

John Sullivan, Staff Consultant, Committee on Foreign Affairs, U.S. House of Representatives.

Vladimir E. Tulinov, Counsellor, Permanent Mission of the Union of Soviet Socialist Republics to the United Nations.

Mason, Willrich, Professor of Law, The University of Virginia.

Conference Rapporteur—John R. Redick, Research Director, The Stanley Foundation.

COMMENDABLE TESTIMONY OF COOS BAY, OREG., CITIZENS

Mr. HATFIELD. Mr. President, each year about this time the members of the Appropriations Subcommittee on Public Works receive testimony from hundreds of people at hearing sessions that occur morning and afternoon, day after day, for 2 weeks. These men and women come from all parts of the country, from all walks of life, and represent interests as diverse as you can imagine. Some have been to Washington many times to present testimony; others have never before seen the inside of a hearing room. Naturally, the quality of the presentations we members of the subcommittee hear varies considerably, and we genuinely appreciate a witness who can encapsule and convey effectively the nature of the issues involved with a particular project in the very short time allotted to him or her.

I suppose it is commonplace for a Senator to say what a fine job his own constituents did before his subcommittee, but I want to say today that the presiding member of the House Appropriations Subcommittee on Public Works, a gentleman from Alabama, commended the witnesses from Coos Bay, Oreg., as having made the finest presentation of the week, and accorded special praise to Mrs. Anita Hale, spokesman for the broad-based Coos Bay citizens organization.

The Coos Bay delegation to Washington consisted of representatives of industry, labor, the financial community, and the port cities. Prior to their leaving for Washington, their coordinator, Mr. David Sant, had organized a campaign to inform the people of the area of their stake in the future of the Port of Coos Bay. The response was tremendous. Some 3,000 original letters arrived in the offices of the Senate and House Appropriations Committees along with petitions bearing more than 5,000 signatures.

I am told by the committee staffs there is not a project in the country that has more support from citizen communication than does the Coos Bay deep-draft channel this year.

I am proud of their effort, and I would like to share with my colleagues in the Senate today the testimony we received from this group. It is my hope, Mr. President, that the Senate will soon be voting on an appropriation bill that contains funds for this project. I ask unanimous consent to have the testimony I mentioned printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF J. LARRY QUALMAN, PRESIDENT, PORT OF COOS BAY, OREGON

Mr. Chairman: My name is Larry Qualman. I am President of the Port of Coos Bay, Oregon.

Before asking you and your Committee for any further assistance for Coos Bay, I want to thank you and the Committee for the assistance you have given us in the past.

The failure of the Administration to recommend an appropriation to continue the funding program for the Coos Bay channel deepening project caused one of the greatest letter writing compaigns we have seen in the Coos Bay and Southwestern Oregon area in some time.

I am told that some of those letters might have inferred that Congress has not supported the Coos Bay project since it was authorized in 1970. Some of our supporters have apparently mistaken the 1968 date of the Corps of Engineers' recommendation for the channel deepening with the 1970 date of authorization of the improvements by Congress.

I want to apologize to you, Mr. Chairman, and to your Committee, for any misunderstanding of the facts that were made in behalf of the Coos Bay channel deepening project.

Congress has been the principal supporter of the Coos Bay channel deepening project. We are grateful for the $150,000 that Congress added to the Fiscal 1974 budget, and for the $139,000 appropriated in the Fiscal 1975 budget.

We ask that you consider adding the 5.5 million dollars that the Corps of Engineers state it can use in Fiscal 1976 and the transition quarter to begin construction of the deeper channel system for Coos Bay.

The Coos Bay project is scheduled for a 3-year funding program. If there is no budget addition this year, the completion date will be delayed another full year.

The cost of this project has already escalated by 58%, from the estimated cost of 9.1 million dollars in 1968 when it was recommended by the Corps of Engineers, to the present estimated cost of 14.4 million dollars.

A number of the larger ships are by-passing the Port of Coos Bay due to insufficient depths in the navigation channels.

Many of the larger ships that now call at Coos Bay are limited to taking only partial loads. These ships then move to deeper ports in the Northwest and Canada to load to capacity.

Some Coos Bay shippers are required to pay the extra expense of moving their forest products by rail, truck or barge to other ports for loading. This cargo is often loaded in the very same ship that was restricted to a partial loading at Coos Bay.

A substantial amount of export lumber is being barged from Coos Bay to Canadian ports to be loaded into deeper draft ships that by-pass or are restricted to partial loading at Coos Bay.

We have already lost approximately 22.5% of our direct waterfront jobs and a half as many more indirect jobs in 1975, with an estimated payroll loss of 1.6 million dollars, as a result of inadequate channels. In addition, there are numerous indirect losses to the community which spin off each water-related job and the vessels calling at the Port.

Coos Bay is the largest forest products shipping port in the world. We have had a spectacular increase in our export tonnages in the past few years.

In 1974 the total waterborne tonnage moved over the Coos Bay deep draft channel system was 6.1 million tons, compared to the 4.8 million tons per year the Corps of Engineers projected would move over the deeper channels in the year 2020—45 years from now.

The Corps of Engineers newly revised benefit/cost ratio for the Coos Bay channel deepening project is 4.4 to 1, compared to the 1.6 to 1 reported a year ago.

We urge your favorable consideration of a budget addition to continue Coos Bay channel improvements without further delay. Thank you.

STATEMENT OF ALLEN E. WOODS, SECRETARY, COOS BAY PILOTS ASSOCIATION

Mr. Chairman:

My name is Allen E. Woods. I am a Master Mariner and Bar and Harbor Pilot, associated with the Coos Bay Pilots Association. I have been piloting vessels calling at Coos Bay for the past ten years.

During this time the class and size of the larger vessels has progressed from those less than 500 feet in length and loaded drafts of 28½ feet, of the standard 15,000 dead weight ton C-4 type cargo vessel, to the vessels now serving Coos Bay that are of the 45,000 dead weight class, 675 feet in length, with beams up to 100 feet. During 1974, approximately 280 of these vessels exceeded deep drafts of 28½ feet.

As pilots we are obligated under both State and Federal Licenses to provide a safe and prudent pilotage to the vessels aboard which we are required to serve. With the existing navigation system at Coos Bay, we cannot provide efficient, economical and reliable pilotage in a safe and prudent manner to the larger and deeper draft vessels now calling at the Port.

The existing limited navigation system restricts the movement of the larger and deeper draft vessels to periods of the most favorable conditions which fall during daylight hours and on the higher tides.

A comprehensive vessel delay log was maintained for the year 1973 which indicated a total of 4,663 hours of delay time involving all vessels. Most of the delay time was awaiting high tides and favorable conditions to sail, due to the deep loaded draft of the vessels and the insufficient depth of the channel.

Chevron Shipping and Hendy International, the two shipping companies now providing tanker deliveries of petroleum products to Coos Bay, are presently engaged in the phasing out of the T-2 class tankers utilized in this service and replacing them with larger tankers of approximately 35,000 dead weight tons. Discussions held with representatives of these companies indicate the existing navigation channel to be inadequate for the larger size tankers. Because of the recognized ecological importance of the Coos Bay Estuary and the condition of the existing navigation channel, the risks of a potential pollution disaster from a possible grounding of these larger tankers would prevent them from providing direct tanker deliveries until such a time as the present Harbor Improvement Project has been completed.

There is more than vessel safety and potential estuarine damage involved here.

Maneuvering the larger vessels in the confines of a narrow channel where vessels are moored to adjacent berths creates a hazard to both the moored vessel and the longshoremen and other personnel working alongside. These large ships cause a suction as they approach another vessel and then a drag in passing, causing damage to berths, ship ladders and mooring lines.

The restricted size of the upper turning basin requires the turning of vessels 600 feet and over at an alternate turning basin and backing astern 2½ miles to the loading berth.

We have been advised that the new bulk carriers to serve Coos Bay will be in the 700-foot range with loaded drafts up to 36 feet, too large to turn in any of the existing turning basins.

The larger ships now serving Coos Bay and the still larger ones coming make it imperative the authorized new channel dimensions be constructed as soon as possible. Thank you.

STATEMENT OF ANITA B. HALE, ASSISTANT COORDINATOR FOR COOS BAY CITIZENS' COMMUNICATION CAMPAIGN

Mr. Chairman and Honorable Members of the Subcommittee:

My name is Anita Hale. I am one of the owners of a retail establishment in Coos Bay, Oregon. I am also the assistant coordinator for the Citizens' Communication Campaign organized to facilitiate our citizens' expression of support, both local and statewide, for the Coos Bay, Oregon, Deep Channel Navigation Project. Our intention as a citizens' delegation is to keep the project moving through the construction phase.

Our entire Oregon Congressional delegation supports the Coos Bay Deep Channel Navigation project, and the Oregon State Legislature is submitting a memorial in support of our project to Congress and President Ford. Our citizens are appealing for funding for this project with their 5,000 signatures on petitions and through their more than 2,000 letters to Congressmen. Among these citizens is my husband, Robert Hale, the Mayor of Coos Bay.

Forest products and shipping are basic to the economy of Coos Bay and Southwestern Oregon. 80% of our employment in this area is directly or indirectly dependent upon the forest products industry and the related activity of our port.

Coos Bay is a large port which handles more dry cargo than San Francisco. Most of the dry cargo shipped from Coos Bay is export. 5.5 million tons of the 6.1 million tons of cargo handled at Coos Bay in 1974 were export, contributing 11% to easing the United States balance of payments deficit.

In 1974 the U.S. Army Corps of Engineers estimated on our Coos Bay improvement project a benefit/cost ratio of 4.4 to 1, a beneficial ratio of dynamic proportion.

Our Port of Coos Bay is losing business and jobs. Our unemployed labor force of 17.9% in District 7 of Southwestern Oregon was 99% higher in January, 1975, than the national rate. Our citizens are alarmed about the inevitable stagnation of our port unless our project is funded. The critical time for improvement of our Coos Bay channel is pressing upon us. Gentlemen, we desperately need Congressional funding NOW.

I am leaving with the committee copies of petitions bearing 5,000 signatures of supporters of this project in Southwestern Oregon and copies of some of the many letters written to Congressmen in behalf of this project.

I thank you for this opportunity to express the alarmed concern of thousands of citizens who are vitally interested in and dependent upon the improvement of our Coos Bay channel.

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SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

Mr. TALMADGE. Mr. President, the Subcommittee on Agricultural Research and General Legislation, of the Committee on Agriculture and Forestry, last week held 2 days of hearings on our school lunch and child nutrition programs.

Serious concern has been expressed throughout the Nation with the administration's announced proposal to consolidate our child feeding programs into a single program of bloc grant assistance at a level some $700 million below the present level of the programs combined.

I have a strong interest in these programs, both as chairman of the Committee on Agriculture and Forestry and as principal author of legislation in 1970 which increased funding for existing school lunch programs and extended the program to those areas previously not served.

It is not my intention to stand aside and see these programs, which have contributed so substantially to the health and well-being of millions of American children, be cut back and made less effective.

Two of the outstanding witnesses at last week's hearings were from my State of Georgia.

Miss Josephine Martin, who is administrator of the school food service program of the Georgia Department of Education and chairman of the Legislative Committee of the American School Food Service Association, is one of the most highly respected leaders of this program. Her testimony is eloquent explanation of the need and importance of the school lunch program.

A moving, fact-filled presentation by Mrs. Charlotte Wilen, member of the Council on Maternal and Infant Health of the State of Georgia, describes the success of the special supplemental food program for women, infants, and children.

I commend these statements to my colleagues in the Senate, and I ask unanimous consent that they be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATEMENT OF JOSEPHINE MARTIN, ADMINISTRATOR, SCHOOL FOOD SERVICE PROGRAM, GEORGIA DEPARTMENT OF EDUCATION AND CHAIRMAN, LEGISLATIVE COMMITTEE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, BEFORE THE SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATIVE, SENATE AGRICULTURE AND FORESTRY COMMITTEE, APRIL 22, 1975

Mr. Chairman and Members of the Subcommittee: I am Josephine Martin, Administrator of the School Food Service Program in the Georgia Department of Education. I also serve as chairman of the Legislative Committee of the American School Food Service Association. The American School Food Service Association is a professional organization of 50,000 school food service personnel concerned with the nutritional needs of all children.

May I take a moment to express appreciation for the leadership of the Committee on Agriculture and Forestry for the continuing interest in and support of child nutrition programs. Through the initiative and leadership of the Committee and especially of this subcommittee, tremendous gains have been made which have strengthened and expanded child nutrition programs.

On the eve of the Thirtieth birthday of the National School Lunch Act, it is especially important to pay tribute to this Committee, because it was in the Senate Committee on Agriculture and Forestry that the concept of a national school lunch program for all children was born.

Since its inception the National School Lunch Program has had as its single purpose the improvement of the nutritional status of all children in school. To help achieve this purpose Congress has provided assistance in the form of cash grants and donated foods. State and local governments have contributed to the program to keep the sale prices low and to keep the program available to all children. As a result, all children in participating schools, regardless of family income, are able to secure a lunch at school, and for those not qualifying for a free lunch, at well below the costs of producing the meal.

A key element in the program is the national standard for the nutritional quality of the lunches served. When the Act was passed, nutritional standards were required to assure that children would be served a balanced meal.

Each lunch must contain milk, meat or meat alternate (such as cheese, peanut butter, etc.), fruits and vegetables, bread and butter. Schools have complete flexibility in combining or offering wide choices of food items to meet this standard. This lunch. called "Type A" provides 1/3 of the child's daily food needs.

From this early concept, a nutrition program for the general welfare of the nation, has evolved a sound nutrition program for all children and one which has operated extremely well for the past thirty years.

ASFSA is grateful for the privilege of appearing before you today. Specifically, I wish to address my remarks to:

(1) The President's Proposal to repeal all child nutrition legislation and substitute a block grant which would reach only the neediest children.

(2) The President's Proposal to place a 5% ceiling on increases in reimbursements.

(3) S-850 (and HR 4222—pending in the U.S. House of Representatives). The National School Lunch Act and the Child Nutrition Acts Amendments of 1975.

ASFSA opposes the Administration's Proposal to repeal all Child Nutrition Program legislation. The administration's block grant proposal turns its back on the work of this Committee and the Congress in the establishment of a Child Nutrition program for all children; it turns its back on 60% of the children who are now receiving lunches each day at school; it weakens the nutritional standards for all children. In addition to the adverse effects of the proposal on paying children, the abolishment of the present legislation would have adverse affects on poor children, the food industry, the labor market.[1] With 60% of the students paying for their lunches, many schools would simply not be able to continue a lunch program if federal assistance were withdrawn. It would not be economically feasible. So the poor children would lose, nutritionally and educationally. The proposal would eliminate the breakfast program, the special food program, the WIC program, the opportunities for development projects, and most important the nutritional standards.

Mr. Chairman, and members of this subcommittee, there is an issue that causes me great concern. Each time the Administration discusses the "block grant" approach, an attempt is made to justify the approach in terms of the rapidly increasing costs of the Child Nutrition Programs.[2] It seems that their proposal to cut spending is to eliminate the program as a nutrition program for all children, and to substitute a skeleton program for poor children (which could only be classified as a social welfare program).

There has been a sizable increase in federal expenditures required to support the school lunch and child nutrition programs but the increased cost of the past 5 years did not occur because of the "traditional school lunch program".

In 1970 Congress mandated the service of free lunches to all needy children. The ASFSA supported this legislation and has supported successive Acts of Congress since 1970 to carry out this mandate. We are very proud that there are now nearly ten million children receiving free or reduced price lunches at school.

However, let us look at what this progress has done to the cost picture for the Child Nutrition Programs. According to USDA figures the school lunch and breakfast programs will cost $1.7 billion this year in federal expenditures. Seventy percent of this total amount or $1.2 billion will be spent to finance lunches and breakfasts for the ten million needy children. In contrast, a little over $500 million is being spent on the fifteen million children who pay the regular price for lunch in schools. On a per child basis $118 is being spent for each needy child in comparison with about $33 for the paying child.

And let us look at other Child Nutrition programs authorized under the National School Lunch Act but not operated in schools:

First, there is the Special Food Service Program which includes year-round pre-School programs and the summer feeding programs for children. Together these two operations will cost $115 million in FY 1975; some 90% of this expenditure will be for needy children.

Second, there is the Special Program for Women, Infants, and Children which will cost $126 million this year. This program is limited to the needy.

We support these programs totally. We should not lose sight of the fact, however, that the National School Lunch Program is the major vehicle for improving the nutritional status of all the children in the nation. In this prolonged period of inflation and higher costs of operation, additional funds are needed to keep this nutrition program on a viable basis.

Attachment 3 describes the division of federal expenditures under the National School Lunch Program between needy and non-needy children for FY 1975. The chart shows that the greatly increased costs of these programs have come about because of the increased commitment to providing nutrition for the economically needy children of America. Therefore, the Administration's claim that the food programs absorb 2/3 of the USDA budget, and the proposals to cut-back in this important area should be perceived as measures of saving money rather than as measures to improve the nutritional well-being of America's people. Their complaint reflects program success.

The basic school lunch legislation is sound. It has provided school nutrition programs that have helped all young people who take part to have balanced meals and to have the classroom learnings about food and health habits reinforced through the eating experience. We urge you to reject the President's proposals to repeal the legislation which has 30 years of success for an unknown program which would offer fewer opportunities to fewer children.

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[1] See Attachment 1—ASFSA's Position Statement.

[2] See Attachment 2—Comparison of provisions of Block Grant with present legislation.

We are opposed to the proposal to place a five percent ceiling on the increases in assistance for the Child Nutrition Programs. We are grateful to the Congress for providing the escalator provisions in the funding patterns for the lunch, breakfast, and donated foods programs. These increases, particularly the provisions for the free and reduced meals, have made it possible to continue serving quality meals during this highly inflationary period.

The costs of producing a school meal has escalated more rapidly than the escalator provisions, as these provisions are limited to reimbursement and not costs.

Although there has been an increase since 1973 in rates for paid lunches from 8c to 11.75c and for free lunches from 40c to 52.5c per meal, the total costs of producing a meal increased in this same period by approximately 20c. The schools are faced with increased food costs, increased labor costs and now exorbitant increases in fuel costs. Mrs. Agnes Poindexter, Tuscaloosa County Schools, reports that the electric bill in one school in her county was 10c per lunch. Georgia schools will need 7c to 10c more to provide the same lunch in 1975–76 than was required in 1974–75. Our General Assembly has provided an additional 2c. But this still leaves a need for 5c to 8c increase just to stand still.

Studies document that for each 10% increase in sale price, there is a 6% decrease in participation. Decrease in participation results in higher operating costs; for each 10% decrease, the labor costs are increased 2% per lunch.

We therefore, urge that you reject the Proposal to place a ceiling on the escalator provisions contained in the laws; we would rather urge you to provide additional funds to help keep the paying children in the program. We would ask that you consider some provision to apply the Section 11 escalator to the Section 4 payments.

It is good to turn from the negative proposals and to look at some positive proposals for Child Nutrition. *We support S–850 as it contains some important provisions necessary to the continuation and expansion of the Child Nutrition Programs.*

First, it extends the appropriations authorities, which would otherwise expire on June 30, 1975, for two important child nutrition programs—The Breakfast Program and the Special Food Program for Children.

Second, it clarifies and simplifies federal and state administration in certain aspects.

Third, it improves the program's potential for responding to the middle American by expanding the reduced price program provisions.

Fourth, it gives school food service administrators assurance of direction regarding donated foods.

The breakfast program has proven to be very successful as a means of helping children to maximize their educational opportunities. This program was originally authorized in the Child Nutrition Act of 1966 and has since been extended on at least two occasions. School administrators need to know in May if there will be a breakfast program in September.

The effectiveness and acceptance of school breakfast by parents and school administrators lead us to recommend that it be extended on a permanent basis and that efforts be made to expand the program's availability to more children.

Section 4 of S-850 is *very* important to states that have a high percentage of economically needy children. It removes the three to one matching requirement from Section 4 funds paid for free and reduced lunches. This amendment will not reduce the amount of money which is required to be provided by the state from state revenues.

The amendment, however, would affect the overall three to one matching requirement set forth in Section 7 of the National School Lunch Act. This matching requirement was established in the original National School Lunch Act of 1946. Although the history indicates that Congress never intended for children's payments to count as matching, the USDA has allowed such payments to count for matching purposes.

School lunch participation has changed drastically since 1970 and PL 91–248. In 1946–47 only 10% of the lunches served were provided at no cost to poor children. Today nearly 40% of all lunches are served free. Accordingly, the percentage of total income from children's payments has declined sharply to the point where they will be unable to maintain the three to one matching contribution from all sources within the states. The law only requires matching of Section 4 or general cash for food assistance funds.

The problem is aggravated by the USDA's directive that states must pay the same level of Section 4 funds for free as for paid meals.

By imposing this requirement, the USDA is saying in essence that for each free meal served, the state must get 34¢ from sources within side the state. This could mean for a state with 50% free lunches, that each paying child would have to pay 68¢. The present law and the present interpretation both need revising. Otherwise, states with high percentages of economically needy children will not be able to meet these matching requirements and consequently in those cases federal Section 4 funds will be reduced in those states.

The three to one matching requirement of the National School Lunch Act became outmoded with the passage of PL 91–248 which provided for free or reduced price lunches as a right for economically needy children.

Section 5 of S–850 would liberalize the present eligibility standards for reduced price lunches. Under this amendment, children from families with incomes up to 100 percent above the poverty guideline would be eligible for a reduced price lunch—an increase from 75% in the existing law. Since the inflation spiral began two years ago, which caused school lunch prices to increase, more than 750,000 paying (middle income) children have stopped buying school lunches. Our participation has decreased from 85% to 83%; the decrease is related to sale price.

An April 8, 1975 release from the Labor Department indicates that an urban family of four now requires an income of $14,300 annually to maintain even a moderate standard of living.[3] The amendment to increase the eligibility level for reduced price meals would not touch that family, but it would help a group far below that level. This amendment would provide that children from a family of four earning $8,640 per year would be eligible for reduced price meals.

Families who fall into this income bracket are young families; often headed by only one parent, and these are the families suffering the most from our present economy. They are having to make choices which affect the health of their children.

If the light bill doubles, they must pay the bill or have the lights turned off. If the school lunch cost is too high they make a substitute which may impair their children's health and education. The impairment to the child's health is not as visible as having the lights turned off.

Although the provision of eligibility for reduced price meals would create a tremendous opportunity for young families, it is not anticipated from past experience that large numbers of eligibles would take advantage of this opportunity. Principals report that many families who would qualify do not apply because of pride; in many schools the reduced price option is not made available to children. It would seem logical to require schools to offer reduced price meals just as they are required to offer free meals. An amendment was approved on the floor of the House of Representatives which would make this provision mandatory.

There have been some very costly estimates to this amendment. In our opinion, the estimates are exaggerated based on performance in states which offer reduced price meals. In Alabama where the reduced price meal is offered in all schools, only 2.5% of the total meals are reduced price; in Massachusetts, where 75% of the schools offer reduced price meals, less than nine thousand children took advantage of the reduced price; in New York, 1939 schools offer reduced price lunches, and about 5% of the total participation is in reduced price lunches. In Georgia, 173 of Georgia's 188 school systems offer reduced price lunches, and this amounts to 2.8% of the total lunches served. And in Montgomery County, Maryland, reduced price lunches have been offered in all schools for the past three years. All possible outreach efforts have been made to encourage parents to apply. Still only one thousand children are receiving the reduced price lunch. Total participation for the entire county is forty thousand; 5,300 of these are free and one thousand reduced.

This is an important amendment to the program and would make lunches available to more children and we would urge that it be accepted.

However, the past record of performance does not indicate that it would by any means have appeal to all families in this income bracket. This is one of the many reasons we appeal for additional help for the lunches for the paying child. Those prices must be stabilized.

Section 8 extends the special authority for the Commodity Distribution Program for schools for three years and provides for the distribution of cereals and oils to the School Lunch Program.

Cereals and oils were not available to the lunch program during this fiscal year; although, in prior years they had been made available by USDA on an unrestricted basis. The bill provides that these foods would be made available in addition to other foods or cash grants made available under Section 6(e) of the School Lunch Act. We urge you to consider approving this amendment.

Section 9 provides that 75% of the funds appropriated for commodities would be used by the department to purchase foods for school distribution. This would help school administrators know how to plan and budget for school food service. It is essential that a level of distribution be established. Commodity foods are highly respected and effectively used by most schools. Knowing what is expected helps to plan storage and transportation within the system.

Section 12, 13, 14 and 15 of S–850 deal with the Summer Food Program and the Special Food Program for Children. Legislation for both these programs expires June 30. Both programs have proven their value in meeting a specific nutrition need for poor children. We urge you to extend these programs. Everyone agrees that the existing legislation has some flaws, and the levels of payment are not inadequate. This legislation attempts to correct the deficiencies of the existing legislation.

Mr. Chairman, S–850 contains many important provisions for the Child Nutrition Programs. We sincerely hope that you will favorably report this bill. There are however, two additional areas on which I wish to comment as a result of the action of the Education and Labor Committee of the House and of discussions in that committee and on the floor of the House of Representatives when HR 4222 was being considered.

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[3] See Attachment 5—Plight of Paying Child.

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First, Section 9 of the National School Lunch Act provides for nutritional standards for meals served. Schools have maximum flexibility in planning meals and varying portion sizes to meet the needs of all children. I am of the impression that this was not understood in the House and some changes were proposed which would not only destroy the nutritional soundness of the program for all children, but would encourage fiscal irresponsibility. The proposal could actually lead to federal reimbursement being paid for a meal served to a child which consisted only of one item. If children are allowed to take only those foods they know and like, the program objective of helping children learn to eat a variety of foods will be negated. Children in the Northwest have learned to eat peanut butter and children in the South have learned to eat purple plums.

On April 15, 1975, the National Advisory Council on Child Nutrition Programs recommended to the Secretary of Agriculture that no changes be made in Section 9 of the National School Lunch Act. The Council did recommend, however, that "as a means of increasing the acceptability of school meals, decreasing plate waste, and making more efficient use of funds, that provisions be made for the USDA and the state school food service directors to develop administrative procedures for use by local systems that will maximize the techniques to (1) increase the offerings available, (2) vary the portion sizes on an individual basis, (3) involve students in planning the food service in secondary schools, and (4) provide realistic schedules for the lunch period with respect to timing and duration that would encourage participation and otherwise minimize food waste."

We solicit your gift of another chance to respond to the criticisms in a positive way rather than by destroying the nutritional aspects of the program by changing Section 9 of the Act.

Now to the final point. There has been much debate regarding the need for increasing the support for the paying child. The middle income family, the hardest hit of all income groups with the present inflation-recession, is being priced out of the school lunch program. Although the number of children participating in the lunch program in the past five years has increased there has been a marked decline in the number of children paying for their lunches. The total number of lunches has increased to 25.7 million in February, 1975; the number of free lunches has increased from 7.4 in 1970 to 9.9 million. The number of paying children has declined from 18 million to 15.3 million, a drop of 2.7 million children. From January of 1974 to January, 1975 alone, the decline was one million children. This overall decline of 2.7 million children has occurred despite the fact that nearly four thousand additional schools have entered the program since 1970. These four thousand schools have an enrollment of 2.3 million children.

The cost of producing nutritionally balanced lunches has risen because of higher food and labor costs as well as costs of other items such as utilities, transportation and supplies used in preparing and serving lunches. Since 1967, the cost of producing lunches has increased by nearly 70%, as measured by the Bureau of Labor Statistics index of the cost of food away from home. In the past year, the increase has been over 12%, and at the same time the increase in the reimbursement payment increased only 1¼ cents.

To meet this situation, the schools have been forced to increase their sale prices, with the result that more and more parents simply are not able to stretch the family food budget so that their children can eat lunches at school. A chart is attached as Appendix which shows what has happened to participation of paying children in five Georgia school systems in the past two years.

I am aware, Mr. Chairman, of the serious budget deficit problems facing the Congress. I would ask however, that consideration be given to increasing the assistance for lunches to paying children, at least to the point that schools will not have to increase the sale price again in September. The children of this country provide our hope for tomorrow. If they are equipped with malnourished bodies and minds through lack of proper nutrition and education, our hope becomes dimmed. Many states have begun to provide funds for helping to keep the lunch price low, and local systems are contributing very heavily both in direct and in indirect ways. We ask that this committee come to the rescue of the schools. Even the application of the Section 11 escalator provision to the Section 4 payment would be a great help. (Extra payment should be excluded from matching requirements.)

Mr. Chairman and Members of the Subcommittee: I wish to thank you for this privilege of testifying before your committee. I will be pleased to answer questions now or after other members of the panel have presented their statements. The American School Food Service Association looks to you for continuing to initiate and enact legislation that will move us toward our goal of "safeguarding the health and well-being of all children through nutritionally adequate meals." It is our belief that S-850 is one more positive step in that direction.

Attachment 1

Position of the American School Food Service Association on the Proposed Repeal of Existing Child Nutrition Legislation

STATEMENT OF THE PROPOSAL

President Gerald Ford proposes legislation that would repeal and supersede all existing child nutrition legislation and substitute a single consolidated block grant program. The proposal would provide subsidies only for poverty children, eliminating financial assistance to all other children including those now eligible for reduced price meals. The proposal specifically eliminates the National School Lunch Program as operated since 1946, the Breakfast Program, the Special Milk Program, the Special Food Service Program for Children and the Nutrition Program for Women, Infants and Children (WIC).

Even the program for poverty children would be cut back. The nutritional standards currently specify that ¼ of the child's Recommended Dietary Allowance (RDA) will be met by the breakfast program and ⅓ of the child's Recommended Dietary Allowance will be supplied by the school lunch. The new legislation will provide a maximum of ⅓ of the poverty child's Recommended Dietary Allowance. Minimum nutritional standards will be eliminated and states will be free to set their own standards if any.

ASFSA POSITION

It is the position of the American School Food Service Association that there are strong and compelling reasons for total and complete opposition to the President's proposal (to be known as "The Child Food Assistance Act of 1975"). We cite the following specific reasons why these child nutrition programs now in effect should not be repealed nor curtailed:

1. The President's proposal eliminates the present assistance for the paying child, those guarantees of nutritional integrity and adequate federal support to assure program continuation.

All children need one or more nutritionally adequate meals at school. The meals must be physically and financially within the reach of every child.

In a vast majority of schools, the poverty program alone would not support a viable school food service operation. With meal prices soaring to eighty cents and higher, pupil participation in these programs would be forced down dramatically.

The unit cost of production would rise as the volume of meals decline. Consequently, many school food service programs would be closed completely, depriving even the poverty child of school meals.

The Administration's proposal runs counter to its own findings reported in *The Comprehensive Study of Child Nutrition Programs,* July 1974, page 56. The study states:

"Given the assumed strong relationship between price for the paying child and participation, any program alternative must first start by advantageously affecting the price paid. This aspect is further affected by the need to maintain a participation ratio—no matter what the percentage of total enrollment represented—closely parallel to the social makeup of the school."

Our nation must be made aware that the President's proposal would transform our present approach of child nutrition programs for all children into a new approach of poverty programs for some children. This poverty program would not even guarantee adequate nutrition for that poverty child.

ASFSA finds it tragic that just at the time of the nation's dawning comprehension of the relationship between nutrition and health, just at the time of documented proof of the relationship between nutrition and learning, just at the time of growing public acceptance of food and nutrition as a contributing factor to the quality of life, this Administration proposes to turn its back on 30 years of progress in child nutrition! The psychology of the soup kitchen has returned.

2. The President's proposal imposes additional hardship on middle income America. It makes the poverty child more aware of his poverty, and deprives many another child of his birthright—enough to eat.

Middle income America needs help. At a time when the average American taxpayer is struggling to pay his own bills, to grapple with inflation and recession and to help pay the bill for less fortunate Americans, this modest assistance with school meals is taken away. At a time when the President proposes a tax rebate to help middle income America, it is ironic that he recommends what is in effect a head tax of $54.00 per child per year (school lunch cash assistance: 12^c + commodities of 11^c + inflation for food and labor at $7^c = 30^c \times 180$ days). At a time when it has been demanded of the schools to avoid overt identification of the nonpaying child, a plan is now proposed that makes such identification inevitable. Moreover, it is not unlikely many situations will occur under the proposal in which the nonpaying child would be the only one who could "afford" a full nutritious meal eaten in the presence of paying children whose daily funds would only permit meager fare—discrimination in reverse.

3. The President's proposal further depresses an already depressed economy.

The National School Lunch Program represents a four-billion meal per year market that is widely supported by and supportive of agriculture and industry. The President's proposal, in drastically cutting back these child nutrition programs, will also diminish its meaning as a market. If, by the United States Department of Agriculture's own estimate, seven million children per day drop out of the programs under this proposal, in one year's time there would be a loss of 1.26 billion meals. As just one example of the market potential, four billion half-pints of milk are purchased for use in the Special Milk and National School Lunch Program each year. Three billion half-pints would be eliminated by the President's proposal.

The $28 million equipment appropriation would be eliminated as would be most of the incentive to purchase the half-billion dollars worth of equipment customarily ordered by the market. Billions of dollars worth of equipment and facilities already purchased by program funds and taxpayers' money would be closed down while children go hungry.

Of the 350,000 persons presently gainfully employed in school food service the vast majority of whom are in an income bracket that scarcely lifts each of them above the poverty level, 120,000 would become jobless. Increased unemployment compensation would go far to offset whatever savings the President might hope to realize with his proposed program cuts. Economic ramifications might cut even more deeply into the family budget; millions of women who are gainfully employed away from home would face the grim choice of either giving up their employment or sending their children home alone at noon to fend for themselves.

The President's proposal would require redirection of family income. Either a child's nutritional intake will be seriously diminished or a sharply increased amount of each family's budget will be absorbed by food costs. Such a major shift in family buying patterns would even further decrease the average American's purchasing power in all other market areas.

In the first instance the food industry loses. In the second instance the balance of our economy loses. In either instance the child loses.

CONCLUSION

Legislation upon which today's child nutrition programs are built reflects the concern of Congress for the nation's youth over the past 30 years. Showing their support of the leadership of Congress, boards of education and school administrators have painstakingly initiated and nurtured school nutrition programs. These programs are living tributes to the awareness that health, nutrition and learning are inseparable. Indeed, organization of school plants and schedules are facilitated by the presence of on-campus food programs. Such programs have made the concept of the consolidated school feasible. To now withdraw the federal support that has made this possible is unthinkable.

President Ford's proposal would undermine three decades of progress in child nutrition, would place the stamp of pauper indelibly only upon the child who eats at school at public expense, and would set back by a generation concern for and practice of good nutrition.

These proposals of the President are so extreme and far reaching that any one of them could have a devastating effect:

1. Meal prices for 60 percent of this nation's youth would soar—in some cases by four times the present price.

2. Three decades of experience in the program dictates that such price increases means that 7 to 10 million children will leave the program.

3. Decimated programs will experience prohibitive per unit increases in operating costs. We can predict that many school districts will be forced to get out of the school food service program altogether.

4. When any type of food service survives, the poverty child will be humiliated and the paying child will often be left hungry by his inability to pay the price.

5. By stripping away nutritional guarantees and eliminating some assistance for all children, the original concept of school food service as a nutrition program for all children will be lost, possibly for all time.

6. Middle-income American families will be hurt the most by the President's proposal, but it should also be remembered that provisions for poor children will be cut as well.

7. The impact of these proposals would further depress our economy—depress unemployment, agriculture, industry and each family's budget.

Collectively the Administration's proposals are a calamity! How mixed up our nation's priorities appear to be when a proposed national budget calls for expenditures of one billion dollars per day and denies 60 percent of our children a few pennies a day for food—an essential part of an equal opportunity for education!

ASFSA reiterates its position that it is not the concept of child nutrition that should be repealed and superseded, but rather the concept of economic segregation in the lunchroom. What better time than now to reaffirm our nation's position of school food service for all children? What better time than now to establish a Universal School Food Service Program?

It is time to add stimulation to the economy.

It is time to add jobs to the economy.

It is time to be concerned with the needs of our people.

It is time to help middle American families regain their economic footing.

It is time to be sensitive to the feeling and needs of the poor child.

It is time the nation once and for all accepted responsibility for the nutritional well-being of our children while they are at school.

America has an opportunity to meet—with compassion and vision—the needs of children, lending each a helping hand while at the same time we strengthen our faltering economy.

ATTACHMENT 2

A COMPARISON OF THE PROVISIONS OF THE BLOCK GRANT WITH PROVISIONS OF EXISTING LEGISLATION

	Block grant children reached				Existing children reached			
Meals provided	All	Needy	Reduced	None	All	Needy	Reduced	None
Lunch		×			×	×	×	
Breakfast					×	×	×	
Milk					×	×	×	
SPFC						×	×	
WIC						×		
Funds available (cents):								
Lunch					11.75	52.5	42.5	
Breakfast					9.25	32.5	26.75	
Milk					5.0	Cost	5.0	
Donated foods					10.0	10.0	10.0	
Total available per day, 90 cents (for needy children to be used for all programs)					36.0	95.0	84.25	

NOTES

Projects in nutrition and training, $1,000,000; State administrative expense funds, $6,700,000.

Nutritional standards, a maximum of (⅓ of the child's daily food needs to be met by all programs) lunch ⅓ of the child's RDA; breakfast, ¼ of the child's RDA; total, 58/100 of the child's RDA.

[1] This analysis is based on the information released by the USDA in early February.

ATTACHMENT 3

DIVISION OF FEDERAL EXPENDITURES UNDER THE NATIONAL SCHOOL LUNCH PROGRAMS BETWEEN NEEDY AND NONNEEDY CHILDREN, FISCAL YEAR 1975

[Dollar amounts in millions]

	Nonneedy	Needy	Total	Percent to needy
Section 4	$266.6	$177.8	$444.4	40.0
Section 11		751.1	751.1	100.0
Breakfast	9.5	63.8	73.3	87.0
Nonfood		28.0	28.0	100.0
Commodities	246.0	164.0	410.0	40.0
Subtotal	522.1	1,184.7	1,706.8	69.4
Special milk program	102.0	18.0	120.0	15.0
Nonschool food program	11.5	103.1	114.6	90.0
Women, infants and children program		126.1	126.1	100.0
Grand total	635.6	1,431.9	2,067.5	69.3

Attachment 5

Plight of the Paying Child

APRIL 9, 1975

Not since the passage of the National School Lunch Act of 1946 has there been as much doubt and confusion about child nutrition programs nor has their fate hung so clearly in the balance as at the present time. Proposals range from the repeal of all child nutrition programs at one end of the spectrum to an absolute limit of 25c for the price of a school lunch at the other end.

The House of Representatives, through the vehicle of H.R. 4222, will return to floor debate on these issues the week of April 21. The Senate, through the vehicle of S. 850, will address itself to the same subject in hearings before the Committee on Agriculture and Forestry, April 22.

When all the smoke clears, we suggest two basic issues are at stake:

1. The very life of several vital child nutrition programs. Unless new legislation is passed, the following programs will expire June 30, 1975:

Breakfast Program, Special Food Service Program, Special Milk Program, Summer Food Service Program, WIC (Women, Infants and Children) Program

The legislation pending before both House and Senate would provide for the extension and improvement of all of these programs. Furthermore, the House Bill would mandate a reduced-price lunch for children from families up to 200 percent of the income poverty guideline. The legislation would also make children immediately eligible for free lunches if the head of the household is unemployed.

2. The plight of the paying child.

If the Breakfast Program is renewed and the free and reduced-price program expanded, the child from the low income family is well provided for. The child from the middle-income, tax-paying family is being increasingly victimized by rising prices in the lunchroom. This is the very same family hurt most by the ravages of inflation. On April 8, 1975 the Labor Department released figures indicating than an urban American family of four now requires an income of $14,300 annually to maintain even a moderate standard of living. This is an increase of $1,733.00 or 13½ percent in one year, the biggest increase in any year since the Labor Department began publishing such figures.

In describing recent tax cut legislation President Ford describes the problem of the middle-class family very well. He said:

"Low income people should indeed be helped. But not to the exclusion of the rest of the population . . . Half of the families in this country today are in between $10,000 and $25,000 per year. One-third have earnings in excess of $15,000 per year."

It is a fiction not supported by economic fact that any family not included in the bene-

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fits of the poverty-stricken is affluent. Such is simply not the case.

Income in thousand dollars:	Families
Less than $1	628,000
$1 to $2	965,000
$2 to $3	1,755,000
$3 to $4	2,244,000
$4 to $5	2,491,000
$5 to $6	2,555,000
$6 to $7	2,640,000
$7 to $8	2,709,000
$8 to $9	2,800,000
$9 to $10	2,715,000
$10 to $11	3,118,000
$11 to $12	2,770,000
$12 to $13	3,100,000
$13 to $14	2,539,000
$14 to $15	2,513,000
$15 to $20	9,438,000
$20 to $25	4,564,000
$25 to $50	4,564,000
$50 and up	548,000
Total number of families	55,053,000

It is not only ridiculous but it is economic segregation of the worst kind to deny further assistance to the great majority of our school children simply because, in one instance out of 10, we might possibly provide some modest assistance to a well-to-do family. It might be well in passing to note the contribution through taxes such well-to-do families are making to the provision of free and reduced-price meals to the economically needy. If we applied such things to other phases of government subsidies in this country, our interstate highways would be muddy trails, our public carriers would be pack animals and our postal system would be still by pony express. We are rapidly approaching the point where several million nonpoor children a day cannot afford to buy the same lunch at school provided free-of-charge to their less well-to-do classmates.

Statistics collected by one Midwestern state mirror clearly the relationship between meal cost and participation:

Charge to child:	Participation percentage
None	96
15 cents	94
25 cents	82
35 cents	68
45 cents	44
55 cents	22

School meal prices must be brought back down within the reach of all children. To discriminate against the children of young struggling parents endeavoring to pay their own is certainly not the American way.

The problem of the paying child is not his alone but becomes the pervasive problem of all child nutrition programs. From a logistical standpoint, if we lose the paying child many school districts will no longer be able to afford the burden of providing foodservice for the low-income child.

Because of school busing, low-income children are now widely distributed throughout the school district. In middle income neighborhoods, where the percentage of free and reduced-price meals is still relatively low, maintenance of a foodservice program is not economically feasible without the support of the paying child.

Moreover, the impending transition of child nutrition programs into welfare programs does not bode well for their political base. Programs designed to meet the needs of all school foodservice activities have won the approval and support of all segments of our society, from the voter in the polling booth to the voter in the Halls of Congress. It is only human nature to lose interest in that which does not concern us. Programs designed to benefit only one segment of our society are likely to be supported only by that segment.

The House of Representatives has deemed our economic crisis to be such that we cannot afford either a 25c or 35c lunch for our school children. Surely our national pride and priorities will not tolerate children being turned away from their own school lunchrooms because they cannot afford the food inside. The poor children of our nation need our help but so do the millions of middle income children whose families compose the vast majority of the population of this country.

TESTIMONY OF GEORGIA'S MATERNAL AND INFANT HEALTH COUNCIL ON S. 850—WIC, PRESENTED TO THE SENATE AGRICULTURAL COMMITTEE, APRIL 24, 1975

(By Mrs. Charlotte Wilen)

Georgia needs WIC, the Special Supplemental Food Program for low-income pregnant and nursing women, infants and young children.

Nutrition is now universally recognized as a vital environmental factor affecting human mental and physical development and health.

The nutritional status for the population of Georgia remains for the most part unknown; however, low-income status, teenage pregnancy, premature births and failure to thrive in infancy imply the existence of nutrition deprivation and malnutrition.

Approximately one-third of Georgia families have an income below poverty level and one-third of the expectant mothers are classified as "low-income".

The American Public Health Association has determined that low-income mothers show the greatest nutritional depletion after pregnancy. Low-income women also show a higher incidence of maternal morbidity and mortality and produce more infants who die or have handicapping conditions.

One in 11 Georgia children is born prematurely with low-birth weight (5½ pounds or less). Such children are more likely to be under-developed either physically or mentally.

According to the most recently published (1971) vital and morbidity statistics for the State of Georgia, 16.5% of the mothers giving birth were 18 years of age and under, where the health risk factors including nutrition to mother and child is the greatest.

Approximately 25%, or 24.000 births, of all Georgia babies born in 1971 were "high-risk", both to the health of the mother and the normalcy of the child.

Georgia's infant death rate is 9.9% higher than that of the rest of the nation.

Georgia ranks among the bottom 10 states in the nation in the results of surveys on maternal and infant care. For example, in comparison to other states, Georgia ranks 30th in neonatal deaths, 42nd in infant deaths, 46th in maternal deaths, 45th in fetal deaths, and 45th in low-weight births.

We anticipated that 1 out of 10 expectant mothers in Georgia today will have babies born with an obvious mental or physical handicap or who will develop an impairment later in life.

Because of these statistics and the knowledge that: (1) nutritional deprivation during periods critical for growth and development of the central nervous system may cause irreversible damage to subsequent mental development; (2) the effect of malnutrition on the development and functioning of the central nervous system depends on when the deprivation occurs, how long it lasts, and how severe it is (The human brain is more susceptible to damage during the latter part of fetal life and early infancy), Georgia applied for WIC grants which cover the prenatal and preschool periods, the crucial years for preventing physiological and neurological deficits in the population.

Georgia's WIC Program presently is a $3 million dollar project serving approximately 19,132, of a possible caseload of approximately 168,555, living in 60 to 159 counties. This program is an important step toward decreasing the number of birth defects due to malnutrition and the number of low birth weight babies and malnourished infants and children. Georgia seeks WIC Statewide. Moreover, we believe Congress should make WIC a permanent national program. We support Senate Bill 850 which would do this at a funding level of $300 million dollars each year, as well as, expand eligibility to women up to six months post-partum and to children through the age of four, increase the administrative allowance of 10% to 25% of projected program funds, add nutrition education and outreach components to the program, establish an advance payment procedure, and include a provision which allows for flexibility in the contents of the food package based on medical necessity and cultural eating habits.

Exhilaration at the prospect of 25% of projected funds versus 10% of food cost for administrative costs and at the recognition by legislators of the need for nutrition education has been tempered by the realization that the 25% figure is to conclude costs for outreach, referral, operation, monitoring, nutrition education, general administration, start-up, clinic, and administration of the State WIC Office.

Presently, administrative costs for local programs approximate 19% of food costs. This percentage does reflect the fact that entire or partial salaries paid to several program staff come from other sources. So the amount of money available for hiring staff to build a nutrition education component of WIC will be very limited.

In Georgia, only one county of a total of 159 counties, supports a nutritionist on its own. Three districts, representing 30 counties, each support a nutritionist; and thanks to a twelve month grant from the National Foundation—March of Dimes there is a nutritionist serving WIC participants in another district made up of 10 counties. The remainder of the State must look to the Department of Human Resources for consultation and assistance. The presence of a nutritionist building a nutrition education component for WIC has strengthened the program as anticipated. Therefore, WIC funds for the establishment of nutritionist positions will help meet an urgent need.

The WIC population is unfamiliar with eating nutritious foods. Simply providing the foods to people is often not sufficient guarantee that the food will have the effect Congress intended. People who are unfamiliar with a food and don't like it, will not eat it or insure that their children eat it, unless they are shown why it is important. Program administrators cite nutrition education as a vital factor in making WIC effective.

Major responsibilities of WIC nutritionists will be to obtain detailed diet histories, evaluate the patients' dietary and nutritional needs, develop nutritional care plans in consultation with clinical staff, provide direct dietary counseling to patients and their families in the selection and preparation of food in relation to nutritional needs, family income, cultural food pattern, and home facilities, maintain adequate nutrition records for patients and conduct group educational programs for patients.

It is believed that every member of the health team, including home health aides or outreach workers, should be taught the basic principles of a sound diet so they can reinforce the nutritionists' efforts. The goal is to provide WIC participants with the knowledge and skills needed in selecting nutritious food, so that upon discharge from the WIC Program, they will be more knowledgeable consumers.

WIC's termination would be detrimental to the health of thousands of Georgia citizens. Block grants to the States, as proposed by the Administration, are not satisfactory either. Women over 17 would no longer be eligible for WIC and the eligibility of infants would be left to the discretion of

each state. We support Senate Bill 850 for several reasons:

(1) While school lunch and breakfast programs have for years provided nutritious meals for school children, no food assistance program was available for the periods of life when the most important growth and development take place: gestation and infancy. The WIC Program is designed for all these periods to provide nutritious foods at the times of greatest need.

(2) Nutrition counseling and education during pregnancy and lactation can only be effective if the patients can afford the food they are instructed to eat. The WIC Program provides the opportunity to give meaningful nutrition advice which can be followed because WIC provides the means of obtaining nutritious foods.

(3) Dr. James W. Alley, Director of Physical Health Division for the Department of Human Resources, State of Georgia, states "The economic impact of an early intervention program like WIC merits serious consideration, because neglect of the nutritional needs of mothers, infants and children can result in later high treatment costs and possible lifetime care for the mentally retarded. When one looks at the cost of institutional care and training for a mentally retarded individual, which is now averaging about $30 a day in Georgia, supplemental food can only be viewed as a tremendous health bargain."

(4) In those health department clinics with a WIC Program there has been an increase in overall clinic participation due to its drawing power. This one feature makes WIC different from other food programs because they are not associated with health departments.

In conclusion, I would like to quote a portion of the paper "Economic Benefits for the Elimination of Hunger in America", prepared by Barry M. Pokin of the Institute of Research on Poverty at the University of Wisconsin for the Senate Select Committee on Nutrition and Human needs:

"Improved nutrition improves learning, prevents an interruption of cognitive development and increases the ability to concentrate and work. Also better educated parents lead to better educated children.

"Improved nutrition increases the capability for prolonged physical work, raises the productivity of workers, and increases the motivation to work.

"Improved nutrition results in higher resistance to disease and lowers the severity of disease.

"Improved nutrition decreases fetal, infant, child and certain types of maternal mortality.

"Improved nutrition makes healthy mothers who have healthy children."

The Council on Maternal and Infant Health, which I represent, sees WIC as a means of reaching its goal of providing every Georgian with a good state in life.

We are pleased that B'nai B'rith Women join us in this advocacy in as much as since 1966 they have maintained an active volunteer educational—motivational prenatal care program for expectant mothers in need of public health care throughout the country.

GUN CONTROL

Mr. PERCY. Mr. President, the need to provide effective gun control measures is growing more evident each day. As the number of people senselessly gunned down by handguns increases, and as our cities take on the appearance of armed camps, the people have become more vocal in their demands that something be done—now.

Whereas in the past every Member of Congress could count on the organized write-in effort of the National Rifle Association, easily identifiable by the similarity of the letters and the stridency of their content, we are now seeing more and more letters which are not the result of organized efforts, but which instead reflect the concern of the overwhelming majority of Americans that handguns must be strictly controlled.

Public opinion polls consistently show that, though unorganized, the American people are tired of the NRA frustrating their efforts to be heard. This groundswell has been reflected in editorials from across the Nation in large and small newspapers alike, on radio and on television. All of these are efforts to put the Congress and the administration on notice that we must act in this critical field.

In order to demonstrate the growing concern in this area, I ask unanimous consent that a cross-section of editorials and articles urging the adoption of effective gun control laws be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Editorials From the Washington Star-News, Jan. 5, 1975]

HANDGUNS—A MADNESS

Instead of Lorenzo Henry Wooden, 21, D.C. homicide No. 294, and South Trimble Jr., 78, D.C. homicide No. 295 for last year, the victim could as easily have been you. Don't delude yourself for a second about that. Both men, one black and one white, one young and one elderly, were blasted by pistols in the hands of thugs. Both men died by the senselessness of sheer chance that, with brutal certainty, will violently end the lives of thousands of Americans, here and across the nation, during this unfolding year.

Wooden was gratuitously gunned down during a robbery in The Star-News building in Southeast Washington on the last day of 1974. A few hours later, a holdup man's bullet slammed into Trimble's neck as he was parking his car in the garage of his apartment building in Northwest after New Year's Eve church services. Wooden's killing set a homicide record for the District; Trimble's slaying extended that vicious mark just three hours before the advent of 1975.

"Those whom the gods wish to destroy, they first make mad," wrote Euripides. The horrible toll of death by firearms—and in particular by handguns—is a national madness, as deadly in its implications as any we face.

Of the city's 295 homicides in 1974, 161 of them—well over half—were by handguns; in Baltimore, with 293 slayings, 178 were by pistols. In 1973, according to the FBI, 53 percent of the 19,510 homicides in America were caused by handguns. If the moral of those cold numbers cannot be grasped, we shall deserve the anarchy that awaits us as surely as winter follows fall.

Those who bleat their silly and specious slogans—such as, "Guns Don't Kill People: People Kill People"—yap that gun control will lead irrevocably to the end of civil liberties, will put us in bondage to some malignant tyranny. That is rot, an affront to our presumed collective intelligence.

Gun control legislation—most of which, enacted at the federal and state level, has been anemic or emasculated—in recent years has provided clear protection for sportsmen, for target shooters and the like. Legislation has been aimed at handguns and particularly at the cheap weapons still being made with imported parts. Lord knows it has been a modest assault.

How much blood must be spilled before we confront the handgun issue as the pestilence that it is? "If it were bubonic plague then they (citizens) would think it would affect them," says Dr. James L. Luke, the D.C. medical examiner whose grisly duty it is to rule on these deaths. And contributing to the indifference of many of us is the inescapable fact that the victims of much of this random death from firearms are residents of what euphemistically is called the inner city.

It is a bleak prognosis. Captain Robert Boyd, commander of the D.C. homicide squad, put it bluntly after the Wooden and Trimble killings: "There is no deterrence." As in the case of the last two victims of 1974, Boyd said many of these death come during robberies. "Why not kill them (the victims)? It cuts down on your chances of being caught and if you get caught, so what?"

So make certain, by mandatory statute, that every felony involving a handgun carries a stiff penalty for use of the weapon, a sentence that cannot be suspended and that must run consecutively with any other penalty. That is not draconian given the pervasiveness of this insanity.

At the same time, let the courts view the illegal possession of a handgun for what it is—a probable precursor of a more serious crime. These are not solutions. But if the laws which exist are enforced with the consistent severity the situation demands, it could help stanch the flow of blood. Plea bargaining on weapons charges must be drastically curtailed by prosecutors; judges must not permit the relatively few people convicted on gun charges from quickly returning to the streets with suspended sentences.

And eventually, and soon for all our sakes, we must confront the broader solutions: A solid prohibition on importation of foreign-made parts for the cheap handguns that have but one purpose—to kill; a national registration requirement for those civilians able to make convincing cases for possession of pistols; finally, a flat ban on possession of handguns by anyone other than law enforcement personnel.

The frontier has long vanished. If we remain as callous and as contrary to this deadly phenomenon as we now appear to be, a jungle shall succeed it, a jungle that will allow insulation for no one. For the families of Lorenzo Wooden and South Trimble, Jr., that jungle already has overtaken.

[From the Chicago Daily News—Jan. 6, 1975]

THE RISING TIDE OF VIOLENCE

A lot of unenviable records were set in 1974, but none was more dismal than Chicago's high mark for homicides—968 persons murdered in the course of a single year. The number was higher by 104 than the previous record of 864 set in 1973.

Police officials see little hope that 1975 will be better, and indeed the new year got off to a particularly bloody start with 15 killings in the first 48 hours. If that rate continued, the toll would climb past 2,500 before the start of 1976.

Daily police reports have long been replete with horror stories: family squabbles settled with blazing guns, youngsters not yet in their teens casually robbing and then killing their victims, random shootings that claim lives "accidentally" just as surely as if the intent were clear.

On the first day of January a fireman on his way to help extinguish a fire lost an eye when he was hit by a shotgun blast, blamed on a sniper. Firemen report frequent attacks on them, usually by flying bottles or other objects but occasionally by gunfire, as they battle blazes in certain sections of the city. It has become increasingly dangerous to deliver goods or even the U.S. mail.

The search for causes of the rising tide of violence leads in many directions, ranging from poverty and overcrowding to a steady diet of violence in the movies and on television. But tracing cause and effect is difficult at best, and which theories are valid and which are mere excuses hasn't been determined. Far worse poverty and overcrowd-

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ing exist elsewhere in the world without provoking the incidence of murder that we have here.

Whatever the reasons, a society that presumes to call itself "peaceful" and "civilized" cannot tolerate the loss of values and the cheapening of human life that the trend indicates. And if it remains a puzzle as to what can be done to isolate and eliminate the root causes of the problem, there is still one step—long overdue—that would go far toward saving lives now heedlessly cast away.

Easy access to guns is responsible for an overwhelming number of homicides. Even if violent behavior persists, without handguns the toll would be much reduced. Outlawing handguns, with as few exceptions as possible, is one logical move to curb the homicide rate. The grisly record of 1974 ought to be clinching evidence—even to the gun lobby—that the day of the handgun in the United States must end.

[From the Washington Post, Jan. 17, 1975]

Controlling Handguns—And Violence

(By Jerry V. Wilson)

A succession of public opinion polls since 1938 has shown that a majority of Americans favor gun control. A 1972 poll showed 71 per cent of all persons and 61 per cent of gun owners in favor of some form of gun control. But their sentiments go unshown in either the ballot boxes or in mail response to the issue. A variety of political figures have lost elections after campaigning for handgun control. The lingering suspicion is that advocacy of handgun control is more likely to lose than to gain votes. This hazard deters many political leaders from pressing for effective legislation.

And constituent mail has a lot to do with how politicians act on hot subjects. Lobbyists against gun control reportedly can generate one-half million letters to the Congress.

After I wrote a column last month calling for stringent handgun control, the few letters I received were all opposed to the notion. I think it worthwhile to share some of them with you:

From Nevada: "Jerry V. Wilson . . . made me nauseous. To this imbecile . . . murder lies in the gun and not the man . . . ."

From Wisconsin: "(Gun manufacturers) could sell 10 times the number of handguns than they do . . . if they were the money hungry capitalists that you suggest. . . . What about the trapper who needs a pistol to make his living? What about the rancher out mending fence in snake country? . . . (What) about the competitive target shooter like myself? . . . (Register) the owner and not the weapon . . ."

From Idaho: "Do you realize how many (criminals) have been stopped because they are afraid of getting shot? . . ."

From Maryland: "I have been a hunter and collector of fine handguns since 1946 . . . and have a fine collection . . . valued at $50,000 . . . (their) value and authenticity would be distroyed if . . . made inoperable . . . (less) than ½ of 1 per cent of handgun owners are ever involved in any form of crime or of violence involving the use of a gun . . ."

Several of the issues mentioned above deserve response.

First, my own observation of handgun advertisements and displays indicates no holding back on production by manufacturers. Second, firearms obviously are needed in some instances, particularly in rural areas, for self defense against criminals, for protection against wild animals or snakes, and by hunters and trappers. But self protection and hunting needs can adequately be filled by rifles and shotguns, which are seldom used either in murders arising out of domestic or other quarrels or as weapons in other crimes.

The pleasures of handgun collectors and target shooters are another matter. Their need for handguns is harder to justify. But the National Council to Control Handguns does propose some accommodation of their desires with licensing ownership of handguns to be kept in secure places reasonably inaccessible during moments of passion or by burglars and thieves.

"Control the owner, not the weapon" arguments derive from the notion that the deaths are caused by people, not guns. Unfortunately, that is only half true. Each year in America about 9,000 people are murdered and about 10,000 people commit suicide by use of handguns. True, in each case some person pulled a trigger and in many cases an alternative weapon might have been used if no handgun were available. But experience demonstrates that other weapons are less likely to inflict fatal wounds. Indeed, the *handguns* did not kill those people, but the availability of *handguns* did. Limiting handgun availability to "respectable" people is not going to save those lives, unless the limitations are extraordinarily stringent.

As one correspondent noted, the approximately one-quarter million murders, robberies, assaults, and suicides involving handguns each year involve less than one per cent of the 30,000,000 handguns in America. But what do all those handguns contribute to our society to justify the deaths and crimes of which they are instruments? For example, by sharply reducing the availability of handguns, America can almost certainly match the life saving of the 55 mph speed limit.

Nothing is likely to happen, however, so long as handgun lovers write to their legislators, while handgun control advocates answer pollster's inquiries and otherwise are silent.

[From the Chicago Tribune, Jan. 18, 1975]

Jail for Gun Violators

Mayor Daley wants the city's gun laws tightened to provide a minimum jail term of 10 days for possessing an unregistered firearm. Under the amendment to the city code he proposed Wednesday, penalties would range up to six months and would apply to first offenders.

That would be far stronger than the present law, under which violators of the gun registration ordinance may not be jailed—only fined up to $500—for the first two offenses. Stiffer penalties are not the only thing needed to control Chicago's horrifying murder rate, which is already running 64 per cent ahead of last year's. But they would help, and we hope the amendment is allowed to become law.

There will naturally be a violent outcry against this proposal, as there is against every effort to make the tools of murder less easily obtainable. The standard, all-purpose argument against gun control laws, however, does not apply very convincingly here. It is that such restrictions are observed only by law-abiding citizens—criminals ignore them so the effect is to give the criminals an advantage.

The argument makes no sense in this case, if it ever does. The purpose of this amendment is to make a clear distinction between lawful and illegal ownership of guns and to penalize the latter. Since the law-abiding gun lover presumably is as interested as the rest of us in discouraging murder and armed robbery, he should be willing to help accomplish that purpose. [Unless he wishes to argue that the inconvenience of registering is too great a sacrifice to ask of gun lovers, however civicminded.]

We do not think local or state laws, however stringent, will ever dry up the lethal traffic in handguns. The ultimate answer appears to be uniform, nationwide federal laws restricting not only sales but manufacture of weapons useful almost solely for homicide.

Meantime, though, Chicago is facing a wave of homicides which crested this week with 6 fatal shooting in 4½ hours. The city will have to do what it can. Making illegal gun ownership riskier than it is certainly is worth doing.

Guns and the Rule of Law

Every year, the owners of about 100 million motor vehicles in the United States go to one of the hundreds of motor vehicles bureaus in each of the 50 states and register their vehicles or renew their permits to operate those vehicles. No one finds anything extraordinary about that; it is done as a matter of course and with virtually no protest. No congressman feels compelled to inveigh against the automobile registration laws, no senator considers it essential to his political survival to oppose them. We all take it as a matter of course that we must regulate the widespread use of machinery as potentially dangerous as the automobile, and that we must have a way of keeping track of those who use them in the event of their misuse.

By coincidence, Americans are estimated to own about as many firearms as they do automobiles—100 million or close to two for each household. And unlike the automobile, whose essential purpose is transportation, guns are an essentially single-purpose commodity: they kill. Yet, we can regulate automobiles with relative ease, while regulating the gun is one of the most enduring political difficulties in our society. In part, the reason is that the gun is enshrined in our historical mystique. It is also the subject of an intense lobbying campaign based on a misguided interpretation of the Constitution. Whatever the reason, effective gun control has eluded our society while the tragedies proceeding from the proliferation of guns, especially in urban America, mount daily:

Dennis Banks, a good Samaritan, goes to the aid of a bus driver in Washington and is shot in the chest and dies; a public-spirited New Yorker goes to the assistance of an embattled police officer and loses his life, leaving six children orphans. Each day's news brings another grim reminder that the gun, especially the handgun, has no place in a crowded urban society. Whatever its value may have been in winning the West, the handgun's usefulness has long since passed.

On the contrary, its role today generally (and cruelly) turns out to be the opposite of that for which it was intended. People buy guns to protect themselves, but for every robber stopped by a gun, many times that number of people are injured in accidents, quarrels or other circumstances that have nothing to do with home protection.

For these reasons, 71 per cent of the American public favors some sort of gun control legislation, and increasingly the Congress is getting that message. This legislative season has thus the best prospect for action of any congress since the mid 60's, when the "Saturday Night Special" stole the show and diverted the argument from the real problem of gun proliferation.

We think that this year, Congres has an obligation to do something it has never done properly—sort out the facts about guns and the gun market very carefully before seeking to legislate. Before long, there will be dozens of pieces of legislation in the hopper. Some will call for the outright confiscation of every privately owned handgun in the land. Others will merely require stricter registration of guns, and some will seek to regulate ammunition. The great danger is that if extreme care is not taken, we may legislate against the wrong thing, or at least place the legislative emphasis on the wrong problem.

As with illegal drugs, there is a tendency in the gun control debate to focus on the streets, where the worst of what guns can do is plainly seen. Thus, several cities have tried to buy guns from citizens, and without much effect on crime. The problem then is compounded because frustrated citizens see

their tax dollars going to buy guns and yet they see no reduction in crime.

The weakness in the street approach is that as fast as the police in a city buy guns, more guns are poured into the market from various illegal channels. That is why this approach is as inadequate as trying to stop the drug traffic by picking up petty dealers and users.

If this Congress wishes to make the first serious dent in the gun market, it must begin with a careful study of the structure of that market. It must seek through hearings to discover where the great bulk of illegal guns comes from, how the guns reach the streets and who profits at each stage of that process. Several years ago, New York City, which has the oldest and strictest gun control law in the country, did a study of the origin of those guns which were involved in several serious crimes. The study concluded that there is a network of underworld gun running, frequently originating in the South, that was responsible for pouring thousands of guns onto New York's streets. Congress must find out how that system works, and how those illegal guns get into that network. Very little is known, for example, about the percentages of guns "lost" in the process of manufacture by reputable firms. Here again we find shades of the drug problem where, for example, amphetamines are legally manufactured and then "lost" in Mexico, only to reappear illegally on the streets and campuses.

About 70 Americans a day die by gunfire. The figure has been climbing since 1963. That is an epidemic which requires action. But such action should be measured and thoughtful so that its result will be sure. The gun lobby is prepared, as always, to argue that "guns don't kill people; people kill people." The reasoning is transparently specious. While homicide by all other means has risen 10 per cent in the last 12 years, homicide by guns in the same period has risen 48 per cent.

If anything else were responsible for that kind of increase in deaths, we would have found some way to prevent those deaths. To the extent that gunshot deaths are produced by accident or in the heat of anger, they may be prevented or diminished by the removal of guns from people's hands. We will hear again that the Second Amendment forbids the government to abridge the right of citizens to bear arms. That argument is made without any reference to the decisive Supreme Court ruling on the subject (*U. S. v. Miller*) in 1939. The Court said the Second Amendment was intended to protect the right of states to maintain a militia, what we now call the National Guard. The Second Amendment was not intended to provide that every citizen could tote lethal weapons. Since no such constitutional right exists, that canard should be eliminated from the debate. The only issue is whether any citizen has a legitimate right to own a handgun, and how such ownership will be controlled. We control the ownership of cars, we can do it with guns—and we must.

[From the Chicago Daily News, Feb. 22, 1975]

Dry Up Handgun Arsenal

"Guns enable people to kill people easily, thoughtlessly, comfortable and on the spur of the moment, and increased guns mean increased violence."

With these words, Rep. Dan Rostenkowski (D-Ill.) introduced in the U.S. House on behalf of himself and Rep. Abner J. Mikva (D-Ill.) a bill that would begin to dry up the ever-increasing pool of handguns in the United States. The measure would ban the manufacture, sale and trafficking in such weapons. Exceptions are made for law enforcement personnel, members of pistol clubs and collectors.

Legislation along these lines at the federal level is the only hope of saving an increasing number of men, women and children who lose their lives at the simple squeeze of a handgun trigger. In 1973, there were an estimated 13,040 such persons, 10,340 of whom were murdered.

As the recent Daily News series on "Guns that Kill" pointed out, Chicago's virtual ban on handgun purchases by private citizens counts for little since a customer needs only to step across the city line to so arm himself. A state ban would run into the same obstacle. The remedy lies with Congress. (And to respond to an analogy that is a favorite of the gun lobby—a shipment of gun metal is a lot easier to detect at U.S. borders than is a shipment of the powdery stuff narcotics are made of.)

Handgun owners also maintain that with crime rampant, law-abiding citizens need guns to protect themselves. But according to Chicago police, handguns bought by law-abiding citizens and subsequently stolen are a major source of handguns used in the commission of crime.

Enforce existing laws and lock up the gun-law violators, say handgun owners. Of course that should be done. But it's not a simple question of will, as the gun lobby implies. It will take money to use the gun-purchase information available to track down criminals. And it will take even more money to beef up the forces of prosecutor, judge and public defender, which is the necessary condition for reducing the plea bargaining that sees the length of prison terms dwindle.

But stricter enforcement and stiffer sentencing can go only so far. The best way to separate the wife whose husband has gone into a rage is to keep that easily fired handgun out of this hand. And provisions for swift and lengthy imprisonment are unlikely to deter a young punk bent on mugging from using the weapon that will make his potentially deadly business easier. He simply doesn't expect to be caught.

With few exceptions, for which provisions can be made, handguns are designed to kill people. So in the last analysis, the controversy is over an individual's right to go on living and the so-called right to use a handgun at one's convenience. The two cannot be compared. Handguns must go.

[From the New York Times, Feb. 24, 1975]

Guns Versus People

At the conclusion of the latest hearings on legislation to control the proliferation and abuse of guns, Chairman Conyers of the House Judiciary subcommittee said "The public is literally screaming for something to be done." This judgment, based on a Detroit Congressman's sense of the public mood, is a significant rejoinder to the well-financed and highly organized gun lobby's claim that Americans continue jealously to guard the "right to bear arms"—a distortion of the Second Amendment's intent to authorize the maintenance of a citizen's militia.

The appalling statistics of gun-inflicted homicide—over two-thirds of the approximately 20,000 murders committed annually—clearly justify the view, expressed at the hearings by Representative Bingham of New York, that "we are literally out of our minds to allow 2.5 million new weapons to be manufactured every year for the sole purpose of killing people."

The flow of illegal handguns into New York, largely from the Southern states, proves that strict local gun control laws simply cannot stem the tide in the absence of Federal legislation designed to control the manufacture, importation and sale of guns from coast to coast. Mayor Beame estimates that there are currently 1 million handguns in this city are 8 million men, women and children. Yet, New York is not even a particularly flagrant example of gun-abuse; other cities, among them Atlanta, Detroit and Cleveland, suffer from even greater violence-by-gunfire.

Nationwide, 123 police officers were killed by handguns last year. Patrick V. Murphy, the city's former Police Commissioner, who now heads the Police Foundation, is clearly right in insisting that "the solution is to disarm the citizens." Those who oppose such a policy because they consider guns an essential means of self-protection ignore the high and rising rate of deaths and injuries resulting from accidental or impulsive use of guns within the homes they are supposed to protect.

The United States is virtually alone among major nations today in allowing firearms to pose a routine threat to public safety. The experience of civilized men and the expertise of modern law-making should be adequate to the task of putting an end to this growing menace.

[From the Nation, Mar. 1, 1975]

Gun Crazy

For the first time in several years there appears to be a real possibility that the Congress will enact comprehensive gun control legislation. Rep. John Conyers, Jr. (D., Mich.), chairman of the House Judiciary Subcommittee on crime, has opened hearings on the subject. "I represent a constituency that is fed up with killing and needless tragedy," he said earlier. "By now, no one can legitimately argue that there is any justification for allowing the slaughter on our city streets to continue."

Congress has let that slaughter continue—despite polls showing that more than 70 per cent of the American people favor gun control—primarily because of the power of the National Rifle Association to generate perhaps 500,000 letters on signal. But there are signs that the NRA's ability to veto gun control legislation is eroding. Murder rates rose to an estimated one in 10,000 in 1974. The year before, the last for which there are definitive figures, two-thirds of those murdered were killed with firearms, more than half with handguns. As Conyers has pointed out, the American homicide rate is the highest in the world.

Since the passage in 1968 of the fatally inadequate Gun Control Act, patterns of murder have taken a horrifying turn. What Prof. Franklin Zimring of the University of Chicago calls "recreational murders" have been occurring with increasing frequency. Says Joe DiLeonardi, head of the Chicago police homicide section: "Our greatest concern is the young person killing on the street for a thrill. Killing for the fun of it." Senseless murders, too, are becoming more widespread. According to the *Los Angeles Times*, one Chicagoan recently killed his brother, complaining, "He didn't say happy birthday to me." That is but one example of many. The nation's capital was recently struck by the murder of a 22-year-old man, Dennis Banks, who was shot after trying to stop a gang holdup of a city bus driver. Like more than half of the American murder victims in 1973, Banks was black. Eleven days after the slaying, D.C. Delegate Walter Fauntroy introduced legislation to ban handguns.

The consensus for gun control legislation is growing. Big city mayors, members or Congress and police chiefs have spoken out. Writing last month in *The Washington Post*, former Chief Jerry V. Wilson, considered a staunch member of the law'n order camp, asked ". . . what do all those handguns contribute to our society to justify the deaths and crimes of which they are instruments?" According to Zimring's estimates, assault with a gun is five times as likely to kill the victim as assault with a knife. The case for comprehensive gun control was documented years ago and has never been substantially challenged.

The new Congress, missing several of the traditional gun lobby agents, should and can make control of handguns a top priority. The newly formed National Council to Control Handguns should be aided in its efforts to

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organize heretofore quiet and isolated advocates of gun control. Women's groups, whose members too often have to bear the consequences of sometimes fatal male *machismo*, should actively participate in forging any new legislation. According to *The Christian Science Monitor*, a crime is committed with a gun in America every two minutes. That is something television can constructively show.

Despite a seemingly more favorable atmosphere on Capitol Hill, an extraordinary effort still will be required to push through adequate gun control legislation: "Nothing is likely to happen," Wilson says, "so long as handgun lovers write to their legislators, while handgun control advocates answer pollsters' inquiries and are otherwise silent."

If Congress is not to strike out once again it must aim at legislation which imposes a ban against ownership and possession of handguns, with a few narrowly defined exceptions), provides for a period within which these guns can be surrendered in exchange for a stipulated schedule of payments (thereafter illegal possession of a handgun would constitute a criminal offense), and regulates the sale of ammunition for such guns. Even with legislation that meets these specifications, it will take a long time to reduce substantially the number of handguns.

[From the Chicago Daily News, Mar. 12, 1975]

HANDGUN FOES GATHER FORCES

A new lobby is coalescing to bend the ears of U.S. senators and representatives. It is the antihandgun lobby.

Law enforcement officials have been in the forefront of the movement. Chicago Police Supt. James M. Rochford recently traveled to Washington to tell a House Judiciary subcommittee that there is a clear correlation between the availability of handguns and violent crime. A police report released Monday shows that 490 of last year's 970 murder victims in Chicago were slain with handguns.

But more important, ordinary citizens are adding their voices to the chorus. The Committee for Handgun Control, which won the landmark court decision that handgun ammunition is a hazardous substance subject to control by the federal Consumer Products Safety Commission, was launched by four North Shore homemakers.

Cabdrivers and owners of dry cleaning and tailor shops are circulating petitions calling for stringent controls. Officials of the Checker and Yellow cab companies and the Chicago Retail Cleaners and Tailors Assn. participated in the campaign kickoff this week.

Many prominent individuals have summed up the case against the private ownership of the deadly little weapons. But it will take more than well-reasoned arguments to overcome the persistent and powerful lobbying of the pro-gun forces. It will take a massive show of support to win legislation to begin drying up the huge pool of handguns in the United States—a pool that numbers 40 million, is increasing at a rate of 2 million a year, and amounts to a billion-dollar-a-year business. The counterattack has begun, and it provides a forum for the millions of Americans who are fearful of the increasing handgun menace.

[From the Chicago Sun-Times, Mar. 12, 1975]

BAN THE HANDGUN

In the dry but appallingly eloquent language of statistics, the Chicago Police Department has demonstrated anew the need for strong federal legislation to curb the availability of handguns.

In 1974, 970 men, women and children were murdered here. Never before in the city's history had so many so died. Of the 970, the police reported Monday, 669 were killed by firearms, and in 490 of those cases a handgun was the murder weapon.

The department's report also indicates that, following a nationwide pattern, the murders were crimes of passion that might never have occurred if a weapon had not been immediately available. The report noted that 396 of the murder victims were killed by friends, neighbors or acquaintances.

The failure of Congress to respond to these facts with a strong handgun law is a disgrace. Law-enforcement officials, including Police Supt. James M. Rochford, want such a law. So do big-city mayors, including Mayor Daley. And so do ordinary citizens, who have a basic right to walk the streets of their own neighborhood without the fear of winding up on a slab or in a hospital bed.

No law can eliminate murder or the fear of murder. But a good handgun law can reduce both. Such a law has been proposed by Rep. Abner J. Mikva (D-Ill.) It would bar the sale, manufacture and distribution of handguns, exempting military personnel, law-enforcement officers and members of bona fide gun clubs. Unless Congress wishes to evade its responsibility for more needless fear, death, injury and suffering, it will pass the Mikva bill without delay.

[From the Chicago Tribune, Mar. 13, 1975]

MAKING GUN CRIMES RISKIER

The City Council has passed an unusual kind of gun ordinance—one that can be supported by both the strongest advocates and the bitterest of gun-control legislation. This one provides mandatory jail sentences of 10 days to six months for any unauthorized person caught carrying an unregistered handgun.

The theory, which we find hard to challenge, is that anyone who illegally carries a hidden gun intends to use it either to shoot or threaten to shoot somebody. Even the most ardent gunlover will agree that crimes involving guns are bad and should be made as risky as possible for the would-be criminal.

Disagreement will show up, tho, on whether legislation like this will make further gun-control legislation unnecessary. [We do not think it will.] There is also some concern that mandatory penalties like this have bad results; that they will either overcrowd the jails, or impel judges to acquit defendants rather than sentence them.

In our view, these worries have a great deal less substance than facts like this:

The number of unregistered pistols in New York City has increased steeply over the last year, in spite of stepped-up efforts by federal and city law enforcement agents to block them. Special Agent Michael J. LaPerch of the Treasury Department said he believes there are now close to two million illegal handguns in that city—[illegible]00,000 more than the highest previous estimate [only about 28,000 handguns are registered]. Capt. John J. O'Sullivan, commander of the New York police department's gun squad, told the New York Times that handguns are being peddled openly, "in unprecedented numbers," thruout the city—and the heaviest concentration now is in middle-class sections, not in poorer areas, as it formerly was.

The traffic in illegal handguns is clearly uncontrollable by present means, and is self-accelerating. The ready availability of guns brings on a rise in crime; the rise impels citizens to obtain guns "for their own protection"; and the result is a wide-open gun market from which criminals are the only beneficiaries.

The only rational solution, we believe, is twofold. It includes a uniform federal law more effective than the present 1968 one to curb the manufacture and sale of handguns [state or municipal laws are virtually useless, since they can be evaded by buying from the nearest locality where gun sales are legal]. It also includes stiff penalties for carrying unauthorized weapons.

These are the two blades of a scissors; either one is unlikely to be of much use by itself. The City Council has provided one blade, and it's up to the federal government to furnish the other.

[From the Los Angeles Times, Mar. 30, 1975]

MAJORITY FAVORS TIGHTER GUN CONTROLS, POLL FINDS

(By Mervin D. Field)

While the sale and possession of guns by private citizens continues to rise, large majorities of the public favor tighter legal restrictions on the purchase and ownership of guns.

The California Poll in its most recent survey found an increasingly large proportion of people favoring a law which would require registration of guns with law enforcement agencies. The percentage favoring this has risen from 69% found in 1969 to 82% today.

Additionally, a growing majority of the public says that a license to own handguns should be given to people only if they can show a definite need for them. This percentage has risen from 64% to 68% in the last six years. What is significant about these findings is that even gun owners favor these restrictive measures by substantial majorities.

Despite rising concern about gun control, however, the California Poll found a decreasing majority of people (65%) who would prohibit the sale of guns through the mails. In 1969, this proportion was 80%.

The number of families owning guns in California has been estimated at higher than 50% and the estimate of the number of guns of all types in private hands is more than 20 million.

The following questions were asked of the 504 adults—326 non-gun owners and 178 gun owners—interviewed in the survey conducted during the latter half of February:

"Would you approve or disapprove of a law which would require every citizen who owns or buys a gun to register the gun with law enforcement agencies?"

[In percent]

	Approve	Disapprove	No opinion
1975	82	16	2
1969	69	27	4
Nongun owners:			
1975	88	10	2
1969	79	17	4
Gun owners:			
1975	73	24	3
1969	55	40	5

"Would you approve or disapprove of a law which would license people to have handguns, such as pistols or revolvers, only if they can show a definite need for them?"

[In percent

	Approve	Disapprove	No opinion
1975	68	26	6
1969	64	30	6
Nongun owners			
1975	74	23	3
1969	72	22	6
Gun owners			
1975	57	35	8
1969	53	41	6

"Would you approve or disapprove of a law which would prohibit the sale of all guns through the mails?"

[In percent]

	Approve	Disapprove	No opinion
1975	65	34	1
1969	80	16	4
Nongun owners			
1975	63	36	1
1969	83	13	4
Gun owners			
1975	68	31	1
1969	75	21	4

[From the Sun-Times, Jan. 24, 1975]

BAN THE BULLET

The Committee for Handgun Control Inc., an Illinois organization of suburban women, has taken the stand that if you can't get guns banned, then you try to ban bullets. What the committee hopes is that the Consumer Product Safety Commission will see fit to outlaw bullets as a hazardous substance.

The committee's energetic efforts may just pay off. As the result of a suit brought by the committee, the U.S. District Court in the District of Columbia has ruled the CPS must consider within 60 days a ban on the sale of ammunition for handguns.

The committee's reasoning makes sense: With some 125,000 Americans killed or wounded each year by gunfire, bullets are indeed "hazardous to health." In Chicago, a record number of persons were murdered last year, many of them with handguns.

Banning ammunition is certainly not a complete answer. A strong federal handgun law is still necessary. But the committee's approach remains an ingenious way to carry on the fight for gun control. We wish it luck.

[From the Los Angeles Times, Mar. 30, 1975]

THE HANDGUN ISSUE

Of all the "lost causes" that refuse to become permanently lost, gun control may be near the top of the list.

Heads of law enforcement agencies, once almost solidly against gun control, are joining a growing consensus either for strict control of handguns or favoring legislation to ban their possession entirely. Numbered among them are officials like Sheriff Peter J. Pitchess of Los Angeles County and Jerry V. Wilson, former chief of police of Washington, D.C.

Robert J. di Grazia, police commissioner of Boston, said recently: "In my view, private ownership of handguns must be banished from this country."

And now the California Poll in its most recent survey reports that an increasing proportion of people in the state favor a law that would require registration of guns with law enforcement agencies. Significantly, the percentage supporting gun registration rose from 69% in 1969 to 82% today. And of equal significance, or more, the poll discovered that a growing majority of the public believes that a license to own handguns should be limited to persons who can show a definite need for them. Nationally, it is reported that 71% of the public favors some kind of gun control legislation.

The impetus behind this concern is the steadily rising murder rate in the United States, the highest in the world. Murder victims in 1973 numbered 20,518, an increase of 880 over the previous year, and the 1974 toll is expected to be higher. In 1973—the latest year in which figures are available—handguns were used in 53% of homicides, shotguns in 8% and rifles in 6%. Of the 134 law enforcement officers killed last year, 95 were killed with handguns and all but four of the remaining 39 died from other firearms. Franklin Zimring, of the University of Chicago law school, reports that homicides by handgun increased more than three times as much in the past six years than murder by other means. And he notes an ominous new development in the murder pattern—"recreational murders", the random killing on the street for the thrill of it.

A more favorable climate for new gun control legislation is reported in Congress. It may be possible that Congress will require the registration of the estimated 35 million handguns privately owned. Such action would be encouraging as an indication that Congress will do what it ultimately must do to reduce the dreadful carnage. Long arms must be registered, and a ban must be imposed against private possession or ownership of handguns, with the exception of guns used solely for sporting purposes. The longer we delay the longer will thousands of victims pay with their lives for our neglect.

[Editorial from WBBM-TV, Chicago, Ill.]

GUNS—PART I

(By Gary Cummings)

Next Monday and Tuesday, a committee of Congress will hold hearings in Chicago on a series of proposals for stronger handgun laws. One measure, proposed by Congress Abner Mikva of Chicago's North Shore, would ban the manufacture, the sale and the importation of handguns, except for use by police and by pistol clubs.

WBBM-TV supports tougher gun control in general and this bill in particular. Mikva's bill proposes removal from the streets of most of the 40,000,000 handguns now in private possession. Yet it will allow sportsmen to own and use handguns for target shooting and recreation through gun clubs.

The Congressional hearings represent the first time that a committee considering gun legislation has come to the people to find out what they want. Previously, Congress defeated gun control after listening mainly to the strident, well financed lobbying by the National Rifle Association. Congress ignored the fact polls show 85% of the population wants tougher gun laws.

You can be sure pro-gun groups will be arguing loud and long at next week's hearings. But for the first time there is an effective way for the majority which opposes guns to be heard. It is through the recently organized Committee for Handgun Control. The committee will be at the hearings too, arguing against the gun lobby, for the majority.

This is your chance to be heard directly on gun control. Write your support for tough gun laws to the Handgun Control Committee. They will personally deliver your letters to the congressmen next week. Write to the Committee for Handgun Control, 111 East Wacker Drive, Chicago, Illinois 60601.

There is a good chance that significant gun control legislation will result from these hearings, especially now with the support for gun control voided by Attorney General Edward Levi. But the laws will come only if the majority is heard and listened to.

An outpouring of letters from those who favor gun control can make a difference, can neutralize the N.R.A. and can result in more effective gun laws.

That is the opinion of the management of WBBM-TV.

[Editorial from WBBM-TV, Chicago, Ill.]

GUNS—PART II

There is an election of sorts in the Chicago area this week, an election possibly more important than any political balloting. It is an election that might save hundreds of lives a year. It is an election of gun control. The proposition is whether handguns should be banned. The polling place is your local drug store.

Most of the 1,200 drug stores in metropolitan Chicago are displaying petitions like this one on their prescription counters. The petition asks if you favor banning handguns, with police and pistol clubs excerpted. If you do, check the "yes" box. If not, the "no" box.

In the truest sense of democracy, this is a direct election. The results of the balloting will be tabulated and will be presented to members of Congress. The Congressman will be in Chicago Monday and Tuesday conducting hearings on tightening federal gun laws. One bill they are considering deals with the specific question on the petition. That bill would ban handguns except for police and club use.

Repeatedly, in the past, Congress has rejected significant gun control, caving in to pressure from the National Rifle Association. The NRA has exerted pressure far in excess of its membership or consistency.

Polls show that 85% of the population wants tougher gun laws. Yet Congress has ignored the majority.

Now is the time for the majority to be heard. It can be done simply and effectively by voting at the drug store. It is time for the message of the people, not the gun groups, to be transmitted to Congress. And it is time for Congress to listen.

Vote this week as if your life depended on it. It might.

That is the opinion of the management of WBBM-TV.

[Editorial Reply from WBBM-TV, Chicago, Ill.]

REPLY TO A CHANNEL 2 EDITORIAL SUPPORTING STRONGER GUN CONTROL LEGISLATION, BY LES FIELD, LEGISLATIVE REPRESENTATIVE OF THE ILLINOIS GUN COLLECTORS ASSOCIATION

Channel 2's recent editorial told of the Congressional Subcommittee on Crime's televised hearings over WTTW-TV Channel 11, on Monday, April 14th, and Tuesday, April 15th. The rest of this editorial was simply another CBS attempt to convince you to give up your right to own guns, starting with handguns, and especially to give up your right to keep a gun to defend your life, your family and your home.

Every citizen knows that CBS and Channel 2 have backed so-called Gun Control laws that have never controlled criminals of crimes. In 1968, Channel 2 backed the passage of National, and State-wide gun laws, and a City of Chicago Gun Registration Law.

While passing those laws, Channel 2 and the politicians told us that a "first step" had been taken, presumably, to reduce crime and shootings. But the number of murders has risen from 395 to 970 in Chicago from 1965 to 1973, while in the rest of Illinois, without registration laws, the rise has only been from 156 to 186. The "Successes" of "strict gun control" are such that official Illinois statistics reveal that "core cities" (meaning principally Chicago) now account for Ninety per cent of the armed robberies and 85% of the homicides in Illinois.

We suggest that you ignore Channel 2's urging to support any gun control bill or any gun control committee. Don't allow yourself to be manipulated by CBS.

What Illinois and the United States as a whole badly need are laws that would assure swift trials and appropriate sentences, actually imposed by conscientious judges, and actually served by violent criminals. We don't need the futile waste of new ineffective gun control laws.

[Editorial reply from WBBM-TV, Chicago, Ill.]

REPLY TO A CHANNEL 2 EDITORIAL SUPPORTING STRONGER GUN CONTROL LEGISLATION, BY GEORGE NOVOTNY, SPEAKING AS A PRIVATE CITIZEN

A Channel 2 Editorial recently asked you to sign a petition at your local drug store for a federal handgun law. I contend that we don't need more laws. Do you know that 99.98% of gun owners do not commit murder? I've been told that of all the robbers, housebreakers, murderers, and rapists killed while committing these crimes, 30 to 40% were killed by private citizens, not by police. What would have happened if these citizens had not had guns? Think about it!

We do need laws to punish illegal gun users, but laws recently proposed seem motivated by hysteria rather than common sense.

Laws that render citizens helpless encourage crime rather than prevent it. This has happened in New York City, where fear is a way of life.

Will our legislators be as eager to relinquish their body guards and police escorts

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as they are to disarm honest citizens, at a time when violence is rampant?

A government that can disarm a populace can also censor the news media and abolish free elections, as in Hungary and Nazi Germany. TV stations who allow police programs to constantly depict all private gun owners as raving maniacs, should be held responsible at FCC license hearings for biased programming.

If you want the truth, contact your local gun club and judge for yourself. Don't let politicians and editors tell you what to think. If you are silent now, you may not get another chance. Remember, when guns are outlawed, only outlaws will have guns.

[From the Chicago Sun-Times, Apr. 8, 1975]

Near-Miss on Handguns

In what can be described as a near-miss, Atty. Gen. Edward H. Levi has sketched out measures aimed at stopping the slaughter in big cities by handguns. There is no other term for it but slaughter, as Chicagoans well realize looking at statistics that show 490 out of 970 murders last year were committed with pistols.

One of Levi's suggested remedies is simply taxing that shabby but lethal "Saturday night special" beyond easy availability. Preferably, explained Levi, the federal government would prohibit the possession of all handguns outside of the home or place of business, if the local rate of violent crimes rose above a certain level.

Levi proposed pegging the ban to metropolitan areas where such crimes rose either 20 per cent higher than the national average or 10 per cent higher plus a 5 per cent increase over the previous year. Under these criteria, some 62 metropolitan areas, including Chicago, would meet these grim requirements.

Levi correctly approaches the evils of handgun violence from their roots in urban poverty, crowding and despair. Big city mayors, including Richard J. Daley, who know the social problems best are virtually unanimous about handgun control.

What the attorney general has proposed is reasonable, temperate enough to merit congressional action this term. But he has missed the bull's-eye represented by the bill offered by Rep. Abner J. Mikva (D.-Ill.) which would ban the sale, manufacture and distribution of handguns nationwide, exempting only the military, police and legitimate gun clubs. Is another year of sickening statistics required to make the nation bite that bullet?

[From the Chicago Tribune, Apr. 8, 1975]

Mr. Levi's Gun Compromise

Atty. Gen. Edward H. Levi has offered an imaginative plan for a compromise gun-control law. It would forbid possession of handguns except those kept inside homes and businesses, and would ban outright the sale or transport of guns in areas where violent crime reaches a rate 20 per cent above the national average. In areas where crime is already 5 per cent above the average, a further 10 per cent rise would activate the ban.

If this were a reasonable problem, Mr. Levi's proposal might be a reasonable answer. One might think it would satisfy the gun buffs by allowing them to keep their treasures close by, meanwhile concentrating the force of law on urban areas where the handgun traffic is demonstrably a danger to life.

Both sides moreover, might see this compromise as a smart tactical move. Those [including us] who think the manufacture and sale of handguns for and to the general public needs to be stopped might look at Mr. Levi's plan as a promising step toward that goal. Gun lovers, on the other hand, might well hope that this relatively weak measure would permanently take the steam out of efforts toward real gun control.

Unhappily, normal lawmaking logic does not apply here. Gun lobbyists seem to react with impartial fury against any proposal for gun-control legislation. A bill like this would merely give them a highly vulnerable target.

If enacted, moreover, it would leave untouched one of the great contributors to the United States' horrifying homicide rate: the easy availability of weapons in the home that makes many domestic quarrels lethal.

Whatever gun control bill is advanced in Congress is practically certain to be watered down before passage. If a reasonably effective law is to be passed, therefore it should start out strong enough to survive compromises.

It is unfortunate that this country must compromise between some people's right to live and other people's right to a hobby. Since that evidently is the case, however, we'd better start the law-writing process with a less toothless proposal than Atty. Gen. Levi's compromise suggestion.

[From the Rockfield (Ill.) Register-Republic, Apr. 10, 1975]

Levi Handgun Control Plan Sensible

(By Marion Wilke)

The mention of handgun legislation brings the fearful out in droves, wailing with cries for their self-protection and their right to bear arms.

When the national Young Women's Christian Association approved a resolution at its convention several years ago which mildly suggested handguns be registered, some diehards even went to far as to withhold their contributions from local United Ways.

Chicago has talked about handgun control. It should. Just the other night there were four deaths from handguns within a 12-hour period.

I'm not suggesting that Rockford has any serious problems in those proportions, but let's face it—there are frequent reports of threats, accidents, and misuse of handguns in our own city.

"We confiscate a number of weapons, a couple or three each week," says Police Chief Delbert Peterson. "Armed robberies have been going up . . . there's not much question that handguns play a prominent role in crime in Rockford."

One of the most sensible proposals to come out in a long time is that of the energetic aggressive U.S. Atty. Gen. Edward H. Levi.

For purposes of discussion, he has outlined a plan whereby a federal ban would outlaw the possession of handguns except for those kept in businesses and homes in cities where violent crime reaches high levels.

This means that the rural areas where population is scant would be exempt from the ban.

That may be an ideal solution.

For instance, consider the resort owner in Missouri's southwestern section, with whom I talked last week. He's fearful of any national ban on guns, mainly because of his isolation. Roads leading to and from his establishment in the Ozarks are winding, steep, and difficult to maneuver, and the nearest police protection in surrounding communities of any size is at least 20 miles away.

So he figures he really needs a gun, for his own and his family's protection.

According to the Levi proposal, controls would be instituted in cities where violent street crime is rampant.

Could that mean Rockford?

Certainly not in the context of a Chicago or a New York or a Washington, but perhaps in the context of the possible formula Levi has devised. Chief Peterson agrees the formula might be applicable to Rockford.

One criteria would be based on the Census Bureau's standard metropolitan statistical areas, those with a population of 50,000 or more in the central cities plus the suburbs.

Rockford proper has a population almost triple, although its central city doesn't.

But on the basis of crime statistics the proposed ban could well apply to Rockford.

The Levi plan calls for the ban to be established in each area where violent crime rose 20 per cent above the national average or if it rose 10 per cent in areas where it already was 5 per cent above the national average.

In 1974 Rockford's serious crime rate rose 21.9 per cent above the 1973 figures. It was also well above the national figures and the averages for cities the same size.

Whether or not Rockford falls in the category outlined by Levi, control of handguns in the city would not be all bad.

Nationwide, crime and violence from handguns is a growing problem. There are now estimated to be 40 million in the United States, a number which grows by 2.5 million annually.

Why shouldn't they all be registered, so that the owners are known to police and other law enforcement agencies?

People with a legitimate reason for owning a gun shouldn't have any qualms at all about putting their John Henry on the dotted line.

People who don't have a reason for owning a gun aren't likely to conform to a registration law, but that's no reason for refusing to begin any type of intelligent, restrictive program.

The unfortunate part of the Levi program—and any others short of absolute confiscation of all handguns—is that there is no protection against the careless parent who doesn't take pains to keep the gun out of reach of his children.

Truly one of the saddest stories ever written is that the child who discovers a gun and plays with it, inflicting death or permanent injury to another or himself.

It's time to put away the guns and learn to live in a society based on something more than brutality.

[From the Chicago Daily News, Apr. 12–13, 1975]

A Timely Look at Gun Control

Citizens concerned about their lives, their property and their constitutional rights should find time well spent Monday and Tuesday viewing Channel 11 (WTTW–TV).

The subject: gun control, one of intense interest to Chicagoans. In 1974 970 people were murdered in this city, 490 of them with handguns. In addition there were hundreds of fatal firearm accidents in and around the home, and more than 40 per cent of these victims of carelessness were children.

The forum: hearings by the subcommittee on crime of the U.S. House Judiciary Committee. During 11 scheduled hours of televised testimony over the two days, the subcommittee will hear and question private citizens and public figures, some advocates of strict gun control, others advocates of wide access to private ownership of weapons.

Channel 11 has scheduled telecasts each day for 10:30 a.m. to 12:30 p.m., and 1:30 to 4:30 p.m. Each evening from 7 to 8 o'clock the Public News Center will recap the day's important testimony.

In scheduling these hearings, Channel 11 is performing a valuable public service.

[From the Chicago Tribune, Mar. 13, 1975]

Making Gun Crimes Riskier

The City Council has passed an unusual kind of gun ordinance—one that can be supported by both the strongest advocates and the bitterest enemies of gun-control legislation. This one provides mandatory jail sentences of 10 days to six months for any unauthorized person caught carrying an unregistered handgun.

The theory, which we find hard to challenge, is that anyone who illegally carries a hidden gun intends to use it either to shoot or threaten to shoot somebody. Even the most ardent gun-lover will agree that crimes involving guns are bad and should be made as risky as possible for the would-be criminal.

Disagreement will show up, tho, on whether legislation like this will make further gun-control legislation unnecessary. [We do not think it will.] There is also some concern that mandatory penalties like this have bad results; that they will either overcrowd the jails, or impel judges to acquit defendants rather than sentence them.

In our view, these worries have a great deal less substance than facts like this:

The number of unregistered pistols in New York City has increased steeply over the last year, in spite of stepped-up efforts by federal and city law-enforcement agents to block them. Special Agent Michael J. LaPerch of the Treasury Department said he believes there are now close to two million illegal handguns in that city—500,000 more than the highest previous estimate [only about 28,000 handguns are registered]. Capt. John J. O'Sullivan, commander of the New York police department's gun squad, told the New York Times that handguns are being peddled openly, "in unprecedented numbers," thruout the city—and the heaviest concentration now is in middle-class sections, not in poorer areas, as it formerly was.

The traffic in illegal handguns is clearly uncontrollable by present means, and is self-accelerating. The ready availability of guns brings on a rise in crime; the rise impels citizens to obtain guns "for their own protection"; and the result is a wide-open gun market from which criminals are the only beneficiaries.

The only rational solution, we believe, is twofold. It includes a uniform federal law more effective than the present 1968 one to curb the manufacture and sale of handguns [state or municipal laws are virtually useless, since they can be evaded by buying from the nearest locality where gun sales are legal.] It also includes stiff penalties for carrying unauthorized weapons.

These are the two blades of a scissors; either one is unlikely to be of much use by itself. The City Council has provided one blade, and it's up to the federal government to furnish the other.

[From the Chicago Daily News, Apr. 17, 1975]

Handgun Ban the Best Answer

To watch the two days of gun control hearings just concluded in Chicago by a congressional subcommittee was to watch urban society go through public agony of fear.

The fears are real.

It isn't imagination that prompts the owner of a small store, often robbed at gunpoint, to keep a loaded handgun under the counter.

Nor is there imagined fear on the part of the father and mother whose two teen-aged daughters were gunned down only yards from their front door in a shooting that was apparently the work of a deranged man with easy access to a gun.

Reconciling at once the stands of such people—the storekeeper supports private gun ownership, the anguished family does not—is an impossible task. Congress must decide where the greater danger to society lies, and what course offers the best hope of minimizing the handgun as a threat to human life.

The testimony at the two days of televised hearings was persuasive that handguns left in private hands pose a greater danger to life than does an armed criminal. The store owner attempting to repel an armed robber stands a greater chance of being shot than he does of stopping robbery attempts. Reams of expert testimony prove that a handgun kept in the home is a greater menace to the family than it is a deterrent to would-be invaders.

To begin an effective assault on this fear of gun-related crime, Congress has one effective course: to remove the handgun, to the extent possible, by making its private ownership unlawful, and to remove criminals who use guns, by imposing severe sentences for the possession or use of a gun in connection with a felony.

Any other course would only compromise the urgent need to protect the public from itself as well as the gun-wielding criminal. Until the handgun is banned for all but law-enforcement personnel (and possibly target-club use), deaths by shooting will continue to mount, especially in areas like Chicago.

[From the Chicago Tribune, Apr. 20, 1975]

"The Purpose of Handguns Is To Kill"

(By Richard J. Daley)

(*Note.—Following are excerpts from Mayor Daley's statement submitted last Monday to the House Judiciary Subcommittee on Crime, which held two days of hearings at WTTW–TV on gun control.*)

In Chicago, as in most urban communities throughout America, there is a serious crime problem. A major portion of the crimes are committed with handguns.

The handgun is an unusual instrument in that the prime purpose for its existence is to shoot human beings.

It was not invented as an object for collectors or a device to be used in a hobby. It was invented, unlike other readily available items, for the purpose of injuring and killing people.

In the cities of America, citizens are threatened by bodily harm from handguns. The fact that there are other dangers to public safety does not lessen the need for government to do everything possible to end this danger from being shot by a handgun.

The people of America's cities want an end to this threat. We have a long way to go to accomplish this objective, but it is not impossible.

There have been other threats to the public health and safety which, only a few years ago, seemed insurmountable. In a few short years, however, the people of this country have almost universally become aware, for example, of the dangers to health from cigaret smoking. In a few short years we also have gained widespread recognition of the dangers to health from air and water pollution.

The same can happen regarding the terrible danger to human life from handguns.

The educational campaign against handguns has been slow, but it is moving. The most serious impediment toward its success, however, is the failure of the American television industry to cooperate.

It is indeed ironic that our greatest potential for educating people of all ages—the television industry—not only fails to communicate the desirability of banning handguns, but, over and over again, every night, emphasizes and often glorifies violence and the use of handguns

Because efforts to protect our citizens from the dangers of handguns require both an educational campaign and legislative controls, I recommend that the three national television corporations examine their failure on this subject and attempt to serve the public which allows them the use of public air waves to make their profits.

Chicago has enacted an ordinance which imposes a mandatory jail term for failure to register firearms. But we cannot tackle the main problem, which is the availability of handguns. We need the help of Congress . . .

First of all, legislation which would prohibit the manufacture, sale and possession of Saturday night specials will save lives.

Sometime ago, a man came into my office and showed me two of these so-called Saturday night specials. They had been manufactured in another state and were shipped through the mails to two teen-age boys in Chicago; one, 15, and the other, 13.

The Saturday night specials should be absolutely prohibited.

Secondly, Congress should eliminate the loopholes which exist in the Gun Control Act of 1968. We must not permit the importation of parts of guns which are later assembled in this country.

Thirdly, a federal law requiring the registration of all handguns would contribute to the public safety. Just as automobiles are registered, handguns should be registered. Owners of handguns, just like owners of automobiles, must accept the responsibilities of ownership.

Last year in Chicago, there were 970 murders. The victims in 794 of these cases, or about 81 per cent, were blacks and Latinos.

Most of the murders in Chicago were committed with handguns, and four out of every five murder victims were black or Latino. Any step which could be taken to save one of these lives should be taken.

CHEAP SOLAR ENERGY

Mr. McINTYRE. Mr. President, recently I received a sample copy of the Federal Energy Administration's "Energy Reporter," a newsletter for citizens produced by the FEA.

While I do not disparage the FEA's efforts to communicate with the citizens of this country, I should like to point out one story, called "Solar Energy in the Home" which scarcely informs the public of what it can do to install solar heating and cooling equipment in houses.

The FEA story states:

> The Most Expensive Route: It could cost that family an initial investment of up to $120,000 for photovoltaic cells to provide their home with . . . electricity.

Clearly this story does not tell the average citizen that he can go out and buy a solar home heating unit that will cut his home heating costs by a substantial amount and cost him under $5,000. No place in the story, for instance, is the current ability of solar home heating equipment manufactures mentioned.

Mr. President, the hearings that the Select Committee on Small Business has announced for the month of May are designed to end this type of blindness on the part of Federal agencies and the general public. If the agencies themselves refuse to even discuss small businesses who can provide solar home heating now, no wonder we have statements that solar energy is way down the road, toward the year 2000. It appears to me, in this story at least, that the Federal Energy Administration has decided to obfuscate solar energy rather than push it.

HISTORIC BREAKTHROUGH IN FISHERIES JURISDICTION ENFORCEMENT

Mr. STEVENS. Mr. President, a significant action in the ongoing war of the United States against foreign vessels which would violate our territorial waters just took place in Alaska. The Japanese fishing vessel *Eikyu Maru No. 33,* over 230 gross metric tons, was observed fishing in the territorial waters of the United States by Coast Guard aircraft on fisheries patrol. Through the outstanding action of the Coast Guard, both in the air and on the sea, this vessel was stopped as it was heading out to the open sea.

Through the efforts of G. Kent Edwards, Alaska's U.S. Attorney, an out

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of court settlement was reached, whereby the vessel and its entire catch was forfeited for this violation. I believe that Mr. Edwards is to be commended for his firm approach in this matter which, in fact, marks the first time that the United States obtained through an out-of-court settlement ownership of a foreign vessel and its catch upon its detainment for illegal fishing. I would like to commend the cooperation of all the Federal and State agencies involved, and I ask unanimous consent that the press release from the U.S. Attorney's office in Alaska be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Historic Breakthrough in Fisheries Jurisdiction Enforcement

G. Kent Edwards, Alaska's U.S. Attorney, today obtained a written agreement from two Japanese companies allowing forfeiture of the Japanese Fishing Vessel Eikyu Maru No. 33 and its entire catch to the United States for violation of U.S. fishery laws.

The historic agreement marks the first time that the United States obtained, through out-of-court settlement, ownership of a foreign vessel upon its arrest for illegal fishing.

Edwards stated that he had been authorized to seek $350,000 in settlement of the cases against both the ship and its master, but that the defendants were not willing to pay more than $100,000. "Since we were told you can have either $100,000 or the vessel, we naturally chose the vessel", Edwards said.

Edwards stated that he had been in personal contact with Governor Jay Hammond and his Executive Assistant Bob Palmer since the vessel's apprehension in territorial waters and shared their sentiments as to the way cases of this type should be handled in order to act as a deterrent to others. "It is apparent that our office can look forward to a very good working relationship with Governor Hammond and his administration on matters of mutual concern. The Governor is extremely knowledgeable on the problems of Alaska's fishery and is very dedicated to finding solutions. I share his concern and have been working quite hard during my term of office as U.S. Attorney to make it as unattractive as possible for foreign fishery fleets to operate in the waters of the United States," Edwards emphasized.

Estimates as to the value of the vessel have varied from as low as $400,000 to as high as one and a quarter million dollars. "The ship is 230 gross metric tons, approximately 138 feet long and is six years old. It appears to have been badly abused," stated Edwards.

Arrangements have been under way since the 18th to dispose of the cargo of fish aboard pursuant to an order of the Court authorizing the United States Marshal to make an interim sale and hold the proceeds until the final outcome of the case. As a result of the settlement negotiated by Edwards, those proceeds will now go to the United States along with title to the fishing vessel.

Marshal Robert D. Olson, Sr. stated that the high bid for the fish was submitted by New England Fish Company in the amount of $12,001.00 in place on the vessel, which means that New England Fish Company will have to arrange for, and bear the costs of, unloading the fish and transporting them to their processing facility.

Shortly after the signing of the written agreement concerning forfeiture of the vessel, the parties went to court where the master changed his plea to that of nolo contendere and was personally fined $8,000.00 for his role in the violation.

The Japanese vessel was first spotted within territorial waters by LCdr Billy Cunningham, who was piloting a Coast Guard aircraft on fisheries patrol. Two pink-orange buoy markers were observed in the vicinity of the vessel. Shortly thereafter another group of pink and orange buoy fishing gear markers were observed attached to a radio transmitter with a whip antenna. The navigator of the aircraft. D. Dussault, fixed the position of the gear markers at 1.7 miles offshore of Great Sitkin Island in position 52° 07' North latitude and 176° 12.5' West longitude. The aircraft gave the vessel the international signal for stop in Morse Code by flashing its landing lights at the ship from all directions as the plane made several low passes overhead. However, the vessel continued under steam, so approximately 15 minutes later the aircraft dropped six smoke flares across its path, again indicating that the vessel should stop. Instead, the vessel turned toward open sea and continued underway for approximately 6½ hours while LCdr Cunningham's plane kept it in visual and radar coverage. Just before being relieved by a second Coast Guard aircraft, piloted by LCdr Dennis Morrissey, Cunningham had his crew drop in the sea near the vessel a set of message blocks containing the following statement in Japanese: "You must stop your vessel instantly. You are in violation of the territorial waters of the United States. Wait here for a United States government vessel to arrive." The Japanesee vessel retrieved the blocks from the ocean and shortly thereafter stopped its engines and waited for the Coast Guard Cutter Mellon's arrival.

The Mellon retrieved the fishing gear markers and approximately 12 miles of longline. A comparison by the federal boarding party of the markers and radio beacon frequency with the gear aboard the Japanese vessel confirmed they belonged to that vessel. The Japanese master and his crew were reported to be extremely cooperative and readily admitted ownership of the fishing gear. It was estimated that only two miles of the longline was located within the prohibited fishing zone. The rest had been strung in the contiguous fishery zone (3–12) miles off shore) where the Japanese were allowed to fish at the time under the terms of a recently renewed fishing treaty.

"It took the joint effort of numerous agencies to bring about the successful conclusion of this case. Eight federal agencies and the Governor's Office all worked in close coordination and each should be commended for their fine efforts", Edwards said. The federal agencies involved were the National Marine Fisheries Service, the U.S. Marshal's Office, Immigration, Customs, Food and Drug, State Department, Coast Guard and the Criminal Division of the Department of Justice.

Yet to be answered are the questions where should the vessel be taken and what should be done with it now that it belongs to the United States.

FEDERAL ASSETS AND LIABILITIES

Mr. HUMPHREY. Mr. President, on the suggestion of one of my constituents, I have had a brief study done which puts current discussions of the Federal deficit in what I think is a very informative and uncommon light.

The question that was posed to me was this: What is the net worth of the Federal Government?

My constituent, Mr. C. J. Erikson of Princeton, Minn., suggested that we undertake a massive inventory of all the Government's assets—of Government buildings and equipment, our museum collections and archives, the mineral and other natural resources owned by the Government, and all the rest—and compare the combined value of these assets to the size of our liabilities, our national debt, in order to get an answer to this question.

My study has located approximate figures on the value of Government assets as of June 30, 1972, the latest data available. At that time, the Federal Government owned or controlled real and personal property valued in excess of $454 billion. This compares to a national debt for that year of $427 billion, which means that our assets exceeded our liabilities by $27 billion or about $130 for every person in this Nation.

What is the importance of these figures? To me they provide one sort of measure of the fiscal health of the Federal Government. In addition to the huge debts incurred by the Government for so many urgent needs and important projects, it has accumulated a huge body of valuable assets. That it is presently spending more than it is taking in, must be seen in relation to this great wealth.

But perhaps more important is the spirit in which the suggestion for this inquiry was made, and the great need which it points out for fresh and creative thinking about the economy and our budget process.

The economic problems which we face today are of a fundamentally different nature than in previous times. The economy itself has undergone tremendous changes in recent decades. The economic landscape in 1975 would be virtually unrecognizable to the people who pioneered in the development of our present tools of fiscal and monetary policy in the 1930's and 1940's. While these macroeconomic tools form a necessary part of our ability to direct the economy, they alone are clearly insufficient. If experience of the last 10 years has taught us anything, it is that we must be concerned about many things in addition to the traditional macroeconomic considerations.

In discussions of the Federal deficit, for instance, we have economists at the highest level of Government issuing statements which at bottom derive from a philosophical belief in the overriding necessity of a balanced Federal budget.

But what, realistically, are the costs and benefits of the Federal deficit? Part of our difficulties arise from outmoded conceptions of questions such as this. I am not saying that this idea should be thrown out the window; I am merely saying that it has not borne enough serious examination in the light of present economic realities. I have directed the staff of the Joint Economic Committee to reexamine the significance of the Federal deficit, and I expect to be able to report back to this body soon.

Above all, we need positive, creative approaches in the area of economic policy. The people of this Nation demand that we make an effective response to the challenges presented by our growing and changing economy.

There are so many obstacles that face us in this endeavor that we must accept and indeed seek out as much help as we can. In this the input from the public is a central element. Mr. Erikson's suggestions are a good example of the sort of concerned and informed public involvement which we need.

Mr. President, I ask unanimous consent that Mr. Erikson's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Princeton State Bank,
Princeton, Minn., January 27, 1975.

Gerald R. Ford,
President of the United States,
White House,
Washington, D.C.
Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: After a great deal of thought I have decided to present my humble opinion on a subject I have contemplated for the past several years. I am writing to the two of you because I consider both of you on the top of my list as the statesmen of our times. I am confident you will give consideration to the contents of this letter.

We are nearing the 200th Birthday of our nation. Pessimism is our greatest enemy. It is so discouraging to read and hear daily the statement, "Every man, woman and child owes so much of our government debt." Why not tell our people the truth. Let's tell them what this great nation has accomplished in the last 200 years.

I have been in the banking industry for 37 years. Over these years I have viewed, reviewed and prepared thousands of financial statements. I have always considered the value of the end result, namely net worth. In short, total assets less liabilities.

I have never opposed a public works program if our nation receives value for the dollars spent. We are now in need of such a program. Let's inventory our government assets and subtract our liabilities and on our 200th Birthday tell our people, young and old, what we have accomplished in 200 years. Our net worth will astonish most of us.

Let's review what some of our assets are: public buildings including furniture and fixtures, federal highways, mineral resources, national parks, national forests, federal dams, military equipment and bases, national museums and art galleries and contents, congressional records, harbors, currency, gold and silver plus so many other assets such as all the knowledge of our people which is a result of our educational system. Last, but not least, our accounts receivable which means all money due the United States Treasury and government agencies.

This total of assets would be astronomical. Subtract our debt, divide by our population and the per capita amount would be unbelievable. A print-out containing this information should be made available to every citizen and I believe we would change our thoughts from pessimistic to optimistic. It would create a pride among all our people. We would then try to preserve our properties rather than destroy them. I believe it would reverse our entire outlook on life. Most of us would say, "How great we are. How much we have."

This would indeed be a large task to accomplish, but I feel that with the assistance of our tremendous computer equipment we could do it. We would employ thousands of computer personnel, appraisers, mathematicians, scientists, fieldmen, secretarys and others. Perhaps we would have to divide the nation into congressional districts or smaller to accomplish this great task. But I feel confident the results would be inspiring. We have a great country. Why not let us and future generations know this.

I would be extremely pleased to hear your reactions to my idea.

Thank you very kindly.

Sincerely yours,

C. J. Erickson,
President, Princeton State Bank.

P.S. At a future date, our States and political sub-divisions should do likewise to enable us to have a complete picture.

FAILURE TO RATIFY GENOCIDE CONVENTION UNDERMINES U.S. WORLD LEADERSHIP ROLE

Mr. PROXMIRE. Mr, President, one of the sad consequences of the Senate's inaction on the Genocide Convention is the undermining of our position at the United Nations. The United States, once a leader in espousing human rights at the U.N., has now become a laggard.

U.S. leadership in human rights was epitomized by the fact that in 1947 it was Mrs. Franklin D. Roosevelt who was chairman of the committee which drafted the Universal Declaration of Human Rights.

But what was once leadership has now, too often, turned into embarrassment. What is happening is all too clear. When the United States tries to take the initiative on human rights at the United Nations, our delegates are reminded of the failure of the United States to ratify the Genocide Convention.

The question is clear: Shall we give lip service to the U.N.'s struggle for human rights, or shall we give real support to the U.N. and our delegates by ratifying the Genocide Convention?

I urge the Senate to ratify the United Nations Genocide Convention. In this way we can reestablish U.S. leadership in the field of human rights.

BENTSEN QUESTIONS FED MONEY POLICY

Mr. BENTSEN. Mr. President, I am astounded by reports that the Federal Reserve Board, within the last month, appears to be returning to a tight monetary policy. There can be no growth in the economy, particularly in the hard-pressed housing industry, without growth in the Nation's money supply.

The stubborn refusal of the Federal Reserve to loosen the money supply last year helped bring on the recession that is today keeping 8 million Americans out of work. It is unbelievable that they have returned to this same, tight monetary policy. The latest available figures indicate that since March 12 there has been no growth in the Nation's money supply. As a result interest rates have started to increase.

If this reflects a shift in policy for the Federal Reserve, this policy will spell disaster for our economy. The economy cannot even begin the very modest recovery predicted by the administration unless there is a sharp upturn in the housing industry, and there can be no growth in housing unless long-term interest rates fall substantially.

I am pleased that Federal Reserve Chairman Arthur Burns, under action taken recently by Congress, will appear before the Senate Banking Committee later this week to explain Federal Reserve monetary policy. I will await the results of Chairman Burns' testimony with a great deal of interest.

FORTIETH ANNIVERSARY OF THE SOIL CONSERVATION SERVICE

Mr. TALMADGE. Mr. President, I rise today to call attention to the 40th anniversary of the Soil Conservation Service, which, with the Farmers Home Administration and the Rural Electrification Administration, served to pull rural America out of the Great Depression, and have gone on recording achievement after achievement for our Nation's benefit.

SCS marked its anniversary on April 26.

Congress created the agency following the great dust storms of 1935. But SCS has done more than work to prevent a repetition of the Dust Bowl. Since the inception of the agency, more than 2 million farmers and ranchers have cooperated in programs to prevent soil erosion and improve water management.

Three thousand local soil conservation districts have been established, and I am proud to be a member of one of them.

Mr. Kenneth Grant, the Director of the agency, says that because of SCS, what was barren in the 1930's is green again. But this should not lead anyone to imply that the work of SCS is over. It is just beginning.

The growing population of this Nation and the entire world is placing growing demands on our renewable but fragile resources of soil and water—particularly upon the layer of topsoil on which we depend for most of our food production.

Heeding the Government's call for all-out crop production, farmers have taken millions of acres of land out of fallow or conserving crops. At the same time that additional strains are being placed on our land resources, the role of the Soil Conservation Service has been downgraded.

It seems to be the general feeling within the administration that the job of SCS is over, without any reasonable consideration of what all-out production will mean in terms of soil and water degradation now and in the future.

While we must rely on private individuals to underwrite a great many of the necessary conservation steps, the Government should be in a position to provide the technical expertise and planning assistance that farmers and other landowners need to conserve their soil and water resources.

Further, we must use SCS as a tool to help us find out more about the quality and nature of our land abuse.

In the Rural Development Act of 1972, a provision was included which provided that SCS should engage in national land inventory and monitoring. This provision of the act has never been implemented.

Yet at a recent national conference on water held by the Water Resources Council, there were repeated calls for the establishemnt of national renewable resources policy, so that water and related land resources can be used and reused in the most efficient manner for energy, transportation, agriculture, recreation, and many other things.

However, I cannot see how such a policy can be established unless we know in considerably more detail how the land and water bases are being used, or what their potential uses are.

Mr. President, in Iowa today there are areas that are losing more than 50 tons of topsoil per acre per year. The potential in the Great Plains for yet another Dust Bowl is not all that remote. The demand of agriculture for more and more water to grow the crops to meet

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growing world food needs is going to escalate sharply.

Therefore, on this 40th anniversary of the Soil Conservation Service, we must rededicate ourselves to strengthening the purpose and function of the agency.

DELAWARE MUSEUM SHOW

Mr. BIDEN. Mr. President, today, I would like to recognize the research of Dr. William I. Homer, of the University of Delaware, and his small corps of graduate students on an innovative exhibit at the Delaware Art Museum. The "Avant-Garde Painting and Sculpture in America, 1910–25" presentation compliments the works of abstract impressionist painters of that era.

As Hilton Kramer pointed out in the New York Times:

> The point of the exhibition is to enlarge our sense of the scope of this early avant-garde effort, and toward this end the work of nearly 60 artists is represented by some 130 works — paintings, sculpture, college, drawings, and constructions, some of really breath-taking originality, some of merely historical interest.

Mr. President, I ask unanimous consent that Mr. Kramer's article of April 23, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Delaware Museum Show

(By Hilton Kramer)

Wilmington, Del.—The immense international influence wielded by the American abstract expressionist painters of the nineteen-forties and fifties and by the pop artists and color-field abstractionists who succeeded them in the sixties, tended for many years to obscure the achievements of an earlier generation of American modernists — the painters and sculptors who, in the period immediately before and after World War I, were the first to respond to the revelations of the European-avant-garde.

Now that abstract expression and even pop art are beginning to recede into the mists of history and legend, proper subjects for university seminars and museum retrospectives, attention is being turned once again to the first-generation modernists who struggled to establish a viable avant-garde movement in a country far more hostile to radical esthetic ideas than America has since become. Theirs, too, is an exciting and sometimes tragic story, and it is at last beginning to be told with the kind of comprehensive scholarly attention usually reserved for the art of Europe.

In this endeavor, the department of art history at the University of Delaware, under the chairmanship of William I. Homer, working in close cooperation with the Delaware Art Museum, has shown remarkable initiative. During the last year, Professor Homer and his small corps of industrious graduate students have been carrying on some intensive and illuminating research into the achievements of these early acolytes of the modern movement in this country—precisely the kind of research that will ultimately alter the way the history of the period will be written years hence.

Their efforts have now resulted in an important exhibition, "Avant-Garde Painting and Sculpture in America, 1910–1925," at the Delaware Art Museum (through May 18), which will be a revelation even to those who think they know this period pretty well. And as accompaniments to this exhibition, they have produced a first-rate catalogue, full of historical material never before published, and also organised, with the help of the National Collection of Fine Arts in Washington, a day-long scholarly symposium on the university campus at nearby Newark. The symposium took place last Friday, and was well-attended by art historians, museum curators, collectors and dealers—another measure of the importance the subject is now assuming for the art world at large.

The point of the exhibition is to enlarge our sense of the scope of this early avant-garde effort, and toward this end the work of nearly 60 artists is represented by some 130 works—paintings, sculpture, collage, drawings, and constructions, some of really breaktaking originality, some of merely historical interest. One need not be captivated by every single object on view to feel that one is seeing the achievements of the period in a new way for the first time. And there is no shortage of work that does captivate the imagination with a power that the passage of time has only enhanced.

The paintings by Marsden Hartley and Georgia O'Keeffe, for example, have never looked better than here. The abstract sculpture of John Storrs and that remarkable object by Morton L. Schamberg called "God," constructed around 1916 of some pipe fittings and a miter box, have never looked more original and prophetic. The early color abstractions of Abraham Walkowitz and of the ex-patriot synchromist group—Morgan Russell, Stanton Macdonald-Wright, et al—loom larger than ever for a generation that has learned to appreciate the expressive attributes of pure color.

But it is not only among these well-known figures that the exhibition abounds in fresh insights. Professor Homer and his students have turned up a great many artists whose work has been lost from view for many decades—Konrad Cramer, Mell Daniel, Manierre Dawson, Marius de Zayas, George Of, and Alice Morgan Wright, among many others—and some of these are certain to have a place in future histories, and in future exhibitions. The catalogue contains a biographical entry for every artist, making it a valuable work of reference even for those who do not come to Wilmington for the show. (It is available from the Delaware Art Museum, 2301 Kentware Parkway, Wilmington, Del. 1906, at $7.50 postpaid.)

The symposium contributed some important insights, too. The Armory Show of 1913, for example, was placed in a new perspective by Roberta K. Tarbell, a former student at the University of Delaware now working at the National Collection. It has long been widely assumed that the Armory Show was the decisive event in converting American artists to modernism in the era before World War I. But Miss Tarbell persuasively demonstrated that one important aspect of the modernist movement—the work of the sculptors—was completely untouched by this event.

Her paper left the history of the period significantly revised, and this is what the entire "Avant-Garde" exhibition achieves too: an altered perspective on the era that saw the very beginnings of the modern movement in America.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relation Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the Record the notification I have just received.

There being no objection, the notification was ordered to be printed in the Record, as follows:

Washington, D.C.,
April 25, 1975.

Hon. John J. Sparkman,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 75–25, concerning the Department of the Air Force's proposed Letter of Offer to Tunisia for F–5E and F–5F aircraft and support equipment estimated to cost $53.6 million. A similiar case for A–4 aircraft under Transmittal No. 75–5 is hereby declassified. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. Fish,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary—ISA—Security Assistance.

Transmittal No. 75–25—Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Foreign Military Sales Act, as Amended

(a) Prospective Purchaser: Tunisia.

(b) Total Estimated Value: $53.6 million.

(c) Description of Articles or Services Offered: 10 F–5E and 2 F–5F aircraft and support equipment.

(d) Military Department: Air Force.

(e) Date Report Delivered to Congress: April 25, 1975.

(Note.—Discussions have been under way for sometime with the Government of Tunisia, which wishes to replace its aging squadron of F–86 aircraft with either A–4 or F–5E aircraft. The Government of Tunisia has requested Letters of Offer for both. This transmittal concerns a proposed Letter of Offer to Tunisia for one squadron of F–5E aircraft. Our Transmittal No. 75–5 provided notification of the A–4 aircraft Letter of Offer.)

AMERICAN FIELD SERVICE

Mr. HARTKE. Mr. President, during World War 1 a group of Americans desiring to serve organized an Ambulance Corps which became the American Field Service.

In later years, the American Field Service became a scholarship program in order to broaden their scope of operation to humanity.

Today, Mr. President, we are honored by the presence of many of these students who have visited with us in our offices and participated in a breakfast program in the caucus room with some of our distinguished colleagues on what has become known to thousands of AFS students as Washington Day.

The American Field Service is the most widely recognized secondary school scholarship program in the world. It is active in over 60 nations and annually provides opportunities for 5,000 families, students, and communities to learn more about one another.

Today, 200 of these AFS participants are in Washington, D.C., to observe, listen, and contribute to the activities of the Federal Government. AFS scholars in the Capitol represent over 50 of the 60 participating AFS nations. They

come from all corners of the globe and are providing new perspectives about many national and international issues.

Students are selected for participation in the American Field Service, because of their ability to convey information about their own culture while achieving an understanding of another way of life. These qualities, combined with their potential as leaders in various social, political, and professional fields, make them important international figures—even though they are only 16 to 18 years old.

AFS offers the United States a unique forum through which the world can gain insights about this country. Americans have the same opportunity to learn about another land by participating in AFS activities that provide over 2,200 scholarships each year. As we approach the 200th anniversary of the United States, nothing would seem more imperative than to have this kind of interchange of learning continue.

VIETNAM AND THE FUTURE

Mr. STEVENSON. Mr. President, any obligation the United States ever had to the succession of tottering, unpopular regimes in South Vietnam was fulfilled a thousand times over. Never has a nation given so much to such a hopeless cause. United States honor was not tested in Indochina. Its wisdom was tested.

Now the United States has a chance to regain its rightful authority by formulating a sane and sensible policy in the world.

Commitments under bilateral and multilateral arrangements should be reexamined and brought in line, if necessary, with our interests and our power. It is disturbing to note evidence of an administration intention to arrest operation of the domino theory by affirming commitments in Asia without first reexamining them. Such affirmations, especially in Asia, will be unconvincing in the present circumstances and could be aimed at reinforcing some governments no more capable of governing than those which failed in South Vietnam.

The domino theory is valid. But the United States gave it validity by creating the dominoes in Cambodia and South Vietnam. It is time to stop creating dominoes. For 30 years our policy has been defensive; it has compulsively resisted a form of government called communism. To resist one form of repression in North Vietnam, it supported another in South Vietnam. It created a domino. And then, inconsistently, it subsidized détente with the supercommunist power in Moscow while subsidizing war against communism in Indochina.

It is not our staying power but such implausibilities that undermine U.S. authority in the world. We ought to recognize the inherent neutrality of any form of government. Communism is not inherently expansionist in small states. Imperialism is quite beyond the capability or interest of Rumania and Yugoslavia. The efforts to contain by force communism in outlying regions failed not because of any mass adherence to the doctrines of Lenin and Marx, but because of nationalism. The United States did not lose to Communists in Vietnam. It could not win with 500,000 American troops, because it was fighting nationalists. It was fighting history and forces that are irreversible. They were irreversible in China, before Indochina. These forces of humanity seeking bread and freedom have been irreversible since 1776. The Soviets and Red Chinese discretely alined themselves with such forces in Indochina; the United States against.

Now, after the fall of Saigon and before the American Bicentennial we could realine ourselves with humanity and our own best and most successful principles. If we do, not all will have been lost in Vietnam.

In all the world outside East and Southeast Asia, the collapse of Saigon is perceived as relieving the United States of an intolerable political and economic burden and a role quite out of keeping with our norms of civilized and sensible world behavior. The consequences, especially if preceded by some evidence of regained wisdom, will be beneficial for the United States.

The consequences in East and Southeast Asia will not be adverse unless the administration repeats past mistakes by indiscriminately, or secretly, reaffirming murky commitments or by making unreal commitments real. We ought first to reexamine the politics of these regions and our own interests. Neutral states, not client states, whatever their ideological tinge, best conform to the interests of the Asians and the Americans. To give neutralism and nationalism favorable conditions in most regions, it would be unwise to impulsively make or reaffirm commitments to existing regimes. To do so in Asia risks polarizing Asian politics again. Force is met by counterforce, and as recent experience makes plain, we are disadvantaged in contests of force in Asia. We are not so disadvantaged in contests of ideals and ideas.

It is not certain, by any means, that the Communist Chinese will be interested in maintaining momentum toward the creation of more Communist states in Southeast Asia. These nations in the main now contain large numbers of wealthy and influential Chinese who are of value to Peking with things as they are. The creation of Communist states would mean creation of Soviet parties in a region where Chinese interests now predominate. The intentions on the other side are not clear at this point, and we should not harden them by imprudently and impulsively acting from a habit which dictates indiscriminate commitments to the defense of non-Communist regimes.

Impulsive and personalized diplomacy, and old habits, are at the heart of our adversity and Communist success. South Vietnam is larger than itself. It is the most vivid expression of a U.S. failure which stretches from Portugal to the Eastern Mediterranean to South Asia and throughout the third world. Not since the 1940's has the United States shaped events in the world. Since then it has reacted compulsively to events and with a lack of success now painfully apparent in Indochina.

The United States is, by any measurement but one, the strongest Nation in the world. And, unlike the 1950's, when the erring ways began, the public is stripped of complacency. The public is ready to unite behind a new and more hopeful American world role. The public is ready to be exalted to high purposes by leaders who will lead and not deceive. But that is the measurement by which we fall short. The leaders have not led. They have deceived. They have been proved wrong. And now they have no new ideas, and we are adrift upon a troubled sea.

I do not expect America to engage in recriminations or to seek to get off the planet. I hope it will engage in a serious reformation of foreign policy. We have no foreign policy now, nothing for the Congress and the public to unite behind.

To begin the consideration of a right policy, we would do well to remember what the United States did when it was right—and most conspicuously after World War II. Even then, when the United States was the one preeminent power in the world, it recognized that power was collective. America inspired, financed, and led a new world order founded upon the collective strength of industrialized democracies. Now that underpinning of collective prosperity and security is undermined by neglect and bilateral maneuverings of the United States in other places. We cannot serve as policeman of the world, and we cannot alone maintain an East-West balance of power. We ought, I suggest, to make our first order of business the recreation of a new alliance of Europe, North America, and Japan. Such an alliance could once again become the collective basis for security, prosperity, and also for action upon such large questions as nuclear proliferation and access to commodities at reasonable prices. It could be the first step toward creation of international institutions to govern trade and investment in an interdependent but fractured world. Such a high endeavor will be led by the United States or not at all.

From this ordeal, the United States can emerge again the preeminent power in the world—and not, as Mr. Nixon feared and made possible, a pitiful, helpless giant. That is the choice and the hope, the opportunity which should be underscored as we put Vietnam behind us and face up to a murky but promising future.

DICK CLARK

Mr. BIDEN. Mr. President, our colleague from Iowa (Mr. Clark) was the subject of a recent, lengthy article in the Washington Star by correspondent Martha Angle.

The article was written in the aftermath of the Senate debate last week on a bill to send further aid to Vietnam, in which Senator Clark was the leader of those of us who opposed the legislation.

Our position failed, when the votes were counted. But I am glad to note Ms. Angle's point that despite the loss, Senator Clark "is emerging as a force to be reckoned with in the U.S. Senate."

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From The Washington Star, Apr. 24, 1975]

YOUNG SENATOR LOSES BATTLE, GAINS RESPECT

(By Martha Angle)

Sen. Dick Clark of Iowa took a drubbing, but he took it gracefully. And that's one reason the sophomore Democrat is emerging as a force to be reckoned with in the U.S. Senate.

Clark, a soft-spoken liberal who picks his shots carefully, took aim yesterday at a $100 million evacuation contingency fund the Senate was authorizing for President Ford's use in Vietnam and urged an amendment barring use of the money to provide military aid to the tottering Saigon government.

He lost—and lost big. Determined to leave Ford some maneuvering room in case a dollop of military aid proves necessary to insure safe evacuation of the remaining Americans in Vietnam, the Senate rejected Clark's amendment 61–32.

"I honestly felt it would do better," Clark said after the vote. "There's no question it strengthens the President's hand to have this vote on the record now."

Nonetheless, Clark said, he had no regrets about offering the amendment. "In the final analysis it was an issue the members deserved a chance to debate and vote on," he said.

Clark has given the Senate a number of issues to weigh during this week's debate on a $250 million package of humanitarian aid and evacuation support that includes authorization for President Ford to use U.S. troops if necessary to withdraw Americans and some endangered South Vietnamese from Indochina.

A new member of the Foreign Relations Committee, the Iowa Democrat took the lead in urging the panel—and the Senate as a whole—to move slowly on the bill until the administration stepped up its withdrawal of U.S. citizens and their dependents from Vietnam.

"There was a good deal of sympathy for the position he took, because it was essentially a reasonable one that most members agreed with," said Sen. Frank Church, D-Idaho, a senior and influential member of Foreign Relations.

Largely at Clark's urging, the panel hung onto the bill for a full week before sending it to the floor as members repeatedly pressed administration officials to speed the evacuation.

And yesterday, Clark won Senate approval for one amendment requiring daily progress reports on the American withdrawal and another requiring Ford to submit within 48 hours of the bill's enactment a report describing his general plan for evacuating the last U.S. citizens and whatever Vietnamese the administration hopes to rescue.

"He's a very good man. This was the first time he put his teeth into something in the committee and he handled himself really well," said Church.

"Clark is extremely hard-working," said Sen. Clifford Case, R-N.J., ranking GOP member of the committee. "Some of the younger members around here are kind of dilettantish, but he's not. He takes the job very seriously, and he has a lot of tenacity."

It is no accident Clark wins praise from Republicans as well as Democrats, conservatives as well as liberals. He makes a conscious effort to find common ground with colleagues of widely varying political ideology.

Yesterday, for example, Clark's office announced he was cosponsoring a farm-related bill with Sen. Carl T. Curtis, R-Neb., one of the Senate's most conservative Republicans and a member who seldom sees eye-to-eye with Clark on other issues.

"It doesn't benefit you at all to be antagonistic to people around here," Clark said.

The 45-year-old senator won his seat in 1972 in one of the biggest upsets of the congressional elections that year.

At the time, Clark was completing a seven-year stint as administrative assistant to then-Rep. John C. Culver, D-Iowa, who was planning his own bid for the Senate.

But Culver decided that incumbent Republican Sen. Jack Miller looked unbeatable, so he pulled back from the challenge and sought reelection to the House instead.

Clark, who had already done all the spadework for a Culver senatorial race, stepped in and became the Democratic candidate himself.

In a 1,000-mile walk across Iowa which brought him invaluable free press coverage, Clark sneaked up on a complacent Miller. When the election was over, he had captured Miller's seat and his former boss, Culver, was back in the House.

Slowly and carefully, Clark has carved out a reputation as a senator to watch. He picks his fights sparingly, conscious of the dangers in trying to take on every issue.

"I think there's a great danger in being identified with everything that comes down the pike," he said. "Pretty soon people just don't listen to you."

Last year he succeeded in persuading the Senate to amend the historic campaign reform legislation to reduce from $3,000 to $1,000 the amount any individual may contribute to a political campaign. And he also staved off a GOP effort to exempt congressional campaign committees from the $5,000 limit on contributions by groups.

In addition, as a freshman member of the Agriculture Committee, Clark authored a bill which became the first significant reform of government regulation of commodity trading since 1936.

At the start of the current session, Clark scored another significant victory when he persuaded the Senate Democratic Caucus to require secret ballot votes on the selection of committee chairmen beginning with the next Congress.

Clark professes to be slightly embarrassed by the stir he created over the past two weeks in connection with the Vietnam bill.

"I'm a little concerned. I didn't want to be too forward," he said. "I tried to defer to more senior members in committee and on the floor, but in the final analysis it became a question of whether anybody was going to raise some of the issues I felt needed debate."

A UNIQUE ART EXCHANGE

Mr. McGEE. Mr. President, exciting arrangements are being made with the Soviet Union.

In urging my colleagues to read an article recently published in the Washington Star regarding a unique art exchange between the United States and the Soviet Union, I would like to add some information about Wyoming's contribution to this cultural exchange.

The Buffalo Bill Museum in Cody, Wyo., the home of the famous Buffalo Bill Cody, in conjunction with efforts of the Whitney Gallery of Art, informs me that 15 paintings by six extremely well known artists will be included in the Russian exchange. This display of western, "Cowboy Art" features the work of such artists as Charles Russel, Frederick Remington, and Alfred Jacob Miller—the brushes of whom have thrilled many a lover of realism. Also included will be works of Rosa Bover who painted Buffalo Bill Wild West Show scenes in Paris.

The Wyoming contribution to the across-the-seas cultural art exchange is worth over $1½ million.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star, Apr. 3, 1975]

30 HERMITAGE MASTERPIECES SELECTED FOR VISIT HERE

(By Benjamin Forgey)

National Gallery Director J. Carter Brown yesterday confirmed from Moscow that the Soviet Union will send 30 famed paintings from Leningrad's Hermitage Museum to the United States this summer in a deal negotiated by oil tycoon Armand Hammer.

Hammer, the 76-year-old Russian-speaking chairman of the Occidental Petroleum Corp., announced the gist of his latest personalized cultural exchange agreements in February and Brown flew to Moscow Sunday with an official of the Knoedler Gallery, a prestigious New York firm owned by Hammer, to make the final selections and arrangements.

Hammer signed the final agreement yesterday, as did a high Soviet official of the Ministry of Culture. The signing was witnessed by U.S. Ambassador Walter J. Stoessel, Jr., according to Brown.

The show will open at the National Gallery "on or about July 15" according to Brown's cable. In the fall it will travel to Knoedler's, and from there to museums in Detroit, Houston and Los Angeles.

The Hermitage was founded in 1764 by Catherine the Great to house the imperial art collections, and it contains numerous masterpieces of Western art never shown in the United States. Brown said the exhibit will contain "some of the Hermitage's greatest masterpieces."

Among artists whose works will be in the coming exhibit are the great Spaniards Zurbaran, Velasquez, Murillo and Picasso; Flemish painters Rubens and Van Dyck; Dutch painters Rembrandt, Hals, Terborch and Ruisdael; Cranach, the 16th-century German; Italians from three centuries including Veronese, Caravaggio, Tiepolo and Guardi; and French painters from the 17th through 20th centuries, including Poussin, Chardin, Fragonard, Boucher, Cezanne, Gauguin and Matisse.

Also included in the exhibit will be a selection of ten 19th-century Russian paintings, a field very little known in this country. The best-known of the Russian artists, because his grand historical scenes have occasionally been used in history textbooks, is Ilya Yefimovich Repin, who will be represented in the traveling show by portraits of Tolstoy and Anton Rubinstein.

Hammer is becoming an old hand at negotiating art exchanges with the Soviet Union, as well as far-reaching business deals for his giant company. In 1972 his own art collection of European paintings was exhibited at the Hermitage and at the Pushkin Museum in Moscow. Shortly thereafter, in the spring of 1973, the Soviet government sent a choice selection of post-Impressionist paintings from the two museums to the National Gallery and then on to Knoedler's.

Hammer's contact with the Soviets goes back to the immediate post-revolutionary period when he was operating a field hospital in Russia and helping to make a long list of export-import deals between Western firms and the hard-pressed Soviet government. In 1972, under the aegis of detente, he began to negotiate again, this time for Occidental Petroleum.

In his cable, Brown said the participating American museums, Knoedler's, and Hammer himself will reciprocate by selecting 30 paintings from their collections to visit the museums of Leningrad, Moscow, Kiev and Minsk. Also, as a counterpart to the 19th-century Russian paintings, the American group, with the assistance of the Buffalo Bill Museum in Cody, Wyo., will send a selection

of 10 19th-century American paintings with Western themes.

NETHERLANDS NATIONAL DAY

Mr. HARTKE. Mr. President, historically the people of the Netherlands have been known for their valiant stand against the sea. It is often said that God created the world, except for Holland because the Dutch made Holland. Equally true is the statement that the country which the Dutch created also determined their character; these people living on, near, and from the water, deriving their strength and ultimately their wealth from the water.

Today, April 30, marks the birthday of Queen Julianna who ascended to the crown in 1948. A wise and highly respected ruler, she has led her nation into unprecedented prosperity.

Holland has a population of 13.25 million, or less than 0.4 percent of the world population. Dutch imports and exports, however, amount to $27 billion, or more than 4 percent of world trade—excluding Comecon countries and the People's Republic of China. As a trade partner, therefore, Holland is 10 times as important as one might suppose on the grounds of her population. The high import and export figure per capita is due to the fact that Holland not only has to import raw materials, semi-manufactured and finished products for her own requirements, but also for the production of goods for export.

The Netherlands, which lies on the North Sea, has common frontiers with West Germany and Belgium and covers an area of 34,000 square miles. Within the confines of the country is The Hague, home of the International Court of Justice. Since 1848, the Dutch have been a constitutional monarchy. The government consists of two chambers. The Lower House is elected by direct vote and the Upper House is elected by states.

Within a few weeks, on May 14, Prime Minister den Vyl will visit the United States for talks with the Secretary of State.

I now take this opportunity to wish the Queen, the government, and the people of the Netherlands continued success on the Queen's birthday, designated as Netherlands National Day.

SOUTH VIETNAM: HOW DID IT HAPPEN?

Mr. BIDEN. Mr. President, Malcolm Browne, veteran Vietnam correspondent for the New York Times, wrote in his April 24, 1975, article,

> The war has reached this point, despite the virtual equality in numbers of men under arms on the two sides over the years; despite the incalculable greater aid in firepower and technology that the Saigon side received from abroad, and despite nearly seven years of direct participation by American troops, aircraft and warships. How did Saigon get into the situation it is in?

Now is not the time to debate who is at fault for the present situation in Indochina; I believe history will judge accordingly. Nevertheless, America will learn from its experience there and analyze its involvement.

Browne gives a rounded assessment of the situation in Southeast Asia and proposes to answer the question "How did it happen?"

Mr. President, I ask unanimous consent that Mr. Browne's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 24, 1975]

(By Malcolm W. Browne)

Saigon, South Vietnam, April 23.—The Communists, in the words of the Pentagon, now have "unlimited military options," and, as the Army Chief of Staff, Gen. Frederick C. Weyand, has testified, they "have the capability to overwhelm South Vietnam if they want to."

The war has reached this point, despite the virtual equality in numbers of men under arms on the two sides over the years; despite the incalculably greater aid in firepower and technology that the Saigon side received from abroad, and despite nearly seven years of direct participation by American troops, aircraft and warships.

How did Saigon get into the situation it is in? What were the factors that brought that situation about?

Many Vietnamese, including former President Nguyen Van Thieu, ascribe the primary blame to the United States, which, Mr. Thieu asserts, failed to continue military aid at a time when the Russians and Chinese poured materiel and supplies into North Vietnam.

Others maintain that morale was rotted away by corruption and by the mistakes of poor officers.

THE ACHILLES HEEL

Neither factor fully explains the collapse of Saigon's military apparatus in two months or the Communists' sweep over two-thirds of the country, in which they routed and disarmed a large proportion of the defenders and reached the gates of the capital.

In view of many Vietnamese the Achilles heel of Saigon's army was and is a fondness for military luxury—an appetite for which the United States must bear special responsibility.

Since South Vietnam came into being as a result of the Geneva agreement that followed the Communist victory over France in 1954, that army has never lacked for arms, transport, accommodations and even physical comforts that were denied the Vietcong and their North Vietnamese allies.

Thirteen years ago this correspondent was accompanying a Government battalion in a raid on a suspected Vietcong stronghold in the southernmost part of the country. It stumbled on a Communist arms depot and factory.

The factory, concealed in huts in a banana grove along a canal, was producing grenade casings from scrap aluminum, shotgun cartridges made of brass tubing and of French coins with holes in the centers accommodating percussion caps, and serviceable 60-mm. mortars designed to fire captured ammunition.

FULL SUPPLY OF EQUIPMENT

With such crude weapons the Vietcong were already making life difficult for Government troops, which, even then, were equipped with up-to-date American rifles and carbines, howitzers, landing craft and communications equipment and had cover from fighter-bombers.

North Vietnam's now-ailing Defense Minister, Gen. Vo Nguyen Giap, writing after his victory at Dien Bien Phu, said of the early stages of the war:

"The sole source of supply could only be the battlefront—to take the materiel from the enemy and turn it against him."

North Vietnam and the Vietcong have received major foreign arms and economic aid, including the Soviet-built missiles that defended Hanoi against American bombers, and most of the tanks, heavy artillery pieces and small arms with which they invaded the South.

Even at this hour Saigon's forces are being hammered by captured American-made howitzers and machine guns and other weapons. The Communists recently captured more than 600 tanks and personnel carriers in Central Vietnam alone—enough to supply a good-sized army.

More important than arms is attitude.

"You give an army the means to get around in helicopters or on roads, you accustom them to unlimited artillery and air support for long enough, you get them used to sleeping in bed at night, and what happens?" a South Vietnamese officer asked in conversation with an American.

NO LONGER WILLING TO WALK

"I will tell you what happens. At a certain point neither the troops nor the officers are willing any longer to walk to battle, hacking their way through jungles if necessary. So they stay in their helicopters and get shot down or cut off from American rescue, or they drive along the road, where they get shelled or ambushed, and cut to pieces.

"Every officer knows this, but our army has become flabby and lazy over the years, and we owe some of that to the kind of luxury aid you gave us."

In contrast the Communist formula, today as it was in the final stage of the French Indochina war, is to operate even large units as if they were guerrillas, which in many ways they are.

The secret of the Communists' defense against whatever weapon or force has always been to try to avoid offering a big target and to disperse men and weapons.

Tran Hung Dao, the medieval Vietnamese general who brought guerrilla warfare to a high art against the occupying Chinese, taught his army to assemble only at the point and time of battle, and then in greater numbers than the enemy had. After the fight his troops would disperse again to avoid inevitable enemy reinforcements.

OLD IDEAS IGNORED

The Communist acknowledge that they borrowed many of their tricks from Tran Hung Dao, but the Saigon side ignored his ideas.

Tran Hung Dao and his tactical disciple, General Giap, also relied enormously on the skillful use of camouflage. As Saigon's dwindling air force makes its last sorties it is still failing to find most of the big 130-mm. guns shelling outposts around the city, though they cannot be far away.

There has always been general agreement that the Communist forces are better disciplined than those of Saigon; this is even applauded in some quarters as demonstrating the relatively more democratic quality of life in the South.

It is said that Communist tank drivers have occasionally been found chained to their vehicles, but Communist discipline, stronger than mere chains, was developed not just for tank drivers but for an entire people.

Discussing this total national involvement in a single cause, General Giap, in his most famous theoretical work, "People's War, People's Army," wrote:

"The application of the strategy of long-term resistance requires a whole system of education, a whole ideological struggle among the people and party members, a gigantic effort of organization in both military and economic fields, extraordinary sacrifices from the army as well as from the people, at the front as well as at the rear. Each inhabitant is a soldier, each village a fortress, each party cell and each administrative committee a staff."

DIEM EMULATED GIAP

Successive Saigon governments and, to some extent, their American allies accepted the theoretical wisdom of this aspect of the Giap doctrine all along, and attempts were made to emulate it. The late President Ngo Dinh Diem, for example, strongly believed that much of the Communist system should be adapted by his side.

Hundreds of thousands of his civil servants were put into blue uniforms, organized into his Personalist political organization and even compelled to attend "self-criticism" meetings—the equivalent of party cells.

Mr. Diem also devised the short-lived system of "strategic hamlets"—political, economic and military units supposedly capable of survival on their own according to General Giap's dictum "each inhabitant a soldier."

The imitations of Communism died with Mr. Diem in 1963. His party had no momentum of its own and, in any case, the glaring gulf between South Vietnam's rich and poor was reflected even in his political system, enormously weakening whatever broad appeal it might have had.

Apart from rigid discipline Vietnamese Communism has also been held together by real loathing for foreign domination, actual or imaginary. Communist exploitation of "the class war" has also fallen on receptive ears. This was particularly true among the great masses of farmers and urban slum dwellers exposed to the graft, bribery and gross injustice that characterized successive Saigon administrations at the grass-roots level.

WON HEARTS AND MINDS

The Communists, with all their patent brutality in dealing with opponents, succeeded fairly well in what Americans used to refer to as "winning hearts and minds." Though much of the Communist propaganda was based on lies and half-truths and much on trickery, it was skillful, motivated, patient. As a result, when Saigon's army collapsed in Central Vietnam last month many of the victims of rampaging troops were from among the hated rich.

The typical Communist leader is the son of a Communist and has dedicated his life to a cause, the desertion of which would be a major psychological wrench. Furthermore, the tradition has been fed by the hatred engendered by a long war in which friends and relatives fighting have been killed; an element of vengeance has always played a big role on both sides.

"You know what I believe?" a well-known Saigon journalist asked after the resignation of President Thieu. "If a free election was held today—and I mean really free—the Communists would win it easily. They would not have my vote or those of any of my friends. We know them as totalitarians under whom the human brain must force itself to atrophy or die. But in a sense we are the foreigners and the Communists are the real Vietnamese, God help us."

It is the fashion in Saigon now to blame the Americans for everything that has gone wrong, though enormous numbers of Americans have fought and worked over the years with dedication, courage and insight, to a degree most Americans at home will never fully realize. Despite their perceptions, shared with and largely learned from Vietnamese colleagues the war was lost.

"Some of us knew what was wrong," a Vietnamese veteran said to an American, "Some of you knew what was wrong. But on the whole both our people remained blind, and even now we seem to have learned nothing. Well, it no longer matters."

MIKE'S HIKE FOR THE HANDICAPPED

Mr. RANDOLPH. Mr. President, some time this Saturday, a young hiker will approach the Harper's Ferry area along that section of the 2,018-mile long Appalachian Trail that slices through my native West Virginia. He is one of hundreds of Americans, young and old, who seek to walk the entire length of the rugged trail in a spirit of adventure and challenge to endurance. But this hiker, 21-year-old Mike Karinshak of Arlington, Va., has a special mission.

Four years ago Mike's mother, Mrs. Mary Karinshak, lost her sight and, beginning 2 years ago, she received rehabilitation training at the Guild for the Blind rehabilitation center at Bridgeville, near Pittsburgh, Pa.

Mike, a construction worker, had long dreamed of hiking the entire length of the Appalachian Trail—from Georgia to Maine. He was so impressed by the training his mother had received that he resolved to hike the trail and raise funds for the Bridgeville rehabilitation center.

Dr. L. Leon Reid, director of the Greater Pittsburgh Guild for the Blind, and a native of Martinsburg, W. Va., noted recently that there are a number of volunteers who walk to raise money for various causes. Dr. Reid commented:

> But I believe, and my research confirms, that this is the longest walk any individual has taken for a handicapped condition.

Mike is a husky youngster, one of eight children, who is devoted to his mother. Mrs. Karinshak, not so incidentally, became the only blind person in the Commonwealth of Pennsylvania who is a licensed baker, as a result of her rehabilitation training at Bridgeville. Mike's father is a disabled coal miner, and receives black lung benefits.

It was Mrs. Karinshak's readjustment to normal living, including operating her own bakery, that so inspired young Mike to assist the program for other handicapped people that he conceived the 2,000-mile hike as a fundraiser.

His 13-State trek started on March 16 at Springer Mountain, Ga., and he expects to reach the end of the trail, at Mount Katahdin, Maine, on about July 3. Dr. Reid reports that "Mike's Hike" was expected to raise a modest amount for the center's rehabilitation work, and that the fund already has passed the $2,500 mark before Mike reaches the mountainous terrain around scenic and historic Harpers Ferry.

The young man reports he has encountered much adverse weather but he is pleased with the sights he has seen. I am certain that as he approaches Jefferson's Rock in Harpers Ferry, he will indicate—as Thomas Jefferson did—that the sight is beautiful to behold.

Mr. Chairman, I ask unanimous consent that a news clipping from the Guild Approach, published by the Greater Pittsburgh Guild for the Blind, detailing Mike's hike for the handicapped, with an article from the March 19 issue of the Pittsburgh Press, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Bridgeville (Pa.) Guild Approach, March 1975]

THE 2,000-MILE HIKE TO RAISE FUNDS PLANNED BY GRADUATE'S SON

When Mary Karinshak was in training at the GPGB, her son, Michael, often came to the rehabilitation agency to take his mother back to Uniontown for the weekend. Little did either of them know that two years later Mike would be taking off on a 2000 mile journey to help other women and men who would be seeking adjustment to their blindness as his mother had.

The decision to hike the Appalachian Trail, something he has wanted to do for some time, was made when Mike observed his mother at home not only carrying out her household chores, but reaching a further point of independence by opening her own business.

Mary Karinshak is the only blind person in Pennsylvania who owns and operates a licensed bakery. The "Mary K Shoppe" was set up in the Karinshak kitchen with equipment provided by Larry Pikovsky, Rehabilitation Supervisor and Joseph Sopata, Rehabilitation Counselor, with the Pennsylvania Bureau of the Visually Handicapped.

So the young lover of the out-of-doors planned to satisfy his desire to hike the Appalachian Trail with an additional worthwhile purpose, to raise money for The Greater Pittsburgh Guild for the Blind, which had helped his mother. "I'll enjoy the trip, there's no doubt about that but now maybe I can also help the men and women who will come to the Guild for training. I wish they could enjoy the sights that I will see," he said.

Mike, 21, now a construction worker in Arlington, Virginia, is looking for sponsors of his trip at a penny a mile. Anyone wishing to sponsor the 2000 mile journey can send a contribution of $20 or more to Michael Karinshak, c/o The Greater Pittsburgh Guild for the Blind, 311 Station Street, Bridgeville, Pa. 15017.

Mike'a trip through 13 atates over terrain that is 90% mountainous, will begin at Springer Mountain, Georgia on March 16 and end in Mt. Katahdin, Maine about July 3.

Having the common cares a mother does, Mrs. Karinshak questioned her son, "Where will you take a bath and how will you carry enough food," a subject close to her heart and Mike's stomach, evidenced by his atrong, stocky frame.

The youngest of the eight Karinshak children assured his concerned mother, "I plan to keep clean. There are shelters and rest facilities in the state parks along the way. And I'll have two changes of clothes, too."

Instant cereals, dehydrated fruit juices, soups and candy bars will get him through. Mrs. Karinshak will no doubt be a good source for the fruit cake which he said, "is about the most nutritious food I can take along." He'll carry enough food in his 35 pound back pack to provide for the first five to ten days and re-fuel along the way. His canteen will provide for two to three days of water. Supplies will also include four pairs of socks, rain parka, nylon tent, sleeping bag, first-aid kit and snake bite kit "which I don't plan on using" said Mike, smiling behind his thick mustache.

"The Appalachian Trial Conference provides some good books on facilities along the trail" he said, "but I'd like to write some pamphlets about the types of animals and plant life I'll see in each of the states I hike through." He'll keep a log book for this purpose and hopes to write a book about the Trail within the next five years.

It'll be tough going for Mike but his large family is rooting for him and thinks he'll make it as long as his mother's fruit cake holds out.

[From the Pittsburgh Press, March 19, 1975]

HE HIKES TO REPAY HELP GIVEN HIS MOM

Michael Karinshak, 21, is hiking 2,000 miles along the Appalachian Trail to raise money for the Greater Pittsburgh Guild for the Blind.

Karinshak began his trek Sunday in Georgia and hopea to collect a penny a mile.

His hike was conceived in gratitude to the

rehabilitation agency in Bridgeville, for training given his mother, Mary who lost her sight two years ago.

She now is Pennsylvania's only licensed blind baker and operates a small shop in her home here.

Youngest of eight children, Mike, who now lives in Virginia, expects to end his hike from Georgia to Maine on July 3.

The trail runs through 13 eastern states and 90 per cent of it covers mountainous terrain.

Those wishing to support Mike's walk can send contributions to Mike's Hike, Guild for the Blind, 311 Station Street, Bridgeville 15017.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONGRESSIONAL BUDGET DETERMINATION

The PRESIDENT pro tempore. Under the previous order, the Senate will now move to the consideration of Senate Concurrent Resolution 32, which the clerk will state by title.

The legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 32) relating to a determination of the Congressional Budget for the U.S. Government for the fiscal year beginning July 1, 1975.

The Senate continued with the consideration of the concurrent resolution.

RECESS UNTIL 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 11 a.m. and at that time either the distinguished manager of the bill, the Senator from Maine (Mr. MUSKIE), or the distinguished ranking Republican member of the committee (Mr. BELLMON) be recognized.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senate, at 10:46 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MONDALE).

CONGRESSIONAL BUDGET DETERMINATION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 32) relating to a determination of the Congressional Budget for the U.S. Government for the fiscal year beginning July 1, 1975.

Mr. MUSKIE. Mr. President, the distinguished Senator from Kansas is about to offer an amendment. Before he does, I should like to suggest the inclusion in the RECORD of some material that appears in the committee report.

As I told the Senate yesterday, in this year's concurrent resolution we did not include the subceilings on the 16 functional categories of the budget for a number of reasons. Nevertheless, our conclusions, as a committee, on the overall spending and deficit numbers were related to our evaluation of the 16 functional categories and related to a series of decisions and votes that members of the committee cast in order to indicate their priorities and their assumptions with respect to spending in these 16 categories.

After the Senate and the House have acted finally on this first concurrent resolution, it will be the responsibility of the Budget Committees to track all legislation that moves through Congress in connection with those assumptions on functional categories. I think it would be helpful if we included in the RECORD at this point, Mr. President, chapter 8 of the committee report, which is an analysis of the 16 functional categories and the assumptions of the Budget Committee with respect to each of them. So I ask unanimous consent that chapter 8 be printed in the RECORD, as a guide to Members, as we proceed through the weeks and months ahead to deal with the decisions we take today.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAPTER VIII. BUDGET PROGRAMS BY FUNCTION

This section of the report discusses, by major budget function, the various program proposals that were considered by the Budget Committee, as well as the Budget Committee's recommendation in each case.

The following points should be noted in using this material:

1. PRESIDENT'S ADJUSTED BUDGET REQUEST (MARCH 12)

Changes in the budget estimates occur more or less continuously as actions and events unfold. On March 12, 1975, the Director of the Office of Management and Budget testified before the Senate Budget Committee and updated the estimates in the original budget of February 3. These updated estimates are reflected in the various tables in this section in entries entitled "President's adjusted budget request (March 12)."

The Budget Director testified before a subcommittee of the Joint Economic Committee on April 4, 1975. In that testimony, he provided later updates of the budget estimates. While these later changes are included in the various tables in this chapter, they are not carried as part of the President's adjusted budget request. For information, the President's 1976 budget estimates as of April 4, 1975, are shown in table IV on page 39.

2. TOTAL POTENTIAL

This term is used in the tables throughout this section. It refers to the total of all recommendations made to the Budget Committee by the Senate authorizing committees pursuant to Section 301(c) of the Congressional Budget Act, as well as additional suggestions and possibilities arising from other sources. This is the total list of possibilities considered by the Budget Committee in arriving at its recommendations.

It should be noted that in many cases the suggestions of the Senate authorizing committees are tentative and subject to further refinement as the work of the committees proceeds. In addition, some dollar estimates were not included in the committee reports; in these cases, estimates were made by Budget Committee staff based on the information contained in the reports.

3. APPROPRIATIONS COMMITTEE SUGGESTIONS

The tables in this section include the Senate Appropriations Committee suggestions for budget authority and outlays for each major budget function. It should be noted that as a general rule, the Senate Appropriations Committee did not consider the effect of possible new legislation in arriving at its suggestions for budget authority and outlays.

4. FISCAL YEARS

All years referred to in this chapter are fiscal years, unless otherwise noted.

TABLE I.—1976 BUDGET AUTHORITY BY FUNCTION

[In billions of dollars]

	President's adjusted budget request (Mar. 12)	Total potential	Appropriations Committee suggestion	Budget Committee recommendation
050—National defense	107.7	114.5	102.5	101.0
150—International affairs	12.6	12.2	12.6	6.0
250—General science, space, and technology	4.7	4.7	4.7	4.7
300—Natural resources, environment, and energy	12.2	29.0	13.1	13.4
350—Agriculture	4.3	4.4	4.3	4.3
400—Commerce and transportation	6.6	13.8	6.7	9.5
450—Community and regional development	5.2	11.6	5.4	6.0
500—Education, manpower, and social services	13.7	31.6	15.4	20.7
550 Health	31.0	36.9	32.3	32.6
600—Income security	136.0	147.4	140.5	138.5
700—Veterans benefits and services	16.2	18.3	16.2	17.6
750—Law enforcement and justice	3.2	3.5	3.4	3.3
800 General government	3.3	4.6	3.3	3.3
850—Revenue sharing and general purpose fiscal assistance	7.3	12.3	7.3	7.3
900—Interest	34.4	35.3	34.4	35.3
Allowances	8.3	1.7	8.3	1.3
950—Undistributed offsetting receipts	−20.2	−16.2	−20.2	−16.2
Total	386.5	465.6	390.2	388.6

TABLE II.—1976 OUTLAYS BY FUNCTION

[In billions of dollars]

	President's adjusted budget request (Mar. 12)	Total potential	Appropriations Committee suggestion	Budget Committee. recommendation
050—National defense	94.0	97.4	91.9	91.2
150—International affairs	6.4	6.2	6.3	4.9
250—General science, space, and technology	4.6	4.7	4.6	4.6
300—Natural resources, environment, and energy	10.1	17.3	10.6	11.7
350—Agriculture	1.8	2.4	1.8	2.0
400—Commerce and transportation	14.7	21.0	15.0	16.6
450—Community and regional development	5.9	10.0	6.3	6.6
500—Education, manpower, and social services	16.5	31.3	15.4	19.4
550—Health	28.1	34.3	28.6	31.0
600—Income security	119.4	136.9	123.5	126.1
700—Veterans benefits and services	15.6	17.6	15.6	16.9
750—Law enforcement and justice	3.3	3.5	3.5	3.4
800—General government	3.2	3.9	3.2	3.2
850—Revenue sharing and general purpose fiscal assistance	7.2	12.2	7.2	7.2
900—Interest	34.4	35.3	34.4	35.3
Allowances	8.1	1.5	8.1	1.1
950—Undistributed offsetting receipts	−20.2	−16.2	−20.2	−16,2
Total	353.1	419.3	355.8	365.0

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TABLE III.—BUDGET COMMITTEE RECOMMENDATION FOR REGULAR PROGRAMS AND TEMPORARY RECOVERY PROGRAMS

[In billions of dollars]

Function	1976 outlays		
	Regular budget programs	Temporary recovery programs	Total
050—National defense	91.2		91.2
150—International affairs	4.9		4.9
250—General science, space, and technology	4.6		4.6
300—Natural resources, environment, and energy	11.5	0.2	11.7
350—Agriculture	2.0		2.0
400—Commerce and transportation	15.6	1.0	16.6
450—Community and regional development	6.3	.3	6.6
500—Education, manpower, and social services	16.5	2.9	19.4
550—Health	31.0		31.0
600—Income security	126.1		126.1
700—Veterans benefits and services	16.8	.1	16.9
750—Law enforcement and justice	3.4		3.4
800—General government	3.2		3.2
850—Revenue sharing and general purpose fiscal assistance	7.2		7.2
900—Interest	35.3		35.3
Allowances	1.1		1.1
950—Undistributed offsetting receipts	−16.2		−16.2
Total	360.5	4.5	365.0

TABLE IV.—PRESIDENT'S ADJUSTED BUDGET REQUEST AS OF APR. 4, 1975

[In billions of dollars]

Function	1976	
	Budget authority	Outlays
050—National defense	107.7	93.9
150—International affairs	12.6	6.1
250—General science, space, and technology	4.7	4.6
300—Natural resources, environment, and energy	12.2	10.2
350—Agriculture	4.3	1.8
400—Commerce and transportation	6.6	14.7
450—Community and regional development	5.2	6.0
500—Education, manpower, and social services	13.7	16.6
550—Health	31.0	28.4
600—Income security	137.5	120.9
700—Veterans benefits and services	16.8	16.2
750—Law enforcement and justice	3.2	3.1
800—General government	3.3	3.2
850—Revenue sharing and general purpose fiscal assistance	7.3	7.2
900—Interest	34.4	34.4
Allowances	8.3	8.1
950—Undistributed offsetting receipts	−20.2	−20.2
Total	388.6	355.6

(050) NATIONAL DEFENSE

National Defense includes the military programs of the Department of Defense, military assistance, atomic energy defense programs, and other defense-related activities. The authorizing Committees with jurisdiction over the national defense function include Armed Services, Interior and Insular Affairs (development of Naval Petroleum Reserves), and Foreign Relations (military assistance). The Joint Committee on Atomic Energy has jurisdiction over atomic energy defense activities.

President's budget request

The President proposes $107.7 billion in budget authority and estimates outlays of $94.0 billion or 27 percent of all Federal spending. The major features of his request are:

Military programs.—These represent about 95 percent of the national defense function, including $101.7 billion in budget authority (up 18.5 percent from 1975) and $89.8 billion in outlays (an increase of 8.2 percent). Major initiatives include:

Continued modernization of strategic nuclear forces.

An increase in ground combat units within existing manpower ceilings, and increased procurement and development of ground forces combat weapons, support equipment and munitions.

Additional production and development of weapons systems and munitions for the tactical air forces.

Continued modernization of naval forces, including procurement of new ships, submarines and weapons.

Improvements in strategic airlift capabilities, plus increases in war reserve stocks, in modification and overhaul of ships and aircraft and in training and equipment for the Reserve and National Guard forces.

Increased emphasis on exploratory research and technology in military-related fields.

Large increases in military construction for health facilities, troop housing and strategic nuclear forces.

The President's budget places a high priority on increases in defense purchases, for which budget authority rises $13.5 billion, or 31 percent, above 1975. This increase includes $2.3 billion to cover underestimated costs of Navy shipbuilding programs approved in prior years, about $5.0 billion for inflation, and over $5.0 billion in real growth in procurement, operations and maintenance, research and development, and military construction.

The large increase in purchases represents the first stage in a 5-year plan of continued increases in defense operations and modernization programs at the rate of 4 percent a year in constant dollars.

In current dollars, the national defense function is projected to grow from $91.3 billion in 1975 to $149.4 billion in 1980. A number of significant long-range programs with relatively small start-up costs that rise sharply in future years (so-called "wedges"), are implicit in the 1976 request and the 5-year projection. These include:

Building a fleet of B–1 bombers, with annual production costs rising above $3.0 billion by 1980. (1976 outlays $0.6 billion.)

Procurement of seven Trident submarines at a cost of over $1.0 billion each. (1976 outlays $1.5 billion.)

Equipping and operating three new Army divisions, three new Air Force wings and additional Navy units, at a cost exceeding $4.0 billion a year. (1976 outlays $0.8 billion.)

Meeting civilian and military payrolls and financing military retirement, with total costs increasing at a rate of nearly $4.0 billion a year through 1980.

In contrast to the proposed large increase in budget authority, 1976 purchase outlays are estimated to rise by only $5.8 billion, or 14.9 percent. The major portion of the large increase in budget authority would be expended in later years. The budget projects defense outlays for military programs in 1977 of $102.0 billion.

The President's budget also recommends legislation to hold civilian, military, and military retired pay increases to 5 percent, and to permit the sale of petroleum from naval reserves as a first step toward creation of a national strategic petroleum reserve.

Military assistance

These programs include grants and credit sales to other nations. They are administered by the Department of Defense. The President asked for $4.8 billion in new budget authority (offset by $0.2 billion in receipts) plus a $0.2 billion appropriation to reimburse military departments for emergency delivery of defense stocks to Cambodia in 1974. Of the total, $1.3 billion was requested for South Vietnam. An additional $2.1 billion in budget authority results from net increases in foreign military sales orders in the Foreign Military Sales Trust Fund. Outlays for these programs are estimated to be $2.8 billion, plus $0.2 billion from the FMS Trust Fund—a $1.2 billion increase (66 percent) over estimated 1975 outlays.

Atomic energy

Defense programs include underground testing, nuclear weapons development and production, and naval propulsion systems. Budget authority increases by $0.1 billion to $1.9 billion. Outlays increase by $0.2 billion.

Defense related activities

The major change in these programs is a reduction of $0.6 billion in receipts from the sale of excess strategic commodities from piles managed by the General Services Administration, reflecting lower demand and the exhaustion of disposal authority for certain commodities. Of the remaining $0.6 billion in estimated receipts, $0.5 billion depends upon enactment by Congress of new stockpile disposal legislation.

Suggestions of the authorizing committees

The Armed Services Committee advised the Budget Committee to use the President's recommended totals for this category, but stated that reductions might be recommended later.

Estimates from other authorizing committees implied increases in national defense budget authority of $1.8 billion and increases in outlays of $2.0 billion above the President's budget. The Post Office and Civil Service Committee proposed removing the President's 5 percent cap on Federal pay increases which would trigger increases in civilian and military retired pay in the defense category of $1.8 billion. The Interior and Insular Affairs Committee does not foresee passage of legislation to permit sales of Naval petroleum reserves, which would reduce the President's anticipated receipts by $0.4 billion. Finally, the Foreign Relations Committee proposed to reduce military assistance funds by $0.2 billion.

Suggestions of the Appropriations Committee

In its report to the Budget Committee, the Senate Appropriations Committee suggests a target reduction of $5.2 billion in budget authority for the national defense function, resulting in an outlay reduction of $2.1 billion. These cuts all were allocated to the military programs of the Department of Defense (which include military assistance for South Vietnam).

Additional budget issues

Three issues which may affect 1976 outlays are not addressed in the President's budget or the Committee letters:

A request for additional military assistance to Israel could increase the budget by as much as $2.5 billion in authority and $1.0 billion in 1976 outlays.

Funds may be required for emergency military action in Southeast Asia to rescue American citizens, with outlays of $0.1 billion.

An amendment may be introduced to increase the defense budget by an additional $5.0 billion in budget authority and $1.5 billion in outlays to further accelerate investment in major weapons systems.

Budget Committee Recommendation

The Committee recommends $101.0 billion in budget authority and $91.2 billion in outlays for 1976.

The Committee is not persuaded by the arguments in the President's budget that 1976, a year of extraordinary fiscal strain, must be the year of major initiatives to expand or recoup foregone defense investment.

The Committee's recommended budget levels generally reflect the assessment submitted by the Appropriations Committee, combined with the Committee's own judgments. The recommendations also reflect an adjustment for a more realistic 10 percent rate of inflation from 1975 to 1976 on defense purchases than the 15 percent rate which was used by the Administration.

The Committee recognizes that the recommended funding levels will allow only the most modest increases for high-priority force modernization.

The Committee did not examine all of the major policy issues raised by the programs in this functional area in order to arrive at recommended outlay and budget authority limits. Recognizing that the Armed Services and Appropriations Committees have jurisdiction over line-items, the Committee intends to focus on overall trends and broad policy issues.

The Committee considered using a mission approach to assess the content of the defense budget. Such an approach would allow the total resources devoted to each major defense mission to be considered in light of foreign policy requirement and defense strategy. It is the Committee's view that such a mission approach should be pursued next year to provide a framework for considering levels of outlays and budget authority. The Committee looks forward to working with the Armed Services and Appropriations Committees in developing such a mission framework.

The Committee also is aware that the spread between budget authority and outlay levels will affect the mix of spending and determine the degree to which new investments for the future can be initiated. This means the longer range, 5-year projections as well as next year's budget levels, must be an integral part of the Committees deliberations.

FUNCTION 050—NATIONAL DEFENSE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar 12)	107.7	94.0
Major authorizing committee suggestions:		
Remove 5-percent cap on military retired pay increases	+.6	+.6
Remove 5-percent cap on DOD civilian and military pay increases	+1.2	+1.2
Failure to enact legislation to increase Elk Hills receipts	+.4	+.4
Cut President's request for military assistance funds	−.4	−.2
Other possibilities:		
Increase DOD programs for weapons procurement, operation and maintenance, and research and development	+5.0	+1.5
Other*	(1)	−.1
Total potential	114.5	97.4
Appropriations Committee suggestion	102.5	91.9
Budget Committee recommendation	101.0	91.2

*NATIONAL DEFENSE—OTHER

[In millions of dollars]

Increased operating expenses for Elk Hills	55	15
Decrease due to lower level of 1975 military assistance appropriations than estimated in President's budget		−159
Overturn impoundments		23
Total	15	−121

[1] Less then $50,000,000.

(150) INTERNATIONAL AFFAIRS

International Affairs includes the conduct of foreign affairs, foreign information and exchange activities, the Peace Corps, Food for Peace, and foreign assistance (except military). Committees of jurisdiction are Foreign Relations and Agriculture and Forestry.

President's budget request

For 1976 the President requests $12.6 billion in budget authority, an increase of $9.1 billion, or 270 percent above the amended 1975 budget. Estimated outlays in the President's budget rise 26 percent from $5.1 billion to $6.4 billion. The major spending programs are:

Budget authority of $7.0 billion and outlays of $1.0 billion are proposed for the U.S. share of a $25.0 billion multinational "*special financing facility*" for industrialized nations suffering oil-induced balance-of-payments difficulties.

Security supporting assistance (largely in the Middle East) accounts for $0.6 billion in budget authority and $1.2 billion in outlays (about two-thirds for *Israel*), while *Indochina* reconstruction is allocated $0.9 billion in new budget authority (up $0.3 billion from 1975), resulting in $0.8 billion in estimated outlays.

Food for Peace budget authority rises 72 percent to $1.3 billion while outlays decline from $1.3 billion to $1.0 billion.

State Department outlays increase 14 percent to $0.7 billion, while foreign information and exchange outlays (mainly the United States Information Agency) rise 18 percent to $0.4 billion.

Net outlays for the *Export-Import Bank*, an off-budget agency until October 1, 1976, will rise 9 percent to $1.8 billion.

Suggestions of the authorizing committees

Budget estimates received from the authorizing committees would decrease international affairs budget authority and outlays. The changes:

Reduce Indochina postwar reconstruction by $0.4 billion in budget authority and by $0.1 billion in outlays.

Remove the proposed 5 percent cap on foreign service retirement to add $5 million.

Suggestions of the Appropriations Committee

In its report to the Budget Committee, the Appropriations Committee said:

The fiscal year 1975 Foreign Assistance and Related Programs Appropriation Act is presently before the Committee.

For this reason we are unable to develop comprehensive target estimates for new budget authority or outlays in fiscal year 1976.

The uncertain nature of the situation in Southeastern Asia makes projections in this area extremely hazardous. However, we anticipate ultimately reporting a fiscal year 1976 bill well below the proposals contained in the President's fiscal year 1976 budget. When this situation is clarified, the Subcommittee will furnish these target projections to the Full Committee.

Additional budget issues

Two activities which may affect 1976 outlays are not addressed directly in the President's budget or in the Committee letters:

—Additional economic assistance to Israel.

—Emergency refugee relief and economic assistance in Southeast Asia.

No official estimates of outlays are available at this time for either program. Unofficial estimates of additional economic aid to Israel range from $0.1 billion to $0.2 billion in budget authority and outlays, and for emergency assistance to Southeast Asia from $0.3 to $0.7 billion in budget authority and outlays. (Additional military assistance for Israel amounting by unofficial estimates to as much as $2.5 billion in authority would come under the national defense function.)

Budget Committee recommendation

The Committee recommends $6.0 billion in budget authority and $4.9 billion in outlays for 1976.

The Committee reduced the President's budget for *foreign economic and financial assistance* by $0.6 billion in budget authority and $0.5 billion in outlays. The reduction primarily involves funds for Indochina in line with the general thrust of recommendations by the Foreign Relations Committee. The Committee recommends that any necessary humanitarian and refugee aid be taken from the funds budgeted for Indochina reconstruction.

The Committee reduced the proposed "*special financing facility*" by $6.0 billion in budget authority and $1.0 billion in outlays. The outlay reduction is based on the Committee's understanding that the facility is likely to involve guarantees rather than direct loans. The reduction in budget authority takes into account uncertainty about the final form of the proposal and is not a judgment about the merits of the facility. The Committee agreed that if the remaining $1.0 billion in budget authority for the facility is not needed, it should not be used for any other purpose.

FUNCTION 150: INTERNATIONAL AFFAIRS

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	12.6	6.4
Major authorizing committee suggestions:		
Cut President's request for Indochina postwar reconstruction economic assistance funds	−.4	−.1
Other possibilities*		−.1
Total potential	12.2	6.2
Appropriations Committee suggestion	12.6	6.3
Budget Committee recommendation	6.0	4.9

*INTERNATIONAL AFFAIRS—OTHER POSSIBILITIES

[In millions of dollars]

Remove 5-percent cap on foreign service retirement benefit increase	5
Decrease due to lower level of 1975 foreign economic assistance appropriations than estimated in President's budget	−107
Overturn impoundments	4
Total	−98

(250) GENERAL SCIENCE, SPACE, AND TECHNOLOGY

General Science, Space, and Technology covers the civilian space program administered by NASA, the basic research programs of the National Science Foundation and the Energy Research and Development Administration, and an earth sciences program largely administered by the U.S. Geological Survey.

The category does not cover a $2.9 billion

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space program conducted by the Defense Department or an estimated $15.7 billion in research and development which is carried out by Federal agencies as part of their regular missions.

Senate committees of jurisdiction are Aeronautical and Space Sciences (NASA), Labor and Public Welfare (NSF), the Joint Committee on Atomic Energy (ERDA nuclear programs), and Interior and Insular Affairs (ERDA's non-nuclear programs and Geological Survey).

President's Budget Request

For 1976 the President proposed $4.7 billion in budget authority and $4.6 billion in outlays, an increase from 1975 of $0.4 billion in each category. The outlay proposals include $3.2 billion for the civilian space program, $0.7 billion for NSF, $0.4 billion for ERDA's basic research activity, and $0.3 billion for the Geological Survey.

The President's program continues a trend of diminishing space activity. No major new projects are proposed and NASA's budget in 1966 dollars would be $1.9 billion—about one-third of the peak NASA budget. To have maintained a $3.4 billion "constant level budget" as agreed to in 1972 by NASA, Congress and the Office of Management and Budget, space outlays would have to be $4.0 billion in 1976. The President's budget includes $1.2 billion for the space shuttle and funds for other projects including an earth resources satellite (LANDSAT–C).

The President's budget provides $0.8 billion in new budget authority for the National Science Foundation, an increase of $78 million.

Suggestions of the authorizing committees

Budget estimates of authorizing committees would increase general science, space, and technology outlays by $83 million and budget authority by $47 million. Most of the increases were suggested by the Committee on Labor and Public Welfare to expand NSF programs in science education. No changes in the civilian space program were suggested by the Committee on Aeronautical and Space Sciences.

The Interior and Insular Affairs Committee suggests a $0.5 billion increase for ERDA non-nuclear programs. Some of this spending could appear in the basic research subcategory of general science, space, and technology.

Suggestions of the Appropriations Committee

The Senate Appropriations Committee offered no suggestions for change in either budget authority or outlays as proposed by the President.

Budget Committee recommendations

The Committee recommends $4.7 billion in budget authority and $4.6 billion in outlays for 1976, which is in line with the recommendation of the authorizing committee and the President's proposal.

The Committee explored the possibility of a reduction in the space shuttle program but decided that it should be continued at current levels.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	4.7	4.6
Major authorizing committee suggestions: None		
Other possibilities*	(1)	+.1
Total potential	4.7	4.7
Appropriations Committee suggestion	4.7	4.6
Budget Committee recommendation	4.7	4.6

*GENERAL SCIENCE, SPACE, AND TECHNOLOGY—OTHER POSSIBILITIES

[In millions of dollars]

General increase in National Science Foundation	44	80
More funds for Geological Survey	3	3
Total	47	83

[1] Less than $50,000,000.

(300) NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

Natural Resources, Environment, and Energy activities include:

Water resources programs of the Soil Conservation Service, the Corps of Engineers, the Bureau of Reclamation, and the Tennessee Valley Authority;

Power programs of the Department of the Interior;

Conservation and land management programs of the Bureau of Land Management, the Soil Conservation Service, and the Forest Service;

Coastal zone programs of the National Oceanic and Atmospheric Administration;

Recreational programs of the National Park Service, the Bureau of Outdoor Recreation, and the Fish and Wildlife Service;

Pollution control programs of the Environmental Protection Agency; and

Energy programs of the Energy Research and Development Administration, the Nuclear Regulatory Commission, and the Federal Power Commission.

Committees with jurisdiction over these programs are Agriculture and Forestry (soil conservation and forestry); Commerce (coastal zones and energy); Interior and Insular Affairs (energy, land management, recreation, and reclamation); Public Works (pollution control and water resources); and the Joint Committee on Atomic Energy (nuclear energy).

Programs within natural resources, environment, and energy produce significant amounts of revenue. The Bureau of Land Management estimates receipts for 1976 at $0.5 billion, exclusive of the Outer Continental Shelf mineral leasing revenues. The Forest Service's estimated receipts are $0.5 billion. The Energy Research and Development Administration's estimated receipts are $0.7 billion.

President's budget request

The President proposes $12.2 billion in budget authority and $10.1 billion in outlays for natural resources, environment, and energy. Of the outlay total, $3.3 billion is for water resources/power; $0.9 billion is for conservation/land management; $0.9 billion is for recreation; $3.9 billion is for pollution control; $2.2 billion is for energy; and $0.6 billion is for other natural resource programs; less $0.9 billion offsetting receipts.

The $10.1 billion in outlays is $0.7 billion more than the $9.4 billion in 1975 outlays, an increase of 7 percent, the bulk of which is for energy programs.

For many natural resource programs (soils, forests, parks, land management, fish and wildlife), the President's proposed outlays are below levels needed to keep up with inflation. This lack of real dollar increases is aggravated by severe personnel ceilings placed upon the natural resource agencies.

The President's budget anticipates outlays of $2.4 billion for wastewater treatment facilities, an estimate that may be high given the record of previous estimates. The figure is far below the level of outlays envisioned by Congress in 1972 water quality legislation. Administration and court-ordered decisions to release some $9.0 billion in impounded water quality funds will increase 1976 outlays by only $50 million.

The President proposed to spend $2.2 billion on energy programs in this category, of which $1.6 billion is to be administered by ERDA. Total energy outlays increase by $0.8 billion over 1975, of which $0.6 billion is administered by ERDA.

Within the $1.6 billion in ERDA's energy outlays, $0.3 billion is budgeted for fossil energy development, an increase of $116 million over 1975 outlays. The largest component—and the largest increase—is for coal research. The largest percentage increase among ERDA energy programs is in solar energy programs where 1976 outlays are budgeted at $57 million, an increase of 551 percent over the 1975 level of $8.8 million.

ERDA's outlays for fusion power R&D are budgeted at $120 million, an increase of nearly 10 percent over 1975. Funds proposed for fission power R&D are $0.4 billion, an increase of $59 million or 16 percent over 1975. The main project within the fission area continues to be the liquid metal fast breeder reactor (LMFBR) where outlays for 1976 are expected to be nearly $0.3 billion.

Suggestions of the authorizing committees

Budget estimates of authorizing committees would increase 1976 outlays by $7.7 billion above the President's adjusted budget.

The Agriculture and Forestry Committee recommends increases in outlays for soil conservation and forestry. The Interior and Insular Affairs Committee recommends additional outlays primarily for non-nuclear energy research and parklands. The Public Works Committee recommends increased outlays for EPA's operating budget and wastewater construction grant program. The Commerce Committee recommends creation of a Department of Environment and Oceans and outlays for development of energy-efficient automobiles. Both the Commerce and Interior and Insular Affairs Committees recommend outlays for a National Energy Production Board and assistance to coastal States which would be affected by offshore oil production.

The dollar amounts of the proposals are:

Committee:	*In billions of dollars*
Agriculture and Forestry	0.3
Interior and Insular Affairs	2.2
Commerce	2.8
Interior and Insular Affairs/Commerce	1.4
Public Works	1.0
Total	7.7

Suggestions of the Appropriations Committee

The Committee would raise the President's 1976 outlays as follows:

[*In millions of dollars*]

Energy R. & D.	372
Water resources/power	160
Total	532

Additional Budget Issues

Four other budgetary items could affect natural resources, environment, and energy outlays and budget authority. The first is H.R. 4481, the Emergency Employment Appropriations Act now in the Senate Appropriations Committee, which, if enacted, could add approximately $0.2 billion to outlays. The second is a possible authorization for EPA construction grants (the program expired in 1975) that could add $5.0–9.0 billion in budget authority for 1976. The third item is a revised 1976 ERDA budget expected from the Administration in a few months that will likely increase the energy budget authority and outlays by $0.1–0.2 billion. Effort will probably be made to increase ERDA spending for environmental and safety research above the President's $0.2 billion estimate. The fourth item is a possible acceleration of Corps of Engineers and Bureau of Reclamation projects that could increase outlays by $0.7 billion.

Budget Committee Recommendation

The Committee recommends $13.4 billion in budget authority and $11.7 billion outlays for 1976, an increase of $1.6 billion in outlays over the President's adjusted proposal.

The Committee's recommendation for this function represents endorsement of both the authorizing committee's and the Administration's conviction that energy independence and diversification of energy sources are important national goals requiring significant commitment of new resources this year. The Committee's recommendation also reflects the views of the authorizing committees that modest increases for natural resources and environmental protection are warranted.

The Committee did not recommend new budget authority for the Environmental Protection Agency's wastewater treatment construction program because adequate budget authority, having recently been released by court action, remains available from previous years. The funds are adequate to meet EPA requirements in 1976.

FUNCTION 300.—NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	12.2	10.1
Major authorizing committee suggestions:		
Natural Resources:		
Increases for USDA programs: Soil Conservation Service (to reduce backlogs); Agriculture Stabilization and Conservation Service (restore water bank/ACP; full fund forestry incentives program); Forest Service (general increase)	+.6	+.3
Fund Land Resource Planning Assistance Act (S. 984)	+.1	+.1
Increase Land and Water Conservation Fund	+.7	+.7
National Park Service: Create National Historic Preservation Fund (title II, S. 327); increase operation and construction programs	+.2	+.2
Environment:		
Create a Department of Environment and Oceans	[1] (2.4)	[1] (2.0)
Additional funding for Coastal Zone Management Act activities	+.1	+.1
Additional operating funds for EPA	+.5	+.4
Accelerate EPA wastewater treatment construction grant program		+.7
Energy:		
Increase ERDA nonnuclear research and development program, including provision for accelerating commercial development of coal liquefaction processes	+.5	+.5
Create a National Energy Production Board (S. 740)	+2.0	+1.2
Enact standby energy authorities (S. 622)	+.5	+.5
Grants in aid to coastal States for Outer Continental Shelf planning	+.2	+.2
Establish program of mandatory fuel economy standards for autos and provide rebates for efficient autos	+.6	+.6
Other possibilities:		
Accelerate Corps of Engineers and Bureau of Reclamation projects	+1.0	+.7
Possible authorization of 1976 budget authority for EPA wastewater treatment construction grant program	+9.0	
Revised 1976 ERDA budget to be submitted within the next few months	+.2	+.2
Emergency Employment Appropriations Act, 1975—Funds for Interior, Agriculture, Corps of Engineers, EPA		+.2
Other*	+.6	+.6
Total potential	29.0	17.3
Appropriations Committee suggestion	13.1	10.6
Budget Committee recommendation	13.4	11.7

*NATURAL RESOURCES, ENVIRONMENT, AND ENERGY—OTHER

[In millions of dollars]

Fund Surface Mining Control and Reclamation Act (S. 7)	68	38
Establish coal conversion program to assure new industrial users and electric utilities can burn coal	50	40
Create Federal agency to disseminate energy information	60	20
Intensify research and development for more efficient use of energy by industry	20	20
Increase ERDA power system development program	30	21
Establish program for control of toxic substances	11	11
Establish system to collect, analyze, and disseminate information on the availability of natural resources	15	10
Establish research and development program for materials and products to conserve energy and promote efficiency	40	20
Establish research and development program to produce a more efficient auto	60	50
Create program to promote energy and resource recovery from waste	1	1
Establish program to encourage reuse of containers	1	1
Establish 200-mile fishery management zone	50	20
Provide funds to implement Sikes Act (habitats for fish and wildlife)	7	5
Construct strategic storage facilities for oil	18	9
National Resource Lands Management Act (S. 507)—increase BLM	14	14
Increase BLM range rehabilitation program	31	31
Studies of eastern wilderness areas	1	1
Increases in existing programs:		
BLM	15	15
BuRec	69	35
OWRT	6	6
BOR	3	3
WRC	5	5
CEQ	1	1
Forest Service	1	1
Overturn impoundments		202
Total	577	580

[1] Represents program consolidation; not additive to other amounts shown.

(350) AGRICULTURE

Agriculture covers all price support and loan operations for farmers, plus all Agriculture Department research activities. Major agricultural programs under other functions include food stamps (Income Security, $3.6 billion) and Food for Peace (International Affairs, $1.3 billion). Agriculture and Forestry is the only committee of jurisdiction.

President's budget request

Agriculture outlays are expected to be $1.8 billion in 1976, and budget authority $4.3 billion.

Farm income stabilization outlays are expected to decrease by about 1 percent. This decrease is a result of the Administration's proposal for a "free flow" in the commodities market through the elimination of income and price stabilization mechanisms. Specifically, the Administration has removed Federal restrictions on planted acreage and is proposing legislation to reduce Federal controls over the production of rice, peanuts, and extra-long staple cotton.

The estimate of agricultural research and services outlays for 1976 is $0.9 billion, which represents an increase of $49 million over 1975.

Suggestions of the authorizing committee

The budget estimates received from the Agriculture and Forestry Committee would increase outlays by slightly less than $0.6 billion above the President's budget. Approximately $0.5 billion results from the USDA-Farm Bill (cotton and milk price supports). The remainder represents an increase in agricultural research.

Suggestions of the Appropriations Committee

The Appropriations Committee proposes to adopt the President's recommendation of $1.8 billion in outlays and $4.3 billion in budget authority.

Additional budget issues

None.

Budget committee recommendation

The Committee recommends $4.3 billion in budget authority and $2.0 billion in outlays for 1976.

The Committee increased outlays by $0.2 billion over the President's budget request to cover the costs of contemplated legislative action, consistent with increased efficiencies in programs included in this function.

Outlay levels will be affected by the final terms of the pending farm bill and by commodity prices.

FUNCTION 350: AGRICULTURE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	4.3	1.8
Major authorizing committee suggestions:		
Farm bill—increased price supports for various commodities		+.5
Increased funds for agricultural research	+.1	+.1
Other possibilities:		
None		
Total potential	4.4	2.4
Appropriations Committee suggestion	4.3	1.8
Budget Committee recommendation	4.3	2.0

(400) COMMERCE AND TRANSPORTATION

Commerce and Transportation covers most Federal support for transportation, plus a miscellaneous assortment of programs benefiting commerce. Authorizing jurisdiction is shared among the Banking, Housing, and Urban Affairs; Post Office and Civil Service; Commerce; Public Works; District of Columbia; and Aeronautical and Space Sciences Committees.

President's budget request

The President's budget spoke of reordering transportation priorities and proposed to reduce slightly the relative share for highways. Subsequently, the President released $2.0 billion of impounded highway funds. This will delay the President's plan to reorder priorities.

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[Dollars in billions]

	Estimated 1975		Requested 1976		Adjusted 1976	
	Outlays	Percent	Outlays	Percent	Outlays	Percent
Highways	$4.8	46.2	$5.1	45.0	$6.1	49.5
Railroads	.5	5.1	.5	4.3	.5	4.0
Mass transit	1.0	9.4	1.3	11.0	1.3	10.1
Air transportation	2.5	23.6	2.7	23.4	2.7	21.6
Water transportation	1.5	14.5	1.7	15.0	1.7	13.8
Other transportation	.1	1.2	.1	1.2	.1	1.1
Total transportation	10.4	100.0	11.4	100.0	12.4	100.0

In the adjusted budget, the share of Federal transportation money for railroads, many of which are bankrupt or near collapse, would be lower in 1976 than in 1975.

The President's budget also proposed to consolidate numerous Federal-aid highway programs; utilize the highway trust fund exclusively for the Interstate Highway System; redistribute a portion of the Federal gasoline tax to the general fund and to the States; and make certain maintenance costs of the air traffic control system eligible for financing with airport and airway trust funds.

The President also signaled his intention to lower the accumulation of impounded highway trust funds by requesting only minimal new authority for 1976 and by eliminating the advance feature of contract authority.

The budget proposed a 1976 subsidy to the Postal Service of $1.5 billion, down $0.3 billion from 1975. The reduction was achieved by refusing certain requested subsidies for third-class and other reduced rate mail.

The Budget contains no Administration proposals to provide assistance to the depressed housing industry. The President said he would rely on improved mortgage markets to provide new supplies of housing funds.

Release of impounded highway funds would increase outlays in this category to $14.7 billion which seems to imply an increase of nearly $3.0 billion over 1975 outlays of $11.8 billion. However, $1.3 billion of this increase is accounted for by financing alterations in the Farmers Home Administration, not by expanded programs. Another $1.3 billion benefits only the Federal-aid highway program. The remaining $0.4 billion is not enough to make up for inflation in other programs, many of which finance construction projects where costs are estimated to have increased 15.4 percent in the past year.

Suggestions of the authorizing committees

Senate authorizing committees are considering proposals that could add as much as $4.6 billion to commerce and transportation outlays in 1976. Approximately $2.7 billion of this would support transportation.

The Public Works Committee suggests that the highway program be funded at its maximum possible level of obligations, estimated at $7.2 billion, to combat the recession. This is $2 billion above the President's request, and would add about $0.3 billion to 1976 outlays.

The Commerce Committee is considering major aid to the rail transportation system. The proposals—to rehabilitate rail lines nationally, accelerate development of the high-speed northeast corridor project, provide for upgraded Amtrak capital facilities, subsidize unprofitable branch lines, and refurbish railroad stations—could add $2.2 billion to outlays.

Finally, the District of Columbia Committee indicates additional assistance may be necessary to complete the Washington (D.C.) Metro system. Inflation has increased the estimated Federal cost by $1.2 billion, of which about $0.2 billion may be required in 1976.

The Post Office and Civil Service Committee is considering an increase of up to $1.7 billion in the Postal Service subsidy. A proposal to set the public service cost subsidy at a maximum of 20 percent of the preceding year's budget would account for $1.5 billion. The remainder would subsidize reduced-rate mail.

New consumer legislation could account for another $49 million increase in 1976 outlays. The Commerce Committee is studying legislation to provide no-fault auto insurance ($4 million), to improve methods of consumer-merchant dispute settlement ($5 million), and to expand the antitrust enforcement activities of the FTC ($25 million). The Government Operations Committee has before it a bill to establish an Agency for Consumer Advocacy ($15 million).

The Commerce Committee also is considering legislation to provide for monitoring foreign investment in the United States ($8 million), to promote further export expansion ($25 million), and to establish a Metric Conversion Board ($3 million).

The Committee on Banking, Housing, and Urban Affairs is reviewing numerous bills to stimulate the sale of houses, provide for subsidies to homeowners threatened with foreclosure, and increase home thermal efficiency. The Committee advises that it expects to approve legislation in each of these areas. While this could increase 1976 budget authority by up to $1.4 billion, the Committee estimated that outlays would increase only by about $0.2 billion.

Suggestions of the Appropriations Committee

The Appropriations Committee suggests an outlay ceiling of $15.0 billion, $0.3 billion above the President's adjusted request. The ceiling is based on an expected increase in the budget of the Small Business Administration direct-loan program. The Appropriations Committee estimate does not include any of the $4.6 billion in proposals listed here from authorizing committees.

Additional budget issues

The House-passed Emergency Employment Appropriations Act includes additional 1975 budget authority for the SBA and for the Postal Service. The SBA appropriation would increase help to small businesses, which are especially vulnerable in a recession. The Postal Service appropriation would accelerate construction and procurement activities. Additional outlays in 1976 would be $0.2 billion for the SBA and $0.3 billion for the Postal Service.

The House Appropriations Committee may propose full funding of the Postal Service's 1976 budget request, which was $0.7 billion higher than recommended in the President's budget, and $0.5 billion higher than proposed by the Senate Post Office and Civil Service Committee.

The House is expected to approve three pieces of housing legislation—the Emergency Middle Income Housing Act of 1965, the Emergency Homeowners' Relief Act, and the Home Heating Efficiency Act of 1975. These bills are similar to those under consideration in the Senate Banking, Housing, and Urban Affairs Committee, but there is a difference of $1.7 billion in 1976 cost estimates. In its mark-up, the House Budget Committee estimated the three House bills would increase 1976 outlays by $1.9 billion. Senate Banking's figure is $0.2 billion due primarily to the assumption that GNMA would resell the mortgage paper it purchased, thereby reducing net outlays.

Budget Committee Recommendation

The Budget Committee recommends total budget authority of $9.5 billion and outlays of $16.6 billion for 1976, which is $1.9 billion in outlays higher than the President's adjusted request.

Of that increase, $1.4 billion would go to non-highway transportation programs, the bulk of that to be used to start restoring the Nation's railroad system and the remainder to be used for the Washington, D.C., Metro system. The railroad funds not only would support many improvement programs proposed by the Commerce Committee (see above) but would provide new job opportunities.

The Committee suggests that half of the $1.2 billion designated for railroads be used to finance a temporary public service employment program for railroad rehabilitation projects.

The recommendation for outlays includes increases of about $0.5 billion for programs in commerce, including funds to bolster the depressed housing industry and provide an extra measure of assistance to small business. The outlay target would permit an increase of $0.2 billion in housing-related outlays over the President's budget.

The Committee does not support a proposal under the Emergency Employment Appropriations Act of 1975 to provide $0.3 billion to accelerate Postal Service procurement and construction projects.

FUNCTION 400.—COMMERCE AND TRANSPORTATION

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	6.6	14.7
Major authorizing committee suggestions:		
Northeast corridor project—Rehabilitate rail facilities Boston/Washington	+.5	+.5
Federal effort to rehabilitate rail roadbeds and facilities throughout the United States	+1.2	+1.2
Amtrak capital grants—Purchase and upgrade rail passenger facilities	+.[illegible]	+.4
Federal Highway Administration—Further increase in program level		+.3
Emergency housing—Authorize HUD to purchase mortgages and assist middle income homebuyers through quarterly interest payments	+.[illegible]	+.1
Home retention—Authorize GNMA to purchase and resell mortgages subject to foreclosure action	+.[illegible]	
Enact program of energy assistance for the economically disadvantaged (improve home thermal efficiency)	+.2	+.1
Increased payment to the Postal Service for public service costs	+1.5	+1.5
Other possibilities:		
Funds for WMATA for D.C. Metro cost increases	+1.2	+.2
Emergency Employment Appropriations Act, 1975:		
Postal Service capital investments		+.3
Increase SBA direct loan program		+.2
Further increase in SBA direct loan program (bill pending in House)	+.5	+.5
Fund payment to the Postal Service at its full 1976 budget request (bill pending in House)	+.5	+.5
Other *	+.5	+.5
Total potential	13.8	21.0
Appropriations Committee suggestion	6.7	15.0
Budget Committee recommendation	9.5	16.6

*COMMERCE, TRANSPORTATION—OTHER

[In millions of dollars]

	Budget authority	Outlays
Local Rail Services Act (S. 863)—subsidize branch lines proposed to be abandoned	100	80
Payment to the Postal Service to extend subsidy to certain classes of mail	93	93
Payment to the Postal Service for revenue foregone for regular rate third class mail	130	130
Create a Metric Conversion Board	3	3
Establish nationwide system of no-fault insurance	5	4
Establish better procedures to settle consumer/merchant disputes	5	5
Increase FTC antitrust enforcement funds	25	25
Establish mechanism to monitor foreign investment in the United States	8	8
Improve Federal export promotion efforts	25	25
Move Union Station intermodal transportation facility to construction stage	30	30
Preserve and utilize historic railroad stations	50	30
Create an Agency for Consumer Advocacy (S. 200)	15	15
Emergency assistance to bankrupt railroads (enacted in February)		87
Total	489	535

(450) COMMUNITY AND REGIONAL DEVELOPMENT

Community and Regional Development covers bloc grants and loans to local government and individuals for development; for rural, economic, and Indian development projects; and for disaster insurance and relief.

Programs under the jurisdiction of the Banking, Housing, and Urban Affairs Committee account for more than half of this function's outlays. Other committees with jurisdiction are Agriculture and Forestry; District of Columbia; Interior and Insular Affairs; Labor and Public Welfare; and Public Works.

President's budget request

Except for rural water and sewer grants, the President recommends holding program levels in community and regional development at current levels or cutting them. Outlays for the function would rise from $4.9 billion in 1975 to $5.9 billion in 1976 but most of the rise stems from 1975 obligations, not new program increases. Nearly 75 percent of all outlays for community and regional development take the form of grants to State and local government and these would be held at current levels.

Suggestions of the authorizing committees

Legislative committees suggest additions to the President's budget levels of about $1.0 billion in budget authority and $0.6 billion in outlays. These would allow for increased (but not full) funding of community development bloc grants, continuation of the comprehensive planning and housing rehabilitation loan programs, full funding of various Economic Development Administration programs, and some increase in the funding of the new Community Services Administration (formerly the Office of Economic Opportunity).

Suggestions of the appropriations committee

The Appropriations Committee suggests a modest increase in funding levels for community and regional development: $0.3 billion in budget authority and $0.4 billion in outlays. Reflected in this suggestion are some increases in funding for community development bloc grants and for Economic Development Administration programs, and continuation of the comprehensive planning grants to State and local government. The Committee also makes allowance for outlays in 1976 stemming from 1975 authority proposed in the Emergency Employment Appropriations Act.

Additional Budget Issues

House legislative committees recommended full funding for community development bloc grants and increases in the funding available for the Economic Development Administration and the Appalachian Regional Commission. These would further increase budget authority for community and regional development by $0.5 billion and outlays by $0.2 billion. The proposed Local Public Works and Capital Development and Investment Act of 1975, tentatively endorsed by the House Leadership, the House Public Works Committee, and the House Budget Committee, would authorize $5.0 billion in new funding for accelerated public works (of which some $3.0 billion would represent 1976 outlays). The House-passed Emergency Employment Appropriations Act would add $0.3 billion in 1975 budget authority for community and regional development resulting in 1976 outlay increases of $0.3 billion.

Acceptance of these programs would raise budget authority to $11.6 billion and outlays to $10.0 billion.

Budget Committee Recommendation

The Committee recommends $6.0 billion in budget authority and $6.6 billion in outlays for 1976, an increase of $0.7 billion in outlays over the President's proposal.

The Committee recommendation includes $0.3 billion in outlays for temporary public works projects and $0.3 billion for increases in community development bloc grants and economic development programs.

The Committee repeats its caution that public works projects for economic recovery should be designed to begin and end as quickly as possible. The Committee, therefore, did not endorse the approach to public works projects envisioned by the Local Public Works and Capital Development and Investment Act of 1975.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	5.2	5.9
Major authorizing committee suggestions:		
Community development—increase to meet the need for increased discretionary funding for smaller metropolitan communities	+.2	+.1
EDA—full fund authorizations for titles I, II, III, IV, and IX of Public Works and Economic Development Act	+.3	+.2
Other possibilities:		
Local Public Works and Capital Development and Investment Act of 1975—EDA grants to State and local governments for local public works	+5.0	+3.0
Emergency Employment Appropriations Act, 1975—Farmers Home Administraton and Bureau of Indian Affairs construction projects		+.3
Full funding for community development bloc grants	+.2	+.1
Further increases in titles I–IX of Public Works and Economic Development Act	+.3	+.1
Other*	+.4	+.3
Total potential	11.6	10.0
Appropriations Committee suggestion	5.4	6.3
Budget Committee recommendation	6.0	6.6

*COMMUNITY AND REGIONAL DEVELOPMENT—OTHER

[In millions of dollars]

	1976	
	Budget authority	Outlays
Comprehensive planning—increase in light of overturn of deferral	100	75
Revitalize section 312 housing rehabilitation program	70	35
Increases for Community Services Administration	137	100
USDA—increase rural development grants and Farmers Home Administration operating expenses	42	42
Increases for Bureau of Indian Affairs:		
Indian services	7	7
Tribal resources development	6	6
Trust responsibilities	1	1
Increase in funding for Appalachian Regional Commission programs	30	11
Additional impoundment overturn		2
Total	393	279

(500) EDUCATION, MANPOWER, AND SOCIAL SERVICES

Education, Manpower, and Social Services includes six program areas: (1) elementary, secondary, vocational, and adult education; (2) higher education; (3) research and general education aids; (4) manpower training; (5) other manpower services; and (6) social services.

Well over half the funds in this function go directly to State and local government. The principal beneficiaries are poor, disabled, or disadvantaged individuals.

The Committee on Labor and Public Welfare exercises jurisdiction over most of these programs. Exceptions are the Interior and Insular Affairs Committee's jurisdiction over Indian education programs administered by the Bureau of Indian Affairs and the Public Works Committee's jurisdiction over the job opportunities programs administered by the Department of Commerce.

President's budget request

The President's budget recommends 1976 outlays as follows:

	In billions of dollars
Elementary, secondary, and vocational education	4.2
Higher education	2.3
Research and general education aids	.8
Manpower training	6.1
Other manpower services	.3
Socal services	2.7
Total	*16.5

*Does not add due to rounding.

The outlays recommended in the President's budget would not provide levels of service equal to levels of 1975. Preliminary estimates are that services might be reduced by 12 percent because of inflation.

Elementary, Secondary, Vocational, and Adult Education

Generally, the President's budget calls for a continuation of 1975 funding levels, with the exception of reductions in impact aid ($0.4 billion) and emergency school aid ($161 million). Outlays for all programs are expected to remain at $4.2 billion, while budget authority would drop from $4.5 to $4.3 billion. No new programs are proposed.

Higher Education

The President's budget recommends a $0.2 billion increase in outlays from $2.1 billion in 1975 to $2.3 billion in 1976. Budget authority decreases slightly when one excludes about $0.7 billion in budget authority for college housing construction that was rescinded in 1975.

In 1975, Congress approved three student assistance programs with combined budget authority of $1.2 billion (Supplemental Opportunity Grants, Direct Student Loans, and

Basic Opportunities Grants). For 1976, the President proposed to eliminate two of the programs and retain only the Basic Opportunities Grant program with budget authority of $1.1 billion. Under his program, the Basic Opportunities Grant program also would be expanded to cover classes of students not now included. The net result of the proposals is a reduction of $0.2 billion in funds available for student assistance.

Manpower

The President's budget originally called for a reduction in budget authority for manpower from $4.5 billion in 1975 to $3.6 billion in 1976. In early March the President said he would seek $1.9 billion in additional appropriations for public service employment and summer youth employment programs. This amount is included in his adjusted budget request figure on the accompanying table.

Manpower outlays would increase in 1976, although outlays for existing manpower programs would drop from $3.8 to $3.6 billion. Spending for emergency job programs would increase.

Social services

The President's budget calls for reductions in both budget authority and outlays from $3.1 billion in 1975 to $2.7 billion in 1976.

Suggestions of the authorizing committees

Authorizing committee estimates would increase 1976 outlays by nearly $10.2 billion (or 61.6 percent) over the adjusted 1975 outlays recommended by the President. These increases would be made as follows:

(1) Restore cuts recommended by the President ($0.9 billion in social services and education impact aid);

(2) Adjust 1975 outlays for inflation to achieve current service levels in 1976 ($1.3 billion in HEW and Labor Departments);

(3) Provide additional public service jobs to counter unemployment ($6.2 billion);

(4) Expand service levels in existing programs ($1.8 billion for programs for handicapped, bilingual, preschool, disadvantaged and Indian students; for college students eligible for financial assistance; for impacted school districts; and for selected social service programs); and

(5) Enact new Social Service Programs ($50 million for child and family services).

Suggestions of the Appropriations Committee

The Appropriations Committee would raise budget authority by $1.7 billion over the President's budget but would reduce outlays by $1.1 billion. The Committee called for $1.1 billion additional budget authority for education, $0.5 billion for accelerated public works (Title X of EDA), and $44 million for the work incentive program (WIN).

The Committee report does not include $1.8 billion in additional outlays that would be generated by the President's March 3, 1975, request for additional funding of public service jobs and summer youth programs.

Additional budget issues

In addition to Committee proposals, additional funds may be suggested for such items as a permanent public service jobs program (up to $5.0 billion) and an expanded grants program for social services (up to $1.5 billion).

Budget committee recommendation

The Committee recommends $20.7 billion in budget authority and $19.4 billion in outlays for 1976, an increase in outlays of $2.9 billion over the President's request.

It is the Committee's understanding that $2.4 billion of the outlay increase will permit education and social service programs to continue at existing levels of service and provide adequate funding to meet legislative requirements for impact aid and for Title I of the Elementary and Secondary Education Act, Emergency School Aid and other programs which were endorsed by the authorizing and appropriations committees.

The Committee endorses the recommendation of the President and the authorizing committee for temporary public service jobs to counter unemployment. The Committee recommendation provides $2.9 billion in outlays for this purpose, a figure which includes the President's request of $2.4 billion.

The Committee recommendation for budget authority includes a provision for $4.0 billion to fund additional public service employment beyond calendar year 1975 if economic conditions warrant a decision by Congress to extend them. The Committee did not endorse or reject an indefinite extension of public employment programs.

FUNCTION 500: EDUCATION, MANPOWER, AND SOCIAL SERVICES

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	13.7	16.5
Major authorizing committee suggestions:		
HEW education programs:		
12 percent adjustment in 1975 base to cover inflation	+.8	+.6
Increase in education programs for handicapped children	+.5	+.4
Increase in bilingual education programs	+.5	+.2
Increase in student assistance (basic opportunity grant) programs	+.6	+.2
Increase in programs for the education of disadvantaged children	+.4	+.3
Restore and expand impacted school aid program	+.6	+.5
Labor Department:		
Renew summer youth programs	+.7	+.9
Renew emergency public service jobs program	+5.0	+5.0
EDA—full fund title X of Public Works and Economic Development Act (job opportunities program) (1975 budget authority of $500,000,000)		+.4
Increase Labor Department 1975 programs in this functional area by 15 percent to cover inflation	+.5	+.6
Social services:		
Increase for public assistance social service matching grants and State/local training	+.2	+.2
Assume President's legislative proposals to reduce Federal matching rate and restrict types of training subject to Federal matching will not be enacted	+.5	+.5
Other possibilities:		
Enact a public service employment program for railroad maintenance	+.3	+.3
Raise State ceilings for grants to States for social services program	+1.5	+1.0
Create a permanent public service jobs program	+5.0	+3.0
Other*	+.8	+.7
Total potential	31.6	31.3
Appropriations Committee suggestion	15.4	15.4
Budget Committee recommendation	20.7	19.4

*EDUCATION, MANPOWER, AND SOCIAL SERVICES—OTHER

[In millions of dollars]

HEW and Interior—increase Indian education programs	111	111
General increase for National Foundation on the Arts and Humanities	110	110
Increase in Head Start program	116	64
Enact new programs for child and family services and foster care	150	100
Increase in State grants and other programs for the developmentally disabled	85	55
Manpower training:		
Increase in work incentives program	40	40
Trade Act requirements	36	36
Increase for Gallaudet College	1	1
NLRB—increases to cover inflation and to fund amendments for agricultural workers	7	6
Establish new programs for public employee collective bargaining	3	3
Increase funding for titles I–V of Older Americans Act	41	15
Children and youth—expand existing programs for child abuse and sudden infant death	9	9
Overturn impoundments	50	176
Total	759	726

(550) HEALTH

Health includes outlays for health care services (84 percent), research and education (10 percent), prevention and control (4 percent), and planning and construction (2 percent).

Two entitlement programs under the jurisdiction of the Finance Committee—Medicare and Medicaid—account for 77 percent of health outlays. Maternal and child health programs also fall under the jurisdiction of the Finance Committee. All other programs administered by HEW agencies account for 21 percent of outlays and are under the jurisdiction of the Labor and Public Welfare Committee. The remaining [illegible] percent of health outlays fall under the jurisdiction of the Commerce, Agriculture and Forestry, or Labor and Public Welfare Committees.

President's budget request

The President proposed a moratorium on new programs and cutbacks in existing programs that would limit increases in outlays to about $2.7 billion below presently authorized levels. Outlays would be reduced an estimated $2.0 billion for Medicare and Medicaid by:

Transferring payment responsibility to beneficiaries in the form of higher insurance deductibles and copayments;

Administrative program tightening of Medicare;

Transferring more responsibility to States for Medicaid payments; and

Eliminating dental services for adults.

Outlays would be cut by $[illegible].7 billion for HEW agencies by reducing budget authority $1.0 billion through rescissions.

Suggestions of the authorizing committees

Authorizing committees are studying proposals that would increase 1976 outlays by $4.6 billion and budget authority by $4.4 billion over the President's request.

The Commerce Committee suggests $9 million more than the President proposes in budget authority and estimated outlays for the Consumer Product Safety Commission.

The Finance Committee proposes additional budget authority of $2.[illegible] billion with estimated outlays of nearly $[illegible].0 billion for the following programs:

[In billions of dollars]

	Budget authority	Outlays
Reject proposed changes medicare and medicaid	0.6	2.0
Increase maternal and child health programs (Health Services Administration)	.1	.1
Emergency health insurance coverage for the unemployed	1.8	1.8
Planning for national health insurance	.1	.1

The Labor and Public Welfare Committee recommends increasing budget authority by $1.8 billion with estimated outlays of $0.6 billion for the following activities. (Appropriations suggestions summarized in the last column):

[In millions of dollars]

	Labor and Public Welfare		Appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Health services			345	233
Mental health programs (Alcohol, Drug Abuse, and Mental Health Administration)	253	3[illegible]	225	64
Prevention and control (Center for Disease Control)	54	[illegible]	36	22
Research (National Institutes of Health)	618	[illegible]	627	225
Planning and construction (including manpower programs and cost control research—Health Resources Administration)	[1] 853	300	85	73
Interior	20	20	20	20
Labor	23	23	23	23
Occupational safety	15	15	15	15

[1] Largely for pending legislation to increase health manpower, plan health services, and construct health facilities. Similar legislation has failed previously in conference, but may be successfully reported this year. Appropriations foresees a supplemental if required.

Suggestions of the Appropriations Committee

Budget authority exceeding that of the President's proposal by $1.3 billion is suggested; outlays would be higher by $0.5 billion.[1] Distribution is shown in the table above. There is a proposed reduction in budget authority of $2 million from the President's budget for the Office of the Assistant Secretary for Health.

Additional budget issues

Budget Committee staff anticipates higher enrollment in medicaid due to unemployment, adding $0.2 billion to outlays.

Restoration of Presidential cuts in health agency programs to 1975 appropriated levels (*not* adjusted for inflation) would add $0.5 billion in outlays.

Budget Committee recommendation

The Committee recommends $32.6 billion in budget authority and $31.0 billion in outlays for 1976.

The Committee increased outlays by $2.9 billion over the President's estimates on the assumption, suggested by the authorizing committee, that the President's legislative proposals to reduce Federal medicare and medicaid costs will not be approved. The Committee recommendations also include assistance above the amounts proposed by the President for health agency programs and provides some amounts for additional requirements.

FUNCTION 550.—HEALTH

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	31.0	28.1
Major authorizing committee suggestions:		
Medicare/medicaid—Reject President's legislative proposals to increase beneficiary cost sharing, reduce Federal matching, and eliminate Federal support for adult dental care	+.6	+2.0
Enact program of health insurance for the unemployed	+1.8	+1.8
Allow for start-up costs for national health insurance in the event Congress enacts such a program	+.1	+.1
National Institutes of Health—Increase to cover higher costs of operation over fiscal year 1975	+.6	+.2
HEW—Health Resources Administration: Provide full funding of new legislation, expansion of health teaching facility construction programs, and costs of inflation	+.9	+.3
Other possibilities:		
Higher estimate of medicaid requirements than in President's budget	+.2	+.2
Restore Presidential cuts in health agencies	+.9	+.7
Cover inflation in health agencies nonpersonnel items	+.3	+.4
Other*	+.5	+.5
Total potential	36.9	34.3
Appropriations Committee suggestion	3293	28.6
Budget Committee recommendation	32.6	31.0

*HEALTH—OTHER

[In millions of dollars]

Increase funds for maternal and child health	83	83
HEW—General mental health: Increases to cover inflation in research and development programs, and to continue and expand community health centers	253	35
HEW—preventive health services: Increases for disease control project grants, laboratory improvement, health education, and disease surveillance	54	38
Increase for Mine Enforcement Safety Administration	20	20
Increase for Labor Department occupational safety and health enforcement activities	23	23
Increases for the National Institute for Occupational Safety and Health, and the Center for Disease Control	15	15
Increase for the Consumer Product Safety Commission	9	9
Emergency Employment Appropriations Act, 1975—Indian reservation construction		11
Overturn impoundments		285
Total	457	519

(600) INCOME SECURITY

Income security includes social security and unemployment insurance, covering more than 90 percent of the work force; retirement systems for Federal and railroad employees; and assistance programs for the needy such as food stamps, public housing, supplemental security income (SSI), and aid to families with dependent children (AFDC). Income security outlays account for 34 percent of all Federal spending.

The Finance Committee has jurisdiction over 81 percent of outlays. The Post Office and Civil Service; Agriculture and Forestry; Labor and Public Welfare; and Banking, Housing, and Urban Affairs Committees also have jurisdiction over major income security programs.

President's budget request

Without changes in existing law, outlays would rise 16 percent from $106.9 billion in 1975 to $124.2 billion in 1976. The President's budget assumes action by Congress to limit growth in outlays to 11 percent. It proposes outlays of $119.4 billion, allowing for rejection by Congress of proposed increases in food stamp prices.

Social security and other retirement and disability programs account for 69 percent of income security outlays and $7.7 billion of the $12.0 billion in growth under the President's budget. Unemployment compensation would rise by $3.5 billion. Programs for the needy would increase by $1.0 billion. After adjusting for inflation, the real growth in benefits would be $1.9 billion rather than $12.0 billion; programs for the needy would decline by $0.7 billion in terms of purchasing power.

Most income security programs are open-ended matching grants to States or entitlement programs under which qualified citizens have a legal right to benefits. Changes in spending levels would require action by Congress, and the President has asked Congress to hold spending to $5.5 billion below normal growth by:

Limiting to 5 percent the normal cost-of-living increases in social security, railroad retirement, Federal employee retirement, coal miners' benefits, supplemental security income (SSI), food stamps, and child nutrition. This ceiling would cut outlays by $3.8 billion;

Converting child nutrition grant programs into bloc grants to States for a saving of $0.5 billion;

Making two changes in social security benefit formulas for a saving of $0.6 billion; and

Making various changes in aid to families with dependent children (AFDC) administration and Federal matching formulas for a saving of $0.5 billion.

The 5 percent ceiling on cost-of-living increases would affect more than 40 million persons and reduce a retired worker's future social security benefit by an average $90 a year. The other proposals would mean less income for recipients than the law now calls for.

Suggestions of the authorizing committees

Budget estimates of authorizing committees would increase 1976 outlays by $8.1 billion over the President's adjusted budget to a total of $127.5 billion.

Nearly half of the increase ($3.8 billion) is based on Committee assumptions that Congress will reject the proposed 5 percent limit on cost-of-living increases.

Authorizing committees would approve only $0.4 billion of the $1.7 billion in reductions in the other three Presidential proposals.

Most of the rest of the increase results from reestimates by Committees of outlays under other income security programs, as follows:

Unemployment compensation up $0.9 billion due to higher rates of unemployment than those forecast in the President's budget;

Trade adjustment assistance up $0.3 billion under provisions of the Trade Act of 1974 which were not taken into account by the President;

Food stamps up $1.4 billion due to a rapid increase in use of the program which was not factored into the President's budget; and

Section 235 housing subsidies up $0.2 billion as a result of action by Congress to overturn a Presidential impoundment.

Suggestions from the Appropriations Committee

The Appropriations Committee report would raise the President's adjusted 1976 budget figure by $4.2 billion to $123.6 billion. The Committee figure leaves in the savings from the President's legislative proposals but makes the following additions to 1976 outlays:

Food stamps up $1.4 billion for program underestimates;

Other food programs up $0.2 billion mostly to continue the special milk program;

Low-income housing up $99 million; and

Unemployment compensation up $2.5 billion to cover higher unemployment and a further extension of temporary emergency benefits.

Additional budget issues

Several issues not addressed by other committees will affect 1976 outlays. Three programs appear to be underestimated by a total of $0.6 billion, as follows:

AFDC up $0.4 billion, mainly due to effects of the recession on caseloads;

SSI up $0.1 billion resulting from States' contesting liability for supplemental payments made for them by the Federal Government; and

Social security up $20 million, reflecting a Supreme Court decision on benefit entitlements for widowers.

Income security outlays will be reduced by two actions by Congress. Additional funds for public service jobs will reduce AFDC, food stamp, and unemployment benefits costs in 1976. The earned income tax credit in the Tax Reduction Act of 1975 will reduce AFDC and food stamp costs by $75 million in 1976.

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[1] As cited in the Appropriations Committee report; table reflects later detail and adds to $0.7 billion.

The rate of inflation probably will be lower than assumed in the President's budget. This would mean smaller automatic cost-of-living increases than those assumed in the authorizing committee reports by as much as $0.8 billion.

A child nutrition bill pending in the House (H.R. 4222) could raise 1976 outlays by $0.6 billion above the Agriculture Committee's March 15 estimates. Other proposals for new initiatives discussed at the staff level are not likely to be enacted in time to affect 1976 budget authority and outlays.

Budget Committee Recommendation

The Committee recommends $138.5 billion in budget authority and $126.1 billion in outlays for 1976.

The committee increased outlays by $6.7 billion over the President's estimate, of which some $3.0 billion is required to cover additional costs resulting from higher rates of unemployment than those projected by the Administration and from underestimates of the costs of those existing programs which are affected by rising unemployment.

The remaining $3.7 billion in additional outlays would provide sufficient funds for full cost-of-living increases as required by existing law in social security and other entitlement programs and as recommended by the authorizing committees.

The Committee also urges authorizing committees to consider legislative improvements which could save large amounts of money without imposing an inequitable burden upon beneficiaries. The Committee's recommended outlay level includes an estimate of $1.8 billion in savings that could be realized through administrative improvements in the food stamp program and through legislative improvements in AFDC, OASDI and Federal employee retirement programs.

The Committee total reflects the costs of programs as they would be with unemployment at 7.5 percent at the end of calendar 1976.

FUNCTION 600.—INCOME SECURITY

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	136.0	119.4
Major authorizing committee suggestions:		
Remove 5-percent caps on benefit increases	(+.4)	(+3.8)
Social security	−.1	+2.5
Supplemental security income and coal miner benefits	+.1	+.1
Food stamps	+.2	+92
Federal employee retirement	+.1	+.8
Railroad retirement		+.1
Child nutrition	+.1	+.1
Overturn of other Presidential legislation	(+.9)	(+1.4)
Social security benefit computation changes	([1])	+.3
AFDC administrative-rules changes	+.4	+.4
Child nutrition	+.5	+.5
Sec. 235 housing impoundment		+.2
Reestimates of amounts in President's budget	(+3.4)	(+2.0)
Social security revenues	+.7	
Unemployed benefits (higher level		+.9
of unemployment)		+.9
Unemployment insurance revenues	+.6	
Food stamps (more recipients)	+1.8	+1.4
Increase in trade adjustment assistance due to Trade Act of 1974	+.3	+.3
Other possibilities:		
Staff reestimates	(+.2)	(−1.1)
Higher estimate of AFDC caseload due to the recession	+.4	+.4
Reduction in AFDC, food stamp, and unemployment benefit requirements as a result of more public service jobs	+.1	−.4
Lower estimate of cost-of-living increases in indexed programs on the assumption that inflation will be less than anticipated in authorizing committee reports that recommended removal of 5 percent caps	+.1	−.8
Lower estimate of unemployment benefit and other income security programs as a result of greater economic stimulus in the possible congressional budget program	+.1	−.4
Reduction in AFDC, food stamp, and unemployment benefit requirements as a result of the earned income tax credit in the Tax Reduction Act	+.1	−.1
Increase in SSI due to State actions, and increase in Social Security based on Supreme Court decisions	+.2	+.2
Additional initiatives	(+6.3)	(+10.5)
Further increases in subsidies for child nutrition programs in pending House bill	+.6	+.6
Extend supplemental security income coverage to dependents of recipients	+.5	+.5
Set a minimum floor on State AFDC payments ($200 per month for a family of 4)	+.3	+.3
Require coverage of families with unemployed fathers in all State AFDC programs	+.1	+.1
Make permanent the recent liberalizations in unemployment insurance coverage, set benefit duration at 52 weeks without regard to the unemployment rate, and establish minimum standards for benefit levels	+5.0	+5.0
Eliminate completely the Social Security retirement test	+.2	+4.0
Other*	+.2	+.3
Total potential	1[illegible].4	136.9
Appropriations Committee suggestion	1[illegible].5	123.5
Budget Committee recommendation	1[illegible].5	126.1

*INCOME SECURITY—OTHER

[In millions of dollars]

Increased funds for collection of child support from absent fathers with families on AFDC	40	37
Increase low-rent housing assistance		50
Establish uniform Federal standards for workers compensation	45	45
Extend eligibility to certain miners and dependents under the coal miners benefit program	100	100
Increase USDA commodity distribution programs	22	22
Overturn impoundment		6
Total	207	260

[1] Less than $50,000,000.

(700) VETERANS BENEFITS AND SERVICE

Veterans Benefits and Services consists largely of a two-part income security program (compensation and pensions), GI bill education benefits, hospital and medical care, and other veterans benefits and services. The Veterans Affairs Committee has jurisdiction over these veterans programs.

President's budget request

Veterans benefits and services outlays in the President's budget are $15.6 billion, up $0.1 billion over 1975. This budget reflects no real growth, although some programs would grow because of shifts in spending priorities within the overall total.

The two-part veterans income-security program accounts for $7.7 billion, almost half of total outlays. The budget recommends $3.9 billion in outlays for hospital and medical care, an increase of $0.3 billion over 1975, and GI bill education outlays of $3.6 billion, a decrease of $0.4 billion from 1975.

Suggestions of the authorizing committee

A variety of proposals from the Veterans Affairs Committee could increase veterans outlays by $2.0 billion over the President's budget.

The President's estimate of a $0.4 billion drop in GI bill education outlays does not take into account recent caseload increases which could lead to a net increase in outlays of $0.1 billion rather than a reduction.

Other revisions in caseload data could lead to increases in outlays for pensions of $0.2 billion.

The President's budget assumes that Congress will repeal a 2-year extension of the period during which veterans may apply for readjustment benefits which would lead to a saving of $0.7 billion. Congress may not agree to the repeal.

The Veterans Affairs Committee may undertake a review of the compensation benefits this year instead of waiting the customary 2 years, which would result in additional outlays of $0.3 billion.

A proposal to allow an additional 9 months of GI education benefits for graduate education could result in additional outlays of $77 million. An omnibus medical bill could add $95 million. The Veterans Administration already has testified that a proposed staff reduction which was submitted in February already has been turned into an increase totalling $19 million, because of increasing workloads. This is not reflected in the budget.

Suggestions of the Appropriations Committee

The Committee suggests total outlays of $15.6 billion in line with the President's request. However, the Committee did not consider any possible new program initiatives.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends budget authority of $17.6 billion and outlays of $16.9 billion, an increase of $1.3 billion over the President's outlay proposal.

Several factors account for the increases suggested by the authorizing committee, including reestimates of pension and medical care caseloads and of enrollments under the GI bill; allowance for an adjustment to compensation benefits in calendar 1975; a projected enactment of an Omnibus Veterans Medical bill, assuming an effective date of January 1, 1976; and pending legislation to permit 9 extra months of education assistance for students doing graduate work.

Allowance was also made for additional funds provided for in the Emergency Employment Appropriations Act of 1975 for general work programs to improve Veterans Administration facilities, including hospitals.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	16.2	15.6
Major authorizing committee suggestions:		
Adjust compensation benefits this year instead of waiting the normal 2 years	+.5	+.3
Higher estimate of pension caseload than in President's budget	+.2	+.2
Do not enact President's legislative proposals to repeal the 2-year extension of the delimiting period for readjustment benefits, and to effect reimbursement to VA by private medical insurers	+.7	+.7
Higher estimate of GI bill enrollment than in President's budget	+.5	+.5
Other possibilities*	+.2	+.3
Total potential	18.3	17.6
Appropriations Committee suggestion	16.2	15.6
Budget Committee recommendation	17.6	16.9

*VETERANS BENEFITS AND SERVICES—OTHER POSSIBILITIES

[In millions of dollars]

Readjustment benefits—remove restriction limiting extra 9 months of benefits to undergraduate education only	77	77
Enact omnibus veterans medical bill providing for numerous improvements in medical care	95	55
Higher estimate of medical outpatient care visits and contract hospitalization requirements than in President's budget	56	56
Increase VA general operating expenses due to higher workload than estimated in President's budget	19	19
Emergency Employment Appropriations Act, 1975—general work programs to upgrade VA facilities		70
Total	247	277

(750) LAW ENFORCEMENT AND JUSTICE

Law Enforcement and Justice includes outlays for the Federal judiciary; law enforcement and prosecution activities of the Justice and Treasury Departments; Federal correctional and rehabilitative programs; certain civil rights programs; and law enforcement assistance to State and local governments.

The Judiciary Committee has legislative jurisdiction over most programs. The Commerce; Labor and Public Welfare; and Post Office and Civil Service Committees also have legislative jurisdiction over some programs.

President's budget request

The President requests outlays of $3.3 billion, an increase of $0.3 billion over outlays for 1975.

The President's budget seeks a $0.1 billion reduction in budget authority for the Law Enforcement Assistance Administration. The major impact of this reduction would come in 1977 outlays, but it also would reduce LEAA outlays by an estimated $26 million in 1976.

Suggestions of the authorizing committees

Budget estimates of the authorizing committees would increase 1976 outlays by $0.1 billion above the President's budget. The Committees recommended:

A national voter registration system ($50 million) to help States register eligible citizens under a nationwide postcard registration system.

Increased investigation and prosecution of antitrust law violations ($25 million) to provide for a vigorous and effective enforcement of such laws.

Increased jury fees and expenses, District Court and Circuit Court judgeships, and the Bilingual Courts Act ($11 million) to provide additional court services.

Full funding of the Legal Services Corporation ($26 million) at authorized level of $100 million for fiscal 1976.

Suggestions of the Appropriations Committee

Reports of Appropriations Subcommittees indicate an overall increase of about $130 million in the President's adjusted budget for 1976. The State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee suggests a $150 million increase with no amounts specified for any particular program. The Treasury, Post Office, and General Government Subcommittee suggests a $14.3 million reduction in budget authority by reason of the withdrawal of the request for the construction of the new Federal Law Enforcement Training Center. This item accounts for $20 million in outlays in 1976 in the President's budget.

Additional budget issues

Approval of first year funding in 1976 for the Juvenile Justice and Delinquency Prevention Program would add $10 million in outlays and $50 million in budget authority. Another likely proposal is legislation to provide benefits to survivors and widows of law enforcement officers. This would create new outlays of $5 million and budget authority of $61 million for fiscal 1976.

Budget committee recommendation

The Committee recommends $3.3 billion in budget authority and $3.4 billion in outlays for 1976.

The slight increase in outlays over the President's estimate is in anticipation of temporary antirecession programs and other suggestions by the authorizing committees.

FUNCTION 750.—LAW ENFORCEMENT AND JUSTICE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	3.2	3.3
Major Authorizing Committee suggestions: None		
Other possibilities	+.3	+.2
Total potential	3.5	3.5
Appropriations Committee suggestion	3.4	3.5
Budget Committee recommendation	3.3	3.4

*LAW ENFORCEMENT AND JUSTICE—OTHER POSSIBILITIES

[In millions of dollars]

Restore LEAA to 1975 operating level	110	26
First year funding for Juvenile Justice and Delinquency Prevention Act of 1974	50	10
Benefits for widows and other survivors of law enforcement officers (bills pending)	61	5
Establish a national voter registration system (S. 1177)	56	50
Increase Department of Justice antitrust enforcement funds	25	25
Increase Legal Services Corporation to full authorized level	29	26
Increased jury fees and expenses (S. 539), district court judgeships (S. 287), circuit court judgeships (S. 286), interpreters for non-English-speaking defendants (S. 565)	11	11
Emergency Employment Appropriations Act, 1975—Treasury Department construction projects		46
Total	342	199

(800) GENERAL GOVERNMENT

General Government covers the basic operations of the legislative and executive branches of the Federal Government. This includes the Congress, the Executive Office of the President, the Treasury Department's operational activities, the General Services Administration, the Civil Service Commission, and all activities not included in other functions. Legislative jurisdiction over these programs is shared by the Government Operations; Public Works; Post Office and Civil Service; and Interior and Insular Affairs Committees.

President's budget request

The President requests $3.2 billion in outlays for 1976, an increase of $0.5 billion over 1975. Most of this increase, more than $0.3 billion, is due to a net reduction in offsetting receipts. The remaining $0.2 billion is largely for increased salaries for 2,952 requested new positions.

The President's increases are primarily in three areas:

An increase in Internal Revenue Service personnel to strengthen tax compliance and to certify employee pension plans;

Improvement in the operation of the Federal Buildings Fund; and

Automation of the General Services Administration's commercial supply system.

The President proposes no new programs and general government outlays are relatively static.

Suggestions of the authorizing committees

The budget estimates received from the authorizing committees would increase 1976 outlays by $43 million above the President's budget. These recommendations are as follows:

Creation of a Presidential Council of Science Advisers ($15 million);

Creation of the National Center on Productivity and Quality of Work ($20 million); and

Additional payments to the Civil Service Retirement Fund ($19 million) to finance an unfunded pension liability for certain employees of the Departments of Interior; Health, Education, and Welfare; and Justice.

Suggestions of the Appropriations Committee

Target reductions by the Appropriations Committee total $44 million in 1976 outlays for general government.

Additional budget issues

The General Services Administration has identified 67 potential new construction projects at a projected cost of $1.8 billion which could be initiated within the next 12 to 18 months. Nearly $1.2 billion of that amount would finance projects of a priority nature which could be undertaken by the Public Buildings Service. This construction would be in addition to projects proposed by the Emergency Employment Appropriations Act, 1975.

Budget Committee recommendation

The Committee recommends $3.3 billion in budget authority and $3.2 billion in outlays for 1976—the same levels as proposed by the President.

The Committee did not endorse those provisions of the Emergency Employment Appropriations Act relating to the purchase of additional replacement vehicles for the Federal government and Federal facility construction and renovation.

FUNCTION 800.—GENERAL GOVERNMENT

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	3.3	3.2
Major authorizing committee suggestions: None		
Other possibilities:		
Emergency Employment Appropriation Act, 1975—Purchase of additional Government vehicles and more funds for construction, renovation and maintenance of Federal facilities		+.4
Appropriation to the Federal Buildings Fund for major repairs and improvements to Federal facilities	+1.2	+.2
Other*	+.1	+.1
Total potential	4.6	3.9
Appropriations Committee suggestion	3.3	3.2
Budget Committee recommendation	3.3	3.2

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*GENERAL GOVERNMENT—OTHER

[In millions of dollars]

	1976	
	Budget authority	Outlays
Establish a National Center on Productivity and Quality of Work (S. 765, S. 937)	20	20
Additional payment to civil service retirement fund to revise benefits for certain employees (S. 509) and to extend hazardous duty benefits to additional employees	19	19
Create a Council of Science Advisers	15	15
Total	54	54

(850) REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

The programs in this category are general revenue sharing, and general purpose fiscal assistance which includes the Federal payment to the District of Columbia, and shared revenues which are distributed to the States, Puerto Rico, and certain territories. The Finance, Government Operations, and District of Columbia Committees have legislative jurisdiction over these programs.

President's budget request

The President estimates revenue sharing outlays at $7.2 billion. Revenue sharing outlays under current law would rise by $0.2 billion. The President makes no request for program changes for 1976.

The principal increase in outlays results from just over $0.1 billion for general revenue sharing payments to State and local governments. The remaining portion of the increase includes $24 million in additional Federal payment to the District of Columbia, $35 million in additional payments from Federal land management activities of the Department of the Interior, and $7 million in distributions derived from tax collections to Puerto Rico and the Virgin Islands. Other transactions account for $22 million.

The President's budget also contains a recommendation for extension of general revenue sharing through 1982. The State and Local Assistance Act of 1972 expires on December 31, 1976, and the President requests a 6-year extension of the program with new budget authority and outlays of $39.4 billion.

Suggestions of the authorizing committees

Authorizing committees would increase 1976 outlays by $5.0 billion above the President's budget.

The Government Operations Committee proposes new legislation to provide temporary emergency financial assistance for State and local governments, separate and apart from that established by the State and Local Assistance Act of 1972. The program would provide targeted emergency assistance to hard-pressed State and local governments. The level of funding would fluctuate with the national rate of employment. At 6 percent unemployment, the maximum outlays would be $2.0 billion; and $1.0 billion would be added for each percentage point beyond 6 percent. Outlays for 1976 would be $5.0 billion.

Suggestions of the Appropriations Committee

The Appropriations Committee makes no change from the President's budget request.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends $7.3 billion in budget authority and $7.2 billion in outlays for 1976—the levels proposed by the President.

The Committee considered the possibility of emergency financial assistance to State and local governments, as recommended by the authorizing committee. The Committee endorsed the concept in principle. No funds were specificaly allocated to its implementation at this time.

FUNCTION 850.—REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	7.3	7.2
Major authorizing committee suggestions: Emergency financial assistance to State and local governments	+5.0	+5.0
Other possibilities: None		
Total potential	12.3	12.2
Appropriations Committee suggestion	7.3	7.2
Budget Committee recommendation	7.3	7.2

(900) INTEREST

Interest covers sums paid by the Government on the public debt and the net of interest received or paid by Government agencies in connection with program activities. The Finance Committee has primary jurisdiction over this function.

Interest on the public debt depends upon the interest rate the Government has to pay to borrow and the size of the debt. These outlays have little economic impact, however.

President's budget request

The President has requested $34.4 billion for 1976.

Suggestions of the authorizing committee

The Finance Committee suggests increasing the President's estimate by $0.9 billion to a total of $35.3 billion as they project a higher deficit than that in the President's budget.

Suggestions of the appropriations committee

The Appropriations Committee suggests no change from the President's budget request.

Additional budget issues

None.

Budget committee recommendation

The Committee recommends $35.3 billion in budget authority and $35.3 billion in outlays for 1976.

The President's estimate of interest payments on the public debt was based on anticipation of higher revenues and lower levels of spending than now seem likely. Uncertainties now exist with respect to interest rates. In accordance with the recommendations of the Finance Committee, the Committee has adjusted the budget for interest payments upward by $0.9 billion above the President's estimate.

FUNCTION 900.—INTEREST

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	34.4	34.4
Major authorizing committee suggestions: Increased interest on the public debt due to higher deficits than estimated in President's budget	+.9	+.9
Other possibilities: None		
Total potential	35.3	35.3
Appropriations Committee suggestion	34.4	34.4
Budget Committee recommendation	35.3	35.3

ALLOWANCES

Allowances includes energy tax equalization payments, civilian agency pay raises, and contingencies. The authorizing committees for this function are the Interior and Insular Affairs Committee and the Post Office and Civil Service Committee.

President's budget request

The President has requested $8.3 billion in budget authority and $8.1 billion in outlays for 1976.

Suggestions of the authorizing committees

The Interior and Insular Affairs Committee suggests eliminating the energy tax equalization payments. This would reduce both outlays and budget authority by $7.0 billion. The Post Office and Civil Service Committee suggests removing the 5-percent cap on pay raises for employees of civilian agencies recommended by the President. Such action would increase both outlays and budget authority by $0.4 billion. Following the suggestions of both Committees would result in $1.7 billion for budget authority and $1.5 billion for outlays.

Suggestions of the Appropriations Committee

The Appropriations Committee suggests no change from the President's budget request.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends $1.3 billion in budget authority and $1.1 billion in outlays for 1976.

The President's budget made provision for budget authority and outlays of $7.0 billion to equalize the impact of his original energy tax proposals on citizens, State and local governments, and the Federal Government. The Committee assumes that the President's program will not be approved by Congress and has deducted this amount.

FUNCTION.—ALLOWANCES

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	8.3	8.1
Major authorizing committee suggestions:		
Eliminate energy tax equalization payments	−7.0	−7.0
Remove 5-percent cap on pay increases for employees of civilian agencies	+.4	+.4
Other possibilities: None		
Total potential	1.7	1.5
Appropriations Committee suggestion	8.3	8.1
Budget Committee recommendation	1.3	1.1

(950) UNDISTRIBUTED OFFSETTING RECEIPTS

Undistributed Offsetting Receipts is a category created solely for accounting purposes which does not lend itself to the kinds of program analysis which are possible with other functional areas.

Funds carried in this category include Federal Government contributions to the employee retirement fund, interest earned on trust funds and revenue from leases of mineral rights on the Outer Continental Shelf.

Some Federal revenues—such as income to ERDA from uranium enrichment operations—are "distributed receipts" and reduce the budgets of the agencies to which they are credited.

President's budget request

The President listed $20.2 billion in the undistributed offsetting receipts category. The funds are divided as follows:

	In billions
Federal share, employee retirement	$3.9
Interest from trust funds	8.3
OCS leases	8.0

Suggestions of the authorizing and the Appropriations Committees

Neither the major authorizing committees nor the Appropriations Committee has proposed any changes in the President's estimates. Both endorse the $20.2 billion figure.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends that $16.2 billion in undistributed offsetting receipts be deducted from the budget authority and outlay totals in 1976.

The President's budget offsets expenditures by $20.2 billion by assuming receipts of $8.0 billion during 1976 from sale of leases for offshore oil drilling. The Committee believes this estimate is high and has reduced the total to $4.0 billion. The income conceivably could be as low as $1.0 billion.

FUNCTION 950.—UNDISTRIBUTED OFFSETTING RECEIPTS

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	−20.2	−20.2
Major authorizing committee suggestions: None		
Other possibilities: Lower receipts from Outer Continental Shelf leasing than estimated in President's budget	+4.0	+4.0
Total potential	−16.2	−16.2
Appropriations Committee suggestion	−20.2	−20.2
Budget Committee recommendation	−16.2	−16.2

Mr. MUSKIE. Mr. President, I yield to the distinguished Senator from Minnesota.

Mr. MONDALE. Mr. President, I ask unanimous consent that James Verdier and John Farmer be granted the privilege of the floor until such time as the amendment I will propose has been disposed of.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that James Storey, a member of the staff of the Budget Committee, have the privilege of the floor during the consideration of the concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that a member of my staff, Mr. Ron Parker, be accorded the privilege of the floor during the consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I send to the desk an amendment proposed by myself and the Senator from Oregon (Mr. PACKWOOD) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page—, line —, insert the following:

On page 1, line 6, delete "$365,000,000,000" and insert in lieu thereof "$361,800,000,000"

On page 2, line 1, delete "$67,200,000,000" and insert in lieu thereof "$65,000,000,000"

On page 2, line 5, delete "$297,800,000,000" and insert in lieu thereof "$296,800,000,000"

On page 2, line 11, delete "$617,600,000,000" and insert in lieu thereof "$615,400,000,000"

On page 2, line 21, delete "$63,200,000,000" and insert in lieu thereof "$61,000,000,000"

Mr. DOLE. Mr. President, first, I shall explain, in capsule form, what this amendment would do if it were adopted by the Senate.

The amendment would reduce the level of outlays by $3.2 billion, from $365 billion to $361.8 billion. This would result in a reduction in the projected deficit by $2.2 billion, from $67.2 billion to $65 billion.

The $3.2 billion reduction requires a decrease of about 0.9 of 1 percent in overall level of expenditures, recognizing that certain areas cannot be touched, such as interest on the debt and things of that sort; but the overall decrease would be about 0.9 of 1 percent. It is, of course, designed to reduce the overall level of expenditures below the level recommended by the administration.

It seems to me that it is not enough to follow the administration. It is not enough to suggest that Congress is almost, for all practical purposes, in line with the recommendations of President Ford. Rather, this is an area where Congress should take leadership.

Also, as a practical matter, the resolution adopted by the House would provide a deficit of $73.2 billion. I do not see any realistic probability that that may be changed on the floor of the House. I hope that when we go to conference, there might be some leveling off between the House-passed version and the Senate-passed version. If we go to conference in the same position we came out of committee, there is no question that the final deficit adopted by the conference committee will be in excess of $67.2 billion, probably in the neighborhood of $70 billion.

It appears to the Senator from Kansas that as a matter of strategy, if nothing else, we should go to conference at a reduced figure, knowing that the House deficit is about $6 billion above the figure now before the Senate.

Mr. President, we are in the process of testing the resolve of the full Senate to formulate an equitable, responsive, and adequately funded Federal budget for 1976. It must be equitable in the sense that it addresses itself fairly to the problems and needs of every segment of our economy. It must be responsive to the reality of a recession which has resulted in millions of Americans losing their jobs. And it should be adequately funded to avoid an excessive deficit which can only serve to refuel the fires of inflation, delay recovery, and lead us to an even more severe economic decline.

Of related and equal importance is the need to establish the integrity of the new congressional budget process. Thus, I believe we should give great weight to the well-considered recommendations of the Senate budget committee. If not, we will find ourselves reverting to the old system of uncoordinated piecemeal appropriations and revenue legislation—a budget process which is really no process at all. If we are ever to get a handle on the Federal budget—and thus reform an unworkable system which has produced budget deficits in 14 of the last 15 years—we must begin analyzing revenues and outlays concurrently. This is the essence of the new congressional budget process.

Mr. President, the Senate Budget Committee has proposed a $365 billion budget at an estimated deficit of about $67.2 billion. Interest on the Federal debt alone accounts for almost $35 billion in outlays. Certainly no member of the committee is pleased with such figures. While many of us prefer a lower deficit, or ideally, a balanced budget, we all know that it is not possible in an economy which is suffering from its worst economic decline since the 1930's.

THE PROPOSED DEFICITS

As I understand it, the administration's proposed deficit is now estimated by the Office of Management and Budget at $59.6 billion. The Budget Committee has recommended a deficit of $67.2 billion. That is an apparent difference of $7.6 billion. However, I am informed by the Office of Management and Budget and the Budget Committee staff that this apparent $7.6 billion difference is accountable to different economic assumptions and reestimated costs. Specifically, the Budget Committee has estimated receipts from Outer Continental Shelf oil leases at $4 billion less than the administration, I think with good reason and justification. The committee has estimated expenditures for unemployment compensation at $1.9 billion higher than the administration—again, I think with good reason and justification. Food stamps and other welfare expenditures are estimated by the committee at $0.6 billion higher than the administration. The remaining $1.1 billion is accounted for by the committee's higher estimates of the cost of interest on the national debt and extra expenditures attributed to a projected increase in medicare caseload.

Thus, taking into account this $7.6 billion difference in reestimated costs and assumptions, there is practically no difference between the administration's revised deficit estimate and the deficit recommended by the committee.

By employing the same budgetary assumptions to both the administration and Budget Committee estimates, the Congress and the Budget Committee are not in disagreement on the overall level of the deficit.

CONGRESSIONAL LEADERSHIP

Mr. President, I believe we in Congress have the opportunity to assert leadership

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the deficit proposed by the Budget Committee and the administration. The by making a further modest reduction in amendment I have at the desk and am offering would reduce the overall level of Federal expenditures by $3.2 billion—about a 0.9 percent cut. This reduction would lead to a diminution of the deficit by approximately $2.2 billion—allowing for an estimated $1 billion loss in revenues accountable to the reduction in outlays. The amendment would reduce the level of Government expenditures to $361.8. The budget deficit—using Budget Committee estimates—would be reduced to $65 billion. Using administration economic assumptions, the deficit would be reduced from $59.6 billion to $57.4 billion—or, as I indicated earlier, $2.2 billion less than the administration forecast.

BUDGET PROJECTIONS

We have arrived at a position where we are proposing a spending program for next year which, if we were to use the President's revenue projection and economic assumptions or if he were to use ours, would result in the same deficit for the coming year. I believe this, in itself, is a tremendous accomplishment. Although we disagree with the President on spending priorities within the budget ceiling, we are at least in agreement with the President on the point that we must place a lid on Federal spending. In addition, we agree that that lid must be at a level which would result in approximately a $60 billion deficit using his calculations or a $67 billion deficit using ours.

But this is not enough. I feel this resolution presents an excellent opportunity for Congress to take the initiative in the area of fiscal responsibility. Rather than following directions from the White House, we can step forward and take the leadership role in the effort to return fiscal responsibility to the Federal Government. This amendment calls for, in effect, a spending reduction that would place us below the line drawn by the President in terms of the acceptable deficit level. It does this without turning our backs on the needs of the elderly, the unemployed, the handicapped, or the disabled. It does it without scrapping the programs needed this year to assure economic recovery next year. This amendment merely calls for an all-out effort on the part of Congress to reduce waste and inefficiency in the necessary Federal programs in the coming year. It permits us to set our own priorities for spending but still be responsible to the American taxpayer.

Mr. President, the amendment I am proposing represents an effort on the part of Congress to take the leadership role on the issue of fiscal responsibility. It presumes that there is waste in nearly every functional area of the Federal Government, including Congress. It reaffirms Congress responsibility to control not only the levels of Government spending but also the areas of such spending. It also asserts a strong responsibility on the part of Congress to assure every American taxpayer that his tax dollars are being used wisely.

The amendment also represents a basic premise which became obvious during budget hearings on the present resolution—that it is going to take the full time effort of every congressional committee to assure fiscal responsibility is an active policy and not just a promise. We must all work together if we are to develop wise fiscal policy and we must start now.

PLAN FOR NEXT YEAR

We must now begin planning for fiscal year 1977, for unless we are able to reduce drastically the amount of the budget deficit in 1977, we will be faced with net budget deficits for fiscal years 1975 through 1977 approaching $175 billion. Not only would such a result assure renewed double-digit inflation, it would almost certainly lead to crowding out in the capital markets and continued high unemployment.

Therefore, in addition to support for the Budget Committee resolution, I intend to offer a resolution separate and apart from the amendments, which will require each authorizing committee to hold oversight hearings before the end of calendar year 1975. Under this resolution, each committee would be required to publish a committee report on the effectiveness of existing spending programs in meeting priority needs and problems.

Further, the report would review the effectiveness of administrative implementation of existing programs, recommend most cost-effective methods of meeting existing needs, and identify local, State, and Federal spending duplications and recommend streamlined, most cost-effective means of program delivery. Indeed, where a program has lost its effectiveness or no longer meets priority needs, we must be prepared to take a hard look at continued funding.

Mr. President, I believe we can maintain current program levels with less money if we eliminate duplicative spending and terminate programs which address nonpriority needs. Only a long-overdue, thorough review of all spending programs by the respective authorizing committees can effectively gage the efficacy of current Federal programs. Unless and until the authorizing committees undertake this close scrutinty, the ability of the Committee on the Budget to make effecitve priority recommendations will be limited. For presently the vast majority of all spending is dictated by entitlement programs and fixed expenditures which are largely immune to the annual budget and appropriations process. Only changes in authorizing legislation can lead to more efficient budgeting of priority programs which are truly responsive to current needs of the Nation.

Every functional category of the Federal Government should be examined—from Defense Department programs to food stamps, from independent regulatory agencies to farm subsidies, and foreign aid to our very own congressional operations. No program should be considered immune from close examination. Only a thorough review of all Federal programs—and the consequent revision of priorities—will enable the budget process to function properly. It must function properly if we are to avoid the calamity of further budget deficits as large as the $67 billion which seems so unavoidable this year.

AN EQUITABLE, RESPONSIVE BUDGET

Mr. President, the budget proposed by my amendment is an equitable, responsive, and responsibly-funded Federal budget. I urge those who would attempt to cut the deficit beyond the modest amount I have proposed, to realize that any further substantial reductions in expenditures will almost certainly lead to a diminution of Government efforts to help the millions of Americans thrown out of work by recession. As fiscal conservatives, we must not allow philosophical abhorrence of a $65 billion or $57 billion deficit to lead to blind attacks on meritorious programs designed to soften the blow of recession. To be sure, numbers like $65 billion and $57 billion in deficit are deplorable. But so too are numbers like 8 million unemployed.

And to those who would add more billions of dollars to the deficit, I would urge restraint. The budget I propose does respond in an meaningful way to the human problems created by the recession. It includes ample amounts of stimulative spending needed by the economy. Any increase in the deficit in the name of economic recovery may well lead to higher inflation, more recession, and a delay in the ultimate restoration of a fully productive American economy.

Mr. President, I urge the adoption of the resolution as amended by my proposal—not only because it represents a responsible, compassionate response to the recession, but also because it is basically the well-conceived product of the new budget process. This budget, coupled with the long overdue scrutinization of all Government programs mandated by the resolution I will offer, will signify a strong congressional determination to formulate workable and responsive budgets this year and beyond.

Mr. President, I emphasize again that the House committee recommendation called for a deficit of $73.2 billion, and the Senate committee recommendation, as modified by the adoption of the Long amendment last evening, calls for a deficit of $67.2 billion.

Simply stated, the amendment offered by the junior Senator from Kansas would reduce this to $65 billion, based on the assumptions and estimates of the Budget Committee. If we use the assumptions and estimates of OMB, the White House, and the President, it would call for a budget deficit of $57.4 billion.

As a practical matter, as I have indicated earlier, I have no idea what may happen in the House of Representatives, but I would suggest or guess that the $73.2 billion figure will not be reduced. It may be increased. So it would seem, in an effort to comply with the efforts of the distinguished Senator from Maine and the distinguished Senator from Oklahoma, that if we want to end up after a conference with the House of Representatives with about a $67.2 billion deficit, we cannot go to conference with that amount to start with. It would seem to the Senator from Kansas that we are talking about ending up with a deficit, based on the House figure, and the Senate figures, of somewhere in the neighborhood of $70 billion.

Let me reemphasize the need for positive congressional leadership. This is an effort to cut the deficit below the recommendation of the President. He said recently, in signing a tax bill, "This is the bottom line"; and he has reemphasized that as recently as 2 or 3 days ago, that $60 billion is the bottom line.

I suggest that $60 billion may be the bottom line unless Congress decides that it should be $57.4 billion. I believe that about 0.9 percent of overall decrease in the level of expenditures would be in the interest of the country, would indicate a firm congressional handle on the budget process, and would mean we would come out of conference somewhere in the $67 billion ball park the Budget Committee is recommending.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

I commend the distinguished Senator from Kansas for his concern about the size of the deficit and for the interest he has shown, both as a very hard working member of the committee and in preparing this amendment to hold the deficit in line.

Much as I would like to see us have a lower deficit, I cannot, in good conscience, support the amendment of the Senator from Kansas, because, having sat through the literally months of deliberations of the Budget Committee in trying to understand the responsibilities of our Government in these difficult times and in looking at the functional breakdown of the budget figure we have recommended, I cannot agree that making an additional reduction across the board is defensible.

And while I understand the Senator's desire to help our position in conference, I doubt that his amendment would help us in that way, because any position we take in conference will of necessity put us in the posture of defending that position, and I cannot see how we can in conscience defend the position the Senator from Kansas is now recommending.

It seems to me that this is a ball park figure that can quickly be taken apart, unless the Senator from Kansas can show us where the reductions would come from in the various functional activities of the Government. I do not believe we can defend it in conference, as we can the Budget Committee's recommendation.

If the Senator from Kansas will yield, I would like to ask him a couple of questions. He presumes, on page 6 of his statement, that there is waste in nearly every functional area of the Government.

First, I assume the Senator from Kansas will agree that we cannot cut back in the functional area of interest.

Mr. DOLE. No. I believe I made that statement.

Mr. BELLMON. Would the Senator agree that we can probably not cut back in the veterans' programs?

Mr. DOLE. That is right. And probably not in such areas as social security.

Mr. BELLMON. So there are a large number of areas we probably cannot cut back.

Mr. DOLE. But there are other areas. I think we can cut back on the $375,000 study of frisbees by the Pentagon, or the $120,000 for studying why people say "ain't."

Mr. BELLMON. There are no funds in this program, as far as I know, for the study of frisbees.

Mr. DOLE. I understand; it is not a line item, and it would be impossible for the Budget Committee to single out.

Mr. BELLMON. We have already decreased some of the figures set forth by the Budget Committee, and also the House Committee figure of $73.2 billion. So I cannot see how we could make the Senator's proposal stick.

Mr. DOLE. As one example where a reduction is possible, in the Budget Committee we added, I think, $250 million based on the assumption that there would be a new farm bill. I think it is now certain that the President will veto the farm bill, and that would reduce the outlays in that area by about $221 million.

In the Budget Committee we did add less than the amount recommended by the Committee on Agriculture and Forestry. We added, I think, $200 million. That is just one area, and that represents almost 10 percent of my amendment.

Mr. BELLMON. But until the Senator can point out precisely where this cut would come from, which functional area, and give us a total that would show us where we can effectively cut the budget by that amount, there is no way I can support his amendment, and I would urge the Senate to reject it.

Mr. DOLE. In further response to the Senator from Oklahoma, I am suggesting what I think is a very responsible effort. I said yesterday during the debate on the Buckley-McClure amendment that I thought that was unrealistic.

But this is not a line item committee. It is not a program budget; it is a functional budget, and I could go on and recite a number of ridiculous examples that might not mean anything.

Mr. BELLMON. The committee worked on this for months, and that was not brought to its attention.

Mr. DOLE. $2 million for Yugoslavia's Mashal Tito for the purchase of a yacht. I think there are a number of areas where we can cut nine-tenths of 1 percent. We can do it in agriculture, for example. We were not discussing and considering individual budget areas at that time.

Mr. BELLLMON. The Budget Committee would have been very happy tc have had the Senator's recommendation as to where to cut.

Mr. DOLE. I just got this. But I would like to put that in the Record.

We spent $6,000 to study Polish bisexual frogs; and $20,000 to study the blood groups of Polish Zlotnika pigs.

Mr. BELLMON. In our report, starting on page 37 and going clear through to 132, there is a breakdown by functional areas. Can the Senator show me a page where the Polish frog appropriation occurs here?

Mr. DOLE. These are only illustrations where we can knock out——

Mr. BELLMON. They are bad examples. There is nothing here in this budget.

Mr. DOLE. I agree with the Senator from Maine that we spent a great deal of time the last 2 and 3 days in the committee and sometimes the conservative members won and sometimes the liberal members won, trying to determine where we should wind up in one functional category. We went up and down the hill two or three times.

I am not trying to destroy the program. I voted against the effort yesterday to trim it by a great deal more, but it does seem to the junior Senator from Kansas that if we really believe—and it is hard to believe in it, but if we really believe—in a $67.2 billion budget, we are not going to come out with it unless we go in with a reduced figure.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DOLE. I do not have the floor. The Senator from Oklahoma has the floor.

Mr. BELLMON. I yield.

I say to the Senator from Kansas that I share his desire; I share the desire with him, to present to the conference the best arguments we can. But the way to lose our case and lose in conference is to come in with a ballpark figure that does not have any significance as to where the money would go by the various functional breakdowns. I realize the functional breakdowns are not part of the resolution, but they certainly will be part of the arguments and the debate that go on in conference.

It seems to me that we have a position we can defend, and this amendment does not help, but it very seriously damages our case, and it would assure that we would lose to the House in conference and wind up with a higher figure, not a lower figure, than the one the Budget Committee has proposed. For that reason, among others, I cannot support the amendment.

I yield the floor.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DOLE. Mr. President, I yield to the Senator from North Carolina.

Mr. HELMS. Is that not just the problem—so implicit in the discussion between the Senator from Oklahoma and the Senator from Kansas—that this Congress really does not know where the taxpayers' money is going, hence the proliferation of all of these foolish expenditures by the Federal Government?

I do not want anybody to try to tell me that this budget cannot be cut. If this Senate begins with the belief that it cannot be cut, of course it will not be cut.

But if we ever make up our minds, and

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have the guts to be fiscally prudent and to stop inflation and to let the free enterprise system work, would not the Senator from Kansas say we could do it?

Mr. DOLE. The Senator from Kansas believes we can do it.

Mr. HELMS. That is the purpose of the Senator's amendment?

Mr. DOLE. I am a member of the Budget Committee, and I think we have had outstanding leadership in the committee. I am not here in any effort to scuttle the committee, but I am realistic enough to know there has got to be nine-tenths of 1 percent that the appropriating and authorizing committees could reduce. And I cite these ridiculous illustrations to point up that we do not know when we might find $71,000 to compile the history of comic books. In any event, we could find areas to cut.

Mr. HELMS. Would the Senator from Kansas agree that there is something quite remarkable about the state of fiscal affairs in the United States when the proposed deficit—this so-called prudent document about which I have heard so many exchanges of senatorial compliments about in the last couple of days in this Chamber—involves a deficit equivalent to two-thirds of what the entire Federal budget was just 10 years ago? Now, this tells something about the track record of the Congress of the United States. Does the Senator agree?

Mr. DOLE. The Senator from Kansas totally agrees.

As a fiscal conservative, I find it very difficult, if I vote for final passage of any resolution to advocate any deficit and to try to defend a $60 billion of $58 billion deficit. But, on the other hand, I think realistically we are going to have it.

I think the point is, as the Senator from North Carolina makes it very well, that Congress is going to have to come to grips with it. We are either going to be leaders or followers, and I think we have the capability and potential for leadership in our Budget Committee and in the Senate and in the House.

I do not quarrel with the administration. I just do not believe we have to accept and say we are in the ballpark of the administration and, therefore, we should be satisfied and they should be satisfied.

Mr. HELMS. I fully agree with the Senator on that. My objection to the Senator's amendment is that it does not cut enough. I say again to the Senator that unless and until Congress makes up its mind to make good on what we tell the people when we go back home there is a very real question as to whether we do not border on being charlatans. I dare say there is not a Senator in this body or a Member of the House of Representatives who does not go home and say, "I am for a balanced budget. We have got to cut Federal spending," and all the rest of the doubletalk that comes from political platforms. Then we get back up here and what happens? How do we vote? We argue about which is better, a $100 billion deficit or a $67 billion deficit!

I submit, Mr. President, that they are both bad, they are both dangerous, and that this sort of economic irresponsibility is stifling the economy of this country, and any hope of stability in the United States.

I thank the Senator for yielding.

Mr. DOLE. I thank the distinguished Senator from North Carolina.

I ask unanimous consent to have printed in the RECORD an article entitled "Congressional Appropriations Distressing," which appeared in the Dodge City Globe on March 10 of this year; and in addition, a story which appeared in this week's U.S. News and World Report entitled "Why The Lid On Welfare Is Blowing Off Again."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CONGRESSIONAL APPROPRIATIONS DISTRESSING

(By Paul Harvey)

Bill McDonald of the Columbia (S.C.) State newspaper is distressed to discover in the Congressional Record that Congress has appropriated:

$375,000 for the Pentagon to study the frisbee.

$121,000 to find out why people say "ain't."

$37,314 for a potato chip machine for the Moroccans.

$117,250 in wages for the Board of Tea Tasters.

$68,000 for the Queen of England for not planting cotton on her plantation in Mississippi.

$14,000 for Ford Motor Co. for not planting wheat.

$2 million for Yugoslavia's Marshal Tito for purchase of a yacht.

$31,650 for Speaker of the House Carl Albert's new carpet; $21,000 for his new draperies; $44,000 for his chandeliers; $65,000 for other furnishings.

$80,000 for a zero-gravity toilet for the space program.

$23,000 for environmental testing of the same.

$6,000 to study Polish bisexual frogs.

$85,000 to learn about the "cultural, economic and social impact of rural road construction in Poland."

$20,000 to study the blood groups of Polish Zlotnika pigs:

$5,000 to learn about Yugoslavian intertidal hermit crabs.

$5,000 to tabulate the difference between native American and Indian whistling ducks.

$20,000 to investigate the German cockroach.

$71,000 to compile the history of comic books.

$5,000 for the analysis of violin varnish.

$15,000 to find out how fishing boat crewmen cause conflicts in Yugoslavian peasant towns.

$5,500 for the genius who wrote the poem "lighght." (That is not the title of the poem, it is the whole poem.) The whole thing comes to seven letters worth $785.71 each.

$19,300 for the Health, Education and Welfare Department to find out why children fall off tricycles.

$2,458 to train 18 Good Humor peddlers.

$70,000 to study the smell of the perspiration given off by Australian aborigines.

$28,361 for odor-measuring machine for above project.

$17,000 for a dry-cleaning plant to spruce up the djellabas of the Bedouins.

WHY THE LID ON WELFARE IS BLOWING OFF AGAIN

The rules are tighter, and yet spending keeps rising. What else when even middle-class victims of hard times line up for public aid?

Efforts to pare the nation's welfare rolls—held out as a promise for 1975—are getting sidetracked by the recession.

People once again are flooding public-assistance offices around the country—reversing a year of progress in reducing welfare ranks.

The price tag for welfare to the various levels of government has already risen to nearly 35 billion dollars a year, and threatens to go still higher.

Food-stamp programs almost everywhere are enrolling record numbers. Those who never before accepted any form of public help are applying.

State and local governments are straining their resources to the breaking point to give people temporary assistance for food, shelter and medicine.

And while major permanent programs—such as medicaid and Aid to Families With Dependent Children—have risen less rapidly, there's growing fear that demand for such assistance will break loose as more people lose their jobs and unemployment compensation dries up.

Many State and city officials are calling for more federal aid, especially public-service jobs, to counter the slump that has left 8 million people jobless.

Few people are talking about welfare reform these days.

President Ford has shelved a plan to give every family a minimum guaranteed income—fearing that a changeover now would be too costly. The strategy is to tighten up existing welfare programs and penalize States through reduced federal money for failure to curb waste and weed out ineligibles. Some examples appear on page 2[illegible].

For a detailed look—

LOCAL RELIEF PLANS: MORE RED INK FOR BUDGETS

Bailing out the victims of a sagging economy has caught local-government resources short in most areas—

In San Diego, the county-funded general-relief program is running 50 per cent over budget, with at least another 5 million dollars needed by July.

Hennepin County, Minn., which includes Minneapolis, is already $148,000 in the red on its emergency-assistance program. There, more than 12 per cent of the population is on some form of welfare.

In the Miami area, the Dade County welfare budget of $850,000 will soon be used up. Deficits could run as high as a million dollars.

Everywhere, officials are noting that more middle-class people are seeking some form of emergency help.

Sidney Dozier, Dade County welfare department's social-services administrator, says: "What we're able to give a family of five is $174—not even enough for their mortgage payment. These people never fail to let us know that they were the ones who funded the programs in the past."

Joseph Yeldell, Washington, D.C., human-resources director, also points to the large numbers seeking temporary help, but concedes that "we don't have the kind of program that can help enough of them."

Mr. Yeldell adds that the United Way, Red Cross and other agencies are getting "bombarded" with requests from people who can't be served by the local welfare department.

FOOD STAMPS: DEMAND IS SWELLED BY THE MIDDLE CLASS

People are applying in droves for food stamps. More than 18 million are now receiving them, compared with 1[illegible].5 million last June. Costs, borne chiefly by the Federal Government, are far out-stripping the 4 billion dollars budgeted.

In San Francisco, more than [illegible]7,000 residents—nearly 1 in 7—are getting stamps, with an average of 3,000 new applicants each month.

High unemployment has sent food-stamps rolls soaring in the Detroit area, where Wayne County officials report almost a 60 per cent increase in applicants in the last six months.

It's the same story in most metropolitan areas around the country.

Here, too, welfare officials say that more middle-class people are applying, because of inflation and unemployment.

In affluent Fairfax County, Va., near Washington, D.C., families with annual incomes of more than $20,000 are seeking stamps. One administrator said that many of these people have no savings and are now in a bind. She says that they spent their money "keeping up with the Joneses."

FEDERAL WELFARE FOR FAMILIES: SUDDEN RISE IN STORE?

The number of people getting Aid to Families With Dependent Children (AFDC)—primarily families without fathers—has been edging up steadily since last fall. Their numbers now threaten to match the record 11.1 million established in March, 1973.

This new climb follows more than a year of steady decreases.

Experts fear that demand for AFDC benefits, jointly funded by federal, State and local governments, is going to skyrocket, unless more federal money is provided for jobs and unemployment pay.

"We're sitting on a time bomb," notes R. B. Shelton, the social-services director for Wayne County, Mich. His concern: the depletion of the supplemental unemployment benefits paid to many laidoff auto workers.

For the nation as a whole, about 2 million people are expected to run out of their unemployment compensation this year, unless Congress votes to extend benefits. Many will have to turn to welfare.

With prospects for more middle-class people joining the public-assistance ranks, New York City welfare chief James R. Dumpson believes that this new type of client is not going to tolerate the "rigidities and indignities" of the system.

He cites pressures to raise the basic AFDC grant for a family of four in New York City from the present limit of $280 a month to $385.

But New York City's welfare outlays have already hit 1.1 billion dollars, and the budget for the next fiscal year calls for a boost of more than 260 million. Even this amount may not be enough, given predictions that the city's welfare rolls will return to the former record peak of 1.2 million next year.

MEDICAL ASSISTANCE: SOARING TO $13 BILLION

The swelling ranks of the unemployed could suffer even more grief, because of loss of health insurance. As a result, measures are now before Congress that would provide stop-gap coverage for unemployed workers whose insurance benefits ended with their jobs.

The Government's regular health care program for the poor, medicaid, is growing right along with the AFDG numbers, since these families automatically qualify for medical benefits. Costs to the federal and State governments may run as high as 13 billion dollars this year.

Along with medicare—the program for the disabled and the elderly—medicaid has developed so fast that major abuses are costing taxpayers 3 billion dollars a year, according to the General Accounting Office.

Fraudulent practices range from ineligible recipients to inflated bills from physicians.

Under medicaid, hospitals and doctors are reimbursed directly for services through State agencies.

The Department of Health, Education and Welfare is launching a new effort to detect and eliminate fraud—its latest step in an over-all campaign to slash waste in welfare programs.

TIGHTER RULES: A THREAT OF FEWER FEDERAL DOLLARS

Of all the welfare programs now under way, the Government is most concerned about AFDC, a program that is costing HEW nearly 5 billion dollars a year.

A drive to cut AFDC spending began last July, when HEW gave the States a year to reduce AFDC errors to a maximum rate of 3 per cent ineligible and 5 per cent overpaid or underpaid.

An earlier study indicated that there was a combined 41 per cent error rate for the program.

If States fail to meet the tight standards, they're to lose a portion of federal matching funds.

To prod the States toward this goal, HEW is withholding about 270 million dollars of AFDC funds this fiscal year. However, the recession's impact on cities has caused the Government to relent a bit, so that as much as 60 per cent of this money may be credited back to the States.

Although some States are opposed to the new standards and are suing, others have already started campaigns against welfare fraud and have few complaints. Says one Texas official:

"The Federal Government isn't taking any money away from us. We're just asking for less."

Harris County, Tex., which includes Houston, is one of the few metropolitan areas where AFDC ranks are thinning. The number of families receiving payments declined from 19,030 in September to 16,029 in February.

Although Houston has not been hit as hard by the recession as other areas, Texas welfare administrators attribute the drop to tighter screening. The low level of the basic AFDC grants—$115 per average family in Harris County—also induces people to find work, they point out.

NUTRITION PROGRAMS: DEBATE OVER RISING COSTS

Washington is also tightening the screws on the food-stamp program—blaming State inefficiency for much of the rising costs involved.

Agriculture Secretary Earl Butz complains that he now runs a welfare department, with 64 per cent of his budget going to such aid.

Earlier in the year, the Ford Administration unsuccessfully tried to raise the price of food stamps, and now wants to cut 600 million dollars from nutrition programs for low-income schoolchildren and expectant mothers.

The Agriculture Department also proposes to hold back part of its share of administrative funds for food stamps from States, arguing that State errors and deceptive practices are costing 740 million dollars yearly.

Congressmen and consumer leaders have vowed to fight such action and insist that the real problem is that the Government is not helping enough hungry people.

The Select Senate Committee on Nutrition and Human Needs estimates that only 38 per cent of those eligible for stamps are getting them.

Consumer groups have launched drives in many cities to inform the public about the stamps and to help local welfare offices streamline the lengthy certification process that has discouraged many applicants.

THE WIN PROGRAM: FINDING JOBS FOR WELFARE PEOPLE

There's debate, too, over the effectiveness of Government efforts to move welfare recipients back into the work force.

Able-bodied people, including mothers who don't have children under 6 years old, are required to search for jobs as a condition to receiving aid. States can even require people to work in unpaid public-service jobs, if they can't find private employment.

But the major Government employment effort is the Work Incentive (WIN) program, a plan that is geared to helping local welfare agencies place people in jobs. The level of federal funds depends on how successful the States are in making placements.

Some welfare officials are reporting moderate success with the program but criticize Washington for shifting away from WIN's original training focus. Says Beth Carroll, WIN director in Fulton County, Ga.:

"It does very little good to place people in jobs that will be wiped out in a minute.

"People don't aspire to be garbage men and maids."

Others point out that with so many skilled workers without jobs, welfare people stand little chance for finding employment.

Federal funds for the program have also been cut—causing many States to lose interest.

WELFARE REFORM: MASSIVE REVAMPING POSTPONED

The new federal policies to cut welfare spending can be expected to trigger hot debate in the months ahead. State officials, citing mounting paper work and strained budgets, are insisting that the Federal Government take over welfare entirely.

Washington moved partly in this direction last year by making a major change in the Supplemental Security Income program. The Government shifted 4.5 million aged, blind and disabled people from local welfare rolls, funded jointly by HEW and the States, to direct federal payments administered by the Social Security system.

Many welfare administrators also favor the negative-income-tax or cash-guarantee idea. Under this concept, a family with no earned income would receive an outright grant from the Government. Such programs as food stamps and AFDC would be scrapped.

A one-time payment to poor families—up to $400—is included in the new tax law. But few in Congress push this approach as a substitute for the present welfare program. And President Ford labels it too costly.

Richard Nathan, an economist at Brookings Institution, Washington, D.C., points out that there is still great political opposition to giving cash to people who don't work. To win over such critics, he adds, compromises would have to be made that would result in grants too small for families to live on.

For now, Mr. Nathan and many others believe that the best approach is to inprove welfare programs now on the books.

The Administration seems content to follow this route, chipping away at spending wherever possible—despite protests from States and Congress.

COMPUTERS AND LEG WORK: WEAPONS AGAINST WELFARE FRAUD

Under pressure from Washington, many States are trying to tighten up on welfare rules that have made fraud easy.

Computers are being used in many places to ferret out people who have substantial amounts of unreported income but are nevertheless claiming—and getting—Government support.

DEMANDING DOCUMENTS

People applying for Aid for Families With Dependent Children must now submit to a touch certification process, instead of merely declaring eligibility. Birth certificates, income statements and other similar records must be shown at welfare offices.

"We've gone back to conventional investigating and are pushing hard to prosecute

> fraud cases," says Alvis Roberts, a Louisiana welfare official.
>
> One fraud ring in New Orleans was recently detected in which a small group had set up 35 bogus families and filed claims on 133 nonexistent children. The cost: $204,536 in food stamps and AFDC payments.
>
> An equally flagrant case was uncovered by State investigators in Chicago, where a woman was indicted on 27 counts of grand theft involving fraudulent welfare checks. Authorities say that the woman may have accumulated as much as $154,000 over the last five years, operating in a dozen States and using 80 different names, 31 addresses and three Social Security numbers. As many as eight "deceased" husbands and 24 children were cited.
>
> Illinois officials are hoping that a new "foolproof" computer system, soon to be put in operation, will prevent such fraud and reduce welfare costs in that State by 250 million dollars a year.
>
> TRACKING FATHERS
>
> But it takes leg work—not technology—to detect another kind of welfare cheater: fathers who desert their families. The Department of Health, Education and Welfare estimates that 1.3 million men have abandoned their families, leaving their support to welfare agencies. Yet, studies show that half of these men have incomes of $8,544 a year and up.
>
> Most cities, aided by a new federal law that allows HEW to pay half the costs of search efforts, have set up special teams to track down these fathers.

Mr. DOLE. I could only suggest to the Senator from Oklahoma and others that I recognize the difficulty in bringing about quick cuts in any program. We did discuss and did direct certain areas of inquiry into the food stamp program in the Budget Committee. But in medical assistance alone the GAO found recently that the program for the disabled and elderly, medicaid, has developed so fast that major abuses—I am talking about abuses, not about the program—are costing taxpayers $3 billion a year. Now, $3 billion a year can do a lot for those under medicaid if we had proper administration of the program.

Under the food stamp programs, the Agriculture Department proposes to hold back part of its share of the administrative expense of the food stamps to States, and they do it not to scuttle the food stamp program but because, they argue, that State errors and deceptive practices by States are costing the taxpayers $740 million.

I do not believe, as I look over the Budget Committee report, that we got into specific programs. But I would say that if we get into AFDC programs, an early study conducted by HEW says that there was a combined 41 percent error rate in the program. Now they are trying to put a lid on it; they are trying to reduce that error rate on ineligible, underpaid and overpaid from 3 to 5 percent.

So, it seems to me, it would not take very much digging to reduce that deficit by $2.2 billion. Whether it is training of reservists, simulated flight training, flight pay, or base closures in the defense budget, or employee travel, construction, new office space, there are, I think, literally hundreds of examples where through a stretch-out or reduction in programs we could realize the necessary saving.

I recognize that the amendment does not go far enough to many, and to others it may cut too deeply. But I would again underscore I am talking about .9 of 1 percent. I understand that the Brookings report on where some future budget cuts might be made to hold down the growth budget such as grants programs, certainly could reduce costs.

A review of pay comparability of civilians and the military, the need to have one salary system where the benefits are somewhat balanced in different categories are other examples of potential cuts.

So without being more specific, I think the Senator from Kansas has tried, without undercutting the efforts of the Budget Committee, to be responsible in suggesting that we can provide the leadership.

We have the potential in the Congress and the power in the Senate and the Senator from Kansas hopes the amendment will be adopted.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

Mr. President, I was struck by an observation made by the distinguished Senator from North Carolina, who appears to have left the Chamber, suggesting that the prospective deficit in the committee budget is some major percentage of what the total Federal budget was 10 years ago.

These kinds of comparisons, Mr. President, are extremely deceptive and I do not think they are particularly useful.

As a matter of fact, if I recall the numbers correctly, the gross national product in this country in 1932 was around $50 billion, so that the deficit we are talking about is 50 percent larger than the total goss national product in 1932, if that is a useful comparison for anybody to make.

In that same year, it is noteworthy that we suffered an unemployment rate of about 22 percent. Almost 20 million Americans were without work. I do not think we would want to transfer those conditions to date in order to get the Federal deficit down to that proportion of the gross national product in 1932.

I think another point has to be made. There is so much talk about the Federal debt that I think we ought to put it in the context of total debt in this country.

In the special analyses section of this year's budget, there is a chart on page 45 which shows the percentage distribution of net indebtedness in this country. It is interesting that chart the Federal debt is little more than 15 percent of total debt in this country.

Private debt is by far the largest share. By private I mean consumed debt and corporate debt, and it is the fastest growing debt in this country.

So if one wanted to pick out horrendous figures to startle the imaginations and to strike fear into the fiscal hearts of average American citizens, one could point out that they themselves are borrowing horrendous amounts of money at a faster clip than ever before in American history.

One could make the same point with respect to corporate debt. Even State and local debt, despite the constitutional limitations on that kind of debt, has been growing faster in these last 20 years than Federal debt.

Of the three categories of debt, consumer debt, corporate debt, State and local debt, Federal debt has been the slowest growing since World War II.

So as we inquire as to the justification of a debt-oriented economy, we ought to look at the total picture and not simply the Federal debt.

I commend the attention of my colleagues to that chart on page 45 and I ask unanimous consent that the paragraph immediately under the chart be included at this point in my remarks.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

> Since 1945, however, private debt has increased as a proportion of total debt in every year, and in every year the Federal debt held by the public (including the Federal Reserve System) has decreased as a proportion of the total. State and local government debt has risen in amount every year and has risen in proportion to total debt for the period as a whole. From the end of calendar year 1953 to the end of 1973, Federal debt held by the public rose 54%. State and local government debt rose 510%, and private debt rose 515%. By the end of calendar year 1973, Federal debt held by the public was only 14% of total debt. As a result of these trends, Federal debt and borrowing, although still significant, have become relatively much smaller influences in the financial markets.

Mr. MUSKIE. Now, if I may direct my attention more specifically to the Dole amendment, the Senator makes a very tempting argument that surely in a $365 billion budget, it should be possible to cut another 1 percent.

Well, it is so tempting that if we adopt it and we reduce the outlay figure to $361.8 billion, then why not make the argument again and say that surely with a budget of $361.8 billion, it is possible to cut 1 percent. That would then take us down, presumably, to about $357 or $358 billion.

Then let us make the argument again that surely in a budget of that size it is possible to save an additional 1 percent.

By taking that step-by-step approach, we could get this budget down to half of what it is, by only cutting 1 percent at a time. Surely somebody would be able to find somewhere in a program for comic books, or all the other programs on the list the Senator from Kansas had, another 1 percent that we could cut.

But the trouble with the argument is, may I say to the Senator, that the Budget Committee went through all of the 16 functions at considerable length trying to identify places where we could squeeze out fat. We did not get down to the comic books, I concede. Ours is not a program-oriented committee. Ours is a function-oriented committee.

Nevertheless, in examining the totals to be spent in any function, we went into considerable detail and no member was inhibited or restrained form injecting into his argument any program which he felt ought to be eliminated or cut and which would justify a reduction in the function.

[Disturbance in the visitor's gallery.]

The PRESIDING OFFICER. The Senator will please suspend until the Sergeant at Arms can restore order in the gallery.

The Senator will resume.

Mr. MUSKIE. As I say, no member was restrained from using any program, or any ridiculous example of Federal spending, or any accumulation of it, to justify a cut in the functional total for any of the 16 functions.

So I do not buy this argument that we did not pay attention to the details.

Now, may I say that after the committee had gone through all of the 16 functions trying to put together as tight a budget as it could, we then addressed ourselves to several proposals to cut spending across the board.

The first cut was the Hollings amendment to cut outlays across the board by 1 percent—the same figure that the Senator is talking about, a mere $3.5 billion. It was rejected by a vote of 11 to 3 for the very reasons I have been trying to spell out and that the distinguished Senator from Oklahoma spelled out.

Then we had the Nunn amendment to cut all of the temporary recovery programs included in the budget, $4.5 billion. That resulted in a tie vote, 7 to 7, and lost. There was also the Chiles motion to cut $2 billion from the bottom line to be distributed in function 500, which was the education, manpower and social services function, health, law enforcement and justice, and general government, and that lost by a tie vote of 7 to 7.

So the committee addressed itself to these kinds of cuts.

Now, I understand the temptation to buy the argument that 1 percent could not be all that difficult. It does not appear difficult, but let me make two points.

One, it was too difficult for any Senator to apply such a principle in committee. No Senator who offered an across-the-board cut was able or willing to specify which functions ought to be cut. No Senator.

Second, if we reduce outlays by this amount, we are going to have to find that $3.2 billion somewhere. Just this past week I received a letter from the chairman of the Committee on Agriculture and Forestry. This chairman in the record voted for that $25 billion cut yesterday. What was the thrust of his letter to me? I will read it, since the Senator from Kansas is ranking Republican on that committee.

> DEAR MR. CHAIRMAN: I have enclosed for the consideration of the Committee on the Budget a request by committee members for an additional $3 million for foreign market development for fiscal year 1976. As the letter indicates, the threatened loss of $7 billion in U.S. exports is an emergency that deserves immediate consideration. Therefore, the members of the committee feel that an immediate increase of $3 million in Federal funds for overseas market development is imperative.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. MUSKIE. Mr. President, I yield myself another 5 minutes.

This request from the chairman is a most worthy objective, in this Senator's judgment. But that is an additional spending.

If the Senate adopts the budget ceiling suggested by the Senator from Kansas, it is then my responsibility to say no to things like this, and it is the Senator's responsibility to say no to things like this.

This issue is going to crop up in every authorization bill and every appropriation bill that comes to the Senate from now until September. We are going to have to learn to say no to some of these things.

There is not some magic pot that contains $3.5 billion unrelated to the real service needs and existing programs. We have to cut these if we are to go any lower.

I think as a budget committee one of our first responsibilities, clearly, is to make it possible for the Senate to get away from across-the-board cutting. One of our responsibilities is to make it possible for the Senate to make informed, precise cuts so that when we cut $3.5 billion we know what we are cutting. We should not give Members the excuse later to say, "Well, I voted for that cut, but I did not mean that $3 million for agricultural research," or "I did not mean to cut social security," or "I did not mean" this, that, or the other.

This process is supposed to impose discipline. The meat-axe cut is a temptation to indulge in our own priorities, and we have been doing it for too long.

We said, "I am going to vote for this new program of $5 billion because somewhere down the line I will find that $5 billion to my satisfaction." Or, "I will cut $3 billion from this program because somewhere down the line some unforeseen, fortuitous circumstance will arise that will not confront me with the consequences of that vote."

I can understand Senators whose economic philosophy dictates a more prudent budget course than that suggested by the Budget Committee. I do not quarrel with that. All I ask them to do—because I impose the same discipline on myself—is to tell me where they are going to cut and not leave it to chance that somehow the cuts will skirt the programs they are interested in and avoid damage to the agricultural program, avoid damage to the educational program, or avoid damage to the health program.

That is not budget responsibility.

May I say, that is not in any way a denigration of the distinguished Senator from Kansas. He gave us valued support yesterday, and I believe he is committed to this process. I am simply answering the argument because I think it needs to be answered here in the Chamber.

The argument of the Senator from North Carolina is an appropriate and legitimate argument. The fact that I do not agree with it does not make it irrelevant.

Now let me get to the specific numbers of the Dole amendment. It is my understanding that the Dole changes are designed to reconcile the estimates of the President and the committee by eliminating the real differences after adjusting the estimates so that they reflect the same assumptions. Presumably, this means that the Dole amendment totals reflect his estimate of where the President's budget actually comes out.

I shall give the Senate my own analysis of that point. On outlays, we believe that the real difference between the committee's estimate and the President's estimate is only $1.8 billion, not $3.2 billion as Senator DOLE suggests. The elements are as follows:

The President's April 4 estimate was $355.6 billion. The adjustments by the committee are as follows: We reduced Outer Continental Shelf leasing receipts by $4 billion because we had no evidence at all to suggest that the President's $8 billion figure would be realized. Indeed, all of the evidence we had indicated that even the $4 billion was overgenerous. But we compromised at $4 billion.

The second item: Unemployment compensation is going to cost us $1.9 billion more than the President's budget suggests. This is a hard estimate by the Budget Committee staff.

Food stamp and other assistance programs that grow with growing unemployment are going to add $600 million.

The medicaid program, which also grows in response to unemployment, adds another $200 million.

And then interest on the public debt, which is unavoidable and which is simply a product of numbers, adds another $900 million.

All of these additions should be included in the President's outlay figure, if that outlay figure reflected a candid and up-to-date analysis of the implications.

That gives us a total adjustment figure of $7.6 billion, which is $363.2 billion. So the relative difference is not $3.2 billion but $1.8 billion. If we are correct in that assumption, then what the Senator proposes is to go below the President's figure which is, of course, his prerogative. But I believe that point should be made clear.

We now get to what a $3.2 billion cut could conceivably mean. The total outlay figure of $365 billion voted by the committee came after exhaustive consideration of detailed recommendations made to it by all the committees in the Senate. I call the Senate's attention to the fifth chart. There will be seen a potential outlay total of close to $420 billion. That is not a figure that the Budget Committee picked out of the air. That does not reflect ideas generated by the Budget Committee. Those are ideas that came out of the authorizing committees that are constantly working in their fields, plus other ideas that had clearly developed steam and momentum in the Congress. So there is $420 billion of ideas that we had to consider and dispose of one way or another in getting down to $365 billion. That difference is close to $55 billion of ideas and spending proposals, that the Budget Committee rejected. We did not include comic books in that list, but we included a lot of ideas with considerable merit which, in a less stringent environment, might well get the support, and the deserved support, of the Congress of the United States.

But we said "no" to that $55 billion shopping list in order to get down to $365 billion. Now the Senator from Kansas says,

> Well, it ought to be possible to cut another one percent and then another one percent and then another one percent.

I have not figured out how many 1 percents that $55 billion represents. One percent of $420 billion is $4.2 billion; so, roughly calculated, we have done the Senator's exercise 13 or 14 times in order to get down to $365 billion. If we do it another 14 times, we can get much below the Senator's figure.

It is hard to argue that $1.8 billion to $3.2 billion cannot be cut from a $365 billion total. I can only say to the Senate that the committee recommendation is already very tight, and a cut of even this small amount could be significant.

I get back to the point I made earlier, that once we adopt a figure, the Budget Committees of both Houses, if this budget process is going to mean anything have to say, "No, no, no, no" to many proposals, just as the Budget Committee said, "No, no, no" to $55 billion of worthwhile spending proposals.

What are the likely possibilities for a cut of $3.2 billion? The Senator from Kansas has told us about comic books, but let me get to what the real possibilities are likely to be. The most likely possibility would have to be the few new programs for program increases in the committee budget. This cut cannot be made in a way to skirt this entire list of programs. Something on this list will have to be cut: real growth in defense procurement; needed increases in energy programs; assistance to hard-hit railroads; amounts needed to offset costs of inflation in education and social services programs; cost-of-living increases for social security and other entitlement programs; increases to maintain the real level of veterans compensation and pension; increases to prevent additional burdens on medicare and medicaid recipients.

A $3.2 billion cut cannot be made with a small change, if I understand the effective work that the committee did in tightening up the functional total. $3.2 billion in cuts will have to come from programs such as those. I recite them only to put the Senate on notice that those are the kinds of decisions we are going to face if we adopt that kind of ceiling; and I am going to be on the floor of the Senate, and Senator BELLMON is going to be on the floor of the Senate, pointing out those consequences of such a cut, as those consequences emerge in the course of our consideration of appropriations measures from now on.

I have made my case at greater length than, perhaps, I intended; but I wanted to make some points in response to some of the debate yesterday as well.

I again express my appreciation to the distinguished Senator from Kansas for his support yesterday. I understand, I think, what is in his mind in connection with this amendment. But I think it is extremely important that this record be made as I have tried to make it.

Mr. DOLE. Mr. President, I appreciate the statements by the Senator from Maine.

The Senator from Kansas might say, in defense, that had the Senator from Kansas been present on the last day the Budget Committee met, the result might have been different. I point out that vote No. 24, which would have cut $4.5 billion from temporary recovery programs, was rejected on a 7-to-7 tie.

On Chiles motion to cut $2 billion from the bottom line, there was a 7-to-7 tie.

Unfortunately, the day prior to that, the Senator from Kansas had taken a rather severe fall when trying to appear for a vote. Thus, the Senator from Kansas was unable to be at the committee for the final series of votes.

I suggest to the Senator from Maine—not as a defense—that had the Senator from Kansas been there, the total budget figure might have been $5 billion less.

I am splitting the difference with the Senator from Maine. I am suggesting now a $3.2 billion cut.

With respect to the argument that we cannot cut across the board, we did it in the committee on a function-by-function basis with the Mondale amendment to cut out functions of national defense to $90 billion. That was one example. There are hundreds of programs in the Defense Department. When we started offering motions in the committee to cut $500 million from this functional area or that functional area, we were in essence cutting across the board. We did not specify where within that function the spending cut should be made or the spending addition should be made.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. MUSKIE. The Senator's argument that the committee's function in deciding functional totals is an across-the-board process, I think, is an argument that we should change the nature of the Budget Committee. We deal only with functional totals and make assumptions which I think most of us try to express in committees about where reductions or increases are to come.

I think that every proposal I presented to the committee detailed the assumptions I was making as to where cuts could be made or increases should be provided, not that such assumption committed the Budget Committee or the Senate to the particular programs that I took into account. But that is something different, I submit to the Senator, than the kind of across-all-functions cut the Senator is proposing today.

Mr. DOLE. I thank the Senator from Maine.

In addition to the comic books to which I made reference, a GAO report has indicated that abuses in the medicaid program are costing the taxpayers $3 billion a year. That is a rather substantial amount. In the food stamp program, because of deceptive practices and faulty reporting, about $740 million is not going to recipients but is being misused by the various States.

I submit that if we go down the list of votes taken in the committee the last 2 or 3 days, they were offered on a function-by-function basis.

The third vote was on an amendment by the distinguished Senator from Delaware (Mr. BIDEN) to cut out function 050, which is national defense. He wanted to cut it to $87 billion. I cannot recall that Senator or any other Senator giving us an item-by-item accounting of how that would come down from $94 to $87 billion. He said it was too large, and he made some general statements.

The Senator from Kansas believes that that is a precedent. All the Senator from Kansas suggests is that instead of doing it by function, we do it across the board.

Mr. MUSKIE. I think that one of the reasons why the Biden amendment was defeated was that he did not detail the places where the cut was to be made, and that is precisely the reason why the Senator's amendment should be defeated.

Mr. DOLE. The Chiles amendment, which is No. 5, to cut national defense to $91.9 billion, was accepted by a vote of 11 to 4, and I suggest that the same argument was made to raise the amount by $5 billion.

The Senator from Kansas only points out that in an effort to satisfy what I knew would be an objection—and that is that it is an across-the-board, meat-ax approach—I pointed out some general areas where this Senator felt cuts could be made, whether it be transportation, maritime, agriculture, or whatever.

Essentially, I share the view expressed by the Senator from Maine: If we cut 1 percent today, why can we not cut 1 percent tomorrow?

The answer is that we, hopefully, may not be here tomorrow on this particular legislation. Maybe another amendment will be offered, if this one is adopted, to cut it 1 more percent.

It occurs to me that we can do that. The Senator from North Carolina has an amendment that will cut it a great deal more than nine-tenths of 1 percent. But insofar as across the board is concerned, I think we have well established that precedent within the committee. The Senator from Kansas says again that had the Senator been there on the final day—unfortunately he was not, because of no fault of the Senator from Kansas—the budget would have been less. The outlays and the deficit would have been reduced by about $6.5 billion. I think perhaps that amount would have been accepted by the committee and we would be here today arguing, instead of about $365 billion, maybe about somewhere around $358 or $359 billion, and the Senator from Kansas would not be offering an amendment at this time.

Mr. McCLURE. Will the Senator from Kansas yield?

Mr. DOLE. I yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

I noted earlier, in the response of the Senator from Maine, that he made some comment about the table that shows all kinds of debt in the United States has increased and private debt has increased more than public debt; therefore, the increase in public debt should not frighten us. It is a little like the argument that my wife might try to use on me if, indeed, our family budget is out of balance and all of a sudden, she points to my spending as the cause of it and ignores her part of the spending. I can reply only that, well, since you have spent a great deal, if I spend a great deal, that will make it all right.

I am not sure that I can follow the argument that because private debt has increased, that justifies an increase in public debt.

Mr. MUSKIE. Will the Senator yield?

Mr. DOLE. I am happy to yield to the Senator from Maine.

Mr. MUSKIE. That is not my argument. I just hear these horrendous numbers thrown around so that it seems to me that they ought to be put into perspective from time to time. It is not my purpose to frighten anyone into doing anything about their own spending or Government spending. My point is that we should try to make these expenditures responsibly and rationally, taking into account the consequences and perspectives. But the argument on deficit spending that I have heard here for the last 2 days goes on as though nobody else in this whole economy ever invests by creating debt, or ever meets temporary emergencies by creating debt.

Yesterday, Chrysler announced another rebate program. That is deficit spending, as I understand their financial condition. They are engaging in it. I have not heard any outcries against deficit spending by the private sector.

All I am trying to do is put this into some perspective. That is the whole purpose of the chart in the book. I do not think I was trying to frighten anybody.

Mr. McCLURE. Will the Senator yield further?

Mr. DOLE. Yes.

How much time does the Senator from Kansas have remaining?

The PRESIDING OFFICER. The Senator from Kansas has 21 minutes.

Mr. DOLE. I am happy to yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator.

We went through the budget for weeks, literally weeks or months. We had seminars, we had panel discussions, we reviewed the budget by functional area, and we decided that we could not cut it by functional area. Then it is argue that we cannot cut it across the board. As I recall the general tenor of the discussions in the Committee on the Budget, they were along the line that we will not cut any of the programs from their existing level; we will allow all of the programs to grow by the amount of inflation and we will allow them the increases which are justified, because of economic downturn.

The Senator from Maine is exactly correct when he refers to the fifth chart over there, with $416 billion in desired spending, that shopping list that was presented to our committee by the authorizing committees. But every time something was reduced from that list to get to the spending level that is in the committee's resolution, it was a reduction in a request for new spending authority and was not a reduction in existing spending authority. So, while the people of this country are being asked to accept a recession which disciplines them, which causes them some reduction, while every worker in this country who is employed has a reduction in his standard of living, because the worker's real spendable earnings are down, we are saying that every Government spending program must be guaranteed its cost-of-living increase.

Mr. MUSKIE. Will the Senator yield?

Mr. McCLURE. In just a moment, I will.

As a matter of fact, there was some discussion about whether or not we should agree with or disagree with the President's suggestion for a 5-percent cap on the cost-of-living increases for certain categories of pay and entitlements. The record is not precise on this point as to what the Committee on the Budget did in this area. It is precise on the point that there would be no cap on military reitrement pay, there would be no cap on social security pay, there might or might not be a cap on military pay, there might or might not be a 5-percent cap on civilian employment by the Federal Government. But in virtually every instance, we were talking about the size of increase that was to be granted under this very tight budget—not whether or not there were going to have to be decreases, because Government income is down, because we are in a recession, because we have less income than we had last year. The report of the Committee on the Budget says that this is not a spending deficit, it is a recession deficit, which is simply another way of saying we did not spend ourselves into this, it is because the economy went bad that we have it. But it is implicit in that, that if income goes down, we do not cut our expenditures to match that decrease in income, we simply expand debt.

Reference was made yesterday afternoon to the fact that the bankers say we can finance that debt. Yet I think every one of us—I know I did and several others did—got a telegram from the president of the American Bankers Association saying we should not gauge the size of the debt by whether or not it can be financed, because we can finance any size debt we want to come up with if we simply expand the size of the debt and turn on the printing presses. He points out in his telegram, as I have tried to point out, that that has inevitable inflationary consequences.

As the Senator from Oregon yesterday pointed out, inflation is still the primary concern of the majority of the American people—certainly not those who are unemployed, but the majority who are still employed are more concerned about the ravages of inflation than they are about the effects of recession, and we, in this resolution, are not paying adequate attention to that concern of the American people. Nor do I believe we are adequately or accurately reflecting the consequences of our actions in this kind of budget deficit so far as the inflationary pressures will be concerned, say, 15 or 18 months from now.

I thank the Senator from Kansas for yielding this time.

Mr. DOLE. I assume we have no time problems.

Mr. MUSKIE. I shall be happy to yield any time the Senator wishes.

Mr. DOLE. I yield to the Senator from Maine to respond to the Senator from Idaho.

Mr. MUSKIE. I want to make this point: The Senator from Idaho said the committee's deliberations were concerned only with whether or not we were going to add to the inflation; that it cannot be cut. The Senator discusses this as if he were not a member of the committee.

Mr. McCLURE. Will the Senator yield on that point, because I do not think he accurately repeated what I said? I was not referring to the President's budget when I was talking about increases or cuts, I was talking about last year's, the current fiscal year's, spending levels.

Mr. MUSKIE. Well, I will take that. My point is still the same. The Senator talks as though he were not a member of the committee. The Senator was present, and he was in the position and had the prerogative of offering any cut in any function that would result in a reduction of current spending levels for any program, and he did not do so, to the best of my knowledge. He did not.

Mr. McCLURE. Will the Senator yield further?

Mr. MUSKIE. The Senator did offer an across-the-board cut, after we had finished the functional discussion, but he offered no amendments as to the functions. There was one amendment to cut a function below current services. That was defense, and the Senator from Idaho opposed that.

Mr. McCLURE. Will the Senator yield?

Mr. DOLE. I yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

I think the Senator from Maine will recall that during the course of the deliberations and the several motions that were made on various functional cuts, I was present and voted, and I did vote for many of those cuts, some of which were adopted, many of which were not. When he made the list of motions that were made in the committee in attempts to reduce the size of the budget, not included in either the report or the Senator's recitation was the motion I made to cut by 8 percent across the board, which was decided by a voice vote, because after the Hollings amendment for a 1-percent cut failed, I thought there was no point in asking for a rollcall vote when it was obvious it was going to fail.

I did offer that cut because it was apparent that we had been unable, as we went through the functional categories of the budget, to reduce the size of the deficit, because of the overwhelming desire on the part of the committee to continue all of the programs at existing or higher levels.

Mr. MUSKIE. My point is still valid. The Senator offered an across-the-board cut of $29 billion when we were through with the functions. He did not offer amendments in the markup on the functions. So far as I could detect in the initiative he took, it was a program for function-by-function cuts that would add up to the $29 billion.

The Senator has described the function of the Budget Committee as one to protect existing programs. No one said that. Everyone, including the Senator from Idaho, had the prerogative to cut

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more. For example, there were motions to cut function 050, which was defense, by $20 billion, or $10 billion, or $5 billion, in order to get current programs cut. That was done. There were two votes that would have had the effect of cutting the defense budget below current services, and the Senator opposed both of those. There were no other cuts proposed in an existing function by the Senator or any other member of the committee.

Certainly that was the Senator's prerogative. He might have thought that was a fruitless thing to do, but he did not test it. So I object to the characterization of the Budget Committee's deliberations as designed to protect current spending levels.

Any member of the committee, including the Senator from Idaho, had the prerogative of suggesting such cuts. To the best of my knowledge, the only cuts proposed were those in the defense function. The Senator from Delaware, I think, offered one; the Senator from South Dakota (Mr. Abourezk) offered one; and the Senator from Minnesota (Mr. Mondale) offered one. Those were all opposed by the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. DOLE. I yield.

Mr. McCLURE. I do not mean to take all the Senator's time.

I did not intend to convey that the budget procedures were designed to protect against categorical cuts. I never made that statement. I certainly did not intend to convey that the procedures were designed for that result.

All I am saying is that that was the result, that the deliberations of the committee were as to how large the increases should be, based upon increased costs, based upon increased inflation, based upon the necessary expansion of programs which were implicitly assumed to be so-called uncontrollable items.

The Senator is not correct when he says there were no suggestions made to cut any functions. The committee report itself shows that.

The Senator is correct in stating that I voted against the motions which were offered to cut the defense budget outlays. Those specific motions I specifically opposed. I supported all the others.

I thank the Senator from Kansas for yielding.

Mr. MUSKIE. I repeat my point that to the best of my knowledge, beyond the defense function, amendments designed to cut programs below current services were not made. There was disagreement about how much might be needed above current services. To the extent that those represented something smaller than someone else suggested, there were absolutely none.

Let me say to the Senator from Kansas that it has been suggested that we try to program the vote for 10 minutes to 1. There is going to be some nongermane discussion going on from 12:30 until that time, which would leave us with only about 4 minutes left.

Mr. DOLE. The Senator from Kansas needs about 1 minute. The Senator from New Mexico has some questions to propound to the Senator from Maine.

Mr. MUSKIE. I wanted to use the remainder of my time. Might I suggest that the votes come at the end of the nongermane discussions?

Mr. DOMENICI. Mr. President, reserving the right to object, are we already scheduled to get off this and onto some other matter at 12:30?

Mr. MUSKIE. Yes. Would a vote at 1 o'clock be better?

Mr. DOLE. A vote at 1 o'clock might be better.

Mr. DOMENICI. I would prefer to have 10 minutes. If the chairman is going to be on the floor, I wanted to exchange some views with him.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote on the Dole amendment take place not later than 1 o'clock p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, a 0.9 percent cut will merely establish the budget goal which the Appropriations Committee will attempt to meet. It may be that a $3.2 billion cut cannot be made without cutting into important recession-fighting programs. If that is the case at the time of the second resolution in September, the budget figures can be adjusted accordingly.

Nevertheless, if we accept my amendment, the Senate will be on record in favor of an attempt to find the fat in the budget. We may find more than $3.2 billion. It may be that we can safely reduce expenditures, if not by more, by less. Perhaps by one-half of 1 percent. Even that would be an accomplishment.

Finally, I would restate my confidence in the budget process, in the committee, in its deliberations, and in the Senate of the United States. It seems to this Senator that we should not be bound by what the administration suggests might be the deficit. We ought to make our own determination, and insofar as across-the-board cuts are concerned, there is great precedent; they have been made within the defense functional category. So I do not believe that the amendment violates that principle at all.

I would reduce outlays by $3.2 billion, which would decrease the deficit by about $2.2 billion, and would reduce the deficit forecast by the administration from $59.6 billion to $57.4 billion.

Mr. President, I reserve the remainder of my time.

Mr. MUSKIE. Let me take just 30 seconds to make a point, because I may have been inaccurate in something I said to the distinguished Senator from Idaho, and I would like to make this clarification for the Record, and also address myself to the merits of the amendment.

In the budget, we did cut $1.8 billion from uncontrollable income security outlays. It was the thought of those who sponsored that cut that those savings could be achieved out of administrative savings.

The Senator from Louisiana (Mr. Long) yesterday suggested that such a cut would be very difficult to realize in fiscal year 1976, and said that on an annual basis that amounted to about $3.6 billion, and he thought that was really out of the ballpark.

That was a cut in current services in that sense, and I wanted to make the Record clear. I think the Senator from Idaho supported that.

Mr. McCLURE. I would say that is correct.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senator from Rhode Island (Mr. Pastore) is recognized for not to exceed 10 minutes.

SECURITY REVIEW OF CERTAIN NATO INSTALLATIONS

Mr. PASTORE. Mr. President, on September 25, 1974, I reported to the Senate on the continuing efforts being made by the Joint Committee on Atomic Energy to upgrade the protection of U.S. nuclear weapons in Europe in order to meet the emerging threat of terrorism. I noted that these efforts had been proceeding without publicity, because of the sensitivity of the situation. The matter, however, had been discussed on national television and I felt obliged to assure the Senate that the committee was fully aware of the problems in this area, and advise the Members of this body that appropriate action was being taken. The constraints imposed by security classification and political considerations prevented a more detailed presentation at that time. You will recall that the distinguished Senator from Tennessee expressed similar views and joined me in describing our concern with the possible consequences of the inadequacies he and I had observed when we personally reviewed the nuclear weapon storage arrangements in Europe in the spring of 1973.

I am pleased to inform the Senate that the report of our 1973 visit, which had been highly secret, has been reviewed at my request by the Defense Department and, with the elimination of certain information, has now been declassified. I am, therefore, releasing the unclassified version today. I am also releasing my letter to the Defense Department dated April 8, 1975, and their response dated April 24, 1975.

Two years have passed since Senator Baker and I visited NATO installations to examine the vulnerability of our nuclear weapons overseas to terrorist attack. I am very pleased to note that, based on our report, the Defense Department has taken steps to improve the security and protection of nuclear weapons in NATO. It was to give the Defense Department time to take appropriate action to strengthen our defenses against terrorists that we delayed releasing this report. In other words, we did not want to plant any evil ideas in the mind of anyone, and that is the reason why we did not report it at that time.

While considerable improvements have been made, much more needs to be done and I call on the Department of Defense to continue to reduce the number of bases where nuclear weapons are located and, further, I am calling for a reduction in the number of nuclear weapons in NATO countries, particularly in areas where their usefulness in the event of war is highly questionable.

Today I am bringing this extremely sensitive and important matter to the attention of the Senate, the Congress, and the Nation to demonstrate that continued congressional vigilance is necessary to assure that the nuclear weapons in the custody of the Department of Defense are afforded the utmost protection at all times.

I want to say at this juncture that only the other day I read in the newspaper where millions upon millions of dollars are being wasted, because the weapons we have in NATO are being neglected. The equipment we have there is costing the American taxpayers millions and millions of dollars a year in wastage, and I think the Defense Department ought to look into it and ought to do something about it.

The joint committee plans to continue to monitor the security of nuclear weapons and, of course, nuclear materials, both abroad and in the United States, to assure that the highest standards of protection are maintained.

In this connection, I would like to compliment the Secretary of Defense for recognizing the scope and magnitude of the vulnerability of nuclear weapons abroad and reacting immediately to correct the most outstanding deficiencies.

I want to say again at this juncture, without getting into it because this is highly sensitive, we are now presented with a situation where Athens has already announced that we cannot use certain bases in Greece any more. We had the situation in Turkey with reference to Cyprus, and I am telling the Senate it is about time we turned a new page and began to look a little bit more deeply into these commitments we have made in order to make sure we are not squandering the taxpayers' money, this idea that you spend billions and billions of dollars to establish a base in a foreign country, and then because they get teed off or get piqued at something we do, they just tell us it is all over, and what do we do then?

So I say, Mr. President, that this report may shock some people. It shows—without going into the numbers of weapons, the yields of the weapons, or the specific locations of the weapons—that nuclear weapons sites appeared to be vulnerable to terrorist attacks; that certain nuclear weapons sites appeared to be particularly vulnerable to surprise attack by Communist forces; and that certain nuclear weapons might not be usable in the event of war.

These matters have been presented to the Secretary of Defense and to the President of the United States.

Mr. Howard Baker and I went down there and had a talk with President Ford with reference to this very secret subject and other related matters.

I believe that it is necessary that these facts be brought before the American people. The joint committee will continue its vigilance and I will report to the Senate in the future on this vitally important subject—a subject that goes to the very survival of our Nation and the free world.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SYMINGTON. I congratulate the able senior Senator from Rhode Island, who is also the chairman of the Joint Atomic Energy Committee, on which I have the privilege to serve.

I think the fact that he and the distinguished senior Senator from Tennessee are interested in the subject, the latter also being a member of the committee, is mighty important.

In my opinion, I think the Senator is talking about what could be the most important problem that the world faces today.

Mr. PASTORE. Well, it surely is. I tell the Senator very frankly we visited a lot of these sites, and we find that in some instances the depositories that were being used are the same depositories that were being used in and during World War II just before we had this atomic capability, and it just does not do.

Certain of these sites were outside of the base compound, and you had the question of transportation of some of these weapons.

Then, in order to guarantee the security, what do we do? We have got these tremendous spotlights. Very frankly, we do not tell people what is there, but a man would have to be a fool not to know what is there, and there you are.

We were told that in many of these places even a small group could actually invade one of these compounds and cause us a lot of trouble.

I repeat, some improvements have been made, but I am not satisfied that we have done enough, and I hope that this report, that we are asking to be printed in the Record today, will inspire the administration—we have already consulted the administration—will encourage them to do more about these vitally important matters.

I say this: Unless we can protect these bombs—and there are about 7,000 nuclear weapons in Europe—we ought to take them out, and on that note I will cease.

Mr. President, I ask unanimous consent that the letters together with the report be printed in the Record.

There being no objection, the letters and report were ordered to be printed in the Record, as follows:

Office of the Secretary of Defense,
Washington, D.C., Apr. 24, 1975.

Hon. John O. Pastore,
Chairman, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

Dear Mr. Chairman: In response to your request of 8 April 1975 to the Secretary of Defense, the declassified version of your report of your and Senator Baker's trip to Europe during March 1973 is forwarded.

Your report has had a very beneficial effect on the Department of Defense. It has assisted us in identifying deficiencies in a critical area of our defense posture. I believe that you will be interested to learn that for each deficiency cited we have subsequently taken corrective action that has had general application across our full deployment of nuclear weapons. The review of nuclear weapon sites, their possible closure or consolidation and upgrading of security has resulted in a reduction in the number of nuclear storage sites by about 20 percent since 1973 and our studies indicate we can reduce another 10 or 15 percent next year.

On behalf of the Secretary of Defense I want to express appreciation for the effective relations that have existed between the Joint Committee on Atomic Energy and the Department of Defense. The way this report was treated illustrates the importance of being able to take corrective action on extremely sensitive matters that, if handled differently, could have been prejudicial to the best interests of national security. This has been in the best tradition of cooperation between the Joint Committee and the Department of Defense and we look forward to our continued excellent relationship.

Sincerely,

D. R. Cotter,
Assistant to the Secretary of Defense (Atomic Energy).

Attachment.

Joint Committee on Atomic Energy,
Washington,, D.C., April 8, 1975.

Hon. James R. Schlesinger,
Secretary of Defense,
Department of Defense,
Washington, D.C.

Dear Mr. Secretary: During March 1973, Senator Baker and I visited certain NATO installations to review the security practices and procedures for the protection of nuclear weapons abroad. Following this visit, we wrote a "secret" report which was sent to you on June 29, 1973. It would be appreciated if you would have that report reviewed by your security and classification experts for the purpose of removing the specific classified material from it. At an appropriate time, the Committee would then release the unclassified report to the public.

With best wishes.

Sincerely yours,

John O. Pastore,
Chairman.

Joint Committee on Atomic Energy,
Washington, D.C., June 29, 1973.

Hon. James R. Schlesinger,
Secretary of Defense,
Washington, D.C.

Dear Mr. Secretary: I am enclosing a copy of a report of a visit to certain NATO installations that Senator Baker and I make in March of this year.

I discussed certain aspects of this report earlier today during a meeting of the Subcommittee on Military Applications of the Joint Committee. The report reflects various concerns of both Senator Baker and myself in regard to nuclear weapons in NATO.

On April 16, 1973, Senator Baker met with Secretary Richardson and discussed the preliminary findings which have now been put into the report I am sending you.

I know you will find the report of interest.

With best wishes.

Sincerely yours,

John O. Pastore,
U.S. Senator.

Enclosure.

Security Review of Certain NATO Installations by Senator John O. Pastore and Senator Howard H. Baker, Jr.

INTRODUCTION

As Chairman of the Joint Committee on Atomic Energy, last November I directed

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George Murphy, Deputy Director of the Committee staff, to review security practices and procedures at certain NATO installations. His report to the Committee on this matter pointed out weaknesses in the security arrangements to protect nuclear weapons in peacetime as well as raised questions on the vulnerability and usefulness of these weapons in the event of a surprise attack.

To verify these disturbing findings, Senator Baker and I visited a significant sampling of nuclear installations during a week beginning March 19, 1973. We not only verified the findings of last November but we are even more disturbed now about the situation.

While it is clear that at the sites we visited improvements had been made since the November visit, nonetheless, the basic vulnerability to terrorist attack remains.

Subsequent to the visit to NATO, Senator Baker met with Secretary of Defense Richardson on this matter. A memorandum of conversation concerning this meeting is enclosed (Attachment A). Also enclosed is information requested by Senator Baker on the effect of the destruction of a nuclear weapons site igloo by high explosives (Attachment B).

COMMENT

It appears to us that NATO strategy seems geared to the needs and concepts of the 1950's rather than to 1973. The threat of a possible Soviet strike is still present but circumstances in the past two decades have changed. Today the emphasis by our partners in NATO seems to be geared more to détente and economic progress from their point of view, while the United States provides the vast majority of the strategic deterrence against a Soviet bloc attack.

In the past we designed the protection of our nuclear bases primarily to prevent a Soviet overrun or covert penetration for the purpose of obtaining classified information or material. We also installed PAL devices to keep an irrational pilot or missile crewman from launching an unauthorized nuclear strike. Today a new threat has emerged. In recent years terrorism has become a means to achieve political ends. In this connection the attacks at Munich and Khartoum give us pause for deep concern.

To meet this emerging terrorist threat, we recommend that consideration be given to reviewing the need for the large numbers of Army tactical weapons, particularly those dispersed throughout. The range of a significant number of these weapons allow them to land only on allied territory. We believe consideration should be given to locating nuclear weapons in NATO where they can be defended in depth, preferably by United States troops. The number, types, and location of these weapons should, of course, be decided by the Joint Chiefs of Staff and the Secretary of Defense.

The following nine points represent major discrepancies noted during our visit.

1. *Nuclear weapons sites appear to be vulnerable to terrorist attack.*

The officer responsible for the security at each of the six nuclear facilities we visited was asked if a terrorist attack could succeed at his installation. *In each case the security officer said that* [deleted].

The Joint Committee Group observed that numerous checks were made of the credentials of individuals being granted access to areas where nuclear weapons are located. In this connection there seems to be little doubt that an impostor would be detected. However, *such meticulous checking would have little impact on denying entry to a terrorist group.*

2. *Certain nuclear weapons sites appear to be particularly vulnerable to surprise attack by Communist forces.*

At least one SAS site is located about [deleted] miles from the border. We were told this site contains 8-inch and 155-inch nuclear artillery with a range of about 8 to 10 miles. We were also advised that it takes about [deleted] to fire a nuclear artillery weapon from the time the initial message is received in Division Headquarters. Also Atomic Demolition Munitions (ADM) are located at this forward base despite the fact that there appears to be political constraints against using them in [deleted] (see item 6). Certain other U.S. Army nuclear weapons sites are about [deleted] miles from the border. Therefore, it would seem that the nuclear weapons are not only vulnerable [deleted.]

The location of tactical nuclear weapons in forward areas places a cruel and unreasonable burden on the President. This is because in the event of hostilities he may be forced to make a choice to use or not use nuclear weapons in a matter of minutes or hours based on reports from a remote battlefield. The impact of such a decision could well catapult us into a nuclear holocaust.

3. *Nuclear weapons are stored at a barracks with minimum protection.*

There are [deleted] nuclear warheads stored at [deleted].

They are located in the basement of a building which contains administrative offices. There is no double outer perimeter fence as in the case of regular SAS sites. [Deleted] workers are repairing this building.

During our visit we elicited the fact that the guard posted at the entrance ramp to the basement site was posted for the first time, the day the Joint Committee visited the building. The emergency destruction demolitions are located about 25 miles (round trip) from the barracks.

It should be noted that during the November 1972 visit the steel door to the basement was observed open. It appears that terrorists could probably at least reach the basement door area without detection.

4. *The storage of nuclear depth bombs at [deleted] raises the question of their possible usefulness vs. their apparent vulnerability.*

[Deleted.] There are only [deleted] U.S. personnel located within the SAS site at all times. There are [deleted] guards also located around the perimeter of the site.

According to [deleted] Commanding Officer at [deleted] the U.S. Navy aircraft which will use the nuclear weapons stored at this base are located at [deleted].

When Admiral Colbert, Commander-in-Chief, Allied Forces, Southern Europe, was asked about this matter he indicated that it might be practical for the U.S. Navy aircraft in [deleted] to fly their own weapons with them to [deleted] rather than having them stored at [deleted]. In broader sense, it is difficult to conceive of a wartime scenario whereby the Russians in wartime would allow slow propeller driven U.S. Navy aircraft to search out their submarines in the water between [deleted].

5. *There have been sightings of unauthorized personnel approaching SAS sites.*

We were advised that individuals have been fired on by guards at two SAS sites. The incident at [deleted] resulted in the assignment of a Marine unit to guard the area. The other incident described to us occurred at the [deleted].

We have asked for a list of all such occurrences at U.S. nuclear facilities in NATO. Inasmuch as in both cases the individuals did not stop after being fired on, it, at least suggests the possibility of a hostile "casing" of the facility.

6. *Atomic Demolition Munitions (ADM).*

There are almost [deleted] ADM's in [deleted] may not be useable in a wartime situation because of political [deleted]. This inhibition is presumably related to the Special Political Gudelines For The Possible Use Of Atomic Demolition Munitions developed in December 1970. These guidelines state in part:

> For these reasons, the [deleted] authorities have indicated that extensive constraints would have to be placed on the use of ADM's [deleted].
>
> It is also understood that no authority has been given to dig holes for ADM's (so-called pre-chambering). Such pre-chambering is necessary in order to preclude unacceptable levels of fallout [deleted].

If such constraints make the use of ADM's unlikely, we are unable to understand why so many are located in [deleted] and we fail to see why some are located about [deleted].

In our discussion with Admiral Corbert, he mentioned that the best place to use ADM's is in [deleted] where there are several passes through the mountains which could be closed by the use of ADM's.

However, he said here are no ADM's in [deleted]. Thus it appears we have pieced large numbers of ADM's in [deleted] where the terrain is not suitable and where large numbers of allied people would be affected. Yet we have not placed ADM's in the sparsely populated areas of [deleted] ideally suited for their use.

7. *SAS site location based on the availability of land and buildings.*

During our visit it appeared that the key factor in many instances for locating a SAS site was the availability of an existing military barracks or land rather than the best and most secure area to protect the nuclear weapons.

For example, at [deleted] the SAS site is located outside the base because it is adjacent to 2 conventional weapons storage sites of the [deleted]. Under this arrangement, nuclear weapons must travel on a public road for 300 yards before they reach the site on which the QRA aircraft are located.

8. *Nuclear storage sites are easily identifiable.*

The SAS sites are lighted from dusk to dawn and stand out in the countryside. Also various articles have listed certain sites. For example, we were told that the local paper has indicated that the Army storage site at [deleted] has nuclear weapons, and that a Communist magazine has listed several other sites including a picture of the [deleted] site in one of its articles. We have requested a copy of this story.

9. *Drugs and the Human Reliability Program.*

We were shown statistics which indicate that in a one-year period, 213 Army enlisted men on nuclear weapons duty had been removed from the program for drug abuse.

CHRONOLOGY

U.S. Air Force Base [deleted]

On Tuesday, March 20, 1973, the Joint Committee Group received a briefing at [deleted].

According to [deleted] has 72 [deleted] aircraft with [deleted] on QRA.

In regard to security, [deleted] said there have been a number of changes since November 1972 when George Murphy last visited (see JCAE Report No. 11174). He gave the following as examples:

1. Nuclear weapons are down loaded from the aircraft at the QRA site.
2. Additional ammunition has been issued to each airman on guard.
3. Increased defense positions have been established near the QRA area.
4. Additional barbed wire has been placed around QRA's, storage sites and fences.
5. Nuclear weapons are no longer "convoyed" at night.
6. Grenade launches have been ordered for the security force.
7. Eleven new positions have been added to the security force.

A number of questions were asked by Senator Pastore and Senator Baker which applied to NATO policy. They were answered by Col. John Jeff, the EUCOM escort officer. In regard to the possible use of ADM's in the NATO area, Col. Jeff said that the [deleted] have not accepted joint use of ADM's. He indicated that there were political issues to be resolved in regard this problem and he understood that they were being reviewed at the Nuclear Planning Group level.

Col. Jeff was also asked to provide the Joint Committee with a comparison of security measures in effect in November 1972 and March 1973. He was asked to compile a list of improvements made NATO-wide, as well as a specific list of improvements made at sites being visited by Senators Pastore and Baker.

Col. Jeff gave as an example of old security measures a case where a Commanding Officer of an Army SAS site gave his guards only one clip of ammo and kept the rest locked up. Col. Jeff said this situation had been rectified and the guards at SAS sites have been given increased amounts of ammunition.

Col. Jeff said that there had been a recent report that Arab terrorists planned to seize a nuclear weapon. He said his command was looking into this matter. Col. Jeff was asked to provide a report to the Joint Committee on this.

Senator Baker asked the Security Officer how he would take over the SAS site if he were a terrorist. The Security Officer said he thought the best way [deleted] the terrorists would be surrounded quickly and be unable to leave.

Following lunch, the Joint Committee Group visited an [deleted] ORA site, and both members talked to the pilots on the practices and procedures involved in launching an [deleted] mission.

SAS site [deleted]

The Group departed for [deleted] in the early afternoon. The [deleted] base at [deleted] is located on an isolated and sparsely populated peninsula about 12 miles off the coast of [deleted]. It has [deleted] nuclear depth bombs [deleted] with [deleted] yields each.

At the base the Group was shown through a [deleted] aircraft which could be equipped with two nuclear depth bombs. (It was subsequently learned that the presence of this [deleted] aircraft at that time was at least partly set up because of the visit of the JCAE Group visit.)

The Group then reviewed the SAS site and the protective measures. The U.S. Navy Commanding Officer [deleted] said that four U.S. Navy EM's are on duty at all times at the site. The outer perimeter of the site is guarded by [deleted] guards and dogs. In response to a question from Senator Baker [deleted] the Security Officer, said he believed [deleted].

It should be noted that security appears to have been tightened somewhat since the November 1972 visit. At that time the only arms available to U.S. Navy personnel were .45 caliber pistols and a few carbines. During the March 20 visit, it was noted that the site was equipped with M–16 rifles, shotguns and increased amounts of ammunition.

The visit lasted about two hours and the Group departed for Brussels, landing at Melsbrock Air Base about 7:45 p.m.

Visit with U.S. Ambassador to NATO, Brussels

At dinner at Ambassador Rumsfeld's residence, Senator Pastore and Senator Baker had extensive discussions with NATO Secretary General Joseph Luns, Ambassador de-Rose of France, and Ambassador Dirk Spierenburg of the Netherlands. A broad range of economic, political, and military matters relating to the U.S. role in NATO were covered.

Senator Pastore stressed the changing circumstances that have occurred over the past two decades. He noted the strengthening of the deutsche mark, the increased West Germany/Soviet trade and the advent of an enlarged European community. He pointed out to Secretary General Luns how difficult it was for the U.S. Congress to continue appropriating large sums of money to support NATO while our world-wide economic situation and the American dollar value seemed to be deteriorating. Secretary General Luns was adamant in expressing the importance of the U.S. maintaining its military strength in NATO. Senator Pastore countered by asking why the NATO nations could not contribute more manpower and money to their own defense, particularly in light of the fact that prosperity in Europe was so apparent. Again, Secretary General Luns stressed the strength of the Soviet bloc forces facing NATO.

Senator Pastore pointed out that the European concern seemed to have a certain ambivalence about it. On one hand they apparently fear the Russians and want the U.S. to continue to provide massive nuclear support, on the other hand, some of our major NATO allies are taking as many steps as possible to increase trade with the Soviet Union. Remarkably enough, Senator Pastore said on a long-term basis.

Senator Pastore said that he understood the need for both defense and detente, however, he believed that NATO with its rising economic strength could underwrite more of the cost of the defense of Western Europe.

Following this lively discussion, Senators Pastore and Baker and Mr. George Murphy had a brief private discussion with Ambassador Rumsfeld. The following morning the Group had breakfast with Ambassador Rumsfeld at his residence before leaving for [deleted].

Special ammunition storage site—[deleted]

On Wednesday, March 21, 1973, the Group departed for [deleted] to visit the [deleted] SAS site where a briefing was held by [deleted] had [deleted] nuclear weapons, mostly nuclear artillery shells and ADM's.

[Deleted] said that it was necessary to have nuclear artillery weapons because the Soviet artillery outnumbered the U.S. artillery by more than four to one.

Senator Pastore asked if the Soviets had nuclear artillery comparable to that employed by the United States Army located on their side of the East-West border. [Deleted] said it was his understanding that the Soviets have FROG nuclear missiles about 90 kilometers away from the border, but he did not know of any nuclear artillery.

In response to a question, [deleted] said that the reaction time from the moment Division Headquarters got the approval to use nuclear weapons to the time the first nuclear round could be fired by his unit was about [deleted].

Senator Baker asked the Security Officer for his estimate of how many men would be needed to successfully penetrate the SAS site at [deleted] in order to get into an igloo. He was told [deleted].

Senator Pastore said that he believed that the policy of locating nuclear storage sites close to the border [deleted] should be reviewed. He indicated that it seemed reasonable to locate such sensitive sites near or in military installations in order to reduce vulnerability to a possible terrorist attack.

After the briefing, the Group visited the SAS site. [Deleted] pointed out various improvements that occurred since the November 1972 visit. For example, there is now a plowed strip around the site to insure that guards have a better field of fire in the event an intrusion is attempted.

Mention was also made of studies and "casings" made by U.S. Army Rangers on the best way to penetrate the installation. It is understood that the Rangers try to devise the best method of breaking into the installation and then advise the Commanding Officer of their findings and also suggest how to prevent or repel such an attack. [Deleted] also mentioned an incident where a U.S. sentry challenged an individual seen in the area. When the individual did not stop he was fired on but not apprehended. The JCAE Group asked Col. Jeff, EUCOM representative, for a full report on all such incidents in the European Command.

The Group had lunch with [deleted] and departed by helicopter for [deleted] arriving at the [deleted] about 3:00 p.m.

Vault site [deleted]

The Group then visited the vault in the basement containing the nuclear weapons. The Group was met at the head of the ramp leading to the basement vault by an armed guard in combat gear. He challenged each of the Group. It took about five minutes for the Group to pass this check point. At the bottom of the ramp the same procedure was repeated before the steel door (with a peep hole) was opened. The rooms inside were freshly painted. The Group was shown the guards' quarters and training room, and then was escorted to the room where the nuclear weapons were located. Before entering this room, the Group went through another identification review.*

After a review of the vault area the Group met in a briefing room above the basement. During a question and answer period, Mr. Murphy asked when the soldier in combat gear was first assigned to guard the ramp [deleted]. Special Weapons Officer, who was briefing the Group said the guard had been assigned for the first time earlier that day—the same day of the JCAE inspection. [Deleted] was asked where the demolitions were kept for emergency destruction of nuclear weapons. He stated that they were located at another military installation about [deleted] miles (round trip) from [deleted]. [Deleted] in response to Senator Baker's question, said that if he were attacking the vault [deleted].

[Deleted] defended the base as being secure despite the fact that it did not have double fences, perimeter lighting, etc. He explained that the explosives could not be kept at the [deleted] because it was located in a highly populated area. After his spirited defense of the installation he was asked if there were plans to continue keeping nuclear weapons at [deleted]. [Deleted] said that there were plans under consideration "at higher Headquarters" to close down the nuclear storage vault at [deleted].

The Group departed from [deleted] about 5:30 p.m.

Visit to [deleted]

On Thursday, March 22, 1973, the Group flew to [deleted] to visit and [deleted] airfield near [deleted] and an Army SAS site at [deleted]. There were [deleted] nuclear weapons at [deleted].

At [deleted] the Group was briefed by [deleted]. He said that there were [deleted] at [deleted]. There were [deleted] nuclear weapons all with PAL's for these aircraft. [Deleted] Security Officer at the base, commands [deleted] security personnel. [Deleted] said that it is about [deleted] miles from the SAS site to the QRA area. Approximately 300 yards of this distance is outside the air base. [Deleted] said that they move about two nuclear weapons over this route about every two months. Senator Pastore said it appeared that the SAS site outside the airfield was selected because it was part of an [deleted] conventional storage complex which was in existence at the time it was decided to place nuclear weapons at [deleted]. According to Senator Pastore, because of the possibility of a terrorist attack, it seemed reasonable for the Air Force to reassess the location of SAS sites not only

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*For a description of the circumstances where the steel door was observed open, see November 1972 Report, JCAE No. 11174.

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at [deleted] but throughout NATO to try to locate them on military fields in such a way that they could receive maximum protection.

Senator Pastore indicated concern that weapons traveling on public roads, no matter where, were particularly vulnerable to surprise attack.

Senator Baker asked for an analysis of what would happen if one of the igloos at [deleted] were blown up by terrorists. He selected as an example an igloo, which we were told by our U.S. Air Force escort officer, contained [deleted] nuclear weapons.

During the trip the Group had expressed interest in the Human Reliability Program. During the visit to [deleted] the subject came up again and Col. Jeff provided the Group with a paper (Attachment A) citing statistics on those individuals who were in the program but had been disqualified to access of nuclear weapons for various reasons.

The Group visited the QRA site at [deleted] and was briefed by [deleted] pilot from the [deleted] Air Force, who was on QRA status at the time of the visit. He described the procedures that he had to go through if he were authorized to fly a nuclear mission.

[Deleted] was asked by Senator Baker how he would penetrate the security of the base to get temporary custody of a nuclear weapon. He said [deleted].

[Deleted] was asked the same question. He said that if he were planning a terrorist attack he would [deleted].

After lunch at [deleted], the Group flew by helicopter to [deleted]. After landing, the Group went by car to the [deleted] Ordnance Company site located on a hill outside [deleted]. According to the Commanding Officer, the table of organization consists of 8 officers, 7 warrant officers, and 137 enlisted men. [Deleted] said in response to Senator Baker's question that with [deleted].

The Group was taken on tour of the facility and inspected an igloo which contained MADM's. According to the Lieutenant in charge, approximately [deleted] pounds of high explosives were located in this igloo. During the briefing it was also mentioned that the local newspapers periodically referred to [deleted] as a nuclear weapons storage base. One of the security officers mentioned that a Communist-owned magazine printed in [deleted] had published an article on the nuclear base at [deleted] (see Attachment B for intelligence report on this). The Group asked for all articles published in newspapers throughout NATO where nuclear bases had been identified. Col. Jeff said that the intelligence people kept such reports and that he would see that they were provided to the Group when they returned to Washington. They were [deleted] nuclear weapons at [deleted].

Visit with Commander-in-Chief, Allied Forces Southern Europe, Naples

On Friday, March 23, 1973, the Group flew to Naples to meet with Admiral Richard Colbert, Commander-in-Chief, Allied Forces Southern Europe. During this meeting there was an exchange of views on the need to strengthen nuclear weapons sites against terrorist attack. Adm. Colbert mentioned an incident at [deleted], where sentries had fired on but not hit apparent intruders or observers. Adm. Colbert said that he was particularly disturbed at this incident because it appeared that the site was under some sort of surveillance. Because no one had been apprehended this was difficult to prove, however, he said that a U.S. Marine unit had just been assigned guard duty at the site and he believed that this would increase its security.

In regard to the question of the use of ADM's, Adm. Colbert said he thought that the best place for them to be used was in [deleted]. There are no ADM's in [deleted] now for political command and control reasons, however, the Admiral said that he understood this matter was up for review in NATO.

The Group left NATO Friday night en route to Washington, via London. The Group landed in Washington at about 3:00 p.m., Saturday, March 24, 1973.

MEMORANDUM

To: Files.

From: George F. Murphy, Jr., Deputy Director.

Subject: Meeting with the Secretary of Defense.

On April 16, 1973, Senator Baker and George F. Murphy, Jr., met with Mr. Elliot Richardson, Secretary of Defense and his staff to discuss findings that were noted during a visit to certain NATO installations by Senator John O. Pastore, Chairman of the Joint Committee's Subcommittee on Security; Senator Howard H. Baker, Jr., a member of the Subcommittee; and the undersigned during the period March 19–24, 1973.

Senator Baker opened the meeting by stating that he had promised Secretary Richardson, before the visit to NATO, to report to him what Senator Pastore and he had found. He said that he very much regretted that Senator Pastore was unable to attend the meeting but that he believed that his views and Senator Pastor's were essentially the same on the matters that he was about to elaborate on.

Senator Baker said since joining the Joint Committee, he had taken an active interest in learning as much as possible about nuclear weapons. He said that following a briefing earlier this year on the results of a visit to NATO by the undersigned, he and Senator Pastore became increasingly concerned about security arrangements in NATO, particularly in light of the terrorist development. In this connection, Senator Baker said that he and Senator Pastore decided to see for themselves the security practices and procedures in existence at a select number of nuclear weapons bases. He also indicated that they wanted to review the rationale behind the location of various weapons systems in NATO. Although he was quick to point out that he realized that this was getting into the area of military planning, nonetheless, he believed that the Committee had a "watchdog" responsibility to insure that these weapons, so vital to our national security, were adequately protected. He said that it would take only one incident to raise a public cry to remove all our nuclear weapons for Europe and this would have a significant impact on our national security. He added that in the event a terrorist group took control of a weapon, no one would be able to convince the public that they could not in some fashion explode it.

Senator Baker said that at each of the six nuclear facilities visited, he asked the security officer to be the "Devil's Advocate" and answer the question, "Is it possible to penetrate this installation," and furthermore, to describe how he—the security officer at the site—would do it. Senator Baker told Mr. Richardson.

Senator Baker raised a question as to why nuclear weapons should be located as close as [deleted] miles from the [deleted] border. He said he was particularly concerned that the nuclear weapons which were located at site very close to a border from which an invasion could be launched, apparently could not be ready in time to meet any conceivable surprise thrust.

According to Senator Baker, he was at a loss to understand why we had almost [deleted] ADM's in [deleted], when he was told that there were political constraints against using them on [deleted]. Senator Baker said that he and Senator Pastore were told during the trip of these political constraints, and he also referred specifically to the "Special Political Guidelines for the Possible Use of Atomic Demolition Munitions," approved by the NATA Defense Planning Committee on December 2, 1970.

Senator Baker said that he believed that nuclear weapons should have better protection and should be located in areas where there was large U.S. troop concentrations. As an example of minimum security protection of weapons, he cited the case of nuclear weapons located in the basement of a barracks in [deleted].

At this point, Secretary Richardson who was making notes of various comments by Senator Baker said that he did not quite understand why nuclear weapons were stored under these circumstances.

Senator Baker also pointed out that in the case of the airfield in [deleted] that the Group visited at [deleted] he noted that the SAS site was outside the airfield and that the convoy of nuclear weapons had to cross approximately 300 yards of public roads. He also added that the "QRA" site was visible from the road which was traveled by nonmilitary personnel who could observe weapons [deleted]. He said he personally walked to the fence and observed the people bicycling by.

In discussing the Group's visit to [deleted], Senator Baker said he did not understand why it was necessary to keep nuclear weapons at [deleted] in a desolate area, about 3000 yards from the [deleted] particularly when the U.S. Navy aircraft which will use the weapons are located at [deleted]. He said he believed that it might be more reasonable to have the Navy aircraft fly their own nuclear weapons with them from somewhere in the United States.

Senator Baker said that he had been told at various bases that individuals had been seen by guards apparently "casing" the nuclear storage sites. In at least two incidents these individuals had been fired on but not apprehended. He said we asked for a report listing all such incidents in NATO.

Senator Baker indicated his and Senator Pastore's concern that increased security at nuclear weapons installations was absolutely essential. He said that he could not stress enough the importance of this matter. He told Mr. Richardson that he had discussed this with the President and he hoped that Mr. Richardson would make mention of their discussion when he next met with the President. He mentioned this because he did not want to put himself in a position of discussing this matter with the President without the Secretary of Defense having an opportunity to have mentioned the matter.

At the conclusion of the meeting, Senator Baker again stressed the importance of increasing the security protection of our nuclear weapons and the need to consider consolidating some storage site in areas where they could be better protected.

The meeting concluded amiably after about 30 minutes.

Office of the Secretary of Defense,
Washington, D.C., May 4, 1973.

Mr. George F. Murphy, Jr.,
Deputy Director, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

Dear George: The attached material is provided in response to Senator Baker's informal request for information concerning the effects of destruction of a nuclear weapons site igloo by high explosive. We have used the scenario and assumptions that you provided. I hope that the Senator finds it clear and self-explanatory.

Sincerely,

James R. Brickel,
Brigadier General, USAF,
Deputy Assistant to the Secretary of Defense (Atomic Energy).

Attachments.

Effects of High Explosive Detonation of Stored Nuclear Weapons

To provide a concise and understandable example of the effects of high explosive detonation of stored nuclear weapons, it is assumed that a hostile group has overpowered the security guards and penetrated a storage igloo at the [deleted] airfield near [deleted]. This igloo contains [deleted] nuclear weapons [deleted]. The group has brought with them [deleted] pounds of high explosive which they have packed around the weapons. The sandbag partitions have been moved and used to build defensive positions at the igloo door. The weapons have been dragged together to ease the problems of detonating the explosive. In the ensuing firefight with the security reaction team, the terrorist group detonates the explosive.

An outline of the igloo floor plan is shown at Tab A. Moving the weapons on their trailers is reasonably easy, but stacking the [deleted] pound, [deleted] and [deleted] pound [deleted] is not. With or without stacking of the weapons, with reasonable charge placement the detonation of [deleted] pounds of high explosive is more than adequate to detonate the H.E. of the weapons and, together with that explosive, to totally destroy the igloo. Photographs of an igloo after [deleted] pounds of high explosive were detonated in a test in 1965 as shown at Tabs B and C.

The blast would not damage adjacent storage igloos. The possible radiation hazard from the plutonium from the weapons to the populace can be divided into two phases, the acute phase during which personnel are exposed directly to the airborne plutonium oxide and the chronic phase resulting from terrain contamination. In both phases the potential hazard is the deposition of plutonium oxide in a person's lungs, thus causing radiation damage to the lungs. The amount of damage is dependent on the concentration of the plutonium oxide. The concentration, in turn, is dependent on the prevailing winds which distribute the material.

Assuming a profile of the average winds in the [deleted] area (3 to 13 miles per hour up to the height of the cloud) contours of contamination of 1000 and 100 micrograms of plutonium per square meter of ground would extend 3 and 10 kilometers downwind. A map of the [deleted] area is shown at Tab D with the storage area location marked. Plastic overlaya of the contamination contours to the same scale as the map, marked by a color code for the two levels of contamination, are shown at Tab E. By orienting these contours to the wind direction selected, the predicted area of contamination can be outlined. The area of concern for evacuation of the inhabitants is marked in red. The area marked in black is a rough outline of what cleanup might be required, depending upon the terrain, density of population and other factors.

During April, the period when this report was prepared, the winds blow from the southeast. If the wind were to blow toward [deleted] this assumes a northwest wind), the inhabitants of the town would be exposed to an inhalation dose of approximately ½ REM during the acute phase. For comparison, an accidental or emergency lifetime radiation dose of 25 REM is permitted by the AEC for workers in radiation areas. Exposure during the chronic phase would be minimized by first evacuating the population and then cleaning up the contaminated area.

In the event of such an incident, the security and reaction forces would recapture the igloo, kill or capture any survivors of the hostile group, and prevent other damage to the storage site insofar as is possible. All possible resources would be mobilized to assist the on-scene commander in repairing any damage to the security system, in protecting the remaining weapons, and in cleaning up the contaminated area. Using the Joint Nuclear Accident Coordinating Center, established by AEC–DoD agreement, current data is available on capabilities to prepare for this cleanup.

Talking Paper on Disqualification of Nuclear Weapons Personnel Under Service Department Human Reliability Programs

Human Reliability Programs are administered by Service Departments—

Army: AR 611–15.

Air Force: AFM 35–99.

Navy: OPNAV 5510.83.

Data below obtained from component command headquarters.

USAREUR—

Approximately 14,010 people in program (2,450 officers, 11,520 enlisted man, and 38 U.S. civilians).

Disqualifications (all enlisted man, April 1972–March 1973)

Reason:	
Drug abuse	83
Alcohol abuse	18
Undesirable duty performance	52
Disciplinary problems	26
Mental disorders	12
Character traits	22
Total	213

Disposition of disqualified personnel not reported.

USAFE—

Approximately 9,140 people in program (1,470 officers and 7,670 airmen).

Disqualifications during period 1 Jul 72–31 Dec 72:

One officer and 134 airmen.

28 of the 134 airmen disqualified for drug abuse.

Reason for other disqualifications vary widely.—Majority were for medical/psychiatric reasons.

Disposition of disqualified personnel:

One officer and 75 airmen reassigned to duties not requiring HRP certification.

61 airmen separated from USAF.

USNAVEUR—

HRP program administered by Bureau of Naval Personnel.

NAVEUR not in chain.

However, check of three CINCLANT sites and one CINCEUR site operated under NAVEUR supervision indicates 4 enlisted men disqualified during CY 1972:

2 for personal beliefs.

1 for drug abuse.

1 for disciplinary reasons.

Two enlisted men suspended for six months for disciplinary reasons.

Note.—Attachments D and E, a map and overlays, and Attachment F, a technical report on the Establishment of Safety Design Criteria for Use in Engineering of Explosive Facilities and Operations (93 pages), are on file in the classified vault of the Joint Committee.

DEFENSE PLANNING COMMITTEE

Document DPC/D(70)60: "Special Political Guidelines for the Possible Use of Atomic Demolition Munitions."

(On file in the office of the Joint Committee on Atomic Energy.)

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee (Mr. Baker) is now recognized for not to exceed 10 minutes.

Mr. BAKER. Mr. President, I begin by paying my respects to Senator Pastore for his distinguished leadership in the Joint Committee on Atomic Energy and for his keen insight and interest in this matter which is, I believe, of extraordinary national importance.

I believe, Mr. President, that there are few matters more important to our national security than the protection of U.S. nuclear weapons.

When I first received reports from the joint committee staff that nuclear weapons in NATO were vulnerable to terrorist attack and that some of these weapons were located in areas where they were susceptible to being overrun in the event of surprise attack, I decided to investigate the situation firsthand in the company of our distinguished chairman, Senator Pastore.

Senator Pastore and I visited weapons installations in NATO in March, 1973, as he observed. We questioned the security men at the actual sites where nuclear weapons were located. We discussed their procedures, including command and control procedures. We reviewed the political constraints imposed on these American installations and these weapons in the hands of our allies. We met with officers and men in the field and with the most senior officials in NATO, including Secretary General Luns and then Ambassador to NATO Donald Rumsfeld—and we wrote a report which Senator Pastore and I sent to the then Secretary of Defense.

In the documentation that Senator Pastore has released today are letters and memorandum dealing with our communications to Secretary Richardson, Secretary Schlesinger, and, as Senator Pastore points out, our conversations with the President of the United States.

At that time, because of the constraints of security and secrecy, I believe Senator Pastore and I shared the belief that this report presented to the highest ranking military officials; that is, the Secretaries of Defense and to the President of the United States, was all we could do at that point because, as he correctly pointed out, to do otherwise would be to set the example, to suggest the possibility, or even to describe, the scenario in which the danger of the loss of effective control of nuclear weapons might be exacerbated.

So we did not, until now, when this Department of Defense has sanitized this report and permitted us to release it for publication. I commend the Secretary of Defense and the defense establishment for undertaking that effort.

The sanitizing of any secret report is never without danger, but I think the danger is worth taking in order to focus public attention on the fundamental question of how we position ourselves with respect to the deployment of nuclear weapons.

Mr. President, the recommendations contained in the Pastore report were kept classified so that the improvements could be made at the same time that we were debating the issue involved and without providing a blueprint for those who might seek to exploit our weaknesses. Since that time, many improvements have been made, as Senator Pastore pointed out, and, as he also pointed out, there are other improvements yet to be made.

I support Senator Pastore in calling for further reduction of nuclear weapon storage facilities abroad and I strongly urge the Secretary of Defense to continue his excellent efforts to improve security arrangements at the remaining sites.

I can assure my colleagues that the Joint Committee will continue to watch carefully over this most important facet of our national security, and I know the Joint Committee will continue to report to the Congress on this crucial issue.

Mr. President, it is not an exaggeration or an overstatement of the importance of the issue to say that the two most important fundamental considerations that we have before us at this point in our national existence are our attempts to reconcile the potential for devastation in this nuclear age with our ambitions and aspirations for self-determination in a free democracy, on the other hand.

How well can democracy survive against the peril of nuclear explosions? I believe it can exist very well, indeed.

I believe that this is proof positive that the democratic system and its institutions can hear and understand peril of the most extraordinary and exquisite degree and maintain the secrecy and security necessary for us to consider it in the councils of legislative action.

I believe such security is in keeping with the long tradition of reliability that has been the hallmark of the Joint Committee, a committee which has never had a leak of classified information in its entire history.

The most singular challenge of today is, I believe, survival; learning to survive in the shadow of our undoubted ability to incinerate ourselves.

I am an optimist. I believe we have come this far without disaster in the nuclear era; we learned in the process. I believe the Pastore report helps us along in the learning process. I believe we have improved and enhanced our chances of survival.

My commendations go to the Joint Committee on Atomic Energy, to the President of the United States, and to the Secretary of Defense and their predecessors for taking account of this problem, and for hearing and understanding the scope and magnitude of the threat.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET DETERMINATION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

Mr. MUSKIE. Mr. President, I am happy to yield 5 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank my distinguished chairman.

Mr. President, I was listening when our distinguished chairman indicated quite forcibly that he and the distinguished Senator from Oklahoma, the ranking member of the Budget Committee, would be here throughout the year as appropriation matters came before the Senate. That is, as outlay bills came to the Senate, to call to the attention of the Senators and the people, obviously, the real facts about the relevancy of the ongoing budgetary process and our ceiling.

I would say to our distinguished chairman and ranking member that, of course, they started last year on this process, and to look into this year obviously required tremendous courage to even undertake the optional chore for this year, for we did not have to do anything.

Not by way of complaint but just by way of looking at it, I think hindsightedly I wish we had been even more bold and had gone ahead and accepted the challenge that is ours by mandate for next year and set the functional guidelines and limits as part of the resolution.

I know that for a period last year, we looked into this year as an almost impossible chore. But, as a matter of fact, we did a pretty good job of analyzing those functional categories and setting their ceilings as we saw fit. When we added them up, that was our outlay figure.

I was pleased to hear the Senator say that he would be here to talk about the abuses that might occur which might bring the U.S. Congress unwittingly at the end of the budgetary process, say as late as November, with an outlay figure of $10, $12, or $14 billion in excess of this.

I might say to my distinguished chairman and ranking member I have grave concern as to how the chairman and Senator Bellmon, and others on the Budget Committee—and I join you in saying "I will do that"—will do it very effectively. I think we ought to talk about that a little bit today.

We know our functional limitations are not binding on anyone. But it appears to me that it is our responsibility, and I hope that our Appropriations Committee will consider it their responsibility, to have a running total during the year, comparing the appropriation bills to some benchmark figures. I hope the benchmark figures they choose are those that we set in our functional areas. Even if they choose to say, "They are not binding on us this year," it appears to me that there should be some mechanical means of relating the budget bill and the appropriations bills which come to us. Few of them are limited to one functional area, as the chairman well knows, and most of them cover two, three, and some four functional areas. I hope we will find a way, and that the Appropriations Committee will join us in relating mechanically what is in those appropriation bills to this as a benchmark. I hope that is what our distinguished chairman had in mind when he said that he would be here to remind the Senate and to remind the people if we are indeed going to reach no more of an outlay than that which we agree upon, whether it is agreed upon now or in the second concurrent resolution.

I have been here only a few years, Mr. President, but it seems to me that if we do not do that, then what we will be doing is what we have done all these years. I can see in a short 2 years and 3 months where we have had a distinguished Senator come to the floor with a resolution saying, "It is the sense of the Senate that we not spend more than"—and we put a figure in. I remember one at $295 billion. Then we all join in saying we are for that. We send out to America that the Senate has voted a sense-of-the-Senate resolution that we will not spend more than $295 billion.

But that was the one and only time that a majority of the Senators voted for that kind of limitation. On all other appropriation matters they are free to pick and choose, and they are free to not relate one to another. When the year ends and it is $20 billion more than that, they are free to play games with America and with their constituents by saying "I voted against one and for another" and "It was not my fault that it came out $20 billion over for I supported the $295 billion resolution."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Will the Senator yield another 3 or 4 minutes?

Mr. MUSKIE. I yield another 4 minutes.

Mr. DOMENICI. I thank the Senator.

I do hope, Mr. President, that those who read the Record of our proceedings, those who read the chairman's answer to Senator Dole's proposal that we cut, clearly understand that neither our figure nor his figure, if it were adopted, nor a figure with $3 billion more or $4 billion more for outlays is going to be effective unless we use some kind of system to relate the various appropriation bills that are going to come before us to benchmark figures and have a running total. We know the Budget Reform Act will give that to us next year and, indeed, it will mandate the CBO to do it for us. If we do not, then I do not think it is very relevant whether we adopt the cut of the Senator from Kansas today, or whether we adopt our $365 billion. I believe our distinguished chairman will agree with me that in difficult times like these everyone has a proposed solution to the problem, a proposed solution which costs money.

There are pending in authorizing committees innumerable approaches to solving the problem of housing; the problem of more public works, and, as the distinguished chairman knows, the countercyclical needs of our counties or States. The list can go on and on and on. Many of those will get out of the Appropriations Committee and will appear before this body without any relevance to what we have considered. I just hope that this year's first effort does not turn out to be a charade because the process has great promise for the future.

I am extremely concerned that, after all of this effort, if we go $10 billion or $15 billion over the outlays by the time we finally send everything to the President, even if it be after the second concurrent resolution, we will have diminished the capacity which is so inherent in this committee, the capacity for some real prioritizing, some real macroeconomics and some real feeling by Congress of what it is doing, not only 1 year at a time but over a 3- or 4-year period.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. MUSKIE. Clearly, as the Senator has suggested, discipline in this process only begins now. Whether it will work depends on what happens down the road.

In a sense, an amendment such as the Dole amendment, if adopted, could well undercut the possibilities of imposing this discipline. If what we require here as the result of our votes is an outlay ceiling that is unrealistically low and has the effect of cutting into what a majority of the Senate might subsequently feel is cutting into muscle and not just fat, then the disposition to brush aside the totals we adopt will be greater.

What we undertook to do was take a realistic view of what the requirements are in the light of current services, current spending, the pressures of the economy upon individual citizens, and so forth, in order to come up with a realistic figure.

The argument for the Dole amendment with respect to cutting $3 billion out of $365 billion is that surely there is some way to find that money. But that represents a part of the flexibility that made it possible for Senators to oppose different cuts in defense or to oppose deeper cuts in income security programs, and so forth. It is that kind of discipline that I think the Senator has in mind when he says that we have to monitor this. We do have that responsibility. Many of these costs are not within our control. Unemployment climbs. The cost of unemployment compensation programs is going to rise without the Budget Committee of Congress doing a thing about it, and that will have the effect of pushing the spending ceiling up. Or, if interest costs rise, the cost to the Federal Government will go up.

We have to bear those matters constantly in mind as we consider the controllable outlay figures associated with a particular program.

Mr. DOMENICI. I ask the chairman, Is it not going to be impossible to monitor unless we use our functional totals at least as benchmarks from which to draw conclusions and to discuss it publicly in terms of the current relationship of the process to something? Will we not have to use them as basic benchmarks?

Mr. MUSKIE. I think so; certainly not in the mandated sense that they will be next year, but in the sense of calling attention to the consequences of not following these benchmarks.

I think we have to try to force the Senate to be consistent. When it increases a functional total above the numbers that we use, then that should be offset by a decrease somewhere or a deliberate decision to increase spending.

Mr. DOMENICI. I thank the Senator.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BELLMON. Mr. President, I commend the Senator for raising this point.

As a member of the Appropriations Committee as well as a member of the Senate Budget Committee, it is my intention to help our chairman monitor the progress of appropriations bills through the Senate, and particularly to be in position, on the Appropriations Committee, to call attention to the functional levels of spending that the Budget Committee has contemplated in our present resolution.

I believe I can say that based upon the observations I have made of the actions of the Appropriations Committee since our Budget Committee started to function, we are going to have a high level of cooperation from the Appropriations Committee, which I think will be very helpful and beneficial to this whole process.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BELLMON. I yield the floor.

Mr. DOLE. Mr. President, I stress again that I believe strongly in the committee and the process, and I hope I have said nothing that would indicate otherwise.

Adoption of the amendment simply would reduce the deficit from $67.2 billion to $65 billion—if we use the Budget Committee figures, which I think are fairly realistic. It would reduce the administration's forecast deficit from $59.6 billion to $57.4 billion. In essence, that is what the amendment would do.

I repeat that we have had across-the-board cuts and additions on a function-by-function basis. This is not across the board. I recognize that we cannot cut the amount of interest paid on the national debt and certain other programs. But I believe that it would get us back from conference with about the same figure the Budget Committee has now, $67.2 billion.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. BELLMON. In the interest of preserving the process, would the Senator be interested in withdrawing his amendment?

Mr. DOLE. No. I want to strengthen the process, I say to the Senator from Oklahoma. We can preserve it by defeating my amendment. We can strengthen it by adopting my amendment.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Michigan (Mr. Hart), and the Senator from South Carolina (Mr. Hollings), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Virginia (Mr. Scott), is necessarily absent.

The result was announced—yeas 33, nays 62, as follows:

[Rollcall Vote No. 154 Leg.]

YEAS—33

Allen
Baker
Bartlett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Fannin
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Proxmire
Roth
Scott, Hugh
Stone
Talmadge
Thurmond
Tower
Young

NAYS—62

Abourezk
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Burdick
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—4

Bumpers
Hart, Philip A.
Hollings
Scott, William L.

So Mr. Dole's amendment was rejected.

AMENDMENT NO. 387 (AS MODIFIED)

The PRESIDING OFFICER. The Chair now recognizes the Senator from Minnesota (Mr. Mondale).

Mr. MONDALE. Mr. President, on behalf of myself and Senators Humphrey, Javits, Williams, and Schweiker, I call up my amendment No. 387, I modify it to conform to the language of the amendment which I now send to the desk, and I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Mondale's amendment No. 387 (as modified) is as follows:

AMENDMENT TO BUDGET AUTHORITY

On page 1, line 8 strike out "$388,600,000,000" and insert in lieu thereof "$397,600,000,000."

AMENDMENT TO REVENUES

On page 2, line 1 strike out "$67,200,000,000" and insert in lieu thereof "$64,700,000,000"; on page 2, line 5 strike out "$297,800,000,000" and insert in lieu thereof "$300,300,000,000"; on page 2, line 11 strike out "$617,600,000,000" and insert in lieu thereof "$615,100,000,000"; and on page 2, line 21 strike out "$63,200,000,000" and insert in lieu thereof "$60,700,000,000."

TEMPORARY PROGRAMS

On page 2, between lines 13 and 14, insert the following now section 2, and renumber successive sections accordingly:

"Sec. 2. The Congress hereby determines that, in the event of continued high levels of unemployment, additional authority for outlays for temporary programs will be necessary. Therefore:

(a)(1) In the event that the rate of national unemployment as measured by the

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Bureau of Labor Statistics of the Department of Labor shall have averaged 8½ percent or more for the three months prior to the beginning of the fiscal year, the appropriate level of total budget outlays provided in clause (1) of Section 1 shall be increased by $7,500,000,000; the amount of deficit appropriate in the light of economic conditions and all other relevant factors under clause (3) of Section 1 and the appropriate level of the federal debt under clause (5) of Section 1 shall be increased by $6,000,000,000, and the recommended level of Federal revenues under clause (4) of Section 1 shall be increased by $1,500,000,000.

(2) In the event that the provisions of the preceding subparagraph are not invoked and, at any time subsequent to the beginning of the fiscal year, the rate of national unemployment as measured by the Bureau of Labor Statistics shall have averaged 8½ percent or more for three consecutive months, then the provisions of subparagraph (A) shall apply as if such rates of unemployment had occurred prior to the beginning of the fiscal year, except that the increases in total budget outlays, deficit, debt and revenues shall each be reduced by the same proportion as the number of months in the fiscal year which have elapsed bears to the number of months in the fiscal year.

(b) In the event that the national rate of unemployment as measured by the Bureau of Labor Statistics shall average 8% or less for any two consecutive months during the fiscal year, then no further outlays shall be appropriate under the provisions of this section.

Mr. MOSS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MONDALE. I yield to the Senator from Utah.

Mr. MOSS. Mr. President, I ask unanimous consent that Louis Ashley, of the staff, be granted the privilege of the floor during the remainder of the debate and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, the purpose of my modifications, which are presented in the amendment as modified, is to make adjustments for the Long amendment which was agreed to late yesterday.

Mr. President, I am deeply encouraged by the progress of the new budget procedure, and grateful for the opportunity to serve on the Senate Budget Committee under the very able leadership of the senior Senator from Maine (Mr. Muskie). Through weeks of long and tedious work, he and the distinguished Senator from Oklahoma (Mr. Bellmon), have demonstrated both their leadership and their dedication to the new budget process. With respect to permanent programs in the basic budget, although I differed with respect to particular judgments, I believe our committee has done well.

But I am deeply disappointed that, with respect to temporary programs designed to help this country out of the deep trough of the present recession, our committee has fallen short—short of the recommendations of the Congressional Joint Economic Committee, short of the recommendations of leading economists, short of the recommendations of the Budget Committee in the House of Representatives—and short of the kind of program for recovery that this country deserves.

The budget resolution before the Senate allocates only $4.5 billion for temporary recession-fighting programs.

Mr. President, if Senators will look at the first page of the report of the Senate Budget Committee, it lists four purposes that our budget should meet. It should:

> Provide funds for national security, education, health care, pensions and other established programs which the people of the United States would need regardless of the state of the economy;
>
> Provide funds over and above such basic needs to help pull the United States out of its most devastating economic decline since the 1930's;
>
> Be designed as a first step toward ending the increasingly harsh cycles of inflation and recession which have dominated the U.S. economy for nearly a decade; and
>
> Provide direct help to those Americans whose incomes have been cut off or reduced by the recession.

Three of the four basic reasons or purposes highlighted in the Budget Committee's recommendations are directed toward trying to bring this country out of its deep recession, and to provide help for those in the American society who are suffering the most as the result of that recession.

Yet, despite the fact of those key objectives as described by the committee, only $4.5 billion is set aside out of a total budget of $365 billion to bring special help to the millions of Americans who are suffering, through underemployment, unemployment, and in other ways, as a result of the worst economic recession since the 1930's.

In fact, the allotment permitted under the Senate bill for so-called countercyclical measures has already been used up by actions of the Senate and, we have exceeded the ceiling by $300 million.

This means that under the present budget resolution there will be no emergency revenue sharing for State and local governments, which have lost over $20 billion in revenues this year due to the recession.

Mr. President, that $20 billion figure is the estimate of the Joint Economic Committee of the revenues which State and local governments do not have, because of the recession we are already in. State and local finances are pressed to the wall; State and local indebtedness has multiplied 12 times since World War II. In 1946 State and local indebtedness was only 5.4 percent of the Federal debt. By 1973 it had risen to 41 percent of the Federal debt.

A survey conducted by the National League of Cities of 67 American cities found that two-thirds expected to raise taxes or cut services during 1975, and nearly half reported postponement of planned capital improvements.

The distinguished chairman of our committee, the Senator from Maine (Mr. Muskie), led the fight for a unique and creative proposal of countercyclical revenue sharing to bring relief to State and local governments that are literally forced to the wall of bankruptcy by lost revenues and in which, unless helped, will have to return to what are basically regressive forms of revenue, the sales tax and the property tax.

However, and unfortunately under this budget proposal, not a single penny can be appropriated for those purposes to bring relief to those governments. Not a single penny of additional public service employment money can be made available to the 9 million unemployed in America.

The other day the Senator from West Virginia (Mr. Randolph) put figures in the Record about unemployment in some of the major cities of this country. I wish my colleagues would look at them. It is shocking—30 and 40 percent, in some cases, of the workers of some of our major cities are unemployed, unable to find work.

Right now it is the position of Congress if this budget resolution is adopted that we will provide public service employment to only 400,000 of the over 9 million unemployed.

I would remind the Senate that in the depth of the depression of the thirties when we were poverty-stricken in this Nation, we had over 9 million public service jobs, work for people who were unemployed, who did not have to suffer the shame of welfare, but who could go out and find jobs and do things for communities, and have the work they needed for their families and the pride that went with it.

In my State of Minnesota, and every State of the Union, we still have the product of that effort put forth by Americans who were given jobs, by a Nation that was much poorer, but realized the importance of providing employment for people who wanted to work.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. MONDALE. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, it is not my desire to step back into the depression or to discuss the first 100 days of the Franklin Roosevelt administration except to say that there are only two Members in Congress today who were Members of Congress at that time. Those are Wright Patnam of Texas and the Senator from West Virginia who now has the opportunity to briefly comment.

At that time we realized many programs had to be instituted; there had to be leadership, initiative, and resourcefulness, and there had to be compassion. We needed high purpose to move forward, not timidly but boldly over a broad front. That was done.

In connection with the comment of the Senator from Minnesota, it is often said in an offhand fashion by those who were not there, and have no knowledge of the programs that—

> We must not go back to WPA because it was a leaf-raking project.

That was not true, and what Senator Mondale has been saying indicates that he has knowledge of what WPA was as it was carried into action.

Everyone under WPA was doing something useful, making a contribution. Some persons who could not do manual labor who had talents for writing wrote

the first authentic histories of the counties throughout the United States of America, and the towns in which people lived, labored, and loved. This was a tremendous contribution and meaningful use of those talents. Those who were artists painted the scenes of that day upon their canvases. Those scenes were often historic and many of them were breathtaking in beauty, because of the areas they were covering.

These persons of the arts had an opportunity to help and through this program received useful employment.

The projects of the WPA provided lasting benefit for example, in the town of Sutton, the seat of Braxton County, W. Va., 90 percent of the streets and roads were actually constructed in the thirties under WPA.

In Morgantown, W. Va., 'Richard Avenue was constructed in rough, mountainous terrain, under WPA. There are bridges, roads, buildings, schools still in use which are a testimonial to the effectiveness of programs that placed people in gainful employment.

It is necessary for Members of the Senate to realize, as we consider the amendment offered by the able Senator, that there is no effort to balloon a budget. That is not the purpose. We come to take care of the priorities for people in the United States of America.

I will ask the Senator to clarify his amendment because of certain questions that I think might help other Senators as they consider the essence, the substance, of the amendment my friend presents.

Mr. MONDALE. I thank the Senator from West Virginia. The examples he gives us of the product of the workers and artists who would otherwise have been unemployed, and whose efforts would have been wasted, but because we had public service employment during that depression, their talents and their energies were used, and there is not a community or a State in this country that is not the richer today for the effort of those people.

In Minnesota we have parks, we have playgrounds, we have timber stands, we have libraries, we have city halls, we have a whole range of facilities and resources which have been used today, which were built by men and women who would have otherwise been unemployed during the depression.

That is not the whole story.

Mr. RANDOLPH. Mr. President, I have a second request.

Mr. MONDALE. I am happy to yield further.

Mr. RANDOLPH. We are attempting to cope with a pressing problem. The gentleman does not overstate the situation when he indicates the ragged edge of depression on which we find ourselves at the present time. He does not use that language, but I use it because that is exactly the situation in which the country finds itself.

We have spread ourselves too thinly throughout the world so that now we find, oftimes, that we wonder about our ability to spend money here at home to take care of the needs of the American people and to strengthen and stabilize our own Nation.

Mr. President, I have these questions because I think they go to the substance of the amendment as it affects other actions that must be a part of our consideration of this resolution amendment. I seek clarification for Members of the Senate, including myself.

The Senator from Minnesota is a member of the Budget Committee and has worked closely with the diligent Senator from Maine and others. The Senator understands these issues, in a sense beyond our understanding, because we have not actually had them under our consideration in the committee.

The pending resolution makes provision for funding some programs which will be enacted during the next several months. I use as an example the railroad right-of-way and employment assistance legislation.

That legislation, as the Senator knows, is currently under consideration by the Committees on Commerce and Labor and Public Welfare.

Mr. MONDALE. Yes.

Mr. RANDOLPH. Acting upon legislation which I have introduced in the Senate and for which there has already been an appropriation of $700 million, approved by the Senate, $600 million of which will be for the payment of wages for workers, and $100 million to be used for materials.

Is it included in the pending resolution in that amount as provided in the emergency employment bill passed last week.

What I am seeking is clarification. If this resolution is adopted is there provision for additional antirecession legislation? Would the pending resolution act as a roadblock to consideration by committees such as Public Works of necessary programs or for substantial supplements to existing programs?

I am sure that the Senator from Minnesota can clarify the situation.

Are we not, to a degree, limiting our options for meeting the current recession if we fail to adopt the proposal which the Senator has presented? This is the first question.

The second question:

Is the purpose of the Senator's amendment to provide necessary flexibility in the budget to enable us to meet the difficult problems that face us in reference to unemployment of the unemployed?

Mr. MONDALE. The answer is "yes" to both questions.

The Budget Committee is not in a position to make specific decisions about specific programs; that is, how much should be spent or how wise they are.

That is for the committee, such as the Committee on Public Works, the Appropriations Committee, the Labor Committee, and the rest, as they try to work out specific counterrecessionary proposals that make sense within a ceiling for all of the programs designed to help bring relief from the current recession.

The Senate Budget Committee's pending recommendation provides $4.5 billion for these recovery programs.

Let me explain to the Senator what those are; $2.9 billion for State and local public service jobs. That money has already been appropriated. So if we wanted more than 400,000 jobs, which is all this provides, for a pool of over 9 million unemployed Americans, we could not do so.

It provides $600 million for railroad bed improvements.

It provides Federal public works for $600 million.

Now, I would ask the Senator from West Virginia how much can be done nationally with public works—the Senator from West Virginia being the Senate's expert on public works and chairman of that committee—for $600 million?

Mr. RANDOLPH. Well, I would not give the Senator the exact figure, but I would say that we could only skim the surface, of course.

Frankly, when we expend $1 billion in the construction of highways, we create approximately 125,000 to 150,000 jobs.

I give that as an illustration of the amount of money to do a very necessary work where people are employed.

Mr. MONDALE. What I am trying to say and implied by my question, $600 million for a national program of quick public works programs to provide jobs in the area of highest unemployment—I think the figures will show the building construction trades are most severely struck with unemployment——

Mr. RANDOLPH. Twenty-four percent of all construction workers are unemployed, but specific localities it is far worse.

These figures, however, are only an average. In Rochester, for example, unemployment is 61 percent. In Miami, it is 49 percent; Phoenix, Ariz., it is 40 percent; Cincinnati, 32 percent; Milwaukee, 23 percent; and Philadelphia, 20 percent. The rate in Newark is 32 percent; and St. Louis is 24 percent while St. Paul, Minn. is 37 percent.

Even worse, unemployment is a lengthening problem. The number of workers idled for 20 weeks or more is over 225,000.

Mr. MONDALE. That is right.

Small business loans of $200 million; emergency housing for the Nation, $200 million. That comes out to $4.5 billion.

Now, if that is all we are willing to provide for so-called countercyclical programs, it means there will be no emergency revenue sharing for State and local governments, and the Senator must have heard from mayors and county boards about all they are going through.

There will not be one additional public service job over the 400,000 that now exist, and no additional public works.

There are millions of Americans who want to work, who were working and who lost their jobs through no fault of their own. Their families are out there; their health insurance is gone; they cannot afford to make the payments on their health insurance; and there are millions of families who ought to have some kind of relief to protect them from major illness and health costs who, if the present Senate budget restrictions are maintained, will have not a penny for health insurance coverage.

Mr. RANDOLPH. Mr. President, so

that I may supplement what the Senator is saying, will the Senator yield?

Mr. MONDALE. I am happy to yield to the Senator.

Mr. RANDOLPH. I do not wish to interrupt the continuity of the Senator's comments.

How is a person to make a payment on a house that he is purchasing for himself, his wife, and his family if he does not have a job?

Mr. MONDALE. There is no way of doing it, which is why home mortgage foreclosures are beginning to soar, just like the depression of the 1930's when we had to establish the Homeowner's Loan Corporation.

Mr. RANDOLPH. No money was lost to the Federal Government, I can remind my colleagues, in the program that the Senator just mentioned.

Mr. MONDALE. We saved 1 million homes and made $17 million during that program.

Mr. RANDOLPH. I know it very well.

Mr. President, the clarification on the two questions, especially the last question I asked, the explanation given by the Senator from Minnesota, was the predicate upon which I wish to request, if the answer was given as he has so stated to be included as a cosponsor of the amendment.

Mr. MONDALE. I would be honored.

I ask unanimous consent that the Senator from West Virginia be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. The other day the Senator from West Virginia may recall, because it had his support, we passed my amendment which created a program very similar to the Homeowners Loan Corporation. It is estimated that it will cost about $315 million to save 300,000 to 400,000 homeowners from the loss of their homes. The money will be used and it must be repaid. We need it now to save those homes from foreclosure, from driving out people who were working, who were keeping up payments, but who lost their jobs and have no way to continue their home payments. We must keep them in their homes and see that they are not forced out of their homes.

The $300 million that we authorized is not in this budget. If we sustain the ceiling in this budget, we will be unable to appropriate the money to save the homes of 300,000 or 400,000 Americans.

Mr. RANDOLPH. Mr. President, what the Senator says is true. I have no desire to be facetious in the telling of this story, but sometimes small boys are given to boasting about their fathers. One boy said, "My father is going to build a big house and it is going to have a flagpole on top of it." The second boy said, "My father is going to build a big house and he is going to place a tower on top of it." The third boy thought he had the answer for both other boys, of course, and he said, "My father is really going to have a big house and he is going to have a mortgage on it."

I tell you, that is what is happening in millions of cases in this country. It is a big mortgage and it is a big obligation that we have to do something about these problems, these priorities, these urgencies which are near at home. I do not want to go into foreign aid again as it is unnecessary, but I repeat that the billions and billions of dollars not spent in the conflict in Southeast Asia, but the billions and billions of dollars spent in country after country, in area after area of the world do bring us up short to our responsiblility to provide here at home.

Mr. MONDALE. I agree completely with the Senator from West Virginia. I am pleased by his contribution.

Mr. MUSKIE. Will the Senator yield at that point?

Mr. MONDALE. I am pleased to yield to the Senator from Maine.

Mr. MUSKIE. I do not intend to interrupt the presentation, but I do want to make the point that the Senator from Minnesota and the Senator from West Virginia speak as though if and when we approve an outlay ceiling of $365 billion, as recommended in the Budget Committee's resolution, that everything under it is frozen in concrete.

That is not so at all. I would be amazed if the Senator from Minnesota supports appropriations for defense at the figure assumed in the Budget Committee's resolution, $91.2 billion. The Senator voted for a $90 billion ceiling for defense in the Budget Committee.

When the Senator says that there will not be a penny to do this, that, or the other, I can only suggest to him, and to other Senators, that depending upon how they feel bound by the functional totals assumed in the committee report, there is room for differences of opinion as to how those dollars are going to be spent.

Let us take the comments of the Senator from West Virginia, that he would like to take $200 or $300 million for this emergency housing program out of foreign aid.

Well, there is $200 to $300 million in the Budget Committee's resolution assumed for continuing assistance to Southeast Asia, because the resolution was completed before the events of yesterday. That money is still there under the total of $365 billion. The Senator from West Virginia presumably, given his argument this afternoon, would spend it for that purpose.

One of the purposes of this ceiling is to impose restraint on the overall spending so that Members will be forced to consider their own priorities and undertake to squeeze out of programs which have a low priority, from their point of view, the resources necessary to support programs which they feel have a high priority.

There is no way for any committee, the Budget Committee or any other committee, to reflect in a $365 billion outlay ceiling, or a $374 billion outlay ceiling, the priorities of every Member of this Senate. The best that we can do is to come up with a total that accommodates the reasonable priorities of a consensus of the Senate.

Not only can Members find additional resources by raising the ceiling, but they can find resources by reordering the priorities. Every Member is going to vote his priorities on these appropriations bills.

I simply do not buy the argument we are beginning to hear that there will not be a penny for this or there will not be a penny for that.

There is one other argument I will make later and not now, because it will take some time, in response to the argument of the Senator from Minnesota that there is only $4.5 billion that relates to the country's needs to deal with the recession. There is substantially more. I will go into that in greater detail later.

Mr. RANDOLPH. Will the Senator yield?

Mr. MONDALE. I yield.

Mr. RANDOLPH. Mr. President, the able chairman of the Budget Committee is well-reasoned, as always, when he speaks. I think, however, he inadvertently has implied that I said there would not be the money available. I never said that the money would be available for this and that program. I only made a statement about what I believed to be the philosophy which at least the Senator from West Virginia must express, and express it vigorously as I have expressed it, for a priority in meeting the problems here at home.

That is exactly how I feel about it.

I believe each Member, of course, will have the responsibility with being charged with being a spender, as that often comes. But I have never felt that when we spend money on projects and programs that employ people and provide lasting benefits, that those can be in the category of just expenditures. I think, Mr. President, they are investments. They return not only the original 100 cents expended in whatever job and whatever program is involved; they return dividends—dividends to the people of this country.

A nation that is at work will largely be able to take care of its problems. But a nation that is not at work will not be able to take care of these problems. The deterioration which has set in will continue as it did in the 1930's. Had we not acted then, as I have said, with a broad frontal attack on these problems, we would not have been the nation that we were during the intervening years.

I still believe, Mr. President, that, by and large, the people of this country are working people. They want to work; and, given the opportunity, they will do so. Work is not only the earning of wages. It is an essential part of the emotional and physical well-being of people. A job is a way of life for most people: without it they are lost. While unemployment compensation provides the bare necessities of life, a productive job provides the worker with a sense of purpose and fulfillment as an individual. The thousands who rallied in this city on Sunday and the representatives of the 1,017,000 unemployed construction workers who appeared before the Public Works Committee and other committees on April 22, did not ask for handouts. They expressed their desire to participate in building a better America.

Mr. MONDALE. Mr. President, I agree completely with the Senator from West Virginia.

There is an item in here that we are spending, I say to the Senator from West

Virginia, that is not listed in the budget. It is the biggest single item of all. It carries a price tag of $68 billion. What is that? That is the cost of unemployment. That is the cost to the Federal Government of letting 9 million people be forced from their work, unable to find jobs, unable to pay taxes, and depending on unemployment insurance, welfare, food stamps, and the rest.

The biggest single new item in the 1975–76 budget is a budget-cracking $68 billion, because we are tolerating unemployment, and tolerating an industrial productivity level that is only 68 percent of the Nation's potential. Each 1 percent of unemployment costs $16 billion to $17 billion directly to the Federal Treasury, another $5 billion to State and local government, and billions more than that in lost personal income.

When people ask, "Can you spend your way back into prosperity?" the answer clearly is, "No." But that is not what I am proposing; that is not what the Senator from West Virginia is proposing. We are proposing that we work our way back into prosperity and put people back to work, which they have a right to, under the Full Employment Act of 1946.

The other strategy is to ask the average American who is unemployed to suffer, to be unable to work, to forgo the fruits of his effort, and to think that somehow we are going to sleep our way out of a recession. It has never worked, it will not work, and that is why we are proposing these countercyclical measures.

I say to the Senator from Maine that it is true that this resolution is not binding in terms of subcategories. From the standpoint of legal imperatives and commands, it simply will establish an overall spending figure. But no Member of the Senate doubts that if any of us wish to exceed the recommended spending ceilings contained in the budget report, we will be greeted with howls and screams of being budget busters.

That is why the Senate committee, with the support of the Senator from Maine, proposed a special category in this budget called "Temporary Recovery Programs." If Senators will look at page 39, they will find that these are broken down specially. What are they? For category 300, $200 million; $1 billion for commerce and transportation; $300 million for community and regional development; $2.9 billion for public service jobs; $100 mililon for veterans benefits and services. That totals $4.5 billion.

So there is no doubt in my mind that if we come out with a program and an appropriation to protect homeowners from foreclosure, we are going to be greeted on the Senate floor as spenders, as breaking the agreement we made together when we adopted the budget ceilings, and that even though it is not binding on us, we are undermining the credibility and the effectiveness of the Senate budget proceedings.

The Senator from Maine said the money can be taken from something else. But these are different programs. We cannot take money away from children's education for temporary jobs, and we should not. We have decided to go forward on these permanent programs on a permanent basis because the country needs them.

An entirely different philosophy underlies the countercyclical expenditures. Temporary work and assistance, needed because we are in a recession, taper off and end as we move out of the recession. We are comparing apples and oranges.

I say to the Senator from Maine that when we voted on this issue in the committee, the Senator from Maine voted to add $7.5 billion to the countercyclical spending levels in this resolution. I thought he was right then; and I am still praying that if he thinks cautiously and carefully about the future of this country, he may vote on my amendment as he voted in the committee, in favor of jobs and employment for the American people.

Mr. President, as I said before, to put this ceiling, as the committee has, on countercyclical spending means that there will be no revenue sharing to help State and local governments on a countercyclical basis; no additional public service jobs, even though we have 9 million unemployed and there are provisions for only 400,000 jobs today; no additional program for accelerated public works. We could afford it in the early 1960's. We afforded it in the 1930's. But we are going to say that we can afford none of it in 1975.

There will not be a penny for health insurance for the unemployed. I do not want to go to a meeting where there are hundreds of people who want work but who have lost their jobs and who have lost their ability to maintain their health premiums. How do they explain that to their families? What do they think when they get sick?

Is it not simple justice, during these times, to move forward with some kind of health insurance program, temporary in nature, as the Senate Labor Committee and the House Labor Committee and the Committees on Finance and Ways and Means are now considering at this very moment? There is no additional housing aid. There is less than 50 percent of the funding for the legislation that has now been adopted by the Senate. There are wholly unacceptable rates of projected unemployment and economic recovery.

If additional temporary recovery programs beyond those allowed under this legislation are not adopted, then the committee report indicates that we must accept unemployment averaging 9 percent or more for the remainder of the year. I do not want to accept 9 percent unemployment. I do not want to agree to a budget that condemns one out of 10 Americans to unemployment. Under this budget, we would not return to full levels of employment and production for the rest of this decade. I do not want to subscribe to that kind of policy, either.

I am afraid that we in Washington may fail to appreciate fully the seriousness of the economic crisis found in our great industrial centers and spreading throughout this country.

Last month, 8.7 percent of the American labor force was unemployed—8 million people. Another 1.1 million were too discouraged to look for jobs. They are not even counted any more. Another 4 million who wanted to work full time had to take part-time jobs. That is more than 13 million people who have been hurt in the most direct way possible by our economic crisis. It means that of every seven American workers, one is unemployed or underemployed against his will.

The costs of unemployment are immeasurable. Each 1 percent costs the Federal Government $16 billion in reduced taxes and in recession-related costs. Each 1 percent costs State and local governments $5 billion. Each 1 percent costs our economy a million man-years and more than $48 billion in lost production. The human costs are even greater.

A recent study of the Library of Congress shows that unemployment rates can account for almost all the variations in the rate of Federal and State prison admissions. Similarly, rates of suicide, alcoholism, and mental illness have been shown to be sensitive to the unemployment rate.

I say to the Senator from West Virginia that my father was a minister in the depression, and I recall him telling me that the real cost of the depression never showed up in the statistics. He said you had to be a minister and work with families which were once full of the pride which comes with working and employment, where the head of the household lost his chance to work and could not find any and could no longer be the wage earner and could not come home with the prestige and the authority that comes with being the head of the family and being able to care for it.

The psychological damage and destructiveness of unemployment in this society, in which we honor work—and thank God we do—is a cost that no budget can calculate. It is the worst thing you can do to a self-respecting American, and we have done it to 9 million Americans.

I think the time has come for the Senate to take a look at this budget and see if we cannot squeeze some more money out to put people to work. That is what this amendment is all about.

We cannot act here today without considering the effects of extended recession on our society. When unemployment was 8.7 percent in March, blue collar workers were unemployed at the rate of 12.5 percent; minority groups at the rate of 14.2 percent and minority teenagers at the rate of 41.6 percent.

Ours is a strong and resilient economy. We will rebound from this recession, as we have before. But the recession we face today is blighting the lives of millions of decent American families. It will leave its mark on a generation of American children.

We must not accept a 5- or 6-year plan for recovery if the job can be done more quickly.

It is significant that the joint leadership of the Joint Economic Committee, its distinguished chairman, my colleague from Minnesota (Mr. HUMPHREY), and its ranking Republican member, the Senator from New York (Mr. JAVITS), have joined in this amendment. Their commit-

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tee has, after detailed study, established as a reasonable minimum goal the achievement of 7 percent unemployment by the close of next year, and a reduction of at least a full percentage point in unemployment each year thereafter. Even this rate of recovery would involve extended hardship for too many working Americans, and we should improve on it if we possibly can. Yet the pending budget resolution would settle for far less.

I think this country deserves better than 8 percent average unemployment in its Bicentennial year—I think we deserve a strong recovery well underway. And a strong recovery can be achieved.

THE AMENDMENT

Our amendment would provide Congress with the kind of flexibility we need to design a program for recovery in the coming months.

First, the amendment would add an additional $9 billion to budget authority for temporary recovery programs—such as additional public service employment, emergency fiscal aid to State and local government, quick-impact public works, health insurance for the unemployed, housing aid, and others—which are designed to phase out as the economy improves.

Second, our amendment would provide that this budget authority would "trigger" into outlay or spending authority when unemployment has been at 8½ percent for 3 consecutive months. I am firmly convinced on the basis of overwhelming evidence that this will be the case by July 1 when the fiscal year begins. If, however, recovery is "just around the corner" as some have said—very few are saying it, but some have—and the unemployment rate drops from its present high of 8.7 percent—then this additional spending authority would not go into effect.

Third, the amendment provides that the $9 billion in outlay authority would expire should there be 2 successive months in fiscal year 1976 of unemployment at the rate of 6 percent or less. This should provide a strong guarantee that Federal credit demands will not overburden the credit market once recovery is well underway.

Fourth, our amendment provides for $2.5 billion in added revenues through tax reform—less than 1 percent of Federal revenue collections. This amount can easily be raised from unjustifiable tax expenditures where the additional revenue gained would have little, if any, adverse economic effect.

Mr. President, one of the great hopes for this committee is to look at the Federal spending picture from a global, overall view: Look at appropriations, look at back door spending, and, for the first time, look at expenditures we make through tax loopholes. There is a study I saw just before this debate began which appears in the National Journal of April 26, entitled, "Export Policy Disputed." It tells the story of an interagency executive task force which studied various policies to encourage exports, one of which is the so-called DISC tax proposal, which is law, which will cost Americans this year $1.6 billion in lost revenue. This interagency task force concludes that the subsidy is virtually worthless. We get nothing for it, for all practical purpose. What we get for it is worth far less than what we pay for it. It was a program established at a time when the dollar was grossly overvalued overseas and we had to give a tax subsidy to encourage exports. But today, when the dollar is valued on the open market, there is no need, any longer, for this $1.6 billion. This is a report from our own Government, from a Republican administration.

Now, what makes more sense—to tell unemployed Americans that we do not have $1.6 billion additional money to put them back to work, or to repeal the law that grants a tax preference, that is almost totally wasted, of $1.6 billion? That is why I say, let us look for some parts of our law that grant preferences, that spend public treasury money through tax preferences, close those loopholes and, with the money we pick up, put people back to work doing things that need to be done. There is not a penny of tax expenditure preference proposed to be closed in the Senate budget recommendation.

Our amendment proposes that the Committee on Ways and Means and the Committee on Finance immediately move to close some of the least defensible loopholes and take that money and bring it to bear on unemployment in our countercyclical need.

There are some dandy preferences to look at. There is a little thing called the Western Hemisphere corporate tax preference rate. I wonder how many people know about that? It is a dandy. Much of it, I believe, goes to oil companies that own refineries and pipelines in the Caribbean. It gives them a rate which makes it more attractive to go overseas than to produce those facilities here in the United States and apply them to unemployment here. Why do we not close that, pick up the money we can save, and help put people back to work?

What about the minimum tax? The minimum tax is supposed to apply to Americans with respect to income that they earn now that is not subject to the tax laws at all. It is called preferential income. Unlike income that one earns when one works for a living, as most people do, this income escapes the tax net entirely. That income is taxed at a rate of about 4 percent. The maid who sweeps up here at night pays 14 percent. Why do we not tighten up the minimum tax and pick up $5, $6, or $7 hundred million, and use that money to put people to work?

If this budget, as the Senator from Maine says, is for the purpose of establishing priorities, and I believe it, let us throw those tax expenditures into the pot and take a look at them. That is what this amendment, in part, proposes to do. I think that in this and many other ways, we could quickly pick up the revenue that will help pay for increased employment.

Fifth, our amendment directs that outlays under its provisions should terminate entirely should unemployment fall to 6 percent for 2 successive months during the fiscal year. This requirement should provide the strongest possible assurance that Federal demands will not overburden the credit market as private demands increase.

The highest levels of economic activity under our amendment would return $3 billion to the Treasury in the form of higher tax revenues under present law, and lower payments for unemployment compensation and other programs. With the added $2.5 billion from closing tax expenditures, the net increase in deficit need be no more than $3.5 billion. This would leave the deficit figures in the Senate resolution below those proposed by the House committee.

The committee voted that a $69.6 billion deficit could be financed—the committee itself voted that such a deficit could be financed without over-straining the free market. In view of the Long amendment, adopted yesterday, our amendment would yield a deficit of only $70.7 billion, only $1 billion and 1 percent more than the committee voted to support.

DESIGNING A RECOVERY PROGRAM

A number of temporary programs are now before the Congress. Many are still in the process of development. Hearings on most are not yet complete, and in many cases the legislation will undoubtedly be changed substantially before enactment. Some may not be enacted at all.

I believe that specific decisions with respect to the composition of a temporary recovery program are well within the competence of the authorizing and appropriations committees and of the Congress as a whole as it acts on their recommendations.

It is the role of the budget process, I believe, to provide a framework and guidance for the committees and the Congress in making those decisions. And so I would strongly suggest three principal criteria by which to judge among temporary programs:

First, the need for programs which begin to operate as quickly as possible.

Second, the need for programs with the maximum impact on employment.

And third, the need for programs which clearly phase out as the economy recovers. Our amendment would emphasize this last crucial point by providing no further outlay authority should unemployment reach 6 percent during the course of the next year.

Just as the appropriate committees and the full legislative process would make final decisions with respect to priorities among temporary recovery programs, it would be the responsibility of the tax committees and then the Congress to meet the revenue targets with changes in tax policies which would not have an adverse economic impact.

Urgent action is required, and I believe needed revenues can be obtained through closing tax expenditures which have already been studied at length.

BENEFITS OF RECOVERY PROGRAM

The recovery funding we have proposed could—while adding only $3.5 billion to the deficit—increase overall production—GNP—by $25 billion. This would be reflected in a half million or more additional jobs, fuller work weeks,

higher wages, higher profits—and a much stronger base on which to build toward full recovery.

Most important, this addition to the budget will be sufficient to achieve the goals established by the JEC—and the real hope for full employment before the end of the decade.

THE CREDIT CRUNCH

The amendment which we offer today will not harm the credit market. With our economy operating at $230 billion below its potential and unemployment rising, private demand for credit is weak.

Dr. Walter Heller testified at a recent hearing of the Senate Budget Committee in Minneapolis, Minn., that a budget deficit of $75 billion—billions larger than we are proposing—could be financed without great difficulty. Dr. Heller said:

> You find that most of the deficit is the result of the recession itself plus a bare-bones anti-recession program . . . We are incurring those deficits . . . as part of the attempt to have a prompt and bold recovery program . . . I stick with my bet that the result of the big deficit now will be smaller deficits later and smaller deficits for the '70s than you otherwise would have had because you will get back a decent rate of operation more quickly.

As Dr. Heller points out, a strong recovery program now can actually reduce the total Federal deficit for the next 5 years.

Bruce MacLaury, President of the Minneapolis Federal Reserve Bank, also agreed that a deficit in the $75 billion range—larger than we are proposing today—could be financed, so long as the deficit recedes as the economy recovers and private credit demands increase. And the April newsletter of the First City Bank of New York states:

> The implication is that the total supply of credit will be sufficiently large to accommodate the total demand, including $70–$90 billion of Treasury securities, without undue strain.

The fact is that the private credit market is slack, and will remain slack until real economic recovery is well underway. Only permanent spending, which would continue undiluted as the economy recovers, would run the risk of creating a "credit crunch."

The temporary additional authority we have provided would not affect the permanent budget, which would retain a surplus at full employment.

And these additions, together with the $4.5 billion in temporary programs included by the committee and the $15 billion in extra unemployment compensation and other automatic stabilizers already in law, would disappear as the economy recovers.

If recovery is faster than we predict, revenues will be higher, expenditures will be less, the deficit lower, and public demands on the credit market less. Thus, as the economy recovers, there will automatically be added room in the credit market for private borrowing. And at full employment there would be no deficit financing at all.

Mr. President, what I believe is missing in this debate is a full understanding of the depth of the economic trouble we face. Over 9 million Americans who want to work cannot find jobs. If nothing is done, this tragic waste will get worse before it gets better.

The question is not whether there are "patches of blue" which indicate there will be a recovery. Ours is a strong economy, and it will begin to rebound. I hope and pray that there will be a recovery beginning later this year.

The real question is how best to accelerate our recovery from the bleakest point in our economic history since the Great Depression. I fear the consequence for our society of 6 or 7 or 8 years of abnormal unemployment. I cannot justify to myself the human effects of that kind of extended recession.

I feel very strongly that we need to heed the warning issued by Dr. Walter Heller:

> You're going to hear more and more lately that economic recovery is just around the bend and therefore (a) you can relax on any economic stimulus except the tax cut and (b) that further stimulus will touch off new inflation.
>
> This is nonsense. I believe we will see a bottoming out earlier than we had previously anticipated . . . but we dare not forget how deep the economic hole is that we have to get out of. We are running $200 billion below par . . . if we want a sustained and a strong recovery, the tax cut will have to be backed by vigorous budget action.

The fundamental choice before the Senate today is clear. The question is whether we are prepared to put this country back to work in order to achieve a sustained recovery. As the distinguished chairman and ranking minority member of the Budget Committee have explained, unemployment and lost production are responsible for 100 percent of the budget deficit we face today.

Only when we regain normal levels of economic activity will we achieve balanced budgets. And the deficit which concerns me most is not the budget deficit but the unemployment deficit which produced the budget deficit.

Mr. President (Mr. Tower in the Chair), there are probably no unemployed in the gallery today. They could not afford to come. The unemployed cannot come down here and plead for employment, or plead for some help to save their homes, or plead for some funds so that they might have health insurance while they are unemployed. There is none of that.

Indeed, we live in a company town, for most of the citizens of this town, including those who make up this body, have secure public jobs. I think we are strangely isolated from the troubles, the difficulties, the tragedy, and heartache of unemployment. Once in a while some rude voice breaks through our comfort, as last Saturday, when thousands and thousands of workers packed the Kennedy Memorial Stadium, pleading for employment, and, in their tension and their concern, became so unruly that the speakers could not even be heard.

It is hard to be temperate when you do not have a job. It is hard to express the loss of pride, the loss of dignity, the loss of everything that counts, when you want to work and cannot. Those voices are not here, but we had better listen if we are the kind of Nation that we claim we are.

In past recessions, we have succeeded in achieving recovery through budget policies. But we have done so with permanent deficits which led to inflation once recovery had been reached. The pending budget resolution and report are wise in combining restraint in the permanent budget with the addition of temporary programs. It would be tragic if having learned the wisdom of temporary programs, we fail to use that lesson boldly enough to deal with the massive nature of the current recession, and put this country back to work.

We are told that we should wait awhile, test the application of the pending resolution, and then return with additional recommendations to the Congress. The problem with this approach is that it ignores some very basic facts of legislative life. Next September, 3 months into the fiscal year, is 5 months away. The legislative year will be almost over. It may well be too late then to enact new programs to aid our State and local governments, to create additional public service jobs, to provide health insurance for the unemployed, and the rest. Developing a temporary recovery program of the kind which we have sketched would require a massive and full-hearted effort by the Congress. It will not be easy if we begin now. It will be impossible, I fear, if we wait.

We are learning that the process of budgeting can force us to make hard decisions. But it can be just as wrong to do too little as to do too much. And the tragic rates of unemployment facing the American people over the rest of this decade represent, I believe, the gravest current threat to our national security.

I would urge the Senate to act in the spirit of Franklin Roosevelt 37 years ago. When the so-called "business recession" of 1938 threatened to return the country to the dark days of the deep depression, President Roosevelt sent the Congress a message asking for the kinds of programs which we are discussing here today. And in a fireside chat discussing that message, he said this to the American people:

> I try not to forget that what really counts at the bottom of it all, is that the men and women willing to work can have a decent job to take care of themselves and their homes and their children adequately . . . not today nor tomorrow alone, but as far ahead as they can see.

That spirit is still in America, and the organizations which most speak for working Americans, the AFL–CIO, the Auto Workers, the Leadership Conference on Civil Rights, the Communications Workers, the American Federation of Teachers, the National Education Association, the American Federation of States, County and Municipal Employees, the National League of Cities, the U.S. Conference of Mayors, the National Congress of Hispanic-American Citizens, and the Americans for Democratic Action have all urged the adoption of this pending amendment to care for their needs.

Mr. President, I ask unanimous consent that certain messages and documents be printed in the Record at this point in my remarks.

There being no objection, the articles and letters were ordered to be printed in the Record, as follows:

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AFTER THE TURN—AS RECOVERY COMES IT WILL NOT MEAN JOBS FOR MANY UNEMPLOYED; DEPTH OF RECESSION CITED; ANALYSTS FEAR POLITICAL, SOCIAL, ECONOMIC EFFECTS; "A PIG AND A BOA CONSTRICTOR"

(By James P. Gannon)

The nation's economists are nearly unanimous in predicting that the recession will "bottom out" soon and a recovery will get started this summer or fall.

Their reasons: Federal tax rebates and withholding cuts will start pumping billions of dollars into the economy next month; inflation is cooling, which means less erosion of consumer purchasing power; businesses are rapidly selling excess inventories, so factory production will increase; the stock market's rise and an improvement in consumer confidence also point toward a recovery.

But what the economists mean by a recovery may be of little immediate benefit to the laid-off construction worker, the housewife unable to find a part-time job, or the June college graduate with no prospect of employment. For many such people, the end of the recession may be a long way off.

"There is a tendency to think that the recovery means a prompt return to full employment, and that is wrong," says Leif H. Olsen, senior vice president and economist at First National City Bank in New York. "What I stress is that the turnaround economists talk about is a statistical phenomenon. For the country as a whole, we will be operating at low rates of capacity and high unemployment for some time," Mr. Olsen predicts.

HERE'S THE RUB

Consider a fairly typical recovery forecast as an illustration. Otto Eckstein, a former White House economic adviser who heads the economic research firm of Data Resources Inc., predicts that "some kind of an early turnaround is virtually inevitable" because tax cuts will spur consumer spending. His forecast—more optimistic than some—shows the economy resuming a 2% annual growth rate this quarter after falling at a record 10.4% in the first quarter. Then the recovery will produce healthy growth rates of 7.4% in the third quarter and 5.9% in the fourth period, he predicts.

That's a pleasing-looking "statistical phenomenon," all right, but what does it mean for unemployment: That's the rub. The Data Resources computers calculate that, after peaking at 9.3% this summer, the jobless rate will drift down so slowly that it will still be 7.9% at the end of 1976 and will average 7.5% for 1977.

The problem is that the current recession is so deep that even a healthy recovery wouldn't restore economic activity to the pre-slump level until late 1976. Meantime, the working-age population keeps growing. Economists figure that it takes growth rates of around 4% a year just to absorb normal labor-force expansion, so actually whittling down the jobless rate—now at a post-Depression high of 8.7% of the work force—requires rapid and sustained economic expansion.

THE ECONOMISTS' DOUBTS

Many economists and businessmen doubt the U.S. economy will grow fast enough to drop unemployment back to a more normal 4% to 5% range in the foreseeable future. "I don't think we will have either the capital or the energy resources to propel the economic growth" needed to achieve that, says R. Heath Larry, vice chairman of U.S. Steel Corp. "I think we will have a continuing high level of unemployment" for the next decade, he adds.

Economist Michael Evans, president of Chase Econometric Associates Inc., predicts that for the rest of the decade, at least, 6% will become a new jobless-rate plateau for the U.S.

This means the U.S. probably faces the longest spell of high unemployment since before World War II. Even in the 1957–58 recession, the worst in postwar years until now, unemployment was at 7% or higher only for eight months. Many economists now see another two years of 7%-plus joblessness, and the Ford administration's January budget projections had unemployment holding that high until mid-1978.

UNSETTLING EFFECTS

A long-term drought, economists and other analysts say, would have deeply unsettling effects:

In terms of job scarcity, women, blacks and young people will be hardest hit; they will form a huge pool of "discouraged" work-force dropouts not measured by unemployment rates.

Competition for promotion will intensify, especially in the swelling ranks of well-educated workers aged 25 to 34, the postwar baby-boom generation.

A glut of college graduates will have harder job hunting in the next few years, and many may have to accept unchallenging or boring jobs for which they are overqualified.

Conflicts between black and white, male and female, and young and old workers over jobs and promotions may increase.

Even harder to predict than the economic implications are the social and political consequences of years of high unemployment. "I think we could be in for some serious social and political trouble before we are through with this," worries Gardner Ackley, a former White House economist now teaching at the University of Michigan. "The situation presents opportunity for populist politicians to really make inroads against the moderate leadership of both parties by playing upon people's dissatisfactions," he figures, mentioning Alabama's Gov. George Wallace and former California Gov. Ronald Reagan by name.

Black leaders are concerned that high joblessness will stall black economic progress. "I'm not predicting riots in the streets," stresses Andrew Brimmer, a former Federal Reserve Board governor, "but I am talking about economic stagnation." Mr. Brimmer, currently an economics professor at Harvard University, contends that the slow recovery path projected by administration officials implies a 10% to 11% black jobless rate in 1980 and says that "this means absolutely no improvement in the job status of blacks over the rest of the decade."

The Urban Institute, a Washington-based research outfit, recently completed a study of the recession's likely impact on job-market conditions for various worker groups. The institute's economists concluded that "virtually every major demographic group (will) suffer job losses, with the groups already worst off in the labor market being hit hardest."

The study compares prospective employment conditions in 1976—using the Ford administration's projected average jobless rate of 7.9%—with employment conditions at a "normal" 4.9% rate. A leading conclusion is that much of the recession's impact won't show up in the unemployment figures because many discouraged job seekers will drop out of the labor market and thus won't be counted as unemployed.

This phenomenon already is evident. The Labor Department has been collecting data since 1967 on the number of "discouraged workers" who have given up looking for jobs. Up until this year, the total fluctuated between 550,000 and 850,000. But in the first quarter of this year, as the recession deepened, the discouraged-worker total jumped to a record 1.1 million, 73% higher than in the third quarter of 1974.

The Urban Institute economists count 4.3 million "recession victims" in 1976, including 2.8 million more unemployed then a normal jobless rate would produce, and 1.5 million discouraged workers. The uneven impact of the recession on various groups is illustrated in the following figures, comparing recession-level unemployment with normal unemployment, including the discouraged-worker effect:

For white males in the prime working ages of 25 to 59 years, the jobless rate rises to 4.6% from a normal 2.1%, but there is only a small dropout of 55,000 discouraged workers.

For white women aged 25 to 59, a category that includes millions of wives who want to work, the recession jobless rate rises even less—to 5.2% from 3.8%. But there is a massive dropout of 1.2 million discouraged women who give up the job search.

For black teen-age males, the jobless rate jumps to nearly 36% from a normal 23%; that is more than double the white-teen-age-male rate of 17%, which rises much less. The discouragement effect also is much higher among black teenagers.

"Women and blacks have made important gains in the job market in recent years," the study says, but "a long and deep recession can wipe out their hard-fought-for improvements. . . . Where jobs are scarce, these groups will tend to be left out."

There is another threatening aspect to the buildup of a vast pool of 1.5 million or more discouraged workers. When an economic recovery begins and they hear that chances of finding a job are improving. Most of these "hidden unemployed" will start looking again. Their reentry into the work force then will tend to retard the decline in unemployment figures, economists say.

Other underlying trends that might have created difficulties even without a recession may lead to real trouble because of high joblessness. Key among these is the enormous bulge of young workers trying to begin and develop careers in a difficult economic environment.

Between 1970 and 1980, according to Labor Department figures, the number of people aged 25 to 34 in the work force will swell 51%, to 26.8 million from 17.7 million. These are the postwar babies, who will make up one-fourth of all U.S. workers by the end of this decade.

Arnold R. Weber, formerly assistant secretary of labor for manpower and now provost of Carnegie-Mellon University in Pittsburgh, says these workers face "ferocious competition on the career ladder" because of their sheer numbers. In typically colorful imagery, Mr. Weber says this bulge of ambitious, well-trained young people will move through the labor force "like a pig through a boa constrictor." The task of "digesting" this bulge, he believes, will be made more difficult by the demands of blacks, women and other minorities for good white-collar jobs. The typical would-be junior executive—the college-educated white male—will find not only 10 others just like himself competing for a promotion but also a couple of blacks, a couple of women and perhaps a Chicano or an Indian, Mr. Weber says.

He speculates that the consequences of this competition could include a "blacklash" against programs to hire and promote more minorities and women, and a "pressure to push older workers out" of jobs by mandatory early retirement.

A related problem is posed by the millions of college graduates who will enter the labor market during the next few years. The recession and the prospects for slow recovery worsen their job chances.

"The late 1970s could very well bring a glut of college graduates with advanced degrees," reports Morgan Guaranty Trust Co.'s monthly survey. "What seems to be building up," adds the New York City bank's publication, "is a broad surfeit of trained individuals similar to the situation currently faced by elementary-school teachers and by engineers a few years back. Job dissatisfaction resulting from workers having to take jobs which they regard as below their potential and level of training thus looms as a possibility."

The anxiety and disillusionment already are setting in, says Mr. Weber of Carnegie-Mellon. Today's college students "are far more anxious" about their futures than students of earlier years. "It is a switch from the psychology of abundance and opportunity to the psychology of scarcity," he concludes. "There is a gearing-down of expectations, a feeling that the student just might not get what he wants."

TIME TO CHANGE DIRECTION IN THE STRUGGLE AGAINST UNEMPLOYMENT

(By Albert Shanker)

In the long-drawn battle that went on in recent months between Congress and the White House on the question of the tax cut, two basic issues were debated: how big a tax cut, and how would the tax cut be distributed?

Unfortunately, with that battle over—and with this week's announcement that the rise in the consumer price index for last month was the lowest since 1973—there is great danger the the major economic problems still facing the nation will be neglected by both Congress and the President.

The central problem of massive unemployment is still with us. If we were to take into account those who do not appear in the unemployment statistics, either because they are underemployed or because they have ceased looking for jobs, there are over 10 million unemployed. And the number is growing.

Even worse, according to a New York Times report by Soma Golden in its issue of April 21, is that this condition of high joblessness is expected to persist in the United States throughout the decade. "President Ford and his strategists," says the Times, "seem convinced that the race can be won despite a high jobless rate . . ." While the labor movement carries on its struggle against unemployment, "most officials, economists and political observers interviewed in recent weeks by The New York Times seem to expect these forces to prevail": (a) widespread willingness to accept a sizeable rate of unemployment in order to restore a rising living standard for those employed, (b) the belief by most Americans that unemployment is not as serious as it once was because of jobless benefits, and (c) general acceptance of the notion that many of the unemployed do not really need jobs because they are women and teenagers. This willingness to accept a high rate of unemployment for the rest of the decade has become a major part of the problem we all face.

Another widely-reported development illustrates how unemployment feeds on itself. This week New York's Mayor Abraham Beame announced his projected budget for 1975–76. This budget, which is dependent upon the receipt of over $600 million in additional funds from state and federal sources, proposes reductions in city services that are nothing short of disastrous. It calls for job cuts affecting over 4,000 police, 550 firemen, 1,000 sanitation workers, 4,900 teachers, and many others. Schools, libraries and hospitals will close. Almost 23,000 positions will be eliminated.

Note the vicious cycle: The city is short of funds because it is collecting less in taxes. Its tax collections are down because of vast unemployment. Because of vast unemployment it is paying out more in benefits. It now proposes to balance its budget by creating still more unemployment. This will result in further increases in unemployment payments and a further lowering of tax receipts. New York City's dilemma—its entrapment in a vicious cycle—is by no means exceptional. It is, in fact, typical of what is happening in cities and towns throughout the country. In communities everywhere joblessness is indeed feeding on itself.

Next week there will come before the Senate the overall budget projection for the next fiscal year. The budget in times of economic crisis should be a tool for providing services and stimulating employment and production. But the budget advocated by the Senate Budget Committee does not do enough in any of the above categories to help the country through the current crisis. There are, however, proposals for what has become known as "emergency urban revenue sharing" and "countercyclical aid"—actions designed to increase employment and to compensate for the increased costs of unemployment benefits and reduced revenue receipts. The proposals are embodied in an amendment submitted by Senators Mondale, Humphrey, Javits, Williams and Schweiker, to the first resolution on the Budget for Fiscal year 1976. The amendment calls for measures which would produce a million jobs, with "ripples" through the economy that would increase overall production by billions of dollars, increase wages and profits, increase tax collections and normalize work weeks,

It is all-important that the Senate adopt the Mondale amendment becuase the budget proposed by the Budget Committee reflects no serious effort by the Congress to reduce unemployment. The Budget Committee's first resolution does not contemplate an emergency revenue sharing program to help financially strapped states and cities avert local tax increases and layoffs of public employees. The budget projects no acceleration of the public works program. It has no provision for health insurance coverage for the unemployed. It neglects to provide funds for the expansion of the public service employment program.

Opposition to the Mondale amendment will focus mainly on the size of the budget deficit, because few Senators actively oppose the programs contained in the amendment. But those decrying the costs of these programs should be reminded of the cost of keeping over 10 million unemployed. As Sens. Mondale and Abourezk observe, "Each 1 percent of unemployment costs the Federal Government roughly $16 billion in reduced taxes and increased spending for unemployment compensation and related programs. Each 1 percent [of unemployment] costs State and local governments in the neighborhood of $5 billion. And each 1 percent costs our economy a million man-years and over $48 billion in lost production."

To these financial costs must be added the human costs—the feeling of aimlessness suffered by the idle, the social cost of growing unrest among the unemployed, and the growing resentment of the taxpayers who are forced to support them.

This is the time for a change in national direction. We now pay approximately $8,000 in unemployment compensation, welfare food stamps and medical aid to each person unemployed. Why not spend this money to keep people working? Why not put these 10 million people to work providing health care, decent educational services and protection against fire and crime? Why not make them productive—and thus make life better for all? Why not enable these 10 million once again to earn salaries, pay taxes and gain in dignity, instead of being on the dole?

The Senate has the opportunity next week to amend the budget resolution and to begin doing something to end our massive joblessness. If it fails to do, it will share with the Nixon and Ford administration the blame for rampant misery, lost productivity and social unrest.

APRIL 28, 1975.

DEAR SENATOR: The UAW agreed with the economist who described the recently enacted tax rebate-reduction legislation as "just what the doctor ordered". But the tax cut alone will not bring about economic recovery and put America's unemployed back to work.

The tax bill is a good and solid foundation upon which the Congress should now be building with other needed actions to stimulate our economic recovery. An opportunity for one such action will come in the Senate when the budget resolution (S. Con. Res. 32) is taken up.

Senators Mondale, Humphrey, Williams, Javits and Schweiker will offer an amendment to the resolution to provide an additional $9 billion in outlay and budget authority for temporary stimulative programs to combat the deep recession in which our nation now is mired—programs such as increased public service employment, emergency fiscal aid for state and local governments, public works and other activities designed to stimulate the economy and help put people back to work.

The UAW urges most strongly that you support this recession-fighting amendment. The budget resolution reported by the Committee on the Budget provides $4.5 billion for temporary, employment-producing programs in the next fiscal year. But that resolution anticipates 9 percent unemployment for the rest of this year and an average of about 8 percent in the next year. The UAW believes most emphatically that this is unacceptable. We hope you do too. The Congress as the representatives of the people, should not tolerate unemployment levels of such magnitude.

In some of the discussion of the deficit, there has been a noticeable lack of appreciation of the fact that it is largely caused by the recession. As the committee report accompanying S. Con. Res. 32 points out, it is a recession deficit, not a spending deficit. For every 1 percent of unemployment in excess of 4 percent, it has been estimated that there is a corresponding annual loss of $16 billion in revenues and increased transfer payments. In fiscal 1976, revenues are expected to be $53 billion below what they would be if our country were enjoying full employment and people were paying taxes and not drawing unemployment insurance and other jobless benefits.

Far from being too large, the deficit proposed in S. Con. Res. 32 is, in our judgment, too small. Responsible economists in the business, banking, labor and academic communities have been in substantial agreement that a deficit considerably larger than the Budget Committee has recommended—in the range of $80 to $90 billion—can safely be adopted without creating inflationary pressures. Some have argued for an ever higher deficit.

The near-depression gripping our nation calls for bold actions to stimulate the economy. The UAW believes adoption of the amendment sponsored by Senators Mondale, Humphrey, Williams, Javits, and Schweiker would be another essential step in bringing our country out of the economic doldrums.

Sincerely,

JACK BEIDLER,
Legislative Director.

WASHINGTON, D.C.,
April 28, 1975.

HON. WALTER MONDALE,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR MONDALE: The Communications Workers of America, which represents more than 600,000 workingpeople in collective bargaining, is disturbed that the new Senate Budget Committee in its first concurrent resolution has recommended only $4.5 billion for temporary employment programs in fiscal year 1976 at a time when unemployment is at its highest level in 34 years.

UMI

S. Con. Res. 32 would provide funding for only 350,000 jobs at a time when 8.2 million Americans are unemployed and an additional 5 million former wage earners have either given up the search for work in despair or are compelled to work part-time because full-time employment is not available.

The solution to the problem of stimulating the nation's sagging economy is through the creation of jobs for its sidelined workingpeople. Indeed, for every one percent reduction in unemployment, the federal government will pick up $15 billion in revenues through taxes and reduced social costs. Thus, a four per cent reduction would add a whopping $60 billion to the federal treasury.

As the Senate prepares to consider S. Con. Res. 32 this week, CWA urges you to support passage of an amendment to be offered to that legislation by Senators Mondale, Humphrey, Javits, Williams and Schweiker.

The Mondale amendment would provide an additional $9 billion in outlay and budget authority for temporary, recession-fighting programs such as additional public service jobs, emergency fiscal aid for state and local governments, quick-impact public works, health insurance for the unemployed and others at the option of the authorizing and appropriations committees and the Senate and the House as a whole later this year.

Under the Mondale amendment, the additional $9 billion budget authority would "trigger" in outlays when unemployment has averaged 8.5 per cent for three months.

Unemployment is not a statistical problem or a "political" problem. Sidelined workers are not cold gray government statistics. They are walking, breathing American tragedies.

Jobs now are the key to national economic recovery. We urge you to vote for the Mondale amendment that could help create one million jobs, stimulate the economy and put America's unemployed wage earners back to work.

Sincerely yours,

Glenn E. Watts,
President.

April 24, 1975.

To all Members of the Senate.

Dear Senator: The American Federation of Teachers, AFL–CIO, strongly urges your support for the Mondale-Javits-Humphrey amendment to S. Con. Res. 32, the first resolution on the budget for Fiscal Year 1976.

The budget proposed by the Budget Committee and its consequences for the American people are unacceptable to us and we hope to you. Adoption of this program without the amendment will result in no significant improvement in the unemployment rate over the next 18 months (the Committee estimates 7.5% unemployment in December of 1976) and a budget ceiling without the flexibility to enact programs that can provide direct aid to the unemployed and real stimulus to the economy.

The budget projects no serious effort by the Congress to reduce unemployment. The so-called emergency revenue sharing program that has been urged by many economists and would provide direct aid to financially strapped states and cities in order to prevent local tax increases or even further layoffs of public employees is not contemplated in the budget resolution. The budget projects no acceleration of the public works program. Such an acceleration in the past has resulted in beneficial effects to the economy that went beyond direct construction and stimulated the support and supply industries which go into decline when housing and other construction declines.

The Committee proposal does not include any provision for health insurance coverage for the unemployed. This program is an absolute necessity for workers already victimized by our planned depression. For most workers, losing a job means a desperate attempt to keep up payments on houses, cars and educations. Without provision for health insurance, many families could face losing their homes and other possessions simply to pay unexpected medical bills. The resolution also neglects to provide funds for expansion of the public service employment program. The current program of public service jobs funds approximately 350,000 slots. This program needs expansion to serve the ever-increasing number of unemployed. The resolution also fails to do anything for the housing industry.

The Mondale amendment would provide another $9 billion to fund these programs as the Congress decides they are necessary. While inclusion in the resolution does not guarantee that these badly needed programs will be enacted, it is our opinion that failure to include them guarantees that these programs cannot be implemented during the next fiscal year. Adoption of the $9 billion also would provide a budget designed to provide more stimulus and a greater reduction in unemployment. If improvement in the economy occurs, the amendment is designed to terminate the so-called counter-cyclical programs in order to prevent competition between the government and private enterprise in the credit market.

We urge your support for the Mondale amendment as an attempt to provide minimum aid to the unemployed and stimulus to the economy. The alternative is sentencing at least 10% of our workforce to continued misery and idleness. We do not believe Congress has that right.

Sincerely,

Albert Shanker,
President.

The PRESIDING OFFICER. All of the time of the Senator has expired.

The Senator from Maine has 55 minutes.

Mr. MUSKIE. Mr. President, I was interested in the Senator's historical reference to 1938 and the programs which President Roosevelt sent up that dealt with the budget.

The outlay total for fiscal year 1938 was $6,076 billion, about one-sixtieth of the outlay figure that the Budget Committee brings to the floor, and the deficit was $1,177 billion, or roughly one-sixtieth of the deficit that the Budget Committee has brought to the floor. This is a very interesting historical comparison.

As I look through this table, which is found in the budget document on page 367, I would like to read the deficit totals for 3 years of World War II: 1942, $20 billion plus; 1943, $54 billion plus; 1944, $47 billion plus. Those three war-year deficits are roughly the equivalent of the 1975 deficit added to the deficit figure which the Budget Committee brings to the floor. The deficit figure we project for 1976 is the highest peacetime or wartime deficit in the history of the country.

I am not one to read too much in those figures, but I think, nevertheless, they set a perspective which we should take into account.

Now, Mr. President, I was interested a few moments ago when Senator Randolph expressed the thought that he was going to do what he believed was right, whether or not he was called a spender for doing so. Well, for 2 days Senator Bellmon and I have listened to speakers on this floor call us spenders. The rhethoric got a little bit bloody at times but, in any case, we have been rather strongly criticized for bringing to the floor the recommendations found in the budget resolution.

Well, now the criticism is coming from another direction. We are being criticized for not spending enough.

Let me restate my view, Mr. President, of this budget process. Senator Mondale has referred to some of my votes in committee and some of the positions that I took. He challenges me to be consistent with those positions here in the vote on his amendment. I feel compelled to make my position clear.

I have this perception of the budget process. The committee is made up of 16 members. For months and weeks we worked toward the committee objective of reaching a consensus as to how much we should spend, what our deficit should be and, at least, a tentative decision as to what the budget priorities ought to be.

I hope we have the feeling that during that process each of us won some and lost some. But what we finally arrived at was an overall target number, not for the 16 functional categories, but for the budget as a whole: $365 billion.

At that point all the votes were in. The committee had voted to send the resolution to the floor. Each member of the Budget Committee then faced this challenge: "Do I go to the floor in support of the new budget process and its discipline or do I go pursuing my own individual priorities."

I felt fairly certain that whatever lead I set the committee members would follow; that if I came to the floor pursuing my priorities every member of the Budget Committee would come to the floor pursuing his priorities, and we would, therefore, not have a joint committee consensus. We would simply have some numbers put together by 16 Senators who would then blend into the 100 Senators who are Members of this body, all fighting all over again as though there were no budget process to influence the final results.

I say to my colleagues—Senator Mondale on that side of the aisle and Senator Dole and my good friend from Idaho on the other side—that at some point, at some level, we must agree to adopt a discipline that will give each of us a crack at influencing the total result. This discipline must—when it is completed—bear some rational relationship to the resources available, and to the priorities we ought to be pursuing. Specifically, it must relate to the needs of our people and the ability of our economic system, both fiscal and monetary, to carry the load. We are going to disagree when we get those final results as to whether we were wise, but at least that ought to be the product.

Senator Mondale says we ought to spend more, just as Senator McClure and Senator Buckley said yesterday we ought to spend less, and just as Senator Dole this afternoon said we ought to spend less.

Senator Mondale has referred to what I think is an accurate description of the

objectives of the Budget Committee, and I will repeat them. On page 3 of our committee report on the concurrent resolution, we state:

> That the Federal budget for fiscal 1976 should meet four important tests.
>
> First, it should "provide funds for national security, education, health care, pensions, and other established programs which the people of the United States would need regardless of the state of the economy.

We have served that objective by making adjustments which would reflect the inflationary erosion of the funding of those programs.

Now, there are some in this body, and their votes the last 2 days indicate their convictions, who feel that even that is too much if it results in a deficit of the magnitude that the Budget Committee has recommended.

The second objective is that the budget should "provide funds over and above such basic needs to help pull the United States out of its most devastating economic decline since the 1930's." This was the most important priority to which the Budget Committee was committed. Its labors and its result reflect as strong a concern about the problems of the unemployed and their families as that expressed by the distinguished sponsor of the amendment before us.

The third objective is that the budget should "be designed as a first step toward ending the increasingly harsh cycles of inflation and recession which have dominated the U.S. economy for nearly a decade and provide direct help to those Americans whose incomes have been cut off or reduced by the recession."

I submit, Mr. President, those last three objectives out of the four were directed toward the recession and the devastation that it has wrought in the lives of too many American people.

We have undertaken to meet those objectives. These are not just words.

As I said yesterday in opening the debate, $365 billion is a lot of money. The stimulative programs are not just the $4.5 billion that have been described as temporary recovery programs. Surely, no one believes that of the $365 billion in this budget only $4.5 billion has stimulative expansionary effect upon the economy.

I cannot believe any Senator draws that kind of conclusion.

But let me be more selective than the $365 billion. Let me go through this budget to pick out those items in it which are related to the need for jobs and economic stimulation.

With respect to temporary recovery programs we have already referred to the $4.5 billion in outlays which was approved by the Senate last Friday, and last Friday that program was described by its sponsors as providing 1 million jobs.

It was not my program. It originated in the House, endorsed by the Appropriations Committee, and the description of it was that it provided 1 million jobs. It is included in this budget.

Now, the sponsor of the pending amendment suggests that because it has already been done it should not be counted and that we must do something more, because that was done last week. Not a penny of that has been spent as of this moment, not a penny.

Second, there are other stimulation programs in our committee mark over and above the President's budget: first, $1 billion additional highway funds, which were released from the impoundment imposed by President Nixon 2 years ago; in released Hill-Burton funds; second, $100 million; third, $100 million in released clean water funds—a program in which I have a special interest—over and above the level of spending which we had already achieved; fourth, $600 million in EPA, coastal management and other programs in the natural resources, environment and energy function; and fifth, $200 million in District of Columbia Metro.

These five additional stimulate programs would provide $2 billion in addition to the $4.5 billion which provide jobs. Thus, in total, the committee mark includes $6.5 billion in additional job stimulating programs.

The distinguished Senator, chairman of the Public Works Committee, has given the formula, the number of jobs available for these kinds of money.

Let me turn next to the automatic stabilizers, unemployment compensation, food stamps, and so on. That is $15.2 billion. It was enacted after the great depression as an automatic stimulant to the economy to establish automatically a floor below which the economy will not fall. Unless that program was erroneously conceived originally, I assume it still serves an antirecessionary objective; $15 billion which is pumped automatically into the economy to provide the unemployed with income.

It is a legitimate addition to anybody's list of what this budget does for those who are hurt by unemployment and recession.

Then, there is the tax reduction act, or do we not count that because that was done in March? The benefits of that action have not begun to flow out into the economy yet. No taxpayer, no citizen has gotten a penny of it. The checks begin going out tomorrow. We do not know what the effect will be. Many of us have high hopes that it will help turn the economy around, but the thing has not started.

That is $10.1 billion.

And with the possible extension into the last half of the fiscal year of 4.4, which seems likely, the total of the items I have listed already to $36.2 billion.

Then when we add to that the impact of the tax cuts and the social security rebates, we have $1.9 billion for the social security rebates, the checks for which have not yet gone out, and the fiscal year 1975 impact of the tax reduction act, and those checks have not yet gone out, that is $10.8 billion.

So the total potential stimulus of these items on the budget which I have listed is $48.9 billion. In the year of the "great spender", Franklin Roosevelt, in the 1930's—I can remember the newspaper headlines of those years—the highest outlay figures were $8.4 billion in 1936, $8.8 billion in 1939, and $9.5 in 1940 when spending had begun for the war.

Multiply the stimulus of those years by 60 and the stimulus we are providing is not so far off the mark from one of the big spenders or, at least, one of the historically big spenders.

Mr. President, I have no God-given wisdom as to what is too much and what is too little stimulus for this economy. I have not met an economist in the months since I have been chairman of this committee, or in the years I have been consulting with them, whose judgment as to what is going to happen 6 months ahead is worth very much or is often borne out by events.

That is not to say I do not value their judgment and their advice, but they are not seers.

There is no economist this committee heard last fall—and that was 6 months ago—who predicted a depression of this intensity and extent and duration, not one.

Mr. MONDALE. Oh, yes.

Mr. MUSKIE. I will check it, but I heard no predicting an unemployment rate of 8.7 percent, effectively 10 percent by April 1975.

Mr. MONDALE. Will the Senator yield?

Would the Senator review my colloquy with Mr. Ash?

Mr. MUSKIE. Then I would make an exception. But with that lone, lonely exception, I do not recall any economist predicting an 8.7 percent unemployment rate at this point, or a reduction in gross national product in December of 9 percent at an annual rate, or a reduction in GNP for the first 3 months of this year on the order of 10.5 percent at an annual rate.

Nor did anyone tell me at that time we would have to suffer 5, 6, 7 percent unemployment for the next 4 years. That picture was not painted.

They were good men, good economists, who said that our problem was recession and not inflation and our policies ought to be turned around.

I agreed with them, but not because I saw such a grim picture ahead. That our economy would decline so significantly was certainly not the consensus of those who testified before the committee.

What I am saying, Mr. President, is this: Just as no one had the vision 6 months ago to tell us what the economic situation today would be, no one has the vision today to tell us what it is going to be 5 months from now in September when the Budget Committee is required by law to send another concurrent resolution to the Senate.

Senator Mondale's amendment proceeds on the assumption that it is possible to anticipate the effect of the stimulative action already provided for in the budget, and to conclude that it is not enough. It is the assumption of Senator Mondale's amendment that we can look at what the budget provides and judge that it will not be inflationary in September, whatever happens in between.

My view is this: That this budget process is not something that begins and ends with one piece of paper. It is not some-

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thing that begins and ends with this budget resolution. It is a process which, when it is in full operation, will begin in November and continue until the following October. It is magic and its justification, in my judgment, is that it provides the Congress with the flexibility to adjust to developments as they occur.

You do not have to have a crystal ball. All you need is a mechanism that enables you to respond.

So I say to the Senate that what we have in this program to deal with the recession is responsible, it is responsive to the unemployment problem, which is the central problem—we all agree on that—and it provides us the mechanism to do more if we wish.

The extension of the tax cuts into the last half of fiscal 1976, $4.4 billion, an action that everybody predicts will take place, is something we can do.

With respect to counter cyclical revenue sharing, we were not able to get the votes in the Budget Committee for that concept, which I think has great merit. I doubt that we would have the votes at this moment. An educational job has to be done. The authorizing committee is going forward with hearings on that proposal, which the Budget Committee endorsed in principle, to fashion another counter cyclical tool, that will be available to us to put in place if the developments in the economy justify it and require it.

Even Senator Mondale's amendment undertakes to rest upon the development of unanticipatable events. Either that or the language is meaningless.

He says if unemployment is 8.5 percent for 3 months prior to the fiscal year certain things with respect to spending will happen.

He must be in some doubt as to whether or not that will happen or he would not have the condition in his amendment.

Then he says if it does not happen before the beginning of the next fiscal year but happens afterwards, another formula would be used. That, too, clearly must be an uncertainty or the language is meaningless.

How those kinds of spending flows are to be triggered by the Treasury or the administration is not described. A budget resolution is not a piece of legislation in the sense that you can fashion the mechanism and the bureaucracy to implement policy. But if those are uncertainties, and I have to assume they are, even in the mind of Senator Mondale, then I say to the good Senator the place to deal with them is in the Budget Committee.

I have already asked the new Director of the Congressional Budget Office to help us monitor the economy in the interim so that we can move and move quickly. It is just possible that the medicine the Senator's amendment would provide in the event these unanticipatable contingencies occur would not be the right medicine then.

I would like to touch just one other point raised by Senator Mondale. That is the question of the tax reform revenues that he undertakes to anticipate.

I share with Senator Mondale the concern that the Congress, sooner or later, get into the tax reform business. It was one of the issues in the 1972 Presidential primaries. I confronted it everywhere I went. Every candidate ended up that campaign with a tax reform program, none of which has seen the light of day yet and no parts of which have been enacted by the Congress. Suddenly, to rest our revenue assumptions for 1976 upon the enactment of some of these tax reform proposals that have not been able to generate majority support in the Congress in the 3 or 4 years since 1972 primaries is extremely unrealistic. I think tax reform is something that should be considered in connection with the extension of the tax cuts of $4.4 billion into the last half of fiscal 1976. I assume that that is one of the reasons that that decision is still pending, so that the two can be tied together. I am all for proceeding with that.

What may be a tax reform to me may be a legitimate tax expenditure to the distinguished Presiding Officer. One man's tax loophole is another man's tax protection.

There is over $100 billion in tax expenditures, a great many of which, I believe, would be reestablished by the Congress after examination. A good many others will probably be modified, changed, or eliminated upon comprehensive examination.

But what we are talking about is what can we count on for revenues for the fiscal year beginning July 1. To oppose the enactment of a tax reform package of any consequence that would provide substantial revenues for that period to offset an additional expenditure of $9 billion is, I believe, unrealistic.

I ask unanimous consent to have printed in the Record, Mr. President, a memorandum prepared for me by the staff to indicate the difficulty of generating revenues quickly from tax reform. This is a paper that makes some assumptions because at that point we did not have Senator Mondale's list of proposed tax reforms. It is purely for the purpose of indicating the difficulty of generating revenues quickly out of tax reform.

The memorandum lists seven tax loopholes, the total annual cost of which is almost $10.5 billion. If we were to assume that those could be eliminated totally, the elimination to be effective for some provisions as of October 1 of this year, and effective for others beginning January 1, 1976, the staff's best guess is that the elimination of that $10.5 billion in tax loopholes would not generate more than $1.55 billion in revenues in fiscal year 1976. And that is a generous estimate.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Estimated Fiscal Year 1967 Revenue Gains From Selected Proposed Tax Reforms

The reduced effects of tax reforms on FY 76 revenues compared to the annual revenue costs currently attributed to the existing preferential rules are illustrated by the examples summarized below. The assumptions used to develop the FY 76 impact of these reforms are as follows:

(A) Unless specifically stated otherwise, as appropriate, amendments will apply prospectively only, either to transactions occurring *after* the tentative decision by the first tax-writing committee to report out the reform has been made public, or with respect to taxable years beginning *after* December 31 of the year in which the reform is enacted. (October 1 has been selected as the tax committee announcement date in the first and third examples below. An earlier announcement date obviously would increase FY 76 revenues; conversely, a later date would decrease FY 76 revenues.)

(B) Based upon recent experience, if a reform increasing corporate taxes is made effective for taxable years beginning after December 31 of the year the reform is enacted, roughly 33 percent of the resulting additional annual corporate tax liabilities would be collected during the first six months of the next calendar year, i.e., the remaining six months of the current fiscal year.

(C) If additional taxes would be collected from individuals through the elimination of a deduction or the inclusion of currently non-withholdable income as taxable income, the increase in payments would not be obtained until the returns were due on April 15 of the year after the calendar year in which the reform would be effective.

	Fiscal year 1976 gain in millions
Elimination of DISC—$1,300 million annual cost/elimination effective for exports made after 10/1/75, the assumed tax committee decision date	$845
Eliminate bad debt reserve for financial institutions in excess of actual experience—$980 million annual cost/effective for taxable years beginning after 12/31/75	327
Eliminate deduction for non-business state gasoline taxes—$850 million annual cost/effective for taxes paid after 10/1/75, the assumed tax committee decision date	213
Eliminate ADR—a rough estimate is that $500 million is lost for assets depreciated under ADR in each annual classic/effective for property placed in service after 12/31/75	167
Tax capital gains at death—$5[illegible]00 million annual cost. Phase-in which have proposed in various reform proposals: (a) (minimal) Corman bill treatment, no tax at death, but rather eliminate stepped up basis (b) 1963 President Kennedy proposal: after a three year grace period, tax all gains—(c) (minimal) Treasury proposal: tax appreciation with respect to transfers occuring after of enactment, but only to the extent of appreciation occuring after that date.	(a) (b)0 (c)
Require withholding at source for dividend and interest income—Failure to do so currently estimated to have $1,000 million annual revenue cost/reform would require new widespread collection procedures probably too difficult to implement for FY 76 collections and therefore an effective date postponed into at least calendar year 78 (probably)	0
Eliminate $100 dividend exclusion—$360 million annual cost/effective for taxable years beginning after enactment sometime in 1975 (individuals are virtually all calendar years taxpayers)	0

Mr. MUSKIE. May I say, finally, that if and when we are able to generate such revenues through tax reforms, the benefits would accrue to the committee's budget as well as to the Senator's amendment. They would accrue to the Congress as a whole, either for the purposes of cutting other taxes, extending the $4.4 billion in taxes already pending, or funding additional programs to meet the re-

cession if unfolding events in the economy justify that course. So the tax reform route is one way of adding flexibility for dealing with changing economic conditions. I am all for that. I am simply saying that the difficulty of enacting tax reform is documented by the failures of the last 3 years, and, secondly, getting quick revenue out of it is a very "iffy" proposition. Members ought not to vote for the Mondale amendment on the assumption that $2.5 billion of additional revenues from tax reform is likely to be realized in fiscal year 1976.

With that, Mr. President, I have tried to cover the principal points.

Mr. MONDALE. Will the Senator yield?

Mr. MUSKIE. I would be happy to yield.

Mr. MONDALE. There are several sponsors of my amendment, Senator Humphrey, of the Joint Economic Committee; Senator Javits, the ranking member of that committee, and Senator Bentsen, who would like to speak on this amendment. I understand we are out of time.

Mr. MUSKIE. May I say to the Senator that this time is no problem, so far as I am concerned. if we could just have some indication of how much time is needed. I have no desire to be inflexible.

Mr. MONDALE. My colleague would like 30 minutes; Senator Bentsen would like 5 minutes. Let us say 20 minutes for the Senator from New York. I would like 5 minutes. May we have an hour?

Mr. BENTSEN. Let me have 10 minutes.

Mr. MUSKIE. I will be happy to yield an hour to the distinguished Senator from Minnesota.

Mr. MONDALE. Could we have an hour and a half?

Mr. MUSKIE. I would like to finish this bill today, if possible. I understand that another amendment is in the wings.

Mr. HUMPHREY. We can amend the amendment, otherwise. On the basis of amending the amendment, we start anew. I do not want to do that, but there is a need for some of us to express ourselves.

Mr. MUSKIE. I can stay here the remainder of the week, if that is the desire, but I would like to give a clear signal to the other Members of the Senate. If the Senator would like to give them a clear signal that we are not going to vote today, I will join him.

Mr. MONDALE. I would like to vote today. If we can agree on a time, I am willing to do so. We think at the outset that we need an hour and a half. We may need less than that.

Mr. MUSKIE. Mr. President, I yield the Senator an hour and a half on the bill. How much time do I have on the amendment?

The PRESIDING OFFICER. Twenty-five minutes.

Mr. MUSKIE. I yield the Senator from Minnesota 25 minutes on the amendment, in order to use up that time.

I have no desire to use any more of that time myself.

I yield the Senator another hour and 5 minutes on the bill.

Mr. MONDALE. Mr. President, I wish to respond briefly to the Senator from Maine.

The PRESIDING OFFICER. On whose time?

Mr. MONDALE. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is not speaking on the Senator from Maine's time?

Mr. MONDALE. I think the Senator from Maine yielded me an hour and a half to control.

Mr. MUSKIE. Yes; 25 minutes on the amendment and 1 hour and 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. MUSKIE. Mr. President, I ask the Senator whether we can agree on 5 o'clock as a time to vote on the amendment—not later than 5.

Mr. MONDALE. That is fine.

Mr. MUSKIE. That would give us a half hour on this side.

Mr. President, I ask unanimous consent that the vote on this amendment take place not later than 5 o'clock this afternoon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MONDALE. Mr. President, I do not wish to be misunderstood. I think the basic work of this committee is superb. The process we have commenced is one of the most exciting, hopeful things I have seen in the 10 years I have been in the U.S. Senate. I believe that the priorities we have established in the basic budget are basically sound. I think we are spending a little more than we should on the Defense budget and are spending a little less than we should on some of the human services.

I voted to report this resolution because I think it is basically sound. I am pleased to be a member of the committee, and I commend its membership and the chairman for the work it has done.

It is true that other items in this budget provide employment in the basic programs, but it is also true that, even given the jobs which ongoing, basic programs provide, we are in the deepest recession since the Great Depression; virtually every economist predicts that unemployment will become worse, not better. There is very little disagreement among the economists, so far as I know, about the bleak picture for unemployment in the next several years.

The President's own budget predicts unbelievably high unemployment through the end of this decade. Data Resources and some of the other computer analysis organizations say that unemployment will rise to more than 9 percent. Of course, the official statistics grossly underestimate the unemployment, because discouraged workers are not counted—there are more than a million of them—because the underemployed are not calculated in that regard. I think that the number of true unemployed is perhaps well in excess of 10 percent today, and everyone I know of in the field of economics predicts that it is going to go higher.

So that so far as we can responsibly predict, even with the budget spending that provides employment, to which the Senator from Maine refers, we are in a bleak, tragic, persistent, and long-term period of recession and unemployment.

That is what the countercyclical budget is intended to deal with—to provide jobs during the period we are in this trough, and under the terms that the program tapers off and expires as we move toward full employment.

By the terms of this amendment, the aid provided for employment expires after we have had two consecutive months of unemployment below 6 percent. This is a very cautious amendment. Many others have urged far more stimulation than is recommended here.

The other argument is. "Let us wait and see what happens." That does not provide jobs. That does not help us pull our way out of the recession. By the time we get to the September reconciliation period, this legislative session, for all practical purposes will be over. That is why I believe that in terms of sheer justice, this countercyclical job-producing authority is needed at this time.

Mr. President, in yesterday's Wall Street Journal—a journal not known for its left-wing, anarchistic point of view—was an article entitled, "As Recovery Comes, It Won't Mean Jobs For Many Unemployed." In a thorough, indepth evaluation, it points out the serious, continuing nature of our unemployment problem. I ask unanimous consent to have the article printed in the Record.

There being no objection, the article was ordered to be printed in the Record. as follows:

[From the Wall Street Journal, Apr. 29, 1975]

After the Turn: As Recovery Comes It Won't Mean Jobs for Many Unemployed—Depth of Recession Cited; Analysts Fear Political Social, Economic Effects; "A Pig & Boa Constrictor"

(By James P. Gannon)

(Note.—The U.S. economy is suffering the worst recession since the Depression of the 1930s. What caused such a severe slump? What are the prospects for recovery? What will a recovery mean for unemployment and inflation? How can economic stability be restored? This is the second in a series of articles examining these questions.)

The nation's economists are nearly unanimous in predicting that the recession will "bottom out" soon and a recovery will get started this summer or fall.

Their reasons: Federal tax rebates and withholding cuts will start pumping billions of dollars into the economy next month; inflation is cooling, which means less erosion of consumer purchasing power; businesses are rapidly selling excess inventories, so factory production will increase; the stock market's rise and an improvement in consumer confidence also point toward a recovery.

But what the economists mean by a recovery may be of little immediate benefit to the laid-off construction worker, the housewife unable to find a part-time job, or the June college graduate with no prospect of employment. For many such people, the end of the recession may be a long way off.

"There is a tendency to think that the recovery means a prompt return to full employment, and that is wrong," says Leif H. Olsen, senior vice president and economist at First National City Bank in New York. "What I stress is that the turnaround economists talk about is a statistical phenome-

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non. For the country as a whole, we will be operating at low rates of capacity and high unemployment for some time," Mr. Olsen predicts.

HERE'S THE RUB

Consider a fairly typical recovery forecast as an illustration. Otto Eckstein, a former White House economic adviser who heads the economic research firm of Data Resources Inc., predicts that "some kind of an early turnaround is virtually inevitable" because tax cuts will spur consumer spending. His forecast—more optimistic than some—shows the economy resuming a 2% annual growth rate this quarter after falling at a record 10.4% in the first quarter. Then the recovery will produce healthy growth rates of 7.4% in the third quarter and 5.9% in the fourth period, he predicts.

That's a pleasing-looking "statistical phenomenon," all right, but what does it mean for unemployment: That's the rub. The Data Resources computers calculate that, after peaking at 9.3% this summer, the jobless rate will drift down so slowly that it will still be 7.9% at the end of 1976 and will average 7.5% for 1977.

The problem is that the current recession is so deep that even a healthy recovery wouldn't restore economic activity to the pre-slump level until late 1976. Meantime, the working-age population keeps growing. Economists figure that it takes growth rates of around 4% a year just to absorb normal labor-force expansion, so actually whittling down the jobless rate—now at a post-Depression high of 8.7% of the work force-requires rapid and sustained economic expansion.

THE ECONOMISTS' DOUBT

Many economists and businessmen doubt the U.S. economy will grow fast enough to drop unemployment back to a more normal 4% to 5% range in the foreseeable future. "I don't think we will have either the capital or the energy resources to propel the economic growth" needed to achieve that, says R. Heath Larry, vice chairman of U.S. Steel Corp. "I think we will have a continuing high level of unemployment" for the next decade, he adds.

Economist Michael Evans, president of Chase Econometric Associates Inc., predicts that for the rest of the decade, at least, 6% will become a new jobless-rate plateau for the U.S.

This means the U.S. probably faces the longest spell of high unemployment since before World War II. Even in the 1957–58 recession, the worst in postwar years until now, unemployment was at 7% or higher only for eight months. Many economists now see another two years at 7%-plus joblessness, and the Ford administration's January budget projections had unemployment holding that high until mid-1978.

UNSETTLING EFFECTS

A long-term drought, economists and other analysts say, would have deeply unsettling effects:

In terms of job scarcity, women, blacks and young people will be hardest hit; they will form a huge pool of "discouraged" workforce dropouts not measured by unemployment rates.

Competition for promotion will intensify, especially in the swelling ranks of well-educated workers aged 25 to 34, the postwar baby-boom generation.

A glut of college graduates will have harder job hunting in the next few years, and many may have to accept unchallenging or boring jobs for which they are overqualified.

Conflicts between black and white, male and female, and young and old workers over jobs and promotions may increase.

Even harder to predict than the economic implications are the social and political consequencies of years of high unemployment. "I think we could be in for some serious social and political trouble before we are through with this," worries Gardner Ackley, a former White House economist now teaching at the University of Michigan. "The situation presents opportunity for populist politicians to really make inroads against the moderate leadership of both parties by playing upon people's dissatisfactions," he figures, mentioning Alabama's Gov. George Wallace and former California Gov. Ronald Reagan by name.

Black leaders are concerned that high joblessness will stall black economic progress. "I'm not predicting riots in the streets," stresses Andrew Brimmer, a former Federal Reserve Board governor, "but I am talking about economic stagnation." Mr. Brimmer, currently an economics professor at Harvard University, contends that the slow recovery path projected by administration officials implies a 10% to 11% black jobless rate in 1980 and says that "this means absolutely no improvement in the job status of blacks over the rest of the decade."

The Urban Institute, a Washington-based research outfit, recently completed a study of the recession's likely impact on job-market conditions for various worker groups. The institute's economists concluded that "virtually every major demographic group (will) suffer job losses, with the groups already worst off in the labor market being hit hardest."

The study compares prospective employment conditions in 1976—using the Ford administration's projected average jobless rate of 7.9%—with employment conditions at a "normal" 4.9% rate. A leading conclusion is that much of the recession's impact won't show up in the unemployment figures because many discouraged job seekers will drop out of the labor market and thus won't be counted as unemployed.

This phenomenon already is evident. The Labor Department has been collecting data since 1967 on the number of "discouraged workers" who have given up looking for jobs. Up until this year, the total fluctuated between 550,000 and 850,000. But in the first quarter of this year, as the recession deepened, the discouraged-worker total jumped to a record 1.1 million, 73% higher than in the third quarter of 1974.

The Urban Institute economists count 4.3 million "recession victims" in 1976, including 2.8 million more unemployed than a normal jobless rate would produce, and 1.5 million discouraged workers. The uneven impact of the recession on various groups is illustrated in the following figures, comparing recession-level unemployment with normal unemployment, including the discouraged-worker effect:

For white males in the prime working ages of 25 to 59 years, the jobless rate rises to 4.6% from a normal 2.1%, but there is only a small dropout of 55,000 discouraged workers.

For white women aged 25 to 59, a category that includes millions of wives who want to work, the recession jobless rate rises even less—to 5.2% from 3.8%. But there is a massive dropout of 1.2 million discouraged women who give up the job search.

For black teen-age males, the jobless rate jumps to nearly 36% from a normal 23%; that is more than double the white teen-age male rate of 17%, which rises much less. The discouragement effect also is much higher among black teenagers.

"Women and blacks have made important gains in the job market in recent years," the study says, but "a long and deep recession can wipe out their hard-fought-for improvements. . . . Where jobs are scarce, these groups will tend to be left out."

There is another threatening aspect to the buildup of a vast pool of 1.5 million or more discouraged workers. When an economic recovery begins and they hear that chances of finding a job are improving. Most of these "hidden unemployed" will start looking again. Their reentry into the work force then will tend to retard the decline in unemployment figures, economists say.

Other underlying trends that might have created difficulties even without a recession may lead to real trouble because of high joblessness. Key among these is the enormous bulge of young workers trying to begin and develop careers in a difficult economic environment.

Between 1970 and 1980, according to Labor Department figures, the number of people aged 25 to 34 in the work force will swell 51%, to 26.8 million from 17.7 million. These are the postwar babies, who will make up one-fourth of all U.S. workers by the end of this decade.

Arnold R. Weber, formerly assistant secretary of labor for manpower and now provost of Carnegie-Mellon University in Pittsburgh, says these workers face "ferocious competition on the career ladder" because of their sheer numbers. In typically colorful imagery, Mr. Weber says this bulge of ambitious, well-trained young people will move through the labor force "like a pig through a boa constrictor." The task of "digesting" this bulge, he believes, will be made more difficult by the demands of blacks, women and other minorities for good white-collar jobs. The typical would-be junior executive—the college-educated white male—will find not only 10 others just like himself competing for a promotion but also a couple of blacks, a couple of women and perhaps a Chicano or an Indian, Mr. Weber says.

He speculates that the consequences of this competition could include a "backlash" against programs to hire and promote more minorities and women, and a "pressure to push older workers out" of jobs by mandatory early retirement.

A related problem is posed by the millions of college graduates who will enter the labor market during the next few years. The recession and the prospects for slow recovery worsen their job chances.

"The late 1970 could very well bring a glut of college graduates with advanced degrees," reports Morgan Guaranty Trust Co.'s monthly survey. "What seems to be building up," adds the New York City bank's publication, "is a broad surfeit of trained individuals similar to the situation currently faced by elementary-school teachers and by engineers a few years back. Job dissatisfaction resulting from workers having to take jobs which they regard as below their potential and level of training thus looms as a possibility."

The anxiety and disillusionment already are setting in, says Mr. Weber of Carnegie-Mellon. Today's college students "are far more anxious" about their future than students of earlier years. "It is a switch from the psychology of abundance and opportunity to the psychology of scarcity," he concludes. "There is a gearing-down of expectation, a feeling that the student just might not get what he wants."

Mr. MONDALE. Mr. President, on the matter of taxes, I believe that the Senator from Maine is correct historically about tax reform, but I do not think he is right about this time. After 25 years of talking about repealing the oil depletion allowance, we repealed most of it. There is a different House and a different Senate, partly because the Senator from Maine went around the country and helped elect it. There is a Congress that now believes in tax reform. One of the most hopeful expectations of the whole budget process is that we will throw tax expenditures in alongside other expenditures in the overall calculation of our priority process.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. MUSKIE. I agree with the Senator that the climate has improved. I think we may have lost some of the muscle by including the oil depletion allowance in the tax cut bill, which has already passed, because that was a powerful force with respect to climbing oil profits and the energy crisis. I share the Senator's belief that perhaps the time is ripe, and I certainly hope so. He knows that I will join him in those efforts.

Mr. MONDALE. I agree completely. We have discussed often—it is a matter of record—our hope that at long last Congress will follow through on this. I offered the DISC proposal.

For example, Senator Humphrey has introduced a bill that would raise $5.7 billion through tax reform. Senator Biden has a bill that would raise $3.5 billion. Senator Bentsen has a bill that would raise $3.1 billion. Senator Haskell has a bill that would raise $20 billion. There are many proposals for quick change, and most of them are issues we have debated time and time again. With a different mood in Congress and, incidentally, with the change in our rules on making filibusters more difficult, I think the time has come to tell those of us in the Finance Committee and the Ways and Means Committee, "Let's get moving."

It is better to repeal the Western Hemispheric corporate preference rate and change such things as the disgraceful treatment of minimum tax and use that money to hire the unemployed than go to a meeting of unemployed people who are unable to care for their families and say, "We're sorry; we didn't have time to pick up that revenue, even though those preferences are justified."

For all of these reasons, I think the Senator from Maine was right when he voted with me in the committee.

Mr. EAGLETON. Mr. President.

Mr. HUMPHREY. Mr. President.

The PRESIDING OFFICER (Mr. Helms). The Senator from Minnesota is recognized.

Mr. MUSKIE. I am happy to yield 5 minutes.

Mr. HUMPHREY. I shall withhold, Mr. President, if I may have the right to reclaim the floor after the Senator from Missouri has finished.

Mr. EAGLETON. I thank my colleague from Minnesota. I appreciate it. I shall be brief.

I wish to ask a series of short questions of the Senator from Maine with respect to the pending amendment. As a prelude to those questions, I make this brief statement.

I think the Senator from Maine would agree that there is still great uncertainty over the future direction of our economy. Some of the signs are favorable. Consumer prices, which were rising at a 17-percent rate just 6 months ago, are now down to about 4 percent. The prime interest rate has dropped from its high of 12 percent to about 7½. And some revival of consumer confidence has been reflected in the stock market, which has gone up 30 percent since December.

But, on the other hand, some signs are pointing to a deeper slump. The leading indicators are still falling, and the expected resurgence in automobiles and housing has not materialized, and unemployment continues to climb.

As I understand it, the Budget Committee made the best estimates it could, and devised a set of targets appropriate to those estimates. But things could turn out to be either better or worse than the committee estimated; such is the nature of our economic situation.

Thus my first question:

Does the Committee on the Budget intend to monitor the progress of the economy, with a view toward reporting a new set of recommendations to the Senate should events invalidate the committee proposals before us now?

Mr. MUSKIE. Yes, the committee does, indeed.

May I make the point that we are not limited to a second concurrent resolution in September to change our estimates of the economy. We could report out a new concurrent resolution next week or next month, or at any time that a monitoring of the economy indicates the need to do so.

I have written today to Dr. Rivlin, the director of the new Congressional Budget Office, to solicit her assistance in monitoring the economy and in developing programs that will be more precisely geared to the economy and the need for stimulation, but that might die out later. I think that the monitoring function is a very, very important part of our responsibility.

Mr. EAGLETON. I think the Senator is eminently correct, because between now and September, should conditions change, the Committee on the Budget could then come forward with a new set of budget recommendations.

My next question is, would it also be possible to accommodate some of the additional antirecession programs within the committee's current ceilings—cutting or postponing some of the base-level permanent programs—should a reordering of the priorities prove to be wise?

Mr. MUSKIE. That is clearly an option. As I pointed out earlier, the distinguished sponsor of the pending amendment, Senator Mondale, voted for a $90 billion ceiling on defense. The committee as a whole adopted a $91.2 billion ceiling. There is $1.2 billion that I am sure Senator Mondale would divert to a countercyclical recovery program. These kinds of priority judgments will be made by Senators from now on.

It is my hope that they will make balancing decisions. That is, if they want to spend more for recovery programs, they will accept the discipline of cutting somewhere else. Within that framework, there is ample opportunity, I say to the Senator.

Mr. EAGLETON. Moreover, it would seem to me that the various legislative committees should continue to propose the programs suggested in connection with the amendment before us. We then would have the option of incorporating them into the second concurrent resolution in the fall should they be necessary. So defeat of this amendment would not mean that we are prevented from passing the programs suggested, only that we must reconcile what we do over the summer come next fall. Is that not correct?

Mr. MUSKIE. The Senator has expressed the philosophy of the act right on all fours. May I say that one of the primary candidates for a program that might be applied quickly in a countercyclical way is countercyclical fiscal assistance to State and local governments. That is a project that is well underway. Senator Humphrey has joined with me and Senator Brock in sponsoring it. It has been referred to committee. We have held some hearings in the Intergovernmental Relations Subcommittee already, and so it is beginning to build some steam. That program is something that can be put into action quickly. The Committee on the Budget has endorsed it in principle. That fits the philosophy the Senator has expressed.

Mr. EAGLETON. In other words, a vote against the Mondale amendment is not necessarily a vote against the programs which the Senator from Minnesota associates with his amendment.

Mr. MUSKIE. The Senator is absolutely correct.

Mr. EAGLETON. I thank my colleague from Maine. I thank my colleague from Minnesota.

Mr. MONDALE. If the Senator will yield for a minute, that is true, because all we are doing in the contemplation of the law here is putting on an overall spending ceiling. But if the Senator will look at what we propose by way of countercyclical revenue sharing in the $4.5 billion figure, he will find that we specifically voted to knock out all money for countercyclical spending for aid to State and local governments. We voted in a way to exclude all money for health insurance for the unemployed. We voted to knock out all additional money for public service employment and public works.

Mr. MUSKIE. Will the Senator yield?

Mr. MONDALE. In just a moment.

When we come out on the floor and ask for more than is recommended in the countercyclical items set forth on page 39 under the separate category of temporary recovery programs, I have no doubt that we are going to be greeted by howls and catcalls as great spenders. It is true that we might be able to get it anyway, but we are going to have the additional burden of arguing that we are breaking faith with the ceilings contained in here.

Also, the only way we can do it is to take money from regular ongoing programs. Where are we going to get it? If we are going to take it out of the Defense budget, I would like to help, but we know we are not going to get it.

Would we like to take it away from food stamps or education or health, or put a cap on social security? We went through all of that. It is not easy to move any money out of those regular programs that are already in place.

So I think for all of those reasons, while the Senator from Maine is theoretically correct, in fact, the answer is no; there is not a dime in here. The Senator from Maine fought for money for countercyclical measures in this budget. I

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fought along with him. I think he is right. And we were defeated. But do not think we did not think about it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUSKIE. I am happy to yield on my own time.

Mr. MONDALE. I yield on my time.

Mr. MUSKIE. No. 1, I do not notice the two Senators from Minnesota being very inhibited by the howls of anguish to which the Senator has referred. We have come here with a target outlays proposal and a deficit proposal. They are seeking to change it, which is their right. I do not know that they are inhibited particularly from doing so.

So this argument that, well, if the Budget Committee puts it in that blue book, somehow, that deprives them of their options is a little unrealistic.

Second, with respect to countercyclical revenue sharing, I asked that we not charge that $4 billion for that program against the $4.5 billion of recovery programs. There was no vote that it should not come from somewhere else. That is a decision that is left to Congress. We did not, as a committee, say it should come from nowhere else. I simply volunteered to take it away from the $4.5 billion, because that number was so small that it did not seem to serve any useful purpose to try to cover that, too. But that option is still available.

As I say, it is certainly available if we need additional countercyclical assistance.

One final point, because I do not want the RECORD to be misleading: We did not, to the best of my recollection, vote on health insurance for the unemployed. The only reference to that was included in a letter from Senator MAGNUSON to the committee, in which he urged a $31 billion outlay figure for that function. In his letter, he included health insurance for the unemployed in his list of new initiatives which he wanted to be considered. I do not believe the committee voted on it.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. Mr. President, may I accommodate the Senator from Oklahoma?

Mr. BELLMON. I shall ask for the time later.

Mr. HUMPHREY. I thank the Senator.

Mr. President, I suppose the Senate has been going through an exercise here that can really be said to be of some historic importance. It is, without a doubt, the first time that there has been such an indepth, prolonged, and, I think, solidly constructive debate over the overall fiscal policy of the Government, and it surely represents, in my mind, an approach that we should take.

The only regrettable thing about it is that we do not know what the monetary policy of the Government will be. And let me say very quickly and very definitely that all of the best-laid plans of the best of men will go down the drain unless there is an accommodating monetary policy to this budget policy. So let us just start out by knowing that what we are talking about here is two-thirds of the equation. We are talking about outlays on the one hand and revenues on the other. We are not talking about, nor has there been any full discussion of, nor does there seem to be any way that we can do much about, as of yet, the credit, the interest, and the money supply policy.

If there is one lesson that this Senator has learned this year, after intensive work as chairman of the Joint Economic Committee, it is that no matter how well we plan and design in Congress or in the executive branch to combat inflation and recession, to provide jobs, to add stimulus to the economy, all of it will be for naught, all of it will go down the drain, unless there is a coordinated policy or a complementary policy on the part of the Federal Reserve System.

Let this not be forgotten. We are here arguing only about a part of the total economic policies of this country. We are arguing about the differences between the two Houses of Congress on the one hand, and on the other hand, the difference between the President's proposal and the Senate proposal, and we have no way of knowing at all what the Federal Reserve System is going to do in terms of credit, money supply, or interest rates.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. Until we know that, there will be very little assurance as to the results of what we seek to do.

This is yet to be properly understood by Members of Congress, the public, and regrettably, may I say, some of those whom we look to educate the public, the members of the media.

The Federal Reserve System sits out there like a holy sanctuary, to be untouched, while we work down here in the pits of reality.

I want to repeat what I have said before: It is imperative that the Federal Reserve System join the team—the team of the executive and the legislative, the team of budget policy and tax policy, or there is not going to be any recovery. Or, if there is a temporary recovery, it can be scuttled overnight, as it has been on three different occasions, by the action of the Federal Reserve Board. I shall come back to repeat this message next year, unless that Board cooperates, and I shall be right.

Mr. President, I have heard it said here today that some of us did not have any prediction as to what is going to come. That is partly true and partly not. When the Joint Economic Committee issued its report in December predicting 7.5 percent unemployment, and some of us felt it would be much higher—the report, by the way, was unanimous, by all the House Members and the Senate Members, Democrats and Republicans—that report was accused, condemned, and repressed as being doomsaying, extravagant, exaggerated, and a host of other descriptive adjectives.

I have heard it said that we did not propose a tax reduction. I proposed a $10 billion tax reduction bill in Congress in June of 1974. We proposed a tax reduction bill in Congress in September of $20 billion.

Why? I served as a member of the Planning Committee for the President's Economic Summit Conference, and in the moments that I had for summation in that conference, I said that we needed a tax reduction bill then to combat recession. I took a position contrary to many of the administration officials at that time that the problem facing America was simply inflation, which I expected to subside, as it has, but mounting unemployment and growing recession.

My distinguished colleague from Minnesota, in December of 1974, in his discussion with Roy Ash, the then Director of the Office of Management and Budget, said that unemployment would most likely reach 8 percent or more. He claims no gifts of prophecy, but he does have good sense.

Mr. President, the big issue before us is whether or not the budget that we have here, insofar as Congress can do anything about the economy, will have sufficient stimulative effect to be able to get the country out of the recession slump and moving up on to the high road of growth, employment, and expanded productivity. That is what it is all about.

We have had before the Budget Committee, as the distinguished Senator from Maine has indicated, many witnesses. Many of those same witnesses have been before other committees of Congress, including the Committee on Banking, Housing and Urban Affairs and the Joint Economic Committee. And most of those who come before us, Mr. President, warn us that unless we do enough we are going to have a slump that will continue, and one that will continue to drag down this economy at unbelievable cost.

Let me raise my voice here in warning that if we do not do enough, there will be people who will say, "You see, deficit spending does not work."

They remind me of the person who has to take an antibiotic, and the doctor says, "Take two, four times a day, for 10 days."

The patient says, "Oh, those antibiotics are expensive, and these druggists are having an economic ripoff. I am not going to take two, four times a day. The doctor and the druggist are in cahoots,"—as we call it back home—"so what I will do is take two in the morning, skip the one at noon, take two later in the evening, and one at night."

In other words, instead of taking two four times a day, which is eight, he takes six, and he says, "I saved, because each pill cost a dollar; therefore, I saved $2 a day," only to find out that he continues to have his infection, on and on and on.

Mr. President, regrettably that happens in medicine, and regrettably that is what can happen in the economy. It is better that we do enough, even on the safe side of doing too much, than that we do too little. I think it is important at this stage that we remember what the distinguished late President Franklin D. Roosevelt said was the duty of Government. He said that the duty of Government is not to see that those who already have too much shall have more, but

rather that those who have too little shall have enough.

He also said that we should try, and if it does not succeed, we should try again. That is what we are attempting to do here, in a most difficult situation.

We have a unique situation. For the first time in the history of this country, we have both inflation and recession at the same time.

It is as if the person had appendicitis and the appendix has burst, the patient may very well suffer peritonitis or gangrene but, at the same time, the patient has high blood pressure and fever, and the doctors are arguing, "Should we bring down the fever first, get the blood pressure down," and that is what one doctor says, and the other one says, "No, what we have got to do is operate now." The other doctor says, "If you do so, the patient will die."

We cannot afford to have this economic patient die. We cannot afford to have this Republic in more trouble. We have to do both things at once—help combat inflation by cutting unnecessary expenditures, while applying our fiscal resources to reverse a major recession and high unemployment.

The Budget Committee has done an excellent job of attacking this problem, and I am not here to condemn them at all, but to praise them.

Its report provides an honest, up-to-date, realistic assessment of the fiscal situation.

In most respects, the recommendations of the Budget Committee make reasonably good provision for our public needs while, I must say, at the same time eliminating some spending proposals which are either wasteful or of lower priority, and that is what this committee is designed to do.

There is, however, one important respect in which I think the budget resolution can and ought to be improved. We need more temporary fiscal stimulus in fiscal 1976. We need it because the economy is still very weak. We will not get the strong recovery which we must have unless we adopt a fiscal policy which does more to strengthen the economy.

Let me assure my colleagues who are worried about the budget deficit that our chances of getting rid of this large deficit are much better if we adopt an adequately stimulated budget. The deficit we face stems primarily from high unemployment and a lag in production. When we get rid of unemployment, when we stimulate production, when we get personal incomes and corporate profit back up to where they ought to be, we will have the tax receipts which will balance the budget.

Mr. President, the noted Nobel Prize winner, the distinguished Dr. Paul A. Samuelson, in Newsweek of May 5, 1975, has a question and answer series in which certain questions were posed to him and to which he responded. The question was:

> Well, is our deficit too large? You are telling me how I can go about answering this question. I want you, with your expert judgment, to answer it for me.

Dr. Samuelson:

> All things considered, I think the calendar year 1975 needs a deficit larger than we have ever had in peacetime. A deficit of 6 percent of GNP would be about $84 billion—frightening to the layman but still 6 percent.
>
> The price level in 1980 will be a bit higher with such a deficit than otherwise. But singlemindedly seeking to minimize that price level would logically lead to your favoring continuation of the recession, and even a wish to let it slide into a depression.
>
> A prudent target for annual real GNP growth in the recovery would be at least 6 percent for some time. The rewards justify the risks. A reasoned look at the feasible patterns of experience will show that there is no satisfactory course of action that is without real risks.

I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS

(By Paul A. Samuelson)

Here are my best answers to the questions economists are most often being asked these days.

Q. Is inflation cured?

A. Evidence suggests that now, and by the year's end, the annual inflation rate will have abated from 1974's two-digit rate to around the 4-to-7 per cent annual rate. If luck holds out on world harvests, Mideast peacefulness, and normal productivity trends, next year at this time the inflation rate can hold in this range.

There is no cogent evidence that we are on our way back to steady price levels. And no guarantee that inflation will never reaccelerate.

Q. How stands the recession?

A. The first-quarter GNP numbers are so bad that the experts are more confident than ever that the bottom is near at hand. At even odds, you should bet with the consensus forecasters: Drs. Eckstein of Harvard and DRI; Evans of Chase Econometrics; Klein of the Wharton model. A swing in six months from $18 billion inventory accumulation to that much decumulation gives hope that inventories are nearing a satisfactory level. This attained, total spending and production should tend upward.

Slower inflation also helps. Final insurance is provided by the tax cuts that are soon on their way.

It is no sure thing that recovery will come before midyear, or be at a satisfactory pace. Housing and autos may not rebound smartly in response to credit ease and fiscal stimulus. Also, historically unemployment rates lag, continuing to rise until real GNP grows at the 4 per cent trend rate. Even if we were now at the recession's trough, unemployment would probably peak out at more than 9 per cent.

Q. Economists no longer disagree?

A. A silly question. Now that we have our tax-cut bill, we naturally divide over whether it's *too much* of a good thing.

Q. Is the deficit too big? Will it induce an unhealthy, over-rapid expansion? Crowd out investment?

A. One question at a time. And please realize that value judgments as well as objective economic science must be involved in policy decisions. Rep. Shirley Chisholm, who has a minority constituency in New York City, will properly give different optimal responses than a Florida congressman representing a constituency of retired people on fixed pensions. Their respective tolerances for inflation and unemployment risks will differ. And even where they happen to agree on probabilities, they'd disagree on the proper compromise to be selected in the trade-off between more jobs soon and less future inflation.

Here are some key conclusions.

1. The deficit is not "unmanageable"; far from it. The bonds will sell.

2. Each dollar of deficit will not eat up one dollar out of a fixed pool available for private investment. So whatever a "crowding-out effect" means, it does not mean that each extra $10 billion of deficit displaces $10 billion of equipment, construction, and inventory capital formation that would otherwise take place.

3. A deficit is "too large" when it leads to too rapid a rate of production and employment recovery. When it leads to intensification of "demand-pull" price and wage inflation. When the financing of it leads to such a bidding up of interest rates that an inordinate number of capital-formation activities can no longer afford to acquire the credit they require. And the deficit is too large if it forces the Federal Reserve to create more money than is good for the economy in its recovery period.

Q. Well, is our deficit too large? You are telling me how I can go about answering this question. I want you, with your expert judgment, to answer it for me.

A. All things considered, I think the calendar year 1975 needs a deficit larger than we have ever had in peacetime. A deficit of 6 per cent of GNP would be about $84 billion—frightening to the layman but still 6 per cent.

The price level in 1980 will be a bit higher with such a deficit than otherwise. But singlemindedly seeking to minimize that price level would logically lead to your favoring continuation of the recession, and even a wish to let it slide into a depression.

A prudent target for annual real GNP growth in the recovery would be at least 6 per cent for some time. The rewards justify the risks. A reasoned look at the feasible patterns of experience will show that there is no satisfactory course of action that is without real risks.

Mr. HUMPHREY. Mr. President, this afternoon I thought I would just discuss some of the current economic situation and the outlook as I see it for this year and next. I am also going to present some information which we have just received on behalf of the Joint Economic Committee in its efforts to investigate the financial aspects of the budget deficit.

When the Joint Economic Committee reported to the Budget Committee early in March, we warned that the output would fall at least as rapidly in the first quarter of this year as it did the fourth quarter of last. Unfortunately, we were correct.

We further warned that output would likely continue to decline in the second quarter, and again we were correct.

We warned that the unemployment rate was likely to rise somewhere between 9 and 10 percent in the second half of 1975, and remain about 9 percent in the early months of 1976. Unfortunately, this still appears to be the outlook. In fact, administration spokesmen have now said that they, too, expect unemployment to rise above 9 percent.

The same thing is indicated in the typical private forecasts.

Moreover, recent indicators, such as housing starts, building permits, automobile sales, surveys of consumer buying plans indicate that the economy is still weak, and a strong recovery is by no means assured.

The tax cut, which Congress has now enacted, will help. In fact, it is at least in part because we have enacted this tax

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cut that we can expect output to rise rather than fall in the latter half of this year.

If major components of the tax cut are extended, as is anticipated, we can also expect that the output will be rising rather than falling in 1976.

But the question is, will it be rising fast enough?

Remember that output has to grow about 4 percent per year just to keep pace with the labor force increase and productivity growth—that is, just to keep the unemployment from rising further. Obviously, it is not enough just to keep unemployment from rising. We have to get it down.

The Joint Economic Committee recommended last March that we must follow policies designated to make real output grow, not at 4 percent, but at least 8 and 9 percent from late 1975 to the end of 1976 and, Mr. President, I have yet to find anybody who has testified before us who does not say that is essential.

When are we going to start to listen to the facts?

If we want to get unemployment down to 7 percent by the end of next year or early 1977, this is the kind of output growth that is required, and 7 percent unemployment is still a national disgrace.

After careful analysis, I have reluctantly concluded that the fiscal policy recommended currently by the Senate Budget Committee would not give us the output growth which is needed this year and next. The Budget Committee does not think so either because in its report it states that the policy recommended would bring unemployment down to 7.5 percent by the end of next year, and we think this is just not good enough.

Therefore, if we adopt the Mondale-Humphrey amendment, our chances of achieving a real vigorous growth of output during next year will be greatly improved. We can realistically hope to get unemployment down to 7 percent by the end of next year. I wish, of course, that it could even be better than that. By conservative estimates the Mondale-Humphrey amendment would increase employment by more than half a million jobs by the end of next year, and that is a lot of jobs, and we need every one of them.

I hope and pray, Mr. President, that the people can look to this Congress to give them back their jobs, and to do it now. We represent the people. We are the only hope of effective governmental action. Therefore, how can we afford to be timid when they are experiencing great personal tragedy?

Now, there is nothing fiscally irresponsible about the Mondale-Humphrey amendment. Our intent is that all the additional funds provided would be spent for emergency job-creating programs. The outlays would not become available unless unemployment remained above 8½ percent over the next 3 months.

Mr. President, how can we justify sitting back here and letting unemployment remain over 8½ percent? That is gross fiscal irresponsibility. That is draining the life blood out of this country.

The outlays would automatically cease under the Mondale-Humphrey amendment as unemployment diminishes. There is nothing in this amendment that would prevent our balancing the budget—indeed, running a surplus once full employment is regained. Indeed it does not commit us to a long-term drain on the Treasury. It only functions when unemployment is at a disastrous level, and it helps put money in the Treasury.

Our program could be funded, and it would provide, for example, antirecession grants to State and local governments. State and local governments cannot run budget deficits. They must cut back on their services or raise their taxes, and either of these is a disastrous policy in a recession.

This is not a theoretical problem, as we all know; it is not a potential future problem. These things are happening right now in the cities. Cleveland has been forced to lay off 1,100 workers; Detroit, 1,500; Wilmington, Del. has had to reduce its fire department by 11 percent; other city departments have personnel cuts up to 40 percent. One-third of 67 small- and medium-sized cities surveyed by the National League of Cities, have had to cut their payrolls; over half have postponed essential capital expenditures; two-thirds found their revenues falling short of anticipated levels; almost half are expecting to enact some form of tax increases in 1975.

This is why Senator Muskie, I, and others are sponsoring legislation which, if passed, would provide emergency aid to State and local governments. The aid would be tied to the unemployment rate.

This program has been strongly supported by the economic experts who have testified before the Joint Economic Committee. The Joint Economic Committee recommended this type of program in the 1970–71 recession, and had we had this program in place at the beginning of the present recession, it would have provided an additional automatic stabilizer which would have kept the recession from becoming so deep.

If this amendment meets the test of need—and it does—and if this amendment meets the test of fiscal responsibility, which it does, why should there be opposition to it?

Well, let us face it, I think some of the opposition springs from fear, fear of the reaction that we will get from our constituents if we support a larger budget deficit.

The only way to overcome fear is by understanding and education. First we need to educate ourselves; second, we must educate the public.

Let me lay out some facts about the budget deficit. The Mondale-Humphrey amendment would add an estimated $3.5 billion to the budget deficit. We propose $2.5 billion of tax reforms.

It has been said that is difficult. I do not think the reforms we propose, such as elimination of DISC, such as a minimum tax, which is required, and one or two others, would be that difficult.

In addition, it is estimated $3 billion would be raised through additional tax receipts, which will come from a higher level of economic activity.

Thus, the $9 billion in proposed additional outlays would add only $3.5 billion to the budget deficit.

Now, Mr. President, the President's deficit, in realistic terms, is about $66 billion, the Senate proposed deficit is $67.2 billion, and our deficit figure would be $70.7 billion.

Mr. President, there have been no economists that have appeared before the Joint Economic Committee, nor has there been any businessman that appeared before the committee, that thought that was an unmanageable deficit.

The only people before that committee who were horrified by that deficit were administration officials.

Might I say, the deficit grows regardless of what Congress does simply because of rising unemployment which, in turn, saps the economic strength of this country and diminishes revenues.

With the Mondale-Humphrey amendment included, the budget deficit in the Senate resolution would be $70.7 billion. This is about $3 billion less than what the House Budget Committee has already recommended.

This entire budget deficit comes from high unemployment.

Mr. President, I ask unanimous consent to have printed in the Record a table prepared by the Joint Economic Committee showing a full employment budget, assuming House Budget Committee recommendations.

There being no objection, the table was ordered to be printed in the Record, as follows:

FULL EMPLOYMENT BUDGET

(Assumes House Budget Committee recommendations)

[Billions of dollars, seasonally adjusted annual rate]

	1974:3	1974:4	1975:1	1975:2	1975:3	1975:4	1976:1	1976:2
Receipts	314.8	328.3	340.4	310.1	348.4	357.1	368.1	377.5
Expenditures	300.6	313.1	324.9	330.7	335.9	349.1	365.3	374.6
Surplus (+) or Deficit (−)	14.2	15.2	15.5	−20.6	12.5	8.0	2.8	2.9
Surplus (+) or deficit (−) by half years		14.7		−2.6		10.3		2.9

ECONOMIC IMPACT OF HOUSE BUDGET COMMITTEE RECOMMENDATIONS (FULL EMPLOYMENT BUDGET ADJUSTED TO INCLUDE RECENTLY ENACTED AND PROPOSED EMPLOYMENT-RELATED EXPENDITURES)[1]

	Fiscal year 1975		Fiscal year 1976	
	1st half	2d half	1st half	2d half
Surplus/deficit	14.7	−11.4	0	−2.3
Stimulus/restraint (change in budget surplus)		−26.1	+11.4	−2.3

[1] These programs are excluded from the full employment budget because they would phase out at full employment. However, they are included in this calculation of economic impact because they are discretionary expenditures adopted or proposed for dealing with unemployment.

Source: Joint Economic Committee

Mr. MUSKIE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. MUSKIE. I am a little puzzled, the Senator minimizes the difference between the committee's deficit, said it is only $2 or $3 billion, but then states that this difference that is going to create millions of jobs, according to the Senator's argument this afternoon.

The implication——

Mr. HUMPHREY. No.

Mr. MUSKIE. The impact on unemployment is going to be enormous, but the difference in deficit——

Mr. HUMPHREY. No, Senator, I said about half a million jobs, to be specific.

Mr. MUSKIE. Under the Mondale or under ours?

Mr. HUMPHREY. No, under the Mondale-Humphrey amendment. Under the Budget Committee's proposal, unemployment at the end of 1976 is going to be over 7 percent.

Mr. MUSKIE. Is going to be 7 percent higher?

Mr. HUMPHREY. We predict it would be above 7 percent.

Mr. MUSKIE. And those predictions are as good as the predictions of last fall which said unemployment would peak at a lower rate than has subsequently developed.

Mr. HUMPHREY. May I say most respectfully to my colleague, in my own judgment I think it would stand a pretty good test. As I said earlier this year, we could expect high rates of unemployment long before Mr. Meany ever said 10 percent on "Face the Nation." The Senator from Minnesota said it in the Joint Economic Committee.

I understand the variables here. All I say is when we put the figures into what we call the models, like Chase Econometrics or Horton, we come back with figures. At best, these are estimates. There is room for mistakes.

The only point is, there is a slight difference between what the Senator's Budget Committee recommends and what we recommend. Part of the reason that our estimated budget deficit increase is limited to $3.5 billion is that we believe consequent developments will generate more revenue.

Mr. MUSKIE. But that is the point I addressed earlier to which the Senator has not responded, this business of generating additional revenue out of tax reform.

Mr. HUMPHREY. I am talking about just increased economic activity which generates revenue.

Mr. MUSKIE. If the outlays are in the right direction.

Mr. HUMPHREY. Correct.

Mr. MUSKIE. I mean, if, for instance, a significant portion of the outlays are in health insurance for the unemployed, that will not generate those kind of revenues, and the Mondale amendment does not spell out the differences. It recommends health insurance for the unemployed, public service employment, countercyclical revenue sharing, and so on.

The additional revenues that would generate, not applied to health insurance for the unemployed would be $1.5 billion, according to the best advice available to us.

Mr. HUMPHREY. We have problems with our economic advisers.

Mr. MUSKIE. Which is my point.

Mr. HUMPHREY. I do not deny, Senator, there is an uncertainty here.

Mr. MUSKIE. But what gets me is this, I listened all afternoon——

Mr. HUMPHREY. I only say——

The PRESIDING OFFICER. All time of the Senator from Minnesota has expired.

Mr. HUMPHREY. It cannot possibly be.

Will the Senator yield?

Mr. MUSKIE. My time has expired.

Mr. HUMPHREY. The Senator will yield me some time.

Mr. MUSKIE. Mine has expired, I do not have any.

Mr. HUMPHREY. I will take some more from my colleague, another 10 minutes. I am a joint sponsor of the amendment.

Mr. MUSKIE. Can I share some of that time?

Mr. HUMPHREY. Not much.

[Laughter.]

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. I would hold my distinguished friend to the line.

Mr. MUSKIE. Then the Senator should finish what he has to say, and then I will come in.

Mr. HUMPHREY. All right.

We had added outlays in the amendment of $9 billion. We feel there will be savings from higher revenues and reduced unemployment compensation of approximately $3 billion.

The questionable figure in this, and the only one, is the further estimate of additional revenues of $2.5 billion through tax reform, and that, I understand, is something that is subject to real debate.

So the net deficit increase, if we could include tax reform, would be $3.5 billion.

So we would generate new revenues, giving us a total budget deficit of $70.7 billion. But that is due to one thing, primarily, the fact that this economy today is producing at 68 percent capacity, the fact that today there are over 8 million people unemployed, 3½ million partly employed, and a million who have dropped out of the labor market.

In fact, the work week is the lowest it has been since the great depression, slightly over 35 hours.

It all adds up to the fact that America is not at work, and when America is not at work the revenues do not come in.

I ask unanimous consent to have printed in the Record at this point, Mr. President, a number of letters that we have received from emminent people in the American economic community—bankers, businessmen, industrialists, economists, people who work in the field of debt management. These people have responded to us and given us answers to questions as to what would happen if we had a budget deficit, let us say, of $75 billion. Would we be able to handle it? Would the Federal Government be able to finance that deficit and to do so without crowding out of the money market the demands for private capital; to do so without raising the interest rates; to do so without precipitating further inflation?

There being no objection, the letters were ordered to be printed in the Record, as follows:

American Enterprise Institute,
for Public Policy Research,
Washington, D.C., April 22, 1975.

Hon. Hubert H. Humphrey,
Chairman, The Joint Economic Committee of Congress, Russell Senate Office Building, Washington, D.C.

Dear Senator Humphrey: Thank you for your letter of April 16. It was always a pleasure to appear before the Joint Economic Committee at the time when I served on the Council of Economic Advisers, and I am glad to get an opportunity to express my views on various problems with which my present work continues to be connected.

(1) In my appraisal a deficit of $45 to $50 billion in fiscal '75 and one of $70 to $75 billion in fiscal '76 would be unlikely to cause any serious difficulties *in the calendar year '75*, if it could be taken for granted that the fear of difficulties for calendar '76 will not be foreshadowed in calendar '75 through anticipatory actions in the market. Thus we should focus on calendar '76 and what comes afterwards. It all depends on what is in the offing for that period.

(2) Assuming a tendency toward a healthy recovery in the latter part of calendar '75 and in '76, the conclusion suggests itself that this tendency would be weakened or conceivably suppressed by a fiscal policy that proves incompatible with a significant reduction of the deficit in calendar '76. In other words, the process of *reducing* the deficit—a process which will have *started* by the first half of

calendar '76 if your figures prove realistic—must be allowed to *continue* thereafter. This in turn implies not only that in the near future fiscal outlays should be kept consistent with deficits no larger than assumed above but *also* that the deficit-reducing effect of the revenue-increase during the recovery should not become largely offset by an increase in outlays during fiscal '77. To me this seems to be the essence of the matter, as concerns the deficits.

(3) By my way of thinking I would not find it possible to answer the question on Federal Reserve policy precisely in the form in which it is posed in your letter, namely, whether the policy is adequately accommodating in view of the prospective deficits. I think the Fed should not try to accommodate deficits but should in the coming period aim for feasible economic expansion at greatly reduced inflation rates. Given such a monetary policy, it is the deficits that should "accommodate" the requirements of economic health, by which I mean that given such a Federal Reserve policy the deficits should be of a size that causes no trouble. If the deficits were to become larger than that, and the Fed should try to accommodate them, then with a brief lag, we would be in even greater difficulties than those which we are now trying to overcome. However, should we prove able to follow the fiscal-policy course discussed in my paragraph (2), above, there is reason to believe that the dangers of the deficit will not grow large; in these circumstances a monetary policy making room for about 10 to 11 percent increase of the money GNP in the first year of the expansion could well lead to a 6 percent or *slightly* higher rate of "real" expansion along with a sharp reduction of the inflation rate. The recent results of monetary policy *do* seem to me consistent with this conception.

(4) I feel quite unconvinced by the argument that the Treasury, when borrowing, should restrict itself to the short end of the market. Such a policy would, of course, ease present credit conditions for private borrowers wishing to float longer term securities but, on the other hand, the policy would lead to very frequent reappearance of the government as a borrower at the short end, and this during the recovery phase when it will be even more important to watch the crowding-out problem.

I remain, Senator Humphrey,

Very sincerely yours,

William J. Fellner,

American Enterprise Institute, Yale University Emeritus.

The Brookings Institution,
Washington, D.C., April 22, 1975.

Hon. Hubert H. Humphrey,
The U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: Your letter of April 16, 1975 asks for my views on a series of questions dealing with the appropriate monetary and debt management policy over the next year.

1. *Question. Can the financial markets handle federal deficit of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?*

Answer: Federal deficits of these magnitudes need in no way interfere with the availability of funds at reasonable interest rates for private borrowing, *if* the Federal Reserve pursues a monetary policy consistent with rapid economic recovery.

For the purpose of this analysis, let us start with the assumption that the recently enacted tax cut, the 1976 federal expenditures contemplated in the pending House and Senate concurrent resolutions, and natural economic forces will combine to produce a significant economic recovery, beginning sometime after mid-year. A healthy recovery in real GNP—on the order of 7 to 9 percent in the first year—would inevitably be accompanied by a substantial rise in the demand for cash, as business firms and households expand their cash requirements. If the Federal Reserve accommodates that expanded demand for cash, by a sizeable increase in the money supply, there will be no "crowding out" or displacement of private borrowing by federal borrowing.

On the other hand, if the Board of Governors of the Federal Reserve refuses to accommodate a 7 to 9 percent growth in real GNP, and seeks to hold growth to a lower rate by permitting only a modest increase in the money supply, there will be an insufficient supply of loanable funds to accommodate both federal and private borrowers. Interest rates will rise; some private borrowing will be "crowded out"; residential, state and local and private investments will be curtailed. The GNP will grow at a slower rate, and recovery will be less than the 7 to 9 percent suggested earlier.

If one does not believe that a rapid recovery rate in the next year is inflationary, then he cannot believe that providing the monetary policy necessary to make it come true is inflationary. The debate about "crowding out" therefore, conceals a hidden agenda. The debate really revolves about the appropriate rate of economic recovery in the next year. The Congress has, through its fiscal policy, clearly opted for a rapid economic recovery. If a very cautious monetary policy is used to frustrate that goal, its consequences will indeed show up as a rise in interest rates and some crowding out of private borrowing.

Ironically, an attempt to hold the rate of economic growth substantially below the targets implied in Congressional fiscal policy may lead, in the long run, to an increase in inflationary pressures. Holding down the rate of growth in the money supply, and letting interest rates rise, will *not* significantly reduce government spending or private consumption. Its principal effect will be to restrain private investment. As a consequence, the growth of industrial capacity and of the housing stock will be slowed. In turn, two or three years from now, bottlenecks in supply and large rent increases could begin to appear, well before the economy recovers to prosperity levels. Even if it had earlier wished the Congress to adopt less ambitious recovery targets, once the Congress has chosen the Federal Reserve should, on economic grounds alone, accept the Congressional decision. An attempt by the Federal Reserve to enforce its own preferred growth targets through very cautious monetary policy would curtail those very supply-creating investments which help alleviate long run inflationary pressures. Indeed, now is precisely the time to encourage—through low interest rates—the maximum sustainable rate of private investment. There are ample unused resources, so large increases in the production of investment goods will not add to immediate inflationary pressures. And once in place, the additional capacity will help moderate potential inflation in the future.

2. *Question: Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?*

Answer: The Federal Reserve should pursue a policy which prevents the particularly large federal borrowings that will occur during the next several quarters from driving up interest rates. Indeed, the interest rate increases of the past several weeks should be reversed!

Over the *next year* the Federal Reserve should aim at providing an increase in the money supply sufficient to match, or slightly more than match, the increase in the demand for money that would accompany a rapid economic recovery. In the *next several quarters,* however, the demand for cash balances may well increase by an abnormally large amount. Because of the tax rebate, paid out in a lump sum, federal borrowings will be particularly heavy. Recipients of the rebates will gradually spend a large fraction of them, but for awhile a significant part of the rebates will be added to household cash balances. As a consequence, the need for cash in the economy will temporarily rise even above the growth path associated with rapid economic recovery. Unless the Federal Reserve recognizes this fact, and supplies an unusually large increment to the money supply during this period, short-term interest rates will be pushed up. In turn, at least for a time, funds may be diverted from savings institutions and long term rates may be adversely affected.

In other words, even a sizable rate of growth in the money supply, appropriate over the next year to accommodate rapid economic recovery, may not be enough in the next several quarters to reverse the recent rise in short-term interest rates. A special allowance should be made by the Federal Reserve during this period to take account of the abnormally large increase in the nation's cash requirements occasioned by the tax rebate.

3. *Question: Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long- and short-term rates is so large?*

Answer: During the near term future the Treasury should restrict itself to the short-term market. Corporations are now attempting to lengthen the maturity structure of their debt, and are heavily into the bond market for this purpose. It is vastly more important for the future soundness of the nation's financial structure that corporations lengthen their debt structure than that the Treasury lengthen its. Hence the Treasury should not do anything to "crowd out" corporations from the longer term market during the near term future. Moreover, some of the corporate bond issues are for purposes not of refinancing but of making new investments in plant and equipment. Treasury competition in the long term market may crowd out some of these issues as well, and thus hinder recovery. For both of these reasons—to allow a healthy restructuring of corporate debt and to avoid reducing new investment—the Treasury over the near term future should refrain from meeting its borrowing requirements through coupon issues.

I hope these brief comments on the points raised in your letter will be helpful.

Cordially,

Charles L. Schultze,
Senior Fellow.

Boston, Mass.,
April 23, 1975.

Senator Hubert H. Humphrey,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

Dear Senator Humphrey: I am pleased to respond to your letter of April 16 requesting comments on the federal deficit and credit markets. The John Hancock Insurance Company has no formal position on this matter. My personal opinion is that, at this stage of the business cycle, the projected deficit can be financed without undue strain on financial markets and interest rates, given a continued easy policy stance by the Federal Reserve Board. This accommodation of the large volume of federal financing is possible only because of the recession, which has sharply reduced the credit demands of the private sector. (See the accompanying flow of funds projections for calendar 1975.) When the

economy begins to recover and business and consumer demands for credit increase, continued large federal deficits augur a renewed round of high interest rates and severe inflation in calendar 1976 and beyond.

Given these projected 1975 credit and assuming that the Federal Reserve Board continues its policies of the recent past, short-term interest rates should remain fairly stable for several months, then rise late in the year with the pickup in the economy and short-term private credit demands. Bond rates should moderate gradually during the year as inflation rates decline further and the volume of new corporate bond offerings diminishes somewhat. Interest rates in 1975 should not reach levels high enough to prevent the economic recovery.

The prospects for calendar 1976 credit markets are less encouraging. Private credit demands will rebound strongly with the economic recovery, significantly limiting the size of the deficit which could be financed without straining credit markets. With a large deficit, both long- and short-term interest rates are likely to rise significantly unless monetary policy is unduly expansive, which in turn would lead to rapid growth of the real economy, renewed capacity pressures and another bout of high inflation rates within a few years.

The liquidity of consumers, corporations and financial institutions has been severely eroded by inflation and recession. Either high interest rates or inflation rates would further strain the financial system. The optimal policy course would be to promote moderate growth of the economy in calendar 1976 to avoid the boom-bust cycles which have characterized the past several years. This could best be achieved by reducing the size of the federal deficit, thus allowing both fiscal and monetary policy to follow a balanced course of moderate stimulus.

The current financing requirements of the Treasury are so heavy that almost every maturity of U.S. government obligation will have to be issued at some point. The Treasury should—and no doubt will—note the major sources of funds to the market (households via savings institutions, the commercial banks, and the foreign sector) and tailor maturity structures to be most appealing to these sources.

Sincerely yours,

Judith Markland, *Economist.*

SOURCES AND USES OF CREDIT

[In billions of dollars]

	1972	1973	1974	1975[1]
Net uses:				
Mortgages	68.8	71.9	53.6	47
Corporate bonds	20.2	12.5	23.3	36
Corporate stock	12.9	8.0	6.1	6
Total private long-term	101.9	92.4	83.0	89
Consumer credit	19.2	22.9	9.6	5
Business credit	32.0	65.2	61.7	30
Other credit	16.1	7.6	5.8	5
Total private short-term	67.3	95.6	77.1	40
U.S. Government	17.4	9.8	13.0	85
Sponsored Federal agencies	6.2	19.6	20.9	7
State and local governments	14.4	13.7	17.0	15
Total government	38.0	43.1	50.9	107
Total net uses	207.2	231.2	211.0	236
Net sources:				
Nonbank finance	102.6	81.1	70.7	110
Commercial banks	75.4	83.3	58.2	70
Federal reserve	.3	9.2	6.2	12
Nonfinancial business	3.7	9.1	6.3	8
Government	13.3	23.7	33.8	12
Foreign	10.7	3.5	13.1	20
Households		21.3	22.7	4
Total net sources	207.2	231.2	211.0	236

[1] Projected.

Source: Federal Reserve, flow of funds.

International Business
Machines Corp.,
Armonk, N.Y., April 22, 1975.

Hon. Hubert H. Humphrey,
Chairman, Joint Economic Committee,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Humphrey: In your letter of April 16, 1975, you asked for my views on three questions concerning the financing of the large Federal deficits expected during the period ahead. My views on these questions are as follows:

1. In my judgment, the deficit expected during *calendar year* 1975 can be financed without causing substantial upward pressure on interest rates and without crowding out private borrowers. Furthermore, the increase in the money supply needed to permit financing of this deficit without these adverse effects is not exceptionally large, nor would it be inflationary in the current environment, because of the extremely depressed level of private credit demands due to the severe recession. Even with a strong rebound in economic activity during the second half of the year, the economy will still be operating substantially below capacity, and even sharply below the level of activity in 1973. As a result, private credit demands will remain well below the levels of recent years throughout 1975 and early 1976. The following examples illustrate how the weakness in the economy is reducing the need for credit from the private sector:

(a) Inventories are in the process of being reduced in most industries; since stocks relative to sales are extremely high, such decumulation is likely to continue throughout 1975. My estimate is that for the year as a whole, inventory decumulation will be about $10 billion, a swing of $24 billion from the $14 billion *accumulation* in 1974. This will sharply reduce business needs for credit to finance inventories, reversing the pattern of the last several years.

(b) The economic contraction has caused very sharp declines in operating rates for U.S. industry—the Federal Reserve estimates that, for all manufacturing, only 68% of capacity was being utilized in the first quarter. This has led to sharp declines in new orders for capital goods and in contracts for new business construction. These reductions in capital spending are also lessening corporate demands for external funds, even after taking into account current weakness in profits.

(c) Housing construction is still on a sharp downward trend. Even with some improvement later in the year, residential construction expenditures will total only $38 billion this year, down from $46 billion in 1974 and over $57 billion in 1973, producing comparable reductions in the demand for mortgage credit.

(d) The decline in consumer purchases of autos and other durables has dramatically changed the consumer credit picture—whereas consumer loans rose by nearly $23 billion in 1973 and $10 billion last year (net), net consumer borrowing has actually been negative in recent months. For 1975 as a whole, net demand for consumer credit will be about zero.

In addition to these factors on the demand side, I expect a substantial increase in consumer savings this year ($21 billion) because the lower inflation rate will take some pressure off consumer budgets and because not all of the tax rebates will be spent immediately—these funds will flow into credit markets and help finance the Federal deficit. Rising incomes during the recovery will also generate more personal savings.

At this time, I have not as yet analyzed in depth the impact that the Federal deficit will have on credit markets in 1976. I do expect a continuation of the economic recovery in 1976 (real GNP will rise by about 6% for the year), causing some increase in credit demands from the private sector. In addition, the Federal deficit will remain very large all during the year. Thus, greater pressure on interest rates in 1976, especially in the second half of the year, is clearly a likely possibility. However, rising interest rates are associated with all economic recoveries and need not choke off the recovery.

(2) The most appropriate Federal Reserve policy during the next several quarters is to supply sufficient reserves to the banking system to insure that an economic recovery does begin in the months ahead and continues into 1976, and that the recovery be fairly brisk. This may involve allowing the money supply to grow at a rate somewhat above the "long term desired rate" during the rest of this year; however, this is necessary to offset the rather small increases in the monetary aggregates during the last year. Even with the expected turnaround in economic activity later this year, unemployment will reach about 9½% by summer, and remain above 8% through the end of next year. Under these conditions, promoting the recovery and reducing unemployment must be the top priority. Furthermore, there is very little risk of reigniting inflation, at least until mid-1977, for the following reasons:

(a) The economy will continue to possess substantial excess capacity even with a rapid recovery. Even the basic materials industries, which were characterized by severe shortages a year ago, are now operating at only 70% of capacity on average—it will take a long and sharp recovery to "eat up" this excess capacity.

(b) Reflecting the recession and improved supply conditions, both farm prices and raw material prices have dropped sharply in recent months. These declines will be reflected in finished goods prices over the next year.

(c) A repeat of the international aspects of the recent inflation, caused by the two devaluations of the dollar and the quadrupling of oil prices, are extremely unlikely. These factors caused a substantial part of the 1973-74 inflation.

(d) High unemployment is already slowing wage increases; moderate wage behavior is likely to continue given the unemployment outlook.

(e) Productivity, which has fallen for the last two years, will rise sharply as the economy recovers. This will also help moderate unit labor costs and substantially reduce cost-push pressures on prices. In fact, inflation rates during the first two years of prior economic recovery periods have generally not exceeded, and in most cases were below, the rates experienced during the preceding recession—the growth in productivity has been primarily responsible for this pattern.

Thus, with continued high unemployment and little risk of re-escalating inflation, an expansionary monetary policy at least for the remainder of this year is the appropriate course. In recent months, policy has not been as expansionary as is necessary. However, in part this reflects the differentials in interest rates here versus abroad—this differential has led to outflows of funds from the U.S., offsetting some of the increases in reserves that the Federal Reserve has supplied. These interest rate differentials are narrowing, and since the commercial banks have also repaid virtually all of their debt to the Fed, there will be ample latitude to pursue more rapid growth in the monetary aggregates in the months ahead. The Federal Reserve should take all steps necessary to insure that this occurs.

(3) The main objective of the Treasury should be to finance this year's deficit (and refinance old debts that mature) in such a way as to promote as strong a recovery in economic activity as possible, with minimal disruptions to credit markets, regardless of the implications for the maturity structure of the debt. Thus, at the present time, when many corporations are borrowing long to repay short-term debt incurred last year, the Treasury should concentrate on short-term borrowing. If conditions reverse later in the year, as may occur, a switch to longer term debt may be appropriate by the Treasury. In addition, the Treasury should time its issuance of debt so as not to coincide with large corporate offerings that have been scheduled.

If you require any additional information, please do not hesitate to contact me.

Sincerely,

LARRY CHIMERINE,
Manager, U.S. Economic Forecasting.

THE BROOKINGS INSTITUTION,
Washington, D.C., April 22, 1975.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I am pleased to respond to your request for my views on the effect of the impending federal deficits on financial markets.

I have little doubt that the financial markets will be able to handle federal deficits of $45–50 billion in fiscal year 1975 and $70–80 billion in fiscal year 1976. The allegation that such deficits will seriously interfere with private credit demands and force interest rates to high levels disregards the fact that, during periods of recession, private investment needs decline. As a matter of fact, because of the built-in flexibility of the federal tax system, the rising deficit corresponds fairly well to the decline in private investment demand. There is no evidence in the historical record that recession-induced deficits have been difficult to finance in the past or have had significant effects on interest rates.

Obviously, the deficit can be financed only with an accommodating monetary policy, which requires cooperation from the Federal Reserve Board. In the last six months, the Federal Reserve has been concerned that interest rates will decline too sharply and thus has been hesitant to ease up sufficiently on monetary policy. So long as business activity continues to decline, the Federal Reserve should provide the banking system with enough reserves so that interest rates will continue to decline and should continue an easy money policy until recovery is assured.

During periods of business contraction, it is urgent that long-term interest rates be allowed to decline. Any financing in the long-term market by the Treasury is in conflict with this objective at the present time. The Treasury should not be seeking bargain rates for the debt, but should be concerned to maintain easy and attractive credit conditions in financial markets.

I believe that the deficits that are now anticipated will promote economic recovery, provided the Treasury Department and the Federal Reserve cooperate to prevent premature increases in interest rates and to avoid tightness in financial markets.

With best wishes,

Sincerely,

JOSEPH A. PECHMAN,
Director of Economic Studies.

Mr. HUMPHREY. Mr. President, I am happy to report to the Senate on an interim basis, and we will have a full report later on, that the economists, whether from the John Hancock Insurance Company, the U.S. Economic Forecasting, International Business Machines Corp., the Brookings Institution, or whether former members of the Council of Economic Advisers, all report, "I have little doubt that the financial markets will be able to handle Federal deficits of $45 billion to $50 billion in fiscal 1975, and $70 billion to $80 billion in fiscal 1976."

Dr. Paul Samuelson, Nobel prize winner, said it ought to be higher and it can be readily handled.

So what we are really talking about ultimately here is whether or not what we are doing is enough. I repeat, Mr. President, what I said in the beginning of my discussion in the limited time that we have.

My point is if we are going to try the method of using deficit financing as a stimulant for the economy, then we must try it in sufficient amount so that we get results. The only question we have to ask ourselves is: Can we handle that deficit in terms of Government financing? Can we do it in the money markets without pushing up the interest rates and without crowding out, as they put it, the needs of private capital?

I do not claim to have this knowledge myself. I am not an expert in this. But, Mr. President, we have tapped the sources of knowledge across the length and breadth of this country. We have gone to the Brookings Institution. We have gone to the International Business Machines Co. We have gone to the biggest companies that we have in the private capital market. We have gone to the best economists of every single persuasion. We have gone to a man like Dr. Modigliani, who is the president of the American Economics Association. We have gone to a gentleman like Dr. James Tobin, of Yale. We have gone to Mr. Brimmer, the former member of the Federal Reserve System. We have gone to people in the Treasury Department. Every one of them say that that deficit can be properly managed if the Government will schedule its debt financing under proper terms; that it can be done without crowding out private capital needs, and without raising the interest rates on either long-term or short-term money.

Mr. President, it is because of that that I think the Mondale-Humphrey amendment has merit. I do not propose it as any cure-all, not at all. All it does is to give this budget resolution a little more flexibility.

I will say in all candor to the distinguished Senator from Maine, who is to be commended and thanked for his monumental effort here, that as the Budget Committee reviews and monitors the economy, of course, he can come back with a new budget resolution. There are those of us who believe, however, that it would be stimulative to the economy right now to give it some reassurance. What this economy needs more than anything else at this time is some reassurance. What it is getting from the Secretary of the Treasury, regrettably, is a warning that the deficit is so large that there will be no money left for anybody else.

I want to say that there are no facts to support that. I believe it is time that the Secretary of the Treasury took a much more positive attitude.

Finally, Mr. President, while we are deeply concerned about deficits, I wish to quickly say that the budget deficit is one thing, and we ought to be concerned about it. But I am concerned about the employment deficit. Since last October, the number of people with jobs has dropped 2.5 million. What about them? What about their income? I am concerned about the income deficit. Let me use the word "horrified," because that is what Secretary Simon said about the President's budget deficit when it was estimated at only $52 billion. During the last 2 years real average weekly earnings have fallen 8 percent. I am concerned about the output deficit, the housing deficit, and I am concerned about the health care deficit.

Mr. President, I have additional remarks in my prepared documentation. I ask unanimous consent to have those printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL REMARKS BY SENATOR HUMPHREY

Estimates showing a $6½ billion surplus in the Full Employment budget in Fiscal 1976 are based on the assumption that the recommendations made by the House Budget Committee are enacted. The Senate resolution, which provides for lower outlays, would create a larger surplus in the full employment budget. Let me point out two things about these Full Employment budget estimates.

First, in the second half of the current fiscal year, the budget is stimulating the economy. However, in the first half of fiscal 1976, the budget will be moving in the restrictive direction. In the last half of the fiscal year, the budget would move again slowly in the stimulative direction. However, for fiscal year 1976 as a whole the budget recommended by the House Committee would be mildly restrictive. I repeat, the Senate Budget Committee recommendation is even more restrictive.

The other point is that if the economy were functioning at four percent unemployment rates we would have a deficit only in the last quarter of fiscal 1975. This deficit is due to the tax rebates included in the Tax

Reduction Act of 1975, which are all paid out in the last quarter of the current fiscal year. In fiscal 1976 the budget would be in surplus by about $6½ billion if the economy were operating at a four percent unemployment rate.

I remind you that these figures are related to the House Budget Committee proposal. If the House proposals for fiscal year 1976 are mildly restraining or neutral, then the Senate proposals which recommend a smaller level of deficit must be more restraining. The Mondale-Humphrey amendment would only move the Senate budget deficit to approximately the same size as that proposal by the House Budget Committee. Therefore, it falls well within the range of responsible fiscal activity. Indeed, it is needed to keep the recovery going in 1976.

A deficit which springs entirely from high unemployment will not cause "crowding out" in the credit markets. Private demand for credit falls in a recession. The government deficit which is created by the recession simply fills the resulting vacuum in the credit markets. The Joint Economic Committee has contacted a number of economist and financial experts. Of those from whom we have received replies to date, not one has disputed the proposition that the credit markets can accommodate a deficit which springs from high unemployment. They have stressed that as the economy recovers and private demands for credit pick up, the government deficit should diminish in order to avoid "crowding out" and high interest rates.

The only way to get rid of a deficit is to get back toward full employment. The faster we recover from the recession, the faster the deficit will go away. If we have a vigorous recovery the deficit will be steadily diminishing during the course of fiscal 1976. In fiscal 1977, the deficit will be much smaller. The large deficit during the next few quarters is inevitable. Let us at least have sense enough and courage enough to adopt a policy which will reduce the deficit rapidly in future years.

Because there is so much interest in this question of the deficit I want to read some excerpts from a letter I have received and from testimony at the Joint Economic Committee hearing last Thursday on this precise issue.

This is what Dr. William Fellner a distinguished economist who recently retired as a member of the President's Council of Economic Advisers has written to me:

"In my appraisal, a deficit of $45 to $50 billion in fiscal '75 and one of $70 to $75 billion in fiscal '76 would be unlikely to cause serious difficulties *in the calendar year 75,* if it could be taken for granted that the fear of difficulties for calendar '76 will not be foreshadowed in calendar '75 through anticipatory actions in the market. Thus, we should focus on calendar '76 and what comes afterward. . . . In other words, the process of *reducing* the deficit—a process which will have *started* by the first half of calendar '76 if your figures prove realistic—must be allowed *to continue* thereafter . . . the deficit-reducing effect of the revenue-increase during the recovery should not become largely offset by an increase in outlays during fiscal '77."

Mr. Fellner is making the same point which I tried to make earlier. Our concern must be to reduce the deficit as the recovery proceeds. We will do this if we have a vigorous recovery in which unemployment falls rapidly.

Of course, along with the right kind of fiscal policy, we must have an accommodative monetary policy. This too has been stressed by the experts the Joint Economic Committee has consulted. Let me present a few brief examples of what the experts say:

Dr. Charles Schultze, Brookings Institution—"Federal deficits of this magnitude ($45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976) need in no way interfere with the availability of funds at reasonable interest rates for private borrowing *if* the Federal Reserve pursues a monetary policy consistent with rapid economic recovery."

Judith Markland, Economist with John Hancock Insurance Company—"At this stage of the business cycle, the projected deficit can be financed without undue strain on financial markets and interest rates, given a continued easy policy stand by the Federal Reserve Board. This accommodation of the large volume of Federal financing is possible only because of the recession, which has sharply reduced the credit demand of the private sector."

Larry Chimerine, Manager US Economic Forecasting, International Business Machines Corporation—"In my judgment, the deficit expected during *calendar year* 1975 can be financed without causing substantial upward pressure on interest rates and without "crowding out" private borrowers. . . . Greater pressure on interest rates in 1976, especially in the second half of the year, is clearly a likely possibility. However, rising interest rates are associated with all economic recoveries and need not choke off the recovery. The most appropriate Federal Reserve policy during the next several quarters is to supply sufficient reserves to the banking system to insure that an economic recovery does begin in the months ahead and continues into 1976, and that the recovery be fairly brisk." Dr. Chimerine stressed the greater demand for private credit in the second half of 1976. Remember that the second half of 1976 falls in fiscal year 1977. We need economic recovery now so that the Federal deficit will be smaller in fiscal 1977.

Dr. Joseph Pechman, Brookings Institution—"I have little doubt that the financial markets will be able to handle Federal deficits of $45 to $50 billion in fiscal year 1975 and $70 to $80 billion in fiscal year 1976. Allegations that such deficits will seriously interfere with private credit demand and force interest rates to high levels disregards the fact that, during periods of recession, private investment needs decline. . . . Obviously, the deficit can be financed only with an accommodating monetary policy, which requires cooperation from the Federal Reserve Board."

Let me turn now to some of the testimony which we had before the Joint Economic Committee last Thursday. This is a little story which Dr. James Tobin of Yale University told the Committee:

"All this business about "crowding out" has reminded me that in the 1930's, in the Great Depression, there was a famous hearing before Parliament, before the McMillian Committee, at which the Treasury of the British Government testified that nothing could be done in the way of fiscal policy, government spending or tax reduction to alleviate the problem of unemployment in Britain at that time because everyone knew as a principle of economics that such measures would "crowd out" private expenditures and private investment."

We all know now that failure to adopt more stimulative policies at the beginning of the Great Depression of the 1930's was a tragic mistake. I hope we can apply that lesson to today's situation. We are not in a depression, and we are not going to be, but we are in a very serious recession. To fail to adopt all the policies we need to get out of it quickly would be a tragic mistake.

This is what Dr. Tobin says about "crowding out:" "I will state one general principle which is clear; there is never any significant financial problem of 'crowding out' unless there is a significant resource problem of 'crowding out.'"

By that Dr. Tobin means just what I have been trying to explain; we do not need to worry about crowing out so long as the deficit is stemming from high unemployment. As long as there are unemployed individuals seeking work and idle machines ready to be put back to work we do not need to worry about excessive demands for credit.

Finally, let me quote Dr. Andrew Brimmer, who served as a member of the Board of Governors of the Federal Reserve from 1966 until last August. Dr. Brimmer says: "The inordinate amount of concern that has been generated over the uncertain impact of prospective Federal Government borrowing on the capital markets in 1975 and 1976 is unwarranted. . . . This concern about "crowding out" other borrowers should be given far less weight than it is apparently getting. It overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly during 1975."

Fiscal policy is not our only responsibility. We must also have the right kind of accompanying monetary policy. Congress must insist on this. The question we are discussing this afternoon, however, is fiscal policy. This is a precedent-setting debate. This is the first time the Senate has systematically debated fiscal policy in this way. Let us be sure we set the right precedents. Let us be sure we get our priorities striaght. Let us be sure we are "horrified" about the right deficits.

Certainly we should be concerned about the budget deficit. But, there are some other deficits that "horrify" me.

The employment deficit. Since last October the number of people with jobs has fallen by 2½ million. We have 8 million people "officially" unemployed—10.5 million or 11.7 percent really unemployed. In order to cut the unemployment rate even to 7 percent by the end of next year, we must add four million new jobs. This job deficit "horrifies" me.

The incomes deficit. During the last two years real average weekly earnings have fallen 8 percent. The purchasing power of the average worker's paycheck is way back to 1964 level. At the same time the work week has shrunk to an average 35.9 hours—the lowest level since the Depression.

The profits deficit. The final figures on corporate profits in the first quarter are not yet available. However, the figures that are available indicate that profits in the first quarter are not yet available. However, the figures that are available indicate that profits in the first quarter were about 12 percent below the same period last year.

The output deficit. In the first quarter of this year the economy was operating 14 percent below its potential. This is the largest output deficit of the entire postwar period. If the Administration's growth forecast is right, we will lose $1.5 trillion in goods and services in the next 5 years because we could not operate our economy at even a 4% rate of unemployment.

The housing deficit. We have a national goal in this country of building 2.6 million new housing units a year, enough to supply housing to newly formed families and to replace units that become unlivable each year. In March, the annual rate of housing starts was less than 1 million units, not even 40 percent of our national needs.

And, we must take full account of the Health Care deficit, the Educational opportunity deficit, and the quality of life deficit.

These are the deficits that plague the people of this country, and these are the deficits that should "horrify" all of us.

We face a large federal deficit in this country this year and next, not because we tried too hard to provide our citizens with a better life, not because we put too many of our citizens to work, and not because we over-reached in terms of what our economy could produce.

No, Mr. President, we face large deficits

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today because we have failed to follow a course of action that would keep our nation at work. When you are unemployed, you don't pay taxes. When production is down, the tax revenues go down, too. When job losses go up, so do unemployment payments and food stamps. And, that is why we will have large deficits for the next two years.

Unemployment and recession produce deficits, and the only way to balance the budget is to put America back to work—its people and its productive capacity. This must be the central goal of all our nation's economic policies today.

I know very well the dangers of too large a deficit and of double-digit inflation.

But it is unfair, unjust and unthinkable that 10.5 million Americans should be asked to bear the brunt of the burden of fighting inflation for our society by losing their jobs.

The depths of the current recession and the seriousness of the present economic crisis, require bold and creative initiatives by Congress. Sure there are risks involved, but there are from any course of action that we choose. And, I believe it is far better to err on the side of trying to do a little too much for our people than to be convinced by the faint of heart to do too little.

The American people can once again have faith and confidence in a Congress that is bold in its willingness to come to their aid in this time of trouble. They can only have disdain for a government that is frozen into frigid inaction by the fear it might do too much.

Mr. President, if we have the wisdom and the courage to adopt the fiscal and monetary policies which will eliminate the deficits in employment, incomes, profits, and production, the Federal budget deficit will also disappear. If we are too timid to vote for the policies which are needed to initiate and sustain a vigorous economic recovery, the cost of our timidity will be borne by the individuals and families whom we are elected to represent.

I hope we will set the right kind of precedent for future budget debates by voting to adopt a budget policy which provides for the economic and human needs of the citizens of this country.

Mr. President, I urge all of my colleagues to join me in voting to meet the needs of our people—in voting for the Mondale-Humphrey Amendment.

Mr. MONDALE. Mr. President, how much time have I remaining?

Mr. PRESIDING OFICER. The Senator has 40 minutes remaining.

Mr. MONDALE. I yield 10 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I am a cosponsor of this amendment, and I rise to speak in its favor.

Mr. President, I shall, of course, not go over the same ground which my colleagues have so admirably and ably covered. But it seems to me that the key question about this amendment, taking into consideration all of the arguments which have been made about coming back with a new budget resolution and so forth, is found in a table at page 9 of the committee's own report which is headed "Table 3, Deterioration of the Economic Outlook." It compares the forecasts which have been made for August 1974, for the fourth quarter of 1974, with what actually occurred.

The declines which are demonstrated there are so precipitous as to dictate the prudence of this amendment. It seems to me that this is the single most solid argument that can be made in its favor.

We must note, for example, that instead of the rate of 2.6 percent improvement in the gross national product, we had a 9 percent decline.

In place of a change of industrial production affirmatively of 2 percent, we had a 12.3 percent decline.

The unemployment rate, instead of being at 5.7 was almost a full percentage point higher, which is an important matter of approximately 1 million additional unemployed, being estimated at 5.7 and actually being at 6.6.

In short, Mr. President, this amendment—because it does not pledge any money, it does not spend any money, it does not authorize money—but simply gives you a ceiling which is higher than the one which you have within which to operate, is an insurance amendment in a situation where heavy casualties have already been taken because of the lack of providing in advance for what has been a far more precipitous decline than anybody anticipated. Notwithstanding a rising stock market, which we have, and the general optimism that, "Well, things will be better about the middle of the year," et cetera, the Chairman of the President's Council of Economic Advisers predicts in effect that, "you have not seen the worst yet." And the same economists who were so mistaken about the last quarter of 1974 have still, in the last month, had to write their forecasts of 1975 unemployment upward, and 1975 production downward.

The reason I emphasize that, Mr. President, is because so large an amount of the additional ceiling which would be authorized goes into unemployment and everything related to unemployment. Even the Committee went up to $19,800,000,000 in respect of unemployment compensation. Incidentally, these figures have been constantly revised upward. constantly upwards. Even the administration has had to move up its own figures for food stamps because of the precipitate drop in employment.

Now I turn to the other significant figure to which I wish to call the Senate's attention. The committee, at page 22 of its report, is estimating an unemployment rate of 7.5 percent at the end of calendar 1976.

Mind that expression—at the end of calendar 1976. Nonetheless, the general estimates which have been made by everybody, including the administration, take us through 1975, at 8.1 percent. Again, that little detail means almost 7 million unemployed workers. When we couple that with law which is not yet on the books, but which I have every confidence will be on the books, which will look after 400,000 workers a month, or a total of 2 million, from June 30 to December 31, 1975, who will run out of their unemployment benefits—and that is, unhappily for us, a pretty certain figure—we really get a very, very depressing and very deplorable situation.

Many of the figures I have mentioned justify the degree of insurance which is represented by the effort to increase this ceiling for those particular programs—to wit, transitional public service employment, accelerated public works, housing assistance, and health insurance for the unemployed. I and others here have been very active in that regard.

In addition, this program is protected if there should be a sudden upswing—just insofar we have such sudden and drastic and dramatic downswings—by the triggers which are in this amendment, so no profligacy is involved.

Mr. President, as I indicated, even the 7.5-percent national unemployment figure, upon which the committee based its estimates, means 7 million unemployed Americans. Even if these various contingencies which I describe do not happen, would not we, as Americans, rather cut that 7 million unemployed to 6 million unemployed, rather than leave the 7 million unemployed, with the resultant drag on the economy and the continued tremendous gap in the utilization of production between what it is today, roughly 70 percent and closer to 90 or 92 or 93 percent, which it ought to be in order to give us a viable economic situation? I certainly would answer that question very determinedly in the affirmative.

Finally, Mr. President, the Budget Committee urges us, in effect to wait until September; and the Budget Committee says that it will review the state of the economy before the September concurrent resolution, to judge whether the budget remains sufficiently stimulative at that time. This, in my judgment, is inimical to the purpose of the budget resolution process, which is to provide, at an early date, an overall framework in which authorizing and appropriating committees can take desirable action in their particular areas.

The Budget Committee says, in effect, "We would not decide now; we will wait to see the facts." Indeed, those are the exact words of Senator Muskie. However, for example, in my own committee, where I am the ranking member, before September, the Committee on Labor and Public Welfare will have to decide whether or not to extend the authorization of appropriations for the public service jobs program into fiscal 1976. The Committee on Government Operations, of which I am a senior member should decide what action, if any, it intends to take in terms of assistance to the States and localities which are in a terrible fiscal crunch.

The mayor of the city of New York deeply feels that about the most important thing we have to do here is with respect to emergency fiscal aid to State and local governments, many of which are really on the brink, and a disaster such as that really would be a disaster of the first magnitude.

Similarly, the Committee on Public Works and the Committee on Banking, Housing and Urban Affairs will wish to make decisions regarding accelerated public works and housing, respectively.

Mr. President, it seems infinitely better to me now to establish the budget framework, being alert to the economic writing on the wall as I have described it, rather than to make it contingent upon future investigations and ideas. Indeed, we turned down the drastic cut in the overall budget figure presented by my colleague from New York, Senator Buckley, precisely upon that point.

Just by way of buttressing it, on page 19 of the committee report, the Budget Committee stated:

> Another reason the committee hesitated to expand temporary recovery programs further at this time is the considerable skepticism that programs that are designed to be temporary will in fact prove to be temporary. A temporary public employment program can become so popular that efforts to make it permanent will attract overwhelming support.

Mr. President, they do attract overwhelming support, but for that very reason we have built into this amendment the triggering mechanism, on and off, in order to certify that we mean what we say when we call this a temporary program.

Mr. President, in the minute or two I have remaining, I shall speak of the crowding-out argument and of the argument that we cannot support larger deficits. I would like to support very strongly, as I am the ranking Senate member of the Joint Economic Committee, what Senator Humphrey has said on that score, and I think it stood up very well after the debate of yesterday.

The administration has recommended a limit of $60 billion for the deficit. $60 billion is a big number—but it should not frighten us. On a full employment basis, the $60 billion deficit for fiscal year 1976 translates into approximately $10 billion surplus; in other words, the administration's proposed pattern of spending would bring the budget into surplus as the economy neared full employment.

But the same can be said of the Senate Budget Committee's proposed resolution which implies a deficit of $69.6 billion. The Budget Committee report states that all full employment, expenditures would still fall $2.7 billion below receipts; in other words, the Federal Government would not run the danger of permanent deficits under this proposal.

Our amendment does not change that picture at all. Because the $3.5 billion net cost of our amendment automatically phases out as the economy approaches full employment, the full employment budget surplus is unchanged from the Budget Committee resolution.

Another argument by the opponents of larger deficits is that increased demands on the credit by the Treasury will crowd out deserving private borrowers. This "crowding out" theory has many supporters and is strengthened by instances where long-term corporate borrowings have had to compete with substantial Treasury issues. But again we must separate fact from unfounded fears. Let me put it simply: coming from New York, I have very close contact with leaders in the financial community; and not one has expressed doubt about our ability to finance deficits of the magnitude implied by our amendment. The most conservative figures I have heard indicate that a $75 billion deficit would bring us close to the limit of what the markets could absorb, and our amendment would keep the deficit below that figure. The vast majority of persons I have spoken to directly, however, have complete confidence in our ability to take on substantially larger deficits than that.

The technical reason for this confidence lies in the dynamics of the credit markets, and in the conclusions to be drawn from projecting levels of private borrowing against the probable sources of funds. Every such flow of funds study I have read comes to the same conclusion: that the sharp reduction in private demand for funds will open the way for vastly increased Treasury borrowing. This reduction is the result of the recession and also of the fact that firms will require far less money to finance their reduced inventories. I might add that the studies on flows of funds in the credit markets include testimony before the Joint Economic Committee by a recent Governor of the Federal Reserve, and a recent speech by the Treasury's own flow of funds specialist, Dr. Sally Ronk.

Recent, publicized news stories about credit market difficulties do not change my conclusions one bit. The conditions in those markets are perfectly consistent with an orderly financing of large deficits, providing that the Treasury debt management contains an equitable division of long- and short-term borrowing. Money market managers generally agree that recent credit market difficulties are the result of an overloading of long term markets at a time when shorter term borrowing could have been accomplished more easily.

Finally, I want to answer the argument that budget deficits of this magnitude run the risk of reigniting the fires of inflation. The inflation argument usually looks to the fact that money supply growth rates which would be required to finance the deficit would add too much fire to inflationary forces.

I think it is going to be very hard to reignite inflationary forces which are already sodden with cold water. A close look at our price statistics indicates that virtually every sector of the economy is experiencing considerable price weakness, and when we consider the discounts are not included in the official price statistics, we must conclude that inflationary pressures are even damper than the figures show.

The money supply growth rate associated with the Budget Committee resolution is approximately 10 percent, and because of the magnitude of the overall budget, the net $3.5 billion in spending in our amendment does not change this figure. When you consider that the money supply has been growing at less than 4 percent for the past year—February to February—a 10-percent growth rate simply pulls the average up to a reasonable longer term path. I would be more concerned if the Federal Reserve failed to follow this path and instead hewed to a lower money supply growth rate, consistent with such lower levels of government spending. With inflation rates of 7 to 8 percent projected this year, a conservative Federal Reserve policy would leave us with virtually no real money supply growth at all, and would ensure that the country remained stuck in the recession for years to come.

Mr. President, if there is enough economic stimulation so that private demand materially increases and then public demand will naturally recede.

But to fail to do what is needed in order to produce that stimulation of private demand because of an illusion that that private demand is already stimulated in 1975 would only cripple us in our efforts and be a great mistake.

In short, we are phasing into a better situation. But, in the meantime, people have to eat, and the unemployed have to be maintained, and some public service jobs have to be provided, and cities and States cannot be permitted to go broke.

Mr. President, those who oppose this amendment basically wish to draw a line in terms of deficit. The sponsors of this amendment, while adding only a modest increase to the deficit, and one which the country can clearly withstand, seek to draw the line on unemployment, in the interest of reaching at least a great part of those who are victim to the current recession.

For all those reasons, Mr. President, I strongly support the amendment offered by Senator Mondale.

Mr. BELLMON. Mr. President, I yield 3 minutes to the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator for yielding this time. As the Senator from Minnesota noted earlier, it is too bad that on a matter such as this we have limited time. Three minutes certainly is limited time.

I want to mention my opposition to this bill and to make a couple of responses to the arguments for the amendment. One is that the proponents of the amendment suggest that there is a triggering device tied to unemployment indexes that will prompt the Federal spending in these areas. This is a matter to which the Senator from New Mexico (Mr. Domenici) and I have made reference in the processes within the Budget Committee, because unemployment statistics are a lagging indicator. At the time you need the stimulus, it is prior to the time the unemployment rates have increased, and you stop the stimulus before the response in the marketplace has reduced unemployment. Otherwise, the stimulus will extend beyond the time when it has the optimum results within the economy.

So I think that the triggering point in the amendment is wrong in itself. It will guarantee that overlap and that crowding out which is a matter of so much concern to so many people.

I wish to make reference to the testimony of Secretary Simon when he was before our committee, because it bears on the question of how we go about the stimulation and the proposal that is a portion of this amendment, that we get into accelerated public works.

A study of the Brookings Institution, which is a matter of record—if anybody wants to refer to it, it appears on page 1028 of the committee hearings—refers to the lag in the time in which the spending under an accelerated public works project usually takes place. That analysis was of the 1962 act, which indicated that the major spending did not occur in 1962 or even in 1963, but that the major expenditures occurred in 1964 and 1965.

If a similar experience were followed in this case, anything we do in 1975 would not reach an expenditure stage for stimulating the economy until 1977 and 1978. I hope that all of us are optimistic enough to believe that that is too late to have a good effect upon the recovery which we want so badly to see.

I think, also, that because of that kind of time lag, it is difficult to cut back on Federal expenditures that are built into Federal spending programs. That is what we are doing here. That is what this amendment would do, increase Federal program expenditures which do not occur at this time, but will occur later on in the fiscal process, probably at a time when economic recovery is saying to us that public spending should be cut back.

The PRESIDING OFFICER (Mr. BAKER). The Senator's time has expired.

Who yields time?

Mr. BELLMON. I yield 3 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator from Oklahoma. I wish to make just two or three observations.

First, Mr. President, although I do not think we want to approve this amendment, and I shall state my reasons shortly, I wish to say that I do agree with the distinguished Senator from Minnesota when he spoke of better coordination between the Federal Reserve Board and the Congress of the United States on fiscal decisions. I think it becomes imperative, if we are going to have the kind of Budget Committee in Congress that is going to set long-term economic policy and the impact of expenditures on that, I think it is inevitable that, either through better cooperation or some change in the relationship, there be better timing between what we do and what the Federal Reserve Board does. Just as a general statement, I agree with that.

On the other hand, I hope that no one is misled with reference to the additional money being spent here. There are two things inherently dangerous about that. First of all, they would lead us to believe that it is not adding as much to the outlays as it really states, because they are assuming we are going to collect some taxes that we are really not going to collect. I think we ought to look at the actual taxes they are talking about and not consider that figure to be $2 or $3 billion less. I do not think that can be relied upon, and I do not think we ought to be preparing a budget based on that kind of assumption.

Second, while I commend the distinguished senior Senator from Minnesota for wanting to include in the plan stimulators that will turn off and on depending upon economic conditions, as a matter of fact, there is no way within the Budget Reform Act that we can qualify this expenditure in this particular resolution in the manner they have done it. They are saying that we are adding $9 billion; if these things happen, let us use it. That would be a matter for substantive legislation, as I understand it, not a matter for qualifying an add-on on to the potential outlets.

I further believe that it is extremely dangerous, when we have already added significant numbers of billions of dollars to the budget that are going to produce jobs and stimulate both the private sector and the public sector as it relates to jobs, to come along and try to qualify further the injection of an additional $9 billion.

I think if there were some kind of authorizing legislation that put this sort of reserve out there, sort of as a cupboard of resources to be used by a stabilizing board under very precise conditions, then I think it would have far more merit and be far more advantageous in these dangerous times than to add it to the budget ceiling. But, on the other breast, they say, we are not adding it onto the budget ceiling; we are saying it will only go into effect, and then the "if" is if there is a set of facts that are sure to be here.

So instead of saying it is only a qualifying addition, it appears to me it is as certainly a $9 billion addition as it would be if we put it in. There is nothing in the law that permits it and the triggering mechanisms that are referred to are the same kind of triggering mechanisms that are on the other poverty programs and job programs in place, and we will, indeed, be permitted to spend the entire $9 billion.

I thank the Senator from Oklahoma for the 3 minutes.

Mr. MONDALE. I yield 10 minutes to the Senator from Texas.

Mr. BENTSEN. I thank the distinguished Senator.

Mr. President, I wish to lend my support to the amendment by the Senator from Minnesota. The issue before the Senate is not just the cold question of expected revenues and projected outlays. The issue before the Senate is jobs. When we vote on this amendment, we will not be voting for or against deficits nearly so much as we will be voting for or against jobs.

The best way to balance the budget is to turn this economy around and get it moving again. The principal cause of the current budget deficit is a major loss of tax revenues because people are off payrolls.

Even with the fiscal program recommended by the Budget Committee, unemployment is expected to average about 8 percent in fiscal 1976. This means that we will be losing around $60 billion in tax receipts due to lower personal incomes and corporate profits. It also means extra expenditures of $15 billion on unemployment compensation and other programs. If the unemployment rate could be brought down to 4 percent for fiscal 1976, the budget deficit would disappear.

Unfortunately, our economy is now in such a state of decline it will not be possible to bring unemployment to 4 percent over this next year.

But just because we cannot reduce it to 4 percent, I see no reason to accept projections by the administration of joblessness continuing for years at totally unacceptable levels.

This is the same administration that delayed efforts to come to grips with our economic problems for 5 crucial months last year—refusing to recommend an economic stimulus and proposing, instead, a tax increase—denying we were in a recession—denying that unemployment would go as high as 7 percent.

Well, unemployment today has risen to 8.7 percent and it will probably go higher. It is adding $75 billion to our budget deficit and we cannot afford anything less than an all-out war against it.

Unemployment in New York City is higher than it has been in three decades. The increase in unemployment has cost more than 100,000 citizens in my State their jobs over the past year. In some areas of my State, unemployment is as high as 15 percent.

But, Mr. President, these are numbers and, sometimes, we become so involved in the percentages and statistics of unemployment that we lose sight of what it means in human terms—in terms of the pride of a father who goes out day after day looking for work and returning to his family with nothing—in terms of the family with sickness and no income to pay the hospital bills—in terms of the unemployed woman who is the head of a household but whose presence in the work force is too often used by this administration as an excuse for high unemployment rates—in terms of the high school and now college graduates who are out looking for their first jobs and being told they are not needed.

Mr. President, I believe we must give particular consideration to the problems of our youth. Even college graduates who have traditionally found it the easiest to obtain employment have bleak prospects today.

Without a responsible fiscal stimulus, millions of college graduates, many with advanced degrees, will enter the labor market during the next few years and be unable to locate a job or be forced to accept unchallenging work for which they are overqualified. We simply cannot neglect the economic needs of these young persons. With prospects for slow recovery from the recession, the late 1970's could bring a situation for all college graduates similar to the situation currently faced by elementary school teachers and by engineers a few years back. This bleak prospect can be avoided with sound economic management.

Without a responsible fiscal stimulus, women, blacks and young persons will continue to be particularly hard hit by recession. They will form a large pool of discouraged work-force dropouts who are not measured by unemployment rates.

Mr. President, we hear a great deal about expenditures for welfare and the unwillingness of some Americans to work. Well, today there are millions of Americans who want to work and are being told that this country has nothing useful for them to do. I do not believe there is anything sadder than a man or woman being told that society does not need what they have to contribute. Nor is there any more persuasive evidence of the failure of an economic policy.

Mr. President, Congress must act to reverse this failure.

I do not believe White House assurances that we are doing everything that can be done to end this recession any more than I believed the President's assurance last November that his WIN program was a "good, sound economic game plan."

The additional public service jobs, emergency fiscal aid for State and local government and quick-impact public works projects which could be funded under this amendment would put people back to work, restore their purchasing power, and provide a market for our Nation's production.

This additional authority could fund as many as 1 million jobs and it would bring the budget resolution in line with the Joint Economic Committee's recommendation on budget strategy. That strategy calls for reducing the unemployment rate to no higher than 7 percent by the end of 1976—which is still too high.

Mr. President, no one takes pleasure in voting for a deficit of any size, but when Congress adopted the Budget Reform Act, we accepted this burden of voting on the appropriate level of surplus or deficit. I offered an amendment to the original budget bill to require that we make this determination early in Congress, when it could be done on the basis of what was sound economic policy. This requirement was ultimately adopted. At the same time, none of us expected that administration policies would produce a recession which would require us to vote on a deficit of this size. It will not be a politically popular vote but that vote should still be based on economic conditions—not political considerations.

Economic conditions require a substantial deficit this year so that we can bring about the economic growth and higher employment levels necessary to balance the budget in future years. The deficit will be narrowing by $15 billion or more for each percentage point unemployment is reduced. If we want to see the deficit go down, then the 1976 budget must provide for the antirecession programs which will support the economy and initiate a vigorous recovery. Bringing unemployment down slowly is no way to bring about a long term budget balance. It just delays the day when it will be in balance.

And, Mr. President, we can provide this extra stimulus without rekindling inflation or crowding private borrowing out of the credit markets.

There is considerable slack in the economy now. Plant utilization fell to 68 percent in the first quarter of 1975 from 75 percent in the fourth quarter of 1974. This was the sixth straight quarterly decline. Additional economic stimulus will be reflected in higher output, increased jobs, greater productivity, not higher prices.

We have not even turned the corner on this recession. The Commerce Department's index of "leading indicators" declined 0.5 percent from February to March. This was the seventh decline in the last 8 months. An administration spokesman conceded that the decline of the index was "consistent with other evidence that the economy did continue to ease downward and probably will continue to ease downward until about mid-year.

The financial markets are not being overwhelmed by demand for credit. A survey of 13 bankers indicates that a $70 to $80 billion deficit can be adequately financed with little or no injury to private borrowers. Consumer and business credit demand is down sharply. Crowding out of private borrowing by Treasury borrowing would only be a possibility if the Federal Reserve adopts an overly restrictive monetary policy.

Mr. President, I am not unmindful of the damages of inflation. While we must have a national commitment to full employment, it must be a commitment to noninflationary full employment. I believe we can have noninflationary full employment if we use this period to undertake some of the reforms in government and the private sector necessary to make our economy more efficient. But the first step in fighting both inflation and unemployment is to make fuller use of our resources. The adoption of this amendment would allow fuller utilization of our resources. I urge its passage.

Mr. MONDALE. I thank the Senator from Texas for a most effective statement. I think particularly his insights on the reactions of the business community are valuable. After having had a long and successful career in business as well as public life, he knows how business leaders think, how they determine upon investments, and he knows the role the Government has in matters of fiscal and monetary policy in stimulating the economy, because investors who invest do so in the expectation of a market.

That is very central to this whole effort to develop an effective program to work our way out of this recession.

Mr. BENTSEN. I thank the distinguished Senator. I was concerned at first whether we could finance a $70 billion or $75 billion deficit, but a group of 13 bankers assured us we could manage it, because business borrowing is substantially down, and will continue to remain down while businessmen wait out the recession to see what is going to happen.

Mr. JAVITS. Mr. President, will the Senator yield? I would like to have the attention of the Senator from Texas.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. MONDALE. I yield the Senator from New York such time as he may require.

Mr. JAVITS. I thank the Senator. It occurred to me that if the Senator from Texas was speaking with his own business experience in mind, it is not too farfetched, in that the experience of any company that is losing money, in that year to charge off everything it can and really get itself ready to go. That happens time and again in business.

Is that not really what the Senator from Texas is arguing in business terms here?

Mr. BENTSEN. I think that is a good summation of some of the comments I have made in that regard.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. MONDALE. Mr. President, the Senator from Arkansas has asked for 10 minutes. I will be happy to yield him that time.

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that he has 7 minutes remaining. How much time does the Senator yield?

Mr. MONDALE. I yield all I have.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for the 7 minutes remaining to the Senator from Minnesota.

Mr. MONDALE. Perhaps the floor manager can yield some more.

Mr. McCLELLAN. Seven minutes? All right, Mr. President, I will take whatever time I can get.

I have been occupied in the Appropriations Committee, and have not had an opportunity to be on the floor, to hear and participate in the debate that has been in progress on this bill, but I do want to make a brief statement, at least, for the RECORD.

Yesterday I voted against the amendment of the distinguished Senator from New York, whose amendment would have reduced the ceiling recommended by the Budget Committee by some $34 billion. I regarded that as unreasonable, impractical, and unattainable; therefore, I opposed it.

I voted for the amendment of the distinguished Senator from Kansas (Mr. DOLE) because I thought that goal was attainable, and I felt that we should undertake to hold this ceiling down, because, Mr. President, the very concept of budget control by Congress was to reduce expenditures, not to increase them. That was the prime objective and the motivating reason, I think, for the enactment of the Budget Control Act.

I realize we have a difficult situation. And this is not a complaint I am making at this time, because this is actually a trial run of the Budget Committee, so to speak. We are undertaking, as I understand it, to get experience with this committee and how it will function.

But, Mr. President, I think if we are to attain the purpose of this law, to get the budget under control, we shall have to make a greater effort in establishing a lower ceiling and holding down expenditures than we are making today. So I shall vote against the amendment of the distinguished Senator from Minnesota. The ceiling the Budget Committee has recommended certainly should not be raised to a higher level.

Mr. President, as most of my colleagues are aware, I was not an overenthusiastic supporter of the new Budget Control Act, although voting for its passage, and while I voted for its passage I expressed my reservations about it. I still doubt whether many of the cumbersome mechanisms in the act will be able to achieve the results that were contemplated by the enactment of the law.

Nevertheless, the resolution and its accompanying report by the Senator from Maine does have some positive features which move in the right direction.

First, the attempt to analyze the budget in reference to the Nation's macroeconomic setting is very useful. For too long, the Congress, and I must include the Committees on Appropriations, has been passing on the budget one piece at a time. By looking at the budget in macroterms as a whole and then relating it to economic indicators of employment, inflation, and gross national product, it may be possible for the Congress to work closer toward a budget which best meets the existing economic situation in a given year. This, the first report of the Budget Committee provides some of the information necessary to move in that direction.

I was also pleased that the text of Senate Concurrent Resolution 32 did not attempt to break down spending by function this first year of its operation. This was a wise decision given the newness of the Budget Committee and the deadlines it is required to meet.

Finally, I would like to give my support to Budget Committee report language citing the difficult choices now pending before the Congress. Page 6 of the report states:

> The politically easy decisions which Congress must make this year are behind it. The tax cuts, which had virtually unanimous support from citizens, economists and policymakers, have been made. The difficult work remains—the job of sorting through programs, one by one, choosing those that are essential in this recession year and putting aside those that can wait, no matter how popular they may be.

As chairman of the Defense Subcommittee of the Committee on Appropriations, I am, of course, particularly interested in the Budget Committee's recommendation for the national defense function.

The fiscal year 1976 budget request which the Defense Subcommittee will consider for fiscal year 1976 is $97.8 billion in new budget authority. After careful consideration of all the factors involved in the required March 15 report to the Budget Committee, the subcommittee recommended a target ceiling of $92.8 billion in budget authority, a reduction of $5 billion below the budget request. It was the judgment of the subcommittee that this reduction was the absolute maximum that could be made in defense spending consistent with present national security requirements and the prevailing atmosphere of international tensions. Some subcommittee members were convinced that this reduction was too great. Those members may prove to be right. Anyway, no member thought it could be further reduced.

Nevertheless, in its report, the Budget Committee has further reduced national defense budget authority by $1.5 billion over the amount of the cut recommended by the subcommittee.

This further reduction in defense spending may well be hazardous and could prove to be adverse to our national security. The burden of reordered priorities and reduced spending should be borne more equitably by all sectors of the budget and not by national defense alone.

It should be noted that in recent years, the defense appropriations requests and expenditures have been the subject of criticism and attack. But, quite contrary to the charges made, the Defense budget is not consuming an ever-increasing proportion of Government spending to the detriment or neglect of human resources programs. The truth is defense spending has borne a disproportionate share of reductions made by Congress in total appropriations over the past 3 fiscal years.

The truth is, budget outlays for national defense functions have shrunk from 41.5 percent of the total Federal budget outlays in fiscal year 1966 to only 26.9 percent requested in the budget for fiscal year 1976. Since fiscal year 1966, the cost of the Federal Government has gone up $214.7 billion—from $134.7 billion to $349.4 billion estimated for fiscal year 1976 in the President's budget. Of that total increase, only $38.2 billion—or 17.8 percent of that $[illegible]14.7 billion increase is attributable to national defense spending. The remaining 82.2 percent, or $176.5 billion, is attributable to nonmilitary functions and services, such as human resources and general government.

During the last 3 years, the Congress has cut the administration's budgets by a total of $17.6 billion in regular appropriations bills. Through the continued reassessment of the nature and scope of our overseas commitments, $13.7 billion or 78.1 percent of this amount, from the Defense budget, while only $3.9 billion or 21.9 percent of the total was cut from regular appropriations bills for other Government agencies and departments.

Mr. President, there is only one other agency that took a cut during that time, and that was in the foreign spending appropriation bill. It took a cut of $5 billion, but increases for other agencies absorbed some of that.

Therefore, Mr. President, our reductions in the past 3 years of Federal spending, all of it, has come from the Defense Department and foreign spending.

Mr. President, we never are going to balance the budget unless we cut in some other areas as well as in Defense.

Another thing, Mr. President, with conditions as they are in the world today, we can make a tragic, a fatal mistake if we do not continue to maintain a military posture that will serve in some measure at least as a deterrent. Our prestige in the world today is already impaired, it is charged—and I agree that it is to some extent—by reason of the stupendous blunders and mistakes we have made in the recent past.

May I say, Mr. President, that if we do not keep America equal in military power to any other nation in the world, we may very well make a mistake that will be tragic and irreversible.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, I join our distinguished chairman, Senator MUSKIE, in opposition to the Mondale amendment. While I salute the Senator from Minnesota's intention and while I appreciate his genuine concern about the current high rate of unemployment, I feel that he is taking the wrong road in trying to bring about permanent improvement.

Every Member of the Senate also shares this concern, for I doubt that any thinking person desires for any able-bodied American to be out of work when he really wants a job.

I would like to remind the Senator from Minnesota how these millions of Americans became unemployed. Only 1 year ago our economy in this country was overheated. There were shortages of many different types of materials, prices soared, interest rates climbed, consumers began to turn their backs and refuse to buy new automobiles, new houses, new appliances, inventories built up, workers began to be laid off, plants closed and the result of it is we now have unemployment pushing at the 9-percent level.

This was the result of the inflation-recession cycle which has plagued our economy for many, many years.

So the problem the Budget Committee dealt with was how to bring about an economic recovery without rekindling runaway inflation, only 1[illegible] months ago, that is basically responsible for the recession causing unemployment today.

Now, it may be true that by adding the extra billions of spending that Senator MONDALE recommends we could restimulate the economy more rapidly. If we doubled the Senator's recommendations, perhaps more jobs could be provided and the economy improved more quickly. But the action of the Budget Committee which was taken after many months of consideration is a result of weeks of deliberations and represents the level considered to bring about an early end to the recession without reestablishing the boom-bust cycle that is causing our present difficulties.

I could cite, as Senator MONDALE has done, many different economists who agree with my position, but I am going to refrain from quoting any of these out of respect to the economists.

I have become convinced over the last several months that an economist can be found to support virtually any preconceived position that a politician may wish to take.

I am also convinced many politicians use economists the same way drunks use lampposts, more for support than illumination. We take our position and then we go find an economist that agrees with us and I am not sure any of these experts have any real hard facts to back up the position they take.

I would like to cite for the benefit of the Senate an editorial published on the 25th of April in the Wall Street Journal. I will put the entire editorial in the RECORD, but I would like to read just two paragraphs:

> There must be a political consensus to not repeat the mistakes of 1972, when overstimulation during recovery—masked at that time by price controls—led to double-digit inflation and severe economic dislocation.

That is the danger now that we bring today, overstimulation, and get right back in the inflationary spiral we were in a year ago.

Also the recommendation is:

> And it will steer the nation towards a slower, more sustainable rate of real economic growth and away from the boom-bust cycles that have become so disruptive of orderly planning by government and industry.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[Editorial From the Wall Street Journal, Apr. 25, 1975]

THINKING ABOUT RECOVERY

Since inflation has been central to the nation's economic problems, the slowed rise in the Consumer Price Index in March is excellent news. But only a cockeyed optimist would argue that conditions have yet been established for a return to steady economic growth at relatively stable prices.

Reaching that vital objective will become more difficult when business inventories have been worked down and a recovery in production begins. Business credit demand, which has been flat, will perk up at the same time the federal government will still be borrowing heavily to finance its deficit. There will be the danger of what some of us have chosen to call "crowding out," meaning that government borrowing will pre-empt funds needed by business.

Because of the prospective difficulties it is necessary for policy makers in Congress, the administration and the Federal Reserve to agree now on some priorities. And the specific goal that should have the highest priority of all is to avoid another outbreak of inflation, which, next time, may be thoroughly ruinous to the economy.

That goal sounds simple, but in political terms it is not. The only way to avoid another inflation outbreak is for the Fed to exercise as much restraint as possible in expansion of the money supply. There must be a political consensus to not repeat the mistakes of 1972, when overstimulation during recovery—masked at that time by price controls—led to double-digit inflation and severe economic dislocation.

We do not underrate the uncertainties ahead. It is difficult to foretell the economic impact of the tax cuts that finally emerged from the congressional sausage grinder. To a large degree they turned out to be another welfare plan rather than an incentive to production. It also is hard to forecast the likely impact of enormous federal borrowing except to guess that it will raise serious dangers.

But since there will be risk under any circumstances, the lesser risk will be a slowing of recovery rather than allowing another inflation outbreak. There are many signs that even in as steep a drop as we have recently experienced, our social programs do in fact cushion the hardships of unemployment. Total personal income, for example, has crept up somewhat despite a fall in wages and salaries paid. Now that an upturn seems to be starting, we can well afford to rely on these cushions a while longer in order to curb the opposite menace of inflation.

By the time full capacity employment is reached, it is too late to start fighting inflation. In recent months critics of Federal Reserve policy have seized on the slow growth of M–1, checking account deposits and currency in the hands of the public. But this slowness has resulted almost wholly from a drop in velocity, the rate at which the public turns over the funds the Fed supplies.

The monetary base, the measure of how much high-powered money the Fed is in fact supplying, is on the same 7.8% growth path it has followed since January of 1972. This means that once recovery starts and public confidence revives, a rise in velocity can cause inflation even if the Fed shut down its open market desk and supplied no further funds.

These observations suggest only one policy. The nation must deny itself the dubious luxury of another all-out boom of the type that occurred in 1972. It must strive for a political consensus on holding down the federal deficit, so as to reduce the pressure for excessive money creation.

Monetary restraint will not only suppress inflation but will also have other positive effects. It will strengthen the dollar, which has been slipping badly in international markets. This will reduce the real cost of imports and attract foreign investment to ease the nation's credit problems. And it will steer the nation towards a slower, more sustainable rate of real economic growth and away from the boom-bust cycles that have become so disruptive of orderly planning by government and industry.

Restraint is not popular with politicians, particularly the kind who inhabit Congress these days. But very popular indeed with 212 million Americans is a government that can protect them against the depredations of inflation. You can't have the latter without the former. Whether that simple rule is observed will determine whether the coming recovery is a wholesome one or a prelude to a new disaster.

Mr. BELLMON. Also there is another issue of the Wall Street Journal, the 28th of April. There is a story entitled "Rush of Offerings Before Treasury Sale Is Termed Credit Panic by One Dealer."

This story deals with the problem of crowding-out which has been dealt with by many who spoke here today, including the distinguished Senator from Minnesota (Mr. HUMPHREY).

This is what the story has to say:

> "The credit panic is on!"
>
> Thus did one bond dealer in New York attempt to explain a sudden flood of private borrowing proposals immediately before the Treasury is to begin raising up to about $6.3 billion. Nine corporations and a Canadian province announced plans Friday to offer new debt obligations totaling more than $1 billion.

Government issues are highly competitive with these bonds.

Down further in the story it says:

> Some companies and other private borrowers already have experienced difficulty competing for investment dollars against the Treasury, which has raised a staggering $25 billion so far this year. More undoubtedly are concerned about being "crowded out" in the future as the department continues to seek an estimated $40 billion or so every six months through 1976.

Further down, the story says:

> The Treasury's enormous cash demand pushing these nervous private borrowers into the market the rebounding economy also is frighening them for fear that renewed inflation will make interest rates go even higher in the future."

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 28, 1975]

RUSH OF OFFERINGS BEFORE TREASURY SALE IS TERMED "CREDIT PANIC" BY ONE DEALER

"The credit panic is on!"

Thus did one bond dealer in New York attempt to explain a sudden flood of private borrowing proposals immediately before the Treasury is to begin raising up to about $6.3 billion. Nine corporations and a Canadian province announced plans Friday to offer new debt obligations totaling more than $1 billion.

Most of the 10 prospective offerings are scheduled for next month. Among the major sales listed are $250 million by Shell Oil Co., $200 million by Caterpillar Tractor Co. and $150 million each by Aluminum Corp. of America and NCR Corp.

That wave of private financings was unexpected because of the Treasury's pending sale designed to refund about $3.8 billion of old notes maturing May 15 and to raise up to about $2.5 billion of new cash. The department is expected to set the terms of its new replacement issues later this week.

Public investors hold about $1.6 billion of 5⅞% notes and about $2.2 billion of 6% notes, the two series expiring in May. They can elect either to turn in their notes for cash or to swap them for the new replacement issues.

Uppermost in the minds of many investors is whether new long-term bonds will be included in the pending offer. Lengthy government issues are highly competitive with bonds.

"My own guess is that the Treasury will sell long bonds, paying interest at perhaps 8⅝% or even 8¾%," one dealer remarked. "I believe that up to about $500 million could be absorbed rather comfortably, but more than that would have a damaging effect on prices in the corporate market."

Some companies and other private borrowers already have experienced difficulty competing for investment dollars against the Treasury, which has raised a staggering $25 billion so far this year. More undoubtedly are concerned about being "crowded out" in the future as the department continues to seek an estimated $40 billion or so every six months through 1976.

Moreover, recent signs of a business recovery suggest that the borrowing struggle soon may become even more intense.

"The rash of financing announcements probably marked the beginning of a heavy buildup in corporate bond volume in the months ahead," one Wall Street economist predicted. "Not only is the Treasury's enormous cash demand pushing these nervous private borrowers into the market, but the rebounding economy also is frightening them into stockpiling funds for fear that renewed inflation will make interest rates go even higher in the future."

Mr. BELLMON. Mr. President, there obviously can be different opinions here, but these people who deal in bonds are obviously much more familiar with what is happening in the market than those of us in the Senate.

When they say that crowding out has already begun to happen, I believe there is legitimate concern, as the Budget Committee felt, that if we run up a deficit that is so high there is no money available for the private sector, that we begin to defeat our purpose.

That is the reason I oppose the Mondale amendment; as worthy as his objectives are, I believe that the way he is going about to achieve them will produce a negative result that will cause more problems than the more moderate approach taken by the Budget Committee.

Mr. President, yesterday I made the point along with several of my colleagues that we must begin to set priorities and allocate our limited resources. I would reiterate that point today. We cannot continue, as Senator MONDALE would have us do, to spend with little or no regard for revenues. The Budget Committee resolution incorporates a tremendous amount of information provided the committee regarding a proper spending level.

In reaching our recommended spending level we gave due consideration to both the needs of our economy and the ability of the capital markets to supply the required funds. Senator MONDALE now argues that we should increase spending beyond this level in an effort to further stimulate the economy. The Budget Committee's resolution provides substantial stimulus to the economy already. To increase this is to significantly increase the risk of reigniting inflation and of thereby choking off the recovery.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. I yield an additional 2 minutes.

It is virtually a consensus opinion of economists that this recession was caused by inflation. If we were to accept the amendment now before us, we would signal to the American people that we have learned nothing from our most recent bout with inflation and unemployment; that we are determined to spend beyond the demonstrated capacity of our capital markets to absorb these deficits; and that we are willing to risk the consequences of either higher interest rates with resulting recession or much greater money supply expansion with resulting inflation, either of which would be damaging.

The budget as recommended by the Budget Committee contains almost $22 billion of direct stimulus to the economy in the form of automatic stabilizers and programs designed to hasten the recovery. This does not include the stimulus from the recently enacted tax cut, which is also monumental. It is the considered judgment of the Budget Committee that this is what we can responsibly recommend and that to do more would be excessive.

We are seeing some signs that the economy is beginning to turn around, and inflation is continuing to recede. If we must run a risk over the next few months, it would be much wiser to risk a slightly slower but more sound recovery than to run the risk of touching off another wild inflation. If that happens Congress will soon again face the problems that escalating cost of living increases cause for the poor and the elderly.

We must use restraint in solving our economic problems. We have seen that excessive spending solves nothing—rather it creates more and worse problems. Senator MONDALE's proposal is excessive and must be rejected for that reason.

I have before me a list of the temporary programs that are in this Budget Committee recommendation and I ask unanimous consent it be included in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Economic stimulus in Senate Budget Committee recommendations

[Fiscal year 1976 outlays in billion]

1. Temporary recovery programs:	
Emergency Employment Appropriation Act	$3.7
Temporary public service jobs	0.6
Housing recovery assistance	0.2
Subtotal	4.5
2. Released highway funds	1.0
3. Released Hill-Burton funds	0.1
4. Released clean water funds	0.1
5. Natural resources, environment and energy (EPA, coastal zone, etc.)	0.6
6. D.C. Metro	0.2
Subtotal	6.5
7. Automatic stabilizers (unemployment compensation, food stamps, etc.)	15.2
8. Tax Reduction Act:	
July–December 1975	10.1
Possible extension: January–June 1976	4.4
Total potential stimulus (fiscal year 1976)	36.2
April to July 1975 impact:	
Social security rebates	1.9
Tax Reduction Act, fiscal year 1975 impact	10.8
Total potential stimulus (April 1975–June 1976)	$48.9

Mr. BELLMON. The total is $48.9 billion.

The PRESIDING OFFICER. The Senator's additional 2 minutes have expired.

Mr. BELLMON. Mr. President, I now yield 3 minutes to Senator Tunney.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. BELLMON. I yield 2 minutes to Senator TUNNEY.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. TUNNEY. Mr. President, I want to thank my distinguished colleague for yielding time to me.

Mr. President, I oppose the amendment to Senate Concurrent Resolution 32 offered by the Senator from Minnesota (Mr. MONDALE). As we shape the economic future of this country, we must recognize no higher priority than avoiding the boom-and-bust cycles, which produce huge deficits, followed by rigid wage and price controls, followed by excessive fiscal austerity, followed by huge deficits.

It seems to me there is no better way to point up the free enterprise system in this country than by just that, and with the economies of the entire industrial world acting in parallel, as they have in the past 3 or 4 years, where we had inflation in the last 1960's and early 1970's, then we had the Government applying restrictive fiscal and monetary policies and the country's economies went into a recession, and then began going expansionist, such as we have, we could have a very great danger of seeing another major inflation, which would then of course produce additional fiscal constraints, monetary constraints, which may very well lead to the Federal Government in this country taking over the entire economy.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, I yield 1 minute to the Senator.

Mr. TUNNEY. Mr. President, we must identify and support a fiscal strategy which will permanently return both full employment and price stability. We must find and implement a policy mix which will produce a high but sustainable rate of economic growth for the years ahead. I believe that the Senate Budget Committee has pointed the way toward these goals.

This new but very diligent committee has labored many months on a thorough examination of fiscal policy and priorities. It offers today a 1976 fiscal year budget recommendation providing for total outlays of $365 billion and for a deficit of $67.2 billion. The deficit is not the result of profligate Government spending programs. It does not grow out of new social initiatives. To the contrary, every penny of the suggested deficit is the result of the massive recession which descended on this Nation in the last three quarters. In fact, if the economy were operating at a full employment level of production, the Federal budget would actually show a small but significant surplus.

Mr. President, I yield to no one in my concern for the more than 8 million Americans who cannot find jobs. I support the Senate Budget Committee's resolution precisely because it recognizes the urgency of economic stimulation and the imperative of direct job creation for the unemployed. The budget presented by the committee provides economic stimulation totaling $17 billion more than the amount suggested by President Ford when he presented his budget on February 3, 1975. The committee budget provides more than six times the amount of funds recommended by the President for direct job creation. Thus, the committee budget is carefully sculpted to stimulate substantial progress toward both increasing employment opportunity and price stability for many years ahead.

Unfortunately, the amendment of the Senator from Minnesota (Mr. MONDALE) would add several billions to the deficit proposed by the Budget Committee. While this amendment calls for $2.5 billion in additional revenues from tax reform, the sad history of the tax reform movement suggests that such revenues are unlikely to be forthcoming in the very near future. Furthermore, the additional savings in the form of increased tax revenues and reduced unemployment compensation suggested by the Senator from Minnesota may well be partially delayed beyond the period covered by the 1976 fiscal year budget. Thus, there is considerable danger that the Senator's amendment could add more than $6 billion to the $67.2 billion deficit proposed by the committee. Even if the outlay ceiling were increased by the $9 billion proposed in the amendment, there is no assurance that the additional monies would be used to stimulate new job creation. We have just as much reason to hope and work for a reduction in unnecessary military expenditures as for an increase in total outlays as a means of providing opportunities. I for one intend to work toward precisely this conclusion.

Mr. President, no one can foresee the future with perfect certainty. The budget reform procedure enacted in the last Congress recognizes this and requires Congress to take a second look at the budget later this year. At that time we may find that economic conditions have changed. The stimulus thus far provided may be too great or it may be insufficient. In either case, we will have ample opportunity for a midcourse correction, if any is needed, later this year.

Mr. President, when we enacted the Congressional Budget and Impoundment Control Act of 1974 we told the American people that Congress had the resolve to put the fiscal affairs of this Nation in order. Today we have the first opportunity to show we are indeed serious about meeting this heavy responsibility. I am very pleased to have the opportunity to stand with my distinguished colleague, the senior Senator from California, and the other very conscientious members of the Budget Committee in support of Senate Concurrent Resolution 32.

I think the Budget Committee has done an outstanding job with its hearings identifying the problems, working as best it can with the facts that are available to establish a budget ceiling for this Congress within which we can live, and which is going to provide jobs and not produce runaway inflation. This is the first time that the Budget Committee has had the opportunity to work and I do not want to see us destroy our child before it has really had a chance to develop and mature.

Mr. MUSKIE. I thank the distinguished Senator from California for those words of support. I yield 3 minutes to the distinguished Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator from Maine.

Mr. President, as an ex-Governor who has felt the trauma and frustration incumbent upon anyone who must prepare a budget, I think I understand the deep feelings of the members of the Budget Committee—those in the majority and those in the minority.

First let me say that I do not quarrel with the basic program elements outlined in Senator MONDALE's amendment, but I do have reservations that I think are of utmost importance, not only to the success or failure of the Senate's new budget process, but also to the economic climate of our Nation.

It is extremely important to the Nation, not only this year, but more importantly, in the future, that the Budget Reform Act of 1975 become a working reality not just in terms of specific, but in terms of developing a viable working institution that can, in the years to come, reflect the will of the people through their elected representatives in Congress.

It would seem that at a time of great national trauma over economic problems and at a time when there are grave doubts about our political system being capable of handling our serious domestic problems, this act must be given a chance to succeed.

There are several points we must consider relative to the Mondale amendment.

First, as I said before, I agree with the principle of the program elements, but have reservations about the timing because of the psychological effect of the deficit increase embodied in the amendment, especially on the financial community of this Nation.

I believe that since this May resolution is not binding, and since we cannot adequately forecast what will be needed by September when the binding resolution will be considered, it is unnecessary to pass the Mondale resolution at this particular time.

Second, I think that the individual elements in the amendment—for example the tax reform—should be worked out in advance of the expenditure levels in the program.

This timing would seem to be only a logical, realistic, fiscal policy to follow if we are to assume our role in a responsible manner in the Congress.

Third, I think the expenditure levels of many of the program elements contained in the Mondale amendment need close, further consideration.

As so eloquently articulated by Senator MUSKIE, this first budget resolution resulting from the Budget Reform Act of 1975 cannot be expected to be, nor is it, perfect, but rather a beginning and in my opinion, a monumental beginning of our equal involvement with the executive branch in setting fiscal policy for our Nation.

I commend all the members of the Budget Committee, including those in the majority and the minority for this important first step that has been taken.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONDALE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. I yield 3 minutes to my distinguished colleague on the committee, the Senator from Florida (Mr. CHILES).

Mr. CHILES. I rise to support the distinguished chairman of the Budget Committee and the Budget Committee in opposition to the Mondale amendment. I think in this opposition no one on the Budget Committee takes the stand that countercyclical revenue sharing is wrong, or that we should not perhaps have some. There was a great discussion in the Budget Committee in that regard. In fact, a discussion about that is in the report. But really what we are talking about is what the figure is going to be for the deficit. While this is a figure where there is no exact science about it and none of us knows whether $70 or $78 billion is the magic number, or something lower than that, I think what is important is that the American people have the strongest feeling that we have been irresponsible in the past. They know that we have not had any discipline concerning spending and how we are going to control spending. For the first time we have in the Budget Act the holding out of hope to the American people that we are going to try to get a handle on the Federal spending; that we are going to try to exercise some form of discipline.

I think it is very important when you really consider the recession that we are in now, that most people realize that if tomorrow the American public decided for some reason to have confidence in our economy, decided to go buy a new car, to go buy a new refrigerator, to start the new house, this recession would end very quickly.

On the other hand, if they are afraid of what we are doing in Government, or of anything that is happening, if it is going to jeopardize the economy, and they decide that they are not going to buy or they are going to hoard or they are going to save, then the tax rebate that we made will fail because they will take that money and put it in a sock.

So one of the most important things that we are doing now is the signal that we are giving to the American people of whether we are exercising control or not.

I think it is so important that we not break the budget as presented by the Budget Committee and in doing this first exercise that we not allow the ceiling to be broken. I think we should signal to the American people that we will exercise this restraint. For that reason, I support the committee.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, I yield the remainder of the time to myself.

I would like to use this remaining time to discuss the remarks of Senator MONDALE.

The statement was that last fall no one predicted the present unemployment rate or anything like it. On December 12, 1974, in a hearing before the Budget Committee, Mr. Ash, who was then Budget Director, testified. He and Senator MONDALE engaged in some slight disagreement over economic policy.

Senator MONDALE said:

> What I am saying is that you are pursuing a policy which almost guarantees 8 percent unemployment, even though at this point most of the economists we have talked to have said through reflation we could put many back to work without significantly affecting inflation.

I offer that correction for the RECORD.

May I say with respect to the programs that Senator MONDALE's amendment encompasses, a vote against his amendment at this time is not a vote against these programs. Rather, it would be a judgment that the Budget Committee ought to monitor the progress of the economy in the weeks and months ahead and then use the authority which is clearly given to it under the budget reform legislation to report other concurrent resolutions for the purpose of changing economic policy.

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That is clearly not only our prerogative, but it is our responsibility.

What we are saying to the Senate today is that the budget we recommend includes some $48 billion in stimulative spending directly related to the objective of dealing with the recession. Most of this spending is not in place yet. The tax cut checks begin going out tomorrow. The emergency employment program covering 1 million jobs that we approved last Saturday has not begun spending money.

What we are saying is let us see the effect of those things that have already been put in motion. If the progress of the economy requires that we do more, the Budget Committee has the responsibility and the authority to recommend it. Those recommendations could well include countercyclical assistance to State and local governments, could well include additional public works, and could well include additional public service employment. All of these options are open to us. They are not closed off to us by a vote against the Mondale amendment.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may have 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MONDALE. I thank the majority leader.

Mr. President, I think the issue here is jobs. Even with the stimulative steps we have taken with the tax cut, with some of the job-producing elements that are in the basic part of the budget, virtually every economist we have heard from predicts that unemployment will stay at historic highs perhaps for a decade; and for the next 2 years, at least, we will have unemployment levels that will be in excess of 9 percent, hover at 9 percent and 8.5 percent, for another 2 years. Eight or 9 million Americans wanting jobs cannot get them today; and the situation is going to get worse.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. PASTORE. Is it not a fact that if we should meet the miracle of an upturn in the economy, whch would put people back to work, then, even despite the Senator's amendment, we do not have to achieve that ceiling, anyway? This is a guarantee that if things do not improve as might be anticipated or expected or hoped for, the fact still remains that we have a level within which to operate in order to create jobs.

Mr. MONDALE. That is correct.

By the terms of this amendment, if and when we reach 6-percent unemployment for 2 months, my countercyclical spending stops. So if it is going to be as good as some predict, it stops.

Mr. President, nothing worse can be done to a decent American who wants a job than to deny him one. Present economic policies have denied 9 million people the work they need. That is why we have a deficit.

It is economic lunacy and atrocious social policy not to have the best program we can shape to put people back to work, and that is what we have sought to do in this amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to proceed for not to exceed 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, it is my understanding that there will be one more amendment after the Mondale amendment is disposed of, and that will be by the distinguished Senator from North Carolina (Mr. HELMS). I ask unanimous consent that on that amendment there be a time limitation of not to exceed 40 minutes—30 minutes to be allocated to the Senator from North Carolina and 10 minutes to the manager of the bill and the ranking Republican member of the committee.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. And that the vote on final passage occur at 12 o'clock tomorrow. I know of no other amendments.

The PRESIDING OFFICER. The Chair advises the distinguished majority leader that, according to the list at the desk, the Senator from California (Mr. CRANSTON) has an amendment.

Mr. CRANSTON. Mr. President, I was planning to offer an amendment, but I do not now plan to offer it. I do want to speak when I can get the floor.

Mr. CASE. Mr. President, reserving the right to object, will this be the last vote? Will there be a record vote on the amendment of Senator HELMS?

Mr. MANSFIELD. I have an idea that there will be.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAYH. Mr. President, the consideration of the first concurrent resolution on the budget marks a milestone in the American legislative process. Congress has established a new system of managing the great questions of fiscal policy which confront our country each year, and today's debate marks the first test of that new process.

I wish to compliment the chairman of the Senate Budget Committee, Senator MUSKIE, the committee members, and the committee staff for the fine work they have done in organizing and analyzing the vast number of complex issues involved in a consideration of the Federal budget. I, like all of my colleagues, am very grateful for their efforts.

The task before us in setting guidelines for spending and projecting revenues is extremely important. The impact of our action will affect the state of our economy and thus the day to day life of millions of Americans during the next fiscal year and thereafter.

Mr. President, many reasonable and learned men differ in their opinions of the proper spending level and the proper size of the fiscal 1976 deficit. The arguments involved are technical and complex. It falls upon us to analyze those arguments and make an individual determination as to what the proper budget levels should be to have the optiumum effect upon the economy.

My analysis leads to me to believe, Mr. President, that the state of today's economy calls for a more expansive budget than that recommended by the committee. For that reason I will support the amendment proposed by Senator MONDALE, which would permit spending for emrgency recovery programs.

Last month there were 8 million people in our country who could not find jobs. We have learned that our gross national product declined at a staggering rate of 10.4 percent over the first quarter of the year. Industrial production continues to slide and the index of leading economic indicators declined again in March. The recession clearly has not yet bottomed out.

There are those who seize upon every favorable statistic and attempt to prove that the worst is over and that a healthy economy is just around the corner. Unfortunately, Mr. President, these people are indulging in wishful thinking of a most dangerous kind. It is noteworthy that yesterday's Wall Street Journal reported that the February increase in the economic indicators, which was widely cited as proof of recovery, was revised downward by the Commerce Department upon the receipt of additional information. The fact is, Mr. President, that despite the tendency of many to view our economy through rose-colored glasses, the road to recovery will be long and painful. It is our responsibility to take action which will shorten it as much as possible.

The resolution reported by the committee makes no provision for spending for health insurance for the unemployed, adequate public service jobs programs, short-term, labor intensive public works, or emergency fiscal aid to State and local government. If it were enacted and adhered to it would not have a significant impact upon unemployment. In fact, the fiscal policy it espouses would most likely result in an unemployment rate of 9 percent for the remainder of this year and 8 percent at the end of 1976. Such a prospect is totally unacceptable. We must have a more expansive policy and aim for a maximum of 7 percent unemployment by December 1976, and an annual reduction thereafter of at least 1 percent.

Mr. President, the amendment now before us is consistent with these desirable goals. It would provide an additional $9 billion in budget authority for temporary recovery programs as Congress deemed appropriate. These additional funds would serve not only as an economic stimulus, but also as a means to ease the immediate burdens on those who are the victims of recession. Since it would be triggered only if there are 3 successive months of unemployment averaging 8.5 percent or more, and since it would phase out as the economy recovers, it would not place excessive Federal demands on credit markets at a time when private demand is increasing.

The increased spending called for by the amendment would produce $3 billion in savings from higher tax revenues and reduced unemployment compensation as hundreds of thousands of Americans found jobs. In addition, there would be new revenues produced by $2.5 billion in new tax reforms. The net effect of this amendment would increase the size of the deficit by $3.5 billion. While this is a considerable sum, it is a small price to pay for the benefits this measure would bring.

Mr. President, large budget deficits are as distasteful to me as any Member of the Senate. On several occasions, I have introduced or supported legislation which has cut billions of dollars from the Federal budget. Fiscal policy must be shaped. however, to the particular needs of the economy, and today we are faced with a disastrous recession. Our fiscal policy must be expansive if we wish to see recovery in the reasonably near future, and this means that there must be a large deficit.

Though the numbers we project for next year's deficit appear large, we must keep in mind that this deficit results not from increased spending, but from loss of revenues due to unemployent and sagging profits. If there were 4 percent unemployment, there would, in fact, be a budget surplus. By taking decisive action now, we are speeding the day when revenues will again rise to normal levels and thus eliminate future deficits.

Mr. President, I am hopeful that the amendment will be approved and that the resolution will pass as amended. If this occurs, the Senate will have borne its responsibilities well, and we will have set an important precedent in establishing our voice in the budget process.

Mr. WILLIAMS. Mr. President, the Senate has before it today Senate Concurrent Resolution 32, the first such concurrent resolution on the budget of the United States. The preparation of this concurrent resolution is mandated by the Congressional Budget Act of 1974 and represents the first exercise under that act of the greatly increased congressional responsibility in the development and formation of the budget of the United States.

When the Budget Act was adopted, I was pleased that the Congress would now assume a higher level of responsibility for the planning and evaluation of budget priorities, in addition to the actual appropriation of funds. I have always believed that the Congress must play a role in both functions in order to be fully effective in the planning and policy decisions affecting the Nation's priorities. While this body has always formulated the substance of many new programs which represent, in the aggregate, the national direction. the priorities to be accorded these various programs, through the budgeting of funds for their implementation, has not received the same systematic and thorough congressional attention.

While the Congress has traditionally controlled the appropriations process, the initial development of these funding levels has been left almost entirely to the executive branch. Because of this control over the submission of appropriations requests by the executive branch, Congress role was never fully carried out.

The appropriations process on the other hand, which has always been a legislative prerogative, is designed to evaluate the line-item appropriations requests for the various programs involved. It is not an effective method for evaluating the macroeconomic effects of the budget. Those decisions must be made prior to the appropriations process.

It is precisely these decisions on national priorities that we are making here today as we consider Senate Concurrent Resolution 32.

I have carefully reviewed the report accompanying Senate Concurrent Resolution 32, and I would like to commend Senator MUSKIE, chairman of the Budget Committee, and the other members of the committee. It is never easy to plow new ground, and this was the first opportunity for the Senate Budget Committee, as established by the Congressional Budget Act, to evaluate the budget priorities of the national budget for the coming year. The committee has obviously taken its task to heart, and the results of their work are evident in the thoughtful and thorough analysis reflected in the committee's report.

But it is not only the Budget Committee which has new and significant responsibilities under the new Budget Act. Each standing committee of the Senate and the House of Representatives must similarly examine the various programs for which it has responsibility. This examination must include an evaluation of all existing and anticipated programs under each committee's jurisdiction, and an evaluation of the necessary funding levels to be assigned to each. These recommendations are then submitted to the Budget Committee as that committee's determination of the necessary funding levels to continue these various programs.

Last fall, after an initial consultation with the members of the Budget Committee to elicit their views on what they felt would be needed from each committee, I instructed the staff of the Labor and Public Welfare Committee to begin an immediate evaluation and analysis of existing programs within the committee's jurisdiction with the view toward developing a comprehensive financial and budgetary picture of our multifarious programs. I felt the need to begin this process early, because the Labor and Public Welfare Committee has responsibility for the largest number of domestic programs, all of which represent items of major national significance.

The results of our detailed study contains both an analysis of the current levels of existing programs in the Departments of HEW and Labor, and an examination of anticipated new programs and their recommended funding levels needed to produce minimum results in these various areas. In this regard, Mr. President, I carefully pointed out to the Budget Committee that many of the anticipated programs were vital to stimulate the current stagnant economy and to provide for a countercyclical force to the current recession.

With respect to these counter-cyclical programs, Mr. President, I regret that I am disappointed with Senate Concurrent Resolution 32. The Budget Committee resolution provides only $4.5 billion for temporary, emergency, job-development programs. I feel that this is woefully short of the amount that my examination and study has shown will be needed to develop counter-cyclical employment programs. I simply cannot reconcile the committee's figure of $4.5 billion in this area of the national priorities with the current state of the economy.

We are currently facing 8.7 percent unemployment. That means close to 8 million persons on the unemployment rolls, plus an additional number, certainly more than 1 million more, who are not technically on the rolls because they have become so discouraged with the state of their lives that they have stopped looking for work. The leading economists throughout the country are predicting that by summer, this unemployment rate will go even higher—to over 9 percent. The real significance of these figures, however, is the tragedy in human lives which these conditions produce.

The eroding effects of prolonged unemployment are only partially understood. But we can certainly understand that when persons are out of work, not only is their survival jeopardized, but their view of society is similarly affected. It is self-evident, Mr. President, that a construction worker, or an auto worker, or any other worker in the Nation, who has grown up believing in our ethic of hard work as necessary for national growth and development, as well as the key for personal recognition and success, is going to become quickly disillusioned as this current crisis continues. The effects on national morale as large numbers of workers are forced to live on unemployment insurance, part-time work, or welfare is devastating.

It is in this regard, Mr. President, that I am most concerned in the failure of the Budget Committee to provide adequate funding levels for antirecessionary employment programs. I feel that the elimination of the current recession is our highest national goal right now, and that Congress must provide whatever funds are needed to achieve this end. I am therefore in agreement with the separate views to the Budget Committees' report submitted by Senators MONDALE and ABOUREZK. My concern is well stated in the following passage from their statement:

> If additional temporary recovery programs—beyond those allowed under this resolution—are not adopted, then we must expect unemployment averaging 9 per cent or more for the remainder of this year, and we cannot expect a return to normal levels of employment and production before the end of this decade.

Accordingly, Mr. President, I have joined with Senators MONDALE, HUM-

Phrey, Javits, and Schweiker, to propose a necessary amendment to Senate Concurrent Resolution 32. Our amendment would provide for $9 billion in outlays and budget authority for temporary, emergency, recession-fighting programs such as additional public-service jobs, emergency fiscal aid to States and local governments, quick-impact public works, health insurance for the unemployed, and other programs deemed necessary by the authorizing and appropriations committees, and the Congress as a whole.

This additional authority could fund at least 1 million jobs. Its adoption would also bring the budget resolution in line with the Joint Economic Committee's recommendation that budget strategy be targeted to produce an unemployment rate no higher than 7 percent at the end of 1976. Without this added authority, I am skeptical that such a goal could be achieved, and I am fearful that we may slide deeper into the grips of this economic downturn.

While our amendment would add $9 billion in outlay and budget authority, $3 billion would be returned to the Treasury in the form of higher tax receipts and reduced unemployment compensation payments, due to the increased level of economic activity and productivity. In addition, the amendment also provides for $2.5 billion in revenues from tax reforms in areas which do not have an adverse economic impact.

The additional, temporary outlays contemplated by the amendment would, given the "ripple effect" that they would have on the economy, increase overall production by at least $25 billion, as reflected not only in higher employment, but in more normal work weeks, higher wages, and higher profits.

The amendment which we offer contains a triggering mechanism which would insure that its effects only remain in force only while they are in fact needed. The authority provided by the amendment would "trigger-on" only if unemployment averages 8.5 percent for 3 consecutive months prior to the new fiscal year or for 3 consecutive months after the new fiscal year. It would "trigger-off" if unemployment averages 5 percent or less for 2 consecutive months during the fiscal year. The amounts made available by the Budget Committee could still be available if warranted by the circumstances.

Mr. President, I would urge a speedy adoption of this amendment so that we may then move on to the entire budget resolution which I have already indicated my support for. I would like to stress however, that without this amendment the resolution is not adequate to meet our current crisis, and that without this addition, the budget levels will not be sufficient to achieve the goals established by the Joint Economic Committee—normal employment levels at 5 percent unemployment and the prospect of a balanced budget by the end of 1978, and the real hope for full employment by the end of the decade.

I would also like to state that yesterday I received a letter from the President of the AFL–CIO, Mr. George Meany, who has expressed his support for the proposed amendment. I ask unanimous consent that his letter be printed in the Record, so that my colleagues may have the benefit of the well-reasoned conclusions developed by Mr. Meany.

There being no objection, the letter was ordered to be printed in the Record, as follows:

American Federation of Labor and Congress of Industrial Organization,
Washington, D.C., April 25, 1975.

Hon. Harrison A. Williams, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Williams: The Senate will be considering S. Con. Res. 32—its first resolution on the budget—at a time when eight million Americans are unemployed, an additional 1.1 million have given up the search for work in despair, and another 3.9 million are forced to work part-time because full-time employment is unavailable.

One out of every seven workers in the Nation is suffering a severe job and income problem.

Friday, May 2, the Labor Department will release its April unemployment statistics. Economists differ only on how much higher the jobless rate will go. Unemployment already is at the highest level since the Depression of the 1930's. The economy must be turned around. America must be put back to work.

Jobs are the key to our economy. Massive unemployment is the cause of the present budget crisis. If unemployment was at the same level today that it was when Richard Nixon took office, there would be a budget surplus right now. For every one percent drop in unemployment, the treasury gains $16 billion in tax revenues and reduced social costs.

Unfortunately, S. Con. Res. 32, as reported by the Budget Committee, fails to provide the stimulus needed to attack this problem. The committee's own projections call for a 7.5 percent jobless rate by December 1976—20 months from now. This is a totally unacceptable goal, considerably higher than the rate sought by the Joint Economic Committee.

Senators Mondale, Humphrey, Javits, Williams, and Schweiker are the major sponsors of an amendment aimed at providing an additional $9 billion for temporary economic recovery programs. Adoption of this amendment would bring the budget resolution in line with the Joint Economic Committee recommendations.

The AFL–CIO strongly supports the Mondale, Humphrey, Javits, Williams, and Schweiker amendment. Its passage is of critical importance if the economy is to be turned around. A vote against the amendment is a vote against millions of Americans desperately seeking work.

While the AFL–CIO does not believe this amendment goes far enough, it does provide additional funds—omitted from the Budget Committee report—for programs such as accelerated public works, public service employment, aid for local governments, housing, and health insurance for the unemployed. This $9 billion "pot" will permit the authorizing and appropriations committees to determine the proper program "mix" necessary for quick and effective job creation.

Even when implemented, the amendment would only add $3.5 billion to the total deficit. Of the $9 billion, $3 billion will be recaptured through increased tax revenue and reduced social costs while another $2.5 billion can be raised by prompt enactment of long overdue tax reforms.

When President Ford reluctantly signed the tax cut into law, he pointed to a chart and said: "This is as far as we can go." He was pointing to the projected budget deficit.

The AFL–CIE believes that the President was looking at the wrong statistics. It is up to the Congress to reorder our national priorities—the real purpose of the Budget Act—by pointing to the unemployment chart and declaring: "This is as far as we will let it go. We must turn the economy around."

Restorting health to the national economy by putting America back to work must be the major goal of the 94th Congress. The AFL–CIO considers adoption of the Mondale, Humphrey, Javits, Williams, and Schweiker amendment to S. Con Res. 32 to be of critical importance.

Sincerely,

George Meany,
President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Carolina (Mr. Hollings), the Senator from Alaska (Mr. Gravel), and the Senator from South Dakota (Mr. McGovern) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Illinois (Mr. Percy), and the Senator from Virginia (Mr. William L. Scott) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "nay."

The result was announced—yeas 29, nays 64, as follows:

[Rollcall Vote No. 155 Leg.]

YEAS—29

Abourezk
Bayh
Bentsen
Brooke
Case
Clark
Culver
Hart, Gary W.
Hart, Philip A.
Hartke
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mathias
McGee
Metcalf
Mondale
Pastore
Pell
Randolph
Schweiker
Stafford
Weicker
Williams

NAYS—64

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Buckley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Haskell
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
Leahy
Mansfield
McClellan
McClure
McIntyre
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Ribicoff
Roth
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—6

Brock
Gravel
Hollings
McGovern
Percy
Scott,
  William L.

So Mr. Mondale's amendment was rejected.

Mr. CRANSTON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield to the majority leader.

The PRESIDING OFFICER. The Senate will be in order.

ORDER FOR RECESS UNTIL 10:45 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the assistant majority leader to make some unanimous-consent requests.

ORDER FOR RECOGNITION OF SENATORS NELSON, BARTLETT, AND HARRY F. BYRD, JR., AND FOR RESUMPTION OF THE CONSIDERATION OF THE PENDING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the Senator from Wisconsin (Mr. Nelson) be recognized for not to exceed 15 minutes, that he be followed by the Senator from Oklahoma (Mr. Bartlett) for not to exceed 15 minutes, that the Senate then resume the consideration of the pending measure; and that the Senator from Virginia (Mr. Harry F. Byrd, Jr.) then be recognized for not to exceed 15 minutes on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would allow time for a vote to occur at 12 o'clock.

CONGRESSIONAL BUDGET DETERMINATION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

Mr. CRANSTON. I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Minnesota may proceed.

Mr. MONDALE. Mr. President, through error I inadvertently omitted to request that the name of the Senator from Washington (Mr. Jackson) be added as a cosponsor of the amendment on which the Senate just voted. I now make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. CRANSTON. Mr. President, may I have some time on the bill? Five minutes?

Mr. MUSKIE. Mr. President, I yield the Senator from California 5 minutes on the bill.

Mr. CRANSTON. Mr. President, as the Senator from Maine knows, I had intended to offer an amendment if the Mondale amendment were defeated. I talked with the Senator from Maine about it yesterday. He is the only Senator I have talked to, because I did not wish in any way to appear to be undercutting his amendment with anything relating to the same subject until he had a full opportunity to present it and have it voted up or down. I share all the concerns that prompted the Senator from Minnesota to offer his amendment.

My amendment, which I had planned to offer were his defeated, related to the social and economic conditions that caused him to introduce his amendment, but it would have dealt with them in a different way.

Mr. MUSKIE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator will please suspend until order is restored. Senators will please remove their conversations to the cloakrooms.

The Senator may proceed.

Mr. CRANSTON. I voted against the amendment of the Senator from Minnesota because, like a majority of the Senate, I oppose increasing the prospective deficit at this time. I hope we will never find it necessary to do so. I share his belief that the amount indicated in the report for jobs programs and economy stimulating programs is inadequate. I hope we will find it possible to get the funding for those programs as we work on authorizations and appropriations bills by taking money away from other programs without increasing the size of the deficit or the amount we will spend.

That may or may not prove possible. The assumption in the current resolution reported by the Budget Committee are based upon present economic conditions. We do not know what those conditions will be after a while; we hope they will be better. They may be worse, and we may find it advisable to increase the spending on temporary jobs programs, even if that will temporarily increase the deficit.

I was, therefore, going to suggest that we adopt an amendment that would require that the Congressional Office of the Budget give us periodic reports—and they have that capacity—on the state of the economy, on unemployment, and on where we stand, so that if we find it necessary to make more funding available for jobs programs we will know what the conditions are that make that advisable.

The Senator from Maine has written a letter to Alice Rivlin, Director of the Congressional Budget Office, dated today, requesting roughly this exact type of information, and so I see no necessity for my amendment. I am delighted that the Senator has taken that step. That will give us the information we need in the weeks and months ahead to act intelligently on the budget in relationship particularly to the need for jobs funds and programs.

I thank the Senator for taking that step; I applaud it, and I look forward to working with him and the other members of the committee and the Senate to see that we observe those reports, study them carefully, and take whatever steps may be necessary in the future to help turn the economy around and to provide jobs for those Americans who cannot find them now, or who may, unhappily, be losing them in the weeks and months ahead.

Mr. MUSKIE. Let me say, Mr. President, that I appreciate the point the distinguished Senator from California is making. I believe it behooves the Budget Committee to monitor the behavior of the economy closely, and respond to that behavior as conditions dictate.

I ask unanimous consent to have printed in the Record at this point my letter to Dr. Rivlin, the text of which is as Senator Cranston has described it.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C.,
April 30, 1975.

Dr. Alice M. Rivlin,
Director, Congressional Budget Office, Congress of the United States, Washington, D.C.

Dear Alice: As you know, the central concern of the Budget Committee in formulating its first Concurrent Resolution on the Budget has been to provide adequate economic stimulus to return the country to full employment at the most rapid practical pace. Opinions differ on both the appropriate amount of Federal spending and the design of programs to achieve this objective.

We expect the Senate to complete action today on its Concurrent Resolution. We expect the First Concurrent Resolution to be adopted by both Houses by May 15.

Adoption of the Resolution, however, is only the beginning. We plan a second resolution in the fall and, as you know, the law requires additional resolutions after the first at any point when conditions require it. It will be most helpful to the Budget Committee in fulfilling its responsibilities if you will monitor the economic and general fiscal conditions in light of the Budget Resolution. We will appreciate a report on your evaluation of economic conditions and their relationship to current fiscal policy by June 30, 1975. Particular emphasis should be placed in that report on the extent to which Congress has adhered to the Resolution and on the inter-relationship between Congressional action taken and foreseen by that time upon economic recovery. We will appreciate a subsequent report on the same matter on August 15.

A major issue in this year's First Concurrent Resolution has been the design of programs which have a temporary stimulative effect on employment, but which disappear as lower levels of unemployment are achieved. A substantial difference of view exists as to whether such programs can in fact be designed and effectively implemented.

We will appreciate your undertaking a study of the experiences of our country and other nations in the design and implementation of such programs. We would appreciate a thorough examination of the design and economic implication of selected examples of actual and potential programs of this kind. We are very interested in whether such temporary programs can in fact be created and produce a useful effect and, at the same time, remain truly temporary. If such programs can be designed, what are the "triggers" which would actuate them and how can they be designed to "trigger out" effectively when their intended result has been achieved?

We look forward to the results of both these studies. They will be useful to the Committee and Congress in dealing with the severe economic problems we confront.

With best wishes, I am.

Sincerely,

Edmund S. Muskie.

Mr. MUSKIE. I read just this one paragraph, which responds to the Senator's point:

> Adoption of the Resolution, however, is only the beginning. We plan a second resolution in the fall and, as you know, the law requires additional resolutions after the first at any point when conditions require it. It will be most helpful to the Budget Committee in fulfilling its responsibilities if you will monitor the economic and general fiscal conditions in light of the Budget Resolution. We will appreciate a report on your evaluation of economic conditions and their relationship to current fiscal policy by June 30, 1975. Particular emphasis should be placed in that report on the extent to which Congress has adhered to the Resolution and on the inter-relationship between Congressional action taken and foreseen by that time upon economic recovery.

I think the Senator will agree that the thrust of that letter is on all fours with his own concern.

Mr. CRANSTON. It most certainly is, and will provide us with some badly needed information. I thank the Senator.

Mr. RANDOLPH. Mr. President, I wish to comment on the remarks of the able Senator from California. I noted that he began in certainly what I considered an apologetic manner, saying that he did not vote for the amendment which was defeated. He said that he realized we were going to face up to the inadequacy of what the Senate and Congress needed to do to produce jobs for people in the United States who need work.

I know of his concern for the employment of people. It is my prediction—and I am not one to make predictions—that we will be back here, I say to the Senator from California, at a later date, probably sooner than later, attempting to do what we failed to do this afternoon.

Mr. CRANSTON. I thank the Senator for his remarks.

Let me say that I voted against the amendment of the Senator from Minnesota only because I do not believe at this time we should concede that we have to have more spending and a larger deficit. I hope that within the present spending limits we can find more money for jobs and less money for some other programs which might be cut back from the figures that are suggested in the report of the Budget Committee.

However, we have now set up a procedure through the letter of the chairman to Alice Rivlin that will give us current information on the state of employment and the economy generally, and if we find that the situation is worsening, that we need more money to stimulate the economy, more money for jobs, we will have the information at our fingertips, and we can then proceed to do at that time by other methods what we did not feel, the Senate as a whole did not feel, was wise to do today.

The PRESIDING OFFICER. The Senator from North Carolina has been on his feet and seeking recognition.

Mr. HELMS. Mr. President, I will be happy to delay and yield to the Senator from West Virginia.

Mr. MUSKIE. Might I suggest that the Senator from North Carolina be recognized first? He has indicated a willingness to yield. I think that may save us some time.

AMENDMENT NO. 391

Mr. HELMS. Mr. President, I call up an amendment which I have at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an amendment in the nature of a substitute numbered 391.

Mr. HELMS' amendment (No. 391) is as follows:

> Strike out all after the resolving clause and insert the following:
>
> That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—
>
> (1) the appropriate level of total budget outlays is $297,800,000,000;
>
> (2) the appropriate level of total new budget authority is $388,600,000,000;
>
> (3) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero;
>
> (4) the recommended level of Federal revenues of $297,800,000,000; and
>
> (5) the appropriate level of the public debt is $531,000,000,000.

Mr. ROBERT C. BYRD. Mr. President, before the Senator yields to my distinguished senior colleague, may I ask the Senator from North Carolina, does he want the yeas and nays on his amendment?

Mr. HELMS. Yes. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, so that Senators may know when we will vote, is it agreeable that we vote at 6 o'clock on this amendment? I understand there is a 40-minute time limitation. This will cut it to 30 minutes.

Mr. HELMS. It is agreeable to me. However, I have agreed to yield some time to the distinguished Senator from Nebraska.

Mr. CURTIS. Ten minutes will be enough for me.

Mr. HELMS. In that case, Mr. President, 6 o'clock will be fine.

Mr. ROBERT C. BYRD. With 20 minutes to the Senator from North Carolina, from which he will yield 10 minutes to the Senator from Nebraska, and 10 minutes to the Senator from Maine.

Mr. HELMS. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. HELMS. Mr. President, Senate Concurrent Resolution 32 purports to reflect the will of Congress. It seeks to put us on record as favoring a gargantuan budget deficit for fiscal year 1976. According to the resolution the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $67.2 billion. In my view, this amount is preposterous; and I wish to go on record as unalterably opposed to this kind of fiscal irresponsibility.

What are these so-called "economic conditions and other relevant factors" justifying this resolution? The answer is: There are none, none at all. We are told that this vast deficit is necessary to stimulate the economy, an argument that I find incomprehensible in light of the fact our present economic situation is a product of successive deficit budgets. Instead of stimulating the economy, the new budget will, in all likelihood, run it further into the ground.

Certainly I need not remind my colleagues of the ever-increasing price of just about every commodity one can possibly imagine, including the necessities of life such as food, shelter, and clothing. Who is so blind as to ignore the obvious truth that this spiraling inflation is the offspring of deficit Federal spending during the past four decades?

For many years now—longer than I care to remember—we have been living on tomorrow's income. According to figures released on February 3, 1975, the Federal budget for fiscal year 1975 exceeds $313 billion, with a deficit of more than $35 billion. Then the Federal budget for fiscal year 1976 was estimated to exceed $349 billion, with a deficit of over $51 billion. Senate Concurrent Resolution 32 proposes that the budget outlays for fiscal 1976 should be $356 billion, with a deficit of $67.2 billion.

As I have noted on previous occasions, the interest alone on the Federal debt exceeds $30 billion a year. In fact, for fiscal 1975, the interest is estimated at $32.9 billion. This works out to $62,595 a minute in interest. This is $1,043.25 every second of the day.

And here are more disturbing figures. On December 31, 1972, the national debt was $449.3 billion. A year later it was up $20.6 billion to the sum of $469.9 billion. On December 31, 1974, the debt was up again—to $492.7 billion, an increase of $22.8 billion over the previous 12 months and an increase of a whopping $43.4 billion in a 2-year period.

Where does it end? The answer is obvious. If action is not taken in this Chamber to stop deficit spending, and emancipate our fiscal policies from the economic theories of John Keynes, we are headed for economic disaster. The American people know this, if the polls be any guide. Their faith in the American economy has already been shaken to the point that they fear a real depression, and here we are singing hosannah to the gods of big spending.

In the interest of candor and honesty, let us level with the American people for a change and admit that it is Congress which has created our current economic collapse and only Congress can do something about it. It is not pleasant to contemplate one's own folly, but I for one believe that it is time for Congress to say to the American people: "Yes, we caused this economic mess—we and our predecessors, who led the Government of the United States into the swamps of deficit spending and, what is worse, led the American people to believe that the swamps were a good place to be."

Before we become more deeply mired, let us turn to common sense and simple arithmetic for an honest solution to our economic problems. Any real solution must address itself to the real cause of the problem, and not just the symptoms. Any budget that falls short of the balanced budget falls short of our goal of economic prosperity, for even a little deficit spending and a little inflation hurts everyone.

I, therefore, propose an amendment in the nature of a substitute to Senate Concurrent Resolution 32. My substitute provides a balanced Federal budget—a zero deficit. It works this way: The Budget Committee estimated that Federal revenues under existing law would be $297.8 billion. Accepting this figure for income, and applying the concept of a balanced budget, I propose that the appropriate level of total budget outlays is $297.8 billion. The Treasury Department has projected the amount of the national debt at the conclusion of the current fiscal year to be $531 billion. Since the Government should operate on a balanced budget for the next fiscal year, including the expenditures for interest payments on the debt, no increase in the debt level is necessary. The appropriate level for the deficit, of course, is zero.

One final figure remains in my substitute. That is the appropriate level of total new budget authority. I have simply accepted the Budget Committee figure of $388.6 billion for budget authority. I, frankly, doubt that we should go on increasing spending authority. The ultimate result will be that the Government eventually controls every sector of our economy, with a consequent diminishing of freedom and justice. But I recognize that this Congress will probably not turn away from the siren call of initiating new programs.

Yet, in the long run, we must recognize that simply because the authority is granted, it need not be fully exercised. This authority should be exercised only in a manner consistent with the concept of a balanced budget—not only for fiscal year 1976, but also for succeeding fiscal years.

A final question remains. Where should the necessary reductions in expenditures be made in order to achieve a zero deficit? As my colleagues are aware, there are many competing points of view in response to this question. I am aware that there are some who would substantially reduce defense spending, but I favor a strong national defense with appropriate expenditures to accomplish that important goal.

There are some who feel that appropriations for social welfare programs are not large enough at present, but I feel there is a great deal of wasteful spending in this area. Considering all of the diverse views, I propose that Federal spending be cut across the board, on a pro-rata basis, with the single exception of interest payments on the national debt, in order to achieve a zero deficit. The interest payments on the debt should be paid as they accrue. As a basis for determining the pro-rata reductions, the budget message of the President relative to the Federal budget for fiscal year 1976 together with supporting material should be used.

While this approach is not fully responsive to all of my concerns regarding wasteful Federal programs, it is perhaps the most realistic proposal in the light of the realities of life that confront us. I make this proposal of across-the-board reductions, frankly, as a concession to opposing philosophies, but I do so because I believe so firmly that the future of my grandchildren is at stake, together with the future of every American who hopes that his lineage may face the future with a reasonable expectation of prosperity and freedom. I say this because there is no real freedom without economic freedom. And, there is no economic freedom in the midst of spiraling inflation, and confiscatory taxation, and there certainly is no real prosperity.

Mr. President, it is not the intention of the Senator from North Carolina to consume a great deal of time. The hour is late, and I do not wish to detain Senators. Moreover, I am not laboring under illusion about the number of votes my amendment will attract.

On yesterday I expressed as clearly and forthrightly as possible my concern about this legislation, which will pave the way for a deficit of $67.2 billion.

Mr. President, when I contemplate the fact that this legislation involves a planned deficit of $67,200,000,000, it occurs to me that the Senate of the United States is bordering on being pyromaniacal in terms of fanning the fires of inflation.

Apparently Congress simply does not intend to learn from its mistakes of the past, and in fact intends to compound them with even more serious mistakes.

Let us make no mistake about it, Mr. President, with the adoption of a $67.2 billion deficit, there will be a horrendous increase in inflation. We ought not to kid ourselves about it, or try to deceive the American people.

Commerce will be stultified because the Federal Government will be drawing off capital so badly needed by the people of America; particularly the small businesses. Therefore, unemployment will continue to rise because the private sector will be denied the funds needed to create jobs and provide the goods and services necessary to revitalize and stabilize our ailing economy.

Mr. President, I spent the weekend in Brazil and Argentina. I visited the latter country at the invitation of my old friend, Bob Hill, who is the distinguished U.S. Ambassador to Argentina. During that visit—which, incidentally was not made at the taxpayers' expense—I met with prominent South American citizens from business, from agriculture, one or two from government.

One of the gentleman during a luncheon period demonstrated a surprising knowledge of what is going on in the Senate of the United States. He said, "I understand that the U.S. Congress is proposing a planned deficit of between $60 billion and $70 billion." I said, "That is correct." And he said, "Well, the United States is traveling the dismal road that Argentina traveled—and we are now bankrupt." He said the inflation rate in Argentina for the first 3 months of 1975, projected on an annual basis, is 108 percent. Then he said, "Now, I am not trying to tell you how to run your country, but if the United States makes that mistake you may as well plan to suffer a terrible economic upheaval within the next year or so."

Now, Mr. President, a few facts ought to be borne in mind, then I am going to yield to my distinguished friend from Nebraska, Mr. CURTIS.

The interest on the Federal debt for fiscal 1975 is estimated to be $32.9 billion. How do you put in perspective such an enormous sum of money as that? Well, if you use a calculator, Mr. President, you learn that this amounts to $62,595 per minute, in interest alone. Or if you want to break it down further it amounts to $1,043.25 every time the clock ticks, over $1,000 a second, every minute of every hour of every day of the year.

In 1973, the Federal debt increased $20.6 billion. In 1974, the debt increased another $22.8 billion, for a total increase during the 2-year period, Mr. President, of $43.4 billion. At that point, Mr. President, the Federal debt stood at $492.7 billion.

Of course, as all Senators know, the Federal debt is now in the neighborhood of a half-trillion dollars, which is a pretty expensive neighborhood when you consider what it is costing the taxpayers and what it is draining away from the economy.

For a generation we have been playing this game of deficit financing, going into debt year after year. And look where it has led us. Is it not time, Mr. President, to try the route of commonsense?

Mr. President, I yield 10 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator from North Carolina.

Mr. President, the Budget Committee has worked faithfully on this matter. They have taken into account what the various programs called for, and that requires for more spending than there will be income, and on the basis of that approach we would have a resolution providing for a deficit of $67.2 billion.

I cannot bring myself to vote for a zero deficit or a balanced budget without stating how I would bring it about. I think this situation is so serious that we should change existing law. I think we should cut certain existing programs and, to that extent and in that manner, I would go beyond the consideration that went into the pending resolution. Others might come in with a different shopping list, but I am willing to vote for the reductions that I am about to recite, and if anybody has any doubt about it, let them just offer such amendments and I will vote for them.

How in the world are you going to eliminate $67.2 billion in spending or eliminate that much deficit? Well, here is my shopping list.

Mr. President, I would repeal the recent tax reduction bill. That would reduce the deficit by $23 billion. That act was pure nonsense. I heard a distinguished economist say within the last 3 or 4 days that that bill was planting the seeds of a recession late in 1976.

Our distinguished Secretary of the Treasury stated that our recessions are caused by the inflation.

There is $23 billion. I voted against the tax reduction bill before. I am anxious to vote to repeal it before it goes into effect.

I am ready to vote to abolish revenue sharing. Why, of course, it is nice to send checks to States and subdivisions. It has some merit, but not enough merit for us to borrow the money to do it.

Fifteen percent of all the spending next year is going to be with borrowed money. Fifteen cents out of every dollar. Only 30 cents comes from individual income taxes. So when one pays his income tax, keep in mind they will be borrowing half that much to keep going.

That is $6.3 billion.

We could not stop foreign economic assistance entirely. It is something over $4 billion. It ought to be cut by about $3 billion, and the billion left to phase out foreign aid. When we are nearing a $100 billion deficit, what business have we scattering money around the world? I am ready to vote to cut it by $3 billion.

I served for a long time on the Space Committee. I was ranking minority member. The space program is one of those programs that has been greatly reduced, it should have been, because they bought a lot of hardware and other things that were a one-time purchase.

So the space program has been reduced by several billion dollars, but in spite of the fact that I think it is a great educational program to advance science, I would cut it by half a billion dollars.

Now, mass transit is costing us a lot of money. Are we developing new systems of transportation? No.

We are underwriting failing transportation systems. Why, think of it, here the United States is broke, approaching $100 billion deficit, and we pass a law that says that anybody, almost, can run a busline or a streetcar line or some mass transit system and we will pick up the deficit. Even if we had money, that invites the worst practices. I would cut that by a billion dollars.

We have got a lot of programs in community development that did not exist 10 years ago. These things are well set out in a book entitled "The Budget in Brief."

Now, many of these programs to develop communities are worthwhile, but when we are facing such a crucial thing I am ready to go back to the 1974 expeditures for community development and that would cause us to vote for a billion-dollar reduction in that program.

Now, on education, 10 years ago we were spending about $3 billion. It is over $7 billion now. Due to the circumstances we are facing, I am ready to go back to the 1974 figure on that. That would save $2 billion.

Manpower and social service. Social service started in the Finance Committee. It was supposed to cost a couple of hundred million dollars. The first thing we knew, it was headed for $5 billion. We cut it back about half of that, but I am ready to vote a $1.2 billion cut for social services and manpower.

Do you know what we were spending for Federal programs for health 10 years ago? $3 billion. Today it is $30 billion.

We have taken about 28,000 doctors from treating patients and put them on the Government payroll. Pushing papers does not make patients well. Think if it, tenfold increase from $3 billion to $30 billion.

A modest cut would be $5 billion and we would have a more manageable program, we would get better research, we would do a better job.

Now, here is a good one. Instead of freezing retirement increases and Government wages at 5 percent, I would freeze them at zero.

What business does a Government employee, who has the security of a Government job, when we are approaching a $100 billion deficit to protest if we say that there will not be increases this year; what is wrong with that? Do you know how much it would save? A total of $12.9 billion would be saved if we postponed for 1 year all raises in Government wages and retirement programs.

Law enforcement is largely a local obligation, but we are in that in a big way. Ten years ago we were spending for law enforcement about a half a billion dollars. Now it is $3.5 billion. A sevenfold increase. It has not resulted in any measurable crime reduction. I would cut that by a billion dollars.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. May I have a few minutes more?

Mr. HELMS. I will yield 1 more minute to the Senator.

Mr. CURTIS. All right.

A food stamp reduction, $2 million. Welfare reform, $2 billion. I would enact the administration's recommended windfall petroleum tax, which would pick up $3 billion. We talk a lot about tax reform but a modest $1 billion in tax reform can be achieved.

If we operated on a zero deficit, a balanced budget, we would save $2 billion on interest next year.

Mr. Chairman, that adds up to $67,700,000,000, and if we would do that, we would cure the recession. It would so encourage the country, it would so encourage investors, it would so encourage all in our economy so that we would move forward.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine has 10 minutes.

Mr. MUSKIE. Mr. President, I think Senator MORGAN wanted some time and I am delighted to yield 3 minutes.

Mr. MORGAN. Four minutes?

Mr. MUSKIE. Four minutes.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I want to join with my colleague from North Carolina and vote for the amendment which would call for a balanced budget for the United States.

I must say, though, in all candor, that I realize that it is not realistic to hope that we can balance the budget this year. I said so last year as I debated the issue back and forth across North Carolina. But, Mr. President, the people of North Carolina believe in a balanced budget. For more than 45 years, we have operated the State of North Carolina with a balanced budget.

We believe also, Mr. President, in doing for the people those things that they cannot very well do for themselves, and I take a back seat to no one, personally or for my State, for the things we have done for the people.

During 10 years in the Senate of North Carolina I voted for most, if not all, of the bills to improve mental health in our State, public health in our State, public education, public welfare. I fought many battles for higher education. We support 16 universities in North Carolina, 50-some community colleges.

We provide for the people of the State of North Carolina, but we are willing to pay the price.

I was in a New England State the other day that is complaining of being almost bankrupt. Mr. President, I paid 7 percent sales tax in that State, but it had no income tax.

In my State, we have an income tax, and we have had one for years. And we have a sales tax. In other words, we are willing to pay the price.

I will vote in this Senate through the years that I am here for a lot of bills to do a lot of things for the people of this country. But I am also willing to vote for taxes to pay for those programs. I do not think we ought to vote programs we are not willing to pay for.

So I am going to vote for the amendment offered by my colleague as an indication or an expression of the feeling of the people of North Carolina that the Government of the United States ought to operate with a balanced budget.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I will take 2 or 3 minutes simply to respond to the amendment so the record may be complete.

Mr. President, as I understand the Helms amendment, it would reduce outlays under the budget resolution by $67.2 billion, to a level of $297,800,000,000, that being the same number as the revenue estimate contained in the budget resolution. So there would be no change in taxes.

According to the best advice that economists and our staff can provide us, the effect of this amendment would mean a reduction in gross national product of some $110 million below our forecast. This would raise the GNP gap to about $350 billion and boost the unemployment rate to 12 or 13 percent. Meanwhile, the reduction in GNP would cause revenues to fall. It would also increase expenditures on unemployment compensation. The combined effect would be to leave a deficit of about $40 billion after the Senator's cut of $67.2 billion has been made.

Senator HELMS would then have to introduce new legislation to remove this deficit. Either taxes might be raised or expenditures might be lowered, or some of both might be undertaken.

An unemployment rate of 20 percent can probably not be achieved within the fiscal year, but 15 percent is well within reach.

As I contemplate this approach to our economic problem, I am reminded of a story told us by Charls Walker, who was Deputy Secretary of the Treasury in the Nixon administration, and is a conservative economist. I read from a footnote on page 25 of the report of the Budget Committee:

> In testimony on February 5, former Deputy Secretary of the Treasury Charls E. Walker gave the Committee an impromptu lecture on the results of an attempt in the early 1930's to balance the budget during a recession:
>
> [Balancing the budget] did not sound crazy in 1931 and 1932. That is precisely what they tried to do. It was a bipartisan effort. President Hoover and Mr. Garner and the whole crowd wanted to balance the budget. That was the fiscal orthodoxy of the day. So they sent a message to the Treasury and the Treasury raised practically every tax it could get its hands on. I believe the deficit was running in the general horrifying range of a billion dollars and they tried to raise taxes about a billion, maybe around $800 million. And they did not get anything back. They raised the taxes and they further exacerbated the deflationary pressures and incomes dropped and profits dropped and it just did not work.

We saw on the charts yesterday the story of 17 to 22 percent unemployment which resulted from those wrong economic policies of that time. I know that this business of balanced budgets is a mysterious business to laymen and it is to me. But I am persuaded from the insights that we have gained on the Budget Committee that the amendment of the Senator from North Carolina is simply very much the wrong medicine and that the result would be to send us in the wrong direction. It would be a disaster for the country's economy.

The PRESIDING OFFICER.. Who yields time?

Mr. MUSKIE. I am happy to yield the remainder of my time. I think the Senator from North Carolina would like some more time.

Mr. HELMS. Mr. President, with all due respect to my good friend from Maine, I perceive that the distinguished Senator is using the same line that has been used for the past 30 or 35 years in this country, that we cannot balance the budget now.

As they say in North Carolina, "can't never will."

The question is whether we have the guts to do it. If we do not, we ought to admit to the American people that we are playing politics with the Treasury of the United States and with the pocketbooks of the taxpayers of the United States. I can jolly well tell the distinguished Senator from Maine and everybody else within earshot that the people of this country are far ahead of the Congress in this matter of fiscal responsibility of the Federal Government. They know what is going on—and they are sick of it.

I have no illusions about how many votes this amendment will bring. I have submitted it for the purpose of putting Senators on record so that the people of this country will know who is in favor of fiscal responsibility and who is not.

We can cut this budget. We can cut the bureaucracy in the U.S. Senate and in the House of Representatives. We can do away with forty-eleven expensive subcommittees that the Senate operates, costing millions of dollars a year—and for what? Most Senators will acknowledge privately that the purpose of a remarkable part of the millions spent to operate this legislative bureaucracy is purely and simply for the aggrandizement of Senators. We can cut operating expenses here in the Senate. We can cut them in the House of Representatives. We can cut them downtown, and throughout this sprawling Federal Government. We can serve notice. We can do it. But not if we say, "Not this year." Do we have the guts to do it, Mr. President? The vote on my amendment will tell.

I can assure the Senate, Mr. President, that if this money is drained out of the private economy, we can forget our hope of stopping the inflationary spiral. Free enterprise must be allowed to work, or this country will not function. It is just as simple as that. We can play games up here. We can talk about what we are "doing for the people." But what we are doing is raiding their pocketbooks.

This is the time for us to put up or shut up. This Senator is willing to put up. Thank you, Mr. President.

I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Colorado (Mr. HART), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAOCK), the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr MCCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

The result was announced—yeas 9, nays 75, as follows:

[Rollcall Vote No. 156 Leg.]

YEAS—9

Allen
Byrd,
  Harry F., Jr.
Curtis
Fannin
Helms
Laxalt
Morgan
Thurmond
Tower

NAYS—75

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Eastland
Fong
Ford
Garn
Griffin
Hansen
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NOT VOTING—15

Biden
Brock
Buckley
Cannon
Glenn
Goldwater
Gravel
Hart, Gary W.
Hollings
Inouye
McClure
McGovern
Pastore
Percy
Scott,
  William L.

So Mr. HELMS' amendment was rejected.

Mr. BAYH. Mr. President, I wish to compliment the Senator from Maine on the fine job he and members of the committee have done in preparing the resolution and report which are before us today. I would like to take a moment, if I may, to ask the Senator a few questions in regard to the committee's treatment of spending for law enforcement and justice.

I understand that the committee has recommended budget authority and outlays in this area in addition to what the administration requested. Is that correct?

Mr. MUSKIE. Yes, the Senator is correct. The committee recommends $3.3 billion in budget authority and $3.4 billion in outlays for law enforcement and justice compared to administration requests of $3.2 and $3.3 billion.

Mr. BAYH. Does the committee have any recommendation as to how those funds should be spent?

Mr. MUSKIE. No. It will be up to the various authorizing and appropriating committees and the whole Senate to determine how the funds shall be spent.

Mr. BAYH. Am I correct in saying, then, that nothing in the report or resoution would prohibit funding of the juvenile delinquency prevention program which was enacted last year and which I believe is so critical in our fight against crime?

Mr. MUSKIE. The Senator from Indiana is absolutely correct.

Mr. BAYH. I thank the Senator.

Mr. HATFIELD. Mr. President, I am pleased that Congress is undertaking the difficult task of setting target ceilings for Federal outlays. While the process is in reality only a "dress rehearsal" for the more complete consideration of the budget next year, the process gives us the opportunity to discuss the direction of Federal spending for the coming year.

Our consideration of Senate Concurrent Resolution 32 does not include a commitment to the functional components of the budget. Nevertheless, those who advocate increases or decreases in the committee figures certainly have in mind the general areas of the budget in need of adjustment. It is important to note in this connection, that $63 billion of the total $92 billion of "controllable" items in the fiscal year 1976 budget are in the defense areas. Some including myself have recognized this and are prepared to make very substantial cuts in defense, but others have been unwilling to examine this section of the budget.

Let us not oversimplify the issue. We

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are not choosing between jobs and deficits. Once the target amounts are established and further reviewed in September, we have the utmost flexibility in allocating the funds within the ceilings. I am sympathetic with those who wish to set the target figures at a level which allows responding to the problem of joblessness. I think this can be done by trading some defense spending for more urgent job-producing programs such as accelerating public works projects.

I am voting for the amendments to the budget resolutions which will make reasonable reductions in the ceiling on outlays, for I am convinced that the strength of the economy requires a more sensible limit on our annual deficit. Certainly, we can find economists who argue that we can spend our way out of a recession. But we are still left with the staggering cost of servicing our national debt. We still must deal with our people who see their taxes going up, their consumer prices rising and little hope of improvement. It is too much to hope that we can balance the budget for 1 year, for the bulk of the public debt has accumulated during three decades of military adventures. But we can say "no" to those who would expand our budget indefinitely without dealing with the excessively large defense budget.

VETERANS AND THE BUDGET—A CORRECTION

Mr. CRANSTON. Mr. President, during debate in the Budget Committee I offered a motion to establish the functional category total for function 700, veterans benefits and services. The amount I proposed and which the committee adopted was $16.9 billion for outlays and $17.6 billion for budget authority. The amounts agreed to were based upon specific recommendations submitted by the Committee on Veterans' Affairs, on which I am privileged to serve under the leadership of the Senator from Indiana (Mr. HARTKE), in its March 15, 1975, report to the Budget Committee pursuant to the Congressional Budget Act.

During the discussion in the Budget Committee, I pointed out that certain assumptions which had been made by the Budget Committee in the other body as to amounts included in the President's adjusted budget request of March 12, 1975, seemed to be erroneous in light of the amounts specifically requested to be appropriated for each VA budget item as set forth in the appendix to the budget of the United States submitted by the President in justification of his fiscal year 1976 budget.

Unfortunately, this led me to conclude that the total amounts requested by the administration in function 700, as shown on page 144 of the President's budget—$15.6 billion in outlays and $16.2 billion in budget authority—did not assume the enactment of certain legislation which the President had indicated his intention to propose.

Specifically, it was my assumption, which the committee in its deliberations adopted, that these amounts did not include a subtraction of $600 million which would result from repeal of the 2-year extension of the delimiting period for readjustment benefits under the GI bill—an extension voted almost unanimously by the Congress less than a year ago—or a subtraction of $122 million which would be occasioned by the enactment of legislation requiring reimbursement to the VA by private medical insurers for care provided to insured veterans by the VA—a proposal made unsuccessfully by the administration each year since 1970.

My misapprehension in this regard rose in part from two footnotes on pages 16 and 17 of the "Budget in Brief" published by the Veterans' Administration which specifically show that the budget authority included in the appropriation justification "excludes" the proposed readjustment benefits and medical care legislation I have just described.

Thus, Mr. President, on my recommendation in making my motion for the outlay and budget authority amounts for function 700, the Budget Committee specifically did not add to the President's adjusted budget request figures—March 12, 1975—this $700 million connected with the enactment of these two legislative proposals. I see now that this was an error, and I point this out, Mr. President, so that when we go to conference with the House Budget Committee, it will be clear that such a misunderstanding occurred and that the actual outlay and budget authority figures which the Senate committee agreed to for function 700 were in fact understated by $700 million in each case.

Mr. President, I have requested a letter from the Deputy Director of the Office of Management and Budget, Mr. Paul O'Neill, to state specifically that these amounts were indeed subtracted in arriving at the figures which were used for purposes of reaching total budget authority, outlays, and deficit figures for the President's budget.

I should also note, at this point, Mr. President, that the discussion on pages 87 and 88 of the Senate committee report—No. 94–77—on the function 700 category does correctly state that the President's budget assumes enactment of this legislation. That report is correct in that regard, but in fact does not accurately reflect the understanding of the committee at the time of its agreeing to the specific numbers and justification I proposed for function 700.

Finally, Mr. President, I think that in the future the Budget Committee must give serious consideration to using as a base figure the total of the amounts which the President has actually requested to be appropriated in a particular functional category—which in the case of function 700 is some $722 million greater than the outlay and budget authority amounts shown in the President's budget on page 144—rather than some highly conjectural and fictitious amount which assumes enactment of legislation and, therefore, does not reflect government obligations under existing statutory provisions and programs.

Mr. ABOUREZK. Mr. President, a good deal has already been said about the significance of the resolution before us, and I certainly want to endorse those sentiments. Enactment last year of the Congressional Budget Act was a reform of tremendous potential importance to the Congress and the country.

Recognizing that we began the year with a committee only partially staffed, and with no Congressional Budget Office at all; that we are working out, as we go along, the nuts and bolts of a whole new process; that we faced—as we will every year—an extremely tight mandatory schedule; and that the Nation's economy was, and is, in its most critical condition in decades; it is certainly an achievement that we are here at all, much less still within the time frame that the act calls for.

But, if it is true, as has been said, that we have managed to get farther in this first year's implementation of the new budget process than any of us had a right to expect, the obverse to that is that we still have a very long way to go if we are to fulfill the real potential which is implicit in the Congressional Budget Act.

It is no secret that many of us on the committee voted to report this resolution despite some reservations about the numbers it contains, and the shape of the budget recommendations which are a part of the report. I do not want to exaggerate those reservations. No budget can please all of us, or completely satisfy even a majority of us—any more than is the case with other pieces of legislation. But I think it is important to express some of those reservations—particularly where they are linked with the limitations that operated on the process this year. I think it is important that we keep the accomplishment in bringing this resolution to the floor in some kind of perspective.

The most important limitation on what we are able to accomplish this year is the fact that the resolution before us deals only with the final totals, and not—as it will in future years—with the functional components which make up that total. While I understand the reasons for the more limited approach in this first year of implementation, I also feel that we should recognize that this deprives the full Senate of one of its most fundamental responsibilities and opportunities under the Congressional Budget Act.

If there is one phrase which is the most used in connection with the new congressional budget process, I suppose that phrase would be "a debate on priorities." Indeed, the whole point of the process, it seems to me, is to foster that kind of debate, and to allow the Congress to make its authorizing and appropriating decisions within the framework of a prior decision on priorities.

The fact that we are here, dealing with a resolution confined to so-called macrototals, means that the Senate is effectively barred from debating priorities this year. We can only agree or disagree with the "bottom line"—with the overall fiscal policy that seems to be reflected there—and I want to return to that aspect of the matter a little later. It is true that within the committee we made decisions on spending targets for the individual functions of the budget. But there seems to be no way in which the full Senate can evaluate those individual decisions and either ratify or modify them. And that is a shortcoming of this year's implementation that I think we need to keep in mind.

Even in the committee, I feel that we missed the opportunity to move more decisively on a reordering of national priorities. As is eloquently set forth in the separate views expressed by the Senator from California and with which I concurred, this failure is most glaring in the field of national defense, where it seems to me that the committee continues a policy of trimming the Pentagon's request just enough to salve our consciences, without facing the basic issues underlying that request.

If the tragedy of Vietnam has taught us anything, it should have taught us that the attempt at Pax Americana is an exercise in arrogance—that the writ of the United States need not and should not run in every corner of the globe where there happens to be a dictator who wants our support for his brand of anticommunism. I believe that the American people recognize that. But our defense budget does not. And the modest cuts which our report recommends serve only to defer the issue because we failed to make any real priority decision on the Pentagon's insatiable desire for new weapons systems—like B–1, SAM–D, AWACS, and the rest.

Deferring a decision on reordering the national security budget priorities only increases the odds against that reordering next year and the year after. The research and development of the major new weapons systems that symbolize our old priorities have a momentum all their own—as the Defense Department and its contractors are only too well aware. That momentum is certainly in no danger from the paltry 3-percent cut in defense spending requests that our committee voted for. In fact, there is only a cut in requests, not in this year's level of spending.

Given the fact that the size of the prospective deficit dominated the discussion and the decisions in our committee, our unwillingness to consider major reductions in defense spending left us—in my view—very little room for reordering any other priorities. In terms of domestic programs, the President's proposed budget would have meant spending levels in virtually every functional category below our best estimate of the current services level—present program levels adjusted for inflation. The recommendations of our committee in its report are certainly superior to that. But we were able to assume increases—in real terms—in only four functional categories and in two of those most of the increase is acccounted for by programs aimed at economic recovery—primarily public service job programs.

In short, the job of reordering priorities has to be done as a whole, and we made only a minimal beginning on that job in this year's committee actions. More importantly, the limitations under which we are operating mean that the full Senate cannot register its opinion on even that minimal beginning.

I want to also express some concern about the basic fiscal policy represented by our resolution—a concern which I have expressed earlier in joint separate views with the Senator from Minnesota.

The American economy is in its worst slide since the days of the Great Depression. Unemployment is at its highest levels in more than three decades and the peak is still to come. It is impossible to be sanguine about the prospects for an early recovery, much less a strong one. The present situation means hardship for millions of people. It means a tremendous loss in potential goods and services for the economy as a whole. And it means that the Federal budget faces a deficit of a size proportionate to the severity of the economic decline.

Now, every economist who came before our committee—including administration spokesmen from whom the chairman had to pull the admission as if he were pulling an impacted molar—conceded that there are limits to what can be done about reducing the deficit in the current economic situation. They conceded that too restrictive a budget could have adverse economic effects and that those adverse effects could mean a continuation of the recession, if not worse. Continued recession means continued deficits. That means more red ink in the long run. A budget that serves to turn the economy around can mean a bigger deficit in the short-run but less deficit over all.

Only a minority of the committee explicitly rejected this general analysis, but the fiscal policy implications of the total spending target which the majority determined can only be described as a rather restrictive one. Our $388 billion in new budget authority is below the President's request when the two figures are put on a comparable basis by using the same estimates for offsetting receipts from oil leases. Our $365 billion in projected outlays is below present program levels adjusted for inflation.

Indeed, the deficit we are anticipating is only a little larger than that being projected by the President—again, after putting the figures on as comparable a basis as possible. More to the point, both "his" deficit and "ours" are almost totally the unavoidable cost of the economic downturn. On a "full employment" basis, we could expect $53 billion more in Federal revenues than are anticipated in this first concurrent resolution and we would have roughly $15 billion less in unemployment compensation and related recession costs to pay. In other words, the budget we are recommending is nearly a balanced one on a full employment basis, and the President's would be slightly in surplus.

It seems to me that there is real question as to whether the stimulus in such a budget will be enough to turn the economy around. If it is not, the deficits the Federal Government faces in the future will far exceed that which the majority of our committee is trying to avoid now. More importantly, the deficits the economy will continue to suffer—in people and resources idled, and in gross national product lost forever, will dwarf the government's deficits both now and then.

Having expressed these concerns about the budget process this year and about the resolution which it has produced, I would like to end on a positive note. Our experience this year gives us a basis to build on. The less restrictive situation next year will permit us to do so. When the administration sends up the required "Current Services Budget for Fiscal Year 1977" less than 7 months from now, the congressional budget process can begin its first year of full operation. That submission will give us a "baseline" budget to work from. It is my hope that we will use that baseline to begin the development of our own budget priorities without waiting for the President to indicate his. If we do that, it seems to me that we will be in a position to give the priorities debate the attention it must have if this new process is to reflect basic reform.

Mr. TAFT. Mr. President, I support a budget resolution allowing for a deficit at the approximate level of the Budget Committee proposal of $67,200,000,000.

While a deficit in that range is alarming, and I hoped it could be lower, I feel it is the most realistic possibility in view of the need to combat the worst recession in four decades. The attempts to balance the budget with increased taxes in the early 1930's should serve as a reminder to us all. Incomes dropped, profits dropped, the depression worsened and the budget remained out of balance.

Rather than an "excess spending" deficit primarily resulting from increased programs, over $50 billion of the projected fiscal 1976 deficit will result from taxes not collected due to reduced economic activity. The economy presently is operating more than $200 billion below capacity level. In this situation, the proposed level of spending seems needed to sustain economic activity and support those impacted. The Government's failure to do so may lead to even greater future deficits through reduced tax collections. Moreover, in initiating the Budget Committee procedure it is important to be realistic, and to shun the temptation to take an attractive political stance with a far lower figure that cannot and will not be achieved.

Most economists seem to agree that reduced private borrowing due to the recession will leave room for that large a deficit to be financed without undue credit market strains. The decreasing interest rates and rate of inflation appear to back that conclusion. Thus, the real threat of inflation comes not from the present budget deficit level, but from the possibility of deficits remaining too large once the economic recovery gains steam and private spending and borrowing rises. If that happens, private borrowers could be "crowded out" by the Government, pressures to greatly increase money supply would be heavy, interest rates could rise and inflation could be rekindled. I believe that situation can be avoided, but only if Congress supports recovery programs designed to be temporary and exercises restraint on any permanent expansions of Government. When the turnaround is accomplished. it will be vital for the Congress to act swiftly and courageously to assure the budget restraint and level of revenues needed to achieve a balanced budget.

TOP ECONOMISTS TELL JEC FEDERAL DEFICIT WOULD "CROWD OUT" PRIVATE CAPITAL REQUIREMENTS

Mr. HUMPHREY. Mr. President, there has been a great deal of controversy in recent weeks over the effect of a large Federal budget deficit on the private credit market. Questions have been

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raised as to whether or not the Government's need to borrow large amounts of money will use up so much of the available money that there will not be enough left to meet the borrowing needs of the private sector.

The issue we face is the grave fear expressed by Treasury Secretary William Simon and Federal Reserve Chairman Arthur Burns that big budget deficits will impede recovery by "crowding out" private borrowers and raising interest rates.

As the Senate considers the congressional budget resolution, the answers to the crowding out questions are crucial to wise decisions. Therefore, last week the Joint Economic Committee which I chair explored the budget deficit question in depth with three of the Nation's leading experts on this matter.

These three prominent economists, Andrew Brimmer of Harvard University, formerly a member of the Federal Reserve Board, Franco Modigliani of the Massachusetts Institute of Technology, and President of the American Economic Association, and James Tobin of Yale University, all agreed in their testimony that the administration's concern about the impact of such large deficits on financial markets is unwarranted and far out of proportion to the magnitude of the potential problem.

Citing the decline in private borrowing which normally accompanies a recession, they said they do not expect Federal credit demands to "crowd out" private borrowers or lead to rising interest rates.

They also agree that the pronouncements of the Federal Reserve and the Treasury exaggerate the risk of inflation and that their policies threaten to smother the economy's recovery from recession.

Treasury Secretary Simon has stated that financial markets cannot finance the Federal deficit and at the same time meet the needs of private borrowers. He has said that large Federal deficits will result in "crowding out" and rising interest rates.

Dr. James Tobin told the JEC that:

> There is no significant financial problem of crowding out, unless there is a problem of shortage of labor and capacity to produce goods and services. We are not in that situation now.

Dr. Tobin went on to indicate that:

> Applying the principles that are appropriate for full employment or full capacity situations to a situation of immense slack in excess capacity and unemployment that we have now is really a disastrous misunderstanding of the situation.

Dr. Brimmer told the committee that:

> This concern about "crowding out" other borrowers should be given far less weight than it is apparently getting. It overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly in 1975.

Dr. Modigliani told the committee that:

> I would say there will be no "crowding out", unless the Federal Reserve adopts a policy which makes the recovery impossible. Provided the Federal Reserve accommodates the economy, there will be no "crowding out".

Mr. President, I am very concerned about the way in which the Fed and Treasury are using the words "crowding out." They have created a fear and foreboding much greater than warranted, according to most of the experts that I have been able to question on the subject. I fear that the present exaggerations of the seriousness of the demands on our money markets is becoming a self-fulfilling prophecy.

We must all understand that the deficit is arising not from some tremendous expansion in Government spending, but from the fall-off in receipts caused by the recession. Federal borrowing is simply filling the vacuum created by the sharp drop in private credit demands. This is an essential role, if we are to restore economic growth and create jobs. As recovery gets underway, private credit demands will pick up. But, Federal borrowing needs will, at the same time, fall off.

Mr. President, because of the seriousness of the problem of financing the Federal deficit, and the urgency of providing informed expert testimony on this issue to all Members of the Senate at this moment, I ask unanimous consent that the testimony of Dr. Andrew F. Brimmer, on April 24, 1975 before the Joint Economic Committee be printed at this point in the RECORD. When available, I will also provide a transcript of the oral testimonies of Drs. Tobin and Modigliani.

I also ask unanimous consent that an excellent article from the April 24th, 1975 issue of the Wall Street Journal entitled, "A Global View of 'Crowding Out'" and written by William C. Cates be printed at this point in the RECORD. Mr. Cates points out that one aspect of the "crowding out" problem that apparently is not being taken into account by either the Fed or the Treasury is the likelihood that funds will flow from overseas to help fill our Nation's capital requirements.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MONETARY POLICY AND DEBT FINANCING

(By Andrew F. Brimmer)

I. INTRODUCTION

I am delighted to respond to this Committee's invitation to give my views on "Financing the Deficit." Specifically, I was asked to address myself to the following questions:

1. Can the financial markets handle Federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

2. Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?

3. Do [I] feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long- and short-term rates is so large?

I will respond to each of these questions. In Section II of this statement, prospective competition for funds in the capital market is assessed. In Section III, I examine the role of the Federal Reserve in Federal Government debt financing during the last two decades. The Treasury's approach to debt management in recent months is commented on in Section IV. In Section V, the recent trend of Federal Reserve monetary policy is appraised. Finally, in Section VI, I give my views on the appropriate course for monetary policy during the remainder of this year.

II. PROSPECTIVE COMPETITION FOR FUNDS

As noted above, the inordinate amount of concern that has been generated over the uncertain impact of prospective Federal Government borrowing on the capital markets in 1975 and 1976 is unwarranted. A number of observers have tried to place the greatly enlarged borrowing in proper perspective, but evidently they have had little success.

Official estimates of the Federal Government's budget deficit during fiscal year 1975 (ending next June 30) are still undergoing revision, but they cluster in the neighborhood of $45 billion. The deficit for fiscal year 1976 (beginning next July 1) may be as high as $80 billion.[1] It should be noted that these estimates do not take into account the impact of the President's energy program—which is still being debated in Congress. Nor do they allow for the fact that Congress is likely to make permanent some of the one-year tax reductions included in the tax bill signed by the President last month.

The factors underlying the ballooning deficit are widely recognized—and, hopefully, understood. At this juncture, the Federal Government is expecting to spend about $324 billion in FY 1975, and receipts are anticipated at $279 billion—yielding the estimated deficit of $45 billion. In FY 1976, spending is expected to climb to $372 billion while receipts may advance to $297 billion—yielding a deficit of $75 billion. The explanation of the widening gap between Federal Government receipts and outlays is straightforward: the rapidly deteriorating economy has necessitated a sharp rise in spending to cushion the effects of growing unemployment while declining economic activity is a drag on Government revenues. The $22.8 billion tax cut (which Congress wisely enacted as a stimulus to economic activity) will add to the deficit in the first round.

To finance these deficits, the U.S. Treasury may have to tap the capital market for as much as $125 billion in FY 1975 and 1976. The specific timing of this borrowing (as well as the specific amount) remains uncertain, but it is clear that the Treasury will have to borrow almost continuously. It should be recalled that in FY 1974, the Treasury had net borrowings of $3½ billion. In the first half of the current fiscal year (last half of calendsr 1974), net borrowing totaled about $11 billion. As of now it appears that the Treasury will have to raise approximately $33 billion net of refundings during the first six months of calendar year 1975. Net borrowing requirements for the last six months of this calendar year may approach $40 billion.

The prospect of greatly enlarged borrowing by the Treasury has given rise to a fear that private borrowers and State and local governments will be "crowded out" of the capital market. In the process, it is argued, the down trend in interest rates will be halted; savings institutions will have difficulty competing for funds, and the revival

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[1] These estimates were stated publicly by Secretary of the Treasury William Simon on March 17, 1975.

of housing starts (which now look uncertain in any case) will be aborted.

This concern about "crowding out" other borrowers should be given far less weight than it is apparently getting. It overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly during 1975. A number of imponderables (including Federal Government borrowing) make it difficult to construct a detailed forecast of sources and uses of funds for the current year. However, the efforts which have been made suggest that one should expect the demand for money and capital market accommodation by borrowers other than the Federal Government to place little or no strain on the ability of these markets to perform. For example, one forecast prepared early in February,[2] estimates that total funds to be raised in 1975 may amount to about $163 billion, a decrease of $9 billion from the year earlier total. Last year, the total declined by $13 billion compared with the 1973 volume.

(If this forecast were being made today, it would undoubtedly be revised. However, the main reason for the revision would be the greatly enlarged volume of Federal Government borrowing. The private demands for funds (aside from corporate bond financing) probably would have to be changed very little.)

Among the major borrowers, the *business sector* is expected to shave appreciably its demands for external financing. Business net claims on the capital market may amount to $72 billion this year—a drop of $27 billion from the 1973 level. In particular, the need to finance a large overhang of unwanted inventories will be greatly lessened, and many businesses will be able to economize on cash requirements as output and sales fall off. Reflecting these developments, the net increase in business loans in 1975 may come to roughly $12 billion compared with a rise of $34 billion last year. Viewed in terms of the impact of such borrowing in the money market, this represents a $22 billion lessening in business demand for funds. (In passing, it should be noted that the contra-seasonal decline of about $5.6 billion in business loans at the nation's commercial banks in January-March period suggests that the moderation in demand is already well underway.) Moreover, the volume of commercial paper outstanding may rise by about $10 billion in 1975—in contrast to a gain of $17 billion last year.

On the other hand, corporations will undoubtedly attempt to raise a larger volume of funds in 1975 through the sale of bonds in the capital market than they were able to obtain last year. In the Salomon estimate, flotations may amount to $31 billion this year vs. $25 billion in 1974. However, in light of the heavy corporate bond flotations thus far (a record $4.6 billion was issued in March alone), the total may amount to as much as $36 billion in 1975—a gain of $11 billion; or roughly the same as the $12 billion increase registered in 1974. Business-type real estate mortgages may rise by $19 billion in 1975—thus registering another year of decline in their share of total credit flows.

The continued pressure on corporations to raise external funds during 1975 can be traced in part to an expected sharp reversal in corporate profits. Before allowing for taxes and inventory valuation adjustment (IVA), corporate profits might total $79 billion in 1975 vs. $110 billion in 1974. However, after adjusting for IVA, and adding repatriated foreign profits and depreciation—and after subtracting Federal tax payments and dividends—corporate cash flow from internal sources may amount to $88.8 billion in 1975 vs. $81.4 billion in 1974. But with total corporate sources projected to decline to $140.8 billion in 1975 from $163.5 billion in 1974, internal sources may represent 60 per cent of the total this year compared with 54 percent a year ago. Even so, the proportion of total funds raised internally would barely be restored to the 1969 ratio. Thus, the need to help reserve the deterioration in corporate liquidity that has been underway for the last five years is another reason why a liberal monetary policy is desirable for the rest of this year.

The *household sector* may raise about $32 billion in 1975—a decrease of $10 billion from the 1973 level—which also saw a sharp decline in the net amount raised. The rise in consumer credit in 1974 (partly a reflection of the sharp decline in automobile sales but also partly a reflection of sluggishness in consumer spending generally) amounted to only $10 billion; this was less than half of the $23 billion rise posted a year earlier. In the current year, the increase may amount to $4 billion. Residential mortgages may climb by $26 billion in 1975. However, this amount would be $4 billion less than that recorded in 1974—which in turn was $15 billion below that for 1973. State and local governments may raise about $15 billion, virtually the same as the $16 billion raised in 1974. In addition, Federal Government credit agencies (particularly those devoted to the raising of funds to be rechanneled into home financing) may have net borrowings of $10 billion this year vs. $20 billion recorded a year earlier. Finally, the volume of *foreign bonds* outstanding in the United States may expand by $3 billion in 1975 vs. $2 billion in 1974.

With respect to sources of funds, the crucial factor for 1975 is the outlook for nonbank investing institutions. In 1974, these institutions as a group supplied 57 per cent of the total funds raised—vs. 61 per cent in 1973. Specifically, in 1974, savings and loan associations (S & L's) supplied about $23 billion to the market—virtually all of which went to home buyers. This was roughly $6 billion less than they supplied in 1973. For mutual savings banks, the figures were $2.7 billion vs. $5.3 billion. For 1975, it appears that S & L's may advance net about $27 billion and mutual savings banks about $6.6 billion.

In the case of commercial banks, net lending in 1975 may approximate $65 million vs. $54 billion recorded last year. If this volume materializes, it would represent a gain of $11 billion—in contrast to a shrinkage of $24 billion in net credit extension in 1974 compared to the 1973 level (which amounted to $78 billion). *Life insurance companies* and *noninsured corporate pension* funds may also have slightly more funds available in 1975 than was the case last year. On the other hand, *State and local government retirement* funds may expand their net lending to a lesser degree than they did in 1974. Federal lending agencies (partly reflecting the improved position of S & L's) will probably advance a much smaller volume of funds in 1975 than they did a year earlier. Nonfinancial corporations may also cut back appreciably the amount of credit extended (perhaps to $3 billion vs. $9 billion) as the backlog of receivables is worked down.

Real estate investment trusts (REITS) may continue to provide a declining volume of net financing of properties as they continue to struggle with their own liquidity problems. *Mutual funds* and *fire and casualty companies* may also expand slightly the volume of funds supplied to the market on a net basis. *Foreign investors* (especially the owners of petroleum revenues) may lift their net supply of funds to the United States capital market by $3.5 billion, raising the level to $10.5 billion in 1975 vs. $7.0 billion last year. In 1973, the figure was only $2 billion. Finally, *individual investors* may cut back significantly on the net volume of funds supplied to the money and capital markets directly. As market yields decline, they will most likely find more attractive the interest rates (along with greater liquidity and in some cases safety as well) offered by savings institutions. Reflecting this expected behavior, individuals may supply about $20 billion to the money and capital markets in 1975 vs. $39 billion supplied in 1974. In 1973, the figure came to $25 billion.

But, in the projected flow of funds, the most dramatic change is the greatly stepped-up borrowing by the Federal Government during the current year. In the projection outlined above, it was estimated that the Federal Government (excluding Federal credit agencies) would raise net about $41 billion in calendar year 1975. This represents an increase of $30 billion from the 1974 level. In 1973, Federal net borrowing declined by $2 billion. These projections were made after the drastic upward revision of official estimates of the Federal budget deficit. Yet, given the uncertain outlook with respect to spending, net Federal Government borrowing might be raised appreciably to the neighborhood of $70 billion in calendar 1975.

III. THE FEDERAL RESERVE AND DEBT FINANCING: THE RECORD

Given the very large increase in the Federal Government deficit over the next two years, it is clear that the Federal Reserve System will have to acquire a fairly large proportion of the net increase in the public debt in the secondary market. The record of Federal Reserve behavior in previous years during which Federal Government borrowing rose appreciably should lead both Congress and the public to expect the System to do just that. For the purpose of these hearings, I have drawn together selected statistics on Federal Government borrowing, changes in Federal Reserve ownership of Government securities, the money stock, and short-term interest rates.

Several points stand out in these data: On the average, during each of the last three post-World War II recessions, the Federal Reserve has absorbed roughly one-fifth to two-fifths of the increase in Federal Government net borrowing from the public.[3] For example, in 1958, the Federal Reserve's share in net borrowings was 27 per cent; in 1961 and 1962, the proportions were 22 per cent and 30 percent, respectively. Although 1967 was not a full-blown recession year, the economic slowdown during the first quarter of that year, did produce a substantially enlarged Federal budget deficit and much higher Government borrowing from the public. In that year, the Federal Reserve absorbed about three-fifths of the net rise in the national debt. In 1970 and 1971, the Federal budget registered extremely large deficits, and the Federal Reserve's share of net borrowing by the Treasury was two-fifths and one-third, respectively.

These data also suggest that the Federal Reserve plays a vital intermediary role between the Federal Government and private credit markets. By definition, the larger the proportion of an increase in the debt which the Federal Reserve absorbs the smaller is the share which must be raised in private credit markets. When the debt has grown substantially—and as the Treasury has been forced to compete with private borrowers—interest rates have risen noticeably, and the growth rate of the money supply has slackened. This tendency is clear whether one traces the relationship by reference to the narrowly defined money stock (M_1) or the

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[2] Salomon Brothers, "Supply and Demand for Credit in 1975," February 10, 1975.

[3] Since these data are on a calendar year basis, they do not coincide precisely with the reference dates for recession and recovery as defined by the National Bureau of Economic Research.

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more broadly based measure (M_2). It also holds for both the Federal funds rate and the yields on three-month Treasury bills.

Let me repeat, these figures are suggestive rather than definitive. A much more detailed and systematic analysis would need to be undertaken before the relationship among Federal Government borrowing, Federal Reserve support, and money and interest rates can be established with greater certainty. However, the general outline sketched here does lead to a clear task for the Federal Reserve: Unless the System is prepared to absorb a sizable share of the net rise in the Federal debt in 1975 (not necessarily as large a proportion as in 1970 and 1971—when the fraction averaged just under 40 per cent), an unduly large percentage of the borrowing by the Government will have to come out of household savings. Such a course would assure that the recession—despite the stimulus of the tax cut enacted by the Congress earlier this year—would drag on through most of this year—with a concomitant waste of the nation's human and material resources.

IV. THE U.S. TREASURY AND DEBT MANAGEMENT

Given the size of Federal borrowing that must be undertaken, it is clear that the Treasury must finance the vast bulk of the debt in the short-term money market. It is clearly doing this—for the most part. Yet, on one or two occasions (and above all in light of what Treasury officials are saying), the Treasury's venture into the long-term capital market has exerted unnecessary and disruptive pressure in the securities markets. The outstanding example occurred late last month. On the same day that an industrial firm floated $600 million of long-term corporate bonds (a record for a nonpublic utility issue), the Treasury offered $1.25 billion of 15-year bonds. The Treasury issue attracted bids of $2.9 billion. The adverse impact of the Treasury flotation was felt in all sectors of the securities markets. Since the Treasury knew well in advance that the Corporate Calendar would be extremely crowded, it could have tailored its own more expertly.

I am not unfamiliar with the Treasury's desire to moderate the persistent tendency for the debt to become shorter. For example, over the last decade, the average length of the debt has shrunk steadily—from five years and four months in 1965 to only three years in 1974. As a matter of fact, in December last year, the average was down to two years and eleven months. Thus, the Treasury does feel pressed to check further attrition in the debt's average maturity.

But I would give less weight to this objective than Treasury officials give it. Unlike some of them (at least according to press reports), I do see a reason why the Treasury should limit its access to the long-term bond market. The reason is to lessen pressure on long-term interest rates and thus enhance the opportunity for the corporate sector to restore its badly depleted liquidity.

I know that the Treasury keeps in close touch with investment bankers as well as with commercial banks, so it is fully abreast of conditions in the money and capital market. The Federal Reserve Banks (which act as the Treasury's fiscal agents) are in even closer touch with the market. This is especially true of the Federal Reserve Bank of New York. Nevertheless, I believe that more systematic consultation by the Treasury (or by the Federal Reserve on Treasury's behalf) with market participants about the prospective flow of corporate and municipal securities onto the market would ease the task of timing new issues for everyone.

V. TREND OF FEDERAL RESERVE MONETARY POLICY

Since last October, the Federal Reserve has sought to encourage a more rapid growth of the monetary aggregates. That objective was spelled out in the Policy Record of the FOMC's October 1975 meeting and reiterated in subsequent public statements. The evidence suggests, however, that the System only recently has been making progress toward this goal.

Even a cursory review of the data leads to a significant conclusion: during the last two months, the Federal Reserve made some headway in its efforts to accelerate the growth of money and credit—while it had lost ground during the preceding four months as the economy slipped more deeply into recession. This fact stands out no matter which reserve, monetary, or credit aggregate is used to trace the trend of monetary policy.

For example, during the four weeks ending April 16, 1975, the average volume of reserves available to support private deposits (RPD's) rose at a seasonally adjusted annual rate (SAAR) of 3.6 percent. The same measure shrank at a 16 percent SAAR over the last 16 weeks, and it had been shrinking for nearly a full year. Nonborrowed reserves (i.e., reserves supplied at the initiative of the Federal Reserve) grew by 8 percent over the last month. But here, also, in the last three months, such reserves declined at a SAAR of 18 percent. In the last six months, the next expansion was only 2.3 percent (SAAR). Federal Reserve credit (perhaps the best summary measure of the System's net impact on the money and capital markets) rose at a SAAR of nearly 14 percent in the eight weeks ending April 16. Here, too, the pace of expansion had lagged noticeably over the preceding four months—compared with publicly stated Federal Reserve general objectives.

In the case of the monetary aggregates, a similar pattern can be traced. The narrowly defined money stock (M_1—demand deposits and currency in the hands of the public) rose 9 percent (SAAR) in the four weeks ending April 9, 1975. An increase of 11 percent occurred during the eight-week period; and over the thirteen-week period, there was a net increase of 6 percent (SAAR). Until the last two months, M_1 had been actually shrinking. The more broadly based money stock (M_2—which includes M_1 plus commerical bank time and savings deposits other than large-denomination CD's) and commercial bank credit (as measured by the adjusted bank credit proxy) registered positive gains over the entire period under review.

Short-term interest rates have fallen significantly since last fall. The decrease was led by the Federal funds rate—which dropped by over 8⅛ percentage points since September (from 10.78 percent to about 5⅜ percent on April 21). The Federal Reserve discount rate has been reduced in three steps: from 8.0 percent to 6.25 percent. Other short-term rates show the same profile. The most widely quoted prime rate (which commercial banks charge their best customers) is in the neighborhood of 7½ percent at most banks. Since the cost of money to the banks (measured roughly by the rates they offer on large denomination certificates of deposit (CD's)) is approximately 6¼ percent, they are enjoying a rate spread of about 1¼ percent. (Last winter, the spread had been as much as 2½ percent—the widest on record).

Long-term rates have fallen also, but the decline has been proportionately far less. The more modest declines in the long end of the capital market partly reflect a continuing strong demand for funds by corporations and State and local governments—as well as some borrowing by the Federal Government in this segment of the market.

Actually, short-term and intermediate-term interest rates have been backing up in recent weeks. Again, the reason seems to be renewed hesitation on the part of the Federal Reserve with respect to the proper course of monetary policy. While Federal Reserve officials *say* they are committed to the use of monetary policy to assure economic recovery, their *actions* give the impression of being more tentative. For example, the Federal Reserve discount rate was lowered at roughly four-week intervals beginning in early December (when it was reduced to 7.75 percent from the 8.00 set last July) through early March when the rate was set at 6.25 percent. Now it appears to have come to rest (at least for the time being) at that level. Moreover, the Federal funds rate seems to have gotten stuck in the neighborhood of 5⅜ percent—where it is has been for several weeks. So, while the Federal Reserve continues to enter the market regularly to supply (or absorb) reserves, many market participants are getting the impression that the Federal Reserve has about come to the end of its credit-easing actions as far as the present recession-recovery phase is concerned.

VI. CONCLUDING OBSERVATIONS

From the foregoing discussion, I reach the following conclusion: Unless the Federal Reserve System acts to prevent it, the competition for funds in the nation's capital market in 1975 might produce a level and structure of interest rates that could delay the timing and dampen the vigor of the recovery which national economic policy is designed to achieve. The assessment of the outlook presented here assumes that (in addition to a stimulated fiscal policy and the absence of wage and price controls) the course of monetary policy during 1975 will be accommodative. Specifically, it is assumed that, in carrying out this policy, the Federal Reserve will supply bank reserves in a generous fashion and that open market operations would be employed aggressively (i.e., to make large net purchases of outstanding Federal Government securities). The basic question, however, is whether the Federal Reserve will be vigorous enough in its efforts to expand the availability—and reduce the costs—of credit in a still depressed economy.

Given the supply and demand for funds outlined above—along with some improvement in investor expectations in the face of moderation in the rate of inflation—the monetary policy followed by the Federal Reserve so far may lead to the following pattern of interest rates. Short-term rates may move down somewhat further through mid-1975, but the decline may be very slight compared with levels currently prevailing. The heavy borrowing by the Federal Government in the short-term market (along with continued sizable needs of the business sector) may well limit the magnitude of the reduction in short-term rates. In the latter part of the year, as the expected economic recovery gets under way—and particularly after the liquidation of unwanted inventories has been completed and stocks are being accumulated again—business loan demand is expected to become stronger. Under those circumstances, renewed upward pressure on short-term rates should be anticipated.

In the long-term capital market, interest rates may decline moderately below present levels. These modest reductions will reflect the expected record level of corporate bond flotations and near-record borrowing by State and local governments. Moreover, interest rates on bonds issued by firms with less than the highest credit ratings may show little or no decline. Because of the strong inflow of funds to savings intermediaries—in face of sluggish demand for houses—interest rates on home mortgages may decline somewhat further as the year unfolds. Corporate bond yields may start climbing again in the closing months of 1975—depending on the timing and strength of the recovery. Finally, toward the end of this year, some long-term investors (especially if they fail to note the large backlog of excess capacity in American industry) may begin to worry again about the prospect of renewed inflation in 1976, and this change in expectations could also give a boost to long-term rates.

Thus, a fundamental conclusion should be re-emphasized: the Federal Reserve System will have to expand the volume of bank reserves at a fairly high rate through most of 1975—if the credit needs of the economy are to be met. If the System fails to do this, the greatly enlarged Federal budget deficits will have to be financed out of private savings, and private borrowers will be "crowded out" of the market place. The consequences of such a development must not be underestimated: interest rates would back up; savings intermediaries would mobilize a smaller volume of funds; the revival of housing starts would be anaemic well into next year; corporate liquidity will remain strained, and the overall pace of economic recovery in 1975 would be less sure and more feeble.

Given this prospect, I am personally convinced that the Federal Reserve will sustain the growth of money and credit at rates close to those currently prevailing. Moreover, it will have to sustain the higher rates of expansion through most of the current year. However, the impact would be registered—at least during virtually all of 1975—as a stimulus to increased output, and very little would show up in the form of higher prices. As the year wore on, the increment in prices relative to the increment in production would become somewhat larger. Yet, because of the large backlog of excess capacity and the high—and rising—rate of unemployment, there is little likelihood that the provision of a greater volume of bank reserves by the Federal Reserve System would rekindle underlying inflationary forces during the current year.

A GLOBAL VIEW OF 'CROWDING OUT'

(By William C. Cates)

Too many economists, pundits and politicians hold their strong views on American economic problems as if these were national in scope and treatment, with but an apprehensive backward glace at the "balance of payments."

This parochial outlook has led us to mistakes of forecasting that have been embarrassing to say the least. Take the 1973 failure to anticipate the domestic inflation that would be caused by a devalued dollar. Or the 1974 failure to appreciate the impact on world—and therefore American—interest rates from massive British, French and other national borrowings in the Eurodollar market to finance oil imports.

If these forecasting fiascos were embarrassing, the narrow domestic calculations which now appear to underlie our policymaking for 1975 will lead us to nothing short of tragic disaster. For this year's big national issue is "crowding out," a slogan for the question: Will the burgeoning demands of the federal government to finance a $60 billion to $100 billion deficit preempt private industry's credit needs in the capital markets?

Those who say it will include The Wall Street Journal, in an editorial on March 13, and Treasury Secretary Simon, the only certified bond expert in the administration, who confidently predicts that long-term interest rates will not fall below 8½%. Others maintain either that the economy will recover and stimulate tax revenues to close the predicted deficit or, minus a recovery, that private savings will rise and private credit demands fall. Whatever the merits of this debate, it is strictly local and it fails to include what has been happening and is likely to happen around the globe.

Imagine for a moment that the finance ministers of the industrial nations, horrified at the inflation of 1973, had gathered together at the close of that year to do something about it. Imagine further that they decided to run a collective budget surplus of $170 billion by imposing an excise tax on all petroleum products. Imagine still further that they agreed upon an international collection agency to levy the tax and invest the proceeds at its own discretion in the bonds and bills of their various governments and in short-term bank deposits.

However much this may strain the imagination, it is what happened, minus the folderol of a finance minister's meeting. Of course, it was the OPEC oil producers who decided upon the "tax" and who have since served as a collection and investment agency. On a world scale their cartel ripoff has had the same fiscal effect as a collective budget surplus of the oil consuming nations in the same amount. According to the Keynesian textbook, it was bound to produce a world-wide depression, as it is doing.

NEAT, BUT . . .

Viewing our problems as usual in purely domestic terms, we tell ourselves that last calendar year we had a modest budget deficit and that this year we will have a massive one. Neat but incomplete. Actually, 1974 saw an immense global budget surplus, with the Arabs as a Super-Treasury Department, and any calculations regarding the impact of this year's U.S. government deficit must as well be made globally.

Current thinking on the money supply is, once again, purely in domestic terms. Solons Reuss and Proxmire are demanding that Fed Chairman Burns keep M-1 marching to a congressional beat, reporting not only his results but his intentions. But this M-1 is a domestic figure, whereas the demand for credit that skewed up interest rates last year started abroad. Probably the supply of money that will make the difference this year will also come from overseas.

Fears in the financial community, hypoed by the breakfast interviews of Secretary Simon, are that government plus private borrowing will create such credit demands that the Federal Reserve Board will be obliged to increase the money suppy at a wildly inflationary pace to ensure that all needs are met. By this logic one can envision the scene as 1975 comes to a close: Government borrowing is at unprecedented levels; business is picking up and needs credit. Worst of all, mortgage money is insufficient for voters to buy houses. M-1, domestically measured, has been climbing at too modest a rate, and the heat is on Chairman Burns to get it up. A scenario for inflationary disaster.

Of course, there is one remedy that an omniscient and beneficient Congress can provide for such woes: credit controls. With the government preempting most of the credit available, it is only right that the remainder should be reserved for suitably worthy and vote-getting purposes such as housing and small business. Speculators, whoever they may be and whatever their speculations, must be denied access to the remnants of available credit!

Such ideas already have been broached, but, however worthy, they will flounder on one rock: You can borrow abroad. The speculator who has been denied access to his friendly local bank need only pick up the telephone to London to get his loan on about the same terms. The cost of imposing credit controls in the United States is the total disruption of international financial flows, and we would pay it at our peril.

The good old days, when we dictated the world's money supply, ended Aug. 15, 1971. Our thinking has yet to adjust. With floating rates we have become just one other nation, however important, and our economic future lies in tandem with the rest of the world. Specifically this means that instead of simply forecasting federal and local government plus domestic private financing, we must look at the potential credit demands of foreign official agencies and overseas corporations.

Many foreign governments no longer have access to the credit markets, and, with the deepening world depression, overseas corporate demand for credit should abate. On the supply side one must reckon not only with domestic savings but with capital accumulation abroad, including the still-massive Arab hoards of petrodollars. Any strictly domestic estimates of the demand for and supply of credit—even with an arbitrary assumption that so and so many billions of dollars will flow in from abroad—is bound to fall wide of the mark.

THE WORLD MONEY SUPPLY

Even more important, particularly when it comes to the make-or-break policies of the Federal Reserve Board, we must start thinking about the world money supply, for it is the world money supply that has been impelling and will henceforth impel or inhibit world inflation. The world money supply consists, for practical purposes, of the money supplies of the U.S., Britain, Japan and those European countries whose currencies are generally acceptable for trade payments.

A vitally important part of this money pool is the Eurocurrency system, wherein offshore banks are creating unmonitored money. The only worthwhile survey of Eurocurrency creation is conducted annually by the Bank for International Settlements in Basel. If policymakers in the U.S. or in any other nation are to know what they are doing, they must, urgently, get weekly statistics on the cash and deposit liabilities of offshore Eurocurrency banks. When Chairman Burns reports to Congress on the money supply, his report should include not just M–1 or M–2, but Eurodollar growth.

This is not a plan for regulation of international capital markets. Those who have labored in the stony vineyards of the Capital Markets Committee of the OECD are aware that such regulation is next to impossible and probably undesirable. Getting information on the other hand, is feasible and urgently necessary. For the reality is that the dollar supply includes Euro—and Hong Kong—dollars, which are just as green and just as rubbery and most of the time we don't know how many of these there are.

At some point this year the increase in government demand for credit will exceed the decrease in private demand. At least this is the thesis of "crowding out." Then the Federal Reserve Board, under congressional observation based on statistics of purely domestic money supply, will be pushed to print money to facilitate all comers. The U.S. money supply will soar. Foreign investors will shy away. The dollar will fall. And interest rates will rise to levels sufficient to compensate domestic lenders for impending inflation and foreign lenders for their currency risk—a la Brazil.

There is one alternative: An informed Congress could leave an informed Fed chairman alone. Calculations of M–1 (domestic) could already have been combined with a competent and current survey of the Eurodollar money supply. With the Fed unpanicked, increasing demand for credit in the United States would entice funds from abroad, causing the dollar to rise on the exchange markets and simultaneously filling the gap between savings and borrowing needs.

Which is it to be? The record of the past suggests inflationary chaos. Yet we need not always be lemmings. All that is required is a little better information, understanding and communication, plus a little willpower.

ORDER FOR CONSIDERATION OF S. 621 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, upon the disposition of the now

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pending measure, the Senate proceed to the consideration of S. 621.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 10:45 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. NELSON will be recognized for not to exceed 15 minutes; after which Mr. BARTLETT will be recognized for not to exceed 15 minutes; after which the Senate will resume consideration of Senate Concurrent Resolution 32, the congressional budget for the U.S. Government.

Upon the resumption of consideration of Senate Concurrent Resolution 32, Mr. HARRY F. BYRD, JR. will be recognized for not to exceed 15 minutes, after which there will be 30 minutes for further debate on the measure, with a rollcall vote occurring at the hour of 12 o'clock noon on final passage.

Upon the disposition of Senate Concurrent Resolution 32, the Senate will resume consideration of S. 621. It is my understanding that there is a time agreement on that measure. I ask, Mr. President, if I am correct?

The PRESIDING OFFICER (Mr. STONE). There is an agreement for 6 hours on the bill, 1 hour per amendment, 30 minutes on amendments of the second degree.

Mr. ROBERT C. BYRD. I thank the Chair.

Rollcall votes may occur on amendments thereto, therefore, tomorrow. On Friday, action will be resumed on that measure, if it is not acted upon finally tomorrow, which I doubt that it will be.

RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10:45 a.m. tomorrow.

The motion was agreed to; and at 6:19 p.m., the Senate recessed until Thursday, May 1, 1975, at 10:45 a.m.

NOMINATIONS

Executive nominations received by the Senate April 30, 1975:

IN THE MARINE CORPS

Lt. Gen. Louis H. Wilson, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a period of 4 years pursuant to title 10, United States Code, section 5201.

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Lucius D. Clay, Jr., 263-60-5244FR (major general, Regular Air Force), U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30, 1975:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Charles A. Mann, of North Carolina, to be an Assistant Administrator of the Agency for International Development.

Curtis Farrar, of Maryland, to be an Assistant Administrator of the Agency for International Development.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before a duly constituted committee of the Senate.)

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Ernest C. Hardin, Jr., 407-14-8773FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officers under the provisions of title 10, United States Code, section 3068, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. George Samuel Blanchard, 579-14-7196, Army of the United States (major general, U.S. Army).

To be lieutenant general

Maj. Gen. Frederick James Kroesen, Jr., 153-18-6515, U.S. Army.

The following-named officer for appointment as Chief, Army Reserve and for appointment as major general, Army of the United States, and major general, U.S. Army Reserve, under the provisions of title 10, United States Code, sections 3019, 3442 and 3447:

To be major general

Brig. Gen. Henry Mohr, 491-12-6459, U.S. Army Reserve.

Chaplain (Colonel) Orris Eugene Kelly, 512-22-8368, Army of the United States (lieutenant colonel, U.S. Army) for appointment as Chief of Chaplains, U.S. Army, as major general in the Regular Army of the United States and as major general in the Army of the United States, under the provisions of title 10, United States Code, sections 3036, 3442, and 3447.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Richard Joe Seitz, 514-03-9046, Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Henry Everett Emerson, 457-38-2896, Army of the United States (brigadier general, U.S. Army).

IN THE NAVY

Vice Adm. Walter D. Gaddis, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Frank H. Price, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. William P. Mack, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Parker B. Armstrong, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE AIR FORCE

Air Force nominations beginning Howard H. Sherman, to be major, and ending Shirley A. Strachan, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 7, 1975.

IN THE ARMY

Army nominations beginning James K. Abcouwer, to be second lieutenant, and ending Scott W. Baxter, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 7, 1975.

The nomination of Grace E. Squires to be captain in the Army, which nomination was received by the Senate and appeared in the CONGRESSIONAL RECORD on April 9, 1975.

Army nominations beginning Frederick B. Hull, to be colonel, and ending Jamis C. Townsend, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 17, 1975.

IN THE NAVY

Navy nominations beginning William C. Absher, to be ensign, and ending James L. Bales, to be a lieutenant (j.g.) and a permanent chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 7, 1975.

Navy nominations being Billie Doe Adams, to be captain, and ending Kathryn Elizabeth Zabel, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 7, 1975.

Navy nominations beginning Rufus Addison, to be ensign, and ending Harry C. Benson, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 9, 1975.

Navy nominations beginning Allan J. Adeeb, to be captain, and ending Neal F. Current, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 14, 1975.

IN THE MARINE CORPS

Marine Corps nominations beginning Claire V. Wells, to be captain, and ending Terry M. Symens, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 7, 1975.

The nominations of Michael Tierney and Steven M. Palmer, for appointments in the grade of second lieutenant in the Marine Corps, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 9, 1975.

Marine Corps nominations beginning Garland G. Aaron, to be first lieutenant, and ending William D. Harris, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 9, 1975.

EXTENSIONS OF REMARKS

JOHN SHARP WILLIAMS, OF MISSISSIPPI

HON. JAMES O. EASTLAND

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, April 30, 1975

Mr. EASTLAND. Mr. President, for some 30 years, the late John Sharp Williams represented the people of Mississippi ably and well, first as a member of the House of Representatives and later as a Senator of the United States.

An account of his distinguished career of public service appears in the April 17, 1975, edition of the Yazoo City Herald, Yazoo City, Miss. This article, written by Mr. Gordon Cotton of the Vicksburg Evening Post, very cogently captures the essence of this planter-statesman of an earlier generation.

Senator Williams brought to Congress a natural talent for the legislative process. While he was learned in the law and masterful in parliamentary debate, he had great human qualities and a great sense of humor, which endeared him to his colleagues and to his home people.

It is a pleasure to share with my colleagues this brief tribute to a true gentleman from Mississippi, John Sharp Williams. I ask unanimous consent that the article from the Yazoo City Herald be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHN SHARP WILLIAMS—THE GENTLEMAN FROM MISSISSIPPI

He had walked and talked with Presidents and had been their friend, but in the last nine years of his life, John Sharp Williams came home to Cedar Grove Plantation at Benton, Mississippi and to his Mississippians, the people he loved the most.

And the people went by the thousands to visit the Sage of the Senate, who sat in a rocking chair on the shaded lawn, enjoying an occasional toddy and his pipe, relaxing with his books and grandchildren and dogs.

For 30 years, John Sharp Williams represented his people in Washington, first as a member of the House of Representatives, then as United States Senator.

Williams was a small man, wiry, alert, and quick-stepping. Soon after he entered the 53rd Congress in 1893, he delivered his first address in the House. Less than a dozen members were on hand, but soon the word filtered out to the cloakrooms and offices, and the congressmen came in to hear the new member. The next day his ability was praised in the New York papers; and never again did he begin any address to an almost empty hall, for not only was he eloquent and knowledgeable, but he was also entertaining.

Williams was a man of fierce, intense loyalties. He was consistently a "blamefool Mississippi Democrat", and his scathing remarks and biting sarcasm regaled the galleries and cowered his opponents. A favorite trick of the Old Guard was to sic a young maverick on him and sit back and watch the fun.

John Sharp Williams was a leader. He didn't follow the crowds; he persuaded the crowd to follow him. He was defeated in his first bid for Congress because he opposed a popular but foolish measure. Two years later the people changed their way of thinking and followed him. And in 1903 his colleagues in the House chose him to be the Minority Leader.

In 1909 he voluntarily retired from the House to prepare himself for a seat in the United States Senate. And when he entered that august body where the bloody shirt was still being waved by Northern men, he proudly announced that he had come to occupy the seat held by Jefferson Davis.

William's integrity was respected by fellow senators and by the presidents under whom he served. He once delivered the keynote address at a national Democrat convention, and he was talked of as a possible vice presidential candidate. He was confidant, advisor and close personal friend of Woodrow Wilson, and he worked untiringly for Wilson's programs.

Though he was a Mississippian, John Sharp Williams overcame sectionalism. It was he who accepted the birthplace of Abraham Lincoln at Hodgenville, Ky., for the United States government; and it was Williams who gave the stiring dedicatory address when the statue of President Jefferson Davis was unveiled at Vicksburg.

There were times when Williams grew exasperated with his colleagues. He once compared the Senate to a mule which one of his field hands plowed on Cedar Grove Plantation: "Boss, dat am sho'ly a powerful fine mule, but he suttinly motions and travels futher 'thout gittin' no place en any mule I ever seed."

His campaigns in Mississippi were enlivened with such wit. He had few faults and no shams, once stating that he sometimes took a few toddies too many, but the people always forgave him for that.

The story is still told of a Williams opponent circulating the story that Senator was drunk in Hermanville. At his next speech, someone in the audience yelled out, "Were you drunk in Hermanville?" and John Sharp Williams retorted, "Hell no, I was drunk in Canton."

The people loved his honesty. And he respected the people's wishes. Though opposed to prohibition, he voted for the measure because he was a representative of the people of Mississippi, and that was what they wanted.

Williams announced that he would retire from the Senate in March, 1923, and nothing could change his mind. "I had rather be a dog and bay the moon from my Mississippi plantation than remain in the United States Senate," he said.

And he was serious. He refused to write his memoirs, calling autobiographies nothing but "pleasant lies". And he declined to deliver a farewell address, for such talks were for men like Washington and Davis. For Williams, "a farewell address . . . would be a manifestation of megalomania."

Tributes were heaped upon him, and he good-naturedly replied to one colleague's talk, "I not only appreciate what you say about me, I simply love it. For a long time . . . I was afraid that the American Republic might not be able to totter along (without Williams) and sink down like an old imbecile. . ."

The Christian Science Monitor ranked him with the greatest statesmen of the past and wondered "how much of prejudice and partisanship, and even of sectionalism, must be forgotten before that place shall be generally accorded to him."

Back to Cedar Grove he went leaving Washington and politics behind. Someone wanted to send him the Congressional Record, but he replied that he didn't care a damn thing about reading it."

Williams enjoyed the tranquility of Cedar Grove. To friends, he pointed at the grass, the corn, the sheep, the cattle, the birds singing—they did not know there was an election and did not care.

He continued his voluminous correspondence, and once suggested that to assist prohibition, "John Barleycorn, the dear, old disappointing wretch and encourager of illusions" be limited to Cedar Grove Plantation with the "religious, sober, and retired Statesman who lives there" appointed curator and custodian!

Williams loved that plantation, the fields that Grandfather Sharp had cleared in frontier days, the comfortable old home he had constructed from 1830–1834.

He recalled his days as a lad when he was brought there in 1862 from Memphis to live with his grandparents. His mother had died when he was five and his father was killed at Shiloh. Soon after he arrived at Cedar Grove, Grandpa Sharp died, and the little eight-year-old lad's step-grandmother reared him.

He grew up in the traditional atmosphere of an Old South plantation having his own servant boy, learning to work and play and enjoy people. He was steeped in family lore: how Great-grandfather Williams fought at the Battle of Horseshoe Bend, that Grandfather Williams had served as a Whig in Congress, that Grandfather Sharp had served as a colonel under Jefferson Davis in Mexican War.

There was the time when someone came to the house, to talk to Grandmother Sharp, to urge her to accept a pension for widows of Mexican War veterans. But she refused: "I understand, sir, that Col. Sharp did not fight for money."

It was the same type patriotism that swelled in John Sharp Williams' breast. In the House and Senate he was a watchdog of the people's money (Mississippians got a lot for the small salary they paid that senator!), and he worked tirelessly for peace after World War I.

John Sharp Williams was educated at Kentucky Military Institute, the University of the South, the University of Virginia, and Heidelberg University in Germany. But degrees never impressed him; the only title he wore was "Colonel" which was offered by the Confederate Veterans.

He never was impressed with personalities or celebrities or formalities. Once, attending a society church in Washington, he unknowingly sat in a pew reserved for a prominent family. Finally the head of the family handed him a note telling Sen. Williams that they paid a thousand dollars a year for that pew. The Senator scrawled a note on the back, "that's too damn much," and passed it back to the man.

John Sharp Williams, sitting in his rocking chair sipping on a mint julep and puffing on his pipe, could entertain people for hours with conversation laced with native wit and embellishments from the classics. He has been described as one "of the intellectual aristocracy and the homespun democracy of the soil."

Senator Williams died Sept. 17, 1932, in his 77th year, and in simple Episcopal ceremonies his body was borne from the home down the lane to the little family plot to rest among his kinsmen.

Modern machinery farms the land where the Senator's field hands once plowed, but otherwise Cedar Grove is much as John Sharp Williams enjoyed it.

Flowers bloom in profusion, birds sing from the trees, laughter and happiness of chil-

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dren sound across the land and down the cross halls of the house.

It's a pleasing scene, one that hasn't changed in the six generations that the Sharps and Williams have owned Cedar Grove.

TAX CREDITS AND ALLOWANCES ACT OF 1975

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CORNELL. Mr. Speaker, last Monday, April 28, 1975, I introduced the Tax Credits and Allowances Act of 1975. This measure would bring about a badly needed reform- of the Nation's welfare system while at the same time providing permanent tax relief for our lower- and middle-income groups.

Designed to implement recommendation of a 3-year study of public welfare conducted by the Joint Economic Subcommittee on Fiscal Policy, the bill would abolish two major current welfare programs, aid to families with dependent children—AFDC, and food stamps. Their replacement would be a two-part program of cash supplements for all families and poor persons not covered by the supplemental security income program. The program would consist of: First, tax credits for all Americans, $225 per person, to be subtracted from the annual bill of taxpayers, but rebated in cash to those with too little income to owe taxes; and second, basic allowances for living expenses—ABLE—to be paid monthy. Both the credits and ABLE grants would be administered by the Internal Revenue Service and paid with Federal funds.

The measure would treat persons in similar circumstances equally, no matter where they lived, would end detailed scrutiny of family budgets by welfare caseworkers, and would minimize chances for erroneous payments. Three factors would determine the size of ABLE grants—family size, family composition, and countable income. For example, a mother and father with two children and no countable income would receive a maximum of $4,300 annually—$900 in rebatable tax credits and $3,400 in ABLE grants. Another penniless family of four, but with only a single parent, would receive a maximum of $3,775—$900 in tax credits and $2,875 in ABLE grants. For a married couple, the maximum combined Federal benefits would total $3,100; for a single adult, $1,100. Because most of the poor have some earnings, their ABLE grants would be smaller than these amounts; but, to encourage work, $1 in wages would cause only a 47 percent cut in ABLE.

The $225 rebatable tax credit per person would replace the present $750 personal exemption that taxpayers subtract from taxable income. The tax credit would give the same $225 to all Americans, in contrast to the exemption, which is worth zero to the poorest, but $52.50 to the richest. This change would reduce the taxes of most workers, including families of four with annual earnings up to $25,000. Because this tax reform produces an income base upon which to build the ABLE system, it reduces the number of persons who otherwise would need ABLE. Also, because its tax credits decrease the tax burden of the middle class, the Tax Credits and Allowances Act is able simultaneously to rationalize existing welfare programs and to aid workers whose real incomes have been cut by inflation.

FOUNDING FATHERS DECREED PREEMINENCE FOR HOUSE OF REPRESENTATIVES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the current issue of the Federal Bar News carries an article written by Richard S. Greene, an attorney in the Federal Energy Administration, that explains how the Constitution created the three coequal branches of Government, but at the same time made sure that the supreme power would rest in the Congress—and especially in the House of Representatives.

Because of the interest of my colleagues and the American people in this subject, I place the article by Mr. Greene in the RECORD herewith.

The article follows:

THE BALANCE OF POWER, THE IMPEACHMENT POWERS, AND THE SUPREME POWER OF CONGRESS

(By Richard S. Greene)

Americans commonly conceive of their system of government as one in a mighty state of "balance." It is a commonplace that we have a national government of three "coequal" branches, with the power of each branch sufficiently strong to check encroachments by the other two and to prevent any undue imbalance in the divided scales of power. The existence of a similar system of weight and counterweight as between the national government and the states is also widely accepted.

* * * * *

For Americans, the assumption that a government divided into three parts is a government divided into three roughly *equal* parts comes easy. With all we have been taught about "co-equality" of the three branches the admirable system of "checks and balances," and the dangers of excessive concentration of power, it takes little effort to conclude that an intra-governmental "balance" of power or equipollency is what the Constitution provides and requires.

It is not easy to shake this comfortably symmetrical and egalitarian approach. Nevertheless, it is a mistake to assume that the three coordinate branches of the national government do or should enjoy an equality of power or that a co-equality of power is essential to the system of institutional checks and balances. The truth of these observations can be illustrated in several ways.

The "co-equality" of the three branches means, in legal terms, merely that the power of each (whether that power is great or small) derives from the same high source, the Constitution. Each branch was independently created by that "higher law" and each is bound to act in accordance with that law. In other words, no one branch is dependent upon another branch as the source of its power. Congress cannot, for example, abolish the Supreme Court or diminish powers which devolve upon it from the Constitution. The Court can resist, and in fact is constitutionally bound to resist, an enactment of Congress which impinges upon the responsibilities, powers, and duties imposed on the Court by the Constitution. Under the British system of government, in contrast, the Parliament may pass any law it wishes affecting the British courts. No "higher law" insulates the courts from the sovereign power of Parliament.

To explain the matter another way, a reference to the "co-equality" of the three branches of the national government is properly a reference to the fact that each of the three branches possesses power of the same *quality*, not that their powers are equal in *quantity*. If we were to suppose that the judicial branch had been made part of the executive branch under the Constitution, the quantity of power vested in the President would have been substantially augmented but the quality of the President's power would have been the same. That is, it would have remained *constitutionally sovereign* power (independent power granted by the people under the Constitution itself), regardless of the total quantum of power granted.

The point can be further illustrated by comparing the inter-relationship of power between the three branches of the national government with the inter-relationship of power between the nation and the states. It is assumed by some that the system of government called federalism provides and requires a "balance of power" between the states and the national government in order to assure the survival of the states. However, when we take into account Congress' powers with respect to foreign policy and the military, its powers over commerce and the economy, and its powers to tax and spend for the general welfare of the United States, not to mention the power of the federal courts to review all state actions for conformity with the Constitution, it would seem fanciful in the extreme to suggest that a "balance" of power exists between the national government and the states. But equality or parity of power is not an essential element of federalism. The essential factor which bars abolition of the state governments by Congress is not a "balance of power" but the existence of independent state power as such.

The key to a federal system such as ours, in contrast, is that independent or sovereign power is vested by the Constitution in each of the component parts of the system—power, that is, which is not subject to control by another authority within the system. Furthermore, as a matter of definition, federalism only requires that *some measure* of such power be vested in the component parts of the system.

Under the American federal union, there are many powers which can be exercised only by the national government and many powers which, because they are vested concurrently in the nation and the states, are subject to overriding national control to the extent exercised by the national government. On the other hand, there is no doubt that there are certain other powers which can be exercised only by the states. Whether these other powers are thought to be substantial in quantity or relatively small, they can truly be said to be of the same *quality* as the powers vested exclusively in the national government in the sense that they are independent powers which cannot be exercised or taken away by another authority within the federal union. . . .

If we accept, then, that the "co-equality" of the three branches of the national government is properly a reference to the quality of power which each possesses and not to the quantum of power of each, the next question is whether, assuming the absence of an intra-governmental "balance of power" or an intra-

governmental equipollency, one branch possesses power of a character and extent which affords it a clear intra-governmental supremacy, and if so, whether that branch is Congress. Since the answers to these two questions are interwoven, we may proceed by examining the proposition that Congress possesses intra-governmental supremacy under the Constitution.

Considering this proposal first on a superficial level, Congress clearly seems to hold a pre-eminent position in the national government. Congress is the oldest of the three branches, having first met as the Continental Congress 200 years ago last year—two years before the Declaration of Independence (which was a product of its deliberations) and fourteen years before the adoption of the Constitution which gave birth to the presidency and the Supreme Court. Moreover, in the Constitution itself first priority is given under Article I to the establishment of the present Congress, its powers and procedures, while the provisions setting up the exectuive and judicial branches follow in Articles II and III. As further ostensible evidence of the primacy of Congress, the City of Washington was laid out in the 1790's with the Capitol at the focal point of the main axis of the municipal plan. The "President's House" was made the terminus of the cross-or secondary axis, while "Judiciary Square" was relegated to a position of decidedly subordinate importance.

On a more substantive level, the primacy of Congress appears to be indicated by the nature of its chief constitutional function compared with that of the other two branches. In general, the foremost task of any legislature is to enact the laws by which society is governed. In the main, the executive sees to it that the laws are put into effect and obeyed (the word "executive" derives from the verb "to execute"—the President is duty-bound under the Constitution to "take Care that the Laws be faithfully executed"). The judicial branch also enforces the laws by resolving disputes which arise under them. In this general sense, legislative power may be said to be supreme power. If the legislature did not perform its law-making function, there would be little for the executive and the judiciary to do.

In response to the foregoing assertion, it might be argued that the reverse is also true—that all the powers of Congress to make the laws amount to little without the executive and judicial departments to enforce them and make them effective. . . .

Moreover, the law-making power does not extend merely to general substantive laws affecting the welfare of the nation. It also includes the power to prescribe specific rules governing the exercise of executive and judicial power. For example, in the Federal Civil Procedure Act and the Federal Criminal Procedure Act, Congress provided the procedural rules which must be followed in cases in the federal courts. It is also a legislative function to amend when necessary the "rules of decision" of the courts—that is, the substantive laws (as opposed to procedural laws) which govern the traditional fields of law such as contract rights, inheritance, divorce, criminal matters, commerce, and the like. In these matters Congress shares juriadiction with the state legislatures. With respect to the power of Congress over the operations of the executive branch, each department and agency is headed by officials whose selection is subject to approval by the Senate. Each department and agency maintains a legal office whose duties include making sure that the department or agency concerned conducts its operations in accordance with applicable statutes enacted by Congress. . . .

The law-making power of Congress extends, in addition, to fundamentally important constitutional functions pertaining to the structure of the other two branches and to the structure of the Union as well. Consider, for example, the wide discretion given by the Constitution to Congress with respect to creation and management of the national courts. It is true that the Constitution establishes the independence of the Supreme Court by vesting the judicial power of the United States in the national courts and by specifying those cases in which the Supreme Court has absolute jurisdiction. In addition, the justices of the Supreme Court are constitutionally protected against diminution of their salaries while in office and cannot be removed from office while they remain in "good Behaviour." However, the Constitution cheerfully places the Supreme Court at the mercy of Congress by granting the latter a general discretionary power with respect to the management of the national judiciary—that is, the power to pass laws with respect to such matters as the number of justices on the Supreme Court, the salaries of its members, the extent to which the Supreme Court shall have appellate jurisdiction, and the creation of the whole system of lower national courts.

The framers of the Constitution would not have left so much to the discretion of Congress if they had intended the Court to be co-equally powerful with Congress. It would appear that the framers intended by the Constitution to assure independence with respect to that quantum of power that was given the Court to exercise, rather than to guarantee any particular quantum of power, other than with respect to the original jurisdiction specified in certain special cases for reasons other than those affecting any intra-governmental "balance" of power.

The law-making power of Congress also extends, it should be noted, to the structure or organization of the executive branch. For example, none of the executive departments or agencies were established by the Constitution. All of them, therefore, have been established by action of Congress. As further examples, the Constitution specifically grants Congress the power to "provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President," and to "vest the Appointment of . . . inferior [executive] Officers . . . in the President alone, in the Courts of Law, or in the Heads of Departments."

In addition, the Constitution vests in Congress certain law-making powers with respect to the federal union, such as regards relations between the states, admission of new states, and amendment to the Constitution. It therefore can be said, in summary, that the law-making power of Congress extends even to certain high *constitutional* law-making functions, i.e., power to "constitute," through the law-making process, the federal court system, the executive branch and the Union itself, in matters with respect to which it was not necessary, desirable or possible to deal by substantive provision in the Constitution.

The foregoing discussion suggests the reasons why, during the period 1774–1788, prior to the adoption of the Constitution, the American government consisted of the legislative branch only and why the Congress and its agents during that period also exercised as auxiliary functions the national executive and judicial powers.

The Constitution did not, it is true, go so far as to guarantee the right to vote to any particular citizens. It left the question of the rights of suffrage to the states, subject to certain supervisory powers in the hands of Congress with respect to congressional elections, and subject to a provision which required Congress to take such ateps which might be necessary and proper to guarantee to the people in each atate a republican form of state government.

Nevertheless, the momentous principle of sovereignty in the people was firmly established, however "the people" might from time to time be defined by the rules of suffrage.

In addition, the people were given an indispensable role, or, if you will, a veto power, with respect to the workings of the national government. This ultimate deference to the voice of the people was reflected not in the person of the President (whose veto power can be overriden by a two-thirds vote of Congress) but by the creation of the House of Representatives which was to be elected specifically "by the People" and without whose approval no laws could be enacted.

In this consists further evidence that the framers of the Constitution placed supreme governmental authority in the hands of Congress. . . . The House was made the one organ of "the people"—it was to be composed of their representatives who would be subject to direct election by them at frequent intervals. It was given what was known as "the power of the purse" and no laws could be passed without its consent. . . .

Originally, the Constitution provided four different modes of "appointment" of national officials—one for each house of Congress, one for the President and one for the justices of the Supreme Court. The latter were to be selected by the most indirect method of all. They were to be (and still are) nominated by the President and later appointed by him should the Senate concur in the proposed appointments. This method was the most indirect because the appointing agents—that is, the President and the members of the Senate—were themselves indirectly selected. This meant that the members of the Supreme Court were selected by a process at least twice removed—and in some respects three times removed—from direct election by the people.

The Constitution provided, and still provides, that the President is to be elected by the next most indirect method. First, the representatives of the people in the state legislatures are free to "appoint," in any manner they see fit, a number of "Electors" equal to the total number of U.S. representatives and senators to which the state was entitled. Then, these electors (known today as comprising the "electoral college") cast votes for President. . . .

Today, because of the universal advance of the suffrage, each state's electors are chosen by popular election and the electors almost always vote for the President as the majority of the people in the state voted. However, the indirect mode of election chosen by the framers of the Constitution with respect to the presidency clearly demonstrates that the framers had no intent whatever to set up the President as the agent of the people in the constitutional scheme.

Until the 17th Amendment was ratified in 1913, providing for direct election of the Senate by the people, senators were chosen by the state legislatures, as originally provided in the Constitution. . . .

The principle that the Congress, and particularly the House of Representatives, is the constitutional organ of the people rather than the presidency recently received unexpectedly strong confirmation from the new President himself. President Ford, speaking before a joint session of Congress in the House of Representatives, where he had served for many years, declared that it was "good to be back in the people's House." He had "no need," he said, "to learn how Congress speaks for the people." Referring to the fact that he had not been elected to executive office but had been appointed Vice President under the 25th Amendment with the approval of Congress and had been made President through the exercise by Congress of its impeachment powers, he asserted that "I am the people's man, for you acted in their name."

Despite all the evidence of the natural-

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ness and appropriateness of congressional supremacy under the Constitution, the dominance of one branch might be thought to be inconsistent with the system of checks and balances which the Constitution instituted and which is perhaps its most famous feature. . . .

In the last analysis the system of checks and balances may be said actually to confirm the supremacy of Congress, for the ultimate governmental "check," or "checkmate"—the power to remove all federal officials from office by impeachment—is vested exclusively in Congress. The possession by one branch of the power to remove from office the highest officials of the other two branches ought to be itself sufficient proof that the three branches cannot truly be said to hold roughly equal shares of equipollent power. The impeachment powers are by definition *supreme* intra-governmental powers precisely because they place in one branch ultimate supervisory power over the other two branches—not merely over the constitutional actions of the other branches, be it noted, but over the branches themselves.

The importance of the impeachment powers is sometimes discounted on the ground that these powers are reserved for extraordinary occasions and are therefore rarely used. It can hardly be maintained, however (as recent events have shown), that the provision of the Constitution which grants Congress the impeachment powers is so rarely invoked as to be considered a dead letter. Moreover, if we accept the potency of these powers and the potentiality of their use, it will be seen that the importance of the impeachment powers may be said to lie not in the frequency of their use but in their possession by one branch over and against the others. For surely these exceptional powers were meant to curb abuses in the executive and judicial branches; and, just as surely, where strong power is made available in order to enforce law and good government the mere possession of such power acts as a deterrent to abuse. As a political scientist might state it: the existence of the impeachment powers, quite apart from their use, is a good example of an "institutional check" operating by its own force under the Constitution to help achieve the purposes for which the Constitution was established.

The importance of the impeachment powers is sometimes discounted on the further ground that in order to bring the impeachment process to a full and successful conclusion it is necessary to obtain conviction by a vote of two-thirds of the Senate. It is not easy to obtain a majority of this size. Although a handful of lesser federal officials have actually been impeached and convicted, in the one case in which a justice of the Supreme Court was impeached and tried in the Senate, and in the one case in which a President was brought before the Senate in an impeachment proceeding it was not possible to obtain the votes necessary to convict.

The term "impeachment powers," in the plural rather than the singular sense, is used in this article in order to emphasize the fact that the impeachment process involves several distinct steps and that each step requires the exercise of a different power. First, there are the investigatory and the recommendatory powers which are exercised by the appropriate impeachment committee of the House of Representatives (the House Judiciary Committee, in the most recent impeachment proceedings). Next there is the power of the House to debate the question and to impeach. Finally, there is the power of the Senate to try, and the power to convict the party impeached.

These impeachment powers are often referred to collectively as though they were a single power. This may be misleading, because a reference to the exercise of "the" impeachment power would appear to be a reference only to actual conviction by the Senate or perhaps to actual impeachment by the House, whereas steps taken short of actual impeachment or conviction ought properly to be viewed as instances in which impeachment powers were exercised. As was demonstrated in the case of the resignation of President Nixon, it is not always necessary to complete the entire impeachment process, or to exercise all of the impeachment powers, in order to achieve the "removal from Office" prescribed in the Constitution as penalty upon conviction in such cases.

It is true that President Nixon did not resign until it appeared that a two-thirds vote for conviction in the Senate was likely. However, it probably appeared very likely to President Andrew Johnson, after he was impeached, that he would be convicted by the Senate, yet he persevered, presented an able defense at his trial, and was ultimately acquitted by a narrow margin. To the extent that conclusions are possible on the basis of these two presidential impeachment cases, it can be said that in a case of clear culpability the exercise of the powers associated with the preliminary or intermediate stages in the impeachment process will tend to bring about a collapse of resistance and the resignation of the party concerned before the full impeachment process is completed; whereas, when the impeachment process is initiated largely on the basis of political differences or personal animosities, it will be necessary to pursue the impeachment process through to the vote on conviction or acquittal in order to dispose of the matter. In any event, our limited experience shows that impeachment proceedings can and will be initiated regardless of whether the votes necessary to convict appear present in a given case and that removal from office can be effected in appropriate cases by the use of impeachment powers short of those available to the Senate.

From the foregoing discussion it can be seen that there are several reasons why it is not accurate to view the impeachment powers as moribund, innocuous or archaic. On the contrary, these powers form an essential, active link in the checks and balances provided under the Constitution and cap the claim of the intra-governmental supremacy of Congress. We may turn, then, to a consideration of why these powers were given to Congress and why it was appropriate that they should have been vested in that branch.

It was noted above that the impeachment powers of Congress were intended to curb abuses of individuals in the executive and judicial branches. It might be assumed from this that there is a corollary power in the executive or judiciary to check abuses of individuals in the legislative branch. The Constitution does provide what is the equivalent of impeachment powers to obtain removal from office of members of Congress in appropriate cases. These powers are not vested in the executive or judicial branch, however. We find that, as befits the supreme organ of government, *Congress supervises itself* in this matter. The Constitution provides that "Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behaviour, and, with the Concurrence of two thirds, expel a Member."

The multitudinous character of both houses of Congress arises, of course, from the fact that the House and the Senate are composed of representatives of all the people and all the fifty states. This brings us to the rest of the explanation for the possession by Congress of a complete monopoly over the impeachment and expulsion powers. As the members of Congress are the constitutional representatives of the people, it is entirely natural that these exceptional and supreme powers should, on this ground alone, be lodged in Congress. It certainly would be a strange system of government which would permit the constitutional representatives of the people to be removed from office merely by appointed judges, or by the head of that branch whose chief function is to see to it that the laws enacted by Congress are carried into execution and enforced.

Aside from the protection afforded by placing the powers concerned in the hands of a multitudinous body, and by placing those powers in a body which is, moreover, composed of the representatives of the people of the United States, it should be noted that the system of congressional control over impeachment brings with it, quite naturally, the benefit of the primary "check" or "balance" internal to the legislative process: the requirement that the matter be subject to debate in and approval by both houses of Congress.

In the closing days of the Nixon Administration the warning was heard that the United States was moving toward a "congressional dictatorship." This was not a reference to the exercise of impeachment powers at that time by the House Judiciary Committee, but to the increasing prospects that the 1974 congressional elections would bring an opposing majority of sufficiently increased proportions to be able to override presidential vetoes. The complaint of a possible "congressional dictatorship" raises certain issues which are pertinent here and which can be dealt with briefly in bringing this article to a conclusion.

There is, of course, nothing unconstitutional or even anticonstitutional in the passage of laws over the presidential veto. On the contrary, the Constitution clearly and indifferently provides two alternative methods by which a law can be made by the national government: one in which the law is passed by both houses of Congress and approved by the President, and one in which a vetoed enactment is repassed by two-thirds of both houses. There is nothing in the Constitution which suggests that the latter method is any less desirable or less democratic than the former. To view the latter method with anxiety or distrust is to be unwilling to accept a fundamental and well-established constitutional process.

The implication of the "congressional dictatorship" concept is that those who hold to such a view are unaware, or have forgotten, certain basic facts as reviewed in this article concerning the function of Congress as the constitutional representative of the people and the intra-governmental supremacy which inevitably and properly falls to Congress on the account. Fear of congressional authority is, constitutionally speaking, fear of the people. Fear of that authority is also unwillingness to abide by the checks and balances built into the legislative and constitutional processes which are intended to restrain any popular excesses.

Fear of congressional authority indicates, furthermore, failure to understand that the election of a President means, constitutionally speaking, approval of the elected person for the purpose of performing the executive functions under the Constitution and does not constitute approval to interfere with or to decry the exercise of the legislative powers by the representatives of the people who the people have independently elected for that different and sovereign purpose. Finally, it indicates failure to realize that the practical and political conditions of the times which tend to obscure certain basic constitutional principles should be viewed not as providing occasion for opportunism but as requiring increased attentiveness to those principles.

SANTEE WATEREE EXPO

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JENRETTE. Mr. Speaker, I would like to take this opportunity to mark the observance of an event held in Manning,

S.C. during the weekend past that I hope will become an annual event, the Santee Wateree Expo sponsored by the Manning Chapter of the NAACP. This 2-day meeting, the theme of which was education, entertainment and information, was put together and coordinated by Billy Fleming of Manning, a commuunity leader known throughout the sixth district for his selfless devotion to the black community.

Guest speakers included Mr. George Hamilton, a former director of the South Carolina Human Affairs Commission, who addressed a banquet Friday night. On Saturday, the Expo featured an Army band from Ft. Jackson in Columbia, live radio and television coverage, tents provided by the National Guard, an appearance by Navy Admiral Samuel Gravely, a helicopter and several soul and rock and roll bands.

Hundreds of people attended this event and also heard Ms. C. Delores Tucker, secretary of State in Pennsylvania on Sunday. Other guests included Brantley Harvey, lieutenant governor for South Carolina, and Don Fowler, chairman of the State Democratic Party of South Carolina. A central theme of the event was an effort to help make the young people in the community more job and achievement oriented.

I commend the committee for its fine work.

AMERICAN RED CROSS HONORS GILBERT L. GRILL

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is very gratifying to learn that one of my constituents, Mr. Gilbert L. Grill, of Paramount, Calif., has been named to receive the Red Cross Certificate of Merit which is the highest award given by the Red Cross to an individual who saves or sustains a life by skills learned in a Red Cross volunteer training program.

Mr. Grill, trained in Red Cross first aid, was at work on last September 9 when a fellow employee suddenly became rigid and collapsed. Upon determining that the man had stopped breathing, Mr. Grill immediately removed an obstruction in the breathing passage and began artificial respiration. Several minutes later the victim started to breathe, but when he suffered a relapse, Mr. Grill; readministered mouth-to-mouth rescusitation.

Because of Gilbert Grill's calm and courageous response to this emergency, the stricken man was able to be transported to the hospital where he successfully recovered from his heart attack. There is no question but that Mr. Grill's valiant action saved this man's life.

In this time when we read so often of persons who are taking life, it is reaffirming to learn about someone like Gilbert Grill with a reverence for human life.

BEEF IMPORTS

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RISENHOOVER. Mr. Speaker, the U.S. Department of Agriculture has played a new dirty trick on the American farmer which I denounce and oppose.

While this Congress is working desperately to save our food producers from bankruptcy—the USDA has decided to increase the import quota for foreign beef.

During this year, I am informed that the United States will be allowed 1,180 million pounds of red meat to be imported—well over 90 percent being beef. This is an increase of more than 100 million pounds over 1974.

Mr. Speaker, the cattleman is in deep trouble. The value of our national inventory of cattle was cut in half last year even while our numbers of cattle were growing.

The mood of cattlemen and of Representatives from agriculture States is to curtail all imports until the domestic market glut is ended. That makes sense. Why should this country import products that are in oversupply domestically?

Secretary Butz seems to think that the American farmer—who is faced with every conceivable problem from rising costs, fuel shortages, and a jacking up of food prices by middlemen—needs increased competition from abroad. Butz is wrong. Agriculture needs a Secretary who cares.

Cheap foreign beef may sound tempting to a housewife. But, I warn, this meat is raised and processed in questionable conditions of cleanliness and wholesome production. Foreign cattlemen and processors are not subjected to the rigorous inspections, labor costs, and standards which American businessmen face. This is one of the reasons foreign beef is cheap.

Oklahoma cattlemen and farmers—and the bankers who loaned money to finance those operations—are troubled.

Leo Winters, Oklahoma's State treasurer and a leading feeder, asked me to portray the situation of the cattlemen in America. Their losses are high—often as much as $120 on a fat cow. Many ranchers are teetering on bankruptcy—and the first to fail will be the family operations. The larger operations have other resources to rely on, but the family ranch and farm needs help now.

Mr. Winters believes that a vital part of saving the farms and ranches rests with an increased consumption of American beef.

Senator John Dahl, a cattleman who is chairman of the Oklahoma Senate Agriculture Committee, says:

> There are three ways out of the problems facing the farmers, ranchers and feeders: First is emergency financing. Most of the cattlemen have, during the past year, lost more than they have accumulated during the past 10 years. If they don't get help before October 1, they will have no collateral to refinance for the winter.
>
> Second would be to reduce imports. We have a glut on the American market, yet we still are buying foreign beef.
>
> Third, consumers must eat our way out of the problem.
>
> In the Osage country, cows that were selling for $465 last year now bring $140. Ranchers are losing $65 to $75 on each calf they sell.

Mr. Speaker, I have talked with cattlemen and they tell me that on January 1, 1974, the national inventory of cattle was 127.6 million head—worth $41 billion.

A year later, that inventory had grown to 131.8 million head—but the value had dropped to $21 billion.

People who are the backbone of the free enterprise system—the farmer, rancher, and feeder—have absorbed that loss. They are the people who pay the ad valorem taxes which support our schools—and I venture that many of them will be defaulting on those taxes.

Mr. Speaker, in light of the domestic situation, I believe the national administration must be condemned for increasing meat import quotas. Our Nation—if it is to be forceful in the world—must have its own strong economic base. Increasing import quotas cuts away at that strength and should be turned around.

COMMUNIST ACTIVITIES AND MR. CHARLES O. PORTER AGAIN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, further to my Extension of Remarks of April 15, 1975, pages 10337–10339 on Communist Activities and Mr. Charles O. Porter. Mr. Porter continues to stress, with increasing vehemence, that he has never been involved with the Communist Party, U.S.A.

In fairness to a former Member, I ask that his letter be printed now, with my comments to follow:

> APRIL 25, 1975.
>
> Hon. LARRY McDONALD,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. McDONALD: Thank you for your letter of April 16, 1975 and its enclosures. Thank you also for placing the text of my letter to you in the Congressional Record for April 16, 1975, on page E1763.
>
> However, you did not answer my question as to your false statement with respect to my "known involvement with the Communist Party, U.S.A." You did not get the record straight.
>
> If you have the courage of your convictions and dare to move out from behind the shield of immunity offered by the Congressional Record, we can turn to the judicial system to determine which of us is a brazen liar.
>
> I doubt that your well-heeled friends in the American Security Council, who probably prepared these materials for you, would want you to take the considerable risk that would extend not only to your pocketbook and reputation whatever they may be at this time, but also to the reliability of the "research" done by the ASC.
>
> Let me repeat that my interest is not concerned with what the likes of you can do to

my reputation by inserting such hysterical non-sequiturs in the Congressional Record but rather with respect to what you do to the institution of the Congress by poisoning a debate that needs to take place.

I have great respect for the Congress as an institution and for most of its members. I shall have more respect for you if you agree to repeat your statements where you will not have the immunity now provided you by that institution for remarks in the Congressional Record.

Very truly yours,

CHARLES O. PORTER.

Mr. Porter must now be aware that the National Committee Against Repressive Legislation—NCARL—of which he is an officer, is a creation of the Communist Party. The documentation of its CPUSA origins and control were provided in my previous statements and copies of the documentation were sent to Mr. Porter.

I also demonstrated to Mr. Porter that another organization with which he worked was dominated by persons active in support of the Soviet Union's world Communist movement.

Obviously, Mr. Porter believes, as I do, that involvement with the Communists is personally damaging.

May I again express the hope that Mr. Porter will repudiate these associations.

In the absence of new information on this matter, I must consider the issue closed.

REPUBLICAN CONFERENCE OPENS DOORS TO PUBLIC

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I am pleased to announce as chairman of the House Republican Conference that the conference voted 59 to 17 yesterday to open its meetings to the press and public for the remainder of this session. I wish to commend the gentleman from Minnesota (Mr. FRENZEL) the author of the resolution and chairman of our Reform Task Force on his initiative and success. Under the new conference rule, all our future conference meetings will be open unless closed by a majority vote in open session with a quorum present—essentially the same rule which now applies to House committees.

Mr. Speaker, just as House Republicans have previously taken the lead on important House reform issues such as the democratic selection and election of ranking and other committee members, we have once again blazed the trail in opening our party conferences to the public. I now challenge our Democratic colleagues to follow our example and throw open the doors of the Democratic Caucus to the public. It is even more essential that the caucus be open because of its majority status in the House and its ability to dictate policy to committees and their members through binding votes. Our own conference does not have such a binding vote procedure. Even when the caucus does not pass binding resolutions, it has now gained sufficient clout to intimidate Democratic committee chairmen and members to follow its positions for fear of reprisals—even if that position is only held by a majority of a quorum, or as few as one-fourth of the total Democratic membership. This tends to have a chilling and subversive effect on the entire legislative process. The American people are at least entitled to know what transpires in these important policy-dictating sessions and whether the House is operating under the democratic rule of the majority or the Democratic reign of a king caucus minority.

GOLD IS HONEST MONEY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Government's control of the money supply through the Federal Reserve System allows it to "monetize" the debt—in effect, to simply print more paper money to cover debts incurred by deficit spending. The deficit spending is, in turn, necessitated by the reluctance of politicians to raise taxes to cover the huge increases in Federal spending on social programs.

The Federal expenses must be paid for, however. The excess spent over revenue raised is made up by inflation. Thus the value of the people's money is eroded, generally without their knowledge. Whereas direct taxation is open and honest, inflation is indirect and hidden and thus a form of dishonest taxation.

If, however, money was based on an objective standard—such as gold—the Government could not arbitrarily expand the money supply. This would prevent "monetization of the debt and force the politicians to engage in the painful task of honestly and openly taxing the people to provide the funds they so freely spend."

While a gold standard would not in itself prevent the rapid increases in spending on social-welfare programs, it would force the Government officials to finance these programs honestly.

This is the thesis of an excellent essay by Prof. Hans Sennholz. Titled "Gold Is Honest Money," it appeared in the February 1975 issue of The Freeman.

GOLD IS HONEST MONEY

(By Hans F. Sennholz)

(NOTE.—Dr. Sennholz heads the Department of Economics at Grove City College and is a noted writer and lecturer on monetary and economic affairs. This article is published by permission from an address before a November 1974 meeting of the Committee for Monetary Research and Education.)

With the applause of most Americans, President Ford declared inflation to be Public Enemy Number One. At the present rate of inflation our real incomes will be significantly reduced in this decade, retirement incomes will erode substantially, savings will vanish, fortunes melt away, and the economy stammer and falter in a violent fever of hyper-inflation In fact, the present rates of inflation carry with them the most ominous implications for democratic institutions and peaceful social cooperation.

But this public condemnation of inflation sounds like a public confession of sins in church on Sunday morning. The preacher intones the confession, the congregation accompanies him in loud voices, and then returns home to sin again. The President denounces inflation on Monday and signs another multi-billion-dollar appropriation bill on Tuesday. Politicians who are the noisiest inflation fighters on Wednesday submit more costly bills for economic welfare and distribution on Thursday. The news commentators publicly enlist in the war on inflation on Friday and bravely endorse another costly program for political improvement on Saturday. The following week the ritual is chanted all over again.

The federal government is now declaring war on the inflation it initiated and promoted and which it continues to press forward with ever greater force. The same politicians who now sound like militant inflation fighters pushed hard in the past for every dollar of deficit spending. In just ten years, from fiscal year 1965 to 1975 the federal government boosted its spending from $118.4 billion to an estimated $304 billion. Expenditures on "human resources," i.e., income redistribution, alone rose from $35.4 billion to an estimated $151.4 billion. (Education and manpower from $2.3 billion to $11.5 billion; health care from $1.7 billion to $26.5 billion; income security, i.e., retirement and disability, unemployment insurance, public assistance, social services, from $25.7 billion to $100.1 billion; veterans benefits and services from $5.7 billion to $13.6 billion.)[1]

Such a rapid growth of government, however achieved, would have strained the American economy as economic resources were withdrawn from business and individual taxpayers. But this process of redistribution was carried out through the most insidious of all possible methods: deficit spending and money creation. In those ten years the total federal government deficit amounted to an estimated $113.5 billion—since 1970 alone to $77.5 billion.[2] Simultaneously, the quantity of Federal Reserve credit was inflated from $39.9 billion on January 1, 1965 to $90.8 billion at the present. The total money stock, consisting of demand deposits in commercial banks and currency in circulation, rose from $160 billion to $282 billion.

THE COSTS OF INFLATION

This has been the worst monetization of Federal debt since World War II. In fact, the 1960's and 1970's have been the longest period of deficit spending and currency inflation since the Continental Dollar debacle during the American Revolution. And the end is nowhere in sight. If the Federal deficit spending merely were to exact economic resources in the amount of the deficit, let us say $20 billion, the economic loss to money holders would be very small indeed, only $20 billion. But the given deficit and its monetization causes goods prices to rise and the purchasing power of the monetary unit to fall, which alters the creditor-debtor relationship of nearly $3 trillion of long-term debt. If the dollar should fall at the modest rate of 10 per cent, the creditors will lose $300 billion and debtors will gain this very amount. At a more realistic depreciation rate of 15 per cent, American creditors are losing $450 billion annually, which is reaped by the debtors.

As the U.S. government is the largest single debtor with an estimated 1975 debt of $508 billion, it is gaining $76.2 billion annually through debt depreciation. But many millions of American creditors are losing a total of $450 billion. This is why inflation is not only a Federal tax on money holders but also a terrible instrument for the the redistribution of wealth and income. In fact, the magnitude of this redistribution through Federal inflation, in addition to that through social policy, probably exceeds one-half of American disposable income, and as such as the most massive juggling of economic well-being in the history of man.

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[1] Cf. *The Budget of the United States Government*, Fiscal Year 1975, p. 52.

[2] *Ibid.*, p. 331.

A free society that willfully embarks upon such a road is suffering a terminal case of redistribution cancer. It is bound to suffer ever more symptoms of social conflict, poverty and tyranny. A democratic society that has thus been led astray by its political leaders may not expect to get off the inflation road until it elects to return to integrity and honesty. Future national elections will reveal whether the American people chose self-destruction willfully or were just misguided temporarily.

To stabilize the U.S. dollar, the U.S. government must be made to relinquish its monopolistic power over money and banking. As inflation is a Federal policy, the following restrictions on government are needed if inflation is to be halted:

1. The Federal budget must be balanced each year.

2. The engine of inflation, the Federal Reserve System, must be inactivated, or better yet, abolished.

3. The Federal Reserve money now in circulation must be made fully redeemable in gold.

BALANCE THE BUDGET

Balancing the Federal budget does not necessarily spell the end of economic and social policy by the federal government. But it would mean open redistribution from taxpayers to beneficiaries. Every new expenditure would have to be met with new tax revenue. Both the U.S. Congress and the Administration would have to regain the lost virtues of fiscal discipline and honesty. They would have to cut programs and allocations now in order to avoid large deficits next year.

A balanced budget would greatly reduce the pressures for debt monetization and currency inflation. But it would not guarantee dollar stabilization. The Federal Reserve System as it is now constituted has independent powers of currency inflation and credit expansion. These powers must be revoked either through inactivating the System or abolishing it altogether. Only when the engine of inflation is thus stilled can monetary stability be assured.

INACTIVATE FEDERAL RESERVE

Under the influence of the "new economics," which the Full Employment Act of 1946 elevated to a government mandate, the Federal Reserve System is conducting monetary policies of full employment and economic growth. In periods of recession it is expected to stimulate the economy with injections of easy money and credit until satisfactory levels of employment are restored. In periods of inflation the System is expected to stabilize the situation through credit stringency or even contraction. In short, its very *raison d'être* is the manipulation of the American economy according to the recipes of the new economics.

Experience alone would dictate an immediate inactivization of this central command post over the economic lives of the American people. In the sixty years of its existence the Federal Reserve System has presided over unprecedented economic instability—over two depressions of which one was the longest and most severe in American history, over seven booms and recessions, and an inflation that reduced the American dollar to less than one-fifth of its pre-Federal-Reserve value. This is indeed a long record of money mismanagement.

Even if the System had been managed by the greatest financial minds of the century its very premise of central management of money and credit is alien to economic freedom and contrary to stability. The very existence of a money monopoly that endows its fiat issues with legal tender force is antithetic to individual choice and freedom. And by its very nature as a central bank, it must seek to place its currency in the loan markets, or withdraw it, in order to manage and manipulate those markets. Since neither the expansion nor the contraction of fiat money imparts any social utility, we must conclude that Federal Reserve policies necessarily are disruptive to monetary stability. In particular, its frequent bursts of currency expansion, so popular with government officials, politicians and their beneficiaries, have given our age the characteristics of unprecedented monetary instability.

NOTES REMAIN IN CIRCULATION

To inactivate the engine of inflation does not mean withdrawal of all its money and credit. For lack of other money, Federal Reserve notes now in the people's cashholdings and member bank reserves now held by the System, should remain in circulation. After all, deflation, i.e., reduction of the money stock, would necessitate corresponding price and wage reductions, for which neither business nor labor are prepared.

When man is free he chooses natural money that is free from all strictures of government and politics. Gold is world money that unites all countries in one monetary system and facilitates peaceful exchange and division of labor. For more than two thousand years its natural qualities made it man's universal medium of exchange. In contrast to political money, it is honest money that survived the ages and will live on long after the political fiats of today have gone the way of all paper.

Redemption of the U.S. dollar in gold would be a simple undertaking that needs no central bank, no Federal plan or policy, merely payments in gold. At a given market exchange ratio between the paper and gold, the federal government merely resumes payment of the gold it forcibly seized from the American people in 1933 for the paper it issued since then. People thus would be free again to choose between the paper notes, the quantity of which is rigidly limited, and the gold now hoarded in Fort Knox. Every ounce of gold that is withdrawn would reduce the quantity of paper, which would become a mere substitute for gold, the money proper. Thus, once again, the people of the United States would have hard and honest money, the golden cornerstone of a truly great society.

POLITICAL VS. NATURAL MONEY

The gold standard functions with the force and inevitability of natural law, for it is the money of freedom and honesty. Society may temporarily depart from it in the vain hope of replacing it with political money that is managed and manipulated for political ends—used and abused as an instrument of public plunder. So the people must choose between political money, of which they may try another issue or series, and natural money. In the end, a society that prefers social peace over conflict, individual freedom over government coercion, wealth over poverty, has no alternative but to use honest money, which is gold.

Returning to the gold standard, it is true, would precipitate a serious economic readjustment, commonly called a recession. But this is not the fault of gold. The political paper leaves behind a vast array of maladjustments and malinvestments that need to be corrected. In fact, they would be corrected in any case, sooner or later, when the creation of paper comes to an end.

The economic recession need not be long and severe, provided the federal government does not stand in the way of the necessary readjustment. After so many years of false stimulation through easy money and credit, many mistakes need to be corrected; some projects should be abandoned and others initiated. The whole economy needs to readjust to the wishes and commands of the millions of sovereign consumers of a free economy.

REDUCE THE OBSTRUCTION

It is important that the federal government does not intentionally or inadvertently obstruct the return to hard money. When the readjustment recession sets in, the federal government must not be allowed to resume deficit spending. Like anyone else, it must reduce its spending when its revenue declines. In particular, it must not be allowed to impose new tax burdens at this critical moment of recession and readjustment. It must not repeat the supreme folly of the Hoover Administration which, in 1932, doubled income taxation. Also, the federal government must not be permitted to operate with deficits that are financed with the people's savings. The U.S. Treasury entering the loan market at that critical moment of painful readjustment would deprive business of urgently needed funds and greatly raise business costs through soaring interest rates, which again would aggravate the recession and generate more unemployment. And what would be blamed for the dilemma? The fiat inflation that caused the maladjustments, the deficit spending that is aggravating it, or the gold standard? The deficit spenders would doubtless try to lay the blame on the doorsteps of gold.

An administration that welcomes monetary stability would balance its budget even though its revenue declines. It would avoid placing new burdens on business during the readjustment period. It might even strive to lighten the tax load in order to hasten the recovery. But such a reduction of tax costs must not be negated by new deficits that burden the capital markets and raise interest costs. To reduce the costs of government and facilitate speedy recovery means to reduce government consumption of economic resources, not merely a change of finance techniques from taxation to borrowing.

RELAXATION OF CONTROLS

A significant reduction of Federal spending not only would save funds and resources but would also enhance productive employment. For currency stability, it does not matter which particular expenditures are reduced as long as the budget is balanced. Of course, it would be beneficial to productivity and quick adjustment if Federal controls were substantially reduced and bureaucratic regulation relaxed or abolished. Many industries can be revived through all kinds of deregulation. With distressing monotony, Federal regulation has produced sick and anemic industries. The ICC's strangulation of the American transportation industry, for instance, has done incalculable harm that exceeds by far the budget expenditures of the controllers. The boost to productivity from a liberation of business energy could not come at a better time.

An administration that welcomes monetary stability would want to facilitate a speedy readjustment through significant cuts of business taxes. A roll-back of corporate income taxes, for instance, would make corporations more profitable, which would boost capital investments, create new jobs, raise output and wage rates, and otherwise smooth the readjustment process.

The time clearly has come for a public commitment to the preservation of the U.S. dollar. The ultimate destination of the present road of political fiat is hyperinflation with all its ominous economic, social and political consequences. On this road no Federal plan or program, incomes policy, control or nationalization, no threat, fine, or prison can prevent the continuous erosion and ultimate destruction of the U.S. dollar. The only alternative is to abandon this road of political fiat and return on the proven path of our forebears to honest money, which is gold.

UMI

ABUSES OF LAND AND LAW

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. LAGOMARSINO. Mr. Speaker, I am pleased to recommend for the Members' consideration the following editorial from the Ventura County, Calif., Star-Free Press, which deals with the complex issue of local versus State and Federal land-use controls:

[From the Ventura County, Calif., Star-Free Press, Apr. 27, 1975]

ABUSES OF LAND AND LAW

Land use plans are environmental essentials to some and property wrongs—as opposed to property rights—to others. Either way, they have become a source of both inspiration and worry to local government officials.

That odd-couple combination—inspiration and worry was well-expressed by Ventura County Supervisor Ted Grandsen, as a prelude to the county's refusal to permit urban development of the Rincon coast: "If we don't continue to be responsible (in regulating development), I'm afraid that local land use will be taken away from us entirely."

Most county and city officials not only here in Ventura County, but up and down the state and across the nation, seem to share that concern—with several solid reasons:

California is in the process of developing a plan to succeed the Prop. 20 controls on the state coastline.

There are also proposals for extending Prop. 20-type controls to the inland parts of the state.

Congress is currently considering a federal land use plan for all 50 states.

The county's Rincon vote is a timely example of an action inspired by non-local control, tinged with worry over the usurpation of local authority to regulate land use. The supervisors' vote was unanimous, meaning that even those supervisors who had opposed Prop. 20 were inspired by it to exert greater care in preserving the coast.

Local officials point to actions such as this—and the Open Space Plan adopted by the City of Ventura—as evidence that counties and cities are doing a good job of riding herd on land use, which they believe shows there's no need for state or federal intervention. But it was largely state intervention—or the prospect of it—that inspired such actions as the Rincon vote and the Open Space Plan.

Ventura's city coastline—with oil tanks, a park, condominiums, a hotel and a four-story parking lot, all side-by-side in one quarter-mile stretch of beach—still stands as an incongruous example of the kind of local noncontrol that inspired Prop. 20. Now that Prop. 20 is inspiring more thoughtful regulation of the coast, it's not quite accurate to credit local officials with having invented a religion to which they've become such recent converts.

But some of the moves to spread the faith simply go too far. It's not easy to see the need to preserve California's deserts with Prop. 20-type controls or state land use plans. The pressures for development simply don't exist in the desert like they do on the coast, and there's precious little agricultural land to be preserved in the Mojave, compared to the farmland in the coastal zone.

The federal land use bill seems even less necessary, and more redundant—in California, at least. The federal bureaucracy should do only those things that state and local government won't or can't do for themselves, and California is both willing and capable, when it comes to land use.

If the citizens of Mississippi or Alaska want to destroy their own environment with thoughtless development, that should be their decision to make. And the states like California, that are already doing a good job in land use, don't need millions of dollars worth of federal red tape to "help" out.

There's the usual tendency to view land use regulation in either/or terms: It's either all good or all bad. But there's a distinction here that's important to draw:

Local government in California asked for—and needed—Prop. 20, because local government simply wasn't doing the job of protecting the coast. But California doesn't need a federal land use plan, because the state is doing that job already—as Prop. 20 attests.

There are vast areas of federal land in California, and some destructive proposals for some of it. U.S. Gypsum's continuing desire to strip-mine in Los Padres National Forest is one timely, Ventura County example. But we believe such thoughtless projects can be shot down on an individual basis, without imposing a whole new federal bureaucracy of land use.

If local officials exert their influence on the coastal plan now being written by the state and if that plan is monitored by local government—with the state only an appeals agency—we believe a large measure of control will remain at the local level. But we remain unconvinced of the need for a statewide land use plan. We already have a state tax system that's designed to preserve agriculture, and if our good neighbors in other parts of the state want to create hopscotch jungles of gas stations and pizza parlors—well, the state can't save every community from every provincial foolishness.

The most encouraging aspect of the whole land use issue is the recent enlightment of local government. County and city officials now point to their achievements with pride, intead of dismissing their failures with arrogance. The abuses of land inspired the controls we have now, but this new official awareness should temper the pressures for abuse of regulation.

ARTHUR B. KRIM RECEIVES THE JEAN HERSHOLT HUMANITARIAN AWARD

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. WHALEN. Mr. Speaker, after the academy award ceremonies, media attention understandably is focused on the movie of the year and such Oscar recipients as actor, actress, and director of the year. Usually reserved for the inside page, if it appears at all, is the name of the Jean Hersholt Humanitarian Award designee.

During the presentations earlier this month the Motion Picture Academy of Arts and Sciences bestowed this signal honor upon Arthur B. Krim, chairman of the board of the United Artists Corp. I took particular pleasure in this award because of my personal knowledge of Mr. Krim's role—along with that of his equally distinguished wife, Dr. Mathilde Galland Krim—in promoting better United States-African relations, a commitment which I share. But Mr. Krim's activities extend far beyond Africa and the motion picture industry. In presenting Mr. Krim with the Jean Hersholt Humanitarian Award, Frank Sinatra recounted these many endeavors. I am inserting Mr. Sinatra's comments here in the RECORD.

I salute the academy for honoring this distinguished American.

JEAN HERSHOLT AWARD TO ARTHUR KRIM

(Remarks By Frank Sinatra)

Tonight, another illustrious name joins that impressive roster—even though this gentleman has never appeared in front of a camera. Most of us view the motion picture executive as a tycoon interested only in profit and loss. Let's jolt that stereotype a bit. The man we honor tonight is a motion picture executive . . . certainly . . . with a Phi Beta Kappa key on his watch chain and the rosette of the Legion of Honor in his lapel. Chairman of the Board of United Artists Corporation . . . lawyer . . . Director of Transamerica Corporation . . . yes . . but simultaneously consultant to two presidents of the United States in the fields of science, health, education, human rights and public affairs. Lieutenant-colonel in the United States Army . . . trustee of Columbia University, governor of the Weizman Institute of Science . . . leader for many years in our country's relationships with the developing nations of Africa and active in support of the Urban League, civil rights legal defense funds, The Catholic Charities of New York, the Will Rogers Hospital. For all this and more . . . much more . . . the Board of Governors of the Academy herewith presents him with the Jean Hersholt Humanitarian Award. I can think of no man in our industry who has sought it less or deserves it more than Arthur B. Krim.

RICHARD SEVERO—A POLK AWARD FOR OUTSTANDING JOURNALISTIC ACHIEVEMENT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KOCH. Mr. Speaker, apparently corruption is endemic in our society and pervades both Government and the private sector as well. That is not to say that Government or private enterprise are corrupt but rather that there are individuals and corporations who engage in corruption. More often than not it is the press and individual reporters rather than law enforcement officials who are ultimately responsible for pinpointing the corruption and following through to make certain that the law enforcement arm of government brings the corruptors to justice.

One such instance is that of the work of Richard Severo, a reporter for the New York Times who is one of our most outstanding investigatory reporters and who has been singularly honored for his outstanding investigation of the corruption of the Dairylea Corporative of New Work and its adulteration of milk: a conspiracy which extended over a 5-year period. His investigatory reporting brought the matter to public attention and focused on the fact that New York State's law enforcement authorities were lax in pursuing the matter criminally. As a result of his articles in the New York Times and the pressures generated by them, the office of the Attorney General of the State of New York pursued the matter in a far more vigorous fashion

than had been the situation prior to Richard Severo's investigation and his articles that followed.

Accordingly, a committee of journalism faculty at the Long Island University—Brooklyn Center has awarded Mr. Severo the prestigious 27th annual George Polk award for outstanding journalistic achievement. This award recognizes what is already common knowledge: that Richard Severo, the reporter and the man, has done great service to both the profession of investigative journalism as well as to the people of New York State.

VIETNAMESE REFUGEES

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mrs. MINK. Mr. Speaker, there has been a growing concern about the several thousands of Vietnamese refugees evacuated from the war zone over the past several days, and especially about what is to become of these new wards of the United States for whose welfare we have suddenly become responsible.

Whatever our own views might have been about the merits of the evacuation of those refugees who fall into the category D of our bill H.R. 6096—that is those who are not immediate relatives of U.S. citizens or permanent residents or who have no immigration preference category—the evacuation is now an accomplished fact. In view of this, we must now move forward with all due haste to resettle these people who have been taken from their homelands, and with a total commitment to their well-being.

I expressed this concern and this view in a telegram to the President and other administration officials which sought answers to some of the questions surrounding the evacuees and their futures in this country, and some assurances that our State and local governments would not be required to foot the bill for these refugees. A State such as my own, with limited resources at hand to accommodate the housing, health and educational needs of any significant additional number of people on an emergency or a continuing basis, simply cannot allocate funds for these purposes without seriously endangering other State programs operated for the welfare of Hawaii's own citizens.

I have received a somewhat limited reply to some of the points I raised in my telegram, Mr. Speaker, and I would like to share the information with my colleagues. Chief among the points made by the administration is that appropriate agencies of the Government are seeking authority for 100 percent Federal support for refugee assistance in this country, including child care, health services and screening, and bilingual education funds. The telegram reply which I received this week said that any financial impact on the States would be "minimal."

Another aspect of the problem has to do with the impact of large numbers of people settling in certain areas of the country—those areas which have become true "gateway cities," and which already find themselves somewhat disproportionately burdened with large numbers of immigrants. The reply to this stated concern was that efforts are being made to "internationalize" the resettlement program through organizations such as the United Nations High Commission for Refugees, the Intergovernmental Committee for European Migration, and with direct approaches to foreign governments.

Furthermore, as has now been announced elsewhere, several reception centers are to be established throughout the United States for the care of these refugees while sponsors are sought for them, and the administration says, the refugees will be equitably distributed around the country.

I would say, Mr. Speaker, that the time for action by the Congress on this matter is relatively short. While we are told that HEW is seeking funds under authority of the Humanitarian Assistance Act, I feel that other avenues of assistance ought to be explored at this time. To this end, I am pleased to have added my name as a cosponsor to the bill which our colleague from California has introduced to amend the Migration and Refugee Assistance Act of 1962 to include among beneficiaries of the Act those who come to this country from Southeast Asia. Federal relief for these refugees must be forthcoming, Mr. Speaker. Our responsibility is clear, now that the Government has acted to remove these people from their homeland and bring them to ours.

I would further urge my colleagues to give careful consideration to legal requirements that would assure a relatively even distribution of these refugees throughout the country so that no one area will be unduly burdened by this program. It is all very well to speak purely in terms of finances and logistics, but there is also the matter of the social and psychological impact the sudden arrival of these totally foreign refugees will have on the people of this country who have been torn apart by a decade of debate over the merits of our even having become involved in the war itself. For many of these people who have so vociferously taken part in that great national debate, the war has been a distant thing, far from our shores, remote, and perhaps even somewhat intangible. Now, many thousands of Vietnamese are to be here, on our shores, among us, and the war and its aftermath will likely present a new perspective on Asia and Asians to many Americans. How much more so if heavy concentrations of these refugees are allowed to live in only a few areas of the country, those areas traditionally attractive to immigrant populations over the last 200 years.

Mr. Speaker, I urge this House to act expeditiously and with understanding and compassion as we take on this new responsibility, and to provide assistance as necessary by passage of H.R. 6428.

I would also ask, Mr. Speaker, that my inquiry to the administration and the reply I received be inserted in the RECORD at this point:

APRIL 26, 1975.

Hon. GERALD R. FORD,
President of the United States, The White House, Washington, D.C.

The United States has now taken on the enormous responsibility of providing for the well being of several thousands of refugees from Vietnam. This country cannot afford to pursue that responsibility with anything less than a total effort. The Congress has received verbal assurances from the Administration that this responsibility will be carried out, that these refugees will be cared for, and that the Federal government will assure that no State or local government units will have to bear an undue burden as a result of the commitments made by Washington.

Please provide me immediately written information to outline the Government's plans for assisting in this resettlement program. This information should include, but should not be limited to, plans for temporary housing and permanent relocation destinations, programs for adequate health screening and treatment of these refugees as necessary, methods and amounts of financing available to the States for the additional burdens which will be placed on their services and facilities, (especially those programs for children, including their education), and all other materials related to the Vietnam refugee evacuation program which have been developed to meet our commitments.

We cannot allow our new immigrants to exist in conditions less than the standards of living to which citizens of the United States are entitled. Our plans for these refugees should be made a matter of public record immediately to assure the American people that the government commitment to this program is a total one.

Furthermore, no mass entries of political refugees (category d of HR 6096) should be paroled into any State without approval of the Governor obtained in advance, in order that the State may be adequately prepared to meet this responsibility.

Your urgent and immediate reply is requested, and failing that I respectfully request an audience.

PATSY T. MINK,
Member of Congress.

Congresswoman PATSY T. MINK,
House of Representatives,
Washington, D.C.:

1. The Secretary has asked me as head of the President's task force on Vietnamese evacuations and refugee affairs to reply to your telegram inquiring about our policies toward the resettlement of Vietnamese in the United States.

2. First let me express my appreciation for your positive approach to this tremendous task. I want to assure you that all Federal agencies in my group share your determination that this responsibility be carried out in a manner that will reflect the humanitarian spirit that has traditionally characterized our country while ensuring that no locality or group has to bear an undue share of the burdens of this generosity.

3. In this connection I might point out that we have had an outstanding response for offers of assistance from a wide variety of church charitable and other voluntary agencies. We are also making vigorous efforts to "internationalize" the resettlement effort through organizations such as the U.N. high commissioner for refugees, the intergovernmental committee for European migration as well as direct approaches to foreign governments.

4. Turning to your specific questions you will appreciate that some of these replies are of necessity general as we are still working out the details with interested committees of Congress, the Federal agencies involved, voluntary agencies, etc.

(a) Temporary housing and permanent relocation.

UMI

Evacuees from Vietnam are being given initial care and screening at staging areas at Clark Field, Guam and Wake Island. The Defense Department (assisted by experts from a number of Government and private agencies) is providing logistic support, while teams of public health, immigration and consular officers are screening and processing the evacuees for parole into the United States. As a large portion of the first group of evacuees were the dependents of American citizens, they are moving to their home communities throughout the United States as soon as they are cleared.

It is obvious that we will have to establish a few reception centers around the U.S. where parolees will be cared for while volunteer agencies identify sponsors for them and arrange their permanent resettlement.

(b) Health care and screening.

Your concern about the medical screening and health care of these Vietnamese evacuees is shared by the Department of Health, Education, and Welfare, which is making extraordinary efforts to mobilize public health officers, military personnel, and local facilities to protect the health of both the evacuees and the communities into which they are financing to the States.

The Department of Health, Education, and Welfare is seeking one hundred percent Federal financing of all health and social services (including child care and bilingual education for these Vietnamese under the authority of the Humanitarian Assistance Act. If this is approved by the Congress, there will be minimal financial impact on the States.

Finally I can assure you that there will be no mass entries of "political refugees" (category D of H.R. 6096) on parole. This category covers predominately trusted Vietnamese employees of the U.S. Government, and other Vietnamese employees whose lives could be endangered by their past close association with the United States. These Vietnamese, like others referred to above, will be equitably distributed around the country. In this effort the voluntary agencies will play a vital role.

4. I hope that this information will be helpful to you and once again let me thank you for your constructive interest in the work of my task force.

With best wishes,

L. DEAN BROWN,
Director, Interagency Task Force.

JACK GEORGE METROPOL—A LANDMARK

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JENRETTE. Mr. Speaker, I want to take this occasion to observe the passing of Jack George Metropol, a man who had become a living landmark in Manning, S.C. He was beloved by all of those in Manning. He died last week at the age of 86. To show how well loved and respected was this man, the city of Manning closed down at the hour of his burial in a display of affectionate deference.

Jack was born Zaxarias Yiorgos Mitropoulos in Skoura, Greece, a small village near Sparta. His father was a farmer. He left home for the United States at the age of 10 and never saw his parents again.

Zaxarias became Jack George Metropol. He first lived in Lowell, Mass., and later in San Francisco. He eventually joined a brother, Harry, as a wholesale fruit and produce dealer in Sumter.

In 1909, 20-year-old Jack opened a restaurant in Manning, the Dixie Cafe, facing the courthouse. He later moved it to another block and called it the Central Coffee Shop, as it remains to this day. He worked in the cafe practically alone for many years. At sunrise or earlier, he hauled his own water from a well near the courthouse. His oldest customers would remember that he often met them at the door, taking orders for meals and shouting to an imaginary cook to get busy and prepare them. Then he would make the meals himself.

In 1916 Jack went to New York at the urging of friends to meet a beautiful young Greek girl from his own village, Jennie Vaka. Having borrowed the money to make the trip, he did not want to be disappointed. He was not. They were married for 36 years until her death in 1952.

The Metropols raised four fine children, Helen, now Mrs. John Katsos of Manning; George of Manning; Harry, a physician in Columbia; and James of Manning.

Jack was the kind of man overflowing with humanity and good will toward his fellow man. There are hundreds of stories that illustrate this but here is just one: He once took in an itinerant painter who painted landscapes for the family restaurant in exchange for room and board.

The city of Manning and the State of South Carolina grieve over his loss.

LAW DAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. MAZZOLI. Mr. Speaker, May 1 will be observed as Law Day in the United States for the 18th time.

The theme of this year's Law Day is "America's Goal: Justice Through Law."

Law Day is for all citizens, not just lawyers. This is a day to commemorate a system of laws which is, on the whole, just and equitable. At the same time, this is a good opportunity to realize that deficiencies in our system of laws persist.

An independent court system and a representative legislative system insure that an unfair law will eventually be nullified, and an unpopular law eventually repealed.

The concept that the law is a living entity, evolving toward absolute standards of equality and justice, is not a new one. Aeschylus, the Greek dramatist, noted that—

> The laws of a state change with the changing times.

Arnold J. Toynbee, the prominent historian of the modern era, argued that—

> Life and law must be kept closely in touch, and as you can't adjust life to law, you must adjust law to life.

As a lawyer and a member of the Committee on the Judiciary of the House, I am acutely aware of the need for greater public participation in this evolutionary process. The necessary first step to public contribution is an appreciation of the strengths of our system of laws, and an awareness of its weaknesses.

For me, Law Day is an occasion to rededicate myself to making our system of laws more equitable, more consistent with the public interest, and more efficient.

I believe, as Justice Louis Brandeis did, that if we want respect for the law, we must first make the law respectable.

And for that task, we need the cooperation and informed interest of every voter and every citizen who comes in contact with the legal system.

FOR EMPTY STOMACHS, A SATELLITE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DERWINSKI. Mr. Speaker, one of the great tragic contradictions of our times is the total disregard by the Government of India for the needs of its impoverished populace.

This point is very well presented in the Chicago Tribune's editorial section of the Monday, April 28 edition. I believe this article merits our attention:

FOR EMPTY STOMACHS, A SATELLITE

Prime Minister Indira Gandhi's impoverished country needs a space satellite about as much as a drowning man needs lead boots—but, inexplicably, it has one.

The gadget, which cost $8 million and the time of 40 Indian scientists to develop, may not fill any empty Indian stomachs, but it pleases Mrs. Gandhi. The satellite, launched by a Russian rocket somewhere in the Soviet Union, obviously will be great for domestic pride and international prestige. Pride and prestige may not produce much badly needed grain, but they're important to Mrs. Gandhi.

In fact, she plans to press ahead with a $233 million space program which calls for India to launch its own satellites, beginning in 1978. That figure conveys some idea of the importance she attaches to prestige.

Of course, space research brings a nation some familiarity with rocketry; India will eventually need rockets to boost her satellites into the sky. Not so incidentally, rockets are also the most modern method of delivering nuclear warheads, as Mrs. Gandhi knows. India became the world's sixth nuclear power a year ago when it set off an atomic device.

Mrs. Gandhi talks quite a lot about peace (a condition which she recommends for other nations but not always for India). And U.S. armament to Pakistan is warlike, whereas Soviet armament to India is peaceful.

Her immediate predecessor, Prime Minister Lal Bahadur Shastri, appeared shocked in 1964 at the thought of India developing atomic weapons. He said that "talk of making bombs has no place in the deliberations of the Congress Party, with pictures of Gandhi and Nehru, apostles of peace, looking down on us."

Mrs. Gandhi evidently believes that the children of India are made of stern enough stuff to toil on indefinitely, 80 per cent of them with insufficient food and nourished largely by the patriotic thought of Indian satellites circling unseen in the wild blue yonder.

1,500 NEW JOBS FOR CLEVELAND, OHIO, AREA

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JAMES V. STANTON. Mr. Speaker, on a matter of vital importance to business and labor in the Cleveland, Ohio, area—which has been hard-hit by the recession—I appeared this morning before the House Public Works Appropriations Committee. I would like to share the information I presented there with the rest of my colleagues in this Chamber, because the project in question concerns not just Cleveland but the economy of the Nation as a whole—particularly the steel industry and all the people it employs, both directly and indirectly.

Specifically, I asked the subcommittee to insert in the appropriation bill it is drafting a sum of money that will permit the U.S. Corps of Engineers to construct a new diked disposal site in Lake Erie. This is absolutely necessary to contain dredgings from the Cuyahoga River. The dredging, as you know, deepens the waters and makes it possible for iron ore boats to continue to navigate the river and reach the large steel mills upstream.

The facility is to be located at so-called site 14, offshore from Gordon Park, east of the river mouth. We do have funds to complete the design of this project by September of this year. I regret to say, however—and the business and labor people in Cleveland, of course, sorely regret it, too—that President Ford did not see fit to include any construction money in the budget he has submitted to Congress. Therefore, with the backing of all those concerned both in Cleveland and elsewhere around the country where the steel industry has a direct impact, I respectfully request this Congress, Mr. Speaker, to provide $1 million in construction funds for fiscal year 1976, plus an additional $3.5 million for the transition quarter which will follow—that is to say, a total of $4.5 million for the 15-month period that is to commence July 1.

I am advised by the Corps of Engineers that this money could be spent very effectively if it is appropriated. The $1 million would allow the Corps to advertise for bids and then to begin construction, probably no sooner than next May. But, with the advent of the transition quarter, construction will have been proceeding at full pace for some 2 months, and the $3.5 million would allow that pace to continue for 3 more months. For the next full fiscal year, some $10.5 million will be needed. In all, the estimated cost of the project is $26.5 million.

We expect that it would be completed in June of 1978. This, literally would be in the nick of time. For by then, the existing diked disposal facility in the Cleveland harbor will have been filled to capacity, and dredging would have to halt because there would be no place to dump the dredgings. This would bring much of the activity along one of the Nation's main industrial arteries to a standstill. As you know, the Environmental Protection Agency has forbidden any dumping in the open lake. And for good reason. We cannot tolerate still more pollution.

The $4.5 million that Cleveland is requesting, Mr. Speaker, is not a large sum when we consider the fact that, in the Cleveland area alone, 100,000 jobs are traceable to the steel industry. This estimate is based on four support jobs for each steel employee. In addition, the dike construction itself will generate, directly, some 300 new jobs, based on a Corps of Engineers estimate of 60 jobs per $1 million of construction money. And the employment ripple effect from this, as we know, is, conservatively speaking, describable in terms of a multiplier factor of five—which would mean 1,500 new jobs in an area of the Nation that is sorely in need of a boost of this sort.

I must add, Mr. Speaker, that our not providing this sum for a construction start would also tend to hurt the entire country in the battle against inflation. Dredging is already behind schedule, in large part because the Lake Erie water level is declining. Already, ore boats are having a difficult time getting up the river, and many are being forced to make the trip with less than full loads. This has the effect of increasing the cost of iron ore, and consequently, the price of finished steel products.

Mr. Speaker, I do not address this Chamber as a special pleader for my congressional district. Quite the contrary. I would like to call to your attention the testimony of Brig. Gen. Walter O. Bachus of the Corps of Engineers who said, in his appearance last month before the same subcommittee:

> We have no projects more important than our diked disposal work.

I have been in correspondence with the General, whose geographic area of responsibility might be said to be larger than my own, and I would like to impart to our colleagues here, for their consideration, some excerpts from a letter that the General wrote to me last March 28. He asserted:

> Recent reports from the Lake Survey Center indicate a continuing trend of declining water levels which started last year. The accumulation of shoaling will become critical and could limit vessel movements to uneconomical drafts or in severe cases halt the movements of deep draft vessels. This would serve to cause a serious economic impact on those communities and industries which are dependent upon water borne commerce. In many cases the cost of alternate transportation is prohibitive. In all cases the added cost of alternate transportation would be absorbed by the ultimate consumer. . . .
>
> Because of the additional built-in delay to the dredging program due to the period needed to construct diked disposal facilities, time is of the essence. If disposal facilities are to be built before the water levels recede to the point where continued navigation would become a hazard, we need to move on the program now. . . .
>
> It is imperative that construction of the second disposal facility (at Cleveland harbor) be completed on a timely basis so that the maintenance dredging of this vital harbor can continue without interruption. The Cuyahoga River annually shoals up to a point where the available depth is only about 15 feet. This compares with the authorized depth of 23 feet for this section. The four steel mills located in the upper reaches of the Cuyahoga River depend upon early spring removal of the shoal so that the iron ore shipments can resume after their winter suspension. Interruption of this vital industry would have nation-wide ramifications . . .
>
> We believe that for the economic well-being of the Great Lakes Region, there is no program more important than the construction of the diked areas.

Mr. Speaker, this completes my statement. I would be happy to answer any questions that our colleagues might have, either orally at this time or, if some prefer, in writing, should they see fit to direct any queries to my office. I am hoping, of course, that the project I am recommending to you will receive favorable consideration from this Congress.

A CENTURY OF SERVICE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RICHMOND. Mr. Speaker, this month marks the 100th anniversary of the Sisters of the Holy Family of Nazareth.

In the Greenpoint community of Brooklyn, the good work of this dedicated congregation of sisters continues to provide spiritual and educational guidance despite the surrounding turmoil and confusion which is so common these days.

The following is a brief history of this dedicated congregation taken from the program for opening of the centenary celebration held at Our Lady of Czestochowa Church, Brooklyn, N.Y., December 29, 1974:

A CENTURY OF SERVICE

One hundred years ago, Mother Mary of Jesus the Good Shepherd had founded the Congregation of the Sisters of the Holy Family of Nazareth.

The venerable Foundress was born at Roszkowa Wola in Poland on November 22, 1842 and died in Rome on November 21, 1902. Heaven endowed her with a fine mind, a great heart and a special grace for attracting souls eager to give themselves entirely to God. These remarkable gifts were destined by divine Providence for founding a religious Institute. And it was at Rome that this new Congregation of the Holy Family of Nazareth began with the blessing of Pius IX in 1873 and had officially received its first members in 1875.

The range of activities which the Institute encompassed were catechetics, retreats, primary, secondary and higher education in parochial and private schools, hospitals and clinics, orphanages, homes for the aging and working girls and student residences.

The Congregation today numbers approximately 2100 members serving the Church in Australia, England, France, Ireland, Italy, Peru, Poland, Puerto Rico and the United

States. In their vision of life and service the Sisters seek to bring light, hope and courage to all whom they serve, reaching out to all levels of humanity.

NEED FOR A PERMANENT 12-PERCENT INVESTMENT TAX CREDIT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ARCHER. Mr. Speaker, our present economic situation illustrates the need to increase and encourage business investment in order to provide for more economic growth and create thousands of additional jobs. I am introducing legislation which will provide a permanent increase in the investment tax credit to 12 percent.

The 1975 Tax Reduction Act—Public Law 94–12—took a step in the right direction by increasing the investment tax credit to 10 percent. Yet, this is only a temporary measure. The investment tax credit has become an integral part of the cost recovery system in the Internal Revenue Code but an off-again, on-again approach limits the usefulness of this change. Business in the United States hesitates to make long-range investment decisions based on a questionable availability of the credit in whole or in part.

The past history of the investment tax credit should give us a guide to the future use of this important instrument of tax policy. During the past decade, we witnessed a suspension of the credit 1966–1967, a repeal of the credit in 1969, and 1971 reinstatement of the credit and enactment of asset depreciation range—ADR. Loss of the credit has been followed historically by slackening economic activity and also by lower corporate tax revenues. Renewed availability of the credit has resulted in an increased pace of industrial production and larger corporate tax revenues.

Attempts in the past to fine tune the economy by varying the availability of the investment credit probably have been de-stabilizing on balance—that is, they have produced wider swings in net new investment than otherwise would have occurred with a stable policy. The most unfortunate example was its repeal in 1969 just as we were moving into a recession. This undoubtedly deepened the impact of that recession. Congress needs to enact a permanent increase in the credit to at least 12 percent across the board—including public utilities—at the earliest reasonable opportunity this year so that business can be assured of its continuity and not be forced to second guess the Congress as the provisions of the 1975 Tax Reduction Act expire. Such a permanent change enacted would avoid such problems as order bunching which will likely attend a step-down in the credit in 1977.

We may be standing at the crossroads of a major economic policy change. Our country is becoming more and more aware of the critical need for massive amounts of capital for the modernization of industry, for energy needs and environmental protection, and especially for the expansion of employment opportunities. It has been estimated that business will need at least $2.6 trillion in new capital between now and 1985. This change of a permanent 12 percent investment tax credit would make a significant contribution to the overall capital needs of the economy by increasing the availability of internal corporate funds for capital investment. It is critical that the climate for capital formation be improved.

I strongly urge that rather than create so-called public service jobs which would be temporary and would add to our already growing deficit, it would be far better to provide the necessary climate for capital investment to create new and permanent jobs in the private sector. It will be these jobs in the private sector which will provide permanent and lasting employment for the unemployed, increased revenues for the government as these workers pay their taxes, increased corporate revenues resulting in additional tax revenues, and bring a real spur to the entire economy from growing industrial production.

A permanent increase in the rate of the investment tax credit to 12 percent would be a step in the right direction toward lasting economic recovery.

THE ENDING OF THE WAR IN VIETNAM

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. HOWE. Mr. Speaker, the war in Vietnam has finally ended for the United States, signaling a finish to 15 tragic years of involvement in the affairs of the Vietnamese people.

It is the task of the President, the Congress and the American people to determine where we go from here. Time should not be spent berating ourselves with notions of guilt, but rather we should feel a profound sense of relief that this country recognized the futility of its efforts and left Vietnam to handle its own affairs.

Lessons are to be learned from our experience and wisdom gained from our errors. As we reflect back, an interesting aspect surfaces in our continued belief that we could eventually win the war—"the light at the end of the tunnel." Obviously, there was no "light" and author Clyde Edwin Pettit has impressively pointed out in his book, "The Experts," that many high-ranking officials in Government had believed there was and continually rationalized U.S. involvement and deluded the American people with statements like, "The Vietcong will just peter out."—U.S. Gen. Maxwell D. Taylor, October 27, 1965.

It is apparent that General Taylor's prediction was not forthcoming, and 30 years of persistence and a basic sense of purpose accomplished what 56,737 American lives and 100 billion American dollars could not—victory in Vietnam.

It is unfair, however, to fix blame on any one person or any group and I believe we entered Vietnam with the best of intentions, accompanied with a high sense of purpose that what we were doing was right.

But, opinions changed and what had started out as a minor commitment, progressed into full scale military involvement, dividing this country as no other war in recent history has ever done.

We never believed the war would last as long as it did and "the experts" kept telling us that the end was in sight. But months dragged on into years and the war went on and on, changing proponents into opponents and a vast majority of people in this country, particularly young people, no longer accepted Government explanations. They reacted with protests and demonstrations, indicating that the war had gone on long enough. If what then Secretary of Defense Robert S. McNamara said in 1963 was true, that—

> The South Vietnamese armed forces have now attained the experience, training and necessary equipment required for victory . . . Victory is in sight.

Then why were we escalating our efforts in 1968?

Our "glorious" purpose to make South Vietnam a democracy became a crisis of confidence in our own country—a continual erosion of trust in Government policies and statements.

It is this loss of faith that is probably the most tragic aspect of our long commitment in Vietnam. The people of this country have a right to be fully informed, not lied to and I disagree with statements like that of former Assistant Secretary of Defense Arthur D. Sylvester, when he stated:

> It's the inherent right of the government to lie to save itself. (Dec. 6, 1962.)

It is this kind of attitude that led to our deception that we could win in Vietnam. We could not and events point out the error in our reasoning.

With the ability of hindsight, we can and must avoid situations like Vietnam in the future. Now, it is time for us to look ahead and develop a rational policy based on honesty and mutual trust. Only then can this country effectively reaffirm its commitments both here at home and abroad.

Mr. Pettit's book confirms this belief and places America's position in its proper perspective. Mr. Art Buchwald, in the Sunday, April 27 edition of the Washington Post, devoted an entire article, something Mr. Buchwald has never done before, to Mr. Pettit's book. His article follows:

GONNA MAKE OLD HO CRY UNCLE

(By Art Buchwald)

There will probably be a lot of finger-pointing about the debacle in Vietnam. It's hard to fix the blame on any one person so, to satisfy everyone's political persuasion, here is a small choice to pick from. A larger choice can be found in a book titled "The Experts" by Clyde Edwin Pettit from which I lifted most of these quotes.

French Gen. Jean Leclerc: "I didn't come back to Indochina to give Indochina back to the Indochinese." (Sept. 31, 1945)

U.S. Gen. Mark Clark: "I am also impressed by the French military plans, by the apparent Vietnamese determination to fight. I could not make any better plans than those already in existence here." (Feb. 24, 1953)

Sherman Adams, assistant to President Eisenhower: "At a Sunday night meeting in the upstairs study at the White House, Eisenhower had agreed with Dulles and Radford on a plan to send American forces to Indochina under strict conditions." (April 4, 1954)

French Brig. Gen. Christian de Castries: "I'm going to kick Gen. Giap's teeth in, one by one." (April 20, 1954)

Sen. Mike Mansfield (D-Mont.): "Ngo Dinh Diem's government stands for decency and honesty while those conspiring to bring him down represent corruption." (April 30, 1955)

U.S. Gen. Earle K. Wheeler: "It is fashionable in some quarters to say that the problems in Southeast Asia are primarily political and economic. I do not agree. The essence of the problem in Vietnam is military." (November, 1962)

Assistant Secretary of Defense Arthur D. Sylvester: "It's the inherent right of the government to lie to save itself." (Dec. 6, 1962)

Secretary of Defense Robert S. McNamara: "The South Vietnamese armed forces have now attained the experience, training and necessary equipment required for victory . . . Victory is in sight." (Feb. 19, 1963)

U.S. Gen. Paul D. Harkins: "By Christmas it will be all over." (April, 1963)

President John F. Kennedy: "I can't do it (withdraw from Vietnam) until 1965—after I'm relected." (Spring, 1963)

Secretary of State Dean Rusk: "Part of the problem (of creating a broad political base in the south) has been that those who have collaborated in the war days and immediate postwar days with Ho Chi Minh were pretty much ruled out of consideration in Vietnam and properly so." (1963)

Secretary of State Dean Rusk: "The Laotians are very interesting people. They don't like to kill each other." (Sept. 15, 1963)

President Lyndon B. Johnson: "We are not about to send boys nine or ten thousand miles away from home to do what Asian boys ought to be doing for themselves." (Oct. 21, 1964)

Sen. J. William Fulbright (D-Ark): "Presently the military operations appear to be going better. There have been reports from a military point of view in recent weeks . . . We have also insisted on continuing the bombing as we did in the spring. The President made some very impressive speeches in that direction." (Oct. 24, 1965)

U.S. Gen. Maxwell D. Taylor: "The Viet Cong will just peter out." (Oct. 27, 1965)

Undersecretary of State Eugene V. Rostow: "I view Vietnam as a problem of order." (Oct. 4, 1966)

Henry Cabot Lodge, U.S. Ambassador to Saigon: "By the end of 1967, there might be light at the end of the tunnel and everybody will get the feeling that things are much better. . . ." (Dec. 6, 1966)

Vice President Hubert H. Humphrey: "Vietnam is our greatest adventure, and a wonderful adventure it is!" (Nov. 1, 1967)

U.S. Gen. William C. Westmoreland: "I have never been more encouraged in my four years in Vietnam." (Nov. 15, 1967)

President Richard M. Nixon: "I will say confidently that looking ahead just three years the war will be over . . . It will be over on a lasting basis that will promote lasting peace in the Pacific." (Oct. 12, 1969)

Dr. Henry Kissinger: "Peace is at hand. . . ." (Oct. 26, 1972)

Joseph Alsop, columnist: "Hanoi has accepted near-total defeat . . . Anyone with practical common sense should be able to see . . . Hanoi's acceptance of near-total defeat . . . The numerous American politicians and thinkers who endlessly said . . . we could never get an honorable settlement . . . look pretty silly." (Nov. 1, 1972)

President Gerald Ford: "I am absolutely convinced if Congress made available $722 million in military assistance by the time I asked—or sometime shortly thereafter—the South Vietnamese could stabilize the military situation in Vietnam today." (April 16, 1975)

ON THE REIMBURSEMENT OF ATTORNEYS' FEES TO ACQUITTED DEFENDANTS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KOCH. Mr. Speaker, there have been a great number of requests for my bill, H.R. 6296, to provide for the payment by the United States of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction. For those interested in commenting on my attorneys' fees bill, I am placing it in the RECORD for their information. H.R. 6296 has been cosponsored to date by Mr. RICHMOND, Mr HELSTOSKI, Mr. CARR, Mr. DRINAN, Mr. SOLARZ, Mr. BADILLO, Mr. LAFALCE, Mr. HARRINGTON, Mr. SIMON, and Mr. MOSS.

H.R. 6296 follows:

H.R. 6296

A bill to provide for the payment by the United States of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 201 of title 18 of the United States Code is amended by adding at the end thereof the following:

"§ 3013. Fees and costs for certain criminal defendants

"(a) Except as provided in subsection (b), with respect to any Federal criminal charge of which the ultimate disposition is other than the conviction of the defendant, the defendant shall be entitled to receive, and the United States shall pay, a reasonable attorney's fee and for any other reasonable costs to the defendant of his defense against that charge.

"(b) The court may determine that the payment of a fee and other costs under subsection (a) is not in the interests of justice, in which case the defendant shall not be entitled to receive, and the United States shall not have the duty to pay, that fee and other costs.

"(c) The court may determine that the payment of a reasonable attorney's fee and other reasonable costs to the defendant is in the interest of justice with respect to a criminal charge of which the defendant is convicted. If the court so determines, the defendant shall be entitled to receive, and the United States shall pay, a reasonable attorney's fee and any other reasonable costs to the defendant in his defense against that charge.

"(d) The appropriate United States attorney is authorized to make, in connection with any proceeding relating to the award of fees or other costs under this section, such reports and motions to the court as that attorney deems appropriate, and shall be entitled to adequate notice from the court before the entry of any final order awarding such fees and other costs.

"(e) In any proceeding relating to a determination under subsection (b) or (c)—

"(1) a record of the proceeding, which record shall be available to each of the parties during the proceeding, shall be maintained by the court, and that record shall include the motions and other materials presented by the parties and associated with the determination;

"(2) the court shall consider the following factors in making the determination:

"(A) the cost of the litigation for the defendant;

"(B) the strength of the Government's case;

"(C) whether either party was guilty of dilatory tactics;

"(D) whether either party was guilty of conduct that unnecessarily increased the cost of the litigation to the other party;

"(E) whether the Government was justified in seeking an indictment, taking into account the evidence it was able to produce at trial;

"(F) whether the acquittal or dismissal was the result of a determination on the merits or of a technical rule of law; and

"(G) any other factor the court determines is relevant;

"(3) the court shall state on the record the reasons for its determination; and

"(4) the determination of the court shall be subject to review in the same manner as other judgments of the court.".

SEC. 2. The table of contents of chapter 201 of title 18 of the United States Code is amended by adding at the end the following new item:

"3013. Fees and costs for certain criminal defendants.".

U.S. DEFENSES ABROAD

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BOLLING. Mr. Speaker, Robert Kleiman's article which appeared in today's New York Times presents a balanced approach to the problem the Congress faces in dealing with President Ford's Defense Department budget. Mr. Kleiman's article follows:

U.S. DEFENSES ABROAD

(By Robert Kleiman)

BRUSSELS.—The annual defense budget debate now under way in Congressional committees in Washington is being watched at NATO headquarters here as a crucial indicator of American foreign policy in the post-Vietnam era.

The North Atlantic Treaty Organization allies feel reasonably sure that the United States will not turn its back on Europe; but they are not as sure as they were a few months ago. Indochina, they believe, was a special case; still, they fear a more generalized American reluctance now to employ military power abroad and even, perhaps, to maintain the East-West military balance upon which West Europe's security depends.

The maintenance of that balance was Secretary James Schlesinger's stated objective in the defense budget put before Congress in February and, especially, the world's *perception* of that balance, not region-by-region or weapon-by-weapon, but over-all.

At that time, détente with Moscow seemed assured. Since then, the world suddenly has become a chillier place in which to live. And NATO analysts note that Soviet arms, Soviet diplomacy or Soviet-oriented Communist parties—while nowhere the only factor—have contributed to the change from Indochina through the Mediterranean to the Middle East. Thus, military equilibrium now is seen as even more imperative, both for America's allies and for the Soviet Union, where adventurist tendencies otherwise might be further encouraged in the Brezhnev succession struggle—to the further detriment of détente.

What is less clear is the precise military program in the United States required for this purpose. For example, as long as a chance remains in the strategic arms limitation talks (SALT) to head off a Soviet first-strike capability against American silo-based intercontinental ballistic missiles, American self-denial of a similar capability is essential. Such a capability, deployed on both sides, would be the ultimate horror, putting a "hair trigger" on nuclear war.

An Armed Services subcommittee headed by Senator McIntyre of New Hampshire last week rightly voted down funds for a half-dozen projects to develop more accurate silo-busting warheads for American long-range missiles. It also voted down funds to speed up development and production programs for the B-1 strategic bomber—at $86 million per plane. Other, less expensive replacements for the obsolescent B-52, while opposed by the Air Force, have support in the Pentagon and among defense scientists.

This kind of item-by-item review of the defense budget is a vital Congressional function. In strategic weapons programs particularly, the Pentagon's new budget requires serious challenge and debate. But, otherwise, Mr. Schlesinger's energetic reforms, unequaled since the early days of the Robert McNamara era, and the main thrust of his program are surely right.

The priority given to conventional forces, particularly those committed to NATO, focuses on the country's most vital interest abroad as well as the decreased credibility of nuclear retaliation in an era of strategic parity. The drives to increase the "teeth-to-tail" ratio in the Army, to procure less sophisticated fighter planes and ships and to improve the reserve forces provide imaginative answers to the problems of high pay and reduced manpower that have accompanied the shift to a volunteer army.

The Congress is unlikely to suggest any further reductions in military manpower. With 2.1 million men under arms, 600,000 below the pre-Vietnam levels of 1964, the American forces now are only half as large as those of the Soviet Union, which have increased from three-million to four-million men since the early 1960's. Nor are significant naval cutbacks likely; with less than 500 ships in the active fleet, the U.S. Navy is down to half its pre-Vietnam strength and smaller than at any time since 1939.

Some cuts undoubtedly will be made in the over-all $104.7 billion in obligational authority requested for the 1976 fiscal year—primarily to modernize the conventional forces—with expenditures during the year to reach $94 billion. The Senate Budget Committee already has proposed a spending ceiling of $90.4 billion, the House committee $89.7 billion. Cuts in this range are traditional and the Congress is unlikely to be dissuaded from them by President Ford's current appeals.

But in constant dollars, discounted for inflation—including increased pay and petroleum costs—the fact is that American defense spending has been declining over the past two years. If restored to the 1973–74 level, as the Administration proposes, it would still be below 6 per cent of G.N.P., as compared to 8.3 per cent of G.N.P. in pre-Vietnam 1964. Soviet defense spending, on the other hand, has been increasing in real terms by 3 to 5 per cent a year and now exceeds America's.

In these circumstances, what clearly is required is a normal Congressional review of the defense budget, rather than the meat-ax cuts some younger Congressmen are suggesting.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DOWNEY. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizens organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congresman as well as by the various public officials who were also in attendance.

Mr. Charles Hervich was one of the witnesses. He is a senior citizen who is living on his social security and pension checks, and who very eloquently tells us what it is like to grow old in America. I think my colleagues would do well to read Mr. Hervich's testimony which follows:

TESTIMONY OF MR. CHARLES HERVICH

Mr. HERVICH. Yes.

Honorable Congressman, Thomas J. Downey, ladies and gentlemen:

From your opening statement, sir, you have indicated a big knowledge of the difficulties which are confronting the senior citizens of the whole country and not only in Islip, but I am here to speak for Mrs. Elsie De Fretus who is now deceased.

If Mrs. De Fretus were alive, I am sure that she would not have attended this type of hearing nor given voice to her plight and despair.

She was a gentle lady of dignity and a pride that would not permit her to ask for more than was allotted to her by her government, her state and a small pension.

But, if this hearing on the economic problems of senior citizens is to be complete and meaningful, the economic problems of Mrs. De Fretus must be told as written by Mr. James Wooten of the New York Times.

"When Mrs. Elsie De Fretus could no longer afford the cost of living, she died. She was nearly eighty years old, and she survived somehow for a long, long time on her meager widow's pension of $186.50 a month, frugally measuring it against the rising prices, scrimping and scraping and skipping meals, making do with less and less each day, until finally, on a recent morning at an ancient hotel in this city, she crumpled quietly to the floor of her dark and tiny apartment. She weighed seventy-six pounds. An autopsy found no trace of food in her shrunken stomach. "Malnutrition" the coroner concluded. "Surrender" sighed an elderly friend. "She just stopped believing tomorrow would be better."

This is the epitaph of senior citizen Mrs. Elsie De Fretus.

Her economic problem was that her pension of $6.20 a day was not adequate to sustain her life of independence.

It is ironic that if she had entered a nursing home in Connecticut, the government would have paid twenty-three dollars a day for her care, or $690 a month.

In New York, the nursing homes are paid thirty dollars a day, or $900 a month.

President Ford proposes to hold the Social Security cost-of-living increase to five per cent. Mrs. De Fretus would have received thirty-one cents more each day.

These are some other economic problems for senior citizens between the ages of sixty-two and sixty-five which seem to be unjust discrimination: 1. At age sixty-two, a person is eligible for Social Security, and, if of necessity, they apply for payments, they will suffer a reduced monthly payment for the rest of their lives.

2. In addition to this penalty they are not eligible for Medicare. Premiums for Blue Cross coverage are approximately forty dollars a month.

3. They are not eligible for reduced tax benefits although their incomes may be far below the $6,500 per year. This exclusion is coldly indifferent to actual need and circumstances.

Senior citizens of age sixty-five are not eligible for town tax exemption if their total income including Social Security payments exceed $6,500.

Neither the state nor federal governments consider Social Security payments as taxable income. Social Security payments should remain exempt from any inclusion as income for tax benefit plans.

If a national health plan is considered, would senior citizens be covered until they reach the age of sixty-five when they would be eligible for Medicare?

We sincerely hope that if such legislation is passed, it would be controlled by the Social Security Department and not private business empires.

The vast personal data of each citizen within its files and data banks could be used readily for processing payments with a minimum hazard of the organized costs of a private enterprise.

Thank you.

The CHAIRMAN. Let me ask you as a representative senior citizen and articulate spokesman, what do you see for yourself as a future? Do you have enough to live on? Does the government provide you with enough?

Mr. HERVICH. I am one of the fortunate persons. I retired at sixty-two. I applied for Social Security benefits. I have a comfortable retirement income from the company for which I worked for thirty-two years, and I contributed to the retirement plan. I am not in any financal distress, but I am distressed about the plight of many of my friends and senior citizens.

The CHAIRMAN. In your contact with government personnel, how have you been treated?

Mr. HERVICH. Very well. Social Security seems to be extremely solicitous of my problems—especially Patchoque—that might confront me personnally. We are welcomed and treated well and expeditiously.

The CHAIRMAN. Do many of the senior citizens in Suffolk County own their own homes?

Mr. HERVICH. I would like to tell you about this woman who owned her own home. She was one of those persons between sixty-two and sixty-five. But, she said, "I hope I can last until December. Then, I will be able to qualify for the reduced tax payments on my home."

Those were her statements.

The CHAIRMAN. Let me see by a show of hands, how many of you here today own your own homes.

(Whereupon, hands were raised.)

The CHAIRMAN. A significant proportion.

One of the proposals that one of my colleagues has made is to increase the amount of federal revenue sharing sent back to the state and local governments so that they might be able to further reduce your property taxes as a result of the increase in federal revenue sharing. I think it's a pretty good idea, and it might be one of the things we are co-sponsoring in the new year.

Mr. HERVICH. One of the avenues of aid to senior citizens seems to be bypassing a direct route. That is from the government to the person, to the recipient, to the person on Social Security, the senior citizen. There seems to be diffuse routes being established and set by agencies in different departments of the government which dilute and diffuse funds into different departments where only

a limited number of citizens will be eligible and benefit by these plans, but, if the payment was made directly to the senior citizens—for instance, Mrs. De Fretus would have been able to maintain an independent life of her own and not starve to death.

There are other people who adjust their lives in their homes so they can keep their homes until they qualify for reduction.

The CHAIRMAN. Of your frame of reference and those you come in contact with, are the programs and agencies that the federal government have established meeting the needs of the senior citizens? Do you feel they are? Again, on a scale of one to ten.

Mr. HERVICH. I will not qualify myself as being able to answer that.

The CHAIRMAN. What kind of services do you think are missing from the community?

Mr. HERVICH. The only one I can think of is what I have just stated. More payments directly to senior citizens and not other diffuse means.

The CHAIRMAN. One of the problems the government has in terms of trying to provide adequate income levels is the establishment of some sort of criteria for payment levels, and, as was mentioned before, this is one of the problems that senior citizens have to go through, inadequate income reevaluation, which is difficult.

Mr. HERVICH. It's difficult if you don't have a car. In Long Island, if you don't have a car, you are essentially stuck in your home unless you can find a bus, and, if you can, let me know.

The CHAIRMAN. Do you think that the income test is sound? I happen to think it's an unnecessary procedure. I think it can be improved so that the senior citizen can mail in an affidavit. I think the government needs to check at least once a year to find out if the income is adequate or if it's not adequate, and, also, if the person is being fair in asking for what they are asking. Do you think that is too much to ask?

Mr. HERVICH. I was wondering if this was necessary. The government has established a minimum wage for all workers of this country. How about a minimum Social Security payment for senior citizens which we would be realistically capable of surviving on?

The CHAIRMAN. Again, there are a number of bills that have been offered in Congress to provide minimum income floors for senior citizens. Without question, they will be coming up for approval or disapproval in this coming year.

For your enlightenment, one of these is the amount dedicated for programs to senior citizens, the Older Americans Act, not including Social Security, is $500,000,000 which in itself seems like a lot, but, when you consider you have some 12,000,000, 13,000,000 senior citizens, in terms of programs we require for them, it's really not that much.

Later on in the afternoon, I'd like to go through a laundry list of things that the Senate Committee on the Aging has prepared where the President feels—and I disagree with him—there should be cuts. There are any number of programs like the Older Persons Act, Social Security and Medicare.

As I said in my opening statement, I think this is a mistake. I think this is the last avenue we should cut.

HORRY COUNTY TOBACCO QUEEN

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JENRETTE. Mr. Speaker, it was my privilege yesterday to welcome to our Nation's Capital the reigning Tobacco Queen of Horry County, Miss Robyn Hughes, a gracious and lovely young lady from Loris.

Miss Hughes won the title during the 1974 Horry County Tobacco Festival, sponsored by the Conway Area Chamber of Commerce. Miss Hughes is a rising senior at Coker College and is the daughter of Mr. and Mrs. Henry C. Hughes. She is a marketing major at Coker and plans a career in fashion merchandising and marketing. She exemplifies all that is fine and good in the young women of South Carolina's Sixth Congressional District.

She is secretary of the rising senior class at Coker as well as a commissioner, Coker College representative, and senator in the Student Government Association. She has served in the college dance troupe, as chairman of the May Day activities and as an attendant in the May Court. She also has been named to the Senior Who's Who.

We are proud of her and her fine family—a family I know well and for whom I feel a great deal of affection and respect.

THE RISE AND FALL OF POLITICAL IDEALS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DERWINSKI. Mr. Speaker, since there has been a great deal of debate over the subject of the War Powers Act and its interpretation as it relates to the end of the Vietnam war, it might be practical if we would look into the matter objectively, recognizing that conditions do change and Members often find themselves reversing previously held positions.

This point is very effectively made by Jon Margolis, a member of the Tribune's Washington bureau, in his column which appeared in the Wednesday, April 23 edition of the Tribune:

WHOSE OX?—THE RISE AND FALL OF POLITICAL IDEALS

(By Jon Margolis)

It is 1985 and the right-wing dictatorship in Paraguay has been overthrown by a popular uprising led by populists dedicated to democratic government.

Shocked, the oligarchy led by an air force general, regroups in neighboring Bolivia, and with the help of the rightwing military government there begins a counterrevolution.

The people back the new government, but the forces of the dictator control the skies. The new government needs time to organize itself, and finally, in desperation, the provisional president calls on the United States for help in defending his country against saturation bombing.

President Edmund G. Brown, Jr. wants to help. So American fighters go in and quickly sweep the counterrevolutionaries from the skies. But three U.S. planes are shot down and their pilots killed. At the end of 30 days, a Congress more conservative than the President invokes the provision of the War Powers Act.

The American planes leave, the Paraguayan counterrevolutionaries return to the offensive and democracy in Paraguay is snuffed out.

In the U.S., liberals call for amending the War Powers Act which they passed over the veto of a conservative President more than a decade earlier. Conservatives say the law is just fine as is.

Well, that's all a fantasy of course, and nothing precisely like that is likely to happen. But something substantially like it could very well happen since the only certainty is that nothing is certain.

At any rate, the fantasy serves to illustrate what hundreds of historic examples also prove—that a procedural change which benefits one side today can benefit their opponents 10 years from now.

It also underscores the reality that politicians are not always talking about what they seem to be talking about.

The War Powers Act, for instance, was conceived and passed by the political heirs of those who favored lend-lease and other foreign interventions in the 1930s. It was opposed by politicians who fought those earlier measures fiercely, never tiring of quoting George Washington's warning against "entangling alliances."

The oldest argument in American history is the one between federal power and states' rights.

In modern times, liberals under Woodrow Wilson and the two Presidents Roosevelt expanded the power and the spending of the federal government while conservatives like Barry Goldwater opposed it.

But the ideologies may not be as inconsistent as they seem. In each case, the conservatives were supporting the wealthier class and the liberals championing the poor, workers, and small farmers.

What changed was the situation. In the early 19th century, a strong government spent money on public projects benefiting the commercial interests more than the yeomanry. By the 1930s it passed labor laws and collected Social Security taxes benefiting workers more than industrialists.

All along the argument wasn't about political philosophy. It was about money.

Twenty years ago, it was Southern segregationists who raised the banner of states' rights. Some may really have felt deeply about it, but there is little doubt that what they wanted to preserve was racial segregation, not a constitutional principle.

Now who calls for states' rights? Liberal environmentalists concerned about a national administration which wants to mine more coal and build more nuclear power plants, while many governors and majors do not.

Then there is politics, where a "boss" is a leader you don't like and a leader is a boss you do like. It is also where one side's parliamentary ploy to block passabe of a bill is a "brilliant maneuver," while the same tactic used by the opposition is "dirty pool" if not downright illegal.

Last month a group of Democratic women tried to get their party to refuse to hold its 1976 convention in a state which had not ratified the Equal Rights Amendment to the federal constitution.

The women acknowledged that they were trying "to use some political muscle" to get Mayor Daley to order "his" legislators in Springfield to switch their votes on the amendment.

These same women are in the "reform" wing of the party, and such "reformers" earnestly, believe that political bossism is bad, and that the lawmakers should be guided only by their consciences or the wishes of their constituents.

Unless the constituents and consciences disagree with the reformers. In this case, the liberal women had no qualms about using the alleged powers of "Boss" Daley.

All of which proves that when public figures begin espousing broad principles of government, law, economics, or politics, take a look at just whose horn is goring whose ox.

THE SOCIAL SECURITY DEBATE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. MURTHA. Mr. Speaker, there are very few issues that will face this Congress that will have greater long-range importance than the debate concerning social security.

I would like to present for the RECORD the following article featuring an interview with Robert M. Ball, former Commissioner of Social Security. I believe it adds to the debate on this most important subject.

The article follows:

BALL ON TAX FOR SOCIAL SECURITY AID

Robert M. Ball has been involved with the Social Security Administration since he went to work in 1939 as a petty official in the Newark district office. He served as commissioner of the system from 1962 to 1973, and is now scholar-in-residence at the Institute of Medicine of the National Academy of Sciences. Ball was interviewed by Washington Star Staff Writer Ned Scharff.

Q. *Many observers of the Social Security system are saying that it's in trouble financially. Do you think Social Security can continue to function as it does now?*

BALL. Well, the system does need more financing. I think the best way to look at this is in two parts. There is a short-range financing problem which grows out of the present economic situation. And then in the next century there is the possibility of a problem in Social Security financing which grows out of an expected change in the age composition of the population. I have no doubt that the promises of Social Security will be met by the U.S. government, but, as I say, some additional financing will undoubtedly be needed.

Q. *Where do you think that should come from?*

A. Well, it would not be good economics to raise Social Security contributions, taxes or premiums, at this time, but obviously you can't let the deficits go on. It is very important that the income to the program be raised so that it is in excess of the benefit payments that have to be made just as soon as an economic turnaround. I would not do it until the economy is on the upbeat. But when that happens, I would propose that the maximum amount on which people pay and the maximum which is credited to their benefits be raised to $24,000 a year.

Q. *That is you would advocate an increase in the tax base rather than in the tax rate itself?*

A. The tax rate which falls on everybody under Social Security is now 5.85% and that is a fairly sizable rate if that applies to workers of all levels. If you increase the base it applies only to 15% of workers under the system who have the highest earnings. In other words, 85% of workers today have all their earnings counted toward those security benefits and they pay on those earnings. The 15% at the upper end do not.

Q. *Would you agree that it makes it a regressive tax that falls hardest on low income earners?*

A. I don't think really it's correct to look at Social Security finance primarily as a tax. It's the purchase of retirement insurance, disability insurance and of life insurance. People are paying for a protection and what they pay is marked for the purpose of Social Security. Now if you look at it as a complete system, then it is not regressive because the benefit amounts that people get are weighted in favor of the lower wages. If you look at both of what you pay in and what you take out the lower paid wage earner has a break as compared to the high-paid wage earner.

Q. *But generally, a man or a woman retiring now on nothing other than Social Security benefits would find it pretty difficult to lead a decent life?*

A. No, I don't think so. I think the way to judge a retirement system like Social Security or Federal Civil Service or private pension is the relationship of the payment made to the recent earnings that the individual has been getting. And for people retiring today under Social Security, the worker who has been earning the federal minimum wage, he and his wife together if he retires at 65, would be getting benefits at about 80 percent of what he had been earning in the years just before retiring. The worker earning the amount that the average male worker would get, he and his wife together would be getting about two-thirds of what they had been earning just before retiring.

Q. *When the system was introduced in 1935, it was designed not only to provide a minimal income for the elderly but at the same time to get elderly people out of the job market to help clear the way for younger people. Is that fair or wise?*

A. I feel very strongly that there should be increased opportunities for older people to work. I think that it ought to be up to the individual whether 65 is the right age for him to stop paid employment and start something else, volunteer work and other activities or whether he wants to continue in a regular or part-time job. However, I do not believe that a retirement system should be paying people who aren't retired any more than a disability insurance system should be paying people who aren't disabled. And I think it would be a great mistake to turn the Social Security system into what the insurance people call an "annuity program," which just gives you the benefit because you reached age 65, say. Up till now the philosophy has been that it's retirement insurance designed to partly make up for the income you lose when you retire. So you need some sort of a test of when a person is retired and the present provision in Social Security seems to me reasonably satisfactory.

Q. *But as far as retirement itself goes, do you think the government is proper in making this a basic humanitarian goal?*

A. I think at age 65 what I'd like to see is the opportunity for people to choose. I'm against forced retirement. I think the trend toward compulsory retirement in industry is undesirable, particularly if we take note of the problem of a high ratio of older people to 20 to 64-year-olds in the next century. The more older people who have the opportunity to work, the less economic burden therefore they would be. At the same time, I think if individuals are willing to accept a somewhat lower level of living as they do under well-designed retirement systems, then I think that's acceptable. I think what we want to do is enlarge choices.

Q. *The present Social Security Advisory Council suggests that part of the burden in the next few years be paid out of the general treasury. How do you feel about that?*

A. I'm very much against the specific proposal made by the advisory council. What they suggested was that the Medicare program, the health insurance program providing hospitalization for older people and disabled people, be supported 100 percent out of general revenue, not be a contributory system at all. The reason I'm opposed to that is that I believe that if Medicare was supported entirely out of general revenues there would be a good possibility that in the future that an income test might be introduced. People might say, in effect, well if this is all being paid for from general revenues why should the protection be given to people who could take care of it on their own. You'd soon find I think that instead of an insurance program, like Medicare now is, you'd have turned it into a relief program. Now on the larger question of general revenues for the Social Security program as a whole I am not opposed to that if it's kept to a subordinate part of the financing for the long run. I see no need to introduce general revenues at this point. I'd be for raising the maximum earnings base to $24,000 which I think helps on the benefits side as well as on the financing, and that would carry the program for many many years into the future. If in the next century we find that the commitments of the present program still need additional financing at that time, I would be personally in favor of the gradual introduction of some general revenue financing, both on the cash program and on the health insurance. Not putting it all one way or the other.

Q. *One of the most difficult questions about the future of the system is that as we become an aging society with fewer workers proportionate to the number of retirees in our society, the current level of benefits may well be impossible to keep up some years from now without severely damaging the economy. How do you feel about this?*

A. I don't agree with that at all. It seems to me that we are now into the question of the long range financing of Social Security and I think the problem your raising really applies to an estimated or projected situation that begins about 2010. Assuming an accumulation of low fertility rates, by about 2010 the people of working age, those between 20 and 65, in absolute numbers will come to a halt and the numbers of people above 65 greatly increases for a period there between 2010 and 2030. Now that just taken in itself would create an additional economic burden on the people of working age, and this is aside from Social Security. This would be true if you were to support an entire elderly population entirely out of private pension plans or if you were going to do it out of relief or assistance or if you were going to do it all from the wages of their children. That kind of a shift in the larger number of retired people vs. people of working age would apply to any matter. But the point I want to emphasize is that exactly the same in birth rate that has brought what we have just described also results in a lot fewer children and so that the people of working age, the 20–64 group, we have no more dependents to support in an economic sense than they do today. As a matter of fact, they have less. There are fewer combined dependents, that is those under 20 plus the group over 65 as a ratio to those of 20–64 than is true right now today.

Q. *So it would certainly be easier for them to prepare for retirement?*

A. Yes. Maybe the long-range problem could be described as: how do we translate the reduced burden of caring for and raising children on the willingness of people of working age to pay higher rates for retirement benefits.

CONGRESSMAN DAVE OBEY VIEWS LESSONS OF VIETNAM INVOLVEMENT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KASTENMEIER. Mr. Speaker, our colleague, DAVE OBEY of Wisconsin, at

an April 12 address before a ROTC dinner at the University of Wisconsin-Stevens Point, gave a perceptive analysis of the tragic American involvement in the Indochina conflict and cited the lessons that we, as a people and as a nation, should learn from this horrendous experience.

Mr. Speaker, I highly recommend to our colleagues a careful study of this outstanding and important speech:

SPEECH OF REPRESENTATIVE DAVID R. OBEY

At the time I accepted your invitation to speak, none of us had any idea this dinner would take place at a time of such turbulence and tragedy in Southeast Asia.

Vietnam and Cambodia are slowly but inexorably crumbling. And if we are honest with ourselves and with the American people, we will face frankly, the fact that there is very little we can do to prevent it.

We can try to provide humanitarian aid, hopefully through international arrangements and organizations, but we cannot change the inevitability of history.

These next few months and years will be a testing time for us. What will be tested is not our will—as some have suggested—but rather our wisdom and our perception.

Some will say—they are already saying—that the "loss", and I put that word in quotation marks—the "loss" of Vietnam and Cambodia is symptomatic of our national retreat from the world.

They will point to congressional resistance to the President's defense budget as evidence that Congress is unwilling to meet our responsibilities in the world. Those who believe—or say that—are just plain wrong.

Congressional resistance to this year's defense budget is not rooted in its desire to retreat from world responsibility—not yet, anyway.

Rather, it is rooted in our unwillingness to cut $278 M. from health research on cancer, heart disease, and all of the other real and present everyday medical dangers faced by Americans, as the President has requested.

It is rooted in an unwillingness to cut $12 M. from job assistance programs we provide for older workers.

Or to transfer $1.9 billion in food stamps and medicare costs from the government to the most needy among us—especially the elderly on fixed incomes as the President has requested.

It is rooted in an unwillingness to delay passage of a national health insurace program and an urgently needed welfare reform program, while giving the Pentagon $15 billion in new spending authority as the President has asked us to do.

No doubt you've heard the President say that Congress should pass no new programs in this fiscal year. If you believe that's right, then you should oppose the President's new Defense Budget because while it contains no new programs in a technical sense, in reality that Defense Budget is laced through with new initiatives.

Let me just quote a few sections of a Library of Congress study of the Defense Department prepared at the request of my committee—the House Committee on Appropriations:

In page 4, the report states: "The administration has chosen FY '76 as year to expand, modernize, or make-up previous year underfunding in a wide variety of general purpose forces. As a result of major increases in this budget category, real growth in baseline forces spending is greater than in any year since 1967."

For tactical air forces, that study says this: "Modernization of tactical air arms of each service continues at an accelerated pace."

For operation & maintenance: "While a substantial portion of the increases required for operation & maintenance relates to pay increases & general inflation, there is real program growth of $652 million."

On arms limitation, the report says the following: "SALT II guidelines authorize the U.S. & Soviet Union 2400 strategic nuclear delivery systems each year.

President Ford has expressed an 'obligation' to reach that ceiling. Since each Trident costs $1 billion & each B–1 $66 million, substantial savings could result if the U.S. could provide for its defense with strategic weapons even slightly below that ceiling."

On production support for foreign military sales, C.R.S. reports the following: "This $300 million item constitutes a new program."

On the relation of the fiscal year '76 budget to national security, C.R.S. reports the following: "FY '75 was a year for new strategic weapons initiatives. FY '76 is the year budgeted for expansion, refurbishment, modernization, and readying general purpose forces."

You might say, well—maybe Obey's right about the defense budget, but if Congress had just given $300 million more to Vietnam, and $75, $80, or $150 million more to Cambodia, things would be different.

That, ladies and gentlemen, is an illusion. The United States gave $110 billion, 55,000 lives, and endured 12 years of social and economic disruption at home. We tore our own country apart.

We can now indulge in a period of long and bitter recrimination, name-calling, and witch-hunting which will weaken us both at home and abroad, or we can try to learn some lessons from this experience and find the grace and wisdom to move on as a stronger, wiser and eventually more united people.

To do the latter we must face some hard facts: Our involvement in Vietnam was the most tragic American action in at least a generation.

That involvement was a direct and tragic result of the warped perspective from which our policymakers—and the American people themselves—viewed our role in the post World War II world. And that warped perception is a direct result of the bitter and wrong-headed "who lost China" debate which followed the fall of Chiang Kai-shek to Mao Tse Tung in 1949. In 1949 we did not heed Winston Churchill's warning to the House of Commons in 1940 when he said: "If we open a quarrel between the past and the present, we shall find that we have lost the future."

In the aftermath of Vietnam and Cambodia we are in danger of repeating that pointless and destructive parody, and again losing our future because too few Americans ever learned the one lesson that could have been learned from the fall of China.

And what is that lesson?

That lesson is simply that in some areas, international political developments are beyond our control because of local considerations such as resurgent nationalism, government ineptitude, corruption, indigenous social and cultural realities and the like.

There were a few—and only a few—public voices who tried to teach us that lesson in the 40's and 50's.

But for their efforts, General Vinegar Joe Stillwell, John Patten Davies, and other State department experts on China were drummed out of government because they had dared to predict that Chiang Kai Shek's army was so ineffective and his regime so corrupt that he had little popular support and could not survive.

General George Marshall was smeared by men like Joe McCarthy and the other primatives in Congress because he had been unable to save a decaying regime from itself. America went through a 10-year search for scapegoats which gained us little but bitterness and obscured our understanding of one of the most important revolutions in modern history. Out of it was born an entire generation of attitudes and myths about the nature of American power and the nature of our security.

And so, for 20 years discussion of foreign policy at the public level degenerated into a "we hate communism more than you do" debate between political factions in this country.

A whole generation of politicians came to power in that kind of atmosphere. Not only did they view virtually every local power struggle in the world as a contest between Marxism and capitalism, they also lived in constant political fear of being charged by each other with potential blame if one square inch of territory was added anywhere in the world to Communist rule. And few were more active in leveling those charges than a young California Congressman named Richard Nixon.

And so, because of the political dialogue of the times, a substantial number of Americans swallowed the domino theory and came to believe that it was our duty to directly confront communism and defeat it in every region of the world no mater how distant, and no matter how confusing the local political situation, and no matter what the cost to America.

And that's how we came to Vietnam. And it wasn't just a presidents' war although obviously several presidents led us into it. When we first got in and for some time thereafter, the polls showed that the majority of people in the country were angry with President Johnson, not because he had gotten us more deeply involved in Vietnam, but rather because he wasn't fighting the war hard enough and escalating it fast enough. Even the New York Times was busy denouncing neutralism.

The Washington Post was denouncing Wayne Morse as a dangerous dissident for his speeches against the war. Most demands in those days weren't for less air power and less bombing, they were for more—on the theory that we could save American boys by increasing the number of planes and the size of bombs and the number of targets. And so we did; and so we did.

After three more years of war, one President was brought down, and Richard Nixon came to power with the promise to end the war. But this basic policy was still to fight a delaying action until that long-awaited day when the South Vietnamese could make it on their own.

You remember the phrase—"Vietnamization"? Within the last weeks, the best-equipped, most modernized, best trained units of the South Vietnamese army lay down their American-supplied weapons and fled from the northern provinces without even making a stand, pushing their own civilians—women, children, old men, orphans, aside, in their panic.

If these events have taught us anything, it is that we cannot determine the outcome of political fights in tiny countries such as Vietnam and Cambodia.

We can diplomatically try to affect events, but we cannot control them, no matter how much money we spend, no matter how many lives we spend, because we are fighting in a country that is not ours, it is someone else's.

Their cultures are different.

Their desires and values are different.

Their political structures are different, and it is beyond our capability to have much direct affect on political and social developments in that part of the world.

If we don't have the common sense to face that unpleasant reality, our efforts may produce results which are less in our national

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interest than events which would have unfolded without our efforts. The fact is we blew it in Vietnam twenty years ago, not last month, or last week. But twenty years ago.

Johnson administration sources told members of Congress ten years ago that if we had allowed elections in 1954, Ho Chi Minh would have won, because he was Vietnam's George Washington. But the U.S. determined that while we had our George Washington, Vietnam wasn't going to have theirs.

Whether we would have liked it at the time or not, Ho would have been elected in 1954, and would have established a Tito-type government in Indochina which would have been independent, and it would have been a lot better for us than the kind of government we are facing now.

Henry Kissinger's statement that Thieu is partially right when he suggests that people in Congress who vote against further aid to Vietnam are traitors is an absolute absurdity.

President Ford's announcements almost daily that if Vietnam and Cambodia go down the drain, U.S. credibility is going to be shot down in the world, are a colossal blunder.

The real danger is that it will become a self-fulfilling prophecy. Not because the Congress may believe him—they won't—, but because the more the President suggests a definite connection between Vietnam and Cambodia and our commitments to the rest of the world, the more the rest of the world is likely to begin thinking along those lines.

We are going to have to face the fact that Cambodia and South Vietnam are going down the drain and the Communists are going to control them.

There are ways that we can use our influence and our resources to make that process more orderly and less painful and bloody in human terms.

But aside from that, the only thing we can help influence in some small way now is whether those regimes are going to react to us in future years in a somewhat independent way, similar to Tito, or not.

We need to understand we have not "lost" Vietnam and Cambodia—because they were never ours to win or lose to begin with—anymore than China was "ours" to win or lose. No amount of money, and no amount of men can impose from the outside a solution which isn't in keeping with the traditions and history and social pressures within countries like Vietnam and Cambodia. And Vietnamese society is of such resilience that our solutions cannot forge their societies and government structures, and that is the lesson we are learning now.

Just as no amount of education can make an idiot a genius, no amount of outside help can make an essentially incompetent or narrowly supported regime a victor.

The most dangerous and serious consequence of Vietnam is not that it represents an American unwillingness to keep its commitments. The real danger is that it is leading to an inability to differentiate between commitments which are essential to our national interest and commitments which are not.

And it is that inability to differentiate between essential and non-essential commitments that can lead—and is, I am afraid rapidly leading—this country to a return to the "nobody but us" philosophy that America followed in the 20's and 30's—which contributed to the inevitability of World War II. When I see a study showing that there is only one country that the majority of American people would be willing to send troops to defend:—Canada (not even Western Europe, but just Canada), that scares me. It ought to begin to scare all of us, because we do live in a real world.

In that world there are several countries which are not especially friendly and I do believe that we do have a direct national interest in the freedom and independence of Europe, the Middle East, Japan and several other areas of the world.

But there will be a natural, and in my view, irresistable reluctance on the part of the American people to recognize that fact of life unless they are convinced that American policymakers will differentiate between commitments that are necessary and commitments that are stupid.

There is another dangerous consequence of Vietnam fall-out which concerns me. That is the tendency of too many people—in and out of government—to blame the past 10 years on the military. Well, I think there is a lot wrong and "Mickey Mouse" about the military, but there is also a lot wrong and "Mickey Mouse" about the U.S. Congress. I frankly believe that in the last 10 years the generals more often looked like members of an optimists' club than hard-headed policy planners with their advice to the White House on Vietnam and other areas.

But we are simply being unfair and inaccurate if we do not recognize that it was in the end a political decision made by civilian leaders which committed us to that war which accelerated it, and finally prolonged our withdrawal from it.

We will not get better military advice in the future if we allow our frustration with past bad military advice to turn us against the military as an institution. That will only guarantee that the choice young potential military minds in the country will stay away from military service as a career and that would not just be bad for the military, it would be catastrophic for the country.

Both of those consequences can be avoided if we accept with maturity the truth that there are limits even to the powers of a mighty nation like the United States.

The British learned in the 18th century that the cost of defeating a 13-colony guerrilla force operating many thousands of miles away was just too high, and we are learning virtually the same lesson. How we talk to each other in the next year will determine whether we really can learn to define our national interest in a more limited, and realistic and more promising fashion.

The fundamental lesson we must now understand is that the world is neither our private possession, nor our personal responsibility. While we should be aware of other lands and other peoples and care about them, we do not own them, and we cannot manage their affairs to our own liking.

That doesn't mean we should withdraw from the world. There is simply no way we can afford to. But, there are sound, practical limits to what the United States can and should do to influence events in all parts of the globe.

In the case of Vietnam, while I think there are grounds for questioning the wisdom of our involvement in this civil war, I do not believe our performance there raises doubts about our national honor and fortitude.

It raises questions about our wisdom and judgment but I personally can think of no other nation which would have sacrificed as much as we did in blood and treasure for as long as we did for such a hopeless and uncertain cause.

I think we have done all that is humanly possible and morally demanded for the people of South Vietnam. If they are losing now it is not for a lack of American support. Their arsenals are well stocked with the best in modern weaponry and there is still a backlog of previously appropriated military and economic assistance available to them. However, they apparently lack some things which we cannot furnish them: Strong national leadership, and cohesiveness and the will to win.

This is unfortunate, but it is not the fault of our government, the Congress, or the American people.

Our great task now is to define our real and necessary role in the world and to do so without mutual recrimination and artificial divisions of patriotic thought and feeling.

It will not be easy. Our experience in southeast Asia has been one of too much pain and loss and grief for a decade, for ourselves and others, to permit any easy forgetting of that tragic era.

"Even in our sleep", as the poet aeschylus wrote, "Pain which cannot forget falls drop by drop upon the heart until in our own despair against our will, comes wisdom through the awful grace of God."

I pray we find that wisdom, and with it a sense of national unity and purpose for the future in defining America's real role and interests in the world, in a way that will prove to have made the pain and sacrifice of the last decade at least in part worthwhile.

AGING BLACK WOMEN AND THE NAACP

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CLAY. Mr. Speaker, little is said and even less done about the plight of the elderly in our country The reasons for this have never been clear to me. Clearly there can be no other category of people whose lives touch each of ours more directly. And if fortune favors, most of us will experience the problem firsthand.

In a recent speech given before the Third Annual Conference of the National Caucus on the Black Aged, Inc., Mrs. Margaret Bush Wilson, chairwoman of the board of directors for the National Association for the Advancement of Colored People, provided fresh perspectives on a change of course. I commend this speech to my colleagues' attention and am inserting it in the Record at this point:

AGING BLACK WOMEN AND THE NAACP

In 1970, in this country of the committee and the caucus, there was founded yet another organization calling itself the Gray Panthers. The similarity of name to a certain militant black group is not just coincidence. The avowed purpose of the Gray Panthers is to challenge and eliminate arbitrary discrimination against someone or some group on the basis of age—any age.

What is particularly interesting about the Gray Panthers is that it is a coalition of the young and the old—because both groups suffer discrimination on the basis of age alone. In the words of one of its founders, Maggie Kuhn, "We would like to see the energy, time, experience and accumulated skills of older Americans released and put to work for social change and social justice".

For the first time in over forty years, older citizens are organizing. We also know that the fastest growing segment in this nation is the older population. Today some twenty million elderly make up ten per cent of America's total population. At the present rate of increase, approximately half of the population will be over fifty years of age by the year 2000!

What then can we expect? What will life in this country be like twenty-five years from now? This requires some speculation, but there are trends and unmistakable signs and signals.

One of the most disturbing is that the over 65 community is the only group in which the number of poor is rising.

Alvin Toffler warns in Future Shock that we may be overwhelmed by the pace and rate of change. He complains that, despite extraordinary achievements, the United States is a nation in which tens of thousands of young people flee reality by opting for drug-induced lassitude; a nation in which millions of their parents retreat into video-induced stupor or alcoholic haze; a nation in which legions of elderly folk vegetate and die in loneliness; in which the flight from family and occupational responsibility has become an exodus. . .

This country of ours is a youth-oriented culture—in great part this is the result of its big immigrant population. The devastating purveyor of the youth cult is commercial television and its calculated indifference to the old. The reasoning is cynically pragmatic. Older people represent a limited market. They are interested, if at all, in only a restricted way in purchasing automobiles, appliances, furniture or any of those other things that are sold so successfully by television. We in America rely on the marketplace for broadcast income as well as other sales. Madison Avenue clearly believes that market includes the unmarrieds, the young marrieds, and the middle-aged who still think young. The key is to reach the largest number of people at any given time—it has to do with advertising rates. So it is inevitable that the economic base of commercial broadcasting tends to eliminate most programming designed for a minority audience—like the elderly.

The paradox is painful—the media can be the most effective and best way of mass communication and consciousness raising for the elderly—but the economic necessities of commercial television insist that it is not feasible because it is not profitable.

If not commercial television, then what other means to provide information about services, to bring to the attention of the public the plight and needs of the elderly and to promote the programming that will fill those long days and evenings which so often are filled with loneliness and isolation.

There are two resources—neither at the moment adequate or remotely fulfilling its potential—the one is public broadcasting, the other is Cable TV. Both could be tremendously effective in promoting variety in programming to serve the interests of groups like the elederly. This then is one of the challenges for the National Caucus on the Black Aged, black women and the NAACP.

And it is urgent that we not minimize or place low priority on mass communication and public information strategies. Indeed, I suggest to you that the civil rights movement of the sixties was victim of a skillful and cynical strategy to de-emphasize and de-legitimatize the consensus for civil and human rights that had been forged by one of most impressive civil rights coalitions that America has yet seen.

This de-emphasis and de-legitimatizing was done with a kind of public relations blitz that is still in motion today. "We Shall Overcome" and "hand in hand together" were suddenly replaced with other popularized phrases—"benign neglect", "southern strategy", "forced bussing", "reverse discrimination"—and most disconcerting of all—leaders in government coining and encouraging the use of this language and in the process, confusing some, disturbing others and effective undermining the thrust of the civil rights movement.

In 1975, the strategy has moved to the public school—and we are now being confronted with the astounding premise that this bulwark of our democratic society is perhaps no longer needed. So-called experts are publishing studies and reports claiming that massive data reveals that our public schools are not really very relevant.

I would remind all of you—and particularly black Americans—of the historical fact that the foundations for more democratic living in this country were forged during what I call the "Remarkable Reconstruction". Black Men and Women just out of slavery understood the value of public education. In all the constitutional conventions called during that period and in the State Constitutions which were drafted in 1867 and 1868, free public education was an essential cornerstone. Between 1865 and 1870, some 247,333 pupils found their way into 4,329 schools in the South. Our ancestors understood then what it ill behooves us to forget in today's society.

It is a harsh but certain fact that people who are unskilled and uneducated, of whatever color, are unneeded in our present and future society. Our concern must be with capability and competence, not color and complexion.

This becomes then the second challenge for the National Caucus on the Black Aged, black women and the NAACP. Learning ability does not decline significantly with age. The ability to learn at ages 50 and 60 is about equal to that at age 16! Tests show with stimulus the brain can potentially perform to a maximum through age 90.

Senility is not an inevitable result of human growth. Studies show that senility is a conditioned response, especially prevalent in a society such as ours which is preoccupied with youth. We must stop ignoring the needs of older Americans in educational planning.

Specifically, the National Caucus on the Black Aged, the NAACP and black women, particularly young and old, must raise some questions with our urban universities. And by urban universities I mean those universities located in the heart of or on the edge of urban areas. The opportunities of the plain fact of physical location require a new set of demands upon such universities.

These universities cannot afford to be isolated. We must make demands upon them to meet the intellectual, cultural, social, recreational and occupational needs of older Americans. These universities have served everyone else who has come along and asked for help—for example, the farmer, the science-based institutions, our industries, the defense requirements of the country and the business corporations. Now it is time for them to serve the city and those with special needs in the urban community where so many minority group elderly are concentrated.

Nor is it enough to rely on just those members of the university community who happen to be on the Continuing Education or Extension payroll or the public service functions of the urban university. All members of the academic faculty must be involved, *should* be involved, in the service functions of the university. We must ask these universities what and where are your special courses and your special programs and your special efforts to recruit, select and educate students—young and not so young—from the inner cities and prepare them for the positions of responsibility and leadership. Does this effort have any priority on your campus, in your university, and if not, why not?

To the trend toward an older population, the potential, in the future, of using mass communication and the idea of a learning society throughout life, must be added one more unmistakable sign of the future. Stated briefly, it is the crucial role that energy will play in our future destiny here in America and in the entire world.

You will note that I have used the word "role" not "crisis" in relating to this matter of energy, for it seems to me that whatever energy crisis we purportedly have is man-made and can be unmade by men of wisdom commited to the public good.

There are those who insist we are at the crossroads on the whole subject of energy, and that it truly relates to survival on this planet. We need to ask ourselves what this postwar transformation of agriculture, industry and transportation really means. Why did we switch from soap to detergent—from railroads to trucks—from cotton, wool and wood to sythetic plastics. The answer is easy to discern. It paid. If survival is at stake, the time may have come to insist for the future that decisions about crucial subjects like energy be made first in terms of what is for and in the interest of the public good.

Let me turn now to the basic problems of the elderly, and particularly elderly women from the black community. Many of you in this audience are quite knowledgeable on this subject. You are aware that most older black people in America over 60 live in metropolitan areas. That the pressing and oppressive problems are poverty, inadequate health care, indecent housing and restricted recreation and transportation services all intertwined with the pervasive uncertainty that hovers over our urban communities because of rising crime.

What becomes immediately apparent is that these pressing and oppressive problems—poverty, inadequate health care, crime, indecent housing and the like are also a part of the continuing agenda of the N.A.A.C.P. And, in the sixties, these were in the forefront of the thrust that accompanied the unprecedented display of unity in the civil rights movement of that decade.

The result was a consensus on civil rights in America that propelled this country forward in unprecedented fashion. But what was even more significant is that this movement was led by, or had the backing of, our people in the upper and middle classes while at the same time, it was supported by the great masses of our people from all walks of life.

What seems to have escaped many is that this broad-based kind of movement is rare and uncommon in American life. It is in my judgment, however, the key to lasting social progress.

But the sixties also released diverse forces, some good, some bad some easily understood, some most perplexing.

Some of these forces, such as a tilt toward violence—that is, answering violence with violence—have played themselves out. Others, such as an awakened sense of pride, are now taken for granted. It was not too long ago that a major sect of black people renounced hatred of whites as a cornerstone in its philosophy. In Mississippi, and throughout the rest of the old South, where there was bitter racial hatred, there is now peace.

We have matured considerably—white people as well as black people. But we are only 200 years old—America, that is—still a young country with growing pains.

But, with growth comes emotional pain—and uncertainty. This, too, is a stage which we now face as a nation.

Today, this great nation of ours appears to be adrift. Caught up in a period of rapid change, both internally and externally, many have succumbed to the temptations of easy solutions.

What happened—what slowed the momentum—what turned America aside from the exciting quest, just when it seemed that we were on the verge of a lasting victory for human dignity and equal opportunity under law?

I call the culprits—the three "V"s—Vietnam, Violence and Venom.

Vietnam is so painfully obvious now. Fifty thousand lost American lives and two hundred fifty billion dollars of our substance later, we are watching the appalling disintegration of a myth that we Americans were led to believe was a reality. Let us learn the lesson well and pass it on as wisdom for all generations to come. Not even in America, with all its wealth, can we have guns and butter. Let us never again permit our leaders to propel us into a war—declared or undeclared—without insisting that we pay for it as we go. All of us are now enduring and experiencing the economic disruptions and hardships of inflation, unemployment, erratic prices and tight money that without question stem from the misguided policies adopted to carry the cost of Vietnam on credit.

And then there's violence. Somewhere in some of our colleges and universities I hope we are teaching and training the minds and spirits of people who will someday sift through the history of these times in search of the real truth. Mine is not an idle wish, for intuitively I sense that in the words of the venacular—we in the civil rights movement were "sandbagged".

The exciting and devastating impact of our protest in the sixties was on the hearts and minds of all Americans because of a tactic that bewildered some, puzzled others and disarmed our opposition. It was the strategy of non-violence.

And then if you recall, at the height of our successes—something inexplicable happened. Suddenly, we were confronted with a crop of "instant leaders" with strident voices preaching hate, separation, violence and what is even more significant mounting a studied campaign to discredit the Martin Luther Kings, the Roy Wilkins, the Whitney Youngs and the A. Philip Randolphs. Almost overnight, the NAACP, which all these years in the minds of so many whites, was one step above the subversive, became a conservative organization out of step with the times. By whose pronouncement? Recall it carefully—it was a substantial part of the press and communications media which also produced and promoted our instant leaders. It was an effective ploy and the most gullible were our hostages for the future. Our children—many of whom were led away by these pied pipers and are now bewildered or disenchanted—because there was no lasting substance there and they find nothing left on which to hold.

I say to all of them and to all of you learn well the lesson and, in these times, look to those organizations and institutions which, in spite of it all, have endured—with their credibility and integrity intact. The NAACP is most certainly one of these and merits not just your support but continued loyalty.

Then finally there is Venom—except it is carefully concealed and contrived and pervades this nation under false colors. But we must recognize the labels and be on guard—benign neglect, southern strategy, bussing for racial balance, reverse discrimination and perhaps most disconcerting of all leaders with tunnel vision who tell us, as they did in the 1968, that we don't have a choice. Is there anyone now who seriously believes and dares to say, we had no choice between a Richard Nixon and a Hubert Humphrey in 1968?

We must now move to retrieve and revitalize the coalitions of the sixties. We must recognize that problems of rebuilding the cities, devising new forms of transportation, meeting the challenge of the energy crisis, developing a universal health care program and a sound economic base for society are not exclusive problems of the elderly, black Americans or black women.

The challenge is to forge again a broad based movement supported by the great masses of our people. Although for some Americans of African descent, the status may still be elusive. The fact is that for the first time in the history of the world, we live in a country of abundance. There are today enough goods and services available in these United States so that every American could have a decent standard of living.

The crime and violence in our streets are desperate and defiant acts of people living in such an affluent society, who feel left out and unneeded, but who refuse to forfeit the "things" that they believe make the good life. At the risk of startling some and leaving others aghast—I say rather firmly that just as lowering the speed limit on our highways reduced the death rate, putting a floor under the incomes of Americans will reduce the crime rate. There is no need in an affluent society for anyone to live in poverty.

Some insist that the great question today is whether the masses of blacks will become a permanent underclass in America. I say there must not be an underclass, and it most certainly must not be black. This is the real challenge today for the NAACP, for the civil rights movement and for the National Caucus on the Black Aged, The Congressional Black Caucus and all the other caucuses that have emerged in the various disciplines.

And because the NAACP has the structure and network through its more than seventeen hundred branches to reach the grass roots of our communities—and because it is a membership organization with its financial base centered in that membership—and perhaps most significant of all because the Association continues, despite the times and events, to be among those few institutions and organizations in our society with its integrity and its credibility still in tact—it merits broad-based support by all Americans.

My friends, the race that is set before us in these times is compelling and urgent. Someone has said, and I believe rightly, that civilizations fall not because of some mystical force, but because political and intellectual leaders fail to meet the challenge of change: It is this challenge we face now.

If America can rebuild a war-torn Europe, America can rebuild her great cities. If Americans can make possible a rendezvous in space between a Russian and American astronaut, we can remold a transportation system in this country to help us reach each other. If, in the past, we have been able to set our creative minds to the solution of current problems and conceive and carry out stabilizers like a social security system, federal deposit insurance protection for our bank accounts and a rural electrification program to light our farms, we can turn our minds to the creative solution of today's problems.

The need is for courageous leadership, moral strength, spiritual values, abiding commitment to this nation's true ideals and belief in the nobility of the human spirit.

As one of our former presidents of the United States has said:

"The test of our society is not whether we give more to those who already have enough, but whether we give enough to those who have too little".

The National Caucus on the Black Aged, since it was formed in November of 1970, has been committed to one group in our society who have had too little. You have understood the special problems of elderly black Americans who bring to their older years a life time of social and economic indignities.

My call to you now is to join your special advocacy of the black elderly with that of other groups who seek similar goals in health care, income security, housing stability and the essential need to place emphasis now on the public interest rather than private gain.

The time has come as President Stephen Horn of California State University has said, to revise our concept of "old" to "long living" and to accent not the declining powers of aging but the rising knowledge and experience which results from a long life.

This ought to be a special activity of black women who have rightly earned the accolade of being enduring and indestructible.

STATEMENT BY NORMAN Y. MINETA, MEMBER OF CONGRESS, REGARDING THE SURRENDER OF SOUTH VIETNAM

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. MINETA. Mr. Speaker, the announcement late last night that the Government of South Vietnam has unconditionally surrendered to the Vietcong and North Vietnamese must strike all Americans as the final chapter in a sad and tragic epic.

For nearly 30 years, the United States has been involved in a war we could never win, because it was not our war, not our Nation, not our cause. When the American Government first decided to subsidize the French in their fight against the Viet Minh, and then when we decided to take up the fight after the rout of France at Dien Bien Phu, the United States set upon a course which could lead only to military failure, economic displacement, domestic upheaval, and a loss of national purpose, not to mention incalculable deaths and sorrow.

All Americans, no matter what their partisan persuasion or their past utterances relative to the Vietnam war, today must be saddened by the suffering and bloodshed inflicted upon millions of human beings, be they American, Vietnamese, Cambodian or others, over the period since the mid-1940's when we first got involved in Indochina.

But, America must also look to the future. We cannot allow ourselves to forget the lessons of Vietnam, yet national self-flagellation will serve no purpose. We must commit ourselves to world peace through brotherhood and understanding, not through bullets and bombs.

Tomorrow, the next day, next week, and in the weeks and months ahead, we face an important challenge and a unique opportunity to take steps toward the renewal of the historic concern our Nation has shown toward people in need.

I am referring to the plight of thousands of Vietnamese refugees who have arrived, or will be arriving, on our shores. We cannot shirk our responsibility to care for those who have suffered from forces beyond their control

I realize that a great many citizens, including some in the 13th Congressional District in California, oppose the arrival of refugees in our country. Some of the opposition stems from fear for health, for economic stability, for jobs. Sadly, others have voiced objections which stir simmering recollections of racial discrimination and hatred.

As an elected official, I will work to minimize adverse effects on our communities. As an American of Asian ancestry, I will seek to maximize human understanding and to fight ugly manifestations of racism. But, most importantly, as a resident of "Planet Earth," I will strive to insure that our Nation does whatever it can to be just, to be humane, to be in a position to ease human suffering.

Our Nation must adopt as its creed for the future honesty with itself and with others, compassion for all, no matter what their color, their geographic origin or their politics. To ignore the lessons learned from the pain of Vietnam would be to compound a tragedy already too great, and to deepen a sadness already universal.

HAILE'S GUITARS ARE TRUE STARS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CARTER. Mr. Speaker, all of my life I have been acquainted with Hascal Haile, who is perhaps the most talented guitar maker in the United States. His family has always been musically inclined. I remember, years ago, hearing his brother and him as one played the violin and the other the guitar and both sang. For years he was an expert cabinet and furniture maker. His cabinets and furniture were made from hardwoods such as cherry and walnut. He was one of the few men in the country who could construct spiral bedposts, all four matching perfectly. He took great care in staining and varnishing his cabinets and furniture so that the substances used seemed to be part of the wood. Later, he began the manufacture of guitars. The same artistic talent and devotion to detail went into the construction of these fine instruments which are used now by leading guitarists, both classical guitarists and by country music stars.

I include for the RECORD the story of this wonderfully gifted craftsman:

[From the Louisville (Ky.) Courier Journal, Apr. 28, 1975]

HAILE'S GUITARS ARE TRUE STARS

(By Billy Reed)

TOMPKINSVILLE, KY.—If you go to the free Bobby Goldsboro Kentucky Derby Festival show tomorrow night in Louisville's Freedom Hall, take a moment to check out the country singing star's fancy 12-string guitar—the one inlaid with abalone around the edge, with the Tree of Life on the finger board.

The guitar was made exclusively for Goldsboro by Tompkinsville's Hascal Haile—one of the most gifted guitar craftsmen in the United States. He spent more than a week putting Goldsboro's guitar together, for the relatively bargain price of $2,000. Says Haile, proudly, "Bobby said it was the prettiest piece of work he had ever seen."

Haile's guitar "factory" is located in the basement of one of his two neighboring houses just outside this little southern Kentucky town near the Tennessee border. One house serves Haile and his wife as living quarters, the other as a combination guest house and workshop.

To an outsider, Haile's basement is a nightmare of clutter and confusion, full of dust and stacks of wood and mysterious machines. To Haile, however, it is home. He knows where every piece of wood is, what every tool does.

Wearing his old baseball cap, with a black band around his head to hold his glasses in place, Haile works exclusively at night. One reason is that he concentrates better after midnight. Another is to avoid the constant interruptions, visits and phone calls from the musicians from nearby Nashville, and lots of other places, who want to talk to Haile about his guitars.

On the average, Haile turns out one guitar a week for clients ranging from college students to country-music stars such as Hank Snow, Dolly Parton and Porter Waggoner. By far his most important client—and the one by which his talent is most easily measured—is Mr. Guitar, Chet Atkins, thought by many to be the finest picker in the world.

Atkins first tried one of Haile's guitars in December 1971. Since then, he has been ordering four or five a year. In fact, Chet and Haile have gotten to be such fast friends that often Atkins slips away from the hurly-burly of Nashville to visit Haile in Tompkinsville, where they sit up to all hours working and talking about guitars.

"Chet says that a couple of my guitars are the best he's ever seen," says Haile. "But if he doesn't like one, we'll talk about it and then I'll make another one. He can do anything in the world with a guitar. Does a lot of his own repair work. As you might expect, he's really good with his hands."

Haile, 68, didn't get into the guitar business in a big way until late in life. The son of a man who ran a saw mill and country store on the banks of the Cumberland River, Haile and his family had to make almost everything they used—including guitars and banjos—because they were so remote.

"Everything we got, we got by steamboat," recalled Haile. "You couldn't get a guitar down there. We didn't even have a highway to Glasgow. The first banjo we ever made, we stole one of Mother's cake pans and made a neck for it. Then we robbed a hen's nest and sold the eggs to get some cheap string and we played up a storm."

Haile's brother Tom made banjos using groundhog skins. Once, said Haile, Tom ran out of groundhogs, so, instead, he caught their mother's tomcat and skinned it.

"Mamma loved that old cat," said Haile. "Every night she'd feed him biscuits and gravy. Well, she was heartbroken when the cat disappeared. Went out and called it every night. She never learned it was in the house, on a banjo head."

Down by the riverside, Haile learned to make furniture, and he subsequently ran a furniture store in Tompkinsville from 1936 until his "retirement" in 1960. Only then did he begin to develop his hobby—making guitars—into a lucrative, enjoyable business.

Making a fine guitar is not something to be learned overnight. The old Spanish masters used to spend more than 200 hours on a single guitar, Haile says. Although he deplores the way mass production has all but stamped out his craft, Haile uses machines to cut down on production time—but without losing whatever it is that makes his guitars special.

Asked his secrets, Haile says only that "nobody strings a guitar quite like I do." He also says it'a important to match the right kind of woods with the purposes of a particular guitar. He can expound at length on, say, why a classical guitar should be made of white silver spruce on top and Brazilian rosewood on the back and sides. Each wood, or combination of woods, produces a different sound.

Although the price of wood has skyrocketed, Haile tries to suit the price of his products to the pocketbook of the buyer. He insists he makes guitars mainly for the fun and satisfaction of it.

"Bobby Goldsboro told me I was just giving guitars away at the prices I charge," he says, "but, you see, I wouldn't give two cents to be a millionaire. I sell 'em cheaper because of the appreciation the musicians show. Musicians are artists, and when I make guitars for them, they give me their appreciation—and their friendship."

BOUQUET FOR A BUREAUCRAT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, Washington is often described as a transitory city. People flow in and out of the Nation's political center.

Many individuals offer their knowledge and expertise in public service with the Federal departments and agencies. Most go unrecognized for their contributions.

Recently, one of these "bureaucrats" left the Department of Labor to return to private industry. His contribution to a difficult job has been notable. He will be missed. Rarely do journalists praise bureaucrats, but a recent writer for the Wall Street Journal has done just that. His comments are directed to Dick Schubert who was the Under Secretary of Labor. I would like to share this editorial with my colleagues, and take this opportunity to thank Dick for his guidance and assistance:

HERE'S A BOUQUET FOR A BUREAUCRAT

(By James C. Hyatt)

WASHINGTON.—Dick Schubert left the Labor Department last week, a fact which won't generate many headlines.

Whatever party is in power, there are always dozens of persons around town who fit his general description: high-level bureaucrats who operate the controls of government for a time before returning to a law practice, an academic chair or a corporate job.

Moreover, Mr. Schubert has been only No. 2 at the Labor Department for the past two years, a deliberately invisible Under Secretary to his boss, Secretary Peter Brennan, who just returned to his old job as head of the New York Building Trades.

But at a time when government's prestige is low, when corruption and conflicts of interest have toppled many public figures, and when Washington often seems unable to keep up with events, it is reassuring to consider the contributions of Dick Schubert.

As George Meany said on television the other day, "to be practical about it, Dick Schubert is running the department." To some extent, that's true of all Under Secretaries. They're generally the key staff offi-

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cials who oversee a department's day-to-day operations.

But under Mr. Brennan, the job became much more than that. The Secretary never claimed to be an economic heavy-hitter in White House policy circles; with his blunt-spoken ways, he preferred to focus on what he called "the problems of the little people," the ordinary workers he encountered in his travels around the country. And he had the added burden of a constant cold shoulder from George Meany.

"Brennan was relatively unsophisticated politically," suggests one Washington labor lawyer who worked with both men. "He didn't know how to do the infighting, not only in Congress, but within the Executive Branch as well. To Brennan's credit, that was the role Dick Schubert took over. It takes a lot of sense to know he ought to leave those things to Schubert as a pro."

The Dick Schubert fan club stretches all around the city. A congressional view: "He was a good peacemaker," says a committee staff member. "He stood out as a guy of rational behavior and good temperament."

A White House view: "He is typical of the group of people who keep the government running," says Paul O'Neill, deputy director of the White House Office of Management and Budget. "Dick Schubert has brought real improvements in the way the department attempts to manage its business," he says.

Now 38, Mr. Schubert has spent the last five years in key Labor Department posts. He left a labor relations job at Bethlehem Steel Corp. in 1970 to become executive assistant to James D. Hodgson, who then was Labor Under Secretary. He remained his assistant when Mr. Hodgson become Secretary of Labor, and in late 1971 was named the Labor Department's solicitor, its top lawyer. Mr. Schubert returned to Bethlehem Steel for three months early in 1973, but was called back to Washington as Mr. Brennan's Under Secretary.

He leaves his $40,000-a-year post in government, to return to Bethlehem Steel, with few visible enemies. Among other things, he's given credit for setting a high standard of personal conduct. For example, he got a chauffeur's license so he could drive his government car to and from work, to avoid the expense of paying overtime to a government driver due to his 12-hour days and weekend work.

Associates note that he is a deeply religious man "without being overbearing or self-righteous about it." As Under Secretary, he regularly conducted a prayer breakfast at the department. And his beliefs carried over into the legislative arena. "He tended to assume the best in people all the time, and that's the way he personally treated people as well," says an acquaintance.

Much of Mr. Schubert's work at the department was on legislation. For a solid year, he held daily meetings to coordinate the department's views on the long-pending pension reform bill, which Congress passed last year.

He was particularly instrumental in helping negotiate the two major job-discrimination settlements the administration has signed with AT&T and the steel industry. The settlements for the first time commit the government's civil-rights enforcement apparatus to a set of conditions for employers to meet, a pattern which may become common in the future.

A colleague recalls that Mr. Schubert finished work on the steel agreement around 5 o'clock one morning, went home and changed clothes, took his son to a father-son breakfast at school, and returned to the office for more meetings.

To some, Mr. Schubert was considered the proper choice to succeed Mr. Brennan in the department's top job. "But maybe he was too self-effacing," suggests an admirer. Certainly he never campaigned for the assignment.

Indeed, in recent months, like many young top-level federal managers these days, Mr. Schubert was becoming more attracted to work outside the government. Many are leaving because pay for top-level federal employes has been frozen for five years.

Bethlehem Steel approached him with an appealing offer which he felt wouldn't be available for long. And by returning to his former employer, he'll have a chance to qualify for a pension tied to his previous service there. Finally, he'll be able to move into the house he bought in Bethlehem, Pa., in 1978 but has never occupied, and has been unable to sell in the current housing crunch. And he'll be able to resume something approaching normal working hours.

Still, it is no surprise that when John T. Dunlop was named to head the Labor Department recently, the immediate question among department employes, unions, business groups and congressional watchers was: "Can he find another Dick Schubert?"

UNEMPLOYMENT RATE MUST COME DOWN

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, in the 1960's, it became common for economists and public officials to call "acceptable" an unemployment rate of 4 to 4.5 percent. A rate of 5 percent or more indicated that some form of action to spur the economy was required.

The times have certainly changed. Today economists are speaking of unemployment figures that may hover in the 7-percent range for the next 2 years, finally level off at approximately 6 percent in 1978 and remain there for as long as a decade.

Is this now to be an "acceptable" level of unemployment? The answer must clearly be "no." This society cannot sustain unemployed persons numbering between 5 and 7 million without enduring tragic consequences. I am convinced that such high jobless figures over a long period will cause untold suffering, frustration and resentment that no free society can endure.

Surely, Americans in all walks of life are entitled to employment opportunities, to be able to work in a meaningful job and to participate in the abundance of American life. Is the promise of America only to apply to some and not to others? Are women and blacks and Spanish-speaking citizens going to be left out of the mainstream of American life because they are hardest hit by unemployment? Are elderly workers going to be forced to retire early to make jobs available to younger workers?

I believe it is incumbent upon this Congress to start looking at these long-range questions and begin to formulate a national policy to alleviate joblessness. An article from a recent Wall Street Journal on the subject of long-term unemployment is particularly illuminating, and I include the full text at this point:

[From the Wall Street Journal, Apr. 29, 1975]

AFTER THE TURN: AS RECOVERY COMES IT WON'T MEAN JOBS FOR MANY UNEMPLOYED

(By James P. Gannon)

The nation's economists are nearly unanimous in predicting that the recession will "bottom out" soon and a recovery will get started this summer or fall.

Their reasons: Federal tax rebates and withholding cuts will start pumping billions of dollars into the economy next month; inflation is cooling, which means less erosion of consumer purchasing power; businesses are rapidly selling excess inventories, so factory production will increase; the stock market's rise and an improvement in consumer confidence also point toward a recovery.

But what the economists mean by a recovery may be of little immediate benefit to the laid-off construction worker, the housewife unable to find a part-time job, or the June college graduate with no prospect of employment. For many such people, the end of the recession may be a long way off.

"There is a tendency to think that the recovery means a prompt return to full employment, and that is wrong," says Leif H. Olsen, senior vice president and economist at First National City Bank in New York. "What I stress is that the turnaround economists talk about is a statistical phenomenon. For the country as a whole, we will be operating at low rates of capacity and high unemployment for some time," Mr. Olsen predicts.

HERE'S THE RUB

Consider a fairly typical recovery forecast as an illustration, Otto Eckstein, a former White House economic adviser who heads the economic research firm of Data Resources Inc., predicts that "some kind of an early turnaround is virtually inevitable" because tax cuts will spur consumer spending. His forecast—more optimistic than some—shows the economy resuming a 2% annual growth rate this quarter after falling at a record 10.4% in the first quarter. Then the recovery will produce healthy growth rates of 7.4% in the third quarter and 5.9% in the fourth period, he predicts.

That's a pleasing-looking "statistical phenomenon," all right, but what does it mean for unemployment: That's the rub. The Data Resources computers calculate that, after peaking at 9.3% this summer, the jobless rate will drift down so slowly that it will still be 7.9% at the end of 1976 and will average 7.5% for 1977.

The problem is that the current recession is so deep that even a healthy recovery wouldn't restore economic activity to the pre-slump level until late 1976. Meantime, the working-age population keeps growing. Economists figure that it takes growth rates of around 4% a year just to absorb normal labor-force expansion, so actually whittling down the jobless rate—now at a post-Depression high of 8.7% of the work force—requires rapid and sustained economic expansion.

THE ECONOMISTS' DOUBTS

Many economists and businessmen doubt the U.S. economy will grow fast enough to drop unemployment back to a more normal 4% to 5% range in the foreseeable future. "I don't think we will have either the capital or the energy resources to propel the economic growth" needed to achieve that, says R. Heath Larry, vice chairman of U.S. Steel Corp. "I think we will have a continuing high level of unemployment" for the next decade, he adds.

Economist Michael Evans, president of Chase Econometric Associates Inc., predicts that for the rest of the decade, at least, 6%

will become a new jobless-rate plateau for the U.S.

This means the U.S. probably faces the longest spell of high unemployment since before World War II. Even in the 1957–58 recession, the worst in postwar years until now, unemployment was at 7% or higher only for eight months. Many economists now see another two years of 7%-plus joblessness, and the Ford administration's January budget projections had unemployment holding that high until mid-1978.

UNSETTLING EFFECTS

A long-term drought, economists and other analysts say, would have deeply unsettling effects:

In terms of job scarcity, women, blacks and young people will be hardest hit; they will form a huge pool of "discouraged" work-force dropouts not measured by unemployment rates.

Competition for promotion will intensify, especially in the swelling ranks of well-educated workers aged 25 to 34, the postwar baby-boom generation.

A glut of college graduates will have harder job hunting in the next few years, and many may have to accept unchallenging or boring jobs for which they are over-qualified.

Conflicts between black and white, male and female, and young and old workers over jobs and promotions may increase.

Even harder to predict than the economic implications are the social and political consequences of years of high unemployment. "I think we could be in for some serious social and political trouble before we are through with this," worries Gardner Ackley, a former White House economist now teaching at the University of Michigan. "The situation presents opportunity for populist politicians to really make inroads against the moderate leadership of both parties by playing upon people's dissatisfactions," he figures, mentioning Alabama's Gov. George Wallace and former California Gov. Ronald Reagan by name.

Black leaders are concerned that high joblessness will stall black economic progress. "I'm not predicting riots in the streets," stresses Andrew Brimmer, a former Federal Reserve Board governor, "but I am talking about economic stagnation." Mr. Brimmer, currently an economics professor at Harvard University, contends that the slow recovery path projected by administration officials implies a 10% to 11% black jobless rate in 1980 and says that "this means absolutely no improvement in the job status of blacks over the rest of the decade."

The Urban Institute, a Washington-based research outfit, recently completed a study of the recession's likely impact on job-market conditions for various worker groups. The institute's economists concluded that "virtually every major demographic group (will) suffer job losses, with the groups already worst off in the labor market being hit hardest."

The study compares prospective employment conditions in 1976—using the Ford administration's projected average jobless rate of 7.9%—with employment conditions at a "normal" 4.9% rate. A leading conclusion is that much of the recession's impact won't show up in the unemployment figures because many discouraged job seekers will drop out of the labor market and thus won't be counted as unemployed.

This phenomenon already is evident. The Labor Department has been collecting data since 1967 on the number of "discouraged workers" who have given up looking for jobs. Up until this year, the total fluctuated between 550,000 and 850,000. But in the first quarter of this year, as the recession deepened, the discouraged-worker total jumped to a record 1.1 million, 73% higher than in the third quarter of 1974.

The Urban Institute economists count 4.3 million "recession victims" in 1976, including 2.8 million more unemployed than a normal jobless rate would produce, and 1.5 million discouraged workers. The uneven impact of the recession on various groups is illustrated in the following figures, comparing recession-level unemployment with normal unemployment, including the discouraged-worker effect:

For white males in the prime working ages of 25 to 59 years, the jobless rate rises to 4.6% from a normal 2.1%, but there is only a small dropout of 55,000 discouraged workers.

For white women aged 25 to 59, a category that includes millions of wives who want to work, the recession jobless rate rises even less—to 5.2% from 3.8%. But there is a massive dropout of 1.2 million discouraged women who give up the job search.

For black teen-aged males, the jobless rate jumps to nearly 36% from a normal 28%; that is more than double the white-teen-age-male rate of 17%, which rises much less. The discouragement effect also is much higher among black teenagers.

"Women and blacks have made important gains in the job market in recent years," the study says, but "a long and deep recession can wipe out their hard-fought-for improvements. . . . Where jobs are scarce, these groups will tend to be left out."

There is another threatening aspect to the buildup of a vast pool of 1.5 million or more discouraged workers. When an economic recovery begins and they hear that chances of finding a job are improving. Most of these "hidden unemployed" will start looking again. Their reentry into the work force then will tend to retard the decline in unemployment figures, economists say.

Other underlying trends that might have created difficulties even without a recession may lead to real trouble because of high joblessness. Key among these is the enormous bulge of young workers trying to begin and develop careers in a difficult economic environment.

Between 1970 and 1980, according to Labor Department figures, the number of people aged 25 to 34 in the work force will swell 51%, to 26.8 million from 17.7 million. These are the postwar babies, who will make up one-fourth of all U.S. workers by the end of this decade.

Arnold R. Weber, formerly assistant secretary of labor for manpower and now provost of Carnegie-Mellon University in Pittsburgh, saya these workers face "ferocious competition on the career ladder" because of their sheer numbers. In typically colorful imagery, Mr. Weber says this bulge of ambitious, well-trained young people will move through the labor force "like a pig through a boa constrictor." The task of "digesting" this bulge, he believes, will be made more difficult by the demands of blacks, women and other minorities for good white-collar jobs. The typical would-be junior executive—the college-educated white male—will find not only 10 others just like himself competing for a promotion but also a couple of blacks, a couple of women and perhaps a Chicano or an Indian, Mr. Weber says.

He speculates that the consequences of this competition could include a "backlash" against programs to hire and promote more minorities and women, and a "pressure to push older workers out" of jobs by mandatory early retirement.

A related problem is posed by the millions of college graduates who will enter the labor market during the next few years. The recession and the prospects for slow recovery worsen their job chances.

"The late 1970s could very well bring a glut of college graduates with advanced degrees," reports Morgan Guaranty Trust Co.'s monthly survey. "What seems to be building up," adds the New York City bank's publication, "is a broad surfeit of trained individuals similar to the situation currently faced by elementary-school teachers and by engineers a few years back. Job dissatisfaction resulting from workers having to take jobs which they regard as below their potential and level of training thus looms as a possibility."

The anxiety and disillusionment already are setting in, says Mr. Weber of Carnegie-Mellon. Today's college students "are far more anxious about their futures than students of earlier years. "It is a switch from the psychology of abundance and opportunity to the psychology of scarcity," he concludes. "There is a gearing-down of expectations, a feeling that the student just might not get what he wants."

SCHOOL LUNCH ACT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. SARASIN. Mr. Speaker, the School Lunch Act and Child Nutrition Act Amendments of 1975 were considered on the floor of the House on April 28. As an original cosponsor of this legislation, I was obviously supportive of the vast majority of provisions embodied in the measure and of the general philosophical intent.

Two areas of the measure which were passed troubled me greatly, however. One involves the amendment to provide a 5-cent payment for each paid school lunch. One must ask the question, "Who does this benefit?" The answer, unfortunately, is the district of school which has the highest percentage of paying children. Generally, this description does not fit the urban area, where the greatest percentage of poverty children falls. In some areas within my district, those which are operating at the greatest deficits, the proportion of free or reduced price lunches served.

Because of this ratio, our formula simply does not address the basic intent of the legislation—to provide nutritious meals for those children who are at the greatest nutritional disadvantage. It does not help those areas operating at deficits lessen those deficits. Consequently, it does not provide stability to those programs which are most essential to the children of this country.

Finally, by limiting this payment to 1 year, fiscal year 1976, this amendment produces a tenuous situation. There are no assurances that this level, or a greater one, will be provided for fiscal year 1977. Long-term financial planning and budgetary processes on the State and local level are rendered different at best, and we are placing these programs in the same status as those operating under continuing resolutions, a situation which sends chills up the spines of program planners.

Before we expand the base of programs, we must insure that their foundations are secure, that adequate financial assistance is available through the various units of government. Otherwise, we will seriously jeopardize the health of those most in need.

The second area of concern is the

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amendment to the women's, infants', and children's program—WIC—an excellent program which is charged with assisting those who are nutritionally high risk. The necessity of the program cannot be disputed. There is a causal chain between low incomes, poverty, low birthweight, inadequate diet, and mental retardation and physical deformities. Any investment we make in this program is more than physical deformities. Any investment we make in this program is more than balanced off against the money we save in terms of cures, rehabilitation, and custodial costs. Even more important is the genuine human anguish and suffering we can prevent.

However, the amendment introduced to the effect that WIC programs "immediately shall be provided with the necessary funds to carry out the program for all eligible persons that such an applicant agency can demonstrate to the satisfaction of the Health Department or comparable agency of each State; Indian tribe, band or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare that it is capable of serving under the program," does not fulfill the goals of the program.

The amendment amounts to nothing more than an openended promise with no substance. During the floor debate, two questions to the supporters of this measure were raised and were repeatedly circumvented. The first is, "What if one of the agencies should request the funds and demonstrate that it is capable of serving under the program, and we have not appropriated the money? What does the Secretary of Agriculture do then?" By mandating an immediate expenditure to all who qualify under State auspices, we risk two dangerous situations. The money could well be inadequate to meet the needs, particularly since the appropriation has not been considered yet, and qualified agencies could well be left out in the cold, relegating disbursement of the funds to a first-come, first-served basis. This amendment literally hamstrings the Secretary from insuring a widespread program on the national level.

Second, there is no way in which we can mandate the Department of Agriculture to "immediately" expend money that has not been appropriated, unless the Department delays action on applications until the appropriations process has been finalized. This artificially induced delay in the bureaucracy could throw the entire program out of kilter, jeopardizing those which are already in existence.

The next question involves Federal standards of excellence. Since the amendment clearly states that those programs declared eligible by State agencies must be funded, the Secretary has no control over those programs which might meet State requirements but do not meet Federal standards of medical excellence. Thus, we run the risk of having to expend funds for programs which are only politically acceptable, in terms of States' competition for Federal moneys. We cannot jeopardize the health of our American citizens, including those yet to be born.

At one time, the argument that the Secretary was literally hostile to this program, and refused to expend the appropriated moneys, would have had merit. Since the enactment of the Budget and Impoundment Control Act and the court decision which mandated the Department of Agriculture to spend the money, this argument is rendered moot. The money we appropriate must be spent; the money which is merely authorized means little in terms of the actual funds which will be available.

WIC has widespread support in the Congress, and I was an outspoken proponent of the increase in the authorization level of $250 million. This program deserves our financial support to the utmost extent of our financial capabilities. It also deserves logical and feasible procedural guidelines through which we can effectively disseminate as much money as we appropriate. Again, the Congress has failed to give the program the sound basis it deserves.

The health of our children is far too important to relegate to a political football, to an apple pie issue that is without substance and logical direction. I sincerely regret that some have resorted to political rhetoric on such a critical issue.

THREE CARROLL COUNTY CITIZENS HONORED

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JONES of Tennessee. Mr. Speaker, in these trying times of our country, it is always a pleasure to pay tribute to those who sacrifice their time and energy without remuneration in order that their communities may be a better place to live.

Recently, the Carroll County quarterly court of Tennessee's Seventh Congressional District honored three residents of that county who have devoted a great deal to their communities: Jerome Crawford, Mrs. Juanita Holley, and Mr. Landis McMackins were all chosen to be mentioned publicly for their service to Carroll County.

Mr. McMackins was further presented the county's 1974 Outstanding Service Award,, a presentation that was certainly deserved. Mr. McMackins, a banker by profession, has long been involved in civic activities including soil conservation, the Cancer Society, the Lions Club, just to name a few.

His accomplishments can be better proclaimed by a recent article in the local newspaper, the Carroll County News, which I would like to enter into the RECORD:

THREE CARROLL COUNTY CITIZENS HONORED

Immediately upon opening the April session of the Carroll County Quarterly Court, County Judge Pat Williams presented the 1974 Carroll County Outstanding Service Award to Bruceton banker Landis K. McMackins.

Before making the presentation Judge Williams addressed the Court and guests in the courtroom.

"Since 1972 a silver medallion has been awarded by the Carroll County Court in its April session to the individual whose personal actions or activities during the previous year are determined to have been of greatest benefit to the citizens of Carroll County."

"At this time I want to thank the Nominating Committee members which consisted of Mrs. Byrda Bennett of Huntingdon, Mrs. Angie Lancaster of Bruceton and Mr. J. R. McDonald of McKenzie and also the secret selection committee which they in turn chose to make the final decision."

"Out of this year's nominations, three people were chosen to be mentioned publicly for their service to Carroll County. They are Mr. Jerome T. Crawford of McKenzie, Mrs. Juanita Holley of Bruceton, and Mr. Landis K. McMackins of Bruceton. Out of these three, one has been chosen to receive the Outstanding Service Award. At this time I will cover some of the accomplishments of these three people."

"Landis K. McMackins is serving as vice president of the Bank of Huntingdon, Bruceton Branch.

McMackins was appointed by the Tennessee State Soil Conservation Committee in 1956 to serve as a supervisor of the Carroll County Soil Conservation District. He has served with distinction as chairman of the district since that time. In addition, McMackins has served as director of the Tennessee Association of Conservation Districts and of these activities he has given freely of his time and means to promote the conservation and wise use of our soil and water resources.

"He is a charter member of the Lions Club of Bruceton, a member of the Carroll County Farm Bureau and has served untiringly as treasurer of the Carroll County Library Board since the Board's beginning on September 9, 1950."

"When the Carroll County unit of the American Cancer Society was reorganized in 1957, McMackins was a dedicated volunteer trying to save lives from cancer. He was reelected treasurer and has served in this position since that time. He helped reorganize the unit in Carroll County and his influence has been beneficial in making the slogan of the American Cancer Society, 'We Want To Wipe Out Cancer In Your Lifetime,' become a reality."

"Mr. Mack, as he is usually called by his many friends, has performed many other thankless jobs. He has a deep and warm compassion for people. He has always had time to listen to people's problems and if there was anyway he could help, and there usually was, he would do so."

"Jerome T. Crawford's many hours of work have benefited McKenzie and Carroll County in the form of the McKenzie Memorial Hospital and the McKenzie Industrial Park."

"During 1974, Crawford continued his activities as a member of the McKenzie Volunteer Fire Department and as an officer of the West Tennessee Association of Public Accountants. A junior partner of H. T. Crawford and Company, Public Accountants, Crawford received his treasury card to practice before the Federal Tax Court. It was announced last year that he would be included in the list of 1973's Outstanding Young Men of America."

"Crawford is a member of the McKenzie Chamber of Commerce, secretary of the McKenzie Industrial Board and secretary of the Board of Trustees of McKenzie Memorial Hospital."

"Crawford has served faithfully when called upon to make his community a better place in which to live."

"Mrs. Juanita Holley is employed by the Bank of Huntingdon as assistant cashier working out of the Bruceton Branch."

"Mrs. Holley is co-chairman for the Bruceton-Hollow Rock area of Carroll County for the Carroll County Regional Blood Program. She has served in this position for the past 10 years and has been active for the past 12 years, while serving in numerous capacities. She gives her time as a volunteer and has 800 volunteer hours to her credit."

"She is at present the president of the Cooper-Addition Home Demonstration Club, a board member of the Carroll County Library Board and an active member of the Woman's Club of Bruceton."

"Mrs. Holley is also a very active member of the Church of Christ of Bruceton. She is a member of a church group which sings for funerals and special occasions. She visits the sick and elderly. At her own expense and time, she often picks up and delivers deposits for elderly people. Sister, as Mrs. Holley is affectionately called by numerous friends, is exactly that: 'Sister' To Her Fellow Man."

OPPOSITION TO GASOLINE TAX

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ASHBROOK. Mr. Speaker, with the House Committee on Ways and Means preparing to recommend a gasoline tax increase, I think it is important that we do not confuse the issues. While conservation in the use of energy must be encouraged, the main priority is increasing supplies. Our Nation needs new and large supplies of energy if it is to grow and prosper. The goal of governmental policy must be the development of new energy resources.

Increasing taxes on gasoline does not do this nor does the creation of Government-owned energy corporations. What must be done is the encouragement of private companies to do more drilling and exploration for oil and to engage in more research.

Recently two editorials appeared discussing some of the energy problems our Nation faces. I think these editorials deserve attention and commend them to the attention of my colleagues. Their full texts follow:

[From the Mansfield (Ohio) News Journal, Apr. 25, 1975]

GOING ABOUT IT THE WRONG WAY

At first glance, the raising of federal taxes to increase the price of gasoline looks like a simple and effective way to force conserving of fuel.

The House Ways and Means Committee is talking about a new three-cents-a-gallon tax Jan. 1 and as much as 20 cents more later on.

But a closer look exposes this as a pretty silly idea.

For, the heart of the problem is the high price of imported oil. And the solution is to produce more oil domestically because as our demand for foreign oil decreases the price will drop. There is a glut of oil in the world and its owners want to sell it.

When the price of gasoline is forced up by additional taxation, the oil companies get no benefit from the boost. In fact their income is reduced by a drop in sales. Yet it is the oil companies which must provide most of the money for discovery of new oil sources and the development of a practical process for extracting oil from shale.

The House Ways and Means Committee wants the oil companies to do the job, then takes away the funds needed to do it.

While the oil companies may have brought this dilemma on themselves with their big profits in the wake of the phony oil shortage (and a repetition of this scheme now in the oil-related gas industry), it makes no sense for the government to hit its partner with another tax club.

And, like it or not, the oil industry and the government have to be partners in this fight against dependence on over-priced foreign oil.

But that's not all.

Who really gets clobbered by a tax-boosted gasoline price? Why, people who have to drive to their jobs—which is just about everybody these days. School districts that operate buses. The vast majority of American citizens, that's who gets hit.

Yet those are the people the government is supposed to be trying to help.

One gets an oblique suspicion that Congress and the Administration, unable to curb growing deficit spending, may be as much interested in using the oil situation to slip through another tax boost as in correcting the oil problem.

When you analyze it, what other reason could there be for the Ways and Means Committee to pursue a method that is so patently wrong.

[Editorial From the Coshocton (Ohio) Tribune, Apr. 24, 1975]

NOT GOVERNMENT'S JOB

There seems to be some confusion in Washington over the difference between a national energy policy and nationalizing our energy industries.

Sen. Ernest F. Hollings, the South Carolina Democrat, is proposing that the government itself conduct exploratory drilling for oil and gas in areas of the outer continental shelf scheduled to be opened for new production. House Democrats want to set up a new federal agency to make all the purchases of oil imported into the United States of America. The Senate is not content with empowering the President just to ration gasoline. Its energy bill would authorize him to set the hours that service stations can be open, and to dictate how bright the lights should be in department stores.

Even the White House is not immune. President Ford, according to one of his aides, is considering whether the government should take complete control of research in new fuels and energy sources, on the theory that the job is too big for private companies to handle effectively.

A federal energy policy can define the country's needs and set specific goals for filling them. Through tax incentives, and the powers of regulatory agencies already in existence, it can encourage the myriad companies in the energy field to move in a coherent direction toward those goals. It is such a policy we are waiting for from Washington—not new programs to put Uncle Sam in the energy business.

THE DOMINOES ARE IN FACT FALLING

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BOLLING. Mr. Speaker, Kenneth Crawford's article in today's Washington Post expresses a view that is shared by many of us who are neither knee-jerk supporters of the American Defense Department nor "true believers" in the good intentions of old or new totalitarians of either the so-called right or the so-called left. Mr. Crawford's article follows:

[From the Washington Post, Apr. 30, 1975]

THE DOMINOES ARE IN FACT FALLING

(By Kenneth Crawford)

The domino theory, we have long been assured, is nonsense—merely a subterfuge for adventuring in Indochina. If that is so, what is happening in Thailand, the Philippines and Laos must be illusory. For those three countries already seem to be tumbling out of the free-world orbit into the authoritarian socialist orbit.

Unless President Marcos of the Philippines doesn't mean what he is saying, his country is leaning hard to the left out of the perceived necessity of getting on with China and its friends. In Laos, the Communist Pathet Lao controls three quarters of the country and is about to take over the other quarter. And the Thais, always sensitive to the political wind and given to bending with it, are preparing to adjust to the reality of gusts from Hanoi and Peking. Less overt stirrings are detectable in other Asian countries.

On the other side of the world, in Portugal, there is no direct evidence as yet that the debacle in Vietnam and Cambodia has had any effect. But if the United States is deprived of its base in the Azores and the Soviet navy moves into Portuguese ports, it will not be because the Portuguese have overlooked events in the Far East.

There can be no doubt that American prestige is taking a beating around the world—and at a time when interdependence of nations is more than ever a fact of life for all the earth's inhabitants.

It may not make much difference to us that our defeat is contributing to the entertainment of our French allies. Vietnam has proved to them that the Yanks, for all their pretensions, are no more gallant than anybody else, notably the French, when it comes to the crunch. India, judging from the comments of some of its officials, also is pleased by America's discomfiture. We haven't done anything much for the Indians lately.

Up to now Soviet officials have been more restrained than the rest of the world in their talk, or lack of it, about Vietnam. Russia has not celebrated its share in the victory, presumably out of deference for detente. But it has approached Israel with a proposition: if Israel will withdraw to its old frontiers its security will be guaranteed by the U.S.S.R. The implication is that America has proved itself unreliable and that Israel should look to a reliable nation for security.

We are hearing much these days from those who knew all along that we were playing a losing hand in Vietnam and Cambodia. They told us so. They did indeed. Some of the same people are less talkative about their certainty that the other dominoes would be unaffected. The dominoes are in fact falling and the end is not yet in sight. The clatter is no illusion.

Nobody can now foresee the ultimate consequences of America's humiliation. President Ford can admonish the country and the world to forget Vietnam and look to the future. Others can join him, as they already are. It will be futile. Public memory is short but it is not that short. Losing a war is never less than a traumatic experience. And we have no de Gaulle to restore national pride by glorious posturing. It wouldn't work here anyway.

For the moment the American public seems to feel nothing but relief at getting Vietnam off its back. More than 80 per cent, according to the pollsters, opposed even the use of marines to evacuate this country's close Vietnamese friends from Saigon. It is difficult to believe that such indifference will last. It won't if a wholesale purge of friends left behind takes place and if news of it leaks out. We are not that callous.

That there will be a spate of executions seems inevitable. When Hue fell in the offensive previous to the last one, some 3,000 bodies of local officials, teachers, intellectuals and others who had sided with Saigon were found in mass graves, bound and shot. It was estimated that a total of 5,000 or more had been dealt with in that way. An invader that does this in relatively neutral Hue is not likely to control himself when he reaches the enemy citadel of Saigon. With Western reporters out of the country, however, the outside world may never know Saigon's true fate.

This country's present complacency is encouraged by many in the media. We are told, though the returns are not yet in, that North Vietnam will now establish a regime of Titoist independence from its Communist benefactors. By playing off China against the Soviet Union it perhaps can achieve this status. But with China on its northern frontier, this is highly problematical.

We are asked to believe by a journalistic commentator doing a television stint that the Indochina misadventure proves the folly of war any time anywhere. War, he says never in the history of the world accomplished anything. Not even the war against Hitlerism? Well, maybe. But in that war a lot of unnecessary battles were fought. So they may have been. But it takes an arm-chair amateur 30 years later to muster the gall to redo that history.

Then there is the expert on Vietnam, credentials in good order, who writes in a national news magazine: "Our Vietnam was dying, a corrupt, feudal society; theirs, like it or not, was a new, modern society born of the colonial war with the French." So Communist dictatorship represents "modern society." It is reminiscent of the Lindberghian thesis that, like it or not, Nazism was "the wave of the future."

Not many Americans chose to ride that wave. Dictatorial communism has more appeal, especially as the answer for backward countries trying to modernize. Moreover, many Americans can tell themselves that they never approved of the war in Vietnam or, if they did, were tricked into it along with ex-Sen. William Fullbright. They accept no responsibility for the outcome. But the world sees only what the United States did and didn't do; it makes no distinction between approvers and disapprovers within this country.

A minority of Americans, growing in assertiveness and perhaps also in numbers, proudly professes sympathy with Hanoi and the Vietcong. One of its self-appointed spokesmen interrupts the Oscar awards to state his partisanship for the Vietcong to the applause of a Hollywood audience. Both he and his audience are, of course, free to embrace this kind of modern copperheadism. It is an attitude not unknown even in Congress.

It is becoming apparent that on the far left there are those who hope that the United States itself will be the ultimate domino.

A TRIBUTE TO CPL. DARWIN L. JUDGE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. GRASSLEY. Mr. Speaker, Lance Cpl. Darwin L. Judge, a young Marine from Marshalltown, Iowa, has been called the elite of the elite by his fellow Marines. Corporal Judge, at only 19 years of age, has received special marine training at the guard school in Arlington, Va., and was assigned to guard the U.S. embassy in Saigon 1 month ago. He was one of the last Americans to die in South Vietnam, killed during a rocket attack on Tan Son Nhut Airport outside of the capital city during the waning hours of American involvement in South Vietnam.

A Marine Corps spokesman called Corporal Judge "among the best of what we have." Indeed, he was. A 1974 graduate of Marshalltown High School, Judge was an Eagle Scout and was described by Marshall High School vice principal, Robert McCormack, as a conscientious student who did a good job. Corporal Judge had volunteered for the Marines after high school graduation, and also had requested duty with the Security Guard Detachment, the unit that guards 117 U.S. embassies and consulates abroad. Corporal Judge served on this unit with great dedication and died a patriot in the tradition of the Sullivan brothers, five young Iowans who lost their lives in World War II.

I extend my deepest sympathy to Corporal Judge's parents, Henry and Ida, and to his brother, who is serving with the Air Force in Colorado. We must not allow this courageous young Marine to be forgotten as the American involvement in Indochina becomes a page in our history books.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. HARRIS. Mr. Speaker, I would like to share with my colleagues a statement of one of my constituents, Chuck Caputo, which he presented at the April 14 hearings in Annandale, Va., on H.R. 3000, the bill which revises the Hatch Act. His remarks, I believe, are particularly helpful as we continue our deliberations because he is a Federal employee who has worked in the community under the act's provisions.

The remarks follow:

REMARKS OF MR. CHUCK CAPUTO

The purpose of this statement is to wholeheartedly endorse the proposed changes to the Hatch Act and to encourage the passage of H.R. 3000. It is my intention to emphasize the need to adopt that portion of the bill which would restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the nation.

As an employee of the Federal Government, I can attest to the frustrations of complying with the Hatch Act, specifically in the area of constraints on taking an active part in political management or in political campaigns as a private citizen. A good deal of my leisure time is devoted to activities related to local government in Fairfax County, Virginia. Often in the capacity of representing my community through its civic association, I testify at public hearings and participate on citizen committees orientated towards preserving and improving the general welfare of Fairfax county and its residents.

However, as an employee of the Federal government, I can only go so far in achieving those objectives. I cannot take an active part in assisting the best person, in my opinion, in running for public office if he or she is a partisan candidate. No matter how strongly I might believe in the principles of one political party I can't be that party's candidate for political office.

The strange side of this tale of woe is that my wife, who is not a Federal civilian employee, can do as much as she wants in the way of political activities. If she were to achieve some prominent partisan party role or be elected to the Congress, would she not be in a natural position to, perhaps, inadvertently influence my thinking and possibly my approach to my Federal job? For where else is there more potential for communications and influence between two people than is found between spouses? This one simple application demonstrates to me the inappropriateness of the Hatch Act's restriction on the extent of my political activity as a form of protecting me from political pressures.

Sure, there must be some adequate protection of Federal civilian employees from improper political pressure or coercion. H.R. 3000 provides for this condition and, simultaneously, restores the rights of these citizens to participate more actively in the politics of their country.

As one who has been constrained by the Hatch Act from participating in the democratic process by achieving active involvement in partisan politics, I urge the speedy passage of H.R. 3000.

THE 19TH OHIO DISTRICT NEWSLETTER AND QUESTIONNAIRE

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CARNEY. Mr. Speaker, I would like to take this opportunity to share with my colleagues the newsletter and questionnaire I will be sending out this week to my constituents. In it I have pointed out the extent of the present economic slump and the legislation that Congress has passed to counteract the twin evils of spiraling inflation and deepening recession. The results of my questionnaire will be placed in the RECORD for the consideration and information of my colleagues.

CONGRESSMAN CHARLES J. CARNEY REPORTS FROM WASHINGTON

APRIL, 1975.

DEAR FRIEND: I would like to take this opportunity to report on the work done during the first 3 months of the 94th Congress, and to ask your opinion on some of the crucial issues now facing Congress.

The state of the economy is uppermost in the minds of everyone. Despite optimistic Administration forecasts for economic recovery, there is increasing evidence that we are caught in a severe recession. In the 1974 election, the American voters gave the new 94th Congress a clear mandate to tackle the economic crisis. Congress has been hard at work. During the first 3 months of this year, the House of Representatives has been in session more hours, taken more recorded votes, and passed more major legislation than the first 3 months of any Congress in the past 30 years. In addition to the economic crisis, the new 94th Congress has been dealing with problems as wide-ranging as aid to Southeast Asia, emergency farm legislation, and social security, to name but a few.

THE ECONOMY

Department of Labor statistics for March put the number of unemployed at 7,980,000 or 8.7% of the nation's work force. For the

19th District, 26,200 people, or 11.1% of the work force, are now unemployed. However, these figures do not include an estimated 1,100,000 unemployed nationwide who do not qualify for unemployment compensation.

This situation is compounded by the fact that the cost of living is going up at more than 12% a year, business investment is falling off, and unemployment in the construction industry is a staggering 24%.

To counteract the twin evils of spiraling inflation and deepening recession, the House of Representatives has initiated five key economic recovery measures—the Tax Reduction Act, the Emergency Employment Appropriations Act, the Emergency Middle Income Housing Act, the Emergency Homeowners' Relief Act, and a Resolution to Lower Interest Rates.

Tax Reduction Act.—On March 29, the President signed into law a bill to provide $22.8 Billion in tax relief, of which $18.1 Billion would go to individuals and $4.7 Billion to businesses. Individuals will receive a 10% rebate on their 1974 federal income taxes, and increases in the standard deductions on 1975 income taxes. Business will receive increases in the investment credit and corporate surtax exemption. The oil depletion allowance is repealed for the major oil companies and greatly reduced for independents. The bill also provides for (1) a one-time $50 bonus to each Social Security, S.S.I., and Railroad Retirement recipient; (2) a 13-week extension of unemployment benefits (up to a maximum of 65 weeks) in high unemployment states; (3) special payments to the working poor; (4) a 5% (up to a maximum $2,000) tax credit on the purchase of a home built or under construction before March 26, 1975; and (5) an extension of the re-investment period for proceeds from the sale of a principal residence.

Emergency Employment Appropriations.—A $5.9 Billion employment appropriations bill passed the House on March 12, and the Senate on April 25. This bill accelerates the appropriation of funds for public service jobs programs, and is expected to create 1.5 million jobs. (Awaiting final action)

Middle Income Housing.—A bill to stimulate the housing industry and help 400,000 middle-income families buy homes passed the House on March 21, and the Senate on April 24. The bill would provide a government subsidy of interest rates at a temporary six-percent level or a permanent seven-percent level. (Awaiting final action)

Emergency Homeowners' Relief Act.—A bill to make repayable mortgage relief payments to homeowners who are unable to make their mortgages payments passed the House on April 14, and the Senate on April 24. It would provide up to $250 a month, for up to 24 months, to homeowners who are either unemployed or underemployed because of the economic slump. (Awaiting final action)

Lower Interest Rates.—The House and Senate passed a resolution calling on the Federal Reserve Board to increase the money supply and to lower long-term interest rates.

I am proud to say that I voted for all five of these measures, and will continue to support legislation designed to halt inflation and to put the unemployed back to work.

FEDERAL SPENDING PRIORITIES

The Ford Administration has consistently asked for additional military aid for Southeast Asia, while at the same time urging cutbacks in domestic programs which directly benefit the American people. In two separate requests, the President has asked that Congress cancel $1.5 Billion earmarked for such programs as homeownership assistance, hospital construction, cancer research, child health care, drug abuse programs, education for the handicapped, and community service employment for the aged. In addition, the Administration tried to raise the cost of food stamps from the present average cost of 23% to a mandatory 30% of a household's monthly income. I am pleased to report that I voted with the majority when the House and Senate passed legislation preventing the Ford Administration from carrying out these proposals.

Members of the House Committee on Ways and Means have shown no interest in approving the President's proposal to limit increases in Social Security payments to 5% this year. With the cost-of-living rising at around 12% a year, I believe it is unfair for the President to place the heaviest burden of fighting inflation on those who have already been hurt the most by the economic crisis.

To help our senior citizens, I have sponsored legislation in Congress to increase Social Security and S.S.I. benefits; to lower the Social Security retirement age to 60, with reduced benefits at age 57; and to establish a program of food allowances for older Americans. In addition, I have co-sponsored legislation to reform the Social Security payroll tax, and to provide for Federal contributions to the cost of the Social Security program so as to assure its continuation.

OTHER MAJOR LEGISLATIVE ACCOMPLISHMENTS

Strip Mining Control and Reclamation Act.—was passed in differing forms by the House and Senate and is now in conference. The House bill requires reclamation of mined lands, details environmental protection controls, and establishes a program for the reclamation of existing abandoned mines.

Railroad Assistance Act.—New laws provide $347 Million in emergency aid to save midwestern and northeastern railroads from bankruptcy and prevent further damage to our troubled economy.

Farm Bill.—an emergency food production act raising target prices and loan levels for certain crops was passed by both Houses and is awaiting the President's signature. The bill is intended to expand food production and to avert the threat of a food shortage.

Older Americans Act.—was passed by the House on March 8th, and is now in the Senate. This bill would extend and strengthen programs providing transportation, community services, high protein meals, and part-time jobs for Senior citizens. The bill would also create a new Special Service program aimed at providing an alternative to institutional care and helping Senior Citizens lead a more independent life.

SERVICE TO CONSTITUENTS

We now have two full-time district offices for handling constituent problems. One is located at 1008 Wick Building in Youngstown (tel. no. 746–8071, ext. 3345) to serve the residents of Mahoning County. The other office is located in room 17 of the Post Office Building on 201 High Street, N.E., in Warren (tel. no. 399–5725) to serve the residents of Trumbull County. In addition, a part-time sub-district office has been opened in the basement of the Post Office Building, 43 W. Park Avenue, in Niles (tel. no. 652–9079), for the residents in that area. The Niles office is open Monday, Wednesday, and Friday from 1:00 P.M. to 4:00 P.M. If you have a problem involving the Federal Government, please contact one of these offices, or write to me at my Washington office, 1714 Longworth Building, Washington, D.C. 20515.

AMERICAN FLAGS

A number of people have expressed an interest in purchasing an American flag which has flown over the United States Capitol Building. These flags can be purchased through my Washington office. The flags come in two sizes: 3 ft. by 5 ft., which now cost $4.42 each, and 5 ft. by 8 ft., which now cost $9.72 each. These prices are the cost to me. If you would like to purchase a flag, please send a check or money order, payable to Charles J. Carney Office Supply Account, at my Washington address. A flag will be forwarded to you as quickly as possible.

QUESTIONNAIRE

As your Congressman, I would like to have your opinions on some of the major issues facing the 19th District and the nation. Your response to this questionnaire will help me to represent you in Congress. Please fill out the questionnaire, fold along the dotted line, attach a stamp (no envelope is needed) and return it to me at your earliest convenience. The results will be made available to you as soon as they have been compiled. Thank you for participating in this survey.

(NOTE.—Spaces provided for His and Her answers.)

1. Do you think the federal government should require no-fault insurance for motor vehicles?

(a) yes.
(b) no.

2. Which statement best describes your views on national health insurance?

(a) create a national health insurance program covering the entire range of health care services.
(b) create a national health insurance program covering only catastrophic (major) illness.
(c) provide Federal income tax credits to cover the premium cost of qualified private health insurance policies.
(d) no national health insurance of any kind.

3. Do you favor the creation of an independent consumer protection agency to act as spokesman for the consumer before other Federal agencies and the courts?

(a) yes.
(b) no.

4. The Ford Administration has requested $94 billion for defense in FY 1976—a $9 billion increase over FY 1975. What is your opinion of military spending?

(a) it should be increased.
(b) it is about right.
(c) it should remain at last year's level.
(d) it should be cut substantially.

5. Which of the following actions do you think should be taken to improve the energy situation? *(check only 3)*

(a) ration gasoline.
(b) a gasoline tax with rebates to low and middle-income people.
(c) a tax on high gas consumption cars.
(d) mandatory recycling of newspapers, bottles, etc.
(e) increased aid to mass transit.
(f) restrict imports of foreign oil.
(g) delay clean air standards for automobiles.
(h) accelerate nuclear power plant licensing and site selection.
(i) allow free market forces to operate.
(j) nationalize the oil industry.

6. Do you feel that large numbers of South Vietnamese refugees should be allowed to enter the United States?

(a) yes.
(b) no.

7. What do you think Congress' three highest priorities should be? (Please mark only 3 items, and list your first choice as "1", second choice as "2", and third choice as "3".)

Aid senior citizens.
Control crime.
Combat drug abuse.
Control prices.
Stimulate housing.
Assist unemployed workers.
Improve mass transit.
Reform the Federal income tax.
Create a national health insurance program.
Reduce Federal spending.
Control pollution.
Increase support for education.

8. Please feel free to attach a separate

UMI

note with your questionnaire to explain any of your answers or to make additional comments on matters which concern you.

THE ATMOSPHERIC OZONE LAYER

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. EDGAR. Mr. Speaker, we have recognized the ozone layer of the stratosphere as a protective umbrella shielding life below from hazardous, and possibly fatal doses of ultraviolet radiation. Scientists have related how a depletion of this layer could significantly accelerate the rate of skin cancer, as well as have indirect effects which would have a vital impact upon our quality of life. It is with ever-increasing importance, I feel, that the scientific community maintain its vigilance on products of our technology which threaten the equilibrium of this ocean of air 30 miles above us.

The influence of fluorocarbon interaction in the stratosphere has created very much controversy in recent months. Some experts have discounted the importance of direct and immediate action to limit the magnitude of propellents and refrigerants which participate in depleting ozone in the stratosphere. Others have decried that the amounts of today's fluorocarbon emissions will be causing irreparable damage a decade hence, and that these emissions must be terminated by emergency legislation.

I am far from an expert on this issue. But I recognize that any decision which will restrict the manufacture and utilization would be made by Members of Congress. An overwhelming majority of us are not fluent with the scientific literature. The danger, I feel, is that our decision may be based upon political considerations and not upon an objective and rational evaluation of the data which is available.

Mr. Speaker, keeping in mind the problems we in the Congress have on issues of such a technical nature, I have cosponsored H.R. 4328. This legislation would commission 1-year studies by the independent National Academy of Sciences, and the National Aeronautics and Space Administration. If needed, standards for fluorocarbon discharges would be recommended 15 months after the enactment of H.R. 4328. I would anticipate that these reports would give the Congress a broad base of data so that any decisions would not be made blindly.

Dr. James H. S. Bradley is a faculty member in Drexel University's Department of physics and atmospheric science. He is a resident of my congressional district, and he has been very active in Common Cause. Dr. Bradley has prepared for me a summary of information on the ozone layer, and has pointed out many of the issues related to the science of the stratosphere. I wish, Mr. Speaker, to share this report by inserting it in the RECORD at this point:

THE ATMOSPHERIC OZONE LAYER

Dr. James H. S. Bradley

For the information of Rep. Robert E. Edgar

INTRODUCTION

This summary, basically written 4/8/75, is based on the Hearings of the House Subcommittee on Public Health and Environment, December 11 and 12, 1974; on the Hearings of the Senate Committee on Aeronautical and Space Sciences on January 29, 1975; and on the Transcript of Proceedings of the Interagency Task Force on Inadvertent Modifications of the Stratosphere on February 27, 1975. These documents reproduce almost all the most directly relevant literature on the chemistry, but little relevant data on atmospheric circulations. The author has also used information from government employees, scientists engaged in advisory activities requiring confidentiality, employees of involved corporations, and others who do not wish to have their names used. The author has used data from the Handbook of Fundamentals of the American Society of Heating, Refrigeration and Air Conditioning Engineers to test undocumented industry claims in the cited testimony. Minor changes arising at the American Chemical Society meeting on 4/9/75 and from the National Academy of Sciences report "Environmental Impact of Stratospheric Flight" have been incorporated.

OZONE LOCATION AND GENESIS

The relevant atmospheric layers are the troposphere, which extends from the surface of the earth to roughly 10 or 15 km, and the stratosphere, which extends from the top of the troposphere (the tropopause being the dividing level) to about 50 km. In the troposphere temperature decreases with height on the average; pollutants are mixed vertically in a few months and between the northern and southern hemispheres in a couple of years. The troposphere rotates eastward relative to the earth once in 20 or 30 days.

In the stratosphere temperature increases slowly with height, which inhibits vertical mixing. The lower stratosphere also rotates eastward relative to the earth at comparable rates.

The ozone layer resides in the middle and upper stratosphere, between about 20 and 50 km. It is formed, mainly in the tropics, by the interaction of solar ultraviolet light with molecular oxygen. It is transported downwards and polewards by atmospheric motions. The dynamic equilibrium of the ozone layer is maintained by a destructive interaction with nitrogen oxides formed mainly by the interaction of solar ultraviolet light with air. Natural fluctuations in time and space, including oscillations of about 2% with a period near two years and of perhaps 8% with the 11-year sunspot cycle, allow the 9 existing measurement stations to detect changes of 2% per decade with 95% confidence (Senate Hearings, p. 15); 0.5% per decade with 95% confidence would require 81 stations around the globe. Consequently the supposed 1 or 2% depletion caused by past releases of fluorocarbons is as yet undetectable, and even the recovery from atmospheric nuclear explosions 1945–63 is not completely certain.

OZONE AND ECOLOGY

The stratospheric ozone largely absorbs and harmlessly dissipates solar ultraviolet light (UV–B, 290 to 320 nm) which is believed to be a major cause of skin cancer in homo sapiens. The incidence of skin cancer is 165 new cases per 100,000 per year, with a death rate of 40% (House Hearings, p. 408).

The best estimates are that a 1% reduction in ozone will cause an eventual 2% increase in skin cancer, with a lag of around 15 years (House Hearings, pp. 408–9). Vitamin D intoxication is another possible but unlikely effect (House Hearings, pp. 406–7). Accelerated aging of the skin is likely.

The effects on other life forms are little known. Oceanic plankton, which are the start of the sea life cycle and a major source of oxygen, pose special dangers. Few other life forms have the capacity of homo sapiens to mitigate acute and chronic exposures to solar ultraviolet.

ATMOSPHERIC TRANSPORTS

It is clear from observations that fluorocarbons released at the earth's surface spread throughout the middle altitudes of the northern hemisphere troposphere in a few months and are mixed into the southern hemisphere in a couple of years (IMOS, p. 53). Transports in and out of the stratosphere are observed to be slower.

Significant improvements upon present crude one-dimensional diffusion models are unlikely in the available time. The so-called eddy diffusivities of Crutzen, McElroy, etc. are mere fudge factors to make the models yield results resembling the observations; yet, whether or not such assumptions represent the true physical mechanisms, they have empirical utility.

Three-dimensional time dependent General Circulation models such as those at the Geophysical Fluid Dynamics Laboratory in Princeton and the National Center for Atmospheric Research in Boulder may eventually yield more reliable transport rates. The claims that these models yield realistic transport rates of water vapor in the troposphere are no indication that they are near the truth for transports in the stratosphere or across the tropopause! The so-called eddy diffusivities in these models are not normally based on observations and are indeed often several orders of magnitude greater than "observed" values. They are mere fudge factors chosen to make gross features of these General Circulation models most resemble observations which are themselves very sparse except over land north of 30° N, i.e., about ⅛ of the earth's surface area. Hence they should not be used to make subtle inferences.

The probable transport mechanisms require a knowledge of secondary flows caused by boundary layers in rotating fluid systems. Very few Ph.D.'s in atmospheric computational modelling have the mathematical background to read even such textbooks as Greenspan's "Theory of Rotating Fluids" (Cambridge University Press, 1968); realistic atmospheric cases present formidable difficulties. The concept of group velocity is little known among meteorologists, with some notable exceptions at MIT, Harvard, GFDL and NCAR, although it is familiar to physicists, aeronomers and oceanographers. A grasp of the transport of momentum and energy by the group velocity is necessary in order to understand the secondary flows which transport substances.

The various proposed observational programs do not really depend upon particular assumptions about transport mechanisms at this time. (Senate Hearings, pp. 142, 155–163, and scattered throughout the testimony.)

THE SST

The relevant testimony of Dr. T. M. Donahue to the Senate Committee is on pages 29–30, 35 and 144–6. His figures for the incidence of skin cancer are twice those of Dr. F. Urbach of Temple University on page 408 of the House Hearings.

The Concorde and the Tupolev 144 SST's fly in the lower stratosphere (17 km) and therefore pose a smaller threat than the proposed U.S. SST (20 km), but the burden of skin cancer is too high a price for the privileged few to be able to cut an hour or two off eight or ten hour journeys.

The sudden reduction in the flying hours of each SST and in its postulated pollutant emissions per hour between the draft and final versions of the Dept. of Transportation

Climatic Impact Assessment Project (CIAP) reports require explanation. The widespread and uncorrected misleading press statements smell strongly of politics. The Secretary of Transportation should be called to testify on and disclose all lobbying activities.

Any damage done to ozone by SST's and the space shuttle (a waste of money and military boondoggle, as well as a hazard to ozone) is expected to be self-repairing within a few years after flights are stopped. Space shuttle flights may have to be held to about four per year.

HALOCARBON DIFFUSION AND CHEMISTRY

Halogenated hydrocarbons having neither carbon-hydrogen nor double bonds in the molecule do not participate in any known chemical reaction in the troposphere to an appreciable extent, despite extensive researches on their toxicity and conceivable reactions in smog. The status of carbon tetrachloride (CCl_4) is unclear; the refrigerants and propellants 11 (trichlorofluoromethane CCl_3F) and 12 (dichlorodifluoromethane CCl_2F_2) are present in the troposphere in amounts indistinguishable from global production to date. Carbon-hydrogen or double bonds provide tropospheric oxidation mechanisms which greatly reduce the migration of alternative refrigerants and propellants (e.g. halocarbons 21, 22 and 31, which are dichlorofluoromethane $CHCl_2F$, chlorodifluoromethane $CHClF_2$ and chlorofluoromethane CH_2ClF, respectively) to the stratosphere. These compounds, and others containing no chlorine, bromine or iodine (e.g. halocarbon 23, trifluoromethane CHF_3) are attractive interim substitutes for halocarbons 11 (trichlofluoromethane CCl_3F) and 12 (dichlorodifluoromethane CCl_2F_2).

Short wave ultraviolet light in the upper stratosphere photolyzes almost any molecule; from chlorocarbons (and correspondingly from bromine and iodine compounds) it liberates atomic chlorine which then enters into a net of catalytic reactions destroying ozone. This sequence is rehearsed ad nauseam in the various papers and hearings. The only plausibly postulated mechanism to end the catalytic cycle is diffusion into the troposphere for washout by rain and snow. Rowland (IMOS, pp. 39–51, and ACS 4/9/75) has demolished all the few concrete alternatives proposed by the industry. Evidence from natural radioactive chlorine (Rowland, ACS 4/9/75) supports the occurrence of the chlorine-chlorine oxide cycle in the stratosphere as early as 1970.

The slow transport into, through and out of the stratosphere mean that once the ozone depletion becomes detectable a much larger depletion is going to occur a few years later, even if all releases are terminated, and will persist for decades or perhaps centuries (Senate Hearings, p. 139; IMOS, pp. 220 and 78–9).

BROMINE AND IODINE COMPOUNDS

McElroy (IMOS, pp. 85–90) discovered widespread uses of bromine compounds which are potential hazards of unknown magnitude.

Although no volatile iodine compounds have been reported in widespread use, they would pose a similar hazard. Our knowledge of the environmental chemistry of brominated hydrocarbons is about a year behind that of chlorocarbons (Wofsy, ACS 4/9/75).

OTHER CHLORINE SOURCES

The chlorination of water for water systems and to prevent algae appears to be a significant source of unacceptable chlorocarbons. The french ozonation process seems a preferable alternative, at least for domestic water.

The carbon tetrachloride (CCl_4) found in the atmosphere seems to be accounted for by known industrial production (IMOS, p. 185), although the transcript is garbled). Requirements for its substantial recovery in industrial uses should be feasible. McCarthy of Dupont (ACS 4/9/75) challenges this contention that CCl_4 is mainly industrial.

ALTERNATIVE REFRIGERANTS

Rowland (IMOS, pp. 39–51) remarks or the lack of industry suggestions concerning alternative refrigerants for new design and for the recharging of existing leaky systems. Refrigerants are now about 35% of U.S. halocarbon consumption. The industry contends that halocarbon 22 (chlorodifluoromethane $CHClF_2$) is a high pressure refrigerant requiring modifications in some existing systems. This is true, but the ASHRAE tables suggest that halocarbon 21 (dichlorofluoromethane $CHCl_2F$) is intermediate in properties between 11 (trichlorofluoromethane CCl_3F) and 12 dichlorodifluoromethane CCl_2F_2). ASHRAE Table 15 (Handbook of Fundamentals, p. 220) bears out Rowland's contention that, contrary to industry vagueness, there is very little to choose between refrigerants in energy economy.

Thus it appears that 22 is suitable for new interim design and 21 or some mixture with something else for recharging many existing systems for a few years until scientific questions are resolved. Halocarbon 23 (trifluoromethane CHF_3) is an analog of chloroform and therefore possibly toxic.

Because many leaks are alleged to be in rotating seals, it seems feasible to require the retrofitting of compressors using bellows or magnetic or induction couplings, in order to reduce the number of leaky rotating seals. The author's Chrysler automobile air conditioner has not leaked in eight years; comparative data by model would therefore be interesting.

ALTERNATIVE PRESSURE CAN PROPELLANTS

Light hydrocarbons such as isobutane are used in pressure cans where flammability and taste are unimportant (e.g. shaving cream and some paints). Carbon dioxide or nitrogen are used in foods and perhaps other products, but cause a pressure drop towards the end of the can. Halocarbons 21 or 22 or 115 (chloropentafluoroethane $CClF_2CF_3$) or some azeotropic mixture may be useful alternatives in the few cases where pressure cans offer significant advantages, almost all of which are industrial uses which could be licensed.

ALTERNATIVE FOAM BLOWING AGENTS

The author was amazed to hear of substantial uses of chlorocarbons as foam blowing agents, having been accustomed to pentane for polystyrene foams and other hydrocarbons or inorganic gases for other foams. There are no apparent grounds to continue the use of chlorocarbons as foam expansion agents.

SISTER CITY PROGRAM

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. LLOYD of California. Mr. Speaker, community pride is a most precious commodity, and one that I am proud to say exists most abundantly in my 35th District in southern California. One of the finest examples of this pride is the city of Chino.

This feeling is such that it extends beyond the city boundaries. In fact, it reaches all the way to San Juan del Rio, Queretaro, Mexico.

Six years ago, the mayor of Chino and members of the city's Sister City Committee visited San Juan del Rio and presented its mayor with a resolution from the Chino City Council inviting San Juan del Rio to be Chino's sister city. Since that time, a warm rapport has existed and yearly visitation between the two cities has served to strengthen the bond of friendship.

The general purpose of the sister city program is to establish greater friendship between the peoples of the United States and other nations by means of direct personal contact, to create a greater understanding of the cultural and sociological differences and to promote social welfare around the world.

Between the city of Chino and the city of San Juan del Rio, the endeavor has been to plan and conduct projects which will foster mutual understanding, friendship, and good will. In September 1969, the two cities began a student exchange program which has proven beneficial to everyone involved. This is an ongoing program and it is enthusiastically supported by both communities.

It is all to easy to dwell on one's own situation and ignore others. The city of Chino, however, in conjunction with its sister city, have chosen to work together in the spirit of mutual friendship and understanding to bridge an international border. It is because of community pride that the city of Chino is a fine community in which to live, work, and play.

And, in this sixth anniversary year of sister cityhood with San Juan del Rio, I salute the residents of Chino, Calif.

SHORTCUT TO THE INEVITABLE

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JEFFORDS. Mr. Speaker, on several occasions I have brought to the attention of this Chamber my reasons for introducing legislation which would ban throwaway beverage containers.

The benefits of enacting this type of legislation on a national scale are numerous. There would be huge savings of energy and raw materials, valuable space in sanitary landfills would be conserved, and roadside litter would be substantially reduced.

An additional argument favoring congressional action is raised by a Vermont newspaper, the Barre-Montpelier Times Argus, in an April 23 editorial.

Mr. Speaker, so that the other Members may share the wisdom expressed by this editorial, I include it to be reprinted in the RECORD:

SHORTCUT TO THE INEVITABLE

The Congress can avoid a lot of repetitious and costly agony in state legislatures across the country if it will now approve legislation designed to ban throwaway beverage containers in the nation.

With more and more states taking up the legislation that was pioneered first by Oregon and then Vermont, the same old lobbying battles are being waged, the same old innuendos and half-truths are being applied, and a staggering amount of money is surely being wasted every day in postponing the inevitable.

The success of existing beverage container

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laws, coupled with the appealing energy-saving features of the legislation, make it more difficult to defeat with every passing legislative session, whether the debate involves legislation now in Congress or in other state legislatures. Yet the legislation's oppents show no signs of dropping their apparent intention to fight it in every state house where it appears.

Connecticut is now the latest state to face assault and battery in the legislative hallways over the issue and has become embroiled in a peripheral controversy over loopholes in the state's lobbying laws to boot. For Vermont lawmakers, who hopefully put the controversy behind them last week with passage of this state's final installment of the ban, the Connecticut legislative blitz by the bill's opponents must have seemed like an old bad dream returned.

How much easier it would be if the Congress read the handwriting on the wall and put the brakes on the throw-away craze throughout the country right now.

BUFFALO SADDENED BY DEATH OF CHESTER C. GORSKI

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. NOWAK. Mr. Speaker, our city of Buffalo was saddened last week by the news of the death of a dedicated public servant, Chester C. Gorski.

His public service career covered four decades, and some of the Members of this body will remember him from the term he served in 1949–50 as Representative of the 42d Congressional District of New York.

He began his career in politics in 1928, when he was a Democratic district committee man; subsequently he won 12 general elections, serving on the Erie County Board of Supervisors and the Buffalo Common Council. His experience in government was broadened by his positions on the New York State Building Code Commission, his early years in the Buffalo Streets Division, in the Buffalo office of the National Production Authority, and as a delegate to the Democratic National Convention in 1968.

In our area Chester Gorski will probably be best remembered for his years as president of the Common Council. Ill health forced his retirement early last year, but his keen interest in revitalization of the city and his longtime goal of formulating a metropolitan government in the county never flagged.

Although confined primarily to his home and medical treatment centers, he was able to attend ceremonies unveiling his portrait in the council president's office last September, and he had a warm personal reception.

Mr. Gorski's activities were not limited to his job; he was involved in many community activities as well—the Professional and Businessmen's Association; Knights of Columbus; Greater Buffalo Advertising Club; Holy Name Societies; Fillmore-Peckham Taxpayers' Association; and, as the son of Polish immigrants, was active in ethnic groups, presiding over the 26th Quadrennial Convention of the Polish Union of America in 1966, and receiving the 1963 Citizenship Award of the Polish-American Democratic Clubs of Downstate New York.

Chester Gorski leaves his wife of 40 years, the former Helen Pieprzny of Buffalo; his sons, State Assemblyman Dennis T. Gorski and attorney Jerome C. Gorski; and three grandchildren.

He leaves, as well, a legacy of a life spent in pursuit of good government and civic improvement. Our deepest sympathy is extended to his family. We thank them for sharing his life with our city, as he shared so generously of his talents and dedication.

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BENNETT. Mr. Speaker, I plan to offer the following amendment tomorrow:

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218 OFFERED BY MR. BENNETT

On page 1, line 11, strike "$395,600,000,000" and insert in lieu thereof "$394,666,000,000";

On page 2, line 7, strike "$624,000,000,000" and insert in lieu thereof "$622,400,000,000", and the amount by which the temporary statutory limit on such debt should accordingly be increased is "$91,400,000,000".

Mr. Speaker, the following explanation has been worked up by the staff. The purpose of the amendment is to reject the ceiling limitation in social security and Federal retirement; and to get the money from foreign aid expenditures.

EXPLANATION

The intent of this resolution is to reduce the proper amount of budget authority in House Concurrent Resolution 218 to reflect a rejection of a 7-percent ceiling on increases in social security and Federal retirement benefits, which would increase outlays by $1,162 million, and an offsetting rejection of an equivalent amount of outlays in the International Affairs functional category.

The amendment would decrease the amount of budget authority by $934 million from $395,600 million to $394,666 million.

This is achieved by an increase in budget authority of $582 million from $395,600 million to $396,182 million resulting from rejection of the 7-percent benefit ceiling, to be subtracted from budget authority of $1,516 million reflected in reduction of international affairs by an outlay amount equivalent to rejection of the benefit cap.

The net decrease in budget authority necessary to balance outlays in the two categories is a result of the fact that part of the amounts included in the 7-percent benefits are already in trust fund accounts.

The deficit figure does not change because the outlay addition in one area balances the outlay subtraction in the other. This amendment further reflects the necessary mathematical changes in the public debt. The public debt level must subsequently be $622,400 million.

The amount by which the temporary statutory limit on such debt should accordingly be increased is $91,400 million.

The changes in budget authority would be attributed to the following functional categories: Function 600: Income Security should be increased by $582 million for social security, railroad retirement, and Federal employee retirement programs. Function 150: International Affairs should be decreased by $1,516 million to be decided by the Appropriations Committee.

CONGRESSIONAL BLACK CAUCUS RELEASES ITS POSITION ON EXTENSION AND EXPANSION OF THE VOTING RIGHTS ACT

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BADILLO. Mr. Speaker, I would like to insert a press release issued by the Congressional Black Caucus on April 29, 1975, regarding their support for the expansion of the Voting Rights Act to language minorities. As a member of the Civil and Constitutional Rights Subcommittee of the Judiciary Committee, which developed H.R. 6219, I would like to thank them for their important support.

The press release follows:

CONGRESSIONAL BLACK CAUCUS SUPPORTS BILL TO EXTEND AND EXPAND VOTING RIGHTS ACT

The Congressional Black Caucus today announced its unanimous support for a bill which would extend the Voting Rights Act for an additional 10 years and expand its coverage to include many Spanish-speaking and other minority persons. The bill, H.R. 6219, was reported out of the House Civil and Constitutional Rights Subcommittee of the Judiciary Committee. The full House Judiciary Committee began deliberations on the bill today and will resume tomorrow morning.

Representative Barbara Jordan (D-Tex.), a sponsor along with Congressmen Herman Badillo (D-N.Y.) and Edward Roybal (D-Calif.) of an early proposal to extend the Act and expand it to cover other minorities, called the subcommittee's bill a "sound and necessary measure to protect the most fundamental of our democratic rights for all Americans." "We feel," she said, "that this bill is carefully drawn to protect black voting rights while bringing under its umbrella other minority groups who face similar voting problems."

In its Legislative Agenda made public earlier this year, the Congressional Black Caucus called for the ten-year extension of the Voting Rights Act and supported the principle of expanding the Act to "Spanish-speaking and other minorities who face severe problems of disenfranchisement." While few of the districts represented by Congressional Black Caucus Members are covered by the Voting Rights Act, Caucus members have felt a special obligation to assist minorities throughout the country to become involved in the political process.

The Caucus called on all Members of Congress to support this extension of the Voting Rights Act. "I think we will find," Representative Jordan said, "that many Members who previously had doubts about the Act, will respond to their new constituencies which are themselves testimony to the effectiveness of the Act."

ST. PAUL IDEA SHOULD BE COPIED BY CHICAGO, TRIBUNE RECOMMENDS

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KARTH. Mr. Speaker, once again, as so often in the past, St. Paul, Minn., is proving to be a pioneer city.

Today it is providing a model for hundreds of communities from coast to coast on how to preserve a city's historic landmarks by converting them into priceless cultural and educational institutions.

We of St. Paul are doing exactly that with our famous Union Depot, turning this impressive example of our city's and the Midwest's architectural heritage into a wonderworld of a children's museum and a center for young people and adults alike for portrayal of St. Paul history.

The story of St. Paul's foresight and sensitivity both to its past and its future has been eloquently reported in the Chicago Tribune on April 28 by columnist Ed Wiedrich. I would like to submit that column for inclusion in the RECORD.

Undoubtedly it should be emphasized that it is high praise, indeed, for the Chicago Tribune, which traditionally insists that Chicago is first and foremost in nearly everything, to concede that Chicago is lagging behind St. Paul, and should emulate our city in the conversion of historic railroad depots into cultural centers.

The people of St. Paul, members of the Minnesota Children's Museum Board, city officials, and everyone associated with this splendid project can be proud of the undertaking and the national attention it is receiving. I am proud, personally, to have been associated with this cultural and historic enterprise from the promising beginnings that now seem to be on their way to rich fruition.

[From the Chicago Tribune, Apr. 28, 1975]

DEPOT IS ON TRACK WITH IMAGINATION

(By Bob Wiedrich)

ST. PAUL.—Fancy Chicago's La Salle or Dearborn Street railroad stations turned into an educational mecca for the enrichment of children instead of being torn down to make way for still another high-rise office building.

That's what this half of Minnesota's Twin Cities has in mind for its now empty Union Depot. And it is a plan that sings with civic satisfaction—a wonderland of agriculture and commerce and industry and working things that youngsters can enjoy like a creamery that churns real cream or a meat packing plant that grinds out tasty sausage.

That's imagination. And that's a different twist on utilizing valuable downtown real estate like the Union Depot here that ceased to be useful to its railroad owners when the passenger train went into a decline.

In other words, keep a classic building like the 52-year-old Union Depot alive. Don't raze it for another towering hotel or condominium complex or whatever.

Preserve a bit of what American railroad station architecture was in its finest hour and, at the same time, create something imaginative for the intellectual stimulation of today's urban child.

That is the philosophy behind the plan of a band of St. Paul citizens, who want to preserve a piece of their heritage so that a century after the first train rumbled into the depot here in 1923, the building will still be performing a vital service instead of having been reduced to dust.

Not a bad idea, when you think of it. They don't really build staunch structures like this one anymore or Chicago's downtown terminals, for that matter. So why tear them down?

At the moment, the giant concourse and train shed stand empty. They have since 1971, when Amtrak took over the nation's rail passenger operations and shifted its Twin Cities terminal to Minneapolis.

But now, a group of residents who want to save Union Depot from the wrecker's sledgehammer have formed the Minnesota Children's Museum Board to purchase the station from its five owner railroads and convert it to something of enduring value to their community.

Here is what they have in mind:

A museum that emphasizes Minnesota's productive history and the hard work and technology that contributed to building a thriving state of nearly 4 million.

A place where inquisitive children can taste and feel and see and experience the things that make up their state's environment and life around them—like handling lumber in a miniature lumber mill or a furniture factory display, examining taconite and iron ore pellets in a processing plant, or sorting grain and helping to mill flour while nibbling on a piece of real cheese from a cheese factory.

These are among the elements that have gone into developing their state. And these are the things that the museum planners hope to translate into dramatic, educational, and entertaining displays so that future generations will gain a better appreciation of their surroundings within the architectural grandeur of their city's past.

If all goes well and sufficient funds are raised for what could eventually become a $5 million project [$1.5 million for the depot alone], Twin Cities youngsters would be offered the following vista of the world around them:

On entering the depot, visitors would purchase a ticket for a ride to adventure aboard a rubber-tired Rainbow Train that would wind its way from display to display. Each "station" stop would offer something new to experience or smell or touch.

In addition to operating displays, the museum would offer an outdoor-indoor restaurant, a Children's Theater, and a chance to get involved in running the St. Paul Model Railway Club's tremendous electric train layout, which already occupies a home in Union Depot.

Most of all, the plan would maintain for new generations a glimpse of a nostalgic chapter of St. Paul life, when opulent passenger trains departed and arrived from all points of the compass and the Union Depot bustled with the comings and goings of an America geared to rail travel.

For today, too few children know only the stench of burned kerosene jet fuel and the screech of high flying aircraft. They have no concept or appreciation of a more leisurely era in their country's history.

Chicago missed just such an opportunity to enhance its children's educations when it permitted the wrecker's ball to demolish the traditional facade and train shed of the old Grand Central Station on Polk Street and the Illinois Central Railroad's historic 1893 terminal on South Michigan Avenue.

There is still time, tho, for the Windy City to follow St. Paul's imaginative lead and preserve at least one of the railroad stations remaining in the Loop. What do you say, Mayor Daley? How about a helping hand?

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DINGELL. Mr. Speaker, during House consideration of the first concurrent resolution on the fiscal year 1976 budget, House Concurrent Resolution 218, I intend to offer an amendment which will increase by $15 million the total recommended budget authority, outlay, deficit, and public debt. Specifically, $10 million of this amount is to assure adequate funding for the accelerated wetland acquisition program, and $5 million is additional to the U.S. Fish and Wildlife Service budget for maintenance and operation of the system.

In 1961, Congress enacted the Wetland Loan Act, which authorized a $105 million loan fund to be used in combination with duck stamp receipts to accelerate Federal efforts to prevent and offset serious loss of waterfowl production habitat. It set as a goal acquisition of 2.5 million acres of high quality breeding and other waterfowl habitat.

Despite the fact that there remains $19.1 million in loan authorization now available for appropriation in 1976, there is nc request made against this authority in the President's budget. Yet, a shortfall exists of some 599,000 acres to complete the program. Cost alone, estimated in 1974 values, is $200 million. But, assuredly, this cost will double in the next 10 years if land value escalation does not abate.

Loss of $10 million in funding for this program now, not only will further postpone the initial objective set by Congress under the Wetland Loan Act, but, I fear, pit future land acquisitions against pressures of spiraling land prices and intense land-use competition. The effect will be to greatly increase the cost of preserving the habitat necessary to maintain our wildlife heritage.

At the same time, it is equally important that as we acquire these areas adequate funding be appropriated so that they may become operational, and that those areas already in the system be maintained. For this purpose, an additional $5 million to the U.S. Fish and Wildlife budget is necessary.

It is to be noted that there is an $83 million maintenance backlog in the existing refuges. To make matters worse, no funds were included in the budget for six new refuges scheduled for staffing in 1976. Personnel and staff must be diverted from existing refuges to manage these areas. In addition, inflation has had a dramatic impact on the ability of the U.S. Fish and Wildlife Service to operate the system. Between 75 and 90 per-

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cent of the available funds for each refuge are expended for personnel compensation. This situation cannot be tolerated.

Mr. Speaker, the current economic recession has presented an unusual opportunity to acquire land from owners and developers who are financially hard pressed. I would hope that my amendment will be accepted to hold down costs to future generations and to assure continued support of vital conservation and environmental policy.

The text of my amendment follows:

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218 BY MR. DINGELL

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc):

On page 1, line 11, strike out "$395,600,000,000" and insert in lieu thereof "$395,615,000,000";

On page 2, line 2, strike out "$368,200,000,000" and insert in lieu thereof "$368,215,000,000";

On page 2, line 5, strike out "$73,200,000,000" and insert in lieu thereof "$73,215,000,000";

On page 2, line 7, strike out "$624,000,000,000" and insert in lieu thereof "$624,015,000,000";

On page 2, line 9, strike out "$93,000,000,000" and insert in lieu thereof "$93,015,000,000".

THE DOLLAR QUOTA SYSTEM

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. EMERY. Mr. Speaker, on the 23d day of April, I introduced H.R. 6310, "A Bill to Provide a Comprehensive Energy Program, to Reduce Oil Prices, and Conserve Energy."

I believe that this legislation is a responsible compromise between the two oil conservation approaches that we have had before Congress this year—the import tariff proposal of the Ford administration and the increased gasoline tax proposal that is now before the Ways and Means Committee.

It is my hope that this legislation may attract the interest and support of all Members of Congress. The following is a factual summary of its contents that I hope you will find helpful:

THE DOLLAR QUOTA SYSTEM: AN ALTERNATIVE PLAN FOR LIMITING OIL IMPORTS

Everyone now agrees that something must be done to conserve the energy and to reduce our dependence on foreign oil.

The President's program to reduce oil use by raising the price through a graduated import tariff, however, would drastically increase the cost of oil and thus would contribute to both inflation and unemployment. While the President should be commended for his strong, resolute stands on energy, I feel that we can offer a better solution to this problem. Clearly, the so-called Ullman bill is not much of an alternative because it would especially hit the low-income consumers. The country, however, deserves an equitable energy policy and into this vacuum, I have proposed an alternative, to be known as H.R. 6310.

Under my plan, the Federal Energy Administration would institute a flexible dollar quota on all oil imports. There would be no limitation on the quantity of oil coming to this country. Instead, oil imports would be limited to a total dollar value—$5,625,000,000 in 1975 and $5,500,000,000 in 1976. In simple terms, this system would encourage domestic importers to "shop around" for the cheapest foreign oil available so that they could import the most oil possible with their money. A dollar quota system has many immediate benefits:

First, the balance of trade deficit, which has been estimated at $4.5 billion in 1974, would be gradually eliminated. In 1974, our oil imports totalled approximately $24 billion. The reductions recommended in my proposal would bring imports and exports into balance in just over two years. This process of reducing oil imports has already begun, as the first quarter 197[illegible] trade surplus would indicate. Although this drop is generally attributed to the recession (which reduces industral demand for petroleum products), our program would continue this process by forcing reductions with an emphasis on reducing prices rather than quantity.

Second, by setting our quota on a dollar basis, we would not discriminate between petroleum products to be manufactured. Our free market system would make the selections as to use of our imports—whether for fuel oil, lubricants, or synthetic fabrics.

Third, a dollar quota would promote competition among refiners and importers at home to produce lower-priced petroleum products, as well as among the OPEC (Organization of Petroleum Exporting Countries), effectively reducing or weakening OPEC's present rigid stand on price. To those who fear a loss of supply, I point out that the United States gets a substantial part of its oil imports from the less radical OPEC members, or from those badly in need of dollars.

Fourth, a dollar system is workable, in place, and can be set in motion in 24 hours. The Oil Import Office of the Federal Energy Administration now issues import licenses and requires all importers to register price, quantity and origin of all oil imported. The current status of oil imports could be reviewed on a quarterly basis with adjustments made accordingly, although targeted to the annual goal.

To spur oil imports at lower prices, a bonus of exemption would be offered in the form of non-quota oil to those importers and refiners who are able to purchase oil at lower than average prices. This unique feature of my proposal would work as follows: Each three months, the F.E.A. would designate an average import price for that period. Any imported oil brought into the country at savings greater than 5% of this three-month average during the following three months would not be counted against his annual dollar quota. A successful program of exemptions would continually lower the base price, and ultimately, the cost. For example, assume that the previous three-month average price was $12.00 per barrel. Under such a system, an importer could purchase oil at $11.40 per barrel or less without a quota restriction—but all purchases at a price greater than $11.40 (95% of the $12.00 average price) would be restricted by the dollar quota limitation.

This system would encourage our importers to assign less expensive oil to the United States. Since most of our importers have vast distribution and marketing networks, it would be to their advantage to keep their systems operating at top efficiency by keeping up imports, but at a lower price. Once in motion, the bonus-exemption would encourage competition, cheap prices and reduce our over-dependence on foreign oil.

Necessary for a successful program of dollar quotas is the continuance of the present domestic allocation program currently in place under the Federal Energy Administration. Under this plan, fuel suppliers are forced to supply all areas with adequate oil, regardless of geographic location.

Under the present allocation program there are three categories of priorities—those receiving 100% of needs; those receiving less than 100%, based on the remaining fuel available after the first category is filled; and a third category based on 100% of 1972 usage.

Examples of Category One are defense and agricultural producers; Category Two includes emergency services, sanitation vehicles, telecommunications, passenger carriers, mail vehicles, and aviation support vehicles. The third category includes industrial needs, and commercial and social service requirements.

An amendment to this allocation system is included to assure an equal "mix" of higher-priced foreign oil and lower-priced domestic oil for distribution to all parts of the country. This provision would preclude any one geographic region from bearing an unfair economic burden from over-dependence on foreign oil.

The present allocation system is due to expire in August of this year. Therefore, under my program, I would propose an extension for an additional year with adjustments to meet changing conditions.

Additional important components of my energy program include a windfall profits tax on domestic crude oil, equalization of residual fuel oil prices, and a system for Congressional review of the Presidential authority to mandate price controls of domestic "old" oil.

Although it seems doubtful that oil companies would be subject to windfall profits tax in the immediate future, an excess profits tax on domestic crude oil is a necessary part of any sensible plan. My proposal is similar to that recommended by President Ford, altered only to allow for a greater than expected rate of inflation and subsequent increased product costs. In a period of economic crisis, we must not allow any one segment of industry to extract high profits at the expense of others.

The tax is graduated from 15% to 90%. The initial "adjusted base price" will be the producer's ceiling price per barrel on December 1, 1973, plus $1.25 to adjust for subsequent increased costs and higher price levels generally.

My program also calls for Congressional review of any proposed changes in the prices paid for controlled oil. This system would basically require the President to give Congress a thirty-day warning of his intention to raise or lower oil prices and state his reasons for authorizing the price change. The Congress would, in turn, have the right to prohibit the President from instituting price changes if the conditions for such changes were not compatible with their feelings.

This system would not seriously limit the President's ability to adjust oil prices in keeping with long run supplies and promotion of investment in petroleum exploration. Rather, it would simply give the Congress a passive control over the pricing system.

The last section of my program calls for the imposition of an excise tax on the sale of fuel-inefficient automobiles as well as a system of tax credits for more economic cars. Minimum fuel economy standards for model years 1977 through 1981 have been delineated as a basis for the tax credit schedules.

This program will not only encourage the automobile industry to produce more efficient cars, but it will also provide incentives for the consumer to purchase such automobiles. Unlike many of the other automobile efficiency proposals, my system does not attempt to legislate taste by outlawing inefficient cars. Rather, it employs free market forces to encourage a similar result. My fuel-

efficiency proposal is also not as harsh as others; it takes a moderate position in trying to satisfy not only the priorities for conserving energy, but also the realities of our present economic crisis and the need to make these changes on a gradual basis.

A temporary moratorium on the E.P.A. emission standards is also imposed as a reasonable and desirable interim concession to achieve better fuel economy. Since the enactment of the Clean Air Act of 1970, toxic emissions have decreased by as much as 80%; as more older cars are scrapped and newer cars are produced, the effects of the emissions improvements will continue to be felt even though the standards themselves do not change.

In short, my program of credits and taxes on automobiles is a sensible, straightforward and decisive solution to a very serious problem.

SHORT AND LONG TERM EFFECTS OF MY ENERGY PACKAGE

How does this energy program affect the country? Mostly for the good when compared to other proposals. Although my energy reduction plan has its drawbacks, it has elements that make good sense for everyone:

(1) The cost of oil would not rise as much as it would under the Foreign Oil Tariff proposals.

(2) Each state would receive the same percent of available oil and the same mix of foreign and domestic oil as all other states and regions, based on consumption requirements and equalization of residual fuel oil prices.

(3) Our dependence on expensive, foreign oil will be slowed and later reversed.

(4) The sale and manufacture of more economic automobiles is encouraged.

(5) Allocation will put oil where it is most needed.

(6) It does not impose arbitrary taxes on one sector of the economy, but allows the free market system to operate to attain the same goals.

(7) My plan will be less inflationary than either the Ullman or Administration proposals. It holds Federal spending more closely in line with revenues, and does not call for tax increases.

(8) My program is also fair to all regions of our country. The dollar limit, when combined with the allocation formula, will more effectively insure that all states receive their fair share of reasonably priced oil.

(9) The dollar limit oil import package is not difficult to administer and will not require a massive increase in the Federal bureaucracy.

(10) My program is not overly concerned with one problem to the complete exclusion of others. Recognizing that our present economic situation cannot be solved through "pump priming" alone, our plan attempts to improve our global as well as domestic situation, since the two are closely interrelated.

(11) My proposal does not call for rationing in any form. Rationing cannot work in our society on a long-term basis. It is bureaucratic and expensive and should not be considered as a desirable alternative for those seeking to allocate oil consumption.

In summary, I suggest to the Congress a comprehensive energy program to reduce oil imports.

The key elements are a dollar limit on oil imports with exemptions for lower priced products, an extension of the present allocation program, equalization of oil prices nationwide, windfall profits tax on domestic crude oil, a system for allowing Congressional review of oil price controls, and a plan for encouraging more efficient automobiles.

Now begins the job of selling my plan at F.E.A., the White House and here in Congress. It will be refined and improved in the process, and, hopefully, accepted.

SLIPPING ON OIL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FORSYTHE. Mr. Speaker, in recent months the people of the United States appear to have fallen into their old habits of fuel consumption, perhaps believing that the fuel crisis is simply a long gas line from the past.

The facts, unfortunately, are that the United States is still heavily dependent upon foreign oil—a supply that could be cut off any time without warning. Yet we continue to produce study upon study calling for a comprehensive and coordinated energy program. So far all that has been accomplished is the filling up of bookshelves with reports. What we need is action, and action now; not after the next report has filtered through Government bureaucracy. I call to the attention of my colleagues the following article from the U.S. News and World Report of May 5, 1975, which makes a point that is all too true:

SLIPPING ON OIL

(By Howard Flieger)

You can't see it or feel it, but you'd better believe it: The energy crisis is still with us, explosive as ever.

And nobody is really doing much of anything to make it go away.

A multination conference in Paris, called to consider petroleum needs, production and prices, ended where it started—nowhere.

In Congress there are almost as many ideas about energy legislation as there are members. A half dozen or so plans have been worked up by one committee or another, but agreement on an over-all, realistic policy is no closer now than it was in January, when this session was called to order.

President Ford knows what he wants, but he is not getting it, and isn't likely to. The public attitude seems to be "So what?"

The odd thing about the present "fill'er up" euphoria is that the fuel situation is no nearer solution now than it was that winter when so many filling stations ran out of gas. As a matter of fact, it is worse, if you look ahead.

Even with slightly reduced consumption, the U.S. remains dependent on Middle East oil—and the Arabs can cut it off at the well or price it sky high any time they choose.

So—what's next?

If Washington's time-honored tradition were followed, the scenario would go this way:

1. A special commission is created to study the problem and its portents. That gets the thing out of everybody's in-box.

2. The commission makes a long and genuinely valuable examination of the outlook.

3. Everybody praises the study as a significant blueprint for action—which most of them really are. The report prompts a few days of scare headlines and thoughtful editorials about a clear and present danger.

4. The document—usually several volumes—is sent to Congress.

5. That's the last of it.

There are no indications President Ford has any thought of going the route outlined here. But it has been suggested, and there are precedents galore. Through the years, Washington has had a penchant for compiling scholarly studies—and forgetting them.

Does anybody remember the Paley Report? That was the popular name of the time—the summer of 1952—that was given to a five-volume report made by a Materials Policy Commission appointed by President Truman. It was named for its chairman, William S. Paley of the Columbia Broadcasting System.

Using 1950 as a starting point, the Commission undertook a thorough analysis of the world's resources and material needs for the next 25 years.

It was instructed to examine existing and potential supplies and requirements. It was to make recommendations for ways to see that we got all the fuel and vital materials we would need in the foreseeable future.

The Commission did just that. Almost a quarter of a century ago it warned: "Domestic crude production is still far from the end of the road, but even under fairly optimistic assumptions it cannot keep pace with rising domestic needs up to 1975."

The study recommended that the U.S. start immediately on a program, encouraged by Government, to increase oil exploration and production, and get moving on developing petroleum substitutes and synthetics, coal and other energy sources.

Otherwise, it said, we would be dangerously dependent on foreign oil by 1975.

So here it is—1975—and we are now importing two of every five barrels of oil used in this country.

If you're curious why we're in this situation, and what thoughtful men said should have been done to prevent it, you'll find it all in the Paley Report of 1952—if you can locate a copy under all the dust.

LEE HAMILTON'S WASHINGTON REPORT, "AS WE LEAVE VIETNAM"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washingon Report, "As We Leave Vietnam":

AS WE LEAVE VIETNAM

The American involvement in Southeast Asia is at long last about over, and all of us feel a variety of emotions: sadness as we see the collapse of a country we have supported for over a decade; relief that the end has finally come; sympathy for the human suffering; and depression that the United States ever got involved in Vietnam and that we spent so much in men and money. Most of us are drained from the Vietnam experience, and we want most of all to forget about Indochina. A few observations may be appropriate as we close a tragic chapter in American history.

The events in Indochina give us an opportunity to reconsider what really are the national interests of this country and to evolve policies which support them. We should emerge from the tragedy of Vietnam with a clearer understanding of this nation's world role and a healthier realism about the limits of American power. Surely the end has come to the era of American omnipresence and the idea that we can control events everywhere. Among other things, this means we should not make massive commitments of American prestige and power in situations where the national interest of the United States is not vital, and it means we should focus our efforts instead on the mainlines of American interest in Europe, the Middle East, and Japan. It also means a role something less than the world's policeman, something less than bearing every burden and fighting every foe in defense of freedom, but something more than a retreat into fortress America and the isolationism of the past. Our task is to avoid excessive commitments without swinging toward a dangerous with-

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drawal from our responsibilities in the world. The United States must of course remain militarily strong, but it should rely less on its military strength and more on the attraction of a free, open, and prosperous country that is strong enough and confident enough not to impose its will upon others and to allow diversity in the world's political and economic systems.

There just is no reason for Americans to feel a sense of defeatism because of the defeats in Indochina. Although some commentators think that the United States is in danger of collapsing as a world power, the world prestige and stature of the United States is not entwined in the fate of Cambodia and Vietnam. The collapse of Cambodia and South Vietnam may be a defeat for our allies, but it was not a defeat for the United States. We did all any friend could reasonably be expected to do in support of an ally. In the final analysis, we could not save Vietnam for the South Vietnamese. Only they could do that. Although battered, our political system emerges from Vietnam intact, and our national priorities, long distorted by the war, can be re-established. Our overall power continues without challenge, and we remain the only military superpower in the non-communist world. The bulk of U.S. diplomatic relationships continue on a normal course, and there are no immediately threatening crises. Neither the Soviet Union nor China has been tempted to exploit the deterioration of American authority. Our economic power is awesome and will be enhanced as we end the drain of resources to Indochina. Likewise, our cultural power has established an influence in the world of the arts, threater, and publishing that is as pervasive as it is underrated. In short, Americans have no reason to lose confidence.

So I disagree with those who contend that the failure in Indochina is a sweeping setback for American foreign policy. The United States does not really have any vital interest in Southeast Asia, and other nations will not conclude that because we are refusing to continue resistance there we will not resist in other areas of the world where we do have vital interests.

This is not the time to search for scapegoats or to engage in a fruitless debate on who lost Indochina. Frankly, I have been disappointed by statements of President Ford and Vice President Rockefeller encouraging that kind of discussion. The Vice President has suggested that Indochina will be a political issue in 1976, and the President has consistently suggested that the Congress has frustrated efforts to meet our commitments. The impact of these words is to politicize the failure in Indochina and to downgrade confidence in America's dependability and strength. My view is that the Congress in recent years has understood the American national interest better, and certainly more realistically, than recent Presidents. The Congress has also better understood that no foreign policy will work unless the American people understand and support it.

How we leave Vietnam is important. We should acknowledge our responsibilities and our mistakes—in the initial involvement in Indochina, in the continuation of the war in the face of staggering human and material costs, and even in the events since the Paris accords. We can claim that we did the best for an ally that we could. We should do all we can to bind up the wounds of war. Hopefully, we will be willing to learn from our errors, shake off any sense of defeatism, put Vietnam behind us, and move on with even greater striving toward the ideals of the nation which have made us both a strong and compassionate people.

Now is the time to begin to restore perspective on the real American national interests and to revive confidence in American ability and will.

A SPEECH BY MR. REYNOLD C. MACDONALD

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RUSSO. Mr. Speaker, recently I had the privilege of attending the meeting of Interlake, Inc.'s executive personnel in Washington, D.C. This major steel corporation, with headquarters in Riverdale, Ill., in my district, has 13,500 employees around the world and operates 23 major production facilities in eight States. I mention this because I think it makes it particularly significant that their chairman of the board, Mr. Reynold C. MacDonald was not born with the proverbial silver spoon in his mouth, far from it. He is truly a self-made man and an example of what can be achieved in this country with the opportunities that exist.

I found Mr. MacDonald's remarks at the meeting most interesting and informative. Because I know how many of us are concerned, as Mr. MacDonald is, about communication gaps between elected officials and the business community, I want to share his remarks with my colleagues:

REMARKS OF REYNOLD C. MACDONALD

Good evening.

Congressman Ashley, Congressman Hall, Congressman Milford, Congressman Miller, Congressman Natcher, Congressman Russo, Congressman Snyder, Sam Sherwin, Jack Roche and special guests at the speakers' table and friends.

I find it most gratifying to be with you this evening. I am particularly pleased with the attendance of our Congressmen and their assistants who represent the plants where we have major operations and thousands of employees.

Sitting together here this evening—our elected officials and Interlake executives—is a unique experience for all of us. For years, we've heard and read reports . . . and experienced . . . the communications gap between our elected representatives and businessmen . . . tonight we're trying to close that gap.

I am quite aware of the tremendous problems facing you . . . our Representatives in Congress. I am also aware of the challenges faced by the business community. And, unless we work together . . . unless we help each other . . . and until we put aside partisan politics and work for the good of all Americans . . . nothing will be accomplished.

Certainly, we're going to disagree on some issues. All we in business ask is a fair hearing and a fair shake. In turn, we'll do our best to help you and understand your position.

I mentioned earlier that this meeting is unique. It is unique in that we've pulled together a lot of loose ends today and tonight. As a corporation, we've had a planned public affairs program in effect for several years. We are relatively newcomers to the scene. But we're fast learners and we're reaching out. During the last three years we have had some negative experiences with some federal bureaus, particularly in reference to the Environmental Protection Agency.

At Interlake, we've been sincerely working on our problems and we're succeeding. We have spent in excess of $40 million in this area. We have good, dedicated people solving our environmental control problems, and yet we find we're faced with the federal Environmental Protection Agency, the State of Illinois Environmental Protection Agency, the Metropolitan Sanitary District of Chicago, Cook County Department of Environmental Control, City of Chicago Department of Environmental Control and the United States Coast Guard . . . all telling us how to run our business. If you can tell me how to run a business with so many government agencies telling you how to do it, I'd welcome your answer because we have not been successful.

We've been very unhappy with the lack of cost benefits relationship and government concern in this area especially concerning fugitive dust emissions. For example: fugitive dust emissions are fine particles of dust that are generated in our plants. We have documentary evidence that we're wasting more energy and creating more valid pollution (that is, approved by law) to clean up this type of emissions than the fugitive emissions themselves. Now, if that doesn't sound ridiculous, I don't know what is! Just this week, the American Iron and Steel Institute testified at hearings on the Clean Air Bill and stressed this particular point. We feel very strongly that overall, government is infringing on our ability to manage our company.

We intend to preach and practice involvement in government and community relations not only at our supervisory levels, but at our grass root level as well. To best accomplish this, we've asked our key plant managers and their assistants to join us here in Washington for a "Federal/State Legislative Briefing Conference" of which this dinner meeting is but one phase.

I would like now to comment on what has become a most significant dimension of our business.

That dimension is government. Interlake, like most American corporations, is a growing target for legislation and regulatory agencies . . . and particularly the bigger ones in the metals industry.

Interlake is a growing company. We're getting bigger each year as our profits, sales and participation in international markets continue to grow.

Interlake has about 13,500 employees around the world. About 9,000 of these are in the United States, where we operate 23 major production facilities in eight states. We have small operations or offices in 31 other states. Though Interlake's 25,000 shareholders live in every state, they're concentrated in Illinois, New York, California, Ohio, Florida, Pennsylvania, New Jersey and Michigan. And we serve about 100,000 customers in the U.S.

If you consider the total number of employees and the 25,000 shareholders, and multiply this out on a factor of three persons per family, this comes to approximately 100,000 people each of whom depends upon Interlake for all or part of their livelihood and their income either through wages, salaries or dividends. Understanding this, I think you have some feeling for the responsibility I personally have to protect the vital interests of these people.

As a corporation, we're visible; we're relatively big; we're in businesses that use natural resources; we have plants whose processes create visible wastes; and I could go on.

To give you a little further dimension of why we've become more involved in government relations, last year 61,750 bills were introduced at the federal and state levels . . . and only in the eight states which we are particularly interested. Over 75% of these bills, in one way or another, affect—or could have affected—Interlake.

On top of all the proposed legislation that affects us, the government's shadow looms larger each day through a multitude of bu-

reaucratic agencies. You've heard the names. And you hear them more and more each day!

Environmental Protection Agency.

Occupational Health and Safety Administration.

Environmental Health Service.

Equal Employment Opportunities.

And so on.

Again I mention the Environmental Protection Agency because of another dimension that we are just beginning to get into which is the non-degradation of air quality. Many persons haven't heard about this yet, but it amounts to a new kind of zoning authority based on air cleanliness throughout the U.S. Based on the present laws, this new zoning authority could prevent all future expansion in the steel industry in this country. We are very concerned about this, and you should be too.

Don't think I am just crying wolf. We want to cooperate and we understand some of the benefits that are derived from these programs, but we have also had the sad experience of tunnel vision used by some regulatory agencies and people who really do not understand the problem, what is being accomplished and the great strides already made.

I am very concerned when I think about the thousands of man hours our employees spend dealing with so many agencies. Our experience has not been good. And I also am concerned when I think of Interlake's enormous tax bill each year. There never seems to be an end to the tax bite. For example, not only are our dividend payments taxed when earned, but they are taxed again when received by our shareholders.

Last year, Interlake paid $43.2 million in federal and state taxes. About $31.2 million was paid in eight states where we have major facilities. The rest was paid in 31 other states where we have sales offices, distribution centers, warehouses, inventories, real estate holdings, etc.

The federal government's share of the total was $25 million. The states' share was $18 million.

Our $43 million tax bill was paid to 153 separate taxing bodies. That's right: 153!

Another reason why we've been more involved: Our plants and employees are represented by 91 elected officials at the federal and state levels. Last year, the 93rd Congress looked like this: The Senate had 58 Democrats and 42 Republicans. The House had 242 Democrats and 187 Republicans.

The new Congress has 61 Democrats in the Senate and 39 Republicans. There are 291 Democrats and 144 Republicans in the House.

What about the eight states where Interlake has investments of capital and employees? Who's in charge?

I think every man in this room sincerely believes that America should and must retain a strong two party system if we are to maintain proper checks and balances.

Let me expand on my premise a little further. Another more fundamental and vital reason why we've become more involved in public affairs has to do with a tragic attitude that there'se something wrong with profits. Profits are not government handouts.

Traditionally, Interlake has had three responsibilities:

Supply a good product to our customers;

Make a profit for our shareholders; and

Pay a fair wage to our employees.

But now we have a forth responsibility and this is: To assure the survival of the private enterprise system within the framework of our American Republic.

We have instituted both internal and external action programs designed to place us in our proper role as a responsible corporate citizen. We plan to help create a climate that will enable Interlake and other businesses in the free competitive system to function effectively and profitably in the best interest of all Americans.

With this self-imposed responsibility, we created a Public Affairs Department whose function is to foster a better understanding among the general public and employees of *how* business and the free enterprise system operates and by *encouraging* all citizens to influence those political, economic and social issues that are important to maintaining our freedom and democratic process.

I won't take time to discuss all the specific things we're doing, but let me mention just a few ways we're trying to interpret the advantages of the free enterprise system and the free market.

Last year we opened a Washington office, which handles both governmental relations and government marketing. We've also organized a 19 member Public Affairs Action Team representing each major plant. This team helps share the job of monitoring legislations and informing our elected officials at the state and federal levels concerning bills which directly affect our business and our powers to manage. Team members work closely with the plant manager, the corporate office and our Washington office.

Here are some areas and issues where this team took an active role:

Importation of chrome ore. From our industry's standpoint, it just seems ridiculous to us that we should consider banning the importation of chrome ore from Rhodesia which essentially makes us dependent upon the Soviet Union for this strategic material. When you look at what is happening around the world today, it would be a very serious mistake to handicap our own country. We need to inform all of our Congressmen of the gravity of this situation. To continue—

Trade Reform Act.

Duty rates on cotton baling ties.

Export Administration amendments.

Pricing and export of ferrous scrap.

Energy research.

Surface mining.

Clean Air Act.

Solid waste disposal.

And, the Surface Transportation Act.

This year team members and especially our Washington office will keep close tabs on the United States Congress which will be considering such issues as—

Tax reform.

National Energy Policy.

Oil import reductions.

Foreign trade.

Workmen's Compensation.

Public financing of election compaigns.

Private pensions.

National Health Insurance.

Consumer affairs.

No-Growth Zoning.

Budget control and spending.

And, Minimum Wage.

And we expect many bills to be introduced concerning social issues.

Last year, just prior to the election, we coordinated our second corporate-wide "Good Government" program. We put together a list of 448 supervisory personnel at all plant locations and distributed many materials on various subjects.

Today we completed the first day of a two-day "Federal/State Legislative Briefing Conference" for our Division executives, plant managers, their assistants and our labor relations personnel This is just another indication of how serious we're taking the challenge of growing government involvement in our business.

Well, I won't belabor my point.

Politics is everybody's business. We live in a democracy and that democracy can only survive if we participate as individuals.

The advice of President Eisenhower that "Politics ought to be the part-time profession of every citizen" seemed unnecessary . . . until now. We're encouraging our shareholders, employees and neighbors to—

Know what's going on and know the men and women who represent them.

Communicate with their representatives.

Explore their role as individuals and as businessmen in using their talents in politics or community affairs.

Encourage their staff and others to involve themselves.

Contribute financially to the party or candidate of their choice.

Support good men to run for office in either party.

Our democratic society is really still on trial. It has worked well during time of abundance. But we need to work much harder now, in this new age of shortages.

I hope you understand now why we're making such an effort to encourage involvement. We aren't ashamed to say we believe in the very existence of our free society and our way of life. The comic strip character Pogo, said "We have met the enemy . . . and he is us."

To say this another way, we've discovered who's running the country . . . it is us. And, frankly, we know America could do a lot better.

As representatives of the industrial community and as representatives of our country's economic way of life . . . And you elected officials who represent us and our employees, we need each other as never before. We need to work together for the attainment of mutual goals.

We need you to help lead the way.

For despite the real or imagined political, economic and social faults of our system, we still have the best form of government in the world. The few hours of our personal time devoted to involving ourselves is a small price to pay for the political, economic and personal freedoms we enjoy.

Together we can make a difference. I encourage your support.

NATIONAL MEDICAL LABORATORY WEEK

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. SYMINGTON. Mr. Speaker, on March 12, 1975, I cosponsored House Joint Resolution 312, to authorize and request the President to proclaim the second week in April of each year as National Medical Laboratory Week.

The purpose of the resolution is to recognize the instrumental service of the men and women in the medical laboratory field who perform vital diagnostic tests required for the identification and treatment of diseases. Currently, more than 150,000 highly trained specialists are involved in medical laboratory careers.

Although the Congress has not yet acted on this resolution I would like to inform my colleagues that earlier this month Governor Bond signed an official proclamation to declare the week of April 13–19 as Medical Laboratory Week in Missouri. Governor Bond stated during the signing ceremony:

> The purpose of the proclamation is to call attention to the men and women whose service and dedication assist and support the Nation's physicians, researchers, and scientists.

I hope the Congress will soon act affirmatively on House Joint Resolution 312 so Medical Laboratory Week will be observed on a national basis next year.

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THE NEED FOR BILINGUAL EDUCATION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to emphasize the need for bilingual education. There are currently over 1 million individuals of Spanish heritage living in the United States. Under our constitution, the rights of all individuals are guaranteed. The rights of Spanish-speaking citizens cannot be ignored.

In keeping with this sentiment, I have supported legislation for bilingual ballots and court proceedings. The next step would logically by a comprehensive bilingual educational system.

I submit to my colleagues the following article which appeared in the New York Times of April 9. It goes far to illustrate the need for bilingual education in New York City and in all of our school systems.

NEED OF BILINGUAL STUDY ESTA DRAMATIZADA AQUI

(By Peter Kihss)

It was a conscious effort to make the audience nervous.

Herman LaFontaine, a Board of Education official, was addressing a conference of social workers, teachers and others yesterday, but he started to speak in Spanish. Then, in English, he explained that he had wanted those present to understand the frustrations—and potential alienation—a child feels in a classroom when he goes through days and weeks without understanding the language spoken in his school.

The occasion was part of the city's first Puerto Rican Family Week, proclaimed by Mayor Beame, and bilingual education was portrayed by speakers at the conference as a way to help keep children and their newcomer parents together—and to offer "cultural pluralism" to families whose first language is English as well as to those who are Hispanic.

Mr. LaFontaine, executive administrator of bilingual education for the Board of Education, said at the conference at Fordham University, Lincoln Center, that 35,000 to 40,000 children were in bilingual classes here, not only in Spanish but also in French (for Haitians), Chinese, Greek and Italian.

Court-ordered expansion may require a staff of 1,300 or more teachers fluent in both Spanish and English next fall, he said in an interview. The school system now has 800 such teachers, he said, but 250 are in community relations instead of classrooms.

Nevertheless, Mr. LaFontaine said, 3,000 candidates last month took a test, which is still being processed, for teaching in the two languages. Also, he said, budget cuts in financially pressed Puerto Rico are terminating the jobs of 6,000 to 7,000 teachers there.

"All children should be bilingual, to share the culture they have with each other," Evelyna Antonetty, president of United Bronx Parents, told the audience. "New York has lost its Jewish heritage. New York has lost its Irish heritage. We Puerto Ricans are not going to let this happen to us."

10 WORKED WAY UP

The city's first Puerto Rican school superintendent, Carmen Rodriguez of South Bronx District 7, said her district had 185 bilingual teachers, with more than 5,000 pupils in their classes of the district's 24,000. Ten such teachers, she said, originally started as paraprofessional classroom aides four and five years ago.

Miss Rodriguez said the District 7 board resolved last year to provide a class in every grade to help non-English-speaking children. This was before last August's Federal Court consent decree calling for citywide programs this fall to offer mathematics, social studies and science in Spanish together with intensive instruction in English.

"Objective" tests are to be given this spring to decide how many are eligible. Based on past teachers' judgments, Mr. LaFontaine said 150,000 children were considered to be having difficulty in English.

These included 120,000 Spanish-speaking youngsters (the school system has 260,000 Puerto Ricans)—90,000 with moderate and 30,000 with severe difficulties, he said.

Puerto Rican Family Week is sponsored by the Puerto Rican Family Institute of 116 West 14th Street.

THE NEED FOR LEGISLATION TO CREATE A 200-MILE LIMIT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DOWNEY. Mr. Speaker, we have an urgent need for legislation creating a 200-mile limit on foreign fishing activities. The reason is absolutely clear: foreign fishing fleets of this Nation's coasts are threatening the extinction of many of our indigenous species of fish by their unlawful and careless fishing activities.

Our commercial and recreational fishing industries are far too important for this Nation to allow these actions to continue. On Long Island alone these industries have a reported worth of $16 million and it has been estimated that the true value of these industries is far greater. Moreover, the industry is the second largest single employer on Long Island.

These domestic fishing activities are absolutely dependent upon continued stocks of salt water fish off our island's coast. It is well known that Russian trawlers have been threatening our stocks of whiting, ling, herring, and squid. All of these species are fished commercially by Long Island's fishing fleet.

Moreover, New England and the Middle Atlantic are now faced with such a drastic decrease in the population of such species as the yellow tail flounder that the catches of these fish may well have to be reduced in order to insure their continued existence. Similarly, the press reports have indicated that our coastal fishermen are having to venture further from our shores than ever before to find the species they once fished in abundance.

I have recently met with many of my constituents who are extremely concerned about this problem. The report which they have given me has left me similarly disturbed. After talking with them I am completely convinced of the need for prompt action by the Congress.

Foreign fishing fleets are larger, better equipped, and able to travel longer distances than our own coastal fishermen who generally operate on a very small basis. As such, it is inequitable for these highly subsidized fleets to move in on this country's resources and drain them dry so that people in Moscow can eat the most desirable species of fish life indigenous to our own shores.

Furthermore, it must be noted that with the pressing demands of the world's hungry it has become patently clear that if this country does not act a major source of the world's protein could be lost. The devastation of fish life cannot continue.

We, as a Nation, must take affirmative action to require Russia, Japan, and other nations to observe the proper conservation measures of international law in their fishing activities, and we must place a limit on their trawling activities near our coasts. Through the strong leadership of this country we may be able to stop this destruction in time.

But we have already waited too long, the time to act is now, I urge my colleagues to consider these points carefully and press for speedy legislative action.

RULES AD ABSURDUM

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. LATTA. Mr. Speaker, Cass Cullis, editor of the Bryan, Ohio, Times in my congressional district, has come up with another prize-winner of an editorial—this one involving the ridiculous state to which we are being driven by Government rules and regulations. I am pleased to insert it in the CONGRESSIONAL RECORD:

RULES AD ABSURDUM

Back in the olden days when people were literate, the phrase reductio ad absurdum was well understood. No longer in popular use, the phrase applies more and more to government regulations as the complexities of new rules leads to unexpected and unwanted conclusions.

Safety for employes, non-discrimination, concern for the environment, fair taxation, truth in lending, the right to a fair trial, need for good working conditions, anti-pornography laws, and equal rights, are all noble enough causes.

Rules and regulations are made, new rules follow to clarify the original rules, more rules are made to cover the loopholes in the clarifications, exceptions to the rules to cover the loopholes are instituted, ad absurdum.

A few cases in point:

Employers should not discriminate against Negroes. Non-discrimination is insufficient, and affirmative action follows. Eventually a court decision is reached that even those who did not apply are eligible for back pay, because they did not apply for work because they expected discrimination.

Mothers should not receive welfare if there is a "man in the house," so fathers must desert their families so the family is eligible for aid.

Foods must contain minimum daily requirements of certain ingredients to be advertised as "nutritious", therefore, meat and potatoes cannot be advertised as nutritious.

Car makers must make safe cars, so buyers pay $150 for seat belt interlocks, and another $15 to have them disconnected. Then the law is repealed.

Cars must not pollute so the catalytic converter removes the carbon monoxide, but turns out sulfuric acid instead.

Criminals must be apprised of their rights, and if this is not done properly must be freed regardless of their guilt.

A company that loses money can carry forward the tax loss to a profitable year. So a profitable company can buy a company which failed, and deduct the losses from their own income taxes.

Occupational Safety and Health inspections are unannounced, so employes cannot ask for an inspection without asking for the likelihood of a fine at the same time.

Laws are passed against nudity and pornography and could be interpreted to close most of the museums of art in the United States.

Enforcement of the income tax laws requires cross checking, to the extent that supposedly private files are handed freely from one agency of the government to the other.

The list can go on and on, with the final absurdity the likelihood that attempts to correct the absurdities can do little but lead to bigger and better absurdities.

A STRATEGY OF MISERY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FRASER. Mr. Speaker, as high unemployment squeezes double-digit inflation from the economy, we are hearing higher and higher definitions of full-employment. While other countries consider 5-percent unemployment a national crisis which can topple governments, our officials are willing to accept a 5- or 6-percent jobless rate as a target. We are told that the composition of the labor force has changed and that makes the unemployment rate rise. These officials ask us to focus on the lower unemployment rates of adult married men or white men in their prime working years. We must infer from this that those groups with high unemployment rates—women, teenagers, minorities—matter less to our economy.

Such an argument condemns many individuals to unemployment or underemployment, poverty, and despair. It also condones the waste of $125 billion in lost production this year. Our country is not rich enough to throw away almost 10 percent of our GNP.

Helen Ginsburg of the Center for Studies in Income Maintenance Policy of New York University's School of Social Work has analyzed our policy of fighting inflation with high unemployment. I am happy to share her excellent analysis, "A Strategy of Misery," with my colleagues:

[From ADA World, February–March 1975, reprinted from "The Nation"]

A STRATEGY OF MISERY

(By Helen Ginsburg)

Gerald Ford may not agree, but unemployment is already at a disaster level. In December 1974, it shot up to 7.1 per cent. That means 6.5 million human beings are *officially* without work (unofficially, there are many more). In just three months, 1.2 million people have become jobless, and layoffs are still spreading. All kinds of workers are being cut, even the "safe" civil servants. The list grows daily, along with fear and insecurity, as the employed wonder when the pink slip will come and young people worry about the future.

Yet for all the publicity, the true nature of this unemployment crisis is scarcely recognized; it is an acute, dramatic peak rising from a continuing, long-term, quiet and usually ignored state of misery. The immediate catastrophe makes the headlines—it is now almost certain that 1975 will bring a 7.5 or 8 per cent rate—but the chronic failure of the American economy to provide enough decent jobs for all who want to work is ignored. And the absence of a firm national commitment to full employment insures the perpetuation of both situations. Short-term crises are increasingly frequent and stop-gap strategies to cope with them are woefully inadequate. Meanwhile, there is no long-term plan to eliminate the high unemployment that persists in so-called "good times." Even worse, permanent high rates of unemployment are now widely accepted and those in power use fiscal and monetary policy to create rather than to prevent recessions.

How did the country get into this mess? Unemployment is nothing new, but the national position toward it has changed. Back in the 1940s, full employment was a major political issue. It had, after all, taken World War II to end the Great Depression and bring about full employment. There was, accordingly, a pervasive fear of a postwar depression. In labor and liberal circles it was strongly felt that unemployment should never again be tolerated; that a nation capable of total mobilization for war should be able to guarantee jobs for all in peacetime and not have to rely on war to solve its unemployment problem.

In this spirit, the Full Employment Bill of 1945 was introduced in Congress. It declared that "all Americans able to work and seeking work have the right to useful, remunerative, regular and full-time employment." The federal government was mandated to "assure the existence at all times of sufficient employment opportunities." But the liberal-labor coalition was too weak to withstand the attack of big business on full employment and guaranteed jobs. Despite overwhelming Senate approval, the bill was defeated by conservatives in the House. A weaker compromise, the Employment Act of 1946, acknowledged federal responsibility to create conditions that afford "useful opportunities . . . for those willing and seeking to work." However, the changes were more than semantic. The concrete assertion of the right to a job had been replaced by the vaguer goal of "maximum employment" consistent with "other essential considerations of national policy". . . .

There is a feeling these days that the economy may be heading into a 1930s nose-dive, but at least until now, the act's mission of staving off mass depression had been accomplished. And this very success has diverted attention from the long-term problem. When unemployment was a mass affliction, it could not be ignored; with less joblessness it can be. However, since the act's passage, not only has unemployment been substantial and persistent, it has also been drifting upward. From 1946 to 1973, it averaged about 4.5 percent. But it climbed from 4.2 percent in the first half of this era to 4.9 percent in the last half. "Good times" have been rare. This is the sixth postwar recession. Yet who remembers that for 88 months, from November 1957 to February 1965, unemployment rarely fell below 5 percent? Or that in 1958, and again in 1961, the annual rate was nearly 7 percent? Or that since 1948, it has never dipped below 4 percent, except during the wars in Korea and Vietnam?

Even by comparison with other countries, the picture looks grim. True, unemployment has been rising in most industrialized capitalist nations, but it is still much higher here than in most of the others, and it has been for years. From 1960 to 1970, for example, joblessness averaged 4.7 per cent in the United States but only 0.6 per cent in Germany, 1.3 per cent in Japan, 1.5 per cent in Sweden, 2 per cent in France and 3 per cent in Great Britain. (Foreign data are adjusted to American measurement methods.) . . .

In Sweden, a jobless rate of about 3 per cent nearly cost the Social Democratic Party—in power for forty-one years—the 1973 election. But, as Sen. Alan Cranston noted in testimony on behalf of the ill-fated Public Service Employment Bill of 1972, "In this country the rate hovers at 6 per cent and nobody seems to care."

It's not merely that nobody cares. Big business has always preferred some unemployment because it gives more control over workers, weakens unions, and holds down wages. Contemporary economic theory now helps them justify higher and higher unemployment, all in the name of fighting inflation. In the 1960s, many economists popularized the concept of the Phillips curve—the alleged trade-off between unemployment and inflation. According to this reasoning, the lower the unemployment, the more the inflation, and conversely. This implied, in the most conservative interpretation, that full employment was too inflationary and, thus, unattainable or even undesirable. (Each country was said to have its own unemployment-inflation trade-off. How else could you explain that Germany had both the lowest unemployment and inflation rates?)

In a social and political climate with little broad concern over unemployment and with practically no commitment to the concept of genuine full employment, a different meaning of "full employment" took root. At one time the concept of full employment had focused on human beings. It meant that those who wanted work could find it. But then the focus shifted from people to prices. In many circles, full employment came to mean the unemployment rate assumed to be consistent with the degree of price stability desired by policy makers. Over the years, the "full employment" unemployment rate was revised upward from 3 to 4 per cent, to 5 per cent and even higher. (Will it eventually mean 10 percent unemployed?)

In this atmosphere, it is not surprising that the trade-off analysis tempted conservative American policy makers who faced inflation. Strategies deliberately designed to increase unemployment were openly pursued during Nixon's administration. In October 1968, with prices rising and unemployment at 3.6 per cent, the Business Council, an influential federal advisory group of top corporate executives, urged the next President to force unemployment up to 5.5 per cent. If that was the price for putting an end to inflation, a spokesman said, "it must be paid." (*The New York Times*, October 21, 1968.) And paid it was. Soon afterward, the Nixon regime successfully engineered a recession that drove up unemployment from 3.5 per cent in 1969 to 5.9 per cent in 1971. Not much was said about the additional 2 million jobless workers.

Despite periodic denials, the Nixon Administration unofficially abandoned the 4 per cent "full employment" figure adopted by the Kennedy Administration. . . . Yet even if unemployment had been only 4 per cent in 1973, 3.6 million workers would have been officially jobless. It is absurd to call that "full employment," and in a work force of 92 million people, each percentage-point rise in joblessness tosses another 920,000 onto the scrap heap. Current policies would either prevent unemployment from accidentally falling below the target or raise unemployment

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that is "too low." Since 1969, the game has been to keep unemployment from falling too low, not to lower unemployment—except when Nixon was up for re-election.

By the time of the summit conferences, the Ford Administration's target had obviously risen to at least 6 per cent. Why, then, should anyone have expected the same Administration to hurry to reduce unemployment—unless mounting political opposition forced the issue?

Inflation is a complex affair. The Phillips curve oversimplifies matters, to say the least. It spotlights attention on just two factors, assumes that one causes the other, and is then used as a smoke screen to obscure other roots of inflation—for example, the war in Vietnam, the growing power of monopolies, and the "peacetime" military budget.

The Johnson Administration's decision in 1965 to pour troops into Vietnam set off the first round of the present inflation. Taxes could not be raised without arousing further anti-war protest, so the war was sold as a bargain. Some bargain! By 1968, direct costs had reached $30 billion a year. But the war, said the President's 1963 Economic Report, "is a burden a wealthy people can bear." In a time-honored manner, inflation financed the war. Nixon inherited that inflation and, in a desperate attempt to cool it while maintaining the war, threw millions out of work. Yet prices kept rising until "stagflation" became a household word.

That wasn't supposed to happen, but ever since then inflation and recession have shared the same bed. This inflation cannot be attributed to wage-push. The real spendable earnings of workers have declined, while after-tax corporate profits have soared, even allowing for price changes. One reason why prices do not fall is because corporate power is growing. It's not just oil or wheat. For instance, between 1947 and 1968, the 200 largest manufacturing corporations raised their share of manufacturing assets from 47 to 60 per cent. And conglomerates now control much of our food supply. The result, as the detailed studies of John Blair, former chief economist of the Senate Antitrust Committee, show, is that when demand falls, firms in highly concentrated industries tend to raise prices, not to cut them. Witness the auto industry. The corporate hand, not the invisible hand, sets so many prices that even planned recessions that create unemployment and reduce demand don't cure inflation. In fact, they feed it. Of course, a deep and long-lasting recession would doubtless "cure" inflation.

Another factor that adds to inflation is the bloated "peacetime" military budget. As the 1974 Report of the Joint Economic Committee put it mildly, "Defense spending tends to be inflationary." Resources used by the military, the committee pointed out, can contribute to civilian shortages. Expenditures flow into the economy, but they do not produce goods and services to satisfy consumer needs. You can't eat missiles. Is that why the Council of Economic Advisers refused to conduct studies of this aspect of inflation, as requested by the committee?

Planned recessions are a neat way to take income away from the poor and middle classes and give it to the rich by eliminating jobs, charging higher prices, and increasing profits. And having created unemployment, the official attitude has been to wish it away. In the last recession, lingering unemployment was falsely attributed to the entrance of women and teen-agers into the labor force; that line is still popular. Powerless groups are simply written off as not quite legitimate members of the work force. Treasury Secretary John Connally's 1972 testimony to the Joint Economic Committee stated this quite explicitly:

"It is significant that compared to the 5.9 per cent rate for total unemployment, about 17 per cent was the rate for young people and about 9 per cent was the rate for blacks. . . . If you take the unemployment rate for males, heads of families, you get down to an unemployment figure of 3 per cent. So we can't be carried away by an unemployment figure of say, 6 per cent. . . ."

Apparently, only adult males matter. Preferably white.

The average unemployment rate does mask a lot, but that doesn't mean what Connally implied. It means that, while there is prosperity for one group, other groups are hit with recession and depression.

At all times, most of those out of work are white. And that's important in terms of building coalitions to fight unemployment. At present, eight out of ten—5.2 million—of the jobless are white. Unemployment is not just being faced by blacks, or by the unskilled, or by the uneducated, or by any one group. A bachelor's degree no longer guarantees a job. Nor a Ph. D. But it is true that the weakest are hardest hit: minorities, the young, women, the poor and the unskilled.

For two decades now, the unemployment rate of blacks has been double that of whites. In December, the figures were 12.8 per cent and 6.4 per cent. Nearly everyone except Gerald Ford admits that a 6 per cent jobless rate is a full-fledged recession. But from 1954 on, annual unemployment for blacks has never gone as low as 6 per cent and for whites has only twice reached that high. For blacks, this has meant a continuous recession interspersed with depression and frequent double-digit unemployment. And what term can describe the 37.6 per cent jobless rate of black teen-agers, most of whom are out of school? Is it any wonder that inner-city crime persists? As for adult women, relatively more of them are unemployed than adult men—7.2 per cent compared to 5.1 per cent—and the gap has been widening. Yet only the earnings of married women enable many working-class families to make ends meet. And for working women who head families, unemployment may lead to welfare.

Bad as they are, official unemployment figures are just the tip of the iceberg. They exclude, for instance, 3.4 million part-time workers who want full-time jobs but can't find them, and about 700,000 persons officially listed (1973) as too discouraged to look for work. (Unofficial estimates of discouraged workers are millions higher.) Just adding these two groups to the official roster of 6.5 million shows that, at the very least, 10.7 million people are either fully or partly unemployed. Nor is even that the whole picture. Millions of fully employed Americans earn too little to live in minimal decency. All of these problems are now exacerbated by the recession, but a Bureau of Labor Statistics survey has demonstrated that, even in good times, urban slums are cesspools of open and disguised unemployment and inadequate earnings. Thus, in November 1966, when national unemployment was 3.7 per cent, from 24 to 47 per cent of workers in ten large urban slums were either officially or unofficially jobless, working part time involuntarily or full time for less than the poverty level of $60 a week.

For part of the work force—especially but not exclusively minorities, women, the poor, the young and the unskilled—even good times can be bad times. And bad times are an utter disaster. Why, then, has there been so little political response? Fear of inflation? Misunderstanding of its real cause and ignorance of its extent? Unemployment insurance, which cushions the blow? (Yet in 1973, no more than two out of five of the jobless drew benefits that averaged only $59 a week.)

While each of these may explain the apathy in part, there are still other reasons. Response is weak precisely because so many of the unemployed have little status, suffer the most discrimination, have the least political power, are often outside unions or underrepresented at leadership levels within them. More of the jobless are from these groups today than in the past. Perhaps that is why ever higher unemployment has become tolerated or ignored— and not just by conservatives. Some don't know and some don't care. Increasingly, we live in different worlds, isolated from those unlike ourselves. . . .

Since 1970, poverty and income inequality have been increasing, black economic progress has halted and is even reversing. Cities have been deteriorating rapidly. Crime is more rampant than ever. Right now, in the job market it's young against old, white against black, men against women—all pitted against one another for scarce jobs. In New York, college graduates are vying with welfare mothers for a dwindling number of jobs; older civil servants may be forced into premature retirement to save younger workers' jobs. The recession has further split an already divided work force. As it deepens, divisiveness may worsen. But the situation also presents an opportunity. Can the massive asault on jobs and real earnings which now threatens so many stiffen resistance and become a unifying force?

So far, Congress has reacted weakly to the recession. Emergency unemployment benefits will be temporarily extended to many previously uncovered workers; and $2.5 billion has been authorized for public service jobs. But only $875 million has actually been appropriated for jobs. That's about 100,000 jobs—barely enough to help one out of 65 of the unemployed. The effect is to disguise how little is being done. The new, more liberal Congress should be more responsive, especially as pressure builds. But even if the acute crisis eventually abates, what then? Do we go back to the quiet misery?

The goal should be guaranteed jobs for all at decent wages. But can genuine full employment actually become a potent political issue? Women are organizing—even within labor and political parties. The National Urban League has made full employment a priority issue. And the nation's mayors are calling for federal action to create jobs. Most promising is the formation last June of the National Committee for Full Employment, co-chaired by Coretta Scott King and Murray Finley, president of the Amalgamated Clothing Workers. With representation from organized labor, civil rights, black, women's religious, ethnic and other groups, the committee correctly asserts that "the guarantee of a job is a fundamental right," and that "unemployment at any rate is unacceptable . . . full employment means no involuntary unemployment. . . ."

Can the many solidarity gaps that divide people be bridged? Could a mass movement for full employment gain the momentum that the civil rights and anti-war movements once had? Can anything less make full employment a major political demand?

In a major new development on Capitol Hill, Reps. Augustus Hawkins and Henry Reuss and 61 co-sponsors have introduced the "Equal Opportunity and Full Employment Act of 1975," and Hubert Humphrey has introduced a companion bill in the Senate. The House bill would establish a national policy and create the necessary machinery to guarantee adequately paying jobs for all. It's a long-term approach, but stopgap measures don't solve long-term problems. Last March, Hawkins said that by 1976, "the platform committees of the two major parties will face a major challenge. Will they content themselves with the flatulent rhetoric of the past? Or will they commit themselves to a genuine jobs-for-all guarantee?" The question is even more pertinent today.

PUBLIC SECTOR/PRIVATE SECTOR

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ASHBROOK. Mr. Speaker, one of the bills currently before the Labor Subcommittee on which I serve is H.R. —— which would open the door for compulsory union membership in Federal, State, municipal and local public employee groups, as well as teachers. The bill has broad implications and will be studied very carefully by this committee on which I serve as the ranking minority member.

Public employees seek what they call equality with the employees in the private sector despite the fact that their base of employment, their function and their situation is much different. Teachers, for example, have a contract with their school board on an individual basis in most cases, something entirely different from the private sector, Most polls indicate the public to be opposed to this extension of compulsory unionism and checkoff of dues.

David B. Martin, executive vice president of the Ohio School Boards Association wrote an excellent article in the April 1975 OSBA Journal on this subject which I include with these remarks and urge my colleagues to read in detail:

PUBLIC/PRIVATE SECTOR

(By David B. Martin)

Pressure is at an all-time high on both the Ohio General Assembly and the United States Congress to enact collective bargaining legislation for public employees. The year 1975 could be a significant turning point for public sector unionism.

To date, the primary thrust has been at the state level. It seems apparent that the 111th General Assembly is giving collective bargaining legislation a high priority. Also, major public sector unions are mounting a massive campaign to get Congress to enact a federal public sector negotiations law which would, for all intents and purposes, preempt state legislation.

As we move closer to universal collective bargaining legislation for all public employes, it is incumbent on school board members to convince their legislators that significant differences exist between the private and public sectors. It is true that most of the slogans, much of the rationale and many of the techniques used by public sector employes were borrowed from the private sector. It is not true, however, that private sector experiences have an automatic application in public sector bargaining.

Let us examine some fundamental differences between the public and private sectors . . . differences which should disprove the assumption made by employe organizations that public sector bargaining should be conducted by private sector practices:

Political subdivisions cannot go bankrupt, go out of business or be sold. Since schools, for example, must stay open, boards of education do not have the same choices available to private sector employers.

Public sector employers do not have the option of moving their services to another location in order to take advantage of a better labor market . . . so again the imbalance of bargaining power rests with the employes.

Boards of education are elected by and accountable to the public. Further, they cannot legally surrender their mandated responsibility. Chief corporate officers have a similar relationship to their stockholders. A significant difference exists, however, in that teacher groups in particular want to bargain everything including public policy. This is not a problem in private sector bargaining.

There is no "profit and loss" incentive in the public sector. School board members, unlike directors of private companies, do not have a personal economic interest in the outcome of bargaining. Since there is no equality of personal incentive in public sector bargaining, the imbalance rests with the side whose economic interests are at stake.

The price of the product cannot be raised and then passed on directly to the consumer as in private industry. This places public employers at a distinct disadvantage in seeking a settlement.

In most labor disputes, the consumer is an innocent third party. In school labor disputes, however, the child is the victim. This is a dimension not usually found in private sector bargaining.

The labor-management division, particularly with middle management, is not as clearly delineated in public employment as it is in private industry.

Most public employes enjoy both state mandated protection and the benefits of collective bargaining. For example, teachers enjoy the double protection of a personal contract and their association or union contract. Additionally, they have a state minimum salary schedule and a locally negotiated salary schedule.

Boards of education can rarely control the high cost of labor by changing their methods or operation. Automation, dropping courses and similar practices are not usually appropriate in the public sector. Though school management must always strive to be more efficient, economies will, after a certain point, begin to affect the quality of the instructional program.

It is illegal for school districts to engage in deficit financing. Business and industry can obtain long term financing to get them through a difficult period. This obviously has major implications in public sector bargaining.

Public sector management has the unique problem of the increasing ability of public sector unions to, in effect, sit on both sides of the bargaining table through the election of public officials. Obviously, union-dominated management could make the collective bargaining process a farce.

It is obvious that many significant differences exist between the public and private sectors . . . differences that vitally affect labor relations particularly in the area of collective bargaining.

The charge that public employes without the right to strike or without binding arbitrations are "second class citizens without the same rights as other citizens" is totally unfounded. As a matter of fact, many public employe salaries and fringe benefits compare very favorably with those in private employment. Certainly civil servants enjoy considerably more job security than their private sector counterparts.

If certain of the collective bargaining proposals now before Congress or the Ohio General Assembly are enacted, public employes will not be second class citizens . . . but rather they will enjoy a special citizenship status not available to others.

A TRIBUTE TO LOUIS JORDAN

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mrs. BURKE of California. Mr. Speaker in these troubled times, it is often refreshing to remember those who brightened our lives through the gift of self. Louis Jordan of "Tympany Five" fame was such a giver and made many outstanding contributions to the national spirit through his work as an entertainer. This Sunday, April 27, 1975, many of those friends who joyed in Louis Jordan's life and his gifts of music, humor, love, and wit will honor his memory with a "Tribute" in Los Angeles.

Moving to Los Angeles in the 1960's, Louis Jordan brought his special blend of musical magic to our community and expanded his giving. Already noted in many quarters as the "father" of the story-to-music art form in the jazz idiom, Louis went on to become one of our foremost musical ambassadors. In this capacity, he traveled extensively throughout Europe and Asia performing for foreign dignitaries and American military forces.

We lost Louis Jordan last February in his 66th year, but his musical imprint, his life impact, remains to delight our ear and excite warm feelings of nostalgia. The years he gave America were nationally important ones. The music he composed and played is regularly heard and will continue to bring pleasure to all of us.

I urge my colleagues to pause a moment and reflect with me on the wealth of this man's gifts and the joys he brought the world.

UNITED STATES MUST TURN TO ALTERNATIVE FORMS OF ENERGY

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RISENHOOVER. Mr. Speaker, our Nation is spending about $24 billion a year buying oil. It is weakening our economy and forcing this Republic into a compromising position among the nations of the world.

We must find new domestic oil besides turning to alternative forms of energy—particularly nuclear energy.

America has always had a pioneer spirit. In this time of energy crisis, we must move without fear into important arenas of fuels for our people.

In my own district, an innovative and important energy park is being considered at Camp Gruber by the Federal Energy Administration.

The concept is to locate on a single site a complex which would include various mixes of electric generating plants, fuel processing plants, and perhaps industrial facilities utilizing process and waste heat. The facilities could be both nuclear and nonnuclear, for although the original proposals for energy parks evolved from the realization of the obvious advantages to be obtained from the standpoints of safety and safeguards in the nuclear power fuel cycle activities, it was soon concluded in some preliminary studies that significant advantages might also be obtained by the colocation of nonnuclear energy production and ancillary facilities.

I strongly endorse this concept and

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urge the national administration to move fearlessly toward making the Camp Gruber complex a working reality for our Nation's people.

In a speech April 21, at Kansas City before the Southern Interstate Nuclear Board, our distinguished colleague, Chairman Mike McCormack of Washington of the Subcommittee on Energy Research Development and Demonstration of the House Committee on Science and Technology, made an impressive speech which I wish, in part, to print in the Record:

> As responsible citizens sort out the facts in the energy picture, it becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready now to provide much of the energy this nation will need during the next fifty years. Nuclear energy is the cleanest, cheapest source of energy available with the least environmental impact of any significant option. If we did not have nuclear energy available to use for the coming decades, the future of this country would indeed be black—in more ways than one . . .
>
> Much "to-do" has been made by some members of the press about nuclear energy, and a number of false or flagrantly distorted stories have been written and TV programs broadcast about nuclear safety and the hazards to the public associated with nuclear energy. Certainly a rational analysis of this subject is in order. I only wish that the same high standards for safety and health that have always been imposed by the Atomic Energy Commission were observed by nonnuclear industries. I wish that our sensation-seeking newsmen would pursue real hazards in the nonnuclear world with the same enthusiasm as they do non-existent dangers they have imagined in the nuclear world . . .

In context with Chairman McCormack's remarks, I wish to point out part of a report on Oklahoma's Camp Gruber project by Battelle Pacific Northwest Laboratory which says:

> The significant disadvantages of Camp Gruber for construction of energy facilities are as follows:
>
> Ample Low-Cost Land: Camp Gruber has available 70,000 acres of unoccupied land which has favorable topographic, geologic, seismic characteristics. It has good foundation conditions, a low probability of major earthquake damage, good drainage, and ample elevation above flood levels. The topography is favorable for construction of buildings and transportation facilities.
>
> Large Markets for Energy Products: The forecast increased demand in Oklahoma and the U.S. for electricity, natural gas, petroleum products, and other products of energy industries should provide ample markets for the products of a Camp Gruber energy center.
>
> Ample Water Supply: The adjacent Arkansas River system contains ample water for a large energy center. Enough water appears to be available to permit operation of thermal power plants of at least 12,000 MWe capacity during the worst expected conditions of low river flow rate and high water temperatures.
>
> Generally Favorable Public Attitude Toward an Energy Center: A recent survey of the surrounding population revealed that a large majority favored construction of an energy center at Camp Gruber if there is an insignificant change in the environment.
>
> Low Construction Costs: An ample supply of labor is available for the largest construction projects. The construction cost index is among the lowest in the nation and averages only 88% of the national average.
>
> Minimum Environmental Impact: The large uninhabited area, favorable population distribution and good meteorological conditions should result in minimal environmental impact due to chemical, sound, heat, or radio-nuclide releases. Construction at the camp would cause no displacement of residents. The camp is not a major habitat for rare and endangered species. There are no identified historical or archaeological sites on Camp Gruber. Recreational hunting could be affected by energy facilities, but proper game and grazing management should minimize the impact. A significant degradation of social conditions is not expected as a result of either construction or operation of energy facilities. Nearby cities appear to have most of the facilities and services needed for a large (6,000 person) construction force.
>
> Excellent Transportation Facilities: Railroad, interstate truck transport, multi-1000 ton barge service, and jet air service is available.
>
> Ample Fuel Supplies: Oklahoma has an extensive pipeline system for both petroleum and natural gas. Coal is available from both Oklahoma and other western states.
>
> Available Utilities: Camp Gruber has an existing state highway, main line railroad, and electrical transmission facilities.
>
> Ample Supply of Operating Labor: An ample supply of operating labor is available. The average manufacturing labor cost in Oklahoma is only 92% of the national average and the work stoppage rate is only one-third of the national average.
>
> Favorable Meteorology: The mild climate offers many of the opportunities for outdoor living and recreation found throughout the middle southlands. Good atmospheric dispersion characteristics should result in a low probability of inversions and accumulation of waste gases.
>
> Attractive Cultural Assets: Camp Gruber is only fifty miles from Tulsa which provides the broad spectrum of metropolitan cultural advantages. A large diversity of outdoor recreation opportunities exists because of the adjacent Arkansas River system and the Ozark Mountains.
>
> Numerous Support Industries Available: The nearby Tulsa region can provide numerous support services, such as analytical services, architect-engineering, computer technology, consulting engineering, equipment fabrication, medical services, research and development, and wholesale services.

Mr. Speaker, this Nation must solve its energy problems. The Camp Gruber project deserves swift action—and the country will be enriched by the dispatch.

CRIMINALS AND HANDGUN BANS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KETCHUM. Mr. Speaker, I have long held fast to the premise that Federal regulation and control of firearms will only succeed in removing a constitutional right from our law-abiding citizens. Those determined to commit violent crimes will do so, with or without firearms. Indeed, such crimes were committed before firearms existed at all. We hear many brutal news reports of fatal stabbings or beatings, yet there is no movement afoot to ban knives, or bludgeoning instruments. It is people who do the killing, not things.

I would like to share with my colleagues an editorial on this subject which appeared in the Bakersfield Californian in my district. I hope that at least some of us are still rational enough to realize the truth of its message:

> CRIMINALS AND HANDGUN BANS
>
> Bakersfield Police Chief Robert Price, commenting on a proposal to ban handgun and ammunition sales in selected U.S. communities, talks sense when he says: "I don't feel you can keep guns from criminals."
>
> The offender who premeditates a crime of violence will secure a weapon, whether he has to steal it or manufacture it himself.
>
> Regulations in other areas, notably New York's Sullivan Law, have failed to curb handgun-related crimes. It's doubtful the recent gun control proposal of U.S. Attorney General Edward H. Levi is any more workable.
>
> Levi seeks to ban possession of handguns outside homes or businesses in high crime communities, including Bakersfield. He says the prohibition would be lifted when crime declines.
>
> We question whether Levi's plan is constitutional. That is for the courts to determine in event the legislative branch actually sanctions Levi's proposal.
>
> It seems obvious to us such a law would do little, if anything, to slow down commission of the offenses which caused Bakersfield's crime rate to increase 23 per cent in a single year.
>
> Few armed robbers, rapists, muggers and killers-for-hire visit the local sport shop, choose a weapon and submit to the statutory waiting period before going about their misdeeds. Their weapons are obtained illegally, stolen or purchased from one who deals in firearms which can't be traced.
>
> The law-abiding citizen who keeps a handgun in his home for protection or has a target shooting weapon isn't going about holding up liquor stores or assaulting his neighors.
>
> By allowing possession of handguns in homes, the Levi proposal does nothing to combat homicides committed in the heat of passion. We suspect those who take a life in rage will find the means to do so, with or without handgun availability.
>
> It seems reasonable to suggest offenders will use deadly weapons in crime until such time as the price of getting caught becomes too great for the criminal to bear.
>
> Handgun related crimes, we believe, will diminish when laws are enacted—and sternly enforced—mandating stiff prison sentences for offenders who use a firearm. Those terms should be imposed in addition to, not concurrent with, punishment for whatever other offense was committed.
>
> "The courts," says Price, "(should) recognize these crimes that are perpetrated by means of having a gun and then giving appropriate sentences."
>
> Strict enforcement of existing laws dealing with illegal possession of firearms, particularly by ex-felons, probationers, parolees and suspects out on bail, also will reduce serious crime.
>
> We think the public should give more than cursory attention to the Levi proposal and its ramifications. Laws enacted, even if temporary, have a way of gaining permanent status. In our thinking, Levi's anti-crime measure represents a giant step toward eroding the law-abiding American's constitutional right to bear arms.

REMOVAL OF CEILINGS ON FEDERAL PAY, AND ON SOCIAL SECURITY AND RETIREMENT BENEFITS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FISHER. Mr. Speaker, I am pleased to join with other Members of Congress from the Washington metropolitan area in bipartisan support of Mr. O'Neill's amendment to House Concurrent Resolution 218. We register our support of the amendment that Mr. O'Neill intends to introduce on Thursday, May 1, to eliminate all ceilings from the budget resolution, including the 5 percent cap on Federal pay and the 7 percent on social security and retirement benefits.

On April 28, at my invitation, Members of Congress from the Washington metropolitan area and members of their staffs met with me and my staff to discuss the implications of imposing ceilings or caps on both Federal pay and on retirement benefits for both Federal and private-sector retirees. Those present at that meeting reported that their Federal-employee constituents recently had expressed a high degree of concern over the possibility of capping salary increases that have been adjusted up to now according to changes in the cost of living.

Their greatest concern was that imposing caps on Federal pay would destroy the concept of comparability with the private sector and that once comparability was eliminated, it would be exceedingly difficult, if not impossible, to restore it. They opposed also any caps on social security and other retirement income. That limitation would strike one of the most vulnerable groups in our population—the aged living on fixed incomes—for whom Congress had already enacted laws committing the Federal Government to cost-of-living adjustments.

When the final details of Mr. O'Neill's proposed amendment were released to my staff on April 29, Congressman Herbert E. Harris of Virginia, Congressman Gilbert Gude and Congresswoman Gladys Noon Spellman of Maryland, and Delegate Walter E. Fauntroy of the District of Columbia readily agreed to cosign the following letter to Mr. O'Neill to indicate our support of his amendment. Mr. Speaker, I would like to enter that letter of support in the Record:

WASHINGTON, D.C., *April 30, 1975.*

Hon. Thomas P. O'Neill, Jr.,
Rayburn House Office Building,
Washington, D.C.

Dear Mr. O'Neill: We understand that you plan to introduce shortly an amendment to H. Con. Res. 218 that will eliminate all ceilings from the Budget Resolution, including the 5% cap on Federal pay and the 7% cap on Social Security and retirement benefits.

As bipartisan Congressional representatives from the Washington metropolitan area, we are pleased to support your amendment, which will allow pay and benefits to rise as they normally would under the operation of current law. We voice our support not only because this is a matter of great interest to the many federal employees in our respective districts, but to many Americans everywhere, including large numbers of retirees on fixed incomes.

We are especially gratified to note that, in removing the caps, your amendment still stresses fiscal responsibility by recouping the cost of these removals in other areas of the budget. We recognize that these ceilings in themselves would not realize significant savings in terms of the total outlays recommended by the President or, more recently, by the Budget committees of both Houses of Congress. We further recognize that, by removing the cap from military and civilian pay, and that from non-disabled retired military pay, revenues are expected to increase in fiscal year 1976.

We not only register our support for your amendment but will strongly urge our Congressional colleagues to vote for it on the floor of the House.

Sincerely,

Joseph L. Fisher,
Herbert F. Harris III,
Walter F. Fauntroy,
Gilbert Gude,
Gladys Noon Spellman,
Members of Congress.

FIRST COMMITTEE REVIEW OF THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. McCORMACK. Mr. Speaker, the Joint Committee's Subcommittee on Review of the National Breeder Reactor Program began a series of briefings on Tuesday of this week and heard from Dr. Gerry Tape on the historical background of the civilian nuclear power program and from Mr. E. R. Johnson on the characteristics of the uranium fuel cycle. I ask to be included in the Record at the conclusion of my remarks a summary of the presentations which were heard from these speakers.

Tomorrow, May 1, the subcommittee will convene at 2 p.m. for a second briefing session during which we will hear a description of the basic nuclear reactor types by Dr. E. Linn Draper and a description of the enriching process and plutonium recycle by Mr. George Quinn.

I would like to publicly acknowledge the fine presentations given by Dr. Tape and Mr. Johnson. The material was excellent and subcommittee members in attendance had the opportunity to question the speakers on matters of special interest to them. I was particularly pleased that the following members of the ad hoc subcommittee participated in yesterday's briefing session: Senator Howard Baker, Senator Clifford Case, Congressman Teno Roncalio, Congressman Frank Horton, and Congressman Andrew Hinshaw.

Summary of Tuesday, April 29, 2 p.m. briefing session follows:

Dr. Gerald F. Tape, presently serving as U.S. Ambassador to the International Atomic Energy Agency—IAEA—briefed the Ad Hoc Subcommittee on the Breeder Reactor Program on the subject of the historical development of the U.S. civilian nuclear power program. The briefing summarized activities of the Manhattan project period, which included the first successful sustained nuclear chain reaction in December of 1942 and the construction of a variety of research and plutonium production reactors. The establishment of the Atomic Energy Commission in 1946 led in the late forties and early fifties to an expansion of uranium ore procurement and enrichment activities, and to reactor development activities especially for production and military applications. This period included the first experimental breeder reactor—EBR–I, pressurized water reactors for submarine propulsion and materials testing reactors.

The Atomic Energy Act of 1954 included specific provisions for the purpose of enhancing industrial participation by permitting access to technical data and private ownership of nuclear reactors, and by establishing a framework for licensing and regulatory activities. It also made possible programs for international cooperation. In 1955, a power reactor demonstration program was begun to strengthen utility and equipment manufacturers' involvement in developing a broad spectrum of plant types and sizes. Several methods of Government assistance were provided to enhance commercial participation. These activities led in the late fifties to defining economic targets and to the establishment of longer range goals in economics and resource conservation.

In 1962, a report to the President on civilian nuclear power was prepared by the Atomic Energy Commission. It was concluded that the nuclear power program should continue on an expeditious basis. Commission support was to be continued with added emphasis on stimulating industrial participation, including: First, early construction of plants utilizing competitive nuclear reactor types; second, development, construction and demonstration of advanced converter reactors to improve the economics and the use of nuclear fuels; and third, intensive deevlopment and, later, demonstration of breeder reactors to fill the long-range needs of utilizing fertile as well as fissile fuels.

Further objectives for the future nuclear power program were established to foster and support the growing use of nuclear energy and, importantly, to guide the program in such directions as to make possible the exploitation of the vast energy resources latent in the fertile materials, uranium-238 and thorium. Specifically, these included the further construction of demonstration reactors, the early establishment of a self-sufficient nuclear power industry, and the development of improved converter and, later, breeder reactors.

Continued development of the nuclear power industry in the mid-sixties to early seventies saw a major role taken by

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private industry, Government research and development emphasis on safety, Government regulatory emphasis on engineered safeguards and quality assurance, and the emergence of several issues such as operational reliability, et cetera. In addition, further emphasis was directed toward breeder reactors, with an AEC commitment in 1968 to a strong research and development program, and with a Presidential energy message in 1971 establishing the operation of a demonstration liquid metal fast breeder reactor as a national goal by 1980. A cooperative demonstration program for the construction of an LMFBR on a utility grid was established in 1972, and work on that project—Clinch River Breeder Reactor—continues today.

Contributions to LMFBR technology have been made by a number of experimental plants operated in the United States as well as others in foreign nations. In particular it was noted that the United Kingdom, France, and the U.S.S.R. are currently operating liquid metal breeder reactor demonstration powerplants considerably ahead of the U.S. schedule for its first demonstration plant. It was noted at this juncture that the ad hoc subcommittee was developing plans for visits to these facilities.

BRIEFING ON THE URANIUM FUEL CYCLE—PRESENTED BY E. R. JOHNSON

Mr. E. R. Johnson, president of E. R. Johnson Associates, presented a thorough and informative review of the processing steps of the nuclear fuel cycle. The review covered a description of the cycle from the initial mining process through plans for disposition of wastes. Key points noted as listed below.

From the initial ore that is mined, U_3O_8, or yellow cake, is produced which contains both U–238 and a small fraction of U–235, the fissionable isotope. The yellow cake in turn is converted into a gaseous form which is the form needed in order to increase the fraction of U–235 in the uranium at the gaseous diffusion plants. The enriched uranium is then converted to an oxide powder which is used to make reactor fuel elements. The initial oxide powder is approximately 60 percent dense; through a sintering process the oxide is brought close to 100 percent of theoretical density. The pellets are then stacked into zirconium tubes and sealed. These tubes or fuel pins become the basic fuel for the reactor. Approximately 45,000 fuel pins are needed to fuel a large sized reactor.

After a reactor has operated for a specified period of time products from the fission process have increased to the point where it becomes necessary to refuel the reactor. For typical plants, this occurs approximately once a year. After fuel is removed from the reactor, reprocessing of the fuel is necessary such that the uranium that has not been used up can be returned to the fuel cycle for making new fuel while the radioactive waste products can be prepared for storage.

Mr. Johnson described the extensive care taken in transporting the nuclear materials at each step of the process. The gaseous form of the uranium is shipped in specially designed casks similar to chlorine shipping containers. After fuel has been irradiated in the reactor, the fuel shipping casks require massive shielded containers—typically lead or depleted uranium. These containers are designed to very strict standards. The cask must not leak radioactive material even after the following tests:

First, a 30-foot drop onto an unyielding surface;

Second, a puncture test which is a drop of the cask from four feet onto a spike;

Third, survival in a fire of greater than 1,400°F. for 30 minutes; and

Fourth, submersion in water for 8 hours.

Potential methods of waste disposal were discussed. Presently, high level radioactive wastes are being held in specially designed tanks. It was observed that while there have been leaks of radioactive material from the tanks used to store wastes generated in the military program, there have been no leaks from the tanks used to store wastes generated by commercial power reactors.

Mr. Johnson explained how special storage cylinders are to be used to store wastes in retrievable surface storage until a method of permanent disposal is decided upon.

It was necessary to adjourn before Mr. Johnson finished his presentation. He will present the remainder of his material at a later date.

POSTCARD REGISTRATION OPPOSED BY LOCAL BOARDS OF ELECTION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ASHBROOK. Mr. Speaker, one of the most persistent complaints I hear about legislation and regulations at the Washington level is that they so often fail to take into consideration the situation at the local level back home or are unrealistic in the requirements imposed on local people, local groups, local business, or local government. No better case in point could be made than the proposal for postcard registration. Aside from the obvious invitation to fraud, this proposal would be counterproductive to the good people who have worked so hard to make our election process honest, responsive to the needs of people, accessible and reasonable.

You never can do enough for some people. Right now in the Judiciary Committee on which I serve, the Voting Rights Act is being amended to include a requirement to print ballots in additional languages besides English in certain areas. I hear questions raised as to where balloting places are located—think of that, here in Washington questioning where local precincts in Texas have their voting places—whether municipalities can annex outlying territory if the racial balance would be disturbed, and so forth. Absolutely ridiculous. What right do Members of Congress have in tinkering with the voting procedures of sovereign States.

Ohio voting laws are very adequate. I know in my own county the board of election periodically goes out to the people so they can register without driving to the county seat. Every effort is made to provide any eligible citizen the constitutional opportunity to cast his ballot. Some would spoon feed everybody. I suppose the next proposal if postcard registration passes will be to deliver the ballot to the door.

Our system places some responsibilities on the shoulders of those who would have the right of citizenship. Most people do not consider this a burden. For those who do, their complaints on our system should be muted by their failure to avail themselves of the right to register, vote and influence their government.

Mr. Speaker, I would like to include with these remarks two letters from boards of election in my congressional district. These boards are composed of both Democrat and Republican members. This is not a partisan issue. They oppose postcard regulations as strongly as I do. I would also include a letter from our distinguished Secretary of State, Ted Brown, a letter to the editor from our former esteemed colleague Gordon Sherer who is now a member of the Hamilton County Board of Elections and an editorial from the Cincinnati Enquirer:

LICKING COUNTY BOARD OF ELECTIONS,
Newark, Ohio, April 17, 1975.

HON. JOHN M. ASHBROOK,
Cannon Office Building,
Washington, D.C.

DEAR SIR: The members of the Licking County Board of Elections would like to view their objections and reasons for opposing "Postcard Registration Bills" (H.R. 1686 and S. 1177).

While the Board feels it is their responsibility to facilitate registration, we feel this is being done as provided by state law, so the voter is eligible to vote at all elections, not just Federal Elections. The post card registration bill would certainly confuse the voters, while costing the money in increase taxes to pay for the expense of at least two sets of files and additional personnel in this office.

We are also concerned that such a bill could increase the potential for election fraud. The Board therefore unanimously opposed Post Card Registration.

Very truly yours,
MARCELLA S. O'HARE,
Director.
JOSEPH F. SINSABAUGH,
Chairman.
DWIGHT S. JEWETT,
FREDERICK C. MOSSMAN,
RONALD G. VAN ATTA,
Licking County Board of Elections.

COUNTY OF ASHLAND,
Ashland, Ohio, April 21, 1975.

REP. JOHN ASHBROOK,
Cannon House Office Building
Washington, D.C.

DEAR SIR: It has been brought to our attention that House Bill 1686, a postcard registration bill, has been re-introduced into Congress. Passage of this bill would necessitate the maintenance of at least two sets of voter registration records—one for state and local elections and another for Federal elections. This would increase the number of registration personnel and thereby increase the expense to taxpayers.

We would like to urge you to consider County budgets before voting on laws of this type that would require us to spend more County money, unless necessary Federal or State funding would be approved for same.

We would appreciate your consideration in this matter.

Very truly yours,
HOWARD E. HASTINGS,
TED L. BECK,
DON E. WORKMAN,
Board of County Commissioners.

COLUMBUS, OHIO,
April 11, 1975.

BOARDS OF ELECTIONS.
Attention Directors.

GENTLEMEN: A postcard registration bill, H.R. 1686, has been re-introduced into Congress by Representative Wayne Hays of Ohio. A similar bill has been reintroduced into the Senate by Senator Dale McGee, of Wyoming, and that bill is numbered S. 1177. The Senate Bill has 52 co-sponsors. Hearings are scheduled on the House Bill next week and on the Senate Bill next month.

Last year election officials in Ohio and throughout the nation were able to convince Congress that the national postcard registration bill contained serious flaws and, therefore, should not be passed. Because of the outcry from election officials, Congress sidetracked the bill. Our margin of success in this effort was very slim.

It may be helpful to again review our objections to the national postcard voter registration bill. We are concerned that the bill may increase the potential for election fraud, but there are also more immediate reasons for opposition to the bill. These reasons are as follows:

1. It would necessitate the maintenance of at least two sets of voter registration records—one for state and local elections and another for Federal elections. This would increase the number of registration personnel and thereby increase the expense to the taxpayers.

2. It could result in the loss to many states of millions of dollars they have invested in their present registration systems.

3. It could annoy and confuse millions of voters who are presently properly registered.

4. Historically, elections have been administered by the various states. I firmly believe that the Federal government should not intrude into this area of state responsibility unless the states misuse their power or fail to discharge their responsibilities.

I am convinced that these bills are such an intrusion, and that it is unwarranted and unnecessary. I have actively supported, and the General Assembly has passed, legislation in Ohio to facilitate registration, making it more convenient for persons to gain access to this state's voter registration rolls. My conversations with other Secretaries of State convince me that most other states in the Union also recognize their responsibility in this area.

Whether you oppose or favor Federal legislation of this kind, I suggest that as an election official you have the responsibility to make your views known to your Congressmen and Senators. If you have any questions or comments concerning these bills, I would be pleased to hear from you.

Very truly yours,
TED W. BROWN,
Secretary of State.

[From the Cincinnati Enquirer, Mar. 28, 1975]

READERS' VIEWS—MISSPENT EFFORTS

TO THE EDITOR: I read with considerable interest your lead editorial (March 17) entitled "The Persistent Electoral Enigma." From my experience as a member of the Board of Elections for the past seven years, I can testify that your editorial is exactly correct.

The board has gone out of its way to "wet-nurse" people in an effort to get them to register. It is unfair to taxpayers, and particularly to the voters who maintain their registration, to spend unwarranted sums in an effort to almost force some people to register and vote. Most of those who do finally register as the result of the registration drives do not vote on Election Day.

The cost of voter registration by door-to-door solicitation would be unbelievably high. Those who do eventually vote would be mostly a controlled vote—this is one of the reasons proponents of door-to-door registration are advocating it.

On September 21, 1974, L. D. Warren drew a cartoon showing the uninformed and indifferent nonvoter as Mortimer Snerd on the board's knee. This cartoon tells the story just about as accurately as your editorial insofar as the average person is concerned.

Needless to say, Earl Barnes and I, as members of the Board of Elections, appreciate your editorial. It says what we have been saying from time to time about the futile and excessive registration campaigns.

GORDON H. SCHERER.

[From the Cincinnati Enquirer, Mar. 17, 1975]

THE PERSISTENT ELECTORAL ENIGMA

The question that arose out of the Hamilton County Board of Elections' recent voter-registration effort is where the voter's responsibility for maintaining an active place on the county rosters ends and the board's begins. In fact, one may wonder whether registration drives ultimately have a significant impact on voter turnout at all.

The recent effort, in the form of a direct mailing to inform previously registered voters that they were in danger of being dropped from the rolls by virtue of having failed to vote in the last two elections, resulted in one of 10 responding that they desired to be kept on the rosters. Elections officials were candidly disappointed with this outcome.

But the most recent registration drive did not produce any real surprises in the way of results. Prior to the 1974 gubernatorial election, an intensive effort was mounted to make it more convenient than ever for potential Hamilton County voters to enroll. In addition to an expanded registration schedule at local high schools, colleges and a League of Women Voters' campaign on Fountain Square, the Board of Elections opened the county's 941 precincts for one day to accommodate registrants. The highly publicized one-day additional push resulted in only 5090 registrations.

Registrations are only half the story. Obviously, citizens who have to be enticed into registration cannot be counted on for making the trip to the polling places on Election Day. Thus, in November, 1974, after considerable extra effort to attract greater participation, about 65% of the registered voters turned out. There were 434,000 registered; elections officials predicted a vote count of 320,000 and, in the end, 281,000 ballots were cast.

This picture is fairly reflective of the trend in recent years, despite extra, imaginative and expensive registration campaigns. The figures demonstrate as conclusively as possible that other proposals, such as door-to-door registrations, and criticisms, such as in regard to the size of the precincts, would be of highly questionable value. The problem is clearly one of interest rather than convenience.

The voter who has habitually absented himself from the polls will have to be reconvinced that the fundamental truths of participatory democracy are no less true today than in the past. The single vote can and does make a difference. Its potential is indicated in the fact that pluralities, rather than majorities, have become the measure of more electoral victories than not in recent years.

Voter disenchantment with the conduct of government certainly has much to do with the wholesale disenfranchisement. But while this may be understandable on an emotional scale, it is rationally contradictory to the spirit and purpose of the vote. There is not legitimate excuse, after all, for disclaiming the results of an election, or the programs that grow out of such results, if the critic did not participate personally and urge others to do the same.

The elections board is caught in a clearly indistinct problem. It is seeking to: compensate for waning involvement by procedural convenience. And while we would agree that the electoral process should not constitute an undue hardship, we also feel that extreme answers of this kind actually beg the question while doing nothing to produce greater numbers of informed voters.

The only true answer lies in an enhanced individual appreciation of the value of a vote. Efforts of the elections board notwithstanding, this will only be accomplished by a renewed commitment on the part of government, business, the media and the citizenry to encourage by example and information a broader sharing in the electoral franchise.

SENATE—*Thursday, May 1, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in whom we live and move and have our being, in this reverent moment we beseech Thee to take this day's life into Thy keeping. With the hymnwriter we pray, "I do not ask to see the distant scene—one step enough for me."

Direct our energies. Control our thoughts, our feelings, and our speech. Guide our judgments. Make this a day of obedience to Thy will, a day of spiritual joy and peace and growth in the spirit of Him who went about doing good.

In His name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, April 30, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

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CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 89 and 90.

The PRESIDENT pro tempore. Without objection, it is so ordered.

APPROPRIATION AUTHORIZATION RELATING TO THE VOLUNTEERS IN THE PARKS PROGRAM

The Senate proceeded to consider the bill (S. 896) to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment in line 5, following the numerals "472;" insert the numerals "16" so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to increase the appropriation authorization relating to the volunteers in the parks program, section 4 of the act of July 29, 1970 (84 Stat. 472; 16 U.S.C. 18j), is amended by deleting the figure "100,000" appearing therein and inserting the figure "250,000" in its place.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL HISTORIC PRESERVATION WEEK

The joint resolution (H.J. Res. 242) to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week" was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

THE PRESIDENT'S ENERGY INDEPENDENCE PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a copy of a letter from the President of the United States, addressed originally to the Vice President, the President of the Senate (Mr. Rockefeller), be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

April 30, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Three and one-half months have passed since I presented the Nation and the Congress with a comprehensive program to achieve energy independence by 1985. Although the policy I put forth was not an easy solution, it was and remains today, the only comprehensive and workable national energy program. Because of the seriousness of the problem, I also moved to cut energy demand and increase supply to the maximum extent within my administrative discretion by announcing a three step increase in the fees on imported petroleum starting last February 1 and complete decontrol of old oil prices by April 1.

After imposition of the first dollar of the additional import fees, the majority leadership in the Congress requested that I delay further actions to provide time to evaluate my proposals to formulate an alternative comprehensive energy plan and to enact legislation. I granted a 60 day delay in the spirit of compromise in spite of the fact that we had already waited much too long to make the hard decisions our country needs.

In the 60 days that followed, a number of Congressional energy programs were introduced and considered. Little progress has been made though. Thus, I am forced to again make a difficult administrative decision.

Since my State of the Union Message last January, there has been no improvement in the situation in the Middle East. The only existing tensions heighten my belief that we must do everything possible to avoid increasing our dependence on imported oil in the months ahead.

The recession is coming to an end. But the pending upturn will result in greater demand for imported oil. At the same time, however, it will put us in a better position to absorb the adjustments that greater energy conservation will require.

There are some encouraging signs in the Congress. Chairmen Ullman and Dingell and ranking minority members Schneebeli and Brown have been working diligently in their respective committees to formulate a comprehensive energy program. After extensive hearings and discussions, their efforts to date embody some elements of the energy proposals which I sent to the Congress as well as several which could be potentially disastrous.

The Senate has also conducted many hearings. Yet the only legislation which has passed is a bill that would impose mandatory restrictions within 60 days on recreational and leisure travel, hours of business operation, and commercial lighting. This bill is ineffective and unrealistic. It would result in unwarranted government control of personal freedoms, and would cause unforeseen economic consequences.

I am hopeful that the weeks ahead can result in agreement between the Congress and the Administration. I believe it can if we are willing to work diligently, honestly, and more rapidly. But I am concerned about the possibility of the Congress passing politically popular legislation which will not only fail to meet our energy needs but which could create serious economic problems for the Nation. From my many years in the Congress, I know how easy it is to become embroiled in endless debate over tough decisions. I also know how easy it is for the Congress to enact legislation full of rhetoric and high sounding purpose, but short of substance. That must not happen in this case.

Neither the House nor the Senate has passed one significant energy measure acceptable to the Administration in these past few months. Hence, I must be a realist—since the time before final legislation will be on my desk is very long. I understand that in many ways the timing and substance is beyond the control of the individual committee chairmen. Yet, postponement of action on my part is not the answer. I am, therefore, taking these administration actions at this time:

First, I have directed the Federal Energy Administrator to implement a program to steadily phase out price controls on old oil over two years, starting June 1, 1975. *This program will not proceed until public hearings are completed and a plan is submitted for Congressional review,* as required by statute. While I intend to work with the Congress, and have compromised on my original decision to proceed with immediate decontrol, the nation cannot afford to wait indefinitely for this much needed action. I intend to accompany this action with a redoubling of my efforts to achieve an appropriate windfall profits tax on crude oil production with strong incentives to encourage maximum domestic exploration and production.

Second, I will again defer the second dollar import fee on crude oil and the $.60 per barrel fee on imported petroleum products in order to continue the spirit of compromise with the Congress. However, I will be forced to impose the higher fees in 30 days, or sooner, if the House and Senate fail to move rapidly on the type of comprehensive legislation which is necessary to resolve our critical energy situation. Such legislation must not embody punitive tax measures, or mandated, artificial shortages, which could have significant economic impact and be an unwarranted intrusion on individual freedom of choice.

The administrative action that I have set in motion will help achieve energy self-sufficiency by 1985, stem increasing vulnerability during the next few critical years, and accomplish this without significant economic impact. Nevertheless, my actions alone are not enough. The Congress must move rapidly on a more comprehensive energy program which includes broader energy conservation and actions to expand supply. Action now is essential to develop domestic supplies and protect American jobs. It is my utmost desire in announcing these executive initiatives to balance our overwhelming need to move ahead with an equally important need not to force outright confrontation between the Administration and the Congress.

I pledge to work with the Congress in this endeavor. To the extent comprehensive and effective legislation is passed by the Congress, I stand ready to approve it. What I cannot do is stand by as more time passes and our import vulnerability grows. If this happens, I will not hesitate to impose the higher import fees. Meantime, my administrative actions must fill the gap in this endeavor. The country can afford no less.

Sincerely,

Gerald R. Ford.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. Nelson) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged to the time allocated to the minority leader.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Haskell). Without objection, it is so ordered.

Under the previous order, the Senator from Wisconsin (Mr. Nelson) is recognized for not to exceed 15 minutes.

INDIVIDUAL PRIVACY AND TELEPHONE RECORDS

Mr. NELSON. Mr. President, I send to the desk a bill in behalf of myself and the Senator from California (Mr. Tunney) to establish judicial practices and procedures to protect constitutional rights and liberties involved in the disclosure of records of private communications, and for other purposes, and ask that it be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, approximately 185 years ago, Thomas Jefferson warned that "the natural progress of things is for liberty to yield and Government to gain ground." The need to heed this warning today has been underscored by revelations that telephone companies throughout the country have secretly provided various governmental agencies and officials with the telephone records of thousands of individuals. With rare exceptions, the individuals involved never learn that a governmental agency or official has obtained records of their telephone calls.

These secret disclosures constitute a fundamental threat to individual privacy and free speech. Individual freedom—the cornerstone of democratic self-government—is seriously endangered when the Government can secretly determine whom a citizen speaks to in the privacy of his home or office.

Senator Tunney and I are, therefore, proposing legislation to prevent these abuses. In essence, the bill would require the Government to obtain court approval for any request for telephone records. And in order to secure that approval, the Government would have to explain why it wants the records and what it intends to do with them.

I introduced comparable legislation last year. However, no action was taken on it.

The need for this legislation can be appreciated by reference to a few examples of abuse:

Recently released FBI documents show that in 1969 the Bureau obtained the telephone records of a civil rights activist as part of the agency's effort to discourage the individual from continuing his work.

In February of this year the Justice Department confirmed that shortly before the 1968 election, the FBI invoked the guise of "national security" to obtain the telephone records of members of the staff of Spiro Agnew, then the Republican Vice Presidential nominee; the evidence suggests that the records were obtained by the Johnson administration only for partisan political purposes.

In January 1974, the Internal Revenue Service used three grand jury subpenas and one administrative subpena to obtain records of telephone calls made by reporters in the New York Times Washington bureaus. The purported basis of the subpenas was not to investigate unlawful activity by those reporters but to determine whether an official in the IRS had been passing certain information to the press. Neither the Government nor the telephone company informed the newspapermen involved that records of their private telephone conversations had been disclosed.

The Wisconsin Telephone Co. revealed that in 1973 it responded to 624 requests by governmental agencies for records of private telephone calls. One-third of these requests made pursuant to a court or administrative subpena. The remainder were simply requests made on the stationery of a Federal, State, or local governmental agency. In none of these cases did the telephone company or the Government inform the individuals that records of their private telephone calls had been disclosed. The telephone company said that the number of requests for 1973 was only a slight increase over the number of requests made in 1972.

An official with the U.S. attorney's office in southern California reported that in the month of December 1973 alone the telephone company there responded to 241 requests for telephone records by Federal, State, and local governmental agencies. The official said that the number of requests was not unusual—thus indicating that almost 3,000 requests for telephone records are being made annually in southern California.

The Justice Department recently acknowledged that in 1971 it subpenaed the records of telephone calls of certain reporters for the St. Louis Post-Dispatch and the Knight newspapers. None of the individuals involved was notified of the disclosure until 2 years later.

These experiences strongly suggest that every year the telephone records of thousands of individuals throughout the country are secretly disclosed to a governmental agency or official. This widespread practice is a grave threat to individual freedom and should be curtailed.

The danger here derives from three basic deficiencies in the operative law.

First, the law provides that the telephone company must give the Government private telephone records whenever the phone company is served with a court subpena or with a "demand of other lawful authority." There is no specification as to who or what constitutes "other lawful authority." Recent newspaper reports indicated that the Wisconsin Telephone Co. interprets this provision to require it to honor requests by the FBI, district attorneys, and police officers with the rank of captain or above. A.T. & T. advised my office that the policy is actually more restrictive than that. Telephone companies may interpret the provision narrowly or broadly. But the problem is clear: There is no precise definition of the officials who may request telephone records or the standards they must satisfy in order to have the request honored.

Second, the law does not require either the Government or the telephone company to inform the individual involved that his records have been subpenaed or requested. The telephone company has, as a matter of policy, recently decided to inform its customers; but any right of disclosure will not exist as a matter of legal right but at the sufferance of the telephone company. The telephone company can easily make a decision to inform the individuals involved; the telephone company can just as easily reverse that decision.

Third, the law does not require the telephone company to delay its response to any subpena or request to enable the individual to assert any legal defense against disclosure. As a result, records can be and have been disclosed before the individual involved can show that the disclosure would be unlawful or unjustified.

These three deficiencies pose a clear danger to free speech, individual privacy, and other constitutional liberties. For the law now enables a single governmental official—acting without justifiable cause—to rummage through records of a law-abiding citizen's telephone calls and use them for any purpose.

This danger to constitutional liberties should not be tolerated. Free speech, individual privacy, and other individual freedoms guaranteed in the Bill of Rights are central to our concept of democratic self-government. They are a bulwark against a government eager to exercise untrammeled power over the individual. We should jealously guard these constitutional rights and liberties against arbitrary intrusion by the Government.

The bill would protect those rights and liberties by making three basic changes in the law.

First, the proposed bill would prohibit all disclosures of telephone records except through service of a court subpena meeting specified criteria. If a governmental agency wants access to those private records, then it should satisfy a court that the records are needed for legitimate purposes and that they will be used only for legitimate purposes.

Second, in all cases except where the telephone subscriber is a foreign power, the proposed bill would require the party subpenaing the records to notify the subscriber simultaneously that records of his telephone conversations are being subpenaed. This change would insure that each subscriber would be informed of any and all attempts by others to inspect records of his private telephone conversations. The notification could be postponed, however, if the Government satisfies the court that notification would impede an ongoing criminal investigation or would hamper the Government's ability to protect carefully defined national security interests.

Third, the proposed bill would prohibit the telephone company from responding to the subpena for at least 10 days. This provision would enable the individual involved to raise any legal objections to the disclosure of records of his private telephone conversations.

Collectively, these provisions would help protect an individual's speech and privacy from any unwarranted interference. The importance of this legislative proposal should not be underestimated. For without the constitutional liberties

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of free speech and individual privacy, the whole foundation of our political system is endangered.

I. THE SCOPE OF THE FIRST AMENDMENT'S PROTECTION OF FREE SPEECH

To recognize the danger of unwarranted disclosure of private telephone records, it is first necessary to understand the importance of the first amendment's protection of free speech. That amendment provides, in pertinent part, that—

> Congress shall make no law . . . abridging the freedom of speech, or of the press; . . .

This amendment, like the other amendments in the Bill of Rights, was borne from the American colonies' bitter experiences under British rule. The English King's officers wielded a free—and often unscrupulous—hand in suppressing speech in the colonies. Usually, the intent of this suppression was to deprive the public of information and opinions critical of the colonial governments.

In drafting a Constitution to govern their newly independent Nation, the American citizens realized the necessity to prevent Government suppression of speech. The Founding Fathers understood that a people denied the right to speech could not insure a Government responsive to their needs and liberties. As James Madison observed:

> A popular government without popular information or the means of acquiring it is but a prologue to a farce or tragedy or perhaps both.

Madison's view has been endorsed repeatedly by the Supreme Court. In *Garrison* v. *Louisiana*, 379 U.S. 64, 74–75 (1964), for example, the Court declared that—

> Speech concerning public affairs is more than self-expression; it is the essence of self-government.

The press has always played a critical role in reaping the benefits from self-expression. The press' privilege and responsibility here, however, have not been confined to the dissemination of the opinions of the people. Of equal, and perhaps greater importance, is the press' ability and duty to investigate and report the conduct of the Government. Through such investigations and reports, the people can better assess the Government's performance in honoring the public's trust. James Madison was one who appreciated this invaluable contribution of a free press:

> The responsibility of officers of government cannot be secured without a free [press] investigation of their conduct and motives.

Madison, "The Virginia Report of 1799–1800," 167 (1850 ed.).

Again, Madison's conclusion has been repeatedly supported by Supreme Court decisions. Thus, in *Grosjean* v. *American Press* Co., 297 U.S. 233, 250 (1936), the Court stated that a free press—

> Stands as one of the great interpreters between the government and the people. Since informed public opinion is the most potent of all restraints upon misgovernment, the suppression or abridgement of the publicity afforded by a free press cannot be regarded otherwise than with grave concern.

The strength of this declaration has been confirmed by recent events. The tireless investigative efforts of the Washington Post and other periodicals provided the initial wedge in exposing the Watergate scandals and other misdeeds by the Government. Without those efforts, the public might never have learned of the corruption which had infested the highest levels of our Federal Government.

In this context, the IRS secret subpenas of newsmen's private telephone records can be seen as a dangerous threat to free speech generally and to investigative reporting in particular. The IRS was not investigating any violation of the tax laws by the newsmen. Rather, the agency was trying to determine who among its employees had been passing information to the press.

Aside from the questionable validity of these subpenas, they expose the abuses permitted by existing laws. In seeking disclosure of private telephone records, the IRS—like other administrative agencies and government units—can exercise an unreviewed discretion. The law does not require a court or other neutral party to determine whether the requests for information are lawful or reasonable.

Nor does the law require the IRS to notify the individuals involved that records of their private calls have been subpenaed or requested. As a result, the individuals involved may never have an opportunity to protest that the subpenas or requests were unlawful or should not be complied with for some other legal reason.

In this most recent situation, for example, neither the New York Times nor its reporters were informed that records of their private calls had been subpenaed and disclosed by the telephone company. Consequently, neither had a timely opportunity to assert a protest concerning the legality of the action. Likewise, neither the St. Louis Post-Dispatch nor the Knight newspapers were informed in 1971 that the Justice Department had secretly subpenaed—and received—records of their private calls. They, too, were deprived of all opportunity to protest the legality or justification of the actions taken.

In Wisconsin, reporters and editors have rightly been disturbed by the prospect of secret disclosures of private telephone records. As early as December 1973, Wisconsin newspapermen raised the matter with the Wisconsin telephone company. According to an article in the Madison Capital Times on December 31, 1973, the company informed the journalists that "it is honoring the controversial requests by Government agencies to disclose records of news reporters' telephone calls." The company stated further that it will respond to all requests by police officers with the rank of captain, prosecutors, sheriffs, and administrative agencies. The Wisconsin reporters' concerns were no doubt aggravated when the Wisconsin telephone company revealed that in 1973 it had responded to 624 requests from governmental agencies and officials to disclose records of private telephone calls.

Available information does not reveal the complete extent to which private telephone records have been secretly disclosed in other parts of the country. But the available facts demonstrate clearly that the risk of abuse is real and a dangerous threat to constitutionally protected speech everywhere.

Reporters must now fear whether the Government—in the spirit of the Orwellian "Big Brother"—will be screening their telephone calls, examining their private activities, and harassing lawful sources of information about Government misdeeds. The net effect of this fear will be to "chill" the scope of investigative reporting. No doubt this may have grave consequences for all periodicals. But, in the end, the real victims will be the American people. Their constitutional right to know will be seriously impaired.

II. THE SCOPE OF THE FOURTH AMENDMENT'S PROTECTIONS

Secret disclosures of telephone records not only undermine rights of free speech; they also present a serious threat to the right of individual privacy as guaranteed by the fourth amendment. This amendment provides that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrents shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

This amendment, too, found its genesis in the British rule of the American colonies. The King's officers—armed with nothing more than a general warrant and a desire to suppress dissent—frequently conducted indiscriminate searches of the colonials' homes. The right to individual privacy was no more than mere rhetoric.

The Founding Fathers were anxious to avoid a resurrection of these indiscriminate searches by the Government. The fourth amendment was therefore adopted to protect individual privacy from unreasonable intrusion by the Government.

The importance of the fourth amendment in our political system was articulated eloquently by Supreme Court Justice Louis Brandeis in his dissenting opinion in the 1928 case of Olmstead versus the United States:

> The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men. To protect that right, every justifiable intrusion by the Government upon the privacy of the individual, whatever the means employed must be deemed a violation of the Fourth Amendment.

The fourth amendment's protection is thus essential to our concept of democratic self-government. That protection enables each individual to think, speak, and write freely without fear of Government suppression.

Without the guarantees of the fourth amendment, the ability of the people to participate in and guide their Government is undermined. Supreme Court Justice Robert Jackson aptly summarized this point in his dissent in the 1949 case of Brinegar against the United States:

> Among deprivations of rights, none is so effective in cowing a population, crushing the spirit of the individual and putting terror in every heart. Uncontrolled search and seizure is one of the first and most effective weapons in the arsenal of every arbitrary government. And one need only briefly to have dwelt and worked among a people possessed of many admirable qualities but deprived of these rights to know that the human personality deteriorates and dignity and self-reliance disappear where homes, persons, and possessions are subject at any hour to unheralded search and seizure by the police.

The Founding Fathers, of course, did not contemplate the advent of telephones. Consequently, the fourth amendment does not expressly include wiretaps or telephone records within the ambit of its protection. But there can be no question that the protection extends to the use of the telephone. As the Supreme Court stated in the 1967 case of *Katz* v. *the United States* (389 U.S. 347):

> The fourth amendment protects people, not places.

In the Katz case and in the 1967 case of *Berger* v. *New York* (388 U.S. 41), the Court therefore held that telephone wiretaps must adhere to the limits and guidelines delineated by the fourth amendment. The Court has affirmed this position repeatedly since 1967. (See, for example, *Alderman* v. *United States*, 394 U.S. 165 (1969).)

Court decisions on Government wiretaps also make clear that telephone records enjoy some protection under the fourth amendment. It would surely be ironic—and illogical—if the fourth amendment protected against wiretaps of telephone conversations, but did not provide any protection for records of those conversations. In other words, the fourth amendment's protection is tied to private speech—not the physical process of dialing the telephone. This conclusion is supported by the Court's declaration in United States v. U.S. District Court (407 U.S. 297 (19 2)):

> Though physical entry of the home is the chief evil against which the wording of the Fourth Amendment is directed, its broader spirit now shields private speech from unreasonable surveillance.

The history and language of the fourth amendment, as well as interpretive decisions by the Supreme Court, underscore the danger—and unconstitutionality—of current law governing the disclosure of telephone records. For those laws sanction unreasonable surveillances of private speech by the Government.

The law allows the telephone company to disclose private telephone records in response to a court subpena or "on demand of other lawful authority." Thus, any governmental unit seeking access to private telephone records can simply make a demand for them—no questions asked.

The Government's demand can be reasonable or unreasonable. There is no court or other neutral party to assess the legal validity and justification of the demand. Nor is there any limitation on how the Government may use the information received. The Government may use it to further a criminal investigation or for illicit purposes.

The law, moreover, does not require the party making the demand to notify the individual involved. Nor does the law require the telephone company to delay its response to enable the individual involved to protest the legality or justification of disclosing his records.

In short, the deficiencies of the law not only threaten the constitutional rights of newsmen; those deficiencies pose a serious danger to the constitutional freedoms of every citizen, regardless of his or her station in life. The telephone company may secretly disclose the private records of anyone's telephone calls to a governmental agency or law enforcement unit acting without a court subpena. As in the cases concerning the New York Times, the St. Louis Post-Dispatch, and the Knight newspapers, the individual may not learn of the disclosure until after his opportuntiy to complain is lost. Indeed, the chances are that the individual will never learn of the secret disclosure.

This situation is and should be of concern to all American citizens. The right to privacy, like the right to speech, is a privilege crucial to the sustenance of our democratic system. Without those rights, the individual's private affairs become a matter of public record for intrusive eyes to scrutinize. Law-abiding citizens may then cower in the dark, never knowing the private information possessed by the Government—or how it will be used.

III. THE NEED FOR JUDICIAL PROTECTION

From the date of its proposal, the Bill of Rights has been understood to limit the power of the Government. (See 1 Annals of Cong. 438 (June 1789) (remarks of James Madison).) But it has also been understood since that time that the Bill of Rights is not self-enforcing. Its implementation demands not only a Government sensitive to the limitations of its powers; it also demands an opportunity for the courts to protect those rights when the Government's sensitivity proves insufficient. In proposing adoption of the Bill of Rights, James Madison discussed this critical role to be played by the courts in defending constitutional rights:

> Independent tribunals of justice will consider themselves in a peculiar manner the guardians of those rights; they will be an impenetrable bulwark against every assumption of power in the Legislative or Executive; they will be naturally led to resist every encroachment upon rights expressly stipulated for in the Constitution by the declaration of rights. 1 Annals of Cong. 440 (June, 1789).

This opportunity to invoke the court's protection derives from the fundamental notion of fairness which underlies our Constitution. It is an opportunity whose importance was recognized not only by our Founding Fathers but also by the courts who interpret the work of the Founding Fathers. This recognition was evident, for example, in *Democratic National Committee* v. *McCord*, 356 F. Supp. 1384 (D.D.C. 1973), a recent case concerning enforcement of court subpenas for the work files of newsmen investigating the Watergate scandals. In rejecting the subpenas, because of first amendment rights, the Federal District Court in Washington, D.C., made clear that a prerequisite to protection of constitutional rights was a judicial inquiry and decision:

> The Court notes that the First Amendment entitles the public to more than a right to know. It also requires that any incursions into the areas protected by the Bill of Rights will be given a prompt judicial inquiry and hopefully one that will not only be sound but which the public will also understand and accept.
>
> 356 F. Supp. at 1398.

The need for this "prompt judicial inquiry" was evident in that case concerning free speech. A prompt judicial inquiry is no less important where rights of individual privacy are at stake. The legislation offered today would guarantee to every citizen the same prompt judicial inquiry when disclosure of private telephone records is involved.

IV. CONCLUSION

The bill offered today is not necessarily a perfect one. Additional information should be collected and reviewed to determine, among other things, the precise number of requests for disclosure of records of private telephone calls, the identities of the governmental units and other parties who generally make these requests, the purposes for which these requests are made, and whether revisions might be necessary to minimize the administrative and financial costs imposed on our courts. Hopefully, this bill—and perhaps others—will result in extensive hearings by appropriate congressional committees to explore and answer these questions.

But there should be no question that this bill addresses issues of paramount importance. For it focuses Congress' attention on practices which run afoul of precious rights and liberties guaranteed to every citizen by our Constitution. To appreciate the historical and fundamental importance of these rights and liberties, one need only recall Justice Brandeis' statement in Whitney versus California, a case concerning freedom of speech:

> Those who won our independence believed that the final end of the State was to make men free to develop their faculties; and that in its government the deliberative forces should prevail over the arbitrary. They valued liberty both as an end and as a means. They believed liberty to be the secret of happiness and courage to be the secret of liberty. They believed that freedom to think as you

will and to speak as you think are means indispensable to the discovery and spread of political truth; that without free speech and assembly discussion would be futile; that with them, discussion affords ordinarily adequate protection against the dissemination of noxious doctrine; that the greatest menace to freedom is an inert people; that public discussion is a political duty; and that this should be a fundamental principle of the American government.

274 U.S. 357, 375 (1927) (concurring opinion).

As the representatives of the people, Congress should not stand idle when the practical effect of a law threatens the individual's rights to free speech and privacy. Congress should therefore undertake an immediate and full consideration of the bill offered today.

Mr. President, I ask unanimous consent to insert in the RECORD the text of the bill introduced today.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Communications Privacy Act of 1975".

SEC. 2. Section 605 of the Communications Act of 1934, as amended (47 U.S.C. 605), is amended by striking out "(5) in response to a subpena issued by a court of competent jurisdiction, or (6) on demand of other lawful authority." and inserting in lieu thereof "or (5) in response to a subpena issued by a court of competent jurisdiction in accordance with section 605A.".

SEC. 3. The Communications Act of 1934 is amended by adding after section 605 the following new section:

"§ 605A. Disclosure of communications and records

"(a) In issuing, or in determining whether to issue, any subpena for purposes of clause (5) of section 605, the court shall—

"(1) require that the party seeking issuance of the subpena (hereinafter 'applicant') shall, on the same day on which such subpena is issued, serve the party whose communications or records thereof are sought (hereinafter 'subscriber') in person with, or mail to such subscriber by certified mail with return receipt requested, a true and accurate copy of such subpena;

"(2) require that such subpena identifies with as much particularity as is possible and practicable the communication, or record thereof, sought in terms of the parties thereto, the date thereof, and the location at which or from which the communication transpired;

"(3) require that the subpena identify the purposes for which it is sought;

"(4) provide that only the communication or record thereof identified pursuant to clause (2) shall be furnished and that the communication or record thereof shall be used only for the purposes identified pursuant to clause (3);

"(5) give to such subscriber, as well as to any other individual who is a party to a communication described in clause (2) or who commonly uses the facilities from which or at which such communication transpired, the standing to assert any and all legal rights and defenses which would be available if the subscriber or other individual were in possession of such communication or record and the subpena had been directed to such subscriber or other individual; and

"(6) provide for compliance in not less than ten days after service, except in any case where the court determines in an ex parte proceeding that immediate disclosure is required to protect an individual against an immediate danger of bodily harm, to protect the Nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information essential to the military security of the United States, or to prevent the disclosure of information essential to the military security of the United States: *Provided,* That immediate notice of such disclosure shall be made by the applicant to the subscriber either in person or by certified mail with return receipt requested. In making that determination, the court shall require sworn testimony or an affidavit setting forth sufficient facts to support a reasonable belief that disclosure of the information sought will help enable the applicant department or agency to provide the necessary protection, obtain the information, or prevent the disclosure.

If a subscriber or any other party files a motion to quash the subpena, the court shall prohibit disclosure of any information sought by the subpena unless and until such motion is denied.

"(b) Any subpena for purposes of clause (5) of section 605 of the Communications Act sought by a Federal, State, or local governmental department or agency shall be issued only at the request of the chief legal officer or a specially designated assistant legal officer of the applicant department or agency only if it has lawful authority to seek issuance of a court subpena and only if the court determines that the information sought is necessary for enforcement of laws under the jurisdiction of the applicant department or agency.

"(c) The court may delay service of the subpena issued pursuant to clause (5) of section 605 on the subscriber for thirty days if the court finds that—

"(1) there is probable cause to believe that a particular crime has been, is being, or will be committed, and service of the subpena on the subscriber would result in the suspected individual escaping prosecution for that particular crime, would result in the destruction or unavailability of evidence relating to the commission of that particular crime, or would result in bodily harm to an individual, or

"(2) there is sufficient evidence to demonstrate that the information sought is necessary to help protect the Nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information essential to the military security of the United States, or to prevent the disclosure of information essential to the military security of the United States, and service of the subpena will substantially impair the ability of the applicant department or agency to provide such protection, obtain such information, or prevent such disclosure.

"The court may grant thirty-day extensions of the delay of service for the subpena if, after the initial thirty days, the court finds that one of the aforementioned conditions justifying delay still exists.

* * * * *

"(d) The contents of any communication or record thereof obtained under this section, or evidence derived therefrom, shall not be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in a Federal or State court unless each party, not less than ten days before the trial, hearing, or proceeding, has been furnished a copy of the court subpena obtained under this section and copies of any communication or record thereof disclosed in response to such subpena.

"(e)(1) Any aggrieved person in any trial, hearing, or proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or political subdivision thereof, may move to suppress the contents of any communication or record thereof obtained under this section, or any evidence derived therefrom, on grounds that—

"(A) the communication or record thereof was unlawfully disclosed;

"(B) the subpena under which it was obtained is insufficient on its face; or

"(C) the disclosure was not made in conformity with the subpena.

"Such motion shall be made before the trial, hearing or proceeding unless there was no opportunity to make such motion or the person was not aware of the grounds of the motion. If the motion is granted, the communication of record thereof, or any evidence derived therefrom, shall be treated as having been obtained in violation of this section.

"(2) In addition to any other right to appeal, the United States shall have the right to appeal from an order granting a motion to suppress made under paragraph (1) of this subsection, or the denial of an application for the issuance of a subpena, if the United States attorney shall certify to the judge or other official granting such motion or denying such application that the appeal is not taken for purposes of delay. Such appeal shall be taken within thirty days after the date the order was entered and shall be prosecuted diligently.

"(f) None of the rights of notification to the subscriber under subsections (a)(1) and (a)(6) shall apply if the subscriber is a foreign principal as defined by subsection (b)(1) of the first section of the Foreign Agents Registration Act of 1938."

SEC. 4. Section 2511 of title 18, United States Code, is amended by striking out "or" at the end of subsection (c) and by adding at the end of subsection (d) the following: "or (e) willfully uses or endeavors to use, or willfully discloses or endeavors to disclose information obtained in violation of section 605A of the Communications Act of 1934, knowing or having reason to know that the information was obtained in violation of that section;".

Mr. TUNNEY. Mr. President, I am pleased to cosponsor with Senator NELSON a bill to prohibit uncontrolled Government access to records of private telephone conversations.

As chairman of the Subcommittee on Constitutional Rights, I am deeply interested in this legislation to help preserve the first amendment rights of privacy and a free press. This bill deals with a particular area of individual rights which is a vital component of the overall subject of protection of privacy. One's telephone billing record relates one's personal associations and transactions and should remain private and confidential as any other record of one's personal affairs.

Without this legislation any Federal, State, or local governmental agency can easily obtain upon request from any telephone company records of private telephone conversations. The Government agencies are not restricted or bound to establish a specific objective in their request for this information, nor is there any requirement as to how the information is used once it is obtained. Serious allegations have been raised that law enforcement officials routinely check the telephone billing records of journalists for information on the journalists' sources. Such a practice, if true, compromises first amendment guarantees of a free press.

I am sensitive to the need to strike a proper balance between the interests of law enforcement and the rights of the individual. This legislation attempts to do so.

Though this legislation was originally prompted by the need to prevent law enforcement officials from checking on journalists' telephone billing records without a subpena, as a means of seeking information regarding sources of information, it has been expanded to protect the privacy of all Americans.

No doubt legislative hearings can contribute to perfecting the legislation. I am, however, in support of its basic framework and would be most happy to have it referred to the Subcommttee on Constitutional Rights for further study and debate.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be charged to the time yielded back.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

UNANIMOUS-CONSENT AGREEMENT —SENATE CONCURRENT RESOLUTION 32, CONGRESSIONAL BUDGET DETERMINATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the remarks of the distinguished Senator from Oklahoma, pursuant to the order entered on yesterday, the unfinished business—Senate Concurrent Resolution 32, congressional budget determination— be laid before the Senate and made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, it is my understanding that at any time after that, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) will be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Therefore, Mr. President, I ask unanimous consent that any other time between now and 12 o'clock, after the unfinished business is laid down, and not allocated, be divided equally between the manager of the bill, the distinguished Senator from Maine (Mr. MUSKIE), and the ranking Republican member of the committee, the Senator from Oklahoma (Mr. BELLMON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

A 1.3 BILLION BARREL STRATEGIC RESERVES PROGRAM — IS IT REALLY NEEDED?

Mr. BARTLETT. Mr. President, during the last several years we in this Nation learned a very unpalatable lesson: We are not able to supply from domestic sources enough of our energy needs. Because of this, other foreign nations can adversely influence our economic and political destinies. Unfortunately, this situation could have been averted had it not been for the inept, shortsighted and negative energy decisions of Congress and several administrations. As recently as 1971, there was an excess of producing capacity for both crude oil and natural gas. This could have been sustained; but because of policies which favored energy consumption at the expense of production, the surplus oil and gas reserves position deteriorated so badly that there are now critical domestic shortages for all sources of energy.

Thus, Mr. President, it took major and traumatic events to wake us up. An embargo, which we could not stop, and high imported crude oil prices, which we can not reduce, have proven how vulnerable this Nation really is.

There is currently a worldwide surplus of energy, specifically crude oil. Our domestic shortage is partly camouflaged because, at the present time, we can import sufficient crude to meet all of our requirements. The exorbitant cost we have to pay for this imported oil is reflected in an unfavorable balance of trade, a weakening of the dollar, and additional inflation. These problems are bad enough and must be remedied, but they will seem insignificant to the economic and political disruptions which would result if our imports are cut off, as in the embargo of 1973.

One of the popular methods now being considered for protecting this Nation from the threat of future embargoes is a strategic reserves program. The administration and the Senate Interior Committee have essentially similar strategic reserves legislative proposals. Both involve the establishment of a 1.3 billion barrel reserve which would be available for civilian and military purposes.

I believe it is fair to say that if this Nation would have had a strategic reserves program in operation at the time of the 1973 embargo, the embargo would have been much less disruptive. Similarly, because imports of crude oil and products are now even greater than prior to the embargo, a strategic reserves stockpile, if we had one, would provide good insurance indeed.

We should not be misled, however, to believe that a strategic reserves program is a magical and instantaneous cure to our energy vulnerability problem. It is not even remotely possible to implement within the next several years a strategic reserves program of sufficient size to have a mitigating influence on a future embargo, without incurring tremendous capital and resource costs. Even then, physical constraints will limit how fast the storage can be built and the oil supplied to it.

Just as a long leadtime is required for the achievement of significant energy conservation and increased energy supplies, a long leadtime is necessary to create a sufficient strategic energy reserve.

Let us now consider some of the practical aspects of a strategic reserves program.

The proposal to use the Federal Government's share of production from Naval Petroleum Reserve No. 1, the Elk Hills field, as the source of crude oil for the strategic reserves program has merit because it involves minimum resource costs. In other words, if Elk Hills' oil is used it will not be necessary to purchase high cost crude from abroad, thus averting upward pressures on the world oil price and a worsening of our balance of trade problems.

The advantages of using Elk Hills' oil seem obvious. But there are negative aspects. It is estimated that Elk Hills could be produced at a sustained maximum efficient rate of 250,000 barrels a day. The Government's share of this production would be approximately 200,000 barrels a day. If this oil is not diverted to the strategic reserves program, it could be used to fuel the domestic economy. Hence, imports could be reduced by 200,000 barrels per day, thus improving our balance of payments by $800 to $900 million a year. Furthermore, if Elk Hills is considered the only visible source of crude for the strategic storage program it would take approximately 20 years to fill the entire 1.3 billion barrel program contemplated by the administration and the Interior Committee. This amount of time would be required because Elk Hills is not yet capable of producing at a rate of 250,000 barrels a day and will not be able to produce at that rate for several years. Furthermore, as the reserve is depleted, the actual producing rate would decline below the 250,000 barrel per day level.

Therefore, it is very obvious that if a 1.3 billion barrel strategic reserve is to be established more quickly than in 20 years, some additional source of crude must be made available for the storage program.

A possible source is royalty oil from Federal OCS lands. In my opinion, this oil is not an acceptable alternate. First, all of this oil is committed to the domestic economy in one way or another; and much of it to the small independent refiner. I am confident that the demands of the independent refiner for greater volumes of Federal royalty oil, even from an expanded production on the OCS, will continue unabated. Considering the long lead times associated with Outer Continental Shelf development of new oil fields, Federal royalty oil is not a reasonable alternate—either politically or practically.

The other great hope is the Naval Petroleum Reserve No. 4 on the North Slope. But I emphasize that this is only a hope. Even though there are estimates of tremendous potential reserves, 10 to 33 billion barrels, virtually none of this tremendous potential has been proved by drilling. In fact, the Navy's exploration program is in the very preliminary

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stages. I estimate, as a practical matter, it will take a minimum of 10 years before oil from the Naval Petroleum Reserve No. 4 could reach the U.S. consumer or a strategic energy reserve.

The Navy currently envisions an exploration program encompassing the next 7 years. But development of Petroleum Reserve No. 4 can obviously not begin until a discovery is made. Even then, the chances of finding another Prudhoe Bay Field are slim. Thus, the reserves in the Naval Petroleum Reserve No. 4 might be located in a number of smaller fields. If this occurs, the time necessary for exploration and development and to construct a pipeline would be extended further.

The only other source of crude oil for the strategic reserve is to purchase it from foreign sources. In this way it might be possible to acquire the oil more quickly provided sufficient physical storage is available. It is widely recognized, however, that this will have several undesirable effects and is basically inconsistent with the intent of our overall national energy policy. The United States is experiencing unprecedented high balance of payments deficits because of the cost of importing crude oil. It makes no sense to further up the deficits by buying a commodity which is not essential to our economy.

At a time when our Nation is trying to reduce the world oil price, purchasing this additional crude would tend to maintain or increase that price. At a time when energy conservation is supposed to become a way of life so that crude imports can be reduced, filling the strategic reserve with imported oil would negate the benefits the conservation program is supposed to provide. Finally, purchasing foreign crude for the strategic reserve would unnecessarily divert billions of dollars in Federal funds from projects which would more directly and immediately benefit our society.

Let us now consider the situation in perspective. In order to avoid permanent high resource costs, worsen the balance-of-payments problems and not force upward the world price of crude oil, we should use the naval petroleum reserves as source oil for this strategic reserves program. However, we cannot reasonably expect any production from NPR No. 4 for 10 or more years and it will take approximately 20 years to fill a reserve of the size presently contemplated by using Elk Hills.

There is then the matter of building the storage facilities. It appears to be possible to construct saltdome storage at the rate of about 100 million barrels per year. Thus, storage for 500 million barrels of crude could be developed within 5 or 6 years and if we accelerated the construction process for the remainder of the 1.3 billion barrel program, it could encompass another 3 to 5 years. Building a storage program for 1.3 billion barrels would therefore have to encompass a total of 8 to 10 years. However, to physically fill the reserve in that time would most likely require supplementing naval petroleum reserve production with purchases of foreign crude. If the many adverse aspects of purchasing foreign crude are to be avoided and assuming prolific reserves are discovered in NPR No. 4, it would take 12 to 15 years to fill a reserve of 1.3 billion barrels using production from both NPR No. 1 and NPR No. 4.

During that 12- to 15-year period energy sufficiency should become a reality. Both Congress and the administration have proposed energy programs by which the objective of reasonable energy sufficiency will be achieved in 10 to 15 years.

It is paradoxical, then, that by the time we have a strategic reserves storage program in operation which would insure this Nation against the threat of an embargo, our supply position should be improved to the extent that our vulnerability would be minimal anyway.

What is the cost of what we would have done to provide the United States with an energy insurance policy which would be in place at about the time we no longer need all this protection? Minimum estimates of the cost to prepare saltdome storage and to transport oil to that storage are about $2 per barrel. Tank storage for products is higher—$4 to $7 per barrel. For 1.3 billion barrels of crude storage, this amounts to $2.6 billion. By denying the economy 1.3 billion barrels of oil from domestic sources, we would have had to import 1.3 billion barrels of oil, worth about $16.9 billion at today's prices. We have used rigs, equipment, and steel which could have been used in more productive endeavors like increasing the domestic supplies of oil and gas.

Clearly, a program which would effectively cost our economy approximately $20 billion and which would provide questionable benefits is unacceptable. This brings me to the crux of the issue. The only real way to assure ourselves of invulnerability to a future embargo is to improve our own supply position. Maximizing the domestic production of oil, gas, and all other energy sources is critical. This will be more difficult if we waste our financial and physical resources building a strategic reserves storage program that would be of little value by the time it could reasonably and practically be available for full operation.

Increasing the domestic supply of oil and gas and other minerals is the only way to properly combat the OPEC cartel. The only way to send messages that we are serious about accomplishing our objectives, as I have said many times before, is to further those policies which maximize private economic forces toward increased supply and reduced demand. The uncontrolled market for all energy is such a policy.

The price of domestic crude oil must be decontrolled and the price of new interstate natural gas deregulated. It is interesting that decontrol of all domestic crude production would increase the average price of a gallon of petroleum product by about 5 cents. This is a small price for a consumer to pay for a maximum effort to increase supplies. Along with decontrol, it is important to assure the consumer that the increased price he pays for petroleum is really being used by industry to find and develop new supplies. Although I do not support the concept of a windfall profits tax because the industry has been reinvesting all domestic profits plus additional borrowed funds, I recognize that the politics of this critical issue might require such a windfall tax. Provided it is properly designed and contains a good plowback provision, it should neither unduly burden the prudent oil producer nor limit internal capital availability. The real question is whether there is sufficient capital and incentive for investment in oil and gas exploration and development and not whether too much profit is being made by industry. A surplus of energy and surplus profits are easy to handle. We do not now have such surpluses. If we did, we would not have to waste our badly needed financial and physical resources on the construction of a strategic energy reserve.

If my colleagues cannot accept my thesis that the strategic reserves program of 1.3 billion barrels is impractical insurance against the threat of an embargo because energy sufficiency may not be achieved during the next 10 to 15 year period, I suggest they reevaluate their own energy policy positions so that the goal will be met. There is no other choice.

Mr. President, it is not my purpose here to completely condemn a strategic reserves program, because obviously some amount of strategic storage would provide effective insurance. However, I believe the size of the program should be much smaller than the current proposal of 1.3 billion barrels.

I favor a strategic reserve of approximately 300 million barrels. A reserve of this size can be placed in operation within the next 3 to 5 years provided Congress immediately enacts the needed legislation to get on with the job. As our domestic abilities to produce energy increase with time, and additional increment in the reserve size will have decreasing utility. If on the other hand, additional domestic energy reserves would not be developed as needed, the size of our reserve could be increased.

It should be remembered, however, a strategic energy reserve, like conservation, is no cure for this Nation's energy problems. Increased supplies are the only way out. We should stop fooling around with our country's future by failure to increase supplies of domestic energy.

This country needs an uncontrolled market for all energy now.

Mr. President, I thank again the distingushed Senator from Virginia and the majority leader.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

CONGRESSIONAL BUDGET DETERMINATION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 32, the vote to occur thereon at noon. The clerk will state the bill by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the United States Government for the fiscal year beginning July 1, 1975.

The Senate resumed the consideration of the concurrent resolution.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is now recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 8 minutes, and then I shall reserve the remainder of my time.

First, I wish to recognize again, as I did Tuesday, the hard, conscientious work of the Budget Committee, its staff, and its able chairman, the distinguished senior Senator from Maine, Senator MUSKIE.

My opposition to the concurrent resolution now pending before the Senate is one of philosophy.

This resolution represents the viewpoint of the liberal economists, which viewpoint has been embraced by both the Republican President and the Democratic Congress.

This resolution says in effect that our Nation can buy its way out of our economic difficulties by more and more Government spending and higher and higher Government deficits.

I am convinced that time will prove such a theory to be as wrong as was the prevailing view of 10 years ago: That the way to handle the Nation's problems in Southeast Asia was to fight a no-win war.

That theory, which I consistently opposed, ended this week in a complete debacle—because it was fundamentally unsound.

I fear that the underlying philosophy of the pending concurrent resolution will result 5 years from now—or maybe in 2 or 3 years—in a financial debacle in the form of unprecedented inflation of the wage earner's dollar because it, too—namely this resolution—is basically unsound.

I cite a few facts:

This resolution would establish Federal spending at the rate of $1 billion a day.

This resolution proposes to spend for fiscal year 1976, $365 billion—an increase of 35 percent over last year, 1974.

To me, a 35-percent increase in Government spending in a 2-year period is reckless and dangerous.

This resolution provides for increased spending of $96 billion over 1974.

The $96 billion increase would be greater than the total Federal funds budget for the fiscal year 1965.

This spending resolution envisions a deficit of approximately $70 billion. That deficit—just the deficit—is greater than the total cost of Government in 1958.

This spending resolution would bring the national debt to more than $600 billion. More than one-third of our total national debt will have been created during the 6-year period fiscal 1971–76.

This resolution, calling for a $70 billion deficit on the heels of a $50 billion deficit for the current year, will force the Government into the money markets for unprecedented borrowing.

Secretary of the Treasury Simon has confirmed to me that during the fiscal year beginning July 1, the Federal Government will go into the money markets for 65 percent of all lendable funds.

Secretary Simon has stated also that during the upcoming fiscal year the Federal Government will borrow more money than the Federal Government, the State governments, the local governments and the corporate entities together have ever borrowed in any previous year.

It is not difficult to visualize the upward pressure on interest rates; it is not difficult to visualize how disadvantaged will be the individual citizen in seeking to borrow funds and how disadvantaged will be the corporations and public utilities which need to borrow tremendous amounts of capital for job-creating expansion.

Those who favor the tremendous spending envisioned by the pending resolution and the huge deficits inherent in the pending resolution say, as did the senior Senator from New York, Mr. JAVITS, on Tuesday, that this can be taken care of by the Federal Reserve Board "by pursuing an accommodative monetary policy."

In other words, those who advocate more and more Government spending and more and more Government deficits, likewise want more and more printing-press money.

Just as our problems will not be solved by excessive Government spending, neither will they be solved by excessive use of the printing press.

The pending resolution is, in my judgment, a blueprint for inflation.

Inflation ebbs and flows, and it is now ebbing. But the tremendous increase in Government spending and the huge deficits implicit in this resolution, lay the foundation for an unprecedented inflation 18 months from now.

Mr. President, our Nation is on an unsound basis. It has been for a long time. Our Government is overextended. Too many banks are overextended. Too many individuals are overextended. We are, I think, in the position of one who drinks too much whisky one night and awakes the next morning with a hangover. He can do one of two things: he can accept the discomfort of the hangover, or he can begin to drink again, and by repeating that process of drinking again to get away from the discomfort of a hangover, he eventually becomes an alcoholic.

The Government of the United States, in my opinion, has become a "spend-a-holic."

Not for a moment do I question the motives of those who advocate more and more Government spending and more deficits.

But I do question their judgment.

I do believe it most unwise to increase Government spending by 35 percent in 2 years.

I do believe it dangerous and irresponsible to propose a deficit approximating $70 billion.

I shall vote against the spending resolution, convinced in my own mind that as popular as increased Government spending may be, the proposed spending levels will seriously disadvantage the working people of our Nation.

It is they who must pay for Federal spending either by direct taxation or by the hidden and cruel tax of inflation.

I am convinced we will not get the cost of living under control until we get the cost of government under control.

The prevailing view in Washington, D.C,. is that we can sharply increase spending and simultaneously reduce taxes, another way of saying that no one need pay for the spending.

Th PRESIDING OFFICER. The Senator's 8 minutes have expired.

Mr. HARRY F. BYRD, JR. I feel the Congress should receive the Edna St. Vincent Millay Economics Award. Recall her words:

> My candle burns at both ends;
>   It will not last the night:
> But ah, my foes, and oh, my friends—
>   It gives a lovely light!

Mr. President, I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. President, I regret that I was not here when the distinguished Senator from Virginia began his remarks, and I rise not so much to challenge a point of view and a conviction which the distinguished Senator has held for all the years that I have known him, as to put the present budget resolution in the context in which I see it.

I am not going to be able to persuade the distinguished Senator from Virginia that his economic philosophy does not fit the times. His convictions are too solidly fixed for me to presume to do that. But I think it is important to put the budget resolution and the numbers that it contains in the context of our present economic difficulties.

We can still disagree as to what the numbers ought to be but I suspect that we agree that we face some serious economic difficulties.

The first issue has to do with the question of a deficit. The deficit number contained in the resolution in its present form is $67.2 billion. I emphasize that this is not a number that we carefully contrived and manufactured as a committee to present to the Congress of the United States or to the Senate. This number is the result of the economic circumstances in which we find ourselves. It was made up of two principal elements: One, the shrinkage in Federal revenues which are directly related to the reduction in gross national product. That reduction, according to the committee report, is $200 billion, and the result of that has been to deprive the Federal Government of revenues on the order of $53 billion.

Now the Budget Committee did not create that condition. That condition was created by the economy.

Second, the growing unemployment rate, from last year's 5.5 percent to last month's 8.7 percent, is a tax on the Federal budget and on State and local budgets. With respect to the Federal budget, that cost is now on the order of $15 to $20 billion. Now those two elements, taken together, are roughly the total of the budget deficit that is contained in the budget resolution.

So the deficit was created by conditions beyond the control of the Budget Committee or beyond the control of the Senate or the Congress.

Now what, if anything, can we do about it? Well, we have had considerable discussion in this debate on whether or not a deficit created in that way is avoidable. Well, let me read for the Senate the judgments of witnesses who appeared before us. Every witness who appeared before the committee agreed that a sizeable deficit was inevitable in fiscal 1976. The Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and the Director of the Office of Management and Budget testified before the committee that a deficit of $53 billion could not be avoided. President Ford later adjusted his deficit ceiling to $60 billion and, in response to a question put by me, Secretary Simon said this on March 17:

> Mr. Chairman, budget deficits this year are unavoidable. We must take care of the unemployed in this country. We have to get the economy moving again through tax stimulus. That creates a deficit.

I submit that Secretary Simon is not exactly a flaming liberal when it comes to economic philosophy.

Many witnesses also testified that both the fiscal 1975 and the anticipated fiscal 1976 deficits will be entirely the product of the recession.

Now, if we consider the elimination of the deficit, what are the courses open to us? Well, one is to raise taxes instead of cutting them. Simply eliminating the tax cut already enacted by the Congress would not be sufficient. We would have to add additional billions of dollars in taxes as a burden on the economy, on the taxpayers and the American people. The question that arises is: Is that a politically viable option? Is it an economically sensible one?

There is no testimony before the committee to suggest that it is an economically sensible one. Indeed, the testimony suggests that it would be an economically disastrous course of action for us to take, forgetting the impact upon the lives of those people, of our people, who would be forced to pay additional taxes of that magnitude.

So the other alternative is to cut ongoing Federal programs and ongoing services. What would we cut? The biggest single chunk of the Federal budget is income security, including social security, unemployment compensation, and food stamps, Should we bite into them by $67 billion? What would happen to old people already struggling on inadequate incomes to get by in the face of the ravages of inflation and the erosion of jobs? What would we do as people are laid off? Tell them that the unemployment compensation program is ended because the Federal Government faces a deficit? Are we then to ask them not only to give up their jobs but to give up the income necessary to provide their families with the very essentials of life? Because when you are talking about cutting $67 billion out of the Federal Budget you are not talking about savings you can get from small change.

Where do you get that kind of cut in the Federal budget unless you bite and bite deeply into the very incomes of the people who are hurt the hardest and have the least to respond with as the result of recession and inflation? Or would you cut $67 billion from defense spending?

We have already cut, and there are those in the committee who would have cut more. There are those in the Senate who will probably vote to cut more. But no one proposes cutting anything like $67 billion, or a major portion of it or a substantial portion of it, from the defense budget.

Do you cut it from the interest we pay on the debt? Is that a real choice? That is about $38 million. So you go through the big chunks in the budget that you would have to get at to eliminate $67 billion of spending. The notion that there is an alternative to a budget deficit is very unreal.

Now, I understand the concern of the Senator from Virginia that over time we have been too undisciplined with respect to the budget. and I respect and honor that concern. Indeed that is one of the reasons why I supported the budget reform legislation last year, one of the reasons I sought the responsibility of the chairmanship of this committee, and one of the reasons that, with Senator Bellmon, my distinguished colleague on the other side of the aisle, I have undertaken to assume some responsibility for making this discipline work and giving it some bite.

But that is not to say that we regard a balanced budget—that is what the Senator from Virginia is urging—in this year, in these times, as realistic. I can understand his argument when he says, "Well, year after year there is always an argument for a deficit and some year we have got to call a halt."

Well, this year is not that year. I recognize the argument, but this year is not that year. If we could somehow persuade the majority of both houses to cut $67 from this budget in order to achieve what the Senator from Virginia seeks, not only would we impose indescribable hardship on millions of American citizens, but we would make a tragic economic mistake.

Now, that is what the committee believes and that is why the committee proposes this.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. MUSKIE. We do not propose a $67.2 billion deficit because we think it is a good thing. We would like to avoid it if we saw a way to do it, but we did so for the reasons I have tried to describe.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Maine has 1 minute, the Senator from Oklahoma has 12 minutes, and the Senator from Virginia has 5 minutes.

Mr. MUSKIE. I reserve the minute I have remaining.

May I have another 3 minutes?

Mr. BELLMON. Mr. President, I yield the Senator 5 minutes.

Mr. MUSKIE. Five minutes, because I do want to address myself to another subject.

I hold in my hand, Mr. President, a press release from the White House with a statement by the President in which he reaffirms a commitment to a $60 billion budget deficit.

I regret very much that he issued this statement because, frankly, his $60 billion number on the deficit is not an honest number, and his experts in OMB know that, and he must know that. So I can only assume that he asserts this in order to gain some political advantage over the Congress at a time when the Congress is laboring to establish budgetary discipline and is entitled to the full cooperation and understanding of the executive branch.

I do not think I need to belabor the problems with the President's $60 billion figure. We have gone over them, but let me go over them again.

The President's April 4 estimate on outlays was $355.6 billion. The first adjustment we made in that was the estimated receipts from the sale of oil leases on the Outer Continental Shelf

No testimony has been offered before the committee by the administration to justify the administration's estimate of $8 billion. Indeed, the evidence indicates that it probably will not be more than $1 billion, and OMB and the administration have stubbornly refused to adjust that figure. We did by $4 billion. The President gives us no credit for candor in doing so.

So if the $4 billion is more nearly accurate than the President's, the President's April 4 estimate ought to be increased by $4 billion to accord with ours.

The cost of unemployment compensation is an uncontrollable number. It is dictated by unemployment, which is rising. Our people worked on these numbers, and to understand them they say we should add $1.9 billion to the President's April 4 figure because unemployment has grown and the larger figure is clearly indicated by the facts.

So if that $1.9 billion affects our total, it affects the President's total. If we eliminate it from the President's total, we eliminate it from ours. It is as simple as that.

The same thing is true with respect to food stamps and other assistance programs. We added $600 milion, not because we want to spend $600 million more, but because this is the inevitable impact of the recession on the program. If it does not impact on the President's numbers, it does not impact on ours.

The same thing is true with medicaid; the same thing is true with interest on the public debt.

Now these numbers when added together total $7.6 billion, and if the President chooses not to add them to his deficit, then we have the right to subtract them from ours. If we subtract them from ours, we are under $60 billion, which is his number.

So I repeat, Mr. President, I am sorry the President chose to issue that statement. It is gratuitous, adds nothing to this process, does nothing to eliminate the potential for confrontation between the Executive and the Congress in this

important area, and is a sad political mistake on the part of the President.

I thought the Record ought to be made clear at this point on the differences between the President's budget and ours.

Now, under the ceilings, there are other differences between the President's budget and our budget which we have gone into to some degree in this debate, and those differences will continue, but we ought to at least start with honest numbers.

We could have put that $8 billion in on receipts from sale of oil leases on the Outer Continental Shelf, reduced our deficit number and looked better, but that would not have been an honest number, and I emphasize that point.

I thank my good friend from Oklahoma for yielding to me out of his time and I now yield back whatever I did not use of that time to Senator Bellmon with my thanks.

Mr. BELLMON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, I would like to begin by expressing my great respect for the distinguished senior Senator from Maine and for the outstanding job he has done in not only leading the committee to the adoption of the resolution, but also the job he has done in explaining and defending the committee's position here on the floor.

Without his leadership, I doubt that the Senate would now be approaching final passage of this resolution.

I realize full well, having sat in the committee hearings with him, that he is not in total personal agreement with everything in the resolution. But he realizes, as I do, that it is only by acting in concert that we are ever going to get this budget process to work.

That, really, is the basic objective that every member of the committee has. None of us got everything we wanted, but we realize that we have to work together to get anything at all, that is, I think, the major contribution that the chairman has made.

I would like to say that I agree with the chairman of the committee that the $60 billion figure that was sent to this Senate yesterday and made public by the White House is phony. As a member of the President's party, I genuinely regret this lack of candor on the part of the Office of Management and Budget and the President.

The element that is most needed right now in this country's Government is honesty and straightforwardness. I believe the American people expect and deserve to have reliable and truthful information from the highest office in the land.

I feel that our committee was correct in being forthright and by using figures that can be understood and explained and defended. The President has made a serious error in trying to hide or cloud these facts because ultimately they will be known and at that time I am afraid that the standing of the President's Office is going to be hurt rather badly because he is using figures that will not be borne out by events.

Mr. President, as has been said, a sizable deficit is inevitable for fiscal year 1976. The problem the Budget Committee had was how to go about stimulating the economy and ending or reducing unemployment without rekindling inflation which would return the Nation to the same boom and bust cycle we have suffered through during the past couple of years.

Also, the committee was concerned with getting our economy in a sufficiently healthy state that we could return to a position of living within our income and providing the services that people of this Nation have a right to expect.

The conclusion reached by the Budget Committee in Senate Concurrent Resolution 32 was made after considering both higher and lower figures. It has been a source of a great deal of satisfaction to me during the last 2 days while we have debated and voted on figures higher and lower, that the majority of the Senate has agreed with the position that the committee took.

It is interesting that there are just about as many Members of the Senate who seem to feel we are too high as there are those who feel we are to low. Apparently the work of the committee is being sustained by the Senate since they have agreed, by those votes, that we have come out with figures which seem to meet the desires of most of the Members.

The amounts recommended represent a consensus of the committee based upon the very best available information that we could get in an area that we admit and know is not precise. There are certainly many places where judgments have to be relied upon.

We have ahead of us, obviously, the opportunities to adjust these figures, if economic conditions dictate. I will be one of those ready to make new appraisals continuously and to accept and to recommend changes if those changes seem to be necessary.

Mr. President, the Senate by debating and passing this concurrent resolution has during the past 3 days implemented a new and what I believe has been and will continue to be an extremely constructive method of evaluating and managing the fiscal affairs of the Federal Government. This process of evaluation is one that cannot help but significantly improve our budgetary process.

In implementing this method we have been forced to take a hard look at aggregate Federal spending and revenues and we have debated thoroughly the stimulative and potentially inflationary aspects of the historically large budget deficit with which we are now faced. This has been good because for the first time we can no longer rely on the piecemeal approach to the budget as a reason for disclaiming knowledge and responsibility for the seemingly endless string of budget deficits in the last two decades.

Further, we have had to look beyond the budget itself in attempting to assess its macroeconomic impact. We have examined the probability of and the extent to which "crowding out" will occur in our capital markets, and we have carefully debated the growth in the money supply that will be required to finance this deficit. As a corollary to these problems we have reviewed the effects on interest rates and the rate of unemployment and of inflation that will in all likelihood ensue if we go overboard in trying to stimulate the economy and end the recession.

Literally countless man-hours were spent in arriving at the Budget Committee's recommendation. We on the committee went through an even more in depth analysis of the various proposals for the budget than did the Senate as a whole.

The result was the recommendation which includes a deficit that many Members were at first unable to accept but, as they went on, as the educational process showed the necessity for this policy, they were able to justify it because they were not able to see any other solution to our problem.

On the other hand, several members of the committee and of the Senate would prefer that the deficit were larger. However, I think the votes cast by the Senate on the various amendments both to lower and to raise the deficit indicate that the committee's recommendation contained a deficit large enough to please those Members of the Senate who believe our economy needs more stimulus, and it contained deficit that was as low as those Members of the Senate, myself included, who are more concerned with the risk of reigniting inflation could have reasonably expected.

Mr. President, as I mentioned in my opening remarks on this concurrent resolution, I think the most important phase of this entire process is the discipline it has and will continue to enforce on management of this Nation's fiscal affairs.

We now have in the budget process the mechanism to engage in reasonable and more long-range review and worked out more long-range policies to keep us out of the kind of economic crisis we are now facing.

This is a tremendously important step and it cannot help but to greatly improve the quality of Government that we have in this country, and improve the ability of the Congress to cope with situations before they become crises.

I strongly urge the Senate to adopt the resolution. I believe sincerely that in doing so we will have set a historic precedent that in time will prove to be one of the finest developments that has ever taken place in our Government.

Mr. CURTIS. Will the Senator yield?

Mr. MUSKIE. May I take 30 seconds?

Mr. BELLMON. I yield 30 seconds to the chairman.

Mr. MUSKIE. I just want to take a moment to express my appreciation to Senator Bellmon and the staff of the committee. I know I did it once before, but at this point when the result of our work is in the process of being supported and justified by the Senate, I wanted to make the point that all of the staff are new at this new job. They have worked very long hours over the months, facing the frustration of trying to make a new process work. They have helped educate the members of the committee, a very

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important function. There has been close and outstanding cooperation among the majority and minority staffs and the core and task force staffs. As a result, what we present we think reflects the high order of accomplishment of the staff, not only the report but the successful inauguration of a new institution. I wanted to pay my tribute.

The PRESIDING OFFICER. The Senator from Virginia has 4 minutes.

Mr. HARRY F. BYRD, JR. I believe the Senator from Virginia has 5 minutes, or so I understood a few moments ago.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. Mr. President, I will end my remarks as I began, by saying again I recognize the hard, conscientious work of the Budget Committee and its able chairman.

Mr. President, it is not often in matters as serious as the Senate is discussing today, the matter of a $365 billion budget, that one can get much amusement.

But this morning the Senator from Virginia was amused. The Senator from Maine read a letter by the President of the United States attacking the Congress for the proposed huge deficit. Then the Democratic Senator from Maine and the Republican Senator from Oklahoma attacked the President for his letter.

I do not propose to get in the middle of that fight. I think both are right.

President Ford, in my judgment, played into the hands of the liberal theorists when he embraced in January the principle of smashing Federal deficits. It was President Ford himself who recommended to the Congress a $52 billion deficit.

I say he played into the hands of those who favor more and more deficit spending. That $52 billion became a floor on which the Congress then built and increased the deficit.

Mr. President, the resolution now pending before the Senate calls for the expenditure of $1 billion a day every day of the fiscal year 1976.

That $365 billion budget, which the Senate will vote on in a few minutes, represents a 35-percent increase in Government spending in a 2-year period.

I want to say that again. The budget proposal before the Senate today represents a 35-percent increase in Government spending for fiscal year 1976 over fiscal year 1974, a period of only 2 years.

In dollars, the proposed budget represents an increase of $96 billion over 1974. That $96 billion increase in the 2-year period is greater than the total cost of Government in 1965.

Such a huge increase in spending is unrealistic and highly dangerous. I shall vote in the negative.

Mr. MAGNUSON. Mr. President, I am in favor of the first concurrent resolution reported by the Committee on the Budget. I believe it represents a very reasonable first attempt to improve the process by which the Congress determines an appropriate level of total spending, total revenues, and the resulting surplus or deficit.

By now we all understand the price the current recession is exacting. Federal tax receipts have been significantly reduced by lower levels of employment and reduced business profits, and by our own efforts to stimulate recovery through an emergency tax cut. We cannot do anything about the revenue losses due to unemployment and lower profits—they are unavoidable. While there are increased revenues that could be obtained from tax reform, it is unlikely we will be able to move quickly enough to get significant benefit from this in fiscal 1976. And we certainly should not reverse our recent decision to cut taxes—the tax cut is one of the surest ways of stimulating the recovery necessary to get us out of this situation.

So the outlook is clear—revenues will not be adequate to support all of the desirable spending programs now being proposed. In this situation, it is critical that we take a look at the big picture and select responsible fiscal targets before we enact further spending and revenue legislation.

I believe that in view of current economic conditions, the spending, revenue, and deficit levels proposed by the first concurrent resolution before the Senate are very responsible. But it is important to emphasize that these amounts are targets, and, therefore, to be considered as tentative. It is not possible for us to foresee emergencies which may arise, or to predict with certainty the direction that the economy will take in the coming months.

We have all had a recent lesson on the fallibility of economic forecasting and we must, therefore, retain the flexibility to alter our fiscal prescriptions if conditions change unexpectedly. For this reason it is fortunate that the Congressional Budget and Impoundment Control Act provides for a second concurrent resolution to be considered in September. By then the summer appropriations process will be behind us, and we will have a more accurate picture of the kind of stimulus the economy needs during fiscal year 1976. Thus, if conditions change in the coming months, or if our appropriations deliberations reveal the desirability of currently unforeseen budget cuts or the necessity of unforeseen budget increases, then we will have an opportunity to reconsider what we have specified in this first concurrent resolution.

I realize there are some Senators who feel the $365 billion overall spending target may be too low, and a few who think it is too high. I would be inclined to share the concerns of those who fear it may not provide sufficient stimulation to get us out of the strangle hold of the current recession. We must assure that we do not find ourselves faced with this exact budget situation again next year. But the Budget Committee has rendered its collective judgment, and I for one am prepared to give my tentative acceptance of that judgment. However, I will be watching during the summer months, and if noticeable improvement in the economy is not obvious, then I believe some adjustments may be necessary in September.

Finally, let me say that I have long felt that some reform in the way the Congress considers the Federal budget is necessary. I do not honestly know whether this new procedure we are embarking upon provides the best possible solution, but I think it is incumbent upon all of us to do the best we can to make it work. There is nothing yet that convinces me it cannot work. From my perspective as a member of both the Commerce and the Appropriations Committees, I believe the other committees of the Senate can work with the Budget Committee to improve the manner in which we decide upon a Federal budget.

In order both to assist our flagging economy and to support responsible reform of the budgetary process, I urge the Senate to vote in favor of the first concurrent resolution as reported.

Mr. STENNIS. Mr. President, I want to commend the hard work and leadership that Senator MUSKIE, chairman of the Budget Committee, as well as each of all the other committee members.

I realize the enormous efforts involved in this new act in attempting to reconcile all of the spending priorities of the Federal Government, in terms of the funds we take in and the funds that will be spent.

I shall vote in favor of this resolution. My support, however, is not to be interpreted as approving the deficit being recommended, which amounts to $67.5 billion for fiscal year 1976. I realize, however, in view of the condition of the country and the realities of the times, that there is little hope of reducing this huge sum.

I would also emphasize that, in supporting the resolution, I am not committing myself to any of the amounts set forth in the report regarding the various budget categories. These are not dealt with specifically in the concurrent resolution, although, as we all know, they will be treated separately next year. I am referring now not only to Defense but to the other 16 budget categories.

Again I wish to compliment the entire committee membership and its staff for the effort represented by this resolution.

Mr. ROTH. Mr. President, I am deeply concerned about the state of the economy and, particularly, the plight of unemployed workers and their families. And although I am fundamentally opposed to Federal budget deficits, during times of economic hardships I have supported a limited degree of deficit spending to get the economy moving again and to put people back to work.

The President has proposed a budget with a deficit of nearly $60 billion. Approximately $40 billion of this deficit is due to the amount of tax revenue lost from a drop in corporate earnings and smaller tax receipts from unemployed workers. And nearly $20 billion more is caused by increased spending on unemployment compensation and public service jobs programs for the people who have lost their jobs through no fault of their own.

While this deficit may be necessary, there is no justification today for a higher budget deficit. The Senate budget resolution calls for $365 billon of Federal spending, or spending at the rate of $1 billion a day. This means that the Federal Government will be spending $42 million an hour, 24 hours a day, every day of the year.

I believe that we must make every possible effort to reduce the waste in the Federal bureaucracy, hold the line on spending programs, and exert more discipline over our spending decisions.

Supporters of more and more Federal spending claim that a larger budget deficit is necessary to create more jobs and provide more Government services.

But I believe that this type of economic thinking has been primarily responsible for the economic problems and high unemployment we are experiencing today.

The key to this Nation's health and prosperity is the productivity of our system. For years, the United States was the most productive Nation in the world, with a standard of living that was the envy of every other country on Earth.

But over the past 15 years, the increased Government spending and borrowing has eroded private industry's ability to attract funds for the capital investment needed to create jobs and increase production.

In order to create real and meaningful jobs, not make-work jobs paid for by taxpayers, this country needs massive amounts of private capital investments. But after the Government gets done borrowing enough funds to finance the deficits, there is very little money available for private industry to build factories, expand production, and create new jobs.

The result of years of these budget deficits, with the Government controlling more and more of the available money, is lower economic growth and fewer jobs.

Over the past 15 years, the Congress has responded to virtually every national problem by enacting well-intentioned, politically appealing, costly programs.

I believe that the taxpayers of this country have had enough of wasteful spending programs.

The growing disenchantment with the Federal Government and our entire political structure is in a large part due to the almost unanimous belief among taxpayers that the Government is wasting their money.

The taxpayers know that we can no longer afford to throw more and more money at every problem in the hopes that it will go away, and it is about time that the Congress realized this.

Mr. DOLE. Mr. President, when I offered my amendment yesterday to reduce the overall level of Federal expenditures by nine-tenths of 1 percent, I hoped Congress would take the leadership role on the issue of fiscal responsibility. At this point, the administration and the Budget Committee are generally in agreement on the overall amount of the Federal deficit. For the apparent gap of $7.6 billion between the administration's $59.6 billion deficit projection and the Budget Committee's $67.2 billion deficit estimate is accounted for by different economic assumptions and cost estimates.

I believe we should have demonstrated to the American people that we were spending their money only for meritorious, prudent programs. We could have done this by reducing expenditures by the $3.2 billion I proposed—thus, eliminating the "fat" which undoubtedly exists in almost every Government program.

Depending on which figures you use, a vote for the Budget Committee resolution will yield a budget deficit of $59.6 billion or $67.2 billion. Mr. President, I cannot support such a high deficit. Thus, I cannot support the resolution.

SUPPORT BUDGET PROCESS

My vote is not a vote against the new congressional budget process. I commend the Budget Committee. For without its efforts, a budget deficit of $80, $90, or $100 billion could have resulted. Indeed by the time we look back on fiscal year 1976, a deficit of such magnitude may yet emerge. But we must keep in mind that we are engaged in the new congressional budget process, not simply the new congressional Budget Committee process.

Mr. President, I recognize the unavoidability of a large Federal deficit in 1976. For that reason, I did not support attempts to substantially reduce budget outlays. At a time when over 8 million Americans are unemployed and the rate of unemployment is still climbing, Government—which is largely responsible for the recession—must respond in a meaningful way. And that costs money—lots of it. My proposal for a modest reduction in expenditures was grounded on the belief that there is certainly enough "fat" in various spending programs to reduce expenditures by less than 1 percent. It was not designed to gut needed antirecession programs.

On more practical terms, I fear that when we go to conference with the House—which is proposing a $73.2 billion deficit—the $67.2 billion deficit projected by the Senate Budget Committee will be increased by $2 or $3 billion. Thus, within a couple of weeks, we will be asked to endorse a resolution calling for a deficit in the range of $70 billion.

OPPOSE RESOLUTION

Mr. President, I shall, therefore, vote against the resolution. I do so because I am confident that there can and should be reductions in almost every Government program. I believe that at a time of personal financial belt-tightening, the hard-pressed American taxpayer has the right to be assured that his Government is behaving in a fiscally responsible manner. In my opinion, the budget proposed by the committee and the administration does not meet this test.

Mr. HANSEN. Mr. President, the Senate, in working its will on the issue of trying to control expenditures through a legislative budget process, is to be commended for its effort.

I want to pay my respects to dedicated Members on both sides who worked with dedication and conviction in trying to achieve, as nearly as they possibly could, a balanced budget.

The tough job of balancing priorities between controlling inflation and promoting employment has seldom been brought into sharper focus.

I compliment the hard working members of the Budget Committee. Because I believe the effort to economize is of greater long-range importance than endorsement of additional spending, I am especially grateful to those members who espoused the case for trying to hold down the spending.

In voting against this bill, as I will be doing, I am not rejecting the concept of planning a limit on spending by the legislative branch but rather wish to express my regret that those who worked so hard were unable to persuade our colleagues that a budget more nearly in balance would better serve America.

FIRST CONCURRENT RESOLUTION MARKS REAL PROGRESS TOWARD BUDGET REFORM

Mr. HRUSKA. Mr. President, today I must honor a longstanding commitment to participate in the dedication of the new Law Center of the University of Nebraska College of Law in Lincoln. This will necessitate my absence during the vote on final passage of Senate Concurrent Resolution 32, which will determine the congressional budget for fiscal year 1976.

If I were present and voting, my vote would be cast for the resolution.

This does not mean that I welcome a proposed deficit on the order of $67 billion to $69 billion and the spending and revenue levels associated with a deficit of that size.

My vote was cast on April 29 for the Buckley-McClure amendment which was a responsible call for a deficit of $34 billion. I believe that the Nation could forgo the Federal spending necessary to get down to that deficit level, and that our economic and social health would be the better for it. Unfortunately, a substantial majority of the Senate did not agree.

I also voted for the Dole amendment which would have reduced fiscal year 1976 outlays by $3.2 billion. This also failed to gain majority support. Although the amount of the proposed reduction was relatively small, it would have strengthened the hand of the Senate conferees in efforts to hold down the congressional budget in negotiations with the House.

The amending efforts did reveal substantial support for the recommendations of the Budget Committee. Its figures are below those proposed by its House counterpart. While they exceed the levels set by President Ford, they are much less in excess than I had anticipated.

Mr. President, I am well aware of the hard struggles in the Senate Budget Committee to arrive at the compromises reflected in the recommended resolution. Both sides made real concessions. Efforts on the floor to push the figures up and down have failed. The committee has both gauged and reflected the majority will of the Senate.

Let us now proceed in the months ahead to legislate within the limits we are setting. I hope that wherever possible we will seize opportunities to reduce spending. That will certainly be my aim in the Appropriations and Judiciary Committees as we approach the day of reckoning in September when we must act on the second concurrent resolution. Then, we will be able to measure how well we will have responded to the challenge set today.

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Mr. President, the distinguished chairman of the Senate Budget Committee, Mr. Muskie, the distinguished ranking minority member, Mr. Bellmon, and all the other distinguished committee members can take great pride in the passage of this first concurrent resolution. It marks the first full test of the main thrust of the Budget Reform Act of 1974.

The committee's report, the performance of the managers, and the general character of debate give distinction to the Senate at a time when we must strengthen public confidence in our constitutional system.

As a member of the Joint Study Committee on Budget Control and a founding member of the Senate Budget Committee, I take special satisfaction in the fine performance of my distinguished colleagues who now serve on the Budget Committee.

Mr. President, this is an historic occasion for the Congress and the Senate. While few of us may be fully satisfied with the figures in the resolution, we can all applaud the successful completion of the process of formulating, debating, and passing this first concurrent resolution. It marks real progress toward the goal of congressional budget reform.

Mr. CURTIS. Mr. President, yesterday there was a great argument put up in favor of deficit financing. In that connection a gentleman was quoted in reference to the tax increase in 1930 and 1931. This man was described as a conservative economist.

I am not here to classify people, but I am inclined to think that he must have had his hat on that he wears when he lobbies, if he said what was reported to have been said here.

It is alleged that Mr. Charls Walker stated that the tax increase to balance the budget in the closing days of Herbert Hoover's administration turned out to be a mistake, and it was implied that it caused our economy to worsen. It was mentioned that they did not get in quite as much money as they planned and that the implication, at least, was that it made the recession worse, stating that Speaker Garner and the President collaborated in an attempt to raise taxes. They had the election in 1932, and that was changed.

President Roosevelt was brought in. The idea of balancing the budget was dispensed with. It was spend, deficit financing, increasing the debt.

It is interesting to note the results. In 1931. unemployment was almost 16 percent—15.9 percent. In 1932, it jumped to 23.6 percent. Then came 1933, with all the spending—WPA, PWA, all sorts of programs—and the unemployment rate was almost 25 percent; it was 24.9 percent. In 1934, it did not change. It dropped a little, but it was 21.7 percent. In 1935, it was 20.1 percent. In 1936, we had 16.9 percent of our people unemployed. In 1937, it did drop to 14.3 percent.

In 1938, after these long years of pump priming, spending, and deficit financing, the unemployment rose again to 19 percent, and in 1939 the unemployment was 17.2 percent. It was not until 1940 that it came down, not to the percentage that we have now, but to 14.6 percent unemployment.

Mr. President, what does that show? It shows that they made the depression permanent; that all the spending, the pump priming, and the deficit financing did not solve our economic ills. They subsidized the depression, and it went on.

The unemployment never ended until World War II came along. The war started in Europe in 1939. The next year our unemployment dropped from 17.2 percent, in 1939, to 14.6 percent in 1940. By that time, we had quite an armament program going on. In the last part of 1941, we were involved, ourselves. But the unemployment for 1941 was still 9.9 percent.

In other words, what is being advocated now—to use deficit spending to cure recession—was tried and totally failed. Unemployment did not get any better. It never ended until this country got into war.

Mr. President, I wish that somebody would come forth with some new ideas or turn to ideas that have been tried and have worked, rather than those that have failed. I believe that this economy would spurt ahead if we had balanced budgets, because people would have confidence. They would make contracts. They would undertake ventures. They would make investments. They would do the other things that would cause our economy to hum.

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, the question is on agreeing to the concurrent resolution.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Utah (Mr. Moss). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Utah (Mr. Moss), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. Bayh), the Senator from Missouri (Mr. Symington), and the Senator from Alaska (Mr. Gravel) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska) is necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. Hruska) would vote "yea."

The result was announced—yeas 69, nays 22, as follows:

[Rollcall Vote No. 157 Leg.]

YEAS—69

Abourezk
Baker
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Eastland
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Tunney
Weicker
Williams
Young

NAYS—22

Allen
Bartlett
Brock
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Laxalt
McClure
Packwood
Roth
Scott,
  William L.
Talmadge
Thurmond
Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, against

NOT VOTING—7

Bayh
Gravel
Hollings
Hruska
Inouye
Moss
Symington

So the concurrent resolution (S. Con. Res. 32) was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 621, which the clerk will state by title.

The legislative clerk read as follows:

> A bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within thirty days.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited to 6 hours to be equally divided and controlled by the majority leader and the minority leader or their designees, with 1 hour on any amendment, and 30 minutes on any amendments of the second degree, debatable motions or appeals.

ORDER OF BUSINESS TODAY, TOMORROW, AND NEXT WEEK

Mr. JACKSON. Mr. President, I yield 2 minutes to the majority leader.

Mr. GRIFFIN. Mr. President, before all Senators get away, if I may have their attention——

The PRESIDING OFFICER. Let us have order in the Senate.

Mr. GRIFFIN. I think it would be most appropriate to inquire of the distinguished majority leader if he could give us information concerning the program for the rest of the day and tomorrow.

Mr. MANSFIELD. I would be delighted to do so.

In line with what the Presiding Officer just said, there is a 6-hour limitation on the bill, 1 hour on amendments thereto, and a shorter period of time for amendments to amendments.

It is anticipated—and I would like to have the attention of the manager of the bill—it is quite possible the pending business will take 2 or 3 days; is that correct?

Mr. JACKSON. The Senator is correct.

Mr. MANSFIELD. Following the disposal of that bill, which will be next week, the Senate can anticipate the conference report on the strip mining bill coming up on Monday.

Following the disposition of the pending business, it is the intention of the leadership, subject to change if circumstances arise which we do not anticipate at this time, the Senate will take up calendar No. 80, S. 409, a bill to amend the Council on Wage and Price Stability Act, and so forth, and so on; to be followed very likely sometime next week or the week after, by calendar No. 59, S. 200, a bill to establish an independent consumer agency, which also will take some time.

Conference reports will be privileged. For the information of the Senate there will likely be votes today; there will almost surely be votes tomorrow, and I would urge the Senate to keep that factor in mind, other factors notwithstanding.

Mr. GRIFFIN. I thank the majority leader.

I would join him in the cautionary remarks to Senators that there will likely be votes tomorrow. I hope, if we are coming in on Friday, that we will be doing business.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in today's proceedings the foregoing order was vacated.)

THE NEED FOR FULL DISCLOSURE OF VIETNAM DOCUMENTS

Mr. JACKSON. Mr. President, before turning to the bill, I would like to address myself very briefly to the disclosure of certain letters by the former President of the United States to the head of the government in South Vietnam.

The PRESIDING OFFICER. May we have order in the Chamber please?

Mr. JACKSON. Mr. President, it is a grotesque and dangerous situation when the Congress and the people of the United States have to rely on foreign officials to reveal in their own time and for their own purposes vital communications which involve the commitment of U.S. power or U.S. funds. Nor should we be cavalierly referred back to administration statements that were calculated and angled to give one impression at the time only to be told that they actually meant something quite different. There is a fateful difference between the administration's publicly expressing a desire to retain certain options in the event of North Vietnamese violations of the Paris accords and the President's secretly committing the United States to exercise one or more of these options.

Here we have a former South Vietnamese official releasing in our own Capital the texts of letters in which President Nixon privately and secretly assured President Thieu that "we will respond with full force should the settlement be violated by North Vietnam." By failing to disclose the precise nature and texts of secret understandings reached with South Vietnam, the administration misled a foreign government and the Congress as to the nature and extent of the U.S. commitment to that government.

This obsessive secrecy obscures our intentions, generates confusion, and ultimately destroys the credibility of American foreign policy. Beyond the question of credibility is the equally important question of the vulnerability of a U.S. administration which is a party to secret understandings or signs secret IOU's which can be sprung at will—like rabbits out of a hat—by a foreign government. This is a dangerous way to do the Nation's business.

The Congress must be informed of the details of significant promises made by any President to foreign governments, especially when those promises can involve substantial U.S. military assistance or even the use of American power. For and administration to give such a commitment in secret—especially when it does so because it doubts that the commitment could gain the consent of the Congress—is to court a foreign policy disaster.

The administration has been accusing Congress of violating commitments and obligations to South Vietnam the Congress never heard of, let alone endorsed. Even as the administration was formally refusing to provide to Congress the documents embodying or reflecting the secret commitments, Ambassador Martin's parting shot, on leaving Vietnam, was that America did not live up to those commitments. What commitments? This is what we are trying to find out.

In his letter of April 16, 1975, Senator Stennis, chairman of the Armed Services Committee, formally requested the administration to provide to the committee all documentation which has not been formally presented to the Congress and bears on the nature and extent of the U.S. commitment to South Vietnam. I shall ask Senator Stennis to follow up on this request and hold the appropriate hearings in the interest of full disclosure.

Mr. MANSFIELD. Will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator.

Mr. MANSFIELD. Mr. President, in the course of the Senator's remarks, I noticed that he states:

> By failing to disclose the precise nature and texts of secret understandinga reached with South Vietnam, the Administration misled a foreign government and the Congress as to the nature and extent of the U.S. commitment to that government.

I think we ought to differentiate between the Ford administration and the previous administration because the present President, Mr. Ford, has inherited a hornets nest in the area of economy, in the area of Vietnam and Southeast Asia, generally speaking, and also in the matter of these communications which, as the distinguished Senator has said, have been publicized, at least in part, although not entirely, I understand, by a former secretary to the former President Thieu.

It is interesting to note that on the ticker this morning, Adm. Elmo L. Zumwalt, former Chief of Naval Operations, speaking, I believe, in Richmond, Va., made the observation that he and the Joint Chiefs of Staff knew about these commitments but that the Congress did not and he felt that the Congress should know.

So it looks like the jacks are coming out of the box and I think the sooner this thing is cleared up the better off we will all be.

I want to emphasize that this is just something which the present President inherited and is not personally responsible for, to the best of my knowledge, and I think that is a true statement.

Mr. JACKSON. May I just comment by saying that I agree with the majority leader's statement about President Ford not having been involved in this during the period of the Paris accords, but I am sure my good friend from Montana would also agree that inasmuch as these documents and the information we requested is in the possession of President Ford, he could help clarify this situation by making it available to the Congress so that this whole matter can be disposed of instead of being dragged out day after day.

I warned about this. I was told I did not know what I was talking about. I was told by the Vice President of the United States that there were no such private and secret understandings, and he later in that same day had to retract the statement when the White House conceded that they existed.

Now, what we are down to is this: The administration is saying what is in the letters was all said in public.

Well, what was released yesterday has never been said in public by the administration, and the newsmen and commentators have pointed that out, and very clearly, for example in their refer-

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ence to President Nixon's direct assurance to President Thieu that "we will respond with full force should the settlement be violated by North Vietnam." That commitment has all sorts of implications.

Mr. President, I believe we are entitled to have the information. I agree that President Ford was not involved in these particular transactions, but he is in a beautiful position to make a full and complete disclosure. I think we have reached a sorry state in American foreign policy when it is a foreign government that gives us the information.

Apparently, Mr. President, it is accurate information. The White House does not deny the authenticity of these letters and if this is the way our foreign policy is going to be conducted, I think it does not bode well for what I feel very deeply about and have always supported, a strong bipartisan policy.

I think we start from the simple premise that we need to have all the facts. If we do not, this is going to drag on and on, and I think that can hurt America's standing in the world as a great power for good.

I would hope that President Ford will decide—and I am sure the majority leader will join me in saying this—that this is the time—now—to make available, in light of this last disclosure, all relevant data bearing on these commitments.

This morning I hear Ambassador Martin over the air saying that we did not live up to our commitments. I ask, what commitments? Are we not entitled to know? Ambassador Martin ought to be summoned as one of the witnesses to find out what commitments have been made including those which have now come to light.

So, Mr. President, the sooner this matter is responded to by President Ford with a full disclosure, I think the sooner we can bring about a better understanding between the executive branch and the legislative branch.

I would not have raised this issue except that it came to my attention. And I remind my colleagues that the Secretary of State clearly stated at the time the Paris accords were signed, that there were no secret understandings.

Now, if these are not secret understandings, I do not know the meaning of those terms. Because the documents have been kept so secret that even the administration would not make them available, though Mr. Nessen kept referring to them and saying he had read them. Finally, we got part of the documents from a foreign government.

Surely, there is a better way to conduct American foreign policy, by receiving responses to our requests from the White House, rather than ending up getting part of the information from a source other than our Government; namely, in this case the fallen Government of South Vietnam.

Mr. FORD. Will the Senator yield me about 3 minutes to make a statement that I think follows along that line?

Mr. JACKSON. I am very pleased to yield 3 minutes.

Mr. FORD. I thank my distinguished colleague from Washington.

Mr. President, on April 25, I spoke briefly here about the administration's evacuation policy in South Vietnam. I mentioned that a letter had been delivered to the President of the United States, asking for an immediate explanation of his policy which:

First. Allowed first priority of South Vietnamese over Americans.

Second. Provided free transportation for South Vietnamese while Americans were paying for evacuation flights.

My sources were both from the press reports and from relevant offices in the State Department and in the Immigration and Naturalization Service.

This body was informed that, hopefully, the President's response would be available without delay, for our information.

Today, I have received a letter from the White House. It says:

> This is to acknowledge and thank you you for your April 25 letter to the President regarding press reports (we will note it failed to mention my qualification of information gained from Federal agencies) about the evacuation of American and South Vietnamese from Saigon.
>
> Please be assured that your letter is being passed along for the early attention of the President and his appropriate advisors.

Of course this was not signed by the President, but rather by a deputy assistant.

We are all aware that the evacuation has been completed. We still do not have knowledge of the rationale behind the methods of selection. It is now after-the-fact, but it does illustrate the true situation of an administration and Congress having barriers between them, despite the public expressions by the administration that a closer relationship is the President's desire and intention.

It all boils down to the point of asking for information and not getting it—asking, in order to be better prepared to carry out our responsibilities and obligations.

Mr. President, I submit a copy of the letter from the White House and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., April 26, 1975.

HON. WENDELL H. FORD
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is to acknowledge and thank you for your April 25 letter to the President regarding press reports about the evacuation of Americans and South Vietnamese from Saigon.

Please be assured that your letter is being passed along for the early attention of the President and his appropriate advisors.

With kind regards,
Sincerely,

WILLIAM T. KENDALL,
Deputy Assistant to the President.

Mr. JACKSON. I thank the Senator from Kentucky for his statement.

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The Senate continued with the consideration of the bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within 30 days.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be taken out of the time of either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that in connection with the consideration of S. 621 the following members of the Committee on Interior and Insular Affairs staff be granted the privileges of the floor: William Van Ness, Ben Cooper, Tom Platt, Grenville Garside, Jim Beirne, Jacqueline Lovelace, Patty Ladner, and Marjorie Gordner.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I ask unanimous consent that the following staff members be accorded the privileges of the floor during the consideration and voting on S. 621: David Stang, Harry Loesch, Fred Craft, Roma Skeen, Mary Adele Shute, Margaret Lane, Nolan McKean, Mike Hathaway, Steve Hickok, and Tom Bieri.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, Congress and the administration have conducted extensive negotiations in recent weeks in an effort to develop bipartisan solutions to the country's pressing energy problems. Although progress has been made in many areas, Congress is again confronted with unilateral administration action on the single most important issue: the pricing of energy. Such action demands a swift congressional response. Consideration of S. 621, the Petroleum Price Increase Limitation Act of 1975, which was delayed pending negotiations with the administration, is now necessary and appropriate.

With the President's decision to decontrol the price of old domestic oil, this administration has conclusively demonstrated its ideological commitment to rationing energy by prohibitive pricing. This unbending commitment to prohibitive energy pricing is a simplistic and dangerous approach for which the American consumer will heavily pay. And the American consumer will pay soon, Mr. President, if Congress does not act promptly on the legislation before it, S. 621—the Petroleum Price Increase Limitation Act of 1975. Consumers will not only pay higher prices at the gas pump, but for all goods and services they purchase. They will also pay the burdensome economic and intolerable social costs imposed by increased unemployment.

S. 621 offers the Congress a chance to arrest the administration's headlong rush toward higher energy prices which would jeopardize any prospect of an early economic recovery. If adopted, the bill will guarantee the Congress what it now lacks—an opportunity for participating in oil pricing decisions, with right to examine and disapprove of any proposal by the President.

Specifically, S. 621 establishes the right of the Congress to review. through carefully prescribed procedures, any Presidential proposal to:

Release any category of crude oil from price controls or raise the price of presently controlled production; and

Use tariffs, import fees, quotas, or other measures to control oil imports to create or maintain a floor price for domestically produced energy.

In addition, S. 621 requires the President, in line with the recent decision of the Temporary Emergency Court of Appeals, to set maximum prices for all domestic crude oil which is not now under price controls. The TECA decision found the FEA in violation of the Emergency Petroleum Allociation Act of 1973, in that FEA has permitted "new" oil prices to float freely. S. 621 requires that new, released, and stripper oil prices be set by FEA at levels no greater than the levels which prevailed prior to the $1 per barrel tariff on imported crude oil instituted by the President on February 1, 1975. Thus, the effect of this provision of S. 621 would be to roll back presently uncontrolled oil prices to the pretariff level, and cancel the approximately $1 per barrel windfall which domestic producers of new oil have been collecting since the implementation of the Presidents' tariff.

Mr. President, oil is the most important primary energy source for the U.S. economy, supplying 45.8 percent of U.S. energy needs in 1974. The price of oil determines the price in new contracts for coal and unregulated natural gas.

Removing domestic crude oil from price controls will effectively transfer the power to set U.S. energy prices from the American people to the Organization of Petroleum Exporting Countries cartel. This cartel now sets world oil prices at levels which no one anywhere dares maintain are in any way related to the cost of producing oil. The decision to completely remove the insulation between the U.S. economy and these totally unreasonable world oil prices would, in combination with the President's oil tariff proposals, drive the price of a barrel of domestic oil to over $14. The effect of this price for domestic oil alone would extract $19 billion from U.S. consumers on an annual basis. This increase would be greater than the increase in the cost of imported oil imposed on the U.S. economy by the OPEC cartel during all of 1974.

Even within the full $3 per barrel tariff—based on the current price of new oil of over $12 per barrel—the President's decontrol proposal will add over $14 billion to the Nation's energy bill. Spread over all petroleum products this amounts to over 5 cents per gallon. If these added costs, based on the current new oil price, were tilted entirely toward gasoline pump prices would rise by nearly 15 cents per gallon.

With the full $3 tariff the impact is even greater. Added oil costs of $19 billion translate into 7 cents per gallon for all refined products and nearly 10 cents per gallon if the cost is absorbed entirely by purchasers of gasoline. None of these costs reflect the additional and substantial impetus which oil decontrol would give to the prices of competing fuels, coal and unregulated natural gas.

S. 621 would require that any plan to set higher prices for domestic oil or which would have the effect of establishing or maintaining a floor for domestic oil prices must first be submitted to the Congress for review with right of disapproval by either House, within 30 days. The decontrol plan must be accompanied by a finding and report outlining in detail:

The need for the proposed action;

The prices for domestic fuels which are expected to result;

The effect of the plan on domestic consumption and production of energy; and

The impact of the prices on living costs, employment and economic activity in various regions and sectors of the economy.

The President persists in relying upon the discipline of the market, rather than the self-discipline of the American people, to solve the Nation's energy problems. This betrays a surprising lack of confidence in Americans, especially from one who recognizes that our country is great "not because of what the Federal Government has done but what American individuals have accomplished." There would be no place for prohibitive energy pricing proposals if the President had taken the lead in developing national energy conservation and production programs which tap the cooperation and will, instead of the pocketbooks, of individual Americans. Congress has enacted these kinds of programs—including the mandatory energy conservation programs in S. 622—and is working on many others.

The administration's continued reliance on the price mechanism to restructure U.S. energy production and consumption is inexplicable given the following facts:

The energy market is not now, and has not been for many years, a "free market";

If oil is decontrolled, U. S. energy prices would beset in response to OPEC, rather than U. S. policy requirements, and would be unrelated to the cost of producing existing U. S. energy resources. Moreover, the proposed prices have never been related in any quantitative way to the cost of producing new resources;

High energy costs, on the basis of nearly unanimous testimony from the economic profession, will institutionalize double-digit inflation, threaten to bring on double-digit unemployment, and estimate any prospect for an early economic recovery.

President Ford's decision to decontrol oil prices gives additional momentum to an energy program that is both socially regressive and economically dangerous. By overwhelming votes, 64 to 28 in the Senate and 309 to 114 in the House, Congress rejected the first step of this program, an escalating tariff on imported oil. I am confident Congress will reject the second step of this program: removal of price controls from old domestic crude oil. It is a hazardous course the President has charted for Americans. The costs—increased inflation and unemployment—are all too clear, while the purported benefit—reducing dependence on imported oil—rests on questionable assumptions concerning the elasticity of demand for petroleum and the incentives necessary to bring forth new domestic supplies. In addition, the administration energy program gives no assurance that the sacrifices involved in resolving our energy problems will be evenly distributed. Indeed, they will not, for the American consumer is asked to shoulder the entire burden.

The President's decision to decontrol the price of old domestic crude oil will cost the average American family about $250 per year. And yet, the administration disposes of this critically important issue in a mere footnote. On page 2–33 of the "Draft Environmental Impact Statement for the Energy Independence Act of 1975 and Related Tax Proposals," the administration offers the following:

> The complete economic analysis of the President's energy program is still in preparation and has not been released publicly by FEA.

Given this administration's track record on the economy, no news may well be good news.

In the meantime it is essential that S. 621 receive priority consideration. If we do not act to prevent a drastic rise in energy prices, the economic gains to be derived from tax reductions and employment programs will surely elude us. Congress cannot permit—and passage of S. 621 will prevent—such an unacceptable result. A House companion bill, H.R. 4035, has been reported by both the House Committee on Interstate and Foreign Commerce and the Committee on Rules. The stage is set for expeditious action by the House and Senate alike on the policy issue of congressional participation in this critical energy price decision.

Mr. President, I ask unanimous consent that the text of S. 621 and the summary, purpose, background, and needs section of the Interior Committee's report on S. 621 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 621

That this Act may be cited as the "Petroleum Price Increase Limitation Act of 1975".

SEC. 101. FINDINGS AND PURPOSES.—(a) The Congress hereby finds that—

(1) the President's state of the Union message announced his intention to lift all price controls on domestic oil under the authority of existing law;

(2) the removal of petroleum price controls would increase the price of crude oil and all petroleum products, including gasoline, home heating oil, and residual fuel oils, substantially, thereby creating major inflationary pressures throughout the economy.

(b) The purpose of this Act is to permit the Congress an opportunity to review and the right to disapprove and, if desirable, the time to develop fair and equitable alternatives to any proposal to remove existing price ceilings or to raise the price of domestic oil.

Sec. 102. Limitations on Petroleum Price Increases.—The Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), as amended, is further amended by adding a new section 8, as follows:

"Sec. 8. Maximum Price for Domestic Crude Oil.—(a) Not later than thirty days after the date of enactment of this section, the President shall promulgate and implement an amendment or amendments to the regulation established pursuant to section 4(a) of this Act which shall establish a price or prices (or the manner of determining a price or prices) for all crude oil (including that crude oil otherwise subject to section 4 (e)(2) of this Act) not classified as 'old' oil under regulations in effect on January 31, 1975. The price or prices established by the President pursuant to this section shall be no greater than the price generally prevailing as of January 31, 1975, for the crude oil subject to such amendment or amendments. Such price or prices shall be effective immediately upon their inclusion (or the inclusion of the method for determining such price or prices) in such regulation.

"(b) No exemption of any classification of petroleum, or increase in the price permitted for (1) oil classified as 'old' oil under regulations promulgated pursuant to section 4 of this Act and in effect on January 1, 1975, or (2) any other crude oil subject to the amendment or amendments required by subsection (a) of this section may be established except in accordance with the procedures established in section 104 of the Petroleum Price Increase Limitation Act of 1975.".

Sec. 103. Price Floors for Domestic Fuels.—No tariff, import fee, quota, or other measure that restricts or controls imports of petroleum shall be established or employed for the purpose, or with the effect, of establishing or maintaining a minimum price for any domestically produced fuel or form of energy, except as provided in section 104 of this Act.

Sec. 104. Review by Congress.—(a) No action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or section 103 of this Act may be undertaken unless—

(1) such action is specifically authorized by law enacted after the date of enactment of this Act, or

(2) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within thirty days of the receipt of the proposal pursuant to the procedures provided for in sections 906(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this Act:

(A) the period of congressional review and opportunity for disapproval shall be thirty calendar days rather than sixty calendar days;

(B) any reference in such sections to "reorganization plan" shall be deemed to be a reference to (i) "petroleum pricing action," which for the purposes of this Act shall mean all actions referred to in section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act; or (ii) "action to establish a petroleum price floor," which for the purposes of this Act shall mean any action referred to in section 103 of this Act; and

(C) such thirty-day review period shall begin when such action is submitted to the Congress.

(b) If any action covered by the provisions of section 6(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or of section 103 of this Act is disapproved by either House within the thirty-day review period, no officer or agency of the Federal Government shall have the authority to take any action inconsistent with the provisions of subsection (a) of this section.

(c) Any action required to be submitted to both Houses of the Congress pursuant to this section shall be accompanied by a finding and report, which shall contain the following:

(1) the need for the proposed action;

(2) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(3) the impact of the proposed action upon domestic production and consumption of petroleum and other fuels and forms of energy;

(4) the impact of the proposed action and of the resulting prices of petroleum and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States; and

(5) the anticipated effects, with respect to the considerations in (3) and (4) of this subsection, of reasonable alternatives to the proposed action.

Sec. 105. Effect on Presidential Authority.—Nothing in this Act shall be deemed to establish any new authority or to enlarge any existing authority of the President to impose or amend any tariff, fee, or quota on imported petroleum.

I. SUMMARY

S. 621, "The Petroleum Price Increase Limitation Act of 1975", addresses the significant issues of public policy presented by the President's announced intention to remove all price controls on domestic oil under the authority of existing law, and his further endorsement and approval of a "floor" for domestic energy prices.

In recognition of the important implications of such proposals for the domestic economy, energy policy and national security, S. 621 gives Congress the opportunity to review, and the right to disapprove, any Presidential action under existing authority intended to increase domestic energy prices by:

(1) releasing any category of crude oil from price controls or raising the prices on presently controlled crude oil;

(2) using tariffs, import fees, quotas or other measures to create or maintain a "floor" under domestic energy prices; and

(3) establishing a maximum price ceiling for all crude oil not classified as "old" oil, as required by this Act, such maximum price not to exceed the price prevailing for such oil—so-called "new," "released" and "stripper" oil—as of January 31, 1975.

From 1973 to 1974 the country's oil costs rose by $28 million; a $17 billion increase in the cost of imported oil and an $11 billion increase in the cost of domestic oil. Devastating economic effects—double-digit inflation, recession and unprecedented unemployment—accompanied these petroleum price increases. The President has proposed, and has begun to implement, unilateral administrative actions to impose a tariff on imported oil and to decontrol the price of domestic crude oil. These actions would increase the cost of imported oil by $5.4 billion annually and the cost of domestic oil by $22.3 billion: $19 billion from decontrol of "old" oil and $3.3 billion from the increase in "new" oil prices which the tariff would induce. The total impact on oil costs is $27.7 billion, almost identical to the 1974 oil cost increase.

Limitations on petroleum price increases

The proposal to decontrol domestic oil prices is one of the most potentially damaging features of the President's energy tariff, tax and pricing proposals. The procedures for congressional review and right of disapproval provided by S. 621 are essential if Congress is to perform its Constitutional role in decision-making having substantial effects on the domestic economy.

Maximum price for domestic crude oil

S. 621 directs the President to establish a maximum price for domestic crude oil not now classified as "old" oil, which must not exceed the price prevailing for such oil as of January 31, 1975. By placing a ceiling on the price of this domestic oil, and by providing for congressional review of such price ceiling, S. 621 prevents continued control by the OPEC cartel over one-third of domestically produced petroleum, and assures Administration adherence to the February 18, 1975, decision of the Temporary Emergency Court of Appeals which requires price ceilings.

Price floors for domestic fuels

In view of the President's endorsement and approval of the concept, S. 621 also requires congressional review and right of disapproval of any Presidential action which would create or maintain a "floor" under domestic energy prices. The rationale for and impact of such a price "floor", with it enormous attendant costs for American consumers, has not been adequately examined. S. 621 requires that any proposal to establish an energy price "floor" first be fully justified and analyzed by the Administration and then reviewed by Congress before it is implemented.

II. PURPOSE

In his state of the Union message the President announced his intention through Executive order, by April, 1975, to increase the fees on imported crude oil by $3 per barrel, to increase the fees on imported refined petroleum products by $1.80 per barrel and to remove all domestically produced crude oil from price controls. On March 5 the President announced that implementation of these actions would be delayed until May 1, 1975.

The purpose of S. 621, the "Petroleum Price Increase Limitation Act" is to give Congress an opportunity to review and disapprove the decontrol of the price of domestic oil planned for May 1, 1975 and any other future Presidential action under existing authority intended to increase domestic energy prices by: (1) releasing any category of crude oil from price control or raising the prices on presently controlled crude oil; or (2) using tariffs or quotas on imported oil to create or maintain a "floor" under domestic energy prices. S. 621 also requires the President to establish a maximum price ceiling for all crude oil not classified as "old" oil, such maximum price not to exceed the prevailing price for such oil on January 31, 1975.

The legislation requires any action in any of these three categories to be submitted to both Houses of Congress, and provides an expedited procedure for consideration of such actions. An adverse majority vote of either House would constitute disapproval of the proposed action.

III. BACKGROUND

A. Decontrol or increases in domestic crude oil prices

At present the only Federal authority for the control of crude oil prices is the Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), which requires the President to promulgate "a regulation providing for the mandatory allocation of crude oil . . . at prices specified in (or determined in a manner prescribed by) such regulation." Except as provided in section 4(e), which exempts production from stripper wells from price controls, the regulation was to "apply to *all* crude oil, residual fuel oil, and refined petroleum products imported into the United States." (emphasis added)

The price regulations previously promulgated by the Cost of Living Council under authority of the Economic Stabilization Act were brought under the authority of the new allocation law. These regulations provided (and still provide) for classification of crude oil into "old" and "new" oil.

Old oil is that quantity of production from any property (lease) that did not exceed production during a 1972 base period; new oil is any production from a property (including a newly producing property) in excess of the base period production. The price of old oil generally has been controlled in the regulations (since December 31, 1973) at a price of $1.35 per barrel higher than the price that prevailed on May 15, 1973. This formula results in a national average price for such oil of about $5.25 per barrel.

Prices on new oil and oil in a third category, "released oil"—old oil produced from a given property in a volume equivalent to each producer's production of new oil from that property—have been allowed to float at a price which reflects the price of imported OPEC oil. Together with oil from stripper wells (those on leases whose wells produce, on the average, less than 10 barrels per day), which were freed from controls both in the Allocation Act and in the Alaska Pipeline Act, these categories of uncontrolled crude oil account for about one-third of domestic production (12 percent for stripper oil and 22 percent for new and released oil). The present average price for such uncontrolled domestic crude oil is in excess of $11 per barrel.

On February 2, 1974, the Chairman of the Committee wrote to William Simon, then Administrator of the Federal Energy Office, pointing out that the exemption from price controls of the so-called "new" and "released oil" violated the pricing requirements of Section 4 of the Allocation Act which required the President to promulgate a regulation providing for mandatory allocation of "*all*" crude oil "at prices specified in (or determined in a manner prescribed by) such regulation." (The text of the letter is printed at the end of this section.)

In the President's state of the Union message on January 15, 1975, he announced his intention of releasing all domestic oil production from price controls under the Allocation Act by April 1, 1975. This move would, by itself, add $12.5 billion per year to consumer prices, or well over $200 per family. Coupled with the President's tariff on imported oil, it would cost $33.5 billion, or over $600 per family, because all domestic oil prices would float upward to equilibrate with the cost of imported oil plus the tariff, and in addition, unregulated natural gas prices and coal prices would tend to increase by a corresponding amount as contracts expired or were renegotiated.

On February 18, the Temporary Emergency Court of Appeals of the United States, in a decision re *Consumers Union* v. *Sawhill*, confirmed the reading of the Mandatory Petroleum Allocation Act set out in the Chairman's February 2, 1974 letter, holding—

"* * * that the President, through the FEA, by permitting the price of new crude oil to float at free market levels, has not struck any balance and, as a result, has failed to satisfy the requirement that prices be set at an equitable level * * *"

B. The problem

Notwithstanding the decision of TECA and the opposition of a majority in the Congress, the Administration apparently plans to go ahead with the decontrol of old oil. The President has announced his intention to delay implementing decontrol until May 1, rather than April 1, 1975, as part of a "compromise" with Congress, but has in no way retreated from a commitment to use increased prices resulting from tariffs and decontrol as the major policy instrument, both to force energy conservation and to stimulate domestic production. Whether or not these actions would produce the benefits claimed for them by the Administration, their consequences will be profound both for the rate of inflation and for the hope of recovery from the current recession.

Section 4(g) (2) of the Allocation Act requires the President to submit for Congressional review any amendment to the regulations exempting any category of petroleum from regulation under the Act, and permits either House of the Congress to disapprove the proposed amendment by resolution.

The procedure mandated by section 4(g) (2) is not adequate, however, to result in effective Congressional review and to permit either House of the Congress to in fact have an opportunity to disapprove an exemption. The Committee notes that:

(A) Section 4(g) (2) allows only five days for Congressional consideration, and does not provide an expedited procedure to assure that a resolution of disapproval could in fact be voted upon in either House within this period; and

(B) Section 4(g)(2) deals only with "exemptions" from the price controls or allocations and does not require that upward changes in the price ceiling (which can have the same effect as exemptions) be subject to Congressional review and right of disapproval.

The purpose of S. 621 with respect to the implementation of any decontrol plans, or other increases in the price of old oil, is to insure for the Congress an opportunity for a meaningful review of the President's proposals and alternative programs regarding both oil prices and other aspects of energy policy. S. 621 requires that any such price increase be submitted to both Houses of Congress under an expedited procedure similar to that required for a reorganization plan, in which a majority vote of either House may disapprove the proposed action.

The President has announced postponement for 60 days of the second and third dollar of his proposed three dollar per barrel tariff. The first dollar increase did, however, go into effect February 1. So long as one third of domestic crude oil production is not subject to price controls, prices for that portion of domestic supply will move upward with the price of imported oil *plus* the tariff.

In order to prevent a rise in the price of domestic new oil, released oil, and oil from stripper wells of an additional dollar now (from about $11.40 per barrel to about $12.40) and a total of three dollars (to about $14.40) if the President's full tariff increase is implemented, S. 621 directs the President to establish prices for *all* categories of domestic crude oil other than old oil, *no higher* than those prices that prevailed before the first dollar increase in the tariff went into effect.

S. 621 requires that decontrol of any new category of petroleum, for example old crude oil, or any increase in the pre-tariff (pre-February) price of oil other than old oil be submitted for Congressional review under the Congressional review procedure spelled out in the Act.

C. Establishment of a price "floor"

The President and the Secretary of State have declared that it is the policy of the Executive Branch to establish, domestically and worldwide, a "floor" under energy prices to protect investment in new non-OPEC energy sources. The Secretary of State has already begun negotiations attempting to persuade other OECD nations to agree on such a floor.

Establishing and maintaining minimum prices for domestic energy supplies is a major and profound policy decision the necessity for which has not yet been clearly demonstrated nor, for that matter, adequately examined, except with respect to certain advanced technology energy sources. In these instances authority for investment guarantees for the purposes of stimulating research and development is provided in the Non-nuclear Energy Research and Development Act of 1974.

The only other existing authority which could plausibly be used to establish such a "floor" is the President's authority to impose import fees and/or quotas on petroleum under the Trade Expansion Act of 1962. S. 621 provides that any exercise of this or other import regulation authority in order to set, or with the effect of setting or maintaining, minimum prices for domestic energy would be submitted for congressional review under the expedited procedures provided in the Act.

IV. NEEDS

The decontrol of all domestically produced crude oil as proposed by the Administration will eliminate entirely the insulation between the petroleum prices paid by U.S. consumers and the arbitrary petroleum prices set by the Organization of Petroleum Exporting Countries cartel. At the present time two thirds of the crude oil produced in the United States is under price controls at $5.25 per barrel. New contracts for the portion of domestic oil production which is not under price controls—new, released and stripper oil—now provides for prices of over $11.00 per barrel. The landed price of imported crude oil is nearly $12.50 per barrel.

The impact of oil price increases on the U.S. economy during the past year has been enormous. The costs of all energy have increased in response to oil price increases. According to the Bureau of Mines, fossil energy increased in cost by $33 billion in 1974. The results of these increases for consumers are:

Increased electricity costs of 33% nationally and by as much as 60% in some regions;

A rise in coal costs of 75% on a national basis, while spot price increases have substantially exceeded 100%;

An increase in average natural gas prices of nearly 40% at the wellhead;

A doubling of home heating oil costs, while gasoline prices have increased by nearly 15¢ per gallon.

Petroleum supplies 47% of the energy consumed in the United States; the fossil fuels—coal, oil and natural gas—account for over 95% of U.S. energy consumption. The impact of increased fossil energy costs on U.S. consumers is profound and substantially exceeds the impact of increased costs of the fuels and electricity they purchase directly. Thus the energy price increases of 1973–74 have played a major role in the 12% inflation rate experienced during that period, which affected nearly all sectors of the economy. Even ignoring the current precarious position of the domestic economy, it is clear that a second round of price increases equivalent in total economic impact to the increases of 1973–74 must be avoided.

Yet the proposals which President Ford announced in his state of the Union Message would produce almost exactly this impact. Assuming the fees for imported oil increase to $3 per barrel and domestic oil is released from price controls—actions which can now be taken administratively without additional Congressional authority—the result will be energy cost increases for the U.S. economy of at least $33 billion on an annual basis. From 1973 to 1974 U.S. oil costs rose by $28 billion: a $17 billion increase in the cost of imported oil and an $11 billion increase in the cost of domestic oil. The President's administrative actions would increase the cost of imported oil by $5.4 billion annually and the cost of domestic oil by $22.3 billion: $19 billion from decontrol of "old" oil and $3.3 billion from the increase in "new" oil prices which the tariff would induce. The total impact on oil costs is $27.7 billion, almost identical to the 1974 oil cost increase. In 1974 the costs of coal and natural gas increased by approximately $5 billion. The administrative actions of the President would induce similar increases in 1975.

Of the measures which the Administration plans to implement through executive order, the decontrol of domestic oil carries the price of over $14 per barrel—driven beyond heaviest impact. Assuming a decontroled the OPEC set new oil price of $11 per barrel by the Administration's $3 per barrel tariff—the increased cost resulting from the removal of all domestic production from price controls would be an enormous $19 billion per year. This action would not only increase the cost of all petroleum products but it would cancel finally any attempt to protect the U.S. economy from OPEC pricing policies. The U.S. will have, in effect, joined the cartel, and the decision will have been implemented without the participation of Congress.

The dangers implicit in the administration's energy tariff, tax and price decontrol proposals have been underlined in Congressional testimony by a distinguished group of economists. In this group are the current chairman of the Federal Reserve Board, economists who have served both Democratic and Republican Administrations in the past, and a number of distinguished academic and business economists.

Arthur Burns, Chairman of the Federal Reserve Board, in testimony before the Joint Economic Committee on February 7, 1975, said "* * * I find the President's (energy) program extremely complicated. There are some parts of it I think are hazardous at a time like this * * * I, for one, would want to phase in that kind of a program, and not concentrate it in the manner that the President has suggested."

In response to a query from Representative Brown, Dr. Burns said of the energy program: "It is so complicated, so intricate, and so inherently controversial a measure, I think the Congress should take its time about that program. I think you should hold very extensive hearings."

Arthur Okun, Former Chairman of the Council of Economic Advisors in testimony before the House Ways and Means Committee on January 28, 1975, said:

"* * * one aspect of energy policy looms as a dire and imminent threat to our economy. If the President levies the indicated tariff on imported oil and all oil prices are decontrolled before any offsets to these measures are enacted, the President would be draining real income away from the American consumer at the enormous annual rate of nearly $30 billion. I cannot believe that the President intends to risk a depression in order to hasten Congressional action on his energy proposals. Yet his own recent words point in that direction. The Congress must ensure against any such ruinous action—if possible, by appealing to the President's good judgment; but, if necessary, by restricting his statutory powers over tariffs and mandating the extension of price ceilings."

Dr. Eric Herr of Data Resources Incorporated, a firm whose analyses the administration often quotes in support of its programs, testified before the Senate Interior Committee on February 12, 1975:

"It is true that the goal of energy independence will impose macro-economic costs on the U.S. economy whenever it is applied. However, the energy tax and price package is simply too big a bite for the economy to swallow in a year of deep recession and high inflation. Given our other inflationary problems, *the enactment of the President's energy program would likely make 1975 another year of double-digit inflation.* We have already seen that the economy cannot prosper under that condition, that consumer confidence is destroyed, and that ultimately, business suffers acutely. The Federal Reserve is not likely to accommodate double-digit inflation, and consequently, will not provide the financial conditions that make recovery possible. *In other words, the extra inflation that a quick implementation of the President's energy package would imply, could well deepen the recession and keep the economy on the road to depression.*" (emphasis added)

That the President's program is broadly inflationary seems beyond dispute. Paul A. Volcker, Senior Fellow at Princeton University's Woodrow Wilson School of Public and International Affairs, in testimony before the House Ways and Means Committee, January 27, 1975, said (the President's energy program) "could be another drag on business activity * * *" He added, "Much clearer is the upward impact on the price indices, which I suspect the official 2% estimate understates significantly in seemingly accounting only for the direct price effects on oil and from the new taxes."

In addition a substantial body of opinion emphasizes *both* the inflationary and depressive effects of the administration's soil pricing proposals.

George L. Perry, Senior Fellow at the Brookings Institution, testified before the Joint Economic Committee on January 29, 1975 that "* * * a substantial rise in the price of oil will add a huge new burden depressing the economy and will undo most of the expected improvement in the inflation rate. It is doubtful that policies could be implemented to offset either the depressing effect or the inflationary effect of the price increases that would come from the Administration's energy proposals."

In testimony before the House Ways and Means Committee on January 27, 1975, Joseph A. Pechman, the Director of Economic Studies at the Brookings Institution stated: "The proposed taxes on petroleum are, unfortunately, an ill-advised approach to the energy problem. These taxes will be counter-productive in two respects: first, they will raise prices substantially—certainly more than the direct 2% effect to be felt initially—as the effect of the petroleum tax increase is pyramided through the economy; second, on balance, they will depress demand, because $8.5 billion of the $30 billion tax increase will be used to reduce the corporate tax rate, reduction that will have little effect on corporate spending at least in the short run. Thus, the energy program will be inflationary and deflationary at the same time."

If the dangers to the domestic economy posed by the President's energy pricing proposals are real and well-documented, the benefits which will flow from the sacrifice these proposals entail are subject to considerable uncertainty. The Administration maintains that its plan to substantially increase by administrative action the prices of the full range of petroleum products will result in the saving of the energy equivalent of a million barrels per day of oil by the end of 1975. In the Administration view these savings will result from the price elasticity of the demand for petroleum—the reduction in the consumption of petroleum induced by higher prices.

Testimony presented to the Committee has raised considerable doubt concerning the likelihood that the elasticity of petroleum demand is sufficiently great to produce the reduction in consumption which the Administration claims will be achieved. The irony of the U.S. petroleum situation is that the massive economic impact of the Administration's energy pricing policies will not increase the price of specific refined petroleum products—gasoline, home heating oil or residual fuel—to an extent which will induce any substantial reduction in demand. Faced with the increased costs of fuels and electricity which result from the Administration's energy program, individual consumers have no choice but to pay. These increased payments and the higher rate of inflation which higher energy prices produce all conspire to reduce the chances that consumers will be able to reduce their energy consumption by purchasing for example the insulation, the storm windows or the automobile with improved fuel economy to help reduce their energy consumption.

Charles R. Owens, former Deputy Assistant Administrator for Policy Planning and Regulation of the Federal Energy Administration, testified before the Senate Interior Committee on February 6, 1975, concerning the historical and recent evidence for the degree of price elasticity of gasoline consumption:

> Any attempt to show a simple systematic correlation between gasoline demand and gasoline price for the period from 1946 to 1973 is doomed to failure. The data simply do not support it. The evidence in fact is slightly against a negative correlation between price and demand. Using deviations from trend growth rates, the correlation was more often positive than negative. When price went up demand went up, and when price went down demand went down in 16 of the last 28 years. In the other 12 years, the reverse was true; when price went up, demand went down and *vice versa.* This clearly shows there has been so significant demand elasticity with respect to U.S. gasoline prices in recent times.
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> The structural reasons for this interaction of disparate supply/demand relationships as determinants of price—rather than the mistaken assumption that price largely determines demand—are quite straightforward. Gasoline use is essentially derived. That is, Americans buy gasoline as a minor input to the service of transportation. Since there are few substitutes for transportation and practically no substitutes for gasoline, we should expect little causal relationship between price changes and demand.
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> Since the Administration has put special emphasis on an overall tax on oil, we should note that higher prices generally may inhibit oil demand overall more than in gasoline. This judgment is based on two considerations. One is that demand in the nonautomotive sectors is more easily associated directly with price. Homeowners can dial down thermostats and wear sweaters. Industrial users will tighten controls on energy use and install energy-saving equipment. The second is that BTU-equivalent incentives to shift to other fuels are increased for those consumers with existing or potential dual-fired capability.
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> The sum of these two factors should yield a higher demand elasticity for total oil than for gasoline alone. But since gasoline currently represents some 35 percent of U.S. oil product demand, this seriously inhibits the capability of the Administration to cut overall oil consumption by a tax on oil. It is difficult to expect the relatively modest price increases proposed by President Ford to have a perceptible effect on U.S. oil demand. Short-term, without rapidly deepening recession, the results may appear to be promising. But after adjustment for changing economic activity, *it seems highly unlikely that the Administration's conservation goal, i.e., a million barrel per day reduction in imports by year-end, can be achieved by the methods the President has proposed.* (Emphasis added.)

Fundamentally, we believe the President's program is based on several highly dubious assumptions. These include the assumption:

That a viable recession recovery program can be financed by regressive oil and natural gas taxes.

That demand elasticity for energy is significantly negative despite the contrary evidence over the entire post-World War II period. Even the past eighteen months, while admittedly exceptional, indicate almost zero elasticity.

That U.S. domestic oil production can be quickly turned around, even though under the two-tier price system U.S. output still declined by 10 percent or 900 thousand barrels per day from December 1973 to December 1974.

That exploration incentives would still be positive with the recommended excise taxes on oil, plus the excess profits tax.

That the cake is really worth the candle. A makeshift tax package—both on the input side and on the rebate side—has been constructed to show OPEC that we mean business, to put economic pressure on foreign oil producers, despite the fact that the amounts involved are only a minor fraction of producing capacity, and to prove to our European and Japanese allies that we are willing to make sacrifices. We strongly suggest that the potential strategic benefits of these "bargaining chips" ought to be balanced against a rigorous assessment of their costs.

If the prospects for reducing domestic petroleum demand over the short run are dim, the foreign policy gains in terms of protection against Arab blackmail from such a reduction, should it be achieved, are also open to question. Dr. John C. Sawhill, former Administrator of the Federal Energy Administration, testifying before the Senate Interior Committee on February 12, 1975, said, in connection with the national security question:

> * * * the question is not whether we reduce our vulnerability to foreign sources—almost everyone would agree that we should do so—but how quickly. Today, we are importing about 6.5 million barrels of crude oil and petroleum products per day. A 1-million barrel per day reduction would still leave us importing more than 30 percent of our petroleum requirements. Thus, even if we achieve the President's goal, we would remain extremely vulnerable to a cutoff, and the differences between our vulnerability with imports at 5.5 million barrels per day and imports of 6.2 million barrels per day—the result of a more gradual import reduction goal—is marginal.

The fact is that imports in 1975 will be substantially below early expectations even without the proposed program of tariff and prics increases to the lower level of economic activity. Thus, rather than setting an unrealistically large goal and enacting measures which would jeopardize economic recovery, the Congress should legislate a broad program of actions to increase energy supplies (along the lines previously indicated) and gradually reduce demand growth so that—over a period of time—we become less dependent on foreign sources.

The Committee finds that the benefits and advantages which have been claimed for the Administration's energy tariff, tax and pricing proposals have not been clearly or convincingly demonstrated. On the other hand, the opinion of the economic community is virtually unanimous concerning the dangers posed for the domestic economy by these proposals.

The Committee therefore believes that Congress must accept the responsibility to arrest the Administration's rush towards a major economic disaster. The proposal to decontrol domestic oil prices is one of the most potentially damaging features of this plan. With the domestically produced crude oil would continue. However, the procedure embodied in S. 621 would provide for Congressional review and a right of disapproval of each proposed action. These procedures would also require that the justification and need for each action be explicity stated, and that the impact of the action on the prices of fuels and other forms of energy, on domestic energy consumption and production, on the cost of living, and on the economic well-being on employment or regions, socio-economic groups and industrial sectors be fully analyzed. The Committee believes that these procedures are necessary if the Congress is to play its Constitutional role in the decisions that have substantial effects on the domestic economy.

The decontrol of domestic crude oil production which the President originally planned to implement on April 1, and which now is purportedly postponed until May 1, would be deterred pending the Congressional review mandated by this Act. In addition, Section 103 of the Act specifically requires that the Congressional review procedure described in the Act shall apply to any proposal employed for the purpose or with the effect of establishing or maintaining a minimum price for any domestically produced fuel or other form of energy. Institutionalizing cartel-set energy prices by setting a price "floor" has been declared national policy by the President and the Secretary of State. In response to a question at a press conference on February 25, 1975, Secretary of State Henry A. Kissinger said:

> First, the speech that I delivered—on I believe it was February 3d [before the National Press Club]—was done at the request of the President. It was approved in all its particulars by the President. It was gone over by the White House officials that are responsible for economic policy. It was gone over by the Assistant Secretary of the Treasury—the Secretary of the Treasury being out of the country, in England, on that particular weekend. The speech on February 3d reflected the views of the President and reflected the views of the Administration.
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> Since then—and I have had occasion to review this whole matter with the President again this morning—there is no question that the United States supports a guaranteed price for alternative sources of energy.
>
> Whether this price is achieved by subsidy or by tariff, or by some other method, is a matter for negotiation and is, indeed, a matter which we would leave to the decision of each country. And as far as the Department of State is concerned, we have no particular interest in how this guaranteed price is achieved—as long as it is achieved.

The Committee believes that the development of alternative energy sources must proceed at an expeditious pace. The Non-Nuclear Energy Research and Development Act of 1974 which originated in this Committee provides a comprehensive framework for this effort, including authority for price guarantees to facilitate research and development of alternative energy sources. The Committee does not believe that the case has, however, in any sense been made that the establishment of a price floor for *all* energy consumed in the United States, with its enormous attendant costs to consumers, is a policy the United States ought or need follow in order to achieve the development of these new energy options. Section 103 of the Act would require that any proposal to establish an energy price floor would first have to be fully justified and analyzed by the Administration and then reviewed by the Congress before it was implemented.

Mr. FANNIN. Mr. President, I commend the President of the United States for the action he has just taken in decontrolling oil over a long period of time, over a 24-month period, at 4 percent a month. This was a courageous stand for him to take.

Also, the President is to be commended for delaying the imposition of the additional $1 a barrel import fee, in order to give Congress an opportunity to act. In one way, he is challenging Congress to take the necessary action to assist in the energy program of this Nation.

Mr. President, S. 621 is clearly another politically motivated attempt to prevent the President from taking action to step up the level of domestic petroleum production and thereby lessen U.S. dependence on imported OPEC oil.

On April 24, the distinguished minority leader and I wrote to our colleagues to express our concern about this ill-conceived legislation.

We stated in part:

> S. 621, the Petroleum Price Increase Limitation Act, would have the effect of substantially reducing the level of domestic energy production and thereby force greater U.S. dependence upon imported oil from the OPEC cartel. If enacted, it would prevent any petroleum price increases from taking place for at least 120 days and would prevent the President from taking other actions to cut back on the increasing levels of oil imports.
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> Although its sponsors argue that S. 621 is necessary to prevent U.S. oil prices from reaching OPEC cartel levels, such a result will not in fact occur upon enactment of windfall profits tax legislation, now progressing through the markup stage.
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> Ninety days ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4th, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his Administration spokesmen to meet with the Democrats to discuss an alternative energy strategy.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FANNIN. I am pleased to yield to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, the thing that bothers me about all this is that there are many things in the President's

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recommendations that a majority on both sides of the aisle agree should be done. I just cannot understand why, rather than just continuing to send big packages of energy legislation down, whereby Senators proceed to load down admittedly good provisions on which Congress can agree with the President—and the President warned that that would make the situation worse rather than better and he would veto the bill—we do not send him perhaps six energy bills and let the President veto the ones he thinks he cannot sign and sign the ones that he believes are in the national interest. Then we can get on with the business, rather than insisting on sending him packages loaded down with things that he has vowed to veto.

Mr. FANNIN. Mr. President, I am totally in agreement with what the distinguished Senator has stated. He perhaps has had more experience in this field than any other Senator. He understands the energy field and is very familiar with the petroleum industry. He is highly qualified so far as legislation is concerned.

I have observed the expertise of the Senator from Louisiana in handling tax legislation. We could use that expertise in handling the language of the measure now before the Senate.

I think the distinguished Senator from Louisiana realizes that some of the stipulations in this bill were also in a bill that we just passed, S. 622.

It was supposed to be a standby emergency bill and it contained conservation provisions and every other type of restriction that could be put on the President's actions and further control of the oil industry. I think that we must look at it from the standpoint of what will provide greater amount of domestically produced energy at a lower price. Even if we look at it from the standpoint of an increased price—and when I say a lower price, I mean a lower price than what is charged on oil coming in from foreign countries. But we are not giving our own industry the chance to progress, to go forward. We removed some of the incentives they had.

The Senator from Louisiana fought hard and tried to keep some of the Senate provisions in the tax rebate bill that was passed not too long ago. But unfortunately, it could not be done. We did not have the votes. I voted with the distinguished Senator, but when we do not have the votes, we just cannot win.

Now we are considering other legislation, and I agree that we are loading it with provisions that would strangle the energy industry—the public utilities and the oil companies. This is not the way to solve the problems we have in this country today.

I feel if we could do as the Senator suggests, arrive at a conclusion and write a bill that would cover what is needed in our Nation to accomplish the objectives we all have—that is, to supply the needs of this Nation without having to import $25 million of oil a year from other countries—then we would make progress. But the way we are going now is in reverse.

Mr. LONG. I thank the Senator.

Mr. FANNIN. I appreciate very much the comments of the distinguished Senator. I know that he is well-qualified to speak on this subject. I know he will have more to say in that regard.

Mr. President, to continue with the letter that the distinguished minority leader and the Senator from Arizona sent to our colleagues,

The Democrats promised that within sixty days they would evolve an acceptable alternative energy strategy.

Mr. President, this has been done. The talks are still going forward, but unfortunately—

To date, all that has developed is an unfulfilled promise.

Instead of biting the bullet, the Democrats with words, not legislation, have proposed a conceptually platitudinous and programmatically "bandaid" approach to solving our national energy problems.

The Congress cannot credibly continue to respond with charades and blocking actions instead of affirmative programs. S. 621 is another attempt to block progress that the President is seeking diligently to make.

Mr. President, that is part of the message that was sent to my colleagues in the Senate, and I think it is a well-reasoned statement regarding this particular legislation.

A thoughtful and well-reasoned analysis of S. 621 was communicated to the chairman of the Senate Interior Committee and to me in the form of a letter from Mr. Frank Zarb, the Administrator of the Federal Energy Administration.

I would like to read the letter at this time because it expresses so well why S. 621 is unacceptable.

Hon. PAUL J. FANNIN
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: I am writing to express the Administration's deep concern over S. 621, the Petroleum Price Increase Limitation Act of 1975, as it was reported by the Committee on Interior and Insular Affairs on March 7, 1975.

This bill would, in effect, mandate a three-tier price system for petroleum consumed in the United States by legislating a ceiling price for crude oil classified as "new," "released" and "stripper," under the regulations implementing the Emergency Petroleum Allocation Act of 1973. It would also subject any regulatory action increasing the price—however slightly—of any petroleum product or crude oil to an unprecedented 30-day Congressional review, during which either House could disapprove the proposed action. Moreover, this bill would condition the President's exercise of his existing statutory authority to adjust tariffs or import fees on imported petroleum to the same elaborate Congressional review procedure, where such action might "have the effect" of establishing minimum prices for domestic production.

Enactment of this legislation would be highly inappropriate for several reasons. First, it does nothing constructive to deal with the basic substantive problems addressed in the President's energy program. It would be a major disappointment if the Senate could produce nothing more than this negative reaction to the Administration's program fully 90 days after it was submitted to the Congress.

Second, the creation of a third pricing tier would create innumerable administrative complications for both the FHA and the industry in administering and complying with a price control program and would deprive the Administration of necessary flexibility to respond quickly to changing market conditions. Closely related to these problems is the fact that the cumbersome price control system created by this bill, coupled with the action Congress has already taken on the depletion allowance, might well create unacceptable disincentives to increased domestic crude oil exploration and production.

Third, the text of the Committee report suggests that this legislation was intended to forestall precipitous executive action that would, it is feared, produce adverse economic consequences. I regret that the Committee, in analyzing those consequences, appears to have completely ignored the proposed progressive restructuring of the tax system to return to the economy the full amount of the higher energy costs, so that the necessary conservation objectives of the President's program would not result in any loss in consumer purchasing power.

In addition, the Committee report makes it clear that one purpose of the crude oil ceiling price provisions is to obtain compliance by the Executive with a recent decision by a panel of the Temporary Emergency Court of Appeals in the recent case of *Consumers Union* v. *Sawhill*. As you know, the government has petitioned the entire court for a rehearing *en banc*, which petition was granted by the Court on March 19, 1975. The court has set the case down for reargument on May 1. We believe it is premature to propose legislation on the premise that it is necessary to carry out existing law when the courts have yet to decide authoritatively what the existing law requires.

Finally, this legislation would place serious and unwarranted restrictions on the President's authority under existing laws to adjust tariffs and import fees. It is wholly inaccurate to suggest, as the report accompanying this legislation does, that the higher fees proposed by the President are intended to carry out any price floor proposal. Rather, as Administration witnesses have repeatedly emphasized, the fees imposed pursuant to the Trade Expansion Act are designed to induce more prudent use of petroleum and to reduce our undue reliance on imports in the near term. By subjecting any such action to veto by one House of Congress, S. 621 would severely impair the President's flexibility to act positively and expeditiously in the interest of national security.

For the reasons stated above, I wish to reemphasize that the Administration vigorously opposes S. 621 as reported by the Committee on Interior and Insular Affairs.

Sincerely,

FRANK G. ZARB,
Administrator.

Yesterday President Ford in a letter to the President of the Senate and to the Speaker of the House outlined the new steps he was taking to step up domestic energy production. Here is what he said:

DEAR MR. SPEAKER: (Dear Mr. President:)

Three and one-half months have passed since I presented the Nation and the Congress with a comprehensive program to achieve energy independence by 1985. Although the policy I put forth was not an easy solution, it was and remains today, the only comprehensive and workable national energy program. Because of the seriousness of the problem, I also moved to cut energy demand and increase supply to the maximum extent within my administrative discretion by announcing a three step increase in the fees on imported petroleum starting last February 1 and complete decontrol of old oil prices by April 1.

After the imposition of the first dollar of the additional import fees, the majority leadership in the Congress requested that I delay further actions to provide time to evaluate my proposals, to formulate an alternative comprehensive energy plan and to enact legislation. I granted a 60 day delay in the spirit of compromise, in spite of the fact that we had already waited too long to make the hard decisions our country needs.

In the 60 days that followed, a number of Congressional energy programs were introduced and considered. Little progress has been made though. Thus, I am forced to again make a difficult administrative decision.

Since my State of the Union Message last January, there has been no improvement in the situation in the Middle East. The existing tensions only heighten my belief that we must do everything possible to avoid increasing our dependence on imported oil in the months ahead.

The recession is coming to an end. But the pending upturn will result in greater demand for imported oil. At the same time, however, it will put us in a better position to absorb the adjustments that greater energy conservation will require.

There are some encouraging signs in the Congress. Chairmen Ullman and Dingell and ranking minority members Schneebeli and Brown have been working diligently in their respective committees to formulate a comprehensive energy program. After extensive hearings and discussions, their efforts to date embody some elements of the energy proposals which I sent to the Congress as well as several which could be potentially disastrous.

The Senate has also conducted many hearings. Yet the only legislation which has passed is a bill that would impose mandatory restrictions within 60 days on recreational and leisure travel, hours of business operation, and commercial lighting. It would result in unwarranted government control of personal freedoms, and would cause unforeseen economic consequences.

I am hopeful that the weeks ahead can result in agreement between the Congress and the Administration. I believe it can if we are willing to work diligently, honestly, and more rapidly. But I am concerned about the possibility of Congress passing politically popular legislation which will not only fail to meet our energy needs but which could create serious economic problems for the Nation. From my many years in the Congress, I know how easy it is to become embroiled in endless debate over tough decisions. I also know how easy it is for the Congress to enact legislation full of rhetoric and high sounding purpose, but short of substance. That must *not* happen in this case.

Neither the House nor the Senate has passed one significant energy measure acceptable to the Administration in these past few months. Hence, I must be a realist—since the time before final legislation will be on my desk is very long. I understand that in many ways the timing and substance is beyond the control of the individual committee chairmen. Yet, postponement of action on my part is not the answer. I am, therefore, taking these administrative actions at this time:

First, I have directed the Federal Energy Administrator to implement a program to steadily phase out price controls on old oil over two years, starting June 1, 1975. This program will not proceed until public hearings are completed and a plan is submitted for Congressional review, as required by statute. While I intend to work with the Congress, and have compromised on my original decision to proceed with immediate decontrol, the nation cannot afford to wait indefinitely for this much needed action. I intend to accompany this action with a redoubling of my efforts to achieve an appropriate windfall profits tax on crude oil production with strong incentives to encourage maximum domestic exploration and production.

Second, I will again defer the second dollar import fee on crude oil and the $.60 per barrel fee on imported petroleum products in order to continue the spirit of compromise with the Congress. However, I will be forced to impose the higher fees in 30 days, or sooner, if the House and Senate fail to move rapidly on the type of comprehensive legislation which is necessary to resolve our critical energy situation. Such legislation must not embody punitive tax measures or mandated, artificial shortages, which could have significant economic impact and be an unwarranted intrusion on individual freedom of choice.

The administrative action that I have set in motion will help achieve energy self-sufficiency by 1985, stem increasing vulnerability during the next few critical years, and accomplish this without significant economic impact. Nevertheless, my actions alone are not enough. The Congress must move rapidly on a more comprehensive energy program which includes broader energy conservation and actions to expand supply. Action now is essential to develop domestic supplies and protect American jobs. It is my utmost desire in announcing these executive initiatives to balance our overwhelming need to move ahead with an equally important need not to force outright confrontation between the Administration and the Congress.

I pledge to work with the Congress in this endeavor. To the extent comprehensive and effective legislation is passed by the Congress, I stand ready to approve it. What I cannot do is stand by as more time passes and our import vulnerability grows. If this happens, I will not hestitate to impose the higher import fees. Meantime, my administrative actions must fill the gap in this endeavor. The country can afford no less.

Sincerely,

GERALD R. FORD.

Mr. President. I commend the President of the United States for taking this action. He has waited and waited for Congress to act. and we have not acted. He has patiently worked with the Members and the leadership of Congress, both in the House of Representatives and the Senate, has devoted a great deal of time and effort to meetings, and has had discussions with many Members of this body and of the House of Representatives.

But S. 621 is designed to frustrate the President's efforts to make America strong in terms of its own domestic energy supply. So we are not passing legislation in cooperation with the President.

Let us stop for a moment to analyze what the Congress has done this year to help stimulate additional domestic energy supplies. Let us just look at what has been done.

The Tax Reduction Act of 1975 created an estimated additional tax burden this year for the U.S. petroleum industry of $1.63 billion. The added tax burden to the industry next year is estimated to be $2.04 billion—increasing steadily to $2.95 billion in 1979. Its impact on new costs per barrel of oil produced is 50 cents or 9.5 percent of the selling price of old crude oil. S. 621 was drafted with a view to discouraging pass-throughs to consumers of increased costs of producing oil.

The philosophy underlying S. 621 is that the consumer should not be required to pay more money for more oil. Its philosophy appears to be based on the view that the consumer is better off without oil if increased oil supplies are dependent upon improved company profits. This demagogic approach to solving energy problems is beginning to wear thin.

During the past 5 years American oil industry profits amounted to an aggregate of $18.9 billion while industry expenditures aggregated $34.1 billion or nearly twice its earnings. Put another way, not only did the industry reinvest essentially every dollar of profits, but for every dollar of profit reinvested, it went out and raised or borrowed nearly an additional dollar which it plowed into supplying more oil.

The Federal Energy Administration has estimated that in order to accelerate domestic supply in proportion of the anticipated increase demand in order to achieve energy self-sufficiency, $561 billion—in 1973 dollars—must be expended between now and 1985.

The President announced a 2-year 4 percent per month upward adjustment of old oil prices to bring old oil up to market levels, as I explained before.

The two tier pricing system has caused great inequities and has frustrated the attainment of increased domestic production.

Ninety days ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his administration spokesmen to meet with the Democrats to discuss an alternative energy strategy. The Democrats promised that within 60 days they would evolve an acceptable alternative energy strategy. To date all that has developed is an unfulfilled promise. Instead of biting the bullet, the Democrats with words, not legislation, have proposed a conceptually platitudinous and programmatically "bandaid" approach to solving our national energy problems.

In May, 1971, the Senate established a national fuels and energy study to recommend a National Energy Policy. S. Res. 45 required a report. It has been renewed every year or so with the requirement that a report with recommendations be filed. To date no recommendation has been made. I tire of arguments that the President does not give the Congress time to act. The Senate has had 4 years to decide, but has decided nothing. The national fuels and energy study has been a total failure.

The Democrats have responded with platitudes. This recognizably "political" approach, however, fails when put to the test of projected results in terms of substantially increasing domestic energy supplies and substantially reducing energy demands, including demand for imported petroleum.

These major goals cannot be accomplished by promising America something for nothing. Energy is a precious commodity and its domestic development will cost dearly. Launching the Federal Government into the energy production business will neither expedite energy development nor lower its costs. Creating mandatory allocation or conservation programs in order to reduce energy demand means that the Federal Government will be placed in the "Godfather" role of dictating to American consumers how much energy they will be entitled to and what they can use it for. I do not believe that the Federal Government is smart enough to play such a dictatorial role nor does this administration want to dictate to American consumers choices they are capable of making and would prefer to make themselves in the marketplace. Insisting upon environmental safeguards that have the effect of deterring development of substantially increased domestic energy supplies cannot help but place this Nation more perilously in the grip of repeated international oil blackmail.

We all want to protect the environment, but we must have a balance.

We must consider just what can be done as far as meeting the tremendous obligation that this country has to its people.

The political response of Congress has been we are too cowardly to bite the bullet to increase energy supplies so let's instead take action to cut demand. S. 622 which passed the Senate recently was an attempt at conservation.

Here is what Washington Post columnist David Broder had to say about the last bill reported out of the Senate Interior Committee and acted upon by the Senate.

> Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.
>
> It was approved on the same afternoon that the senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.
>
> It would be hard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.
>
> The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.
>
> Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.
>
> That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.
>
> It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."
>
> None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.
>
> What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.
>
> While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric, within the following 30 days.
>
> That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.
>
> On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.
>
> So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.
>
> That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design, and not by happenstance.
>
> By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.
>
> That's the kind of performance that already has brought the federal government into disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

Let us return to S. 621. What will S. 621 do to domestic energy production? I have received scores and scores of communications from the little man in the energy business, the independent operator, and the hard-working entrepreneur who invests his capital in the high risk business of trying to find oil and gas. These people are not what some of our friends refer to as the multibillion dollar oil giants. These are the little people, low-income people, that S. 621 will either put out of business or will deny the opportunity to find more oil.

Mr. President, it would take me all day to read each of these leters that have come to me. I would like to refer to them so that this body will have an idea as to just what has been involved. I will not take time, but I do ask unanimous consent to place the contents of these telegrams in the Record at this point.

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

April 28, 1975.

Senator Paul Fannin:

Senate bill 621 should not be passed as it will prohibit the President of the United States to deregulate oil prices and thus increase the energy crisis by not giving the independent producer the necessary incentive to keep this nation non-dependent on foreign sources

R. P. Herrmann.

April 28, 1975.

Senator Paul Fannin:

Passage of Senate bill S621 can only impede the efforts of domestic oil and gas producers to increase our nations petroleum and natural gas reserves. We have responded to long overdue crude oil price increases by extensive wildcat drilling and reworking of producing wells. We can continue to do so if we receive a fair price for this commodity. The risk is high and we must have an adequate return to warrant further wildcat exploration. I hope we have not forgotten the devastating effects that price ceilings had on the cattle industry.

W. J. Fellers.

Hon. Paul J. Fannin,
U.S Senate,
Dirksen Senate Office Building,
Washington, D.C.

The following is a copy of a Mailgram sent to the Honorable Henry M. Jackson April 25, 1975:

"Please vote against S. 621. This bill will only further complicate the present cost price situation in the oil industry. It prevents cost pass-through and would be counter productive to our effort to expand exploration and production."

Harry Roberts.

Tulsa, Okla.
April 25, 1975.

Senator Paul J. Fannin,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Fannin: On behalf of the Oklahoma Independent Petroleum Association representing more than 900 independent members of the petroleum industry in Oklahoma and members in other States with interests in Oklahoma, we sincerely urge you vote against Senate Bill 621. If this Bill passes we believe that exploration for needed reserves will be slowed down.

Sincerely,

Hal T. Gibson,
Executive Manager.

April 26, 1975.

Senator Paul Fannin:

We oppose S. 8621 because it will cause more shortages of oil and gas for the American consumer.

Sherman E. Smith.

April 26, 1975.

Senator Paul Fannin:

Rolling back and freezing the price of new crude oil by legislation as provided for in S-621 will hurt our efforts to develop crude oil reserve. We believe nations fuel needs require free market approach if we are to be self-sufficient.

H. and L. Operating Co.

April 26, 1975.

Senator Paul J. Fannin,
Washington, D.C.:

The following is a copy of a wire sent to Senator Henry Jackson:

"Passage of S. 621 will seriously curtail expansion of domestic oil production by independents thereby hurting the consumer and the energy position of the entire country. In a time of increasing costs S. 621 will prevent any pass through and will intensify drop in cash flow that comes with tax reduction bill. If we are to lessen our energy dependence on foreign sources every effort must be made to expand domestic production not to cut it."

H. A. True, Jr.,
Partner, True Oil Co.

April 26, 1975.

Senator Paul J. Fannin,
U.S. Senate,
Washington, D.C.:

S. 621 is wrong approach to energy solution. Reduced prices will result in premature plugging of existing wells, and importing more higher priced oil. Urge defeat of same.

Jack M. Allen.

April 26, 1975.

Senator Paul J. Fannin,
Senate Office Building,
Washington, D.C.:

I urge defeat of S. 621. Any effort to reduce prices on oil or gas on top of depletion cuts already in effect cannot help but reduce number of wells drilled and increase our dependence on undependable and expensive imported oil.

Warren A. Morton.

April 26, 1975.

Senator Paul J. Fannin,
Dirksen Office Building,
Washington, D.C.:

Senate bill 621, "Petroleum Price Increase Limitation Act", if passed as proposed, will have extremely adverse effects on domestic oil exploration. Recent depletion cut reduced this company's proposed drilling and exploration budget from 7 million dollars to $4,500,000. Continuation of old oil price freeze is unwarranted because of finding costs to replace old oil being sold at $5.25 exceeds that price. The 6 percent limitation on use of depletion has already eliminated considerable incentive to find oil. A freeze on new, released and stripper oil as proposed will further erode funds necesary for drilling. This will further hamper this industry's effort to halt the decline in domestic production, add to unemployment, greatly reduce demand for pipe, equipment and services, and reduce demand for steel. It is time this industry be allowed to do its job without further punitive legislation. The Congress should be spending its time on positive solutions for a change. The consumer's interest will be better served. Continued harassment of domestic oil companies by bills such as Senate bill 621 can only lead to fewer reserves and higher prices in the long run. Please consider these effects carefully when it comes time to vote.

Harry A. Trueblood, Jr.,
Chairman and President, Consolidated Oil and Gas, Inc.

April 26, 1975.

Senator Paul J. Fannin,
Washington, D.C.:

Would urge that S. 621 not be passed. As a matter of principle oil should not be singled out for price controls and as a practical matter a reduction in oil company gross receipts can only have the effect of reducing drilling and capital investments as well as shrinking producible reserves. If you don't agree with the above we still suggest delay in passage of S. 621. There are signs of a drastic drop in drilling activity here in North Texas since elimination of depletion allowance. If statistics prove this to be the case voting a bill out which even further reduces oil companies ability to serve the national good would be a most serious error.

D. A. Kimbell,
President, Burk Royalty Co.

April 26, 1975.

Senator Paul J. Fannin,
Dirksen Office Building,
Washington, D.C.:

Respectfully urge you oppose S. 621, which is a multiple roadblock to energy self-independence. Let's work together on affirmative legislation, not strictly negative such as S. 621.

Douglas E. Bean,
Executive Director, Idaho Petroleum Council.

April 26, 1975.

Senator Paul J. Fannin,
Senate Office Building,
Washington, D.C.:

Drilling for new oil and gas reserves in the Appalachian area is slowing down dramatically as a result of the recently enacted depletion repeal legislation. Drilling permits in Ohio are down approximately 33 percent from the end of last year. We drilled 12 wells in 1974 compared to 4 in 1973 and had planned a larger program this year. These plans are now on hold pending analysis of enacted and proposed anti oil and gas industries legislation. If S621 is passed with its discriminatory price control provision, it is my opinion that drilling will come to a screeching halt. Industry can in no way finance the search for and development of desperately needed new oil and gas reserves with legislation on the books such as that proposed in S621.

I urge you to cast your vote against this ill advised bill as the effect of its passage would be detrimental to the citizens and to the security of our nation.

R. L. Vockel.

April 26, 1975.

Senator Paul J. Fannin,
Dirksen Senate Office Building,
Washington, D.C.:

Re: S. 621 sincerely believe that price controls on any product extremely dangerous for medium and long term results would consider this type legislation short term day to day policy realize you are sincere whatever way you go and wish you the best.

W. T. Blackburn.

April 26, 1975.

Senator Paul J. Fannin,
Senate Office Building,
Washington, D.C.:

I urge you to oppose S621 because it keeps price controls on underpriced old oil which does not reflect the present costs of exploration, development and production. Extension of price controls together with the recent depletion cut is a further disincentive to the development of our domestic reserves.

Jerome J. O'Brien.

April 26, 1975.

Senator Paul J. Fannin,
Dirksen Senate Office Building,
Capitol Hill, D.C.:

Urgently request you vote against S–621 "Petroleum Price Increase Limitation Act." Price controls on new oil and stripper well oil in addition to recent depletion cut will reduce our drilling expenditures by 20% this year. At a time when we need to create incentives to develop energy in this Nation, S–621 will have a counter-productive effect.

E. S. Morris.

April 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

My attention has been directed toward S621, "The Petroleum Price Increase Limitation Act". My interpretation of the act is that it would be counter productive to encouraging oil and gas development, which we desperately need. I urge you to support a position that permits the free market to operate in what I would like to believe is a free enterprise system.

Sincerely,

Tom B. Medders, Jr.

April 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

Panhandle Producers and Royalty Owners Association opposes the passage of S–621 which continues price controls and establishes crude price ceilings and a price roll back for new crude oil. Price incentives increased exploration for oil reserves 12 percent in 1974 from that of 1973 and enabled the 10,700 stripper wells to continue to produce in the Texas Panhandle. A price roll back and price ceiling would surely shorten the life of these 10,700 wells. Due to the continuing rise in the cost of well operations with the recent action on the depletion allowance along with counter productive legislation such as S621 much needed outside investment capital will abandon our industry and dangerously decrease the exploration for added oil reserves.

Danny H. Conklin,
President.

April 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

Understand the Senate is considering a roll back in the price of crude oil and want to express our strenuous opposition. We are small operators and such action will cut our exploration budget in half. This will mean a net reduction of 5 wells our country needs to increase domestic reserves as quickly as possible. This proposal would do the reverse.

John J. Redfern,
President.

April 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

S. 621 as proposed will mean an additional setback for U.S. energy self sufficiency. The recent loss of depletion coupled with the price roll-back and control of new release of stripper oil will take large amounts of exploration dollars away from our industry. Exploration for oil and gas will be curtailed in our own instance by approximately 30 per cent. It is completely unjustified to continue price control and allocation on a single industry. We are constantly exposed to accelerated costs from every other sector and yet we are controlled. We urge the defeat of SB-621.

Your leadership to prevent this action is greatly appreciated.

MILLER BROS. DRILLING CONTRACTORS
AND PRODUCERS.

APRIL 26, 1975.

Senator PAUL FANNIN,
Washington, D.C.

Drilling costs have doubled last two years. Extension price controls will create a greater imbalance in foreign trade deficits. Will restrict cash flow for further exploration.

GLEN C. FERGUSON,
President.

APRIL 26, 1975.

PAUL J. FANNIN,
Dirksen New Senate Office Building,
Capitol Hill, D.C.:

Extension of price controls to new, released and stripper well oil provided in Senate bill 621 would curtail our exploration and drilling activities involving annual program of 60 wells and drilling and completion expenditures in excess of 2 million dollars by our company and participating investors. This bill would further compound our energy shortage.

PICKRELL DRILLING CO.

APRIL 28, 1975.

Senator PAUL FANNIN,
Capitol Hill, One D.C.:

Recent crude oil price increases have stimulated exploration and development of our domestic oil and-gas reserves. Without these increases our company would have plugged and abandoned fifty percent of our producing stripper wells. Instead we have embarked on a wildcat exploration program and spent considerable sums reworking wells that under former prices had reached their economic limit. It seems to me that crude oil price ceilings as outlined in Senate bill S621 is a negative approach to the overall problem of making our country self sufficient in oil and natural gas reserves.

DONALD C. WATSON,
President.

Mr. FANNIN. Mr. President, let us face it, E. 621 is a very bad bill and if we continue to adopt legislation that is going to decrease exploration in this country, we will also decrease the development and production of energy in this country.

We have taken some backward steps recently. I do not refer to this particular legislation, but to the mining bill that was just approved by the conference. This is a step backwards, a big step backwards when we realize just what is happening to the ability of our industries to develop coal that can be utilized to generate power in this country.

I could refer to other pieces of legislation that have been almost as bad, although I would not say as disastrous.

Mr. President, it is certainly deplorable that we will even consider a bill such as S. 621 at this time when we know what is facing this Nation. We have just been through a disastrous situation in Southeast Asia and we have in other parts of the world where there is now turmoil a threat to our supply of petroleum products.

Mr. President, if we are going to meet the obligations of those people that have elected us to office and expect us to act in their best interests, then we should defeat legislation such as S. 621. I trust that will happen and that we will then be able to consider more needed legislation to assist industry and to foster the development of our natural resources, rather than curtail and cut back on the production of energy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. FANNIN. Mr. President, I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, how much time does the Senator from Arizona have remaining?

The PRESIDING OFFICER. The Senator from Arizona has [illegible]35 minutes remaining.

Mr. FANNIN. Mr. President, I yield to the distinguished Senator from Texas as much time as he requires.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I thank my colleague from Arizona.

Mr. President, as I review S. 621, the so-called Petroleum Price Increase Limitation Act of 1975, I scarcely know where to begin describing what is wrong with such misguided legislation. It is so completely erroneous in design, so antithetical to what our Nation should be doing, that every provision is suitable for attack. Indeed, if a hostile foreign power wished to cripple our efforts to attain energy independence, it would be hard pressed to design a more efficient vehicle toward that end than is the pending bill.

Let us begin with the most obvious flaw in the bill, its misguided attempt to aid the energy consumer. The intent of this bill, its sponsors say, is to insure that poor and middle-income families are not injured by rising energy prices. This is a noble end, and one which we would all support. But it is an end which the President's energy program has already taken into consideration. The President's energy program provides for tax rebates which would actually improve the relative economic position of the middle- and lower-income citizens and at the same time encourage all segments of the American society to practice energy conservation.

S. 621, by contrast, would prove the most arrant kind of false friend to the consumer. By artificially depressing the price of domestic fuel supplies, it will undercut our efforts to encourage energy conservation while simultaneously restricting our domestic production of oil.

The consumer may find this plan appealing at first. Nothing will have changed on the surface. Energy will seem to be comparatively cheap. But what of the future? The combination of low prices for energy and unbridled energy consumption is what initially led us into our current crisis situation.

Our present shortage of natural gas makes it abundantly obvious where governmental imposition of artificial price controls will lead. Over the years, price ceilings on natural gas have caused rampant increases in consumer demand for this, our cleanest burning fuel. At the same time, domestic production has been stymied. Without an assurance of fair and equitable return on capital, exploration and development of our natural gas reserves during the past 2[illegible] years has greatly diminished.

And, today, even in the midst of an energy crisis, Congress continues to abdicate its responsibility to the American public by failing to allow the free market system to rectify these serious distortions between supply and demand of natural gas.

What will the consumer say when he is once again waiting in line for hours at a time to get his ration of gasoline? Not because of an embargo, but rather because domestic production has come to a standstill.

What will he say when the Federal inspectors come to his house to check that his thermostat is turned down to the proper level?

What will he say when he loses his job because business and industry no longer are able to acquire requisite energy resources?

What will he say when foreign investors buy up control of his company with money drained from the U.S. economy?

Will he then look back with gratitude to this Congress, this "world's greatest deliberative body," who did so much for "consumer interests" in 1975? I think not.

The fact is that in the real world, as opposed to the world of fantasy, the price of producing energy has increased and hence energy should cost more. We, as a nation must accept a new energy ethic. Our values relative to energy uses must change. Rising prices would enhance conservation and at the same time rapidly increase our domestic supply of energy.

Yet this bill's sponsors, like a collective King Canute, apparently believe that they can make the economic tide retreat with a wave of their hands.

Well, Mr. President, it is time we realized that the laws of economics are not subject to the Senate's advice and consent. It is true that we can artifically restrict the price of energy in this country. Indeed, if we pass this bill we will have done just that. But the iron laws of economics say that if capital is not invested, resources will not be developed.

For example, right now, in my home State of Texas, oil rigs are standing idle. Last year at this time those rigs were probing the earth, seeking out new sources of domestic oil. Yet today, when the need for oil is even greater than a year ago, they are not being utilized. Why is this?

The answer lies in the fact that the Congress, in its "great wisdom," did away with the oil depletion allowance for integrated oil companies, and is phasing it out for the independent producer as well. Financial uncertainty is now so great and potential return so small that one can no longer afford to take on such high risk investments. The necessary expectations for dollar return on investment is simply not there. Therefore, the amount of capital for expansion of drilling activities is much smaller, and the amount of oil which will be produced domestically will be much less.

But now, I hasten to point out that the effect on the oil industry of ending the depletion allowance will be no worse than passage of S. 621. For the heart of the bill, the key to its weakness, is the limit it seeks to impose on petroleum prices.

Up until now, we have had a two-tier pricing system for domestic petroleum. While the price of so-called old oil has been held at an artificial level, the price of new oil has been allowed to rise to the prevailing world market level. Our experience has shown that this two-tier system introduces distortions into the oil market and prevents full development of our oil resources. In fact, such a system has given us the inequitable entitlement program, whereby we in the Southwest, subsidize the Northeast in their purchases of petroleum products.

At present, better than 40 percent of our domestic oil supply is produced by means of secondary and tertiary recovery. Of this amount, 63 percent is subject to Federal price controls. If price controls were lifted, the amount of capital available to develop secondary and tertiary recovery wells would soar, attracted by the new higher rate of return.

A recent Federal study indicated that decontrol would increase our ultimate domestic oil recovery by 10 billion barrels per year. There would be an increase in domestically supplied oil of 350,000 barrels a day.

Mr. President, that is 350,000 domestically produced barrels, each one of which would replace an imported barrel of oil, and which would actually come under the OPEC price.

Mr. President, this would in turn reduce the amount the United States would pay out to foreign oil suppliers by $8.5 billion per annum. I point out, Mr. President, that this $8.5 billion stays in this country and that means additional American jobs and hopefully a thriving economy.

I simply cannot understand why some people here would prefer to pay foreign sources an inordinate profit for a barrel of oil rather than pay somebody in a producing State for it in this country, and perhaps at a slightly lower price and certainly a far lower profit margin. It defies my imagination and understanding.

So it is obvious that if we are serious about moving toward decreased dependence on foreign oil suppliers, we should be working to decontrol the price of oil. Instead, we find the supporters of this bill urging us to move in exactly the opposite direction, to bring new oil, which until now has escaped regulation, into the same price straitjacket which has already restricted recovery of old oil.

Now it follows logically that if controls on the price of old oil limit old oil production, then controls on new oil will limit production of new oil. It requires no great expertise in economics for one to see the relationship. But it does require a certain ability to face the economic facts which, I am afraid, is sorely lacking in certain circles today.

There are some in our society who would say that there are no difficult economic situations which the Government cannot magically overcome with a wave of its bureaucratic wand. Perhaps that is the reason they want to replace the current two-tier price system with a three-tier system, for that will be the real effect of limiting the price of new oil to the level paid on January 31, 1975.

At first there may only be a slight difference between the price of new domestic crude oil and the price of foreign crude, but over time, the differential will widen, and a third tier will be created. Then we will see more market distortion, greater inequities, more maneuvering to find loopholes in the laws, more complex regulations, and more bureaucracy needed to administer the regulations.

Mr. President, I come from a State where the American free market system is still held in high regard. Texans have seen in their own State just what free enterprise can do. During the lifetimes of many Texans today, our State has developed into one of the most important industrial areas of this country. We have seen towns like Dallas and Houston become world metropolises. We like what capitalism has done for us.

But for a great number of people, capitalism is a dirty word. They think that all businessmen are out to steal the consumer blind, that only the Government can protect the common man from exploitation.

With all due respect, I have more regard for the American businessman than they do, and I have more regard for the intelligence of the average consumer as well.

I think that we can overcome our energy problems if we remain true to the economic principles which made this country the most productive and wealthiest in the world. I do not think increased bureaucracy is the solution to any problem, least of all this one.

Let me review briefly now just what this bill will not do. S. 621 would not solve our energy crisis, it would not increase our domestic energy supply. It would not promote energy conservation. It would not allow the President to use powers which we have granted him, it would not eliminate bureaucracy in Government, and it would not help the consumer in the short or long term.

It contains provisions for review by both Houses of Congress, with a 30-day right of disapproval of any action which would result in higher domestic petroleum prices.

It contains provisions insuring that any energy proposals will have to be accompanied by a plethora of socioeconomic impact analyses whose drawing up will, of course, take still more time.

Mr. President, the energy crisis which began years ago became blatantly apparent in the fall of 1973. Congress has had a full year to draw up its own legislative proposals for dealing with it. Yet in that time it has done absolutely nothing.

Realizing the shortcoming of Congress and the urgency for the resolve of our energy problems, President Ford has placed before the Congress and the American public a comprehensive energy program which provides the most effective, least disruptive, and most equitable means of attaining energy independence and economic well-being. His proposals are based on an exhaustive study of our national energy situation. They are designed to reduce the rate of domestic energy consumption at the same time that they increase our domestically produced energy supply, and I might add that they are completely absent of politics.

Therefore, I urge my colleagues, in the interest of our national security and economic well-being, to oppose the passage of this bill.

Mr. President, as I have noted, we already have slowed our move toward greater self-sufficiency by our action on the depletion allowance. It also had an effect that perhaps some of us did not realize it would have. It has slowed the completion of the Alaska pipeline; because by making it retroactive, many people who had taken it into their fiscal considerations, in their operations, now have to recoup what they have lost by it. That means people will be laid off, and work on the Alaskan pipeline, already 2 months behind, is going to slide another 2 months behind, just because of our action here on the depletion allowance.

Drilling activity in Texas slackened off dramatically immediately when we did this. I know of 30 sitings in 1 gas field that are not being drilled because we put the lid on the depletion allowance.

If we want to punish the oil industry, let us make it plain that that is what we want to do; but let us not mistake this punitive effort against the oil industry as something designed to protect consumers or to affect conservation or to expand the production of oil or gas in this country. We should let the people know what we are doing.

Apparently, there is a fear that somebody is going to make a profit. I say again that profit is the cost of capital. If an oilman makes a profit, so be it, because it is that profit that is going to produce more energy, find more energy, and transmit and distribute more energy.

I fervently hope that we will not further push the decline in drilling activity in this country by enacting this measure. The cumulative effect of this on top of depletion allowance action by Congress is going to force drilling activity downward still further in this country. Mr. President, that has an adverse economic impact on the entire Nation, not just

Texas, Louisiana, and Oklahoma, the producing States. When those rigs are idle, whoever builds rigs—much of the steel and machinery are produced in the North and Northeast—those people are going to be laid off, because drilling activity in the South and Southwest has slowed down and dribbled off. So what we do today impacts on the national economy, the national well-being.

I cannot understand why we adopt proscriptive legislation such as this, which is designed to inhibit our mood toward self-sufficiency.

I thank the Senator from Arizona for yielding to me.

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield me 2 minutes?

Mr. GLENN. I yield.

VISIT TO THE SENATE BY HON. ROGER MOATE, MEMBER OF PARLIAMENT

Mr. MANSFIELD. Mr. President, it is my privilege at this time to introduce a most distinguished visitor to the Senate. I refer to the Honorable Roger Moate, Member of Parliament and Secretary of the British-American Parliamentary Group.

We are delighted that he has seen fit to visit us in this Chamber.

[Applause, Senators rising.]

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess for not to exceed 2 minutes, for the purpose of extending our greetings personally to our distinguished visitor.

There being no objection, the Senate, at 2:05 p.m., recessed until 2:07 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEAHY).

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The Senate continued with the consideration of the bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within 30 days.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add a new section 107 to read as follows:

Sec. 107. (a) ENTITLEMENTS.—Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding at the end thereof the following new subsection:

"(h) Insofar as any regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil to domestic refiners, such regulation shall exempt the first 50,000 barrels per day of those refiners whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, one hundred thousand barrels per day from said requirement: *Provided*, That nothing herein shall be taken to restrict the right of any small refiner as defined in section 3(4) of this Act to receive payments for entitlements or through any other such cash transfer arrangement.

(b) The amendment made by subsection (a) of this section shall be effective for payments due, pursuant to any regulation referred to in such section, with respect to crude oil receipts and runs to stills occurring on or after February 1, 1975.

Mr. JOHNSTON. Mr. President, this amendment is the same as one which was offered and agreed to, without objection, on S. 622. 2 or 3 weeks ago. It is offered with the blessing and support of Senator EAGLETON, with whom we had the colloquy and hammered out the provisions of it previously.

This amendment would exempt the first 50,000 barrels of oil from the duty of purchasing entitlements for any small refiner who produces 100,000 barrels a day or less.

Hearings have been held on this subject by the Committee on Interior and Insular Affairs. The testimony has been very clear that refiners of this size are so economically marginal that the duty to purchase entitlements, which can run to millions of dollars—and do, in some cases—will in effect make their operations not economically feasible and will result either in a curtailment of their operations or, in some cases, a total cessation of their operations.

This amendment would exempt that 50,000 barrels a day. It also would spread the obligation among all other refiners—that is, among the entire pool of nonexempt oil—which in our judgment would be more equitable.

Mr. President, I know of no opposition to the amendment, and I trust that it can be accepted.

Mr. GLENN. Mr. President, we have not had time yet to go over this proposal in detail. I would like to check with the chairman of the committee on this before further comment on it. The Senator from Louisiana does not object to that.

Mr. TOWER. Mr. President, will the Senator from Ohio yield?

Mr. GLENN. I yield.

Mr. TOWER. Mr. President, speaking for the minority, I am prepared to say that the amendment is acceptable on this side.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the amendment be laid aside temporarily, until the temporary floor manager has the opportunity to speak to the committee chairman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. (Mr. STEVENS). Without objection, it is so ordered.

The amendment is as follows:

On page 5, delete the language appearing on line 11 and insert the following:

"Except as provided in section 106 of the Petroleum Price Increase Limitation Act of 1975, no exemption of any classification of petroleum, or"

At the end of the bill, add a new section 106 to read as follows:

"SEC. 108. ENCOURAGEMENT OF ENHANCED OIL RECOVERY.—Section 4(e) of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding a new paragraph 4(e)(3), to read as follows:

"(3) (A) In the event that the price regulation promulgated under subsection (a) of this section provides for more than one price (or manner of determining a price) for a given grade and quality of crude oil produced in a given producing area, the regulation shall provide that the price applicable to "enhanced recovery oil", as defined in subparagraph (B) of this paragraph, shall be the highest price applicable to the given grade and quality of crude oil produced in the given producing area.

"(B) For the purposes of this paragraph "enhanced recovery oil" refers to any crude oil produced from any property in any calendar month, in excess of a percentage, specified in the regulation, for each subsequent calendar year, of the volume of crude oil produced from that property in the corresponding calendar month of 1972.

"(C) The percentage specified for each calendar year pursuant to subparagraph (B) of this paragraph shall reflect and take into account the rate of decline in production normally expected from individual oil reservoirs in the absence of enhanced recovery techniques, such as measures to increase the permeability of the reservoir including acidizing and fracturing, measures to restore reservoir pressure by injection of water, steam, or gas, and measures to reduce oil viscosity or capillarity by the introduction of injected substances or heat.

Mr. JOHNSTON. Mr. President, this is an amendment which we originally took up on S. 622. The effect of it is to exempt from price regulation secondary and tertiary oil. The Senate will recall that on S. 622, I brought the amendment up. It originally failed. Then, through a series of votes, it was to be eligible for reconsideration. A majority of the Senate voted for that reconsideration. Later, the distinguished Senator from Washington (Mr. JACKSON) offered an amendment in the second degree to put a cap on those prices at $7.50. That amendment then passed, and after the amendment of the Senator from Washington passed, putting the cap at $7.50, we passed the amendment without objection.

I now offer the amendment, Mr. President, at the full deregulated price. The reason that $7.50 will not help, that in fact, it will probably do some harm, is that under the present law, any secondary and tertiary recovery that produces more oil than the 1972 base period is entitled to the full deregulated price.

The only way that the $7.50 amendment would help would be in that case where the amount of oil produced is less than the 1972 base price.

Mr. President, hearings have been held on secondary and tertiary oil recovery. It has been established that some 59 billion barrels of oil are possible to be recovered through the use of secondary and tertiary recovery. That is more than 100 percent of what we presently have as proven reserves in this country. It is so clear, Mr. President, that we have to do something to produce more energy; it is so clear that secondary and tertiary recovery require additional capital, require additional incentives, that it is quite beyond me how this amendment could be opposed.

I understand the consumer sentiment in this country that says no increased prices for anything. I share that. I wish we had no inflation; I wish we had no increased prices. But, Mr. President, we have to face the fact that we have to do something to produce more energy, rather than repealing, in part, the depletion allowance, rather than reducing the prices to be paid for energy, because it just does not work that way, Mr. President.

I hope that this small step toward producing additional supplies of energy will be taken by the Senate. I hope that this amendment will be adopted.

Mr. HANSEN. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I voice my support for this amendment and for the logic which prompts the Senator from Louisiana to present it. This amendment makes extremely good sense, for a number of reasons. As has been pointed out, in the first place, it is a positive step in the direction away from a further imbalance in our balance of payments. As we encourage, through this mechanism, the development of our own domestic oil and gas reserves in the United States, we decrease by that same amount our dependence upon foreign supplies and our need for those foreign supplies.

Representative MIKE McCORMACK, of the State of Washington, in testifying before the Committee on the Interior a week or more ago, pointed out that if we were to have to cut back to the level of energy consumption in 1973 or 1974, the year that we actually used less energy than we had the year before, if we were to have to go to a no-growth energy policy, in the judgment of Representative McCORMACK of the State of Washington, he said, that would be a greater calamity for the United States than would have resulted, in his opinion, if we had lost World War II.

He went on to point out that jobs, as we know, in this country are dependent upon energy.

Mr. JOHNSTON. Will the Senator yield for a unanimous-consent request?

Mr. HANSEN. I am happy to yield.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Walter Clawson, of my staff, and Larry Meyers, of the staff of the Committee on Public Works, have the privilege of the floor during debate and during votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that a member of my staff, Nolan McKean, may be on the floor during this debate and votes, also.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, the fact is that we do have to have energy to make jobs in this country. Agriculture in the United States consumes 1.2 gallons of fuel for every man-hour of work that is performed in producing the food and fiber upon which not only this Nation depends, but other people around the world, as well. The good sense in this amendment is that by encouraging further effort to produce more of the oil already discovered it is moving us in the right direction.

It is true that as the price of oil rises, we can expect the price of products to rise with it. But the predictions that were being made a few years ago, or within the last year or two, about what would happen to this country if the price of gasoline went up a little bit largely went unfulfilled. Those predictions went unfulfilled because it just did not work out that way. I know of no worker in the United States who, given the choice between having a job and having to spend a little bit more money getting back and forth from his home to that job, would not opt to pay the additional few cents that would result from higher priced petroleum products rather than to have no job at all. That is the worst possible thing that could happen.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. HANSEN. I am happy to.

Mr. JOHNSTON. I even question that there would be any increase, because this amendment only applies to that oil which we do not have right now and which we are not going to get unless we pass this amendment. So it is not a question of paying additional amounts, it is just a question of whether we produce the oil at all.

It is sort of like the story that my colleague, the senior Senator from Louisiana, tells about the fellow who went to purchase some apples. He said, "What do those apples cost?"

He was told they cost 40 cents a dozen.

He said, "How come you charge that? The fellow down the street is only charging 25 cents."

The answer was, "Yes, but he doesn't have any apples."

Mr. President, that is the situation we have here: We do not have these apples. We do not have this oil, and we are not going to get it unless we are willing to pay the producers what it costs to get it out of the ground. It is as simple as that.

Mr. HANSEN. Mr. President, the Senator from Louisiana is absolutely right. I point out further, in support of the point he just made, that this is effort to recover oil by secondary and tertiary methods already known to be in place—oil that has been quantified. What many people are not aware of in the United States is that we, by our present technology, raise or recover only a small percentage of the oil that is actually in the ground or in the sands, in the rock. At these deeper horizons, it is found in the rocks, in the little spaces between the particles and grains of sand that constitute the sediments that underlie the surfaces of the earth down from 5,000 to 15,000 or 20,000 feet, or even more.

So the point that has just been made by the Senator from Louisiana is exactly right.

This oil is there, and instead of its costing the Americans more because the price would be decontrolled if these secondary and tertiary recovery efforts were put into practice, it does not follow at all that the overall price of the product would go up. As a matter of fact, I think it can be successfully submitted that that oil that we could produce by those methods here in this country would cost us less, certainly not more but in all likelihood less, than any oil we could get anywhere else. It certainly would cost less than the high-priced imported oil with which we have to make up our present domestic deficiency today.

So I would hope that Senators would support this amendment, because everything about it works in the best interests of all Americans. It lessens our dependency upon uncertain, unstable, and undependable foreign sources of supply. It puts our balance of payments back on the credit side of the ledger. We are not putting out money to become part of the buildup of petrodollars in other parts of the world. We are making that investment, and it will go into the banks of the United States of America. It will go into the hands of people in this country. It will produce new jobs because the effort that will be required to perform the functions contemplated as this amendment becomes effective will provide jobs for Americans. It will give the extra punch to our economy that we so desperately need today.

Last, it will make certain that the whims and the caprices of foreign countries, of dictators or whoever they may be, shall not hold a sword of Damocles over the United States of America. Rather, by having dependable domestic supplies of oil, as this amendment helps insure, we can be certain that the kind of decisions that will best serve America, not those which may necessarily be pleasing to a foreign country but those decisions which will best serve America, can be made in the full, secure, and firm knowledge that come what may, if we happen to incur the displeasure of a foreign country, that country will not be

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able to shut off a vital supply of petroleum to the United States.

I support this amendment. It makes great sense. I hope the Senate and the manager of the bill will see fit to take it and follow through in conference in order to make certain that it becomes a part of the law if and when this particular bill should become law for the United States.

I thank the Senator from Louisiana.

Mr. GLENN. Mr. President, I would like to ask, so we will have it on the record here, several questions of the Senator from Louisiana as a part of the legislative history for this proposed amendment and, once again, on this bill. Rather than bringing it to a final decision as to the floor management of the bill at this point, I would prefer that the committee chairman be here when some of those decisions are made. But I would like to ask: Is there an estimate on the amount of oil that is potentially available in the country by secondary and tertiary recovery methods, and how that compares as a percentage with our overall supply in the country?

Mr. JOHNSTON. There are various estimates made. Secondary recovery is frequently used; tertiary recovery has not been used that frequently for many reasons. First, the technology is fairly new and, secondly, the cost is extremely high.

There have been various estimates made. One estimate is that we have some 40 billion barrels of proven reserves and there are 59 billion barrels that can be recovered given enough cost.

Mr. GLENN. What was that second figure?

MR. JOHNSTON. Fifty-nine billion barrels. Frankly, I do not expect we are going to recover that much oil at any time very quickly.

I think the Interstate Oil Compact made a study which indicated that secondary and tertiary recovery can yield some 25 billion barrels of oil in the next 20 years. If that is the correct estimate, the estimate made by the Interstate Oil Compact, that would increase by some 60 percent, I believe it would be, the present reserves. And that is a recently completed study by the Interstate Oil Compact.

The fact of the matter is we do not know precisely how much oil could be produced because, as I say, the technology is relatively new, and we have never had the price incentive to go in and make it feasible to produce oil by secondary and tertiary methods.

I might point out one thing that I think, as far as the legislative strategy on this bill is concerned, we all ought to face, and that is that in its present form, I am informed, the President would veto this bill and would decontrol all oil, and I am informed that the votes are probable there to sustain a veto.

Now, the choice is not, I think, between S. 621 in its present shape and this proposal, but the choice is between S. 621 and total decontrol; and I am just hoping that we can put the bill in the kind of shape where we can say it does something for the production of additional energy rather than just result in a confrontation with the President which the President would probably win.

Mr. GLENN. Would the distinguished Senator from Louisiana have information on the cost per barrel of oil produced by secondary and tertiary recovery methods? There really are no big-scale tertiary recovery methods as yet; but in the secondary recovery experience to date, is this more expensive oil per barrel to get out or is it less expensive, in general, compared to normal production, or does the Senator have figures along those lines?

Mr. JOHNSTON. It depends on the particular formation. There have been studies done on that. In some instances, you can have some kinds of secondary recovery that are as low as $2 a barrel to get that first barrel of oil. In many instances, the water flooded or the oil flooded or whatever the kind of recovery undertaken simply does not work at all. So in some respects it is like a wildcat operation: You may hit it and you may not.

Tertiary recovery is so unusual that we really do not have any reliable price figures. The fact of the matter is, we cannot say what degree of recovery we are going to get. We do know this: that from the time this bill was initially enacted back in 1973, and we took the base period of 1972, producers have been able to get the new oil price for any production that exceeded the 1972 base period. So there was every incentive for them to go in at that point and undertake the secondary and tertiary recovery; and the chances are that all of the easy secondary and tertiary recovery that could be accomplished has already been accomplished, and what is left down there is that which is more chancy and more expensive.

I might point out, by the way, that we had some very interesting testimony on April 28 before the Committee on Interior and Insular Affairs by Robert R. Nathan, one of the foremost economists in the country, who pointed out that the price of finding and producing a new barrel of oil today averages $12.73 a barrel, and both the credentials of the economist and the methodology used in producing the report would suggest, I believe, that it ought to be made a part of the record. So I ask unanimous consent, Mr. President, that Mr. Nathan's report, together with the figures backing it up, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ROBERT R. NATHAN ON PETROLEUM PRICING

THE COST OF FINDING, DEVELOPING, AND PRODUCING CRUDE OIL IN THE UNITED STATES

Much attention has been given to the substantial increases in the price of crude oil since the embargo some 18 months ago. The focus has been on prices of both imported supplies and domestic supplies. Strong concern has been manifested about the impact of oil prices on consumers and also the inflationary aspects of the sharply higher prices. Much less attention has been focused on supply considerations.

For a few years the price of oil in the United States was held down by prospects of low cost imports. Data clearly indicate that petroleum could be imported at far less than new production costs in the United States. This resulted in increased dependence on imports and less reliance on new resources explored and exploited in the U.S. The marked decline over the years in exploratory drilling appears clearly to have been the result of low prices that did not cover economic costs. The low prices were attributable to costs of imported petroleum and the price control threat inherent in the Oil Import Program.

In order to shed light on the price problem for new domestic oil, we have undertaken an analysis of the true economic costs involved in all aspects of new production of crude oil in this country. The results are both significant and provocative. It is quite clear that for some time oil prices in the United States have been at levels well below actual costs and this has had a discouraging impact on finding and developing new sources of oil supplies. These findings may not be good news for us, but it is essential that the facts be developed and aired in order to arrive at policies which will be compatible with moving toward the fulfillment of our national objectives of reducing our dependence on insecure sources for energy and reducing the unfavorable balance of payments resulting from heavy imports of crude oil and petroleum products. Simultaneously, we must take into account the longer run needs of consumers and the problems of general inflation.

The following observations relate specifically to the cost and price problems of new oil development in the United States and should help to shed light on a complex and sensitive subject. It should be noted that these problems are quite distinct from two other issues that must be addressed by overall energy policy; the problem of conservation by constraining demand; and the problem of preventing or offsetting unintended enrichment of producers of old oil or impoverishment of consumers. Here we are dealing only with incentives and means to add to domestic supplies.

Unless oil can be sold by producers at prices sufficient to cover costs plus a return on the operators' capital investment sufficient to sustain exploration, then surely wildcat drilling in the United States will decline. It is the rate of return on capital investment that provides the drilling force to sustain the level of exploratory activity. This, in turn, determines the level of our oil discoveries and production volume.

It is in this context that we must take note of the huge cost increases that have been experienced in finding, developing, and producing crude petroleum.

The attached table, Exhibit I, provides data on the *economic cost* of finding, developing and producing crude oil in the United States for each year during the period 1959 through 1974. The oil (and related gas) reserves found each year represent the total quantity of usable reserves that are available for production attributable to all new wells drilled within that year. The total level of capital investment in drillings each year in the United States (excluding Prudhoe Bay) is also shown. Revenues from the sale of each year's discovered reserves of oil and their attendant costs were projected year by year over the calculated life of the reserve. The price at which each year's discovered oil was assumed to be sold over the life of the reserve was then determined to be at that level which would yield a discounted cash flow rate of return to the producer of 15 percent after payment of all costs, including income taxes. This is referred to as the "economic price," in that it represents the price necessary to induce wildcat producers to take the risks and incur the costs attendant on finding and developing new sources of crude oil.

In the calculations, all costs incurred in the drilling of dry wells as well as new discoveries have been taken into account. All tax incentives, such as intangible drilling costs and percentage depletion, as they actually existed in each year have been added to cash flow in arriving at the price needed to yield the 15 percent rate of return. The 1974 calculated price does not, therefore, reflect the increased costs and reduced capital accumulation which will result from the changes in percentage depletion rates and the 65 percent taxable income ceiling enacted in 1975. It does not take into account the 10 percent minimum preference tax on percentage depletion or the higher than 50 percent income tax bracket of many individual entrepreneurs.

An enterprise engaged in oil exploration is distinctly unique from most other kinds of business. It utilizes depleting capital as income and then expends the larger part of this income in ventures, many of which result in a negative return. Four out of five exploratory wells drilled are dry. A 15 percent return on invested capital must be regarded as an extremely conservative base for calculating the economic price in an industry that is so speculative and risk-laden.

The year by year economic price and the actual price received for oil discovered over the 1959-74 period are shown graphically in Exhibit II. As is evident, only in 1959 did the price actually received equal or exceed the economic price for new crude oil. The consequences of this price situation should have been anticipated. During this 1959–74 period the number of barrels per exploratory well drilled dropped by almost 50 percent. The level of drilling activity fell by 56 percent. The number of independent oil producers declined from an estimated 20,000 to 10,000. The price chart largely explains these declines. Reasonable returns from exploratory drilling involved real costs that far exceeded the prices at which oil was being bought abroad.

Despite the recent price increases in crude oil, the economic cost of new oil remained above the price actually received through 1974. If new oil prices were rolled back or if ceilings on new oil were set at levels below the economic cost, taking into account the cost effects of the changes already made in percentage depletion, we could well again experience the situation that resulted in the precipitous decline in the discovery of oil reserves over the past 20 years. Oil is more difficult to find than in the earlier years of the industry, but scientific techniques are increasingly sophisticated and costly. If the decline in domestic discoveries is to be reversed for any extended period of time, the existence of appropriate economic incentives—absent for so many years—is a necessary prerequisite for more exploration.

To the degree that exploration for new oil in the United States is discouraged, additions to reserves and domestic production will be at lower levels. This will leave the nation with the unpleasant choice of importing more oil from the Mideast and African OPEC countries or greatly reducing consumption. Reducing consumption should be pursued but it will entail sharply increased prices, sharply increased taxes, or rationing—or some combination of these. Despite the higher costs to obtain new domestic oil, the implicit price compares favorably with the price of imported oil and yields a large bonus in the form of national security.

Approximately two-thirds of domestic crude oil is sold at the controlled price of $5.25 per barrel; the remaining one-third is not subject to price ceilings. Production of crude oil at uncontrolled prices comes to about 2.9 million barrels a day, accounting for some 17 percent of the total supply, including imports from abroad, needed to meet United States demand for petroleum products. The effect on consumer prices for all petroleum products that would result from lowering prices on the 17 percent share of the market accounted for by oil presently sold at market prices is clearly very limited.

The thrust of the foregoing analysis is clear. It costs a great deal more to find, develop, and produce oil today than ever in the past. If this nation is serious about reducing dependence on oil imported from insecure sources, it will have to pay sufficient prices to cover the true economic costs of exploration, discovery, development, and production.

EXHIBIT I

COST OF NEW OIL, TOTAL UNITED STATES, YEARS 1959 THROUGH 1974

[Dollar amounts in millions]

Year	Gross oil reserves (millions of barrels) (1)	Gross gas reserves (billions of cubic feet) (2)	Gross oil and gas sales (3)	Royalty expense (4)	Ad valorem and State taxes (5)	Operating expenses (6)	Adjusted gross income (7)	Total invested capital (8)	Intangible drilling cost (9)	Depletion allowance (10)	Depreciation (11)	Taxable income (12)	Investment tax credit (13)	Federal income taxes (14)	After tax net income (15)	Net cash flow (16)	Net cash flow discounted 15 percent (17)	Gross oil price (dollars per barrel) (18)	Gas price (dollars per thousand cubic feet) (19
1959	3,793	4,594	$11,740	$1,467	$680	$1,893	$7,700	$3,630	$2,341	$2,362	$857	$2,139	0	$1,070	$6,630	$3,000	0	2.86	0.190
1960	2,785	3,373	10,179	1,272	594	1,505	6,807	3,159	2,042	2,087	706	1,972	0	986	5,821	2,671	0	3.40	.21
1961	2,773	3,358	10,025	1,253	567	1,531	6,674	3,120	2,048	2,052	701	1,873	0	936	5,738	2,618	0	3.34	.227
1962	2,511	3,041	10,174	1,272	570	1,550	6,783	3,202	2,078	2,100	704	1,900	49	901	5,882	2,680	0	3.77	.233
1963	2,133	2,583	9,721	1,215	538	1,565	6,403	3,095	2,074	2,004	718	1,607	50	753	5,650	2,555	0	4.27	.237
1964	3,118	3,775	11,223	1,403	641	1,670	7,508	3,475	2,155	2,307	769	2,277	54	1,085	6,424	2,949	0	3.32	.231
1965	2,234	2,705	9,098	1,137	522	1,498	5,940	2,917	1,981	1,852	693	1,414	48	659	5,282	2,365	0	3.79	.234
1966	1,986	2,560	9,998	1,250	562	1,477	6,709	3,135	2,009	2,085	758	1,857	41	887	5,822	2,687	0	4.73	.236
1967	1,874	1,908	9,808	1,226	569	1,426	6,587	3,132	2,088	2,042	753	1,704	43	809	5,778	2,646	0	4.99	.240
1968	2,003	2,258	10,833	1,354	634	1,478	7,367	3,446	2,268	2,273	781	2,045	55	968	6,399	2,953	0	5.13	.246
1969	1,522	1,901	11,146	1,393	640	1,493	7,620	3,406	2,112	2,358	757	2,393	37	1,159	6,461	3,055	0	7.01	.251
1970	1,766	2,138	13,352	1,669	770	1,667	9,247	3,590	1,891	2,323	692	4,340	0	2,170	7,077	3,487	0	7.25	.257
1971	1,267	1,488	10,818	1,352	605	1,546	7,315	3,032	1,751	1,864	606	3,093	42	1,504	5,811	2,779	0	8.22	.273
1972	1,303	1,764	10,105	1,263	561	1,499	6,781	2,986	1,893	1,726	696	2,467	49	1,185	5,597	2,611	0	7.36	.293
1973	1,049	1,450	9,458	1,182	448	1,451	6,377	2,846	1,855	1,628	669	2,225	47	1,066	5,311	2,465	0	8.63	.279
1974	1,206	1,677	16,099	2,012	762	2,137	11,187	4,632	2,739	2,813	987	4,648	69	2,255	8,932	4,300	0	12.73	.449

Note: Figures are for total United States except Prudhoe Bay field in Alaska. All financial data expressed in constant dollars for year of initial projection. Columns may not add precisely because of computer rounding.

EXPLANATORY NOTES OF COLUMNS

(1) Oil reserves added by drilling plus expected upward revisions.
(2) Gas reserves associated with oil.
(3) Col. (1) times col. (18) plus col. (2) times col. (19).
(4) 12.5 percent of col. (3).
(5) Variable tax rate times (col. (3) minus col. (4)). Tax rate is approximately 6 percent.
(6) Direct operating costs including field labor and supplies, maintenance, general and administrative overhead.
(7) Col. (3) minus col. (4) minus col. (5) minus col. (6).
(8) Total capital investment attributable to oil reserves added in year including leasehold costs.
(9) Portion of total capital attributable to intangible drilling costs.
(10) Includes cost and percentage depletion based on law at time of 1st yr projected.
(11) Cumulative depreciation of tangible drilling costs and leasehold equipment.
(12) Col. (7) minus col. (9) minus col. (10) minus col. (11).
(13) Investment tax credit is variable for each year depending on law at start of year. Zero some years.
(14) Col. (12) times 50 percent minus col. (13).
(15) Col. (7) minus col. (14) or alternatively col. (12) minus col. (14) plus col. (10) plus col. (9) plus col. (11).
(16) Col. (15) minus col. (8).
(17) Col. (16) discounted at 15 percent per annum compounded annually. Must total zero.
(18) Gross oil price at wellhead required for 15-percent discounted rate of return after Federal income taxes.
(19) Gross gas price for the purpose of calculating co-product credits.

EXHIBIT III A.—ECONOMIC PRICE OF NEW OIL AND PRICE RECEIVED FOR OIL

[In dollars per barrel]

Year	Economic price for new oil [1]	Price received for oil [2]	Difference
1959	2.86	3.25	−0.39
1960	3.40	3.25	.15
1961	3.34	3.20	.14
1962	3.77	3.10	.67
1963	4.27	3.10	1.17
1964	3.32	3.10	.22
1965	3.79	3.10	.69
1966	4.73	3.11	1.62
1967	4.99	3.11	1.88
1968	5.13	3.16	1.97
1969	7.01	3.32	3.69
1970	7.25	3.40	3.85
1971	8.22	3.60	4.62
1972	7.36	3.60	3.76
1973	8.63	[3] 4.20	4.43
1974	12.73	[3] 10.50	2.23

[1] Col. 18, exhibit I.

[2] Price received for oil during year (east Texas field).

[3] New oil.

EXHIBIT IV A.—DOMESTIC PRODUCTION OF CRUDE OIL AND NATURAL GAS LIQUIDS AND IMPORTS OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS, UNITED STATES, 1959–74

[In thousand barrels per day]

Year	U.S. production	Imports into United States	U.S. consumption
1959	7,969	1,780	9,749
1960	8,194	1,815	10,009
1961	8,242	1,917	10,159
1962	8,496	2,082	10,578
1963	8,838	2,123	10,961
1964	8,976	2,258	11,234
1965	9,242	2,468	11,710
1966	9,720	2,573	12,293
1967	10,339	2,537	12,876
1968	10,796	2,839	13,635
1969	11,215	3,166	14,381
1970	11,549	3,419	14,968
1971	11,523	3,926	15,449
1972	11,861	4,741	16,602
1973	11,296	6,256	17,552
1974	10,781	6,083	16,864

Mr. GLENN. Let me ask one more question, here, and then I will turn this back to our distinguished committee chairman.

I am sure the Senator from Louisiana would agree with me that in breaking down our energy problems into their appropriate time periods, the time to get new energy sources, the time it actually takes from a decision to get any appreciable amount of new energy is a very important factor in that, if we had an embargo today, we would be into a period of very extreme competition, of necessity, to get us by a bad situation. We need the maximum and beyond that, say, for a 5- to 6-year period; whatever else we do, we are going to be, probably, pretty heavily dependent on a petroleum economy, so we will want maximum drilling and recovery, both secondary and tertiary, and whatever else we can get, to take us through that time period.

Beyond that time we can begin to see probably some of the new energy sources that ERDA is now working on and will probably be available beginning somewhere around the 7- or 8-year time period.

So the time that the Senator's bill might have an effect here or his amendment might have an effect to me is a very important factor in it.

From the time, say, from the word "go" for secondary recovery in a field, is oil available out of that process 1 month, 2 months, 2 years, 5 years? I have no knowledge of what the time period average would be. Is it readily available oil or does it take a very extensive period to become available once the decision is made to go?

Mr. JOHNSTON. It depends on the process, but it is a fairly quick process. Usually for the typical water flood, for example, you must drill some additional holes. Sometimes you can use the same holes out of which you are producing to get the additional water flood pressure, so that you cannot say that secondary recovery or water flood or steam flood or acidizing or whatever the process, takes any specific length of time.

In general reply to the Senator's question, however, it is very rapid. You do not have to go out and wildcat and find your field; you already know where it is. All you have to do is in some cases inject whatever your process is into your well or in other cases drill some additional holes, but on a known reservoir. So compared to all the other methods of getting additional energy, this is probably the fastest there is.

Mr. GLENN. I appreciate the comments of the Senator from Louisiana.

Mr. President, I ask unanimous consent that staff member Len Bickwit be granted the privileges of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, and that it be taken out of the time on both sides equally.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. If the distinguished Senator from Washington, the manager of the bill, will yield to me, I would like to make a unanimous-consent request.

Mr. JACKSON. I so yield.

Mr. MANSFIELD. Mr. President, it is my understanding that there are three amendments remaining, two which have already been offered by the distinguished Senator from Louisiana (Mr. JOHNSTON), and one which will be offered by the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

As the Senate knows, there is a limitation of time on the bill and a limitation of 1 hour on amendments.

I ask unanimous consent, Mr. President, with the approval of the major parties concerned and the joint leadership, that the vote on final passage of the pending business occur not later than 5:30 this afternoon.

The PRESIDING OFFICER. Is the Senator also asking that rule XII be waived?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection to the majority leader's request? The Chair hears none, and it is so ordered.

Who yields time?

MR. JACKSON. Mr. President, I yield 15 minutes on the bill, whatever time that is, to the distinguished Senator from Minnesota (Mr. HUMPHREY) to speak out of order.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, first of all, I want the distinguished chairman of the committee to know that I am in full support of his bill, S. 6[illegible]1. I think this legislation is needed, and it is going to be mighty helpful to us in our overall energy program.

AGRICULTURAL PRICE SUPPORTS—H.R. 4296

Mr. HUMPHREY. Mr. President, I rise now for another purpose. It is my understanding that today the President of the United States has vetoed the farm bill, the one that was adopted overwhelmingly in this body and adopted in the House of Representatives with a very large vote.

I regret that the President has done this, because he has again displayed his lack of understanding regarding agriculture in the American economy. He has allowed the Alice-in-Wonderland economics——

The PRESIDING OFFICER. Will the Senator from Minnesota withhold for just a moment? The Senator is entitled to quiet in the Senate.

The Senator may proceed.

Mr. HUMPHREY. He has allowed the Alice-in-Wonderland economics of Secretary Butz to prevail in rejecting this modest 1-year stopgap measure which is desperately needed by the producers of food and fiber.

The issues involved in the bill was whether anything could be done to bring some degree of stability to the farm community and the economy in 1975.

The response of Congress was to tailor the measure which was both responsible and responsive to today's needs.

While I concede that this bill left many issues unresolved, it was a helpful and needed contribution, and it was a minimum contribution to agricultural stability.

Contrary to misleading administration polemics, the bill was not expensive. The distinguished chairman of the Committee on Agriculture and Forestry, Mr. TALMADGE, has made it clear time and again that this bill was a very modest bill in terms of any cost.

Let me read from Senator TALMADGE's press release of today. He said:

> This bill would have done a great deal to restore confidence in a badly shaken world economy. Instead the veto makes farmers and ranchers more uneasy, and another dark cloud remains over our economy and this bill would not have been unduly costly either to the consumers or to the taxpayers.
>
> I suspect strongly that one of the factors leading up to this veto was the strong public opposition based on the Secretary of Agriculture's first set of exaggerated cost estimates, figures some ten times higher than the real costs of this bill.

Senator TALMADGE goes on to say:

> I believe that the President has made a mistake to listen to Secretary Butz and not to the American farmer.

Now, Mr. President, while I have the opportunity, let me say that the media of this country have repeatedly recited the cost figures that Secretary Butz has put out that are in no way documented. They are merely figures pulled out of thin air or, should I say, out of the polluted air of the Department of Agriculture, and they have been spread wholesale across this country day after day.

What do I hear on radio and television, and what do I read in the press? I read the figures that Secretary Butz puts out, and then I read a little paragraph that says "but these figures are disputed by the Committee on Agriculture and Forestry.

Well, Mr. President, let me say that the Committee on Agriculture and Forestry, through its economists, made an analysis of this legislation and the maximum cost. The maximum cost would have been $400 million, and the probable cost would have been $200 million, and the Department of Agriculture has been talking about a cost of over $1.5 billion.

They lie. They tell the people falsehoods.

Is it any wonder that people are disturbed when they hear that we are trying to assure the producers of food and fiber some degree of stability?

How do we expect to get food in this country unless people can produce it, at least at the cost of production, and hopefully, with a little margin of profit?

Well, Mr. President, in the last 3 years food prices have increased over $47 billion for the American consumer.

Mr. President, while that was happening in these 3 years, the income of farmers went down from $32 billion to $20 billion. So it was not the farmer that was getting the economic ripoff.

Let me repeat that: The income of farmers went down from $32 to $20 billion.

Yet we have a Department of Agriculture that is supposed to be interested in farmers and their well-being, telling the American people that, if we do anything to help the American farmer, the consumer will pay and pay and pay.

Well, Mr. and Mrs. Consumer, farmers lost one-third of their income in these last 3 years and prices in the supermarket have gone up and up and the Secretary of Agriculture predicted only last week before the Joint Economic Committee that food prices would go up another 9 percent in 1975.

Mr. President, the cost of child nutrition programs, food stamp programs, has gone up over another $5 billion, but this administration would prefer to have our people continue to pay this price, this high price, rather than support a modest bill, such as this one which both Houses passed by substantial margins.

Clearly, this administration does not realize the value of having some stability in the price of our farm commodities. Price instability helps only one class of people in this country, the speculators—the speculators.

Price instability hurts the farmer, harms the economy, and performs an economic ripoff on the consumer.

Once those farm prices got up there on the speculative market, the supermarket prices were set right there.

When the farm prices dropped, the price of Post Toasties did not come down, bread did not come down, canned fruits and vegetables did not come down, but the American farmer came down.

The President has demonstrated, regrettably, a lack of judgment in acknowledging the USDA's misleading data.

The nearly unanimous conclusion of witnesses during recent hearings was that the sharply increased costs of production necessitated broad action to give greater protection to the farm producers.

We cannot expect our farmers to continue to produce and at the same time risk substantial losses if we have bumper crops.

Now, Mr. President, we had land grant colleges from one end of this country to the other, the finest objective, highly independent, educational institutions we have, examine into costs of production, and the target prices that we set in the new farm bill were below the cost of production.

Nobody was being guaranteed a free ride. The farmer was merely being given some little safety net below which he would not fall.

Yet this same administration wants to give a safety net to every country in the world on the price of oil. This same administration comes in and says that we ought to put up our share of $25 billion for a safety net so that people in Europe and Latin America, and elsewhere, will not have trouble paying for oil.

But when it comes to our own farm producers, to that part of the economy which is more valuable to this country than any other part, this administration says that they can get along with what they got along on 3 years ago.

The question which the administration has refused to face is what is the cost of doing nothing?

We cannot expect our farmers to continue to produce and at the same time risk substantial losses if we have bumper crops.

How many more bankruptcies in rural America do we need before the Government wakes up? How many more do we need to convince the Department that a roller coaster agricultural situation is not in the interests of our farmers or our consumers?

Last year over 3,000 Minnesota dairy farmers were forced out of production, 5,000 in the neighboring State of Wisconsin.

Does the Department want another such year for our dairy farmers?

Secretary Butz, at our Joint Economic Committee hearings, conceded that our farmers in the last year have seen their prices go down by 10 percent while their production costs increased by 15 percent. This amounts to a 25-percent reduction in revenue for our farmers.

When we have a reduction in income for anybody else in this economy, the whole Government gets excited, but if it is people that live out on the land and work day and night, husband and wife, son and daughter, they say that this is the way it has always been, that they do not need any help.

Our farmers need an increased level of protection, since the Government has called upon them to go all out in producing. At the same time, our consumers are hoping that we will have abundant supplies of food for this coming year. Farmers are rightly concerned, and in many cases they are considering cutting back their production if the Government refuses to act constructively and responsibly.

We should not be deceived by the USDA that this bill will encourage production of crops for Government warehouses. This is bunk, nonsense.

The object of this legislation is a rather simple one. It is to provide an improved safety net or floor so that our farm prices will not go to disastrously low levels in case we have the weather which produces their bumper crops.

We also all know that should this happen, and if more of our farmers are driven out of production, our consumers will not be the beneficiaries.

In most cases where farm prices drop, and even sharply, consumer prices drop, if any, very little.

The Department of Agriculture has not been willing to discuss the facts of this bill candidly and openly. Our urban citizens should not be deceived by the television broadcasts. Any time any of these TV stations want to put on a good debate, I am ready.

Instead of that, what do they do? They put on Earl Butz and he tells them what he wants to tell them and then at the end of the program they say that there are people that disagree with that.

They can bet we disagree, Mr. President.

I would like to know what would happen to the television industry if 3,000 of their people were laid off, people driven out. They would be down here like Penn Central saying, "Where is the money?"

But if we run a railroad and go broke and come into Washington and say, "Another little billion dollars to help us out," nobody gets very excited about that. They write another editorial saying the railroads need more money. But if the farmers go broke and we try to help them, they say, "subsidy."

Well, the people that get the biggest subsidy in this country are the people that get postal subsidies.

It costs more money to send your mother a letter than it does to send Newsweek or Time through the mails. One can send eight copies of the magazine for what it costs to send grandma a letter.

Well, Mr. President, I should ask, Who has followed the responsible course in all this?

I had hoped that the President would see fit to draw on other outside advice in reaching his final decision on this bill.

But this administration, which shows such a deep reverence for Adam Smith, has demonstrated almost a total ignorance of the American farmer. Adam Smith is dead and if they keep it up, some of our farmers are going to become economically dead, too.

The Congress offered a program, but the President rejected it. The Congress did everything possible to accommodate the Republican administration. Republicans and Democrats went to the White House and urged the President to sign this legislation. It was not partisan. It was unanimous in the Committee on Agriculture and Forestry. It is the President who will have to respond, however, to the American farmer and consumer.

The poor fellow has been poorly advised.

It is the farmer who will clearly recognize an absence of governmental agricultural policy that leaves him bearing all the risk of unstable food supplies and prices.

Mr. President, I ask unanimous consent that a cogent editorial on this critically important national issue which appeared, believe it or not, in the Washington Post of April 30, entitled, "Farmers, Consumers, and Nonpolicy," be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FARMERS, CONSUMERS AND NONPOLICY

Since the President intends to veto the farm bill, the next question is what he proposes to do to reassure farmers. Most farm prices have fallen sharply since last autumn, while farmers' costs of production have been rising. My Ford relayed a suggestion last week, through Secretary of Agriculture Earl Butz, that after the veto he would raise the loan prices. Part of the reason is to help the farmers; the other part is to make it less likely that Congress might override the veto. Amidst this rather routine jousting between the White House and Congress, it is important for consumers to perceive the large and dangerous questions that, so far, neither has seriously addressed.

An altogether new period in American agriculture began with the massive Russian wheat purchases almost three years ago. In retrospect, those purchases clearly emerge as the signal that rising worldwide demand for foodstuffs was beginning to dominate our domestic markets. At first, when the exports to Russia and everywhere else soared, American farmers rejoiced. Then the livestock industry began to realize that it was heading into serious losses because of the unprecedented prices of grain for its animals. Since last November, even the grain farmers have learned that the present severe instability is not a one-way ride, and wheat prices can drop as unexpectedly as they can go up. The more uncertain and speculative farming becomes, the harder it will become to achieve the maximum production that the country now urgently needs, for both consumers here and those large populations abroad that now depend upon us.

The test for any national farm policy is the way it distributes risk. Agriculture is inherently risky. Production depends on weather, and prices depend not only on production, but among other things on the decisions of foreign governments. In this country, before 1972, most of the risk was borne by the federal government. Farmers grumbled about the size of the government-owned stocks, which tended to keep prices from rising very far. Consumers complained about the costs, which were large. But the country ate well, agricultural productivity steadily rose, and the idea of actual shortages never crossed anyone's mind.

Currently, in contrast, very little actual risk is being borne by the government. Part of the present risk is borne by the consumer, who gets hit with another round of inflation at the grocery store whenever farm prices go up. When world demand falls off and prices drop, it is the farmer who is at risk. Grain prices will not have to drop nearly as far as the present loan levels before they begin to inflict devastating economic damage on many thousands of efficient and highly competent farmers.

The United States does not at present have a farm policy. It has an absence of policy that the Secretary of Agriculture celebrates as the free market system. But permitting the world's great state trading corporations, led by the Soviets and the Chinese, to dominate American commodity exchanges is not everybody's idea of free enterprise.

To get through the next year without compounding our recent mistakes, the right approach for Mr. Ford is to use his present authority to raise loan prices for grain high enough to cover average production costs. But that is a mere stopgap. Rather than wasting time with polemics over the veto, Congress might more usefully get to work at once on a comprehensive bill to protect American farmers while they undertake the costly and demanding task of expanding production for both this country and our customers abroad. An adequate farm policy will require substantial price supports to insure producers against the effects of occasional over-production, and reserves to insure the rest of us against shortage. The interests of farmers and their customers are not incompatible. There is a bill to be written offering mutual protection against economic dangers that are better understood now, on both sides, than three years ago.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. May I have 3 minutes?

Mr. JACKSON. Mr. President, I yield 3 minutes on the bill.

Mr. HUMPHREY. Mr President, I have the leading publication of agribusiness, called Feedstuffs, of April 28. Feedgrain stocks down 26 percent. Corn stocks off 23 percent.

Mr. President, it also tells that pork supplies during 1975 will be the lowest they have been since 1935. It tells that cattle placements are now down 41 percent from a year ago, which means prices for choice and prime cuts of beef can be expected to move upward in the very near future. Poultry supplies, broilers, and eggs are down 10 percent from a year ago. Milk production, despite an increase in population, is just about the same, and the farmers are going broke by the hundreds and thousands.

If Chrysler lays off 500 workers, we have people in this body who say we have to do something right away. There are not many in the administration who say it, but people here in this body.

Listen to this: Corn stocks, stocks of corn in all positions, on April 1 down 23 percent from last year. Soybeans, April 1 stocks of soybeans down 11 percent from last year. Grain sorghums, stocks in all positions April 1 down 45 percent from last year. Oats down 25 percent from last year. Barley down 48 percent from last year. Wheat, the lowest it has been since 1952. Flaxseed stocks are down 32 percent below a year ago.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEED GRAIN STOCKS DOWN 26%; CORN STOCKS OFF 23%, DISAPPEARANCE DOWN 13%

WASHINGTON.—Stocks of the four feed grains totaled 69.1 million metric tons as of April 1, 26% below the 93.4 million metric tons on hand a year earlier. Decreases from April 1, 1974, for individual feed grains ranged from 23% for corn to 45% for sorghum, according to the U.S. Department of Agriculture Grain Stocks in All Positions Report.

World production of grain is expected to exceed worldwide consumption and allow at least a moderate recovery of grain stock levels for the first time since 1971–72, according to USDA.

Soybean stocks, at 659 million bushels on April 1, were down 11% from a year earlier. Stocks of all wheat were 17% above a year ago at 17.4 million metric tons.

CORN

Stocks of corn in all positions on April 1 totaled 2,209 million bushels, down 23% from the 2,861 million bushels a year earlier, and 34% below April 1, 1973. This is the lowest April 1 stocks in all positions since 1955, USDA said. Farm stocks, at 1,504 million bushels, were the lowest for April 1 since 1956, and are 25% below a year ago. Off-farm stocks, at 705 million bushels, are down 17% from a year ago.

Disappearance of corn from all storage positions during January-March was indicated at 1,405 million bushels, 13% below the 1,612 million bushels used during the same quarter a year ago.

SOYBEANS

April 1 stocks of soybeans totaled 659 million bushels, down 11% from a year ago. Farm stocks, at 336 million bushels, were 1% higher than last year, while off-farm stocks, at 323 million bushels, were 20% less than April 1, 1974.

Stocks on April 1 indicate a September-March disappearance of 745 million bushels of soybeans from the beginning supply of 1,404 million bushels (carryover of 171 plus 1974 production of 1,233 million bushels). Disappearance for the same period last year totaled 869 million bushels. During the past seven months. approximately 296 million bushels have been exported and 415 million bushels processed for oil, USDA said.

SORGHUM

Stocks in all positions April 1 totaled 209 million bushels, down 45% from the year-earlier level of 381 million bushels and 42% below the same date in 1973. Farm stocks, at 64 million bushels, were down 44% from a year ago and off-farm holdings, at 145 million bushels, were 46% below last April. Disappearance from all storage positions during January-March of 172 million during the same quarter last year.

OATS

Stocks in all positions totaled 327 million bushels, 25% less than April 1, 1974 stocks of 436 million bushels. Farm stocks of 239 million bushels compare with 289 million bushels a year ago. The 88 million bushels held in off-farm positions are 59 million bushels below last April 1. USDA reported January-March disappearance at 184 million bushels, compared with 200 million bushels for the same quarter in 1974.

BARLEY

April 1 stocks of barely totaled 134 million bushels, down 38% from a year earlier and 48% below April 1, 1973. Farm holdings, at 62 million bushels, declined 49% from a year earlier, while off-farm stocks, at 72 million bushels, declined 23%. Disappearance from all storage positions during the January-March quarter was 96 million bushels, the lowest for the quarter since 1970, and compares with 106 million bushels during the same quarter last year.

WHEAT

All wheat in storage April 1 totaled 638 million bushels. Except for last year, this is the smallest April 1 holdings since 1952, USDA said. Stocks were 17% above a year earlier, but 31% below April 1, 1973. Farm stocks totaled 250 million bushels, 38% above a year ago while off-farm stocks, at 388 million bushels, were up 6%. Disappearance from all storage position from January-March was indicated at 463 million bushels, compared with 380 million a year earlier.

FLAXSEED

Stocks on April 1 totaled 4.7 million bushels, 32% below a year ago and the smallest April 1 stocks since the beginning of quartely flaxseed estimates in 1948, USDA said. Farm stocks accounted for 2.8 million bushels, compared with 2.6 million bushels a year ago. Off-farm holdings, at 1.9 million bushels, were down sharply from the 4.4 million bushels a year ago.

Indicated disappearance during January–March is 3.2 million bushels, compared with 3.4 million bushels a year earlier. April stocks indicate a nine-month disappearance of 11.2 million bushels from a total supply of 15.9 million bushels. Reported disappearance during this nine-month period includes and 10.8 million bushels crushed compared with 12.9 million during the same period a year earlier.

Mr. HUMPHREY. Mr. President, recently in what we call Farmland News, an important Midwestern publication on agriculture, the Assistant Secretary of Agriculture, Mr. Clayton K. Yeutter, wrote an article entitled "The Case For Instability in Commodity Prices."

I asked the opportunity to write an article for the case for stability in commodity prices. I ask unanimous consent that both of these articles be printed in the RECORD. I will leave it up to the people to judge as to which one of these positions serves the public interest.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE CASE FOR "INSTABILITY" IN COMMODITY PRICES

(The following is excerpted from a recent speech by Clayton K. Yeutter, assistant secretary of Agriculture and the man considered by some as the most likely to succeed Earl Butz should he step down as Agriculture secretary.)

We are beginning to hear more and more discussion by consumer groups and even by some farm organization leaders on the "stability" problem (in regard to commodity prices).

Some economists are beginning to talk again about the high cost to society of instability. This is ironic, for many of those same economists were not long ago discussing the high cost of rigidity under farm programs. The whole stability discussion sounds like a replay of the 1920s and 1930s before the experiments in government stabilization were launched.

Instability does not happen for its own sake. It happens when the supply-demand balance changes or when production costs or consumer buying power shifts.

When supply and demand become unstable, it is imperative that prices vary. Under such circumstances price has a vital economic function to perform. Crop prices, for example, rose sharply (in the 1972–74 period) to help encourage more crop production. We could have done this through government price supports—but not nearly as well. And it would have taken much longer. The market is more responsive to change than any bureaucracy.

Price changes perform another vital function—guiding consumer buying decisions. When soybean supplies were short two years ago, the government used a soybean embargo to ration the scarcity. The embargo caused panic in the streets of Japan, which had come to depend on U.S. soybeans for its protein supply.

The government action came after domestic soybean prices had already reached their high point, and threw too much of the adjustment burden on our export customers. We cost ourselves important future sales without helping consumers here at all.

Contrast the sudden and unpredictable soybean embargo with the orderly adjustment in 1973-crop wheat. The government was urged to embargo wheat exports to prevent mass hunger and $1-a-loaf bread prices in the U.S. An embargo would have triggered severe hunger in other countries. But the government did not embargo wheat shipments, prices did not go to $1 a loaf and the market found enough wheat to meet the demand of purchasers.

This year, the shortfall was in feed grains. The entire world had been building its livestock industries in recent years and economists shuddered at the thought of slaughtering those flocks and herds for lack of feed. As it turned out, the market has done a remarkable job of rationing the supply to users who need it most.

Instability also plays an important role in encouraging efficiency throughout the economy. Economists agree that one of the significant factors in recent price inflation has been the long-time boom. Consumer demand has been so strong that companies—and farms—have felt less pressure to sharpen their management pencils.

"Stability" does not achieve such results. It delays them, discourages them, sometimes even precludes them. Price changes do not cause instability; they help correct it.

Instability has a cost; there is no denying that. Uncertainty involves risk, and someone has to be compensated for taking risks. The cost of uncertainty in agriculture is illustrated by the farmer who decides to take a lower yield rather than invest extra capital in more fertilizer. It also is represented by the consumer who buys more flour than she needs for fear the price will go up.

Too much uncertainty can make it hard for farmers to figure out what consumers really want or to borrow the capital they need from wary bankers. Consumers may become confused about what represents a good food buy. Certainly, at times, the market over-reacts to actual supply and demand conditions.

Those who favor more government-imposed stability often argue that some price variability is acceptable, but why not put limits on it. The problem is that consumers want prices stabilized at low levels; producers want them stabilized at high levels. And whatever the permissible price range, supply must be controlled if prices are to remain within that range. Corn, for example, used to vary from $1.05 to $1.20. At that range we got acreage allotments, some semblance of supply control, production inefficiency and lots of surpluses.

Perhaps the worst aspect of government-imposed stability was that it prevented U.S. farmers from competing for export markets. We were consistently undersold by competitors who always knew what the U.S. price would be. Only in the last few years, when overwhelming export demand pulled our old supply-management programs out from under us, did we finally start to use our comparative advantage in agriculture. We wasted our farming power for years, in the name of stability.

It is nonsensical to talk of "stability" in farm commodities today except in an international setting. And who is it that would have the authority or omniscience to impose stability world wide? And would the shortcomings and costs of international stability be any less significant than those incurred domestically? Of course not, for the same economic principles apply.

We can, however, use existing marketing tools to reduce instability, without placing market forces in a straitjacket. Long-term contracts and the increased use of futures markets are two such tools. I expect that both will receive much more attention in the future—both domestically and internationally.

The world market can be counted on to:

encourage production when it is needed,
signal a slowdown when it is not,
conserve items that are scarce,
stimulate efficiency,
rapidly shift commodities from where they are produced most economically to where they are wanted for consumption.

Perhaps our discussions for improving the world's food security should begin with ways to improve the world market (such as lowering trade barriers) instead of trying to displace it.

THE CASE FOR STABILITY IN COMMODITY PRICES

(By Senator HUBERT H. HUMPHREY)

(The following is a response to remarks of Clayton K. Yeutter, Assistant Secretary of Agriculture, who was quoted as favoring commodity price instability in the March 15, 1975, issue of Farmland News.)

Instability versus stability—that is the farm policy question if we believe the words of the Department of Agriculture. But is it really? Isn't the issue disastrously low farm prices versus farm prices that provide farm families with a decent living? Isn't the issue sudden slumps in farm income that cause near-bankruptcy, compared to stable and rising farm incomes?

Or do we have to have farm prices that fluctuate up and down repeatedly just to prove the marketplace works?

Not everyone thinks so. Not even everyone in the Department of Agriculture. In fact, for the long list of "virtues" that Assistant Secretary Yeutter credits to price instability, the Department's chief economist, Don Paarlberg, recently cited a long list of vices. Looking back, he made this assessment of the past two years:

Prices of farm products gyrated wildly as the familiar supply-demand benchmarks were swept away.

Net farm income almost doubled and then plunged downward again.

New export markets suddenly developed and the overseas movement of grains increased dramatically.

Reserve stocks were drawn down and we scraped the bins.

Price relationships between feed and livestock first turned very favorable to livestock and then sharply unfavorable.

Land values increased 46% in two years. Some young men who went deeply into debt to buy land recently at these high prices got into difficulty.

Prices and production costs of wheat and corn rose above the loans and targets specified in the Agricultural Act of 1973 and left these producers virtually without a program.

Public concern about the price of food escalated and became a major factor in agricultural policy.

This list of the end results of instability certainly contrasts with the claims for instability cited by Mr. Yeutter. And for good reason. Almost 80% of the "benefits" from fluctuating grain prices is paid for by our own livestock producers. They have paid a high price for the absolute freedom of market prices over the past two years. The ups and downs of feed prices have brought massive losses to dairymen, cattle feeders, poultrymen and pork producers.

Livestock losses are part of the "benefits" that "boom and bust" cycles bring to farm families. It is a feature that, far from recommending instability as a national policy for agriculture, condemns it. Further, it supports my belief that we must change the policies of the last two years.

We must change because current Federal farm programs are not ensuring farm families against economic deprivation. In the coming years, we must provide programs that will help farm families reach certain goals.

First, we must assure farm families that their lifetime investments will not be swept away by one bad year. One year of extremely high feed prices must not threaten livestock producers. One year of extremely low grain prices must not threaten grain producers.

Second, we must provide insurance for farm families against natural and economic disasters beyond their control like we provide working people through unemployment compensation and retired persons through social security.

Third, we must provide an opportunity for the new farmers who are capable of starting up a farming enterprise. And we must give them some assurance that unstable farm prices will not force them out before they can prove themselves.

Fourth, we must assure the nation's food consumers that food markets will have a steady supply of food every week when they go to the store, and not only if they go early or stand in long lines. These are symptoms of fluctuating food prices. Glutted markets one month and empty counters the next cannot be tolerated.

Finally, we must assure our foreign customers of stable grain and fiber supplies at prices that do not bounce wildly from year to year. When prices move sharply up and down, we end up with broken export contracts. Either the United States decides to protect its own supplies—as in the soybean export embargo—or a foreign country decides it must protect its own buyers—as in the recent cancellation of cotton contracts. These kinds of action are the result of instability—in commodity prices, and commodity supplies.

We should be clear about the causes—it is not too much stability that leads to these kinds of outcomes.

Clearly, we have first-hand experience with what extreme instability can bring. Look at the past two and a half years: food shortages for consumers in 1973, feed shortages for livestock producers in 1974, and fears of grain surpluses for crop growers in 1975. That kind of instability—from feast to famine and back again—brings back visions of the 1920s and 1930s when farm foreclosures struck fear into the hearts of rural Americans and brought about "farmer holidays" in the grain belt of the nation.

The livestock kills and consumer boycotts of the past two years differ in form but not in the intensity of people involved. As both farmers and food consumers rode the economic roller coaster in 1973 and 1974, there were outcries for government action to stop this madness. We are a civilized nation with our destiny in our hands—not a nation at the mercy of a free and unfettered market that brings hardship to our people.

Long ago, we learned the cruel lesson of price instability when the Great Depression bankrupted farm families. We do not have to return to those days to relearn those lessons. We can reread the history books if we need that kind of knowledge.

While others spend their time reacquainting themselves with that debacle, I will spend my time building programs that include economic stabilizers for the farmers of this great nation. Those stabilizers must be fashioned so that farmers will not bear the future burden of abundant food supplies, the burdens of providing food for school breakfast and lunch programs, or the burdens for large amounts of grain for food aid.

These are programs that rank high in our national set of priorities, but they are programs that require economic protection for food producers. Instability of commodity prices and supplies will not give this nation the stable food supplies to meet these programs. It might during a year of surpluses but not year after year. We must remember that our people must eat both in good years and bad, when weather is kind and when weather is hostile. It is too much to ask our poorest consumers to eat only in good years when favorable weather or economic cycles result in abundant food supplies.

A policy of instability in commodity prices forces us to accept variation in food supplies as a demonstration of the merits of the marketplace. A healthy marketplace is a valuable asset for agriculture but not so valuable that we must let half our farm families be put through an economic wringer every other year. It may be that the Department of Agriculture believes that "a few farmers going broke each year is a healthy thing." Mr. Yeutter, apparently does. I do not!

Mr. HUMPHREY. I regret, Mr. President, that we have once again seen fit at the highest levels of government to deal the American farmer a body blow—a body blow. The farmers of America are the one hope we have in this country for any kind of favorable balance of trade. The farmers of America are one of the sources of our national strength.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. Well, the farmers of America need another minute.

I am fed up to the ears——

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I yield 1 minute.

Mr. HUMPHREY. I am fed up to the ears beyond that, Mr. President, with the kind of sheer administrative neglect of the valid interests of our farm people, who today are paying high interest rates, having trouble getting credit, seeing their prices going down and down, and seeing themselves facing an uncertain future. I deeply regret that the President has seen fit to veto this. I thought that a man from Michigan would understand us. I thought that a man who came from the heart of the Midwest would understand us. But I guess they make more furniture in Grand Rapids than agricultural commodities.

The PRESIDING OFFICER The Senator's time has expired.

Mr, JOHNSTON. Mr. President, I would like to associate myself with the remarks of the distinguished Senator from from Minnesota and point out that the farmers who are really getting it in the neck by this veto are the cotton farmers.

Mr. HUMPHREY. How right the Senator is.

Mr. JOHNSTON. All of these other farmers will be helped in part by regulation, but the cotton farmer cannot be helped at all by law. So the cotton farmer, who is in the position now of being able to sell his product at less cost than it actually costs to raise it, is asked to bear that burden year after year.

Mr. President, it looks to me like this administration is intent on intentionally destroying a very important segment of our farm population, to wit, the cotton farmer. I think it is the most unwise act this administration has taken among a host of unwise acts.

Mr. HUMPHREY. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. HUMPHREY. I want to say that the evidence before the committee relating to the cotton farmer is a story of tragedy and bankruptcy for those farmers. How this administration can sit by and let the cotton farmers of this country be liquidated as they will be, and as they are being, is beyond me, and then to say that you want to have economic recovery.

I salute the Senator from Louisiana for getting up once again with his good commonsense and reminding us of what is going on.

Mr. JOHNSTON. I thank the Senator from Minnesota.

Mr. JACKSON. I commend the distinguished Senator from Minnesota, Mr. President, for what I think is a very fair and sensible statement. I think it is a tragedy that the most efficient part of our economy, namely, America's agriculture, is to be penalized. No nation on the face of the earth has as fine a food program as the United States. Here we are with only 5 percent of the world's population and we are able to feed not only our people but we are feeding half of the world. In the Soviet Union 45 percent of the people are involved in agriculture and they cannot even feed their own people.

I think this is one area of the economy where the Government of the United States should do everything in its power to encourage the incentives to the American farmer to further increase their productive capability. It goes to the very heart and strength of America at a time when we face the threat of commodity action against us in the industrialized world, such as we have witnessed in the oil cartel. It comes at a time when food can be a critical factor in providing the necessary leverage to bring some sense and order to the pricing of commodities. I want to commend the Senator from Minnesota for a very fine statement.

Mr. President, I shall defer my final remarks.

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The Senate continued with the consideration of the bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within thirty days.

Mr. JOHNSTON. Will the Senator yield for a unanimous consent request?

Mr. FANNIN. Yes.

Mr. JOHNSTON. Mr. President, inadvertently the name of Senator Stone was left off of this amendment as a cosponsor. I ask unanimous consent that he be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Senator RANDOLPH be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the amendment previously laid aside temporarily be made the pending business.

The PRESIDING OFFICER (Mr. JAVITS). Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask that the entitlements amendment be agreed to.

Mr. JACKSON. Mr. President, I think the amendment offered by the Senator from Louisiana is a fair amendment. It helps to remove a hardship in an area that involves the small refinery operations. It helps to further competition. I support the amendment.

Mr. President, I should like to place in the RECORD a statement by the distinguished Senator from Hawaii (Mr. INOUYE), who is unable to be here today, in which he refers to a special problem that exists in Hawaii pertaining to independent refiners. He had proposed an amendment; but in view of the fact that we have not had a hearing on this matter, I state that the committee will be pleased to have a hearing and that there will be an opportunity to go over the problems presented by the distinguished Senator from Hawaii in connection with his own constituency, and we will be glad to hold those hearings.

Mr. President, I ask unanimous consent to have the statement by the Senator from Hawaii (Mr. INOUYE) printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY MR. INOUYE

1. The Johnston amendment assumes that all small independent refiners are buyers of entitlements; however, due to special geographical or market circumstances a limited number of small independent refiners are sellers of entitlements. These small independent refiners are entitled to equal treatment under this law.

2. Since the entitlement program is a balanced ticket system for equalizing the cost of crude oils under the two tier pricing system, forgiveness from purchasing an entitlement implies that a seller of entitlements must forgo the opportunity to sell entitlements and thereby lower his crude oil costs on a barrel for barrel basis. The Johnston form of the enactment results in some of the small independent refiners subsidizing the operations of other small independent refiners. Under the price control program and assuming that the market works imperfectly enough to permit a two tier pricing of petroleum products, the Johnston amendment would result in the consumers in the areas that do not have large quantities of old oil directly subsidizing the consumers in areas with access to old oil. If the market system works to equalize the prices then the small independent refiners who are sellers of entitlements would be directly subsidizing the refiners who are buyers.

The language of an amendment should eliminate the problem of legislating a benefit for some of the small refiners and handing a portion of the bill for that benefit to other small refiners. The amendment would treat all of the small refiners equally, the small refiner entitlement buyers to receive the same benefit proposed by Senator Johnston and the small refiner entitlement seller should receive an equal benefit schedule.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the Senate resume consideration of the secondary and tertiary recovery amendment.

The PRESIDING OFFICER. That amendment is automatically before the Senate at this time.

Who yields time?

Mr. JACKSON. Mr. President, I shall speak very briefly.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. JACKSON. Such time as I may require.

Mr. President, I must oppose this amendment, as I did previously when it was offered by the distinguished Senator from Louisiana.

I am in accord with what he is trying to do. As I explained in connection with the presentation of the amendment on the previous bill, I do not go along on this piecemeal approach to the whole question of pricing of crude oil.

I point out, as I announced at the time, that we have started hearings on the Mandatory Allocations Act, with special reference to the pricing authority of that act. One hearing was held on April 28. We will hold further hearings on this subject, because it does represent a most critical problem so far as the economy is concerned.

If we do not handle the pricing problem properly, we are going to have a situation in which the inflationary forces will be aided and abetted further. I point out that, in connection with the President's proposal, we are going to have inflation on the installment plan.

The President's proposal would increase the price of 4 percent of old oil each month for a 2-year period. The price of this old oil will go from $5.25 a barrel, assuming now a $1 a barrel tariff, to $12.40 a barrel.

I point out that the President's proposal may, in fact, offer an incentive not to produce more oil. Under this proposal, the longer oil is held in the ground, the greater its value becomes. Every day that production is delayed, Mr. President, tends to increase future profits. Yet the argument is made that the 4 percent a month deregulation is for the purpose of increasing production when, in truth and in fact, it could decrease production, because of an incentive to delay the output of the oil in order to increase the profits later.

President Ford's proposal to decontrol old oil in 4 percent monthly increments is a businessman's dream. It is also a perverse incentive which may cause less, not more, oil to be produced.

Under the Ford program a prudent businessman would:

First. Borrow money on his oil-producing properties to finance his cash flow needs. The lender would be most willing to do so since he is practically guaranteed that the collateral will double in value.

Second. Shut in all capacity except the 4 percent each month that becomes released. The proceeds derived from the released oil could be used to retire a portion of the debt with the excess used to finance operations.

In effect, it is like a home mortgage. You finance the property and each month you make a payment on the debt. But the businessman can accept practically any interest rate because he is guaranteed a huge increase in price for his oil. This huge appreciation far exceeds any interest charges, half of which are deductible in any event. The only necessity: shut in oil until it reaches its maturity date.

This is a formula for disaster, as the following example illustrates:

A producer with 100 barrels of production has the following rather attractive option. Four barrels will be freed from controls by the administration's proposal to be sold at over $12 per barrel. The remaining 96 barrels are guaranteed to increase in value to $12 per barrel within 2 years. The producer therefore goes to the bank and offers as collateral his 96 barrels of oil. If this producer receives a loan for only 50 percent of his collateral he gets $6 for each barrel, more than could be earned by selling the oil at the controlled price of $5.25.

The producer's cash flow position is better if he borrows on the barrel of oil than if he produces it. Cash flow is maintained and the deferred production can be later sold for the full, uncontrolled price.

Mr. President, we shall have to act shortly on the President's proposal. This bill itself deals directly with that kind of deregulation. I hope that in looking at all of these proposals, including the proposal of the Senator from Louisiana, which I think does have a lot of merit from the standpoint of trying to get at high-cost energy production problems, we consider them in their entirety and not on a piecemeal basis.

I sponsored the original provision relating to the small producers, the bill that makes it possible for the stripper well operator to get the necessary incentive, where they produce 10 barrels a day or less. Mr. President, I hope that we do not, in the midst of a recession and inflation, come in now with a proposal which will bring the price of oil up to $12.40 from $5.25, and which, in my judgment, will do further violence to the whole pricing structure.

Every Member of the Senate should be cognizant of what we are doing here in adding to the cost of petroleum products. I think we need to look at the entire pricing structure if we are going to make a sensible decision. Over in the House, they are talking about adding on taxes to gasoline. When we add on those taxes, we add on the deregulation. No wonder a top executive of General Motors spoke out yesterday and said that there price increases are inviting more unemployment in the automobile industry and more and more financial trouble

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for that already troubled industry, let alone what it is going to do to the utility industry. No one would have thought a couple of years ago that a number of our major utilities, especially in the East, would be on the verge of bankruptcy, but that is the case today.

I hope that Senators fully understand what they may be doing if they vote for the Johnston amendment. I hope and trust that the amendment will be rejected and that we will have proper time to review the whole pricing structure as it pertains to the production of crude oil.

I am prepared to yield back my time.

Mr. JOHNSTON. Mr. President, I shall take only a minute or two.

The frustrating thing about this amendment, Mr. President, is that everyone says good things about the amendment; the only question is when is a proper time to consider it.

Everyone recognizes that this is a high-cost endeavor, to get secondary and tertiary recovery oil. It is plain, Mr. President, that we are not getting that oil now. It will not result in one penny of increased price to the consumer, because we are not getting that oil now. Right now, that oil is coming from the Middle East, coming in at the increased free market price plus the tariff put on by the President. The fact of the matter is that if we can get additional oil by this method, it ought to result in a reduction of price to the consumer, at least in the amount of the tariff imposed by the President.

Mr. President, I think we had better do something in this bill now, today, to bring forth additional supplies. All we have in this bill thus far, Mr. President, are measures to reduce the price of oil. If anyone can tell me how reducing the price of oil is going to bring new supplies onstream, I shall be very surprised.

Mr. President, we have debated this proposal previously, when S. 622 was being debated. The Senate expressed its will at that time, I think, in favor of this proposition. The only thing that has come up new since then is the clear indication that a $7.50 oil price would not help, because the new oil price is now available to those who can exceed the 1972 rate of production. The full new oil price is needed to bring forth these new supplies of oil, and I hope the Senate will vote for this bill.

I am prepared to yield back my time.

Mr. McCLURE. Will the Senator from Louisiana yield for a question?

Mr. JOHNSTON. Certainly.

Mr. McCLURE. Is it not correct that a provision substantially similar to this was adopted in S. 622 when it passed, voted on by the Senate?

Mr. JOHNSTON. It was identical, except that a cap of $7.50 was put on.

Mr. McCLURE. It was put on after the amendment was made?

Mr. JOHNSTON. Actually, the amendment itself did not pass. This amendment originally failed. On two votes, a majority of Senators voted to reconsider, in effect, on two occasions on this identical amendment. After that, by a margin of some four votes, as I recall, the $7.50 cap was put on. So I think a majority of the Senate expressed its sentiment in favor of this amendment. The Senate by a small margin went for a $7.50 cap.

Mr. JACKSON. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I shall just take 1 minute.

I think all the Senators should understand that in the pending amendment, there is no limitation on price. The Johnston amendment which was adopted had the $7.50 limitation. This amendment means that the price will go to at least $12.40 a barrel, because with the oil tariff of $1 a barrel it brings the price to that figure. Of course, it will go higher if further increases in the import tariff are implemented. I think all of our colleagues should understand that there is no limitation on the price under this amendment. It is total deregulation.

I am prepared to yield back the remainder of my time.

Mr. HANSEN. Mr. President, before the Senator from Louisiana yields back the remainder of his time, may I have just 1 minute?

Mr. JOHNSTON. Certainly, if I may first reply to that. Then I shall be glad to yield to the Senator from Wyoming.

That is a correct statement. The price, under the Johnston amendment, would go to what the free market price is, indeed, as it is right now, for Saudi Arabian crude or any crude that comes in from the Middle East. That is where we are getting that crude now. So the only difference is that, rather than pay it to the Middle Eastern sheiks, we shall be paying it to American producers to get oil that is too expensive to produce right now.

As a matter of fact, the only difference would be that the consumer would probably pay about $1 less or $2 less, whatever that tariff is and whatever the Senate and Congress do on that tariff. That is going to be the only difference, that we will pay, probably, less under this amendment, but pay it to Americans rather than to the sheiks.

I yield.

Mr. HANSEN. Mr. President, I associate myself with the remarks just made by the Senator from Louisiana and add that I think there are a couple of other facets that ought not to be overlooked.

First, it is going to put more Americans to work doing the job in American oilfields, where oil is known now to exist. That is important. We are concerned about having Americans go to work. Let us not forget that this is not going to mean that there will be more people employed in the Middle East or someplace else. They will be American men, working in American fields.

Second, it addresses the very important balance-of-payments problem. As the Senator from Louisiana pointed out, these dollars will not be flowing abroad. They will not give any particular cartel extra clout and extra leverage on American foreign policy, or deprive us of more of our currency to pay the bill over there. This money will stay in the United States. We shall increase our measure of national security and we shall free up, at the same time, the ability to make whatever decisions best will serve America's long-range goals and not subject us to the kind of blackmail that is inevitable as our dependence upon foreign sources of supply increases.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JACKSON. One comment, Mr. President.

I hope we can get away from this syndrome of having to follow the pricing policies of the sheiks of the Middle East. Why should we be following their pricing policies? That is one of the biggest problems with our economy today: The largest single contribution to inflation has been the astronomical increase in the price of oil.

The PRESIDING OFFICER. The Chair informs the Senator that all time on the amendment has expired. The yeas and nays have been ordered.

Mr. HANSEN. Mr. President, I yield myself 3 minutes on the bill.

The PRESIDING OFFICER. Does the Senator from Washington wish to retain the floor, or does he yield?

Mr. JACKSON. No; I yield at this point.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, let me respond to my good friend the distinguished chairman of the Committee on Interior and Insular Affairs by saying that we will follow the dictates of foreign cartels on pricing matters until we develop our own energy reserves, and that is precisely the thrust of the Johnston amendment. If we adopt it, we will have taken a very important first step in making certain that we do not need to have to look with dismay and frustration upon a continuing policy of having oil prices and energy prices in this country dictated by foreigners.

If we take this step now, and reduce our dependency upon those foreign supplies, we will have made a very important effort in the right direction.

Mr. JACKSON. Mr. President, I yield myself 30 seconds on the bill.

I hope my fellow Senators who are talking about foreign sources will join in that effort when we try to deter them from moving abroad as the richer international oil companies in this country have been doing over the past many years, with the tax benefits they receive and the right to get all of the equipment that they need at the expense of American drillers.

Until something is done to discourage the movement of capital and resources abroad for oil-drilling purposes, the problem that has been discussed here is not going to be resolved. Every move to do something about that has been frustrated in this body. I hope my colleagues will understand that the worst thing we can do now is to go on piecemeal decontrolling this oil, which is going to have such an adverse effect.

The PRESIDING OFFICER (Mr. Javits). All time has expired. The question is on agreeing to the amendment of the Senator from Louisiana (Mr. Johnston). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), the Senator from North Carolina (Mr. Morgan), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "yea."

The result was announced—yeas 49, nays 37, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—49

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Johnston
Laxalt
Long
Mansfield
Mathias
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So Mr. Johnston's amendment was agreed to.

AMENDMENT NO. 351

Mr. SCHWEIKER. Mr. President, I call up my amendment, No. 351.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Pennsylvania (Mr. Schweiker) proposes an amendment (No. 351).

The amendment is as follows:

> At the end of the bill insert the following:
>
> Sec. 106. Prohibition of Discriminatory Pricing Practices.—Section 5 of the Federal Energy Administration Act of 1974 is amended by inserting at the end thereof the following:
>
> "(c) In order to more effectively carry out the purposes of subsection (b)(6) of this section the Administrator shall, not later than ninety days after the effective date of this subsection, prescribe such regulations as are necessary to prohibit any pricing practices in the furnishing of any fuel or other form of energy (including electricity) to the ultimate consumer which are regulated by a Federal or State agency and which allow per unit rates to vary inversely with total consumption.".

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. The Senator will please refrain until we get the Senators seated.

The Senate will be in order. Senators will please take their seats.

The Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, my amendment is cosponsored by my distinguished colleague from Pennsylvania (Mr. Hugh Scott) and my distinguished colleague from Minnesota (Mr. Humphrey).

Incredible as it seems, we are still rewarding energy wasters, and penalizing energy savers.

When the oil embargo hit, Americans were told to turn down their thermostats. One of my Pennsylvania constituents turned her thermostat down to 68 degrees—and the cost of her propane fuel jumped up 7 cents per gallon. When she complained to the Federal Energy Administration, she was told:

> There is no simple solution to the energy problem. Until a solution is achieved, there will be some inequities which some people such as you, must live with. But please keep in mind, that while you, and people like you, are paying more for your fuel, your conservation efforts are helping to provide an adequate fuel supply for the future.

Mr. PEARSON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. Senators will please take their seats.

Mr. SCHWEIKER. Mr. President, if that kind of bureaucratic insensitivity reflects the policy of this Government, I think it is high time Congress acts to change Government policy. If we want individual Americans to save energy they have got to believe we have a meaningful policy. Let us eliminate the economic penalties for those who do. If we want industrial users to conserve, let us cut out the economic incentives, in the form of sharply reduced rates, for those who waste.

Everyone agrees we face a critical short-run energy problem, and a probable long-run energy crisis. Yet the continued existence of declining block rate pricing practices—which is simply, charge more per unit of electricity for using less—insures that energy conservation will never have any real impact; nobody will ever take conservation seriously: We are still penalizing energy savers and rewarding energy wasters.

The impact of declining block rate pricing practices—charge more for using less—is enormous. My distinguished colleague from Montana (Mr. Metcalf) has included in the Record a study indicating that in the San Francisco Bay Area, electricity users pay roughly 4 cents each for the first 50 kilowatt-hours, 2 cents each for kilowatt-hours in excess of 100, and 1½ cents each for every kilowatt-hour over 1,000. The average inner city family uses 200 to 250 kilowatt-hours per month, while many more affluent users consume in excess of 1,200 kilowatt-hours per month. In short, according to this study, average per unit electricity costs for low-income inner city families are roughly 3.3 cents per kilowatt-hour, while affluent users pay barely 2 cents per kilowatt-hour.

My amendment is very simple. It will require FEA to prohibit by regulation, pricing practices of regulated energy products which permit per unit price to vary inversely with total consumption. My amendment will not involve the Federal Government in specific ratemaking determinations. It will not mandate a flat across-the-board rate, and it will not prohibit different rate structures for different classes of users or different rates for peak and offpeak hour usage, and will permit a minimum charge.

What my amendment will do is eliminate—as to electricity, natural gas, propane, and any other energy source subject to State or Federal regulation—the discriminatory pricing structure which now undermines our entire national energy conservation effort.

We are never going to convince the lady from Warren, Pa., to save electricity if her bill goes up 7 cents per unit because she turned her thermostat down and her neighbor did not, and the neighbor pays 7 cents less because she was the waster and my constituent from Warren was a saver.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. SCHWEIKER. I am glad to yield to the Senator.

Mr. JOHNSTON. Do I understand that this amendment does not prohibit price discrimination as between different classes; for example, an industrial user could be charged a lower price than residential under the Senator's amendment, is that correct?

Mr. SCHWEIKER. That is correct. The regulatory agencies are completely left on their own to set what an industrial usage rate is versus a consuming homeowner's rate, off-peak or on-peak usages.

Mr. JOHNSTON. Off the peak and peak are at a different rate?

Mr. SCHWEIKER. That is correct.

Mr. JOHNSTON. It could also be a minimum charge. For example, all users of electricity would have a minimum charge of $5 per month, no matter how little they use? That is permitted under the amendment?

Mr. SCHWEIKER. That is absolutely correct.

Mr. JOHNSTON. What would the amendment do in the case of coal, where you have to build a facility to transport that coal, a railroad line or a pipeline?

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Would all industrial users of coal have to receive the same price regardless of the amount consumed?

Mr. SCHWEIKER. First of all, this amendment would only apply to energy sources that are regulated by utility commissions. Since coal has not been subject to regulation, it would not be included. But the pricing on coal is per ton now and it does not vary. So this policy, as far as coal, would not be applicable because coal is so much per ton, whether they use 1 ton or 20 tons.

Mr. JOHNSTON. Would this amendment apply to natural gas which is now exempt from the Federal Power Commission, intrastate gas, for example?

Mr. SCHWEIKER. If it is subject to State regulation, yes. In other words, if it is subject to State regulation now, it would apply, yes.

Mr. JOHNSTON. Suppose it is regulated by a State agency, intrastate, but not regulated as to price, just to other aspects of it? Would that regulation be subject to this amendment?

Mr. SCHWEIKER. Only if the price structure is being regulated now. It would not apply if the price structure is not being regulated now.

Mr. JOHNSTON. Only if the price structure is regulated per unit and not by contract? Let us say a State regulatory agency must approve a contract for the use of natural gas now but does not regulate it on a rate structure. Would this amendment then apply?

Mr. SCHWEIKER. Yes, that is correct.

Mr. JOHNSTON. The amendment would apply?

Mr. SCHWEIKER. No, it would not apply.

Mr. JOHNSTON. It would not apply unless it is on a rate structure?

Mr. SCHWEIKER. That is right.

Mr. JOHNSTON. I thank the Senator.

Mr. SPARKMAN. Will the Senator yield 30 seconds?

Mr. SCHWEIKER. I yield 30 seconds, without losing the floor, to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that John I. Brooks, of my staff, be given the privilege of the floor during the consideration of the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, here is an insertion in the record that shows the San Francisco Bay area electricity charge. There is a customary charge of 50 cents, equivalent to a minimum charge, but for the first 50 kilowatts it is 4.3 cents per hour; the next 50 is 3.3 cents per kilowatt hour; the next 100 is 2.1 cents; the next 100 is 1.9 cents; the next 700 is 1.8 cents, and over 1,000 it is 1.6 cents per kilowatt hour. It simply encourages wastage.

We have grown up with energy that was abundant, which was ever-present. Now we see we all have to change our policy. You will never change your policy or have people accept the fact you mean business unless you can reward them economically for turning down the thermostat.

To show how ridiculous that would be, here we are with the gasoline problem. If we used this same pricing structure in gasoline, it would be saying when you drove up to the gas station the first 5 gallons would cost 70 cents, the next 5 gallons 55 cents, and over 20 gallons would cost only 30 cents a gallon. That is exactly the kind of wastage that we now have because people are encouraged to keep the thermostats high and not turn them down. Industrial users are encouraged to burn up the electricity, the natural gas or energy, and not cut back because the rates go up.

Mr. BUMPERS. Will the Senator yield for a couple of questions?

Mr. SCHWEIKER. Yes.

Mr. BUMPERS. Will the Senator tell us what effect this is likely to have on the price of consumer goods? Let me preface that with this premise: Industry, by far and away the biggest user of energy in this country, is the one that gets the best price for that quantity consumption. Is that correct?

Mr. SCHWEIKER. Under my amendment we just address ourselves to the prohibition of charging more per unit of electricity if you use less. It would not interfere with the local regulatory agency's right to set different rates for different classes of users. It would not interfere with off-peak hours or any kind of charges other than this. Those would still be left. We do not intend to get into the whole public utility commission, State utility commission, regulatory situation. It is very complex and very complicated. To do that with an amendment we feel would not be practical. We just addressed ourselves to saying that no regulatory agency that sets rates for energy can charge people more for using less. It is that simple.

Mr. BUMPERS. That goes to my question. Let me rephrase it. Maybe I misunderstood the answer.

Right now in most States those people who consume the most get the lowest rate. In other words, the rate goes down according to their consumption. The greater the quantity the smaller the rate. This amendment, if agreed to, would change that so that the rate could not be so structured, is that correct?

Mr. SCHWEIKER. That is absolutely correct. That is what it is intended to do. As the Senator pointed out, that rate structure encourages people to waste electricity or gas instead of conserving it.

Mr. BUMPERS. I agree. My question is if we can agree on the premise that industry is a big consumer and probably pays less, for example, per kilowatt hour than the domestic user or the homeowner, would this mean that in the future industry would have to pay actually more per kilowatt hour than the homeowner would because they are the big user? Would that be correct?

Mr. SCHWEIKER. This would be up to the local regulatory commission.. This amendment does not attempt to control regulatory agencies except on the one principle that you cannot charge more for selling less. So the local regulatory agency or the State would still have the prerogative to set what an industrial rate would be and what a homeowner rate would be. We do not interfere or intervene in that process as much as that may need some study. It is a pretty complex thing to do. We are saying they cannot use this pricing policy anymore. I believe it will accrue to the benefit of the homeowner who wants to save and the industrial user who wants to save.

Mr. BUMPERS. Let me say to the Senator from Pennsylvania I agree totally with his concept. My own State had an FEA grant of almost $210,000 the day before yesterday to experiment on a nationwide basis with this very pricing structure that the Senator is attempting to get at. I think it is a step in the right direction. I think it will work and I hope it will. My fear right now, of course, is that if we plunge into this with perhaps not adequate consideration, we may be penalizing the middle income people, the homeowner, the very people the Senator is attempting to help with this amendment. If industrial rates go up, obviously they are going to pass this on to the consumer. The Senator is saying that he is leaving this to the discretion of the public service commissions of the various States. It occurs to me that the almost certain result is that the cost of energy to industry in this country is going to go up very significantly and that cost is going to be passed on to the consumer.

Mr. SCHWEIKER. We are trying to give the consumer every remedy he has now, but we are giving one more. We are giving him the right to say that if he consumes less, he will be charged less. We are adding one more lever in giving them a fair chance.

The Senator has touched on some other problems. They should be dealt with, but it takes a complex study and it takes hearings. It takes a complete look at the problem. But I think this, without interfering locally, will go a long way toward assuring the average American that we mean business.

I cannot understand why people would want to save electricity if they know that if they turn the thermostat down, their bills are going to go up. We are not credible. We do not believe ourselves because of it. Nobody believes there is an energy crisis. This is the philosophy of my amendment—it is one fundamental change.

We cannot do everything, but the Senator is right in that it attempts to go to the problem with which he is concerned.

Mr. BUMPERS. Conceptually, I could not agree more with the Senator. I am ambivalent about this amendment because of the gnawing feeling I have that we may be plunging off on something to which we have not given consideration, and ultimately, as so often is the case when we act a little impulsively here, we may do the consumers of this country a great disservice.

Mr. SCHWEIKER. Under my amendment, consumers will still have every right to use the regular procedures through the regulatory agencies, and they have one more weapon. That is, we do not give great, big quantity discounts to people who burn energy as though it is going out of style. Our energy system was based upon the fact that we had plenty to spare. We saw newspaper advertisements urging people to have an electric home, to get air conditioning, and "We'll give you cheap electricity and give you a lower rate for doing it."

That is what they did. Now we want to change the direction and go the other way 180 degrees. We have changed everything but the most important thing, the rate structure, the philosophy which says that if you conserve energy, you are going to pay less. But who is going to believe us if we charge them more for turning down the thermostat? Every electric utility in the country is doing that today.

So our energy policy has become a laugh. There is an understandable reason—because we do not believe ourselves. How many people are going to turn down their thermostats so they can pay more money for their electricity?

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. SCHWEIKER. I yield.

Mr. STONE. Is the Senator's amendment permissive or regulatory?

Mr. SCHWEIKER. It is mandatory, in that the FEA must promulgate in 90 days a program for doing this. So they are mandated to do it in a certain period of time by regulation.

Mr. STONE. Does the amendment contemplate that the regulation that the FEA or the Federal authorities will issue will be permissive or mandatory?

Mr. SCHWEIKER. Mandatory.

Mr. STONE. Then, how does the Senator take the position, as he has been taking it, that another consumer right is just being created, another option? There is nothing optional about a mandatory situation, is there?

Mr. SCHWEIKER. We are giving the homeowner more help up the ladder; because instead of complaining when they turn the thermostat down and save energy, they will have a rate structure that says that they will pay less money if they save. That is what I meant by the other help.

Mr. STONE. The Senator from Florida feels, as does the Senator from Arizona, that there is a good concept in the amendment of the Senator from Pennsylvania; but at this stage of the consideration of an energy policy, without having thoroughly studied the impact of it, it could lead to the loss of jobs, for example, by reversing the discounted cost of electricity in the job-producing sector. It could lead to higher consumer product prices at a time when we are trying to get inflationary price increases down.

In other words, the concept and the idea are good, but would not the Senator do better to offer this as an optional type of amendment, more of a suggestion; or, if the form of the Senator's amendment were mandatory as to the Federal authority, that the program mandated be optional in its nature? Would not that be a better service, in putting another weapon in the arsenal of reducing energy?

Mr. SCHWEIKER. I appreciate the Senator's statement.

However, we have had how many years to opt this program? The basic structure is geared the other way, to all-out usage, all-out spending, all-out wastage.

The interesting thing is that here we are, 2 years in on an energy crisis, and no one has addressed himself to the most fundamental part of all. People should know that we mean business and are on their side, instead of saying to the FEA, "I turned up my thermostat, and my bill goes up 7 cents a unit," and they are thanked for being good Americans.

The crisis started 2 years ago, and the best we have come up with is a tax to slap on everybody, which I think has very little relevance to the realities. My amendment is a realistic approach to reversing a policy that is now wrong, obsolete, archaic, and old-fashioned.

Mr. STONE. Mr. President, will the Senator yield for a question,

Mr. SCHWEIKER. I yield.

Mr. STONE. Would the Senator consider altering his amendment so that it describes this type of reverse rate situation as to residential but does not require that we start immediately with industrial reverse rates as well? If a householder turns his thermostat on and pays more, that presumably can be controlled, and an inducement can be given to such a person without interfering with the recovery of jobs, without interfering with large-scale production. But when we require that it apply to industrial production, are we not, at this stage of our business cycle, hurting what we are trying to help in all the other legislation passing through the Senate?

Mr. SCHWEIKER. First, there is nothing in my amendment that would prohibit a State agency from saying, "This company is using x thousand units of electricity, and their total bill is so and so." They simply say, "For that we will charge, instead of a graduated scale, going the wrong way, a uniform rate," and they still pay the same amount. So that company can end up paying the same amount. They pay the same bill, nobody is affected, and there is the same end result, because they have the local option to do it.

The only thing is that if in the future they want to use more, it will cost them more; or, if they save, they will save more. The company gets a bill for the same amount; but if they go up or down as to their usage, they have to pay a straight line situation.

I do not see that it would be fair to tell the homeowners, in essence, "We will do this for you, but we will let the industrial users still go on wasting electricity." I do not think that is fair. We can be fair to the industrial users by having them pay the same rate as now, but put it on a straight line method, so that when they show 5 percent of their energy, the bill will be 5 percent less. If they go over 5 percent, they will pay 5 percent more.

This is such a basic, fundamental argument that I have a little trouble understanding why we are opposing it, except that we have been a nation of wasters and cannot get that concept out of our minds.

If we want an energy-saving program, we have to change the rate structure, and the only way to do it is that you cannot charge more for using less. It is simple and fundamental, and nobody will believe it unless we do something like this.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I will be glad to yield the floor at this point.

Several Senators addressed the Chair,

The PRESIDING OFFICER (Mr. CURTIS). The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I think we would all agree in principle with the distinguished Senator from Pennsylvania. We are all trying to get more efficient use of energy, obviously. An inverted rate structure does not do that. We all agree with that.

Certainly, we would like to see this situation corrected. But it is a very complex situation. We have very complex rate structures; and the potential of making changes of this nature, it seems to me, are rather tremendous.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. GLENN. I will yield in a moment, as soon as I finish my statement.

We would be mandating the FEA in this regard, if this amendment were adopted, to make some rather tremendous decisions for all of us which I am not prepared to see turned over to them and to see them take over some of the functions of public utility commissions in various States.

At the present time, in the Committee on Government Operations, we have just completed some hearings—and we will have more—considering rate structure legislation. The Committee on Commerce has before it proposed legislation in this regard.

A few moments ago, the distinguished Senator from Arkansas referred to a demonstration program or an experimental program in his State that was granted on Tuesday of this week, as was one in my home State of Ohio, to investigate peak load pricing and block pricing, and how we should change some of these practices in order to use energy more efficiently and to price it more realistically.

We have concentrated some of our discussion here today, I believe, with the Senator from Pennsylvania, on home use and used some examples. I should like to know, before I vote for this amendment, much more about industrial use.

For instance, in the State of Pennsylvania, a steel State, they do much of the steel smelting in that area with electrode smelting processes. I assume that something of this major price change nature would very, very materially alter the price of steel, for instance. Maybe it would not. I do not know.

What I am pointing out is, I should like to know the cost of various industries, whether there would be changes, what effect this might have, whether it is in the steel industry, the automobile industry, or the steel industry in Ohio, across the border from Pennsylvania.

Mr. STONE. Will the Senator yield?

Mr. GLENN. In just one moment.

I think that with all of these other things being considered and with every-

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one concerned about block pricing and peak price structures and all the other legislation being proposed, this has such magnitude that, much as I agree with the principle the Senator from Pennsylvania is driving toward, I should like to see hearings proceed. I hope that we can have very, very early consideration of this in committees and bring this back to the floor, after hearings about what the total effect would be. I hope that the Senator from Pennsylvania will see fit not to attach this onto the bill being considered now, but will withdraw this in the expectation that we shall have early committee consideration of these matters and bring them back, after full discussion in the full area.

I yield to the Senator from Florida.

Mr. STONE. Does the Senator from Ohio feel that this amendment handles the problem of peak hours, where the real problem to electric utilities is not so much the quantity of electricity being used as the quantity being used during peak hours? Does this handle that problem?

Mr. GLENN. As I understand the amendment by the distinguished Senator from Pennsylvania, this would not approach that problem, I do not believe. That is one of the problems being looked into now that the distinguished Senator from Arkansas spoke about a few minutes ago. They are looking into that on a grant just made by the FEA for an experimental program, on Tuesday of this week. Ohio has the same thing, three other States have a similar grant. They are looking into the whole area of peak load pricing and block pricing, also; so we expect to get information back from this.

Mr. STONE. Is it not true that if we want to get a measure of price control on energy charges, we need to look not only at just the raw quantity being used, but these other problems as well. So it is not just a question of the more that is used, the less ought to be paid and the less used, the less ought to be paid.

Mr. GLENN. It is my impression that the Senator from Florida is absolutely correct. I repeat what I said as I started out speaking to this: I hope that the distinguished Senator from Pennsylvania understands that I am in complete agreement with the principle. I think this is such a far-reaching amendment that I should like to see it considered very, very carefully before we institute this. I certainly hope we can have early committee consideration and bring it back as a separate bill.

Mr. JACKSON. Will the Senator yield:

Mr. GLENN. I yield.

Mr. JACKSON. Mr. President, I wish to associate myself with the remarks of the able Senator from Ohio. I have the highest regard for the Senator from Pennsylvania. I think the problem that we face, that really bothers me, relates to the employment situation. What concerns me is that we do not have a set of standards, Mr. President, that would apply to an industry that is making more efficient use of this energy and would be rewarded accordingly in the rate structure. What, I suppose, is the most serious part of the problem is that a given industry that is following, let us say, efficient engineering standards and practices will start expanding their output and find that the costs will go up at a scale that is absolutely the converse of what we are trying to do, which is to encourage expansion of the operation to provide more employment.

I think the delicate and difficult problem is the establishment of proper standards of practice and usage to avoid wasting of energy.

I hope, and I assure my colleague, as chairman of the Committee on the Interior, that I would support hearings going into this matter in such a way as to deal directly with the issue of conservation. In fact, the bill that we passed a couple of weeks ago on the subject of conservation addressed that very question of saving energy in the industrial area. I hope we can come up with plans on the part of the President and the administration to achieve those goals which will, indeed, save energy. I think this is what the Senator has in mind.

Mr. TOWER. Will the Senator yield?

Mr. JACKSON. Senator GLENN has the floor.

Mr. GLENN. I yield 3 minutes to the Senator from Wyoming.

Mr. HANSEN. I thank the distinguished acting floor manager of the bill, the Senator from Ohio, for yielding.

Mr. President, I think we should keep in mind a few basic facts: First, why is it that industry, in all of its many ramifications, developed a policy of decreasing the unit price as consumption increased? It was for a very obvious and simple reason. That is that it costs less to produce more units of something than it does one or two.

I am in complete accord with the objective expressed by our distinguished colleague from Pennsylvania, but I must agree with my distinguished friend from Ohio that we need to know what we are doing before we do this.

As I read the amendment here, and I may be entirely wrong, there is no latitude for that kind of situation; it is mandatory.

What we want to get at, Mr. President, is the inefficient use of energy by the homeowner and by the industrial user or whatever entity may be using the energy. But it does not follow that because they are expanding their consumption, they are following bad practices because, as they start up—let us take aluminum in my State—an extra pot line, they immediately increase the amount of energy that is required. They also increase the number of people that are to be employed.

The way this is drafted, as I see it—and I have, as I say, the highest regard for the Senator from Pennsylvania and what he is trying to do, and I concur in that objective—the net effect of it is to penalize some expanding industry that would, in turn, put more people to work. It does not follow that because they are using more energy as they go up the ladder in the use of energy, it is, ipso facto, an inefficient operation and therefore, their rate structure should be such as to cause a penalty to be imposed.

The distinguished Senator from Ohio spoke about the steel industry. In my State of Wyoming, U.S. Steel has a low-grade taconite ore mine on the south end of the Wind River Mountain Range at an elevation in excess of 8,500 feet. It is high country, cold country. Their whole operation there, every bit of it, is accomplished through electric power generated east of Casper, Wyo., and transmitted by high line across that part of Wyoming to help in the production of that ore and in its partial refinement into taconite pellets, from where it is shipped down to Provo, Utah, where it goes into the manufacture of steel in an old plant that was built back in World War II days. I want to know, to be certain, before I support this amendment, that the application of it would not actually shut down and put out of business this operation. I am certain that the same concern prompts the Senator from Ohio to express his interest in what might be done in that regard.

I think that we need to know more about this amendment than we now know. The point of peaking has been made, and it is a very valid point.

The biggest cost that electrical suppliers have today is to have enough generating capacity to take care of peak loads. Industry, the kind of industry I have been talking about, uses a uniform rate of electricity over a 24-hour span of time, and it would seem to me, as I read this amendment, that it would militate against people on jobs because it could be the straw that broke the camel's back.

This is an expensive operation. At the old mill, the production in Provo is at a minimum point, and I do not think we can afford to take the risk.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GLENN. I yield 1 minute to the Senator from Texas.

Mr. TOWER. I thank the Senator from Ohio.

The Senator from Ohio, I think, has properly put his finger on the problem of this amendment. He mentioned the steel industry, with which he is familiar, in his State. He is probably also familiar with the petrochemical industry in my State, where he used to live. The petrochemical industry, of course, is vitally important to the production of artificial fibers and synthetic fiber materials, to production of plastics used in all sorts of manufacture, and also to the production of fertilizer which impacts on the farm community.

I have done a quick check back in my State with the petrochemical industry and find that these factors will substantially raise their cost of production, and that in turn raises the cost of fertilizer, the cost of plastics, and the cost of synthetic fibers for garments. So this would impact adversely, as I see it, on both inflation and recession.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. FANNIN. I commend the Senator from Pennsylvania for his goal, but unfortunately, I just feel that this would cause so much of a problem that he does not realize what would take effect. For instance, we have interruptible services in many industries. This would be a problem to handle. They have a certain rate, based upon their services, that may peak out at a time when the power is not available, so they can interrupt that service.

On natural gas down in my State, the service is interruptible and they must go to other fuels, so this is just one matter. But I know that the Senator was serious in his illustration and the letter that he used, but I think this indicates just how impractical it is, when the Senator refers to a letter and the particular writer refers to propane gas and the complaint about the rate on propane gas. It would be very impractical to try to utilize propane gas on the basis which his amendment provides. Propane gas is usually delivered and charged for on the basis of the size of the delivery. The cost to fill a 20-gallon tank would be one price. To fill a thousand-gallon tank would be another. The same user may utilize several 20-gallon tanks or one 1,000-gallon tank.

So the cost of service varies so greatly that it would be highly impractical to utilize the formula that he has provided in this particular amendment. But this is just one of many, many difficulties.

I can see it adversely affecting some industry in my own State. The aluminum industry was mentioned. This would create a great problem in that regard, and if it were adhered to, it would mean that the particular operation would go out of business. So I hope that the distinguished Senator from Pennsylvania will take greater consideration of what is involved, and that this does deserve hearings. There is a way in which I think some of his goals could be handled. But I say it is impractical to try to do so on the basis of this particular amendment.

Mr. GLENN. Mr. President, I think this matter has been adequately aired. I would like only to add one thing.

Does the distinguished Senator from Pennsylvania have any information on how this would impact, particularly, say, the steel industry, which is major in my State of Ohio and his State of Pennsylvania, with electroheating which is very common, with tremendous amounts of electricity involved? I do not have any idea how this would impact on that particularly industry; and I would be hard-pressed to vote against that. This would be a very major consideration in my regard and, of course, it would have a major impact in the State of Pennsylvania also.

I am very much for the Senator's objective here, and I guarantee him absolute support in whatever efforts we have to get this thing through committee if possible, and get it out here on the floor so we can vote on it, because I would like to see this considered.

I think he has really put his finger on a very, very important area of potential saving of energy and our unfair utility price structure. But some of the other legislation now being considered and some of the block pricing mechanisms that are under evaluation now by the four or five programs that were allotted this week to the different States by FEA seems to me would help give us a lot of information to make it very certain that we do not do something that is going to upset our economy or cause particular problems for high usage industries that we do not see right now without adequate hearings.

Mr. SCHWEIKER. In response to the Senator's question, the remedy is twofold. The remedy is first through the FEA and their regulatory promulgation process, and second the State Utility Commission will continue to have the full powers they have today.

I hear a lot of questions being raised and a lot of questions asked, but the questions now are answered by the local utility commission, and that is the way it would be answered here.

If the company was buying $10,000 worth of electricity under the present system, the local utility commission could simply still end up with a bill for $10,000 to that company, but they would be paying for a uniform unit of usage as opposed to the descending cost method, so that the bill would not have to be changed. Nobody would be thrown out of work. There is not going to be an interrupted petrochemical industry. The companies will not stop tonight. The sky will not fall in.

What will happen is they will end up getting the same bill but basically it will be based on a unit charge that does not increase when their usage goes down. It is just that simple.

So I do not know the reason for all the dire predictions and warnings. It could not be simpler.

We are not trying to dictate a Federal pricing policy. We are leaving it to the local utility commissions to do the very thing that the Senator is questioning about.

The Pennsylvania Public Utility Commission would determine a fair way of doing it. But they could take that same $10,000 charge with which they are doing it now and say they are still going to be charged $10,000 for the same amount of electricity, but if they go up or down, it will vary on basically a straight line method. If usage is going down, prices will go down. If usage goes up, prices go up.

So it is no great horrendous thing. That is why we leave it with the local utility commission to work it out and to solve the problems. They have complete latitude, I say in response to our other distinguished colleague, to have an off-peak charge. There is no interference with an off-peak charge. They would still have interruptible service. There is no interference with that.

That is the simplicity of it. We are not interfering with any of that. We are simply saying that the rate structure cannot charge more per unit for using less. All the other conditions are go. Nothing else has changed.

I think the real fundamental point is, do we really want an energy conservation program? Nobody believes we have one now. Nobody followed it. Nobody believes the Government is credible. We are all laughing at it, and I can understand why, because if you turn your thermostat down you pay higher prices. Who is going to turn the thermostat down and take it? We are serious about it. It is that simple.

Here it is 2 years into the crisis, and we have not addressed the most fundamental thing. All we have to do is change the structure at least in this one instance, and we would tell people we mean business and we are going to help them; otherwise, we tell the lady, "Go ahead and turn your thermostat up because you are going to spend less money if you do."

Mr. President, I think it is a fundamental point. I think it is a basic energy policy.

I would like to see a rollcall vote on it, and I ask at this time for the yeas and nays.

The PRESIDING OFFICER (Mr. CURTIS). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, although I favor the elimination of the use of decreasing rates for increased consumption—the so-called declining block rate energy pricing practices—I do not believe that a hasty and ambiguous amendment solves the problem. I want inequitable pricing practices removed, but until we have had the benefits of thorough hearings on the subject, I must oppose the Schweiker amendment.

I will support all efforts to hold prompt hearings in the Interior Committee on the subject of block-rate pricing practices. Senator SCHWEIKER has introduced legislation, S. 1421, which would eliminate these pricing inequities. But for the moment, I must oppose such unclear wording and unknown overall effect of the Schweiker amendment.

Mr. HATFIELD. Mr. President, I am in complete accord with the intent of the distinguished Senator from Pennsylvania, but I feel I cannot support his amendment today, because I cannot ascertain its scope nor predict its impact. I have looked into this matter of high end block rate structures from a legislative angle, myself, and have discovered many complexities that may make our work difficult in this area. However, I believe that the appropriate committee, perhaps my own Interior Committee, could sit down, with the benefit of hearings, and draft some sound legislation that will end low end block pricing with some certainty as to the impact of its implementation. It is my hope that early hearings can be held on the proposal of the Senator from Pennsylvania. I will certainly support his efforts.

Mr. GLENN. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of Mr. SCHWEIKER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order and the Senators will please take their seats so that the rollcall may proceed. The Senate will be in order. The clerk will not proceed

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until Senators take their seats and the Senate is in order.

The clerk will resume.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska), the Senator from Maryland (Mr. Mathias), the Senator from Alaska (Mr. Stevens), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "nay."

The result was announced—yeas 25, nays 60, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—25

Abourezk
Bentsen
Brooke
Cannon
Chiles
Culver
Hart, Gary W.
Haskell
Humphrey
Mansfield
McGee
McGovern
McIntyre
Mondale
Nelson
Nunn
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Talmadge

NAYS—60

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Brock
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Philip A.
Hatfield
Hathaway
Helms
Huddleston
Jackson
Javits
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
Metcalf
Montoya
Morgan
Muskie
Packwood
Pearson
Randolph
Roth
Scott, William L.
Sparkman
Stevenson
Stone
Symington
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—14

Bayh
Church
Gravel
Hartke
Hollings
Hruska
Inouye
Kennedy
Leahy
Mathias
Moss
Stennis
Stevens
Taft

So Mr. Schweiker's amendment (No. 351) was rejected.

Mr. JACKSON. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add a new section as follows:

"Sec. . The Emergency Petroleum Allocation Act of 1973, as amended, is amended by adding a new section to read as follows:

"Sec. 8. The price applicable to any crude oil produced from any property in any calendar month, whose price would be increased solely by the operation of Section 4(e)(3) of this Act, and which does not exceed the volume of crude oil produced from that property in the corresponding month of 1972, shall not exceed $7.50 per barrel.".

Mr. JACKSON. Mr. President, this is a very simple amendment. It simply provides that in connection with the——

The PRESIDING OFFICER. Will the Senator withhold? Senators will take their places and the Senate shall be in order.

The Senator from Washington.

Mr. JACKSON. Mr. President, this amendment provides a $7.50 per barrel limit on the price for oil covered by the decontrol amendment of the Senator from Louisiana.

We imposed this amendment about 2 weeks ago in connection with a similar amendment on secondary and tertiary recovery.

I think it is obvious that we need some kind of a lid on the price of oil in this category and I hope that the Senate will follow the action taken previously so that we can provide a reasonable limit on the price of oil for secondary and tertiary recovery.

I will defer further time on my bill pending the location of the Senator from Louisiana. I think he should be here.

Mr. HANSEN. Mr. President, I hope that the Senator from Louisiana may be located shortly so that he can respond, as I am certain he would like to were he here.

I think it should be observed that the logic behind the Johnston amendment, as was adopted by this body, reflects the fact that the kind of oil that can be made available to the people of the United States will require an expensive commitment of cash. It is costly when you get into secondary and tertiary recovery efforts,

If we are going to recover the 59 billion extra barrels of oil over and above the 40 billion we now have in place, and which can be recovered under present technology, with present prices, and present costs being what they are, if we want to get that extra 59 billion barrels—in other words, Mr. President, if we want to increase the 40 billion barrels of oil to a total of 99 billion barrels of oil by making available the possible production from secondary and tertiary recovery—we have to have the incentive that would come from the exemption of price controls on that oil. It is just that simple.

The oil is in place. We know it is there. All it takes to bring it out is money. The trouble with the amendment proposed by the distinguished Senator from Washington results from the fact that, by putting a price cap of $7.50 per barrel on that oil, we would deny the industry the investment necessary to make this a profitable recovery. I would hope that the amendment proposed by my good friend from Washington might be rejected.

Mr. JOHNSTON. Will the Senator yield some time to me?

Mr. HANSEN. I was speaking presuming the Senator had yielded to me. The Senator has the floor.

Mr. JOHNSTON. Mr. President, I could not oppose this amendment any more strongly. This amendment would convert my amendment from an incentive amendment to precisely the opposite. Let me make completely clear why that is so. Under the existing rules, any secondary or tertiary oil that is made available from the lease that exceeds the 1972 base is entitled to the new oil price.

What this amendment would do is to say that instead of being able to get the new oil price which they can get today, all they can get is $7.50. Instead of giving an incentive, it is going to actually reduce it for those instances in which secondary and tertiary recovery can exceed the 1972 base. In those instances where it will not exceed the 1972 base, which are a very small amount of instances, then the $7.50 price differential is simply not enough to do any good.

In effect, what this amounts to, Mr. President, even though it may be authorized under the rules, is really just a reconsideration of my amendment. I would rather not have any amendment at all with secondary tertiary recovery, the independent oil operators would rather not have any amendment at all with secondary and tertiary recovery, if this kind of cap is put on it.

If you want to do away with any incentive for secondary and tertiary recovery, then put this amendment in, because it really reduces the incentive rather than increases it.

Mr. President, I cannot think of anything that would be more counterproductive than to put in this $7.50 amendment. I could not oppose it more strongly.

Mr. JACKSON. I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FANNIN. Mr. President, I yield back the remainder of my time.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska), the Senator from Maryland (Mr. Mathias), the Senator from Alaska (Mr. Stevens), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "nay."

The result was announced—yeas 38, nays 46, as follows:

[Rollcall Vote No. 160 Leg.]

YEAS—38

Abourezk
Biden
Brooke
Bumpers
Case
Chiles
Clark
Cranston
Culver
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Humphrey
Jackson
Javits
Magnuson
McClellan
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Talmadge
Tunney
Williams

NAYS—46

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd, Robert C.
Cannon
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Huddleston
Johnston
Laxalt
Long
Mansfield
McClure
McGee
Montoya
Morgan
Nunn
Packwood
Pearson
Percy
Randolph
Roth
Scott, William L.
Sparkman
Stone
Thurmond
Tower
Weicker
Young

NOT VOTING—15

Bayh
Byrd, Harry F., Jr.
Church
Gravel
Hartke
Hollings
Hruska
Inouye
Kennedy
Leahy
Mathias
Moss
Stennis
Stevens
Taft

So Mr. Jackson's amendment was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FANNIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I am voting against S. 621, the Petroleum Price Increase Limitation Act of 1975. This bill is self-defeating, because it does nothing constructive to deal with the basic substantive problems we face in developing our energy posture. If this measure is enacted it will prevent any petroleum price increases from taking place for at least 120 days. It will prevent the President from taking any actions to cut back on the increasing levels of oil imports.

Over 3 months ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his administration spokesmen to meet with the Democrats to discuss an alternative energy strategy. There was to be an alternative energy strategy within 60 days. This has not developed.

S. 621 prohibits the imposition of any tariff, import fee, quota, or price floor on petroleum without prior submission to the Congress of such a proposed regulation. Either House of the Congress would then have an opportunity to veto the proposed tariff, import fee, quota, or price floor under the provisions of this measure. This bill, if enacted, will severely impair the President's flexibility to act positively and expeditiously in the interest of national security.

The bill would prevent any pass through of increased costs of petroleum production in this country, including the increased tax burden due to the modification of the depletion allowance. Instead of passing the increased costs through to the consumer, the industry would be forced to take moneys committed to its exploration and development program and pay them to the Treasury as part of its increased tax bill.

Mr. President, it is difficult for me to see how this bill would do anything to encourage domestic production of our energy resources. It appears to me to be a measure which will further discourage domestic development and will increase our need for additional importation of petroleum from unstable foreign sources.

For these, and many other reasons which have been brought to the Senate's attention during this debate, I cannot support S. 621.

Mr. McGEE. Mr. President, it is nothing new to say that our country is in the midst of a dangerously growing energy shortage. It is nothing new to say that petroleum is the life blood of the country's energy resources. What disturbs me is the old, and now accomplished move to punish the petroleum companies.

In opposing repeal of the oil depletion allowance recently, I said that legislation was punitive—that it cut a throat to stop a nosebleed. The depletion allowance was removed for the most part as a so-called tax loophole. Proponents of this adverse tax action failed to see that it created a now larger "energy loophole." Now we consider S. 621, the Petroleum Price Increase Limitation Act of 1975, more punitive legislation. I cannot support this legislation in light of what it would do to the overall energy and employment situation, not only in Wyoming where it surely will hurt, but across the Nation where we struggle for more energy and jobs.

Basically, S. 621 cannot help but reduce the number of wells drilled and increase our dependence on undependable and expensive imported oil. This bill will only further complicate the present cost-price situation in the oil industry: It prevents cost passthrough and would be counterproductive to the effort to expand exploration and production. The bill removes what may be a small trace of lingering incentive. If we lessen cash flow, we hurt the consumer.

Ten thousand independent producers cannot be wrong. The Independent Petrolem Association of America, members of which are the ones we rely on for future exploration and recovery, say passage of this bill will be a vote to decrease the future supply of domestic crude oil. The result is nonsensical—the exact opposite of what this country's modern energy policy must be. Imposition of arbitrary price ceilings on all domestic crude oil only creates replacement of those barrels that are lost at home with higher priced foreign oil. Thus, again, the result of higher prices to consumers, dependence on foreign oil, and a slowdown of American oil exploration and the loss of jobs, a tragedy to say the least.

A sudden slowdown in oil drilling activity in Wyoming has thrown many rig hands out of work. The uncertainty of the political environment has caused oil firms to postpone any questionable wildcat wells.

The bill would roll back the prices for oil produced by secondary recovery methods which is a major share of Wyoming oil production. I am informed that oil well drilling in Wyoming alone has decreased by 16 percent in the last 30 days. Think what it might be in States which produce much more oil than Wyoming and what it might be in terms of oil recovery and jobs if we pass this legislation. The doctor might say we cannot save the patient because we have no donors.

What we do have here is a possible Achilles heel.

Mr. President, I am in general agreement with opposition voiced by my colleagues regarding S. 621. The bill could create distortions in price relative to foreign crude and inequities in rewarding those producers who had rapidly raised prices and contributed to inflation while penalizing those who were restrained and public minded. There would be fine line definition problems which could lead to new oil being classified as old oil and in reverse, old oil as new. Administration of the proposed three- or four-tier system would be difficult due to a myriad of complexities in base price adjustments and possible loopholes.

I ask my colleagues to take note of a portion of a statement by Frank Zarb, Administrator of the Federal Energy Administration. Mr. Zarb notes that S. 621 would severely "impair" the President's flexibility to do what he is charged with in acting positively and quickly in the energy scene regarding national security.

We are tardy—very tardy—in enacting a national energy program which must initially consider workability for the oil companies. Inaction is causing a lack of ambition—a fatal blow to the Nation's economic structure.

But in our actions toward the goal of solving the energy and economic problems of today in this country, I find S. 621 not suitable, moreover a roadblock, toward that goal.

Mr. President, in closing, I call on my colleagues to listen to the people, the consumers, all those persons who are concerned about what the Congress is doing on these problems, and all those who are bewildered. The people's voice is well conveyed in an editorial which appeared in the Casper Star Tribune of Casper, Wyo., on April 27, entitled "Congress Must Act." We must, including the defeat of S. 621.

I ask unanimous consent the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

CONGRESS MUST ACT

Congress should have the guts to enact a strong national energy policy under which oil companies can operate.

The endless dawdling and political uncertainty in Washington have finally made an adverse impact on the employment situation in Wyoming.

Oil rigs are being "stacked" throughout the Rockies and young men, seeking employment, are being turned away.

It all goes back to the inaction of Congress, plus talk of more punitive legislation to come.

Several major companies which had ambitious plans for exploration and drilling programs have laid these projects back on the shelf until the political jockeying is over in Congress. Meanwhile, they're not hiring any more help domestically. The emphasis is swinging to overseas exploration, where at least foreign governments have some guidelines.

Congress ended the depletion allowance for all but the smallest independents, which was bad enough. It deprived the oil industry of an estimated $1.7 billion to plow back into the costly search for petroleum reserves.

But the uncertainty doesn't end here. Legislation is being considered to remove the tax exemption for intangible drilling costs. Another bill would "reclassify" old oil and new oil, dropping the price for new oil produced by expensive secondary recovery methods in old fields. This would represent a strong blow at the economy of Wyoming, so dependent on oil and gas property and severance taxes. It could crimp the record high state biennial budget.

It all came to a head this April, with several major companies passing the word that they're "sitting tight" until Congress makes up its mind. Meanwhile, the momentum of the oil search, which reached a peak in late 1974, will be lost.

Recently there was an ad in this newspaper offering to interview skilled oil rig workers (toolpushers) for jobs overseas at salaries ranging from $25,000 to $30,000 a year.

Unless Congress makes up its mind, and quickly, we'll continue the long slide into dependence on the foreign oil cartel, or other foreign oil sources. Our balance of payments will suffer. Our standard of living could decline.

It's as though Congress, by passing punitive legislation against private enterprise, is setting the stage for a government takeover of the oil and gas industry. The old FOGCO idea (Federal Oil & Gas Co.) is being revived.

But we're not ready for this brand of socialism just yet. Who wants a big sprawling bureaucracy to produce and refine petroleum and serve us at the gas pumps, like the Postal Service in mail distribution?

Congress must get down to brass tacks. Give industry a firm energy policy and end the present political confusion.

OPPOSITION TO S. 621

Mr. DOLE. Mr. President, I oppose passage of S. 621, the Petroleum Price Increase Limitation Act of 1975. I do not oppose it because I favor higher petroleum prices. Nor do I oppose it simply because it creates a cumbersome scheme of congressional second-guessing of administration policy. Rather, I oppose this legislation because it totally fails to respond in a meaningful way to the energy crisis.

Every member of this body and every citizen of this Nation has been affected by the recent quadrupling of oil prices. Our electric bills, gasoline for our automobiles and trucks, plastic products—almost everything we use in daily life has increased in price as a result of the cartel-imposed price increases. Certainly, no Member of the Congress would oppose a bill which would assure a stabilization or reduction in petroleum prices, and opposition to S. 621 is most assuredly consistent with that premise.

This legislation would effectively establish a three-tier price system for petroleum—one price for so-called old domestic oil, another for "new" or "stripper" oil, and another for oil imported from the oil cartel. Not surprisingly, the Federal Energy Administration has indicated that such a system would create innumerable administrative complications for both the FEA and the petroleum industry—not to mention the Congress which purports to be able to maintain special "second guessing oversight" of the entire process.

Moreover, under the provisions of the Emergency Petroleum Allocation Act of 1973, the Congress already has ample authority to review presidential actions with respect to oil prices. Thus, there is no need to enact any new legislation to assure that Congress has the right to disapprove administration oil price decisions.

But, more importantly, this legislation will simply not achieve what it is designed to achieve. By establishing a ceiling on the price of all domestic petroleum, we run the risk of creating further disincentives to domestic exploration for new oil. Already we are beginning to witness a cutback in domestic oil exploration as a result of recent congressional action restricting availability of the depletion allowance for independent producers and eliminating it entirely for majors.

More fundamentally, this ill-conceived stop-gap legislation further postpones action on comprehensive energy conservation legislation. It does not address itself to the need for more domestic energy supplies. It does nothing to provide incentives for more efficient use of current energy sources and the development of new energy sources. It serves only to delude us into thinking we have done something constructive in response to the energy crisis when, in fact, we have done nothing. It is, at best, a token effort to deal with present high energy prices and, at worst, another attempt by Congress to pawn off the unpleasant and politically difficult decisions while reserving the unequal privilege of after-the-fact criticism.

To those who support this bill because they favor lower oil prices, I would urge a more long-range analysis. For the indisputable fact remains that we will not have domestic price stability until we substantially curtail or eliminate our reliance on imported oil. And it is an elementary proposition that we will not reduce reliance on foreign oil until we increase domestic production. I submit that this legislation leads us in precisely the opposite direction by discouraging the search for new oil here at home.

Mr. President, S. 621 merely represents another example of congressional delay in enactment of meaningful energy conservation legislation. The times demand leadership, not political maneuvering. The bill should be rejected.

Mr. GLENN. Mr. President, there being no further amendments, I request third reading on the bill.

The PRESIDING OFFICER (Mr. STONE). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. JACKSON. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been asked for. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Utah (Mr. MOSS), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) would vote "yea."

I also announce if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. HRUSKA), the Senator from Maryland (Mr. MATHIAS), the Senator from Alaska (Mr. STEVENS), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS), and the Senator from Ohio (Mr. TAFT) would each vote "nay."

The result was announced—yeas 47, nays 36, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—47

Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Huddleston
Humphrey
Jackson
Javits
Magnuson
Mansfield
McClellan
McGovern
McIntyre
Metcalf
Mondale
Morgan
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NAYS—36

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Johnston
Laxalt
Long
McClure
McGee
Montoya
Nunn
Packwood
Pearson
Percy
Scott, Hugh
Scott,
William L.
Thurmond
Tower
Weicker
Young

NOT VOTING—16

Bayh
Buckley
Byrd,
Harry F., Jr.
Church
Gravel
Hartke
Hollings
Hruska
Inouye
Kennedy
Leahy
Mathias
Moss
Stennis
Stevens
Taft

So the bill (S. 621) was passed, as follows:

S. 621

An act to provide congressional review and an opprotunity to disapprove of any exemption or increases in petroleum prices and of actions to establish a petroleum price floor

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Petroleum Price Increase Limitation Act of 1975".

SEC. 2. FINDINGS AND PURPOSE.—(a) The Congress hereby finds that—

(1) the President's state of the Union message announced his intention to lift all price controls on domestic oil under the authority of existing law;

(2) the removal of petroleum price controls would increase the price of crude oil and all petroleum products, including gasoline, home heating oil, and residual fuel oils, substantially, thereby creating major inflationary pressures throughout the economy.

(b) The purpose of this Act is to permit the Congress an opportunity to review and the right to disapprove and, if desirable, the time to develop fair and equitable alternatives to any proposal to remove existing price ceilings or to raise the price of domestic oil.

SEC. 3. LIMITATIONS ON PETROLEUM PRICE INCREASES.—The Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), as amended, is further amended by adding a new section 8, as follows:

"SEC. 8. MAXIMUM PRICE FOR DOMESTIC CRUDE OIL.—(a) Not later than thirty days after the date of enactment of this section, the President shall promulgate and implement an amendment or amendments to the regulation established pursuant to section 4(a) of this Act which shall establish a price or prices (or the manner of determining a price or prices) for all crude oil (including that crude oil otherwise subject to 'section 4(e)(2) of this Act) not classified as 'old' oil under regulations in effect on January 31, 1975. The price or prices established by the President pursuant to this section shall be no greater that the price generally prevailing as of January 31, 1975, for the crude oil subject to such amendment or amendments. Such price or prices shall be effective immediately upon their inclusion (or the inclusion of the method for determining such price or prices) in such regulation.

"(b) Except as provided in section 7 of the Petroleum Price Increase Limitation Act of 1975, no exemption of any classification of petroleum, or increase in the price permitted for (1) oil classified as 'old' oil under regulations promulgated pursuant to section 4 of this Act and in effect on January 1, 1975, or (2) any other crude oil subject to the amendment or amendments required by subsection (a) of this section may be established except in accordance with the procedures established in section 5 of the Petroleum Price Increase Limitation Act of 1975.".

SEC. 4. PRICE FLOORS FOR DOMESTIC FUELS.—No tariff, import fee, quota, or other measure that restricts or controls imports of petroleum shall be established or employed for the purpose, or with the effect, of establishing or maintaining a minimum price for any domestically produced fuel or form of energy, except as provided in section 5 of this Act.

SEC. 5. REVIEW BY CONGRESS.—(a) No action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or section 4 of this Act may be undertaken unless—

(1) such action is specifically authorized by law enacted after the date of enactment of this Act, or

(2) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within thirty days of the receipt of the proposal pursuant to the procedures provided for in section 906(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this Act:

(A) the period of congressional review and opportunity for disapproval shall be thirty calendar days rather than sixty calendar days;

(B) any reference in such sections to "reorganization plan" shall be deemed to be a reference to (i) "petroleum pricing action," which for the purposes of this Act shall mean all actions referred to in section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act; or (ii) "action to establish a petroleum price floor," which for the purposes of this Act shall mean any action referred to in section 4 of this Act; and

(C) such thirty-day review period shall begin when such action is submitted to the Congress.

(b) If any action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or of section 4 of this Act is disapproved by either House within the thirty-day review period, no officer or agency of the Federal Government shall have the authority to take any action inconsistent with the provisions of subsection (a) of this section.

(c) Any action required to be submitted to both Houses of the Congress pursuant to this section shall be accompanied by a finding and report, which shall contain the following:

(1) the need for the proposed action;

(2) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(3) the impact of the proposed action upon domestic production and consumption of petroleum and other fuels and forms of energy;

(4) the impact of the proposed action and of the resulting prices of petroleum and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States; and

(5) the anticipated effects, with respect to the considerations in (3) and (4) of this subsection, of reasonable alternatives to the proposed action.

SEC. 6. EFFECT ON PRESIDENTIAL AUTHORITY.—Nothing in this Act shall be deemed to establish any new authority or to enlarge any existing authority of the President to impose or amend any tariff, fee, or quota on imported petroleum.

SEC. 7. ENCOURAGEMENT OF ENHANCED OIL RECOVERY.—Section 4(e) of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding a new paragraph 4(e)(3), to read as follows:

"(3)(A) In the event that the price regulation promulgated under subsection (a) of this section provides for more than one price (or manner of determining a price) for a given grade and quality of crude oil produced in a given producing area, the regulation shall provide that the price applicable to 'enhanced recovery oil', as defined in subparagraph (B) of this paragraph, shall be the highest price applicable to the given grade and quality of crude oil produced in the given producing area.

"(B) For the purposes of this paragraph endar year, of the volume of crude oil produced from any property in any calendar month, in excess of a percentage, specified in the regulation, for each subsequent calendar year, of the volume of crude oil produced from that property in the corresponding calendar month of 1972.

"(C) The percentage specified for each calendar year pursuant to subparagraph (B) of this paragraph shall reflect and take into account the rate of decline in production normally expected from individual oil reservoirs in the absence of enhanced recovery techniques, such as measures to increase the permeability of the reservoir, including acidizing and fracturing, measures to restore reservoir pressure by injection of water, steam, or gas, and measures to reduce oil viscosity or capillarity by the introduction of injected substances or heat.".

SEC. ENTITLEMENTS.—(a) Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding at the end thereof the following new subsection:

"(h) Insofar as any regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil to domestic refiners, such regulation shall exempt the first fifty thousand barrels per day of those refiners whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, one hundred thousand barrels per day from said requirement: *Provided*, That nothing herein shall be taken to restrict the right of any small refiner as defined in section 3(4) of this Act to receive payments for entitlements or through any other such cash transfer arrangement.

(b) The amendment made by subsection (a) of this section shall be effective for payments due, pursuant to any regulation referred to in such section, with respect to crude oil receipts and runs to stills occuring on or after February 1, 1975.

The title was amended so as to read:

A bill to provide congressional review and an opportunity to disapprove of any exemption or increases in petroleum prices and of actions to establish a petroleum price floor.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION—AGREEMENT FOR THE CREATION OF AN INTERNATIONAL OFFICE OF EPIZOOTICS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of calling up the agreement for the creation of an International Office of Epizootics, Executive M, 93d Congress, second session.

UMI

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in committee of the whole, proceeded to consider Executive M, 93d Congress, second session, the agreement for the consideration of an International Office of Epizootics, which with its annex was read the second time, as follows:

(Translation by the Department of State)

INTERNATIONAL AGREEMENT FOR THE CREATION AT PARIS OF AN INTERNATIONAL OFFICE FOR EPIZOOTICS

(Paris, January 25, 1924)

The Governments of the Argentine Republic, Belgium, Brazil, Bulgaria, Denmark, Egypt, Spain, Finland, Great Britain, Greece, Guatemala, Hungary, Italy, Luxembourg, Morocco, Mexico, Principality of Monaco, New Zealand, Netherlands, Persia, Peru, Poland, Portugal, Roumania, Siam, Sweden, Switzerland, Czechoslovakia and of Tunisia, having considered that it would be advantageous to organize the International Office of Epizootics as referred to in the resolution adopted by the International Conference for the Study of Epizootics on the 27th May, 1921, have decided to conclude an agreement to this effect and have agreed as follows:

ARTICLE 1

The High Contracting Parties undertake to found and maintain an International Office for Epizootics with its seal at Paris.

ARTICLE 2

The office shall work under the authority and control of a committee formed by delegates of the contracting Governments. The composition and duties of this committee, as well as the organization and powers of the said office, are laid down in the organic statutes which are annexed to the present agreement and which are considered as forming an integral part thereof.

ARTICLE 3

The cost of the preliminary outlay, as well as the annual expenditure for the working and upkeep of the office, shall be covered by the contributions of the contracting States as laid down in the conditions provided for in the organic statutes to which reference has been made in article 2.

ARTICLE 4

The sums representing the contribution of each of the contracting States shall be paid by the latter at the commencement of each year through the intermediary of the French Ministry for Foreign Affairs to the "Caisse des Depot et Consignations" at Paris, whence they will be withdrawn, as and when necessitated, on the order of the director of the office.

ARTICLE 5

The High Contracting Parties reserve to themselves the right, if all are in agreement, to make any modifications of the present agreement which experience may show to be useful

ARTICLE 6

Governments which have not signed the present agreement may accede to it on their request. Such accession shall be notified through the diplomatic channel to the French Government and by the latter to the other contracting Governments; it will involve the undertaking to participate by means of a contribution to the expenses of the office under the conditions laid down in article 3.

ARTICLE 7

The present agreement shall be ratified under the following conditions:

Each Power will communicate its ratification with as little delay as possible to the French Government, who will notify the other signatory countries.

The ratifications shall be deposited in the archives of the French Government.

The present convention will enter into force for each signatory country on the day on which its ratification is deposited.

ARTICLE 8

The present agreement is concluded for a period of seven years. On the expiry of this period it will continue to remain in force for further periods of seven years between the States which have not notified one year before the end of each period their intention no longer to give effect to its provisions in so far as it concerns them.

In faith whereof the undersigned, duly authorised for this purpose, have signed the present agreement in a single copy, to which they have attached their seals; this copy will remain deposited in the archives of the French Government, and certified copies will be sent through the diplomatic channel to the contracting Parties.

The said copy is open for signature until the 30th April, 1924, inclusive.

DONE at Paris, the 25th January, 1924.

ANNEX—ORGANIC STATUTES OF THE INTERNATIONAL OFFICE FOR EPIZOOTICS

ARTICLE I

There is set up at Paris an International Office for Epizootics composed of the States who agree to take part in its working.

ARTICLE 2

The office may not interfere in any way with the administration of the different States.

It is independent of the authorities of the country in which it is situated.

It shall correspond directly with the superior authorities or with the departments in different countries concerned with veterinary police measures.

ARTICLE 3

On the request of the international committee provided for in article 6, the French Government shall take the necessary steps to have the office recognized as an institution of public utility.

ARTICLE 4

The principal objects of the office are as follows:

(*a*) To institute and to co-ordinate all research or investigation concerning the pathology or prophylaxis of contagious diseases of animals which call for international collaboration.

(*b*) To collect and to notify to the Governments and their sanitary services the facts and documents of general interest concerning the progress of contagious diseases of animals and the means employed for fighting them.

(*c*) To study the drafts of international agreements concerning veterinary police measures and to put at the disposal of the Powers signatory to these agreements the means of controlling the execution of such agreements.

ARTICLE 5

The Governments shall send to the office—

(1) Telegraphically, notification of the first cases of cattle plague or foot-and-mouth disease occurring in a country or a district which has hitherto been free;

(2) At regular intervals, reports based on a model adopted by the committee, giving information as to the presence and extension of diseases comprised in the following list:

Rinderpest.
Foot-and-mouth disease.
Contagious bovine pleuropneumonia.
Anthrax.
Sheep pox.
Rabies.
Glanders.
Dourine.
Swine fever.

The list of diseases to which apply the one or the other of the preceding arrangements may be revised by the committee, provided that the Governments approve.

The Governments shall communicate to the office the measures they are taking for fighting animal diseases, especially those which they are taking on their frontiers to protect their territory against arrivals from contaminated countries. They will reply as far as possible to requests for information addressed to them by the office.

ARTICLE 6

The office shall be placed under the authority and control of an international committee, which shall be composed of technical representatives appointed by the participating States on the basis of one representative for each State.

ARTICLE 7

The committee of the office shall meet periodically and at least once a year; the length of its sessions is not limited.

The members of the committee shall elect by secret ballot a president, whose term of office shall last for three years.

ARTICLE 8

The working of the office shall be assured by a paid staff comprising—

A director;
Technical officials;
Personnel necessary for working the office.

The director shall be appointed by the committee.

The director shall be present at the meetings of the committee but shall not have the right to vote.

The appointment and dismissal of employees of every category shall be the duty of the director, who will report to the committee.

ARTICLE 9

The information collected by the office shall be brought to the notice of the contracting States by means of a report or by special communications addressed to them either as a matter of course or at their request.

The notifications concerning first cases of rinderpest or foot-and-mouth disease shall be sent telegraphically, as soon as they are received, to the Government and sanitary services.

Further, the office shall disseminate periodically the results of its activities in the official reports which are communicated to the participating Governments.

ARTICLE 10

The "Bulletin," which appears at least once a month, shall comprise in particular—

1. The laws and general or local regulations promulgated in the different countries concerning contagious animal diseases;
2. Information concerning the progress of contagious diseases of animals;
3. Statistics concerning the disease position among domestic animals throughout the world;
4. Bibliographical notices.

The official language of the office and of the "Bulletin" is French. The committee may decide that parts of the "Bulletin" shall be published in other languages.

ARTICLE 11

The money required for the working of the office shall be provided by the States signatory to the agreement and by those who shall adhere in due course, whose contribution shall be fixed according to the following categories:

1st category, at the rate of 25 units;
2nd category, at the rate of 20 units;
3rd category, at the rate of 15 units;
4th category, at the rate of 10 units;
5th category, at the rate of 5 units;

6th category, at the rate of 3 units;
on the basis of 500 francs per unit.

Each State is at liberty to choose the category into which it wishes to be enrolled. It will always be permitted to transfer at a later date into a higher category.

ARTICLE 12

A sum to provide for a reserve fund shall be deducted from the annual receipts. The total of this reserve, which may not exceed the amount of the yearly budget, shall be invested in first class State securities.

ARTICLE 13

The members of the committee shall receive from the funds set aside for the working of the office an allowance for traveling expenses. Further, they shall receive an attendance fee for each of the sittings which they attend.

ARTICLE 14

The committee shall fix the sum which is to be taken yearly from its budget in order to contribute towards the provision for pensions on retirement for the personnel of the office.

ARTICLE 15

The committee shall fix its annual budget and approve the statement of expenditure. It shall settle the statutory regulations for the personnel, as well as all the arrangements necessary for the working of the office.

These regulations as well as the arrangements shall be communicated by the committee to the participating States, and cannot be modified without their assent.

ARTICLE 16

A statement of the management of the office's funds shall be sent annually to the participating States at the end of the fiscal year.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that excerpts from the report of the Committee on Foreign Relations on this agreement be printed at this point in the RECORD.

There being no objection, the excerpts from the committee report (Executive 94–4) were ordered to be printed in the RECORD, as follows:

PURPOSE

The primary purpose of this agreement is to provide an international information office to report on the outbreak of animal diseases. As a collateral function, the office performs a clearinghouse service for the exchange of technical information on the control of animal diseases. It also provides uniform sanitary codes for the movement of livestock and other animals in international trade.

BACKGROUND

The International Office of Epizootics has been in existence for more than fifty years. It is supported by 90 countries, including all of the developed countries except the United States.

As justification for United States membership at this time, President Ford's letter of transmittal to the Senate states: "In these times of increased concern about food availability at home and abroad, the United States is obliged to help protect that supply. The cost of participation in OIE is small when weighed against its potential benefits. Also the United States can make its scientific and managerial experience in disease control available through OIE in an effective way to underline our international interest in food supply."

According to the transmittal documents, both the Department of Agriculture and the Senate Committee on Agriculture and Forestry are on record as endorsing United States participation in this agreement. Various private organizations, including the United States Animal Health Association, have issued similar endorsements.

United States contributions to the OIE for 1975 are calculated at $16,625. In 1976, this amount will increase to $30,076 per year and will remain at this level through 1978.

COMMITTEE ACTION

The Committee held a public hearing on this Agreement on April 24, 1975. At that time, Dr. F. J. Mulhern, Administrator, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, testified in favor of the Agreement. On the same day, the Committee considered this Agreement in executive session and by a voice vote ordered the Agreement reported favorably to the Senate for advice and consent to ratification. The Committee is not aware of any opposition to this Agreement.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the treaty be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, the treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Agreement for the Creation at Paris of an International Office of Epizootics, done at Paris on January 25, 1924, with annexes (Ex. M, 93–2).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on this agreement take place at 4:00 p.m. on Monday, May 5, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VACATING THE TIME FOR THE CONVENING OF THE SENATE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the convening of the Senate for tomorrow be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON MONDAY, MAY 5, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in today's proceedings the time for the Senate to convene on Monday was changed to 12 o'clock noon.)

ORDER TO CALL UP CONFERENCE REPORT ON SURFACE MINING ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Monday it be in order for Mr. METCALF to call up the conference report on surface mining.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF S. 409 ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the surface mining conference report the Senate proceed to the consideration of S. 409, a bill to amend the Council on Wage and Price Stability Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF S. 200 ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the disposition of S. 409 the Senate proceed to the consideration of S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NO ROLLCALL VOTES PRIOR TO 4 P.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes be had on Monday prior to the hour of 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT

The President pro tempore laid before the Senate a message from the President of the United States transmitting the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program, which, with the accompanying report, was referred to the Committee on Finance. The message is as follows:

To the Congress of the United States:

I am pleased to transmit herewith to the Congress the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program. This report covers calendar year 1974.

The world economy in 1974 was characterized by deepening stresses and strains caused by persistent inflation, a downturn in economic activity, structural dislocations in the wake of the oil crisis, high rates of unemployment, and widespread uncertainty as to the future. In such circumstances, most governments faced strong pressures to adopt unilateral restrictions on imports, to promote their export earnings and to secure access to essential supplies.

Fortunately, most governments have not forgotten the costly lessons of the nationalistic, go-it-alone policies and ensuing trade wars of the 1930s. With economic wisdom and political courage, the world's industrialized countries have in large part held the line against the proponents of short-sighted solutions involving unilateral measures restricting and distorting trade and competitive currency devaluations. Moreover, recognizing the need for positive, cooperative approaches, most of the world's trading nations joined in technical preparatory work for far-reaching multilateral negotiations to reduce trade barriers, as had been agreed to by over 100 countries in September 1973. By the end of 1974, this preparatory groundwork was largely completed.

Passage of the Trade Act of 1974 last December opened the way for the multilateral trade talks to move into the negotiating stage in February 1975. Countries accounting for most of the world's trade are participating in negotiations which will include all types of tariff and nontariff barriers that affect agricultural as well as industrial trade. Both developed and developing countries expect major benefits from the results.

When these negotiations were launched in 1973 at a Ministerial-level meeting in Tokyo, the objective was to achieve the "expansion and even greater liberalization of world trade and improvement in the standard of living and welfare of the people of the world." This commitment has been reaffirmed in recent meetings of the Trade Negotiations Committee in Geneva. The spirit of cooperation offers hope for broad and significant results.

The mandate given the President in the new trade legislation will enable the United States to play a leading role in these multilateral negotiations. Our position will be strengthened, moreover, by the close working arrangements which have been established between the executive branch and the Congress. Under these arrangements, representatives of the Congress have an important voice in U.S. policies and are participating fully in the negotiating sessions.

U.S. negotiators will also have the benefit of far more extensive advice from the public sector than in the past. Public hearings by the International Trade Commission are in progress. Hearings by the executive branch will open soon. Advisory committees, made up of a cross-section of the public interest and agriculture, industry, labor and consumer groups involved, will provide input for the U.S. negotiating effort at both the policy and technical levels.

The Trade Act, like the earlier Declaration of Tokyo, recognizes the importance of providing fair and reasonable market access to products exported by developing countries. As one step toward this objective, the act provides for the granting of temporary generalized tariff preferences to such countries. The mandatory procedural steps for establishing the preference system have been initiated. When the system is in operation later this year, it will offer substantial benefits to many developing countries.

I am hopeful, that as implementation moves forward, the Congress will provide the necessary authority to include other developing countries through waiver of those restrictions of the Trade Act that are incompatible with our national interest and to which a number of countries have voiced strong objections.

At the same time, in signing the Trade Act on January 3, 1975, I expressed reservations about the wisdom of one of its provisions relating to restrictions on trade with the Soviet Union which led the U.S.S.R. to repudiate its 1972 trade agreement with the United States. This action by the Soviet Union constitutes an unfortunate setback to normalization of our economic relations with that country. In a spirit of cooperation with the Congress, I am hopeful that a solution to this problem can be found.

In light of the serious economic problems in the United States and elsewhere in the world today, efforts to preserve and build upon past gains in the trade field are now more urgent and imperative than ever. A more open, fair, and nondiscriminatory system, providing access to both markets and supplies, can give a vital stimulus to economic recovery, increased employment, and sound growth both in the United States and in the world economy. Congress has provided the mandate for the United States to move forward toward these objectives in cooperation with other nations. It is my intention to carry out this mandate fully and expeditiously, in the interests of the health of the American economy and the strengthening of harmonious and mutually beneficial economic relations among all countries of the world.

GERALD R. FORD.

THE WHITE HOUSE, *May 1, 1975.*

REPORT OF THE NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL—ADDITIONAL REFERENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a message from the President, transmitting the annual report of the National Voluntary Service Advisory Council, which was referred yesterday to the Committee on Labor and Public Welfare, also be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 1:21 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House failed to agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The President pro tempore laid before the Senate the following letters, which were referred as indicated:

Proposed Supplemental Appropriation for the Department of State—(S. Doc. 94–47)

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1975 in the amount of $7 million for the Department of State (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Report on the Situation in South Vietnam

A communication from the President of the United States reporting, pursuant to law, on the situation in South Vietnam; to the Committee on Foreign Relations, and ordered to be printed.

Release of Impounded Budget Authority

A letter from the Assistant Comptroller General reporting, pursuant to law, on the release of $11.4 million of impounded budget authority for railroad-highway crossings demonstration projects; to the Committee on Appropriations, the Committee on the Budget, the Committee on Public Works, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

Release of Impounded Budget Authority

A letter from the Assistant Comptroller General reporting, pursuant to law, on the release of $9.1 billion in impounded budget authority for the Federal-aid highway program; to the Committee on Appropriations, the Committee on the Budget, the Committee on Public Works, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

Decontrol of Price of Domestic Crude Oil

A communication from the President of the United States relating to proposals regarding the national energy program; to the Committee on Finance, the Committee on Interior and Insular Affairs, and the Committee on Banking, Housing and Urban Affairs, jointly, by unanimous consent.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication from the President of the United States, relative to energy matters, be referred jointly to the committees on Finance, Interior and Insular Affairs, and Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Proposed Legislation by the President

A communication from the President of the United States transmitting a draft of proposed legislation to amend the Emergency Unemployment Compensation Act of 1974 and the Emergency Jobs and Unemployment Assistance Act of 1974 (with accompanying papers); to the Committee on Finance and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication from the Department of Labor, transmitting a draft bill "To amend the Emergency Unemployment Compensation Act of 1974 and the Emergency Jobs and Unemployment Assistance Act of 1974" be referred jointly to the committees on Finance and Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

House Concurrent Resolution 40 agreed to by the General Assembly of the State of Arkansas; to the Committee on Finance:

"House Concurrent Resolution Urging the United States Congress and the President To Defer any Action Relating to the Elimination and/or Reduction of the Depletion Allowance Until There Has Been a Substantial Increase in Domestic Reserves

"Whereas, the President and the United States Congress are currently considering elimination and/or reduction of the depletion allowance on oil and gas; and,

"Whereas, an elimination and/or reduction of the depletion allowance on oil and gas, if approved by Congress, will necessarily discourage and retard exploration for new reserves of oil and gas in the United States; and,

"Whereas, recent increases in the price of crude oil and natural gas, when coupled with the depletion allowance now in effect, has resulted in a great increase in exploration for new reserves of such natural resources, since such exploration has been made economically feasible by the recent increase in said prices; and,

"Whereas, new exploration prior to the recent increase in value of crude oil and natural gas, even with the depletion allowance, was not economically feasible because of the tremendous risk involved when compared to the estimated pay out and return on investment; and,

"Whereas, recent statistics indicate that approximately 75% of drilling and production activities nationwide is undertaken by independent operators who would, if the depletion allowance is reduced or eliminated, suffer great personal hardships being indirectly deprived of the livelihood resulting in a tremendous reduction in the exploration and production of oil and gas; and,

"Whereas, in the period from 1965 to 1974, comparing the effects of the reduction of the depletion allowance from 27½% to 22%, total permits issued to drill for oil and gas in the State of Arkansas have declined from a high of 491 permits issued in 1966 to a low of 307 permits issued in 1973; development permits issued have declined from a high of 373 in 1966 to a low of 234 in 1973; wildcat permits issued have declined from a high of 118 in 1966 to a low of 73 in 1973; oil production has declined from a high of 25,930,081 barrels per year to a low of 16,554,219 barrels per year in 1974; natural gas production has declined from a high of 184,652,991 MCF's per year to a low of 126,337,248 MCF's per year; oil reserves declining from a high of 337,879,000 barrels in 1965 to a low of 326,448,000 barrels in 1970; and natural gas reserves have declined from a high of 2,977,205,000 MCF's in 1968 to 1,944,996,052 MCF's in 1973.

"Now therefore, be it resolved by the House of Representatives of the 70th General Assembly, the Senate concurring therein: That the House of Representatives and the Senate of the 70th General Assembly hereby respectfully urges and requests the United States Congress and the President of the United States to defer further action on the subject of the depletion allowance, as the same affects crude oil and natural gas, until such time as this country has had ample opportunity to drill, explore, and produce sufficient amounts of crude oil and natural gas as to adequately meet the needs of the citizens of these United States and has stored reserves of such highly valuable resources sufficient to meet the needs of the citizens of this country in weathering the present energy crisis and any similar national crisis in the future.

"Be it further resolved that upon passage of this Resolution, a copy of same be transmitted forthwith by the Chief Clerk of the House of Representatives to the President of the United States, the Speaker of the United States House of Representatives, the President Pro Tem of the United States Senate, the Chairman of the House Ways and Means Committee, and the Arkansas Congressional Delegation."

Senate Resolution No. 50 of the Senate of the State of Maryland; to the Committee on Finance:

"Senate Resolution No. 50

"A Senate resolution concerning the asphalt cement industry for the purposes of requesting the United States Congress, the Federal Energy Office, and the President of the United States, to exempt asphalt cement from all levies, taxes, or fees that are a part of the recently announced energy-conservation program.

"Whereas, Asphalt cement is a raw material for construction and not an energy product; and

"Whereas, Asphalt cement as a raw material represents a permanent investment when used in construction and maintenance of Maryland's roads, streets, highways, parking lots, and airports; and

"Whereas, The proposed Federal tax portends a ⅓ increase in the price of asphalt cement, an oil product which increased in price in Maryland by over 100 percent in 1974; and

"Whereas, The effect of such an import tax will create an undue hardship on the hot-mix asphalt industry and it will be inflationary. First, it will add unrecoverable costs to work under contract; the industry in Maryland, in 1974, absorbed in excess of $5 million of unrecoverable costs due to the increased cost of asphalt cement. This tax will be inflationary in that the industry will be compelled to pass this increased cost on in future contracts; and

"Whereas, The imposition of a tax will create an undue economic hardship on the hot-mix asphalt industry and on the markets, including public works, which it serves. Creation of such undue hardship is not an intent of this program, according to President Ford's initial announcement of January 13, 1975; now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Congress, the Federal Energy Office, and the President of the United States be requested that asphalt cement be exempt from all levies, taxes, or fees that are a part of the recently announced energy-conservation program and that asphalt cement is a non-energy, permanent investment in the construction and maintenance of a balanced transportation system and, as such, not be taxed as a part of an energy-conservation program that is designed to reduce United States dependence on foreign fuel; and be it further

"Resolved, That the Secretary of the Senate is directed to send copies of this Resolution to the presiding officer of each House of the Congress of the United States, the Federal Energy Office, the President of the United States, and each member of the Maryland Delegation in the Congress of the United States."

Senate Concurrent Resolution No. 20 adopted by the Legislature of the State of Oklahoma; to the Committee on the Judiciary.

Enrolled Senate Concurrent Resolution No. 20

"Concurrent resolution memorializing Congress to curb the powers of the Supreme Court by invoking article 3, section 2, of the United States Constitution and thereby removing the question of abortion from the jurisdiction of the Supreme Court and return it to the States; and directing distribution

"Whereas, state laws concerning abortion were declared unconstitutional by the Supreme Court decision of January 22, 1973; and

"Whereas, the states should have the right and power to protect the lives of its unborn children; and

"Whereas, it is within the constitutional authority of the United States Congress to remove the question of abortion from the jurisdiction of the Supreme Court and return it to the states

"Now, therefore, be it resolved by the Senate of the 1st session of the 35th Oklahoma Legislature, the House of Representatives concurring therein:

"That as regards abortion, the United States Congress be memorialized to invoke Article 3, Section 2, of the United States Constitution which reads, in part, "In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make.

"That duly authenticated copies of this resolution shall be forwarded to each member of the Oklahoma Congressional Delegation, Speaker of the United States House of Representatives, and the President Pro Tempore of the United States Senate."

Senate Concurrent Resolution No. 8 adopted by the Legislature of the State of Hawaii; to the Committee on Labor and Public Welfare and the Committee on the Judiciary jointly, by unanimous consent:

"Senate Concurrent Resolution Requesting the United States Congress and the Directors of Federal Agencies To Provide Adequately for the Control and Treatment of Communicable Diseases Among Immigrants to Hawaii

"Whereas, the number of foreign immigrants to Hawaii has increased substantially since the enactment of liberalized immigration laws by the United States Congress during the 1960's; and

"Whereas, various studies have shown a markedly higher incidence of certain communicable diseases, notably tuberculosis and leprosy, among such immigrants; and

"Whereas, state health officials have in the past estimated that as much as 70 percent of all new cases of tuberculosis and 85 percent of new cases of leprosy occur among immigrants; and

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"Whereas, the rate of incidence of such diseases among foreign-born immigrants appears to be consistent, relative to the number of such immigrants; and

"Whereas, detection and treatment of such diseases constitute a significant health services cost to the State of Hawaii; and

"Whereas, it is essential that communicable diseases be detected early and treated to prevent their spread among the resident population; now, therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, the House of Representatives concurring, that the United States Immigration and Naturalization Service is requested to prevent the entry to Hawaii of aliens suffering from communicable diseases; and

"Be it further resolved that the United States Public Health Service is requested to amend their regulations to require health examinations and tuberculin tests for aliens entering the country on non-immigrant visas; and

"Be it further resolved that the United States Public Health Service is requested to support programs to detect and treat communicable diseases among foreign-born immigrants; and

"Be it further resolved that the United States Public Health Service is requested to reconsider the 1975 amendment to Section 34.2(b), Part 34, Title 42, Code of Federal Regulations to make the amendment more comparable to the amendment introduced in 1970; and

"Be it further resolved that the Congress of the United States be requested to enact legislation for an immigration impact aid program such as provided for in S. 124 entitled 'The New American Health Services Act of 1975' introduced by Senator Daniel Inouye and H.R. 9895, 'The New American Education and Employment Assistance Act' introduced by Representative Patsy T. Mink and H.R. 1901 introduced by Representative Spark M. Matsunaga; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the Director of the United States Public Health Service, the Director of the United States Immigration and Naturalization Service, the presiding officers of the United States Congress, and the members of the Hawaii congressional delegation."

Mr. **ROBERT C. BYRD** subsequently said: Mr. President, I ask unanimous consent that a concurrent resolution, No. 8, transmitted by the Senate of the State of Hawaii, be referred jointly to the committees on Labor and Public Welfare, and Judiciary.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE ITS REPORT ON H.R. 25

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs have until 12 o'clock midnight, Friday, May 2, to file the report on the conference committee action on H.R. 25, the strip mining control bill.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Mr. **PEARSON**. Mr. President, as in executive session, I report favorably from the Committee on Commerce sundry nominations in the Coast Guard which have previously appeared in the Congressional Record, and to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of March 21 and March 26, 1975, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. **NELSON** (for himself and Mr. Tunney):

S. 1612. A bill to establish judicial practices and procedures to protect constitutional rights and liberties involved in the disclosure of records of private communications, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. **YOUNG**:

S. 1613. A bill to amend section 501(c) (12) of the Internal Revenue Code of 1954 (relating to the taxation of telephone cooperatives). Referred to the Committee on Finance.

By Mr. **HUMPHREY** (for himself, Mr. McGee, and Mr. Case):

S. 1614. A bill to require federally related health care facilities to test infants for certain diseases. Referred to the Committee on Labor and Public Welfare.

By Mr. **HARTKE**:

S. 1615. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

By Mr. **TOWER**:

S. 1616. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code.

By Mr. **BENTSEN**:

S. 1617. A bill to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests. Referred to the Committee on Agriculture and Forestry.

By Mr. **ABOUREZK** (for himself, Mr. Hugh Scott, Mr. Hatfield, Mr. McGee, Mr. Williams, Mr. McGovern, Mr. Stafford, Mr. Philip A. Hart, Mr. Hartke, Mr. Kennedy, Mr. Huddleston, Mr. Goldwater, Mr. Moss, Mr. Bellmon, Mr. Montoya, Mr. Stevens, Mr. Domenici, Mr. Baker, Mr. Stevenson, Mr. Johnston, Mr. McIntyre, Mr. Randolph, Mr. Packwood, Mr. Eastland, Mr. Sparkman, Mr. Hathaway, Mr. Fong, Mr. Nelson, Mr. Inouye, Mr. Burdick, Mr. Metcalf, Mr. Gravel, Mr. Clark, Mr. Ribicoff, Mr. Helms, Mr. William L. Scott, Mr. Tower, Mr. Thurmond, Mr. Brock, Mr. Case, Mr. Tunney, Mr. Bentsen, Mr. Church, Mr. Leahy, Mr. Javits, Mr. Mondale, Mr. Ford, Mr. Glenn, and Mr. Muskie):

S. 1618. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes. Referred to the Committee on Rules and Administration.

By Mr. **KENNEDY** (for himself, Mr. Tunney, Mr. Bayh, Mr. Brooke, Mr. Case, Mr. Chiles, Mr. Clark, Mr. Cranston, Mr. Glenn, Mr. Gravel, Mr. Philip A. Hart, Mr. Hartke, Mr. Hollings, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Johnston, Mr. McGee, Mr. McGovern, Mr. Ribicoff, Mr. Schweiker, Mr. Stafford, Mr. Taft, Mr. Thurmond, Mr. Percy, and Mr. Stone):

S. 1619. A bill to extend and revise programs for Sickle-Cell Anemia. Referred to the Committee on Labor and Public Welfare.

By Mr. **KENNEDY**:

S. 1620. A bill to extend part B of title XI of the Public Health Service Act. Referred to the Committee on Labor and Public Welfare.

By Mr. **TUNNEY** (for himself and Mr. Cranston):

S. 1621. A bill to amend section 44 of the Internal Revenue Code of 1954 (relating to credit for purchase of new principal residence) to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations relating to such section 44. Referred to the Committee on Finance.

By Mr. **MAGNUSON** (for himself and Mr. Pearson) (by request):

S. 1622. A bill to authorize an additional Assistant Secretary of Commerce. Referred to the Committee on Commerce.

By Mr. **NELSON** (for himself, Mr. Javits, Mr. Mondale, and Mr. Laxalt):

S. 1623. A bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index. Referred to the Committee on Post Office and Civil Service.

By Mr. **TUNNEY** (for himself, Mr. Cranston, Mr. Javits, and Mr. Buckley):

S. 1624. A bill to promote the free flow of commerce among the several States, and for other purposes. Referred to the Committee on Commerce.

By Mr. **HATHAWAY** (for himself, Mr. Long, Mr. Packwood, Mr. Bartlett, Mr. Beall, Mr. Dole, Mr. Ford, Mr. Garn, Mr. Laxalt, Mr. McClure, Mr. McGee, Mr. Roth, Mr. Hugh Scott, Mr. Tower, Mr. Thurmond, Mr. Sparkman, Mr. Huddleston, and Mr. Domenici):

S. 1625. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972. Referred to the Committee on Finance.

By Mr. **FANNIN**:

S.J. Res. 76. A joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. **NELSON** (for himself and Mr. Tunney):

S. 1612. A bill to establish judicial practices and procedures to protect constitutional rights and liberties involved in the disclosure of records of private communications, and for other purposes. Referred to the Committee on the Judiciary.

(The remarks of Mr. Nelson and Mr. Tunney on the introduction of the above bill are printed earlier in the Record.)

By Mr. **HUMPHREY** (for himself, Mr. McGee, and Mr. Case):

S. 1614. A bill to require federally related health care facilities to test infants for certain diseases. Referred to the Committee on Labor and Public Welfare.

LEGISLATION NEEDED TO SCREEN INFANT METABOLIC DISORDERS

Mr. **HUMPHREY**. Mr. President, I am today introducing legislation to provide that federally assisted hospitals would routinely perform certain tests on newborn infants in order to detect metabolic disorders that could retard brain development.

The tests to be administered to the infants are for phenylketonuria, homozygous sickle cell disease, branched-chain ketonuria, galactosemia, homocystinuria, adenosine deaminase deficiency, and histidinemia.

We have been learning more and more about these rare diseases in recent years. Fortunately, some of the States have already begun programs to detect their existence.

Most of these diseases are related to an inability to use amino acids and are treatable, if not curable. Phenylketonuria, which can lead to retardation, is definitely preventable as is galactosemia—an inability to digest lactose—which untreated can cause blindness and cataracts.

These metabolic diseases affect a significant number of children. We must do what we can to see that the disease, where it exists, is identified promptly and treated. Many of these children can be helped and at little cost.

We should implement this program in order to save these children and parents from anguish which can be prevented. Early detection is of critical importance in dealing with these diseases. Newborn testing and identification of existing conditions is an incalculable investment in the future of our children.

Recently, the president of the National Association of Retarded Citizens, Marion P. Smith, in an address to that organization's 25th annual convention, said that it is possible to prevent 50 percent of the cases of mental retardation by prenatal and postnatal infant care, proper diet, and testing for metabolic disorders.

I also would like to point out an article in the November/December issue of Nutrition Today, entitled "Infant Screening for Inborn Errors of Metabolism."

This article points out some of the work which has been going on in this area. Of particular interest to pediatricians is the fact that a "hot line" system has been established which can provide information on diagnosis, diet, and patient care.

The article also provides information listing these diseases, or disorders, and their frequency. A listing of the Canadian "Food Bank" Network is included. This information is available in the United States through the AAP–FDA "Hot Line" list.

Companion legislation has been introduced in the House by Representative Koch and is cosponsored by 19 other Members.

Mr. President, I ask unanimous consent that the text of the bill be included at this point in the Record and also the informative article from Nutrition Today.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 1614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Health, Education, and Welfare shall, by regulation, direct each federally related health care facility to conduct a medical testing program for infants born in the facility or brought to it for health care, as follows:

(1) Except as provided in paragraph (3), each infant born in the facility or brought to it for health care shall be given such tests as the Secretary may specify for phenylketonuria, homozygous sickle cell disease, branched-chain ketonuria, galactosemia, homocystinuria, adenosine deaminase deficiency, histidinemia, and such other diseases and medical conditions as the Secretary may designate.

(2) Such testing shall be conducted by the facility—

(A) in the case of an infant born in the facility, at the earliest practicable time after birth, and

(B) in the case of an infant brought to the facility for health care, as soon as practicable after being brought to the facility.

(3) Such testing shall not be required to be conducted by the facility on an infant if—

(A) a parent of the infant files with the facility written objection to such testing, or

(B) in the case of an infant brought to the facility for health care, the facility determines that the infant has been satisfactorily tested for each disease and medical condition listed in or designated under paragraph (1).

Sec. 2. As used in the first section, the term "federally related health care facility" means any hospital or other medical or health care facility which—

(1) is owned or operated by the Federal Government; or

(2) after the date of enactment of this Act, receives—

(A) reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act or who are entitled to medical assistance under a State plan approved under title XIX of such Act;

(B) any payment from a State government or a unit of local government if any part of such payments were made from funds made available under the State and Local Fiscal Assistance Act of 1972;

(C) any financial assistance from the Federal Government—

(i) for constructing, modernizing, equipping, operating, or maintaining such facility;

(ii) for the costs of providing health care;

(iii) for training any person who is on the staff of such facility or who uses such facility to provide health care; or

(iv) for conducting medical research in such facility;

including any assistance in the form of grants, loans, loan guarantees, interest subsidies, contracts, or payments, regardless of whether such assistance was received from the Federal Government directly or through an agency of State or local government; or

(D) such other form of Federal financial assistance as the Secretary of Health, Education, and Welfare may designate.

[From Nutrition Today Magazine, November-December 1974]

INFANT SCREENING FOR INBORN ERRORS OF METABOLISM

Mass genetic screening of newborn infant populations has become standard practice in many countries of the world, and the new knowledge uncoverd is having a profound effect on the way physicians handle cases involving metabolic disorders, especially those known to be hereditary.

Since 1962, when Robert Guthrie, M.D., microbiologist of the State University of New York in Buffalo, developed a simple reliable test for the detection of phenylketonuria (PKU), screening of newborn infants for hereditary metabolic disease has been instituted in 47 of the United States and all provinces of Canada, and encompasses 90 to 95 percent of the newborn population. All screening programs test for PKU, the most frequently occurring of these rare diseases, which when untreated almost invariably results in severe brain damage. Of the several states and provinces with multiple screening for more than one disease, the most comprehensive program is in Massachusetts where 24 diseases or their variations are being monitored. In the majority of testing programs, however, PKU is the only disease for which screening is required by state law.

SIMPLE TEST

Screening newborn infants is done at the place of birth, and for most tests it is simple to administer. Blood and urine samples are taken on filter paper and dried. These samples are then sent for analysis to the nearest genetic center, usually located in a large hospital, where a special unit has been organized for the detection and treatment of hereditary diseases. Here the samples are evaluated and the results returned to the care institution. When positive indication of metabolic disease is revealed, the attending physician is notified immediately. Records of each patient with a genetic disease are kept at the center and the information is used for further research in both the known diseases and those suspected of being hereditary.

The presently known inherited metabolic diseases—the "Inborn Errors of Metabolism" first described by the English physician Sir Archibald Garrod at the beginning of this century—now number in the hundreds. A good many of them are benign or clinically unimportant. But a few, such as PKU, galactosemia, tyrosinemia and maple syrup urine disease (branded-chain ketoaciduria) require immediate postnatal detection and dietary or other therapy before irreversible damage occurs or the infant dies. For this reason it is important for physicians, especially pediatricians who may encounter no more than a few cases in a lifetime of practice, to know where to turn for assistance in handling these rarely occurring but serious cases. This help may be obtained from the established genetic centers throughout the United States and Canada.

In both countries, information and assistance is available from the genetic centers through a "hot line" telephone service for physicians, providing detailed information on immediate patient management, diagnostic or monitoring laboratory tests, supply of the special diet until the physician can obtain his own, or admission to a center if early management is required.

Exact figures on the number of children now being screened in the United States are not available, but a survey conducted by the Department of Health, Education and Welfare for the year 1967 shows that, of 3,533,000 live births recorded, 3,138,000 or a little over 90 percent were screened for PKU and 222 infants with the disease were detected. With adjustment for the few states not requiring screening, the incidence of PKU was one in every 14,000 live registered births.

In Canada, genetic centers screened 440,000 live births in a recent 12-month period and detected 120 inborn errors of metabolism: PKU, 40 cases; histidinemia, 40; homocystinuria, 8; galactosemia, 4; maple

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syrup urine disease (classical and variant), 4; tyrosinemia, 3; miscellaneous, including infants not screened but later identified clinically, 20.

Up-to-date statistics are also lacking on the number and scope of U.S. multiple screening programs, but at present Massachusetts, New York, North Carolina, Oregon, Los Angeles, California and Dade County (Miami area) in Florida have such programs underway, and Ohio and Georgia are planning similar ones.

With knowledge and treatment of genetic metabolic disease more widespread, food and drug manufacturers in the United States, England, and Europe now supply a number of "genetic foods" specially formulated to omit substances which are harmful to the patient. Typical of these and most widely used is Lofenalac, a casein derivative low in phenylalanine for children with PKU. For early detection of PKU to be effective this food or its equivalent must be immediately available. Supplies of this and other genetic foods are held in readiness in centers throughout Canada and the United States and may be obtained through the genetic center nearest the patient's home.

Within the last few years both Canadian and U.S. Food and Drug authorities have revised the classification of these foods from "drugs" to "special dietary foods." The revision has helped to facilitate dispensing of some items and has stimulated manufacturers to develop more of the special preparations.

Disorder	Screened	Found	Frequency
Phenylketonuria [1]	1,095,519	78	1:14,000
"Atypical" PKU [2]	1,095,519	64	1:17,000
Maternal PKU [1]	232,227	8	1:30,000
Galactosemia [1]	690,000	7	1:100,000
Maple syrup urine disease [1]	956,162	3	1:300,000
MSUD (intermediate) [1]	956,162	2	1:450,000
MSUD (intermittent) [2]	956,162	1	
Homocystinuria [1]	563,773	3	1:190,000
Tyrosinosis [1]	498,313	0	
Argininosuccinic acidemia [1]	414,329	6	1:70,000
Histidinemia	414,329	22	1:20,000
Histidinemia (atypical)	414,329	2	1:200,000
Hartnup "disease"	414,329	23	1:18,000
Cystinuria [1]	414,329	27	1:15,000
Iminoglycinuria	414,329	40(?)	1:10,000(?)
Hyperglycinemia (nonketotic)	414,329	3	1:140,000
Cystathioninuria (B6-response)	414,329	4	1:100,000
Cystathioninuria (B6-resist)	414,329	1	
Methylmalonic acidemia [1]	414,329	2	1, 200,000
Hyperprolinemia	414,329	2	1:200,000
Propionic acidemia [1]	414,329	1	
Rickets (Vitamin D dependent) [1]	414,329	1	
Hyperlysinemia	414,329	1	
Fanconi Syndrome [1]	414,329	1	

[1] Clinically significant diseases: treatment is available for each one.

[2] "Missed" by routine neonatal screening but later identified on the basis of clinical disease.

UNIQUE PROGRAM

In the United States the genetic centers operate under a mandate of state law which is administered by the state health commissioner. In Canada, however, there exists a unique program of treatment for genetic metabolic disease and delivery of therapeutic foods which demonstrates how business, science, and government can cooperate to bring help to even the remotest parts of a country second in land mass only to Russia—the Provincial Network of Genetic Medicine and the National Food Distribution Center for Management of Patients with Hereditary Metabolic Disease, known as the "Food Bank," briefly described in a previous issue of this magazine (Scrivner, Charles R. "Inborn Errors of Metabolism," *N.T.* Sept./Oct. '74).

The concept of a national Food Bank to supply special foods for patients with hereditary metabolic disease through specially staffed genetic centers was first developed in 1969, through discussion between Charles R. Scrivner, M.D., Carol Clow and Huguette Ishmael of the Medical Research Council Genetics Group, Montreal Children's Hospital, Keith Murray, Director, Bureau of Nutritional Services, Food and Drug Directorate, and Henriette Campeau, Douglas Long and H. Arnold Steinberg, Steinberg's Ltd., the Montreal-based food wholesaler and distributor. As a subsequent report states, they recognized the need ". . . to develop a central facility to improve the importation of food items, to offer a wide range of items to most treatment centers, to share new product information and to consolidate a treatment network for purposes of sharing a pool of necessarily limited information."

This brief statement of purposes contains two important points. First, Canada does not manufacture any of the special foods, they are imported from the United States, England, and Europe. This fact emphasizes the importance of centralized purchasing and close liaison with the Health Protection Branch of the Food and Drug Directorate to obtain approval of each item. Immediate availability of items also averts the kind of emergency which arose before the Food Bank became operative, when food for a Quebec child with maple syrup urine disease had to be ordered by cable and delivered within 24 hours from London, England to New York City by commercial airliner and by automobile to the patient

The directors of the Food Bank also feel that control of distribution insures the delivery of the foods into the hands of qualified personnel at the designated Provincial centers, since their misuse can lead to serious error. In PKU,. for example, phenylalanine levels of the patient must be kept low enough so that brain damage does not occur, yet there should be a sufficient quantity of this important amino acid in the diet to allow normal growth. Quick response to the patient's changing condition is possible only at a designated genetic center. This policy of centralized treatment is also in line with the 1972 recommendation of the World Health Organization. (WHO Technical Report Series #497, *Genetic Disorders: Prevention, Treatment, Rehabilitation.* Geneva, 1972.)

CENTRAL REGISTRY

In January 1973, with a cash grant of $5,000 from the Ministry of Health and Welfare, a matching gift from Steinberg's and donated facilities in that company's building, the Food Bank has been able to build an initial inventory of special foods and to meet beginning overhead costs. It operates under the management of a Supervisory Committee, currently consisting of Mrs. Jean Armstrong, Ottawa, Committee for the Improvement of Hereditary Disease Management (CIHDM), Dr. Margaret Cheney, Ottawa, Health Protection Branch of the Department of National Health and Welfare (HPB), Mrs. Carol Clow, Montreal, CIHDM, Dr. James Haworth, Winnipeg, Canadian Pediatric Society (CPS), Dr. Keith Murray, Ottawa, HPB, Dr. Charles Scriver, Montreal, CIHDM, and Mr. Charles Sheppard, Ottawa, Department of Consumer and Corporate Affairs (CCA).

In addition to ordering and importing foods, the Bank serves as an information exchange between the Provincial genetic centers, whose representatives will meet at least once a year to exchange experiences and recommendations. Immediate advisory and technical assistance is provided by Charles Scriver, M.D. and Mrs. Carol Clow of the Montreal Children's Hospital, and there is an emergency telephone service for filling and delivering orders, many of them especially formulated, within 24 hours after the request is received from one of the centers. All foods are billed at cost plus a small handling fee. Patients receive them free in most provinces, but in a few cases a charge is made according to ability to pay.

Although it has been in operation for only one year, the benefits of the Food Bank program are already apparent: it identifies where and how many the patients are, ensures that they are given the proper foods and are cared for by competent people. In the end, Canada will obtain an invaluable central registry of youngsters with inborn errors of metabolism to be added to the world's knowledge of these newly discovered diseases.

When this information is fully collected and assessed, it may one day be possible to move early diagnosis of hereditary metabolic disease from the genetic center to the physician's office. For the immediate future, however, the task remains at the center, where the physician can get the help he needs for management of these nutritionally vulnerable children.

NETWORK FOR NATIONAL "FOOD BANK" FOR PATIENTS WITH GENETIC DISEASES

Region	Personnel at centres	Address of centre	Telephone of centre	Appropriate Government office of agency for distribution
Newfoundland	Dr. Albert Davis	Janeway Child Health Centre, Department of Pediatrics, Pleasantville, St. John's, Nfld.	(709)722-5100	Mr. Neil Curtis or Miss M. McGinnis, Central Pharmacy, Department of Health, Government of Nfld., Pleasantville, St. John's, Nfld. (709)722-0711.
Maritime region:				
Nova Scotia	Mrs. Pamela Lynch, Dr. Margaret DeWolfe (for PKU/Lofenalac), Dr. Eli Rees.	c/o Versa Foods, I. W. Killam Children's Hospital, 5850 University Ave., Halifax, N.S.	(902)424-6111	Mrs. Pamela Lychn, Central Pharmacy, Department of Health, Government of Nfld., Pleasantville, St. John's, Nfld. (709)722-0711.
New Brunswick	do	do	(902)424-6111	Do.
Prince Edward Island	do	do	(902)424-6111	Do.
Quebec:				
Quebec City and region	Dr. Claude Laberge	Centre Hospitalier, Universitaire Laval.	(418)656-8256	Mr. J. E. E. Ouellette, Service de l'Approvisionnement, Direction des Services Auxiliaires, Ministere des Affaires Sociales, Quebec, Quebec (418)643-7160.
Montreal	Mrs. Carol Clow, Dr. Charles Scriver.	Montreal Children's Hospital	(514)937-8511	Do.
	Dr. Louis Dallaire, Dr. Jacques Letarte.	Ste-Justine Hospital	(514)731-4931	Do.
Sherbrooke and region	Dr. Bernard Lemieux	Centre Hospitalier, Universitaire de Sherbrooke.	(819)563-5555	Do.
Ontario:				
Toronto region	Dr. Andrew Sass-Kortsak, Dr. Bill Hanley (for PKU/Lofenalac in province).	Hospital for Sick Children	(416)366-7242	Dr. Roch Khazen, Health Promotion, Department of Health, 5th. Floor, 15 Overlea Blvd., Toronto, Ontario M4H 1A9, (416)965-5055.
Hamilton region	Dr. Donald Whelan	McMaster University Medical Centre.	(416)525-9140	Do.
London region	Dr. M. R. F. Jenner	University Hospital, Windermer Rd.	(519)576-6500	Do.
Kingston/Ottawa region	Dr. Michael Partington	Kingston General Hospital	(613)542-2988	Do.
Prairie Provinces:				
Manitoba	Dr. Jim Haworth	Winnipeg Children's Hospital	(204) 775-8311	Mrs. Pagtakhan & Mrs. Banfield, c/o Dr. Jim Haworth (ordering), Winnipeg Children's Centre, The Health Science Centre, 700 William Street (shipping), Winnipeg, Manitoba. Purchasing department, The Health Science Centre, 791 Notre Dame St. (billing), Winnipeg, Manitoba (204) 774-6511, ext. 7868.
Saskatchewan	Dr. Witold Zaleski	Alvin Buckwold Centre, University Hospital, Department of Pediatrics, Saskatoon, Sask.	(306) 343-5177	Hugh Grocott (Lofenalac & Others), Department of Public Health, Government of Saskatchewan, 3211 Albert St., Regina, Saskatchewan (306) 523-0611.
Alberta	Dr. William A. Cochrane, Deputy Minister.	Department of Health & Social Development, 102 Administration Bldg., 10,820, 98 Ave., Edmonton, Alta. T5K OC8.		Dr. C. S. Dafoe (Lofenalac), Division of Medical Services, Department of Health & Social Development, Administration Bldg., 109 St. and 98 Ave., Edmonton, Alberta T5K OC8.
British Columbia:				
	Dr. Bluma Tischler (for PKU/Lofenalac).	Woodlands School, New Westminster.	(604) 521-2611	Dr. Bluma Tischler through Mr. Woolcock, Head Pharmacist, Mental Health Services, Woodlands School, New Westminster, B.C.
	Dr. George Davidson, Dr. Patrick MacLeod.	University of BC., Department of Pediatrics.	(604) 327-1101	Dr. Bluma Tischler through Mr. Woolcock and through B.C. Purchasing Commission, 501 W. 12th Ave., Vancouver, B.C.

Source: Courtesy of Office for Maternal and Child Health Service, U.S. Department of Health, Education, and Welfare.

AAP-FDA "HOT LINE" LIST

Michigan

Dr. Richard Allen, Pediatric Neurology Unit, University of Michigan, Ann Arbor, Michigan 48104, (313) 763-4101.

Wisconsin

Dr. Stanley W. Berlow, Mental Retardation Center, University of Wisconsin, Madison, Wisconsin 53706, (608) 263-1656.

Ohio

Dr. Betty Sutherland, Children's Hospital Medical Center, Cincinnati, Ohio 45229, (513) 559-4451.

California

Dr. George Donnell, Children's Hospital, Los Angeles, California 90027, (213) 663-3341.

Georgia

Dr. Louis J. Elsas, Medical Genetics Section, Emory University, Atlanta, Georgia 30322, (404) 377-2411.

Colorado

Dr. Donough O'Brien, Department of Pediatrics, University of Colorado Medical Center, Denver, Colorado 80220, (303) 394-7430.

Maryland

Dr. Neil Holtzman, Division of Human Genetics, Johns Hopkins University, Baltimore, Maryland 21205, (301) 955-3054.

Massachusetts

Dr. Harvey Levy, Massachusetts Metabolic Disorders Screening Program, Forest Hills, Boston, Massachusetts 02430, (617) 522-3702.

New York

Dr. Selma Snyderman, Department of Pediatrics, New York University School of Medicine, Bellevue Hospital, New York City, New York 10016, (212) 679-3200.

Illinois

Dr. Paul Wong, Department of Pediatrics, Abraham Lincoln School of Medicine, University of Illinois, Chicago, Illinois 60680, (312) 996-6714.

By Mr. HARTKE:

S. 1615. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

SOCIAL SECURITY FOR FEDERAL EMPLOYEES

Mr. HARTKE. Mr. President, the social security system was originally conceived to provide working men and women with a supplemental income at retirement time. Since the intent of the program was not to provide full retirement benefits, an individual's participation in a private pension plan has never made him ineligible for social security. In the case of Federal employees, however, this seems to be the case. The Federal employee is being discriminated against in a manner that requires legislative redress, and the legislation I am introducing today provides that remedy.

The Federal employee would be allowed to make the choice whether he wishes to be covered by social security in addition to his civil service retirement. The effect of this measure will be to put the Federal employee on par with private employees who are now able to supplement social security retirement with private pension plans.

New Federal employees would have 2 years from the date of their employment within which to file a certificate indicating their desire for such coverage. Existing employees likewise have 2 years to make such election. This election generally can be retroactive for a 1-year period if the employee so chooses and if he pays the tax due.

In addition, in order that employees might have a further opportunity because of changed family or financial conditions or for other good reason to elect coverage, at the end of a 5-year period each employee should have one further chance to elect coverage—there would be 6 months to elect coverage at that point.

The employee should continue to pay the employee tax but there would be no employer's share to be paid. This follows the precedent established in 1965 when coverage was extended to 1½ million individuals who receive earnings in the form of tips and gratuities. At that time, the Chief Actuary of the Social Security Administration testified that extension of social security coverage of these 1½ million individuals was an actuarially sound solution to that coverage problem. This would be equally true of extension of coverage to Federal employees because they are, as a group, generally conceded to be superior risks in terms of insurance actuarial considerations.

This proposal is supported by the National Association of Letter Carriers, the National Association of Internal Revenue Employees, the National Federation of Federal Employees, and the American Federation of Government Employees. Its cost has been estimated at 0.025 percent of payroll or about $155 million for 1974.

This proposal is actuarially sound. It is in the interest of the employees because it permits them to make the election in their own interest and it is in the interest of the Federal Government, not only from a budgetary point of view, but also because it closes the final large gap of coverage which remains under the social security system.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 210 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"ELECTIVE COVERAGE OF SERVICE PERFORMED BY FEDERAL OFFICERS AND EMPLOYEES

"(p) The term 'employment' shall, notwithstanding the provisions of subsection (a), include service otherwise excluded from such term by paragraph (5) or (6) of such subsection which is performed during the period for which a certificate, filed pursuant to section 3121(s) of the Internal Revenue Code of 1954, is in effect with respect to such service."

SEC. 2. Section 3121 of the Internal Revenue Code of 1954 (definitions relating to tax under Federal Insurance Contributions Act) is amended by adding at the end thereof the following new subsection:

"(s) ELECTIVE COVERAGE OF SERVICE PERFORMED BY FEDERAL OFFICERS AND EMPLOYEES.—

"(1) WAIVER OF EXCLUSION.—Any individual performing service which (without regard to this subsection) is excluded from 'employment' by paragraph (5) or (6) of subsection (b) may file a certificate (in such manner and form and with such official as may be prescribed by regulations made under this chapter) certifying that he elects to have the insurance system established by title II of the Social Security Act extended to service described in paragraphs (5) and (6) of subsection (b) performed by him. For purposes of this chapter other than for purposes of the taxes imposed by section 3111, the term 'employment' shall, notwithstanding the provision of subsection (b), include service otherwise excluded from such term by paragraph (5) or (6) of such subsection which is performed by him during the period for which such certificate is in effect.

"(2) Time for filing certificate.—

"(A) Initial filing period.—Any individual who desires to file a certificate pursuant to paragraph (1) must, except as provided in subparagraph (B) of this paragraph, file such certificate before the close of the second calendar year ending after the date of the enactment of this subsection during one or more calendar quarters of which he was paid remuneration of $50 or more for service described in paragraph (5) or (6) of subsection (b) which (without regard to this subsection) is excluded from 'employment'.

"(B) Additional filing period.—An individual who could have filed a certificate pursuant to paragraph (1) during the initial filing period provided by subparagraph (A) of this paragraph but did not do so may file such certificate any time during the six-month period beginning five years after the close of such period.

"(C) Notice to employer.—An individual filing a certificate pursuant to paragraph (1) shall give such notice thereof to the head of the Federal agency or instrumentality in or by which he is employed, at or before the time of filing such certificate, as may be prescribed in regulations made under this chapter.

"(3) Effective period of certificate.—A certificate filed by an individual pursuant to this subsection shall be effective with respect to all calendar quarters beginning with the calendar quarter in which it is filed; except that such certificate may be effective beginning with any of the 4 calendar quarters immediately preceding the calendar quarter in which it is filed if (A) the individual so requests in the certificate (specifying one of such 4 calendar quarters) and (B) the certificate is accompanied by an amount equal to the taxes which would have been payable under section 3101 with respect to all service described in paragraphs (5) and (6) of subsection (b) which was performed by him during the quarter so specified and all subsequent calendar quarters ending before the calendar quarter in which the certificate is filed if such service had not been excluded from 'employment' at the time it was performed. An election made pursuant to this subsection shall be irrevocable."

Sec. 3. (a) Section 205(p)(1) of the Social Security Act is amended (1) by striking out "and including service" and insering in lieu thereof "including service", and (2) by inserting after "to which the provisions of section 210(o) are applicable," the following: "and including any service to which the provisions of section 210(p) (relating to elective coverage) are applicable,".

(b) Section 3122 of the Internal Revenue Code of 1954 (relating to Federal service) is amended—

(1) by striking out "and including service" and inserting in lieu thereof "including service" in the first sentence;

(2) by inserting after "to which the provisions of section 3121(p) are applicable," in the first sentence the following: "and including any service to which the provisions of section 3121(s) (relating to elective coverage) are applicable,"; and

(3) by adding at the end thereof the following new sentence: "The Secretary or his delegate shall prescribe such regulations and establish such procedures as may be appropriate to insure that the heads of the various Federal agencies and instrumentalities know at all times which of their employees are performing service to which the provisions of section 3121(s) are applicable; and, notwithstanding the first sentence of this section, such regulations and procedures may permit the Secretary or his delegate to make the determinations described in such sentence and provide for the collection of the tax imposed by section 3101, with respect to an employee performing such service, in a case where it is not feasible for the head of the Federal agency or instrumentality involved to do so."

Sec. 4. The amendments made by this Act shall apply only in the case of service with respect to which certificates are filed (pursuant to section 3121(s) of the Internal Revenue Code of 1954, as added by section 2 of this Act) in calendar quarters beginning more than 20 days after the date of the enactment of this Act.

By Mr. TOWER:

S. 1616. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code.

Mr. TOWER. Mr. President, I am introducing today legislation that would prohibit further changes in the status of our mising in action in Southeast Asia. The resurgence of fighting in Indochina over the last several weeks reminded the American public that the war in Vietnam was not over yet. The fact of the matter is that a small portion of Americans have known this all along—the families and friends of our missing in Indochina.

In a very real sense, the war will not be over for them until we have resolved the fate of their loved ones. I recognize that if the North Vietnamese refuse to cooperate in the matter, there is little that we can realistically do to them.

I had shared the hope that the North Vietnamese might live up to at least those sections of the Paris Peace Accords dealing with the return of prisoners and an accounting of the missing in action. But as the long months have dragged on, it has become clear to me that they are insensitive to any of the more civilized rules that govern warfare.

In the meantime, it would seem as though many people would like to "write off" our missing in action entirely. Public apathy toward the problem has grown as the theme of forgetting the past and looking to the future is constantly repeated. I even fear that some hoped rapid reclassification would "solve" the problem of the MIA's.

But that would be no real solution. I have rarely agreed with critics of the Vietnam war; but with one thing I am in complete agreement—we must learn from our mistakes. We must never again involve ourselves halfheartedly or gradually in a war. We must always be clear about our purpose in fighting. And more to the point as far as our MIA's are concerned, we must have a new code for dealing with that problem.

Sections 555 and 556 of title 37, United States Code, are clearly inadequate to the task of properly preserving the rights of both the missing and their kin during the reclassification procedure. What the appropriate structure should be, I would not want to prejudge. But it is obvious that there must be a new way.

It is with these two things in mind—the failure of the North Vietnamese to live up to the Paris Accords, and the failure of our current laws dealing with reclassification of MIA's—that I introduce this bill. In short, it would prohibit further reclassification until two things happen.

First, the President must certify to Congress in writing that all reasonable actions have been taken to account for our missing in action. It is, after all, ultimately the President's responsibility as Commander in Chief to protect the interests and lives of our servicemen.

Second, this legislation would require that before the reclassifications could continue, the Senate Armed Services Committee would have to conduct a study of sections 555 and 556, to determine whether they should be amended or repealed and report the results of that study to the Senate. It is Congress ultimate responsibility as, in effect, employee of our servicemen to be certain that any change in the status of that "employment" is done fairly and with due consideration of the serviceman's rights.

It is my hope that we may yet find a final, just solution to the MIA problem. This bill will not resolve the status of these men; only the Communists can do that. But at least we can protect the interests o our servicemen and their kin while that hope goes on.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the provisions of sections 555 and 556 of title 37, United States Code, no change in the status of any member of the uniform services who, on the date of enactment of this Act, is in a missing status as a result of his performance of service in Southeast Asia may be made by the Secretary concerned until—

(1) the President of the United States (A) has determined that all reasonable actions have been taken to account for such members, and (B) has reported such determination to the Congress in writing;

(2) the Committee on Armed Services of the Senate has conducted a study of sections 555 and 556 of title 37, United States Code, with a view of determining whether such sections should be amended or repealed and reported the results of that study to the Senate.

(b) As used in subsection (a), the terms "uniformed services", "missing status", and "Secretary concerned" shall have the same meaning ascribed to such terms in chapter 10 of title 37, United States Code.

By Mr. ABOUREZK (for himself, Mr. Hugh Scott, Mr. Hatfield, Mr. McGee, Mr. Williams, Mr. McGovern, Mr. Stafford, Mr. Mathias, Mr. Talmadge, Mr. Percy, Mr. Bayh, Mr. Humphrey, Mr. Philip A. Hart, Mr. Hartke, Mr. Kennedy, Mr. Huddleston, Mr. Goldwater, Mr. Moss, Mr. Bellmon, Mr. Montoya, Mr. Stevens, Mr. Domenici, Mr. Baker, Mr. Stevenson, Mr. Johnston, Mr. McIntyre, Mr. Randolph, Mr. Packwood, Mr. Eastland, Mr. Sparkman, Mr. Hathaway, Mr. Fong, Mr. Nelson, Mr. Inouye, Mr. Burdick, Mr. Metcalf, Mr. Gravel, Mr. Clark, Mr. Ribicoff, Mr. Helms, Mr. William L. Scott, Mr. Tower, Mr. Thurmond, Mr. Brock, Mr. Case, Mr. Tunney, Mr. Bentsen, Mr. Church, Mr. Leahy, Mr. Javits, Mr. Mondale, Mr. Ford, Mr. Glenn, and Mr. Muskie):

S. 1618. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes. Referred to the Committee on Rules and Administration.

Mr. ABOUREZK. Mr. President, today I am introducing a bill whose purpose it is to establish an American Folklife Center in the Library of Congress.

I am pleased that so many of my colleagues have chosen to join in this effort.

This country is rooted in its folklife. Its history is that of its people, and the history of the people is expressed through folklore. No one can deny the intrinsic value of folk culture. Even so, this Nation has neglected initiating a concentrated effort to defend this folklore against erosion in today's mass-exposure society. Folklore is a true expression of values of people, and should therefore be viewed with pride.

It is cultural differences that distinguish people, and these differences and achievements should be a source of pride—whether they be Appalachian quilts, Pennsylvania Dutch cooking, legends of the Mormon saints, New England story-telling, bluegrass or cajun string band music, coal miners' memories of disasters, railroad nicknames, down-home blues and ballads, gospel songs and spirituals, Indian sand painting, Ozark "windies," Chicano corridos, or the country square dance. These are the expressions of individuals: they are neither meaningless common-denominators lowered by the exigency of the mass market, nor products of mass culture created by technology. These are the creations of a living spirit, which can be defined as the very soul of the American people.

Several other countries have formed folklife centers: Finland formed one in 1831, Ireland formed one in 1935, and Japan even provides a modest stipend to individual artists and craftsmen who are outstanding carriers of the culture of that country. Folklife is an important means of conveying one's pride and dignity, and for this reason, should be of particular interest as this Nation approaches its 200th birthday.

Despite the value of our folklife, we are losing large portions of it, and stand to lose much more. This results from several factors. Because of its very nature, folklife is generally passed from generation to generation by word of mouth. Because of this oral method, much is lost in passing. In addition, the few people left with first-hand knowledge often die without finding anyone willing and able to listen, remember, and continue their legacy. Our folklife faces a second, and possibly more severe danger—that of being lost by the ravages of a mass-oriented society. There are people extremely dedicated to preserving this valuable part of our heritage. However, because of the lack of an organized effort to retain folklife, they are unable adequately to pursue their interests, whether because of a lack of funds, or inability to find the necessary techniques.

Yet, our Government has done little to help preserve America's valuable folklife. We have established two magnificent endowments, the National Endowment for the Arts, and the National Endowment for the Humanities, and have funded each most liberally. Together, they have done a great deal for the arts and humanities in this country. However, virtually none of their millions has been spent on folk culture. Nor has any other agency sufficiently funded any such program. In all honesty, I must admit that some such ventures have been initiated, but none of these has been able to succeed, because of a lack of coordination and failure to seek the advice of those most knowledgeable in the field.

This bill would coordinate these varied programs, not compete with them. It would create a center around which other programs could revolve, and through which material can be made available. In addition, it would be a community of scholars who are motivated, interested, and knowledgeable.

This will not be a giant, multimillion dollar endowment. Rather, it will be a center to preserve our valuable folklife, enhance our national dignity, and make our history available to our children, and all generations to come. It is an investment in the common man, in our own past, and a pledge to our future.

We can do all these things best through the establishment of this American Folklife Center.

I ask unanimous consent that the bill be printed in the Record, after the statement from the distinguished minority leader, Mr. Scott, the senior Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, I am pleased to join as a sponsor of a bill to establish an American Folklife Center within the Library of Congress. The Library of Congress, which endorses this bill, notes that—

> The Center will serve the twin purpose of helping the nation as a whole to understand and value its many constituent cultural strains, and helping members of each constitutent cultural group to understand and value their own particular heritage.

My Commonwealth of Pennsylvania is richly endowed with such "cultural strains" and the proposed Center would enable other sections of the country to appreciate them. As the ranking Republican member of the Senate Rules and Administration Library Subcommittee, I intend to urge prompt and favorable action on this bill.

During the past year, I have been privileged to work with a distinguished Pennsylvanian who is in the forefront of this cultural recognition effort. Mr. Kenneth Goldstein, chairman of the folklore and folklife department of the Univsity of Pennsylvania and newly elected president of the American Folklore Society, is to be congratulated for his fine work. Mr. Goldstein, incidentally, is a professor of folklore at the University of Pennsylvania, one of our Nation's finest schools. The folklore program there is extremely well-developed and is aimed at educating young people to the values of their own particular heritage.

Mr. President, the American Folklife Preservation Act is, in fact, a preservation bill. It is intended to preserve the "American Culture"—a culture as rich as it is diverse. To be sure, the rick folklore of America is a treasure for the whole Nation. Yet folklore is passed on from generation to generation largely by word of mouth and, thus, we are constantly losing and changing this heritage. With the Bicentennial upon us, the preservation and distribution of folk arts have never seemed more urgent or relevant. Folklore and folklife constitute a rich human resource and serve as a reliable index of the country's spirit as expressed in its folk tales and legends, in its beliefs and its customs, in its songs and its ballads, in its games and its dances, and in the range and variety of its material culture and folk arts.

It is in the public interest that a national clearing house be established to foster and preserve the physical and spiritual heirlooms of early America and at the same time to serve as a center where ongoing American folk traditions can be preserved and studied. Like the Library of Congress the American Folklife Center will be easily available to all Americans in our Nation's Capital. I urge my colleagues from all constituencies—blue collar, intellectual, country—to join in this effort to bring about a better understanding and appreciation of our cultural diversity.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "American Folklife Preservation Act".

DECLARATION OF FINDINGS AND PURPOSE

Sec. 2. (a) The Congress hereby finds and declares—

UMI

(1) that the diversity inherent in American folklife has contributed greatly to the cultural richness of the Nation and has fostered a sense of individuality and identity among the American people;

(2) that the history of the United States effectively demonstrates that building a strong nation does not require the sacrifice of cultural differences;

(3) that American folklife has a fundamental influence on the desires, beliefs, and values of the American people;

(4) that it is appropriate and necessary for the Federal Government to support research and scholarship in American folklife in order to contribute to an understanding of the basic desires, beliefs, and values of the American people in both rural and urban areas;

(5) that the encouragement and support of American folklife, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government; and

(6) that it is in the interest of the general welfare of the Nation to maintain, revitalize, and disseminate American folklife traditions and arts.

(b) It is therefore the purpose of this Act to establish in the Library of Congress an American Folklife Center to preserve and present American folklife.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "American folklife" means the traditional expressive culture shared within the various groups in the United States: familial, ethnic, occupational, religious, regional; expressive culture includes a wide range of creative and symbolic forms such as custom, belief, technical skill, language, literature, art, architecture, music, play, dances, drama, ritual, pageantry, handicraft; these expressions are mainly learned orally, by imitation, or in performance and are generally maintained without benefit of formal instruction or institutional direction.

(2) the term "Board" means the Board of Trustees of the Center;

(3) the term "Center" means the American Folklife Center established under this Act;

(4) the term "group" includes any State or public agency or institution and any nonprofit society, institution, organization, association, or establishment in the United States;

(5) the term "Librarian" means the Librarian of Congress;

(6) the term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto, the District of Columbia, Guam, American Samoa, and the Virgin Islands; and

(7) the term "workshop" means an activity the primary purpose of which is to encourage the development of skills, appreciation, or enjoyment of American folklife among amateur, student, or nonprofessional participants, or to promote scholarship or teaching among the participants.

ESTABLISHMENT OF CENTER

SEC. 4. (a) There is hereby established in the Library of Congress an American Folklife Center.

(b) The Center shall be under the direction of a Board of Trustees. The Board shall be composed as follows—

(1) four members appointed by the President from among individuals who are officials of Federal departments and agencies concerned with some aspect of American folklife traditions and arts;

(2) seven members appointed by the Librarian of Congress from among individuals from private life who are widely recognized by virtue of their scholarship, experience, creativity, or interest in American folklife traditions and arts;

In making appointments from private life under clause 2, the Librarian shall give due consideration to the appointment of individuals who collectively will provide appropriate regional balance on the Board.

(c) The term of office of each appointed member of the Board shall be six years; except that (1)(A) the members first appointed under clause (1) of subsection (b) shall serve as designated by the President, two for a term of two years, one for a term of four years, and one for a term of six years, and (B) the members first appointed under clause (2) of subsection (b) shall serve as designated by the Librarian, two for terms of two years, three for terms of four years, and two for terms of six years; and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of such terms.

(d) Members of the Board who are not regular full-time employees of the United States shall be entitled, while serving on business of the Center, to receive compensation at rates fixed by the Librarian, but not exceeding $100 per diem, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(e)(1) The Librarian shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairman and a Vice Chairman, who shall serve for a term of one year. Thereafter each Chairman and Vice Chairman shall be elected for a term of two years. The Vice Chairman shall perform the duties of the Chairman in his absence. In case of a vacancy occurring in the chairmanship or vice-chairmanship, the Board shall elect a member to fill the vacancy for the remainder of the unexpired term.

(2) A majority of the members of the Board shall constitute a quorum.

(f) After consultation with the Board, the Librarian shall appoint the Director of the Center. The basic pay of the Director shall be at a per year rate not to exceed GS–18 of the General Schedule under section 5332 of title 5, United States Code. The Librarian upon the recommendation of the Director shall appoint a Deputy Director of the Center. The basic pay of the Deputy Director shall be fixed at a rate not to exceed GS–16 of the General Schedule under section 5332 of such title.

(g)(1) The Director shall be the chief executive officer of the Center. He shall carry out the programs of the Center subject to the supervision and direction of the Board, and shall carry out such functions as the Board may delegate to him consistent with the provisions of this Act.

(2) The Deputy Director shall perform such functions as the Director, with the approval of the Librarian, may prescribe, and shall serve as Acting Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

FUNCTIONS OF THE CENTER

SEC. 5. The Center and its Director are authorized to—

(1) enter into, without regard to Federal procurement statutes and regulations, contracts with, make grants and loans to, and award scholarships to individuals and groups for programs for the—

(A) initiation, encouragement, support, organization, and promotion of research, scholarship, and training in American folklife;

(B) initiation, promotion, support, organization, and production of live performances, festivals, exhibits, and workshops related to American folklife;

(C) initiation, development, arrangement, purchase, and support of the production of exhibitions, displays, publications, and presentations (including those by still and motion picture films, and audio and visual magnetic tape recordings) and other materials which represent or illustrate some aspect of American folklife;

(2) establish and maintain in conjunction with any Federal department, agency, or institution a national archive and center for American folklife;

(3) procure, receive, purchase, and collect for preservation or retention in an appropriate archive creative works, exhibitions, presentations, objects, artifacts, manuscripts, publications, audio and visual records, and other materials which represent or illustrate some aspect of American folklife;

(4) loan, or otherwise make available, through Library of Congress procedures, any item in the archive established under this Act to any individual or group;

(5) present, display, exhibit, disseminate, communicate, and broadcast to local, regional, State, or National audiences any exhibition, display, or presentation referred to in clause (3) of this section or any item in the archive established pursuant to clause (2) of this section, by making appropriate arrangements, including contracts, loans, and grants with public, nonprofit, and private radio and television broadcasters, museums, libraries, educational institutions, and such other individuals and organizations, including corporations, as the Board deems appropriate;

(6) loan, lease, or otherwise make available to public, private, and nonprofit educational institutions such exhibitions, programs, presentations, and material developed pursuant to clause (1)(D) of this subsection as the Board deems appropriate; and

(7) develop and implement other appropriate programs to preserve, present, support, revitalize, and disseminate American folklife.

LIMITATIONS ON GRANTS

SEC. 6. (a) No payment shall be made pursuant to this Act to carry out any research or training over a period in excess of two years, except that with the concurrence of at least two-thirds of the members of the Board of the Center such research or training may be carried out over a period of not to exceed five years.

(b) Assistance pursuant to this Act shall not cover the cost of land acquisition, construction, building acquisitions, or acquisition of major equipment.

(c) No individual formerly in the employment of the Federal Government shall be eligible to receive any grant or other assistance pursuant to this Act, or to serve as a trustee of the Center in the two-year period following the termination of such employment.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) In addition to any authority vested in it by other provisions of this Act, the Librarian of Congress, in carrying out the Center's functions, is authorized to—

(1) prescribe such regulations as he deems necessary;

(2) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be for the purposes of the Center and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions, without reference to Federal property disposal statutes;

(3) in the discretion of the Board of Trustees, receive (and use sell, or otherwise dispose of, in accordance with clause (2)) money and other property donated, bequeathed, or devised to the Center with a condition or restriction, including a condition that the Center use other funds of the Center for the purpose of the gift;

(4) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of the Act in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the Librarian of Congress may appoint and fix the compensation of a reasonable number of personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but no individual so appointed shall receive compensation in excess of the rate received by the Deputy Director of the Center;

(5) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed $100 per diem;

(6) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(7) enter into contracts, grants, or other arrangements, or modifications thereof, to carry out the provisions of the Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); and

(8) make advances, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529).

(b) The Center and its Director shall submit to the Librarian for inclusion in the annual report of the Library of Congress to the Congress an annual report of its operations under this Act, which shall include a detailed statement of all private and public funds received and expended by it, and such recommendations as the Center deems appropriate.

AUTHORIZATION

SEC. 8. There are authorized to be appropriated to the Center to carry out the provisions of this Act $167,750 for the fiscal year ending September 30, 1976; $710,000 for the fiscal year ending September 30, 1977; and $1,716,000 for the fiscal year ending September 30, 1978.

By Mr. KENNEDY (for himself, Mr. TUNNEY, Mr. BAYH, Mr. BROOKE, Mr. CASE, Mr. CHILES, Mr. CLARK, Mr. CRANSTON, Mr. GLENN, Mr. GRAVEL, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HOLLINGS, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. JOHNSTON, Mr. MCGEE, Mr. MCGOVERN, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. STAFFORD, Mr. TAFT, Mr. THURMOND, Mr. PERCY, and Mr. STONE):

S. 1619. A bill to extend and revise programs for Sickle-Cell Anemia. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am pleased to have the support of 27 Senators, both Democrats and Republicans, in introducing an amendment to the National Sickle Cell Anemia Control Act (Public Law 92–294) to establish continued authorization for the act. With the enactment of this measure, provisions for the authorization of $150 million over a period of 3 years will be available to continue attacking the problems of sickle cell anemia.

This legislation assures that funds will be available to support health programs; provide guidelines and standards for an overall framework for comprehensive service programs; authorize existing agencies to provide necessary new services; establish new programs as required; insure consistent action to meet the needs of patients and their families; and develop programs for research in the treatment, and control of sickle cell anemia, supplemented with well developed public education awareness projects.

Sickle cell anemia, first described in this country in 1910 by Dr. James B. Herrick, is a hereditary blood disorder characterized by the presence of a chronic anemia, jaundice, recurrent bouts of pain called "crises," frequent growth retardation, an increased susceptibility to certain infections, a decreased physical capability, and frequently a shortened lifespan. This blood disorder occurs as a result of the presence of genes for sickle hemoglobin inherited from both parents. Sickle cell anemia is found predominately, but not exclusively in blacks in the United States.

The sickle cell trait is estimated to be carried by 1 in every 10 black Americans and numbers about 2 million people. These carriers have a gene for both sickle hemoglobin and normal hemoglobin, but they do not suffer from the critical symptoms of the disease. Approximately 50,000 people are believed to suffer from the actual debilitating effects of this crippling disorder. They are the victims of periodic, unpredictable crises whose life is made miserable and difficult because of these severe bouts of pain.

The first sign of a crises may be loss of appetite followed by weakness. Then, severe pain in the abdomen, legs and arms may be accompanied by some swelling of the joints and a yellow discoloration of the eyes. Patients require hospitalization, medication, and constant attention to overcome these painful crises.

Despite the many contributions to the understanding of the abnormal hemoglobin in sickle cell anemia and the hereditary nature of the disorder, the exact mechanism of the sickling process is still not clearly understood and the explanation of the many complications associated with the disorder remains obscure. To date, there is no cure for sickle cell anemia. The genetic abnormality in the red blood cells cannot be reversed. Treatment is—for the most part—designed to relieve pain and to enable the patient to conduct as nearly normal life as possible.

Sickle cell disease centers, administered by the Sickle Cell Disease Branch—SCDB—National Heart and Lung Institute, combine basic and clinical research, clinical trials, clinical application and training and community service projects. The service projects include education, screening and counseling. These centers focus resources and manpower in a coordinated approach to the problems of sickle cell disease. They bridge the gap between research and service, and bring findings in one area into practical use in another.

There are compelling reasons to focus greater attention on the health needs of victims of sickle cell disease at local and national levels. Because of the mortality rate associated with this disease more children and adolescents than older individuals will be found as sickle cell sufferers.

Sickle cell anemia as a health problem also has significant social implications. With the debilitating effects caused by sickling, treatment of the patient required a broad spectrum of services.

The sickle cell anemic child is regarded differently by his peers than other children. He often finds himself excluded from activities where most children learn to compete and develop physical skills. His small size, his lack of strength and endurance, his erratic periods of illness and hospitalization, and complications caused by the illness, set the young victim apart from children around him.

For some victims under age 6, medical authorities know that these youngsters may require hospitalization up to 10 times a year. Sickle cell anemia crises are so painful that its victims are rendered helpless and totally dependent upon professional medical care. And, the burden of pain and agony for the victim's family is compounded by the costs of hospitalization, treatment and medication.

For much too long, sickle cell anemia was virtually ignored as an important disease among a major segment of this Nation's population. The victims were maligned and used in many instances as only a "good source of interesting research material."

Before 1971, Federal support of sickle cell programs and for sickle cell related research amounted to less than $1 million. The greater part of these funds supported grants offered by the National Institute of Health. Funds for research and service from public and private donations amounted to even less. These deficiencies and lack of support led to the development of the national sickle cell disease program in 1971.

Significant research progress into the basic hematologic, biochemical, genetic nature and therapeutic aspects of this disease process has clearly underlined the urgent need for expansion and acceleration of sickle cell anemia programs. Attention should be directed toward increasing basic science and clinical research efforts.

In order to provide the Nation with the stimulus needed to enhance interest and effectiveness in the area of training and research in sickle cell disease and services we must expand the care and delivery services designed to treat sickle cell victims.

For example, in Massachusetts, 1,186 people were identified as carriers of the sickle cell trait, from a total of 15,080 screened by the federally supported program in 1974. And based on the total population of Boston, there is a possibility that 18,000 individuals may bear the sickling gene.

In Boston, screening is done by electrophoresis which in addition to determining whether or not an individual has any effects of sickle cell anemia also reveals other hemoglobin disorders.

Doctors have told me that more information is needed about sickle cell anemia, not only for use by patients, but also to enable more physicians to adequately diagnose this malady. The Federal sickle cell anemia programs, therefore, include public awareness and edu-

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cation elements, as well as direct medical and treatment projects.

In many sections of the country with sizable black populations, very little medical care is available. In these and other areas virtually nothing is known about the true incidence of sickle cell disease or its morbidity or mortality. Funds must continue to be provided to support the development of such studies and to provide care, education, and counseling of victims.

With more information and data, physicians, and other medical authorities will be better prepared to serve the needs of those who suffer from this disease.

Since the enactment of the Federal sickle cell anemia program in 1971, our Nation has begun to show the black Americans properly deserve the care and attention that can be rendered by Federal resources to deal with their specific health problems.

During these years, I have been encouraged by the thrusts of the Federal sickle cell anemia program and I am offering this legislation so that Federal health resources may be expanded to address the full problem of sickle cell anemia. That is why this amendment to the National Sickle Cell Anemia Control Act authorizes $45 million for grants for sickle cell screening and counseling programs and $105 million for demonstration grants for a 3 year period.

My colleagues and I are offering this amendment to assure continued Federal support for this vital health problem. We look forward to timely action on this measure so that the Department of HEW may plan effectively for the continued operation of these programs beyond the current fiscal year. For that reason, the Senate Health Subcommittee will conduct hearings on this measure as soon as possible.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) section 1101(b) of the Public Health Service Act (42 U.S.C. 300b) is amended by inserting "$10,000,000 for the fiscal year ending June 30, 1976, $15,000,000 for the fiscal year ending June 30, 1977, and $20,000,000 for the fiscal year ending June 30, 1978."

(b) Section 1102(b) of such Act (42 U.S.C. 300b-1) is amended by inserting "$25,000,000 for the fiscal year ending June 30, 1976, $35,000,000 for the fiscal year ending June 30, 1977, and $45,000,000 for the fiscal year ending June 30, 1978."

SEC. 2. Section 1104(a)(4) of the Public Health Service Act (42 U.S.C. 300b-3) is amended by striking "entering their child-producing years, and secondly to children under the age of 7" and inserting in lieu thereof "in their child-producing years, and secondly to persons entering child-producing years."

By Mr. KENNEDY:

S. 1620. A bill to extend part B of title XI of the Public Health Service Act. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am introducing an amendment to the National Cooley's Anemia Control Act—Public Law 92-414—to establish continued authorization for the act. The enactment of this measure, provisions for the authorization of $7 million over a period of 3 years, will be available to continue attacking the problems of Cooley's anemia.

Cooley's anemia is an inherited blood disease characterized by a diminished production of hemoglobin the substance in red blood cells which enables them to carry oxygen to the tissues of the body. The result of this inadequate production of hemoglobin is a particular form of anemia. Dr. Thomas B. Cooley, an American physician, discovered, and labeled this disease around 1925.

Cooley's anemia, also known as Mediterranean anemia or thalassemia major, is found in children whose ancestors were natives to the countries surrounding the Mediterranean Sea. In America, these children are of predominately Greek and Italian origin, although because of widespread intermarriage the disorder is also found in children of Irish, Scandinavian, Jewish, Oriental, and Turkish descent.

There are two forms of Cooley's anemia: The severe form, called thalassemia major; and the carrier of trait form, thalassemia minor. The difference between these forms depends on whether the individual has inherited half or all of the genetic code or defective hemoglobin synthesis from his parents. Following Mendelian laws, two carriers of the trait who marry may have the possibility of producing the trait in 50 percent of their offspring, and the disease, Cooley's anemia, in 25 percent of their offspring.

Individuals with the carrier form of thalassemia minor are not handicapped with any physical defects; in fact the only physical sign or symptom of the trait may be a change in the size and shape of the red blood cells. Individuals with the carrier form of the disorder normal health. The trait—thalassemia minor—never increases in severity or becomes to the severe form of the disease. At present the chief methods of detecting the carrier form involve a number of hematologic tests including electrophoresis.

Thalassemia major is usually detectable during the first year of life; its early signs include pallor, listlessness, loss of appetite, and irritability. An examination of the victim's blood will show changes in the size, shape, and numbers of red blood cells, and a variety of abnormal characteristics in special properties of the blood cells, in addition to severe anemia. Individuals with thalassemia major rarely live beyond the age of 20, and from their first year of life may have to undergo blood transfusions almost daily in order to maintain a blood count sufficient for survival.

The anemia itself is basically caused by a reduction in the rate at which red blood cells are formed in the bone marrow and released to the blood stream. In Cooley's anemia, these defective red blood cells do not survive more than one-third to one-half of the life span of normal red blood cells. There is often an enlargement of the spleen which causes further complications in the rate of blood cell production. The anemia created from this low rate of production leads to severe handicaps in its young victims.

Children suffering from this disease tend to be small for their age because bone growth is poor. In addition, they suffer malformed bone development leading to brittle, easily broken bones. The child afflicted with Cooley's anemia cannot usually engage in strenuous physical activities since the anemia causes fatigue.

There is no known cure for Cooley's anemia. At present the only effective treatment is supportive therapy such as the administration of blood transfusions to alleviate the constantly recurring anemia. Some children require transfusions several times a week; some very rarely.

There are no statistics available on the exact number of cases of Cooley's anemia in the United States. It is estimated though that there are approximately 200,000 individuals in this country who are carriers of the trait.

It is estimated that there are more than 1 million persons in the United States suffering from or debilitated from all inherited blood disorders.

The prevalence of Cooley's anemia is not known, but the best estimate is that 200,000—persons in the United States—carry to trait.

In a recent physician survey, it was estimated that 2,400 patients with Cooley's anemia are maintained medically on chronic transfusions.

The treatment for thalassamia is thus time-consuming and expensive, both in materials and in the use of skilled manpower. It is available without direct cost of only the tiny minority of patients who happen to be living in a community which provides specialized medical treatment. Most thalassamia patients live in areas distant from transfusion services and hospital staff skilled in the transfusion of small children; in other places where the service is available, the cost is prohibitive for all except the wealthy. And when all the effort has been made, most patients will still die in adolescence and few will live beyond the age of 21 years.

There are two Institutes within the National Institutes of Health who carry the responsibility for Federal research on Cooley's anemia: The National Institute of Arthritis, Metabolism, and Digestive Diseases—NIAMDD—and the National Heart and Lung Institute—NRLI. Although NHLI is responsible for carrying out the provisions of the National Cooley's Anemia Control Act and receives the appropriations under the act, it is the NIAMDD that has been designated by the Secretary of the Department of Health, Education, and Welfare as the lead agency for the Cooley's anemia program.

I am offering this amendment to assure continued Federal support for this vital health problem.

Timely action on this measure is needed so that the National Institutes of Health under the auspices of HEW may plan effectively for the continued operation of these programs before the current fiscal year.

For that reason, the Senate Health Subcommittee will conduct hearings on this measure in the near future.

By Mr. TUNNEY (for himself and Mr. CRANSTON):

S. 1621. A bill to amend section 44 of the Internal Revenue Code of 1954—relating to credit for purchase of new principal residence—to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations relating to such section 44. Referred to the Committee on Finance.

HOME PURCHASE TAX REBATE AMENDMENTS

Mr. TUNNEY. Mr. President, it has been more than a month since the Congress acted to lift this country out of its present economic slump by passing the Tax Reduction Act of 1975. It is still too early to say just how successful the tax reduction bill will be. But it is not too early to evaluate the value of one of the provisions of that bill—the 5-percent rebate for purchasers of new homes.

As evidence becomes available, it appears that the provision is not encouraging the purchase of new homes to the extent we had hoped. Accordingly today I am introducing the Home Purchase Tax Rebate Amendments of 1975, designed to make the rebate program work more quickly and more effectively to get our hard-hit housing industry back on its feet.

The problems with the rebate program can be traced to two specific sources. First, builders and developers are uncertain about the administrative interpretation of the act. Second, the "lowest price ever" provisions of that program are forcing many builders to withhold their housing stock from eligibility for the rebates. This legislation would attempt to remedy both of those problems.

The bill will require the Secretary of Treasury to promulgate final regulations for the rebate program within 75 days of the effective date of this bill. I have confidence that these regulations will be published far in advance of any such date, but the inclusion of these provisions will emphasize congressional determination that this program be clarified as quickly as possible.

The requirement that homes qualifying for the rebate be sold at their "lowest price ever" was inserted to prevent the possibility of "price-gouging" by sellers raising prices to take advantage of the tax rebate. However, it now appears that many homes built some time ago cannot, because of the inflationary spiral and accumulated costs, be sold profitably for their original selling price. The National Association of Home Builders estimates that of the 600,000 homes in inventory and eligible for the rebate program, about 500,000 have had their prices raised because of inflation, and taxes, carrying charges, and maintenance costs.

My legislation proposes a simple remedy—the imposition of a cutoff date of December 31, 1974, for the "lowest cost" requirement. The impact of this change would be to allow sellers to qualify homes for the rebate program as long as the price charged was the lowest at which the house had been offered during 1975. In other words, builders who had been forced to raise costs to cover increased costs during years prior to 1975 could sell houses for increased prices without liability.

The cutoff date commends itself for at least three reasons. First, for those thousands of builders who use the calendar year as their accounting and tax year, it vastly simplifies the calculation of what the lowest qualifying price would be. Second, the date is late enough in the inflationary cycle and close enough to the date of passage of the bill to insure that most increased costs could have been calculated previously and prices raised accordingly. Finally, and most important, such a date would preserve the original impact of the "lowest cost" provision. The date specified is early enough that there was little consideration being given to such a rebate program at such a time. Consequently, no builder or developer without a crystal ball could have foreseen the creation of such a program and raised prices to take prospective advantage of the rebate. A December 31 cutoff would still insure that no windfall profits accrued to housing developers as a result of anticipation of the rebate.

This legislation is not intended to eliminate the possibility of lowered prices for housing. It is a response to the evidence we have now, which suggests that builders are not lowering prices to qualify for the rebate program, but are selling on the basis of conditional contracts or simply are not selling under the rebate program at all. As things presently stand, too many buyers are getting higher prices and no rebate. My legislation is designed to make the rebate program more workable, both for the housing industry and for the consumer.

It is clear that the tax rebate program by itself will not end the woes of the American construction and housing sector, nor will this program alone make the dream of a home of their own a reality for millions of average Americans. We need Federal subsidies to bring interest rates down to the level where more Americans can afford their own homes. The Senate has acted in recent days on such a measure and it has my full support as an indispensable part of any realistic program to restore vigor to the housing market.

We also need further revitalization of existing Government mortgage and interest insurance programs. I support those programs, and I will work for increasing their effectiveness and making them available to more Americans.

However, the need for a quick, short-term stimulus such as the rebate remains paramount, and I believe my bill will accomplish that purpose. Having created that program, we must now proceed to make it work.

Mr. President, I ask unanimous consent that a recent article from the Los Angeles Times be printed at this point in the RECORD, and that the full text of this legislation be printed in the RECORD immediately following the Times article.

There being no objection, the article and bill were ordered to be printed in the RECORD as follows:

NEW HOME TAX CREDIT FAILS TO STIMULATE SALES

(By Barbara Gius)

The federal government's $600-million tax credit program for new home buyers isn't working—yet—as the quick-sale stimulus for which it was intended.

A remedy brewed in urgency, it came out of Congress and was signed by President Ford March 30 but, a sampling of Southern California builders shows, the plan is so clouded that builders are hesitant to get involved.

They said they are reluctant to use the $2,000 tax credit on new home purchases as a sales incentive until the government provides definitive regulations for its implementation. About 28,000 unsold homes represent the Southland inventory which would qualify for the bonus plan.

Thus, according to one industry spokesman, the impact of the tax cut incentive is yet unknown.

"We're waiting for some legal interpretations from the National Assn. of Home Builders, which is waiting on HUD, which is waiting on the Secretary of the Treasury, which is waiting on the IRS," he said. "The program is no good to us until we know what homes qualify and what homes don't."

The Tax Reduction Act allows buyers of single-family homes, condominiums, townhomes, mobile homes, cooperative apartments and houseboats as principal residences, a 1975 tax deduction amounting to 5% of the purchase price, up to a maximum of $2,000.

The bill indicates that in order to qualify, homes must have been started before March 26, must not have been occupied prior to purchase, and must be acquired between March 13 and Dec. 31, 1975.

In addition, the bill stipulates that the homes be offered at "the lowest price on which the residence was ever offered for sale," a clause that has caused some confusion among builders.

"What is the 'lowest price'? What does that mean?" asked Ron Hagerthy, vice president in charge of marketing, Barclay Hollander Corp.

A consensus of builders surveyed agree with Hagerthy. "The language used to determine the qualifications for the program leaves a lot of loose ends.

PRICES INCREASING

"If Congress had done its homework, it would know that industry prices are continually increasing and that there needs to be a clear-cut way of determining 'the lowest price,'" Hagerthy continued.

"Once builders know what the lowest price is they can decide whether or not they can afford to offer their inventory at that price and participate in the program."

Many builders reported increases in home-shopper traffic over the past two weekends and said salesmen were "besieged" with inquiries about rebate eligibility. However, because the law imposes civil and criminal penalties on builders who falsely certify the selling price as "the lowest," many have remained mum on the subject.

Hagerthy continued, "The tax incentive could be a fantastic assistance to builders, but instead, it puts us on the spot for not having the answers."

While builders are waiting for clarifications from the IRS, the agency is currently embroiled in its annual task of income tax collection, and this past week's deadline may further stall the incentive program.

Although some builders fear they may lose potential customers in the delay, Hagerty said "nobody wants to stick their neck out until they know they're operating within the law. They want to be able to certify the selling price with some degree of certainty and safety."

In the meantime, offered Jim Hunter, president of Fredericke Development Corp., builders are questioning whether or not

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homes repeated in construction phases will qualify under the law—and at what price: the one offered in 1973 for Phase I models or the price on 1974–75 increments.

Hunter queries, "Does the law mean that the selling price must be less the retail value of upgrade items? What happens to the house priced on a premium lot? Is it disqualified?

"The way the law was written, it isn't much help to builders or buyers," he said. "It certainly hasn't affected our traffic. As far as we're concerned, the government's Fannie Mae and Freddie Mac (subsidized) programs did more to stimulate sales than anything."

SALES ACTIVITY INCREASES

Most builders have reported marked increases in sales activity since lower interest rates were made available weeks ago. Few have attributed recent sales to the rebate incentive.

Leo Carelli, president of Oakmont Construction Co., a subsidiary of Mutual Savings & Loan, said his firm has begun advertising the program in connection with a Friendly Valley older adult condominium project, which has experienced a resurgence in sales over the past two weekends.

"We think it's an excellent program for us. Most of our buyers are pretty sophisticated. They remember lower interest rates and lower taxes and because most of them are living on a fixed income, they're eager for any savings they can get," Carelli said.

Another Southland builder, the Grant Co., reported three home sales last weekend as a result of the rebate plan. According to company spokesman Charles Dryer, prices have been lowered at all but two of Grant's subdivisions in order to qualify under the price clause.

"We were able to adjust our prices by a maximum of $1,500 in order to meet the requirements," Dryer said. "We feel the program is a tremendous opportunity for buyers. If I were in the market for a new house, this would certainly push me over the edge."

Dryer said a total of 52 homes were being offered "at their lowest price" at Walnut Hills and at townhome projects in San Clemente and La Verne.

PRICE FLUCTUATIONS

He added that his "only reservation" about the legislation was that some builders who could not afford to lower prices would not be able to take advantage of the tax incentive.

"Although the intent of the law is to sell everything that's left over, its authors were apparently unaware of price fluctuations in the industry," he said.

Another developer, Raznick & Sons of Encino, said there has been record traffic at its Harborwalk development in Oxnard, where the firm's own $2,000 cash rebate program continues through the month of April. Five sales were reported last week at the 25-unit project.

The homes could also qualify for the government's rebate if purchased as a primary residence, a company spokesman said.

OWNERS TO HEAR ROBBINS

State Sen. Alan Robbins (D-North Hollywood) will address Foothill Apartment Assn. members Friday at a dinner meeting beginning at 6:30 p.m. at the Brookside Clubhouse in Pasadena. Robbins will offer, "Will the California Legislature Eliminate the Apartment Industry?" Reservations can be made through the association's office, 696 E. Colorado Blvd., Pasadena.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Home Purchase Tax Rebate Amendments of 1975.

SEC. 2. (a) Section 208 (e)(4) of the Tax Reduction Act of 1975 (26 U.S.C. 44) (relating to certification required for qualification for credit for purchase of new principal residence) is amended by striking out "lowest price at which the residence was ever offered for sale" and inserting in lieu thereof "lowest price at which the residence was offered for sale after December 31, 1974."

(b) Section 208(b) of the Tax Reduction Act of 1975 (26 U.S.C. 44 (b)) is amended by striking out "was ever offered for sale" each place it appears and inserting in lieu thereof "was offered for sale after December 31, 1974."

SEC. 3. The amendments made by the second section of this Act shall apply to principally residences (within the meaning of section 1034 of the Internal Revenue Code of 1954) sold or exchanged after December 31, 1974, in taxable years ending after such date.

SEC. 3. The Secretary of the Treasury or his delegate—

(1) not later than the 15th day after the date of enactment of this Act, shall publish proposed regulations relating to section 44 of the Internal Revenue Code of 1954 (Section 208 of the Tax Reduction Act of 1975);

(2) during the 30-day period beginning on the 16th day after such date of enactment, shall afford an opportunity for public hearings and comments on such proposed regulations; and

(3) not later than the 75th day after such date of enactment, shall prescribe and publish final regulations relating to such section 44.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1622. A bill to authorize an additional Assistant Secretary of Commerce. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for myself and Senator PEARSON, a bill to authorize an additional Assistant Secretary of Commerce, and ask that it be appropriately referred.

I ask unanimous consent that the text of the bill and a statement of the purpose and need for the bill, prepared by the Department of Commerce, be inserted in the RECORD.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 1622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled: That,

(a) There shall be in the Department of Commerce, in addition to the Assistant Secretaries now provided by law, one additional Assistant Secretary of Commerce who shall be appointed by the President by and with the advice and consent of the Senate, shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and shall perform such duties as the Secretary of Commerce shall prescribe.

(b) Title 5, United States Code, section 5315, is amended by striking item (12) and inserting in lieu thereof: "Assistant Secretaries of Commerce (8)".

STATEMENT OF PURPOSE AND NEED

The attached draft bill authorizes an additional Assistant Secretary of Commerce.

This position is required in order to establish the position of Assistant Secretary for Congressional Affairs. The Assistant Secretary would be the principal advisor to the Secretary of congressional relations matters and would head the Departmental Office of Congressional Affairs, a major staff office in the Office of the Secretary.

The Office of Congressional Affairs has recently been reorganized and its program revised as a result of a thorough review of the Department's congressional relations and activities by a Department committee headed by the Under Secretary.

The proposed Assistant Secretary will have responsibility for developing and maintaining an effective relationship with Members of Congress and congressional committees and for advising the Secretary on matters relating to the Congress. He will also be the Department of Commerce contact in matters involving the White House Office of Congressional Affairs. He will be responsible for insuring that all elements of the Department of Commerce are responsive to the needs and requests of the Congress and its committees, in a complete and timely manner.

Performance of these functions requires a top official who has the confidence of the Secretary and the Administration, and who has been appointed by the President by and with the advice and consent of the Senate. A further indication of this is the fact that of the ten other Cabinet Departments eight currently have an Assistant Secretary for Congressional Affairs or equivalent official.

Subsection (b) of the draft bill which amends 5 USC 5315 (12) to place eight Assistant Secretaries at Level IV takes into account the existing anomaly in 5 USC 5315 (12) which specifies six Assistant Secretaries although the Department is in fact authorized seven at present.

By Mr. NELSON (for himself, Mr. JAVITS, Mr. MONDALE, and Mr. LAXALT):

S. 1623. A bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index. Referred to the Committee on Post Office and Civil Service.

FAIRNESS TO WHOLESALERS AND DISTRIBUTORS

Mr. NELSON. Mr. President, for myself, the Senator from New York (Mr. JAVITS), the Senator from Minnesota (Mr. MONDALE), and the Senator from Nevada (Mr. LAXALT), I introduce for appropriate reference a bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index.

We present this proposal for the consideration of the Congress at the suggestion and request of the National Association of Wholesaler-Distributors.

The Wholesale Price Index—WPI—is one of the most important of the statistical services of the U.S. Government. It has had the same name for 75 years and by that name is used throughout the business and economic community as a measure of—and I quote now from the Bureau of Labor Statistics' published description of the WPI—

> Average changes in prices of commodities sold in primary markets in the United States. "Wholesale," as used in the title of the index, refers to sales in large quantities by producers, not to prices received by wholesalers, jobbers, or distributors.

The point is, Mr. President, that television newscasters, newspaper reporters and others who cite the Wholesale Price Index do not cite this published description. As a result, in the opinion of the National Association of Wholesaler-Distributors, every time the Wholesale Price Index goes up, members of the public are led to believe that wholesalers and distributors, rather than basic or primary producers, are responsible.

The Bureau of Labor Statistics is aware of this complaint, has seriously considered alternative names, including the name proposed in this bill, "Basic

Price Index," and has concluded that "the confusion created by a change could far outweigh the benefits to the wholesale trade industry." Nevertheless, in the opinion of my cosponsors and myself, all of whom are members of the Senate Small Business Committee, the NAWD's proposal deserves consideration in the appropriate legislative forum, the Committee on Post Office and Civil Service. Perhaps the name "basic" will not be the ultimate choice, but we do not believe the Bureau's position that the name "wholesale" must be forever enshrined and left unexamined. Hearings in the committee will afford an opportunity for all points of view to be expressed.

A letter to me from William C. McCamant of the NAWD sets forth the Association's position.

I ask unanimous consent that Mr. McCamant's letter, dated March 24, 1975, and an article from the Wall Street Journal, dated January 14, 1975, be included in the RECORD, along with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Labor is authorized and directed to change the name of the statistical data now known as the Wholesale Price Index to the Basic Price Index.

SEC. 2. After the date of the enactment of this Act, statistical data of prices published by the Department of Labor may use the word "Wholesale" only if such data is based on prices received by wholesalers, jobbers, and distributors.

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS,
Washington, D.C., March 24, 1975.

Hon. GAYLORD NELSON,
U.S. Senate,
221 Old Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: The National Association of Wholesaler-Distributors, a federation of 91 commodity-line associations representing over 30,000 firms engaged in wholesale distribution, is concerned that the mislabelled "Wholesale Price Index" results in an unfair representation of our industry.

According to the Bureau of Labor Statistics, which collects data for the WPI, "Wholesale as used in the title of the Index refers to sales in large quantities, not prices received by wholesalers, jobbers, or distributors." The WPI is an indication of prices charged by the producer. Yet, because of the word "wholesale" in the title, the public is erroneously misled into believing that the Index reflects prices charged by wholesalers.

The misnomer leads to media interpretations (one such example is enclosed) which charge the "middleman" responsible for increasing prices. Headlines which read "Wholesale prices zoom again" and "Wholesale prices rise only slightly" are common. We maintain that the term "WPI" is misleading and must be changed.

Draft language for a bill to remedy this situation, simply by changing the name of the Index to the "Basic Price Index", is enclosed. We ask that you have a member of your staff review the draft, as well as the background material enclosed, and feel you will agree that a change in identification is warranted.

Thank you for your interest.

Sincerely yours,

WILLIAM C. MCCAMANT.

WHOLESALERS THINK NAME OF PRICE INDEX SULLIES THEIR OWN—DATA LABELED WHOLESALE ISN'T, GROUP SAYS, AND IT WANTS U.S. TO RENAME THE INDEX

NEW ORLEANS.—"Everytime the wholesale price index goes up, wholesalers get a black eye," says John M. Waltersdorf.

Mr. Waltersdorf is president of the National Association of Wholesaler-Distributors. And, like many wholesalers, he's upset because he thinks the public blames wholesalers for the 23% jump over the past 12 months in the widely distributed price index.

So Mr. Waltersdorf and the association are going to kick off a campaign at their annual meeting here tomorrow called "say goodbye to the WPI." They plan a massive effort of calling on and writing to Senators, Representatives and other government officials to get the name of the index, which has been put out since 1902, changed.

Their effort isn't as self-serving as it might seem at first glance. That's because the wholesale price index doesn't reflect increases in what are commonly thought of as wholesale prices, or the prices wholesalers charge to retailers. Instead, "it's more like what wholesalers pay," concedes Mrs. Margaret S. Stotz, chief of the Division of Industrial Prices and Price Indexes at the Labor Department's Bureau of Labor Statistics, which puts out the monthly index.

The index is based on the prices of about 2,000 items, including raw materials, farm products and a wide variety of manufactured goods, at the time the producer or manufacturer sells the goods. For that reason, wholesalers want to be let off the hook. Mr. Waltersdorf, for one, thinks "producers price index" would sound about right.

Mrs. Stotz says the department hasn't explored what changing the name of the index would involve, but she sees it as "a problem." In any case, partly because of complaints from wholesalers, she says, the bureau began in November to insert into its press releases announcing changes in the index paragraph explaining how it is derived.

By Mr. TUNNEY (for himself, Mr. CRANSTON, Mr. JAVITS, and Mr. BUCKLEY):

S. 1624. A bill to promote the free flow of commerce among the several States, and for other purposes. Referred to the Committee on Commerce.

Mr. TUNNEY. Mr. President, I am today introducing legislation to abolish discriminatory laws, license fees, and other burdens imposed by the States on wines produced outside of that State or from materials produced outside of the State. This legislation would require that each State treat any such wine as favorably as any other wine of the same class sold in the State. If any State prohibits the production, distribution, and sale of wine within its borders, this legislation would not interfere in any way with that prohibition.

I am most pleased that I am joined in this legislation by Senators CRANSTON, JAVITS, and BUCKLEY. I ask unanimous consent that the text of this bill and a section-by-section analysis be printed in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Congress finds that the free flow of commerce in wine among the several States is materially restrained, impaired, and obstructed by the imposition by one State of taxes, regulations, prohibitions, and requirements which discriminate against wine produced outside the State.

(b) Congress declares that, in the exercise of the power to regulate commerce among the several States granted to it by article I, section 8, clause 3 of the United States Constitution, its purpose and intent in enacting this Act is to eliminate the obstruction to the free flow of commerce in wine among the several States resulting from acts of the States which impose discriminatory and unreasonable burdens upon such commerce.

SEC. 2. (a) Wherever the law of any State permits the transportation or importation of wine into that State, such State may not impose with respect to any wine produced outside the State, or from materials originating outside the State, any tax, regulation, prohibition, or requirement which is not equally applicable with respect to wine of the same class (1) produced in, or from materials originating in, the State imposing such tax regulation, prohibition, or requirement, or (2) produced outside the State, or produced from products produced outside the State.

(b) A State which permits the sale of wine within the State shall permit the transportation or importation of wine of the same class produced outside the State, or from materials originating outside the State, into such State for sale therein upon terms and conditions equally applicable to all wine of the same class sold in the State.

SEC. 3. (a) Notwithstanding the provisions of section 2 of this Act, each State retains the right—

(1) to engage in the purchase, sale, or distribution of wine; and

(2) to exercise discretion in the selection and listing of wine to be purchased or sold by each such State.

(b) No State which exercises the rights set forth in subsection (a) may impose with respect to wine of any class, any tax, regulations, license fee, prohibition, or markup, which discriminates against wine of such class produced outside such State.

SEC. 4. Whenever any interested person has reason to believe that any State has violated any of the provisions of section 2 or 3(b) of this Act, such person may file in a district court of the United States of competent jurisdiction a civil action to enjoin the enforcement thereof. Such court shall have jurisdiction to hear and determine such action, and to enter therein such preliminary and permanent orders, decrees, and judgments as it shall determine to be required to prevent any violation of section 2 or 3(b).

SEC. 5. As used in this Act—

(1) the term "State" means any State of the United States, any political subdivision of any such State, any department, agency, or instrumentality of one or more such States or political subdivisions, and the Commonwealth of Puerto Rico; and

(2) the term "person" means any individual and any corporation, partnership, association, or other business entity organized and existing under the law of the United States or any State.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Subsection (a) of this section sets forth the findings of Congress that commerce among the States is materially restrained, impaired and obstructed by the imposition by a State of discriminatory taxes, regulations, prohibitions, and requirements on wine produced outside of such State.

Subsection (b) of this section sets forth the declaration of Congress that its purpose and intent in enacting this Act, as an exercise of its power to regulate commerce among the several States, is to eliminate the obstructions to the free flow of commerce in

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wine among the several States resulting from the acts of the States which impose discriminatory and unreasonable burdens upon such commerce.

SECTION 2

Subsection (a) of this section provides that wherever a State permits the transportation or importation of wine into the State, such State may not impose with respect to wine of the same class any tax regulation, prohibition, or requirement which is not equally applicable to all wine of such class, whether produced in (or from materials originating in) such State, or produced outside (or from materials originating outside) such State.

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Subsection (b) of this section provides that a State which permits the sale of wine within the State shall permit the transportation or importation of wine into the State for sale therein upon terms and conditions which are equally applicable to all wine of the same class sold in such State.

SECTION 3

Subsection (a) of this section reserves for each State the right—

(1) to engage in the purchase, sale or distribution of wine; and

(2) to exercise discretion in the selection and listing of wine to be purchased or sold by each such State.

Subsection (b) of this section provides that no State which exercises the rights reserved by subsection (a) may impose with respect to wine of the same class, any tax, regulation, license fee, prohibition, or markup which discriminates against wine produced outside such State.

SECTION 4

This section allows any interested person who has reason to believe that any State has violated any of the provisions of section 2 or 3(b), to file in any United States district court of competent jurisdiction, a civil action to enjoin the enforcement of the action of the State which violates those provisions. Such court shall have jurisdiction to hear and determine such action, and to take such action as it determines necessary to prevent any violation of section 2 or 3(b).

SECTION 5

This section contains definitions of certain terms used in the bill.

(1) The term "State" means any State of the United States, any political subdivision of any such State, any department, agency, or instrumentality of one or more such States or political subdivisions, and the Commonwealth of Puerto Rico.

(2) The term "person" means any individual and any corporation, partnership, association, or other business entity organized and existing under the law of the United States or of any State.

Mr. CRANSTON. Mr. President, I am pleased to cosponsor with Senator Tunney legislation to end the present discriminatory taxes some States levy against wine coming into their local markets from out of State.

The bill does not limit the power of a State to regulate the sale of alcoholic beverages or to prohibit the sale of alcoholic beverages. It only requires that a State act in an even-handed manner when it taxes, controls, or regulates the sale of wine within its borders.

The American Wine Industry now ranks as a major producer of high quality wines. During the years following repeal of prohibition, when American wine growers were reestablishing their vineyards, discriminatory State taxation in favor of locally-produced wines may have had some limited value in fostering redevelopment of the wine industry. Today, however, the local shelters built through discriminatory taxation of out-of-State wines serve no constructive purpose—if, indeed, they ever did. I should point out that the two leading wineproducing States—California and New York—did not shelter their domestic wine industries with protective taxes.

Instead, discriminatory imposts on wines have obstructed the movement of a valuable commodity in interstate commerce in a manner reminiscent of the trade barriers that existed among the States in the days of the Articles of Confederation.

Some may argue that the twenty-first amendment inhibits Congress from legislating to prohibit discriminatory State taxation of wine produced outside the taxing authority. I believe, however, that the original purpose of the amendment was to permit dry States to protect themselves from the importation of liquor rather than to permit liquor-producing States to erect trade barriers against out-of-State products.

Clearly, Congress has the power under the Commerce Clause to prohibit a State from setting up a trade barrier in the form of taxes and regulations against wines produced outside the State or from materials produced outside the State. I believe that the strong constitutional policy in support of free commerce among the States requires that Congress act to prohibit such barriers. The legislation I am cosponsoring is intended to accomplish that purpose.

By Mr. HATHAWAY (for himself, Mr. Long, Mr. Packwood, Mr. Bartlett, Mr. Beall, Mr. Dole, Mr. Ford, Mr. Garn, Mr. Laxalt, Mr. McClure, Mr. McGee, Mr. Roth, Mr. Hugh Scott, Mr. Tower, Mr. Thurmond, Mr. Sparkman, Mr. Huddleston, and Mr. Domenici):

S. 1625. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972. Referred to the Committee on Finance.

Mr. HATHAWAY. Mr. President, on behalf of the chairman of the Finance Committee, Senator Long, and at the request of the administration, I am today introducing a bill entitled, State and Local Fiscal Assistance Act Amendments of 1975.

I am happy to introduce this bill to extend revenue sharing, but I want to say that I do so in my capacity as chairman of the Finance Committee's Subcommittee on Revenue Sharing. I do not do so out of any wholehearted endorsement of this particular bill, any of the details herein, or even the concept of revenue sharing itself.

I feel that it is too early to draw a final conclusion about the advisability of renewing this program, or about what form that renewal should take. Although in the eyes of most local officials, the program appears to be a success, the hearings we have already held before the Finance Committee's Subcommittee on Revenue Sharing have shown that many of those outside of local government circles were somewhat less than effusive in their praise of revenue sharing. I feel we need more hearings from a somewhat broader spectrum of witnesses before we can decide what should be done with this program.

Some of the areas of particular concern to me which were raised in our original hearings are civil rights, the allocation formula among the States, the allocation formula within the States, and the method of funding the program itself, as well as the size of that program.

Mr. President, I ask unanimous consent that the text of the bill, the comparative type, and an analysis be printed in the Record at this time.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1221) is amended by adding a final sentence to read as follows: "The Secretary may reserve such percentage of the total entitlement payment for any entitlement period as he deems necessary to ensure that there will be sufficient funds available to pay adjustments due after the final allocation of funds among the State governments and units of local government."

Sec. 2. Section 105 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1224) is amended by—

(1) striking the word "and" at the end of subsection (b)(1)(F), striking subparagraph (G) and adding to subsection (b) subparagraphs (G) through (M) to read as follows:

"(G) for the period beginning July 1, 1976, and ending September 30, 1976, $1,625,000,000;

(H) for the fiscal year beginning October 1, 1976, $6,537,500,000;

(I) for the fiscal year beginning October 1, 1977, $6,687,500,000;

(J) for the fiscal year beginning October 1, 1978, $6,837,500,000;

(K) for the fiscal year beginning October 1, 1979, $6,987,500,000;

(L) for the fiscal year beginning October 1, 1980, $7,137,500,000; and

(M) for the fiscal year beginning October 1, 1981, $7,287,500,000." "

(2) striking the word "and" at the end of subsection (b) (2) (D) and by striking subparagraph (E) and adding to subsection (b) (2) subparagraphs (E) and (F) to read as follows:

(E) for the period beginning July 1, 1976 and ending September 30, 1976, $1,195,000;

(F) for each of the fiscal years beginning October 1, 1976, October 1, 1977, October 1, 1978, October 1, 1979, October 1, 1980, and October 1, 1981, $4,780,000."; and

(3) adding subsections (d) and (e) to read as follows:

(d) New Spending Authority Exemption.—Funds appropriated pursuant to subsection (b) (1) and (2) are exempt from the provisions of sections 401 (a) and (b) of the Congressional Budget Act of 1974."

"(e) Secretary's Report on Extension.—No later than September 30, 1980, the Secretary shall submit a report with appropriate recommendations concerning the extension of this title to the Congress.

Sec. 3. Section 107(b) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1226(b)) is amended by striking paragraph (5) and redesignating paragraphs (6) and (7) and (5) and (6) respectively.

Sec. 4(a). Section 108(b)(4) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1227(b)(4)) is amended by revising the last sentence thereof to read as follows: "If the entitlement of any such tribe or village is waived for any entitlement period by the governing body of that tribe or village,

then the amount of such entitlement shall (in lieu of being paid to such unit) be added to, and shall become a part of, the entitlement of the county government of the county area in which such unit is located."

(b) Section 108(b)(6)(B) of the Act (31 U.S.C. Supp. 1227(b)(6)(B)) is amended by adding a new sentence to the end thereof to read as follows: "Beginning with the entitlement period that begins July 1, 1976, the maximum constraint shall increase at a rate of 6 percentage points per entitlement period until it reaches 175 percent."

(c) Section 108(c)(1) of the Act (31 U.S.C. Supp. 1227(c)(1)) is amended by striking "December 31, 1976" from subparagraph (C) and inserting in lieu thereof "September 30, 1982."

Sec. 5. Section 109(c)(2)(B) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1228(c)(2)(B)) is amended to read as follows:

"(B) Most Recent Reporting Year.—The most recent reporting year with respect to any entitlement period consists of the years taken into account by the Bureau of the Census in its most recent general determination of State and local taxes made before the beginning of such period."

Sec. 6(a). Section 121(a) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1241(a)) is amended by revising the first sentence to read as follows: "Each State government and unit of local government which receives funds under subtitle A shall, after the close of each entitlement period, submit a report to the Secretary on the use of the funds received during such period."

(b) Section 121(b) of the Act (31 U.S.C. Supp. 1241(b)) is amended by revising the first sentence to read as followa: "Each State government and unit of local government which expects to receive funds under subtitle A for any entitlement period beginning on or after January 1, 1973, shall submit a report to the Secretary on how it plans to use the funds it expects to receive during such period."

(c) Section 121(c) of the Act (31 U.S.C. Supp. 1241(c)) is amended by inserting a new sentence after the first sentence to read as follows: "Where the newspaper publication cost of such report is excessive in relation to the amount of the entitlement of a unit of local government or where other means of publicizing the reports are more appropriate, then such reports shall be publicized pursuant to regulations prescribed by the Secretary."

Sec. 7 Section 122(b)(2) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1242(b)(2)) is amended to read as follows:

"(2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and to withhold all or a portion of the entitlement funds due such State government or unit of local government, to terminate the eligibility of such State government or unit of local government to receive one or more payments under subtitle A, and to require repayment by such State government or unit of local government of the entitlement funds expended in a program or activity found to be in violation of subsection (a);".

Sec. 8. Section 123 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1243) is amended by—

(1) striking the word "and" at the end of subsection (a)(5)(B), by striking the semicolon at the end of subsection (a)(5)(C), and inserting in lieu of the latter a comma and the word "and", and by adding a new subsection (a)(5)(D) to read as follows:

"(D) notwithstanding paragraph 4, provide notice and opportunity to the residents so that they may give recommendations and views on the proposed expenditures of all funds made available under subtitle A in a public hearing or in such other manner as the Secretary may prescribe by regulation;";

(2) striking paragraph (8) of subsection (a).

Sec. 9. Section 141(b) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1261) is amended by atriking paragraph (5) and substituting in lieu thereof the following:

"(5) The period beginning July 1, 1976, and ending September 30, 1977.

(6) The one-year periods beginning on October 1 of 1977, 1978, 1979, 1980, and 1981."

Comparative Type Showing Changes in Existing Law Made by Proposed Bill

Changes in existing law made by the proposed bill are shown as follows (existing law proposed to be omitted is enclosed in brackets; new matter is printed in italic):

Sections 102, 105, 107, 108, 109, 121, 122, 123, and 141 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1221, 1224, 1226, 1227, 1228, 1241, 1242, 1243, 1261)

Sec. 102. Payment to State and Local Governments

* * * * *

Except as otherwise provided in this title, the Secretary shall, for each entitlement period, pay out of the Trust Fund to—

(1) each State government a total amount equal to the entitlement of such State government determined under section 107 for such period, and

(2) each unit of local government a total amount equal to the entitlement of such unit determined under section 108 for auch period.

In the case of entitlement periods ending after the date of the enactment of this Act, auch payments shall be made in installments, but not less often than once for each quarter, and, in the case of quarters ending after September 30, 1972, shall be paid not later than five days after the close of each quarter. Such payments for any entitlement period may be initially made on the basis of estimatea. Proper adjustment ahall be made in the amount of any payment to a State government or a unit of local government to the extent that the payments previously made to such government under this subtitle were in excess of or less than the amounts required to be paid. *The Secretary may reserve such percentage of the total entitlement payment for any entitlement period as he deems necessary to ensure that there will be sufficient funds available to pay adjustments due after the final allocation of funds among State governments and units of local government.*

Sec. 105 Creation of Trust Funds Appropriations

* * * * *

(b) Appropriations.—

(1) In General.—There is appropriated to the Trust Fund, out of amounts in the general fund of the Treasury attributable to the collections of the Federal individual income taxes not otherwise appropriated—

(A) for the period beginning January 1, 1972, and ending June 30, 1972, $2,650,000,000;

(B) for the period beginning July 1, 1972, and ending December 31, 1972, $2,650,000,000;

(C) for the period beginning January 1, 1973, and ending June 30, 1973, $2,987,500,000;

(D) for the fiscal year beginning July 1, 1973, $6,050,000,000;

(E) for the fiscal year beginning July 1, 1974, $6,200,000,000;

(F) for the fiscal year beginning July 1, 1975, $6,350,000,000; [and]

[(G) for the period beginning July 1, 1976, and ending December 31, 1976, $3,325,000,000.]

"(G) for the period beginning July 1, 1976, and ending September 30, 1976, $1,625,000,000;

"(H) for the fiscal year beginning October 1, 1976, $6,537,500,000;

"(I) for the fiscal year beginning October 1, 1977, $6,687,500,000;

"(J) for the fiscal year beginning October 1, 1978, $6,837,500,000;

"(K) for the fiscal year beginning October 1, 1979, $6,987,500,000;

"(L) for the fiscal year beginning October 1, 1980, $7,137,500,000; and

"(M) for the fiscal year beginning October 1, 1981, $7,287,500,000."

(2) Noncontiguous states adjustment amounts.—There is appropriated to the Trust Fund, out of amounts in the general funds of the Treasury attributable to the collections of the Federal individual income taxes not otherwise appropriated—

(A) for the period beginning January 1, 1972, and ending June 30, 1972, $2,390,000;

(B) for the period beginning July 1, 1972, and ending December 31, 1972, $2,390,000;

(C) for the period beginning January 1, 1973, and ending June 30, 1973, $2,390,000;

(D) for each of the fiscal years beginning July 1, 1973, July 1, 1974, and July 1, 1975, $4,780,000; [and]

[(E) for the period beginning July 1, 1976, and ending December 31, 1976, $2,390,000;]

(E) for the period beginning July 1, 1976, and ending September 30, 1976, $1,195,000;

(F) for each of the fiscal years beginning October 1, 1976, October 1, 1977, October 1, 1978, October 1, 1979, October 1, 1980, and October 1, 1981, $4,780,000.

(3) Deposits.—Amounts appropriated by paragraph (1) or (2) for any fiscal year or other period shall be deposited in the Trust Fund on the later of (A) the first day of such year or period, or

(B) the day after the date of enactment of this Act.

(c) Transfers From Trust Fund to General Fund.—The Secretary shall from time to time transfer from the Trust Fund to the general fund of the Treasury any moneys in the Trust Fund which he determines will not be needed to make payments to State governments and units of local government under this subtitle.

(d) New Spending Authority Exemption.—Funds appropriated pursuant to subsection (b) (1) and (2) are exempt from the provisions of sections 401 (a) and (b) of the Congressional Budget Act of 1974.

(e) Secretary's Report on Extension.—No later than September 30, 1980, the Secretary shall submit a report with appropriate recommendations concerning the extension of this title to the Congress.

Sec. 107. Entitlements of State Governments.

* * * * *

(b) State must maintain transfers to local governments.

* * * * *

[(5) Special rule for period beginning July 1, 1976.—In the case of the entitlement period beginning July 1, 1976, and ending December 31, 1976, the aggregate amount taken into account under paragraph (1)(A) for the preceding entitlement period and the aggregate amount taken into account under paragraph (1)(B) shall be one-half of the amounts which (but for this paragraph) would be taken into account.]

[6](5) Reduction in entitlement.—If the Secretary has reason to believe that paragraph (1) requires a reduction in the entitlement of any State government for any entitlement period, he shall give reasonable notice and opportunity for hearing to the State. If, thereafter, he determines that paragraph (1) requires the reduction of such entitlement, he shall also determine the amount of such reduction and shall notify the Governor of such State of such determinations and shall withhold from subsequent payments to such State government under this subtitle an amount equal to such reduction.

[7](6) Transfer to general fund.—An amount equal to the reduction in the entitlement of any State government which results from the application of this subsec-

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tion (after any judicial review under section 143) shall be transferred from the Trust Fund to the general fund of the Treasury on the day on which such reduction becomes final.

Sec. 108. Entitlements of Local Governments.

* * * * *

(b) Allocation to County Governments, Municipalities, Townships, Etc.—

* * * * *

(4) Indian tribes and Alaskan native villages.—If within a county area there is an Indian tribe or Alaskan native village which has a recognized governing body which performs substantial governmental functions, then before applying paragraph (1) there shall be allocated to such tribe or village a portion of the amount allocated to the county area for the entitlement period which bears the same ratio to such amount as the population of that tribe or village within that county area bears to the population of that county area. If this paragraph applies with respect to any county area for any entitlement period, the amount to be allocated under paragraph (1) shall be appropriately reduced to reflect the amount allocated under the preceding sentence. If the entitlement of any such tribe or village is waived for any entitlement period by the governing body of that tribe or village, then the [provisions of this paragraph shall not apply with respect to the amount of such entitlement for such period] amount of such entitlement shall (in lieu of being paid to such unit) be added to, and shall become a part of, the entitlement of the county government of the county area in which such unit is located.

* * * * *

(6) Entitlement.—

(A) In General.—Except as otherwise provided in this paragraph, the entitlement of any unit of local government for any entitlement period shall be the amount allocated to such unit under this subsection (after taking into account any applicable modification under subsection (c)).

(B) Maximum and Minimum Per Capita Entitlement.—Subject to the provisions of subparagraphs (C) and (D), the per capita amount allocated to any county area or any unit of local government (other than a county government) within a State under this section for any entitlement period shall not be less than 20 percent, nor more than 145 percent, of two-thirds of the amount allocated to the State under section 106, divided by the population of that State. Beginning with the entitlement period that begins July 1, 1976, the maximum constraint shall increase at a rate of 6 percentage points per entitlement period until it reaches 175 percent.

(c) Special Allocation Rules.—

* * * * *

(1) Optional formula

* * * * *

(C) apply during the period beginning on the first day of the first entitlement period to which it applies and ending on [December 31, 1976.] September 30, 1982.

Sec. 109. Definitions and Special Rules for Application of Allocation Formulas.

* * * * *

(c) General Tax Effort of States.—

* * * * *

(2) State and Local Taxes.—

(B) Most Recent Reporting Year.—The most recent reporting year with respect to any entitlement period consists of the years taken into account by the Bureau of the Census in its most recent general determination of State and local taxes made before the [close] beginning of such period.

Sec. 121. Reports on Use of Funds; Publication.

(a) Reports on Use of Funds.—Each State government and unit of local government which receives funds under subtitle A shall, after the close of each entitlement period, submit a report to the Secretary [setting forth the amounts and purposes for which funds received during such period have been spent or obligated] on the use of the funds received during such period. Such reports shall be in such form and detail and shall be submitted at such time as the Secretary may prescribe.

(b) Reports on Planned Use of Funds.—Each State government and unit of local government which expects to receive funds under subtitle A for any entitlement period beginning on or after January 1, 1973, shall submit a report to the Secretary [setting forth the amounts and purpose for which it plans to spend or obligate the funds which it expects to receive during such period] on how it plans to use the funds it expects to receive during such period. Such reports shall be in such form and detail as the Secretary may prescribe and shall be submitted at such time before the beginning of the entitlement period as the Secretary may prescribe.

(c) Publication and Publicity of Reports.—Each State government and unit of local government shall have a copy of each report submitted by it under subsection (a) or (b) published in a newspaper which is published within the State and has general circulation within the geographic area of that government. Where the newspaper publication cost of such report is excessive in relation to the amount of the entitlement of a unit of local government or where other means of publicizing the reports are more appropriate, then such reports shall be publicized pursuant to regulations prescribed by the Secretary. Each State government and unit of local government shall advise the news media of the publication of its reports pursuant to this subsection.

Sec. 122. Nondiscrimination Provision.

* * * * *

(b) Authority of Secretary.—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall notify the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located) of the noncompliance and shall request the Governor to secure compliance. If within a reasonable period of time the Governor fails or refuses to secure compliance, the Secretary is authorized (1) to refer the matter to the Attroney General with a recommendation that an appropriate civil action be instituted; (2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d)[;], and to withhold all or a portion of the entitlement funds due such State government or unit of local government, to terminate the eligibility of such State government or unit of local government to receive one or more payments under subtitle A, and to require repayment by such State government or unit of local government of the entitlement funds expended in a program or activity found to be in violation of subsection (a);

(3) to take such other action as may be provided by law.

Sec. 123. Miscellaneous Provisions.

(a) Assurances to the Secretary

* * *

(5) it will—

(A) use fiscal, accounting, and audit procedures which conform to guidelines established therefor by the Secretary (after consultation with the Comptroller General of the United States),

(B) provide to the Secretary (and to the Comptroller General of the United States), on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for purposes of reviewing compliance with this title (or, in the case of the Comptroller General, as the Comptroller General may reasonably require for purposes of reviewing compliance and operations under subsection (c)(2)), [and]

(C) make such annual and interim reports (other than reports required by section 121) to the Secretary as he may reasonably require[;], and

(D) notwithstanding paragraph (4), provide notice and opportunity to the residents so that they may give recommendations and views on the proposed expenditures of all funds made available under subtitle A in a public hearing or in such other manner as the Secretary may prescribe by regulation;

* * *

[(8) in the case of a unit of local government as defined in the second sentence of section 108(d)(1) (relating to governments of Indian tribes and Alaskan native villages), it will expend funds received by it under subtitle A for the benefit of members of the tribe or village residing in the county area from the allocation of which funds are allocated to it under section 108(b)(4).]

Sec. 141. Definitions and Special Rules.

(b) Entitlement Period.—For purposes of this title, the term "entitlement period" means—

(1) The period beginning January 1, 1972, and ending June 30, 1972.

(2) The period beginning July 1, 1972, and ending December 31, 1972.

(3) The period beginning January 1, 1973, and ending June 30, 1973.

(4) The one-year periods beginning on July 1, of 1973, 1974, and 1975.

[(5) The period beginning July 1, 1976, and ending December 31, 1976.]

(5) The period beginning July 1, 1976, and ending September 30, 1977.

(6) The one-year periods beginning on October 1 of 1977, 1978, 1979, 1980, and 1981.

Analysis: State and Local Fiscal Assistance Act Amendments of 1975

SECTION 1

The amount of a recipient government's revenue sharing allocation is determined by the data factors of that government relative to the data factors of all other competing governments. In the process of improving the data, it is sometimes necessary to make data corrections after the final allocation of funds, and after the period during which the vast majority of data corrections have been processed. Each data correction of this type, absent a special procedure, would result in retroactive changes to the allocations and payments of many governments which had expended the funds or had come to rely on those allocations and payments for budgetary purposes.

To mitigate the inequity arising from this unfortunate but inevitable circumstances, 31 CFR 51.25(a) has been promulgated. It establishes an Obligated Adjustment Reserve that is funded by administratively holding in reserve a small percentage (.005) of the revenue sharing funds appropriated for each entitlement period from which adjustments can be made to alleviate hardships caused by prior misallocations. The amount of revenue sharing funds held in reserve and the decision to make adjustment payments is determined at the discretion of the Secretary, as the equity of the situation requires.

The creation of the Reserve Fund has proved necessary for the orderly administration of the General Revenue Sharing program due to the complexity of the allocation process. The proposed amendment to section 102 of the Act is recommended in the first section of the bill to clarify the authority of the Secretary to make adjustments in this manner.

SECTION 2

Section 105(b)(1) of the present Act provides for the periodic appropriation of funds from the general fund of the Treasury to the State and Local Government Fiscal Assistance Trust Fund. Funding under this section is provided through December 31, 1976, with

an increase of $150 million each full fiscal year with the exception of early periods and the last period of six months. The six-month period also provides for a step increase of $150 million.

Clause (1) of section 2 of the bill provides for a continuation of the General Revenue Sharing program for 5¾ additional years, concluding with the fiscal year beginning October 1, 1981. This recommendation strikes a reasonable balance between the need of recipient governments for fiscal stability and the legitimate desire of the Federal Executive and the Congress to review the law in the light of future national economic concerns. Thus, the total amount to be distributed under the 5¾-year renewal program is $39.85 billion, which includes $75 million moved forward from the final six months of the current program. The original Act provided for a $150 million increase for the six-month entitlement period which was to end the GRS program. Since the program is to be extended, the legislation seeks to continue linear $150 million annual stairstep increases in funding level.

The amendment also creates a three-month appropriation period beginning July 1, 1976, and ending September 30, 1976, to provide for the transition to the new October 1 Federal fiscal year. The entitlement period beginning July 1, 1976, combines this quarter with the following fiscal year so that the entitlement period would end on September 30, 1977.

When the revenue sharing allocation of Alaska or Hawaii is determined by the three-factor allocation formula, it becomes eligible for the noncontiguous State adjustment. Pursuant to section 106(c) of the Act, an adjustment may be made to the basic allocation for these States in which civilian employees of the U.S. Government receive an allowance under 5 U.S.C. section 5941. Section 105(b)(2) appropriates the funds used to make this adjustment.

Clause (2) of section 2 of the bill would amend section 105(b)(2) by extending this appropriation at the existing rate of $4,780,000 per year. Further, this amendment, like that of clause (1) of section 2 above, would result in two appropriation periods being combined under the new fifteen-month entitlement period proposed for section 141(b). This will allow for the transition to the new Federal fiscal year and at the same time identify all the appropriations being proposed for this section, including the transition quarter.

Clause (3) of section 2 of the bill would amend section 105 of the Act to add subsections (d) and (e). The new subsection (d) provides that the funds appropriated for the extension of the General Revenue Sharing program are exempt from the appropriation procedures of section 401(a) and (b) of the Congressional Budget Act of 1974 (P.L. 93–344). This Act specifically provides that any extension of the General Revenue Sharing program is eligible for this exemption.

The appropriation of funds at the outset for the extension of the General Revenue Sharing program is vitally important to recipient governments to assist them in planning for their service programs, capital improvement programs, and financial policies without being subject to the inherent delays and uncertainties of the annual appropriation process.

The new subsection (e) provides that the Secretary of the Treasury shall submit a report, with recommendations concerning the extension of the Act, to the Congress two years before the expiration of funding under this bill. A requirement to review the renewal of the General Revenue Sharing program two years in advance of its expiration would remove much of the uncertainty for State and local governments regarding availability of future funds and would provide the Congress adequate time to review the program.

SECTION 3

Section 107(b)(5) of the Act provides a special rule to measure State assistance to local governments during the six-month-long entitlement period (July 1, 1976-December 31, 1976). This provision is no longer needed in view of the fact that this legislation would replace the six-month entitlement period with a new longer entitlement period. Accordingly, it is proposed that section 107(b) be amended to delete paragraph (5). In situations in which either the recipient government's fiscal year does not coincide with an entitlement period or where an entitlement period is greater than or less than a full year, the Office of Revenue Sharing has provided by regulation (31 CFR 51.26) that the point of reference for measuring a State's assistance to local governments will be that State's fiscal year.

SECTION 4

Section 4(a) amends section 108(b)(4) of the Act to treat an entitlement waiver by an Indian tribe or Alaskan native village in the same way as waivers by other eligible governments.

Section 108(b)(4) of the present Act provides that if the governing body of an Indian tribe or Alaskan native village waives its entitlement, then the amount of the entitlement shall be distributed according to the rules relating to distribution within county areas. The waiver by an Indian tribe or Alaskan native village is therefore handled differently than a waiver by a unit of local government pursuant to section 108(b)(6)(D). In the case of a waiver by a unit of local government, the entitlement waived becomes a part of the entitlement of the county government of the county area in which the waiving unit is located. In the case of Indian tribes and Alaskan native villages, section 108(b)(4) requires the amount of the entitlement waived by those units to pass to all of the other local units of government in the applicable county area.

The requirement treatment of waived entitlements by Indian tribes causes a significant burden of recomputation, the net effect of which is to increase the entitlement of numerous units of local government by relatively insignificant amounts. In many instances, the cost to the Office of Revenue Sharing of making the required adjustment to entitlements initiated by waiver by an Indian tribe exceeds the amount of the entitlement waived. We believe that entitlements waived by an Indian tribe or Alaskan native village should be treated the same as a waiver by any other unit of local government, and the amount waived should be added to the county government entitlement. Section 4(a) of the bill would accomplish that purpose..

Section 4(b) of the bill provides that beginning with the entitlement period that begins on July 1, 1976, the present maximum limitation on the amount of revenue sharing entitlements be raised. In order to insure that some communities would not receive extremely high or low allocations, the maximum and minimum limitations on the revenue sharing allocations to county areas and units of local government were imposed upon the revenue sharing formula. Under the current law, the maximum limitation for any county area or local government in a State is 145 percent of the per capita allocation to all local governments in the State.

The effect of this 145 percent maximum is as follows: after the entitlements of local governments within a State are computed according to the formula, any jurisdiction which is entitled to receive more than 145 percent of the average per capita allocation to all local governments in that State has its allocation reduced to the 145 percent level. The funds taken from these jurisdictions, which are generally characterized by low-income population and high levels of tax effort, are then redistributed according to the formula to the remaining jurisdictions within the State which are not so constrained and which would otherwise receive smaller amounts.

To reduce the impact on local governments which have been receiving additional funds that are redistributed because of the operation of the 145 percent constraint upon other jurisdictions within their State, the maximum allocation constraint would be raised gradually, in five steps, by an increase of 6 percentage points per entitlement period until a new maximum constraint level of 175 percent is reached. The purpose of raising the maximum per capita allocation constraint to 175 percent is to allow low personal income and high tax effort to be more fully reflected in the operation of the basic formula.

Due to the responsiveness of the revenue sharing formulas to changes in data—the allocation of revenue sharing funds is based on annually changing data elements such as adjusted taxes, and on periodically updated data elements such as per capita income and population—the effect of this proposed change will vary in any entitlement period and from State to State. As a result of the gradual phase-in, and as a result of the stairstep increases in the total amount being distributed each entitlement period, however, the potential losses to almost all jurisdictions in any given year should be fully offset so that they will not suffer an actual decrease in their revenue sharing payments as a consequence of this change.

Increasing the maximum constraint as proposed will, as a general rule, cause increased revenue sharing funds to be received by the 4,000 places that have been constrained in the past. These places include both major cities and smaller jurisdictions. Approximately 23,000 places would no longer receive additional redistributed funds from the constrained places, but the amount involved for any given place is relatively small. Had the 175 percent constraint limitation been *fully* implemented in FY 1974, these 23,000 places would have received an average of $3,000 less than they were actually paid in FY 1974, which is an average 2.2 percent less than they actually received.

Section 108(c) of the Act enables State governments, by enactment of a State law, to adopt an alternative formula for the distribution of revenue sharing allocations among the county areas and among the municipalities located therein. Section 4(c) of the bill amends section 108(c)(1)(C) for the sole purpose of reflecting the extension of the General Revenue Sharing appropriations until September 30, 1982.

SECTION 5

Section 109(a)(5) of the preesnt Act states that, except as provided in the regulations, the determination of allocations and entitlements for any entitlement period shall be made as of the first day of the third month immediately preceding the beginning of each period. Further, section 109(a)(7) provides for uniformity of data and states the general rule that the data shall be the most recently available data. These provisions are effective and permit the orderly computation of entitlements before the beginning of each period so that States and local governments may be advised, for planning purposes and for purposes of informing their citizens, well before payments are made. In section 109(c)(2)(B) the definition of the general tax effort for States defines the most recent reporting year as the one taken into account by the Bureau of the Census prior to the close of that entilement period. This definition appears to conflict with the definition for all other data items and appears to conflict with the earlier section providing for uniformity of data and for computation of entitlements three months before the beginning of an entitlement period.

Were this non-conforming definition to

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be given precedence, it would necessitate substitution of these data during an entitlement period while payments were being made, and would result in changing the entitlements for all 38,000 recipient governments during the middle of the payment year.

Section 5 of the bill would eliminate this non-conforming language by amending section 109(c)(2)(B) by deleteing the word "close" in the phrase "made before the close of each period", and inserting in lieu thereof the word "beginning". Thus, the phrase would read, "made before the beginning of such period". In this way, data from which the general tax effort factor is computed, and which is published by the Department of Commerce by October of each year, would be used for the computation of the entitlement period beginning in the following year, and no tax effort adjustments to the general universe of recipients would be necessary.

SECTION 6

Section 121(a) of the Act requires States and units of local governments to submit a report to the Secretary of the Treasury at the close of each entitlement period setting forth the amounts and purposes for which funds received during such period have been spent or obligated. The purpose of this section is to keep the Secretary and the public abreast of how recipient governments are spending their General Revenue Sharing funds.

Attempts to measure the various effects General Revenue Sharing funds have had on recipient governments from the Actual Use Reports submitted to date have met with only limited success. Section 6(a) of the bill is intended to give the Secretary more discretion to determine the form and content of the reports submitted under section 121(a) of the Act. This additional authority to regulate the substantive content of the Actual Use Reports will be used to require recipient governments to report financial and use information in a fashion that is more meaningful to the general public, to the Congress, and to the Executive Branch.

Section 121(b) of the Act requires States and units of local government expecting to receive revenue sharing funds for any entitlement period to submit a report to the Secretary of the Treasury setting forth the amounts and purposes for which they plan to spend or obligate the funds during such period. The so-called Planned Use Report is intended to be used to inform the Secretary and the public as to how recipient governments plan to expend their General Revenue Sharing funds.

Section 6(b) of the bill is intended to serve the same function for the Planned Use Reports as section 6(a) serves for the Actual Use Reports. In each case, we believe the effectiveness of the reports could be significantly enhanced if the Secretary were allowed more administrative discretion to determine their content. The present requirement that the Planned Use Report set forth the amounts and purposes for which the recipient government plans to spend or obligate the funds does provide beneficial information. However, section 6(b) would make it possible for the reports to provide data that is more useful to local citizens and the Federal Government.

Section 121(c) of the Act requires each recipient government to publish a copy of each report which it submits to the Office of Revenue Sharing in a newspaper which is published within the State and has general circulation within the geographical area of that government. Based on our administrative experience, this section should be modified. The Office of Revenue Sharing has received a large number of complaints, particularly from small units of government, regarding the relatively high cost of publication. Some small governments receiving less than $1,000 have had to spend $100 or more for publication due to a variety of local circumstances. In other instances, the unavailability of a newspaper circulating generally within the geographical area of a county has been called to our attention. In still other cases, we have been advised that there are more effective ways to get the information contained in the report to the citizens of the community.

Section 6(c) of the bill would amend section 121(c) to authorize the Secretary to establish alternative procedures where it is determined that the requirement of publication in a newspaper is unreasonably expensive in relation to the amount of revenue sharing funds involved, or, where the Secretary finds that in terms of public understanding, there are better methods to get the information before the residents of the community.

SECTION 7

Section 122(a) of the Act provides that no person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with revenue sharing funds. The statutory authority of the Secretary of the Treasury to enforce the above nondiscrimination provision is set forth in section 122(b) of the Act. It presently states that upon a determination by the Secretary that a recipient has failed to comply with subsection 122(a), and after notification to the Governor of the State (or in the case of a unit of local government, the Governor of the State in which such unit is located) and after failure to secure voluntary compliance within a reasonable period of time, the Secretary may either: refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; exercise the powers and functions provided by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); or take such other action as may be provided by law.

Title VI of the Civil Rights Act of 1964 prohibits discrimination in the use of Federal financial assistance by way of grant, loan, or contract, (42 U.S.C. 2000d–1). In order to receive such assistance, generally the State or local government must file an application satisfying the requirements of the particular program. Revenue sharing payments are based on a statutory entitlement for which States and units of local government are automatically eligible pursuant to section 102 of the Act. The Secretary has no discretion to approve or disapprove in advance payments to any participating recipient government after certain minimal statutory requirements are met.

Recognizing the unique aspects of revenue sharing entitlements, section 7 of the bill is intended to express clearly in the Act certain authority of the Secretary in applying the nondiscrimination provisions of section 122. This is accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been in violation of subsection (a). The changes in section 122 will further enhance the Secretary's ability to ensure that entitlement funds are not utilized in a discriminatory manner.

SECTION 8

Broad public participation in State and local decisionmaking as to how revenue sharing funds are to be expended is an essential ingredient of General Revenue Sharing. For this reason, section 121(c) requires that the news media be notified when the Planned Use and Actual Use Reports are published in a local newspaper.

By regulation, recipient governments must also make these reports available to the general public. Additionally, to encourage citizen involvement, section 123(a)(4) of the Act requires recipient governments to provide for the expenditure of revenue sharing funds only in accordance with the laws and appropriation procedurea which are applicable to the expenditure of their own revenues.

Clause (1) of section 8 of the bill would further strengthen the general public's role in the General Revenue Sharing process. It amends section 123(a)(5) of the Act to the extent that in order to qualify for revenue sharing funds, a State or unit of local government must establish to the satisfaction of the Secretary of the Treasury that it will provide the residents under its jurisdiction with an opportunity to give their recommendations and views on how the revenue sharing funds should be spent. This opportunity for public involvement may be provided either in a public hearing or, where appropriate, by other means prescribed in regulations to be issued by the Secretary of the Treasury. This amendment would serve to ensure that all recipient governments, regardless of whether they have State or local public participation requirements, will include the public in the decision-making process on the expenditure of revenue sharing funds.

Section 123(a)(8) of the Act provides that Indian tribes and Alaskan native villages must spend their revenue sharing funds for the benefit of members of the tribe or village residing in the county area from which its revenue sharing entitlement originates. This provision affects Indian reservations which are located in more than one county, thus resulting in the tribe receiving separate revenue sharing allocations from each county area.

Clause (2) of section 8 proposes to eliminate this provision for two reasons. First, it is very difficult for the Indian government to administer since it demands that an analysis be made of each proposed revenue sharing expendtiure to ensure that the proper percentage of residents in the applicable counties will benefit in proportion to the percentage of revenue sharing funds generated from each country. Second, this requirement frustrates reservation-wide planning by limiting the capacity of the tribal government to concentrate its revenue sharing expenditures in areas which have the highest priority.

SECTION 9

Section 141 of the Act defines the entitlement periods which govern the distribution of funds to recipient governments. Section 9 of the bill would revise the last entitlement period (July 1, 1976, to December 31, 1976) by extending it to September 30, 1977. This fifteen-month entitlement period would provide for the transition to the new Federal fiscal year and would combine the appropriations of subparagraph (G) and proposed subparagraph (H) of section 105(b)(1). Also, section 141 would be amended to extend the General Revenue Sharing program until September 30, 1982.

Mr. PACKWOOD. Mr. President, today I am pleased to join the chairman of the Finance Committee (Mr. Long) and the chairman of the Revenue Sharing Subcommittee (Mr. Hathaway) in introducing President Ford's proposal to extend the State and Local Fiscal Assistance Act of 1972.

In my experience, revenue sharing has proven to be one of the most effective Federal programs. The program has been largely successful in meeting its original goals. Early renewal of the program is desirable to allow State and local governments to make sound plans for their revenue sharing payments.

As of January 6, 1975, more than $17 billion had been distributed through the

general revenue sharing program. I request unanimous consent to have two tables taken from the Second Annual Report of the Office of Revenue Sharing inserted in the Record as a part of these remarks. The tables show the cumulative disbursements of revenue sharing funds as of January 6, 1975, and the use of revenue sharing funds reported by State and local governments. Table 1 shows that revenue sharing has provided assistance to nearly 39,000 general purpose governments. Table 2 shows that recipient governments have used the funds to provide important public services and public facilities of benefit to all Americans, including public safety, education, transportation, environmental quality, health, recreation, and social services for the poor and aged.

The formula for distribution of revenue sharing funds results in greater distributions to areas of greatest need. Mississippi has the lowest per capita income and Connecticut has the highest. Under the revenue sharing formula, Mississippi receives three times as much revenue sharing as Connecticut, per $1,000 of personal income. Further, central cities receive more per person than the wealthiest of their suburbs.

For example, Los Angeles receives three times the per person revenue sharing distribution to Beverly Hills; Chicago receives five times the per person revenue sharing distribution to Winnetka; and Cleveland receives six times the per person revenue sharing distribution to Shaker Heights.

General revenue sharing has slowed the centralization of power in Washington. Revenue sharing lets people attack local problems through the governments closest to them, instead of looking to an all powerful central bureaucracy. Excessive central control can lead to complex, counter productive, and encrusted programs, with massive regulations and forms.

Revenue sharing allows elected officials to use the funds as desired by the people in a community. Let me illustrate this point. A public opinion survey conducted by a group of researchers at the University of California at Los Angeles showed that the public's top priorities for revenue sharing were public safety and education. The record now shows that these two areas in fact received the most revenue sharing funds.

These goals have been accomplished with very low administrative costs. Only 85 Federal employees are required to administer the 5-year, $30 billion State and Local Fiscal Assistance Act of 1972. Administrative costs are only 0.12 percent of total revenue sharing funds. In addition, fewer employees are needed by State and local governments in administration of revenue sharing than categorical grants, because of elimination of complex application and monitoring procedures.

Categorical programs can lead to wasted money. Every member of the panel of Mayors testifying before the Revenue Sharing Subcommittee of the Finance Committee on April 16, 1975, stated that his government had applied for categorical funds "just because they were there," even though the use of the funds may have been restricted to one of their city's lower priority problems. Washington, D.C.'s Mayor testified that categorical restrictions on Federal funds had interferred with a unified attack on certain urban problems. These inefficiencies are avoided with revenue sharing.

Early renewal of revenue sharing is important. The present program expires December 31, 1976. During the fall of 1975 and early in 1976 many State and local governments will be planning their fiscal year 1977 budgets. Advanced knowledge of availability of revenue sharing will insure wise planning. Therefore, we hope for favorable action this first session of the 94th Congress.

The proposed renewal legislation generally would continue general revenue sharing as now exists, with several improvements. Funds would be authorized for 5¾ additional years. This extends the expiration date from December 31, 1976, to September 30, 1982. The use of the fractional year conforms the time period to the new fiscal year.

The renewal legislation would authorize $39.85 billion, for the period from January 1, 1977, to September 30, 1982. The initial State and Local Fiscal Assistance Act of 1972 had authorized $30.2 billion for the first 5 years of the program. The increased appropriation is a continuation of the $150 million annual increase now followed in the program. This rate of annual increase was less than the inflation rate for the first 3 years of revenue sharing, resulting in an actual decrease in revenue sharing purchasing power. Similarly, the appropriation for noncontiguous States would be increased from $23.9 million to $27.5 million.

The basic revenue sharing formula would be retained. It causes substantial and equitable revenue to nearly 39,000 State and general-purpose local governments.

The per capita restraint on the basic formula would be raised. This would allow more funds to go principally to hard-pressed jurisdictions. Under the present limitation, a local government is not entitled to more than 145 percent of the average per capital distribution to other local governments in the State. The President's proposal would raise this to 175 percent, at a rate of 6 percent per year, to minimize the impact of the change.

The civil rights enforcement provisions would be strengthened. The State and Local Fiscal Assistance Act would be changed to state specifically that the Secretary has authority to withhold or terminate all or a portion of a recipient government's entitlement, and to require repayment of funds expended in a program found to have been discriminatory.

To strengthen public participation in determining the use of revenue sharing funds, the recipient government would be required to provide a procedure for citizen participation such as a public hearing.

The proposal would also make reporting and publication requirements more flexible, according to procedures determined by the Secretary. Under present law the cost of meeting the publication requirement can be excessive compared to the amount of entitlement.

To provide Congress with an opportunity to thoroughly review revenue sharing, the proposal would require the Secretary to submit a report with appropriate recmmendations concerning extension of general revenue sharing 2 years before expiration of the program.

This renewal legislation would continue and improve a program that is important to our citizens in every American community. I urge the Senate to act favorably on the proposal.

Mr. TOWER. Mr. President, I have long endorsed the concept of general revenue sharing and I am again pleased to add my name to the growing number of those in the Senate who are cosponsoring an extension and modification of the State and Local Fiscal Assistance Act of 1972.

This measure would basically extend revenue sharing for another 5¾ years and would provide the necessary appropriations, within the bounds of fiscal propriety, to finance it for this period.

The 5-year general revenue sharing program instituted by historic legislation in January 1972 is scheduled to expire on June 30, 1976. Up to the present time—through April 1975—nearly $19 billion of the $30.2 billion authorized by this legislation has been disbursed to nearly 39,000 State and local governing bodies.

I believe most of us have, by this time, seen the importance of this landmark legislation in revitalizing State and local governing units, and will agree that this program should be continued.

Organizations representing State, county, and city governments have consistently supported enactment of the general revenue sharing legislation and now urge early approval of an extension of this program beyond its 1976 termination date. It is imperative that we in the Senate act expeditiously on this measure in order to secure adequate leadtime for State and local governments to properly plan their budgets.

Support from the general public has been increasing as the beneficial results of this program becomes apparent. In a poll conducted by the Advisory Commission on Intergovernmental Relations in April 1974 it was found that 65 percent of the U.S. public were in favor of general revenue sharing. This percentage contrasted with 56 percent reported in May 1973.

The extension of general revenue sharing provided in this measure will give State and local governing bodies a dependable and a continuing source of revenue with which to finance their growing requirements. The 5¾-year extension of this program also will facilitate longer range budgetary planning by State and local officials. Furthermore, the program will continue to be funded by permanent appropriations, which become available automatically each year, and thus are not subject to the unpredictable annual budgetary process.

I am well aware that there is room for improvement and that modification of particular aspects of the program are necessary, but I believe the basic structure of the revenue-sharing program is sound. The present revenue-sharing program contains several Federal regulations, but it has eliminated much delay,

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redtape, inefficiency, and duplication so often attributed to the disbursement of many of our Federal categorical aid programs. Since this program is monitored by the Office of Revenue Sharing and the General Accounting Office, protection from abuses by any governing unit is kept to a minimum. Furthermore, there is ample machinery for investigation and withholding of allotments from any government which is found to be in violation of specific provisions of this act.

Extension of this vital legislation is imperative. It returns money, power, and decisionmaking to State and local governing units.

I urge my colleagues in the Congress to give careful consideration and prompt approval of this measure.

By Mr. FANNIN:

S.J. Res. 78. A joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week." Referred to the Committee on the Judiciary.

Mr. FANNIN. Mr. President, recently I had reprinted in the RECORD an article detailing the extraordinary work being done by Miss Lori Cox of Scottsdale, Ariz.

One of the projects of this energetic and talented teenager has been the establishment of a National Patriotism Week.

Mr. President, Congressman JOHN RHODES, the distinguished minority leader in the House of Representatives, has sponsored to establish a National Patriotism Week. Today I would like to introduce this joint resolution in the Senate, and I ask unanimous consent to have it printed in the RECORD at this time.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 78

Whereas the freedom known in this country was won through great sacrifice and long tribulation; and

Whereas similar sacrifices have been made by the citizenry of the United States to extend liberty and well-being to other nations of the world; and

Whereas it is altogether fitting and proper to recognize such great freedoms, and to honor so great a nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week commencing with the third Monday in February of each year is hereby designated as "National Patriotism Week".

SEC. 2. The President is authorized and requested to issue annually a proclamation—

(1) calling upon the people of the United States to commemorate National Patriotism Week with appropriate celebrations and observances;

(2) encouraging primary and secondary schools to adopt an appropriate curriculum for that week including such elements as the study of the Pledge of Allegiance and the National Anthem, national symbols, seals, and mottos, and national monuments, heroes, and accomplishments; and

(3) requesting each Federal agency to recognize such week by taking such action as it may deem appropriate.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 308

At the request of Mr. DOMENICI, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 308, a bill to provide one free physical examination per year for medicare recipients.

S. 465

At the request of Mr. KENNEDY, the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Michigan (Mr. PHILIP A. HART), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 465, a bill to provide for the application of the generalized system of preferences to Western Hemisphere countries.

S. 792

At the request of Mr. TUNNEY, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 792, a bill to provide increased part-time working opportunities in the Federal Government (the Part-Time Career Opportunity Act).

S. 985

At the request of Mr. PELL, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 985, the Social Security Recipients Fairness Act.

S. 1268

At the request of Mr. METCALF, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1268, a bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review, and establishment of additional units of the National Wildlife Refuge System; and for other purposes.

S. 1293

At the request of Mr. METCALF, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range, the Charles Sheldon National Wildlife Range, and the Kofa National Wildlife Range as part of the National Wildlife Refuge System; and for other purposes.

SENATE RESOLUTION 139

At the request of Mr. TUNNEY, the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. BAYH), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Resolution 139, expressing the sense of the Senate that the President should issue a proclamation designating April 30 as "Armenian Day."

SENATE CONCURRENT RESOLUTION 28

At the request of Mr. MONDALE, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Concurrent Resolution 28, to provide for the commissioning of a statue or bust of Dr. Martin Luther King, Jr.

SENATE RESOLUTION 145—SUBMISSION OF A RESOLUTION EXPRESSING DISAPPROVAL OF THE PRESIDENT'S PROPOSAL TO DECONTROL THE PRICE OF DOMESTIC CRUDE OIL

(Referred to the Committee on Interior and Insular Affairs.)

Mr. JACKSON. Mr. President, I am today introducing a resolution that would express the disapproval and disagreement of the Senate with the administration's proposal to decontrol the price of domestic crude oil, or to be more accurate, to transfer the authority for the pricing of domestic crude oil from the Federal Energy Administration to the OPEC cartel.

As my colleagues know, the fact that decontrol would take place over a period of 2 years cannot begin to compensate for the catastrophic impact of this action on the economy and the consumer and for that reason the Senate on April 10 defeated by a vote of 62 to 23 an amendment to S. 622 that would also have provided for decontrol over a 2-year period. In point of fact, Mr. President, decontrol over a 2-year period may in some respects be worse than immediate total decontrol in that while it is so gradual as to preclude any significant reduction in energy consumption, the economy as a whole and the American consumer would be adversely affected by its economic impact almost at once. The net practical effect of the proposal to decontrol would be simply to transfer vast sums of money from other sectors of the economy to energy. Unable to adjust, the average American would not be offered the option of conserving energy but would, instead, be compelled to pay more for that with which he cannot do without. In short, the administration seeks to employ prohibitive pricing to alter the American life style in 2 years. What it would succeed in doing would be to delay or impede the economic recovery of the Nation from its current depressed state.

Mr. President, I ask unanimous consent that the resolution and a fact sheet describing the President's price decontrol and its impact be inserted in the RECORD following my remarks.

There being no objection, the resolution and fact sheet were ordered to be printed in the RECORD, as follows:

S. RES. 145

Resolved, that the Senate of the United States, acting pursuant to the authority contained in section 4(g)(2) of the Emergency Petroleum Allocation Act of 1973, hereby states its disagreement with and disapproval of the amendment proposed by the President to the regulations promulgated under section 4(a) of the Emergency Petroleum Allocation Act to remove price controls from domestic crude oil, residual fuel oil, propane, and refined petroleum products.

FACT SHEET: DECONTROL OF DOMESTIC CRUDE OIL

(Prepared by the staff of the Senate Interior and Insular Affairs Committee at the request of Senator HENRY M. JACKSON)

On April 30th the Federal Energy Administration announced that the President intends to propose an amendment to the oil

price control regulations under the Emergency Petroleum Allocation Act of 1973. The President's proposal would decontrol the price of domestic oil production at the rate of four percent each month over a period of twenty-four months or two years. Because domestic production is declining it is assumed that this proposal will lead to total decontrol of the price of domestic oil production within two years. Thereafter domestic oil prices would be determined by the world oil price which is currently established by the unilateral and arbitrary pricing decisions of the OPEC oil producing cartel.

Some essential facts concerning the President's price decontrol program and its impact are set forth below:

1. Under the authority of the Emergency Petroleum Allocation Act of 1973 "old" oil is subject to price controls which are currently established at $5.25 per barrel. Domestic oil not subject to price controls is currently selling at slightly more than $12.00 per barrel.

2. Domestic oil prices are not established by the cost of production. Instead, they are established by the price of oil on the world market. This price is arbitrarily determined by the OPEC oil producers cartel.

3. Domestic oil production in 1975 has been 8.4 to 8.5 million barrels per day, 3.1 billion barrels per year or 250–255 million barrels per month.

4. Two-thirds of this production is "old" oil: 5.6 to 5.7 million barrels per day, 2.0 billion barrels per year or 170 million barrels per month.

5. Decontrol of 4% of domestic "old" oil production each month would affect 6.8 million barrels per month or 227,000 barrels per day.

6. The price of a barrel of this "old" oil would, under the President's program, increase by approximately $7—from $5.25 to over $12 if the import tariff is not further increased. If the President's proposal to increase the tariff an additional $2 per barrel is implemented the price of domestic oil will increase by approximately $9 to over $14 per barrel. Each month the cost of domestic oil would rise by approximately $47 million ($61 million if the additional tariff increases are implemented).

7. The total cost of the President's oil decontrol program, assuming the current new oil price of over $12 per barrel is maintained, would be $14.5 billion ($19 billion of the oil import tariff is increased). The Administration proposal accomplishes this in two years at an annual cost of $7.3 billion ($9.5 billion with the tariff).

8. The ultimate impact of the Administration's proposal spread over the approximately 6.3 billion barrels of petroleum products used annually in the U.S. would be 5.5¢ per gallon. If this cost is absorbed by gasoline users only, as the Administration has proposed, the cost of gasoline would rise by 14¢ to 15¢ per gallon after two years. (This cost does not include the increased gasoline tax under consideration in the House of Representatives).

9. If prices of domestic production are decontrolled, all U.S. crude oil prices, as well as the price of coal, intrastate natural gas and other energy forms, will relate to the price of imported oil. Therefore each extra dollar of imported oil tariff would raise the total cost of the decontrol of domestic oil by approximately $2 billion.

NOTICE OF HEARINGS

Mr. METCALF. Mr. President, the Subcommittee on Minerals, Materials and Fuels of the Senate Committee on Interior and Insular Affairs has scheduled a meeting on June 4.

We plan to hear Ambassador John R. Stevenson, Special Representative of the President for the Law of the Sea Conference. He will have recently returned from the current session of the United Nations Law of the Sea Conference in Geneva.

Members of the subcommittee, and of other committees invited to attend, will be interested in his report on specific progress toward international agreement; the probability by the end of this implement a treaty or to permit the United States can live, and recommendations for domestic legislation either to implement a treaty or to permit the United States to exercise at least some measure of control over our nationals as they head seaward for resources vital to our economy pending international agreement in this complex area.

I have called this hearing to the attention of the chairman of the Senate Committees on Armed Services, Commerce and Foreign Relations. We will welcome their participation and that of their staffs.

The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska for the term of 4 years, vice William K. Schaphorst, resigning.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, May 7, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

A TRIBUTE TO VIETNAM WAR CORRESPONDENTS

Mr. JAVITS. Mr. President, several of our most dedicated news correspondents chose to remain in Saigon during the last hours of the Vietnam war.

Unfortunately, many of us have thought little about the difficult role of America's journalists in reporting South Vietnam's recent tragedy to the American people. Without them, however, the vast majority of our citizens would not have been able to understand the circumstances which led to our withdrawal and Saigon's subsequent surrender.

I also take this opportunity to pay tribute to the 56 American and foreign reporters who have died or are still "missing" in this struggle for the people's right to know.

I ask unanimous consent that James Reston's column entitled "The End of the Tunnel," published in the New York Times of April 30, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 30, 1975]

THE END OF THE TUNNEL

(By James Reston)

WASHINGTON, April 29.—In happier Vietnamese days, some cartoonist joked: "Will the last man through the tunnel please turn out the light?" But it is an interesting sidelight on the tragedy that the last Americans remaining almost a generation ago to go there—the reporters who stayed behind.

All other Americans have left: the Ambassador, the Foreign Service officers, the military, the businessmen, with all their families and their Vietnamese colleagues. Meanwhile some reporters have stuck it out, even against orders to leave. They are at the end of the tunnel, but they're not turning out the light.

Wes Gallagher, that tough old trooper of The Associated Press, who risked his own life in the last World War, still has his guys in Saigon: Peter Arnett, one of the great reporters of the last generation, George Esper and Matt Franjola.

United Press International has Alan Dawson, Leon Daniel, and two full-time "stringers" Cad Huntley and Paul Vogle. NBC says it has three Americans left, but it won't divulge the names for "security reasons." All the other American correspondents have been ordered out by their employers, though in some cases confirmation of their departure has not been received.

Wherever they are, the American reporters have obviously played an important role in this war. It was the first American war reported on television: Tune in Cronkite, Chancellor or Howard Smith, and see Johnny killed! It was the first American war without censorship, and the reporters were blamed for doing their job—reporting the facts.

Compared to the millions of G.I.'s who fought there, and the 55,000 Americans who died in Vietnam, the reporters weren't much, but 56 American and foreign reporters were killed, or are still "missing." Robert Capa and Larry Burrows of Life magazine, Charles Ebbleston of UPI, Oliver Noonan and Bernard Kollenberg of AP, Wells Hangen of NBC, George Syvertson and George Miller of CBS, and several superb non-American independents like Bernard Fall, lost their lives in the struggle.

Not to be too sentimental about these human tragedies, there were reporters who not only put down the facts of the war but predicted the failure of American and South Vietnamese policy.

It is not possible to be fair in calling the roll, but some reporters, who were vilified for telling the truth as they saw it, should not be forgotten in the end:

Neil Sheehan, David Halberstam, Charlie Mohr, Mal Browne, Sy Hersh and John Apple of The New York Times; Gene Roberts, now of The Philadelphia Inquirer, Homer Bigart, Ward Just, Lawrence Stern and Don Oberdorfer of The Washington Post—all these and many others lived in the Continental and the Caravelle in Saigon, and rode in the planes and helicopters into the Vietnamese battlefields.

Maybe the radio and television reporters with their cameras had more influence than anybody else, but it is not possible to record the history of the war of Southeast Asia without mentioning the role of what is called the media, for good or bad.

The reporters began by defending the policy of American intervention, but reported facts that suggested it wouldn't work. Presi-

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dents Johnson and Nixon villified them for challenging the official line that all was going well, and refusing to "get on the team," but in the end, the reporters came nearer to the truth in Vietnam than the officials.

There may be an important point here: It is no longer possible for a free country to fight even a limited war in a world of modern communications, with reporters and television cameras on the battlefield, against the feelings and wishes of the people. And beyond that, whether, after Vietnam and Watergate, even the power of the American Presidency can be imposed successfully. Mr. Nixon relied on "executive privilege" and "national security" to work his will, but the reporters, the Congress, and the courts brought him down.

Maybe the historians will agree that the reporters and the cameras were decisive in the end. They brought the issue of the war to the people, before the Congress or the courts, and forced the withdrawal of American power from Vietnam.

One result is that the reporters of the press and radio and television are now being blamed for the defeat of American policy and power in Indochina, which is another way of challenging the whole idea of democracy. For in the long tragic history of the war, the reporters have been more honest with the American people than the officials, and with all their shortcomings, their contributions should not be despised or forgotten.

THE FISCAL 1976 FEDERAL DEFICIT

Mr. TALMADGE. Mr. President, there has come to my attention a report on the economy and the projected Federal deficit which was presented to the board of directors of the Federal Reserve Bank in Atlanta.

In this report, Mr. William N. Cox, assistant vice president and chief financial economist, issues a very strong warning on the potential effect of the fiscal year 1976 deficit, estimated to be $80 billion.

I bring this report to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE FISCAL 1976 FEDERAL DEFICIT

(By William N. Cox)

Mr. Chairman, members of the Board, Governor Bucher, and gentlemen, my topic today is perhaps the topic, the Federal deficit for fiscal year 1976—the year beginning this July and running the next four quarters. Thank you for the privilege of reporting to you, first, on the dimensions of this deficit, and, second, on the implications it suggests for me for interest rates and for inflation.*

Turning first to the dimensions of the fiscal 1976 budget, we estimate it will run $80 billion. This is on a unified basis, as are the other estimates we've been reading in the newspapers. These estimates range from $60 billion, which is the level at which President Ford has been saying he will hold the line, to $100 billion, which the Administration claims would be the total if all the legislation in the Congressional hoppers were to be enacted. My own $80-billion estimate incorporates some allowance for additional Federal expenditures in reaction to high unemployment rates this summer. Almost all the disagreement among the various estimates is on the expenditures side.

An $80-billion deficit would be the largest dollar deficit ever and, in fact, almost twice the size of the previous record deficits marked during World War II. It is more meaningful, however, to look at the deficit in relationship to the size of the economy within which the deficit is run. By this measure we can see, first, that an $80-billion deficit amounts to about 5.4 percent of the current gross national product, which is the largest percentage ever in peacetime. We can also see that this prospective deficit is nowhere near as large as the proportion of GNP, as viewed by the World War II deficits. I am not suggesting, let me emphasize, that this 5.4 percent indicates a small deficit. Any deficit which runs more than 5 percent of our gross national product is enormous and this one will be the largest in our peacetime history.

The next obvious question is how much money the Treasury will have to borrow to finance this deficit. Treasury will need to borrow $20, $25, $30, and $[illegible]5 billion during consecutive quarters. If you add these numbers, you find they total $9[illegible] billion, $10 billion more than my estimated deficit. We estimate that the Treasury will have to borrow this additional $10 billion by selling its own securities to finance the so-called off-budget agencies. The biggest item in this difference is the new Federal Financing Bank, and we have an example of its activities right here in the state of Georgia. The Electric Membership Cooperatives borrow funds for capital investment from the Federal financing bank, and these funds are derived from the sale of additional Treasury securities.

This $90 billion, then, represents the amount of *new* debt the Treasury will have to sell during fiscal year 197[illegible], over and above the refunding of the debt it will already have outstanding on June [illegible]0. The Treasury will be able to sell some of its additional debt obligations to the Federal Reserve and to the various trust accounts of the Federal government: The social security trust fund, the highway trust fund, and other such accounts typically invest their cash flow and their reserves in government securities. We think that these two kinds of purchases will amount to about $5 billion in each quarter, leaving a $70-billion total that the Treasury will have to sell to the public.

To put this in perspective, let me cite a fact that very few people realize. Between the end of 1968 and the end of 1974, the Treasury sold no additional debt to the American domestic public. At the end of 1968, the domestic public—banks and other financial institutions, nonfinancial corporations, institutional and individual investors, and state and local governments—held $214 billion in U.S. Treasury obligations. At the end of 1974, they held $2[illegible]3 billion. There was an expansion of the Treasury debt outstanding during this period, of course, but it was not financed by the domestic public. Some of it was bought by the Federal Reserve and the trust accounts I just mentioned, but most of it—$4[illegible] billion worth—was brought by the foreign central banks.

It is always possible that foreign central banks will be adding to their holdings of Treasury debt this year, thereby helping to finance the large deficit we are talking about; but this is not a sure thing. Without allowing for foreign central bank purchases, the American domestic public will be shifting from zero purchases of additional Treasury debt during the years 1969 to 1974 to those shown in the shaded bars, about $70 billion, during fiscal year 1976. This, to say the least, is a massive turnaround in the Treasury's demand on the domestic public for finance.

Up to this point, Mr. Chairman, we have been in the realm of fairly objective questions with fairly objective answers. Now we leave that realm to discuss the implications of this deficit and this borrowing, first, for interest rates and, second, for inflation. With regard to interest rates, the questions are still fairly simple but the answers are less clear. The Treasury will fill its needs for new financing. What happens to interest rates will depend on how much credit will be left over after the Treasury fills its needs and on how much private demand there will be for what is left over. How much credit there will be depends heavily on the Federal Reserve and on the extent to which it will monetize the new Treasury debt by supplying additional bank reserves. How much the private demand will be for the portion left by the Treasury will depend on the timing and the strength of the economic rebound.

My own opinion, turning first to short-term interest rates, is based on two assumptions. If the Federal Reserve realizes the intention suggested repeatedly by Chairman Burns in his testimony on Capitol Hill to hold monetary aggregates to moderate rates of growth during the upcoming fiscal year, and if the economic rebound embodies a recovery to about 5 percent growth in GNP (which is what most forecasters are now predicting), then it seems to me that there will not be enough credit to go around in the short-term markets and, accordingly, that short-term rates will go up. They are now in the 5- to 6-percent range; they may well push up around 8 percent during fiscal year 1976.

From what we know now, the most severe upward pressure should come between October and March, when, as the chart shows, the Treasury will be doing its heaviest borrowing. This is also when most of us expect to see responses to the fiscal stimulation and inventory unwinding now in progress. In my opinion, most private credit demands generated by this rebound will be short-term as inventories are again accumulated and demands for working capital increase. I'm not forecasting, however, a return of short-term interest rates to the 12 and 13 percent we saw last year. The key difference this time is that we have been making significant gains against inflation, gains which have already begun to reduce the inflationary premium incorporated in these rates. Still, an 8- or 9-percent short-term rate with 5-percent inflation is higher, in real terms, than a 12-percent short-term rate with 10-percent inflation. Also, if my expectations of 8- or 9-percent short-term rates toward the end of the year are realized, this will again crimp the financing of residential housing.

In the longer-term markets, I am more optimistic, mainly because of the progress we are making against inflation. Corporations are borrowing heavily in the bond markets, which have just gone through a very rough three weeks with an upward adjustment of a half percent or more. In my opinion, however, this is an overreaction to the pressure that will come from the Federal deficit in the long-term area. It is normal for corporations to try to restructure their debt from short- to long-term at this stage of the business cycle; many corporations are apparently anxious to do this and to do it quickly before the Treasury starts to borrow heavily in the long-term markets. Even so, I expect longer-term rates to begin to adjust to the drop in price indices which have apparently not yet been cranked into the expectations of the bond markets. Therefore, I do not expect to see long-term rates any higher this winter than they are now. Let me admit in all honesty that mine is a minority view in this.

Finally, Mr. Chairman, let me turn to the implications of the deficit inflation. There's a widespread presumption that the deficit will lead to another burst of inflation. Our opinion is that this will happen only if the deficit leads to heavy monetization of the new debt by the Federal Reserve. In that case, the inflationary action will be monetary, not fiscal. Accordingly, my answer to you would be that the deficit is not necessarily inflationary.

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*The forecasts expressed in this presentation, especially those pertaining to interest rates, are personal rather than official. They do not necessarily represent the position of the Research Department or the Federal Reserve Bank of Atlanta.

Let me offer to you not as proof, but as evidence, the experience of the two periods in the post-war era when we had the kind of economic turnaround we expect to have later this year. The first case was in 1953–54, when real gross national product turned around by about 9 percent. At the same time, the inflation rate actually dropped by 1 percent, just as it is dropping this year; and in the following year the inflation rate only rose by 2 percent. The experience was repeated in 1958, when real gross national product turned around by about 7½ percent. In that case, inflation dropped by 2 percent in the same year and rose only by 1 percent in the following year. In neither of these cases was a sharp economic rebound accompanied by a burst of inflation. The underlying reason is the excess capacity present then and now in the economy. In those cases there was room for non-inflationary expansion. I offer them as evidence that we may have similar room this time. There are no contrary cases, I might add, during the same post-war era.

So, in looking at the implications of the deficit for inflation, I would say that the deficit is not necessarily inflationary, although it is virtually certain to be if the new debt is heavily monetized by the Federal Reserve. With an eye to inflation, I would further suggest that inflation would come not from the fiscal 1976 deficit but from anything like it in the budget for fiscal year 1977.

Let me conclude, Mr. Chairman, by recapping the points I have tried to make. First, the prospective deficit of $80 billion in fiscal 1976 will be the largest dollar deficit ever and the largest peacetime deficit ever in relation to the size of the economy. Second, this deficit suggests that the Treasury will need to borrow about $90 billion during the four quarters beginning July 1 and that they will need to borrow about $70 billion of this from the domestic public. Third, my assumptions of economic rebound and of moderate growth in the monetary aggregates point toward upward movements in short-term interest rates, although not to the levels experienced last year, or not necessarily to upward movements in longer-term interest rates because of our progress in fighting inflation. Fourth and finally, I have suggested that the fiscal 1976 budget is not necessarily inflationary unless it is heavily monetized by the Federal Reserve because of the excess capacity the economy now has, and that the real difficulty may come with the fiscal 1977 budget.

STATEMENT BY ARLIN M. ADAMS TO THE COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD the very perceptive and cogent remarks of Judge Arlin Adams to the Commission on Revision of the Federal Court Appellate System.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT TO THE COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM, APRIL 28, 1975

(By Judge Arlin Adams)

The opportunity to appear before this Commission is very much appreciated. I begin by commending the Commission and its excellent staff for the constructive and important work that has been done on this critical subject, and specifically for the outstanding preliminary report that was distributed earlier this month.

It is important to make clear that I appear before you as an individual judge; I do not speak for the Court of Appeals for the Third Circuit, of which I am a member. I believe some other members of my Court have appeared before you and have expressed views on a number of the subjects referred to in the Report.

I share the view that it is unfortunate that the Commission, because of its limited mandate, was unable to deal with the problems created by the expanding jurisdiction of the federal courts. Because of a number of far reaching statutes as well as judicial interpretations, the federal courts are doing today far more than their resources allow. And I am inclined to believe that much that the federal courts are doing can be handled by other forums or agencies.

Thus I have considerable doubt that the number of prison cases we are reviewing, those arising from federal as well as state prisons, can be handled most efficiently and appropriately by the district courts and courts of appeals. Also, I believe that a better system to review certain administrative decisions—such as in the social security and medicare areas—would be helpful. I think, too, that much more thought must be given to placing review in patent and tax cases into special tribunals. I am sure that much material and information has already been submitted to you regarding the advisability of eliminating or at least substantially reducing diversity jurisdiction[1] and three-judge court matters.[2]

On the supposition that each of the areas enumerated has already been thoroughly explored, I shall pass the subject of limiting the general jurisdiction of the federal courts, although I emphasize again its great importance. Rather, I shall confine my remarks to the proposal to create a national court of appeals.

Although I have some reservations about the creation of a new court, after careful consideration and an overall evaluation, I support the concept.

The United States Supreme Court is the only court with the power of handing down judgments which constitute binding precedents in all state and federal courts. It is charged with maintaining a harmonious body of national law through its power to review judgments in cases brought by way of appeal or certiorari.

As the number of cases brought before the Supreme Court for review has increased, the number disposed of on the merits after argument has remained relatively constant. The variable has been the number of cases not accorded plenary review. The figures reflecting this are set forth quite dramatically in your report.

Because of the demands on the Supreme Court, an increasing proportion of the Court's decisions have involved constitutional issues. Thus the Supreme Court has handed down as few as 55 cases in any one year in areas of federal non-constitutional law. I share the concern that this is not a sufficient number to meet the country's need for an authoritative approach to recurring issues of national law.

Former Solicitor General Griswold has expressed the view that there are at least 20 government cases alone, every year which are worthy of review by an appellate court with national jurisdiction, and that the government and the legal system suffer from the lack of authoritative decisions which would come from such a review and would serve as a guide to government agencies and the lower courts. Apparently Mr. Griswold was thinking of cases in the environmental, civil rights and consumer protection fields, for example, where several conflicting decisions outstanding in various circuits make it almost impossible for the government or national corporations to know how to handle problems in these areas or to understand what conduct is expected of them.

It now seems clear that at some point the percentage of cases accorded review will drop below the minimum necessary for the effective monitoring of the nation's courts on issues of federal statutory and constitutional law. As your report shows, there are four consequences of the failure of the federal judicial system to provide adequate capacity for the declaration of national law:

1. Unresolved inter-circuit conflicts.
2. Delays in resolving the conflicts and the uncertainty and confusion which such delays may cause.
3. The burden on the Supreme Court, which is often forced to hear cases that represent conflicts but which are not otherwise worthy of its limited resources.
4. Lack of capacity for a definitive declaration of the national law, causing uncertainty even though actual conflicts have not yet developed.

Your report contains examples of these four shortcomings and, therefore, I shall not dwell further on them.

That there is a need for a procedure to meet these deficiencies does not seem to be a matter of great debate, although there are some apparently who believe that the disparity that flows from these conditions is not all bad.

What does seem to have stirred considerable disquietude are the potential disadvantages of the proposed new tribunal:

1. A fear that a new national court would down-grade the present courts of appeals.
2. A belief that the problems set forth might be met by another alternative route which would be a less abrasive mechanism.
3. A belief that inter-circuit conflicts are a problem, but one that is not sufficiently important to form the basis of a major change.
4. The financial cost for establishing and maintaining a completely new tribunal.

As to the down-grading of the present courts of appeals, I believe that that fear is a sincere one, but one that is unjustified. In the Commonwealth of Pennsylvania, where I am located, there was created an intermediate appellate court at the turn of the century, and another intermediate appellate court approximately five years ago. Without expressing any comment as to the mediate courts, there is no evidence that these particular intermediate tribunals down-graded the trial courts, known in Pennsylvania as the common pleas courts. The reputation and standing of our common pleas courts turns on their performance. In areas where these courts do a good job, their standing is high. In areas where they do not do a good job, their standing quite frankly is not high. To the extent that the common pleas courts do not perform well or are unable to resolve disputes fairly and expeditiously, the public becomes dissatisfied and impatient with them, and the standing of these courts does go down correspondingly.

As to the alternative approaches in solving the problems already recited, the proposals that have previously been advanced do not appear to represent viable solutions. Thus the suggestion that would permit the Supreme Court to designate specific circuit courts to resolve specific matters which represent conflicts has received very little support throughout the country since such an approach would not be a national solution.

Finally, as to financial costs, although all of us are concerned about imposing additional expenses on government, no one would doubt that the judicial manpower that would be created by a new tribunal is needed because of the additional caseload that has occurred and will undoubtedly continue to occur.

Indeed, by reducing the multiplicity of en banc proceedings, or perhaps eliminating en bancs completely, which are the most expensive proceedings engaged in by the various courts of appeals, the economy achieved would be substantial. During the court term of 1974 there were at least 70 en banc cases in the courts of appeals. And every indication is that the number of en bancs represent an increasing statistic. Under the proposal for a national court of appeals, most, if not all, of these matters could be transferred from the individual courts of appeal. This, alone, would remove a very substantial burden that is now imposed on the courts of appeals.

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[1] If diversity jurisdiction is to be retained, perhaps the amount should be raised.

[2] If three-judge courts are to be continued, in view of the historical background of these tribunals, perhaps they should only be available when requested by the state government or perhaps the requirement that one of the three judges be from a court of appeals should be deleted.

It is true that a new facility would be required to house a new national court. But such a facility would represent a one-time capital expenditure, and in the totality of budgetary matters would not appear to be a major consideration. One courtroom would be sufficient, and with one group of judges all stationed in one location, large expenses for traveling and duplicate libraries would be kept to an absolute minimum.

The question has been properly asked whether it is better at this point in time to create a completely new national court or to satisfy the need by utilizing the resources now present in the various courts of appeals. On this question, I am open-minded and flexible.

Perhaps it would be better, at least at first, to recruit the members of the new tribunal from the present court of appeals, and bring them to Washington or another centrally-located city for limited terms—of say 3 or 5 years. The salaries of these judges could be kept on a parity with their brethren who remain on the regularly constituted courts of appeals. Annual stipends could be provided to cover the additional costs that would be incurred by living in Washington or wherever the court may sit. Such a stipend arrangement would enable the selected court of appeals judges to maintain their homes in their respective circuits. Then, based on the experience of the new tribunal and how the Supreme Court utilizes its resources, a definitive decision might be delayed for say 5 years. If the program were successful, the tribunal could then perhaps be made a permanent one and appointments to it made on a life-time basis, or the rotating arrangement could be continued.

It is perhaps characteristic of our times to want immediate solutions to our most vexing problems. But I doubt if there is an immediate solution to the intractable problem confronting our federal appellate courts. Instead, we must utilize a number of approaches. Certainly a national appellate tribunal represents one such approach.

The facts before us seem to require some action. Men and women of good will have labored hard to come up with a workable solution. I do not suggest that the proposals thus far are perfect. They are not. But I do believe they are pointing in the right direction, and should be pursued constructively, imaginatively, and vigorously.

FHA–VA INTEREST RATES GOING BACK UP

Mr. HUMPHREY. Mr. President, I rise today to express my displeasure with the Secretary of Housing and Urban Development's recent decision to raise the maximum allowable rate on FHA and VA mortgages to 8½ percent from 8 percent. This action signals a total inability on the part of the Federal Government to take the lead in increasing the supply of available home financing at reasonable interest rates..

I fully recognize that we cannot expect mortgage lenders to utilize the FHA and VA programs when these programs provide yields that are significantly below those prevailing in the market. Mortgage lenders are entitled to a fair return on their investments and the FHA–VA rate was probably a little out of line with the market interest rate. This meant that the FHA–VA programs were either being under utilized or that lenders were charging home sellers up to eight discount points for the FHA–VA loans. This cost, of course, is largely passed on to the buyer in the form of higher cost housing.

However, this does not mean that FHA–VA rate should not attempt to lead mortgage rates down to more reasonable levels. Perhaps the rate was temporarily a bit low, but a half percent leap in the maximum rate sends out very bad signals to the whole housing community. If anything, it puts upward pressure on interest rates when the Government should be lending rates lower. I only hope it does not signal the end of our attempts to reduce mortgage interest rates to reasonable levels.

More than anything else the recent action by the Secretary of Housing and Urban Development is indicative of the total ineffectiveness of existing Federal Government housing programs in meeting our national housing needs at interest rates that are affordable to the majority of American families. Housing starts have plunged to an annual rate of less than one million units, a figure that is less than 40 percent of our national goal. Interest rates have recently drifted downward, but have seemingly leveled off at 8½ to 9 percent, a figure which is much too high to finance the amount of housing construction that is necessary to meet our national housing needs. In sum, the increase in the maximum FHA–VA rate is but another example of the bankrupt housing policies that this administration is pursuing.

I believe very strongly that we must begin to examine creative new approaches and innovative strategies for preserving the strength of our housing industry and for providing a decent home and suitable living environment for every family in the Nation. One approach, which I believe would greatly improve our ability to provide decent housing for all is embodied in the Federal Housing Bank Act which I introduced on March 10. This bill would establish a Federal Housing Bank to finance, at interest rates no higher than 6 percent, the housing needs of low- and middle-income Americans. One function of the Bank would be to provide much needed financing for housing construction particularly in periods when interest rates are so high.

Mr. President, I recommend that my colleagues carefully consider my proposal for a Federal Housing Bank and propose innovative strategies of their own to get housing back on its feet. I ask unanimous consent to have printed in the Record an article from the Wall Street Journal describing the recent increase in FHA–VA interest rates.

There being no objection, the article was ordered to be printed in the Record, as follows:

FHA-VA Rate on Home Loans Allowed To Rise

Washington.—With her first major policy decision since becoming Secretary of Housing and Urban Development last month, Carla Hills has stirred up a hornet's nest.

She announced an increase in the maximum allowable interest rate on government-backed home mortgages, to 8½% from 8%, effective today. The increase, the first since last August, cancels a reduction of one-half percentage point made in March in the ceiling rate on home loans insured by HUD's Federal Housing Administration or guaranteed by the Veterans Administration.

Mrs. Hills said the increase was needed to keep the FHA-VA rate in line with actual mortgage-market conditions. But her action quickly drew the wrath of the National Association of Home Builders.

"We are dismayed" by the boost in the FHA-VA rate "at a time when the mortgage lending institutions are bulging with savings and loanable funds," [illegible]. S. Norman, president of the home builders, said. "We have been looking for a lowering of interest rates and had hoped the government would function to lead the market rate down," he added.

LARGE S&L INFLOWS

Savings and loan associations have had large inflows of savings this year, including a record $3.69 billion net inflow in March. This usually means increased mortgage lending and lower interest rates. But S&Ls have been slow to resume extensive mortgage lending, although interest rates on conventional home loans, which aren't backed by any federal agency, have eased to the 8½% to 9% area.

HUD officials said the previous FHA–VA rate was too far below loan yields in the conventional and secondary, or resale, mortgage markets. To make up the difference, lenders have been charging home sellers up to eight discount points of prepaid interest on FHA–VA loans, they said. A point is 1% of the face amount of a mortgage. On a $30,000 loan, eight points translates to a charge of $2,400. The cost often is passed on to the home buyer in the form of a higher selling price.

One result of a large number of points is to discourage the use of FHA–VA loans. The increased rate should help keep funds for such loans from drying up, Secretary Hills said.

BANKERS URGE BOOST

A boost in the FHA–VA rate had been urged by the Mortgage Bankers Association. Mortgage bankers are major sellers of government-backed home loans at auctions of the Federal National Mortgage Association. Yields on Fannie Mae commitments to buy such mortgages have been rising lately. Housing analysts say this reflects concern by lenders that interest rates could turn up later this year if the federal government has to borrow heavily to finance a large budget deficit.

The home builders contend the Fannie Mae market has become highly speculative and that the yields don't reflect the actual market, it's like Reno," said Michael Sumichrast, the group's chief economist. But HUD officials said Mrs. Hill's decision to raise the rate was based on more than the Fannie Mae yields.

"We don't like to see the rate go up anymore than any one else," said David DeWilde, acting FHA commissioner. "But we have to set the rate to reflect the market, and there wasn't any question that the rate was lower than the market." He added, however, that he is "still optimistic that over the long run mortgage interest rates are going to go down."

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to current U.S. Census Bureau approximations, the total population of the United States as of May 1, 1975, is 213,715,275. In spite of

widely publicized reductions in our fertility levels, this represents an increase of 1,657,277 since May 1 of last year. It also represents an increase of 103,113 since April 1 of this year, that is, in just the last month.

Over the year, therefore, we have added enough additional people to fill more than two cities the size of Dallas, Tex. And in just 1 short month, we have added more than the equivalent of Scranton, Pa.

SENIOR RECOGNITION MONTH

Mr. BENTSEN. Mr. President, today marks the beginning of Senior Recognition Month, the annual commemoration of the contributions older Americans make in our society. It is also a time for recommitting ourselves to ensuring that all older Americans enjoy a dignity and quality of life sufficient to make their years of retirement rewarding and meaningful.

A number of States have planned special observances to mark this month. In my home state of Texas, Governor Briscoe has by official proclamation designated May as "Older Texans Month," and a wide variety of festivities are planned across the State.

I am today sending my best wishes to Mr. Robert Pugh, president of the Texas Senior Citizens Association. Under Mr. Pugh's able leadership, the TSCA is an energetic organization effectively representing the interests of the State's senior citizens.

The observance of Senior Recognition Month provides us with the opportunity to salute the continuing contributions of so many of our senior citizens. All across our country, retired Americans are freely giving of their time to serve as part-time foster parents, counselors to struggling small businesses, and providers of a wide range of services to the least fortunate of our society. Retirement for these Americans is nothing more than a new opportunity, and I salute them for making the most of it.

Unfortunately, the past year has provided little assurance that retirement can be a truly rewarding experience. Most of our senior citizens must live on fixed incomes, and double-digit inflation for many has caused a real threat to their very existence. Inflation has hit with special vengeance at food, utilities, and heating expenses, the key items in the budgets of most older Americans.

Truly demeaning choices have had to be made so that a monthly social security check might be stretched to its maximum. The hardship which many have had to endure must strike at the very conscience of this Nation.

The news from Washington has often been equally disturbing for our senior citizens. Earlier this year, they were informed of administration attempts to limit the automatic cost-of-living increase in social security benefits to 5 percent, to raise the medicare patient's share of medical expenses, and to up the cost of food stamps. None of our Federal programs are sacrosanct, but to propose such limitations following a year of such hardship was particularly insensitive.

During the past decade, this Nation has made progress in providing for some of the special needs of senior citizens. Much, however, remains to be done, and I urge the Congress to take action on three major items before us.

Earlier this year, I called for a thorough investigation of the year-old supplemental security income program. SSI promised to provide an income supplement for the blind, disabled, and elderly, but for too many of those Americans, it has caused nothing but greater financial insecurity and human suffering.

The Senate Finance Committee has already begun its investigation of the program. I am hopeful that before too long, we can act upon the committee's findings and at last bring relief to many of America's most vulnerable citizens.

The Senate will soon have before it a series of amendments to the Older Americans Act of 1965. I have introduced several which, I believe, will greatly improve it.

One would establish a special service program to provide senior citizens with homemaker, home health, shopping assistance, and transportation services.

I believe this new program will reassure senior citizens that they will not be forced into institutions when remaining in their own homes is better for them and their communities.

A second amendment would expand the anti-age discrimination legislation Congress approved last year. It would prohibit discrimination on the basis of age in any program or activity receiving Federal financial assistance, and it would authorize the Attorney General to bring civil action against persons in violation of it.

A final important item on our legislative agenda is S. 1603, the Middle Age and Older Workers Job Assistance Act, which I introduced earlier this week.

As of last month, 2.2 million Americans over age 40 were unemployed. That represents 26.7 percent of the total unemployed in this country and reflects an astonishing 86.9 percent increase in unemployment among this age group since March 1974.

Our manpower programs tend to ignore the needs of these older workers. Currently, older workers comprise only 6.4 percent of those enrolled in job training programs and only 15 percent of those in public service jobs. And yet they typically are Americans whose financial obligations are the greatest with car payments to meet, mortgages to pay, and college tuitions to finance.

The 94th Congress has many pressing matters before it. I am confident, however, that the Congress will not overlook the needs of our senior citizens. I am hopeful that by the next time we commemorate the beginning of Senior Recognition Month, we will be able to observe another year of achievement in helping to ensure a dignity and quality of life for all of our senior citizens.

UNEMPLOYMENT—HEALTH CARE

Mr. BROCK. Mr. President, while the unemployment rate continues to grow, we are seeing numerous proposals and suggestions to stem that increase. Certainly, hard decisions, need to be made. However, there are some measures before us which deal with a different aspect of unemployment—health care. I find some very great difficulties with the most prominent approaches. Recently, there have been two articles in this regard, one an editorial from the St. Louis Globe Democrat and the other from the Washington Post. Mr. President, I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the St. Louis Globe Democrat, Mar. 22, 1975]

Editorial Scores Plans To Give Jobless Benefits

There apparently is no limit to the extremes that liberal Democrats will go to redistribute the incomes of Americans under the banner of "helping the needy." The latest scheme, to finance health benefits of the unemployed, could cost each worker 3 to 8 per cent in increased premiums while doing little for the problem of the unemployed—which is, simply, unemployment.

Four congressional committees have held hearings on bills to provide the unemployed with health insurance benefits paid by taxpayers directly or indirectly. The leading bill, Kennedy-Fraser, would have the Labor Department pay private insurers to continue whatever health benefits workers drawing unemployment had received on the job.

The other leading bill, Bentsen-Corman, would provide hospitalization benefits under Medicare for the unemployed, and may be broadened to include other benefits as well. Each bill would cost taxpayers at least $1.5 billion, based on 8 per cent unemployment and certain exclusions in coverage, the Department of Health, Education and Welfare estimates.

Everyone now employed who has a health insurance plan would be required to pay 3 to 8 per cent more, insurance experts say, under a third plan being pushed by the new House Ways and Means Health Subcommittee. This would result because of a 1 per cent tax to be added to health insurance premiums paid by health insurers and passed on to consumers. Another feature would require employers to rewrite health policies to include continued coverage for workers who lose their jobs. This would be a huge new expense. On top of everything else, it is another intrusion into labor-management affairs.

The Ford Administration is opposed to any of the plans, and for good reason. All are inequitable, impossible to administer, and too costly, as testimony in all the hearings revealed.

Under Kennedy-Fraser, the federal government would pay higher benefits for some unemployed workers than for others, and pay no benefits for jobless workers who had no health insurance coverage on the job.

Under Bentsen-Corman, the federal government would pay for higher benefits than some workers would have received had they kept their jobs. Under both, the tax dollars of employed workers who did not receive insurance benefits on the job would subsidize coverage for the unemployed.

The unemployed would be eligible for immediate coverage in the Medicare program under Bentsen-Corman, while disabled persons who qualify for regular Medicare coverage have a two-year waiting period before they can join the program. The unemployment program would cover dependents, while regular Medicare does not. Bentsen-Corman would nearly double the size of the Medicare rolls almost overnight, and the bureaucrats simply couldn't handle the load and be able to avoid abuses.

As Under Secretary for Labor testified that as many as 50 million separate administrative transactions would be involved in determining eligibility for the program and making arrangements to pay premiums to continue coverage. It would be a bureaucrat's delight. And it would be a delight to those unemployed workers who decided to undertake elective surgery, to drop coverage under a spouse's health plan, to engage in costly overuse of medical services or to engage in other abuses.

Congress is spending tens of billions on direct payments and job training for the unemployed, and states and businesses are spending billions more. As President Ford asks, where does it end? "What about utility bills and car payments?" he wonders. "How far do we go in providing new 'in kind' benefit programs?"

Asks HEW Secretary Caspar W. Weinberger: Would it be fair to the working taxpayers of this country, millions of whom have little or no health coverage, to use their taxes to continue paying premiums for the unemployed?

The answer is obvious.

Yet Congress seems determined to drag down the 92 per cent of the work force that is working to provide new benefits to those who aren't, even though the non-workers would qualify for health programs under Medicaid if their need was great enough, and even though they could still receive care at most hospitals if they couldn't afford the cost.

The plans are wrong in general concept as well as unfair and inequitable in specifics. But what's another few billion from taxpayers for a Congress that is spending $52 billion more than income in the coming budget as of February, $60 billion more as of March, and perhaps $100 billion more by the time all the goodies are added up?

[From the Washington Post, April 6, 1975]

Health Insurance for the Jobless

(By Mal Schechter)

When the Social Security system was assembled in 1935, national health insurance just missed the boat. Forty years later, the issue is being pushed by another deep economic upset—surging unemployment. Although for budgetary reasons President Ford wants to keep the NHI issue on ice until next year, hard times among the nation's 90 million workers—specifically among the 8 per cent now unemployed—just won't let the issue be.

Millions of American breadwinners have been put in double jeopardy: They have lost their jobs and the health insurance based on those jobs. If they and their dependents lost quality coverage, they add to the 60 million Americans the Ford administration estimates as having no or inadequate coverage.

Since Social Security reached the statute books, this country has not so much forgotten NHI as it has become stymied over alternative approaches to assuring coverage for all. Between the Depression of the 1930's and the recession of the 1970's, a huge private insurance industry has matured to cover most of the work force, albeit with packages of varying protection against sickness costs. Employers and workers pay an estimated $25 billion a year in premiums. This mammoth insurance operation now is being challenged by unemployment. The situation dramatizes the inherent limits of the job-related approach to protecting a population against health-care expenses.

Movement toward comprehensive NHI also has come along governmental avenues. These might be thought of as additional pieces of a missing national plan.

There is NHI for the aged and disabled, costing $11.3 billion a year; that's Medicare and it's available as a matter of right, without relation to income or job. There is NHI for some of the poor, costing $11.2 billion a year; that's Medicaid, and it's available on the basis of tests of income and other resources to people who fit into certain categories of need, such as Aid to Families with Dependent Children. There is NHI through the Veterans Administration at $2.8 billion a year. And there are NHIs for special groups, including American Indians. (The government also is involved in job-related insurance programs through the Defense Department and federal employee health benefits.)

To this aggregate of programs approaching $30 billion, Congress is considering what might be called "unemployment NHI" at a first-year cost between $1.5 and $2.5 billion, assuming no rise in the 8 per cent unemployment rate. The congressional stage has been set for deliberation on two bills by Sen. Edward M. Kennedy (D-Mass.) and by Rep. Daniel Rostenkowski (D-Ill.). They share the goal of continuing the worker's health insurance while he is out of work and receiving unemployment insurance.

Both proposals have been framed as temporary expedients for a year, possibly longer, until the enactment of comprehensive NHI. But the duration is as uncertain as that of the recession, and of Congress' ability to resolve the political conflicts around NHI. Members of Congress seem uneasy in dealing with temporary legislation that may have the potential of biasing, blunting or delaying a comprehensive plan. Indeed, some prefer to do nothing short of dealing with the larger issue.

Nonetheless, the Kennedy bill has been approved by the Senate Labor and Public Welfare Committee. The Rostenkowski bill awaits action by the full House Ways and Means Committee after having won approval of the health subcommittee Rostenkowski chairs.

UNBEATABLE ISSUE

Unemployment NHI—as admitted even by its sponsors—is marred by inequities. Not all the unemployed would benefit. Those who might benefit are likely to be the better-off unemployed. No congressman likes to explain why he chose to benefit one group of unemployed and not another. There could be repercussions at the polls.

Yet, "aid to the unemployed" probably would be an unbeatable issue when and if it reaches the floor of Congress. Some observers give the issue a 50–50 chance of reaching the floor but a 100–0 chance of winning approval in one form or another once it arrives there. And, if subordinates correctly portray the White House, Congress at that point may have set President Ford up for a veto and the stigma of the man who left the unemployed out in the uninsured cold.

The deep inequities in the Kennedy and Rostenkowski proposals spring in good measure from the insurance systems on which they base assistance. Many workers have no job-based health insurance. And many lack eligibility for unemployment insurance.

The idea of simply financing the extension of health insurance for the worker getting unemployment insurance leaves out one-third of the unemployed. Of 7.5 million workers unemployed early this year, 1.5 million were not eligible for unemployment insurance. Of the remaining 6 million, 900,000 had no health insurance. Among the remaining 5.1 million, the quality and cost of the insurance protection is quite variable.

The uneven effect of the unemployment NHI bills can be seen in the normal pattern of job-based coverage. One of the best recent views is in a 1972 federal study. Of 89 million persons then in the work force, 77 million were full- or part-time workers, 7 million were self-employed and 5 million were unemployed.

Among the 77 million, 54 million had hospital expense protection, almost as many had in-hospital doctor coverage and 26 million had major medical benefits covering visits and gaps in other protection. For hospital expense protection, the most widespread, the degree to which the worker paid out of pocket—through deductibles and coinsurance and for uncovered services—varied from little or nothing to considerable.

The unemployment NHI bills would not change this. They would spare the unemployed worker from any contributions toward premiums or from having to pay for converting from group to individual coverage, at a large increase in premium.

UNEVEN COVERAGE

Not only is there unevenness among benefits and costs but there also is unevenness among the kinds of workers who typically have coverage. In general, the people less likely to have health insurance on the job are women, nonwhites, young people, managers, agricultural workers, persons in small firms, persons with earnings under $8,000 a year and workers in the construction, retail trade and service industries.

Some job-based plans begin to cover a new worker after a waiting period of one to several months. Some plans may carry the laid-off worker for similar periods. But for about 70 per cent of today's jobless, benefits end with a pink slip or soon thereafter. In the hard-hit auto industry, which boasts some of the best coverage, three in five workers lose coverage in the same month they are laid off.

The resources available to a laid-off worker include unemployment insurance through the federal-state system for up to 52 weeks. But one in five workers are ineligible—chiefly newcomers to the labor force—because they have not worked long enough to qualify or for other reasons.

Depending on the state, the top weekly payment may be between $60 and $70. Some workers receive industry or union supplements. At best, these add enough to unemployment insurance to approach 95 per cent of take-home earnings, depending on seniority. The worker who exhausts these resources and depletes any savings and assets may qualify for one or another of the public assistance programs designed for the poor.

The unemployed worker—precisely because he is receiving unemployment insurance—is barred from receiving Medicaid and cash assistance, even though he has depleted his resources to a level below the tight standards of state programs. Federal law enacted in 1968 prohibits federally aided state welfare programs from assisting families with able-bodied breadwinner husbands until their unemployment insurance is exhausted.

Even when the unemployment insurance is less than the welfare payment, the husband has no choice. The U.S. Supreme Court this year is to consider Weinberger v. Glodgett in which a Vermonter contests the preclusion. Federal sources point out that 29 states pay more under Aid to Families with Dependent Children than they do under unemployment insurance, where the weekly average is $62. This holds true in states with the greatest unemployment.

The cost of eliminating the exclusion is an estimated $50 million annually in order to cover families at the welfare level who receive or are eligible for unemployment insurance. As one federal official commented, the recession is revealing "how rickety the country's social welfare patchwork really is."

CRISIS AT HAND

Exactly how many workers have lost coverage due to unemployment is not known. The statistics are being gathered. The assumption is virtually uncontested that a crisis of enormous size is at hand for workers and the providers of health care.

Already some municipal hospitals are reporting a jobless clientele that previously had used private facilities. A fear of demands for care by insurance-deprived workers has been expressed by hospitals. The American Hospital Association says community hospitals only rarely are able to provide any large amount of charity care because key insurers, like Blue Cross and Medicare, do not share in hospital bad debts and charity expenses.

Hospitals and doctors, for years complaining that Medicaid payments are substandard, see income threats in the unemployment situation. It may be no surprise, therefore, that organized labor, insurers, organized medicine and hospitals are cooperating for unemployment NHI, despite ideological differences over how full-fledged NHI should go.

The major plans before Congress seek to move massively and quickly to cope with the perceived emergency. But there are impediments of a procedural nature, reflecting some of the same stumbling blocks before comprehensive NHI.

There is the "jurisdictional game." Congress has no single set of committees to deal with all the complexities of NHI. Any approach based on tax-supported trust funds or changes in the tax law falls to the House Ways and Means Committee under Rep. Al Ullman (D-Ore.) and the Senate Finance Committee under Russell B. Long (D-La.).

If the approach revises Medicaid, involving general revenues, the pertinent committees are Senate Finance and House Commerce under Rep. Harley Staggers (D-W. Va.), and especially its health subcommittee under Rep. Paul Rogers (D-Fla.). If federal regulations of health insurance is to be pioneered, other committees and other personalities are involved.

For Sen. Kennedy to deal with unemployment NHI through his health subcommittee of the Labor and Public Welfare Committee, his bill had to be shaped to avoid jurisdiction of the Finance Committee. Specifically, it had to avoid entanglement with tax laws, trust funds and Medicaid. For Rep. Rostenkowski, chairman of the Ways and Means health subcommittee, to attempt to shape a bill, it had to be in the form of a tax measure.

"A BIG FOG"

The jurisdictional game has bedeviled the House leadership. Conceivably, Speaker Carl Albert (D-Okla.) may be called on to authorize an ad hoc committee to deal with NHI problems. As to unemployment NHI, nobody is sure how the House will deal with bills emerging from both Commerce and Ways and Means, an increasingly likely prospect. "It's all in a big fog," comments a lobbyist.

A second stumbling block is the "budget game." A solution that can be framed to avoid additions to federal spending is considered far more likely to attract conservatives in Congress and at the White House than a solution affecting the budget, even if the overall economic impact on the country of a budget proposal might be less.

President Nixon's NHI proposal, Comprehensive Health Insurance Plan (CHIP), was absorbed by President Ford. By using the job-related approach—by requiring employers to offer a standard benefit package to employees—CHIP keeps a considerable portion of NHI costs out of the federal budget.

Sen. Kennedy's comprehensive plan, Health Security backed by a tax-supported trust fund as is Social Security, has been attacked as an intolerable addition to federal spending and power, although its partisans insist the overall costs to the consumer/taxpayer/employee would be smaller and its public accountability greater.

Anyone ignoring the jurisdictional game and expecting Sen. Kennedy to rely on the trust fund approach to unemployment NHI is mistaken. His bill, S. 625, calls for general revenue spending. This would pay the premiums of health insurance for the worker on unemployment insurance, provided a spouse or parent had no insurance covering the worker secondarily, and provided the worker's job-based plan did not cover him during the layoff. The Kennedy bill, administered through the Labor Department as an ancillary to unemployment insurance, would reach an estimated 3.2 million workers and families (perhaps 9–10 million people at any one time). The estimated cost for the one-year program is $1.5 billion at present unemployment rates.

LABOR SUPPORT

Organized labor, which backs health security, has joined with the insurance industry, American Medical Association and American Hospital Association—each of which has its own job-based approach—in supporting S. 625. Labor witnesses insist the bill's virtue is that it does absolutely nothing to change the inequitable, inflationary and profiteering health-insurance system they perceive and wish to obliterate. The bill provides for federal recoupment if premium rates turn out too high. (Conservative Sen. Bill Brock (R-Tenn.) sees the Kennedy bill as an extravagant bail-out for the insurance industry.)

Testifying on H.R. 4004, Rep. Rogers' counterpart to the Kennedy bill, a United Auto Workers spokesman acknowledged the limitations. "It will continue the costly, unregulated private insurance administration of health care benefits," said Mel Glasser. "It will also do nothing to improve the inadequate insurance coverages which were available to lower-paid workers, now unemployed and uninsured. But H.R. 4004 would act as an emergency stopgap measure for millions of unemployed Americans in the next few months, if they fall ill and require care they cannot possibly finance," he declared.

To those who might argue that the proper answer to the emergency is full-fledged NHI, Glasser and others argue simply that there isn't enough time.

When Congress returns this week, the Rogers bill will be back in the midst of a subcommittee markup and a race with the Rostenkowski bill. Rogers and colleagues have been concerned that the Rostenkowski bill had "permanent" features lacking the fixed deadline in the Rogers-Kennedy approach. Moreover, they worried about the fairness of leaving some of the unemployed out of the emergency program.

Where the Kennedy approach requires an unemployed worker to fall back on another family member's coverage, even if inferior, the Rostenkowski approach does not. It also would cover the self-employed. Thus, the emergency Health Insurance Extension Act, H.R. 5000, reaches 30 per cent more people—an estimated 4.6 million without counting family members. But it would cost 40 per cent more than the Kennedy plan.

AN INGENIOUS GAMBIT

H.R. 5000 is an ingenious gambit through the budget and jurisdictional games. Its two parts work through the Internal Revenue Code. Under Part I, to keep certain tax deductions, employers and insurers would have to extend coverage to laid-off workers receiving unemployment compensation. As health fringes come up for renegotiation over the 14 months after the program starts, the extensions would be added at an increase in premium. (Where fringes are not bargained for, extensions would be provided within three months.) Part 1 would stay in force until NHI is enacted.

According to Ways and Means sources, as much as 8 per cent would be added to annual premiums, assuming an 8 per cent unemployment rate. On an estimated premium base of $30 billion for both employed and self-employed persons, Part 1 would cost as much as $2.5 billion a year.

Where the $1.5 billion Kennedy approach would be paid by federal taxpayers and add to the federal deficit, the cost of H.R. 5000 would fall outside the federal budget—on consumers (if businesses raise prices), employees (if they forego profits by not raising prices) and employed workers (if they forego higher wages or fringes).

The cost of either approach could be more than stated. Estimates are an actuary's nightmare. Nobody is sure, for example, whether the unemployed as a group would tend to use more health services (such as elective surgery) than the employed.

Also, if insurers insist on a large cushion of financial reserves, premiums overall would be higher. The premium for a specific employer would depend partly on the insurer's estimate of risk of unemployment. This factor might upset marketplace economics, especially for smaller employers. To moderate this kind of variation and to protect against insurer losses, the Rostenkowski bill calls for pooling among insurers to share the risks of long-term unemployment. In the Kennedy approach, Uncle Sam pays the higher rates.

Part 2 of H.R. 5000 sets up a federal trust fund for the period before Part 1 becomes wholly effective. The fund would borrow perhaps $750 million from the Treasury in fiscal 1976. It would pay for expenses workers incur rather than for premiums. This feature seeks to hold down overall cost, eliminate risk to insurers and cut out profit. The fund would be amortized, with interest, over several years by a 1 per cent federal tax on premiums. When the loan is repaid, the fund and tax disappear. Any impact on the federal budget would be ephemeral.

LOBBYISTS COOL

"Rostenkowski wants a bill the President can sign, not an issue that will delay getting help out to the people who need it," a House aide explained.

But the bill generates little enthusiasm among lobbyists. Fearing that Part 1 might set a precedent for full-fledged NHI based on private insurance, organized labor wants to substitute a one-year, trust-fund-only bill as a possible alternative to the Kennedy approach.

The Health Insurance Association of America accepts both Kennedy and Rostenkowski approaches, with a preference for the latter. But insurers are wary of federal intrusion and what might happen to their place in the NHI derby if politicians saddled them with blame for increased insurance costs and administrative imbroglios that could accompany a crash effort. The doctors don't like the looks of a trust fund as a possible NHI precedent.

Says Rostenkowski: "Any program we may develop for meeting the immediate needs of the unemployed will not be able to address the problems needing resolution under NHI. We cannot deal here with problems in the health care delivery system—with unequal distribution of health services, with wrong incentives, with inefficient reimbursement systems, with spiraling inflation. We cannot deal here with the severe problems in rural and big city areas. Nor will we likely be able to help those unemployed who have never had a job, or those who have jobs but no health insurance. The solutions to those problems must await our consideration of NHI."

WEINBERGER OPPOSITION

Rejecting an unemployment NHI approach, the administration sees trouble in terms of the federal budget, the economy, equity and administrative feasibility. In arguing against the Kennedy plan (and by implication against Rostenkowski's), Secretary of Health, Education, and Welfare Caspar Weinberger pointed to the inequity of using federal resources to extend high-grade and low-grade benefits. He feels it is unfair to discriminate among those getting unemployment insurance on the basis of prior health insurance coverage. He also saw insur-

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mountable administrative problems in coordinating state-run unemployment insurance programs and insurance companies. He foresaw disincentives to the unemployed who might delay getting a new job because the insurance offered was inferior to that of the last job. He foresaw a cheapening of job-based coverage and the possibility that management and labor might be tempted to shift the costs of laid-off workers to Uncle Sam.

The best thing to do for the unemployed, he told the Finance Committee, is to get workers back to work and to hold down on federal spending and its contribution to inflation.

The criticism that no unemployment NHI approach covers the unemployed who had no job-based coverage has embarrassed sponsors of the legislation. It's better to do something for somebody than to do nothing for everyone, they contend. Labor was stung to suggest a Kennedy bill amendment to cover automatically under Medicaid some 900,000 workers (plus dependents) receiving unemployment insurance who had no prior health plan. HEW estimates the cost at $800 million a year. Hearing the proposal made at a House Commerce meeting recently, an expert in health-care delivery guffawed: "I never thought I'd see the day when labor would endorse covering workers through a program with a means-test stigma."

When a reporter asked an HEW officer what the cost would be for covering the unemployed not on unemployment insurance, the response was, "Whoa! If you did that, anyone could qualify for Medicaid and you'd have NHI through the back door."

"PERMANENT" STOPGAP

As Rostenkowski and Kennedy partisans present the issues, Congress is being asked to adopt administratively feasible programs that do not establish new bureaucracies, do not permit profiteering by insurers and do not cement them into a future program. But they admit to serious shortcomings that cannot be solved except through a comprehensive approach.

The unemployment issues may propel Congress into a debate over full-fledged NHI sooner than expected. Rep. Rostenkowski announced his intention to have an NHI bill out of committee by the end of summer. But he noted it would take time to pass and implement, and that's why his stopgap is called "permanent until NHI."

For an NHI debate, difficulties in covering the unemployed may dramatize limitations in the job-related approach to the disadvantage of the Administration's CHIP and similar proposals. Dividing a population by job, income or other status is confusing to beneficiaries and tends to drive up administrative costs; workers have to be tracked in and out of employment or other status in order to establish eligibility. The administrative problems Secretary Weinberger sees in unemployment NHI may inhere in CHIP.

From labor's viewpoint, the plight of the jobless is another indication of the need for decent health insurance independent of job status—as a matter of right. Much of the ring of Depression era debates over Social Security and public versus private sector responsibilities, dangers and equities pervades the arena in which NHI is being considered.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the history of our Nation has been a saga of heritage of struggle against and success the fight for human rights.

Americans can be very proud of our over domestic racial, religious, and economic discrimination. But these remarkable successes in the area of human rights should not be simply the source of smug self-satisfaction. We cannot permit ourselves the luxury of gazing contentedly at our own national image.

America's distinguished tradition in human rights heightens rather than diminishes our international responsibilities to the cause of human rights.

It is incumbent upon us as a people to prove that the great American experiment in human dignity can and does work. Our duty must not be one merely of cooperation, but rather of active leadership in the international struggle for human rights.

What better way exists for the United States to demonstrate its national resolve to meet that responsibility than by immediately ratifying the United Nations Genocide Convention?

President Woodrow Wilson summed up the American hope and mission when he said:

> We ask nothing for ourselves that we do not also ask for all humanity.

This must be our national course—one of deep concern and real commitment.

The Senate has waited too long to ratify the Genocide Convention. An overwhelming majority of nations throughout the world has already done so. I urge ratification of the Genocide Convention at the earliest possible date.

ABOLISHING "REFORM"

Mr. BROCK. Mr. President, James Q. Wilson is the Henry Lee Shattuck Professor of Government at Harvard University. Some time ago, he wrote an article which appeared in the Alternative and was later reprinted in the Washington Post. It is entitled "Abolishing 'Reform.'" Professor Wilson's thoughts have merit and are certainly thought-provoking. I ask unanimous consent that Professor Wilson's comments be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ABOLISHING "REFORM"

On learning of Samuel Johnson's remark that patriotism is the last refuge of the scoundrel, Roscoe Conkling, a New York politician widely acquainted with scoundrels, remarked that Dr. Johnson had overlooked the possibilities in the word "reform."

Some good things and many bad things have been done in the name of reform, but the worst thing of all has been to cloak any proposal for change in the seductive disguise of that ill-used word.

My object here is not to attack those proposals labeled "reforms" but to criticize the labeling of all proposals as reforms. The villain of the piece is not the reformer, but the reporter.

"To reform" means to improve by alteration, to abolish abuse or malpractice; "a reform" is a change for the better, an improvement in social, moral, or political conditions. We all understand and follow this usage in everyday conversation, as when we speak of the reformed drunk. I admit there are some exceptions: when we refer to "Reform Jews," we do not mean Jews who are better than the Orthodox variety; in fact, because Reform Jews are less observant of the traditional customs, the Orthodox might well think of them as worse Jews. Nor do we mean, by "Reformed Church" necessarily a more—or less devout—one, but only one that follows the teachings of Calvin. But these are the rare exceptions, clearly described as such by the dictionary.

Journalists and politicians understand none of this, however. To them, any change that is broadly liberal or participatory in intent, and some changes that are libertarian in intent, are "reforms." Now such presumption is understandable in politicians whose vocation requires them to be propagandists, but is unforgivable in journalists, whose craft enjoins them to be fair. But the word "reform" has become so ingrained in journalistic usage that many newspapermen and broadcasters would be surprised to be told that anyone could object to the word.

Well, I object. The mood of the citizens and voters is remarkably sensitive to what the media tells them is important, and though there is not much evidence on this, it is probably also sensitive to what the media suggest all "right-thinking" people should regard as desirable. As a result, many people believe the wrong things.

Newspapers for some time have been writing of "campaign reform." Who could be against it? Few are, and those politicians that have expressed some doubts have been castigated. There is, as it turns out, a great deal wrong with those campaign finance plans that have been labeled "reforms." For one thing, the new federal statute is probably an unconstitutional infringement of free speech because it tells citizens they can spend no more than $1000 on any candidate however much they may wish to endorse, by advertisement, his cause. Would journalists who label this a "reform" also so label a proposal that anybody could make any public speech he wanted as long as he did not spend more than $1000 to rent a hall? Would they label as a "reform" a law that restricted to $1000 the amount that could be spent on an ad in the New York Times that attacked General Thieu, supported school busing, or denounced oil company profits?"

Or take "party reform." Whatever was proposed by the supporters of George McGovern at Kansas City midterm convention of the Democratic Party was called a "reform" while whatever was proposed by the followers of George Meany was called "resistance to reform." The subject of party rules is a complicated one; I intend to make here no judgment on the plans of the two Georges. And that is precisely the point. To call one set of proposals "reforms" in headlines and "straight" news stories is to prejudge the issue.

Finally, consider the candidacy of anybody who challenges Mayor Daley in the Democratic primary in Chicago. Odds are he will be called the "reform candidate," which is to say he is the good guy and the mayor is the bad guy. If the voters prefer Daley to his opponent—as they have by increasing majorities, for the last 20 years—the press will of course conclude that the voters of Chicago have rejected "reform," which is to say they have rejected "good government." Then the papers, with the aid of columns by Mike Royko, will speculate as to the process whereby the integrity and good sense of the electorate could have been so foully corrupted.

My criticisms would be beside the point if "reform" had become a synonym for "change." But all changes are not called "reforms." The press has made it quite clear that reducing the special tax treatment of capital gains is a "reform"; eliminating the special tax treatment of gifts to schools and churches is not a "reform." Yet both are "tax loopholes." Increasing the control that members of congressional committees have over the chairmen of those committees is called "congressional reform"; increasing the powers of the congressional leadership to formulate and enact a party program would probably not be called a reform.

Some journalists may make the bold defense that they are aware of the value implications of the word "reform" and, far from employing it by accident, or because of an unconscious preference for a political cause, they use it deliberately and correctly. Some proposals are good; reporters can tell which they are; and reporters have the "right" (no doubt even the duty) to tell their readers, even in news stories, what is true, beautiful and just.

I ask them only to remember that most practices they now denounce were once considered to be reforms. Were it not for the "reforms" of the past, the advocacy journalists of today would be unemployed. Prisons were originally heralded as reforms; so were the juvenile court system, aid to families with dependent children, urban renewal, the Federal Reserve System, the state police, the Ferderal Bureau of Investigation, the Interstate Commerce Commission, the Civil Aeronautical Board, the civil service system, prohibition, and building trades unions. Given what many reporters now think of these institutions, all praised by the best and brightest reporters of the past, can they be so confident of their ability to tell a "reform" from a nonform, unform, or antiform?

Why not just get rid of the word, or use it only in inverted commas or when it can be attributed to a spokesman who is directly quoted? It would cost the preess not a single reader, it would not prevent them from saying editorially whatever they liked, it would not take away a single byline.

Instead of "campaign reform," they can write of "campaign spending laws"; instead of "party reform," they can refer to "party rules changes"; instead of "reform candidates," "opposition candidates." It is all so simple and reasonable. Naturally, journalists will follow my advice.

Naturally, the sun will stop rising.

THE LAST TO DIE IN VIETNAM

Mr. CLARK. Mr. President, it is with a great sense of relief that this country leaves the war in Southeast Asia.

It was a long and costly engagement—and hardly anyone in this country was not touched by it in some way.

During that long war, 816 Iowans lost their lives—and those deaths will grieve us for many years to come.

But even though combat troops left the area 2 years ago, the war did not really end for Iowa until last Monday. On that day—one of the last for evacuating American citizens from Saigon—two U.S. marines were killed, Cpl. Charles McMahon of Woburn, Mass., and Lance Cpl. Darwin L. Judge of Marshalltown, Iowa.

William Claiborne in the Washington Post today has written a moving profile of Corporal Judge, and in it we see a young man deeply dedicated to his country and ready to serve it whenever needed. It is a story we have seen repeated many times in the past. Here was a young man recognized in his community as a good citizen—an Eagle Scout, a hard worker, and a willing recruit for the Marine Corps. He volunteered for assignment to Vietnam.

I extend my deepest sympathies to Corporal Judge's parents, Mr. and Mrs. Henry Judge, and to his brother, Staff Sgt. Loren Judge. I hope they will be comforted in the knowledge that their son and brother died for a cause in which he strongly believed, and in the knowledge that America is finally free from this war.

I ask unanimous consent that Mr. Claiborne's article in today's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AT THE END, TWO MORE DEATHS

(By William Claiborne)

MARSHALLTOWN, IOWA, April 30.—Marine Lance Cpl. Darwin L. Judge believed in God and country and the American Legion honored him with an award for those beliefs.

He believed in honest work, and Clifton's Supermarket rewarded that belief by holding a carryout boy's job open for several weeks until Judge turned 16 on Feb. 16, 1972, and obtained his working papers.

He believed in the Boy Scouts, and in a court of honor held here in January, 1972, Troop 310 gave him the highest Scout emblem, the Eagle badge.

Most of all, according to his family, Judge believed in defending his country's democracy, and so he enlisted in the Marine Corps as soon as he was graduated from Marshalltown High School last June and asked for duty in South Vietnam.

Monday, at 19, Darwin Judge died during an artillery and rocket attack on Tansonhut airport.

Judge and Marine Cpl. Charles McMahon, 22, of Woburn, Mass., were the last two American servicemen killed by hostile fire in South Vietnam.

Since Army Spec. 4 James Davis of Livingston, Tenn., was killed Dec. 22, 1961, 56,659 Americans have died in that bitter struggle.

Sitting in the living room of their modest frame ranchhouse today, Judge's mother and father concluded that because their son believed, his death wasn't a waste.

"He felt like the American soldiers had to go over there and fight Communism so that it wouldn't come here. He was only 19, but he had a good, clean mind, and he was a real dedicated American," said Judge's mother, Ida.

"I can't feel bitter. He gave his life for all of us here," she added.

Mrs. Judge and her husband, Henry, are simple people and they make no attempt to mask their patriotism. She is an American Legion auxiliary worker at the Iowa Soldiers Home near here, and her husband, a postal letter carrier, was a B-17 tailgunner who was shot down and rescued in the North Sea during World War II.

If the United States' struggle in distant South Vietnam was supported anywhere, it was supported here in the heartland, where only infrequently a small town like Marshalltown and occasionally a remote grainery or farm silo disturbs the horizon of central Iowa's gently rolling prairie and the livestock loll comfortably in the first warmth of spring.

Marshalltown's 26,000 people support themselves mostly from farming and from several light industrial plants on the outskirts of town, and many of its residents have moved to new subdivisions of prefabricated one-story homes that have sprung up in the cornfields.

Each June about 50 or more of the 400 graduating seniors join the military, many of them out of deeply ingrained patriotism.

"We had a flagpole at our other house, and our son sure was proud of that," recalled Judge's father.

The surviving son, Loren, 26, is a staff sergeant in the Air Force who served two years in the Navy in South Vietnam and then enlisted in the Air Force.

Sgt. Judge, home on leave, expressed bitterness about the withdrawal from Vietnam.

"It's kind of stupid to spend 10 years and then drop it. I figure we spent a lot of money and a lot of lives in 10 years," he said.

Asked if he plans to make a career of the military, Judge said, "I don't know. I have not decided," but his mother interjected, "I hope he does."

Mrs. Judge recalled that Darwin had decided on a Marine Corps career halfway through his senior year and, after basic training in San Diego and security guard training later, he requested assignment to guard duty at the Saigon embassy. He was killed while on assignment to the Defense Attache's Office at the Saigon airbase, helping to maintain order in the loading of refugee planes.

Mrs. Judge said that when a Marine Corps official came to her door Tuesday morning, she knew her son was dead. "Mothers know that feeling," she said.

In fact, she said, when she heard the news broadcast that two unidentified Marines had been killed, she instinctively knew her son was one. "It hurts. It hurts. But we're real proud of our son," she said.

Atop a console color television set in the living room are two framed photographs of Lance Cpl. Judge in uniform, one in which he is helmeted and wearing full combat gear and clutching an M-16 automatic rifle to his chest.

On April 8, Judge wrote his last letter home, a simple, boyish note in which he described South Vietnam as "real beautiful," the Vietnamese as "real nice" and Saigon's flower gardens as "real pretty."

"Don't worry about all the junk in the newspapers. I'm fine," he wrote.

Inside the envelope flap he had scrawled the afterthought. "Don't worry."

"He was a tremendous kid . . . He went to a special school in Arlington, Va., for training as an embassy guard, and he was real proud of it," said Marshalltown policeman Greg DeSaulniers, who is married to Judge's sister, Lorraine.

At Marshalltown High, assistant principal Robert McCormack said, "He was a typical Midwest high school kid, clean-cut and with all the ingredients of a good citizen. It's very saddening to see such a good kid die."

McCormack described Judge as a average student, but said he excelled in woodworking and had he not chosen the Marine Corps as a career he probably would have become a carpenter.

Mrs. Judge, reflecting on the meaning of her son's death, said, "I hope it has done some good. So many boys lost their lives in the war. If we don't honor them at home, then their giving their lives will have done no good."

THE ENDURING PARTNERSHIP—UNITED STATES-ISRAEL

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD an address I made before the Annual Policy Conference of the American Israel Public Affairs Committee, here in Washington, on April 14, 1975.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ENDURING PARTNERSHIP—UNITED STATES-ISRAEL

(Address of Senator JACOB J. JAVITS, before the Annual Policy Conference of the American Israel Public Affairs Committee)

The reassessment of U.S. policy is not a crisis in relations with Israel. It does not mean any basic shift in U.S. policy or support of Israel. The mountain of the moment is really only a molehill when viewed from the perspective of the fundamental identity of interests which have bound the United States and Israel together for the last twenty-seven years—and which continue to bind the two nations together in an enduring partnership. In my judgment, it is a disserv-

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ice to the cause of peace to allow differences over negotiating tactics—or the vicissitudes of negotiations—to be represented as some kind of potential Rubicon in U.S.-Israel relations, or in the millenial history of the Mideast itself. And, for interested Americans to act on these assumptions is an even greater mistake.

In my judgment, support for Israel among the American people and within the United States Congress remains what it always has been. And, concern for Israel's security, and the determination to maintain that security as a reality, continues to be among the very highest foreign policy priorities of the United States and of the President. For, the moral commitment of the United States to the security and integrity of the State of Israel is linked inextricably with the fundamental beliefs and moral values of the United States itself.

If that is all that is really happening within the State Department and the National Security Council, it seems to me that it is a rather routine development, and it is against this background that current developments are best assessed, in my judgment. We all know that there is a highly publicized "reassessment" of United States Mideast policy being conducted by the Secretary of State. It is not clear just what is being "reassessed"—and by whom. Indeed, I am not aware of a "reassessment" being conducted in the Congress which has an important, even decisive, say in these matters or by the Congress with the Executive.

I have been given to understand that the "reassessment" is tactical rather than strategic and that its primary focus is upon the next steps to be taken into continuation of the U.S. policy initiative to promote negotiations between the parties to the Arab-Israel conflict.

Hence, I deplore the exaggerated publicity which is being given to reassessment. The very nature and prominence of the publicity suggests that it is itself a diplomatic tactic of potentially dangerous and unintended consequences. This is clearly no time to be sending misleading signals to the Arab capitols and to the Kremlin.

Nor, in a deeper sense, is there anything to be feared from a reassessment of U.S. Mideast policy, if such a stock taking is devoted to an examination of U.S. policy interests in the Mideast, and the vital role played by Israel which benefits so importantly the U.S. national interest.

I have not given up on step by step diplomacy. I believe it important that these efforts should be continued because they are in the best interests of all of the parties concerned. If the Geneva Conference should be convened, I hope that Israel and Egypt will do their best to align their policies in order to achieve a settlement. The differences between them have already been significantly narrowed, and the mutuality of interest in a settlement must continue to be emphasized to the greatest possible degree in whatever forum they negotiate.

The virtual oil monopoly which nature has bestowed in the Arab States, expressed through the organized OPEC commercial monopoly, has created a new dimension to U.S. policy interests in the Mideast. People contended that may cause a divergence between US and Israeli interests. I thoroughly disagree.

On the contrary, I think the oil crisis has heightened the identity of interest between the U.S. and Israel. The reason is that we must also now negotiate with the Arabs, as Israel must, and we are rapidly learning just what that process involves.

The first thing we have learned—and the oil embargo taught us this—is that we must negotiate with the Arabs from a position of strength. The second thing we have learned is that the huge accumulation of petrodollars has given these Arab States a capability of causing a critical financial dislocation to our civilian economy. This has taught us to be vigilant on all fronts—a wisdom Israel has earned literally with its blood.

Within the Arab camp differing voices are contending for control. One faction is the PLO, led by the intransigent Mr. Arafat. His prescription for dealing with Israel is very simple—destroy it. He talks softly in private to reassure some Americans, but his method is terror and his purpose implacable. Israel is obviously not about to accommodate Mr. Arafat and his terrorist commandoes who recognize no rules among nations.

In my judgment, the United States has a vital interest in seeing that Mr. Arafat's approach to relations with Israel is decisively rebuffed. And the U.S. interest in this regard goes beyond its moral and emotional commitment to Israel's security and integrity.

For, Mr. Arafat also has a prescription as to how the Arabs should deal with the United States and the western world in general. His guerrilla forces have demonstrated that approach in the terrorist atrocities that they have staged at the Munich Olympics and at airports throughout the world. Mr. Arafat has given a further personal demonstration of his attitude toward peace or negotiations mounting the speaker's rostrum of the United Nations General Assembly with his pistol strapped conspicuously to his girth and giving the world an ultimatum.

Thus, if the Arab States come to believe that the Arafat approach to relations with Israel can succeed, the temptation could be strong for them to try the Arafat approach to relations with the west in general, in a big way.

To put the matter in its simplest terms, the United States has a very real and direct interest in seeing that the Arab states come to recognize that their relations with Israel must be based on a genuine acceptance of Israel's national integrity and vital national interests too. Only if this is recognized can the United States expect to achieve an acceptable relationship with the Arab States on the vital questions of oil and petrodollars—a relationship which must be grounded in an acceptance by them of the vital national interests of the United States and its allies among the industrial democracies as well. This is the big and current foreign policy challenge for the United States. But, the so-called "reassessment" which is currently being undertaken by the State Department of U.S. Mideast policy is being conducted against the backdrop of severe reversals for Administration policy of the past decade in Indochina. Some have sought to draw a lesson for Israel amongst the ashes of Vietnam and Cambodia.

I must state, respectfully but unequivocally, that in this respect those who made this insidious comparison are dead wrong. In my judgment, precisely the opposite conclusions should be drawn from the failure of U.S. policy in Indochina, as it may bear on U.S. Mideast policy. Indeed, what is really instructive about the Indochina situation are the distinctions which should be drawn.

For, the regimes in Saigon and Phnom Penh are in deep trouble precisely because they lack those qualities which make Israel, Israel. Israel is a tough, independent and highly resourceful ally—with so much heart and fighting spirit that it can bring tears to your eyes. Israel wants and needs assistance from the United States—assistance that is earned every inch of the way through performance.

Israel will not become a client state, relinquishing responsibility for its own security even to its great friend the United States. Israel insists upon keeping unto itself the responsibility for the security of Israel. How such an admirable principle could be the source of disagreement or annoyance astonishes me.

The United States must take a global approach to diplomacy, as the world's most powerful industrial nuclear superpower. Israel must take an approach to diplomacy which fits its situation—and the reality of Israel's situation is that every inch of territory must be weighed and measured in the scales of its life and blood as a nation.

Since the Paris Peace Accords failed, President Thieu's army has not shown itself willing and able to fight. If Mideast Peace Accords fall by the wayside, as they have in the past, the armed forces of Israel will and are capable of fighting. And, Israel cannot accept the substitution of Mideast Peace Accords for the capacity to fight successfully if the accords cannot maintain the peace.

In conclusion, I wish to state my belief that we are passing through a dark moment which seems much darker than it should. I am convinced that the U.S. commitment to Israel, based on vital U.S. interests, will emerge stronger from any genuine reassessment of U.S. policy. And, I believe that the agonizing twilight of the tragic U.S. misadventure in Indochina—so improvidently undertaken and so quixotically pursued—will leave America purified. There will be a clearer vision of the U.S. role in the world, the nature of U.S. interests and of the importance of allies which know how to fight for what they believe in and are committed to.

This will result in a drawing closer to the traditional and natural allies of the United States. And in this atmosphere I am confident that there will be a new renaissance in U.S.-Israel relationships nurtured by our shared values and our shared vital national interests.

Working together, I am optimistic that a reliable basis for peace in the Mideast can be found. It will take infinite patience persistence and steel-like nerves. But then, who ever thought it would be easy.

ANATOMY OF A DEBACLE

Mr. HUMPHREY. Mr. President, there appeared in the St. Paul Pioneer Press of April 27 an article by Mr. Robert S. Elegant, correspondent for the Los Angeles Times, entitled "Anatomy of a Debacle." It reveals and documents the collapse of South Vietnam in recent weeks and months. As Mr. Elegant put it,

> South Vietnam's collapse was swift after military inaction, panic and treachery by the elite. The message was clear: "Save yourself—if you can."

Every member of Congress and, indeed, hopefully every concerned citizen should read Mr. Elegant's article. It portrays what happened in South Vietnam in these past months and weeks. It reveals a shocking lack of political leadership and the subsequent disarray of the political and military structure of South Vietnam. I ask unanimous consent that this revealing article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Paul Pioneer Press, Apr. 27, 1975]

ANATOMY OF A DEBACLE

(By Robert S. Elegant)

HONG KONG.—This is the anatomy of a debacle, the disastrous collapse of South Vietnamese resistance within weeks amid almost incredible scenes of treachery, greed

and brutality, as related by high-level intelligence sources.

The story cannot, at this moment, be told from Saigon. It covers the total breakdown of military and civilian authority in the Republic of Vietnam, running battles among fleeing soldiers and with civilians, an absolute paralysis of will on the part of then-President Nguyen Van Thieu, the large-scale treachery of the ruling Vietnamese elite, and the presumed fate of 7.4 tons of gold worth approximately $30 million, as well as additional millions in hard-currency reserves.

Above all, the debacle was precipitated by military desertions—not soldiers deserting their units, but officers deserting their soldiers.

The information comes not from American, but other sources, primarily an officer high in Vietnamese councils. Some details are blurred by the fog of war. The officer's knowledge and integrity are virtually unchallengeable, although he is, naturally, presenting his own view of the catastrophe.

Three main causes brought about the spectacular Communist victory:

A major shortfall of promised U.S. supplies left the defenders of the two northern sectors of South Vienam, Military Regions I and II, in an untenable position against opponents whose numbers and arms were swelling rapidly.

Then President Thieu was paralyzed by the danger and could not make up his own mind to act or allow anyone else to act—except to safeguard his own wealth and person.

Despite almost 20 years of American involvement, the caste-stratified Vietnamese social structure, civilian and military, had hardly altered, so that the society remained deeply divided, and a small group of the urban elite wanted to continue using the rural peasantry to protect their own privileges.

The immediate background was the desperate logistical situation as the Communists, obviously certain the United States would not attack North Vietnam itself, committed almost all their regular armed forces to the conquest of the south. Their massed, conventional units were lavishly equipped by the Soviet Union.

Saigon's forces had, for at least a year, been expending about one-ninth the aerial bombs previously used by the Americans in South Vietnam and no more than one-quarter the ground-fired ammunition, from heavy artillery to small arms. As authorized by the Paris agreement of 1973, the United States had originally promised to replenish those items on a "one-for-one basis." Every bomb, shell, tank, truck, or other piece of equipment expended or worn out was to be replaced. The rate of replenishment actually ran at roughly a one-for-three ratio, and the South Vietnamese armed forces were rapidly approaching the end of their physical resources.

Against that background, perhaps the clearest way to tell the tale is in chronological order, beginning on Jan. 15 of this year.

At that time, Thieu was urgently advised by a group of senior generals and intelligence officers that he had no option but to order evacuation of the two northernmost military regions, covering almost half of South Vietnam's territory. Because of the acute and intensifying shortage of military supplies, the area could not be held, in the view of Thieu's advisers.

Thieu was told that a massive strategic withdrawal must begin no later than Feb. 15 if there was to be any realistic hope of saving the southernmost military regions, III and IV, where well over half the country's population lives. If he reduced his territory and concentrated his forces, Thieu was advised, he would almost certainly possess sufficient manpower to defend those regions for a long time. Besides, American supplies would be just adequate to enable those units to fight effectively.

In addition, major oil companies had proved offshore petroleum reserves in remarkably large quantities. Excellent prospects of exploiting those reserves promised a flow of dollars that would, within a reasonable period, provide the financial resources Thieu's almost bankrupt government needed and would enable him to buy both military and civilian supplies on the world market.

But Thieu, already caching away a good part of his "personal" fortune in Switzerland, could not make up his mind. It can, most charitably, be said that he was so appalled by the disastrous effects of a mass evacuation on civilian and military morale that his own will was paralyzed. However, he was already so isolated within a small band of cronies that no one not a member of that group can assess his motivations accurately.

The Feb. 15 deadline passed with no action whatsoever taken. The commanders of Military Regions I and II had contributed their assessments to the overall recommendation presented to Thieu, since they, above all, knew the situation on the ground. But they waited in vain for orders.

At the end of February, Thieu finally bestirred himself. Accompanied by his then-Prime Minister Tran Thien Khiem, and his chief of staff, Gen. Cao Van Vien, he made a "secret" reconnaissance in depth of the situation in the north." Actually, that reconnaissance consisted of no more than a brief flight and a brief stay on the ground at Cam Ram Bay, 185 miles from Saigon, but 300 miles from Da Nang, the headquarters of northermost Military Region I.

Thieu, already virtually isolated in Independence Palace in Saigon, still could not make up his mind.

Finally, about March 10, with the Communist attack on Ban Me Thuot in the Central Highlands, Thieu ordered the withdrawal from the two northern military regions. The order came almost a month after the generals' deadline.

It was, however, already far too late to execute that most difficult of all military maneuvers—a major, orderly retreat in force that would lift out entire units and their equipment in fighting trim. In any event, the officer corps of the Vietnamese armed forces took the order to mean: "Save yourself—if you can."

The gulf between those officers and the rural peasants, who were the privates and sergeants, was already great. The officers were the educated, privileged urban bourgeoisie—those, that is, who had not evaded military service.

(In the midst of a war of survival, university-level students from that social class remained a large untapped manpower pool. With an annual need for 300 lawyers, South Vietnam's law schools still had an enrollment of tens of thousands—half, admittedly, women.)

Moreover, a war of small units meant that most—though, of course, not all—officers occupied safe billets at a reasonably secure distance from the enemy. Sergeants, rather than lieutenants, commanded platoons, the chief units actually in contact. With exceptions, even company commanders did not often come within range of enemy fire.

The alienated officer corps began a mass flight upon receiving Thieu's order. Generals and others with access to helicopters piled themselves, their families and their favorites into those short-range machines. According to one source, Quang Nai province, south of Da Nang, "is now littered with the wreckage of helicopters that ran out of fuel in their mad, unthinking southward flight."

When the senior officers had deserted their units, it was the turn of the colonels, majors and captains—indeed anyone who had access to any form of road transportation. Jeeps possessed "cross-country capability," while the ambulances' red crosses were, initially, respected by the common soldiers and civilians—if not necessarily by the enemy. But the enemy was the officers' last concern by then.

Many military vehicles also were abandoned when they broke down or ran out of fuel. All civilian vehicles, even the uniquitous Honda motorcycles, became fair game as panic spread among the leaderless troops, who abandoned equipment worth at least $800 million.

Soldiers armed with M16s stood by the roadside and sprayed the riders of passing motorcycles. Kicking aside the bodies, they mounted the Hondas—often meeting the same fate after a few miles.

"There were, after all, more M16s than motorcycles in the area," said one officer sourly.

Although many did not make it, the survivors of the spontaneous rout jammed into Da Nang, which possessed an excellent harbor and airport. Da Nang became a jungle, with every person fighting for his own survival, the armed soldiers naturally holding the advantage. All authority and order broke down in the rush to save oneself.

However, a certain vestigial respect for the red crosses on the ambulances remained. Initially, frantic soldiers and civilians waiting at the airport parted to allow patients to be ferried to airplanes.

But that respect vanished when those spectators saw the occupants of the ambulances rise up and fight each other for scarce space on the planes.

They were the wealthy families and favorites of those officers who had access to ambulances.

Thereafter, not even remotely civilized order remained. Each man was determined to save himself—and his family if he could, soldiers gunned down rivals for space on planes or ships.

The various services turned against each other. The most grotesquely macabre incident occurred when the Vietnamese air force, anxious to save its own, sent three C130 transports to Da Nang from its main base at Bien Hoa.

Hundreds of airmen and their families piled onto those desperately overloaded planes, which began taxiing with their big rear cargo ramps open. Armed soldiers threatened the unarmed airmen and piled onto the ramps, overloading the planes still more.

The first two C130s barely waddled into the air—and crashed in flames a few hundred yards from the end of the runway. The pilot of the last, learning from his comrades' fate, frantically appealed through the public address system for his passengers to lighten the ship.

Everything portable went out the hatches. Men and women even tossed off clothing and wrist watches, while the infantrymen threw away their weapons. The air force men, massed in the front of the plane, then rushed the soldiers and hurled almost a hundred off the rear cargo ramp at an altitude of about 4,000 feet. That plane reached Bien Hoa safely.

Although the fleeing units were disorganized, demoralized and largely unarmed, the South Vietnamese still had a significant military preponderance in the two southernmost military regions. Even at that point, South Vietnam might have saved its heartland, although it had dissipated almost half its military assets.

But almost all combat-worthy troops were gathered into a static perimeter defense around Saigon itself.

Thieu did not use the arriving units to mount spoiling attacks against the encroaching enemy, who often simply walked into major provincial capitals. He did not even use the new arrivals to replace other

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units for such attacks, which were the only possible hope of halting the Communist juggernault.

Instead, he deployed the entire South Vietnamese army as if it were an immense bodyguard intended to protect himself and his clique—and to ensure that they could escape with as much of their wealth as possible.

Mme. Thieu had already left the country when Thieu announced his resignation last Monday. Otherwise, 7.4 tons of gold bars, treated as if they were private property, were the clique's chief concern, as were a few millions in foreign-currency reserves.

Some informed estimates, incidentally, are vastly larger, ranging up to 10 times as much gold. However, those magnitudes appear most improbable not necessarily because much greater sums were not diverted, but because it would have been imprudent to retain them in Vietnam. However, the true figures are, at this point, impossible to establish.

After failing to induce air carriers to move the gold, the clique reportedly shipped three tons on a freighter bound for Europe. The ship's name and its exact destination are not known to the informants.

An additional ton of gold was, according to some informed reports, moved by Air Vietnam, the national airline, during the last two weeks. Again, the exact destination is unknown, although it is almost certainly in Europe and probably in Switzerland, where Thieu is likely to settle.

By last week, the South Vietnamese forces were totally demoralized. Even those honest, patriotic officers who had neither fled nor looted saw no possible future in resistance. One-star generals complained openly that they had no idea what was happening and that they were receiving no orders from their superiors.

The Vietnamese navy was concentrated in the approaches to Saigon. There could be only one conceivable purpose, and it was not tactical. Those ships were to serve as a backup evacuation force for Thieu and his loot.

Ironically, the high-ranking officer-defectors did not appreciate that, when the time came, the naval crews would probably save themselves and their families. Large bribes may, possibly, buy passage for the senior officials. But, some informants predict, the angrily resentful crews could well repudiate any agreements they make.

Demoralization has been intensified by the rapid, visible American evacuation, U.S. Ambassador Graham Martin resisted the move for that reason. He may have waited too long to save tens of thousands of Vietnamese whom Washington considers particularly worthy or imperiled.

In that atmosphere, Thieu was finally forced to step down. He was succeeded, in violation of the strict provisions of the Vietnamese constitution, by 71-year-old former Premier Tran Van Huong. The presidency should have gone to Speaker of the Assembly Tran Van Lam, but he wanted no part of it.

A small group of senior Vietnamese officers and officials, anticipating Thieu's forced resignation, began several months ago to press Huong, an honest, capable patroit, despite his years, to assume the responsibility. That group promised Huong its full support and counsel.

Even optimists, who predict that Saigon could still hold out for a few more weeks as a result of the political shifts, now fear civil disorder more than they do the immediate impact of the Communist takeover, Saigon, they predict could become a Da Nang on a much greater scale—with revenge-inspired, loot-seeking mobs rampaging through the streets, killing their countrymen and foreigners indiscriminately.

The millions of Vietnamese crowded into the Saigon enclave have no place to go, unlike the Chinese Nationalists in Shanghai, who had Taiwan.

As a result, even diehard anti-Communists now hope chiefly for an orderly transfer of power to avoid a final orgy of slaughter and destruction.

LAW DAY 1975

Mr. MATHIAS. Mr. President, Sir William Blackstone has said that the law is the most perfect expression of the ethic of a nation. It is vital that time should be set aside to reflect on what it is that the state of the law says about the Nation and its ideals. Law Day gives us this opportunity.

Americans should be proud of the past and confident of the future as they contemplate the whole structure of American law. If our goals and ideals are accurately stated in organic documents such as the Declaration of Independence, the Constitution and the Bill of Rights, then I think we have progressed nearer the achievements that our forefathers envisioned for us.

That is not, of course, to claim that utopia is a present fact. Far from it. But what is fact is that we are constantly striving to do better in our entire legal system, and that is the critical element that distinguishes a vital society from one that is sluggish and obsolete.

For the sake of getting a fix on our condition today, look back just 25 years to an America that was segregated, that tolerated less economic security for senior citizens and greater differences in delivery of health care and educational services. The legislatures, both State and National, were not proportionately representative. The role of women was distinctly inferior.

Today every one of these conditions has changed for the better, and in every one of the changes the law has played a role. Although legislative action has ultimately played a part in perfecting some of the changes, the courts have been the indispensable agent in insisting that every citizen has rights and in the enforcement of those rights.

The law has thus proved the vital quality and character of the protection it affords every American. It is not simply an inert mass of legal literature, but is the standard of fair play and common sense by which Americans can measure whether they are, in fact, fully participating citizens of a great Republic.

Law Day is important, because the law is important to every American. It is worthwhile to take time to acknowledge the fact.

FREEDOM OF IDEAS: DR. KEMENY AND THE PRIVATE COLLEGE CRISIS TODAY

Mr. McINTYRE. Mr. President, private colleges and universities throughout the country are becoming victims of the economic and social changes the United States is undergoing today. The number of people of college age will soon begin to decline, and more and more of these young people are discovering that a college degree does not guarantee security in their careers. Many young people who would like a liberal arts or sciences education find themselves forced to choose a vocational institution in order to make a living for themselves and their families.

The financial crisis of private colleges threatens the very fabric of intellectual freedom in the United States today. Dartmouth College President, Dr. John G. Kemeny, in an interview with the Washington Star, stated that "significantly fewer" college institutions will exist in the 1990's, the result of a 30 percent drop in the number of students. He predicts that half of today's private institutions will go out of business if the present forces against them continue. Private institutions, he believes, have been:

> Responsible for a major portion of innovation in the United States and also they are one of the best safeguards against thought control by the state.

I share Dr. Kemeny's concern for the future of private academic institutions, and I too fear the consequences of their dissolution. The United States became a great Nation not through might or money, but through the strength of its ideas. Our forefathers founded this country on ideas bred and nourished by America's intellectual freedom. In this era of competitive technologies and ideologies, innovative ideas are our best resource and our greatest weapon against the oppressive forces pervading the world today. If we let our private academic institutions die, we will be opening our doors to this oppression.

I have known Dr. Kemeny for several years and I consider him to be one of those "free-thinkers" who have made America great. He pioneered computer method as coauthor of the computing language BASIC. The most recent of his books: "Man and the Computer: A New Symiosis," tells us that we can use computers in our everyday life, not as oppressive monsters, but as helpful tools. Following this philosophy, he has brought the practical use of computers to Dartmouth students. At Dartmouth, he codeveloped the "Dartmouth Time Sharing System" which 90 percent of the undergraduates use as an integral part of their studies.

As a teacher, he has kept close contact with students and is responsive to their problems and needs. As an administrator of one of the country's finest private institutions and as an excellent example of the innovative people which private institutions produce, I consider his views on the crisis in private colleges crucial to our understanding of the matter. Therefore, Mr. President, I ask unanimous consent that the interview with Dr. Kemeny entitled "Dr. Kemeny Sees Gloom for Colleges," in the Washington Star, April 24, 1975, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DR. KEMENY SEES GLOOM FOR COLLEGES

(NOTE.—John G. Kemeny, president of Dartmouth College, was interviewed by Washington Star Staff Writer John Mathews).

Question. Do you think private colleges and universities are going to survive into the 21st century or are they really in their death throes right now?

Kemeny. I think the institution of private colleges and universities will survive but I'm afraid that I don't believe that all the present examples of those institutions will survive. I have predicted if present terms continue about half of them are going to go out of business. One way or another they will no longer be private colleges in the sense in which they exist now.

Q. Is there any particular category of institution that is likely to die?

A. In some sense all the private institutions are threatened by the present forces. But, those most likely to go out of business are institutions that have poor endowments, have difficulty attracting students and are threatened by nearby state institutions. You have to remember that the number of 18-year-olds will be much lower in the decade of the 80s than it was in the decade of the 70s and that's when the real test comes. If my memory is right, by 1990 there will be 30 percent fewer college-age kids and I don't think the answer will be that each institution will have 30 percent fewer students. I suspect the answer will be that there will be significantly fewer institutions around.

Q. Will higher education suffer because of the loss of some colleges or should survival of the fittest be the rule?

A. I guess I have a mixed answer to that. I'm sure there are marginal institutions whose disappearance is not going to be a major blow to higher education, both marginal private and marginal state-supported institutions. On the other hand, if a significant faction of private institutions went out of business I would worry a great deal. I think private institutions have written a quite strong record of being responsible for a major portion of innovation in the United States and also they are one of the best safeguards against thought control by the state.

Q. Certainly, a leading institution like Dartmouth, with a good endowment and a great number of applicants for a limited number of spaces, can't be threatened by forces confronting a lot of private colleges now.

A. No, I am not at all worried about Dartmouth going out of business. The threat is that financial problems can become severe enough that we have to compromise the quality of the institutions and I think that's a suicide course. If there's one thing an institution like Dartmouth should provide it is a really superb undergraduate education. If you start compromising the quality of it you may still exist but the purpose for existence would disappear.

Q. Have you had to make compromises lately because of the costs?

A. Not yet, but this year we have made very major cutbacks. We cut three-quarters of a million off our budget costs and it was a very painful process. But we have managed to be able to do it with administrative costs, cut back on some athletic costs and cut back in all the non-salary costs as much as we could. One thing we are a bit proud of is that, unlike most of our sister institutions, not one faculty member has been let go. We have a fairly tight faculty-student ratio and our faculty works very hard. When you start cutting back on faculty, that's when you really start compromising the quality of the institution. I'm afraid that many of the really first-rate private institutions have had to cut back on the size of their faculty significantly.

Q. The cost of going to a private college now is fantastic. Have we reached the point where the only people who can afford private institutions are either the very rich or the very poor who are eligible for government scholarships?

A. No. At any institution like Dartmouth we have a disproportionately large number of children from well-to-do families. On the other hand, it's still true that middle-class families are proportionately better represented than the poor, although poor families are now much better represented than they were 10 years ago. So it's not that its a sort of a bi-hump distribution. Look, unless half our students could afford to pay the full cost of Dartmouth we could not make ends meet. So we have a very large number of children from well-to-do families, but we still do very well by middle class families. The thing that is generally not known is that it is not necessarily more expensive for a middle-class family to send their child to an expensive private school rather than to an inexpensive one, because we are also the ones that have the best financial aid.

Q. How do you stand on direct federal help to institutions, instead of help to students so that they can pay the bills?

A. I come out against that. It's easy to say yes, but one worries greatly these days about federal interference with educational institutions. Therefore, as much as I'd love to get millions of dollars from the federal government, I'd much rather see the money go directly to the student, and let the students choose their institutions, because it's much less subject to federal regulations, some of which have become a disaster area for us.

Q. Do you feel that the standard of education at colleges is as stringent today as it was 10 or 20 years ago?

A. That's very hard to answer because two opposite trends have come. On the one hand, our student body has gotten significantly better in the last 20 years, they're better prepared and they're brighter. Therefore, there has been a significant raising of standards in the sense that each course covers more and more difficult material than it would have 20 years ago. On the other hand, there is a trend that students resist regimentation. Students are given a great deal more freedom, which is very good unless it gets to the point that you don't enforce the standards that you have set up. I think that at all institutions there are some faculty members who are less willing to enforce standards than they were 20 years ago. So, in a sense more is expected of the students, but probably it is not as strictly enforced as it was 20 years ago.

Q. How do you assess the mood on college campuses these days?

A. I think it would be a mistake to feel that this generation is apathetic about national issues. They do care deeply if you talk with them and listen to them carefully. I think students are just as concerned with national issues today as they were at the height of the student turmoil. They just no longer believe that huge protestations achieve their goal. They're also very much influenced by being worried about jobs, and even before that, by being worried, at a school like Dartmouth, about getting into professional schools.

Q. For law and medicine degrees?

A. It has a sort of snowballing effect: As jobs are harder to get, more students want to go on to graduate school and professional schools. We used to have a very large proportion of our students go on to an M. A. or Ph.D., but the job market for college teachers is so horrible that fewer and fewer of them go on, which means that everybody wants to be a doctor or a lawyer. Medical schools and law schools are absolutely swamped, and that means that our students panic. The pre-med student who gets a B-plus instead of an A-minus goes in to see his professor and says "You're ruining my life forever"; and that's not what college should be about.

Q. That sounds like a return to the 50s in a way?

A. Yes, it is a return to the 50s in some way, but there's an additional aspect. At least in the 50s, even if they may have been very worried about jobs, if their record at a good school was good, they were assured of getting into a good professional school, but this is not true any more.

Q. Can colleges now guarantee that a student is likely to get a better paying job because of having a bachelor's degree?

A. No, I don't think any college can guarantee that, though, at least historically, an institution like Dartmouth has an extremely good record in terms of its graduates. And even in this very tight job market, it looks to me that most of our students do extremely well in the job market.

Q. Looking back to the tumultous 60s and the early 70s, what do you see as the positive long-term results and what are some of the negative results?

A. Well, of course, the most important negative result was that President Nixon got elected twice to be president of the United States, and I think he was enormously helped by the political advantage of student protest. But, on the positive side, many of the values that that student generation was advocating the rest of us have accepted. That may actually be the single factor why there is much less protest now than there used to be. The values that were so controversial in the late 60s are now sort of the typical values of the average American. I think that if you will compare some of the things they were fighting for—I don't even mean the Vietnam war, I hope we can forget that—some of the concerns of our minorities, about the environment, about poverty, worrying about things in addition to making a profit, I now see advocated by people you would consider average Americans, instead of radical college students. One very important issue is the concern about the quality of education. It is easy to forget, but the first Berkeley riots were not about political issues, but about the quality of undergraduate education.

Q. During the Nixon administration, there was much tension and antagonism between the higher education community and the White House. Have things really changed with the Ford administration?

A. I think it's too early for me to judge that. Certainly the open antagonism does not exist yet. I think we haven't seen enough yet what the Ford administration will do, particularly for education, to be able to judge that. But certainly I do not feel at all the personal antagonism that existed some time ago. And certainly I have no evidence of personal kind of reprisal and "enemies list" that existed between the previous White House and colleges and universities.

WHATEVER HAPPENED TO DÉTENTE?

Mr. HELMS. Mr. President, while Vietnam languishes in the final stage of détente, and country after country begins the agonizing reappraisal of whether or not friendship with the United States is a betrayal of their best interests, we should stop to consider whether our policies have led. It is time now to begin a major debate about our past mistakes, and to consider again whether we are on the road to peace or to final disintegration.

Yesterday's Wall Street Journal made a notable and well-timed contribution to this debate with a major editorial entitled "Whatever Happened to Détente?" along with an impressive supporting document by A. I. Sobolev, of the Institute of Marxism-Leninism in Moscow. The document by Sobolev presents the Com-

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munist view of détente and the advantages that accrue to Communism as a result of the successful execution of that policy.

Naturally, the perspective of Sobolev is more optimistic than the facts may warrant. But it is in the nature of Communist rhetoric to claim as an accomplished fact that which is only in the making. So we ought to read it as a warning of the direction in which we are heading. Unless we wake up and rededicate ourselves to the goal of freedom, then we ourselves may well lose that freedom.

Mr. President, I ask unanimous consent that the aforementioned articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

A SOVIET VIEW OF DÉTENTE

(By A. I. Sobolev)

(The following is a condensed version of an article from the Moscow periodical, Rabochity Klass I Sovremennyy Mir (Working Class and Contemporary World). Mr. Sobolev is chief of the Department of History of the International Communist Movement at the Institute of Marxism-Leninism. His article was translated by the Foreign Broadcast Information Service of the U.S. Department of Commerce and edited by this newspaper. An editorial on the subject appears today.)

The tremendous social, political and ideological changes taking place in the world are setting the revolutionary vanguard of the working class in capitalist countries many complex new problems requiring theoretical substantiation and a political solution.

The intensity of social contradictions, the mass nature of the strike movement, the bitterness and scope of the struggle against the monopolies—all this shows that the working class is entering a new stage of the class struggle, which is developing in a situation of the further deepening of the general crisis of capitalism, the aggravation of all its contradictions, and fundamentally important changes in the international arena.

The general crisis has embraced all aspects of life of capitalist society—basis and superstructure, economy and policy, ideology and culture—and is exerting a constantly growing influence on the struggle of the classes.

What, then, are the chief characteristic features of the modern stage of the general crisis of capitalism?

First, the world system of socialism, which is developing in the ascendant and which is a decisive factor in world development, has taken shape and strengthened. World capitalism has suffered defeat in the great historical confrontation. Imperialism wanted to hold back the development of world socialism, weaken its economy, undermine the world Socialist system, disunite the Socialist countries, restore capitalist usages in them and overthrow socialism in Cuba, in Korea and in Vietnam. But imperialism was unable to overpower world socialism, to oust it or to weaken it. The world system of socialism has emerged strengthened from this confrontation, but the world system of capitalism—weakened.

Capitalism has lost the historical initiative, which has firmly passed to the world system of socialism. This is a very important feature of the general crisis of capitalism.

COLONIALISM'S COLLAPSE

Second, under the influence of the change in the alignment of forces in the world arena and under the blows of national liberation revolutions, the colonial system of imperialism has collapsed and dozens of new young states have been formed, many of which have embarked on the road of democratic development and become an active anti-imperialist force. The achievement of political independence by the peoples of Guinea-Bissau, Angola and Mozambique signifies the collapse of the last colonial empire.

Third, despite fierce resistance from monopoly capital, narrowing—in the final analysis steady, although uneven—of capitalism's sphere of domination and sphere of influence is taking place.

Fourth, all of the contradictions inherent in the capitalist mode of production have intensified, and new ones have appeared as the result of the increasing antagonism between the scientific and technical revolution and conservative-anarchic forms of capitalist relations, the development of state monopoly capitalism and the rapid spread of international monopolies, which imparts to them an increasingly antipopular, cosmopolitan nature.

Fifth, the crisis of capitalism's economic system is developing in ever increasing depth, and this crisis has very different forms of manifestation: economic instability, the slowing down of the rate of development, production slumps, currency and financial upheavals, the energy crisis and intensively developing inflation.

Sixth, the crisis of the political system of capitalist society has developed and intensified, which manifests itself in the growth of political instability, in the crisis of bourgeois democratism and in the monopolies' inability to manage with old methods.

The uniqueness of present-day political life lies in the fact that the monopolists cannot always—by no means always—implement their reactionary fascist designs. There is now a different level of class activeness and class struggle of the people's masses. Reaction is afraid that the hasty use of fascist methods may lead to the defeat of its political mechanism. The popular democratic revolution in Portugal, the new victory of democracy in Greece, the successes of the left-wing forces in France and Italy, and the growth of the activeness of the working class in Japan and other countries are all an indicator of the intensification of the democratic, revolutionary trend.

The masses' struggle for the democratization of society is the main obstacle on the path of the reactionary circles of the capitalist countries. It is indicative that the democratic trend is developing not with the aim of preserving bourgeois democratism, but is proceeding along the lines of becoming real people's power.

Seventh, an ecological crisis has emerged and is gaining increasing force as an expression of the growing conflict between the monopolies' desire to utilize the achievements of the scientific-technical revolution for the purposes of obtaining maximum profits and the predatory utilization of natural resources and the geographical environment.

Eighth, a crisis of bourgeois ideology has emerged, which has several aspects. Capitalism is incapable of putting forward any concept of social progress whatsoever. Even the ideologists of capitalism cannot defend modern capitalism in a sufficiently well-argued manner.

Ninth, a crisis of the moral-ethical foundations of the capitalist society has emerged and is increasingly developing, which is expressed in even greater alienation of people and the growth of crime and violence.

On the whole, the present stage of the general crisis of capitalism is characterized by the further deepening of the chief contradiction of the epoch—that between socialism and capitalism—and the intensification of the world historic antagonism and rivalry between them. The capitalist system is increasingly becoming a threat to peace, democracy, freedom and social progress of mankind.

A relaxation of international tension is taking place, which the Soviet Union and the other Socialist countries are striving to make irreversible. The broad dissemination and recognition of the Leninist principle of peaceful coexistence between the states with opposite social systems is a major historical achievement for the CPSU, all the fraternal communist parties, the international working class and all revolutionary forces and opens up new, immeasurably more favorable prospects for the further struggle of the working class and all working people for peace and democracy, for national independence, fundamental revolutionary transformations and socialism.

Essentially the broad dissemination and forced recognition by the capitalist countries of the principle of peaceful coexistence is a new stage in the development of the world antagonism between socialism and capitalism and in the development of world revolutionary progress. A historic comparison is taking place within the framework of peaceful coexistence, that is, the advantages of socialism are being manifested increasingly fully, the economic competition between the Socialist and the capitalist countries is intensifying, more active use is being made of political methods to protect the interests of social progress, and an offensive ideological struggle is developing between the international working class, armed with Marxism-Leninism, and the monopoly bourgeois with its unscientific views.

INTERNATIONAL RELATIONS

On the one hand, peaceful coexistence is a specific but essentially basic form of the class struggle on the world arena between ascendant socialism and a capitalism which is going through a period of acute crisis, a leading form of solving the chief contradiction of the epoch. On the other hand, peaceful coexistence is an international legal norm of relations between states which presupposes the observance of such norms as the renunciation of interference in other countries' internal affairs, recognition of territorial inviolability and national sovereignty, and so forth.

The concept of peaceful coexistence under certain conditions has also become acceptable to that section of the dominant bourgeois which soberly appraises the historical realities which have taken shape: the change in the correlation of forces in the international arena in favor of world socialism and the growth of the economic potential and defense capability of the Socialist countries. Under the pressure of these historical circumstances, certain circles in the leading capitalist countries have been forced to accept the principles of peaceful coexistence as an international legal norm. Of course, the bourgeois has its own understanding of this principle and would like to extract certain advantages from it.

In certain press organs the policy of peaceful coexistence is reduced only to the struggle for peace and is given a purely pacifist coloration. Certain circles are also spreading the thesis that peaceful coexistence is helping the imperialists to solve their own contradictions, and that it is primarily the imperialist circles which are interested in it.

It is essential to stress once more that the policy of peaceful coexistence is a specific and highly effective form of the class antagonism and historic rivalry between world socialism and world capitalism. This policy is an important integral part of the world revolutionary process.

It becomes increasingly difficult in the course of peaceful coexistence for capitalism to use various extraordinary measures (intensifying authoritarian power, speculating on the threat of war, slanderous arguments

about the aggressive intentions of the Socialist countries and so forth) to solve their contradictions. That is why peaceful coexistence does not lead to the weakening of the contradictions of capitalism, but in the long run, if one can put it this way, locks capitalism's socioeconomic relations within the framework of its natural laws, on which soil its contradictions develop most fully.

NEW OPPORTUNITIES

Peaceful coexistence creates very favorable conditions for the development of the class struggle and for the rallying of the democratic forces and their offensive on the positions of the monopolies. Peaceful coexistence, proceeding from Lenin's position of denial of the export of revolution, at the same time creates ever greater difficulties for the export of armed counterrevolution, which opens up new opportunities for the development of the revolutionary struggle. The Communist parties of many countries are of the opinion that under the conditions of the Cold War, it was difficult to imagine the overthrow of the fascist regimes in Portugal and Greece, the rallying of the left-wing forces in a number of countries, the shift to the left of the axis of political life in France and Italy and so forth.

Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformations, particularly the peoples of the developing countries. The expansion of aid to the peoples embarking on the path of social progress leads to the further alternation of the correlation of forces in the international arena in favor of the revolutionary classes.

All this attests that from the world-historic viewpoint, the policy of peaceful coexistence firmly and consistently pursued by the CPSU and the other fraternal parties is a component part of the world strategy aimed at the consolidation of the forces of world socialism and at raising its prestige and revolutionary-transforming role.

WHATEVER HAPPENED TO DÉTENTE?

The North Vietnamese are using Soviet-supplied tanks and artillery to consolidate their grip on the South; and the Portuguese Communist Party, having polled 12% in elections there, is warning the non-Communist majority not to get the idea it should run the country. It would seem the moment to ask, whatever happened to détente?

If indeed the better question is not whatever was détente in the first place? The word has a vaguely comforting ring, but what is its meaning? Is it anything beyond atmospherics, the comforting word and the comforting exchange of heads of state?

Does détente mean military disarmament? Surely not on the Soviet side. They have proceeded with four new classes of intercontinental missiles, the building of a major navy, and increases in military manpower. Their total military spending has rapidly increased, while ours has failed even to keep pace with inflation and is steadily falling behind Soviet totals.

Does détente mean that in exchange for American trade and technology, the Soviets will pursue a less adventurist foreign policy? This, we take it, has been the sophisticated understanding of détente from the American side, certainly one subscribed to by businessmen promoting Soviet-American trade. But in the light of Vietnam and Portugal, any such bargain would seem to apply only to the long run—in which, as Lord Keynes said, we will all be dead.

What, for that matter does détente mean to the Soviets? This is at least somewhat clearer, as the accompanying A. I. Sobolev article attests. While Mr. Sobolev represents the hard-line Institute of Marxism-Leninism, Kremlinologists consider this article a soft-line one. But it makes abundantly clear that "peaceful coexistence" is in the end a tactic of class warfare.

The essence of Mr. Sobolev's argument is that since the capitalist world is so obviously collapsing, the smart thing for the Soviets to do is to let events take their course and pick up the pieces. The Soviets have found that a direct confrontation merely alerts the West to danger. Better for them to relax tensions, and work behind the scenes. As Mr. Sobolev says, "Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformations."

What this means is clearly evident in Vietnam, where the Soviets poured in weapons used in gross violation of the Paris accords. It was the movement of Soviet-supplied tanks, artillery and anti-aircraft weapons into the Central Highlands that made the South Vietnamese position there militarily untenable, precipitating the withdrawal and subsequent psychological collapse. Lest anyone think Indochina is a special case, the Soviets have been similarly extravagant in supplying arms to Syria, and as they have in the past, will surely do so again for Egypt if President Sadat grows ready to dance to their tune.

Portugal is a more complicated case. We may never know the full explanation for the remarkable leftwing penetration of the military. When asked how the Communists finance their elaborate organization, Party Chief Alvaro Cunhal talks of buying ballpoint pens for 20 cents and selling them for 40 cents. Perhaps the electoral showing there may yet guide Portugal to what Communist thinkers call "bourgeois democracy," the kind in which elections decide who rules. But the nationalization of banks and Communist control of printing unions and much of the press might also yet lead to "people's democracy," the kind known in, say, East Germany.

Both events in Portugal and the Sobolev analysis underline the warnings issued a few weeks ago by The Economist: "The danger to the democracies of Europe no longer comes mainly from the risk of a direct Soviet invasion, although that risk could become a serious one again if the armies in Western Europe grow much weaker. It comes from the possibility that the Communist parties in a number of European countries may be able to climb to power, and then be undislodgeable from it, by breaking the rules of the democratic system."

So this is détente. Even this kind of détente, so long as we do not mislead ourselves about its meaning, is preferable to bristling hostility. But if on the Soviet side the relaxation of tension is merely tactical, obviously direct confrontation could quickly return if, when and where the Soviets find it convenient. Its convenience will be measured in terms of the "correlation of forces." If the U.S. is to live with this kind of détente, the first prerequisite is maintaining the military balance of power. Here the question ought to be not whether the administration's military budget is too much, but whether it is enough.

Beyond that, the U.S. needs to prepare for the kind of competition it faces. It should put aside squeamishness and stand ready to offer finances if doing so will promote democracy, though whether such financing will help or hurt is a decision to be made by indigenous leaders on the scene in Portugal or elsewhere. But the U.S. ought at least to voice rhetorical concern over threats to democracy; no U.S. President ought in present circumstances to give a state of the world address, as President Ford has just done, without mentioning Portugal. We should of course use what influence we have in places like Spain to promote orderly democratic development as an alternative to a leftwing coup. But we should also make clear to the Soviets that atmospherics and trade cannot go on oblivious to world events.

Mr. Sobolev's scenario is nowhere near as inevitable as Marxism-Leninism teaches him. The developing nations have in fact shown little tendency to develop into Communist states. The decline of the Western democracies is not irreversible; their long history includes many resurgences from sloughs of despond like the current one. But neither are such resurgences inevitable; it depends on a reawakening of courage and will in the West, on a determination to make the best of whatever opportunities for peace present themselves, but not to allow comforting slogans to obscure an actual world in which the dangers are very real.

THE OPPORTUNITIES AND DIFFICULT TASKS AHEAD

Mr. TUNNEY. Mr. President, on April 11 my colleague, Senator KENNEDY, addressed the Charter Day ceremonies commemorating the 107th anniversary of the University of California at Berkeley. In his speech Senator KENNEDY spoke not only of the trials of America's involvement in the Vietnam war, but also of the challenges facing this Nation in the years to come. Having hopefully learned the lesson of our tragic involvement in Southeast Asia, the Nation must now strive to decelerate the strategic arms race, rebuild the shattered lives of millions of needy refugees, restore faith in our security commitments abroad, reassess our international economic policies, and reassert the dedication of this Nation to human rights around the world.

Because I think Senator KENNEDY has done a great service in reminding us of both the opportunities and the difficult tasks remaining ahead in the post-Vietnam era, I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR EDWARD M. KENNEDY AT THE CHARTER DAY CEREMONIES OF THE UNIVERSITY OF CALIFORNIA, BERKELEY, CALIFORNIA, APRIL 11, 1975

It is a great honor for me to join with you in commemorating the 107th Anniversary of this great University. The tradition, the accomplishments, and the graduates of the University of California have made this occasion one of the most prestigious forums in America.

This University, with its nine campuses and its world acclaimed faculty, has more than fulfilled the vision of President Lincoln when he signed the Morrill Act to establish the land grant college system.

The University of California has set a standard of public service that has placed this state in the vanguard of modern social change. It has set a standard of excellence that has seen its graduates rise to the highest offices of this land, in Democratic and Republican Administrations alike. When President Kennedy spoke here 13 years ago, two officers of his Cabinet were graduates of this University.

And the University of California has pioneered in opening opportunities of higher education to all its citizens—extending its reach across the vast length of this state on the basis of academic achievement alone.

Daniel Webster said, "On the diffusion of education among people rests the preservation and perpetration of free institutions." That has been the hallmark of this University, with its unparalleled program of continuing education that helps bring it ever closer to the ideal of a "City of Intellect".

At Harvard University in 1963, former University of California President Clark Kerr said:

"The 'City of Intellect' of the modern university also must look outward and to reality; it cannot be a company apart. This conflict between internal and external dynamics has always been a difficult one for universities, but never so intense as at present when the imperatives of change press so unmercifully against the necessities of internal harmony."

Events on this campus, more than a decade ago, reflected that dynamic tension. And those events led, I believe, to a greater recognition of the limits of confrontation—and yet an understanding, as well, of the need to open the internal processes of higher education . . . to offer more choices to students . . . and to relate ever more closely the life of the university to the life of society. Meanwhile, the University still has its traditional role of relating current events and social change to the broad history of human endeavors . . . to our ideals . . . and to our dreams.

In our generation, we must again answer basic questions about the ability of government, university, and other institutions to meet America's needs. But as we do so, we must seek a longer view—to discover where and who we are, and where we are headed.

That vision—that perspective—is critically needed as we meet here, today.

For during the past few weeks, America's attention has been focused on a series of events abroad—rivalling even our domestic economic crisis. The nightly news is filled with the continuing tragedy of Indochina, as new suffering is imposed on millions of people who have already borne too much. We read of failure to move towards peace in the Middle East; of unresolved conflict and more human tragedy in Cyprus; and of deepening concern for the future of Portugal.

Rarely in our history, we are told, have we passed through such a difficult time in relating to the outside world. We are told that the basic fabric of our post-war policies is in tatters; that the United States is a helpless Gulliver, bound by a thousand cords; and that the American people have lost the will to act in our own self-interest.

I reject that view. I reject that verdict. It is a distorted perception drawn from the emotions of the day's headlines, and from a failure to see what is truly important to us as a nation.

Instead of seeing clearly what is demanded of us in a changing world . . . instead of understanding and learning from the past . . . instead of charting a new course for tomorrow . . . too many Americans prefer to quarrel with the past and to deny the realities of the world, today. They risk losing both the future and the great opportunities that lie before us as a nation.

This must not continue. We must step back from the issues that fill the daily press, and take a clear hard look at the truly great challenges that now face us as a nation. We must understand both the potential and the limits of our power, and develop a coherent national policy based on the rediscovery of our fundamental interests as a nation . . . the strengths and character of the American people. This is where we must regain our perspective—and sort out the dramatic, transitory, concerns of the moment from the basic, enduring demands of the future. This is where leadership is most lacking in our nation, but is most urgently needed.

Last night, President Ford spoke to the nation. He spoke about America's overall policies toward the rest of the world. But the burden of his speech—the focus of his concern—was with the continuing tragedy of Southeast Asia.

We in the Congress are prepared to join with the President in meeting the situation in Southeast Asia, today. But let us not lose our critical perspective. Let us not lose sight of the place that Southeast Asia truly occupies in our national interest.

In our policy toward Southeast Asia, there is room for debate and difference. But there is one thing on which we should agree: that the era of our involvement in that troubled part of the world is rapidly coming to an end—and that America's basic interests lie elsewhere. We should now be concerned only about the *way* in which we end this preoccupation with the past; the *way* in which we focus our attention on the critical issues elsewhere in the world that will truly move and shape our destiny—and the future of the world, itself.

I have three serious reservations about the President's policy in Indochina.

First, I disagree profoundly with his proposal for massive new American military aid for South Vietnam.

Throughout the long and bloody war in Indochina, we have followed a military strategy. We have sought a military solution, when the situation has cried out for a humanitarian and political settlement.

Now at last, Congress realizes—and the American people realize—that our military policy was wrong. Part of the measure of a great power is its ability to learn from the past, to admit mistakes, to bind up the wounds of the past and let them heal.

This is such a moment in our history. The time has come for America to end its long and tragic pursuit of the phantom of military victory in Vietnam. The tens of billions of dollars we gave in the past could not do the job. Even since the Paris Accords in January 1973, Congress has voted more than $2 billion in military aid for South Vietnam. Three quarters of a billion more today can only prolong the bloodshed and the agony of the innocent victims of war.

What the South Vietnamese have not been able to do for themselves, the United States could not do for them. But we did our best. We were all too true to our commitment—ill-conceived though it was. More than 55,000 brave Americans gave their lives, and the American nation gave its energies, its resources, and more than 150 billion dollars. Those Americans who died deserve our honor and respect for their sacrifice. And those Vietnam veterans who have returned deserve our full support and assistance in building new lives.

Second, I welcome the President's recognition of the need to provide substantial humanitarian aid. But I believe his approach is seriously flawed. It does not recognize the importance and the possibility of focusing a major part of the relief effort through the United Nations and international humanitarian groups.

We must do all that we can to assist in rebuilding shattered lives in all areas of South Vietnam and Cambodia where there is needed. The United Nations—along with the International Red Cross and the private voluntary agencies—stand ready to help.

As Chairman of the Subcommittee on Refugees—with more than a decade of responsibility in this area—I believe we should give our full support to these efforts of the international community.

One of our most important remaining obligations in Indochina is to the people—to the millions of refugees and orphans and war victims who cry out for help.

We would fail in our responsibilities if we ignored the immense resources of the United Nations, the International Red Cross, and voluntary agencies, to meet this cry for help.

So I call upon the President to support, without delay, the internationalizing of humanitarian assistance throughout Indochina.

Third, all Americans share the President's concern for the safety of the Americans in South Vietnam. But I have deep reservations that his emphasis on possible new American military involvement in South Vietnam may make our intervention inevitable. If in the end, it is necessary for us to act to safeguard the withdrawal of Americans, Congress will certainly grant authority for that specific purpose.

Let no one doubt the outcome of a military evacuation. If substantial portions of that evacuation are carried out through American firepower, there will be heavy casualties on all sides, American and Vietnamese alike.

And so I call upon the President to seek immediately a negotiated settlement that includes a peaceful withdrawal from Vietnam.

The Paris Agreements have been broken by both sides, but the political goals of these agreements must not be pushed aside.

We should immediately pursue diplomatic agreements and understandings to end the fighting, and to help secure the free movement and protection of civilians. Such agreements and understandings followed the first Indochina War in 1954. They have followed other wars and conflicts in recent years, including the tragic wars in Algeria, Nigeria and Biafra, and Bangladesh. And they can be achieved in Indochina now.

Let us ensure that our long and tragic involvement in Vietnam does not end in the fresh blood and lives of American civilians and soldiers.

Let us plan for the future rather than for military action.

Let us understand that the tragedy of Indochina is not worth the loss of one more American life.

We must finally accept, and understand, that virtually nothing that could happen in Indochina would threaten the basic interests of the United States. The danger lies in how we regard our own future in the world.

If we argue that our will as a nation is now being tested, some leaders abroad may believe it is so. If we say that failing to intervene in Indochina again will lead to crises elsewhere in the world, some nations may make that basic mistake.

Friends and Allies that are truly vital to us will not judge our reliability by what we do now in Indochina. They will judge us by our ability to show we understand what is important to us—and what is not—and by our ability to act on that knowledge.

Now we can regain confidence in our ability and will to act where necessary, by wisely ending our involvement in the Indochina wars, and ending it once and for all.

Now we can turn our minds toward the truly great needs and opportunities of America's future.

Today, there are five principal areas of U.S. interests and challenges in the outside world.

First, we must continue recognizing the inescapable need to prevent a cataclysmic nuclear war—a war that in a final holocaust would destroy our future. For three decades, under a succession of presidents and through a host of crises, we have met that challenge. Despite Korea, Berlin, the Cuban Missile Crisis, and Vietnam, we have so far succeeded in keeping the world from taking the final, fatal step over the brink of nuclear war.

Today, we have high confidence in stable nuclear deterrence. We have achieved a major reduction of tensions with the Soviet Union—and also with China. And we have joined with Moscow in unprecedented efforts to begin bringing the atom firmly under control. The Cold War is over. Along with the blind, unthinking confrontation between ourselves and China, it is now a relic of the past.

This is not failure; this is a concrete achievement in the face of the gravest threat to human existence that mankind has ever known. The dangers have not passed; we must maintain our vigilance and defenses that are fully adequate to deter a nuclear war; we must build on the possibilities of detente in a wide range of areas; and we must redouble our efforts to end once and for all the tyranny of nuclear weapons. Arms control must not remain a peripheral interest of our government. It must become an ever more fundamental interest to be pursued.

From my own travels to Europe—to the Soviet Union to meet with General Secretary Brezhnev—I believe that there is real promise in detente, and that we can build upon what has already been done in creating a safer world.

Second we must continue to maintain major security commitments where our interests are truly at stake and where—as with Europe, Japan, and Israel—they both have and deserve the backing of the American people. Here, too, for more than a quarter century, we have been faithful to our trust. From the Marshall Plan, to NATO, to the maintenance of U.S. military power, we have helped critically important nations rise from the ashes of history's most destructive war, to new econcmic strength and prosperity. And guided by our knowledge of vital interests—supported by the American people—we will continue to help provide security for those nations, unimpaired by events elsewhere.

We must also join with the industrial nations of Europe and Japan in meeting our common problems, in seeking our common interests. For our future is bound up with theirs. Whether in periods of calm or crisis, the fortunes of the West are indivisible.

But the ways of the past will no longer suffice. The growth of European and Japanese economic power now requires us to pay greater attention to our closest Allies, instead of relegating them to second place behind relations with our adversaries. These industrial nations of the West are now our rivals in commerce, but they are partners in security, and must be our equals in reviving the world's economic strength and vitality.

Third, we continue to have a critical interest in helping to resolve local conflicts that otherwise might draw in the United States or other great powers.

But our role must be different from the intervention of the past. Sending Marines to the Dominican Republic, or the CIA to Chile, did not advance our cause or the cause of security and freedom. We cannot assume the burden—or the right—of trying to control the process of change in a complex and difficult world.

Instead, we must soberly decide where local conflicts pose direct dangers to us and our principal allies—such as in the Middle East. We must help reduce the likelihood of regional arms races—as in the Persian Gulf; and we should lend our diplomatic support to reduce conflict and build constructive relations—as in the Indian Subcontinent. It is time to discard the role as arms merchants of war, and take up the banner as spokesmen for peace.

Fourth, our vital interests are now involved in a new set of challenges—and opportunities. For as the world economy has grown—as the threat of war involving great powers has receded—we have a host of new problems.

From food, to fuel, to fertilizer, the world economy is increasingly bound together. Whether in the oceans, the environment, or the control of raw materials, "interdependence" has become the watchword—from wealthy industrial countries to states with new-found wealth and power. Yet at the same time, a growing number of people—a billion and more—are increasingly left out, in a new "fourth world" of the poor, the hungry, the destitute.

In the world economy, the United States is no longer as pre-eminent as it was only a few short years ago . . . or sole master of its own economic life. We can no longer control inflation or recession without tackling problems abroad, as well. We must now act in common with other nations more than ever before to secure our economic interests.

This task must go beyond a sterile reciting of formulas for cooperation. There must be new ways to work with other industrial powers. Together, we must build new institutions . . . in energy, in trade, in food, in the world monetary system, in the law of the seas . . . to meet our future needs and not merely those of the past that is gone.

At the same time, the American economy of nearly a trillion and a half dollars a year is still the strongest in the world—despite inflation, despite recession, despite our problems of energy. This fact imposes new demands of leadership upon us in rebuilding the world economy—in reshaping it to meet new tasks. For if the United States does not lead, while urging others to do their share, there will be no leadership at all. If the United States does not respond to the needs of the poor wherever they are found—in Africa, Asia, Latin America, or here at home—then the crisis of poverty will deepen beyond repair.

Here, too we do not foresee an easy future. For the new economic challenges do not come gently—but with the insistence of people long deprived. Yet to fulfill our vital interest in the health of the global economy, we must not respond with confrontation. Instead, we must seek the widest possible basis for working together with others, both rich and poor. We and other wealthy states will not always get our way. But the alternative to compromise—in a vigorous give and take—will be a world of greater divisions, increasing conflict, and reduced prosperity for all.

Fifth and finally, we must reassert as a vital interest of this nation our historic support for human rights and humanitarian concerns. Founded as a nation of liberty, we must now reaffirm our heritage as a people of compassion.

When we have lost this vision—in Vietnam, in Chile, in Cyprus—our nation has gone astray. But when we have been true to it, we have justified our republic's promise of two centuries ago.

Securing our strategic interest, promoting economic welfare, balancing contending forces—even these are not enough for a nation of purpose and ideals. These are not enough to gain the commitment and support of the American people . . . not enough to meet our responsibilities to the community of mankind.

Despite mounting reports of repression around the world—despite violation of the most basic rights of life and liberty by governments of both right and left—we must reassert the support of our people for the basic principles of the Universal declaration of human rights.

The anguish of a wife awaiting word from the secret police of the Chilean junta, on whether her husband is dead or alive; the endless letters pleading for the release of a once-young son from a Cuban prison; the sad exodus from Iraq of Kurdish families with their possessions on their backs; the endless wait of a Soviet Jewish family wanting to emigrate freely—these are realities we cannot ignore, just as we cannot ignore injustice in our own country. Nor can we ignore the terrible human suffering of war and conflict—wherever it takes place, whoever is involved.

As a nation, we have opened our hearts to people—struggling for the right to live—from the immigrants who helped build this nation . . . to peoples of Western Europe crushed by the Second World War, but revived by the Marshall Plan . . . to refugees from oppression in Hitler's Germany, in Hungary and Czechoslovakia . . . to the victims of countless wars—to the orphans of Vietnam. As we grapple with the future, we must continue to value this precious, human dimension: the acts of a compassionate people.

To speak out for humanity, to seek the advancement of human rights, to support the casualties of war, to stand for the free expression of the human spirit—that is where our interest lies.

Concern for human rights and human well-being has never stopped at our shores, and it must not today. It must be a basic element in our foreign policy interests.

The late Chief Justice Earl Warren said:

"The efforts to build a more peaceful, more productive world will succeed only if they are fueled with passionate convictions about the worth and the capabilities of the human spirit."

I believe that these five vital interests of the United States can form the basis for a new and vigorous foreign policy.

I believe they can help us gain new perspective about ourselves and the world . . to see the demands of the future, despite the drama and distraction of daily events.

And I believe they can help us set new priorities—and gain a real coherence in our foreign policy . . . moving beyond the attitudes and ideas and outmoded policies of the past quarter century . . . preparing for the future . . . learning to focus our efforts on what is truly important.

We are not the first great nation in history to find its ability to act reduced by changes taking place in the world. We are not the first to question its future role. But few great nations have had to adjust so quickly—and none has faced a world where there is no other nation or institution that can assume the major burdens that remain.

Will we continue to help bear those burdens? I am confident we can—and we will. We will do so when we understand the nature of new tasks. We face a world where the need for security will continue . . . where we must work with other nations to rebuild the global economy . . . a world where we must heed the demands of the developing world for a real voice in shaping the future . . . a world in which isolation is impossible, for Americans and others alike . . . a world in which "interdependence" is a necessity of life.

Provided we set clear priorities, this future is not to be feared, but to be welcomed. And American ideas . . . efforts . . . and leadership can help promote the well-being of all mankind.

As a great American once said about our country, we can also say about our new challenge in the world:

"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we may also, in our day and generation, perform something worthy to be remembered."

CHARLES L. MARBURG

Mr. MATHIAS. Mr. President, we note with sorrow the passing of a Marylander whose many and varied contributions to his own State, the Nation and to the cause of international understanding have for decades brought honor to him and his State. Charles L. Marburg was a vigorous and effective citizen, not only in

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his own community but on a worldwide scale. Those of us who have known him have been proud of our association. Many more who never met Charles Marburg have been the beneficiaries of his efforts. He has brought further luster to the reputation of a family already renowned for its philanthropies. In a brief summary of his activities, the Baltimore Evening Sun of Monday, April 28, indicated the wide range of his interests and accomplishments. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARBURG RITES TOMORROW—LEADER IN INTERNATIONAL AFFAIRS

A memorial service for Charles L. Marburg, 69, a Marylander whose leadership in international activities extended from the League of Nations and the United Nations to the English Speaking Union, will be held at 2 P.M. tomorrow at the Church of the Good Shepherd in Ruxton where he served as a vestryman.

Mr. Marburg died early yesterday at the Hunt Ball following an apparent heart attack.

Mr. Marburg collapsed in the arms of his daughter Christine while dancing at the ball at the Hunt Valley Inn in Cockeysville, which followed the Saturday afternoon festivities of the Hunt Cup Race.

He lived at his estate, Torch Hill, in Lutherville.

Beginning in 1925, he was a member of most of the American delegations to the plenary assemblies of the World Federation of the League of Nations Societies until 1938. He headed the delegation five times.

He also was a founder, in 1946, of the World Federation of United Nations Associations, in which he held several offices.

MARYLAND UNIT PRESIDENT

He had been president and chairman of the board of the United Nations Association of Maryland.

At the start of World War II, Mr. Marburg was executive vice chairman of the Maryland Committee to Defend America by Aiding the Allies, state chairman of Fighting Funds for Freedom and state chairman of the British War Relief Society.

Decorated with the order of the White Rose of Finland, he also was president of the English Speaking Union of Maryland from 1938 until 1942 and chairman of the its board since 1946. At his death, he was vice president of the English Speaking Union of the United States.

EDUCATED IN BELGIUM

A native of Baltimore and a member of a family associated with philanthropy here, he was the son of Mr. and Mrs. Theodore Marburg. He received his early education in Belgium, where his father was the American minister, and at the Calvert School.

After attending the Gilman School and the Lawrenceville School, he studied at Oxford University, the University of Geneva and the Graduate Institute of International Studies.

A COLONEL

During World War II, he served in the Army Air Corps in the Pacific and Mediterranean, reached the rank of colonel and received several decorations.

A member of the board of the Maryland Historical Society and a trustee emeritus of Goucher College, Mr. Marburg also was a trustee of the Council on Religion and International Affairs, formerly the Church Peace Union, of which he also had been president.

He also had been a consultant to the Economic and Social Council of the United Nations.

ENTHUSIASTIC SPORTSMAN

An enthusiastic sportsman, who was interested in fishing, shooting, riding and golf, he was a member of the Maryland Club, the Bachelors Cotillon, the Elkridge Club, the Green Spring Valley Hunt Club, the Hamilton Street Club, the Brook Club of New York, the Metropolitan Club of Washington, the Adirondack League Club and the Anglers Club.

He was a life member of the American Society of International Law, past president of the St. Hubert Society of Maryland and national director and chairman of the Maryland Committee for the Eisenhower Presidential Library.

His first marriage, to Florence de la Foret Divonne, ended in divorce.

He is survived by his wife, the former Nancy Iselin; a son, Charles L. Marburg Jr., of Lutherville; two daughters, Christine and Barbara Marburg, both of Lutherville; three stepdaughters, Mrs. Dorothy W. Smith, of Baltimore, Mrs. Anne M. Wiedenmayer, of Morristown, N.J., and Mrs. Elizabeth M. Pack, of Columbus, N.C.; a sister, Mrs. A. W. L. Tjarda van Starkenborgh, of The Hague, and a brother, F. Grainger Marburg, of Lutherville.

T. O. KRAABEL

Mr. BURDICK. Mr. President, it was with a great deal of sadness that I learned of the death of T. O. Kraabel, a former director of rehabilitation for the American Legion and Administrator at the Veterans Administration. As a native North Dakotan, he was a man for whom all North Dakotans could be proud. Mr. Kraabel served as Veterans Service Commissioner for my State until he came to Washington in 1937 to begin work for the American Legion. In 195[illegible] he was associated with the Veterans Administration as an administrator until his retirement in 1962. His integrity, dedication and service were deeply admired and appreciated by all our veterans. I join my colleagues in expressing my sincere condolences to his wife, Charlotte, and the rest of his family.

JAMES WALKER CARTY AND THE CITY OF FREDERICK, MD.

Mr. MATHIAS. Mr. President, the city of Frederick, Md., suffered a deep loss upon the passing on April 7 of one of its most distinguished residents, James Walker Carty. It can truly be said that he and Frederick were as one. In a lifetime of 67 years in the city, Mr. Carty contributed a style and grace that help make Frederick what it is today. As a community leader in every sense of the word, Mr. Carty left a legacy of accomplishment and spirit that inspire those of us who knew him so well and now miss his presence among us. I know that my colleagues join with me in this recognition of an outstanding individual. Mr. President, the Frederick Post, in its April 9 edition, published an editorial tribute to James Walker Carty along with an accompanying article. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Editorial from the Frederick (Md.) Post, Apr. 9, 1975]

JAMES WALKER CARTY

Mr. James Walker Carty exemplified in his lifetime in Frederick the kind of leadership a community must have if it is to grow and prosper, if it is to radiate the dignity and integrity that sets it apart as a town with class and character, a town worth living in.

Mr. Carty died unexpectedly early Monday evening at Frederick Memorial Hospital. He was 67. The great segment of Frederick City and County residents who knew this business, social and cultural leader were stunned by his death and the loss to the community.

He belonged to one of Frederick's oldest business families and as president of the C. C. Carty Furniture Store insisted on a special quality of service and merchandise, a degree of exclusivity that made his company singularly popular throughout the entire area.

Mr. Carty was also president of the Frederick Brick Works and a director of the Frederick County Bank.

A warm, friendly man other businessmen look toward for leadership, J. Walker Carty moved in the top echelon of Old Frederick society and served in many civic endeavors.

He was one of the organizers of the Frederick Community Concert Association, and much of the success this organization has enjoyed in bringing cultural events to Frederick the past 38 years can be attributed to Mr. Carty.

His efforts on behalf of the association were recognized several years ago when Community Concerts conferred upon him and his dear friend, Circuit Judge Robert E. Clapp Jr., honorary life board memberships.

Mr. Carty was a past president of the Rotary Club of Frederick and had spearheaded many of its efforts in service to the Frederick community. He also served on the Board of Associates of Hood College and worked hard to promote the college as one of Frederick's major assets.

The Frederick Cotillion and the Gibson Island Club also benefited by his membership. He was a graduate of Mercersburg Academy and had attended Princeton University. He belonged to the Evangelical Lutheran Church.

Walker Carty took great pride in the personal support and encouragement that came from his loving wife "Jan"—Janice Archer Carty—and was devoted to their two children, Dr. James Walker Carty Jr. (of Norfolk) and Mrs. Anne Carty Rogers (of Glastonbury, Conn.) and their four grandchildren, William Kingsburg Rogers Jr., James Hallowell Rogers, Laura Singleton Carty and James Walker Carter III.

Mr. Carty was the son of the late Charles Clarendon and Hallie Walker Carty, and wss the last of his immediate family.

Funeral services were scheduled for 2 p.m. today (no viewing or visiting) at Smith, Fadeley, Keeney and Basford Funeral Home, with the Rev. Francis Reinberger officiating. Interment in Mt. Olivet Cemetery. Memorials may be sent to the Frederick County Heart Fund.

Historic Frederick was Walker Carty's town, and he loved it. And now Frederick joins in expressing its deepest sympathy to the family of this outstanding man, grateful for the lifetime of leadership he gave to make Frederick a better place in which to live.

And may his soul, through the Mercy of God, rest in peace . . . "in that house not made with hands, eternal in the heavens."

[From the Frederick (Md.) Post, Apr. 8, 1975]

WELL-KNOWN BUSINESSMAN, JAMES WALKER CARTY, DIES

James Walker Carty, well-known Frederick businessman who resided at 2[illegible]7 Rockwell Terrace, died early Monday morning at Frederick Memorial Hospital. He was the husband of Mrs. Janice Archer Carty.

He was born in Frederick, March 31, 1908, a son of the late Charles Clarendon and Hallie Walker Carty and was the last of his immediate family.

Mr. Carty was president and treasurer of C. C. Carty Furniture Store and president of Frederick Brick Works. He was an alumnus of Mercersburg Academy and had attended Princeton University.

He was a member of the Evangelical Lutheran Church, director of the Frederick County National Bank, Board of Associates of Hood College, past president of the Rotary, Cotillion and Gibson Islands clubs, and was one of the organizers of the Federick Community Concert Assn., and was named an honorary director in 1963 for faithful services to the association since its founding in 1937.

Surviving, in addition to his widow, are two children, Dr. James Walker Carty Jr., Norfolk, Va., and Mrs. Anne Carty Rogers, Glastonbury, Conn.; four grandchildren, William Kingsbury Rogers Jr., James Hallowell Rogers, James Walker Carty III and Laura Singleton Carty.

Funeral services will be at 2 p.m. Wednesday, April 9, from the Smith, Fadeley, Keeney & Basford Funeral Home (formerly Etchison's), 106 E. Church St., Frederick. The Rev. Francis Reinberger, pastor of the Evangelical Lutheran Church, will officiate. There will be no viewing or visiting hours at the funeral home. Interment will be in Mt. Olivet Cemetery.

The family will receive friends at the family residence. In lieu of flowers, it is requested memorial contributions be made to the Frederick County Chapter of the American Heart Assn., 116 E. Patrick St., Frederick.

UNITED STATES HELPS MAKE SOVIET NAVY LOOK GOOD

Mr. PROXMIRE. Mr. President, the Washington Post article by Victor Zorza on the "Looming Naval Arms Race" points out a certain irony in our weapons justification process.

Each year at budget decision time, weapons advocates point out what our potential adversaries are up to. This is a prudent and proper role. But the unseen hand behind many pronouncements of the growing threat is the desire to influence U.S. decisions for more weapons. Thus it even happens that we serve the purposes of a foreign power by doing the publicity for them.

Do the Soviets want the rest of the world to think they have the best navy? I am sure they do. And our military spokesmen go to great lengths to assist the Soviets in their unfounded claims. Our Pentagon serves as a sounding board for every Soviet achievement in the military sciences by granting to them powers or intentions out of step with the facts.

Mr. President, I submit that this continually crying of "wolf" will have its diplomatic impact. Other nations will begin to believe the false statements which are made only for the internal U.S. budgetary process.

Mr. President, I ask unanimous consent that the Victor Zorza article published in today's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Thursday, May 1, 1975]

THE LOOMING NAVAL ARMS RACE

(By Victor Zorza)

President Ford has been stung by the latest Soviet naval exercises into saying that "the Russians built up their navy while we permitted ours to shrink," and that Soviet ships "now freely roam the world's seas." Now that the 220 ships which took part in an exercise that covered the whole globe are on their way back, the Pentagon is beginning a detailed study of the huge volume of electronic and other intelligence it amassed while watching the Soviet movements.

A thorough analysis of all this material will take some time, but Mr. Ford's remarks show already that the main object of the Soviet exercise has been achieved. A political analysis of Soviet objectives suggests that Moscow wants to impress the world as the equal of the United States, and administration spokesmen are doing their best to help it. For Secretary of the Navy, J. William Middendorf, the exercise shows that the Soviet navy can operate effectively "in all the oceans of the world." He finds it "disturbing" that the Soviet navy has twice as many major surface combatants and submarines as the U.S. navy.

These figures do not quite square with those given to the Senate by Admiral Rickover, who in April compared the U.S. navy's 181 major combatants with the Soviet navy's 223. Nor do the figures mean much by themselves, any more than adding up the number of apples, oranges, and plums to produce a grand total means much. The "shrinking" of the U.S. navy in recent years was a matter of deliberate policy, designed to retire old ships while new ships were being built to take advantage of all the benefits of new technology. The new program has been slowed down by inflation, but this is being rapidly made up.

The Soviet Union too is modernizing its navy. A new study from the Brookings Institution estimates that by 1980 the number of Soviet combatant ships will decline by about 10 per cent, but the new units will be larger and better equipped. In the U.S. navy, not only will the quality of surface warships improve, but the numbers will rise by 13 per cent.

The Brookings study, "The Control of Naval Armaments," by Barry M. Blechman, which does not deal with strategic forces, expresses a good deal of pessimism about the prospects for naval arms limitation. At the same time the study provides the best examination of arms limitation possibilities to appear since the present lap of the naval arms race began. The paper considers the ways in which the United States and the Soviet Union might agree to limit their naval deployments in the Indian Ocean and in the Mediterranean, and freeze the naval build-up now proceeding in both countries at the level which it will reach in 1980.

At that time the United States will have a considerable advantage in aircraft carriers, while the Soviet Union will have an equally impressive advantage in submarines. The other categories of major combatant ships on both sides will reach a rough level of parity. Blechman proposes a naval limitation agreement which would recognize, with some small changes, the facts of life as they exist in 1980, so far as numbers of ships are concerned, but he would permit continuing modernization of both navies.

Within this framework he is prepared to concede the appearance of naval parity to the Soviet Union and to keep it there—a concept that is firmly rejected by most of those associated with naval matters in the United States. It may be assumed that it would be rejected just as firmly by the Soviet naval lobby. But when the politicians on both sides examine the prospects of the naval arms race as it atretches beyond 1980, they may find it necessary to begin looking for ways to contain it.

The repeated delays in beginning the SALT negotiations, first caused by Moscow and then by Washington, are now recognized as the main reason why the levels of strategic arms have reached their present heights. Similar delays in naval arms negotiations are certain to have similar results. In Washington it is argued that two sets of arms limitation negotiations—SALT, and the talks on East-West force reductions in Europe—are quite enough to go on with.

But U.S. spending on the navy is increasing at a higher rate than the spending on other forces—at 6.2 per cent a year between now and 1980, compared with 5.6 per cent on the strategic forces, and 3.3 per cent on the ground forces. The strategic forces also include a large naval component—the submarines and their missiles. If this is added to the navy's general purpose forces, the navy's annual rate climbs to 7 per cent, which will amount by 1980 to more than $30 billion, compared with just over $16 billion for other strategic arms.

But the strategic arms, both sea and land-based, are being taken care of in SALT. The arms race has been transferred to the navy, which will be used increasingly by the major powers to assert their role around the world—or, as others might see it, to throw their weight around the world.

For all the talk of the Soviet navy catching up with the U.S. navy, the Russians still have a long way to go. But they are certainly not standing still—and what they lack in real naval power with which to impress the world is made up for them by the naval lobbies in the West, which do their best to make the Soviet navy look bigger and better than it is.

LAW DAY—U.S.A.

Mr. KENNEDY. Mr. President, May 1 has been set aside by the Massachusetts Chiefs of Police as Law Day, U.S.A.

As Massachusetts commemorates Law Day today, I urge all citizens to recognize the professionals in our criminal justice system—a system that has undergone its share of criticism, but one that is striving to make itself more effective in dealing with the public and with the crime problem that continues to plague our country.

Throughout the Nation, America's 40,000 separate police agencies on State and local levels are preparing for the security and safety of millions of Bicentennial visitors, whose trip will be made all the more meaningful by efforts on the part of local policemen. Here in the Capital of our Nation alone, we can expect over 15 million visitors in 1975, and as Bicentennial celebration approaches, Washington, D.C., will see from 25 to 50 million visitors in 1976, and the Commonwealth of Massachusetts may see as many as 25 million tourists.

Mr. President, as part of our recognition of law Day, U.S.A., I request unanimous consent to have printed in the RECORD a proclamation of Law Day by the Massachusetts Chiefs of Police Association.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

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Proclamation—Law Day—U—S—Day

The Massachusetts Chiefs of Police Association has set aside the first day of May as law day. U—S—A

This year will mark the Nation's eighteenth annual observance of Law Day—a special day for reaffirming our loyalty to the United States and rededicating ourselves to the rule of Law.

The benefits that have come to each of us as individuals and to all of us as Chiefs of Police through the adherence to the rule of Law are endless. It is through the process of law that our Commonwealth has achieved its amazing growth and development in every sphere of human endeavor.

The law does not rule by itself. Citizens administer it; and each citizen must abide by its constraints and accept its responsibilities if the rights, freedom, opportunities, and protections of all citizens are guarded.

Now, therefore, I, Henry J. McNamara, Jr., President of the Massachusetts Chiefs of Police Association, do hereby urge the people of the Commonwealth of Massachusetts to observe Thursday, May 1st., 1975 as Law Day in this great State of Massachusetts. Especially the members of this Association urge the Courts to take the lead in sponsoring and participating in appropriate observances throughout the Commonwealth.

And, as requested by the membership of the Massachusetts Chiefs of Police Association urge and request His Excellency Michael S. Dukakis, to direct the appropriate State officials to display the flag of the United States on all public buildings.

INVOLVEMENT IN VIETNAM

Mr. BIDEN. Mr. President, this week appears to have seen the end of American military involvement in Vietnam—South as well as North.

Criticism of our involvement has come stricted to the campuses or to street row- from many quarters. It has not been re- dies or to any particular brand of political practitioners—left, right, or center. I do want to call to the attention of my colleagues, a characterization of our Vietnam involvement made by a distinguished business leader who is also a distinguished citizen of Delaware. He is Irving S. Shapiro, chairman of the du-Pont Co. His comments appeared among a roundup of reactions published by the Washington, D.C. Evening Star on April 30, 1975. Mr. Shapiro's comments themselves appeared on page 1 of the newspaper.

I ask unanimous consent to have his comments printed in the Record.

There being no objection, the comments were ordered to be printed in the Record, as follows:

Involvement in Vietnam

Our involvement in Vietnam was a tragic mistake which exacted a terrible toll in human life and suffering and physical destruction. I know the United States will act in humanitarian ways to help ease the agony of the South Vietnamese people.

The war seriously divided this nation, heightened distress of our public and private institutions, and diverted resources which could have been better used to help solve pressing economic and social problems. Our resources should now be focused on such concerns as combatting inflation, reducing the ranks of the unemployed, hammering out of a national energy policy and developing better health care. Strength at home will sustain our strength in foreign affairs.

EXEMPLARY PROGRAMS—NATIONAL INSTITUTE OF LAW ENFORCEMENT AND CRIMINAL JUSTICE

Mr. MATHIAS. Mr. President, today is Law Day, a day which has been set aside for consideration and reflection on those principles and rules by which we govern our society. It is fitting that this consideration should take place on a day which is in many parts of the world devoted to the recognition of power, not law. Here, in the United States, we have insisted that power be restrained, that it be legitimized, and that it be at the service and by the consent of the governed. In the past year, there has been a new affirmation of these principles.

Law Day 1975 should be a day when we look to the future and to the resolution of our national problems. Regrettably, although the supremacy of the law over public officials has been recently reestablished, the state of the law in other respects is not good. Some feel that we are a lawless society. So it would appear from the statistics which show that crime continues to outstrip our efforts to deal with it. The expenditure of great sums of money through LEAA and other agencies and the efforts to develop programs which will have a real impact seem fruitless in the face of a deteriorating situation. The war against crime like the war in Vietnam, is not going well. We will soon be called upon to reexamine our policies in this regard.

Today, I would like to strike a positive note and to use this occasion to call attention to a program which does, in my view, have merit. This is one administered by the National Institute of Law Enforcement and Criminal Justice where NILECJ identifies exemplary programs throughout the country and seeks to publicize and promote them. Thus, what is working in one part of the country can be made available to those who would use them in other places.

This is federalism at its best. I am reminded of Justice Brandeis' famous statement:

> It is one of the happy incidents of the Federal system that a single, courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.

And, I would add, where these experiments are a success, to share them with those in other States and localities. This is a kind of demonstration project program.

I am mindful that in many communities there are people who are on the lookout for ways to become involved in public affairs and who are highly motivated to address themselves to community problems. In my State, in Montgomery County, it is just such energies that have resulted in a high degree of improvement in juvenile justice and the juvenile court system. When sound, workable, and tested programs are made known, such people will see to their spread and adaptation to new communities and new situations. And recognition of exemplary programs will provide continued incentive in a field where recognition is due.

Mr. President, I ask unanimous consent that material relating to the National Institute's exemplary programs be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

EXEMPLARY PROJECTS

I. GENERAL PROGRAM DESCRIPTION

The Exemplary Projects Program of the National Institute of Law Enforcement and Criminal Justice is designed to focus national attention on outstanding criminal justice programs across the country which are worthy of imitation by other communities. The program responds to the need frequently expressed by both the State Criminal Justice Planning Agencies and LEAA for systematic methods of sharing information and experience on successful projects among the States. The goal is to insure that more effective criminal justice programs find their way into general practice.

Approximately ten to twelve programs each year are designated exemplary, following rigorous multi-level screening and formal validation. Each is documented and widely publicized. The documentation, which is described in Section IV below, includes descriptive brochures, detailed handbooks and audio visuals.

The criteria for an exemplary designation are detailed in Section II below. The primary criterion is significant achievement in the reduction of crime or measurable improvement in the operations and quality of the criminal justice system. Additional criteria involve cost effectiveness, suitability for replication in other jurisdictions, and willingness of the project staff to provide information to other communities.

Exemplary Projects may be programs operating at the State or local level and need not involve LEAA funding to be considered. Projects may be proposed for consideration by LEAA Regional Offices, State and Regional Planning Agencies, local units of government, operating criminal justice agencies, or other persons with an interest in criminal justice. LEAA funded programs must have a letter of endorsement from both the State Planning Agency and LEAA Regional Office at the time they are submitted to the National Institute.

II. SCREENING CRITERIA

The criteria detailed below have been developed to identify potential exemplary projects. Each criterion is followed by questions which apply the criterion in a practical fashion to projects under consideration:

A. *Goal Achievement.* The project must demonstrate overall effectiveness in the achievement of significant criminal justice objectives.

1. Has the project contributed significantly to the reduction of a specific crime or crimes, or produced measurable improvement in the operations and quality of the criminal justice system?

2. Has the project been generally more successful than other projects which address the same problem?

B. *Replicability.* The project must be applicable and adaptable to jurisdictions other than the one in which it is operating.

3. Does the project address a problem of reasonably common concern?

4. Does adequate documentation exist to permit a general understanding of the project's methodology and operations?

5. Are there special features that appear principally responsible for the project's success, e.g. concept, methodology, administrative expertise, staff commitment? If superior administration and commitment are factors, to what extent is the program likely to be replicable without these factors?

6. What are the restrictions, if any, on size and type of community (e.g. urban vs. rural) for which the program would be appropriate?

C. *Measurability.* The achievements of the project must be capable of being objectively measured.

7. Does the program have a built-in evaluation component, and if so, how comprehensive is it?

8. If there is no formal evaluation procedure, is there objective evidence that the program's goals and objectives are being achieved? If so, what is the evidence?

9. Is the project still in operation and has it been operating continuously for a long enough time to test its utility (typically one year)?

D. *Efficiency.* The costs of the project must be reasonable.

10. Is there evidence that the project has been cost beneficial, i.e. did the benefits derived from the project justify the expenditures of time, money, and manpower that went into it?

11. Were other, cheaper, more expensive projects considered as ways of addressing the problem?

E. *Accessibility.* An outside group of validators must be able to examine the project in detail. Furthermore, if the project is designated as exemplary, law enforcement and criminal justice personnel from other locales who may be interested in undertaking similar programs must be able to visit the project and to consult with those responsible.

12. Is the agency agreeable to having the project submitted to the EXP program for evaluation, publicity, and visitation?

13. Is it reasonably certain that the project will continue to exist so that evaluators may collect data; the project can be written up; and the project can be visited by those who learn of it through the EXP program?

III. VALIDATION

The Institute's Office of Technology Transfer reviews the materials submitted on potential exemplary projects and submits the most promising programs to a contractor for a brief on-site validation. The validation process is an objective outside observer's analysis of the project's achievements. Particular attention is given to an examination of the costs of the project (monetary and nonmonetary) in comparison to the benefits derived from it. Attention is also focused on the set of circumstances under which the project was effective, with a view to identifying the conditions necessary for its replication. In performing his study, the validator relies heavily upon data which have already been collected in the course of the project. He may also initiate the collection of a limited amount of additional data to answer specific questions.

The validator's report on the project is submitted to an Exemplary Projects Advisory Board, which makes the final determination on the program's exemplary status. The Board is made up of representatives of the State Planning Agencies, LEAA Regional Offices, and Central LEAA (Institute, Office of Planning and Management, Office of National Priority Programs, and National Criminal Justice Information and Statistics Service.) Data on those projects which are not selected is submitted to the National Criminal Justice Reference Service. The usefulness of further dissemination of information on such projects is determined on a case by case basis.

IV. DOCUMENTATION

At least two documents are prepared for each project that receives the exemplary designation—a short brochure and a detailed manual or handbook. The brochure is written in highly readable journalistic style. Major features of the program are highlighted in a fashion intended to arouse the interest of the reader to obtain a more detailed description.

The manual or handbook provides the criminal justice administrator with guidelines for establishing, operating, and evaluating a similar program. It includes considerable detail on such matters as costs, staffing, training requirements, potential problem areas, and evaluation methodology. The aim is to present the experience of a particular community in a manner that provides helpful guidance without ruling out flexibility and experimentation by a potential imitator.

To facilitate replication, those aspects of a project which appear to be basic to its success in any locale are distinguished from those characteristics which are peculiar to the milieu in which it is currently operating. The conditions under which establishment of a particular program is appropriate are also pointed out.

Both the brochures and handbooks receive widespread distribution through direct mailings and through announcements by the National Criminal Justice Reference Service. In addition, where appropriate, audio visuals are prepared and made available to the LEAA Regional Offices and State Planning Agencies for use in conferences and training sessions.

V. PROJECT RECOMMENDATIONS

All project recommendations should be sent to the Office of Technology Transfer of the National Institute for Law Enforcement and Criminal Justice. The enclosed "Format for Submission of Exemplary Project Recommendations" must be used.

Exemplary Programs

PROJECTS DESIGNATED THUS FAR

1. Prosecutor Management Information System (PROMIS), District of Columbia—PROMIS is an automated management information system in the U.S. Attorney's Office, Superior Court of the District. It enables the prosecutor's office to allocate resources effectively by assigning priorities to pending cases. Cases are ranked on a daily basis according to four factors: (1) seriousness of offense; (2) defendant's criminal record; (3) strength of evidence; and (4) age of case or number of continuances. In the first 19 months of operation, the system helped to achieve a 25 percent increase in convictions of serious misdemeanor cases.

2. (*) Community-Based Corrections Program, Polk County (Des Moines) Iowa—This program offers qualified offenders four alternatives to imprisonment: release on own recognized, pre-trial supervised release, probation, and staying at a residential center which offers work and educational release. The uniqueness of the Polk County Project lies in the high degree of coordination between the several involved elements of the criminal justice system, and the range of dispositional alternatives offered.

3. (*) Citizen Dispute Settlement Program ("Night Prosecutor"), Columbus, Ohio—This Project offers an out-of-court method for resolving citizen disputes—family fights, disputes between neighbors and similar minor cases—with the local prosecutor's office screening cases for referral to specially-trained hearing officers who meet with the parties in the evening or on the weekend to mediate the dispute. In only 2 percent of the cases heard were criminal affidavits filed. Average cost per case: $27.

4. (*) 601 Juvenile Diversion Project, Sacramento, California—The 601 Project of the Sacramento Probation Department (number derived from the relevant section of the California Penal Code) provides short-term family crisis counseling in lieu of juvenile court processing. Initially, the juveniles might have been runaways, truants, or simply beyond control of their parents. Based on the effectiveness of the program in these types of cases, it was expanded in 1972 to include cases of criminal conduct, including petty theft; disorderly conduct; possession of drugs; receiving stolen goods; and auto theft not involving damage to the car.

5. Providence Educational Center, St. Louis, Missouri—This LEAA-funded Impact City program provides intensive remedial education and counseling to adjudicated delinquents, as an alternative to training school incarceration. Professionally trained counselors, educators, and social workers perform as a team to develop and implement an individualized program for each child, which enables him to improve his educational and social adjustment skills. PEC can accommodate 75 boys—most of whom remain in their own homes and stay in the program for approximately 9 months. Students "graduate" when they have achieved the 5th grade reading level requred for high school admission in St. Louis and/or they have demonstrated adequate functioning in terms of attitudes and interpersonal behavior. The program's effectiveness has been demonstrated by reduced costs and lower recidivism rates.

6. Neighborhood Youth Resources Center, Philadelphia, Pennsylvania—The Neighborhood Youth Resources Center in Philadelphia (NYRC) combines the best features of youth service bureaus and service delivery systems under one comprehensive roof. It performs sophisticated intake and evaluations, makes careful referrals, offers direct services using its own staff when appropriate, and operates a large cultural enrichment program for both clients and nonclients alike. NYRC emphasizes the use of neighborhood paraprofessional staff members, supplemented by purchase-of-service agreements with area professionals and agencies. The program has had a signficant impact in reducing crime among juveniles in the target area.

7. The Public Defender Service (PDS) of the District of Columbia—PDS has successfully overcome the traditional barriers faced by public defender services—high caseloads and poorly paid, often inadequately trained attorneys. One of the Service's unique features is an intensive 6-week training program for new attorneys. The training curriculum was developed with LEAA funds and will be disseminated as part of the Exemplary Projects documentation effort. The American Bar Association has also cited the D.C. Public Defender Service as a model, noting that the Service is insulated from political and judicial interference because it is not directly answerable either to the judicial or executive branches of the Washington, D.C., or Federal governments.

INFORMATION AVAILABLE

Documentation on the Polk County Community Based Corrections Program, the Columbus Ohio Citizen Dispute Settlement Program, and the D.C. Public Defender Service is currently available from the U.S. Department of Justice, Law Enforcement Assistance Administration, National Criminal Justice Reference Service, Washington, D.C. 20530. Telephone (202) 963-5244. Manuals on the remaining programs will be announced through the Selective Notification of Information System of NCJRS as they become available.

Information on the PROMIS system is currently available from the Institute for Law and Social Research, 1125 15th St., N.W. Washington, D.C. 20005. Telephone (202) 872-9380.

New Exemplary Projects

1. NEW YORK CITY POLICE STREET CRIME UNIT

The Street Crime Unit (SCU), organized in November 1971, continues the initial efforts of the N.Y.P.D. to fill the gap between

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normal, visible police patrols and post-crime investigations. Its efforts have focused on street crimes—robbery, grand larceny from the person, and assault. Its primary anticrime strategy is known as the blending and decoy tactic. The decoy, disguised as a potential crime victim, is placed in an area in which he or she is likely to be victimized. A back-up team dressed to blend into the area is stationed nearby, ready to come to the decoy's aid and effect an arrest. While decoy tactics are used in response to particular crime/victim patterns, blending techniques are used regularly.

During 1973, the SCU effected 3,551 arrests, 85 percent of which were felony arrests. Of the robbery arrests, 76 percent resulted in convictions, and of the grand larceny arrests, 95 percent resulted in convictions. In addition, the SCU has averaged 8.2 man-days per arrest as compared to the departmental average of 167 man-days per arrest. (This average is based on all uniformed officers including those on traffic duty etc.) This has been accomplished at a nominal incremental cost per arrest and conviction and with virtually no increased danger to police or citizens. This success reflects three important factors: 1) Careful screening of unit applicants; 2) Extensive training prior to field placement; and 3) Close and continuous liaison with precinct commanders.

Project Director: Captain Patrick McGovern, Street Crime Unit, New York City Police Dept., Randall Island, New York, N.Y.

2. CENTRAL POLICE DISPATCH, MUSKEGON COUNTY, MICH.

Muskegon County, Michigan, has 12 independent law enforceemnt agencies, nine of which provide police services to virtually all of the county's population and land area. Prior to the establishment of Central Police Dispatch, eight of the nine departments operated independently on a single radio frequency, and only four of the nine operated round-the-clock dispatch services seven days a week. Because each operated independently, almost 10 percent of the combined personnel in the departments were assigned to dispatch operations. To eliminate the inefficiency, duplication and confusion generated by multiple dispatch operations in a single county, the jurisdictions involved pooled their resources to establish a centralized dispatch service. The result: all nine agencies now have 24-hour dispatch services and the number of dispatch personnel required has been reduced. Added to the reduction of personnel, further savings have been derived by using civilians as dispatchers. Centralized services also have made implementation of the 911 emergency system feasible in sparsely populated areas.

Central Police Dispatch has implemented most of the applicable police standards recommended for 1975, as set forth by the National Advisory Commission on Criminal Justice Standards and Goals. In fact, the program has impleemnted many of the standards suggested for 1980.

Project Director: Michael Gaunt, Central Operations for Police Services, 980 Jefferson Street, Muskegon, Michigan 49440.

3. KING COUNTY (SEATTLE) PROSECUTOR'S OFFICE, FRAUD DIVISION

4. SAN DIEGO DISTRICT ATTORNEY'S OFFICE, FRAUD DIVISION

Both of these prosecutor's offices have taken the lead in addressing an area where effective prosecution is often lacking—economic crimes and consumer frauds. Each Division has combined in one program the expertise, commitment and integrity required to enforce the laws against these ubiquitous and costly crimes. In addition to effective processing and prosecution of cases, the Divisions also function as highly visible symbols of the government's dedication and ability to apply the law with equality and justice.

The major difference between the two is that King County focuses primarily on major economic crimes, referring other cases—including consumer complaints—to appropriate agencies. San Diego County's program has a broader scope dealing with all citizen complaints. Its larger staff enables it to handle a greater volume of cases.

The King County effort has chosen to use the investigative expertise of other agencies whenever possible, thus promoting cooperation, understanding, action and improved performance among many agencies. This approach has resulted in a major impact of law enforcement. In the first two and one-half years of operation, the Fraud Division has successfully prosecuted 95.5 percent of its cases. The economic loss in these cases totalled $2,111,859.

During 1974, the San Diego Fraud Division handled a total of 15,2[illegible]1 citizen complaints. A vast number of cases in which citizens filed formal requests for assistance were resolved outside the courts, either through the efforts of large in-house investigative teams or small claims courts. Over the period January 1970 to June 1973, the Division's Consumer fraud investigations returned almost $250,000 to citizen complaints.

Project director

3. Gene S. Anderson, Chief Deputy Office of Prosecuting Attorney, King County Court House, Seattle, Washington 98[illegible]04.

4. James Lorenz, Deputy District Attorney, Fraud Division, 220 W. Broadway, San Diego, California 92101.

5. NEW YORK STATE DEPARTMENT OF MOTOR VEHICLES, ADMINISTRATIVE ADJUDICATION BUREAU

The Administrative Adjudication Bureau (AAB) has succeeded in significantly reducing the criminal court case backlog and in establishing an efficient and judicious system of traffic offense adjudication. It has achieved these goals through the use of highly trained, impartial adjudicators, a sophisticated computerized information system, and the merger of the licensing agency and the traffic offense adjudication agency. By removing most traffic offenses from the criminal courts, the time elapsing between the issuance of a summons to the disposition of the case has been shortened dramatically. The result is prompt restriction of driving privileges for demonstrably unsafe drivers. Direct benefits to the criminal justice system have been increased availability of criminal courts for handling more serious offenses and reduction in the time police must spend at traffic hearings. More uniform and equitable dispensation of justice has been attained through the use of standard sanctions and the number of scofflaws has been reduced. In addition to streamlining the traffic and criminal adjudication process, the AAB returns all revenues in excess of its operating costs to the treasuries of the appropriate jurisdictions. In the last fiscal year, returned revenues totaled $4,[illegible]38,000.

Project Director: Donald L. [illegible]ardell, Deputy Commissioner, State of New York, Department of Motor Vehicles, Empire State Plaza, Albany, New York, 12228.

6. VOLUNTEER PROBATION COUNSELOR PROGRAM, LINCOLN, NEBR.

The Volunteer Probation Counselor Program began in 1969 in the Lincoln/Lancaster County Municipal Court. Its main premise is that high-risk misdemeanants between ages 16 and 25 can be successfully supervised and assisted while on probation by lay persons from the community.

The program has a number of outstanding features: Unlike many volunteer efforts which match volunteers with first offenders, the Lincoln program focuses on misdemeanants with an established history of involvement with the criminal justice system—an average of 7.3 previous arrests and convictions in a study sample. A one year comparative analysis of 84 misdemeanants randomly assigned to the experimental volunteer program and to a control regular probation program showed a marked reduction in frequency and seriousness of offenses by the volunteer group over the regular group. Thus, while 63.7% of the regulars had new non-traffic offenses, only 15% of the volunteer group recidivated. Similarly, while 52.5% of the regulars had multiple new offenses only 10% of the volunteer group had multiple new offenses. The data also show that the reduction in offenses among the volunteer probation group was widespread throughout the group and not due to dramatic changes in just a few members. When these recidivism figures are coupled with the increase in probation caseload made possible by the use of volunteers, the program must be considered extremely cost beneficial.

The success of the Volunteer Probation Counselor Program is attributed to the careful screening process which selects only those volunteers with the appropriate motivations and resources; the extensive training program which emphasizes both general counseling skills and crisis intervention techniques; and the matching process which emphasizes the psychological needs and personal interests of the probationer and selects a volunteer who can respond to these needs and interests.

Project Director: Dr. Richard Moore, Court Psychologist, Municipal Court, Probation Office, Old City Hall, 92 "O" Street, Lincoln, Nebraska 67408.

Exemplary Project Recommendation Form

Exemplary Project recommendations may originate with the LEAA Regional Offices, State Criminal Justice Planning Agencies, local units of government or operating criminal justice agencies. Information on candidate projects should be submitted to the Model Program Development Division, Office of Technology Transfer, National Institute of Law Enforcement and Criminal Justice, LEAA, U.S. Department of Justice, Washington, D.C. 20530. A standard format is attached. LEAA funded programs should have a letter of endorsement from the appropriate State Planning Agency and LEAA Regional Office.

FORMAT FOR SUBMISSION OF EXEMPLARY PROJECT RECOMMENDATIONS

I. Project Description:

1. Name of the Program.

2. Type of Program (ROR, burglary prevention, etc.).

3. Area or community served.

4. Approximate population of area or community served.

5. Administering Agency (give full title and address).

6. Project Director (name and phone number; address only if different from 5 above).

7. Funding agency(s) and grant number (agency name and address, staff contact and phone number).

8. Project Duration (give date project began rather than the data that LEAA funding, if any, began).

9. Project Operating Costs (Do not include costs of formal evaluation if one has been performed. See Item 10).

Breakdown of Total Operating Costs, specify time period:

Federal:
State:
Local:
Private:
Total:

Of the above total, indicate how much is—

(a) Start-up; one time expenditures:

(b) Annual operating costs: $.

(A complete budget breakdown should be included with the attachments to this form.)

10. Evaluation costs (Indicate cost of formal evaluation if one has been performed).

11. Continuation. Has the project been institutionalized or is it still regarded as experimental in nature? Does its continuation appear reasonably certain with local funding?

II. Attachments—Please attach the following:

Attachment A—Program review memorandum

This memorandum should contain the following elements:

(1) *Project Summary*—brief statement of the project's goals, objectives and method of operation.

(2) *Criteria Achievement*—explanation of the degree to which the project meets each of the Exemplary Project criteria—goal achievement, replicability, measurability, efficiency and accessibility. Cite specific measures of effectivenes, e.g. crime reduction, cost savings, etc.

(3) *Outstanding Features*—indication of the most impressive feature(s) of the project.

(4) *Weaknesses*—frank statement of those areas of project operation that could be improved. (It is assumed that a project will not be recommended if there are critical program weaknesses).

(5) *Degree of Support*—indication of the degree of local support, e.g. criminal justice officials, citizen groups, the news media.

Attachment B—Endorsements

Each project should have a written endorsement from the appropriate SPA and LEAA Regional Office. Endorsements from other sources may be attached if available.

Attachment C

For LEAA funded projects, attach a copy of the grant application(s), all annual progress reports, and the most recent quarterly reports. If a formal evaluation has been undertaken, this report should also be attached.

For non-LEAA funded projects attach a complete budget breakdown and such progress and evaluation reports as may be available.

THE THIRD ANNUAL REPORTS OF FEDERAL ADVISORY COMMITTEES

Mr. METCALF. Mr. President, the third annual report of Federal advisory committees, covering calendar year 1974, was prepared by the General Services Administration and transmitted by the President to the Congress on March 31 as prescribed by law—the first year it has been on time.

Here are the highlights:

First. As of December 31, 1974, there were 1,242 advisory committees, a decrease of 8 from the total a year earlier. During the year 239 new committees were formed while 299 committees were merged or abolished or expired, which should have produced a net decrease of 60 committees. However, special factors discussed below—including the discovery of 69 previously unreported committees—had the net effect of adding back 52 advisory committees, so that the adjusted total was 1,242, rather than 1,190.

Second. Federal costs to operate and support advisory committees totaled $42,380,636, up from the $31,110,810 reported by the individual agencies for calendar year 1973. For calendar 1975, the Office of Management and Budget recommends $39.4 million as necessary for the expenses of advisory committees—an amount incorporated in appropriations requests in the President's budget recommendations to the Congress.

Third. Advisory committees held 3,626 meetings during the year—counting a meeting held on two or more consecutive days as one meeting—of which 1,994—or 55 percent—were open to the public, 719—20 percent—were closed, and 913—25 percent—were partially closed.

Mr. President, this is the third yearly report to the Congress as required by the Federal Advisory Committee Act—Public Law 92–463—"on the activities, status, and changes in the composition of advisory committees in existence during the preceding calendar year." The report must contain the name of every advisory committee, the date of and authority for its creation, its termination date or the date it is to make a report, its functions, a reference to the reports it has submitted, a statement of whether it is an ad hoc or continuing body, the dates of its meetings, the names and occupations of its current members, and the total estimated annual cost to the United States to fund, service, supply, and maintain such committee.

As chairman of the Subcommittee on Reports, Accounting and Management, which oversees the act, I have studied the report and offer my analysis of it to the Senate at this time.

THE FORMAT OF THE REPORT

Because so much information is involved, I should explain that when I refer in this statement to the third annual report I mean a bluejacketed, 150-page publication comprising a 2-page written report, 5 pages of summary data and footnotes, an alphabetical list of advisory committees in existence at the end of 1974, a list of those same committees grouped according to the agency or department responsible for them, a roster of agency committee management officers, and a 4-part appendix which includes the text of the act and relevant Presidential and agency documents.

Unlike its predecessors, the third annual report is also available on microfilm, along with the thousands of pages of supporting documents—for example, the names, addresses, and occupations of the more than 20,000 current advisory committee members—which make up the bulk of the information required to be submitted. When the supporting documents for the first annual report were printed for the use of the Senate Committee on Government Operations, it proved a large undertaking, covering 4 volumes and more than 5,700 pages, for which the total domestic postpaid purchase price from the Government Printing Office was $52. Microfilming the supporting documents this time makes them available to the Congress much sooner and cuts their price for public sale by more than half. I will give details later on how to obtain the film.

Mr. President, this annual report shows some improvements over prior ones. As I have noted, it was timely. The table of summary data has been expanded from previous years to provide additional information, including the type of committees and the number of meetings. Also, GSA wrote instructions and devised forms for annual reporting by the agencies which I think elicit the needed information in a clear and convenient way.

At the same time, errors and omissions in the report raise the possibility that there may be others yet to be detected, and there is an unannounced change in the use of a number on the bottom line of the summary table that is bound to confuse those who read it.

In the table, advisory committee activity for the year is summarized by agency. Figures are given for the number of new committees created, the number in existence at the end of 1974, and the number merged, abolished or terminated during the year. Another column shows the net gain or loss in committees over the course of the year, so that an agency creating seven committees while terminating five would show a plus 2 in that column. Where an agency has discovered advisory committees it did not know it had or is acknowledging them as such for the first time, the figure for these previously unreported existing committees is given in brackets beneath the number of new committees. The bracketed number also is added to the number in the net gain or loss column and the result is shown in brackets beneath it.

If the agency in the example above has three previously unreported committees, it shows a (3) beneath its number of new committees and a (5) in its net gain or loss column, beneath the plus 2.

This technique is used everywhere in the table except the bottom line. Since 239 new committees were created while 299 committees were terminated, the net gain or loss column reads minus 60. Since there were 69 previously unreported committees, one would expect the bracketed number on the bottom line of the net gain or loss column to read (plus 9). It does not. It reads (plus 52).

What GSA did on the bottom line without announcing it was fold into that number all the special factors covered in the footnotes which serve to explain why the actual total of advisory committees is 1,242 instead of the indicated total of 1,259—the total of 1,250 in existence at the end of 1973 plus the net gain of nine in 1974. To GSA, the (plus 52) represents the adjusted difference between the actual (1,242) and the total one would expect had there been no previously unreported committees or other special factors (1,250 minus 60, or 1,190).

Had GSA used its numbers consistently, it could then have explained in a sentence or two why there are 1,242 advisory committees instead of the indicated total of 1,259. The main reason is that 13 Labor Department subcommittees that were counted separately in 1973 were not chartered separately from their parent advisory committee in 1974 and are therefore not included in the third annual report. The rest of the difference results from accounting factors and changed reporting requirements.

ERRORS AND OMISSIONS

In the summary table, some numbers are wrong or transposed. The advisory committee of the Special Action Office for Drug Abuse Prevention is listed as not having met in 1974, when actually it met at least twice. The Selective Service System is left out of the report entirely. GSA is shown as having terminated 11 advisory committees in 1974, although they apparently did not terminate until January 5, 1975. One or more other agencies evidently made the same mistake in reporting terminations.

Mr. President, these errors and omissions in the annual inventory of advisory committees must weaken our confidence in it. Taking a thorough and accurate inventory for 1974 was especially important so that we could assess the impact of section 14(a) of the Federal Advisory Committee Act, which provided that each advisory committee in existence on the effective date of the act—January 5, 1973—would terminate in 2 years unless it was renewed by the President or agency which established it or enjoyed a longer duration provided for by law. Unless we know for certain where we stood at the end of December 1974, we cannot know how we stood as of January 5, 1975.

The Senate will recall that in January, at my request, the OMB Committee Management Secretariat provided a preliminary listing of advisory committees which expired or were terminated during 1974—including the month of December 1973—or expired automatically on January 5, 1975, as prescribed by section 14(a). The listing showed 353 panels expired or terminated. On the other side of the ledger, OMB's preliminary count of new committees chartered last year was 221, implying a net reduction of 132 panels. Thus it appeared that the advisory committee population had been reduced from 1,250 as of December 31, 1973, to an estimated 1,118 in 1975—granting that OMB's listing and the second annual report both covered the month of December 1973.

I realize that OMB's listing was separate and preliminary, that it covered a longer reporting period than the third annual report, and that GSA's total includes 69 previously unreported committees. Unfortunately, knowing how the disparity between the OMB and GSA tabulations may have come about cannot dispel confusion about which numbers are the right ones, and I have written OMB Director James T. Lynn to find out to what extent the tabulations have been, or can be, reconciled.

Taking an accurate census of advisory committees is a function of good management. If the panel names and numbers used by the OMB Committee Management Secretariat on a daily basis cannot be reconciled with those in the annual report, then no one can say with confidence just how many advisory committees exist. And if that is our situation, then most of the effort and attention devoted to the Federal Advisory Committee Act by the legislative and executive branches will have been for naught.

TOO MANY CLOSED MEETINGS

According to the third annual report, 55 percent of the 3,626 advisory committee meetings held last year were open to the public, while the other 45 percent were either wholly or partially closed. That is a poor performance.

A fair number of agencies large and small, whose advisory committees held from as few as one to as many as 110 meetings, claimed 100 percent records for openness, including the Small Business Administration—110 open meetings and none closed—Department of Transportation, 92 to 0; Federal Communications Commission, 92 to 0; Labor Department, 92 to 0; Environmental Protection Agency, 53 to 0; and the Federal Power Commission, 49 to 0. These and the other agencies to whom the Third Annual Report ascribes perfect batting averages are to be commended, although it should be noted that the announcements of its advisory committee meetings which the SBA published in the Federal Register last year did not make clear these were public meetings—they do now.

Mr. President, the Federal Advisory Committee Act declares, "Each advisory committee meeting shall be open to the public." The legislative history of the act shows the intent of Congress was that advisory committee meetings should be open to the public except under exemptions justified by law. Section 10(d) of the act and OMB circular No. A–63 promulgate strict procedures for closing advisory committee meetings, tied to an official determination that a meeting will be "concerned with matters" which the Freedom of Information Act exempts from mandatory public disclosure. Former OMB Deputy Director Fred Malek also issued a memorandum, dated April 10, 1974, to the heads of all agencies stating OMB's open-meeting philosophy.

The Federal Advisory Committee Act adopted the Freedom of Information Act and converted it into an open-meeting law, which means the percentage of meetings closed in whole or in part last year is too high. I include all cases in which an agency failed to adhere to the strict procedures set forth in the law and in OMB guidelines for closing meetings, and many cases in which the agency was technically correct in the procedure it followed. While the law provides that meetings may be closed under certain conditions, the express intent of the Congress in drafting the law was that its standard of openness be liberally construed.

It is especially galling that so many meetings were closed in whole or in part during a year in which the Congress was strengthening the Freedom of Information Act, even overriding a veto in the process. Because agency heads have the responsibility under the Federal Advisory Committee Act of making determinations to close meetings, I wrote them all at the end of March to point out that the figures from 1974 "are discouraging and indicate to me that agency heads are not taking this responsibility seriously." I added:

> From now on, I hope that you will take a closer look at all closed meetings requested or scheduled by your agency's advisory committees. My staff and I fully intend to monitor your performance in this area in the current year and expect you to show progress in reducing the number of closed meetings held by your agency's advisory committees.

In the letter, I also asked them to advise me of the steps they have taken to promote awareness of the act's requirement that advisory committee membership be fairly balanced in terms of points of view represented and the functions to be performed, keeping in mind the memorandum sent them in January by former OMB Director Roy Ash directing that the interests of minorities and women be fully considered when members are selected for new and existing advisory committees. I will keep the Senate informed of agency progress in both areas.

ADVISORY COMMITTEE ACT AMENDMENTS

Mr. President, I do plan to hold hearings of the Subcommittee on Reports, Accounting, and Management in the near future to review our progress under the Federal Advisory Committee Act and consider proposed amendments to strengthen the act. In the meantime, copies of the third annual report are available from the subcommittee.

Enough prints of the microfilmed third annual report and supporting documents have been supplied by GSA to the Library of Congress and the subcommittee to make them readily accessible to Members and staff. The two rolls of 16-millimeter film can be viewed and copied at library stations by means of microfilm reader-printers.

To order postpaid prints, write the National Archives and Records Services—NEPS—Washington, D.C. 20408, requesting microcopy No. A–1199 and enclosing a check for $24 for the two-roll set—the cost is $12 a roll—made out to the National Archives. A positive print will be sent unless the order specifies a negative print.

In a few uncorrected instances on the microfilm, dog-eared or overlapping documents were photographed and some information was lost. GSA intends to supply errata sheets with the prints, as well as an index to the supporting documents by agency to facilitate use of the microfilm.

CHILE'S EXPERIMENT WITH MARXISM

Mr. LONG. Mr. President, an economic expert in Latin American affairs has done a penetrating analysis of the history of the Chilean "road to socialism" and that country's reversal of that course. Dr. Alberto M. Piedra received his doctorate from Georgetown and is a distinguished scholar on Latin American affairs. I believe that my colleagues would benefit from reading Dr. Piedra's study on the Chilean experiment with socialism.

The elections in Portugal show that only 12.5 percent of the people of that country voted for the Communist Party even though the military junta appears determined to convert that country into a Communist state and put tremendous pressure on the electorate not to vote for the moderate parties.

Dr. Piedra's study has bearing not only on the Chilean issue and the Portgual situation but, indirectly, on the issue of Cuba as well. In spite of all the propaganda regarding Cuba's experiment with communism, the fact is that the Cuban people have suffered tremendously from 15 years of communism. Their freedoms have been cut off; their economy crippled, and they depend upon their masters in the Kremlin for their survival.

Mr. President, I raise the issue of Cuba because as chairman of the Finance Committee I am going to be very concerned about any legislation which would bestow trade benefits on the Castro regime.

If it is not careful, this Government may end up treating its friends worse than its avowed enemies and bestowing undue benefits on those countries whose systems of government deny the individual his basic human rights.

In my judgment the commercial considerations of mutual trade benefits would never justify betraying the civil liberties of persons who must be subjected to a totalitarian regime.

It seems to me that any move on our part to "make up" with the likes of Castro should be well calculated to extract a dear price from him—namely, a guaranteed movement toward the return of essential civil liberties to the Cuban people.

Similarly, our policy toward Chile should also be hinged on a demand for the continued return of basic freedoms to the Chilean people. I feel that that is indeed happening in Chile and should be required to happen in Cuba if we are to recognize and engage in commerce with Castro's regime.

For reasons I cannot fully comprehend, the press in this country and certain leaders in Latin America have portrayed the former Allende government as a bastion of democracy and freedom which has been replaced by a repressive regime. Mr. President, I don't believe that to be the case. Had the Allende government remained in office many months longer, the Chilean people would have suffered the loss of all their freedoms and many would likely have been exterminated by a Communist regime. Dr. Piedra concluded his article by stating:

> The action of the armed forces in the military intervention of September 11, 1973 saved Chile from a communist takeover. It is now the duty of the armed forces to prove to the world that their intentions were simply to carry out a mandate of the people and restore the democratic process to Chile . . . The chaotic economic situation inherited from the Allende era will not be easily solved, but it is the author's opinion that the Chilean people will rally around the military government and work for the betterment of their country until one day—hopefully soon—the damages of the Allende interlude is repaired and the situation is once again ripe for the restoration of the democratic process.

Let us give the Chilean people an opportunity to recover. We should end this silly condemnation of the new government and the unfounded praise for the repressive Allende regime, and the rush to recognize the Communist government in Cuba. When the United States moves toward recognizing the Castro government, other governments in Latin America feel they must take the lead in that disastrous course. Rather than creating a new dialog with Latin America, we encourage the subversive forces who wish to initiate the disastrous Cuban experiment with communism.

Mr. President, Dr. Piedra's study is, in my judgment, a dispassionate, factual, documented history of what happened in Chile, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

CHILE

(By Alberto M. Piedra)

IN BRIEF

Salvador Allende Gossens was elected President of the Republic of Chile in 1970 by vote of the National Assembly, as provided by the Constitution when no candidate received a majority of the popular vote. Dr. Allende had received 36% of the popular vote. In his Popular Unity coalition of Marxist and Communist Parties, President Allende set a goal of establishing a democratic "road to socialism." But the coalition harbored forces which believed socialism could be achieved only by violent overthrow of the bourgeois structures. The Allende government ravaged the economy, violated the laws, fostered paramilitary units in certain industries and prepared for violence, with the tacit or active approval of the President. The Chamber of Deputies, the Supreme Court and the Comptroller all criticized the unconstituional actions of the President before the armed forces on September 11, 1973 intervened to establish a military government. The decline of the economy and of public order had reached catastrophic dimensions. The military junta reported that it had forestalled a coup planned to establish a Marxist dictatorship. As a caretaker of the Constitution, the military junta is obligated to restore popular government when reasonable order has been restored.

Chile became the center of interest for social scientists, political observers and activists of both the right and left with the advent of Salvador Allende Gossens to the presidency of that country in 1970. The rise to power of the Popular Unity government excited a wave of rising expectations on the part of democratic socialists all over the world who hoped that Chile's experiment with Marxism would serve as a model for other countries to follow in their "road to socialism".

The "experiment" ended in catastrophic failure. The armed forces of Chile overthrew Allende's Marxist regime. What developments led the military leaders of the country to unseat a freely elected president, whose rise to power had raised such hopes among intellectuals the world over?

The question is of special importance in a country where the armed forces have always played a secondary role in the political affairs of the nation. It had been a generally accepted principle in Chile that the military establishment did not constitute a threat to the country's traditional democratic process. Since 1853 the armed forces of Chile had only intervened and taken control of the government for brief intervals during the period 1924–1932. Thus, for all practical purposes, the military establishment in Chile was regarded as a stabilizing factor in the country's political process, lacking desire to take over the government but deserving respect as guarantor of public order and of the nation's constitutional framework.

The Allende election

In the general elections of September 4, 1970, Salvador Allende Gossens received 36.3 per cent of the popular vote; and on November 3 of that same year he was officially proclaimed President of Chile. Allende was backed by the Popular Unity coalition of Marxist and left of center parties and received a total of 1,070,334 votes. Jorge Alessandri, the candidate of the National Party, received 1,031,151 votes or 34.98 per cent of the total popular vote, and Rodomiro Tomic of the Christian Democrats trailed behind with 821,000 votes or 27.8 per cent of the total popular vote.

It is not true, as has been stated repeatedly, that Chile voted in favor of Marxism. A careful analysis of Chile's political situation in 1970 clearly shows that Allende won the election because of the lack of unity among the forces opposed to Marxism. For example, in 1958 the political groups which later backed the Popular Unity alliance acquired almost 44 per cent of the total popular vote; and in 1964 they gained slightly over 38 per cent. But in 1970, the number of voters who backed the Marxist-socialist alliance had decreased to 36 per cent.

One of the factors which contributed to the lack of unity among the forces opposing Allende was the leftward drift of the Christian Democrats under President Eduardo Frei and the personal attitude of Rodomiro Tomic, the Christian Democrats' presidential candidate. Tomic repeatedly stressed his extreme leftist tendencies, which in many instances were even more pronounced than those of Allende. Nevertheless he became Eduardo Frei's choice for the presidency and the official candidate of the Christian Democratic Party. The extreme attitude of Tomic made it impossible for the National Party to back his candidacy, as the conservatives had done in 1964 when they supported Frei and contributed to his landslide victory over Allende.

Later it was learned that in the electoral campaign Tomic had reached a secret understanding with Allende in which it was agreed that if either of the two acquired a majority of 30,000 votes or more over his nearest opponent, the other would recognize his victory. Although this agreement was never officially acknowledged by Tomic, it seems clear that the Christian Democrats had committed themselves to vote for Allende in Congress if he acquired a plurality in the electoral process. According to Chilean law, Congress must decide between the two leading candidates if none of the candidates has a majority of the popular vote.

In Congress Allende counted 80 votes, the Christian Democrats 75 votes and the backers of the National Party 45 votes. A favorable vote on the part of the Christian Democrats was expected by Allende, especially after Tomic paid him a congratulatory visit soon after the election. To avoid such an outcome, a plan was presented whereby Alessandri would be elected and would then resign and submit the country to a new electoral process. The National Party would then support the election of Eduardo Frei. However, this suggestion was rejected.

After a favorable vote of approximately two-thirds of the National Committee of the Christian Democratic Party, the Christian Democrats were instructed to vote for Allende in Congress only if the so-called Statute of Guarantees was jointly approved by the Popular Unity and the Christian Democrats. The Statute was supposed to guarantee such basic principles of Chilean democracy as freedom of the press, the right of workers to unionize, freedom of education and the independence of the executive, legislative and judicial branches of government and of the armed forces. Allende accepted these guarantes wholeheartedly. In fact, on October 22, 1970 he emphatically stressed:

"I have come to say that these dispositions must be understood not only as basic principles consecrated in the Fundamental Law but also as the moral law of a commitment toward our own conscience and toward history."

Ironically, a few months later, he told Regis Debray, the French newspaperman and author, that these guarantes were only a necessary tactic because what was really important was the acquisition of power.

The opening gambit

The Chilean road to socialism was to have taken place within the so-called bourgeois institutional framework. However, it was soon discovered that the legal means and constitutional procedure left open to the government were not sufficient "to enable it to carry through the vast programs of economic; social and political transformation" which were necessary to bring about the total socialization of the country.

Within the government coalition, the communists relied on the ability of the proletariat to gain control of the legislative branch of government, a necessary step if drastic institutional changes were to be introduced. For this purpose it was necessary to rely on the help of other popular classes, especially those within the framework of the Christian Democratic Party. The hope existed in the minds of some government officials that a legislative alliance could be reached between the Christian Democratic Party and the Popular Unity. At the same time the communists insisted on the need to increase their control of the country by taking over the economy.

In the initial stage of his revolutionary government, Allende seemed to favor a peaceful road to socialism although his was a Marxist—not democratic—concept of the system. He never ceased to proclaim the principle of class struggle and the need to change the system drastically. He realized full well that he had to acquire power in order to carry out the revolutionary transformation of Chile, that "the destruction of the machinery of the bourgeois state and the replacement of it by another" was a necessary condition for the establishment of a Marxist state. To do this Allende had to destroy the power of the legislative and judicial branches of government as well as the whole apparatus of police power. Thus, he tried "to take advantage of whatever openings there were in the present Constitution to open the way for a new constitution, the people's constitution." He proposed that there should no longer be two houses in Congress but a Popular Assembly. In order to do this he hoped to submit the issue to referendum.

Once firmly entrenched in the Presidency, in order to reach the above mentioned objectives, Allende initiated a campaign to render ineffective the legislative and judicial branches of government, which he considered remnants of a decadent bourgeois democracy, all the while maintaining a propaganda of legitimacy. Fidel Castro of Cuba maintained the facade when he stated, referring to Chile's revolutionary process: "It is unique in the history of contemporary societies. It is unique in the history of Humanity, trying to carry out a revolutionary process by legal and constitutional methods, using the very laws established by the society or by the reactionary system, the very mechanism, the very forms that the exploiters created to maintain their class domination."

Within the leftist coalition of the government there were those who "advocated and practiced direct action in order to provoke a confrontation with the opponents of socialism" intending eventually to bring about a communist takeover by force of arms. The Marxist, Glauris Fernandez, expressed this revolutionary purpose very well when he said: "Today in Latin America, to be a communist is to form a vanguard in order to prepare and organize the masses militarily and politically for the revolutionary conquest of power by the people and the victory of socialism. This is what defines a communist. Not a Party membership card." That is why the formation of revolutionary military cadres within the industries that were gradually taken over by the government was a necessary step on the road to socialism. These procedures, which obviously went far beyond bourgeois legality, provided the stocking of large quantities of arms and ammunition later discovered in many of the industrial plants taken over by the State.

The fact that Allende's government made no serious efforts to suppress these activities made people aware that although Allende was outwardly proclaiming a peaceful road to socialism, he was condoning or encouraging resort to such illegal operations, especially by the MIR (*Movimiento de Izquierda Revolucionario*) and its followers.

Economic policy

When the Popular Unity government came to power in 1970, the rate of the gross domestic product (GDP) had fallen to 3.4 per cent, that is to say, a net gain of about 1 per cent on the population increase. The unemployment rate had reached 8.3 per cent. The reasons for such a poor performance were blamed by the Allende government on the incapacity of the existing capitalistic structure to solve Chile's economic ills. As Pedro Vuskovic, Chile's first Minister of Economic Affairs under Allende, expressed it, Chile's slow rate of economic growth was a function of "an increasing subordination of the Chilean economy to foreign interests; an increasing concentration in the ownership of the means of production and, accordingly, increasing concentration of control of the basic sectors of the Chilean economy by foreign interests or powerful national monopolistic interests, and an increasing concentration of national income.

We can contrast the Popular Unity's stated goals in economic matters with the results obtained during their three-year rule. The immediate economic goals set by the Popular Unity government are summarized as follows: (1) an increase in the rate of economic growth through a better utilization of existing resources, (2) a redistribution of national income in favor of the less fortunate groups of Chilean society and (3) a slowdown of the rate of inflation.

However, the fundamental approach to economic policy was "the replacement of the present economic structure with another one, which will allow the realization of a socialist and pluralistic society." To attain this end the government would develop three major areas of ownership: state, mixed and private; the state area being the prevailing one. "The purpose of this restructuring of the economy is to transfer the strategic economic activities from private monopolistic or foreign control to the control by society as a whole."

As Robert Moss noted: "These ideas, obviously, were far from being original. They formed part of the 'structuralist' approach to economic development which had been popularized by such organizations as the Economic Commission for Latin America (ECLA) of the United Nations. It is significant that the greater part of the members of the new class of Marxist technocrats of Chile—headed by Pedro Vuskovic, the first Minister of Economics of Allende; Jacques Chonchol, his first Minister of Agriculture; Alfonso Inostroza, who became President of the Central Bank of Gonzalo Martner who was in charge of the Planning Agency (ODEPLAN)—had all worked for given periods of time with the Food and Agricultural Organization (FAO) of the United Nations or for one of the other technical agencies of the United Nations. Their common approach to economic planning directly reflects a common experience."

In the very short-run the Allende government placed major emphasis on income redistribution. Every other aspect of economic development was left in the background. It was believed that a redistributive income policy would bring about an increase in consumption which in its turn would reactivate the economy and increase output as a result of a better utilization of existing resources. A major factor contributing to this phenomenon was to be the nationalization and conversion of the privately owned means of production into state ownership.

A substantial increase in purchasing power of the common laborer would stimulate production and thus bring about an increase in the living standard of Chile's working population. Thus, through income distribution and with the help of monetary and fiscal policy it was believed that output would increase. The existence of large stocks of raw materials, unused industrial capacity and heavy unemployment seemed to argue in favor of such a policy. Furthermore, it was expected that the profit margin realized by the private entrepreneurs would be able to absorb whatever cost adjustments would have to be made without the need to rely on price increases. The fact that in October 1970 Chile had foreign currency reserves equal to $449 million gave further ground to the belief that the supply of food and services could meet the increments in demand even if it were necessary to rely on the importation of increased amounts of food.

To increase the real purchasing power of the workers the government deemed it necessary to establish price controls so that the wage adjustments would be made without price increases. Such a policy obviously placed a heavy burden on the Chilean entrepreneur who was expected to accept it by simply seeing his profits dwindle.

Toward the end of 1971 it seemed as if the policy of the government had met with success: the GDP increased by 8.5 percent, the number of employed persons rose by almost 200,000 and personal consumption experienced an increment of 12.9 percent. It was also estimated that the shares of wage earners in national income increased from 53.7 percent in 1970 to 59.0 percent in 1971. Industrial output also increased by approximately 12 percent and the rate of inflation reduced to 22 percent.

Thus the first year of the Allende regime was one of euphoria among some non-Marxist circles. It was psychologically not the most appropriate moment to oppose the newly introduced measures of the Allende regime which supposedly were going to favor the working class.

The so-called area of state ownership expanded its control from forty-three firms on September 4, 1970 to ninety-eight in 1971. Another thirty-three firms fell under what was called transitory public control. According to Allende, toward the end of 1971 about 25 percent of total output was under state ownership.

The entire mining industry was under state ownership by the end of 1971 and the state could control over 80 percent of all bank credit due to its controlling situation in the ownership of both national and foreign banks. It also controlled over 85 percent of all export trade and about 45 percent of all imports.

In the area of agrarian reform, Solon Barraclough, the International Director of the Institute for Training and Research in Agrarian Reform (ICIRA) in Santiago, claimed that "the change in velocity of expropriation had been so great that one can speak of a qualitative change. During the period from November 1970 until March 1972, there have been 2,300 expropriations comprising about 210,000 hectares of irrigated land and nearly 3,000,000 of dry land." Jacques Chonchol, the Minister of Agriculture under Allende, claimed that "in 1971, 30 per cent of agricultural land was within the reformed sector, and this year (1972), with the land that is now expropriated, the figure is 50 per cent."

However, what was not stated in government circles was the impact that these expropriations and government controls had on production. Under Chonchol, the expropriations were carried out oftentimes indiscriminately and to the detriment of many well-run, privately owned farms. Statistics presented by the Office of Agricultural Planning (ODEPA) indicated that in 1971, production in almost all agricultural items had fallen in relation to 1970, and imports had increased by almost 30 per cent

Economic collapse

The apparent success of Allende's economic policies in 1971 was shortlived. Soon it became apparent that the new measures introduced by the Popular Unity government were leading the country toward economic collapse.

In 1972, the economic situation began to deteriorate rapidly. The increased demand of the working class, not sufficiently compensated by the growth of output, began to be felt in the price structure. Price controls could no longer keep the price level from increasing in a rapidly developing black market. A policy of income distribution and monetary expansion not accompanied by incentives to investment and increased output could only terminate in rampant inflation. The large inflationary pressures accumulated during 1971 and later in 1972 and 1973 as a result of government fiscal and monetary policies were conducive to the crisis that finally occurred in 1973. The government's expectations that public investment would at least compensate for the decline in private investment did not materialize, in spite of the heavy subsidies granted by the government to state-owned industries.

By the summer of 1973 the situation became chaotic. The GDP increased by only 1.6 per cent in 1972 in relation to 1971 and fell by 5.5 per cent in 1973. Industrial output fell in 1973 in relation to 1972 in almost all branches of industry with the exception of copper where production increased from 540,000 tons in 1970 to an estimated 609,000 in 1973. This rise in output fell far short of available capacity which had been augmented significantly during the years immediately preceding the Allende regime. The government had estimated copper production would increase to over 800,000 tons.

Food output also fell substantially in all items, especially in the production of wheat, where production dropped from 1.4 million tons in 1970–71 to an estimated 0.7 million tons in 1972–73. On a per capita basis the results were even more disastrous. On the other hand the level of agricultural imports increased substantially, from $168 million in 1970 to an estimated $500 million in 1973. This policy put an even greater strain on the deteriorating balance of payments situation. Domestic meat output also decreased substantially during the period 1970–73, especially during the first two years as a result of the slaughter of animals resulting from farmers' fears of imminent expropriation. Obviously the lack of confidence in the system and the fear of continuous expropriation, whether legal or illegal, contributed in no small way to the fall in agricultural output. The continuous protests of the farmers against price regulations which forced them to sell their products at ridiculously low prices when the price of that same product was sold in the black market at much higher prices were met with deaf ears by government officials. Furthermore the state controlled approximately 60 per cent of the distribution of foodstuffs, placing a further burden on both producers and consumers.

The monetary expansion of the Allende regime reached preposterous proportions. It is estimated that the budget deficit during the first nine months of 1973 amounted to approximately 174,000 million escudos. This is equivalent to 53 per cent of the total budget. However, if to this amount is added the losses suffered by the state-owned firms, the overall deficit is much greater. It was estimated that sixteen state-owned firms had a deficit of approximately 24,000 million escudos in 1973.

The total supply of money increased from 12,114 million escudos in 1970 to an estimated 406,715 million in 1973, (66 per cent in 1970, 113 per cent in 1971, 152 per cent in 1972 and approximately 469 per cent in 1973). Credit to the public sector increased from 1,459 million escudos in 1970 to 302,814 million escudos in 1973. Such an expansionary monetary policy could no longer avoid hyper-inflation with all its disastrous consequences. The consumer price index which in 1970 increased by 22.1 per cent further rose by more than 600 per cent in 1973. As a result it was estimated that real wages and salaries decreased by 28.5 per cent in October 1973 in relation to the same month in the previous year.

According to government estimates the balance of payments situation was in chaotic condition. The balance of trade for 1973 showed a deficit of $463 million and the balance of payments a deficit of $260 million. According to the Central Bank, the net international reserve position of the banking system fell from net credits of $343 million in 1970 to net liabilities of approximately $600 million in 1973. The foreign debt of Chile had increased by 31 per cent in 1973 with respect to 1970 and reached the incredible sum of $3,455 million at the end of 1973.

Although new authorizations of external resources coming from the World Bank, the Inter-American Development Bank (IDB) and other multilateral agencies almost came to a standstill during the three-year period 1971–1973, the gross flow of external financing received by Chile during that same period amounted to approximately $907.8 million; $479.6 million from public sources and $428.2 million from private sources. The reason for this is that although authorizations no longer took place, the sums already approved and allocated for given projects continued to arrive in Chile. In fact, Chile received during this period $238.7 million from multilateral agencies and $36.4 million from the United States, $10.9 million from the Export-Import Bank and over $5 million from the United States Agency for International Development (AID).

The data given clearly shows that the results observed in Chile's economy are a far cry from the economic goals set by the Allende regime when it came to power in 1970. Socialist apologists blame external forces and the power of the bourgeois, capitalistic elites which did not abandon Chile for the debacle; but the fact remains that the collapse derived entirely from the disastrous economic policies of the Popular Unity government which impoverished Chile and, by creating chaos, led the way to the overthrow of the Allende regime by the armed forces with the backing of Congress, the judicial system and the great majority of the Chilean people.

The doubt that still remains in some people's minds is whether the chaotic economic situation which prevailed in Chile in 1973 was the result of a well-organized plan to justify a communist takeover and the elimination of whatever remained of the democratic system or whether it was simply the result of inefficient and totally ineffective economic policies on the part of left-leaning bureaucrats at the service of the Popular Unity government. The results in either case were disastrous for the people of Chile.

Subverting the constitution

The *Movimiento de Izquierda Revolucionario* (MIR) constituted the vanguard of the guerrilla movement in Chile. The members of this movement firmly believed that the Marxist revolution could only succeed by way of armed revolt. That is why their main objective consisted of general strikes and popular militia uprisings. For many years they had been preparing the Chilean workers for such an eventuality and for this purpose they tried to coordinate the guerrilla movements in the cities with those in the countryside. The taking of private businesses, farms and even individual dwellings was a goal of the MIR movement. As Roberto Pinto stressed: "In the new conditions created in Chile, it is very easy to carry out seizures. It is not difficult to mobilize small groups of workers to take a factory, a large rural estate, or some dwelling. But what is genuinely revolutionary is helping the government achieve its program and mobilize masses in pursuit of this accomplishment. But it must be the masses and not small groups, the organized masses, the masses with social consciousness, the masses with a clear understanding of the final objectives of their struggle." That is why MIR has repeatedly recommended that the masses must unite in their struggle against the establishment. This is the only way they will be successful in "the battle for the conquest of power for the workers."

The MIR was conscious of the fact that sooner or later Allende would have to break with the constitutional framework and for this reason they were feverishly preparing for the armed revolution and the takeover of the country by force. The acquisition of arms, military training and continuous infiltration in government spheres, not excluding the armed forces whenever possible, were top priorities among the MIR leadership. According to Robert Moss, the MIR was trying to proselytize within the armed forces, especially within certain elite regiments such as the "black berets", a group of special forces in Chile. Moss goes on to say that toward the end of 1970, the Chilean High Command was forced to retire a number of junior officers in that special unit for political reasons.

Later on, when Allende became President, the MIR limited its activities to creating divisions between officers and the rank and file. The MIR also kept close contact with

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Catholic groups of the left and a series of common public meetings took place between both factions in Santiago and Concepcion. According to Moss, the MIR and the so-called Christian left were organizing jointly a coordinating committee which undoubtedly would have served to increase the close contacts that already existed between the MIR, Altamirano, the Secretary General of the Socialist Party, and the left wing sector of the Christian Democratic movement.

Meanwhile Allende proceeded with his policy of communization of the country while at the same time pretending to work within the Constitution and the laws of the country. Under cover of old legislation which was no longer in use, he proceeded to decree the expropriation of many industries. The formula used by Allende had served the goals of communists elsewhere in their road toward socialism: to create labor-management conflicts or to create the image of inefficient or insufficient production in order to justify intervention and, at a later stage, expropriation of industrial firms. Other tactics used by the government were the use of legal ambiguities in order to buy shares of a given industry and thus acquire the ownership of said industry. An example was the banking industry. Under the threat of expropriation, many stockholders sold their rights to the government and as a result Allende was able to announce toward the end of 1971 that the state owned 57 per cent of the shares of the private banking system. Three major private banks not owned by the government were intervened.

The campaign against the Judiciary increased in intensity as the months went by. Attacks were centered in a very special way on the Supreme Court. The government used every means available to undermine the highest Court of the land and advocated the creation of neighborhood tribunals for the further purpose of surveying and re-educating the population. However, such measures always met with resistance on the part of the legislative branch and thus never received congressional approval.

Toward the latter part of 1971, the Christian Democrats presented to the Congress a Constitutional Amendment which would have forced the government to define the three areas of ownership—state, mixed and private—and establish limitations in the area of state ownership. In addition, the opposition requested that the government should return to its rightful owners all the industries that had been unlawfully expropriated since October 14 of that year. Although the Amendment was approved by Congress it was never accepted by Allende. Allende's refusal to listen to a Committee named by the Chamber of Deputies to investigate the whole system of government interventions in industry was another instance of the Chief Magistrate's disregard for Congress.

The government tried to suppress the press—but in a legal way. The first step was to nationalize the paper industry and thus acquire the control of a product which is vital to the newspaper business. The government Corporation for Development (CORFO) announced as early as 1971 that it would buy the shares of the Paper and Cardboard Manufacturing Company. A campaign was launched simultaneously against the firm in order to create panic and force the shareholders to sell their holdings to the company. Opposition to the government's initiative came mainly from the employees of the company who saw quite clearly the government-instigated maneuver to take over the entire paper industry; but government attacks against the company and consequently against the press continued by many subtle means.

By the end of 1972, the political intentions of the government seemed quite evident in spite of the divergence of opinions between the socialists, the communists and other groups of the Popular Unity coalition. The policy of a peaceful road to socialism had met with failure because the people through their representatives in Congress were not willing to approve Allende's economic policies leading to greater collectivization and the final establishment of a communist regime. This gave ground for the more leftist groups within the government, with the tacit approval of Allende, to accelerate their plans for a violent takeover.

The most outspoken group in favor of violence was the MIR. Their main strategy centered around the so-called "industrial belt" surrounding the city of Santiago where the nationalized and state industries were mainly located. Together with the revolutionary camps organized by the MIR and the socialists, the industrial belt constituted the center of operations from which an attack against the very heart of Santiago could be launched. In this area were concentrated the key industries. Once they were controlled it was relatively easy to paralyze the economic and political life of the country.

Well-organized military groups were operating in such state-owned industries as "gas (ENADI), electricity (ENDESA and CHILECTRA), communications (the Telephone, Telegraph and Postal Services) and the public supply to water." It can be concluded that the new class of state administrators was more preoccupied with the art of waging war than with increasing output and improving the standard of living of the Chileans.

Military intelligence was well aware that the area around Santiago was full of foreign instructors—Cubans, Czechs and East Germans—and that arms of all types were flowing abundantly into the region from foreign sources. A Central Committee of Rural Commandos was even created which set its own economic and political goals. The revolution had to be carried out, no matter what the consequences. It was the Commandos' role, when the time was propitious, and with the help of the popular masses, to challenge the military establishment in an armed conflict. The Rural Commandos were to become the Soviets of the new Chile.

The sophistication of the methods used by MIR, especially in the training of militia and in guerrilla warfare, indicated that the organization was well advised by foreign experts. The Cubans played an important role in the development of MIR strategy.

Toward the middle of 1973, when the political and economic situation had become unstable, the possibility of a self-imposed coup became a reality. It was the only road of survival for the regime. Realizing quite well he had placed himself outside the legality of the system by disregarding all legislation presented to him by the legislative branches of government, Allende had no other alternative but to resign or to follow the advice of the extreme left within the Popular Unity coalition. The inevitable occurred on May 26, 1973 when the Supreme Court of Justice officially declared that President Allende had violated the basic precepts of Chile's Constitution. On June 25, the Supreme Court repeated its finding. This was followed by a similar statement by the Comptroller on July 2 and finally by the Chamber of Deputies on August 22. The Resolution passed by the Chamber of Deputies stated that the military should not participate in the Allende government and back policies of a biased minority. On the contrary, they should re-establish the reign of the Constitution in order to guarantee the stability of the institutions and to insure civil peace and the security of the nation.

According to the Chilean Constitution, Congress can dictate that the President is unable to exercise his mandate because of violations of the Constitution. Therefore, Congress can force him to resign. Although the opposition had the votes to carry such action in the Chamber of Deputies, it lacked the necessary two-thirds vote in the Senate, so a stalemate ensued.

The decision of Congress to condemn the illegal acts of the government gave legal ground to the military takeover which occurred a month later. In addition, the fear of a leftist blood bath which would have done away with whatever remained of constitutional rights seems to have been confirmed by the amount of munitions and weapons found by the military government after the events of September 11, 1973. According to information revealed by the armed forces, the Popular Unity movement planned to liquidate all the high ranking officers of the armed forces, all major political leaders of the opposition and the labor leaders opposed to the government. The coup was prepared for September, 1973—a week after the armed forces decided to move in and save Chile from a violent communist takeover.

Military intervention

Up to the middle of 1972, it seemed improbable that the armed forces of Chile would participate in a military venture to the overthrow of the Allende government. The possibility of an intervention by the military seemed very remote indeed, "unless the country were to reach a situation of open violation of the constitutional guarantees and the laws of the country." However, the situation in Chile thereafter deteriorated to such a degree and the polarization of forces reached such proportions that violence became inevitable.

The Popular Unity coalition had attempted, especially in 1972 and again in 1973, to neutralize the power of the military by inviting military leaders to participate in the government. After the October strike of 1972, Allende accepted the resignation of all his Cabinet and appointed military men to the ministries of Interior, Mining and Public Works. However, to neutralize the influence of the armed forces he also appointed Luis Figueroa, President of the Central Unica de Trabajadores (CUT) as Minister of Labor, and Rolando Calderon, socialist of the radical left, as Minister of Agriculture.

The "integration" of the armed forces into the Popular Unity program was an objective of the Allende government. Up to the very end of his regime, involvement of the military in the economic and social life of the country increased considerably.

The Marxist-socialist alliance always feared that the Chilean armed forces favored the bourgeois type of democracy; that in fact they constituted "the main support of formal democracy and will always act in its defense." According to this Marxist analysis, the military are the referees who determine in the last analysis whether the rules of the game (bourgeois democracy) have been infringed. Thus, "in the face of this armed bourgeois referee, the proletariat has no other alternative than to oppose its own armed force, in order to be able to impose the rules of the proletarian game."

After the congressional elections of March 1973, the military resigned from their government posts, partially from disillusionment and partly because they saw no need for their remaining in office once the elections had been held. The military were becoming increasingly preoccupied with the situation as it was developing in the country. They were concerned about Allende's unwillingness to listen to their petitions concerning (a) the need to establish legislation defining clearly the public and private sector of the Chilean economy, (b) the advantage of establishing a dialogue with the opposition parties, (c) the curbing of the armed paramilitary groups and (d) the attainment of an understanding with the United States.

The situation continued to deteriorate as the months went by. As violence and violation of the constitutional rights of the citizens increased, it became more and more obvious that the military would have to take a stand, unless they were willing to wait idly while the whole country was being communized and a "popular legality" established in lieu of the Constitution and law.

The tactics tried by Allende to change the political and economic structure of the country had failed. The legislative and the judicial branches of government and the great majority of the people of Chile were not willing to follow the so-called road to socialism.

Realization of this failure gave more ammunition to the extreme left, which wanted to complete the revolution through armed violence and the suppression of Congress. As a result, an increasing number of leaders of the Popular Unity coalition adopted the more aggressive line of thinking and relied increasingly on violence as the only remaining alternative if the revolutionary process were to reach its ultimate conclusion. Allende had never been totally against such an alternative. He always saw it as a last resort and considered it useful "when it becomes apparent that one cannot win through educating the people."

Attacks against the opposition and rumors of possible military coups were widespread in Santiago and all over the country. Much has been said by some intellectuals about the violence of the ultra right. However, as Robert Moss has stated, "the pranks of the extreme right were trivial when compared with the sinister uprising of the armed brigade of the workers." The new spirit that was rapidly developing within the armed forces as a result of the disastrous policies of Allende helped to unify the armed forces and prepare the ground for what occurred in September 1973.

The two major problems directly affecting the Chilean armed forces were: a continuous process of infiltration to which they were submitted, especially during the last year of Allende's mandate, and the ever-increasing number of paramilitary armed forces which were being organized by the MIR, with at least the tacit consent of the President.

The Chilean military were well aware that Lenin had said no revolution could succeed without the disorganization of the existing armed forces. For this reason the Popular Unity coalition considered it imperative that the armed forces be either neutralized or else infiltrated and finally destroyed so that it would no longer be the guardian of the Constitution.

According to Marxist-Leninist principles, the armed forces and the intelligence services—together with the executive, legislative and judicial branches of government—constitute part of the power structure of the bourgeoise society. Thus, it is necessary to destroy, along with the bourgeoise type of democracy, the entire military establishment. Otherwise a real Marxist revolution cannot succeed.

The existing military establishment cannot serve the new class which rises to power with the Marxist revolution. That is the main reason why it must be destroyed.

Luis Corvalan, the leader of the Chilean Communist Party, said a few days after Allende's rise to the presidency that "the people have conquered the government, which constitutes one part of the political power. It must strengthen this conquest and advance even more; it must see to it that the entire political power, the entire state apparatus pass into its hands." Two years later in 1973 he was saying: "The reactionaries accuse us of trying to acquire power in its entirety. Yes, gentlemen, we want every power to be at the service of the people. . . ."

Sergio Ramos, a leading member of the Technical Commission of the Chilean Communist Party and special advisor to Allende, said in 1972 that "the conquest of political power has to go necessarily through the destruction of the army and the police force."

The main tool in the hands of the government for the destruction of the armed forces was the so-called "power of the masses." Such an objective would be obtained either gradually—the peaceful way—or in a more drastic way by violent methods. The power of the masses, or popular power as it was often called, resided—according to the communist leader Figueroa—in (a) the government, and (b) the political parties constituted in the Popular Unity Coalition, the CUT and various organizations of the masses. Apparently the remaining sections of Chile's population—the great majority—were kept out of the power structure.

As far back as 1972 the Communist Party—not necessarily the ultra left (MIR)—was already talking about the possibility of destroying the armed forces by means of the "popular power." A year later in 1973, Ramos himself stated that "the development of an alternative to power means the development of conditions that permit—if this were the case—the defeat of the repressive apparatus of the state: the permanent army and the police."

The methods used by the Popular Unity coalition to carry out the gradual destruction of the armed forces can be summarized as follows: (1) infiltration, (2) division, (3) gradual elimination of army leaders, and (4) neutralization of the armed forces.

The old tactic of winning over the soldiers and creating division between progressive and reactionary elements within the military was widely applied in Chile, though with little success. The communists tried to foster the revolutionary process by attempting to win over to the side of the "people" what they called "the patriotic and democratic sectors of the army." The government also tried to get rid of the more "reactionary" elements within the armed forces by early retirements and by whatever other means they had at their disposal.

The destruction of the armed forces could also be obtained—apart from the peaceful means mentioned above—by the use of direct violence. Leaders of the Popular Unity government were firm believers in the class struggle. Once the conclusion was reached that armed conflict was a necessary condition for the survival of the Marxist revolution, the Allende government could not but follow the policy recommended by Lenin many years ago: "Whoever admits the class struggle cannot but admit civil wars. . . . The oppressed class that does not desire to learn the use of arms, to have arms, only deserves to be treated as a class of slaves. Because, if we do not want to become bourgeois pacifists or opportunists, we cannot forget that we live in a society of classes, from which there is no other way out but by way of the class struggle. . . . Our aim should be: arm the proletariat to defeat, expropriate and disarm the bourgeoisie."

Thus, it became necessary to follow the basic rules of armed insurrection as established by the Academy of Social Sciences of the Soviet Union. The most important rule, especially in the case of Chile, was the one related to surprise: "Make every effort to surprise the enemy and take advantage of the moment in which its forces are divided." It is of utmost importance to physically eliminate the leadership and with the element of surprise perform the assault against the chief of the army, police, navy. It is our duty, said Lenin, to exterminate the civil and military chiefs.

Corvalan, the leader of the Communist Party in Chile, expressed the aims of his party when he said at the beginning of 1973:

"It would be too much of a simplification if we claimed that the attainment of our revolutionary objectives is simply a question of votes. No. We have never considered that Chile's revolutionary way is exclusively an electoral way. It is a road of continuous clashes, of an acute class struggle in which the most important thing is the mobilization, the aggressiveness of the masses and the growth of their revolutionary conscience."

The discovery by Chilean Naval Intelligence of an armed rebellion which was being prepared by the sailors of the cruiser Latorre in Valparaiso and by certain units in the base of Talcapuano added crisis to the chaotic economic and political situation which prevailed in the country. With the backing of the legislative and judicial branches of government and large sections of the Chilean population, the military led by General Pinochet were ready to take action. There was evidence that the government was planning an armed revolt backed by its paramilitary organizations and by the armed workers in the nationalized industries—a plan which was later confirmed by the military government. If the military had not taken the initiative, the government would have launched a wave of revolutionary violence that would have wiped out the armed forces as "defenders of the bourgeoisie" and destroyed all opposition, whether coming from the Christian Democrats, the National Party or any other sector of the country. Communism would have been firmly established.

Conclusions

For many years people will talk about Allende's experiment with Marxism. His peaceful road to socialism will be applauded by some and criticized by others. Within the communist camp there will be many who will blame Allende for not having taken a more "realistic" attitude and chosen at an earlier stage a more violent means to attain his professed aims.

Can Marxism be attained by peaceful means through the electoral process, as Allende seemed to believe when he was elected President? The Chilean experience seems to belie such an alternative. Fortunately, people tend to react against the antidemocratic forms of a Marxist experiment and refuse to let their freedoms expire at least without a struggle. Chile is the best example of such an attitude. Most of the common people were not convinced by such slogans as "the people's democracy", "the rule of the masses", etc. They carefully analyzed the evolutionary process in the road to socialism and were keenly disappointed with the experiment.

The economic and political chaos which plagued the country during the Allende era will not soon be forgotten. An economy in total ruin and the political system practically at a stand-still can hardly be an example for emulation. It is easy to blame the outside world for actions which are mainly taken at home. Any impartial observer will have to conclude that the economic chaos which resulted in Chile was either the result of an inefficient and ineffective government or the aim of a well-organized plan which through expropriation, inflation, rationing and economic chaos would justify an eventual dictatorship.

To make matters even worse, the government sponsored, or at least tacitly approved, paramilitary organizations which were being actively prepared for armed conflict. Such a policy together with the arming of the workers in state-owned firms created a constant threat to the stability of the nation and to the armed forces in particular. The continuous disregard for the Constitution and even open violation of it and of the laws of the land could not be tolerated indefinitely.

When the judicial branch of government and the Chamber of Deputies requested the resignation of the President, their petitions were totally ignored by Allende. The only remaining force capable of restoring order and normality to the country was the armed forces, and it is to them that the people of Chile turned in their hour of danger. If the military had not taken the initiative, the armed rebellion which was being prepared by the Popular Unity coalition would have put an and to democracy in Chile and established a dictatorship of the proletariat.

In the author's opinion, the action of the armed forces in the military intervention of September 11, 1973 saved Chile from a communist takeover. It is now the duty of the armed forces to prove to the world that their intentions were simply to carry out a mandate of the people and restore the democratic process to Chile. The road ahead is not going to be easy, because the forces of communism will not stop in their endeavors to create trouble for Chile both on the international and on the national level. In addition, the chaotic economic situation inherited from the Allende era will not be easily solved, but it is the author's opinion that the Chilean people will rally around the military government and work for the betterment of their country until one day—hopefully soon—the damage of the Allende interlude is repaired and the situation is once again ripe for the restoration of the democratic process.

LAW DAY

Mr. FANNIN. Mr. President, today is Law Day. It is a time for us to pause to reflect on the fact that ours is a nation of rule by law, not rule by men. The Casa Grande Dispatch carried an editorial earlier this week pointing up the importance of our legal system and the significance of Law Day. I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRENGTH OF OUR LAWS

Like other good things in life, we tend to take the law for granted—until we no longer have it. When our legal system breaks down—for even a short time—anarchy results.

In our nation, we are fortunate to have witnessed relatively infrequent, isolated examples of chaos. Others living under less stable governments are less lucky. Today, in many parts of the world, the "law" is made by the leaders who have the power, the arms, and the money at any given moment.

Ours, by comparison, is a government of laws, not men. Our Republic has been tested often and has proved strong enough to withstand wars, depressions, and official misconduct.

There can be no guarantee the United States will last forever, even though we now have the longest lasting government with a written constitution. The one way to help assure that next year's Bicentennial will be the forerunner of many similar celebrations to come is to educate our children in the meaning and spirit of American justice.

The American Bar Association and its nationwide affiliates again this year have designated May 1 as "Law Day." All of us would do well to join the celebration. Make a date with justice on May first—Law Day 1975!

TESTIMONY BEFORE CONGRESSIONAL COMMITTEES

Mr. SPARKMAN. Mr. President, on April 25, Ambassador Dean Brown, the coordinator of the Vietnam refugee program, failed to appear before the Senate Refugee Subcommittee. The Washington Star quoted John Hushen, assistant White House press secretary, as explaining:

> It is traditional that presidential appointees not confirmed by the Senate not be called to testify before Congress.

Mr. Hushen is mistaken, and I would not want his statement to stand unchallenged. Among the Presidential appointees not confirmed by the Senate who have testified before congressional committees are Peter Flanigan, Richard Goodwin, Sherman Adams, Robert Cutler, Robert E. Merriam, Gerald D. Morgan, Lawrence F. O'Brien, General E. R. Quesada, Roger L. Stevens, Dr. Stafford L. Warren, and Dr. Jerome Wiesner.

CPL. CHARLES McMAHON, JR.

Mr. BROOKE. Mr. President, our tragic involvement in Vietnam has finally and thankfully come to an end. But the end did not come without personal tragedy for a family in Woburn, Mass., and indeed for the Nation.

That tragedy occurred on Monday, April 28, during the final stages of the American evacuation from Saigon, when an enemy rocket attack took the life of Marine Cpl. Charles McMahon, Jr. Corporal McMahon had been assigned to protect American and Vietnamese evacuees at the Tansonnhut airport near Saigon. He was only 21 years old and had been in Vietnam just 2 weeks.

Corporal McMahon's life was typically and solidly American: He was by all accounts a model citizen. This was best exemplified by his long and devoted affiliation with Woburn's Boys Club, where he was always pitching in and lending a helping hand. In recognition of this great community contribution, the Boys Club named him Boy of the Year in 1971.

As a Marine, Corporal McMahon attended the Marine Embassy School here in Washington, D.C. He graduated at the top of his class and became one of the 120 Marines to be given the very sensitive and very difficult assignment of protecting the U.S. Embassy in Saigon throughout the last agonizing hours of the war. His courage, skill, and professionalism helped make our last-minute exodus as safe and orderly as possible. For this our country is in his debt.

Mr. President, it is always a deep, personal tragedy when a child predeceases his mother and father. War, by its ugly nature, provides too many opportunities for such tragedy. And this, perhaps more than anything else, underscores its true cost.

For Corporal McMahon's mother and father, Edna and Charles, for his older sister, Susan, for his younger brothers, Scott and Michael, no words can possibly relieve the burden of grief they now bear. But I do want to extend my deepest sympathy to each of them and offer my most heartfelt prayers that God see them through these difficult days.

VIETNAM

Mr. FANNIN. Mr. President, our country's military involvement in Vietnam has come to a close. Our Armed Forces and our officials have been withdrawn. President Ford has observed that we have come to the end of an era in our efforts in Southeast Asia.

Yet we cannot close the books on our interest in Southeast Asia. We still do not know what happened to 1,363 American servicemen who were listed as prisoners of war or missing in action. We know that many of these men were alive after capture, but they were not accounted for as required in the Paris Peace Agreement of January 27, 1973. It is my understanding that the remains of only 23 of over 1,100 Americans known dead on Communist soil have been returned to the United States.

The Hanoi government blatantly disregarded the Paris agreement in its drive to defeat South Vietnam militarily, and the Communists likewise refused to provide the promised help in accounting for U.S. POW's and MIA's.

Mr. President, North Vietnam had a legal and moral obligation to abide by the agreement that government made at Paris. The United States had a legal and moral obligation to see that North Vietnam abided by the agreement. We all know that North Vietnam did not live up to the agreement.

The United States is not omnipotent nor omnipresent. Other free world nations—including nations we unselfishly helped save from Fascist enslavement in World War II—chose to ignore Southeast Asia and declined to give any support to our position in regard to the Paris agreement.

Mr. President, the families and friends of those Americans still missing and unaccounted for in Southeast Asia continue to suffer greatly. The missing men fought valiantly for their country and for the freedom of a people half way around the world. We cannot abandon them or their families because of the events of the past several weeks.

Perhaps it is too early to say exactly what future course should be pursued in our efforts to complete the task of accounting for all of our servicemen, but we must renew our pledge to get this accomplished at the earliest time possible.

One would hope that the Communists, having achieved their military objectives, would want to demonstrate to the world that they do have some humanitarian instincts. It would appear to be to their advantage to clear the books, to help account for our MIA's and POW's.

Mr. President, if the Hanoi government will not do this voluntarily, we must find a new means of putting pressure on the Communists. We must make them keenly aware of the fact that these 1,363 missing Americans are extremely important to us, and that it will be in their interest to help account for them—

to release any prisoners they may still hold; to locate and return the remains of those who died; and to document what happened to each and every one of these Americans.

THE NATIONAL CANCER PROGRAM

Mr. JAVITS. Mr. President, the national cancer program has come under some criticism on biomedical research and it is essential that the response by knowledgeable experts to such criticism have our attention.

Uniquely qualified to respond to such criticism is Benno C. Schmidt, the distinguished Chairman of the President's Cancer Panel. I commend to the attention of my colleagues his remarks at the recent Comprehensive Cancer Centers Conference conducted at Duke University Medical Center and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, as an author of the National Cancer Act I share the concerns expressed by the scientific community. However, it is important to recognize that the Office of Management and Budget—OMB—has frustrated explicit congressional intent—that increased funding for cancer research was to serve as an appropriations flagship and stimulate across-the-board increased funding for all biomedical research.

At the same time it is important—as Mr. Schmidt points out—that the public and the scientific community realize the amount of major biomedical research that is being funded under the cancer program, over $300 million last year.

I share the concern expressed by Mr. Schmidt that the other Institutes which have traditionally supported basic biomedical research—General Medical Sciences, Allergy and Infectious Diseases, Arthritis and Metabolic Diseases, and Neurological Diseases—have not had their budgets increased at anything approaching the rate of increase for the cancer budget. However, the scientific community should come to realize the extent of the support by the Cancer Institute of basic, fundamental research.

Although not solely related to the war on cancer, I would also focus my colleagues' attention on Mr. Schmidt's additional comments respecting research training, with which I am in complete agreement, to wit:

> The most serious mistake we have made in the support of our biomedical research during the short period that I have been actively associated with this enterprise was the discontinuance by OMB of the biomedical fellowship and training programs. It is absolutely essential to our success in the Cancer Program and in biomedical research generally that we bring a portion of our brightest young people into these programs, and fellowships and training grants have proved to be the most effective and most economical ways of doing that. These are among the best dollars we spend in terms of value received.

Certainly Mr. Schmidt's thoughtful rebuttal to the arguments made against the training grant and fellowship program, in which he concludes such arguments do not stand up under examination, merits our earnest consideration.

EXHIBIT 1

REMARKS OF BENNO C. SCHMIDT, CHAIRMAN, PRESIDENT'S CANCER PANEL

These are very interesting days for those of us responsible for the National Cancer Program. The criticisms are coming in from all quarters and they need careful listening to, and even more careful sorting out. There are some hard things being said, and we need to think our way through the answers.

This morning I would like to deal with several of the fundamental questions which have arisen and then conclude my remarks by returning to the issue of training, which is my assigned topic on your agenda.

In 1970, when the Senate Cancer Panel was appointed, biomedical research in general and cancer research in particular were on the back burner. The National Cancer Institute's budget for that year was $180 million. In 1971, as a result of the discussions then taking place in the Congress, the budget was increased to $228 million. In 1972, the first year after the passage of the Act, the budget was $378 million. In 1973, it was $432 million; in 1974, $589 million; and the 1975 budget is $691 million. As a result of these increases, we have been able to give this country programs in basic biomedical research and clinically-oriented research that are unprecedented, both in their scope and in their excellence.

While the other Institutes of the National Institutes of Health have not had increases comparable to cancer, the total NIH budget for biomedical research is $2,090,000,000 in 1975 compared with $1 billion, 143 million in 1970. Notwithstanding these facts, we find that the National Cancer Program and the NIH programs generally are facing greater criticism today than ever before in history.

Underlying this criticism is a perception in the scientific community which is picked up in the press that these funds that are being provided by the Congress are not being well spent. Specifically, it is said that there is not a sufficient recognition of the importance of basic fundamental research; that those in charge of the programs are under the mistaken impression that the techniques of business management can be used to unravel the profound mysteries of biology; that an attempt is being made to target research which cannot be targeted; that we have become shackled by our own efforts at planning in areas where planning is impossible; that our insistence on targeting has resulted in an enhanced use of contracts at the expense of grants, and that contracts mean less effective research; that our preoccupation with centers is causing us to fund second-rate research at places called centers while first-rate research applications go begging in our traditionally excellent educational institutions; that control, demonstration and service expenditures are siphoning off the funds which should be used for research; that we do not appreciate the necessity for training the manpower that is needed to provide for centers is causing us to fund second-rate research demands; that we do not spend enough on clinically-oriented research; and that the instability in the application of the funding goes a long way to defeat the gains in amounts. These are the most frequently voiced complaints that I hear as I visit among the academic and research communities, and which we all see in both the professional and nonprofessional press.

In the few minutes available to me, I would like to deal briefly with each of these problems and see if we can, to some extent at least, separate myth from reality.

First, with respect to basic research, the actual expenditures of grant funds for good basic science programs subjected to peer-review and given high ratings have actually increased remarkably during the past three years. I do not think either the public or the scientific community has any perception of the amount of good basic biomedical research that is being funded under the Cancer Program (over $300 million last year). Moreover, most of this is investigator-initiated, peer-reviewed and grant-supported and meets all the criteria of the scientific community for assuring excellence. I think this criticism has arisen partly because of the failure of the scientific community to realize the extent of the support by the Cancer Institute of basic, fundamental research, and partly because the other Institutes which have traditionally supported basic biomedical research—General Medical Sciences, Allergy and Infectious Diseases, Arthritis and Metabolic Diseases, and Neurological Diseases—have not had their budgets increased at anything approaching the rate of the increase of the cancer budget. Naturally then, scientists normally supported by those Institutes have been discouraged and critical.

However, those of us responsible for the Cancer Program have always recognized the absolute necessity for strong fundamental science and for the increased funding of noncategorical basic research, both by the Cancer Institute and the other Institutes of NIH; and the fact is that the Federal government is funding more excellent basic research today than at any time in the past. Much more in the Cancer Institute, and we are making some progress in the other Institutes. For example, the budget for General Medical Sciences is $187 million in 1975 compared with $164 million in 1970. I realize that this increase does not even cover inflation, but it is better than it would have been without our help and we are fighting hard to get these budgets increased.

As for targeting. I wish that I could make clear once and for all the facts that those who manage the national cancer effort are not obsessed with the idea of targeting. There is some research that can and should be targeted and in those cases, with the advice of the best scientists available, a targeted effort is made. However, we are as aware as anyone anywhere of the limitations of targeted research, and we are not attempting to target the basic research that will give us the understanding of the origins and nature of cancer. Similarly, with respect to the issue of contracts vs. grants, we have been substantially diminishing the percentage of contract support and increasing grant support in the area of basic science, and we intend to continue to do so. One of the problems has been that our budgets often lump all contracts together, and this figure is taken by the scientific community to represent contract research. In fact, about half of it represents contracts for necessary supplies and services which could only be obtained through the contract mechanism. In any case, the contract device was in use prior to the commencement of the present National Cancer Program, and in spite of the fact that many basic scientists have told me that they have no trouble with supervision or interference under contracts, the present management of the NCI has been deemphasizing the contract mechanism in those areas where numerical preponderance of the best scientific advice casts doubt on its efficacy.

This brings me to the National Cancer Plan which has been the subject of so much criticism from so many scientists. When Dr. James Watson was reported recently as having said at M.I.T. that the National Cancer Program was a "sham," he was, in fact, talking about the National Cancer Plan. He made this somewhat clearer in a letter of apology than he did in his speech, but there is no question that he was talking about the Plan and not the Program. I suspect that if we took a vote, most scientists would be happier if there were no Cancer Plan—if there

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had never been a Plan. It seems to imply to a lot of people that somebody in a position of authority thinks that the problems of cancer can be dealt with in the same manner as the problems of building an atom bomb or landing a space craft on the moon. I assure you this is not true. The Plan is not designed for the purpose of telling us how to run the Program. The Plan was an attempt by the scientific community, by those responsible for doing the science, to indicate those areas which, at the present time, seem to offer the greatest promise. Like most plans, its principal value may well be in the communications which take place during the planning process.

However, it does not put the Program in any sort of straitjacket nor does it put blinders on those who are administering the Program. The Program is, in fact, what goes on at several hundred educational and research institutions, plus the intramural work at the NCI. This is determined for the most part by peer-review, largely on a random or ad hoc basis. So, in the last analysis, peer-review, not the Plan, determines the Cancer Program.

Those of you who are engaged in this work at your own universities know that the Plan is not determining what science you do or how you do it. I have never felt that worries about the Plan were particularly well-founded. Of course there is a large element of unplanned, untargeted, undirected, investigator-initiated science required in this undertaking, but no one thinks differently and there is nothing in the Plan to cause them to think differently. The Program is designed to provide an open system with fair and even peer-review and an environment optimal for discovery. We need brilliance, hard work, serendipity, and a large measure of good luck. I hope we are doing nothing to block ourselves off from any of these.

Another frequently heard charge, and one also recently repeated by Dr. Watson at M.I.T. is that our centers' support represents the support of inferior research and thus deprives institutions of greater excellence of that support. This allegation does not withstand examination. In supporting the 17 comprehensive centers that have thus far been recognized, we are not only helping to bring better clinical care to a greater number of our citizens, but we are also supporting some of the best research institutions that exist in this country. I think no one would question that the fundamental research done at this great University where we are gathered today, at Wisconsin, Sloan-Kettering, University of Chicago, Yale, the Institute for Cancer Research, Roswell Park, M. D. Anderson, Johns Hopkins, the Farber Institute, the Fred Hutchinson Cancer Research Center in Seattle, the University of Alabama, Mayo, Southern California, Colorado, and Miami compares favorably with the best biomedical research anywhere. Moreover, by historic happenstance, we support under our Centers' Program research not only at the great institutions which I have mentioned as recognized comprehensive cancer centers, but also at many other institutions including Stanford, the University of California, Indiana, Harvard, M.I.T., the University of Minnesota, Albert Einstein, Mount Sinai, and some fifty other fine institutions too numerous to mention, but including, ironically, Cold Spring Harbor Laboratory, where Dr. Watson's support has gone from $435,000 in 1970 to $1,685,000 in 1974 under the NCI Centers' Program which he condemns. So I say to Dr. Watson and those like him who question the excellence of the research supported under the Centers' Program that peer-review is alive and well in the Centers' Program just as it is in other programs of the National Cancer Institute. Perhaps we should change cur terminology to avoid confusion, but there is nothing substandard about the substance of the Centers' Program.

We do support substantial quantities of clinically-oriented research under the Cancer Program and we must continue to do so.

Even as we seek more fundamental knowledge about the origins and nature of cancer, we must do everything within our power to prevent, diagnose, and treat cancer in accordance with the best technologies which today's knowledge makes possible. This is, in part. the meaning of the Centers' Program, it is the meaning of the Control Program, and it is the basis of the support by the NCI of a great deal of other activity in clinically-oriented areas. This type of research has brought us very gratifying advances in dealing with acute lymphocytic leukemia, Hodgkin's Disease and a number of rapidly growing childhood tumors, and it now appears to be bringing us marked advances in osteosarcoma and breast cancer. We also do extremely well in the treatment of a number of other cancers such as cervical and colon cancer where diagnosis precedes metastasis. We must and, of course, we will continue this work in prevention, diagnosis and cure, even though we are today in the area which scientists are fond of describing as "halfway" technology.

The most serious mistake we have made in the support of our biomedical research during the short period that I have been actively associated with this enterprise was the discontinuance by OMB of the biomedical fellowship and training programs. It is absolutely essential to our success in the Cancer Program and in biomedical research generally that we bring a portion of our brightest young people into these programs, and fellowships and training grants have proved to be the most effective and most economical ways of doing that. These are among the best dollars we spend in terms of value received.

Most of the arguments which have been made for discontinuing the training grant and fellowship programs do not stand up under examination. First, it was said that these programs were not based on need. This loses sight of the fact that the real objective of these programs is to get the help of the brightest young scientists and bring them into research, not simply to help pay for their education. This is not a case of the recipients needing our help, this is a case of our needing their help. Traditionally, a number of our notable discoveries are made by young investigators holding predoctoral or postdoctoral fellowships, and they are indispensable in the working laboratories.

Second, it is argued that we have sufficient biomedical scientists as evidenced by the fact that we are unable to fund a large portion of the approved grants. However, we cannot afford to neglect to infuse biomedical science continuously with the best young brains. Such a failure is costly now and will be even more serious later on. This argument is comparable to suggesting that the National Football League should have no draft as long as there are old players who want the jobs.

Third, it is suggested that these people can be brought into the program as technicians or scientific assistants. However, experience has proved that this is not the case. The prestige and independence which the fellowships and grants have traditionally provided is the attraction. The stipends are incidental and, in most all cases, less than the recipient could earn elsewhere.

Fourth, it is suggested that these programs have not been proved to be an important factor in determining career choices. However, the data proves the opposite. A very high percentage of our best and most productive scientists and our best teachers today held fellowships and training grants at the inception of their careers.

The Weinberger Program of fellowship grants enabled the NCI and other Institutes to restore a portion of the fellowships and the NCI has not fared too badly in restoring its programs because its expenditures have traditionally been principally for postdoctoral fellowships. In 1974, for example, we supported 405 Weinberger fellowships in the amount of $6 million, and our old training grants programs carried forward in the amount of $10 million, so that these, together with the research career awards, the career development awards, and the clinical training grants meant that the NCI spent in support of training activities in 1974 about $25 million. This year we will be continuing to phase out some of these older programs, but new grants will be made under the National Research Training Act so that expenditures for training in 1975 will be at the level of about $26 million. In addition, a clinical education program has been added to supplant the old clinical cancer training grants, and that program will be underway to a substantial degree this year. Therefore, we are once more supporting training in a very substantial way, even though the programs are not as clear and straightforward as we would like them to be.

The new National Research Training Act has been criticized on several grounds: (1) that it puts too much emphasis on individual fellowship awards and too little on institutional grants, (2) that it fragments the programs by introducing the concept of "areas of need," (3) that it requires repayment to people who have already earned their stipends, and (4) that it may have a tendency to keep the worst people in the research and teaching establishment by making it expensive for them to get out. I also have the concern that there is not enough training money support for the predoctoral programs for the Institute of General Medical Sciences which are, in my opinion, so essential to directing the brightest young people into this effort at the critical point in their careers.

The worst aspect of the training picture during the past few years has been the on again-off again uncertainty that comes with defining new programs, producing new regulations, not having funds in certain periods, having funds in other periods, and putting the whole research establishment in the hurry-up-and-wait, now-you-have-it, now-you-don't posture. However, we are supporting training substantially, and I hope we are in the process of getting a uniform understanding and a uniform program that can go on year after year without the turbulence that has characterized the past several years. This has been very distressing, I know, from the standpoint of the institutions, and it has made for less efficient expenditure of the Federal dollara in this field.

Before concluding, I would like to say a few words about the biomedical research budget, because there is no question that the combined problems of inflation and recession and the economic difficulties which confront us have created great pressure for the reduction of Federal expenditures on biomedical research. This is one of the few areas that can be reduced and therefore it is a prime target. However, it is my opinion, and has been my advice to the President and to the Congress that it would be a serious mistake to cut these programs in such a way as to lose the momentum that has been established. I think we must continue our Federal support.

Unfortunately, in a free enterprise system, basic biomedical research cannot be carried forward on the scale that is required without Federal support. Profit incentives are not there to support adequate basic research in this area, and philanthropic institutions, while providing the bulk of the facilities and personnel needed for this enterprise, must have government help in order to stimulate their activities and to sustain them

at the level which the public interest requires. It is this mix of public support and private sector initiative that has made our biomedical research establishment the envy of the world.

I feel that we must maintain this support at a satisfactory level for several reasons:

(1) This is not an enterprise that can be turned on and off on the basis of fiscal expediency. The facilities and the highly trained and skilled manpower required for this job will not be there in the future if we allow our support to lag now. We must not dissipate this intellectual and organizational establishment. It is a national asset of incalculable value which it would take years to replace, and the lost time and lost progress would never be replaced.

(2) The cost of medical care is such an enormous and increasing expense for our people and, therefore, for the government, that we cannot afford to starve the research efforts which will provide us the knowledge we need to avoid the crushing burdens of medical care. This wholly practical consideration is entirely apart from the human consideration is entirely apart from the human considerations involved in the effort to get better answers to cancer, heart disease, arthritis, diabetes, multiple sclerosis, and the other diseases that agonize our people and fill our hospitals.

If any well-run business were spending $100 billion per year on medical care, it would be spending at least 5% of that amount on research to reduce those costs. While we cannot go to that level under today's circumstances, sound business judgment requires that we not cut back on the present effort.

(3) Biomedical research is now at a point where our research dollars are likely to be very rewarding. .

We are not groping in the dark today for answers. We are now able to ask good questions, and molecular biology, cell biology, and other aspects of biomedical science have advanced sufficiently in recent years that good answers will be forthcoming. Therefore, we can use the money well, even if measured solely in terms of practical results; and, as you know, it is a mistake to apply "foreseeable practical results" as the sole measurement of whether basic science is worthwhile. Often it is the unforeseen and unforeseeable results that provide the biggest payoff.

(4) Taken in their total context, these expenditures are not inflationary. Their discontinuance may well be inflationary. Except for the results of past biomedical research, we would still be saddled today with the horrendous costs and burdens of tuberculosis, polio, and all of the infectious diseases which through research have been virtually eliminated from our medical picture. We must continue our research until cancer, heart disease. stroke, arthritis, multiple sclerosis, diabetes, and other reachable afflictions have been added, or largely added, to that list.

(5) The Federal expenditures in biomedical research are leverage dollars. Hundreds of millions of dollars of institutional facilities built by our universities and other philanthropic institutions, and thousands of people whose salaries are paid by these institutions, are mobilized in the cause of biomedical research by the relatively few Federal dollars that are spent in stimulating this activity. However, stop the flow of Federal dollars under today's circumstances, and these essential activities will grind virtually to a standstill. This we must not do.

In addition, at a time when we are engaged in a certain amount of pump priming to aid depressed segments of our economy, what assistance is more deserving and more important than the assistance which these research and training dollars give to the nation's finest educational institutions? In 1974, 106 institutions received support from the National Cancer Institute in excess of $1 million. Those institutions need that support more than ever in these times of severe economic recession and, in my opinion, there is no segment of our society which it is more important for us to protect.

In conclusion, all of you, in the scientific and medical community, and all of us connected with the program must continue to explain at every opportunity to the American people and to the Congress that the Cancer Program is a vast undertaking which will require long-term support and great patience. We are still far away from being able to put either a date or a price tag on the ultimate conquest of cancer. We are making progress in our understanding of this disease and such discoveries as reverse transcriptase, the understanding of the kenetics of malignant cell division which enables us to target our treatment chemicals more effectively, and the recent isolation of what appears to be a human cancer virus are discoveries of enormous importance, and there are many others, and there is no question that the benefits of our research will be increasingly available to the American people in the form of better treatment as time goes by. But it is a long road that will require patience and constancy on the part of the Congress, the Administration, and the public.

Thank you for the opportunity of meeting with you this morning, and my thanks to all of you for the important work which you are doing.

ORDER FOR RECESS UNTIL MONDAY, MAY 5. 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE, THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, OR THE ACTING PRESIDENT PRO TEMPORE TO TAKE CERTAIN ACTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives and from the President of the United States during the recess of the Senate over to 12 o'clock noon on Monday; and that the Vice President of the United States, the President pro tempore and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Monday there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, MAY 5, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon on Monday next.

The motion was agreed to; and at 5:35 p.m., the Senate recessed until Monday, May 5, 1975, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 1 (legislative day of April 21), 1975:

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be first lieutenant

Anderson, Donald C., 451–80–8695.
Andrews, Charles R., III, 252–74–8539.
Arce, Martin F., 527–80–5342.
Atkinson, Rhett W., 587–46–4237.
Babiak, Nicholas J., 092–40–8660.
Behrens, Carl R., 218–52–9889.
Benedict, Wallis M., Jr., 453–80–2328.
Berlin, Rodney J., 472–60–9756.
Beverstock, John V., 523–66–1230.
Blankenship, Pierce, 236–58–8573.
Boutin, Donald R., 024–28–6710.
Boyer, Charles A., 520–48–6422.
Boylan, Gary D., 544–50–7531.
Brazie, Tommy L., 505–64–3330.
Breidenbach, Mark A., 442–46–3881.
Carter, Linda D., 567–80–7043.
Church, John R., 565–68–9493.
Craddock, William R., 419–62–3004.
Crowe, Lowell R., 515–44–1511.
Dansro, Daniel A., 047–42–9308.
Deblock, Magdalena, 267–82–0119.
Dennis, David T., 513–44–9079.
Dixon, Joe C., 504–52–1290.
Dodge, Frank S., 439–72–4023.
Drake, Michael F., 161–42–3080.
Drenkhan, Donald F., Jr., 269–44–8606.
Drzal, Lawrence T., 364–46–4448.
Eaton, Charles E., 287–50–8445.
Eberhardt, Lawrence, Jr., 460–68–3095.
Eichenberger, Joel D., 287–38–5206.
Engel, Michael R., 292–42–6939.
Engelbrecht, Joseph A., Jr., 579–64–6764.
England, George E., 553–50–6589.
Fannin, Richard L., 466–70–3129.
Farrington, Richard E., 167–34–7675.
Fau, Wayne B., 332–36–2771.
Fauss, Gary E., 441–52–0346.
Fritz, Richard, 466–66–5713.
Gallop, Marshall A., Jr., 237–68-3357.
Garl, Stephen E., 196–36–2613.
Garland, Robert E., 433–68–3951.
Gilloth, Vaden R., 522–68–8792.
Gladden, Michael L., 249–68–4387.
Golenski, Richard J., 206–30–2198.
Greer, Wilbert L., 334–34–5916.
Grimes, Marcia L., 447–42–6733.
Guenette, Gerald R., Jr., 032–34–1045.
Haley, John E., Jr., 444–48–5893.
Harada, Peter A., 575–58–0129.
Hatchett, John R., 311–44–4462.
Hooper, Robert A., 411–80–5094.
Horne, William B., II, 448–48–0675.
Houlihan, David A., 524–62–6473.
Howard, James R., 467–88–6573.
Jamieson, Richard L., 201–38–2368.
Janosko, Ronald E., 049–34–4934.
Johnson, Lawrence A., Jr., 440–44–9541.
Johnson, Melvin D., 516–62–0634.
Johnson, Ray L., 241–76–5826.
Jones, Daniel R., 332–30–8540.
Kelly, Lawrence W., 268–50–0345.
Kinonen, Richard E., 517–48–8008.

Klinkhammer, Wayne, 388–40–3743.
Knight, Charles J., 261–68–9318.
Lamartine, Bruce C., 263–80–2786.
Lee, Blaine N., 552–66–3102.
Lersch, Jeffrey A., 388–52–3118.
Loach, Robert E., 025–34–6401.
Loughrey, John J., 115–32–1227.
MacIntyre, Karen R., 223–74–8733.
Mahon, Frank K., 158–26–7887.
Marshall, Arthur R., 217–46–8504.
Matthews, Marvin G., 215–54–2662.
Maybeck, Peter S., 056–38–3629.
Mikula, Ned M., 224–70–5800.
Mooney, Michael J., 522–68–1843.
Moore, James M., 299–44–2808.
Mowry, Carol E., 176–36–2524.
Mullins, Donald G., 226–50–3883.
Nallen, John T., 095–28–7731.
Oakley, Robert A., 287–40–7795.
O'Connor, Kevin J., 059–40–7338.
Olivier, Louis F., 570–64–1188.
Olson, Keith G., 501–58–9094.
Phillips, Robert J., 326–34–8489.
Polito, Joseph F., Jr., 348–40–3813.
Pryor, Bertram H., Jr., 252–74–4891.
Rawlings, John B., II, 425–90–8152.
Ross, Jerry L., 310–50–7762.
Santee, Earl L., Jr., 200–32–1141.
Schumacher, Jeanne C., 463–76–0486.
Seamans, Gary F., 479–58–2687.
Sheehan, John P., 245–78–1014.
Shields, Luther W., 245–64–7079.
Sieg, Stanley A., 550–74–3623.
Smith, Carl T., 302–48–7624.
Smith, David E., 151–40–4692.
Smith, Richard B., 183–40–0459.
Smith, William E., 490–44–5675.
Snow, Terry C., 440–48–9861.
Sommers, James E., 207–32–1976.
Staley, Jo A., 553–66–6246.
Sullivan, Charles R., II, 530–28–3526.
Sullivan, John P., 427–98–6223.
Thorsen, Daniel E., 552–70–3414.
Toth, James A., 367–42–3205.
Valentino, George J., 098–38–1352.
Vogel, John E., 492–44–0152.
Watkins, Herbert L., 429–74–4445.
Weber, Elena J., 199–40–3163.
Wolfson, Sheri L., 466–90–0076.
Wright, Edward N., 270–40–5154.
Yanke, Michael A., 389–42–8213.
Yates, Harvey, 227–60–4284.

To be second lieutenant

Adams, John R., 528–68–6781.
Albani, Louis R., 183–32–7823.
Allen, Craig E., 227–74–5939.
Allen, David H., 449–90–6186.
Allen, Joseph C., III, 238–82–3932.
Ambrose, Dean H., 203–36–6271.
Anderson, Gary L., 485–56–0245.
Anderson, John P., 506–56–7359.
Andrew, Thomas L., 150–34–6145.
Ashdown, Robert J., 122–38–6616.
Aslett, Linda S., 332–46–5117.
Audley, David R., 052–38–0890.
Ayers, Freddie A., 306–38–3115.
Ayers, Louis M., Jr., 452–74–3995.
Babb, John E., 154–40–0663.
Bailey, Jack L., Jr., 219–50–4224.
Bailey, James D., 234–60–1921.
Bailey, Wade H., Jr., 234–76–8030.
Baker, Jerry L., 223–60–2443.
Baker, Richard J., 523–56–2103.
Banghart, George R., 177–30–5832.
Bankey, Daniel E., 565–60–9106.
Barber, Brian R., 337–42–9848.
Barger, Phillip O., 528–76–0527.
Barrier, Richard D., 242–74–9372.
Barry, James, 152–40–1264.
Barsalou, Joseph N. A., 030–28–2688.
Baugh, David E., 540–48–3351.
Beechel, William R., 572–84–0281.
Bell, Gary M., 298–44–8391.
Berardino, Joseph J., 267–66–7422.
Blackmer, Douglas A., 002–32–2619.
Bone, James R., 556–54–7579.
Bonewitz, Joel D., 425–94–0934.
Bossen, Dennis A., 543–48–4463.
Bowen, Charles A., 267–70–0649.
Boyd, Anne W., 539–40–8929.
Boyle, Gary S., 229–76–3272.
Bradford, Stuart W., Jr., 365–42–6578.
Brechtel, Donald L., 426–04–5151.
Briggs, Gerald R., 257–82–3364.
Brockner, Charles R., 057–44–2169.
Broderick, Michael D., 326–44–6278.
Brooks, Douglas J., 094–34–6002.
Brooks, Peggy F., 429–84–8360.
Brown, David J., 031–30–5155.
Brown, Gregory H., 186–40–6681.
Brown, Jimmy C., 461–90–1809.
Brown, Kathryn A., 267–84–7304.
Brown, Kenneth S., 266–82–1934.
Brumlow, Ronald L., 409–60–7549.
Buchanan, Rickey L., 532–36–5759.
Bugg, Catherine N., 267–88–8960.
Bullock, Martin, 228–60–8812.
Bunner, Randle K., 325–46–9141.
Burgar, John D., 459–72–7073.
Byrne, William A., 140–42–1207.
Carlisle, Michael D., 512–50–4121.
Carrato, Anthony L., 556–70–7475.
Carroll, James M., 208–40–4339.
Carroll, Stephen W., 054–36–4305.
Cauley, Charles M., 254–80–4580.
Cavin, Glynn W., Jr., 433–82–1279.
Champaigne, Joseph S., 267–54–9946.
Chaplin, James F., 077–42–3946.
Chisholm, Meighan K., 220–40–2589.
Cholet, Stephen A., 573–62–0876.
Cizan, Clifford L., Jr., 070–34–9044.
Clark, Horace P., 331–40–7185.
Clements, Howard L., III, 225–74–3535.
Clifford, Jerome R., 331–42–8264.
Cochrane, Marvin A., 082–38–5159.
Cole, Timonthy P., 479–50–1255.
Coleman, Sidney C., 525–86–7984.
Conkle, Larry G., 287–32–5857.
Cook, Robert W., 191–34–2386.
Cook, Sharla Ja., 528–82–0473.
Cooper, James R., 032–38–3593.
Correll, Basil H., Jr., 003–32–0233.
Corsette, Marion K., 565–70–6678.
Cox, Roger I., 282–42–1099.
Crackel, Michael L., 340–40–7905.
Craik, Gary C., 453–78–5391.
Crawford, Arth C., Jr., 550–56–2272.
Crawford, William L., 306–52–4214.
Cripe, Richard A., Jr., 304–42–3578.
Croston, John C., 084–30–1450.
Crowley, James M., 217–50–4992.
Crumrine, Jack R., 486–48–8215.
Damiani, Roy D., 042–44–3442.
Daniel, Clifton D., 443–36–4156.
Davis, James A., 501–56–5321.
Davis, Joseph L., 249–86–7511.
Davis, Karen S., 479–60–8977.
Davis, Richard H., 552–80–5288.
DeCapua, Michael L., 044–42–5020.
Decker, Allen B., 423–64–7777.
Defeo, Robert G., 137–44–0814.
Deloney, Richard E., Jr., 438–68–8004.
Deloughry, James P., 086–40–2804.
Denig, William W., 302–36–1487.
Dickson, Charles L., 462–70–8494.
Dipiazza, Anthony J., 419–70–4559.
Donaldson, Linda S., 243–80–3561.
Donnell, Douglass W., 076–36–2402.
Doonan, Philip S., 526–46–5548.
Doroff, Dennis F., 469–58–8793.
Doyal, Curtis D., 408–66–1117.
Draayer, Robert K., 528–70–5390.
Drew, Samuel N., 225–72–9005.
Duvall, Thomas J., 523–60–6002.
Edeburn, Jan D., 264–54–4887.
Elizondo, Camilo G., 449–68–8049.
Enzweiler, Ronald J., 265–88–0630.
Ernst, Darrell E., 182–34–2824.
Estes, John H., IV, 454–80–1582.
Evans, Michael M., 190–42–0749.
Farrar, William T., III, 188–30–7214.
Farris, John S., 551–72–8069.
Fennell, Alice A., 176–42–5180.
Ferry, Dennis J., 163–34–1726.
Flanagan, Edward T., Jr., 579–56–6517.
Foard, David A., 236–80–8167.
Fogleman, Dean G., 240–80–5324.
Foley, Robert J., 481–40–5486.
Foster, Patricia W., 260–74–6810.
Frank, Larry L., 504–56–7219.
Fritz, James J., 346–42–3974.
Fulkerson, Gregory A., 498–56–2233.
Furr, Joseph P., 587–36–4251.
Gaffney, Robert L., 474–60–4988.
Garner, David D., 484–60–3275.
Gauch, Tracey L., 226–76–0028.
George, William L., 571–62–0194.
Gibeau, John P., 021–32–4680.
Gibson, Earl O., 530–32–2176.
Gillis, Matthew P., III, 206–40–6797.
Gimbal, Eric A., 098–40–6518.
Goff, Robert M., 409–72–5427.
Good, David M., 111–42–4446.
Greider, Betty L., 521–72–0254.
Gutridge, Milford A., 294–48–9177.
Hafner, Steven C., 500–50–2921.
Hagemeier, Hal E., 466–78–0109.
Hale, Richard A., 114–34–9405.
Hamby, David A., 466–78–0108.
Hamlyn, Raymond T., 214–54–4238.
Haraway, Claude F., 587–22–0781.
Harber, James R., 536–48–4279.
Harbert, Donald Z., 485–58–1528.
Harley, John R., 252–64–1873.
Harris, Jackie A., 462–56–1479.
Harrison, Michael G., 587–06–1805.
Harry, Billy R., 416–70–4566.
Hartman, Larry J., 309–56–1724.
Harts, John F., 489–48–8143.
Haupt, Richard J., 057–36–8403.
Heale, Daniel T., 318–46–9675.
Hegna, Harwood A., 474–52–3383.
Hennigan, John R., 558–70–1631.
Herrburger, Ellen M., 058–38–7209.
Hicks, Alfred F., 239–60–3878.
Hill, Charles H., 457–84–5091.
Hill, Thomas J., II. 463–64–0128.
Hilleke, Jeffery B., 419–62–6841.
Hilton, William B., 261–68–9885
Hofeling, David H., 503–58–2334.
Hofer, Leon D., 485–60–0920.
Hollatz, Lawrence C., 398–40–3505.
Holmans, Jimmie D., 462–66–8721.
Holmes, Daniel R., 210–40–4505.
Horn, Roderick L., 417–68–1709.
Hoster, Kathleen L., 461–72–3261.
Houk, Linda D., 263–92–2512.
Householder, Rich F., 179–34–5619.
Hurst, Gary R., 411–78–5613.
Ibarra, Guillermo, 568–76–4701.
Idell, James B., 028–34–8968.
Imler, Thomas A., 417–64–0096.
Irvine, Edward B., 267–70–9380.
Jackson, Bobby, 243–78–0368.
Jackson, Daniel T., 226–54–8252.
Jarrell, James W., 460–70–5359.
Jarrell, William E., 262–90–5533.
Jeroslow, Steven L., 139–38–7852.
Joganic, Margaret M., 313–52–6583.
Johnson, Johnny P., 526–54–8129.
Johnson, Jont G., 243–56–0284.
Johnson, Philip S., 558–78–1003.
Jones, Carol R., 224–66–1028.
Jones, Ronald L., 212–54–6220.
Kalas, Lawrence V., 337–44–8975.
Karger, Paul A., 056–40–1330.
Keating, Raymond J., 135–38–8664.
Kenna, Thomas M., 265–90–4557.
Kennedy, Frederick C., 298–44–1945.
Kimble, John M., 294–34–7978.
King, Ralph H., 262–84–7122.
Kirkpatrick, William L., 217–52–5305.
Klein, George E. O., 536–34–1430.
Klein, Leslie R., 410–74–7993.
Knight, Donna K., 445–48–1111.
Knutson, Paul B., 476–58–4221.
Kostelny, John M., 330–40–2193.
Kramer, Kenneth J., 153–32–9202.
Lacour, Robert W., 451–68–0763.
Lander, Stephen W., Jr., 207–36–3578.
Landis, William E., 170–36–4205.
Larson, Mark E., 353–32–9274.
Lasauce, Kathy, 056–42–6953.
Lattimer, Charles J., 312–50–2604.
Lee, David B., 347–42–7671.
Leighninger, David E., 486–48–7764.
Leming, Lenna K., 238–76–8090.
Lemp, Richard W., 499–52–0889.
Lennon, Michael W., 413–80–9718.
Lewis, Fred P., 526–78–3712.
Liles, Edward A., II, 252–64–8883.

Linzy, Nancy A., 439–70–5622.
Lisenby, William F., 531–46–8790.
Lively, James E., 219–50–6304.
Lloyd, Richard M., 231–70–2931.
Loebl, Thomas M., 262–84–8929.
Long, John F., 250–78–0269.
Long, Mary J., 190–40–1907.
Long, Norman D., Jr., 024–34–9519.
Long, Sandra J., 305–56–0883.
Loos, Mark F., 263–11–7917.
Loose, Thomas A., 266–48–1962.
Lowman, Levi D., Jr., 241–74–8731.
Lupo, James A., 394–50–2633.
Magee, Edward C., 129–38–6365.
Marcus, Alvin J., Jr., 358–40–3599.
Martinez, James R., 526–54–7174.
Marvin, Kenneth L., 065–34–6500.
Mason, Randall S., 261–44–0543.
Mathews, John M., 587–36–3428.
Maxey, Richard P., 536–40–5146.
Mayer, Mary J., 544–56–2917.
McClary, William, Jr., 250–56–8465.
McCleary, George C., Jr., 514–50–7573.
McCullough, James E., 527–94–4623.
McDonald, Michael B., 524–62–8436.
McGlothlan, Josephine A., 564–74–4697.
McKnight, Walter L., 528–68–4786.
McNair, Gerald E., 266–60–6554.
McNair, Kim I., 587–01–3488.
Megeath, Thomas A., 520–60–1539.
Mercer, Joseph G., 076–40–4193.
Merrill, Guy L., Jr., 108–38–0102.
Meyer, James A., 273–44–9104.
Meyrick, George B., 155–42–2980.
Michael, Kathy T., 564–74–0940.
Miller, Gary E., 485–42–5728.
Miller, Robert C., 210–36–3114.
Miller, Roy E., 292–40–4374.
Minear, Alan M., 030–34–7196.
Mistretta, Victor J., 436–82–3913.
Moe, Karl O., 484–64–0164.
Monaghan, Timothy J., 572–56–1744.
Morgan, Richard L., 460–78–7138.
Morrison, Darrel L., 236–56–2465.
Morriss, Edward T., 036–34–2572.
Morse, Kenneth O., 040–36–1115.
Mulanax, Richard B., 219–50–2875.
Mussari, Charles A., 188–32–8696.
Myers, Harold D., II, 444–50–8129.
Nance, Gregory L., 333–40–1092.
Nemcek, Walter P., 288–46–6298.
Nemitz, Paul F., 392–42–2081.
Nilsen, Douglas N., 129–36–9647.
O'Connell, Marjorie A., 315–48–5320.
Odgers, Everett G., 049–30–2279.
Oldenburg, Willia J., 374–42–5598.
Orndoff, Carla M., 463–56–7743.
Outlaw, Glen R., 552–78–0774.
Pace, Roger A., 259–78–8767.
Paholski, Larry A., 316–44–6682.
Parkin, Bond L., 261–76–2537.
Parsons, Theod W., Jr., 171–34–6281.
Patten, Donna I., 516–62–8898.
Pekny, Robert J., 330–40–6567.
Peller, Richard F., 110–42–7856.
Peter, Russell N., 115–40–0048.
Peterson, Robert M., 517–48–2066.
Pflepsen, Gary N., 468–44–6353.
Phelps, Henry P., III, 262–90–5761.
Phelps, Robert F., 506–58–7829.
Pooler, Marcia J., 003–40–4516.
Postlewait, Stephen R., 354–38–7072.
Poucher, David V., 048–38–2778.
Price, Anton J., 513–34–3963.
Prince, John F., 270–42–1631.
Proper, Louis W., Jr., 449–88–9526.
Putnam, James D., 510–48–1930.
Race, Kenneth R., 111–40–3997.
Ramsey, Gordon P., 334–44–2969.
Raney, Terry L., 414–80–6571.
Redfield, Gary L., 508–50–6979.
Reimers, Henry W., III, 326–44–5427.
Reusche, Michael A., 287–48–4371.
Rhodes, Kathleen I., 521–74–2788.
Richards, Floyd D., 456–56–7466.
Richards, Michael D., 529–60–0702.
Riggs, Thomas M., 430–88–5907.
Riley, James H., 188–40–5983.
Robards, Charles M., 431–96–8143.
Robbins, Jack B., Jr., 024–38–6490.
Rogers, Larry W., 247–82–7646.
Roit, Robert B., 020–32–1737.
Rollins, Leon, 367–40–0382.
Roth, Alfred H., 188–40–9446.
Runnels, Hampton E., 265–58–9197.
Rustan, Pedro L., Jr., 340–46–2506.
Ruttenberg, Franklyn E., 057–38–0244.
Sanders, Elgin T., 459–92–0309.
Sandgren, John H., 334–38–6798.
Sandsmark, Michael S., 501–56–5959.
Schaub, Willia R., Jr., 090–36–3768.
Schnell, Charan J., 458–74–6841.
Schwartz, Robert J., 059–44–4077.
Sealy, Jeffrey J., 576–44–4640.
Seinkner, Jan F., 160–34–6168.
Shackelford, John C., 225–60–1579.
Shackelford, Scott A., 557–62–5265.
Shade, Barry L., 174–40–8327.
Shafer, John A., 314–40–3531.
Sharpe, James R., 408–70–2911.
Siegel, Gregory A., 147–40–2994.
Simpson, William G., 006–38–0203.
Singer, Patrick L., 461–82–0318.
Skorenki, John, 261–96–1803.
Sloan, Robert G., 265–58–5206.
Smith, Charles L., 509–52–9889.
Smith, Wayne E., 030–38–4211.
Smith, William H., 111–42–8628.
Solley, Duane E., 277–38–8146.
Souders, John C., 423–60–8927.
Springer, Robert W., 571–60–0174.
Steenberge, Michael J., 186–36–9161.
Stellato, Joseph S., 015–30–7189.
Stephenson, Billy J., Jr., 229–76–3190.
Stickle, Charles E., 315–40–2869.
Stone, Charles W., 325–38–3659.
Stringer, Patrick L., 546–54–8876.
Sukanek, Peter C., 071–40–1405.
Sullivan, Robert M., 219–34–9421.
Sweeney, John S., 224–72–1684.
Swenson, Hilmer W. S., Jr., 461–62–9929.
Szydel, Ellen M., 507–66–6004.
Tackett, Homer L., 406–62–8961.
Tascione, Thomas F., 120–40–1920.
Taylor, Edward G., 349–40–7221.
Taylor, George E., 450–66–1043.
Taylor, Joseph J., Jr., 137–40–6133.
Taylor, Roderick A., 562–74–8813.
Teague, Charles B., Jr., 242–72–6615.
Teter, John F., 232–60–7462.
Thomas, Frederick W., 451–52–4247.
Thompson, James G., 263–96–8030.
Thurston, Keith L., 282–34–9819.
Tinney, Sandra K., 235–74–3110.
Toda, Frank K., 542–56–3029.
Toland, Val C., 559–76–4324.
Tompkins, Edwin S., 492–54–8600.
Topp, Susan K., 339–36–2582.
Townsend, Ronald D., 514–48–6224.
Trchka, Dennis J., 504–54–5120.
Twardowski, Thomas J., 326–44–5708.
Tyler, Dorothy B., 156–38–8244.
Vanorman, Brian L., 476–46–9994.
Viernes, Glenn P., 576–52–3462.
Violet, William J., 468–56–7834.
Vitkus, Raymond A., 317–52–2818.
Walker, Thomas N., 243–54–7529.
Wallace, Lewis S., Jr., 578–58–4600.
Walsh, Mary E., 229–64–0978.
Washabaugh, Walter M., 431–96–5359.
Weber, Wayd R., 520–58–1781.
Wegiel, Stanley W., Jr., 559–56–2059.
Wenzel, Vaughan A., 586–03–5295.
White, Roger C., 405–70–4196.
Wieting, Kenneth W., 503–62–5780.
Wigginton, John L., 404–74–1964.
Wiliams, Cecil, 252–54–2319.
Williams, Erwin L., 482–66–0425.
Williams, Joe E., Jr., 455–58–1680.
Wilson, David L., 332–36–9412.
Wingfield, Michael A., 570–58–2863.
Wood, Garey T., 238–62–9409.
Woodham, Bruce, 263–02–0552.
Woon, Eden Y., 481–56–9244.
Wypiszynski, Steven, 553–84–2455.
Yablonski, Robert, 222–32–5049.
Young, James E., 441–40–3918.
Zbylut, James J., 507–60–2634.

HOUSE OF REPRESENTATIVES—*Thursday, May 1, 1975*

The House met at 10 o'clock a.m.

Rabbi Israel E. Kanarek, dean, Ohr Hameir Theological Seminary, New Rochelle, N.Y., offered the following prayer:

We beseech Thee, Almighty Lord, to bestow blessings and guidance upon the Government of this Nation: Thou hast created man in Thy image; endowed him with the nobility and greatness of mind to create a world of peace and harmony. Thou hast taught us that human dignity is of divine nature and that protection and preservation of human rights is a fulfillment of Thy sacred will.

Grant the representatives of this people, a nation founded upon the fundamental truth of the dignity of man, the wisdom to effectively walk in Thy ways. May all of mankind be inspired by the example of this noble House, and may peace and good will prevail upon Thy Earth. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

The question is, Shall the House agree to the Journal as read?

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. PHILLIP BURTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 356, nays 10, answered "present" 2, not voting 64, as follows:

[Roll No. 166]

YEAS—356

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski

Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-
  schmidt
Hanley
Hannaford
Harkin
Hastings
Hawkins
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier

Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead,
  Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Pepper
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss

Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton,
  J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wilson,
  Charles H.,
  Calif.
Wilson,
  Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—10

Abzug
AuCoin
Burton, John
Conte

Edwards, Calif.
Holtzman
Mezvinsky
Riegle

Rosenthal
Schroeder

ANSWERED "PRESENT"—2

Harrington
Mitchell, Md.

NOT VOTING—64

Ambro
Andrews, N.C.
Archer
Biaggi
Biester
Brooks
Brown, Calif.
Burke, Calif.
Chisholm
Clancy
Clausen,
  Don H.
Conable
Coughlin
Crane
Danielson
Diggs
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Ford, Tenn.

Frenzel
Gonzalez
Hansen
Harris
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Koch
LaFalce
Lehman
Long, Md.
McCloskey
McDonald
Macdonald
Martin
Mathis
Mills
Mollohan
Murphy, N.Y.

Oberstar
Passman
Pattison, N.Y.
Perkins
Price
Rangel
Risenhoover
Roybal
Ruppe
Ryan
Schneebeli
Shipley
Shriver
Stanton,
  James V.
Teague
Vanik
Whitten
Wiggins
Wilson, Bob
Young, Alaska
Young, Fla.

So, the Journal as read, was agreed to.

The SPEAKER. Without objection, the Journal stands approved.

There was no objection.

WELCOME RABBI KANAREK

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, today I have the pleasure of introducing Rabbi Israel E. Kanarek, dean of Ohr Hameir Theological Seminary in New Rochelle, N.Y., the only yeshiva and Jewish institution of higher learning in Westchester County, N.Y.

Rabbi Kanarek delivered a truly inspiring opening prayer.

Rabbi Kanarek was born in Leipzig, Germany, in 1917. After completing secular studies at the Higher Real Schule in Leipzig, he went to pre-war Lithuanian great Torah Centers of higher learning, where he was ordained.

Arriving in the United States in 1941, he was one of the first founders of the Institute of Advanced Studies in Lakewood, N.J., under the great luminary Rabbi Aaron Kotler. Rabbi Kanarek did post-graduate work, as well as original research while in Lakewood. In 1962, he founded the Ohr Hameir Theological Seminary and the Institute of Higher Learning. A resident high school was added in 1969. In 1972, Rabbi Kanarek published a book on philosophy of Hebrew ethics which is widely used as a text book in Hebrew seminaries.

I welcome Rabbi Kanarek on this auspicious occasion. We are honored by his presence.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 172. An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

LETTER FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following letter from the President of the United States:

THE WHITE HOUSE,
Washington, April 30, 1975.

The Honorable CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In view of the urgent need for funds to pay for humanitarian assistance and transportation of refugees from South Vietnam, I request that the House of Representatives act quickly to approve the Conference Report on H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975. In making this request, I am aware that sections 4 through 9 of H.R. 6096 have been overtaken by events and have no further utility. Nevertheless, the enactment of the bill as recommended by the Conference Report is the most expeditious method of obtaining funds which are now desperately needed for the care and transportation of homeless refugees.

As I stated yesterday, the evacuation has been completed. The Congress may be assured that I do not intend to send the armed forces of the United States back into Vietnamese territory.

Approximately 70,000 evacuees are now located on various safe haven islands, on U.S. Navy vessels and on civilian vessels. These individuals are being cared for by agencies of the United States Government while being processed through a system established to relocate them in the United States and in other countries.

Although the specific cost of activities related to the evacuation cannot be fixed at this point, it is estimated that direct U.S. expenditures to care for and process these evacuees, and contributions to international organizations and private voluntary agencies to assist in this effort, will exceed $400,000,000. Available funds already appropriated to provide aid to Vietnam will be reprogrammed and utilized to the maximum extent possible. But the additional authority of $327,000,000 will be required to fully meet immediate needs.

The authority of this legislation, followed by appropriations as soon as possible, is necessary to continue this operation, to integrate the evacuees into the United States and other countries and to permit consideration of further humanitarian assistance which may be consistent with the provisions of H.R. 6096 and American policy objectives.

I urge the immediate enactment of H.R. 6096.

Sincerely,

GERALD R. FORD.

CONFERENCE REPORT ON H.R. 6096, VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (H.R. 6096) to authorize funds for humani-

tarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

POINT OF ORDER

Ms. HOLTZMAN. Mr. Speaker, I would like to make a point of order against the conference report.

The SPEAKER. The gentlewoman will state it.

Ms. HOLTZMAN. Mr. Speaker, section 7 of the conference report in the last sentence refers to evacuation programs authorized by this act. It permits a waiver of a series of laws for the purpose of allowing those evacuation programs to take place.

In the House bill (H.R. 6096), section 3 dealt with evacuation programs referred to in section 2 of the bill and waived the same series of laws with respect thereto. In order for section 3 to be considered, it required a rule from the Rules Committee. And a rule was granted waiving points of order against section 3 of the bill. But section 7 of the conference report, in speaking of evacuation programs authorized by the entire act and not just by one section, exceeds the scope of section 3 of the bill and exceeds the waiver that was permitted under the rule. It therefore violates rule XXI, clause 5, and violates rule XX, clause 2, which prohibits House conferees from accepting a Senate amendment providing for an appropriation on a nonappropriation bill in excess of the rules of the House.

Mr. Speaker, last week the Committee of the Whole deliberated on an amendment that exceeded the limitations of the rule granted by the Rules Committee. That was the Eckhardt amendment, and it was ruled out of order by the Chairman. The language in section 7 of the conference report in essence has the same flaw as the Eckhardt amendment.

The last sentence of section 7 of the conference report would waive various provisions of law with respect to $327 million, whereas the last sentence of section 3 of the House bill waived these laws only with respect to $150 million. Section 7 of the conference report, therefore, is broader than section 3 of the House bill.

Had the language of section 7 been offered as an amendment to the House bill, it would have been subject to a point of order. Since the authority of the House conferees is no broader than the waiver originally granted to the bill by the Rules Committee, section 7 of the conference report should be ruled out of order.

The SPEAKER. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. MORGAN. Yes, Mr. Speaker.

The point of order has no standing. Section 3 of the House bill and section 7 of the conference report referred to use of funds of the Armed Forces of the United States for the protection and evacuation of certain persons from South Vietnam. The language of the conference report does not increase funds available for that purpose. Both the House bill and the conference report simply removed limitations on the use of funds from the DOD budget. These limitations were not applicable to the funds authorized in H.R. 6096. The scope of the waiver is the same in the conference report and the House bill.

Mr. Speaker, the changes in language are merely conforming changes. Section 2 of the House bill was a section which authorized the evacuation programs in the House bill. The conference version contains the evacuation programs authority in several sections plus reference to the entire act rather than to one specific section.

Mr. Speaker, the point of order has no standing and I hope it is overruled.

The SPEAKER. Does the gentlewoman from New York desire to be heard further on the point of order?

Ms. HOLTZMAN. No, Mr. Speaker.

The SPEAKER. The Chair is ready to rule.

The gentlewoman from New York makes the point of order that section 7 of the conference report constitutes an appropriation on a legislative bill in violation of clause 5, rule XXI, to which the House conferees were not authorized to agree pursuant to clause 2, rule XX.

The Chair would first point out that the provisions of clause 2, rule XX, preclude House conferees from agreeing to a Senate amendment containing an appropriation on a legislative bill, and do not restrict their authority to consider an appropriation which might have been contained in the House-passed version. In this instance, the conferees have recommended language which is virtually identical to section 3 of the House bill, and they have not agreed to a Senate amendment containing an appropriation. Therefore, clause 2, rule XX, is not applicable to the present conference report.

While clause 5, rule XXI, permits a point of order to be raised against an appropriation in a legislative bill "at any time" consistent with the orderly consideration of the bill to which applied—Cannon's VII, sections 2138–39—the Chair must point out that H.R. 6096 was considered in the House under the terms of House Resolution 409 which waived points of order against section 3 of the House bill as constituting an appropriation of available funds for a new purpose.

The Chair feels that an analogous situation may be found in Deschler's procedure, chapter 25, section 23.11. There, points of order had been waived against portions of a general appropriation bill which were unauthorized by law, and the bill passed the House containing those provisions and was sent to conference; the conferees were permitted to report their agreement as to those provisions, since the waiver carried over to the consideration of the same provision when the conference report was before the House.

The gentlewoman from New York also has in effect made the point of order that section 7 of the conference report goes beyond the issues in difference between the two Houses committed to conference in violation of clause 3, rule XXVIII.

In the House-passed bill, section 3 contained waivers of certain provisions of law in order to make available funds already appropriated to the Department of Defense to be used for the Armed Forces in "evacuation programs referred to in section 2 of the act." The conferees have recommended that the same waivers of law shall apply to "exacuation programs authorized by this act."

In the opinion of the Chair, a conforming change in phraseology in a conference report from language contained in the House or Senate version to achieve consistency in the language thereof, absent proof that the effect of that change is to broaden the scope of the language beyond that contained in either version, does not necessarily render the conference report subject to a point of order. In this instance, it appears to the Chair that the only effect of the language in the conference report was to accomplish the same result that would have been reached by section 3 of the House bill, namely to remove certain limitations on the use of funds in the Defense budget for military evacuation programs under this bill.

The Chair therefore holds that the conferees have not exceeded their authority and overrules the point of order.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of April 28, 1975.)

Mr. MORGAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on H.R. 6096 which is before the House today represents a compromise—but a good compromise—between the bills approved separately by the two Houses of Congress.

In its principal provisions, the report is fully consistent with the action of the House last Thursday night.

Where the report differs from the House bill, the House managers have tried very hard to accept only those provisions which tighten the House bill.

I believe that the House managers have succeeded in those efforts.

Mr. Speaker, there were basically two major issues involved in this legislation.

The first issue relates to the use of U.S. Armed Forces in the evacuation from Vietnam.

The second issue deals with an authorization of funds for humanitarian aid to refugees and funds to pay for civilian evacuation.

Let me describe first what the conference report contains in the way of funds.

The overall authorization is the same as in the House bill.

There is $150 million in new authorizations—and the lifting of certain restrictions on the use of $177 million previously authorized but not appropriated for Indochina relief.

Any part of those $177 million that the Congress wants to appropriate in the future, can be appropriated for refugee aid and evacuation under the conference report.

This, in my opinion, was a victory for the position taken by the House.

The conferees agreed to strike out $100 million in new funds contained in the Senate bill.

The House managers were also successful in doing away with the contingency fund idea in the Senate bill—an approach which was too open-ended and which could have lent itself to the kind of use of funds that the House would not sanction.

In summary, Mr. Speaker, the total amount that could be made available under this conference report for aid to refugees and for evacuation costs, is $327 million.

These funds are intended for help to the victims of the war in South Vietnam and they can be used to help refugees and other war victims wherever they may be located. The conferees so stated.

Now let me turn to the other major issue: The issue relating to the use of U.S. Armed Forces in the emergency evacuation.

There were significant differences between the two bills on this subject.

The House bill reflected the opinion of many Members that the President has the constitutional authority to use any and all means to protect and evacuate U.S. citizens—no matter where they are.

Consequently, the House bill dealt primarily with the evacuation of the South Vietnamese.

The House bill gave the President the authority to evacuate some Vietnamese who are in danger—but only under some very limited and clear conditions.

In the committee bill, and in the amendments adopted on the House floor, we put very specific restrictions on any possible use of force to evacuate the Vietnamese.

The Senate bill took a different road.

The Senate bill started with the proposition—based on the war powers resolution—that the President has no authority to use U.S. Armed Forces in combat except when the Congress expressly grants him that authority—and then, only to the extent that the Congress gives him the power to act.

The Senate bill, therefore, was more restrictive than the House bill.

The Senate bill set definite limits on all use of force—under any and all circumstances—for the evacuation.

This is where the House managers—after full debate—accepted the Senate provisions and Senate restrictions.

These restrictions are spelled out in sections 4, 5, and 6 of the conference report.

Now let me underline three very basic—very simple—points to clear up the confusion that has been generated around this issue.

My first point is that both the House and the Senate approved this very restricted use of force last Thursday—4 days before the Marines landed to protect the final evacuation from Vietnam.

Both Houses, in separate bills, and the Senate in acting on the conference report last Friday, approved this limited authority for the President.

My second point—and this is very important—is that the President ordered the final evacuation 4 days after both Houses of Congress voted on this issue—and that the actions that he took were within the restrictions set by the two Houses of Congress in their separate actions.

My third and final point is this:

The evacuation is finished.

The authority granted to the President under this legislation to use force for the evacuation—that, too, is finished.

Let me repeat this: Whatever authority the President had under this legislation, that authority was terminated when the evacuation was completed.

There is nothing in this conference report that gives the President the authority tomorrow, or the day after, or at any time in the future—to send one marine to Vietnam.

Why, then, should we pass this conference report?

Why should we not simply let it die—or try to amend it?

I want to dispose of the amendment issue right now.

There has been a lot of talk here about amending this conference report.

That cannot be done under our rules.

We cannot recommit this conference report with instructions.

The House does not have the recommittal motion.

The recommittal route was closed last Friday when the Senate approved the conference report.

So we cannot send this conference report back into a conference—because there is no conference.

The Senate conferees have been discharged when the Senate acted.

And there is no other way to amend this report.

We have to vote it up or down.

That is all the choice we have.

Why, then, should we not simply let the conference report die?

There are two basic reasons why we should—why we must—adopt this conference report.

The first reason has to do with money.

This conference report will make it possible for the Congress—acting through the regular appropriations process—to provide up to $327 million for humanitarian assistance to the victims of the war in South Vietnam.

That money is urgently needed to pay the cost of the civilian evacuation from South Vietnam.

It is needed to pay for the transports.

It is needed to pay for the food and clothing for many refugees who got out of Vietnam.

As the President pointed out in his letter to the Speaker, that money is needed now—not a month or 2 months from now.

We have gone almost half the distance in making this money available.

If we reject this conference report, we have to start all over. And no matter how hard we try, it is going to take time.

So let us finish this conference report, and let the Appropriations Committees in both Houses of Congress start to work.

Now let me turn to the second reason why we should adopt this conference report.

Two years ago, when the Congress overrode the President's veto of the war powers resolution, we established one very simple rule.

We said that—with certain exceptions—the President could not use U.S. armed forces in combat abroad unless the Congress authorized him to take such action.

One week ago—by a vote of 230 to 187—this House agreed to give the President the authority to use force, if necessary, to get the Americans—and some Vietnamese who were in danger—out of South Vietnam.

We lived up to our responsibility under the war powers resolution.

We said that the Congress has the right to take part in these decisions.

We said that under the Constitution, we—the Congress—have something to say about war powers.

Now the evacuation is finished.

The use of force in that evacuation is finished.

The authority of this conference report cannot be used again.

So what should we do now?

Should we try to reverse the decision which this House made last week—a decision which is already carried out?

We cannot rewrite history.

What we have done last week is a matter of record.

It will be there regardless of what we do today.

But this House is going to look very silly if we now try to take back what we have done last week.

Not only are we going to look silly, but—by our action—we are going to undermine the basic principle of the war powers resolution which many of us have fought hard to establish.

The people of America are going to think that this place has lost its marbles if we now turn around and start marching down that hill which it took us so long to climb.

It took the Congress a long time to get the war powers resolution.

Let us not make mockery of it today.

These, Mr. Speaker, are the real issues.

No matter what has been said in the cloakroom—or what may be said here—these are the real gut issues.

There is no authority in this conference report for the President to send any American soldier, sailor, airman or marine into combat abroad today, or tomorrow, or the day after.

The authority which this conference report carried died with the evacuation.

It cannot be renewed—except by the Congress—if it ever needs and wants to do so in the future.

So do not let anyone tell you otherwise.

And the issue of money—of money which is urgently needed—is here.

Those 70 thousand Vietnamese who got out in the evacuation—they are here, and on Wake Island, and in Guam, and on our ships at sea.

We have a moral obligation toward them.

And the President says he needs this money.

Mr. Speaker, the President's letter speaks for itself.

What I have said, speaks for itself.

Let us get on with our work and approve this conference report.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I will be glad to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I read in the papers that there are still some Americans in South Vietnam, newspaper reporters. They are there of their own choice, but they are Americans; and, as I understand it, if this bill is passed, if the President chose to use troops to evacuate them, he could do it.

Mr. MORGAN. The only ones I know of who are in South Vietnam are the news people, who decided to stay there, and I commend them for their great courage. And there are about five Americans who are in jail over there. I am sure the President is not going to use troops to get either one of those out.

Mr. JOHN L. BURTON. But could he not, under the provisions of this bill, use troops to evacuate them?

Mr. MORGAN. If anyone does not believe the President, I want him to read his letter. He said definitely that he will not use troops back in South Vietnam.

Mr. JOHN L. BURTON. Could he not legally, under the bill, do so?

Mr. MORGAN. No. This bill does not give him any authority to employ U.S. Armed Forces for future evacuations—and I do not think he is going to go back in to get a few newsmen who refuse to come out. I do not think the President is going to do that.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Last week, on two occasions, I voted for humanitarian relief as necessary and required by the President. I supported the amendment of the gentleman from Pennsylvania (Mr. EDGAR). I voted twice for the substantive Senate language in this matter which failed to carry on both occasions; and yet, as I recall, the eminent chairman and my good friend in the well vigorously opposed that on both occasions, the last time at about 3 o'clock in the morning after many hours of vigorous debate.

Why now does the gentleman from Pennsylvania (Mr. MORGAN) take the well and so vigorously argue for the very thing that he argued against last week?

Mr. MORGAN. I will say to the gentleman that this report is essentially the same as the bill we passed last week. But when one goes to conference, he has to give and take. And we had to take some things in the conference that were not in the House bill.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Michigan for yielding.

I would like to ask the gentleman from Pennsylvania (Mr. MORGAN) a question. I do so as one who supported this legislation throughout the debate last week. But I just heard the gentleman say, and I read in the conference report, that the aid authorized in this conference report will go to people wherever they may be located, including areas controlled by the Communists.

Mr. MORGAN. That is correct.

Mr. BAUMAN. Are we in this House, under completely changed circumstances, now going to vote for aid to Ho Chi Minh City, foreign aid to help areas under the control of the Communists, or are we not? There are no restrictions against this in this bill, as I see it.

Mr. MORGAN. I say to the gentleman from Maryland (Mr. BAUMAN) that, of course, if he will look at the conference report, section 11, and read it very carefully, he will see that that answers his question.

Mr. BAUMAN. I have read it, and it does not answer my question.

The question remains: Does the possibility exist that this aid will be distributed in the areas now taken over by the Communists, which I consider to be totally irresponsible?

Mr. MORGAN. It reads:

> No funds authorized in this Act shall be used directly or indirectly, to aid the Democratic Republic of Vietnam.

I should point out to the gentleman from Maryland, however, that the President has control of the money and he can channel some of it for refugee assistance through the United Nations High Commissioner for Refugees and the United Nations Children's Fund.

As the author of this amendment stated on the floor on Thursday, to the extent that private agencies may be able to operate in Vietnam, their efforts on behalf of refugees could be supported.

The authority to channel funds through international organizations is an optional authority, and the President is not obliged to use such authority. As a matter of fact, most, if not all, of the funds would be used outside of Vietnam. I would like to emphasize that none of the funds authorized pursuant to this bill can be used to furnish any assistance to either the Provisional Revolutionary Government or to the North Vietnamese Government.

Mr. BAUMAN. But will it go to the people in those areas?

Mr. MORGAN. Depending on the circumstances, the President could use some provided the money did not go to the Government of North Vietnam or the Vietcong. There will be no funds going to the governments there. Does the gentleman mean in captured territory?

Mr. BAUMAN. Yes.

Mr. MORGAN. No, no funds go to the Provisional Revolutionary Government or the North Vietnamese Government. As I said, depending on the circumstances, it is possible that some funds could go to refugees in those areas through international organizations.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly urge approval of this conference report.

As the President said in his letter to the Speaker, there is an urgent need for funds to pay for humanitarian assistance and transportation costs for the Vietnamese refugees.

The President also assured the Congress—and I would emphasize this point—that he does not intend to send U.S. Armed Forces back into Vietnamese territory. We all know our former colleague to be a man of his word.

The conference report we are considering today represents the last chapter in the long story of U.S. involvement in the Vietnam war.

Last week during nearly 15 hours of debate, the House worked its will on this legislation which will end America's involvement with an act of charity and compassion for the people of South Vietnam.

The conference agreement will give our President the tools he needs to conclude our involvement in an honorable and compassionate way, consistent with the American tradition of reaching out to help those in desperate need. At the same time, the conference agreement retains the amendment adopted by the House, which provides that no funds—not one dime—shall go to Hanoi or the Vietcong.

I am advised that the President appreciates the thorough and constructive examination by the House of the issues involved in this legislation and the dedicated bipartisan leadership of the International Relations Committee, all of which represent the legislative process at its best.

As the President has emphasized, the funds which will be made available by this legislation are urgently needed to meet the needs of thousands of South Vietnamese who have lost virtually everything in their effort to escape North Vietnamese aggression. He hopes the House will act promptly to provide the additional resources needed to permit our Government to respond fully to the challenge of this tragedy with compassion and effectiveness.

Mr. Speaker, I would like to conclude by expressing my great admiration for all those who have worked tirelessly to successfully carry out a very complex evacuation operation. And I would pay special tribute to the members of the Armed Forces whose courage enabled the United States to bring to safety not only our American citizens, but thousands of Vietnamese refugees.

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Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I will be glad to yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I would ask the gentleman from Michigan if this bill is urgently needed to reimburse the cost of transporting President Thieu and Marshall Ky and his wife to this country at the taxpayers' expense?

Mr. BROOMFIELD. Obviously the money is going to be used for transportation of all refugees. I am not sure that there is any special treatment to the people the gentlewoman has mentioned.

Ms. HOLTZMAN. Including people who could afford to pay their own way?

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I will be glad to yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, just this past Monday the conference report was to be called up, and for some reason it was taken off the calendar. Since that time the evacuation has been completed.

I would ask the gentleman from Michigan whether any report has been made to the gentleman's committee or any other committee of this House as to what has transpired, what action was taken, what forces were used to effectuate the evacuation.

Mr. BROOMFIELD. That report has been given, under the War Powers Act, to the leadership of both the House and the Senate.

Mr. ADDABBO. So that what we are being asked to do here this morning is to approve ipso facto anything and everything that has transpired prior to the enactment of the conference report; is that correct?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I will yield to the gentleman from Wisconsin (Mr. Zablocki) to answer the gentleman's question.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman from New York will pay attention, I will try to answer the gentleman's question.

This conference report, however, does not relieve the President the requirement in the War Powers Resolution to file within 48 hours a report covering just exactly what the gentleman from New York has asked for; it will provide the information that has been asked, the specifics of it, and this will have to be filed, or it should be filed within 48 hours.

Mr. ADDABBO. Mr. Speaker, I might add that it has been more than 48 hours since the evacuation was completed, so again we are being asked to approve a conference report, ipso facto, approving everything that has been done prior thereto.

Mr. BROOMFIELD. Mr. Speaker, I decline to yield further.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Phillip Burton).

Mr. PHILLIP BURTON. Mr. Speaker, I deeply regret the necessity to stand in the well and oppose this conference committee report.

I believe I can understand the English language when it is communicated to me.

I attended a meeting within the last few days with the most authorized members of the administration and the leadership of this House, and the other body, and unless I did not hear that useful and constructive discussion correctly, I was led to believe that our objective would be to construct our final action in a framework that virtually all of us could support.

I would call the attention of the Members to the letter from the President. The President said—and he is an honorable man—that he does not "intend" to use his troop authority.

There was another President who stated—and he was also an honorable man—back in 1964 to the chairman of the Senate Foreign Relations Committee, Senator Fulbright, at least as much in the way of assurance, if not more, that our effort in Indochina was going to be limited, and so on, and so on, and so on.

I submit this: I would have hoped the dreadful divisions that the war in Indochina has visited upon our people would get behind us.

But I affirm it is my conviction that if this House, in the absence of appropriate testimony to the various committees, ratifies this conference report, which contains within it authority to reintroduce American troops, it is a mindless act. It makes grotesquely symmetrical, beginning with the Tonkin Bay resolution, the repeatedly ill-advised decisions of this House and of the executive branch—and now ending, hopefully, our military involvement in Indochina.

Let us reject this conference report. Let the committee come back with an appropriate resolution, and let us support all of the necessary humanitarian aid.

The SPEAKER. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Speaker, as a conferee on the House-Senate conference on the Vietnam Humanitarian and Evacuation Assistance Act, I believe that the conference report we are considering today should be acceptable to the vast majority of the House. If anything, it should be even more acceptable than the House bill that passed by a vote of 230 to 187 because in conference we made a number of adjustments which further tightened the safeguards that were already in the House bill.

I would also point out that the developments of the last few days proved that the fears of some of our Members that our President planned to use the evacuation as an excuse to reinvolve the United States in a full-scale shooting war on the side of the South Vietnamese were groundless. As the successful evacuation effort demonstrates, the President's intention was primarily to meet the humanitarian and evacuation needs that he expressed in his request to the Congress.

Despite the evacuation earlier this week, we still need this authorization bill. Large sums of money will be needed to reimburse the Department of Defense and other agencies for the expenses of moving people from the staging areas in the Pacific to U.S. processing centers and other destinations, as well as for the costs of operating the staging and processing centers. There is precedent for this in the Emergency Security Assistance Act of 1973 from which funds were used to reimburse DOD for the expense of certain equipment and ammunition airlifted to Israel on an emergency basis.

Mr. Speaker, I urge approval of the conference report.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I thank the gentleman for yielding.

I just want to say I hate to correct my good friend, the gentleman from California (Mr. Burton) but I sat in on a meeting of the first Gulf of Tonkin resolution over on the Senate side when the President's report on the resolution came up. The resolution was worked over by the Senator from Arkansas, Mr. Fulbright, in the meeting. I remember Senator Fulbright making no statements critical of the resolution. There was no statement in criticism of the President at the adoption of the Gulf of Tonkin resolution in September 1964.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I would observe for the record, I am not happy with some of the company in which I find myself today on this issue. I do have some fundamental questions which have not been answered by the leaders on either side. This conference report, on page 10, interprets the Ashbrook amendment, which would have absolutely prevented any funds from going to the Communist government of Vietnam, as saying that aid may be given to people "located in the territories controlled by these entities," meaning under Communist control. Elsewhere the conference report provides that the aid must to the extent feasible go to international organizations, which I assume could include the United Nations.

I want to know what prohibitions, absolute prohibitions, exist against the possibility that this aid will be used not only for evacuation and humanitarian purposes for those who escaped, but to aid areas under Communist control. I believe that no American tax money should go for assistance to areas taken over by Communist aggression. I cannot vote for that.

Mr. DERWINSKI. Will the gentleman please look at the conference report, page 4, section 11. He will find specific prohibition against any funds authorized under this act to be directly or indirectly channeled through or administered by the Provisional Revolutionary Government or the Democratic Republic of Vietnam.

The SPEAKER. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. DERWINSKI. May I direct the attention of the gentleman from Maryland to page 6 of the statement on the part of the managers in which we point out in great detail—and we use the term "aid to the extent feasible." In other words, if there is any humanitarian aid to be provided to any individuals in South Vietnam, it would be only to the extent feasible and channeled through international organizations and voluntary agencies.

And then, if the gentleman will notice further, it would require the imposition of U.S. inspections and audits. I do not see any loopholes, especially when we tie them to section 11 which provides:

> No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) . . .

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, why then does the statement of the managers in the conference report say it is their understanding that aid can go to people in territories controlled by the Communists?

Mr. DERWINSKI. The point I am making is it would, through proper agencies and with proper U.S. audit.

Mr. MORGAN. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. Bingham).

Mr. BINGHAM. Mr. Speaker, I entered the Chamber today prepared to vote against this conference report, but after listening to the chairman and the President's letter and after reexamining the bill that is before us in the form of a conference report, I have decided to support it. There is no authority whatsoever in this bill for the President to reintroduce troops or forces into Vietnam to evacuate persons other than American citizens and their dependents. I would call attention particularly to item (D) on page 3 of the conference report, which requires that any "evacuation will be confined to areas where U.S. forces are present today in Vietnam.

I am for the conference report and I intend to vote for it for one reason, and that is the humanitarian assistance that is provided.

I speak particularly to those Members who are concerned that humanitarian aid should be extended through international organizations and private agencies. The Meyner amendment is in this conference report. This means that aid can be extended to international agencies and basically the issue which was so controversial last week—whether and to what extent the President should have authority to use armed forces for evacuation purposes—is no longer an issue, because the evacuation is now completed. The President has assured us that sections 4 through 9 of the bill have been out dated by events and that he has no intention of carrying out further evacuation.

Moreover, this bill does not give him authority to do so since all Americans who wanted to leave have been evacuated. And it is clear private agencies can still operate in Vietnam and can provide help to the people who have suffered so much.

This is in accord with the legislative history made the other day in dialog with the gentleman from Ohio (Mr. Ashbrook) about the Ashbrook amendment which indicated that that amendment would not operate to prevent international agencies such as the International Red Cross to provide aid to individuals who are in Vietnam today.

It is true that if this conference report is defeated, a clean bill providing humanitarian assistance can be brought back to the House. However, I have no confidence that such a bill will contain the statesmanlike provisions of the Meyner amendment. Accordingly, I urge those Members who form those provisions to vote for this conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I rise in opposition to the conference report and I do so for four reasons.

First, Mr. Speaker, there are 11 sections to this bill, and 5 sections, sections 4, 5, 6, 7, 8, and 9, clearly are moot. They deal with evacuation, and evacuation of Americans, thank God, already has been completed.

Second, Mr. Speaker, I am concerned, however, that if this act should pass with the retention of section 7 in the law, this as Members know waives the prohibition against the use of American troops in Indochina. The President has indicated he is not going to use this authority. I certainly agree he will not, but that being the case, then, Mr. Speaker, why should this waiver be in the law?

Third, I am concerned with the humanitarian assistance intended for those still in South Vietnam. I would refer Members to section 10 of the conference report. It alludes to assistance going to those in South Vietnam. In this respect, I think there are two options that must be examined, Mr. Speaker.

Obviously there are no AID personnel in South Vietnam to handle this assistance. Section 11 prohibits this assistance from being funneled through the Government of North Vietnam as well as the new Government in South Vietnam. Therefore if it will go through international agencies or private agencies I think we have to ask two questions:

Will these organizations be in a position to handle it? What is their program for handling this assistance?

How much can they handle? I think we have to get an answer to that. If, however, Mr. Speaker, it is our intention not to provide humanitarian assistance to those still in South Vietnam, then certainly sections 10 and 11 are also moot.

Fourth, I am concerned with relocation assistance. We have revised no plan from the administration as to exactly how much it is going to cost. We have no program delineated as to how and where the South Vietnamese shall be relocated in this country.

I think until we get this information, Mr. Speaker, we cannot act very wisely or prudently. So it seems to me it gets down to one question; that is, funds for relocation of South Vietnamese who will be eventually brought here to the United States. I think we can defer legislative action on this and, if necessary, this can be financed through other supplemental appropriations.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I would like to associate myself with those remarks. I believe they are cooperative, calm and courageous.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I associate myself with the gentleman's remarks.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. Biester).

Mr. BIESTER. Mr. Speaker, it seems to me two basic objections have been raised to this conference report. One is that it may authorize further military conduct by the President of the United States.

Second, that it might in some way authorize the spending by him of moneys to the benefit of the PAG Government in South Vietnam.

Mr. Speaker, it seems to me that both of those objections and reservations ought not to dissuade us from passing this conference report. We have a letter to you, Mr. Speaker, from the President himself indicating his solid commitments with respect to at least the first of those objections. And the language of the Meyner amendment should satisfy the latter.

As I said during the course of the debate on the bill we considered last week, it is time for us as a Congress to begin to repose some degree of trust again in the Presidency of the United States.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. BIESTER. Mr. Speaker, I recall all the fears, all the apprehensions that were floating around in the early hours of that morning. Now the action has taken place. The action took place under circumstances which obviate all those fears. It demonstrates that those fears were not well founded. We have a President we can trust. We need to display that trust to the people of the world and the people of this country. Both peoples need to see the President and the Congress working together with respect to a foreign policy and not constantly at odds with each other.

Approval of this conference report will keep the Congress in the picture on the authorization and validating what the President has done with respect to removal of troops will confirm our war plans and priority and responsibility. It will not authorize money going to Communist sources.

It is time to give respect and trust to specific commitments that the President has expressed in his letter to the Speaker. It is time for the Congress to share the burden of responsibility in the toughest foreign policy decisions.

I urge adoption of the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. Buchanan).

Mr. BUCHANAN. Mr. Speaker, there is one issue before the House and one only. Again it would seem to me that those fears that the President may reintroduce troops in South Vietnam are unfounded and constitute irrationalities in this situation.

Also, he has made clear that it is not his intent to give money that could be used by the Communists, but that he needs this money—and all of it—for the refugees who have been evacuated.

Mr. Speaker, I want to deal with a point that has not been raised, to my knowledge, but one which is real. There are those who are concerned about the 70,000 people who have been evacuated and how they shall be cared for, and the impact that they shall have upon our country.

Mr. Speaker, I would simply say this about that: We must remain true to this country's heritage, and whatever mistakes we have made in the long, tragic involvement in Indochina, we must not make the final mistake of turning our backs on human desperation and great need. I do not know what others may think when they enter the harbor and see the Statue of Liberty standing there, but personally, after I have thanked God that I am a free born American, the lines at the base of the statue begin to come through:

> Give me your tired, your poor.
> Your huddled masses yearning to breathe free,
> The wretched refuse of your teeming shore.
> Send these, the homeless, tempest-tost to me,
> I lift my lamp beside the golden door.

Our country has been built upon the efforts of people who came here to live in freedom, many in desperation, and fleeing from tyranny. I would say that whatever else we may do, we must hasten to give the President the authority he seeks to provide help for those people, and we must not make the final mistake of turning our backs on human need this great and this abject.

Mr. Speaker, I do not mean to imply that those who oppose this conference report favor doing that, but action is urgently needed, and this is an opportunity for Congress to act to help, and to do so now. I urge the adoption of the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware (Mr. du Pont).

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield.

Mr. du PONT. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, I oppose the conference report on the Vietnam Humanitarian Assistance and Evacuation Act of 1975 because:

First. We don't know how many Vietnamese are coming to the United States; how they will be settled; what impact they will have on the U.S. economy; how much assistance money is going to be required; who they are. We need full congressional hearings—similar to our consideration of Cuban and Hungarian refugees' problems—before we can vote in a responsible manner.

Second. This conference report allows money for international organizations to aid Vietnamese war victims. Do we really want to let the United Nations go into Communist-controlled South Vietnam and spend American money? The bill is not at all clear on where the international organizations would spend our money—or which international organizations would be involved.

Third. The conference report contains language allowing the President to use American soldiers to go back into Vietnam to evacuate U.S. citizens, their dependents, and other Vietnamese. At some future point, we could regret giving such carte blanche authorization to a President—even though President Ford now may take the position that the current evacuation is complete. This is dangerous legislation.

Mr. du PONT. Mr. Speaker, I rise in support of the conference report. Trying to put the issue very simply, there are three points to be made.

First, if we believe we should give humanitarian aid to the 58,000 people evacuated, and I do, this is the only vehicle we are going to have to do it.

Second, there is no broadening of the President's authority within this legislation. Each of the three sections permitting the use of the Armed Forces authorize their use solely for purposes of evacuation, and that language is in each of those sections. Also, the War Powers Act obviously is still in effect. I would argue, further, that this legislation narrows the President's options because the Congress is specifically authorizing and ratifying an action that is of unclear authority without such approval.

Third, and most important, this Congress must ratify what the President did in that evacuation. The President acted in a manner that I think is not clearly legal, or illegal, under the Constitution. I do not think we can pin it down, and I think it is most important that we approve what he did. As a branch of the Government that shares foreign policy power under the President, we must exercise that responsibility. We must say "Mr. President, you did the right thing by evacuating the Americans, and you did it properly, and we, the Congress, support your action in this instance."

A vote for this conference report is a vote to ratify the President's action. I think that is the single most important point concerning the report, and I urge its adoption.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts, the distinguished majority leader (Mr. O'Neill).

Mr. O'NEILL. Mr. Speaker, I rise in opposition to the conference report. Last week we had before us a resolution that was, in my opinion speedily drawn and loosely thrown together, and we debated it for 15 hours.

I was opposed at that time to troops being used for evacuation of Vietnam nationals. Thank God, and without the use of any legislation passed by this House, we were able to get out our Americans and some 55,000 or 60,000 Vietnamese nationals.

In my opinion, section 4 through section 9 today is moot. It is a moot question, and I do think it sets a bad precedent for the future. What America needs more than anything else is a bipartisan foreign policy. We have to get back to that. So let us start this bill again from scratch.

I am for humanitarian needs. I want to ratify the things that the President did. I want to take care of the refugees and the evacuees. But I think we ought to start from scratch on this bill.

Circumstances have changed since we debated this bill last week. There is no reason in the world why we cannot defeat this conference report and bring in a clean bill and have it on the floor in the early part of next week. I hope the measure is defeated.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. Mr. Speaker, I could not agree more than I do with the statement that was just made by the distinguished majority leader (Mr. O'Neill) that we need to begin to create the basis for a bipartisan foreign policy once again in this country. But I ask the Members: How, in heaven's name, do the Members expect to lay the foundation for that kind of a bipartisan foreign policy if we will not accept the simple statement of the President of the United States, under our Constitution the chief architect of our foreign policy, if we will not accept the simple statement in the letter that was read a few minutes ago that he has no intention of reintroducing American forces into South Vietnam?

I think that far from laying the predicate for a new bipartisan policy, we are telling the world that we have no confidence whatever in the word of the President of all of the American people if we defeat this conference report.

I was present at the meeting to which the gentleman from California (Mr. Phillip Burton) referred. I was present at the same meeting a few days ago, where, indeed, the suggestion was discussed that we——

Mr. PHILLIP BURTON. And agreed to.

Mr. ANDERSON of Illinois. Please let

me finish. I only have a few minutes. I want to complete my remarks.

The suggestion was made——

Mr. PHILLIP BURTON. And agreed to.

Mr. ANDERSON of Illinois (continuing). And there was a tentative agreement, although the chairman of the Committee on International Relations was not present. He was not present and did not concur in that agreement. There was a tentative understanding that perhaps the procedure could be used that we could recommit the conference report with instructions to the conferees that they eliminate section 4 of the conference report. But what we did not know about on that occasion and what we did not realize was that the Senate, having acted, the Senate, having discharged its conferees, we could not use that procedure. And I want to reiterate again that if we defeat this conference report today, we are simply telling the world that we do not have any confidence in the word of the President of the United States.

I want to tell the Members of this House that I do. And to stand up here and compare what Lyndon Johnson may or may not have said about the Gulf of Tonkin resolution in 1964 with what the President of the United States has said about this legislation in 1975 makes no sense to me, to make that kind of comparison.

I am not interested in Madam Ky, or helping people of that kind, under the terms of this legislation.

The SPEAKER. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. ANDERSON of Illinois. But what I remember, ladies and gentlemen of the House, as I stand before you this morning, are the stories and, indeed, the film of those hundreds—yes, thousands—of people, who, in their desperate rush and bid for freedom, were literally clawing at the Embassy walls in an effort to get through in time to be helicoptered out to safety.

I join the members of the committee and those in this House who think we do owe some moral responsibility, some humanitarian obligation to those people, and I am willing to accept the pledged word of the President of the United States that all this bill is designed to authorize is the right to fund humanitarian relief for some 70,000 refugees and I think we ought to adopt the conference report.

Mr. MORGAN. Mr. Speaker, I yield a minute and a half to the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, in considering this conference report, we must look back as to why the Congress was asked even to consider legislation on this matter.

The President had asked that we clarify this authority in utilizing U.S. Armed Forces to evacuate the U.S. nationals and South Vietnamese nationals.

The House in its wisdom did just that. The Senate did likewise. The conferees have met and, in clarifying, tightened the limitations of presidential powers as outlined in the war powers resolution.

There are some who are saying that this conference report in some way supersedes the war powers resolution or amends the War Powers Act and that the President could, under section 4 of this conference report send U.S. Armed Forces back into Vietnam.

Nothing could be further from the truth. Mr. Speaker, as the principal sponsor of the war powers resolution, would I be standing in this well asking for the support of a conference report that would weaken the act after I had expended so much effort on, the war powers resolution? I certainly would not be here if I thought for 1 minute that that were the case. We ought to bear in mind that the Congress, as the Senate has demonstrated, have a responsibility to meet our obligation if we meant what we said in the war powers bill.

In the past few years there was growing concern and criticism of the executive branch for usurping the legislative authority of Congress. The Congress has an opportunity to voice its views on an important matter that should be a joint-congressional-executive venture we should be willing to stand here and be counted when we have the opportunity. This is what is at stake, whether we are going to meet our obligations as elected representatives of the people.

In the early morning hours exactly 1 week ago this body—after extensive debate—decided that the wisest course was to enact specific legislative authority for the President to carry out an evacuation of Americans and some endangered foreign nationals from Vietnam.

In the course of that debate, the report was brought to this floor that 5,000 American marines had landed on the shores of South Vietnam.

The report ultimately proved to be false, but the moment clearly held some uneasiness for those who were opposing this legislation.

For if, indeed, 5,000 marines had landed—what then? Here was the President acting on his own—with no congressional sanction. How would it be possible at that point to restrain what a Commander in Chief might do?

And the House subsequently acted to give congressional approval—within certain limitations—to an evacuation.

Today, as we stand here, that evacuation has already taken place.

As we know, it did not require 5,000 marines landing on a beachhead in South Vietnam. It was done in one operation with a loss of life by four American military men.

The President acted without this body having given its final sanction.

Yet he was well aware of the restraints which the Congress wished to impose because of our action early Thursday—and because the conference report had been finished on Friday and the Senate had passed it Friday afternoon.

It seems clear that the final evacuation was carried out within the limitations set down by the conference report before us today.

Certainly the President and other executive branch officials knew the mind of the Congress on an evacuation.

If we fail to take the final step today, however, history will fail to record the part played by Congress in providing guidance to the President.

The evacuation is now past, but the issue of the role of Congress in foreign policy, particularly in the exercise of the war powers, remains with us.

By passing this conference report—even in this ex post facto form—will give final confirmation to a responsible congressional sharing in important national security decisions.

I firmly believe passage is necessary to clarify the legal basis for the President's actions.

Section 2(c) and section 8(a) of the war powers resolution call for specific prior authorization by Congress if U.S. Armed Forces are introduced into combat.

No such specific prior authorization had been approved when the President was forced by the pace of events to carry out an evacuation before we could take final action.

Is the operation, therefore, to be left in some kind of legal limbo?

It would be if we fail to approve this conference report.

Such a situation could well give rise to law suits and other legal complications.

Let us also be reminded of the five provisions of law which forbid the use of funds for the reintroduction of U.S. Armed Forces into Vietnam.

What is the effect of the evacuation operation on them? Is the President to be permitted to set them aside on his own authority?

I would hope the House would have more respect for the laws it writes. The Congress enacted the restrictions, only Congress has the right to waive them.

The conference report before us clears up these problems of authority.

Mr. Speaker, this is an important piece of legislation. The conference report gives Congress a role which it has claimed in foreign affairs—that of partner with the Chief Executive.

If we fail to pass the bill today, the seriousness of our quest for a responsible partnership will be in question.

But if we pass it, we will have made another significant step toward that balance of authority between the legislative and executive branches which, I believe, the framers of our Constitution intended.

The SPEAKER. The time of the gentleman from Wisconsin (Mr. Zablocki) has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 30 additional seconds to the gentleman.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman from Michigan.

In the few seconds I want to quote the majority leader. If I heard him correctly, he had stated in his eloquent way that he opposed the evacuation of South Vietnamese. He also said that he was in support of humanitarian aid and that he believed that it would be necessary to ratify what the President has done in evacuating United States nationals and South Vietnamese.

Mr. Speaker, I submit that now is the opportunity to do it. Vote for the conference report.

Mr. MORGAN. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. Riegle).

Mr. RIEGLE. Mr. Speaker, I want to say at the outset to my colleagues that I think now that this is a bad conference report.

I say that for the reason that the situation has changed so much in a week that it is now out of date, as much so as if it were 10 years old. I do not know why we should be asked to come in now and act on something that is already behind us.

The issue that is left for us to consider and the one that frankly we are not considering here properly is the issue of humanitarian assistance: How much, for whom, spent in what way?

There is no plan today, but that is what we need because that is what is left of the problem. What is going to happen to the refugees?

That is why this conference report ought to be defeated. The Committee on International Relations, on which I serve, ought to go back into session to help develop a specific refugee plan. We ought to sit down with the administration witnesses and find out how many people we are talking about, what their specific needs are, how they are going to be met, where they are going to go, et cetera. We need a plan. There is not any plan in here. What we are being asked to sign is a blank check. This is not a question of a test, face to face, with the challenging the good faith of the President, and I resent that inference. That has not anything to do with it. What it has to do with is the question of whether the Congress, which has the appropriation power, and the President can now sit down cooperatively in a partnership and deal together with the one part of the problem that remains, namely, what is going to happen to these refugees?

This bill does not address that question. This just gives the administration a blank check. I do not think that makes sense.

Therefore, Mr. Speaker, let us defeat this and come back with a bill that is aimed at the problem.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentlewomen from New York (Ms. Abzug).

Ms. ABZUG. Mr. Speaker, I urge the defeat of this conference report. The part that we all want to debate, humanitarian aid, can and will be brought to the floor in a separate bill. To meet the present circumstances, this bill has become moot. Americans have already been completely evacuated from Cambodia and Vietnam without any extension of presidential powers.

There is no longer any danger to the lives of Americans who were in these countries—but there is grave and continued danger in authorizing the use of American troops in combat situations. Our ships are still off the coast of South Vietnam, where they are picking up thousands of Vietnamese.

President Ford has announced that the war is over as far as America is concerned. That is the way the Congress and the public devoutly wish to leave it. Let us not risk further involvement by granting to the President the authority to commit troops to any combat action.

It has taken 2 years for the Congress fully to assert its power to declare war. In seven legislative prohibitions we have said that the United States shall not become reinvolved in Indochina. If we repeal these restrictions, as we would do if we passed this bill, we would be giving the President openended authority to create an emergency. The Congress did this once, before, to our everlasting sorrow, with the Gulf of Tonkin resolution. We learned from that and we must not forget the bitter lesson.

Today the President says that we should be assured that he does not intend to send the armed forces back into Vietnamese territory. I accept that, but there are still U.S. ships, planes, and marines in and around Vietnam to complete evacuation. If we extend the President's authority, we may be encouraging action which would not be taken otherwise.

I think it is wrong, I say to the gentleman from New York (Mr. Bingham), to suggest that there is not the possibility of reintroduction of armed force. I think there is. Why should we risk it?

In the same letter the President said that this request is moot; we all know that it is moot in terms of the events of the last few days.

I beg to differ, Mr. Speaker, with anyone who says that we have no other route. We can vote down the conference report. Then the House can recede and concur in an amended Senate amendment, striking the troop authorization and retaining the humanitarian aid.

It is incorrect to mislead this body into thinking that this bill is the only way to provide for humanitarian aid.

As has been suggested, we could also proceed with a clean bill, which I believe to be the more rational approach.

Many questions have been raised here, Mr. Speaker. Let us not risk the reintroduction of Armed Forces with congressional approval.

Mr. BROOMFIELD. Mr. Speaker, I yield 30 seconds to the gentleman from Ohio (Mr. Wylie).

Mr. WYLIE. Mr. Speaker, I feel frustrated and discouraged when I hear some of the debate from the opponents to the conference report. Opponents want the issue.

There is no way troops could be sent back into South Vietnam. We must provide humanitarian assistance to people in trouble.

What would you have us do with these people who have swum to ships and who have scrambled to safety for fear of their lives? My God, Mr. Speaker, these people were our allies only a few hours ago. I would feed a dog if it were hungry. We are talking about feeding hungry men, women and children.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. Fascell).

Mr. FASCELL. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I wish to point out simply what I believe is obvious. That is, that this is an authorization bill, and all the issues that are raised about the expenditure of money may be resolved through the appropriations process. We all know that.

About the guidelines of authority that are laid down in this legislation, on which the House and the Senate both have worked their wills, the simple issue is not only what has just happened, but what is involved for the future.

The Congress, for the first time acting, pursuant to the President's request as envisioned under the war powers resolution, laid down guidelines governing the President's action on a vital policy matter affecting the success of this country. That law must be signed by the President. It has value for the entire future of this country that both the House and Senate and the President have signed off on this issue.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. Fish).

Mr. FISH. Mr. Speaker, I thank the gentleman for yielding me this time, and personally wish to direct the attention of the House to section 3(b) of the act, which provides for humanitarian aid.

In my view, Mr. Speaker, this concerns only the first asylum of these people, and would not cover the question of resettlement funds.

Mr. Speaker, at this time I wish to yield to the gentleman from New York (Mr. Badillo), the author of the Migration Refugee Assistance Act of 1975, which the Judiciary Committee will start hearings on next week.

Mr. BADILLO. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, this is the wrong bill. If what we seek to do is aid refugees the proper bill belongs in the Committee on the Judiciary because we are talking about refugees who are subject to the immigrations laws. The bill that Congressman Fish and I are sponsoring would provide, as we indicate on page 11811 of the Congressional Record of April 24: First, for assistance to refugees; second, for assistance to State and local authorities; and third, for transportation and resettlement of refugees; and fourth, for employment and retraining programs for refugees.

This is what we should be doing. This is what we can do under the bill we have submitted known as the Migration and Refugee Assistance Act of 1975.

For that reason, this conference report should not be approved.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Speaker, this measure does appropriate money, or we would not have had to waive a rule that said you cannot appropriate money in an authorization bill. So when we start talking about the budget later today, remember this $377 million; especially those who want to reduce benefits of the social security recipients.

Many on the minority side of the aisle—and a few on the majority side of the aisle, said this bill was needed to get the Americans out. What the administration was doing was leaving some Americans in Saigon, and the President wanted the right to use troops to get them out. The Americans are out. The minority stated he did not have that right, and they said that our fears were not well founded. You know why? Because he did not have the blank check in this bill to

use that many troops to get them out. Our fears were not well founded, because he did not have the blank check authority under this bill.

I do not think we should be giving him this blank check.

I urge a "no" vote on the conference report.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Speaker, it may come as a surprise to some of the people who were most vociferous in shouting down my amendments last week at 2 o'clock in the morning, but I am going to support this conference report. However, I am addressing myself not to them but to my friends who fought with me against the House bill. They were right in fighting against the House bill. The bill was not well drawn. But that is not the bill before us. This conference report is very carefully drawn and, furthermore, the situation has radically changed.

If we do not support this conference report, then we are going to be in the position of winking at violations by the President of the statutory prohibitions against military actions in Vietnam. If we do that, then I think we may have opened up a wide breach in the restrictions on the future use of military forces in Vietnam.

Under the very narrow language in the conference report the recent actions of the President would be ratified, but there would be no authorization under which the President can go back into Vietnam, since all American personnel except those who desired to stay in Vietnam have been withdrawn. Moreover, the President has assured us that he has no intention of ordering our military forces to go back into Vietnam.

It seems to me this is an opportunity to put the Vietnam issue to rest at long last, and to authorize the funds to cover the cost of evacuating and caring for our citizens and the other refugees who have been brought out of Indochina.

The SPEAKER. The time of the gentleman has expired.

Mr. MORGAN. Mr. Speaker, I yield one-half minute to the gentleman from Pennsylvania (Mr. Edgar).

Mr. EDGAR. Mr. Speaker, I have not been able to say anything in a half minute all of my life, but let me just try to attempt to make a point or two. I would like to associate myself with the remarks of the gentleman from Massachusetts (Mr. O'Neill), the gentleman from Ohio (Mr. Whalen), the gentleman from Michigan (Mr. Riegle), and persons who have really understood the focus of this bill. My personal belief is that last week when we were arguing for my substitute, I was right. The issue is humanitarian assistance and how that humanitarian assistance is to be administered. We need a new humanitarian aid bill which clearly answers the questions raised: Who? How? Where? When? And how much? I urge the defeat of the conference report.

The SPEAKER. The time of the gentleman has expired.

Mr. MORGAN. Mr. Speaker, I yield one-half minute to the gentleman from New York (Mr. Ottinger).

PARLIAMENTARY INQUIRY

Mr. OTTINGER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. OTTINGER. If we vote this down, would it then be in order for the chairman of the Committee on International Relations to go back to conference with instructions that we drop out section 4?

The SPEAKER. The answer is "No." When the House disapproves a conference report, the matter is left in the position it was in before the conference was asked. That is under section 551 found in Jefferson's Manual. In other words, the conferees of the Senate have been discharged. The House would start all over with the House bill and the Senate amendments, and the Chair would recognize the chairman to offer a proper motion to dispose of the Senate amendment.

Mr. OTTINGER. I have an additional parliamentary inquiry. Could the chairman request that a new conference be constituted?

The SPEAKER. The chairman could do that, yes.

Mr. MORGAN. Mr. Speaker, I yield one-half minute to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, there is no question that the language of this conference report specifically authorizes the President to use armed force in Indochina. Yet even the President concedes that events have overtaken the need for those provisions of the conference report which authorize the use of armed force in Indochina.

Since there is no need, we must not do it. War powers are too important to grant lightly. We in Congress have labored very hard to prevent another Gulf of Tonkin and to prohibit the use of American troops in Indochina. We must not now simply turn around, waive these prohibitions indefinitely, and give the President authority to send troops or bombers into Laos, Cambodia, and North Vietnam—as well as South Vietnam.

In addition, I am not persuaded by the arguments that we should ratify Presidential actions in connection with the evacuation from Saigon. I think it was highly questionable for the President to wait until the 11th hour to evacuate Americans from Vietnam. For the past 2 weeks we in Congress had been calling on him to evacuate all Americans immediately. By waiting until the 11th hour, four Americans died and countless others were exposed to very grave danger. This should have been avoided.

I do not want to go on record as ratifying these actions. I do not think the House should ratify these actions without at least hearing testimony on the events of the past few weeks.

Mr. Speaker, we should defeat this conference report.

The SPEAKER. The time of the gentlewoman has expired.

Mr. MORGAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois (Mrs. Collins).

Mrs. COLLINS of Illinois. Mr. Speaker, I associate myself with the remarks of the majority leader, Tip O'Neill and regret that I cannot support the conference report on the Vietnam Humanitarian Assistance and Evacuation Act.

One of my major objections to the report is contained right in the title, the part which refers to evacuation. There are no more Americans in South Vietnam who want to be evacuated. President Ford has declared publicly that the war is over for Americans. There just is no point at this time in passing a bill that still authorizes sending U.S. troops to Vietnam. The war is over. Let us give it a decent burial.

I realize that it is important for Congress to assert its partnership with the Presidency by showing that it can place limitations on his use of U.S. Armed Forces. This principle was made clear in the War Powers Act of 1973.

I strongly believe in what Congress did in the War Powers Act. But today's conference report is the wrong means at the wrong time to try to reassert our authority. As a matter of fact, I do not think our powers were diminished one bit by what the President did. He used his constitutional authority to rescue Americans in an emergency situation, and that was the right thing to do. If I have any criticism of that, it is that he did not get Americans and their dependents out sooner.

In the second place, the conference report provides aid to be channeled through the South Vietnamese Government. If we want to give aid to the refugees, the orphans, the injured who have survived this horrible war and remain in Vietnam, it would be far better to come up with a clean bill which channels humanitarian aid through international and private, voluntary agencies. And the aid should be controlled by the agencies, not the government which will be formed in Vietnam.

Third, the refugees now coming to this country will need a lot of help in resettling here. It will be expensive. We need testimony from the administration on how they are going to handle the problem, how much it will cost. Then we would have the basic information to write a new bill to take care of this particular problem.

There just is no point in passing a bill which refers to a situation that no longer exists. I voted for this bill last week because Americans were still in Vietnam. Now that the situation has changed sections 4 through 9 are now moot and I urge my colleagues to vote this report down so that the House can be presented with a clean bill for humanitarian aid.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. Sikes).

Mr. SIKES. Mr. Speaker, President Ford has said this:

> The Congress may be assured that I do not intend to send armed services of the United States back into Vietnamese territory.

That is good enough for me. I can trust the President of the United States, so can Congress, so can the American people.

UMI

However, the President has a responsibility to protect lives of American citizens. He asked Congress for authorization to send troops into Vietnam to evacuate Americans who were there. This authorization was not completed before conditions there reached emergency status. Had he not taken forthright action, more than 1,000 Americans could today be in Communist hands in South Vietnam. What would the Congress propose to do about that situation? We can applaud the President for his courageous decision and we can thank those brave Americans in uniform who performed magnificently and successfully in this crisis period.

There can be no doubt now about the purpose of funds that would be authorized in this bill. There are many thousands of Vietnamese refugees who fled communism and who must have food and shelter. Let us not sit on our hands and find excuses for doing nothing while they starve. They cannot wait for Congress to work out details.

It has been 3 months since President Ford first requested emergency funds for Vietnam. This is as near as we have come to doing something—anything. Call it what you want; that is not a very impressive record. In the meantime two countries have been conquered by Communist forces. A third, Laos, will not be far behind.

This is humanitarian aid which one Member after another has stated he will vote for. But it is an authorization only. There still must be an appropriation. Further delay will be inhuman. It will add to the damage already done to America's image worldwide. Today is the day and this is the opportunity to vote for humanitarian aid.

The **SPEAKER**. The time of the gentleman has expired.

Mr. **ROUSH**. Mr. Speaker, what is the hurry on this conference report? Last week I voted for the House version of this legislation but that was under circumstances entirely different from those existing today. My concern then was primarily that of evacuating Americans and their dependents from South Vietnam and providing a measure of humanitarian assistance to the refugees and the people of South Vietnam. At that time there appeared to be an urgency which dictated emergency action. Time and circumstances have erased the emergency aspect of those deliberations. We now have the opportunity to act with greater deliberation and on the basis of facts. I agree with the gentleman from Michigan that the committee should now consider the needs of those who have been evacuated; then bring a new and well-reasoned resolution to the floor of the House for this body's consideration. Today we are asked to write a blank check for over $300 million and I, for one, am not willing to do that in view of the dramatic turn of events of this past week. There are simply too many unanswered questions. How many refugees are there? Figures ranging from 58,000 to 70,000 have been given to us, but no one seems to know with any certainty how many we are being asked to take care of. Who are they? Again no one seems to know. We know many are dependents of Americans. We know many are rich. We know many are those who we never contemplated evacuating to this country, but who by various means—the right contacts, bribery, the use of influence, are now here. We do not yet know the magnitude of their needs nor do we even know what their needs might be. Is their need for food? If so, how much is needed? Is it for housing? If so, how much is needed? Is it for transporting the refugees? If so, how much is needed? Is it for medical needs? If so, how much is needed? Mr. Speaker, with all of these unanswered questions, I cannot responsibly vote for the conference report which is before us today. To do so would be to legislate irreponsibly

Mr. **BROOMFIELD**. I yield the remaining time to the minority leader, the gentleman from Arizona (Mr. Rhodes), to close the debate on this side.

Mr. **RHODES**. Mr. Speaker, I think it is time that we put this into as rational a frame as we possibly can. This is not a matter over which we need to get exercised. As a matter of fact, it is an authorization bill to reimburse other funds which have been used in an attempt to take Americans and South Vietnamese out of danger who would have been killed had they remained in South Vietnam.

There is also a provision for authorization of funds only for an ongoing operation which becomes necessary because we have some 55,000 South Vietnamese who are strangers to this country, who need to be rehabilitated, and who need to have medical problems taken care of. It seems perfectly obvious to me that as long as we have these people we are going to have to go ahead with the operation we started and make sure they get a chance to create new lives for themselves in this country.

I would suggest to my friends who are worried about this bill that they just quit worrying today. They can worry day after tomorrow or some other day when the gentleman from Texas and his Appropriations Committee bring out an appropriations bill to effectuate the provisions of this bill. All of us are good legislators. We know perfectly well how to put a limitation on an appropriation bill. We have done it many times. But I say to the Members there can be no appropriation bill unless we pass the authorizing legislation. Today we must lay the groundwork to do the things we are all talking about.

Some are worried for fear the President is asking for too much money, and that maybe he does not need it at all. Very well. His representatives will go before the Appropriations Committee and they will justify the need for the requested funds.

Some of my friends on this side of the aisle, and some of my friends on my right as well, are worried for fear that some of these funds will be taken and utilized either by the North Vietnamese Government or through the PRG. But it cannot be done until the money is appropriated. There is no way money can be used until an appropriations bill is passed, so the time to deal with that is on the appropriations bill and not now.

Some Members are worried for fear the money will be distributed through the United Nations, and perhaps that is a rational fear if people fear that sort of thing, as I do not happen to. But if Members want to settle that situation, I suggest they settle it at the time the appropriations bill comes up. Do not try to settle it now.

Mr. Speaker, it is time somebody on this floor said something about the operation which resulted in the liberation of some 7,000 or 8,000 Vietnamese and the removal of some 1,600 Americans who were in jeopardy in the city of Saigon. I do not know why Americans cannot be proud any more. I want Members to know I am very proud of the fact that the armed services of the United States entered that city, a beleaguered city, a panic stricken city, on a night that was dangerous because of the very stormy conditions that existed there. The losses could have been quite cataclysmic, and while nobody likes to lose lives, the losses were minimal and the operation was carried out on time and with dispatch. I think the people of the United States should give a great big vote of thanks to the gallant men in our Armed Forces who accomplished this operation.

As a matter of fact, Mr. Speaker, when our Ambassador had to come out on the last helicopter with the American flag in his lap I think we felt just about as low as we possibly could, and I think the only way we can go now is up.

Believe me, if we sink again to the type of nitpicking which we saw when this bill was originally on the floor and if we vote down this legislation, I think the big lift which this operation gave us around the world would have been dissipated. People around the world are wondering what is going to happen in the United States next. Chiefs of State are asking their ambassadors where the United States is going after this kicking around which we took.

The operation to take out the people who are our friends, not to leave them to their own devices or to their own deaths, but to take them out, started us up the road back to the type of respect and admiration which we have been led to believe that the rest of the world has for us. If we are now to reject the plea of the President of the United States and to vote this conference report down, then we will be starting back on the way down, insofar as the respect of the people of the world is concerned and the respect in which this country must be held.

I ask that we vote "aye" on the conference report.

Mr. **MORGAN**. Mr. Speaker, I yield the remaining time on the majority side to the gentleman from Minnesota (Mr. Fraser).

Mr. **FRASER**. Mr. Speaker, some have commented that the events of the last few days have proved that we did not need the bill, and although the President used the Armed Forces to bring out both South Vietnamese and Americans, that now this issue is moot.

I worry about that conclusion. It is like saying, well, when the President went into Cambodia without congressional authority, it proved he did not need it. That is not a very satisfactory way to leave the effort that we are trying to make in Congress to share with the President the decisions on the use of combat forces abroad.

I think there is a substantial question here. There is a substantial question as to whether the use of those forces was lawful or unlawful. My judgment is that it was unlawful. Nobody argued on the floor the other day that the President had the authority to use Armed Forces to bring out South Vietnamese, but he went ahead and did it anyway.

Now, a case could be made that, well, at least both Houses has voted on it; but clearly, we had not completed action. There was no law.

I would like to wind this matter up by leaving the record for the future that the President did what was in this bill and did no more and that we completed action and even though he acted before it was finally law, nevertheless, we were working together to define the limit of his authority when he used Armed Forces.

That is why I favor having this language carried forward to complete that chapter on this very important precedent.

Mr. **SEIBERLING**. Mr. Speaker, will the gentleman yield?

Mr. **FRASER**. I yield to the gentleman from Ohio.

Mr. **SEIBERLING**. Mr. Speaker, I agree completely with what the gentleman has just said and I want to associate myself with his remarks.

Mr. **FRASER**. Mr. Speaker, I thank the gentleman.

Let me underscore that the Meyner amendment is in this bill, but the bill is very carefully written and the money must go through the international organizations. It must be administered by them. The money may not go directly to the Government of North Vietnam or the PRG, but it can go to private relief agencies and public relief agencies, such as the United Nations refugee program or the children's fund. It is very carefully written and we need this authority.

I would like to see the United States respond to the appeal of Secretary Waldheim. I think this would be the decent thing to do.

Mr. **DANIELSON**. Mr. Speaker, will the gentleman yield?

Mr. **FRASER**. I yield to the gentleman from California.

Mr. **DANIELSON**. Mr. Speaker, I fully endore the gentleman's remarks and wish to be associated with them.

Mr. **FRASER**. Mr. Speaker, finally, we do need money for evacuation. There is a problem of what we are going to do with these 70,000 or 80,000 people. Let me make the point that after the Vietnamese have left the staging area, it will be up to the Committee on the Judiciary to deal with our responsibility for their continued welfare.

Mr. **KOCH**. Mr. Speaker, I am voting no on this conference report as I did on the original bill. First, I want to say that I believe that President Ford was correct in removing both Americans and Vietnam civilians from South Vietnam. At the end of a sorry road, the United States demonstrated some honor in aiding those whose lives were endangered. It is tragic that four Marines lost their lives in this final hour. We must all mourn and pay tribute to these men and their courage in defending American lives.

The conference report is now moot. The legislation is no longer appropriate. The President himself has indicated that a number of provisions in the conference report are no longer applicable as a result of the completion of the evacuation. However, that conference report contains a number of ambiguities that cannot be clarified by the letter of the President and must be corrected by the introduction of a new bill which will be solely humanitarian in its coverage. It is foolish to say that this legislation is of an emergency nature requiring passage today. The minority leader, John Rhodes on the floor this morning said that the arguments offered by Members in opposition to the legislation before us can be handled by the Appropriations Committee when the legislation comes before it after passage of this bill by the House. If that is so, then it is clear we have the time to consider a new measure which will deal specifically with humanitarian aid for the purpose of assisting the South Vietnamese civilians and in particular those who now are dependent for their future on resettlement here in the United States. I will vote for such humanitarian assistance, because it is the decent thing to do and something that we owe the South Vietnamese refugees. For it was we who placed them in the catastrophic tragic position in which they now find themselves.

Mr. **MORGAN**. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The **SPEAKER**. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **JOHN L. BURTON**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 162, nays 246, not voting 24, as follows:

[Roll No. 167]

YEAS—162

Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Aspin
Baldus
Bell
Bennett
Bergland
Biester
Bingham
Boland
Bolling
Bowen
Breaux
Breckinridge
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Butler
Carter
Cederberg
Chappell
Cleveland
Cohen
Conable
Conlan
Conte
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Downing
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Fascell
Fenwick
Findley
Fish
Flood
Foley
Forsythe
Fraser
Frenzel
Frey
Giaimo
Gibbons
Gilman
Gradison
Gude
Guyer
Hall
Hastings
Hébert
Heinz
Hillis
Hinshaw
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Kasten
Kazen
Kemp
Kindness
Krueger
Lagomarsino
Lent
Lloyd, Calif.
McClory
McCollister
McCormack
McEwen
McFall
McKay
McKinney
Madigan
Mann
Martin
Matsunaga
Meeds
Michel
Mink
Mitchell, N.Y.
Moorhead, Calif.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Obey
O'Brien
O'Hara
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Quie
Quillen
Railsback
Rhodes
Robinson
Rousselot
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Spence
Staggers
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Symms
Talcott
Taylor, N.C.
Thornton
Treen
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wilson, Charles, Tex.
Winn
Wright
Wydler
Wylie
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—246

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Archer
Ashbrook
Ashley
AuCoin
Badillo
Bafalis
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bevill
Blanchard
Blouin
Boggs
Bonker
Brademas
Brinkley
Brodhead
Brooks
Broyhill
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cochran
Collins, Ill.
Collins, Tex.
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Davis
Dellums
Dent
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Fisher
Fithian
Florio
Flowers
Flynt
Ford, Mich.
Fountain
Fulton
Fuqua
Gaydos
Ginn
Goodling
Grassley
Green
Hagedorn
Haley
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kelly
Ketchum
Keys
Koch
Krebs
LaFalce
Landrum
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McDade
McDonald
McHugh
Macdonald
Madden
Maguire
Mathis
Mazzoli
Melcher
Metcalfe
Meyner

UMI

Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Mosher
Moss
Mottl
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Neill
Ottinger
Passman
Patterson, Calif
Pattison, N.Y.
Pepper
Pressler
Preyer
Pritchard
Randall
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Sharp
Shuster
Smith, Nebr.
Snyder
Solarz
Spellman
Stark
Steed
Stokes
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Young, Alaska

NOT VOTING—24

Andrews, N.C.
Biaggi
Brown, Calif.
Burke, Calif.
Clancy
Crane
Evins, Tenn.
Ford, Tenn.
Goldwater
Gonzalez
Hansen
Hays, Ohio
Mahon
Mills
Mollohan
Price
Rangel
Shipley
Shriver
Stanton, James V.
Teague
Wiggins
Wilson, Bob
Young, Fla.

So the conference report was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Mollohan for, with Mr. Shipley against.

Mr. Price for, with Mr. Rangel against.

Mr. Teague for, with Mrs. Burke of California against.

Mr. Bob Wilson for, with Mr. Hansen against.

Mr. Young of Florida for, with Mr. Clancy against.

Mr. Evins of Tennessee for, with Mr. James V. Stanton against.

Until further notice:

Mr. Hays of Ohio with Mr. Ford of Tennessee.

Mr. Mahon with Mr. Brown of California.

Mr. Wiggins with Mr. Biaggi.

Mr. Gonzalez with Mr. Andrews of North Carolina.

Mr. Mills with Mr. Shriver.

Mr. Goldwater with Mr. Crane.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The House resolution, House Resolution 425, was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement for the benefit of all Members.

The Chair is going to recognize the gentleman from New York (Mr. OTTINGER), who was the host for the Acting Chaplain of the House this morning, and then the Chair will recognize Members for unanimous consent purposes only, until after disposition of the business of the day.

PERSONAL EXPLANATION

Mr. MAHON. Mr. Speaker, I was present in the House during most of the debate on the conference report just defeated. I was called from the floor just prior to the vote and misjudged my timing and missed the vote by a margin of about 1 minute. Had I been present to vote I would have voted for the conference report.

RE-REFERRAL OF H.R. 6411 TO THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JONES of Alabama. Mr. Speaker, I request unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of H.R. 6411—a bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments—and that the bill be re-referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

NINETEENTH ANNUAL REPORT ON THE TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–123)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit herewith to the Congress the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program. This report covers calendar year 1974.

The world economy in 1974 was characterized by deepening stresses and strains caused by persistent inflation, a downturn in economic activity, structural dislocations in the wake of the oil crises, high rates of unemployment, and widespread uncertainty as to the future. In such circumstances, most governments faced strong pressures to adopt unilateral restrictions on imports, to promote their export earnings and to secure access to essential supplies.

Fortunately, most governments have not forgotten the costly lessons of the nationalistic, go-it-alone policies and ensuing trade wars of the 1930s. With economic wisdom and political courage, the world's industrialized countries have in large part held the line against the proponents of short-sighted solutions involving unilateral measures restricting and distorting trade and competitive currency devaluations. Moreover, recognizing the need for positive, cooperative approaches, most of the world's trading nations joined in technical preparatory work for far-reaching multilateral negotiations to reduce trade barriers, as had been agreed to by over 100 countries in September, 1973. By the end of 1974, this preparatory groundwork was largely completed.

Passage of the Trade Act of 1974 last December opened the way for the multilateral trade talks to move into the negotiating stage in February, 1975. Countries accounting for most of the world's trade are participating in negotiations which will include all types of tariff and nontariff barriers that affect agricultural as well as industrial trade. Both developed and developing countries expect major benefits from the results.

When these negotiations were launched in 1973 at a ministerial-level meeting in Tokyo, the objective was to achieve the "expansion and even greater liberalization of world trade and improvement in the standard of living and welfare of the people of the world." This commitment has been reaffirmed in recent meetings of the Trade Negotiations Committee in Geneva. The spirit of cooperation offers hope for broad and significant results.

The mandate given the President in the new trade legislation will enable the United States to play a leading role in these multilateral negotiations. Our position will be strengthened, moreover, by the close working arrangements which have been established between the Executive Branch and the Congress. Under these arrangements, representatives of the Congress have an important voice in U.S. policies and are participating fully in the negotiating sessions.

U.S. negotiators will also have the benefit of far more extensive advice from the public sector than in the past. Public hearings by the International Trade Commission are in progress. Hearings by the Executive Branch will open soon. Advisory committees, made up of a cross-section of the public interest and agriculture, industry, labor and consumer groups involved, will provide input for the U.S. negotiating effort at both the policy and technical levels.

The Trade Act, like the earlier Declaration of Tokyo, recognizes the importance of providing fair and reasonable market access to products exported by developing countries. As one step toward this objective, the Act provides for the granting of temporary generalized tariff preferences to such countries. The mandatory procedural steps for establishing the preference system have been initiated. When the system is in operation later this year, it will offer substantial benefits to many developing countries.

I am hopeful that, as implementation moves forward, the Congress will provide the necessary authority to include other developing countries through waiver of those restrictions of the Trade Act that are incompatible with our national interest and to which a number of countries have voiced strong objections.

At the same time, in signing the Trade Act on January 3, 1975, I expressed reservations about the wisdom of one of its provisions relating to restrictions on trade with the Soviet Union which led the U.S.S.R. to repudiate its 1972 trade agreement with the United States. This action by the Soviet Union constitutes an unfortunate setback to normalization of our economic relations with that country. In a spirit of cooperation with the Congress, I am hopeful that a solution to this problem can be found.

In light of the serious economic problems in the United States and elsewhere in the world today, efforts to preserve and build upon past gains in the trade field are now more urgent and imperative than ever. A more open, fair, and nondiscriminatory system, providing access to both markets and supplies, can give a vital stimulus to economic recovery, increased employment, and sound growth both in the United States and in the world economy. Congress has provided the mandate for the United States to move forward toward these objectives in cooperation with other nations. It is my intention to carry out this mandate fully and expeditiously, in the interests of the health of the American economy and the strengthening of harmonious and mutually beneficial economic relations among all countries of the world.

GERALD R. FORD.

THE WHITE HOUSE, *May 1, 1975.*

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. ADAMS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution House Concurrent Resolution 218, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had completed the reading of the concurrent resolution.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. O'NEILL:

Strike out all after the resolving clause and insert in lieu thereof the following:

"That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

"(1) the recommended level of Federal revenues is $295,181,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

"(2) the appropriate level of total new budget authority is $395,938,000,000;

"(3) the appropriate level of total budget outlays is $368,213,000,000;

"(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $73,032,000,000; and

"(5) the appropriate level of the public debt is $622,900,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $91,900,000,000."

Mr. O'NEILL. Mr. Chairman, all of us owe our gratitude and admiration to BROCK ADAMS. As the new chairman of a new committee, engaged in a new process, BROCK has led wisely, breathing life into the Budget Control and Impoundment Act in a way that will allow Congress to stand as a full and equal partner in the formulation of the Federal budget.

Only on one significant issue do I find myself in disagreement with the Budget Committee's resolution. The President wanted to impose a 5-percent cap on all programs tied to the cost of living. The Budget Committee placed a 7-percent cap on retirement benefit increases and accepted the President's proposed cap on Federal pay. It disapproved the other caps proposed by the President.

My amendment would remove all caps on retirement and Federal pay increases. Should it be adopted, this body would be expressing its approval for a budget that allows retirement benefits, including social security, and Federal pay to rise in line with increases in the cost of living. This is how the law now reads. Should this body disapprove my amendment, it would be mandating a change in present law that would say, we do not think that social security recipients or Federal employees are entitled to increases in benefits or pay that would allow them to maintain a set standard of living in the face of inflation. We would be mandating a change in the law under which social security recipients and Federal employees have come to expect and plan as if their standard of living will not be eroded by inflation.

Obviously, what prompted the Budget Committee to vote these caps was the increasing concern about growing Federal expenditures and deficits that cannot easily be brought under control. Given the current economic situation, these fears are not totally well founded. We now need to run a deficit that will set us on the road to recovery. And when the economy is operating closer to its capacity, the Federal Government will be taking in much more tax revenue. The deficit will be small.

In any case, my amendment does not direct itself to whether we need a deficit larger or smaller than that proposed by the Budget Committee. My amendment has a basically neutral marco-economic affect. It would require $2.763 billion in additional outlays, that is expenditures this year, to pay the cost of lifting all the caps. But my amendment recoups slightly more than this amount by updating outlay estimates to reflect developments since the Budget Committee reported its resolution, and by plowing back the tax revenue that would be generated by lifting the caps.

Mr. Chairman, the issue raised by my amendment is what priority do we give retirement programs and Federal pay. I think they should be assigned a high priority. I think most of my colleagues agree with me. I urge them to join with me in support for this amendment.

I include the following:

Outlays equal actual expenditures in this fiscal year).

Cost of removing the caps: $2.673 billion in outlays (money actually to be spent in the fiscal year).

Ways in which the $2.6 billion is recouped:

$250 million—Overlap between the housing tax credit and a section of the Housing Bill, both designed to reduce the overhang of unsold new housing.

$500 million—Included for the Home-Heating Efficiency Act which Banking says it will not pass.

$600 million—Highway spending to reflect the reality that with the President's release of funds previously withheld it is simply unrealistic to expect more than $6.3 billion in outlays.

$500 million—Given the real possibility of a veto, and the normal lapses, $500 million less than the Committee predicted will actually be spent on Accelerated Public Works this year.

$800 million—Southeast Asia Military Assistance. Assuming we approve only $165 million in humanitarian aid.

$100 million—In revenue to be generated by Elk Hills.

$181 million—Tax revenue from the lifting of the caps.

Expenditures in this fiscal year (equal outlays) increase $2,673 billion.

Expenditures decrease and revenue increases for total $2.931 billion.

Deficit decreases by the difference of $168 million.

AMENDMENT OFFERED BY MR. LATTA AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. LATTA. Mr. Chairman, I offer an amendment as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. LATTA as a substitute for the amendment in the nature of a substitute offered by Mr. O'NEILL: Strike out all after the resolving clause in House Concurrent Resolution 218 and insert in lieu thereof the following:

"That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

"(1) the recommended level of Federal revenues is $296,400,000,000;

"(2) the appropriate level of total new budget authority is $371,900,000,000;

"(3) the appropriate level of total budget outlays is $350,500,000,000;

"(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $54,100,000,000; and

"(5) the appropriate level of the public debt is $603,400,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $72,400,000,000."

Mr. LATTA. Mr. Chairman, let me say that my amendment differs considerably from the one just offered by the majority leader. The amendment of the gentleman from Massachusetts would increase outlays by $2,763 million in the area of Federal salaries and retirement. My amendment would reduce outlays. As a matter of fact, it would reduce the proposed deficit to $54.1 billion.

I think this is a significant amendment. How do we get it? I think this differs considerably from what the gentleman from Massachusetts has proposed.

My amendment would make various changes in the budget aggregate figures contained in House Concurrent Resolution 218. Perhaps of most significance, it would reduce the proposed deficit from $73.2 billion to $54.1 billion.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. ASHLEY. Did I understand the gentleman to say it was his impression that the substitute amendment of the gentleman from Massachusetts (Mr. O'NEILL) increased outlays by $2 billion?

Mr. LATTA. That is from the gentleman's own statement.

Mr. ASHLEY. I think the statement of the gentleman from Massachusetts was that after recapture from other functional categories that the outlays would be $368,213 million, actually less than the $368,200 million as proposed in the resolution.

Mr. LATTA. Let me say in answer to the gentleman, the gentleman has apparently some different figures than I have. The figures circulated, I have an item that says, "Summary of O'Neill amendment to House Concurrent Resolution 218" and it proposes the various items and then it says that the amendment would remove the entire cap on Federal pay, retirement, and welfare benefits—which appears to be in error—increasing the outlay by $2,763 million.

Mr. ASHLEY. I think there is a mistake in that document. We will address ourselves to that in due course.

Mr. LATTA. I might say, since the gentleman has brought it up, if the item I have read in the summary is incorrect, the Budget Committee did not have a 7-percent cap on welfare benefits, as the gentleman from Massachusetts has indicated.

In my amendment we would eliminate excessive badly planned and potentially wasteful public works spending that could aggravate inflation and recession rather than help overcome those problems. It proposes that Federal employees, including Defense Department personnel, lead the way in returning fiscal responsibility to the Government and a lowering of the rate of inflation in America by foregoing any increases in salaries in the fiscal year 1976. This to me is absolutely proper, since these employees do benefit from having recession-proof job security generally not possessed by other individuals. They do not have to be concerned about their jobs tomorrow or next week or the week following or whether their paychecks are going to be there or whether their employer is making any money or losing any money. They have real job security and their retirement benefits are the best in the Nation. My amendment would cut back on unbudgeted items, reduce wasteful spending programs and stretch out programs that can be done without harm. It would allow the tax reduction act to expire at the end of this calendar year 1975.

The amendment attempts to bring about the type of decisionmaking that we must encourage in this Congress, and accomplish, if the new budget procedure is to be effective. So, under my amendment, the following target figures would be included:

Revenues, $296.4 billion; budget authority, $371.9 billion; outlays, $350.5 billion; deficit, $54.1 billion—and I do not even like that figure; public debt would be $603.4 billion.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 5 additional minutes.)

Mr. LATTA. Following are the various areas where reductions and cuts would be made and are reflected in the new target figures:

Community and regional development: Budget authority would be reduced by $5.6 billion, and outlays by $3.5 billion. Most of this would be in a proposed new emergency public works program that is not budgeted, and it would also affect several proposed increases over the budget for community grants, community action and planning programs. Public works programs are expensive and ill suited as programs to stimulate the economy in fiscal year 1976. These unbudgeted funds should be removed from this resolution.

Education, manpower, and social services: Here reductions would be made amounting to $4.9 billion budget authority and $3.5 billion in outlays. This represents proposed funding over the budget, with adjustments for rejection of proposed rescissions, for certain additional educational programs and large amounts not contemplated in the budget for public service and public works jobs and training programs. Here, too, the proposed spending for stimulative purposes is clearly excessive and is not appropriate as the means to combat recession in fiscal year 1976.

In the area of health—and everybody is for good health—reductions could be made here which amount to $2 billion in budget authority, $0.92 billion in outlays. This reflects acceptance of the President's proposal to reduce expenditures by requiring States to pay a larger proportion of the share of medicaid costs, which would result in a reduction in outlays, and various other reductions that represent unbudgeted items.

Natural resources: Reductions in this area would be to remove from the resolution $1.8 billion in budget authority and $1.5 billion in outlays that are associated with a variety of unbudgeted items pertaining to public works, parks, land use planning, conservation, and research. I emphasize unbudgeted items. Attractive as some of these may seem, this is not the time to add increased spending in these areas when we are facing massive deficits.

General science, space, and technology: Outlays in this category would be reduced by $200 million, which would be intended to stretch out space activities. This would reduce the outlay total somewhat below the budget, but that appears appropriate at this time because of the mounting spending deficit. I might say that this is an area that bewilders me. Even the budget is too high, and neither the House nor the Senate made any attempt to reduce it. Certainly, we can take $200 million out of this program without even blinking an eye.

Commerce and transportation: Reductions would be $4 billion in budget authority and $4 billion in outlay. A significant portion of the cuts would be to remove funds for unbudgeted Federal aid highway programs, which it appears cannot be effectively utilized; unbudgeted housing proposals and D.C. Metro System. Also included would be an unbudgeted $720 million payment to the Postal Service. And it is about time they got on a paying basis. That is the reason they came up with the Postal Service in the first place.

Such costs should be assumed by those who use the Postal Service and for whom the payment would be made, second- and third-class users.

In the area of veterans, budget authority and outlays would each be reduced by $400 million. This would keep compensation and pensions in line with the 7-percent cap on retirement and take out new program initiatives that are over the budget.

Income security: Budget authority would be reduced by $0.7 billion and outlays by $1.3 billion. This would reflect elimination of the monthly retirement test which favors high-income retirees, adoption of a standard deduction for work expenses in the food stamp program to increase efficiency, improve the social security minimum benefit law which was intended originally as an administrative convenience but has been turned into a welfare device, and improve the management of the program of aid to families with dependent children.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 3 additional minutes.)

Mr. LATTA. In the area of defense, there would be some net additions badly needed in both budget authority and outlays over the amount embraced by the resolution. These represent a cutting back on reductions proposed in the resolution for several purposes, including reductions associated with funds available for transfer from prior years and nonreplacement of equipment that is sold, reductions in the defense stock funds cash balances, reductions in war reserves and inventory replenishment funds, and reduction adjustments made for inflation and for program growth.

These increases, which would amount to $5 billion in budget authority and $3 billion in outlays, would be offset by reductions of $1.2 billion in budget authority and $1.2 billion in outlays which represent holding DOD civilian pay and military pay at its present level. In these days of financial stress and huge Federal deficits, it seems appropriate to hold the line on Federal salaries. There are instances in the private sector—and, I might say, in our area of northwestern Ohio—I understand, where labor and management have voluntarily agreed to maintain wages at present levels. I think they are setting a proper course for America to follow, or year after year we are going to have increase after increase and there will be no end to inflation. I believe this example should be followed by the Federal Government.

The net addition in budget authority would therefore be $3.8 billion and $.1 billion in outlays.

Before I leave defense, just let me say that I have here a rather colored page from the Washington Star-News of Wednesday, May 15, 1974. Yesterday I alluded to the differences between the Soviet defense posture and the United States defense posture as of today. The article I have in my hand is an article written by former Admiral Zumwalt as he left his command. I just want to read a couple of paragraphs. They scared me. They called it to my attention, and I think the Members ought to know about it:

> Admiral Elmo R. Zumwalt, Jr., Chief of Naval Operations, says he is convinced that the United States has lost to the Soviet Union its ability to control the world's sea lanes.
>
> The Admiral offered that assessment in an interview as he prepared to step down as the naval chief.
>
> The Soviet Union's "capability to deny us the sea lanes, which is their job, is greater than our capability to keep the sea lanes open, which is our job," he said.
>
> Nor does Zumwalt believe the naval imbalance is likely to be reversed over the next five years.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 2 additional minutes.)

Mr. LATTA. Mr. Chairman, I read further:

> For Zumwalt, his concession that the Soviet Union has achieved potential control over the sea lanes in a crisis is somewhat a self-fulfilling prophecy and one that may be designed to influence both the Navy and the Congress when he retires.

Let me just mention what he mentions here, because of a limitation in time on the budgetary restrictions. I read further:

> At a cost of billions of dollars, he also set about rebuilding an aging fleet around classical concepts of sea power and novel concepts of ships that are still not completely accepted by a postwar generation of admirals who equate supercarriers with naval supremacy.

Now, get this:

> Forced to make a budgetary choice between maintaining the fleet and modernizing it, he cut the fleet by 47 percent, from 976 ships to 508, a numerical low. Even if that led to temporary naval inferiority, he maintains that it was "a very great risk" he had to take to modernize the fleet."

Let me say that those items describe money. I think that they ought to start this Congress to thinking that when we are searching for areas from which to take funds, we should look some place else in addition to the Defense Establishment of this country because we do not know when we may have to call on them again.

In conclusion, Mr. Chairman, let me say this on allowances: In this category budget authority would be reduced by $575 million and outlays by $550 million to reflect savings that would result by retaining salaries for all other civilian employees also at the present levels.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. LEGGETT. I would just like to observe, with respect to the commentary of the gentleman, that everybody talks about the dwindling American fleet from 900 plus ships we had some years ago to below 500. If one asks Admiral Moorer, Admiral Zumwalt, or Admiral Holloway, he will find that there is no program whatsoever in the U.S. Navy today to build up over 500 ships, over the next 5 years. Of course, the corollary of that is that while they say that the Soviet Union has the power to interdict the U.S. power to control the seas, there is no statement whatsoever that the Soviets have the power to control the seas. A Soviet interdiction power in no way compares to an American capability to control the sea lanes.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not take this time to comment on the amendments either pending or prospective, but upon what I think is one of the most necessary actions that this House can take during this session, and that is to pass a concurrent budget resolution and to do it in time.

I do not believe that any act, with the possible exception of the War Powers Act, does more to strengthen the American people's confidence in the Congress as an equal partner in the Government of the United States, with the Executive, than the passage of the first Budget Control Act to come before the Congress in a long time, certainly the first important one.

This is a historic moment. Amendments may come and amendments may go, and we will not achieve full consensus in these areas, but we should all strongly support the proposition that we must have a congressional budget. We should not let the President and his Office of Budget and Management carry out this function without the participation of the elected representatives of the people.

Mr. Chairman, I must congratulate the distinguished gentleman from Washington (Mr. ADAMS), in whose ability and dedication I have great confidence. I believe that his performance and that of his committee, in bringing this resolution to us today, after months of hard, complex work, marks his leadership in this House as second to none in the legislative field. I know the House appreciates the efforts of the chairman and his committee.

I would like to say again that this first budget resolution for fiscal 1976 is an historic moment and a great opportunity for the House. This year's resolution was meant to be a trial-run. In this first use of the budgetary procedures, the committee did not yet have the full resources of a Congressional Budget Office and its preparatory work. Instead, they had to begin with the President's budget and modify it in response to the apparent intentions of the legislative committee and the House.

The Budget Control Act we are now implementing has been far more comprehensively and carefully fashioned than the limited experiment which was tried and failed in the 1940's. Its procedures represent the product of lengthy and serious deliberations over the past 2 years. As we move to utilize these procedures fully, and gain more experience with them, we may find that modifications are necessary and desirable. But until we have passed this resolution and fully tested our ability to use these procedures as a means toward responsibly exercising our power of the purse, we will not know whether such modifications are needed. It is, therefore, imperative that this resolution, however modified, be approved by the House.

In the dire economic situation this Nation now suffers, there is a special need to act in a responsible fashion. The state of the economy is by far the most urgent problem facing the Nation and the Congress today, and I believe that the majority of the people in this country are looking to us in the Congress to find a way out of recession and back into a stable pattern of economic growth. This is our opportunity to assess needs and find the resources necessary to meet them. It is an opportunity at the same time to set priorities and trade off our lesser wants for our greater needs.

But, Mr. Chairman, it seems to me that in order to put the stamp of approval of the 94th Congress on this act, it is necessary that we send a resolution to the Senate today, or as soon as we reach a final vote on this particular resolution, or some modification of it, whatever the consensus of the House may be.

I am not attempting to make a brief for any particular provision or position. Nevertheless I must assert, as the elected leader of the House, on behalf of this House and the future of the Nation, that it is essential that we pass a budget resolution, and that we finish our procedures within the time contemplated in the act itself. For only by supporting a budget resolution can we continue development of the vitally important overall budgetary process in this Congress. Only by supporting a budget resolution can we reestablish and, in fact, put on the tracks again the principle that the Congress will be a responsible partner, exercising its own judgment, as elected representatives of the people, in carrying forward the economic affairs of the Nation.

In a year in which our country is in dire economic circumstances, we must follow the path directed by our Constitution and exercise our powers in the most judicious and effective manner. Our national budget, and the budget resolution we are considering today, are expressions of our mandate to carry out our constitutionally granted power of the purse.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the distinguished chairman of the committee.

Mr. ADAMS. Mr. Chairman, I want to express my deep appreciation to our

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Speaker for the comments the gentleman has made on this concurrent resolution and for his comments about the committee.

I also wish to state very strongly that it is my feeling, as our Speaker has so appropriately stated, that this is a very historic moment for this House, as an institution, to reestablish its power over the purse strings.

I agree completely with what the Speaker has said, and I too hope that we will pass the resolution at this time that is before us.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank our distinguished Speaker for yielding to me. I would like to say that I agree completely with the statement he has made that we have to pass a resolution if we are ever going to get the House in order.

I might also say that the other body, the Senate, has just passed their resolution by a vote 69 to 22. I do not like to see the other body beat us on this, but they have, and they have set the way. So I think it is up to the House to do its duty.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was heartened by the words of our Speaker. I concur in his commendatory remarks about the gentleman from Washington (Mr. ADAMS), the chairman of the Committee on the Budget. I applaud the Committee on the Budget for the efforts which Members have taken, under severe handicaps, shortage of time, and other factors, to bring out this budget resolution.

I realize that it is controversial; that it is not a perfect document; but it represents a monumental step forward in my judgment.

Why does it represent a monumental step forward? Because it places a vehicle at our command by which we can consider in total, the revenue picture, and the expenditure picture of the Government, something that has not been done heretofore, by the whole Congress.

I must say also that I have been encouraged that many of those who have not taken a major part in the discussion of fiscal matters on some occasions in the past are expressing themselves very firmly and unequivocally upon this issue of doing something to prevent the fiscal collapse of this country. And we are threatened with fiscal collapse—there is no doubt about that—unless we can rectify the situation.

This budget resolution is one part of the new budget control legislation. In addition the legislation provides for more timely authorizations, which the country needs—the communities, the cities, the schools. That is a major step forward. It closes the door on backdoor spending. That is certainly a major step forward, and I applaud it.

It would say to my colleagues that I have prepared some remarks in considerable detail in regard to the problem before us, and I shall place those remarks in the RECORD, when I receive permission to do so.

I do not wish to take the time of the House further at the moment, but I must emphasize that it is urgent that we act affirmatively today or in the near future and give ourselves a chance to make this thing work. It will not work without the will to make it work, and we cannot accomplish the will, of course, by a mere legislative enactment.

I have a more formal and detailed statement which I would like to include in the RECORD at this point under permission granted to revise and extend my remarks.

Mr. Chairman, the resolution before us represents an extraordinary congressional effort to bring greater control to the Federal budget process.

The resolution has precipitated controversy and has generated opposition from a number of directions. Many Members seem to feel that the overall totals for Federal spending are too high while some feel that they are too low. Others disagree with the priorities contained in the report to the resolution.

As one Member of Congress, I am distressed with the borrowing requirements it endorses without a clear picture of how a better balance is to be achieved and revenues and expenditures brought into line. In my judgment, we are embarking on a dangerous course.

AN IMPROVED BUDGET PROCESS

That there is controversy and opposition to the resolution is healthy. The machinery of the new budget control legislation was designed to provide the discipline of relating revenues to expenditures and establishing an appropriate debt level in a comprehensive, deliberate and conscious manner. It is not an easy task. It is a bitter pill to swallow.

It should be obvious that the past manner in which Congress has made decisions impacting on the budget has not worked adequately. The process, through a variety of abuses and undisciplined practices has become fragmented and unwieldly. While the new budget control legislation is not perfect, it includes three basic principles which, in my opinion, are essential.

First, it provides a vehicle to establish revenue totals and expenditure totals—a central proposition to any budget. Heretofore, there was no such device. This is what the resolution before us today provides.

Second, it provides for the timely enactment of authorization and appropriation bills. This has not been done in recent years, and the management and effectiveness of Federal programs have suffered.

Third, the budget control legislation takes a giant step forward by closing the backdoor of the Treasury. The fragmentation of spending decisions has seriously undermined the appropriations process and has deprived the Congress of the ability to keep the budget and an array of attractive sounding legislative proposals in proper perspective.

The new budget control legislation has other desirable features and we have the solemn responsibility to do everything within our power to make it work. I am dedicated to that objective and wish to commend the members of the Budget Committee in their efforts to focus attention on our fiscal problems. Some real progress has been made in specific areas and I am encouraged to believe that more will be forthcoming.

For the first time in modern congressional history the Congress is developing a coordinated set of Federal expenditures and revenue targets that it considers economically desirable for the Nation.

Whether or not this action results in an improved situation will depend on the actions that follow this resolution. If Congress has the will to provide adequate revenues and control spending, it can. But if it does not, then all the budget resolutions in the world will not get the job done.

BUDGET TARGETS

As has been pointed out, the resolution proposes revenues of $295 billion, budget authority of $395.6 billion, outlays of $368.2 billion, a deficit of $73.2 billion, and an increase in the public debt to $624 billion. This is an actual increase in the public debt of $93 billion over the current debt limit of $531 billion provided for fiscal year 1975. It is $108 billion more than the debt reflected in the daily statement of the Treasury received this morning.

I would emphasize that while the deficit is projected to increase $73 billion, the actual increase in the public debt will be much higher—at least $93 billion. And it is this figure that affects the economy and that of course must be repaid with interest.

This is a staggering figure and is the largest 1-year increase in the public debt in U.S. history.

While I plan to make some observations about specific parts of the report later, I believe that the important part of this resolution concerns the amount of deficit and the increase in the debt.

CENTRAL QUESTION

The central question that must be resolved is whether a debt increase of $93 billion is necessary for fiscal year 1976 and whether or not such a debt increase will in the long run heighten our economic problems by increasing interest rates, raising inflation, and ultimately causing even greater unemployment.

The report that the Budget Committee has submitted states, and I quote:

> Prevailing evidence indicates [that the $73 billion deficit and $93 billion increase in the public debt] can be safely financed without a harmful effect on private and State and municipal credit demands.

The report goes on to state in an even stronger way that—

> The Committee is also convinced that the budget deficit is caused by serious problems in the Nation's economy which would only be aggravated by a smaller deficit in this fiscal year.

Many well known, sophisticated economists agree that such a deficit is necessary and can be financed without causing undue stress in the financial market.

The scenario that these economists sketch is about as follows: Large deficit spending will stimulate the economy; unemployment will drop; and tax revenues will increase so that in future years the huge deficits will disappear. It is further argued that while all this happens, private credit needs will remain low until the time comes when deficit spending greatly diminishes. It is said that during this period the Federal Reserve will substantially increase the supply of money, so the high level of debt and the low low level of private borrowing can be financed. None of this will cause any additional inflation or increase in interest rates, it is alleged.

Hopefully, these optimistic events could occur and our economic problems vanish.

But I think we as Members must realize that the recommendations of the Budget Committee are those of traditional economic theory that may not consider some of the basic changes that have taken place in our economy. No longer can the United States base its economic productivity on cheap energy. This causes profound change in the whole structure of industry. The costs of housing and transportation are quickly rising above the financial ability of many. Food consumes a larger share of each paycheck. Health care costs are skyrocketing.

Because of these events, basic changes in consumption and demand are occurring that significantly affect our economic structure.

Additionally, there are alternative theories that would suggest other aproaches to the Nations economic problems. It could be said that the Budget Committee resolution more or less presents business as usual.

But what could it have done in light of the new procedures with which there is no experience? Certainly it could not have survived the political consequences of proposing a resolution that drastically trims Federal spending in this initial effort. The committee was more or less forced to add up all existing Federal programs and continue their expansion into more and more of the everyday life of each American citizen. Hopefully, this does not necessarily set a pattern for the future.

Additionally, the economic situation requires billions and billions of dollars of expenditures for unemployment, food stamps, and the numerous other Federal programs that compensate the individual citizen when he faces economic difficulty.

Earlier I pointed out the optimistic scenario painted by the Budget Committee report. This is somewhat confusing when 16 of the 26 members of the committee have filed separate views to the report, which include reservations about such a deficit and debt increase.

THE PESSIMISTIC SCENARIO

There is another scenario—a very pessimistic one—that has been painted by some that would result from a $93 billion increase in the public debt. It is as follows:

This high level of deficit spending will begin to stimulate the economy. As economic recovery begins, private demand for credit will expand. It is suggested that Government borrowing will have preempted the private market, and as a result, interest rates will increase, making further recovery more difficult. Economic recovery will be very slow, and substantial levels of unemployment will continue which will result in continued high deficits beyond fiscal year 1976. This scenario projects that high-interest rates will persist and inflation will also start on a new round of increases, further adding to unemployment, large Government deficits, and great social and economic upheaval. It is predicted then that the Congress will respond by more deficit spending which it has been alleged is the only way it knows to try to solve economic problems, and our economic difficulty will only increase. Cries for greater Government control of the economy will arise, and measures will be passed which further stifle private enterprise and economic productivity, particularly increased Federal economic planning, similar in many ways to what is already occurring in Great Britain.

On Tuesday, an editorial appeared in the Wall Street Journal entitled "Good-bye, Great Britain." The editorial would no doubt be considered quite harsh, but it is provocative and worth thoughtful reading. Yesterday, during the general debate on the bill, this editorial was discussed, but I thought it was so pertinent that I would mention it again today:

> "Steady as She Sinks," proclaims the April 25 cover story of the Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of the Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.
>
> Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns of from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.
>
> The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.
>
> Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

This editorial paints a rather grim picture, but a painful examination of our current situation convinces me that such a future is entirely possible unless this Nation begins to apply a greater measure of fiscal discipline.

SPECIFIC CONCERNS ABOUT THE BUDGET COMMITTEE RESOLUTION

The Budget Committee has worked extremely hard in a short period of time to develop this resolution and report. There are some specific concerns I have, however, about certain parts of the report and its overall thrust.

UNDERSTATED DEFICIT?

The $73 billion deficit may be understated by several billions of dollars.

Little allowance is made by the Budget Committee for legislative contingencies. In a report that covers the entire Federal budget it is entirely likely that final action by the Congress will not be exactly as recommended by the Budget Committee. Further, the committee report itself shows that the other committees of the House had recommended over $30 billion in spending that the Budget Committee did not include.

Actions are already taking place that exceed the Budget Committee's resolution such as the 8-percent increase in social security benefits, the work of congressional committees to provide health coverage for the unemployment, the NASA authorization bill and certain other congressional action. Such measures and others in the wings could add several billion dollars to the deficit.

Additionally, the Budget Committee reports that the increase in interest would be $581 million; yet the public debt on which interest must be paid increases by $27.6 billion. Interest on the debt is very often understated in the budget by large amounts.

ECONOMIC ASSUMPTIONS ALWAYS UNCERTAIN

The Budget Committee report makes a number of economic assumptions that are vital in arriving at its revenue and outlay figures. These include projections that unemployment will drop to 7.4 percent by the end of 1976 and that inflation will slow to 6.5 percent. Additionally, GNP in current dollars will grow to $1,685 billion and personal income to $1,389 billion.

Whether or not these projections will actually occur is, of course, uncertain at this time. If the assumptions are not correct, and they may not be, then major changes will occur in the deficit and debt increases in the resolution.

THE PROPER ROLE OF THE BUDGET RESOLUTION

The new budget control legislation vested in the Budget Committees of the House and Senate the authority to present concurrent resolutions establishing aggregate budget totals including revenues, outlays; new budget authority, surplus or deficit, and debt. The legislation also provides for the inclusion of estimates for each major functional category, a feature which is addressed in the report this year and which will be incorporated in the resolution next year. The drafters of the legislation recognized the need of the Congress to focus on macroeconomic considerations and to come forward with a plan to provide overall direction. It was also recognized that to be successful, the existing committee structure—the backbone of the Congress—must be utilized. While consideration must be given by the Budget Committees to broad functional categories, it was apparent that it would be impractical, indeed impossible, to undertake to delve into the details of specific programs. This was a responsibility carefully left to the committees of jurisdiction. If the new budget machinery is to be successful, this concept must be strictly adhered to.

UMI

I am concerned that the Budget Committee has succumbed in a few instances to the temptation to deal with subjects in its report which are not directly related to its primary objectives, and which are being dealt with by other congressional committees. Examples of this are on page 34, of the report:

> The Committee on the Budget urges favorable congressional action on the pending budget request for 1975 supplemental funds to initiate the new program authorized by the National Health Planning and Resource Development Act (P.L. 93-641), including only transitional financing for programs whose existing authorization has expired. Further, the Committee urges that the 1975 supplemental funds remain available for obligation through 1976 to assure their proper utilization.

And on page 32 of the report, it is stated:

> The Committee is concerned that available funds are not being used by the executive branch to raise the public service jobs level as fast as possible in the remaining months of fiscal year 1975. The Committee's decision on the outlay estimate for fiscal year 1976 reflects its conclusion that an additional $927 million of funds available from the Emergency Employment Appropriations Bill of 1975 can be expended in fiscal year 1975 can be expended in fiscal year 1975 to achieve a 450,000 public service jobs level by the end of this fiscal year.

And further it is stated:

> The Committee intends that this funding include a fiscal year 1976 public service employment level of 450,000 to 465,000 jobs throughout the year, a 50% increase over that proposed by the President.

It is certainly appropriate for the committee to have an awareness of individual spending programs in order to arrive at its recommendations, but the recommendation should be consistent with the broad macro economic and aggregate totals concept of the budget control legislation. The act did not contemplate another voice for pet projects and separate advice on the details of administering individual programs.

THE DEFENSE FUNCTIONAL AREA

The Budget Committee stated the request in the fiscal year 1976 budget for budget authority for defense as one of $107.7 billion instead of $104 billion as reported in the budget submitted by the President. The Budget Committee recommended authority of $99.7 billion. The Budget Committee estimated requested outlays at $94 billion and recommended $89.7 billion. The Budget Committee report did not indicate outlay adjustments for each item, but it appears that the outlay reduction reported is too high. Probably the outlay impact of the reductions in the budget authority reported would be some $2.2 billion rather than $4.3 billion. Thus, the outlay savings associated with budget authority reductions may be overstated by some $2 billion.

The Budget Committee recommends reductions of $3.2 million in budget authority based on a number of items such as use of funds available from prior year accounts, sale of equipment not needing replacement to foreign governments, adjustment of stock fund cash balances, reduction in foreign military credit sales, and lower inflation rates than those contained in the President's budget.

The President's budget does provide for an inflation factor in the personnel and procurement appropriations of $1.5 billion but does not provide any inflation factor for the operation and maintenance and research and development appropriations. If the inflation factor is too high in the procurement and personnel areas. It is obviously too low in the operation and maintenance and research and development areas and would at least balance.

It is understood that the Budget Committee allocates $500 million of the proposed reduction to reduced cash in stock and industrial funds. The hearings indicate that because of reductions in funds in this area in recent years by the Congress, this much money is not available in excess of requirements for the operation of these funds.

It is understood that the Budget Committee projects a reduction of $1 billion to be accomplished by the use of funds available from prior year accounts and from sales of equipment which does not need replacement to foreign governments. The fiscal year 1976 budget program estimates that total foreign military sales which do not require replacement to be only $57.7 million which was reflected in the budget as submitted. With regard to recoupment of prior year account funds, the effects of inflation have absorbed funds which have been realized by the reduction or curtailment of programs. There are some free assets and recoupments which can be made but the $1 billion estimated appears to be substantially overstated.

The Budget Committee estimates a reduction of $1 billion in budget authority for support to South Vietnam forces. The present circumstances indicate that the entire budget estimate of $1.3 billion can be saved.

The Budget Committee indicates that a budget reduction in the amount of $1 billion can be accomplished by the deletion of funds requested for procurement of war reserve stocks. While it appears now that war reserve stocks for Asian allies can be deleted, other war reserve stocks can not. Total reductions might approximate $700 million, probably not $1 billion since $300 million requested in this area was related to inventory replenishment.

The Budget Committee postulates a reduction of $4 billion accomplished by denying all program growth in the defense budget. Congress could adopt such a policy, but it appears doubtful that it will do so.

FIVE YEAR PROJECTIONS

The Congressional Budget and Impoundment Control Act of 1974 provides that the report that accompanies the first concurrent resolution of each year shall include:

> projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget outlays, total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories.

Obviously, because of severe time restraints and the complexity of the matter, it was not possible to make these calculations this year. But it is virtually important that this be done and done in a thorough manner in future years. A real service can be performed in this area.

The consequences of our current actions will determine much of the deficit, debt and economic situation with which we will be confronted in future years.

Only by having the 5-year projections that are called for can the Congress make adequate decisions now.

DEVELOPMENT OF THE REVENUE SIDE OF THE FEDERAL BUDGET

One of the important features of the new budget control legislation is that it gives Congress the ability for the first time to relate expenditures and revenues in an overall comprehensive manner. It is vitally important that this be done. I feel, however, that greater attention has been devoted to the expenditure side of the budget while not dealing with and developing the revenue side as much as may be desirable. Certainly each is equally important and I simply feel more thought and development must be devoted to the difficult questions of revenue.

IMPLEMENTATION OF THE BUDGET CONTROL LEGISLATION

I want to add a word of caution on how the new budget control legislation is implemented by the Congress generally. I hope that we do not succumb to the proposition that armies of staff are required to make decisions for Members. Adequate and competent staff is indispensible but there is no substitute for Members doing their homework, making up their own minds, and enduring the agonies of arriving at final choices. Budget decisions have always been difficult. They always will be. There will never be enough public dollars to cover the costs of all desirable and inviting programs.

The Congress must afford itself the resources to meet its responsibilities, but numbers of staff should not be the yardstick of capability. There is no requirement, or necessity, to undertake to match staffs with the executive for instance. We must be careful not to spawn massive staffs and develop competing and conflicting objectives within the legislative branch. The Congress has the responsibility to provide legislative direction. We do not have the function of administering programs and we do not need or want mushrooming bureaucracies. We need quality and dedication, not numbers.

CONCLUSION

Mr. Chairman, even though there are many specific areas of concern that I have about this first resolution and report of the new Committee on the Budget, I believe that Congress vitally needs the new budget processes created by the congressional budget and control legislation of 1974.

I am sure that there will be continuing moments of disagreement as we proceed with this legislation but with a dedication of will to bring the budget under control, I am confident that this new legislation has the potential to enable the Congress to perform more adequately its duties.

AMENDMENTS OFFERED BY MR. LANDRUM

Mr. LANDRUM. Mr. Chairman, I offer a series of amendments.

The Clerk read as follows:

> Amendments offered by Mr. Landrum: Page 1, line 11, strike out "$395,600,000,000" and insert in lieu thereof "$367,486,000,000".
>
> Page 2 line 2, strike out "$368,200,000,000" and insert in lieu thereof "$361,012,000,000".
>
> Page 2, line 5, strike out "$73,200,000,000" and insert in lieu thereof "$66,048,000,000."
>
> Page 2, line 7, strike out "$624,000,000,000". and insert "$616, 86,000,000."
>
> Page 2, line 9, strike out "$93,000,000,000" and insert in lieu thereof "$85,486,000,000".

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ROUSSELOT. Is this an amendment to the substitute offered by the gentleman from Ohio (Mr. Latta)?

The CHAIRMAN (Mr. Bolling). The Chair understands that it is perfecting amendment to the original resolution.

Mr. ROUSSELOT. Is it in order, then, at this time?

The CHAIRMAN. It is, the Chair will state.

Mr. ROUSSELOT. Will my amendment to the substitute still be in order?

The CHAIRMAN. It will, at the appropriate time.

Mr. ROUSSELOT. I thank the Chairman.

I would like to announce that I do have an amendment.

Mr. LANDRUM. Mr. Chairman, I ask unanimous consent that my amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANDRUM. Mr. Chairman, briefly. these figures have been arrived at with this sort of thinking: The President's budget says that we must accept a $60 billion deficit. One school of thought, symbolized primarily by Mr. Meany, says that we can account for a $64 billion deficit because of unemployment, and that can be substantiated by statistics, making a $4 billion spread between $60 billion that the administration says it will support and $64 billion that we can account for by unemployment.

The other body has passed a resolution recommending about a $67 billion budget deficit, and yesterday I stated in my remarks that I would offer an amendment today carrying a 15-percent reduction of the deficit. Overnight and this morning new decisions have been made and new figures have been reached whereby instead of using 15 percent of the deficit, my amendment proposes to cut the deficit by 9.8 percent and proposes a 2-percent decrease in overall outlay.

What do we do to the various functions with that? Instead of $10.98 billion, to which I referred yesterday, we come up with a total budget reduction of $7.188 billion. We take this 9.8-percent reduction in the deficit and spread it pro rata through all of the functions except—get this—except income security.

We do not bother, with this amendment, income security. We leave that exactly where the committee fixed it. We leave it where the committee set it. If there are those who would want to change what the committee would do, I would assume it can be reached but I have not bothered it. I have left income security, I have left revenue sharing which we cannot change, I have left interest which we cannot change, and allowances and income distributing receipts all unchanged.

I have taken $981 million out of Defense and that can be accounted for in what would have gone to Vietnam and now will not be needed. It will not hurt modernization of the Defense Department and will not hurt personnel of the Defense Department. We have taken $10 million off international affairs and $91 million off the $4 billion budget in science and astronautics. There is no reason why they cannot find a way to take off $91 million. We have taken off commerce and transportation, for example, $1,763,000,000, moving on down to a total reduction of $7,188,000,000.

All this amendment asks Members to do is to say to their constituents at home: "I recognize that the country is in trouble. I recognize that we are fiscally strained. I recognize that a great deal of this needs to be corrected by additional Federal appropriations in various categories."

But rather than cutting entirely let me show the Members what my amendment does. The committee on the concurrent resolution increases national defense over 1975 by 5 percent. My amendment leaves the defense appropriation for 1976 over 1975 at 4 percent, only a bare 1-percent difference. In general science and space and technology we cut 8 percent. We cut 18 percent from natural resources. We originally took 16 percent from income security—I mean reduced it, but now we leave it exactly as the committee did.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent, Mr. Landrum was allowed to proceed for 5 additional minutes.)

Mr. LANDRUM. Mr. Chairman, the committee increased income security by 16 percent. This amendment does not disturb that. It leaves Social Security, all the food stamp allowances, and all other income security exactly as the committee determined. And that provides a 16-percent increase over what it had in 1975.

We have reduced the deficit from $73 billion to $66 billion in round figures. The administration says $60 billion. The other body says $67 billion. We say $66 billion. That puts us close enough to have a reasonable meeting of the minds and getting what the Speaker so justifiably seeks here, a concurrent resolution passed and get this milestone in legislative history established.

This amendment fixes the public debt, temporary debt ceiling at $85 billion instead of $93 billion. We reduce the outlays to $361 billion instead of $368 billion. We reduce the budget authority from $395 billion to $387 billion. And while these figures are, relatively speaking, small in comparison to the overall budget, this does provide the American taxpayer with an opportunity to say: "Well, they are trying."

They have a difficult job in a new field, in a most difficult time in our history, but they are trying. We will give the folks at home some encouragement. I believe that our constituents deserve this.

I would like very much personally to see a larger cut, but I recognize that there are those whose situations at home, whose philosophies vary somewhat from my own. I have tried to take into account a feeling and respect for that philosophy and for that need and for the need of the Nation.

As I said yesterday in general debate, this country is hard-pressed, but the reduction of $7 billion in this budget will not make any function of Government any more hard-pressed or as hard-pressed as any taxpayer in this country. I hope this amendment can be adopted.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield briefly for a question?

Mr. LANDRUM. Yes, if I have the time.

Mr. MITCHELL of Maryland. As the gentleman well knows, we in the Budget Committee have made attempts to hold down spending and at the same time attempt to stimulate the economy because of the economic circumstances the Nation faces.

What will be the impact of the gentleman's amendment on the stimulative features of the budget as it is proposed? What will it precisely do in terms of stimulating the economy? How much further reduction of stimulus is implied in the amendment of the gentleman?

Mr. LANDRUM. I would say to the gentleman in all candor and all the genuine frankness that I can present. I see no way whatever it can have any unfavorable impact on the rebuilding of jobs. Rather, I think it will have the other effect. I think it will encourage the employer back home to take into account that he is getting a few points in tax reduction. It will encourage him to say that the people in Washington are trying to keep our public expenses down and, therefore, we are willing to take hold of what credit we can get and expand our employment. If the gentleman says to me what number of public jobs will it take away, I do not see it taking away any public jobs, because frankly that is not the way this country is going to come out of this recession. It is not going to come out with a handout to carry out on a one-shot shopping tour to the grocery store. It has to come out when people reemploy and re-employ on this basis, that each time we put 1 percent of the unemployed back to work we generate $16 billion in revenue.

There is no reason why this cannot but help put confidence in people to put them back to work.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE AMENDMENT OFFERED BY MR. LATTA AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Rousselot to the amendment offered by Mr. Latta as a substitute for the amendment in the nature of a substitute offered by Mr. O'Neill: Strike out "$296,400,000,000" and insert in lieu thereof "$299,400,000,000;";
>
> Strike out "$371,900,000,000" and insert in lieu thereof "$300,000,000,000";
>
> Strike out "$350,500,000,000" and insert in lieu thereof "$299,400,000,000";
>
> Strike out "$54,100,000,000" and insert in lieu thereof "$0";
>
> Strike out $603,400,000,000" and insert in lieu thereof "$542,400,000,000";
>
> Strike out "$72.400,000,000" and insert in lieu thereof "$11,400,000,000";

Mr. LAGOMARSINO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

(By unanimous consent, Mr. Rousselot was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, this amendment is basically the balanced-budget concept which our Budget Control Act of 1974 anticipated. I believe this amendment more nearly conforms to the purpose stated in the Budget Control Act that we passed last year, and that is to bring the budget under control.

In making that statement, I am not being critical of the whole Budget Committee Act. I support it. I believe we need this goal setting procedure and that we are, in fact, setting targets for the future, that is, for fiscal year 1976, which begins in July of this year.

The committee in its report has said that we need a deficit of roughly $73 billion in order to stimulate the economy and improve employment. I wish to quote from the committee report because they say that this budget target that they are recommending in these five aggregates would reduce unemployment from 8.7 percent to approximately 7.4 percent. However, my colleagues, we are already almost at the level of the deficit financing for which the committee calls, in this fiscal year 1975.

If the Members will look at the deficit estimates that are now pretty much in place for fiscal year 1975, which ends in June, the chairman of our Committee on Appropriations says that it is going to be very close to $60 billion. Our President says it may well be over $60 billion if Congress keeps over-appropriating. That does not include the add-on appropriations that have been passed in the last several weeks.

Ladies and gentlemen, if deficit financing is going to lower unemployment, why has that not occurred under these current deficits? Improved employment did not occur in the period of 1933 to 1940. We had deficit financing under Mr. Roosevelt, and by the way, I am sure he is rolling over in his grave today in looking at the kind of deficit financing we are now projecting for fiscal year 1976.

Unemployment was not solved in that time frame of the 1930's until we got into a war. I am sure we do not want to go through another war to reduce unemployment.

In the current time frame of 1962 to 1970, we had lots of deficit financing. Was unemployment reduced that much? No. Now in the current time frame, this year, the chairman of the Budget Committee tells us that we must deal with the real world. Let us deal with the real world.

We have deficit financing right now at a $60 to $70 billion level, and has it reduced unemployment? No. Unemployment is at the highest level it has been in years, and deficit financing has not changed that figure.

What really solves the problem of unemployment? Most people, in this committee report, acknowledge that the private sector has to provide most of the real and permanent jobs. That is where jobs must come from—primarily the private sector. What does a massive add-on deficit of $73 billion do to the finances of this country?

The new proposed deficit takes it all out of the private market which normally provides the wherewithal to provide the jobs at all levels.

In the bankers' report that was submitted by the committee, they say, "Well, the bankers tell us that, yes, they can live with a $73 billion deficit, but they say that they reserve the right to decide when they will buy pieces of that debt."

And when you talk to the bankers, do they say they will buy just any piece of that huge deficit, the $73 billion debt? They say: "When the interest rates go up." Because they have to protect their portfolios and tear up Government debt instruments when they produce high interest.

So, what is this Congress doing with a $73 billion add-on deficit? You are drying up the housing market, the very market that the chairman of our Committee on Banking, Currency and Housing says we want to improve.

We do not help housing. We do not help manufacturing. We do not help jobs anywhere. We do not help permanent jobs by constantly forcing the Treasury in the money market to dry up all that money that can go to the expectation of real lasting jobs in our economy.

Mr. Chairman, my amendment I predict is a job-creating amendment because it does not force the Federal Treasury to be so massively in the marketplace, borrowing money, driving up the price of money by competing in the marketplace in an unwieldy manner.

The Treasury estimates that if the Congress pushes this $73 billion deficit that this will take 80 percent of the money from the money market just to finance it. And the Treasury will be participating very directly in driving up prices and interest rates and the Congress will not be able to blame it on the President, but it will have occurred by our direction. We will have accepted the principle of driving up the price of money in the marketplace, drying up housing, drying up the financing that goes to new tools that create new jobs.

I know that we debated this yesterday. My colleague, the gentleman from Washington (Mr. Adams), the chairman of our fine committee, in an answer to my question: What do the economic models show as to what the elimination of a $73 billion deficit and a balanced budget for fiscal year 1976 would produce in unemployment? He answered, 15 percent.

I have consulted last night and today with the managers of four economic models. All of them said that the maximum unemployment rate—the maximum—is about 1.5 percent. That assumes that you have to deal with some 250 equations in these econometric models, and that the output varies according to how the operators accept those combinations. They admit that every time they put these variables and equations through the computer to get some kind of a projection, that you have to alter even the final output of those 250 equations according to the "real world."

And every one of the model managers said that the initial maximum amount of unemployment—with the balanced budget concept that I am recommending to the Members in this amendment, could be as high as 10.5 percent. Only one said 10.5 percent.

So I consider the argument that it would be 15 percent unemployment, to be an unfair scare tactic. It will not be a 15-percent maximum, it would be 10 percent. It appears that the chance for 10.5 percent would be very slight. And I do not favor 10 percent unemployment. But I beg to differ with my colleagues on the Budget Committee who say the only way we can solve the unemployment situation is to run up a huge deficit and drain the private money market. History shows that when the Federal Government massively enters the money market, that heavy entry takes away from the ability of private enterprise to do the job which it will do if the Congress does not force the Treasury to compete so aggressively.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to the gentleman in just one moment.

Then when you ask the countries money managers: "Is it not true that when the Treasury is in the marketplace so aggressively and is not only competing for the $73 billion to finance this add-on debt, but also to refinance the present debt, does that not have a psychological impact on the general money market and discourage the private market from doing anything in the way of expansion? Won't that action put a real damper on reasonable expectation?"

And they responded that the principle was a correct one. We cannot put in the computer the psychological impact on the private market. That is not a computerized item. So I say to my colleagues "the real world" of massive deficits has not created jobs except in very, very short periods, and even then they are not permanent jobs. They are not long-range jobs; and they do not do the effective job that we claim we are trying to achieve of putting America back to a more stable, positive economy.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague, the gentleman from Washington.

Mr. ADAMS. I thank the gentleman for yielding.

The difference in the 12-percent unemployment rate and the 15-percent unemployment rate, between the two models that the gentleman has discussed——

Mr. ROUSSELOT. And I have consulted individuals with two of the same models the gentleman consulted.

Mr. ADAMS (continuing). Is as a result of the fact that when we took the gentleman's figures of a $68 billion cut in outlays, we were required to fire Government employees to make that, and when that was put through the economic model it resulted in a 15 percent unemployment rate rather than 12 percent, because we did not know what to do with those people.

Mr. ROUSSELOT. Let me respond to that. In any cuts that this Congress would make in responding to a $300 billion budget expenditure level, the gentleman is assuming that all cuts automatically cut Federal employment. That is not true.

Mr. ADAMS. There would be some.

Mr. ROUSSELOT. There might be some, but that is controlled by this Congress and administrative managers in the various agencies. Most agencies do not irresponsibly "riff" or cut Federal employees. Civil Service laws also give Federal employees more than adequate protection.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Rousselot was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. For instance, the gentleman, himself and his Budget Committee—cut the President's budget on defense by a substantial amount. Did that worry the gentleman about creating unemployment?

Mr. ADAMS. No.

Mr. ROUSSELOT. Well, I am sure he had to take potential Federal unemployment into account when he called for such a reduction in the defense aggregate budget. But what I am saying is that 60 percent of the defense budget is personnel. Nothing in my aggregate figure contemplates reduction in the defense function.

Mr. ADAMS. Correct.

Mr. ROUSSELOT. Part of the defense budget is weapons systems.

Mr. ADAMS. We took the cuts from the President's increases. We did not go below present levels. We gave a 6-percent increase to the Department of Defense so we did not have to fire anybody.

Mr. ROUSSELOT. I am going to do even better than the gentleman and his committee did. In my suggested functional breakdown figures, I am taking his defense budget of $89 billion, and I am increasing it by a billion, to $89 billion. So I want to assure the gentleman that I think that more of that money will go to true employment—the manufacture of weapons systems, the improvement of the military system and its personnel. There is a $1 billion increase in defense included in the cuts that I would suggest. I realize that this is only one person's opinion, but the real decision-making on 16 divisional functions goes to the whole Congress. We are setting five aggregates here, as the gentleman said yesterday. What I wanted to do was to answer what I consider to be the fallacious argument yesterday that my substitute would automatically result in 15 percent unemployment. No economic model which charts a $300 billion spending level for the Federal Government, contemplates in its end product a 15 percent unemployment figure. But a balanced budget does reduce the terrible overpresence of the Treasury in the marketplace to dry up all the private funding that normally goes to housing or other fields of employment. It would stop, in my judgment, the outflow of capital from savings and loan associations to the Treasury that normally would be used to build housing and to start it.

We all remember the many occasions when this country has experienced disintermediation as a result of the tremendous presence in the marketplace of the Federal Treasury. Therefore, I say to my colleague, the gentleman from Washington, that in the worst set of circumstances the economic models that he consulted—and, again, everybody can propose different inputs and all Members should understand that there are 250 equations, in some cases 300 equations in these economic models—speculative—that is the worst speculative situation there is a 10- to 10.5-percent unemployment maximum, and that assumes that no confidence is reinjected into the economy. When Congress finally makes a decision to balance the budget and slow down deficit financing.

I say the best message that this Congress can give to the whole world, to our Nation, and to our constituents is that we intend for once to live within our means. Even this Budget Committee has said that we cannot have massive deficit financing in 1977. Why do they say that? Because there is too much competition in the market place for the private sector to absorb.

So, Mr. Chairman, I believe that this amendment is a reasonable approach; it is a proper approach. It will not create massive unemployment on the basis of past and present history, and I urge my colleagues to support it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Guyer, and by unanimous consent, Mr. Rousselot was allowed to proceed for 2 additional minutes.)

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, I thank the gentleman for yielding.

I have just a couple of basic questions. First of all, the gentleman's proposal is not like the Bow amendment that would be cutting a certain amount across the board. Is that correct?

Mr. ROUSSELOT. It is similar to the Bow amendment but not exactly the same. My suggestions for cuts are selective but would require congressional oversight. Frankly, in discussing the functional areas where I personally would cut, I realize there are real differences and the whole Congress has to speak to that issue. In a dialog with the chairman of this committee yesterday, it was made clear that the resolution only relates to the five aggregate figures. I have tried to limit the discussion to what I thought was a reasonable level of $300 billion of spending by the Federal Government in 1976.

Mr. GUYER. I notice the gentleman actually has raised the budget in his defense estimates.

Mr. ROUSSELOT. The defense budget is $1 billion over the committee recommendation.

Mr. GUYER. Is it the gentleman's thesis that the department heads should do their own cutting and he would not tell them to cut personnel or numbers?

Mr. ROUSSELOT. Yes. I do not think we would have to reduce the personnel below what we have today. There may be cuts in those areas where we would probably not be spending for what I would consider to be proper Government expenditures that do not produce long-range constructive results.

Mr. GUYER. Under the figure of income security the gentleman has about a $14 billion reduction, if I read this properly.

Mr. ROUSSELOT. Yes, a $14 billion cut from the committee estimate.

Mr. GUYER. Yes. And the social security would be in that category?

Mr. ROUSSELOT. It is. I would not contemplate cutting social security or its reasonable increases. I am cutting welfare programs. Seventy of us have welfare bills in that would cut the cheaters out of welfare. By the way, Governor Brown of California, who is a Democrat, is now doing that even more aggressively than Governor Reagan did. I think we might apply this in our welfare section of income security. Seventy of us, both Democrats and Republicans, have sponsored welfare bills. I think all of this can be objectively supported. I would recommend $110 billion as a level of expenditure for income security and most of that would come out of welfare and food stamps.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. Latta, and by unanimous consent, Mr. Rousselot was allowed to proceed for 3 additional minutes.)

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding.

I, like the gentleman in the well, cherish his objective of a balanced budget and I would like to see it come to pass. I do not know whether we can do it this year, I am very doubtful about whether we can do it in fiscal year 1976.

Mr. ROUSSELOT. I appreciate what the gentleman says. Many people in this House believe we cannot do it. We are setting goals and targets and we can come back in the fall and change that if the projections are out of line. I believe we should say to the Nation for once that we intend to live within our anticipated revenues.

If we ask the money managers in this country: "Can you manage the Federal Government within our $300 billion cash flow now?" they would say they could, that it is really not that difficult. I think we should work within that kind of framework.

Mr. LATTA. Mr. Chairman, if the gentleman will yield further, the gentleman and others have talked about the report of the 13 bankers.

Mr. ROUSSELOT. Yes.

Mr. LATTA. I think we probably ought to key in a little closer on this because most of the economists and bankers consulted by the Budget Committee believe that a fiscal year 1976 budget deficit of around $70 billion will not have serious adverse effects on either inflation or on the Nation's financial markets. There is however considerable concern among these experts about the possibility that large deficits will continue into fiscal year 1977.

Mr. ROUSSELOT. That is correct.

Mr. LATTA. The bankers consulted by the Budget Committee were very clear on this point. I cannot improve on the words of the Budget Committee report in expressing this concern:

If the stimulus to current economic activity provided by the committee's budget recommendations revives lagging demand and production in 1976 as expected, this expansion will probably restimulate private demands for investment funds. Given that result, continued Federal borrowing at the fiscal year 1976 level could compete with revived private loan demand and drive interest rates beyond what many borrowers could afford. Under those circumstances, to avoid high interest rates would require a further expansion of the money supply in excess of productive capabilities. This excess supply of money could lead to higher rates of inflation if the strength of private demand again rises strongly.

Mr. ROUSSELOT. The gentleman who is the ranking Republican Member on the Budget Committee makes an excellent point. I mentioned my concern about this quote from the committee's report yesterday during general debate on this bill. Many Members in this discussion will say, "You are going to put us in the position of competing in the private marketplace for this money. When we buy these debt securities, we the banks are going to be driving up the prices of the interest rate in order to make it worthwhile in our portfolio."

So they are going to sit back until the Treasury moves the interest rate up.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman yielding and I apologize for the fact that we had the Secretary of Labor before our committee; but I wanted to take this opportunity to commend the gentleman for the statement he has made today. There are very few of us, including the gentleman in the well, who have the kind of voting record over the years, with the gentleman from Illinois, that we can come here in good conscience and with a straight face and support the kind of proposition the gentleman faces, because on a day-to-day basis we have been taking the heat. I applaud the gentleman.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. Latta and by unanimous consent, Mr. Rousselot was allowed to proceed for an additional 2 minutes.)

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Ohio, and also thank my colleague from Illinois (Mr. Michel) for his thoughts. Mr. Michel labors daily on the Appropriation Committee to keep the budget in balance.

Mr. DEVINE. Mr. Chairman, I, too, commend the gentleman in the well for having the courage to introduce an amendment of this nature, calling for a balanced budget, recognizing we must live in the real world, as the gentleman full well knows. The likelihood of the success is not too good, as the gentleman also recognizes; but as the gentleman from Illinois just said, there are some of us here in this body that have voted in such a manner over the years that would completely justify this approach. I intend to continue that.

I was interested in the comment of the distinguished gentleman from Ohio that this was similar to the amendment offered to cut 5 percent across the board. This is something that should be considered. I have talked about this in my district and it should be received very well. They would favor the creating of a 10-percent cut across the board on the Federal level. That includes the gentleman's salary, my salary, every Federal salary, the President, and across the line, every department of the Government, cut it 10 percent and let the secretary of the department decide where to cut the fat.

Mr. ROUSSELOT. Mr. Chairman, that is what Governor Brown of California is attempting to do. He is a Democrat. He has refused to send many of his administrative people here to beg for more money from the Federal Government. I thank the gentleman from Ohio for his correct observation.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding.

May I point out to the gentleman in the well, whose leadership is appreciated, as well as the gentleman from Ohio, that in 1932 Franklin Delano Roosevelt ran for President of the United States on a campaign to cut 25 percent across the board.

I want to rise in support of this anti-inflation amendment. It is a target. It is a goal. If we could balance our fiscal theories, we would have more monetary soundness and we could deregulate these wasteful fiscal policies.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. Latta and by unanimous consent, Mr. Rousselot was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's comments. I know the gentleman from New York has put in the Record and the hopper a job-creating bill. This bill contemplates the Government stimulating jobs and creating lasting jobs in the private sector and to get the Government off the back of the private sector so it can produce those jobs. His legislation is a positive alternative to the massive deficit financing boondoggles which suck up what money is left in the private market and a major portion of the capital that could be used to produce jobs in manufacturing plants and in the housing industry and other areas.

I know the gentleman from New York has spent a great deal of time on this issue and can justify and account for a balanced budget of $300 billion.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, if I remember correctly, the first national debt was a simple one of modest proportions.

The projects that were made for the end of 1976 now would bring the national debt to in excess of $600 billion, which would amount to 76,000 times the first national debt. I do not think that is the spirit of '76 we want for our birthday.

Mr. ROUSSELOT. I thank the gentleman for his comment.

Again, I wish to emphasize that this amendment would not only produce a balance the budget concept for a national goal, but also, in my opinion, is a stimulus for jobs in the private economy so that there will be permanent jobs.

Mr. PERKINS. Mr. Chairman, I am going to support this budget resolution, but I want the record to note that it does not have funds to cover the additional vitally needed nutrition effort which we passed on Monday.

Those funds are: $125 million for the 5-cent amendment in support of the paying lunch program; $180 million for the mandated reduced price program; and $150 million for the WIC expansion.

Mr. Chairman, I believe we can wait until after the Senate acts, and then provide the needed funds in the second budget resolution.

I also want to say that there is no room for any recklessness as we work on this legislation—we only have so many dollars that can be spent, and they must be spent more wisely and more judiciously than they have ever been spent before.

We must take care of our needs that build for the future—education, jobs, the security of our older people, the security that helps hold the fabric of the country together.

I am confident that we have the wisdom and the judgment and the will to do that.

Black lung benefits are also inadequate and I am hopeful that these funds will be added in the next resolution.

AMENDMENT OFFERED BY MR. REUSS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. REUSS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Reuss to the amendment in the nature of a substitute offered by Mr. O'Neill: Paragraph (1), strike "$295,181,000,000" and insert in lieu thereof "$298,181,000,000".

Paragraph (4), strike "$73,032,000,000" and insert in lieu thereof "$70,032,000,000".

Paragraph (5), strike "$622,900,000,000" and insert in lieu thereof "$619,900,000,000", and strike "$91,900,000,000" and insert in lieu thereof "$88,900,000,000".

Mr. REUSS. Mr. Chairman, I offer an amendment to plug tax loopholes and thus raise the aggregate Federal revenues target for fiscal 1976 by $3 billion—a very modest increase and well within the capacity of this Congress this session. The revenue gain, while not great, could stand us in good stead later this year—to finance job-creating programs to pay for cost overruns on unexpected increases in uncontrollable outlays—interest on the national debt, perhaps?—or simply to reduce the deficit if economic recovery gets under way faster than predicted.

Where could $3 billion worth of loopholes for immediate plugging be found? I could give a whole list of candidates—tax provisions which are not only expensive and unfair, but actually distort the economy at a moment when we can least afford it. Their yield adds up to more than double $3 billion. On my list are:

Domestic International Sales Corporation (DISC's) DISC's are allowed to defer U.S. taxes on half their export earnings. But when the good exported is in short supply at home—as scrap metal, fertilizer, baling wire, feed grains were only last summer—the DISC tax break contributes to domestic inflation and bottlenecks. Repealing DISC would pick up $1.3 billion a year.

Minimum tax: This tax on loophole income, nominally 10 percent, is itself so full of loopholes that its effective rate is only 4 percent. Restoring the minimum tax to something like a 10-percent effective rate could pick up $500 million a year.

Gasoline taxes: Taxpayers who itemize deductions, normally in middle- and upper-income brackets, are permitted to deduct State taxes on gasoline used for nonbusiness driving. In these times of severe oil shortages, this provision encourages nonessential consumption of gasoline. Removing the deduction would raise $850 million a year.

Foreign-source income: The Ways and Means Committee tax bill last year would have repealed a handful of tax breaks for Western Hemisphere trade corporations, corporations in less developed countries, and certain U.S. citizens living and earning abroad. Insofar as these provisions do anything other than cost the Government money, they encourage the export of valuable U.S. capital and know-how. Persisting in this reform this year would gain $200 million for the Treasury.

State and local bonds: Holders of qualifying State and local bonds—mostly people in the 50-percent-and-up tax brackets, or financial institutions—accept lower-than-market interest rates in exchange for tax exemption on the interest. This loophole restricts the bond market to a few purchasers and produces an annual revenue loss for the Federal Government of almost $5 billion—far more than the interest saved by States and municipalities. Optional federally subsidized taxable bonds would broaden the dangerously thin market, assist State and local governments, and save the Federal Government several hundred million dollars a year.

Phony farm losses: Farm accounting procedures are more liberal than nonfarm business accounting methods. These rules provide a cozy tax shelter for wealthy nonfarmers—doctors, lawyers, coupon clippers—who maintain a farm, or part ownership in one, to manufacture accounting losses used to offset nonfarm income. These tax farms help run up the cost of land for the family farmer who has to make a living at farming. Curtailing farm losses could save $100 million a year.

Housing tax breaks: The tax code properly encourages homeownership through the deduction of mortgage interest and property taxes—at an annual cost of $12 billion to the Government. But in the process it gives extravagant bonanzas, subsidizing not only family homes, but also luxurious villas by the sea, ski condominiums in the mountains, Newport mansions. One reason why so many real estate investment trusts—REIT's—and their affiliated banks are in trouble is that these tax provisions encourage speculation and overbuilding in luxury vacation housing. Limiting tax deductions to one principal residence per family could end much of this wasteful diversion of capital. This reform and setting a ceiling on the deductions, so as to limit the tax subsidies on the stately pleasure domes of the rich, could raise several billion dollars without in any way affecting the vast majority of homeowners.

Asset depreciation range system (ADR): This system of rapid depreciation allows corporations to write off certain assets up to 20 percent faster than normal useful lives. Criticized by economists since its inception in 1971 as an imprecise investment incentive contributing to cyclical economic ups and downs, the ADR could surely be retired now that a 10-percent Investment Tax Credit is in place. Repealing ADR entirely would pick up $1.6 billion for the Treasury; phasing it out for newly acquired equipment only would net $400 million.

The list could go on and on.

These loopholes do not contribute a thing to productive activity. They are wasters of money, purely and simply, not creators of jobs. Repealing them would benefit not only our impaired Federal revenues. It would also help the economy.

Some argue that it is too late for tax reform which could be effective in fiscal 1976. This just is not so. If DISC, for instance, were repealed as of July 1, 1976, the full revenue impact of $1.3 billion would be felt this year. Other tax reforms—tightening the minimum tax and phasing out tax-exempt State and local bonds, to name but two—have been serious legislative prospects for at least two years. It would hardly take any taxpayer by unfair surprise to enact them into law for calendar 1975. And foreign-income provisions, part of last year's Ways and Means tax bill, are long overdue.

The Ways and Means Committee intends to devote its attention to tax reform this spring. I applaud their resolve, and hope that far-reaching changes will emerge from their deliberations. But the time for action on tax expenditures is now, while the concurrent resolution sets clearly before us our budget options. I urge my colleagues to act on the budget as a whole, tax expenditures as well as direct expenditures. I urge the adoption of my amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to endorse wholeheartedly this amendment and the thrust of the gentleman's statements. I think we can and should go a great deal further in achieving tax reform. I would hope that we would produce a budget in future years and act upon it which would allow us to close those loopholes which have been widely recognized as notorious throughout the years.

Indeed, I feel that it is a major fault in this budget that it does not contemplate and project major tax reform efforts. Prof. Stanley Surrey, former Assistant Secretary of the Treasury, projects that additional revenues of at least $40 billion could be raised through closing loopholes. Our budget should encompass an effort of this scope and those seeking to reduce the size of the deficit should support it.

I hope that this budget becomes an instrument through which we can call attention to our hope "tax expenditures", and I congratulate the gentleman for his very important amendment.

Mr. REUSS. Considering the opportunity for loophole plugging, I am amazed at my own moderation, and I thank the gentleman.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMS. Mr. Chairman, I intend to oppose most of these amendments, but I need to know the order in which the amendments will be presented for a vote to the Committee and, therefore, I would ask the Chairman if he could indicate to me the manner in which we will approach the vote.

It is my understanding that there is presently pending the O'Neill amendment in the nature of a substitute to the original text, a Latta substitute to the O'Neill amendment, a perfecting amendment by Mr. Reuss to the O'Neill amendment, a perfecting amendment by Mr. Rousselot to the Latta substitute, and an amendment to the original text by Mr. Landrum.

I intend to oppose the Landrum amendment, the Latta substitute, and the Rousselot amendment, and I would like to know which one will be first voted on by the body, so that I can address myself to that one.

The CHAIRMAN. The Chair will respond to the gentleman from Washington (Mr. Adams) that the first vote will occur on the Landrum perfecting amendment to the concurrent resolution.

Mr. ADAMS. I thank the Chairman.

Mr. Chairman, I would like to rise in opposition to the Landrum amendment.

Mr. Chairman, there are a series of amendments pending, and it is obvious that the members of the committee have differing viewpoints on the amount of deficit which should be established this year, running all the way from the figure of the gentleman from California (Mr. Rousselot) that there should be no deficit at all this year, a so-called zero deficit budget, to the figure of the gentleman from Georgia (Mr. Landrum), to that finally of the O'Neill amendment as amended by the gentleman from Wisconsin (Mr. Reuss) which would establish approximately a $70 billion deficit, to the original text which had a $73 billion deficit.

The problem with the Landrum amendment—and I might address this to my friends on the other side of the aisle—is that the Landrum amendment actually has the worst of both possible worlds in it, with all due respect.

Mr. Chairman, I know it is well offered and it is a very rational amendment, but the problem that it has, from the viewpoint of the original committee, is that, in order to accomplish what the gentleman is attempting to do, we have to take all the stimulus programs from the original budget. For example, the projected job increase in the budget would be reduced by about 450,000 jobs and would raise the unemployment rate we computed to about 7.7 percent. It would also have the effect of a loss of about $2.7 billion in revenues because the gross national product would be down. Thus, realistically the deficit under the——

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. In just a moment I will be most happy to yield to the gentleman, and I want to say to the gentleman that I have great respect for the amendment.

Mr. LANDRUM. That is all right. We accept that.

Mr. ADAMS. The problem is in the deficit. If we reduce stimulus programs by this amount, we lose revenues. It is a situation where the deficit then would be varying between $65 and $69.7 billion if the stimulus programs are reduced necessarily by the reduction of the aggregate figures.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I am most happy to yield to my friend, the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, I thank my chairman, the gentleman from Washington (Mr. Adams), for yielding.

I have listened to his general statement, very eloquently made.

I wanted to know whether he can tell the committee, through some statistics or with some exactitude, just where all of these 450,000 jobs are going to come from.

Mr. ADAMS. Yes.

Mr. LANDRUM. And tell me further, please, how is a reduction of 1 percent in national defense, from what the committee proposes, going to affect this, and how is a reduction of 2 percent going to amount to 450,000 jobs?

Mr. ADAMS. Those will not.

The categories affected are as follows: The $1,763 million reduction in Commerce and Transportation eliminates 40 percent of the committee increases for highways and housing, or about 93,600 jobs.

The $1 billion reduction in community and regional development function eliminates one-third of the committee's recommendation for accelerated projects, or about 80,000 jobs.

The $1,256 million reduction in education, manpower, and social services function would eliminate about one-third of the stimulus in this function, or approximately 150,000 jobs.

Mr. LANDRUM. All on the Federal level, all Federal jobs?

Mr. ADAMS. No, no.

As the gentleman well remembers, we tried to stimulate the private sector by including the housing bill. Part of this is in the housing bill.

Mr. LANDRUM. And the chairman well knows that in that debate it was argued strenuously that no housing could be built until we had jobs for people.

How are we going to get a market for housing? How is anyone going to sell all this housing?

Mr. ADAMS. The basis of the committee's recommendation was the housing bill passed by the House, which provides both interest subsidies and other assistance to people purchasing homes.

I might state to the gentleman that we tried to bring housing at this time within reach, so that we can get rid of the 400,000 housing overhang of unsold units, and thus create an incentive for the private sector to build more housing.

I would continue by saying that the $469 million reduction in the natural resources function eliminates about half of the stimulus provided by the committee, or about 15,000 jobs.

Mr. O'HARA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to have the attention of the gentleman from Washington, the chairman of the committee.

I am a little bit confused here. I see that we are working on a resolution, House Concurrent Resolution 218, that consists of 11 lines on page 1 and 9 lines on page 2, for a total of 20 lines of resolution. Here we have a report, and it says that this is a report to accompany House Concurrent Resolution 218, setting forth, "on an aggregate basis only," the congressional budget for the U.S. Government for the fiscal year 1976.

Mr. ADAMS. The gentleman is correct.

Mr. O'HARA. Yet I hear people talking about all kinds of different things, caps and housing acts. Is that to suggest that all of this material with respect to functional categories that is in the committee report is, in fact, a part of the resolution and will become law?

Mr. ADAMS. No, it is not part of the resolution. It is the basis for the debate on the floor and is to provide targets for the authorizing committees and the appropriating committees in terms of what their action will produce as it relates to the macro-economic resolution, namely, a deficit or surplus for the coming year.

Mr. O'HARA. But the actual resolution is just a macro figure?

Mr. ADAMS. That is correct, and that is all that the amendments address themselves to.

However, as we cross-walk back during the summer into the various authorizing and appropriating committees, the committee will do the best it can to indicate how the debate indicated that the money should be spent.

The legislative history explains the targets, but it is not binding on the committees, authorizing or appropriating.

Mr. O'HARA. I thank the Chairman, the gentleman from Washington. With regard to some of these so-called caps, the legal situation, as I understand it, is that the law as it is now on the books would call for comparability increases in Federal pay, cost-of-living increases in Federal retirement, and cost-of-living increases for social security beneficiaries. Judging from the answer the gentleman from Washington gave me, there is nothing in the resolution that would have the effect of changing the laws that require these increases.

Mr. ADAMS. The gentleman from Michigan is correct. Unless the Congress acts through its authorizing committees the so-called cap could not take effect, and there is nothing in this resolution that can change that.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, I appreciate the gentleman's yielding to me, and although this may not have anything to do with the problem the gentleman from Michigan has brought up, I did ask the gentleman to yield so that I may respond to something the gentleman from Washington, Mr. Adams, said, at the time that we were engaging in our colloquy, and at which point the time had expired.

Mr. Chairman, the gentleman from Washington (Mr. Adams) indicated that the reduction proposed in my amendment would cut specific programs. What I asked the gentleman, and what has not been said here, and what cannot be said here, is that in my amendment I propose no cuts, no cuts that I propose go to any specific program or to any specific jobs stimulus program in that function. It is up to the legislative committees and the authorizing committees and the function in the budget, and the chairman well knows that.

Mr. ADAMS. The gentleman from Georgia is correct.

Will the gentleman from Michigan yield further?

Mr. O'HARA. I yield to the gentleman.

Mr. LANDRUM. I thank the gentleman.

Mr. ADAMS. The problem, as we all three are well aware of, is that the deficit the President himself admits to is $60 billion. We have reason to believe it is actually higher—around $68 billion. With unemployment running at over 8 percent, a deficit of the size provided in the gentleman's amendment simply provides for the existing programs in the Federal Government and for the payment of unemployment compensation. So what I was replying to the gentleman was that there is not enough room in the gentleman's figure to provide any of the stimulus that is necessary.

Mr. LANDRUM. You do not have any money to start with, you divided it up before we got it, we already had the deficit.

Mr. O'HARA. Mr. Chairman, before I continue, I wish to thank the gentleman from Washington (Mr. Adams) and the gentleman from Georgia (Mr. Landrum) for assisting in clarifying this matter.

Mr. Chairman, I am pleased to find that we are not adopting any of the specific assumptions that the Committee on the Budget may have made when they adopted the resolution. I do think the Committee on the Budget made a mistake in assuming that the Congress was going to change the law that required cost-of-living increases in retirement or social security, and comparability increases in Federal pay, and I intend to support the amendment offered by the gentleman from Massachusetts (Mr. O'Neill).

Mr. ARMSTRONG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the House owes a debt of gratitude to our colleague, the gentleman from California (Mr. Rousselot) for bringing this issue into focus. Over and over in various forums and on various occasions most of us have spoken approvingly of the idea of a balanced Federal budget.

During the debate on this resolution we have heard the reasons why it is imperative to control Federal spending in order to reduce the rate of inflation and to avoid the kind of economic crackup that would disrupt the social institutions of the Nation and, indeed, topple our whole system.

So it is not my purpose to dwell on economic considerations but rather to ask this question: Are we really serious about balancing the budget? Or is this just a concept intended to confuse our constituents, or a sop to those who are uninformed of true facts? Do serious men who deal with serious issues—people like us who are the insiders, who come to grips with the problems—really believe in budget balancing, or is this just some kind of myth to be taken seriously only by dreamers or fools?

I believe we can balance the budget if we have the wisdom and courage to do so. The place to start is here and the time is now, because if we wait until a propitious time, if we wait until we have another opportunity, if we wait until it is easy, if we wait until there will be no sacrifice to balancing the budget, that moment will never come, as anyone who has studied the fiscal history of this country already knows.

I do not intend to minimize the difficulty of matching income and spending. These have been discussed at great length. But the real question is, Do we care enough to try? Is this a possible dream, or are we just kidding ourselves?

Many of us in our own family life have discovered we can balance the family budget. There are a lot of us in business who have to do it year after year. There are many members of city councils and members of boards of county commissioners—some who now serve in the House of Representatives—all over the country. Those agencies have balanced budgets.

A lot of us came to the House of Representatives from State legislatures. And I remind my colleagues that 38 States of the union have constitutional provisions that require a balanced budget, not just once in awhile, every 5 or 10 years, but every year.

I do not think it is impossible to balance the budget unles we are willing to admit it is impossible. If we say it is possible, which is all the pending amendment does, then we are on the road back to fiscal sanity.

I support the amendment and hope it will be adopted.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I appreciate the comments of my colleague, and I think he is correct in saying that individuals, city governments, and State governments all have constraints on their spending patterns. They cannot constantly expand their debt, as we do in the Congress. It is true further that roughly 70 percent of this Congress campaigned last year for the concept of a balanced budget, and I think it makes sense.

Mr. ARMSTRONG. I thank the gentleman for his comments.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. I thank the gentleman for yielding.

I wish to compliment the gentleman on the good sense and the eloquence of the statement he has made, and I wish to associate myself with his remarks.

Mr. ARMSTRONG. I thank the gentleman for his contribution.

Mr. Chairman, I yield back the remainder of my time.

Mr. SEBELIUS. Mr. Chairman, I appreciate this opportunity to comment for the Record regarding House Concurrent Resolution 218.

I wish to associate myself with the remarks made yesterday by my colleagues, the gentlemen from New York (Mr. Kemp), and from California (Mr. Rousselot). In this regard I wish to make several brief comments.

First, I was one of the few in this body who voted against the tax cut legislation considered here just a few short weeks ago. I did so because I believed it to be inflationary and a serious mistake. Yet when we reduced revenues by some $25 billion I had hoped serious consideration would then be given to the obvious need to reduce Government spending by some reasonable amount during this budget consideration process.

However, instead of serious consideration given to one of the most important and historic pieces of legislation to ever come before this body—our first opportunity to really monitor the budget and set targets for spending—we are debating a foregone conclusion.

Mr. Chairman, there is more talk today of whether we will close up shop in time for Members to make arrangements for special trips to witness the Kentucky Derby than the subject at hand. The race is on to quickly authorize a $72 billion budget deficit with "add on" estimates running about another $30 billion. I do not know who the winner is going to be in the Derby but I know the losers here are going to be the American people.

I simply do not see how we can spend our way out of inflation and recession. As my colleague from New York (Mr. Kemp) pointed out yesterday, if the recession is caused by inflation and inflation is caused for the most part by the financing of the Federal deficit, how on Earth will this budget proposal help the economy?

Although the figure is much lower in my district, I realize we are experiencing unemployment near 9 percent and I recognize the seriousness of the current recession. The point I would make is that we are going to make the situation much worse down the road.

The message I get from the businessmen and farmers in my district is to simply get the Government off their backs and let them do the job they are capable of doing. The credit necessary to fund this deficit works at cross purposes with this goal. The money becomes unavailable to business and it is only through the private sector that we can provide productive jobs and long-term stability.

What the Federal Government gives to folks, it must first take from folks and what we are doing here today is simply financing a gigantic income transfer program where we take money out of the pocketbooks of the 85 million working people of this Nation and transfer a lesser portion of it to others through Government programs. These programs already involve a cost-benefit ratio that many times is self-defeating and they

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involve future demands upon our children and grandchildren through deficit financing.

We have reached the point where the average American citizen must give up one-third of his income to his Government, sees the purchasing power of what is left eroded through Government-fostered inflation, and faces a situation where he cannot plan his future or that of his children because of the lack of any kind of stability in our economy. I rise in support of the amendment offered by my colleague from California (Mr. ROUSSELOT) and announce my intention to vote against this proposed budget reduction:

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the first concurrent resolution on the budget is, indeed, a legislative landmark, perhaps not so much for the aggregate figures it contains, but, rather, for there asonedp rocess it represents. This measure enables Congress to act more reasonably and prudently in the management of the Nation's finances. We no longer have to act without an awareness of the total fiscal picture.

This resolution and the Budget Control Act under which it was formulated provides means to stem the tide of Executive erosion of congressional prerogative. With it the Congress has created and implemented the mechanisms by which we can assert our role in setting national priorities. We may not all agree with every part of this resolution or the report that accompanies it, but it is a reasonable and carefully constructed gauge by which the Congress can assess its actions against the totality of Federal income and expenditures.

Let me add that it seems quite clear to me that the legislative committees and the appropriation committees will determine at all times the dollar volume of the amount that will be spent in any of the priority programs on which we want to vote. The legislative and appropriations committees will make that determination. The Budget Committee just totals up the committee decisions, and what we do in legislative committees affects that total. That is what it will make clear to the Congress. That is all that it will do. The Budget Committee will not make the priority decisions for committees. They are not so empowered. It is not their job. They do not propose to do that.

I think that we ought to remember that when we evaluate it. This proposal now is not binding. What will be done will be done by the legislative committee and the Committee on Appropriations and approved by this Congress on each item, but we should, as the Budget Committee hopes we will, take cognizance of what effect those individual actions will have on the total budget.

For many years I have been concerned with improvements in congressional capability to deal with our complex budgetary structure. Since the time I served on the Joint Committee on the Organization of the Congress in 1965 until today, as I serve on the Joint Committee on Congressional Operations and the House Committee on Government Operations, I have devoted a large part of my efforts toward strengthening congressional control over budgetary decisions.

Mr. Chairman, the resolution before us today is a significant step toward doing just that and I would urge its adoption.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I am pleased to yield to the distinguished chairman, the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I thank the distinguished gentleman from Texas for his statement. I would like to emphasize in this debate, so that we fully fit the budget process within the total institution of the House, how important it is that the gentleman as chairman of the Government Operations Committee has started the activity of requesting each committee to conduct oversight over the programs within its jurisdiction to determine if there is waste. It is also important that the Government Operations Committee is doing the same thing on a line items and agencies and particular programs basis because it has been brought to the attention of this committee that people have expected that the Budget Committee would make final determinations on individual line items or grams.

As the gentleman has so eloquently stated in his speech, this is the function of the authorizing and appropriating committees. The Budget Committee can tell these individual committees whether their actions will raise or lower the deficit, as was pointed out by the gentleman from Michigan, with regard to caps on Social Security or on military and civiilan pay.

The caps happen to be within the jurisdiction of the Committee on Ways and Means and within the jurisdiction of the Committee on Post Office and Civil Service and those committees must come to the floor with their recommendations if they wish to have the caps enacted. The Budget Committee target we are setting now will be used as part of the argument when any such bill comes up.

I thank the gentleman for his explanation. I am very pleased he is here.

Mr. BROOKS. I thank the gentleman from Washington.

Mr. KEMP. Mr Chairman, I rise in support of both the Landrum amendment and the Rousselot amendment.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, is this on the Rousselot amendment or on the Landrum amendment or on the Latta amendment? The reason I need to know is if the gentleman is going to juggle one or the others, I thought we might ask whether we could get a time period on the Landrum amendment which is the first one up.

Mr. KEMP. I was rising in support of both the Landrum amendment to cut the deficit and the Rousselot amendment to reduce it to zero but I will be glad to yield to the gentleman for him to get this unanimous consent. I understand the gentleman does want some limit on the debate.

Mr. ADAMS. Mr. Chairman, I ask unanimous consent that we have an agreement that the debate on the Landrum amendment and any amendments to it—not the Rousselot amendment or others but the Landrum amendent and amendments to it, which I understand is the first pending amendment—will conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

PARLIAMENTARY INQUIRY

Mr. KEMP. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. KEMP. Mr. Chairman, as I understand the request of the gentleman from Washington (Mr. ADAMS), that time would not be taken out of my time.

The CHAIRMAN. The gentleman is recognized for his 5 minutes, and then there will be 10 minutes beyond that time.

Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. KEMP. Mr. Chairman, I take this time to address what I consider to be the major premise upon which this debate is taking place today.

Let me say, parenthetically, I think Members on both sides of the aisle and on both sides of this issue today have argued logically from their given premises. The divergence has arisen over the basic premise upon which this resolution rests and that is the notion that the $73 billion projected deficit, will create jobs.

What a preposterous premise; and if it were true, we should double the deficit. What a mistake to tell the American people that unless the Government borrows their money and spends it publicly, it will not be spent or spent as effectively or wisely.

I want to reiterate the point which I made in debate yesterday: In the last 5 years there have been $150 billion of deficits, yet unemployment has gone from 4.5 percent to 9 percent. If Government spending creates jobs, why is it that when we have doubled the budget in the last 5 years and drastically increased the deficits we have more unemployment today and more than we had since the 1930's? It took 187 years for the Federal Government to reach a $100 billion annual budget. It took 9 years to reach a $200 billion annual budget. And, it took only 3 years to reach a $300 billion budget.

At the rate we are going we will be doubling the budget about every 5 or 6 years. Deficits do not create jobs. They destroy jobs. Unemployment is climbing.

I rise today specifically in behalf of the amendment offered by the gentleman from California (Mr. ROUSSELOT) and the amendments offered by the gentleman from Georgia (Mr. LANDRUM), and Mr. LATTA of Ohio, all designed to reduce the size of the deficit. Why? Because for every $10 billion of deficit spending in this country, there are 500,000 housing units which will not be built and 1 million primary and 2 million related jobs that will not be created because of Government borrowing.

The great problem in America today is the shortage of investment capital. Forty-three percent of all private income goes into the public sector of Government. The public sector is strangling and suffocating the growth of capital which is the oxygen supply of this country's economy.

An article this morning in the Wall Street Journal shows that U.S. earnings in the first quarter of this year have fallen 21 percent. As profits fall, capital investment falls. As savings are diminished by Government borrowing, there is not enough money left for mortgages and the expansion of construction that is so desperately important to our economy.

What is at stake is jobs. The question is: How do we create jobs? It is not through deficit financing. The amendment of the gentleman from California (Mr. ROUSSELOT) is a chance to put as a target—as a goal—a balanced budget. It is something we all believe in, but it is not enough to be for a balanced budget. We have to do a better job of quantifying what it means in terms of jobs, a greater standard of living, greater productivity, a greater supply of energy and a reduction of poverty.

It has been identified that we will be short of capital in the next 10 years between $1.5 trillion and $2.1 trillion. Yet, if we had enough capital to overcome that shortfall, it would represent a 50-percent reduction of the people now in poverty. That represents 20 to 25 million jobs. That represents about 30 million new housing starts and about a 75-percent increase in real purchasing dollars—all of which means a strong and stable increase in the standard of living of the American people.

The solution is not to run the deficit into unmanageable proportions. The solution rests in reducing deficits, moving toward a balanced budget, recognizing that there must be some reform of tax laws—which right now are biased against savings, biased against capital investment, biased against the private sector. We must depend upon ourselves to reach the very desirable goals everyone wants: put people back to work, start housing, sell automobiles. If anybody is thinking rebates are going to sell automobiles on a long-term basis, they are absolutely wrong. If anybody thinks the new housing tax credit is going to sell enough new houses, they are wrong. At best, the tradeoffs here will be a shell game.

What has to be done is to create in our tax laws the type of treatment that people logically will say they can expand and grow.

I do not want people saying, "Well, the trouble with you, Kemp, you are just defending big business." Such a tactic is fraudulent and the perpetration of a myth on the American worker. The American working people know if there is not enough capital, if there is not enough profit, if there is not enough incentive to save and invest in our country, there is not enough left to make the country what it truly should be in the next 200 years.

The CHAIRMAN. Members standing at the time debate was limited will be recognized for approximately 50 seconds each.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, I rise to speak in support of the Latta amendment, and to point out that his target of reducing the expected deficit to $54.1 billion can very readily be achieved by the simple expedient of limiting those functional categories in the committee report to an increase of no more than 15 percent over what they were in fiscal year 1975. As shocking as that is, it is very simple to illustrate.

Mr. Chairman, the level of outlays proposed in the House Concurrent Resolution 218 is high, and in rising to support the amendment by our colleague from Ohio, I wish to suggest how high the level really is.

The concurrent resolution proposes an increase of 17.5 percent over the estimates for fiscal 1975. If we go through, category by category, the concurrent resolution recommends 15 percent or higher increases in seven major categories: energy, resources, and environment; community development; manpower; education, and welfare; health; income security; commerce and transportation; and general government.

I had thought of seeking adoption of an amendment putting a 15 percent "cap" on categories of outlays, but the distinguished chairman of the House Budget Committee has determined that any such specific limitation would be out of order. If we had such a cap and selected either 115 percent of 1975 estimates or the recommendations in the resolution, whichever would be lower, total recommended outlays would be $352.128 billion. That is roughly $16.1 billion below the committee's recommendations in the resolution and would involve merely a 15 percent limit on increases. That 15 percent is, as we know, considerably higher than the intervening increase in the consumer price increase.

My own calculations leading to the idea of a 15-percent cap and the desirability of adopting the lower of the capped figure or the House Concurrent Resolution 218 figure point to a $352 billion level of outlays. That is in the same ballpark as the figure—$350.5 billion—in the Latta amendment and I therefore have no hesitation in supporting the latter, as a substitute for the higher level of spending proposed by the committee.

The Latta amendment comes close to providing a 15-percent cap. In supporting it I know I will have some hard explaining to do back home as to why I supported a 15 percent increase in Federal spending. But, I know I could not go back home and justify having voted to refuse to limit Federal spending to a 15 percent increase over last year.

To emphasize what capping expenditures would mean, I submit for the RECORD the following table of outlays. The figures are in billions of dollars:

Item	1975 estimate	115 percent of 1975	Committee resolution	Lower
Defense	$85.276	$98.067	$89.736	Resolution.
International	4.853	5.381	4.900	Do.
Technology, science, space	4.183	4.810	4.599	Do.
Energy, resources, environment.	9.412	10.824	11.546	15 percent cap.
Agriculture	1.773	2.039	1.816	Resolution.
Commerce, transportation	11.796	13.565	19.810	15 percent cap.
Community development	4.887	5.620	9.498	Do.
Education, manpower, welfare.	14.714	16.921	20.426	Do.
Health	26, 486	30.459	30.702	Do.
Income security	$106.702	$122.707	$123.915	Do.
Veterans	15.466	17.786	17.469	Resolution.
Law enforcement, justice	3.026	3.480	3.363	Do.
General government	2.646	3.043	3.350	15 percent cap.
Revenue sharing	7.033	8.088	7.249	Resolution.
Interest	31.331		35.000	
Allowances	.700		1.050	
Undistributed offsetting receipts.	(16.839)		(16.193)	
Total	313.445		368.236	

If we were to accept the recommendations in House Concurrent Resolution 218 except to the extent the recommendations exceed 115 percent of estimated 1975 expenditures, that would cut the recommendations back to 352.128 billion dollars, reducing spending by $16.1 billion and the deficit by about that amount. Such a cap would mean we would allow agencies to increase their spending by 15 percent, but no more. That would be fairly easy to justify back home, or, at least, a lot easier than to try to justify voting against such a cap.

Since the amendment of the gentleman from Ohio would accomplish an effective 15 percent cap, I support it.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, the issue before us on the Landrum amendment—which is not a neanderthal amendment at all, I say to my friend, but a good amendment, although it does not go far enough—if we agree to it, we will have an extra half million unemployed. That is what our econometric models indicate.

He takes part of the stimuli of the committee, but the committee has rejected a lot of the stimuli proposed by the balance of the Congress so that the committee position is already a compromise.

To vote a compromise and risk a possibility of an additional 400,000 or 500,000 unemployed is a risk I do not think we should take. I think we ought to target towards the 7-percent figure and shy away from the 8-percent figure. And therefore the Landrum amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Chairman, as all of us know, this is a very complex matter. I have decided to stick with the committee on this.

The committee bill must be good because on both sides there are those who say the committee bill is too high, and others who say the committee bill is too low. The committee tried to strike a happy medium between the conflicting forces that govern this House. The committee tried to add enough stimulus to get us out of the recession or near depression which we are in now, and tried not to add too much stimulus to take us off into another inflationary spiral.

The stimulus that was added by the committee, and of course, these are just illustrative matters and not definitive matters, and must be defined in future legislation, is a relatively short-term stimulus and is needed, I believe, to do the job.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I have basically made my point as relates to my own amendment. In all amendments that help reduce both the expenditure level and the deficit level, I support, because it moves this Congress closer to fiscal responsibility.

(By unanimous consent Mr. WRIGHT yielded one-half of his time to Mr. LANDRUM and one-half to Mr. ADAMS.)

(By unanimous consent, Mr. LANDRUM yielded his time to Mr. ADAMS.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LATTA.)

Mr. LATTA. Mr. Chairman, I wish to commend the chairman of the committee and the members for the work it has done, and this includes the staff. I know that this has been a very difficult task. There are disagreements over the figures, but I think on the overall objective, everybody is in agreement.

Mr. Chairman, I would like to say I have proposed an amendment which would give us a way we can reduce the deficit. As I indicated when the gentleman from California was speaking, I, for one, would like to see a balanced budget. But I am also a realist. I know that is impossible in fiscal 1976. So we have to go for something in between, and that something in between is the amendment I have proposed.

Mr. ADAMS. Mr. Chairman, I have already stated my position on the Landrum amendments. I would hope we could move now to vote.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Georgia (Mr. LANDRUM).

The question was taken; and on a division (demanded by Mr. LANDRUM) there were—ayes 36, nays 31.

RECORDED VOTE

Mr. ADAMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 227, noes 180, not voting 25, as follows:

[Roll No. 168]

AYES—227

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bevill
Biester
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Florio
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Harsha
Hastings
Hébert
Hefner
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holland
Holt
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKay
McKinney
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Brien
Passman
Patman
Perkins
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Railsback
Randall
Regula
Rhodes
Roberts
Robinson
Rose
Roush
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vander Jagt
Waggonner
Wampler
White
Whitehurst
Wilson, Charles, Tex.
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Zeferetti

NOES—180

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bergland
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brademas
Brodhead
Brooks
Burke, Mass.
Burton, John L.
Burton, Phillip
Carney
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Daniels, Dominick V.
Danielson
Dellums
Dent
Dickinson
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fisher
Flood
Foley
Ford, Mich.
Fraser
Fulton
Giaimo
Gibbons
Gilman
Green
Gude
Hall
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holtzman
Horton
Howard
Johnson, Calif.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Leggett
Lehman
Lloyd, Calif.
Long, La.
McCormack
McDade
McFall
McHugh
Macdonald
Madden
Maguire
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Peyser
Pike
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Stokes
Stratton
Studds
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, Bob
Wilson, Charles H., Calif.
Wirth
Wright
Yates
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—25

Biaggi
Bolling
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hungate
Madigan
Mills
Mollohan
Price
Quillen
Rangel
Rees
Rogers
Shipley
Shriver
Stanton, James V.
Whitten
Wiggins
Young, Fla.

So the amendments were agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Price for, with Mrs. Burke of California against.

Mr. Shipley for, with Mr. Rangel against.

Mr. Evins of Tennessee for, with Mr. Diggs against.

Mr. Quillen for, with Mr. Mollohan against.

Mr. Young of Florida for, with Mr. Rees against.

The result of the vote was announced as above recorded.

Mr. ADAMS. Mr. Chairman, my understanding is that the amendment now pending is the Reuss amendment which perfects the O'Neill amendment in the nature of a substitute. Is that correct?

The CHAIRMAN. That is correct.

Mr. ADAMS. Mr. Chairman, on that I ask unanimous consent that all debate cease immediately.

The CHAIRMAN. The question is on the unanimous-consent request of the gentleman from Washington that all debate on Reuss amendment cease now.

Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. REUSS) to the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. REUSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 277, noes 128, not voting 27, as follows:

[Roll No. 169]

AYES—277

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Grassley
Green
Gude
Guyer
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Long, Md.
Lujan
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Stokes
Stratton
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—128

Abdnor
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bevill
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brown, Mich.
Brown, Ohio
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Clawson, Del
Cochran
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
Emery
English
Erlenborn
Esch
Flynt
Frenzel
Frey
Ginn
Goldwater
Gradison
Hagedorn
Haley
Hammerschmidt
Harsha
Hastings
Hébert
Hightower
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Levitas
Lloyd, Tenn.
Long, La.
Lott
McCollister
McDonald
McEwen
Madigan
Mahon
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pickle
Poage
Pritchard
Quie
Railsback
Roberts
Robinson
Rostenkowski
Rousselot
Runnels
Ruppe
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Smith, Nebr.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symms
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Wilson, Bob
Winn
Wright
Young, Alaska
Young, Tex.

NOT VOTING—27

Biaggi
Burgener
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hubbard
Hungate
Mills
Mollohan
Price
Quillen
Rangel
Rogers
Ryan
Shipley
Shriver
Spence
Stanton, James V.
Teague
Whitten
Wiggins
Young, Fla.

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMS. Mr. Chairman, I am inquiring as to the order of voting on the presently pending amendments. Is it correct that the next amendment to be voted on is the Rousselot perfecting amendment to the Latta substitute?

The CHAIRMAN. The gentleman is correct.

Mr. ADAMS. Mr. Chairman, on that I would ask unanimous consent that all debate on the Rousselot amendment cease in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 50 seconds each.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

(By unanimous consent, Mr. YOUNG of Alaska yielded his time to Mr. SYMMS).

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, 2 plus 2 is 4, not 22.

The Rousselot amendment seeks to bring back not only truth in labeling, but truth in mathematics. I would urge the Members to vote for the Rousselot amendment.

Mr. Chairman, there is only one or two places we can get this money. We have already covered it here quite extensively in the debate yesterday and the debate earlier today. The gentleman from New York (Mr. KEMP), the gentleman from California (Mr. ROUSSELOT), and the gentleman from Colorado (Mr. ARMSTRONG), and others have pointed this out very well. We are going to borrow the money from the private capital markets and dry up jobs. If we have a $100 billion deficit or a $7 billion deficit or whatever, we are going to print the money. We in the Congress are the group of people that have the ability to take paper, a perfectly good commodity, and ink, another good commodity, and slap the ink on the paper and make it worthless.

This is exactly what has been happening, the erosion of the value of the dollar, as it goes down, down, and down. Now is the time to stop inflation. Inflation is simply the expansion from within. Inflation of the money supply is coming from deficit spending, and it is leading this country to increased joblessness and a slowdown of the economy, and on and on and on.

Now is the opportunity for those Members here today to record that they would at least like to have a goal of honesty in Government and that two plus two equals four in arithmetic and a balanced budget.

Mr. BAUMAN. Mr. Chairman, I rise in support of the substitute offered by the gentleman from California (Mr. ROUSSELOT) which would give this country a balanced budget. I commend him for his initiative in this matter. In this time of recession he recognizes that it is more essential than ever that we put the Nation's fiscal house in order. That his amendment will accomplish. A balanced budget and budget deficits have become such political footballs I think it appropriate to look at what a balanced budget would mean for the people of the United States. While a balanced budget will not be a cure-all for our economic and social problems, it would bring direct benefits which we should examine objectively before we reject the idea as being simply another political slogan.

The first benefit of a balanced budget would be the release of $58.5 billion—or $69.6 billion or $73.2 billion—for use by the private, productive sector of the economy. The availability of funds to the private sector would be far more effective in terms of stimulating the economy than a similar amount in a government deficit. A government deficit might be used to create a few make-work jobs, it might hire a few more government employees.

But a similar amount of money released to the private sector could purchase tools of production essential to the creation of permanent, productive jobs—jobs which contribute to the strength of the economy. That is the road to a genuine economic recovery.

The second major benefit of a balanced budget will also be felt in the capital markets, but in a slightly different way. There will be an immediate reduction in the upward pressure on interest rates which the financing of a large government deficit always brings in its wake. This will mean that private borrowers—from the corporation seeking to expand, to the homeowner seeking a loan for improvements or repairs, to the worker seeking to make a major purchase—will have to pay less for the use of the money needed for expansion and productivity.

The lesson has been slow to sink in with most politicians, but by now most of the people of the United States understand quite well that the old sophistry about deficits—that they do not matter because "we owe it to ourselves"—just is not true. We owe it to very specific people, to purchasers of Government bonds and notes, and we are paying billions of dollars annually in interest because of this debt.

Mr. Chairman, the most important benefit of a balanced budget is the clean signal it will give to the American people that their Government is starting to get serious about fighting inflation. Budget deficits increase inflationary pressures. With the Government going into the money markets to finance the deficit, the pressure becomes well-nigh irresistible for the Federal Reserve to increase the money supply. Without an increase in the money supply, there will be little for private borrowers after the Feds get their share.

Some people still recognize that this Federal finance structure depends for its existence on some wealth in the private sector to be taxed. Without that productive base, all our budget projections and deficits and talk of priorities are simply moot.

When we increase the money supply without a corresponding increase in real productivity we are turning the dollar into play money. We reduce the purchasing power of each dollar in circulation in the economy. We thus reduce the real income of each one of our citizens, working a nearly intolerable hardship on citizens living on a fixed income, particularly the elderly.

Anybody who believes that a new round of deficit spending will not bring on a new round of inflation is simply not living in the real world. An inflationary psychology has already gripped this country. This means a disinclination to save or to invest, in the realistic belief that the value of savings will be worth less. But without savings and investment we cannot hope to build a foundation for a genuine economic recovery on this country. We may have a short period of artificial boom, but the next step is a plunge into a deeper recession.

A new recession? I do not see how it can be avoided. Last Friday's Wall Street Journal carried an excellent article by James P. Gannon, based on a survey of leading academic, business forecasters, executives, and other analysts. The overwhelming consensus was that the current recession had its roots firmly in the previous years of inflation. The inflation distorted statistics, making forecasts difficult. It eroded the purchasing power of consumers. It bred a buy-and-stockpile psychology among businessmen, leading to the bloated inventories which have swelled the unemployment lines. And it brought an overreaction from the Federal Reserve, leading to the "tight money" policy which has made the recessionary pressures that much more extensive.

We must ask why, in the midst of a recession which most experts agree was brought on by inflation, do we approve a budget with the most massive peacetime deficits in history? Do we start a new round of inflation which is almost certain to lead to a deeper recession in the near future? I think not. I think the time has come for us to step back and understand the way things work in the real world. Such an understanding should lead to a vote for a balanced budget, the first step in putting our own house in order and beginning to build a new, productive, stable economy for the people of the United States.

Mr. Chairman, our new budget procedure offers us an opportunity to see the budget in its entirety, in a context which makes it possible for us to assess its impact on people and be held accountable to them for what we do. The people will be watching how we vote on this issue. They will be taking note of whether we wish to plunge the United States into a new round of deficits and inflation, or whether we want to make a commitment to a new era of stable productivity.

The people are aware that nearly 40 percent of their income is now taken from them by government at all levels. They are aware that new deficits mean the destruction of the purchasing power of the income they have left over after government takes its bite. They are also aware that they are the one's who must pay for our mistakes.

Mr. Chairman, the benefits of a balanced budget are clear. A balanced budget means more money available to the productive forces in the American economy. A balanced budget means more reasonable interest rates for those who want to build for the future. It means the beginning of the end to the inflation which has wracked and buffeted our people for so many years. A balanced budget will allow our people once again to plan for the future with some assurance that the future will hold brighter days. A balanced budget means returning more economic decisionmaking power to the people rather than gathering it into the hands of the Federal Government.

The road back to stability and productivity will be a long and hard one, with uncertainties which we can only guess at today. But restraint spending means increased freedom of action and new options and opportunities for the people of this country. The American people had enough of the Government trying to take care of them. I think most of the people would like to try taking care of themselves for awhile.

A vote for a balanced budget is the first step toward giving the people those opportunities. Mr. Chairman, I urge a yes vote on the Rousselot substitute. The people are watching.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Leggett).

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the Rousselot amendment.

It sounds good, but it cuts $73 billion out of the spending. We only have $93 billion of what we call controllable spending, and $63 billion is in defense. Therefore, if we want to cut defense by two-thirds, in spite of what they say, that is the only place where the reduction can come from.

Mr. Chairman, I think the amendment is Hooverism all over again. It is going to result in 11.8 percent unemployed. In spite of the fact that I support a balanced budget, we cannot do it this way.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Wright).

Mr. WRIGHT. Mr. Chairman, I applaud my friend, the gentleman from California (Mr. Rousselot) for wanting a balanced budget. All of us want a balanced budget. All of us should work in that direction.

There are two reasons, however, why it is impossible under the present situation to achieve that desirable goal by the gentleman's amendment.

The first reason is that mentioned by the gentleman from California (Mr. Leggett). A very great deal of the budget is frozen, like social security payments and interest on the debt, and not subject to reduction. The controllable items, subject to congressional appropriations, come to only about $100 billion. If we were to try to cut $73 billion out of that, then we would have to cut three-quarters of every expenditure from here on in. Obviously that is a wholly unrealistic expectation.

In the second place, the overpowering reason for the deficit is the recession itself—the fact that we have almost 9 million unemployed. It is a well-established rule of thumb that each percentage point of unemployment exerts an adverse impact upon the budget of about $16 billion.

If we had 4½ percent unemployment instead of 9 percent, we would be showing a budget surplus. The only realistic way to work toward a balanced budget today is to do it in terms of getting this Nation out of the recession and putting Americans back to work, and reducing this highly unacceptable level of unemployment so that those people can be put in a position where they will be paying taxes again.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Kemp).

Mr. KEMP. Mr. Chairman, I rise in support of this amendment as a principle of fiscal responsibility. I would like to point out very briefly that the balanced budget amendment is a target, a goal. A huge deficit does not create jobs, it destroys jobs.

As I pointed out for the last 2 days, we have spent $150 billion of deficit in the last 5 years, and unemployment has doubled. Why? Because deficits destroy jobs, capital, investments savings, all of the things that this country needs today to create jobs, to build houses, and raise the productivity of the United States.

America is running short of capital because of deficit spending and inflation, and what is at stake is the job of each and every American. Also what is at stake is the pensions of each and every American because for each $10 billion of deficit there is a 1.5-percent increase in inflation. I ask for a vote against inflation and for jobs.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, I will not be able to support the budget bill today unless substantial changes are made in it. The proposed first concurrent resolution on the budget (H. Con. Res. 218), is disappointing to me. I thought that we were going to use this new procedure as a means to overcome our previous propensities in regard to deficit spending. This has not proven to be the case and I am unable to agree to a measure which approves a minimum Federal deficit of $73.2 billion. This is an unacceptable target level for Federal indebtedness.

Approval of such a level of deficit financing becomes even more irresponsible when you take into account the fact that the budgets of the various House committees exceed this figure by thirty to forty billion additional dollars. So far in this session the House has shown no inclination to decrease the funding requests of the committees, nor has it supported Presidential efforts toward fiscal responsibility through rescissions. If the past is prolog, and I believe it is in this case, then we are really giving our stamp of approval to a budget deficit of close to $100 billion. Let us not pretend that we are unaware of this possibility.

The worst part of this excessive zeal in spending the taxpayers' dollars, dollars which we do not even have, is that it is supposedly addressed to curing the economic ills of our society. Much of it is in fact nothing more than an effort to use our present recessionary problems to promote spending which would otherwise be unacceptable to the public.

A simple one shot tax relief bill was converted into a hybrid of changed tax structures and special interest concessions. An "emergency" farm bill which was hurriedly passed was inflationary to the consumer, increased Federal spending, and put the farmer back on the Federal dole. An "emergency" middle-income housing relief bill was passed adding even more to the burden of taxpayer obligations via an expensive program benefiting only a small percentage of our population.

I recognize that with current economic conditions our people need our help, and that to help them we must face an unpleasant fact of a large deficit. But, we cannot responsibly ignore the inflationary dangers of our actions. We have an obligation to reduce our spending to the lowest possible level consistent with overcoming the recessionary difficulties which we are experiencing. Therefore, I would much prefer a resolution which cuts the committee's proposals by $10 to $12 billion. I also feel very strongly that after we agree to a figure, the House must hold the individual committees to the amounts set forth in House Concurrent Resolution 218.

And, what will be the ultimate result of approving spending of this magnitude? Well first, the Federal Government is going to go into the private market and borrow to finance the deficit. That is what happened last year when interest rates went through the ceiling because of the huge demand of the Treasury to finance the deficit. The rates which have started down are, in my judgment, going to go right back up with a $100 billion deficit, and the pressure on Dr. Burns to print more money is going to be unbearable. If he prints the money to cover the deficit what will happen? Inflation will skyrocket after recent easing.

I find it ironic that the committee report concedes that we cannot run a deficit of this magnitude in 1977. My question to the committee members who support these unconscionable amounts of debt is how do they propose to turn off the spending spigot? Every program develops its own constituency and bureaucratic momentum. Our collective ability to stand up to these pressures can best be judged by the infinitesimal number of programs we have voted to cut back or discontinue.

I do not know if this House is going to give its approval to a $70 billion-plus deficit or not. I do know that if it does we will adversely affect consumer confidence. The people understand better than we do that continuing down the road of large Government spending is harmful to their interests.

This resolution will, in the long run, do far more harm than good. I cannot vote for it.

Mr. ROUSSELOT. Mr. Chairman, my colleague, the gentleman from California (Mr. Leggett) has tried to imply that it would be dangerous not to have a $73 billion deficit.

I say that that is upside-down thinking.

A $73 billion deficit? We now have $60 billion deficit, and 8.5-percent unemployment.

This alone ought to make it clear that deficits do not help employment, they many times destroy employment.

Those Members who were here yesterday when we discussed this issue know that that is true; that huge Federal deficits destroy employment opportunities and the creation of jobs. If we want to help employment, then we should put the money back in the private sector not take it out. We cannot really do that by deficit financing, because the deficit financing required for the $73 billion will badly erode the creation of jobs; it will destroy the housing market, it will destroy mass transportation, it will destroy municipal financing. Almost 80 percent of the money market is going to be taken up by the $73 billion add-on deficit and the refinancing of the present debt of almost $500 billion.

The spending under this amendment will be at the $300 billion level. That is adequate enough to finance what we need to do.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. Adams) to close the debate.

Mr. ADAMS. Mr. Chairman, I hope that we can move immediately to a vote. The Committee opposes this amendment because it would result in a substantial increase in unemployment in all likelihood involving millions of people. I hope that the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Rousselot), to the amendment offered by the gentleman from Ohio (Mr. Latta), as a substitute for the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'Neill).

The question was taken.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 94, noes 311, not voting 27, as follows:

[Roll No. 170]

AYES—94

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Brinkley
Broomfield
Brown, Ohio
Burgener
Burke, Fla.
Byron
Chappell
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
English
Eshleman
Findley
Flynt
Frey
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Harsha
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lott
McCollister
McDonald
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Pressler
Randall
Robinson
Rousselot
Runnels
Satterfield
Sebelius
Skubitz
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Wampler
Wilson, Bob
Winn
Wylie
Young, Alaska

NOES—311

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan

Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Butler
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels,
  Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gradison
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis

Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten

Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Pritchard
Quie
Railsback
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton,
  J. William
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Wilson,
  Charles, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—27

Biaggi
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hungate

Lujan
Mills
Mollohan
Myers, Ind.
Price
Quillen
Rangel
Rhodes
Rogers
Roncalio

Shipley
Shriver
Stanton,
  James V.
Whitten
Wiggins
Wilson,
  Charles H.,
  Calif.
Young, Fla.

So the amendment to the substitute amendment for the amendment in the nature of a substitute was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Clancy for, with Mr. Price against.

Mr. Hansen for, with Mr. Shipley against.

Mr. Lujan for, with Mr. Mollohan against.

Mr. Quillen for, with Mr. James V. Stanton against.

Mr. Young of Florida for, with Mr. Diggs against.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMS. Mr. Chairman, as I understand it, there is presently pending the original resolution as amended by the amendment offered by the gentleman from Georgia (Mr. LANDRUM); the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL), as amended by the amendment offered by the gentleman from Wisconsin (Mr. REUSS); and the substitute amendment offered by the gentleman from Ohio (Mr. LATTA).

My inquiry is: Is the Latta substitute amendment presently pending for vote?

The CHAIRMAN. The Latta substitute amendment is presently pending.

Mr. ADAMS. Mr. Chairman, I ask unanimous consent that we vote now on the Latta substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. LATTA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LATTA. Mr. Chairman, is this the amendment that reduces the projected deficit to $54.1 billion?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. LATTA) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL).

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 159, noes 248, not voting 25, as follows:

[Roll No. 171]

AYES—159

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews,
  N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell

Bennett
Bevill
Blouin
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.

Burleson, Tex.
Butler
Byron
Carr
Carter
Cederberg
Chappell
Clausen,
  Don H.
Clawson, Del
Cleveland
Cochran

Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert
  W., Jr.
de la Garza
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flynt
Fountain
Frenzel
Frey
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Harkin
Harsha
Hastings
Heckler, Mass.
Henderson
Hillis
Hinshaw
Holt

Hubbard
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Levitas
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
Madigan
Mann
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead,
  Calif.
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Passman
Poage

Pritchard
Quie
Railsback
Randall
Regula
Rinaldo
Robinson
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton,
  J. William
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska

NOES—248

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson,
  Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Carney
Casey
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels,
  Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey

Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Green
Gude
Hall
Hamilton
Hammer-
  schmidt
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Hefner
Heinz
Helstoski
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch

Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.

Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain

Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Teague
Thompson
Thornton
Traxler
Tsongas

Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson,
  Charles H.,
  Calif.
Wilson,
  Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—25

Biaggi
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Gradison
Hansen

Hays, Ohio
Hungate
Johnson, Pa.
Mills
Mollohan
Price
Quillen
Rangel
Rhodes

Rogers
Shipley
Shriver
Stanton,
  James V.
Whitten
Wiggins
Young, Fla.

So the amendment offered as a substitute for the amendment in the nature of a substitute was rejected:

The Clerk announced the following pairs:

On this vote:

Mr. Quillen for, with Mr. Price against.

Mr. Johnson of Pennsylvania for, with Mr. Shipley against.

Mr. Hansen for, with Mrs. Burke of California against.

Mr. Young of Florida for, with Mr. Biaggi against.

Mr. Clancy for, with Mr. Diggs against.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ADAMS. Mr. Chairman, my parliamentary inquiry is this: It is my understanding that at this point there remains pending the amendment offered by the gentleman from Massachusetts (Mr. O'NEILL) in the nature of a substitute for the original resolution as the original resolution has been performed by the Landrum amendment.

The CHAIRMAN (Mr. BOLLING). That is correct.

Mr. ADAMS. Therefore an amendment is in order to the O'Neill amendment in the nature of a substitute. And if a Member takes that amendment, then I would like to ask unanimous consent for a limitation of time on the O'Neill amendment in the nature of a substitute.

I am informed there is an amendment to the remaining sections, and there are are two sections that can be amended to the O'Neill amendment in the nature of a substitute.

So if I request a limitation of time for the O'Neill amendment in the nature of a substitute and all amendments thereto, can that time be divided between the amendment that may be proposed to the remaining sections of the O'Neill amendment in the nature of a substitute that can be amended, and those who wish to speak on them?

The CHAIRMAN (Mr. BOLLING). That can be done by unanimous consent.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise not to plead with regard to any particular amendment but to plead for the resolution on final passage.

Last year Congress took a bold step forward. In the Budget and Impoundment Control Act, we firmly reasserted the most fundamental of our constitutional powers, one which had both withered and atrophied through our own disuse, and been encroached upon by executive abuse.

In a brave and historic assault upon executive usurpation, we foreswore the comfortable convenience of legislative indolence and proudly proclaimed our readiness to reassume the rightful role of the people's elected representatives by establishing a coordinated congressional budget.

Today, as we approach a final vote, I plead with the Members not to retreat from that position. I do not ask any Member to violate his conscience nor to vote in any other way than his best judgment dictates on any amendment. Nor do I find fault with the way any Member has voted on any amendment. These were matters of individual conviction. I do ask every Member to give this brave and ambitious experiment a chance to work.

I do ask every Member, once the House has worked its will through the process of amendments, to support this resolution on final passage in order that we may carry out the statutory responsibility which we in Congress gave to ourselves, and fulfill our collective promise to the public.

Far more important than any figure in this resolution, or in any amendment, is the precedent that we set today for the future.

No budget resolution, considering the complexities of the Government and the infinitely varied convictions of our diverse membership, could precisely express the wishes of every Member. Perhaps none could be pleasing in its entirety to any Member. Whatever spending level we ultimately wind up with here, some will think it is too high; and some will think it is too low.

But whatever our individual reservations may be, I ask every Member to compare this budget, which in the final analysis will represent the composite consensus of our collective thinking, with no congressional budget at all.

I ask every Member to contemplate the dismal spectacle of a Congress unable to agree and unwilling to act upon so basic a responsibility as this. Consider the effect of such a failure upon the confidence of the public to whom we promised bold and resolute action.

Word has come to me of Members who are perfectly willing to vote piecemeal, one by one, upon appropriations which in aggregate exceed the spending levels herein contemplated, but who prefer to cover their eyes and refuse to acknowledge the composite results of their actions. Such an attitude would be nihilistic and wholly inconsistent with the candor to which the public is entitled.

Shall we return to the haphazard ways of the past, treating the budget in ostensibly unrelated fragments at odd moments throughout the year—building our house one room at a time as though each had no connection with the others? Shall each of us content himself merely to back his own pet projects, send out his own press releases, and disclaim any personal responsibility for the end results?

Surely we have a higher responsibility than that, both individually and as an institution. The only available alternative is the resolution presently before us. Imperfect instrument that it is, it is our only available tool for recapturing some orderly congressional control over national spending priorities.

When the House has worked its will, regardless of the outcome of any amendment, I shall support the resolution and I urge my colleagues to do the same.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I would like to commend the gentleman in the well. If any of us have reservations about this product, they will most properly be expressed at the end of the process, but if this House and this Congress are going to learn how to walk through this process on this preliminary run, only under those circumstances are we going to be able to adequately and responsibly in the next session know how best to work our will. So it is my personal intention, whether or not this product comes out of the House with a budget in balance or a budget out of balance by x dollars, to support sending this bill to conference, to support letting this process unfold, so all of us, conservatives and liberals alike, can observe it while it works, see where, if at all, there are deficiencies, so that in the next session we can go on and precisely work our will.

In my view, it would be most irresponsible to deny us collectively this experience. If at the end of the road the deficit is too large or too small, we at that juncture then can express ourselves, but at this stage of the game I think the advice of the gentleman from Texas should be heeded by one and all.

Mr. WRIGHT. I thank the gentleman for his comments.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to our distinguished Speaker.

Mr. ALBERT. I thank the gentleman for yielding.

I, of course, concur in what the gentleman has said. I made a similar speech earlier in the day when there were not many here. I think this will be the most historic day up to now we will have had this year if we really mean what we say when we say that we are going to exercise the legislative duties of this body in this House and not pass them, as they have been passed in the past, back to the administration. We need our own Budget Office. We need this experimental run. It is going to break down now if we do not pass this concurrent resolution in the form that the consensus of the House prescribes it after today.

Mr. WRIGHT. The Speaker and the gentleman from California both have said with greater eloquence than I can command exactly what I would have said, and I urge that all of us follow their suggested course of action.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to associate myself with those Members who have pleaded eloquently in favor of a budget control procedure and a fiscal policy of a balanced budget. I believe we must reduce annual deficits over the next 3 years to bring about a balanced budget by fiscal 1979 and continue with balanced budgets except in grave national emergencies. By moving toward a balanced budget in an orderly fashion we can free up capital for critically needed private sector investment to increase productivity, create jobs, control inflation, and raise the real standard of living of the American people.

Because of my deep conviction in the importance of achieving a balanced budget, it was with great reluctance earlier today that I voted against the amendment supporting a balanced budget for fiscal 1976. I did so, Mr. Chairman, because I believe it would be irresponsible to go from a $73 billion deficit to zero deficit in 1 year. Such a wild swing in fiscal policy would seriously injure our economy. Indeed, past wild swings in fiscal policy have contributed to our present problem. We need sound and orderly long-term fiscal policy. We cannot undo overnight the policies of the past decade. I urge this House to reduce this coming year's deficit from $73 billion down to $25 billion and achieve a balanced budget by 1979.

AMENDMENT OFFERED BY MS. HOLTZMAN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Ms. Holtzman to the amendment in the nature of a substitute offered by Mr. O'Neill: In paragraph (2), strike out "$395,938,000,000" and insert in lieu thereof "$393,358,000,000."
>
> In paragraph (3), strike out "$368,213,000,000" and insert in lieu thereof "$367,128,000,000."

The **CHAIRMAN.** The gentlewoman is recognized for 5 minutes in support of her amendment.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry. Mr. Chariman, as I understand it the gentlewoman has been recognized and is entitled to 5 minutes to support of her amendment. I am inquiring whether it is in order for me at this point to ask unanimous consent that all debate on the O'Neill substitute and all amendments thereto cease in 10 minutes.

Mr. WAGGONNER. Mr. Chairman, I would reserve the right to object if that request is made. I think it would be more proper to consider that request when we have some idea of what the amendment is we are being asked to consider, and I respectfully ask the gentleman to withhold such a request until we have had explained to us the amendment and its purpose.

Mr. ADAMS. Mr. Chairman, I will withhold my request.

Ms. HOLTZMAN. Mr. Chairman, I hope I will not consume the 5 minutes.

The thrust of my amendment is to cut $1.1 billion in outlays from the national defense function, and $2.5 billion in budgetary authority.

The reason I offer this amendment is because the President's budget requests an expenditure level for defense that would amount to spending 48.5 percent of our general revenues on defense. I think that spending 48.5 percent of general revenues, that is, total Federal tax revenues less taxes for the special trust funds, on defense in peacetime is much too high a proportion of our tax dollars. I think all of us acknowledge that it is important to begin to cut waste from this budget as from other budgets.

Even under the committee's amendment however, the defense budget will increase in actual dollars by about $4 billion from where it was last year. It is one of the few areas in the entire Federal budget to get new program money.

My amendment would cut $1.1 billion in outlays from areas that would not necessarily involve strategic programs. I would suggest to this committee that if we look at the increase in recruiting costs—such as public relations and advertisement costs—which are not necessary now for the volunteer Army, costs for graduate education for military personnel, costs for operation and maintenance which are increased in this budget, or costs for support personnel, we could easily come to a reduction of $1.1 billion.

Under the rules governing this resolution, I cannot earmark the specific programs to be cut. I am saying, however, that there are programs that are not strategic programs and not connected to the real defense needs of this country that could be cut. I think it is important to send a signal now to the Department of Defense that it must tighten its belt and start cutting fat.

The questions raised in this budget resolution are the questions of national priorities. Higher levels of defense expenditure must be supported by higher taxes, larger deficits, or reductions in other programs. Do we really want an extra billion dollars in the deficit, do we really want to impose another billion dollars in tax burden on our economy, do we really want to cut $1 billion from education or health programs? It is the choice my amendment addresses.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, it is my understanding the gentlewoman from New York would like to cut $1.1 billion out of the defense budget but she does not say where it should be cut.

Ms. HOLTZMAN. I am not permitted to say precisely where the cuts should be made, but I am suggesting to this committee that there are cuts that could be made that are not in strategic programs.

Mr. CHARLES WILSON of Texas. I for one never have been an advocate of the volunteer army. I prefer the draft; but if we have the volunteer force, we have to have the necessary funds to recruit them.

Ms. HOLTZMAN. Ordinarily one would agree with the gentleman, but at this time until it is oversubscribed, there really is no need to advertise for recruits when there is already a waiting list.

Mr. CHARLES WILSON of Texas. Certainly we have to get recruits from the proper mental group, group one and——

Ms. HOLTZMAN. I decline to yield any further. I could not make such an amendment.

Mr. LATTA. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I will be happy to yield to my friend, the gentleman from Ohio; but I would like to respond by saying that under this rule I could not specify where in the defense budget these cuts should come from; but I am suggesting that in an $89 billion budget which occupies close to 48 percent of the general tax revenues, there is room for cutting waste which does not affect our military strength. I think it is important to start making these cuts at this time.

I yield to the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Chairman, I want to make certain what we are about to vote on. The concurrent resolution as now before us reduces the President's budget and budget authority for Defense by $7,922 million and outlays by $4.291 billion. The amendment of the gentlewoman would further reduce that by $2,580 million and the outlays by $1,085 million; is that correct?

Ms. HOLTZMAN. Exactly.

Mr. HARRIS. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Chairman, today, I will vote for the O'Neill amendment to House Concurrent Resolution 218 to remove the 7-percent limit on cost-of-living increases in social security and Federal retirement programs and the 5-percent ceiling on Federal and military pay. It would be deplorable for this Congress to single out and penalize our elderly and our civil servants for the economic ills of our country. These groups are not the cause of inflation and recession; we cannot make them the victims.

A recent poll sponsored by the National Council on Aging concluded that 97 percent of the American people believe that social security payments should automatically increase with rises in the cost of living. According to this poll:

> There is no indication that the public supports an arbitrary limitation on this increase.

Similarly, the study reveals that 81 percent of the public agrees that the Federal Government has the responsibility to use general tax revenues to help support older people.

But, I want to make it clear that I oppose any ceilings—not because it is popular or because it is what the public wants—but because I believe we cannot artificially take money away from those people who need it the most.

Here are a few facts:

Almost 25 percent of all Americans 65 years old and over live in poverty and on fixed incomes. Only one in five had enough taxable income to be required to pay Federal income taxes last year. The median income of older citizens is approximately half of that for younger citizens—$5,487 a year compared with $11,861. Half of those over 65—over 10 million persons—have no other income but social security benefits or supplementary security income. For example, in my district a recent survey of Alexandria's elderly showed that the average annual income for persons 65 and older is under $3,600. And these senior citizens spend more than 50 percent of their total monthly income for housing. Nearly 1 in every 4 of our elderly live on less than $200 per month—in an area where the cost of living is in the top 10 of the country.

Older Americans, who are 10 percent of the general population, account for 28 percent of all personal health care expenditures. They see physicians 50 percent more often and have twice as many hospitalizations lasting twice as long as do younger people. Eighty-six percent of our senior citizens have a chronic condition, disease, or other impairment.

Housing is also a problem for the elderly. Low income, social isolation, and rising property taxes have led to a large increase in the need for low-cost housing for the elderly. In areas like northern Virginia, the recent condominium conversion craze has taken its toll particularly on our elderly: As old apartment buildings are converted, frequently on short notice, older residents cannot afford to buy the unit they are renting.

Accessible, inexpensive transportation is crucial for senior citizens. Only about 47 percent of older Americans are licensed drivers, and escalating fuel costs have forced many of them to sharply curtail their driving. This is one reason why I am working actively to improve our mass transit system in the Washington metropolitan area. Lack of adequate transportation is an obstacle to obtaining basic necessities and services, to socialization, and eventually is a barrier to one's mental growth and health.

I believe the American public expects the Congress to provide for our elderly. The $2.7 billion that the President wants to take away from our retiress and Federal employees is false economy. Not only are we acting humanely by eliminating the ceilings, we are, in effect, putting money back into the economy by putting money in people's pockets. It would be unconscionable for this Congress to so unfairly punish our senior citizens, people who, through many years of work, deserve a respectable and secure retirement.

The **CHAIRMAN.** The question is on the amendment offered by the gentlewoman from New York (Ms. Holtzman) to the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'Neill).

The amendment was rejected.

Mr. ADAMS. Mr. Chairman, I would like to ask unanimous consent that all debate on the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'Neill) and all amendments thereto close in 10 minutes.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Washington?

There was no objection.

The **CHAIRMAN.** Members standing at the time the request was made will be recognized for approximately 40 seconds each.

The Chair recognizes the gentleman from Delaware (Mr. du Pont).

Mr. du PONT. Mr. Chairman, I would like to ask a question of the chairman of the committee, if I may.

I notice that the committee has proposed to reduce the international affairs budget proposed by the President from $12 billion to roughly $4 billion. I would ask the gentleman where the $2½ billion request for military aid to Israel fits within that budget?

Mr. ADAMS. Mr. Chairman, if the gentleman will yield, we did not consider at that amount. We based that on the bill that was passed for fiscal year 1975, which was not passed until February of this year, and left it up to the committee as to how it wanted to allocate it.

The **CHAIRMAN.** The Chair recognizes the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, although it is unclear what the O'Neill substitute accomplishes, I have been advised by committee staff that the 450,000 jobs wiped out by the Landrum amendment would be restored if the pending amendment is agreed to. That is well and good, and I shall vote in the affirmative if only for that reason. But even if this substitute succeeds, it in no way affects my decision to vote against this resolution on final passage.

Some have urged a "yes" vote claiming that this resolution merely sets a base, or a target, or goals that would not preclude this body from subsequently voting additional job-creating legislation if it was our will to do so. Others say a "no" vote would indicate this Congress to be anti-budgetary and would prove that we are fiscally irresponsible. A ranking member of the committee described this as a "dry run" and implied that we are in effect giving a vote of confidence to the establishment of the committee itself rather than to aggregate figures in the resolution. It is not fair he says to expect the committee to have come forth with a perfect piece of work; they started late and were short of time, and labored under the understandable problems that a new committee is confronted with, we should be patient and wait until next year to demand perfection. I have been told more than once in the cloakroom that if this resolution failed, it would bring about the dissolution of the Budget Committee, a thought repugnant to even a moderately conscientous member. Another school of thought has it that if the resolution goes down and the committee does not dissolve, then it will return with a resolution that does even more violence to the objectives of creating more jobs in this battered economy that needs so much help. And finally, the old saw that never fails to make the rounds was trotted out: Liberals who vote with conservatives no matter what their reason are unwittingly aiding the cause of their opponents.

But none of these reasons, nor all of them together, are persuasive. What does it all mean if at the end of the fiscal year this budget would ordain a national rate of unemployment of 7.4 percent when at this very moment it is 8.7 percent and in the city of Detroit, Mich., it is 24 percent? It means that we are being asked to go on record ratifying a plan that contemplates 13 million Americans and their families suffering the humiliation and personal defeat that goes along with not being able to support oneself, and this I refuse to do on two grounds. One is moral and the other is economic.

In the first place, it is unconscionable to deliberately consign this many people to joblessness. In the second place, I categorically refute the nonsense that it is not possible to construct an economic system that will employ all who need jobs without wreaking fiscal havoc. The fact of the matter is that many reputable economists assert that this resolution cannot bring about economic recovery as long as it countenances a continuing rate of high unemployment. The reason the same nostrums are repeated ad infinitum is that there has not been a serious search for new solutions to old problems. In short, the will to end joblessness in this country has not evidenced itself in the Halls of Congress. What has been perpetrated here is nothing less than a travesty upon the budget process, for the fixation upon the deficit has obscured the simplest of truths: That the budget shapes the economy, and the economy exists to fulfill the needs of the people.

The **CHAIRMAN.** The Chair recognizes the gentleman from Massachusetts (Mr. Burke).

(By unanimous consent, Mr. Burke of Massachusetts yielded his time to Mr. O'Neill.)

The **CHAIRMAN.** The Chair recognizes the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, while we may not be able to achieve a balanced budget, it is a goal to which we should aspire. Like many other members, I went home last year and bragged about the budget reform bill we had passed in the 93d Congress. I told my constituents that henceforth, the Congress intended to become a full partner in the budget-making process. No longer would we vote for programs blindly, oblivious of their effect on the year-end deficit. Instead, we would set our goals at the outset, let the people know just where we were headed.

Well Mr. Chairman, we are now seeing the proof of that rhetoric. The chickens have come home to roost. We have seen the enemy, and they are us. And what we see is almost unbelievable: money going out at the rate of almost a billion dollars a day. Revenues coming in at the rate of 808 million. A daily deficit of 175 million.

Mr. Chairman, if I was playing poker and faced those kinds of totals, I would throw in my hand. You can preach all you want about "stimulation," and "owing it to ourselves," and all those other clever phrases. But the fact of the matter is, if this blueprint is adopted, we are going to be spending $5 for every $4 we take in, every day for every person in the United States. And Mr. Chairman, you cannot support a hundred dollar a day habit on 80 bucks. Not for long, before the loan sharks eat you up.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. Pepper).

(By unanimous consent, Mr. Pepper yielded his time to Mr. O'Neill.)

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. Butler).

Mr. BUTLER. Mr. Chairman, I am unalterably opposed to the recommendation of the Budget Committee that the Congress approve a Federal deficit of $73.2 billion. I am by no means an expert in the field of economics, but it does not take an expert to recognize the principles of fiscal sanity. I know that this Congress cannot continue to spend taxpayer dollars at the reckless pace of the past 4 months without refueling the fires of inflation. Our economy has only recently shown some indication of an upward trend, but the action we are taking today in approving this resolution will put us back on the path to economic crisis.

Commonsense dictates that a deficit of more than $73 billion will dry up private sector funds to the extent that interest rates will rise appreciably; economic recovery cannot survive under these conditions. Even the President's own budget request, with projected deficits of $51.9 billion, indicated a less conservative approach than my own, and I viewed it with real reservations.

The committee estimates that a deficit of $73.2 billion will require a corresponding combined temporary and permanent debt ceiling of $624 billion, which is an increase of $93 billion in just 1 year's time. I simply do not believe that increased borrowing of this magnitude is tolerable.

A check of my record indicates that on June 13, 1973, I voted for H.R. 8410, which extended through November 30, 1973, the temporary ceiling on the public debt at $465 billion; on November 7, 1973, I voted for H.R. 11104, raising the temporary ceiling on the public debt to $475.7 billion, and extending it through June 30, 1974; on May 23, 1974, I voted for H.R. 14832, a temporary increase in the public debt ceiling to $495 billion through March 31, 1975; and on February 5, 1975, I voted for H.R. 2634, temporarily increasing the public debt ceiling to $531 billion through June 30, 1975. However, this is to state that I will not vote for the increases necessitated by this legislation.

In the past, I have voted reluctantly for various resolutions increasing the national debt limit despite serious reservations on my part as to the inflationary impact this action would have. I did so because I believed that once the Congress had approved legislation necessitating the increased debt, in good conscience we should take the necessary action to provide for the financing of this debt.

I was also influenced in the past by the fact that these resolutions were often before us at the 11th hour—so late that prompt action was necessary to permit the Government to meet its obligations, particularly with respect to such matters as the financing of the government payroll and the issuance of social security checks.

I have always been uneasy about these votes, as I have not generally supported the measures requiring the debt increases. Further, I have noted that among my colleagues, the most ardent advocates of increased Government spending have consistently reversed their position by opposing debt ceiling increases.

For the first time, the newly enacted Budget and Impoundment Control Act gives the opportunity to review budget priorities and approve the size of the Federal deficit in advance. Those of us who supported this legislation in the last Congress did so on good faith; we believed it provided a responsible means of controlling excessive Government spending. By providing for the orderly consideration of authorization and appropriation measures, we hoped to eliminate unanticipated, late-in-the-year increases in the size of the Federal budget.

Now, however, the Budget Committee recommends that we begin the fiscal year by endorsing a record budget deficit with the full realization that later events and legislation may bring the deficit close to the $100 billion mark. The committee asks us to approve the extension of many of the provisions of so-called emergency legislation such as the 1975 Tax Reduction Act through fiscal 1977.

It is far easier to enact legislation than to repeal it, and we can easily predict that continuation of emergency measures will maintain the Federal budget at record levels, even if economic recovery is partially achieved. Accordingly, I can neither support the recommendations of the Budget Committee nor will I support increase on the debt limit necessitate.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN. Mr. Chairman, we have worked very long and have achieved very little. I want to suggest that it is preposterous for us to suggest that a concurrent resolution targeting a fiscal deficit of $70 billion has any pretense of legislative responsibility. I think it is devious to pretend that this resolution will create jobs other than in a very hypothetical way.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. Reuss).

Mr. REUSS. Mr. Chairman, the combined effect of the O'Neill amendment in the nature of a substitute and the Reuss amendment, which passed by a vote of 277 to 128, is to do two things. First, it reduces the budget deficit of the resolution before us by $3 billion, and the debt accordingly. Second, it keeps faith with our old folks who have been promised an adequate social security increase. It is thus both fiscally responsible and responsive in human terms. I hope it passes.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota (Mr. Abdnor).

Mr. ABDNOR. Mr. Chairman, in our consideration of the first concurrent budget resolution, the House is supposedly involved in a step by step procedure to get the upper hand on the Federal budget and the national debt by controlling spending and setting priorities. Our responsibilities in this regard are set out in the Congressional Budget Act of 1974. With the resolution submitted by the Budget Committee, the good intentions of the act are being sacrificed to political expediency. Frankly, this resolution can only worsen the problems it was designed to solve.

The Congress—most of whose Members campaigned last fall for a balanced budget—is seriously considering a $100 billion deficit. Even a year ago such a proposal would have been incredible. Many see a $73 billion deficit as unavoidable, and this is too high. Because of what we have done previously we cannot avoid a $50 billion deficit, and as far as I am concerned this, too, is irresponsible.

The budget resolution simply ignores the question of a reliable energy program which is essential to our long range economic health.

The resolution also ignores history, and the sorry experience our Government has had with programs it designed to stimulate the economy. These temporary programs became permanent, and are a large part of the problem we are having to contend with today. In the area of domestic assistance alone I can cite program after program where costs have increased 15 to 25 percent each and every year for the past decade: Pollution control and abatement $200 million to $3 billion for 31 percent annual growth; food stamps $100 million to $3.86 billion or 44 percent annual growth; health care services $1.2 billion to $24.1 billion for 35 percent annual growth; manpower and related social services $1.36 billion to $7.28 billion or 18 percent annual growth. These programs may have many benefits, but they have to be paid for. When we start talking about cuts, it is always somebody else's program we want to cut, not our own. As a result we keep them all, and add to them.

We are trying to deal with inflation and recession at the same time. We are also building the future economic health of our nation. With the budget resolution presented, I can only see the financial carnage of runaway prices, lost jobs, and lost production.

This budget resolution has to have some drastic revision if we are going to exercise the kind of budget control we must have. As far as I am concerned a $100 billion deficit is no control at all.

We have been hearing many figures in this debate. They vary widely for the same function—the same deficit, the same date of economic recovery, the same

level of employment and even the desirable amount of economic stimulus. Where does consensus lie? What is right? Whose figures do we believe? What do we need to foster recovery and move toward the long range goal of economic stability relatively free of inflation and the burdens on productivity for those who need jobs?

The solutions go far beyond what we do here on this resolution and to some degree are outside our reach as mere representatives of the people. There are some things we can do, and there are some things we cannot and should not do. This we must recognize and stop deceiving ourselves and the people of this Nation.

We cannot, for instance, affect to any large degree the worldwide economic situation which has helped put us where we are today. We cannot, by mere words and votes, appreciably affect the deep psychological forebodings of economic trouble and mistrust the people have. To some degree, the less we say and do, the more the components of recovery give rise to encouragement of positive thinking regarding our future economic well-being.

Above all that we cannot and should not do, and I stress this: we cannot turn this Nation around by spending money we do not have on the scale envisioned by this resolution.

I do not want to be alarming—this does nothing but turn people off and worsen the situation as well as lessen our chances of being able to rationally solve the few problems we can. As I see it, the major issue facing us here is the size of the deficit as it relates to stimuli in an economic recession. Too much leads to another devastating round of inflation greater in degree than our recent past experience. Too little lengthens the period of desired recovery.

Our actions must fall somewhere between these two undesirable potentials. Along this spectrum between too much and too little there appears to be less long-range harm to our economy on the end where our deficit does not exceed $50 billion in fiscal year 1976. Any deficit above $50 billion, indeed, creates an atmosphere of severe drain and crowding in the total volume of available credit in the market for the consumer and business as the Government goes in to finance the deficit.

The resolution before us says directly we will have a deficit or need a deficit of $73.2 billion in fiscal year 1976 and implies it will be increased with another $20 billion by the off-budget items. We come to a score of $93.2 billion. What will the business and consumer components demand of the credit market in fiscal year 1976? If we can depend to some degree upon the demands of the recent past and add to it an estimated demand in order to recover by the end of June 1976, we see a business figure of at least $117 billion and a consumer demand of by no less than $3 billion. Minimum total from all parts, and I mean minimum especially so in the consumer and business end, is $213.2 billion for fiscal year 1976.

The business sector demanded and received $80 billion in fiscal year 1975, over $37 billion below fiscal year 1974. If they are expected to increase productivity to any degree in fiscal year 1976 they are going to need more, considerably more than the total of the two, $117 billion. Consumers only demanded approximately $3 billion in fiscal year 1975 from the credit market to purchase their goods and services. They are going to need considerably more in fiscal year 1976 in order to play their role in recovery. We cannot appeciably predict exact amounts both business and consumers will go to the credit market for funds, but a simple look at what they have done in the past clearly indicates what will be necessary if indeed their role in recovery is actualized. In fact, the latest estimate on demand from these two components appears to fall around the $200 billion mark.

When you join the $200 billion from business and consumers with the outer limits of a $100 billion Government deficit obvious strain on the available credit for fiscal year 1976 is apparent. This strain must be avoided and the potential recognized. When we get estimates that there will be from $220 to $275 billion in available credit and we have an estimated maximum demand for approximately $300 billion, someone is going to get crowded out. It appears obvious to me that restraint is in order today on the size of the 1976 deficit, as well as for fiscal year 1977. I would hope we all could clearly recognize this vital for prudence.

Why gamble with the economy? Why do we have to embark on a course of outer limit expenditures? We all seem to agree that a stimulus is in order, but reason must at some point come into play.

I cannot support a deficit of $73.2 billion with another $20 billion in off-budget demands. The strain will be too much. Recovery will certainly not occur and inflation will be back for a longer, more horrendous duration and magnitude.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. ABDNOR. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the adoption of this budget recommendation.

I simply want to remind my colleagues that when we voted to set up a Budget Committee, I for one, did so on the understanding that our goal in doing so was to assist in bringing Federal spending under control. Many more drastic measures for accomplishing that end were before Congress, but advocates of the legislation which established a new Budget Committee in each body of Congress made strong arguments that the primary reason for the growing Federal deficits and the inability to control Federal spending was that Congress had no mechanism for making total budget decisions. It was argued that authorizations and appropriations were considered on a piecemeal basis and at no point did Congress have the opportunity to make a decision on the budget as a whole. "If we can provide a means whereby Congress can render a judgment on overall budget levels," said the advocates of the legislation, "we will be able to make rational decisions and will not need more rigorous limitations."

I will be frank with my colleagues and say that I never believed that rhetoric. Everyone was talking about the need for budget control, but I was not convinced we were willing to do anything about it. Nevertheless, I was willing to try the Budget Committee route and see whether it would help.

Without any reflection upon my colleagues who sit on the Budget Committee, I think we can all now see that we have not accomplished a remedy.

If we have succeeded in anything, it is in establishing where the blame for deficit Federal spending lies. It lies squarely on the doorstep of Congress.

I was frankly amazed at the size of the deficit recommended by the President's budget. But yesterday the Senate approved a budget recommendation which proposes a deficit $7.2 billion greater than the $60 billion recommended by the President and now we are discussing a recommendation for a deficit of $6 billion more than that proposed by the Senate or more than $13 billion above the exorbitant level contained in the President's budget.

It is all well and good for Members to suggest that such a deficit is necessary to stimulate a sagging economy, but I would just remind my profligate friends who seem to have such short memories for history, that it was a pattern of deficit Federal spending which put us in the economic situation we face today—it was a pattern of deficit Federal spending which fueled the inflation that has ravaged our economy over the past 8 years or more—and a continued ballooning of deficit spending, as this resolution endorses, is not going to resolve the problem. No amount of economic sophistry can convince reasonable men that you solve a fiscal crisis by practicing an escalation of the same policy which created the problem. It makes just as much sense to say that, since speed causes the vast majority of highway deaths, we should increase the speed limits in order to reduce the death rate as it does to say, as many now contend, that we must have bigger deficits to stabilize an economy rendered instable by deficit spending.

My friends, I think it is of key importance to note that, as I understand the situation, we would not have this resolution before us if two members of the committee had not reversed their negative vote merely to insure that Congress did have a budget resolution to debate. To me, that is more than adequate evidence, given the content of the resolution itself, that we cannot and must not adopt the resolution as reported. If this body will truly deal with the budget problem by amending the legislation to eliminate the deficit or, at least, to substantially reduce it, we will be taking a giant step toward assuring that our new procedure amounts to something. If, however, we adopt this resolution—or anything remotely resembling it in terms of the size of the budget deficit it endorses—we will be demonstrating that there is only one way left whereby Federal spending can be brought under control.

Since I doubt our resolve to take the necessary action to alter this resolution, I want, simply for the Record, to suggest once again that what we really need is a constitutional amendment mandating a balanced Federal budget. I have been joined by over 30 cosponsors in introducing such an amendment embodied in House Joint Resolution 318 and 319, and an identical proposal has been introduced in the Senate by Senator Curtis and several of his colleagues.

My proposal contains a self-implementing mechanism which automatically insures a balanced budget by the end of the fiscal year. If Congress appropriates more money than can be covered by expected revenues, my amendment will require that we either find a way to produce more revenue, or we cut back on some unnecessary spending.

I have proposed a constitutional amendment because it is obvious that statutory restraints alone have no meaningful impact on Congress. The debt ceiling and the current budget recommendation procedure both demonstrate conclusively that a mere statute can be too easily amended, evaded, or simply ignored by the Congress. The body that enacted it can easily change it or repeal it.

I should point out that my proposal does include a method by which the requirement for a balanced budget can be suspended in the event of a formal declaration of war by Congress or a national emergency, as formally declared by a three-fourths vote of Congress.

The budget deficit proposed in the resolution we are currently considering is the highest ever for a peacetime budget. The national debt grows larger by the day. I have said before and I repeat now, "We can only resolve our serious economic problems by undertaking a firm commitment to fiscal responsibility and by securing that commitment to the rock of the Constitution so that it will not be whipped to pieces in the winds of political expediency."

I am convinced that Congress will never resist the pressure to engage in deficit spending until a balanced budget is mandated in the Federal Constitution the same as it is in many of our State constitutions. With the stiff alternatives of higher taxes or reduced spending, the pressure on Congress squeezes us into the weak fault of deficit spending. Until that fault is blocked completely, no hard decision as between increasing revenues and reducing spending will ever be made. If by mandating a balanced budget, we narrow the alternatives to two, it is clear from past practice and from the facts of political life that the easier choice will then be to reduce Federal spending.

I challenge my colleagues to prove me wrong right here on the floor of the House today, by cutting back the deficit recommendation in the resolution to a level that will balance the budget. Nothing would give me greater pleasure than to have to eat that kind of crow.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Leggett).

(By unanimous consent, Mr. Leggett yielded his time to Mr. O'Neill.)

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, we have repeatedly heard Members arise and discuss elaborate amendments which they allege pertain to Federal pay increase ceilings, aid to the elderly, "caps" on social security increases and the like.

I do not know what kind of a fantasyland the floor of the House has become but no such amendments are or have been before the House. The O'Neill substitute has had great claims made in its behalf as to how it will shift spending from one program to another. All of this is absolutely incorrect.

The reason can be found in the response the Chair made to a parliamentary inquiry I made yesterday. On page H3462 of the proceedings of the House you can read a clear statement from the presiding officer that no amendments are in order except the very limited changes which may be offered to aggregate sums contained in the concurrent resolution, namely, sums for total Federal revnue, total budget authority, total outlays, the national deficit and the national debt. Anything else a Member may say when offering his amendment to change such sums is his own wishful thinking and little else. The gentleman from Michigan (Mr. O'Hara) pointed this out in his remarks earlier today.

It is truly a measure of the unreality of this entire budget process that grown men and women stand before the House and delude themselves into thinking that we are accomplishing something that cannot and has not been done. In this resolution we do nothing more than set target budgetary levels, and we make no policy or specific spending decisions. Policy questions will have to be left to future action by the Congress, and if what we have seen here today is any indicator, the taxpayers of this Nation will be just about as bankrupt as is this so-called budget reform process.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. Landrum).

Mr. LANDRUM. Mr. Chairman, the O'Neill substitute to the pending resolution as amended by the Reuss amendment increases the deficit over what is in the pending substitute by $[illegible] billion. In effect, the O'Neill substitute will now by the Reuss amendment, direct the Committee on Ways and Means to close loopholes, to raise taxes.

Here are some of the areas in which taxes could be raised if the Committee on Ways and Means studied this: It could be the deductibility of mortgage interest on owner-occupied homes, the deductibility of taxes on social security.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Latta).

Mr. LATTA. Mr. Chairman, notwithstanding my deep affection and admiration for the majority leader, I must oppose this amendment. I think it is probably one of the worst amendments that has been offered. If this amendment is agreed to, I might have to vote against the concurrent resolution.

Mr. Chairman, I yield the balance of my time to the gentleman from Georgia (Mr. Landrum).

The CHAIRMAN. The Chair recognizes the gentleman from Georgia Mr. Landrum).

Mr. LANDRUM. Mr. Chairman, there are many other categories, such as the withdrawal of objection to municipal bonds, and other such things, that the committee could study.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. O'Neill).

(By unanimous consent, Mr. Adams yielded his time to Mr. O'Neill.)

Mr. O'NEILL. Mr. Chairman, we have had very interesting and full debate this afternoon. We heard the gentleman from California (Mr. Rousselot) offer an amendment which would have brought us back to the days of McKinley.

We had the gentleman from Ohio (Mr. Latta) offer an amendment. I believe in my 20 years of friendship with the gentleman from Ohio (Mr. Latta) I have seen him improve from espousing the cause of McKinley up to the era of Hoover. The amendment that was offered by the gentleman from Ohio (Mr. Latta) would have brought us to the days of Mr. Hoover.

So we would have gone from McKinley in one amendment to Hoover in the next one.

The Landrum amendment is the next one. The Landrum amendment brings us to the philosophy of the administration. The budget is an expression of a philosophy and we have seen the Nixon administration, for the last 6 years, with its billions and billions and billions of deficits. The Members have seen us go into a depression; the Members have seen inflation.

What does the amendment as offered by the gentleman from Georgia (Mr. Landrum) do? It keeps the status quo. The gentleman wants us to follow practically along with the same budget Mr. Ford has been asking for all the time. The gentleman wants to go along with unemployment, unemployment, unemployment.

May I say with regard to the amendment offered by the gentleman from Georgia (Mr. Landrum), if my amendment fails, the gentleman's amendment does take affect.

What the O'Neill amendment does is this: It takes off the caps.

In other words, the resolution provides a recommendation that of Federal employees pay be pegged at 5 percent and that unemployment compensation, social security, and benefits for retirees, including military retirees, be pegged at 7 percent. My amendment takes these ceilings off. As we know, those under social security and Federal employees will be entitled to an 8.6 percent pay raise in July. However, the Landrum amendment rolls it back to a 5 percent pay raise for Federal employees and the 7 percent for retirement benefits. In other words, the Landrum amendment takes it exactly as in the resolution.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield on that point?

Mr. O'NEILL. I will be happy to yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, certainly the gentleman spoke inaccurately about what the pending resolution by the gentleman from Georgia does. He is not reading the language accurately as to what my amendment does or does not.

The gentleman is saying that it takes off the caps completely. The Landrum amendment does not touch the caps. It leaves the caps as the Committee on the Budget recommended.

Mr. O'NEILL. I do not yield to the gentleman further. That is exactly right——

Mr. LANDRUM. Wait a minute, please.

Mr. O'NEILL. Mr. Chairman, I do not yield to the gentleman any further.

Mr. LANDRUM. The gentleman said that the Landrum amendment takes it away.

Mr. O'NEILL. Mr. Chairman, my amendment will clean up the inequity of the resolution. It would have reduced the social security benefits from 8.6 to 7 percent. My amendment takes the cap off.

As far as the amendment proposed by the gentleman from Wisconsin (Mr. Reuss) is concerned, it is a good amendment.

Mr. Chairman, I urge that my amendment be adopted.

Mr. GOLDWATER. Mr. Chairman, there was a time when Members of the House of Representatives could offer some hope to the beleaguered American taxpayer that the Congress was really interested in his plight and would quickly and intelligently move to help him. There were many Members of the Congress that pointed to the 1974 Budget Impoundment and Control Act as a clear signal that the Congress had begun to respond.

Well. Mr. Chairman. if House Concurrent Resolution 218 is any indication—and I believe it is—of what the taxpayer can expect in the way of immediate help in fiscal matters from this Congress they had better hold on to their wallets real hard.

House Concurrent Resolution 218 recommends a Federal budgetary deficit of almost $74 billion and a so-called temporary increase in the public debt limit of some $93 billion. This report accompanying the resolution says inflation and unemployment are the crises most threatening our Nation. The report and the resolution simply miss the point. The fact is that Federal deficit spending is the basic cause of our current economic plight. This resolution, by proposing to add an additional $74 billion in deficits, is pouring gasoline on a fire that is burning steadily out of control. This so-called product of congressional budgetary reform will aggravate the very problems it is claiming to be able to cure.

Regarding the provision to increase the national debt by $93 billion, this Joint Budget Committee report makes the assertion that deficits are all right under the circumstances. That is a very interesting claim and possibly it is one that we should take seriously. If deficits are OK, why not quit playing word games with these debt limit increases, stop calling them temporary, and not only permanently increase the debt but also remove any limits. It is obvious why the committee has not recommended such a course because it knows full well that such a policy would cause immediate and utter financial collapse. And yet, this same committee is seriously calling on this Congress to add to an already staggering debt sum—$624 billion with the proposed increase—and to do it in the name of fiscal intelligence and soundness. It is a sham and a folly.

This resolution, Mr. Chairman, is not based on sound fiscal policies and actions. While it is true that we cannot correct all the economic ills that plague our country, this first budget resolution is certainly the place to begin, and the simple fact is that the Joint Committee on the Budget has failed to effect any budgetary reform outside of regaining some congressional control over the impoundment process.

What this Congress should be doing is calling for a balanced budget, permitting only the most necessary and limited increase in the national debt, and admitting that congressionally sponsored deficit spending is the basic cause of inflation, unemployment, and the economic injury being endured by our elderly and others on fixed incomes.

Mr. ANNUNZIO. Mr. Chairman, while I am in support of the principle of the resolution before us today, I am concerned that we are increasing our budget deficits faster than our ability to repay.

House Concurrent Resolution 218 calls for a budget deficit of $73.2 billion for fiscal year 1976. This is far too much for the already overburdened taxpayers to absorb. Let me make it clear that my criticism of the resolution's deficit in no way indicates support for President Ford's budget deficit which he projects to be $51.9 billion—both figures are too high.

Just as a housewife cannot continue to pay for this week's groceries by borrowing against next week's paycheck, we as a country cannot continually borrow against future earnings to finance on an unrestricted basis the country's current operations. The national debt continues to grow and, in fact, under the proposal contained in House Concurrent Resolution 218 it will cost us $20 billion on an aggregate basis to finance the interest on the debt.

Mr. Chairman, time and time again the American people have expressed their sentiment that Government spending be reduced. The American people realize that they are the ones who are going to pay the bills for the programs which we establish in the Congress. Many of these programs are extremely beneficial and should be increased. For instance, we need expanded public service employment, just as we need to create jobs wherever possible. However, spending is not the answer to the economic ills of our Nation. Some programs must be cut.

Every time we spend a deficit dollar we not only saddle the taxpayer with a dollar's worth of debt, we also add the interest that must be paid to a lender to borrow that dollar.

The more the Government borrows, the higher the cost of borrowing becomes since there are only a certain number of dollars available unless we resort to "printing press money." But that simply creates more inflation and in the long run also drives up interest rates. Thus, when the Government borrows large sums of money it is competing with the private needs of our economy, particularly home mortgages. This competition for a limited amount of dollars means that everyone has to pay more for the money. I am certain that this is not what the Budget Committee is seeking to accomplish.

The answer must be to reduce Government spending immediately and as a long-range goal reduce the public debt substantially.

To accomplish the reductions, I feel that we must have a general reduction in the authorized spending level of the resolution. The unfortunate part of this is that two-thirds of the deficit is composed of expenditures over which we have no control, such as interest on the national debt, and social security commitments. However, there remains $106 billion in expenditures over which we do have control. We can and should make reductions in these expenditures, not by slashing programs in a haphazard manner, but through a concerted effort to bring about meaningful savings.

One such approach is a consolidation of Government. We have far too many Government agencies—many of which have overlapping jurisdiction. It is my suggestion that the committees of the Congress as well as the executive branch review every agency, department, bureau, division, section, and branch of the Federal Government to determine if meaningful cost-cutting consolidations can be achieved. These consolidations would not mean the loss of current jobs, but rather that there would be an attrition through retirements.

At it is with many things, the most difficult part of cutting costs is the first step or cutting the first dollar. Today we have an opportunity to take the first step. While I am not suggesting that we should not support House Concurrent Resolution 218, I am suggesting that we commit the House to a program of reducing the unnecessary Government expenditures and that we charge the Budget Committee with such a goal.

Mr. Chairman, we do not have an unlimited supply of money just as we found that we did not have an unlimited supply of oil. We waited too long to act on the oil situation. I only hope that we will not make the same mistake in the money matter.

Mr. MILFORD. Mr. Chairman, the first concurrent resolution on the budget will be a landmark document in American economic and financial history. On the eve of our Nation's bicentennial observance, the Congress for the first time is being requested to vote upon a resolution which sets forth major targets for the Federal Budget and the Public Debt in the fiscal year ahead. This is a grave and critical responsibility for the Congress. After decades of divided responsibility between the Congress and the executive branch regarding fiscal matters, the opportunity is now at hand for much closer coordination in the conduct of our Nation's fiscal affairs.

At a time when Federal spending, the deficit, and the public debt are growing at unprecedented rates, the Congress must look ahead and must be ever conscious of the effects of its decisions today upon the ability of the American people in the next century to enjoy the fruits of economic progress that have been our heritage from our Nation's first two hundred years of existence.

It has become abundantly clear in recent years that the seemingly unlimited frontiers that confronted our forebears indeed have disappeared. Our geographical boundaries were pierced decades ago, whereas today we have to face the hard, cold fact that there are serious limits to the availability of our natural resources. There is no more dramatic or compelling evidence than the case of energy—especially the oil and gas that has played so vital a role in the economic development of my home State of Texas.

For a long period of years our Nation has grown and prospered through the marvels of technology and industrial development that have made our citizens more productive with the application of cheap and abundant energy. The gains in human productivity made possible by this technology and energy have enabled us to enjoy the highest standards of living ever known to mankind. They have nourished our expectations to the point where many of us—indeed too many of us—have found it only to easy to turn to the Federal Government to see that our desires are satisfied.

The cost of Federal programs created in response to such aspirations has mushroomed at an alarming rate, and efforts to just slow down the trend thus far have proved futile. I invite the attention of my colleagues to the targets of the Resolution under consideration which point to a deficit of $73 billion in fiscal year 1976 with the result that the public debt would increase to $624 billion. Some observers contend that the deficit target will not be achieved and that the figure might be as high as $100 billion. We can admit that price inflation has played a major role in the mushrooming of Federal fiscal totals, but it bears noting that it took over 150 years to accumulate deficits leading to the first $100 billion mark in the debt. World War II saw the second $100 billion mark passed in 1944. Thereafter it took 18 years to reach $300 billion, and 8 more years to reach $400 billion by 1970. The debt is now over $500 billion, so that we added the last $100 billion in only 5 years. Now, with the target before us at $624 billion at the end of fiscal year 1976, we are looking at debt creation that has no historical precedent.

I am fully aware of the point that the debt and the level of Federal spending should be considered in light of their relationship to the size of the economy or gross national product. But I would submit to my colleagues that the very rapidly of the growth—under the powerful thrust of inflation—is a cause of genuine concern. It is thus gratifying that the Committee on the Budget has seen fit to include in the resolution before us the caveat which states:

> While a substantial deficit in fiscal year 1976 is both unavoidable and necessary, a comparable deficit in a resurgent economy could spur inflationary pressures. Therefore, in fiscal year 1977 it may be necessary to moderate Federal spending in order to avoid an overexpansion of the money supply or a return of higher interest rates brought about by increased private and public credit demands.

It is my view that the fires of inflation have not burned themselves out. They have been dampened, but they are still smoldering—ready to blaze into critical dimensions if new fuel is poured on. Therefore, I would especially emphasize to my colleagues in the Congress that the challenge is still ahead of us. It will be our responsibility to see that our fiscal actions do not feed the fires of inflation, but instead foster the stable economic climate upon which the real growth and progress of our Nation—and thus the standard of living of our people—must depend.

Against the background of limitations on our resources, therefore, the Congress will have to be concerned to an increasing degree with the priorities that will be required to assure that Government spending will not be a process of satisfying every aspiration of pressure groups and their constituents, but rather one of preserving an economic climate by which sound and stable economic growth can be nourished. The Congress will clearly have to sort out those demands upon our Treasury which will contribute to the greatest degree to our national growth and give them highest priority, and to reject those which may dilute our national substance through inflation and other phenomena and which thereby may sap our strength both domestically and internationally. It is distressing to hear the often stated charge that the Congress has been irresponsible, prone to spend and spend without full appreciation of the economic consequences. We have the opportunity in this congressional budget process to respond to that charge, and I hope that we shall—with courage and determination.

I have not sought in my remarks to evaluate the specific targets we are considering in this resolution. The extensive hearings and deliberations of the House and Senate Committees, with all their expert testimony and analysis, point up the difficulties of making forecasts and projections in a complicated economic climate, but I would again emphasize that the sheer size of the spending and the deficit, compared with levels of even recent years, disturb me greatly—especially if we should fail to bring them under control in the years ahead.

In presenting the resolution for our consideration, the committee report emphasized, as one of the two critically important aspects of our current economic and budgetary situation, that—

> The largest single cause of the deficit is the recession itself, coupled with the tax reductions that both the President and the Congress have agreed are essential to stimulate economic growth. If the unemployment rate could be reduced to 4.2 percent during all of fiscal year 1976, the budget would be substantially balanced. Consequently, our overriding need, both in humanitarian and economic terms, is to put people back on the employment rolls as quickly as possible.

There can be no disputing that "the largest single cause of the deficit is the recession itself." The decline in business activity and cessation of economic growth have eroded the base of Federal revenues. The rationale for a heavy budget deficit and concomitant growth in the debt rests in the stimulus expected to be provided to the economy which hopefully will strengthen the revenue base.

It is my view that although the cause of the deficit may be the recession itself, we should be especially mindful that the cause of the recession is the critical, double-digit inflation that has plagued our economy in the recent past.

One of the most important challenges to this body is to develop a clear understanding of inflation and what it does to economic, social, and political institutions and processes. History records in case after case the destruction that inflation has wrought to the economies and governments of nations. Indeed, inflation has been employed as a weapon that sometimes has proven as powerful as military might. At this critical juncture in the Far East, one may inquire as to the role inflation may have played in what appears to be an impending collapse of South Vietnam, where price indexes have increased 600 to 700 percent since 1968 and the cost of living has more than doubled within the last 2 years.

The Congress recently enacted tax rebates and reductions. This action may be viewed, in a sense, as a return to the people, especially to the lower income groups, of the insidious tax they are now paying through inflation. The tax reductions as of the moment provide some relief from the high cost of living resulting from the inflation, but any benefits can and will be eroded if inflation is not arrested. It is thus reassuring to me that the Committee on the Budget has taken note of the danger of inflation beyond fiscal year 1976.

It is my hope that as the congressional budget process moves forward and the initial targets are followed by more definitive budgetary policy actions, that proper weight will be given to the destruction already caused by inflation and to its inherent dangers for the years ahead. Although I am not an economist, I am impressed by the argument that our recent experience has departed widely from the pattern of past business cycles, which usually had self-correcting forces built into them.

Perhaps the most visible signs of the recession in recent months can be observed in the automobile and housing industries. Although the high cost of energy has been a factor, there can be no disputing the fact that inflation has priced too many potential purchasers of new homes and automobiles out of the market. The result has been widespread unemployment and loss of incomes, with ripple effects across a broader spectrum of business and industry. In less dramatic dimensions, the same imbalances and distortions created by the inflation

have seeped into many lines of business, some of which can adjust fairly quickly while others see little likelihood of working out of their problems any time soon. The uneven effects of inflation across the broad spectrum of economic activities and the social structure are a phenomenon of today's environment that usually have not attended past business-cycle recessions. It is therefore incumbent upon the Members of the Congress to be guided by the knowledge that serious inflation destroys jobs, incomes and sales, and that these effects are translated directly to the revenues and budget performance of the Federal Government.

Difficult as the current environment may be, we should look ahead with confidence and resolution in the knowledge that a responsible Congress, embarking upon this history-making mission, can and will provide a fiscal foundation upon which economic growth and progress will be nourished. As we put to rest the forces of inflation, the fundamental ingredients for growth—savings and investment—will be restored to proper balance. Our people and the business community will have confidence that the long-range integrity of their savings will be preserved, and that capital thereby will become available to finance both critical national needs—such as energy, raw materials, transportation, and industrial capacity—as well as homes and other elements that are a part of the better life. These needs cannot be supplied by tapping the public purse. They have to be resolved by the productivity of our citizens that is nourished by a free society that recognizes the indispensability of savings and investment.

Mr. HANNAFORD. Mr. Chairman, I rise in support of this amendment to lift the ceiling of 7 percent on social security benefits and the ceiling of 5 percent for Federal employees' salaries.

While I commend the outstanding work done by the very able Chairman BROCK ADAMS and his committee for providing this much-needed congressional initiative in the budgetary process, and while I am pleased that the committee saw fit to reject the earlier administration proposal for a 5-percent ceiling, I firmly believe that we must now remove altogether these arbitrary caps for two reasons: legal and moral.

Last year Congress committed the Government to a cost-of-living increase to Federal retirees under Public Law 93-233, the Social Security Amendments of 1974; and earlier had enacted the Federal Pay Comparability Act of 1971 which states the intent of Congress that pay for Federal employees should be reasonably comparable to the private sector.

I share the view that Congress does have an obligation to the retirees who have paid taxes and made other contributions to retirement funds. Therefore, I agree with the persent law that these benefits need to be constantly readjusted with the cost of living in order that benefits have some reasonable relationship to their contributions.

For the Government now to impose inadequate ceilings could be considered not only a breach of promise, but a violation of law.

However, and more importantly, this harsh action is a violation of conscience. Surely, we should not be squabbling over the means of providing a decent standard of living for the elderly on social security. The average retired worker in December 1974, was receiving only $188 per month, well below the poverty level.

I would hope that it is not necessary to paint a picture of the plight of many of our elderly on fixed incomes trying to make ends meet during these inflationary times.

Mr. Chairman, I fully support efforts to reduce our enormous Federal budget. However, I believe this cannot be done by this means which violates both law and conscience.

Let us hope that part of the reforms of this new budgetary procedure is a redirection of our resources to reflect our concern toward people oriented programs.

Mr. GILMAN. Mr. Chairman, yesterday the House began debate on the first budget resolution reported by our new House Budget Committee. We are now engaged in a historic, precedent-setting debate that will shape the future parameters of our budgetary process.

House Concurrent Resolution 218 is the first concurrent resolution on the budget submitted by the House Budget Committee under the 1974 Budget Impoundment and Control Act.

The Budget Impoundment and Control Act created a new framework for congressional decisionmaking on spending and fiscal policy. Specifically, a statutory timetable was developed to organize the authorization and appropriation process. The act also created House and Senate Budget Committees in order to monitor the budget and to set targets for individual spending decisions with the support of a new Congressional Budget Office. Finally, the 1974 act directs the House and Senate Budget Committees to consider the President's budget, formulate alternative budgetary priorities for congressional consideration and to coordinate spending actions taken by other committees.

I join my colleagues in commending the hard work and painstaking efforts of the Budget Committee, its chairman, and staff, even though I believe, along with many of my colleagues, that the size of the estimated budget deficit—$73.2 billion—should be a dire warning to all of us that our economy is running rampant and unless we apply reasonable restraints, we will be heading for fiscal disaster.

While I oppose across-the-board budgetary cuts, I do support the views of those members who urge upon us greater budgetary restraint. The proposed $73.2 billion deficit is excessively high, especially when we consider that this figure would increase the aggregate public debt to $624 billion at the end of fiscal year 1976. Such a deficit estimate is scarcely compatible with the idea of fiscal discipline even in a recession economy.

Accordingly, I urge my colleagues, in considering this legislation, to vote for target levels that will insure that the fundamental purpose of the 1974 Budget Impoundment and Control Act is lived up to—namely, increasing congressional responsibility in controlling the budgetary process.

Mr. McCLORY. Mr. Chairman, in considering my vote on final passage of this measure (H. Con. Res. 218) the legislative budget for 1976, it is my position that we are not exercising our newly acquired authority in a responsible manner—by approving a budget deficit of more than about $54 billion. The earlier remarks of our colleague from Texas (Mr. WRIGHT) are very persuasive. I agree with the principle he has enunciated. However, I question that we are exercising our budgetary authority responsibly when we give our approval to Federal spending which totals more than $360 billion, and a deficit of more than $70 billion. I do not agree that I am forced to vote "aye" on final passage of whatever the resolution contains. I feel it is far more responsible to vote "no."

Mr. NEAL. Mr. Chairman, I want to add my support to House Concurrent Resolution 218. I do so not because I am satisfied with all its provisions, but because I think it is an important step in the right direction. It is, however, no more than the toddling first step of an infant idea. Until the idea is tried and develops more muscle, we can never be sure whether it will stand or fall.

There are few Members of this body who do not recognize the need for restraint in the management of this Nation's fiscal affairs. We are, individually, rather expert at pointing our finger at causes, and sometimes have been slow to discover cures. As a new Member who campaigned vigorously for fiscal responsibility in Government, I, too, have some personal ideas as to who is responsible, and to what extent, for our present condition. Inflation is not altogether the result of deficit spending, as many of my colleagues insist. There has been, over the past 6 years, a colossal mismanagement of our monetary policy—by the Federal Reserve—and an appalling abuse of economic power by major corporations which are capable of controlling or manipulating markets.

The idea that Congress has absolute power to control the economy is as antiquated as many of the arguments I have heard propounded here yesterday and today. To declare that a balanced budget is possible for fiscal year 1976 is to apply an ancient cure to a new disease. For the first time in our history, we face the two-headed dragon of inflation and recession at the same time. Slings and arrows are inadequate. We need a new weapon—new ideas. We have one weapon the Budget Control Act. We are beginning to use it, as the Budget Committee demonstrates in the resolution now before us.

It is astonishing to me, Mr. Chairman, that the need for a Budget Control Act was not recognized until just 2 years before this Nation's bicentennial. In retrospect, it should have been an early order of business of the first Congress. The fiscal picture is a mosiac which we have for too long viewed one panel at a time. No wonder we have tried to fit the right pieces into the wrong places. We have tried, really, to control a monstrosity without providing ourselves the means of doing it.

The resolution now before us represents a good start at a new beginning. It gives us the means of responsible control of fiscal policy. It does not however provide equal control of monetary policy, or of the monopolistic practices of some industry and much labor. We must first get our fiscal house in order, then compel or persuade the Federal Reserve to exercise the same wisdom in its operations. We must enact meaningful tax reform and insist on strict enforcement of antitrust laws to bring those factors into harmony with the new idea of congressional control of the budget. We must reform our welfare system, our regulatory agencies, our foreign policy, our energy policy and be willing to take a fresh look at every aspect of our public policy for waste, mismanagement, inefficiency and improper direction. Then and only then we will have a healthy, stable economy.

What we have in the resolution is a targeted deficit of $70.032 billion. In better times, such a deficit would be unthinkable. But it is $26.8 billion less than the aggregate projections of the various congressional committees. The President's budget, on the other hand, creates almost the same deficits but gives us a dehumanized proposal which deals with figures, not with the needs of people. America is not a conglomeration of smokestacks and artillery pieces. It is a nation of people. The first are important only as they benefit the second.

So now, in this time of great need, we must provide the stimuli necessary to get Americans working again. When Americans are back at lost jobs, or recalled from furlough, and working full weeks, we must move swiftly toward the laudable goal of a balanced budget. I believe it will be possible under provisions of the Budget Control Act. I believe we have here a good beginning toward economic stability, which is the only condition under which a balanced budget is possible. I commend the Budget Committee and urge adoption of this resolution.

Mr. GRADISON. Mr. Chairman, the proposed deficit of $73.2 billion, which has been recommended by the House Budget Committee, is simply too big. There is too great a danger that this deficit could cause a renewed surge of inflation which would be extremely damaging to the economy at this critical time. Inflation has slowed down sharply in recent months and this has led to a general expectation that recovery from recession will begin soon. In fact, some signs, such as consumer spending indicate that the recovery may already be getting under way. The best step that Congress can take now to encourage recovery is to implement a reasonable budget policy that will allow the recovery to proceed without renewed inflation.

In the report accompanying their recommendation for a $73.2 billion dollar deficit, the House Budget Committee went to great lengths to say that this deficit would not be inflationary. Despite these attempts to downplay the dangers of the deficit, the fact remains that a deficit of this magnitude would have dangerous consequences.

First, it would result in too much of the available credit supply being used by the Federal Government and not enough capital being available for private borrowers. The House Budget Committee estimates that total Federal borrowing of $96 billion will be required to finance the proposed deficit in fiscal year 1976. When the Federal Government starts borrowing these huge sums, it means that many private borrowers will have to do without capital needed for investment. This private investment is essential if we are to provide productive jobs for millions of unemployed workers and new workers.

Second, an excessive deficit would mean that pressures will grow to expand the money supply at an excessive rate. This in turn means more inflation.

Third, an excessive deficit this year will make it that much harder to control spending in future fiscal years. The Budget Committee report notes that Federal deficits are bigger problems when they occur in good years than in recession years. But the report fails to recognize how hard it is to cut back on spending once it gets started. Experience shows that it will be difficult or impossible to reverse the momentum for more spending if we have a $73 billion deficit for fiscal 1976. Thus we will be laying the groundwork for excessive deficits in fiscal year 1977 and beyond.

The new spending programs recommended by the Budget Committee include a number of proposals which, while ostensibly aimed at fighting recession, would actually do more to increase inflationary pressures than to help cure the recession. The major one of these ill-conceived programs is a massive $7 billion dollar public works program. The problem with trying to fight recession by spending on public works is one of timing. Many of the projects would not even get started until recovery is well under way and the spending on these projects continues long after the recession has passed. The public works spending proposals should be cut back sharply because of this timing problem.

The proper way to stimulate the economy is a tax cut to put money quickly in the hands of consumers. We have already taken this step and there are now signs that the tax cut is beginning to have its intended effect. It would be counter-productive now to embark on a massive public works program.

Those who are arguing for a $73 billion deficit or some higher figure keep telling us that we need this deficit to cure the recession. We should not forget that this recession is in large part due to the runaway inflation of 1973 and 1974 which caused distortions to build up in the economy. Unless we succeed in keeping inflation under control, there is no way that we can have a full economic recovery. The worst thing we could do at this point would be to try to cure the recession all at once by rapidly increasing Federal spending.

In order to create the conditions necessary for a sustained economic recovery we should have a budget deficit at least $10 billion below the $73.2 billion figure proposed by the Budget Committee. Already the estimated budget deficit for fiscal year 1976 has gone from the $51.9 billion which the President proposed in January to $60 billion as of the President's March 29 address. We cannot afford a further excalation of this figure to $73 billion. Instead, we should immediately enact a spending ceiling no higher than $358 billion and a deficit ceiling no higher than $63 billion and then adhere strictly to these limits.

If we take these steps and thereby demonstrate the necessary fiscal responsibility, all the indications are that we will have a solid economic recovery. If on the other hand, we try to overstimulate the economy, we are going to get ourselves right back into the same inflationary mess that is at the root of our current problems.

Mr. MORGAN. Mr. Chairman, I would like to take this opportunity to express to the House my concern over the potentially adverse effect of House Concurrent Resolution 218 on the legislative responsibilities of the Committee on International Relations.

In the course of setting targets for the major functional areas in the budget as reflected in the committee report, the Budget Committee approved reductions in several programs under the Foreign Assistance Act. These cuts total $1,635,000,000 or nearly 50 percent of the executive branch request for budget authority in the programs affected.

In my judgment, this action on the part of the Budget Committee is premature and represents an infringement on the jurisdiction of the Committee on International Relations for the following reasons.

First, the Budget Committee's proposed cuts in foreign assistance were made without reference to the views of authorizing committee and without the benefit of expert testimony on the areas affected.

In its March 15, 1975, report to the Budget Committee, the Committee on International Relations stated that it had not received the executive branch presentation on the fiscal 1976 budget requests for foreign assistance programs. Without such information, our committee's report concluded that appropriate recommendations on authorization and outlay levels could not be made at that time.

In spite of the fact that the executive branch presentations were not yet available, and in spite of the fact that the authorizing committee had not yet conducted hearings on fiscal 1976 foreign assistance legislation, the Budget Committee proceeded to adopt reductions in four specific foreign aid programs during the markup of House Concurrent Resolution 218.

Second, the Budget Committee's cuts as reflected in the aggregate budget authority proposed House Concurrent Resolution 218 could have a prejudicial effect on the outcome of fiscal 1976 foreign assistance authorizing legislation.

Third, I am concerned that these cuts, having been adopted without benefit of the views of the authorizing committee, could set an unfortunate precedent for succeeding fiscal years. Since the congressional budget process next year will involve the establishment of

mandatory budget ceilings on a functional basis as well as an aggregate basis, such a precedent could diminish the proper role of the Committee on International Relations.

Fourth, by using the fiscal 1975 Foreign Assistance Appropriations Act as a model in adopting a cut in bilateral development assistance programs, the Budget Committee failed to take into account several important factors affecting the fiscal 1976 situation which did not apply to the fiscal 1975 program.

These factors were set forth in detail, in a letter which I sent on April 29, 1975, to the distinguished chairman of the Budget Committee, the Honorable Brock Adams. The letter, which was cosigned by 22 members of the Committee on International Relations, requests that the Budget Committee take appropriate action to rescind the effect on the budget resolution of the proposed cuts in foreign assistance.

Mr. Chairman, if such action is not taken, I believe a precedent will have been set which could impair the proper role of the Committee on International Relations in shaping policy in a vital area of our Nation's foreign affairs.

The letter follows:

Committee on
International Relations,
Washington, D.C., April 29, 1975.

Hon. Brock Adams,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: The purpose of this letter is to bring to your attention the concern of the Committee on International Relations regarding certain aspects of the House Budget Committee's formulation of H. Con. Res. 218, setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for fiscal year 1976.

It is our understanding that, in the course of setting targets for the major functional areas in the budget as reflected in the committee report, the Budget Committee approved cuts in four specific foreign assistance programs: Bilateral Development Assistance; Indochina Postwar Reconstruction; Grant Military Assistance; and Foreign Military Credit Sales. These cuts total $1,635,000,000 or nearly 50 percent of the President's request for budget authority in the programs affected.

We believe that these reductions raise several serious issues with respect to the jurisdictional responsibilities of the Committee on International Relations in the formulation of legislation authorizing United States foreign assistance programs.

1. According to the report accompanying H. Con. Res. 218, the proposed cuts were based largely on spending levels adopted in the Foreign Assistance Appropriations Act for fiscal year 1976. No reference is made to the authorization legislation for the same fiscal year.

We are concerned that these cuts, having been adopted without the benefit of the views of the authorizing committee, could have an adverse impact both in the short term and in succeeding fiscal years.

First, the adoption of the reductions as reflected in H. Con. Res. 218 may have a prejudicial effect on the outcome of fiscal year 1976 authorizing legislation.

Second, in view of the fact that the congressional budget process next year will involve the establishment of mandatory budget ceilings both on an aggregate basis and on a functional basis, we are concerned that the cuts in foreign assistance programs embodied in H. Con. Res. 218 could set a precedent for subsequent fiscal years which could diminish the proper role of the Committee on International Relations.

2. By using the fiscal year 1975 Foreign Assistance Appropriations Act as a model in adopting cuts in worldwide Bilateral Development Assistance and in economic aid to countries in Indochina, the Budget Committee failed to take into account several important factors.

First, the Foreign Assistance Act of 1974 prohibits the use of scheduled loan receipts in development assistance programs after July 1, 1975. As a result, the Budget Committee's cut in this area would be $151.9 million larger than the reduction resulting from the Appropriations Act for fiscal year 1975.

Second, the cut recommended by your Committee is inconsistent with the new mandate for development assistance programs adopted by the Congress in the Foreign Assistance Act of 1973. That mandate recognizes that the only workable solution to the current imbalance between world food production and the needs of the earth's inhabitants lies in increased food production in the developing countries and in reduced rates of population growth. As a result of this mandate, development assistance programs have been restructured to concentrate on helping the poorest majority to realize these goals. A $400 million cut in fiscal year 1976 would seriously impede the U.S. contribution to that effort.

Third, the $550 million reduction in economic assistance to Indochina countries fails to take into account the recent tragic developments in the area which may require increased sums for refugee and humanitarian assistance for fiscal year 1976.

3. Finally, the recommended reductions in MAP and FMS programs, if adopted, would require radical alterations in United States security assistance programs.

The Committee on International Relations has been conducting an in-depth review of U.S. military assistance, training, and credit and cash sales programs. The study is designed to develop information which will assist the Committee and Congress as a whole in determining the future course of such programs. Until such information is available, congressional consideration of the recommended cuts in MAP and FMS programs could have a negative effect on U.S. foreign policy and security interests abroad.

Specifically, in the case of MAP, the $425 million cut would fall below the President's request by more than 50% and result in the smallest military assistance program in over thirty years. Such a cut would either eliminate or severely reduce assistance planned for Jordan, Korea, Lebanon, Greece, Turkey, Thailand, Philippines, Indonesia, and Ethiopia, several of which have played an important role in the external security position of the United States.

With respect to FMS, the $260 million cut would reduce the fiscal year 1976 program to $300 million. Such a reduction would destroy most of the flexibility in the credit sales programs since it would severely reduce direct credit loans and loans made on concessional terms. Moreover, if Congress should decide to release Israel from the liability of repaying the U.S. for $100 million worth of defense articles and services financed through FMS, and reduce FMS accordingly as it did in fiscal year 1975, only $200 million would remain to support the entire program.

In sum, we believe that the action of the Budget Committee in reducing the Executive requests by nearly one-half is premature and represents an infringement on the jurisdiction of the Committee on International Relations.

Therefore, when H. Con. Res. 218 is considered on the House floor, we respectfully request that the Budget Committee take appropriate action to rescind the effect on the resolution of the proposed reductions in foreign assistance. This course of action would give the Committee on International Relations an opportunity to act on relevant authorization legislation. The results of such legislation could then contribute to the Budget Committee's consideration of the second concurrent resolution on the budget.

Thank you for your consideration.

Sincerely yours,
Thomas E. Morgan,
Chairman.

COSIGNERS

Hon. Clement J. Zablocki.
Hon. Wayne L. Hays.
Hon. L. H. Fountain.
Hon. Dante B. Fascell.
Hon. Charles C. Diggs.
Hon. Robert N. C. Nix.
Hon. Donald M. Fraser.
Hon. Benjamin S. Rosenthal.
Hon. Lester L. Wolff.
Hon. Gus Yatron.
Hon. Roy A. Taylor.
Hon. Leo J. Ryan.
Hon. Charles Wilson.
Hon. Donald W. Riegle, Jr.
Hon. Cardiss Collins.
Hon. Stephen J. Solarz.
Hon. Helen S. Meyner.
Hon. William S. Broomfield.
Hon. John H. Buchanan, Jr.
Hon. J. Herbert Burke.
Hon. Benjamin A. Gilman.
Hon. Tennyson Guyer.

Mr. FRENZEL. Mr. Chairman, today we are concluding the first of what will hopefully be annual debate and decisions on Federal spending activities and their effect on the Nation's economy. The results of this debate will not effect, as is usually the case, one small segment of society but will instead set fundamental policy on Federal spending patterns.

One of the primary differences between this debate and other discussions on spending is the breadth of this subject area. It has no single built-in constituency; no one-issue interest groups pushing for their causes. No popularity prizes will be awarded to those who support or oppose the committee's approach to increased deficit spending. We are talking abstracts, not specifics. This bill is essentially a musical mood piece which will set the tone for our financial conduct and congressional responsibility in years to come.

For several months last session this Congress labored to produce an effective system for budget control and oversight. We have constructed a delicate instrument—one which can easily be thrown out of tune. We have required that the committee submit to us for this year a bill simply stating revenues, budget authority, outlay figures, deficit and total debt limitation. Though the job will be much tougher in future years when we require outlay figures in specific functional categories, the committee has done an excellent job of putting together this prelude.

The committee has performed yeoman service for which it deserves high praise, but, to my mind, this first of two required budget resolutions is, in simplest terms, not a responsible treatment of the Nation's budget. A deficit of $73.2 billion, bringing our total public debt to $624 billion, is simply over-loading our economy and its citizens with greater debt than necessary.

Before referring to the specifics of this fiscal exercise, I think we need to look briefly at our recent Federal spending

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history. In the past 10 years, with the advent of the Great Society period in congressional spending behavior and an intense concern with providing personal services through Government programs, we have seen the public debt soar into uncharted heights. General domestic assistance programs have skyrocketed by $80 billion. This represents increases of 18 percent for income supplements, 14 percent for social security, 17 percent for employee retirement, 18 percent for manpower and social services, 10 percent for education programs, 35 percent for medicare and medicaid, 44 percent for food stamps, all on an annual rate of growth. Those are staggering annual increases. The aggregate of these yearly increases, outlays up 26 percent, is simply outrageous. I mention these figures in light of the differing perspectives which many Members seem to have of the task before us.

The Budget Control Act was designed to enable the Congress to participate more effectively in the total fiscal picture; to provide guidance to our individual authorizing committees and to provide a new method of determining spending and taxation policies. Historically, our method of handling the budget can most kindly be described as "piecemeal." Appropriation bills, authorizing legislation and revenue measures are passed "willy-nilly" while nary an attempt is made in the legislative branch to approach these macroeconomic decision logically or coherently. My view is that we now have the opportunity finally to bring our burgeoning budget under control and more effectively to direct funding priorities to areas of need.

However, it seems that the committee has dropped the first half of this proposition and is concerned solely with directing greater funds to policy areas, largely in general domestic assistance programs, which it considers badly needed. The committee report, though not the hard and fast listing which we will see in future years, reflects this committee emphasis. We did not require, nor did we really expect, a solid fiscal foundation from the committee, but the people deserve more than the shaky foundations of House Concurrent Resolution 218.

After the passage of the Tax Reduction Act, the administration proposed a budget which would produce a deficit of $60 billion. The hue and cry raised over that figure outside this body was enormous. I also thought that even that figure was too high, but at least it included some basic and sensible budgetary assumptions which we seem to have neglected in House Concurrent Resolution 218. Some of these assumptions were a 5-percent across-the-board ceiling on cost-of-living increases for Federal pay scales and other Government programs and a moratorium on any substantial new Federal spending programs with the exception of energy. Prior to today's discussion this body has already rejected or revised upward a number of the legislative initiatives submitted to fulfill the goals stated above. Some of the congressional acts include rejection of the food stamp price increase; rejection of the President's energy programs; failure to ratify numerous budgetary rescissions and deferrals submitted; passage of a tax reduction act which provided excessive, wasteful and unnecessary spending; and the passage of other programs drafted and promoted as "emergency" unemployment reducers and economic stimulants.

However, it is not fair to blame the committee for the problems caused by this entire body. In fact, it is not fair to blame the entire committee for the bill, since House Concurrent Resolution 218 was passed by a 13 to 10 final margin. The heart of the problem is still the authorizing committees. While the budget authority recommended by the committee does exceed the President's adjusted request by $2.5 billion, it is also $42.4 billion below the total estimates of the other committees.

The committee also tried to be responsive on the outlays end. The committee outlay recommendation is $8.6 billion above the administration request, but it is $30.2 billion below the requests of the other committees. Obviously, budget control will not be effective until the spending appetites of authorizing committees are curbed.

There are problems with the bill which need more specific treatment. The most obvious areas are the effects of the deficit upon our economy as a whole, the growth of the public debt and the effectiveness of the proposed expenditures as economic stimulants.

Earlier in this discussion, the distinguished gentleman from Texas (Mr. WRIGHT) has made a most interesting presentation on financing. There is another point of view. One of the most disturbing aspects of our present budget situation is the impact of a growing deficit on our capital markets. In recent weeks we have witnessed increased concern in the markets over the possibility of massive "crowding out," as it has been termed, of private borrowing by the hungry Federal money monster.

A March 13 editorial in the Wall Street Journal took the position that there will be a $35 billion shortfall in available capital. Since the Federal Government is practically guaranteed of meeting its needs, that seems to indicate that the private borrowers, especially the smaller ones and those with less-than-perfect bond ratings, will get the short end of the stick.

The Budget Committee report, unfortunately, seems to gloss over this problem of financing the deficit with a one-page appendix, which cites a February study by an economist in the Treasury's office of Debt Analysis. This study indicates that in fiscal year 1976, we will not suffer from a shortfall of funds because of the sharp drop in demand for private borrowings. That sharp drop in demand is partially the result of crowding out. It would appear that in order for us to be spared from "crowding out," we will have to pray for continued recession and private borrowing. Even if we achieve this great victory of avoiding crowding out this year or next year, what can we expect of an economy that has delayed or abandoned its attempts to raise capital essential for increased capacity, greater productivity and even simple recovery?

I would like to believe the economists who say we have nothing to fear other than some short term or technical occurrences of "crowding out." But the capital markets do not function according to theory or econometric models; they are strongly influenced by emotion and psychology. Right now the market is beginning to get very scared. It is not scared because Secretary Simon is sounding a stern warning, a warning which some people have labeled irresponsible. They are scared because they do not believe that Congress will obey its own laws.

Since the highly-touted Office of Debt Analysis study was made, Congress has passed billions of dollars of unbudgeted, or off-budget, programs. Since the Wall Street Journal editorial predicted that there might be $10 billion of foreign investment coming in to help us meet our capital needs, we have heard from some of the oil-rich nations that maybe they will not be investing as much as we had anticipated. The result is simply to draw us closer to an extreme case of nerves in capital markets.

This week, only days before the Treasury is to offer $600 million of additional debt instruments, several corporations and a Canadian provincial government staged what could only be termed a preemptive strike on the capital markets. Obviously, their needs are so great that to delay their offering would risk hardship. However, there are obviously others, both companies and State and local governments, who will be forced to put off sale of debt. They have already been crowded out because of the growing risk that they will not be able to sell all or part of their offerings. How can you count the shortfall of those who decide not to go into the market? It is an imprecise science. Maybe we can live with the Budget Committee's $73.2 billion deficit this year. Maybe we cannot. But, the best thing that this House could do to prevent not only the true crowding out problem, but also the problems caused by the psychology that anticipates it, is to reduce the outrageous deficit contemplated, or even mandated, by this resolution.

Confusing figures, charts, and graphs have been presented here today to justify the enormous deficit and to allay fears of crowding out. Those figures included all debt and do not mean much about our credit markets. What is important is the ratio of Government, State, local and Federal borrowing to private bond sales. That ratio will be about 4 to 1 for the next year. The Federal money monster will force some private long-term borrowing needs to be postponed or abandoned and some to be converted to short-term loans. This in turn will crowd out other short-term borrowers and delay recovery from the recession.

Crowding out is not an abrupt, onetime phenomenon. It is a process which for some borrowers is occurring already. The larger our deficit, the more the crowding out process is accelerated, and the more our economic recovery is delayed.

The most obvious example of "wasteful" programs suggested in the committee report, and compensated for in the bill, are the public works expenditures. The committee suggests a dumbfounding $5 billion figure for budget authorities and $3 billion in outlays for an entirely unbudgeted accelerated public works program. I think that the utility of this program is best described by the minority views filed concerning the 1972 public works impact program which was billed to the Congress as a method for providing immediate employment opportunities:

> It took nine months from the passage of that legislation to get the last project approved, 17 months to get the last project under construction and at 22 months after the approval of the Act, only 121 of the 203 projects had been completed.

That nauseous history alone speaks volumes about the inability of public works programs to stimulate the economy quickly.

Besides the financing problem, the result of this overwhelming deficit target, which is least acknowledged by the committee report, is inflation. It seems to me the committee made little attempt to set any spending priorities. It did reduce a few committee requests, but, in the main, accepted too much of what the authorizing committees wanted to spend. Those committees must have wanted to spend very badly to fashion $1 billion per day spending package. Inflation is beginning to subside, but I believe this inflationary budget will heat it up again.

Another disturbing feature of the budget resolution is that it conceals spending in three areas. First there are the "off-budget items." The administration says these will amount to around $12 billion in the coming fiscal year, but, based on congressional action thus far, the amount will probably be closer to $20 billion. The second concealed item is spending over the President's budget which either or both Houses have already approved. The third concealed item lies in the intentions of our committees and our Congress to spend more than is in this budget resolution. Each committee is attempting to cure the recession singlehanded and is inventing all manner of obscure programs to do so. Our profligate Congress will not be able to resist very many of these wild spending proposals.

Also concealed in this budget report is what, in my judgment, is an overestimate of gross national product and overestimate of revenues. The final concealment, and perhaps the worst of all, is the fact that much of the spending that we do in the name of social progress or recession fighting never gets to its target. The spending is lapped up by the administrative costs of government at all levels, and thus almost every program we pass becomes a little PWA for Government employees.

Another point that is not made often enough is that the programs we institute today, even the worst of them, somehow go on forever. Almost none of our programs can ever be cut back, no matter how silly and wasteful they are. We are creating, in this unreasonably expansionary budget, a series of ongoing and accelerating cost items which we cannot and will not control.

There have been a large number of amendments to this budget resolution, some practical and some symbolic.

I voted for the Landrum amendment which was intended to reduce spending and the deficit by some $7 billion. I applauded the symbolic virtues of the Rousselot amendment to balance the budget, but I had to vote against it, because it has become an impossible dream in this fiscal year.

I voted against the Reuss amendment which was just a piece of fluff designed to pretend that the deficit is not as bad as we all know it is. It was a joke with no specifics. The last time this House followed the gentleman from Wisconsin's advice on tax reform, the depletion allowance was extended for 15 years.

I voted for the Latta amendment to cut spending and the deficit by $19 billion. I voted against the O'Neill amendment because its principal effect would be to negate the Landrum amendment and therefore raise the deficit.

In general, I support the amendment to reduce the anticipated deficit and oppose those which are designed to raise it, or to cloak the deficit in various disguises. I shall still oppose the resolution as a surrender to fiscal irresponsibility.

I believe the committee has done good work. Despite my objections and the obvious overspending it validates, the process has prevented even a worse spending binge. Nevertheless, the bill is simply too expensive, too loosely drawn and too shortsighted to be used as a foundation for the future.

I believe in the process and desire to improve it. However, I must oppose it. I cannot support a deficit of this magnitude. I shall also vote to recommit the resolution, because I really believe the committee can do better.

Mrs. HOLT. Mr. Chairman, I ask you to recall the Budget Reform Act we passed last year. It was designed to give us a budgeting procedure that would evoke a certain amount of discipline in our spending. A year later, we now have before us the first test of our will to implement the reform, and we find that the House Committee on the Budget has sent us a billowing balloon of extravagance that is a mockery of reform. I recognize the horrendous job the committee faced and the good intentions that motivated them.

Remember how we talked about budget reform enabling Congress to exercise its constitutional responsibility for the budget in a prudent manner? We have before us today a document that is so grossly irresponsible that many of us must vote against it.

At a time when the people of our country have been forced to trim their household budgets to cope with the double-barreled assault of inflation and taxation, the Congress shows no restraint in spending their dollars. Instead, the liberal majority of this Congress proposes to add to their burdens.

The concept of budget reform was to have Congress discipline itself by imposing a spending ceiling, and then, perhaps miraculously, become motivated to hold appropriations under that ceiling. What we have before us today makes a mockery of the whole procedure by establishing a ludicrously high ceiling, which is bad enough—but even that towering figure falls short of the spending plans in the pipeline of this Congress.

The chairman of the House Committee on the Budget described this resolution as establishing "a revenue target of $295 billion, an outlay target of $368.2 billion, and a deficit target of $73.2 billion for fiscal year 1976."

Can anybody seriously describe that as budgeting? Where is the effort at restraint? Where is the effort to reduce Federal spending to the essentials? Where is the effort to limit spending to income?

It is perfectly understandable that a balanced budget may be impossible to achieve in a recession, when revenues are down and more families need help, but a reasonable person would expect at least an attempt to hold spending near the level of revenues. That attempt has not been made.

This resolution with its estimate of a $73 billion deficit is a blueprint for the future destruction of the American economy and the free enterprise system.

The $73 billion is a cosmetic figure having little relationship to reality. The actual deficit is likely to go to $80 billion or higher. It means the Federal Government will be borrowing that much money, depriving private industry of the capital necessary to expand production and provide jobs.

Our economy is on the threshold of beginning to recover from the recession, but the huge Government raid on capital could strangle the recovery within a year or two. In the next fiscal year, government at all levels will be borrowing as much as 80 percent of the capital available in the Nation.

Intense competition between Government and private industry in the capital markets will send interest rates shooting upward again, crippling the private sector of the economy.

The fiscal policies embodied in this budget resolution will have the inevitable consequence of a new round of hyperinflation followed by a worse recession. It is possible to envision a future scenario of desperation, in which a Federal Government panicked by public desperation will assume total control of the economic wreckage it had created.

I will not be a party to that dismal chain of events. I must vote against this budget resolution with the hope that a majority of the House will also reject it and permit the able members of the committee to produce a more disciplined goal.

Mr. BRADEMAS. Mr. Chairman, I rise today in support of the amendment to House Concurrent Resolution 218 offered by the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), which seeks to maintain for the coming fiscal year the full 8-percent increase in social security benefits which is scheduled to go into effect automatically on July 1.

Mr. Chairman, in January, over 150 Members of the House cosponsored a resolution of which the majority leader, the distinguished chairman of the Subcommittee on Social Security of the Committee on Ways and Means, the gentleman from Massachusetts (Mr. Burke), and I were the initial sponsors, to maintain the automatic benefit increase.

The resolution was prompted by President Ford's call of only a 5-percent increase this year in social security payments.

Mr. Chairman, approximately 30 million Americans now receive social security benefits. Over 22 million of these persons are elderly, 5 million are dependent children, and 2 million are disabled people.

While almost every American has felt the rampant rise in the cost of basic commodities, such as food, fuel, transportation and housing, no group has borne this burden more than the elderly living on fixed incomes.

In 1972, Congress anticipated the need to protect social security recipients against rising prices when it passed a bill which automatically increases these benefits according to the rise in the cost-of-living index.

That law was approved in the House by the overwhelming bipartisan margin of 302 to 35.

Mr. Chairman, figures released last month show that the cost of living index has risen by 8 percent. Because Congress did not vote any increase in social security benefits last year, payments under that program are now scheduled to increase by 8 percent on July 1st.

While I applaud the work of the Committee on the Budget and acknowledge difficulties under which it has labored to arrive at the budget package it has reported, I feel equally strongly that we must continue to protect the elderly who depend so heavily for their support on their regular social security checks.

The budget committee has recommended a 7 percent ceiling. But I would point out that since January, the estimated increase in payments has been lowered from 8.7 percent to only 8 percent.

Mr. Chairman, I would also note what the 8 percent increase would mean in average monthly payments.

An individual social security beneficiary now receives about $184 per month. With the 8-percent increase this monthly average for a single person would rise to $200.

This is an average monthly increase of only $16.

And benefits for elderly couples would rise from about $314 per month to $341, an increase of only $27 per month.

I believe that this is the least we in Congress can do for the elderly who live on these minimal fixed incomes.

Mr. Chairman, I would mention, as well, that this would mean an increase in annual benefits for an elderly couple from $3,768 to only $4,092.

While one in seven Americans is now partially or completely dependent on social security payments, I think we should all be aware of the fact that over half of the 22 million elderly receiving these pensions rely on them for over half their income.

And even more important, one in five of these older persons—between 4 and 5 million people—receive over 90 percent of their income from their monthly social security checks.

Mr. Chairman, our best estimates show that the elderly with incomes below $4,000, such as those who depend exclusively on social security, spend a third of their income on food alone. With inflation in the cost of food up over 12 percent in 1974, I believe we can see how desperately these elderly need the full increase which is to go into effect in July.

I feel that even a slight reduction in benefits may well spell disaster for millions of older persons.

Mr. Chairman, confronted with this situation, I hope that the Members will vote for this amendment and permit the social security benefit increase to go into effect as scheduled.

Mr. LEVITAS. Mr. Chairman, the budget of the United States is the basic document in this country for setting national priorities and fiscal policy for our entire economy. Therefore, the debate we are engaged in today may be one of the most—if not the most—important during the 94th Congress.

For a long time the American people have felt that there was something bad wrong with the entire Federal spending and budgeting process. Year after year the taxpayers saw their taxes going up and deficits constantly rising. There was a growing concern that Federal spending and deficits were getting wildly out of hand. And, they were right.

It took from 1789 until 1964 for this country to reach its first $100 billion budget. Yet, it took only another 10 years—1974—for the Federal Government to triple that and give us our first $300 billion buget. At the same time, the national debt has been skyrocketed until we have reached the point that by June of this year our aggregate national debt will exceed one-half trillion dollars—over $500 billion.

Now, in 1975, we are given a budget proposal by the administration that reaches $350 billion for 1 year and an administration recommended deficit for 1 year alone in excess of $50 billion. The Budget Committee now recommends a budget of $395 billion and deficit in one year alone of $73 billion while others in Congress are even talking about proposing deficits of as much as $100 billion. One's mind reels.

A deficit is a debt. Somebody is going to have to pay it back some day. Congress better get worried about that. The public is.

Among the reasons we have gotten into this state of affairs include a failure of Congress and the administration to provide sufficient revenues to cover expenditures, a failure to exercise restraint in establishing new and continuing programs and increasing funding levels for existing programs, and the ease with which it is to placate voters by spending other people's money instead of not spending money.

There is another factor that contributes to the deficit in remarkable ways. That is unemployment. For every 1-percent increase in unemployment we have approximately a $16 billion increase in the Federal deficit. At that rate we have a $60 billion deficit from unemployment this year even without regard to excess Federal spending. In fact, except for this unemployment-recession deficit, I could have advocated and voted for a balanced budget this year. Now if we adopt a reasonable budget this year, the day of balanced budget and full employment are close at hand.

Therefore, we have to do something about getting Americans back to work both for human reasons and also to fight the increasing Federal deficits. Congress is taking action to do this, and it must. But in the process, we must avoid fiscal irresponsibility and the threat of runaway inflation.

Finally, the process itself.

By that I mean, a process of appropriation that has operated independent of preset limits of how much can be spent. For years Congress has created programs and passed appropriation bills without regard for the total impact of those actions until the end of the year—when that occurs we find that there has been incurred again a great deficit that has to be funded by borrowing and increasing the national debt. It was a system of putting the "fiscal-cart" before the "responsibility-horse."

It is incredible to realize that, until the Budget Control Act of 1974 and this budget resolution, Congress, as it went along spending money and incurring debt, had no idea at all just how much money it was spending or how much debt it was incurring. No wonder we have such an economic mess in our country today (worsened, perhaps, by negative help from a recessionary Federal Reserve monetary policy).

Finally Congress caught up with public concern and responded to public demand by passing the Congressional Budget Act of 1974 in an effort to establish some control in advance over this expenditure-budget deficit relationship. By establishing this new budget procedure, it was hoped that limits on spending would be based on anticipated revenues, an assessment of the economy, and a judgment about the needs of the economy as impacted by Federal spending and borrowing. It was hoped that once this new budget process was followed, and limits were set, the Congress could then establish its spending priorities within those limits. This would put the "horse and cart" of fiscal responsibility back in the right order.

Therefore. it is monumentally and historically important for this Congress to make that new budget process work. Without it, Congress will have confessed that it is incapable of exercising control over the Federal purse strings.

But at the same time, we cannot make a farce out of the new budget system by setting limits which are not really limitations but are rather so irresponsible as to provide no restraint, no requirement for evaluating priorities and no impact on controlling the size and increasing growth of the Federal budget deficits. Therefore, we should not vote for a budget resolution unless it has been properly developed and has a meaningful control written in its terms.

Here is House Concurrent Resolution 218, the first budget control resolution.

We have seen our Committee work hard and prodigiously. We have seen and heard the proponents of House Concurrent Resolution 218 bravely tackle the hardest of all Federal Government problems. I commend them for their efforts. Their explanations and descriptions of this legislation are among the most brilliant I have heard in the Congress.

But, regrettably, the end product of that work, House Concurrent Resolution 218, fails to measure up to the test required of an acceptable budget resolution. The spending level is too high in light of the anticipated revenues, and accordingly the proposed deficit of $73 billion is clearly beyond a responsible limit—the proposed fiscal year 1976 debt alone would exceed the total annual Federal expenditures for 1955.

While a $73 billion deficit may be able to be financed this year without inflationary impact or "crowding out" of private sector borrowing—which is the case according to all available economic criteria from both conservatives and liberals alike—the same cannot be said for the following year. Unless something is done to reduce the deficit, the eventual impact will be to bring about an inflation of serious proportions.

I am disturbed that so much of the Budget Committee's effort seems directed at or discusses the various programs being considered by different committees in Congress. The Budget Committee is not a programing or authorizing committee. Its role should have been to make overall fiscal judgments based on revenues, the economy, et cetera, and then to set limits. It is the duty of the Congress to allocate within those limits among the priorities decided upon by the Congress but always staying within those limits of spending and debt set by the budget resolution.

The solution to recession and inflation lies in the same place. It lies in expanding our productivity and increasing the gross national product. That would provide jobs and it also would provide more goods and services on the market so that inflation would be avoided. This is where our priorities must be focused. Those programs which will stimulate a private sector expansion of the GNP should have our attention and our priority for the Federal budget in order to work our way out of the economic plight we are in. In addition, Congress should spur the Federal Reserve Board to a realization that an adequate and available money supply is needed to keep our economy healthy.

We are told by some that merely by spending more tax money we can reverse the economic downward trend. But that is not true. Whatever may be the merit of theoretical arguments about Keynesian economics, the fact is that experience has proved that Keynesian economics have not worked. In recent years, we have spent more and more Government money to occupy a larger share of the GNP with public sector activities; nevertheless, we still moved into this period of deep unemployment and recession. The practice of those theories has led us to many of the problems we find today in our economy.

We need to stimulate the economy in productive ways. This the Congress will do and has done. It provided new jobs and economic stimulation through the investment credit, the tax reduction bill, and incentives for the construction and homebuilding industries, among others. These efforts will fight unemployment—a human and economic blight—but will not fan the fires of inflation because the gross national product will increase to accommodate the additional money in the economy.

Therefore, I would hope that this House will adopt an amendment which reduces the amount of proposed level of budget authority and substantially reduces the amount of the proposed deficit. If the House fails to do that, then I would hope—as painful as it may be—for this body to defeat the bill and let the Budget Committee have another opportunity to come up with a fiscally responsible budget resolution.

Mr. FISHER. Mr. Chairman, as a new Member of this House, but one who for several years supported passage of the Congressional Budget and Impoundment Control Act of 1974 and the process which it has set in motion, I am pleased to vote for the substitute presented by Mr. O'Neill as amended by Mr. Reuss. This is the year of the dry-run for the new process by which the Congress can, if it will, organize more effectively its work on the President's budget.

The House has begun to take hold of the budget in a responsible and constructive way. Our Budget Committee presented a concurrent resolution setting out estimates of the principal aggregates: Revenues, budget authority, outlays, deficit, and public debt. The dry run exercise has not been as smooth as one hopes it will become next year and thereafter. But it is a start. Already it has served to focus our attention, confine the debate, and show its promise for providing more detailed, well-thought-out guidelines for making the Federal Government budget serve the economic and social purposes of the Nation.

I am glad this infant has survived today's test, although by a narrow margin.

The chief alteration in the committee's recommendation was to remove the ceilings or caps on cost-of-living increases in retirement benefits for social security and other retired persons and on salary increases for Federal employees. To penalize older persons and Government employees, as compared to others in the population, would have been unfair in the extreme.

Furthermore. recently passed laws would have been disregarded—laws which specified benefit and salary changes in line with changes in food prices. rents, medical costs, and other elements in the Consumer Price Index. Wisely, our action today reinforces the so-called comparability adjustment in Federal salaries to keep theirs in line with changes in similar private employment.

In a larger sense, the argument today came down to approving, as a guideline only, a $73 billion deficit for the fiscal year 1976 compared to one about 10 percent less. I wish the revenue estimates could have been higher, the outlays less, and the deficit smaller. But with the country still suffering acutely from widespread economic recession, the somewhat larger deficit can be justified. If the resulting increase in incomes and spending capacity of our people is put promptly to work, we have a good chance of overcoming the recession and putting the unemployed back to work that much sooner, thereby saving a good deal more than the slightly larger deficit.

But advocacy of this concurrent resolution must be accompanied by a determination to eliminate the deficit, and even run a surplus, once the economy has recovered from its slump. Any other course would invite a resumption of inflationary increases in costs and prices and an irresponsible rise in the national debt.

I trust this innovative, pathbreaking effort culminating in today's narrow vote of approval will help to make next year's effort deeper and probing. To realize the full potential of the new congressional budget process will require no less.

Mr. DON H. CLAUSEN. Mr. Chairman, the objective of reestablishing a greater congressional role in budgetmaking procedures is desirable and necessary and the need to put a lid on Federal spending is recognized by all of us.

This does not mean, however, that the bill before us—just because it is called the budget resolution—is going to do the job. I do not think it will and I do not think we can afford to accept the provisions it contains even though it has no binding impact on the congressional committees, the Congress, or the executive branch.

One of our colleagues yesterday called the bill a "dry run." And that is exactly what it is.

Even so, the spending policies it endorses are a threat to the economic stability we are seeking to attain and maintain.

We have already heard during this debate that a Federal deficit of over $70 billion will force the Federal Government alone to borrow more money next year than was borrowed by all governments, all businesses and all individuals last year.

What is that going to mean to all the families who hope to buy a home next year or to the builders who wish to build them? Where are they going to be able to borrow the money?

One thing is for sure—they are not going to be able to compete with the Federal Government in the lending market.

Quite frankly, in my judgment, the only way we are going to be able to assert congressional jurisdiction and gain a greater say over the Federal budget is to develop an unbending statutory spending ceiling that will be binding and that will effectively establish a limit on spending.

Such a limit would force all areas of the budget to bear their share. The purpose of such a bill would be to establish budget aggregates and set down a clear national economic policy. It would not be a means to consider individual items

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or issues which should be addressed separately by the committees with specific jurisdiction.

In my opinion, this resolution endorses excessive spending which will trigger another round of inflation. A responsible fiscal and monetary policy which holds the line on spending is the only way we are going to restore this Nation to a healthy economic path.

Endorsing further deficit spending under the guise of budget control is skirting our responsibilities and avoiding the need to face the problem head on.

I urge my colleagues to defeat this measure so that we may begin work on an answer to the real issue before us placing a lid on spending and moving toward revitalizing and stabilizing our economy.

Mr. BROWN of Ohio. Mr. Chairman, due to obligations as the ranking minority member of the House Subcommittee on Energy and Power, which has been meeting in markup all day for the past 3 weeks on the Energy Conservation and Oil Policy Act of 1975, I have not been able to participate as fully as I would have liked during the consideration of House Concurrent Resolution 218. As the ranking Republican on the Joint Economic Committee, I do not want to let the opportunity pass, however, without voicing my strong feelings on this most important resolution. I am concerned over the apparent lack of urgency and lack of understanding with which this budget proposal is being considered. Members are being asked today to state that it is their desire to spend our way to the biggest deficit in U.S. history, bigger than the largest deficit of World War II era and bigger by far than any of the inflated deficits of the last decade.

But I have sounder, more compelling reasons to oppose a deficit of this magnitude. We should not be scared off simply by big numbers. But in this case, we have had enough concrete warning about the ability of our country to absorb such a deficit that I want to make the record straight on this score.

My arguments will run along three lines: First, I do not believe the money markets can absorb a deficit of this magnitude. Second, if the Government accommodates this level of spending by "monetizing" the deficit, we run the very real risk of a new round of inflation, thus setting this country off on a boom-and-bust roller coaster that could last until the end of the century. Third, the experience of the other House with its Budget Committee resolution should be instructive to us in adopting a more conservative outlook on the resolution at hand today.

A great deal has been said about the "crowding out" of private borrowers from the money markets which could take place if the Federal Government required vast amounts of borrowed money to support its operations. The argument has been misstated to lead some people to believe that deserving borrowers would simply find no money at all. In fact, the argument is more sophisticated than that and deserves greater attention as a result. As a technical matter, for example, borrowers are crowded out of the market in the best of times. This is because the price of money is simply too high for the kinds of activities for which it is being borrowed. Some firms would find it uneconomical even to borrow at 5 percent if they knew that this would impair their financial ability. Therefore, the crowding out argument does not say that money will dry up completely; it is simply that Federal Government demands on the marketplace will force interest rates up to the point where many firms will stop borrowing and others will be forced to curtail borrowing severely, thus choking off the recovery in its incipient stages. This scenario would also very likely force many otherwise sound firms out of business, firms which could have survived had their debt burden been somewhat less. The incalcuable cost to the country, in terms of lost jobs and production, is what my colleagues must consider when voting for this $73.2 billion budget deficit.

Let me put the figures in somewhat better perspective. Writing in February of this year, for example, the chief economist of the major New York investment house of Salomon Bros., Henry Kaufman, stated that the huge budget deficit of the Federal Government will pose difficult challenges later on this year and could threaten the corporate balance sheet restructuring. Dr. Kaufman is one of those who share the crowding out theory, a view that is also shared by such leading financial market figures as Beryl Sprinkle of the Harris Trust Co., Allen Meltzer, chairman of the Shadow Open Market Commission, and Carl Brunner of the University of Rochester.

While there are bound to be prominent economists who think differently about this subject, I should point out that most of the opinion on the subject was written when the administration was proposing a budget deficit on the order of $52 billion. We are considering a deficit of almost half again that amount, and I cannot help but think that these money market managers I have mentioned above would only hold to their views more strongly in the face of a $73 billion deficit.

If the opinion of the experts were not enough, the actual experience of many corporations attempting to borrow in today's market should be sufficient. A Wall Street Journal article of April 3, 1975, for example, states quite openly that "the corporate bond market may be on the verge of collapse," citing as a reason the fact of

> the vast sums of money that the U.S. treasury will have to raise, thus causing a shortage of cash for other issues.

The article goes on to point out that in this actual case of crowding out, those affected have been not only the less-credit-worthy corporations, but also those with "prime-grade industrial obligations." The fear of massive Government borrowing, causing even more postponements, is such—at the present time—that even the prospect of a Treasury refinancing or new issue is enough to send borrowers storming into the market, inducing what some bond dealers term to be a credit panic. I refer specifically to a Wall Street Journal article of April 28, 1975, which I would like, at this point, to place in the RECORD:

[From the Wall Street Journal, Apr. 28, 1975]

RUSH OF OFFERINGS BEFORE TREASURY SALE IS TERMED "CREDIT PANIC" BY ONE DEALER

"The credit panic is on!"

Thus did one bond dealer in New York attempt to explain a sudden flood of private borrowing proposals immediately before the Treasury is to begin raising up to about $6.3 billion. Nine corporations and a Canadian province announced plans Friday to offer new debt obligations totaling more than $1 billion.

Most of the 10 prospective offerings are scheduled for next month. Among the major sales listed are $250 million by Shell Oil Co., $200 million by Caterpillar Tractor Co., and $150 million each by Aluminum Corp. of America and NCR Corp.

That wave of private financings was unexpected because of the Treasury's pending sale designed to refund about $3.8 billion of old notes maturing May 15 and to raise up to about $2.5 billion of new cash. The department is expected to set the terms of its new replacement issues later this week.

Public investors hold about $2.6 billion of 5⅞% notes and about $2.2 billion of 6% notes, the two series expiring in May. They can elect either to turn in their notes for cash or to swap them for the new replacement issues.

Uppermost in the minds of many investors is whether new long-term bonds will be included in the pending offer. Lengthy government issues are highly competitive with corporate bonds.

"My own guess is that the Treasury will sell long bonds, paying interest at perhaps 8⅝% or even 8¾%," one dealer remarked. "I believe that up to about $500 million could be absorbed rather comfortably, but more than that would have a damaging effect on prices in the corporate market."

Some companies and other private borrowers already have experienced difficulty competing for investment dollars against the Treasury, which has raised a staggering $25 billion so far this year. More undoubtedly are concerned about being "crowded out" in the future as the department continues to seek an estimated $40 billion or so every six months through 1976.

Moreover, recent signs of a business recovery suggest that the borrowing struggle soon may become even more intense.

"The rash of financing announcements probably marked the beginning of a heavy buildup in corporate bond volume in the months ahead," one Wall Street economist predicted. "Not only is the Treasury's enormous cash demand pushing these nervous private borrowers into the market, but the rebounding economy also is frightening them into stockpiling funds for fear that renewed inflation will make interest rates go even higher in the future."

The Wall Street Journal article points out that nervous borrowers will storm into the market in an attempt not only to preempt others forced out by future Treasury borrowing, but also to stockpile funds for fear that renewed inflation will push interest rates higher. And herein lies one of the points of my second argument. For the truth is that we run a terrible risk of reigniting a new round of inflation if we vote this horrendous $73 billion budget deficit into being.

I speak not simply as a fiscal conservative, but as one who does not like to see his country go backward and undo the very fragile progress that has been made since the late 1960s in trying to bring a firmly intrenched inflation under control.

Renewed inflation can come about in two ways. Excessive demands on the credit market could force interest rates up to a point where prices simply have to follow, in order to keep pace with towering debt structures. Or, alternatively, the Federal Reserve, whose responsibility it is to see that Treasury borrowing demands are accommodated, could be forced to "monetize" the debt, thus increasing the money supply at such a rate that inflation would be the inevitable result. I might point out to my colleagues that, according to the report of the Senate Budget Committee, a 10-percent rate of growth in the money supply would be required this year in order to finance the Senate's recommended budget level, which is $6 billion less than ours. Such a year-to-year money supply growth rate would be a record, surpassing even the large growth rates of the World War II period.

Now let us juxtapose that number beside the Federal Reserve's own money growth target rate—M_1—of between 5 and 7½ percent for the year starting March 1975. Dr. Burns notes that this growth rate is high by historical standards and "could not be maintained indefinitely without running a serious risk of releasing new inflationary pressures." And yet the Budget Committee wants us to endorse, implicitly, a growth rate of ten percent, which is surely the best way I know of getting ourselves into trouble. I commend to my colleagues this statement of Dr. Burns, made on Thursday before the Senate Committee on Banking, Housing and Urban Affairs, in which he not only described the menace of inflation, but also pointed out how the current recessionary period is the direct and inevitable result of the inflation which preceded.

Thus, I appeal not only to the fiscal conservatives in warning about high budget deficits, with their attendant inflationary consequences; I also appeal to those who think they are doing the best for the country by inflating it to the bursting point through massive deficits.

As a final argument, I would like to stress that the House of Representatives has become the more radical body of the Congress through its consideration of a $73.2 billion budget deficit. In the other body, only this week, an amendment to raise the deficit, in effect, to $71 billion was roundly defeated by more than a 2-to-1 margin. I do not believe that we should use the budget as a political pawn to garner bargaining chips as we approach the Senate in conference. Rather, we should vote out the best, wisest, most equitable level of spending we know how, and that surely must be less than the $73.2 billion presently under consideration and even less, in my view, than the $67.2 billion deficit implicit in the Senate resolution.

Mr. PEPPER. Mr. Chairman, I rise in support of the O'Neill substitute. Stated in simple terms this is what the O'Neill substitute would do. It would simply keep faith with the commitment that we have already made; namely, to give the following raises on account of the increase in the cost of living: To social security recipients, 8 percent; to civil and military retirees with the Federal Government, 8 percent; to the beneficiaries of railroad retirement, 8 percent; and to Federal employees, civil and military, as increased compensation, 8 percent. All of these groups have relied upon the law of the land enacted by the Congress providing that they would receive these benefits when the cost of living reached the point it has reached. We will be not only breaking faith with all these millions of people but we will be changing the law after the right to benefits under the law has already accrued to all these people.

Conspicuous in their need among the members of these groups are the elderly people. Twenty-five percent of the elderly are at or below the poverty level. More than half of the income for nearly all elderly couples and two-thirds of the income of the elderly who live alone is derived from social security benefits. In spite of congressional efforts to improve benefits, the average monthly benefit for the widow of a worker is $177; for a retired worker $181; for a couple $310. There are many elderly people in my area who do not get enough to eat and who have to choose between a newspaper and a cup of coffee. The administration has been steadily reducing the benefits the recipients of social security receive under medicare. I have been told by responsible doctors that the recipients of medicare today are paying more for their medical care than they were paying before medicare was enacted. Already receiving meager benefits under social security they have suffered from galloping inflation. While the need is not as acute among the other classes who would be benefited through the O'Neill amendment as the need of the elderly, nevertheless that need is great also. Their savings have been sharply diminished by inflation or losses. They live upon greatly reduced income, now limited to retirement benefits. They have never really been adequate to meet the needs of these people so they too have suffered from the high rate of inflation we have had. The same principle applies to Federal and military employees whose income has been steadily reduced by inflation. This 8 percent they and the other groups I have mentioned will receive is far less than the rate of inflation they have suffered.

So I support the O'Neill amendment because the recipients of that amendment are entitled for us to keep faith with them in the observance of the laws we have enacted, providing for increased benefits for them if the level of inflation which has been reached should come about. Second, all of these groups, conspicuously the elderly but the others as well, deserve this adjustment in the basis of their livelihood which is the benefits they derive from the Federal Government.

Mr. ROYBAL. Mr. Chairman, I rise in support of the O'Neill amendment, which would remove the caps that the Budget Committee has placed on retirement benefits and increases in Federal pay.

At present, increases in retirement benefit programs are tied to increases in the Consumer Price Index. Recipients of social security and supplemental security income are currently scheduled to receive an 8-percent rise in benefits beginning on July 1, 1975. The Federal pay raise is determined by the increase in wages in the private sector.

In a recent press conference, the President announced that he wanted to impose a 5-percent cap or limit on retirement benefits, including social security, and Federal pay. The Budget Committee has recommended to this House a 7-percent cap or limit on retirement benefit increases and a 5-percent cap or limit on Federal pay increases.

It is totally unfair for the groups of people who would be affected by the caps to bear the brunt of the Government's attempt to cut the budget deficit. Recipients of social security and supplemental security income, as well as retired Federal employees, are having difficulty meeting their expenses. These people on fixed incomes have been hit hardest by the huge price increases for food, shelter, and fuel. We must act to insure that their meager incomes at least rise at the same level as inflation.

The increases for Federal employees over the past 3 years have been much less than the rate of inflation. These people have actually lost ground in their fight to maintain their standard of living. In order to retain qualified Federal employees, we must offer them pay increases commensurate with those offered in private industry.

The O'Neill amendment would authorize $2.763 billion in additional outlays. However, it will also recoup more than this amount by updating outlay estimates since the Budget Committee reported its resolution, and by plowing back the tax revenue that will be generated by lifting the cap. Thus, the amendment is not inflationary, and is within our economic capabilities.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ADAMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 234, noes 171, not voting 27, as follows:

[Roll No. 172]

AYES—234

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Cleveland
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Downey

UMI

Downing
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Ford, Mich.
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Grassley
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Leggett
Lehman
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McCormack
McFall
McHugh
Macdonald
Madden
Maguire
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Randall
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Stokes
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Whitehurst
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—171

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Biester
Blouin
Bowen
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Derwinski
Devine
Dickinson
Duncan, Tenn.
du Pont
Emery
English
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Ginn
Goldwater
Gradison
Guyer
Hagedorn
Hammerschmidt
Harkin
Harsha
Hastings
Hébert
Hefner
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
O'Brien
Passman
Pickle
Poage
Pritchard
Quie
Railsback
Regula
Roberts
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
White
Winn
Wydler
Wylie

NOT VOTING—27

Biaggi
Burke, Calif.
Clancy
Dodd
Flowers
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hungate
Johnson, Pa.
Mills
Mollohan
Price
Quillen
Rangel
Rhodes
Rogers
Rose
Shipley
Shriver
Stanton, James V.
Symms
Teague
Whitten
Wiggins
Young, Fla.

So the amendment in the nature of a substitute, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair will entertain a motion from the Chairman of the Committee that the Committee do now rise and report the concurrent resolution, as amended, to the House.

Mr. ADAMS. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the concurrent resolution, as amended, be agreed to.

The CHAIRMAN. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, had directed him to report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER. Under the statute, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. Pursuant to section 305(a), title III, Public Law 93-344, the question is on the concurrent resolution.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

PARLIAMENTARY INQUIRY

Mr. LANDRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry, but the yeas and nays have been ordered.

Mr. LANDRUM. Mr. Speaker, what is the budget deficit now carried in this resolution we are voting on?

The SPEAKER. The gentleman knows the answer to that. The gentleman knows that that is not a parliamentary inquiry.

The vote was taken by electronic device, and there were—yeas 200, nays 196, not voting 36, as follows:

[Roll No. 173]

YEAS—200

Abzug
Adams
Addabbo
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Mass.
Burton, Phillip
Carney
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Dent
Diggs
Dingell
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hayes, Ind.
Hechler, W. Va.
Hefner
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Lehman
Litton
Lloyd, Calif.
Long, La.
McCormack
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Matsunaga
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nowak
Oberstar
Obey
O'Hara
O'Neill
Patman
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Preyer
Rees
Reuss
Richmond
Risenhoover
Roberts
Rodino
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Studds
Sullivan
Symington
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NAYS—196

Abdnor
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biester
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conyers
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis
Dellums
Derrick
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Flynt

Forsythe
Fountain
Frenzel
Frey
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Harrington
Harsha
Hastings
Hébert
Heckler, Mass.
Heinz
Helstoski
Henderson
Hillis
Hinshaw
Holt
Horton
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, N.C.
Kasten
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Mann
Martin
Mathis
Mazzoli
Metcalfe
Michel
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nolan
Ottinger
Passman
Patten
Poage
Pressler
Pritchard
Quie
Railsback
Randall
Regula
Riegle
Rinaldo
Robinson
Roe
Rose
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wydler
Wylie
Young, Alaska

NOT VOTING—36

Biaggi
Burke, Calif.
Clancy
Dodd
Flowers
Ford, Tenn.
Fulton
Gonzalez
Hansen
Hawkins
Hays, Ohio
Hungate
Johnson, Pa.
Leggett
Mills
Mollohan
Mosher
Murtha
Nix
O'Brien
Peyser
Price
Quillen
Rangel
Rhodes
Rogers
Shipley
Shriver
Stanton, James V.
Symms
Talcott
Teague
Whitten
Wiggins
Young, Fla.
Young, Ga.

So the concurrent resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Rhodes against.

Mr. Shipley for, with Mr. Johnson of Pennsylvania against.

Mr. Price for, with Mr. Quillen against.

Mr. Peyser for, with Mr. Symms against.

Mr. Rangel for, with Mr. Talcott against.

Mr. Biaggi for, with Mr. Young of Florida against.

Mr. Dodd for, with Mr. Clancy against.

Mr. Mollohan for, with Mr. Hansen against.

Mr. Fulton for, with Mr. O'Brien against.

Mr. James V. Stanton for, with Mr. Wiggins against.

Until further notice:

Mr. Whitten with Mr. Hawkins.

Mr. Gonzalez with Mr. Flowers.

Mr. Hays of Ohio with Mr. Ford of Tennessee.

Mr. Hungate with Mrs. Burke of California.

Mr. Leggett with Mr. Murtha.

Mr. Rogers with Mr. Nix.

Mr. Mills with Mr. Shriver.

Mr. Mosher with Mr. Young of Georgia.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR CONFEREES TO HAVE UNTIL MIDNIGHT FRIDAY, MAY 2, 1975, TO FILE CONFERENCE REPORT ON H.R. 25

Mrs. MINK. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill (H.R. 25) have until midnight, Friday, May 2, in which to file a conference report on the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

LEGISLATIVE PROGRAM FOR WEEK OF MAY 5, 1975

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I would like to take a few moments to ask the majority whip about the program for next week.

Mr. McFALL. Mr. Speaker, if the distinguished minority whip would yield, I will announce the program.

There is no further legislative business for today.

Upon announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for next week is as follows:

Monday we will have the Consent Calendar and the following suspensions:

H.R. 5405, passengers on cargo vessels; H.R. 5272, Noise Control Act authorization; H.R. 1244, Presidential Protection Assistance Act; H.R. 5153, Bikini Atoll payments; and S. 236, trust territories civil government authorization.

The votes on suspensions will be postponed until the end of consideration of all of the suspensions.

For Tuesday and the balance of the week, we will have the Private Calendar and as to suspensions, there are no bills on the Suspension Calendar.

We will have H.R. 4510, Foreign Service Buildings Act amendment, open rule, 1 hour of debate;

H.R. 5810, Foreign Service Buildings Act amendment, open rule, 1 hour of debate;

H.R. 4035, review of decontrol of petroleum prices, open rule, 1 hour of debate;

H.R. 6209, prohibiting variable rate mortgages by Federal savings and loan associations, subject to a rule being granted;

H.R. 4296, agriculture target prices, possible veto override; and

S. 1236, Emergency Livestock Credit Act, open rule, 1 hour of debate.

Conference reports, as usual, may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, I would ask, does the gentleman from California have any kind of prediction as to next Friday?

Mr. McFALL. The prediction would be the same as we usually make; that we would hope to finish all the business for the week, and if it is necessary to work on Friday, then we will.

We have a large calendar, but I would think if we would all work hard it possibly would not be necessary to work on Friday.

Mr. MICHEL. I thank the gentleman.

ADJOURNMENT TO MONDAY, MAY 5, 1975

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday Rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES AND AUTHORIZING THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday next, the Clerk be authorized to receive messages, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses, and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON EVACUATION FROM SOUTH VIETNAM—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-124)

The SPEAKER laid before the House the following communication from the President of the United States; which was read, referred to the Committee on International Relations, and ordered to be printed:

The White House,
Washington, April 30, 1975.

The Honorable The Speaker,
United States House of Representatives
Washington, D.C.

Dear Mr. Speaker: On April 4, 1975, I reported that U.S. naval vessels had been ordered to participate in an international

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humanitarian relief effort to transport refugees and U.S. nationals to safety from Danang and other seaports in South Vietnam. This effort was undertaken in response to urgent appeals from the Government of South Vietnam and in recognition of the large-scale violations by the North Vietnamese of the Agreement Ending the War and Restoring the Peace in Vietnam.

In the days and weeks that followed, the massive North Vietnamese attacks continued. As the forces of the Government of South Vietnam were pushed further back toward Saigon, we began a progressive withdrawal of U.S. citizens and their dependents in South Vietnam, together with foreign nationals whose lives were in jeopardy.

On April 28, the defensive lines to the northwest and south of Saigon were breached. Tan Son Nhut Airfield and Saigon came under increased rocket attack and for the first time received artillery fire. NVA forces were approaching within mortar and anti-aircraft missile range. The situation at Tan Son Nhut Airfield deteriorated to the extent that it became unusable. Crowd control on the airfield was breaking down and the collapse of the Government forces within Saigon appeared imminent. The situation presented a direct and imminent threat to the remaining U.S. citizens and their dependents in and around Saigon.

On the recommendation of the American Ambassador there, I ordered U.S. military forces to proceed by means of rotary wing aircraft with an emergency final evacuation out of consideration for the safety of U.S. citizens.

In accordance with my desire to keep the Congress fully informed on this matter, and taking note of the provision of section 4 of the War Powers Resolution (Public Law 93–148), I wish to report to you that at about 1:00 A.M. EDT, April 29, 1975, U.S. forces entered South Vietnam airspace.

A force of 70 evacuation helicopters and 865 Marines evacuated about 1400 U.S. citizens, together with approximately 5500 third country nationals and South Vietnamese, from landing zones in the vicinity of the U.S. Embassy, Saigon, and the Defense Attache Office at Tan Son Nhut Airfield. The last elements of the ground security force departed Saigon at 7:46 P.M. EDT April 29, 1975. Two crew members of a Navy search and rescue helicopter are missing at sea. There are no other known U.S. casualties from this operation, although two U.S. Marines on regular duty in the compound of the Defense Attache Office at Tan Son Nhut Airfield had been killed on the afternoon (EDT) of April 28, 1975, by rocket attacks into a refugee staging area. U.S. fighter aircraft provided protective air cover for this operation, and for the withdrawal bv water of a few Americans from Can Tho, and in one instance suppressed North Vietnamese anti-aircraft artillery firing upon evacuation helicopters as they departed. The ground security forces on occasion returned fire during the course of the evacuation operation.

The operation was ordered and conducted pursuant to the President's Constitutional executive power and his authority as Commander-in-Chief of U.S. Armed Forces.

The United States Armed Forces performed a very difficult mission most successfully. Their exemplary courage and discipline are deserving of the nation's highest gratitude.

Sincerely,

GERALD R. FORD.

REVISING TITLE 5, UNITED STATES CODE, RELATING TO PER DIEM AND MILEAGE EXPENSES OF GOVERNMENT EMPLOYEES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, with a Senate amendment to the House amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendment, as follows:

Page 7, of the House engrossed amendment, after the matter following line 15, insert:

SEC. 8. The seventh paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, and I shall not object, I wish to express my support for this unanimous-consent request to accept the Senate amendment and pass S. 172, as amended.

As Chairman BROOKS has pointed out, the Senate has accepted the House bill in its entirety and has asked that we, as a matter of comity, raise the rate of per diem for Senate employees to the rate applicable to House employees and the rates listed in this bill for executive branch employees. I certainly think it is incumbent upon the House to accept this Senate amendment. I wish to point out that this amendment does not deal with the provision in the Senate bill which would have modified the authorization for Senate employees to receive per diem. It only changes the rate of per diem for those presently authorized per diem under existing law and Senate rules.

This bill, as amended, has the full support of the administration and Federal employee unions. It will remove inequity which now burdens Federal employees when they travel on Government business and have to subsidize that official business because per diem and travel rates are presently inadequate to cover their expenses.

This bill is urgently needed. I hope the House will accept this agreement with the Senate and approve the Travel Expense Amendments Act, as amended, without further delay.

I would like to ask the chairman of the committee, the gentleman from Texas (Mr. BROOKS) whether or not what I have stated with regard to the Senate provisions is accurate.

Mr. BROOKS. If the gentleman will yield, that is absolutely accurate. The provision does not include any money for Senate personal employees. It provides only an allowance of $35 a day per diem for Senate committee employees and Senators traveling on official committee business. This is exactly the same amount that members of House of Representatives committees get. It is quite equitable, and is undoubtedly a fair provision which does not extend the Senate per diem arrangements whatsoever.

Mr. HORTON. I would also like to ask the chairman, in the event that per diem is allowed, that is only on official business; is that correct?

Mr. BROOKS. That is correct.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

A lot of the questions that the gentleman raised in his statement covered the questions that I had. I would just like to pin things down in a couple of places.

If I may ask both of the gentlemen, am I correct that this bill does not extend the coverage to anybody who is now not already covered?

Mr. HORTON. That is correct.

Mr. ASPIN. So everybody who gets the $35 in this bill was getting the $25 before? Nobody new gets any of the money; is that correct?

Mr. HORTON. That is a correct statement.

Mr. ASPIN. Essentially it covers Senators when they are on official business as House Members when they are on official business, committee members when they are on official business, members of the Senate staff like members of the House staff, but it does not cover personal staff members; is that correct?

Mr. BROOKS. That is correct. Only committee staff personnel are involved.

Mr. ASPIN. I thank the gentleman, and I have no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

The gentleman says that this will allow per diem for Members of the other body only while on official business. The last time this matter came before the House, a similar provision apparently provided for Members of the other body to make trips to their home States, even though they were not necessarily on committee business. They could designate their trips as "official business" and receive a per diem allowance, which they cannot do now, and which we in the House cannot do now.

Mr. HORTON. I yield to the chairman on that.

Mr. BROOKS. Mr. Speaker if I may make clear, the Senate situation as it now exists is that Senators on official committee business within their State, within the United States, or elsewhere can draw per diem. They can do that now. This will not change whatsoever the criteria for their drawing per diem. It will change only one thing and that is they will draw $35 instead of $25. House Members presently get $35.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, I would just observe of course that none of us knew this matter would be called up until 10 or 15 minutes ago. It is very difficult for anyone to form an opinion of its merits, although I certainly rely on the judgments of both of the gentlemen involved. But the amendment does involve section 68B of article 2 of the United States Code. That section provides that regulations governing per diem for the other body will be issued by their Committee on Rules. Without further research the gentleman from Maryland does not know whether this amendment might provide nice cushy trips back home for Senators that we in the House do not have and perhaps should not have. I know the Members of the other body have as many round trips to their homes per year as we have, and that should be sufficient.

I ask the gentleman to withdraw this request until Monday so we can study it over this weekend. Nobody is making trips over the weekend, so we could study it. Otherwise I will be constrained to object.

Mr. BROOKS. Mr. Speaker, I will just say this will delay correcting an inequity for all our Government employees who now drive their cars on official Government business and it costs them more money than they can get compensated for.

Mr. BAUMAN. Are they going anywhere between now and Monday?

Mr. BROOKS. It is a very inequitable situation and to delay it further is unnecessary. It is quite clear that the qualifications for entitlement to per diem will not change as a result of this bill. The rules of the Senate can be changed at any time, as the gentleman and I both know, and so can the rules of the House, but right now the law is that only Senators on official committee trips can take this. It will increase the amount to $35, just as the gentleman can draw if he makes a trip that is official business of a House committee.

Mr. HORTON. Perhaps it will help if the chairman would explain exactly what the amendment is.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield, the gentleman from Texas has explained. I still have reservations and I intend to object unless the gentleman will delay his request. If he wants to pursue it now further I will object now.

Mr. FRENZEL. Mr. Speaker, if the gentleman will yield, I think the gentleman from Maryland is making a valid point. I do not know what official business is or how these rules are prescribed. It seems to me a pretty late hour to take up something that is rather important. I support the gentleman from Maryland in simply asking to have some time for us to study this.

Mr. BROOKS. We can work on this forever but I do not know that I can explain this amendment any more clearly or more honestly or more candidly than I have.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I will just say to the gentleman from Texas, the issue here is compensation for proper travel by all Members of Congress and employees of the Government. All I want is to assure myself that as one Member, this amendment does authorize proper travel. It may possibly be broader in effect than my interpretation or any interpretation I have heard here in this debate.

I have asked to have until Monday to consider this matter. If the gentleman does not wish to afford me that time by withholding until Monday, I will object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. I object.

The SPEAKER pro tempore. Objection is heard.

LAST OFFICIAL SPEECH OF SECRETARY OF INTERIOR ROGERS C. B. MORTON

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, I am placing in the RECORD the last official speech of Rogers C. B. Morton as Secretary of the Interior. Our former colleague and a good friend is moving on to new and broader horizons as Secretary of Commerce.

This speech sumarizes the views and goals of one who champions the cause of national self-reliance and who never doubts our country's ability to solve even its most serious problems. During his tenure as Secretary of the Interior, he faced head-on America's energy shortage and formulated a course of action essential to our economic well-being and international self-respect.

I commend my colleagues to heed the remarks of Rogers Morton. His sage advice, although not extending beyond the parameters of good commonsense, is inspirational, establishing sound guidelines to extricate us from our current dilemma of energy insufficiency. Rogers C. B. Morton was not only an outstanding Secretary of the Interior, he is a great statesman, who brings to his new position the same insight and perseverance that have already insured his place in the annals of American history.

REMARKS OF SECRETARY OF THE INTERIOR ROGERS C. B. MORTON AS CHAIRMAN OF THE ENERGY RESOURCES COUNCIL BEFORE THE EIGHTH ANNUAL INVESTORS CONFERENCE, WALDORF ASTORIA, NEW YORK, N.Y., APRIL 29, 1975

Thank you Mr. Kaplan. It is a pleasure for me to be here today.

I bring best wishes from a former colleague of yours and a present colleague of mine, Frank Zarb. He was sorry that unforeseen circumstances prevented his attendance here today.

However, it gives me another opportunity to express myself on a subject which has consumed most of my working hours over the past year. That, of course, is energy—its conservation, its use, and its development.

How we in this nation—in government, in the private sector, and as individuals and consumers—deal with the energy crisis will influence—the shape of our economy—and the future of the United States for years to come.

And I believe the President's program for national energy self-sufficiency must be adopted if that future is to be a welcome one.

You in this audience are daily confronted with the overwhelming need for a national energy policy as you work with the capital, the investments and the companies that make up the foundation of our economy and America's position as the leader of the industrialized world.

Our national prominence and the success of our economy have been based on stable supplies of vital commodities available at reasonable and predictable prices.

Now we must grapple with the fact that foreign oil—on which our economy has grown so dependent—can be denied at a moment's notice or priced at still more exorbitant levels.

These dangers were brought home with force to the American people during the 1973–74 oil embargo. The energy crisis—years in the making—was suddenly a daily reality of service station lines and skyrocketing fuel bills.

Today the crisis is less visible, but it is no less formidable—no less dangerous. Last year, the energy crisis meant a shortage of supplies.

This year, it means a continuing and growing drain of American dollars, and with them, American jobs, to pay for imported oil—a drain that is taking an enormous toll on an economy already ravaged by recession.

In 1973, the United States paid 8 billion dollars for foreign oil. Last year that bill jumped to 25 billion dollars. As a direct result, this country ran a balance of trade deficit of 6 billion dollars.

If our oil import bill had stayed the same as in 1973, with all other factors equal, our balance of trade would have shown a surplus of as much as 14 billion dollars.

If the bill had only doubled in 1974, it is virtually certain we could still have had a substantial surplus. But that bill did not go up just 200 percent; it went up even higher to put this nation further into debt.

And if we fail to mount a serious national effort to conserve energy and increase our own domestic energy supplies, in 1977 alone the oil producing countries will take 32 billion dollars out of our economy in exchange for imported oil.

In short, we will be throwing our hands in the air and saying "yes" to a 1,000 percent increase in the annual cost of imported oil over a seven-year period.

Some of our dollars will, of course, come back to us as the oil producing nations purchase food, machinery, technology and other goods and services. These "recycled" petrodollars will help offset some of the economic drain from the energy crisis. But foreign investment—the repatriation of petrodollars—cannot provide us with a permanent solution to the energy problem.

That can only be done by the successful achievement of national energy independence. And until we are self-sufficient, we will remain vulnerable to even higher prices and the threat, if not the actual fact, of another embargo.

The last oil cut-off involved only 14 percent of our national petroleum consumption. Yet it resulted in an estimated loss of 10 to 20 billion dollars in gross national product and threw half-a-million people out of work.

In two years time, we could be 50 percent dependent on overseas sources for oil. If even half of these imports were subject to an embargo, the loss in GNP could exceed 30 bil-

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lion dollars and the loss of jobs could be in the millions.

Even if conditions in the middle east stabilize overnight, we would still face a situation in which a handful of nations control most of the world's oil reserves. And their control over oil production and pricing means continuing insecurity for the United States if our dependence on these sources remains unchecked.

That is why the Administration is pushing for development of domestic energy resources. And we believe this can best be accomplished by the free market system—a system that historically has been fair, reliable and responsive to dynamic economic situations.

We are convinced that decontrolling domestic oil and gas prices and staying out of other energy development efforts to the maximum possible degree will provide the climate the marketplace needs to respond promptly and effectively to our energy requirements.

This is not to suggest that government does not have a continuing role to play in industry regulation and consumer protection. While overregulation can hinder economic growth and productivity and leave the consumer paying plenty for what amounts to government-sanctioned price fixing in the absence of fair and open competition, the same is also true when the private sector engages in market manipulations. In both cases, the consumer must pay a price set higher than a commodity's true market worth without receiving any additional value for his money.

By removing government price controls on the domestic energy industry, incentives will be provided to encourage the necessary increases in new exploration and production, while for the first time in decades, energy prices will reflect energy's true value to the economy.

At the same time imposition of a windfall profits tax will provide additional incentives for industry to plow these profits back into new energy development. Both the windfall profits tax and the energy tax rebates will insure that added value is received from higher energy prices in terms of new resource development and spendable income that will be returned to the economy.

For the most part, government's role in the marketplace should be that of a referee or umpire, whose function is to see that the rules are obeyed.

This is precisely the role FEA is playing right now in our investigation of overcharges for crude oil, propane and other petroleum products. Those who would use a national crisis to profit at the public expense through willful and fraudulent price gouging are breaking the rules and undermining the system that has kept our economy free and prospering for almost two hundred years. And I can assure you they will be investigated and prosecuted to the fullest extent of the law.

But while this type of government monitoring is essential to keep the marketplace open, free, and fair, let me emphasize that neither the public nor the government get money's worth from overregulation.

This view has been advanced more and more by people in government, as well as by public spokesmen who are generally viewed as interventionist in their economic outlook—most notably—and perhaps, surprisingly—by Ralph Nader, in some recent comments on the Food and Drug Administration.

In the energy sector, we are trying to strike the regulatory balance necessary to protect the public interest and at the same time, help the operation and growth of a productive economy.

In short, we seek a system that will allow the price of energy to reflect its true value to the economy; that will maintain government's role as an umpire making sure the rules of free and fair competition are followed and the consumer protected—but that will not intrude government further into the marketplace to usurp a competitor's role.

The Administration will continue the effort to establish a stable market atmosphere free from capricious or intrusive government decisions that are disruptive to our economic and energy goals and the best interest of the nation. So, let's look at what we are working with.

Our supplies of oil and natural gas are finite and they are running out. Higher energy prices provide the necessary profitability to invest in expensive advanced recovery methods for existing oil wells and development of our outer continental shelf and Alaskan reserves.

But even with these efforts to increase conventional fuel supplies, we must look to other sources to help fill our energy needs.

The most promising near-term developments in alternate sources are synthetic fuels which can be used to supplement conventional oil and natural gas supplies.

One great advantage of synthetic fuels is their adaptability to our existing energy system with few if any modifications.

Another big factor is that we have immense domestic supplies of the raw materials from which these fuels can be manufactured.

But, the most important factor is that the technology is being rapidly advanced to bring these fuels into prompt and economic commercial use.

Work on oil shale extraction and coal gasification and liquefaction technologies has been going on since World War II in the private sector and in joint efforts by government and industry.

The Energy Research and Development Administration is carrying on these projects through their fossil energy program—a program based on an incentive approach to developing the economically viable technology to convert domestic fossil fuels into the energy forms that will satisfy market demand.

ERDA funds 100 percent of the fossil fuels projects that are in the high risk stages of early development. When projects reach the pilot plant stage, the private sector picks up a third of the investment while government funding totals two-thirds. When the demonstration plant stage is reached, joint government-private funding is equal. The final full scale commercialization is then left totally to private financing.

The President has set a goal of producing 1 million barrels of synthetic fuels daily by 1985. It is a goal I believe we can—and will—reach.

There are more than 125 fossil fuel contracts in existence under the ERDA program. Their total value runs around $600 million and industry is picking up over 25 percent of the tab.

Much of this work concerns oil shale and efforts to extract the 80 billion barrels of recoverable oil contained in this resource.

At least seven processes for above ground mining and extracting oil from shale have been developed and most are nearing commercial application stages. At least six production projects have already targeted operation dates between 1978 and 198[illegible].

In addition, proceses for in-situ oil shale extraction—a cheaper and more advanced technology—are continuing. Numerous methods have been tried, but until recently, few have shown any real promise.

However, recent advances in in-situ production technology indicate the process will be commercially feasible by the early 1980s.

Tar sands—another area of synthetic fuels development from resources within the United States—could yield between 20 and 30 billion barrels of oil. The Athabasca Tar Sands plant in Canada is already producing 52,000 barrels of oil a day at a profit. So commercial development has already been achieved. Here, in the U.S., a number of small private research and development projects are getting underway and the government has agreed to help finance an experimental project with private industry.

Coal conversion technology, most notably in the advancement of coal liquefaction processes to the demonstration state, are also among ERDA's fossil energy projects.

This nation has about 3 trillion tons of coal reserves that constitute about 80-percent of our entire stock of fossil fuel resources. Commercialization of the technologies to produce clean gaseous, liquid and solids fuels from coal, and to improve the direct combustion of coal consistent with environmental standards could supply a major share of U.S. energy demand.

Current Federal budgeting for coal conversion programs totals over $269 million, with commercial stage development expected by the early 1980s for both liquefaction and gasification technologies.

Beyond the synthetic fossil fuel programs, the government is pushing development of more advanced forms of energy—anticipating both short and long-range applications.

One of the most popular—solar energy technology—is developing along six different avenues. Significant advances in the development of three of these—solar energy for heating and cooling, wind energy conversion, and bioconversion—could have near-term commercial applications if our present rate of advance is continued.

Solar, thermal, photovoltaic and ocean thermal conversion techniques are in the initial development stage, but have shown exciting promise for providing significant amounts of electric power by the turn of the century.

Geothermal energy development also has the potential to provide a large part of the energy needs in the Western United States and Alaska.

Development of the Geysers, a dry steam geothermal source in Northern California, was accomplished solely by the private sector. The Government hopes that Federal efforts in developing and demonstrating applications utilizing other types of geothermal resources will stimulate additional industry activity so that between 20,000 and 30,000 megawatts of commercial electric and thermal power will be generated from all geothermal sources by 1985.

While this may seem like an overly ambitious goal, accelerated geothermal energy development can provide its developers and the nation with a cost-effective and environmentally acceptable energy resource that could save several billions of dollars a year in imported oil costs.

Looking even further down the energy timetable, the successful development of nuclear fusion can furnish us with reliable, economic and safe production of electricity.

Nuclear fusion is, of course, at the very experimental stage. But, the scientific feasibility of producing energy from fusion could be demonstrated by 1980. Once feasibility is proven, the engineering practicality and economic competitiveness of the concept could spur testing by the middle of the next decade; and with a successful and vigorous research and development effort, fusion could begin contributing to our energy supply in the early part of the next century.

Commercial development and application of new ideas in energy *conservation* are as vital to achieving our goals of self-sufficiency as energy resource development. And financial backing is imperative in this area if we are to build a better energy conservation mousetrap—from the mini-computer to stop gasoline waste—to a new car engine that gets 40 miles to the gallon—to an improved form of insulation to increase thermal efficiency in homes and buildings.

Sometimes, good ideas from the past can be recycled. For example, heat pumps use electricity to pull heat from the ground in winter and convert it into BTUs to heat buildings; in the summer, the process is reversed, with building heat being conveyed back to the ground and the buildings cooled.

These systems have been commercially available for years and the technology is well established. But until recently, the higher cost of heat pumps compared to conventional heating and cooling units, has held down consumer demand.

Now, with the high price of energy, the additional, one time acquisition cost of a heat pump will be weighed against the fuel bills that it will reduce over the years. As a result, a substantial shift to heat pumps in new building construction is expected over the next ten years. And private financing will probably be sought to gear up production of an "old" energy conservation idea whose time has finally come.

Conservation—using old methods or new—and the development of energy resources—whether conventional or advanced—will require massive funding for practical, commercial use.

The Federal Government has committed itself to providing an enormous share of this funding to help get these projects off the ground.

But unless we are willing to accept a drastic, fundamental change in our economic system, private industry—through private investment—must be prominently involved in these developments and must take over the final marketing, building, and operating stages as new energy systems become commercial.

Let me emphasize again that the Administration feels an unencumbered marketplace is essential for the kind of long range planning and investment the nation needs for energy independence. But there are those who would be more than ready to have government run the whole show if the private sector cannot or will not make the necessary future commitments.

I did not mean to make the situation sound dismal or as if energy investment incentives are all sticks and no carrots. In fact, the challenges we face—far from being discouraging—constitute new opportunities—the chance to demonstrate our fundamental strength as a people and to show what the free enterprise system can do in responding creatively and productively to new circumstances.

No nation is as capable of molding its energy future as the United States. We have abundant resources, we have the technological ability, and we have the kind of capital financing needed to succeed.

The opportunities for successful investments are virtually unlimited.

The new resources and techniques being developed today are going to be the only energy game in town in the years and decades ahead, and you have a chance to get into that game for openers.

More importantly, through this opportunity, you can play a vital role in the comprehensive energy plan that this Nation must implement without delay.

The President's program is based on maximum involvement of the private sector in achieving our energy goals.

You and I know that this will require the kind of private sector financing that is only available through the institutional investment community.

The need for positive action to implement a comprehensive national energy program is urgent.

Every day, every week, every month we delay means more money flowing out of our economy and the mounting risk that our efforts ultimately will come too late to turn the economy around in time.

The cost of such inaction hangs over the Nation like a thundercloud. Yet there are still those who refuse to heed the thunder.

The Administration will continue to work with the Congress to enact a comprehensive and effective energy program without further delay. Progress has been made on this front, and we hope to have a final bill passed by June.

I trust that those of you in this room and throughout the industry will make the commitment to do your part in achieving our national energy goal—for the good of the economy and the future of our country.

The costs of any other course are too grave to consider and too high to be borne.

Thank you.

CHANGES IN SURVIVOR BENEFIT PLAN FOR MILITARY PERSONNEL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. Bob Wilson) is recognized for 5 minutes.

Mr. BOB WILSON. Mr. Speaker, I am today introducing legislation to make several major changes in the survivor benefit plan for military personnel, established by Public Law 92–425 on September 21, 1972. Public Law 92–425 replaced the retired servicemen's family protection plan, which had been in effect since the early 1950's, with a survivor plan modeled closely in terms of costs and benefits on the survivor annuity program available to civilian employees of the Federal Government for a number of years.

The amount of the reduction needed for participation in RSFPP was quite substantial in comparison to the amount required to provide similar coverage under the civilian program—in fact, prohibitively high in some cases—and, as a result, participation was appallingly low—about 15 percent. The tragic end result of this has been the large number of widows, who after the frequent transfers and long family separations required by a military career, found that they were left with no entitlement to a portion of the husband's retirement pay upon his death.

One of the major purposes of the new survivor benefit plan was to create a more attractive, less costly program which would encourage widespread participation by retirees and afford future widows some measure of financial security against the exigencies of old age. Unfortunately, several provisions of the survivor benefit plan have had an adverse effect on participation, despite the commendable effort made by the various military retiree organizations to encourage their members to join, and we will continue in the future to face the specter of a large group of unprotected widows unless the legislation is improved. My bill does so.

The survivor benefit plan was a landmark piece of legislation and a giant step forward. Nonetheless, several major modifications are required to make it more attractive and more fair to those taking part. This is the purpose of the legislation I am introducing today. SBP has now been in effect for 2½ years and I hope that the House Armed Services Committee will schedule early and comprehensive hearings on this bill and the several previous SBP measures I have introduced this year.

I have had an opportunity to talk with a number of retirees since SBP was enacted, and it appears that the major deterrent to full participation has been the social security offset provision. Basically, this means that the amount of the annuity which the widow receives under the survivor benefit plan is offset dollar-for-dollar when she reaches age 62 by the social security benefits to which she is entitled based on her late husband's military service after 1956.

In reviewing the legislative history, it is clear that the intent of the subcommittee which wrote this legislation was to make the survivor benefit plan an adjunct of the social security coverage already provided for military personnel. In practical application, however, the offset has been a difficult and confusing mechanism.

An example of one of the more complex, and inequitable, applications of the offset is the case of a widow who has worked sufficient time to draw social security benefits based on her own earnings. Under present social security law, the widow may receive a benefit based either on her late husband's earnings or on her own social security work credits, whichever is higher, but not both. As the present language of the survivor benefit plan law reads, however, if she is "entitled" to benefits based upon her late husband's military service, even though she is not, in fact, receiving any money from social security on his account, her SBP annuity is offset by the amount she would be entitled to receive. We give it with one hand and take it away with the other.

Let us put this into hard, cold cash. Let us take the case of a constituent who wrote last year on this situation. She is receiving social security benefits based on her own earnings and gets nothing from her husband's social security retirement account. As of the social security raise effective last June, however, her SBP annuity is offset by $128 per month for the social security to which she is entitled based on her late husband's military service, but which the social security law prohibits her receiving. The sum of $128 per month is a substantial piece of change for anyone in these inflationary times, and particularly so for a widow.

The example mentioned above is one of the more glaring problems with the offset. There are others, however. Let me cite the actual case of an Army officer retired in December 1959 at age 57. After retirement he worked under social security covered employment for 10 years. Having been born in 1902, his highest 11 years of social security covered employment are used in computing his benefit and, of course, after death, his widow's benefit.

In this situation, the highest 11 years were from 1959 to 1970, excluding the years 1957 and 1958 when he was on active duty and under the contributory social security system. His social security retirement pay is approximately $290 per month based on $62,602 social security earnings. The offset from his wife's SBP annuity would be about $100 per month based on $13,200 of wage credits he earned while on active duty from January 1957 to December 1959. Note, however, that the years 1957 and 1958 were not included in computing his—or his widow's—social security benefits.

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For further illustration, let us take an officer or enlisted man retired in 1965 at age 50. Following retirement he worked in private industry up to age 63. He then had a total of $159,000 in wage credits: $42,000 military-earned and $117,000 civilian earned. His primary insurance amount—social security benefit—is $358 per month. The PIA based on civilian-earned credits alone is $285. Thus, his $42,000 of military-earned wage credits net him only $73 per month in social security benefits.

However, the offset against his widow's SBP annuity is $130 per month—82.5 percent of the PIA attributable to military-earned wage credits. Logically, the offset should be only $60 or 82.5 percent of the $73 which is the military-earned social security entitlement. However, the method now used to determine the offset totally ignores the ratio of benefits earned in civilian life and simply takes the $42,000 of military-earned credits and computes the offset on that basis alone. This puts the PIA at $157, making the offset $130—82.5 percent—a lowering of $57 in monthly income to the widow.

Because of difficulties like the cases outlined above, the legislation I am introducing today would change the offset from dollar-for-dollar to 50 percent. Thus, if the amount of social security to which the widow is entitled based on her husband's military service is $120, she would be offset only $60, rather than the full $120. I hope that the whole question of the present method of computation used in determining the amount of the offset, as previously outlined, will be thoroughly reviewed during the course of committee hearings on survivor benefits. The reduction to 50 percent is a fair and easily understandable means of dealing with this problem, but is not the only answer.

The offset, whether the retiree subsequently works in private industry or not, has been a substantial deterrent to greater participation. Many retirees have advised me that, although the decision was difficult to make, they did not feel that the limited coverage provided, as a result of the offset provision, was sufficient to justify the many years of reduced annuity payments. The effect of the offset will be substantially greater for future retirees who have increasingly greater periods of active service after 1956, as shown in examples below:

	Age	Approximate monthly reduction
Year retired:		
1962	50	$113
1967	55	156
1973	50	178
1975	55	223

In summary, my bill would cut the offset in half, remove the offset if the widow is not actually receiving benefits based on her late husband's military service, and revoke the offset of the "mother's benefit" when there is a widow under age 62 with only one child. At present, the offset applies for a widow with one child, but not for two, three, or more.

Additionally, the legislation would reopen eligibility for participation in SBP for another 9 months, because of the major improvements envisioned by this bill and the two measures I recently introduced removing the lock-in requirement for SBP enrollment and changing the marriage requirement for receipt of a widow's benefit from 2 years to 1. Finally, in the next few months I plan to introduce further series of bills dealing with several other aspects of SBP, such as coverage for certain temporary duty officers.

SBP is approaching its third birthday this September, and the time has come for a thorough review of its operation and needed changes. This legislation and the previous bills I have introduced will make the survivor benefit plan more attractive and more equitable. The 9-month reenrollment period will give the services and the retiree groups time to get the word out to their membership and I anticipate that these improvements will result in a dramatic increase in participation. I urge the House Armed Services Committee to schedule early hearings on this subject. The plight of current widows is heart rending; I hope we can fulfill the dream of those who pushed SBP for so many years by preventing this situation from perpetuating itself.

BILL TO AMEND ALASKA NATIVE SETTLEMENT ACT OF 1971

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I am introducing today a bill to amend the Alaska Native Claims Settlement Act of 1971 to clear up certain ambiguities in that act and to add provisions which address problems unforeseen when it was enacted.

The first section of this bill provides a 1-year period for Alaska Natives to enroll to receive benefits under the Settlement Act. Some 77,000 Alaska Natives were so enrolled during the 2-year period set by the act for completion of the roll of eligibles. However, approximately 800 applicants who filed applications after the Secretary of Interior's March 30, 1973 deadline had their applications summarily denied, and it is estimated that more than 1,000 others were dissuaded from filing after learning that the deadline had passed. Certainly it was not the intent of Congress that eligible Alaska Natives be excluded from participating in the benefits of the Settlement Act solely because of failure to meet an arbitrary administrative deadline. Therefore, this additional 1 year will provide a last opportunity to enroll to those Natives who would have been qualified for enrollment if they had met the original deadline.

The second provision of this bill corrects an ambiguity in ANCSA concerning the disposition of various receipts from activities on Federal lands withdrawn for selection by Native corporations. Revenues received by the Interior Department for contracts, leases, permits, rights-of-way, or easements on Federal lands which will be patented to Natives cannot be transferred to them without specific provision in law for such a transfer. Therefore, this section authorizes the Secretary to place these revenues in an escrow account where they will earn interest until the time the lands are patented to the Natives. The Secretary will pay the account funds to the new landowners when title to the land is conveyed. Any funds remaining in the account from lands not selected by the Natives will then revert to the U.S. Treasury.

The third provision of this bill adds a new section to ANCSA giving Native corporations organized under the act a temporary exemption from the Investment Company Act of 1940. Until the Native corporations receive title to the lands they have selected and are selecting, are fully organized and become operational as profitmaking businesses, they must find productive uses for the more than $150 million that has been distributed to them pursuant to the Settlement Act. One use contemplated by the corporations is to invest some of the funds in commercial bank time deposits or certificates of deposit. However, by so investing these corporations risk being classified by the Securities and Exchange Commission as investment companies. Such classification carries with it requirements for filing highly technical, costly and time-consuming registration and periodic reports. Once the land selections are completed and the uncertain status of the various assets of the Native corporations is resolved, probably none of them will be subject to the requirements of the 1940 act. Thus, if required to register during their organizational stages, these corporations would further have to expend more time, money and manpower—and piles of paperwork—to deregister.

It is too early for these fledgling corporations to know even what their investment policies and legal and accounting problems may be to make registration practicable for them under the Investment Company Act. On the other hand, the penalties for failure to register under that act, even for a company which inadvertently becomes subject to its provisions, are severe. This section would provide the Native corporations with time to identify any problems which they may ultimately have under the Investment Company Act and to work appropriate solutions for such problems internally and in consultation with the staff of the Securities and Exchange Commission.

The SEC has established a temporary rule exempting Native corporations who register as investment companies from most of the provisions of the 1940 act. Nonetheless, some regional corporations have not registered under the SEC temporary rule and there exists some risk that their corporate acts and contracts might be vulnerable to challenge under the 1940 act. The exemption will provide necessary breathing room to the SEC and the Native corporations to permit resolution of long-range problems.

The fourth provision of this bill adds a new section to ANCSA which spells out the intent of Congress concerning income received by Alaska Natives pursuant to the act. Section 2(c) of ANCSA states, in part, that—

> No provision of this act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States to protect and promote the rights or welfare of Natives as citizens of the United States or of Alaska.

Despite such language and the fact that the act makes payments to Natives under ANCSA tax exempt, Washington bureaucrats in the Department of Agriculture, in the absence of specific language to the contrary, have included such payments in determining eligibility for the food stamp program. HEW, on the other hand, considered the same question and decided that payments under ANCSA would be disregarded in determining eligibility and benefits under the aid to families with dependent children and supplemental security income programs. To remedy this problem and to restore Native eligibility for food stamps, this section specifically provides that payments received by Alaska Natives pursuant to ANCSA shall be disregarded in determining eligibility for food stamps.

To insure that no further interpretations relative to the Settlement Act similar to that of the Agriculture Department are made concerning Native eligibility for other governmental programs this section further states that the payments under ANCSA are compensation for the extinguishment of land claims only, and shall not be deemed to substitute for any Governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

The fifth section is a housekeeping provision concerning the treatment of money in the Alaska Native Fund. It provides that money in the fund can earn interest in the same manner as funds currently held in trust for Indian tribes. This provision concerns the interest rate only and in no way establishes any new relationship between the Federal Government and the Alaska Natives.

The sixth section provides that nothing in this bill alters or amends the Settlement Act except as specifically provided.

The seventh section authorizes the merger or consolidation of village corporations formed within the same region of Alaska under the Settlement Act.

This authority is needed to allow many of the Native corporations whose small size, remote location, and difficulty in acquiring managerial expertise seriously threaten their ability to achieve and maintain self-sufficiency. This section would permit such corporations to vote to merge with other corporations within the same region in order to pool their resources and business management skills and operate on a larger, more efficient and economically viable basis. The Settlement Act prohibits any sale, assignment, or other alienation of stock in any regional or village corporation by its stockholders until 1991. Because a merger involves exchanges of stock which constitute alienation, this legislation, which modifies the restrictions on alienation of village and regional corporation stock, is needed to permit the mergers or consolidations.

Alaska Natives strongly desire to have their village and regional corporations succeed in achieving and maintaining self-sufficiency. However, their experiences have led them to realize that they cannot reach that goal if their corporations continue to exist as small separate entities. They regard mergers of the village corporations as vital to their development into strong organizations capable of handling the many and diverse needs of the corporations and their shareholders. This section merely provides the village corporations with the option to merge if they perceive such action to be in their best interest.

The eighth provision of this bill amends ANCSA to extend the life of the Joint Federal-State Land Use Planning Commission for Alaska until June 31, 1979. This Commission has provided invaluable assistance to State and Federal officials, Members of Congress, Native corporations and private landowners in the State of Alaska.

The Commission is charged with broad responsibilities in matters pertaining to the ownership, management, and use of Alaskan lands. Its many accomplishments to date include extensive studies on Alaskan resources, the submission to the Secretary of Interior options relating to land selections under section 17(d)(2) of ANCSA, detailed studies and recommendations concerning Native village eligibility under that act, identification of public easements, formulation of suggested rules to be applicable to various land selections, protection of mining claims, and numerous other reports, studies, and recommendations germane to the implementation of ANCSA. The Commission is also deeply involved in problems relating to the use of Alaska's valuable oil, gas, and other natural resources.

Congress has until December of 1978 to act upon recommendation respecting the classification and use of lands covered by ANCSA. Establishment of detailed regulations specific to these Alaskan lands will be necessary, and many other questions require further study. It is clear that the expertise of the Commission has become a valuable resource for everyone who deals with the problems involved in implementing ANCSA, and without its ongoing assistance, the tasks ahead would be immeasurably more difficult. The objectivity and depth with which the Commission can deal with such varied problems as transportation, environmental control, and resource development is, perhaps, unique.

The Commission should, therefore, be authorized an additional 2 years and 6 months to continue its significant role in the development of policies of rational use and preservation of Alaskan land and resources.

Finally the last provision of title I amends ANCSA to create a 13th regional corporation.

I intend to introduce title II of this bill on May 7 which will provide for the conveyance of certain lands to the Cook Inlet Regional Corporation.

Mr. Speaker, I ask unanimous consent that the text of the bill be printed in the RECORD as follows:

H.R. 6644

A bill to provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes

TITLE I—GENERAL PROVISIONS

LATE ENROLLMENT OF CERTAIN NATIVES OTHERWISE QUALIFIED

SEC. 101. The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is authorized to review those applications submitted within one year from the date of enactment of this Act by applicants who failed to meet the March 30, 1973, deadline for enrollment established by subsection (a) of section 5 of the Alaska Native Claims Settlement Act (hereinafter in this Act referred to as the "Settlement Act"), and to enroll those Natives under the provisions of that Act who would have been qualified if the March 30, 1973, deadline had been met: *Provided*, That Natives enrolled under this Act shall be issued stock under the Settlement Act together with distributions from corporations adjusted so as to make distributions to such Natives equal to distributions to Natives originally enrolled under the Settlement Act: *Provided further*, That land entitlement of any Native village, Native group, Village Corporation, Regional Corporation, or corporation organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in such Act, shall not be affected by any enrollment pursuant to this Act, and that no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native village", as defined in such Act, shall become eligible for land or other benefits as a Native village because of any enrollment pursuant to this Act: *Provided further*, That no tribe, band, clan, village, community, or village association not otherwise eligible for land or other benefits as a "Native group", as defined in such Act, shall become eligible for land or other benefits as a Native group because of any enrollment pursuant to this Act: *And provided further*, That any "Native group", as defined in such Act, shall not lose its status as a Native group because of any enrollment pursuant to this Act.

ESCROW ACCOUNT FOR PROCEEDS OF CERTAIN LANDS

SEC. 102(a) From and after the date of enactment of this Act, any and all proceeds derived from contracts, leases, permits, rights-of-way, or easements pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under such Act. As such withdrawn or formerly reserved lands are conveyed, the Secretary shall pay from such account the proceeds which derive from contracts, leases, permits, rights-of-way, or easements, pertaining to the lands or resources of such lands, to the appropriate corporation or individual entitled to receive benefits under the Settlement Act together with interest. The proceeds derived from contracts, leases, permits, rights-of-way, or easements, pertaining to lands withdrawn or reserved, but not selected or elected pursuant to such Act, shall, upon the expiration of the selection or election rights of the corporations and individuals for whose benefit such lands were withdrawn or reserved, be deposited in the Treasury of the United States or paid as would have been required by law were it not for the provisions of this Act.

(b) The Secretary is authorized to deposit in the Treasury of the United States the

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escrow account proceeds referred to in subsection (a) of this section, and the United States shall pay interest thereon semiannually from the date of deposit, such deposit to bear simple interest at a rate determined by the Secretary of the Treasury: *Provided*, That the Secretary in his discretion may withdraw such proceeds from the United States Treasury and reinvest such proceeds in the manner provided by the first section of the Act of June 24, 1938 (25 U.S.C. 162a): *Provided further*, That this section shall not be construed to create any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

EXEMPTION FROM INVESTMENT COMPANY ACT

SEC. 103. The Settlement Act is amended by adding at the end thereof the following new section:

"SEC. 28. Any corporation organized pursuant to this Act shall, through December 31, 1976, be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), as amended. Nothing in this section shall, however, be construed to mean that any such corporation shall or shall not, during the two years after such date, be subject to the provisions of the Investment Company Act of 1940."

TREATMENT OF CERTAIN PAYMENTS AND GRANTS

SEC. 104. The Settlement Act (as amended by section 103 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 29. (a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding section 5(a) and any other provision of the Food Stamp Act of 1964, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act, in connection with an aboriginal land claim of such member, shall be disregarded."

RATE OF INTEREST ON ALASKA NATIVE FUND

SEC. 105. For purposes of the first section of the Act of February 12, 1929 (25 U.S.C. 161a), the Alaska Native Fund shall be considered to consist of funds held in trust by the government of the United States for Indian tribes.

RELATION OF THIS ACT TO SETTLEMENT ACT

SEC. 106. Except as specifically provided in this Act, (i) the provisions of the Settlement Art are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

CONSOLIDATION OF CORPORATIONS

SEC. 107. (a) Notwithstanding any provision of the Settlement Act, any corporation created pursuant to section 7(d) or 8(a) of such Act within any of the twelve regions of Alaska, as established by section 7(a) of such Act may, at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporations created for the same region.

(b) Any corporations resulting from such mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in such region pursuant to section 7(d) or 8(a) of the Settlement Act. Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, and may take place pursuant to votes of shareholders held either before or after the enactment of this Act. Upon the effectiveness of any such mergers or consolidations the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges, and benefits of the Settlement Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State, and local taxation, and shall be subject to all the restrictions and obligations of such Act which were applicable to the corporations and shareholders which participated in such mergers or consolidations or which would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place.

(c) Notwithstanding the provisions of section 7(m) of the Settlement Act, in any merger or consolidation in which the class of stockholders of a regional corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the elimination of the right of such class to receive dividends pursuant to such section 7(m).

(d) Notwithstanding any other provision of this section or of any other law, no corporation referred to in subsection (a) of this section may so merge or consolidate unless that corporation's shareholders have approved the merger or consolidation.

TERMINATION OF COMMISSION

SEC. 108. Section 17(a)(10) of the Settlement Act is amended by striking out "its final" in the first sentence and inserting in lieu thereof "(a)", and by striking out the last sentence and inserting in lieu thereof the following: "The Commission shall continue its activities and make such additional reports and recommendations as may be appropriate after May 30, 1976, a final and comprehensive report shall be submitted on or before June 30, 1979. The Commission shall cease to exist effective June 30, 1979."

SEC. 109. Subsection 7(c) of the Alaska Native Claims Settlement Act (85 Stat. 688) is hereby amended by deleting that subsection in its entirety and inserting in lieu thereof a new subsection as follows:

"(c) The Secretary shall establish a thirteenth region for the benefit of Natives who are nonresidents of Alaska who elected to be enrolled therein, and they may establish a regional corporation pursuant to this Act."

SEC. 110. The Alaska Native Claims Settlement Act (85 Stat. 688) is hereby further amended by inserting at the end thereof a new section 30 as follows:

"SEC. 30. (a) A Native who elected to be enrolled in a thirteenth region, pursuant to subsection 5(c) shall be so enrolled, notwithstanding the fact that a majority of the Natives eligible to elect enrollment in that region may not have so elected.

"Any Native who, on or before December 1, 1973, had filed with the Secretary or his delegate any application to amend his enrollment application regarding his election whether or not to be enrolled in the thirteenth region shall, within not less than sixty nor more than ninety days of the enactment of this section, inform the Secretary whether or not he wishes to be enrolled in the thirteenth region. Any Native who so informs the Secretary shall be enrolled according to his preference as indicated in the information so submitted to the Secretary. Any Native who fails so to inform the Secretary shall be enrolled according to the information provided in that Native's original enrollment application. The Secretary shall take such action as may be necessary to insure that every Native affected by this section is aware of his option to change his enrollment decision. Within one hundred and twenty days of the enactment of this section the Secretary shall prepare and certify a final roll which when certified shall supersede the temporary roll authorized by this subsection. When the final roll is certified, the Secretary shall take such steps as may be necessary to make appropriate adjustments in the distribution of funds pursuant to this Act. The final roll shall incorporate changes in enrollment pursuant to this subsection as well as other changes made by the Secretary in accordance with the Act.

"(c) Within thirty days of the certification of the final roll pursuant to this section, any bona fide organization representing nonresident Natives shall submit to the Secretary the names of not more than five Natives who have elected to be enrolled in the thirteenth regional as nominees for the positions of the five incorporators of the thirteenth regional corporation. Not less than thirty days nor more than sixty days after such certification, the Secretary shall mail to all eligible voters ballots containing the names of all nominees and their associational affiliations for the purpose of an election by mail of the five incorporators who shall serve as the initial directors of the thirteenth regional corporation. Eligible voters in the election shall be only Natives eighteen years of age or older on the date of election of incorporators pursuant to this subsection who are enrolled in the thirteenth region. Valid ballots shall be only those ballots mailed to the Secretary or his designee not later than ninety days after such certification. The five nominees for whom the most votes are cast shall be elected incorporators of the thirteenth regional corporation and shall promptly take all steps authorized by this Act for such incorporators. All rules, regulations, and information relating to the election shall be transmitted directly to all known organizations representing nonresident Natives, the twelve regional corporations representing resident Natives, and all eligible voters.

No moneys distributed or to be distributed pursuant to this Act may be expended or obligated by any Native, Native corporation, Native organization, representative thereof, or adviser thereto, to assist in communicate on, or otherwise influence the election.

"(d) The articles of incorporation of the thirteenth regional corporation shall be submitted to the Secretary for approval in accordance with subsection 7(c) within eighteen months of the enactment of this section.

"(f) In the event the Secretary of the Interior, prior to the enactment of this subsection, has certified a roll pursuant to subsection 5(a) of this Act, such certification shall be rescinded and a new temporary roll certified within ten days of the enactment of this subsection. Any distribution of funds pursuant to subsection 6(c) of this Act made by the Secretary or his delegate on the basis of the rescinded roll shall not be affected by this subsection.

"The Secretary shall make any necessary adjustments in future distributions to accommodate changes in the temporary roll reflected in the final roll in order to insure a final distribution of such money in accordance with the final roll. The Secretary is authorized to make payment from the Alaska Native Fund to the thirteenth regional corporation, once established, during the period prior to the next regularly scheduled distribution from the fund pursuant to this Act. Such payment shall be in the form of an advance on such corporation's adjusted share of such regularly scheduled distribution.

"(g) Any stock issued by a corporation under subsection (g) of section 7 of the Settlement Act to any Native who is enrolled in the thirteenth region pursuant to this section shall, upon enrollment of that Native, be canceled by the issuing corporation without liability to it or the Native whose stock is so canceled.

AS THE CURTAIN FALLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DON H. CLAUSEN) is recognized for 5 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, over the years Mr. William Randolph Hearst, Jr. has written some very prophetic, provocative, clear and succinct editorials.

In recent years, he has devoted a number of significant and timely columns to the issues involved in the Indochina situation.

With the tragic end of the Vietnam era it seems appropriate that in his most recent editorial relating to the fall of Cambodia and South Vietnam he leaves no doubt as to what his carefully researched views are.

I believe he places this very sad experience in proper perspective and, therefore, I herewith insert it in the CONGRESSIONAL RECORD for present and future readers.

AS THE CURTAIN FALLS

(By William Randolph Hearst, Jr.)

WASHINGTON.—Twenty years of United States effort to preserve a non-Communist South Vietnam are now clearly rushing to a tragic climax. The fall of Phnom Penh in neighboring Cambodia this week all but surely portends an early similar fate for the besieged government in Saigon.

Speaking here before the annual convention of the American Society of Newspaper Editors, an embittered President Ford flatly charged that "this present tragic situation" in South Vietnam was directly caused by U.S. failure to meet its commitments to that country.

The Soviet Union and Communist China, he said, by contrast have more than lived up to their commitments to North Vietnam—as inferentially pledged in the 1973 Paris peace accords permitting both sides to replace war materiel on a "piece-for-piece" basis. The President added:

"We are faced with this human tragedy because at the last minute of the last quarter we don't make the special effort to provide just a relatively small additional help in economic and military aid—relatively small compared to the $150 billion that we spent.

"It makes me sick at heart every day I hear about it, read about it and see it."

It makes me sick at heart, too. But little constructive purpose is served by blaming Congress for failing to act as requested by President Ford. Congress, unhappily, seems to be reflecting the fed-up attitude of the U.S. public.

In this disgraceful situation there is blame enough for just about everybody.

It is important, I think, to analyze what really happened to us in Vietnam. The most important fact to remember is that from the very beginning of our involvement our sole motivation was to help South Vietnam resist a Communist takeover.

That was our national policy. It made no basic difference whether the aggression was Nazi, Fascist or Communist. We entered World War II to stop aggression by Hitler—under exactly the same principle as originally motivated us in Vietnam.

It was a humanitarian principle solidly backed by the American people and its elected representatives—including four presidents who variously represented both major political parties. The principle, in a word, was bi-partisan.

Don't forget that the Senate voted 98–2 to give President Johnson the authority to act as he saw fit in defending the freedom of South Vietnam. And don't forget that Jack Kennedy, the pet president of the subsequent war-critic liberals, was thoroughly convinced that the Vietcong did not just represent a bunch of revolutionary farmers but were being supplied and directed by Communist Hanoi.

Suddenly the baby was dropped in the lap of Lyndon Johnson. At the time of President Kennedy's assassination in Dallas, large numbers of our military men were doing everything but firing south Vietnamese guns. It was the new President's gravest error to take a further step and order American fighting forces into actual combat.

My father and a whole string of military experts had long warned against our getting actively engaged in an Asiatic land war. Korea should have taught us the lesson, but didn't. Then, compounding the mistake, one of the most absurd rules for fighting a war ever formulated was laid down as our military policy in Vietnam.

Our forces, even though the signals from the public and Congress were all go, were instructed to fight a war of containment. They were to wage a complicated holding action, to wear down the enemy by resisting, by tactical seek-and-destroy actions against the most threatening centers of aggression—but not to go all out for a clean-cut defeat of the enemy.

This was a self-defeating strategy if there ever was one. There was no front, no sustained offensive, no attempt to carry the war to enemy soil. Just tens of thousands of Americans getting killed while the nation's fighting morale died a slow death, while liberal senators, columnists and commentators openly sympathized with the enemy and our so-called allied nations did nothing but knock our efforts.

It was all inevitable—and perfect grist for the world-wide Communist propaganda apparatus. Our original purpose of halting aggression was all but forgotten in the welter of divisive debate which resulted. And it happened simply because this nation failed to heed these words of Gen. Douglas MacArthur, spoken in 1952:

"It is fatal to enter any war without the will to win it."

So what happened? President Nixon and Henry Kissinger—after giving the enemy a taste of what we could really do in the 1972 Christmastide mass bombings of the North—succeeded in forcing a peace of words at Paris under which our forces were able to be withdrawn.

That peace agreement did not specifically bind us to the "piece-for-piece" replacement of war materiel permitted both sides. But a clear moral obligation for us to do so was inherent, backed by admitted personal promises given to the Thieu government by our government.

The shameful final chapter now is approaching its end. Contrary to the American tradition of living up to our promises, the majority of our citizens—if the Congress is truly reflecting their views—seem content to wash their hands of the whole mess.

It mightily disturbs my conscience—but there is the story.

Anybody who thinks this welshing on obligation won't seriously weaken the prestige of the United States is either out of his mind or succumbing to wishful thinking.

Now—what will happen when Saigon falls? It is noteworthy that our latter-day, antiwar liberals already have mounted a campaign of warnings against "recriminations." As The Wall Street Journal noted in a recent blunt editorial, the purpose is to foreclose debate on issues the warners fear they may lose. It added:

"They (the warnings) are intended to close the debate on Vietnam at a convenient point, before history makes painfully clear that whatever the mistakes in Vietnam our presence there was rooted in serious purposes."

Not only serious, it should be stressed, but nobly humanitarian. As in Hitler's Germany, our sole original purpose was to prevent the enslavement of people.

We failed, or soon will have failed through a collapse of national resolve. The end result, thanks to Communist stamina, is likely to be the wholesale slaughter of countless thousands actively prominent pro-American or anti-Communist South Vietnamese.

In all probability you won't hear too much about the bloodbath. As usual, the Communist conquerors will clamp down an Iron Curtain of silence. They will call the silence peace.

With this in mind, your attention is directed to the latest consummate display of gall by that typical apologist for the Communists, Sen. George McGovern. In an interview with John Hall of our Washington bureau, McGovern said he didn't believe there would be any mass killings in Saigon—as certainly happened after the fall of Hue—but allowed as how there might be such reprisals against certain top Saigon officials.

"It happens at the end of almost every war," he said. "We punished many Germans at the war crimes trials in Nuremburg, you remember."

To equate the international trial of the Nazi war criminals with what is almost certain to happen in Saigon is all but incredible for a U.S. Senator—even George McGovern.

LOGICAL SOLUTION TO VIETNAM REFUGEE PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

Mr. WHITE. Mr. Speaker, on April 23, and again on April 25, I sent messages to President Ford offering what I felt to be a logical solution to the Vietnam refugee problem. I want now to submit my letter of April 25 to the President on this subject for the RECORD:

APRIL 25, 1975.

Hon. GERALD R. FORD,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: What is this country going to do with 130,000 refugees from South Vietnam?

Where are you going to place them when they arrive in this country?

How are you going to care for them?

And for how long?

And at what cost?

In a telegram sent to you April 23, I offered what I consider to be a completely viable and workable alternative to the trauma of suddenly depositing 130,000 refugees in this country; and that is to place them in the United States Pacific trust territories, at least as an intermediate step while the answers to the above questions are worked out and presented with complete candor to the American people.

Since this is an international humanitarian mission, the United Nations, which has original jurisdiction over these territories, could not possibly object to the effort; but rather, by the very nature of its being, should encourage it.

It is doubtful to me that there are very many Americans who would argue the fact

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that we have a moral commitment to aid—by evacuation—as many of those South Vietnamese as possible who face the probability of dire harm and death at the hands of the Communists.

But you can count on the fact that these same morally committed Americans entertain more than a passing concern over the massive costs represented in depositing this huge number of people in our country—people who represent incalculable costs to our taxpayers for several generations.

Certainly, it will be costly even to place the refugees in the Pacific trust islands, but we are talking in terms of a bare fraction of what it would cost to bring them to this country.

My alternative, additionally, would allow the affected people to retain their pride and self respect. They would be in a location quite similar to their own in climate and terrain, and with people of similar ethnic strain. They would have the opportunity of quickly becoming self-sufficient through agricultural and other endeavors. They would avoid the cultural shock of being suddenly deposited in a country and a society completely foreign to them.

Most important, they would be in the immediate vicinity of their homeland should they desire to return home once the panic—real or imagined—subsides.

I have the privilege of being joined in this letter to you by the Honorable Dale Milford of Texas, The Honorable William Randall of Missouri, The Honorable Tim Lee Carter of Kentucky, The Honorable David Treen of Louisiana, and The Honorable William Goodling of Pennsylvania. The immediacy of this situation did not allow time to secure additional signators, although various Members have advised me that they concur with this proposal.

Again, Mr. President, we urge your very real consideration of this alternative.

Place these refugees together in our Pacific trust territories. Then, in the months ahead, as the exigencies of the moment evaporate and as the turmoil ceases, allow them the options of returning to their close by homeland, of establishing a new life in the trust territorities, or even of coming to this country in numbers we can manage over a period of time.

Thank you, and,

Sincerely yours,

Richard C. White,
Dale Milford,
Tim Lee Carter,
David C. Treen,
William Randall,
William Goodling,
Members of Congress.

VIETNAM EVACUATION BILL OPPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell), is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I rise in opposition to the conference report on H.R. 6096, the Vietnam evacuation bill.

H.R. 6096, as reported by the conferees, contains two separate authorizations—$177 million for humanitarian assistance to and evacuation programs from South Vietnam and $150 million for humanitarian assistance for South Vietnam. It also contains a clause authorizing the use of U.S. Armed Forces to assist in the evacuation of American citizens and certain South Vietnamese nationals from Vietnam. In my view, the funding for the evacuation and authorization for the use of American combat forces in Vietnam are no longer, and in fact never were, necessary. And, in addition, the section authorizing humanitarian assistance for South Vietnam is poorly constructed and in need of revision. In light of recent developments in Vietnam, I submit that H.R. 6096 be set aside and new legislation, providing exclusively for humanitarian assistance for the human casualties of the war, be drafted and enacted into law.

It is my understanding that all American citizens have now been evacuated from Vietnam. It is interesting to note that this was accomplished with the limited use of American combat forces and without the additional authority conferred upon the President by H.R. 6096. With all Americans evacuated from Vietnam, it would be foolhardy to enact sections 4 and 5 of this conference report into law.

In any event, the question before us now is no longer how to secure the safe removal of American nationals and certain limited numbers of South Vietnamese from Vietnam. Rather it is what role, if any, should the United States play in the aftermath of the Indochina conflict.

The United States can no longer hope, or expect, to affect the negotiation of a political settlement in Vietnam. Direct American involvement in the internal affairs of Vietnam and Cambodia is at long last over. However, the question of American participation in the rehabilitation effort in this part of the world is not yet moot.

In recent weeks, we have heard much discussion about our "moral obligation" in Indochina. I have never subscribed to the view that we have such an obligation to a particular political regime. In my view, our moral obligation is to the Vietnamese and Cambodian people who were the victims of the war and its destruction. This obligation did not dissipate with the departure of the last American from Saigon.

It is now time for the United States to step back from the conflict and assess the damages. It is my belief that we should allow the situation to stabilize in Indochina and then enact responsible and meaningful legislation to provide humanitarian assistance to the Cambodian and Vietnamese people who are in distress. Such aid should be channeled solely through international organizations and private volunteer relief agencies to insure its utilization in the public interest. Our prime concern now must be to foreclose any possibility of further direct American involvement in Indochina and to insure that the human casualties of the war receive the aid that is so desperately needed. A change of government, or shift of political ideology, does not alter the humanitarian needs of the people. Nor does it relieve us of our moral obligation to help persons in need.

It is time that we close the book on our tragic involvement in Indochina and turn to the future with a more realistic and responsible conception of America's role in the world. Providing humanitarian assistance to those in need in Vietnam and Cambodia, and channeling it exclusively through international organizations and private volunteer relief agencies, should be part of the legacy of our long and painful Indochina experience.

INTRODUCTION OF LEGISLATION TO CREATE MEDICARE INSPECTOR GENERAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, today, I am introducing legislation to create a special but permanent Inspector General for Health Administration within HEW. I believe that it is essential that a higher priority be given to the prevention and investigation of overbilling and fraud within the medicare and other social security health programs.

On March 12, I wrote to Social Security Commissioner James B. Cardwell regarding a series of newspaper articles by Scripps-Howard reporter Dan Thomasson and Carl West. The articles described widespread and seemingly "easy" frauds and overbillings being committed against the medicare and medicaid systems. As the stories indicated, it is commonly estimated that in these two programs, which involve $30 billion in public funds, there may be as much as $3 billion in wasted and improperly spent moneys. Since March 12, there have been new reports of massive frauds. According to newspaper articles, a New York City grand jury may be investigating certain "clinics" owned by a small group of doctors who lease space to other doctors for a "percentage" of their medicare/medicaid billings. Such practices encourage inflated billings and in the New York case, may have resulted in over $2 million in fraudulent billings in several clinics.

On April 9, 1975, Commissioner Cardwell replied to my letter. I would like to enter this letter, which provides a great deal of valuable information into the Record. Among the highpoints of the Commissioner's response are the facts that:

> 1) We feel the penalty provisions are adequate. However, in view of the leniency that has often been displayed by the courts in sentencing Medicare offenses, providing minimum monetary sentence might be worth considering.
>
> 2) In fact, we have already taken part in strike forces organized by U.S. Attorneys in our Chicago and New York regions. We would welcome further opportunities to participate in such strike forces.

I believe that the first statement is undoubtedly an understatement—the present penalties are simply inadequate to deter many individuals from attempting to bilk the system. A bigger deterent must be provided. In the second point, it certainly does not appear that the various Federal law enforcement agencies have been sufficiently coordinated or utilized to cut down on abuses in medicare/medicaid.

In my letter, I also asked whether any actions have been taken under a provision of the 1972 Social Security Amendments to terminate a provider or supplier of services, if it is found that they have been making unnecessary or overly expensive billings. Despite the fact that this amendment was added to the law 2½ years ago, the regulations are still not issued and are "currently under review by the Department of Health, Education, and Welfare's Office of the General Council." Frankly, when it takes 2½ years to issue regulations, I question how serious the administration is about reducing abuses in the medical professions.

There is one other point in the letter that deeply concerns me. The Commissioner states that:

> In fiscal year 1974, for example, about 11 million bills for service were denied in whole or in part and in about 38 million instances the charge allowed as reasonable was less than the charge billed by the physician or supplier.

Mr. Speaker, I am not sure that this is something we should be proud of. Translated, this means that the medicare beneficiaries—who thought that they were insured for health costs—are stuck with additional fees. Indeed, there is speculation that some physicians are inflating their fees, knowing that they can get reimbursed for a major portion from medicare and the patient can make up the small—and sometimes not so small—difference. Denied billings and disallowances are a form of price control and policing—but it comes out of the pocketbooks of America's elderly and sick. It is time that we consider an entirely new billing system, closer to the assignment system where neither the public or the patient is stuck with "unreasonable" fees.

In addition, Mr. Speaker, the Commissioner provides a detailed description of the present cost control and audit procedures. Despite all these safeguards, however, it is obvious that there is entirely too much fraud and overbilling. In short, the letter describes a system which is not working. In addition, the situation may not be improving. For example, the Commissioner reports that—

> The Program Integrity investigative resources in terms of personnel involved in *actual* inspection/investigation activities are as follows:

Fiscal year 1973	43
Fiscal year 1974	57
Fiscal year 1975	60

> Approximately 64 positions have been allocated for our investigative needs in fiscal year 1976.

The cost of the medicare/medicaid programs is increasing at a higher percentage than the growth in the field investigative force over the past 2 years.

I believe that the data presented in the Commissioner's letter actually indicates a need for further improvement in the enforcement of the laws against fraud and overbillings.

The legislation which I am introducing provides for an independent inspector general within HEW, appointed by the President with the advice and consent of the Senate. The duties of this office shall be to "conduct such reviews, inspections, and audits of the health insurance program established by title XVIII, and any other programs of health care authorized under any other title of this act, as he considers necessary for ascertaining the efficiency and economy of their administration, their consonance with the provisions of law by or pursuant to which such programs were established."

In addition, the inspector general shall have the authority—

> To suspend any regulation, practice, or procedure employed in the administration of any program with respect to which he has responsibilities under this section if, as a result of any study, . . . he determines that (A) the suspension of such regulation . . . will promote efficiency or economy or (B) such regulation . . . is contrary to . . . law. . . .

The Secretary of HEW may revoke such a suspension, but only if he promptly notifies the House Ways and Means Committee and the Senate Finance Committee of the reasons for his disagreement with the inspector general.

This legislation is similar to a provision adopted by the Senate Finance Committee in 1972 during consideration of H.R. 1, the Social Security Amendments of 1972. Unfortunately, the provision was deleted in the Conference Committee. I believe that the continuing inefficiencies and waste of the past 2½ years proves that an Inspector General's Office—an office which can give full attention to problems in the administration of medicare and related programs—in more essential now than ever before. As the Senate report to H.R. 1 noted:

> Based upon its years of inquiry and extensive examination of the medicare and medicaid programs, the committee found that these programs have suffered from the lack of a dynamic and ongoing mechanism with specific responsibility for continuing review of medicare and medicaid in terms of the effectiveness of program operations and compliance with congressional intent.
>
> While the Comptroller General and the Department of Health, Education and Welfare's Audit Agency have done some valuable and helpful work along the above lines, there is a pronounced need for vigorous day-to-day and month-to-month monitoring of these programs, conducted by a unit relatively free of constant pressures from various nonpublic interests at a level which can promptly call the attention of the Secretary and the Congress to important problems in timely, effective, and fully responsible fashion.

It should be pointed out that the bill I am introducing differs in several ways from the 1972 amendment. For example, all references to title XIX, medicaid, have been deleted, since the jurisdiction over this program was transferred to the House Commerce and Health Committee. The 1974 committee reorganization legislation resulted in many reforms and improvements. However, I believe that the split in jurisdiction between medicare and medicaid is an artificial one and merely complicates committee jurisdictions. As a result, there is no center here in the Congress for the study and oversight of problems in the various health programs. I would hope that as we consider creating an independent Inspector General with special powers in HEW, that we consider creating a special task force in the House and Senate to coordinate and investigate the abuses which are occurring in publicly financed health programs. Such a joint task force would help insure a coordinated legislative attack on the multi-billion-dollar waste in these programs. It would insure that all the legislative committees are represented on an appropriate investigating committee, it would avoid duplication, while increasing attention on the need for reform in this area.

These two steps—an increased audit and inspection office within HEW and a more thorough congressional oversight—would save the hard-pressed social security trust funds and the general treasury billions upon billions of dollars. For these reasons, I am hopeful that this legislation can be considered in the very near future.

I include the following:

Department of Health, Education, and Welfare, Social Security Administration,
Baltimore, Md., April 9, 1975.

Hon. Charles A. Vanik,
House of Representatives,
Washington, D.C.

Dear Mr. Vanik: Prior to responding to the specific questions set forth in your letter of March 12, 1975, we would like to elaborate somewhat on the personnel and organizations involved in the administration of Medicare because the Scripps-Howard articles seem to imply that the Social Security Administration's total effort to assure proper payments in the Medicare program is limited to the activities of some 60 Program Integrity Specialists in the Bureau of Health Insurance's Regional Offices.

Actually, program integrity investigation is but one facet of the overall effort to assure proper payment. First, institutional providers (hospitals, skilled nursing facilities, and home health agencies) are field surveyed for participation in the Medicare program by agencies of State governments under detailed Federal rules and careful Federal monitoring. Such initial and periodic surveys number approximately 16,000 each year. A provider that has been certified for participation can bill the program only for services to people whose beneficiary status is confirmed through careful procedures established by the program. When the provider does bill for services, the bills are reviewed for coverage and medical necessity by intermediary organizations—84 Blue Cross plans and commerical insurers with an average annual manpower of approximately 7,800—through claims review procedures developed under detailed Federal instructions that are systematically monitored and regularly reviewed by central and regional staffs of Bureau of Health Insurance specialists. Final payment for bills accepted by the program is determined only after submission, analysis, and, frequently, field audit of detailed reports of the provider's cost of providing services to program beneficiaries. Approximately 1,400 man-years are expended annually to conduct 13,000 audits of varying degrees of intensity.

Similar controls are in force with respect to physicians and other suppliers of medical services. Again, bills are accepted for payment by the program only where eligibility of the beneficiary is confirmed through careful procedures established by the program. Bills

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submitted are reviewed for coverage, medical necessity, and reasonableness of charges by carrier organizations—48 Blue Shield plans and commercial insurers with an annual average manpower of approximately 14,000—through claims processes established under Federal instructions and systematically monitored and reviewed by regional and central staffs of Bureau of Health Insurance specialists.

Throughout this vast system, manned by thousands of Government and contractor employees handling millions of bills for health services, we have built quality control and verification procedures that result in disallowance of many millions of dollars in claims against the program each year. In fiscal year 1974, for example, about 11 million bills for service were denied in whole or in part and in about 38 million instances the charge allowed as reasonable was less than the charge billed by the physician or supplier. In most cases, though, the disallowances result from differences in opinion—for example, between the program and the physician as to the necessity or reasonable charge for a service or between the program and a hospital as to the need for services rendered to beneficiaries or the allowability of costs incurred in providing such services. Only situations involving some indication of an attempt to defraud or abuse the program are addressed by the Program Integrity Specialists that are mentioned in the Scripps-Howard articles.

With respect to some of the particular abuses reported in the Scripps-Howard articles, it should be noted that prescription drugs purchased by beneficiaries from pharmacies are not covered under the Medicare program. It should also be noted that Medicare pays for drugs furnished by a hospital on the basis of the costs incurred by the provider (after taking into account any discounts or rebates obtained) rather than on the basis of the charges set by the provider.

In the case of laboratory services, the Medicare carriers apply claims processing instructions which require them to determine who performed the tests and take this information into account in determining the reasonable charge for these services. However, we are aware of the vulnerability of the program to fraud and abuse in this area. As the Scripps-Howard articles indicate, we are investigating a number of cases that may involve fraud or abuse of the program. We are also giving high priority to developing policies that will reduce our vulnerability and to developing better methods of identifying and correcting—by criminal prosecution where fraud is involved—such cases of abuse that occur.

The information you requested in your numbered inquiries follows:

1. In addition to the intermediaries, carriers, State agencies, etc., employed at the operational level, the Bureau of Health Insurance has 10 regional offices staffed with approximately 900 people. These regional office staffs are involved in day-to-day operations which include monitoring, evaluation, and guidance to the Medicare contractors, etc. The regional staffs also include a force of approximately 98 individuals (including support personnel) involved in the specific area of investigating fraud and abuse. The average grade level of these individuals is GS-11. Most of them have attained a college degree and some are law school graduates. They are given approximately 40 hours of formal classroom training. The balance of their training is attained while on the job.

The program integrity investigative resources in terms of personnel involved in *actual* inspection/investigation activities are as follows:

Fiscal year 1973	43
Fiscal year 1974	57
Fiscal year 1975	60

Approximately 64 positions have been allocated for our investigative needs in fiscal year 1976. In addition, the investigative efforts undertaken by the individuals cited above are supplemented by the 20 Program Validation Specialists assigned to our regional offices.

We are also in the process of formulating plans to commit a central office investigative staff of about 20 people to reinforce the regional office investigative staff and to commit additional central office staff to support activities such as the identification of cases where billing or cost data indicates the need for field investigation into the possibility of fraud or abuse.

2. We have referred approximately 270 cases, some involving multiple subjects, to the United States Department of Justice. In 128 of these cases, indictments were obtained. The United States Attorneys have declined prosecution in 85 cases and 57 are pending their decision to prosecute. As of this writing, 15 defendants are under indictment and awaiting trial. The completed trials have resulted in 117 convictions, 15 acquittals, and 14 dismissals.

As of December 31, 1974, there were 1,771 possible instances of fraud and 1,024 possible instances of abuse (breach of assignment agreement, unnecessary services, and improper billing practices) being investigated or pending investigation by the BHI Regional Offices. The data we maintain on these investigations is by type of fraud or abuse under investigation, rather than by subject. However, we tentatively estimate that 10 to 15 percent of the possible instances of fraud we investigate involve health care providers (hospitals, skilled nursing facilities, and home health agencies). We will conduct a special study to provide a more definite answer to your question.

3. We have not as yet, terminated a provider or supplier of services under Section 229 of Public Law 92-603. Regulations necessary to the implementation of this provision were published, under the proposed rulemaking procedures, on June 5, 1974. The comments received were extensive and a number of changes had to be carefully considered in light of these comments. Final regulations are currently under review by the DHEW Office of the General Counsel.

4. The following is a listing of the criminal and civil statutes which apply to Medicare:

Title II of the Social Security Act

Section 208 (42 U.S.C. 408):

(b) False statements in applications;

(c) False statements made at anytime;

(d) Concealing or failing to disclose events affecting rights to payments.

Title XVIII of the Social Security Act (42 U.S.C. 1395nn)

1862(d)(1)—Provides for nonpayment to a person who makes a false statement or representation or bills substantially in excess of customary charges or furnishes unnecessary or grossly inferior services.

1866(b)(2)—Provides for termination of provider where the Secretary determines the provider has committed acts cited in 1862 (d)(1) above.

1877—Penal provisions for false statements, bribes, kickbacks, or rebates; and for false statement to qualify as a provider.

Title 18 of the United States Code

18 U.S.C. 286—Conspiracy to defraud the Government with respect to claim;

18 U.S.C. 287—Fictitious or fraudulent claims;

18 U.S.C. 371—Conspiracy to commit offense or defraud the United States;

18 U.S.C. 494—Alteration, forgery, or counterfeiting of contracts, bonds, bids, and public records;

18 U.S.C. 495—Criminal penalties for forging or altering contracts or other writing with intent to defraud the Government;

18 U.S.C. 1001—Statements or entries generally;

18 U.S.C. 1002—Penalty for possession of forged or altered documents to obtain money from the Government;

18 U.S.C. 3282—Limitation of suit (statute of limitations—criminal).

Title 31 of the United States Code—Civil Statutes

31 U.S.C. 231—Liability of persons making false claims;

31 U.S.C. 235—Limitation of suit (statute of limitations for filing civil action).

Title 42

Section 1306:

(a) Disclosure of information.

Section 1307:

(a) Penalty for fraud;

(b) False representation.

We feel the penalty provisions are adequate. However, in view of the leniency that has often been displayed by the courts in sentencing Medicare offenses, providing minimum monetary sentences might be worth considering.

In response to your query regarding interest, we do not have the authority to assess interest on overpayments. Conversely, Medicare does not pay interest when underpayments are involved. However, interest may be assessed by the courts where the United States Department of Justic obtains a judgment against a debtor.

5. Our involvement with the Internal Revenue Service has been limited. On several occasions, we have provided the IRS with listings of physicians and the money amounts paid them under the Medicare program and, in some cases, the U.S. Attorneys have combined Internal Revenue violations and Medicare fraud for prosecution purposes.

Essentially, the Medicare programs' role is to provide U.S. Attorneys with information and evidence necessary to criminal or civil action. The U.S. Attorney who will prosecute on the basis of evidence developed would seem to be the logical point for the establishment of intergovernmental agency strike forces such as you suggest in your letter.

In fact, we have already taken part in strike forces organized by U.S. Attorneys in our Chicago and New York regions. We would welcome further opportunities to participate in such strike forces.

Sincerely yours,

JAMES B. CARDWELL,
Commissioner of Social Security.

AMENDMENT TO THE RULES OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. TEAGUE) is recognized for 5 minutes.

Mr. TEAGUE. Mr. Speaker, the Rules of the House of Representatives require that the rules governing procedure of each House committee be published in the CONGRESSIONAL RECORD. The rules governing procedure of the Committee on Science and Technology were published in the RECORD of February 6, 1975. In a meeting of the full membership of the Committee on Science and Technology on Tuesday, March 11, 1975, the following amendment was unanimously adopted:

SECTION E. BROADCASTING OF COMMITTEE HEARINGS.

1. The provisions of Clause 3, Rule XI of the Rules of the House of Representatives, "Broadcasting of Committee Hearings", are hereby incorporated by reference.

2. The Subcommittee may permit by majority vote of the Subcommittee, hearings or meetings which are open to the public to be covered in whole or in part by television broadcasting and still photography—or by any such methods of coverage.

Rule 23. The committee shall, insofar as is practicable, require, each witness who is to appear before it to file a written statement of the proposed testimony at least 24 hours in advance and to limit the oral presentation at such appearance to a brief summary of the argument.

THE MORTGAGE DISCLOSURE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 10 minutes.

Mr. MOAKLEY. Mr. Speaker, today I am introducing the Mortgage Disclosure Act of 1975. This legislation enables consumers to determine where local financial institutions are making their mortgage loans.

The Mortgage Disclosure Act of 1975 is directed at curbing the practice of mortgage disinvestment, more colorfully known as redlining. Disinvestment is a process whereby lending institutions refuse to make mortgage and home improvement loans in inner-city neighborhoods, despite the fact that a major percentage of their deposits come from the same neighborhoods.

The practice of redlining exists in virtually every urban center in the United States. A recent Milwaukee study found that several lending institutions would not even consider making mortgage loans in certain neighborhoods, irrespective of the income or credit rating of the prospective borrower. While $31,444,868 was deposited in Savings & Loans in one area of Chicago, only $357,000 was returned by those institutions in conventional mortgages to the same area. In my own district, redlining is becoming widespread in the communities of Roxbury and Jamaica Plain.

The use of redlining effectively stops the flow of capital to the inner city area. While mortgage disinvestment is cited as a way to protect the investments of a financial institution. it actually destroys valuable opportunities for commercial activity. By denying legitimate homeowners and businesses the chance to obtain real estate in metropolitan centers, financial institutions leave these areas open for plunder by the speculator and the slumlord.

The speculator specializes in neighborhoods that have been redlined. He comes in with cash and begins buying up properties at bargain rates, then converting them to multifamily rental housing units. The rest of the cycle is fairly well known. In his wake the speculator leaves a trail of deterioration and decay. The process ends with the abandonment of millions of dollars worth of real estate in urban areas, causing urban blight.

The mortgage lenders who practice redlining are perpetrating a gross injustice upon the American public. Mortgage disinvestment is turning inner city neighborhoods into deserted shells, hopelessly unfit for either business expansion or the construction of decent housing.

Happily, authorities at the local and Federal levels are beginning to take positive action to stop the practice of redlining. Chicago's Mayor Richard Daley has endorsed a city ordinance against redlining. In my own State of Massachusetts, Banking Commissioner Carol Greenwald has proposed legislation instituting a fair plan for mortgages which would create a fair agency to help insure the availability of mortgage for buyers in high risk metropolitan areas. On May 5, the Senate Committee on Banking, Housing and Urban Affairs will begin hearings on S. 1281, Senator WILLIAM PROXMIRE's Home Mortgage Disclosure Act of 1975.

The legislation which I am introducing today will require financial institutions to disclose records of where their mortgage loans were made. These figures are already a matter of public record, but are, for the most part, filed away in municipal courtrooms, inaccessible to all but the most enterprising researcher.

My bill, the Mortgage Disclosure Act of 1975, would make records of mortgage transactions available to all interested consumers. All financial institutions involved in making real estate loans would have to post in their home and branch offices records of these loans, classified according to zip codes, and divided into commercial and residential groupings. In the case of home mortgages, lenders must reveal how many loans were made to parties not intending to reside in the property in question, a provision which identifies loans to speculators.

This legislation will allow consumers to determine which financial institutions are investing their dollars in the immediate community, and which are funneling their moneys away from the neighborhoods in which they are located. The bill enables concerned citizens to determine which banks have been using their assets in a socially responsible manner, and allows consumers to invest accordingly.

Mr. Speaker, I am hopeful that full mortgage disclosure as provided for under this legislation will curtail the practice of redlining and contribute to directing the flow of capital back into our inner-city areas, and I urge my colleagues to join me in cosponsoring this most vitally needed measure.

IN OPPOSITION OF ADDITIONAL EVACUATION AND HUMANITARIAN AID FOR VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 5 minutes.

Mr. MEZVINSKY. Mr. Speaker, I oppose the conference report authorizing additional evacuation and humanitarian aid for Vietnam, as well as authority for the use of American troops to evacuate. The President's request for authority to send troops into Vietnam, after all Americans have been evacuated, is another example of the administration's failure to listen to the American people.

There is no reason for sending troops into Vietnam. The passage of this report—a measure to do what has already been done—will make a mockery of our legislative process. Rather than act, the proposal should be sent back to committee and redrafted to account for the situation that now exists.

Although I agree that we should send humanitarian aid to this war-ravaged area, I am not willing to authorize hundreds of millions of dollars unless a comprehensive and cohesive plan is established. As of yet, I have seen no such plan. The most basic questions of who will distribute the money, how it will be distributed, and what is the best way to spend our aid dollars have not been answered.

Based upon our experience with the evacuation of Americans and Vietnamese nationals during the last few weeks, it is very difficult for me to have confidence that such aid would be efficiently and effectively spent. There were, according to all reports I have seen, few plans for evacuation and an obvious costly delay on the part of our Ambassador which unnecessarily endangered the lives of Americans.

OPPOSITION TO VIETNAM EVACUATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewomen from Tennessee (Mrs. LLOYD) is recognized for 5 minutes.

Mrs. LLOYD of Tennessee. Mr. Speaker, it is with great reluctance that I must rise in opposition to the conference report on the Vietnam Humanitarian Assistance and Evacuation Act of 1975. In the early hours of last Thursday morning this body debated this same legislation, in recognition of the dire emergency which then threatened not only the nation of South Vietnam, but the lives and well-being of thousands of American citizens and their dependents in that beleagured country.

On that occassion we were concerned with the authority of the President to recommit U.S. Armed Forces to combat roles for the evacuation of not only Americans but also Vietnamese nationals. Now we are asked to retroactively approve the removal of Vietnamese and the use of military force to accomplish this goal. This is a most dangerous precedent and one which I cannot endorse. I do not believe that it is wise to authorize any President to commit U.S. troops, whenever he should so choose, for the purpose of evacuating foreign nationals whose lives he feels are endangered.

Mr. Speaker, I have another serious objection to this conference report. We are being asked to authorize the expenditure of U.S. taxpayer dollars for the expenses of Vietnamese refugees. I yield to no one in my support for assistance to the needy, the helpless, the starving, and desperate Vietnamese people who fled their homeland to avoid subjugation to a Communist regime. But I will not vote Federal funds to defray the cost of evacuating those Vietnamese who brought gold

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and jewelry with them, nor to pay the expenses of transporting ex-Premier Thieu, his family, and Vice Premier Ky and his wife to this country together with their stockpile of gold.

This bill also authorizes the expenditure of U.S. taxpayer dollars to those who remain behind, in enemy held territory controlled by North Vietnam or the Vietcong. I object most strenuously to this provision. Although we prohibit funds from going directly to the Communist Governments of Vietnam, we do allow international agencies, primarily the United Nations, to make our money available to people in areas controlled by the Communists.

I would support and I urge my colleagues to support an effort to return this report to the International Relations Committee with the understanding that they will move promptly to report a clean bill which addresses itself exclusively to the question of providing badly needed assistance to those who were evacuated from Vietnam with only the clothing on their backs. We should have a comprehensive plan for what will become of these people, how they will be cared for, what rehabilitation and training they can be given. We have none of this information at this time. We do not even know how many refugees there are, and yet we are proposing to make out a check for $327 million to care for them.

In closing, Mr. Speaker, I would like to call to the attention of the Members of this body, the bravery and the unselfish courage of the American servicemen who yesterday and in the earlier days of this week risked their lives to rescue American citizens and Vietnamese under the most dangerous circumstances. Their efforts are a source of pride to all our countrymen.

COMPUTERIZED CHECKOUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. Ford) is recognized for 10 minutes.

Mr. FORD of Tennessee. Mr. Speaker, I am today introducing a third identical version of my consumer pricemarking legislation, H.R. 3126. This legislation, which would amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price, now has 69 bipartisan cosponsors.

Retention of dollars and cents pricemarking has become an increasingly important issue, especially now when the unemployment rate is at an alltime high and many citizens are on a fixed income. Frugal comparison shopping has become more crucial for all of us.

One of the best articles I have seen describing the controversy surrounding the advent of the Universal Product Code and the possible elimination of numerical price-marking appeared in the Machinist, the weekly newspaper of the International Association of Machinists and Aerospace Workers. The author, Sidney Margolius, is a renowned consumer affairs writer. I present the article below for the benefit of my fellow colleagues:

[From the Machinist, Feb. 13, 1975]

Computerized Checkout

(By Sidney Margolius)

Few issues have raised as much controversy recently as the food industry's plan to use a computer-assisted checkout system in supermarkets. The system is called the Universal Product Code (UPC). Each food package would be imprinted (some already are) with a series of vertical lines with numbers at the bottom. This is a price code for that item. At the checkout counter, a laser beam "reads" the code and signals a computer. The computer then prints the price on a cash register tape.

The most controversial aspect of this mechanized checkout is that individual prices on cans and packages may be eliminated. The only place you then would be able to see the price of the item before you buy it is on a shelf tag. You will have a record of the name of the item and the price on the cash register tape you get with your purchase.

Besides eliminating the labor used in pricemarking each item, the stores expect to save on maintenance of inventory records, and on calculating tax, coupons, bottle refunds, etc., notes Lynn Jordan, for the Virginia Citizens Consumer Council.

But the sore point is doing away with prices on items, with total reliance on shelf stickers. Eliminating personnel in a time of growing unemployment itself is a concern. But even looking at this issue just from the shopping standpoint, consumers will be hampered in comparing costs not only among different forms of some product such as the canned, frozen and fresh prices of, say spinach.

The consumer advocates arguing against eliminating item prices feel that the shelf stickers aren't enough. They point out that shelf tags used in unit pricing often are missing, or in the wrong place or out of date.

Too, in a special bulletin produced by the Maryland and Virginia Consumer Councils, Mrs. Jordan points out that even with improved shelf tags, the normal "shelf drift," with products winding up elsewhere than above the right products, will cause price confusion.

No one wants to hamper progress, and those of us who criticize supermarket operating costs as too high can hardly complain about attempts to reduce them. But the elimination of price marking on individual items quite probably will make it harder to shop for the best values. The Consumers' Councils' bulletin points out that eliminating price marking is less than 19% of the total savings supermarkets anticipate from the computer-assisted checkouts.

Thus, most of whatever savings are possible still can be achieved even if items are still marked.

In fact, supermarkets may be biting off more than they can chew. Not only is the equipment very expensive. But one labor editor with long experience in price control points out that if price ceilings are required at any time, they will be easier to require and to police in supermarkets because of the computerized price information.

Because of the concern of the consumer groups that price markings will be eliminated, most of the supermarkets testing the system have agreed to keep them on for the time being. Some have said they will provide grease pencils so consumers can mark prices on packages themselves if individual prices are eliminated. This however, is not a realistic alternative for harried shoppers in crowded markets.

Nor may supermarkets save as much in personnel at the checkout counters as they think. The main work still is in bagging.

Considering the issue objectively as a longtime shopping specialist, this writer recommends that individual item pricing be retained and that you tell stores that you still want individual marking if UPC comes to your neighborhood.

Consumers will be better able to compare prices in the stores and also with prices of goods bought earlier and still in cupboards. It's always helpful to see that a can of soup that cost you 21¢ a couple of weeks ago is now 26¢. You may even decide to make your own soup.

NAVAL OIL SHALE RESERVES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado (Mrs. Schroeder) is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, on last Tuesday, the House of Representatives was scheduled to debate two measures (H.R. 49 and H.R. 5919). Both of these bills would revamp the laws regulating our naval petroleum and oil shale reserves. Debate was then postponed on these measures—a move with which I agree.

One of my greatest concerns with both H.R. 49 and H.R. 5919 are their treatments of the naval oil shale reserves. H.R. 49 would transfer these reserves to the jurisdiction of the Department of the Interior. Once within this Department, they could be sold to the highest bidders. The only restraint on such sales would be the Mineral Leasing Act of 1920, which requires that certain prototype oil shale programs be carried out first. As the authorized prototype programs are already causing the Interior Department problems, I question whether the Navy should be made to add to their problems by giving up control of these valuable areas.

My concern with H.R. 5919 is even greater than my concern with H.R. 49. H.R. 5919 would establish a Naval petroleum and oil shale trust fund. Revenues from the sale of oil from the naval reserves would be applied to this fund and would be earmarked for exploration and development of more reserves. While further readiness may be a good thing for our naval petroleum reserves, the trust fund's revenues could also be used to develop production from oil shale.

Mr. Speaker, the subject of oil shale development is hardly a settled question. To manipulate our Nation's policies toward oil shale as an adjunct to consideration of national policy towards naval petroleum reserves is a mistake. In the next few legislative days, I will be speaking on the economies of oil shale development. We must consider our Nation's policies on oil shale development apart from policies on other energy sources.

COPYRIGHT REVISION HEARINGS SET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kastenmeier) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice of which I am chairman will renew its efforts to legislate the first general revision of the copyright laws since 1909 when it begins public hearings on my bill H.R. 2223, Wednesday, May 7.

John G. Lorenz, acting librarian of Congress, Barbara Ringer, register of copyrights, and Abraham L. Kaminstein, former register of copyrights, will testify at the first day's hearings in room 2226, Rayburn House Office Building.

Present copyright law has remained largely unchanged since 1909. Meanwhile, tremendous changes in technology have rendered existing law obsolete and outmoded. Following extensive hearings in 1965 by the subcommittee, the House of Representatives early in 1967 passed a general revision bill. The Senate however did not act on this bill. Seven years later in September 1974, the Senate passed a copyright law revision bill, but the involvement of the House Judiciary Committee in confirmation hearings for then Vice President-designate Nelson A. Rockefeller prevented House action on copyright legislation in the closing months of the 93d Congress. My bill H.R. 2223, introduced this year is identical to the Senate bill.

H.R. 2223 deals with issues of vital interest to copyright owners on the one hand, and copyright users on the other. It treats such areas as literary creation, book publishing, music composing, publishing and performing. It will be our job to determine and respond to the public interest in these often controversial areas.

The subcommittee's hearings are not intended to compare in number to its 1965 schedule when it held 22 public sessions and more than 50 executive meetings before reporting its revision bill. Nonetheless, our subcommittee is going to do a thorough job in evaluating this critically important issue.

Officials from the Departments of State, Justice, and Commerce will testify before the subcommittee on Thursday, May 8. On Wednesday, May 14, witnesses will discuss the library photocopying sections of the bill and on the following day, May 15, testimony will be received on the educational interest in copyright. Further hearings will be scheduled from time to time.

PETROLEUM FUELS DUMPED AT SEA COULD BE SALVAGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. Melcher) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, on Thursday, April 24, I put in the Record material from two Navy audits about their continuing practice of dumping petroleum fuels into the oceans which might be reclaimed at a savings of millions of dollars in addition to conserving fuel and the ecology of the oceans. These audits had been publicized by columnist Jack Anderson.

Subsequently, I was told that it is impractical to offload the fuel in port; in some instances it is supposed to involve letting sea water into the tanks to displace the fuel and, if done in port, sand might get into the tanks, pipes, and valves and cause damage.

Although it seems a little odd to me that fuel storage tanks on ships would be so engineered that they cannot be emptied except by displacement with seawater, I know have a copy of a letter to the Secretary of the Navy which shows it is entirely possible to offload this fuel to barges at sea, rather than dump it, demolishing another excuse for taking the easy way out, which apparently is dumping the fuel. The audit shows that this is usually done without even bothering to provide any explanation for the dumping in the "survey" report.

I am putting in the Record the text of a letter written to the Secretary of the Navy on April 22, the day following the appearance of Jack Anderson's column, which is signed by Mr. James R. Smith, president of the American Waterways Operators, Inc., suggesting offloading to barges which are available on all our shores.

The American Waterways Operators, Inc.,
Arlington, Va., April 22, 1975.

Hon. J. William Middendorf,
Secretary of the Navy,
Washington, D.C.

Dear Mr. Secretary: I was astonished this morning to read Jack Anderson's column in the Washington Post that the Navy apparently is dumping contaminated aviation fuel and other petroleum products at sea rather than carry them to port for trans-shipment and recycling. Such activities are not only dangerous to the ocean environment but are wasteful of this nation's precious energy resources.

After reading the Anderson column, I checked with several AWO members operating along the coasts and found that a number of years ago the Navy would order tank barges alongside returning naval vessels. These tank barges would return contaminated fuel to various refineries to be pumped off and reprocessed.

I was told that this practice was halted several years ago for reasons which may have become obvious in today's Washington Merry-Go-Round.

A quick check with responsible tug and barge operators discloses that along the Pacific Coast there are plenty of available tank barges to haul contaminated fuel back to refineries along the coast. All the Navy need do is reinstitute its former practice of asking commercial operators to bring barges alongside naval vessels to off-load various petroleum products for return to the refineries. The same situation prevails along other coasts.

Surely, in these days of energy shortage such a practice would be superior to the Navy's apparent present practice of simply dumping contaminated fuel at sea.

When we add up the situation to which I have just referred: the reluctance of the Navy to use commercial tugs when available and; even more recently, the leasing of laid-up naval tugs to publicly-owned ports at dollar-per-year figures, the commercial maritime industry can only conclude that in these days of fuel shortages and dollar shortages the United States Navy is not measuring up to its responsibility to the American people.

Yours very truly,
James R. Smith, *President.*

PERSONAL STATEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on April 28, 1975, I was necessarily absent on roll call votes 158 and 159.

I refer first to rollcall No. 158, a vote on an amendment by the gentleman from Kentucky (Mr. Perkins) to H.R. 4222, the National School Lunch and Child Nutrition Act Amendments, to provide for a supplemental 5-cent payment on all lunches served in fiscal year 1976 other than free or reduced price lunches. The amendment was agreed to by a vote of 213 to 176. Had I been present, I would have voted in favor of the amendment.

I refer second to rollcall No. 159, a vote on an amendment by the gentleman from Kentucky (Mr. Perkins) to H.R. 4222, the National School Lunch and Child Nutrition Act Amendments, to require that the funding of the supplemental feeding program for women, infants, and children be on the same performance basis as the school lunch program. The amendment was agreed to by a vote of 238 to 152. Had I been present, I would have voted in favor of the amendment.

EFFECT OF SST'S ON OZONE LAYER

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, since 1972, the Plant Physiology Institute, a division of the Agricultural Research Service, Beltsville, Md., has been researching the effects of increased levels of ultraviolet radiation on plant life. This work has been carried out under a Department of Transportation program aimed at assessing the effects of SST's on the ozone layer in the stratosphere. As my colleagues know, it is the ozone layer which shields the Earth's surface from harmful ultraviolet—UV—radiation.

Despite the extremely limited resources available for this program, the work at ARS is impressive and its findings may have a major impact on the development of several technologies, including the use of chlorofluoromethanes, such as freon, as a propellant for aerosol products.

I believe it imperative that we increase funding for this extremely valuable research effort, and will be working to that end. Additionally, until the precise effects of freon on the ozone layer are clearly understood and known to be harmless, I believe the use of this propellant should be outlawed.

We do know now that UV radiation is a cause of skin cancer and present estimates indicate that there are somewhere between 200.000 to 600,000 cases of skin cancer per year. As a rule of thumb, it is further estimated that each 1-percent reduction of ozone in the stratosphere causes approximately a 2-percent increase in the incidence of skin cancer.

But another concern is the potential effect of ozone depletion on climatic conditions about which little is known. It has been postulated by Robert C. Dickinson, of the National Center for Atmospheric Research, that ozone depletion could lead to a sustained drop in average worldwide temperatures. Thus far, however, a climate effects remain in the realm of speculation, albeit informed. More research is needed in this area also. Of increasing major concern is the potential effects of ozone layer depletion on vegetation and its effect on food production. Our food supply problems could even be exacerbated by this problem.

The ARS, under the direction of Angus Hanson, ARS Director, and Dr. H. R. Cairns, chairman of the Plant Physiology Institute, is presently engaged in this vital, but woefully underfunded research. The findings to date are far from complete, but are nevertheless dramatic.

The ARS finding to date indicate a direct correlation between UV radiation and plant growth. Indeed, they indicate serious and detrimental effects from rather low levels of increased UV radiation. This damage has been demonstrated in a number of common food, fiber, and ornamental plants. Cotton, lettuce, tomatoes, corn, and other food crops can be seriously stunted by increased UV radiation. The degree of damage depends upon several variables which ARS is attempting to quantify. These variables include the intensity of the radiation, the length of time the particular plant is exposed to the radiation, and the particular variety of plant. An insidious aspect of this situation could be reductions in crop growth and crop yield which might not be easily apparent as to cause except through the most careful scientific analysis. With what is presently known, it is not unreasonable to hypothesize that a small reduction in the ozone layer could cause a corresponding increase in UV radiation which might reduce U.S. wheat or corn production by several percentage points. The significance of decreased food production in a hungry world gives ample reason for high priority for an adequate level of research.

ARS has been handicapped in developing a reliable assessment of absolute UV effects in relation to ozone depletion due to, first, lack of radiation sources emitting only in the 280–320 nm range, and second, lack of equipment suitable for closely monitoring the radiation quality or quantity applied to plant tissue. ARS has assembled a device known as a high intensity UV monochromator, which does permit them to measure UV effects with some accuracy. Indeed, this instrument's capabilities are apparently unique, in this Nation at least. The evidence developed thus far suggests enhanced UV radiation will affect agriculture on a worldwide basis and will induce ecological, vegetative change.

The present research is the result of a redirection of minimal funds available and the nominal funding—$10,000—provided by DOT. A program commensurate with the urgency of the problem would require about $450,000 to $500,000 per year. This level of funding would provide for three full time, experienced scientists and the sophisticated equipment necessary to develop this vital information. I hope we can achieve this additional funding.

In the meantime, it behooves us to act prudently. We should have a moratorium on the use of chloroflouromethanes, such as Freon. If we do not act with care, we not only be endangering man directly by exposing him to greater chances of skin cancer but also by reducing his food supply.

THE WOMEN'S AIR FORCES SERVICE PILOTS

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, today I am introducing, along with my colleague, the Honorable Omar Burleson of Texas, a bill which would provide that certain services performed by members of the Women's Air Forces Service Pilots during World War II be considered "active duty" for purposes of laws administered under the Veterans' Administration.

During the past World War, some 1,102 women pilots flew approximately 60 million miles on operational duty for the Army Air Forces with only 38 fatalities. Women pilots were used in the Air Transport Command where they mainly ferried all types of airplanes used by the Army Air Force, including the B–29 Superfortress, straight from factories to modification centers, depots, and other destinations within the boundaries of the United States. They also flew on other missions, including as tow targets for gunnery practice, tracking and searchlight missions, simulated strafing, smoke laying and chemical missions, engineering test flying, and utility flying in the weather wing.

After the unit was deactivated on December 20, 1944, the women were left without any rights or benefits. My bill would provide recognition for these women pilots for their service to our country by having their tours of service considered "active" for the purpose of receiving all benefits administered by the Veterans' Administration. The bill limits potential beneficiaries to only prospective benefits. Retroactive benefits are disallowed. Therefore the cost of this inclusion to the Federal Government would be very minimal.

I hope that my colleagues will join Mr. Burleson and myself in recognizing the service of these women pilots and in working to insure that they are made eligible for benefits like any other formerly active-duty veteran of past World Wars.

H.R. 25, SURFACE MINING AND RECLAMATION ACT

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, you would hardly think that there is any connection between coal fields and pineapple fields, but in the past few weeks there has been an attempt to link the two in what I can only view as a rather bizarre form of lobbying.

It seems that because of my support for the strip mining legislation which this Congress has passed, and because I am chairman of the Subcommittee on Mines and Mining which had jurisdiction over the bill in the House together with the Subcommittee on Energy and the Environment of the House Interior and Insular Affairs Committee, I have incurred the wrath of coal mine operators who have tried to get across the idea to their employees that this bill, if it is passed, is going to put them out on the streets and into the unemployment lines. Aside from the recent caravan to Washington which brought the coal trucks and their banners of protest, some operators of coal mines have attempted to counter my efforts in behalf of this legislation by organizing a boycott against Hawaiian pineapple.

Paid advertisements have been run in newspapers asking people to sign a pledge to stop eating pineapple because, the ads state,

> Congresswoman Patsy Mink of Hawaii has worked and voted to stop coal production, put men out of work and triple our electric bills.

I predicted when I heard about all of this ridiculous business, that people in these areas where the ads have appeared are not only continuing to buy and eat pineapple, but many of them have gone out of their way to lay in extra supplies of pineapple. Their replies to this charade are quite revealing, I think, and I would like to take this opportunity to share some of them with my colleagues.

In addition, I would like to have entered in the Record at this point a copy of the material which appears in the advertisements to which I have referred, and a sampling of the letters which I have received from people who have seen the ads:

CAUTION—EATING PINEAPPLE MAY BE HAZARDOUS TO YOUR HEALTH AND PROSPERITY

Congresswoman Patsy Mink of Hawaii has worked and voted to stop coal production, put men out of work and triple our electric bills.

Now, We, The Undersigned, Pledge To Stop Eating Pineapples!

(Place for names.)

Please sign and return to: Coal Operators & Associates, Hopkins Building, Pikeville, Ky. 41501

What's Fair Is Fair!

Representative Patsy T. Mink,
Rayburn House Office Building,
Washington, D.C.

Dear Ms. Mink, Please continue to press strongly for a strong Strip Mine Bill out of the Congress this year. There are many of us in Appalachia who do not agree at all with the "trumped up" charges and action of the operators who descended on Washington a couple of weeks ago. We believe they were misled by several people who wanted to look good in their eyes, rather than to provide any responsible input.

I, personally, wss ashamed at the personal attacks on you by our Kentucky State Representative, and suspect that the sale of pineapples in Eastern Kentucky will increase tremendously in spite of his statements.

Thank you so much for your continuing efforts for us all.

——— ———.

April 19, 1975.

Dear Ms. Mink: I will be buying pineapple (more than I would usually buy) as soon as I get off work. Also I will be serving pineapple cake at the coffee hour at church tomorrow.

Thank you for your work for stronger strip mining regulations.

Let's eat more pineapple!

Sincerely,

——— ———.

April 19, 1975.

Dear Ms. Mink: We're having pineapple upside-down cake tonight at our house and we will toast you and your work for controls on strip mining.

Instead of boycotting pinepaples, as the coal operators suggested, I bought 24 large cans of pineapple today, to express my support for you and your efforts. Thank you for working to help us save our mountains.

With much regard,

——— ———.

April 21, 1975.

Patsy Mink,
U.S. Representative,
Washington, D.C.

Dear Representative Mink: Though you may not have seen the lengthy story "A New Breed of Strip Miner" it will not affect your reading, understanding and, I believe, agreeing with the points made in the enclosed copy of the letter sent to Mr. Jackson, "the new breed strip miner".

As someone so aptly said, "We are using the world as if we have a spare in the truck". We don't!

And history is going to prove that we are "paying too much for the whistle".

Surely you are in position to bring some sanity to a world gone mad with greed.

Hopefully,

——— ———.

P.S. Our Kentucky Congressmen were contacted earlier. We appreciate your stand!

While Hawaii may not know it we've increased our use of pineapple even ordered a whole case.

Farmers, Ky.,
April 20, 1975.

Dear Ms. Mink: I just wanted to tell you that yesterday I bought 4 cans of pineapple. Don't wory about the Pike County boycott. Most of us in Kentucky don't think much of the coal barons. As for myself, I want to personally thank you and your colleague, Morris Udall, for the tremendous service you are doing for the coal regions of eastern Kentucky. We need the strip mine bill more than ever before. First quarter strip mining permits have tripled in the last 2 years—and our beautiful mountains are taking a hell of a beating. So hang in there! We need you. We thank you.

Sincerely,

——— ———.

Paintsville, Ky.,
April 20, 1975.

Hon. Patsy T. Mink,
House of Representatives,
Washington, D.C.

Dear Mrs. Mink: Thank you very much for the stand you have taken concerning controls for strip mining. We appreciate your policies and have watched with pleasure, your actions.

Many Kentuckians do not want our hills and environment destroyed irresponsibly. We do not support strip mining as it is presently and as it has been done in the past.

While visiting your state a few years ago, we enjoyed the beautiful mountains as much as the other scenery. Our beautiful hills are being ruined by monetary minded operators with unscrupulous mining techniques. Keep up your good work and we'll increase our pineapple consumption.

Sincerely,

——— ———.

Elkhorn City, Ky.,
April 21, 1975.

Ms. Patsy Mink,
Member, House of Representatives,
Washington, D.C.

Dear Congresswoman Mink: The enclosed appeared in the April 18, issue of the Williamson Daily News, a daily newspaper published in Williamson, West Virginia and widely circulated in Pike County, Kentucky. I think this is an under-handed and despicable way of trying to put pressure on you by a few rich coal operators to try to intimidate you and cause you to lessen your support of the surface mining bill now being considered by our National Congress. You will probably receive a number of these supposed petitions in the near future and it would be my opinion that some of the people whose names will be signed to the petitions, signed their names unwittingly and without knowing what you are supporting. If you will note the wording of the advertisement and petition is misleading and very general. It is my understanding that the United Mine Workers of America support this bill and we have more union men than non-union. In fact the surface mine operators are not true miners in the sense that they are more construction workers and surface mining brings very few jobs but large profits. Deep mining, of which I hardly approve is the type of mining which furnishes most employment for our people.

Please do not let the campaign being carried on against you locally affect your stand in this matter because you are right and you have seen the great destruction that has been brought in the name of, getting out the coal.

The surface mine operators argue out of one side of their mouths, that they can not comply with strict reclamation procedures in this state and be competitive with states which have less strict reclamation laws. Then from the other sides of their mouths they argue that this bill will deprive them of the right to operate, when in reality it will put all states on more or less of the same standards and hence more competitive.

Keep up the good work and future generations of under privileged mountain people will rise up and call you blessed.

Very truly yours,

——— ———.

Wise, Va.,
April 25, 1975.

Mr. Mink, the strip miners have made Senator or Congressman who says that Virginia has a strip mining law.

At the present time there is no enforced law in Virginia.

Ms. Mink, the strip miners have made your name a "cuss" word in the County.

Don't feel bad, though. About a year ago I wrote several letters to the editor speaking out against strip mining and the strip miners have threatened my life and also have threatened to rape my wife.

If Congress is going to let 4,000 S.W. Virginia strip miners rule them, then the people of Appalachia might as well give up.

I never seen a Congresswoman as brave as yourself who has the "guts" to defend what is right.

Ms. Mink, you are to be commended. May God bless you.

——— ———.

April 30, 1975.

Dear Ms. Mink: Hooray for you! I am a citizen of eastern Kentucky. I am writing to applaud your support of the legislation, which will regulate strip mining.

We must take care of our land and water. With these ruined, all the coal-generated electricity in the world won't be worth a nickel.

Persuade your friends.

Thank you,

——— ———.

Mr. Speaker, one such advertisement was placed in the Williamson Daily News, of Williamson, W. Va., among other papers. Upon inquiry, I have received information that the ad was paid for by Mr. Kenny Hart, publicity director for an organization called the Coal Operators & Associates, who have their offices in the Hopkins Building in Pikeville, Ky. I have a letter from the publisher of the Williamson Daily News to substantiate this fact.

I would also like to bring to the attention of my colleagues a column which appeared in the Washington Post of April 29 by Colman McCarthy, entitled "The Visiting Strip Miners." The information which Mr. McCarthy reports is also quite revealing, pointing out as it does that many of the men who work the coalfields and who were sent here to Washington to cause a commotion, were deeply misinformed about what the strip mining bill does.

Captive workers who have no choice but to "believe" the propaganda of their employers or lose their job are sent off to Congress to lobby against the bill. Then the operators use "our" money to buy ads all over the country to get people to believe that I alone am responsible for this bill and could put people out of work. I say "our" money because the consumer has to pay for the outrageously high prices for coal that prevail today, and it is this money we pay that is being used by the coal operators to fight a decent, reasonable regulatory bill.

Mr. Speaker, for the Record I would like to have printed the letter which I received from the publisher of the Williamson Daily News, and the article from the Washington Post to which I have referred:

Williamson Daily News, Inc.,
Williamson, W. Va., April 28, 1975.

Congresswoman Patsy T. Mink,
House of Representatives,
Washington, D.C.

Dear Ms. Mink: Your inquiry relative the advertisement in behalf of Coal Operators and Associates has been investigated and we find the following:

The advertisement was placed by Mr. Kenny Hart, Publicity Director for the Coal Operators and Associates, Hopkins Building, Pikeville, Kentucky 41501. The advertisement was paid for by the Coal Operators and Associates of the same address.

Very sincerely yours,

Louis P. Harvath,
Publisher.

THE VISITING STRIP MINERS

(By Colman McCarthy)

Those who saw the convoy of 700 coal trucks hunkering through Washington the other day could only wonder what was happening. Only a fly-by of Concordes, sent roaring over the U.S. Capitol by the resurrected SST lobby, could have attracted more attention. From the evidence, attention may have been all that the strip mine industry of central Appalachia gained by bankrolling the coal haulers, miners, local officials and others who came to protest the pending strip mine bill. If the power and might of the massive coal trucks was matched by some new and strong arguments against the bill, a case

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might have been made. But the match-up doesn't exist. Rather than turn anyone's mind about the legislation, the demonstration appears only to have turned attention once again to the last-minute desperation of the strip mine lobby as it tries to avoid even the mildest federal controls.

The loudest noise made by the truckers—aside from the hornblowing under the windows of congressmen—was the cry that massive layoffs would occur if the bill goes through. There is a history of this kind of scare talk, heard typically in state capitols when legislatures considered strip mine bills. Yet in the years since many of those bills were passed, not only were jobs not lost but coal industry profits and production have been high. The strip mine industry's being worried about jobs is an irony almost as thick as the coal seams it tears into so easily. For the past two decades, while deep mining has declined, and stripping increased, thousands of jobs have been lost because less manpower is needed for stripping. Hard figures are unavailable, but an informed estimate holds that if the coal now coming from strip mines came instead from deep mines, there would be some 75,000 more jobs. As for the effect on employment of the pending bill, even Commerce Secretary Rogers Morton who originally worked against similar legislation last year, said that the reclamation provisions would generate more jobs. The protesting caravan in Washington appeared to have a "grassroots" flavor to it—"the little people" asserting themselves against the remote overlords in Congress. But it appears that not everyone back home rallied to the cause. The Beckley, W. Va., Post-Herald, which calls itself "A Republican newspaper for 75 years," editorialized about the "arrogant strip mine attitudes to which we have grown so accustomed," and added that:

"Too many of the surface mine operators are based outside of our state and do not have to live with what is left after they ravage our mountains, remove our coal, take their profits and run. Therefore, we have little sympathy for the surface miners' 'circus' now going on in Washington. If the reported $400,000 being expended for a 'show' in the nation's capital had been spent toward better reclamation, it might have been a great deal more effective."

In Duff, Tenn., an area long scarred by strip mining, a young woman wrote a letter-to-the-editor of the nearby LaFollette Press. She stated that "the only people getting rich off the strip mining are the ones running the business . . . There are families right now that I know, that they don't have jobs to give their families bread or even put clothes on their back. When deep mining was going on, men had jobs, they had money to put food in their families' stomach and clothes on their backs. But now by strip mining, men don't have jobs and no money to support their families."

A town not far from LaFollette is Clairfield, Tenn., a community known in the mountains for the efforts of some citizens to create local industries that would create independence from strip mining. Before the Washington caravan, tiny Clairfield was invaded by hundreds of strip miners who came to hear the plan and views of the organizing operators. Some citizens found it surprising that the local school building was turned over to a gathering that had nothing to do with education; in the past various citizens groups involved with day care needs or the health clinic were rarely allowed use of the school. Sophisticated townspeople knew full well why the school was turned over the strip miners; the building sits on land leased by the American Association, a major strip mine power in east Tennessee. One Clairfield citizen familiar with comapny town politics said: "It's a tragic and sad to see what's happening to the strip mine workers. Many of them make so little money—they are non-union—that they are on food stamps. So they are easily put into a panic by talk of losing jobs. They see their poverty and their victimization but they don't know who's causing it. So they strike out at a target supplied by the strip mine owners, exactly the people who are paying them low pay in the first place, have had no qualms about destroying the community's land and who will leave the workers high and dry when the coal is taken out."

Aside from joyriding through the streets of Washington, the strip miners visited the offices of congressmen and committees. A staff member of the House subcommittee on energy and environment says that those who came to his office were "confused. They would read from a piece of paper supplied by the organizers and tell us, for example, that the bill bans strip mining on steep slopes. I'd explain to them that it doesn't. Then they said the bill requires this or that strictness, and I'd explain how they had their facts wrong and tell them what was really in the bill." Many in the coalfields were educated before the demonstration, and thus refused to come to Washington. The United Mine Workers Union sent someone from its legislative department to talk to the membership in the field. "Once we explained what the bill was about," a UNW official said, "the issue was clear: this explains why few of those who came to Washington, were union members. One of those who followed the demonstrators around the corridors was Ward Sinclair of the Louisville Courier-Journal. He reported to his paper the day after the caravan that "one thing came through time and again—most demonstrators were misinformed or uninformed about the law and the legislators who voted for it."

Even if the bill is passed, it may mean little for Appalachia. Harry Caudill, a hero to many of the voiceless in the mountains, said in the current issue of "The Mountain Call" that he fears Appalachia will "be mined into a desert. I think we'll dig until every lump of coal is taken out of these hills. . . . If we pass a reclamation law it'll be years until we ever enforce it. We're not going to do anything about that. We passed this federal mine safety law in '69 and you know how long it took before they made the first little feeble gestures toward enforcement. The Appalachian coalfields will be racked and ruined in four or five more years. Even if you passed the strip mine law now, with people like Gerald Ford to enforce it, you'd never know the difference."

In the mountains, Caudill is known as a moderate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Rangel, for Thursday and Friday, May 1 and 2, 1975, on account of illness in the family.

Mr. Mosher (at the request of Mr. Rhodes), for today through May 13, 1975, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Moore) to revise and extend their remarks and include extraneous material:)

Mr. Gude, for 5 minutes, today.

Mr. Bob Wilson, for 5 minutes, today.

Mr. Young of Alaska, for 10 minutes, today.

Mr. Don H. Clausen, for 5 minutes, today.

(The following Members (at the request of Mr. Fisher) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. White, for 5 minutes, today.

Mr. Richmond, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Teague, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Moakley, for 5 minutes, today.

Mr. Moakley, for 10 minutes, today.

Mrs. Lloyd of Tennessee, for 5 minutes, today.

Mr. Ford of Tennessee, for 10 minutes, today.

Mrs. Schroeder, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. Fisher, for 5 minutes, today.

Mr. Melcher, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Ottinger, at the opening of the House today, on Rabbi [illegible], and to revise and extend his remarks.

Mr. Mahon, to revise and extend his remarks and include extraneous matter on the budget concurrent resolution.

Mr. Roush, to revise and extend his remarks on Vietnam humanitarian assistance conference report.

Mr. Perkins, and to include his remarks after the remarks of Mr. Rousselot in the Committee of the Whole today.

Mr. Sebelius, his remarks immediately following the remarks of Mr. Armstrong in the Committee of the Whole today.

(The following Members (at the request of Mr. Moore) and to include extraneous matter:)

Mr. Cochran.

Mr. Young of Florida in five instances.

Mr. Anderson of Illinois in two instances.

Mr. Andrews of North Dakota.

Mr. Ashbrook in three instances.

Mr. Snyder.

Mr. Conable.

Mr. Edwards of Alabama.

Mr. Buchanan in two instances.

Mr. Hammerschmidt.

Mr. Lent in two instances.

Mr. Forsythe.

Mr. Myers of Pennsylvania.

Mr. Collins of Texas in four instances.

Mr. Fish.

Mr. Spence.

Mr. Gilman.

Mr. Kasten in three instances.

Mr. Pressler.

Mr. Robert W. Daniel, Jr.

Mr. Coughlin.

Mr. Sebelius.

Mr. Derwinski in two instances.

Mr. Heinz.

Mr. Gradison.

Mr. Treen in two instances.

Mr. McEwen in 10 instances.

Mr. Kemp in two instances.

Mr. Frey.

(The following Members (at the request of Mr. Fisher) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Sisk in two instances.

Mrs. Lloyd of Tennessee in five instances.

Mr. Wirth in two instances.

Mr. Rangel.

Mr. Nowak.

Mr. Edgar.

Mr. Bedell.

Mr. Holland.

Mr. Mottl.

Mr. de Lugo.

Mr. Corman in five instances.

Mr. Blanchard in two instances.

Mr. Downey in four instances.

Mr. Ryan.

Mr. Krebs.

Mr. Hawkins.

Mr. Brodhead.

Mr. Dingell in two instances.

Mr. Vanik in three instances.

Mrs. Sullivan in two instances.

Mr. Studds.

Mr. Badillo in three instances.

Mr. Fisher in five instances.

Mr. Florio.

Mr. Madden.

Mr. de la Garza in 10 instances.

Mr. Scheuer in two instances.

Mr. Krueger.

Mr. Hébert.

Mr. Macdonald of Massachusetts.

Mr. Zeferetti.

Mr. Long of Maryland in 10 instances.

Mr. Jones of Tennessee.

ADJOURNMENT

Mr. FISHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock), under its previous order, the House adjourned until Monday, May 5, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

913. A letter from the President of the United States, transmitting a report on participation of U.S. military forces in the evacuation of U.S. citizens and others from South Vietnam, pursuant to section 4 of the War Powers Resolution (Public Law 93–148) (H. Doc. No. 94–124); to the Committee on International Relations and ordered to be printed.

914. A letter from the President of the United States, urging action on an energy program (H. Doc. No. 94–122); jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce, and ordered be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 5727. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; with amendment (Rept. No. 94–184). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 12. A bill to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes; with amendment (Rept. No. 94–185). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 4241. A bill to designate the John C. Kluczynski Federal Building (Rept. No. 94–186). Referred to the House Calendar.

Mr. HALEY: Committee on Interior and Insular Affairs, H.R. 5158. A bill to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands; with amendment (Rept. No. 94–187). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 326. An act to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands; with amendment (Rept. No. 94–188). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAHON:

H.R. 6573. A bill to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. ARMSTRONG:

H.R. 6574. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. BARRETT (for himself, Mr. Reuss, and Mr. Brown of Michigan) (by request):

H.R. 6575. A bill to amend the U.S. Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriations acts, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. BELL (for himself, Mr. Johnson of California, Mr. Anderson of California, Mr. Brown of California, Mr. Burgener, Mrs. Burke of California, Mr. John L. Burton, Mr. Corman, Mr. Edwards of California, Mr. Goldwater, Mr. Hannaford, Mr. Krebs, Mr. McCloskey, Mr. Moss, Mr. Patterson of California, Mr. Rees, Mr. Roybal, Mr. Ryan, Mr. Stark, Mr. Van Deerlin, Mr. Waxman, and Mr. Bob Wilson):

H.R. 6576. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Michigan:

H.R. 6577. A bill to amend the Council on Wage and Price Stability Act to extend the termination date to September 30, 1977, and for other purposes; to the Committee on Banking, Currency and Housing.

Mr. COTTER (for himself, Mr. Giaimo, Mr. McKinney, Mr. Sarasin, Mr. Dodd and Mr. Moffett):

H.R. 6578. A bill to provide an additional 3-year period before States must begin repayment of outstanding advances to their unemployment compensation accounts; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Bonker, Mr. Mazzoli, Mr. Sarbanes, Mr. Scheuer, Mr. Waxman, and Mr. Won Pat):

H.R. 6579. A bill to require the submission of reports to the Congress prior to the issuance of a license for the export of certain arms, ammnunition, or implements of war; to the Committee on International Relations.

By Mr. FASCELL:

H.R. 6580. A bill to isure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security beenfits; to the Committee on Veterans' Affairs.

Mr. FASCELL (for himself and Mr. Baucus):

H.R. 6581. A bill to provide for the review of petroleum import supply contracts and to provide for authority for the Government to enter into foreign supply contracts for petroleum; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FLORIO (for himself, Mr. Dominick V. Daniels, Ms. Fenwick, Mr. Forsythe, Mr. Howard, Mr. Hughes, Mr. Maguire, Ms. Meyner, Mr. Minish, Mr. Patten, Mr. Rodino, Mr. Roe, and Mr. Thompson):

H.R. 6582. A bill to amend title II of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof; to the Committee on Ways and Means.

By Mr. FOLEY (for himself, Mr. Bergland, Mr. Breckinridge, Mr. Brown of California, Mr. de la Garza, Mr. Findley, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Litton, Mr. McHugh, Mr. Mathis, Mr. Peyser, Mr. Richmond, Mr. Rose, Mr. Vigorito, and Mr. Weaver):

H.R. 6583. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. GUDE:

H.R. 6584. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to amortize over a 60-month period, solar heating and cooling equipment which is placed in service for nonresidential structures, or in lieu of such amortization, to take an investment tax credit for such equipment; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 6585. A bill to amend the Food Stamp Act of 1964 to assure that recipients of assistance under that act will not have the amount of such assistance reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Agriculture.

H.R. 6586. A bill to insure that recipients of aid or assistance under the AFDC, child welfare services, and medicaid programs, and participants in the Headstart, Follow Through and Foster Grandparents programs, will not have the amount of such aid or assistance reduced, or entitlement to such aid, assistance, or participation discontinued, because of increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 6587. A bill to amend title XVI of the Social Security Act to assure that recipients of supplemental security income benefits will not have the amount of such benefits reduced, or entitlement thereto discon-

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tinued, because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Esch, Mr. Pritchard, Mr. Oberstar, Mr. Patterson of California, and Mr. Regula):

H.R. 6588. A bill to amend the Community Mental Health Centers Act to authorize a program for rape prevention and control; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 6589. A bill to amend the National Labor Relations Act to provide that it shall be an unfair practice for an employer to coerce, harass, or threaten an employee or independent contractor with respect to any contract between such employee or independent contractor and such employer; to the Committee on Education and Labor.

By Mr. ICHORD:

H.R. 6590. A bill to postpone until January 1, 1977, the effective date of the recently enacted child support program (part D of title IV of the Social Security Act) in those States where AFDC grants are less than 90 percent of the applicable standard of need, so as to give such States an apportunity to minimize or avoid the adverse effects which would result from the immediate application of the new program's requirements; to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 6591. A bill to amend title 5, United States Code, to provide that an employee's accrued annual leave may be granted only upon such employee's request and, absent such request, such accrued leave may not be required to be taken; to the Committee on Post Office and Civil Service.

By Mr. LITTON (for himself, Mr. Forsythe, Mr. Ginn, Mr. Hefner, Mr. Jeffords, Mr. Jenrette, Mr. Kindness, Mr. Murtha, Mr. Rose, Mr. Thompson, and Mr. Winn):

H.R. 6592. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. LOTT:

H.R. 6593. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 5 years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland (for himself, Ms. Abzug, Mr. Metcalfe, Mr. Solarz, Mr. Sarbanes, Ms. Holtzman, and Ms. Spellman):

H.R. 6594. A bill to direct the Secretary of Housing and Urban Development and the Secretary of Agriculture to provide assistance, under existing programs, with respect to 3 million new dwelling units for low-income individuals within a 3-year period; to the Committee on Banking, Currency and Housing.

By Mrs. MINK (for herself and Mr. Burleson of Texas):

H.R. 6595. A bill to amend section 106 of title 38, United States Code, to deem certain service performed by members of the Women's Air Forces Service Pilots to have been active duty for purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. MOAKLEY:

H.R. 6596. A bill to improve public understanding of the role of financial institutions in home and commercial real property financing; to the Committee on Banking, Currency and Housing.

By Mr. OTTINGER (for himself, Ms. Abzug, Mr. Findley, Mr. Fraser, Mr. Moss, and Mr. Solarz):

H.R. 6597. A bill to amend the Federal Food, Drug, and Cosmetic Act to make the provisions of that act relating to cosmetics applicable to hair dyes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 6598. A bill to provide for acquisition and construction by the Energy Research and Development Administrator of facilities for the production of synthetic fuels from coal and oil shale, for lease of such facilities to private enterprise for operation and marketing of output, and for sale or other disposition of such facilities to private enterprise with certain disposition of such facilities to private enterprise with certain options for such lessees; to the Committee on Interior and Insular Affairs.

By Mr. RINALDO:

H.R. 6599. A bill to authorize certain revenues from leases on the Outer Continental Shelf, to be made available to coastal and other States; jointly to the Committees on the Judiciary, Merchant Marine and Fisheries, and Government Operations.

By Mr. ROSENTHAL (for himself and Mr. Kelly):

H.R. 6600. A bill to establish the Office of Inspector General in the Department of Health, Education, and Welfare; to the Committee on Government Operations.

By Mr. ROSENTHAL (for himself, Mr. Duncan of Oregon, and Mr. Ottinger):

H.R. 6601. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Duncan of Oregon, and Mr. Scheuer):

H.R. 6602. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Duncan of Oregon, and Mr. Ottinger):

H.R. 6603. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the established name of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Carr, and Mr. Hawkins):

H.R. 6604. A bill to require major corporations to file cost justifications of price increases made in connection with compliance with Federal regulatory requirements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Baucus, Mr. Blanchard, Mr. Carr, Mr. Gilman, Mr. Mikva, Mr. Mineta, Mr. Udall, Mr. Waxman, and Mr. Wirth):

H.R. 6605. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Bingham, and Ms. Spellman):

H.R. 6606. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, and Mr. Scheuer):

H.R. 6607. A bill to require retailers to provide point of sale information to consumers concerning the recent price history of products and merchandise offered for sale at retail in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6608. A bill to amend the Federal Trade Commission Act to make sales promotion games unfair methods of competition; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Duncan of Oregon, and Mr. Scheuer):

H.R. 6609. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, and Mr. Scheuer):

H.R. 6610. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL (for himself, Mr. Moakley, and Mr. Scheuer):

H.R. 6611. A bill to amend title 5, United States Code, to provide for the establishment of a Special Cost-of-Living Pay Schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas to offset the increased cost of living, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL (for himself, Mr. Ambro, and Mr. Bingham):

H.R. 6612. A bill to restrict the activities of certain Federal employees and officers, to provide remedies to implement these restrictions, and to facilitate the enforcement of existing conflict of interest statutes; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL (for himself and Mr. Ottinger):

H.R. 6613. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. ROSENTHAL (for himself, Mr. Downey, Mr. Frey, Mr. Moakley, Mr. Scheuer, and Mr. Wolff):

H.R. 6614. A bill to amend the Social Security Act to provide for a minimum annual income (subject to subsequent increases to reflect the cost of living) of $[illegible],850 in the case of elderly individuals and $5,200 in the case of elderly couples; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Ms. Abzug, and Mr. Scheuer):

H.R. 6615. A bill to repeal the meat quota provisions of Public Law 88–482; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. Buchanan, Mr. Duncan of Oregon, and Mr. Ottinger):

H.R. 6616. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Mikva, Mr. Seiberling, and Mr. Charles H. Wilson of California):

H.R. 6617. A bill to prohibit sonic booms by civil aircraft within the United States; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Moakley, and Mr. Scheuer):

H.R. 6618. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; jointly to the Committees on Government Operations, and Interstate and Foreign Commerce.

By Mr. ST GERMAIN (for himself and Mr. Beard of Rhode Island):

H.R. 6619. A bill to provide for the inclusion of emergency power equipment in federally assisted multifamily housing facilities which are designed for occupancy in whole or substantial part by the elderly, and to authorize Federal loans to finance the provision of such equipment for those facilities; to the Committee on Banking, Currency and Housing.

By Mrs. SMITH of Nebraska:

H.R. 6620. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

By Mrs. SPELLMAN:

H.R. 6621. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. STEED (for himself and Mr. Jarman):

H.R. 6622. A bill to provide for repair of the Del City Aqueduct, a feature of the Norman Federal Reclamation Project, Okla.; to the Committee on Interior and Insular Affairs.

By Mr. VANIK:

H.R. 6623. A bill to amend title XI of the Social Security Act to provide for a system of reviews, inspections, and audits of the medicare program under title XVIII of such act, to be conducted by a newly established Inspector General for Health Administration in the Department of Health, Education, and Welfare; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself, Mr. Robert W. Daniel, Jr., Mr. Fisher, Mr. Gude, Mrs. Holt, Mr. Preyer, Mr. Satterfield, Mr. Harris, and Mrs. Spellman):

H.R. 6624. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON of California (for himself, Mr. Henderson, Mr. James V. Stanton, Mr. Studds, Mr. Mineta, Mr. Johnson of California, Mr. Ginn, Mrs. Lloyd of Tennessee, Mr. Snyder, Mr. Cochran, and Mr. Taylor of Missouri):

H.R. 6625. A bill to amend the Federal Aviation Act of 1958 to insure the availability of air transportation to consumers at the lowest reasonable cost, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ASHBROOK:

H.R. 6626. A bill to amend the Fair Labor Standards Act of 1938 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. BALDUS (for himself, Mr. Kastenmeier, Mr. Obey, Mr. Cornell, Mr. Pattison of New York, Mr. Nolan, Mr. Pressler, Mr. Hanley, Mr. Carr, Mr. Walsh, Mr. Mathis, and Mr. Charles Wilson of Texas):

H.R. 6627. A bill to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself and Mr. Lent):

H.R. 6628. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CORMAN:

H.R. 6629. A bill to provide an additional 13 weeks of unemployment compensation under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes; to the Committee on Ways and Means.

By Mr. de la GARZA:

H.R. 6630. A bill to amend the Smith-Lever Act, as amended, to provide for improved agricultural extension, research and cooperation among agricultural colleges; jointly to the Committees on Agriculture, and International Relations.

By Mr. DINGELL:

H.R. 6631. A bill to establish a Federal Zoological Control Board in order to insure that zoos and other animal display facilities maintain minimum standards for the humane care and husbandry of animals, to provide technical and financial assistance to zoos, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DRINAN (for himself, Mr. Badillo, Mr. Bonker, Mr. Brown of California, Mr. Conyers, Mr. Cornell, Mr. Dellums, Mr. Downey, Mr. Edgar, Mr. Gude, Mr. Harrington, Mr. Leggett, Mr. Moakley, Mr. Mazzoli, Mr. Ottinger, Mr. Rosenthal, Mr. Roybal, Mr. Sarbanes, Mr. Scheuer, Mr. Solarz, Mr. Waxman, and Mr. Won Pat):

H.R. 6632. A bill to provide increased congressional oversight of foreign military sales conducted under the Foreign Military Sales Act; jointly to the Committee on International Relations, and Rules.

By Mr. FISHER:

H.R. 6633. A bill to amend the Internal Revenue Code of 1954 to revise the tax treatment of transfers of certain property to tax exempt organizations; to the Committee on Ways and Means.

By Mr. FORD of Tennessee (for himself, Mr. Maguire, Mr. Jones of Tennessee, Ms. Chisholm, Mr. Stokes, Mr. Hughes, Mr. Blanchard, Mr. Cotter, Mr. Wirth, Mr. Russo, Mr. Carr, Mr. Zeferetti, Mr. Bedell, Mr. Miller of California, Mr. Waxman, Mr. Beard of Rhode Island, Ms. Meyner, Mr. Scheuer, Mr. Pattison of New York, Mr. Brinkley, Mr. Santini, and Mr. Baucus):

H.R. 6634. A bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON:

H.R. 6635. A bill to amend the Voting Rights Act of 1965 to provide that individuals casting absentee ballots in Federal elections shall be relieved of any costs relating to the notarization of such ballots; jointly to the Committees on the Judiciary and House Administration.

By Mr. HUGHES:

H.R. 6636. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. O'NEILL (for himself, Mr. Fascell, Mr. Moffett, Mr. Rose, Mr. Brown of California, Mr. Scheuer, Mr. Sarbanes, Mr. Gaydos, Mr. Nix, Mr. Minish, Mr. Mitchell of New York, Mr. Helstoski, Mr. Dellums, and Mr. Rees):

H.R. 6637. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. O'NEILL (for himself, Mr. Charles H. Wilson of California, Mr. Seiberling, Ms. Meyner, Mr. Cotter, Mr. Zeferetti, Mr. Badillo, Mr. McKinney, Mr. Koch, Mr. LaFalce, Mr. Stark, Mr. Cornell, Mr. Won Pat, and Mr. de Lugo):

H.R. 6638. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. SANTINI:

H.R. 6639. A bill to exempt range sheep industry mobile housing and temporary range cattle camps from regulations affecting permanent housing for agricultural workers; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 6640. A bill to authorize the Secretary of Transportation to guarantee loans of $100 million to railroad systems in the Midwestern United States; to the Committee on Interstate and Foreign Commerce.

By Mr. THONE:

H.R. 6641. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. WHITE:

H.R. 6642. A bill to provide for allotment or assignment of payments from civil service annuities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOB WILSON:

H.R. 6643. A bill to amend section 1451 of title 10, United States Code, to change the offset for social security under the survivor benefit plan from 100 percent to 50 percent, and for other purposes; to the Committee on Armed Services.

By Mr. YOUNG of Alaska:

H.R. 6644. A bill to provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDGAR:

H.R. 6645. A bill to amend the Highway Revenue Act of 1956 relating to the Highway trust fund; to the Committee on Ways and Means.

By Mr. D'AMOURS (for himself, Mr. Beard of Rhode Island, Mr. Boland, Mr. Burke of Massachusetts, Mr. Cohen, Mr. Cotter, Mr. Dodd, Mr. Early, Mr. Emery, Mr. Harrington, Mr. Jeffords, Mr. Macdonald of Massachusetts, Mr. McKinney, Mr. Moakley, Mr. St Germain, Mr. Sarasin, and Mr. Studds):

H.J. Res. 424. Joint Resolution to amend the act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States; to the Committee on the Judiciary.

By Mr. WAGGONNER:

H.J. Res. 425. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 426. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. YATRON:

H.J. Res. 427. Joint resolution providing for the designation of the first week in May of each year as Be Kind to Animals Week; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO (for himself and Mr. ZABLOCKI):

H. Con. Res. 262. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. CARNEY:

H. Con. Res. 263. Concurrent resolution expressing the sense of the Congress with respect to International Women's Year; to the Committee on Post Office and Civil Service.

By Mr. FUQUA:

H. Res. 436. Resolution to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy; to the Committee on International Relations.

By Mr. KARTH:

H. Res. 437. Resolution proposing the designation of Norwegian-American Day; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY (for himself, Mr. MCEWEN, Mr. MURPHY of Illinois, Mr. COUGHLIN, Mr. BREAUX, Mr. FORSYTHE, Mr. BYRON, Mr. ROBERT W. DANIEL, Jr., Mr. JONES of Tennessee, Mr. ANDREWS of North Dakota, Mr. ICHORD, Mr. ST GERMAIN, Mr. FINDLEY, Mr. O'NEILL, Mr. HUGHES, Mr. BAFALIS, Mr. FLORIO, Mr. STUDDS, Mr. GUDE, Mr. FORD of Tennessee, Mr. COLLINS of Texas, and Mr. JENRETTE):

H. Res. 438. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. STAGGERS (for himself, Mr. DINGELL, Mr. MOSS, Mr. ROGERS, Mr. ROONEY, Mr. MACDONALD of Massachusetts, Mr. MURPHY of New York, Mr. WIRTH, Mr. SHARP, Mr. BRODHEAD, Mr. ECKHARDT, Mr. OTTINGER, Mr. MOFFETT, Mr. MAGUIRE, and Mr. VAN DEERLIN):

H. Res. 439. Resolution disapproving the proposed amendment by the President to remove existing price controls relating to crude oil; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HALEY:

H.R. 6646. A bill for the relief of E. Garrison Wood; to the Committee on the Judiciary.

By Mr. HAWKINS:

H.R. 6647. A bill for the relief of Guillermo Bell; to the Committee on the Judiciary.

H.R. 6648. A bill for the relief of Danelia Alvarez de Bell; to the Committee on the Judiciary.

By Mr. TEAGUE:

H.R. 6649. A bill for the relief of Rocco A. Petrone; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

117. The SPEAKER presented a petition of the Moorish School of Law and History, Baltimore, Md., relative to implementation of the 13th amendment with 20 sections; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mrs. SCHROEDER:

Amendment to the amendment of the Committee on Interior and Insular Affairs, to H.R. 49:

On page 3, line 21, insert "Naval Oil Shale Reserves," immediately before "the National Wildlife Refuge,".

Amendment to the amendments of the Committee on Armed Services to the amendments of the Committee on Interior and Insular Affairs to H.R. 49 (as reported from the Committee on Armed Services on April 18, 1975):

On page 4, line 1, insert "and Oil Shale" immediately before "Reserves".

On page 12, line 20, strike "and Oil Shale".

On page 12, line 24, strike "and Oil Shale".

On page 13, line 13, strike "and Oil Shale". Shale".

On page 13, line 24, strike "; and" insert "," after "exchanges".

On page 14, lines 1–2, strike "and oil shale"

On page 14, line 4, strike "." after "terminals," and insert "; and".

On page 14, between lines 4 & 5, insert

"(4) Exploration, prospecting, conservation, and maintenance of the Naval Oil Shale Reserves as authorized by this chapter, or as may hereafter be authorized."

On page 14, line 6, strike "and Oil Shale".

On page 15, in the analysis between lines 1 and 2, strike "and Oil Shale."

Amendment to amend the substitute to H.R. 49, as recommended by the Committee on Interior and Insular Affairs, as further amended by the text of H.R. 5919 as a substitute as offered by the Committee on Armed Services, by further amending the text of H.R. 5919 as follows:

On page 6, line 22, strike out "and oil shale".

On page 7, line 1, strike out "and oil shale".

On page 7, lines 16 and 17, strike out "and oil shale".

On page 7, line 22, strike out "and oil shale".

On page 6, line 2, strike out "; and" and insert a comma.

On page 8, line 4, strike out "and oil shale".

On page 8, between lines 7 and 8, insert "(4) exploration prospecting, conservation, and maintenance of the naval oil shale reserves as authorized by this chapter, or as may hereafter be authorized."

On page 8, line 7, strike out the period and insert "; and".

On page 8, line 9, strike out "and oil shale".

On page 8, line 20, strike out "and oil shale".

On page 9, in the analysis between lines 3 and 4, strike out "and oil shale".

Amendment to the amendments of the Committee on Armed Services to the amendment of the Committee on Interior and Insular Affairs. Section 7432 is amended to read as follows:

§ 7432. Naval Petroleum and Oil Shale Reserves Special Fund

"(a) There is hereby established on the books of the Treasury Department a special fund designated the "Naval Petroleum and Oil Shale Reserves Special Fund." There shall be granted such fund—

"(1) All proceeds realized under this chapter from the disposition of the United States share of petroleum or refined products, oil and gas products, including royalty products;

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of refined petroleum products accruing to the benefit of any component of that Department as a result of any such sales or exchanges; and

"(3) such additional sums as have been, or may be, appropriated for the maintenance, operation, exploration, development and production of the naval petroleum reserves.

"(b) Funds available in the Naval Petroleum and Oil Shale Reserve Special Fund shall be available for expenditure in such sums as are specified in annual congressional appropriations acts for the expense of—

"(1) exploration, prospecting, conservation, development, use, operation and production of the Naval Petroleum Reserves as authorized by this chapter;

"(2) production, including preparation for production as authorized by this act, or as may hereafter be authorized;

"(3) the construction and operation of facilities both within and outside the naval petroleum reserves incident to the production and the delivery of crude petroleum and derivatives, including pipelines and shipping terminals; and

"(4) Exploration, prospecting, conservation, and maintenance of the Naval Oil Shale Reserves as authorized by this chapter, or as may hereafter be authorized.

"(c) The budget estimates for annual appropriations from the Naval Petroleum and Oil Shale Reserve Special Fund shall be prepared by the Office of Naval Petroleum and Oil Shale Reserves and shall be presented by the President independently of the budget of the Department of the Navy and the Department of Defense.

"(d) Contracts obligating only such funds as are appropriated and made available annually may be entered into by the Secretary for periods of not more than five years renewable for a like term."

H.R. 4035

By Mr. JEFFORDS:

On page 14, after line 19, add new sections 3 and 4 to read as follows:

SEC. 3. Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h) (1) Beginning on the date of enactment of this subsection, no amendment to the regulation under subsection (a) which would have the effect of establishing a minimum price for crude oil, residual fuel oil, or any refined petroleum product may take effect except in accordance with the provisions of subsection (g) (2).

"(2) For purposes of subsection (g) (2), an amendment described in paragraph (1) of this subsection shall be considered as amendment described in subsection (g) (2) of this section.

"(3) No amendment described in paragraph (1) which takes effect after January 1, 1975, and prior to the date of enactment of this subsection, may remain in effect for a period of longer than ninety days after such date of enactment and the President shall rescind any such amendment within such ninety-day period, unless such amendment is transmitted to the Congress within such thirty-day period for review under the provisions of subsection (g) (2) of this section, in which case such amendment may continue in effect unless disapproved under the provisiona of subsection (g) (2).".

SEC. 4. Section 4(g) (2) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(2) (A) Subject to the requirements of this paragraph, the President may prescribe an amendrment to the regulation under subsection (a) exempting crude oil, residual fuel oil, or any refined petroleum product from the provisions of such regulation as such provisions pertain to either (i) the allocation of amounts of any such oil or product, or (ii) the specification of price or the manner for determining price of any such oil or product.

"(B) The President shall transmit (i) any amendment (bearing an identification number) to the regulation prescribed under subparagraph (A) of this paragraph, accompanied by a specific statement of the President's rationale for such amendment, and (ii) the matter described in subparagraph (D) of this paragraph, to both Houses of Congress on the same day and to each House while it is in session. Such an amendment may apply only to one oil or one product with respect to either allocation or price and may provide for scheduled or phased implementation.

"(C) (i) Such amendment shall take effect on the date or dates specified in such amendment, but not sooner than the end of the first period of sixty calendar days of continuous session of Congress (within the meaning of section 906(b) of title 5, United States Code) after the date on which such amendment is transmitted to it; except that such an amendment shall not take effect if, between the date of transmittal and the end of such sixty-day period, either House passes a resolution of that House, the matter after the resolving clause of which is as follows: 'That the does not favor the amendment (numbered) under subsection (a) of the Emergency Petroleum Allocation Act of 1973, transmitted to the Congress by the President on , 19 ', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

"(ii) Section 908 and sections 910 through 913 of title 5, United States Code, shall apply to any resolution described in clause (i), and for purposes of the consideration of a resolution under this paragraph, any reference to a resolution under section 908 and sections 910 through 913 of title 5, United States Code, shall be deemed a reference to a resolution described in clause (i), and any reference to a reorganization plan shall be deemed a reference to an amendment to which this paragraph applies.

"(D) The President shall support any proposed amendment to the regulation under subsection (a) which is transmitted to the Congress under subsection (g) (2) and which has the effect of establishing a minimum price for crude oil, residual fuel oil, or any refined petroleum product with a report, which shall contain the following findings:

"(i) the need for the proposed amendment;

"(ii) the prices of imported and domestic crude oil and other fuels and forms of energy which are in fact anticipated to result from the proposed amendment; and

"(iii) the impact of the proposed amendment upon domestic production and consumption of crude oil and other fuels and forms of energy;".

SEC. 4. (a) It is the sense of the Congress that the President should not enter into any formal international agreement having the effect of establishing a price floor on crude oil, residual fuel oil, or any refined petroleum product until such time as the Congress grants him the authority to enter into it.

(b) Nothing in section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)), or in any other provision of law, shall be deemed to grant the President any authority to adjust (whether by imposing a tariff, import fee, quota, or otherwise) imports of crude oil, residual fuel oil, or any refined product if such adjustment has the effect of establishing a minimum price floor.

S. 1236 AS REFERRED IN THE HOUSE

By Mr. JEFFORDS:

Strike out commencing on page 5, line 22, immediately after the word "following:" everything through page 6, lines 1 and 2, and insert in lieu thereof the following: "except that, at the request of the borrower and subject to the approval of the Secretary such loans may be consolidated once, without reference to whether they may have been renewed, and scheduled for payment over a period not to exceed 10 years. If loans are consolidated the maturity period shall be computed from the date of the consolidation, and the amount of unpaid principal of the prior loans so consolidated shall not create a new charge against any loan levels as authorized by the Congress."

EXTENSIONS OF REMARKS

STATEMENT IN SUPPORT OF H.R. 6447, A BILL TO INCREASE THE CORPORATE SURTAX EXEMPTION

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KASTEN. Mr. Speaker, H.R. 6447 would increase the corporate surtax exemption to $100,000 by 1980. This legislation would provide needed relief for small businesses which have suffered from inflation, which has reduced the value of the corporate surtax exemption, and from the adverse impacts of the recession.

Presently, corporations are subject to a normal tax of 22 percent and a surtax of 26 percent making the total rate 48 percent. However, an exemption in the amount of $50,000 is allowed from the corporate surtax rate, making the tax a two-step tax with a rate of 22 percent on the first $50,000 and 48 percent on any amount over that. Prior to the recent tax bill, the Tax Reduction Act of 1975 (Public Law 94–12) this exemption was $25,000. The act increased the exemption to its present $50,000 level.

While this change was a step in the right direction, it did not go far enough. H.R. 2288 would raise the exemption in phases to $100,000. There are several reasons why the exemption should be further increased. The major reason is the simple one of equity towards small business in inflationary times.

The income tax system has long contained relief provisions from high corporate tax rates for small corporations. Although the corporate surtax exemption in its present form was adopted in 1950, the $25,000 figure actually dates from 1938 when a graduated rate applied to income up to $25,000 with a flat rate thereafter. While the corporate income tax structure was revised on several occasions after 1938, the $25,000 figure persisted. If $25,000 is inflated to current levels, using the GNP implicit price deflator, the value today would be around $97,000. Thus an increase to $100,000 by 1980 is more than justified merely as a means of keeping a long-standing tax relief provision for small business intact in real terms.

However, the reasons for adopting an increased exemption go beyond the question of simple equity. While all sectors of the economy have suffered from inflation and recession, smaller businesses are more vulnerable. In a tight money market, these businesses have greater difficulties in obtaining credit as compared to large corporations. At the same time that costs, particularly for energy, are increasing, they are being squeezed by a recession. These smaller enterprises are vital to a free-market economy, and add an important element of competition and innovation. With greater concentration of market shares occurring among large corporations it is important that Government policy not discriminate against the small enterprise.

The small business sector of our economy is important in providing jobs and output. When small businesses suffer, the economy as a whole suffers. Tax policies designed to stimulate the economy and provide relief from high taxes have in many cases neglected the small business enterprise.

Two major features of our tax law adopted in recent years and designed to stimulate the economy are the investment tax credit and rapid depreciation through the Asset Depreciation Range. The recent tax reduction act increased the investment tax credit as a stimulative device, devoting more reduction to this provision than to the increase in the corporate surtax exemption. While these rapid capital cost recovery provisions are important in stimulating capital investment and output, they tend to benefit large corporations more so than small ones. One reason, of course, is that large businesses are likely to be more capital intensive than small businesses. However, statistics indicate that smaller enterprises are much less likely to adopt such provisions. One reason may be the complexity of accounting for these provisions and the costs of adopting such methods in the company's tax books, particularly if the value of eligible capital equipment is not large in relation to income. In addition, small businesses may be deterred from using accelerated depreciation in particular because of greater uncertainty about the future.

Since small businesses have not benefited greatly from these provisions, it is appropriate to provide relief from them in the simple form of an increase in the corporate surtax exemption. Through a reduction in their heavy tax burden, these businesses will have a larger internal cash flow to expand, which will ultimately benefit society in terms of increased employment and output.

UMI

MAY 1, 1975, LAW DAY

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CORMAN. Mr. Speaker, it is a privilege to join in the national commemoration of Law Day, 1975.

This past year, as we all know, has been one of transition and turbulence in American Government. We have seen a nation persevere through a constitutional process which has resulted in the resignation of a President. We have witnessed an orderly transition of power which was made possible by a system of laws made by men and women. We have been involved in a rare exercise which has demonstrated the importance of the rule of law in our society.

The question remaining in many people's minds is what is the law in a time when trust in Government and its institutions is being second guessed. The wisdom drawn from Watergate is not only the discovery of what went wrong, but why and how we can prevent it from happening again. How can we restore confidence in the principles and institutions which govern us?

One of the most rewarding exercises certainly must be a discussion of what is the law. The law is not a solution to all the ills in our society. It cannot be expected to solve our complex economic and social problems. It cannot be expected to end human suffering. And we must not look to our laws to create morality.

We can expect them to sustain a system of order. Although, our laws cannot legislate character we can regulate behavior. The real test of our system and its potential for survival will be determined by the number of citizens who believe that the law must be obeyed. In the final analysis, democracy cannot hope to survive without respect for the law.

Laws translate social change into social action and their flexibility permits rapid change in our society. The strength of our Constitution lies in its endurance and elasticity. And the strength of our people is that enactment of changes in that document is accomplished through wisdom and not through whim. Our failures have come, and will continue to occur, when individuals seek to ignore, modify or interpret existing statutes for personal power and privilege and not for the positive benefit of the general public good. The breakdown in our system does not always lie as much with the laws as with the people who abuse them.

The challenge we face today as we pay service to Law Day is to restore that abandoned respect. It is the responsibility of legislator and layman alike to channel responsible change through law and reason, knowing that the law has never served one individual fairly without serving all people equally. It is imperative that we all take stock of ourselves and determine how each of us can contribute to the rule of law by respecting it, revising it, and renewing trust in its place in this Nation's present course. We in Government must further resolve to legislate with prudence and foresight and adjudicate with compassion and reason.

THE 200-MILE TERRITORIAL WATERS CONTROVERSY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ANDERSON of California. Mr. Speaker, at this time I would like to take a few moments to reiterate my opposition to the 200-mile offshore jurisdictional proposals. I would therefore like to reflect for the Record a copy of my statement prepared for the United Nations Law of the Sea Conference now meeting in Geneva.

I believe that a unilateral declaration of a 200-mile territorial or economic limit, enticing as they may be to many of my colleagues, would be a disastrous mistake. Examining the scenario which would hold if we were to unilaterally declare a 12-mile territorial waters limit and a 200-mile economic limit, and assuming that most other coastal states would follow suit, we run into several difficulties.

First, more than 100 international straits between 6 and 24 miles wide would become engulfed by one or more territorial seas. I do not believe I have to go into detail about the inflexibility this would burden our naval forces with. In an era characterized by "brush-fire wars" and limited confrontations, this inflexibility would unduly compromise our national security.

Another problem with the 12-mile territorial limit and 200-mile economic zone would be the impact on U.S. distant waters fishing. This $100 to $200 million per year industry would be completely at the mercy of foreign nations off whose coasts U.S. vessels now legally fish.

I believe that my statement for the Geneva Conference more fully addresses this problem. Therefore, I would like at this point to include this statement in the Record:

Statement of the Honorable Glenn M. Anderson

I appreciate very much having this opportunity to present my views before the United Nations Law of the Sea Conference. It is indeed an honor to contribute to, and participate in, this most-important meeting.

In 1975, we are faced with many difficult decisions, and little time in which to make them. The pressures mount day-by-day for a solution to the grave problems facing the world's fishermen, caught in the middle of a crisis brought on by nations' inability to cooperate, even for their mutual benefit.

At this time, many countries have violated internationally agreed upon limits, and have unilaterally declared 200-mile territorial seas. This has set a dangerous precedent, and has heightened international tensions. Who is to say a nation may not declare a 500-mile limit, if such actions are let stand?

The 1952 Santiago Declaration by Chile, Peru, and Ecuador has been the basis for over twenty years of conflict between the United States and these nations. These countries unilaterally extended their ocean jurisdiction to 200 miles, and began charging exorbitant fees to fish. Ecuador, for example, has set up a licensing fee and registration system which costs U.S. tuna fishermen from $20,000 to $100,000 per vessel, *per trip!* And Peru charges $500 annual registration, and $20 per ton of registered hold capacity, per vessel, per trip. Their fines, under the 1973 system, are computed as four times the sum of license and registration fees, for the first offense; for the second offense, the fine is eight times that sum. If every other nation imposed such fees and fines, the cost of fishing would become prohibitive.

The reason tuna fishermen must fish in these unilaterally-declared territorial seas is that the tuna themselves migrate over a wide area. Ranging up and down thousands of miles of the West Coast waters of the Americas, the tuna are not the property of any one nation; they are an international resource.

The detention of U.S. fishermen, the expropriation of their catch, and the levying of huge fines are surely matters which warrant consideration at this Conference.

If the Law of the Sea Conference does adopt the 200-mile economic zone provision which I oppose, then significant attention must be given to the migratory species problem.

Claims are made by various nations that they are acting in the interest of conservation when they regulate tuna fishing off their coasts. This is an invalid argument for two reasons:

Firstly, tuna is an international resource. Yellowfin migrate more than 2,000 miles and skipjack over 3,000 miles. No one nation may lay claim to such a resource, nor accept responsibility for its conservation. An international or regional organization is necessary, which brings up the second point:

An international organization does exist for the express purpose of tuna conservation. The Interamerican Tropical Tuna Commission in 1966 set up a program for the protection of Yellowfin, establishing a general quota system. The Commission has taken no such action for skipjack, though, since this resource is currently not fully utilized.

In summary, if this Conference does adopt a 12-mile territorial waters limit and a 200-mile economic zone, I strongly urge that a Migratory Species Provision exempting such species as tuna and albacore from coastal state control be adopted. The international nature of these highly migratory fish, combined with the existence of an international regulatory body, preclude even the best argument a coastal state may come up with.

HARMFUL TO THE PUBLIC

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SEBELIUS. Mr. Speaker, I wish to bring to the attention of my colleagues in the House an excellent and thought-provoking editorial published by the Wichita Eagle and Beacon. The editorial calls attention to three bills now under consideration in the Congress which could damage business and the consumer. As we work to revive an ailing economy, we should guard against the enactment of legislation which will mean bigger bureaucracy, less free enterprise, and further afflict the national economy.

The editorial follows:

Harmful to the Public

Three bills now pending in Congress are arbitrary, unfair, and anti-business to the degree that they would, if enacted, work a severe hardship not only on management but, ultimately, upon employes as well.

One of these, House Resolution 76, would require two-year pre-notification to the Secretary of Labor and affected employes and communities of any intention to close or transfer a business activity.

Beyond that, it would permit the Secretary of Labor to conduct hearings and public investigation to determine whether in his judgment the closing or transfer was justified.

Business conditions being what they are, many companies don't know their intentions that far in advance. This bill, if it became law, would not only infringe upon the right of management to do what it deems prudent, but would also compel it to keep non-profitable plants in operation pending investigations of indeterminate length.

Senate Bill 841 shifts the burden of proof in environmental lawsuits to the manufacturer. At present it is the plaintiff who must prove existence of a substantial health hazard before an injunction is issued to close a plant. Under this act the plaintiff would be required to show only "reasonable risk," and the manufacturer then would have to prove that no health risk exists.

Thus not only would the manufacturer have to prove a negative, which both science and logic say is impossible, he also would be in the position heretofore impossible under American law of being considered guilty unless he could prove his innocence.

The third is Senate Bill 200, which would establish an independent agency for consumer advocacy, thus creating a new bureaucracy in an area already amply covered by several existing governmental agencies.

Worse, the new agency would be unable to intervene in labor matters, despite the economic impact of union wage disputes, restrictive work practices and the like. Moreover, the new agency could order the public release of a company's proprietary records, such as confidential engineering, manufacturing and operating data.

That is an invasion of private business and probably unconstitutional. It certainly is unfair in that it does not apply to labor as well as to employer.

In times of economic uncertainty such as these, it is difficult enough to operate a business profitably. And the day business ceases to operate at a profit people begin to lose jobs.

Passage of these three measures is not only contrary to the interests of business, it is harmful to the public good. We call upon the Kansas congressional delegation to oppose them.

THAILAND SHOULD NOT RETURN PLANES TO COMMUNISTS

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, yesterday I read with dismay news accounts from the Associated Press that the Foreign Ministry of Thailand intends to return South Vietnamese planes in Thailand to what the Thai Government called the next government in South Vietnam.

It is now time to rebuild our foreign policy from the wreckage of our Vietnam experience, but we must not begin that new foreign policy by adding to the billions of dollars of captured military equipment that the new Vietnamese regime may use for aggression against her neighbors.

Press reports today indicated that as many as 125 South Vietnamese planes may be in Thailand. Most of these planes were furnished by the U.S. Government or purchased with U.S. funds. The new Government of Vietnam will have one of the largest air forces in Asia. Since the Communists' aggressive nature is clearly recognized, we can only fear for her free neighbors.

To prevent the planes' return I urged the Secretary of State, Dr. Henry Kissinger, in a telegram sent last night, to take whatever legal steps necessary to prevent any of the planes supplied by the U.S. Government from falling into the hands of the current government in control of South Vietnam. I ask my colleagues in the House to take similar action.

TRIBUTE TO JOHN W. BYRNES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KASTEN. Mr. Speaker, I would call to the attention of the House H.R. 5508, a bill to designate a Federal building in Green Bay, Wis., in the name of a former colleague of the highest reputation, both public and personal.

For surely that describes in all clarity the Honorable John W. Byrnes, who for many years so ably represented in this Chamber the interests of Green Bay and the surrounding environs of the Wisconsin Eighth District.

I can think of no finer person to be so honored.

When he voluntarily retired from Congress, 3 years ago, John Byrnes was the ranking Republican on the Ways and Means Committee and a veteran of 28 years service in the House.

As a man of wide experience, versatility, and unusual mental capacity, he served the country and his district with remarkable distinction throughout the full course of his congressional experience.

An expert in the law, on the one hand, and revenue and taxation matters on the other, John Byrnes made his name in the Wisconsin State Senate as chairman of the Judiciary Committee, preceding his election to the Congress in 1944.

Throughout his freshman and sophomore terms in Washington he was denied recognition in his special fields of competence; but in the 80th Congress, with his party in control, he was assigned to the Committee on Ways and Means, where he would stay for the remainder of his congressional career. In this capacity, he established himself as a tax expert of the highest caliber, and was respected as such by everyone concerned.

John Byrnes was honored by fellow Republicans, in 1959, by election to the chairmanship of the Republican Policy Committee, which post he held for 10 years with singular distinction, much of it under a Republican administration.

In the 86th Congress he was honored once again with an appointment to the Joint Committee on Internal Revenue Taxation. But his major legislative accomplishments always came within the Ways and Means Committee. Among the laws he helped the committee to write are the 1954 Customs Simplifications Act, the 1954 revision of the Internal Revenue Code, the 1960 Kerr-Mills Act—of which he was a cosponsor—the 1962 Trade Expansion Act, and the 1963 Revenue Act.

The Honorable John W. Byrnes is a man proficient in many fields and honored and respected for the fact of it, by many members of both parties.

It is only fitting that his name be granted recognition in the manner prescribed in H.R. 5508.

SCHEUER SUBMITS LIPSCOMB TESTIMONY OPPOSING SST

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SCHEUER. Mr. Speaker, on April 18, 1975, I participated in the Federal Aviation Administration's New York hearings on the EPA's draft environmental impact statement concerning the Concorde. I voiced my strong opposition to the FAA's recommendation that the British and French Concorde be permitted to fly into the United States.

At the New York hearings, I was accompanied by Professor Lipscomb of the University of Tennessee. Professor Lipscomb, who was sponsored by the American Speech and Hearing Association, is one of the leading experts in the field of aircraft noise. He is presently the director of the Department of Audiology and Speech Pathology Noise Research Laboratory of the University of Tennessee. In 1973, he was appointed special adviser to the EPA Office of Noise Abatement and Control, later becoming permanent consultant to that Office. He has also been nominated by the Office of Noise Abatement and Control to the Low Noise Board of the Environmental Protection Agency to judge sound emission characteristics. In addition, he has served as guest lecturer for a course on aircraft noise at the Aachen Technical Institute of Aerospace and Mechanical Engineering in Germany. Clearly, Professor Lipscomb is eminently qualified to speak and present testimony on the noise aspects of the Concorde. His testimony follows:

Statement of David M. Lipscomb

Gentlemen: This testimony is given at the request of Representative James Scheuer and is sponsored by the American Speech and Hearing Association, a society of 20,000 professional persons interested in hearing health and communication capability. In my position as Professor of Audiology and Speech Pathology at the University of Tennessee, I direct the department's multi-faceted Noise Research Laboratory. Therefore, I wish to establish at the outset that I will be speaking in favor of retaining the Federal Aviation Regulation Part 36 criteria for all aircraft including the Concorde.

The EIS ("Concorde Supersonic Transport Aircraft"—March, 1975) drafted by the FAA gives graphic documentation to my concern and the concern of my professional colleagues about operations of the Concorde, especially as it effects populated areas. The noise levels of this plane consistently exceed FAR Part 36 as noted on pages 38–40 of the EIS.

Remarkable factors are cited on pages 99, 114 and 115 of the EIS indicating that 8 operations of the Concorde at JFK Airport

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will result in altering the NEF contour lines sufficiently to move 2600 persons into a zone which is considered as unacceptable for noise with respect to residential land use. It is truly striking to think of the dramatic impact that four flights (eight operations) has each day. JFK Airport now has 1046 daily operations. The addition of 8 more operations (an increase of 0.7%) is sufficient to make the sound environment unacceptable for an additional 2600 persons. It appears that this panel and the Congress are facing a classical value judgment: whether to move a maximum of 1000 persons daily using JFK Airport in such a manner that nearly 3000 U.S. citizens are seriously inconvenienced. All this to save a few hours travel time which can be offset considerably by the need for more rest at the other end to account for circadian rhythm factors. This type of planning surely must be unthinkable to the sensitive human being.

The rise to 50 operations at JFK on some future date would put 8,800 persons on the list of those moved into unacceptable environmental noise conditions. If retrofitting of the existing aircraft is accomplished, the Concorde will stand out even farther above other planes in the amount of noise generated. As seen on page 115 of the draft EIS, moving 6250 passengers will be accomplished at the expense of the quality of living of an estimated 12,600 persons.

Inconvenience is one thing, health effects is yet another. One manifestation of noise in the environment is hearing loss in the wake of noise exposure. Recent research in our laboratory indicates that environmental noise exposure can predispose the ear to damage when the ear is later exposed to very high sound levels. This is a very new concept of extreme importance in providing scientifically based rationale against additional noise sources in the community. The early trend information in our experiments suggests that elevated community noise levels caused by the Concorde can indirectly contribute to hearing risk by adding a hearing damage predisposition factor.

My professional colleagues and I conclude that to allow the Concorde to schedule regular operations with its current noise conditions will be regarded by many as a strange form of progress. In essence, it will mark a giant backward step. Such a decision will be bucking a desirable trend for quieter products. Today's new heavy duty trucks, home appliances, construction equipment and motorcycles are being produced in increasingly quieter versions. The purpose of these hearings is to consider a course of action establishing a precedent of leniency which will have long-term undesirable consequences. It makes no sense to encourage use of a plane of the future which is beset with noise problems worse than the most noisy planes of the past.

Several factors emerge if the authorities condone amending the regulations:

1. We will be telling the world that America doesn't really mean what it purports to say about environmental quality and the move to improve it;

2. We will state to the industrial community that there is a double standard for noise control depending upon the origin of the product;

3. We will say to several hundred persons directly affected by increased flight path noise that their sanctuary cannot be their home;

4. We will detract from the efforts of sincere and dedicated professionals in government who have labored for aircraft noise control which can only apply sometimes, in some areas, for some aircraft;

5. The decision would be inconsistent with emerging research findings which stress the importance of low everyday background noise levels for the maintenance of hearing health; and

6. Such a decision will be distressing to a public which had grown tired of rising noise levels and which had been encouraged by recent trends in noise control.

As an individual, as an audiologist, as a scientist, and as a concerned human being, I respectfully urge that you hold the line on the requirements for aircraft which will be applying to land in populated areas.

I close with a philosophical point:

All the flowers,
For all the tomorrows
Are in the seeds of today.
—Author Unknown.

Decisions made today bear their fruit tomorrow. In your hands is the capability to move America forward toward the goal of noise control—or backward into the abyss of higher noise levels derived from a precedence of leniency.

VOTING

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KRUEGER. Mr. Speaker, one of the fundamental rights of every American citizen is, and should be, the right to vote. It is important that we guarantee that no citizen is denied this opportunity. Mistakes of the past do not justify inaction for the future, and if there are some citizens in the United States today who still have difficulty in exercising this fundamental right, we must see to it that this injustice not continue any longer.

In Texas, a significantly lower percentage of citizens vote than in many other places in the United States. Fortunately, the Texas Legislature is now addressing this problem and their efforts are to be commended. Texas already has voter registration by mail and deputy registrars to facilitate voting for its citizens. We can be proud of this. The Texas Legislature is considering bilingual registration forms and ballots to assist citizens whose basic language is not English. In addition, Texans are working to organize precincts so that no one will be too far from a polling place, and to provide State inspectors at polling places. I applaud these efforts.

Yet, there are too many other areas in the country where electoral participation is too low for us to be content with our progress in Texas. There is legislation before the U.S. House of Representatives which would guarantee the assistance of the Federal Government in facilitating voting by all citizens. Like our Texas bill, it would mandate bilingual registration where 5 percent or more of the population does not have English as a first language. It would allow voters to appeal to Federal officials where voter registration forms might have discriminatory questions, and it would help guarantee that citizens would not be deprived of their fundamental right to vote by unfair practices with regard to registration or casting ballots.

I will be watching the progress of legislation in the Texas Legislature very closely, and we may well be able to solve our Texas problem in Texas. But, as a national legislator, I must not only be concerned with the rights of Texans, but with the rights of citizens in other States. When legislation reaches the floor of the House of Representatives, I will work diligently for the extension of the Federal Voting Rights Act and the inclusion of Mexican Americans in that coverage. Whatever inconveniences such an act might bring, the fundamental right that it seeks to protect is too basic to responsible citizenry and sound government to be denied.

DELIBERATE UNEMPLOYMENT—THE STRATEGY OF MISERY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BADILLO. Mr. Speaker, many Members of the House have expressed great concern about the problem of unemployment. The issue of high unemployment and necessary congressional action to deal with the crisis proportions of this problem is now before this body as we consider the first concurrent budget resolution (H. Con. Res. 218). I have offered an amendment to this resolution to provide for additional outlays to reduce the level of unemployment. The following article from the February 1, 1975 issue of The Nation by a respected labor economist, Ms. Helen Ginsburg, analyzes the nature of unemployment situation and demonstrates the need for an aggressive national policy to insure full employment:

DELIBERATE UNEMPLOYMENT—THE STRATEGY OF MISERY

(By Helen Ginsburg)

Gerald Ford may not agree, but unemployment is already at a disaster level. In December 1974, it shot up to 7.1 per cent. That means 6.5 million human beings are *officially* without work (unofficially, there are many more). In just three months, 1.2 million people have become jobless, and layoffs are still spreading. All kinds of workers are being cut, even the "safe" civil servants. The list grows daily, along with fear and insecurity, as the employed wonder when the pink slip will come and young people worry about the future.

Yet for all the publicity, the true nature of this unemployment crisis is scarcely recognized: it is an acute, dramatic peak rising from a continuing, long-term, quiet and usually ignored state of misery. The immediate catastrophe makes the headlines—it is now almost certain that 1975 will bring a 7.5 or 8 per cent rate—but the chronic failure of the American economy to provide enough decent jobs for all who want to work is ignored. And the absence of a firm national commitment to full employment insures the perpetuation of both situations. Short-term crises are increasingly frequent and stop-gap strategies to cope with them are woefully inadequate. Meanwhile, there is no long-term plan to eliminate the high unemployment that persists in so-called "good times." Even worse, permanent high rates of unemployment are now widely accepted and those in power use fiscal and monetary policy to create rather than to prevent recessions.

How did the country get into this mess? Unemployment is nothing new, but the national position toward it has changed. Back

in the 1940s, full employment was a major political issue. It had, after all, taken World War II to end the Great Depression and bring about full employment. There was, accordingly, a pervasive fear of a postwar depression. In labor and liberal circles it was strongly felt that unemployment should never again be tolerated; that a nation capable of total mobilization for war should be able to guarantee jobs for all in peacetime and not have to rely on war to solve its unemployment problem.

In this spirit, the Full Employment Bill of 1945 was introduced in Congress. It declared that "all Americans able to work and seeking work have the right to useful, remunerative, regular and full-time employment." The federal government was mandated to "assure the existence at all times of sufficient employment opportunities." But the liberal-labor coalition was too weak to withstand the attack of big business on full employment and guaranteed jobs. Despite overwhelmingly Senate approval, the bill was defeated by conservatives in the House. A weaker compromis, the Employment Act of 1946, acknowledged federal responsibility to create conditions that afford "useful opportunities . . . for those willing and seeking to work." However, the changes were more than semantic. The concrete assertion of the right to a job had been replaced by the vaguer goal of "maximum employment" consistent with "other essential considerations of national policy."

The Employment Act of 1946 is a legislative landmark, but as Prof. Bertram M. Gross of Hunter College, its chief draftsman, recalled at a symposium last year, its actual objective was not to guarantee employment. Rather, he stated, it was to prevent the recurrence of mass depression and the collapse of the American business system.

There is a feeling these days that the economy may be heading into a 1930s nose-dive, but at least until now, the Act's mission of staving off mass depression has been accomplished. And this very success has diverted attention from the long-term problem. When unemployment was a mass affliction, it could not be ignored; with less joblessness it can be. However, since the Act's passage, not only has unemployment been substantial and persistent it has also been drifting upward. From 1946 to 1973, it averaged about 4.5 per cent. But it climbed from 4.2 per cent in the first half of this era to 4.9 per cent in the last half. "Good times" have been rare. This is the sixth postwar recession. Yet who remembers that for eighty-eight months, from November 1957 to February 1965, unemployment rarely fell below 5 per cent? Or that in 1958, again in 1961, the annual rate was nearly 7 per cent? Or that since 1948, it has never dipped below 4 per cent, except during the wars in Korea and Vietnam?

Even by comparison with other countries, the picture looks grim. True, unemployment has been rising in most industrialized capitalist nations, but it is still much higher here than in most of the others, and it has been for years. From 1960 to 1970, for example, joblessness averaged 4.7 per cent in the United States but only 0.6 per cent in Germany, 1.3 per cent in Japan, 1.5 per cent in Sweden, 2 per cent in France and 3 per cent in Great Britain. (Foreign data are adjusted to American measurement methods.) Rates considered exceedingly low here, say the 3.5 to 3.8 per cent levels attained during the war in Vietnam, would be viewed with alarm in most other countries, where there is greater worker solidarity and a stronger determination not to accept unemployment. Pressure from Socialist-oriented labor movements and political parties usually causes tension and strain at rates that would be regarded as "over full employment" in America. In Sweden, a jobless rate of about 3 per cent nearly cost the Social Democratic Party—in power for forty-one years—the 1973 election. But, as Sen. Alan Cranston noted in testimony on behalf of the ill-fated Public Service Employment Bill of 1972, "In this country the rate hovers at 6 per cent and nobody seems to care."

It's not merely that nobody cares. Big business has always preferred some unemployment because it gives more control over workers, weakens unions, and holds down wages. Contemporary economic theory now helps them justify higher and higher unemployment, all in the name of fighting inflation. In the 1960s, many economists popularized the concept of the Phillips curve—the alleged trade-off between unemployment and inflation. According to this reasoning, the lower the unemployment, the more the inflation, and conversely. This implied, in the most conservative interpretation, that full employment was too inflationary and, thus, unattainable or even undesirable. (Each country was said to have its own unemployment-inflation trade-off. How else could you explain that Germany had both the lowest unemployment and inflation rates?)

In a social and political climate with little broad concern over unemployment and with practically no commitment to the concept of genuine full employment, a different meaning of "full employment" too root. At one time the concept of full employment had focused on human beings. It meant that those who wanted work could find it. But then the focus shifted from people to prices. *In many circles, full employment came to mean the unemployment rate assumed to be consistent with the degree of price stability desired by policy makers.* Over the years, the "full employment" unemployment rate was revised upward from 3 to 4 per cent, to 5 per cent and even higher. (Will it eventually mean 10 per cent unemployed?)

In this atmosphere, it is not surprising that the trade-off analysis tempted conservative American policy makers who faced inflation. Strategies deliberately designed to increase unemployment were openly pursued during Nixon's administration. In October 1968, with prices rising and unemployment at 3.6 per cent, the Business Council, an influential federal advisory group of top corporate executives, urged the next President to force unemployment up to 5.5 per cent. If that was the price for putting an end to inflation, a spokesman said, "it must be paid." (*The New York Times*, October 21, 1968.) And paid it was. Soon afterward, the Nixon regime successfully engineered a recession that drove up unemployment from 3.5 per cent in 1969 to 5.9 per cent in 1971. Not much was said about the additional 2 million jobless workers.

Despite periodic denials, the Nixon administration unofficially abandoned the 4 per cent "full employment" figure adopted by the Kennedy administration. The Council of Economic Advisers finally acknowledged a 5 per cent goal in its 1974 Annual Report:

"Last year we described 'maximum employment,' which is the goal specified in the Employment Act, as a 'condition in which persons who want work and seek it realistically on reasonable terms can find employment.' We believe that condition was approximately met in 1973, even though the average unemployment rate was 4.9 per cent rather than 4.0 per cent which conventionally defines full employment."

This announcement caused hardly a political ripple, let alone any real opposition. Yet even if unemployment had been only 4 per cent in 1973, 3.6 million workers would have been officially jobless. It is absurd to call that "full employment." But the advisers made their proclamation when unemployment was nearly 5 per cent. That's 4.4 million people—seemingly small mathematical differences represent millions of lives. In a work force of 92 million people, each percentage-point rise in joblessness tosses another 920,000 onto the scrap heap. Current policies would either prevent unemployment from accidentally falling below the target or raise unemployment that is "too low." Since 1969, the game has been to keep unemployment from falling too low, not to lower unemployment—except when Nixon was up for re-election.

Nobel Laureate Paul Samuelson warned in the June 1974 *Morgan Guaranty Survey* that behind the scenes of officialdom the debate was about the desirability of countenancing and even contriving to "slow U.S. growth for two or three years, so that unemployment will remain above the 5.5 per cent level." Yet he, himself, had suggested earlier in *Newsweek* (October 15, 1973) that "to keep the average rate of unemployment below 5 per cent in the period from now to 1976, we would do well to let it rise temporarily above recent levels (repeat temporarily)." By the time of the summit conferences, the Ford Administration's target had obviously risen to at least 6 per cent. Why, then, should anyone have expected the same Administration to hurry to reduce unemployment—unless mounting political opposition forced the issue?

Inflation is a complex affair. The Phillips curve oversimplifies matters, to say the least. It spotlights attention on just two factors, *assumes* that one causes the other, and is then used as a smoke screen to obscure other roots of inflation—for example, the war in Vietnam, the growing power of monopolies, and the "peacetice" military budget.

The Johnson administration's decision in 1965 to pour troops into Vietnam set off the first round of the present inflation. Taxes could not be raised without arousing further anti-war protest, so the war was sold as a bargain. Some bargain! By 1968, direct costs had reached $30 billion a year. But the war, said the President's 1968 Economic Report, "is a burden a wealthy people can bear." In a time-honored manner, inflation financed the war. Nixon inherited that inflation and, in a desperate attempt to cool it while maintaining the war, threw millions out of work. Yet prices kept rising until "stagflation" became a household word.

That wasn't supposed to happen, but ever since then inflation and recession have shared the same bed. This inflation cannot be attributed to wage-push. The real spendable earnings of workers have declined, while after-tax corporate profits have soared, even allowing for price changes. One reason why prices do not fall is because corporate power is growing. It's not just oil or wheat. For instance, between 1947 and 1968, the 200 largest manufacturing corporations raised their share of manufacturing assets from 47 to 60 per cent. And conglomerates now control much of our food supply. The result, as the detailed studies of John Blair, former chief economist of the Senate Antitrust Committee, show, is that when demand falls, firms in highly concentrated industries tend to raise prices, not to cut them. Witness the auto industry. The corporate hand, not the invisible hand, sets so many prices that even planned recessions that create unemployment and reduce demand don't cure inflation. In fact, they feed it. Of course, a deep and long-lasting recession would doubtless "cure" inflation.

Another factor that adds to inflation is the bloated "peacetime" military budget. As the 1974 Report of the Joint Economic Committee put it mildly, "Defense spending tends to be inflationary." Resources used by the military, the committee pointed out, can contribtue to civilian shortages. Expenditures flow into the economy, but they do not produce goods and services to satisfy consumer needs. You can't eat missiles. Is that why the Council of Economic Advisers refused to conduct studies of this aspect of inflation, as requested by the committee?

Planned recessions are a neat way to take income away from the poor and middle classes and give it to the rich by eliminating

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jobs, charging higher prices, and increasing profits. And having created unemployment, the official attitude has been to wish it away. In the last recession, lingering unemployment was falsely attributed to the entrance of women and teen-agers into the labor force; that line is still popular. Powerless groups are simply written off as not quite legitimate members of the work force. Treasury Secretary John Connally's 1972 testimony to the Joint Economic Committee stated this quite explicitly:

> It is significant that compared to the 5.9 per cent rate for total unemployment, about 17 per cent was the rate for young people and about 9 per cent was the rate for blacks. . . . If you take the unemployment rate for males, heads of families, you get down to an unemployment figure of 3 per cent. So we can't be carried away by an unemployment figure of say, 6 per cent. . . .

Apparently, only adult males matter. Preferably white.

The average unemployment rate does mask a lot, but that doesn't mean what Connally implied. It means that, while there is prosperity for one group, other groups are hit with recession and depression. At all times, most of those out of work are white. And that's important in terms of building coalitions to fight unemployment. At present, eight out of ten—5.2 million—of the jobless are white. Unemployment is not just being faced by blacks, or by the unskilled, or by the uneducated, or by any one group. A bachelor's degree no longer guarantees a job. Nor a Ph.D. But it is true that the weakest are hardest hit: minorities, the young, women, the poor and the unskilled. For two decades now, the unemployment rate of blacks has been double that of whites. In December, the figures were 12.8 per cent and 6.4 per cent. Nearly everyone except Gerald Ford admits that a 6 per cent jobless rate is a full-fledged recession. But from 1954 on, annual unemployment for blacks has never gone as low as 6 per cent and for whites has only twice reached that high. For blacks, this has meant a continuous recession interspersed with depression and frequent double-digit unemployment. And what term can describe the 37.8 per cent jobless rate of black teen-agers, most of whom are out of school? Is it any wonder that inner-city crime persists? As for adult women, relatively more of them are unemployed than adult men—7.2 per cent compared to 5.1 per cent—and the gap has been widening. Yet only the earnings of married women enable many working-class families to make ends meet. And for working women who head families, unemployment may lead to welfare.

Bad as they are, official unemployment figures are just the tip of the iceberg. They exclude, for instance, 3.4 million part-time workers who want full-time jobs but can't find them, and about 700,000 persons officially listed (1973) as too discouraged to look for work. (Unofficial estimates of discouraged workers are millions higher.) Just adding these two groups to the official roster of 6.5 million shows that, at the very least, 10.7 million people are either fully or partly unemployed. Nor is even that the whole picture. Millions of fully employed Americans earn too little to live in minimal decency. All of these problems are now exacerbated by the recession, but a Bureau of Labor Statistics survey has demonstrated that, even in good times, urban slums are cesspools of open and disguised unemployment and inadequate earnings. Thus, in November 1966, when national unemployment was 3.7 per cent, from 24 to 47 per cent of workers in ten large urban slums were either officially or unofficially jobless, working part time involuntarily or full time for less than the poverty level of $60 a week.

For part of the work force—especially but not exclusively minorities, women, the poor, the young and the unskilled—even good times can be bad times. And bad times are an utter disaster. Why, then, has there been so little political response? Fear of inflation? Misunderstanding of its real cause and ignorance of its extent? Unemployment insurance, which cushions the blow? (Yet in 1973, no more than two out of five of the jobless drew benefits that averaged only $[illegible]9 a week.)

While each of these may explain the apathy in part, there are still other reasons. Response is weak precisely because so many of the unemployed have little status, suffer the most discrimination, have the least political power, are often outside unions or underrepresented at leadership levels within them. More of the jobless are from these groups today than in the past. Perhaps that is why ever higher unemployment has become tolerated or ignored—and not just by conservatives. Some don't know and some don't care. Increasingly, we live in different worlds, isolated from those unlike ourselves. And this reinforces the "I'm all right, Jack," attitude. So only when the quiet misery explodes into an acute crisis does unemployment start to generate political steam. Then many workers who are usually fairly safe from the ravages of unemployment are threatened. They find that their immunity is only relative. When push comes to shove, more of them are sacrificed to reactionary policies.

Since 1970, poverty and income inequality have been increasing, black economic progress has halted and is even reversing. Cities have been deteriorating rapidly. Crime is more rampant than ever. Right now, in the job market it's young against old, white against black, men against women—all pitted against one another for scarce jobs. In New York, college graduates are vying with welfare mothers for a dwindling number of jobs; older civil servants may be forced into premature retirement to save younger workers' jobs. The recession has further split an already divided work force. As it deepens, divisiveness may worsen. But the situation also presents an opportunity. Can the massive assault on jobs and real earnings which now threatens so many stiffen resistance and become a unifying force?

So far, Congress has reacted weakly to the recession. Emergency unemployment benefits will be temporarily extended to many previously uncovered workers; and $2.5 billion has been authorized for public service jobs. But only $875 million has actually been appropriated for jobs. That's about 100,000 jobs—barely enough to help one out of sixty-five of the unemployed. The effect is to disguise how little is being done. The new, more liberal, Congress should be more responsive, especially as pressure builds. But even if the acute crisis eventually abates, what then? Do we go back to the quiet misery?

The goal should be guaranteed jobs for all at decent wages. But can genuine full employment actually become a potent political issue? Women are organizing—even within labor and political parties. The National Urban League has made full employment a priority issue. And the nation's mayors are calling for federal action to create jobs. Most promising is the formation last June of the National Committee for Full Employment, co-chaired by Coretta Scott King and Murray Finley, president of the Amalgamated Clothing Workers. With representation from organized labor, civil rights, black, women's, religious, ethnic and other groups, the committee correctly asserts that "the guarantee of a job is a fundamental right," and that "unemployment at *any rate* is unacceptable . . . full employment means no involuntary unemployment." Its recent decision to engage in legislative action should give the committee greater visibility, but it is still too soon to know how it will operate. Will it remain an organization mainly of prominent though diverse leaders? Or will it blossom into a national grass-roots movement?

There are other big ifs. Can the many solidarity gaps that divide people be bridged? Could a mass movement for full employment gain the momentum that the civil rights and anti-war movements once had? Can anything less make full employment a major political demand?

There's also a major new development on Capitol Hill. Reps. Augustus Hawkins and Henry Reuss and sixty-one co-sponsors have introduced the "Equal Opportunity and Full Employment Act of 1976," and Hubert Humphrey has introduced a companion bill in the Senate. The House bill would establish a national policy and create the necessary machinery to guarantee adequately paying jobs for all. It's a long-term approach, but stopgap measures don't solve long-term problems. Last March, Hawkins said that by 1976, "the platform committees of the two major parties will face a major challenge. Will they content themselves with the flatulent rhetoric of the past? Or will they commit themselves to a genuine jobs-for-all guarantee?" The question is even more pertinent today. How it is answered remains to be seen.

WE NEED MORE LIKE DIEK

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. COLLINS of Texas. Mr. Speaker, yesterday we had lunch with Ray Diekemper and his wife while they were visiting in Washington. Later, my wife and I were discussing Diek and his great life.

From the days when we were classmates at Harvard Business School until he left for the Navy and I went in the Army, I have always been proud and interested in what happens to Diek.

Yesterday I learned for the first time about one of his first jobs when he was working in high school. That job had no dignity because at the end of each day he had to clean out a series of the public toilets on Main Street before he roller skated back home.

When I knew Diek at Harvard, he was waiting on tables and hashing in the dining room. He always had the odd jobs with no dignity.

Later, as my wife, Dee, and I sat down, we recalled many times with Diek. I remember one time we double dated. It was a very low-cost date, as all we had were cold drinks and listened to the Nickelodeon. We had selected the next song, and it was Diek's time to drop the nickel in. Just as he dropped it in, someone else played the song we had selected; so, immediately, Diek borrowed a hair pin and managed to retrieve that nickel. There was Diek with no dignity, but he saved a nickel.

I can remember after the war when Diek drove 1,600 miles to Dallas so that he could learn a trade. He slept in his car to save motel bills. In Dallas, he stayed at our farm while he was finding a job so that he could save rent.

The job Diek took involved rough necking in the oil fields. He worked in the oil fields all over the Southwest doing all of the dirty, heavy, dangerous jobs that made drilling oil wells possible. When he was finally ready to become an oil trader,

he checked again, and he had a large number of offers. He chose a mutually advantageous deal, and he went on to become a millionaire.

Diek never had any dignity in his life. When he started building his home out in Lubbock, they told him how much it cost to unload the lumber from the freight car. So he and another hand went down and toted all that lumber themselves up to the site. Diek always figured he could do anything, but I was surprised to learn that when the electrical wiring bill came in too high, he decided to wire the entire house himself.

Yesterday after we had lunch, we observed how he has kept his youthful vigor and looks about 42 instead of 56. He gets to work every morning at 6:30, and hard work seems to agree with him.

He thinks his wife, Lou, is the greatest. He thinks he has the three sweetest girls in the world. He loves his mother-in-law. He speaks with vigorous enthusiasm of the great city of Lubbock and all its fine neighbors. He enjoys being active in all community activities, his church, local charities, city government, and the Lumber Association.

Today when I hear about unemployment, I find that there are many jobs available, but these jobs do not have dignity. There are jobs to wash dishes, sweep floors, tote lumber, clean the toilets, and carry heavy pipe. But no one wants to do these jobs, because they have no dignity. What America needs today are more guys like Diek. He never has had any dignity, but he always has a friendly smile, he has a brilliant mind, he is a hard worker, and he is the best neighbor any community could ever want to have. Diek has humility, and today this country needs more of it. America needs less dignity and more of Diek's humility.

WAYS OF COMMUNISM

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SPENCE. Mr. Speaker, over the past few weeks we have witnessed the gradual, and, finally total demise of a free nation; a nation whose people did not wish a system of atheistic communism imposed on them. Except for the mass executions that will follow, the war of bullets is over. Now the war of words has begun.

Witness the acceptance of Communist terminology by some members of the American media. Saigon is no more. Now, it is "Ho Chi Minh" City. Saigon, a name much older than our own Nation, is to be removed from the face of the Earth and replaced, without so much as a raised eyebrow, on the part of some reporters, by a now acceptable name. One remembers the indoctrination process after the Communist takeover in Russia. St. Petersburg was renamed Leningrad after the patron saint of communism. It was a very simple thing to do. And very necessary. By removing the name of St. Petersburg the Communists removed a reference to Christianity, a reference that could not be tolerated.

Mr. President, witness the term PRG—Peoples Revolutionary Government—in the daily news accounts. No longer are the Communists in charge in Vietnam, it is the PRG. Sounds more respectable does it not?

A Communist takeover of any nation follows the same patterns. The seizing of private business is already underway. It is always the same: Destroy all that is free, control what remains, and crush those who refuse to be enslaved.

Mr. Speaker, this is the greatest tragedy in recent memory. I have a question of my colleagues: If we are not willing to oppose communism everywhere, are we willing to oppose it anywhere?

IN OBSERVANCE OF POLISH CONSTITUTION DAY, MAY 3

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BRODHEAD. Mr. Speaker, I would like to direct the attention of the Members to the historical significance of Saturday's date. On May 3, 1791, King Stanislaus Poniatowski of Poland, before a most unusual gathering of Polish patriots, announced the adoption of a revolutionary and far-reaching constitution. We in America take great pride in having the oldest written Constitution in the world, but few people are aware that Poland was the second nation to adopt such a document, and vest political power in the hands of its people.

It was not merely an accident of history, Mr. Speaker, that brought Thaddeus Kosciuszko and Casimir Pulaski to this country to play leading roles in our Revolutionary War. They were personifications of the zest for political freedom and reform that swept Poland in the late 18th century. Thomas Jefferson's close friend, Julian Ursyn Niemcewicz, was an astute observer and recorder of the ideals that had captured the minds of American patriots and, as a social philosopher and writer, he was a prime force in the age of enlightenment that found simultaneous expression here, in France, and in Poland.

Tragically, Mr. Speaker, the adoption of the constitution in Poland so alarmed the King of Prussia and the Emperor of Russia, and they so feared the new-found power of the Polish people, they felt compelled to take military action against that democratic nation. The ensuing dismemberment of Poland is well known and, I think, serves as a constant reminder that totalitarian governments will always fear popular rule.

May 3, 1791, is not, perhaps, as well known to Americans as July 4, 1776, but I think those who respect the lessons of history will recognize that both dates symbolize the same ideals and the same passion for political freedom. They will further understand that the heritage of the Polish people and the American people have many common roots.

THE VIETNAMESE REFUGEES: AN AMERICAN RESPONSIBILITY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CRANE. Mr. Speaker, hundreds of thousands of Vietnamese men, women, and children are now homeless as a result of the Communist conquest of their country. Fortunately, approximately 55,000 have been able to leave that ravaged country and find asylum in the United States.

American honor is already in a difficult dilemma in Asia. Many believe that we abandoned our responsibilities toward people to whom we had made a commitment. One of these, for example, is Gen. Sirik Matak, second ranking member of the Cambodian Government. He was offered asylum in the United States, but refused. He wrote to U.S. Ambassador Dean that "I cannot, alas, leave in such cowardly fashion." Then, in his hand-written letter, he expressed the dismay felt by many Asians who depended upon us:

> As for you, and in particular for your great country. I never believed for a moment that you would have this sentiment of abandoning people which have chosen liberty. You have refused us your protection and we can do nothing about it. You leave, and my wish is that you and your country will find happiness under this sky. But, mark it well that if I shall die here on the spot and in my country that I love, it is too bad, but we are all born and must die one day. I have only committed this mistake of believing you.

Now, in the wake of the Vietnamese tragedy, some Americans are turning their backs upon these unfortunate victims of war. We have seen Senators and Congressmen begging that refugees not be resettled in their districts. The New York Times quoted a woman in Florida as stating that, "As far as I'm concerned, they can ship them all back." A radio poll taken in Niceville, Fla., indicated that 80 percent of the people said that they did not want any refugees in their area.

What has happened to our willingness to extend the freedom and opportunity which we showed to the Hungarian refugees who had fled from Communist oppression, or the hundreds of thousands of Cubans who came to our shores in search of freedom?

Every American, as Franklin Roosevelt told the DAR in a memorable speech many years ago, is an "immigrant." Ours was the open door. Now, unfortunately, the descendants of the immigrants of other days are less than hospitable in offering to the Vietnamese what others at an earlier time offered to their own ancestors.

Discussing the narrow prejudice and unwillingness to live up to our own highest ideals which is now all too evident across the country, the Wall Street Journal declared that—

> This disgraceful outburst seems nothing more or less than a revival of the anti-Ori-

ental hysteria that has disgraced the country (and particularly California) at intervals throughout the last century . . . A country that absorbs 400,000 immigrants a year surely has room for 55,000 more who have a claim on both our sympathy and our reputation.

I wish to share with my colleagues the editorial which appeared in the Wall Street Journal of May 1, 1975 and insert it into the RECORD at this time.

THE VIETNAMESE REFUGEES

With the chaotic last flights from South Vietnam, the total of refugees who have thrown in their lot with the United States has now reached some 55,000. While no small number, this was obviously not nearly as many as those who wanted to leave, and quite possibly not a very fair selection of those who most deserved or required asylum. Yet the refugees will shortly be entering the country from the processing centers in Guam and the Philippines, and it is up to the United States to help them make the best of their new life.

Exile, after all, is a miserable existence, and those who choose it have made one of the most important decisions a person can make. The Vietnamese who fought so desperately to leave must have had a very grim, and presumably well-informed, idea of the fate they would suffer if they didn't. While as with any other group, some of the refugees are more admirable than others, all are victims of the ancient scourge of war, and thus deserve compassion.

Beyond that, many of the refugees have a special claim on the United States, for their fate was determined by their involvement with the U.S. In 1963, in particular, we sanctioned the overthrow of the indigenous government of President Diem because it was not pursuing the war to our liking. If we fail to admit that that act gave us a responsibility for the governments, and governmental officials, who came after, then Americans have a very strange notion of responsibility.

For the most part, we are relieved to see, our government has acknowledged this duty. The armed forces performed with efficiency and compassion in the final airlifts. In spite of serious unemployment at home, national union leaders have not objected to the special immigration parole. There are some discordant voices, however, mainly from Congressmen. Some are now pressuring the administration not to burden their districts with the anti-Communist refugees.

Senators Alan Cranston and John V. Tunney, two liberal Democrats from California, met recently with Attorney General Edward Levi to express their constituents' fears that great numbers of Vietnamese would be "dumped into California's already depressed job market." A California Republican, Rep. Burt L. Talcott, told the Associated Press more explicitly there was a feeling in his district "that, damn it, we have too many Orientals."

These feelings are reported from other regions as well, and responsibile leaders should squelch them as quickly as possible. This disgraceful outburst seems nothing more or less than a revival of the anti-Oriental hysteria that has disgraced the country (and particularly California) at intervals through the last century. American leaders have the clear duty to keep such prejudice from retarding the resettlement of the refugees.

A country that absorbs 400,000 immigrants a year surely has room for 55,000 more who have a claim on both our sympathy and our reputation. Anything less than a charitable welcome would compound a tragedy already partly of our making, and an outbreak of anti-Oriental racism would be national disgrace wholly our own.

THE CRISIS FACING FARMERS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. JONES of Tennessee. Mr. Speaker, our Nation's farmers are facing a crisis in today's recession. On the one hand, their cost of production is going up continually, not on an annual basis, but on a monthly basis. On the other hand, the prices that they are receiving for their goods are going down.

Quite possibly, this phenomenon may best illustrate the gloomy situation of our overall economy. Amid the growing agricultural crunch, the number of farmers is going down, and at the same time, the present administration is pressing for full production among the farmers.

It is quite evident that our farmers, too, want full production but they also realize the inherent dangers of such "fence to fence" philosophies. It is simply a boom-and-bust approach to the production of food; 1 year the farmer profits greatly from his terrific ability to produce greater yields than the previous year, but the following year, his ability to produce high quantities of food floods the market with grains, wheat, soybeans, cotton, and the rest, resulting in the farmer destroying his own markets.

It is for this reason that we in the Congress must continue our efforts at protecting the farmer. The boom-and-bust attitude toward farming espouses an agricultural climate that eliminates Government from intervention in farm operations. It gives the farmer a so-called freedom.

But that freedom is a double-edged sword. Not only does it cut Government out of agriculture, it also cuts out a lot of farmers and gives them another freedom; the freedom to produce themselves into bankruptcies with no recourse except to leave their lifelong profession of farming.

I would then like to enter into the RECORD an article that argues that point much more eloquently than I. The editorial is from the May 1975 issue of Progressive Farmer and is appropriately entitled "Freedom to Go Broke:"

THE FREEDOM TO GO BROKE

The Nixon and Ford administrations, through Secretary of Agriculture Butz, have put a lot of stress on the farmer's newfound freedom—freedom from Government interference with his farming operations. Even more significant, it seems to us, is another freedom—the freedom to go broke in a boom-and-bust type agriculture that boosts farm costs and depresses farm prices with amazing rapidity.

Wildly gyrating prices are normal characteristics of a so-called market-oriented agriculture. To picture what can happen to farm prices without price support, take a look at the chart. It shows how cotton, soybeans, grain sorghum, and wheat prices have ridden the roller coaster during 1973 and 1974.

Since January 1974 many costs have multiplied as prices plummeted. Meanwhile, with so many farmers threatening to abandon cotton in favor of soybeans or grain sorghum, grain prices may take the same slide as cotton.

Wide and rapid swings in farm prices and production can be disastrous, particularly to a commodity such as cotton, which is fighting for its life against manmade fibers. Without an adequate and uniform supply of cotton at prices stabilized at a reasonable level, cotton is fighting a losing battle. In fact, price and supply stability are of enormous importance to agriculture as a whole.

The present boom-and-bust type agriculture will in time damage our abundant low-cost food supply. Adequate supplies of food and fibers will not be produced without stabilized farm prices. And if shortages develop, the consumer is the first to suffer. To a marked degree, the farmer's problem today is the consumer's problem tomorrow.

A boom-and-bust type agriculture like that pictured in the chart was the reason for Government price supports when farm programs began over 40 years ago. On the basis of the past two years and the outlook for 1975, we seem headed back to the roller coaster agriculture of the 1920's. This would be a shame.

Many believe U.S. agriculture had its greatest progress and prosperity during the years we had farm price support programs. This is not to infer that farm programs deserve all the credit for a U.S agriculture that is the envy of the world. But today's farming takes a lot of money, most of which has to be borrowed. It is indeed doubtful if adequate credit would be available without the price stability ensured by farm programs.

Price and production stability are just as important today as they ever were. We now have fewer farmers. Moreover, our present-day farm producers are larger operators and are better financed and more knowledgeable about market conditions. But agriculture today is much more productive than was true 40 years ago. Studies show the United States already has the know-how to double rice output by 1985. We could also grow a third more soybeans and produce 9 billion bushels of corn.

Certainly with this huge potential there will be a need for price supports for many years to come. And it follows as surely as night follows day that if farm prices are to have Government support there must be some sort of production control either by the Government or by producers themselves.

What it all means is that USDA's appeal for farmers to produce up to the fence lines in the absence of protection against ruinously low prices is both reckless and foolish.

CAVALIERS JUNIOR DRILL TEAM OF STERLING HEIGHTS, MICH., HONORED IN BICENTENNIAL KICKOFF

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BLANCHARD. Mr. Speaker, there is an organization in my district that is very special. It is the Cavaliers Junior Drill Team of Sterling Heights, Mich., which is sponsored by the Oakland County Council VFW. The team has earned a myriad of accolades and as we approach the 200th birthday of our Republic, it is important that we take note of their efforts to preserve and promote our American heritage.

This group, entirely self-supporting,

is a precision marching unit and participates in parades throughout Michigan and Canada. The 50 children range in age from 10 to 14. They are about to embark on their fifth season with a theme of "Patriotism and Pride in Their Country."

In their entire existence as a team, their record has been impressive: 64 first-place trophies; 4 second-place trophies; and 1 third-place trophy. They were the leaders of the 1973 J. L. Hudson Thanksgiving Day Parade in Detroit, Mich. In 1974 alone, they won 17 first-place and 2 second-place trophies. In June of 1974 this unit competed in the VFW State Drill Team Competition and came home with the second-place trophy. Other highlights of the 1974 season include International Traveling Trophy from Canada's Freedom Festival Parade which is presented to the best group of the entire parade; Grand Marshal's Trophy—Heritage Parade—National Cherry Festival, Traverse City, Mich.

Most recently the Cavaliers Junior Drill Team represented the State of Michigan in the opening ceremonies of our Nation's Bicentennial celebration which was held in Boston, Mass., on April 19. I salute the team on this high honor bestowed upon them which reflects well on their organization, the city of Sterling Heights, the State of Michigan, and our Nation.

BILL BONSELL RETIRES AS MINORITY DOORKEEPER

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FUQUA. Mr. Speaker, Bill Bonsell is retiring as Minority Doorkeeper of the House and I shall miss having a very warm personal friend in our midst.

Bill was one of the first people I met when I came to the Congress over 13 years ago and he was already in his 16th year of service to the House at that time.

He has had many exciting moments, perhaps the most exciting being that period when he served as Sergeant at Arms during the 83d Congress. During that service, and as Minority Doorkeeper, he has been a faithful and diligent arm for Republican leaders Joe Martin, Charlie Halleck, Gerald Ford, and JOHN RHODES.

Recently I read an article paying tribute to Bill which recounted his thrill in escorting President Eisenhower onto the House floor for the state of the Union address.

Now he plans to do some gardening at his Virginia home and spend more time with his lovely wife, Katie, and his 10-year-old son. He also plans to put in some well-deserved hours relaxing at his favorite sport, fishing.

As one of his friends, I am going to miss him, just as I know he is going to miss the House of Representatives which he has served so faithfully and so well.

STATE OF THE ECONOMY

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MADDEN. Mr. Speaker, today the House is called upon to authorize 327 million, which money is under the title of Vietnam humanitarian aid bill.

The United States certainly has walked the last mile over a period of more than 10 years in trying to establish a stable representative form of government in a nation 10,000 miles across the ocean in Southeast Asia.

From the mail I receive, both from my district and as chairman of the Rules Committee from all the other States over the Nation, the feeling is that it is high time the Congress and the President start reestablishing some of the long delayed and necessary projects to get this Nation back to economic prosperity and decrease unemployment.

I am speaking of the terrific transit problems and the outrageous traffic congestion of trucks, buses, and automobiles in most of the urban areas of the country.

Over 60,000 Americans, mostly unemployed, gathered in Washington last Saturday afternoon at the Robert F. Kennedy Memorial Stadium protesting the unemployment of our Nation and the lack of alarm in our Government by postponing the construction and completion of projects which the Congress has already authorized in recent years. Approximately $17 to $20 billion of money for highway and urban area transportation, health, education, housing, and so forth has remained dormant while multibillion dollars are being sent to all areas of the globe; to many nations who are in a far more stable economic situation than the United States of America.

Mr. Speaker, last November the Presidents of Purdue Unversity and Indiana University in my State came to Washington protesting the curtailment of millions of dollars in needed money for our colleges and universities over the country.

It is reliably reported by the press that approximately 40 percent of the workers in the building industry are now unemployed. The unemployment percentage over the Nation, including all forms of industry, is nearing the 10 percent level which almost rivals the condition we had in the unfortunate period of the early 1930's when the news media publicized the fact that 14 million Americans were idle.

Members of Congress have received many letters over the last year from parents and from students who are unable to enter our higher educational institutions because of unemployment and also many who have the educational financial means cannot be accepted because of impoundment of money which the Congress had authorized for our colleges and universities.

Mr. Speaker, due to the deplorable economic and unemployment situation in our Nation today, I am voting against any further money to be sent into Southeast Asia, where our Nation in the last 10 years has spent approximately $150 billion with over 45,000 casualties of our young men in trying to establish a stable government in South Vietnam.

Mr. Speaker, I ask to include with my remarks a letter which came to my office 1 hour ago from the Nursing Department of Indiana University in my State and also include my answer to the chairman of the Department of Nursing at the University. Her letter sets out the serious effects the curtailment of funds have had on continuing a high level of nursing courses in the University of Indiana.

The article follows:

INDIANA UNIVERSITY NORTHWEST,
Gary, Ind., April 28, 1975.

Representative RAY MADDEN,
House Office Building,
Washington, D.C.

DEAR MR. MADDEN: I have just received word from the A.N.A. Washington Office that President Ford has sent forward a health rescission proposal of $238.3 million for the current year (FY 1975). Included in the cuts are nursing allocations which support funding for capitation, financial distress, traineeships, and construction grants.

At Indiana University Northwest the Associate of Arts Degree Program in Nursing and the Continuing Education Program for Registered Nurses would be seriously affected if the proposed funding was not forthcoming. Presently, the continuing education program is funded solely by capitation monies, and the associate degree program is supplemented by them. In addition, this nursing division has applied for construction monies for an equipment only grant in order to equip a new expanded learning laboratory for nurses to accommodate the increased enrollment. The current state allocations are not sufficient to cover the above costs. Any cut back at the federal level could seriously jeopardize nursing education in the area.

Please give this matter your immediate attention and stop these rescissions. Thank you.

Sincerely yours,
DORIS R. BLANEY, R.N., Ed.D.,
Professor and Chairman, Division of Nursing.

COMMITTEE ON RULES,
Washington, D.C., May 1, 1975.

DORIS R. BLANEY, R.N., Ed.D.,
Professor and Chairman, Division of Nursing,
Indiana University Northwest, Gary, Ind.

DEAR MS. BLANEY: Received your letter of April 28 setting out your thoughts on the proposed $238.3 million cut by President Ford for health for the current year 1975. Also that the nursing allocations have been greatly curtailed.

This action by the Executive Department is indeed unfortunate. It is only last year that the Presidents of Indiana University and Purdue University were here in Washington along with other representatives of other universities to discuss the unfortunate impoundment of monies for education which President Nixon had ordered in 1973.

The President of Purdue told me that in 1973 Purdue's grant money was impounded to the extent of $2,400,000. This impoundment has caused great damage to the progress of education, not only in restricting the matirculation of students but also in confining the number of courses available.

I will do everything I can to bring about a revocation of the decision to impound these monies in 1975.

Sincerely yours,
RAY J. MADDEN,
Member of Congress.

UMI

CONGRESSIONAL REFORM

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FREY. Mr. Speaker, on Capitol Hill and in the Halls of Congress, many issues come and go—but there is one which has yet to be resolved—congressional reform.

It was more than 10 years ago that the House Republican Task Force on Congressional Reform and Minority Staffing introduced six of the reforms we are still fighting for today.

And for more than a year, this task force's successor—the Republican Task Force on Reform, chaired by Bill Frenzel—has been working on this. In March, the Republican Research Committee and the Task Force on Reform presented a comprehensive report on congressional reform setting forth 16 recommendations.

And these groups are not the only ones working for reform. During the 93d Congress, a 10-member bipartisan Select Committee on Committees chaired by Richard Bolling was established to make recommendations for the reorganization of the committee structure and to amend the House rules.

Among the recommendations of this committee agreed to by the full House were two new rules: the minority party was entitled to one-third minority staffing and the abolishment of proxy voting in committees.

However, during the opening session of the 94th Congress, we again saw the power of that antidemocratic creation—"King Caucus." Through secret meetings and closed votes, the Democratic caucus negated the reforms adopted the previous year.

What this meant was during the so-called debate on the rules of the House for the 94th Congress, the minority party had no voice. The new rules were considered under a "closed rule" procedure meaning no amendments could be offered. And so, the Republicans began their work with one hand tied behind them.

Among the 16 reforms presented by the task force were those advocating: Open rules, open committee meetings and open House/Senate conferences, open committee records and recorded votes, broadcasting of House floor proceedings, better scheduling of House business and one-third minority staffing. We came out against "unit-rule" caucus votes and proxy voting in committees.

Amidst our discussion of these and other reforms, we decided actions must be taken to show the Democratic majority in the House and the country that we are serious about opening up the House and conducting the public's business in a reformed atmosphere.

On April 29, the House Republican Conference voted by a 3-to-1 margin to open up the conference meetings. I do not believe we need closed meetings, and except for national security and housekeeping chores, the conference will be open.

By taking this action, we ask our colleagues on the other side of the aisle to also open up the Democratic caucus. As a result, the specter of "King Caucus" would be banished forever and if the unit rule prevailed, the public would at least know how and why their Representatives were bound to vote in a certain way.

The recent polls show that the public has almost no confidence in their elected officials. In order to bring this country back from the brink of disaster, we must have the trust and cooperation of the people. By opening up the Republican Conference—we are demonstrating our willingness to truly conduct the public's business in the open.

One of my colleagues from Florida—the Sunshine State—Bill Chappell is leading the fight to open up the Democratic caucus. I urge my fellow Floridians and other colleagues to join this fight to open up the caucus.

As chairman of the Republican Research Committee I am proud of Chairman Bill Frenzel and all of the members of the Task Force on Reform for leading this fight to open up the Republican Conference. They said it could not be done, but we did it.

VIETNAM: A FINAL TRAGEDY

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MACDONALD of Massachusetts. Mr. Speaker, it is a deep tragedy for all Americans that we mark the end of our involvement in Vietnam with the deaths of two brave Marines. In keeping with the highest traditions of the U.S. Marine Corps, Cpl. Charles McMahon, Jr. and Lance Cpl. Darwin L. Judge gave their lives for the safety of American personnel who were evacuating from South Vietnam. I know my colleagues in Congress share my feeling of deep sympathy for the families of both men.

A tragedy is always experienced more deeply and realized more painfully when it touches close to home. Charles McMahon, of Woburn, Mass., was a constituent of mine with a bright future, until he was killed in an artillery attack on Tansonnhut Airport near Saigon. He became the 13th Woburn resident to die in Vietnam and the 1,423d from Massachusetts. Corporal McMahon was to celebrate his 22d birthday next week. His friends and family saw him just 2 weeks ago in Woburn, when he was there on leave. He was anticipating duty in Lima, Peru, before a change of orders suddenly transferred him to evacuation duty in Saigon. This twist of fate will endure in the minds of the McMahon family for years to come.

In many ways, the deaths of Charles and Darwin were symbolic of the devastation and sorrow that this war brought to hundreds of thousands of American families. With the war so close to its torturous conclusion, we see two elite Marines being killed by a rocket they never saw or heard, fired by an enemy they also never saw or heard. Here, we shiver in seeing two young men of great promise cut down before that promise could become a reality. Both young men have earned the gratitude and respect of their country in the hardest way possible, laying down their lives for the safety of others.

The war is over, and hopefully this Nation will learn from the tragedies and horrors of the past. Unfortunately, the pain will not soon be forgotten.

ACTION PROGRAM OBSERVATIONS

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. EDWARDS of Alabama. Mr. Speaker, on April 10, 1975, Mayor A. J. Cooper of Prichard, Ala., testified before the House Subcommittee on Equal Opportunities, Committee on Education and Labor, in support of the ACTION program. I believe that my colleagues in the House of Representatives will benefit from Mayor Cooper's first-hand observations about this program and I, therefore, include the mayor's testimony in the Congressional Record at this point.

Statement of Mayor A. J. Cooper

Mr. Chairman and members of the Subcommittee, I am pleased to appear before you, both in my capacity as an elected official as Mayor of the City of Prichard, Alabama—the seventh largest city in the State with a population of almost 50,000—and as the President of the Southern Conference of Black Mayors, which represents 76 mayors in 16 states. The subject before this distinguished Subcommittee—that of ACTION and voluntarism—is one which I am both familiar with and vitally interested in.

I have just completed a three day management and leadership course sponsored by the U.S. Conference of Mayors with 20 of my fellow mayors, and I wish you to know how much we all appreciate the Congress's continued willingness to hear the cities' side of the ACTION story and also how much we appreciate your own sensitive and careful exercise of your oversight responsibilities.

However, my relationship to ACTION is one of being a convert. Initially I did not like ACTION and I certainly didn't like Mike Balzano. When I first heard and read about Mike Balzano I thought and believed he was the federal bureaucracy's answer to Archie Bunker—between his crew-cut and his appointer I just knew a new disaster area had been created. But I must, in all sincerity, and I was wrong—wrong about ACTION and about Balzano! Now before anyone gets the wrong idea, my city doesn't get enough ACTION money to bring me to Washington to give you a snow job. We get only approximately $18,000 from ACTION but these programs have had a significant impact on my city. I was converted because Mike Balzano and ACTION have been, in fact, willing to deal with the needs of our cities, with a minimum of red tape and a maximum degree of impact. Can you imagine this crew-cut Italian coming to the Deep South to meet with 76 Black Mayors? Not only did he do it but he proved to us his commitment. No, not his commitment just to black people, because our constituents—

our voters—are not just black, but his commitment to move this nation's energies to the job of restoring voluntarism to respectability.

In my city, we have white and black volunteers working with students and the elderly and we have black and whites working on the arts and on the problems of crime. We have black businessmen and white laborers joining hands to keep my city clean. I submit that this example has been duplicated across America and it took a white, ethnic to make believers in the white community and a person like Mike Balzano who produced with an agency which has had less money than most, but which, more importantly, has had less red tape than most—a program which, in fact, delivers.

I am familiar with ACTION because Prichard is the beneficiary of volunteer-oriented projects under the umbrella of ACTION. In response to a proposal we have submitted on behalf of our citizens, members of my staff and ACTION program staff have worked closely and cooperatively. This coordinated technical effort has resulted in ACTION funding: (1) a much needed program providing for a coordinator of voluntarism (recruiting, training, placing and effectively utilizing local volunteers); (2) a project designed to reduce residential crime (as a result of a mini-grant) to involve 100 volunteers trained to educate our community on crime prevention techniques; (3) and a Volunteers In Service to America (VISTA) project which is to provide Prichard with six full-time volunteers who will serve on an important lead-based paint poisoning prevention program.

I am interested in ACTION because I am constantly made aware of the needs of agencies (both public and private), and citizens, not just in my own city, but the many cities of varying sizes that look for leadership from my colleagues who elected me President of the Mayor's Conference. The Southern Conference of Black Mayors, a strongly dedicated group of leaders, faces many unique problems in common, but also faces the many problems all of our national cities face today: problems of rising costs and dwindling tax bases; problems of poverty and increased citizen needs; problems of crime, housing, health, employment and education. Gaps in services in our cities are responded to, as best as possible, in a variety of ways and by a number of federal and state agencies and departments. While needed and welcomed, it is often too little too late. Just as often, our towns and smaller cities lack sufficient technical competence and manpower to develop required proposals and applications.

ACTION, the federal volunteer agency, has been a bright spot that our towns and cities have been able to turn to—for technical know-how through its competent and committed staff meeting with local officials and citizens' groups—through the agency's providing full and part-time volunteers, locally and nationally recruited, aiding, assisting, designing and helping us to institute almost immediate responses to problems—by volunteers from the agency's programs helping others to help themselves—and through its grants and contracts to local communities. These volunteers have saved us millions of dollars and aided us in getting additional funds.

Allow me to refer you to just a couple of comments from mayors whose cities and non-profit groups therein have called on ACTION for assistance and who have found a sensitive, capable and ready responsiveness. These comments are contained in correspondence with you or your office, Mr. Chairman:

Mayor Clarence E. Lightner, Raleigh, North Carolina:

". . . as a result of the excellent cooperation and coordination developed over the past year (between the city of Raleigh and ACTION), we have now become involved in the administering of several ACTION programs . . . I feel, as a result of the technical assistance provided by ACTION personnel, that the programs operational in the City of Raleigh are as fine as any volunteer programs in the country. I am pleased to go on record to urge . . . members of the subcommittee to insure the continuation of volunteer programs under one single agency (ACTION)."

Mayor Johnny Ford, Tuskegee, Alabama:

"I express . . . deep appreciation that our government feels for the ACTION programs. We find this . . . one of the most viable agencies in government which is about the business of mobilizing volunteers to 'action' in support of the delivery of many vital human care programs in our community.

". . . as Mayor of the City of Tuskegee and as Chairman of the Alabama Conference of Black Mayors, I . . . go on record in support of ACTION, and request favorable consideration of maintaining and, if possible, expanding the support needed by ACTION in order for this meaningful agency to continue its efforts of assisting our local communities . . ."

I recall, as I mentioned before, it was at a semi-annual conference of my fellow mayors that the ACTION Region IV Regional Director, Mr. Paul R. Jones, and Mike Balzano addressed the members and met with members of our executive committee to listen to our urgent requests for assistance—for volunteers. The statements I've read from Mayors Lightner and Ford and those of my own are but three examples of their efforts to equitably distribute volunteers and agency resources. I feel this point is extremely important to you, the members of the House Committee on Education and Labor's Subcommittee on Equal Opportunities.

Other mayors who happen to be Black are recipients of good and helpful ACTION programs. I know through my involvement with mayors from throughout the country in such groups as the U.S. Conference of Mayors and The National League of Cities that the ACTION Agency has been and is providing competently recruited, well-trained and properly supervised volunteers to cities whose mayors are of many nationalities. Important is the fact that there is a volunteer program, under one single agency's auspices, for coordination and that the poor, the elderly, the sick and the needy of our population are benefiting as a result of ACTION's existence.

I urge you to preserve ACTION; to strengthen it; to provide increased funding to enable the agency to increase its capacity to provide more volunteers and more volunteer programs to more cities, urban and rural.

From my personal experience I state very candidly, and for your serious consideration, that the much talked about need for a national domestic policy—the turning of attention to our country's own problems and their solutions—can, as we approach 1976 and our Bicentennial, finally take shape. Voluntarism, with its low support cost factor and its potential for providing needed assistance while bringing those who volunteer some real measure of satisfaction can be the thread that runs through such a domestic policy. Such a national policy would enable an agency—ACTION—to serve as the catalyst to offer every American, regardless of race, color, creed, age or skill, the opportunity to become involved as a volunteer (an hour a week, a few hours a week, or full-time) or, if poor, infirmed, or needy, to be on the receiving end.

It is in this spirit that I close my formal remarks with a plea that you and members of the full committee and the Congress give to ACTION, a relative infant (less than four years old) as federal agencies go, full support by keeping all of its volunteer programs linked strongly together and move to appropriate adequate funds—a billion dollar budget—so that all who would volunteer can volunteer. It is this body that can now put even more action into ACTION—more pride in our citizens—and provide more hope and more spirit such as that upon which our great nation was founded.

I thank you personally, and as mayor of one of your cities and on behalf of all the mayors and all the Americans we represent, for having been invited to testify and for being afforded this opportunity to express my own and other widespread support for ACTION that it well deserves.

FORMER CONGRESSMAN CHESTER C. GORSKI LEAVES A LEGACY OF DEDICATED SERVICE TO HIS COMMUNITY AND TO HIS COUNTRY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KEMP. Mr. Speaker, the people of western New York are saddened by the death of a faithful public servant and a former Member of Congress, Chester C. Gorski.

Prior to his retirement last year because of illness, he served his community and his country for more than 45 years.

During the last 14 of those years, he was president of the common council in the city of Buffalo.

Mr. Gorski began his career in government as laborer in the city streets department during the great depression, in 1934. He became a foreman in 1938, won his first office 2 years later, in 1940, as sixth ward supervisor.

He was the only Democrat and the automatic minority leader when he was first elected to the common council in 1945.

In 1948 he was elected to the 81st Congress. Mr. Gorski served one term before returning to Buffalo. He was reelected to the common council in 1953, returning as that body's majority leader.

Until he died on Friday, April 25, at the age of 68, Chester Gorski worked for and maintained his interest in the revitalization of the city of Buffalo and improvements in the administration of local government.

He also was involved in many community activities, including the Professional and Businessmen's Association, Greater Buffalo Advertising Club, the Fillmore-Peckham Taxpayers' Association, Knights of Columbus and the Holy Name Society. The son of Polish immigrants, he was the recipient of the 1963 Citizenship Award of the Polish-American Democratic Clubs of Downstate New York.

Mr. Speaker, Chester Gorski's portrait has an honored place behind the desk of the president of the Buffalo Common Council. His legacy of dedicated service is a standard for those who will sit in that chair and in the council chamber.

We who knew him extend our sympathy to his wife, Helen; his son, Jerome who is an attorney; another son, Dennis, an able member of the New York State Assembly; and his three grandchildren.

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PLUTONIUM SHIPMENTS: KILL THEM BEFORE THEY MULTIPLY

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ASPIN. Mr. Speaker, over the last 2 months, the nuclear industry has been kind enough to provide us with a preview of the coming plutonium economy. It was revealed that hundreds of pounds of plutonium oxide were being flown into Kennedy Airport in New York. When word of the shipments, the incredible toxicity of plutonium, and the possible inadequacy of the containers to survive an airplane crash reached the public, the outcry was great in the land, as our colleagues from the New York area will doubtless testify.

When the news reached Rochester that some of the shipments were eventually destined for Rochester Gas and Electric, the cry reached up to the boardroom of that company, and the deal was abruptly scuttled.

Given the choice, the American public wants to have as little to do with plutonium as possible: and for good reason. As a deadly poison and as the raw material for possible illicit nuclear weapons, plutonium probably poses as much hazard per unit weight as any substance ever could.

The Nuclear Regulatory Commission's plans to make plutonium a central fuel in nuclear power reactors, as outlined in its draft generic environmental statement on mixed oxide fuels—GESMO—call for the routine shipment of tons of plutonium every year. The dangers of this course, and the possibility of controlling them, are inadequately understood at this point.

I have introduced, with 46 cosponsors, the Plutonium Recovery Control Act, H.R. 6394. This bill would forbid the Nuclear Regulatory Commission to license the extraction of plutonium from reactor waste or its use as fuel pending a study by the Office of Technology Assessment and a fresh congressional determination.

For once, let us control a new technology rather than letting it proceed according to its own dangerous logic.

The text of the bill follows:

H.R. 6394

A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Plutonium Recovery Control Act of 1975."

FINDINGS

SEC. 1. The Congress finds that—

(1) the Nuclear Regulatory Commission proposes to license the extraction of plutonium from spent reactor fuel and its subsequent use in mixed-oxide reactor fuels;

(2) plutonium is both a highly toxic substance and the possible raw material for nuclear explosive devices;

(3) the establishment of a commercial plutonium industry and the consequent production and transportation of large quantities of plutonium may increase the likelihood of diversion of plutonium from legitimate channels to use by criminal or terrorist organizations;

(4) the possible adverse effects of plutonium diversion are so great that even a small probability of successful diversion is unacceptable;

(5) present plans for safeguarding plutonium as set forth in the Generic Environmental Statement on Mixed Oxide Fuels, are inadequate;

(6) delay in the establishment of plutonium extraction and re-use facilities will have no substantial adverse economic effect, but will provide time for careful planning of safeguards systems for economy and reliability;

(7) the final decision on whether the economic benefits of plutonium recycling are great enough to counterbalance its social costs and risks should be made by the Congress, and not by a regulatory agency.

SEC. 2. (a) Except as provided in subsection (b), the Nuclear Regulatory Commission, established by section 201 of the Energy Reorganization Act of 1974 (Public Law 93–438, 88 Stat. 1242), shall not license, permit, or otherwise authorize—

(1) the operation of any nuclear power reactor using recycled plutonium fuel; or

(2) the construction or operation of any facility which reprocesses or recovers plutonium from spent nuclear power reactor fuel or from production reactor products.

(b) The provisions of subsection (a)(2) of this section shall not apply with respect to—

(1) any construction activity undertaken in conformity with a construction permit issued pursuant to the Atomic Energy Act of 1954 (68 Stat. 919) before January 1, 1975; or

(2) any recovery of plutonium for military or research and development purposes.

(c) The prohibitions of subsection (a) of this section shall remain in effect until the Congress, after having adequate time to study the results of the investigation described in section 3, to hold the necessary hearings, and to consider the various alternatives available to the Nation, provides otherwise by law.

SEC. 3. (a) The Office of Technology Assessment shall conduct a comprehensive study of the recycling of plutonium for the purpose of determining the extent of the dangers to the public health and safety and to the environment resulting from such recycling. Such study shall be completed not later than three years following the date of the enactment of this Act, and shall include—

(1) investigation of the toxicity and carcinogenic characteristics of plutonium and of the potential for occupational and public exposure and environmental contamination by plutonium:

(2) investigation of the risks of the unauthorized diversion or theft of plutonium, the development of illicit markets for the sale of plutonium, and the fabrication and use of unauthorized nuclear devices made from plutonium;

(3) investigation of the full range of economic costs and institutional implications, including threats to civil liberties, of the safeguards measures needed to minimize the unauthorized diversion or use of plutonium;

(4) investigation of the need for plutonium as an energy fuel and of nonplutonium strategies for meeting national energy requirements;

(5) investigation of alternative means of handling and containing plutonium on the assumption that the use of recycled plutonium as nuclear power reactor fuel is not permitted in the foreseeable future; and

(6) consideration of the development of systems for the use of plutonium which will assure the protection of the public health and safety and of the environment.

(b) In conducting the study required by subsection (a) of this section, the Office of Technology Assessment shall seek the assistance of a broad range of public and private groups with information or expertise relevant to the subjects of the study and shall assist and encourage the participation of the public in all phases of the study. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not enter into contracts with any corporation or person which in the judgment of the Office might have a significant financial interest in the development or utilization of recycled plutonium fuel.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any Government agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study under this section. The Office is further empowered to compel the delivery of any information in the possession of the National Laboratories which the Office deems necessary for conducting the study.

"SEC. 3. For purposes of this Act—

"(1) the term 'plutonium' means pure plutonium, plutonium oxide, or any other plutonium compound;

"(2) the term 'recycled plutonium' means any plutonium recovered or separated from spent nuclear reactor fuel or production reactor products;

"(3) the term 'recycled plutonium fuel' means any nuclear reactor fuel containing recycled plutonium, including fuel containing mixed oxides of uranium and recycled plutonium;

"(4) the term 'spent nuclear power reactor fuel' means any material which forms part of a used fuel assembly for a nuclear power reactor.".

POLISH NATIONAL HOLIDAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DERWINSKI. Mr. Speaker, I would like to take this opportunity to again this year, call the attention of the Members to an important date in the history of Poland. On May 3, people of Polish descent throughout the world will celebrate an important Polish national holiday—the Polish 3d of May Constitution Day. This is an important reminder to all that Poland was one of the first pioneers of liberalism in Europe.

As the Members know, Poland's valiant struggle against Nazi-Communist totalitarianism became an inspiration for mankind. It was on May 3, 1791, that Poland adopted a constitution that led to a complete reform of its internal life and asserted its democracy. But it came too late, and could not put a halt to the third partition of Poland in 1795 by Russia, Prussia, and Austria, only 4 years after this remarkable Constitution was adopted.

Even though the Constitution did not have a chance to take hold, this was one of the brightest events in Polish history. Americans of Polish ancestry will hold appropriate observances to commemorate this great day in the history of Poland. It reminds all Americans of

Poland's destiny in the history of mankind and prophesies the ultimate triumph of justice. Even though the Polish people do not enjoy a government which they may freely elect and the shadow of Soviet domination is ever present, Poles everywhere are confident that the future will see a flourishing Poland, inspired by her great traditions and ideals.

Mr. Speaker, I believe it is especially appropriate to note that American and Polish Constitutions were similarly inspired. Meditation on the anniversary of May the 3d deepens the faith and heightens the courage of every Pole and of every American of Polish origin.

DEFEAT AND SURRENDER IN VIETNAM CANNOT BE EASILY CAMOUFLAGED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CRANE. Mr. Speaker, when a nation makes a decision, history will not permit it to camouflage that decision with a gentle and mild rhetoric. When Neville Chamberlain returned from Munich and declared that he had achieved "peace in our time" by turning over to the Nazis the sovereignty of the people of Czechoslovakia, subsequent events showed the world very clearly what he had really done.

When President Nixon and Secretary Kissinger told us that the Paris Peace Agreement in 1972 had brought "peace with honor" to Vietnam, and Secretary Kissinger accepted the Nobel peace prize for his work in that connection, the world was not easily led astray. The world understood that the United States was withdrawing from South Vietnam, and the North Vietnamese were not. Calling it an "honorable peace" did not make it so.

Now, we see clearly what has happened. The United States has, in effect, abandoned an ally and has permitted aggression to succeed. The Communists violated the Paris agreements from the day they were signed, but we did nothing. We continued to speak of détente with the Soviet Union and Communist China while those two powers, in turn, continued to supply the North Vietnamese and the Vietcong with the means of continued aggression. We, and especially those in the Congress, cutoff aid to our own allies, leaving them virtually helpless in the face of a massive assault from the North. Now, we seek to call this something other than defeat and surrender. Now, many urge that there be "no recriminations."

One of those who asks that there be "no recriminations" is former Under Secretary of State George Ball. Writing in Newsweek magazine, Mr. Ball wants us to move on from Vietnam without learning any lessons from the current debacle.

Commenting upon this thesis, Columnist William F. Buckley, Jr., notes that Mr. Ball has given us a lesson in how to do it:

> You begin by ignoring treaties made by the United States, ignoring any responsibility by the United States for living up to the terms of those treaties. You add a long list of complaints against the sloth and mismanagement of any Oriental who was ever dumb enough to be on our side in opposing Communism in Asia, and before you know it, you not only have stopped breast-beating, you are looking around the hall expecting the adulation of all the peoples of the world."

Mr. Buckley concludes:

> We talk about how the South Vietnamese have run. At least they did so under the pressure of Russian tanks. Congress ran under the pressure of moral fatigue. I'd sooner, fighting for my life, do so in the company of 15 South Vietnamese soldiers, than of the 15 members of the Senate Foreign Relations Committee.

I wish to share with my colleagues the column by William F. Buckley, Jr., which appeared in the Washington Star of April 14, 1975, and insert it into the RECORD at this time:

GEORGE BALL'S HINDSIGHT IS BETTER THAN FORESIGHT

(By William F. Buckley, Jr.)

The cliche of the day is "stop the recriminations!" That is one of several inflections, another being, "stop the breast-beating!"—which is the title of a sermon by George W. Ball in the current issue of Newsweek, wherein he gives us a lesson on how to stop the breast-beating. You begin by ignoring treaties made by the United States, ignoring any responsibility by the United States for living up to the terms of the treaties. You add a long list of complaints against the sloth and mismanagement of any Oriental who was ever dumb enough to be on our side in opposing communism in Asia, and before you know it, you not only have stop breast-beating, you are looking around the hall expecting the adulation of all the peoples of the world.

Mr. Ball, who was undersecretary of state under JFK and LBJ, and who took us into the Southeastern mess without giving any thought to the consequences of fighting it the way they chose to fight it, was not quite so talkative back when he was the second man in the State Department. Now he writes from his seat in Lehman Brothers that "once we withdrew our soldiers and our bombers, it was inevitable that the house of cards (in Vietnam) would come tumbling down."

I don't remember his saying that at the time, and I wonder why not? Clairvoyants should practice their gift while it is still useful, rather than discover it retrospectively. The alternative is to expect a certain amount of breast-beating and recrimination. A whole lot of it is going to issue from this little space in the paper.

We are all being asked to believe that there was something on the order of manifest destiny working for the North Vietnamese. That they really "owned" South Vietnam, in the same sense that the early Americans owned California. To get California we had to claw our way past a few Indians, and snooker the Mexicans into one of the great land grabs of the 19th century. But what was hardest about acquiring California was things like scaling mountains and crossing deserts and laying railroad lines.

What was hard about taking South Vietnam was—people. About 16 million people who were 80 percent opposed to living under the rule of the North. Eighty percent is slightly better than the number of Americans who sided with George Washington in the Revolutionary War. The will to resist was there, and for all the talk of South Vietnamese pusillanimity and disorganization and graft, you will find that a far higher percentage of them died or were wounded in the war than Frenchmen defending themselves against Hitler.

If it was so obvious to Ball, one of the two or three most conspicuous Democratic mouthpieces in matters of foreign policy, that the Treaty of Paris was a phony, he should there and then have denounced it. It was certainly a mistake of President Nixon not to have insisted that Congress there and then either accept or reject responsibility for enforcing the terms of the treaty which Henry Kissinger would never have initialed had he anticipated the rout in Congress from the implicit responsibility of the principal sponsor of that accord—the United States.

We talk about how the South Vietnamese have run. At least they did so under the pressure of Russian tanks. Congress ran under the pressure of moral fatigue. I'd sooner, fighting for my life, do so in the company of 15 South Vietnamese soldiers, than of the 15 members of the Senate Foreign Relations Committee.

ELDERLY AMERICANS MONTH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to note that May has been designated as "Senior Citizens Month."

Elderly Americans throughout our country are showing enormous courage in the face of our deepening recession. They have been saddled with the burden of our double digit inflation and have been forced to bear the brunt of our economic problems. The designation of May as "Senior Citizens Month" will act as a reminder to all Americans of the contributions elderly Americans have made and continue to make to our society.

We in the Congress must be cognizant of our responsibilities and indebtedness to our parents and grandparents. I am sure the majority of Congress accepts this responsibility and realizes that the deplorable conditions many elderly people are forced to live in are a national disgrace.

America's senior citizens have worked hard and have contributed substantially to this country's growth and progress. The Congress owes them more than a month honoring them but a commitment to the solution of the medical, housing, unemployment, and other problems which plague them. The Congress must take the initative in this area because it is clear that it will not come from the executive branch.

The Congress must pass legislation that recognizes the right of each American to approach his or her later years with dignity and respect. Elderly people must be incorporated within our society and not isolated from it. We as a people must recognize the wisdom that comes from living a long life and learn to appreciate, respect, and benefit from it.

I believe the negative attitude our society has toward the elderly has been largely responsible for the intolerable conditions many of them live in. Through legislation the Congress can help to change that attitude and make this a better society for us all.

Shortly this Nation will begin to celebrate our Bicentennial. As part of that

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celebration, I think it only fitting that the Congress recognize the tremendous contribution which elderly Americans have made in our 200 year existence. Setting aside the month of May as Senior Citizens Month is a step in the right direction toward achieving full equality for this important segment of our population.

POLICY LACKING

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. COCHRAN. Mr. Speaker, since the beginning of the energy crisis in 1973, the United States has lacked any sort of policy to help us avoid the sorts of drastic situations we experienced then. For more than 4 months, the 94th Congress has been charged with doing something about the situation and has done nothing. The lack of any action at all has been very articulately scored by a recent editorial in the April 22, 1975, issue of the Jackson Clarion Ledger. I would like to share that editorial with my collegues in the House:

POLICY LACKING

It has been about four months since President Ford urged Congress to join with him in formulating a national energy policy that would make the nation independent of foreign oil supplies by 1985. For the President, they have been months of frustration. Congress has stalled and vacillated while the nation's oil dependency has grown.

In seeking what he did when he did, Mr. Ford was recognizing the reality that energy can be used as a weapon in these days of global politics. It already has been used that way—in the Arab oil embargo which cut back on oil supplies to nations the Arabs felt were supporting Israel. With the situation in the Middle East a tinderbox, the prospect of another embargo certainly cannot be discounted.

Despite constant warnings, our reliance on foreign oil continues to grow, not decrease. At the time of the embargo in 1973, the United States was importing six million barrels from domestic production. In 1974 the situation did not get better; it worsened. The use of foreign oil grew to seven million barrels a day and domestic oil used fell to nine million barrels a day—and the trend is continuing toward more dependency, not less.

The only bright spot on an otherwise dark horizon was the drop in our energy consumption last year by 2.2 per cent, reversing a 20-year upward trend. Unfortunately, the drop came as a result of the Arab oil embargo, higher prices, the economic slowdown and a relatively mild winter more than from any tough conservation policy.

At least we have learned that higher prices can affect energy use. While major petroleum refiners recently raised their prices by about 1½ cents a gallon, this is considered relatively insignificant in terms of affecting demand. It is estimated that any meaningful cutback in gasoline use would come about only if service stations charged a retail price of about 75 cents a gallon.

As to Congress, the record so far is devoid of any useful action toward a national energy policy. In fact, the movement has been in the opposite direction. The most recent example of moving the wrong way came when Congress included in its tax relief bill a partial repeal of the oil depletion allowance designed to encourage the search for oil and gas. Whether the principle is right or wrong, the partial repeal was clearly out of place in the tax relief bill and added to its Christmas tree image.

Perhaps there was some appropriate symbolism when President Ford donned a hard hat during his recent visit to the Elk Hills, Calif., area with its vast untapped petroleum reserves. It may be time for him to get closer to the action in his contest with Congress on energy legislation. He called one play on his own when he raised the tax on imported oil by $1 a barrel on March 1. It should jar Congress further if he adds another dollar on May 1 to show that he means business.

NATIONAL HEALTH INSURANCE

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HOLLAND. Mr. Speaker, in recent years there has been much talk about national health insurance. I have solicited the views of health care professionals from my congressional district and these experts nearly unanimously felt that some type of national health insurance is inevitable.

Mr. Speaker, we all pursue the same goal: Adequate health care for our citizens. The question is no longer whether we will have a national health care plan, but rather how and when to provide coverage to every American.

In rural districts such as my own, where health care delivery is generally poor because of the sparsity of the population, the lack of good medical facilities, and the absence of incentives for new doctors to locate in small towns, a pure insurance plan is not the answer. To many residents of the Fifth District of South Carolina, national health insurance would be meaningless because they do not have the facilities needed to utilize such insurance.

One of my prominent constituents, Dr. John Cathcart of Gaffney, S.C., has written a paper on the need to improve medical services in rural South Carolina. I feel strongly that any national health insurance proposal adopted by this Congress must include provisions for increasing the number of doctors, nurses, paramedics, and facilities in rural America, as well as upgrading those already in existence.

I offer Dr. Cathcart's paper to Members of Congress as an excellent explanation of the medical needs of the rural areas of our Nation and some sound suggestions for meeting them:

A METHOD TO SOLVE THE DOCTOR SHORTAGE

(By John H. Cathcart, Jr., M.D.)

In the United States today, there is one doctor for every 650 people, or more doctors per capita than any other country in the world. Russia is next with one doctor per 750 people. However, as long as the Federal Government discriminates against the more equal distribution of doctors by discrimination against rural areas and small towns, we will never solve the mal-distribution problem in the United States. Not only do we see this discrimination on the federal level, we see it on the state level also.

For example: South Carolina with a population of less than three million, a state smaller than greater Philadelphia, is divided into three economic areas, metropolitan, urban and rural, as a basis for medicare and medicaid fee profiles. These profiles are set up by the so-called customary and usual fees charged by the doctors in the designated areas the year prior to July 1st. Therefore those doctors in the large cities, because of the higher prevailing fee schedule, rate higher fees for the same services than those doctors can collect in the rural areas. The small town General Practitioners usually know their patients better and because of the large volume of patients they see and because the patients in the rural areas usually are not as affluent, those doctors do not charge anywhere near as much as doctors charge in the cities. Therefore the system builds on itself.

No young doctor would move to a doctor-short community where he will not only be discriminated against by his peers from the larger areas but also economically.

Why should he give up cultural opportunities, museums, time off and high fees for the long hours, loneliness, low fees and poor facilities in the rural areas. In fact, in my county in South Carolina, a county with a population of 38,000, we recently had a young cardiologist move from a metropolitan area, population 250,000 and Medicare cut his fee profile thirty percent. A young doctor moves from a doctor-rich area to an area where he is needed and his government sponsored fees are cut thirty percent. How can we expect doctors to move to the more rural areas when this type of discrimination not only exists but is encouraged by the government and backed also by the AMA.

Country doctors have served the people in the rural areas with long hours, low fees and yet have earned little respect from their peers. The medical universities call them Local Medical Doctors. These doctors know their patients as friends and neighbors, they diagnose, treat and cure them without the aid of expensive lab studies, consultants and hospitals. Instead they use compassion, knowledge, and common sense. And yet some newspapers say they are not needed, that paramedics can serve as well in the rural areas.

The State, the Federal Government and yes, even the AMA should begin to rewrite the laws to encourage a more equitable distribution of primary doctors (GP's, Internists, Surgeons, Ob-Gyn and Ped.) to those doctor-short areas. A $12,000.00 deduction from a doctor's income for federal tax purposes for ten years or for as long as his practice area is considered doctor-short, say less than one primary doctor per 2,000 people. Also those government sponsored fees such as medicaid, medicare and Champus should be the same for the same service all over the country. The Social Security taxes paid are the same. Therefore the first patient visit fee to the doctor would be the same in Gaffney, S.C., as in New York City. First hospital day, preparation of records, history and physical and institution of therapy would be the same for the Medical Doctor when paid by medicare in the small hospitals in rural Mississippi as in the large teaching centers in Chicago. The cholecystectomy would be worth as much for the medicaid patient in Alabama as in Los Angeles.

I believe that if the $12,000 deduction and the equalization of government sponsored fees become a reality you would see a more equitable distribution of doctors in the United States. It would then be economically advantageous for him to move where he is needed.

Why should the young surgeon stay in the over-crowded city to do occasional surgery or the routine work for a large group when he could move to the small community hospital of 100 to 150 beds and be needed. The same would be true for the General Practitioner, the Internist, the Obstetrician and Pediatrician.

The cities could do the same for those doctor-short poorer areas, but the doctors would have to live in the area to reap all benefits of his practice.

With such a system, I can foresee the day where every small community with a hospital would have adequate well trained primary physicians, General Practitioners, Surgeons, Ob-Gyn's, Internists and Pediatricians to serve them.

In my community, if we had one doctor for 1,500 people, we would have twenty-five doctors or ten more than we have now. With ten additional doctors, our hospital would have no census problem, and the population would continue to have excellent medical care.

SOCIAL SECURITY "PASS-THROUGH" LEGISLATION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HARRINGTON. Mr. Speaker, I am today introducing legislation to protect recipients of benefits under certain, specified Federal and federally assisted programs from having their benefits cut, or eligibility for benefits discontinued as a result of increases in monthly social security benefits.

Earlier this month, 60 of my colleagues joined with me in sponsoring legislation to provide that increases in social security will be "passed through" to recipients of veterans' benefits. It is an established fact that in many other programs, increases in social security are resulting in a decrease in other benefits, negating part, or in some cases all, of the social security increase.

To correct this injustice, I am introducing three "passthrough" bills: For the supplemental security income program—SSI—the food stamp program, and a third bill covering aid to families with dependent children—AFDC—medicaid, and certain child welfare programs.

This multibill approach is, in my view, a more sensible and more responsible plan of action than the legislation that has been introduced in this area to this date. Legislation dealing with this particular problem has been, on the whole, ambiguous, and it is my belief that the Congress would, and should be extremely hesitant to act upon any all-encompassing, nonspecific legislation, regardless of legitimate intent.

Passthrough for social security benefits would be accomplished by directing the administrators of the aforementioned programs to disregard increases in monthly social security benefits in determining the income and benefit levels of the program participants.

I would like to take this opportunity to briefly explain the three bills I am introducing today.

Currently, as a social security increase is provided, the Federal portion of the SSI payments rises with it. Actual income may be decreased, however, when State-determined income levels are passed, and the recipient's State supplement is reduced or eliminated. In any case, the full increase in income intended by the social security increase is not realized by the recipient.

In early 1975, 4.2 million aged, blind, and disabled Americans received payments under the Federal/State SSI programs. Over 2 million of these people received State supplementary payments that were based primarily on outside income, and 70 percent of all SSI recipients also received social security checks. The result, therefore, of increases in monthly social security benefits has been, and will continue to be unless corrected, significant hardship on the part of a large number of SSI recipients; people among the most needy and deserving in our society.

Basically, the design of pass-through legislation for the food stamp program is comparable to that which I have outlined for SSI.

Presently, net income eligibility limits have been established for different-sized households. For example, a family of four may have, after certain deductions, a net monthly income of up to $513 and still be eligible for food stamps. Social security payments are included in this income computation, and, therefore, it is quite possible that a sizable social security increase—such as the 20-percent increase enacted 3 years ago—may push a large number of food stamp recipients above their net income ceiling.

In addition, for each household-size category, there is an established monthly allotment of a certain dollars-worth of stamps for eligible households. The food stamp guidelines also include the highest amount of money households of the different sizes will have to pay each month for their stamps. This is the "top purchase requirement." However, if the household's income after deductions is less than the monthly income limit, they will pay less for the same amount of stamps. Some households, therefore, will receive stamps free.

Under the present system, any increase in social security benefits will increase the amount a household would have to pay in order to obtain the same amount of stamps, if, in fact, they are still eligible. Implementation of pass-through legislation for the food stamp program would eliminate this type of shell-game by removing social security increases from the income determination process.

At present, approximately 17 million people receive food stamps. Of these, approximately 50 percent—8.5 million—are also on some form of public assistance—AFDC, SSI, et cetera. Members of this group generally receive food stamps without regard to income and assets. A food stamp pass-through bill, therefore, would not directly affect them. But for the approximately 8.5 million food stamp recipients not on some form of public assistance the effect of pass-through legislation would be direct, and prevent these households from being dropped from the program, or paying more for the same stamps, as a result of increases in social security.

The third bill I have introduced today on this subject involves social security pass-through for AFDC, medicaid, and certain child welfare services. Benefit levels and eligibility for all of these programs are ostensibly determined by income computation, and social security increases, therefore, can profoundly affect eligibility status.

At this time, 11 million people receive AFDC, and 25.6 million receive medicaid. While the recipients of child welfare services, and the participants in the Head Start and Foster Grandparents programs form a smaller segment of our society, the injustice of discontinued service or participation resulting from increases in social security benefits must be removed from our system of social services.

In conclusion, Mr. Speaker, it is my belief that in all too many cases, increases in social security enacted by Congress are leaving recipients in worse shape, in terms of total income, than they had been before the increase. We should not take away with one hand what we appear to give with the other. Our assistance programs should genuinely enhance the financial security of the aged, widowed, and other low-income groups. To provide only the illusion of help—and play a shell game with the welfare of millions of people—is not enough. I urge my colleagues to strongly support the legislation I am introducing today, to guarantee that future increases in social security benefits will not adversely affect the other benefits received by the disadvantaged members of our society.

REGULATION OF ZOOS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DINGELL. Mr. Speaker, today I am introducing an alternative form of legislation, somewhat different from that which I proposed earlier this year in H.R. 70, dealing with the issue of regulation of zoos in this country. I am doing so because I believe that this is an extremely complex issue, with a number of ramifications, and subject to several means of resolution. H.R. 70 took one approach; this bill (H.R. 6631) adopts another.

I am not stating at this time that I believe that the approach of this bill is the proper one; but it is not an unreasonable one, and it should be considered in the course of hearings on this legislation before the Committee on Merchant Marine and Fisheries. It has some good points; others are strongly opposed by individuals and groups interested in these matters. My purpose in drafting this bill was to see that the entire spectrum of alternatives was developed and spread before the Congress prior to the time that it begins consideration of these matters.

I expect that the committee will receive a good deal of correspondence on this bill, as indeed it has on H.R. 70. This is all to the good, because it widens the perspective within which we will be considering this legislation.

UMI

LEE HAMILTON'S APRIL 16, 1975 WASHINGTON REPORT, "THE NATIONAL DEBT"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my April 16, 1975, Washington Report, "The National Debt":

THE NATIONAL DEBT

In any discussion of the economy it will usually not be long before someone brings up the size of the national debt. People are concerned about its enormity, and they want to know how long we can continue to add to it, when we are going to pay it off, and what its effects are on the economy.

Although most of us place the problem of our $540 billion national debt near the top of our list of problems, economic experts, strangely enough, just don't seem to get as worried about the size of the national debt as they do about achieving economic growth, high levels of production and employment, or reasonable price stability.

There is little doubt that the federal debt is huge. The question is has it gotten too big? Federal debt has been shrinking as a portion of total output and total debt, and, to the surprise of most of us, the federal government has borrowed more conservatively than the rest of the economy. The 1954 total debt of $271 billion amounted to 75% of the gross national product (GNP), while today's $540 billion debt represents only about 38% of our current one-and-one-half trillion dollar GNP. While federal debt has grown by 45% since 1950, private debt has increased by 800%, and the federal debt, as compared with total wealth, is much smaller than it was 20 years ago. The critical test for determining if the federal debt is too large is confidence on the part of the lender that the government will be able to repay the debt. The federal government pays the lowest rate of interest of any borrower in the economy. This is certain evidence that hard-headed lenders, such as banks and insurance companies, consider the federal government to be the best of all credit risks. So the upper limit of federal debt is established by the willingness and ability of the American people to support their government.

Nevertheless, we are still uncomfortable knowing that our government seems to make no effort to pay back what it has borrowed. We look at the national debt as a heavy burden we are selfishly passing on to our children. But the chief way we can burden them is to use up the nation's stock of capital goods so that the nation will be less productive in the future. If we pass on an internal debt (that is, a debt owed by a government to its own citizens) there are some distributional effects among people (for example, interest payments go from all the people to a few people who hold the government securities). If, however, the debt is external (owed, that is, to foreigners) there is a net reduction in the goods and services available to Americans.

The toughest question about the effects of federal deficits is whether they cause inflation. Traditional economic thought holds that federal budget deficits do cause inflation, but modern economics finds it is not an easy question to answer. For one thing, there is no systematic relationship between a budget deficit and inflation—a deficit of a given size may be inflationary in one year and not in another. In the past we have had inflation along with a budget surplus and falling prices along with a budget deficit. If the economy is sagging badly, as it is today, a deficit, and the economic stimulation it implies, can be healthy for the economy. The alternative is to permit the economy to continue indefinitely in recession with growing stagnation and unemployment. On the other hand, if the economy is running at full steam and overheats, even a small deficit may be excessive.

The debt also has significant psychological effects. A businessman may be dissuaded from an investment by reckless public spending or encouraged to make an investment because of an economy stimulated by government spending. Obviously, wasteful government spending and a careless attitude toward government deficits erode public self discipline and can lead to disastrous inflation.

Budget deficits and surpluses may not be quite as dominant in the economy as we have sometimes thought. Much of the inflation of recent years, for example, involves food and fuel prices and occurred independently of changes in the national debt. International conditions, collective bargaining agreements, and technology, to name a few factors, may have a greater influence on the economy than a deficit or a surplus. Nonetheless, federal deficits are still very important. Lower federal spending eventually means less demand in the economy and lower prices. The real cause of inflation is, of course, an imbalance between supply and demand. When demand is greater than supply, prices rise; when supply is greater than demand, prices level off or fall.

Oddly, contemporary economists tell us that we may never pay off the debt and that there are some disadvantages if we did. They point out that we would gain little by paying it off. Of course, our children would no longer be taxed to pay the interest on a debt. But, if there were no debt, we would lose an important mechanism for stabilizing the economy. In a faltering economy, government spending creates demand and jobs and returns us to prosperity. If the debt were paid off, we would also lose government bonds as a safe form of investment and deprive individuals and businesses of safe and easily converible securities. In addition, over $500 billion in taxes—the equivalent of $2200 for every man, woman, and child in the nation—would have to be raised to pay off the debt.

The point of all of this is that the federal debt is a serious matter and that new debt should be computed carefully, always with an eye to balancing inflationary tendencies with needed economic stimulation.

POLISH THIRD OF MAY CONSTITUTION DAY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. NOWAK. Mr. Speaker, this weekend will bring the commemoration of the Polish Third of May Constitution Day, the anniversary of a remarkable document that transformed the Polish Government from a monarchy to a democracy. Ratified 2 years after our own U.S. Constitution, it was a significant stride in mankind's quest for freedom and equality.

In western New York, which includes a large American-Polish community, observances will be sponsored this weekend by the Polish-American Congress of Western New York. St. Stanislaus Parish, which has been a focal point of Polonia activities in Buffalo for more than a century, will be the site of a noon Mass celebrated by Msgr. Chester A. Melloch, assisted by Father Ladislaus Klos. An afternoon program of cultural and musical events at the Polish Union Hall will feature a keynote address by Janusz Krzyznowski, of New York City, national commander of the Polish Vets of World War II and a national vice president of the Polish-American Congress.

Since the adoption of its Constitution, Poland's history has been marred by partition, tragedy, and suppression. However, it is significant that we pause to recall this spark of freedom. In doing so, we not only remember an important event of the past but offer hope for the future, a reminder that observance of the human rights and the equality of all persons is a goal that has not been attained yet in many parts of this globe.

TAX-EXEMPT ORGANIZATIONS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FISHER. Mr. Speaker, today I am introducing a bill to correct an inequity in the Internal Revenue Code's treatment of transfers of certain property to tax-exempt organizations. The bill would revise depreciation recapture rules to remove discrimination against tax-exempt organizations where assets received in an ordinarily tax-free transaction are used in an unrelated trade or business. Colonial Williamsburg, a highly respected Virginia foundation, brought the need for this legislation to my attention and would gain tax relief by this legislative change.

Under present law, depreciation is not recaptured when property is transferred in a tax-free transaction and keeps the same tax basis in the hands of the transferee as it had in the hands of the transferor. Recapture will occur when the transferee disposes of the property. Ordinarily the complete liquidation of a subsidiary is such a tax-free transaction—but not when the subsidiary is liquidated into a tax-exempt organization. While recapture upon liquidation of a subsidiary into a tax-exempt organization may be fair in most cases, it is premature when the property transferred is used in an unrelated trade or business. Since an unrelated trade or business is taxable, that property will be subject to depreciation recapture when disposed of by the transferee.

To prevent this premature recapture of depreciation, my bill would amend the law to provide that depreciation not be recaptured when property which is to be used in an unrelated trade or business is transferred to a tax-exempt organization in a transaction which is ordinarily tax-free. If the property ceases to be used in an unrelated trade or business, it will be treated as being disposed of—and subject to depreciation recapture—on the date it ceases to be so used. The Ways and Means Committee approved this amendment last year. I urge Congress to approve it this year.

DO NOT YIELD TO THREATS ON PANAMA CANAL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ASHBROOK. Mr. Speaker, these days it seems like every country in the world is demanding something from the United States. Even small and weak nations are leveling threats against us unless we capitulate and do what they want.

One of the most outrageous demands is that the United States surrender control of the Panama Canal to the Panamanian Government. Leading the way is Panama's leftist military dictator, Gen. Omar Torrijos. He has been joined in his demand by Columbia, Costa Rica, and Venezuela.

According to Torrijos, Panama has "reached the limit of its patience" on negotiating a new canal treaty. Torrijos threatens:

> The canal's operation could come to a total halt if the U.S. Congress refuses to approve a new treaty more acceptable to Latin American countries.

Quite frankly, I am tired of two-bit dictators telling the United States what it must do. I am tired of receiving threats from sixth-rate military powers.

It is time that the United States stopped trying to appease its critics. We must never abandon our vital American interests. I urge the President and the Congress not to yield to threats on the Panama Canal.

Following is the text of an article from the Miami Herald:

PANAMA CITY.—The chiefs of state of Colombia, Costa Rica, Venezeula and Panama jointly demanded here Monday that the United States cede the Panama Canal to the Panamanian government.

Presidents Alfonso Lopez Michelsen of Colombia, Daniel Oduber of Costa Rica, Carlos Andres Perez of Venezuela and Panamanian strongman Brig. Gen. Omar Torrijos said the gesture would be an appropriate way of celebrating the 200th anniversary of the United States next year.

They said the action could also come in conjunction with the 150th anniversary of South America's independence declaration by Simon Bolivar, the region's foremost independence hero.

Perez said the request had been made in a confidential letter to President Ford.

"In the name of (George) Washington and (Simon) Bolivar, we request the Panama Canal," said Perez after concluding four days of talks with the other chiefs of state.

"The Panama Canal, in the name of justice, in the name of humanity, cannot continue being foreign. The Panama Canal belongs to Panama and to the world," Perez said.

Earlier, Torrijos had said that Panama had "reached the limit of its patience" in negotiations with the United States for a new canal treaty.

"The canal's operation could come to a total halt if the U.S. Congress refuses to approve a new treaty more acceptable to Latin American countries," Torrijos declared at a weekend press conference.

He added, however, that he was confident he would "leave future generations of Panamanians free of the canal's historic problems.

Strong congressional opposition has developed in Washington and there are doubts that such a treaty will gain approval even if negotiators for the two countries reach an accord.

THE NEED FOR REASSESSING THIS NATION'S FOREIGN POLICY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DOWNEY. Mr. Speaker, the Vietnam conflict is, at long last, over. The costs we, as a nation, have paid in dollars, in lives, in tragedy and in divisiness within our own country are incalculable. But this is the time, while this struggle is still remembered, to reevaluate our past actions—our mistakes and triumphs as well as our policies toward other countries.

Recently, I received a very articulate letter from one of my constituents, Ms. Laura Henze of Oakdale, N.Y., which addresses itself to this very question of reassessment. I ask my colleagues to consider Ms. Henze's words and suggestions. The letter follows:

OAKDALE, N.Y.,
April 18, 1975.

Representative THOMAS E. DOWNEY,
House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE DOWNEY: I would like to convey my views to you with respect to recent developments in Cambodia and Vietnam and with the Administration's requests for substantial aid sums and for authorization to use U.S. military personnel in carrying out a large-scale evacuation of U.S. and Vietnamese citizens from South Vietnam.

I have enough knowledge of the history of U.S. involvement in these nations and of the evolution of U.S. foreign policy since the First World War to understand the complexity of the issues involved in national security, the strategy of containment, the Cold War and its winding down, and so on on the one hand; and of the issues involved in rights to self-determination, Russian and Chinese policies toward their spheres of influence, U.S. ideals vs. realism and so on on the other. There are no easy answers as to whether the U.S. was right or wrong in becoming involved in the Vietnamese conflict. Yet I firmly believe that, regardless of intent or justification, our policies have led to a situation in which the suffering and losses of the Vietnamese people have been intensified to an unfathomable degree, and that the end of U.S. involvement in the nation will allow for an alleviation of this suffering. There will still be suffering, yet this is inevitabe in the face of what has been done to the Vietnamese country and people. The U.S. must accept responsibility for this in a moral sense and provide aid if it were truly humanitarian in intent, goal and means.

Similarly, *we should not provide aid if it were not*. I realize that such statements, even if one accepts them, are subject to variable interpretations. I am saddened by the Administration's manipulation of the orphans issue and look with grave suspicion at attempts to bring in troops to establish a perimeter or corridor for large-scale evacuation. It speaks a sorry end to the conflicts that we have engendered among the Vietnamese people.

In framing all your decisions toward policy for Vietnam, please reflect closely on what the U.S. commitment and involvement has been, what that has created or helped lead to, what kind of changes will lead to a situation that is better for the welfare of the Vietnamese people. Many of the refugees have been forced to flee by Saigon's bombs, rather than by fear of the Vietcong or North Vietnamese, according to more careful journalism.

I sense that within the next few years, a fundamental reevaluation of U.S. foreign policy will be called for. It is long overdue. Southeast Asia, the Middle East, the CIA, all loom and must be dealt with in a framework that one hopes will involve respect, true respect, for all the principles and ideals one possesses in the U.S. but is painfully aware do not enter into the power-political realm of policy formulation and decisionmaking. I am aware of the conflicts between conducting ones own affairs rightly and foreign "aggressors" who have designs on your own nation or others. Fundamental political and moral questions will continue to confront our nation and all peoples throughout history; let us hope we do our best in shaping our answers to them, ever mindful and ever listening for criticism and redirection.

Sincerely,

LAURA HENZE.

IN MEMORY OF MARTIN J. LEBTICH

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BLANCHARD. Mr. Speaker, I rise in sorrow on this occasion. On March 18, 1975, 10-year-old Martin J. Lebtich was the innocent victim of a fatal car accident. Marty was deeply loved by his family and his schoolmates. Words cannot express the grief and sorrow that is felt when a loved one is taken, especially in the prime of life.

Marty was an active student. In January, Marty contacted me for information for a school report that he was writing. One of Marty's teachers, Mr. Howard Golding, has written me a poignant letter from which I have taken excerpts. This letter expresses just how much Marty meant to so many people and how deeply he will be missed and how fondly he will be remembered.

> On March 18, 1975 we had a tragedy at Lessenger School. Marty Lebtich was hit by a car and killed. Marty was standing at the curb at Nine Mile and Scotia waiting for the light to change when he became the innocent victim of a reckless car. Marty was a fifth grader and an outstanding athlete. He was a good student academically and always displayed sportsmanship and good conduct throughout the school. Marty's fellow classmates are deeply upset as are his teachers. Just that day we played basketball in the afternoon together. He was always wanting to come to my gym for private basketball instruction after school. I have raised him in my physical education program since kindergarten and I loved him.

I send my heartfelt condolences to Marty's parents, Mr. and Mrs. Martin Lebtich, and to the rest of Marty's family and his friends. May they soon find solace and comfort and refuge from their grief.

THE TAX ON MARRIAGE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FLORIO. Mr. Speaker, I feel compelled by the urgency of the situation to bring to the attention of my colleagues the following article from the editorial section of the Courier-Post, one of the most widely read and distinguished newspapers in my district in New Jersey. The article is most informative and straight to the point. It does not pull punches, nor should it. During the present economic crisis we are neglecting and perhaps penalizing the married working couple with what is referred to in the article as a "tax on marriage." Let me present the article to you now because it drives home the message and the call for action without the necessity of my paraphrasing:

THE TAX ON MARRIAGE

Most everyone has his own personal gripe about the Internal Revenue Service, and the inequities of the assorted regulations that make up the federal income tax laws.

But the gripes should be directed more at the collective wisdom of the federal lawmakers who have a knack for injecting and perpetuating stupidity in the rules, instead of tackling massive revision and reforms to get rid of the inequities.

One of the more glaring outrages now gaining some attention nationally (but not necessarily in Congress) is what amounts to a tax on marriage.

The "marriage tax," which penalizes working couples who are married—in comparison to single working taxpayers who may be just living together—first reared its head when Congress wrote it into the Tax Reform Act of 1972. This came about apparently unintentionally in an attempt to equalize taxes on singles.

But the lawmakers blew an opportunity to correct the inequity—or ignored it—when the new tax rebate bill went through recently. In fact, they not only failed to use the new tax bill to correct the imbalance, they increased the inequity.

So husbands and wives who both hold jobs not only must pay higher taxes than they would if they were single (even if they were living together without license) but they also get less back in the 1974 tax rebates and 1975 tax reductions.

An interesting analysis of the "tax on marriage" was compiled recently by Joan Beck for the Chicago Tribune Service. She used as an example four persons, each with an adjusted income of $15,000. One of the couples was single, but shared an apartment and a life together. Each will get $230 in 1974 tax rebate and 1975 tax cut, for a joint tax-bill benefit of $460.

The other couple, married and living together in comparable tax circumstances, will get only a joint benefit of $160 from the tax rebate and cut. That's a $300 penalty from the federal government for making their relationship legal.

Worse, they are already paying an extra tax for being married, because tax insist on piling husband's and wife's income together to push the total into a much higher tax bracket. Assuming they each take an exemption and the standard deduction, their tax bill comes to $6,560 if they file a joint return.

Filing separate returns won't help them because a married person can't qualify for a single taxpayer's rates and the married-filing-separately tax tables show much higher tabs than the schedules for singles. With separate returns, they each owe $3,280, or again, the $6,560.

As single taxpayers (even though they are living together) the other couple comes off much better financially. Each is entitled to a standard deduction and a single exemption, making their tax tab $2,702.50 each, or a total of $5,405. With that $1,155 in lower taxes and $300 in rebate and tax cut, they are getting a $1,455 financial inducement from the federal government to skip the legalities of marriage.

The new tax bill does even more to increase the tax penalty on employed couples who are married. For example, the new law provides that in 1975 single persons can take a standard deduction of 16 per cent of their income up to $2,300 without itemizing.

That comes to $4,600 for an unmarried couple. But the ceiling on a joint return is being raised to only $2,600.

It all adds up to a dirty tax trick on hardworking married couples. Because of the necessities of the economic times, their numbers are probably growing. They should not be penalized either for working or for being married, factors which some people still consider to be attributes.

Countless Americans doubtless can point to countless inequities in other areas of the tax laws affecting them, and it has long been recognized that the while federal tax system needs a vast overhaul of reform.

The Congress, which never has shown itself to be equal to that massive task, nevertheless should do something promptly about the monstrous inequity of the "marriage tax." It wouldn't be at all out of order if New Jersey senators and members of the House did something to lead the way, and we're calling for them to take some action.

MASSACHUSETTS CHIEFS OF POLICE CELEBRATE LAW DAY, U.S.A.

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. STUDDS. Mr. Speaker, the Massachusetts Chiefs of Police Association is taking the lead in today's celebration of Law Day in Massachusetts, a day for all of us to rededicate ourselves to the rule of law. The Massachusetts Chiefs of Police Association has marked this 18th annual observance of Law Day by a special proclamation, which reads as follows:

PROCLAMATION BY THE MASSACHUSETTS CHIEFS OF POLICE ASSOCIATION

This year will mark the Nation's eighteenth annual observance of Law Day—a special day for reaffirming our loyalty to the United States and rededicating ourselves to the rule of Law.

The benefits that have come to each of us as individuals and to all of us as Chiefs of Police through the adherence to the rule of Law are endless. It is through the process of law that our Commonwealth has achieved its amazing growth and development in every sphere of human endeavor.

The law does not rule by itself. Citizens administer it; and each citizen must abide by its constraints and accept its responsibilities if the rights, freedom, opportunities, and protections of all citizens are guarded.

Now, therefore I, Henry J. McNamara, Jr., President of the Massachusetts Chiefs of Police Association, do hereby urge the people of the Commonwealth of Massachusetts to observe Thursday, May 1st., 1975 as Law Day in this great State of Massachusetts. Especially the members of this Association urge the Courts to take the lead in sponsoring and participating in appropriate observances throughout the Commonwealth.

And, as requested by the membership of the Massachusetts Chiefs of Police Association urge and request His Excellency Michael S. Dukakis, to direct the appropriate State officials to display the flag of the United States on all public buildings.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CONABLE. Mr. Speaker, the Republican policy committee met earlier this week to discuss the first concurrent resolution on the budget. We firmly oppose voting for a $73.2 billion budget deficit and feel that if Congress takes this action, the impact on our Nation's economy will be disastrous.

The policy statement issued by the committee follows:

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1976

Last year, Congress undertook a major overhaul of the budget process. Instead of considering each spending measure separately on its merits and then adding them all up at the end of the year to find out the total, Congress under the new procedure is supposed to set spending and revenue totals in advance and then discipline itself to see that individual spending and revenue measures adhere to the overall plan. The idea is that under the new budget process, Congress will control fiscal policy rather than succumb to every attractive spending scheme with no notion of the total impact of its actions.

This week the new budget process gets its first test on the Floor of the House, and its credibility is at stake. The First Concurrent Resolution on the Budget, H. Con. Res. 218, neither proposes meaningful curbs on the uncontrollably ballooning deficit nor even accurately predicts the final size of the unfettered budget shortfall.

The Resolution proposes a $73.2 billion deficit, a figure scarcely compatible with the idea of fiscal discipline even in a recessionary economy. House Republicans oppose this $73 billion deficit not only for its sheer size, but for several other reasons as well:

1. $73 billion is a cosmetic figure which does not accurately reflect the true amount of federal borrowing that will be required in Fiscal 1976. Errors in estimating the costs of pending legislation total perhaps as much as $30 billion, while so-called "off-budget" activities, federally-sponsored enterprises and borrowing will add more than $20 billion in federally related borrowing requirements. The report accompanying the Resolution sweeps these troublesome items under the rug.

2. The proposed deficit will necessitate enormous Federal borrowing—by one estimate, more net funds, both in absolute terms and in relation to the size of the economy, than have ever been borrowed before in the capital markets in any single year by the public and private sectors combined. Total Federal borrowing could approach $100 billion in Fiscal 1976, a magnitude that will push up interest rates and crowd much private borrowing out of the capital market, thereby delaying business recovery and an easing of the recession.

3. Inordinate deficit can be curbed either

by increasing revenues—an option eliminated by the just-enacted tax cut—or by cutting spending. In calculating the aggregate totals, only four budget categories were cut, including an excessive cut in the Administration's proposed defense budget. But in the 15 other spending categories, many opportunities for reducing outlays were ignored and new items were added. Although perhaps some of these new programs might be desirable in the abstract, to undertake them in Fiscal 1976 would be irresponsible in light of their impact on the current fiscal predicament.

4. In this year's preoccupation with recession, we have forgotten last year's alarm over inflation. Federal borrowing of the level projected in the Resolution could set off another cycle of inflation followed by recession. Even a $73 billion deficit goes beyond desirable stimulation of the recessionary economy into the realm of over-stimulation. Because many of the "temporary" stimulative programs assumed in the Resolution may become permanent fixtures, Congress instead of administering discipline is locking us into a higher tier of uncontrollable spending for future years.

5. This process of uncontrollable spending and growing inflation has gained momentum for many years. During the last two years we have begun to recognize how severe the consequences can be, in runaway prices, lost jobs, and lost productive activities.

The Budget Committee's first Resolution comes just in time to reveal a government out of control and sliding into a state of fiscal disaster. The Republican Policy Committee cannot support the proposed deficit or the specifics contained in H. Con. Res. 218. No amount of juggling of figures can salvage fiscal credibility. The problem is not cosmetic but basic.

Major legislative efforts are needed to rein in "uncontrollable" items and to establish a new pattern of legislative authorizations and appropriations. The new budget procedure is no panacea, and the First Resolution on the Budget makes it clear that our whole legislative process must be rededicated to a will to govern.

NEEDED: A NATIONAL FULL EMPLOYMENT BUDGET

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SCHEUER. Mr. Speaker, it is nearly 30 years since this country enacted a full employment resolution to recognize the need for a national policy assuring every American the right to a job. While the budget prepared by our Budget Committee is far superior to that of the administration, we have yet to face up to our commitment to full employment. I believe that we do not fight inflation by destroying the livelihood of millions of Americans who are eager to work and be independent, productive members of society.

I speak to this issue with a certain degree of knowledge and experience: I was author of the new careers program in 1966 to provide opportunities for low-income people without educational credentials to get on the civil service system ladder as paraprofessionals. This program has been a spectacular success, bringing tens, if not hundreds of thousands of people into the work force as aides in education, health, and law enforcement services and immeasurably enriching the public sector. Providing access to meaningful productive jobs for those eager to work is at the very foundation of our American system.

I would like to introduce into the RECORD a letter I have received from the Full Employment Action Council whose membership includes many distinguished Americans, and which is chaired by Coretta Scott King and Murray Finley, president of the Amalgamated Clothing Workers. It lucidly states the case for the urgent national need for a full employment budget.

Washington, D.C., April 28, 1975.

DEAR CONGRESSMAN: We are deeply disturbed by the April 14, 1975 Report of the Committee on the Budget of the House of Representatives, to accompany House Concurrent Resolution 218, relating to the Federal Budget for the fiscal year 1976.

This Report embodies, in our considered judgment, a fundamental wrong approach to the entire problem of the Federal Budget, and one that we think would be disastrous to the economy and to the well-being of the people if put in effect without substantial alteration.

It seems clear that the primary concern of national economic and social policy should be to restore full employment and full production as soon as feasible, with due attention to the great priorities of our neglected domestic public needs. The factors which really should condition how fast and how far we should move in these directions are our unused economic capabilities and the increases in them in the near future, our organizing skills, and our moral commitment. Our current unused capabilities are stupendous—8 million full-time officially recorded unemployed and 10.7 million under a full count, and an economy operating more than 200 billion dollars below reasonably full production. The true purpose of the Federal Budget is to facilitate in every practical way the attainment of economic and social restoration as soon as feasible. There are no natural limitations upon the Federal budget or the Federal deficit in the sense that there are natural limitations upon available labor supply, skills, plant and other real resources.

In vivid contrast, the Report issued by the House Budget Committee moves in the upsidedown fashion of starting with a fixed conceptual view of what the Federal budget and deficits should be, and then proceeds to announce or forecast how much unemployment and in consequence other idle resources we should continue to tolerate in consequence of a Budget thus improperly determined. The alarming nature of this procedure is that the Report itself forecasts that we should continue to tolerate 7.4 percent unemployment as officially measured (and perhaps 8.5–10.5 percent unemployment when fully measured) as late as the end of fiscal 1976. This approach implies intolerably high unemployment of labor force and other productive resources perhaps until 1980.

The second defect in the Report issued by the House Committee on the Budget is that it stops those imperative increases in federal spending which are essential to adequate economic recovery and our essential public needs. They include, among others, energy development, mass transportation, housing, health and educational facilities and services, improved social insurance and unemployment insurance, and a start toward meaningful income support for those in need who are not employed. The Report, therefore, imparts a further moratorium upon some of the most vital of our unmet economic and social needs, at the very time when the huge size of our unused resources affords us a unique opportunity to take care of these needs by transforming idleness into useful output.

The minimum competent estimates are that we need an annual rate of Federal spending or investment about 30–40 billion dollars above the President's fiscal 1976 Budget to move surely and rationally toward the economic and social improvements clearly within our short-range reach. The fiscal 1976 Federal outlays proposed in the Report are only 368.2 billion or less than 19 billion above the President's fiscal 1976 Budget.

We are not concerned because the course we recommend would temporarily increase the size of the Federal deficit. The condition of the Federal Budget is less important than the condition of the national economy and the well-being of the people. Moreover, the increased pace of economic restoration which an appropriate Federal Budget would promote would, through its impact on tax revenues, reduce the additional deficit caused by these proposed increases in the Federal Budget to about 10 billion dollars at most in the short-run. In the longer run, a sound Budget policy related directly to the needs of the economy would bring the Budget into balance or even into surplus upon restoration of reasonably full resource use. Most of the large deficit in the current and prospective Budget is due to the poor performance of the economy, and perpetuation of this poor performance by an improperly devised Federal Budget would assuredly prevent anything approximating a balanced Budget for as far ahead as we can see.

Nor can we accept the unconscionable view that the evils imposed by unemployment upon scores of millions of people whose bread winners are unemployed are acceptable in the name of restraining inflation. There are more decent ways of restraining inflation. Indeed, all experience, and especially that during the most recent years, demonstrates that a healthy economy is far less subject to inflation than a sick economy.

We, therefore, respectfully urge that you support all amendments which would expand the federal role in the areas essential to economic recovery and reduced unemployment. We further urge that the Budget Committee reconsider its method of computing the budget so as to present in the future a budget aimed at full employment. A budget which would result in 7.4 percent unemployment by the end of the fiscal year is not a satisfactory budget for the American people.

Sincerely,

CORETTA SCOTT KING,
MURRAY H. FINLEY,
Chairpersons.

PROPOSED REGULATIONS ON LABELING OF DISTILLED SPIRITS INGREDIENTS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SNYDER. Mr. Speaker, the Bureau of Alcohol, Tobacco, and Firearms is currently considering proposed regulations to require ingredient labeling of distilled spirits.

Ingredients labeling would establish nothing of benefit to the consumer for the distillation process totally changes the entire character of the original ingredients.

On April 16, I presented testimony on the pending proposal and I request unanimous consent to include that testimony at this point in the RECORD:

UMI

TESTIMONY

(By Hon. Gene Snyder)

Like my colleagues in the Congress I always try to be helpful to all constituents and industry groups within our area. The alcoholic beverage industry is a major employer, taxpayer and business investor in the Commonwealth of Kentucky. Still, in asking for the privilege you have given me of appearing before you today I want to assure you my motivation is less to serve this industry than to attempt to be of service to you.

One of the advantages that comes with representation of an important industry in our economy is a practical knowledge of it, of its challenges and of its people. No doubt you know many aspects of the industry better than I, but I respectfully suggest that I have a better than average knowledge of the aspirations, hopes and ideas of those who work in the industry and the impact and non-essentially of the regulation you propose. Additionally, our people, in and out of the industry, represent some of the most voluminous consumers of bourbon. I have found absolutely no public interest in ingredient labeling.

We have been making bourbon in Kentucky for a long, long time. For the last 40 years the domestic production and distribution of distilled spirits has been under an extremely high degree of government supervision. It is now one of the most controlled industries in the country—you can say it is totally government supervised. These controls exist for just one reason—to assure that the consumer gets a safe, quality product. Standards of identity are prescribed by the Federal government. All ingredients, formulae and even labels must be submitted for approval by the Federal government. All production processes are supervised by the Federal government.

These stringent safeguards exist for only one reason—to protect the public against the use of any harmful processes or ingredients.

Now with that measure of control in existence I just can't see any reason, and I can see absolutely no consumer benefit from a requirement for ingredient labeling of distilled spirits such as the one now under consideration by your excellent and effective bureau.

In fact there are some very good reasons why you should not require ingredient labeling. First of all we would be the only country in the world with such a labeling requirement. An extra label will cost the distillers several millions of dollars. This will be passed along to the consumer in the form of higher prices. You know as well as I do that we are all battling to reduce inflation. Why promulgate a requirement that will add to inflation?

If we get into ingredient labeling you will inveitably come to us in the House of Representatives and ask us for additional staff to handle the enforcement, recordkeeping and testing of imported products required by ingredient labeling. That simply adds to the cost of government and is paid for by the individual taxpayer.

It would seem to run directly counter to the President's remarks in his address to a joint session of the Congress on October 8, 1974 wherein he stated:

"At the conference on inflation, we found, I would say, very broad agreement that the Federal Government imposes too many hidden and too many inflationary costs on our economy.

"As a result, I proposed a four-point program aimed at a substantial purging process.

"No. 1. I've ordered the Council on Wage and Price Stability to be a watchdog over inflationary costs of all governmental actions.

"2. I asked the Congress to establish a national commission on regulatory reform to undertake a long-overdue total re-examination of the independent regulatory agencies. It will be a joint effort by the Congress, the executive branch and the private sector to identify and eliminate existing Federal rules and regulations that increase costs to the consumer without any good reason in today's economic climate.

"3. Hereafter I will require that all major legislative proposals, regulations and rules emanating from the executive branch of the Government will include an inflation impact statement that certifies we have carefully weighed the effect on the nation."

In addition to no benefit to the consumer and in addition to the ingredient labeling idea being inflationary in nature there is a third point. All imported distilled spirits will have to have a label too. We are in effect setting up an artificial, non-tariff trade barrier. We in the Congress have been working for some time on ways and means of improving our foreign trade. Later this year in Geneva this government will be in negotiation on world trade. Why do we now set up an annoying, expensive barrier to those countries who now sell their distilled spirits, their cordials to us? I suggest, gentlemen, that we should not.

How can you determine the exact chemical makeup of an imported product so as to verify the authenticity of the label? The Library of Congress indicates that it probably cannot be done due to all possibilities ranging from the grain used to the type and age of the wood in the barrels.

Everything we do in life has to be weighed in the scales. On my side of the scales I say the proposed ingredient labeling regulation is inflationary, partially unenforcible, in violation of the spirit of President Ford's statement and offers no consumer benefit and undoubtedly will be injurious to the United States as far as foreign trade is concerned..

Many of my fellow members of Congress, from both parties, are in agreement with my position. Edward J. Derwinski (R-Ill.), James F. Hastings (R-N.Y.), William F. Walsh (R-N.Y.), Elford A. Cederberg (R-Mich.), William M. Ketchum (R-Calif.), Clair W. Burgener (R-Calif.), Robert L. Leggett (D-Calif.), Fortney H. Stark (D-Calif.), Burt L. Talcott (R-Calif.), Fred B. Rooney (D-Pa.), Guy Vander Jagt (R-Mich.), Garry Brown (R-Mich.), Steve Symmes (R-Idaho), George Hansen (R-Idaho), James M. Hanley (D-N.Y.), Robert H. Michel (R-Ill.), William D. Ford (D-Mich.), John H. Rousselot (R-Calif.), Don E. Young (R-Alaska), Floyd V. Hicks (D-Wash.), Lloyd Meeds (D-Wash.), Tom Foley (D-Wash.), have directly indicated their agreement by sponsoring House Concurrent Resolutions on the matter during the 93rd Congress.

I cannot conceive of the proponents of this regulation balancing the scales in their favor.

Thank you very much.

EPA URGES DELAY ON LIQUID METAL FAST BREEDER REACTOR

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FISH. Mr. Speaker, sometime in the near future the House will be called upon to approve funding for the continued development of the liquid metal fast breeder reactor. This type of nuclear reactor is considered by many experts to be the most hazardous addition to the nuclear power industry. Recently, the Environmental Protection Agency has added its voice in opposition to the premature development of this plutonium producing reactor. The following article from the New York Times of April 28, 1975 explains the reasons for the EPA's reservations:

E.P.A. Backs Delay on Atom Breeders—Holds A.E.C. Overestimated Rise in Electricity Demand for the Next 50 Years

(By Edward Cowan)

WASHINGTON, April 27—The Environmental Protection Agency has suggested that the Government slow the development of a plutonium-breeding nuclear reactor on which many utilities have based their plans for producing electricity at the turn of the century and beyond.

The suggestion of a delay of from four to 12 years was based on a finding that, in sponsoring the breeder, the Atomic Energy Commission had apparently overstated the probable rate of growth of electric power demand in the years 1970–2020.

CRITICISM WIDESPREAD

The environmental agency also said that more work was needed on the problems of safety and radioactive waste disposal. Further, it said, the A.E.C. had been premature in estimating that chances of a major accident were one in 10 million. More facts on design and performance are needed, E.P.A. said.

Last autumn, in the growth of demand for electricity, lower rates than those used by the A.E.C. were given in "Project Independence Report," which was an attempt by the Federal Energy Administration to anticipate energy requirements and supplies until 1985. It was these rates that the Environmental Protection Agency cited last week in its evaluation of an environmental impact statement by the A.E.C. for the breeder program.

The impact statement was a major revision of the A.E.C.'s version in March, 1974—a statement that provoked extensive criticism. The new draft was published on Jan. 16, just before the A.E.C. was split into the Energy Research and Development Administration and the Nuclear Regulatory Commission.

Some criticism of the first draft came from the environmental agency. Its latest report and letter of transmittal on the proposed final statement approvingly took account of the A.E.C.'s response to the criticism.

However, the environmental agency still expressed reservations. With some exceptions, it said, "the A.E.C. has addressed the impacts and economic aspects" of the breeder reactor program "about as well as can be expected, given the state of presently available information."

The suggestion of a delay of 4 to 12 years was regarded as an important tactical victory by opponents of the breeder, who are centered in the Natural Resources Defense Council, a nongovernmental organization. Their battleground is Congress, which appropriates the money for the breeder and where a new round of hearings on nuclear power is about to begin.

The breeder reactor, while producing electricity, also converts uranium into plutonium, itself a reactor fuel. Thus, uranium in a breeder would produce more power than it would in the present generation of power reactors.

A CLASH OF OPINION

Advocates of the breeder argue it is essential for conserving uranium supplies and would reduce the need to mine low-grade ores at very high costs. Opponents argue that plutonium is highly toxic and creates handling and waste-disposal hazards to public

health, Plutonium also involves the "safeguard" issue—the theoretical possibility that if terrorists could steal a few pounds of plutonium they might be able to fashion a nuclear device that could be used to blackmail society.

While experts differ on the gravity of these problems and the ease with which they can be resolved, proponents do acknowledge that plutonium presents serious problems that will take time and money to resolve.

The present schedule calls for a demonstration plant in Tennessee to produce power by 1982 and then for subsidized quasi-commercial breeder reactors that would be followed by a fully commercial plant operating by the late nineteen eighties. It was for this timetable that the Environmental Protection Agency suggested a stretch-out.

This schedule, the agency said, "indicates what we believe to be highly optimistic assumptions concerning the time and effort needed for adequate resolutions of environmental and safety problems."

Some ambivalence marked the E.P.A. statement. Although it developed an argument for a delay at some length, its covering letter said:

"This should not be construed as indicating that E.P.A. is necessarily advocating a delay, but that sufficient evidence exists to warrant reexamination" of the timing of the breeder program.

DEMONSTRATION FAVORED

However, Sheldon Meyers, director of the agency's Office of Federal Activities, who signed the letter, confirmed in response to an inquiry that the agency was suggesting a stretch-out.

His letter also said that "we see no reason for abandoning present and planned developmental efforts," including the demonstration plant.

"However," the letter went on, "to preserve flexibility for future energy decisions" the Energy Research and Development Administration should pursue and expand "feasible alternatives" should "commercialization" of the breeder "not be possible."

That was a reference to both environmental and safety problems, such as where to put waste plutonium, and also to the rapidly rising cost of the breeder.

The environmental agency said that while the A.E.C.'s impact statement foresaw a slower rate of population growth for the half century 1970–2020 than occurred in 1950–1972, it projected no slow-down in expansion of the economy or in demand for energy. That "seems anomalous," the E.P.A. agency said.

With the slower growth of energy demand foreseen by Project Independence, the agency said, uranium will not be consumed in power reactors so rapidly. Therefore the need for early introduction of the breeder is lessened, it said.

TRANSPORTATION TRUST FUND

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. EDGAR. Mr. Speaker, I am introducing a bill today which would change the name of the "highway trust fund" to the "transportation trust fund." I wish to explain my motivation for introducing this legislation.

The name "highway trust fund" conjures up images of cement mixers, bulldozers, and cloverleaves interspaced with networks of concrete roadways crisscrossing the countryside. This Nation needed a well-developed Interstate Highway System for both a healthy commerce and personal convenience. Almost $65 billion has been expended from the highway trust fund from the time it was established in 1956 for capital outlay, maintenance, research, and safety programs for highways.

But our country's aggressive effort in establishing the Interstate Highway System overshadowed the need for urban and suburban mass transportation. Federal appropriations for trains, buses, and subway systems were assigned to a low priority, while highways achieved an exalted status in the transportation caste. I feel that now is the time to balance our transportation priorities. The neglect of Federal capital investment in mass transportation has been exacerbated by the psychological barrier of retaining the name "highway trust fund." Passage of my bill would demolish this barrier and provide, I believe, the beginnings of a new dialog on Federal funding of transportation.

Evidence of this psychological barrier is documented by the lengthy and often bitterly opposed action in previous Congresses to thwart the funding of transportation other than highways from highway trust fund moneys. After years of vitriolic and vicious warfare in committees and in debate on the House and Senate floor, the "sacred cow" image of the fund was partially dismantled. But this small concession required heroic legislative efforts by Members who recognized that the present machinery was benefitting the special interests at the cost of the public interest. Despite this primordial awakening, many billions of dollars are funneled by this Government each year for highways, while public transit systems suffer physically and financially.

The enactment of the National Mass Transportation Act on November 26, 1974, ushered in a new era of Federal sensitivity to the need for mass transportation. But it is not enough. It is clear to me that all money disbursed by this Congress for transportation should be allocated to where it will do the most good.

In 1956, it was evident that this money was best suited for highways, and a mechanism was established to channel this money where it was needed. In 1975, certain unanticipated factors have contributed to a lessening of importance of highway construction.

Perhaps the most major of these factors has been the decline of our fossil fuel resources to power our automobiles. The paralysis which we suffered during the Arab oil embargo permitted the first opportunity for us to measure our vulnerability.

Many of us now realize that if our supply of energy is constant, while our demand for energy increases exponentially, our accustomed lifestyle would dramatically alter. These were sobering months in our history when we recognized that we could no longer waste our natural resources, but that conservation had to be invoked by the affluent as well as the not so affluent.

Another factor which was gaining increasing prominence since the initiation of the highway trust fund was pollution. As more and more autos clogged our highways, the effect of increased noxious and poisonous emissions became a significant health hazard. Federal controls were promulgated to deal with pollution and minimize this threat. We have learned much about how our decisions on transportation affect our lives. And it is clear to me that we are in need of a total and comprehensive reevaluation of our priorities in transportation.

In light of these new variables which have been introduced into this equation, energy and pollution, it is imperative that we reconsider the annual $6 billion appropriation for highways from funds collected for the highway trust fund.

If we do not heed the warning signals now when we possess the resources to combat this menace, we will find a time when we will not be able to cope with an increasingly critical situation.

What we need now is an integrated network and an authority to balance our transportation needs. The personal freedom once associated with private transportation has become a personal bondage as modern thruways become modern parking lots during rush hour. We have not provided an alternative for those who would choose safe, efficient, economical and convenient mass transportation instead of fighting traffic every morning. Mass transportation can be planned to complement existing systems. Conversely, our new highway construction can be planned to be consonant with mass transportation.

Changing the name to "transportation trust fund" is a modest first step in addressing ourselves to the coming realities. The time for creative leadership is now.

PRESIDENT FORD SPEAKS AT TULANE UNIVERSITY

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. TREEN. Mr. Speaker, on April 23 the President of the United States traveled to Louisiana for a number of events. Included was an address to a special student convocation at Tulane University in New Orleans. The President's appearance at Tulane was a proud moment for me as an alumnus of that great institution. Tulane is also the alma mater of two other members from Louisiana, the Honorable F. Edward Hébert and the Honorable Lindy (Mrs. Hale) Boggs, both of whom also accompanied the President on his visit.

The President was received warmly as he entered the convocation, and his youthful audience responded enthusiastically to his message. And, for good reason; because the President called for—

An agenda for the future, to unify, to bind up the Nation's wounds and to restore its health and its optimistic self-confidence.

The President struck a responsive chord, not only for those who had the privilege of hearing him at Tulane, but for all Americans. And, so that the inspiration of his message may be conveyed to more Americans, I am pleased to insert here the text of his remarks:

REMARKS OF THE PRESIDENT

Mr. President, President Hurley, Senator Johnston, my good friends from the House of Representatives, Eddie Hebert, Dave Treen, Lindy Boggs, Lieutenant Governor Fitzmorris, students, faculty, alumni and guests of Tulane University:

It is really a great privilege and a very high honor of having an opportunity of participating again in a student activity at Tulane University, and for this opportunity, I thank you very, very much.

Each time that I have been privileged to visit Tulane, I have come away newly impressed with the intense application of the student body to the great issues of our time, and I am pleased tonight to observe that your interest hasn't changed one bit.

As we came into the building tonight, I passed a student who looked up from his book and said, "A journey of a thousand miles begins but with a single step." (Laughter)

To indicate my interest in him, I asked, "Are you trying to figure out how to get to your goal in life?" He said, "No, I am trying to figure out how to get to the Super Dome in September."

I don't think there is any doubt in my mind that all of you will get to the Super Dome. (Laughter) Of course, I hope it is to see the Green Wave have their very best season on the gridiron.

I have sort of a feeling that you wouldn't mind making this another year in which you put the Tigers in your tank. (Laughter)

When I had the privilege of speaking here in 1968 at your Directions '68 forum, I had no idea that my own career and our entire Nation would move so soon in another direction. And I say again, I am extremely proud to be invited back.

I am impressed, as I undoubtedly said before, but I would reiterate it tonight, by Tulane's unique distinction as one of the only American universities to be converted from State sponsorship to private status. And I am also impressed by the Tulane graduates who serve in the United States Congress—Bennett Johnston, Lindy Boggs, Dave Treen.

Eddie Hebert, when I asked him the question whether he was or not, and he said he got a special degree—drop out '28. (Laughter)

But I think the fact that you have these three outstanding graduates testifies to the academic excellence and the inspiration of this historic university rooted in the past, with its eyes on the future.

Just as Tulane has made a great transition from the past to the future, so has New Orleans, the legendary city, that has made such a unique contribution to our great America.

New Orleans is more, as I see it, than weathered bricks and cast iron balconies. It is a state of mind, a melting pot that represents the very, very best of America's evolution, an example of retention of a very special culture in a progressive environment of modern change.

On January 8, 1815, a monumental American victory was achieved here—the Battle of New Orleans. Louisiana had been a State for less than three years, but outnumbered Americans innovated, outnumbered Americans used the tactics of the frontier, to defeat a veteran British force trained in the strategy of the Napoleonic wars.

We, as a Nation, had suffered humiliation and a measure of defeat in the War of 1812. Our national capital in Washington had been captured and burned. So the illustrious victory in the Battle of New Orleans was a powerful restorative to our national pride.

Yet, the victory at New Orleans actually took place two weeks after the signing of the Armistice in Europe. Thousands died although a peace had been negotiated. The combatants had not gotten the word, yet the epic struggle nevertheless restored America's pride.

Today, America can regain the sense of pride that existed before Vietnam, but it cannot be achieved by refighting a war that is finished as far as America is concerned.

As I see it, the time has come to look forward to an agenda for the future, to unify, to bind up the Nation's wounds and to restore its health and its optimistic self-confidence.

In New Orleans, a great battle was fought after a war was over. In New Orleans tonight, we can begin a great national reconciliation. The first engagement must be with the problems of today, but just as importantly, the problems of the future.

That is why I think it is so appropriate that I find myself tonight at a university which addresses itself to preparing young people for the challenge of tomorrow.

I ask that we stop refighting the battles and the recriminations of the past. I ask that we look now at what is right with America—at our possibilities and our potentialities for change and growth, achievement and sharing. I ask that we accept the responsibility of leadership as a good neighbor to all peoples and an enemy of none.

I ask that we strive to become, in the finest American tradition, something more tomorrow than we are today.

Instead of my addressing the image of America, I prefer to consider the reality of America. It is true that we have launched our Bicentennial celebration without having achieved human perfection, but we have attained a very remarkable self-governed society that possesses the flexibility and the dynamism to grow and undertake an entirely new agenda, an agenda for America's third century.

So, I ask you to join me in helping to write that agenda. I am as determined as a President can be to seek national rediscovery of the belief in ourselves that characterized the most creative periods in our Nation's history. The greatest challenge of creativity, as I see it, lies ahead.

We, of course, are saddened indeed by the events in Indochina, but these events, tragic as they are, portend neither the end of the world, nor of America's leadership in the world.

Let me put it this way, if I might. Some tend to feel that if we do not succeed in everything everywhere, then we have succeeded in nothing anywhere.

I reject categorically such polarized thinking. We can, and we should, help others to help themselves, but the faith of responsible men and women everywhere in the final decision rests in their own hands, not in ours.

America's future depends upon Americans, especially your generation, which is now equipping itself to achieve the challenges of the future, to help write the agenda of America.

Earlier today, in this great community, I spoke about the need to maintain our defenses. Tonight, I would like to talk about another kind of strength, the true source of American power that transcends all of the deterrent powers for peace of our Armed Forces. I am speaking here of our belief in ourselves and our belief in our Nation.

Abraham Lincoln asked, in his own words, "What constitutes the bulwark of our own liberty and independence?" He answered, "It is not our frowning battlements or bristling seacoasts, our Army or our Navy. Our defense is in the spirit which prized liberty as the heritage of all men, in all lands everywhere."

It is in this spirit that we must now move past the discords of the decade. It is in this spirit that I ask you to join me in writing an agenda for the future.

I welcome your invitation, particularly, tonight because I know it is at Tulane and other centers of thought throughout our great country that much consideration is being given to the kind of future that Americans want and, just as importantly, will work for.

Each of you are preparing yourselves for the future, and I am deeply interested in your preparations and your opinions and your goals. However, tonight, with your indulgence, let me share with you my own views.

I envision a creative program that goes as far as our courage and our capacities can take us, both at home and abroad. My goal is for a cooperative world at peace, using its resources to build, not to destroy.

As President, I am determined to offer leadership to overcome our current economic problems. My goal is for jobs for all who want to work, and economic opportunity for all who want to achieve.

I am determined to seek self-sufficiency in energy as an urgent national priority. My goal is to make America independent of foreign energy sources by 1985. Of course, I will pursue interdependence with other nations and a reformed international economic system.

My goal is for a world in which consuming and producing nations achieve a working balance. I will address the humanitarian issues of hunger and famine, of health and of healing. My goal is to achieve or to assure basic needs and an effective system to achieve this result.

I recognize the need for technology that enriches life while preserving our natural environment. My goal is to stimulate productivity, but use technology to redeem, not to destroy our environment.

I will strive for new cooperation rather than conflict in the peaceful exploration of our oceans and our space. My goal is to use resources for peaceful progress, rather than war and destruction.

Let America symbolize humanity's struggle to conquer nature and master technology. The time has now come for our Government to facilitate the individual's control over his or her future and of the future of America.

But the future requires more than Americans congratulating themselves on how much we know and how many products that we can produce. It requires new knowledge to meet new problems. We must not only be motivated to build a better America, we must know how to do it.

If we really want a humane America that will, for instance, contribute to the alleviation of the world's hunger, we must realize that good intentions do not feed people. Some problems, as anyone who served in the Congress knows, are complex. There are no easy answers. Willpower alone does not grow food.

We thought, in a well-intentioned past, that we could export our technology lock, stock and barrel to developing nations. We did it with the best of intentions, but we are now learning that a strain of rice that grows in one place will not grow in another; that factories that produce at 100 percent in one nation produce less than half as much in a society where temperaments and work habits are somewhat different.

Yet, the world economy has become interdependent—not only food technology, but money management, natural resources and energy, research and development—all kinds of this group require an organized world society that makes the maximum effective use of the world's resources.

I want to tell the world: let's grow food together, but let's also learn more about nutrition, about weather forecasting, about irrigation, about the many other specialties involved in helping people to help themselves.

We must learn more about people, about the development of communities, architecture, engineering, education, motivation, productivity, public health and medicine, arts and sciences, political, legal and social organization. All of these specialties, and many, many more, are required if young people like you are to help this Nation develop an agenda for our future, your future, our country's future.

I challenge, for example, the medical students in this audience to put on their agenda the achievement of a cure for cancer. I challenge the engineers in this audience to devise new techniques for developing cheap, clean and plentiful energy and as a by-product, to control floods.

I challenge the law students in this audience to find ways to speed the administration of equal justice and make good citizens out of convicted criminals.

I challenge education, those of you as education majors, to do real teaching for real life.

I challenge the art majors in this audience to compose the great American symphony, to write the great American novel and to enrich and inspire our daily lives.

America's leadership is essential. America's resources are vast. America's opportunities are unprecedented.

As we strive together to perfect a new agenda, I put high on the list of important points the maintenance of alliances and partnerships with other people and other nations. These do provide a basis of shared values, even as we stand up with determination for what we believe.

This, of course, requires a continuing commitment to peace and a determination to use our good offices wherever possible to promote better relations between nations of this world.

The new agenda, that which is developed by you and by us, must place a high priority on the need to stop the spread of nuclear weapons and to work for the mutual reduction in strategic arms and control of other weapons.

I must say parenthetically, the successful negotiations at Vladivostok, in my opinion, are just a beginning.

Your generation of Americans is uniquely endowed by history to give new meaning to the pride and spirit of America. The magnetism of an American society, confident of its own strength, will attract the good will and the esteem of all people wherever they might be in this globe in which we live.

It will enhance our own perception of ourselves and our pride in being an American. We can—we can, and I say it with emphasis—write a new agenda for our future.

I am glad that Tulane University and other great American institutions are reaching out to others in programs to work with developing nations, and I look forward, with confidence, to your participation in every aspect of America's future, and I urge Americans of all ages to unite in this Bicentennial year to take responsibilities for themselves, as our ancestors did.

Let us resolve tonight to rediscover the old virtues of confidence and self-reliance and capability that characterized our forefathers two centuries ago.

I pledge, as I know you do, each one of us, to do our part. Let the beacon lights of the past shine forth from historic New Orleans, and from Tulane University, and from every other corner of this land to illuminate a boundless future for all Americans and a peace for all mankind.

Thank you very much.

A TRIBUTE TO REUBEN WHEATLEY

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DE LUGO. Mr. Speaker, I would like to state for the record my keen disappointment that Reuben Wheatley was not reappointed as the Virgin Islands Commissioner of Finance. Mr. Wheatley is a distinguished public servant whose honesty, professionalism, and high integrity has earned him wide respect from all segments of the Virgin Islands community.

Mr. Wheatley, who has held this important position since 1966, has served with unqualified distinction under three Governors from three different political parties. The loss of his knowledged expertise in fiscal matters will be particularly hard-felt as the Virgin Island Government attempts to cope with its serious deficit and a stagnant economy. While I would not want to prejudge his eventual successor, I believe the absence of Commisioner Wheatley from the government will be sorely missed by Virgin Islanders of all political persuasions.

The Virgin Islands Daily News recently published an excellent editorial on this matter, and I would like to share it with you:

HANG ON TO TALENT

Generally speaking, a newly elected governor or president is accorded the right to select his own cabinet members to start off the new administration with. Even though the legislative branch must pass on such appointments, the general feeling among legislators is that the new chief executive is entitled to a pretty free hand in picking the key members of his administrative team. There are, however, times when there are exceptions to this rule. One is when the new governor or president makes such an obviously bad appointment that the lawmakers are in conscience bound to oppose it, and another is when an incoming chief executive recognizes that a cabinet member has such high qualifications that despite party affiliation he or she deserves retention.

For a legislature to refuse to confirm a nomination because of the nominee's lack of qualifications is relatively rare, for most legislators seem to lean over backward to give the incoming administration an opportunity to be formed according to the chief executive's wishes. Still rare, but considerably more common, are the cases in which a new governor or president will recognize and acknowledge ability when he finds it already on the job, and keep that individual on as part of the new team. This has happened with the new administration in the Virgin Islands, for the Governor has seen fit to reappoint both the Attorney General and the Commissioner of Social Welfare, both decisions which were generally applauded throughout the community.

In a relatively small population it must be recognized that there are limits to the number of highly qualified people available or willing to accept such responsible positions, and it was encouraging to see the Governor show a willingness to retain truly competent personnel even though they had been appointed to office by his predecessor. Consequently, it was with a sense of disappointment that we received the news of the chief executive's nomination of a replacement for the present Commissioner of Finance. Reuben Wheatley has served the Virgin Islands long and well, holding the Finance commissionership since December, 1966, working under three governors from three different political parties, and has been widely regarded, particularly among members of the business community, as one of the more responsible and capable department heads to serve these islands. At a time when so many of our critical problems are of a fiscal nature, it is disconcerting to see the chief executive prepared to let the administration lose an official of such dedication and ability.

SOLAR ENERGY TAX INCENTIVES

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. GUDE. Mr. Speaker, this country has committed itself to a goal of achieving energy independence by reducing imports of high-priced foreign oil. Many of the programs which have been proposed to achieve this goal unfortunately would have adverse impacts on both the Nation's economy and the environment. The development of solar energy, however, is one way this country can reduce its dependence on foreign oil without disrupting the economy or polluting the environment.

Solar energy for heating and cooling should prove to be an important contribution to energy self-sufficiency in the short term and could supply a large fraction of new energy requirements in the long run. The Solar Energy Task Force Report, recently released as part of the Federal Energy Agency's Project Independent Study, maintains that solar heating and cooling is capable of producing the energy equivalent of 260,000 barrels of oil a day by 1985. At projected prices of $11 per barrel, a balance-of-payments saving of $1.04 billion per year would be realized. By 1990, this potential savings rises to 700,000 barrels per day and an annual balance-of-payments saving $2.8 billion per year. The FEA report maintains, however, that energy savings of this magnitude can be realized only if the United States

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adopts an "accelerated development effort" for solar energy.

Power for solar heating is not a fictional energy source of the future. Solar power can be tapped with today's technology. As long ago as 1972, before the so-called energy crisis, a National Science Foundation panel on solar energy stated that "there are no technical barriers to the wide application of solar energy to meet U.S. needs."

As the FEA Solar Task Force Report concludes:

> There appear to be no insurmountable technical barriers to the implementation of solar energy systems, and several systems show early promise to achieving cost competitiveness with conventional systems. Solar energy systems, moreover, would conserve domestic fossil fuels and reduce dependence on imports while creating new exportable technology products, thus improving the U.S. balance-of-trade. Sociological and environmental impacts resulting from the utilization of solar energy systems will provide producers and users of energy with alternative choices of energy supplies.

Solar energy must now be taken from the demonstration stage and placed in American homes. The administration does not seem prepared to make that commitment. In fact, the President's entire energy package contains only one passing reference to solar energy. It alludes to the need for further research and development of technology for all forms of energy including fossil fuels, nuclear fission and fusion, solar, and geothermal.

Obviously, it is now up to Congress to complete a wide-ranging solar energy program by passing legislation to promote the use and implementation of existing solar technology.

The last Congress initiated that effort by passing two major bills: the Solar Heating and Cooling Demonstration Act—Public Law 93-409; and the Solar Energy Research, Development, and Demonstration Act—Public Law 93-473. Support for these solar energy measures cut across lines of party and political ideology.

At present, two barriers keep this country from realizing the potential of solar heating and cooling. First, current unsubsidized solar energy must compete with conventional energy sources which are subsidized by the Government. Second, although solar heating and cooling systems cost virtually nothing to operate, construction and installation of such systems involve significant amounts of front-end capital. A potential consumer, willing to buy and install a solar unit economically competitive with alternate technologies, most likely will have difficulty in obtaining sufficient front-end capital in today's tight money market.

On February 27 I introduced legislation to help the development of solar energy by creating a program of low-interest loans to finance the construction of solar heating and cooling in private homes and in multifamily apartments. Since the loans will be available to both individual homeowners and to persons engaged in building residential structures, the program will have a broad impact on the home improvement, residential, and apartment construction industries.

I am today introducing a second solar energy bill to provide tax incentives for the installation of solar heating and cooling equipment. Like my previous bill, this legislation provides an incentive to increase the demand for solar equipment, but unlike my earlier proposal, this bill applies strictly to nonresidential structures.

This bill would provide the individual wishing to install solar equipment in his nonresidential building with the option of using a 5-year amortization plan for the equipment or of qualifying it for the investment tax credit. He could not use both incentives. As in my previous bill, certification requirements are imposed to insure that the equipment installed meets appropriate standards of durability, efficiency, ease of repair, cost, feasibility of design, and so on. Uncertified equipment would not be eligible for the tax incentives. My solar loan program bill established a structure for the inspection and certification of solar equipment according to standards developed by the Energy Research and Development Administration. Draft interim standards for solar performance, authorized by the Solar Heating and Cooling Demonstration Act, have already been prepared by the National Bureau of Standards. It is the intent of both my bills that the certification and inspection procedures developed pursuant to them be consistent with these ERDA and NBS standards.

Other tax legislation has been proposed to provide tax credits for the installation of solar equipment by individuals in their homes. I introduced a bill to set up a loan program to cover the residential sector because I felt that it was a more appropriate and attractive approach for the individual. A tax incentive for retrofitting a home is relevant only for the small number of individuals who have the inclination and the proper kind of house for conversion, while a loan program, on the other hand, can be applied to a wider variety of residential structures including apartments, town houses, and condominiums.

In regard to nonresidential structures, however, I believe tax incentives are the most appropriate approach. Builders and owners of commercial and industrial structures will be most attracted by incentives providing for a quick write-off which would help them to handle their debt burden.

I note that the Ways and Means Committee is currently considering including solar energy incentives as part of its energy bill. I support such efforts, and I hope that the Committee will be able to examine the legislation I am introducing today. Meaningful conservation of energy will come not only through cutting back our use of existing sources but through shifting to alternative sources as well. One such primary alternative source is solar energy, and I hope that the House will support efforts to stimulate use of solar heating and cooling equipment.

PRESIDENT FORD'S VISIT TO NEW ORLEANS

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HÉBERT. Mr. Speaker, our former colleague, Gerald Ford, now President of the United States, did me the great honor recently of spending a full day in New Orleans.

He started off the day by attending the ground-breaking ceremony for a library which will be named for me. He then attended the Natonal Convention of the Navy League, following which he jumped in a helicopter and visited our offshore drilling rigs in the Gulf of Mexico. That evening he addressed the students of Tulane University.

It was heartening to see the manner in which he captured the people of New Orleans, and on each occasion the crowds seemed to warm up to him. More than 25,000 people were at the library ground breaking. A capacity of 1,500 attended the Navy League luncheon, and over 5,000 students jammed the Tulane Stadium to hear him.

I think the finest and simplest compliment that could be paid anybody, but particularly when that individual holds the highest office of this country, came from an old and dear friend of mine, a lady in her later years who, until very recently, operated a gathering spot in the university section of the city, when she said: "Eddie, I felt like my next door neighbor was talking to me."

I have the text of the speech which he made to the Navy League and I want to share its contents with you because I am in total agreement with the sentiments and thoughts which he expressed, and I hope that you are, also. The text is as follows:

REMARKS OF THE PRESIDENT AT THE 73RD ANNUAL NAVY LEAGUE CONVENTION

Thank you very much, Mr. President, Governor Edwards, Senator Johnston, Representative Hébert, Representative Treen, and my dear friend Representative Lindy Boggs, Mayor Landrieu, Rabbi Feibelman, Archbishop Hannan, distinguished guests, ladies and gentleman, Chaplain Ray, merci garcon.

Obviously, Governor, I am delighted and highly honored to be a good Cajun.

Mr. Governor, you are also a good Cajun and have done very well in the political arena in Louisiana. Now that I am a good Cajun, I hope I am as lucky as you are. [Laughter.]

Well, members of the Navy League and your honored guests, it is a great privilege and a very high honor to have the opportunity of being here in New Orleans and participating in your 73rd annual convention.

They say the Navy offers opportunity and you had better believe it.

In 1942, I became an Ensign, one of those 90-day wonders. In 1943, I became a Lieutenant. In 1945. I became a Lt. Commander.

And in 1974, I became Commander-in-Chief. [Laughter.]

Now, you can't ask for any more opportunity than that. [Laughter.]

I do have to admit that being Commander-in-Chief of all of our Armed Forces does present me with one of several problems; in November, at the Army-Navy game, for example, I now have to spend half of the game rooting for the Army and half of the game rooting for the Navy.

Fortunately, the late President Kennedy came up with the perfect solution to a somewhat similar problem. He was in Iowa just before their big game with Notre Dame, and someone asked him who he would be rooting for. John Kennedy said, "I will be rooting for Iowa." A tremendous cheer went up. Then he added, "But, I will be praying for Notre Dame." (Laughter)

So, come the Army-Navy game, I will let you figure out who I will be rooting for, and who I will be praying for.

But, there is a much more serious subject than the Army-Navy game that I would like to discuss with you for a moment—the strength and the size of our Merchant Marine and our Navy.

Both are as vital as anyone can imagine to our survival as a Nation, and yet, both of them face very serious problems. The problems are not insolvable.

In the case of the Merchant Marine, I have always believed in doing everything possible to keep the American flag flying over a large, modern, competitive Merchant Marine.

In Congress, I worked long and hard with many, many others to help pass the Merchant Marine Act of 1970. This very important legislation initiated a Federal program to improve the international competitive position of the United States Merchant Marine.

Through this program, contracts will have been awarded by June 13 of this year for new construction or conversion of approximately 77 ships, with an annual funding of some $284 million.

Budget requests for construction subsidies will continue at approximately the same level in the next fiscal year. Expenditures for operational subsidies for United States flag ships will climb, and I think appropriately, to a record high of $316 million.

Our total Federal expenditures for Federal Maritime programs—and bear in mind they are an integral part of our total seagoing Navy—will be some $678 million as compared with a relatively smaller sum of about $500 million two years ago.

I give you my word that we will have a vital Merchant Marine in the future, and in the White House I will do as I did in the Congress, work for that objective for our national security.

While I am on the subject of our Merchant Marine, let me add my very strong personal congratulations to Paul Hall, President of the Seafarers International for this wonderful award he has received.

There is a man who believes in America, has fought for America, and will continue to be in the leadership in keeping America strong in the future.

Congratulations, Paul.

It is a well-deserved tribute to a great union leader and a great person.

Our Navy also has entered into a time of challenge. Like the rest of our Armed Forces, its cost, even its purpose, is being questioned by many serious, sincere Americans in and out of the Congress.

No doubt, some stems from very understandable desires to spend money on plowshares rather than on swords; to put our resources into so-called social programs instead of into defense.

But to keep America at peace, to enable us to make the kind of social progress we really want, we must keep America strong today and strong tomorrow.

One of those invaluable keys to achieving peace is a strong, modern American fleet. The Navy is still a very major instrument for resolving crises short of war. Its very presence in a trouble spot serves as a deterrent.

It carries supplies, shows the flag and provides a very flexible, but yet very powerful, force that can help defuse, defuse tension in an area before it deteriorates into a crisis. It is a very vital part of our total defense establishment in peace, as well as in war.

Let me put it in, if I might, even more concrete terms. Since 1958 our Navy and Marines have served in quick response to emergency situations 49 different times. The nature of the response, of course, varied from 32 cases in which it was a matter of showing the flag, to emergency interventions to protect American lives, property and our national interest.

Let me give you several examples. In 1958, Navy and Marine units helped to restore order in riot-torn Lebanon and to protect American interests. In 1962, they enforced the quarantine on Soviet ships and helped to end the Cuban missile crisis.

In 1965, they saved American lives and helped restore order in the Dominican Republic. In 1970, they helped to prevent disturbances in Jordan from erupting into another Middle Eastern crisis.

And right now, in Southeast Asia, Navy and Marine forces are standing by to assist in humanitarian relief and evacuation efforts, or to carry out any mission assigned to them.

Already, we owe a debt of gratitude to the Navy and Marines, particularly under their fine leadership of our Secretary of the Navy, Bill Mittendorf, for their heroic efforts in evacuating Americans and a number of Cambodians from the beseiged city of Phnom Penh without casualties and without a hitch.

It was a professionally planned and executed maneuver typical of what we have come to expect from our Naval forces.

Historically speaking, it is very appropriate on this occasion to talk about seapower, for if America ever learned the importance of seapower, it was on April 23, 1814—161 years ago today.

The War of 1812 was at its height and the British, backed up by their enormous Navy, decided on that date in 1814 to extend a blockade along the entire American coast.

The small, weak, ill-equipped American Navy could do little to stop it. The British roamed the East Coast almost at will.

By August of 1814, we had even suffered the humiliation of an enemy attack on Washington, D.C. and the burning of the White House.

We had been helpless to defend our own capital city. In the century and a half since 1814, we have been taught even more about the importance of seapower.

Perhaps Teddy Roosevelt summed it up best when he said, "A good Navy is not provocative of war. It is the guarantee of peace." Today, even more than in the past, America is dependent on seapower. This includes a strong Merchant Marine as well as the Navy.

For one thing, we need free sea lanes and the fast merchant ships to maintain the crucial flow of raw materials and energy to the United States.

For instance, in 1974 alone, we imported more than two billion barrels of crude oil and refined products, accounting for about 36 percent of our total domestic consumption. Of this total, more than 90 percent was carried into this country in foreign bottoms.

It is my policy to reverse this dependence on foreign oil by making America energy independent. But for now, the facts are quite plain: American prosperity, perhaps even American survival, still depends on keeping the sea lanes open and only a strong American Navy can guarantee that result.

So, the obvious questions, quite frankly, are: What is the state of American seapower today? What will it be in the future?

Since 1968, the size of the Navy has been cut literally in half. Today, our fleet of 500 ships is the smallest since 1939, two years before Pearl Harbor. And it, unfortunately, is still shrinking. In fact, the Navy's active fleet will be down to 490 ships by June 30, 1976, five days before we celebrate our 200th birthday as a free and independent Nation.

Fortunately, however, there is also a positive side to all of this. Today's U.S. Navy has some tremendous assets. Our aircraft carriers and their air groups are very potent weapons systems. These magnificent forces contribute immeasurably to making our overall strike forces the very best in the world.

Our nuclear powered submarines and nuclear powered surface ships are the finest in the world. We have more of them than any other power. The United States Marine Corps is unrivaled as a combat force. And the spirit and the morale of the Marines are as high as they have ever been.

In fact, the entire Navy-Marine Corps team has these very important, very vital ingredients: Combat-proven strength, dynamic leadership and dedicated professionalism and we thank them all for these important assets that they contribute to our national security.

I have full confidence in the new professionals of our Navy and Marine Corps. But the Navy and the Marine Corps today are the results of careful planning of the days in the past. If both are to maintain the same high standards for the days ahead, we must take into account some dramatic changes in the global balance of power.

At the outset of World War II, America had a 3,000 mile ocean barrier on the East Coast and a 10,000 mile ocean barrier on the West Coast. The mighty British Fleet acted as a friendly buffer. And the United States had a two-year lead time to gear up our great military production capabilities between the outbreak of war in Europe and our own entry at Pearl Harbor.

Today we face a very different situation. For example, Soviet naval units now freely roam the world seas, circumnavigating the State of Hawaii in the Pacific, and operating in the Gulf of Mexico.

Let me give you a very graphic example, if I might, something that has happened within the past few days. Elements from all four fleets of the Soviet Navy have just completed global maneuvers. More than 200 Soviet ships deployed in all of the oceans of the world participated in this exercise. More than 50 Soviet ships were deployed in the Atlantic, extending their maneuvers to the Norwegian Sea and southwest of the British Isles.

Soviet reconnaisance aircraft, operating from Cuba and Guinea, conducted ocean surveillance over wide areas of the Atlantic. The Soviet Navy was also active in the Mediterranean, the Pacific and the Indian Ocean.

There is no doubt about it, the Soviet Union understands the importance of seapower. The Russians built up their Navy while we permitted ours to shrink and they know how to show their flag.

Unfortunately the double blows of inflation and recession, along with other drains on government revenues, are occuring at precisely the time that we should be putting more funds into more ships. As a consequence, Department of Defense expenditures

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in the next fiscal year will represent slightly less than six percent of the Gross National Product, the lowest point since the pre-Korean demobilization.

In real terms, after making all of the adjustments for inflation, Defense Department spending has been cut almost 40 percent since the height of the Vietnam war. It is 15 percent below the present Vietnam level.

As a percentage of total Government spending, including State and local, defense expenditures come to only 16 percent, the lowest point since before Pearl Harbor.

As for our human resources, today only 1 percent of America's population is under arms. Our military manpower is actually nearly 600,000 below the pre-Vietnam level. However good their intentions, those who claim that America is overarmed and overspending on defense are wrong.

It is my very deep conviction we cannot afford to cut any further without endangering our national security. While our own military spending has been declining, others have not been idle. The Soviet Union, for example, is outspending us on defense by at lease 20 percent.

As far as the Navy is concerned, the budget that I have submitted to the Congress for the next fiscal year requests $3 billion 100 million to build 23 new ships, and an additional $2 billion 300 million to restore full funding to our shipbuilding account of previous years.

I deeply believe that the vast majority of our citizens today want to maintain American sea, land and air forces that are second to none.

Let it never be said that our generation allowed American seapower to erode into a second class status. Let it never be said that we permitted our Merchant fleet to disappear by attrition.

Only a strong America, an America strong of will, strong of purpose, can be an effective force for peace in a troubled, modern world, and a strong Navy and Merchant Marine are essential to a strong America.

I pledge to you that I will continue to work with all of you, and literally thousands like you, for the kind of America that has been good, not only for us, but for all mankind. And I will ask for your help in pursuing this vital goal as we move ahead in the days and the months before us.

Thank you very, very much.

U.S. DRILLING DISCOURAGED

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. COLLINS of Texas. Mr. Speaker, at the time when this country needs more new oil development, Congress, through its legislation and regulations, has discouraged drilling. Out in west Texas around Midland, rigs are beginning to stand idle. Companies have stopped making drilling commitments.

Congress uses the term, tax loopholes, which is the terminology used to increase the taxes on business.

Let us review the earnings impact of the law that removes statutory oil depletion. Rauscher Pierce, an investment firm in Dallas, has prepared preliminary figures showing the impact and business loss. General American Oil will see earnings suffer 18 percent. Gulf Oil is down 10 percent. Kerr McGee is down 14 percent. Louisiana Land & Exploration will be reduced 22 percent. Shell is down 22 percent. Southland Royalty declined 20 percent, and Superior will suffer a 31-percent reduction in earnings.

Let us look further at the negative impact that oil companies have in cash flow for drilling. With first quarter profits out for 1975, we see a 66-percent loss in profits by Texaco. Mobile dropped 28 percent. Gulf was down 33 percent as was Standard Oil of Indiana down 33 percent. Sun Oil dropped 62 percent. The elimination of depletion allowance means a cut of $2 million from the oil industry for 1975. FEA regulations will also prohibit oil company pass-through costs.

The objective of the liberals in Congress to socialize oil business. But for the Government to run the oil business, the American people will be the losers.

Always remember the words of Justice Mashall who said that "The power to tax is the power to destroy." The liberals, through taxation and elimination of oil depletion, have taken a giant step toward crippling the effective oil exploration development of the private oil companies.

NO SST'S AT NEW YORK AIRPORTS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ZEFERETTI. Mr. Speaker, several years ago, Congress declared that the American taxpayer would not subsidize, at any cost, a U.S. version of the supersonic transport plane. Almost immediately, voices of protest, mainly from those who would in some way profit from such enterprises, were raised. However, the Congress held firmly in its decision.

I felt then, as I do now, that Congress was wise in its decision to prevent U.S. involvement in the controversial SST. To justify this stand we only need to review the experiences of both Britain and France, who have continued to pour hundreds of millions of dollars into building their own versions of the SST Concorde; all they have to show for their efforts are mountains of bills and a handful of orders. Why must we aid in subsidizing an economically disastrous undertaking, especially since it would also aid in undermining our own national solvency.

Scientific evidence is mounting that this aircraft will not benefit either man or his environment. It has been strongly suggested that the atmosphere or air we breathe may be permanently altered or harmed by the fumes of the SST. There is also some evidence that certain types of cancer may increase in frequency if fleets of SST's are allowed to invade our airways.

Certainly, we have no need for an aircraft which, in addition, generates significantly more low frequency noise, so much in fact that homes located in areas surrounding airports will begin to rattle when the planes take off and land. We also have no need for the greater amounts of carbon monoxide and unburned hydrocarbon pollutants—translated into a clear danger to public health—which are emitted by the SST's.

In other words, this plane does not comply with either air or noise pollution standards under law. Nevertheless, the Federal Aviation Administration has been conducting hearings on the issuance of an environmental impact statement based on applications of Air France and British Airways for the Concorde SST to land in the United States, specifically at J.F.K. in New York and Dulles in Washington, D.C. Tentative permission has been granted by the Agency for such landings.

The Port of New York owns and operates J.F.K. Airport and can prohibit landing of the SST. I believe such permission must be denied, and as a result, I have joined with a number of my colleagues in Congress from New York and New Jersey in petitioning the Chairman of the Authority, Mr. Ronan, to do just this.

On the long list of national priorities, anything having to do with the SST should be considered last. If the entire controversy surrounding the SST is essentially a result of the British-French attempt to entice the U.S. Government to bail out their economically disastrous SST by providing them with the best market for their planes, it should not be accomplished at the expense of the health of the 12 million Americans of the New York-New Jersey metropolitan area.

COMMUNIST CHINA INTENSIFIES SUBVERSION IN ASIA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CRANE. Mr. Speaker, it seems that the only leaders in the world who are observing the spirit of détente are in our own country and elsewhere in the West.

We are doing our best to show the Communist world that we mean to be friendly. In pursuit of this objective, we bestow upon them such fruits of our society as low-priced wheat, technologically sophisticated computers, and provide them with what increasingly appears to be a "hands off" attitude with regard to their aggressive forays.

The fall of Cambodia and the fall of Vietnam have apparently convinced the leaders in Peking and Moscow that the United States will not seriously challenge their desire to control those nations at present outside of their orbit. For them, "détente" seems to mean business as usual, while for us it seems to mean an inward turning and an abandonment of our world role.

There is mounting evidence in Asia, for example, of intensified subversive activities by the Communist Chinese. According to a statement made by the Government of Thailand, about 30,000 guerrillas, consisting of Chinese and Laotian Communists, have converged on the Laotian border north of Thailand. The Premier of Thailand, Momrachawong Kukrit Pramoj, has declared that:

> This is not merely an infiltration, but an offensive.

In The Philippines, President Ferdinand Marcos has disclosed that government troops had captured a number of documents showing that the Communist Chinese trained "new people's army" has a close connection with Moslem rebels.

In Malaysia, the same story can be told. There, the Chinese Communists have stepped up their support to the Malaysian Communists. A report published in the China Post of April 22, 1975, notes that:

> The Chinese Communists have also set up "military advisory groups" in border areas in Thailand and Malaysia, directing the Thai and Malaysian Red insurgents to engage in subversive activities.

There has been much discussion in Washington about the "domino theory" and what many consider to be its flawed interpretation of reality. It is, however, no theory. Commonsense should tell us that if the Communists succeed in their aggression in Vietnam and Cambodia they will continue to export it to the surrounding nations of Asia. Now, the evidence is clear, this is being done.

I wish to share with my colleagues the report, "Peiping Intensifying Subversion In Southeast Asia," which appeared in the China Post, an English language newspaper published in Taipei, Taiwan, of April 22, 1975, and insert it into the RECORD at this time.

PEIPING INTENSIFYING SUBVERSION IN SE ASIA

TAIPEI, April 21.—The fall of the Khmer Republic to the Communist rebels, the recent debacle in South Vietnam and other Red subversive activities in other parts of Southeast Asia have fully demonstrated that the Peiping regime is positively carrying out its "mission of world revolution," a leading expert in Chinese affairs here said Sunday.

The expert said in the "Guidelines for World Revolution," drafted by Mao Tse-tung in 1953, the Chinese Communists have pinpointed Asia as their first target of communization.

"Asia is the first target we want to turn red and we should extend maximum support to our Red Comrades in Indochina." The "guidelines" further declared, "After liberating Vietnam, Cambodia, and Laos, the other countries such as Thailand, Burma, Indonesia and Malaysia will completely fall into our hands."

The Maoist "guidelines" also stressed. "After controlling entire Southeast Asia, we will deploy 20 million men of our armed forces that will pose a great threat to the capitalistic countries and that will compel them to spend tremendous amounts of money in military expenditures, thus leading to the collapse of their national economy."

INTRIGUES

Citing the intrigues and subversive activities the Maoist regime has launched in Southeast Asia, the expert made these points:

The Chinese Communists have offered massive economic and military assistance to North Vietnam under a number of agreements signed by the two regimes in recent years, thus enabling the North Vietnamese to stage heavy assaults on the South, flagrantly violating the 1973 Paris peace accord.

A 10-member Chinese Communist "military mission," headed by Yang Yung, "commander of the Sinkiang military region" arrived in Hanoi Feb. 28 this year for a two-week long visit and the visit resulted in an all-out offensive in mid-March against the South by the Vietnamese Reds. In only half a month the Vietnamese Communists captured more than 10 provinces in the north and central parts of South Vietnam and massed their forces for a frontal attack on Saigon.

The Maoist mouthpiece "People's Daily" carried an article on March 30, lauding the Vietnamese Reds for their "victory" and reiterating their firm and powerful support to the Vietnamese Reds to "defeat" the United States and "destroy" the government of President Nguyen Van Thieu.

Since 1970 the Peiping regime has given positive support to deposed Prince Norodom Sihanouk.

MEETING

Following Chou En-lai's meeting with Sihanouk of Feb. 24 this year while the Khmer Rouge insurgents were besieging the capital of Phnom Penh, Sihanouk, apparently under the instigation of Chou, made a hard-phrased statement that the Khmer Reds are determined to wage war against the United States and the government of Lon Nol. Later Sihanouk repeatedly censured the U.S. airlift operations at Phnum Penh, rejected cease-fire proposals, vowed to fight against the U.S. "imperialists" and pledged to "liberate" the entire Khmer Republic.

On the eve of the 5th "founding anniversary" of the Khmer Rouge on Feb. 22 this year, Chou En-lai and Chu Teh cabled their "congratulations" to the leaders of the Khmer Rouge, declaring, "We (the Chinese Communists) regard that support to the revolution of Cambodian people is our responsibility." Peiping's "foreign minister" Chiao Kuang-hua also made a statement on the same day pledging "powerful" support to the Cambodian rebels in accordance with Mao Tse-tung's "instruction".

U.S. EXPERT

According to a U.S. expert, the Chinese Communists have extended at least U.S. $500 million in aid every year to the Sihanouk puppet regime in the past five years for its subversive activities.

In line with the expanding Red subversive activities in South Vietnam and the Khmer Republic, the Chinese Communists have built up a massive guerrilla force along the border of north Thailand, to launch sneak attacks.

According to a statement made by the Thai government on March 25, about 30,000 guerrillas consisting of Chinese and Laotian Reds and tribesmen have converged on a town in Laos bordering north Thailand.

Momrachawong Kukrit Pramoj, premier of Thailand, further reaffirmed on the same day that a group of 3,000 guerrillas was heading for the border area of north Thailand. He warned, "This is not merely an infiltration, but an offensive."

Under Peiping's control and support, the so-called "people's liberation army" of the Thai Communists grown fast in the recent years. The Thai Reds set up "the Thai people's liberation army" and their "high military command" early in 1972 to step up their subversive activities in the northeast, north, central and southern parts of Thailand, using the Maoists strategy to besiege cities as well as rural areas in their drive to topple the legal government.

MARCOS

President Ferdinand Marcos of the Philippines told a visiting U.S. Congressman on April 4 in Manila that government troops had captured a number of documents when they conducted military operations against the Philippine rebels.

These documents disclosed that the Peiping-trained "new people's army" has a close connection with the Moslem rebels.

The military intelligence agency of the Philippines also revealed that the Philippine Communists have received strict military training and are equipped with modern weapons such as machine guns, carbines, and bazookas and others.

In the past two years the Philippine insurgents have launched numerous raids and attacks on government troops.

Under their set scheme, the Chinese Communists have also stopped up their support to the Malaysian Reds. The two well-known Malay Red chieftains, Won Min and Chen Ping, have received assistance from the Peiping regime and often sneaked into the China mainland for Maoist "instructions."

The Chinese Communists have also set up "military advisory groups" in border areas in Thailand and Malaysia, directing the Thai and Malaysian Red insurgents to engage in subversive activities.

THE LOW COST AIR TRANSPORTATION ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ANDERSON of California. Mr. Speaker, I am introducing today the Low Cost Air Transportation Act of 1975, a bill to make low cost airline charter transportation more widely available to the public.

Rising costs of airline fuel and general inflation have raised regular airline fares to a level beyond the reach of many average consumers. The airline's regular scheduled services have always operated with a large number of empty seats, and this has also made it difficult for the airlines to offer low fares.

By contrast, charter flights operate with almost all seats filled, and as a result costs can be spread over a large number of passengers and fares can be low. With today's energy shortages, operations at full capacity also help to conserve scarce fuel resources.

It is generally conceded that the legislative framework for airline charters needs reform. Under existing law, the Civil Aeronautics Board is required to impose restrictions on charters by supplemental carriers for the purpose of maintaining a distinction between charter services and individually ticketed services. The only marketable charters permitted under the Board's current regulations are so-called affinity charters, in which members of a charter party must be members of a group with a prior affinity. This type of charter has been widely utilized and has been an essential form of low-cost air transportation. But affinity charters are not available to consumers who are not members of charter-worthy groups, and the affinity regulations are cumbersome and difficult to understand and enforce. European countries have generally abandoned the affinity charter for other forms, such as advance booking charters and inclusive tour charters. These forms of charters have proved so popular that in some European vacation markets, more than half the traffic has moved on charters. The CAB has felt itself constrained as a matter of law, and perhaps as a matter of policy, from authorizing the types of charters prevelant in Europe.

My bill would remove any legal impediments to CAB action and would authorize supplemental carriers to operate two new types of charters: The advance booking charter in which seats would be purchased 30 to 60 days in advance of departure, and the inclusive tour charter, in which passengers would purchase ground accommodations, as well as air transportation. My bill would also require the CAB to continue affinity charters while the new charter forms are being tested and developed.

I urge my colleagues to join with me in working to insure that American conumers have access to the same low-cost charter service as is available to consumers in Europe. Our air transportation system is large enough and strong enough to accommodate consumers at all economic levels.

VIETNAM HUMANITARIAN ASSISTANCE

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mrs. MINK. Mr. Speaker, I was among those who voted against this bill when it passed the House because it provided for a repeal of the prohibitions against military intervention in Indochina. In addition it provided for the use of military force to remove Vietnamese political refugees in category (d) where there was no relationship to any resident or citizen of the United States or where the individual did not meet any eligibility test for admission as an immigrant into the United States. I vehemently opposed such consent of use of arms and therefore voted against the bill. I opposed taking up the bill in the first place and voted for every motion to delay its consideration. Events were transpiring too rapidly in Vietnam for us to even know or comprehend what was taking place. To try to legislate in such an intelligence vacuum is sheer stupidity. My opposition to the consideration of the bill has been fully borne out by the events of this past week.

And so today we are faced with a parliamentary situation where we cannot vote on a measure which resembles the facts as they stand today. We have a conference report which provides for the use of military force under certain circumstances. Yet those circumstances no longer are present; nor could they be present.

All Americans are out of Vietnam. There are none left for whom the use of force is possible. None are left for whom the use of force would justify further evacuation efforts. This issue is dead. This issue is moot. The dangers which I saw in the enactment of the bill are not or could not be present today. Furthermore we have the public promise of the President that he plans no further use of military force to evacuate anybody. He could fulfill his promise and end all suspicions if he would order those U.S. naval ships to head for home, instead of standing outside Saigon. If he violates this promise I shall consider it an impeachable offense.

But given all that has happened this past week since I voted against this bill, I must now reassess the situation.

For the refugees who were enticed to leave their country by our Embassy there is no returning now. They left their country upon our invitation and consent. For whatever reason, justified or not, they have left. For those who have family to go to, I have no concern. There will be loved ones with outstretched arms waiting to welcome them. They will be able to resettle with their American relatives and put together a new life in this land.

But for those who left without a friend or relative in America, my heart bleeds for them. I would not have set such a policy of evacuation. I would have been scrupulously careful in planning whatever evacuation was really needed and made amply sure that only those truly in danger of their lives would have been allowed to leave. There is no excuse for the selection of one Embassy employee for evacuation to yield 46 relatives for departure with that one Embassy employee.

But, be that as it may, this was our policy as set by the White House, by the State Department and by the administration leaders. Whether I agreed with it or not, is now immaterial. The fact remains that these people have left their country under our protection. We cannot now abandon them. If we have any shadow of honor and pride in our name, we must provide shelter, food, and clothing for these people. We must do all we can, as a nation, even if it is without love, to care for the needs of these people who now have no country but ours. I do not plead for their charity, so much as I do for our honor.

The world watched us evacuate upwards of 80,000 Vietnamese nationals. Will the world watch us cut them adrift even before they have reached our shores? How long will they live in tents on Guam and Wake Island?

PEOPLE HELPING PEOPLE

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, recently I was asked to help the White House in spreading the word about people helping people in their fight against inflation, high energy costs and unemployment.

I was delighted, Mr. Speaker, to learn that just such efforts are already underway in the 25th District of Pennsylvania. I know of several instances, particularly where the elderly are concerned, where people are helping people. The News-Tribune in Beaver Falls, Pa., a fine newspaper in my district, recently published an article about one of these people helping people efforts, worthy of the attention of the House of Representatives. The article in the Beaver Falls News-Tribune is about E. Kenneth Bingham, who has been helping people since 1921, and now that he is retired from the Pittsburgh Tube Co. of Monaca, Pa., he is helping them even more. The article follows.

It's Very Rewarding

(By Judith Brown)

This New Brighton area man remembered his first volunteer job was back in the summer of 1921.

"Norman Harlan and I worked all summer assembling desks at the new high school for 11 cents an hour," said Kenneth Bingham, "but we never got paid."

Bingham, retired as supervisor of inventory control at Pittsburgh Tube Co., Monaca, now does two kinds of volunteer work through the Voluntary Action Center of Beaver County.

He assists the elderly with filing income tax and rental rebate forms and is director of a new operation called "Telephone Assurance."

Bingham said he prepared for volunteer work with a course at Community College of Beaver County (CCBC) on income tax preparation when he retired in December 1972.

"James Ross made arrangements for a state man to teach the Pennsylvania State tax and rental rebate tax," Bingham said. "I thought I could do it."

Bingham said he has since taken a course each year at CCBC to update his knowledge.

He spends an average of 12 to 18 hours per week helping the elderly at Joseph Edwards apartments, Rochester and King Beaver Apartments, Beaver.

"It's amazing to go into a home of any elderly person who received his forms," Bingham said. "They panic and I tell them "let me worry about it."

He continued, "They never amount to that much."

"It's very rewarding because I meet people who think they have a problem they don't have," Bingham said.

As director of "Telephone Assurance", a project began in January, Bingham is responsible for lining up volunteers who phone check on elderly clients on a daily basis. The service is cosponsored by Beaver County Area Agency on Aging and Lutheran Service Society which gets volunteers through the action center.

Bingham is in charge of 53 clients who have been referred through a caseworker. "I get the age, address, history, all the information about neighbors and close relatives to be contacted in emergency," Bingham said.

"If a client wants service, I get someone in the same telephone area to call every day at a specified time."

Bingham said many clients are ill, even bedridden. The volunteer will remind his client to take medicine and check to see if he or she is all right.

If the client does not answer, an emergency procedure spins into action. The volunteer calls a series of neighbors, ambulance service and relatives to get immediate help to the client.

Another phase of "Telephone Assurance" is now in the planning stage, Bingham said. It's called "Chat" a service for clients who need to spend some time just talking to someone. The service plans on at least 15 minutes a week, but clients may request additional time, Bingham said.

It's been a long road since Bingham and his friend worked at the new high school, now the "old" high school. "We were the first class to graduate after four full years in the building," Bingham recalled.

Bingham attended Central School, New Brighton, until eighth grade. The Binghams now reside in Pulaski Township.

Crediting his wife Ruth with making his volunteer work possible, Bingham said, "If it wasn't for the type of wife I have, I couldn't do it." Bingham said the phone rings at all sorts of odd hours, but his wife is "very cooperative."

GROWING SUPPORT FOR EXTENSION AND EXPANSION OF VOTING RIGHTS ACT

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BADILLO. Mr. Speaker, the following is an editorial from the New York Times which appeared on Tuesday, April 29, 1975. The editorial serves as further evidence for the growing support for both expansion and extension of the Voting Rights Act. I would also like to note for the Record the fact that New York City is one of the jurisdictions that is presently covered by the Voting Rights Act because of the amendments passed in 1970.

The article follows:

Protecting Voters

The second extension of the Voting Rights Act of 1965 is moving through Congress on the strength of a considerably greater consensus on the law's usefulness than was the case in 1970 when the Nixon Administration tried to dilute the force of the legislation.

The current version is an improvement over the law passed in 1970. The act is to be extended for ten, rather than for five years, so that it will provide enduring protection for voters' rights under the reapportionment following the 1980 census.

A second proposed improvement is a set of provisions, developed by a coalition of legislators led by Representative Badillo of New York, which would extend the law's protections to "language minorities," principally Hispanic Americans. The Badillo proposal should clearly become part of the final legislation.

AN OPEN DOOR TO AMERICA

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. RYAN. Mr. Speaker, we have witnessed over the last few weeks the end of one of the most tumultous periods in the history of our Nation. Six Presidents have had to bear the burden of this exhaustive war which cost us 55,000 lives, hundreds still "missing in action," 230,000 maimed and injured veterans still under medical care, an estimated $200 billion already spent and the trust of our young people in our system of government. It was a war which was never formally declared, but lasted longer than any other period of war that the United States has participated in. It was a war in which the mood and support of the American people changed more drastically than any other war. Young Americans for 10 years were required to serve and die for a cause which became less well defined—a cause which some of the staunchest supporters of that war, here in the House, now define as "wasteful" and "ill-advised."

The President says that the action over the last few days, "closes a chapter in the American experience." He has asked all Americans "to close ranks, to avoid recrimination about the past, to look ahead to the many goals we share."

Mr. Speaker, I also would like to "close ranks," to get on with the challenge of fighting a recession and energy crisis, to work diligently in getting this country back on its feet again. But we forget. We forget the thousands of men who, for their actions in expressing disapproval of United States' participation in the war in Southeast Asia, have been convicted or are subject to prosecution under the Federal law for offenses pertaining to military service.

Do we turn our backs and just walk away, because the President says to close the door? We still have a responsibility to these citizens of this country who are living outside the United States. We realize now that they knew what elected officials in both parties are finally realizing.

The President's clemency program which ended on March 31 was reported to be not very successful. I am not surprised. It was too narrowly drawn. Consequently, I have reintroduced H.R. 6302 along with six of my colleagues, which will eliminate many inadequacies of the President's program by specifically, establishing a broad-based citizens' panel, to be known as the U.S. Amnesty Commission which will, upon application by any such person, examine the facts and circumstances of such person's illegal action. It would then make a recommendation to the President as to the most appropriate action for him to take with regard to such person.

Amnesty has been a part of the aftermath of every war in which the United States has been involved militarily prior to the Vietnam war. We have witnessed thousands of Vietnamese refugees being welcomed into this country with open arms by our President. We have heard the Secretary of State mention the possibility of political asylum to Vietnamese officials. Mr. Speaker, the President wants to close the door. I want to leave the door open to our own men who had to seek refuge in another country, because they were smart enough to see both the futility and the immorality of that war years before the rest of us did. We can do no less for them than we can for 100,000 Asians we take in, some of whom will no doubt be given political asylum.

ISRAEL AND THE UNITED NATIONS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. LONG of Maryland. Mr. Speaker, that the United Nations is becoming a forum for propaganda against U.S. national interests is a disturbing development. A recent article in the Baltimore Evening Sun, March 11, 1975, by the distinguished Harry Bard, former president of the United Nations Association of Maryland, describes the increasing isolation of Israel within the United Nations. I am taking this opportunity to share this thoughtful article with my colleagues.

The text of the article follows:

At the UN, Israel Must Sit in Stony Silence

(By Harry Bard)

Hardly noticed by the American public—unlike the hotly debated actions by the General Assembly and UNESCO last November—the United Nations Commission on Human Rights adopted, at Geneva, on February 21, two resolutions of censure against Israel. This most recent action indicates a full-fledged campaign to politicize all UN agencies in order to embarrass, demean and do injury to Israel.

The first step in this campaign was to have the Arab nations gain voting control of all the UN agencies in alliances with the African and Communist blocs. This early step was attained when the number of Arab nations in the UN increased from 7 in the early 1950's to 20 in the 1970's. Then power was further enlarged: these new numbers used their votes to pledge support for desires of African nations in exchange for votes against Israel. Support by Communist nations came to Arab states in a power play against the West. The power of this "grand alliance" was symbolized by the vote of 105 nations out of 138 UN members to invite the PLO head, Yasser Arafat, to address the General Assembly last November.

What the American public perhaps did not understand fully was that the alliance had not only taken over the General Assem-

UMI

bly sessions but also the substructures of that body. Mr. Bouteflika of Algeria was the President. The 17 vice-presidents, the six main committees and the more than 20 standing, subsidiary and related bodies of the General Assembly each had one or more Arab representatives. *But not a single Israeli was on any of these substructures* of the General Assembly that determines policies and procedures.

The UN Charter itself helped establish the isolation of Israel. Article 23 gives the General Assembly the power to elect the ten non-permanent members of the Security Council. Actually, any of the five permanent members of the Council have the power of veto, under Article 27, in respect to substantive issues. Thus, Israel's last bastion of survival in the UN may well rest with the power of the permanent members, such as the United States.

In the Economic and Social Council, Israel's fate is more clearly doomed. Chapter X of the UN Charter is so drawn that members of ECOSOC are both appointed by the General Assembly and are responsible to it. In 1975, there are 54 members of this highly important body responsible for dealing with the underlying causes of conflicts, viz., economic, health, cultural and related matters. Though there are currently four Arab states on the council—*there is not a single Israeli representative.*

ECOSOC operates through standing committees and functional commissions whose members are appointed by the 54 representatives. The eight chief standing committees deal with such key items as housing, building and construction, natural resources, crime prevention, and science and technology. About 200 representatives (country may be on more than one committee) including many Arabs, are on these bodies—*but not a single Israeli on any of the eight committees.*

ECOSOC has six functional commissions which deal with such important issues as status of women, narcotics, population, social development and human rights. In all, there are about 172 representatives—numerous nations represented on more than one of these commissions. There are, as there should be, many Arab representatives. *But not a single Israeli on any of the commissions.*

It was the Commission on Human Rights of ECOSOC that fired the last salvo at Israel. One of the resolutions by this commission last month was a joint indictment of Israel's so-called desecration of Moslem and Christian shrines (a recapitulation of UNESCO's censure in November) and the demand for the release of the Most Rev. Hilarion Capucci, convicted of smuggling arms to Arab guerrillas. This resolution was sponsored largely by commission representatives of four Arab countries—Egypt, Iraq, Lebanon and Tunesia.

The HR Commission voted 21 to 6 (5 abstentions) in favor of the resolution, with five European representatives and the American delegate voting nay. The ironic part of the debate, was that Valerian A. Zorin of the U.S.S.R. accused Israel of violations of human rights. In Russian, the maltreatment of minorities—Latvians, Estonians, Lithuanians, Ukranians, Jews and other indigenous populations is well known by the world.

The second censure of the HR Commission in February was an indictment of Israel's actions to conform with "basic norms of international law" in the occupied lands. This resolution was sponsored largely by Third World delegates such as Ghana, Senegal, Sierra Leone and Zaire. It was a part of the "grand alliance" tactics. It was adopted 22-to-1 with 9 absentions.

Israel, not a member of the HR Commission, could debate the issue, but had not vote. When the report reaches ECOSOC, Israel will have no vote there and when it ultimately reaches the General Assembly, its fate will have been sealed.

The various specialized agencies are established by intergovernmental agreement under Article 57 of the UN Charter and thus virtually any nation which wishes to join any group such as the World Health Organization or the United Nations Educational Scientific and Cultural Organization, may do so. But, according to Article 63 of the Charter, it is ECOSOC that has the responsibility for bringing the work of the specialized agencies into relationship with the UN structure. Moreover, it is the General Assembly which must approve these agreements.

A mere naming of some of the key specialized agencies indicates the highly important work carried out by these UN organs which deal with sensitive problems of economy, culture, health, transportation and communications, food, labor, climate, trade, and atomic energy. In addition to UNESCO and WHO, others are: International Labor Organization, Food and Agriculture Organization, International Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, International Development Association, International Civil Aviation Organization, Universal Postal Union, International Telecommunication Union, World Meteorological Organization, the International Atomic Energy Agency and the General Agreement on Tariffs and Trade.

Each of these specialized or intergovernmental organizations is governed by an executive branch of directors, or a council or governing body, representing from about 20 to 40 countries. On each of these prestigious bodies for the 14 specialized agencies named there are one or more Arab representatives setting policies—as there should be. The latest official inventory of these governing councils shows *not a single Israeli representative on any of the executive bodies for any of the 14 specialized agencies herein noted.*

The lack of Israeli representation is sometimes blamed on the concept of regional representation which the UN Charter encourages. Israel, surrounded in the Middle East by unfriendly nations, is not likely to be selected as a regional representative on these bodies. Indeed IFC, IDA and the IMF take Israel out of the Middle East region and join her with Cyprus, Netherlands and Yugoslavia.

Starting with the General Assembly, through the Security Council, the International Court of Justice (15 judges, never an Israeli) on to ECOSOC and to the specialized agencies, Israel is virtually without a vote. Thus politicization can take place easily. We are likely to see in the near future a series of "censures" of Israel on virtually every subject with which the UN deals, from polluting water, changing the weather, violating abstract art arrangements to devaluating the drachma.

Now that even the lowest levels of UN operations such as committee assignments are completely controlled, we are certain to have a plethora of resolutions by UN organs using Israel as a whipping boy and seeking to create world opinion that would make peace between that nation and its neighbors virtually impossible.

Dr. Bard was an American representative to UNESCO seminar in 1948, once president of the United States Association of Maryland and taught a course on the UN at Johns Hopkins.

APOLLO PUMP MAY SAVE HEART-LUNG PATIENTS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. TEAGUE. Mr. Speaker, Mr. Nils J. Burzelius of the staff of the Boston Globe, wrote an article in the March issue of that newspaper which sited yet another significant application of space program developed technology of direct benefit of the public. The device Mr. Bruzelius describes is a pump used in the Apollo program which appears to have application for a number of clinical needs. This particular item came from the Apollo program. Many more benefits have been derived from that program as well as continuing benefits we are gaining from our space program as it progresses from day to day. I urge my colleagues to examine this article, recognizing this is only one of the indirect benefits we derive from our national space program, that accrue over and above the direct benefits derived from the use of space communications, weather predictions, Earth resource surveys, and many other beneficial activities. The article follows:

APOLLO PUMP MAY SAVE HEART-LUNG PATIENTS

(By Nils J. Bruzelius)

A novel pump, first used in spacesuits worn by the Apollo astronauts, may lead to major improvements in life-sustaining heart-lung machines, a team of physicians and engineers said yesterday.

The pump could also open the door to new progress with artificial hearts or machines to sustain, for days or even weeks, victims of heart or lung failure, the Cincinnati-based team said at a news conference. The pump might also prove useful in widely used kidney machines.

One of those working on the device was a man who depended on the pump when he became the first human to set foot on the moon—astronaut Neil A. Armstrong, Jr.

Now a professor of aerospace engineering at University of Cincinnati, Armstrong said the "Apollo double-diaphragm pump" was used in backpacks worn by the astronauts to circulate cooling water through the suits.

He said he suggested use of the pump for heart-lung machines after joining a four-man team working on biomedical engineering problems.

The promise of the pump lies in a "surprise" finding that it is much less destructive to red blood cells than the best conventional pump used in heart-lung machines, said Dr. Henry J. Heimlich, chief of surgery at the Jewish Hospital in Cincinnati. Existing heart-lung machines are commonly used in major operations like open-heart surgery to maintain blood flow and to add oxygen and remove wastes from the blood.

In standard tests with fresh dog blood, the researchers found that the Apollo pump was "10 times less destructive" than so-called "roller" pumps most commonly used in heart-lung machines. He said the device also has the apparent advantages of being small and reliable, requiring little power and producing a constant flow of fluid.

The device in its present form fits easily in an adult's hand and could be further miniaturized, the team members said.

Armstrong and Heimlich have been working on the pump with two collaborators, Dr. Edward A. Patrick, a medical doctor who is professor of electrical engineering at both Purdue University and the Indiana School of Medicine and George Rieveschl, vice president for special projects at University of Cincinnati.

The team was to present the first scientific paper on their work today to the 10th annual meeting of the Association, for the Advancement of Medical Instrumentation at Boston's Statler Hilton.

Heimlich emphasized that "we're a long way from being able to use" the pump in patients and that work is only now beginning to modify the device to make it "compatible" with human blood and to test its usefulness in animal experiments.

"We anticipate doing a great deal of work to find out if there are other limitations (to the pump's usefulness) that we don't yet recognize," Armstrong told newsmen.

The promise of the device lies in the fact that even "raw" form precisely as it was provided by the National Aeronautics and Space Administration (NASA), the pump proved less harmful to blood than existing devices.

A measurement known as the "hemolvtic index," which indicates the degree of destruction of red blood cells, averaged out to .0032 for the Apollo pump, compared with an average figure of .04 for the best conventional pump.

These results will probably improve further when metal and other parts of the existing pump are modified with coatings of materials less likely to damage the red cells, Heimlich said.

The relatively high degree of damage produced by present heart pump machines is the chief factor that limits how long they can be used, Heimlich noted. Although attempts have been made to sustain patients for up to three days with heart-lung machines, the safe limit is usually considered to be no more than several hours, he said.

After that time body organs, particularly the kidneys, tend to clog up with the debris of damaged blood cells, and other harmful effects accumulate as well.

A heart-lung machine that could be used indefinitely has long been sought by medical researchers, for it would greatly improve physicians' ability to sustain patients through disease crises like heart attacks and post-operative pneumonia.

NATIONAL RAISIN WEEK, MAY 2-11

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KREBS. Mr. Speaker, tomorrow marks the beginning of National Raisin Week for 1975.

As many of my colleagues know, the San Joaquin Valley in the State of California, of which I represent a portion, is one of the richest agricultural areas in the world. Notable among the vast variety of agricultural products produced in the San Joaquin Valley is the raisin.

The green San Joaquin Valley serves as the center of the Nation's raisin industry and produces nearly one-half of the world's supply of raisins, and almost all of the raisins sold in the United States.

It is my pleasure today, Mr. Speaker, to introduce, in behalf of myself and my distinguished colleague, the Honorable B. F. SISK, who also represents an area rich with thriving vineyards, a brief statement commending this most important industry.

Mr. Speaker, National Raisin Week offers an excellent opportunity to recognize the California raisin industry, which produces, processes, and markets a large portion of the world's raisin supply.

This week has been set aside to call attention to a quarter billion dollar industry which directly involves many thousands of people throughout the United States in the production, distribution, and sale of raisins.

People throughout the world, Mr. Speaker, enjoy the fruits of labor by these thousands of individuals, many of whom reside in my district and that of Mr. SISK.

For many years the raisin has been used in the kitchens of America, not only as a compliment to main dishes, but also in many recipes for breads, cookies, puddings and other delicacies. Millions of people enjoy raisins as a snack during the day, often replacing foods that are of less nutritional value. For not only is the raisin tasty, but it contains iron and vitamins, thus serving as an excellent source of nutrients.

However, Mr. Speaker, like many industries, the raisin industry has been undergoing some economically difficult times recently.

In 1972 the California vineyards suffered extensive frost damage, only to be later confronted with a curtailment in purchases by various institutions and industries which were facing rising prices of supplies.

The outlook is somewhat brighter now as a result of U.S. consumers purchasing a record quantity of raisins during the past year in response to promotional activities by the California Raisin Advisory Board.

It is hoped that consumers will continue the record buying practices, and that soon many food-related industries and institutions, which formerly purchased large quantities of raisins, will return to their use of the raisin.

The net return will be that the raisin industry will continue to maintain its substantial contribution to the economy of California and the United States.

Mr. Speaker, in honor of the raisin industry and the week of recognition that has been set aside for it, it is my pleasure today to offer my colleagues samples of raisins grown, processed and packaged in the central San Joaquin Valley of the State of California.

RISING UNEMPLOYMENT AND RISING CRIME RATE

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HAWKINS. Mr. Speaker, the rising crime rate is directly related to the rising unemployment rate, as pointed out by Mr. Tom Wicker in the following article. Of special interest is the apparent multiplier effect of unemployment on the crime rate and the poor prospects for deterrence as a successful method of crime prevention in times of rising unemployment. I wish to bring special attention to Mr. Wicker's statement that—

> Maybe full employment and reduced economic disparities would do more to make the streets safe than any number of policemen.

The article follows:

[From the New York Times, Apr. 4, 1975]

JOBS AND CRIME

(By Tom Wicker)

LOS ANGELES.—Crime was sharply up in 1974, according to Federal Bureau of Investigation statistics, and Attorney General Edward Levi thinks that bears out his prediction that rising unemployment would cause more crime. With unemployment generally above 8 per cent and as high as 41 per cent for black teen-agers, there is little reason to doubt Mr. Levi's analysis.

As reported by The Los Angeles Times, the F.B.I. statistics show the incidence of crime to have risen by 17 per cent in 1974, compared to only 6 per cent in 1973. Violent crimes—murder, rape, robbery and assault—more than doubled to 11 from 5 per cent; property crimes tripled, from 6 to 17 per cent in 1974. Crime statistics are not entirely reliable, for many reasons, but these F.B.I. figures seem to reflect a definite upward trend.

That these increases at least to some extent are the product of rising unemployment can hardly be doubted. For one thing, the crime increases were sharpest in the last three months of 1974, when the economic recession was gathering speed and producing large-scale layoffs and business failures.

For another, cities where unemployment was at its worst suffered the biggest increases in the incidence of crime. As the number of unemployed persons nearly doubled from 7.9 to 14.9 per cent in Detroit, for example, the crime rate there rose by 17.9 per cent. But in Houston, where the rise in joblessness was only from 3.7 to 4.6 per cent, crime increased by only 10 per cent.

These figures were entirely predictable. As Mr. Levi suggested in his confirmation hearings, when jobs are not available, when layoffs are widespread and when the first-fired are likely to be those lease skilled and least educated, hence least able to get and keep whatever work may be available—particularly when prices also are rising—an increase in crime is almost bound to result, as the jobless seek some way to maintain themselves, or their families, or their drug habits, or their installment payments, or their loan shark, or all of these.

The direct translation of unemployment into crime may be seen increased, in the current situation, by the well-known phenomenon of disappointed expectations. Hundreds of thousands of blacks, Spanish-speaking people, and other minorities, in the wake of the city riots of the 1960's, gained employment from concerned businesses, government projects and affirmative-action programs. New vistas seemed to open through economic opportunity. Now recession has clouded those vistas; and the old story of "last hired, first fired" is once again a bitter reality. How much crime is a direct result of such dashed hopes and frustrated ambitions would be hard to measure; it may well be much.

High unemployment, moreover, is likely to result—as the F.B.I. figures suggest—in precisely the most-feared forms of crime. Since

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layoffs disproportionately affect the poor, the unskilled and the disadvantaged, they stimulate muggings, robbery and assault, which are predominantly crimes of the poor, often against other poor people. And one high-risk class of potential offenders—ex-convicts—are particularly affected by hard economic times. It is difficult enough for ex-cons to find work during periods of prosperity, and all but impossible in a recession—which is one good reason why recidivism rates are estimated as high as 70 per cent.

Mr. Levi drew from the higher crime figures the conclusion that a greater emphasis was needed on "deterrence." This is no doubt true, since—as he pointed out—about a third of violent crimes go unreported, much less punished, and only a small percentage of those arrested for felonies can be convicted. But "deterrence" is nevertheless a limited prescription for what ails us.

That is, the more desperate economically a potential offender may be, the harder he will be to deter from committing an offense. Thus, as economic deprivation heightens desperation, as seems clearly to be the case at present, the less effect deterrence may have.

Deterrence of crime, moreover, in the opinion of most who have studied the matter, is more nearly a question of the *certainty* of punishment than of the severity of punishment. So if economic hardship increases the number of crimes likely to be committed, it correspondingly decreases the likelihood of punishment for any one of them. Hence, the deterrent effect of the criminal justice system may be even less than it would be in times of prosperity.

Mr. Levi's concern is properly the criminal justice system. The rest of us, rightly fearful of crime as we are, might also ponder the implications of the apparent link between rising unemployment and rising crime. Maybe full employment and reduced economic disparities would do more to make the streets safe than any number of policemen.

THE EMERGENCY FARM BILL

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BEDELL. Mr. Speaker, I am tremendously disappointed by President Ford's decision to veto the emergency farm bill. In my view, it can only result from either a complete misunderstanding of the nature and gravity of the current agricultural situation or a calculated insensitivity to the legitimate needs of the American farm community. In either event, the veto must be overriden by the Congress in the overall interest of the Nation.

There is simply no rational justification for a veto of the emergency farm bill. H.R. 4296 is a necessary and responsible piece of legislation which was drafted to meet a very real and pressing need of our Nation's agricultural producers. Its implications, however, extend far beyond the farm community itself. If the emergency farm bill is rejected, and no responsible action is taken to ease the predicament of America's farmers, the effect of the current uncertainty in the agricultural market is certain to reverberate throughout the entire American economy with detrimental results for producers and consumers alike.

The President has justified this veto on the basis of cost. He argues that the bill is inflationary. I submit that this attitude represents a total misunderstanding of the current agricultural situation and constitutes a shortsighted and parochial approach to what is in reality a very serious national problem. It totally ignores the long-range economic and social costs of the defeat of this bill.

The cost to the Government of H.R. 4296 has been estimated at approximately $210 million over present law. The cost of the defeat of this bill would be much greater. Existing law does not provide meaningful or realistic protection for agricultural producers. Defeat of H.R. 4296 would very likely induce a rash of bankruptcies and push more and more families off the land and into the already swollen ranks of unemployed. In turn, we will see the concentration of more and more land in the hands of fewer and fewer landholders and corporate farms, increased monopoly practices and price fixing, and, in the end, higher prices at the grocery store.

H.R. 4296 would do much to forestall these developments by raising target and loan rates to levels which would assure that, should the bottom fall out of the market because of a possible large surplus the farmer would have some guarantee that his losses will not be as catastrophic as under present law. It would in turn do much to assure the American consumer of adequate supplies of food at reasonable prices. The small farmers of America need this legislation. And so do consumers as well.

Before closing, I would like to make one final point on the administration's role in the implementation of American farm policy. In the past week, Secretary Butz has indicated on several separate occasions that he is aware of the severe burden which our current economic problems have placed on American agricultural producers. In an appearance before the Joint Economic Committee just last Friday, he stated, in reference to falling commodity prices and rising operating costs, that "farmers are taking it out of their hide." The Secretary is 100 percent right. The question thus is, why will not the administration do something to help the farmer? Apparently Mr. Ford and Mr. Butz have sympathy for the predicament of the American farmer, but no compassion for his plight.

It is ironic that the administration is on the one hand calling for expanded food production from the farm community, yet it is not prepared to provide a minimum of protection for farmers against the possible collapse in prices.

Of course, President Ford has indicated that he would adjust support levels if farm prices collapse later this year. But he declines to say how low prices must fall before he will act. In light of the administration's past record on farm policy, the American farmer cannot be blamed if he views the President's assurances with considerable skepticism. I too have little faith in his promises.

The American farmer has been bearing more than his fair share of the burden of holding down the cost of living in America today. I believe that the Federal Government has a responsibility, yes an obligation, to provide the American agricultural producer with a modicum of protection against falling prices. To do less would invite great economic and social cost for the American Nation. The veto of this legislation leaves America's farmers with a promise, not a program. I urge you to vote to override the Presidential veto of H.R. 4296.

DEDICATION OF FORT MYER BUILDING FOR U.S. ARMY BAND AND CHORUS IN HONOR OF WILBER M. BRUCKER

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. McEWEN. Mr. Speaker, on March 29, the cornerstone was laid at Fort Myer, Va., for a permanent building for the U.S. Army Band and Chorus. It was dedicated to the memory of a distinguished American and former Secretary of the Army, Wilber M. Brucker, longtime backer of the Army band and originator of the Army chorus. Most appropriately, the dedicatory address was made by Gen. Bruce C. Clarke, retired. These two men, who saw each other infrequently, shared a common bond in their deep concern for the morale and welfare of the men and women of the Army. Wilber M. Brucker, in his position as Secretary of the Army, worked tirelessly and fruitfully in his devoted efforts toward improvement of conditions for the soldier. Bruce C. Clarke, World War II hero and former commander of U.S. Army Pacific, 7th U.S. Army Europe, Continental U.S. Army Command, and U.S. Army Europe, strove ceaselessly toward similar objectives from his position as field commander. Their accomplishments are renowned in the Army. It is proper that this now be brought before all American people. No stranger to my district in northern New York, former Secretary of the Army Brucker took an active interest in the U.S. Army Corps of Engineers' efforts in the construction of the U.S. section of the St. Lawrence Seaway. When citizens of northern New York honored their native son, General Clarke, by dedicating to him the Bruce C. Clarke High School Building in Adams, N.Y., Mr. Brucker journeyed north to pay tribute to him in a dedicatory speech. It was fitting, therefore, that General Clarke be given opportunity to respond at the dedication of Wilber M. Brucker Hall. It is with high respect and personal admiration for two great Americans that I offer General Clarke's remarks for insertion into the CONGRESSIONAL RECORD.

DEDICATION OF FORT MYER BUILDING FOR U.S. ARMY BAND AND CHORUS IN HONOR OF WILBER M. BRUCKER

We gather today near the graves of our country's honored dead, in Arlington National Cemetery, to pay tribute to a great soldier, attorney, governor, Defense Department counsel, Secretary of the Army, leader, commander and statesman.

A short distance from here he lies buried under a simple headstone on which is inscribed:

WILBER M. BRUCKER, LIEUTENANT, U.S. ARMY

It is fitting that we honor the memory of this extraordinary man by naming the permanent U.S. Army Band and Chorus Building for him. He always felt that music played a great part in the morale of the soldier. He originated the United States Army Chorus.

Present here today is his beloved widow, Clara H. Brucker, who was ever by his side in his many activities from Prosecuting Attorney to Secretary of the Army. She, very systematically, kept notes and took pictures which lend to a fascinating book covering the activities of the Wilber M. Brucker Family. She has combined these into a volume entitled, "To Have Your Cake and Eat It."

Wilber Brucker was born of a modest family in Saginaw, Michigan; graduated from the University of Michigan Law School. He was elected to public office early—State Attorney General at 33 and Governor of Michigan at the age of 36. But he did not neglect his military obligations. In 1916 he went to the border as a sergeant in the Michigan National Guard. From there he went to the First Officer's Training Camp and was commissioned a Second Lieutenant and was sent to France, where he was assigned to the Rainbow Division. He was a First Lieutenant when he was mustered out.

In the Eisenhower Administration he was selected to be the General Counsel of the Defense Department and from 1955 until 1961 he was the Secretary of the Army.

Although I had several contacts with Secretary Brucker during this latter five and a half-year period, one sticks out in my mind. Early in 1956, I received a call to report to Mr. Brucker in the Pentagon. I was then Commanding General of the U.S. Army, Pacific, with headquarters in Honolulu. Within hours I was in the Scretary's office.

He opened at once with "How soon can you go to Germany?" I said, "Today, I've got my bag with me." He said that that was not required but to get there soon, take command of the 7th Army and straighten out the relations between our soldiers in Germany and the German people. As I rose to take my leave, he said, "General, I'll give you 90 days to get on top of this or I'll find someone who can." True to his word, he visited me in about 90 days.

A highlight in Wilber Brucker's period as the Secretary of the Army was on January 31, 1958 when the Army put the first "Explorer" into orbit. The Army put a "Jupiter 6" missile into orbit in 82 days after it had been told to go ahead. Wilber then coined, and used, a new phrase at every opportunity, "By Jupiter."

When Mr. Brucker left as the Secretary of the Army, the then Chief of Staff said, "The morale of the Army was at its lowest when Secretary Brucker took over, and today it is the highest it has ever been in peace time." Among other things he had refurbished the old dilapitated World War II barracks buildings under a program which the soldier knew as "Bruckerizing."

During the period when he was the Secretary of the Army, I was constantly in command of troops in the field with operational and training missions: USARPAC, 7th Army, CONARC and USAREUR. His tremendous interest and support of the Army's missions came through loud and clear to the squad level and to the top headquarters. Many officers and men have remarked about the level of soldiering being at an all-time high during that period when he was its Secretary.

CLEVELAND'S PROGRESS IN VOCATIONAL EDUCATION

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MOTTL. Mr. Speaker, Superintendent Paul Briggs from Cleveland provided excellent testimony this morning on vocational education to the Subcommittee on Elementary, Secondary, and Vocational Education. His testimony shows the progress made in Cleveland during the last 10 years in making vocational education available to our city's youth. He pointed out that in 1964 only 7 percent of 11th and 12th graders were enrolled in vocational education. But by 1974 that percentage had increased to 58 percent. In my opinion that achievement is attributable to Dr. Briggs and to the entire Cleveland public school system.

The testimony follows:

TESTIMONY OF PAUL W. BRIGGS

(NOTE.—Charts not reproduced in the RECORD.)

I welcome this opportunity to appear before this committee to speak briefly about the needs, the programs, and the progress of vocational education in the Cleveland Public Schools. I am especially appreciative of the efforts that the members of Congress have consistently made to improve the quality of education in our urban centers.

At no time in the history of this nation has it been more essential that we have a large and adaptable program of vocational preparation.

The situation is particularly acute in the urban centers of America in which there are concentrated millions of young Americans unemployed and largely unemployable.

In the area of vocational education, the urban centers, stricken as they are by massive unemployment and despair, feel the urgency of developing new dimensions in vocational education opportunities. The schools of our big cities must prepare youth not only for the jobs presently available, but also for the rapidly changing labor demands resulting from technological advances.

The effective high school in the major city is one whose program equips its graduates for two alternative routes—one to continuing study and training, and the other to immediate employment. Students, upon completion of high school, must leave with the confidence that they can choose immediate employment with no loss of dignity.

As graduates of our high school enter the job market, they must be equipped with proficiency in basic industrial skills which will allow them not only to fill today's jobs, but to adjust to the jobs of tomorrow.

The total number of Cleveland high school pupils enrolled in eleventh and twelfth grade vocational programs has increased from seven (7) percent in 1964 to 58 percent during this year.

In serving the vocational education needs and interests of our students, we must recognize the continuum from the pupil with limited ability and low motivation to the pupil with exceptional ability and high motivation.

For approximately 29 percent of our vocational high school enrollment, Cleveland provides two of the nation's finest vocational high schools, Max S. Hayes and Jane Addams. Students are accepted in these high schools by application only. There are virtually no dropouts and all the graduates are placed on jobs, often several months before graduation.

Max S. Hayes has a wide range of programs, including Patternmaking, Architectural Drawing, Building and Construction Trades, Service and Hand Trades, and a Technician Training Program for mechanical, electronic, horticultural, retail management, chemical, and industrial technology.

Jane Addams has a range of programs which includes Cosmetology and Power Sewing. Post high school programs at Jane Addams include the Dental Technician Program and the Licensed Practical Nursing Program. Since 1969, the Dental Technician Program, with an average of 50 percent minority enrollment, has a success rate of 94 percent of the pupils receiving certification; the Licensed Practical Nursing Program has a success rate of 95 percent of the pupils receiving licenses.

Cleveland has a new Aviation High School to prepare students in all aviation areas, from ground transportation to tower control.

Cleveland also has a ship, U.S.S. Woodbine, which prepares students for the maritime services which include diesel engine, deck operation, and stewart training.

The majority of high school students have vocational education needs and interests which can best be met in our comprehensive high schools.

Vocational programs are designed to meet the needs of our pupils. These needs reflect the socio-economic and ethnic characteristics of the Cleveland community.

Cleveland is the largest city in Ohio. The school district is the largest in the state, enrolling seven (7) percent of all Ohio school children. However, our district has nearly one-fourth of the children from welfare families in the state.

In 1965, 11 percent of Cleveland school children were recipients of public assistance. This year the percent more than tripled to 34 percent, and we now have over 57,000 school-age children in Cleveland who are members of families receiving public assistance.

Fifty-seven (57) percent of our students are black. Of the remaining students, less than one percent are American Indian, less than one percent are Oriental, approximately three percent are Spanish-surnamed, and 39 percent are designated as "All Others," using categories prescribed by HEW.

The unemployment rate for the nation as a whole in March, 1975, was approximately 9 percent. The estimated March unemployment rate in Cleveland was 13 percent. The percentage of unemployed whites was 9 percent, while the non-white figure was 21 percent. The non-white rate is even higher in the inner city.

There are in Cleveland today 28,825 adults whose occupational potential is critically limited by their functional illiteracy. The number of adults with functional illiteracy exceeds either our regular junior high school enrollment (28,694) or our regular senior high school enrollment (26,527).

It is the poor and unemployed to whom we must address ourselves. The poor and unemployed in the inner city need supportive services and programs designed to

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overcome the effects of poverty. Through education, we upgrade people socially and economically.

Critical to our efforts in overcoming racial isolation and poverty is financial assistance from the federal government. At a time when we enroll more and more poor pupils and we see an increasing unemployment figure for the inner city, we find a steady decline in the amount of tax revenue available to us. This decrease is attributable to a lowering of taxable values in Cleveland, although the voters have increased their taxes 137 percent since 1964.

As our tax revenue is decreasing, we find a steady increase in the cost of doing business in Cleveland. Our 1973–74 per pupil cost was $1,224 annually, while the state average was $968. It costs us more to operate our school buses—our costs are $1.20 per mile, while the state average is 47¢ per mile. We pay our custodians $6.75 an hour; Cincinnati pays $4.20 and Lima $3.75. Cost of construction, wages, and maintenance and repair services are higher in Cleveland than elsewhere in the state.

Evidence of the higher cost of doing business in Cleveland is reflected in the comparison of the hourly rates paid to various building trades within major Ohio cities.

In a large metropolitan area such as Cleveland, technical-vocational education is a critical need. The Vocational Education Act of 1963 and Amendments to the Act in 1968 stressed the role of school systems in developing special programs which fully utilize existing school facilities to provide vocational, manpower, and job training and placement programs. Through the years, we have been very fortunate in having a comfortable relationship with officials of the federal and state governments, and as a result of federal and state funds, we have been able to mount many innovative vocational education programs in Cleveland.

In 1964, our system offered 52 classes in vocational education. Now—eleven years later, the number has risen to a total of 523 classes in two exclusively vocational high schools, in two manpower training facilities, and in our comprehensive high schools. In addition, we have 16 programs in Special Needs to serve over 2,700 disadvantaged and approximately 900 handicapped with special problems, and 102 adult classes which serve over 1,900 adults.

Another area of continuing and increasing importance to the Cleveland Public Schools is our manpower program. Our two primary manpower facilities are the Manpower Training Center and the Woodland Job Center.

Originally funded by the Manpower Development and Training Act and now funded by the Comprehensive Employment and Training Act, the Manpower Training Center offers a job training program for disadvantaged, unemployed, and underemployed men and women in a five-county area. The Manpower Training Center also offers training programs for the handicapped and for individuals incarcerated at the Cleveland Workhouse.

The Manpower Training Center has the capability, working with the State Department of Education, Division of Vocational Education, to design, develop, and implement specialized programs. In addition to training programs, the Manpower Training Center provides such supportive services as counseling, guidance, basic education, General Education Development (GED) programs, nutrition, and job placement. Priority for enrollment is given to Vietnam veterans and to the disadvantaged.

Ninety-three hundred (9,300) adults have been served since the Manpower Training Center opened in 1965. Since then, more than 77 percent of the participants have been placed in jobs.

The Manpower Training Center often has responded directly to the needs of Cleveland business and industry. Recently, the trucking industry expressed a need for truck drivers. We now have at the Manpower Training Center a fleet of trucks and a highly specialized program in truck driver training. Needless to say, this is a high impact program; we may be sure that we will realize a very high percent job placement.

The Woodland Job Center offers training and actual production of products to the out-of-school youth who wishes assembly-line-type employment. This facility is a factory donated to the school system by the General Electric Company.

At the Woodland Job Center are several assembly lines, managed by Cleveland industries, which are manned by enrollees. Also available are supportive services such as those offered at the Manpower Training Center.

Since 1969, 96 percent of over 2,100 students from the Woodland Job Center desiring work were placed in jobs upon completion of their training.

You will note the 19 percent difference in job placement between the Woodland Job Center and the Manpower Training Center. At the Woodland Job Center, the Cleveland Public Schools is responsible for job placement; at the Manpower Training Center, originally the Ohio Bureau of Employment Services placed students on jobs and now the Aims JOB is responsible for job placement. The on-going personal relationship with students at the Woodland Job Center allows a higher degree of success in placing students on graduation.

The Woodland Job Center also houses the vocational Work-Study Program through which participants may work part time in a field relating to their work and study at the Center.

Designed to encourage the 18 to 21 year-old dropouts to return to school to obtain job preparation and their high school diplomas, the twelve-year old Work-Study Program has a job placement average of 60 percent of its almost 10,000 students. Since many work-study students receive their high school diploma, some graduates enroll in college and other continuing education programs.

The Cleveland Public Schools also offer vocational programs, both as special offerings and as part of the mainstream, to handicapped students, including the educable mentally retarded and the deaf and crippled. These programs, serving almost 900 handicapped pupils, include such courses as baking, shoe repair, and power sewing.

In every field we have been making vocational instruction more relevant by tapping the technological skill of business and industry with more than 67 advisory committees in vocational education.

May I say at this point that the business and industrial leadership of Cleveland deserves special commendation for its support and cooperation in our efforts to upgrade vocational education and expand opportunities for Cleveland youth.

To demonstrate to the student in the inner city that success in school can lead to employment, we have established an aggressive job placement service for graduates of our six inner-city high schools.

Over the past eight years, the Cleveland Public Schools' Job Development Program has placed an average of 94 percent of those inner-city high school graduates desiring work. In spite of the difficult economic times this past year, 94 percent of the June, 1974 graduates of inner-city high schools were placed in jobs.

This outstanding model should be expanded to all sites in the Cleveland Public Schools. We recommend that funds be provided to support Job Placement services for each vocational program.

Another area of importance is our Apprenticeship programs. These programs are not closed to minorities in Cleveland as they are in some areas of the country. Since 1965, minority enrollment in these programs has increased from three (3) percent to 20 percent this year.

The Cleveland Public Schools' Comprehensive Youth Service Program, formerly called Schools Neighborhood Youth Corps (SNYC), has been cited as one of the nation's finest. We have been involved in this program, funded by the U.S. Department of Labor, since 1965.

The Comprehensive Youth Service Program provides practical work experiences for in-school youth 14–21 years of age from low-income families. The program is designed to provide employment so that youth can earn money while they remain in school. The Comprehensive Youth Service Program encourages young people to finish high school, to develop work habits, and to consider post-high school training or college. Although this is a year-long program, the summer component is more exciting because of the large numbers of participants and the emphasis on coordinated work and academic experiences.

During the first summer of the program, we served nearly 800 needy youngsters. In 1974, we served 10,438 disadvantaged young people.

In 1965, the summer program was strictly a job program. Beginning in 1966, an emphasis was placed upon the coordination of work and academic experiences.

The Cleveland Public Schools has received additional support for the educational component of its Comprehensive Youth Service Program. The Department of Vocational Education of the State of Ohio has supplied grants totaling $967,635 for vocational training in conjunction with the Comprehensive Youth Service Program's summer work experience. An allocation of $204,[illegible]65 was made available to the Cleveland Public Schools for this purpose in the summer of 1974. Such programs as Horticulture, Printing, Building Maintenance, Appliance Repair, Woodwork, and Auto Repair provided the youth with high school credit, together with appropriate job training.

Another Comprehensive Youth Service Program educational component was the "Go To College" program. This program, now in its fifth year, is designed to assist young people in having a worthwhile experience on a college campus and in earning college credits while still enrolled in high school. During the past five years, foundations have contributed approximately $100,000 to the "Go To College" program to provide the cost of tuition, books, and program coordination.

In looking at one of our inner-city high schools (East Technical), the data document the positive outcomes of our efforts to stimulate and support students' occupational aspirations. Chart VII indicates the percent of 1968, 1971, and 1974 East Technical graduates who continued in further education or who were placed on jobs.

Chart VII reveals that the percent of graduates continuing further post-high school studies increased from 25 percent in 1968 to 41 percent in 1971, and 43 percent in 1974.

During the same period, despite the steadily increasing scarcity of jobs, the percent of graduates placed in employment rose from 37 percent in 1968 to 39 percent in 1971, and to 46 percent in 1974.

At the same time, the dropout rate at East Technical was dramatically reduced by more than one-half—from 19 percent in 1967–68 to 17 percent in 1970–71, and to 8 percent in 1973–74.

In reviewing the last five years, almost four million dollars in scholarships and financial aid were awarded to the East Technical graduates for college and other post-graduate education, or an average of $3,665 per student. This average amount per student is approximately ten times the average of $371 per student in scholarship aid received by East Technical graduates prior to this time.

In fact, in all our Cleveland schools we are graduating more students, despite a decreasing enrollment, as indicated on Chart VIII.

Vocational education has helped us provide programs which meet the needs, interests, and abilities of students, and therefore has helped us reduce the number of high school dropouts.

The broad range of vocational education programs which we have in the Cleveland Public Schools are outlined on Chart X, Parts A and B.

In spite of Cleveland's major efforts, we have still not caught up with the tremendous need for a greatly improved and expanded program of innovative vocational education for Cleveland—a program which will reach the total spectrum of student needs and interests and which will be consistent with the specific labor needs of our expanding economy. There is room to expand our programs, facilities, and successes—if we had the funds to do so.

We have a highly effective manpower network. Buildings, staff, and equipment are operative at this very moment. We have a high record of job placement in all phases of our manpower and career education programs. We have room for expansion. We have the essential educational component. We have a very comfortable relationship with Cleveland business and industry. And, as a separate, non-political unit of government, we respond to the disadvantaged from areas outside the boundaries of the City of Cleveland.

In conclusion, I would recommend serious consideration of the following:

Special provisions to assure support of vocational education programs serving students of greatest need. The most useful measure of need is unemployment among youth. The programs that most deserve support are those located in areas of greatest youth unemployment. There is no question that the urban areas have the most intensive and extensive unemployment problems.

A greatly increased level of financial support. Vocational education properly conducted is costly, but the consequences of inadequate support are much more costly. The education of the students who enter immediate employment is no less important than the education of the minority who go on to college. The urban student who goes to work deserves to have just as much invested in his education as his most favored suburban contemporary who is preparing for a prestigious college. Not only is an increased level of financial support necessary to provide for the types of students who presently enroll in vocational education programs, but additional support is also required to enable the necessary expansion of vocational education programs so that they can serve a wider range of students.

Provision to guard against proliferation in control and administration of vocational education programs. Nothing can dissipate resources more or ensure confusion and delay than spreading the responsibility for control and administration too widely. What we need are the shortest and most direct possible lines of control.

The movement and rapid change in the productive economy of this nation have left behind too many people, the most crucial masses of whom are to be found in our cities.

The crisis in the great urban centers is the most serious domestic issue which this nation has faced in the twentieth century.

Basic to the solution of this crisis is solving the inter-related problems of unemployment, underdevelopment, poverty, and despair.

Vocational education creatively planned and sensitively administered will play a key role in an attack on these problems.

INTRODUCES LEGISLATION TO PUT PEOPLE TO WORK

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HEINZ. Mr. Speaker, I wish to bring to the attention of my colleagues testimony presented earlier today before joint hearings of the Senate Committee on Commerce and the Senate Committee on Labor and Public Welfare in support of urgently needed legislation to put people to work and to rebuild our railroad rights-of-way.

I am bringing this to the attention of my colleagues, the members of the House Subcommittee on Transportation and my fellow members of the House Interstate and Foreign Commerce Committee in support of the need for scheduling hearings and quick action on H.R. 4622, the Railroad Right-of-Way Improvement Act.

H.R. 4622 is designed to employ over 50,000 workers to upgrade and revitalize our railroad system. I believe legislation of this kind is essential to our economic well-being and is deserving of our prompt consideration.

The testimony follows:

TESTIMONY OF H. JOHN HEINZ III, M.C.

Mr. Chairman, my name is H. John Heinz III and I am appearing before your Committee as a United States Congressman representing the 18th Congressional District of Pennslyvania and as a member of the Interstate and Foreign Commerce Committee of the United States House of Representatives. I appreciate this opportunity to express my views today on S. 967, S. 1326, S. 1436 and related legislation designed to put people to work rebuilding our Nation's railroad rights-of-way. Particularly, let me take this opportunity to compliment the members of this Committee and its distinguished Chairman, the gentleman from Indiana, on your wisdom of recognizing the importance of this kind of legislation. It provides perhaps the most logical use of taxpayers' dollars for what might be broadly considered public service employment. I congratulate you on your swift action in scheduling hearings on these proposals.

Mr. Chairman, I also appear here today as the author of H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975, which I introduced on March 11, 1975. Cosponsoring the introduction of H.R. 4622 were both minority members of the House Transportation Subcommittee of the Interstate and Foreign Commerce Committee, namely the gentleman from Kansas and ranking minority member of the Subcommittee, Mr. Skubitz, and the gentleman from New York, Mr. Hastings. Subsequently, the gentleman from Ohio and ranking minority member of the House Interstate and Foreign Commerce Committee, Mr. Devine introduced identical legislation.

Since then, a number of congressmen from both the minority and majority have joined in cosponsoring this legislation, making it a truly bipartisan measure to help our deteriorating railroads and our sagging economy. I would add that H.R. 4622, or identical versions of it, are the only bills that I am aware of that have been introduced in the House of Representatives to date dealing with subject matter similar to S. 967, S. 1326, and S. 1436.

It is gratifying to all of us who sponsor or cosponsor H.R. 4622 that this bill has generated broad and strong support from many sources. Editorial support has been forthcoming from the Locomotive Engineer which carried an editorial entitled "Heinz Bill Deserves Support" on April 11, 1975, and from the Houston Post, in its editorial "Making Tracks" of April 20, 1975. Strong written endorsements have been received from such diverse groups as the Brotherhood of Locomotive Engineers, the Southern Railway System, the Pennsylvania Department of Labor and Industry, the Brotherhood of Maintenance of Way Employees (AFL–CIO), the Jones and Laughlin Steel Corporation, the United Steelworkers of America, the Railway Labor Executives Association, the Association of American Railroads and the American Federation of State, County and Municipal Employees. I am submitting these editorials and letters of support to the Committee for inclusion in the hearing record if the Committee so desires, together with several articles reporting on various aspects of the legislation, including articles from the Bureau of National Affairs captioned "Bills Offered to Underwrite Jobs for Rebuilding Nation's Railroads," dated March 14, 1975, from the United Transportation Union News, titled "Rail Rebuilding Plan Gains Support," dated March 26, 1975, from Labor Newspaper headlined "Unions Back $2.5 Billion Plan To Upgrade Rails," dated March 30, 1975 from the Washington Post titled "Railroad Job Plan Urged," dated March 12, 1975, and from the Wall Street Journal captioned "Jobs Subsidies to Rebuild Rail Tracks Draw Union, Carrier Support," dated April 15, 1975.

Let me briefly summarize the provisions and thrust of H.R. 4622.

Our legislation, H.R. 4622, would authorize the Secretary of Transportation to enter into agreements with railroads to provide grants to put people to work rebuilding deteriorated railroad track, provided that:

Railroads have sufficient material on hand or on order to perform the necessary maintenance;

The railroads do not substitute jobs under this program for existing jobs;

Priority be given to unemployed railroad workers and that work is done in areas of high unemployment; and

Workers hired under this act are paid the same wage rates as those currently performing this type of work.

Under this proposal, the Secretary would also be required to ensure, as part of a grant agreement with a carrier, that in the event of sale, lease, or transfer to any other entity of property improved pursuant to such assistance, the full dollar amount of the grant, taking into account depreciation, would be payable and returned to the Secretary.

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The intent of H.R. 4622, Mr. Chairman, is very similar to that of the three Senate bills I understand are being considered by this Committee. Nonetheless, there are some critical and important differences which I would like to address.

H.R. 4622 authorizes $2.5 billion over two-and-one-half years for employment purposes only. In this respect, H.R. 4622 supplies substantially more money for employment than any of the three Senate bills. The reason for this is twofold. First, information I have received suggests that up to 90,000 people could be productively employed in railroad right-of-way and yard maintenance. It is estimated that the expenditure of funds at the $1 billion annual rate proposed in H.R. 4622 would employ approximately 65,000 people at rates of pay and fringe benefits under existing industry contracts. Moreover, to the extent that materials are on hand or immediately procurable, a substantial portion of these people could be put to work almost at once. This, of course, would have a very beneficial effect on our economy. In recognition of the possibility that the major employment effort contemplated under H.R. 4622 might necessitate additional production capacity for steel rails, I have made inquiries of the American Iron and Steel Institute, the United States Steel Company, the headquarters of the United Steel Workers of America and the United Steelworkers District 20 officials to ascertain how quickly rail-making capacity might be brought into production. I am advised that such capacity could be made available as quickly as six months and in no more than 12 months.

H.R. 4622 provides funding over a 2½ year period. This is a substantially longer period than that anticipated by any of the Senate bills, and it has been proposed with several thoughts in mind. In the first instance, it seems highly unlikely that anything less than a 2½ year program will significantly contribute to improving the condition of our nation's railroad system, which in too many cases has been the victim of mismanagement leading to deferred maintenance—in some cases deferred for 30 to 50 years. Of perhaps more immediate importance, the President's Economic Report forecasts a rate of unemployment persisting at or near the level of 8 percent for the next three fiscal years. For this reason alone, we should structure any railroad employment program for substantial continuity and longevity.

Another difference is that H.R. 4622 provides uniquely for employment assistance and only in the form of grants as opposed to loans. To some, it might appear that we are not requiring the railroads to contribute any quid pro quo in the form of matching contributions or principal or interest. We have drawn our legislation this way because our information indicates that for every one dollar expended for employment in the maintenance and upgrading of yards, rights-of-way and so forth, railroads must spend up to two additional dollars for material and equipment such as rails, ties and crushed rock. In many cases, the laying of railroad track is highly automated and the cost of the labor involved is proportionately small compared to the capital and material costs involved. It goes without saying that as railroads spend their own money to acquire materials and equipment to lay and install track, their purchase of these items necessarily employs large numbers of people in the supplying industries, which number among them such economic sectors as steel, lumber, and machinery.

This clearly represents an important and beneficial "employment ripple effect" that by increasing spending in the private sector stimulates our entire economy by creating many additional jobs. In this respect, legislation such as is being considered by your Committee, Mr. Chairman, provides a much greater return to the taxpayers than the kind of public service job that may have only a "one-shot" or "flash-in-the-pan" return because it is simply directed toward raking leaves, sweeping streets, or shuffling paperwork. To the contrary, the kind of employment legislation being considered by your Committee provides a permanent and lasting advantage to the taxpayer who is, of course, financing the expenditure.

On another topic, H.R. 4622 appears to go further than any of the Senate bills in protecting the public interest in the expenditure of funds under the legislation. In particular, Section (b)(3) of H.R. 4622 mandates that the Secretary establish terms and conditions to safeguard and protect the public interest in any financial assistance granted. I have also prepared and intend to offer at the appropriate time a further amendment to H.R. 4622 that would prevent any railroad from profiteering under this legislation by requiring that, in the event of the sale, lease, or transfer of any property improved by grants received under this legislation, the profit or gain attributable to any such transaction be turned over to the United States Treasury.

I particularly want to emphasize that H.R. 4622 provides for rates of pay and fringe benefits to be in accordance with existing contracts and prohibits the substitution of any job funded under the legislation for any existing job. One of the Senate bills, S. 1436, introduced by Mr. Randolph, Mr. Bayh, Mr. McClellan, and the distinguished Chairman of this Committee, Mr. Hartke would appear to meet this objective. But I am not sure whether the other bills before the Committee are similarly directed. In any event, I feel strongly that any legislation must meet the objective of providing a fair day's pay for a fair day's work. I think it would be extremely shortsighted to do otherwise. Legislation which had the effect of undercutting existing agreements would more than likely result in a failure to employ experienced and well-trained individuals now available in the labor force. Furthermore, totally new procedures and jobs might have to be designed for people put to work at substandard rates of pay, and this would only jeopardize our goal of putting people to work as productively and as quickly as possible. And let me emphasize, too, that it is not the intent of this legislation to discriminate in favor of or against any employees who maintain rights-of-way. It is the intent of H.R. 4622 to put to work the same kinds and proportions of employees that it has previously been the practice to hire under usual employment contracts.

Mr. Chairman, I want to reiterate my support for the concern and prompt initiative of your Committee in scheduling hearings on legislation to improve our rail transportation network and thereby put people to work in these times of high unemployment, when more than one of every twelve Americans is without work. I am hopeful that the House Transportation Subcommittee will soon follow your example and will schedule hearings on similar necessary legislative initiatives at the earliest possible date.

I feel most strongly about the need for prompt Congressional action. One reason is that we are now in the peak season for railroad maintenance. It is therefore imperative that we enact legislation taking advantage of the fact that this is the best time of the year to start putting people to work improving our railroad rights-of-way. Failure to act promptly will not only prevent the benefits of this legislation—namely, tens of thousands of jobs—from being made available to Americans throughout the United States, but failure to act now may also result in a substantial increase in unemployment, particularly among those now employed as railroad maintenance workers. According to experts in the railroad industry, it appears that maintenance employees will suffer a drop of some 35,000 workers in the coming months unless Congressional action is forthcoming. Such a drop represents a decrease from the 90,000 workers employed in 1974 to a projected level of employment in 1975 totaling only 55,000 for the same period. This has catastrophic implications for the further deterioration of our railroad lines as well as for the economy. As some measure of the problem, the railroad industry as a whole furloughed 40,000 workers between October 1974 and February 1975, including some 14,000 maintenance-of-way employees.

Equally important from the standpoint of our taxpayers, is the fact that unless the House and Senate act in concert and soon, funds that might be available through the appropriations process may be committed and targeted on programs that may not be as beneficial. The greatest virtue of the legislation being considered by this Committee is that the taxpayers will receive, in the form of permanent improvements in our rail transportation network, a lasting benefit to themselves and the economy. It is, moreover, a benefit which will have the result of employing in the industries supplying railroad material perhaps twice as many people as we will put to work directly repairing our sadly deteriorated rail network. This is not to say that I am opposed to public service employment. But I think we must be realistic. There is a limit to the number of people who can be productively employed in such jobs. It is not the best use of the taxpayers' dollar to finance raking leaves, sweeping streets or shuffling paperwork when there is the opportunity to provide meaningful, dignified and productive employment, particularly so when the end result of such employment is improvements that are of lasting benefits to our country.

Those who would oppose the concept and implementation of legislation like H.R. 4622 and similar legislation introduced here in the Senate are being penny-wise and pound-foolish. In this connection, I have some concern about the Administration and the Office of Management and Budget.

On March 28 of this year, I wrote President Ford to inform him of the provisions of H.R. 4622 and to urge the Administration's support of such a measure. Although I received a prompt, thoughtful and courteous reply, I am concerned that the Administration has as yet taken no position on this legislation.

Personally, I feel that the Administration would take a very positive step by endorsing this kind of legislation, particularly as a substitute for public service jobs that are not as productive. If the Administration decides to oppose this kind of legislation, on the other hand, I think it would be a mistake. It would be wrong, it would be shortsighted, and it would be penny-wise and pound-foolish. It would represent a failure on the part of the Administration to recognize that two of the real priorities we're concerned with today—unemployment and the sad state of our railroads system—are two birds that can be killed with one stone. By opposing an initiative such as this, the Administration in effect would be endorsing alternative programs that waste the taxpayers' money.

As I stated in my letter to the President: ". . . The federal money expended (on this kind of program) would be a long-term investment in this nation's most energy efficient transportation network. While my legislation does not represent a long-range solution to either unemployment or railroads, it does offer an important initial step toward resolving both difficulties. Most important, this bill would mean action, and action is what the people rightfully expect of us . . . it seems to me vital that the Ford Administration take a strong position on this issue to demonstrate a genuine concern over the problem of unemployment and to encourage the wisest possible use of taxpayers' dollars."

Mr. Chairman, let me again compliment this Committee for taking the initiative on such very vital legislation. Hopefully, our House Commerce Committee as well will soon be scheduling hearings to fully examine all the implications of the many creative legislative approaches proposed. I am grateful to you, Mr. Chairman, and to every member of the Committee for this opportunity to appear here this morning and I would be pleased to answer any questions.

CONGRESS SHOULD APPROVE NEGOTIATED SETTLEMENTS OF DEBTS OWED BY FOREIGN NATIONS TO THE UNITED STATES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KASTEN. Mr. Speaker, recently two identical bills were introduced in Congress dealing with the settlement of debts owed the United States: S. 1416 by Senator Harry F. Byrd, Jr. of Virginia on April 10, 1975, and H.R. 6454 by Representative Jack F. Kemp of New York on April 29, 1975. In essence both bills state that "no debt owed to the United States by any foreign country may be settled in an amount less than full value of such debt unless the Congress by concurrent resolution approves of such settlement."

My statement today is in support of H.R. 6454, which I have cosponsored, because I endorse the principle that Congress should have veto power over a negotiated settlement of a debt, if in its judgment the resultant payment terms are such as not to reflect adequate compensation for the lawful debt. Any negotiated settlement should be able to be substantiated by adequate and defensible reasons and after due consideration by a fair and reasonable Congress it could be supported by a concurrent resolution.

The issue of Presidential right to negotiate debt settlements is not in question here. After all, the President's authority to renegotiate the terms of loans and credits to foreign governments varies with the enabling legislation.

According to the Attorney General of the United States, the executive branch has authority to renegotiate terms of loans to countries without congressional review or approval. This is in sharp contrast to the restrictions imposed by law on executive branch authority to negotiate new loans, including statutory limitations on minimum lending terms, sources of procurement, and loans to countries in default.

In testimony July 24, 1973, before the House Government Operations Subcommittee on Foreign Operations and Government Information, Sidney Weintraub, Acting Assistant Secretary for Economic and Business Affairs of the Department of State asserted:

> The Department of State is of the opinion, and other agencies have indicated that they agree, that the President does have authority in appropriate circumstances to settle claims against foreign governments where, for example, it is established that the debts are uncollectible.

The purpose of the H.R. 5953 legislation in question is not the abrogation of Presidential authority to renegotiate loans or the terms of loans, but the establishment of an oversight provision in law whereby a concurrent congressional resolution is required before the settlement of a debt is finalized.

By and large Congress has been in the forefront in establishing enabling legislation for all grants and loans to foreign governments, for example, the Liberty Bond Acts for post-World I relief, for Lend-Lease, for increasing Eximbank credits, for Marshall plan aid, for mutual security assistance, for Public Law 480 food, for Peace Corps aid, for emergency relief, for guarantees on foreign investments and exports, for sales of military paraphernalia, and, for specialized emergency aid to certain countries like Israel, Bangladesh, and the Sahel region.

Surely, it is not unreasonable, therefore, that Congress be apprised of negotiations to settle old debts, and if terms are at all reasonable to give concurrent approval. On the other hand, should not Congress reserve to itself the right of questioning whether a few State Department and Treasury officials, who have no responsibility to constituents, are keeping the taxpayers' interests ever in the foreground when negotiating debts totaling billions of dollars?

What concerns me is the fact that during the last 3 years debts amounting to over $5.17 billion have been settled for $148 million, or scarcely 3 cents per dollar owed: I think of the Russian lend-lease of $2.6 billion with a Soviet pledge to pay $48 million and a further $674 million if they get most-favored-nation tariff status; I think of the $2.2 billion credits given to India for Public Law 480 food and now written off; I think also of the French NATO settlement of $100 million for our claims of $370 million after moving our military headquarters.

What also concerns me now is the World War I debt amounting to $23.7 billion as of June 30, 1974, and of which total $19.6 billion are delinquent. In addition, the German World War I debt amounts now to $1.8 billion, of which total $1.6 billion are delinquent.

Post-World War II debts amounted to $32.1 billion as of June 30, 1974. As part of this total the balance of lend-lease and surplus property agreements alone amount to $6.1 billion, of which total $1.7 billion are outstanding.

All in all, today there are about $60 billion dollars owed to us by 110 nations. In the light of our current responsibilities to both the industrialized and underindustrialized world I feel it is important that we in Congress have a say in as important a matter as the settlement of a national debt. In fact, I think we owe it to ourselves to be completely informed about the economic status of a nation with whom we are negotiating.

The imperative for us is to support H.R. 6454 so as to know that our concerns are appropriately expressed.

RELIEF FOR SENIOR AND DISABLED CITIZENS

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FORSYTHE. Mr. Speaker, on January 28, 1975, I introduced a package of seven bills designed to help protect senior and disabled citizens living on fixed incomes from the ravages of our present rate of inflation.

The legislative package proposes to:

Increase the social security earnings limitation from the present $2,400 to $5,000.

Exempt the first $5,000 of retirement income from Federal income tax.

Prevent veterans' pensions from being reduced or taken away because of increase in social security benefit levels.

Provide a refundable property tax credit or partial rent credit of up to $500 to senior citizens earning less than $9,000 a year.

Prohibit the proposal to increase food stamp costs from taking effect.

Include prescription drugs under medicare.

Prohibit discrimination on the basis of age in granting credit.

To date, Congress has acted upon only one of these proposals by passing Public Law 94-4, which suspends the proposed increase in the cost of food stamps. No action has been scheduled for any of the remaining proposals.

The lack of response by Congress, however, has been in marked contrast to the overwhelmingly positive response on the part of my constituents. My office has received a steady stream of letters expressing approval of such legislation designed to help some of the people most hurt by our present economic situation. For instance, I am forwarding to Chairman Ullman of the House Ways and Means Committee a collection of over 300 constituent letters specifically supporting H.R. 2201, my proposed property tax credit and rental credit for senior and disabled citizens. I would hope, too, that other Members forward such mail to the chairman in order to provide the committee with a sense of the urgency of the situation.

I would also like to submit for examination by my colleagues a copy of a resolution endorsing H.R. 2201 passed by the township of Cherry Hill, N.J., one of the largest communities in the Sixth District of New Jersey, which I represent.

RESOLUTION 75-3-33

Endorsing and supporting the passage of H.R. 2001, a bill now pending in the House of Representatives to allow certain tax credits for property taxes paid by senior citzens and disabled individuals

Whereas, there is now pending in the House of Representatives, bill H.R. 2201, which allows certain tax credits for property taxes paid by senior citizens and disabled individuals; and

Whereas, passage of this bill will grant immediate and necessary tax relief to senior citizens and disabled citizens.

Now, therefore, be it resolved that the Township Council of the Township of Cherry Hill, in the County of Camden, endorses and supports the adoption of said bill—H.R. 2201.

Be it further resolved that certified copies of this Resolution be sent to the Honorable Edwin B. Forsythe, the Honorable JAMES J. FLORIO, the Honorable HARRISON A. WILLIAMS, and the Honorable CLIFFORD B. CASE.

Adopted: March 24, 1975.

Please notice particularly the words of the resolution that this legislation will provide "immediate and necessary" tax relief. I firmly feel that Congress must promptly provide not only such tax relief but also other measures to help those living on fixed incomes which have been steadily eroded by the rising rate of inflation.

The strong response to my proposals indicates that the time for enactment of a sweeping senior citizens program is long passed. I must once again urge the House of Representatives to begin acting on legislation designed to provide the help so desperately deserved by citizens who represent such a great national asset.

LAW DAY 1975

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ANDERSON of California. Mr. Speaker, every year on this date, by proclamation of Congress, our Nation observes "Law Day." It is a time when every American citizen should reflect on the importance of the laws by which we are governed. It is a time when every American should express his or her gratitude for the right to live in a country under the principles of justice, liberty, and equality which are afforded to us in our Constitution. And, it is a time for every American to dedicate his or herself to uphold our laws, and work for bettering our country by correcting the inequities that exist in our legal system.

It is especially important for those of us in Government to lead the way in showing to the American people that this, above all, is a nation of law and nobody can escape its consequences. Too many times in the past few years, the American people have observed lawlessness in high levels of Government. Recent polls reveal that many Americans believe that Government has reached a crucial point. They can cite example after example of scandal, corruption, and fraud—of indecision, ineptitude, and unintelligence.

Americans see a rising rate of crime, inflation, unemployment, environmental decay, and consumer fraud—all evils to our society. Too often the citizenry of our country have been discouraged in seeking remedies to these problems.

In a democracy, government should be controlled by checks and balances. But to the victims of these conditions, this concept is as abstract as a game of table tennis without a ping-pong ball.

Law should be a device assuring people that injustice, bigotry. and corruption do not run rampant over the rights of others—nor threaten society as a whole. But the law does not, and cannot, assure the orderly implementation of its requirements. It takes people to enforce the law; and it takes people to obey the law.

The Watergate episode showed us all too well that deviousness, secrecy, and corruption walk hand in hand. The Federal convictions of some of the United States most powerful men is convincing evidence of a gross negligence of the law at the highest levels of the American political process. Surely our public officials are not perfect; there are times when sectors of our populace need to be reminded that we are human, but to remember that crime is not—and we must do all in our power to abolish it.

Mr. Speaker, it is my hope that the frustration many feel with our system of justice can be turned to positive actions encouraging all Americans to uphold our laws. It should be our goal as legislators of not only upholding the law, but working to change the inequities in the law. This change cannot occur unless the people want it, the courts recognize it, and we legislate for it.

What is needed is a cohesive effort on the part of the people and the Congress to use our legal system to effect changes that are necessary to contribute to the common good.

PARTISAN POSITIONS ON GUN CONTROL ARE SHAKEN BY BUCHWALD'S COLUMN

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MIKVA. Mr. Speaker, in an effort to silence any critics who have accused me of presenting only one side of the gun control issue, I would like to call to the attention of my colleagues Art Buchwald's column in today's edition of the Washington Post, a column which, I believe, fairly and accurately presents the opposing side of the question:

REACHING FOR AMMUNITION, OR, A SHOT IN THE DARK

(By Art Buchwald)

I have a lobbyist friend who works for the right of every American to own a handgun. His name is Luger and, despite what people say about handgun fanciers, he is not a nut. He does get a little excited though when anyone talks about regulating the sale of handguns and even tends to froth at the mouth. But it's all an act. Luger knows that if there were no attempts to pass handgun laws he wouldn't be paid $50,000 a year to kill the legislation.

The other day he said to me, "You always write the bad things about handguns. Why don't you write the good things as well? Why don't you give both sides of the story?"

"You're right," I said. "I think I should be more objective about gun control. What should I say?'

"You can think of something," he said.

"All right. Handguns are good because they're cheap. They cost less now than they did 10 years ago, and since there are more than 40 million of them you can get a used one for practically nothing. How's that?"

"You can do better," Luger said.

"The nice thing about handguns," I wrote down, "is that if their sale is forbidden in one state you can always go to another state to buy one. You can even send away for parts and assemble your own gun, which any kid can do."

Luger said, "Don't talk so much about how easy it is to get a handgun. Say something about why people should have a right to own one."

"I'm coming to that," I said. "Let's see now. If you have a fight in the family—your husband or your wife or your mother or father—a gun in the house can settle the argument once and for all."

"That's not very funny," Luger said.

"I wasn't trying to be," I said. "Without a gun in the house some family fights could go on for days."

"I would prefer you didn't bring in the family when you talk about possession of handguns. What about if a stranger breaks into your house?"

"Right. It is very important to have a handgun if a stranger breaks into your house because you can shoot him if he doesn't shoot you first. The only way to be sure you can get the drop on him is to leave the gun out on the nighttable, loaded. The one thing wrong with this is that you might reach for it in your sleep and blow your toe off, or shoot your son who is sneaking in the house two hours after you told him to be home."

"It doesn't sound right," Luger said. "Talk about target shooting and how much pleasure it gives Americans."

I thought for a few moments and then started to write. "Target practice with a good handgun is the most pleasurable sport in America. Hitting a tin can at 100 feet is a thrill that no one can ever forget. Shooting a rabbit or a squirrel with a pistol builds character and healthy bodies. How does that grab you?"

"I've seen better," he muttered. "Now what about the foreign conspiracy to disarm Americans of their handguns so the Reds can take over the country?"

"Yoicks, I almost forgot about that. The real reason law-enforcement people in this country are clamoring for controls is that they are working with the Commies, who are waiting for a good gun-control bill to be enforced. Once Americans lose their handguns, the Soviets will make a drop on the United States and arrest everybody who can't defend himself."

"You make it sound stupid," Luger grumbled.

"I do not," I said petulantly. "I'm giving your side of it. Now I need an ending. I've got it! If American males have to give up their handguns they'll lose their manhood. If we don't have handguns we'll all become a nation of eunuchs."

SENATE—*Monday, May 5, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, the Source of our being, the Goal of our desire, and the Guide of our pilgrim days, as we turn from the clash and clamor of the world without and the pressing duties within this place, we hush our busy thoughts to learn in silence the mysteries of our being. Thou hast made us for Thyself and our hearts are restless until they rest in Thee.

Grant us light that penetrates all that is dark or veils from us the pathway of truth and righteousness. When we cannot see the distant scene, help us to take one step at a time in trust that Thou wilt lead us to the distant goal. Go with us to our waiting tasks. Sharpen our intellects. Give us precise speech and sound judgment that we may have a part in shaping that better world which is a foretaste of Thy kingdom.

And to Thee shall be our thanksgiving and praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 5, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, May 1, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VIETNAMESE REFUGEES

Mr. HUGH SCOTT. Mr. President, in 1930, right after the Great Depression, our civilian labor force unemployed was 4,340,000, a figure of 8.7 percent. Yet, in that year, 241,700 people entered this country through immigration procedures. Last year, our total immigration was 400,000.

With a civilian labor force unemployed in the past month of 8,176,000, or 8.9 percent, we are asked to admit, in addition to the normal admissions, not counting the scores of thousands of illegal aliens in this country, approximately 100,000 Vietnamese and third-country persons.

At once, a roar of outrage has erupted in various quarters and has been shared by some of the more callous types of columnists and editorialists.

Interestingly, many of the letters protesting the plans to admit Vietnamese refugees were signed by persons with such names as Lefebre, Dziadus, Pogglone, Yim, Narimatsu, Ramos, Schoemre, McCaffrey, and so forth.

I quote from an article:

> "I guess America is only a melting pot if you're lucky enough to be here already," said one disillusioned Senate staff aide.

This kind of reaction, resulting from fear, I suppose, and certainly grounded on selfishness, shames the America of which I have always been proud. This is a deplorable reaction, in my judgment. I have been here when we have taken in 40,000 Hungarians, 675,000 Cubans, hundreds of thousands of Jewish refugees from Europe. I was active in getting the ships to permit some of those refugees either to go to Israel or to come here.

We now see in this Nation of immigrants, all of us immigrants in various degrees, the attitude on the part of some people that they do not want anybody to come into this country on the next boat after that which brought their ancestors. I condemn this attitude out of hand.

What this country should be doing now is soliciting all the funds that can be raised for Vietnam refugee relief, working to relocate these people, get them settled, try to find jobs for them, offer them help, and encouragement in every way we can. These people are largely the middle class of Vietnam. Many of them are high-risk personnel. While they may have their bad citizens as well as their good, I believe that the vast majority of these people are those who voted with their feet. Hundreds of thousands of them voted that way in escaping from North Vietnam originally. They are doing it again. They are shopkeepers, doctors, lawyers, engineers, businessmen, trade unionists, journalists. They are a cross section of the same kind of people who have been making up America ever since the first immigrants came over here and met with the Indians.

I hope and believe that the mood of America is changing. I sincerely plead for a realization in this country of what it was that made America great; of what it is that keeps America strong; of what the inscription on the Statue of Liberty, at the entrance to our harbor, reads, the first sight that many immigrants see; of what we in this country have always been proud—that we are a nation of immigrants. We are a successful melting pot. We are a people who have welcomed people.

If any of them wish to go back voluntarily all well and good. But for some to suggest that the bulk of these people be encouraged to return to Vietnam is callous and heartless, and it is not representative of the spirit of this country.

The Statue of Liberty inspired Emma Lazarus, a New York poet, to write a sonnet which was inscribed on a plaque and placed in the pedestal of the statue. She composed it in 1883, after seeing refugees from persecution in czarist Russia arrive in crowded steamers. The poem reads:

Not like the brazen giant of Greek fame,
With conquering limbs astride from land to land;
Here at our sea-washed, sunset gates shall stand
A mighty woman with a torch, whose flame
Is the imprisoned lightning, and her name
Mother of Exiles. From her beacon-hand
Glows world-wide welcome; her mild eyes command
The air-bridged harbor that twin cities frame.
"Keep ancient lands, your storied pomp!" cries she
With silent lips. "Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door!"

Mr. President, I ask unanimous consent to have printed in the RECORD the statement of unemployment and immigration figures and to include the statement from the President pro tempore of the Senate detailing the present situation with regard to Vietnamese refugees.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATISTICAL DETAIL IN RE VIETNAMESE EVACUATION

As of this morning the current information received from the U.S. Department of State pertaining to evacuation from Vietnam follows. The numbers are precisely as received from the State Department and arithmetical exactitude is lacking:

86,229—Grand total evacuated by air and sea.

73,738 of this grand total are on Guam and Wake Islands and Subic Bay or are on ships proceeding to those destinations.

14,291 of the grand total have arrived in the United States.

4,397 are still in the reception centers in the United States.

8,094 have left.

30,000 to 35,000 Vietnamese are aboard Vietnamese Navy ships which apparently are proceeding to Guam and Subic Bay. The State Department has no data on exactly who these persons are but believe that they are in the "high risk" category.

JAMES O. EASTLAND.

	Civilian labor force unemployed	Percent unemployed	Immigration
1930	4, 340, 000	8.7	241, 700
1931	8, 020, 000	15.9	97, 139
1932	12, 060, 000	23.6	35, 576
1933	12, 830, 000	24.9	23, 068
1934	11, 340, 000	21.7	29, 470
1935	10, 610, 000	20.1	34, 956
1936	9, 030, 000	16.9	36, 329
1937	7, 700, 000	14.3	50, 244
1938	10, 390, 000	19.0	67, 895
1939	9, 480, 000	17.2	82, 998
1940	8, 120, 000	14.6	70, 756
April 1975	8, 176, 000	8.9	[1] 130, 000

[1] Vietnamese and 3d-country.

Note: 1974, total immigration: Approximately 400,000.

DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE, PHILADELPHIA, EMIGRANT ALIENS ADMITTED, YEARS ENDED JUNE 30, 1931 TO 1940, BY COUNTRIES OF BIRTH

Country of birth	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	Total
All countries	97, 139	35, 576	23, 068	2[illegible] 470	34, 956	36, 329	50, 244	67, 895	82, 998	70, 756	528, 451
Europe	69, 804	22, 964	14, 400	1[illegible], 559	25, 346	26, 295	35, 812	50, 574	68, 198	56, 264	389, 206
Albania	244	245	137	170	217	233	233	262	217	156	2, 114
Belgium	612	197	101	148	203	218	259	313	329	482	2, 862
Bulgaria	99	55	25	38	71	75	72	123	117	108	783
Czechoslovakia	2, 203	614	384	788	1, 004	1, 172	2, 054	3, 480	3, 127	2, 247	17, 075
Danzig, Free City of	61	8	19	13	16	19	42	93	183	106	560
Denmark	642	273	175	142	178	169	233	370	303	237	2, 772
Estonia	99	37	20	61	38	44	42	55	112	99	607
Finland	375	133	129	174	154	113	287	551	514	314	2, 744
France	1, 434	535	358	421	511	564	668	632	923	856	7, 104
Germany	10, 880	2, 775	1, 919	[illegible], 241	5, 436	6, 538	11, 648	18, 418	33, 621	25, 854	125, 825
Austria	743	322	217	325	737	662	489				
Great Britain:											
England	6, 589	1, 847	1, 141	[illegible]313	1, 370	1, 423	1, 757	2, 035	2, 423	2, [illegible]41	22, 139
Scotland	5, 105	919	405	607	583	509	651	769	619	[illegible]07	10, 754
Wales	536	79	57	66	81	72	92	85	92	53	1, 193
Greece	1, 572	747	452	560	810	796	839	952	841	735	8, 304
Hungary	979	536	314	325	510	618	841	1, 095	1, 321	1, 682	8, 221
Ireland (Eire)	6, 885	517	362	433	412	468	572	1, 229	1, 494	1, 021	13, 393
Italy	13, 415	6, 701	3, 560	[illegible], 495	6, 649	6, 901	7, 371	8, 029	6, 780	5, 805	69, 698
Latvia	190	79	55	67	67	81	126	179	241	209	1, 294
Lithuania	527	297	194	211	259	210	291	468	418	359	3, 234
Luxemburg	45	9	7	4	16	7	11	18	25	25	167
Netherlands	1, 247	235	182	174	289	280	396	367	674	1, 154	4, 998
Northern Ireland	1, 650	153	138	184	203	180	200	304	187	176	3, 375
Norway	1, 375	393	236	254	341	323	488	689	575	555	5, 229
Poland	4, 477	1, 800	1, 845	[illegible], 864	2, 461	1, 778	2, 491	4, 944	7, 315	4, 768	33, 743
Portugal	533	250	89	221	364	320	300	403	484	485	3, 449
Rumania	981	567	408	395	428	393	653	587	679	610	5, 601
Soviet Russia	1, 885	846	539	632	496	562	760	1, 105	1, 901	1, 779	10, 505
Spain	508	494	281	340	392	359	364	463	379	396	3, 976
Sweden	1, 404	373	173	225	224	213	360	438	378	450	4, 243
Switzerland	916	228	166	187	234	230	343	463	639	640	4, 046
Yugoslavia	1, 032	839	211	250	395	534	759	1, 141	1, 050	776	6, 687
Other Europe	561	161	111	231	237	226	220	314	237	217	2, 515
China	840	820	76	84	104	131	160	261	317	296	2, 889
India	168	99	37	43	33	34	58	40	51	72	635
Japan	656	527	69	72	75	73	111	68	79	75	1, 805
Palestine	158	106	26	46	55	87	86	246	254	257	1, 321
Syria	268	258	183	158	146	113	168	224	190	112	1, 820
Turkey in Asia	662	409	350	291	291	194	213	274	244	180	3, 108
Other Asia	909	139	77	78	59	84	93	164	169	203	1, 975
Canada	14, 998	6, 032	4, 640	[illegible] 977	5, 621	5, 903	9, 013	10, 732	8, 151	8, 303	79, 370
Newfoundland	535	87	62	78	91	117	233	378	342	295	2, 218
Mexico	2. 802	1, 800	1, 609	[illegible] 546	1, 286	1, 582	1, 918	2, 014	2, 265	1, 914	18, 536
West Indies	2, 157	800	530	593	722	721	925	1, 342	1, 192	1, 147	10, 129
Central America	988	587	411	351	349	442	416	511	450	446	4, 951
South America	1, 505	669	413	368	463	415	633	639	625	697	6, 427
Other America	7	2	1	6	1	6	1	5	11	1	41
Africa	314	175	55	74	109	110	149	135	167	193	1, 481
Australia	214	193	72	88	95	115	111	139	151	165	1, 333
New Zealand	112	89	49	45	48	34	43	53	59	58	590
Philippine Islands		4	2	1	46	52	68	68	53	68	367
Other Pacific	42	16	6	12	16	21	33	28	25	30	229

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 15 minutes, with statements therein limited to 5 minutes.

KENNETH B. KEATING

Mr. MANSFIELD. Mr. President, the distinguished Republican leader and I have just been informed of the passing of a former colleague, Kenneth B. Keating, of New York, a Member of Congress from that State in years gone by, a Senator from the State of New York in years gone by, and lately, the U.S. Ambassador to Israel. I knew that our friend, Keating, was in the hospital. I knew that he was undergoing serious medical treatment. But I did not contemplate that his passing would come so suddenly.

Kenneth Keating was a good colleague. I served with him in both the House and the Senate. He was a man of good humor, good intent, a man who conducted himself with dignity and integrity. I wish to express my own deep personal sorrow in the loss of this friend, and convey to his family Mrs. Mansfield's and my condolences and sympathy.

May his soul rest in peace.

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, I also just heard of the death of our friend and former colleague, Ken Keating. He and I were in the House together for a long period of time. We came to the Senate on the same day. We were seatmates. I enjoyed his friendship, his support. We all enjoyed his wit and his never-failing good humor. His zeal in the interest of his constituents was notable and noted.

He, among other things to his credit, was the person who publicized and created as a national issue the presence of the missiles in Cuba. This is a tribute to his research and his zeal and to his

courage in bringing out a matter of this kind.

We were delighted when he was made Ambassador to India and subsequently, Ambassador to Israel. I saw him and his dear wife within the month in Washington. They were having an opportunity to have a quiet little dinner together, which is not often the privilege of many public officials. I am glad I had this last very pleasant meeting with him.

As the distinguished majority leader has said, our hearts go out to the family, and may his soul rest in peace.

The ACTING PRESIDENT pro tempore. Is there further morning business?

PRESIDENTIAL VETO OF FARM BILL A MAJOR BLOW TO FARMERS, CONSUMERS, AND TAXPAYERS

Mr. ALLEN. Mr. President, last Thursday President Ford announced that he has vetoed the Emergency Farm Act of 1975, H.R. 4296. Furthermore, he announced no action to raise loan rates for 1975 wheat and feed grain crops nor even a restoration of the nonrecourse loan program for soybeans.

Mr. President, this announcement by President Ford is a slap in the face to farmers, and to American consumers. The veto action reaffirms this administration's commitment to and embracement of "boom and bust" agriculture. The closest President Ford came to making any announcement regarding alternative actions that might be taken in the future was the following, from his veto message:

> If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

Mr. President, if the cotton and cattle price situations earlier this year are any indication as to how low President Ford is prepared to let wheat, feed grain and soybean prices fall before taking any action, grain and bean farmers will find no comfort or reassurance in the President's promise of action, "if unforeseen price deterioration requires action * * *." Cotton prices earlier this year dropped below both 1974 target and loan rates levels. And, of course, cotton prices still remain today well below the cost of production. Prices of feeder cattle fell so low earlier this year that some cattlemen could not even give them away, if this is the type of level that President Ford is referring to before he takes any action to adjust grain and soybean loan rates, then producers of these commodities had better prepare for the worst.

While I recognize that the President is limited by law from making any further adjustments in the 1975 cotton loan rate, he could nonetheless direct the Secretary of Agriculture to invoke authority provided under the Commodity Credit Corporation Charter Act to purchase cotton stocks in the open market in such amounts as are required to strengthen current market prices to more realistic levels. Foreign governments have been withholding cotton stocks recently from the world market in an effort to strengthen market prices for their cotton farmers. Unfortunately, our government does not seem to share a similar concern for U.S. cotton producers.

President Ford, in his veto message, states that the provisions of H.R. 4296 might potentially add as much as $1.8 billion to the Federal deficit in fiscal 1976. Yet, he makes no mention of what the prospect of low prices for cotton, grains, and soybeans might do to actual plantings of these crops, which is just now getting underway. His veto action says to these producers, "You—the farmer must bear all the risks." And should these producers say, "no," and proceed to cut back on their production plans, 1975 production of these crops could drop substantially. And should that happen, what will the costs be? And who will bear them? I shall tell who—the American consumer.

Another year of short crops will mean a continiuation of downward adjustments in U.S. livestock and poultry production, which, in turn, will mean another round of sharp rises in retail prices for meat, milk, and eggs.

In other words, Mr. President, by not signing the farm bill and thereby encouraging additional production of farm products, we are running the risk of seeing the prices of these products rise substantially, because of the limitation that the farmers voluntarily make on their production. So it is not just the interests of the farmer that are involved. Far more than that, it is the interests of the American consumer, which would have been well served by the President in signing the Emergency Farm Act into law.

Pork supplies during 1975, already are expected to drop to the lowest level they have been since 1935. Fat cattle placements are currently down 41 percent from a year ago. Poultry supplies are now down about 10 percent from last year. Turkey meat, during the first half of 1975, is down 15 to 20 percent from the same period a year ago.

Maximum production of grains and soybeans, on the other hand, in 1975, will help check further reductions of these animal products.

But this increased production will not be in sight if Congress does not override the President's veto of the Emergency Farm Act.

But maximum production of these crops also may reduce prices received for them to too low levels—and it is this prospect that makes these producers entitled to some protection.

While President Ford expresses his concern about a potential $1.8 billion Government cost, if H.R. 4296 were enacted into law, he fails to point out that most of that cost would be in the form of commodity loans, which would not be an ultimate cost to the Government—it would be merely in the form of loans—which means that the commodities involved could later be sold in the market, either by the farmer, or by the Government, should the farmer fail to pay off his loan.

This is a sad day for the hundreds of thousands of American farm families who have consistently led our Nation in productivity, hard work, and in assuming substantial economic risks.

President Ford's veto of this farm bill is indeed a slap in the face to these families. Their net income prospects for 1975 are already forecast by Secretary Butz to drop at least by $7 billion from what it was in 1974, and $12 billion from what it was in 1973.

Mr. President, I hope our colleagues in the House of Representatives will override President Ford's veto of H.R. 4296, the Emergency Farm Act of 1975.

If the House does override the veto, I am hopeful that the Senate will follow suit and override the veto.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. MANSFIELD. I associate myself with the remarks just made by the distinguished Senator from Alabama (Mr. ALLEN).

I think the President made a grievous mistake in vetoing the farm bill last week. I think he acted on misinformation.

It is my understanding that Secretary Butz told the President and stated publicly that the cost of this bill would be $1,500,000,000.

As a matter of fact, the economists who were used by the Agriculture Committees of both Houses, and they are agricultural economists, indicated the maximum cost would be $400 million and perhaps the most reasonable assumption would be $200 million.

I wonder if the administration recognizes the fact that in 1974 farm income declined by 10 percent; at the same time farming costs increased by 15 percent. Adding the two together means a 25-percent reduction in farm income; and, furthermore, we have the lowest reserves in wheat in this country since 1952.

The cattleman, the wheat rancher, the cotton grower, all of them are being hurt by what is occurring in the area of economic stability at the present time.

I think this was a modest bill which the President vetoed. I think the Senate conferees learned over backward to try to come to terms with the House and come forth with a bill which the President would sign, but, evidently, Secretary Butz had the last say, and I think that the American farmer, if something is not done for him, is going to pay for this misjudgment and what I believe is a most inadvisable act on behalf of the President of the United States in vetoing a modest farm bill.

I thank the Senator for yielding.

Mr. ALLEN. I thank the distinguished majority leader for his excellent statement about the farm bill. The Senator places his finger right on the exact point involved; that is, that the farm bill would have encouraged production. It would have encouraged production of feed grain. It would have encouraged production of cattle and all farm products that are needed in great abundance if the price of the farm products at retail is to be brought down.

By vetoing the bill it will cause a cutback in production, when we all know

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that the way to fight inflation is to increase production, make the supplies available and, if that is done, then price can be brought down.

I feel that this bill was certainly in the interest of the consumers of this Nation, and I hope that Congress will override the veto and thereby enact the bill into law.

EXTENSION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for routine morning business has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time for morning business be extended until the hour of 12:45.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

PRIVILEGE OF THE FLOOR—H.R. 25

Mr. METCALF. Mr. President, I ask unanimous consent that Mike Harvey, Lucille Langlois, Mary Flanagan, Fred Craft, Sunny Nixon, and Mary Adele **Shute of the Interior Committee staff be allowed the privilege of the floor during consideration of and voting on the conference report on H.R. 25.**

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there further morning business?

ORDER FOR RECOGNITION OF SENATOR PERCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized, that Mr. Percy be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Glenn) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States announced that the President had approved and signed the enrolled bill (S. 1310) to continue the special food service program for children through September 30, 1975.

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, in which it requests the concurrence of the Senate.

At 1:18 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the enrolled joint resolution (H.J. Res. 242) to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

The enrolled joint resolution was subsequently signed by the Acting President pro tempore (Mr. Glenn).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Glenn) laid before the Senate the following letters, which were referred as indicated:

Proposed Construction Projects by the Army National Guard

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a list of proposed construction projects to be undertaken for the Army National Guard (with accompanying papers); to the Committee on Armed Services.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report for the fiscal year 1976 entitled "Reserve Manpower Requirements Report" (with an accompanying report); to the Committee on Armed Services.

Proposed Legislation by the General Counsel of the Department of Defense

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to enable the President to authorize the involuntary order to active duty of selected reservists, for a limited period, whether or not a declaration of war or national emergency has been declared (with accompanying papers); to the Committee on Armed Services.

Supplemental Appropriation for the Equal Employment Opportunity Commission—(S. Doc. 94–48)

A communication from the President of the United States transmitting a proposed amendment to the request for a supplemental appropriation for the fiscal year 1974 in the amount of $129,000 for the Equal Employment Opportunity Commission (with accompanying papers); to the Committee on Approriations, and ordered to be printed.

Proposed Rulemaking by the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a notice of proposed rulemaking of Section 434(b) of the General Education Provisions Act added by section 511 of the Education Amendments of 1974 (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation in the District of Columbia

Three letters from the Chairman of the Council of the District of Columbia, each transmitting, pursuant to law, an act adopted by the council and signed by the mayor, as follows: one, an act to amend the motor vehicle regulations of the District of Columbia to provide for the identification of organ donors; two, an act to amend the D.C. Rent Control Act of 1973 to eliminate the limitation on appropriations for the operation of the Commission and administration of the rent control program; and, three, an act to amend the housing regulations of the District of Columbia regarding security deposits for rentals (with accompanying papers); to the Committee on the District of Columbia.

Proposed Legislation by the Department of State

A letter from the Assistant Secretary of State transmitting a draft of proposed legislation to authorize U.S. Government participation in certain organizations (with accompanying papers); to the Committee on Foreign Relations.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, the report of the Department of Defense procurement from small and other business firms for July 1974–February 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Federal Home Loan Bank Board

A letter from the Federal Home Loan Bank Board transmitting, pursuant to law, the report of the Board for the calendar year 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, a report on activities carried out in the year ending September 30, 1974, under the High Speed Ground Transportation Act of 1965 and the Railroad technology program (with an accompanying report); to the Committee on Commerce.

Report of the Agency for International Development

A letter from the Administrator of the Agency for International Development transmitting, pursuant to law, a report showing fiscal year 1975 country and international organization allocations for those programs administered by the Agency for International Development (with an accompanying report); to the Committee on Foreign Relations.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State

transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Comptroller General

Three letters from the Comptroller General of the United States each transmitting, pursuant to law, a report entitled as follows: "Upward Mobility Programs in the Federal Government Should Be Made More Effective"; "Opportunities for Savings in Interest Cost Through Improved Letter-of-Credit Methods in Federal Grant Programs"; and "The Liquid Metal Fast Breeder Reactor Program—Past, Present, and Future" (with accompanying reports); to the Committee on Government Operations.

Report of the Administrative Office of the U.S. Courts

A letter from the Director of the Administration Office of the U.S. Courts transmitting, pursuant to law, the annual report of the Director on applications for court orders made to Federal and State courts to permit the interception of wire or oral communications (with an accompanying report); to the Committee on the Judiciary.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to authorize the carryover of excess funds under the basic educational opportunity grant program (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Glenn):

Senate Concurrent Resolution No. 1 of the Legislature of the State of Missouri; to the Committee on the Judiciary:

"Senate Concurrent Resolution No. 7

"Be it resolved by the Senate, the House of Representatives concurring, that this legislature, pursuant to the authority granted by Article V of the Constitution of the United States, respectfully applies to the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"Article —

"Section 1. With respect to the right of life, the word person as used in this article and in the Fifth and Fourteenth Articles of Amendment to the Constitution of the United States applies to all human beings irrespective of age, health, function or condition of dependency, including their unborn offspring at every stage of their biological development.

"Sec. 2. No unborn person shall be deprived of life by any person; provided, however, that nothing in this article shall prohibit a law permitting only those medical procedures required to prevent the death of the mother.

"Sec. 3. The Congress and the several states have power to enforce this article by appropriate legislation.

"Be it further resolved that a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each member of the Congress from this state."

A petition seeking a redress of grievances from the statewide committees opposing regional plan areas of Mabank, Tex.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the statewide committees opposing regional plan areas of Terre Haute, Ind.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the statewide committees opposing regional plan areas from certain citizens of the State of Montana; to the Committee on Government Operations.

A petition seeking a redress of grievances from a citizen of Franklin Lakes, N.J.; to the Committee on the Judiciary.

REPORTS OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 1, 1975, the following reports were submitted:

By Mr. STENNIS, from the Committee on Appropriations, without amendment:

S. Res. 32. A resolution disapproving deferral of budget authority (Rept. No. 94–102).

S. Res. 75. A resolution disapproving the deferral of certain budget authority (D75–117) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

S. Res. 76. A resolution disapproving the deferral of certain budget authority (D75–116) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

S. Res. 77. A resolution disapproving the deferral of certain budget authority (D75–114) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of (Rept. No. 94–102).

S. Res. 78. A resolution disapproving the deferral of certain budget authority (D75–113) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Act of 1974 (Rept. No. 94–102).

S. Res. 79. A resolution disapproving the deferral of certain budget authority (D75–112) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

S. Res. 80. A resolution disapproving the deferral of certain budget authority (D75–111) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOSS, from the Committee on Aeronautical and Space Sciences, with an amendment:

H.R. 4700. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 94–103).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. McGOVERN:

S. 1626. A bill to assist refugees from Vietnam who wish to return to their native country. Referred to the Committee on Foreign Relations.

By Mr. McGOVERN (for himself, Mr. Abourezk, Mr. Clark, Mr. Hartke, Mr. Hathaway, Mr. Humphrey, Mr. Kennedy, Mr. McGee, Mr. Metcalf, Mr. Mondale, Mr. Randolph, and Mr. Case):

S. 1627. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry.

By Mr. PROXMIRE:

S. 1628. A bill to repeal the Military Selective Service Act. Referred to the Committee on Armed Services.

By Mr. TALMADGE (for himself and Mr. Dole) (by request):

S. 1629. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years. Referred to the Committee on Agriculture and Forestry.

By Mr. ROBERT C. BYRD (for himself and Mr. Randolph):

S. 1630. A bill to increase the number of judges for the U.S. District Court for the Southern District of West Virginia. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 1631. A bill to amend the Federal Trade Commission Act to provide remedies against unfair competition in interstate and foreign commerce and for other purposes. Referred to the Committee on Commerce.

By Mr. MOSS (for himself and Mr. Humphrey):

S. 1632. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles. Referred to the Committee on Commerce.

By Mr. MONDALE (for himself and Mr. Cranston):

S. 1633. A bill to amend the Immigration and Nationality Act to eliminate the legal custody requirement and the requirement of residence and physical presence in the United States for the naturalization of children adopted by United States citizens. Referred to the Committee on the Judiciary.

S. 1634. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 1635. A bill for the relief of Edwin J. Anglesey. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 1636. A bill to amend further the Peace Corps Act. Referred to the Committee on Foreign Relations.

By Mr. FONG (for himself, Mr. Hugh Scott, and Mr. Philip A. Hart):

S. 1637. A bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 1638. A bill to authorize the Secretary of Health, Education, and Welfare to postpone

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the effective date of certain requirements imposed on States by Public Law 93-647 with respect to child support programs in the case of States which require additional time in which to implement the policies, programs, and activities so required. Referred to the Committee on Finance.

By Mr. ROBERT C. BYRD:

S.J. Res. 79. A joint resolution to authorize National Shut-In Day. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McGOVERN:

S. 1626. A bill to assist refugees from Vietnam who wish to return to their native country. Referred to the Committee on Foreign Relations.

VIETNAM REFUGEE ASSISTANCE ACT

Mr. McGOVERN. Mr. President, I introduce for appropriate reference a bill to assist refugees of Vietnam.

The final blunder of Vietnam may be that the administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land. And I say that in a humanitarian spirit.

America will not turn away those few who might be endangered by a return to their homeland. But I have never thought that more than a handful of government leaders were in any real danger of reprisals. The great majority of Vietnamese refugees do not fall into that category. Most of them left in panic out of fear of a bloody final battle for Saigon that did not materialize. Nor is it likely that the new government will engage in the bloodbath our policymakers have talked about so much. The Saigon government has already given orders that the people are not to be molested or their personal belongings seized. That is more respect for the people than Thieu's army frequently demonstrated.

It is also apparent from news accounts that the procedure for selecting evacuees on the basis of the risk of recrimination broke down entirely. Thousands of people were taken out at random and thousands of others simply headed out to sea on their own to be picked up by American ships.

I suggest that our program for dealing with these refugees should include as the highest priority steps to facilitate their early return to Vietnam.

We should express to the new government in South Vietnam our interest in implementing such a policy. We should make transportation available and we should stand ready to assist in every possible way in reuniting these people with their families and their country on a voluntary basis.

My bill would permit the use of either commercial carriers or American ships and planes to return any refugees who wish to go back to Vietnam now that the panic is subsiding. I fully believe that it will be in the best interest of most of the Vietnam refugees to return to their own country.

By Mr. McGOVERN (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. HARTKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. KENNEDY, Mr. McGEE, Mr. METCALF, Mr. MONDALE, Mr. RANDOLPH, and Mr. CASE):

S. 1627. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry.

Mr. McGOVERN. Mr. President, I introduce a comprehensive measure to reform and improve the Federal food stamp program, a program that now embraces some 18 million Americans.

We know that administrative difficulties, redtape, and bureaucratic snarls have moved in to handicap this program in various ways.

A certain amount of waste exists in the program, and in some cases the guidelines are not drawn administratively in accordance with what I believe to be the intent of Congress and so after working for several months on this problem and holding hearings in the field, I introduce this comprehensive reform legislation on not only my own behalf but also on behalf of my junior colleague (Mr. ABOUREZK) and Senators CLARK, HARTKE, HATHAWAY, HUMPHREY, KENNEDY, McGEE, METCALF, MONDALE, RANDOLPH, and CASE.

Today the food stamp program is protecting 18 million Americans from hunger. A recent report by the Subcommittee on Fiscal Policy of the Joint Economic Committee stated that:

> In recent years, the food stamp program has been transformed into the country's only universal income guarantee, available to families of able bodied men as well as to other needy persons.
>
> Food stamps are a dramatic illustration that welfare and work no longer are mutually exclusive. The stamps provide a Federal income guarantee to the able-bodied who are willing to work as well as to persons presumed unable to work.
>
> An added dollar in earnings causes loss of only about 30 cents in bonus food stamps.

A staff report, released in March, by the Select Committee on Nutrition and Human Needs revealed what millions of poor and unemployed Americans knew all too well—there are grave administrative problems in the food stamp program. But there is also much promise for good in it as the Library of Congress pointed out in a report, "Estimating the Population Eligible for Food Stamps":

> Food Stamps has almost no categorical restrictions in contrast to programs such as AFDC and SSI, a low tax rate (about 30%), and uniform nationwide standards. Thus, Food Stamps is perhaps the most promising existing income maintenance program in terms of equity, that is, treating equally needy households on an equal basis.

It would be a challenge for any one program to serve as the Nation's only universal income guarantee during the best of times. The food stamp program has been thrust into this role at a time when 8 million Americans who want work cannot find it. Before this crisis passes, 10 percent of the American work force may be standing in the unemployment lines. The importance of the food stamp program to these people cannot be overemphasized.

When the food stamp program was enacted it was with the specific intent that if this sort of thing should ever happen again, no American would have to worry about where the next meal was coming from. The stated declaration of policy outlined in the Food Stamp Act is clear. The authorization is unlimited. It is supposed to be based on the Nation's need. That was the intent of Congress; whatever it takes to provide the people with a decent diet is what the Congress intended to spend.

The two variables which have the greatest impact on the food stamp budget are the cost of food and the unemployment rate. As the cost of food has increased dramatically over the past few years so has the food stamp allotment and maximum allowable income. Similarly, total participation in the family feeding programs remained fairly constant at 15 million until late last year when the unemployment rate took off.

The implication of these facts seems clear. The way to reduce the food stamp budget is to lower the cost of food and reduce the unemployment rate.

Yet, the Department of Agriculture, the Federal agency charged with the responsibility of administering the food stamp program persists in attacking the symptoms and ignoring the disease.

The President's clarion call of 1969 to "end hunger in America for all time" has faded in the light of budgetary considerations.

Since 1971 when food stamp participation rose to 10 million at a cost of $2 billion there has been a history of attempts by USDA to limit the growth and expenditures of the food stamp program.

In April 1971, the administration proposed new regulations sharply increasing the percentage of income that families near the top of the eligibility scale had to pay for their bonus. A 2-person family at the top had its purchase price increased from $26 to $54 and its bonus reduced from $20 to $6. A four-person family at the top had its purchase price increased from $82 to $99 and its bonus reduced from $24 to $9.

It was not until after legislation was introduced, a letter was sent to the President from myself and 27 other Senators, the Hartford, Conn., conference attended by representatives of 15 Governors, and press accounts that OMB had impounded $200 million in food stamp funds, that the eligibility and bonus levels were restored.

Undaunted, USDA has subsequently tried to:

Classify residents of certain Federal housing projects for the elderly as institutional residents, thus denying them food stamps (revised by Public Law 93-86);

Disallow retroactive benefits to those improperly denied benefits (reversed by court action);

Disallow dual operation of the food stamps and commodity distribution programs in areas of economic emergency (reversed by court action).

Raise to 30 percent of a household's income the cost of food stamps (reversed by Public Law 94-4).

Simultaneously, there has been a conspicuous lack of regulatory action in the areas of outreach and simplified certification procedures.

In a recent Federal court action over outreach, Bennett against Butz, the court stated:

The statutory outreach mandate reflects congressional concern with token participation in the food stamp program. The statute uses strong language. Outreach efforts are to entail effective action not only to inform poor people of the program's benefits, but also to insure their participation. 7 U.S.C. S2019(e)(5). The record before this court demonstrates that the defendant Secretary and his subordinates delayed implementation of the outreach effort at the Federal level, issued regulations and directives which were inconsistent with the act, approved plans which in no way approached the outreach standards set by the Congress, and required of the States no remedial action to correct inadequacies in the outreach program. The Secretary's response to the congressional directive, when viewed in its totality, is fairly described as a total failure on his part to do what the Congress clearly intended him to do.

In settlement of the case, USDA recently published much improved outreach regulations—a step in the right direction. Unfortunately, now I understand it will be a short-lived step. The Department is drafting legislation to remove the "insure" clause from the outreach provision of the act.

The sort of inaction in the areas of outreach and reform of certification procedures extends to the gathering of information which might prove embarrassing to those with responsibility for administering the program. The GAO in a February report to the Congress found that:

> The Service (Food and Nutrition Service) does not have adequate data on the program's target population—those who the program was intended to help—or on the program's participants—those who are being helped. As a result, the Service does not have an adequate basis on which to gauge the effectiveness of program coverage for particular segments of the target population, to monitor and improve the direction and effectiveness of outreach efforts, and to estimate the impact that future program changes would have.

Nonetheless, there was enough information available to issue a recent quality control report which declared "23.2 percent of the bonus dollars were found to have been overissued" resulting in headlines such as "One-Fourth Get Food Stamps Illegally, U.S. Survey Hints." Nowhere in the report, however does it state that:

Half of all food stamp program errors are "agency error" as defined by USDA;

The 23.2 percent was not based on the total food stamp population, but only the nonpublic assistance half of the population. Based on the total population the 23.2 percent would be halved—to 11.6 percent;

Seven percent of the households were mistakenly denied benefits.

Three and four-tenths percent of the total bonus dollars were under-issued to households.

Last summer the Congress amended section 15(b) of the act allowing USDA to withhold administrative funds from the States as a penalty for not hiring an adequate number of personnel.

The "efficiency and effectiveness" amendment was added to the Food Stamp Act by section 2 of Public Law 93-347. The intent of Congress in accepting the amendment, as the history shows on page 15857 of the May 21, 1974, RECORD, was clear. It was to encourage the States to hire sufficient personnel to administer the program properly, just as the amendment states. It was not intended to give the Department a backdoor method of enforcing quality control standards on the States, as the proposed regulations would do.

USDA's conclusion, as expressed in the March 21, 1975, Federal Register, that the "language in Public Law 93-347 is not to be narrowly interpreted" was certainly not based on the intent of the bill's floor manager in accepting this much needed, and wise amendment.

A strong quality control system for the food stamp program is, of course, an important aspect of the program. But this amendment was not intended to impose a quality control system on the States without prior congressional discussion of the standards to be used. The tolerance limits for defining error under the food stamp program, for example, were borrowed from those used by HEW for a totally different program. There has never been any study done by USDA to determine whether these same limits are realistic for the food stamp program. Yet. the proposed regulations would impose these standards upon the States, under penalty of financial sanction, without the Congress or other interested persons having the opportunity to comment. The efficiency and effectiveness amendment was not meant to be interpreted this broadly.

Mr. President, reviewing the history of USDA's stewardship of the food stamp program can lead to only one conclusion—they are more alarmed over the size of the budget than the plight of those relying upon the program.

This is an unfortunate conclusion. It ignores the intent of Congress in establishing the program and makes a political football out of those least able to cope with the current economic crisis.

Not very many people are going to wait 4 to 6 weeks to get an appointment to apply for food stamps, submit to the most personal interviews, and wait in line every month as early as 5 a.m., to receive, on the average, a $20 food stamp bonus per person, unless it is absolutely the last resort.

Today I am, therefore, introducing comprehensive food stamp reform legislation. It is the result of a thorough investigation by the Nutrition Committee into the problems and complaints of food stamp applicants and participants, and it is the result of extensive field study by myself and Senator PHILIP A. HART. Thousands of letters have been received from all over the country protesting the long certification lines, unreasonably complicated application forms; inadequate allotments; excessive verification requirements; and the "catch 22" of having food stamp benefits cut every time benefits in another program are increased—even if the benefits can not be used to purchase food.

These priority problems were echoed in the testimony at hearings of the Nutrition Committee in Detroit and Miami.

Both the House and Senate Agriculture Committees have made a commitment to investigate the food stamp program in the near future. USDA is currently preparing a report to the Senate with its legislative recommendations.

It is my hope that the USDA report will recognize some of these same complaints so that the Congress and the administration can start to work together to make the food stamp program responsive to the almost 20 million Americans who participate and the additional 20 million who are eligible.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 2. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by deleting the following: "related individuals (including legally adopted children and legally assigned foster children) or non-related individuals over age 60" and insert in lieu thereof the word: "individuals".

SEC. 3. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by deleting the phrases: "sharing common cooking facilities", and "who has cooking facilities and".

SEC. 4. Section 3 of the Food Stamp Act, as amended, is amended by adding a new subsection (o) as follows: "The term 'nutritionally adequate diet' shall reflect a food stamp allotment which at a minimum allows participant households to purchase 90% of the low cost diet plan as defined by the Department of Agriculture.

SEC. 5. Section 5(b) of the Food Stamp Act, as amended, is amended by deleting:

"*Provided,* That such standards shall take into account payments in kind received from an employer to members of a household, if such payments are in lieu of or supplemental to household income: Provided further, That such payments in kind shall be limited only to housing provided by such employer to such employee and shall be the actual value of such housing but in no event shall such value be considered to be in excess of the sum of $25.00 per month. Any household which includes a member who has reached his eighteenth birthday and who is claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household, shall be ineligible to participate in any food stamp program established pursuant to this Act during the tax period such dependency is claimed and for a period of one year after expiration of such tax period."

and inserting in lieu thereof:

"*Provided*, That exclusions from income shall include payments made to a household, or on behalf of the household, by a Federal or State agency, or local government, authority, or department which are paid and earmarked for a specific purpose and not available for the purchase of food by the household."

SEC. 6. Section 5(c) of the Food Stamp Act of 1964, as amended, is amended by deleting "sixty-five" and inserting in lieu thereof "sixty".

SEC. 7. Section 7(a) of the Food Stamp Act, as amended, is amended by deleting "semi-annually", and inserting in lieu thereof "quarterly", effective October 1, based on 90% of the low cost food plan in June.

SEC. 8. Section 10(e) of the Food Stamp Act of 1964, as amended, is amended by inserting in clause (7), after the word "law", the following: ", and at the option of the State agency".

SEC. 9. Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by deleting the first sentence and inserting in lieu thereof the following:

"Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members or persons who are elderly, housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is operated in a manner consistent with the purposes of this Act; and (2) is recognized as a tax exempt organization by the Internal Revenue Service."

SEC. 10. The Food Stamp Act, as amended, is amended by adding new subsections 10(j) and (k) as follows:

"(j) In order to insure the participation of eligible households and to provide for the effective and efficient administration of the food stamp program, the Secretary shall provide for in the regulations issued pursuant to this Act:"

"(j) (1) Certification procedures that shall provide for:

"(a) each potential applicant to have an opportunity to file an application for participation in the food stamp program on the same day of such person's first reasonable attempt to make a request for food stamp aid."

"(b) immediate 30-day certification, and issuance of an authorization to purchase card, to any household which meets the uniform national standards of eligibility on the face of the application, without requiring supporting documents, subject to the provisions of subsection (c)."

"(c) verification of each application within 30 days after certification. *Provided*, That a household's certification shall not expire prior to the State agency completing verification."

"(d) a minimum certification period of four months: *Provided*, That households containing an elderly, blind, or disabled recipient, shall be certified for a minimum of six months."

"(e) convenient, adequately staffed certification centers."

(2) Outreach guidelines to insure the participation of all eligible households, including but not limited to:

"(a) notification of all Social Security, SSI, and unemployment compensation applicants and recipients, or the existence of the food stamp program and its income and resource guidelines. A full-time outreach director for each State and county.

"(b) a continuing media campaign in each State to inform the public about the food stamp program eligibility guidelines, how and where to apply, and what to take to the certification office."

"(c) personal contact with low-income persons by outreach workers to be hired primarily from the low-income community and the use of nonprofit organizations.

"(d) a toll-free telephone number through which food stamp information may be obtained and to provide adequate telephone lines into food stamp offices."

"(3) In such areas as are necessary, multilingual personnel, printed material, and other services provided for in subsection (1) and (2)."

"(4) The creation of a Food Stamp Advisory Board, to be composed equally of State administrators, community representatives including food stamp recipients and persons generally recognized as experts in the field. The Board shall be composed of 15 members and shall be consulted prior to regulation changes, and in no case less than quarterly. The Board shall issue a yearly report to the Congress on the operation of the food stamp program."

"(k) The United States Postal Service shall provide for the issuance of food stamps to certified households in all post offices during normal working hours, notwithstanding the responsibility of the State agency for the issuance of coupons under subsection (b). The Postmaster General shall consult with the Secretary in formulating regulations pursuant to this subsection."

SEC. 11. Section 15(b) of the Food Stamp Act, as amended, is amended by deleting "50 per centum" and inserting in lieu thereof, "65 per centum".

SEC. 12. Section 15(b) of the Food Stamp Act, as amended, is amended by deleting in the last sentence the following: "no such payment shall be made to any State unless the Secretary is satisfied pursuant to regulations which he shall issue that"; and insert in lieu thereof the following: "in particular whether".

SECTION BY SECTION ANALYSIS

SECTION 2

This section of the bill amends Section 3 of the Food Stamp Act of 1964, as amended, which defines the terms used in the Act.

Subsection (e) which defines the term "household" is amended to delete the requirement that household members under age 60 be related in order to qualify for the food stamp program. This requirement was ruled unconstitutional by the Supreme Court in its decision in the case of *Moreno* v. *USDA*, 413 U.S. 528. The amendment will bring the Act into conformance with the Supreme Court decision.

This provision was introduced at the request of the administration in the 93d Congress, but no action was taken.

SECTION 3

Section 3 deletes the requirement that a household have cooking facilities to qualify for the food stamp program. This requirement has disadvantaged many elderly applicants, who have their main hot meal at a senior citizens' congregate eating center and then purchase cold foods, or food items that can be cooked on a hot plate, for the other meals. The "cooking facilities" requirement prevents them from qualifying from the food stamp program.

SECTION 4

Section 4 of the bill adds a new subsection 3(o) to the food stamp act defining, for the first time, the term "nutritionally adequate diet". The definition provides that at a minimum, participant households must be allotted a sufficient amount of coupons to purchase 90% of USDA's Low Cost Diet Plan. Currently the allotment is based on USDA's Economy Diet Plan, which is approximately 75–80% of the Low Cost Plan. The amendment would increase the coupon allotment 12.5–15% allowing the food stamp program to more closely meet the Congressional mandate of providing a nutritionally adequate diet. USDA studies show that only 1 in 10 households spending at the level of the EDP get a nutritionally adequate diet.

Cost: $900 million.

SECTION 5

Section 5 revises subsection 5(b) of the Act, deleting in kind housing benefits from the computation of income; deleting the "tax dependency" requirement; and excluding from income government benefits earmarked for a specific purpose and not available for the purchase of food.

The inclusion of housing payments in kind not in excess of $25 is most unpopular among the States. To determine the value of in kind income, State agencies must develop expertise in estimating the value of housing or obtain guidance on the matter through other agencies or organizations. In either case, any possible savings to the program are more than offset by the complexities, if not impossibilities, of effectively administering this provision.

The provision prohibiting the participation of certain tax dependents in the food stamp program is also deleted. In its decision in the case of *Murry* v. *USDA*, 413 U.S. 508, the Supreme Court ruled that the "tax dependency" provision of the Act is unconstitutional. Thus, "tax dependency" provision in the current Act is not enforceable.

Both of these provisions were introduced at the request of the administration in the 93rd Congress, but no action was taken.

In addition, this amendment would exclude from the computation of income, Federal, State or local government benefits accruing to food stamp applicants which are earmarked for a specific purpose and not available for the purchase of food.

The implication of Section 7(b) of the Act, limiting the cost of stamps to "30% of the household's income" is that it is disposable income, available for the purchase of food. Housing allowances, and the benefits of other government programs intended by the Congress to be socially beneficial are not intended to have a negative impact on providing each American with a nutritionally adequate diet.

SECTION 6

Section 6 would lower the work registration age requirement from 65 years to 60. Individuals between 18 and 60 not 65 would have to meet the work registration requirements of Section 5(c) of the Act.

SECTION 7

Section 7 provides for a more frequent adjustment to the food stamp coupon allotments based on the cost of food. Currently the food stamp allotments are adjusted twice a year. This amendment would require the adjustment to be made quarterly, based on the cost of food four months previous. The sum effect would be to reduce by four months, from 10 to 6, the maximum time between when the allotment is computed and when it is purchased by participant households. The longer this time lag, the less nutritionally adequate the allotment; the shorter the time, the more responsive the program to the cost of food.

SECTION 8

Section 8 revised subsection 10(c)(7) to give each State agency an option to establish a system under which a food stamp household may elect to have its charge for the coupon allotment withheld from its public assistance check. The Act now mandates a State agency to offer such a system. Any optional system would permit a State to operate the system in an area where it would be helpful, such as rural localities lacking adequate transportation. The State would not be required to bear the cost of administering such a system in larger metropolitan areas where public assistance withholding is not only of minimal usefulness but also subject to abuse. Giving the States this option could serve to gain their increased cooperation in other areas of greater program importance.

This provision was introduced at the request of the administration in 93rd Congress but no action was taken.

SECTION 9

Section 9 allows all food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled, as well as all those over 60 years of age, to use food stamps for meals-on-wheels. Without this section, recipients must be both incapacitated and elderly to be able to get meals-on-wheels with stamps.

This section does not extend eligibility for the program, it simply says that those people who already qualify for food stamps and meals-on-wheels can use the stamps to pay for the meals.

SECTION 10

Section 10 adds two new subsections to section 10 of the Act, making more specific the procedures to be followed in administering the food stamp program.

It would provide for 30 day certification of those applicant households which on the face of the application meet the national income and resource guidelines. No supporting document or verification would be required at this point. If based on the application, filled out under penalty of law, the household is eligible, an authorization to purchase card would be issued at that time for a period of 30 days. The State agency would then have 30 days to verify the application. Subsequent certifications would be for periods of not less than four months. If the household contained an elderly, blind or disabled individual, the minimum certification period would be for six months.

Convenient adequately staffed certification offices which provide an applicant with a reasonable opportunity to apply for food stamps on the same day that the original request is made would be the guideline.

Outreach guidelines are also made more specific. All SSI, social security, and unemployment compensation recipients would have to be notified of food stamp guidelines. A media campaign would be used as well as personal contact and a toll free telephone number, to reach those persons who are eligible but are not participating in the program.

Where appropriate, bi-lingual services should be available, and Post Office sale of coupons is mandated throughout the country, in addition to the other outlets such as food stamp offices, banks, credit unions, and other organizations that now sell the stamps.

The State agency would still have the obligation of submitting a State plan of operation to the Secretary pursuant to subsection (e) but the Secretary would have a more direct responsibility in providing for an effective administration of the program.

SECTION 11

Section 11 increases the federal reimbursement to the States for the administration of the food stamp program from 50% to 65%. Due in large part to the recent jump in the unemployment rate, the administration of the food stamp program in the various States has been greatly strained. Increasing the federal share of the administrative cost of the program will provide the States with the additional funds needed to hire more certification, outreach, and investigative personnel.

Cost: $45 million.

SECTION 12

Section 12 deletes from section 15(b) of the Act the provision allowing USDA to withhold administrative funds from the States as a penalty for not hiring an adequate number of personnel. The reporting requirement to the Secretary on the effectiveness of the State administration of the program, with an emphasis on staffing, is retained.

The "efficiency and effectiveness" amendment was added to the Food Stamp Act by section 2 of P.L. 93–347 (S. 3458). The intent of Congress in accepting the amendment, as the history shows on page S. 8742 of the May 21, 1974 Record, was clear. It was to encourage the States to hire sufficient personnel to administer the program properly, just as the amendment states. It was not intended to give the Department a backdoor method of enforcing quality control standards on the States, as the proposed regulations would do.

USDA's conclusion, as expressed in the March 21, 1975, Federal Register, that the "language in P.L. 93–347 is not to be narrowly interpreted" was certainly not based on the intent of the Bill's floor manager in accepting this much needed, wise amendment.

A strong quality control system for the food stamp program is, of course, an important aspect of the program. But this amendment was not intended to impose a quality control system on the States without prior Congressional discussion of the standards to be used. The tolerance limits for defining error under the food stamp program, for example, were borrowed from those used by HEW for a totally different program. There has never been any study done by USDA to determine whether these same limits are realistic for the food stamp program. Yet, the proposed regulations would impose these standards upon the States, under penalty of financial sanction, without the Congress or other interested persons having the opportunity to comment. The efficiency and effectiveness amendment was not meant to be interpreted this broadly.

This amendment would therefore remove the possible financial sanctions against the States, until more serious and professional preparation can be given to this subject.

By Mr. PROXMIRE:

S. 1628. A bill to repeal the Military Selective Service Act. Referred to the Committee on Armed Services.

NO ROLE FOR SELECTIVE SERVICE

Mr. PROXMIRE. Mr. President, the Selective Service System is a bureaucracy without a purpose.

There has been no draft since July 1, 1973. There are no inductions, no physical examinations and only a few lingering appeals. Yet the Selective Service Commission expects to spend $47.8 million and employ 2,600 people at 3,000 local boards this year to keep its bureaucracy afloat.

This is a classic case of institutional self-preservation. Even after the purpose for the Selective Service System has disappeared, its form lives on spending taxpayers' money.

I happen to be chairman of the subcommittee of the Appropriations Committee that has jurisdiction over the budget of that system. For the last several years we have been hearing them come in asking for money. I have tried to suggest that it be abolished for several years now. In view of the present situation, it seems to me the time has come.

Congress should immediately end the operations of the Selective Service System. Today I am introducing a bill that will do just that within 30 days of passage.

Some say we need a standby system. This is false. We have over 2 million men under arms and almost 1 million more in the Reserves. They can meet any national emergency short of allout war. And in the latter case, we could quickly mobilize the whole country if it is still in one piece.

The Selective Service System can be abolished, because the All-Volunteer Army is working and very successful. The number and quality of volunteers is improving yearly. All four services have met their recruiting goals or are very close. The average initial term of service has gone up, demonstrating satisfaction by the volunteers with the system.

The All-Volunteer Army is working so well that the Department of Defense has determined that there is no need for a draft through the 1980's or as far into the future as they can see.

Even the responsibilities of the Selective Service System under the clemency program will end this fiscal year.

There are other ways to register the manpower pool of eligible males. It could be handled through the local high school systems with thousands of schools around the country providing the space and few minutes needed. Or it could be handled by the Census Bureau and mail-in registration cards.

The Selective Service has told me they have found that many Americans believe that Selective Service no longer exists. I hope to make that perception a reality.

Mr. President, I send the bill to the desk, ask for its appropriate referral, and I ask unanimous consent that the bill be printed in the RECORD.

The **PRESIDING OFFICER**. The bill will be received and appropriately referred.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Military Selective Service Act is repealed effective 30 days after the date of enactment of this Act.

By Mr. MOSS:

S. 1631. A bill to amend the Federal Trade Commission Act to provide remedies against unfair competition in interstate and foreign commerce and for other purposes. Referred to the Committee on Commerce.

Mr. MOSS. Mr. President, the law of unfair competition deals with the copying, imitation, or other utilization by one businessman of another businessman's product, design, packaging, trade name, or other merchandising practices. It deals also with false or misleading statements made in connection with the sale of goods or services, such as those praising one's own or disparaging a competitor's products.

UMI

This is a body of common law, developed primarily by the courts on a case-by-case basis. Prior to the decision of the Supreme Court in *Erie R.R. Co.* v. *Tompkins,* 304 U.S. 604 (1938), the Federal courts followed federally developed rules in this area; but since that decision, the Federal courts have been required to apply the body of State unfair competition law applicable in the place where the Federal court sits. Many have argued that the various State courts have applied different standards of law in this area, so that the result of the *Erie* decision is that the law of unfair competition has become extremely nonuniform in application, during a period when business activities in our society have tended to become more and more interstate in character. The result is that businessmen are unable to know what law will be applied to their merchandising practices, for goods which they can lawfully sell in one State may subject them to civil liability or even criminal punishment in another. Not only does this result in undesirable lack of certainty in regularity for businessmen, but it brings about a great deal of undesirable forum shopping in litigation. The latter has become a problem of administration of the Federal courts, as well as of the State courts, because unfair competition cases can usually be brought in a Federal court under diversity jurisdiction or under the doctrine of pendent jurisdiction.

The purpose of the proposed Unfair Competition Act is to rescue interstate business firms from the checkerboard of different State regulations, so that they may use the same designs, packages, or other product configurations in all of the States in which they operate. At the same time, a uniform law will bring about a more orderly administration of the Federal court system. The proposed legislation is drafted as an amendment to the Federal Trade Commission Act (15 U.S.C. 41–53), which already prohibits unfair methods of competition by making an administrative agency responsible for their prevention when the effect of such practices is substantially injurious to the public. The purpose of this legislation is to supplement the provisions of the Federal Trade Commission Act by creating a uniform private legal remedy against unfairly competitive acts against which injunctive or damages relief is appropriate.

The intention of this legislation is to exercise to the fullest constitutional extent the Congress' power under the commerce clause. The bill subjects to the act all unfair competition in or affecting commerce, protects all persons engaged in or whose activities affect commerce against unfair competition, and establishes a uniform law with regard to such conduct.

The legislation would codify the common law of unfair competition as it has previously been developed in the decisions of the Federal courts. To the extent, therefore, that there may be any ambiguity in language or uncertainty as to interpretation, the proposed legislation should be construed in accordance with such decisions. This reflects a recognition that the law of unfair competition has developed on a case-by-case basis and by a process of generalization from previous judicial experience. The law thus reflects the landmark decisions of the Federal courts, such as *Cresscent Tool Co.* v. *Kilborn & Bishop Co.,* 247 Fed. 299 (2 Cir. 1917); *Shredded Wheat Co.* v. *Humphrey Cornell Co.,* 250 Fed. 960 (2 Cir. 1918); *Durable Toy & Novelty Corp.* v. *Achein & Co.,* 133 F. 2d 853 (2 Cir. 1943), cert. denied, 3[illegible]0 U.S. 211 (1940); *National Comics Publications, Inc.* v. *Fawcett Publications, Inc.,* 191 F. 2d 594 (2 Cir. 1951); *Application of Deister Concentrator Co.,* 2[illegible]9 F. 2d 496 (C.C.P.A. 1961); *Kellogg* v. *National Biscuit Co.,* 305 U.S. 111 (1938); *Sears, Roebuck & Co.* v. *Stiffel Co.,* 376 U.S. 225 (1964); *Compco Corp.* v. *Day-Brite Lighting, Inc.,* 376 U.S. 234 (1964).

The bill adds a new section to the Federal Trade Commission Act, which denies as unlawful and unfair competition any act, practice, or course of conduct, in or affecting commerce, which results or is likely to result, in one businessman's "passing off" his goods or services for those of another. "Passing off" is defined more specifically as conduct involving copying or other imitation or utilization of the appearance of the other businessman's product—such as copying its packaging, design, or other product configuration. Such conduct may also involve similar utilization of the trade name or of another merchandising practice of the other businessman. The claimant must establish by a preponderance of the evidence, however, that the public has come to associate the copied thing with a particular source of goods or services and that the members of the public—or other customers—are likely to buy the goods of the imitator by mistake, because they think they are getting the original article which they actually want. Conduct of this type was generally prohibited by the common law, as reflected by the decisions of both State and Federal courts. See, for example, *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.* 305 U.S. 315, 336 (1938); *William R. Warner & Co.* v. *Eli Lilly & Co.,* 265 U.S. 526, 531–32 (1[illegible]24).

On the other hand, the courts have also recognized the importance to competition of not interfering with the copying of unpatented and uncopyrighted features of articles, where those features do not cause any deception of the public. When one manufacturer copies another's packaging or product, the copied element may serve any or all of the following functions: First, it may help carry out the purpose to be served by the product in the hands of the consumer or have functional utility; second, it may indicate to the purchaser the nature of the product, as with a descriptive designation such as "thermos bottle" on the label; or third, it may indicate to the customer the source of the product. The last quality is what this provision of the legislation protects by creating a private right of action, but the law also prevents any interference with the public's enjoyment of the first two qualities. There is a well-developed body of common law adjusting these competing interests to secure maximum benefits to the public and the business community, and the proposed legislation seeks to adopt that body of law. The Federal decisions cited above embody this approach.

The bill prohibits the disparagement of one's competitors' goods or services by a materially false statement. Truthful disparagement, however, is protected by the first amendment and is not prohibited. Moreover, to be actionable, the false disparagement must be shown to have been directed to actual customers or to persons who are prospective customers so that mere injured feelings do not give rise to a Federal case.

The bill prohibits materially false and misleading statements, or the omission of material information, about one's own or another's goods. Again, the deception must be concretely directed to actual or prospective customers. This provision allows a private party to recover damages for his injuries that are caused by conduct which amounts to a violation of the deceptive practices provisions of section 5 of the Federal Trade Commission Act. However, the requirements of this section are more stringent than those of section 5 of the Federal Trade Commission Act in that they deal only with hard-core deceptive practices and not borderline conduct.

Any businessman who is actually injured by conduct forbidden, or who is likely to be injured by conduct forbidden, or who is likely to be injured by "passing off" conduct may bring a civil action in the appropriate district court. The appropriate district court is that defined by the revenue provisions of the Judicial Code (28 U.S.C. section 1391). Injured businessmen may seek injunctions against intentional violations of the act. Injunctions must be granted in accordance with the principles of equity, however, which is a requirement also of the Patent Code (35 United States Code, section 283); and the claimant must show that an injunction is necessary to prevent actual damages from occurring to him. As indicated in the decision of the U.S. Supreme Court in the Compco case, supra, nondeceptive copying may not be prohibited; and this legislation requires only that reasonable steps should be taken by the defendant.[1] All nondeceptive copying and other nondeceptive activities are protected by this provision because of their importance to maintaining free competition. Moreover, in accordance with the first amendment, this provision prohibits the imposition of any prior restraint on free speech. Injured businessmen are permitted to recover the actual damages that they have sustained by reason of an intention violation of the act and establish a 4-year statute of limitations.

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[1] This provision follows the general common law rule that manufacturers should take reasonable steps to inform prospective purchasers of their goods as to the source from which they come, but they are not obliged to take impractical or unduly expensive measures. This approach both furthers competition and protects the legitimate interests of competing businessmen. See National Biscuit case, *supra.*

The bill makes its provisions the uniform and governing law in the field with which it deals. This insures businessmen the freedom to market their goods and services with the knowledge that they may carry on their activities on a uniform basis throughout the Nation without being subjected to inconsistent regulatory provisions. If products may lawfully be sold under the Unfair Competition Act in Maine, then the same will be true in California or Alaska. In that way, manufacturers of goods will be enabled to ship them freely in commerce throughout the Nation without fear of being subjected to legal liability or even criminal punishment in some States, because of conduct of the type covered by this law, which is perfectly permissible in the other States. There is a proviso in this, however, that preserves the continuing applicability of the Federal patent, copyright, and trademark laws which also prohibit certain types of copying, imitation, or utilization of competitors' products or merchandising practices and which places outside the protection of the act conduct which is punishable as theft.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unfair Competition Act of 1975".

Sec. 2. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by (1) striking out section 21 thereof; (2) amending section 1 thereof by striking out "That a" in the first sentence thereof and inserting in lieu thereof, with appropriate paragraph indentation, the following:

"(a) This Act may be cited as the 'Federal Trade Commission Act'.

"(b) A";

(3) by redesignating section 20 as section 21; and (4) by inserting after section 19 the following new section:

"Sec. 20. (a) (1) A person commits unlawful and unfair competition, and is subject to the provisions of this section, when he engages in any act, practice, or course or conduct prohibited by paragraphs (2) or (3) of this subsection, that is in or affects commerce.

"(2) (A) No person shall pass off goods or services that he offers to purchasers as or for the goods or services that another offers to purchasers.

"(B) Passing off, as that term is used in this section, results when each of the following facts or circumstances occur:

"(i) the person against whom relief is sought has copied or otherwise imitated or utilized the product, configuration, packaging, trade name, or merchandising practice (hereafter referred to in this subparagraph as the "copied feature") of the person seeking relief;

"(ii) actual or prospective purchasers of the goods or services of the person against whom relief is sought generally associated the copied feature, at the time of the conduct complained of, with a particular source, whether or not such source was identifiable to such purchasers by a particular name;

"(iii) the person seeking relief was in fact that source; and

"(iv) such source association substantially affected the decision of such purchasers, at the time of the conduct complained of, to purchase the goods or services of the person against whom relief is sought, when they intended to and wanted to purchase goods or services coming from the source with which they associated the copied feature.

"(3) No person shall misrepresent his goods or services or those of another to actual or prospective purchasers of such goods or services, by a false or misleading statement of fact, which causes or is likely to cause ordinary purchasers to purchase the goods or services of the person who makes the statement, instead of purchasing those of the person seeking.

"(b) (1) Any person injured in his business by unlawful and unfair competition as described in subsection (a) of this section may bring a civil action for damages caused intentionally, as provided in subsection (c) of this section.

"(2) Any person injured in his business or likely to be injured in his business by unlawful and unfair competition as described in subsection (a) of this section may bring a civil action for injunctive relief, as provided in subsection (d) of this section.

"(3) Such action may be brought in any district court of the United States having jurisdiction of the person who committed such unlawful and unfair competition.

"(c) (1) Any person who diverts actual or prospective purchasers of the goods or services of another to himself, as an intended result of unlawful and unfair competition described in subsection (a) of this section, shall be liable to the other for damages, as specified in paragraph 2 of this subsection.

"(2) Such damages shall be the lost profits of the person seeking relief, on sales actually diverted, unless such diversion and lost profits cannot be estimated with reasonable accuracy. If they cannot, such damages shall be the decrease in the value of the business of the person seeking relief, caused by the unlawful and unfair competition, unless such decrease cannot be estimated with reasonable accuracy. If it cannot, such damages shall be the profits of the person who committed unlawful and unfair competition, and that can be estimated with reasonable accuracy. Damages may not be awarded on another basis.

"(3) Any action to enforce any claims for damages under this section shall be barred unless commenced within four years after the claim accrued.

"(d) (1) Any person who establishes—(A) that he has been injured or is likely to be injured in his business by unlawful and unfair competition described in subsection (a) of this section, (B) that an injunction is necessary to prevent actual and continuing damage caused by such conduct, and (C) that damages under subsection (c) of this section will not be an adequate remedy—may be granted an injunction against such conduct, in accordance with the principles of equity and subject to paragraph (2) of this subsection.

"(2) Such injunction may require the person against whom relief is sought to label goods or take other reasonable and practicable precautions to prevent purchasers or potential purchasers from being misled or deceived as to the source of the goods or services or other material facts, but neither nondeceptive copying nor any other nondeceptive activities shall be prohibited or otherwise punished.

"(e) In any proceeding in any court respecting any act, practice, or course of conduct, in or affecting commerce, that this Act prohibits, the law applied and remedies applicable (subject only to laws relating to theft and to the Federal patent, copyright and trademark laws) shall be those specified in this Act."

Sec. 3. No claim barred under existing law on the effective date of this Act shall be revived by this Act.

Sec. 4. Section 1338 of title 28, United States Code, is amended by deleting from the first sentence of subsection (a) thereof the words "copyrights and trade-marks" and substituting therefor the words "copyrights, trademarks, and unfair and unlawful competition."

Sec. 5. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act shall not be affected thereby.

Sec. 6. The effective date of this Act shall be 180 days after the date of enactment thereof. It shall apply to all claims not barred on such date and all claims accruing thereafter.

By Mr. MOSS (for himself and Mr. Humphrey):

S. 1632. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles. Referred to the Committee on Commerce.

ELECTRIC VEHICLE RESEARCH AND DEVELOPMENT

Mr. MOSS. Mr. President, about one-seventh of the total power consumed in the United States is used to build, support, and propel automobiles which drive within city limits. These "city" automobiles accounted for almost half the total air pollutant emissions in 1969.

A lot of thought is going into better mass transit for cities, and I wholeheartedly support this approach. However, I believe that mass transit is only part of the answer. Automobiles are probably going to be in cities for a long time.

It seems not only appropriate, but essential that we look carefully at city automobiles to improve their efficiency and reduce pollution.

A lot of this city driving is done by a single individual traveling less than 10 miles at slow speeds with frequent stops. Electric vehicles look very promising for these operating conditions. An electric car draws no power unless it is moving. Moreover, electric cars are very quiet, nonpolluting, and save petroleum. However, considerable research, development, and demonstration is needed before widespread use of electric vehicles can become practical.

Recently, the Electric Vehicle Research, Development, and Demonstration Act of 1975, H.R. 5470, was introduced in the House by Congressmen McCormack, Teague, Mosher, Goldwater, and Brown. It is an excellent bill, and it is my pleasure to introduce it in the Senate with very minor changes.

By Mr. MONDALE (for himself and Mr. Cranston):

S. 1633. A bill to amend the Immigration and Nationality Act to eliminate the legal custody requirement and the requirement of residence and physical presence in the United States for the naturalization of children adopted by U.S. citizens. Referred to the Committee on the Judiciary.

S. 1634. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children. Referred to the Committee on the Judiciary.

Mr. MONDALE. Mr. President, in recent weeks we have witnessed a tremendous outpouring of sympathy and generosity toward the children who have been victimized by the war in Southeast Asia. We have all seen the stories about grateful American parents carrying home their new children from chaotic airports—and we have all seen the interviews with the parents who waited for months to receive a Vietnamese child who would become a member of their family.

In addition, there are many more American parents who have already adopted children from Vietnam, Korea, Thailand, and other countries around the world.

Many of these families involved in intercountry adoption very much want to, and are capable of, caring for more than two children in their homes.

Unfortunately, the Immigration and Nationality Act prevents adoptive parents from bringing more than two alien children into this country on "immediate relative status." The alternative, "nonpreferred status," has apparently resulted in many cases of delays of a year and more in getting children into this country for adoption.

Furthermore, the act prohibits renewals of a visitor's visa if the child entered the country on or after February 16, 1975, and has already been granted one or more extensions of the visa. This provision apparently affects children brought to the University of Minnesota Hospital for open heart surgery. Once they arrive, some of these youngsters are identified as available for adoption. As it stands, a child could therefore be legally adopted by a family, but still be in this country on a visitor's visa—which cannot be renewed.

Even after the child has been admitted to this country and legally adopted, the parents must still wait 2 years before they may file a petition for citizenship of the child.

In an attempt to eliminate these obstacles to adoption, I am today introducing two bills. One, introduced in the House by Representative B. F. SISK, would grant immediate relative status to foreign orphans regardless of the number of previous petitions filed by the prospective parents.

A second, introduced by Representative DON EDWARDS in the House, would provide for naturalization of a child at the time an adoption is legally completed.

Both bills have been endorsed by the Justice Department, and the Office of Management and Budget has also advised that it has no objection to their enactment.

The problems which these bills address were brought home to me with new intensity recently by a large volume of mail from Minnesota families. These people clearly and vividly described how the present limitations have restricted their ability to achieve the unique family happiness for which they strive.

Mr. President, the Subcommittee on Children and Youth, which I chair, is concerned about all children and youth and their problems in the broadest sense. In previous hearings and legislative action we have worked in the areas of child abuse, crib death, day care, and camp safety. We are engaged in a long-range study of trends and pressures affecting American families, and of their impact on children and youth.

On Monday and Tuesday of last week the subcommittee held hearings on baby selling—in which an intermediary sometimes receives thousands of dollars for identifying and placing an infant with an adoptive family. These hearings marked the beginning of a new initiative for the subcommittee—an exploration of existing and proposed Federal policies affecting the adoption of children and their placement in the foster care system. I was pleased to have the opportunity earlier this week to join with my subcommittee colleague, Senator ALAN CRANSTON, in introducing the Opportunities for Adoption Act. This legislation is now pending before the subcommittee. I am also pleased that Senator CRANSTON is cosponsoring the bills I have introduced today.

It is my hope that all of these initiatives will contribute to a meaningful analysis of our adoption and foster care system and to whatever legislation might be necessary to improve the services provided to the more than 400,000 children in that system.

By Mr. SPARKMAN (by request):

S. 1636. A bill to amend further the Peace Corps Act. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to amend further the Peace Corps Act.

The bill has been requested by ACTION and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD at this point, together with the letter from the Deputy Director of ACTION to the President of the Senate dated April 21, 1975.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That so much of section 3(b) of the Peace Corps Act (22 U.S.C. 2502(c)) as precedes the first provision thereof is amended to read as follows: "There are authorized to be appropriated for fiscal year 1976 not to exceed $80,826,000, and for the period July 1, 1976 through September 30, 1976 not to exceed $25,729,000, to carry out the purposes of this Act:"

SEC. 2. Section 3(c) of the Peace Corps Act (22 U.S.C. 2502(c)) is amended to read as follows: "In addition to the amounts authorized for fiscal year 1976 and for the period July 1, 1976 through September 30, 1976, there are authorized to be appropriated for the Peace Corps for such year such sums as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law."

SEC. 3. Section 3(d) of the Peace Corps Act (22 U.S.C. 2502(d)) is amended to read as follows: "The Director of ACTION shall transfer to the redjustment allowance, ACTION, account at the Treasury Department, no later than December 31, 1975, not to exceed $315,000 from any sums available to carry out the purposes of this Act in fiscal year 1976 to rectify the imbalance in the Peace Corps readjustment allowance account for the period March 1, 1961 to February 28, 1973.

SEC. 4. Section 5(a) of the Peace Corps Act, as amended, which relates to conditions of enrollment for volunteer service is amended by adding ", sex" after the word "race" in the last sentence thereof

PEACE CORPS AUTHORIZATION—SECTION-BY-SECTION ANALYSIS

Section 1 amends Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)), which contains the general authorization of appropriations for the Peace Corps, to authorize the appropriation of $80,826,000 for fiscal year 1976 and $25,729,000 for the fiscal year transition quarter July 1–September 30, 1976.

Section 2 amends Section 3(c) of the Peace Corps Act (22 U.S.C. 2052(c)), to authorize the appropriation of such sums as may be necessary for the Peace Corps for increases in salary, pay, retirement or other employee benefits authorized by law. This Section is similar to the authorization enacted with respect to fiscal year 1975 to make appropriations to cover increases in employee salaries.

Section 3 amends Section 5(d) of the Peace Corps Act (22 U.S.C. 2502(d)) to require ACTION to transfer up to $315,000 to the Treasury Department no later than December 31, 1975, to rectify the imbalance in the Peace Corps readjustment allowance account from any funds available in fiscal year 1976 to carry out the Peace Corps Act, rather than from fiscal year 1975 funds, as authorized in the current legislation enacted as part of P.L. 93–302, 88 Stat. 19[illegible]. Because of budgetary constraints in FY 1975, we have been unable to complete this transfer to date. The proposed extension of time will permit the imbalance to be rectified.

Section 4 relates to conditions for enrollment as a Peace Corps Volunteer by assuring that discrimination on the basis of sex will not occur in accepting assignment of applicants for volunteer service. This amendment recognizes existing policy and regulations which have been adopted by the Peace Corps to prohibit any discrimination on the basis of sex.

APRIL 21, 1975.

HON. NELSON A. ROCKFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for your consideration are copies of draft legislation to make four amendments to the Peace Corps Act, to enable the Peace Corps to continue to strengthen its work on behalf of world peace and understanding during fiscal year 1976 and the fiscal year transition quarter. We expect to propose additional amendments for fiscal year 1977 and later years in the near future.

The bill will authorize the appropriation of $80,826,000 for the Peace Corps for fiscal year 1976 and $25,729,000 for the fiscal year transition quarter of July 1, 1976 to September 30, 1976. This authorization will enable the Peace Corps to train an estimated 3,750 volunteer applicants in the coming year and 1,400 in the transition quarter. The estimated number of volunteer man years in the field for fiscal year 1976 will be approximately 6,062 and in the transition quarter approximately 1,434.

It will also authorize the appropriation of such sums as may be necessary in the event federal employee salaries or benefits are increased between July 1, 1975, and September 30, 1976. This authorization is similar to authority enacted with respect to fiscal year 1975.

The bill also provides that ACTION will transfer funds to the Treasury Department no later than December 31, 1975 to rectify the imbalance existing in the Peace Corps readjustment account. Legislation authorizing this transfer was enacted in 1974, but was limited to FY 1975 funds. Because of budgetary constraints on the Peace Corps for 1975, we have been unable to complete the transfer to date. Accordingly, it is necessary to provide a six-month extension of the time allowed to accomplish the transfer.

Section 4 of the bill would forbid sex discrimination with respect to the enrollment and terms and conditions of service of volunteers. This amendment would enact the existing practice of the Peace Corps.

I respectfully request that the bill be referred to the appropriate committee for consideration.

The Office of Management and Budget advises that there is no objection to the submission of this legislation and that its enactment would be in accord with the program of the President.

Sincerely,

JOHN L. GANLEY.

By Mr. FONG (for himself, Mr. HUGH SCOTT, and Mr. PHILIP A. HART):

S. 1637. A bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations, and for other purposes. Referred to the Committee on the Judiciary.

Mr. FONG. Mr. President, today I am introducing a bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations.

I believe it is incontestable that no field of litigation involves facts more complex or records more extensive than are found in the Government's antitrust cases. As a consequence, the task of amassing the data essential to successful antitrust enforcement can frequently be of enormous magnitude.

The Antitrust Civil Process Act of 1962, as far as it goes, has been of great benefit to the Government in conducting civil antitrust investigations. That act authorized the Attorney General or the Assistant Attorney General in charge of the Antitrust Division to issue a civil investigative demand for the production of relevant documents from corporations, associations, partnerships, or other legal entities not natural persons, under investigation for antitrust violations.

However, the Antitrust Civil Process Act does not allow natural persons or third parties not under investigation to be served with a civil investigative demand, nor does it give the Antitrust Division the power to compel oral testimony or serve written interrogatories. Experience has shown, unfortunately, that these and other deficiencies have rendered the act insufficient to meet the present-day investigatory needs of the Antitrust Division.

The refusal of industry on occasion to cooperate voluntarily in antitrust investigations, which was the original justification for the Antitrust Civil Process Act, is the reason today why more effective means of civil discovery are needed. In a word, the same reasons that supported enactment of the Antitrust Civil Process Act 13 years ago speak now for the act's expansion.

Mr. President, in the opinion of the Attorney General, Mr. Edward H. Levi—

> This bill would simply make available to the Attorney General the same antitrust investigatory powers in civil investigations that he now has in criminal investigations, and provide him with authority similar to that of the Federal Trade Commission.

As you know, the grand jury process can be used in the investigation of criminal violations under the Sherman Act. The Clayton Act for the most part is not a criminal statute, however, and the grand jury process, of course, is unavailable where only a civil action is contemplated.

Even under the restraint of trade or monopoly provisions of the Sherman Act, it is often not desirable to bring companion criminal and civil suits. The facts may not warrant criminal sanctions, or it may appear at the outset that the evidence may be insufficient for a criminal case. In other situations the urgency of obtaining civil relief may make it inadvisable to risk the delay that would probably attend the bringing of both types of actions.

Let me now set forth in detail the eight improvements in the Antitrust Civil Process Act through which this legislation would increase the effectiveness of the Government's civil antitrust discovery process.

First. Under present law, civil investigative demands can be issued only in aid of investigations of past or present antitrust violations. The limitations of this authority become manifest when a merger possibly violative of the antitrust laws is announced which the Antitrust Division cannot fully investigate because such merger has not yet been consummated. By allowing the civil investigative demand to be used with regard to activities which may lead to an antitrust violation, my bill would permit the Justice Department to obtain in advance of a merger sufficient information on which to make a judgment as to whether or not it should be challenged.

This provision corrects the adverse effect of *United States* v. *Union Oil Company of California* (343 F. 2d 29, 9th Cir., 1965), which held that civil investigative demands may issue only to require the production of documents relating to current or past, but not incipient, violations.

It should be noted that there is no lack of legislative precedent for extending the investigatory power to possible future violations. In addition to my own State of Hawaii, the States of Illinois, Missouri, New Jersey, New York, and Virginia, among others, specifically authorize the use of civil investigative subpenas in investigations of incipient violations of the antitrust laws.

Second. The bill would broaden the categories of persons upon whom civil investigative demand could be served to include natural persons. As I noted earlier, the limitation in the present law to corporations, associations, partnerships, and other legal entities not natural persons has proved a hindrance to effective antitrust investigation.

Third. My bill would also broaden the classes of persons subject to civil investigative demands to include not only persons under investigation but also third parties who may have knowledge of facts which are relevant to the investigation. Again, this remedies a long-felt defect in the powers granted under existing law.

Fourth. The civil investigative demand could be used not only to compel the production of documentary evidence but would become available to require oral testimony or answers to written interrogatories or any combination of such demands.

Broadening the act to cover oral testimony would introduce no novel or untried concept in antitrust enforcement. In the area of trade regulation on the Federal level, section 9 of the Federal Trade Commission Act confers on the Commission the power to compel oral testimony in the course of its investigations. Among departments and other agencies whose heads, members, or employees have statutory authority to compel attendance and oral testimony of witnesses in the course of investigations pertinent to laws which they administer are the Departments of Agriculture, Labor, the Treasury, and Health, Education, and Welfare, the Civil Aeronautics Board, the Federal Aviation Administration, the Federal Communications Commission, the Federal Power Commission, the Interstate Commerce Commission, the National Labor Relations Board, the Railroad Retirement Board, the Tariff Commission, and the Veterans' Administration.

The power to seek the attendance of witnesses to give oral testimony in antitrust investigations prior to the initiation of any suit or proceeding is granted to the State attorney general under the laws of Arizona, Connecticut, Florida, Hawaii, Illinois, Kansas, Louisiana, Maine, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, South Carolina, Texas, Virginia, and Wisconsin. These jurisdictions also extend the civil investigative subpena power in antitrust investigations to individuals as well as to artificial persons and provide for service upon persons capable of providing relevant testimony whether or not they are the actual target of the investigation.

Fifth. Persons subject to a civil investigative demand for oral testimony in antitrust investigations may be accompanied by counsel and may refuse to answer questions on the basis of privilege, self-incrimination or other lawful grounds. Where the refusal to answer is on the grounds of self-incrimination, however, the testimony of such person may be compelled in accordance with the provisions of part V of title 18 of the United States Code, the Federal immunity statute.

Sixth. My bill permits the use of evidence obtained through civil investigative demand in antitrust inquiries in investigations, proceedings or cases other than the one to which the demand specifically relates. This eliminates the doubt on this point raised by the decision in an unreported case decided by the U.S. District Court for the District of Columbia, *Upjohn* v. *Bernstein* (DCDC Civil Action No. 1322–66, 1966). However, the Antitrust Division is prohibited from using this authority to obtain information or evidence for use in any Federal administrative or regulatory agency proceeding where an adequate opportunity for discovery is available under the rules and procedures of the agency conducting the proceeding.

Seventh. The bill specifically sanctions the Department's existing practice of requiring certification of compliance with a demand for production of documentary material by the person to whom the demand is directed.

Eighth. Finally, my bill authorizes the Department of Justice to extend the period in which persons served may judicially contest a civil investigative demand. This would permit more time for extending and facilitating negotiations for producton of evidence, thereby possibly obviating the need for full production and possibly reducing the likelihood of resort to the court by either the party served or the Government.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Antitrust Civil Process Act (76 Stat. 548; 15 U.S.C. 1311) is hereby amended as follows:

(a) Clause (c) of section 2 is amended to read as follows:

"(c) The term 'antitrust investigation' means any inquiry conducted by any antitrust investigator for the purpose of ascertaining whether any person is or has been engaged in any antitrust violation or in any activities which may lead to any antitrust violation;".

(b) Clause (f) of section 2 is amended by deleting the phrase "not a natural person" and inserting immediately after the word "means" the following: "any natural person or".

(c) Subsection (a) of section 3 is amended to read as follows:

"Whenever the Attorney General, or the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, has reason to believe that any person may be in possession, custody, or control of any documentary material, or may have knowledge of any fact or facts, relevant to a civil antitrust investigation, he may, prior to the institution of a civil or criminal proceeding thereon, issue in writing, and cause to be served upon such person, a civil investigative demand requiring such person to produce such documentary material for examination or to answer in writing written interrogatories or to give oral testimony, or any combination of such demands, pertaining to such fact or facts.".

(d) Subsection (b) of section 3 is amended to read as follows:

"Each such demand shall—

"(1) state the nature of the conduct constituting the alleged antitrust violation which is under investigation and the provision of law applicable thereto; and

"(2) if it is a demand for production of documentary material,

"(A) describe the class or classes of documentary material to be produced thereunder with such definiteness and certainly as to permit such material to be fairly identified;

"(B) prescribe a return date which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction; and

"(C) identify the antitrust investigator who shall be the custodian to whom such material shall be made available; or

"(3) if it is a demand for answers to written interrogatories,

"(A) identify the antitrust investigator to whom such answers shall be made;

"(B) propound with definiteness and certainty the written interrogatories to be answered; and

"(C) prescribe a date at which time answers to written interrogatories shall be made; or

"(4) if it is a demand for the giving of oral testimony.

"(A) prescribe a date, time and place at which oral testimony shall be taken; and

"(B) identify the antitrust investigator or investigators who shall conduct the examination.".

(e) Subsection (f) of section 3 is redesignated subsection (g) and a new subsection is inserted following subsection (e) to read as follows:

"(f) Service of any such demand or of any petition filed under section 5 of this Act may be made upon any natural person by—

"(1) delivering a duly executed copy thereof to the person to be served; or

"(2) depositing such copy in the United States mails, by registered or certified mail duly addressed to the person to be served at his residence or principal office or place of business.".

(f) Section 3 is further amended by adding the following new subsections after redesignated subsection (g):

"(h) The production of documentary material in response to a demand for production described in subsection (b)(2) of this section shall be made under a sworn certificate to the effect that all of the documentary material described by the demand which is in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

"(i) Each interrogatory in a demand served pursuant to this section shall be answered separately and fully in writing under oath, unless it is objected to, in which event the reasons for objections shall be stated in lieu of an answer. The answers and objections are to be signed by the person making them.

"(j)(1) The examination of any person pursuant to a demand for oral testimony served under this section shall be taken before an officer authorized to administer oaths and affirmations by the laws of the United States or of the place where the examination is held. The officer before whom the testimony is to be taken shall put the witness on oath or affirmation and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically and transcribed. Upon certification the officer before whom the testimony is taken shall promptly transmit the transcript of the testimony to the possession of the antitrust investigator or inveslgators conducting the examination. The antitrust investigator or investigators conducting the examination may exclude from the place where the examination is held all persons other than the person being examined, his counsel, the officer before whom the testimony is to be taken, and any stenographer taking said testimony. The provisions of the Act of March 3, 1913 (ch. 114, 27 Stat. 731; 15 U.S.C. 30), shall not apply to such examinations.

"(2) The oral testimony of any person taken pursuant to a demand served under this section shall be taken in the judicial district of the United States within which such person resides, is found, or transacts business, or in such other place as may be agreed upon between the antitrust investigator or investigators conducting the examination and such person.

"(3) Any person examined under a demand for oral testimony pursuant to this section shall, on payment of lawfully prescribed costs, procure a copy of his own testimony as stenographically reported, except that such person may for good cause be limited to inspection of the official transcript of his testimony.

"(4) Any person compelled to appear under a demand for oral testimony pursuant to this section may be accompanied by counsel. For any purposes other than those set forth in this subparagraph, such person shall not refuse to answer any question, nor by himself or through counsel interrupt the examination by making objections or statements on the record. Such person or counsel may object on the record, stating the reason therefor, where it is claimed that such person is entitled to refuse to answer on grounds of privilege, or self-incrimination or other lawful grounds. Where the refusal to answer is on the grounds of privilege against self-incrimination, the testimony of such person may be compelled in accord with the provisions of part V of title 18, United States Code. Upon a refusal to answer, the antitrust investigator or investigators conducting the examination may petition the district court of the United States for the judicial district within which the examination is conducted for an order requiring such person to answer.

"(5) Upon completion of the examination, the person examined may clarify or complete answers otherwise equivocal or incomplete on the record."

(g) Subsection (b) of section 4 is amended by inserting in the first sentence immediately after the word "demand", first appearance, the following: "for the production of documents", and by amending the second sentence to read as follows: "Such person may upon written agreement between such person and the custodian substitute copies for originals of all or any part of such material.".

(h) Subsection (c) of section 4 is amended by inserting in the first sentence immediately after the word "material" the phrase "described in subsection (b)(2) of section 3" and by inserting in the fourth sentence immediately before the word "documentary" the word "such".

(i) Subsection (d) of section 4 is amended to read as follows:

"(1) Whenever any attorney of the Antitrust Division of the Department of Justice has been designated to appear before any court, grand jury, or Federal administrative or regulatory agency in any case or proceeding or to conduct any antitrust investigation, the antitrust investigator or investigators having custody and control of any documentary material described in subsection (b)(2) of section 3, interrogatories served pursuant to this Act and answers thereto, or transcript of oral testimony taken pursuant to this Act may deliver to such attorney such documentary material, interrogatories, and answers thereto, or transcript of oral testimony for use in connection with any such case, proceeding, or investigation as such attorney determines to be required. Upon the completion of any such case, proceeding, or investigation such attorney shall return to the antitrust investigator or investigators any such materials so delivered and not having passed into the control of such court, grand jury, or agency through the introduction thereof into the record of such case or proceeding.

"(2) The Antitrust Division, while participating in any Federal administrative or regulatory agency proceeding, shall not employ the authority granted by this Act to obtain information or evidence for use in such proceeding where an adequate opportunity for discovery is available under the rules and procedures of the agency conducting the proceeding.".

(j) Subsection (e) of section 4 is amended to read as follows:

"Upon the completion of (1) the antitrust investigation for which any documentary material described in subsection (b)(2) of section 3 of this Act was produced, and (2) any such case or proceeding, the custodian shall return to the person who produced such material all such material (other than copies thereof furnished to the custodian pursuant to subsection (b) of this section or made by the Department of Justice pursuant to subsection (c) of this section) which has not passed into the control of any court, grand jury, or Federal administrative or regulatory agency through the introduction thereof into the record of such case or proceeding.".

(k) Subsection (f) of section 4 is amended to read as follows:

"When any documentary material has been produced by any person under a demand described in subsection (b)(2) of section 3 of this Act, and no case or proceeding as to which the documents are usable had been instituted and is pending or has been instituted within a reasonable time after completion of the examination and analysis of all evidence assembled in the course of such investigation, such person shall be entitled, upon written demand made upon the Attorney General or upon the Assistant Attorney General in charge of the Antitrust Division, to the return of all such documentary material (other than copies thereof furnished to the custodian pursuant to subsection (b) of this section or made by the Department of Justice pursuant to subsection (c) of this section) so produced by such person.".

(l) Subsection (g) of section 4 is amended to read as follows:

"In the event of the death, disability, or separation from service in the Department of Justice of the custodian of any documentary material produced under a demand for production described in subsection (b)(2) of section 3 of this Act or the antitrust investigator having possession of answers in writing to written interrogatories or the transcript of any oral testimony produced under any demand issued under this Act, or the official relief of such custodian or antitrust investigator from responsibility for the custody and control of such material, the Assistant Attorney General in charge of the Antitrust Division shall promptly (1) designate another antitrust investigator to serve as custodian of such documentary material or to maintain possession of such answers to interrogatories or such transcript of oral testimony, and (2) transmit in writing to the person who submitted the documentary material produced under a demand for production described in subsection (b)(2) of section 3 of this Act, notice as to the identity and address of the successor so designated. Any successor designated under this subsection shall have with regard to such materials all duties and responsibilities imposed by this Act upon his predecessor in office with regard thereto, except that he shall not be held responsible for any default or dereliction which occurred before his designation.".

(m) The first sentence of subsection (b) of section 5 is amended to read as follows:

"Within twenty days after the service of any such demand upon any person, or at any time before the compliance date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such compliance date as may be prescribed in writing, subsequent to service, by the antitrust investigator or investigators named in the demand, such person may file, in the district court of the United States for the judicial district within which such person resides, is found, or transacts business, and serve upon such antitrust investigator or investigators a petition for an order of such court modifying or setting aside such demand.".

By Mr. EAGLETON:

S. 1638. A bill to authorize the Secretary of Health, Education, and Welfare to postpone the effective date of certain requirements imposed on States by Public Law 93–647 with respect to child support programs in the case of States which require additional time in which to implement the policies, programs, and activities so required. Referred to the Committee on Finance.

STATE CHILD SUPPORT PROGRAMS

Mr. EAGLETON. Mr. President, I am introducing a bill to give the Secretary of Health, Education, and Welfare authority to postpone the effective date of certain requirements of part B of Public Law 93–647 with respect to child support programs in the case of a State which he finds requires an additional period of time in which to implement the policies, programs, and activities required by that part.

Part B of Public Law 93–647 adds to title IV of the Social Security Act a new part D which imposes responsibilities on both the Federal Government and the States with respect to child support and establishment of paternity, and amends title IV–A of the act by adding additional conditions of eligibility for applicants for, and recipients of, aid to families with dependent chldren.

Title IV–D requires the States to have in effect on July 1, 1975, an approved plan for child support under which the State will seek to establish the paternity of a child born out of wedlock and to secure child support payments. Support payments collected by a State are to be retained by that State to reimburse it for assistance payments to the family—with appropriate reimbursement to the Federal Government for its share of those payments—except that for the period between July 1, 1975, and September 30, 1976, 40 percent of the first $50 of the payment collected is to be paid to the family.

Among the new conditions of eligibility, effective July 1, 1975, are the requirements that an AFDC applicant or recipient must assign to the State any rights he or she may have to child support payments and must cooperate with the paternity of a child and in obtaining support payments.

Officials of the Missouri Division of Family Services have informed me that the proper implementation of this child support program in Missouri will require a number of changes in, and additions to, State law. For instance, it will be necessary to have a specific statute authorizing the division to collect child support payments and to disburse portions of those payments to the AFDC family.

In addition, the implementation of this program in Missouri on July 1, 1975, would result in a loss of income to many TFDC families which now receive child support payments.

In March 1975, there were 83,568 AFDC families in Missouri. Of this number, it is estimated that in the case of 20,474 families, or 24.5 percent of the total, there was either a court order or a voluntary agreement for support of some or all in the recipient family.

Of the 16,129 families where there was a court order, it is further estimated that support payments were being fully met in 23.6 percent of the cases, partly met on a regular basis in 19.3 percent of the cases, and partly met on an irregular basis in 19.2 percent of the cases.

From these estimates, it can be assumed that in any given month between 7,000 and 10,000 AFDC families in Missouri receive child support payments.

Because Missouri's AFDC statute prescribes a maximum grant, and a maximum that is considerably below the standard of need used to determine a family's eligibility for assistance, the implementation of a child support plan on July 1, 1975, would result in a loss of total income to thousands of families.

To give a simple illustration, in June 1975 a family of four—a caretaker and three children—could receive a support payment of $100 and the maximum AFDC grant of $150 for a total income of $250. In July 1975, if the child support plan were in effect, the $100 support payment would be assigned to, and collected by, the State. The family would receive the maximum grant of $150 plus $20 of the support payment for a total income of $170, or a decrease in income of $80 per month.

If the implementation of the child support plan in Missouri is not to adversely affect thousands of families, the AFDC statute must be revised to provide for a percentage-of-need grant rather than a statutory maximum grant.

Changes in State law required to implement the child support program and to revise the AFDC program cannot be considered by the Missouri General Assembly prior to its 1976 session unless the Governor should call a special session later this year. Although the general assembly is now in session, the last date on which bills could be introduced occurred early in March. Bills enacted during the 1976 session will have an effective date of August 13, 1976.

It is my understanding that the situation in Missouri is not unique and that a considerable number of other States will need an additional period of time in which to obtain changes in their statutes and/or revise their AFDC programs to prevent hardship to recipients.

Mr. President, I urge early consideration and enactment of the amendment I am proposing today so that Missouri and other States may have the additional period of time they require to properly implement a child support program and in a way that will not adversely affect AFDC families.

UMI

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (f) of section 101 of Public Law 93-647 is amended—

(a) by inserting "(1)" immediately after "(f)";

(b) by striking out "The" and inserting in lieu thereof "Except as otherwise provided by paragraph (2), the"; and

(c) by adding at the end thereof the following new paragraph:

"(2)(A) The amendments made by this section which would, except for this paragraph, become effective on July 1, 1975, shall become effective, in the case of any State, on such date (which shall be after July 1, 1975, but not later than September 1, 1976) as may be specified in an order of the Secretary of Health, Education, and Welfare (hereinafter in this paragraph referred to as the 'Secretary') postponing the effective date of such amendments insofar as they are applicable to such State.

"(B) The Secretary shall grant an order referred to in subparagraph (A) with respect to any State only pursuant to a request therefor made to him by the Governor of such State, and only if the Secretary finds that such State requires the period of time ending on the day before the date specified in such order in order to implement the policies, programs, and activities which such amendments are designed to put into effect In carrying out the preceding sentence, the Secretary shall find that a State requires an additional period of time (beginning on July 1, 1975) in which to implement the policies, programs, and activities which the amendments (referred to in such sentence) are designed to put into effect, if the implementation of such policies, programs, or activities (or any of them) (i) requires the amendment or repeal of any existing, or the enactment of any new, State statute or provision thereof, or (ii) would cause or result in a decrease in the total amount of income which would otherwise be received by some recipients of aid under the program of the State approved under part A of title IV of the Social Security Act."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 872

At the request of Mr. Hatfield, the Senator from Montana (Mr. Metcalf) was added as a cosponsor of the bill (S. 872) to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second class mail rates.

S. 1197

At the request of Mr. Tunney, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1197, the Plutonium Recovery Control Act of 1975.

S. 1290

At the request of Mr. Nelson, the Senator from California (Mr. Cranston) was added as a cosponsor of the bill (S. 1290) to recognize the Clemency Board, the Department of Defense, the Department of Justice, and the Department of Transportation to provide fair and efficient consideration of all individuals eligible for amnesty relating to military service in the war in Southeast Asia, and for other purposes.

S. 1336

At the request of Mr. Case, the Senator from South Carolina (Mr. Thurmond) and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of the bill (S. 1336) to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

S. 1362

At the request of Mr. Bayh, the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from New York (Mr. Javits), the Senator from Massachusetts (Mr. Kennedy), the Senator from Maryland (Mr. Mathias), the Senator from Wyoming (Mr. McGee), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of the bill (S. 1362) to increase professional pay for military lawyers.

S. 1372

At the request of Mr. Robert C. Byrd, the Senators from Alabama (Mr. Allen and Mr. Sparkman) were added as cosponsors of the bill (S. 1372) to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis.

S. 1436

At the request of Mr. Randolph, the Senator from Iowa (Mr. Culver) was added as a cosponsor of the bill (S. 1436) to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating and improving railroad roadbeds and facilities.

S. 1533

At the request of Mr. Percy, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of the bill (S. 1533) relating to the employment and training of criminal offenders.

S. 1534

At the request of Mr. Percy, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of the bill (S. 1534) relating to voting rights of former offenders.

S. 1625

At the request of Mr. Packwood, the Senator from New York (Mr. Javits), the Senator from Illinois (Mr. Percy), the Senator from Tennessee (Mr. Brock), and the Senator from Iowa (Mr. Culver) were added as cosponsors of the bill (S. 1625) to extend and revise the State and Local Fiscal Assistance Act of 1972.

SENATE JOINT RESOLUTION 30

At the request of Mr. Helms, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of the joint resolution (S.J. Res. 30) proclaiming September 8 of each year as "National Cancer Day."

SENATE JOINT RESOLUTION 78

At the request of Mr. Fannin, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of the joint resoltuion (S.J. Res. 78) to designate the week commencing with the third Monday in February of each year as "National Patriotism Week."

SENATE RESOLUTION 131

At the request of Mr. Stone, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of the resolution (S. Res. 131) to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy.

SENATE RESOLUTION 135

At the request of Mr. Mondale, the Senator from South Dakota (Mr. Abourezk) was added as a consponsor of Senate Resolution 135, proposing the designation of Norwegian-American Day.

AMENDMENTS SUBMITTED FOR PRINTING

FOREIGN INVESTMENT DISCLOSURE ACT OF 1975—S. 1303

AMENDMENT NO. 393

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. STEVENS. Mr. President, today I am introducing an amendment in the nature of a substitute to S. 1303 which could provide the United States with a workable proposal to monitor and properly evaluate foreign investment in our country, as well as provide our Nation with the instrumentation to reject foreign investment proposals that could jeopardize America's national interests and endanger the economic health of our country.

If last year's oil embargo by the Organization of Oil Exporting Countries—OPEC—made us aware of worldwide energy limitations, this year's realization of how OPEC oil money can be invested—and the implications of that investment—should persuade us to develop a workable plan to both monitor foreign investment in the United States as well as provide our Nation the ability to reject foreign investment proposals that are not in our national interest.

Middle East oil-producing nations are in a position—with newly found capital exceeding $45 billion—to virtually monopolize investment in the United States. These funds which have been temporarily placed in the world's money markets will eventually find a more permanent some, and just about the coziest place around these days for transient investment capital to hang its hat is in the United States.

The Department of Commerce reported that in 1973 total foreign investment exceeded $100 billion. The inflow of new capital in 1973 increased to $2.357 billion, from $1.537 billion the year before. This tremendous investment by foreign nations in the United States is, in part, an attempt to reserve U.S. resources for their future industrial expansion and defense needs. One danger in this is that foreign exportation of U.S. raw materials may deprive us of critical components for our own future industrial needs. And when foreign countries invest in weapons, transportation, natural resources, and other essential areas, this also raises serious questions of what that money will mean in terms of international political leverage.

Not only do we not know enough about the targets of foreign investment in the United States, but our foreign investment reporting methods are grossly insufficient.

I believe that Congress should immediately require that significant foreign investment be disclosed and evaluated. The President should be given the prerogative to reject any foreign investment that he believes may be detrimental to the economic and strategic well-being of this Nation. Additionally, the role of foreign investors already operating in the United States should be reevaluated.

Mr. President, the amendment that I offer today provides for a comprehensive reporting of both present and future foreign investment in the United States. Under the provisions of my amendment the Secretary of Commerce shall gather information concerning the nature of and specific information relating to present and future foreign investment, and foreign investment proposals having sales or revenues of $1 million or more in the most recent fiscal year; which would result in the ownership by any such foreign investor of 5 percent or more of the total amount of outstanding equity securities of such domestic business, or which would result in the ownership by any such foreign investor of 5 percent or more of all outstanding indebtedness of any such business, or in the ownership by such investor of debt securities having a value of at least $500,000, whichever is less.

Additionally, the Secretary of Commerce shall comprehensively review any multiple purchase or exchange, or series of purchases or exchanges, which would result in the ownership of $5 million or more of the outstanding equity securities of any domestic business, or any investment by a foreign investor in any property which has a fair market value of $1 million or more; or any investment would result in the acquisition of control of a domestic business by a foreign investor. Also, the Secretary may by rule establish additional reporting requirements for any foreign investment in real property, including any right, title, or interest in land containing mineral resources and any foreign investment in any transportation industry, including a pipeline or petroleum storage facility.

My amendment requires that the Secretary of Commerce must, within 120 days after the implementation of the legislation, evaluate all present foreign investments in the United States. Reports relating to investments which may occur after the date of enactment of this legislation shall be submitted at least 30 days prior to the proposed date of the investment. The Secretary, after thorough review by appropriate Cabinet members, may disapprove of existing foreign investments in the United States if the Secretary believes those investments are not in the best interests of the country.

If the Secreatry of Commerce, after consultation with appropriate Cabinet members, believes that a foreign investment proposal may be contrary to the national interests and economic viability of the Untied States, he may disapprove such a proposal. The President may, however, reject the Secretary's disapproval of a proposed foreign investment proposal if he believes that the proposed investment is not contrary to the national interest. If the Secretary does not believe the investment proposal warrants further review, the proposal is deemed approved.

The amendment I offer today will provide our Government with the ability to monitor and screen foreign investment in the United States.

I certainly realize that foreign investment, and the free flow of capital in the United States, is important and in the vast majority of cases is a healthy thing. Still, I believe, Mr. President, that it is only prudent that the United States know where foreign investment in the United States is going and determine as best we can the implications of that foreign investment to our national interest and economic viability.

Mr. President, I ask unanimous consent that my amendment be printed in the Record at this time, along with an article I wrote on this subject for the Washington Post.

There being no objection, the amendment and article were ordered to be printed in the Record, as follows:

AMENDMENT No. 393

Strike all after the enacting clause and insert in lieu thereof the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. That this Act may be cited as the "Foreign Investment Control Act of 1975".

DEFINITIONS

Sec. 2. As used in this Act—

(1) The term "investment" means the acquisition or holding, directly or indirectly, by stock ownership or otherwise, of an interest in a business concern or property which is located wholly or substantially in the United States or which is owned or controlled wholly or substantially by individuals who are residents of the United States or by any person owned or controlled by such individuals.

(2) The term "foreign investor" means—

(A) Any government of a foreign country or any agency thereof;

(B) an international agency;

(C) any enterprise or instrumentality which, in the judgment of the Secretary, is wholly or substantially controlled by a foreign government or a combination of foreign governments;

(D) any association whose members are governments of a foreign country, or any foreign official institution such as foreign central banks or development banks, or other organization, as defined by the Secretary;

(E) an individual who is not a resident of the United States; and

(F) any person or entity which, directly or indirectly, is owned or controlled by, or acting as an agent or trustee for, one or more foreign governments, agencies, organizations, or individuals.

(3) The term "domestic business" means any corporation, partnership, trust, joint venture, enterprise, or other association or entity, which is located in the United States or which is owned or controlled wholly or substantially by individuals who are residents of the United States or United States citizens.

(4) The term "property" means any real or personal property and any other thing of value, including the right to acquire or control any real or personal property.

(5) The term "Secretary" means the Secretary of Commerce.

ACQUISITION OF INFORMATION

Sec. 3. (a) For purposes of carrying out the provisions of this Act, the Secretary shall, by regulation, order, or otherwise, establish and maintain procedures which require the maintenance of records and the submission of reports by foreign investors and obtain such information from, require such reports and the keeping of such records by, make such inspections of the books, records and other writings, premises, or property of, such persons as may be necessary or appropriate, including foreign investors and agencies of foreign investors, with respect to—

(1) any investment by a foreign investor in any domestic business—

(A) having sales or revenues of $1,000,000 or more during its most recent full fiscal year;

(B) which would result in the ownership by any such foreign investor of 5 percent or more of the total amount of outstanding equity securities of such domestic business; or

(C) which would result in the ownership by any such foreign investor of 5 percent or more of all outstanding indebtedness of any such business, or in the ownership by such investor of debt securities having a value of at least $500,000, whichever is less;

(2) any multiple purchase or exchange, or series of purchases or exchanges, which would result in the ownership of $5,000,000 or more of the outstanding equity securities of any domestic business; or

(3) any investment by a foreign investor in any property which has a fair market value of $1,000,000 or more; or

(4) any investment which would result in the acquisition of control of a domestic business by a foreign investor.

(b) The records and reports required under this section shall include—

(1) the name or names of the foreign investors involved;

(2) the nationality or citizenship and place of residence of any individual foreign investors involved;

(3) the country or countries with which any agency or other organization which is a foreign investor is affiliated;

(4) the extent of the ownership or control which is exercisable by such foreign investor; and

(5) such other information as the Secretary may require.

(c) Reports relating to investments which may occur after the date of enactment of this Act shall be submitted at least 30 days prior to the proposed date of the investment.

(d) The Secretary shall publish a quarterly summary and analysis of the nature and scope of foreign investment in the United States during the quarter covered by the report. Such quarterly summary and analysis shall also contain the Secretary's assessment of any significant trends in foreign investment in the United States during such quarter.

(e) Not later than one hundred and twenty days after the date of enactment of this Act, the Secretary shall collect and publish with respect to each business concern or property described in paragraphs (1) through (4) of subsection (a) the following information as of the date of enactment of this Act.

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(1) The name of each foreign investor who has an interest in such business concern or property, and the nature and extent of such interest.

(2) The nationality or citizenship and place of residence of each such investor who is an individual.

(3) The country or countries with which any agency or other organization which is a foreign investor is affiliated.

(f) The Secretary may by rule establish additional reporting requirements for—

(1) any foreign investment in real property, including any right, title or interest in land containing mineral resources; and

(2) any foreign investment in any transportation industry, including a pipeline or petroleum storage facility.

FOREIGN INVESTMENT REVIEW

SEC. 4. (a) A foreign investor may make or continue to hold an investment which is subject to the record keeping and reporting requirements under section 3(a) only in accordance with the provisions of this section.

(b) Not later than 120 days after the publication of the information referred to in section 3(d), the Secretary shall review all investments referred to in such section. If the Secretary determines, after consultation with the Attorney General, the Secretary of State, the Secretary of the Interior, the Secretary of Defense, the Secretary of Labor, and when applicable, the Secretary of Transportation, that any such investment is contrary to the national defense or economic viability of the United States, he shall issue an order prohibiting the continued holding of such investment, and requiring divestiture, as appropriate.

(c) The Secretary shall review all information with respect to any investment which is proposed to be made after the date of enactment of this Act and, not later than 30 days after the receipt of the information relating to that investment required under section 3, make an initial determination whether such investment warrants further review. If the Secretary determines that such investment warrants further review, the investment may not be made prior to the expiration of 30 days following such notice.

(d) In any case where notice under subsection (c) is given, such investment shall be deemed to be approved, unless, within 30 days after the receipt of such notice, the Secretary issues an order disapproving the investment.

(e) The President may review any determination or order by the Secretary under this section, and in any case where the Secretary has issued an order disapproving a foreign investment, the President may, by order or otherwise, permit such investment.

(f) For the purpose of enforcing any order issued under this section, the Secretary may in his discretion request the Attorney General to bring an action in the appropriate district court of the United States or the United States District Court for the District of Columbia or the United States court of any other place subject to the jurisdiction of the United States, to compel compliance therewith, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond.

IMPLEMENTATION

SEC. 5. (a) The Secretary shall establish such procedures as may be necessary to enforce this Act, and to insure the confidentiality of all matters concerning any investment which would not otherwise be made available to other parties under law.

(b) For purposes of carrying out this Act, the Secretary may request from any department or agency of the United States, and that department or agency shall provide him, any information relating to foreign investment in the United States.

(c) The Secretary, or his duly authorized agent, shall have authority, for any purpose related to this Act, to sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this section, the Secretary or his delegate, may request the Attorney General to seek the aid of the United States district court for any district in which such person is found to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the agency.

(d) In order to carry out the provisions of this Act, the Secretary is further authorized—

(1) to hold such hearings at such times and places as he determines to be appropriate;

(2) appoint and fix the compensation of such additional personnel as may be necessary; and

(3) procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates to be fixed by the Secretary, but not in excess of the maximum rate payable under such section, plus travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

PENALTIES

SEC. 6. (a) Whoever willfully fails to maintain a record or submit a report required under this Act or otherwise willfully violates this Act or any regulation or order hereunder shall be fined not more than $1[illegible].000 for each violation or imprisoned not more than five years for each violation, or both.

(b) In any case in which the Secretary determines that any foreign investor has acquired, directly or indirectly, ownership or control of a business concern or property, that such acquisition is subject to the requirements of section 3, and that such person failed to comply with the provisions of such section, he may, after such notice and opportunity for hearing as he determines to be appropriate, issue an order prohibiting the exercise of any voting rights so acquired. Any such order shall remain in effect until such time as the Secretary finds that such person has complied with such requirements. In carrying out the provisions of this section, the Secretary is authorized (1) to appoint a trustee or receiver of, or make other arrangements with respect to, any securities or other indicia of ownership or control acquired without the compliance with the reporting requirements of section 3, and (2) if control of the business concern has been obtained without compliance with such requirements, to appoint a trustee or receiver of, or make other arrangements with respect to, the business concern or property.

INJUNCTIONS

SEC. 7. Whenever it appears to the Secretary that any person has failed to comply with the requirements of section (1) he may request the Attorney General to bring an action in the appropriate district court of the United States to compel compliance with such requirements, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. In addition to such injunctive relief, such court may also order the payment of any civil penalty imposed under section 5. In addition, such court may, upon a proper showing, order that any investment made or retained in violation of the requirements imposed under this Act be sold or otherwise disposed of in such manner and during such period of time as the court may prescribe in order to achieve compliance with the provisions of this Act.

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The provisions of this Act shall be carried out by the Secretary through a Foreign Investment Review Commission, which is hereby established in the Department of Commerce, and with the assistance of the Assistant Secretary of Commerce for Domestic and International Business, who shall supervise and direct the Commission created herein. Such Assistant Secretary shall perform such functions as the Secretary may prescribe. There shall be appointed by the President, by and with the advice and consent of the Senate, a Commissioner for Foreign Investment Review who shall be compensated at the rate provided for level V of the Executive Review Administration and perform such other duties as are assigned by the Secretary under the direction of the Assistant Secretary for Domestic and International Business.

(b) The Secretary is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

(c) (1) Section 5315(12) of title 5, United States Code, is amended by striking out "(6)" and inserting in lieu thereof "(7)".

(2) Section 5316 of such title is amended by adding at the end thereof the following:

"(135) Commissioner for Foreign Investment Review.".

AUTHORIZATION

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From the Washington Post, Feb. 22, 1975]

ANOTHER VIEW ON FOREIGN INVESTMENT

(By Ted Stevens)

The current international economic situation indicates that there has been a major redistribution of wealth in the world because of the massive increases in oil prices by the foreign oil-producing countries. This fact combined with expected shortages of essential raw materials and natural resources in the United States requires that a close reexamination of foreign investment in this country be made.

Last year's oil embargo by the Organization of Oil Exporting Countries (OPEC) made us aware of world-wide energy limitations. This year's realization of how OPEC oil money can be invested—and the implications of that investment—should persuade us to reevaluate our open-door policy for foreign capital. At a time when stockbrokers are telling us of the great buying opportunities at the Big Board's bargain basement, Middle East oil producing nations are in a position—with newly found capital exceeding $45 billion—to virtually monopolize investment in the United States. These funds which have been temporarily placed in the world's money markets will eventually find a more permanent home, and just about the coziest place around these days for transient investment capital to hang its hat is in the United States.

This is not all new. In fact, historically, foreign investment has been very important to U.S. development. Today, however, times have changed. The Department of Commerce reported that in 1973 total foreign investment exceeded $100 billion. The inflow of new capital in 1973 increased to $2.357 billion, from $1.537 billion the year before. This tremendous investment by foreign nations in the United States is, in part, an attempt

to reserve U.S. resources for their future industrial expansion and defense needs. One danger in this is that foreign exportation of U.S. raw materials may deprive us of critical components for our own future industrial needs. And when foreign countries invest in weapons, transportation, natural resources, and other essential areas, this also raises serious questions of what that money will mean in terms of international political leverage.

Federal Reserve Board Chairman Arthur Burns recently told the Joint Economic Committee that foreign investment in Quaker Oats or Coca Cola would not bother him much but that a foreign capital position in a strategic corporation would cause him real concern. I would go further: even foreign investment in non-sensitive areas may seriously jeopardize national policies such as anti-trust, anti-discrimination and freedom of information policies. That is, with large sums of money invested in corporations which are important to our national economic health, the threat of withdrawal might force us to change policies rather than risk severe economic disturbances.

Not only do we not know enough about the targets of foreign investment in the United States, but our foreign investment reporting methods are grossly insufficient. This alarming lack of information about foreign investment prompted the passage in 1974 of the Foreign Investment Study Act which requires a comprehensive evaluation of foreign investment in the United States. An interim report by the Departments of Commerce and Treasury concerning foreign investment in the United States is expected in October. But that will be too late. We should prepare for a surge of foreign investment into this country now.

I believe that Congress should immediately require that all foreign investment be disclosed and evaluated. The President should be given the prerogative to reject any foreign investment that he believes may be detrimental to the economic and strategic well-being of this nation. Additionally, the role of foreign investors already operating in the United States should be reevaluated.

I believe that foreign investors will be attracted most by the great supply of undeveloped energy and natural resources in this country. Because of their almost nonexistent energy reserves and scarce natural resources, Japanese industries have established their own sources of American raw materials. Japan has virtually no antitrust laws, and the Japanese government helps its giant Japanese trading companies, such as Mitsui and Mitsubishi, to act as industrial "motherships" which process goods from start to finish. These Japanese plants use large amounts of U.S. resources to manufacture goods to be resold in the U.S. The American consumer thus pays for U.S. natural resources plus cheaper labor. This has contributed to record unemployment at home and an ever-alarming deficit in our balance of payments.

American firms operating overseas are bound by U.S. anti-trust law and—unlike Japanese trading companies and other foreign firms—are not favored with direct assistance in securing and developing markets. Some of my colleagues have attacked American investment abroad because they believe some corporations have not adhered to objectives of U.S. foreign policy. Yet they seem unconcerned that foreign investors who control at least a thousand substantial U.S. businesses here may be using them to further their own national policies.

We must closely assess both the inflow of petrodollars in the United States and the outflow of important U.S. natural resources. Certainly, recycling is important. But it is also important to know exactly where money, resources—and industrial influence—are going.

The formation of cartels in natural resources and other essential commodities could become a real threat to the security and well-being of the U.S. and other countries. It is essential that our nation ensure its self-sufficiency in strategic natural resources and monitor the foreign investor's impact on U.S. business. If we do not, we may some day find that our essential natural resources are going into the production of foreign goods for the economic and strategic benefit of other countries. We also might find ourselves forced to comply with foreign firms' national priorities rather than our own in the operation of their U.S. subsidiaries. This would lead to the erosion of basic national policies which assure economic and individual freedoms. The dangers, therefore, are much more than economics—they hit at the very heart of our country's security and domestic foundation.

Concerns over foreign investment are not limited to the United States. West German Chancellor Helmut Schmidt has called for a thorough review of foreign investment in Germany as a result of Arab investments in Krupp and Daimler-Benz. The Canadians already have created a foreign investment review board.

Because capital travels more quickly through the money and investment markets than bills do through Congress, the need for immediate and mandatory disclosures of foreign investment in the United States—and an analysis of its impact—is urgent.

EXTENSION OF THE COUNCIL ON WAGE AND PRICE STABILITY ACT—S. 409

AMENDMENT 394

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. DOLE. Mr. President, it is my intention to call up as an amendment to S. 409 the text of my "Inflationary Impact Statement" bill, S. 15, as introduced on January 15 of this year with cosponsorship of Senators TAFT, BUCKLEY, FANNIN, THURMOND, and HANSEN.

Since that time, Senators YOUNG, CURTIS, GARN, DOMENICI, MCCLELLAN, LAXALT, BARTLETT, HELMS, PROXMIRE, and GOLDWATER, have also endorsed the proposal, and in fact, several similar measures have been submitted for separate consideration as well.

The concept seems particularly appropriate at this time, for although it is the recession which has the current focus of our attention, we are already hearing expressed the fear that we may be "overstimulating" the economy through governmental relief programs—with the result that a period of renewed inflation will follow.

When the Council on Wage and Price Stability was established last summer, one of its principal duties was specified as reviewing the inflationary impact of governmental programs and policies, so that it could recommend steps to contain inflation. Certainly, the thrust of my amendment is entirely compatible with that activity, and I would hope that it can be adopted so that we ourselves will begin sharing the responsibility entrusted to the Council.

Very simply, my amendment would require the Congressional Budget Office to prepare inflationary impact statements in connection with any legislation reported by either a House or Senate Committee. In that way, we would be equipping ourselves with better information about the potential long-range effects of the type bills we are launching out to enact during the present economic crisis.

Mr. President, I am submitting this amendment for printing today in order that all my colleagues might have the benefit of its actual language. I believe it is essentially noncontroversial in nature and would be a constructive addition to the Wage and Price Stability Act authorization now on the calendar.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee for the next 2 weeks:

May 6, full committee, 9:30 a.m., room 3110, Hearing: Nomination of Stanley K. Hathaway to be Secretary of the Interior.

May 7 and 8, Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, Hearing: S. 391, to amend Federal Coal Leasing Act of 1920.

May 9, Indian Affairs Subcommittee, 9:30 a.m., room 3110, Hearing: S. 1327, submarginal lands bill.

May 9, Environment and Land Resources, 10 a.m., room 3112, Hearing: S. 393, Montana Wilderness study area bill.

May 12, Parks and Recreation Subcommittee, 10 a.m., room 3110, Hearing: S. 82, to repeal certain provisions of the act for the establishment of Assateague Island National Seashore; S. 98, to establish the Klondike Gold Rush Park; S. 150, to construct an Indian Art and Cultural Center; S. 313, to authorize exchange of lands at Guadalupe Mountains National Park.

May 13, Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, Hearing: Information hearing on solar heating.

May 14, full committee, 10 a.m., room 3110, Business meeting: Pending calendar business.

May 15, Environment and Land Resources Subcommittee: 10 a.m., room 3110, Hearing: S. 507, National Resources Lands Management Act, and S. 1292, to provide for management of national resource lands.

May 16, full committee, 10 a.m., room 3110, Hearing: S. 131, S. 685, S. 1469, S. 1501, to amend the Alaska Native Land Claims Settlement Act.

May 19, full committee, 10 a.m., room 3110, Hearing: Oversight hearing on FEA programs.

CLEAN AIR HEARINGS

Mr. MUSKIE. Mr. President, the Subcommittee on Environmental Pollution of the Committee on Public Works has

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just completed 9 days of hearings on the implementation of the Clean Air Act.

As I said in announcing our first set of hearings, the Subcommittee on Environmental Pollution has committed itself to a thorough review of the act's requirements this year. We must also extend the funding authority this year, and consider amendments which have been proposed by the administration and Members of Congress.

In order to judge fairly the merits of pending proposals, we have undertaken to assess the problems and progress which have occurred as a result of the implementation of the Clean Air Act. Hearings have already been held to examine title I issues, including the health basis of the air quality standards, stationary source control options, nondegradation, transportation controls and land use planning, enforcement options and Federal preemption issues.

We have scheduled 5 days of hearings, beginning on May 13, to consider issues related to the control of mobile source pollution. We will continue with the issue-oriented panel format used in the previous hearings, which provided valuable exposition of specific issues with which the Congress must deal. The schedule is as follows:

TITLE II—MOBILE SOURCE POLLUTION CONTROL

May 13: Health Effects of Auto-Related Pollutants;

May 14: Alternative Engine and Emission Control Systems;

May 15: Compliance with Statutory Auto Emission Standards;

May 20: Alternative Automobile Control Strategies and Timetables;

May 21: Administrator of the Environmental Protection Agency.

The hearing will begin at 10 a.m. each morning in room 4200 of the Dirksen Senate Office Building, except on May 20 and 21, when they will be held in room 6226 of the Dirksen Building.

All interested parties are encouraged to submit statements for the record which address the above issues. The hearing record will remain open until June 15, 1975.

HEARING ANNOUNCEMENT

Mr. BAYH. Mr. President, the Subcommittee on Constitutional Amendments will continue hearings begun in the 93d Congress on Senate Joint Resolution 6, proposing an amendment to the Constitution of the United States guaranteeing life to the unborn, Senate Joint Resolution 10 and Senate Joint Resolution 11, proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons.

The hearing will take place on Friday, May 9, 1975 in room 2228, Dirksen Senate Office Building, the Judiciary Committee hearing room beginning at 10 a.m.

The witnesses scheduled are: Dr. Philip Corfman, Director, Center for Population Research, National Institute of Child Health and Development, Bethesda, Md.; Dr. Gordon W. Douglas, OBGYN, professor, New York Medical College, New York City, N.Y.

ADDITIONAL STATEMENTS

SOUTH VIETNAMESE AND CAMBODIAN REFUGEES

Mr. PELL. Mr. President, I very strongly support the position of President Ford that we should help those South Vietnamese and Cambodians who have had to flee their homelands. These are individuals who fled, not because they are seeking a job abroad but because they are justifiably afraid that they would be killed if they remained in Vietnam.

In supporting President Ford on this issue, I am speaking as one who long opposed the Southeast Asia policies of both Democratic and Republican administrations.

I believe the one remaining debt we owe in that part of the world is to those unfortunate Vietnamese and Cambodians who would have suffered so much had they chosen to remain in their native lands. I am well aware that a small minority of these displaced persons may be unprincipled opportunists who are seeking to advance themselves in the midst of such tragedy. Yet I know, too, that if we seek to exclude such persons from our assistance, we will also be punishing many thousands of genuinely helpless persons who need and deserve our succor at this time.

I am also aware of the cultural and economic problems that many of these refugees may face in the United States and, for that reason, I am glad that the bill Senator JAVITS and I will introduce tomorrow will include an authorization of funds for transportation of these refugees to other nations to which they might wish to migrate.

PUBLIC SECTOR COMPULSORY UNIONISM

Mr. GARN. Mr. President, today I again call the attention of my colleagues to legislative proposals that would sanction the forced unionization of 14½ million employees of the Nation's Federal, State, and local governments. I continue to find it disturbing that this Congress is even considering legislation that would federally impose collective bargaining on all levels of government and on all public employees in this country.

I am particularly concerned that Congress would consider it a duty of the Federal Government to regulate the labor relations of approximately 80,000 local jurisdictions of government. At the risk of sounding redundant and repetitive, I am compelled to state again that it would be a grave mistake for the Federal Government to intervene in what is clearly the business of local authorities.

It is a destructive philosophy that is based on the assumption that elected local officials do not act in the best interest of their constituency and even in the best interest of those constituents who work for them. It is also illogical to assume that Members of Congress are more capable of producing a sound personnel management system which meets the varied needs of each community and each unit of local government than their local counterparts.

The 91st Congress passed the Intergovernmental Personnel Act of 1970 which established the Presidential Advisory Council on Intergovernmental Personnel Policy. A 1-year study of State and local public employment relations was conducted by the Commission and its recommendations to the Congress and the President expressed adamant opposition to:

> . . . any Federal effort to mandate a collective bargaining, meet and confer, or any other labor-relations system for the employees of State and local jurisdictions or for any sector thereof. Little would be left of the Federal principle of divided powers were such legislation enacted. No interpretation of the commerce power, of the State as proprietor, or of the "general welfare" clause can, in our opinion, serve as a legitimate constitutional basis for this kind of drastic infringement upon the basic authority of the States and localities as governments in a federal system.

Also joining in opposition to these legislative proposals are the National Governors Conference, the National League of Cities, the National Association of Counties, and even the Assembly of Government Employees, which represents over 700,000 non-Federal public employees.

I believe that the attitudes of the American people should be carefully tested on this issue, and I am confident that an overwhelming majority of the citizens of the country are opposed to this infringement on their own personal rights and on the rights of their State and local governments.

A recent survey by the Opinion Research Corp. found overwhelming opposition to unions in the public sector. Because I believe this information to be very timely and of interest to every Member of Congress, I ask unanimous consent to have printed in the RECORD a summary of the findings of this poll.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

1975 OPINION RESEARCH CORPORATION "CARAVAN SURVEY"

UNIONISM IN THE PUBLIC SECTOR

Summary of Findings

Question: Should the U.S. Congress pass a law which would allow agreements requiring employees to join or pay dues to a union in order to work for the Federal government?

[In percent]

	Total U.S. public	Northeast	North-central	South	West	Union members	Republican	Democrat	Independent
Yes	11	14	11	9	9	19	11	13	9
No	79	74	78	82	82	71	78	77	84
No opinion	10	12	11	9	9	10	11	10	7

Question: Should the U.S. Congress pass a law which would allow agreements requiring employees to join or pay dues to a union in order to work for state, county, and municipal governments?

[In percent]

Yes	10	12	12	6	9	19	10	10	9
No	79	77	77	82	82	73	78	79	84
No opinion	11	11	11	12	9	8	12	11	7

Question: Should your state legislature pass a law which would allow agreements requiring employees to join or pay dues to a union in order to work for the state, county, and municipal governments?

[In percent]

Yes	10	14	12	7	9	18	10	11	9
No	78	74	78	81	80	74	78	78	83
No opinion	12	12	10	12	11	8	12	11	8

Question: Which of these arrangements do you favor for Federal, state, and local government employees: (1) A person can work for the government whether or not he belongs to a union; (2) A person can go to work for the government if he doesn't already belong to a union, but has to join after he is hired to hold his job; (3) A person can get a job with the government only if he already belongs to a union; (4) No Opinion.

1	83	78	79	88	87	77	85	81	87
2	10	13	12	5	7	17	7	11	9
3	1	2	1	2	......	2	2	2	......
4	6	7	8	5	6	4	6	6	4

Mr. GARN. If this poll truly reflects the attitudes of the people of this country, and I have every reason to believe that it does, then it is time to put aside talk of Federal supersession of yet another aspect of our lives.

Mr. President, while I realize that in many quarters on Capitol Hill it is passé to say that the constitutional limitations of the 10th amendment of the Constitution prohibit this kind of administrative infringement on States and on individuals by the Federal Government, I have difficulty in thinking that this is what the Founding Fathers of our country had in mind some 200 years ago when they drew up a Constitution for the very purpose of preventing this kind of concentration and domination of power by government. Mr. James B. Croy, a research associate with the Oklahoma Legislative Council, framed the question very succinctly when he stated:

> . . . governmental power is awesome in its potential for totality, and it needs to be exercised with great restraint. The Federal Government should act to supersede the States' right to govern only when the necessity to such action is truly compelling. To take such actions under other circumstances would be a perversion of the concept of a federal system.

How much closer to the States' ability to govern can we find ourselves than in the employment relations of that government? I leave it to my colleagues to again ask themselves this question.

I also suggest that my colleagues read a very thoughtful editorial by Mr. James J. Kilpatrick which appeared in the Washington Star on April 29. It is gratifying to know that there are members of the media and distinguished political commentators who recognize what will happen to the functioning of government if this legislation is enacted. Mr. President, I ask unanimous consent that Mr. Kilpatrick's fine article be printed in the RECORD, and I urge all my colleagues to read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THREAT OF UNION POWER OVER PUBLIC SERVICE

(By James J. Kilpatrick)

Every Congress has its "sleeper" bills—the measures that attract little notice until they climb out of committee and slip quietly through a drowsy chamber. One such sleeper to keep your eye on is the bill to provide collective bargaining by employes of state and local government.

A number of states already have blundered into the traps being set by trade unionism. The militant teachers' unions have been especially active. Sanitation workers, public health nurses, bridge tenders and other workers have demonstrated the power of organized labor.

Thus far, the efforts have been piecemeal. If the pending legislative proposals are written into federal law, we will have, for the first time, a national policy specifically authorizing trade unionism and collective bargaining on the part of government workers. Such a time-bomb policy should be rejected out of hand.

The stakes are enormous. An estimated 14 million persons now are employed by government—3 million at the federal level, 11 million on state, county and municipal payrolls. Between 1951 and 1972, government employment increased by 151 percent, and payrolls by nearly 600 percent. Not even the farm workers, still largely unorganized, offer such a rich potential to organized labor.

Union leaders are purring at the prospect. Last November the AFL–CIO's new Public Employes Department held its first meeting. President George Meany, a gentleman who does not abash easily, dealt unabashedly with a crucial issue: "Certainly," he said, "it's against the law to strike civil service, but it's AFL–CIO policy to ignore those laws."

The prospect of public service strikes is only part of the problem. The sleeping bills would authorize both the union shop and the agency shop.

To leaders of organized labor, civil service unions safeguard the public interest and contribute to the effective conduct of public business. Amplifying on this concept of "business," they insist that government today must be equated with business: School boards, budget offices and personnel directors must deal with employes on wages hours and working conditions. It is to negotiate on these matters that unions were born. So what's wrong with collective bargaining in government?

The short answer is that plenty is wrong with it. Government is not business. Taxpayers are not voluntary shareholders. Governments are vested with power to provide the vital services and to secure the rights of all people. That power cannot possibly be bargained away to organized labor.

The odious practice of compulsory unionism, bad enough in private industry, would be intolerable in government. Thirty-four of the 50 states now forbid such coercion of their public servants. But under the pending bills, this protection—this right "not to join" a union—would be wiped out. Given a weak or complaisant city council, the union could take command.

This cannot be permitted to happen. A poll conducted by the Opinion Research Corporation in January found overwhelming sentiment against compulsory unionism in government. Even among union members, a lopsided majority is opposed. The National Governors' Conference strongly condemns federal intervention. The Advisory Commission on Intergovernmental Relations urges protection of the right "not to join."

But in this Congress, the unions are riding high. Unless we are to look forward to government of the unions, by the unions and for the unions, their power must be trimmed back to size.

TRIBUTE TO MISS HELEN CALLAN, GADSDEN, ALA.

Mr. ALLEN. Mr. President, Miss Helen Callan, for many years director of the Etowah County, Ala., Office of Pensions and Security, has announced her retirement from that position effective April 30, 1975.

Miss Callan has spent her life serving others and she is greatly loved by grateful citizens who are familiar with her compassionate endeavors in the field in which she has been involved.

The Gadsden Times of Sunday, April 20, 1975, contained an editorial as well as a news item about Miss Callan and her work, and I ask unanimous consent that the editorial and news item be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MISS CALLAN

The remarkable thing about Helen Callan, who retires at the end of this month as di-

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rector of Etowah County Office of Pensions and Security, is her point of view and her inexhaustible patience.

As long as there are individuals and families in this world who through no fault of their own are unable to cope with problems of ill-health and poverty, and there always will be, she believes society must cope for them. Even sometimes when the fault is theirs, she thinks society must step in to see that the innocent do not suffer and also to give the boost that may put the individual or the family back on the path of self-sufficiency.

Nobody who has ever looked into her clear and earnest blue eyes or listened to her soft, well-bred voice explaining why work done by her office is necessary to humanity, can question the strength of purpose and dedication which have seen her through many decades in a field which most people would hardly consider green pastures.

Not that she is ever defensive or even inclined to talk shop. She just answers questions pleasantly, despite the frequent irritation in the voice of the one who asks them.

No, Helen Callan in her leisure hours much prefers conversation centering on books, painting or the theater, all three of which are interests shared by the whole Callan family. Furthermore, she and her sisters are superb cooks, and the smallest teaparty at their house offers unusual delicacies as well as animated and frequently brilliant conversation.

Possibly Sunday's story in The Times, having to do with her coming retirement, surprised even some old friends in revealing the scope of her education and experience. She is too modest to allude to her impressive credentials, but they are manifest in all her attitudes and tastes.

Women's Liberation would do well to look at Miss Callan and revise its methods. Able, intellectual and witty, for many years the pivot on which one of the County's most important offices has revolved, she has remained exquisitely feminine. In a word, a perfect lady.

MISS CALLAN RETIRES—PENSIONS AND SECURITY HEAD FOR MANY YEARS

Helen Callan, long-time director of the Etowah County office of Pensions and Security, has announced her intention to retire effective April 30.

In accepting Miss Callan's letter, Cecil Hamiter, chairman of the board of directors of the Etowah County Department, said, "No doubt she has wholeheartedly earned her right to a leisurely life; however, her absence will deprive the citizens of Etowah County of her wise counsel and direction in the operation of the Etowah County Department of Pensions and Security."

Miss Callan, a native of Gadsden, has the distinction of being the first social worker in this area to be elected to the Academy of Certified Social Workers. A graduate of the University of Alabama, she received her social work training in the Graduate School of the University of Chicago in Medical Social Work, including studies in the Illinois Institute for Juvenile Research. She later attended Cambridge University in England.

Her career in medical social work began with the American Red Cross in the psychiatric service at Fort Sam Houston in San Antonio, Texas, where she demonstrated the value of case work in Army hospitals.

Miss Callan entered the field of public welfare in Louisiana, but soon returned to Alabama to supervise the Relief Administration Program in Birmingham, Montgomery and Mobile. During this period she spent her summers at the University of Alabama Graduate School teaching social case work.

At the outbreak of World War II she was called to Washington by the American Red Cross to assist in the establishment of a Hospital Social Service Division for the Southeastern area in Atlanta. Later she supervised the medical social work in the Army, Navy and Air Corps hospitals in the Southeast.

Though professional opportunities were open to her in other parts of the country, Miss Callan wished to identify herself with her native state, the home of her late parents, Dr. and Mrs. Thomas E. Callan. Her father was born on the campus of the University of Alabama, where her grandfather was a member of the faculty.

On assuming the administration of the Etowah County Welfare Program, Times interviewer quoted her statement of philosophy regarding her responsibilities: "I believe that to function well in society an individual should have good health, a decent standard of living, and satisfying personal relationships." Adhering to this philosophy, she continued to train and direct her staff to meet the needs of deprived and neglected children, the disabled, the aged, the blind and the youth in trouble.

Because of the significance of the individual, the work must be done case by case as the social worker seeks to help each person to define and resolve his particular problems.

Miss Callan's staff has had the more recent responsibility for administering the Food Stamp program which includes the able-bodied unemployed. She believes that the broad field of social work includes the prevention of dependency and the relief of need.

Knowing that community problems and needs are best met by the community itself, Miss Callan has not only sought to stimulate community interest and concern, but has also contributed leadership in creating means through which the community may act effectively.

The Etowah County Mental Health Association was sponsored by the Altrusa Club's Public Affairs Committee which was led by Miss Callan. While serving as president of the Altrusa Club, Miss Callan and her fellow club members spearheaded a movement to provide a new public library building through the organization of the Friends of the Library.

She also fostered and supported the establishment of the Regional Juvenile Detention Home.

Her leadership abilities have been recognized on local, state and national levels by her election or appointment to various organizations. She is a member and past president of the TB Association, a founder and board member of the Mental Health Association, a founder and officer of the Council of Community Services, a board member and past president of the Altrusa Club, a member of the Professional Advisory Committee on Cerebral Palsy, and a former member of Anchor.

She was appointed to the Committee on Statewide Planning for Vocational Rehabilitation Services and served on the subcommittee for the Economically and Culturally Deprived. She also served on the TB and Respiratory Diseases Committee.

She was state delegate to National Conferences of the Public Welfare Association in Cleveland and Chicago, and to the White House Conference on Children and Youth.

She is listed in Who's Who of American Women.

Hamiter said of Miss Callan. "Her contributions to the community have been numerous and I am sure that she will continue many of her community activities as a part of her well-deserved retirement."

AGENCY FOR CONSUMER ADVOCACY

Mr. TAFT. Mr. President, in a short while we will once again begin debate on whether or not Congress should set up a super agency—a fourth branch of Government under the taxpayer fraud of "Consumer Representation."

I am reminded of the words of former Senator Sam Ervin on this issue when he said that the new super bureaucracy would give to its administrator powers which no responsible person would want and no irresponsible person should have.

My distinguished friend and colleague, Senator JAMES ALLEN, in his minority analysis of S. 200 gives a very thoughtful and enlightened appraisal of this thing called an Agency for Consumer Advocacy.

It is one of the most thorough analyses of this idea of establishing a super watchdog agency over the watchdog agencies I personally have ever seen.

I sincerely hope each of my colleagues will carefully read Senator ALLEN's detailing of S. 200 and carefully weigh his very convincing arguments as we begin again this debate.

Mr. President, I ask unanimous consent that the minority views of Senator ALLEN of S. 200 as reported be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF MR. ALLEN

Ignoring a chance to let loose the eagle of regulatory reform, the Committee continues to hurl skyward, again and again, a dodo bird which it hatched six years ago. The pitiful, flightless thing has been bruised and battered beyond recognition in the process.

Frustrated supporters, so intent on proving that the creature can fly, appear to forget why they wished it to be airborne in the first place. There is no interest in the facts which show that we are dealing with an aberration doomed to return to extinction soon after it is left alone. If only it would be left alone.

This bill to create an Agency for Consumer Advocacy is a poor idea badly drafted. It should be rejected because it is not what was intended, not what is needed and certainly not suitable to become a law of which we can be proud. That this is so can be demonstrated beyond refutation with facts we no longer can afford to ignore.

S. 200 IS NOT WHAT IS INTENDED

1. It is not a proper vehicle for regulatory reform

As originally conceived, the ACA was intended to "reform the entire governmental apparatus."[1] Almost everybody forgets this, and perhaps it is good that they do. A comparison of this bill with some of the genuine attempts to initiate a much needed comprehensive regulatory reform effort could prove embarrassing.[2] No one continues to contend seriously that the ACA is to be the agency to accomplish regulatory reform.

2. It is not what consumers want

Then we were told by self-appointed representatives, in expensive full-page advertisements in leading newspapers, that an ACA is needed to fulfill a demand of "the American consumer"—"All 210 million of us."[3]

If that money were put into an effort to take a nation-wide poll to find out what was demanded by real consumers, these "representatives" would be joining me today in opposing this bill; they would, that is, if they take their representation function seriously. Such a poll was taken this year by the respected Opinion Research Corporation of Princeton, New Jersey; some of the results were as follows:[4]

Footnotes at end of article.

"Only 20 percent of the total population had heard of the proposed consumer advocacy agency, and of these relatively few could tell the researchers what the agency was designed to do.

"On the direct question as to whether they would support or oppose setting a consumer advocacy agency up over all existing consumer-related agencies, 75 percent of consumers said that they would oppose doing this and would favor, instead, making existing agencies work better.

"Of the 13 percent who did favor setting up the new agency, 6 percent (almost half) withdrew their support upon finding that the proposed cost of the new agency would be at least $60 million for the first three years."

Thus, 81 percent of consumers oppose this bill, a bill that some consumer "representatives" claim to be supported by all consumers. Is this the type of consumer "representation" that could be expected by the ACA? Of course it is.

3. It has been adulterated

Perhaps the most frequently stated argument in the long history of the consumer advocacy proposals leading up to S. 200 is this one: Consumers have no central agency to represent their interests, but the vested special interests do—farmers are represented by the Department of Agriculture, workers by the Department of Labor and businessmen by the Department of Commerce.[5]

If anyone continues to make that argument in support S. 200, you can be sure that person has not read this mangled bill. Consider the following:

"S. 200 specifically requires the ACA to protect and promote the interests of commercial farmers as well as ultimate consumers of farm products (imagine the ACA appealing a milk marketing order decision on the grounds that the price was not high enough).[6]

"S. 200 specifically prohibits the ACA from using any —*any*—of its powers in relation to labor disputes and labor agreements (imagine a dock strike affecting the entire east coast and the ACA not even able to make mention of it in its consumer information releases).[7]

"S. 200 exempts from certain ACA functions small businesses (think of the real problem consumers have with fly-by-night operators).[8]

"A provision to exempt from ACA advocacy any radio or television broadcast license renewal proceeding by the Federal Communications Commission was struck from S. 200 in Committee, and the majority views of this report state that the exemption still applies, even though we struck it down (see the last paragraph of the explanation of section 16)."

It is obvious that significant segments of the economy greatly (and justifiably) fear this bill, and, if they shout loudly enough, the standard procedure is to give them special treatment. In other words, do anything to get the dodo to fly, even if you have to clip its already inadequate wings to save weight.

4. It contradicts itself

Finally, there are two parallel arguments supporters of S. 200 make relating to the present Federal administrative process. The first is that Federal agencies do not operate as they were intended; they abuse the authority granted to them.[9]

I agree with that, as a generalization. Unfortunately, those who use it to support this bill conveniently ignore two very important facts—

(1) this is a bill to create *yet another* Federal agency which, if they are correct in their underlying assumption, will abuse the power granted to *it*, and

(2) the opportunity for abuse (that is, the amount of discretion to be granted to the ACA) would be greater than ever has been granted by Congress to any agency, a fact that will be made obvious by reading these views.

The parallel argument is that, even where present federal agencies do not actively abuse their authority, they all to often only hear one side of the story before they make decisions affecting consumers; the consumer voice is never heard because consumers lack the time, money and expertise to appear, and, therefore, the decisionmaking process is defective.[10]

Again, two critically important factors are overlooked—

(1) If consumers do not have the time, money or expertise to appear before an agency such as the Federal Power Commission (to use a frequently cited agency as an example), this bill certainly will not confer upon these same consumers the needed time, money and expertise to appear before the ACA to tell it what should be told to the FPC, and

(2) The drafters and supporters of this bill clearly appear to be afraid that some real consumers might disagree with the ACA's views on what is in their interest; they have taken steps to assure that the view of the ACA will always prevail, even over the views of real consumers—the bill provides that the ACA's determination of the consumer interest in any matter cannot be challenged in court by anyone.[11]

Thus, we have a situation where the ACA can, by law, state without fear of successful contradiction that it is speaking for 210 million consumers, even when a majority of these consumers oppose what the ACA is advocating. No regulatory agency has such sweeping power that is unchallengeable. This is a very serious defect in the bill and its underlying concept.

The "interests of consumers" is a vast, unchartered, constantly shifting area subject to many conflicting interpretations. Supporters of this bill claim that there are, however, many situations where the interests of consumers would be abundantly clear, and that it is in these situations where the ACA would concentrate its advocacy.

Perhaps it would be more than interesting to cite just one of these situations, as described by a leading consumer representative in consumer advocacy agency hearings during the last Congress. This supporter of S. 200, who does not own an automobile, stated that the ACA's position on mandatory seat belt devices in automobiles would be "quite clear"—it would use its considerable powers to advocate installation of such devices in the interest of consumers.[12]

I recoil at the thought of having an ACA Administrator with such clarity of thought unencumbered by knowledge of what those he represents want. But that, of course, is what we must have if this bill is to be put into operation, since consumers do not have the time, money or expertise to appear before Federal agencies.

S. 200 IS NOT WHAT IS NEEDED

1. It is an anachronism

The concept of a Federal consumer advocacy agency was born during the New Deal, tried then in varying specialized temporary forms, and pronounced unsuccessful to the point where President Franklin D. Roosevelt rejected proposals for a permanent agency for these purposes.[13]

To those wedded to the concept of creating Federal agencies to solve all or most of society's problems, it may appear to be a logical step to create a watchdog agency to watch the errant watchdogs that they felt were necessary in the first place. But this is drab and doctrinaire thinking.

Big Government which has become bad Government, in large part because of its bigness, cannot be made better by making it bigger. It is odd that many of those who support this bill do not see the irony when they attack the business community with their antitrust theories on bigness is badness, while at the same time justifying this proposed method of pervasively controlling business activity from its inception.

2. It is inflationary

In fact, it is well-documented that this country suffers from a serious overregulation of commerce.[14] It is now undisputed that a fair share of the blame for our current inflationary spiral must be laid at the many doorsteps of the Federal Government, that one of the most insidious contributors to inflation is well-intentioned increasing control over the operations of the marketplace which increases the costs of production and distribution.[15]

A reading of this bill and any of the many hearings on it or its predecessors clearly will demonstrate that its supporters desire and envision more regulation, more pervasively applied, to be the result of S. 200—not less. The ACA is to be a primer for the bureaucratic pump.

Thus, the initial suggested funding of $60,000,000 for the first three years of the ACA is just to be an expensive rut leading to yet another fiscal rat hole. Added to these millions will be the millions in increased costs borne by other Federal agencies due to the demands and advocacy of the ACA and, especially the increased costs in the marketplace of more Federal regulation. A free lunch this is not.

And, of course, we cannot ignore the natural Federal growth factor. The rarified atmosphere of Washington can be counted on to ensure that the ACA will blossom into the biggest, most litigious law firm ever known.

In fact, supporters of this bill may be counting on this inevitability. In testimony on the Public Council Corporation bill, the concept of which was merged into this bill,[16] one of the leading proponents of S. 200 testified that he imagined a federal advocacy agency with 400 to 500 lawyers petitioning for 20 or 30 rulemaking actions *per week* in other agencies.[17]

That's 1,040 to 1,560 new regulatory proceedings in a year, assuming, as we must, that no one else would have the time, money, expertise or inclination to so petition. Yet supporters of S. 200 stoutly maintain that they favor the concept of regulatory reform, and that the ACA could aid in this effort.[18]

In addition, the majority report makes clear what many of us have long expected; this is truly a full employment act for lawyers. In its explanation of section 6(e), the majority notes that the ACA will be hiring private attorneys to do its advocating under contract.

3. It is the wrong approach

To solve the problem of abuse of authority by Federal agencies, it is proposed to create another agency capable of greater abuse but with no power to fire existing officials who abuse their power.

To solve the problem caused by the fact that consumers do not appear in large numbers before Federal agencies, it is proposed that we create another agency before which consumers also will not appear, and have that new agency appear before the old agencies as a consumer.

To help solve the problem caused by Federal agencies issuing too many regulations, it is proposed that we create an agency which will prod other agencies to issue more regulations.

The difference, promotors of S. 200 ask us to believe, is that this ACA will never abuse its authority, always know exactly what the consumer wants or needs, always petition for regulations that are needed and always fight against those which are not. Who said *caveat emptor* was dead?

The longer we continue to ignore reality this way, the more difficult it is going to be

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Footnotes at end of article.

when we decide, finally, to exercise our responsibility correctly—find out in detail what is wrong with these agencies and take direct action on behalf of consumers to solve the problems.

If parents of a large family find themselves too busy to care properly for their many children, and the children, in turn, misbehave, would you recommend that the parents attempt to have yet another child in the hope that it would learn to discipline and tell stories on its older sisters and brothers? This bill not only follows that concept, it leaves it up to the new child to determine for itself what is and is not misbehavior.

S. 200 IS A DISGRACE TO THE SENATE

A poorly conceived idea often is reflected by the difficulty one has in converting it from intuition into materiality. Very few good, timely ideas take more than six years to get enacted by Congress, and virtually none get more and more removed from reality over such a period. Yet that has happened to this bill, and opposition to it has been steadily on the increase since 1970.

1. The special interest labor amendment is "cynical"

The exemption for labor disputes and labor agreements illustrates well the regressive nature of this bill. The New York Times editorialized strongly against this provision, calling it "a special-interest exemption that is foreign to the whole concept of independence for the new" ACA, and saying that it was "politics at its most cynical."[19]

S. 200 presently provides that, "This Act shall not apply to . . . a labor disput . . . or to a labor agreement. . . ."[20] That means, of course, that no authority granted to the ACA in S. 200 may be used in relation to labor disputes or agreements.

For example, it could not intervene in National Labor Relations Board or Federal Mediation and Conciliation Service activities or any other Governmental effort concerning these matters or concerning the development of policy in these areas. The ACA could not even use its information gathering and dissemination powers to inform consumers of what the Government is doing in these areas—The Freedom of Information Act, available to any private citizen, would not even be available to the ACA to get information in these areas.

How did this sweeping exemption come about? The history of the provision symbolizes all that is wrong with this bill.

During the debate on the first consumer advocacy agency bill ever to pass a chamber of Congress, the 1970 Senate Consumer Protection Agency bill, prominent mention was made by a leading sponsor of a Library of Congress report on the 34 Federal agencies conducting consumer programs which would be covered by that bill.[21]

This report, titled "Major Consumer Activities and Programs of Federal Departments and Agencies," is found in the 1969 Senate hearings on consumer advocacy proposals.[22] It is, for the most part, a summary of a 1961 House Committee report on 33 agencies and their programs which gave consumer advocacy proposals (especially early proposals for a Department of Consumer Affairs) a considerable boost.[23]

References to these reports are so numerous during the long history of consumer advocacy proposals, that space allows room for a footnote to only the references in the hearings.[24] They are, beyond a doubt, the most popular used source materials to "prove" the need for a centralized Federal consumer agency.

I go to some length to point all this out for a very good reason. Among the agencies and their *"Major Consumer Activities"* cited in these source materials which are widely quoted by supporters of an ACA are the following, and I quote:[25]

"Federal Mediation and Conciliation Service: 1. Avoidance or minimization of *labor disputes* by providing mediation services.

"National Labor Relations Board: 1. Minimization or prevention of disruption to interstate commerce resulting from *labor dispute.*

"National Mediation Board: 1. Achievement of peaceful settlement of *labor disputes* in the airlines and railroad industries."

Thus, from the inception of the consumer advocacy concept, it was specifically recognized that Federal involvement in labor disputes and agreements had a "major" impact on the interests of consumers and it was specifically intended that the consumer advocacy agency should make a contribution in these areas.

Then, during the 1971 House hearings, the AFL–CIO witness was asked to supply for the record a legal memorandum on whether the proposed consumer advocacy agency (then called a Consumer Protection Agency) might wish to intervene on behalf of consumers against a union in an NLRB case.

The response from the AFL–CIO associate General Counsel was succinct: "I think that it is possible to imagine instances in which the Consumer Protection Agency might wish to intervene in a proceeding before the NLRB to take a position contrary to the interest of a union."[26]

The legal opinion then went on to say that it was "rather unlikely" that the CPA could make a finding required of it by that bill prior to intervention. That restrictive finding was one of many safeguards found in earlier bills which have long since disappeared. Thus, in relation to bills like S. 200, he AFL–CIO's answer to the question of whether the consumer advocacy agency would wish to intervene in NLRB proceedings to protect consumers was an *unqualified* "Yes."

The House passed its CPA bill 14 days after reporting it. The report on that 1971 bill, as had the report on the 1970 House CPA bill and the report on the 1970 Senate CPA bill, highlighted the 33-agency study of major consumer protection activities which expressly included the labor-related activities mentioned earlier.[27] No special exemption relating to labor disputes or agreements was in the 1971 House-passed bill or the 1970 Senate-passed bill.

One would have thought at that time the labor issue was settled—labor disputes and agreements affecting consumers clearly were within the jurisdiction of the consumer advocacy agency. But something or somebody, was silently afoot.

The CPA bill reported by this Committee in 1972 was silent on the labor issue, but the Committee report, mysteriously, stated that NLRB proceedings and FCC license renewal proceedings "are beyond the jurisdiction of the CPA."[28] This gratuitous legislative history to an ill-fated bill did not miss the trained eye of the very distinguished former Senator Sam J. Ervin, who declared and proved in his Minority Views that such proceedings were definitely covered by that bill.[29]

Since the closet "exemptions" were then exposed by one of the Senate's leading lawyers, there was little point in hiding them in the 93d Congress. The House bill, which passed that chamber, had a complete exemption for labor disputes and agreements.[30] The Senate bill, which did not pass, had a partial exemption—it only prohibited the ACA from using its advocacy rights in relation to labor disputes, but the ACA could still gather and disseminate information about such matters.[31]

As was seen at the beginning of this discussion, our bill now has a complete exemption rather than a limited one. The bill continues to get less powerful in relation to favored special interests.

We are asked to believe that labor disputes and agreements have no relation to marketplace transactions. It is hoped that we forget that the National Labor Relations Act, under which the now exempted NLRB and the Federal Mediation and Conciliation Service fall, expressly says that such activities can burden interstate commerce to the point of restraining the availability of consumer goods and affecting their prices.[32]

We are asked to believe that Federal adjudications of labor disputes are private matters. It is hoped that we forget that the Supreme Court and other courts have held just the opposite, that they are public interest matters affecting consumers greatly.[33]

We are asked to believe that the "adversarial" relationship between big business and big labor in labor disputes serves as adequate protection for consumers. It is hoped that we forget the New York Times editorial pointing out that, "The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest pushing up prices or limiting competition."[34]

We are asked to believe that the ACA will be a prudent agency, never treading where it does not belong. It is hoped that we forget that organized labor does not believe a word of this, and insists that unions expressly be protected from, to use one AFL–CIO official's statement, "another government agency intervening in labor-management relations, sticking its nose into our affairs."[35]

We are asked to believe that "this labor exemption first started with big business support" in the form of testimony by the Ford Motor Company in the House.[36] It is hoped that we forget that the cited testimony was in *total opposition* to the creation of any ACA, and that problems arising from ACA intervention in labor disputes was just one example of why we should have *no* ACA, rather than an ACA with a labor exemption.[37]

We are asked to believe that Congress never intended to subject these labor activities to ACA scrutiny. It is hoped that we forget our own, much cited studies and the fact that Senator Edward Kennedy's Public Counsel Corporation bill (the concept of which was purposely merged into the ACA bill)[38] provided expressly for a Federal public advocate to participate in NLRB proceedings.[39]

2. It proposes disruption of agency activity

The ACA would be granted an *unchallengeable right* to advocate the interests of consumers in the unstructured activities of other agencies through the presentation of views either orally or in writing.[40] Under this right, it is the ACA which determines whether it should insert itself into the agency, and rules of practice by that agency which might govern such ACA advocacy are subservient to that right.[41]

Further, there also is recognition that such unstructured activities or federal agencies move from stage to stage, and, therefore, the ACA's advocacy rights are to be considered as being renewable at each stage—"The fact that [an ACA advocate] has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the actvity, such as the reaching of a settlement, the decision to initiate formal proceedings, or even a decision to discontinue the investigation."[42]

Finally, the provision under which this ACA advocacy right is granted requires that the Agency holding the unstructured activity give "full consideration" to the views of the ACA.[43] That is, the ACA must "have a full opportunity to submit its views to the decisionmaking authority *before* any decision is made either to take, or not take, certain action, where the [ACA] determines a substantial consumer interest is at stake."[44] [Emphasis added.]

Footnotes at end of article.

This, of course, sounds very good in the abstract, but when it is applied to an actual agency activity of interest to consumers some serious questions are raised. For example, supporters of the bill have stated that they wish the ACA to use this power to participate in negotiations in the Middle East by the Secretary of State which concern, at least in part, oil availability.[45] Senator Ervin asked last year: "Can anyone imagine the Secretary of State telling some sheik, 'Excuse me, before I decide on your new proposition, I must contact the Administrator of the [ACA] or one of his agents.' It would appear that an advocate of the [ACA] will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law."[46]

To be sure, the ACA is admonished to present its case in such situations "in an orderly manner and without causing the undue delay"[47]—that is why an ACA agent must fly around with the Secretary of State if he is to take his advocacy seriously—but the fact remains that an agency's failure to recognize the ACA's rights would subject its relevant action to judicial review.

Supporters of this bill tell us not to worry, however, because the ACA "will act with discretion and prudence and will not be reckless."[48] But it is troubling to see that they have also argued that the need for this bill is based in part on the fact that federal agencies are not prudent as a whole. It is even more troubling when we are told by the same supporters that certain special interests must be exempted from the ACA's scope of operations because of a fear that it will meddle where it should not, such as this statement: "Where big business and big labor face each other in terms of the relations between them, there the [ACA] does belong. . . ."[49]

3. The "dual prosecutor" problem

Granting the ACA the unchallengeable right to assign itself any available advocacy status in any formal agency proceeding[50] may cause some unexpected problems in the slim area of agency adjudications of alleged violations of law. In many of these, full party status is limited to the two principals, the respondent charged with the violations and the agency lawyer prosecuting the complaint. Intervention by others is usually subject to the discretion of the forum agency, and to limitations which are not applicable to the principals.

ACA intervention as of right as a full party in such adjudications would allow it to be a dual prosecutor. Supporters of this concept have objected strenuously to the term "prosecutor," on the mistaken belief (and in disregard of our own hearing records) that agency lawyers do not have a prosecutorial function in such proceedings.[51]

The House bill of last year contained a partial exemption in this area, limiting the ACA to an *amicus curiae* in proceedings which seek "primarily to impose a fine or forfeiture which the [forum] agency may impose under its own authority for an alleged violation of" law.[52] California's forward-looking consumer advocacy law, which contains many similar provisions to the federal ACA proposals, also addresses this problem by *exempting fully* from intervention by its Department of Consumer Affairs any agency "adjudications of an alleged violation by any person named as a defendant or respondent."[53]

S. 200 contains no limitation other than a hortatory clause admonishing the ACA not to intervene as a party in any federal proceeding *unless* the ACA determines that it is necessary to intervene as a party.[54]

The problem, as it has been briefly stated in relation to a Federal Trade Commission adjudication, is this:[55]

"To the extent that the [ACA] follows a line of prosecution identical to that of the FTC prosecutor, we have useless, expensive and delaying duplication; to the extent that the [ACA's] line of prosecution diverges from that of the FTC, we have an outsider not only usurping FTC's congressionally-mandated responsibility, but subjecting a citizen (as of yet innocent) to conflicting prosecutions. Very serious due process questions are raised when two prosecutors see who can outprosecute whom."

One would think that, in light of the more far-reaching exemptions already included in the bill, this exceedingly small area would be limited to protect due process. But no. The only agency adjudications of law violations worthy of exemption, apparently, are NLRB adjudications of unfair labor practices.

4. It proposes Federal guerrilla warfare

The fact that the ACA is to be a nonregulatory agency with no proprietary interests to protect sets it apart from many federal agencies. It also raises a question whether it is appropriate for such an agency to have the right to seek to overturn in court the final decisions of the government made by regulatory agencies.

As was stated by Senator Ervin last year, this guarantees that the ACA is to be a "Congressionally-ordained expert agency fighting another Congressionally-ordained expert agency in an embarrassing *U.S. v. U.S.* court battle to determine who speaks for the Government."[56]

Those who favor granting a broad judicial review right to the ACA point out that government agencies challenge each other frequently in the courts. They forget that these cases invariably involve an overlapping of regulatory or proprietary mandates given to the agencies by Congress, but to be intentionally withheld from the ACA. As Senator Ervin made clear, "It is one thing for the Justice Department to challenge [another agency's approval of a] merger in court; it is entirely another thing for the [ACA], a nonregulatory agency, to challenge such a merger where the Justice Department has failed to do so."[57]

This power clearly implies that Congress does not trust the judgment of the regulatory agencies which it created. All right. But can anyone tell me why Congress is ready to trust the judgment of the untried ACA in light of its view that other instrumentalities of its own making cannot be trusted?

5. Its information-gathering and dissemination powers are overblown

An interesting question of whether Congress is willing to cut off its nose to spite its face arises in relation to the information provisions of the bill.

Under S. 200, trade secrets and other confidential business information voluntarily submitted to a federal agency that could have obtained it through subpoena or other formal action would be accessible to the ACA as a matter of right.[58] Such commercially sensitive information then could be publicly disclosed, if the source agency did not put any restrictions on such disclosure.[59]

This is bad enough, but things get considerably worse when the ACA goes after sensitive information that is not in the hands of the Government or otherwise on the public record. In such cases, the ACA can get that information by issuing court-enforceable interrogatories or orders for general or special reports to anyone engaged in a business, industry or trade (except if it relates to labor disputes or agreements, of course).[60]

If the ACA, in its sole expert opinion, decides that trade secrets and similar information should be released *immediately* "to protect the health or safety of the public," it is empowered to do so.[61] (It should be noted that this is a regulatory function, no matter how supporters might characterize it.)

Further, such information would be subject to discretionary release by the ACA upon petition by anyone under the Freedom of Information Act if it were received from private sources or from another agency which does not expressly request that it be withheld.[62]

The implications here are immense. We are asked to develop an entirely new concept of trade secret law. Because of the ACA's explicit authority to publish such information, current prohibitions on publication of such information do not apply to the ACA as they would to regulatory agencies.[63] This opens an avenue of indirect publication by these agencies through the ACA, if they wish, and subjects the information to disclosure by the ACA to petitioners (including competitors) under the Freedom of Information Act, if the ACA wished to grant such a petition.

It is interesting that the news media is not exempted from this provision. The ACA could demand that sources or other material accepted in confidence be revealed to it for publication. Consumers Union, which is a publisher, called this "an important issue" some time ago.[64] But nothing was done to resolve it; a host of "more important" issues seems to have been brought to the attention of the Committee by more persuasive special interests than the press.

CONCLUSION

Much more can, should—and will, I am sure—be said about this bad idea whose time has come and gone.

To my colleagues in the Senate who agree with the idea of establishing yet another Federal agency for consumers, all I would ask is that you personally read this complex bill and attempt to understand its details now. If you do, I feel confident that S. 200 will be set aside or dramatically revised when it comes to the floor.

FOOTNOTES

[1] Statement of Ralph Nader, *Hearings on H.R. 6037 Before a Subcomm. of the House Comm. on Government Operations,* 91st Cong., 1st Sess., 175 (1969).

[2] See, e.g., my bill to establish a temporary National Commission on Regulatory Reform, S.J. Res. 7, 94th Cong., 1st Sess.

[3] See, e.g., the advertisement of the National Consumers League, *Washington Post,* Sept. 18, 1974, at A–23.

[4] "Government and the Consumer," A Public Opinion Study Conducted for the Business Roundtable by Opinion Research Corporation (March, 1975), Summary of Principal Findings, at iii, iv.

[5] Statements of this arguments in the hearings alone, are as follows: Hearings on S. 1571 Before the Subcomm. on Reorganization and International Organizations of the Senate Comm. on Government Operations, 86th Cong., 2d Sess., at 28 (Sen. Kefauver), 42 (Sen. Keating), 53 (twice; Sen Engle), 123 and 125 (Cooperative League, USA), 133 (Northwest Public Power Association); Hearings on H.R. 7179 Before a Subcomm. of the House Comm. on Government Operations, 89th Cong., 1st Sess. at 31 (Rep. Rosenthal), 36, 37 (Consumers Union), 83 (Wisconsin Att'y Gen.), 94 (Rep. Erlenborn), 124, 127 (Sen. R. Kennedy), 131 (Sen. Javits), 144 (Persia Campbell), 155 (Frank O'Conner, NYC City Council), 207 (Nat'l Retail Merchants Ass'n), 242, 243, 244 (Rep. Rosenthal); Hearings on H.R. 6037 and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 1st Sess., at 82 (Rep. Mikva), 126, 132 (Ill. Fed of Consumers), 149 (Rep. Rosenthal), 151 (William Kaye), 187 (Consumers Union), 218 (Rep. Rosenthal). 263 (Rep. Biaggi), 268 (Rep. Eilberg), 271 (Rep. Friedel), 272 (Rep.

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Pepper); Hearings on S. 3434 and 2544 Before the Subcomm. on Administrative Practice and Procedures of the Senate Comm. on the Judiciary, 91st Cong., 2d Sess., at 50 (Ralph Nader); Hearings S. 2045, S. 3097, S. 3165, S. 3240 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 91st Cong., 2d Sess., at 145 (Chamber of Commerce), 316 (Sen. Montoya); Hearings on H.R. 6037 (Revised) Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 2d Sess., at 56, 57 (Rep. Rosenthal), 61, 62 (Rep. Dwyer), 62, 63 (Chamber of Commerce), 62, 63 (Rep. Rosenthal); Hearings on S. 860 and S. 2045 Before the Subcomm. on Executive Reorganization of the Senate Comm. on Government Operations, 91st Cong., 1st Sess., at 17 (Rep. Rosenthal), 507 (Bess Myerson Grant), 775 (National Telephone Cooperative Ass'n); Hearings on S. 1177 and H.R. 10835 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 92d Cong., 1st Sess., at 28 (Rep. Rosenthal); Hearings on H.R. 16, H.R. 3809, H.R. 254, H.R. 1015, and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 92d Cong., 1st Sess., at 557, 558 (Rep. Corman); Hearings on S. 707 and S. 1160 Before the Subcomm. on Reorganization, Research and International Organizations of the Senate Comm. on Government Operations, 93d Cong., 1st Sess. at 348 (Betty Furness and Sen. Allen), 519, 520 (Consumers Union), 539, 540 (Sen. Javits); Hearings on H.R. 14, H.R. 21 and H.R. 564 Before a Subcomm. of the House Comm. on Government Operations, 93d Cong., 1st Sess., at 189, 190 (Rep. Holifield), 206 (Consumers Union), 229 (Mary Gardiner Jones), 328 (Rep. Holifield).

[6] Those who use any goods or services for agricultural purposes are expressly defined as "consumers" for the purposes of the bill. See S. 200, § 14(7). Thus, the mandate of this bill to protect and promote the "interests of consumers" is synonymous with protecting and promoting the "interests of farmers." The fact that these important interests may be diametrically opposed in some situations is one of the many problems left for ACA resolution.

[7] See S. 200, § 16(a).

[8] See, e.g., S. 200, §§ 10(a) (4) and 18.

[9] See, e.g., prepared statement of Ralph Nader, *Hearings on S. 200 Before the Senate Comm. on Government Operations*, 94th Cong., 1st Sess., 3 (Feb. 24, 1975): "Thousands of pages of Congressional hearings document the regulatory abuses which have resulted in unnecessary harm to consumers both in dollars and in avoidable risks to health and safety."

[10] See, e.g., the statement of Carol Foreman for the Consumer Federation of America, *Hearings on S. 200 Before the Senate Com. on Government Operations*, 94th Cong. 1st Ses., 54 (transcript of Feb. 20, 1975): "The agency or commission bases its decisions on complex economic and legal material presented by an industry and the consumer has no ability to present adequate data on the other side of the issue."

[11] See S. 200, § 21(b).

[12] *Hearings on H.R. 14, H.R. 21, and H.R. 564 Before a Subcomm. of the House Comm. on Government Operations*, 93d Cong., 1st Sess., 278 (Statement of Ralph Nader); see also the reply of Rep. Erlenborn on the general public's view of electronic ignition interlock system for seat belts which were then required, *id.*, at 279.

[13] For the history of this proposal, see Leighton, *Consumer Protection Agency Proposals: The Origin of the Species*, 25 Ad. L. Rev. 269 (American Bar Association, 1973).

[14] See generally, Weidenbaum, *Government-Mandated Price Increases* (American Enterprise Institute for Public Policy Research 1975).

[15] *Id.*

[16] S. REP. No. 883, 93d Cong., 2d Sess. (Part 1), at 3.

[17] *Hearings on S. 3434 and S. 2544 Before the Subcomm. On Administrative Practice and Procedures of the Senate Comm. on the Judiciary*, 91st Cong., 2d Sess. 63 (Statement of Ralph Nader).

[18] See, *e.g.*, *Hearings on S. 200 Before the Senate Comm. on Government Operations*, 94th Cong., 1st Sess., 56 (transcript of Feb. 20, 1975; Consumer Federation of America).

[19] March 14, 1975, at 38.

[20] S. 200, § 16(a).

[21] 116 CONG. REC. 39176 (Nov. 30, 1970; remarks of Sen. Percy).

[22] Reprinted in *Hearings on S. 860 and S. 2045 Before the Subcomm. on Executive Reorganization of the Senate Comm. on Government Operations*, 91st Cong., 1st Sess., 67, *et seq*.

[23] See H. REP. NO. 1241, 87th Cong. 1st Sess.

[24] Hearings on H.R. 7179 Before a Subcomm. of the House Comm. on Government Operations, 89th Cong., 2d Sess., at 31 (Rep. Rosenthal), 34 (Rep. Erlenborn), 36, 38 (Consumers Union), 61 (Rep. Brown), 64 (Rep. Erlenborn), 86 (Wisconsin Att'y Gen.), 89 (Rep. Erlenborn), 109 (Nat'l Consumers League), 124 (Sen. R. Kennedy), 137, 149 (Rep. Erlenborn), 194 (Rep. Harvey), 198 (Sen. Hart), 202, 204 (Chamber of Commerce), 204 (Metropolitan New York Consumer Council), 241, 237 (Rep. Rosenthal), 241 (Bur. of Budget), 244, 245 (Rep. Rosenthal), 306 (Rep. Erlenborn); Hearings on H.R. 6037 and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 1st Sess., at 40 (Rep. Rosenthal), 61 (Rep. Dwyer), 100 (Rep. Rosenthal), 101 (Esther Peterson), 122 (N.Y. Att'y Gen.), 126 (Ill. Fed. of Consumers), 150 (William Kaye), 174 (Rep. Rosenthal), 175 (Ralph Nader), 201 (Rep. Rosenthal), 232 (Justice Dept.), 261 (Rep. Addabbo), 261 (Rep. Annunzio), 262 (Rep. Bell), 263 (Rep. Biaggi), 263, 264 (Rep. Dulski), 267, 268 (Rep. Eilberg), 269 (Rep. Frazer), 272 (Rep. Halpern), 274 (Rep. Hanna), 277 (Rep. Long), 278 (Rep. MacDonald), 280 (Rep. Murphy), 286 (Nat'l Grange); Hearings on S. 3434 and 2544 Before the Subcomm. on the Judiciary, 91st Cong., 2d Sess., at 2 (Sen. E. Kennedy); Hearings on S. 2045, S. 3097, S. 3165, S. 3240 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 91st Cong., 2d Sess. at 315 (Sen. Montoya); Hearings on H.R. 6037 (Revised) and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 2d Sess., at 54 (Chamber of Commerce); Hearings on S. 860 and S. 2045 Before the Subcomm. on Executive Reorganization of the Senate Comm. on Government Operations, 91st Cong., 1st Sess., at 1 (Sen. Ribicoff), 8 (Sen. Nelson), 12 (Sen. Gurney), 13 (Sen. Nelson), 17, 19, 23 (Rep. Rosenthal), 67–78 (Library of Commerce), 76 (Sen. Nelson), 345 (Betty Furness), 573 (James Goddard), 786 (W. Forte); Hearings on S. 1177 and H.R. 10835 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 92d Cong., 1st Sess., at 19 (Rep. Rosenthal); Hearings on H.R. 16, H.R. 3809, H.R. 254, H.R. 1015 and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 92d Cong., 1st Sess., at 228 (N.Y. Att'y Gen.), 340 (National Consumer Law Center), 358, 359 (Rep. Corman), 558 (Rep. Coughlin), 560 (Rep. Eilberg), 563 (Rep. Gonzalez), 565, 568 (Rep. Morse); Hearings on S. 707 and S. 1160 Before the Subcomm. on Reorganization, Research and International Organizations of the Senate Comm. on Government Operations, 93d Cong., 1st Sess., at 765 (Bay Area Grocers Ass'n), 781 (National Consumer Finance Ass'n), 861 (Trebilcock); Hearings on H.R. 14, H.R. 21, and H.R. 564 Before a Subcomm. of the House Comm. on Government Operations, 93d Cong., 1st Sess., at 262 (Rep. Rosenthal), 657 (N.Y. Att'y Gen.).

[25] Quoting from reprint of Library of Congress Report, see note 22, at pages 68, 71, 72. (Emphasis added.)

[26] Hearings on H.R. 16, H.R. 3809, H.R. 254 and H.R. 1015 before a Subcommittee of the House Committee on Government Operations, 92d Cong., 1st Sess., at 258.

[27] H. Rep. No. 542, 92d Cong. 1st. Sess., at 3; H. Rep. No. 1361, 91st Cong., 2d Sess., at 3; S. Rep. No. 1331, 91st Cong., 2d Sess., at 5.

[28] S. Rep. No. 1100, 92d Cong., 2d Sess., at 62.

[29] *Id.*, at 80, *et seq.*

[30] H.R. 13163, § 17 (93d Cong., 2d Sess).

[31] S. 707 § 6(a) (11).

[33] See, e.g., *N.L.R.B.* v. *Font Mill Co.*, 360 U.S. 301 (1959); *NLRB* v. *United Packinghouse Workers of America*, AFL–CIO, 275 F.2d 816 (1960).

[34] March 14, 1975, at 38.

[35] 120 CONG. REC. 23832 (July 17, 1974; Statement of AFL–CIO Legislative Director).

[36] Hearings on S. 200 Before The Senate Comm. on Government Operations, 94th Cong., 1st Sess., 25 (transcript of Feb. 24, 1975; testimony of Ralph Nader).

[37] See the testimony of Ford Motor Company, Hearings on H.R. 14, H.R. 21 and H.R. 564 Before a Subcomm. of the Comm. on Government Operations, 93d Cong., 1st Sess., 251.

[38] Supra, n. 16.

[39] S. 3434, 91st Cong., 2d Sess., proposed 5 U.S.C. § 582(3).

[40] § 6(a) (3) and 21(b).

[41] S. Rep. No. 883, 93d Cong., 2d Sess., 22.

[42] Id., at 21.

[43] § 6(a) (3).

[44] S. Rep. No. 883, 93d Cong., 2d Sess., 21.

[45] 120 Cong. Rec. 21520 (June 27, 1974); see also the extensive discussion of this matter at 120 Cong. Rec. 23593–8 (July 17, 1974).

[46] S. Rep. No. 883, Part 2 (Minority Views of Senators Ervin, Allen, Brock and Nunn), 93d Cong., 2d Sess., 10.

[47] § 6(a) (3).

[48] 118 Cong. Rec. 31782 (Sept. 21, 1972; remarks of Sen. Javits).

[49] 120 Cong. Rec., 23837 (July 17, 1974; remarks of Sen. Javits).

[50] The ACA "may as of right intervene as a party or otherwise participate" in such proceedings. § 6(a) (2).

[51] For extensive substantiation of the accuracy of this term, see 120 Con. Rec. 23598, et seq. (July 17, 1974).

[52] H.R. 13163, 93d Con., 2d Sess., § 6(c).

[53] Cal. Bus. and Prof. Code, Ch. 4, § 320.

[54] § 6(a).

[55] S. Rep. No. 883, Part 2 (Minority Views), 93d Cong., 2d Sess., 12.

[56] S. Rep. No. 883, Part 2 (Minority Views), 93d Cong., 2d Sess., 15.

[57] *Id.*, at 17.

[58] § 10(b) (7) (B), referring to such sensitive information described in 5 U.S.C. § 552 (b) (4).

[59] § 8 and 11(b).

[60] § 10(a).

[61] § 11(c) (4). In other cases, the ACA would have to give owners of the information a maximum of 10 days notice to allow them to attempt to stop publication; but there appears to be few, if any grounds upon which such an injunction might be granted.

[62] § 11(a).

[63] See e.g., 18 U.S.C. § 1905 which makes it a crime for Federal employees to disclose trade secrets and similar sensitive information "to any extent *not authorized by law.*"

[64] Hearings on S. 707 and S. 1160 before the Subcommittee on Reorganization, Research and International Organizations of the Senate Committee on Government Operations, 93d Cong., 1st Sess., 524.

TOWARD EFFECTIVE ARMS CONTROL

Mr. McGOVERN. Mr. President, for months now, we have been immersed in such shattering problems as the economy, the Middle East, and the collapse in Southeast Asia. We have been able to pay scant attention to one of the most serious problems facing the United States and the Soviet Union—the limitation and control of strategic nuclear weapons.

Nearly 5 months ago we signed the Vladivostok accords, proposing limits of 2,400 strategic delivery vehicles and a sublimit of 1,320 missiles with multiple independently targetable warheads on each side. The Congress is only now able to begin weighting those accords in any thorough way.

The Senator from Missouri (Mr. SYMINGTON), the distinguished chairman of the Subcommittee on Arms Control, International Organizations and Security Agreements, is chairing hearings this spring on critical strategic arms limitation issues. As a member of that subcommittee, I intend to join my fellow members in a thorough assessment of the present strategic situation, the dangers the arms race still holds, and ways to build upon Vladivostok to bring about effective limitation and reduction of strategic arms.

I do not wish to detract from what successes there may have been in the ABM treaty, in the interim agreement of SALT I, or in the Vladivostok accords. But I am nonetheless convinced that the future is very dangerous in terms of strategic arms. It is essential that the Congress take advantage of this time before the Vladivostok agreement is final to judge what has been achieved, and to add to its own perspective on the SALT II agreement and the broader, more comprehensive steps which should follow.

The Congress should answer two questions: First, what might be done to improve and tighten the final agreement now being negotiated on the basis of the Vladivostok accords and second, what should be our priorities in seeking further limitation and reductions following the anticipated final SALT II agreement.

I believe that the Senate should consider the following additional constraints in the anticipated final agreement:

First. A comprehensive ban on most types of cruise missiles—basically pilotless aircraft. Long-range cruise missiles would be a destabilizing fourth force in the strategic arsenals on both sides.

Second. A prohibition against the testing of new types of land-based intercontinental ballistic missiles.

Third. An annual limitation on the flight testing of strategic ballistic missiles by each side.

If the two sides agreed on these three controls, I believe we will take jointly a critically important step forward, and that we will set the stage for further, very useful limitations and reductions.

As we weigh these alternatives, I also issue a plea today for application of the one most obvious lessons for our arms control efforts over the years. Let us be aware that the so-called bargaining chip strategy has been a dismal flop. We must know by now that the chance for meaningful arms control is hindered, not helped, by aggressive programs to design and build new systems and exotic new strategies, before we can even get a grip on the old.

The administration has probably oversold its new arms budget sufficiently to prevent a very broad moratorium on new strategic systems. But certainly we should at least isolate those with the greatest arms control implications, and set them aside while arms control talks are going ahead.

This would not eliminate anything that is now in our strategic arsenal. It may be called unilateral disarmament. But it is instead a plea against unilateral armament, in the interests of mutual arms control.

Our deterrent is secure. Some may hunger for new systems, but the country does not need them. There may be a need if arms control fails, but there is neither need nor reason to assume failure in advance, especially when restraint may well help assure success.

At this point, we—and probably the Russians—are in the early throes of developing weapons systems that have not been limited by SALT. In some cases, unless we act now, we may find that limitations of the SALT type are not possible at all.

I believe that the biggest threat to strategic stability at this juncture is the Cruise Missile. Right now, we are at a stage in the development of the Cruise Missile comparable to that of the multiple independently targeted warhead—MIRV—in 1967. In 1967, many people—but too few to put a halt to it—saw the MIRV as a threat to strategic stability. But the United States plowed on ahead. Now it seems the best we can hope to do is to limit both sides to 1,320 missiles with MIRVed warheads.

If we are similarily lax in regard to the Cruise Missile, we may well experience a proliferation of Cruise Missiles which will make the MIRV seem, in retrospect, a piker's problem.

The Department of Defense has asked authority to spend over a half billion dollars in the next 2 fiscal years to develop cruise missiles for bombers, for submarines, and possibly for surface ships. DOD plans both tactical and strategic versions.

It has been estimated that the Navy could seek to deploy as many as 2,000 cruise missiles. An estimate for the Air Force could be between 2,000 and 3,000 cruise missiles. Each of these thousands of missiles could carry a warhead with a tremendous nuclear punch.

No one is sure yet how accurate the cruise missile will be. However, with terrain-following guidance, we may find the scientists are capable of achieving accuracy in the low hundreds of feet. It is quite possible—if these accuracies and numbers are achieved—that the Soviets could fear the cruise missile as a fourth strategic force—one capable of devastating hundreds of military and civilian targets. We could fear a similar Soviet force in the same way.

It would be difficult to verify the number of long-range, air-launched missiles deployed, either by us or by the Soviet Union. It would, of course, be impossible to verify long-range cruise missiles on submarines. There would be tremendous uncertainty as to whether nuclear-capable missiles had nuclear or conventional warheads.

The critical question of force loading would be compounded by the equally serious question as to possible range. A cruise missile loaded with a heavy conventional warhead can, when equipped with a much lighter nuclear warhead, be fired distances three or four times as great.

What this suggests to me is that if new long-range cruise missiles are developed by the United States and the Soviet Union, we will have to forget any hope of putting a "cap" on strategic delivery vehicles.

So I believe it is imperative that the Congress address some very critical questions a soon as possible. We should first consider a prohibition against any new long-range cruise missiles of any kind. A lesser, but still meaningful prohibition, would be to allow the more verifiable air-launched long-range cruise missiles, on the condition that all above a certain range cutoff point would be counted against the 2,400 delivery vehicle ceiling, but to ban any sea-based long-range cruise missiles.

The cutoff point above which sea-based missiles were banned and air-launched missiles were counted could be 100 kilometers—roughly a range of the Navy's harpoon antiship missiles. As the executive branch describes the Vladviostok accords, any air-launched missile with a range above 600 kilometers would be counted under the 2,400-vehicle ceiling.

However, a Cruise missile with a nominal range of 600 kilometers could be altered to go over 2,000 kilometers—or perhaps more. Given this problem, the range cutoff point should be much lower.

The second refinement I suggest would be a prohibition against testing new land-based ICBM's.

Critics of the Vladivostok accords are already pressing for a new ICBM to be deployed first in the land-based silos and then possibly on mobile land-based launchers and on airplanes. The argument is made that such a new missile system would close the sizable throw-weight gap between us and the Soviet Union. The cost of all this would be in the tens of billions of dollars.

But we would have labored mightily to bring forth a strategic mouse.

We should bear in mind that the throw-weight gap is the result of different approaches to strategic missile development. We did not worry about throw-weight differences until we achieved SALT I—the first significant strategic arms limitation agreement. As SALT I slowed the numbers race, some of our most diligent worriers settled upon throw-weight as a matter of vital concern. But most strategists believe that a better measure of strategic strength is in the number of deliverable warheads.

Rudimentary physics tells us that explosions are more or less spherical, and three dimensional. But targets are more or less flat, and are measured in two dimensions. That means that the area destroyed by a nuclear blast increases at a far slower rate than the size of the warhead. In this case smaller is more efficient. A 2 megaton explosion is far less than twice as destructive as 1 megaton.

In light of the enormous power of these weapons and the dramatic excess in the arsenals of both sides, our capacity to deter war is not really influenced at all by the size of individual warheads. It is measured instead by the number of targets we can strike—the number of deliverable warheads. In that more relevant measurement we lead the Soviet Union by more than 3 to 1 now. And that gap cannot be closed in the foreseeable future.

Further, strategists generally believe now that the land-based missile system is the most vulnerable of the so-called Triad. If we spend billions of dollars closing the throw-weight gap and filling our silos with huge new missiles, we will not have reduced the vulnerability of our land-based missiles one iota.

Moreover, if we press further with a new land-based missile, there is little doubt the Soviets will do the same. In the process, the SS–16, SS–17, SS–18, and SS–19 on their side will undoubtedly become old hat and we will have a whole new generation of Soviet missiles to worry about.

So we should forgo the extremely dubious privilege of cramming as much megatonnage in our old silo holes as we can, especially if, in restraining these programs, we can help induce similar restraint in the Soviet Union.

By the same token, some believe that a new missile could be very good if it were mobile. However, as the Honorable Gerard C. Smith, former Director of the Arms Control and Disarmament Agency, told the Arms Control Subcommittee recently, mobile missiles are of more value to the Soviet Union than to us. It would be folly for us to begin a mobile missile race in which any edge would go to the other side. It would be far better for both sides to agree to be sensible and forget mobile missiles. Such a decision for constraint would remove any possible requirement for a new ICBM.

As to my third proposal, it seems clear that constraint in the pace of development could be a very useful way to control qualitative improvement in strategic forces.

A limitation on the number of missile flight tests—a measure which is verifiable—would obviously help slow the pace of missile improvement. As Dr. Paul H. Doty, professor of biochemistry at Harvard University, told the Arms Control Subcommittee, the two benefits would be the slowing of development and diminished testing of missiles on station; such a limitation would "thereby prevent the development of sufficient confidence to threaten a first strike."

I have proposed these three SALT II refinements—a cruise missile limitation, a ban on testing new types of land-based ICBM's, and an annual limit on flight tests of all ballistic missiles—in a letter to Secretary Kissinger. I hope they will be considered carefully, and perhaps incorporated into our approach to the final SALT II agreement. In addition, I suggest to my colleagues in the Congress that when we consider the military procurement bill in a few weeks time, we should take special care to avoid approving systems that could damage the prospects for a better SALT accord.

At the same time, we should be looking ahead now to subsequent negotiations.

The present agreement with the Soviet Union calls for negotiations beginning no later than 1980–81 for limitations and reductions.

A provision that these further controls would go into effect in 1985 upon the expiration of the anticipated 10-year agreement has been dropped. Thus, a further agreement on limitations and reductions could go into effect at any time.

We should start a new round of negotiations as soon as possible after the presently envisaged agreement is reached. These new limitations and reductions should go into effect before the expirations of the present SALT I interim agreement in 1977. The interim agreement applies more specific limitations than does the Vladivostok agreement, and we should attempt to build upon that interim agreement rather than let the limitations by type of strategic system expire.

Following the SALT II final agreement, I believe we should seek agreement with the Soviets on the following:

First. A substantial reduction in the limit of 1,320 MIRV'ed missiles allowed on each side and the 2,400 limit on total strategic delivery vehicles allowed on each side by the Vladivostok accords;

Second. A comprehensive test ban;

Third. A broadening of the limits applied in such a way that the present drive on both sides to seek systems not covered by agreement will be stopped.

We talk a great deal of the need to reduce the rather high limitation achieved at Vladivostok. I sympathize with that point of view. Reduced ceilings would save a considerable amount of money on operating costs, and would eventually allow us to get rid of some destructive capacity we do not need.

On nuclear tests, I believe that the threshold test ban agreed to last July in Moscow should not be pursued further. We should simply accept the fact that the time has come for a cessation of nuclear testing—a move we and the Russians have promised the world for a number of years—and agree jointly on a comprehensive test ban, which would serve to reassure each side that the other was not developing new strategic warheads. At the same time, agreement on a comprehensive test ban could serve notice to the rest of the world that we and the Russians have mended our ways and are becoming serious about strategic arms control.

With reference to the third longer range limit, we must recognize that so far, strategic arms limitation agreements have not caused any particular grief for the arms advocates on either side. Basically, SALT I and Vladivostok have provided the formal imprimatur for what both we and the Soviet Union intended to be our progress in any event. Essentially, we have cut off little, if anything, we did not intend to stop anyway.

I believe the same can be said of the Soviet Union. Despite efforts so far, the defense establishments on both sides are getting all of the new weapons they really want.

But we are now approaching the pain threshold in arms denial. And it must be a major turning point in arms limitation. From here on out, if we are serious about arms control, we are going to have to forego strategic arms programs that are strongly advocated in various quarters on both sides. In addition, each side must forego the quest for particulars of benefit to itself and detriment to the other side. If we or the Russians negotiate on the basis of unilateral advantage for ourselves, I believe the future will hold no real progress at all.

We did not achieve the Limited Nuclear Test Ban Treaty some 15 years ago because we were willing to out-test the Soviet Union. It was accomplished because President Eisenhower and President Kennedy exercised restraint. Despite sharp opposition from those who wanted to test every angle of new technology, our test program was unilaterally suspended. We demonstrated that our first priority was not to sustain a nuclear advantage over the Soviet Union, but to reduce the deadly threat of atmospheric testing.

Once again the United States should take the lead in demonstrating that we are truly committed to arms control.

We should first lay aside the disreputable "bargaining chip" strategy. One of the great shattered illusions of recent years is the thesis that bargaining chips are negotiable—that either side will give up a new system once started.

Our experience with MIRV describes most strikingly the results of the wrong approach. I recall cosponsoring an amendment authored by the distinguished Senator from New Jersey (Mr. CASE) in the early days of SALT negotiations, calling for a moratorium on MIRV testing until or unless the Soviet Union tested a similar system. MIRV created the same verification problems that cruise missiles pose now, and Senator CASE warned nearly 6 years ago that it could upset the arms control wagon. But the Pentagon got its MIRV anyway. Now the MIRV chicken is roosting in the Vladivostok agreement, 1,320 strong on both sides.

Strangely enough, our military planners—pointing to bigger throw-weights—fear the Soviet MIRV more than they feel the Soviets must fear ours. Yet those same strategists were the ones who urged us most loudly to press on ahead, virtually guaranteeing that a Soviet MIRV could not be prevented.

The lesson should be clear. We must know by now that neither side will likely agree to reductions on the basis of fear of what the other side has done. Bargaining chips only move the game to a higher and more dangerous plateau.

So let us replace the bargaining chip rhetoric with a strategy of restraint.

In particular, let us examine the possible arms control consequences of the shopping list of new systems and research and development projects in next year's arms budget. As it stands now that program amounts to a declaration that we do not really have a policy—for if we want to cut back on arms, why are we building more? If we want to press the race, then why do we bother to talk about controls?

Since the Soviet Union plans for the worst case just as we do, the quest to design and deploy more and more strategic refinements, and to build for new strategies such as counterforce, can only strengthen the case of the Kremlin hawks who are as suspicious of arms control as our own Pentagon.

The chairman of the Research and Development Subcommittee of the Senate Armed Services Committee, Mr. McINTYRE, has suggested the proper course in his response to counterforce weapons and planning. He has noted that silo-busting weapons put a "hair trigger" on nuclear war, and that programs to further increase accuracy can only threaten more arms competition. We should welcome and heed his leadership on that issue.

On this and other arms programs, America needs most of all a consistent position. The Secretary of State and the Secretary of Defense should be saying the same thing. And our policy must be founded upon the only realistic common purpose for arms and control efforts—the interest both sides have in ending the enormous material cost to the participants—and the unthinkable danger to participants and spectators alike—of a mad race to raise the balance of terror.

Little measure of arms control can be dangerous. You cannot restrain a tiger by putting bars on only one side of the cage. Similarly, you cannot stop the arms race by limiting only a few specified systems. As we have seen, partial arms control can open the way and channel the competition toward steps more deadly than those which have been controlled.

Today whole categories of possible arms control are in danger of passing from our grasp, and time is running out. We must find ways of applying broad limitations and reductions which will really put a cap on the arms race. If we fail, we will find ourselves purchasing, at ruinous costs, replacements for all of our present strategic systems, countless cruise missiles, and new weapons we have barely begun to consider. And we will find at the end of all this buying that our security has not been enhanced one jot.

I am not wedded to the suggestions I have made today for specific controls in the final agreement to be reached this year and in ensuing negotiations. I hope my suggestions will be weighed by my fellow Members as I believe we must assess the suggestions made by other colleagues. I am sure that the hearings now being held by the Subcommittee on Arms Control, International Organizations and Security Agreements will do much to broaden the basis for the judgments we in the Congress must make.

The Congress has had very little to say on the question of strategic arms limitation policies in the past. We have tended to limit ourselves to debate over agreements already made and to try for minor corrections.

But this time Congress has an unprecedented opportunity to help shape our national strategic arms policy. If we let this opportunity pass, we will have to live with strategic arms policy devised by others without congressional help. If we fault that policy, we will know that that fault lies in ourselves.

I intend to introduce legislation in the near future incorporating proposals I have made here today. In the meantime, I look forward to a reaction from the executive branch. I ask unanimous consent to have the text of my letter to the Secretary of State printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *April April 24, 1975.*

HON. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I have been giving some thought to the critical question of the kinds of arms control measures which might be agreed to by the United States and the Soviet Union in order to build upon the framework of the Vladivostok accords. I share your concern that, in the absence of good, effective controls we will soon reach a point at which it may be impossible to apply effective limitations in certain areas.

With this in mind, I have developed a series of suggestions which I hope we can examine in connection with preliminary Senate hearings on the Vladivostok agreement. I would appreciate very much receiving your views as to the possibility and the usefulness of an agreement along these lines.

The following are possible measures to be incorporated in the final agreement based upon the Vladivostok accords:

(1) A comprehensive ban on most types of cruise missiles—basically pilotless aircraft. Long-range cruise missiles would be a destabilizing fourth force in the strategic arsenals on both sides.

(2) A prohibitions against the testing of new types of land-based intercontinental ballistic missiles.

(3) An annual limitation on the flight testing of strategic ballistic missiles by each side.

The following are possible measures to be worked out in the negotiations to follow SALT II:

(1) A substantial reduction in the limit of 1,320 MIRVed missiles allowed on each side and the 2,400 limit on total strategic delivery vehicles allowed on each side by the Vladivostok accords.

(2) A comprehensive test band.

(3) A broadening of the limits applied in such a way that the present drive on both sides to seek systems not covered by agreement will be stopped.

I am offering these proposals for your consideration as an augmentation to the achievements to date. I do not intend to detract from Vladivostok or from the earlier SALT I agreements, but I do believe it is imperative that the executive and legislative branches work together to bring about comprehensive limitations and reductions in strategic arms at the earliest possible opportunity.

As I have suggested to you previously, I believe it is also vitally important that we examine the arms control implications of our arms budget, and exercise particular restraint on new programs and strategies which can damage the prospects for meaningful arms limitation. We have had sufficient experience to understand that the so-called bargaining chip approach can only hinder arms control and move the arms race to higher, more costly, and more dangerous plateaus.

Our deterrent is secure for as far as we can see into the future. There is no time urgency on any of the provocative new systems and strategies which have been proposed by the Secretary of Defense. Certainly, it is worth deferring some of these plans to race ahead on our own, so we can instead make a meanful test of all opportunities for comprehensive limits on strategtic arms.

While there are disagreements as to the precsie measures needed, I am sure there is a general feeling throughout the government that we should move as quickly as we can to build on present agreements. Too little arms control may be more dangerous and difficult than no formal arms control at all.

I am enclosing an address which I plan to deliver in the Senate describing these proposals in more detail. I hope you will find it to be of interest.

Sincerely,

GEORGE MCGOVERN.

SENATOR TUNNEY ADDRESSES ISSUE OF REFUGEES FROM VIETNAM

Mr. HATFIELD. Mr. President, I was in California this past weekend, and read with great interest an article in the Los Angeles Times describing a speech by our distinguished colleague from California (Mr. TUNNEY). Senator TUNNEY discussed the emotionally charged Vietnam refugee issue in terms that reflect great credit to him, for he is well aware of its political explosiveness.

A political leader can appeal to people in two ways: In a positive manner, and in a negative manner. In my oinion, too many people today are taking shelter in silence regarding the emotional issue of Vietnam refugees settling in the United States. I commend Senator TUNNEY for squarely facing this, and his appealing to the positive position we all should adopt.

I admire this direct approach taken in his speech. If we merely echo the fears of some demagogs, we only inflame the issue. It is the responsibility of public officials to stand up and provide leadership on this issue, and I think Senator TUNNEY demonstrated in this speech the kind of leadership that is needed.

I call this article in the Los Angeles Times to the attention of colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TUNNEY LASHES OUT AT ANTI-REFUGEE REMARKS

(By Kenneth Reich)

Describing certain comments by California politicians on the subject of arriving Vietnamese refugees "manifestly un-American and so manifestly uncharitable," Sen. John

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V. Tunney (D-Calif.) has warned against a revival of racial prejudice in the state.

In a speech to a $100-a-plate fund-raising dinner for Assemblyman Frank Vicencia (D-Bellflower) at the Le Baron Hotel in Buena Park, and in remarks to newsmen afterward, Tunney spoke bluntly against what he termed a vitriolic and unfriendly popular reaction against the refugees.

The senator's remarks to an audience of 500 persons Friday night drew only sparse applause.

Tunney, who will be running for reelection to a second six-year term next year, said he thought his comments would not be popular politically, and he qualified them by emphasizing that he thought the refugees should be dispersed throughout the country and that the federal government should "pick up the tab" for their care.

But, he declared, "we owe it to our children to show compassion to the refugees." America, he added, is a nation built by immigrants. "All of us here tonight are descended from immigrants," he told the audience." All of us have benefited from compassion."

He said he is convinced that the Vietnamese, like other immigrants before them, will be hard workers and become good citizens and that there is no doubt in his mind that many of them would have been "shot out of hand" by the Communists for cooperating with the Americans.

Tunney, elaborating on his remarks later, singled out Los Angeles County Supervisor James A. Hayes for criticism for saying on April 21 that federal officials were planning to bring from 600,000 to 1 million Southeast Asian refugees to the United States, with Los Angeles and San Francisco as the likely first ports of entry.

At the time, Hayes attributed this information to unnamed highly placed officials in Washington, D.C.

Tunney said, however, that the largest number of refugees federal officials ever contemplated bringing to the U.S. was 172,000, and he declared he is convinced Hayes made up the higher figure.

Hayes statement was "very, very bad, very bad," Tunney told a newsman Friday night. He said it had inspired a large quality of hate mail and inspired other politicians to make antirefugee statements.

(Contacted Saturday at his Rolling Hills home, Hayes said he had the flu and did not feel like responding to Tunney's remarks.)

Tunney prefaced the section of his speech dealing with refugees Friday night by saying to his audience, "Let me tell you my view. You might not like it."

The senator said that in 1968 he visited camps in South Vietnam where North Vietnamese and Viet Cong defectors to the side of the Saigon government were being assisted in their transition. Now, he said, he knew for a fact that Americans had tried to bring a good many of these people out of South Vietnam, knowing they would be picked out for retribution by the Communists.

"One of the worst things we could do now is to start scapegoating the refugees," Tunney said. "One of the worst things we could do is to start blaming them for the things that went wrong over there."

Once scapegoating begins, the senator added, one never knows where it will end. And, he explained after his speech, he has particular fears that comments directed toward Vietnamese refugees might shortly become generally anti-Oriental in character.

"Think about what we've done to alleviate such biases in California," Tunney remarked. "March Fong Eu, a Chinese-American, is our secretary of state. Mervyn Dymally (a black from the West Indies), is our lieutenant governor . . . the trouble with scapegoating is that it helps people to start thinking again along racial lines."

Tunney said he expects only 8,000 to 10,000 Vietnamese refugees to settle in California. By comparison, he pointed out, the state received 86,000 legal immigrants from other lands last year and there are estimates that 250,000 illegal aliens came into the state from Mexico and elsewhere.

THE GENOCIDE CONVENTION AND ITS IMPERFECTIONS

Mr. PROXMIRE. Mr. President, the United Nations Genocide Convention has been the subject of continuing criticism from many sincere men of unquestioned good will.

I do not dismiss this criticism or skepticism. But if the U.S. Senate waited for the perfect law without any flaw or shortcoming, the legislative record of any Congress would be a total blank.

Admittedly the United Nations—when the convention was unanimously adopted by the General Assembly more than a quarter century ago, and today—is an imperfect organization. But the failings and shortcomings of the United Nations merely reflect the human condition, which is one of imperfection. The United Nations is above all a standard for mankind. And that standard for mankind insists that genocide, the plan to systematically destroy a people, has no place in civilized society.

As Americans, we are conspicuous for our remarkable national record in the struggle for human rights. We are just as conspicuous for our international absence in the ratification of the United Nations Genocide Convention. We should resolve without further hesitation this hypocritical inconsistency between domestic achievement and international indifference.

To date, 87 nations have chosen to ratify the Genocide Convention. I am certain that if these nations had wished they could have found phrases not to their taste in this document. However, they perceived a larger responsibility—a responsibility to mankind—to join in the condemnation of inhuman barbarism.

Let the U.S. Senate perceive that same responsibility and move as quickly as possible to ratify the United Nations Genocide Convention.

MAKING OUR PUBLIC BUILDINGS PUBLIC

Mr. BAKER. Mr. President, on May 19, the Senate Subcommittee on Buildings and Grounds will conduct a hearing on S. 865, the Public Buildings Cooperative Use Act of 1975. I am pleased to be a cosponsor of this bill.

This is legislation that seeks to make the Federal Government a better neighbor. It is a bill to encourage greater use of existing Federal buildings and to allow the Government to purchase older buildings and to renovate them as Federal office space, where practical.

I congratulate the distinguished ranking Republican on the subcommittee (Mr. Buckley) for his development of the bill.

While I will be absent from Washington on official business at the time of the hearing, I intend to examine the testimony with care. I am pleased that this bill has initiated wide discussion in the architectural community. As one indication of this, the Christian Science Monitor recently ran a column analyzing this legislation. Because of the growing interest in this bill, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Uncle Sam's General Store

(By William Marlin)

Washington.—Uncle Sam has built thousands of public buildings. At least they are called public buildings—post offices, picnic shelters in the national parks, court houses, the regional headquarters for myriad agencies, military barracks, mints, weather stations.

The thing is, most public buildings, especially those plonked down in the center of our cities, are stand-offish in physical scale and downright unneighborly in relation to the ongoing life of the communities around them.

With all the character of a shoulder-high banking counter, except for the assembly-line symbolism of bald eagles, flags and agency emblems, the entrance areas of these buildings convey a cold-shoulder message: Stay away unless you have business here.

That is no way to house the services of a government which is supposed to be of, by and for the people. Perhaps, as E. M. Foster, the English writer, once suggested, we should yell out at least two cheers for democracy—and insist on at least two uses for the public buildings which we pay for.

Early next month, the Senate Committee on Public Works begins hearings on the Public Buildings Cooperative Use Act of 1975 (S. 865), introduced in late February by James Buckley (R) of New York with the cosponsorship of Jennings Randolph (D) of West Virginia, Howard Baker (R) of Tennessee, and Robert Morgan (D) of North Carolina. This is called, in capital parlance, bipartisan support, and here is why S. 865 deserves it.

This bill would conserve money, conserve jobs, and conserve the salutary scale and identity of important urban districts. Why else, it might be asked, would a conservative like Mr. Buckley come out for it?

For the first time, multiple use, meshing of public and private functions, would be encouraged so that, in ground-floor areas, commercial, cultural, educational and recreational activities could add a vital dimension, for employees and visitors alike, to the presence of government on our streets.

If a court room and an IRS office can coexist in the same building, why can't a court room and concert hall? If a post office and a Secret Service headquarters can function within a couple hundred feet of each other, why can't a post office and a shopping concourse? Why should the only evidence of life and laughter around a public building be the splashing of a fountain, or the palaver of people brownbagging lunch, or some lonely sculpture abstracting the isolation of the buildings it is meant to enhance? Mr. Buckley's bill would unbend existing laws so that the needs of government can be accommodated along with the public's.

A second provision of S. 865 would encourage the adaptation and reuse of worthy, well-built existing buildings which, dovetailed with the multiple-use measure, would bring the public into closer proximity, on a daily basis, with the evidence of America's incredibly rich architectural heritage.

The bill thus gives cultural values a chance

to break even with economic ones. Older buildings, for example, use considerably less energy than do many new ones and, don't forget, it takes a whopping lot of energy to tear down an old building and then replace it.

Another dividend pertains to America's unemployment lines. In case you were wondering what preserving old structures has to do with putting bread and butter on the table, it might be useful to point out, as the General Services Administration did in February, that a million dollars for repairing and improving an existing federal building produces five times as many jobs as does the construction of some spanking new slab.

The Public Buildings Cooperative Use Act may seem somewhat peripheral to many Americans during these perilous days, but it embodies the essence of the relationship between people and government. By engaging a wider spectrum of activity, not for just eight hours a day but into our evenings too, and by making good use of the buildings we already have, this bill would have a beautiful bearing on the way our downtowns look from now on, and on the way we think about and use the resources of government.

Given this enlightened legislation, Uncle Sam's public buildings should have a lot in store—the kind of store which many would welcome the chance to mind.

OUR FAILURE IN VIETNAM

Mr. McGOVERN. Mr. President, now that the war in Vietnam has ended, nationally known politicians, Government officials, military experts, foreign policy-makers, and journalistic observers have been trying to account for the failure of U.S. efforts in Vietnam. But one view I have read which perhaps best expresses the failure of our policy in Vietnam comes from one who is just an interested American citizen in Smyrna Beach, Fla., Mr. Ernest G. Marquis, in a letter to the Orlando Sentinel.

In his letter, Mr. Marquis explains simply and directly why the U.S. course in Vietnam was never the correct one, and I would like to share his thoughts with my colleagues. I ask unanimous consent that Mr. Marquis' letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Mindless Hatred of Communism

Editor: This is in response to April 2 editorial, "But It Is All Too Sad."

There are two basic causes of our lack of success in Vietnam. The first is a mindless hatred of communism. Hatred is a wind that blows out the lamp of the mind. The second, probably made worse by the first, is ignorance.

You say that South Vietnam may be lost to its historic enemy of the North. Aside from the fact that Vietnam is one country, that fact being stipulated in the first article of the 1973 agreement and therefore if the South is lost to the North it is in the same respect that the South was lost to the North in the United States in 1865. Beyond that, for over 20 years we have been supporting with blood and money a government in the South consisting mainly of North Vietnamese, so that is far more accurate to say that the fighting has been between two northern groups with us backing the anti-Communist group.

Aside from the fact it was illegal for us to take sides in a civil war, our side was the weaker. Our side was the dedicated anti-Communists. The group is relatively small, probably equal in number to the dedicated Communists, with the vast majority indifferent to these ideologies. What they do feel strongly about is foreign interference in their country. That is why short of complete decimation of the Vietnamese and Vietnam we could not win.

You ask where are the voices of Ramsey Clark and Jane Fonda. This question shows a lack of understanding of American dissent to the Vietnam war. The fundamental dissent was not against "man's inhumanity," it was against the actions of their government using their bodies and their money in killing people it was clear we had no right to kill because we had no rights in Vietnam. The inhumanity practiced by Vietnamese on other Vietnamese is deplorable, but no more so than the inhumanity practiced by Americans on Americans during our civil war. That is part of self-determination. Under international law, groups within a country have a right to fight one another. It is the interference in the fighting by an outside country that is illegal.

Our objective was an anti-Communist state no matter how repressive. Our credo for the Vietnamese was better dead than Red. You ask where our courage has gone. The courage of a bully. Deciding to stop communism, but attempting to do it by fighting the weakest Communists (we thought) we could find, those who could never hit us back where we lived, never could bomb us as we bombed them. No indeed. We made friends with the only Communists who could hit us where we lived and were thus the only Communist threat to us. If that's courage I'll take vanilla. Blame should certainly be assessed. It lays on the shoulders of the mortal midgets who wanted to stop Communism in Vietnam.

Ernest G. Marquis,
New Smyrna Beach.

KOFA GAME RANGE, CHARLES SHELDON ANTELOPE RANGE, AND CHARLES M. RUSSELL NATIONAL WILDLIFE RANGE

Mr. HATFIELD. Mr. President, in February of this year, Secretary of the Interior Rogers Morton announced that the sole responsibility for the management of the Kofa Game Range, the Charles Sheldon Antelope Range and the Charles M. Russell National Wildlife Range would rest with the Bureau of Land Management. Previously, these areas were managed jointly by the BLM and the U.S. Fish and Wildlife Service.

This transfer of authority has been of great concern to many who are concerned about the quality of wildlife management on the public lands and who felt that, under BLM management, the emphasis might shift away from wildlife and toward commodity values.

On March 19, I wrote the Secretary of the Interior to indicate my concern about this matter and the way in which the decision was made. Mr. Curt Berklund, Director of the Bureau of Land Management, has responded to these concerns on behalf of Secretary Morton. In his letter, Mr. Berklund indicates the BLM manages more wildlife habitat than any other single Federal or State agency. He also states that the Secretary of the Interior has directed the BLM "to carry out the same management intent, philosophy, and level as carried out prior to this action."

Mr. President, I ask unanimous consent that my letter to Secretary Morton and Mr. Berklund's response be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Rules and Administration
Washington, D.C., March 19,1975.

Hon. Rogers C. B. Morton,
Secretary of the Interior,
Washington, D.C.

Dear Mr. Secretary: It has come to my attention that you plan to assign the management of the Charles Sheldon Antelope Range to the Bureau of Land Management, and remove the U.S. Fish and Wildlife Service from its long-standing role in managing this wildlife range. In view of the interests of many Oregonians in this matter, and because a part of this range is in Oregon, I would like to receive further information on the action you intend to take.

What is the purpose of the transfer, and what is the legal authority upon which it is based? It would appear that this action may be in conflict with the National Wildlife Refuge System Administration Act of 1966. If you believe that it is consistent with the 1966 Act, will you please explain how you reached this conclusion?

Does the present transfer of this range indicate that other wildlife refuges will be transferred to BLM? How does BLM plan to manage the Sheldon Antelope Range? Will a multiple-use management plan be prepared prior to the transfer of jurisdiction? When can we expect such a plan? I would also like to know what principal resource values, aside from wildlife, are found on the Oregon portion of the Sheldon Range.

Finally, what methods of public involvement have been planned? Do you intend to obtain the views of Oregon citizens before making the final decision? If so, it would certainly be appropriate to hold hearings in the local area as well as our metropolitan areas such as Portland, Salem, and Eugene.

I regret that I was not contacted by any representative of the Interior Department about this matter before BLM's brought announcement of the decision on February 15. I hope that this is not the manner in which future decisions concerning Sheldon Antelope Range will be made.

Warmest personal regards.

Sincerely,

Mark O. Hatfield
U.S. Senator.

U.S. Department of the Interior,
Bureau of Land Management,
Washington, D.C., April 21, 1975.

Hon. Mark O. Hatfield,
U.S. Senate,
Washington, D.C.

Dear Senator Hatfield: In further response to your letter of March 19, 1975, I offer you the following information:

On February 5, 1975, Secretary Morton directed that (1) sole responsibility for the Kofa Game Range, Charles Sheldon Antelope Range, and the Charles M. Russell National Wildlife Range be placed with the Bureau of Land Management (BLM); (1) sole management responsibility of the Cabeza Prieta Game Range be placed with the Fish and Wildlife Service (FWS); and (3) BLM be delegated the authority of the 1966 National Wildlife Refuge System Act with respect to the three Ranges under its jurisdiction. Furthermore, the Secretary's decision specifically directs BLM to carry out the same management intent, philosophy, and level as carried out prior to this action. The Cabeza Prieta Range will be managed no less intensively by the FWS.

The Secretary's decision was predicated on the fact that the wildlife species on the Ranges assigned to BLM have similar, if not the same, types of habitat as on the sur-

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rounding national resource lands (NRL). The majority of wildlife species are resident (nonmigratory) animals. On the surrounding NRL we work closely with State agencies in wildlife management. The States manage the species; we manage the habitat. With the intermix of wildlife values and multiple-use resources both on and adjacent to the Ranges, it makes good sense to consolidate and integrate management through assigning this challenge to us. The three Ranges assigned to BLM will continue to have wildlife as the dominant use, and will be managed to support it. This means we will utilize a much wider base of expertise to assure that the appropriate management techniques will be used to support the wildlife dominant use philosophy. That expertise includes fishery biologists, wildlife biologists, watershed specialists, recreation planners, range conservationists, mineral specialists, and land and realty specialists to name a few.

Included in the process leading to this decision was the fact that the Desert National Wildlife Range and the Cabeza Prieta, now under sole jurisdiction of the FWS, are partially covered by a military withdrawal. This reduces the need for utilizing a mix of broad expertise, such as is available within the BLM, in making input into the management.

Since these areas are a portion of the National Wildlife Refuge System, the authority for administration of them and the power to delegate that authority is vested in the Secretary. In order for this delegation to be authorized, however, the National Wildlife Refuge System Administration Act must be regarded as the controlling authority in all cases where it might be regarded as conflicting with other land management authorities applicable to the BLM. This, we believe, is presently the case as to the Ranges, and we foresee no problem arising from such control for the continuation of grazing on the three Game Ranges since the National Wildlife Refuge System authority allows grazing if grazing is "compatible with the purposes of which [the refuge] was established," and these "purposes" in the case of the Kofa, Russell, and Sheldon Ranges explicitly include stock grazing under the Taylor Grazing Act.

At the present time, there are no other wildlife ranges or refuges jointly managed by the FWS and BLM and, therefore, on other transfers of this nature are contemplated.

Enclosed is a copy of our Game Range Policy and Management Criteria that the Secretary approved March 21, 1975. This document sets forth BLM's management program for the Game Ranges. You will note that these guidelines and policies are consistent with the management which the FWS has followed in the past on the Game Ranges (50 CFR, Subchapter C—The National Wildlife Refuge System, Part 25 through 35). In addition to these guidelines, I assure you that these valuable areas will be managed under the mandates of the original Executive orders. This includes protection of all endangered or threatened species under the 1973 Endangered Species Act.

There are only 627 acres of the Sheldon Antelope Range which extend into Oregon. This land originally was in private ownership and was purchased by the conservation community and donated to the National Wildlife Refuge System as a part of that Range. Other resource values on this land include grazing and recreation.

Public involvement includes the following public information meetings.

CHARLES M. RUSSELL NATIONAL WILDLIFE RANGE

April 4, 1975—Billings, Montana, Eastern Montana College, Library Building, Room 148, 7:00–10:00 p.m.

April 9, 1975—Glasgow, Montana, Elks Club, 7:00–10:00 p.m.

April 10, 1975—Miles City, Montana, Miles Community College, Room 106, 7:00–10:00 p.m.

April 15, 1975—Helena, Montana, Carroll College, Commons Building, 7:00–10:00 p.m.

April 16, 1975—Lewistown, Montana, Yogo Inn, 7:00–10:00 p.m.

CHARLES SHELDON ANTELOPE RANGE

April 7, 1975—Susanville, California, Lassen County Community College Cafeteria, 7:00–10:00 p.m.

April 8, 1975—Lakeview, Oregon, County Courthouse Auditorium, 10:00–1:00 p.m.

April 8, 1975—Winnemucca, Nevada, Nixon Hall, 7:00–10:00 p.m.

April 9, 1975—Reno, Nevada, Kings Inn, 10:00–1:00 p.m.

April 10, 1975—Sacramento, California, Federal Building, 10:00 a.m.–1:00 p.m.

Public meetings have also been held on the Kofa and the Cabeza Prieta.

The BLM presently administers some 374 million acres of big game habitat, 391 million acres of small game habitat, 34 million acres of waterfowl habitat, 5 million surface acres of lakes, 7,664 reservoirs, and 258 thousand miles of streams. These land and water habitats support vast amounts and varieties of wildlife species. The BLM also manages 451 million acres of nongame wildlife habitat for a multitude of wildlife species. There is a close relationship between all of the Western States game and fish agencies and the BLM in this joint management of wildlife.

Wildlife areas specifically designated and successfully managed by BLM include the Birds of Prey Natural Area in Idaho, home of the magnificent Golden Eagle and the subject of nationally broadcast television documentaries; the Blanco Waterfowl area in Colorado; the Desert Pupfish area and Railroad Valley Management area in Nevada; the San Simon Ciengo Mexican Duck area in New Mexico and Arizona; and the Highland Range Desert bighorn sheep area in southern Nevada. At the present time, we are in the final stages of a cooperative 10 year research effort with the Montana State Fish and Game Department and the Montana State University on wildlife.

Viewed in a total context, no single Federal or State agency manages more wildlife habitat than BLM.

The BLM has also designated 28 acres with a total of some 3 million acres as recreation lands. In addition, there are 41 designated natural areas and 7 primitive areas. The BLM operates and maintains about 450 individual recreation sites in the Western States. The BLM manages two components of the National Wild and Scenic Rivers System—the Upper Rio Grande River in New Mexico and the Rogue River in Oregon. In addition, there are 17 rivers involving BLM land which are now under formal study for inclusion into this System. Many public land areas have been set aside to preserve historic, scientific or cultural values through BLM's efforts. The presently proposed wilderness areas on each of the Ranges will be managed under the principles of the Wilderness Act of 1964 (P.L. 88–577).

The three Game Ranges are effectively protected by proposed withdrawals from mining under the 1872 mining laws. The Kofa is additionally protected from the operations of the mineral leasing laws.

This is hardly the portrait of an agency dedicated solely to the cause of protecting the interests of cattlemen and mining barons.

Finally, the BLM is firmly committed to respect wildlife as the dominant use in the three Games Ranges. Specifically, their commitment means that:

1. other resource uses will be subordinate to wildlife and will not conflict with it;

2. there will be no reduction in the number of people now assigned to the three Ranges;

3. the budget for managing the three areas will not be reduced; and

4. the BLM will have the same enforcement authority on the three Ranges as FWS under the 1966 administration of the National Wildlife Refuge System Act.

I would like to offer my personal apology to you for not briefing you on the Game Range issue. I assure you that this type of oversight is not intentional and is not the Department's nor BLM's normal procedure on issues of this nature.

Sincerely yours,

———— ————,
Director.

FUTURE WATER PROBLEMS FOR SOUTH DAKOTA?

Mr. McGOVERN. Mr. President, last week during the National Water Conference in Washington, South Dakotans attending the conference got together to discuss the outlook for the State's own water systems and the troubling developments shading that outlook.

The cause for concern is the recent announcement that the Bureau of Reclamation and the Army Corps of Engineers intend to market water from the Missouri Main Stem Reservoirs throughout a nine-State area. This agreement, made between the Secretaries of the Army and the Interior without consulting the States and their agencies, means that my home State of South Dakota may not get enough water to satisfy its water needs. Frankly, that worries me very much and that is why I oppose this plan.

An excellent discussion of this problem was recently printed in a South Dakota newspaper, the Mitchell Daily Republic. Mr. President, I ask unanimous consent that this article together with a newsletter in which I discuss my objection to these developments, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MISSOURI RIVER FOR SALE

(By Loren Zingmark)

The Army Corps of Engineers in a March 24 news release announced that the Bureau of Reclamation and the Corps will be marketing the water from the six main-stem Missouri River reservoirs for energy development in the basin over the next two years.

With this announcement, we now have a situation where the Secretaries of Interior and Army are going to determine how the water in the Missouri River is going to be used and this action will entirely bypass the State and its agencies in marketing this water.

This announcement was expected, but its contents are shocking and disturbing to those concerned with the future use of this precious natural resource. The two Secretaries called this interim agreement the first step in the development of a uniform policy for marketing of water from the Missouri River Basin reservoirs—Fork Peck, Garrison, Oahe, Big Bend, Fort Randall and Gavins Point.

We are concerned that the federal agencies are making this move now without reaching any agreement with the States and their agencies. Senator George McGovern and James Abourezk have already voiced their opposition to the plan.

The agreement provides that the Secretary of Interior shall determine the amount of water available from the storage capacity which will not be needed for irrigation now or in the near future, and the Secretary of the Army shall determine how much of that water can be made available for industrial use.

Where does this place the future development of the Oahe Unit and other potential irrigation and water projects plus the possible use of this water for South Dakota cities and towns?

We wonder how such determinations can be made, again without any consultation with the states and their respective water marketing agencies.

Another provision of the announcement states that "to the extent that any proposed contracts would reduce power generation, there would have to be a joint determination that the proposed industrial uses should take precedence over hydroelectric power generation.

Here we must be concerned that the federal agencies may choose to give preference to industrial use of water over hydro power generation. Could such decisions reduce the amount of power available to preference power customers such as rural electric cooperatives, municipal electric systems and public agencies?

I have voiced these concerns and questions to Governor Richard Kneip and urged him to use every possible means to stop the giveaway of our Missouri River water. If action is not taken, the generations which follow us will see the waters of the Missouri River depleted for interests outside our State.

South Dakotans should know that since 1967 the Bureau of Reclamation has signed contracts for 593,000 acre feet of water from the Yellowtail Unit in Montana and Wyoming to such giant energy conglomerates as Kerr-McGee, Exxon, Shell Oil, Texaco, Gulf Oil, Phillips Petroleum and others. Its an impressive list of companies looking to the resources of the Upper Great Plains for future industrial development.

Another sneaky provision of the new agreement provides for a limit of two years on this water sales program, but contracts executed during this time will not be affected by its termination.

It's evident that this Administration is making every effort to accommodate the energy conglomerates and their plans.

South Dakota officials and our elected representatives must take action immediately to protect our citizens from the sellout of our water.

LETTER FROM WASHINGTON

(By Senator GEORGE McGOVERN)

The National Water Conference in Washington last week gave us an opportunity to review the status of our nation's water systems and to look ahead to the challenges of the future on water use.

It also provided a good chance for the South Dakota Congressional Delegation to meet with individual South Dakota Conservancy Sub-District Boards, state officials and other South Dakotans who were in Washington for these water conferences and seminars.

If there was one central fact that was underscored by these meetings it is something that we in South Dakota have known for many years—and that is that water is a very precious resource and must be wisely used.

That is one of the reasons that I continue to object to the Memorandum of Understanding that has been signed between the Secretaries of Army and Interior to "market" water from the Missouri Main Stem Reservoirs throughout a nine-state area. Under this proposal, South Dakota would, in effect, get 1/9th of the water rather than stand in the preferred position on water use that I believe has long been understood by the Congress in relation to Missouri River impoundments.

When the main stem dams on the Missouri were constructed, South Dakota was required to relinquish about 500,000 acres of productive farm land and wildlife habitat to provide water storage facilities for the volume of the impoundment. The principal benefits at that time for downstream interest were envisioned to be flood control and hydroelectric power. In addition, the release of water for power generation was expected, as it has, to stabilize Missouri River flows south of Sioux City, Iowa, to facilitate navigation. These purposes have all been achieved, but South Dakota is still in the position of having given up a good deal of land without fully realizing the potential benefit which it has been promised by the Congress and successive national Administrations.

Under construction now is the Oahe Irrigation Project, together with various other smaller irrigation projects for which the volume of water required has not yet been accurately determined. In addition, active consideration is being given to a pipeline in the northern part of Lake Oahe to provide a stabilized water supply for the counties Walworth, Edmunds and Brown; a pipeline running east from a point near Chamberlain, South Dakota, to our largest city, Sioux Falls, with water availability along its route; and a pipeline running west from the main stem reservoirs to provide water to that part of the state.

With these commitments either made or under consideration, it is not possible for the Secretaries of Army and Interior—or anyone else—to know with certainty what volume of water will be required to meet these South Dakota needs and, correspondingly, what water, if any, would be available to "market" to other states and/or industrial interests downstream. Given the situation, it would seem unlikely that any responsible organization in the public or private sector would contract for water—and the heavy facility investment that would be required—for a period of less than twenty years at a minimum.

At a time when the national policy is to increase our non-fossil fuel power generation capability in relation to the energy shortage, the "Memorandum of Understanding" indicates that the industrial marketing of water should "take precedence over hydro-electric power."

Other States, of course, are eager to have this water. But if this agreement is allowed to stand, South Dakota will come up short and there will not be enough water to go around.

I have called on the Secretary of Interior and the Secretary of the Army officials who signed the agreement—and on the President to not take any steps to implement that agreement until Congress has a full and fair opportunity to review it. Anything less would be a severe blow to the long-term water needs of South Dakota and other States who have given up productive land for water storage on the Missouri.

TRIBUTE BY SENATOR BOB DOLE TO A GREAT KANSAN, CHARLES WESLEY ROBERTS

Mr. DOLE. Mr. President, we in public life are fond of recalling an earlier day in American politics. As the myth goes, things were simpler then, less complex, even a short 20 years ago, than they are now.

That myth is largely that—a myth, the issues were just as large, the challenges as great, the needs of people as compelling. One thing that did make it truly different then, however, was the greater degree of popular confidence in public officials and public institutions than we presently enjoy.

That trust was not automatic. It was earned. On April 9 of this year, Mr. President, one of the men who worked through a long public career to earn it for himself and, by so doing, to help sustain it for the institutions he cherished and served—his State of Kansas, the press, the Republican Party, and his beloved country—passed away at the age of 72.

Charles Wesley Roberts, "Wes" to the legion who called him friend, was a man who proved in a forceful way that an American who determines to put his will and his intelligence and his own particular talents to work in the service of his community can effect change for the better, improvement, progress.

In his case, his community was variously, his hometown of Oskaloosa, Kan., his home State of Kansas, his country, and his political community of the Republican party which he served as precinct committeeman, as national chairman, and in many capacities in between.

Mr. President, if the times are confused today, it is perhaps because there are not enough men who can look at them with Wes Roberts' insight, dedication, patriotism, and integrity and see through the complexity to interpret to us the essential challenges we the people confront.

His longtime friend and colleague, McDill "Huck" Boyd of Phillipsburg, Kans., has given us a sense of Wes Roberts' charactor in the eulogy he delivered on April 12, which is a fitting tribute to one of Kansas' sons and an eloquent and instructive remembrance—I commend it to all of my colleagues—of a great American.

I ask unanimous consent that this eulogy be printed in the RECORD.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

A EULOGY IN MEMORY OF WES ROBERTS

(A Eulogy given by McDill Boyd,
April 12, 1975)

The true measure of any man is deeply rooted in family soil and the man we memorialize today has a background of family service which extends back to 1860—6 months before Kansas became a state when John Wesley Roberts founded the Oskaloosa Independent.

He gave the newspaper 40 years of service until he died in 1900 at the age of 76. Family lore placed John Wesley in front of a white picket fence in Ohio, waving an American flag for John C. Fremont, the first Republican presidential candidate, who rode by in a political parade. It was from this heritage; this Republican, free state, newspaper heritage that Charles Wesley Roberts began his career.

His father, Frank H. Roberts warmed up as a reporter and city editor on Major Huddleston's Topeka Daily Capital, then entered partnership with John Wesley, and gave the Independent 63 years of service before dying at the age of 94. John W. Roberts, eldest son in the next generation, continued the tradition until his retirement in 1958.

All of the "Roberts boys" distinguished themselves: John as a scholar and editor, Gene as an expert in the printing craft, and

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Frank, whose military career spanned being the hero of the Panay gunboat incident in which he directed the rescue of survivors of that Japanese attack prior to World War II, becoming a key aid to General Stillwell in China and serving as General McArthur's right arm in planning the Pacific campaign. Frank is now the lone surviving brother, a retired U.S. Army Major General in Claremont, California. In ill health, he is represented here today by his son, Army Lieutenant Frank N. Roberts, Jr.

Coming from a family with firm roots in the Methodist Church, Wes faithfully attended this very church in which these memorial services are being held today. As a boy, he took his turn at the hand organ on Sundays. He ran trap lines, fished and hunted the hills of Jefferson County. He enjoyed wonderful times with his high school chums, Frank and George Coleman, close friend Glenn Henry, Marvin and Marlin Jenkins and the late Don Huddleston.

His student days is Oskaloosa included quraterbacking the "Bears" football team and playing on the high school basketball team. Returning to Oskaloosa after college, he continued to referee Jefferson County football games. He had a love for young people and an interest in athletics that continued all of his life.

While at K-State, he majored in journalism and twice served as President of his social fraternity, Pi Kappa Alpha. He made ends meet by "stringing" for the hometown papers. Wes Roberts returned home from Kansas State College in 1926 to work as a newspaperman for the Independent, the Medridian Message and the McClouth Times for 10 years.

Wes Roberts and Ruth Patrick were hometown sweethearts. The Patricks were Presbyterians and Ruth's grandfather, A. G. Patrick, ran the Valley Falls newspaper while J. W. Roberts ran the Independent. When Ruth and Wes were married in 1929, folks in Jefferson county mused that "A.G. and J.W." would never have believed it.

Wes turned to politics with the instinct of a true politician—defined in the dictionary as a person "versed in the art and science of government". He truly made politics an art. He loved people—he knew how to work with people—he knew how to make government work for people. His political career spanned the distance from precinct committeeman to chairman of the Republican National Committee.

My acquaintance with Wes dates back to 1938 when I sat on a window sill at a meeting in the old Jayhawk Hotel. A persuasive young man sat at my side, urging me to come to Topeka to help out in the campaign. It was an unpaid assignment, but he sold me. I went. I worked at his side in one campaign after another, and in his close association, I gained one of the most loyal friends a man could have.

He was soft spoken. He was dedicated and hard working. He devised grass roots political procedures with the sure touch of a born tactician. In all of these campaigns, regardless of frustrations or the pressures of the moment, I never heard him raise his voice. He was cool under fire. He was considerate of others and more demanding of himself than with others with whom he worked.

The legal size, yellow scratchpads he filled with names, dates, times, schedules and events—the one hundred and one details of successful campaigning—became legend. He was a stickler for accuracy. His research was in depth. He insisted upon straight facts with careful verification. His speaker's handbooks were model texts—required reading for state and legislative candidates over more than a decade.

Neither retreat nor apology was ever necessary with Wes Roberts' sure hand at the pontical tiller.

After these first rousing campsigns, Wes, at the age of 40, joined the Marine Corps when World War II came along. He fudged about his age; and was assigned to a special program for intelligence officers. He went through two boot camps and saw action on Tinian, Guam, Iwo Jima and Okinawa. A commendation for his meritorious service on Ie Shima—the island where war correspondent Ernie Pyle was killed—read:

"During a period of several days without food and sleep and under the most adverse weather conditions, and under constant enemy attack, Captain Roberts set up, organized and carried out a successful program of Marine air support."

Wes wanted to be in the thick of the battle. He got his wish. Fifteen years later, his son Pat Roberts, was privileged to be part of an historic re-visit to that island. A Marine like his father, he will never forget the feeling he had when he stood on top of Mt. Suribachi and reflected how close his Dad came to losing his life there.

Wes Roberts turned again to politics when he returned to civilian life. He went through all of the political chairs. After the Democratic landslide of 1936, he took a handful of postage stamps, a rented room, started a column, "Under the Capitol Dome" and began to painstakingly rebuild a shattered Republican organization. He earned recognition—major credit—for laying the groundwork for successive Kansas Republican victories that lasted for almost two decades.

He was the architect of important programs of public service. His skilled hands helped guide the legislative recommendations of three governors, leading to teacher retirement, better highways, and improved mental health program, and the Kansas liquor laws which prevent the concentration of "big money" by the liquor interests. He incurred powerful enemies when—at his insistence—monopolies by brand name liquor wholesalers were denied under Kansas laws.

Through his efforts, tireless work and unique talents the people of Kansas have benefitted in countless ways from legislative recommendations he helped shape.

Wes had the dubious responsibility of being the secretary to Governor Payne Ratner during the years of the depression. Rolla Clymer, dean of the Kansas newspaper fraternity, put it this way in the Eldorado Times:

"We have seen Wes Roberts in the midst of Political battles in the hurly burly of the Governor's office—when 50 or more deserving patriots were trying to get the one job that was available; or some short grass legislator was insisting with 100 volt opinion, that the Governor must make a one man crusade for his bill. Wes was the lone, still, quiet voice.

"He was the bearer of balsam, the honey spreader, the apostle of peace, the thane of tranquility and the don of diplomacy. He listened. He was the stalwart at the switch, the Dutch boy at the dike and the lad on the burning deck whence all but him had fled. He healed the wounds. And, when Wes got through hearing the boys out and answered gentle in his soft accents, the vendettas and affrays went winging on the winds. Government worked again. There never was another like Wes to administer to the politically grieved and outraged and there may never be again."

After being Secretary to Governor Ratner, serving the Republican Party as state chairman and managing Senator Frank Carlson's successful 1950 campaign, Wes went to Washington to work for General Eisenhower for President. There is a picture in Life magazine in 1952 of the "High Command of the Ike Forces"; John Lodge, Tom Dewey, Herbert Brownell, Art Summerfield and Wes Roberts. The picture was taken at the "precise moment" Ike was being informed he should win on the first ballot.

The nose count had been completed with a thoroughness most could only envy. The strategy meeting had been carefully screened for intelligence reasons. Only those personally identified by people high in the Eisenhower command, had been permitted to enter the room. Wes Roberts stood—not Tom Dewey—not Herb Brownell—Wes Roberts stood and quietly said:

"Each person in this room will now stand, give his name and state before this meeting will proceed". After all of the security, the police at the door, the carefully guarded admission procedure, four men left the room.

That was the genius of Wes Roberts. No one was embarrassed. Neither did he leave anything to chance. His loyalty permitted no less than complete dedication to those whose cause he advanced.

His son Pat, was privileged to an inside view of the political process at work and learned first hand that his father was truly affecting the history of our nation with a leading role—if not the leading role—in the selection of a president.

Wes's brother John once described his interest in politics in the Oskaloosa Independent as follows: "It is his meat and drink, his hobby and passion and his recreation." It truly was.

In writing about him, Peter Edson of the New York Herald Tribune said:

"The great mystery of the Wes Roberts career, if there is a mystery, is how a politician with only a Kansas background could zoom to national prominence in only one year. He isn't colorful, he has a soft voice. He lets people impose on him all of the time. He listens. He is a good speech writer but not a good speaker.

"The answer to his success is that he believes in people. He applies grass roots precinct level Kansas politics to every campaign.

There is an axiom in politics and government. The first requisite of a statesman is to be elected. That is where Wes Roberts came in. Wes Roberts helped give men like Payne Ratner, Frank Carlson and Ed Arn in Kansas and Dwight Eisenhower in Washington, their chance to qualify as statesmen by playing the leadership role in their election to office.

In 1953, Wes Roberts was presented wth a huge silver tray with the signatures of President Eisenhower, Senator Bob Taft, Vice President Richard Nixon and 200 other outstanding figures in public office and within the Republican Party. The inscription in the center of the tray reads:

"To Wes Roberts, whose integrity of purpose, keenness of mind and instinctive kindness have endeared him to all of us who are grateful for his masterful and tireless contribution to the Republican Party and the country."

But, at this point, a political tragedy that would have completely destroyed a lesser man ended Wes Roberts' political career. Sixty nine days after he had been elected national chairman of the Republican party, he resigned when a Kansas legislative committee found that he had violated the spirit of a lobbying law.

After a most exhaustive and detailed investigation, no violation of law could be found, but trial by headline had created an implication which caused Wes Roberts to resign as national chairman with the statement:

"I am practical enough to realize that my usefulness as national chairman is at an end". President Eisenhower called the decision a wise one and expressed appreciation for his "valuable and tireless efforts both during the campaign and as chairman."

Despite this experience, Wes Roberts did not rail at his fate. When the attorney general of Kansas ruled that his activities did not consitute a violation of law, he did not challenge his detractors. He accepted his lot, without bitterness, and while his interest in politics continued undiminished, he went on quietly to build a business career.

He became associated with the New York bond house of Lehman Brothers and later with Goodbody and Company of New York. For a while, he was in charge of Lehman's entire highway bond division. His acumen in politics also applied to advice and counsel given to folks on Wall Street—although it did not make him a wealthy man.

Although, his activities in newspaper work, politics, in the military, took him away from his family countless hours and days and weeks, he provided them with love, affection, example and guidance. A compassionate man, an understanding man, he and his wife Ruth weathered some pretty tough times together, and she and her son, Pat and his family, and Wes's brother, Frank will cherish his memory.

Friends who loved him—and knew him so well—and felt so close to him—and admired his contributions to the success of those who so well served our state and nation—will miss him more than any of us can express.

With faith that the Lord will receive his bright spirit with the same compassion Wes Roberts showed to others on his journey into the hearts of us all, we say our last goodbye on earth.

THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS SUPPORTS S. 1121 RELATING TO THE CONCORDE SST

Mr. PROXMIRE. Mr. President, I recently received a letter from Mr. Walter A. Scheiber, executive director of the Metropolitan Washington Council of Governments, in support of S. 1121. This bill would prohibit any special considerations, relating to aircraft noise, for supersonic aircraft.

It is my firm belief that supersonic aircraft should be required to meet the same noise standards as our own subsonic planes. Evidently the Metropolitan Washington Council of Governments, which is the regional organization of the 16 major local governments in the Washington area, shares that belief.

I ask unanimous consent that the letter I received from Mr. Scheiber be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

METROPOLITAN WASHINGTON,
COUNCIL OF GOVERNMENTS,
Washington, D.C., April 29, 1975.

Hon. WILLIAM PROXMIRE,
U.S. Senator,
Dirksen Building, Washington, D.C.

DEAR SENATOR PROXMIRE: The Metropolitan Washington Council of Governments' staff has reviewed Senate Bill S. 1121 and your testimony before the Federal Aviation Administration Public Hearings on April 14, 1975, on the proposal for SST landings at Dulles International Airport. Your remarks and legislation are in complete accord with the position of the Council and most of the local governments in the Metropolitan Washington Area.

I am transmitting your letter and attachments to each of the local governments so that they will have the opportunity to know of your support of their position and to consider endorsement of S. 1121 during hearings. Of course, the Council also will be available to present its views on your bill.

In addition to the noise impact, you may also be interested in potential air pollution that would probably be generated by the SST. COG staff analysis of the EIS for the Use of the Concorde at Dulles International Airport indicates that it makes undocumented assumptions concerning the air pollutant emission characteristics of the SSTs. The EIS assumes that the draft EPA emission factors for SSTs will be met by the SSTs. However, no mention is made of demonstrated technology to reduce Concorde emissions by 60–80 percent from present levels. Nor is mention made of ongoing studies by manufacturers to attain these reductions.

A representative of the Concorde manufacturer indicated to the Council's staff that the Concorde could not meet EPA's draft emission regulations for SSTs. It was his understanding that FAA was assuming EPA would set less stringent standards, which could be met. If this is the case, two fundamental issues are then raised: one, is the draft EIS fair representation of the impact of the Concorde; and two, whether the SST should get emission standards more favorable than subsonic aircraft. These issues are of particular concern in the Washington Metropolitan Area. The plans to attain air quality standards included significant reductions in the emissions from our region's major airports—Dulles, National and Andrews—all controlled by the Federal Government. FAA has not yet acted to implement these plans.

If we can be of any assistance to you or your staff with S. 1121, or with a related bill, please call on us.

Sincerely yours,

WALTER A. SCHEIBER,
Executive Director.

THE STRENGTH OF THE U.S. NAVY

Mr. TAFT. Mr. President, I noted with interest the remarks of my distinguished colleague, Senator PROXMIRE, in the RECORD of May 1, relating to the Soviet Navy. The Senator from Wisconsin suggests that those of us who are concerned about the Soviet naval buildup are crying "wolf" and that we in effect create Soviet naval power by talking about it.

The Senator is, of course, correct that we must not overestimate the capability of our potential adversaries—any more than we must underestimate it. But I think the Senator from Wisconsin stretches the point when he suggests the Soviet Navy is somehow a creation of our own imagination. *Kara* class cruisers—the most powerful cruisers in the world—are not a product of a bit of overripe Wisconsin cheese eaten before bedtime, nor is the Soviet submarine fleet of over 300 submarines a vagary of an idle mind musing in a meadow. If the power of the Soviet fleet is an uncomfortable fact, it is, nonetheless, a fact.

Indeed, I think the charge of overexertion of the imagination may be more fairly laid to those who yield us the power to make or unmake navies by words alone. Were it only true, debates over naval budgets would be greatly simplified; expensive ships could be replaced by far more "cost-effective" Senatorial rhetoric. The Pentagon could follow the plan of Leon Trotsky; just issue some proclamations and shut up shop.

Regrettably, navies are still built of steel and steam, not hot air, and the thought that they can be created by our rhetoric remains a pleasant vanity. Mr. President, I ask unanimous consent to have printed in the RECORD at this time an editorial from one of Ohio's most distinguished newspapers, the Cleveland Plain Dealer, and an article from the San Diego Union.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Plain Dealer, Sept. 3, 1974]

U.S. NAVY STRENGTH IS QUESTIONED

In the recent words of two widely respected authorities, the U.S. Navy has serious problems. The problems are complex, so they should command close attention from the armed services and defense appropriations committees of Congress.

Adm. Hyman G. Rickover, who led the Navy to successful use of nuclear power, and Capt. John E. Moore, editor of Jane's Fighting Ships, agree that these are troubled times for America's first line of defense, but for different reasons.

Rickover complains that the Navy emphasizes training of managers instead of engineers for command of ships which more and more have come to require technical expertise for their proper maintenance and operation. He says the Navy should be organizationally restructed to give men with sound technical educations more control over how ships are designed and procured.

Rickover has been a longtime scold and gadfly to the Navy establishment. His latest criticism is likely to stir controversy within the officer corps, but unlikely to inspire change in hardened positions at the command level. It is for this reason, and for the reason that Rickover insists that "there has been no period in the past 50 years where the fleet has been in as poor condition as it is today," that congressional committee members should look into the matter of officer competence.

Moore's annual review of the state of the world navies also deserves examination by the lawmakers.

In his foreword to the 1974–75 edition of Jane's, the British expert said naval planners in the United States are having trouble getting adequate financing for the American fleet, which also suffers from "illogical and irrational attacks by some of those who depend on it the most."

Noting that the U.S. Navy "bears a desperately heavy burden" in the North Atlantic alliance where many other navies are either below their numerical commitments or oriented to national needs. Moore forecast that the American fleet would be heavily stretched if maritime trade routes were threatened.

This contrasts with Moore's estimate of the Russian naval situation. The Soviet fleet, he said, "leads the world in seaborne missile armament, both strategic and tactical, both ship- and submarine-launched. Their shore-based force is second to none, they have large mine warfare forces and considerable amphibious capability." The Russians, Moore concluded, "have proved themselves capable of continued and worldwide presence, with all the political value which comes from this."

The latter point was underscored in a report last week from the commander of the U.S. 6th Fleet in the Mediterranean. Vice Adm. Daniel J. Murphy said Greece's withdrawal from the North Atlantic Treaty Organization could have serious consequences for the Western alliance, especially with the ongoing buildup of Russia's navy in the Mediterranean. The Soviet buildup poses a threat to European security, Murphy warned.

President Ford shows awareness of military security problems. Already he has spoken out in favor of a controversial proposal for limited expansion of a U.S. Navy facility in the Indian Ocean where Russian fleet activity has been on the increase. This matter, plus the larger problems outlined by Adm. Rickover

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and the editor of Jane's, should be of similar lively concern to members of Congress.

[From the San Diego Union, Jan. 25, 1975]

Soviet Ship Buildup Dwarfs United States

(By L. Edgar Prina)

Washington.—The Soviet Union spent 50 per cent more than the United States on naval ship construction in the 1964–74 decade, according to a new Central Intelligence Agency estimate.

For the year 1974, the percentage was lower (33), reflecting increased outlays for the U.S. Navy program for new ships in the last two fiscal years as many obsolete World War II warships were scrapped. Congress appropriated $3 billion for naval ship construction and conversion in fiscal year 1975.

The percentages were based on what it would cost the United States to build the number and types of new ships that have joined the Soviet fleet during the 10-year period or are under construction.

Defense Secretary James R. Schlesinger disclosed hitherto secret CIA military cost estimates in a speech in New York Wednesday, but did not mention naval expenditures. Other Pentagon officials provided the data.

In his speech before the Economic Club, Schlesinger noted that the Soviet Union has been increasing its expenditures by 3 per cent to 5 per cent a year.

Buildup Goes On

"Whatever the appeal of a reduced military posture stemming from détente, so frequently preached in this country, Soviet military expenditures, in détente as before, continue to rise," he said.

"Today, according to the lastest CIA dollar projections, which I believe to be understated if anything, the Soviet Union is outspending the United States on defense by 20 percent—25 percent if pensions are dropped out."

(In the current fiscal year it is estimated that retired military pay will cost roughly $6 billion. Total military spending is projected to be $83.6 billion for the year ending next June 30.

"Calculated in U.S. prices, the U.S.S.R. now outspends us by 25 per cent in procurement, 20 per cent in overall research and development, 20 per cent in general purpose forces and 60 per cent in strategic nuclear offensive forces," Schlesinger said.

While Schlesinger has told reporters he is not happy that the U.S. Navy will dip below 500 ships in the active fleet during this fiscal year, a level lower than at any time since 1939, Navy Secretary J. William Middendorf III has been painting the picture in starker colors.

Significant Strategic Development

"It is the trend of expending Soviet Naval capabilities that I personally view as one of the most significant strategic developments since the atomic bomb," Middendorf said recently.

"Since 1962, they have outbuilt us in every category of ship except aircraft carriers. During the period 1962–1973, they added 271 major surface combatants and submarines as opposed to our 176 new ships," he said.

When all types of new naval ships are considered, the Soviet Union had a margin of 911 to 263 over the United States in the 1962–72 decade.

Middendorf said "some of our critics" say the numbers are meaningless because 420 of the 911 Soviet ships are "minor combatants" displacing less than 1,200 tons.

However, he said the new Soviet Nanuchka class missile patrol boat is equipped with a surface-to-surface rocket with an 1,100-pound warhead.

EXPORT-IMPORT BANK FINANCING PRENOTIFICATION

Mr. PROXMIRE. Mr. President, I call the attention of my colleagues to a communication I have received from the Chairman of the Export-Import Bank, William J. Casey, notifying me of a pending guarantee of private financing to P. T. International Nickel Indonesia—Inco Indonesia—a subsidiary of International Nickel Co. of Canada, Ltd. This is the third notice to be transmitted pursuant to section 2(b)(3) of the Export-Import Bank Act, as amended in the last Congress. That section requires prenotification to both Houses of Congress of any loan, financial guarantee, or combination thereof in an amount of $60 million or more at least 25 days of continuous session of Congress prior to the date of final approval. Upon the expiration of this period of time, the transaction may receive final approval by the Bank unless Congress takes action to prevent the same.

In this case, the Bank proposes to extend a guarantee of $35 million to unnamed private lenders to assist Inco Indonesia's purchase of U.S. equipment and services for a nickel project in Indonesia. The project consists of an open cut mine, processing facilities, and a hydroelectric power station. Previously, the Bank authorized a $35 million direct loan for the project, thus bringing total Eximbank exposure to $70 million. Eximbank loan and guaranteed funds will be repaid during the last 4 years of the total 10-year financing term.

Mr. President, I ask unanimous consent that Chairman Casey's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Export-Import Bank
of the United States,
Washington, D.C., April 23, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction:

A. *Description of Transaction*—

1. *Purpose*—

Eximbank is prepared to provide financing to assist P.T. International Nickel Indonesia (Inco Indonesia) in purchasing from the United States goods and services for the construction of a threefold expansion of Inco Indonesia's Soroako Nickel Project on the Indonesian island of Sulawesi.

The Soroako Nickel Project will consist of an open cut mine and three pyrometallurgical process mines which will produce 40,000 metric tons of nickel per annum beginning in 1979. A hydroelectric power station will also be built to reduce the impact of fuel oil costs on the Project. The total U.S. export value for the Project is $175,000,000.

On January 6, 1975, Eximbank authorized a direct credit in the amount of $35,000,000. The remaining $140,000,000 was to be raised from private sources without Eximbank's guarantee. After several months of effort, Inco Indonesia has found that all of the private financing except $35,000,000 can be raised without Eximbank's guarantee, but because of the large amount and the term of repayment required for the Project, Eximbank's guarantee of $35,000,000 is needed to complete the financial package. Eximbank recognized at the outset that some guarantee might be necessary and has concluded that the merits of the Project justify increasing its exposure. Accordingly, in addition to the $35,000,000 credit previously authorized, Eximbank is now prepared to guarantee loans by private lenders in the amount of $35,000,000 to assist Inco Indonesia in purchasing U.S. goods and servicea in connection with the expansion of the Project.

2. *Identity of the Parties*—

Inco Indonesia is owned by International Nickel Company of Canada, Ltd. (Inco) (75%) and the balance by Japanese shareholders. An agreement between Inco Indonesia and the Republic of Indonesia provides for Indonesian participation in the Project after start-up.

3. *Nature and Use of Goods and Services*—

Mining and metallurgical equipment and services including hydraulic excavators, bulldozers, road graders, dump trucks, drying and ore preparation plant, electric furnaces, and accessories, and construction supervision.

B. *Explanation of Eximbank Financing*—

1. *Reasons*—

The proposed extension of a $35,000,000 guarantee by Eximbank, in addition to the previously authorized $35,000,000 credit, will result in the export of $175,000,000 in U.S. goods and services. This will have not only a substantial immediate, but also a longer term favorable impact on the U.S. balance of payments, and provide employment for substantial numbers of U.S. workers at a time when business activity in the United States is still weak. Additional benefits from the transaction include sizeable follow-on export earnings from the sale of spare parts and development of this nickel deposit will contribute to the supply of this scarce metal and thus help stabilize the price.

In view of the magnitude of the transaction, the extent of the private financing available on a term to make the Project economically feasible, and the worldwide availability of mining equipment, Eximbank's loan and guarantee appear to be necessary to effectuate this sale for U.S. manufacturers.

No adverse impact upon the U.S. economy will be caused by the export of these goods and services. Due to current slowdowns and cancellations of previously planned orders by U.S. users, as well as foreign buyers, U.S. manufacturers particularly welcome the opportunity to export such goods and services at this time. Ample supplies will remain available for use in the United States.

Accordingly, Eximbank's participation in this major export implements the Congressional mandate to aid in financing and to facilitate U.S. exports.

2. *The Financing Plan*—

The total cost of U.S. goods and services to be purchased by Inco Indonesia is $175,000,000 for which Inco Indonesia will make a 10% cash down payment. The balance of the U.S. costs will be financed by Eximbank as follows:

	Amount	Percentage of U.S. costs
Cash payment	$17,500,000	10
Eximbank direct credit	35,000,000	20
Eximbank guarantee of private financing	35,000,000	20
Private financing	87,500,000	50
Total	175,000,000	100

(a) *Eximbank Charges*—

The Eximbank credit will bear interest at the rate of 8½% per annum payable semiannually. A commitment fee of ½ of 1% per annum will also be charged on the undisbursed portion of the Eximbank credit. The Eximbank guarantee fee will be 1½% per annum. A commitment fee of ⅛ of 1% will also be charged on the undisbursed portion of the Eximbank guarantee.

(b) *Repayment Terms*—

The total financing package will be repaid by Inco Indonesia in 20 semiannual installments, beginning January 10, 1979. Eximbank loan and guaranteed funds will be repaid *pari passu* out of the last eight installments.

A 10-year repayment term is offered for this Project in order to enable Inco Indonesia to generate sufficient revenues to service the indebtedness to Eximbank and the private financial institutions.

Sincerely,.

William J. Casey.

HOUSING AND COMMUNITY DEVELOPMENT FUNDS FOR SMALL CITIES IN SMSA'S

Mr. BENTSEN. Mr. President, hundreds of small cities across the Nation are unable to receive housing and community development funds this year, and probably for the next 2 fiscal years, because of an error in calculation on the part of Congress and the Department of Housing and Community Development. My office has received dozens of telephone calls and letters from irate mayors who were promised that their cities would be eligible to compete for funds set aside for them under the Housing and Community Development Act of 1974. I have been visited by the mayors and city managers and representatives of government organizations for small cities in Texas. These cities have spent thousands of dollars on planning and engineering studies for the preapplication stages for the community development grants in anticipation of HUD funding. After these expenditures were made, in some cities as much as $10,000, HUD announced that the SMSA discretionary fund reserved for small cities has been depleted. "How can we explain to our citizens that the money is completely gone?" they ask. These community leaders were encouraged by HUD to submit thoughtful and thorough applications at an early date because of the predicted intense competition for the funds.

I will describe how their unfortunate situation came about. The Housing and Community Act of 1974 establishes a priority list of areas for distribution of the $2.5 billion appropriation for implementation of the act for fiscal year 1975. Cities and counties located outside standard metropolitan statistical areas, designated as rural areas, automatically receive 20 percent of the appropriation. The remaining 80 percent will be allocated to metropolitan areas. First in priority are metropolitan cities of population 50,000 or more, and urban counties, defined as counties with a population of 200,000 or more outside the incorporated areas. These large cities and counties will receive grants according to a formula based on their populations and the extent of poverty and housing overcrowding.

Next on the priority list are ongoing community development projects within SMSA's. The metropolitan cities and urban counties with ongoing programs are entitled to hold-harmless grants calculated on the basis of the average amounts they have received for community development programs over the last 5 years.

After all the units of government that I have mentioned receive their allocation, HUD can turn to small cities and counties within SMSA's. I speak now of cities of population less than 50,000 and nonmetropolitan counties. The remaining funds are termed the SMSA discretionary balance. In Texas alone there are over 170 cities of this size who have expressed an interest in participating in the program. There are an estimated 30 more Texas cities who would have applied if the money had not run out.

When the first calculations were made to determine the amount of money that would be available, Congress anticipated that 10 to 12 countries would qualify for funding as urban counties. There are, of course, many more counties that met the population requirements set out in the act. However, only those few counties numbering less than a dozen were viewed as having the governmental powers to engage in the housing and community development activities required under the act. HUD now tells us that 75 counties will likely meet the statutory requirements to participate in the program. These counties will be establishing their eligibility through reinterpretation of State law, special agreements with incorporated areas within their boundaries, or special legislation quickly passed in their State legislatures granting the necessary governmental powers. In addition, the original calculations made by HUD had seriously under estimated the full hold-harmful amount due for many cities. Now that the correct figures are available, there is no money in the SMSA discretionary balance.

It was originally expected that the small cities, numbering 1,500 across the Nation, would compete for an estimated $40 million. This represents only 10 percent of the expressed need. Originally the urban counties were expected to receive $3 million. If all 75 urban counties are approved they will receive about $60 million. The Housing and Community Development Act of 1975 specifies that if urban counties qualify they will be funded first. The inescapable fact is that no money at all will be available for small cities within SMSA's.

It cannot be emphasized too strongly that no one intended this to happen. The first section of the 1974 Housing Act recognizes the critical social, economic, and environmental problems caused by inadequate housing and community facilities and services in smaller urban communities. We now face the certainty that these communities will have no funds for this year, and HUD tells us they will probably receive no funds for the next 2 years. The Congress has the responsibility to meet the housing and community development needs of these small cities. We cannot sit by and simply ignore our mistake. Many of these communities have invested thousands of dollars for a chance to compete for a share in the promised $40 million discretionary balance. They have never expected full funding levels for projects in every one of the 1,500 cities. These cities were requesting a total of about $500 million with the knowledge that less than 10 percent of that amount would likely have been available.

I urge the Committee on Banking, Housing and Urban Affairs to begin immediate consideration of alternatives to assure funds for cities of 50,000 and less. The President has requested an additional $200 million in appropriations to meet the Nation's housing needs. Of that amount $55 million has been earmarked for the small cities that have been left out of the 1974 Housing and Community Development Act. These funds are desperately needed across the country. It is my hope that we in the Congress can find a way to provide this assistance without putting an added burden on the national budget.

I urge the committee to reevaluate the distribution formula provided in the act. It may be necessary to reduce by a small percentage the amounts now available to metropolitan cities and counties or gradually to reduce over a period of years the total funding levels for all of the eligible areas. One alternative is to provide earmarked funds for the small communities in an absolute amount or in the form of a percentage of the total allocation, in the same manner as rural areas are provided for. More important than the means we choose to deliver the aid is the necessity that funds be provided with speed and assurance.

I am certain that my colleagues in the Senate have also received numerous complaints from disappointed community leaders similar to those that I hear from Texas. I am hopeful that the Congress will move with all deliberate speed to correct this serious error in the 1974 Housing Act.

THE B–1—"BOOM AND BUST"

Mr. McGOVERN. Mr. President, Environmental Action, the publication of Environmental Action, Inc., has printed in its April 26 issue an exceptionally comprehensive article on the environmental consequences of the proposed B–1 bomber.

The authors of this analysis, Jim Conray and Paul d'Eustachio, have provided an especially useful response to generalized Air Force assurances on the B–1. They note that:

> In practically every section of its environmental impact statement, the Air Force cites insufficient research data as reason for the absence of hard facts and figures concerning the B–1's ultimate role in the deterioration of environmental quality . . . the Air Force betrays a rather reckless inclination to leap before looking.

Because its operating characteristics would be similar, the B–1 raises many of the same environmental questions we considered in connection with the SST—except that it is worse. The sonic boom, for example, would be the loudest we have ever experienced. Therefore, we should insist on the strongest possible military justification, a justification I believe is lacking, before we embark on a program which would guarantee serious environmental harm as a national routine.

The authors of this article point out that environmental science is relatively young; therefore, we really do not know how much more the balance of stratospheric elements can withstand. And they conclude:

> The Air Force is willing to gamble that the B–1 won't tip the scales toward catastrophe. The stakes are too high and the potential returns are far too low for the American people to back up that bet.

Mr. President, I believe the study to which I have referred, entitled "Boom and Bust," deserves the attention of my colleagues in the Senate. Therefore, I ask unanimous consent that it be printed in the Record.

There being no objection, the study was ordered to be printed in the Record, as follows:

[From Environmental Action, Apr. 26, 1975]

Boom and Bust

(By Jim Conroy and Paul d'Eustachio)

Like a football coach recruiting new prospects, the Air Force's program manager for a controversial new long-range supersonic bomber has argued that the deployment of the B–1 is important to the U.S. if we are to "come out on top" in a nuclear war with the Soviet Union. He is talking about 244 of the aircraft, each of them costing the American taxpayer about $84 million. He is talking about an investment the federal government has already made to build the B–1 prototype and to begin production of two others. He is talking about cost overruns and inflation to a penny-pinched Congress. And he is talking about U.S. defense installations aimed at guaranteeing America's "victory" in the next world war.

In an age of awesome nuclear arsenals on both sides of the field (the U.S. has stockpiled some 8000 H-bombs over the years) the suggestion that nuclear war combatants will be sorted out as winners and losers after the rubble settles is something of an anachronism. It is also a frightening insight into the notion that more bombs equal more security.

As one senator phrased it, no matter how sophisticated a new bomber might be, "even if it could stand on its tail at the top of the Washington Monument," it would still be a weapon in search of a rationale.

What will we be getting in return for a fleet of 244 jets that can carry up to 75,000 pounds of bombs each internally plus 40,000 pounds on external wing racks? Aside from a slew of outmoded B–52s (which can carry only 31,000 and 20,000 pounds respectively), we will be inviting havoc in the form of a noisy, fuel consuming, nuclear-accident prone, sonic booming, resource depleting ecological aberration.

In its environmental impact statement on the B–1, the Air Force devoted three sentences to the problems which might arise from the crash of one of the big bombers: "The possibility of a B–1 crash represents a possible environmental impact which is difficult to forecast. The greatest impact from a crash would result from fuel spillage. A B–1 on a training mission will take off with approximately 18,100 gallons of fuel." While jet fuel dumped on land or water would clearly present a significant problem, the Air Force doesn't even mention a far more sobering prospect. The crash of a B–1 armed with nuclear weapons or the accidental ejection of such weapons are also possibilities.

In fact, the B–1 presents a greater than average risk of accidents involving nuclear weapons. Most such accidents have occurred in long-range bombers. And the new bomber will be capable of carrying more weapons than any existing aircraft increasing the impact of a possible accident. Nuclear bombs are equipped with safety mechanisms which sharply reduce the possibility of accidental detonation. No one can guarantee, however, that those mechanisms are infallible. The nearest miss occurred when a B–52 bomber jettisoned a 24-megaton bomb (the equivalent of 24 million tons of TNT) over a farm in North Carolina in January 1961. The bomb was fitted with six interlocking safety devices, all of which had to be triggered in sequence to explode the bomb. On examining the castaway bomb, experts discovered that five of the six devices were released in the fall.

It must be said that the accidental explosion of a nuclear bomb is a remote possibility. It is much more likely that bombs will be released accidentally and that a ruptured casing will allow highly toxic radioactive materials to escape. That has already happened, several times, with other bomber accidents. And as long as we continue to build large fleets of bombers we increase the odds of a tragic miscalculation.

The B-1s fuel consumption projections are astounding. At a time when the increasing scarcity of fossil fuels is painfully apparent, the same Administration which has called on all Americans to lower thermostats and conserve gasoline is planning to produce 244 new bombers which will consume billions of gallons of jet fuel as an unnecessary venture to frighten off potential enemies.

Exact fuel requirements for the bomber are classified and therefore unavailable to the public. The Air Force does claim that for a training mission the B-1 will carry about 18,000 gallons of fuel. Dividing that figure by the number of flying hours scheduled for training missions, and allowing for a safety reserve of unburned fuel, the B-1 will consume some 2,000 gallons of fuel each hour. The Air Force estimates that a fleet of B-1s will consume about 300 million gallons of jet fuel in one year's time. But an Environmental Protection Agency engineer who has asked to remain anonymous has come up with a different calculation, estimating that the B-1 will burn more than 6,500 gallons per hour. If his approximation is closer to the mark, a fleet of B-1s, each plane flying 74 missions (as the Air Force indicates) would consume more than one billion gallons of jet fuel in one year. That would come to 25 to 30 billion gallons of fuel in the B-1s, 25- to 30-year life span.

Even if we accept the low estimate derived from Air Force data, the B-1 would burn away roughly 14 million gallons of fuel in development and testing, and over seven billion gallons in a 25-year period of operations. How much productive work does a billion gallons represent? To put it in perspective, all U.S. urban busses combined used 450 million gallons in 1974. All urban mass transit used 615 million gallons; all railroads used four billion gallons of fuel in 1974. In effect, then, doing away with the B-1 could present urban commuters and much of our freight traffic with a free ride for years to come.

Petroleum is only one of the energy commodities in critically short supply. The B–1 would also devour a couple of billion kilowatt hours of electrical power in the refinement and production of the materials required for the building of the aircraft itself. Aside from the energy required to smelt and manufacture its other components (a relatively minor factor) an astonishing amount of energy is used up in the production of each B–1s 27,000 pounds of titanium and 54,000 pounds of aluminum (6.1 million pounds and 13.2 million pounds respectively for the entire fleet). Both metals are in short supply and titanium—a metal valued for its strength and light weight—is a particularly scarce resource. Production processes for both are highly energy intensive: It takes eight kilowatt hours of electricity to refine one pound of aluminum. Aluminum refinement for the entire B–1 fleet would consume 480 million kilowatt hours. The refining process for a pound of titanium requires 20 kilowatt hours, or 1.6 *billion* kilowatt hours for the planned B–1 fleet. Operating 24 hours a day, it would take the average coal or oil-fired electric power plant almost five months to produce the energy required for refinement of the B–1 fleet's aluminum and titanium.

The Air Force describes the impact of the sonic boom as "unavoidable" for testing and operating a fleet of B–1 bombers. For want of a better word, laymen most often describe its impact as "intolerable." The B–1, like all supersonic aircraft, will produce a sonic boom when flying faster than the speed of sound, thrusting against air masses with such sudden force that a wall of highly compressed air falls back on the undisturbed area behind it. The shock of collision produces an explosive bang, heard at any given point below as a single deafening clap but extending continuously like the wake behind a speedboat. Along with its abrupt, explosive sound, the shock-wave produces a sharp increase in air pressure, or "over-pressure," which is measured in pounds of pressure per square foot of air. As an arbitrary point of reference, normal air pressure at sea level is set at zero. Under typical conditions, the B–1s shock wave will produce a sudden change in overpressure amounting to 2.1 pounds per square foot, enough to rattle windows, shatter glass, and dislodge aging masonry.

Sonic boom aside, it should be understood that the B–1 will be a consistent noisemaker even when flying at subsonic speeds. The Federal Aviation Administration (FAA) makes no pretense about the unacceptability of the noise standards which it has established for civilian aircraft. An extraction from the official pronouncement of those standards, Federal Aviation Regulation 36 (FAR 36), makes the point: "No determination is made, under this part, that these noise levels are, or should be acceptable for operation at, or out of, an airport." "FAR 36," then, is a very lenient and half-hearted attempt to keep the commercial airlines within the bounds of social acceptability. Nevertheless, military aircraft are not required to abide even by these token restrictions.

Although the Air Force insists that "unaugmented" takeoff and landing by the B–1 will not produce noise levels in excess of commercial aircraft standards, the fact of the matter is the augmented takeoff for the B–1 is standard operating procedure. This extra acceleration takeoff is intrinsic to the B–1 design, and it exceeds the standards by a significant margin. Furthermore, unlike the B–52 bomber, the B–1 will be capable of operating from conventional airfields, a factor which will place the plane in a greater number of Air Force bases throughout the country, exposing more people both to boom and to the less dramatic but nonetheless service impact of conventional engine noise.

While the Air Force states that the B–1 will be quieter than the B–52 it is designed to replace, and quieter than some other military aircraft, the data presented in the environmental impact statement demonstrate that at the crucial point of takeoff, the B–1 will be noisier in standard augmented flight than the latest model B–52. It is also interesting to note that the B–1 is 28.5 percent louder than the Concorde, the commercial Anglo-French SST the FAA

wants to bring into Washington, DC. and New York and local residents would like to keep out (*EA*, April 12).

Severe as the everyday noise of B–1 would be, nothing compares to the clap of a shattering sonic boom. In a sentence from the impact statement demonstrating the tone of the entire document the Air Force suggests that, "until research can prove otherwise, it is prudent to assume that long-term noise and boom exposure *might possibly be harmful* to human health and well-being" (emphasis added). It is indeed generous of the Air Force to assume that exposure to a blast which has been likened by one victim to the sound of "a V–2 rocket exploding on the next block" just might be harmful to human well-being.

Needless to say, the noise is extremely irritating at best. At worst, it can be quite dangerous. In the words of one study, drivers or "persons in precarious positions (e.g. working on a ladder) or involved in delicate manipulations (such as surgical operations) cannot fail to be at risk." As might be expected, sound sleep is a very common casualty of the sonic boom. Researchers have indicated that rapid-eye movement sleep (dream sleep) is the sort most likely to be disturbed. It is widely known that deprivation of this type of sleep can lead to psychological problems.

Although three people were killed when a house collapsed after a sonic boom in France, and two French well-diggers were buried alive under similar circumstances, instances of direct physical injury are rare. But extremely unpleasant emotional and psychological experiences are typical, especially among the very young and the very old. Where supersonic tests have occurred, reports of terrified children and dangerous effects on the elderly and the sick are routine. In 1969, former President Nixon appointed an ad hoc committee to review the SST program. That committee concluded that "the effects of sonic boom are such as to be considered intolerable by a high percentage of the people affected."

If a B–1 fleet does get off the ground, the government should be prepared to shell out a sizable sum in property damage compensation. In 1964, when the Air Force tested the boom effect over Oklahoma City, five thousand people claimed damages. The government paid over $200,000 in compensation. Altogether, despite relatively few test flights, at least a half-million dollars has been awarded for damages incurred by sonic booming aircraft throughout the world.

While it is clearly difficult to estimate just how many people will be affected by the B–1s sonic boom, we do know that the plane will fly supersonically over populated areas during testing and training exercises. We don't know at this time how many alerts will involve B–1 flights, but this must be taken into consideration as well. The Air Force says that the B–1 will inflict about five booms per month in an area of 14,400 square miles while performing training missions from a main operating base.

Whatever the long-term effects may be, people who now live in areas below the B–1s proposed test flight path are assured of exposure to frequent sonic booms. The proposed path covers dozens of western towns and cities. If the B–1 becomes a local fixture, former gold-rush crossroads will be "boom towns" once again and the citizens of now-defunct Quitus, Idaho might well consider reincorporating with a more appropriate name.

Nowhere is the earth's natural balance more precarious and the consequences of disturbance more sobering than in the delicate mix of atmospheric gases which shield the planet from deadly solar-generated ultraviolet radiation. Ozone is the gas which screens out radiation. It occurs in minute quantities in the lower atmosphere and in greater concentrations in the upper atmospheric zone known as the stratosphere, screening out 97 to 99 percent of all ultraviolet radiation.

The role of the B–1 in all this might well be a critical one. Each bomber is scheduled for three hours of supersonic flight in the stratosphere each year. In its environmental impact statement, the Air Force makes an omission which can most charitably be described as misleading. They do not mention the fact that each plane will also fly five-and-a-half hours in the stratosphere non-supersonically during every seven-hour training mission. Since the Air Force plans 74 such missions per year for each of the 244 planes in the B–1 fleet, a total of over 99,000 hours of B–1 flight will be logged in the stratosphere each year. That means that many millions of tons of pollutants will be released in the ozone layer where they will remain for a number of years. One such pollutant, nitrogen oxide (NO_x) destroys ozone. We can calculate, eliminating distortions in the Air Force estimates, that B–1s NO_x pollutant may cause a full four percent depletion of ozone globally.

The resulting increase in the amount of ultraviolet radiation reaching the earth could have disasterous consequences. Although humans and most plant and animal organisms have developed repair mechanisms to counteract ultraviolet damage, many living things are thought to have already reached the limit of safe exposure. It is unlikely that life on earth would be capable of adjusting to a sharp increase in ultraviolet radiation in the very short period of time we are talking about when we talk about a large fleet of B–1 bombers. Phytoplankton, for instance, seem to be severely affected by ultraviolet rays. The importance of these tiny marine plants to the aquatic food chain is roughly equivalent to the role of green plants in land-based environments. Destruction of phytoplankton resulting from increased doses of radiation could produce a critical disruption not just of plant and animal life but the human food chain as well.

More directly, man is threatened by the unhappy prospect of major increases in incidents of health hazards. Significantly higher radiation exposure levels can lead to ill effects ranging from sunburn to blood pressure disorders to at least two different types of skin cancer.

In practically every section of its environmental impact statement, the Air Force cites insufficient research data as reason for the absence of hard facts and figures concerning the B–1s ultimate role in the deterioration of environmental quality. The pattern holds in the section on stratospheric pollution: "Although the introduction of pollutants into the stratosphere represents a potentially severe environmental problem, there is not enough data to support various theories." In this and other passages, the Air Force betrays a rather reckless inclination to leap before looking.

Environmental science is a relatively young discipline. We don't know as much as we should nor as much as we must before taking action which clearly represents a potential hazard to the very existence of life on this planet, let alone the quality of life. We do know that the balance of stratospheric elements which shield us from disaster is a very delicate one and that it has already been perilously eroded by existing supersonic aircraft, spray can propellants, and other man-made intrusions. We don't know how much more it can withstand. The Air Force is willing to gamble that the B–1 won't tip the scales irreparably toward catastrophy. The stakes are too high and the potential returns far too low for the American people to back up that bet.

What To Do

Sen. George McGovern (D-S.D.) has introduced an amendment to the military procurement bill which deletes funds for further development and production of the B–1 bomber. A similar proposal is expected from Rep. Les Aspin (D-Wisc.). Write to your senators and representatives urging them to support these amendments.

CUTTING COSTS BY SAVING FUEL

Mr. HATHAWAY. Mr. President, the energy-related problems of our economy are still a vital topic of concern and debate here in this chamber and in the corporate offices and private homes of all Americans. There are no simple solutions to our problems, and it is to our benefit to continue to press for savings in fuel wherever and whenever possible. The U.S. Chamber of Commerce has published a story in its magazine Nation's Business, which demonstrates that there is more than mere conversation on our energy problem. Many companies are establishing cost and fuel cutting policies which have resulted in substantial savings. I applaud this action by our business community to this national problem, and wish to share this article with my colleagues.

I ask unanimous consent that the article from Nation's Business be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cutting Costs by Saving Fuel

Notice a difference, as you wing your way on a swift, commercial jet?

Well, there is one.

Chances are, you're zinging through the sky at Mach .80. Until recently, you were whistling along at Mach .82.

So what, you might ask, are a couple of measly percentage points?

The answer is, a heck of a lot of fuel.

For a 747, on a four-hour flight, that 15-mile-an-hour cutback in speed saves more than 500 gallons of jet fuel. Yet the passenger steps off the plane, at his destination, only 16 minutes later than he would if he were flown at Mach .82.

All airlines are now fuel misers.

Last year, the Air Transport Association of America says, U.S. scheduled airlines carried 208 million passengers. That's six million more than the year before.

But the airlines used only 9.6 billion gallons of jet fuel. That's a billion less than the 10.7 billion they burned in 1973.

How did they do it?

By espousing the philosophy voiced by Albert V. Casey, chairman and president, American Airlines, Inc. He says his firm will try to limit its fuel consumption to 85 per cent of what it used three years ago.

American and other airlines have done more than ease back a bit on the throttle. They've found a flock of ways to squeeze out more miles per gallon. For example:

Changing the rate of climb and descent.

Taxiing on two engines, not four.

Using computerized flight planning more effectively.

Making greater use to fuel-efficient aircraft.

Trimming the fat off schedules.

Simulating training flights on the ground—rather than the real thing aloft.

Says Capt. Howard G. Mayes, vice president, flight technical services, United Airlines:

"We're using flight simulators for all proficiency checks. The FAA requires them, every six months, for an airline captain. He has to take off, cut one engine, go up to 12,000 feet, and make steep turns and instrument approaches. All kinds of maneuvers.

"At one time, this was all done in the airplane. Now it's done on the ground in a simulator—a very sophisticated machine whose remote ancestor was the World War II Link trainer. A proficiency check in a real DC–10 would take about an hour and a half—and use up about 5,000 gallons of fuel."

Soaring oil prices, in the fall of 1973, provided a strong incentive for conserving energy.

Then, in the fall of 1974, President Ford called on business to help whip inflation now. One way, he suggested, is to cut consumption of costly imported petroleum. He also wants to make America less dependent on it.

FINE-TUNING AT REFINERIES

In the United States, about one third of all energy is consumed by business, the National Petroleum Council estimates. Refiners, it adds, are among the heaviest users. Therefore, their industry has one of the greatest potentials for savings.

Exxon Co. U.S.A., like other American oil companies, has a far-reaching program in operation.

"We're going after total savings of more than six million barrels a year," says Robert I. Taylor, coordinator for energy-savings programs in the company's refinery department.

"That means our goal, by the end of this year is to use 15 per cent less than we used in 1973.

"We've already cut it 10 per cent."

How?

By insulating equipment to reduce heat loss, using smaller, more efficient pumps and compressors, and do-it-yourself power generation—employing high-pressure flue gas to drive turbines.

Exxon's target, six million barrels, is enough to heat homes in a city of 600,000 people for a full year.

"There have been some tremendous cutbacks in the last 18 months," a Petroleum Council spokesman says, "just through better energy management. Cost is a big factor. When energy is cheap, it goes up the chimney."

It doesn't just go up the chimney at a Safeway store in St. George, Utah.

HEAT FROM COOLING

"We have a lot of refrigeration equipment—walk-in boxes for bulk storage, and 1,500 feet of linear display space for items like ice cream, dairy products and produce," says manager Robert Ward.

"That's a lot of refrigeration. And it gives off a lot on heat.

"We're taking air that's warmed up by the condensers in our refrigeration equipment, and using it to help heat the store.

"It used to be blown out of the store by an exhaust fan. Now it's blown into the hot-air ducts.

"As a result, our cost of heating this store is about the same as it was for an old one we were in before. Yet, we have 18,000 square feet of space here, and had only 9,000 in the old."

St. George, pop. 7,097, is doing a lot of things to use fuel more efficiently, says A. I. Elmer, executive secretary of its Chamber of Commerce.

The town, 80 miles from the Mojave Desert on the throughway to Las Vegas, is grassroots America.

But the same personal concern to waste less and manage better is found in board rooms and back rooms in communities of all sizes.

Giant Food, Inc., an East Coast chain with 105 supermarkets, has a "waste watchers" committee.

At its stores now, the lights are a little dimmer in the canopy over the entrance, and inside. Where there once were three or four fluorescent bulbs, there now are two.

In Giant's produce warehouse, the lights are switched off from 11 p.m. Friday until Sunday morning. Same for its meat warehouse. In its grocery warehouse, the blackout's daily—from 10 p.m. to 4 a.m.

The company used 242 million kilowatt hours of electricity in 1973. Last year, it used 204 million. California's Bank of America has appointed 1,000 "energy czars"—one to each of its community offices, as it calls its individual banking facilities—to save on juice.

"They've done a lot of things," a bank spokesman says.

"Like cutting down interior lighting 50 per cent. And doing away, where possible, with outside lighting—not, of course, where it's for security reasons. The czars also have seen to it that thermostats are set at 68. In summer, the air-conditioners are set to kick on at 75."

The bank's goal in 1974 was pruning electrical consumption by about 25 million kilowatt hours.

"But we went way over our target," the spokesman says. "We actually got by with 58 million fewer kilowatt hours than in 1973."

How much is that?

Enough to provide electricity for 19,400 homes for a year, the bank estimates.

A DIFFERENT ROAD

Some businessmen have saved fuel not by cutting back on its use but by finding substitutes for it.

"That was our approach," says a member of the National Asphalt Pavement Association.

"Most of us are producers as well as paving contractors. We make hotmix asphalt and put it down on roads, parking lots, airports—places like that.

"We used to cut it back with kerosene or diesel fuel—petroleum-based thinners. Now we use chemical thinners, which are less costly than today's high-priced fuel.

"Same way with truck beds. We used to spray diesel fuel on them to keep the asphalt from sticking. Now we use little or none. We've switched to a chemical agent that does the same thing."

Saving: About $1.9 million worth of fuel.

That means conservation of petroleum, of course. But it also helps curb inflation by cutting costs.

And cost-cutting is more than a short-term commitment, or a recent goal, for most firms. In a competitive, free enterprise system, it's often a matter of survival—for a country, as well as a company.

TRIBUTE TO HAROLD M. WILLCOX

Mr. BROOKE. Mr. President, Harold M. Willcox of Hamilton, Mass., a friend, died Monday, April 20, at the age of 50.

When I served as the Attorney General of the Commonwealth of Massachusetts, I was privileged to work with Harold Willcox, who was then the Chief Counsel of the Massachusetts Crime Commission. Harold served with professional excellence, fairness and distinction and Massachusetts is grateful for his outstanding service.

At the time of his death, Harold Willcox was Town Counsel for the Town of Hamilton and I think that an editorial which appeared in the Hamilton-Wenham Chronicle on April 23, "What a Man He Was" has truly caught Harold Willcox, "the man."

To his dear and devoted wife, Mary Louise, his sons and daughters, Keating, Katherine, William, Thomas, Mary and Douglas, to his wonderful mother, Mrs. Mary Geary, and sister, Mary Knapp, and to the Town of Hamilton, my former associates in the Attorney General's office and I extend our deepest sympathy.

Mr. President, I ask unanimous consent that the editorial from the Hamilton-Wenham Chronicle be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT A MAN HE WAS . . .

Harold Willcox, what a wonderful, complex towering man of sadness and joy, of light and dark.

He didn't know in-betweens.

When he was up, he was like a ray of sunshine—witty, sharp, chuckling, and always profoundly concerned. And when he was down? Well, he was down.

But his commitment to what he believed in never wavered. His passion for public service, for instance.

When he took the job of chief counsel for the Crime Commission, he knew what his losses would be—the interruption of a blossoming law career, the sharp reduction in earnings, the endless hours and strain of a spotlighted political job, the threat to his personal safety which was inevitable. But Willcox believed the job needed doing.

And his years of patient, steady, reliable and attentive work as town counsel, both in Ipswich and more recently in Hamilton. No big-town Boston lawyer needed that aggravation and hassle. The small problems of a small community are, after all, just as demanding and time consuming—but far less rewarding—as the big problems of a city or state. But Willcox honored and respected the process of democratic government and cared enormously that he be part of it.

And aside from the Crime Commission, he made important law for towns and people in his towns. He defended Ipswich's Kitty Robertson against a libel suit which threatened to cut off her strong and independent radio comment on public affairs. He won the first school committee suit in the state to fire a tenured teacher—a right which gives strength to elected officials, and balance to a civic system.

His wife said this week, "Harold was such a large man." How right she was.

INTERNATIONAL PETROLEUM PRICES

Mr. PHILIP A. HART. Mr. President, several days ago, Senator CHURCH and I introduced a bill that attempts to deal with the problem of international petroleum prices. Since the approach embodied in this bill represents a fundamental departure from the administration's energy program, I think it is useful to contrast it with that program.

Unfortunately, the assumptions underlying the administration's program have not been given the attention they deserve. They are:

First. There is nothing we can do to lower significantly the international price of oil.

Second. Both our economic security and national defense requires that we become domestically self-sufficient in energy.

Third. The cost of economic self-sufficiency is worth the price.

The administration rolls these three assumptions together into a kind of logical billiard ball, with no handles, no holes—perfectly circular. It appears totally consistent and perfectly sane. It is only when cracked open and the pieces are examined that a certain inconsistency becomes apparent.

Why is there little we can do to lower international oil prices? Because, at least according to Secretary of State Kissinger, if international prices came down too far foreign oil would become too cheap and all of the businessmen who invested in expensive energy sources in order to make us self-sufficient would go broke. And, of course, we must become self-sufficient at all cost. Why? Because a foreign cartel has raised international prices too high and is endangering our economic survival.

It is the first of these pieces that our bill challenges. We believe that there is something that can be done about international prices. It was no accident that Senator CHURCH and I arrived at this conclusion together. Each of us has spent a great deal of time studying the problem of petroleum cartels.

The OPEC cartel is somewhat different from the usual cartel in that it is composed of sovereign states. This gives it the obvious advantage of being able to avoid the legal complications that usually follow the organization of a cartel in most industrialized nations. Too much can be made of this advantage, however. All it means is that there is no legal mechanism through which it can be challenged. But likewise, it has no legal mechanism to enforce its own agreements. OPEC is nothing more than a very limited alliance of sovereign states. Its agreements are no stronger than the trust each member has for the others. This, of course, is the greatest problem for any cartel.

The economic stresses on any cartel agreement have been quite succinctly described by the distinguished economist Frederick M. Scherer:

> Two problems underlie the tendency for informal price-fixing and output-restricting agreements to break down. First, the parties to the conspiracy may have divergent ideas about appropriate price levels and market shares, making it difficult to reach an understanding which all will respect. Second, when the group agrees to fix and abide by a price approaching monopoly levels, strong incentives are created for individual members to cheat—that is, to increase their profits by undercutting the fixed price slightly, gaining additional orders, at a price which still exceeds marginal cost. These two problems often interact, for parties dissatisfied with the original agreement may be especially prone to cheat in its subsequent execution.
>
> Some of the richest insights have been provided by Bjarke Fog from interviews with company officials involved in six price-fixing agreements legal under the Danish laws. Fog found that agreements were not easily reached; that negotiations were characterized by "reciprocal suspicion and distrust" concerning others' prices and motives; and that in two cases negotiations broke down completely even though agreement would have been to the mutual benefit of all industry members.

In addition to these usual economic problems, the OPEC cartel has two difficulties of its own. The first results from the social, political, and economic diversity of its members. It is simply easier for some members to shut in a large part of their producing capacity for the benefit of all than it is for others. This is particularly true when, as now, the members are not showing equally the burden of the cutbacks.

This brings us to OPEC's second difficulty, which is its inability to work out a formula for apportioning production cutbacks among its members. It is at this point that the cartel hinges on the major international companies. These companies can be used by the cartel to do what it cannot do for itself, that is apportion production among the member countries. There is a higher degree of interdependence, or stronger community of interest, among the international firms than among the member countries. The elaborate interconnections between these firms in the major joint ventures virtually precludes the accidental outbreak of competition. As Sheik Yamani, the Saudi petroleum minister, has repeatedly said, without the international companies between the producing countries and the consuming nations, OPEC would be unable to hold the competitive forces in check and would quickly be destroyed.

The bill—S. 1430—proposed by Senator CHURCH and myself, is directed at these two basic weaknesses of the cartel. By requiring that all petroleum imported into the United States be sold to the Government on the basis of sealed bids, collusion both between the producing countries and between the international firms becomes far more difficult. The American consumer stands a considerable chance of being able to get his foreign petroleum at substantially lower prices. At a minimum, he at least knows that he is being represented by a bargaining agent who, unlike the major oil companies, has no stake in high oil prices. It would, as Senator CHURCH has put it—

> Free us from the existing arrangements among multinational oil companies and oil producing foreign governments in which the companies secure preferred access to the crude and, in return, guarantee outlets for that crude, rather than shopping for the cheapest crude.

What Mr. Kissinger has proposed is exactly the opposite. In all apparent seriousness he is proposing that the consuming nation set a minimum price that they will pay for petroleum. There is nothing better calculated to strengthen the cartel than telling them that there is a price which we will not let them go below. And a high price at that.

Mr. Kissinger's logic is simple. If we import cheap foreign oil we will not be able to become self-sufficient in energy. Importing cheap foreign oil will make it impossible for those domestic firms who have invested in expensive fuel sources to stay in business. Therefore, if we are to be self-sufficient we must continue to pay high prices for foreign petroleum.

A minimal objection to this reasoning is that if we must pay high prices for self-sufficiency, why must OPEC collect the bill? But a far more important question is what does self-sufficiency mean? There are two aspects to any dependency on foreign oil. The first involves national defense in a very specific sense. It involves our ability actually to defend ourselves in event of a threat to our physical security. And it includes our vulnerability to blackmail by boycott. The ability to meet either of these dangers does not require total energy self-sufficiency. Both such dangers are by definition short term. To meet them we need only have sufficient energy reserves to meet essential needs and the moral strength to bear whatever inconvenience may result. We already have this capability to a great degree and we can keep it provided, of course, we restrain our perverse inclination to burn up our own oil before we use anybody else's. This capability should be expanded and there is no reason why we cannot do so at a reasonable price. At today's consumption level, $1 a barrel on the price of oil costs consumers nearly $6.3 billion a year. If our bill cut oil prices by $2 a barrel, consumers would save $12.5 billion a year.

The Department of Interior has estimated that $11 oil and sharply accelerated programs could provide us by 1985 with a million barrels a day of shale oil and 700,000 barrels a day of oil equivalent from coal liquifaction and gasification. Most people think these projections are exceedingly optimistic, but let us accept them. At this level of synthetic fuel production a $2 a barrel direct subsidy would cost only one-tenth as much as consumers would save with a $2 a barrel reduction in oil prices. This will inevitably involve subsidizing, by one means or another, alternative energy sources. But we should do this directly and not, as Mr. Kissinger would have us do it, by succumbing to OPEC prices.

The second aspect of the foreign oil question involves economic self-sufficiency. Here the concern is with the damage that foreign control over oil prices may do to our economy. Essentially, the economic threat is a relative one. Are we economically worse off if we are dependent to some degree on foreign oil than if we incur the economic cost of becoming self-sufficient?

Obviously, how one answers this question depends largely upon how seriously one takes the administration's assumption that nothing can be done to lower OPEC prices. But let us look at how the administration answers this question. According to the administration, domestic energy price will have to rise to the level of the world cartel price. This we are told will not be so bad because Mr. Kissinger will strike a deal with the cartel on behalf of all of us establishing a fair cartel price, presumably a few dollars below present levels. And this fair cartel price will also not be so bad because we are going to conserve energy.

In recent months energy conservation has achieved a status in our national rhetoric equal to motherhood and apple pie. After all, who can favor waste? But the conservation the administration has in mind has little to do with the kind of things we associate with Smokey the Bear or the Sierra Club. They are proposing the kind of major reduction in the consumption of energy that translates into a serious reduction in economic activity. This means unemployment for some and for many a significant reduction in their standard of living. This kind of sacrifice is one thing if it is dictated by a national emergency. But to inflict this kind of economic injury on ourselves on the theory that it will prevent someone else from doing it makes little sense.

We did conserve energy in 1974. Total energy consumption dropped by 2 percent from the 1973 level. And between December 1973 and December 1974, unemployment rose by 2 million persons with another 2 million added in January 1975. Real gross national product fell by 5 percent from the fourth quarter of 1973 to the fourth quarter of 1974.

Let us not blame the recession on energy conservation. Obviously, what happend was the other way around: a sharp decline in economic activity reduced the amount of energy used in the country. But it is especially true that any economic recovery will require an increase in energy utilization. It would be the height of folly to adopt an energy conservation policy which would delay economic recovery and prolong an unacceptable rate of unemployment.

The cost of this program is more than just higher energy costs. In the name of self-sufficiency we are being asked to substantially reduce the natural wealth of this country that belongs to everybody. Our quest for clear air is to be abandoned. Our landscape may be plundered for coal and shale oil which has value only if we maintain astronomic oil prices. In short, we are to become a poorer, dirtier, more squalid country in the name of energy self-sufficiency. We ought to make very certain that the goal is worth such costs.

Our bill provides for no drastic measures. It does not interfere with the overseas operations of the major oil companies. It does not nationalize anybody's business, and it does not get the Government into the oil production or refining business. All it does is provide that imported oil be sold through the equivalent of a free and competitive commodity market. The FEA Administrator simply provides the administrative mechanism for it. He buys all imported oil on the basis of sealed competitive bids and promptly resells it to domestic refiners. In setting up the system for reselling the oil, the Administrator must do it in such a way as to encourage competition, treat equitably each geographic region, and insure maximum utilization of our refining capacity.

This bill implies no affront or, much less, hostility to our friends and allies in OPEC. It does not seek to interfere in their internal affairs. It is merely intended to limit the effect of the cartel on our domestic economy. It is essentially a domestic measure dealing with the purchasing behavior of American firms. It implicitly reflects both the insulting notion that the OPEC countries can be talked into abandoning their economic self-interest and childishly frustrated saber rattling.

This bill is a decent and civilized measure to do nothing more than procure oil at the lowest possible price. The American consumer is entitled to nothing less.

WBBM-TV CANCER AWARENESS CAMPAIGN

Mr. PERCY. Mr. President, I wish to call the Senate's attention to a valuable public service recently performed by a local television station in my home State, WBBM-TV Channel 2 in Chicago. Between April 13 and April 27, the station devoted more than 9 hours of broadcast time to a "Cancer Awareness Campaign" in an effort to inform the public of the importance of early cancer detection. The campaign, which coincided with the American Cancer Society's annual April Cancer Crusade, committed almost all of WBBM-TV's locally produced programs, as well as editorials and public service announcements, to various aspects of cancer detection and treatment. The programs raised topics from the emotional repercussions of leukemia to a five-part series on how to stop smoking. WBBM should be commended for its effort to openly present the realities of cancer and for its determination to expose many of the myths surrounding the disease. The 2-week campaign was a public service that has not gone by unnoticed or unappreciated. Along with many other Chicago area viewers, I take this opportunity to thank WBBM-TV's reporters and management.

THE REPUBLIC OF CHINA

Mr. THURMOND. Mr. President, in the wake of the tragedy in South Vietnam, the United States should take every step to reassure its remaining friends around the world of our support. Among the most notable examples of the need to make clear our support and friendship is the longstanding relationship we have with the Republic of China on Taiwan.

While it may be desirable to further a cordial relationship with Red China—so long as that association is based on mutual trust—it must not be founded on a betrayal of Taiwan. The people of Taiwan are our friends and we have maintained close ties with them for many years.

The diplomacy of expediency which is practiced at the expense of allies, not to mention a nation's own credibility, bears little fruit in the long run. Indeed, there are practical considerations equally as meaningful as the principle of maintaining an international commitment. The United States needs bases of influence and welcome in the Orient. After Vietnam, we need them more than ever.

Taiwan has a stable, progressive government while maintaining liberty and opportunity for its people. That small nation which we have recognized as the Republic of China since 1949 needs our continued recognition and support, just as our interests are with them.

Mr. President, an excellent editorial appeared April 28, 1975, in the State newspaper of Columbia, S.C., pointing out the importance of our commitment to Taiwan. In order that my colleagues may share in the wisdom of this editorial, entitled, "We Must Not Sacrifice Free China for Peking," I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

We Must Not Sacrifice Free China for Peking

Most citizens of the Republic of China on Taiwan remain convinced that the United States will not abandon the island, *Time* magazine reports.

But we wonder if they are still as confident after President Ford's recent reaction to two questions on the future of Taiwan. In effect, he ducked them both.

To the first, he answered that he was going to the People's Republic of China (Red China) in the fall, and that no firm agenda had been established. So, he said, he couldn't comment on Taiwan's future.

Another questioner tried to probe deeper. This time Mr. Ford said, "We value the relationship with the Republic of China. This is clearly indicated by the level of the delegation we sent to the funeral (of President Chiang Kai-shek)."

Well, for starters, that is not much of an indication. The Administration first intended that the delegation be headed by Secretary of Agriculture Earl Butz, who is hardly a figure of major stature in Chinese eyes. After objections that this was an insult, Vice President Nelson Rockefeller was hastily substituted as delegation head.

Obviously, Taiwan will be a subject of conversation when the President goes to Peking. Peking holds to the fiction that it owns Taiwan; Taiwan still gives lip service to the late President Chiang's 26-year dream of regaining control of the mainland.

The Peking talks will be delicate. But Mr. Ford should not at this time—or ever—give the impression that the United States is willing to wheel and deal over the future of Free China, a bustling little nation with the second highest standard of living in East Asia.

It is also a democracy of sorts, although not a perfect one. (It must be remembered that there are only a relative handful of nations with legitimate claims to be true democracies.)

There are strong reasons for the United States not to even consider giving up a presence in Taiwan. For one thing, American investments there total nearly half a billion dollars.

More importantly, it gives us a strong foothold in a region of the world where we have just lost a Southeast Asian beachhead. The Philippines, already skittish over the Washington performance concerning South Vietnam, will not take kindly to an abandonment of Taiwan, a neighbor just across the Luzon Straits to the north. And there is the matter of the 1954 defense pact between Taiwan and America.

Reasons exist to believe that Peking might not relish the idea of Washington cutting its ties with Taipei. Perhaps it considers a U.S. presence on the island as a counterpoise to the influence of the Soviet Union in the area, an influence that grows daily as Moscow's client, North Vietnam, swallows up the rest of South Vietnam.

Obviously Mr. Ford does not want to tip his hand before the Peking talks. But if the "liberation" of Taiwan is the price of detente, then the price is too high. And Taipei should be assured of that, publicly and privately.

PAUL A. FREUND'S 1975 JEFFERSON LECTURE IN THE HUMANITIES

Mr. KENNEDY. Mr. President, last Thursday at the National Academy of Sciences, Prof. Paul A. Freund of Harvard Law School, one of the Nation's most distinguished scholars of the Constitution, delivered the fourth annual Jefferson Lecture in the Humanities.

Professor Freund's lecture, entitled "Liberty: The Great Disorder of Speech" is an excellent and eloquent analysis of the doctrine of freedom of expression under Anglo-American law and the continuing struggle over censorship and prior restraint, from John Milton's Areopagitica to the Pentagon Papers case, the reach of the obscenity laws, and the need for greater modern access to the print and broadcast media.

Mr. President I request unanimous consent that Professor Freund's lecture may be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Liberty: The Great Disorder of Speech

THE JEFFERSON LECTURES IN THE HUMANITIES

(By Paul A. Freund)

April 30, 1975.

In the year 1976 we shall be celebrating the anniversary of a seminal event in the history of human liberty—the introduction of printing into England by Caxton, A.D. 1476. To the problem of the dissemination of knowledge and ideas the new device brought a promise of solution; a promise—recall that the Emperor Charlemagne had never been able to get the hang of reading. To the sense of community and order, at the same time, the device brought a threat of dissolution. How the promise and the threat have been assessed by those who think and those who govern is the subject of this synoptic sketch.

The two great dangers facing modern society, Paul Valery has said, are disorder and order. When I quoted this apercu at a symposium in England on civil disobedience, the presiding officer, a peer of the realm, remarked, or rather snapped, with Podsnappian disdain, "O, that's very French!" Perhaps so; but it can be matched by an American who was presumably a good lawyer and certainly a very good poet, Wallace Stevens, in his Connoisseur of Chaos:

> A. A violent order is a disorder; and B. A great disorder is an order. These two things are one. (Pages of illustrations.)

These verses might be an epigraph for my essay, which is meant to furnish some "pages of illustrations."

Liberty and community, freedom of expression and its limits, were notably addressed by the great English secular trinity of Johns: Milton, Locke, and Mill. "Give me liberty to know, to utter, and to argue freely according to conscience, above all liberties." Milton's attack on licensing of printing was passionate, but it was prudently circumscribed in two, and possible three, respects. This exalted liberty was for the exalted in belief: "I mean not tolerated popery, and open superstition, which, as it extirpates all religious and civil supremacies, so itself should be extirpate, provided first that all charitable and compassionate meana be used to win and regain the weak and the misled; that also which is impious or evil absolutely either against faith or manners no law can possibly permit, that intends not to unlaw itself." What was to be fostered in the quest for truth was "those neighboring differences, or rather indifferences" that marked the disputations among Protestant sects. Milton's argument was circumscribed not only doctrinally but proceduraly as well. The attack was directed against licensing, prior restraint, censorship in its most literal form. The criminal law, in its seventeenth century mercies, remained. For those publications which, coming forth unlicensed, were "found mischievous and libellous, the fire and the executioner will be the timeliest and the most effectual remedy that man's prevention can use." Precisely why, from the point of view of either the publisher or the victim of a criminal libel, it is more obnoxious to ban the publication than to inflict condign punishment thereafter, was not made clear. This is not to be critical or condescending toward the most magisterial pronouncement on the pursuit of truth, any more than it is in derogation of Democritus that his vision did not dissect the atom in the terms of Niels Bohr. The case against prior restraint remained to be elaborated by history, at which we shall presently glance. A third limitation in the Areopagitica is problematic: The fact that Milton subsequently served for a year as a censor of newssheets suggests, at least that the omission of explicit reference to that form of publication in his great tract may have been deliberate.

A generation after the Areopagitica, John Locke extended the scope of toleration, as befits one who objects to the doctrine of innate ideas, but still with caution in the name of the social compact: " . . . those are not at all to be tolerated who deny the being of God. Promises, covenants, and oaths, which are the bonds of human society, can have no hold upon an atheist."

More than a century later when John Stuart Mill took up the theme of liberty, the religious-political complex had receded as a threat, but there was a residual apprehension of the mob, the great unwashed. "Liberty as a principle," Mill wrote, "has no application to any state of things anterior to the time when mankind have become capable of being improved by free and equal discussion. Until then, there is nothing for them but implicit obedience to an Akbar or a Charlemagne, if they are so fortunate as to find one."

In his well-known reply to Mill, Sir James Stephen thrust at the chink in the armor: as it might be put today, the descent from the tutelarian state to the totalitarian is easy. "Why then," asked Stephen, "may not educated men coerce the ignorant? What is there in the character of a very commonplace ignorant peasant or petty shopkeeper in these days which makes him a less fit subject for coercion on Mr. Mill's principle than the Hindoo nobles and princes who were coerced by Akbar?"

Each of these philosophers saw liberty of expression as an instrumental value, an aid to the apprehension of something identified as the true or the good, and accordingly the limits of expression were to be drawn in light of its serviceability. What warrant then could be found for freedom of expression in the philosophy of a sceptic, or in a sceptical age? For an answer we would do well to turn to the thought of Mr. Justice Holmes, for whom "truth" was "the power of the thought to get itself accepted in the competition of the market." Freedom of expression was not instrumental in a quest; it created its own object, its holy grail. Freedom of speech from repression was not, however, subject to the same relaxed scepticism. In Holmes' existentialism, the activity of speech was of a different order from its particular content, and so that issue of freedom versus restraint was salvaged from the class of issues to be left to the competition of the market. The process,. unlike any of its content, was intrinsically good; and Holmes was able to escape from his own skepticism and from a trap dangerously close to Russell's paradox.

The quality of scepticism in a jurist is matched by humility in a theologian. Holmes, the believing unbeliever, and Reinhold Niebuhr, the unbelieving believer, reached a point of convergence. Dr. Niebuhr was speaking of moral truths and their inevitable historical corruptions and misappropriations and fragmentary formulations. "This alone," ne submitted, "would justify the ultimate freedom of a democratic society, in which not even the moral presuppositions upon which the society rests are withdrawn from constant scrutiny and reexamination. Only through such freedom can the premature arrest of new vitalities in history be prevented . . . . A society which exempts ultimate principles from criticism will find difficulty in dealing with the historical forces which have appropriated these truths as their special possession."

Once a principle is established, a jurist has a special obligation to delineate its limits. Not for him the exhilaration of dangling in the void from a major premise; he must find his footing on the hard rung of a middle axiom. Justice Holmes found the limiting principle in the test of clear and present danger, which he appropriated from the criminal law, where it served to mark the line at which innocuous preparation for a crime passed over into a punishable attempt. Speech, then, would be privileged if, and only if, it did not create a clear and present danger of a result that society can properly forbid. The celebrated example is falsely crying Fire! in a crowded theatre—an example, it has always seemed to me, that is singularly unhelpful. For the cry of Fire! is a peculiar kind of speech, not the sort that gives rise to the troublesome problems in this field. The cry is not the ordinary communication of information, or argument, or exhortation, or entertainment. It is in the nature of a preset signal to action, which could have been conveyed by lanterns in a belfry. More to the point would have been a discussion of what may be said on the stage, not in the pit.

There are difficulties with the clear and present danger test apart from the illustration. For one thing, it does not analyze the causal link between the speech and the danger: though the speech may be moderate and rational, the audience may be hostile and emotional. A clear and present danger of violence is created, but in which direction should the strong arm of the law be pointed? Another difficulty is that there is no account of the relative seriousness of the danger (it might be simply an illegal trespass to land) and the importance of the speech. Moreover, the test of certainty and imminence is subject to loose construction by an apprehensive jury, and even to manipulation by judges, as when the Smith Act directed against Communism was sustained by use of a sliding scale, weighing the gravity of the danger discounted by its improbability, thus countenancing speculation in historical futures, the most dangerous form of gambling with the liberty of speech. And finally, the clear and present danger test, though it has it arose, is not a broad-spectrum sovereign remedy for such other complaints as defamation, obscenity, and invasions of privacy, where the complex of interests at stake requires closer diagnosis and more refined treatment.

For that kind of treatment it is more promising to look at history (Law being history with the history left out). But before making that move, a word more needs to be said about the philosophers. They give us a mood, a rationale for a principle which must be taken, however, as defeasible. And yet there is something perhaps too exclusively intellectual about their valuation of expressions, too neglectful—to use an old-fashioned phrase—of the affective side of expression, for both the audience and the author. For an appreciation of this side we do best to turn to the poets in their discursive moments. "We want the creative faculty to imagine that which we know; we want the generous impulse to act that which we imagine; we want the poetry of life." Shelley spoke for the recipient, and modestly, too, for it can be maintained and we do not really know a thing—whether it be the inside of a coal mine or the Bill of Rights—until we know it kinesthetically. For the experience of the artist himself I call again on Wallace Stevens, in his Reply to Papini:

"... The poet
Increases the aspects of experience,
As in an enchantment, analyzed and
fixed
And final. This is the centre. The poet is
The angry day-son clanging at its make:
The satisfaction underneath the sense,
The conception sparking is still obstinate
thought."

Whatever the philosophic bases for freedom of expression—whether as an indispensable means to the discovery and spread of truth or as a fulfillment of the human vocation to seek to persuade, to inform, to entertain and to astonish one another—the freedom is, as I have said, defeasible in smaller or larger measure. To regard it as never requiring accommodation with the interests of integrity, security personal reputation and human dignity would be to take part of the values of life—however grant a part—in place of the whole, in the realm of public policy to commit the offense of political synecdoche.

If, in making the neecessary accommodation, we turn for guidance to history, it is not with a view to establishing a hierarchy of values. To do that would be to confuse history with the historian, the historian who draws out of his narrative hat the values he has smuggled into his normative sleeve. To view history as a sort of retrospective politics, Santayana warned, is like looking over a crowd to find one's friends. A similar warning was sounded by Lord Action: "Whatever a man's notions of these later centuries are, such in the main the man himself will be. Under the name of History, they cover the articles of his philosophic, his religious and his political creed. . . . Modern history touches us so nearly, it is so deep a question of life and death, that we are bound to find our way through it, and we owe our insight to ourselves."

We look to history for those prudential cautions and occasionally prudent arrangements that may achieve a satisfying accommodation of values: in politics as in the realm of ideas, a not too coerced order, a not too chaotic disorder. For speech and press, if we look to the experience of England prior to the American Revolution, we encounter three forms of coercion in the name of order: censorship, taxation, and criminal prosecutions.

Censorship, despite Milton's attack (which in fact went almost unnoticed), was irresistibly attractive to Puritan as well as royal regimes. Though the demise of the Star Chamber in 1640 removed one set of enforcers, the surveillance was carried on alike under Romanist, Anglican and Puritan regimes by the Printers' and Stationers' Company and their agents, the monotony broken only by a bewildering succession of turnabouts in the illicit and the licit. The scheme was codified in the Licensing Act of 1662, which prohibited the printing, sale or importation of "heretical, seditious, schismatical, or offensive books," . . . or what "may tend to the scandal of religion, or the church, or the government. . . ." Built into this forbidding authority was a basic conflict of interest, for by another section of the law the Stationers' Company was recognized to have a monopoly of publishing as granted by the Crown, which extended to works domestic and foreign, modern and classical. It was indeed a political—ecclesiastical-commercial complex with a vengeance.

Enacted for seven years, the statute was extended for two-year periods and would require renewal in 1694. As every schoolboy knows, Parliament allowed the Act to lapse in that year. To be sure, a committee of the Commons was engaged in drafting a more acceptable licensing law, but before their work was done the session expired. And so the great principle of freedom of the press was established, if not in a fit of absentmindedness, then in a spasm of inanition.

Every schoolboy knows, too, Macaulay's mordant commentary on the episode. The Commons presented to the Lords a statement of eighteen points in opposition to renewal, closely matching a paper prepared for the purpose by John Locke. "But," Macaulay complains, "all their objections will be found to relate to matters of detail. On the great question of principle, on the question whether the liberty of unlicensed printing be, on the whole, a blessing or a curse to society, not a word is said." The statement of the Commons did indeed address itself to the administrative abuses under the Act: the bribery of licensors, the needless cost and delay, the slipshod quality of monopolistic printing, the domiciliary searches for unlicensed presses and books, the unconfined discretion given to the licensors under the loose terms of the Act. By way of extenuation for the tone of these objections by the Commons, it is sometimes suggested that they were drawn up to influence practical men of affairs in Parliament, and in any event your Englishman is uncomfortable and embarrassed in the presence of large declarations of universal principles. In my judgment no apologies are necessary; Macaulay's schoolboy has been misled; a recital of the evils and abuses of enforcement was just what was called for in an attack on the licensing system. For so long as some forms of control are to remain (through the criminal or civil law), the problem is to identify those features of licensing which make it peculiarly obnoxious. John Locke himself, when he tried to generalize on this differentiation, is singularly unconvincing. He wrote, "I know not why a man should not have liberty to print whatever he would speak; and to be answerable for the one, just as he is for the other, if he transgresses the law in either. But gagging a man, for fear he should talk heresy or sedition, has no other ground than such as will make gives necessary, for fear a man should use violence if his hands were free, and must at least end in the imprisonment of all whom you will suspect will be guilty of treason or misdemeanor." This would be persuasive if the prior restraint were directed against an author or publisher to suppress still uncomposed works; but it loses its force when applied to existing writings open to the judgment of the censor. When, almost a century later, Dr. Johnson looked back wistfully at the era of Tory censorship, he was equally unpersuasive from the other side. "[I]t is yet allowed," he pointed out, "that every society may punish, though not prevent, the publication of opinions which that society shall think pernicious; but this punishment, though it may crush the author, promotes the book; and it seems not more reasonable to leave the right of printing unrestrained, because writers may afterward be censured, than it would be to sleep with doors unbolted, because by our laws we can hang a thief."

Both metaphors are parodies of the essential problem of prior restraint—Locke's universally shackled men and Johnson's universally unbolted doors. For the real problem is the process of selection, for shackling or bolting. A process in which the selectors have a personal stake, by virtue of a competitive position, or justifying their occupation, or avoiding fines for approving an illicit publication; a process where administrative discretion, or indiscretion, is unreviewable; in which no jury stands between the government and its quarry; and in which the standards to be enforced ("offensive" publications) are at best a general warrant to the enforcers, is a process singularly calculated to promote the bland and stifle the blunt, to result in Herodian enforcement at the cost of the vitality of the press, to strike the balance suggested in Measure for Measure: "There's scarce truth enough alive to make societies secure, but security enough to make fellowships accursed. Much upon this riddle runs the wisdom of the world."

The end of the licensing system brought a proliferation of newssheets, the smaller ones being the most obnoxious to the governing authorities. In the oscillating struggle between government and its critics, Parliament found a new weapon, a stamp tax on newssheets, which by its terms bore most harshly on the smaller publications. The power to tax does indeed involve the power to destroy, if it is done in a discriminatory way, so that the inner political check on a generalized burden does not operate.

But the most menacing weapon was the prosecution for seditious libel, the crime of bringing the government or its organs into hatred, ridicule, or contempt. It was menacing not only because of the savagery of the penalties, ranging from the pillory to dismemberment, but because of the particular mode of trial. Juries were not allowed to bring in a general verdict of guilty or not guilty after receiving instructions on the law; the King's judges alone undertook to determine whether the published matter was seditious; the jury's verdict simply reflected their finding on whether the accused was in fact responsible for the publication. Moreover, truth was no defense, for in preserving the realm against disaffection a good opinion of government was necessary; a truthful attack on high officers of state was all the more likely to produce alienation and weaken the bonds of loyalty. This impeccable logic was not abandoned in England until 1834, though meantime the role of the jury was enlarged by Fox's libel act in 1792, as a concession to popular feeling during the hysteria bred by the French Revolution.

On this side of the Atlantic, before the rights of Englishmen finally became the rights of man, the English struggle was recapitulated. While licensing was not transplanted, stamp taxes on the press, and general warrants to search for seditious writings, germinated the "child Independence." No prior restraint, but criminal liability after publication, the Blackstonian formula, was the accepted framework of debate. The libertarian impulse was directed by lawyers and publicists against he special abuses of the law of seditious libel (the "honeyed Mansfieldism of Blackstone," in Jefferson's phrase) against the constricted role of jury and the failure to recognize truth as a defense. These were the fighting issues in the law of the press in pre-constitutional America.

The First Amendment to the Constitution (Congress shall make no law abridging the freedom of speech or of the press) was drawn in seemingly absolute terms; but what exactly was the meaning of "the freedom of the press"? The only proper answer must be, as it is to similar questions, "What do you mean by 'meaning' "?

The Sedition Act of 1798 was the great testing ground. Passed amid the excitement of the Federalists over Jacobinism abroad and at home, in France and among the Jeffersonian Republicans, the Act betrayed its partisan thrust on its face. It was to expire on March 3, 1801, which by a providential coincidence was the date on which John Adams' term as President was due to end. The Act made it an offense to publish "any false, scandalous and malicious utterances against the government, Congress, or the President, with intent to defame them, bring them into contempt or disrepute, or excite against them the hatred of the people." Whether the omission of the Vice President (Thomas Jefferson) from the list of officers to be safeguarded from abuse was a mere inadvertence on the part of the Federalists can only be conjectured. The necessity for the law was put with emotional

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force by a principal sponsor of the bill, by quoting an example of the sedition abroad in the land, taken from an attack on John Adams in a New York Republican organ: " . . . The mask should be torn off from this meaner species of aristocracy than history has condescended to record; where a person without patriotism, without philosophy, without a taste for the fine arts . . . is jostled into the Chief Magistracy . . . ." That rising crescendo of abuse could not possibly be tolerated. The Act was administered in a similar humor; Robert Frost had not yet written that the way of understanding is partly mirth. One Republican worthy was heavily fined for saying at a tavern, after President Adams had passed through the town to the salute of a cannon, that he wished the cannon ball had passed through Adams' posterior. Matthew Lyon, Congressman from Vermont, was convicted and sentenced to jail for his abusive comments on foreign policy in his newspaper fetchingly called "The Scourge of Aristocracy and Repository of Important Political Truth." While in prison he was reelected to Congress—a precedent emulated in the twentieth century in my own Commonwealth of Massachusetts.

But was the Sedition Act constitutional? It contained the safeguards for which the libertarians had fought as colonists: the defense of truth and the full role of the jury. The answer to the question, I have suggested, turns on the further question What do you mean when you ask what the First Amendment means. John Marshall, campaigning for Congress in Virginia in 1798, criticised the Sedition Act on grounds of policy, but maintained that it was constitutionally valid. And he was right if you give the First Amendment its denotative meaning. The particular historic devices that were obnoxious to the sons of liberty were avoided. In this sense the First Amendment was fulfilled. In another sense, if a connotative meaning is given, the answer may well be different. If juries were in fact an illusory safeguard, if the defense of truth was likewise illusory in dealing with political diatribe, then the meaning of the guarantee ought to outreach the particulars that gave it birth, in order that he freedom envisaged at its core can be vindicated.

Whether the inadequacies of the safeguards in the Sedition Act should have been foreseen, as they were by Madison with remarkable prescience in the Virginia Resolutions, or whether the First Amendment received a new and more extensive "meaning" in light of the actual experience under the Act, the ultimate judgment should be the same under a connotative sense of meaning. To digress: When a judicial nominee is cross-examined by a Senator on whether he believes the meaning of the Constitution changes, the question is an invitation to a discussion of linguistic, quite as much as constitutional, philosophy, though the nominee would doubtless be though rude in suggesting this, as a schoolboy, who when asked what caused the Civil War, gives the only proper serious answer, "Why do you want to know?" would no doubt be sent to the headmaster for disciplinary action.

It is worth recalling that even The Jeffersonians, positive as they were in their condemnation of the Sedition Act on constitutional grounds, did not regard the liberty of the press as absolute. Jefferson himself time and again made it plain that defamation of public officials, like defamation of ordinary citizens, could be redressed through civil actions for damages in the courts of the states. Writing to Abigail Adams in 1804 (imagine a President of the United States engaging in serious controversy with the wife of his predecessor on constitutional issues—what a charming Goldren Age!), Jefferson said of the Sedition Act, "Nor does the opinion of the unconstitutionality, & consequent nullity of that law, remove all restraint from the overwhelming torrent of slander, which is confounding all vice and virtue, all truth & falsehood, in the U.S. The power to do that is fully possessed by the several State Legislatures . . . They have accordingly, all of them, made provisions for punishing slander, which those who have time and inclination, resort to for the vindication of their characters. In general, the State laws appear to have made the presses responsible for slander as far as is consistent with its useful freedom." The same idea is contained in Jefferson's Second Inaugural, and late in life, writing to a French correspondent on an ideal constitution for a state, he included among the basic principles "Freedom of the Press, subject only to liability for personal injuries."

The most articulate of the Jeffersonian theorists on freedom of the press, Titus Wortman of New York, furnished an explanation of this position: "Civil prosecutions, at the suit of injured individuals, are a sufficient restraint upon the licentiousness of the Press. As in such prosecutions it is left to the jury to ascertain the damages sustained, while they afford a real compensation for the injury. They are much less likely to be rendered a dangerous weapon in the hands of a prevailing [political] party, or an aspiring administration." Just how far the risk of verdicts for damages against the press may be consistent, in Jefferson's words, with its useful function, has remained to be considered in our own time.

The twentieth century has brought some striking parallels to the seventeenth and eighteenth. Censorship in the classical form of systematic licensing of the press has been repudiated, but so-called prior restraint has taken new forms that require comparison with the old. The Government's attempt to enjoin publication of the Pentagon Papers was free of the special vices of the licensing system: There was no grant of a commercial monopoly to the judges; there was opportunity for appellate review; there was no requirement of systematic submission of publications in advance. And yet the central threat of overkill remained, given the absence of any controlling statutory standards for an injunctive order, the want of a right to jury trial, and the procedural rule that publication in disobedience of a preliminary order during the course of the litigation is punishable as a contempt of court regardless of the possible reversal of the injunction on appeal.

Taxes on the press—"taxes on Knowledge"—were curiously revived in Louisiana in the nineteen-thirties under the aegis of Governor Huey Long. A tax on newspaper revenues from advertising, whose rate varied upwards with the circulation of the paper, bore on its face an animus toward the metropolitan press, which was regarded as the special enemy of the state administration. The Supreme Court, not closing its eyes to what all others could see, invoked the history of stamp taxes to strike down the law. "To allow ourselves to fetter [the press] is to fetter ourselves," in Justice Sutherland's words, with an assist, there is reason to believe, from Justice Cardozo.

For seditious libel, however labeled, a new standard has been devised, replacing the clear and present danger test with its deficiencies, the standard of incitement, which adds to the requirement of imminent danger of violence some requisite with respect to the quality of the utterance itself in its context. To be more repressive would be excessive caution—overkill in another form. Half our fears of disorder will be mocked by history, as half the scientific truths taught today will be proved false in fifty years. The trouble is that in neither case do we know which half. We go on teaching science rather than forsaking it, and in the realm of utterance, risk for risk, measure for measure, we stake out fortunes in a marginal case on the side of freedom.

The question raised glancingly by Jefferson but left unanalyzed—how far civil suits for defamation may be compatible with maintaining the useful function of the press as a critic—has become an urgent issue. Most of our states had resolved it by allowing the press an immunity for the expression of opinion, however damaging and distorted, while imposing strict liability for untrue defamatory statements of fact. Under this accommodation editorial comment and artistic criticism flourished. When, for example, Dorothy Parker wrote that Tallulah Bankhead ran the gamut of emotions from A to B, or that when Leslie Howard played Hamlet last night, Hamlet lost, no one would seriously consider a libel action. But liability for false statements of fact, even though made innocently, remained as threat, especially so because the amount of damages awarded could be staggering. When a jury in Alabama awarded half a million dollars to a local police commissioner in an action against the New York Times for relatively minor inaccuracies in a civil rights advertisement that did not name him or his office, the legal accommodation of rights had clearly gone awry. Two factors called for attention: the degree of culpability required to make the press liable, and the measure of monetary damages.

In a series of decisions the Supreme Court has dealt with both issues. On the side of damages, injury to reputation may not be presumed, it must be proved; and punitive damages are permitted only in cases of willful or reckless falsehood. On the score of culpability, a publisher is liable to a public official or a public figure only for that Kind of Knowing or reckless mistatement. Whether the press should have the same immunity when the victim of the false statement is an ordinary citizen but the defamation occurred in the context of a discussion or report of a matter of public concern, has been a troublesome problem. At first I leaned to the view that the area of public concern should confer the same latitude on the press, in the interest of untrammeled reporting. But I have come to the view adopted by the Court, that where the victim is not a public officer or public figure the balance should move in the victim's favor, permitting him to recover if he can show merely negligence, not necessarily recklessness, on the part of the publisher. In an event of public concern the person defamed may be an involuntary participant, as in the case of one whose home has been broken into. Even where the person defamed has entered the arena voluntarily, as in the case of a lawyer representing a client or a professor speaking on a public question, he has not made his character a relevant issue, and a publicist ought to assume the burden of due care if he chooses to impugn that character. Otherwise private citizens may be deterred from entering the arena of public debate. That arena is not occupied solely by the press, and it would be ironic if in preventing a chilling effect on the press the law were to chill the entry into the arena by ordinary citizens.

Thus far I have said nothing of the legal controls on obscenity. Actually this concern did not arise until the eighteenth century in England, save as obscenity might be embedded, as it often was, in politically seditious or theologically heretical writing. But with the rise of a politically powerful middle class, of evangelical Protestantism, and a concomitant fear of the literacy of the lower class, obscenity became a concern of the state, as it did in America in the nineteenth century. No area of law is less satisfactory than this one. The basic difficulty is that there is no consensus on what harm is

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caused to whom by what means; with these fundamentals in doubt, it would be surprising if there were in fact a satisfactory approach. Whether obscenity harms society by producing dangerous behavior on the part of the consumer, or serves to discharge aggressive impulses benignly; whether it is harmful to the consumer himself by producing a state of narcissistic infantile regression, and whether if so this is a proper business of law, are questions unresolved.

It must be said, however, that our Supreme Court has taken a series of positions in the last generation that greatly moderate the reach of obscenity laws. The work in question must be viewed as a whole, not in isolated passages. A serious literary, scientific or historical purpose will serve to legitimate a work. Standards suitable for juveniles cannot be made the criteria for distribution to adults. Booksellers cannot be penalized for carrying a work whose contents are not known to them. Material in the home is beyond the reach of the law of obscenity (greatly undermining the rationale of harm to the consumer). And a book or film—the example is the film version of Lady Chatterley's Lover—cannot be banned because its ideas are immoral or because it makes immorality attractive.

These are significant accomplishments. Yet the nagging question remains whether even the residue ought to be subjected to the sanctions of the law if there is a willing purchaser and no offensive public display. My judgment is that the law will come to confine itself to public displays (on the analogy of public nuisances), to distribution to juveniles (as an adjunct to parental control), and to zoning restrictions for theatres and bookstores specializing in this form of popular culture. For the rest, it may be adjudged a sin against language or an offense against art—crimes against which the writ of the law runneth not.

Five hundred years after Caxton, generation by generation, struggle by struggle, we in America—writers and speakers, politicians and artists—have achieved at least for a historical moment a degree of freedom from official control that would, I daresay, amply gratify Milton, Locke, Mill and Thomas Jefferson. Meanwhile a different set of problems has emerged, centering on the adequacy and responsibility of the media of communication themselves, problems of new entry into the field and access to the existing media.

Of making many books there may be no end, but of the shrinkage of the daily press there is no doubt. As technology made possible the proliferation of newspapers—aided, to be sure, by the elimination of licensing—so it is to technology that we look for the removal of economic obstacles. What we read in cold print is now increasingly the product of cold type, and it may be that the savings in cost of equipment and labor will encourage more entries into the field of daily journalism, despite the heavy competition of radio and television. Already there has been a patent flowering of more specialized journals, and the underground press is emerging into the daylight of readership. In all of this the laws of economics are more relevant than the civil law. The law can, of course, combat restrictive competitive processes, as it did a generation ago when the government invoked the anti-trust laws to force the Associated Press to liberalize its requirements for membership.

The search for diversity has turned to broadening the spectrum of views available to the consumers of opinion by providing greater access to existing media. The prototype, of course, is found in the electronic media, by dint of the so-called fairness doctrine and the right of reply to personal attacks. The fairness doctrine is a corollary of the legal obligation of television and radio stations to broadcast on controversial public issues; in fulfilling that duty they must give fair coverage, not necessarily in the same program, to opposing points of view.

The physical constraints on the number and location of channels which led in the first place to the necessity of licensing by the government have sufficed to justify imposing upon licensees the moderate duty of openness embodied in the fairness and right-of-reply regulations. Dissemination of contrasting views is germane to the licensing function, as the equitable distribution of energy would be a condition germane to the licensing of hydroelectric sites; and of all controls it is most congruent with the spirit of the First Amendment. Whether technical advances making possible a multiplication of channels will call for a relaxation of these rules is an open question, but it can be said that a proliferation of outlets in the ultra-high frequency range does not seem adequate, as a practical matter, to cure the shortage continuing on the conventional frequencies that are the staple of viewing and listening.

What bearing, if any, does this governmental oversight have on the printed news media, where the limitation on outlets is owing to the laws of economics rather than the laws of nature? The question was tested in a modest way in 1974, when the Supreme Court considered a Florida law affording a right of reply to public officials and candidates whose character had been attacked in the local press. The law, which was not a model of draftsmanship, was held repugnant to the freedom of the press. While the outcome was disappointing to those who saw in the electronic field a model for the press in a time of scarcity, the differences are significant. The distinctive impact of television, in particular, and its potential for powerful partisanship, make some mild form of balance appropriate. Journals of news and opinion have more counterparts in the printed media: the daily press is supplemented and to some extent offset by weekly magazines, neighborhood-news sheets, trade and religious periodicals, and more. And although a right of reply to an attack on one's character is a very limited inroad on editorial autonomy, particularly given the very circumscribed right of public officers and public figures to recover damages for defamation, the principle of resisting the government's entering wedge is probably a salutary one in the context of journals of opinion, where factual and judgmental attacks on the editorial page may be hard to distinguish.

This is not to say that a univocal press in a given locality is a consummation to be wished. It is only to say that regeneration should come from within, prodded, I should add, by self-interest. If newspapers develop an interesting op-ed page, include a diversity of columnists (Chief Justice Hughes called them the daily calumnists), publish excerpts from other editorial pages and a generous sampling of letters, as a mirror of public opinion, the paper may become more popular, the readers more engaged, the circulation higher. For this the responsibility rests ultimately on the community itself.

I have spoken mainly of the great disorder of words, for without it individuals are less than persons and civilization stagnates and atrophies. But civilization is a tension between atrophy and anarchy.

"A. A violent order is a disorder, and B. A great disorder is an order."

But the poem ends:

"Now A and B are not like statuary
Posed for a vista in the Louvre.
They are things chalked on the sidewalk
So that the pensive man may see.
The pensive man. He sees that eagle afloat
For which the intricate Alps are a single
nest."

The eagle is an endangered species. We have largely lost as a nation the unforced unity of its vision, and we have scarcely begun to turn the great disorder of words into an anthem for mankind. When a physical chemist cannot understand a chemical physicist, when a linguistic philosopher can do nothing with political philosophy except dissolve it, and a psycho-historian is baffled by a cliometrician, when the fables and myths of one people are viewed as the superstitions of another, one can only put the question "Two cultures?" and give the answer that Lord Keynes made to the charge of a bankers' conspiracy: "I only wish there were!"

The task is not one for coercion but for the culture. We need a new and more universal set of McGuffey's Readers, and in higher education we need not so much a prescription of Great Books, Dr. Eliot's Five-Foot Shelf (The Bible and other Harvard Classics) or the Brittannica's selection—as a set of Great Themes. There is, to be sure, the Britannica's concordance, the Syntopicon of Great Ideas, one hundred-two to be exact, but you will not be surprised if I would have substituted for their first Idea—Angels—a theme like Accountability, and not on alphabetical grounds alone.

Disparity of knowledge is inevitable, and diversity of opinion is essential, and both are elements of a lively, healthy society, respectful of the intricate Alps of human existence, so long as there is not lost a sense of ultimate unity of purpose, of the organic community of humankind. The great disorder of words may yet give us both the prudential scrutiny of the owl and the floating vision of the eagle.

NOTICE OF STAFF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAM

Mr. SCHWEIKER. Mr. President, pursuant to the guidelines set forth by the distinguished majority and minority leaders in their July 10, 1974, Congressional Record joint statement, I wish to advise that my legislative council, David W. Marston, will participate May 24 through June 15 in the educational exchange program sponsored by the European Community's visitors program. I am advised that this program, sponsored by the European Parliament and Commission of the European Communities, closely parallels the "leader grant" program operated by our Department of State, and meets all criteria established by the July 10 statement. Mr. Marston will be utilizing his regular vacation time during this period.

THE EFFECT OF SURFACE-MINING LEGISLATION

Mr. HARRY F. BYRD, Jr. Mr. President, Congress has passed far-reaching surface-mining legislation. If the President does not veto it, it will have a serious impact on the Commonwealth of Virginia—and, indeed, upon the Nation.

Several months ago, Gov. Mills E. Godwin, Jr., appointed a blue-ribbon Electricity Costs Commission to study the causes of spiraling utility costs in Virginia and to make appropriate recommendations to alleviate this burden which affects practially every citizen in this State. That preliminary report is anticipated early this summer.

In response to a request from the Commission's Subcommittee on Supply and Demand, Mr. Marvin M. Sutherland, director of Virginia's Department of Conservation and Economic Development, filed a detailed report on the present state of coal mining operations in Virginia and the probable impact of Federal legislation.

His conclusions bear careful attention:

First. The impact on production costs and output of surface mined coal in Virginia will be dramatic.

Second. Production costs may be expected to increase by as much as 50 percent per ton.

Third. It is estimated that 75 percent of the operations in Virginia will cease coal surface mining wihin 6 months of enactment of the proposed Federal legislation, because of its requirements, with an estimated production output loss of 8.5 million tons—one-fourth of Virginia's entire annual coal production.

Fourth. The spot market—coal not on long-term contract—could lose as much as 8.8 million tons. In Virginia, surface mining produces 70 to 80 percent of the spot market.

These statistics indicate higher electricity costs for each and every consumer.

And they mean unemployment—for thousands of hardworking, taxpaying men and women in southwest Virginia.

This kind of broad-brush Federal approach just does not make sense at a time when the national unemployment rate has climbed to 8.9 percent and utility rates have soared.

And it is not fair to herald "energy self-sufficiency" to the people on the one hand and then impose restrictive, unemployment-producing and shortage-producing legislation on the other hand.

Just 1 month ago, a group of hardworking, independent-minded Virginians came to Washington from southwest Virginia to bring their message: Jobs—not welfare.

I ask unanimous consent that the report of the Department of Conservation and Economic Development be printed in the Record at this point and I draw the attention of my colleagues to its unmistakable message.

There being no objection, the report was ordered to be printed in the Record, as follows:

REPORT TO THE SUBCOMMITTEE ON SUPPLY AND DEMAND OF THE ELECTRICITY COST COMMISSION, BY THE DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT, MAY 1975

I. ACTIVITIES OF THE DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT

The Department of Conservation and Economic Development administers two programs which have a direct relationship with the activities of the Subcommittee on Supply and Demand of the Electricity Cost Commission. These programs are described below:

Coal surface mining control

The issuance of coal surface mining permits and the supervision of the reclamation of lands disturbed by coal surface mining operations is the responsibility of the Division of Mined Land Reclamation of the Department of Conservation and Economic Development. That Division will also be the agency that must respond to and administer the proposed Federal Coal Surface Mine and Reclamation Act and the regulations that will be promulgated thereunder.

Coal resource examination

The examination, identification, and correlation of information on coal resources in Southwest Virginia according to physical and chemical properties and the maintenance of records of the coal resources is the responsibility of the Division of Mineral Resources of this Department.

II. COAL RESOURCE DATA

1. Underground Coal Reserves

Total coal production for Virginia in 1974 as estimated by the Division of Mines and Quarries, Virginia Department of Labor and Industry, was 34,788,459 short tons. 23,113,914 short tons were produced by the underground mining method. Approximately 2.95 billion short tons of Demonstrated Coal Reserve Base are available in Virginia as of January 1, 1975 by the underground mining method.

2. Strippable Coal Reserves

We have been unable to develop reliable information in the strippable coal reserve base in Virginia.

3. Information on BTU and Sulfur Content of Virginia Coal

Most of the coal mined in Virginia is low in sulfur content and has a high BTU level. For a detailed analysis of the various coal seams in Virginia see the attached copy of page 72 of "Summary Data for Coal Resources in Virginia," compiled by the Department of Conservation and Economic Development, Division of Mineral Resources, for the Virginia Coal and Energy Board.

III. EFFECTS OF PROPOSED FEDERAL COAL SURFACE MINING LEGISLATION ON COAL PRODUCTION

Proposed Federal legislation to control coal surface mining has been reported from the House-Senate Conference Committee for final approval by Congress. The Conference Committee has not substantially altered the proposed legislation (despite reports to the contrary in the news media). The impact on production costs and output of surface mined coal in Virginia will be dramatic.

The proposed Federal legislation contains a number of provisions which will increase production costs and result in a severe reduction in the output of surface mined coal.

1. Increase in Production Cost

The Tennessee Valley Authority has provided some preliminary figures on the cost of returning surface mined land to the approximate original contour through a demonstration project in Campbell County, Kentucky from July 1972 through 1974. The average slope for the demonstration project was 25 to 30 degrees. Four different coal seams were mined which were approximately 30 inches in depth with a 100 foot vertical drop. The total distance mined and returned to original contour was approximately three miles of outcropped coal. Another operation was used for comparison which was mining the same coal seams with similar geological and topographic conditions on the opposite side of the mountain ridge, but using the conventional contour mining method of depositing spoil on the outslope.

The preliminary cost findings for the project indicate that the increase in production cost was in excess of $3.00 per ton for returning to the original contour on the demonstration project. The increase in cost was a result of the additional handling of the overburden material at $.42 per cubic yard with an average of seven (7) cubic yards of overburden per ton to be handled. Also, there was a loss of 15 to 20 percent in production time on the demonstration project due to the additional handling of the overburden (additional cost $1.00 per ton). The production cost per ton for the demonstration project was $12 compared to $8 per ton for the conventional mine operation, an increase in production cost of 50 percent.

Mr. Philip Nutter, a coal surface mine operator in West Virginia, has estimated his increase in cost to be 40 percent due to returning to the approximate original contour with a bench left at the top of the highwall and also at the toe of the spoil (operation would not meet proposed Federal standards). Mr. Nutter's estimate is based on a detailed review of his operational costs.

The Federal Bureau of Mines has estimated that the extra cost to small surface mines on steep slopes will be approximately $1.30 per ton. These estimates were based on a wide variety of operations throughout diverse geological and topographical areas and did not take into account loss of production time and a number of other factors which can be reviewed in the attached document, "Weekly Energy Report," March 24, 1975, page 2.

2. Decrease in Production Output

As stated in the preceding text, there was a 15 to 20 percent loss of product output due to the additional handling of overburden on the TVA's demonstration project in Campbell County, Kentucky. It has been estimated by the Department of Interior, Bureau of Mines, that the Federal legislation could result in loss of "48 million to 141 million tons in lost production. Of the high range, 141 million tons estimate of lost production, 52 million tons will come out of small mines."

In Virginia the impact on production output will be severe. In 1974 Virginia had 290 active producers of coal by the surface mining method, which produced 11.7 million tons. Each operator on the average produced approximately 40,000 tons per operation. It is estimated that 75 percent of the operations in Virginia (i.e. 215 of the current coal surface mine operators) will cease coal surface mining within six months of enactment of the proposed Federal legislation because of its requirements, with an estimated production output loss of 8.5 million tons.

Federal requirements which will have the greatest impact are:

1. Returning to the approximate original contour with no highwall or bench remaining.
2. Detailed engineering and hydraulic plans.
3. Legal requirements and possible citizen suits.
4. Designation of areas as unsuitable for mining.

The remaining 75 operators in Virginia will experience a production output loss because of additional handling of spoil and new engineering requirements. It is anticipated within a period of two or three years after enactment of the legislation that the production rate will be approximately 35 to 40 percent of the current production figures or approximately 4.5 million tons. The increase will occur because operators will better understand the Federal requirements, and the price of coal will increase to the point where it will be economically feasible to enter into the coal surface mining business and also to mine areas which previously had not been profitable to mine.

IV. EFFECTS ON UTILITIES

1. Loss of spot market coal

Spot market coal (coal not on long-term contract) originates with small coal strip mine operators and can be expected to diminish significantly because of the elimination of many small operators. It is estimated that nationally 100 million tons are produced annually in the spot market and that this may be reduced by one half as a result of the Federal bill. Translated into energy, approximately 50 million tons would be lost which could have produced an estimated 550 billion BTU's (using an average of 11,000 BTU's per ton nationally). In Virginia the spot market is estimated at 70 to 80 percent of coal produced by strip mining. Lost tonnage could be as high as 8.8 million tons. Translated into

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energy (using the average of 13940 BTU's for Virginia coal), over 122.3 billion BTU's could be lost. Some reports indicated that nationally 20 percent of the coal used by utilities is spot market coal.

2. Competition for higher price coal

With a marked reduction in tons of coal produced, competition for available coal will increase and can be expected to push up existing prices. Deep mining cannot be expected to make up the reduction on the short term. Utilities may be pressed into bidding for metallurgical coal (already at a higher price than now used) to meet their needs. This could in turn create shortages for present users (steel and related industries).

3. Conversion to coal generating facilities

It would appear that programs designed to convert existing power generating and heat producing systems to coal for the short-term will be severely curtailed, if not eliminated. In view of the abrupt shortages and higher prices, there will be little incentive for utilities to convert to coal from other energy sources.

LOU PERRY, A MAN OF EXPERIENCE

Mr. HATFIELD. Mr. President, recently, a very accurate portrait was painted of a new member of the Oregon State Board of Higher Education in an article in the Portland Oregonian by John Guernsey.

Lou Perry is among one of our State's most talented people. A successful businessman today, Lou Perry was an outstanding college president before entering the business world. He has a human sensitivity to people and their problems that will make him a valuable member of the State board.

I ask unanimous consent that this article from the Oregonian of April 22 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW PERSPECTIVE—LOU PERRY'S DUAL-FIELD EXPERTISE CAN ONLY HELP HIGHER EDUCATION

(By John Guernsey)

The stock of the Oregon Board of Higher Education received a boost recently when a rare bird—Louis Perry—was named to a seat on the board by Gov. Bob Straub.

The Standard Insurance Co. president, and member of several major corporation boards of directors, stands to be an exceptional Board of Higher Education choice because he is schooled and proven on both sides of the street—education and business operation.

He is basically an educator—12 years as a professor of economics at UCLA, Yale University and Pomona College, then eight years as president of Whitman College in Washington.

He has a thorough understanding of educators—their priorities, goals, and their often theoretical thinking processes flavored with academic freedom and doctoral thesis verbiage.

At the same time, and since he was first named vice-president and a director of Standard Insurance in 1967, he has established an enviable track record in the world of big business. He has removed any doubt that he understands the practical application as well as the theory of economic principles. He became president of the corporation in 1972.

A major weakness of the Board of Higher Education in the past has been a drought of members who understood the professors and their often-foreign world of academia—and also understood the hard world of dollars and the public, to whom professors and their institutions, and the board, must answer.

The board has now, and nearly always has had some outstanding lawyers and businessmen as members. Their keen and aggressive minds have helped higher education over some high hurdles. But sometimes their failure to understand the educators and the educational process has been a handicap in the development of greater quality education.

The board also has had some lay members with exceptional understanding of educators and the educational processes. But too often these members have had no realistic concept of dollars, taxes, politics and practical application of theory—all of which affect the operation of an education enterprise.

In recent years the board also has had two college students as voting members. They have performed well and contributed greatly by providing other board members with first hand insights into student thinking about specific problems. But the students have only a theoretical understanding of the post-college world because they have never been there.

Some of the current professional members of the board approach curriculum development with a courtroom, case presentation technique. And some of the businessmen members would measure the efficiency of a doctoral degree program in the same manner used for calculating lumber production efficiency from the woods to the lumber yard.

Too often the current board members fail in some higher education pursuits because they are thinking apples when trying to grow oranges.

Perry may be the exception because he comes to the board with singular skills. He has a working understanding of most or all of the components which are parts of higher education and affect it.

The 57-year-old educator-business executive hesitates to try to pinpoint specific problems facing the Oregon Board of Higher Education—"because I'm not yet all that familiar with the State Board of Higher Education. I have a lot of studying to do."

He has several over-all higher education problems in mind, which he believes higher education officials throughout the nation—including Oregon—will have to deal with in the immediate future.

The skiing and back-packing executive foresees a continuing stabilization of higher education enrollments, and public objections to budget increases when enrollments are not growing.

"We will have to increase the quality of education, because society does not stand still. This will take more dollars per student to accomplish."

He expects added faculty pressures for unionization, because the higher education enrollment leveling will curtail the number of openings for new faculty members, and lengthen the time it takes for an instructor to advance to professor status.

He believes the faculty members will endorse unionization in an attempt to improve conditions and benefits at the teaching levels they occupy.

He expects a greater student interest in vocational education because the current recession has disappointed many college graduates. "They just have not found the world waiting to offer them good paying jobs."

But Perry is firm in his view that increased vocational education, as the route to a job, should not dilute the amounts spent for college and university liberal arts programs.

"You can't look at liberal arts from just the dollar sign standpoint." He points out that liberal arts provide students "with more windows on life. It gives them more breadth, and a greater appreciation of the non-monetary aspects of life."

He believes the "education throughout life idea" is gaining momentum, and that colleges and universities in the immediate future will enroll more middle age and older adults who want specific courses for no more than self satisfaction.

He also envisions an accelerated move to "colleges without walls"—more college services provided and more courses taught away from the central campuses.

The time-budgeting business leader is distressed because he sees in the nation a growing anti-intellectualism.

"I believe this is partly the product of many college graduates not finding jobs waiting for them, and it may be a byproduct of the campus riots of the late 1960s.

"But unless we continue to provide educated leadership in this country, I don't think the nation will be able to resolve some of our problems in the future."

The topics of education, business and economics occupy most hours of Perry's downtown life—and he has an able conversationalist in the subjects when he goes home. His wife, Genevieve, has a master's degree in economics. Perry, whose Ph.D. in economics entitles him to "Doctor," prefers "Lou," as most who know him well call him.

In addition to talking economics, the Perrys enjoy fishing, hiking, skiing and gardening. They are the parents of three grown sons and daughters.

And how does Perry find the time to do the many things he does?

"I read an awful lot, and I really don't feel comfortable when I'm not busy."

FRANK M. JOHNSON—AN OUTSTANDING FEDERAL JUDGE

Mr. KENNEDY. Mr. President, on April 19, a dinner was held in Montgomery, Ala., to honor Judge Frank M. Johnson on the occasion of his 20th year as a Federal district court judge for the middle district of Alabama. The celebration was organized by 16 of the judge's past and present law clerks from throughout the country.

Judge Johnson is best known for his landmark civil rights decisions. His court has been a battlefield in the struggle over equal rights, and he has consistently upheld the principle that all persons are equal before the law.

Ever since his appointment to the bench by President Eisenhower in 1955, Judge Johnson has worked to raise the law above the forces of prejudice and discrimination. Martin Luther King spoke of Judge Johnson as, "The man that I know in the United States, who gives true meaning to the word justice."

Above all, Judge Johnson is a man of principle. He relies on his conscience and the rule of law to determine his decisions. Many of the judge's civil rights opinions have been controversial among his fellow Alabamans, and on several occasions, his home has been vandalized. Such violent harassment, however, has failed to soften Judge Johnson's commitment to principle, and so to his other outstanding qualities must be added the quality of great personal courage.

A book of personal observations compiled by the 16 law clerks who served Judge Johnson was presented to him at the dinner. It is appropriately entitled "A Matter of Principle." In discussing the justice's life, the preface states:

Though he and his family have suffered ostracism and much worse, after 20 years on the bench, Judge Johnson continues in his devotion for, and in his fierce determination to apply, equal justice.

Judge Johnson's career reflects a strong belief that a civilized society must require all men to live under the same law. Tradition must never be mistaken for law, and it does not justify the existence of a double legal standard. As Judge Johnson stated on Law Day in 1967, in an address to newly naturalized American citizens:

> It is necessary, now more than ever, that the responsible American citizen realize and discharge his obligation constantly to support and defend the proposition that our law is supreme and must be obeyed. This means that irresponsible criticism—by those who can hardly read the Constitution, much less study and interpret it—must not be allowed to stand unchallenged.
>
> When those who frustrate the law, who undermine judicial decisions, run riot and provide uncurbed leadership for a return to nothing more than medieval savagery, for the responsible American citizen to remain silent is tantamount to cowardice; it is a grievous injustice to the proposition that in America the law is supreme.

Mr. President, I add my own commendation to Judge Johnson on this anniversary of his two decades of outstanding service. I ask unanimous consent that the following materials may be printed in the RECORD: A recent New York Times article by Ray Jenkins on the anniversary dinner; the comments by Chief Judge John R. Brown and Judges Richard T. Rives and John C. Godbold; and excerpts which I have received from the volume "A Matter of Principle" presented to Judge Johnson by his law clerks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 21, 1975]

OFTEN-EMBATTLED SOUTHERN JUDGE IS HONORED

(By Ray Jenkins)

MONTGOMERY, Ala., April 20. The tone of the gathering was a bit akin to that of a reunion of veterans of some long, grim military engagement that had somehow ended successfully despite great odds.

It was a dinner given here last night by 16 present and former law clerks from throughout the country to pay tribute to Judge Frank M. Johnson Jr. on the occasion of his 20th year as a Federal district court judge in Montgomery—a position that brought him under almost perpetual attack from Gov. George C. Wallace and other Governors of the period because of his vanguard constitutional decisions in civil rights, legislative reapportionment and due process of law.

Two of the former clerks are law professors now; one is an Alabama Supreme Court Justice, and another is a State Assistant Attorney General. The remaining ones are in private practice.

They all agreed that Judge Johnson's two decades on the bench represent perhaps the most sustained and dramatic confrontation between state and Federal authority since the days of Chief Justice John Marshall early in the 19th century.

DR. KING QUOTED

One former clerk, Walter Turner, the Assistant Alabama Attorney General, recalled speaking about Judge Johnson with the late Dr. Martin Luther King Jr. during a recess in a court hearing on some crucial aspect of the legal struggle for civil rights. Dr. King, Mr. Turner related, said, "That is the man that I know in the United States who gives true meaning to the word justice."

Judge Johnson comes from a long line of antisecessionist Republicans in the hill country of upstate Alabama. His father was a Republican county officeholder—a rarity in the South in those days. Returning from World War II, in which he served as an infantry unit commander in Normandy, Judge Johnson followed the family tradition and became active in Republican politics in the overwhelmingly Democratic state.

As a supporter of General Eisenhower in 1952, he won appointment as United States Attorney in Birmingham, where he gained a reputation as a vigorous prosecutor. When the Federal district judge in Montgomery died, a struggle for the seat followed between traditional Republicans, as represented by Mr. Johnson, and conservative Democrats who supported the President.

Mr. Johnson won the appointment, becoming the youngest district judge in the nation at the age of 37 in 1955.

He became embroiled almost immediately in the civil rights struggle, which had its birth with the Montgomery bus boycott in 1955. The following year, along with resident Federal appeals court judge, Richard T. Rives, a Truman appointee, Judge Johnson declared the Montgomery bus segregation ordinances unconstitutional. It was the first application of the 1954 school desegregation decision to a nonschool area.

HOSTILE REACTION

The decision generated so much hostility—a cross was burned on Judge Johnson's front lawn—that a 24-hour police guard was placed around his home. As recently as 1967, his mother's home in Montgomery was damaged by a bomb. The police guard was discontinued only two years ago, but when the termination was publicized, the guard was reinstated.

Three years after his appointment, civil rights litigation brought Judge Johnson into a long and bitter confrontation with his old law school classmate from the University of Alabama Mr. Wallace.

Mr. Wallace, then an elected state judge who was preparing to run for Governor, refused to surrender voting records in his county for inspection by the Federal authorities and threatened to jail any Government agent who attempted to see the records.

Judge Johnson cited Mr. Wallace for contempt, but later the charge was dropped when he found that Mr. Wallace had given up the records by means of "subterfuge."

This finding by the judge became a crucial issue in the 1962 race for-Governor when Mr. Wallace denounced Judge Johnson as "a scallawagin' integratin' carpetbaggin' liar" for suggesting that he had cooperated with the Federal agents in surreptitious ways.

WALLACE A NATIONAL FIGURE

Mr. Wallace was elected and as Governor, pursued a course of rhetorical defiance that vaulted him into contention for the Presidency. "The Governor has no power," he often complained. "The Federal judge has all the power."

Throughout the late nineteen fifty's and into the sixties, Judge Johnson struck down segregation practices not only in schools but also in other state facilities such as mental institutions and prisons and in state and local employment.

The trend culminated in his 1965 order permitting, over vigorous state resistance that erupted in police violence against protesting blacks, the Selma-to-Montgomery march to protest voting discrimination.

In that case Judge Johnson held that the right to seek redress of grievances was not unlimited, but that "the extent of the right to assemble, demonstrate and march peaceably along the highways and streets in an orderly manner should be commensurate with the enormity of the wrongs that are being protested and petitioned against."

Shortly after the demonstration, Congress enacted the Voting Rights Act of 1965, which was to revolutionize Southern politics during the next decade.

REAPPORTIONMENT DECISION

Judge Johnson also was in the forefront of the legal struggle to reapportion state legislatures. Along with Judge Rives he handed down the initial decision in the case in which the United States Supreme Court enunciated the one-man, one-vote doctrine.

Judge Johnson was known to have been considered for appointment to the United States Supreme Court early in the Nixon Administration, but that consideration was dropped when his appointment encountered stiff opposition from Southern Republican Congressional leaders who came to the forefront during the Presidential race of 1964 when Senator Barry Goldwater swept the South.

At the gathering here, Judge John C. Godbold, one of the younger judges on the United States Court of Appeals for the Fifth Circuit, spoke of Judge Johnson's reputation for running "a tight ship" in his court.

Recalling his own practice before Judge Johnson, Judge Godbold said that "I may have been the only lawyer in history who was threatened with contempt because of the expression on his face." This occurred, he said, after he indicated displeasure with a Johnson ruling.

"But when it comes to the * * * tion," Judge Godbold continued, "no judge in America has ever stood on a hotter firing line. He never ducked, never flinched, never faltered. He insisted on carrying out the law as the Constitution requires. His answer has always been the same: With compassion, with understanding, with firmness, 'I shall live by the law.' "

U.S. COURT OF APPEALS,
Fifth Circuit, April 19, 1975.

Hon. FRANK M. JOHNSON, Jr.,
Chief U.S. District Judge,
Montgomery, Ala.

MY DEAR JUDGE JOHNSON: I write to you in this austere form rather than the "Dear Frank" which more befits our relationship because of the nature of this occasion.

Both in my personal capacity as your long time friend and colleague and as the Chief Judge of the United States Court of Appeals for the Fifth Circuit speaking on behalf of the nearly 100 Judges, District and Circuit, I join your many friends, the Alabama Bar, the officers and directors of all lawyer groups in Alabama in extending congratulations to you on the 20th anniversary of your coming on the Federal Bench.

These have been momentous years. In saying that, I am not in the position of an historian who pokes around amongst the ashes of antiquity. I am not only an observer. I was at times a participant in the very things which made your presence on the Bench an important event in the development of strong and good law and the assurance of equal protection among all of our citizens in overcoming some of the discriminations of the past.

The good Judge should be a blend of exceptional intelligence, outstanding industry, professional competence, human compassion and courage to stand up against the well-known generally accepted, but unacceptable views of his fellows. You have had these qualities in great abundance, but of these I would regard courage as the most

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important and certainly as historians look back upon the development of civil rights in the deep south, the most decisive.

I am privileged that there has been confluence of time and circumstance which accorded to me the office and responsibility of the Chief Judge of the United States Court of Appeals for the Fifth Circuit so that I could record these sentiments for all of us. My only disappointment is that I cannot be with you in person.

Sincerely yours,

JOHN R. BROWN,
Chief Judge.

COMMENTS OF JUDGE RICHARD T. RIVES: SENIOR U.S. CIRCUIT JUDGE

Judge Johnson and I have sat together on many far-reaching and precedent-setting cases. I have had an opportunity to observe him as he reached decisions required by the law, though he knew the result would be public outcry and personal ostracism. His courage and dedication to the right cause were obvious to all who participated in those cases.

A friend of mine sent me a poem by James Russell Lowell a few weeks ago, and when I read it, it immediately impressed me as being as good a description of Judge Johnson's legal career as could be found. I would like to share it with you tonight:

> Once to every man and nation,
> Comes the moment to decide
> In the strife of truth with falsehood
> For the good or evil side.
>
> Then to side with truth is noble,
> When we share her wretched crust,
> Ere her cause bring fame and profit,
> And 'tis prosperous to be just.
>
> Then it is the brave man chooses,
> While the coward stands aside,
> 'Til the multitude makes virtue,
> Of the faith they had denied.

EXTRACT OF REMARKS BY U.S. CIRCUIT JUDGE JOHN C. GODBOLD AT DINNER IN HONOR OF JUDGE FRANK M. JOHNSON

Counsel who files a case for the plaintiff, or appears for the defendant, in the Middle District of Alabama, can expect to plead the real issues without eyewash, humbug or repetition. He can expect to move expeditiously with discovery and other pre-trial matters. He can anticipate that when his case is set for trial it will be tried, barring extreme circumstances. He will be wise to be acquainted at trial with both facts and law. And, when the trial begins, it will move along. He will discover that there will be no interruptions for him to look up law that he should have looked up last week, or to confer with a witness that he has neglected to interview. If he is prudent, he will not attempt by courtroom maneuver to get before the jury matter which everyone knows is improper. And one very happy thing new attorneys will discover is that the rules are the same for everybody, that the young and inexperienced lawyer receives the same consideration as do the patriarchs of the profession.

Sometimes circumstances demand a particular kind of fortitude to be a good judge, state or federal. In the past few years, no judge in America has stood on a hotter firing line than has Judge Johnson. He has never ducked, nor flinched, never faltered. He has just quietly carried out what the Constitution and laws of the United State require of all of us judges, without counting heads to see who approves and who does not.

I know him as an engaging companion. I know him too as a deeply compassionate and warmhearted man. And I know too how deeply he loves our country, our state and our people.

His answer the same in every case--with compassion, with understanding, with firmness, but always the same answer—"I shall live by the law."

Because of these qualities, Judge Johnson, I am honored to salute you.

EXCERPTS FROM A MATTER OF PRINCIPLE

PREFACE

Judge Frank M. Johnson, Jr., more than anything else, is a man of principle. So many times during his judicial career he has been compelled to choose between applying unpopular laws and adhering to principles of justice. In every instance, and often at grave risk not only to himself, but also to his family, he has stood rigidly on principle. Though he and his family have suffered ostracism and much worse, after twenty years on the bench Judge Johnson continues in his devotion for, and in his fierce determination to apply, equal justice. This remains so even though, as one of the finest jurists in the history of American law, his staunch adherence to principle has obstructed his every opportunity for appointment to the highest Court in the land.

Today, Judge Johnson's former and present law clerks meet in celebration of his twentieth year on the bench. This book is dedicated to Judge Johnson and the principles which form his philosophy of life and law. Though his lawclerks are as diverse as the regions of this country and England from which they come, each recognizes and admires not only the Judge's scholarly excellence, but also the sincerity and honesty of his judicial character. Truly, the hallmark of Judge Johnson's career has been principle. How fortunate this country and the State of Alabama are to have a man for whom the words—"A Matter of Principle"—apply so appropriately.—Presented to Judge Frank M. Johnson, Jr. by his Law Clerks. April 19, 1975.

MEMORIES OFF THE BENCH

Some of the most memorable experiences which I had while clerking for the Judge occurred while we were holding Court outside of Montgomery. Since the Judge maintained a current docket, he was assigned to go to Meridian, Mississippi, Atlanta, Georgia, and Tallahassee, Florida and hold Court. We also held Court periodically in Opelika and Dothan. It was during some of the trips that some memorable occasions happened.

In Meridian, we took off one afternoon to play golf. I had never played golf before. The Judge and Lee Dodd were fair golfers. I rented a worn-out set of clubs. The Judge gave me two strokes a hole, Dodd gave me one. I cannot remember who won, but I do remember both of them saying that they have never seen anyone "use a driver as a fairway wood." So, the Judge started me in golf.

When we held Court out of town, we would always drive. During these trips, the Judge, Lee Dodd, Glynn Henderson and I would spend a lot of time together. Usually the Judge would tell some personal stories about law school, his early days of practice, some of his cases, some of his experiences as District Attorney and the early years of his judgeship, Many of these were intimate, personal stories which were memorable because they helped me to understand more about the man who whom I was clerking.

I have recounted mostly humorous events which happened during the two years I clerked for the Judge, but there were other events which were just as memorable. In the courtroom I remember the Judge as one who followed every case with great care, often making copious notes as the case progressed. I remember him as one who ruled quickly, and I thought correctly, on points of evidence. I remember his clear instructions to the jury. I remember that he kept every case "on track" and that he required counsel to try their cases as professionals, thereby conserving the time of jurors and witnesses and court personnel. I remember him as one who maintained a current docket. As one Birmingham lawyer told me one day, "When you file an action in this Court, you had better pack your track shorts!" I remember him as a judge who demanded the pursuit of legal excellence and as one who became impatient with mediocrity. I remember him as a judge who instilled in his clerks an appreciation for the legal profession. Hugh Maddox, January 26, 1959 to September 2, 1960.

A VALUABLE EXPERIENCE

My clerkship with Judge Johnson was from July 1962 to September 1963. For me it was an invaluable experience. During this time the reapportionment case was argued and decided. It was Judge Johnson who believed that both houses should be reapportioned on the basis of population, rejecting the State's analogy of United States Senatorial representation to counties within the state.

Also, during this time Judge Johnson served as a designated Judge on the Court of Appeals for the Fifth Circuit. It was the practice of the law clerks for the Appellate Judges to split the briefing of cases assigned to the panel and then circulate the briefs among the judges. Needless to say, Judge Johnson had me brief every case. I never did find out whether this resulted from his confidence in my ability or possibly his thought that two briefs were better than one. Of course I had learned by this time not to be disappointed if the Judge did not always agree with my conclusions.

As every lawyer knows who ever clerked for the Judge we could not have gained more valuable experience with any other judge, nor could we have developed a more lasting friendship than with one of the most truly courageous and ablest judges the Federal Court have had the honor of calling a United States District Judge.—John Grow, July 9, 1962 to August 23, 1963.

LEARNING FROM THE JUDGE

During the year I was the Judge's clerk, it was a time when some people were still standing in the schoolhouse door, and the gauntlet was being thrown down to the Federal courts. We tried many civil rights cases during this time, and one of the attorneys for the government who regularly appeared in court was John Doar, who was recently on television as counsel for the House Judiciary Committee on the Articles of Impeachment for Mr. Nixon. Those were times when all sorts of matters involving civil rights and other related matters came before the court. When the court would rule that the State did maintain segregated schools, the Governor would place donation cans in all the State liquor stores to establish private schools. For some reason, the State also forbade the importation of certain meats, alleging that it was kangaroo meat as the basis for their refusal. Judge Johnson quickly recognized the folly of this and ordered a stop to the interference of interstate commerce.

Some humorous matters arose out of these proceedings. As I recall, during one criminal case a black juror was 15 minutes late returning from lunch. The Judge inquired as to the reason for his tardiness. The juror responded that it was difficult for him as a black man to find a place to eat in Montgomery. The Judge quickly ruled that that was not a valid excuse for right next to the courthouse was a bus station cafe which he knew was integrated because of his court's order several years before.

. . . I have always admired and respected Judge Johnson both as a man and as a judge and want to thank him for having me as his law clerk and for everything that he has taught me, and for everything that I have learned from him. I wish you 20 more happy and productive years as a Federal Judge. This country, especially at this time, needs men of Judge Johnson's wisdom, courage

and integrity.—Hardaway Young, September 3, 1963 to August 28, 1964.

JUDGE JOHNSON ON HIS 20TH ANNIVERSARY

As we all know, 1975 marks the twentieth anniversary of Judge Johnson's service on the bench. During this long tenure, which by itself constitutes sufficient reason to celebrate the occasion, the Judge has had to survive some very difficult times and to put up with some very irascible fellows. We all know about the George Wallaces and the Ku Klux Klaners. But when we consider that he also had to put up with some twenty law clerks fresh from the ivory towers of academia, we can greet this important occasion with even wider appreciation!

In a more serious vein, it is perhaps a facet of human nature that our impatience for change in the future often obscures the progress of the past. Just the other day I had the occasion to watch part of the Kentucky-Alabama basketball game on television. There were no less than four black players on the floor for Alabama. This was unimaginable eight years ago when I had the good fortune of clerking for the Judge. Those were the days when the Alabama legislature seemed preoccupied with calling for the Judge's impeachment, when George Wallace's attorneys were arguing that the Fourteenth Amendment did not apply to Alabama and when John Doar and a substantial part of the Civil Rights Division spent as much time in Montgomery as they did in Washington. This has all changed now, and, as I watched the four black basketball players in Alabama uniforms, I inevitably thought of the Judge and of the fact that he had a lot to do with their being there.

No tribute to the Judge's extraordinary achievements is fully adequate. His many landmark decisions—from the early Montgomery bus boycott case to his more recent decisions in the area of the rights for the mentally ill—have been a bellwether for social change and have often provided an irrefutable basis for legislative reform. The Judge has never been content to simply take the law as he found it; he has always insisted that the law is a vital part of the moral development of society. And, by vigorously adhering to that principle—by daring to broaden and strengthen the rights of individuals—he has contributed immeasurably to the growth and strength of our institutions.

The following statement by Abraham Lincoln, on the bottom of a glass paperweight on his desk, confronts the Judge every morning:

> I do the very best I know how—the very best
> I can; and I mean to keep doing so until the
> end.
> If the end brings me out all right, what is
> said
> against me won't amount to anything. If the
> end
> brings me out wrong, ten angels swearing I
> was
> right would make no difference.

I don't think there is any question of where Judge Johnson will come out.—Michael G. Macdonald, January 3, 1966 to March 3, 1967.

CLERKING FOR A NOTED JURIST

It was with some apprehension that I began service for Judge Johnson in June, 1971. Law clerking was an unknown quantity and the Judge was highly regarded across the country. The formality and stature of his office and courtroom did nothing to alleviate my anxieties. I soon learned, however, that if one could meet the Judge's standard of endeavor, work with him would be challenging, interesting and personally rewarding.

While clerking it was difficult to put the Judge's abilities in perspective since there was little opportunity to compare with other Judges. It has only been since I have been in practice for several years, appearing before numerous courts, that his capabilities as a jurist have become clear. I have found that it is extremely important that a judge maintain control of his courtroom. A judge's ability to accomplish this involves a fine line between command and arrogance. The Judge's ability to command the respect of those who appear before him appears to flow from the sheer force of his personality. I never saw the Judge demean or belittle anyone nor seek or encourage gratuitous compliments. The attitude expressed in that courtroom is the quintessence of control.

A firm judge may be nothing more than a strongwilled individual. What impressed me even more was the manner in which he handled the tremendous case load to which he was assigned. The Judge has an amazing ability to knife through contrived contentions to what is really at issue. In *Hodgson* v. *City Stores, Ins.*, 322 F. Supp. 942 (M.D. Ala. 1971), the Judge looked past the defendant's arguments to what was realistic and concluded "defendant's contention is at best without merit and at worst is a salvo for the plaintiff."

His sound legal analysis is that quality which is probably most responsible for his reputation. In *Frontiero* v. *Laird*, 341 F. Supp. 201 (M.D. Ala. 1972), the Judge disagreed with the other two members of the three-judge panel and decided that the plaintiff's dependents were entitled to certain medical and dental benefits from the military. The case was eventually reversed by the Supreme Court, closely following the reasoning of Judge Johnson's dissent.

Working for Judge Johnson also demonstrated that determining who should win or lose was only the initial determination. At least as important is the decision of how to implement and accomplish the end decided upon. It is in this area that the Judge has exercised a remarkable marriage of compassion and common sense. Among the best known examples are the Judge's various decisions in *Wyatt* v. *Stickney*. My only regret in working for the Judge was not being involved in that particular case since it may have been the most important piece of litigation which occurred in the Middle District during my term of clerkship.

A case upon which I was privileged to work, however, was *NAACP* v. *Allen*, 340 F. Supp. 703 (M.D. Ala. 1972). In that case the Judge reached the relatively obvious decision that the Alabama State Troopers had "engaged in a blatant and continuing pattern and practice of discrimination in hiring" that was "unexplained and unexplainable." His real skills were demonstrated in his implementing order which required that the Troopers hire a black as every other recruit until the force was approximately 25% black.

In addition to outstanding legal abilities and a successful judicial career, the Judge remains a remarkable human being blessed with warmth, generosity and humor. I am certain that Bobby Segall, by co-clerk, and I will long remember a delightful week-end with the Judge mackerel fishing in the Gulf. I also have many fine memories of listening to the Judge tell stories in his office. The Judge is the only person I have ever met who could properly fill an office of that size and character. My only disappointment is that he has not yet been asked to move to an office in Washington where the entire nation could daily benefit from such a remarkable human being. I hope that that will yet happen.—Jack A. Billings, June 8, 1971 to June 2, 1972.

JUDGE FRANK M. JOHNSON, JR.

I first met Judge Johnson when I interviewed for the clerkship. Although I had formed a general impression of what he would be like from reading his decisions and discussing his background with people who knew him, I was unsure what to expect. I had been told that Judge Johnson was one of those very rare individuals who make you realize that one person can make a difference, that one person can effectuate change. I was not disappointed. And it was this description of Judge Johnson that often came to mind during my year of clerking.

At that first interview, I asked him if it wasn't particularly frustrating to have spent so many years rendering decisions which were criticized by so many. With a straightforward understatement that I later learned was typical, Judge Johnson responded that he only applied the laws as they were written; it wasn't his position to be concerned with criticism by others.

Although he never permitted himself to be pressured by the community criticism that his decisions generated, he always showed a constant concern for litigants and those affected by his decisions. During my year of clerking, we once again faced a review of the Montgomery school case. Judge Johnson spent hours studying the local school map and the racial breakdown of the Montgomery school system. He repeatedly nudged and prodded the lawyers to do their work so that all possible alternatives could be properly evaluated. He agonized over the effect his decision would have—either a substantial increase in student transportation or the retention of a large number of predominantly one race schools. And when a decision was finally reached, one could readily see how personally responsible he felt for the decision.

It was evident to me that Judge Johnson was deeply troubled by injustice, and that he took extraordinary pains to exercise the power that was his to correct it. As a result, the concern he felt for litigants was translated into decisions of lasting impact, adding to the list of his precedent setting and influential opinions that has now become legion. In this way, Judge Johnson made real for me the concept that change can be accomplished through one man's efforts.—Kenneth J. Philpot, July 2, 1973 to May 25, 1974.

IN REFLECTED GLORY

Serving as Judge Johnson's law clerk from March 6, 1967, to May 31, 1968, involved living in an aura of reflected glory. Several anecdotes come to mind relating to incidents which occurred during that period.

To the best of my knowledge, Judge Johnson is the only United States District Judge ever honored as a cover subject for Time Magazine. He was so honored on May 12, 1967 (Vol. 89, No. 19), with a portrait printed on the cover of Time which the Judge described as making him appear to be "a mule eating briars." It was the consensus of his staff at that time that, while the portrait may not have been flattering, it bore no resemblance to a mule.

The article quoted one of the Judge's oft repeated observations that has been part of his philosophy in the courtroom for years: "If a Judge needs a robe and a gavel, he hasn't established control." By coincidence, I happened to be involved in a condemnation case several years later which was the first matter Judge Johnson heard in open court after Chief Judge Brown of the Fifth Circuit circulated an edict that all district judges would be robed for all open court proceedings. I recall Judge Johnson inquiring rhetorically from the bench whether he had jurisdiction to proceed with the matter since he had forgotten to wear his robe. We all resisted the temptation to stipulate that he looked very much like a judge to us and remained discreetly silent. Even without the robe, Judge Johnson had perfect control of the proceedings.

Another incident that I fondly recall occurred during a pre-sentencing conference with two men who had entered guilty pleas to violation of the Internal Revenue laws relating to whiskey. One of them had a prior record for violation of state liquor laws which he promptly explained occurred in the campaign of a certain notorious state judge for whom he was distributing "election whiskey." The other defendants had no prior record for violation of the liquor laws. Both defendants sought to emphasize to the Judge the economic duress that had forced them to make liquor and their long record of service to their communities. Judge Johnson, however, questioned both rather closely about the nature of the distillery and its manner of operation. After the defendants and their attorneys left the room, in announcing to the probation officers and others present that he had decided to place each on probation, the Judge remarked that "A man with an all-copper still can't be all bad."

These reminiscenses cover only a few of the amusing incidents relating to my clerkship. It is impossible to attempt to recount all of the serious and meaningful aspects of that experience. Suffice it to say that, in my opinion, the opportunity for a recent law graduate to serve as a law clerk to Chief Judge Frank M. Johnson, Jr. of the United States District Court for the Middle District of Alabama is the greatest opportunity in the United States. I am deeply grateful for the privilege of having been offered that opportunity and realize that I will probably never fully comprehend its value. The lessons learned and the experience acquired during that clerkship—more than any other experience before or since—have given me a respect for and love of the law and advocacy that I believe to be my most valuable personal asset. While the words are totally inadequate to express the depth of my feelings on the subject, thank you, Judge, for the opportunity.—F. E. Leonard, Jr., March 6, 1967 to June 1, 1968.

GOODBYE, GREAT BRITAIN

Mr. THURMOND. Mr. President, an outstanding article recently appeared in the April 29, 1975, edition of the Wall Street Journal entitled "Goodbye, Great Britain." This article details the current plight of Great Britain, which has been brought about by a policy of strangulation of private enterprise, confiscatory taxation, and the idea that the government must fulfill all the needs of the people.

Mr. President, I feel this article should be read by my colleagues, and I hope all of us will heed its warnings. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Goodbye, Great Britain

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the [illegible]3% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends, for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $12[illegible] billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisities. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

OIL PRICES

Mr. BAYH. Mr. President, the President's recently announced decision to decontrol the price of domestic oil over a 2-year period is no more acceptable than his earlier plan for a sudden decontrol of oil prices. As long as the President and his advisors adhere to the notion that letting the Arab oil producers establish the price of U.S. oil is somehow good for this country, I shall as persistently adhere to my strong opposition to any increase in oil prices, whether in a single jolt or over a period of some months.

Before recounting my position on the current debate between the administration and the Congress on oil prices, we would do well to take a quick look at the history of this issue. In the past 2 years the price of oil produced in the United States has tripled, with 40 percent of domestic production climbing upward at the OPEC price and the remaining so-called "controlled" oil permitted by the FEA to rise to $5.25 a barrel. The average price of oil produced in the United States is now about $8 a barrel. There are several points to be considered in regards to these domestic oil prices:

First, we do not have a free market in oil, nor would we have a free market if our Government adopted a hands-off policy. This is because oil prices, and other unregulated energy prices, are being set by the cartel of oil exporting countries; a cartel which controls much of the world's production and thus far has maintained strong discipline among its members.

Second, despite the sharp rise in oil prices beginning in mid-197[illegible], domestic oil production continued to decline last year, raising serious questions as to whether allowing still further price increases will guarantee increased domestic production. Already domestic prices for uncontrolled, new oil exceed $12 a barrel, far more than the $7 to $8 a barrel the oil industry in 1973 said it would need to increase domestic production.

Third, the last rise in the price of controlled oil, a $1 a barrel increment approved in December of 197[illegible], was subsequently found by the General Accounting Office to have no relation to increased production costs. It was an outright windfall, providing close to a 25-percent price increase for oil that was going to be produced at the lower price anyhow.

Fourth, the close relation of uncontrolled domestic oil prices to foreign prices is well demonstrated by the fact that when the cost of imported crude oil rose by $1 a barrel on February 1 as the result of the President's imposition of his tariff, uncontrolled domestic crude rose almost simultaneously by $1 a barrel. This is why I have voted for the proposals of the Senator from Ohio (Mr. Glenn) to limit domestic oil prices to their January 31 level, to prevent domestic producers from reaping a windfall because of the President's ill-advised imposition of the import tariff.

Fifth, and perhaps most importantly, the sharp rise in oil prices in the past 2 years was the single greatest cause of the disastrous double-digit inflation that afflicted our economy last year; inflation that most economists now believe must, in turn, bear significant blame for our deepest recession since the Great Depression. Oil prices affect our economy so directly and in so many different ways that any decision to increase those prices should be reached only after the most careful consideration of the ramifications of such a decision.

This, then, takes us to the current debate on prices.

If the President's phased decontrol of oil prices is permitted to go forward, it will mean direct price increases over the next 2 years of $14.5 billion. This figure would be increased by another $4.5 billion, to a total of $19 billion, if the President also goes ahead with his plan to increase his oil tariff from $1 to $3.

Those would be the direct price increases on crude oil. As unfortunate as it would be to increase consumer and industrial costs by this $19 billion, the fact is that the total impact of such a change in oil prices would be far greater and much worse. The cost of alternative energy sources would rise in proportion to the rise in oil prices. Moreover, because crude oil is used not only for the commonly recognized distillates of gasoline and home heating oil, but in a myriad of ways affecting scores of consumer products, the total price impact of an increase in crude oil prices is usually estimated to be 2½ times the direct increases.

Thus, allowing for the impact of increased oil prices on other sources of energy, and keeping in mind the indirect cost multiplier, raising oil prices by $19 billion over the next years would cost this country more than $60 billion. This is a phenomental jolt for an already weak economy. It would likely drive the cost-of-living up at an annual rate of close to 4 percent, raising the specter of another round of serious inflation. In addition, by draining this vast sum from the economy such a sharp rise in oil prices might well slow our long climb upward from the depths of the current recession.

All of this economic harm would come from the President's proposed pricing policies for oil. There would also be a perpetuation of one of the greatest income transfer programs of modern history, taking billions from the pockets of American consumers and businessmen and transferring those dollars to the coffers of the giant, multinational oil companies—companies with already vast resources and substantial profits—companies who owe no allegiance to this country.

All of the negative consequences of the President's proposal are justified on the need to discourage the importation of foreign oil. While I agree we should hold our imports to the minimum consistent with economic growth and true energy need, that can be done through short-term, moderate import quotas, through ending energy waste and thus reducing overall energy demand, or through the accelerated development of domestic energy reserves, including synthetic alternatives to oil and natural gas. These constructive approaches to reducing our dependency on foreign energy supplies make far more sense than increasing oil prices.

For all of the foregoing reasons I have joined as a cosponsor of the resolution disapproving the President's planned decontrol of domestic oil. In addition, I voted to rescind his authority to impose his oil tariff, and stand ready to again cast my vote against this unwise approach to the problem. Moreover, I sponsored the legislation passed by the Senate last week to place stricter limitations on the President's ability to decontrol oil prices. By maintaining adequate opportunity for the Congress to override such an unwise step I am confident we can prevent the President from taking this disastrous course.

Unfortunately, a long standing commitment in Indiana prevented me from voting when that legislation was considered on Thursday, May 1. Had I been present I would have voted for the legislation, S. 621, which I cosponsored. Also, I would have voted, as I did in the past, against the amendment of the Senator from Louisiana (Mr. Johnston) to take price controls off oil produced by secondary or tertiary recovery techniques. There has not been adequate evidence provided to prove that the price of oil produced in this fashion must be allowed to rise to the cartel price to guarantee its production.

Mr. President, the battle between the administration and the Congress on oil prices is far from over. I am taking this time to reiterate that I shall continue, as I have in the past, to oppose the administration's capitulation to the oil industry. Rather I will push for maintaining limitations on oil prices, for as much as I dislike the Federal Government taking a role in the setting of prices, I find that far preferable to turning the decision on domestic oil prices over to the foreign nations of the Organization of Petroleum Exporting Countries and to the multinational oil companies operating in those countries. To do so would be a terrible blow to American consumers and businessmen who justifiably seek an end to the inflation-recession cycle brought on by the precipitous rise in oil prices.

THE NEED FOR SELF-CONFIDENCE IN THE TIME OF NATIONAL TROUBLE

Mr. THURMOND. Mr. President, the last year has not been an easy one for the United States. We have experienced, in succession, political scandal, economic decline, and the collapse of our foreign policy in Southeast Asia. As a result, many Americans seem to be losing faith in their country. Disgusted with the past, they are fearful and despairing about the future.

The pessimistic feelings of such people are not surprising, but they are nonetheless alarming. Admittedly, America has problems. We always have had, and given the imperfect world we live in, we always will have. However, in the past, Americans have shown a remarkable capacity for facing up to our problems and solving them. This is what has made us great—not an ability to avoid troubles, but an ability to surmount them. There is no reason to believe that we have lost this ability.

Anyone who looks dispassionately at the state of the Nation will find that, even in this time of trouble, our woes are greatly outweighed by our blessings. As usual, the things that are right about America are far more numerous, more substantial, and more enduring than the things that are wrong. If the doubters among us will only realize this fact, they will spare themselves much unnecessary heartache. A positive attitude toward our problems will not only make them easier to bear but will hasten the day of their solution.

Mr. President, I recently read a newspaper article which displays this positive attitude forcefully and eloquently. Written by one of my favorite writers, Mr. Louis Harris, editor of the Augusta, Ga., Chronicle-Herald, it contains a list of our Nation's advantages that ought to be required reading for every concerned citizen. To help it gain the circulation it deserves, and to encourage a more optimistic spirit among the American people, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

What's Right With America!

(By Louis C. Harris)

A popular pastime among some Americans in recent years has been the defamation of their own country.

To some extent, it seems almost contrived, the pitch of the detractors seemingly rising and falling in marked measure to the political activities of the United States as it might affect the well-being of communism, here and abroad.

These maligners of America, or at least those who are merely sincere dissidents with no insidious motivations, should read what a man by the name of Arch Booth has to say about this Nation.

For 32 years, Mr. Booth has been associated with the National Chamber of Commerce. During that time he has written literally hundreds of periodic columns, most of them accentuating the positive values of America.

He admits—and any honest man must—that everything isn't right about the country. He acknowledges that there are plenty of balloons in need of puncturing. But his final column adjured the negative because, he said, he did not want to end his career on a negative note.

Rather, as he put it, he wanted to "say a few kind words for this bruised, troubled, much maligned—but still great—country of ours."

I am taking the liberty of passing them along to you.

UMI

There are so many things right with America, Mr. Booth wrote, that it is difficult to make choices. Even though we face some serious problems, we have the demonstrated strength and will and means to cope with them. That, he thinks, is enough in itself to say about "What's Right With America," but he added what he termed some other factors "high on the list." Here they are:

(1) We have the greatest amount of freedom for the individual of any country in the world—freedom of choice—of religion—of thought.

(2) We have the greatest amount of incentive for individual productivity in the world.

(3) We have the mightiest economic system on the face of the earth—in a slump now but with underlying strength in immense proportions.

4) We have the privilege of working in a market-regulated economy which maximizes individual effort, diversity and variety, and serves as the best means known of allocating human effort and resources efficiently.

5) We benefit from the spirit and practice of voluntarism in meeting our social and economic challenges.

6) We have a growing concern for personal, governmental and commercial ethics and behavior.

7) We have a system of public education, higher learning and adult advanced study bringing a rich intellectual fulfillment to all who will accept its opportunities.

8) We have a religious heritage and spiritual encouragement second to none.

9) We have health facilities and a medical delivery system of exceptional merit.

10) We emphasize home ownership, family environment and the neighborhood spirit to the immense advantage of all.

11) We cherish freedom of communications. We encourage the development and expression of informed opinion.

12) We have a highly productive and fertile soil, varied but favorable weather and a skilled, motivated, splendidly equipped agricultural community.

13) We have highly skilled, trained and motivated management and technological personnel.

14) We have some of the best skilled workers to be found.

15) We have a great wealth of investment capital—much of it awaiting encouragement to be used in the development of jobs and productivity.

Mr. Booth is neither a Pollyanna nor a Chicken-Little.

He confessed that his list of 15 can be expanded. The critics, he said, can point out flaws, exceptions, "yes, but's," in every one of them.

And then, as his final words of his final column, he wrote:

"We are far from perfect. This is not a perfect world. But when all is taken into account, what is right with America is our will to improve, achieve, to share, to accept the responsibilities and burdens of leadership to be neighborly and to become something more tomorrow than we are today."

The bad-mouthers, the defamers and those with a mist over their eyes please take note.

VIETNAM AND THE GROWTH OF THE AMERICAN EMPIRE

Mr. **HARTKE**. Mr. President, the dramatic dissolution of the tenuous regimes of South Vietnam and Cambodia after so much American sacrifice invites another round of recriminations in the ongoing domestic trauma associated with Indochina. We are witnessing the end of a particularly tragic phase in American foreign policy and the beginning of a new era in Southeast Asian politics.

As one of the first Senators to break with the Government's policy in Vietnam, this final, ignominious chapter underscores the enormity of the destruction—human, psychological, and material—wrought by men whose intentions were never evil and, occasionally, even noble. Ten years ago I began feeling that the Untied States was committed to policies without political, military or moral justification; that the continuation of those policies betrayed the Nation's own best values; and that our sense of political community was being destroyed.

More than once I felt outrage at the decisions and the decisionmakers. Now, in the sadness that every American must feel in the face of the pitiful plight of the Vietnamese people, it is clear that Indochina was a drama without villains. To an alarming extent, each of us was locked into his particular role by the constraints of institutions and of history.

This dismal episode is a vivid demonstration of the constancy of the Nation's foreign policy—regardless of how wrong it might be—as responsibility passes from one administration to the next. Prior decisions and the commitments they entail create ineluctable pressures on decisionmakers, pressures that insure each new administration will perpetuate the mistakes of its predecessor. New sets of administrators—in fact, the number of "new" officials is quite small—quickly adapt and conform to the assumptions and policies embodied in the institutions they are charged to direct. Changes in policy are not precluded, but they are difficult to implement and will tend to be incremental and evolutionary.

Rarely does foreign policy reveal any sharp breaks with the past; even from a contemporary perspective it appears seamless. Americans still speak of the Monroe Doctrine as if it were designed specifically for contemporary problems. We are bound psychologically and institutionally to traditional concepts and behavioral patterns. These natural proclivities are reinforced by social and political "sunk costs." American policy in Southeast Asia revealed these tendencies to an almost pathological degree.

There are great, and depressing, similarities between American policy in Asia and those of Great Britain that culminated in an empire upon which the sun constantly shone. The American "empire," to be sure, differs in degree as well as type; it is a version suited to the existential realities of this century, not the last. But there is substantial correspondence in the processes of growth.

It is the vogue for the "new left" to interpret the American empire in economic terms, the same way their intellectual forebearers treated Britain's imperial system. In both cases, this is an exercise in historical interpretation where the guiding theory has been spun in the vacuum of philosophical principle, not from historical data.

Britain's Empire seems the product of absentmindedness—but is not, quite. No corporate or class cupidity was at work; something equally insidious was. Once sheer happenstance established British rule in northeast India, the imperial growth process started. Even though avowed and reiterated policy was to avoid further territorial commitment, the Empire inexorably grew. The fear of losing territory already held, territory that had been gained at considerable social and economic cost, pushed generation after generation to expand outwards. It is not in the nature of political systems and the bureaucracies that sustain them to let go. Faced with perceived threats to the integrity of the existing territorial empire—often, from highly unlikely sources—the British reacted with a monotonous predictability unmatched even by our own leadership. Piece by piece, they put together their Empire. Romantics thought of this as adding "jewels" to the imperial crown.

Without ever making a conscious, rational decision, the British saddled themselves with a huge, costly and unruly Empire that encompassed much of Asia and Africa. For each new set of administrators, the reasons for maintaining and protecting the Empire became ever more compelling. Every decision made had required the sacrifice of men and treasure, and the sunk costs mounted rapidly. It was increasingly difficult to undo the aggregate sacrifice of previous generations.

Imperceptibly, as in America's case, the British came to associate the Empire with their strength as a nation and as the outward manifestation of their genius as a people. To tamper with the Empire, was to tamper with the quintessential nature of Britain itself. The psychological investment in the Empire was enormous. Britain's working population would have reacted as violently as did our own to the anti-Vietnam war demonstrations, and for much the same reasons.

American involvement in Asia can be traced to the early part of the 19th century when Yankee clipper ships sailed from New England ports in search of profitable trade; missionaries and others soon followed. Americans fanned out in a haphazard and unplanned way. Circumstances, not a national plan, led to the occupation of the Philippines and the open door policy toward China. In a process far too irrational to yield to any "cost-benefit" analysis, commitment followed upon commitment. We fought Japan for dominant influence, and surreptitiously, the Chinese Communists for essentially the same reason. In Korea we fought a large-scale conventional war to a standstill; and in Vietnam a traumatically unsuccessful unconventional war. It was the ultimate realization that we could not win in Vietnam—at least, at a reasonable cost and with more or less acceptable tactics—that led to Paris and "peace with honor," a euphemism designed to hide the limitations of our own power.

The recently resurrected domino theory has more validity as a description of imperial growth than as a scenario for

defeat. Every decision to make or expand a commitment in Asia has necessitated a new round of decisions. Every domino we raised, to continue the analogy, required two more to protect it. Commitment has followed commitment in a logic bearing no relationship to rational policy or national interest. The logic of expansion is sui generis. This accounts for the lack of a real explanation, by successive administrations, of the rationale behind Vietnam. At the height of national folly, the administration spoke of fighting to preserve democracy. These were the empty phrases of desperate men caught up in a process that had a momentum of its own, and which they neither understood nor could control.

The wisdom of the Founding Fathers is evident in the constitutional treatment of foreign policy. They resolved—and I doubt that anyone in Congress would disagree—that the routine execution of foreign policy needed to be in the hands of the Executive. But declarations of war and the ratification of treaties—acts that they interpreted as involving policy formulation—require congressional action. The Constitution clearly differentiates between foreign policy formation and foreign policy execution.

Vietnam has convincingly demonstrated the difficulty faced by any administration attempting to transcend the parameters of established policy. Five successive administrations have been "locked into" particular Southeast Asian policies because of their responsibility for policy execution. Congress lacks the ability to conduct foreign policy, but it has a distinct advantage in the formulation of policy: it has much less of a vested interest in existing policies.

The denouement of America's excursion into empire may well mark a reversal of a century of increasing presidential dominance in the formation as well as execution of foreign policy; it may also presage resurgence of congressional responsibility. Strong presidents, hot and cold wars, and the exigencies of nuclear technology and strategy have all converged to reduce Congress' role in foreign affairs. Early returns suggest that this imbalance may be giving way to a new partnership more closely related to the one envisioned at the Philadelphia Convention in 1787.

MIA'S

Mr. **BROOKE**. Mr. President, the final withdrawal of American personnel from Vietnam has been a traumatic experience for all of us regardless of our individual views on the Vietnam involvement. Now is a time for sober reflection rather than "instant analysis" so often characteristic of our society.

Our time of reflection must not be accompanied by a period of indifference regarding a continued responsibility arising from that war—our duty to account for our missing in action in Indochina. We have assumed responsibility for many Vietnamese people. We have a greater responsibility to our MIA's and their families.

Now is the time to use every channel open to us to influence the North Vietnamese and the new government in South Vietnam to proceed with the accounting effort. Our Government should immediately contact the allies of the Indochina regimes and request them to communicate to those regimes our continued concern over this issue and our unwillingness to let it fade away.

We should also use the good offices of the United Nations and other international organizations who are involved in relief efforts in Indochina to communicate our concern to the Communist governments.

We must also seriously consider whether a continued refusal of the Communists to cooperate in this area will be an insuperable roadblock to our involvement in efforts to meet certain needs of the Vietnamese people. I have serious doubts that the American people will long support a humanitarian aid effort if a callous disregard of our concern for our MIA's continues to be evidenced in the behavior of the governments of Indochina.

In addition, any formal recognition of the new governments in Indochina should be conditioned, at a minimum, on their willingness to help in the accounting for the MIA's.

My association with the families of the MIA's has been a cherished one. Their dedication to their loved ones is inspiring and commands the respect of all Americans. Our Government must exhibit anew its commitment to obtain an accounting for these men. To do less will be to dishonor the sacrifices made by them and their families.

KIM IL-SUNG'S VISIT TO PEKING AND SECURITY PROBLEMS IN SOUTH KOREA

Mr. **HARTKE**. Mr. President, I call to the attention of my colleagues for their information, a speech by Chong Kyu Park, chairman, board of trustees of Kyungnam University and honorary chairman of the Institute for Asian Studies, regarding the visit to Peking of Kim Il-sung, head of the North Korean Government.

Mr. President, I ask unanimous consent that the full text of this address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KIM IL-SUNG'S VISIT TO PEKING AND SECURITY PROBLEMS IN SOUTH KOREA

(By Chong Kyu Park)

While shock waves from the Communist success in Cambodia and the Vietnam tragedy remain strongly felt in South Korea, a visit to Peking of North Korea's head Kim Il-sung on April 10 is now creating an additional and grave concern for South Koreans.

According to news dispatches from Hong Kong, Kim Il-sung was not only given the biggest welcome as a state visitor in a decade but was given immediately an audience with Chairman Mao Tse-tung, who had not met a foreign dignitary in more than three months.

Addressing at a state dinner in Peking, which was attended by Chinese leaders including vice-Premier Teng Hsiao-ping, and head of the new Cambodian government Prince Norodom Sihanouk, Kim warned: that "the colonial rule of the United States imperialism in South Korea will never remain intact." Hailing the capture of Phnom Penh as "a great victory won by the patriotic Cambodian people in their heroic five year struggle against the United States aggression," and "another shamefully sustained by the United States imperialists in Asia," Kim Il-sung demanded that the United States withdraw from South Korea and that the present leadership of the South Korean government be replaced with "a democratic figure with national conscience." He then warned that unless these two demands are met, he could not "guarantee a durable peace in Korea."

Responding to Kim's speech, Chinese vice-premier Teng Hsiaoping said that Communist victories in Indo-China are "a source of great encouragement to the people of all countries."

Now it is not difficult to tell what Kim Il-sung wants. What he wants, no matter how illusionary it may be, is a negotiated surrender of the Republic of Korea following a withdrawal of American troops. At this point, I think we should remember that we had once written off South Korea by excluding her from our defense perimeter in the Western Pacific, and that it signalled an open invitation for a Communist attack on the South in 1950. What bothers me now is the fact that the North Korean attack took place nine months after the fall of China and four months after a visit by Kim Il-sung to Moscow, which also was visited by Mao Tse-tung three months earlier.

Much has happened and changed since the Korean War. But there is one thing that has not changed. That is North Korea's goal to subjugate the people in the South who want to remain free and independent. With our continued support and aid, South Korea has achieved a remarkable progress in economy with the world's highest growth rate as well as a strong and well-disciplined military force. If we are still to pursue the Nixon Doctrine—that is our allies will have to defend themselves without our direct involvement but only with our logistic support and nuclear protection.—I think South Korea will be a successful example in the application of that doctrine.

However, what we should do is prevent another costly Asian war rather than ourselves to help defend our allies. And I think one way of doing this is to support the repeated reaffirmation by President Ford, Secretary of State Kissinger and Secretary of Defense Schlesinger that the United States will keep its word and treaty obligation to defend the Republic of Korea. At the same time, I think it would be only harmful to the security of South Korea if we talk irresponsibly about reports that the allegedly repressive nature of the South Korean government is losing support from the people. I don't say that political freedom or human rights are allowed as much in South Korea as in the United States. South Korea simply cannot afford the same extent of freedom that Americans are enjoying. South Korea is still a developing country toward economic and political stability.

There is dissent in South Korea, and it is allowed within the boundary of South Korean laws: Opposition party leaders and other political dissidents are allowed to express their views and the press reports them. What is not allowed in South Korea is disorderly demonstrations which might lead to a social confusion and chaos.

Again I am reminded of what Kim Il-sung said in Peking: He said, "if an uprising is staged in the South, North Korea will not just look with folded arms but will strongly support the South Korean people."

It is in this context that I think we should refrain from talking about the often groundless and distorted pictures of the internal policies of the Korean government, because this will only undermine the posi-

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tion of security of South Korea, and may lead to another self-inflicted tragedy.

THE VALUE OF ART EDUCATION

Mr. THURMOND. Mr. President, a sound educational program will be concerned not only with teaching children fundamental skills such as reading, writing, and doing arithmetic, but with encouraging them to use their imaginations. One of the best subjects for this purpose is art. Children are innately creative. However, their creativity can be stifled if they do not get a chance to exercise and develop it. Art education helps to insure that the imaginative child will grow up to be an imaginative adult. It enhances his understanding and enjoyment of his surroundings, natural and manmade. It accustoms him to judging for himself and teaches him to feel confidence in his judgments. Everyone cannot be a great artist, but everyone can share in the pleasures and insights which training in art invariably brings.

VOTING RIGHTS ACT

Mr. BAYH. Mr. President, the Subcommittee on Constitutional Rights has now concluded its hearings on one of the most important pieces of legislation which the Congress will consider in this session, the extension and expansion of the Voting Rights Act. Yesterday a number of distinguished leaders from the Mexican-American community presented a joint statement to the subcommittee. I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOINT STATEMENT OF MEXICAN-AMERICAN COMMUNITY LEADERS

Mr. Chairman and members of the Subcommittee, my name is Joe Benites. I am the National President of the League of United Latin American Citizens (LULAC) and a member of the Board of trustees of the National Congress of Hispanic American Citizens. Accompanying me today are Mr. Antonio Morales, National Chairman, American G.I. Forum, Mr. Manuel Fierro, President, National Congress of Hispanic American Citizens, Mr. Ricardo Zazueta, National Director of SER-Jobs for Progress, Mr. Gilberto Chaves, Representing National Image, and Mr. Rafael Moreno, representing the Tejano (Texas) Political Action Committee. On behalf of our national membership and affiliate state and local Spanish speaking organizations, I want to thank you for the opportunity to appear before you today and express our full support for the extension and expansion of the Voting Rights Act to protect our nation's Spanish speaking population.

First of all we would like to commend Senator Birch Bayh for taking the initiative in introducing legislation that expands coverage of the Voting Rights Act to cover the Spanish speaking community. Additionally, we want to thank the Chairman, Senator John Tunney for his continued assistance in overcoming the many obstacles our community has experienced in the past, and we look forward to his continued assistance.

Mr. Chairman and members of the Subcommittee, we cannot overly emphasize the importance to us of the measures you are considering before this committee today and we want to leave no doubt in anyone's mind that we strongly support the provisions that expand the Voting Rights Act that will protect our nation's Spanish speaking population. It is not without cause that we are asking Congress to include us specifically under the Voting Rights Act in those jurisdictions in which the systematic denial of the right to vote is still a way of life. Testimony and documentation presented in the House of Representatives and the Senate clearly show the irrefutable evidence of a systematic effort to deny and dilute the vote of our nation's Spanish speaking, particularly the Mexican American in the Southwest. The evidence includes instances of blatant gerrymandering, uncooperative and unresponsive registration and voting irregularities, changes in polling places and the lack of bilingual registrars and election officials. The list is endless. This evidence has been substantiated more recently by the United States Commission on Civil Rights, Staff Memorandum, dated April 23, 1975: "A Summary of Preliminary Research on the Problems of Participating by Spanish Speaking Voters in the Electoral Process.

The history of the Mexican American in these United States is a history of neglect and discrimination. Our people have suffered and have endured every aspect of discrimination and abuse imaginable. And despite the guarantees by our Constitution, this country has seriously failed to protect the Voting Rights of our nation's second largest minority. This oversight, this neglect, comes as no surprise. But you as members of Congress have the opportunity today to correct this gross injustice. The Voting Rights Act has proved to be more than a worthwhile device for correcting historic irregularities in the voting patterns of the South, but it ignores the basic voting problems and irregularities of the Mexican Americans.

There have been expressions of concern that the cause of Civil Rights in this country will be harmed by our attempt to expand the Act. Legislation approved by the House Judiciary Subcommittee on Constitutional and Civil Rights contains a clause that is designed to permit a test of the new sections of the Act without endangering the whole Act. It would be tragic, to say the least, (quote by Arlie Shardt, ACLU) "if those who fought so effectively for the rights of blacks to vote in the South should now step aside when the same right is being denied another minority."

Mr. Chairman and members of the Subcommittee, we cannot impress upon you more eloquently than has already been done by other witnesses, for the need to expand this Act. This issue has the overwhelming support of every national, state, and local Spanish speaking organization in this country. As evidence of this, we would like to submit for the record the numerous telegrams that have been received in support of this measure. For this Congress to ignore this unanimous consent of our community would be a gross denial of justice and will only serve to enhance the pervasive racial, ethnic, and political discrimination that has been historically perpetrated against our Mexican American Communuity.

THE PEACE CORPS

Mr. BROOKS. Mr. President, since its inception I have been a strong supporter of the Peace Corps. Today I am even more convinced of its usefulness and necessity as we reaxamine our role in the world in the wake of the ending of a tragic phase of our involvement with the countries of Indochina. The Corps is a vehicle to exhibit to others the strength of our commitment to a better life for the poor of the world.

Too often we talk of the efforts of our various aid agencies in nonpersonal terms. That is unfortunate. For it is the personal commitment and sacrifice of individuals that is the most outstanding characteristic of the Peace Corps and other aid agencies. Therefore, I think it is fitting and proper that I bring to the attention of my colleagues two recent articles detailing the work of two of my constitutents participating in the Peace Corps programs—William R. Boyce of Melrose, Mass., and Albert W. Nicholls, Jr., of Revere, Mass. Their efforts are two fine examples of the spirit of commitment that we need to meet the challenges before use.

I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MELROSE MAN EXPERIENCES PACIFIC ISLAND LIFE AS A PEACE CORPS VOLUNTEER IN MICRONESIA

MAJURO, Marshall Islands, Micronesia—William R. Boyce of Melrose, Mass., doesn't like hot weather or the ocean; the mountains and brisk, cold weather are the preferences of the young University of Massachusetts at Amherst graduate.

So why has he been living for the past 1½ years on a tiny, tropical reef-fringed island in the Pacific Ocean? It's because Boyce, 23, the son of Randall and Grace Boyce of 37 Appleton St., Melrose, is a Peace Corps volunteer, and the little island, Mejit, is where his teaching services were needed when he signed on for a two-year term of volunteer service overseas.

The compensations for a climate he doesn't enjoy are the challenge of working with local island teachers on innovative new math and science programs and the opportunity to experience Marshallese life and culture. Two years ago, Boyce had never heard of the Marshall Islands and had to look them up in an atlas; today he is fluent in Marshallese, the local language, and is part of a Marshallese family and community.

The only Peace Corps volunteer now on Mejit, he is one of six Americans—most of them previous Peace Corps volunteers—to have visited the island since World War II. The Marshall Islands were the scene of heavy fighting during the war, particularly on the Kwajalein and Eniwetok atolls, and the bones of Mejit's last 70 Japanese defenders, killed in a last-ditch stand against the American invasion of the island, still await excavation.

The Marshall Islands—29 coral atolls and five coral islands—comprise the easternmost of Micronesia's six districts. Micronesia, "the land of tiny islands," is made up of 2,100 islands scattered over 3 million square miles of the Pacific Ocean. Formally known as the Trust Territory of the Pacific Islands, it has been administered by the United States since 1947 under a trusteeship agreement with the United Nations.

Boyce lives on Mejit in a small thatched house, complete with a porch overlooking the water, which was built by the islanders for the first Peace Corps volunteer to teach at their school several years ago. The islanders also built their own five-room school for youngsters in the first through eighth grades.

To get a high school education, Mejit students must first pass the qualifying exams for admission to Marshall Islands High School, since high school is neither compulsory nor available to all who want to attend. Then they must leave home to attend the school in Majuro, the district's administrative center, a journey of one to two weeks by the slow-moving field trip ships which make the rounds of the Marshalls.

About 110 students attend the Mejit school, where they sit on mats on the floor because

the school cannot afford tables and chairs for them. Boyce teaches several math classes there, but his main role is to train the teachers to work with the new science and math instructional progams being introduced in the district's schools.

The teachers are good, dedicated instructors, Boyce explained, but they are only high school graduates themselves. The "new math" being introduced to the students is new to them too, and so is the "discovery" method of science education which stresses classroom experimentation rather than the traditional rote learning.

Boyce's responsibility is to introduce and explain the new teaching techniques required in these programs, and to help the local teachers broaden their understanding of the subjects. He assists the teachers in class from 8 a.m. to noon, and works with them individually in the afternoon. During these afternoon sessions he and a teacher work out lesson plans, perform whatever experiments will be done in class the next day, and rehearse lessons. The teachers are very receptive to the new programs, Boyce noted.

Boyce also has helped the islanders to set up a nursery school for children two to six years old. "The first grade kids at school are really shy and afraid, so I decided it would be a good idea to set up a nursery school program," he explained. "The goal was to let the children become familiar with some of the materials they would be using in the first grade. The parents were all for it."

A church donated the use of its building in the mornings, and parents volunteered to prepare meals for the children. Boyce enlisted the help of two volunteer teachers and scrounged blocks, paper and crayons. After showing the parents and volunteers how to operate the school, he stopped participating. "I wanted them to do it themselves," he said. "It worked."

Once the nursery school was on its feet, the entire island turned out for a surprise party to thank Boyce. "It was so rewarding," he said. "It just goes to show how much interest they have in education."

At home Boyce takes his meals—usually coconut, fish and rice—with his Marshallese family, who lives next door. Like the other islanders he has no electricity or running water. Kerosene fuels his lantern and stove, a cistern collects his drinking water, and an elevated 50-gallon drum with a tap gives him the luxury of a shower.

Mail from home is slow and infrequent, since the field trip ships call at the island only a few times each year. "A ship supposedly comes every month but, really, every three months is good," he said. "We've waited as long as five months for a ship." In emergencies, the islanders can contact Majuro by radio.

Boyce is a 1969 graduate of Melrose High School. He received his bachelor's degree in human development at the University of Massachusetts in 1973. A teacher on Mejit since September, 1973, he will wind up his two-year term of Peace Corps service this summer.

He is one of about 210 Peace Corps volunteers serving in Micronesia in a wide variety of education, health, economic development, professional services and other programs. Around the world, about 7,900 Americans are serving as Peace Corps volunteers and trainees in 68 developing nations.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is director of ACTION.

ACTION's domestic programs are Volunteers in Service to America (VISTA), Foster Grandparent Program, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), Retired Senior Volunteer Program (RSVP), Senior Companion Program, ACTION Cooperative Volunteers and University Year for ACTION.

Persons interested in ACTION programs can call 800–424–8580 toll free for more information.

PEACE CORPS VOLUNTEER FROM REVERE HELPS ETHIOPIA COMPILE FARM DATA

When his two-year tour of duty as an agricultural specialist in Ethiopia came to a close, Peace Corps volunteer Albert W. Nicholls, Jr., 25, of Revere, Mass. felt he still had a contribution to make to the agricultural development of the country. He extended his volunteer service with the Ministry of Agriculture for an additional year to work in Ethiopia until October, 1975.

Nicholls, who earned a bachelor's degree in agricultural and food economics from the University of Massachusetts in Amherst in 1972, is working in the East African nation to gather and develop accurate agricultural data. Reliable statistics are needed by government planners who develop the country's agricultural programs.

His first two years were spent in the city of Harar as an adviser to the eastern regional office of the agriculture ministry's planning and programing department. There, Nicholls was involved in crop reporting and forecasting and the development of a weekly market price reporting system in each of the major markets in the area.

In July, 1974, Nicholls was transferred to the agriculture ministry's head office in the capital city of Addis Ababa. He now is participating in the National Crop Production Survey for calendar year 1974. It is an ambitious project, explains Nicholls. "This survey will be far larger than any in the past, in terms of manpower, funding and the quality of data."

Crop and market data are extremely important in Ethiopia, where some 90 per cent of the population is engaged in farming or the raising of livestock.

Coffee is Ethiopia's major product, accounting for more than 50 per cent of the exports. Although many of the coffee trees grow wild, plantation farming is becoming increasingly important. Cattle and good grazing land are plentiful and, next to coffee, cattle raising probably has the highest economic potential.

In response to the need for data, the planning and programming department has published annual reports since 1971. These reports deal on a national level with the current year's harvest. "Each report," states Nicholls, "was better than the last in terms of geographical coverage, content and usefulness to government planners and other interested agencies."

These reports serve as a basis for improving the crop reporting system. "Admittedly the reports are impressionistic," says Nicholls, "based on meetings with village elders, farmers and government officials. In a country like Ethiopia, however, where statistics in general are lacking, qualitative data is better than nothing."

Nicholls, the son of Mr. and Mrs. Albert W. Nicholls Sr. of 435 Revere St., Revere, received a high school diploma in 1967 from Essex Agricultural and Technical Institute in Hawthorne, Mass. He earned an associate's degree in dairy technology from the Stockbridge School of Agriculture of the University of Massachusetts in Amherst in 1969.

"I had little trouble gaining acceptance into the community," says Nicholls. Through his colleagues in the ministry of agriculture he met many people and developed close friendships. "When I was transferred from Harar to Addis Ababa I left many friends behind, but I return for frequent visits."

When he first learned of his Peace Corps assignment to Ethiopia, says Nicholls, "I went to the Revere public library and read about Ethiopian arts, crafts, history and geography." He feels that this background, along with his ability to "be a good listener" and his knowledge of Amharic, the national language he learned during Peace Corps training, helped him gain acceptance.

Nicholls is one of 169 Peace Corps volunteers serving in Ethiopia. There are currently 7,900 Americans serving as Peace Corps volunteers and trainees in 68 developing nations.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is director of ACTION.

ACTION's domestic programs are Volunteers in Service to America (VISTA), Foster Grandparent Program, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), Retired Senior Volunteer Program (RSVP), ACTION Cooperative Volunteers and University Year for ACTION. Persons interested in ACTION programs can call 800–424–8580 toll free for more information.

STATE OF THE CONSUMER—1975

Mr. MOSS. Mr. President, on January 31, 1975, Ralph Nader delivered an address to the Consumer Federation of America's annual convention. The speech was called the "State of the Consumer—1975." This talk gives us a better understanding of the issues facing the consumer movement. I urge my colleagues to review it in order to gain a better appreciation of the broad scope of current consumer problems.

Mr. President, I ask unanimous consent that the text of Mr. Nader's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE STATE OF THE CONSUMER—1975

(Address by Ralph Nader)

The state of the consumer is not good—which should be no less surprising than a recent and similar diagnosis on the state of the nation.

What is surprising and ironic is the way victimized consumers are further victimized by the government, supposedly for their own good. Are car prices too high? President Ford then suggests delaying safety and emissions standards for years—a move that sacrifices consumer health and safety to an oligopoly which has foolishly priced itself out of the market. Are there energy shortages? President Ford then pushes for the construction of 200 nuclear power plants—plants whose deadly radioactive materials pose catastrophic risks for present and future generations. Another presidential directive would effectively tax consumers billions annually in higher home fuel and gasoline prices, which will bear down hardest on lower-middle income consumers, so those least able are asked to belt-tighten, while there is little energy-boning with industry—which uses over 40% of all energy and which could, according to the Ford Foundation Energy Policy Project, reduce its energy consumption by one-third.

The time has come for this convocation to tell the White House, the Congress and industry something they should already know: the consumer will be nobody's scapegoat; the consumer's interest is primary, not deferrable; the consumer will not be held hostage to an economic crisis in which he or she already suffers.

For the state of the consumer is the state of the nation. It means our health and safety—our freedom from needlessly dangerous antibiotics, carcinogens in our food

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and drinking water, auto emissions in the air. It means an efficient marketplace—one where the government disbands monopolies and oligopolies and where competing firms operate to produce a variety of products at competitive prices. It means government regulation—a Consumer Product Safety Commission, an EPA—where the market fails to protect consumers from the inefficiencies and hazards of industry. The consumer interest can no more be ignored than the Mint can close shop.

Even those economic proposals offered to help hard-pressed consumers take on the appearance of a shell game, as Mr. Ford shows how a president can giveth and taketh away in nearly the same breath. Thus, he remits $30 billion to the public in the form of tax cuts, while he collects approximately the same amount in oil taxes. And the form of the tax cut—proportional rather than progressive—is troubling: a family earning $35,000 a year will get a $1000 tax break while a family earning $12,000 a year, for whom extra cash will be readily transferable into extra consumer spending, receives only $122. Although the opportunity was great, there was no presidential exhortation for serious tax reform, of the kind to deprive the oil industry and other industries of their billions in invisible subsidies annually. Instead, the President proposed a tax cut from 48% to 42% for business, plus a 12% tax credit; this simply extends the inequitable and unsuccessful "trickle-down" economics which have seen corporate taxes as a percentage of all taxes decline from 33.6% in 1944 to an estimated 14.6% in 1974. Rather, we need "trickle-up" proposals that encourage informed consumer spending which in turn will encourage expansion and output and jobs. But from an Administration economically steered by an Ayn Rand disciple and which only a few months ago proposed a tax surcharge, perhaps people should be grateful for even small tax rebates.

To gauge accurately the current state of the consumer, however, requires us to push beyond presidential proposals of two weeks ago and to examine what has happened in the past year in eleven vital consumer areas. These areas—the Consumer Protection Agency, class actions, antitrust and regulatory reform, the food industry, auto safety and emission controls, banks, health care, energy, nuclear power, natural gas rates, and utility rates—are of course not inclusive, but they present a picture of the American Consumer, 1975:

CONSUMER PROTECTION AGENCY

Thousands of Congressional hearing pages and scores of days of hearings document the numerous abuses which have resulted, in large measure, from the absence of effective consumer advocacy before federal regulatory agencies and departments. A few typical examples reveal the unseemly pattern:

Congress passed the Child Protection and Toy Safety Act in 1969, but the Food and Drug Administration did virtually nothing to implement it for three years. Finally, after being sued by consumers, FDA did ban several dangerous toys a few days before Christmas, 1971, too late to keep them out of the hands of thousands of children.

In the face of evidence that about 5,000 deaths and 200,000 injuries result each year from burns associated with flammable fabrics, Congress strengthened the Flammable Fabrics Act of 1967. The Commerce Department, charged with administering this law, took no action under it for four years. Finally, the agency issued the only clothing standard that has been issued to date, setting flammability standards for children's sleepwear up to size 6X. Manufacturers were given a two-year grace period before their products could be sold only if they met these standards. There are still no flammability standards for any clothing over size 6X.

The Civil Aeronautics Board (CAB) routinely rubberstamps air fares requested by the airline companies and has refused to investigate domestic and trans-Pacific overcharges. Domestic overcharges result more frequently on interline connecting flights between small cities. CAB has also failed to effectively protect air passengers against overbooking by the airlines, although the agency's own records show over 500,000 people were "bumped" from flights over a five-year period.

The Department of Transportation failed for seven years to issue standards to improve the crash survivability of school buses. Under pressure from Congress and consumers, DOT recently issued one proposed standard relating to school bus design.

The regulated business community has the time, focus, money, information and technical expertise to control the agencies which affect their balance sheets. Individual consumers often lack all these assets. Other problems compound the burden: consumer interests cut across all agency lines, while most businesses need monitor fewer agencies; since agencies do not announce that certain investigations or formal proceedings are taking place, many issues are decided before consumers even know they are being considered; and organizing consumers into an effective countervailing power suffers the added difficulty of "the free rider effect": since a consumer will gain the benefits of consumer laws even if he or she has not participated in their passage, many lack the incentive to work for consumer change.

"The big winners in the pluralistic system," concluded Judge Skelly Wright, "are the highly organized, wealthy, and motivated groups skilled in the art of insider politics."

In the past six years a small corps of public interest advocates have often won surprising victories in this world of "insider politics." But their occasional forays and successes should not obscure the need for a well-funded and on-going corporate counterweight in the federal agencies. Which is why we need a Consumer Protection Agency.

For five years Congress has had before it such a proposal. With no authority to impose fines or penalties, to set standards or to force businesses to change their practices, CPA would serve solely as an advocate for those who purchase or acquire goods and services, just as legions of attorneys and lobbyists now represent the interests of those who produce these goods and services. As an anti-inflationary advocate within the Executive Branch, the CPA would concentrate on the rigid and previously unchallenged policies of those industry-beholden regulatory agencies which prevent competition in the marketplace from achieving its efficiencies.

Those who doubt the CPA's significance need only gauge the intensity of the massive, heavily financed corporate lobbying against it. Still, in 1973 it passed the House by a 3–1 margin and 64 Senators voted for it. But in the clearest example of how a Senate filibuster can frustrate majority will, the Senate failed by a single vote to invoke cloture and pass the CPA. This agency, however, is an idea whose time has come, no matter how desperately radical reactionaries like Senator James Allen struggle to defeat it. Our tenacity must match this proposal's importance. Thus, the CPA bill will be before the 94th Congress as a high priority of the over 100 consumer, religious, labor, senior citizens and community groups across the country which have endorsed it.

CLASS ACTIONS

With legislatures and agencies disproportionately swayed by business interests, Justice William Douglas rightly observed, in *Flast* v. *Cohen*, that the judiciary "is often the one and only place where effective relief can be obtained." And in a society where business can bilk in bulk, consumers should be able to sue in bulk. Just as mass transit is a far more efficient and inexpensive transportation mode than individual automobiles in a mass society, class actions can be vehicles of justice for those commonly swindled. Individual lawsuits are illusory alternatives, as the cost to each litigant is often prohibitively expensive in relation to the recovery. Also, these mass injuries and overcharges increasingly require an expert for detection. How, for example, is the ordinary consumer to discern that the price of an item has been inflated by an antitrust conspiracy, that a product purportedly "on sale" is not in fact reduced in price, or that his dry cleaning and house painting bills are avoidably linked to the level of air pollution?

Unfortunately, the experience with the class action lawsuit to date is not encouraging. If anything, it has been more successfully used by corporations against other corporations than by consumers against corporations. In the first place, there are few laws allowing persons, much less classes of persons, to sue for damages with any hope of success. Where state laws have authorized private consumer damage suits there may be no provisions allowing class actions (or vice versa). In order to bring the state law action in federal court, the Supreme Court has ruled that each member of the class must claim at least $10,000 in damages (*Zahn* v. *International Paper Co.*). Otherwise, there must be a federal statute authorizing the suit, but these federal remedies are in turn limited mainly to antitrust and securities law violations and employment discrimination. The last Congress did enact laws opening the federal courts to class actions for certain pension rights and consumer warranty violations. The warranty legislation, however, is unduly restrictive. For example, at least 100 individual consumers must sign each class action complaint, which is an unlikely event since bar association rules prohibiting lawyers from "unethically" soliciting clients often mean that consumers will not learn of their right to sue.

There are other procedural hurdles thrown in the way of class actions. The rule has developed that the larger the class action the less likely the courts are to allow it. In the antitrust area, for example, courts have recently ruled that consumers overcharged by a massive conspiracy to fix the prices of plumping fixtures lacked "standing to sue" (*Mangano v. American Radiator*); the same treatment was afforded the victims of the auto industry's 15 year conspiracy to stifle pollution controls. When millions of stockholders recently brought a class action against brokerage houses for fixing commission rates, the Supreme Court ruled (*Eisen G. Carlisle & Jacquelin*) that the plaintiff, whose own claim was $70, had to come up with several hundred thousand dollars to send individual notices to the members of the class (whose names and addresses the defendants conveniently provided on computer tape). Of course, that was the end of the suit.

When all other grounds for dismissal fail, judges invoke the term "unmanageable" to rid themselves of bothersome class actions that are just "too big" because of the large number of persons harmed or the small size of the average individual's claim, or both. Even if bakeries in Philadelphia *had* fixed prices, one court in effect said, the amount by which each consumer was overcharged was too trivial to bother with, notwithstanding that the total overcharge was millions of dollars. (*Hackett v. General Host Corp.*) Whether it was the 600 hotels (47 chains) allegedly conspiring to add 1–3% telephne service surcharges, fraudulently labeled as taxes or miscellaneous charges, to the bills of 40 million guests (*In re Hotel Telephone Charges*), or California real estate boards allegedly fixing commission rates (*Kline v. Coldwell, Banker & Co.*), "unmanageability" was always quick to the rescue of anti-consumer or slothful judges.

In these cases and others, courts conclude that unless each individual harmed steps forward individually to claim his $5 or $50, the defendant corporation cannot be held liable—even where it may be clearly proven that the class as a whole suffered millions of dollars in damages. Of course, the rule is quite different when one corporation sues another. Then the damage recovery goes to the corporation; each stockholder is not required to claim his share. This procedure could be applied to the class action, with damages awarded to the class "as a whole." In a price fixing case, for example, moneys not claimed by individual class members might be used to reduce the price of the product involved, so that future purchase by persons overcharged in the past would compensate them to some extent. This is called the "fluid recovery," which can compel the defendant corporation to disgorge no more and no less than the moneys it has been proven to have obtained illegally. By rendering harmful conduct unprofitable, this device helps deter companies from fraud in the first instance.

Most courts view the fluid recovery as wholly alien to Anglo-American jurisprudence. It is up to Congress, said one court holding this view, to provide some means of redress aggregatively large but individually small corporate pickings of consumer pocketbooks. Congress must accept this judicial challenge and render obsolete C. Wright Mills' sage view that "It is easier to take one dime from each of 10 million people at the point of a corporation than $100,000 from each of 10 banks at the point of a gun." To discourage business fraud that accumulates consumer dimes into billions of dollars, Congress should enact broad new class action legislation which does the following:

(1) authorizes persons victimized by fraud, deception, breach of warranty, antitrust violations, pollution, product hazards, occupational diseases, etc., to prosecute class actions for damages in federal courts; and

(2) makes the following changes in present Rule 23 of the Federal Rules of Civil Procedure governing the conduct of class action litigation:

(a) requires damages to be awarded initially to the class as an entity, and

1. Invests discretion in the court to utilize the fluid recovery or other appropriate devices to apply that portion of the recovery not claimed by individual class members to the general benefit of the class, but

2. prohibits the return of any unclaimed portion of the damage fund to the defendant; and

(b) places a ceiling of perhaps $20,000 on the cost of notice to class members required to be borne by the named represesentatives of the class, provided that where such ceiling prevents notice to the entire class, then either

1. notice shall be afforded a random sample of the class calculated to reach all significant points of view that might be present within the class, or

2. the defendants, if the judge finds a *prima facie* case against them, must pay the additional notice costs, or

3. Congress appropriate a fund which could be drawn on to pay notice costs in class actions upon recommendation of district court trial judge.

ANTITRUST AND REGULATORY REFORM

An unlikely combination of Dita Beard and stagflation has led one of the surprising gains for consumers this year: antitrust has apparently broken out of its usual somnambulance. The ITT scandal of 1972 made Congress more receptive to antitrust legislation, while our economic crisis made policy-makers and law enforcers more appreciative of the benefits of antitrust enforcement; *viz*, that economic competition helps keep prices down and ouput (jobs) up. Thus the following developments:

Congress easily passed the Tunney Bill, the first pro-antitrust law in 25 years. The law encourages citizen intervention into the consent decree process and makes antitrust criminal acts felonies punishable by fines (for firms) up to $1 million. There is guarded optimism by those who have long seen antitrust law on the congressional agenda: antitrust may benefit from a coalition of Republicans who consider it a lesser evil than government controls and Democrats who understand the logic (and even popularity) of trustbusting efforts; Senator Philip Hart hopes that his Senate Antitrust and Monopoly Subcommittee may soon get the first working majority in favor of antitrust in its 20 year existence, now that subcommittee anti-antitrusters Ervin and Gurney have departed.

The Justice Department's Antitrust Division sued AT&T in November, 1974—a move which provoked anguish from Ma Bell's officials and a *Fortune* editorial entitled "The Silliest Antitrust Suit of All." (Similar cases had been proposed to Attorneys General Robert Kennedy and Nicholas Katzenbach by their respective antitrust divisions in the 1960s, but they had refused to approve them.)

A year and a half ago the Federal Trade Commission sued the eight largest American oil firms not so much for their monopolistic behavior as their monopolistic structure. The Commission urged that the ownership of different levels of petroleum production—exploration, refining, transportation and retailing—be separated from each other.

Even President Ford spoke out for more vigorous antitrust efforts in several speeches, which was unusual in that Presidents rarely discuss the subject in public. "Ford is all for antitrust," said a White House aide to one of my associates, "though perhaps for the wrong reason: he thinks it then means the government doesn't have to do much else."

Especially because anti-competitive practices cost the economy some $80 billion annually in lost output and waste (according to Antitrust Division chief Thomas Kauper), such advances are surely welcome—though hardly enough. Despite the tough speeches of outgoing Attorney General William Saxbe and the ATT move, there is little evidence that the Justice Department plans on moving systematically against those oligopolistic industries, like autos and steel, whose very structure voids the benefits of economic competition; thus, Congress should begin to address itself seriously to Senator Hart's seminal deconcentration act. The new "Tunney Act" may increase antitrust penalties somewhat, but these will still be costs of doing business to giant firms who earn millions weekly. The only way to deter effectively antitrust crime is a percentage fine; i.e., the bigger the overcharge, the bigger the fine. And despite recent increases in the budgets of the Antitrust Division and FTC, these agencies (with a combined antitrust budget of $29 million) are still far too small for their huge mission—which leads to cases like the IBM monopoly case, now finally approaching trial after 6 years. At that rate, the AT&T case will take 24 years.

In a related field, the federal regulatory agencies—who have long embraced cartel principles rather than antitrust/competitive practices—are facing an unusual drive for regulatory reform. It's about time. Studies cited in our book, *The Monopoly Makers*, indicate that inefficient, wasteful and inflationary regulation can cost consumers some $16–24 billion annually. Rarely in the annals of government has one cause had so many and so varied supporters: liberals and consumerists critical of the agencies' business favoritism; conservatives unhappy with government bureaucracies; small businessmen closed out of markets.

Thus, President Ford (following FTC Chairman Lewis Engman's lead) urged Congress to create a Commission to study regulatory problems and propose reforms. But need such a Commission have a three year gestation to do its job, as Warren Magnuson, chairman of the Senate Commerce Committee, has proposed? Human life takes only nine months and the U.S. Constitution took only three. So why 36? Do we really know less about this area than Congress usually knows about something when it decides to legislate, or at least to hold hearings? I think not. From the Hoover Commission Report of 1949 to the Landis Report of 1960, from the Ash Council of 1970 to all the Brookings reports and our own studies—it has been well documented that much of our regulatory system has served producer interests rather than the public interest.

Instead, we should now move forward to deregulate sectors where workable competition can keep prices down better than a government agency (like the ICC and CAB), and reform agency procedures to encourage citizen participation, attorneys fees for "private attorneys general," routine disclosure of *ex parte* contracts, expedited proceedings and commissioners who do not invariably come from (or go to) the industries they regulate.

HEALTH CARE

Americans continue to spend a larger percentage of our GNP—94.1 billion or 7.7% of GNP in 1973—than any other country in the world. We have arrived at this position as the world's leading spender of health dollars after more than two decades of staggering increases in cost. In 1950 per person health expenditures were $79, by 1973 individual bills had jumped to $425. Why all this expense? What do we get for it?

The American patient today is subjected to a health care industry organized to provide ineffective, frequently unnecessary medical care delivered only after illness has struck, instead of the less profitable but more socially desirable preventive types of medicine. Enormous wastage and inefficiencies are the rule rather than the exception. Recent studies have shown that there are upwards of $10 billion a year of unnecessary hospitalizations and some $5 billion a year worth of unnecessary surgery, drugs and x-rays—the predictable result of a private health care insurance system unenthusiastic about preventive and out-patient health services and uncritical of skyrocketing payments for hospital services. The over two million unnecessary operations performed each year result in nearly 10,000 completely preventable deaths, argues Dr. Lawrence Williams in his *How To Avoid Unnecessary Surgery*. Evidence indicates that more than 20% of all the antibiotics prescribed in hospitals each year are completely unnecessary. The increasing number of long-used drugs, shown to cause serious casualties when used according to directions, underscores the need for tighter standards and case data. Furthermore, with a 5% chance of getting an infection after going to a hospital, unnecessary hospitalizations take on a new dimension of risk.

The quality of our health care is further undermined by the nature of the consumer-producer relationship—one where the consumer is hardly sovereign. The lack of consumer sovereignty and the consumer's traditional willingness to place faith in a seemingly authoritative medical industry has led to a situation where the medical profession is virtually unaccountable to anything but their own ineffective internal review structures. Health care is far removed from a free market structure where consumer information is readily available to make a wise choice.

If anything, the federal bureaucracy seems intent on aggravating rather than resolving the crisis of health care costs. From fiscal year 1973 to fiscal 1975, funding for HEW preventive health programs—including the FDA, National Institute for Occupational Safety and Health, Center for Disease Control—decreased by 10%. Budget cuts included reduced funding for lead poisoning programs, immunization programs and other critical areas of prevention. During this same interval, funding for Medicare and Medicaid increased about 30%. Thus while critical programs to prevent illness are decreased, billions more are poured into physician and hospital coffers without cost or quality control which, for a much higher price, presume to take care of many preventable diseases or trauma after they occur.

In 1974, Congress acted upon and passed several important measures which will significantly affect health services. Legislation concerning such subjects as bio-medical research ethics, a National Cancer program, special disease programs, and narcotics treatment programs were passed and enacted into law. Unfortunately, though, Congress neglected to act or reach final agreement on a number of other important and vital matters. Final action is still pending in areas relating to abuses and gouging by the pharmaceutical industry and Health Manpower legislation.

Most importantly, of course, Congress failed to reach any final agreement on a National Health Insurance Program—a program critically needed in a country with health costs increasing by some 20 percent annually. It is imperative that this bill take the proper form. It must contain provisions for a comprehensive health program, it must be financed on a progressive tax scale, it should not be administered by private insurance companies, it must have strict cost and quality control, preventive medicine impacts, and, very importantly, it must provide some mechanism for consumer controls and intensified professional accountability. Perhaps more than any other measure, the Congressional response to our need for an equitable and efficient national health program will be a barometer of whether this much-vaunted Congress is for serious reform or merely the same old medicine.

THE FOOD INDUSTRY

In recent years the government has not abated the serious food problems faced by American consumers—spiraling prices coupled with growing concern over the quality and safety of the national diet. Food prices climbed 14% in 1974—yet the only significant deflationary actions taken by the government have been the ending of some, but by no means all, of the Department of Agriculture's price-fixing operations and the FTC's move against Continental Baking—whose antitrust record makes it something of a corporate recidivist—for its alleged monopolization of the bread industry. Very little has been proposed to deal with the fundamental antitrust, advertising, and consumer information problems that underlie the massive price-inflating, waste and distortions in the food industry today.

Already, a fourth of America's total agricultural production is under the direct control of corporate middlemen, and the food economy is being converted to a highly-capitalized, highly-industrialized structure that is controlled "from seedling to supermarket," as one conglomerate integrator puts it. Far from fighting this trend, Agriculture Secretary Earl Butz has coldly informed farmers that they must "adapt" to the corporate system "or die." In many farmers' place come the agribusiness giants—with their absentee ownership, remote bureaucratic levels of management, inefficiencies, high executive salaries, reliance on advertising, and absence of competition.

The list of food products now manufactured in industries dominated by one or a few monopolistic corporations is long and disturbing: cereals, soup, soft drinks, baby foods, dessert mixes, crackers, refrigerated doughs, local dairies and bakeries, and many more. In the aggregate, these non-competitive industries overcharge American consumers by several billion dollars each year. One measure of the cost of anti-competitive practices in the food industry was provided by the private lawsuit filed against A&P in San Francisco; in July, 1974 a federal jury agreed that A&P had conspired with several members of the National Association of food chains to fix high retail prices for meat, and awarded single damages of over $10 million.

What passes for "competition" within food lines typically avoids cutting prices or improving quality. Rather, it generally consists of proliferating and differentiating old products with new shapes, sizes, flavorings, etc. (For example, General Mills' Total and Wheaties cereals are actually the same products except that Total, which has higher nutrient fortification levels of dubious value, commands a much higher price.) As for price, store brands of comparable quality cost about 14% less than nationally promoted brands, and there is a bewildering array of variations in package size, slack fill, ingredient percentages, and nutritional values which render already difficult to use unit pricing schemes (where they exist) of even less value to consumers seeking the best buys for their money.

Supermarkets add to the misinformation provided by manufacturer advertising and packaging by using deceptive in-store promotion devices such as "end displays," "multiple pricing," "price spotters," etc., which can wrongly portray items as being reduced in price. One recent study found that 13–25% of all advertised supermarket "specials" were not in fact reduced in price. Such devices, however, can dramatically increase sales—by over 600% in the case of "end displays."

Nutrition is perhaps the chief victim of the modern food industry. About 43% of the calories in the U.S. diet are empty of nutrients; they come from sugar, alcohol, and fats added to foods. The diets of large proportions of the population are deficient in essential nutrients. This is especially so of the low income persons who are least able to cope with spiraling food prices. These deficiencies have been linked to learning impairments among school children, anemias, and probably are an important factor in infant mortality, birth defects, and brain damage. The food industry response has been the heavy fortification of junk foods with a handful of the more than 40 essential nutrients. Since nutrients usually need each other to be effective, this may be one of the largest nutritional hoaxes ever perpetrated.

Also very troubling are the saturation levels of sugar (19% of U.S. calories), fat (42% of calories), salt (10–18 grams daily), cholesterol elevators and the lack of fiber in our national diet. There is considerable evidence that this diet is one of the major causes of heart disease, certain cancers (e.g., colon), diabetes, diverticular disease, tooth decay, and a number of other diseases. The food we eat, consequently, is in a real sense one of the chief contributors to rising prices for health services.

Of course, hardly a word about this silent devastation to health is to be found in the ads touting the pleasures of these foods. If foods are rated according to their overall nutritional values on a scale of 100 for a diet consistent with good health, at one end, and a theoretically possible −200 for maximum excesses of fat, cholesterol, sodium, and sugar and deficiencies of nutrients and fiber, at the other end, the diet offered by 1971 network television ads would score approximately zero.

What is needed to begin to relate our national diet more to health, quality, and price economy are systematic antitrust deconcentration of the food manufacturing and retailing industries coupled with a comprehensive independent consumer information system utilizing counteradvertising and comparative price, nutrition, ingredient percentage, and quality grade labeling at point of purchase. The spread of nutritional education in schools and alternative food stores selling nutritious, safe, unadulterated products should be accelerated.

AUTO SAFETY AND EMISSION CONTROLS

Even as the auto industry risks inflicting a depression on itself by overcharging for its misdesigned product, it has the depravity to demand a moratorium and rollback on vehicle emission controls as overly costly.

Between 1967 and 1974, the price for a Chevy Impala and Ford Galaxy shot up from $2828 and $2838 to $4561 and $46[illegible]5 respectively. Even self-serving auto industry price data supplied to and uncritically accepted by the Bureau of Labor Statistics (BLS) show federally mandated emission controls, safety equipment, and bumper standards was the pretext for less than 25 percent of the 1967 to 1975 price rise. From 1968 through 1975, the upper limit BLS calculated sticker price increases for emission controls total $190.00 while required safety equipment price increases total $224.85. The BLS figures come from the auto companies themselves. So taking the auto industry's own inflated data, the total price increase for all federally mandated safety and emission control equipment to date is no more than $414.85. Eliminating industry profit by applying the National Academy of Sciences' very conservative method for calculating manufacturer cost, the industry cost for the federal standards is only $259.28. (A car air conditioner alone averages $425.) The actual bloated industry profits on safety and emission controls are known only to the auto industry and its manipulative accountants.

Indeed, there is evidence that some manufacturers are implementing more unnecessarily wasteful and expensive safety systems than other manufacturers. The bumpers on the 1974 Ford Pinto weigh 133 pounds; yet the 46 pound bumpers on the similar class 1974 Opel Manta permit the Manta to meet the same bumper standard at lower cost and better fuel economy due to the 87 pound weight savings. Similar quality differences are suggested by the large variations in the replacement prices of bumper systems for seven 1974 domestic models; front bumper replacement prices range from $1[illegible]1 to $347 while rear replacement prices range from $80 to $296.

Even if there were a rollback of safety and emission standards, there would be no significant reduction of vehicle prices. When the $50–$90 (the auto companies figures) ignition interlock standard was deleted, this effectively resulted in hidden price increase—for only General Motors reduced a fraction of that increase, by only $13. Ford Motor Company merely retained the $50 to $90 as increased income.

Furthermore, any added consumer cost must be compared with the massive consumer savings. The Department of Transportation has estimated the total cost of auto accidents at *$46 billion* annually. Until the imposition of the recent 55 mph speed limit, motor vehicle accidents killed 55,000 individuals and injured 2.1 million each year. The National Academy of Sciences estimates that auto emissions cause "as many as 4,000 deaths and 4 million illness-restricted days per year. With costs like these, even the alleged expense for safety and emission standards is an ounce of prevention instead of a pound of cure.

This Administration obviously thinks differently. By letters of January 8, 1975 to top auto industry executives, Energy Resources Council chairman Rogers Morton offered the

companies an inviting deal: in exchange for voluntary commitment to the 40% fuel-economy improvement program (over 1974, not 1975 auto levels), not only would emission standards be deferred, but also new motor vehicle safety standards would not be implemented that would add more than 100 pounds to vehicle weight between 1974 and 1980. This secretly negotiated deal trades higher rates of cancer and respiratory diseases for empty promises by the big three domestic companies to do less in 1980 than some smaller auto companies are *already* doing. A previously secret Federal Energy Administration analysis of potential new car fuel economy, obtained last week by one of my associates, clearly discredits the stated need to relax vehicle safety and emissions standards to obtain a 40% gain in fuel economy. According to this analysis, the average 1980 car meeting full safety and emission standards, with only a moderate shift in production to small cars, will be a projected 19.8 miles per gallon, or .2 mpg *more* than President Ford's announced voluntary goal. So it appears that the government gave up the consumers' health—*for nothing*. Apparently they never considered a price-reducing moratorium on costly style.

If the auto industry wants price reduction significant enough to induce consumers to purchase new cars, then the industry must look beyond the scapegoat of vehicle emission controls and safety equipment to the real causes of inflated auto prices—things like anti-competitive practices, annual style changes, and mandatory or deluxe options (like vinyl roofs and air conditioners). The Federal Trade Commission estimates that the high concentration of the domestic auto industry is costing consumers billions of dollars each year—or at least $230 per car—due to anti-competitive practices and captive market gouging for replacement parts. Back in the late 1950s, several university economists completed a study which then showed that several hundred dollars of the retail price of the automobile reflected styling costs. This inane practice continues today as exemplified by Chrysler Corporation's expenditure of $350 million last year to restyle its full-sized cars rather than put a small car into production to compete with the Pinto and Vega. Instead Chrysler imports Mitsubishi's Colt rather than building its own sub-compact which would generate much needed employment for the hard hit auto workers.

Rather than perpetuate the cruel lie that minimal life and health-saving features on autos are somehow responsible for the slump in auto sales, the auto industry should significantly reduce prices; it has tentatively begun to do so with the companies' rebate programs, an implied admission that their prices were previously too high. If it continues to pressure for a moratorium on safety and emission controls, the Congress should instead conduct a long-overdue and thorough investigation of auto industry pricing policies including their calculated removal of cheaper models from the market, the installation of former options as mandatory equipment. The use of Congressional subpoenas of auto industry cost data would join these issues in ways that could no longer be ignored.

BANKS

In the past year, the power of banks to restrict the consumers' ability to manage their financial transactions has grown. Under bank credit card plans, consumers have encountered difficulties in obtaining meaningful descriptions of their store purchases, and found that banks will ignore their directions in allocating payments between cash advances and purchases. Worst of all, banks have been notoriously uncooperative in correcting errors in account or billing statements. Consumer dependence on banks will become even greater with the development of payments by electronic transfers, under which checks will be replaced by monthly bank statements and consumers will be asked to pre-authorize their bank to make recurring payments on their behalf. Baltimore recently provided a preview of these dangers when the city government attempted to force new city employees to open bank accounts in the bank which received the city's payroll deposits.

Responding to increased public awareness, Congress and some state legislatures have recently enacted laws which give consumers new rights in their banking transactions. A new federal law, The Federal Trade Commission Improvements Act, now prohibits unfair or deceptive banking practices. Another federal law, to take effect later this year, will prohibit sex discrimination in lending and require banks to respond to customer complaints concerning credit billing errors. The Uniform Consumer Credit Code, which has been enacted in 7 states, prohibits some abusive creditor practices such as excessive penalties for late prepayments.

Unfortunately, many of the new banking laws do not provide consumers with the legal remedies necessary for effective enforcement of their newly granted rights. Rights without remedies or sanctions become nullities. Enforcement by private action, a key provision of the original Truth in Lending Act of 1968, has been deemphasized or ignored in the new legislation. With actual damages often only a small amount, consumers and their attorneys have little incentive to bring a law suit unless the law provides for a guaranteed minimum civil penalty in the event of a sucessful complaint. Recognizing this, Congress did provide for a minimum recovery of $100 in the Truth in Lending Act. But the new federal sex discrimination statute has no minimum civil penalty. The Fair Credit Reporting Act does not provide for any civil penalty when a lender fails, in violations of the law, to tell a customer denied credit because of an adverse credit report the name and address of the reporting credit bureau.

Even worse, the federal law prohibiting unfair or deceptive banking practices and most of the sections of the U.C.C.C. fail to provide any private remedies at all. Public enforcement of these laws by cease and desist orders should also prove to be ineffective—because federal and state bank agencies have proven reluctant to issue such orders and because cease and desist orders cannot remedy past violations. Without effective enforcement mechanisms, however, the new laws are cosmetic legislation, possibly a victory for politicians interested in ceremonial reform, but more a tribute to the power of the bank lobbies than a protection for consumers.

During the next two years Congress will be considering a long needed restructuring of the entire system of financial institutions. Essential to meaningful reform is the removal of Federal Reserve Regulation Q which presently prevents small savers from earning the higher interest rates available to large savers. Consumer groups will ask that the federal banking laws be amended to permit banks to pay interest on demand deposits which now deprive depositors of $10 billion annually in interest.

Many urban communities have recently been caught in a seemingly irreversible process of neighborhood decay, dilapidation, and abandonment. In many cases the decision of financial institutions to shut off the supply of mortgage loans has triggered this process. Community groups will be asking Congress for legislation requiring public disclosure of the geographic distribution of mortgage loans and savings deposits for each financial institution located in their neighborhood so that any reluctance to make mortgage loans can be detected and reversed before the housing stock and the morale of the community start to decline. Community groups will also ask the federal and state banking agencies to monitor mortgage lenders to insure that they are not discriminating on the basis of race, national origin, sex, or unfavored neighborhoods. This has been a duty of the federal banking agencies since the passage of the Civil Rights Act of 1968, but the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Reserve have avoided assuming this responsibility.

ENERGY

As 1974 began, our energy problems were accelerating. The OPEC countries and the multinational oil industry cartel drove up the price of imported and domestic oil. A substantial chunk of our energy supply was being wasted through inefficient patterns of energy consumption, domestic energy production was mysteriously declining, and most energy policy initiative was in the hands of a President indebted to the energy industry for millions of dollars of campaign contributions.

In the intervening year, the Emergency Petroleum Allocation Act, which required equitable pricing and distribution of petroleum products, began operation and the energy crisis provoked public outrage against a suspiciously manipulative oil industry, leading to demands that the government get down to business with business. Still, a year later our energy enigma is far from resolved, the country is as vulnerable as ever to a renewed oil embargo, energy costs are higher than ever, domestic energy production mysteriously continues to decline, the administration of the Allocation Act has been marked by ineptitude and footdragging, the energy industry has maintained sufficient influence in Congress to gut or block substantial reforms of government energy policy, and the reorganization of energy policy machinery in the executive branch has come full circle from control by an inept Rogers Morton to control by an inept Rogers Morton.

The Administration has proposed to expand oil and gas production by increasing the sale of offshore leases and deregulating the price of new natural gas. But increasing the sale of leases during a period of equipment and manpower shortages (especially offshore drilling rigs and rig crews) will not increase production. Indeed, many existing leases are not in production, leading even the supine Department of the Interior to complain last week to the offending companies. And deregulating the price of new natural gas would allow it to rise to the equivalent of the OPEC oil price, a level far beyond a reasonable incentive price. (See *Natural Gas* Section). As for increasing coal production, the President's contribution has been to suggest weakening the Clean Air Act to permit burning more high sulphur coal and to veto the Surface Mining and Reclamation Act, which he claimed would unnecessarily restrict coal production (though he did nothing about coal leases not producing). But the Clean Air Act's sulphur emission standards can be met by mining abundant low sulphur eastern deep mine coal rather than western strip mine coal and by adding flue gas scrubbers to utility plants which can't get enough low sulphur coal.

The potential for effectively reducing energy consumption in the immediate future is very considerable, as the Ford Foundation Energy Policy Project concluded. Nonetheless, with the exception of the national 55 mph speed limit and the price rationing effect of allowing much of our domestically produced oil, gas, and coal to rise to the monopoly price of OPEC oil, the Ford Administration has avoided strong government actions to require energy savings in favor of urging voluntary saving.

UMI

President Ford's current proposal for price rationing of energy through an import tariff, excise taxes, deregulation of old oil and new natural gas, higher coal prices, and expansion of electric utility rate bases is one which merely throws gasoline on the fires of inflation. The increased cost of energy has already become the single most important inflationary factor in our economy during 1974. Unfortunately for consumers and the economy, William Simon and other economic and energy policymakers have been willing to permit 40 percent of domestic oil production (new, released, and stripper oil), 50 percent of domestic gas production (intrastate sales), and much of our coal production to rise toward the OPEC monopoly price rather than controlling them at reasonable incentive price levels.

FEA's attempt to protect consumers from cheating on the price controls on petroleum products under the Allocation Act has been underwhelming. A GAO study found that most of FEA's 850 auditors were assigned to retailers and wholesalers where they caught violations worth tens of millions of dollars, while only 2 auditors were assigned to each of the nation's 30 largest refiners where violations and errors not yet detected are estimated to total in the billions of dollars. Moreover, no auditors in 1974 were assigned to guard against the temptation for oil producers to label price-controlled $5.25 old oil as uncontrolled $10.25 new, released, and stripper oil. Hopefully 1975 will see some improvement, as FEA has recently begun to audit oil producers and has increased the number of auditors assigned to refiners.

Overall, the dominance of industry interest over consumer interests in the formulation of federal energy policy didn't change much during 1974. When FEO was created in late 1973, considerable energy policy authority was tranferred from Rogers Morton at the Interior Department to William Simon at FEO. Since Morton's subservience to the Interior Department's energy industry clientele was well known (he once told energy industry leaders at a White House briefing that "our mission is to serve you, not to regulate you"), the transfer of authority away from Morton during a critical period for energy policy seemed welcome. Simon, however, proved wholly uncritical of an energy industry which was so largely responsible for our energy shortage. He massively surrounded himself with former energy industry personnel at his agency, as one survey found over 100 of them at FEO, with over 50 working in high level positions. Simon and his coworkers have been vigorous defenders of the energy industry's excess profits and have urged policies which would further increase those profits. Indeed, in January, 1974, the FEA wrote a pricing regulation which permitted refiners to add more crude oil costs *twice* when computing the selling price for their refined products. This notorious "double dip" provided a windfall $330 million for the oil firms (although the FEA is now attempting to get these monies back).

Simon's successor, John Sawhill, made the mistake of preaching the need for mandatory energy savings, which earned him the distinction of becoming the Wally Hickel of the Ford Administration. With Sawhill out, his opponent Rogers Morton is now back in control of energy policy in the executive branch as Chairman of the Energy Resources Council. Given Morton's confessed unwillingness to regulate the energy industry, energy industry interests and executive branch energy policies will continue to coincide with deplorable infidelity to the consumer interest.

Congress had a mixed record on energy in 1974. It failed to do anything about the energy industry's excess profits, or its continued and indefensible tax preferences (in the five year period through 1972 seven major oil companies paid an effective federal income tax averaging below five percent), or its anticompetitive structure and practices. Besides the Emergency Petroleum Allocation Act, it passed the Emergency Energy Act to roll back domestic oil prices (a bill vetoed) and approved the reorganization of the Atomic Energy Commission into 2 new agencies (see *Nuclear Power* section). And it did earmark $60 million over a five year period for demonstration of the feasibility of solar heating and cooling of buildings—an important step, to be sure, but still vastly outpaced by the billions allocated for nuclear power research and the billions in tax expenditures to oil and gas producers annually.

NUCLEAR POWER

The past year's energy crunch has stampeded people who should know better into the embrace of nuclear power—and its potential doomsday technology; at the same time, 1974 saw some modest nuclear reforms and a heightened citizen awareness of this technology's problems.

Congress abolished the Atomic Energy Commission (AEC), which had the schizophrenic task of both promoting and regulating nuclear power. All too often, the AEC erred on the side of the promoters. Newly established are the Energy Research and Development Administration (ERDA), assigned the task of developing a sound energy program, and the Nuclear Regulatory Commission (NRC), which is to regulate nuclear power plants. That the new chairman of the NRC is William Anders, one of the "boomers" among the AEC commissioners hardly encourages those who hope the NRC will become more than a resurfaced AEC. While this fissioning of the AEC is an important step, it is only a first step. Citizen and congressional vigilance is necessary to ensure that ERDA emphasizes clean renewable energy sources, and that the NRC becomes a strong regulator of nuclear power.

In 1974 the Congress attempted to extend the inadequate nuclear accident insurance provided by the Price-Anderson Act. This Act, to expire in 1977, would pay victims of reactor accidents less than one percent of the maximum damage. Of that less than one percent, four-fifths would be paid by the government, the rest by the nuclear industry. So in the benefit-risk analysis of nuclear power, the benefits go to the industry, and the risks go to the taxpayer. The act itself, of course, is a telling admission that the insurance industry doesn't trust nuclear power enough to offer insurance at reasonable premiums. Which is why the utilities demanded limited liability by law in 1957 when the Price-Anderson bill was enacted.

The extension passed by Congress would have retained government responsibility until about 1985. A non-funded reserve (in which the utilities are retroactively assessed premiums by the NRC) would have increased compensation to levels that still would have been inadequate. President Ford vetoed the bill, on the grounds that one clause was constitutionally vague. For the wrong reason, the President took the right action. His veto gave citizen groups another chance to work for Fair Nuclear Insurance (strict and unlimited liability assumed by the nuclear industry) when Price-Anderson again comes before Congress in 1975.

The year 1974 also saw crescendoing disclosures highly embarrassing to a nuclear industry grown smug about safety questions. Leaked AEC Task Force reports concluded that serious safety problems are "besieging" nuclear power, and that safeguards against theft of weapons-grade material are "entirely inadequate." A General Accounting Office inspection found that security measures are inadequate to prevent nuclear plant sabotage—and the recent disappearance of pounds of the deadly plutonium raises the grim specter of nuclear theft, for which there is no possible fail-safe system. Cracks in reactor cooling systems at three plants forced the AEC to require half the industry to shut down for inspections. Investigations of several processing plants by *Science* magazine found those plants unable to handle plutonium without worker contamination or loss of material. The recently publicized incompetence of the Kerr-McGee plant in Oklahoma is the industry rule, not the exception.

The breeder reactor, upon whose development continuation of the nuclear industry depends, has experienced cost overruns of up to 500 percent—a situation predictably leading to some disillusionment with nuclear power. General Electric abandoned plans to operate a reprocessing facility due to major technical problems. Consumers Power, Inc., sued the builders of its broken-down Palisades plant for manufacturing poor equipment. Consolidated Edison staved off bankruptcy by selling a nuclear power plant to New York State. All over the country, utilities disturbed by high capital costs and unreliable plant operation deferred nuclear power plants by the dozens.

The most encouraging recent indications of a growing awareness of nuclear energy came from the actions of individual citizens and citizens groups. Carl Hocevar, a reactor safety researcher, dropped out of the nuclear industry and called for a moratorium on nuclear power. Dr. Hocevar joined the Union of Concerned Scientists, a group which had dedicated itself to keeping the AEC honest. Whistleblowers alerted the Commission to defective Westinghouse pumps and General Electric control rods, inadequate welding at a Virginia plant, improper construction practices at an Ohio plant, and coverup of violations at the Palisades plant. A citizen group showed the AEC that a northern Virginia plant was constructed over a geologic fault. A North Carolina group attacked nuclear power as an economic disaster that would raise utility rates. Voters declared their disapproval of nuclear power by defeating referenda on underground nuclear explosions in Colorado and floating nuclear plants in Atlantic County, New Jersey. In 1974, the number of citizens signing petitions to support a nuclear moratorium rose above 100,000.

And nearly a thousand people massed in Washington, D.C. in early November at "Critical Mass '74"—a three-day gathering where nuclear opponents discussed nuclear dangers and citizen action tactics.

Given the demonstrable dangers of nuclear power, one would think that national energy policy would turn away from the nuclear option and develop safe, cheap, simple, clean energy technologies. Alternatives which are already technically feasible include soloar heating, electrical generation from geothermal and garbage energy, power from the wind, and conversion of urban and animal waste to methanol. Still, nuclear power hawks foresee an industry growing from the present 50 power plants to 1,000 plants by the end of the century. Citizen concern and pressure must proliferate at least as rapidly, pushing for a moratorium on nuclear power. For a trouble-plagued technology based on a deadly and non-renewable resource and which produces dangerous waste, nothing less will do. Nuclear power must be halted and our nation's energy needs met by clean, cheap and safe energy sources.

NATURAL GAS DEREGULATION

Inspired by a self-serving "energy crisis," the major oil companies have begun a drive to end the regulation of natural gas prices by the Federal Power Commission. Led by Senator James Buckley (Cons.-Repub.-N.Y.), the industry's advocates have chosen the Senate as their battleground. The cost to the

consumer of the Buckley style "new gas" deregulation bill will be huge—as much as $10 billion a year and over $50 billion through 1980. If implemented, estimates FPC economist David Schwartz, the average residential gas bill will rise from $165 to $214 next year and to over $400 by 1980.

The reason for this price jump should be obvious: natural gas production is a highly concentrated industry where competitive market forces cannot work to keep prices down. The eight largest natural gas producers control between 62 percent and 99 percent of all new gas reserves, depending on the field involved. Competition is further diminished by a latticework of joint ownership and production; 10 of the 16 largest major oil companies own 80 percent of their offshore leases jointly with each other. Nor can natural gas consumers bargain for lower prices among the few firms in the industry, since they must buy their natural gas from their local public utility.

The local utility in turn has little ability or desire to bargain for lower prices. It can usually pass on the cost of the gas to the consumer through fuel adjustment clauses or similar mechanisms. It typically deals only with the geographically available supplier—a major interstate pipeline. The pipelines, likewise, today have little reason to bargain for fair prices; they have shown more interest in keeping the pipelines operating at full capacity at any price than in bargaining for low prices. Most importantly, unlike the past when there was a clear division between producers and pipelines, virtually all pipelines have now formed product affiliates, and thus now have their own self-interest in high natural gas prices.

Consequently, while deregulation may be desirable in those regulated industries where workable competition can protect consumers better than "captured" agencies (like air travel and trucking prices at the CAB and ICC), improved FPC regulation is necessary to insure against windfall profits in this concentrated industry. Without regulation, economic forces will push prices up to the OPEC price level, for gas companies would have a market for their product at any price up to that amount. So it is somewhat ironic that Administration spokesmen, such as William Simon, on one hand warn of the drastic consequences of OPEC oil prices, but on the other hand advocate deregulation of natural gas prices which will permit the domestic oil and gas cartel to use the OPEC price as the measure of natural gas price as well as the price of oil. This the cartel has already done for uncontrolled domestic oil, for example.

There are even serious questions about the real causes of this winter's natural gas shortage. Although Federal Power Commission reports document that there are huge quantities of natural gas in "shut-in" wells which are not being produced, the Federal Power Commission reports significant natural gas service curtailments. Additionally, a preliminary Federal Trade Commission Report (1973) charges that the natural gas producers significantly underreported the size of their reserves—at times by as much as 1000 percent. Newspaper reports indicate that the FTC staff has recommended a complaint against the natural gas producers for using false data in computing natural gas reserves.

Despite these serious problems with natural gas deregulation, President Ford rubber-stamped it in his package of economic proposals. This proposal will be vigorously opposed by those more interested in consumer justice than in even greater oil industry profits.

UTILITY PRICES

Last year was one utility consumers will not easily forget. Electric utilities made their annual demands before state regulatory authorities and came away with rates that made the overall double-digit inflation mild by comparison: utility rates jumped 55 percent in the first half of 1974, which itself came on top of a 20 percent rise the previous year. Many consumers in all-electric homes may soon find themselves paying more in electric bills than monthly mortgage payments. And while the utilities continue to plead poverty for yet another round of rate requests, major electric utilities reaped a not impecunious 15 percent return (on operating revenues) last year.

The year 1974 did, however, provide several verbal developments for utility users. In Connecticut, a new Governor was elected on a campaign of utility reform. Attorneys general in Wisconsin, Connecticut and Rhode Island ran and were elected on pledges to challenge fuel adjustment clauses. For years consumerists and environmentalists complained that utilities discouraged needed conservation efforts by charging residential customers more than industrial customers; it has been estimated that residential consumers use 26 percent of electricity generated but provide 37 percent of large utilities' revenues, while large industrial users use 35 percent but pay only 23 percent of revenues. This past year the Wisconsin Public Service Commission required the Madison Gas & Electric Co. to revise its pricing schedule so that those users whose high demand necessitates expensive new plants—like industry—pay for the costs of those plants, rather than those citizens that have conserved. Hence, industrial rates there are going up faster than residential rates, which will provide industry a healthy incentive to seek out energy saving programs, an eminently realizable goal given the admitted large waste of energy at those locations.

Still, utilities around the country have used consumer money to pay for the rate proceedings and their requests for higher rates; at the same time, environmental organizations have exhausted their resources and spent tens of thousands of dollars of their money and money donated to helping the reform process. Citizen input into the utility regulatory process must be systematically maintained. Which is why the National Public Interest Research Group is proposing this year, in conjunction with citizens and citizens groups in those states, the establishment of a state-wide Residential Utility Consumer Action Group (RUCAG). What residential utility customers need most is organization, with a full time staff of lawyers, accountants, economists, engineers, health specialists and organizers promoting their interests. Such an organization established by state law or public utility regulation could be funded through a checkoff. Included within every monthly bill of each and every utility in the state sent to residential customers would be either a check-off card or there would be room on the bill to list a voluntary contribution in addition to the base bill.

Each consumer contributing a small minimum amount to RUCAG would be entitled to membership, and a vote in the selection of a consumer Board of Directors and the development of an overall program. The Board would be responsible for hiring the staff, intervening in rate proceedings, handling consumer complaints, and insuring that consumers are constantly informed of their activities through newsletters and local meetings. The utility would act solely as collection agent for the check-off contributions. Since the Public Utilities Commissions allow the utilities to charge consumers the costs of their rate proceedings, the tiny cost of forwarding the contributions could be absorbed without difficulty by the utilities.

What can the RUCAG do? What issues will it address? And, what should it demand? It will be involved in monitoring all legislative activity relevant to utility consumers. It will be a constant participant in rate proceedings—challenging the expenses of a utility, its rate of return allowable, and its rate structure. It will be involved in decisions ranging from pollution to nuclear power to plant siting, which traditionally have excluded real consumer participation.

A RUCAG can also monitor the price of fuel being charged the utilities. According to a recent FEA release, utilities in the South have been overcharged by wholesalers and oil brokers—and the FEA suggested that similar price-gouging exists in other regions of the country. When a utility has a fuel adjustment clause which allows them to pass on the costs, they will not energetically seek to obtain lower prices from the middlemen. A RUCAG can demand that the Public Utility Commission undertake its own investigations to determine if the price of fuel is fair. Then developments like Wisconsin's peak-load pricing may become the rule. And utilities will no longer be able to prevail by default over weak and captive public utility commissioners.

What can be said about the prospects for the consumer in public policy and law enforcement? Certainly the abuses of the past and present provide major benchmarks for action. The Nixon Administration did more danger to consumer interests than has generally been recognized. His appointments to the regulatory agencies have fossilized further their performance, with the possible exception of the Federal Trade Commission. His lobbyists on Capitol Hill, equipped with the veto promise, undermined, delayed or blocked sound legislation proposals.

Is the Ford Administration any different? Or is it merely the Nixon Administration *sans* Watergate? Would Nixon have acted any differently than Ford concerning the current crop of anti-consumer economic and energy proposals? The equation is obvious: for consumers, Ford-Nixon-Watergate. In response, consumers throughout the country must strive to make this a veto-proof Congress for consumer legislation—especially the kind that consumers can make work, like class action and consumer protection agency bills. Those same consumers can work on their state legislatures for similar self-initiating consumer action units such as the aforementioned RUCAG idea to tame and reahape utility company performance.

New ideas, new resolves, new strategies and new modes of organization must infuse the consumer movement. But in searching for the new, let us not forget the old idea that is basic to all these progressive influences—the consumer cooperative. It is toward consumer cooperative economic structures that the consumer movement must move in both local urban and rural areas of the country. These structures must learn from the past experience of older cooperatives so as to build more dynamic and involved cooperative institutions guided by a comprehensive political and economic philosophy.

Above all, it is important to remind the politicians that the economy exists for consummers—their overall well-being and the well-being of future generations must be the measure by which the economy should be judged. That well-being is to be understood broadly to include more than consumer justice in the provision of business and governmental goods and services, more than health and safety. It must include a political economy shaped by informed and organized consumer decisions where those decisions are made—in the councils of government and councils of business. Inescapably the consumer movement must become legislatively, judicially and economically powerful.

UMI

LEADER OF THE OPPOSITION

Mr. **HUGH SCOTT**. Mr. President, a recent editorial in the Pittsburgh Post-Gazette makes reference to Daniel Patrick Moynihan as impeccably attuned to the United Nations and uniquely qualified to assume the responsibilities of its chief U.S. delegate. These qualifications become more apparent, the editorial emphasizes, in light of a remarkable article published by Moynihan which proposes a new role for the United States at the U.N.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEADER OF THE OPPOSITION

Daniel Patrick Moynihan is an urbane urbanologist turned diplomat who in an extraordinarily varied public career has run afoul of smaller minds on both the left and the right of American politics.

Most recently U.S. ambassador to India, he is now reported to be President Ford's choice as the new chief U.S. delegate to the United Nations. If the nomination indeed reaches the Senate, that body will find itself in the rare position of considering a man who has already described, cogently and at length, exactly what is required of the position for which he seeks confirmation.

In a lengthy article published earlier this year, Mr. Moynihan brought to the question of the "new majority" in the UN the same clarity of thought and lack of ideological bile with which he approached welfare reform as the architect of Richard Nixon's ill-fated Family Assistance Plan.

The title of the article, which appeared in the March issue of Commentary, is "The United States in Opposition." In it, Mr. Moynihan suggests an American response to the increasing power in the United Nations of the so-called Third World, power reflected not only in the enthusiastic reception of Yasir Arafat and General Assembly actions against South Africa but also, more subtly, in the policies adopted by UN-sponsored world conferences on hunger, population and pollution.

Mr. Moynihan does not counsel U.S. withdrawal from international organizations. On the contrary, he sees those organizations gaining more power in the future and insists that U.S. interests would best be served by maximum American participation.

His proposal is that the United States "go into opposition" at the UN and its increasingly important economic, scientific and arms-control extensions. "We are a minority," he writes. "We are outvoted. This is neither an unprecedented nor an intolerable situation. The question is what do we make of it." What Mr. Moynihan would make of it is an opportunity to state "directly, loudly and forcefully" the superiority of capitalist societies with civil liberties over those Socialists ones which officially sacrificing liberty to economic growth, achieve neither.

Mr. Moynihan's goal would not be merely to vent American spleens in response to the hypocrisy of the UN's "new majority." A more aggressive American stance at the UN would also, he insists, have practical advantages. Many of the Third World countries, he argues, will be in danger of losing their parliamentary, democratic traditions—a valuable British legacy—if their economies continue to stagnate. It is in the interests of the world's welfare then for Americans at the UN to point out that even that Third-World devil, the multinational corporation, offers more hope of stability and freedom than does continued ideological exercise on the socialist, anti-American treadmill.

Mr. Moynihan has made a persuasive case that avoids the jingoism of many opponents of the UN, on the one hand, and the sycophantic indulgence paid by many to the Third World, on the other. The U.S. should follow his suggestion that it become the international "new majority's" aggressive opposition. President Ford and the Senate could find no more articulate leader of the opposition than Mr. Moynihan.

ADDRESS TO AMERICAN IRON AND STEEL INSTITUTE

Mr. **HARTKE**. Mr. President, on May 1, I had the pleasure of addressing the Government Relations Committee of the American Iron and Steel Institute. I discussed the topics of taxation, trade, and transportation.

Mr. President, I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR VANCE HARTKE

I feel right at home addressing representatives of the iron and steel industry. I do not have to tell all of you this, but most people are somewhat surprised to learn that the largest industry in my home state of Indiana is not farming and agriculture but manufacturing. Indiana is a great farm state and has some of the richest and most productive land in the country, but the economy of the state is dominated by industry. We are squarely located in the great industrial and manufacturing region which stretches from the northeast to the midwest. Manufacturing employment constitutes over thirty-five percent of total employment in Indiana; the national average is only about twenty-six percent. And the largest industrial sector in the state, by most measures, is the primary metal industry. This industry produces the largest value added in the state and has, by far, the largest capital expenditures in Indiana. Primary metals employ the second largest labor force in the state second only to electrical machinery producers.

In addition to these connections with your industry, many of the issues in which I have a strong and active interest are also of major interest to you. Specifically, this afternoon I have been asked to address the topics of taxes, trade, and transportation.

The most immediate issues concerning taxation are those surrounding the recently adopted tax reduction act of 1975 and the anticipated tax reform bill later this session of Congress. As I am sure you are all aware, I had a significant impact on the design of the next tax reduction act.

Several of the provisions I was successful in including in the act do not affect this audience directly, but I am proud of them nonetheless. For example, the provisions which grants tax credits to purchasers of new homes was originally my idea. This concept was embodied in a bill I introduced in the Senate on January 28, along with a companion bill to grant tax credits to automobile purchasers. These bills recognized that the housing and auto industries are basic to America, have suffered the highest unemployment and therefore were the ones in which a direct stimulus was needed. The concept of granting tax credits to purchasers of new homes was later endorsed by Senator Long and, the provision was adopted in the finance committee and survived through floor action and the conference committee.

I also played a role in shaping the tax rebates and tax reductions for individuals and corporations. The individual tax changes are designed to benefit primarily low and middle income taxpayers. These people suffer the most from periods of high inflation. They are also the primary victims of the massive layoffs which have occurred as our economy has plunged ever deeper into recession. And, because of their economic status, they are also the most likely to use their tax benefits to increase consumption and, thus, stimulate the economy.

However, I do not believe the tax cut is the panacea to all our economic problems. The tax cut will stimulate consumption. We hopefully will see a business turnaround sometime later this year. But this recovery, if it does occur, is shaping up as the first business cycle up-turn in which we will see a recovery of business without a recovery of employment. G.N.P. will probably increase, but unemployment is going to be a long time coming down.

Employment has always been a lagging economic indicator, but the current situation differs from historical trends. In past recessions the recovery either was led by, or, at least included, the industries which employ the largest numbers of workers, either directly or in supply industries. The two primary industries involved here are the automobile industry and the housing industry. But this time, because of the ambiguities in consumer demand for cars largely resulting from environmental and energy uncertainties, and because of abnormally high interest rates, these industries are not going to lead the economic recovery. They may grow with the economy, but they will not be the propelling force driving the rest of the economy out of recession.

This means the recovery will probably be slower than past recoveries. It also means unemployment will decline more slowly, and unless imaginative public policy is forthcoming, we will still be suffering from seven to eight percent unemployment, not only at the end of this year, but next year as well. This is a serious problem that we all need to think about carefully because it has dramatic and revolutionary implications—for unemployed workers—for our whole society. When high unemployment becomes a permanent affliction rather than a temporary abnormality in our economy, our public policies and institutions have to be revised accordingly. Most people are only just beginning to grasp the full dimensions of this problem, but it will become a major political issue in the near future.

As you know, I also had an impact on the changes in corporate taxes in the tax reduction act. I supported the increase in the corporate surtax exemption and reduction in the tax rate on lower levels of net income; two changes which primarily benefit small business. I also supported the increase in the investment tax credit, which I know is important to the iron and steel industry. My support of the investment tax credit goes back a long way.

I was an original sponsor of the investment tax credit in 1962. I opposed its suspension in 1965. I said at the time it would be reinstituted within a year, and it was.

I oppposed repealing the credit in 1969. I proposed reinstituting the credit in 1971 and my bill would have re-established the credit at ten percent rather than seven percent. I have advocated increasing the credit for three years. I wanted the increase to be to twelve percent and I wanted it to be permanent.

I almost succeeded in getting the investment tax credit made permanent in the Tax Reduction Act. I proposed it and the Finance Committee adopted it, although the committee added some provisions concerning employee stock ownership plans to the tax credit. Although my measure to make the investment tax credit permanent failed in the conference report on the Tax Reduction Act, you can be sure that I will propose it inclusion in the tax reform bill to be taken up later this year.

There are many reasons for making the higher investment tax credit a permanent feature of the tax code. The credit has proved

to be a successful device in stimulating capital investment. Increased capital investment is necessary to provide jobs, and the amount of capital necessary to provide a single job is constantly increasing. If we still intend to rely on the private economy to provide the bulk of jobs in our society, then we need massive new capital investment to accomplish this.

Greatly increased capital investment is also necessary to correct some of our national problems. As just one example, I have proposed a major national project similar in magnitude and national commitment to the space program, to produce two million barrels per day of synthetic oil by 1985.

The production of synthetic oil, through the liquefaction of coal and from oil shale is possible with present technology. However, the level of capital investment required for large scale production is staggering. This investment will not be forthcoming from private sources without substantial government incentives. An effective investment tax credit is only one of several government incentives which will be necessary to achieve our energy goals.

In addition, substantial capital investment is needed to put America back on top of the productivity race. In recent years, productivity growth in the United States has fallen far behind that in other industrialized countries. Since 1960, output per man hour in manufacturing in the United States has increased about forty percent. In Great Britain, it has increased about fifty percent. Growth in Italy, France and Germany is approximately eighty percent, and Japan has increased productivity since 1960 by over two-hundred percent.

Of course, despite this trend, the United States is still the most productive nation in the world. For every one-hundred dollars worth of goods and services the American worker turns out, the German worker produces seventy-four dollars worth, the Dane sixty-two dollars, the Italian and Briton fifty-nine dollars, and the Japanese fifty-six dollars. But the gap is closing, and if we are concerned about maintaining our leadership we must improve our productivity growth.

This same trend is evident in the steel industry. While the American steel industry is still more efficient than in all countries except Japan, we are rapidly losing our supremacy. Since 1960 productivity in our steel industry has increased by fifty percent. That exceeds Britain's increase of only thirty-five percent, but lags far behind France's increase of seventy-eight percent, West Germany's ninety percent and Japan's phenomenal four-hundred-twenty percent. Here, as well as in other industrial sectors, the need for greatly increased capital investment is clear.

All of this demands a continued and sustained level of capital formation in the next generation which dwarfs what we have seen in the past. I believe the American economy is at a major turning point, and Government policy and business decisions must be aware of this. Whereas the last twenty-five years in the U.S. economy have been dominated by consumer goods' production, I believe the next twenty-five years will be dominated by capital goods as we increase the productivity of our industrial plant, as we address national priorities such as energy production and environmental protection, as we strive to remain competitive on the world market, and as we provide new, expanded job opportunities for our workers.

This, of course, does not imply we are going to stop producing consumer goods; but it does imply increased attention to capital formation and capital goods production. And it necessitates a complete review of public policy toward capital formation and investment. This review will be initiated when the tax reform bill is considered, but that will only be the beginning. Over the next five to ten years, we are going to have to take a hard look, not only at provisions that directly affect corporations, such as the investment tax credit and capital recovery allowances, but at other questions, such as the ability of the securities markets to function as sources of large amounts of new equity capital, and the structure of the debt market in the United States including the relationship of various types of private and Government debt to each other and to Government policy specifically Federal reserve policy.

I also was successful in amending the tax reduction act in the area of taxation of foreign earnings, and this gets into the topic of foreign trade.

For four years I was the Senate sponsor of the major alternative trade bill to the one which was finally adopted last December. The Burke-Hartke bill was not an anti-trade bill, as it was sometimes portrayed, but it was designed to be more protective of American jobs and American companies from unfair foreign trade practices. It also would have terminated U.S. tax provisions which actually encourage American firms to shift operations overseas, and, once overseas, to expand abroad rather than at home. Firms in several industries have taken advantage of these provisions to develop overseas operations at considerable expense in U.S. jobs and production.

I offered two of the tax provisions of Burke-Hartke, one dealing with foreign tax credits and restricted in applicability to oil and gas income; and one dealing with tax deferral on all foreign income, as amendments to the tax reduction bill in the Senate. They were adopted overwhelmingly, by seventy-five and seventy-three votes respectively, showing the concern of the Senate about these issues. The conference committee modified the amendments, limiting the use of foreign tax credits by the oil companies and eliminating certain tax haven sections of the code, and committed both bodies to a thorough review of the subject during consideration of the tax reform bill.

The whole issue of U.S. taxation of foreign income, and of foreign trade in general, is going to receive considerable attention in Congress during the next few years. And these are issues which vitally affect the steel industry. The American Steel Industry is vulnerable to foreign steel imports, particularly to periodic swings in steel imports. Because many of our trading partners have subsidized steel production, or partial government ownership of steel production facilities, they try to produce at close to full capacity even if it means selling the output at reduced prices on foreign markets. Frequently, this results in increased foreign steel imports to the United States at precisely the time when our own production is suffering. During the next several years when we are calling on our steel industry to greatly increase its productive capacity and productivity, we also need to maintain public policies which protect the industry from periodic invasions of foreign steel imports which disrupt the stability of the domestic market.

For this reason, it is crucially important that you in the industry, and we in Congress, keep a close watch on the new round of trade negotiations now underway in Geneva. Through our finance committee staff, we are keeping close contact with the GATT negotiations as they proceed. Progress is very slow to date. As far as negotiations affecting steel are concerned, there is considerable resistance among our trading partners to sector negotiations on any topic. This is an area where you should pay close attention to the GATT negotiations because although my amendments put sector negotiations in the trade bill, the administration was vigorously opposed to sector negotiations. However, an initial agreement has been obtained that the GATT staff will do a study of the feasibility of one broad sector area: That of metals, including steel and aluminum. The study, however, will not include the development of hypotheses for the negotiation of issues within this sector.

In the field of transportation, 1975 looks like it will be the year of the railroad. The railroads have been and continue to be the weakest link in the national transportation system. During this Congress, the Surface Transportation Subcommittee, which I chair, will be concentrating its efforts, first, upon preventing the further deterioration of that link, and then on steps towards formulating a public policy that will permit the revitalization and growth of rail freight and passenger service wherever it can serve a useful purpose in the multimodal national system.

One of the most important tasks facing the Congress, and one which must be completed before any more substantial legislative efforts are made, is the upcoming review of the final system plan for reorganizing the bankrupt railroads in the Midwest and Northeast. The plan, which will be submitted to Congress July 26, will go into effect within sixty days after that date unless disapproved by either House of Congress. My subcommittee will be responsible for making an initial recommendation to the Senate Commerce Committee and the Senate on this plan.

The preliminary system plan for restructuring the bankrupt railroads in the Midwest and Northeast was issued by the United States Railway Association on February 26.

As a principal architect of the reorganization act, I was gratified that the U.S.R.A. put forth a preliminary system plan that rejected the wholesale abandonment approach of the Department of Transportation and opted for a more realistic approach to restructuring the rail system.

With regard to the health of the overall system, the preliminary plan is somewhat encouraging. While I retain a healthy skepticism that a profitable railroad will emerge from the ashes of the bankrupt carriers, the initial projections by U.S.R.A. in the preliminary system plan indicate that our legislative efforts to rescue the rails at minimum cost to the taxpayers has a decent chance to succeed. A revitalized rail network offering vastly improved rail services seems within reach. Rather than nationalizing the railroads at a cost of upwards of fourteen billion dollars, it seems that we will be able to give rebirth to the Midwest and Northeast rail system at a total government cost in cash outlay not to exceed approximately six billion dollars. Compared to the present level of Federal expenditure in the field of transportation—over six billion yearly for other modes—this seems a small price to pay.

As the Surface Transportation Subcommittee evaluates the preliminary and final system plans, we expect to examine several unusual proposals. One concept that I intend to focus on is the so-called "CONFAC", or Consolidated Facilities Corporation, idea. CONFAC involves treating railroad right of ways in a manner similar to the way that the Federal Government treats the right of ways of other forms of transportation.

Under the CONFAC proposal that has been suggested by the U.S.R.A., a separate corporation would be created which would own, rehabilitate, and maintain the rail right of ways, and charge the operating railroad a trackage fee for the use of these right of ways similar to the fees that are charged trucks for the use of highways and airplanes for the use of airports. Such a corporation could be set up as a purely private corporation, as a mixed public and private corporation, or it could be a purely publicly owned corporation.

UMI

If one thing is clear, it is that the present relationship between the Government and railroads is not working to produce the rail transportation system that America needs. If we are to assure that we have a strong and healthy rail transportation system, adequate to meet the freight and passenger transportation needs of the future, then we must begin to explore concepts that are designed to maintain that system. While I am not committed to any particular course of action in this area at the moment, I am committed to changing the presently totally unacceptable situation. I am hopeful that those who oppose these new ideas will have adequate alternative courses of action for the Congress to consider.

COAL CONVERSION—IMPLEMENTATION OF THE ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Mr. RANDOLPH. Mr. President, since enactment last year of the Energy Supply and Environmental Coordination Act of 1974 the Congress has consistently supported expeditious implementation of its coal utilization provisions. As recently as April 9, 1975, the Senate approved the floor amendment—of myself and Senator ROBERT C. BYRD—to S. 622 which would extend this coal conversion authority until December 31, 1975; otherwise, this program would expire on June 30.

Yesterday, Mr. President, I received a letter from Administrator Frank G. Zarb of the Federal Energy Administration supporting this amendment and transmitting a brief review of the agency's efforts to implement this coal utilitization program. I am gratified to report that this program is now receiving priority attention in keeping with the intent of the Congress.

Under the current schedules it now appears that the necessary experience will be obtained to adequately evaluate the validity of proposed amendments by the Administration to the Energy Supply and Environmental Coordination Act as well as coal substantial legislation I expect to introduce in the near future.

This statute was and is an emergency measure intended to ease the problems faced by powerplants which were required to convert, or voluntarily converted, from oil to coal. I request unanimous consent that a summary of this coal conversion authority—furnished by Administrator Zarb—be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF ESECA COAL CONVERSION PROVISIONS

The Act requires that FEA "shall" prohibit, by order, any powerplant from burning petroleum or natural gas as its primary energy source if certain findings can be made. Further, the Act provides discretionary authority to issue installations other than powerplants in the early planning process be designed and constructed with capability to use coal as its primary energy source. Finally, the Act provides FEA certain authority to allocate coal

FEA's authority to issue orders expires on June 30, 1975, but such orders may take effect at any time before January 1, 1979. Authority to amend, rescind, modify or enforce such orders expire on December 31, 1978.

The provisions associated with each of FEA's three authorities—(i) prohibition orders (ii) construction orders, and (iii) coal allocation orders—are outlined in greater detail below.

I. PROHIBITION ORDERS

FEA is directed to issue prohibition orders to powerplants if certain findings can be made. Further, FEA may issue prohibition orders to major fuel burning installations (other than powerplants) provided certain findings are made. These findings are:

a. the plant (or unit) had on June 22, 1974, the capability and necessary plant equipment to burn coal,

b. the burning of coal is practicable,

c. the burning of coal is consistent with the purposes of the Act.[1]

d. coal and coal transportation facilities will be available during the period the order is in effect.

e. in the case of a powerplant a conversion order will not impair the reliability of electricity service in the area served by the plant.

The Act grants FEA authority to issue (a) short-term orders for a period ending on or before June 30, 1975 or (b) long-term orders for periods after June 30, 1975.

Before issuing a short-term order, FEA must (i) give public notice and afford an opportunity for public comment, (ii) consult with EPA, and (iii) consider the likelihood that the powerplant will be permitted to burn coal after June 30, 1975. Before issuing a long-term order (or changing a short-term order to a long-term order), FEA must also give public notice and afford an opportunity for public comment.

Neither a short-term nor a long-term order becomes effective until the date which EPA certifies is the earliest date that such plant will be able to comply with the air pollution requirements[2] which will be applicable to it. Further, once effective, such an order can be rendered ineffective if EPA certifies that the plant is unable to comply with the applicable air pollution requirements because technology or other methods of control are not available, or that the burning of coal may cause a significant risk to public health from emissions of any pollutant for which national ambient air quality standards have not been promulgated (e.g., sulfates).

For short-term conversion orders, the Act gives EPA authority to suspend temporarily applicable emission limitations and to impose interim requirements that are reasonable and practicable and that "avoid imminent and substantial danger to health of persons.

For long-term conversion orders, the Act gives EPA authority to grant compliance date extensions. These are extensions of the date by which the source must attain "the most stringent degree of emissions reduction . . . required . . . under the applicable implementation plan, which was in effect on the date of submittal" of a compliance plan (discussed below). Compliance dates may be extended until January 1, 1979.

However; compliance date extensions may be granted only under certain conditions. One is that the plant would meet all primary standard conditions (i.e., not cause or contribute to violation of primary ambient standards). Another is that the plant would meet all regional limitations, (i.e., meet the existing SIP emission limitation for any pollutant which violates primary ambient standards within the plant's air quality control region). Another is that the plant submits an approvable plan for meeting primary standard conditions and any applicable regional limitation and for complying by January 1, 1979 with the SIP emission limitations in effect when the plan is submitted.

II. CONSTRUCTION ORDERS

FEA may require powerplant units in the early planning process (other than combustion gas turbines of combined cycle units) to be designed and construction so as to be capable of using coal as its primary source of energy.

However, no such order may be issued if FEA finds that (a) it is likely to impair the reliability or adequacy of service or (b) an adequate and reliable supply of coal is not expected to be available.

Further, in considering the desirability of issuing such an order, FEA must consider the existence and effects of any contractual commitment for the construction of such facility, and the ability of the owner to recover any capital investment made as a result of a construtcion order.

III. COAL ALLOCATION ORDERS.

FEA may allocate coal (a) to any plant to which an order has been issued or (b) to any other person to the extent necessary to carry out the purpose of the Act.

However, there is also a situation where FEA may be required to allocate coal. This is when EPA issues a "fuel exchange" order, for the purpose of avoiding or minimizing adverse impacts on public health and welfare of certain actions under ESECA and the Emergency Petroleum Allocation Act. FEA must exercise its allocation authority in order to require the exchange, unless FEA finds that the costs or consumption of fuel would be excessive.

In addition, in any coal allocation program established under the authority of ESECA, FEA must include measures to ensure that available low sulfur coal will be distributed on a priority basis to those areas of the United States designated by EPA as requiring such fuel to avoid or minimize adverse impact on public health.

Mr. RANDOLPH. Mr. President, as I discussed in May 1974, during Senate debate on the Energy Supply and Environmental Coordination Act of 1974, there remains to be resolved the issues surrounding the long-term utilization of coal as a substitute for imported oil and natural gas in a manner consistent with all applicable environmental policies. These problems, include emission requirements established by the Federal Government as well as State agencies pursuant to the Clean Air Act are important. The legislation I will introduce will address this issue.

Mr. President, under present coal conversion authority, the Federal Energy Administration is currently in the final stages of issuing the necessary precedural notices that will precede prohibition orders, and is scheduling the public hearings required by law. Following this schedule it is envisioned that some thirty prohibition orders will be issued by June 30.

The additional 6 months provided by our amendment will enable the Federal Energy Administration to examine other candidates for conversion to coal and where warranted to issue the necessary orders.

While significant but valid constraints exist on realizing the full potential of the oil savings from this program, the savings that appear practical by 1980 are in excess of 850,000 barrels of oil per day. Although some of these savings will be realized in 1975 and 1976, the majority of the benefits from reduced oil consumption will not materialize until after 1977 due to the time required to install—or upgrade—air pollution control equipment and to develop additional coal supplies.

According to Administrator Zarb, the Federal Energy Administration intends to issue orders by the end of June 1975, to roughly half of the 80 potential conversion candidates contained in this table which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXISTING PLANTS THAT CAN BE CONVERTED TO COAL

I. Plants that have adequate precipitators and can burn coal with sulfur content greater than 1 percent by weight:

Plant, unit No., capacity (MW), and utility:
McWilliams, 3, 25, Alabama Electric Cooperative Inc.
Ames, 7, 33, City of Ames, Iowa.
Des Moines, 10, 11, 190, Iowa Power & Light Company.
George Neal, 1, 139, Iowa Public Service Company.
Maynard Station, 14, 50, Iowa Public Service Company.
Kaw River, 3, 65, Bd. of Public Utilities, K.C., Kansas.
Quindaro, 1, 2, 240, Bd. of Public Utilities.
Morgantown, 1, 2, 1,251, Potomac Electric Power Company.
Hawthorne, 3, 4, 5, 769, Kansas City Power & Light.
Weston, 2, 75, Wisconsin Public Service Company.
Totals, 10 plants, 15 units, 2,837 MW.

II. Plants that require precipitator upgrading and can burn coal with sulfur content greater than 1 percent by weight:

Plant, unit, capacity (MW), utility:
Brayton Pt.,* 1,2,3, 1,162, New England Power Co.
St. Clair,* 5, 358, Detroit Edison Co.
Sheldon, 1, 2, 225, Nebraska Public Power District.
Danskamme,* 1, 2, 146, Central Hudson Gas & Electric Company.
Chesterfield,* 3,4,5,6, 1,353, Virginia Elec. & Power Company.
Yorktown, 1, 2, 375, Virginia Elec. & Power Company.
Totals, 6 plants, 14 units, 3,619 MW.

III. Plants that need new precipitators, are larger than 100 MW, and can burn coal with sulfur content greater than 1 percent by weight:

Plant, Unit, Capacity (MW), Utility:
Ritchie, 1, 2, 904, Arkansas Power & Light Company.
Edge Moore, 1,2,3,4, 390, Delmarva Power Company.
Port Wentworth, 1, 2, 3, 207, Savannah Electric & Power Company.
McManus, 1, 2, 140, Georgia Power Company.
Ridgeland, 1, 2, 3, 4, 5, 6, 690, Commonwealth Edison Co.
Southerland, 1,2, 3, 157, Iowa Electric Light & Power Company.
Kaw River, 1, 2, 96, Board of Public Utilities, K.C., Kansas.
Lawrence,* 3, 4, 5, 583.3, Kansas Power & Light Company.
Tecumseh, 9,10, 231, Kansas Power & Light Company.
Crane, 1, 2, 400, Baltimore Gas & Electric Company.
Gould Street, 3, 104, Baltimore Gas & Electric Company.
Riverside, 4, 5, 154, Baltimore Gas & Electric Company.
Wagner, 1,2, 269, Baltimore Gas & Electric Company.
Mt. Tom, 1, 136, Holyoke Water Power Company.
Somerset, 7,8, 194, Montaup Electric, Company.
W. Springfield, 2,3, 164, Western Mass. Electric Company.
James River, 3,4, 104 Springfield (Mo.) City Utilities.
Schiller, 4,5, 100, Public Service Co. of New Hampshire.
England, 1,2, 299 Atlantic City Elec. Company.
Albany 1,2,3,4, 400 Niagara Mohawk Power Company.
Sutton, 1,2,3, 672, Carolina Power & Light Company.
South Street Station, 121,122, 104, Narragansett Electric.
Jefferies, 1,2, 100, South Carolina Public Service Authority.
Portsmouth*, 1,2,3,4, 650, Virginia Electric Power Company.
Totals, 25 plants, 64 units, 7,378.3 MW.

IV. Plants that need new precipitators, are smaller than 100 MW, and can burn coal with sulfur content greater than 1 percent by weight:

Plant, unit, capacity (MW), utility:
Montville,* 5, 75, The Connecticut Light & Power Co.
Wisdom, 1, 38, Corn Belt Power Cooperative.
Quindaro No. 2, 22, 35, Board of Public Utilities, K.C., Kansas.
Mason, 3,4, 69, Central Maine Power Company.
Vienna, 7, 38, Delmarva Power & Light Company.
Fox Lake *, 3, 82, Interstate Power Company.
Blue Valley, 3, 58, Independence Power & Light Company.
Lake Road, 5,6, 85, St. Joseph Light & Power Company.
Jones Street, 27, 40, Omaha Public Power District.
L. D. Wright, 2, 25, Freemont Department of Utilities.
Down, 10, 25, City of Vineland.
Mustang, 2, 63, Oklahoma Gas & Electric Company.
Riverton, 1, 40, Potomac Edison Company.
Zuni, 3, 75, Public Service Co. of Colorado.
Totals, 14 Plants, 16 Units, 748 MW.

V. Plants that must reduce emissions to equivalent of coal with sulfur content less than 1 percent by weight:

Plant, Unit, Capacity (MW), Utility:
Devon, 3, 7, 8, 273, The Connecticut Light & Power Co.
Middletown, 1, 2, 3, 422, The Hartford Electric Light Co.
Norwalk Harbor, 1, 2, 326, The Connecticut Light & Power Co.
Cryatal River**, 1, 2, 847, Florida Power.
Salem Harbor**, 1, 2, 3, 275, New England Power.
Kendal Square, 3, 27, Cambridge Electric Light Co.
Bergen, 1, 2, 650, Public Service Electric & Gas Co.
Burlington, 7, 227, Public Service Electric & Gas Co.
Deep Water, 1, 8, 155, Atlantic City Electric Co.
Hudson, 1, 455, Public Service Electric & Gas Co.
Kearney, 7, 8, 294, Public Service Electric & Gas Co.
Sayreville, 7, 8, 248, Jersey Central Power & Light Co.
Sewaren, 4, 119, Public Service Electric & Gas Co.
Werner, 4, 60, Jersey Central Power & Light Co.
Arthur Kill, 20, 30, 826, Consolidated Edison Co.
Astoria, 10, 20, 30, 40, 50, 1,455, Consolidated Edison Co.
Barrett, 10, 188, Long Island Lighting Company.
Far Rockaway, 40, 114, Long Island Lighting Company.
Lovett, 3, 4, 5, 449, Orange & Rockland Utilities.
Port Jefferson, 30, 40, 375, Long Island Lighting Company.
Ravenswood, 30N, 30S, 1,000, Consolidated Edison Company.
Cromby, 2, 200, Philadelphia Electric Company.
Delaware, 7, 8, 250, Philadelphia Electric Company.
Mitchell, 33, 294, Allegheny Power Service Corp.
Springdale, 88, 142, Allegheny Power Service Corp.
Possom Point, 2, 3, 4, 422, VEPCO.
Totals: 26 plants, 50 units, 10,093 MW.

Mr. RANDOLPH. Mr. President, as enunciated in Administrator Zarb's report, during the late 1960's and early 1970's many powerplants, particularly on the east coast, converted from coal to oil. In the beginning this was motivated by two factors: first, oil imports were cheaper and second, along the east coast residual oil was exempt from oil import quotas. Toward the end of this period, air pollution requirements affecting sulfur emissions added an additional incentive to utilize oil imports.

The earlier economic justification for such conversion to oil no longer exists. Nevertheless, some installations still intend to convert to oil to meet air quality regulations. Although these facilities have been difficult to identify the Federal Energy Administration believes some 5 to 10 installations are involved, representing some 25,000 to 50,000 barrels of oil per day. Using the authority contained in the Energy Supply and Environmental Coordination Act, the Federal Energy Administration intends to insure, to the extent practicable, that these powerplants do not convert from coal to oil.

By far the greatest saving in oil consumption is possible by requiring that new powerplants possess the capability to utilize coal. The Federal Energy Administration has identified some 25,000 megawatts of oil-fired capacity scheduled for completion between 1975 and 1980, representing about 630,000 barrels of oil per day. In the FEA's judgment those powerplants scheduled to become operational between 1978 and 1980 still appear to have sufficient leadtime to facilitate modification to utilize coal. Practical candidates for conversion orders, these facilities represent an additional potential savings of 25,000 to 75,000 barrels of oil per day.

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[1] The purpose of the Act with respect to coal conversion is "to provide a means to assist in meeting the essential needs of the United States for fuels, in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve and environment."

[2] These may be the emission limitations applicable in the absence of an FEA order or inherim requirements imposed by EPA in connection with a temporary suspension or a compliance date extension.

* ICS Candidates.

** If state regulations (SIP) are revised, then becomes Category 3(A).

Even greater savings are possible from the conversion of new powerplants now scheduled for completion between 1980 and 1985. The Federal Energy Administration does not have authority to require the utilization of coal by these facilities. Oil savings range from one to three million barrels of oil per day by assuring that no new fossil-steam powerplants completed during this period utilize oil or natural gas. Resultant savings dwarf the other potential savings from the present coal conversion program but the Federal Energy Administration does not have authority to insure they are realized. I will introduce legislation to accomplish this purpose.

These and other preliminary conclusions from the Federal Energy Administration's implementation of the Energy Supply and Environmental Coordination Act are set forth in Administrator Zarb's report of May 1, 1975. I ask unanimous consent that it be printed in the Record for the benefit of my colleagues and other affected parties.

There being no objection, the material was ordered to be printed in the Record, as follows:

Federal Energy Administration,
Washington, D.C., May 1, 1975.
Hon. Jennings Randolph,
Chairman, Committee on Public Works, Washington, D.C.

Dear Mr. Chairman: As you know, since last year my staff has been developing the program necessary to carry out the coal utilization provisions of the Energy Supply and Environmental Coordination Act of 1974. Much of the effort to date has involved factual inquiries and analyses necessary to lay the foundation for a sound and equitable program that meets the procedural requirements of a rather complex statute.

In light of your interest in this program, you may find useful the enclosed brief staff report which summarizes the efforts to date to implement the coal utilization program. The Federal Energy Administration is currently in the final stages of processing the necessary procedural notices that will precede prohibition orders, and is scheduling the public hearings required by law before issuing some 30 prohibition orders by June 30.

On behalf of FEA, I would like to take this opportunity to thank you personally for co-sponsoring, on April 9, the floor amendment to S. 622 which would expand the ESECA authorities for coal utilization to December 31, 1975. This would provide FEA the opportunity to examine additional utilities and other major fuel burning installations for potential conversions to coal firing and to issue the necessary orders where warranted.

I hope you find this report helpful, and should you have any questions please do not hesitate to contact me.

Sincerely,

Frank G. Zarb,
Administrator.

IMPLEMENTING COAL UTILIZATION PROVISIONS OF ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT

The purpose of this report is to review the status and current strategy of FEA's program for implementing the coal utilization provisions of the Energy Supply and Environmental Coordination Act (ESECA). Further, this report summarizes the Administration's proposed amendments to ESECA.

As a result of extensive analyses, FEA knows a great deal more about conversion of plants to coal and requirements concerning coal burning capacity for new plants than when the Act was passed. FEA's strategy for implementing the Act and proposed amendments to the Act are based on these analyses. This report is intended to put the strategy and proposed amendments into the perspective of these findings.

In summary, FEA has found that the potential oil savings from the program authorized by ESECA are substantial:

Actions	*Potential savings*[1] *K*	*B d*
Converting existing oil and gas powerplants to coal	500	550
Ensuring existing powerplants do not convert from coal to oil	25	50
Requiring new powerplants to have the capability to burn coal	25	75
Converting other major fuel burning installations	300	500
	850	1,175

[1] These savings are for direct substitution oil by coal. Coal for gas substitution has not been calculated in oil equivalency.

[2] ESECA grants FEA authority to require power plants in the "early planning process" to be built with the capability to burn coal, but not the authority to require them to burn coal. This figure assumes that such plants will voluntarily burn coal.

However, there may be significant constraints to realizing this potential. These include air pollution requirements, coal supply (in the short-run), and practicability considerations. In general, FEA judges that a substantial portion of these savings can be realized, but while some savings will be realized in the 1975–1976 period, most will be realized in the 1977–1978 period due to the time required to install (or upgrade) air pollution control equipment and to develop additional coal supplies. Further, air pollution requirements may determine to a considerable extent the magnitude of the savings realized, due to the impact of air pollution requirements on practicability.

FEA's objective is to achieve as many of the oil savings realized under the provisions of ESECA as possible, with immediate emphasis on converting existing oil and gas powerplants to coal. We have proposed certain amendments to extend FEA's authorities to ensure that these savings are in fact realized.

This report is organized into three parts. The first summarizes the activities and findings of FEA's program under ESECA to date. The second presents FEA's strategy for implementing the Act. The third discusses the implementation problems FEA is facing and the amendments to the Act the Administration has proposed to deal with these problems. Also, a summary of the key provisions of the Act is presented in Appendix I.

ACTIVITIES AND FINDINGS TO DATE

Since ESECA was enacted, FEA has done a great deal in preparation for implementing its coal utilization provisions.

ESECA authorizes issuance of both long-term and short-term prohibition orders. FEA's strategy from the outset has been to focus on long-term oil savings and long-term orders rather than on short-term orders expiring in June 1975. This strategy was adopted because the coal supply situation was extremely tight through 1974, due to Arab embargo in the beginning of the year.

FEA's ESECA activities to date can be organized into three basic areas. The first was to begin conducting the background engineering, environmental, and economic analyses required to implement the Act. To conduct these, FEA relied both on expert contractors and inhouse efforts. The second was to develop regulations. The third was to publish an environmental impact statement. The regulations proposed by FEA were published in the Federal Register on February 5, 1975. The draft impact statement was published on January 31, 1975 and the final statement was published on April 25, 1975.

The background analyses were organized into the four kinds of oil savings that could be achieved: (1) converting existing powerplants from oil and gas to coal, (2) ensuring that existing powerplants do not convert from coal to oil, (3) requiring powerplants in the early planning process to have the capability to burn coal as their primary energy source, and (4) converting other major fuel burning installations to coal. For each of the four areas, the background analyses focused on (a) the potential oil savings, (b) the findings FEA would have to make to issue an order (e.g., practicability, reliability, coal supply), and (c) an assessment of the environmental effects of such orders. The key findings of these background analyses in each of the four areas are summarized below.

1. Converting Existing Powerplants From Oil and Gas to Coal:

The potential oil savings from converting existing powerplants from oil and gas to coal is significant. Eighty (80) powerplants have been identified that currently burn oil and gas and that have coal burning capability. These eighty plants were identified, by a lengthy review and verification process from a list of 725 plants which responded to the Federal Power Commission's Emergency Fuel Convertibility Questionnaire. If all of these plants were converted, oil savings would be about 500,000–550,000 barrels per day.

However, the realization of these potential savings is constrained by several factors—air pollution requirements, coal supply, practicability, and perhaps reliability.

ESECA provides that plants that convert to coal as a result of FEA orders and that cannot otherwise meet all air pollution requirements, may obtain extensions of compliance deadlines for the State Implementation Plan (SIP) emission limitations up until January 1, 1979. They must meet "primary standard" conditions, however, and any applicable "regional limitations." In addition, EPA must suspend an order if it finds the burning of coal by the source may cause or contribute to a "significant risk to public health" from pollutants for which national ambient air quality standards have not been promulgated. Section 303 of the Clean Air Act, relating to EPA's emergency powers, is also applicable.

To assess the effects of these regulations on the coal conversion program, FEA worked with EPA to estimate the number of plants that could be converted (a) if ESECA were amended so that only primary standard conditions were applied, and (b) if regional limitations now applicable under ESECA, were applied as well. This analysis should be considered indicative but not precise:

Number of powerplants that could be converted

	1975	1977	1980
Primary standard conditions	19	37	80
Regional limitations	7	24	80

Not all plants can comply immediately with primary standard conditions because some must take the steps required to reduce emissions. These steps include making boiler modifications and upgrading or installing new precipitators. Regional limitations delay conversions beyond the delay for meeting primary standard conditions because more plants are required to secure low-sulfur coal or install flue gas desulfurization systems before they may convert.

No analysis has been conducted to assess the impact of the significant risk provisions, because EPA is in the process of determining whether and how these should be implemented. In addition, as discussed below, SIP emission limitations that are more stringent than needed to meet primary standards could delay or even limit the number of conversions by possibly rendering a conversion not practicable.

As indicated by the analysis above, the coal market (particularly for low-sulfur coal) could be tight, due to the UMW work stoppage at the end of 1974, increased coal demand resulting from higher oil prices and natural gas shortages, and a slow-down in new mine development resulting from the uncertainties created by EPA's implementation of the Clean Air Act in the beginning of this decade. It is possible that in some instances coal made available to conversion candidates in the short-run (1975–1976) would not come from additional production, but would be diverted (i.e., bid away) from existing coal burners. In any case, the supply of coal is adequate in the long-run (1977–1980) to meet all potential coal conversion requirements so long as a clear long-term market for coal exists so that mine operators will be willing to invest the required capital in new mine development.

The required practicability finding could also limit the number of conversion orders. So long as the price of coal is near the long-term contract price, the price of oil stays at current levels, and a plant has a reasonably long useful life and high capacity factor, conversions are practicable in the sense that the cost savings from converting to coal will exceed the costs of making the conversion, even if scrubber technology is required. However, if the spot market coal price escalates in response to increased coal demands from coal conversion candidates or if the price of oil drops or if the plant has a short useful life and/or a low capacity factor, the costs of converting may exceed any cost savings, particularly if scrubbing technology is required. In such cases, FEA will consider the effects of requiring a utility to invest the capital to convert. The examination will include an analysis of the generally accepted financial ratios and evaluation of the impact of FEA's proposed order on a utility's capitalization and rate structure.

In addition to cost issues, the practicability finding must address capital availability. Particularly if expensive pollution control equipment is required, the conversions would involve large initial capital investments. Since electric utilities are currently experiencing financial difficulties, the utilities may find it expensive to raise the capital for these investments in the money and capital markets.

The other findings required by the Act (see Appendix I) are less likely to limit conversions. That the plants have the capacity to burn coal has basically been satisfied by most of the initial list of conversion candidates, since that was the criteria used to develop the list. Except possibly in the very shortrun, if the coal is available, the coal transportation facilities should be available. The reliability finding can probably be made by scheduling the outage associated with a conversion such that adequate reserve capacity will exist.

2. Ensuring that Existing Powerplants Do Not Convert From Coal to Oil:

During the late 1960's and early 1970's, many powerplants converted from coal to oil, particularly on the east coast.[3] In the beginning, this was because burning oil was cheaper and oil was available on the east coast due to a residual oil import quota exemption. However, toward the end of the period, many conversions were made to comply with air pollution regulations.

The economic reason for converting to oil no longer exists, but some plants are still intending to convert to oil to meet air quality regulations. These have been difficult to identify but may exceed 5–10 plants representing about 25–50 thousand barrels of oil per day.

FEA and EPA have not yet analyzed these plants in detail, but in general the same constraints to prohibiting conversions to oil probably exist for ordering conversions to coal. These plants must meet all applicable air pollution requirements since they are not eligible for compliance date extensions. Plants that had planned to convert to oil to meet air pollution requirements probably will not be able to comply with air pollution requirements in the short-run without converting to oil, because precipitator improvements cannot immediately be made or conforming low-sulfur coal may not be a viable alternative in the near-term. Further, analysis may indicate that it makes more sense to convert to oil, particularly, as discussed above, for older plants with low capacity factors that would require expensive air pollution control equipment.

3. Requiring New Powerplants to have the Capability to Burn Coal:

During the late 1960's and early 1970's while coal-fired powerplants were being converted to oil, utilities were also building new plants to burn oil. In 1970, only 40 percent of new boiler orders provided for coal firing capability. However, in response to the increased price of oil and natural gas shortages, by 1974, 97 percent of new boiler orders provided for coal firing capacity.

FEA has identified 25,000 MW of oil-fired capacity scheduled to come online between 1975 and 1980. This represents about 630 thousand barrels per day. However, many of these units are designed to burn oil only and/or are past the point where they can be modified to burn coal without significant additional costs and/or delays. Only those scheduled to come online between 1978 and 1980 (so that they can still be modified) appear to be practicable candidates for an order requiring coal-burning capability. These represent about 25–75 thousand barrels per day.[4]

In making this estimate, FEA intends to define "early planning process") (not defined in ESECA) to end on "the commencement of boiler foundation construction." A fossil-fuel-fired powerplant generally takes about five years to build. Foundation construction commences after about two years. Hence all plants coming online after 1978 should not yet have started foundation construction.

Environmental regulations should not be a constraint with these candidates because all appear to be plants that must meet new source performance standards. Further, coal supply should not be a significant constraint because these plants should generally have time to line up long-term contracts for coal, even if this involves opening new mines. Further, reliability should not be a constraint, unless the modifications required to install coal-burning capability delay the operation of the plant considerably.

4. Converting Other Major Fuel-Burning Installations: The task of identifying nonpowerplant conversion candidates is a formidable one. No good data exists for these plants as it does for powerplants. However, due to the high current oil consumption in the industrial sector (about two million barrels per day) and expected growth of industrial energy consumption, FEA believes the potential oil savings in this sector could be significant—at least 300,000 barrels per day and possibly much greater.

In general, these plants will face the same constraints to conversions to coal as the powerplants. Air pollution requirements could delay or limit the potential savings, considering that most industrial sources generally have shorter stacks and are located near metropolitan areas. Practicability considerations could limit the potential, particularly if expensive pollution control equipment is required.

STRATEGY

Based on the legislative requirements (outlined in Appendix I), the findings reported above, and FEA's resources, FEA has adopted the following strategies for each of the four categories of plant subject to ESECA.

1. Converting Existing Powerplants from Oil and Gas to Coal:

FEA intends to devote the majority of its resources until June 1975 to those existing powerplants that can convert from oil or gas to coal. This is because these represent the greatest potential savings before 1980 and the savings per converted unit is high. Further, the Act puts priority on powerplant conversions by requiring FEA to issue such orders where appropriate findings can be made, while other authorities are discretionary.

For these powerplants, FEA's objective is to convert as many as is practicable as soon as possible. However, FEA understands that it will not be practicable to convert all the potential candidates. Further, FEA understands that "as soon as possible" will be 1975–1976 for some plants but 1977–1979 for others due to construction lead times for air pollution control equipment and coal supply limitations in the short-run.

In order to achieve this objective, FEA intends to issue orders by the end of June 1975, to roughly half of the 80 potential conversion candidates. If FEA's order issuance authority is extended, FEA will have adequate time to analyze the remainder of these candidates.

The plants that may receive orders include (a) those that may require no pollution control equipment to comply with all air pollution requirements, (b) those that may require only precipitator upgrading, and (c) those large plants that require new precipitators. The plants that may not receive orders before June 30, 1975, because of time constraints, include (a) those small plants that require new precipitators and (b) those plants that will likely require flue gas desulfurization technology to comply with all air pollution requirements. Appendix II contains a preliminary listing of the 80 plants divided into the five categories specified above.

FEA's regulations will provide FEA, on its own initiative, the opportunity to amend, repeal, rescind, or modify prohibition orders prior to "notices of effectiveness" which would specify the effective date of the order. The regulations also provide affected parties the opportunity to request such FEA action after issuance of the notice of effectiveness.

The process is expected to work as follows. After receiving a prohibition order, the affected utility will proceed to discuss with EPA the air pollution regulations applicable to the plant. Once EPA has determined the applicable air pollution requirements and notified FEA of the earliest possible date that the plant may burn coal in compliance with these requirements, FEA will issue a notice of effectiveness. FEA could, however, modify or rescind a prohibition order if it found "significantly changed circumstances" which include "discovery of material facts [or legal provisions] that were not known" or a "substantial change in the facts or the circumstances" on which the order was based and which occurred after issuance of the prohibition order. The regulations also provide that FEA may invite public comment before modifying or rescinding an order.

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[3] Many of these are on the list of conversion candidates.

[4] There are three important characteristics of these savings estimates. First, they could not be realized until 1978–1980, after plant construction is completed. Second, they may not be realized at all because FEA does not have authority to order these plants to burn coal. Third, they apply only to the end of the decade. Estimates of such savings in the 1980–1985 period fall in the 1–3 million barrels per day of oil range. It is the savings associated with ensuring that no new fossil-steam powerplants burn oil or gas that are most significant and dwarf most other potential savings. Yet, FEA does not have authority to endure these are realized.

2. Ensuring Existing Powerplants Do Not Convert from Coal to Oil:

In addition to its authorities under ESECA, FEA has limited conversions to oil under Part 215 of Title 10, Code of Federal Regulations (issued pursuant to the Emergency Petroleum Allocation Act of 1973). This regulation prohibits conversions from coal to oil, except if (a) such a conversion is certified by the State to be essential for attaining and maintaining primary ambient air quality standards and/or (b) not converting would cause "special hardship, inequity or unfair distribution of burdens."

FEA expects to use its ESECA authorities to complement the Part 215 regulations. FEA's objective is to prohibit all conversions to oil by powerplants except those where oil is the only practicable way to comply with applicable air pollution regulations, assuming that the other findings required by ESECA can be made.

To achieve this objective, FEA intends to issue prohibition orders to all current coal-fired powerplants that are planning to convert to oil or gas. Also, a plant may request such an order. For these plants, there will also be hearings following a notice of intention to issue the order. As with the conversion candidates, if these plants receive FEA orders, they will have to discuss air pollution requirements with EPA, and FEA will issue "notices of effectiveness" effective after the date that EPA certifies the earliest possible date the plants may burn coal and comply with air pollution requirements. These orders can be modified or rescinded as discussed above.

3. Requiring New Powerplants to Have the Capability to Burn Coal:

FEA's objective is to require all fossil-fuel powerplants in the early planning process (except gas turbines and combined-cycle units) have the capability to use coal as a primary energy source, provided FEA can make the findings required by the Act.

The definition of "early planning process" appears to remove from FEA's jurisdiction any plant that plans to come on line before 1978. This because these plants generally would require costly and time-consuming modifications. Hence, orders requiring coal-burning capability will generally be issued to new fossil-fuel units (exceptions as noted above) scheduled to come on line after June 30, 1978. Also, a plant may request such an order.

The FEA regulations provide that FEA will issue notices of intent to these plants prior to issuing construction orders and will solicit written comments. Such orders may be modified or rescinded by the same procedures as prohibition orders.

4. Converting Other Major Fuel-Burning Installations:

FEA's objective is to convert as many qualifying major fuel-burning installations to coal as soon as possible. The first step is to identify conversion candidates. To achieve this objective, FEA has required all major burning installations to identify themselves to FEA and then FEA will distribute a questionnaire to all industrial facilities with large boilers. The information collected by this questionnaire will enable FEA to screen for conversion candidates.

The second course of action is to issue prohibition orders. Prohibition orders may be issued on FEA's own initiative or a major fuel burning installation may request such an order. For these plants, too, the regulations provide for notices of intent, hearings prohibition orders, and notices of effectiveness, as for powerplants.

5. Other Authorities:

FEA currently has no plans to use its coal allocation authority, unless EPA issues a "fuel exchange" order. However, in assessing the coal supply available to specific plants, FEA reserves the option to use its allocation authority to ensure that a conversion candidate has an adequate supply of the right kind of coal. Hence, coal allocation regulations will be promulgated prior to June 30, 1975.

IMPLEMENTATION PROBLEMS AND PROPOSED AMENDMENTS

ESECA provides FEA with broad authority to reduce the Nation's oil consumption by requiring the burning of coal. However, there are certain areas where amendments to ESECA would enable FEA to better accomplish the objective of increasing coal consumption while still protecting the environment. These problem areas are discussed below along with the Administration's proposed amendments contained in Titles IV and V of the Energy Independence Act of 1975.

1. Extension of Authority to Issue Orders:

FEA's authority to issue orders—(1) prohibition orders, (2) construction orders, and (3) coal allocation orders—expires on June 30, 1975. This expiration date has a number of implications:

a. FEA needs additional time to complete the detailed analysis proceding issuance of prohibition orders for all potential utility candidates. This means that some plants that are good conversion candidates will not be issued orders.

b. FEA will not have time to identify and issue orders to any substantial number of nonpowerplant conversion candidates.

c. FEA will not be able to order powerplants that have not begun the early planning process by June 30, 1975 to have coal-burning capability. Accordingly, we have proposed that ESECA be amended to extend FEA's order issuance authority from June 30, 1975 to June 30, 1977: This would provide for a more orderly and more complete development of the program.

2. Extension of Enforcement Authority:

FEA's authority to enforce orders expires on December 31, 1978. This also has a number of implications.

a. It is possible that a number of conversion candidates will not be able to convert until 1978 or later due to construction lead times, equipment availability, and coal supply problems. This could put FEA in a position of ordering a conversion for one-year or less or of not being able to order a conversion at all.

b. For new plants coming on line after 1978, FEA would have no authority to enforce its orders to require construction with coal-burning capability after the end of 1978. As noted above, the greatest long-run oil savings potential rests with ensuring new plants do not burn oil or gas.

Accordingly, we have proposed that ESECA be amended to extend FEA's enforcement authority from December 31, 1978 to December 31, 1984. This amendment would not modify the compliance deadline provisions of Section 119 of the Clean Air Act, except as specifically provided below (see proposed Amendment No. 4).

3. Extension of Prohibition Order Authority to Other Types of Plants:

FEA's authority to issue prohibition orders is limited to powerplants and major fuel-burning installations having coal-burning capability as of June 22, 1974. FEA has authority to order powerplants in the early planning process to have the capability to burn coal but not to order these plants to burn coal. This is unfortunate because, in the long-run, the greatest potential oil savings comes from ensuring new powerplants do not burn oil or gas.

Accordingly, we have proposed that FEA's authority to issue prohibition orders be expanded to plants that are eligible for or receive construction orders under ESECA. These plants would not receive compliance date extensions and would be required to meet applicable new source performance standards.

We have also proposed that FEA be given authority to order plants that voluntarily install or are designed with coal-burning capability after June 22, 1974—but that are already out of the early planning process—to use their coal-burning capability.

4. Extension of Compliance Date Extensions:

EPA has authority to grant compliance date extensions to eligible plants that receive FEA orders until January 1, 1979.

a. Some plants may not be able to contract for low-sulfur coal or scrubbers until after this date. Hence, EPA would not be able to certify that the plant would comply with all air pollution regulations, and the FEA order would never be effective.

b. If FEA's order issuance authority is extended to June 30, 1977 rather than June 30, 1975 (see proposed Amendment No. 1), plants ordered to convert in this additional period might have difficulty complying with SIPs by January 1, 1979. Accordingly, the Administration has proposed that EPA's authority to extend compliance deadlines be extended by one year from January 1, 1979 to January 1, 1980. Needless to say, EPA would not have to extend all deadlines by one year, only where the extra year was required for effective conversion.

5. Remove Regional Limitations Provisions:

ESECA requires EPA to ensure that converted plants comply with any applicable regional limitations from the first day of conversion. This provision has the effect of delaying significantly the conversion of a number of plants, as discussed above, from 19 to 7 plants in the 1975–1976 period and from 37 to 24 plants in the 1977–1979 period.

Accordingly, the Administration has proposed that this provision be deleted. It is unnecessary to protect public health, since public health is protected by the primary standard condition requirements of ESECA.

6. Provide for SIP Revisions:

Under ESECA, a plant must come into compliance with the SIP emission limitations in effect when the plant's compliance plan is submitted. At the same time, EPA, as a part of the clean fuels policy, is urging states to revise SIP emission limitations that are more stringent than required to attain and maintain ambient standards.[5] Hence, the effect of ESECA might be to "lock-in" a plant to an overly stringent and costly SIP emission limitation. Further, the effect of "locking-in" could be to render not practicable certain conversion candidates, due to the high cost associated with overly stringent emission limitations.

Accordingly, the Administration has proposed that EPA be given authority to approve compliance plans that provide for compliance with whatever SIP emission limitstion is applicable, at the time of submission of the compliance plan, but that it permit revision of the plan if the SIP is subsequently revised.

7. Provide for Tall Stacks and Supplemental Control Systems:

ESECA requires EPA to require at the end of the compliance date extension "the most stringent degree of emission reduction" that would have been required by the SIP in effect on the date of submittal of the compliance plan. The effect of this provision is to prohibit the use of tall stacks and supplemental control systems for attaining and maintaining ambient standards after January 1, 1979 (although such systems may be employed until the end of the compliance date extension).

This means that plants converting to coal will not have the same pollution control alternatives as the plants that currently burn coal. This is because the plants currently burning coal can be permitted to use tall stacks and intermittent control systems until 1985, according to the Energy Resource Council policy announced by EPA in December 1974.

Further, this means that conversion of plants that must install expensive pollution control equipment might not be practicable.

Accordingly, FEA has proposed that ESECA be amended to provide that conversion candidates may employ tall stacks and intermittent control systems until 1985, in locations where such controls can be used effectively to attain and maintain ambient standards.

8. Clarifications:

Two points require legislative clarification.

The first is that existing powerplants currently burning coal should be eligible for a compliance date extension, but only if these plants had intended to comply with SIP emission limitations by converting to oil.

The second is that new plants, issued prohibition orders (under proposed Amendment #3), would not be eligible for compliance date extensions.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not. morning business is closed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana (Mr. METCALF) is recognized for the purpose of calling up the conference report on H.R. 25.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975—CONFERENCE REPORT

Mr. METCALF. Mr. President, I submit a report of the committee of conference on H.R. 25, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The conference report is as follows:

CONFERENCE REPORT (S. REPT. NO. 94–101)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1975".

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TITLE I—STATEMENT OF FINDINGS AND POLICY FINDINGS

SEC. 101. The Congress finds and declares that—

(a) extraction of coal and other minerals from the earth can be accomplished by various methods of mining, including surface mining;

(b) coal mining operations presently contribute significantly to the Nation's energy requirements; surface coal mining constitutes one method of extraction of the resource; the overwhelming percentage of the Nation's coal reserves can only be extracted by underground mining methods, and it is, therefore, essential to the national interest to insure the existence of an expanding and economically healthy underground coal mining industry;

(c) many surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural, and forestry purposes, by causing erosion and landslides, by contributing to floods, by polluting the water, by destroying fish and wildlife habitats, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property, by degrading the quality of life in local communities, and by counteracting governmental programs and efforts to conserve soil, water, and other natural resources;

(d) surface mining and reclamation technology are now developed so that effective and reasonable regulation of surface coal mining operations by the States and by the Federal Government in accordance with the requirements of this Act is an appropriate and necessary means to minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations;

(e) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

(f) there are a substantial number of acres of land throughout major regions of the United States disturbed by surface and underground coal mining, on which little or no reclamation was conducted, and the impacts from these unreclaimed lands impose social and economic costs on residents in nearby and adjoining areas as well as continuing to impair environmental quality;

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[5] The purpose of the Act with respect to coal conversions is "to provide a means to assist in meeting the essential needs of the United States for fuels, in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve the environment."

(g) while there is a need to regulate surface mining operations for minerals other than coal, more data and analyses are needed to serve as a basis for effective and reasonable regulation of such operations;

(h) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security and general welfare of the Nation and should be conducted in an environmentally sound manner; and

(i) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

Sec. 102. It is the purpose of this Act to—

(a) establish a nationwide program to protect society and the environment from the adverse effects of surface coal mining operations and surface impacts of underground coal mining operations;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(c) assure that surface mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that surface coal mining operations are so conducted as to protect the environment;

(e) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(f) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided and strike a balance between protection of the environment and agricultural productivity and the Nation's need for coal as an essential source of energy;

(g) assist the States in developing and implementing a program to achieve the purposes of this Act;

(h) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public;

(i) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act;

(j) encourage the full utilization of coal resources through the development and application of underground extraction technologies;

(k) provide a means for development of the data and analyses necessary to establish effective and reasonable regulation of surface mining operations for other minerals;

(l) stimulate, sponsor, provide for and/or supplement present programs for the conduct of research investigations, experiments, and demonstrations, in the exploration, extraction, processing, development, and production of minerals and the training of mineral engineers and scientists in the fields of mining, minerals resources, and technology, and the establishment of an appropriate research and training center in various States; and

(m) wherever necessary, exercise the full reach of Federal constitutional powers to insure the protection of the public interest through effective control of surface coal mining operations.

TITLE II—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

Sec. 201. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall report directly to the Secretary and who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. The Director shall have the responsibilities provided under subsection (c) of this section and those duties and responsibilities relating to the functions of the office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer the provisions of this Act. No legal authority, program, or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources or regulating the health and safety of miners under provisions of the Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742), shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed mineral as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(3) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in title V of this Act;

(4) administer the program for the purchase and reclamation of abandoned and unreclaimed mined areas pursuant to title IV of this Act;

(5) administer the surface mining and reclamation research and demonstration project authority provided for in this Act;

(6) consult with other agencies of the Federal Government having expertise in the control and reclamation of surface mining operations and assist States, local governments, and other eligible agencies in the coordination of such programs;

(7) maintain a continuing study of surface mining and reclamation operations in the United States;

(8) develop and maintain an Information and Data Center on Surface Coal Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(9) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of the Act and, at the same time, reflect local requirements and local environmental and agricultural conditions;

(10) assist the States in developing objective scientific criteria and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of surface coal mining pursuant to section 522;

(11) monitor all Federal and State research programs dealing with coal extraction and use and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating adverse environmental and social impacts; and

(12) perform such other duties as may be provided by law and relate to the purposes of this Act.

(d) The Director shall not use either permanently or temporarily any person charged with responsibility of inspecting coal mines under the Federal Coal Mine Health and Safety Act of 1969, unless he finds and publishes such finding in the Federal Register, that such activities would not interfere with such inspections under the 1969 Act.

(e) The Office shall be considered an independent Federal regulatory agency for the purposes of sections 3502 and 3512 of title 44 of the United States Code.

(f) No employee of the Office or any other Federal employee performing any function or duty under this Act shall have a direct or indirect financial interest in underground or surface coal mining operations. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Director shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this subsection will be monitored and enforced, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this subsection.

TITLE III—STATE MINING AND MINERAL RESOURCES AND RESEARCH INSTITUTES

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

Sec. 301. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1975, $300,000 for fiscal year 1976, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, or center (hereinafter referred to as "institute") at one public college or university in the State, which has in existence at the time of enactment of this title a school of mines or division, or department conducting a program of substantial instruction and research in mining or minerals extraction or which establishes such a school of mines, or division, or department subsequent to the enactment of this title and which school of mines, or division or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction wherein education and research in the minerals engineering fields are being carried out and wherein at

least four fulltime permanent faculty members are employed: *Provided*, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction, said advisory committee may allocate the State's allotment to one private college or university which it determines to have an eligible school of mines, or division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to: exploration; the extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other institutes.

RESEARCH FUNDS TO INSTITUTES

Sec. 302. (a) There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $15,000,000 in fiscal year 1975, said sum increased by $2,000,000 each fiscal year thereafter for six years, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses for purposes of:

(1) specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes, and

(2) research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project.

(c) The Secretary shall, insofar as it is practicable, utilize the facilities of institutes designated in section 301 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, and on the basis of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

(d) No grant shall be made under subsection (a) of this section except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

(e) No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

FUNDING CRITERIA

Sec. 303. (a) Sums available to institutes under the terms of sections 301 and 302 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title shall be available for expenses for research, investigations, experiments, and training conducted under authority of this title. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

Sec. 304. (a) The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interester Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 303(a) have been met as to each institute and State.

(c) The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reasons therefor.

AUTONOMY

Sec. 305. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

MISCELLANEOUS PROVISIONS

Sec. 306. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work.

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(d) No research, demonstration, or experiment shall be carried out under this Act by an institute financed by grants under this Act unless all uses, products, processes, patents, and other developments resulting therefrom with such exception or limitation, if any, as the Secretary may find necessary in the public interest, be available promptly to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent. There are authorized to be appropriated such sums as are necessary for the printing and publishing of the results of activities carried out by institutes under the provisions of this Act and for administrative planning and direction, but such appropriations shall not exceed $1,000,000 in any fiscal year.

CENTER FOR CATALOGING

SEC. 307. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of Government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

SEC. 308. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research;

(b) identification and elimination of duplication and overlap between two or more agency programs;

(c) identification of technical needs in various mining and mineral resources research categories;

(d) recommendations with respect to allocation of technical effort among Federal agencies;

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort; and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

SEC. 309. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS–18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5 of the United States Code, be fully reimbursed for travel, subsistence, and related expenses.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) the reclamation fees levied under subsection (d) of this section.

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 405, administration of the fund and enforcement and collection of the fee as specified in subsection (d), acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 406, and for use under section 404, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Secretary of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(d) All operators of coal mining operations subject to the provisions of this Act shall pay to the Secretary of the Interior, for deposit in the fund, a reclamation fee of thirty-five cents per ton of coal produced by surface coal mining and fifteen cents per ton of coal produced by underground mining or 10 per centum of the value of the coal at the mine, as determined by the Secretary, whichever is less, except that this reclamation fee for lignite coal shall be at a rate of 5 per centum of the value of the coal at the mine, or 35 cents per ton, whichever is less. Such fee shall be paid no later than 30 days after the end of each calendar quarter occurring after the date of enactment of this Act, beginning with the first calendar quarter (or part thereof) occurring after such date of enactment and ending ten years after the date of enactment of this Act unless extended by an Act of Congress.

(e) The geographic allocation of expenditures from the fund shall reflect both the area from which the revenue was derived as well as the program needs for the funds. Fifty per centum of the funds collected annually in any State or Indian reservation shall be expended in that State or Indian reservation by the Secretary to accomplish the purposes of this title after receiving and considering the recommendations of the Governor of that State or the head of the governing body of that tribe having jurisdiction over that reservation, as the case may be: *Provided, however,* That if such funds have not been expended within three years after being paid into the fund, they shall be available for expenditure in any area. The balance of funds collected on an annual basis may be expended in any area at the discretion of the Secretary in order to meet the purposes of this title.

OBJECTIVES OF FUND

SEC. 402. The primary objective for the obligation of funds is the reclamation of areas affected by previous mining; but other objectives shall reflect the following priorities in the order stated:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use;

(d) the improvement of lands and water to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

SEC. 403. The only lands eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

RECLAMATION OF RURAL LANDS

SEC. 404. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years with landowners (including owners of water rights), residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, and agricultural productivity of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum

so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land use and conservation treatment set forth in the agreement. Grants made under this section, depending on the income-producing potential of the land after reclaiming, shall provide up to 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than one hundred twenty acres of land occupied by such owner including water rights owners, resident or tenant, or on not more than one hundred twenty acres of land which has been purchased jointly by such landowners including water rights owners, residents, or tenants under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement; except the Secretary may reduce the matching cost share where he determines that (1) the main benefits to be derived from the project are related to improving off-site water quality, off-site esthetic values, or other off-site benefits, and (2) the matching share requirement would place a burden on the landowner which would probably prevent him from participating in the program.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

SEC. 405. (a) (1) The Congress declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(3) For the purposes of this section, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation awarded by a jury to such person. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health, or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(4) For the purposes of this section, when the Secretary takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the fund.

(5) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to transfer such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal or State department or agency which can assist him in the development or implementation of the reclamation program required under this title.

(7) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in their unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the funds.

(8) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such other regulations as he may promulgate to insure that such lands are put to proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(9) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(10) The Secretary shall utilize all available data and information on reclamation needs and measures, including the data and information developed by the Corps of Engineers in conducting the National Strip Mine Study authorized by section 233 of the Flood Control Act of 1970. In connection therewith the Secretary may call on the Secretary of the Army, acting through the Chief of Engineers, to assist him in conducting, oper-

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ating, or managing reclamation facilities and projects, including demonstration facilities and projects, conducted by the Secretary pursuant to this section.

(b)(1) The Secretary is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided*, That to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Secretary determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Secretary may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

(4) The Secretary may make expenditures to carry out the purpose of this subsection, without regard to the provisions of section 403, in any area experiencing a rapid development of its coal resources which the Secretary has determined does not have essential public facilities.

FILLING VOIDS AND SEALING TUNNELS

Sec. 406. (a) The Congress declares that voids, and open and abandoned tunnels, shafts, and entryways resulting from any previous mining operation, constitute a hazard to the public health or safety and that surface impacts of any underground or surface mining operation may degrade the environment. The Secretary, at the request of the Governor of any state, or the Chairman of any tribe, is authorized to fill such voids, seal such abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the Secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment.

(b) Funds available for use in carrying out the purpose of this Section shall be limited to those funds which must be expended in the respective states or Indian reservations under the provisions of Section 401(e).

(c) The Secretary may make expenditures and carry out the purposes of this Section without regard to provisions of Section 403 in such states or Indian reservations where requests are made by the governor or tribal chairman and only after all reclamation with respect to abandoned coal lands or coal development impacts have been met, except for those reclamation projects relating to the protection of the public health or safety.

(d) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(e) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

Sec. 407. Not later than January 1, 1976, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TRANSFER OF FUNDS

Sec. 408. The Secretary of the Interior may transfer funds to other appropriate Federal agencies, in order to carry out the reclamation activities authorized by this title.

TITLE V—CONTROL OF THE ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

ENVIRONMENTAL PROTECTION STANDARDS

Sec. 501. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions of title V and establishing procedures and requirements for preparation, submission, and approval of State prorgams and development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.); and

(C) held at least one public hearing on the proposed regulations. The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

INITIAL REGULATORY PROCEDURES

Sec. 502. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State unless such person has obtained a permit from the State's regulatory authority.

(b) All surface coal mining operations on lands on which such operations are regulated by a State which commence operations pursuant to a permit issued on or after the date of enactment of this Act shall comply, and such permits shall contain terms requiring compliance with, the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19) and 515(d) of this Act.

(c) On and after one hundred and thirty-five days from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated by a State which are in operation pursuant to a permit issued before the date of enactment of this Act shall comply with the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act, with respect to lands from which overburden and the coal seam being mined have not been removed.

(d) Upon the request of the permit applicant or permittee subsequent to a written finding by the regulatory authority and under the conditions and procedures set forth in subsection 515(c), the regulatory authority may grant variances from the requirement to restore to approximate original contour set forth in subsections 515(b)(3) and 515(d).

(e) Not later than twenty months from the date of enactment of this Act, all operators of surface coal mines in expectation of operating such mines after the date of approval of a State program, or the implementation of a Federal program, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process such applications and grant or deny a permit within six months after the date of approval of the State program, but in no case later than thirty months from the date of enactment of this Act.

(f) Not later than one hundred and thirty-five days from the date of enactment of this Act, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been approved pursuant to this Act or until a Federal program has been implemented pursuant to this Act. The enforcement program shall—

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsections (b) and (c) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provision of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in violation of subsections (b) and (c) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged

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by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 712 shall be available to the Secretary prior to the approval of a State program pursuant to this Act to reimburse the States for conducting those inspections in which the standards of this Act are enforced and for the administration of this section.

(g) Following the final disapproval of a State program, and prior to promulgation of a Federal program or a Federal lands program pursuant to this Act, including judicial review of such a program, existing surface coal mining operations may continue surface mining operations pursuant to the provisions of section 502 of this Act.

STATE PROGRAMS

Sec. 503. (a) Each State in which there is or may be conducted surface coal mining operations, and which wishes to assume exclusive jurisdiction over the regulation of surface coal mining and reclamation operations, except as provided in section 521 and title IV of this Act, shall submit to the Secretary, by the end of the eighteen-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspensions, revocations, and withholding of permits, and the issuance of cease-and-desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of areas as unsuitable for surface coal mining in accordance with section 522;

(6) establishment, for the purposes of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof. The Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

(d) For the purposes of this section and section 504, the inability of a State to take any action the purpose of which is to prepare, submit, or enforce a State program, or any portion thereof, because the action is enjoined by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under titles IV and VII of this Act or in the imposition of a Federal program. Regulation of the surface coal mining and reclamation operations covered or to be covered by the State program subject to the injunction shall be conducted by the State pursuant to section 502 of this Act, until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of sections 503 and 504 shall again be fully applicable.

FEDERAL PROGRAMS

Sec. 504. (a) The Secretary shall prepare and, subject to the provisions of this section, promulgate and implement a Federal program for a State no later than thirty months after the date of enactment of this Act if such State—

(1) fails to submit a State program covering surface coal mining and reclamation operations by the end of the eighteen-month period beginning on the date of enactment of this Act;

(2) fails to resubmit an acceptable State program within sixty days of disapproval of a propoeed State program: *Provided*, That the Secretary shall not implement a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) fails to implement, enforce, or maintain its approved State program as provided for in this Act.

If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months. Promulgation and implementation of a Federal program vests the Secretary with exclusive jurisdiction for the regulation and control of surface coal mining and reclamation operations taking place on lands within any State not in compliance with this Act. After promulgation and implementation of a Federal program the Secretary shall be the regulatory authority. If a Federal program is implemented for a State, subsections 522 (a), (c), and (d) shall not apply for a period of one year following the date of such implementation. In promulgating and implementing a Federal program for a particular State the Secretary shall take into consideration the nature of that State's terrain, climate, biological, chemical, and other relevant physical conditions.

(b) In the event that a State has a State program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 521, of that part of the State program not being enforced by such State.

(c) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing in the affected State.

(d) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines any permit to have been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(e) A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 503(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 503(a) (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine that the requirements of this Act and the approved State program are not violated. If the State regulatory authority determines any permit to have been granted contrary to the requirements of this Act or the approved State program, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of this Act or approved State program.

(g) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface mining and reclamation operations subject to this Act shall, insofar as they interfere with the achievement of the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program.

(h) Any Federal program shall include a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operation.

STATE LAWS

Sec. 505. (a) No State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation issued pursuant thereto, except insofar as such State law or

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regulation is inconsistent with the provisions of this Act.

(b) Any provision of any State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, which provides for more stringent land use and environmental controls and regulations of surface coal mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto shall not be construed to be inconsistent with this Act. Any provision of any State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, which provides for the control and regulation of surface mining and reclamation operations for which no provision is contained in this Act shall be construed to be inconsistent with this Act.

(c) Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

PERMITS

SEC. 506. (a) On and after six months from the date on which a State program is approved by the Secretary, pursuant to section 503 of this Act, or on and after six months from the date on which the Secretary has promulgated a Federal program for a State not having a State program pursuant to section 504 of this Act, no person shall engage in or carry out on lands within a State any surface coal mining operations unless such person has first obtained a permit issued by such State pursuant to an approved State program or by the Secretary pursuant to a Federal program; except a person conducting surface coal mining operations under a permit from the State regulatory authority, issued in accordance with the provisions of section 502 of this Act, may conduct such operations beyond such period if an application for a permit has been filed in accordance with the provisions of this Act, but the initial administrative decision has not been rendered.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: Provided, That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining and reclamation operations covered by such permit within three years of the issuance of the permit, provided that with respect to coal to be mined for use in a synthetic fuel facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel facility is initiated.

(d)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written findings by the regulatory authority that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface coal mining reclamation operation is in full compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 509; and

(E) any additional revised or updated information required by the regulatory authority has been provided. Prior to the approval of any extension of permit the regulatory authority shall provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for revision of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this Act.

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this Act. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 507. (a) Each application for a surface coal mining and reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accomplished by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The regulatory authority may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of record of any leasehold interest in the property; (D) any purchaser of record of the property under a real estate contract; (E) the operator if he is a person different from the applicant; and (F) if any of these are business entities other than a single proprietor, the names and addresses of the principals, officers, and resident agent;

(2) the names and addresses of the owners of record of all surface and subsurface areas within five hundred feet of any part of the permit area;

(3) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which subsequent to 19[illegible]0 has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved;

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks, and which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) evidence of the applicant's legal right to enter and commence surface mining operations on the area affected;

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(12) when requested by the regulatory authority, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) an accurate map or plan to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or larger, including all manmade features and significant known archeological sites existing on the date of application. Such a map or plan shall among other things specified by the regulatory authority show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross-section maps or plans of the land to be affected including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist (when specific subsurface information is deemed essential and requested by the regulatory authority), or other qualified personnel at State universities showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; the nature of the stratum immediately beneath the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or

refuse areas and topsoil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(16) information pertaining to coal seams, test borings, or core samplings as required by this section shall be made available to any person with an interest which is or may be adversely affected; *Provided*, That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(d) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a reclamation plan which shall meet the requirements of this Act.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

RECLAMATION PLAN REQUIREMENTS

SEC. 508. (a) Each reclamation plan submitted as part of a permit application pursuant to any approved State program or a Federal program under the provisions of this Act shall include, in the degree of detail necessary to demonstrate that reclamation required by the State or Federal program can be accomplished, a statement of:

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that indivdual permits for mining will be sought;

(2) the condition of the land to be covered by the permit prior to any mining including:

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining; and

(B) the capability of the land prior to any mining to support a variety of uses giving consideration to soil and foundation characteristics, topography, and vegetative cover;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the reclaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any State and local governments or agencies thereof which would have to approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 515;

(6) the steps to be taken to comply with applicable air and water quality laws and regulations and any applicable health and safety standards;

(7) the consideration which has been given to developing the reclamation plan in a manner consistent with local, physical environmental, and climatological conditions and current mining and reclamation technologies;

(8) the consideration which has been given to insuring the maximum practicable recovery of the mineral resource;

(9) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(10) the consideration which has been given to making the surface mining and reclamation operations consistent with applicable State and local land use plans and programs;

(11) all lands, interests in lands, or options on such interests held by the applicant or pending bids no interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(12) the result of test borings which the applicant has made at the area to be covered by the permit, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided*, That information about the mineral shall be withheld by the regulatory authority if the applicant so requests;

(13) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of (A) the quantity and quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process, and (B) the rights of present users to such water; and

(14) such other requirements as the regulatory authority shall prescribe by regulation.

(b) Any information required by this section which is not on public file pursuant to State law shall be held in confidence by the regulatory authority.

PERFORMANCE BONDS

SEC. 509. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, and conditional upon faithful performance of all the requirements of this Act and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority on the basis of at least two independent estimates. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture and in no case shall the bond be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 515.

The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, execpt that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The regulatory authority may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the regulatory authority the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond such amount.

(d) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(e) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the regulatory authority from time to time as affected land acreages are increased or decreased or where the cost of future reclamation obviously changes.

PERMIT APPROVAL OR DENIAL

SEC. 510. (a) Upon the basis of a complete mining application and reclamation plan or a renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 513, the regulatory authority shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision, or renewal application shall be approved unless the application affirmative demonstrates and the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that—

(1) all the requirements of this Act and the State or Federal program have been complied with;

(2) the applicant has demonstrated that reclamation as required by this Act and the State or Federal program can be accomplished under the reclamation plan contained in the permit application;

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 507(b) has been made and the proposed operation thereof has been designed to prevent significant irreparable offsite damage to hydrologic balance;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 522 of this Act or is not within an area under study for such designation in an administrative proceeding commenced pursuant to section 522(a)(4)(D) or section 522(c) (unless in such an area as to which an administrative proceeding has commenced pursuant to section 522(a)(4)(D) of this Act, the operator making the permit application demonstrates that, prior to the date of enactment of this Act, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit); and

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of irrigated, flood irrigated or naturally subirrigated hay meadows or other crop lands (excluding undeveloped range lands), where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

REVISION OF PERMITS

SEC. 511. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the regulatory authority for a revision of the permit.

(2) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised Reclamation Plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That any revisions which propose a substantial change in the intended future use of the land or significant alterations in the Reclamation Plan shall, at a minimum be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act shall be made without the written approval of the regulatory authority.

(c) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: Provided, That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

COAL EXPLORATION PERMITS

SEC. 512. (a) Each State program or Federal program shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under a permit issued by the regulatory authority.

(b) Each application for a coal exploration permit pursuant to an approved State or Federal program under the provisions of this Act shall be accompanied by a fee established by the regulatory authority. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The application and supporting technical data shall be submitted in a manner satisfactory to the regulatory authority and shall include a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things.

(1) a general description oi the existing environment;

(2) the location of the area of exploration by either metes or bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(3) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(4) the location of all surface bodies of water, if not shown on the topographical map;

(5) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be plotted on the topographical map;

(6) the estimated time of exploration;

(7) the ownership of the surface land to be explored;

(8) a statement describing the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(9) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(10) such other information as the regulatory authority may require.

(c) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(d) If an applicant is denied a coal exploration permit under this Act, or if the regulatory authority fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(e) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this Act without first having obtained a permit to explore from the appropriate regulatory authority or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of section 518.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 513. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act, or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 514. (a) If a public hearing has been held pursuant to section 513(b), the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 513(b), the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 515. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to——

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use of uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonble delay in implementation, or is violative of Federal, State, or local laws;

(3) with respect to all surface coal operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this Act): *Provided, however*, That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further*, That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which has which is best able to support vegetation;

(7) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations, and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area;

(8) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) fill all auger holes with an impervious and noncombustible material in order to prevent drainage;

(10) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measurea as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonable flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) replacing the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground source where such supply has been affected by contamination or interruption proximately resulting from mining;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the regulatory authority may prescribe;

(11) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure the final con-

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tour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(12) refrain from surface coal mining within five hundred feet from active and abandoned underground mines in order to prevent break-throughs and to protect health or safety of miners: *Provided*, That the regulatory authority shall permit an operator to mine closer to an abandoned underground mine: *Provided*, That this does not create hazards to the health and safety of miners; or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards and such mining shall be consistent with the provisions of the Act;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid forming materials, toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters or sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the regulatory authority, which shall include provisions to—

(A) provide adequate advance written notice by publication and/or posting of the planned blasting schedule to local governments and to residents who might be affected by the use of such explosives and maintain for a period of at least two years a log of the magnitudes and times of blasts; and

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations;

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property: *Provided*, That the regulatory authority may permit the retention after mining of certain access roads where consistent with State and local land use plans and programs and where necessary may permit a limited exception to the restoration of approximate original contour for that purpose;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective and permanent vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: *Provided further*, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exception to the provisions of paragraph (19) above; and

(21) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this Act, taking into consideration the physical, climatological, and other characteristics of the site, and to insure the maximum practicable recovery of the mineral resources.

(c)(1) Each State program may and each Federal program shall include procedures pursuant to which the regulatory authority may permit variances for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragrapha (3) and (4) of this subsection a variance from the requirement to restore to approximate original contour set forth in subsection 515(b)(3) or 515(d) of this section may be granted for the surface mining of coal where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subsection (c)(4)(A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial (including commercial agricultural), residential or public facility (including recreational facilities) development is proposed for the postmining use of the affected land, the regulatory authority may grant a variance for a surface mining operation of the nature described in subsection (c)(2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements of section 515 (b)(3) are granted;

(C) the applicant presents specific plans for the proposed post-mining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed development;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

(D) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(E) the regulatory authority provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the regulatory agency, in its discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(F) a public hearing is held in the locality of the proposed surface coal mining operation prior to the grant of any permit including a variance; and

(G) all other requirements of this Act will be met.

(4) In granting any variance pursuant to this subsection the regulatory authority shall require that—

(A) the toe of the lowest coal seam mined and the overburden associated with it are retained in place as a barrier to slides and erosion;

(B) the reclaimed area is stable;

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural water-courses;

(E) all other requirements of this Act will be met.

(5) The regulatory authority shall promulgate specific regulations to govern the granting of variances in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: Provided, however, That the provisions of this subsection (d) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraphs 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation granted a variance under subsection 515([illegible]) may be permanently stored at such offsite spoil storage areas as the regulatory authority shall designate and for the purposes of this Act such areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the approximately original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however*, That the land disturbed about the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(e) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in Section 515(b)(13) and Section 516(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 516. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under section 501 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and maintain the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided*, That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent practicable return of mine and processing waste, tailings, and any other waste incident to the mining operation, to the mine workings or excavations;

(4) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not pollute surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to Sec. 515(e), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments.

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 515 of this title for such effects which result from surface coal mining operations: *Provided*, That the Secretary may make such modifications in the requirements imposed by this subparagraph as are deemed necessary by the Secretary due to the differences between surface and underground coal mining.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams, if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of title V of this Act relating to State and Federal programs, permits, bonds, inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permits application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 501 of this Act.

INSPECTIONS AND MONITORING

SEC. 517. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.

(b) For the purposes of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

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(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the regulatory authority shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrances to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No employee of the State regulatory authority performing any function or duty under this Act shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one (1) year, or by both. The Secretary shall (1) within 60 days after enactment of this Act, publish in the Federal Register, in accordance with 5 U.S.C. 553, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary and such State regulatory authority, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on actions taken and not taken during the preceding year under this subsection.

PENALTIES

SEC. 518. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 521, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. When appropriate, the Secretary shall consolidate such hearings with other proceedings under section 521 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in this section, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decisions shall be conclusive.

(d) Interest at the rate of 6 per centum or at the prevailing Department of the Treasury borrowing rate, whichever is greater, shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 526 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 525 of this Act or fails or refuses to comply with any order issued under section 525 or section 526 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or Federal enforcement of a State program pursuant to section 521 of this Act or fails or refuses to comply with any order issued under section 521 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 519. (a) The permittee may file a request with the regulatory authority for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the operator shall submit a copy of an advertisement placed on five successive days in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type and the approximate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the regulatory authority shall within a reasonable time conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.

(c) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area;

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the regulatory authority shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified for operator responsibility in section 515 of reestablishing revegetation. No part of the bond or deposit shall be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining and as set forth in the permit.

(3) When the operator has completed successfully all surface coal mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 515:

Provided, however, That no bond shall be fully released until all reclamation requirements of this Act are fully met.

(d) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release.

(e) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which a surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality twice a week for two consecutive weeks.

(g) For the purpose of such hearing the reguatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

CITIZEN SUITS

SEC. 520. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

(1) against any person including—

(A) the United States,

(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulations promulgated thereunder, or order issued by the regulatory authority,

(C) any other person who is alleged to be in violation of any rule, regulation, order, or permit issued pursuant to this Act; or

(2) against the Secretary or the appropriate State regulatory authority to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary or the appropriate State regulatory authority to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate State regulatory authority.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary or the State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act, or any rule, regulation, order, or permit issued pursuant to this Act, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, or to the appropriate State regulatory authority, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation of this Act or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, or the State regulatory authority, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief (including relief against the Secretary or the appropriate State regulatory authority).

(f) Any resident of the United States who is injured in any manner through the failure of any operator to comply with any rule, regulation, order, or permit issued pursuant to this Act may bring an action for damages (including attorney fees) in an appropriate United States district court.

ENFORCEMENT

SEC. 521. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502, or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time but not more than ninety days for the abatement of the violation.

If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502 or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the Secretary or his authorized representative shall forthwith suspend or revoke the permit.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and

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the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorised representatives in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

(d) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the enforcement provisions thereof shall, at a minimum, incorporate sanctions no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 522. (a) (1) To be eligible to assume primary regulatory authority pursuant to section 503, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraphs (2) and (3) of this subsection but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) Upon petition pursuant to subsection (c) of this section, the State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not feasible.

(3) Upon petition pursuant to subsection (c) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for surface coal mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to September 1, 1974.

(b) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: *Provided, however*, That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 504, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resource of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(e) Subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this Act shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest except surface operations and impacts incident to an underground coal mine;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the regulatory authority and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected; or

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

FEDERAL LANDS

SEC. 523. (a) No later than six months after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided*, That except as provided in section 710 the provisions of this Act shall not be applicable

to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question. Where Federal lands in a State with an approved State program are involved, the Federal lands program shall, at a minimum, include the requirements of the approved State program.

(b) The requirements of this Act and the Federal lands programs shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this Act and the regulations issued pursuant to this Act.

(c) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface coal mining and reclamation operations.

(d) Except as specifically provided in subsection (c) this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on the Federal lands.

(e) The Secretary shall develop a program to assure that with respect to the granting of permits, leases, or contracts for coal owned by the United States, that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 524. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this Act shall comply with the provisions of title V.

REVIEW BY SECRETARY

SEC. 525. (a) (1) A permittee issued a notice or order by the Secretary pursuant to the provisions of subparagraphs (a) (2) and (3) of section 521 of this title, or pursuant to a Federal program or the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of subparagraph (a) (2) or (3) of section 521 of this title, the Secretary shall issue the written decision within thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by a United States district court pursuant to subparagraph (c) of section 526 of this title.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 521 of this title, a Federal program or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: *Provided*, That where the applicant requests relief from an order for cessation of coal mining and reclamation operations issued pursuant to subparagraph (a) (2) or (a) (3) of section 521 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 521, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

JUDICIAL REVIEW

SEC. 526. (a) (1) Any action of the Secretary to approve or disapprove a State program or to prepare and promulgate a Federal program pursuant to this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within sixty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the Secretary and the Attorney General and thereupon the Secretary shall certify, and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States district court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under the penalty section of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 520.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, including an order or decision issued pursuant to subparagraph (c) of section 525 of this title pertaining to any order issued under subparagraph (a) (2) or (a) (3) of section 521 of this title for cessation of coal mining and reclamation operations, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by the court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 520.

SPECIAL BITUMINOUS COAL MINES

SEC. 527. The regulatory authority is authorized to and shall issue separate regulations for those special bituminous coal surface mines located west of the one hundredth meridian west longitude which meet the following criteria:

(a) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(b) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal, and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

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(c) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(d) the amount of material removed is large in proportion to the surface area disturbed;

(e) there is no practicable alternative method of mining the coal involved;

(f) there is no practicable method to reclaim the land in the manner required by this Act; and

(g) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and, because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of this title.

Such alternative regulations shall pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regrading to the approximate original contour and shall specify that remaining highwalls are stable. All other performance standards in this title shall apply to such mines.

SURFACE MINING OPERATIONS NOT SUBJECT TO THIS ACT

SEC. 528. The provisions of this Act shall not apply to any of the following activities:

(1) the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; and

(2) the extraction of coal for commercial purposes where the surface mining operation affects two acres or less.

ANTHRACITE COAL MINES

SEC. 529. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of sections 515 and 516. Provisions of sections 509 and 519 are applicable except for specified bond limits and period of revegetation responsibility. All other provisions of this Act apply and the regulation issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect: *Provided, however*, That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above-cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

TITLE VI—DESIGNATION OF LANDS UNSUITABLE FOR NONCOAL MINING

DESIGNATION PROCEDURES

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if (1) such area consists of Federal land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain, or (2) such area consists of Federal land where mining operations would have an adverse impact on lands used primarily for residential or related purposes.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and finding with reasons therefor upon the matter of their petition. In any instance where a Governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however*, That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary. The Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary designates an area of Federal lands as unsuitable for all or certain types of mining operations for minerals and materials other than coal pursuant to this section he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting from such designation, would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States district court for the district in which the pertinent area is located.

TITLE VII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 701. For the purposes of this Act—

(1) "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(3) "Office" means the Office of Surface Mining, Reclamation, and Enforcement established pursuant to title II;

(4) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(5) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site; *Provided, however*, That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 512 of this Act; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities;

(6) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this Act;

(7) "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands;

(8) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands;

(9) "Indian lands" means all lands, including mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by any Indian tribe;

(10) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(11) "State program" means a program established by a State pursuant to section 503 to regulate surface coal mining and reclamation operations, on lands within such State in accord with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(12) "Federal program" means a program established by the Secretary pursuant to section 504 to regulate surface coal mining and reclamation operations on lands within a State in accordanec with the requirements of this Act;

(13) "Federal lands program" means a program established by the Secretary pursuant to section 523 to regulate surface coal mining and reclamation operations on Federal lands;

(14) "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 508;

(15) "State regulatory authority" means the department or agency in each State which has primary responsibility at the State level for administering this Act;

(16) "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering this Act under a Federal program;

(17) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(18) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program;

(19) "permit applicant" or "applicant" means a person applying for a permit;

(20) "permittee" means a person holding a permit;

(21) "fund" means the Abandoned Mine Reclamation Fund established pursuant to section 401;

(22) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form;

(23) "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highways, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 515(b)(8) of this Act;

(24) "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(25) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 509 of this Act and shall be readily identifiable by appropriate markers on the site;

(26) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(27) "alluvial valley floors" means the unconsolidated stream laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities;

(28) "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

OTHER FEDERAL LAWS

SEC. 702. (a) Nothing in this Act shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder, including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175) the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661–666c).

(b) Nothing in this Act shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with Secretary and the States in carrying out the provisions of this Act.

(d) Approval of the State programs, pursuant to section 503(b), promulgation of Federal programs, pursuant to section 504, and implementation of the Federal lands programs, pursuant to section 523 of this Act, shall constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 to title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein and his findings in an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 704. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

GRANTS TO THE STATES

SEC. 705. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 40 per centum of the total costs incurred during the third and fourth years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

ANNUAL REPORT

SEC. 706. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

SEVERABILITY

SEC. 707. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ALASKAN SURFACE COAL MINE STUDY

SEC. 708. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an indepth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this Act.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this Act.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this Act, whichever comes first, the Secretary is authorized to suspend the applicability of any provision of this Act, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this Act if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise his suspension authority only after he has (1) published a notice of proposed suspension in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed suspension in Alaska.

(e) There is hereby authorized to be appropriated for the purpose of this section $250,000.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

SEC. 709. (a) The Chairman of the Council on Environmental Quality is directed to contract with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this Act can be met by such technology and the costs involved;

(2) identify areas where the requirements of this Act cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this Act which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this Act; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial post-mining land use for areas affected by surface and open-pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this Act: *Provided*, That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this Act: *Provided further*, that with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this Act.

(c) There are hereby authorized to be appropriated for the purpose of this section $500,000.

INDIAN LANDS

SEC. 710. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purpose of this Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface mining of coal on Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1976.

(c) On and after one hundred and thirty-five days from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(d) On and after thirty months from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 507, 508, 509, 510, 515, 516, 517, and 519 of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this Act, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands existing on the date of enactment of this Act, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 715(a) shall be reserved for this purpose.

EXPERIMENTAL PRACTICES

SEC. 711. In order to encourage advances in mining and reclamation practices, the regulatory authority may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 515 and 516 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operation is no larger than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

AUTHORIZATION OF APPROPRIATIONS

SEC. 712. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums; and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 502, 552, 405(b)(3), and 710 contract authority is granted to the Secretary of the Interior for the sum of $10,000,000 to become available immediately upon enactment of this Act and $10,000,000 for each of the two succeeding fiscal years.

(b) For administrative and other purposes of this Act, except as otherwise provided for in this Act, authorization is provided for the sum of $10,000,000 for the fiscal year ending June 30, 1975, for each of the two succeeding fiscal years the sums of $20,000,000 and $30,000,000 for each fiscal year thereafter.

RESEARCH AND DEMONSTRATION PROJECTS OF ALTERNATIVE COAL MINING TECHNOLOGIES

SEC. 713. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep seams; and

(2) safety and health in the application of such technologies methods and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts with and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $35,000,000 for each fiscal year beginning with the fiscal year 1976, and for each year thereafter for the next four years.

(d) At least 60 days before any funds are obligated for any research studies, surveys, experiments or demonstration projects to be conducted or financed under this Act in any fiscal year, the Secretary in consultation with the Administrator of the Energy Research and Development Administration and the heads of other Federal agencies having the authority to conduct or finance such projects, shall determine and publish such determinations in the Federal Register that such projects are not being conducted or

financed by any other Federal agency. On March 1 of each calendar year, the Secretary shall report to the Congress on the research studies, surveys, experiments or demonstration projects, conducted or financed under this Act, including, but not limited to, a statement of the nature and purpose of each project, the Federal cost thereof, the identity and affiliation of the persons engaged in such projects, the expected completion date of the projects and the relationship of the projects to other such projects of a similar nature.

(e) Subject to the patent provisions of section 306(d) of this Act, all information and data resulting from any research studies, surveys, experiments, or demonstration projects conducted or financed under this Act shall be promptly made available to the public.

SURFACE OWNER PROTECTION

SEC. 714. (a) The provisions and procedures specified in this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of Federal coal deposits, the Secretary shall, in his discretion but, to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water or other improvements;

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations; and

(5) such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of the tenure of the ownership: *Provided*, That such additional reasonable amount of compensation may not exceed the value of the losses and costs as established pursuant to this subsection and in paragraphs (1) through (4) above, or one hundred dollars ($100.00) per acre, whichever is less.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the Consumer Price Index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under section 519, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period the Secretary may include periods during which title was owned by a relative to such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of this subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each two-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of Federal coal to meet national energy needs and on receipt of fair market value for Federal coal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half times the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in subsections 518(b), 518(c), 518(d), and 518(e) of this Act.

(n) Any Federal coal lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issue of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such surface owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

(o) The provisions of this section shall become effective on February 1, 1976. Until February 1, 1976, the Secretary shall not lease any coal deposits owned by the United States under land the surface rights to which are not owned by the United States, unless the Secretary has in his possession a document which demonstrates the acquiescence prior to February 27, 1975, of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface coal mining methods.

FEDERAL LESSEE PROTECTION

SEC. 715. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu thereof;

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this Act.

ALASKA COAL

SEC. 716. Nothing in this Act shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act, provided that such surface coal mining operations meet the requirements of the Act.

WATER RIGHTS

SEC. 717. Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

That the House recede from its disagreement to the amendment of the Senate to the title and agree to the same.

Henry M. Jackson,
Lee Metcalf,
J. Bennett Johnston, Jr.,
Floyd K. Haskell,
Clifford P. Hansen,
Managers on the Part of the Senate.

Morris K. Udall,
Patsy T. Mink,
Joseph P. Vigorito,
John Melcher,
Teno Roncalio,
John G. Seiberling,
M. Robert Carr,
Joe Skubitz,
Philip E. Ruppe,
Managers on the Part of the House.

JOINT STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, submit this joint statement in explanation of the effect of the language agreed upon by the managers and recommended in the accompanying conference report.

INTRODUCTION

The Surface Mining and Reclamation Act of 1975, was introduced early in the 94th Congress in both the House (H.R. 25) and the Senate (S. 7). Both bills were identical to the conference report on S. 425 which was pocket vetoed by the President last December. There were 67 differences between the House bill and the Senate amendment. Only a few of these were significant. A general overview of the structure and content of the House bill, the Senate amendment and the conference report together with a brief discussion of major provisions and specific comments on some provisions follows.

OVERVIEW

Title I sets forth the findings and purposes of the legislation, which were melded by the conferees.

Title II establishes an Office of Surface Mining Reclamation and Enforcement within the Department of the Interior and delineates the duties of its Director. The House bill also contained additional provisions to insure greater independence for the Office within the Department, and prohibited conflicts of interest on the part of employees of the Office. The Senate receded and accepted these provisions with some minor modifications requested by the Department of the Interior.

Title III establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities. These institutes are to train qualified personnel in mine-related fields, and conduct research related to mining technology. The Senate amendment had less stringent qualification requirements for these institutes than the House bill. The Senate receded.

Title IV of both the House bill and the Senate amendment established a fund and a program for the reclamation of abandoned or "orphan" mined lands, and for the relief of areas that will be impacted by the rapid development of mining.

All coal mining operators are to be assessed a fee on each ton of coal produced for deposit in the reclamation fund. The House bill provided for (1) a fee of 10 percent of the value of the coal or not to exceed 10 cents per ton on underground mined coal and 35 cents per ton on surface mined coal; (2) a 5 percent of value limitation on the fee for lignite; (3) delayed payment of the fee; (4) an adjustment clause tied to the cost of living; and (5) an offset of payments to the fund against payment of state severance taxes. The Senate amendment provided the same fee for surface mined coal and a 25 cents per ton fee for underground mined coal, but no other comparable provisions. The conferees agreed on a 15 cents per ton fee for underground-mined coal the Senate receded on the 5 percent limitation on lignite and the House receded on its other provisions.

The Senate amendment provided explicitly for consultation with the Corps of Engineers in the reclamation program. The House receded on this point.

With regard to aid to impacted areas, H.R. 25 expanded coverage of the program to all energy resource developments, and not just coal mining. The Senate amendment expanded the program of filling and sealing mine shafts and voids to cover all types of mining but otherwise limited the use of the fund to coal mining impacts. The conferees agreed on the Senate approach with some modifications giving the Governor of each State an opportunity to use the fund for reclamation of lands affected by non-coal mining, but only after all coal mine impacts had been treated.

Title V contains the most critical portions of the two measures: the procedures and the environmental standards for the regulation of coal surface mining and reclamation. These requirements are quite detailed, but although there were a number of minor differences between the House bill and the Senate amendment, there were actually only five major differences.

(1) The House bill contained an outright ban on mining on alluvial valley floors west of the 100th meridian west longitude. The Senate amendment prohibited mining on such alluvial valley floors only when this would have a substantial adverse effect on croplands or haylands significant to the practice of farming or ranching. The House receded from its outright ban, and compromise language was accepted that modified the language in the Senate amendment. This compromise language clarified the intent of the conferees to protect potential as well as on-going farming and ranching operations.

(2) The House bill required the Corps of Engineers to supervise the disposal of all mine wastes and impoundment construction. The Senate amendment left this responsibility with the Secretary of the Interior. The conferees agreed to a compromise requiring the Corps to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervison and enforcement.

(3) The House bill contained a conflict-of-interest provision not in the Senate amendment. The Senate receded.

(4) During the Secretary's review of Federal lands for areas unsuitable for mining, the Senate amendment expressly allows permits to be granted on a case-by-case basis. H.R. 25 did not contain a similar provision. The Senate language is included in the conference report.

(5) The Senate amendment required expedited decisionmaking by the regulatory authority in the case of cessation orders. The House bill did not contain a similar provision. The House receded.

Title VI of the House bill provided a three-option program for the regulation of surface coal mining on lands held in trust for Indian tribes. The Senate amendment contained a section requiring a study to develop, in consultation with the Indian tribes, legislation for surface mining regulation that would recognize the special jurisdictional status of Indian lands. In the interim, however, mining on Indian lands would still be subject to the environmental standards of the bill. The House receded.

Title VII of the House bill and Title VI of the Senate amendment provided for the designation of areas of Federal lands unsuitable for non-coal mining. The conferees adopted the language of the Senate amendment.

Title VIII of the House bill and Title VII of the Senate amendment contain administrative and miscellaneous provisions.

The Senate amendment contained two provisions designed to cushion adverse employment impacts that might result from the implementation of the Act. The House bill contained neither provision. Both were opposed by the Administration. The Senate receded in both instances.

MAJOR PROVISIONS

Abandoned mined land reclamation

The conference report provides for a program to reclaim previously mined lands that were abandoned without being adequately restored, and which now constitute either serious danger to public health and safety, pollute waterways by sedimentation or acidity, or, at the very least are an ignominous blight in historic mining areas. The program covers restoration on both public and private lands.

Funding for this program is derived largely from a reclamation fee to be levied on every ton of coal mined: 35 cents per ton for surface-mined coal, 15 cents per ton for underground mined coal, or 10 percent of the value of the coal, whichever is less; except that the fee will not exceed 5 percent of the value for lignite. The differential fees were adopted recognizing the differing costs and values of the various coals, and to prevent an undue economic burden on the lower grades of coal. Fifty percent of the fees collected in any one state are to be expended in that State for the purposes of reclamation or alleviating the impacts of coal development in the development in the area.

While the primary focus of the fund in the program is the reclamation of orphan lands, the conference report also provides that, in areas where there is relatively little damage from past coal mining, the State's share of the reclamation fee revenues may be used for other purposes; namely, filling voids and sealing tunnels from non-coal mining operations, and for building an adequate infrastructure of public facilities to support the housing and population increases which will accompany the anticipated rapidly burgeoning coal mining industry.

Surface mining and reclamation standards

The informational and environmental requirements set forth in Title V are the most vital provisions of the conference report. The purpose of the bill is to end the present environmental degradation from the exploration for coal, surface coal mining and the surface impacts of underground mining, and to prevent future degradation. To this end the conference report sets forth a series of minimum uniform requirements for all such operations on both Federal and State lands. These standards deal with four basic issues: preplanning, mining practices, post-mining reclamation, and the protection of water resources. The first requires that an operator applying for a permit has done, among other things, certain research regarding adjacent land uses, the characteristics of the coal and the overburden, and hydrologic conditions. He must include in his application the planned methodology and timetable for the operation in a reclamation plan. The second set of requirements provide that mining methods be used which will minimize or obviate environmental damage or injuries to public health and safety. These include restrictions on the placement of overburden, blasting regulations, water pollution control requirements, and waste disposal standards. The third group of standards regard reclamation and restoration of the mined land to its pre-mined condition. These requirements include backfilling and regrading to approximate original contour, restoration of water quality and quantity, revegetation to pre-mining conditions and elimination of erosion and sedimentation. Protection of water resources is further discussed below.

Virtually all of the specific standards set forth in the conference report are already required in one or more of the several States regulating surface coal mining. Nonetheless, it was felt that some minimum uniform floor had to be established for the protection of the environment at a time when the growth of surface coal mining is projected to double over the next decade, often in environmentally delicate areas.

It is the understanding of the conferees that certain States may wish to impose more stringent requirements than those minimum standards set forth in the report. Some States in fact are already contemplating such measures, a move which is specifically sanctioned in this bill.

Protection of water resources

Surface coal mining operations can have a significant impact on the hydrologic balance of the mined area and its environs. Some of the more significant damages to water resources which may occur from surface coal mining are: increased sedimentation, dissolved solids, and erosion, increased salinity and mineralization of affected waters, acid mine drainage, altered drainage patterns, altered stream flow, including increased flooding, destruction of aquifers, draw down or loss of ground water supplies, disturbance of downstream hydrologic balances, and, particularly in arid and semi-arid areas, disruption of the essential hydrologic functions of alluvial valley floors which are essential to other, primarily agricultural, land uses.

The legislative history in the Committee Reports on protection of water resources is particularly pertinent to the provisions in the conference report.

The conferees recognize that total prevention of all these adverse hydrologic effects from mining is impossible and thus the conference report sets attainable standards to minimize such damages, protect the hydrologic balance of impacted areas and protect the rights of persons whose water rights are affected by mining operations. Accordingly, provisions directed toward the protection of essential hydrologic functions were included in the following sections of the conference report: (1) mining permit application requirements, (2) permit approval or denial criteria, (3) specific environmental standards, (4) monitoring requirements, (5) compensation requirements for decrease in water availability to other users, and (6) special requirements for mining operations on or affecting alluvial valley floors west of the 100th meridian. Of these provisions, probably the most critical environmentally are those related to the protection of the essential hydrologic functions of alluvial valley floors in arid and semi-arid regions.

These alluvial valley floors in the West are frequently underlain with rich coal deposits. However, they also provide the only natural irrigation for haylands and croplands essential to farming and ranching operations. Unless the essential hydrologic functions of these alluvial valley floors are preserved, farming and ranching operations could suffer serious damage, and the use of these areas for future and potential farming and ranching would be precluded. Since rapid expansion of surface coal mining is projected for the West, the protection of scarce water resources and alluvial valley floors during and after mining is essential if we are to maintain the vital agricultural productivity of these areas.

Therefore, the conference report allows the issuance of a permit for surface coal mining only if the regulatory authority finds that the operation would not have a substantial adverse effect on alluvial valley floors significant to the practice of farming or ranching. These areas protected by this provision are very small. For example, the Department of the Interior estimates that approximately 97.3 percent of the total agricultural land in the Powder River Basin is undeveloped range land, which is expressly excluded from the restriction of Section 510(b)(5).

Surface coal mining on Indian lands

The conferees recognize that these are special jurisdictional problems with respect to the regulation of mining on Indian lands, and a lack of consensus on this issue among the various Indian tribes. For this reason, the conference report provides for a study to be completed by 1976, to determine the appropriate program for regulating surface coal mines on lands held in trust for Indian tribes.

In the interim, however, the tribes are not left without environmental protection from mining operations on their lands. The Act requires that all leases on Indian lands include certain performance standards at least as stringent as those in the Act.

Furthermore, it is entirely within the discretion of Indian tribes, bands or groups to enter into leases for mining on Indian trust lands with the approval of the Secretary of the Interior. It is also entirely within their discretion to refuse to grant leases. Although all leases, whether negotiated or advertised for bids, must be approved by the Secretary, his approval is always subsequent to the agreement between the parties after the landowner and the lessee have reached an agreement on all conditions and actually signed the lease.

COMMENTS ON SPECIFIC PROVISIONS

Section 402.—Objectives of the abandoned mine reclamation fund

Although this section sets forth five priorities for the use of the abandoned mine reclamation fund, the conferees have clarified the language to indicate that the primary objective of the fund is the reclamation of abandoned lands affected by coal mining, and that relief of areas impacted by rapid coal development and reclamation of non-coal mined lands are subsidiary to that goal.

Section 405(a).—Land acquisition for reclamation program

The Secretary of the Interior is authorized in this section to acquire any necessary interest in lands in order to carry out the reclamation program authorized in Title IV. Interests may include various forms and are to be sufficient to assure that the purposes of reclamation are achieved and that the post-reclaimed land use does not contravene the reclamation itself. Under some circumstances easements might be obtained for reclamation purposes. Presumably the acquisition of easement would be less costly than the acquisition of the land in fee simple. Such easements should, of course, include provisions to assure maintenance of the reclamation.

Section 405(b)(4).—Public facilities in areas of rapid coal development

The conference report provides funds for essential public facilities only in areas impacted by coal development (including coal conversion plants if located in the coal mining area). This includes those essential public facilities necessary to accommodate the development and provides that such facilities be necessary to meet the needs specified in the subsection. It should be noted that the existence of essential facilities is not the sole test, but facility capacity must also be considered. Inadequacy or insufficient capacity of essential facilities can be as limiting as the actual lack of such facilities.

Section 406(a).—Filling voids and sealing tunnels

This subsection permits the use of the abandoned mined land reclamation fund for filling voids and sealing tunnels created by any mining operation. It is, however, the clear intent of the conferees that non-coal mined lands be reclaimed only after all lands affected by coal mining have been reclaimed or impacts of rapid coal mining expansion have been relieved.

Section 508.—Revegetation

The conferees agree that a reasonable interpretation of the revegetation standards would necessitate that the mining and reclamation plan include a demonstration that the necessary seeds are or will be available when needed to achieve revegetation. It is expected that the regulations governing State and Federal programs which are to be issued by the Secretary would so specify.

The conferees intend that revegetation is required in all instances in accordance with the basic standard in section 515(b)(19). Thus if the native premining vegetation is sparse due to climatic or other natural conditions, then such conditions would be controlling in the reclamation standard.

Section 510(b)(3).—Assessment of mine impact on hydrologic balance

As part of the mining application and permit approval process, both the House bill and the Senate amendment provided that no application shall be approved unless the application affirmatively demonstrates and the regulatory finds in writing that an assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance has been made. The House bill further specified that the proposed mining operation has been designed to prevent irreparable off-site impact to the hydrologic balance while the Senate amendment specified that the mining operation be designed to prevent to the maximum extent possible using best available technology irreparable off-site impacts to the hydrologic balance.

The conferees resolved the difference in the language pertaining to the design of the particular mining operation by requiring that the proposed operation be designed to prevent significant irreparable off-site damage to the hydrologic balance, including damage to alluvial valley floors.

Section 515(b)(1).—Maximization of coal utilization and conservation

It is the intent of the conferees in this subsection that coal will be mined in such a manner to assure maximum recovery of the resource during the course of any given mining operation. It is also their intent, that any surface mining operation be conducted so that it will not preclude future underground mining operations on that site.

Section 510(b)(5).—Permit approval and denial for mining operations on alluvial valley floors

The House bill contained an outright ban of surface mining on alluvial valley floors west of the one hundredth meridian west longitude. The Senate amendment specified that a permit or portion thereof should not be approved if the proposed mining operation would have a substantial adverse effect on crop lands or hay lands overlying alluvial valley floors where such crop lands or hay

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lands are significant to ranching and farming operations.

The conferees resolved these differences in virtually the same way as resolved in S. 425. The Conference Report stipulates that part or all of the mining operation is to be denied if it would have a substantial adverse effect on alluvial valley floors where farming can be practiced in the form of irrigated or naturally subirrigated hay meadows or other crop lands where such alluvial valley floors are significant to the practice of farming or ranching operations. The resolution also stipulated that this provision covered potential farming or ranching operations if those operations were significant and economically feasible. Undeveloped range lands are excluded in each instance.

There has been considerable discussion on the potential geographical extent of this provision. For example, estimates have ranged up to nearly 50 percent, of the land over the strippable coal in the Powder River Basin being included under this provision. The conferees strongly disagree with such interpretations noting that specific investigations of representative portions of the Powder River Basin in the Gillette area, indicate that only 5 percent or so of the lands containing strippable coal deposits appeared to be alluvial valley floors. It should also be noted that the Department of the Interior advised the conferees that 97 percent of the agricultural land in the Powder River Basin is undeveloped range land, and therefore excluded from the application of this provision.

While both of these estimates are based on sample data, it is recognized that the amount of land affected in an area might well be higher and the total proportion of land affected in the entire Powder River Basin may also be higher. However, this data strongly suggests that the estimates of large scale geographic impacts of this provision are erroneous, not only in the Powder River Basin but also in other pertinent areas west of the 100th meridian.

Section 515(b) (9)—Filling auger holes

This subsection has been misconstrued by some to mean that the entire length of an auger hole must be backfilled to satisfy this requirement. This is clearly not the intent of the conferees. It is intended only that auger holes be sealed, as tunnels and entryways must be sealed, to prevent drainage and protect public health and safety.

Section 515(b) (10) (F).—Preserving hydrology of alluvial valley floors

The House bill specified that hydrologic integrity of alluvial valley floors must be preserved throughout the mining and reclamation operation.

The Senate amendment specified that it was necessary to do so to the maximum extent possible using the best available technology.

The conferees agreed that the essential hydrologic functions of alluvial valley floors in the arid and semi-arid areas of the country must be preserved throughout the mining and reclamation process.

The conferees adopted this stringent standard because ranching and farming operations must have bottom lands where hay or crops can be grown. Because of the low annual precipitation in the West dependable areas for hay production are only those alluvial valley floors that can be irrigated by flood water spreading, diversion from stream flow, or by natural subirrigation. Some of the characteristics of alluvial valley floors which are essential for agricultural uses include: (1) sufficient runoff to allow for flood water irrigation each year; (2) development of flood plain and low terraces where water can be spread easily without significant mechanical alteration of the surface; and (3) shallow ground water where subirrigation is used, and therefore requires a minimum of valley floor dissection so that ground water is not drained.

The conferees used the term "essential hydrologic functions" to assure that these functions would be preserved while providing the opportunity to the mining industry to mine if they can reconstitute in the reclamation process these critical areas. The areas involved are those limited sites where natural sub-irrigation occurs above strippable coal and where sufficient water is available for flood irrigation and diversion from streams.

The essential hydrologic functions are the inherent properties of alluvial valley floors controlling the availability of water under a wide range of natural conditions. Such properties include for instance: interaction between ground and surface water; varying degrees of permeability throughout the deposit; infiltration rates; flow direction and gradients; capability of accumulating, holding and releasing water through drought and seasonal cycles; stability with respect to storm or flood runoff conditions; and maintaining quality of water available to the agricultural uses.

Alluvial valley floors do not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation and windblown deposits.

Section 515(b) (13).—Mine waste disposal

In order to assure that mine waste impoundments used for the disposal of liquid or solid waste material from coal mines are constructed or have been constructed so as to safeguard the health and welfare of downstream populations, the conferees adopted new language giving to the Army Corps of Engineers a role in determining the standards for construction, modification and abandonment of these impoundments.

Authority for the issuance of regulations and inspections of impoundments rests with the Secretary of the Interior; however, such regulations should be developed by the Chief of Engineers. It is the intent of the conferees that the safety, engineering and design standards of the Corps of Engineers will apply, through the rules and regulations of the Secretary, to such structures and waste disposal banks which may serve as temporary or permanent impoundments. However, it is not the intent that the Chief of Engineers must therefore monitor or sign off on every such structure. That duty belongs to the Secretary of the Interior, who may utilize appropriate skilled personnel from other Federal agencies as provided for in Title II. Concurrence of the Chief of Engineers is intended to also include his approval of the system of inspection and his participation in the training of inspectors to bring about competent enforcement of the standards.

All aspects of surveillance which do not require the actual physical inspection of individual sites would properly fall within the purview of the Chief of Engineers. Thus, the Corps' experience and expertise in the area of design, construction, maintenance, etc. which were utilized for carrying out the congressionally authorized surveys of mine waste embankments in West Virginia following the disastrous failure of the mine waste impoundments on Buffalo Creek, is to be applied in order to prevent similar accidents in the future. In so doing, however, an unnecessary duplication of effort by two Federal agencies and the costly drain upon available manpower is to be avoided.

Section 515(d) (1).—Placement of spoil on the downslope

This subsection allows spoil from the initial cut of a steep slope mining operation to be placed on a limited and specified area of the downslope, under certain restricted conditions. The provision applies only to new mines. It applies only to the first block or short linear cut necessary to join initial access to the coal (in most instances no more than one hundred feet). The permittee must demonstrate that the soil or spoil material will not slide, erode, etc. Permanent placement of such spoil under these limiting conditions was permitted to balance the stated needs of the industry and environmental protection. The conferees are aware that initial cut spoil can be disposed of in many other ways including use in construction of haul roads or placed on less steep slope disposal areas identified in approved plan including previously mined lands not reclaimed to approximate original contour.

Section 519(c) (2).—Bond release for water pollution control

After successful backfilling, regrading of the mined area the 60% of the operator's performance bond may be released. Release of a subsequent portion of the bond depends upon successful completion of revegetation and offsite siltation control. The adequacy of siltation control is to be gauged against natural levels of suspended solids as measured prior to mining, for it is the intent of the conferees that, after mining and reclamation there be no offsite degradation of water quality.

The Secretary will set the standards for measurement of suspended solid contributions. These must recognize the vast differences from region to region among major and small streams, year-round and intermittent streams, and natural variations in stream flow from year-to-year. The Secretary should also consider the availability or lack of availability of historic data.

Section 520(a).—Citizen suits

Subsection (a) assures that no operator can be sued *under this section* if he is operating in compliance with all regulations, orders, and an approved permit, even though the regulatory authority or the Secretary has failed to properly implement the Act. In such cases, the suit must be brought against the regulatory authority. The only exception to this provision occurs if the operator is itself a government agency or instrumentality, such as the Tennessee Valley Authority.

This subsection, however, in no way grants or is intended to grant immunity to an operator from any action brought by any individual under any existing statute or common law. All private rights under contract, tort, or property law are preserved. This intent is clearly reaffirmed and reiterated in subsection 520(e) of the conference report.

Section 522(b).—Review of Federal lands

In agreeing that the Secretary may permit surface coal mining on Federal lands prior to completion of his mandatory review of the unsuitability of areas for surface mining operations, the conferees intended that in addition to evaluating the permit application under the standards of the Act, the Secretary shall also make a determination if the area should be designated as unsuitable for surface mining and if the area is unsuitable, the Secretary should deny the permit.

Section 522(e).—Designation of areas unsuitable for mining

This subsection prohibits surface coal mining on lands within the boundaries of national forests, *subject to valid existing rights.* It is not the intent, therefore, nor is it the effect of this provision to preclude surface coal mining on private inholdings within the national forests.

The language "subject to valid existing rights" in Section 522(e) is intended to make clear that the prohibition of strip mining on the national forests is subject to previous state court interpretation of valid existing rights. For example, in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of U.S. vs. Polino (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage or custom at the time and place where the contract is to be executed and must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

Section 529.—Anthracite coal mines

This section authorizes the Secretary, at his discretion, to promulgate certain special regulations for anthracite coal mines already regulated by a state program with standards at least as stringent as those provided in this Act. This authorization, however, applies only to the environmental standards set forth in sections 515 and 516, and portions of the bonding and bond release provisions set forth in Sections 509 and 519. All other provisions of the Act and regulations issued pursuant thereto including the reclamation fee imposed by Title IV apply to anthracite mines in the same manner as for all other coal mines.

Section 701(9).—Definition of Indian lands

In defining Indian lands, the conferees were aware of certain jurisdictional problems concerning the status of these lands. The conference report limits the definition to lands within the external boundaries of a Federal Indian reservation and to all other lands, including mineral interests, held in trust by the Federal government for any Indian tribe. This language is not intended to change any existing jurisdiction which the states may have over such lands.

Section 702 (d).—Environmental impact statement

This Subsection provides that certain enumerated actions taken pursuant to the Act shall constitute major Federal actions significantly affecting the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332 (NEPA), i.e. that such actions will require the preparation of an Environmental Impact Statement.

The Section is not intended as a limitation or modification of NEPA but, to the contrary, the provision is viewed as being consistent with that Act. The Conferees believe that, properly interpreted and applied, the operation of NEPA will not result in any delay in the implementation of the various regulatory provisions of this environmental regulatory legislation including those actions which must be accomplished in a relatively short time period such as the establishment of the Federal Enforcement Program within 135 days after enactment.

Section 716.—Alaska coal

This provision applies to those lands which, as a result of the Alaska Statehood Act or the Alaska Native Claims Settlement Act, were conveyed from Federal to state or private ownership. Its purpose is to assure that nothing in this Act—particularly the provisions of Section 714—shall be construed as changing existing property rights with respect to lands so conveyed. The provision applies to any coal conveyed out of Federal ownership under these two laws regardless of its current ownership.

RELATIONSHIP OF H.R. 25 TO PRESIDENT FORD'S RECOMMENDED CHANGES

On February 6, President Ford transmitted to Congress the Administration's proposed surface coal mining bill. In his transmittal letter the President set out the 8 "critical" and 19 "important" differences between the Administration's proposal and the Conference Report on S. 425, 93d Congress.

H.R. 25 and the Senate amendment thereto each adopted some of the President's recommendations. The conference committee considered the President's views very carefully during its deliberations. Eight changes recommended by the President are adopted in the conference report. The conference report also contains language designed to meet another six of the objections raised by the President.

The President's recommendations (in the order they appear in his February 6 letter) are set out below together with an indication of the relationship of the conference report to them.

Critical changes

1. *Citizen suits. Administration Recommendation:* "S. 425 would allow citizen suits against any person for a 'violation of the provisions of this Act'. * * * Citizen suits are retained in the Administration bill, but are modified * * * to provide for suits against (1) the regulatory agency to enforce the act, and (2) mine operators where violations of regulations or permits are alleged."

Conference Report—Section 520: Modifies language to meet Administration objection.

2. *Stream siltation. Administration Recommendation:* "S. 425 would prohibit increased stream siltation—a requirement which would be extremely difficult or impossible to meet and thus could preclude mining activities. In the Administration's bill, this prohibition is modified to require the maximum practicable limitation on siltation."

Conference Report—Section 515(b)(11)(B): Clarifies language so as to avoid interpretation feared by Administration.

3. *Hydrologic disturbances. Administration Recommendation:* "S. 425 would establish absolute requirements to preserve the hydrologic integrity of alluvial valley floors—and prevent offsite hydrologic disturbances. * * * In the Administration's bill, this provision is modified to require that any such disturbances be prevented to the maximum extent practicable so that there will be a balance between environmental protection and the need for coal production."

Conference Report—Section 515(b)(10)(F): Modifies language to avoid "absolute requirements" objected to by Administration.

4. *Ambiguous terms. Administration Recommendation:* "In the case of S. 425, there is great potential for court interpretations of ambiguous provisions which could lead to unnecessary or unanticipated adverse production impact. The Administration's bill provides explicit authority for the Secretary to define ambiguous terms so as to clarify the regulatory process and minimize delays due to litigation."

Conference Report: Does not adopt Administration recommendation.

5. *Abandoned land reclamation fund. Administration Recommendation:* "S. 425 would establish a tax of 25¢ per ton for underground mined coal and 35¢ per ton for surface mined coal to create a fund for reclaiming previously mined lands that have been abandoned without being reclaimed, and for other purposes. * * * The Administration bill would set the tax at 10¢ per ton for all coal * * * which would be ample."

"Under S. 425 funds accrued from the tax on coal could be used by the Federal government (1) for financing construction of roads, utilities, and public buildings on reclaimed mined lands, and (2) for distribution to States to finance roads, utilities and public buildings in any area where coal mining activity is expanding. * * * The Administration bill does not provide authority for funding facilities."

Conference Report—Section 401(d): Reduces reclamation fee on underground mined coal to 15¢ per ton. Does not restrict the scope of the program.

6. *Impoundments. Administration Recommendation*: "S. 425 could prohibit or unduly restrict the use of most new or existing impoundments, even though constructed to adequate safety standards. In the Administration's bill, the provisions on location of impoundments have been modified to permit their use where safety standards are met.

Conference Report—Section 515(b)(13): Provides that Corps of Engineers will set location standards for impoundments, and thus eliminates language objected to by Administration.

7. *National forests. Administration Recommendation*: "S. 425 would prohibit mining in the national forests—prohibition which is inconsistent with multiple use principles and which could unnecessarily lock up 7 billion tons of coal reserves. * * * In the Administration bill, this provision is modified to permit the Agriculture Secretary to waive the restriction in specific areas when multiple resource analysis indicates that such mining would be in the public interest."

Conference Report—Section 522(e)(2): Does not adopt Administration recommendations.

8. *Special unemployment provisions. Administration Recommendation*: "The unemployment provision of S. 425 (1) would cause unfair discrimination among classes of unemployed persons, (2) would be difficult to administer, and (3) would set unacceptable precedents including unlimited benefit terms, and weak labor force attachment requirements. This provision of S. 425 is inconsistent with Public Law 93–567 and Public Law 93–572 which were signed into law on December 31, 1974, and which significantly broaden and lengthen general unemployment assistance. The Administration's bill does not include a special unemployment provision."

Conference Report: Adopts Administration recommendation.

"Other important changes"

1. *Antidegradation. Administration Recommendation:* "S. 425 contains a provision which, if literally interpreted by the courts, could lead to a non-degradation standard similar to that experienced with the Clean Air Act. * * * Changes are included in the Administration bill to overcome this problem."

Conference Report—Section 102(a): Adopts Administration recommendation.

2. *Reclamation fund. Administration Recommendation:* "S. 425 would authorize the use of funds to assist private landowners in reclaiming their lands mined in past years. Such a program would result in windfall gains to the private landowners who would maintain title to their lands while having them reclaimed at Federal expense. The Administration bill deletes this provision."

Conference Report—Section 404: Does not adopt Administration recommendation.

3. *Interim program timing. Administration Recommendation:* "Under S. 425, mining operations could be forced to close down simply because the regulatory authority had not completed action on a mining permit, through no fault of the operator. The Administration bill modifies the timing requirements of the interim program to minimize unnecessary delays and production losses."

Conference Report—Sections 504 and 506: Includes provisions designed to eliminate possibility of shutdown.

4. *Federal Preemption Administration Recommendation:* "The Federal interim program role provided in S. 425 could (1) lead to unnecessary Federal preemption, displacement or duplication of State regulatory activities, and (2) discourage States from assuming an active permanent regulatory role. * * * In the Administration bill, this requirement is revised to limit the Federal enforcement role during the interim program to situations

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where a violation creates an imminent danger to public health and safety or significant environmental harm."

Conference Report—Section 502: Does not adopt Administration recommendation.

5. *Surface owner consent. Administration Recommendation:* "The requirement in S. 425 for surface owner's consent would substantially modify existing law by transferring to the surface owner coal rights that presently reside with the Federal government. S. 425 would give the surface owner the right to "veto" the mining of Federally owned coal or possibly enable him to realize a substantial windfall. In addition, S. 425 leaves unclear the rights of prospectors under existing law. The Administration is opposed to any provision which could (1) result in a lock up of coal reserves through surface owner veto or (2) lead to windfalls. In the Administration's bill surface owner and prospector rights would continue as provided in existing law."

Conference Report—Section 714: Does not adopt Administration recommendation.

6. *Federal lands. Administration Recommendation:* "S. 425 would set an undesirable precedent by providing for State control over mining of Federally owned coal on Federal lands. In the Administration's bill, Federal regulations governing such activities would not be preempted by State regulations."

Conference Report—Section 523: Does not adopt Administration recommendation.

7. *Research centers. Administration Recommendation:* "S. 425 would provide additional funding authorization for mining research centers through a formula grant program for existing schools of mining. This provision establishes an unnecessary new spending program, duplicates existing authorities for conduct of research, and could fragment existing research efforts already supported by the Federal government. The provision is deleted in the Administration bill."

Conference Report—Title III: Does not adopt Administration recommendation.

8. *Prohibition on mining in alluvial valley floors. Administration Recommendation:* "S. 425 would extend the prohibition on surface mining involving alluvial valley floors to areas that have the potential for farming or ranching. This is an unnecessary prohibition which could close some existing mines and which would lock up significant coal reserves. In the Administration's bill reclamation of such areas would be required, making the prohibition unnecessary."

Conference Report—Section 510(b)(5): Modifies this provision to make it more precise.

9. *Potential moratorium on issuing mining permits. Administration Recommendation:* "S. 425 provides for (1) a ban on the mining of lands under study for designation as unsuitable for coal mining, and (2) an automatic ban whenever such a study is requested by anyone. The Administration's bill modifies these provisions to insure expeditious consideration of proposals for designating lands unsuitable for surface coal mining and to insure that the requirement for review of Federal lands will not trigger such a ban."

Conference Report—Section 522: Modifies this provision to require expeditious administrative action on designations so as to avoid any moratorium.

10. *Hydrologic data. Administration Recommendation:* "Under S. 425, an applicant would have to provide hydrologic data even where the data are already available—a potentially serious and unnecessary workload for small miners. The Administration's bill authorizes the regulatory authority to waive the requirement, in whole or in part, when the data are already available."

Conference Report—Section 507(b)(11): Does not adopt Administration recommendation.

11. *Variances, Administration Recommendations:* "S. 425 would not give the regulatory authority adequate flexibility to grant variances from the lengthy and detailed performance specifications. The Administration bill would allow limited variances—with strict environmental safeguards—to achieve specific post-mining land uses and to accommodate equipment shortages during the interim program."

Conference Report—Section 515(c): Does not adopt Administration recommendation.

12. *Permit fee. Administration Recommendation:* "The requirement in S. 425 for payment of the mining fee before operations begin could impose a large 'front end' cost which could unnecessarily prevent some mine opening or force some operators out of business. In the Administration's bill, the regulatory authority would have the authority to extend the fee over several years."

Conference Report—Section 507(a): Adopts Administration recommendation.

13. *Preferential contracting. Administration Recommendation:* "S. 425 would require that special preference be given to reclamation contracts to operators who lose their jobs because of the bill. Such hiring should be based solely on an operators reclamation capability. The provision does not appear in the Administration's bill."

Conference Report—Adopts Administration recommendation.

14. *Any Class of buyer. Administration Recommendations:* "S. 425 would require that lessees of Federal coal not refuse to sell coal to any class of buyer. This could interfere unnecessarily with both planned and existing coal mining operations, particularly in integrated facilities. This provision is not included in the Administration's bill."

Conference Report—Section 523(a): Modifies language to accommodate Administration concern.

15. *Contract authority, Administration Recommendation:* "S. 425 would provide contract authority rather than authorizing appropriations for Federal costs in administering the legislation. This is unnecessary and inconsistent with the thrust of the Congressional Budget Reform and Impoundment Control Act. In the Administration's bill, such costs would be financed through appropriations."

Conference Report—Section 71[illegible](a): Does not adopt Administration recommendation.

16. *Indian lands, Administration Recommendation:* "S. 425 could be construed to require the Secretary of the Interior to regulate coal mining on non-Federal Indian lands. In the Administration bill, the definition of Indian lands is modified to eliminate this possibility."

Conference Report—Section 701(9): Adopts Administration recommendation.

17. *Interest charge. Administration Recommendations:* "S. 425 would not provide a reasonable level of interest charged on unpaid penalties. The Administration's bill provides for an interest charge based on Treasury rates so as to assure a sufficient incentive for prompt payment of penalties."

Conference Report—Section 518([illegible]): Adopts Administration recommendation.

18. *Prohibition on mining within 500 feet of an active mine.* "This prohibition in S. 425 would unnecessarily restrict recovery of substantial coal resources even when mining of the areas would be the best possible use of the areas involved. Under the Administration's bill, mining would be allowed in such areas as long as it can be done safely."

Conference Report—Section 515(b)(12): Does not adopt Administration recommendation.

19. *Haul roads. Recommendation:* "Requirements of S. 425 could preclude some mine operators from moving their coal to market by preventing the connection of haul roads to public roads. The Administration's bill would modify this provision."

Conference Report—Section [illegible]22(e)(4): Adopts Administration recommendation.

Henry M. Jackson,
Lee Metcalf,
J. Bennett Johnston, Jr.
Floyd K. Haskell,
Clifford P. Hansen,
Managers on the Part of the Senate.

Morris K. Udall,
Patsey T. Mink,
Joseph P. Vigorito,
John Melcher,
Teno Roncalio,
John F. Seiberling,
M. Robert Carr,
Joe Skubitz,
Philip E. Ruppe,
Managers on the Part of the House.

Mr. METCALF. Mr. President, the author of this bill, the distinguished chairman of the Committee on Interior and Insular Affairs, is not here yet. I am going to try to put my statement in the Record in order to save time, and then ask that he be allowed to be recognized and to put his statement in the Record. I know that the minority, especially Senator Fannin and Senator Hansen, want to make statements on this conference report.

Mr. President, this conference report represents the culmination of 4 years of hard work by many Members on both sides of the aisle in the Senate and the House to develop the first Federal legislation to regulate surface coal mining. It is a finely balanced bill that assures that we can satisfy our energy needs while still protecting our environment.

The Surface Mining and Reclamation Act of 1975 was introduced early in the 94th Congress in both the House (H.R. 25) and the Senate (S. 7). Both bills were identical to the conference report on S. 425 which was pocket vetoed by the President last December. There were only a few significant differences between the House and Senate bills.

MAJOR PROVISIONS

The joint statement of the managers explains the conference report in some detail. For the benefit of my colleagues, however, I will highlight the most significant features:

First. Environmental standards. The conference report establishes the basic standard that lands may not be surface mined unless they can be reclaimed. It includes the following environmental protection standards: prevention of dumping spoil and overburden downslope in mountainous areas; a requirement that mine sites be regarded to approximate original contour, including backfilling the final cut to eliminate highwalls; revegetation measures to assure land stability and long term productivity; and water protection standards directed at protection of water quantity and quality. The latter will be particularly significant in maintaining the delicate hydrologic relationships in the West and preventing acid mine drainage in the East. The environmental performance standards are not inflexible, however, as the report provides for variances from these standards in order to allow certain planned postmining land uses.

Second. State responsibility. The report gives the principal responsibility

for surface mining regulation to the States. The States are given 30 months to prepare adequate regulatory programs to meet the minimum standards in the act. Federal funding is available to help the States prepare and enforce such programs.

Third. Surface impacts of underground mines. The report also treats surface impacts of underground mines such as those resulting from mine waste disposal. In particular, mine waste embankments are covered by rigorous engineering requirements, in order to prevent failures such as occurred at Buffalo Creek, where an embankment gave way resulting in the death of 125 persons.

Fourth. Reclamation of orphan lands. The report established a reclamation program to repair past damages from both surface and underground coal mines in all regions of the country. In addition, assistance is provided for the construction of public facilities in order to ameliorate the impact of rapid coal development. For 10 years, a reclamation fee of 35 cents per ton for surface mined coal and 15 cents per ton for underground mined coal, or 10 percent of the value of such coal, whichever is less, is assessed in order to provide for the reclamation program. At the present rate of production this amounts to approximately $125 million per year. One-half of this money must be spent in the State in which it is collected.

Fifth. State mineral institutes. The bill also authorizes the Secretary of the Interior to establish State mining and mineral resources research institutes at State or other eligible universities. These institutes will perform research on mineral extraction and processing technologies, and train engineers and scientists to serve the needs of the Nation's mining industry. This program should help to avoid future materials and personnel shortages.

Sixth. Surface-owner protection. The conference report establishes as Federal coal leasing policy a requirement that the Secretary of the Interior not lease for surface mining without the consent of the surface owner. Federal coal deposits underlying land owned by a person who has his principal place of residence on the land, or personally farms or ranches the land affected by the mining operation, or receives directly a "significant portion" of his income from such farming. By so defining "surface owner," the conferees seek to prevent speculators purchasing land only in the hope of reaping a windfall profit simply because Federal coal deposits lie underneath the land.

At the same time, so that there will not be any undue locking up of Federal coal, generous compensation is guaranteed to the surface owner, based not only upon the market value of the property of the land, but also the costs of dislocation and relocation, loss of income and other values and damages.

The procedure for obtaining surface-owner consent is intended to assure that the surface owner will be dealing solely with the Secretary of the Interior in deciding whether or not to give his consent to surface coal mining. Penalties would be assessed to discourage the making of "side deals" in order to circumvent the provisions of the bill.

Section 714(e) sets forth the formula by which a "surface-owner's interest" shall be determined for the purposes of that section. This provision was unchanged by the conferees.

It should be noted that by the clear and unambiguous language of the section, the amount of "surface-owner interest" is determined by first fixing the fair market value of the surface estate, then by adding the value of the certain "losses and costs" specified in the section which are to include an "additional reasonable amount of compensation" pursuant to the section. Such "additional amount of reasonable compensation" may not exceed either the value of the items (1) through (4) of subsection (e) or $100, whichever is less. The "additional amount of compensation" is to be added to the other specified items of "losses and costs," and is not a substitute for such "losses and costs."

RELATIONSHIP OF H.R. 25 TO PRESIDENT FORD'S RECOMMENDED CHANGES

On February 6, President Ford transmitted to Congress the administration's proposed surface coal mining bill. In his transmittal letter the President set out the 8 "critical" and 19 "important" differences between the administration's proposal and the conference report on S. 425, 93d Congress, which he pocket vetoed.

The conference committee considered the President's views very carefully during its deliberation. Eight changes recommended by the President are adopted in the conference report. The conference report also contains language designed to meet another six of the objections raised by the President. Beginning on page 86 is a detailed analysis of the President's recommendations and the disposal thereon.

Mr. President, I believe that the Congress has made a real effort to compromise with President Ford. Indeed, we have come more than halfway. Surely, he will see fit to move toward the Congress and sign the bill we will be sending to him this week. The strength of congressional support is indicated by the 84 to 13 vote in the Senate and the 333 to 86 vote in the House.

CONCLUSION

Mr. President, Federal legislation to regulate surface coal mining is long overdue. Enactment of H.R. 25 will enable the industry to proceed with development of our Nation's vast coal resources in a manner which will assure that the other natural resources of our country will not be unnecessarily damaged.

I want to commend the chairman of the Interior Committee for his long-time concern about the need for Federal regulation of surface mining. The conference report we are considering today incorporates the basic concepts of legislation he introduced 4 years ago.

I also want to take this opportunity to thank all of my Senate colleagues who have worked so hard on this bill. I am particularly grateful to the Senator from Wyoming (Mr. Hansen) for his fine cooperation. Without his faithful attendance and his contribution it is doubtful that we would have had a bill this soon.

Senator Fannin, the ranking minority member, did not vote for the bill or sign the conference report. Nevertheless, he participated in every part of the development of the bill and made significant contributions to it.

The respective staff members of the House and Senate committees gave superb assistance in every phase of the consideration of this complex and complicated legislation.

Mr. President, this is a moderate bill, a national bill, one that will permit the strip mining of coal to alleviate the energy crisis and at the same time requires reclamation of the mined lands. I urge the adoption of the conference report.

Mr. JACKSON. Mr. President, I join with the distinguished junior Senator from Montana in urging the Senate to approve H.R. 25, the Surface Mining Control and Reclamation Act of 1975.

It is worth recalling today that industry has in the past fought strip mining bills far less stringent than the legislation before Congress today. The delay in enacting legislation, caused largely by opposition by many, but not all, representatives of the coal industry, has brought the nature and scope of the strip mining problem more sharply into focus. The need for strong regulation of strip mining practices is more apparent to more people than ever before.

On numerous occasions, Congress has shown that it understands the need for careful tradeoffs between energy needs and environmental concerns. But Congress is not prepared to sacrifice legitimate environmental goals.

The essential requirement for an adequate supply of domestic energy resources to support the Nation's social and economic well-being is being increasingly recognized as a major national issue. It is clear, particularly in the case of coal, that we have ample reserves. By all estimates our physical coal reserves are sufficient to meet our needs, even at greatly increased rates of consumption, for hundreds of years. We have an abundance of coal in the ground. Simply stated, the crux of the problem is how to get the coal out of the ground and use it in environmentally acceptable ways on an economically competitive basis.

Federal legislation to regulate coal surface mining and reclamation is a crucial measure to insure an adequate energy supply while preserving and maintaining a satisfactory level of environmental quality.

I am sure that representatives of the coal industry and the administration have expressed great concern about possible "production losses" which enactment of the conference report might cause.

I must point out that the administration's "loss" figures appear to be shrinking—from a maximum of 141 million tons per year 5 months ago to 72 million tons per year.

It is difficult to pin the administration down on the basis for its estimates. FEA Administrator Zarb's latest estimates were sent to the conferees on April 22. On April 23, immediately upon receipt

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of Mr. Zarb's letter, I directed the Interior Committee staff to obtain from the Federal Energy Administration the analyses, data, and assumptions upon which Mr. Zarb's estimates were based. The only information I have received contains a brief breakdown of the "loss" estimates. It does not indicate the rationale for the estimates.

This information does indicate that the vast bulk of the loss estimates are attributed the protection afforded to alluvial valley floors in the West. These estimates are clearly based on erroneous interpretations of provisions of the legislation designed to protect a small but critical area of agricultural lands. For example, on April 29, the Assistant Secretary of the Interior for Energy and Minerals told the conferees that over 97 percent of the agricultural lands in the Powder River Basin consist of undeveloped range land. Such land is expressly excluded from the strict limitations on permit approval.

The fact is that at current production levels, this country has more than 500 years of coal reserves. It is ridiculous to talk about a diminition in production at present prices, much less those anticipated in the future, and it is even more ridiculous, given the massive amount of our coal reserves, to refuse to assume the relocation of mining operations, for example, to areas which can be prudently mined—in estimating the impact of this bill.

The conference report will internalize mining and reclamation costs, which are now being borne by society in the form of ravaged land, polluted water, and other adverse effects of coal surface mining. This can be done without significant losses in coal production.

Mr. President, the modifications made by the conferees go a long way toward meeting the problems cited by President Ford as reasons for his veto of S. 425 last year. I see no reason why the President should not sign H.R. 25 when it reaches his desk.

In this regard, I would remind the Senate and the administration of the pledge I made to the President last December 17, to correct any unanticipated problems which may arise in implementation of the bill during the 2½-year period after its enactment before it comes into full force and effect. I will not be a party to weakening the bill, because of vague fears about possible impacts at some time in the future.

Mr. President, I urge the Senate to approve the conference report today.

Before yielding the floor, Mr. President, I want to pay tribute to the Senator from Montana (Mr. METCALF) who, as chairman of the Subcommittee on Minerals, Materials, and Fuels, has led the Senate's efforts to develop surface coal mining legislation during the last 3 years. His tireless and very effective work in committee, on the Senate floor, and in conference are, I believe, soon to bear fruit in enactment of a firm but fair Federal statute to guide the States in regulating strip mining. The American people, and particularly the citizens of Montana who are probably about to witness a great increase in coal mining in their State, owe him—as well as the Nation owes him—a great debt of gratitude.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator.

Mr. ROBERT C. BYRD. Would the Senator mind stating for the benefit of the record what changes from the Senate-passed bill were agreed to in conference?

Mr. JACKSON. I would defer to the distinguished junior Senator from Montana in that regard.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. JACKSON. I yield the floor.

Mr. METCALF. Mr. President, the joint conference report contains a list of the changes from the Senate bill to the House bill.

On page 75, we have an overview of the various changes.

I think that the major changes from the Senate bill to the House bill, which the Senate fought so hard for and which we were tempted to retain was the provision in the Senate bill that there would be unemployment compensation for jobs that were lost as a result of the passage of this bill.

It was the opinion of most of us that there would be no jobs lost in most areas because the bill requires additional jobs for restoration and reclamation, and, of course, provides for reclamation of lands, so that the net result would be more jobs that would be attained.

Nevertheless, the two distinguished Senators from West Virginia argued very eloquently and long on the Senate floor in support of a special provision for jobs for those who might be deprived of employment as a result of this bill.

We tried hard, came back and reconsidered one of the provisions, and lost that matter in conference.

A second major proposition was anthracite mining.

In the Senate bill, we did not have any special exemption for anthracite mining. In the House bill there was an exemption and, very persuasively, the managers on the part of the House suggested that anthracite mining was especially unique in Pennsylvania. It was not a part of the national program or a national problem. Pennsylvania had an outstandingly good stake mining law and we should not interfere with the propositions that were propounded by the Pennsylvania mining law.

So the Senate acquiesced in that and provided that we would have an exemption for anthracite mining.

Those are the two major propositions.

The Senate had language on alluvial valley floors that was adopted as a result of consultation with the Bureau of Mines, and administration, with people who came up here and showed us maps and gave us consideration for alluvial valley floors.

The House had other definitions as a result of the work that was done by Senator JOHNSTON.

We made a compromise on alluvial valley floors that I think takes care of both the proposition we have in the Senate bill and the concerns that the House had as to the result of mining that would destroy pasture lands, crop lands, and agricultural lands on these alluvial valley floors.

We had a provision for consultation with the Corps of Engineers on the reclamation program and the House agreed that the Corps of Engineers should be consulted on this point.

One of the major points of difference was the reclamation. This is discussed on page 76, at the top of page 76 in the report.

It provides that all the coal mining operators would be assessed at a fee on each ton of coal. The House provision provided for a fee of 10 cents a ton on underground mined coal and 35 cents a ton on surface mined coal.

The House differential, of course, was concerned with encouraging underground mined coal, but it was the Senate's view that, of course, we should encourage underground mining rather than surface mining, but the conferees compromised and agreed on 15 cents a ton fee for underground mined coal and we receded on the 5-percent limit on lignite coal.

The whole matter is discussed in the paragraph at the top of page 76.

I discussed alluvial valley floors.

I want to specially call to the attention of the Senate, as I did in my opening comments, the changes that the President recommends. Specifically discussed beginning on page 86, is the relationship of H.R. 25 and President Ford's recommended changes. Those are citizen suits, extreme siltation, abandoned reclamation, and others.

We have some others that are important. We have a reclamation fund. In last year's bill we authorized the use of the fund to assist the private landowners in reclaiming their lands mined in past years. This would have resulted in a windfall gain to those private landowners. We did not adopt the President's recommendation.

We have several lists of other materials where we have not agreed to adopt the administration recommendations. In some of these the House had agreed to the administration provisions and the Senate did not; in others the Senate agreed and the House did not. We withdrew and made it conform to last year's bill.

As I said, there were 27 Presidential recommendations, 8 of which were major, and 19 of which were minor. We considered every single one of them. We adopted some, we compromised on some, we modified some, and we rejected some.

Mr. President, I have summarized some of the provisions of the bill in accordance with the request of the distinguished assistant majority leader. I would like to call the attention of the Senate to these Overview provisions in the report. I ask unanimous consent that the material in Overview beginning on page 75 through 76, and ending at the middle of page 77, be printed in the RECORD as a detailed account of the changes between the Senate and the House bills.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OVERVIEW

Title I sets forth the findings and purposes of the legislation, which were melded by the conferees.

Title II establishes an Office of Surface Mining Reclamation and Enforcement within the Department of the Interior and delineates the duties of its Director. The House bill also contained additional provisions to insure greater independence for the Office within the Department, and prohibited conflicts of interest on the part of employees of the Office. The Senate receded and accepted these provisions with some minor modifications requested by the Department of the Interior.

Title III establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities. These institutes are to train qualified personnel in mine-related fields, and conduct research related to mining technology. The Senate amendment had less stringent qualification requirements for these institutes than the House bill. The Senate receded.

Title IV of both the House bill and the Senate amendment established a fund and a program for the reclamation of abandoned or "orphan" mined lands, and for the relief of areas that will be impacted by the rapid development of mining.

All coal mining operators are to be assessed a fee on each ton of coal produced for deposit in the reclamation fund. The House bill provided for (1) a fee of 10 percent of the value of the coal or not to exceed 10 cents per ton on underground mined coal and 35 cents per ton on surface mined coal; (2) a 5 percent of value limitation on the fee for lignite; (3) delayed payment of the fee; (4) an adjustment clause tied to the cost of living; and (5) an offset of payments to the fund against payment of state severance taxes. The Senate amendment provided for the same fee for surface mined coal and a 25 cents per ton fee for underground mined coal, but no other comparable provisions. The conferees agreed on a 15 cents per ton fee for underground mined coal, the Senate receded on the 5 percent limitation on lignite and the House receded on its other provisions.

The Senate amendment provided explicitly for consultation with the Corps of Engineers in the reclamation program. The House receded on this point.

With regard to aid to impacted areas, H.R. 25 expanded coverage of the program to all energy resource developments, and not just coal mining. The Senate amendment expanded the program of filling and sealing mine shafts and voids to cover all types of mining but otherwise limited the use of the fund to coal mining impacts. The conferees agreed on the Senate approach with some modifications giving the Governor of each State an opportunity to use the fund for reclamation of lands affected by non-coal mining, but only after all coal mine impacts had been treated.

Title V contains the most critical portions of the two measures: the procedures and the environmental standards for the regulation of coal surface mining and reclamation. These requirements are quite detailed, but although there were a number of minor differences between the House bill and the Senate amendment, there were actually only five major differences.

(1) The House bill contained an outright ban on mining on alluvial valley floors west of the 100th meridian west longitude. The Senate amendment prohibited mining on such alluvial valley floors only when this would have a substantial adverse effect on croplands or haylands significant to the practice of farming or ranching. The House receded from its outright ban, and compromise language was accepted that modified the language in the Senate amendment. This compromise language clarified the intent of the conferees to protect potential as well as ongoing farming and ranching operations.

(2) The House bill required the Corps of Engineers to supervise the disposal of all mine wastes and impoundment construction. The Senate amendment left this responsibility with the Secretary of the Interior. The conferees agreed to a compromise requiring the Corps to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement.

(3) The House bill contained a conflict-of-interest provision not in the Senate amendment. The Senate receded.

(4) During the Secretary's review of Federal lands for areas unsuitable for mining, the Senate amendment expressly allows permits to be granted on a case-by-case basis. H.R. 25 did not contain a similar provision. The Senate language is included in the conference report.

(5) The Senate amendment required expedited decisionmaking by the regulatory authority in the case of cessation orders. The House bill did not contain a similar provision. The House receded.

Title VI of the House bill provided a three-option program for the regulation of surface coal mining on lands held in trust for Indian tribes. The Senate amendment contained a section requiring a study to develop, in consultation with the Indian tribes, legislation for surface mining regulation that would recognize the special jurisdictional status of Indian lands. In the interim, however, mining on Indian lands would still be subject to the environmental standards of the bill. The House receded.

Title VII of the House bill and Title VI of the Senate amendment provided for the designation of areas of Federal lands unsuitable for non-coal mining. The conferees adopted the language of the Senate amendment.

Title VIII of the House bill and Title VII of the Senate amendment contain administrative and miscellaneous provisions.

The Senate amendment contained two provisions designed to cushion adverse employment impacts that might result from the implementation of the Act. The House bill contained neither provision. Both were opposed by the Administration. The Senate receded in both instances.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Montana (Mr. METCALF) for clarifying the changes which resulted in the conference, which were originally in one or the other of the Senate and House-passed bills. I believe his explanation makes a very clear outline of the changes from the Senate-passed bill that resulted in conference. I appreciate his inclusion in the RECORD the statement from the committee report outlining in detail those changes.

Mr. FANNIN. Mr. President, I want to pay tribute to the distinguished Senator from Montana for his splendid leadership in the handling of the legislation that we now have under consideration, to the chairman of our committee for the courtesies extended to the minority members, and the manner in which this legislation was handled with the House Members. As usual, the manager of the bill was very fair and equitable.

Mr. President, the committee report was just made available a couple of hours ago, and I would like to in a moment comment on this legislation.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. FANNIN. Mr. President, for some years now, I have been attempting to alert my colleagues in the Congress to the energy problems which have escalated on an ever increasing scale. The actions which we in the Congress take have a great impact on the ability of this Nation to confront and win the battle for energy sufficiency. The topic of surface mining for coal has been a very emotional issue with memories of a desecrated Appalachia haunting the words spoken on this floor. That memory has been used by environmentalists and conservationists to prevent surface mining for coal in as many possible areas of this country as possible, even if reclamation could be achieved.

We all abhor the desecration which Appalachia and other areas suffered in the early thirties and forties, but we must remember the public has demanded and the public has gotten laws, State laws, which regulate strip mining. Since 1970, 25 States have updated and enacted more stringent reclamation laws. I applaud these efforts and the public concern and attention which spurred the States into action, but it has also been the impetus behind this national effort to get Federal regulation of surface mining. It seems to me the public which demanded the States to act, have accomplished their goal and demanding now that the Federal Government preempt all of these newly enacted State laws, is overkill and in fact, frustrates their earlier efforts.

There is an important factor which is often overlooked in discussion on this topic. The mining companies have changed since the days of wanton degradation. They recognize that reclamation is an intricate part of the entire mining operation and that the consumers of coal bear the burden of additional cost as the price of this reclamation. They know they can no longer get away with scarring the earth and leaving it in an unusable condition. We have come a long way since the 1930's and 1940's both in technology and in our attitude toward strip mining.

H.R. 25, which is basically the same bill which President Ford vetoed in December of last year, still has grave problems which were not resolved in conference. Basically, the thrust of these problems can be stated in very simple terms. Can our Nation afford at this time the loss in current coal production? Both the Democratic leadership and the President have called upon the coal industry to more than double coal production by 1985—yet the conference committee has

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adopted a bill which, if strictly interpreted, could lead to a loss of 40 to 162 million tons of annual coal production. Can we afford any loss of production?

Mr. President, what does this statistic mean? It means that up to 27 percent of all annual coal production could be lost and in terms of strip mining production alone, it represents a 14 to 54 percent loss of all strip mining production. Mr. President, can this country afford the loss of a potential 54 percent of the stripped coal which we produced last year if we are to achieve the goal of both political parties of energy self-sufficiency?

Mr. President, this bill deals not only with current lost coal production, but also with coal reserves which represent the potential coal available to expand current production. This bill, according to the administration, could lead to a lockup of this energy resource in the magnitude of 8 to 52 percent of the total strippable reserves in the United States. Is there any logic which can compel us to take such drastic action? There is no foreign enemy nor foreign power forcing us to deny ourselves this domestic energy resource, so why are we hellbent on doing this to ourselves.

Mr. President, I think I have the answer. I think the American people are not yet aware of the significance of this piece of legislation we are dealing with today. American consumers, are you aware that you will have less electricity in the future because coal fired powerplants will not be built because there is not a sufficient supply of coal to turn those turbines? Workers, are you aware that your jobs are threatened because the energy necessary to run your plant or your office building or your tools could be diminished by this bill? Taxpayers, are you aware that this Nation will have to make up this lost coal production by importing costly foreign crude oil—that if this legislation were to result in even one-half of the projected loss—the loss of only 50 million tons of coal per year, an energy equivalent of 215 million barrels of oil would have to be imported at a cost of $2.3 billion which will go abroad. Every dollar which we spend abroad are jobs which we do not keep at home. Taxpayers, do you realize that the cost of coal, because of this bill, will have a tax ranging from $30 to $204 million in reclamation costs and $100 to $160 million for Federal and State government activities to carry out the requirements of this act?

Mr. and Mrs. America, I know that if you knew these facts, you would make your views known to your elected representatives. I know that you would urge them to vote against such a costly measure when on balance, State laws are adequate to protect us against the desecration of our precious land.

Mr. President, I predict that the voice of America will be heard if this bill becomes law and a shamed Congress will be forced to repeal or significantly alter this law. I urge my colleagues not to make this mistake now. I urge my colleagues to vote against this conference report and I urge the President to renew his objections by vetoing this measure should it reach his desk. This bill is the very antithesis of our announced policy to increase coal supplies. Because it is, in essence, a ban on strip mining.

Mr. President, in order to clarify the intent on page 81 of the conference report, I ask the distinguished Senator from Montana, the manager of the bill, to respond. Section 515(b)(1), maximization of coal utilization and conservation, reads:

> It is the intent of the conferees in this subsection that coal will be mined in such a manner to assure maximum recovery of the resource during the course of any given mining operation.

I think the following wording is misleading. Perhaps the distinguished manager of the bill can clarify it.

> It is also their intent, that any surface mining operation be conducted so that it will not preclude future underground mining operations on that site.

Will the distinguished manager of the bill comment on that?

Mr. METCALF. Mr. President, this is substantially House language. It was the intent, I think, of a majority of the Senate and a majority of the House that this bill would encourage underground mining and would not do anything to discourage underground mining. Therefore, this language was written in.

On the other hand, it is not the intention of the conferees; and I am sure that as a result, as the Senator from Arizona and I both recall the discussion, there could be and should be surface mining of many areas that subsequently can be mined by underground mining methods.

We want to provide that future underground mining operations not absolutely be destroyed but that certainly the initial surface mining operations could be mined where there were one or two seams at different levels that could be mined only by underground methods.

So I think that the word "preclude" is rather unfortunate in there. We want to permit future underground mining operations, but we want to encourage initial surface mining operations also.

Mr. FANNIN. I thank the distinguished Senator from Montana. I am sure it was the intent that we not want to prohibit surface mining. We wanted to encourage all mining in any manner so that we can get the greatest amount of coal, that means to do the work by both means and not preclude either type of mining.

Mr. METCALF. And to be sure that the coal that could be recovered by surface mining methods would include coal that could be recovered by subsequent underground mining.

Mr. FANNIN. I thank the distinguished Senator.

Mr. President, the joint conference report states, on page 79, that the Department of Interior informed the conferees that 97.3 percent of the total agricultural land in the Powder River basin, for example, is presently undeveloped range land. The report says that undeveloped range land is expressly excluded from the alluvial valley prohibition in section 510(b)(5).

The report fails to really point out that section 510(b)(5) also applies to potential farming or ranching operations. Thus, even though the rangeland is presently undeveloped, there is no way to determine how much of it is potential farm land and range land which could be precluded from the surface mining of coal. Perhaps even more important is the fact that the Department of Interior stated in its letter that unless the language in section 510(b)(5) is clarified so that the prohibition excludes flood plain deposits of tributary streams, the estimate of the loss by the geological survey would be 55 billion tons of surface minable reserves and that from 32.5 to 66 billion tons of potential loss from the reserve base could be affected.

My question, in addition, is whether this situation is true for all of the lands west of the 100th meridian in just the Powder River basin.

At this critical time, we cannot enact legislation that is so ambiguous that it could permit interpretation which could wipe out so much of our potential coal reserves and production. The administration has consistently stressed ambiguities existing in this legislation and attempted in this particular area, as well as others, to clarify what the real intent of the bill was. However, the conferees rejected the recommended language and we are now left again with provisions which have the potential of precluding much of our coal resource base.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point, the correspondence addressing these issues, that came from the administration.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., April 22, 1975.
Hon. MORRIS UDALL,
Chairman of the Conference Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As you recall, on February 6, 1975, the President transmitted to the Congress a proposed surface mining bill which would (a) strike a balance between our objectives of improving environmental quality and other national objectives including increased energy independence and a strong economy, and (b) build upon the bill from the last Congress but avoid problems which made that bill unacceptable.

I am pleased that some of the changes from last year's bill that the President recommended have been adopted by one or both Houses and are now being considered by the Conference Committee. However, I am writing to emphasize anew the Administration's considerable concern with some provisions of the pending surface mining legislation, S. 7 and H.R. 25, the differing versions of which are now being considered by the Conference Committee.

The Administration favors action to protect the environment and reclaim land disturbed by surface mining of coal and to prevent abuses that have accompanied such surface mining in the past. But surface mining legislation also involves other fundamental national objectives and issues including (a) energy independence, (b) outflow of dollars to other nations, (c) unemployment, and (d) higher consumer costs, particularly for electricity.

I urge the Conferees weigh carefully the developments affecting these important issues that have occurred since the Congress began considering this legislation.

(1) Energy Requirements. Increased domestic coal production is one of the major steps this country can take to stem its growing dependence on foreign oil. The President's program called for doubling coal production to 1.2 billion tons by 1985. The energy plan advanced by the Congressional Democratic leadership calls for 1985 production of 1.37 billion tons. The Conference should not adopt a bill that is inconsistent with those goals.

Interior and FEA estimate that the Senate-passed bill (S. 7) would reduce expected coal production by 40 to 162 million tons (5 to 22%) in the first full year of its application; and that the House-passed bill (H.R. 25) would reduce production by 62–162 million tons (8 to 22%). These estimates do not include potential delays from litigation or stringent interpretation of ambiguous provisions of the bill.

Each ton of coal is equivalent in energy value to roughly 4.3 barrels of oil. If the legislation were to result in loss of only 50 million tons of coal per year, an energy equivalent of 215 million barrels of oil would have to be obtained primarily from imported oil. These additional imports will increase dollar outflows by more than $2.3 billion and cost more than 10,000 jobs.

2. *Inflationary Impact*. Consumers have already been subjected to higher costs because of our heavy reliance on expensive foreign oil. If domestic coal, which is used primarily in producing electricity, must be replaced by foreign oil, consumer costs will be forced even higher. In addition, consumer prices or taxes would reflect the added cost of $130 to $204 million in taxes on coal, $171 million in increased coal production and reclamation costs, and $100 to $160 million for Federal and State government activities to carry out requirements of the bills.

Unnecessary burdens of the legislation will fall most heavily on small mining operations and may put many out of business. This runs the risk of lessening competition in the coal industry and could contribute to higher prices.

3. *Unemployment*. As indicated above, greater outflow of dollars means loss of jobs in the United States. In addition, Interior and FEA estimate that jobs lost as a result of legislation would range from 9,000 to 36,000 in the case of the Senate bill and 14,000 to 36,000 in the case of the House bill. These employment losses would hit hard in those areas such as Appalachia that have been struggling to improve their economic conditions. It is true that some jobs would be created by the requirements to reclaim areas abandoned in the past but this would involve dislocation of employees and fewer job gains than losses.

4. *Locking up domestic coal*. In addition to near term reduction in expected coal production, Interior and FEA have estimated that the Senate-passed bill has the potential of preventing mining of 12 to 72 billion tons of coal and the House-passed bill from 33 to 72 billion tons. These amounts constitute 9 to 53% of the total 137 billion tons of coal in the Nation's demonstrated reserve base which are potentially mineable by surface methods.

I urge the Conferees to take these developments into account and to report a bill which achieves a balance among our national objectives. I would also remind the Conferees that substantial progress has been made by leading coal mining states in developing effective controls to reduce adverse effects of surface mining.

I call your attention particularly to the need to:

Modify citizen suit provisions to avoid unnecessary and unacceptable production delays or curtailments.

Change hydrologic disturbance provisions to avoid requirements which would be impossible to meet, are unnecessary to provide reasonable environmental protection, or which would preclude most mining activities.

Reduce the excise tax on coal to 10 cents per ton because this amount would be adequate to support a fund for reclamation of abandoned surface mined lands.

Remove the special unemployment provisions which would result in unfairly discriminating among classes of unemployed persons, would set undesirable precedents, and are inconsistent with unemployment program modifications signed into law on December 31, 1974.

Make clear that State laws and regulations do not cover Federal coal lands.

Avoid requirements that preclude mining in alluvial valley floors which could lock up surface mineable coal reserves.

Avoid setting new precedents with respect to water rights.

Permit surface mining on national forest lands when this is found to be in the national interest.

Administration officials stand ready to work with you to discuss these and other changes, with the objective of developing legislation that is in the public interest. If ever there was a time during which the nation faced the necessity of balancing its environmental and energy priorities, it is now.

Sincerely,

FRANK G. ZARB,
Administrator.

[From the U.S. Department of the Interior, Bureau of Mines, Apr. 22, 175]

MEMORANDUM

To: Staff Assistant for Congressional Affairs.
From: Director, Bureau of Mines.
Subject: Alluvial Valley Floor Provision of Surface Mining Legislation.

This responds to your request for a detailed explanation of production loss estimates attributable to the subject provision.

Recent figures collected on 1974 surface mined production west of the one hundredth meridian west longitude show that their production was 63 million tons. Of this 63 million tons approximately 45 million tons were judged to be located on valley floors as described in the language of 510(b)(5). This was done on a mine-by-mine analysis. This is 72 percent of the total strip production in the West in 1974. Projected production in this area for the first full year of implementation (1977–1978) is approximately 90 million tons. If the same percentage factor used for 1974 production is applied to the projected production for 1977–1978, the possible loss could be 66 million tons (72 percent of 90 million tons). This loss is considered to be the maximum possible loss if the language in 510(b)(5) is interpreted in its most rigid sense, that is, abolition of mining.

The possible minimum loss figure of 22 million tons attributable to the conference language of subsection 510(b)(5), was determined by examination of three key unknown factors in the present language: (1) the amount that is now under intensive agriculture usage (including farming and hay-meadows) is not clearly known; (2) the amount of undeveloped rangelands is not exactly known; and (3) potential farming and ranching areas as defined in the language could be limited (or extensive) but cannot be clearly determined. Based on assessment of these factors in a limited time for analysis and based on best professional judgment of the mining activities in areas of current and potential operations as described by the conference language, we estimate that approximately one third (22 million tons) of the maximum production loss could be considered a *minimum* for the first full year of implementation under a very loose interpretation. In other words, it would appear that the conference language is somewhere between the House and the Senate language for purposes of determining the *minimum* production impact.

From an engineering viewpoint there is still contained within this language many ambiguous or difficult-to-determine terms such as "significant," "substantial," and "potential," and it is impossible to develop a precise minimum figure. The new language, however, does not seem to change the possible maximum loss.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 29, 1975.
Hon. JOHN MELCHER,
House of Representatives,
Washington, D.C.

DEAR MR. MELCHER: This letter is in response to your telephone call on Friday morning making an inquiry regarding the percentage of undeveloped range land to the entire expanse of the Powder River Basin and the estimated number of tons of coal contained therein that could be mined by surface mining methods.

Here again, the precise boundaries of the Powder River Basin are hard to define. However, it is estimated by the State Office of the Bureau of Land Management in Cheyenne, Wyoming, that undeveloped range lands represent approximately 97.3% of the total agricultural land in the Basin. This estimate is based on detailed study of a two-county area and projected to the 12-county area in Wyoming and your State of Montana generally recognized as making up the Powder River Basin.

In the short time period that was available to us, we cannot reliably estimate the tons of coal that could be mined by surface mining operations within this portion of the Powder River Basin. We will have that information as soon as possible.

In terms of the impacts of the alluvial valley floor provisions of S. 7 on surface mining on the Powder River Basin, it is my understanding that the Geological Survey and Bureau of Mines have remaining difficulties in correlating their estimate with estimates reached by the Committee staff and other persons who have counseled with the Committee. These difficulties relate to whether the definition in Section 701 excludes the flood plains of tributaries to the main stem of a stream in question as well as colluvial deposits. If the words, "excluding flood plain deposits of tributary streams" were added after the word "deposits" in Section 701(27), the estimate of the Geological Survey would be 1.7 billion tons, which is approximately 3% of the strippable coal in the Powder River Basin, that could be excluded from the total reserve of 55 billion tons. More precise figures are impossible to attain, given the scientifically imprecise present wording of the proposed legislation.

Regarding the impacts of S. 7 on alluvial valley floors west of the 100th meridian, the Bureau of Mines feels that their original estimate, ranging from 32.5 to 66 billion tons potential loss from the strippable coal reserve base attributable to the alluvial valley floor provision of this bill is still valid for the area west of the 100th meridian. Although the loss estimate reached by the Committee staff is interpreted to be five percent of the Powder River Basin, the Bureau of Mines feels that a significant change in the wording of this provision and of the definition of alluvial valley in Section 701(27) would be necessary before they could estimate losses approaching those indicated by the Committee staff. If the words "exclud-

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ing flood plain deposits of tributary streams" were added after the word "deposit" in Section 701(27) and if reference to potential farming and ranching in Section 510(b)(5) were eliminated, the loss range might approach that estimated by the Committee staff although from an engineering viewpoint, the ambiguous or difficult-to-define language such as "significant," "substantial," and "potential," make it impossible to develop a precise minimum figure.

The assessment above represents the professional analysis of the Geological Survey, Bureau of Mines, and Federal Energy Administration. They also concur in the content of this letter.

Sincerely yours,

JACK W. CARLSON,
Assistant Secretary of the Interior.

SENATOR RANDOLPH SUPPORTS SENATE APPROVAL OF CONFERENCE REPORT ON SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

Mr. RANDOLPH. Mr. President, for over 5 years the Congress has worked diligently to provide a definitive national policy governing surface mining of coal and the reclamation of the resultant disturbed lands. Principal concern has been for establishment of an equitable balance between national requirements for the production of coal to satisfy our country's energy demands and for the protection of environmental quality.

In my judgment—as enunciated when supporting legislation last year—we must not delay further. We must provide certainty for this industry's future.

The conferees on the Surface Mining Control and Reclamation Act of 1975 have provided an equitable balance between the economic and environmental concerns affecting the production of coal by surface mining. The issues raised by the President last year—when he pocket-vetoed similar legislation—have been addressed by the Congress and resolved. Exercising its constitutional role the Congress has formulated a policy which accommodates the various national interests involved.

Although I was disturbed by the President's veto of this legislation last year, I know that he was well intentioned. This legislation reflects the President's concerns.

The conference report under consideration today represents a reasoned approach to this national environmental and energy problem predicted on implementation by realistic Government officials. While there will be increased costs associated with its implementation, they are legitimate costs associated with an environmentally sound policy. The impact of the Surface Mining Control and Reclamation Act of 1975 is phased over several years so that the full costs will not be reflected in the marketplace for over 3 years.

Further delay on enactment of a national policy governing surface mining reclamation would be contrary to the public interest by prolonging present uncertainties. Our country is faced with a long-term energy crisis which can only be effectively resolved if we provide definitive long-term energy and fuels policies. Such a policy is provided in the conference report.

Ample opportunity is provided for States to review their programs to assure consistency with the Federal requirements. A 6-month overlap is provided by the establishment of the Federal permit program and the requirement for a valid operating permit 36 months after enactment. During this period existing State permits will remain valid. A continuity is thus provided to current surface mining operations. This was a principal concern of the operators who expressed concern.

On April 23, I wrote the conferees endorsing this approach as an effective mechanism for achievement of the purposes of the act while also minimizing any economic dislocations or adverse effects on employment which may result.

I ask unanimous consent that my letter to Representative MORRIS UDALL, chairman of the House-Senate conference, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
Washington, D.C., April 23, 1975.

Hon. MORRIS K. UDALL,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE UDALL: As Chairman of the House-Senate Conference for the Surface Mining Control and Reclamation Act of 1975, I would like to call to your attention three issues of particular concern to me.

First, I understand the conferees propose a phasing in of the Federal permit program to reflect existing State requirements. This is accomplished by allowing six months after establishment of the Federal program for surface mining operations to obtain a valid permit. During this period existing State permits shall remain in effect with the Federal program being fully implemented 36 months after enactment. In my judgment this approach will provide an effective mechanism for achievement of the purposes of the Act while minimizing any economic dislocations or adverse effects on employment which may result.

Second, the Senate measure was amended to add Paragraph 405(a)(10) which: (1) instructs the Secretary of the Interior to utilize the data and information developed in the National Strip Mine Study conducted by the Corps of Engineers pursuant to Section 233 of the Flood Control Act of 1970, and (2) permits the Secretary to use the services of the Corps of Engineers in conducting, operating or managing reclamation facilities or projects. I offered this amendment in recognition of the expertise of the Corps of Engineers on the magnitude of strip mining activities in the United States and their adverse impacts on the navigable waterways and on Federal water resources projects. On this basis the Corps is a logical agent of the Secretary of the Interior for conducting reclamation programs. Therefore, I urge you to incorporate Section 405(a)(10) or similar language in the conference agreement.

The third issue that I request you consider is the matter of the Corps' responsibility for regulatory and enforcement functions relating to surface disposal of mine waste materials. Paragraph 515(b)(13) of H.R. 25 assigns to the Corps of Engineers the responsibility for regulating the design, construction, operation, maintenance and abandonment of mine waste embankments, refuse piles and other facilities for surface disposal of mine wastes. The Senate version assigns this responsibility to the Secretary of the Interior as part of the overall responsibility for insuring that Federal and State programs for regulating surface coal mining operations meet all applicable performance standards of the Act. In my judgment, this approach will create a fracturing of Federal regulatory functions, moreover, it does not reflect existing Corps of Engineers functions and capabilities. In addition, the Act makes no provision for allocation of fiscal or manpower resources to the Corps to carry out these functions. For these reasons I urge you to limit the Corps involvement in the regulatory program to providing technical guidance and assistance to the Secretary of the Interior for the purpose of developing standards and criteria that can be incorporated into State and Federal regulatory programs. (Draft amendments which would effect such a compromise are enclosed.)

Your favorable consideration of these suggestions will be genuinely appreciated.

With best regards, I am,

Truly,

JENNINGS RANDOLPH,
Chairman.

Enclosures.

AMENDMENTS TO SECTION 503, H.R. 25

(b)(1) add, after "the Secretary of Agriculture,": "the Secretary of the Army,".

(2) add after "(42 U.S.C. 1857)": "and of the Secretary of the Army with respect to those aspects of a State program which relate to the regulation and inspection of coal mine waste embankments, dams, and refuse piles used for the disposal of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes, produced in coal mining operations.".

AMENDMENTS TO SECTION 515, H.R. 25

(b)(13) design, locate, construct, operate, maintain, enlarge, modify and remove or abandon all existing and new coal mine waste embankments, dams and refuse piles used for surface disposal of mine wastes, tailing, coal processing wastes, or other liquid and solid wastes in accordance with the standards developed pursuant to subsection (e) of this section.

(e) Each State program and each Federal program shall incorporate standards and criteria developed by the Secretary of the Army, acting through the Chief of Engineers, to regulate the design, location, construction, operation, maintenance, enlargement, modification and removal or abandonment of all existing and new coal mine waste embankments, dams and refuse piles used for surface disposal of mine wastes, tailings, coal processing wastes or other liquid and solid wastes produced in coal mining operations. In developing these standards and criteria the Secretary of the Army, acting through the Chief of Engineers, will consider the public safety in the same manner as in the development of standards and criteria for dams and other structures in the public works programs. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

Mr. RANDOLPH. Mr. President, as expressed in my earlier remarks on this legislation, I am concerned that this national program adequately utilize the expertise of the Corps of Engineers while also centralizing the Federal regulatory program in a single agency—the Department of the Interior. In my judgment, this has been accomplished by requiring the Secretary of the Interior to consult with the Corps of Engineers in the formulation of standards regulating mine waste disposal and reclamation.

In recognition of the corps' expertise regarding mine waste impoundments the conferees adopted language giving the Corps of Engineers a major role in determining such standards. While authority for the issuance of regulations and the inspection of impoundments rests with the Secretary of the Interior, the actual regulations are to be developed by the Corps of Engineers.

The corps' expertise stems from the national strip (surface) mine study conducted pursuant to section 233 of the Flood Control Act of 1970. This survey followed the disastrous failure of mine waste impoundments on Buffalo Creek in West Virginia. By applying this experience similar accidents can be prevented in the future.

The Corps of Engineers will perform a major role in assuring that mine waste impoundments for the disposal of liquid or solid waste materials from coal mines are constructed so as to safeguard the public health and welfare of downstream populations.

Other concerns affecting surface mine operations in our State of West Virginia also have been resolved by the conferees. The conference report makes it clear that surface mining is prohibited within the boundaries of national forests, "subject to valid existing rights." While this is not intended to preclude surface coal mining on private inholdings within the national forests, it is intended to make clear that the prohibition of surface mining in the national forest is subject to previous State court interpretation of valid existing rights. As pointed out in the conference report—

> . . . in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of *U.S.* v. *Polino* (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage of must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

Another principal concern for West Virginia as well as Appalachia is the assurance of environmentally sound steep slope mining operations. The conference report allows disposal of spoil from the initial cut of such operations to be placed on limited and specified areas of the down-slope under certain restricted conditions. This provision is applicable only to new mines. In addition, it is restricted to the first block or short linear cut necessary to provide initial access to the coal seam. The burden of proof is on the permittee to demonstrate that the soil or spoil material is stable. This provision will enable environmentally sound mining of coal on steep slopes.

The conferees have labored to produce a comprehensive and definitive national policy governing surface mining control and reclamation, which recognizes the differences between east and west operations. In my judgment, we should approve the conference report.

Mr. METCALF. Mr. President, I have no further requests for time.

I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that a statement by the Senator from Wyoming (Mr. HANSEN) on the conference report be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HANSEN

Although I have strong reservations about certain sections of the Surface Mining Bill, H.R. 25, I signed the conference report because I feel many of the reclamation provisions are necessary to protect our environment and I feel it accomplishes goals all of us think are important. Throughout the consideration of this legislation it has been my desire to pass legislation which would protect our Nation's environment and still allow for recovery of the resource in a balanced manner. My three paramount objectives have not changed: First, to require reclamation of the mined lands; second, to treat the surface owners fairly; and third, to allow our Nation to use its abundant supply of coal.

Probably the most important achievement of this legislation is that it requires proof that the land can be reclaimed before it can be mined. This requirement satisfies my first objective. In order to reclaim orphan lands, which are products of past mining operations that have never been reclaimed, this legislation establishes a mine reclamation fund. This fund will be financed by industry through taxation of every ton mined. Another part of the fund will be used for an even more urgent problem—the filling of voids and sealing of tunnels. This filling will prevent subsidence and underground coal fires, which result when some coal is removed and the remaining coal is exposed to oxygen. In Rock Springs, Wyoming, as well as in communities in Appalachia residents know first hand the attendant dangers of subsidence and fires, which can cause cracking foundations, broken water, sewer and gas lines, explosions and death. I am particularly pleased this legislation will alleviate many of these dangers.

I am also pleased that the Metcalf-Hansen amendment, which provides that States can enact more stringent land use and environmental controls, and regulations of surface mining and reclamation operations than are required by the Federal minimum standard, has been included. States should have the right to enact standards more tailored to their individual needs if these states are being called upon to produce energy for the rest of the Nation. Even though in some instances I think the standards are spelled out too specifically to accommodate the needs of various States where topography and climate differ radically, this bill will insure application of standards and will prevent an unfair competitive advantage, which might arise if one State's standards are much more lenient than another's.

This legislation will also perform a necessary function to residential communities which overlie Federal mineral estates or are adjacent to Federal lands where mining operations would have an adverse impact on lands used primarily for residential or related purposes. Two communities which are confronted with this problem are Story, Wyoming and Tucson, Arizona. Title VI of the legislation authorizes the Secretary of Interior, if requested by the Governor, to review Federal lands within the States to assess whether an area may be designated as unsuitable for mining operations for minerals or materials other than coal. Areas may be found unsuitable if mining operations would have an adverse impact on lands used primarily for residential or related purposes.

In view of the positive contributions I feel this legislation can make, I am disappointed to say I do not think my second objective has been met. Although I feel the legislation clearly establishes the right of the surface owner to grant or to withhold consent to surface mine the Federal coal under his surface, I do not feel farmers and ranchers who choose to give their consent will be fairly compensated under the language. It is my feeling bona fide farmers and ranchers who choose not to have their lands mined should have the right to withhold their consent.

Many of these people have put in one lifetime, or maybe two or three lifetimes, of effort into their ranching operations, and I do not think it is unfair to insure they will have the right to withhold their consent. However, farmers and ranchers who choose to give their consent should be fairly compensated. There is no better way to insure that these lands will remain in the ownership of agricultural producers and that they will be restored and retained for agricultural production after mining than to not restrict the amount of compensation a surface owner can receive in exchange for his consent to lease his land for mining operations.

It is my feeling that all formula compensation restrictions, which are now in the bill, should be removed to allow the surface owner to enter into negotiations which will result in a fair deal to him. It was to this end that I introduced in both sessions of Congress in which this bill was considered, an amendment both in Committee and on the floor, to remove this restriction.

It is my fear that this restriction will too strictly limit what a surface owner can receive for the disruption of mining activities on his surface and will induce surface owners to sell their land in order to receive adequate compensation for the disruption mining activities will cause. This could negate the worthwhile objective that we have recognized—to encourage that these lands be restored and retained for agricultural production after mining.

With this major flaw in the bill I suspect we will be returning in a year or two to reexamine this legislation and to see what needs to be changed in order to persuade the typical rancher in the West, who owns only the surface over Federal coal, to give his consent to surface mining the coal under his land. I suspect this may be another one of those times we must learn the hard way.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The PRESIDING OFFICER (Mr. FORD). Under the previous order, the Senate will now proceed to the consideration of S. 409, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 409) to amend the Council on Wage and Price Stability Act to confer addi-

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tional authority on the Council with respect to the prices of commodities and services, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs, with an amendment to strike out all after the enacting clause and insert:

That the Council on Wage and Price Stability Act is amended by striking out sections 6 and 7 and inserting in lieu thereof the following:

"Sec. 6. There are hereby authorized to be appropriated to carry out the purposes of this Act not to exceed $1,000,000 for the fiscal year ending June 30, 1975, not to exceed $1,600,000 for the fiscal year ending June 30, 1976, not to exceed $400,000 for the three-month period ending September 30, 1976, and not to exceed $2,000,000 for the fiscal year ending September 30, 1977.

"Sec. 7. The authority granted by this Act terminates on September 30, 1977.".

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 409 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate resume consideration of the pending measure, S. 409, increased authorization for the Council on Wage and Price Stability.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. PROXMIRE. Mr. President, last summer Congress established the Council on Wage and Price Stability. The Council was established to monitor wage and price developments in the private economy, to review the inflationary impact of Government programs and actions, and to recommend measures for containing inflation. S. 409 would extend the expiration date of the Council from August 15, 1975 to September 30, 1977, and would authorize the appropriation of $1.6 million for the Council's activities for fiscal year 1976, $400,000 for the transition quarter from July 1, 1976 to September 30, 1976 and $2 million for fiscal year ending September 30, 1977.

In recent months, per annum inflation has subsided somewhat from the double-digit rates which were experienced last year. But nearly all observers agree that many economic sectors remain plagued by powerful inflationary pressures and forces. Nearly all agree also that the Council has done a good job and will continue to make a substantial contribution to the containment of inflation if the duration of its authority is extended and its budget increased modestly.

Your committee received testimony from witnesses representing manufacturing, merchandising, agriculture, organized labor, retired persons, and the academic community. These witnesses overwhelmingly supported extending the life of the Council and modestly increasing its budget authorization. The administration was represented by Dr. Albert Rees, the Director of the Council. He too supported these provisions. As reported, the bill is supported by the administration.

This was a bill which had a great deal of attention earlier in the year when many people felt we should have wage-price controls across the board. As originally introduced, the bill would have done that much, but it would have been kind of a compromise.

As originally introduced on January 27, 1975, S. 409 also would have increased the Council's powers by permitting it to issue subpenas to obtain records and information, to require prenotification of wage and price increases by large firms and large unions, firms that sold more than $250 million a year and unions with 5,000 or more members. It would have permitted the agency to delay any wage and price increase for up to 60 days.

In addition, as introduced, the bill required the Council to regulate the prices of "old" and "new" oil. With inflation subsiding there was insufficient support among committee members for these provisions and it was agreed that at the present time the committee should report a revised version of S. 409 simply extending the Council's life to September 30, 1977, and modestly increasing its budget authorization.

I should point out that any more vigorous proposal in the bill was opposed by both organized labor and by the business community. It should be recognized, however, that events move swiftly and that inflation which now appears to be contained can break out again, and more virulent than ever. If this should threaten, I would not hesitate to ask for prompt reconsideration of expanding the Council's authority along lines specified in the original version of S. 409.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Remarks made by Mr. PROXMIRE at this point are printed in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER FOR CONSIDERATION OF S. 200

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of S. 409, the Senate proceed to the consideration of S. 200, Consumer Protection Act of 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 2:45 p.m. today.

The motion was agreed to, and at 1:47 p.m., the Senate recessed until 2:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GRIFFIN).

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. GARN. Mr. President, Senator TOWER, who is not able to be here this afternoon, is the ranking minority member of the Committee on Banking, Housing and Urban Affairs. He concurs in the views I am about to express on S. 409.

Mr. President, the Council on Wage and Price Stability was established in August 1974 for the purpose of monitoring inflationary developments in our economy. The bill which we have under consideration today, S. 409, would extend the Council's life to September 30, 1977, and authorize the appropriations of $1.6 million for fiscal year 1976, $400,000 for the transition period July 1, 1976 to September 30, 1976, and $2 million for fiscal year 1977.

The Council was established last August amid serious misgivings. Only 3 months earlier, Congress had terminated the Cost of Living Council and the disastrous economic stabilization program under which the economy had been operating since August 1971. The establishment of the Council on Wage and Price Stability within several months of the termination of the Cost of Living Council's authority undoubtedly raised serious concerns that the country was back on the return track to a system of mandatory economic controls.

It is easy to understand why the establishment of the Council on Wage and Price Stability was viewed with concern, particularly in view of the disastrous effect which mandatory controls had on the Nation's economy. They produced shortages, dislocations in production, inequities to producers and consumers alike, and they contributed to our inflation problem by resulting in a rapid acceleration in wages and prices following their removal. That only compounded the inflation which we were experiencing from other sources. We are still feeling the effects of mandatory economic controls today, and we undoubtedly will continue to do so for some time to come. It would be difficult to find anyone who feels that the economic controls imposed under the earlier economic stabilization program were beneficial.

Against the background of continued inflation and concerns over the harmful effects of mandatory controls, President Ford requested the establishment of the Council in his first address to the Congress. He sought it in a spirit of seeking congressional support and cooperation in the battle against inflation.

At the time, overall prices in the economy were increasing in the range of 10 to 30 percent, depending on which measure of prices was being used. At the same time, wages were accelerating sharply as wage earners were attempting to keep up with rising prices. Nevertheless, Congress wisely demanded that if such a Council were to be established, it should not have any authority to impose or reimpose mandatory controls on prices, rents, wages, salaries, dividends or any other transfers. It was perfectly clear that the Council on Wage and Price Stability was not to become another Cost of Living Council under a new name.

This did not mean, of course, that the Council did not have authority to monitor the economy and identify sources of inflationary pressures. The Council was specifically authorized to review such factors as industrial capacity, demand, supply, economic concentration, anticompetitive practices, the structure of collective bargaining, improvement of wage and price data bases, and productivity by voluntarily acquiring data on wages, costs, productivity, prices, sales, profits, imports and exports from the private sector.

With regard to the public sector, the Council was authorized to review and appraise programs, policies and activities of U.S. departments and agencies, and was authorized to obtain any information it felt necessary from those departments and agencies. In both cases, however, it was not authorized under any circumstances to impose mandatory economic controls.

Under its limited authority, the Council has endeavored to identify sources of inflationary pressures in both the public and private sectors. It has testified or filed statements on more than 10 separate occasions with Federal agencies regarding the ratemaking decisions of those agencies. It has conducted hearings and studies in the behavior of wages and prices in a variety of industries and labor markets. In one case it was even successful in achieving a price rollback from earlier-announced intentions. But, it has done all of this without the authority to impose mandatory controls on the economy.

The decision not to give the Council mandatory control authority has been a wise one. The reimposition of controls, even on a selective basis, would have had the same disastrous results that the earlier economic stabilization program had. Moreover, the reimposition of control authority would have delayed the improvement which has taken place in the rate of inflation in recent months. In the absence of mandatory controls, the acceleration in prices, reflecting the "catch up" effect of prices being artificially held down under controls, was allowed to run its course, and there has been a marked improvement in the Nation's price situation since then. Wholesale prices have actually declined over the past several months, and prices at the consumer level have moderated substantially. A continuation of the earlier controls program would only have frustrated our efforts to return to an inflation-free environment, and the distortions and inequities would have been unbearable.

Mr. President, I ask unanimous consent to have printed in the RECORD some recent data on price changes. I believe that they show the improvement which has taken place in prices in recent months.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANNUAL RATE CHANGE IN SELECTED PRICE MEASURES, JANUARY 1974—MARCH 1975

	Wholesale prices		
	All commodities	Industrial commodities	Consumer prices
1974:			
January	40.3	27.2	13.5
February	19.4	29.0	15.7
March	15.1	41.3	13.6
April	14.3	38.5	6.2
May	16.7	38.2	13.5
June	5.8	30.5	11.3
July	55.0	38.4	8.6
August	57.6	34.9	17.4
September	1.1	13.1	16.9
October	33.7	14.2	10.8
November	15.7	10.8	11.4
December	−5.8	0.0	8.2
1975:			
January	−4.0	6.5	8.0
February	−8.8	6.6	7.9
March	−7.1	2.2	3.8

Mr. GARN. Mr. President, the committee's decision to seek an extension of the Council's life and additional funding at this time was not taken lightly. The fact that inflation has moderated raised questions about the need for extending the Council's life. And, certainly, there was widespread agreement among committee members that the Council should not be given any additional powers. Indeed, there was concern over what may happen once the legislation came to the Senate floor.

In view of the improvement in inflation and the possibility of unnecessary amendments being adopted on the floor, there was a great deal of apprehension among committee members regarding even proposing a limited extension of the Council's life. Nevertheless, in the belief that the Council's activities were not being disruptive to the economy and that it had no authority to impose controls in any form, the committee agreed, with some reservations, to a 2-year extension of the Council's life and the authorization for increased funding.

However, a number of amendments have been offered to the bill reported by the committee. Some of them are rather innocuous and even unnecessary in view of the broad directive under which the Council presently operates. Others are more substantive and, by any measure, certainly more controversial.

Taken separately, many of these amendments may not substantially alter the Council's authority, but taken together, they may spell out a new direction for the Council, and they may lead us back to the type of mandatory controls program which proved to be so disastrous to our Nation's economic well-being. I am not prepared, and I certainly hope my colleagues in the Senate are not prepared, to take any action which will turn the Council on Wage and Price Stability into the now-defunct Cost of Living Council through the adoption of unnecessary or unwise amendments to the bill presently before us.

RECESS UNTIL 3:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 3:45 p.m. today.

The motion was agreed to; and at 3:08 p.m., the Senate recessed until 3:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LAXALT).

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE U.S.S. "NIMITZ"

Mr. HARRY F. BYRD, JR. Mr. President, the President of the United States spoke in Norfolk, Va., this past Saturday. He was there for the commissioning of the U.S.S. *Nimitz*. The *Nimitz* is the world's most modern aircraft carrier. It was constructed at the Newport News Shipbuilding and Dry Dock Co. at Newport News. No other Nation can build such ships as the *Nimitz*, and no other shipbuilding company can build such a ship.

The *Nimitz* symbolizes the resources and the might of the United States. As the President asserted in his speech, it is a symbol of U.S. strength, U.S. resolve, and is made in America by Americans.

The State of Virginia was pleased to have had the President of the United States in Virginia twice this past week, once in Winchester, Va., for the 48th annual Apple Blossom Festival, and again on Saturday in Norfolk.

Mr. President, I ask unanimous consent that the text of the President's remarks be printed in the RECORD.

There being no objection, the remarks of the President were ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE COMMISSIONING OF THE U.S.S. "NIMITZ"

Distinguished Members of the Congress, Secretary Middendorf, Admiral Holloway, Admiral Cousins, Captain Compton, Mrs. Lay, distinguished guests, ladies and gentlemen:

At the outset, let me thank the Secretary of Defense for his more than generous comments, and let me simply reiterate the theme that he set forth. We will continue to be strong. We will keep our commitments, and we will remain a great country.

As each of us looks upon this great ship, a single thought must seize our mind. Only the United States of America can make a machine like this. There is nothing like it in the world today.

We have witnessed the magic moment when an intricate mass of steel and cable and sophisticated marvels of engineering suddenly become a living thing with a unique personality.

No matter how many commissionings you take part in, breaking the pennant and setting the first watch involves a special reward for all of us who love the sea and the United States Navy.

I thank you very much, Captain Compton, and all of the ship's company for the privilege of being here.

The *Nimitz* is now a United States Ship. I congratulate all who helped build her, and all who man her, as well as their loved ones who, as many of you know better than I, will do a lot of waiting for the sake of our country and of freedom everywhere.

Their allegiance and their service to the country is also in the very best tradition of this great Nation. We all regret that Mrs. Chester W. Nimitz, Sr., cannot share this proud honor with all of us, but I am happy that Mrs. Lay and other members of the Admiral's family are here.

It is also gratifying to have Admiral Rickover here for without these two farsighted submariners, Fleet Admiral Nimitz and Admiral Rickover, we would have no nuclear Navy.

Few of us remember that it was Admiral Nimitz, as he was completing his career as Chief of Naval Operations in 1947, who recommended to the then Secretary of the Navy that the Bureau of Ships and the new Atomic Energy Commission get together to design and to build a nuclear propulsion plant for a submarine. Admiral Rickover took it from there.

I see this great ship as a double symbol of today's challenging times. She is the first of all a symbol of the United States, of our immense resources, in materials and skilled manpower, of our inexhaustible energy, of the inventive and productive genius of our free competitive economic system and of our massive, but controlled, military strength.

Wherever the United States ship *Nimitz* shows her flag, she will be seen as we see her now—a solid symbol of United States strength, United States resolve made in America and manned by Americans.

She is a movable part and parcel of our country, a self-contained city at sea plying the international waters of the world in defense of our national interest. Whether her mission is one of defense, diplomacy or humanity, the *Nimitz* will command awe and admiration from some, caution and circumspection from others, and respect from all.

There is no need for me to dwell on the importance of aircraft carriers in today and tomorrow's defense planning, though as an old carrier man myself, I might like that role.

During recent days, I think it is worthy to note we have seen the most convincing demonstration of their readiness and their flexibility in the successful execution of national policy.

Without the fine aircraft carriers which served as the nucleus of our forces operating off South Vietnam, without the skill and the heroic performance of Marine Corps and Naval aviation and support personnel, without the Air Force helicopter crews who operated from the carrier decks, we could not have rescued all of the remaining American citizens and thousands of endangered Vietnamese from Saigon within 20 hours. And I congratulate, on behalf of all of you, the work that was done on that occasion.

The *Nimitz* joins the fleet at an auspicious moment, when our determination to strengthen our ties with allies across both great oceans, and to work for peace and stability around the world requires clear demonstration.

Along with our other forces worldwide, the *Nimitz* will make critically important contributions in our continuing quest for a peaceful planet, a planet whose surface is more than 70 percent ocean.

As I see the United States ship *Nimitz* as a symbol of the vast power, the protective, or productive, skill and economic strength of America, so' will others around the world.

To all, this great ship is visible evidence of our commitment to friends and allies and our capability to maintain those commitments. But for Americans, especially, she is also a symbol of the man whose name she bears.

The grandson of a seafaring German immigrant who grew up in the great State of Texas and never lost his pride in his native State, Chester W. Nimitz started from the smoke of Pearl Harbor and carried the fight to the enemy.

His superb leadership and the valor of more than 2 million American fighting men culminated on the deck of the USS *Missouri* four years later as he signed the Japanese surrender as commander-in-chief of the largest Naval armada ever assembled.

Looking back on a period of my own life, one of the things of which I am the proudest is that I can say, "I served under Admiral Nimitz in the Pacific."

As a lowly Lieutenant on the USS *Monterey*, a carrier you could probably stow on the hangar deck of the *Nimitz*, I saw very little of Fleet Admirals during World War II, but every Watch Officer can recognize the CINCPAC dispatches that Admiral Nimitz obviously had written in his own hand.

One biographer who did not know him, or who, I should say did know him, Professor B. Potter of the Naval Academy, summed up Admiral Nimitz' qualities in simple words, that will serve as a model for anyone who aspires to leadership in any line of endeavor, and I quote from Professor Potter: "He founded himself with the ablest men he could find and sought their advice, but he made his own decisions. He was a keen strategist who never forgot that he was dealing with human beings on both sides of the conflict. He was aggressive in war with hate, audacious while never failing to weigh the risks."

Admiral Nimitz, of all the great American Commanders of World War II, was one of the most self-effacing and certainly one of the most effective. He possessed great stamina, an abundance of common sense and such immense inner strength that he felt no need to strut or to shout.

Born near what today we would call the poverty level, he worked hard, studied hard and was a long time getting ahead. He spent his whole life training to serve his country in commanding men at sea—and when he was needed, he was prepared.

He learned by his mistakes and was tolerant of others, but he was always in command. Those who had the good fortune to know Admiral Nimitz will say his fundamental honesty—intellectual honesty and integrity—enabled him to keep a steady course toward his ultimate objective without yielding to the tremendous pressures of his vast responsibilities.

He did the job he was prepared to do, did it superbly, hung up his sword and filled his final years with quiet service to his country and to the cause of peace.

Repeatedly urged to write his wartime memoirs, Admiral Nimitz just as repeatedly refused. To do so, he explained, would compel him either to hurt the reputations of some fine shipmates or tell some whopping lies.

His own philosophy, in his own words, has long been a personal inspiration to me. Typically, he credited it to his seafaring grandfather. "The sea, like life itself is a stern taskmaster," he recalled. "The best way to get along with either is to learn all you can, then do your best, and don't worry, especially about things over which you have no control."

So, this great ship is a symbol of a great sea commander and a great American—one whose common virtues, magnified by the stern demands of duty—turned defeat into victory and made the broad Pacific again worthy of its name.

It is my determination to keep it that way, the way all oceans and all continents ought to be. But Fleet Admiral Nimitz and this fine ship both tell us that controlled strength is the sure guarantor of peace.

Let us all—and particularly those who serve in the United States Ship *Nimitiz* now and hereafter—rededicate ourselves to this principle and to unstinting service to our country and to its people.

Good afternoon, and Godspeed.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

AMENDMENT NO. 379

Mr. KENNEDY. Mr. President, I call up amendment No. 379.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. KENNEDY proposes an amendment numbered 379.

Mr. KENNEDY. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 23, strike out "September 30, 1977" and insert in lieu thereof "June 30, 1976".

Mr. KENNEDY. Mr. President, the purpose of this amendment is to set the expiration date for the Council's authority at June 30, 1976, rather than September 30, 1977, as in S. 409. I believe it would be unwise at this time to set the 1977 date, which might result in Congress ignoring inflation for the next 2 years. The Council is the Nation's first line of defense against inflation. Therefore, the Senate and House of Representatives should consider the Council's authority on at least a yearly basis, to insure that anti-inflation policy is on the right track in this critical period. The favorable recent CPI figures are no grounds for complacency. We must take every responsible step to guarantee that inflation is not rekindled. Now is the time to set a realistic anti-inflation policy in place.

Over the coming months, we have our best chance in perhaps a decade to bring under control the inflation that has been endemic in our economy in recent years. As the March consumer price index figures make clear, the worst of the recent bout of inflation now seems behind us. At last, we can multiply the monthly inflation rate by 12 and come out with an annual rate of inflation that yields a tolerable result. It is even safe to hope that, with a wise policy for the future, double digit inflation may be an aberration of the past.

In large part, it is the recession now working its harsh medicine on the economy that has brought inflation down from the heights of recent months. Now, therefore, the time is ripe to establish an anti-inflation policy for the future. We cannot afford to be lulled into complacency by one good CPI result.

It would be a mistake, therefore, for Congress at this time to approve a 2-year extension of the Council, as S. 409 proposes. We cannot afford to miss this opportunity to set in place a workable and realistic anti-inflation policy, and to provide adequate oversight to guide it.

If all we do is curse the deficit and cut the budget, our anti-inflation policy will fail again, and we will condemn the economy to future rounds of the inflation and recession that have so badly scarred the country in the recent past. The last thing the economy needs is another recession to fight the next inflation.

There is an additional advantage to beginning a vigorous anti-inflation policy now and guiding it effectively. It will enable us to achieve a faster recovery from the recession than may otherwise be possible or desirable. In fact, the danger of doing nothing is obvious—at the first breath of new inflation, the administration and the Federal Reserve may seek to abandon the fight against recession or stretch out the recovery, with the result that the country will be put through a lengthy and unnecessary period of slow recovery and chronic unemployment and slack capacity.

Let no one doubt the challenge we face. If we do nothing, if we allow inflation to burst forth again, then we can look ahead to yet another boom-and-bust cycle of the economy, and once again we may find ourselves in the position of fighting inflation with recession.

"We must not fight recessionary problems with inflationary cures," President Ford told the New York Society of Security Analysts earlier this year. True, but we also must not fight inflationary problems with recessionary cures.

Inflation is a serious problem. Its solution is going to strain our most enlightened economists and policymakers. But we cannot afford to ignore the challenge. We cannot afford to do nothing in the hope that inflation will simply fade away.

In the Council as it now exists, we are beginning to develop a sound base for noninflationary prosperity in the future. Let us get on with the job of developing effective remedies to end inflation, without resorting to the time-dishonored tactic of ravaging the economy in the process. If we have learned anything from our present economic troubles, let it be the lesson that this is the last time we will have to suffer, because of the dangerous myth that a scorched Earth policy of recession is the Nation's only answer to inflation. It is up to Congress to insure that better answers are being sought and found. By requiring a fresh look by Congress at the Council and its operations next year, we will be doing all we can to reach that goal. Surely, 1977 is too long to wait for that fresh look.

Mr. President, I understand this amendment will be the pending business tomorrow.

With that understanding, I suggest the absence of a quorum.

The PRESIDING OFFICER.. The Senator is correct.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGREEMENT FOR THE CREATION OF AN INTERNATIONAL OFFICE OF EPIZOOTICS; EX. M—93D CONGRESS, SECOND SESSION

The PRESIDING OFFICER. Under the previous order, the hour of 4 o'clock having arrived, the Senate will now proceed to vote on Executive M, 93d Congress, Second session, Agreement for the Creation of an International Office of Epizootics.

The resolution of ratification will be read for the information of the Senate.

The resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Agreement for the Creation at Paris of an International Office of Epizootics, done at Paris on January 25, 1924, with annexes (Ex. M, 93–2).

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the treaty.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive M, 93d Congress, 2d session, Agreement for the Creation of an International Office of Epizootics?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUYE) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) and the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Wyoming (Mr. HANSEN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. McCLURE), the Senator from Delaware (Mr. ROTH), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The yeas and nays resulted—yeas 82, nays 0, as follows:

[Rollcall Vote No. 162 Ex.]

YEAS—82

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Jackson
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
McClellan
McGee
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—17

Biden
Bumpers
Curtis
Eastland
Gravel
Hansen
Humphrey
Inouye
Javits
Johnston
Long
Mathias
McClure
McGovern
McIntyre
Roth
Tower

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of legislative business.

CONGRESSIONAL BUDGET DETERMINATION

Mr. MUSKIE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 218.

The PRESIDING OFFICER. (Mr. LAXALT) laid before the Senate House Concurrent Resolution 218, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $298,181,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

(2) the appropriate level of total new budget authority is $295,938,000,000;

(3) the appropriate level of total budget outlays is $368,213,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $70,032,000,000; and

(5) the appropriate level of the public debt is $619,900,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $88,900,000,000.

Mr. MUSKIE. Mr. President, I ask unanimous consent to strike all after the resolving clause and insert in lieu thereof the language of Senate Concurrent Resolution 32, as amended.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. I am happy to yield.

Mr. HARRY F. BYRD, JR. Will this make it more or less than the proposed figure to which the Senate agreed?

Mr. MUSKIE. The purpose of this procedure is to send the matter to conference; so this action by the Senate has no effect upon either the Senate concurrent resolution or the House concurrent resolution.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the concurrent resolution (H. Con. Res. 218), as amended.

The concurrent resolution (H. Con. Res. 218, as amended) was agreed to, as follows:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $365,000,000,000;

(2) the appropriate level of total new budget authority is $388,600,000,000;

(3) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $67,200,000,000 under existing law;

(4) the recommended level of Federal revenues under existing law is $297,800,000,000; and

(5) the appropriate level of the public debt is $617,600,000,000 under existing law.

SEC. 2. The Congress, in setting forth the amounts contained in the first section of this resolution, estimates that Federal receipts from the leasing of the Outer Continental Shelf for oil exploration purposes will be $4,000,000,000, rather than the $[illegible],000,000,000 estimated in the budget submitted by the President. If the $8,000,000,000 estimated is realized, the deficit set forth in paragraph (3) of the first section is $63,200,000,000 under existing law.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote by which Senate Concurrent Resolution 32 was agreed to be vacated and that Senate Concurrent Resolution 32 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, could we have a clarification of that request?

Mr. MUSKIE. May I say to the distinguished Senator from Virginia that the purpose of this procedure is to send back to the House of Representatives the House concurrent resolution with the House number, with the language of the Senate concurrent resolution attached. We will then be in disagreement with the House of Representatives on the same measure, and the House would then presumably request a conference to work out the language in disagreement.

Mr. HARRY F. BYRD, JR. So it is a procedural technicality?

Mr. MUSKIE. It is a procedural technicality.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. HARRY F. BYRD, JR., Mr. President, I ask unanimous consent that, following the recognition of the Senator from Illinois (Mr. PERCY) tomorrow, the Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10:30 a.m. following a recess. After the two leaders or their designees have been recognized under the standing order, Mr. PERCY will be recognized for not to exceed 15 minutes, after which Mr. JAVITS will be recognized for not to exceed 15 minutes.

At the conclusion of orders for the recognition of Senators tomorrow there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of morning business, the Senate will resume consideration of S. 409, a bill to confer additional authority on the Council on Wage and Price Stability. Votes on amendments thereto will occur and, hopefully, on final passage tomorrow.

RECESS UNTIL 10:30 A.M.

Mr. HARRY F. BYRD, JR., Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 a.m. tomorrow.

The motion was agreed to; and at 4:31 p.m., the Senate recessed until Tuesday, May 6, 1975, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 5, 1975:

IN THE NAVY

Rear Adm. Edward W. Cooke, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Jack N. Merritt, 446–22–2608, Army of the United States (lieutenant colonel, U.S. Army).

Col. Louis C. Menetrey, 557–32–3536, Army of the United States (major, U.S. Army).

Col. Guy S. Meloy, III, 460–64–4230, Army of the United States (lieutenant colonel, U.S. Army).

Col. William J. Hilsman, 500–30–3135, Army of the United States (major, U.S. Army).

Col. Hiram K. Tompkins, 081–32–8409, Army of the United States (lieutenant colonel, U.S. Army).

Col. William B. Burdeshaw, 253–44–4871, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Lawrence, 452–44–8487, Army of the United States (lieutenant colonel, U.S. Army).

Col. Maxwell R. Thurman, 237–42–0668, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edmund R. Thompson, 579–40–7802, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack L. Hancock, 232–38–0413, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ernest A. Vuley, Jr., 009–16–4706, Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry M. Roper, Jr., 452–40–7503, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard W. Anson, 284–20–5381, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Carlson, 262–38–1615, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Wetzel, 519–44–2999, Army of the United States (lieutenant colonel, U.S. Army).

Col. Story C. Stevens, 299–18–3409, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Schweitzer, 319–20–1756, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward C. Peter, 263–60–4591, Army of the United States (lieutenant colonel, U.S. Army).

Col. Weldon F. Honeycutt, 136–22–3792, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Moore, 223–40–5576, Army of the United States (lieutenant colonel, U.S. Army).

Col. Roderick D. Renick, Jr., 341–24–3781, United States Army.

Col. John B. Oblinger, Jr., 295–26–3909, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jerry R. Curry, 165–22–9599, Army of the United States (lieutenant colonel, U.S. Army).

Col. John W. Seigle, 286–20–4871, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles E. Canedy, 020–24–8362, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph N. Tenet, Jr., 225–20–5639, United States Army.

Col. Nathaniel R. Thompson, Jr., 183–20–5652, Army of the United States (lieutenant colonel, U.S. Army).

Col. Grayson D. Tate, Jr., 525–44–0510, Army of the United States (lieutenant colonel. U.S. Army).

Col. Robert S. Young, 258–20–9783, Army of the United States (lieutenant colonel, U.S. Army).

Col. Stan R. Sheridan, 564–30–2397, Army of the United States (lieutenant colonel, U.S. Army).

Col. John C. Bard, 369–26–5010, Army of the United States (major, U.S. Army).

Col. Gerald Childress, 225–36–3615, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald M. Babers, 525–50–5504, Army of the United States (major, U.S. Army).

Col. Robert L. Bergquist, 034–22–3682, Army of the United States (major, U.S. Army).

Col. Maurice D. Roush, 520–22–0514, Army of the United States (lieutenant colonel, U.S. Army).

Col. Elvin R. Heiberg III, 061–32–3110, Army of the United States (lieutenant colonel, U.S. Army).

Col. Tom H. Brain, 199–22–4900, Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard S. Fye, 553–34–6846, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lynwood B. Lennon, 246–46–4571, Army of the United States (lieutenant colonel, U.S. Army).

Col. Albert B. Akers, 410–64–1753, Army of the United States (lieutenant colonel, U.S. Army).

Col. Loyd F. Rhiddlehoover, Jr., 429–42–9238, Army of the United States (lieutenant colonel, U.S. Army).

Col. Phillip Kaplan, 497–20–4986, U.S. Army.

Col. Alan A. Nord, 503–24–3774, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph C. Racke, 139–22–6465, Army of the United States (lieutenant colonel, U.S. Army).

Col. John D. Bruen, 359–22–6681, Army of the United States (lieutenant colonel, U.S. Army).

Col. John M. Shea, 021–22–8988, Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Johns, 420–28–6963, Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank E. Serio, 014–20–3136, Army of the United States (lieutenant colonel, U.S. Army).

Col. William C. Louisell, Jr., 224–52–5192, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert C. Gaskill, 224–32–2389, Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward B. Atkeson, 224–52–6595, Army of the United States (lieutenant colonel, U.S. Army).

Col. William D. Lewis, 402–26–5697, Army of the United States (lieutenant colonel, U.S. Army).

Col. Elton J. Delaune, Jr., 434–38–5898, Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Freeze, 481–28–6201, Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor R. Defiori, 071–22–4485, U.S. Army).

Col. William J. Andrews, 236–28–5584, U.S. Army.

To be Brigadier General, Women's Army Corps

Col. Mary E. Clarke, 114–14–9578, Army of the United States (lieutenant colonel, U.S. Army).

IN THE AIR FORCE

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 and 9353, title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force.

Abbott, Barry S., 455–86–8516.
Abbott, Michael L., 430–06–2583.
Abshire, Thomas C., 341–48–7982.
Akers, Robert L., 288–52–0921.
Allen, Robert W., 587–58–8998.
Allison, Arthur B., 561–84–1074.
Anderson, Michael G., 757–60–1703.
Anewalt, David C., Jr., 409–02–5054.
Anhalt, David A., 478–68–3422.
Arnott, Winfield S., 153–36–4837.
Arter, James K., Jr., 280–48–8546.
Arthurs, James L., 057–42–7035.
Ash, Patrick J., 154–38–9735.
Ashcraft, William O., 585–66–1147.
Awtrey, Robert M., 251–02–1942.
Bailey, Jeffrey L., 430–06–0936.
Ball, Jon R., 043–46–3491.
Banker, Michael R., 508–74–3743.
Bannister, Stratford C., IV., 267–08–7796.
Barach, Steven E., 266–17–0360.
Barber, Steven L., 538–46–7841.
Barbera, Raymond T., 558–92–6371.
Barnes, Brian M., 578–62–9316.
Barnthouse, David A., 276–54–9486.
Barrentine, Gary E., 585–56–3883.
Barrett, Randall R., 107–44–1113.
Barrowclough, John D., 201–42–5710.
Barton, John A., 475–64–5162.
Battazzo, Floyd J., 459–92–4536.
Bauman, Wendell D., 530–44–4666.
Baxter, Scott W., 004–48–5599.
Baxter, William D., 056–46–9523.
Beadling, Charles W., 263–04–0823.
Beam, Charles J., 270–42–0363.
Bean, Ronald L., 256–78–4761.
Beatty, David B., 522–84–6545.
Beck, David E., 261–13–6530.
Bednar, Bryon J., 504–64–8515.
Beeman, David P., 555–94–2458.
Benbow, Richard L., 450–94–5956.
Benjamin, Philip G., II., 069–44–4652.
Benner, Joseph C., 393–58–2709.
Bergman, Charles K., 473–64–8602.
Berlan, Gregory J., 386–58–8293.
Bertz, Mark W., 371–58–6930.
Bethards, John P., 343–48–9970.
Biedermann, Michael H., 145–48–0065.
Billingsea, Arthur C., II., 230–76–2934.
Bishop, Kelley B., 364–48–1479.
Bishop, Larry T., 488–58–1826.
Bitton, Dennis F., 522–68–7632.
Blackburn, Stephen M., 410–88–3793.
Black, Gregory D., 383–58–7731.
Blatchley, Peter A., 120–40–5482.
Blessinger, David., 304–62–4667.
Blissit, James A., Jr., 258–72–6536.
Bock, Kurt F., 352–48–7693.
Bosma, Marinus B., 301–48–8114.
Bottomley, Larry D., 332–48–5911.
Bouffard, Brian A., 114–46–9219.
Bowers, Richard K., Jr., 265–02–5816.
Braun, Gilbert L., 394–60–9647.
Bready, Alvin, 276–54–1573.
Brooks, Dennis P., 419–70–8280.
Brooks, John F., 557–98–2018.
Brown, Stephen R., 528–78–1727.
Brundige, Thomas W., IV., 217–62–6016.
Bryant, Joseph C., 231–80–8296.
Bryant, Larry W., 585–50–8690.
Buchta, William G., 391–52–5518.
Buck, Charles H., Jr., 564–92–5406.
Buckley, Michael O., 570–92–9253.
Bugbee, Dale R., 546–96–0378.
Budinsky, Christopher J., 291–52–8555.
Buhyoff, Eric J., 108–44–8530.
Burda, Dan S., 540–56–6792.

UMI

Burkett, Daniel L. II. 505-66-2819.
Burling, James R., Jr., 345-44-1765.
Burns, Kevin P., 046-38-8022.
Burns, Thomas A., 466-98-0585.
Burns, Walter L., 266-02-8075.
Buron, Raoul J., Jr., 553-92-4196.
Butalia, Paul E., Jr., 315-60-0231.
Byers, Donald C. II, 377-58-1294.
Byrd, Charles E., Jr., 263-21-2924.
Cain, James E., Jr., 276-54-9297.
Calhoun, Thomas J., 343-48-7212.
Caraway, John R., 463-78-7043.
Carlson, James W., 547-92-0114.
Carroll, Joseph L., 293-54-6156.
Carrothers, William T., 527-02-2059.
Carson, Harvey S., 456-88-7653.
Carter, Dennis N., 276-54-6190.
Caskey, William M., 350-46-5847.
Cason, Wilbert J., 292-50-2135.
Cass, John R., Jr., 450-80-6370.
Castan, Keith D., 173-46-7328.
Chanick, Richard A., 521-74-5168.
Chapman, Daniel W., 215-48-7321.
Chapman, Randall W., 559-96-2992.
Chappell, Matthew J., II, 215-64-7014.
Charlton, John E., 327-52-2705.
Christen, Craig T., 282-54-5619.
Christian, Frank W., 316-60-6613.
Clark, William R., 356-38-9091.
Clemons, Thomas M., 216-60-2647.
Clough, David A., 507-68-7073.
Colburn, Lee J., 452-02-3001.
Colletti, Laurence J., 461-98-5085.
Colley, James A., II, 405-78-6790.
Collier, Greg D., 254-74-5588.
Collins, Stanley J., 027-38-0655.
Coman, Michael S., 420-72-3043.
Commeford, Chris R., 576-60-3384.
Commons, David L., 217-64-9630.
Conticchio, Gerard E., 149-44-7491.
Cooke, Hal J., 258-92-7462.
Cook, George R., 419-68-9855.
Cooper, Jan C., 085-42-5999.
Copeland, Eugene T., 555-96-1308.
Correll, Bruce N., 315-60-3764.
Corrigan, James M., 313-60-9615.
Corsetti, William V., 119-44-3525.
Cosby, Willie J., III, 569-82-0686.
Cox, Gary W., 512-54-6580.
Cox, Marvin D., 249-98-9942.
Cox, Michael E., 259-88-6760.
Craig, Robert G., 401-80-1828.
Crenshaw, Larry D., 317-58-6114.
Crider, Michael E., 218-54-8754.
Crist, Robert W., 540-66-0324.
Cross, Lee T., 213-62-6226.
Cunningham, David F., 585-40-5644.
Cunningham, Donald L., 174-44-3211.
Czabaranek, John,, 560-82-4374.
Dahlstrom, Arvid E., Jr., 096-44-0655.
Dailey, John M., 189-44-1125.
Dalson, William A., 193-44-2394.
Daly, John F., 522-82-6098.
Darchuk, Wayne S., 231-64-3923.
Darner, Thomas L., 271-54-8787.
Davis, James D., 576-60-1944.
Davis, Randall M., 510-60-7617.
Davis, William K., 545-84-4672.
Davis, William V., 267-06-7621.
Dearien, James N., II, 460-96-1006.
Deres, Joseph M., 311-60-2571.
Defoliart, David W., 388-60-1666.
Dehart, Michael E., 343-40-6507.
Delaune, Daniel M., 266-21-4451.
Della, Joseph B., 068-46-2633.
Dellapia, Max H., 374-60-0092.
Deloney, John M., 419-74-7553.
Demitry, Lee F., 149-42-4180.
Demoisy, Charles C., 542-66-2955.
Dennis, Michael J., 331-40-2008.
Deren, Paul S., 223-66-0044.
Desisto, Paul, 019-42-6754.
Devries, Curtis A., 526-02-7169.
Dichter, Andrew S., 136-48-7838.
Dieffenbach, Otto W., III, 219-60-6304.
Diehl, Arthur F., III, 506-64-6363.
Dill, James E., 010-42-6485.
Doeppner, Ronald S., 226-78-5628.
Dohner, Charles F., 364-52-1370.

Donnelly, Mark S., 527-82-1[illegible]93.
Donovan, Kevin F., 516-66-[illegible]423.
Dorsey, Robert D., 004-56-2507.
Douglas, Don R., 528-72-53[illegible].
Dowdy, Joseph E., 207-44-2653.
Dowling, Lawrence R., 459-0[illegible]-1691.
Dressell, Frank F., 045-38-71[illegible]8.
Drow, Willy H., 048-44-3916.
Dubuisson, Frank J., 454-96-5434.
Duesing, Richard M., 458-76-7471.
Duffy, Brian, 031-40-9775.
Duhachek, Richard F., 479-7[illegible]-6310.
Dunbar Gregory R. 561-96-2[illegible]90.
Duncan Terry A. 284-48-952[illegible].
Duresky Stephen J., 404-64-[illegible]886.
Dyche, David D., 567-88-2807.
Dye, Richard R., 061-46-2386.
Eaton, Robert A., 251-02-587[illegible].
Edgar, Samuel G., III, 301-52-4926.
Edstrom, Bruce K., 473-66-3[illegible]80.
Ehrhart, David G., 506-70-5401.
Eickelman, Steven A., 521-82-4688.
Eken, James K., 489-60-9191.
Ellis, Donald S., 195-44-6742.
Else, Steven E., 460-96-8747.
Engleson, Thomas P., 583-66-0324.
Erving, Claude M., 467-02-68[illegible]3.
Esposito, Henry, 072-46-5939.
Estelle, William L., 136-44-5[illegible]35.
Exelby, Gary A., 570-88-0062.
Facenda, Joseph V., Jr., 228-[illegible]0-3132.
Falkovic, Frank D., Jr., 502-5[illegible]-1931.
Falvey, Daniel L., 225-80-692[illegible].
Fantasia, Mark E., 022-44-68[illegible]1.
Fariss, Laurence A., 542-62-6[illegible]67.
Farnham, John S., 482-72-19[illegible]0.
Farr, Robert A., 573-88-8741.
Faust, Dean C., 479-62-3784.
Fedderson, Craig R., 556-76-[illegible]904.
Fellows, James A., 096-40-75[illegible]1.
Ferguson, David C., 467-78-4[illegible]98.
Fillar, Christopher A., 206-44-4985.
Finke, Richard A., 306-56-5[illegible]2.
Finn, Kenneth M., 012-36-08[illegible]5.
Finn, Thomas P., 351-46-277[illegible].
Fitz, Michael S., 409-84-2446.
Fleming, David L., 468-62-66[illegible]8.
Flickinger, William C., 303-5[illegible]-3030.
Flynn, Collin F., 564-98-5701.
Fong, Matthew K., 546-72-81[illegible]8.
Foreman, James P., 247-02-6[illegible]01.
Forinash, Dennis R., 496-60-[illegible]650.
Foster, James E., II, 211-44-6[illegible]99.
Fouts, John D., 476-64-3436.
Fraley, Thomas, 180-40-9331.
Franklin, George E., Jr., 547-[illegible]4-4684.
Fraser, Douglas M., 521-70-7[illegible]05.
Freed, Thomas R., Jr., 507-68-6491.
Frick, Gregory B., 315-58-982[illegible].
Fritzsche, Bruce H., 348-40-[illegible]439.
Fritz, John D., 382-62-6318.
Fry, Mark W., 535-54-5686.
Gabrys, Karl F., Jr., 371-62-1[illegible]32.
Gambrell, Robert L., Jr., 249-[illegible]2-5907.
Garland, Frank S., 458-84-52[illegible]5.
Garrett, Michael F., 529-74-2[illegible]48.
Garrett, Thomas F., 495-52-[illegible]970.
Gaughan, John F., II, 303-58-4735.
Girson, Steve T., 419-70-230[illegible].
Gieser, Gregory S., 547-02-63[illegible]5.
Gillette, Thomas L., 162-38-[illegible]357.
Gilliam, Mark M., 548-86-490[illegible].
Gill, Michael W., 278-54-360[illegible].
Glonet, David E., 129-40-586[illegible].
Glaeser, Chris R., 560-88-214[illegible].
Goetsch, Chris G., 543-62-66[illegible]9.
Gomes, Brian V., 293-50-719[illegible].
Goodale, Roy A., 527-98-002[illegible].
Gorenc, Stanley, 397-60-827[illegible].
Goyden, Michael V., 151-46-[illegible]335.
Grace, Lance C., 318-46-9928.
Grady, Kevin M., 521-82-986[illegible].
Grasso, Richard J., Jr., 048-[illegible]0-2292.
Gravelle, Thomas J., 287-42-[illegible]006.
Graves, Jeffrey C., 294-52-83[illegible]6.
Gravette, Bruce R., 522-78-4[illegible]41.
Gray, Hugh G., 037-36-0234.
Green, Allen M., 213-50-0627.
Gridley, James R., 228-62-91[illegible]1.

Grieder, Felix M., 345-44-988[illegible].
Groathouse, Steven G., 506-74-6006.
Gronseth, Phillip W., 474-66-0423.
Gudmundson, Michael L., 529-76-2906.
Gunther, Donald F., 295-54-6[illegible]76.
Gunther, Rodney B., 332-48-7[illegible]38.
Haas, Steven M., 272-56-3739.
Hackett, Jeffrey L., 569-84-416[illegible].
Hallada, Marc R., 374-60-7484.
Hall, Brent D., 407-78-3847.
Hall, Richard M., 401-80-5435.
Hamilton James R. 518-66-07[illegible]4.
Hammond Scott A., 293-54-16[illegible]3.
Hancock, Warren D., 408-94-0[illegible]23.
Hanifen, Dan W., 217-60-3441.
Hanner, Dale R., 245-88-5489.
Harding, Lawrence W., 189-44-5979.
Hargrove, Julius L., 423-74-0[illegible]46.
Harrison, Douglas M., 545-98-0096.
Hartney, James E., 040-50-87[illegible]7.
Hartwell, Thomas A., 261-19-[illegible]441.
Hathaway, Patrick J., 548-94-4176.
Haugen, David A., 502-84-243[illegible].
Heald, Charles R., 496-62-956[illegible].
Heald, James R., 558-78-3354.
Heath, Robert D., 429-08-807[illegible].
Heil, Michael L., 213-64-4267.
Held, Gary A., 486-60-1894.
Henk, John W., 477-64-3728.
Hennek, Roderick E., 505-68-[illegible]046.
Hennessey, Peter J., 545-04-1[illegible]71.
Henney, Donald W., III, 556-[illegible]2-8351.
Henry, Michael, 285-54-5203.
Hensley, David R., 225-82-89[illegible]6.
Hente, Scott B., 585-16-1739.
Heriot, James H., 202-40-179[illegible].
Herlong, David W., 417-62-21[illegible]0.
Herring, Robert W., III, 417-7[illegible]-1977.
Hevey, Bruce G. P., 005-52-63[illegible]7.
Hickcox, Robert C., 123-46-06[illegible]1.
Hickman, David G., 225-78-6[illegible]20.
Hilbun, Ted A., 415-92-5481.
Hildebrand, Kevin D., 313-58-1370.
Hippler, Charles K., 264-06-8[illegible]27.
Hodge, Kenneth L., Jr., 278-54-8240.
Hoey, Rex R., 445-48-9172.
Hoganson, Eric H., 391-46-549[illegible].
Holland, Edward C., III, 417-[illegible]4-8363.
Holley, Eugene M., 527-70-346[illegible].
Hollins, Samuel D., 415-68-6[illegible]7.
Holmes, Mark D., 262-13-808[illegible].
Holmes, Mark K., 540-66-146[illegible].
Holton, William J., 524-80-30[illegible]3.
Hopkin, Bruce T., 090-46-342[illegible].
Hossler, Kenneth L., 289-44-0194.
Howard, John D., 263-11-041[illegible].
Howes, Mark D., 313-60-7518.
Huddleston, Byron E., 457-02-5744.
Huffman, John T., Jr., 472-62-8353.
Hughes, William E., III, 391-[illegible]4-6184.
Hussey, Steven J., 554-88-756[illegible].
Isabelle, Marc D., 009-36-584[illegible].
Jaeger, Bruce R., 353-48-3025.
James, Randal K., 370-62-24[illegible]6.
Janelli, Gary A., 128-44-3798.
Jannetta, David L., 184-42-7[illegible]10.
Janson, John P., 390-48-2721.
Jefferson, Mark L., 506-74-29[illegible]2.
Jenson, John W., 517-62-0421.
Jewell, Gary S., 221-32-1327.
Johnson, David W., 581-92-0[illegible]76.
Johnson, Walter R., Jr., 212-6[illegible]-4256.
Johnston, Michael W., 328-46-3802.
Jones, Duane A., 576-52-1765.
Jones, Philip R., 439-88-8259.
Jones, Richard K., 435-74-43[illegible]8.
Jones, Stanley E., 304-50-585[illegible].
Joslin, Randall G., 008-42-80[illegible]7.
Kahiapo, Joseph W., Jr., 575-[illegible]4-8344.
Kallman, Roderick R., 143-44-4714.
Kambourian-Bartolome, Juan, 583-32-5461.
Kasl, Edward L., 509-54-9997.
Kearns, John A., 167-44-0122.
Keene, David N., Jr., 451-98-5[illegible]08.
Keen, Stephen M., 033-42-19[illegible]3.
Keith, Claude R., Jr., 231-64-[illegible]149.
Kelly, William W., 225-66-55[illegible]3.
Kemp, Terrill L., 523-80-8614.
Kemp, Thomas W., 566-92-5[illegible]37.

Kendall, Phillip L., 309-57-0610.
Kennon, John W., III, 218-62-1907.
Kent, Paul E., 466-78-5034.
Kent, Steven J., 456-80-4470.
Ketchie, Barry M., 237-94-3129.
Killingsworth, Paul S., 547-72-6736.
Kim, Richard H. Dong, 576-66-8608.
Kirschling, Ronnie J., 397-50-3154.
Knabel, Thomas L., 453-96-3020.
Knauff, Robert A., 156-46-5052.
Korza, Marvin E., 521-80-7630.
Kochevar, James M., 468-64-7067.
Kocian, Thomas C., 506-76-7721.
Koelling, John H., 473-66-0737.
Kolakowski, Daniel V., 049-48-8108.
Kovach, David J., 286-52-8844.
Kraft, Daniel D., 279-54-6370.
Kratzer, Gregory J., 162-40-2354.
Krogh, Peter S., III, 323-46-9813.
Krukowski, Alan M., 324-50-2069.
Krumeich, Jeffrey D., 346-46-4382.
Kryst, Thomas E., 371-60-7951.
Kummerfeld, Jack R., 563-86-1849.
Kundert, Corrie J., 561-92-0408.
Kurey, William S., 096-42-9539.
Ladd, William C., 406-78-6960.
Ladieu, John D., 001-42-4175.
Lafave, David A., 391-46-7368.
Lain, Douglas J., 303-56-8352.
Lamy, Perry L., 001-42-4559.
Landolt, Gregg E., 154-44-3283.
Langford, Donald R., 559-88-0824.
Lanzit, Kevin M., 549-94-8367.
Laurie, Thomas A., 013-44-5107.
Layman, Richard L., 295-48-6631.
Leiker, Arthur L., 223-82-4014.
Lenci, Mark R., 473-66-9095.
Lerum, Steven A., 571-96-8357.
Leskowski, Edward B. 2nd, 560-94-6909.
Leuschen, Michael W., 483-60-1117.
Levesque, Jerry L., 005-46-2484.
Lewallen, Eric C., 561-88-5561.
Lewis, Donald O., 256-86-2267.
Lewis, Olis L., Jr., 453-96-3199.
Limanni, Alex, 157-44-3362.
Lindsey, Brad A., 516-66-5264.
Linn, William E., 563-84-1574.
Linster, Bruce G., 334-48-2165.
Lischak, Michael W., 073-46-9631.
Little, Michael C., 548-90-4018.
Livingston, David K., 298-42-6006.
Lodridge, Duane J., 435-84-8683.
Logan, Brad A., 202-42-3392.
Loose, Michael D., 394-58-6847.
Lorenz, Oliver E., 215-60-1406.
Losi, Peter C., 209-44-5790.
Lotakis, Paul G., Jr., 084-46-3894.
Loucks, John A. III, 389-60-9863.
Lyerly, William H., Jr., 220-58-3197.
Lynn, Ray B., 113-46-6810.
Lynn, Robert C., 541-56-0896.
Lyons, Robert L., 259-92-6338.
MacDonnell, John L., 034-42-7439.
Macken, Jerome S., 057-46-4950.
Maddox, Donald K., II, 296-54-2085.
Magee, John M., 526-78-0583.
Mahoney, James D., 508-72-4298.
Mahrer, Daniel, 501-58-2989.
Maiorand, William, 096-46-5355.
Mallo, Edwin P., 244-86-4472.
Mandeville, Bradley W., 536-58-0492.
Manthei, Jerry L., 353-42-0511.
Marburger, James H. 466-80-5476.
Marcuzzo, Peter L., 507-74-3375.
Marino, Stephen P., 042-50-6968.
Markovich, Terry L., 365-54-1662.
Marksteiner, Joseph P., 223-82-8789.
Mark, Michael J., 416-64-5578.
Marlow, John H., 585-16-5853.
Marro, Michael C., 454-02-7432.
Marr, Robert K., Jr., 578-62-7897.
Marshall, James P., 060-38-2354.
Marshall, James R., 542-64-2537.
Martin, Luther S., 452-02-9466.
Martin, Phillip D., 547-90-8285.
Martin, George B., Jr., 011-46-9277.
Mason, Randolph J., 267-17-8844.
Masters, Mark C., 499-58-2105.
Mathis, Harry P., III, 224-76-5846.
Matson, Gary R., 383-54-1718.

Matte, Robert M., 329-48-5911.
Matt, Craig P., 393-54-0143.
May, Joseph A., 080-46-8540.
McAlister, Richard W., 570-82-3806.
McAllister, Branford J., 565-86-9473.
McBride, James, 444-48-1869.
McCarthy, David C., 260-90-9156.
McClain, George T., 382-60-1976.
McClendon, Mike H., 453-80-6584.
McCollum, Edward M., 265-02-6911.
McConnell, Mark D., 185-44-5510.
McCorry, Daniel C., Jr., 404-78-2748.
McDaniel, David C., Jr., 219-46-8750.
McDonough, Donald K., 117-42-2223.
McFarland, Clarence A., 585-48-3487.
McGirr, Lawrence R., II, 564-90-6601.
McGraw, Warner R., 452-86-5804.
McIntosh, Richard A., 542-68-2197.
McKee, Thomas N., 213-48-2965.
McKim, Michael L., 440-56-9149.
McLucas, Charles F., III, 212-64-3520.
McVay, Michael G., 504-62-1878.
Mefford, Colt A., 553-78-6032.
Mellen, Dennis E., IV, 524-78-1399.
Mellum, Marlo D., 474-62-3357.
Meraviglia, John M., II, 264-19-4464.
Meteer, Philip C., 380-60-5062.
Meyerrose, Dale W., 314-58-1611.
Micheletti, Gerald F., 475-66-8237.
Michelini, James G., 351-48-2312.
Miglin, Robert N., 151-48-2384.
Miller, Douglas L., 202-44-3733.
Miller, Martin E., 515-58-0174.
Misch, John, 389-56-6857.
Mitchell, Bruce R., 490-58-4851.
Modrich, Mark J., 375-62-6805.
Molzon, Charles P., 144-42-2800.
Monroe, Lee J., 440-56-3983.
Montgomery, Kenneth P., 441-56-2916.
Moran, Patrick, 286-52-5642.
Morris, Steven L., 461-04-6134.
Morrison, Robert A., 473-68-2729.
Morrison, Robert J., III, 051-48-5056.
Morse, Charles D., 585-16-2684.
Murdoch, Michael B., 174-46-5099.
Murphy, Timothy G., 573-90-2919.
Murray, William P., IV, 491-58-8426.
Myers, David K., 277-52-1824.
Naas, Craig W., 398-54-3783.
Narkiewicz, Michael J., 298-44-4183.
Narzinski, Paul J., 499-56-0817.
Nash, Allan H., 101-46-0096.
Nease, Kennth E., 273-46-4403.
Nelson, Douglas, 465-96-7405.
Nelson, Kurt J., 519-66-9127.
Nelson, Mark E., 498-58-8955.
Nelson, Waynard J., 279-42-2494.
Neumann, Vance J., 228-76-6224.
Newland, Russell L., III, 258-92-3837.
Newton, Eric A., 248-98-1312.
Nichols, Stephen L., 483-70-3265.
Nickel, Frederick E., Jr., 269-48-6296.
Niehans, Cary A., 550-70-6514.
Noble, David R., 504-70-0758.
Nobles, Clayton M., 253-86-5916.
Noetzel, Jonathan C., 348-48-5084.
Novak, Donald F., 230-76-6326.
Nystrom, Charles W., Jr., 157-48-2796.
O'Brien, Joseph P., 451-98-5507.
O'Connell, William T., 219-64-3166.
Odegard, Rick E., 537-58-2986.
Offutt, Frederic W., 523-62-9403.
Ogreen, Mark R., 485-70-1083.
Ohgren, Gunnar A., 545-88-0686.
Oleksey, John P., Jr., 210-42-6788.
Olesak, Richard P., 010-44-4966.
Olson, Roger T., 552-88-1255.
Oreshoski, Gary J., 392-58-7962.
Orwig, Robert A., 252-90-5445.
Osborne, William B., 497-56-1709.
Oshea, Michael F., 046-38-1028.
Ossiff, John, 566-96-1370.
Osteen, James D., Jr., 579-70-1169.
Osterheld, Douglas C., 398-44-4636.
Owens, John P., 337-46-1332.
Ozment, Richard J., Jr., 438-82-4355.
Paczosa, Gary L., 478-62-0645.
Page, Thomas A., 502-58-4883.
Palmer, Steven M., 225-80-2690.
Parker, Theodore J., Jr., 549-96-6586.

Park, Richard C., 083-44-8598.
Parsons, Charles K., 565-82-6240.
Paterson, Bruce L., 557-92-7277.
Paul, Ralph, 148-44-0345.
Pearce, Phil L., 242-84-9999.
Peck, Allen G., 262-17-1135.
Pekarsky, Walter A., 454-96-2652.
Percival, Wilhelm F., 533-60-2859.
Perry, Michael E., 392-60-3807.
Peters, Michael S., 389-58-8545.
Peterson, Carl I., 524-78-9094.
Peterson, Thomas L., 484-70-0900.
Phillips, Benjamin W., Jr., 576-58-9751.
Piontek, Philip T., 314-62-1992.
Plotter, Alison L., 508-70-3268.
Pitotti, Stephen J., 233-76-1507.
Pitts, Jess B., 264-98-9498.
Pomrenke, Gernot S., 431-06-9415.
Popp, Thomas D., 537-58-0979.
Posey, Gregory H. Gilbert, 455-94-1543.
Posthumus, Mark A., 475-66-2487.
Powell, Raymond R., 227-80-6705.
Powers, Steven C., 258-92-7670.
Prater, Jeffrey C., 250-04-4159.
Pratt, David P., 479-72-9146.
Provost, James T., 277-50-6807.
Putt, Kerry R., 118-38-4117.
Pyatt, Richard L., 027-42-8372.
Ramstad, Raider F., Jr., 213-62-3603.
Rayburn, Bentley B., 493-60-1485.
Reay, Roderick D., 008-36-3843.
Redmann, Steven J., 502-62-1838.
Reese, Michael S., 573-92-7030.
Rhoads, Walter E., 569-78-7868.
Rhye, Ralph C., 242-90-7264.
Rice, Roy E., 432-02-4533.
Richter, Lawrence L., Jr., 252-92-8702.
Ridge, Lawrence K., 031-42-0138.
Riordan, Charles F., III, 585-18-9171.
Risi, Mark L., 360-48-6612.
Roberts, Randy W., 566-94-6910.
Roberts, Spencer J., 523-84-2999.
Rogers, Mark B., 387-48-6135.
Rohde, William S., 338-48-9625.
Romanowicz, Phillip M., 046-42-3170.
Rorabaugh, James D., 175-46-0098.
Rosborg, Eric J., 053-44-2128.
Rosebush, Michael A., 523-82-2006.
Roth, Rudolf R., 559-84-6882.
Routh, John W., 486-62-9407.
Rowland, Mark E., 136-44-8510.
Roznovsky, Michael E., 458-96-8967.
Ruddock, David A., 352-48-5786.
Rupel, Patrick E., 457-02-2625.
Russell, Byron C., 416-78-7759.
Ruth, Michael E., 552-98-7545.
Ruth, Richard G., 496-62-5210.
Ruttler, James L., Jr., 585-50-8420.
Ryals, Samuel K., 538-56-3548.
Ryan, Robert W., 432-04-0522.
Saenger, Philip R., 244-84-9997.
Salvemini, Leonard A., 556-74-1646.
Sanders, Leslie A., 030-38-2616.
Santner, John F., 300-46-3722.
Sargent, Charles D., 542-56-0879.
Sarver, Richard E., 230-78-3832.
Sawyer, Roy R., 438-92-8722.
Saxman, John B., 166-44-3464.
Schell, Walter J., 280-56-0210.
Schempp, Eugene P., 156-46-7881.
Scherer, John C., 397-48-5637.
Schiemann, Daniel S., 229-76-3949.
Schmeling, Charles E., 263-06-3294.
Schmitt, Gregory L., 014-44-4439.
Schmitz, Charles B., 131-46-4968.
Schmitz, David D., 390-60-0546.
Schnell, Kenneth F., 200-38-3355.
Schoener, Stanley L., 064-46-2530.
Schoning, Mark W., 223-82-9829.
Schuessler, William M., 007-52-4670.
Schuman, James S., 166-44-4509.
Schwartz, Carl P., 149-42-2603.
Schwarz, Kimberly C., 509-62-1351.
Scott, Craig T., 576-66-7848.
Scott, Mark W., 057-46-4570.
Scruggs, Jimmy R., 433-88-1655.
Scully, Robert J., Jr., 368-62-1756.
Seifert, Gary R., 166-44-9599.
Shappell, Robert L., 196-38-9665.
Sharp, Eric W., 523-84-6140.

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Sheppard, Randy E., 455-88-9836.
Sheridan, Joseph G., 497-60-5796.
Shields, David C., 241-88-7263.
Shields, William R., 433-92-3450.
Shine, John J. 3d, 032-42-3065.
Shope, Mark L., 492-56-3680.
Shugart, Gary W., 485-70-2321.
Siefke, Stanley P., 110-42-2479.
Sienkiewicz, Edward M., Jr., 263-06-4299.
Simmons, Charles J.,, Jr., 454-96-5660.
Simonitsch, James M., 495-56-6226.
Simpson, Michael A., 505-72-5675.
Sims, John G., 223-76-4721.
Siniscalchi, Joseph W., Jr., 353-48-1567.
Skattum, Mark H., 393-48-5076.
Skillman, Thomas C., 139-48-8956.
Skinner, Scott R., 585-68-7018.
Smith-Harrison, Leon T., 552-86-2138.
Smith, Dale C., 002-40-7668.
Smith, Kenneth P., 304-54-9995.
Smith, Kevin W., 534-58-3867.
Smith, Scott M., 277-54-8527.
Smura, Thomas E., 058-46-3977.
Snelgrove, Donald N., 042-50-6956.
Snyder, Russell R., 534-46-7026.
Soto, Christopher C., 527-86-9847.
Speer, Danial W., 450-06-4558.
Spencer, James W., 224-80-2640.
Spraggins, Dean C., 105-46-8195.
Sprenkle, David A., 208-44-8992.
Spring, Scott H., 211-44-7022.
Stallone, Theodore G., 088-46-3369.
Stapley, Jonathan S., 527-11-4485.
Stefaniuk, Oleh I., 343-48-5201.
Stein, Joseph P., 178-46-2625.
Stephan, Billy W., Jr., 455-04-1779.
Steward, John M., 202-44-2183.
Stewart, James W., 265-76-7967.
Stewart, Robert C., 177-46-6472.
Stewart, William P., Jr., 222-40-8889.
Stich, Steven A., 397-48-7527.
Stickney, Mark W., 002-38-3394.
Stinson, Kelly D., Jr., 422-76-2973.
Stoddard, Albert T. 3d, 069-42-7272.
Stone, David H., 089-46-8745.
Storer, John W., 394-60-3430.
Straight, Michael L., 470-68-4741.
Striegel, Edward A., 138-48-9912.
Strunk, Peter P., 297-42-0484.
Stults, John C., Jr., 267-04-9038.
Stumpp, Frederick G., Jr., 047-48-3757.
Stytz, Martin R., 342-48-2959.
Sullivan, John F., 153-46-4940.
Summers, Thomas S., 145-46-5096.
Sutton, John R., 091-44-6364.
Swanson, Scott K., 393-58-51[illegible]8.
Swiderek, William M., 334-44-2726.
Symens, Terry M., 563-84-344[illegible].
Takacs, Richard A., 559-92-9219.
Tamkun, John E., 048-40-505[illegible].
Tasker, Frederick L., 452-96-[illegible]124.
Taylor, William H., 405-78-6507.
Terry, Sanford S., 530-46-188[illegible].
Thaller, Gary P., 141-44-5270.
Thisted, Blair J., 536-54-3361.
Thomas, Jeffrey S., 299-52-46[illegible]9.
Thompson, Frederick H., 414-94-2316.
Thompson, Robert G., 557-74-7592.
Thompson, William F., 538-58-1291.
Tiabitts, Stephen W., 105-42-[illegible]950.
Tillotson, David I., 418-78-54[illegible]5.
Toich, Anthony M., 135-44-03[illegible]8.
Topolski, Thomas J. Jr., 207-[illegible]4-6561.
Townsend, Richard B., 508-62-3728.
Traxler, John M., 364-60-831[illegible].
Traylor, Robert K., 575-62-54[illegible]7.
Trinter, Russell D., 287-54-05[illegible]4.
Turner, Jon R., 558-74-9306.
Turner, Robert W., 078-46-96[illegible]0.
Udall, Thomas H., 042-48-652[illegible].
Vandendries, John E. Jr., 115-46-7843.
Vanepps, Alan R., 465-82-203[illegible].
Vanpelt, Carl E., 273-54-9965.
Vanryn, Jacques S., 089-40-62[illegible]3.
Vargo, Stephen A., 558-94-01[illegible]8.
Venable, John R., 272-54-875[illegible].
Volcheff, Mark A., 527-02-379[illegible].
Vosburgh, Gary D., 138-48-65[illegible]1.
Vreeland, Steven J., 564-90-1[illegible]69.
Walden, Robert S., 498-56-55[illegible]4.
Wallace, David G., 143-48-06[illegible]2.
Wallace, Gerald L. Jr., 507-72-5439.
Wallace, Jay R., II, 556-74-88[illegible]7.
Waller, James P., 574-26-3277.
Wall, Edward C., Jr., 417-76-4[illegible]82.
Walrond, George E., 225-66-[illegible]65.
Waltman, Glenn C., 518-68-8[illegible]85.
Waters, Dale C., 355-48-4174.
Watson, Steven M., 188-38-97[illegible]6.
Webber, Richard E., 316-50-3[illegible]08.
Wedell, Steven P., 554-70-533[illegible].
Weems, Frederick L., 421-78-[illegible]744.
Weiderman, William C., 274-5[illegible]-2346.
Weilbrenner, Steven D., 556-[illegible]0-0476.
Weininger, Michael J., 270-54-2151.
Weller, William C., 454-04-790[illegible].
Wells, Mark K., 094-38-2227.
White, David G., 585-58-9681.
White, Gregory V., 097-44-9656.
Whitfield, Gary W., Jr., 450-90-8442.
Whitican, Frederick L., 373-50-6538.
Whitley, Kenneth L., 168-44-6[illegible]05.
Whitney, Lynn H., 571-84-2411.
Wilcock, Edward T., 565-94-06[illegible]6.
Williams, Douglas L., II, 131-38-0310.
Williams, Paul, 274-54-7533.
Williamson, David, 139-48-630[illegible].
Willis, Roy W., Jr., 526-98-9754.
Wilson, Richard L., 546-90-503[illegible].
Wilson, Teddy, 524-70-8770.
Wintermeyer, Charles A., Jr., 0[illegible]7-44-4247.
Wisloski, Michael, 171-42-1186.
Wissman, John P., 306-64-5424.
Witherspoon, Michael R., 455-[illegible]8-3971.
Wojcicki, Stephen A., 497-48-3[illegible]93.
Wolter, John T., 574-18-9712.
Woock, Daniel D., 407-64-1475.
Woods, Charles M., 567-94-783[illegible].
Woodward, John S., 128-42-87[illegible]0.
Wright, Michael N., 447-52-640[illegible].
Wrighton, Timothy J., 505-70-[illegible]906.
Young, David D., Jr., 223-82-90[illegible]7.
Young, Terrence J., 397-58-803[illegible].
Young, William A., 394-46-917[illegible].
Yurko, Richard M., Jr., 236-78-[illegible]742.
Zejdlik, Todd N., 469-64-6023.
Zerambo, Edward S., 225-80-61[illegible]5.

The following cadets, U.S. Military Academy, for the appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 541 and 82[illegible]4, title 10, United States Code, date of rank to be determined by the Secretary of the Air Force:

Baldwin, Richard W., 264-11-7[illegible]94.
Bentley, David P., 513-52-7149.
Burlington, Mark S., 565-88-68[illegible].
Conniff, Richard P., 011-44-10[illegible].
Cunningham, Craig C., 546-86-[illegible]622.
Digiacinto, David T., 192-36-57[illegible]2.
Duncan, Jeffrey L., 375-58-945[illegible].
Dyke, Robert L., 228-72-4058.
Farrington, Arthur J., 448-54-[illegible]198.
Gaston, Christopher J., 064-44-[illegible]509.
Helms, Thomas A., 261-08-252[illegible].
Holder, Gregory P., 267-06-903[illegible].
Keating, Patrick L., 265-08-752[illegible].
Sanders, Stephen M., 578-74-3[illegible]68.
Taylor, Donald G., 027-44-2177.
Williams, Forest D., 555-90-326[illegible].

HOUSE OF REPRESENTATIVES—*Monday, May 5, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The ways of the Lord are right and the just shall walk in them.—Hosea 14: 9.

O God and Father of us all as we face the duties of another week we turn to Thee seeking the guidance of Thy wisdom and the power of Thy spirit. Grant that our Speaker and the Members of this body may be empowered to walk in the ways of truth and righteousness. May the plans contemplated and the legislation proposed contribute to the highest interests of our Nation and the greatest good of all mankind.

We humbly and earnestly pray that we may lead our people in right paths, toward great goals by noble means, with clean minds and pure hearts. Toward this end we commit ourselves to the guidance of Thy spirit. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

S. 621. An act to provide congressional review and an opportunity to disapprove of any exemption or increases in petroleum prices and of actions to establish a petroleum price floor; and

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

SHALE OIL SUBSIDIES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, when we consider the disposition of our naval oil shale reserves, we must consider the economies of development of these reserves.

In the 1960's, when oil sold for around $3.50 per barrel, shale developers believed that shale would be a competitive energy source when oil prices reached $5.50. Although oil prices are now running at $11 per barrel, shale development is still not with us. Because shale development takes more hardware than drilling for oil, the same high oil prices which are to provide the incentive for shale oil development in part cause the inflation which drives up the costs of hardware for shale development.

There is now talk that the Federal Government should subsidize this energy

source. Proposals range from guaranteed loans to price floors to cash grants. Not only do we already subsidize shale development through a special depletion allowance and sundry other tax write-offs, but the industry would like further guarantees. It is becoming more and more obvious that shale oil is not going to be an economically feasible energy source. If we are not wary, it could become a taxpayer subsidized boondoggle.

Mr. Speaker, I believe the taxpayer should have a guarantee of return if asked to put money with a new enterprise. Oil shale has yet to offer such. To transfer our naval oil shale reserves to the Interior Department, which is already under criticism for accepting too low of bids on its prototype leases is to invite more bargain basement bidding on the people's lands. To establish a trust fund which might develop naval oil shale reserves may mean pouring the taxpayer's petroleum revenues down a deep canyon. I will offer amendments to H.R. 49 and H.R. 5919, the bills to amend the laws applying to the naval petroleum and oil shale reserves, to prevent either injury to the taxpayer from happening.

JOINT COMMITTEE REVIEW OF THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, in continuance of my practice of keeping this body informed of the activities of the Joint Committee's Subcommittee on Review of the national breeder reactor program, I have the following report. On Thursday of last week, the subcommittee held its second in a series of briefings and heard Dr. E. Linn Draper on nuclear reactor types and Mr. George Quinn on the uranium enriching process. I was pleased that Senator CLIFFORD CASE, a member of the ad hoc subcommittee, was able to participate in this briefing.

I include in the Extensions of Remarks a summary of the presentations which were heard from our two speakers.

On Tuesday, May 6, the subcommittee will convene at 2 p.m. for a third briefing session during which we will hear a presentation on the present status of civilian nuclear powerplants, including performance and reliability, by Mr. Willian S. Lee and another on the Clinch River breeder demonstration project by Mr. Wallace Behnke.

As a further step in its review of the breeder program, the subcommittee will hold a public hearing at 2 p.m. on Wednesday, May 7, 1975, at which time the Honorable Russell E. Train and the Honorable Frank G. Zarb will appear as witnesses.

Mr. Train, Administrator of the Environmental Protection Agency will present his Agency's recently released views on the proposed final environmental impact statement on the liquid metal fast breeder reactor program. Mr. Zarb, Administrator of the Federal Energy Administration, is scheduled to present the administration's views on projections of electrical load growth, the prospective role on the liquid metal fast breeder reactor, and related matters.

VETO OF FARM BILL WILL BE SUSTAINED

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the President's veto of the farm bill will be sustained by a strong bipartisan margin of at least 20 votes.

On the 2 previous votes on this bill, 181 Members are on record voting "no." Seventy-one Democrats joined 91 Republicans in opposing passage. On the conference report, 70 Democrats joined 96 Republicans on the negative side.

Efforts will be made to switch some of the negative votes. But it strikes me as most unlikely that enough can be persuaded to crumble under pressure to change the outcome.

Working against such switches was the decision of the House just last week to establish a $70 billion ceiling on the Federal deficit for fiscal 1976. The approved budget resolution provided no funds for this new farm bill. The House would look plain foolish kicking a billion-dollar hole in the budget resolution less than a week after it was approved. According to USDA, the farm bill would require an outlay of $1.8 billion for the year.

I cannot believe House Members take budget control so lightly they will wreck their own resolution within a week.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 1, 1975.

Hon. CARL ALBERT,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 5:32 p.m. on Thursday, May 1, 1975, and said to contain a message from the President wherein he vetoes H.R. 4296, an Act to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-125)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning without my approval H.R. 4296, referred to as the Emergency Agricultural Act of 1975. Although the aim of this bill is laudable, its results would be costly not only to consumers and taxpayers but to American farmers in the long run. It would damage our international market position which is so essential to American agriculture's long-term interests.

Approval of this bill, therefore, would *not* be in the public interest.

In the conduct of the Government's fiscal affairs, a line must be drawn against excesses. I drew that line in my address to the Nation on March 29. I promised all Americans that, except where national security interests, energy requirements, or urgent humanitarian needs were involved, I would act to hold our fiscal year 1976 deficit to no more than $60 billion.

New spending programs which the Congress is considering could easily raise the Federal deficit to an intolerable level of $100 billion. This *must* not happen.

H.R. 4296 is an example of increased non-essential spending. In fiscal year 1976, it could add an estimated $1.8 billion to the Federal deficit. If used as a point of departure for longer-term legislation—as was strongly indicated during its consideration—it could lead to an escalation of farm program subsidies in succeeding years.

Approval of this bill would undermine the successful market-oriented farm policy adopted by this Administration and the Congress. It is a step backward toward previously discredited policies.

Prospects for farmers, it is true, are not as bright this year as in the recent past. Farm production costs have been pushed upward by the same inflationary pressures that affect other industries. Demand for certain farm products has simultaneously slackened because of the recession. Prices paid by farmers are currently 11 percent above year-ago levels. In contrast, the index of prices received by farmers is now 7 percent below levels of a year ago. Fortunately, the latest index, released Wednesday, shows that the 5-month decline in prices received by farmers has been reversed and was 4 percent above a month earlier.

The Administration recognizes that some farmers have experienced financial difficulties due to this cost-price squeeze. It has taken a number of positive steps to assist farmers. The 1976 wheat acreage allotment was recently increased by 8 million acres to 61.6 million acres. This action provides wheat producers with additional target price and disaster protection.

We have also increased the 1975 crop cotton price support loan rate by 9 cents a pound. And we recently announced an increase in the price support level for milk, which, combined with easing feed prices, should be helpful to dairy producers.

Within the past several days, we have completed negotiations with the European Community to remove the export subsidies on industrial cheese coming here—a step that insures that surplus dairy products will not be sold in the

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U.S. market at cut-rate prices. At the same time, we have worked out arrangements which enable the Europeans to continue selling us high-quality table cheese. This solution has enabled us to keep on mutually agreeable trading terms with our best customers for American farm exports.

The Administration has also taken action to protect our cattle producers against a potential flood of beef imports from abroad. The Department of State is completing agreements with 12 countries limiting their 1975 exports of beef to this country. These voluntary export restraint agreements are intended to keep imports subject to the Meat Import Law to less than 1,182 million pounds.

If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

Most farmers have already made their plans and bought their seed. Many are well into their planting season. These plans have obviously been completed without any dependence on the provisions of H.R. 4296.

In the long haul, this bill would lead to constraints on production and result in loss of jobs in food-related industries. It would induce farmers to grow more cotton—already in surplus—and less soybeans needed for food. The bill would jeopardize the competitive position of our cotton in world markets.

American farmers have responded magnificently during the past several years to produce food and fiber for this Nation and the world. This has made agriculture our leading source of foreign exchange. This year, despite very trying circumstances, most farmers are again seeking full production. They have my support for a vigorous export policy for their products. I recognize that agricultural exports have been restrained twice in the past two years. We have now eliminated all restrictions on exports and we are determined to do everything possible to avoid imposing them again. Our farm products must have unfettered access to world markets.

This Administration is determined to act in support of the American farmer and his best interests. It will not act to distort his market. We must hold the budget line if we are all to enjoy the benefits of a prosperous, stable, non-inflationary economy.

For all these reasons, I cannot approve this Act.

GERALD R. FORD.

THE WHITE HOUSE, *May 1, 1975.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and the bill will be printed as a House document.

Mr. McFALL. Mr. Speaker, I ask unanimous consent that further consideration of the veto message from the President of the United States on the bill H.R. 4296 be postponed until Tuesday, May 13, 1975.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. FINDLEY. Mr. Speaker, reserving the right to object, I wonder if the gentleman from California could inform us as to why a delay is necessary.

Mr. McFALL. This is at the request of the chairman of the House Committee on Agriculture, the gentleman from Washington (Mr. FOLEY). It has been discussed with the minority side, and I understand that this is the time at which we have agreed to take up this matter.

PARLIAMENTARY INQUIRY

Mr. FINDLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FINDLEY. Mr. Speaker, my parliamentary inquiry is this: Does this request require unanimous consent?

The SPEAKER. It does not. It can be done by motion.

Mr. FINDLEY. I thank the Speaker.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

(Mr. HEINZ asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HEINZ. Mr. Speaker, on April 17, because of official business, I regret that I was unable to respond to rollcall No. 127, for the substitute amendment to the Youth Camp Act. Due to a clerical error, it was indicated that I would have voted "nay;" to clarify the record, I would have voted "aye." In addition, on rollcall No. 128, I would have voted "aye" on passage of H.R. 46, the Youth Camp Safety Act.

Due to official business in my district on April 21, I was not able to cast my vote on rollcall No. 130, highway projects legislation, H.R. 3787. If I had been present I would have voted "aye." Also, on rollcall No. 131, environmental impact statements, I would have voted "aye."

And also, Mr. Speaker, I regret that on April 22, official House business prevented my responding to rollcall No. 133, on passage of the Small Business Relief Act. If I had been present, I would have voted "aye." And on April 23, also because of official business, I was not present to cast my vote on rollcall No. 135. If I had been present, I would have voted "nay."

RELATING TO PER DIEM AND MILEAGE EXPENSES OF GOVERNMENT EMPLOYEES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, with a Senate amendment to the House amendment, and agree to the Senate amendment to the House amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

> Page 7, of the House engrossed amendment, after the matter following line 15, insert:
>
> SEC. 8. The seventh paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, and I shall not object, I wish to express my support for this unanimous-consent request to accept the Senate amendment and pass S. 172, as amended.

An objection was raised to accepting this Senate amendment to the House amendment to S. 172 when this same unanimous-consent request was made last Thursday, May 1. As Chairman BROOKS and I pointed out at that time, the Senate has accepted the House bill in its entirety and has asked that we, as a matter of comity, raise the rate of per diem for Senate employees to the rate applicable to House employees and the rates listed in this bill for executive branch employees.

We also made the point that the Senate amendment does not deal with the provisions in the Senate bill as passed by the Senate which would have modified the authorization for Senators and Senate personal staffs to receive per diem. It only changes the rate of per diem for those presently authorized per diem under existing law and Senate rules.

The gentlemen who objected to the motion to accept the Senate amendment have been presented with a detailed memorandum outlining why the concerns they expressed about this amendment were not valid. I hope today they will consent to this unanimous-consent request.

I am personally concerned that this very important legislation be delayed no longer. It has the full support of the Administration and the Federal employee unions. The Senate is accepting in its entirety the House bill and they agreed not to press provisions in their bill which had been of concern to the House previously. I urge my colleagues to agree to this unanimous-consent request.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman.

I will just say to the gentleman that his description is accurate. I have had the chance over the weekend to examine this memorandum, and I have no objection to the consideration of the Senate amendment at this time. I appreciate the courtesy of the gentleman's staff in providing me with this information.

The memorandum is as follows:

MEMORANDUM FOR THE RECORD RE S. 172

> Questions were raised on the floor concerning the Senate amendment to the House amendment to S. 172, the Travel Expense Amendments Act of 1975. Congressmen Bauman and Frenzel inquired whether the change proposed in section 62(b) of title 2 of the United States Code would permit Senators to receive per diem for travel to their home states when not on committee business.
>
> As was explained on the House floor by Chairman Brooks and Ranking Minority Member Horton, the Senate amendment does not in any way change the authorization for per diem payments to Senators or their personal staffs. Senators, like House Members, are authorized per diem when they travel on official business, such as on committee business or an appointment by the President of the Senate. They are not authorized under existing law or regulation, nor by this amendment, to receive per diem when traveling for reasons relating to their representation of a State or reasons not connected with the official business of the Senate. The amendment only changes the rate of per diem allowed Senators and Senate employees traveling on official business and authorized to receive per diem under existing law and regulations.
>
> The Senate amendment changes the rate of per diem in section 68(b) of title 2, United States Code. This section in chapter 4 of title 2, which deals with officers and employees of the Senate and House of Representatives, sets the rate of per diem and subsistence expenses in exactly the same way we set the rates of per diem for executive branch employees. Existing law authorizes per diem be paid at $25 a day except that (1) higher rates may be established by the Senate Committee on Rules and Administration for travel beyond the limits of the continental United States, and (2) in accordance with regulations prescribed by the Committee on Rules and Administration in the Senate, reimbursement for such expenses may be made on an actual expense basis not to exceed $40 per day in the case of travel within the continental limits of the United States. The amendment would change the figure $25 to $35 and the $40 to $50. By way of comparison, Members may wish to look at the similar wording in section 3 of H.R. 4834 as it was reported by the Committee on Government Operations and passed by the House on April 21, 1975. (See page 11049 in the CONGRESSIONAL RECORD.) The Senate has accepted in its entirety the language of this House-passed bill so this is also now section 3 of S. 172 which is before us.
>
> The Committee on Rules and Administration in the Senate is given authority to make regulations in the same way that existing law gives such authority to the Committee on Administration for House employees and the Administrator of General Services for executive branch employees. Such flexibility is needed so that regulations may cover a number of situations which may develop in which there would be some question as to how much per diem ought to be authorized within the rate limit set by law. For example, some provision must be made for per diem payments when an employee is on travel status for only part of the day. Of course, this flexibility must be exercised within limitations otherwise imposed by law.
>
> Travel allowances for Senators traveling for reasons relating to their representation of a State and not related to the official business of the Senate are covered by section 58 of title 2 which is found in chapter 3 dealing with compensation of members and their personal staffs. Subsection (a)(8) provides that Senators should be reimbursed only for actual transportation expenses and not per diem, and that personal staffs of Senators shall be reimbursed only for actual transportation expenses and not per diem in accord with subsection (e) of section 58. Subsection (e) defines for what trips a personal employee may be reimbursed actual transportation expenses.

> To emphasize the point, Senators and personal staffs traveling for reasons relating to their representation of a State and not related to the official business of the Senate are eligible only for reimbursement for transportation expenses and not for per diem under existing law. There is nothing in the Senate amendment to the House amendment to S. 172 which would modify the authorization for travel expenses or provide per diem for Senators or personal staffs for such travel.
>
> The concern of the gentlemen stems from provisions found in S. 172 as first introduced in the Senate. As originally introduced, both subsections (a)(8) and (e) of section 58 of title 2 were amended. The Senate Government Operations Committee in reporting the bill deleted the amendment to section (a)(8) and the managers of the bill in the Senate have agreed to delete the reference to subsection (e) as part of an agreement with the House managers reached in an attempt to speed consideration of the bill. Again for emphasis, the earlier Senate amendments to section 58 of title 2 dealing with Senate and personal staff reimbursement for transportation expenses and per diem have been dropped and are no longer included in any way in the language of S. 172 being considered now.
>
> I might add by way of comparison that whereas the Senators and their personal staff are prohibited by law from receiving per diem, House Members and personal staffs are not so prohibited by law. Section 57 of title 2 authorized the Committee on House Administration to fix and adjust from time to time by order of the Committee amounts of allowances (including the terms, conditions, and other provisions pertaining to those allowances) for travel and mileage to and from Congressional districts represented. In other words, Members of the House and personal staffs are not prohibited by law as are Senators and their personal staffs from receiving per diem when traveling to their home districts.
>
> In conclusion, then, there is nothing in the Senate amendment to the House amendment to S. 172 which would authorize per diem allowances for Senators and for their personal staffs traveling to home states on other than official Senate business, nor in any way change the authorization for per diem or transportation expenses, other than the rate at which it is paid. The rate is changed from $25 to $35 a day and from $40 to $50 a day when actual expenses are reimbursed.

Mr. BROOKS. Mr. Speaker, the amendment added by the Senate would change existing law to this extent only:

Senators and Senate employees traveling on official business of the Senate and its committees—not personal senatorial business—are presently authorized to be reimbursed for per diem and subsistence. The rates of that reimbursement have been codified in section 68(b) of title 2 of the United States Code. The most recent rates were established in the Travel Expenses Act passed in 1969.

The Senate amendment now pending simply changes those 1969 rates to bring them into line with the rates that would be applicable to executive and judicial branch travel as a result of passage of this bill. The maximum rate for per diem would be set at $35 per day for ordinary travel and for actual expenses up to $50 per day under unusual circumstances, subject to regulation by the Senate Committee on Rules and Administration. This amendment does nothing to expand the entitlement of Senators or Senate employees to per diem expenses. It simply brings the rate of reimbursement for persons already entitled to per diem into line with the rest of the Government.

There were four principal differences between the House bill (H.R. 4834) and S. 172, as it originally passed the Senate. The Senate has receded on three of those differences and we are considering only one. I believe we should accept this provision because it is completely within the scope and policy of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment to the House amendment was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF THE DEATH OF AMBASSADOR KENNETH KEATING

Mr. HORTON. Mr. Speaker, I have just received a telephone message that deeply upset me. I should like to inform my colleagues in the House that I have just received word from my office that a very close personal friend of mine, and my predecessor in the House, Ambassador Kenneth Keating has just died.

Ambassador Keating served in this House for many years and represented the congressional district that I now represent. Many people strive to make a significant contribution in one field of endeavor during their lives. Ken Keating's field was leadership and humanity. He excelled as a lawyer, as a Congressman and Senator, as a jurist, and at the very hour of his death, as a statesman and diplomat.

Fated to serve as Ambassador to India during some of the most difficult days in South Asian history, and as Ambassador to Israel during a dynamic period of conflict and change in the Middle East—these were symbolic of Ken Keating's nature. He could always be found where the action was, and could be counted on for contributing compassion and civility along with incisiveness to the resoluton of conflicts and problems.

I am certain that the people of Monroe and Wayne Counties, his former congressional district, will miss him. Our State will miss him, and our Nation will remember him as one of its greatest.

His passing will grieve many in this House who have served with him.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 174]

Addabbo
Ambro
Andrews, N.C.
Armstrong
Ashley
Aspin
Badillo
Barrett
Biaggi
Boggs
Boland
Bowen
Breaux
Brodhead
Burke, Calif.
Burton, John
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Derrick
Derwinski

Diggs
Duncan, Oreg.
Early
Esch
Eshleman
Foley
Ford, Mich.
Frey
Fulton
Goldwater
Gonzalez
Hanley
Harrington
Harsha
Hastings
Hayes, Ind.
Hébert
Helstoski
Hinshaw
Jarman
Jenrette
Johnson, Colo.
Jones, Okla.
Landrum
Lent
McEwen
McKinney
Macdonald
Madden
Madigan
Mann
Martin
Mathis
Matsunaga
Melcher
Milford
Mills
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
Obey
O'Brien
O'Neill
Pattison, N.Y.
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Scheuer
Shriver
Smith, Nebr.
Solarz
Stephens
Stuckey
Sullivan
Symington
Teague
Thompson
Thornton
Udall
Walsh
Waxman
Weaver
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wydler
Yatron
Young, Fla.
Young, Ga.
Zeferetti

The SPEAKER. On this rollcall 330 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TIME TO DEPOSE KING CAUCUS

(Mr. FRENZEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FRENZEL. Mr. Speaker, today's Congressional Quarterly indicates that there is susbtantial objection by Democrats to the caucus rule which permits King Caucus to bind Members on House floor votes. I understand that the Democrat Study Group's Executive Committee has recommended repeal of this offensive rule, rule R8.

As chairman of the House Republican Task Force on Reform which made a similar recommendation way back in December of last year, I congratulate the DSG on its conversion and express the hope that the entire caucus will suddenly become similarly enlightened.

Unfortunately, repeal of R8 would be mostly cosmetic. Absent R8, King Caucus could still bind Democrat Members in committee votes. If a Member is forced by a political group—and King Caucus is only a political group—to vote against what he or she thinks is right, what difference does it make whether the vote is on the floor or in committee?

Restricting the unit rule to committee does not make it right. When a Member accepts the domination of King Caucus on any vote, the people we represent are hoodwinked and insulted. How can any Member here explain the hypocrisy of a vote against a bill on the floor after voting for it in committee?

Nor should we be deluded that King Caucus is only interested in "procedural matters." Procedural votes, particularly on rules, have a greater effect on the substance of any bill than most amendments. A closed rule determines substance. An amendment made in order by King Caucus and forced through the Rules Committee is assured of passage.

So, let no Democrat here believe that the simple repeal of rule R8 will still the growing criticism of King Caucus. A political group may use its caucus for anything it wishes, but if King Caucus is a tyrant—and he surely is—that is how he will be identified.

And, how about secrecy? The tokenism of possible repeal of R8 does not reduce the need to open up the workings of King Caucus' court to the public. The exercise of the unit rule in any form demands public scrutiny.

The Republican Conference has adopted a standard of openness. Is the glare of sunlight too strong for King Caucus?

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule 27, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

PASSENGERS ON CARGO VESSELS

Mr. DOWNING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5405) to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than 16 passengers when emergency situations arise, as amended.

The Clerk read as follows:

H.R. 5405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 26 of the Merchant Marine Act, 1920 (46 U.S.C. 882), is amended by striking out the period at the end of the last proviso thereto and inserting in lieu thereof the following: ": *And provided further,* That in any case in which the Secretary of the Department in which the Coast Guard is operating, finds that an emergency situation so requires, and subject to such regulations as he may prescribe, any vessel documented under the laws of the United States and not engaged in an international voyage may carry in excess of sixteen persons in addition to the crew.".

The SPEAKER. Is a second demanded?

Mr. McCLOSKEY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Virginia (Mr. DOWNING) is recognized for 20 minutes, and the gentleman from California (Mr. McCLOSKEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 5405, which is a sound and necessary piece of legislation.

The need for this bill can be clearly demonstrated: The Chesapeake Bay Bridge-Tunnel, a 17-mile facility which crosses that bay from the Norfolk area to the Delmarva Peninsula, has been put out of service at least five times in the past because of ships and barges colliding with the facility. When the bridge-tunnel is closed, a motor trip as short as 20 miles from Delmarva to the Norfolk-Virginia Beach area can be extended up to 400 miles by alternative routes.

The Commonwealth of Virginia has prepared an emergency plan to insure the continued flow of commerce should the bridge-tunnel be put out of service again. This plan contemplates the hiring of cargo vessels capable of ferrying up to 24 trucks across the bay. Existing law would prevent the carriage of the drivers of all of these trucks since cargo vessels engaged in our domestic trade are presently prohibited from carrying more than 16 passengers in addition to the crew. H.R. 5405 would amend section 26 of the Merchant Marine Act, 1920, to authorize the Coast Guard, in an emergency situation, to permit cargo vessels engaged in the domestic trade to carry more than 16 passengers.

Mr. Speaker, both the U.S. Coast Guard and the secretary of transportation for the Commonwealth of Virginia testified in full support of this legislation and I know of no opposition to it. It was unanimously reported by the Merchant Marine and Fisheries Committee.

I believe 5405 is a meritorious bill and urge its immediate passage.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. DOWNING. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Speaker, I would like to rise in strong support of the gentleman's legislation. If affects my own district, which is to the south of the gentleman's district.

I urge unanimous support of this bill, and I commend the gentleman for bringing it to the floor of the House.

Mr. DOWNING. Mr. Speaker, I thank my dear friend from North Carolina for his remarks.

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill performs a simple but important function. I know of no opposition to it nor of any reason to oppose it.

The bill would simply authorize a waiver so that, in emergency situations, more than 16 passengers could be carried in cargo vessels. The Coast Guard has assured the committee that it would provide suitable regulations to narrowly define the emergency situation where a waiver would apply, and that the waiver would cease as soon as the emergency did.

I ask all Members to join me in supporting this bill.

Mr. DOWNING. Mr. Speaker, I have no further requests for time.

Mr. McCLOSKEY. Mr. Speaker. I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia (Mr. DOWNING) that the House suspend the rules and pass the bill H.R. 5405, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NOISE CONTROL ACT EXTENSION

Mr. ROONEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations, as amended.

The Clerk read as follows:

H.R. 5272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 15 of the Noise Control Act of 1972 (42 U.S.C. 4914(g)) is amended by striking out the period at the end thereof and substituting a comma and the following: "$2,200,000 for the fiscal year ending June 30, 1976, $550,000 for the transition period of July 1, 1976 through September 30, 1976, and $2,420,000 for the fiscal year ending September 30, 1977.".

SEC. 2. Section 19 of the Noise Control Act of 1972 (42 U.S.C. 4918) is amended by striking out "and" and by inserting immediately before the period at the end thereof "; $13,200,000 for the fiscal year ending June 30, 1976; $3,300,000 for the transition period of July 1, 1976, through September 30, 1976; and $14,520,000 for the fiscal year ending September 30, 1977".

SEC. 3. No part of any amount appropriated pursuant to the amendments made by the first two sections of this Act shall be available for research, development, or demonstration.

The SPEAKER. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. ROONEY) is recognized for 20 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5272 extends authorization under the Noise Control Act of 1972, which expires on June 20. The total authorization for fiscal year ending June 30, 1976, is 15,400,000. The total authorization for the fiscal year ending September 20, 1977, is $16,940,000.

Both the subcommittec and the full committee reported this bill unanimously by voice vote.

(By unanimous consent, Mr. BAUMAN yielded his time to Mr. SKUBITZ).

The Chair recognizes the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, the bill before us today is a simple extension of the authorities contained in the Noise Control Act for a period of 27 additional months. It will authorize 15.4 million for fiscal year 1976. For the 3-month transitional period before the advent of the new fiscal year on October 1, 1976, it will authorize $3.85 million, and for the full new fiscal year 1977, it will authorize $16.94 million.

Although the Walsh-Healey Act which applies to noise in the workplace in industry had been on the books for many years, the general idea of treating noise as an environmental and health danger is comparatively new. We had at one time given some slight attention to the matter of aircraft noise. In 1970, however, Congress ordered the Environmental Protection Agency to do a comprehensive study on the subject of noise and the requirements for noise control and an office of Noise Abatement and Control was established. This was really the beginning of significant attention to the noise problem, and so it is not too surprising that we are only now learning what can be done and obtaining information to make major policy decisions about what should be done in this field.

In the recent past, EPA has published regulations about motor carrier noise and rules for air compressors. In conjunction with the Federal Aviation Administration, it has also looked into the matter of aircraft noise, particularly the problems associated with the supersonic Concorde.

There are some differences of opinion within the Government about noise levels in the workplace. EPA feels that proposed OSHA regulations are not adequate.

For all of the reasons which I have outlined here, your committee recommends that no substantive change be made in the laws relating to noise control at this time. Rather, it is hereby submitting for your approval a bill which extends the authorities now in existence and allowing for further progress within them. We feel that progress is now being made and will continue to be made and that the level of authorizations contained in H.R. 5272 should be adequate to assure the appropriate level of effort for the next 2 fiscal years.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. Yes, I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, may I inquire as to what the amendment is that the gentleman from Pennsylvania (Mr. ROONEY) discussed and that the Speaker indicated is in the bill?

Mr. ROONEY. What was the gentleman's question? Excuse me.

Mr. STEIGER of Wisconsin. What is the amendment?

Mr. ROONEY. To answer the gentleman, the amendment that I have prohibits any appropriations made pursuant to the above authorization from being available for noise research and development projects. This amendment simply recognizes not only the jurisdiction, but also the excellent work of the Committee on Science and Technology and its Subcommittee on Environment and the Atmosphere, which has jurisdiction over environmental research and development programs.

It is that committee which authorizes EPA's level of noise research and development; and although the Noise Control Act is only 2 years old, the Office of Noise Control has made tremendous strides in this complex field, and it was this Office that produced the first document discussing the effect of noise at various levels and the criteria to determine such levels and the sources of noise.

At present, EPA is beginning the regulatory phase of its responsibilities which concerns the noise associated with motor carriers, railroads, and airplanes.

The funding levels authorized by H.R. 5272 are sufficient for the EPA to continue its present activities, to pursue such activities, and begin the third phase of its duties with respect to enforcement.

This is part of the amendment.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman from Kansas yield further?

Mr. SKUBITZ. Yes, I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I appreciate the gentleman's yielding.

May I inquire as to what is meant by the language in the committee report, on page 3 of the committee report, where there is a discussion of what to me is an incredible situation which has not been resolved by this legislation. That is that controversy presently exists between the Department of Labor and the Occupational Safety and Health Administration and its responsibilities to establish a standard for noise in the workplace, the effort by the Environmental Protection Agency to establish jurisdiction under this act to try to supersede or subvert the work of the Occupational Safety and Health Administration.

The language of the committee report says:

> This dispute continues and it should be left to run its course under existing law before this committee can determine the effectiveness of the provisions in the Noise Control Act of 1972 relating to the resolution of such disputes.

My question to the committee is this: Under what authority have we granted to the Noise Control Agency, EPA, the right to try to establish a workplace noise level as contrasted to that jurisdiction that clearly rests with the Occupational Safety and Health Administration? Second, why did the Committee on Commerce and Health not try to get ino a position where it might clearly define what OSHA's responsibilities were and what EPA's responsibilities were so that employers and employees across the country would not continue to suffer under the kind of confusion that exists? Third, what work was done by the Committee on Commerce in conjunction with the Committee on Education and Labor that has jurisdiction under the Occupational Safety and Health Administration to try to clarify this issue?

Mr. Speaker, if I can, while those who are responsible try and answer those three questions, it seems to me inconceivable that this House would, under these circumstances and without the chance for amendment, pass what I know needs to be done to extend the jurisdiction of EPA's noise control authority, without trying to clarify what it is that is being done between OSHA and EPA.

The dispute is a serious one in its impact on employers and employees across the country, and is proving exceedingly costly. The work of EPA, to my knowledge, up to now has been less than effective, and has been at most mischievous.

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I would like to have someone from the committee tell us what we might anticipate in attempting to resolve this very fundamental dispute.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, in reply to the inquiry of the gentleman from Wisconsin, may I say that this act is a new act. It has been in force only 2 years. EPA coordinates all of the regulations of the Federal agencies. EPA only recommends, and it is then up to the administration to decide what decision is to be made.

If the Members will look at the Federal programs in section 4 of the act, it explains this, and it directs the Federal agencies to administer their programs in a manner to reduce noise consistent with their authority, and requiring each Federal agency to comply with the Federal, State, and interstate and local requirements on noise control, unless exempted by the President.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman from Kansas yield further?

Mr. SKUBITZ. I yield further to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, that is an interesting response, but it does not answer the questions.

Mr. ROONEY. Mr. Speaker, may I add that we have no authority over OSHA, and I see no reason why we should get into something to try to do something—something that is not under our jurisdiction.

Mr. STEIGER of Wisconsin. If the gentleman from Kansas will yield still further. I understand that you do not have any control substantively over the jurisdiction of the Committee on Education and Labor on the Occupational Safety and Health Administration, but I hope the committee understands the problem that EPA and OSHA now have in trying to determine a noise level, and the response of the gentleman from Pennsylvania frankly does not do that.

Mr. ROONEY. Mr. Speaker, will the gentleman from Kansas yield further?

Mr. SKUBITZ. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, may I say to the gentleman from Wisconsin (Mr. STEIGER) that EPA merely recommends. Presently there is testimony in the hearings concerning this, and no decision has been made. EPA does not set the regulations, they merely recommend. We went into this quite extensively in the public hearings.

Mr. STEIGER of Wisconsin. I recognize that EPA is in the posture of recommending an 85-decibel level. The problem with that is that there is great confusion on the part of everybody in this field as to what EPA's role is, and what it is not. The fact of the matter is that I hope the committee knows, from having gone into this substantively, that EPA's posture is that they think the Safety and Health Administration's recommended standards do not meet their law, or their function of recommendation; however, I believe that this can take on the color of something more than a simple recommendation. That is the reason I would hope that at some point we might in fact have clarification of this issue from this committee that has responsibility for EPA.

Mr. ROONEY. This controversy is presently the subject of administrative hearings that are being conducted by OSHA. OSHA is holding the hearings and will make its decision as to what the decibel levels should be.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman for yielding. I would like to add that not only is there some confusion as to the administration's stand and which bureaucracy is responsible for making the final determination on noise abatement policy, but I would also say to the gentleman that many of the recommendations of EPA on the 85-decibel level are purely unrealistic. In my district one large employer has been urged to buy new machinery with a lower decibel level, and that machinery would cost millions and millions of dollars, and it is not even possible to purchase that equipment at this time.

In view of this information, I would like to inject into this debate for the record the point that EPA must be realistic in the positions it takes and the recommendations it makes. Otherwise, above and beyond the possibility of misunderstanding on the part of the public as to which agency is actually making public policy, we also have the position that EPA is totally unrealistic.

Mr. SKUBITZ. Mr. Speaker, so far as I am concerned, if it is within our jurisdiction, I should be very happy to confer with representatives of the other committee and do what we can to clarify this matter.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. I thank the gentleman for yielding.

EPA objected to OSHA's regulations and therefore, OSHA must publish its justification for such regulations in the Federal Register, which it has. OSHA is now holding administrative hearings on its published regulations. The eventual decision is going to be left up to OSHA, not EPA. EPA is merely recommending.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

Is the gentleman saying, then, for the benefit of my colleagues that if OSHA were, for example, to recommend a 90-decibel level following the hearings in June, the EPA's posture at that point is to do nothing more? Or would I be correct in understanding the circumstances which would say that EPA could say to OSHA, "No; that 90-decibel level that you are recommending under the Occupational Safety Health Act does not meet, in our judgment, the responsibilities and our statutory authority under the Noise Control Act"?

Mr. ROONEY. If the gentleman will yield further, it is my opinion that OSHA has the final say.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from California.

Mr. BROWN of California. I thank the gentleman for yielding.

Mr. Speaker, I rise in very strong support of this act. I think it is vitally necessary that it be continued as is proposed by the legislation before us, and I want to commend the committee for reporting it out in its present form. I am aware of the difficulties which exist with regard to the conflicts between certain agencies. I do not want to complicate that situation, but I would also like to take note of the fact that there are several agencies other than EPA and OSHA that are engaged in problems relating to the environmental impact of noise. This includes NASA; it includes the Department of Transportation; it includes HUD; and it is an extremely difficult job to bring together all of these various agencies which are involved in the overall noise problem in a national way.

I think that we are in the process of doing that. I think that this bill allows us to go ahead, to continue our activities in that regard.

I note the fact that the chairman of the subcommittee, the gentleman from Pennsylvania, has included in the bill section 3, which recognizes the jurisdiction of the Committee on Science and Technology with respect to the research and development aspects of this bill. I want to commend him and express my appreciation for including that section in the bill.

I might point out that EPA, the Environmental Protection Agency, has only a nominal role in research and development in this field, essentially a coordinating role as assigned by the organic act. However, I think it is extremely important that the Committee on Science and Technology exercise its responsibility under the rules of the House, as revised in this Congress, to look at the noise research and development being done by EPA and to coordinate that to the best of its ability with the similar kinds of work being done by the other agencies which fall within the jurisdiction of this committee. It is the intention of the Science and Technology Committee to authorize all of the R. & D. functions of EPA in an annual authorization bill.

I want to urge the passage of this bill, recognizing the difficult problems that exist in the noise field as they do in almost any environmental field. I would like to stress this, because the problems of the environment cut across the jurisdiction of many committees. The members of the Science and Technology Committee are still considering how best to exercise their jurisdiction over environmental research and development. We have two goals, the first being to apply the same care and scientific expertise in

annually authorizing the environmental research and development programs in EPA as we have in NASA, NSF, and now ERDA. The second is to make sure overall environmental programs go forward expeditiously. To achieve the first, my Subcommittee on the Environment and the Atmosphere has completed extensive hearings into EPA's R. & D. program, and has carefully analyzed and come to agreement about recommended levels and programs. The second goal, of expediting the needed legislation, is served in the bill before us by the addition of section 3, which excludes research and development, leaving it to be authorized by the Science and Technology Committee in a separate bill. We are currently working with other committees involved in jurisdiction over EPA programs to iron out any difficulties which would hinder expeditious consideration of all of EPA's basic legislation.

I think this bill is a straightforward solution to a very substantial and growing problem in the noise field. I urge favorable action on it by the House.

Mr. ROONEY. Mr. Speaker, I yield now to the gentleman from California (Mr. SISK) such time as he may consume.

Mr. SISK. Mr. Speaker, the legislation before us is of particular interest to me because it is my hope that it will help resolve the obvious confusion among various Federal agencies which now exists over noise abatement.

At a time when public confidence in government is already at a low ebb, a large segment of my district in central California has seen firsthand what can occur to the detriment of the people when cooperation, and coordination among Federal agencies breaks down.

I am afraid that what has occurred in my district is a classic case of the right hand not knowing what the left hand is doing—or simply not caring.

Last September, the U.S. Air Force published an air installation compatible use zone map, a so-called noise map, for the Castle Air Force Base. Such maps are published for every Air Force base in the country, and they are done so only to assist local communities in adequately planning future development so that the public can reside in a safe and quality environment area.

Upon publication of the noise map, however, the Federal Housing Administration and Veterans' Administration immediately halted processing of home mortgage insurance applications for new construction in some noise zones. The results of the action, especially by the FHA, has been to virtually stop all construction in the city of Merced, and substantial portions in the communities of Atwater and Winton, all of which are dependent in large measure on the military activities of Castle Air Force Base.

The policy of eliminating FHA assistance in virtually all of three communities is clearly excessive and intolerable, especially when one considers that the Department of Housing and Urban Development has discretionary authority to approve housing between the 30 to 40 NEF zone.

The fact is, however, HUD has not to date seen fit to approve housing within that zone.

But what is it that we are really faced with? The Congress mandated the Environmental Protection Agency to develop national noise abatement standards. That policy was supposed to be established in cooperation with a number of other Federal agencies and departments. Unfortunately, that has not occurred. Therefore, my district is faced with a situation where HUD, not the Environmental Protection Agency, has established noise standards and, in effect, land use standards.

So while the EPA attempts to develop reasonable noise attenuation standards—a task which is not easy—the Department of Housing and Urban Development goes its own way without regard to the impact of its decisions and without regard to the congressional mandate to EPA.

Late last year, I met with officials from EPA, HUD, VA, the Air Force, and FAA in my office to discuss this matter. In effect, I was told by EPA officials that there has been a total lack of coordination among Federal agencies in developing national noise abatement standards. I was also told by HUD that it would not wait for EPA; that it would go on its own.

So for 7 months HUD has not approved any mortgage insurance for most of the three communities adjacent to Castle Air Force Base. But to further illustrate what clearly is a careless policy, regional HUD officials in San Francisco concede they are "breaking new ground" and are not sure how to correct this situation. So on one hand HUD says its policy is too severe; that it needs modification, but on the other hand it refuses to lift its decision.

HUD officials are now conducting an environmental impact statement to determine what the impact of its policy has been in my district—at a cost, I suspect, of several thousands of dollars. It is obvious that they did not think this matter through before acting—they just acted.

The result has been to bring the construction industry to a virtual halt in Merced, Atwater, and Winton, the public cannot purchase new housing, and HUD is foundering, causing even more resentment toward the Federal Government.

My district is the one which is suffering now, but many others in this Chamber may have to face this same problem in the future unless the Congress requires cooperation and coordination between the Federal agencies and departments.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to my friend, the gentleman from Pennsylvania, to see if there is something his committee, which I understand has jurisdiction over the Noise Control Act, can do to impress on these other agencies the necessity of letting EPA through its noise control legislation set some standards before we go off in all directions.

Mr. ROONEY. I can recall the gentleman discussing this with me on previous occasions and I regret the necessity of you not being able, because of another appointment, to testify before my subcommittee. I will attempt to clarify the matter at this time.

Section 4 of the Noise Control Act requires all Federal agencies to consult EPA before prescribing noise regulations and it allows EPA to require public review of any regulations thought insufficient to protect public health and welfare to the extent EPA thinks feasible. All agencies must consult with EPA. If they have not consulted with EPA they have acted contrary to the act.

Mr. SISK. I certainly do appreciate the comments of my friend, the gentleman from Pennsylvania, because in my long discussions which have gone on over a period of months trying to resolve this issue, we have found there is a desperate need for housing for military personnel who are stationed at Castle plus the demand from the local people in which we are totally stalemated.

In discussions with officials of the Air Force, I learned that they developed the noise maps on their own initiative. The noise maps, however, reflect only information put into a computer, and not actual noise tests at Castle Air Force Base. The validity of the noise map, then, becomes questionable.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, is the objection based on noise or as it based on damages to property from planes going over at low heights?

Mr. SISK. The basic objection of HUD is that in zones between 30 to 40 decibels, residential development may not be prudent because of possible environmental hazards resulting from flyover aircraft noise. The point to keep in mind, however, is that HUD at the regional level has the authority to permit new housing by executive fiat or by first requiring developers to meet noise attenuation measures. HUD officials in Washington have said, in effect:

> The 30 to 40 zone is not bad enough for us to worry about, we'll leave it up to regional to decide.

For 7 months HUD has not approved any mortgage insurance for most of the three communities adjacent to Castle Air Force Base. But to further illustrate what clearly is a careless policy, regional HUD officials in San Francisco concede they are breaking new ground" and are not sure how to correct this situation. On one hand HUD at the regional level says its policy is too severe, that it needs modificaton, but on the other hand it refuses to lift its decision.

HUD officials are now conducting an environmental impact statement to determine what the impact of their policy has been in my district—at a cost, I suspect, of several thousands of dollars. It is obvious that they did not think this matter through before acting—they just acted.

All I am pleading for, let me say to my good friend, the gentleman from Kansas, is to give EPA and through the Noise Control Act over which you have jurisdiction, the right to go ahead and set some standards on a national basis before they start out piecemeal and upset the applecart as they have in my particular area.

Mr. ROONEY. Mr. Speaker, I think the gentleman from California has given a perfect illustration of why this Congress authorized one Federal agency, the EPA, to coordinate all the noise activities of the Federal agencies. Simply, there are numerous agencies involved in developing noise regulations and their efforts must be coordinated if we are to understand and solve the problem.

I thank the gentleman.

Mr. ROONEY. Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, I rise in support of H.R. 5272, a bill "to amend the Noise Control Act of 1972 to authorize additional appropriations."

Since 1972 when the Noise Control Act was passed, significant steps have been taken to bring excessive noise sources under control. Major sources of noise have been identified. Studies have been conducted. Regulations on controlling aircraft noise—including noise from supersonic aircraft—have been recommended.

Proposals have been published to reduce noise from trucks, air compressors, and motor carriers.

These steps are only the beginning. The start has been a slow one. But noise must be controlled, if we are to prevent hearing losses, to avoid disturbance of sleep, to reduce stress and improve productivity and the quality of life.

After 2 days of oversight hearings, the Transportation and Commerce Subcommittee reported out H.R. 5272 by voice vote. This bill would authorize appropriations for 27 months for continued operation of the noise control program. A total of $15.4 million is authorized for fiscal year 1976; $3.85 million for the 3-month transition period—July 1–September 30, 1976—and $16.94 million for fiscal year 1977. The bill was reported by unanimous voice vote of the full committee.

Mr. ANNUNZIO. Mr. Speaker, I rise in support of H.R. 5272, legislation which extends the Noise Control Act of 1972.

As the Congressman from Illinois' 11th District, in the vicinity of the world's busiest airport, O'Hare International, I strongly supported the original 1972 Noise Control Act because I felt that strong Federal action was needed to begin work on updating airport noise regulations. The airport noise problem for those of my constituents who live around O'Hare is most severe, and the mental stress, fatigue, and interference with sleep caused by the constant landings and takeoffs of jet aircraft cannot be ignored as a health hazard.

The 1972 act was a strong step forward in the battle against the noise pollution problem in that the Federal machinery needed to monitor this problem was established and the Environmental Protection Agency was given the authority to set noise level standards, set noise labeling requirements, and coordinate Federal programs relating to noise research and noise control.

Although the ultimate control of antinoise regulations rests with the Federal Aviation Administration, the EPA has proposed new and stringent regulations on this subject and has submitted them to the FAA. Under the Noise Control Act of 1972, the FAA must either accept, modify, or reject these EPA regulations, and if the regulations are modified or rejected, the Federal Aviation Administration must explain publicly its reason for doing so. This is a most important part of the original 1972 legislation, because it makes the FAA publicly responsible for its action or lack of action on this problem.

Mr. Speaker, I must point out to my House colleagues that the Environmental Protection Agency has recommended that jet aircraft be retrofitted with sound absorption materials—SAM—technology. However, the FAA so far has not issued the final regulation necessary to require the airlines to reduce jet noise by utilizing this currently available technology, which could reduce the number of persons exposed to unacceptable noise levels at O'Hare by as much as 74 percent.

In addition to its aircraft noise control projects, the Environmental Protection Agency has also published Low Noise Emission Equipment Regulations, a Notice of Proposed Rulemaking for Motor Carriers and for Trucks and Air Compressors, and other documents relating to the major sources of health-threatening noise. The 1972 act has been an important step in coming to grips with the complicated noise pollution problem and in increasing our national awareness of the steps necessary to combat this health hazard. Before Congress passed this law, there was no overall Federal noise control statute.

The most ironic aspect of the noise pollution problem is that, in a great many cases, noise pollution is simply not necessary. The technology exists that would bring noise down to much more endurable levels. However, noise control technology is not being applied primarily because of economic factors. It is less expensive to run jackhammers, subway cars, and textile machines until they wear out rather than replacing them with newer, quieter equipment. In the case of consumer goods, noise may even add to sales—for example, a noisier vacuum cleaner may be preferred over a quieter one, out of the mistaken idea that noise denotes cleaning power.

Mr. Speaker, the bill before us today will extend the important noise control program begun in 1972 and continue the research and public information projects as well as initiate the development of low-noise-emission products.

It is in this type of situation, where technology to solve a problem exists but is not being utilized, that we in the Government can be of critical importance. By using the power of legislation and regulation, we can compel the use of quieter equipment not only at airports, but in the workplace and the factory, where productivity could very well increase, and the number of compensation claims filed, due to hearing impairments, decrease, because of the utilization of new equipment. That is the purpose of the bill before us today and I urge the support of my colleagues in the House for this important measure.

Mr. ADDABBO. Mr. Speaker, I rise in full support of H.R. 5272 and urge its passage by the House. We in America have lived too long with noise, especially in large urban areas, and it is proper that this bill expand the effort we began 3 years ago with the Noise Control Act of 1972.

What this bill does is to rectify the inadequacies of the prior bill, adding desperately needed staff and funding so that projects begun can be completed. We who had hoped so much for the passage of the 1972 bill were frustrated by the organizational delays and the problems that came with getting started. We have now been assured by the Environmental Protection Administration that the agency has the earlier problems resolved, that the agency is now able to attack the problems it was designed to attack. I believe we must place our faith in EPA insofar as this bill goes.

I would only caution that the Congress, as well as the people of this Nation, have a right to expect that the battle against noise be won. We are spending great sums of money at a time when dollars are precious to expand this agency. We have nearly doubled, from 59 persons to 92, the staff positions. I believe those expenditures are proper ones, and I urge the House to approve them. But it is time for us to say without equivocation to the agency that the time for it to produce, to begin to have a real impact on the problems of noise in this Nation, are here. I would hope another time will not come when we discuss this issue again and conclude that the money we authorize here today will have been spent in vain.

I again urge my colleagues to support this bill.

Mr. ROYBAL. Mr. Speaker, I rise in support of H.R. 5272, to extend provisions of the Noise Control Act until October 31, 1977.

We are all aware of the danger to health and safety caused by pollution of our air and water. However, we tend to overlook the far-reaching physiological and psychological effects of noise pollution, which include permanent hearing loss, interference with communications, disturbance of sleep that leads to decreased productivity, and lowering of property values in areas located near noise sources.

Passage of the Noise Control Act of 1972 was a first step in curbing harmful noise production. In carrying out the provisions of the law, the Environmental Protection Agency has begun to coordinate efforts on the part of all Federal agencies to reduce noise levels and has published regulations covering aircraft, trucks and other motor vehicles, and air compressors. We have seen positive results from these actions of the EPA, but a great deal of work has yet to be done. There are many noise pollutants still not subject to regulations, and new machinery is continually being developed which could have injurious effects in the people who work with and near it.

Mr. Speaker, I believe that an extension of the Noise Control Act is vital if we are to continue the progress which

has already been made toward the development of standards for all major noise pollutants. Therefore, I urge my colleagues to support the new authorization for this bill.

GENERAL LEAVE

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 5272.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. ROONEY) that the House suspend the rules and pass the bill H.R. 5272, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3(b), rule XXVII, and the prior announcement made by the Chair, further proceedings on this motion will be postponed.

ESTABLISHING PROCEDURES AND REGULATIONS FOR CERTAIN PROTECTIVE SERVICES PROVIDED BY THE U.S. SECRET SERVICE

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1244) to establish procedures and regulations for certain protective services provided by the U.S. Secret Service, as amended.

The Clerk read as follows:

H.R. 1244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Protection Assistance Act of 1975".

SEC. 2. In the performance of the protective duties of the United States Secret Service pursuant to section 3056 of title 18 of the United States Code (pertaining to the protection of the President of the United States and other persons) and the first section of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major presidential or vice presidential candidates", approved June 6, 1968 (Public Law 90–331; 82 Stat. 170), Federal departments and agencies shall assist the United States Secret Service by—

(1) providing, when requested by the Director of the United States Secret Service or his authorized representative and on a reimbursable basis, services, equipment, or facilities on a temporary basis except that the Department of Defense and the Coast Guard shall provide such services, equipment, or facilities on a temporary basis without reimbursement when assisting the United States Secret Service in its duties directly related to the protection of the President or Vice President of the United States or other officer next in the order of succession to the office of President;

(2) providing, upon advance written request of the Director of the United States Secret Service or his authorized representative and on a reimbursable basis such facilities, equipment, and services as are required by the United States Secret Service to provide full-time security for each protectee at no more than one property at a time not in Government ownership or control, such property having been designated by a President, President-elect, former President, or any other person entitled to protection under the above provision of law, as the one property to be secured under this paragraph. Where more than one family member is eligible for Secret Service protection, there shall be only one such designated property allowed per family: *Provided, however,* That such limitation shall not be construed to apply to members of the immediate family who do not permanently reside with the person entitled to protection;

(3) providing, upon advance written request of the Director of the United States Secret Service or his authorized representative and on a reimbursable basis such facilities, equipment, and services, as are required by the United States Secret Service to provide full-time security at any property not covered by paragraph (2) of this section and not in Government ownership or control to the extent that such expenditures do not cumulatively exceed $10,000 at any one property owned, leased, occupied, or otherwise utilized by persons entitled to protection under such sections of title 18 and such Act unless approved by resolutions adopted by the Committees on Appropriations of the House and Senate, respectively.

SEC. 3. Expenditures by the United States Secret Service for maintaining a permanent guard detail and for permanent facilities, equipment, and services to secure non-Government property owned, leased, occupied, or otherwise utilized by persons entitled to protection under the above provisions of law shall be limited as provided in section 2 (2) and (3) of this Act.

SEC. 4. All purchases and contracts entered into pursuant to sections 2(2), 2(3), and 3 of this Act shall be made in accordance with the provisions of the Federal Property and Administrative Services Act of 1949.

SEC. 5. No payments shall be made pursuant to this Act for service, equipment, or facilities ordered, purchased, leased, or otherwise procured by persons other than officers or employees of the Federal Government duly authorized by the Director of the United States Secret Service to make such procurements.

SEC. 6. All improvements and other items acquired pursuant to this Act shall be the property of the Federal Government. Upon termination of entitlement to Secret Service protection or if a President, President-elect, former President, or other person entitled to protection under section 3056 of title 18 of the United States Code and the first section of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major Presidential or Vice Presidential candidates", approved June 6, 1968 (Public Law 90–331; 82 Stat. 170), designates a different property to be so secured, all improvements or other items shall be removed from the original property unless it is economically unfeasible to do so, as determined by the United States Secret Service, except that, such improvements or other items shall be removed and the property restored to its original state, regardless of the determination of economic unfeasibility, if the owner of such property at the time of determination requests removal. If improvements or other items are not removed, the owner of the property containing the improvements at the time of termination shall compensate the Government for the original cost of such improvements or other items or the amount they have increased the fair market value, as determined by the General Accounting Office, of the property as of the date of transfer or termination whichever is less.

SEC. 7. Expenditures under this Act shall be from funds specifically appropriated to the United States Secret Service for carrying out the provisions of this Act, with the exception of those expenditures exempted in section 2(1). Public funds not so appropriated shall not be used for the purpose of securing any non-governmentally-owned property owned, leased, occupied, or otherwise utilized by persons entitled to protection under section 3056 of title 18 of the United States Code and the first section of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major presidential or vice-presidential candidates", approved June 6, 1968 (Public Law 90–331; 82 Stat. 170).

SEC. 8. The Director of the United States Secret Service, the Secretary of Defense, and the Commandant of the Coast Guard shall transmit a detailed report of expenditures made pursuant to this Act to the Committees on Appropriations, Committees on the Judiciary, and Committees on Government Operations of the House of Representatives and Senate on March 31 and September 30 of each year.

SEC. 9. Expenditures made pursuant to this Act shall be subject to audit by the Comptroller General and his authorized representatives, who shall have access to all records relating to such expenditures. The Comptroller General shall transmit a report of the results of any such audit to the Committees on Appropriations, Committees on the Judiciary, and Committees on Government Operations of the House of Representatives and the Senate.

SEC. 10. Section 2 of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major presidential and vice-presidential candidates", approved June 6, 1968 (Public Law 90–331; 82 Stat. 170), is repealed.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. BROOKS) will be recognized for 20 minutes, and the gentleman from New York (Mr. HORTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, H.R. 1244 is an outgrowth of an in-depth study of expenditures of Federal funds in support of Presidential properties by the Government Activities Subcommittee of the Committee on Government Operations in the last Congress. The report was adopted by a full committee vote of 36 ayes, 0 nays, and 2 present.

The committee found that $17 million in public funds were spent on President Nixon's three privately owned properties; that some items were paid for that were far in excess of security needs, or were not related to security purposes, or were not procured by authorized Government personnel.

We also found a loss of fiscal responsibility due to the location of authority among separate agencies; a failure by the Secret Service to develop fundamental managerial controls over expenditures; that proper procedures were not developed to handle Secret Service requests for expenditures by GSA; that no limitation was placed on the number of homes owned by a President which

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could be made secure, and that inadequate consideration was given to apportioning costs between the Federal Government and the private property owner.

In the last Congress, I introduced legislation to carry out the recommendations of the committee. That bill, similar to H.R. 1244, was referred only to the Judiciary Committee, which reported it favorably. It passed the House by voice vote on suspension, but there was not time for it to be acted upon in the Senate.

H.R. 1244 sets certain conditions for the expenditure of funds for the protection of the President and other persons and certain designated properties. It will centralize responsibility for the expenditure of funds for such protection in one agency—the U.S. Secret Service.

It will enable the Secret Service to obtain assistance from other departments and agencies on a reimbursable basis. An exception is provided, however, for expenditures of the Defense Department and the Coast Guard when temporarily assisting in the protection of the President, Vice President, and the officer next in line of succession.

It will limit full-time security to only one privately owned property, to be designated by the President or other protectee.

It places a limitation of $10,000 on expenditures on properties other than those designated, unless a resolution is adopted by the Appropriations Committees of the House and Senate. Expenditures must be made in accordance with the Federal Property and Administrative Services Act, with payments made only for procurements by authorized officers or employees of the Federal Government.

All improvements made to property or other items furnished will continue to be the property of the Government, and with certain exceptions, after termination of protection, will be removed. Semiannual reports of expenditures for protection will be made to the Congress, and the bill authorizes the Comptroller General to audit such expenditures with full access to records.

The General Accounting Office, in its testimony during our hearings, stated that it believed the bill would do a great deal to prevent the situations disclosed in the report of our committee and in its own report and recommended favorable consideration. The Department of Defense likewise supported the objectives of the bill as being consistent with sound management and fiscal policy. The Secret Service indicated that the bill would be no impediment to the work of the agency.

This legislation has been carefully developed in both committees. I believe it will be an effective control on expenditures for protective purposes and should avoid a repetition of the abuses that concerned us all. I hope the House will support the bill.

Mr. HORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 1244, the Presidential Protection Assistance Act of 1975.

The bill before us is the bill reported by the Government Operations Committee; it consists of the Judiciary Committee bill with some technical amendments. In all policy matters, the bills reported by the Judiciary and Government Operations Committees are identical.

The purpose of this legislation is to prevent abuses of authority in expenditures for the protection of the President and other Government officials. H.R. 1244 sets forth the conditions under which the Secret Service can make expenditures for protective services, facilities, and equipment, and the terms under which it can seek assistance from other Government agencies. The bill will bring fiscal accountability to the function of protecting Government officials by requiring the Secret Service, which has this responsibility under law, to reimburse from its own appropriated funds the assisting agencies for the services, equipment, and facilities they provide.

Since there are occasions in which reimbursement is impractical, the bill exempts the Secret Service from having to reimburse the Defense Department and the Coast Guard for services, facilities, and equipment provided for the protection of the President, Vice President, and the officer next in order of Presidential succession. In addition, I think it should be understood that the Secret Service will not be required to reimburse other agencies providing services to the President or other protectee during the normal course of their operations, such as the FAA's air traffic control services provided to Air Force One.

I want to emphasize that protectees are not entitled by the terms of this bill to full-time security at property they own; the Secret Service is only authorized to provide such security as it feels necessary and appropriate. The Secret Service will provide protection and request assistance from other agencies only to the extent necessary to provide the level of protection they feel is required. Furthermore, I want to point out that the protectee will not realize a financial benefit from these expenditures, since he will be required to reimburse the Government for the security items not removed upon termination of Secret Service protection.

This legislation is the result of oversight hearings held by the Government Activities Subcommittee during the 93d Congress and reflects the recommendations made in its report. This bill is an example of what the Congress can do through oversight to prevent unnecessary or improper expenditures.

I want to congratulate Chairman Brooks for the leadership and judiciousness he has shown in our committee's investigation of improper expenditures on Presidential properties and in developing this well-balanced piece of legislation. My committee held one day of hearings on this bill, and reported the bill unanimously.

H.R. 1244 would protect the American people against unnecessary expenditures on private property and, at the same time, would grant the flexibility needed by the Secret Service to fulfill its obligations to protect the President and various other persons as authorized by law. The White House has said they have no objections to this bill or its provisions. The Secret Service has said this bill is workable. The Department of Defense and the General Accounting Office urge passage of the bill. I believe this bill is necessary and well justified by the oversight investigation by my committee. I urge passage of H.R. 1244, as amended.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I will be glad to yield to the gentleman from New York (Mr. Fish).

Mr. FISH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to express strong and enthusiastic support for the passage of the Presidential Protection Assistance Act of 1975.

This legislation is directed at bringing some rationality and sanity into the area of publicly financed protection for the President, other high officials and visiting foreign dignitaries. The basic theme of the bill is that the American taxpayer has a right to know what it costs to provide Secret Service protection for the President and others entitled to protection under the law. It also is an attempt at insuring that such expenditures serve a genuine protective function, rather than being a veiled pretense for the enhancement of private property or recreation.

H.R. 1244 is the collective product of the Committee on the Judiciary and the Committee on Government Operations. This bill also incorporates a number of the recommendations contained in a report to the Congress made by the General Accounting Office on expenditures at San Clemente and Key Biscayne. In October, 1973, the Government Activities Subcommittee of the Committee on Government Operations, chaired by Congressman Jack Brooks, conducted hearings on the subject of Federal funds expended in support of privately owned Presidential properties. That subcommittee reported that over $17 million had been spent on private properties owned or frequented by President Nixon. They concluded that many of the things done in the name of security were unnecessary and even unrelated to that purpose. As a result of that inquiry, the predecessor of the legislation we consider today was introduced.

Last year, when the Committee on the Judiciary was charged with conducting the impeachment inquiry, the abuses possible under the open-ended statutory mandate given the Secret Service in title 18 and under Public Law 90–331 became abundantly clear. The unnecessary, often ostentatious improvements made to the Nixon-owned properties precipitated a national controversy and became a symbol of the abuse of power.

These combined revelations led to a recognition that some limiting criteria were essential to regain public confidence and to discourage further abuses. Consequently, the Judiciary Committee approved and the House passed a measure very similar to H.R. 1244 at the end of the 93d Congress.

The main elements of the bill we consider today are as follows:

First. Permanent security for each person entitled to Secret Service protection would be limited to one non-Government property;

Second. Expenditures for permanent security installations at a second privately owned property would be limited to $10,000;

Third. Once protective services are no longer authorized, the permanent improvements would be removed unless it was determined to be economically unfeasible. However, in any event, they must be removed if the owner requests removal;

Fourth. The Secret Service would be required to reimburse other Federal agencies for any protective assistance they provide, except in the case of certain temporary services provided by the Department of Defense or the Coast Guard;

Fifth. Security related procurements must be made by U.S. Government personnel acting on written requests from the Secret Service; and

Sixth. All agencies making expenditures pursuant to this act shall submit semiannual reports to the Appropriations, Judiciary, and Government Operations Committees in both the House and Senate. The GAO would have access to these reports and the expenditures would be subject to audits by the Comptroller General.

The protective functions and responsibilities of the Secret Service are in no way affected. Those persons eligible to be protected under title 18 of the United States Code remain the same.

Mr. Speaker, this House considers a great deal of legislation which is labeled "reform" legislation. H.R. 1244 is genuine reform legislation. Its keynotes are fiscal control and accountability, along with full public disclosure. It assures on-going oversight by those congressional committees which have jurisdiction in this area. It symbolizes the limits of power in a democracy and intolerance for the abuse of power. While the American people have a right to feel secure that their President is safe, they do not want security used as a veil for luxury.

Mr. BROOKS. Mr. Speaker, I will yield to the very distinguished and able chairman of the subcommittee of the Committee on the Judiciary (Mr. Flowers), under whose leadership this very same bill was passed twice, once in the last Congress and once in this Congress, and then because of these new rules designed to make more difficult the functioning of this body, he passed it again in this Congress, then the Committee on Government Operations passed it, and then we both had to write to the Parliamentarian and tell him we both agreed we would take it up.

Mr. FLOWERS. Mr. Speaker, I thank the gentleman from Texas for yielding.

The bill H.R. 1244 provides for the specific statutory basis and definition of the circumstances under which protection may be furnished to the President and other persons entitled to protection under 18 U.S.C. 3056, and under the first section of Public Law 90–331 providing for the protection of major Presidential or Vice-Presidential candidates. The bill provides limitations with respect to security expenditures on property which is not owned by the Government. It would also require a change in the manner in which protective work on private property by the Federal departments and agencies is funded. The provisions of the bill are intended to provide the basis for control and accountability, as well as public disclosure, of Federal funds spent at private residences for persons entitled to protection under those statutory provisions which include the President, the Vice President, former Presidents, and others.

The need for this statutory definition was recognized in the 93d Congress when the House considered and passed the bill H.R. 17311 as reported by the Committee on the Judiciary. Earlier hearings in 1973 before the Government Activities Subcommittee of the House Committee on Government Operations concerning the expenditure of Federal funds in support of Presidential properties had developed facts which demonstrated the need for legislation.

In addition, the Comptroller General of the United States on December 18, 1973, submitted a report to the Congress entitled "Protection of the President at Key Biscayne and San Clemente" (With Information on Protection of Past Presidents). These reports and hearings were utilized by the Judiciary Committee in its consideration of the bills both in the last Congress and in the present session.

In reports and hearings, the General Accounting Office advised the committee that in the course of its investigation it reviewed the matters with reference to protection in terms of budgeting, accounting, and auditing with a view to identifying what had been done or still needed to be done to provide for responsible supervision and control over these areas, and to also provide for oversight by Congress along with understanding by the public. The recommendations of the General Accounting Office formed the basis for the bills, and those provisions are intended to provide for better controls over expenditures for protection.

At the hearing on February 6, 1975, before the Judiciary Committee's Subcommittee on Administrative Law and Governmental Relations, the General Accounting Office witness again outlined the Comptroller General's recommendations. First, the General Accounting Office recommended that appropriations for expenditures at private residences for protective purposes should be made to the Secret Service and no other funds should be available for that purpose. The bill, H.R. 1244, addresses this problem by providing that except as provided in section 2(1), expenditures for securing any nongovernmentally owned property shall only be from funds specifically appropriated to the Secret Service—section 7. The exception is that temporary assistance to the Secret Service may be given by the Department of Defense and Coast Guard, without reimbursement when directly related to the protection of the President or Vice President.

Second, the General Accounting Office recommended that the accounting procedures of the Secret Service should require that expenditures at private residences for protective purposes be authorized by the Director or Deputy Director of the Service. H.R. 1244 provides that advance written request of the Director or his authorized representative is required to obtain assistance in making secure property not in Government ownership—section 2(2)(3).

Third, the General Accounting Office recommended that the Secret Service should make an annual public report to the Congress showing in as much detail as security will allow expenditures made on private residences for protective purposes. H.R. 1244 in section 8 provides that the Director of the U.S. Secret Service, the Secretary of Defense, and the Commandant of the Coast Guard shall transmit a detailed report under the act to the Committees on Appropriations, Committees on the Judiciary, and Committees on Government Operations on April 30 and September 30 of each year.

Fourth, the General Accounting Office recommended that the expenditures made by the Secret Service should be subject to audit by GAO and that GAO should be given complete access to all records, files and documents supporting expenditures made by the Service. H.R. 1244 provides for this in section 9 of the bill.

Fifth, the General Accounting Office recommended that appropriations for expenditures at private residences of the President, not of a protective nature, should be made to the White House. The White House should account for such expenditures and make an annual report to the Congress, subject to audit by GAO in the same manner suggested for expenditures by the Secret Service for protective purposes. This is a matter outside the scope of H.R. 1244 which is intended to deal with the subject of protection. At the hearing in 1974, the GAO witness recognized this and stated that his agency felt that consideration should be given to this recommendation by the appropriate committees.

In addition, the General Accounting Office suggested that Congress might wish to consider limiting the number of private residences at which permanent protective facilities will be provided for a President and that consideration should be given to the desirability of a Government-owned residence in Washington for the Vice President. Public Law 93–346, enacted July 12, 1974, implemented the latter suggestion when it designated the premises occupied by the Chief of Naval Operations as the official residence of the Vice President. Section 2(2) of H.R. 1244 deals with the limit on the number of residences at which permanent facilities will be provided for a President, and others entitled to protection. In essence it provides a President with full-time protection at no more than one property at a time.

At the hearing in 1974, the General Accounting Office witness pointed out that the earlier 93d Congress bill, H.R. 11499, in section 2(2) allowed any person designated under 18 U.S.C. 3056 or under the act of June 6, 1968, to designate one non-Government property to be secured

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by the Secret Service. It was observed that since the President and his immediate family are all entitled to protection under 18 U.S.C. 3056, a President and his wife could under the bill each designate a separate property not in Government ownership or control to be protected at public expense. The revised bill H.R. 17311 clarified this by providing that in such a case there be only one such designated property per family. Where members of the immediate family do not permanently reside with the President, this limitation would not apply. The same language is included in the bill H.R. 1244 as reported in this Congress.

In the bill H.R. 1244, another suggestion of the General Accounting Office has been included. At the hearing in 1974, it was pointed out that the bill then pending before the Judiciary Committee provided for removal of security facilities upon termination of protective responsibility unless removal would be "economically unfeasible." It was suggested that because some security facilities can detract from the value of the property in the eyes of the owner it would seem reasonable to make provision for removal at his request whether such removal is economically feasible or not. In that Congress the bill was so amended. H.R. 1244 now includes this language in section 6. Thus, it is recognized that an owner should have the option of having improvements or other items removed and the property restored. Since the bill in section 2(2) would require an owner to reimburse the Government either for any increase in the value of property derived from protective additions or items placed on that property or their original cost, it would be inequitable to force this payment upon an owner who did not desire that the improvement or item remain on the property. Accordingly, the provision for removal and restoration is an alternative to the requirement for reimbursement.

This bill provides limitations and sets requirements for the implementation of the protective responsibilities of the Secret Service, and to provide for control and responsibility in carrying out those functions. It is not possible to predict what impact or change these provisions will have in terms of cost to the Government, but it is possible to state that the aim is to adequately control and account for such costs.

The facts presented to the Judiciary Committee in connection with this legislation provide the basis for the approval of the amended bill. It is recommended that the amended bill be considered favorably.

Mr. Speaker, I do not see how anyone could be in opposition to this legislation, In the last Congress very few apparently were for it passed on a voice vote. I do think that this is the proper occasion, as the gentleman from Texas has already said, for considering the effect of the new joint referral procedure upon this consideration of this bill.

The subcommittee of the Committee on the Judiciary, which I have the privilege of chairing, had a day of hearings, we had a markup, and it was brought before the full committee. We thought we were in a position to bring the matter to the floor of the House until we were advised that under the new procedures, it was not that simple. Since the bill had been jointly referred to the Judiciary Committee and the Committee on Government Operations, the Committee on Government Operations had to also consider it and had to have an additional day of hearing, a day of markup, and then also report it to the floor of this House.

Mr. Speaker, I do not think that this kind of duplication of effort is what we had in mind when we passed the legislative reform measures that apply in this particular way. Had our committee and the Committee on Government Operations not been in concert on this matter, and both in agreement on following expeditious procedures on this matter, we might have had a legislative stalemate and the legislation might never reach the floor of the House or at least have been subjected to unreasonable delay because of procedural difficulties not fully anticipated when the rules changes were approved.

Mr. Speaker, I endorse completely the action of my colleagues on the great Committee on Government Operations and especially do I endorse the work of my colleagues on the House Committee on the Judiciary.

This is a good bill. We ought to pass it unanimously, but I want to call upon the leadership of this House, of the Committee on Rules, and others to consider changes to this rule so that we do not have to have repetitious committee action on any measure that has been assigned to two committees or any measure pending in this House. I know that presently we have in our committee some such dually assigned legislation.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I think the gentleman is making a very valid point, and I want to agree with the point he is making with regard to this referral to two or three committees.

What happened in this instance was that the matter was referred to the Committee on Government Operations. In the first instance, we attempted to report the bill out, but the members of the Committee on Government Operations felt we ought to go into it in some detail in spite of the fact that the Committee on the Judiciary had already gone into the matter. Then the chairman of our full committee, the gentleman from Texas (Mr. Brooks), also chairs the subcommittee, so we referred it to the subcommittee. We then held additional hearings on this matter, and we did make some technical changes, but it was only because our chairman, the gentleman from Texas (Mr. Brooks), was a member of the Committee on the Judiciary and because of the willingness of the Committee on the Judiciary that we were able to work this matter out. Therefore, I think the gentleman is making a very good point, and I certainly want to agree with him.

Mr. FLOWERS. Mr. Speaker, I certainly agree with the gentleman from New York on his particular observation.

It was possible to bring up this bill under this procedure because there were no problems, or disagreement in substance between the recommendations of the two committees, but right around the corner there are a lot of potential problems and we ought to change it while we still have the time.

Mr. Speaker, I thank the gentleman from New York.

Mr. HORTON. Mr. Speaker, I would like to yield 2 minutes to the gentleman from California (Mr. Moorhead).

The gentleman from California (Mr. Moorhead) is the ranking minority member of the Subcommittee on the Judiciary, the Committee on Administrative Law and Governmental Relations, and they handled this bill in the Committee on the Judiciary.

Mr. MOORHEAD of California. Mr. Speaker, today we are considering legislation which, in my mind, is long overdue. This bill is an attempt at establishing reasonable limits on the type of expenditures that can be made in connection with the protective responsibilities carried out by the U.S. Secret Service.

This measure is the result of over 2 years of hard work and research on this subject. Both the members of the Judiciary Committee and Government Operations Committee have been involved in formulating its principles and provisions.

H.R. 1244 is nearly identical to legislation which was reported favorably by the Judiciary Committee and passed the House of Representatives on December 16, 1974. I am proud to have been a cosponsor of that bill. Unfortunately, its passage last year came too late to permit comparable Senate action.

As reported in this session, H.R. 1244 limits permanent security for each person entitled to protection under the law to one non-Government property. This means, for example, that the President would be able to designate one residence owned or leased by himself to be fully secured. That location, in addition to the White House and Camp David would be used as his working retreat or a place to relax. Expenditures for permanent security installations at a second privately owned property would be limited to $10,000. Once protective services are no longer authorized, the permanent improvements would be removed unless it was determined to be economically unfeasible. However, in any event, they must be removed if the owner requests removal.

Importantly, this legislation would also set up a system by which the Secret Service would be required to reimburse other Federal agencies for any protective assistance they provide. Significantly, for the first time, this will result in the Secret Service budget reflecting the actual cost of protecting the President, his family, the Vice President, former Presidents, and others now entitled to protection under the law. The single exception to this reimbursement requirement, under the bill, occurs where the Department of Defense or the Coast Guard provide certain temporary protective assistance to either the President or the Vice President.

Other sections of the bill worth noting are a provision requiring that security-related procurements must be made by U.S. Government personnel acting on written requests from the Secret Service and a provision requiring that all agencies making expenditures pursuant to this act submit semiannual reports to the Appropriations, Judiciary, and Government Operations Committees in both the House and Senate. The GAO would have access to these reports and the expenditures would be subject to audits by the Comptroller General.

I strongly urge my colleagues in the House to support this important, significant legislation. It does not limit the movement of the President. It does not in any way restrict the Secret Service in carrying out its legitimate responsibilities. It fully recognizes the need to protect our high public officials while, at the same time, insuring that protection is not transformed into regal treatment.

Mr. BROOKS. Mr. Speaker, I yield to the distinguished gentleman from Oklahoma (Mr. Steed).

Mr. STEED. Mr. Speaker, I am very pleased that the gentleman from Texas has brought this bill to the floor. It is clear from past experience that there must be greater controls and a heightened sense of accountability for funds to protect officials of our Government. The Subcommittee on Treasury, Postal Service, and General Government, which I chair, has insisted that the Secret Service develop a better system of control over expenditures for the acquisition of space, alterations, and services. I think it is right for us now to amend the authorizing legislation for the Secret Service to require by law appropriate controls over these expenditures.

I would like to clarify one matter with the chairman and ranking minority Member, however. As is entirely appropriate, this bill requires that the Secret Service reimburse other Federal agencies when they provide temporary assistance to the Secret Service in its duties directly related to the protection of those entitled to protection and when requested by the Director of the Secret Service or his authorized representative. The bill recognizes, as it so states in the Government Operations Committee report on page 6—

> that there were some occasions in which reimbursement may be impractical and exempted the Secret Service from having to reimburse the Defense Department and the Coast Guard for such facilities, services, and equipment as they may provide in the protection of the President, Vice President, and other officer next in order of Presidential succession.

The report goes on to say, these—

> agencies provide services and protection for the Commander in Chief as part of their regular duties, and such expenditures are a part of their operating budget.

There are other activities which other agencies undertake as part of their regular duties and which are part of their operating budgets and which relate to the protection of the President. I am thinking of such activities as air traffic controllers who watch over the President's plane when he is flying over the United States; the National Park Service when a protectee is in a national park or on other Federal lands administered by the Interior Department; the State Department when a protectee is visiting a State Department facility or is traveling in a foreign country; and, for instance, the legislative branch when a protectee is visiting the Capitol complex. I assume that we would expect the Secret Service and the other agencies to apply this reimbursement requirement when support is requested by the Secret Service for protection and not for such support as may be given the President or other protectee as a part of other statutory responsibilities of the agencies. I ask the chairman and the ranking minority member if my understanding is correct in this assumption.

Mr. HORTON. Mr. Speaker, I certainly agree with the gentleman from Oklahoma (Mr. Steed), and I would state that the assumption made by the gentleman from Oklahoma is correct, and is the way I understand the bill is to be interpreted.

Mr. STEED. Mr. Speaker, again I want to thank the committee for bringing this bill to us today. It is going to help my subcommittee in a very trying and troublesome matter. We are very grateful that we have been given guidelines that will help us do our work.

Mr. BROOKS. Mr. Speaker, in reply to the inquiry of my friend, the gentleman from Oklahoma (Mr. Steed), let me say that the understanding of the gentleman is correct. We all realize that many duties are undertaken as part of the regular activities of various agencies, and the examples which are given would not appear to be those that require reimbursement by the Secret Service. In this bill we are only seeking to pin down responsibility and to tighten controls over expenditures. The main thing we are trying to do is to centralize the accountability for expenditures for activities that are essentially assisting the Secret Service in carrying out its legitimate protection responsibilities.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield two minutes to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I associate myself with the remarks of those who have preceded me. I would also like to point out that I feel that through the hearings which preceded and the passage of this bill, we have achieved and are achieving what I consider to be a very important step forward in our concept of providing protection to the President and his family.

None of us has any intention or desire to impair in any way the responsibilities of the Secret Service or any other agency charged with protecting the safety of the President and his family. None of us wish to do so.

The goal we sought to achieve was to establish some accountability as to the expenditures for Executive security. Our goal was to try to restrict those expenditures for improvements and facilities on certain real property to those which are designed and relevant to protect the President and not simply to enhance the value of his real property. I think we have done this through the bill.

The Secret Service, and the other agencies who have the responsibility, may continue their exemplary task of protecting the security of the President, but there no longer will be a bottomless purse through which, under the guise of protection, it will be possible to enhance and increase the value, without any limitation whatsoever, on properties owned or acquired by our Presidents.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of H.R. 1244, Presidential Protection Assistance Act of 1975.

This bill is a product of the hearings held in 1973 by the Government Operations' Subcommittee on Government Activities into the expenditure of Federal funds in support of Presidential properties. The subcommittee, of which I was a member, found that $17 million in public funds were spent in connection with former President Nixon's three privately owned properties and at the office complexes established at these locations.

We further found that the high cost for providing security at former President Nixon's homes was the result in many instances of poor fiscal management and responsibility.

The Government Operations Committee report entitled "Expenditure of Federal Funds in Support of Presidential Properties" recommended the enactment of further legislation which should bring about good management and fiscal responsibility.

H.R. 1244 is a result of these hearings and report, and is brought before us today in an effort to insure good government.

In no way does it compromise the freedom and/or mobility of a President. It does, however, limit a President in the number of private residences which can be secured at the expense of the taxpayers and centralizes the responsibility for the expenditure of funds for protection in one agency: the Secret Service.

While the Secret Service may obtain assistance from other departments and agencies, it must reimburse them. An exception is provided for the Department of Defense and the Coast Guard in temporarily assisting in the protection of the President, Vice President, and the next in order of succession.

The bill limits full-time security to only one privately owned property which may be designated by the President or other protectee. This, as I said earlier, does not compromise the mobility of a President, who, after all, has the use of Camp David and other Government-owned residences.

The other basic provisions of the bill require that: First, there be a limitation of $10,000 on expenditures on any other property not previously designated and not in Government ownership or control, unless a resolution of approval is adopted by the House and Senate Appropriation Committees; second, all improvements made to property or other items furnished continue to be the property of the Government; and third, semiannual reports of expenditures be made to certain congressional committees and the Comptroller General be authorized to audit such expenditures.

Mr. Speaker, this legislation is very similar to H.R. 17311, which I cosponsored and which passed the House on

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December 16 last year by voice vote. However, since it was passed in the last days of the 93d Congress, the Senate did not have an opportunity to act upon it.

I urge my colleagues to support this legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the bill H.R. 1244, as amended.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from California withdraw his point of order that a quorum is not present?

Mr. ROUSSELOT. Mr. Speaker, I withdraw my point of order.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING EX GRATIA PAYMENT TO THE PEOPLE OF BIKINI ATOLL

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5158) to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands, as amended.

The Clerk read as follows:

H.R. 5158

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That there is authorized to be appropriated to the Secretary of the Interior in recognition of the hardship suffered by the people of Bikini due to replacement from their atoll since 1946 the sum of $3,000,000, ex gratia. Such sum shall be paid to a trustee selected by the Kili/Bikini Council subject only to disapproval by the High Commissioner of the Trust Territory of the Pacific Islands to be held in trust pursuant to the provisions of a trust agreement or amendment thereto agreed to by the Kili/Bikini Council subject only to disapproval by the High Commissioner of the Trust Territory of the Pacific Islands for the use and benefit of and distribution to persons who possess rights in Bikini Atoll. Provision may be made in the trust instrument for disbursement of trust income and corpus by the trustee directly to the Kili/Bikini Council for distribution, according to custom and tradition, to persons who possess rights in Bikini Atoll. The Governments of the United States and Trust Territory of the Pacific Islands shall not be liable in any cause of action in law or equity arising from the administration or distribution of the trust funds.

The SPEAKER pro tempore. Is a second demanded?

Mr. KETCHUM. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. KETCHUM) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, in 1946, the people of Bikini Atoll in the Marshall Islands, of the Trust Territory of the Pacific Islands were moved from their homes to provide a nuclear bomb test site for the United States. During the greater part of the following 29 years the Bikinians have lived on an island with a total land area of one-third of a square mile, with no lagoon to protect the homes, the crops, et cetera, of the people from the high typhoon waters, and no harbor capacity in which the occasional vessel bringing food and supplies could anchor and unload. Cash income with which to buy supplies has also been minimal because of the corresponding difficulty of loading the only cash crop the Bikinians had; namely, copra. For 29 years, uprooted from their ancestral land these people have lived at what is truly the minimum subsistence level.

As yet, they have still not been able to return to their land. Previous Congresses have authorized and appropriated funds for the reclamation of Bikini to make it habitable once again, and it is to be hoped that they can return to their homeland within the next year.

In the meantime, they have not been compensated in any significant way for their 29 years of exile.

In a similar experience, the people of Eniwetok Atoll were paid by the United States, ex gratia, $1,020,000. The difference in the two sums is the approximate result of a difference of approximately 350 people—750 Bikinians and 400 Eniwetokese—and the lower 1975 value of the dollar.

To those who might think this figure is too generous, I would point out that it amounts to $4,000 per person, or approximately $138 to each person for each of the 29 years they have been exiles from their most precious possession, their land. Truly, they are, to use a contemporary word, refugees.

I urge the approval of this very meritorious bill.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KETCHUM. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 5158 which provides a $3 million ex gratia payment for the inhabitants of Bikini who were forced to leave their traditional island home to accommodate U.S. nuclear testing. For almost 30 years these impoverished people have existed on a level of bare subsistence, receiving little recognition by our Government for their sacrifice. H.R. 5158 is a belated attempt to recognize the injustice suffered by the Bikinians. As they prepare to move back to their homeland, it is indeed fitting that America compensate, not only with word but with deed, those Micronesians who have contributed so much to assure America's nuclear posture.

Mr. KETCHUM. Mr. Speaker, the atomic blasts over Hiroshima and Nagasaki marked not only the conclusion of World War II but also the commencement of the nuclear arms race. Prudently, in 1946, the United States recognized the cataclysmic change in the world's balance of power and commenced nuclear weapons testing on the Pacific Atoll of Bikini. During the next 15 years, to meet the Soviet challenge, the U.S. nuclear arsenal grew in conjunction with the strategy of nuclear deterrence, upon whose efficacy the fate of mankind is currently balanced.

In this dramatic scenario, the contribution in the development of our current military posture by a few Marshal Islanders has passed unnoticed. Today, however, the bill before us seeks to rectify the inequities incurred by these Micronesians. H.R. 5158 awards a $3 million ex gratia payment to the former inhabitants and their descendants of the Bikini Atoll who abandoned their traditional home to accommodate U.S. nuclear testing. During the greater part of the last 29 years, the Bikinians have been forced to scratch out a meager existence on an alien island. Compelled to rely on the generosity of other island people more fortunate than themselves and upon the good will—often intermittent—of the United States, the people of Bikini lost much of their self-respect and native ingenuity. The measure before us, in some small degree, compensates those gallant people for the hardships they have suffered. In light of the billions of dollars expended to maintain America's nuclear power, $3 million represents an insignificant amount to award these people whose homes were temporarily sacrificed to insure international peace. Accordingly, I request this House to support unanimously the legislation now under consideration.

Ms. ABZUG. Mr. Speaker, in voting what has come to be a tiny sum—$3 million—we should not lose sight of the purpose of this money. It is to repay in some small measure the inhabitants of the Bikini Atoll for our highhanded displacement of them in 1946. The reason, you may recall, was nuclear testing. We knew that human beings cannot continue to live where these weapons are tested, that the land will be poisoned for many years. Yet, 700 people in a U.S. trust territory were displaced for nuclear testing, and have suffered deprivation for all the intervening years.

Certainly we must give them this token tribute, as we gave a comparable amount to the people of Eniwetok not long ago. But this amount is embarrassingly small. We owe them more than we could ever repay them.

Furthermore, we should think of these people the next time we are asked to approve millions upon millions for nuclear testing. Though the test ban treaty at present prevents open-air testing, we still test underground, and allow radiation to escape. We are moving toward something called a "plutonium economy" in which this most lethal substance will be produced in great quantity and transported and employed in a manner which will hardly guarantee anyone's safety. Again, we seem to forget the dangers of the substance with which we are playing.

May these unfortunate, forgotten people serve as a continual reminder of our power to lay waste whole continents, including our own, and as a caution against any further indiscriminate use of such substances.

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

Mr. KETCHUM. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill H.R. 5158, as amended.

The question was taken.

Mr. CLANCY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 3(b) of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order that a quorum is not present?

Mr. CLANCY. Mr. Speaker, I withdraw my point of order.

AMENDING SECTION 2 OF THE ACT OF JUNE 30, 1954, AS AMENDED, PROVIDING FOR THE CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (S. 326) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, as amended.

The Clerk read as follows:

S. 326

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That section 2 of the Act of June 30, 1954 (68 Stat. 330), as amended, is amended by deleting "and for each of the fiscal years 1974 and and 1975, $60,000,000" and inserting in lieu thereof the following: "for fiscal year 1975, $75,000,000".

SEC. 2. There is authorized to be appropriated $1,500,000 to aid in the transition of the Mariana Islands District to a new Commonwealth status as a territory of the United States: *Provided, however,* That no part of such sum may be obligated or expended until final agreement between Marianas Political Status Commission and the United States has been approved by the Congress.

The SPEAKER pro tempore. Is a second demanded?

Mr. KETCHUM. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill S. 326.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. PHILLIP BURTON)?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, S. 326 provides for increasing the authorization ceiling for fiscal year 1975 for the activities of the civil government of the Trust Territory of the Pacific Islands from the current authorization of $60,000,000 to $75,000,000, and it would authorize the appropriation of $1,500,000 to fund the necessary functions related to the transition of the Mariana Islands District from the trust territory government to commonwealth status as a territory of the United States. The $1,500,000 may be obligated or expended only if the U.S. Congress approves the new commonwealth status of the Northern Mariana Islands.

The increase in the ceiling authorization of the trust territory government is made necessary by the increasingly urgent need of the trust territory for capital improvements, and by the extreme impact of inflation on all costs. Inflation is more severe in some respects in the western Pacific islands than on the mainland United States because of the addition of inflated long distance shipping costs to the otherwise inflated costs of fuel and other supplies.

The $15,000,000 increase in the fiscal year 1975 budget was asked for by the Department of the Interior and our committee has concurred in that request. The Senate approved an increase of $5,650,000. In the meantime, I have been informed that the Senate Interior Committee staff is satisfied about the need for the funds and will probably approve an amount very close to the full request, if not the full amount. Otherwise, S. 326 as passed by the Senate and reported by the House Committee on Interior and Insular Affairs are identical.

An agreement which, if approved, will lead to commonwealth status for the Marianas Islands District, was signed by representatives of the United States and of the Marianas Islands. The sum of $1,500,000 was asked for by the administration to finance the cost of a program of transition from the old to the new governmental status which will include, among other things, a constitutional convention and referendum, a political status plebiscite, political education programs, and economic, planning, and fiscal studies for the use and guidance of the new Commonwealth Government. As I have previously noted, the authorized sum may not be expended until the Congress has acted favorably on the agreement.

Mr. Speaker, the Senate has passed this bill and the House and Senate Interior and Insular Affairs Committees agree on the need and justification for the funds. I urge approval of the bill.

Mr. KETCHUM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I yield to the gentleman from Kansas (Mr. SKUBITZ) such time as he may consume.

Mr. SKUBITZ. Mr. Speaker, I rise in support of S. 326 as amended, which increases the fiscal year 1975 authorization for the Trust Territory of the Pacific Islands from $60 million to $75 million and provides a one-time $1.5 million authorization to assist in the transition of the Northern Marianas to commonwealth status.

This $15 million increase in annual authorization is necessitated by inflationary trends in Micronesia, as well as a fervent desire on the part of the administration to insure an adequate infrastructure in Micronesia prior to the termination of the trusteeship.

For 30 years the United States has administered the trust territory. Unfortunately, however, the first 20 years witnessed the United States in a caretaker role, maintaining the Micronesian status quo on a shoestring. Only within the past decade has America taken active steps to pave the way for self-government in the Pacific Islands. Although progress has been significant in recent times, a good deal of the appropriated funds have been gobbled up by runaway inflation—particularly in the area of transportation, health care, and construction costs.

The bill before us recognizes that if past efforts in bettering Micronesian life are to bear fruit, inflationary costs must be recognized. As Micronesia prepares for self determination—probably in the early 1980's—let us not take two steps forward only to fall back one. Rather let us be assured that we, as the administrating power, meet our responsibilities and establish a precedent in dealing with the underdeveloped world of which we can take pride.

Mr. KETCHUM. Mr. Speaker, I rise in support of S. 326, as amended, which provides an increase in authorization for the Trust Territory of the Pacific Islands from $60 million in fiscal year 1975 to $75 million. We, in this Chamber, are well aware of the inflationary trends in our economy. Many of us forget, however, that it is not only the U.S. citizen who bears the economic pinch but also those people who depend upon the United States for their livelihood.

Such is the case of Micronesia, whose people, under international agreement, have been placed under U.S. tutelage. In Micronesia, the centers of population are separated by hundreds of miles of open sea. Thus, life's sustenance is often dependent solely upon the timely arrival of inter-island ships, bearing foodstuffs, and other essential commodities. In this context, one can easily imagine the impact on a fixed operating budget when fuel costs to power these life-bringing

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vessels are doubled: sometimes, even tripled. Accordingly, funds in this increased authorization are designated to cover the deficit caused by soaring petroleum prices.

But rising fuel costs are only part of Micronesia's transportation problem. For nearly 30 years, the trust territory has maintained vital sea lines with outdated craft—mostly of World War II vintage. Today, these ancient ships no longer can be depended upon to function in accordance with their vital mission. Repairs often exceed the net worth of the ships. Obviously, inter-island shipping must be quickly replaced, thereby providing a stimulus to a sagging Micronesian economy. Funds for this important task are also included in S. 326.

Additionally, America is committed to insure proper health care for the Micronesian. And specific funds for this purpose are earmarked in this authorization bill. Funding will be provided for a sorely needed hospital in Yap, for the continued construction of dispensaries in the outer islands and to cover, at least in part, the escalating price of medicines and hospital equipment.

Section 2 of S. 326, falls in line with another of America's responsibilities in the trust territory—political development. In this regard, $1.5 million is authorized to finance, preliminary governmental studies in the formulation of the new commonwealth in the northern Marianas, if and when Congress approves the covenant.

Mr. Speaker, I doubt if any Member of this floor is more concerned in checking inflation and reducing Federal spending than I. In this pursuit, however, America's responsibility in meeting its international obligations and of providing life's necessities for our Micronesian wards cannot be overlooked. Therefore, I ask my colleagues to join with the administration and to recognize their humanitarian, as well as legal obligations, and to lend their favorable support to the legislation before us.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise to associate myself with the remarks of the gentleman in the well, the gentleman from California (Mr. KETCHUM).

Mr. Speaker, I support S. 326, as amended, which increases the fiscal year 1975 authorization for the Trust Territory of the Pacific Islands by $15 million and provides $1.5 million to aid the transitional Government of the Northern Marianas Commonwealth. Inflation has hit the Micronesians very hard in the last year. Fuel costs have soared; medical supplies have risen as much as 175 percent; construction in progress had to be suspended due to insufficient funds.

The administration seeks to provide the Micronesians with an adequate infrastructure before the termination of the trusteeship. Unless inflationary trends are quickly met with increased appropriations, Micronesian self-determination will be necessarily postponed. We, as American citizens, are committed to assist in building both the Micronesian economy and political system. Much has been accomplished but much more is required. To check progress now would be a setback for the Micronesians. Accordingly, Mr. Speaker, I urge my colleagues to support the bill now before us.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, could I ask, is this an increase in the budget?

Mr. KETCHUM. This is an increase, correct me if I am wrong, of $10 million in the budget.

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield, I think any increase is provided—or will be—in the budget, because this is exactly the amount the administration asked for. I am working on the assumption that the budget allows for the amount they requested.

Mr. ASHBROOK. With that understanding, whatever that is, I withdraw my objection.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the Senate bill S. 326, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order that a quorum is not present?

Mr. ASHBROOK. Yes, I do, Mr. Speaker.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 5272, H.R. 1244, H.R. 5158, and S. 326.

NOISE CONTROL ACT EXTENSION

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 5272.

The Clerk read the title of the bill.

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Pennsylvania (Mr. ROONEY) to suspend the rules and pass the bill H.R.5272, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 222, nays 132, not voting 78, as follows:

[Roll No. 175]

YEAS—222

Abzug
Adams
Alexander
Ambro
Anderson,
  Calif.
Anderson, Ill.
Annunzio
Armstrong
Aspin
AuCoin
Bafalis
Baldus
Baucus
Beard, R.I.
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Bolling
Brademas
Breckinridge
Brooks
Brown, Calif.
Broyhill
Buchanan
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Clay
Cleveland
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
Daniels,
  Dominick V.
Danielson
Dellums
Dent
Derwinski
Dingell
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Ford, Tenn.
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Green

Gude
Guyer
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Hicks
Hightower
Holtzman
Horton
Howard
Howe
Hughes
Hutchinson
Hyde
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi

Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Quie
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Schroeder
Schulze
Seiberling
Sharp
Shipley
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton,
  James V.
Steed
Steelman
Stokes
Studds
Teague
Thompson
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
White
Wilson,
  Charles, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Young, Tex.
Zablocki

NAYS—132

Abdnor
Andrews,
  N. Dak.
Archer
Ashbrook
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bevill
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey

Cederberg
Chappell
Clancy
Clausen,
  Don H.
Clawson, Del
Cochran
Cohen
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, Robert
  W., Jr.
de la Garza
Derrick
Devine
Dickinson
Downing
du Pont
Edwards, Ala.
Emery
Erlenborn

Eshleman
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Giaimo
Ginn
Goodling
Gradison
Grassley
Hagedorn
Hammer-
  schmidt
Hansen
Harsha
Hébert
Henderson
Hillis
Holland
Holt
Hubbard

Hungate
Ichord
Jacobs
Jarman
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Lagomarsino
Latta
Levitas
Lloyd, Tenn.
Lott
Lujan
McCollister
McDonald
Mahon
Michel
Miller, Ohio

Montgomery
Moorhead,
  Calif.
Myers, Ind.
Neal
Nichols
Passman
Poage
Quillen
Roberts
Robinson
Rose
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Sebelius
Shuster
Sikes
Smith, Nebr.
Snyder

Spence
Stanton,
  J. William
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Ullman
Vander Jagt
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Young, Alaska

NOT VOTING—78

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bonker
Bowen
Breaux
Brodhead
Burke, Calif.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
Dodd
Esch
Foley
Ford, Mich.
Frey
Goldwater
Gonzalez
Harrington

Hastings
Helstoski
Hinshaw
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Martin
Mathis
Matsunaga
Melcher
Milford
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.

Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Santini
Scheuer
Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Wilson,
  Charles H.,
  Calif.
Wydler
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti and Mr. Ford of Michigan for, with Mr. Moore against.

Mr. Lent and Mr. O'Brien for, with Mr. Breaux against.

Mr. Wydler and Mr. O'Neill for, with Mr. Conlan against.

Mr. Rangel and Mr. Moorhead of Pennsylvania for, with Mr. Hinshaw against.

Mr. Addabbo and Mr. Roncalio for, with Mr. Young of Florida against.

Until further notice:

Mrs. Mink with Mr. Andrews of North Carolina.

Mr. Nix with Mr. Brodhead.

Mr. Delaney with Mr. Milford.

Mr. Yatron with Mr. Ryan.

Mr. Matsunaga with Mr. Scheuer.

Mr. Madden with Mr. Ashley.

Mr. Barrett with Mrs. Burke of California.

Mrs. Boggs with Mr. Esch.

Mr. Boland with Mr. Conyers.

Mr. Diggs with Mr. Patman.

Mr. Dodd with Mr. Davis.

Mr. Foley with Mr. Martin.

Mr. Mann with Mr. Frey.

Mr. Mathis with Mr. Mosher.

Mr. Mollohan with Mr. McEwen.

Mr. Stephens with Mr. Shriver.

Mrs. Sullivan with Mr. Goldwater.

Mr. Stark with Mr. Rinaldo.

Mr. Thornton with Mr. McKinney.

Mr. Melcher with Mr. Hastings.

Mrs. Chisholm with Mr. Helstoski.

Mr. Bonker with Mr. Walsh.

Mr. Badillo with Mr. Young of Georgia.

Mr. Mottl with Mr. Harrington.

Mr. Jenrette, with Mr. Landrum.

Mr. Charles H. Wilson of California with Mr. Weaver.

Mr. Santini with Mr. Pattison of New York.

Mr. Bowen with Mr. D'Amours.

Mr. Gonzalez with Mr. Symington.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

ESTABLISHING PROCEDURES AND REGULATIONS FOR CERTAIN PROTECTIVE SERVICES PROVIDED BY THE U.S. SECRET SERVICE

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 1244, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the bill, H.R. 1244, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 352, nays 0, not voting 80, as follows:

[Roll No. 176]

YEAS—352

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson,
  Calif.
Anderson, Ill.
Andrews,
  N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Bolling
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan

Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen,
  Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert
  W., Jr.
Daniels,
  Dominick V.
Danielson
de la Garza
Dellums
Dent
Derrick
Derwinski

Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman

Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammer-
  schmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory

McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Martin
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead,
  Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patten
Patterson, Calif.
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot

Roybal
Runnels
Ruppe
Russo
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton,
  J. William
Stanton,
  James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson,
  Charles, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Young, Alaska
Young, Tex.
Zablocki

NAYS—0

NOT VOTING—80

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bonker
Bowen
Breaux
Brodhead
Burke, Calif.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
English
Esch
Fenwick

Ford, Mich.
Frey
Goldwater
Gonzalez
Harrington
Hastings
Helstoski
Hinshaw
Hughes
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Mathis
Matsunaga
Melcher
Milford
Mills

Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.
Pepper
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
St Germain
Scheuer

UMI

Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Wilson, Charles H., Calif.
Wydler
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Andrews of North Carolina.
Mr. O'Neill with Mr. Ashley.
Mr. Barrett with Mr. Patman.
Mr. Zeferetti with Mr. Pattison of New York.
Mr. Matsunaga with Mr. Pepper.
Mrs. Mink with Mr. Boland.
Mr. Badillo with Mr. St Germain.
Mr. Stark with Mr. Walsh.
Mr. Breaux with Mr. Conlan.
Mrs. Boggs with Mr. O'Brien.
Mr. Ford of Michigan with Mr. McEwen.
Mr. Yatron with Mr. Esch.
Ms. Chisholm with Mr. Gonzalez.
Mr. Nix with Mr. Mills.
Mrs. Sullivan with Mr. Lent.
Mr. Roncalio with Mr. Mosher.
Mr. Jenrette with Mr. Frey.
Mrs. Burke of California with Mr. Brodhead.
Mr. Delaney with Mr. McKinney.
Mr. Diggs with Mr. Harrington.
Mr. Madden with Mr. Goldwater.
Mr. Mann with Mr. Moore.
Mr. Symington with Mr. Hastings.
Mr. Rangel with Mr. Helstoski.
Mr. Mathis with Mr. Shriver.
Mr. Scheuer with Mr. Ryan.
Mr. Thornton with Mr. Wydler.
Mr. Rinaldo with Mr. Weaver.
Mr. Charles H. Wilson of California with Mr. Young of Florida.
Mr. Stephens with Mr. Melcher.
Mr. Conyers with Mr. Hughes.
Mr. Davis with Mr. Hinshaw.
Mr. Landrum with Mr. Bonker.
Mr. Milford with Mr. D'Amours.
Mr. Mollohan with Mr. English.
Mr. Moorhead of Pennsylvania with Mr. Bowen.
Mr. Young of Georgia with Mr. Risenhoover.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING AN AUTHORIZATION FOR AN EX GRATIA PAYMENT TO THE PEOPLE OF BIKINI ATOLL, IN THE MARSHALL ISLANDS OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill (H.R. 5158) as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON), that the House suspend the rules and pass the bill, H.R. 5158, as amended.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 346, nays 10, not voting 76, as follows:

[Roll No. 177]

YEAS—346

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Dellums
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Martin
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Tex.
Zablocki

NAYS—10

Brown, Ohio
Chappell
Collins, Tex.
Devine
Hammerschmidt
Harsha
Kindness
McDonald
Shuster
Teague

NOT VOTING—76

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bowen
Breaux
Brodhead
Burke, Calif.
Burleson, Tex.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
Esch
Ford, Mich.
Fountain
Frey
Goldwater
Gonzalez
Hansen
Harrington
Hastings
Hayes, Ind.
Helstoski
Hinshaw
Hughes
Jenrette
Johnson, Colo.
Landrum
Lent
Madden
Mann
Mathis
Matsunaga
McEwen
McKinney
Melcher
Milford
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Scheuer
Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Andrews of North Carolina.
Mr. Addabbo with Mr. Hayes of Indiana.
Mr. Nix with Mr. Ashley.
Mr. Zeferetti with Mr. Landrum.
Mr. Rangel with Mr. Brodhead.
Mr. Breaux with Mr. Mollohan.
Mrs. Boggs with Mr. Mathis.
Mr. Barrett with Mr. Mottl.
Mr. Delaney with Mr. Patman.
Mr. Badillo with Mr. Hughes.
Mrs. Chisholm with Mr. Harrington.
Mr. D'Amoura with Mr. McKinney.
Mr. Diggs with Mr. Helstoski.
Mr. Ford of Michigan with Mr. Lent.
Mr. Melcher with Mr. Conlan.
Mrs. Mink with Mr. Hastings.
Mr. Moorhead of Pennsylvania with Mr. Scheuer.
Mrs. Sullivan with Mr. Esch.
Mr. Stark with Mr. McEwen.
Mr. Roncalio with Mr. Frey.
Mr. Risenhoover with Mr. Symington.
Mr. Madden with Mr. Hinshaw
Mr. Mann with Mr. Goldwater.
Mr. Jenrette with Mr. O'Brien.
Mr. Boland with Mr. Mosher.
Mr. Bowen with Mr. Hansen.
Mrs. Burke of California with Mr. Rinaldo.
Mr. Fountain with Mr. Walsh.
Mr. Davis with Mr. Young of Florida.
Mr. Milford with Mr. Young of Georgia.
Mr. Yatron with Mr. Pattison of New York.

Mr. Thornton with Mr. Ryan.
Mr. Conyers with Mr. Matsunaga.
Mr. Burleson of Texas with Mr. Gonzalez.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING SECTION 2 OF THE ACT OF JUNE 30, 1954, AS AMENDED, PROVIDING FOR THE CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The SPEAKER. The unfinished business is the question of suspending the rules and agreeing to the Senate bill (S. 326), as amended.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the Senate bill (S. 326), as amended.

Mr. SHUSTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 334, nays 27, not voting 71, as follows:

[Roll No. 178]

YEAS—334

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baucus
Bauman
Beard, R.I.
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Foley
Forsythe
Fountain
Fraser
Frenzel
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Martin
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patten
Patterson, Calif
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Tex.
Zablocki

NAYS—27

Archer
Baldus
Beard, Tenn.
Bedell
Biaggi
Collins, Tex.
Cornell
Crane
Dent
Devine
Florio
Flynt
Ford, Tenn.
Gaydos
Hammerschmidt
Hughes
Jacobs
Keys
McDonald
Miller, Ohio
Murtha
Neal
Poage
Santini
Shuster
Symms
Teague

NOT VOTING—71

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bowen
Breaux
Brodhead
Burke, Calif.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
Esch
Evins, Tenn.
Ford, Mich.
Frey
Goldwater
Gonzalez
Harrington
Hastings
Helstoski
Hinshaw
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Mathis
Matsunaga
Melcher
Milford
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Andrews of North Carolina.
Mr. Addabbo with Mrs. Burke of California.
Mr. Matsunaga with Mr. Conyers.
Mr. Zeferetti with Mr. Landrum.
Mr. Roncalio with Mr. Mottl.
Mrs. Boggs with Mr. Weaver.
Mr. Barrett with Mr. Harrington.
Mr. Delaney with Mr. Bowen.
Mrs. Chisholm with Mr. Milford.
Mr. Badillo with Mr. Brodhead.
Mr. Madden with Mr. Young of Florida.
Mr. Mollohan with Mr. Conlan.
Mr. Moorhead of Pennsylvania with Mr. Hinshaw.
Mr. Nix with Mr. Risenhoover.
Mr. Young of Georgia with Mr. Patman.
Mrs. Sullivan with Mr. Hastings.
Mr. Stark with Mr. O'Brien.
Mr. Breaux with Mr. McKinney.
Mr. Boland with Mr. Moore.
Mr. Evins of Tennessee with Mr. Esch.
Mr. Ford of Tennesee with Mr. Symington.
Mr. D'Amours with Mr. Shriver.
Mr. Helstoski with Mr. Lent.
Mr. Mann with Mr. Rinaldo.
Mr. Mathis with Mr. Frey.
Mr. Melcher with Mr. Mosher.
Mrs. Mink with Mr. McEwen.
Mr. Diggs with Mr. Ashley.
Mr. Gonzalez with Mr. Walsh.
Mr. Pattison of New York with Mr. Davis.
Mr. Rangel with Mr. Thornton.
Mr. Ryan with Mr. Jenrette.
Mr. Stephens with Mr. Yatron.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the Chairman of the Committee on Public Works and Transportation, which was read and, together with accompanying papers, referred to the Committee on Appropriations.

WASHINGTON, D.C., *April 24, 1975.*

Hon. CARL ALBERT,
Speaker of the House,
House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Enclosed is a resolution approving the prospectus for conversion of the Glynco Naval Air Station, Brunswick, Georgia, for use as the Consolidated Federal Law Enforcement Training Center.

Sincerely,

ROBERT E. JONES,
Chairman.

ACTIONS OF CONGRESS DAMAGE OIL INDUSTRY

(Mr. YOUNG of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. YOUNG of Texas. Mr. Speaker, it is my purpose to put into the CONGRESSIONAL RECORD from time to time articles, editorials and letters which demonstrate the practical and actual results on various industries throughout the country of legislation which the Congress has passed. I do this in the hope that the

Members will realize that much damage can be done to the economy by well-intended but hopelessly unwise actions on the part of Congress.

Actions by Congress has the petroleum industry and the automobile manufacturing industry practically in a shambles. This distressing situation has naturally spread to the steel and other industries contributing drastically to the economic plight in which the country now finds itself. I think it appropriate that we continue to examine carefully what we have done in order that we might avoid further blunders that will further wreck our country.

We read daily of more taxes on various industrial pursuits, most of which are ill considered and unwise. The tax now being considered on horsepower of automotive equipment will probably spill over into the trailer business as well as the boat business and will soon have the recreation industry in a further pitiful plight.

Dr. Grover E. Murray, president of Texas Tech University, has sent me the following editorial which I commend to the membership in the hope that we will learn to let well enough alone and not make the same mistakes over and over again:

[From the Oil and Gas Journal, Apr. 21, 1975]

VITAL JOB NOW FOR CONGRESS IS TO REPLACE LOST INCENTIVES

Now that Congress has made hash out of the petroleum industry's tax structure, what next?

More vengeful lawmakers say they'll follow the drastic changes in percentage depletion and in the tax treatment of Americans operating abroad by eliminating other laws presumably benefiting the industry. Others propose new federal agencies to monitor various phases of the industry and clamp utility-type regulations on oil and gas operations. They seem intent on bringing the industry to heel and hang the consequences to the nation's energy posture.

But sooner or later, congressmen will have to come to grips with the tough overall national energy question. They'll discover then that their action has lengthened the odds against any successful program of U.S. energy self-sufficiency.

The slap-dash emergency tax bill passed by Congress just before Easter is far more crippling than just saddling the U.S. petroleum industry with $1.6 billion in new taxes for 1975.

It removes an important source of funds needed by major operators for exploration and expansion and discourages outside investors who are another source of capital. And contrary to its stated intentions, Congress also may have destroyed much of the value of percentage depletion to independent producers for whom it supposedly was retained. This is the apparent effect of limiting depletion to 65% of the independent producer's net income from all sources.

Early appraisals by companies affected suggest that they will have to pare capital budgets, notably for drilling, and drastically slow down vital expansions. The oilmen, though, are determined to stay in business and will do the best they can with available capital.

When Congress turns to considering the entire energy program, however, the lawmakers in fairness to American consumers must weigh what they've done to oil-industry incentives.

The message from Congress so far is contradictory. It says oil and gas companies must expand domestic energy supplies in order to reduce dependence on imports. At the same time they must pay out more of their earnings in federal income taxes and try to hustle capital from investors who now rate them a poorer risk.

If Congress doesn't want to achieve energy objectives through tax policy, then there must be other incentives. It's up to the lawmakers who are fed up with these particular deductions to find substitutes—either rational market pricing for oil and gas, investment credits, earned refund of lease bonuses, or some other capital-generation device.

In the final analysis, Congress must decide what it wants from the industry. More taxes? More exploration and expansion? If the latter, then some form of investment incentives must be provided to replace those being removed.

WHAT ABOUT THE NEW ISOLATIONISM?

(Mr. GAYDOS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, I am not concerned with the fears being expressed by some political leaders that our debacle in Indochina may lead us into a "new era of isolationism."

Isolationism, as we know, has been made a bad word in our policy dictionary. It has been blamed for our failure to take early action against Hitler and Mussolini. A return to it, so we are being told now, could mean total disaster for any hopes of universal freedom. We can not quit the world, they say.

Senator BARRY GOLDWATER recently said:

> I hate to see it because I'm reminded precisely of the days of the 1920's and 1930's.

However, in my opinion, the word for the new American mood is not isolationism. No sensible person can believe we ought to shut ourselves off from the rest of mankind. Neither can any imagine this Nation surviving without business, social, and cultural relations with others.

Isolationism, as much, is impossible and yet we are hearing the term bandied about and, indeed, exaggerated in its meaning as a warning against cutting down our foreign commitments in the wake of the disaster to our policies in Indochina.

The American people, in my view, have no wish to retire from the world despite their recent reverses. Neither have they any idea of dodging what might be their proper international responsibilities. What they are trying to tell us in Washington instead, is that they are fed up with playing the sucker role in the international scheme of things.

They've had it up to their ears with a foreign policy that has had them picking up the tab for everybody's troubles. They are sick of trying to be the world's policeman. They are willing to lend a hand where needed, but they want others to help too, and they do not want to be drained further by blank-check giveaways.

What they are demanding, in sum, is that we here face up to reality in this world and do for them what other governments have done for their own peoples—place their interests first. They are not calling for an impossible retreat into isolationism, but rather for policies which would protect this Nation against its competitors and not allow it to be flim-flammed any longer.

New U.S. postures of this kind would not wreck international society. It would manage to function as it did before we tried to run things. Indeed, it might be good for us to realize now, in this hour of soul-searching, that our global influence never was so high as when we minded our own business and kept our Nation healthy and united as a continuing demonstration to others of the merits of a free system.

I am not afraid of a new isolationism. I think it is a scare word at this time. But what I would welcome in the policy changes being compelled by the Indochina defeats would be a shift back to some of the old America-first ideas which served us so well in the past.

WE HAVE NO CHOICE

(Mr. PHILLIP BURTON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PHILLIP BURTON. Mr. Speaker, I am deeply dismayed and disturbed by the tone of remarks by some elected public officials, in and out of the Congress, concerning Vietnamese refugees. I am equally disturbed that the recent House action on the refugee bill has been interpreted by some as a further expression of antirefugee feeling. That, simply, is not the case. The House action was essentially a vote against extending powers to the President to use troops. It was not a vote against humanitarian aid, as will be proven when the House votes such aid shortly, as I am sure we will.

We are a nation of immigrants. We have always prided ourselves on the generosity with which we have opened our doors to those in need. We cannot now let the accumulated frustrations of 20 years of war in Vietnam, a war which I consistently opposed, deaden our sense of decency and compassion or decay the moral fiber which has kept us one nation, a grand melting pot, these past 200 years.

We are a strong nation and a good people. Let us close our ears to the subtle voices of racism. Let us close our minds to the voices of callous indifference which say this is not our problem. Let us rather open our hearts and the doors of this promised land to the less fortunate who have suffered the ravages of war, a war of which we were an integral part. Let us share what we have, as our forefathers shared. Let us bind the wounds of war that have divided us for 20 years and get on with the business of building the nation we will pass on to our next generation.

I am taking the liberty of sharing with my colleagues an editorial which appeared in today's New York Times entitled, "We Have No Choice":

"WE HAVE NO CHOICE"

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to 150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnam tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a miniscule fraction of the labor force (certainly not more than one-tenth of 1 per cent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

MRS. JOUETT SHOUSE RECEIVES CULTURAL AWARD OF RECORDING INDUSTRY ASSOCIATION OF AMERICA

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, for the past 7 years, the Recording Industry Association of America has made an award to someone connected with the Federal Government who has made "notable contributions to our culture and—helped make people more aware and appreciative of the many and diverse art forms that are part of our civilized society."

On April 9, 1975, the Recording Industry Association of America's Seventh Annual Cultural Award was presented to Mrs. Catherine Filene Shouse in recognition of her support of the performing arts.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD, the text of the citation, as announced by Stanley Gortikov, president of the Recording Industry Association of America; the remarks of Mrs. Shouse after receiving the award; a letter of congratulations to Mrs. Shouse from President Ford; and a list of previous Recording Industry Association Cultural Award recipients:

REMARKS OF MRS. JOUETT SHOUSE AFTER RECEIVING THE AWARD OF THE RECORDING INDUSTRY ASSOCIATION OF AMERICA, WASHINGTON, D.C., APRIL 9, 1975

Thank you, Mr. Gortikov. I am very glad to receive this award of the RIAA. It is a greater honor to be here tonight. This is the first time I have been honored by industry and though my knees are shaking, I am glad to be your guest at this annual banquet.

I go back not quite as far as 1877 when records began, but to 1906 when I wanted an Edison Talking Machine and my uncle told me that if I would walk instead of taking the street car and save 5c each time I did, that when I had $10 he would give me a Talking Machine. It became 15c a day for my sister and our governess joined in helping me and when I had almost $10 my uncle relented and gave me my first Edison—His Master's Voice.

Since that time I have watched records come a long way. They have become our ambassadors of good will all over the world. They have brought joy to people from darkest Africa to the far North.

I have just come back from New York where Beverly Sills made her debut at the Metropolitan Opera. Her life and personality have touched people everywhere and made them want to identify themselves with her through her records. This will open a new world of experience to many to whom the buying of her latest recording "The Siege of Corinth" will lead to enriching their lives with more record purchases.

The RIAA has worked to help the record industry bring music to people everywhere and thereby helps to improve the quality of life, and we at Wolf Trap—through opera, symphony, jazz, music comedy, dance and popular artists—try to bring to all people programs that they can enjoy.

Wolf Trap is made possible through a partnership between our government and the private sector. When my gift of land and funds for the Filene Center was accepted by an Act of Congress in 1966, the Secretary of the Interior asked that a private foundation be formed to select all the programming at the U.S.A.'s first National Park for the performing arts. And asked, too, that we assume responsibility for funding the programs.

I believe in this type of government support for I hope that as long as it is economically possible, private giving will continue. I have observed orchestras abroad completely subsidized by public funding. Our orchestras, dependent largely on private support, are independent in their choice of players and programs. We have the finest orchestras in the world and I firmly believe that the quality is due to private interest with government, state, federal, or city helping but not controlling.

I'm most appreciative of the citation of RIAA. All the things mentioned in this citation, I've done because I wanted to. It's not always been easy but it has been fun—and rewarding in so many ways.

THE WHITE HOUSE,
Washington, April 8, 1975.

Mrs. JOUETT SHOUSE,
Wolf Trap Foundaton for the Performing Arts, Vienna, Va.

DEAR MRS. SHOUSE: Mrs. Ford and I wholeheartedly join with the members of the Recording Industry Association of America and their many distinguished guests in paying tribute to you as the recipient of the organization's Seventh Annual Cultural Award.

The efforts of RIAA to achieve artistic excellence are well known to all of us. You join a distinguished list of individuals as you receive this high honor.

Your extraordinary talents and selfless dedication to the arts have given thousands of Washington area residents and visitors the opportunity to share in the joys of great music, theatre and dance in a splendid rural setting. Wolf Trap is truly one of the Nation's great natural and cultural resources.

Your vision, creative energy and determination are an inspiration for all who are concerned with the quality of life in our country. Mrs. Ford and I congratulate you on this occasion and assure you of our continuing admiration and respect.

Sincerely,

GERALD R. FORD.

THE SEVENTH ANNUAL RIAA CULTURAL AWARD IS PROUDLY PRESENTED BY THE RECORDING INDUSTRY ASSOCIATION OF AMERICA TO

Catherine Filene Shouse (Mrs. Jouett Shouse) in recognition and deep appreciation for her exemplary interest in, and assistance to, the performing arts. Her donation to the U.S. Government of the Wolf Trap Farm in Vienna, Va., and her contribution of its amphitheater, the Filene Center, led to the establishment of the first and only national park dedicated to the performing arts. Mrs. Shouse currently serves as chairman of the Wolf Trap Foundation's Executive Committee. She has been a lifelong advocate and activist in behalf of developing new talent and expanding their career opportunities. She was the first person to encourage and sponsor concerts in Washington's art galleries, organized the first annual International Jazz Festival which was held in Washington, and was one of the first members of the National Committee for Music Appreciation. She was appointed by President Eisenhower to the Board of Trustees of the National Cultural Center, now the John F. Kennedy Center for the Performing Arts, was a member of the Center's Building Committee, and currently serves on its Executive Committee. She was chairman of the President's Music Committee for the People to People Program, and is honorary vice president of the National Symphony Orchestra Association. Her long and distinguished career has been an inspiration to those concerned with enhancing the role of women in American society. She has been referred to as a "national treasure" and we, in the recording industry, feel honored at being able to acknowledge her contributions to the cultural well-being of our nation.

PREVIOUS RIAA CULTURAL AWARD RECIPIENTS

1969: Senator Jacob K. Javits.
1970: Willis Conover.
1971: Nancy Hanks.
1972: Rep. John Brademas.
1973: Senator Claiborne Pell.
1974: Rep. Frank Thompson, Jr.

OPERATION HELPING HAND

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, one of the three temporary processing centers for Vietnam refugees, Fort Chaffee, is located in Arkansas' Third Congressional District, which I have the honor of representing in this Congress.

Ever since I was first advised that Fort Chaffee met the needs of "Operation Helping Hand" and would be so utilized, I have been in close touch with officials in the Interagency Task Force, the Department of the Army, and other coordinating agencies.

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I would like to take this opportunity to make known to my colleagues the outstanding cooperation I have received from Ambassador L. Dean Brown, Director of the Interagency Task Force coordinating the entire refugee processing; Donald McDonald, Senior Civilian Coordinator, heading up the Fort Chaffe operation, and numerous other officials who have been instrumental in the advance planning and smooth implementation of such a potentially emotion-charged undertaking.

Brig. Gen. James Cannon, Army Commander at Fort Chaffee for the duration of the refugee processing, and his staff have been most helpful in providing information to myself and my office literally day and night since Fort Chaffee was designated for evacuee processing.

Upon being advised of the designation of Fort Chaffee to be one of the temporary processing centers, I was immediately in touch with the above-named officials to request their cooperation in making all facts about the operation available to the public as soon as possible. Having fully recognized the humanitarian aspects of such an undertaking, I attempted to ascertain what impact such an operation would have on the surrounding Arkansas communities, principally Fort Smith and Van Buren. I received assurances, both by phone and in personal meetings, that no adverse impact—economic, health, or otherwise—would result.

My inquiries were handled expeditiously and Ambassador Brown graciously agreed to come personally to my office to conduct a full briefing on the refuge situation the very afternoon Fort Chaffee was designated. A 4:00 meeting time was agreed to and all members of the Arkansas congressional delegation were invited to attend. Gov. David Pryor, who was in Washington last Monday, was also notified. Congressman RAY THORNTON, myself, and staff members of all other invited officials attended the briefing.

Ambassador Brown advised that some 20,000 Vietnamese evacuees could be temporarily housed at Fort Chaffee at any one time.

All would have been medically cleared for entrance into the United States before leaving Guam. All appropriate innoculations and medication would have been administered.

According to Ambassador Brown, the processing time and length of stay for individual or family group was estimated to be about 2 weeks, in most instances. The duration for this use of Fort Chaffee was expected to be about 90 days.

Voluntary agencies involved in placing the refugees both in the United States and in other nations, had received so many offers of help that Ambassador Brown told us that no delay beyond regular processing of forms was expected.

Entrance to Fort Chaffee by the townspeople would be restricted. The refugees would remain on the camp grounds until ready to travel to join their U.S. relatives or sponsors.

A public information team was being organized to arrive at Fort Chaffee the following day, Tuesday, to keep the public advised as events unfolded.

Maj. Gen. David Ott, commanding general of Fort Sill, Okla, traveled to Fort Chaffee to brief and answer inquiries from chamber of commerce members and local officials.

The following day, Tuesday, April 29, the newly designated senior civilian coordinator assigned to head up the Fort Chaffee operation, Donald McDonald, agreed to meet with me in my office prior to his departure for Arkansas.

During that meeting on Wednesday, April 30, he reiterated Ambassador Brown's assurances that no adverse impact to the local community would accrue from this temporary use of Fort Chaffee.

Mr. McDonald advised that processing for each group of evacuees was expected to take about 2 weeks and the duration of Fort Chaffee's use in processing refugees would continue for about 90 days. He advised that he planned to travel to Fort Chaffee by way of Little Rock later that day, and take charge of the operation on Thursday.

Mr. McDonald reemphasized the nationwide response to sponsor refugees and the plans to complete processing as quickly as possible.

He said even though a thorough health screening would have been completed before individuals were transported from the Pacific, a Public Health Service medical team would be at Chaffee to insure the maintenance of the highest possible medical standards.

He advised that the first group of refugees would arrive at Chaffee about 10 a.m., Central Daylight Time, on Friday, May 2.

On Thursday, May 1, I received word that five C-141 aircraft, carrying about 70 persons each, would be arriving at Fort Chaffee in 2-hour intervals. The planes were to fly to Fort Smith municipal airport directly from a stopover in Hawaii.

Since the arrival of the first refugees at Fort Chaffee on Friday, May 2, operations have gone smoothly. The first families from the initial group to arrive on Friday, left Arkansas late Sunday night to join their families in other parts of the Nation. An additional 80 persons were scheduled to be matched up today, exactly 1 week from the designation of Fort Chaffee as a processing center.

The Department of the Army tells me that, in addition to processing evacuees, they should be able to conduct Reserve training at Fort Chaffee as scheduled this summer.

In addition, I have been advised that at least 200 temporary jobs and a daily expenditure of around $200,000 into the local economy will be an offshoot from the use of Fort Chaffee as a temporary staging area.

In summation, just let me say that like all of us, I deeply regret that a situation exists wherein any people are forced to flee their homeland forever because their political philosophy has put their lives in danger. But, unfortunately, the situation does exist and we must do our best.

The Interagency Task Force coordinating the entire refugee processing procedure, and the Department of the Army, coordinating with civilian supervisors in running the operation at Fort Chaffee, are to be commended in superlative terms.

THE SPINELESS AND TOOTHLESS STRIP-MINING CONFERENCE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. HECHLER) is recognized for 15 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, the conference report on H.R. 25, the strip-mining bill, is scheduled to come before the House on Wednesday. This conference report is a mere shadow of the bill we sent to conference in March. The House conferees made virtually no effort to retain the strengthening amendments added on the House floor. Instead, they took the path of least resistance and caved in to the demands of the Ford administration and the coal industry. The bill we sent to conference was nothing to brag about; it barely reached the level of strength exhibited by some of the existing State strip-mining laws. But it looks very tough by comparison with this lowest common denominator, spineless and toothless conference report we are being asked to consider.

Let us look for a moment at the list of strengthening amendments given away by the House conferees. Foremost among these was the Evans amendment prohibiting strip mining of alluvial valley floors, the crucial river valleys of the West which provide the irrigation and the hay for ranching operations. In place of the clear House language, the conferees substituted a murky, ambiguous version of last year's conference report language. This language is certain to end up in court, with the less well financed farmers and ranchers the likely losers. The Evans language also included prohibition on mining of western streams and added protection for holders of water rights. Both of these provisions were completely dropped. The following strengthening amendments adopted by the House were also dropped in conference:

Gude amendment requiring the burial and compaction of toxic materials, the key source of acid drainage and other water pollution;

Seiberling amendment preventing blasting where deep minable coal seams would be damaged;

Hechler amendment prohibiting use of coal mine waste as construction materials in coal waste dams—also eliminated enforcement role of Corps of Engineers, and

Lagomarsino amendment prohibiting noncoal strip mining on certain historic and other special lands.

Also eliminated was the Seiberling amendment adopted in the Interior Committee this year preventing the permanent dumping of spoil on the down slope in steep slope operations. This was a key amendment to protect Appalachia because dumping on the downslope is the single largest cause of landslides and devastation in mountainous areas.

Not content with merely eliminating strengthening amendments adopted on the House floor, the conferees also gave in to weakening amendments that had been added on the Senate side. Strong language governing mining on Indian lands was dropped in favor of the weaker Senate version. Citizen suite provisions were weakened to meet the objections of the Ford administration. The cost-of-living escalator clause which would have kept the reclamation fee current with inflation was dropped. The requirement that 50 percent of reclamation fee moneys be kept in the State in which they are collected was opened up for uses other than reclamation of coal mined lands. In States where coal mined land problems have been taken care of, the money can be used for noncoal mined lands reclamation. Finally, the hydrologic language was weakened to meet administration objections. This list is rather incredible. But when you combine it with the track record of the administration's demands for changes and the weaknesses that were already present in the bill before it went to conference, it is clear that this is a totally unacceptable piece of legislation.

The Ford administration in collusion with the coal industry pressed eight changes. Six of those eight were granted by the conferees. It is clear that the pell-mell rush to "get a bill, any bill" has taken priority over any commitment to passage of a strong, effective strip mining law. For the record, the administration demanded and received the following for the coal industry: Modification of citizen suit provisions, removal of ban on mining alluvial valley floors, modification of hydrologic integrity language, elimination of new precedents regarding water rights, and elimination of unemployment protection provisions. In addition, the conferees left unanswered the question of whether State laws and regulations would cover Federal coal lands. The administration had asked that the conference make clear that State laws do not cover Federal lands. Only two administration requests were turned down: cutting the reclamation fee to 10 cents per ton across the board—it was set at 35 cents per ton strip, 15 cents per ton deep—and allowing the strip mining of national forests where it is found to be in the national interest. Earlier action in both Interior Committees resulted in a major weakening of standards for siltation. Instead of requiring the prevention of siltation, the bill now requires prevention, "to the extent possible using the best technology currently available," as the administration had earlier requested.

One action perhaps best sums up the tenor of the conference. The House conferees held firm on one provision—the exemption for anthracite mining. The Senate had dropped this blatant loophole because it lacked any legitimate justification. But the coal industry once again won out.

BASIC FLAWS CARRIED OVER FROM LAST YEAR'S BILL

H.R. 25 sets up a disastrous administrative structure which virtually insures that even the weak, loophole-filled standards drafted into this bill will not be enforced. The interim period—time before States take full control—is to be supervised by the production-oriented Department of the Interior, the same Department of Interior which has opposed the legislation and specifically attacked the idea that the Federal Government should control any part of the enforcement of the law. Once States have submitted their programs and received approval from Interior, the individual States take over administration and enforcement of the law. The Federal Government role is limited to backup enforcement, once again delegated to the Interior Department.

The key factor in bringing the strip mining issue before Congress has been the dismal failure of State regulatory efforts. Yet this bill gives these same States control—West Virginia for example rejected only 4 of 402 applications for strip mining permits during 1974. The only way to get any kind of effective enforcement is to pass a straight federally controlled bill granting full authority to the Environmental Protection Agency, which has extensive experience in water quality control, so essential to controlling the damage of strip mining.

Beyond the disastrous administrative setup, H.R. 25 has many additional flaws:

It only protects the rights of the surface landowner in cases where the coal is federally owned. It should require the written consent of the surface owner in all cases before strip mining can begin and should include protection for tenants;

It allows variances from the requirement to restore to original contour and to prevent dumping of spoil on the downslope for mountaintop removal operations, one of the most environmentally destructive techniques (section 515(c));

It contains an exception to the prohibition on dumping spoil on the downslope, for an undefined "initial block or short linear cut" (section 515(d)(1))—this could in effect allow wholesale dumping of spoil on the downslope resulting in landslides, erosion, sedimentation, and so forth;

The water quality control standards are poorly drafted and contain weak phrases such as "minimize the disturbance to the prevailing hydrologic balance" and "avoiding acid or other toxic mine drainage" (sec. 515(b)(10)), rather than clearly calling for the "prevention" of such drainage;

The bill fails to provide adequate protection for aquifers—there is no prohibition on mining coal seams which serve as aquifers;

Restrictions on mining near homes, cemeteries, and roads are weak—if the operator holds a "valid existing right" he can then ignore the restrictions (sec. 522(e)(5));

Bill fails to prohibit strip mining on national grasslands, only protects national forests;

The preamble to the bill sets the tone—it states the purpose as "minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations" (sec. 101(d));

The bill exempts anthracite strip-mining from the environmental protection standards, instead requiring only compliance with existing State laws;

Standards for controlling the surface effects of underground mines are loaded with qualifying phrases such as "to the extent economically feasible" and "to the extent practicable" (sec. 561(b));

Given this dismal litany of weaknesses I urge the defeat of the conference report when it comes before the House on Wednesday.

Mr. Speaker, specific comparisons of the language weakened by the conferees, as contrasted with the original House language, are detailed below. I believe that very pertinent to the entire problem is an article by Colman McCarthy which appeared in the Washington Post of April 29, detailing the phony nature of the strippers' and truckers' caravan which attempted to intimidate Congress prior to the meeting of the conference committee:

SAMPLING OF LANGUAGE CHANGES BY CONFEREES

1. ALLUVIAL VALLEY FLOORS

Conference language

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of irrigated, flood irrigated or naturally aubirrigated hay meadows or other crop lands (excluding undeveloped range lands), where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

House language

(5) The proposed surface coal mining operation, if located west of the one hundredth meridan west longitude, would—
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(A) not adversely affect, or be located within, alluvial valley floors, underlain by unconsolidated stream-laid deposits where farming or ranching can be practiced on irrigated or naturally subirrigated haymeadows, pasturelands, or croplands; or

(B) not adversely affect the quantity or quality of water in surface or underground water systems that supply these valley floors in (A) of subsection (b)(5); or

(C) not alter the channel of a significant water-course which is identified as a stream fed by (1) a spring, other ground-water discharge, or surface flow that flows an average of two hundred and fifty gallons per minute or more during one hundred and twenty days or more per year; and (2) a drainage area which encompasses ten thousand acres or more when measured above the lowest point of impact on the water-course by the proposed surface coal mining operation, as documented by the State or Federal regulatory authority.

2. COAL WASTE DAMS

Conference language

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(e) The Secretary, with the written con-

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currence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in Section 515(b)(13) and Section 516(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

House language

(13) with respect to the surface disposal of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes, the United States Army Corps of Engineers is to supervise the design, location, construction, operation, maintenance and abandonment of all existing and new coal mine waste embankments, dams, and refuse piles used for the disposal of all such mine wastes, in accordance with the same standards used in the design, location, construction, operation, maintenance, and abandonment of flood control dams and other such structures in their public works program. No coal mine wastes such as coal fines and slimes shall be used as constituent materials in the construction of any coal mine waste dam or impoundment.

3. DUMPING ON THE DOWNSLOPE

Conference language

Same as House except word "temporarily" dropped.

House language

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, soil, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed temporarily on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraphs 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation granted a variance under subsection 515(c) may be permanently * * *.

4. SILTATION STANDARDS

Conference language

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

House language (before Interior Committee change)

(B) conducting surface coal mining operations so as to prevent additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

5. HYDROLOGY STANDARDS

Conference language

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

House language

(F) preserving throughout the mining and reclamation process the hydrologic integrity of alluvial valley floors in the arid and semiarid areas of the country; and

LANGUAGE WHICH PASSED HOUSE BUT WAS DROPPED COMPLETELY IN CONFERENCE

1. PREVENTION OF BLASTING DAMAGE TO DEEP MINABLE SEAMS

(6) the blasting and excavation practices permitted in connection with any proposed surface coal mining operation not in existence on the date of enactment of this Act will not render unsafe or impractical the subsequent extraction of known deposits of coal recoverable by current deep mining technology beneath the area affected by the proposed surface coal mining operation.

2. REQUIREMENT TO BURY AND COMPACT TOXIC MATERIALS

(14) segregate all acid-forming materials, toxic materials, and materials constituting a fire hazard and promptly bury, cover, compact and isolate such materials during the mining and reclamation process to prevent contact with ground water systems and to prevent leaching and pollution of surface or subsurface waters:

3. ADDITIONAL PROTECTION FOR HOLDERS OF WATER RIGHTS

Protection of water rights

SEC. 817. (a) In those instances in which it is determined that a proposed surface coal mining operation is likely to adversely affect the hydrologic balance of water on or off site, or diminish the supply or quality of such water, the application for a permit shall include either—

(1) the written consent of all owners of water rights reasonably anticipated to be affected; or

(2) evidence of the capability and willingness to provide substitute water supply, at least equal in quality, quantity, and duration to the affected water rights of such owners.

(b)(1) An owner of water rights adversely affected may file a complaint detailing the loss in quantity or quality of his water with the regulatory authority.

(2) Upon receipt of such complaint the regulatory authority shall—

(A) investigate such complaint using all available information including the monitoring data gathered pursuant to section 517;

(B) within 90 days issue a specific written finding as to the cause of the water loss in quantity or quality, if any;

(C) order the mining operator to replace the water within a reasonable time in like quality, quantity, and duration if the loss is caused by the surface coal mining operations, and require the mining operator to compensate the owner of the water right for any damages he has sustained by reason of said loss; and

(D) order the suspension of the operator's permit if the operator fails to comply with any order issued pursuant to subparagraph (C).

THE VISITING STRIP MINERS

(By Colman McCarthy)

Those who saw the convoy of 700 coal trucks hunkering through Washington in the other day could only wonder what was happening. Only a fly-by of Concordes, sent roaring over the U.S. Capitol by the resurrected SST lobby, could have attracted more attention. From the evidence, attention may have been all that the strip mine industry of central Appalachia gained by bankrolling the coal haulers, miners, local officials and others who came to protest the pending strip mine bill. If the power and might of the massive coal trucks was matched by some new and strong arguments against the bill, a case might have been made. But the match-up doesn't exist. Rather than turn anyone's mind about the legislation, the demonstration appears only to have turned attention once again to the last-minute desperation of the strip mine lobby as it tries to avoid even the mildest federal controls.

The loudest noise made by the truckers—aside from the hornblowing under the windows of congressmen—was the cry that massive layoffs would occur if the bill goes through. There is a history of this kind of scare talk, heard typically in state capitols when legislatures considered strip mine bills. Yet in the years since many of those bills were passed, not only were jobs not lost but coal industry profits and production have been high. The strip mine industry's being worried about jobs is an irony almost as thick as the coal seams it tears into so easily. For the past two decades, while deep mining has declined and stripping increased, thousands of jobs have been lost because less manpower is needed for stripping. Hard figures are unavailable, but an informed estimate holds that if the coal now coming from strip mines came instead from deep mines, there would be some 75,000 more jobs. As for the effect on employment of the pending bill, even Commerce Secretary Rogers Morton who originally worked against similar legislation last year, said that the reclamation provisions would generate more jobs. The protesting caravan in Washington appeared to have a "grassroots" flavor to it—"the little people" asserting themselves against the remote overlords in Congress. But it appears that not everyone back home rallied to the cause. The Beckley, W. Va., Post-Herald, which calls itself, "A Republican newspaper for 75 years," editorialized about the "arrogant strip mine attitudes to which we have grown so accustomed," and added that:

"Too many of the surface mine operators are based outside of our state and do not have to live with what is left after they ravage our mountains, remove our coal, take their profits and run. Therefore, we have little sympathy for the surface miners' 'circus' now going on in Washington. If the reported $400,000 being expended for a 'show' in the nation's capital had been spent toward better reclamation, it might have been a great deal more effective."

In Duff, Tenn., an area long scarred by strip mining, a young woman wrote a letter-to-the-editor of the nearby LaFollette Press. She stated that "the only people getting rich off the strip mining are the ones running the business . . . There are families right now that I know, that they don't have jobs to give their families bread or even put clothes on their back. When deep mining was going on, men had jobs, they had money to put food in their families' stomach and clothes on their backs. But now by strip mining, men don't have jobs and no money to support their families."

A town not far from LaFollette is Clairfield, Tenn., a community known in the mountains for the efforts of some citizens to create local industries that would create independence from strip mining. Before the Washington caravan, tiny Clairfield was invaded by hundreds of strip miners who came to hear the plan and views of the organizing operators. Some citizens found it surprising that the local school building was turned over to a gathering that had nothing to do with education; in the past various citizens groups involved with day care needs or the health clinic were rarely allowed use of the school. Sophisticated townspeople knew full well why the school was turned over to the strip miners: the building sits on land leased by the American Association, a major strip mine power in east Tennessee. One Clairfield citizen familiar with company-town politics said: "It's tragic and sad to see what's happening to the strip mine workers. Many of them make so little money—they are nonunion—that they are on food stamps. So they are easily put into a panic by talk of losing jobs. They see their poverty and their victimization but they don't know who's causing it. So they strike out at a target supplied by the strip mine owners, exactly the people who are paying them low pay in the first place, have had no qualms about destroying the community's land and who will leave the workers high and dry when the coal is taken out."

Aside from joyriding through the streets of Washington, the strip miners visited the offices of congressmen and committees. A staff member of the House subcommittee on energy and environment says that those who came to his office were "confused. They would read from a piece of paper supplied by the organizers and tell us, for example, that the bill bans strip mining on steep slopes. I'd explain to them that it doesn't. Then they said the bill requires this or that strictness, and I'd explain how they had their facts wrong and tell them what was really in the bill." Many in the coalfields were educated before the demonstration, and thus refused to come to Washington. The United Mine Workers Union sent someone from its legislative department to talk to the membership in the field. "Once we explained what the bill was about," a UMW official said, "the issue was clear: this explains why few of those who came to Washington were union members." One of those who followed the demonstrators around the corridors was Ward Sinclair of the Louisville Courier-Journal. He reported to his paper the day after the caravan that "one thing came through time and again—most demonstrators were misinformed or uninformed about the law and the legislators who voted for it."

Even if the bill is passed, it may mean little for Appalachia. Harry Caudill, a hero to many of the voiceless in the mountains, said in the current issue of "The Mountain Call" that he fears Appalachia will "be mined into a desert. I think we'll dig until every lump of coal is taken out of these hills . . . If we pass a reclamation law it'll be years until we ever enforce it. We're not going to do anything about that. We passed this federal mine safety law in '69 and you know how long it took before they made the first little feeble gestures toward enforcement. The Appalachian coalfields will be racked and ruined in four or five more years. Even if you passed the strip mine law now, with people like Gerald Ford to enforce it, you'd never know the difference."

In the mountains, Caudill is known as a moderate.

PROBLEMS OF THE SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 15 minutes.

Mr. RANDALL. Mr. Speaker, on Tuesday, April 29, the new Select Committee on Aging held its first formal hearing, conducted by the Subcommittee on Retirement Income and Employment, which I also chair.

Testimony was received from Social Security Commissioner James B. Cardwell on the important and timely subject of the financial problems—short range and long range—which confront the social security system. We also discussed several other vital matters, including the backlogs in processing applications for disability benefits and the hearings backlog on claimant appeals. Likewise, we received testimony on the status of the supplemental security income—SSI—program and other programs administered by the Social Security Administration.

Because of widespread public concern over social security financial problems and the several nationally published articles bordering on the alarmist, predicting "bankruptcy" of the system—allegations that simply are not true—I am including that portion of Commissioner Cardwell's testimony in which he discusses these financing problems and alternative ways in which to deal with them.

An important dialog on social security financing is now beginning here in the Congress and the country. It is my hope that these hearings and subsequent work of the new Select Committee on Aging will help contribute to a better understanding of the present problems and toward a responsible and logical solution that will be in the public interest, and of course in the best interest of our older citizens.

Mr. Speaker, I now read into the RECORD excerpts from Mr. Cardwell's testimony:

JAMES B. CARDWELL, COMMISSIONER OF SOCIAL SECURITY, BEFORE THE SUBCOMMITTEE ON RETIREMENT INCOME AND EMPLOYMENT, SELECT COMMITTEE ON AGING, HOUSE OF REPRESENTATIVES

Mr. Chairman and the Members of the Subcommittee: I appreciate the invitation to appear before you today. We see this as an opportunity to improve public understanding about important social security and related issues—issues of significant interest to the Congress and the public. I want to assure you that we in the Social Security Administration will cooperate with you and the Subcommittee to the best of our ability.

My statement, which is intended to be brief, addresses the several aspects of the social security and supplemental security income programs in which the Subcommittee has indicated particular interest—the financing of social security, including the financing proposals of the Advisory Council on Social Security, and implementation of the new supplemental security income program. I will also touch briefly on our disability and hearings and appeals workloads. I will, of course, be happy to have you turn the discussion to other topics according to your wishes and to try to respond to any questions at any time during the course of my remarks.

SOCIAL SECURITY PROGRAM

At the risk of telling those of you who have had close and continued contact with the social security program things you already know, I would like to begin my remarks with a brief overview of the social security program today.

The scope of social security

In one way or another, social security touches the lives of nearly every American. Nine out of every ten jobs are covered; about 100 million people will work in employment covered by social security during 1975. More than 31 million people—retired and disabled workers and their dependents and the dependent survivors of deceased workers—receive social security cash benefits. Average benefit payments are about $183 monthly for a retired worker and $312 for an aged couple. For a disabled worker who has an entitled spouse and 1 or more children, benefits average $405. A widowed parent with two children receives average benefits of $438 monthly. For aged widows, benefits average $177. These benefit amounts do not reflect the automatic benefit increase of 8.0 percent that is scheduled to go into effect for this June.

About 91 percent of all people age 65 and over are eligible for social security cash benefits; 93 percent of those reaching 65 this year are eligible.

Ninety-five of every one hundred children under 18 can count on monthly survivors benefits if a working parent dies. The child's surviving parent who remains at home to care for the child can also get benefits.

In addition, 80 out of every 100 people between the ages of 21 and 64 can count on monthly cash benefits if the breadwinner suffers a severe and prolonged disability.

Virtually all people 65 and over today are eligible for hospital insurance protection under Medicare and such protection is also available to long-term social security disability insurance beneficiaries.

This year social security benefit payments, including Medicare will exceed $72 billion, over 23 percent of all Federal outlays. By the same token, payroll taxes or social security, the second largest source of Federal revenue, will account for 27 percent of all Federal income. This gives you an idea as to the impact of social security on our economy.

I believe that some of these basic facts about social security and its scope make it readily apparent why social security receives so much attention these days—from the general public, the media, and all three branches of the Government.

While the social security program has been changed many times over the years, its essential characteristics have remained unchanged. Social security remains a contributory social insurance system under which employees, their employers, and self-employed people contribute during working years to insure workers and their families against loss of earnings due to retirement, disability, or death, and to provide protection against the costs of illness in old age or in disability. Benefits are wage-related and paid as an earned right; there is no means test. I would emphasize that the social security cash benefits program is not a collection of savings accounts. Nor is it an annuity plan designed to provide benefits to people when they reach retirement age. Essentially, it is insurance against loss of earnings. The benefits are intended to help replace earnings lost when wage earners and self-employed people retire, become totally disabled, or die.

Current issues in social security financing—Short term

As all of you are aware, an area of particular current concern is the financial soundness of social security. While it is true that present projections show that expected outgo of the social security cash benefits program will exceed income beginning this tax year, there is in my opinion, simply no justification for many of the sensational and alarmist articles that have appeared in the press in recent months suggesting that the system has gone bankrupt. As I hope to point out today, the system is reacting to the sudden changes that have occurred in the economy, and there are safeguards to insure benefit funding for several years, even in the face of deficits over several consecutive years. The system's revenues will make ample time available for the Congress to deal with the situation.

Let me go over for you some of the specifics of the social security financing situation: to begin with, expenditures under the social security old-age, survivors, and disability insurance program will exceed income by about $3 billion this year. Current estimates show

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that under present law annual excesses of outgo over income will continue into the future, covered by the reserves until about 1980. By 1981, unless additional revenues are forthcoming, the reserves will be exhausted.

The reasons for the excesses of outgo over income can be easily explained. First, since social security benefits are, by law, tied to the Consumer Price Index, higher than previously anticipated levels of inflation in the short-term future mean higher than previously anticipated expenditures for social security benefits. At the same time, today's increased levels of unemployment mean less income to the program through the payroll tax.

Long-term financing progress

As to the long-range financing status of the cash benefits program, the 1975 report of the Board of Trustees of the cash benefits trust funds—which is in the final stages of completion and should be available in a week or so—will again show that the program has a serious long-range deficit. The 1974 Trustees report also showed a serious long-range deficit—about 3 percent of taxable payroll—as compared with something over 5 percent in this year's report. There are several causes of this deficit, including both economic and demographic factors. Birth rate projections based on the 1970 Census are significantly lower than earlier projections. Based on these projections, the future work force will be smaller in proportion to the number of beneficiaries. Today's ratio of 30 beneficiaries for every 100 workers protected today is projected to increase to about 48 beneficiaries per 100 workers by the year 2030. Thus, proportionately fewer workers will be supporting more beneficiaries and the cost of the program, expressed as a percentage of payroll, will be substantially increased.

Economic factors, including significantly higher CPI increases than previously estimated, also influence the long-range financial status of the program, particularly as to the combined effect of price and wage increases on future benefits.

In citing these long-range projections, I would emphasize that the effects will not be felt for many years and that there is ample time for deliberate consideration of alternative methods of restoring the long-range financial soundness of the program.

Alternatives for restoring the soundness of social security

What are some of the alternatives for assuring the financial soundness of the social security program? Since the short-range imbalance is more critical and requires more immediate action, the Administration is focusing its attention on developing legislative initiatives to restore the short-range soundness of the program.

There are four options available to replenish the trust funds, all requiring new legislation. First, the payroll tax rate can be increased; second, the earnings base subject to tax can be increased; or third, there can be some combination of the two. A fourth option, which I feel would eventually do damage to the social security system and which I personally would *not* like to see adopted, would involve the use of general revenue funds.

Before speaking to the pros and cons of these choices, permit me to review the recommendations of the Social Security Advisory Council concerning financing.

As you know, the 1975 Advisory Council on Social Security, which issued reports of its findings and recommendations last month, examined the financing of the program in detail. To reestablish the financial soundness of the cash benefits program, the Council recommended a series of increases in the OASDI tax rate, the increases to be accomplished by the reallocation of the Medicare hospital insurance tax rate to the cash benefits program, with eventual full general revenue financing of hospital insurance. The Administration opposes this approach on the grounds that substantial general revenue financing of social security would detract from the contributory, earned-right nature of the social security program—the feature that accounts for much of the widespread public acceptance and approval of the social security program.

Another of the Council's recommendations, however, holds a good deal of promise for helping to deal with the long-range financial problem. The Council recommended that the benefit structure be revised to make it less sensitive to swings in the economy and to stabilize the relationship between benefit levels and the earnings on which the benefits are based. Efforts are now underway to develop specific proposals to implement this idea.

While the Administration has not yet reached any final decisions with regard to the recommendations it may make to restore the financial soundness of the program and to stabilize the future benefit structure, I think I can give you some indication of the general direction that we are likely to propose.

As you know, the President has endorsed the general concept of a restructuring of social security benefits so as to provide stable and predictable replacement of preretirement earnings. He has directed the Department of Health, Education, and Welfare and the Domestic Council to study alternative ways of accomplishing this objective. Since a proposal along this line could very significantly affect the long-range financing of the social security program, it seems likely that, pending development of a specific proposal in this regard, the Administration will very likely hold in abeyance the question of how revenues should be increased to deal with the long-range financial deficit. Nevertheless, as I indicated earlier, there is a real need to deal promptly with the projected short-range need for additional funds. I expect that we will be confronting this situation in the very near future.

While it is imperative that action be taken soon, I again stress that there is certainly no reason for alarm or panic. There is good reason, in fact, to rely on the reserves during the next several years, to aid economic recovery. There is no reason for anyone to doubt that the appropriate steps will be taken to insure the solvency of the system thereafter. It is useful to remember that we have a valuable asset in the existence of the trust fund reserves. They help assure adequate time for responsible action. There is time for deliberation; there is time for individuals and organizations to make known their views; and there is time for the Executive Branch and the Congress to act.

LABORERS' INTERNATIONAL UNION QUESTIONS DAVIS-BACON STUDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the April issue of the Laborer, the official publication of the Laborers' International Union of North America contains a most informative article on the background of a so-called academic study of the Davis-Bacon Act.

The article explores at length whether or not the recent study of Davis-Bacon was presented from a balanced point of view.

The union article was based on investigations conducted by union staff directed by the union's general president, Peter Fosco. I believe that Mr. Fosco and his union are to be commended for their work in this area and for bringing the facts surrounding the Davis-Bacon study to the attention of the public.

Because Davis-Bacon is such an important part of our economy in general, I am including a copy of the article in my remarks. The article follows:

Conspiracy To Destroy Davis-Bacon

An anti-labor alliance among the Chamber of Commerce, The Reader's Digest, open shop contractors and pro-management educators has united in a conspiracy to repeal the Davis-Bacon prevailing wage law.

Also involved in the campaign to repeal the law which was enacted 44 years ago during another depression to protect the labor standards of building and construction tradesmen are the Associated General Contractors, (AGC) with a publicity assist from such publications as Engineering News-Record.

Using the paid services of an admittedly pro-management professor to wrap the conspiracy in an aura of academic credibility, the anti-labor Chamber has produced a document which concludes that the protective labor relations measure should be abolished, and abolished now when several million construction members are unemployed or underemployed.

The academic document supporting this cruel position is described on Capitol Hill by anti-labor legislators seeking repeal as a "239-page study of Davis-Bacon prepared for the Industrial Research Unit of the Wharton School (University of Pennsylvania)."

Nowhere do these anti-labor Senators or Congressmen say that the "study" was financed by funds supplied by the U.S. Chamber of Commerce through the conduit of the Industrial Research Unit.

Laborers' International Union learned of the funding during an investigation into the study by the Union's staff.

Neither the Chamber of Commerce, the Industrial Unit nor the primary author of the study would reveal the amount of money spent. A Chamber of Commerce spokesman said the amount spent on the "study" was a "private matter between the Chamber of Commerce and Wharton's Industrial Research Unit."

The funding aspect of the study is only the tip of an anti-union iceberg, however.

The LIU investigation revealed several other aspects of the "study" which point most graphically to the anti-union conspiracy.

These facts include:

The primary author of the study, Dr. Armand J. Thieblot, Jr., Associate Professor of management at the University of Maryland, is a self-styled pro-management academician;

Thieblot has written other anti-union "studies" including one entitled "Welfare and Strikes: The Use of Public Funds to Support Strikers." This "study" was used by the Reader's Digest, the Chamber and others to campaign against public assistance of families of striking workers. The value of this report is discussed in greater detail later in this article:

Thieblot has served as a consultant to the National Chamber of Commerce and as an expert witness for the anti-worker National Association of Manufacturers in testimony against the right of workers' families to receive food stamps at a Congressional hearing:

The foreword to the Thieblot anti-Davis-Bacon study was written by Herbert R. Northrup, director of the Industrial Research Unit at Wharton. Northrup was also author of the foreword to another Industrial Research study which concluded that coordinated bargaining as practiced by industrial unions with such corporate giants as General Electric is not good. From Northrup's viewpoint that would be true because he once served as an assistant to GE's Lemuel Boulware, the man who made the term Boulwarism an accolade to anti-union negotiators. More about Northrup and his connections with management below; and

During the entire two years that Thieblot and his associates spent on the Davis-Bacon study, no contact was made with the AFL-CIO Building and Construction Trades Department, LIU or another union or spokesman for organized labor.

The "study" is void of a single original thought. It is being used by ABC, AGC, Roundtable and Chamber fighters who are seeking to take advantage of desparate tradesmen who, anti-worker forces are hopeful, will be forced to take substandard wage jobs if the protective Davis-Bacon Act is gutted and/or killed. These contractors and business groups apparently have made a deliberate decision to fight for substandard wages for their employees rather than to join with the BCTD and LIU in a campaign to find jobs for construction and building tradesmen.

In an attempt to evaluate the anti-Davis-Bacon study, LIU staff members interviewed Dr. Thieblot at his University of Maryland office.

Thieblot said he was unsure whether his contract to do the study was with the Chamber directly or with the Wharton Industrial unit. He admitted that he was pro-management and was "pleased and flattered" that anti-union forces on Capitol Hill were quoting his "study" in arguing for repeal of Davis-Bacon.

While Thieblot refused to discuss his political philosophy with LIU visitors, saying that that subject "should not be a part of the interview," visitors noted that a Norman Rockwell portrait of anti-worker Sen. Barry Goldwater was prominently displayed on his office wall.

Both Thiebolt and the Chamber of Commerce spokesmen denied any knowledge of contributions of funds for the study from the Business Roundtable through the conduits of the Chamber and the Industrial Research Unit of Wharton. (The Business Roundtable was found by Roger Bolugh, retired chairman of the U.S. Steel with the assistance of Virgil Day, of General Electric. Day is a devotee of Boulware type bargaining as is the Industrial Research Unit's Northrup. One of the goals of the Roundtable is to "reduce construction costs" by wrecking building trades unions.)

In the interview, Thieblot said he did not contact unions affected by Davis-Bacon because he questioned union contractors which he thought was sufficient for his "study". Although he denied any connection with the open shop Associated Builders and Contractors (ABC). the group that is working with the Chamber to repeal Davis-Bacon, he admitted that ABC mailing lists were used to secure information for the "study."

Dr. Northrup's unit has received, in addition to Chamber funds. "large sums of money contributed by 17 companies," according to the Congressional Record of February 28, 1974.

These contributors included such corporate giants as Mobile Oil, Ford Motor, United Air Lines, Lockheed Aircraft and Goodyear Tire and Rubber.

The connections become more interesting when the Unit's method of operation is examined more closely.

This is the way the operation worked in the Thieblot-Chamber-Reader's Digest alliance in 1973, when it sought to keep public assistance from strikers' families.

Thieblot and associates wrote their "study".

When asked who paid for that study, Northrup refused to answer.

Next, an article in the Reader's Digest in October, 1973, picked up the anti-union ball. That article was entitled "Let's Stop Subsidizing Strikes."

That article was based on Thieblot's study which was described by Leo Perlis, director of the AFL-CIO Community Services Department as: "replete with misconceptions, misinformation and questionable representations."

As a matter of fact, the Congressional Record noted that a letter written by Martin Meyerson, president of the University of Pennsylvania, with which Wharton School is associated, states that the Thieblot study does not express "the viewpoint of the University or should even imply a concurrence with the decisions reached therein . . . the report of Armand Thieblot, Jr. and Ronald M. Cowin (co-author) must be viewed as theirs alone."

Meanwhile, the anti-striker study was found in the hands of news media. According to the Bureau of National Affairs, "Hill and Knowlton, Inc., public relations firm in New York and Washington, is distributing the report (Welfare and Strikes) to the press for the Labor Law Study Committee, a group of employer representatives and attorneys . . ." Hill and Knowlton currently are retained by both the Chamber and the Business Roundtable.

The same patterns have emerged in the Thieblot anti-Davis-Bacon study, right down to the anti-Davis-Bacon article which appears in the April Reader's Digest under the title, "Your Move on Inflation, Mr. President."

The Reader's Digest's objectivity in the matter may well be questioned on the grounds that the Digest is promoting a series, entitled "Our Economic System—You Make It Work." That series, presented as though it were a regular editorial department feature, is being paid for by Business Roundtable which is paying $1.2 million for the 136 pages the articles will fill during the year.

LIU General President Peter Fosco, who directed the Union's investigation into the study, noted when the facts were brought to light: "No one questions the right of the Chamber of Commerce or any other business-oriented group to commission a study. But when the study is dressed up in an academic jacket and introduced as an objective study without mentioning who its financial sponsor is, we felt obligated to bring that funding to public and Congressional attention."

HUMANITARIAN ASSISTANCE TO REFUGEES FROM SOUTH VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Wirth), is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, after the events of the past 10 days, it is vital for the Congress to act quickly and responsibly to provide assistance to the refugees from South Vietnam. I want to state my strong support for humanitarian aid to help these immigrants begin a new life in our country or wherever they may settle.

Last Thursday the House overwhelmingly defeated the conference report on H.R. 6096, Vietnam Humanitarian Assistance and Evacuation Act of 1975. That vote has been widely misinterpreted by the press as a vote against refugee aid. Because of the unfortunate interpretation placed in that vote, I believe it is important for me to explain why I voted against the bill.

My opposition to the bill stemmed from the following reasons: As originally drafted, H.R. 6096 was primarily an evacuation bill, with humanitarian assistance for refugees only a secondary consideration. The events which took place in South Vietnam between the time of our first debate and the time of the final vote on the conference report rendered the evacuation authority in the bill dated and unnecessary. All Americans were finally out of South Vietnam. The evacuation had been completed, and there was no longer any need for the use of American troops in South Vietnam.

Mr. Speaker, it is bad policy to legislate broad evacuation authority when the need no longer exists.

Instead, we face a new set of problems which deal with the South Vietnamese refugees who fled their country and who are now coming into the United States. We need to start over. We need a new bill, one which deals with the new problems of humanitarian aid and relocation of the refugees. We do not need a bill which deals to a great extent with what is now history.

When the United States faced the problems brought about by the influx of Cuban and Hungarian emigrants, the Congress acted responsibly and set up a coordinated plan to deal with those people. Today we have no plan to handle the South Vietnamese refugees. We are still unsure how many South Vietnamese may be involved. We need to begin consideration of legislation which sets up a positive mechanism to deal with our new residents. How many refugees are we talking about? Where will they go? What will they do? How much will all of this cost? Those are the issues to which we must address ourselves today.

Of even greater importance, however, is the need for the Congress and the President, for Democrats and Republicans, to work together to form a new direction for American foreign policy. Many aspects of current American foreign policy date back to the days of Secretary of State John Foster Dulles; they were outmoded and in need of new analysis and direction. We must begin to view the world in terms of the 1970's and 1980's rather than in terms of the 1950's and 1960's.

Many of use see a real danger that a new isolationism will sweep this country, the result of our tragedy in Indochina. This worries me, and I believe it is something which must be harnessed and turned around. The United States must face the fact that it is part of a greater world community, a community that requires cooperation and integration if it is to function to the benefit of all mankind. The United States is a part of this world community, and has a number of very real obligations and commitments. At the same time, we have our own interests and goals to protect.

This Nation has a long-standing commitment to uphold free and democratic governments. We have lost sight of that commitment at times, instead lending our support and assistance to governments dominated by repression and tyranny. We need to reevaluate our commitments to those nations which do not meet standards of basic human decency.

American foreign policy must recognize and accept the existence of spheres of influence around the world. These spheres of influence should not be a reflection of 19th century colonialism, but rather should be seen in terms of the legitimate interests of the various world powers. As the United States maintains its sphere of influence in Western Europe, so too we must recognize the Soviets sphere of influence in Eastern Europe. China has a historic concern for a buffer zone between herself and the Soviet Union, and a historic hegemony over the Indochina Peninsula.

We cannot lose sight of our central commitments, those which are not only vital to the security of the other nations involved, but which are vital to our own national security interests as well. Serious commitments have been made in Western Europe, to Israel, to Japan, and in Latin America. I believe it is those areas which should receive priority concern from the United States, and it is in those areas we should set the foundation for our future foreign policy.

Our experiences in South Vietnam and Cambodia have taught all Americans something about the limitations of American power abroad. But our experiences in Indochina must not hide from us the very real power this Nation does exert in the world. We must make it clear that no nation should misread the events in Indochina. The rest of the world must not assume that by ending its involvement in Cambodia and South Vietnam the United States is signalling a lessening of our resolve to uphold commitments we have made to others.

CINCO DE MAYO—A STANDARD OF PATRIOTISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Danielson) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker, today, May 5, 1975, is the 113th anniversary of the battle of Puebla, Mexico, on May 5, 1862, that great and glorious victory of the Mexican patriots over the army of Napoleon III of France. It was that victory which gave its name Cincó de Mayo, to the great national holiday of Mexico.

During all of my years as a member of the California Legislature and in the Congress, it has been my privilege to represent districts which include large communities of Americans of Mexican heritage. While in the California Legislature, I sponsored resolutions commemorating Cinco De Mayo and reflecting our admiration and respect for Mexico and the heroism of the Mexican people on this, their most revered holiday.

So, Mr. Speaker, it is with great pride that I call the attention of my colleagues to the significance of Cinco De Mayo. The courage, patriotism, and valor of the small force of Mexican volunteers who were greatly outnumbered by the 6,000-man French army stands out in history as a standard of patriotism for all freedom-loving people to follow. The Battle of Puebla, valiently fought by Mexican patriots under the leadership of General Ignacio Zaragoza, is a shining example of the superb spirit of the Mexican people in the face of great adversity. They achieved victory in the face of overwhelming odds because their spirit was nourished by their love of country.

Thus, Mr. Speaker, I ask my colleagues to join with me in commemorating this great event in the history of Mexico and of the world, which symbolizes the triumph of courage, high principle, and patriotism over all other considerations.

LEGISLATION TO AMEND THE NATIONAL HOUSING ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Stokes) is recognized for 5 minutes.

Mr. STOKES. Mr. Speaker, last year Congress passed the Housing and Development Act of 1974, including one important provision to correct earlier governmental misfeasance and malfeasance.

This provision allowed compensation for owners of existing unsubsidized homes for the repair of serious structural or other major defects which FHA should have discovered but failed to pursuant to its required mortgage insurance inspection. Specifically, those who purchased FHA-insured homes located in older declining urban areas during the period August 1, 1968, to January 1, 1973—the worst period of FHA scandals—are eligible for compensation for repairs necessitated by FHA's failure to do its job properly.

However, the eligibility of homeowners under this provision was limited to a 1-year period following the enactment of the law, which meant near the end of August 1975.

The reason I am today introducing legislation to extend this period of eligibility is that once again bureaucracy has thwarted the intent of the law. It took 7 of the 12 months for HUD to issue implementing regulations which have just recently become effective. Almost two-thirds of the time available has been consumed, and yet most eligible homeowners even now are not aware that there is such a program. Notices have not gone out, forms have not been available and the administration of this program has barely begun.

This bill, and similar legislation introduced by Senator Stevenson which has been added by the other body as an amendment to the Emergency Housing Relief Act simply intends to extend the claim period for an additional 7 months in order to make up for the time lost by HUD in developing regulations. This bill does not attempt to alter the benefit or funds available, or the standard used, but it does make effective a 1 year claim period as intended by Congress.

Mr. Speaker, unless we are willing to allow inaction by the executive to nullify the law as passed by Congress we should promptly pass this legislation and not allow bureaucracy to defeat a congressional attempt to remedy governmental misconduct.

I submit a copy of this bill for the Record.

H.R. 6682

A bill to amend the National Housing Act to extend the time period during which certain homeowners may apply for compensation for defects under section 518(b) of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 518(b)(1) of the National Housing Act, as amended, is further amended by striking the words "one year" therein and inserting in lieu thereof the words "nineteen months".

LEGISLATION TO EXTEND THE FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Cornell) is recognized for 5 minutes.

Mr. CORNELL. Mr. Speaker, one of the most important pieces of legislation enacted by the 93d Congress was the Federal Election Campaign Act Amendments of 1974. Although we have yet to see the full workings of the act, the concept that presidential primaries and elections should be funded by the general public and not just special interest groups was one of the major legacies of Watergate.

Today, I am sponsoring a bill along with my colleague, Max Baucus of Montana, which is the natural extension of this act: It extends public financing to congressional primaries and general elections. The basic premise behind our legislation is quite simple—special interest groups ought not be permitted to cover all the costs of the election of any Federal officeholder. We would never allow these same interests to pay the salaries of our Senators and Representatives once in office.

The current system of privately financing elections has been shown to be defective and we all pay the price for its many weaknesses. We are pledged to serve our constituents equally, whether or not they supported us in the last election. We must strive for real integrity in our political process and this can be accomplished only through genuine independence in running for public office—without obligations or secret commitments.

Our bill would make full public funding available to candidates of major parties in general elections for the House and Senate. In the Senate elections, the candidate would receive 14.4 cents for every eligible voter in the State, or $180,000—whichever is greater. Each candidate in the House would receive $84,000. No candidate would be required to accept the public funds, or he or she could decide on a combination of funds, both public and private.

Minor party candidates would also be eligible for partial public funding in general elections. This would be based on the party's showing in the preceding election or could be retroactive. [A minor party is defined as a party whose candidate received 5 percent or more but less than 25 percent in the preceding election or the current election.]

The bill provides for partial public funding of primary elections. Candidates for the senatorial nomination who raise 15 percent of the spending limit or $100,000—whichever is less—and candidates for a House seat who raise $7,000 would be eligible for matching grants of public funds for every private contribution of $100 or less.

Our bill is quite similar but not identical to a bill introduced earlier this year by Senators Kennedy, Scott, and 23 others. We sincerely hope that quick action can be taken on this legislation to permit application to the 1976 elections.

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell), is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, just as concern with our Nation's railroads does not lie in one region, with one industry, or even within one sector of the economy, so their survival cannot depend upon the efforts of one individual, one Government agency, or one "interested" group.

Why bother to save the railroads? Far from being a relic of the romanticized past, our railroads are intimately tied to the economic and social well-being of present-day America. Our 64 railroads serve over 45,000 communities, handle 60 percent of all domestically manufactured goods, and transport 70 percent of the coal used in this country. The survival of a railroad can come down to the health of an industry and even the continued existence of a town whose only link with outside markets is often a railroad.

But, statistics go on and they eventually turn to paint another picture that is growing increasingly bleak. There are 200,000 miles of railroad track in the United States. Of this 200,000 miles, an estimated 20 to 45 percent is operated under some type of "slow order," too often as slow as 10 miles an hour. Between 1963 and 1972, faulty railbeds were the cause of 5,700 rail accidents with damage estimated at more than $500 million. Since 1972, the rate of such accidents has gone up alarmingly. Within the last year, thousands of additional miles of railroad track have been ordered to be operated at 10 miles an hour—or less. Hardly the picture of an efficient, safe, or even viable system of transportation.

What is called for is a hard, comprehensive look at the entire system of American railroads on a long-range basis. Such a project will take time and end up costing billions of dollars. At the moment we obviously have not got billions of dollars to spend and time is running out.

However, the point is to begin, not with a blind and costly plunge into what we hope will be an easy, albeit, costly solution, but with a rational first step that is at once within our financial means and promises to deliver some very tangible and positive results.

Today, I am introducing the Rail Transportation Improvement and Employment Act of 1975, which I believe offers such a first step and at an affordable price. Make no mistake, it is no more than a start, but one which I feel is necessary and in the right direction.

Briefly, the bill which follows provides $600 million to restore employment to peak periods—between June 1974 and April 1975—in rail line rehabilitation projects on a nationwide basis. The sum of $100 million is allocated for the purchase of materials to refurbish those road beds whose decline is the major cause of rail accidents and a major contributor to the increasingly failing health of the entire rail industry.

The text of the bill is attached:

H.R. 6654

A bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rail Transportation Improvement and Employment Act of 1975".

EMERGENCY PUBLIC SERVICE EMPLOYMENT FOR RAILROAD IMPROVEMENT

Sec. 2. (a) Findings.—The Congress finds and declares:

(1) Adequate and safe rail transportation is essential to the public interest, and jobs which involve repairing, rehabilitating, and improving railroad roadbeds and facilities to increase the public service capability of railroads are public service jobs.

(2) Unemployment can be reduced significantly by stimulating and expediting the repair, rehabilitation, and improvement of the Nation's railroad roadbeds and facilities, because there is a great need for such activity and because such activity is labor intensive.

(b) Purposes.—It is therefore declared to be the purpose of the Congress in this Act to authorize the Secretary of Transportation to provide financial assistance, from funds appropriated and made available under section 11 and in accordance with the provisions of this Act to railroads, States, political subdivisions, and regional commissions, for programs aimed at reducing unemployment and at repairing, rehabilitating, and improving railroad roadbeds, and facilities.

(c) Use of Fund.—The Federal share of any program funded under this title shall be 100 per centum. Except with respect to financial assistance under section 8 for the purchase of materials, such funds shall be made available solely to pay the wages, salaries, or other benefits earned by individuals employed in programs funded under this title.

Sec. 3. Definitions. As used in this Act, the term—

(1) "railroad" means a common carrier by railroad as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)); the term includes the National Railroad Passenger Corporation, the Consolidated Rail Corporation, and the Consolidated Facilities Corporation;

(2) "roadbeds and facilities" means the physical assets of a railroad other than rolling stock that is necessary for the actual movement of rolling stock, including, but not limited to, tracks, ties, rails, switches, roadbeds, bridges, yards, and terminals, machines for loading and unloading, ferries and shoreside facilities for transporting rolling stock over water, signal systems, train monitoring systems, electrification and other power transmission systems, and structures and equipment necessary to the functioning of any of the foregoing;

(3) "rolling stock" means any new or rebuilt locomotive, caboose, or railroad car capable of being used in the carriage or transportation of any freight or passengers;

(4) "Secretary" means the Secretary of Transportation;

(5) "State" means any State, and the District of Columbia.

Sec. 4. Maintenance-of-Way Employees.—(a) Within sixty days after enactment the Secretary shall make funds available to any railroad which has laid off, furloughed, or otherwise reduced the number of maintenance-of-way and signal system maintenance employees between the period from June 1, 1974, through April 15, 1975, to the extent necessary to enable such a railroad to hire and maintain until June 1, 1976, sufficient numbers of such employees at prevailing wages to restore the size of its repair and rehabilitation work force to the maximum level maintained between June 1, 1974, and April 15, 1975: *Provided,* That such a railroad gives adequate and binding assurances to the Secretary (1) that such additional employees shall be utilized by the railroad for priority categories of work as set forth in section 6; and (2) that the railroad plans, intends, and will take sufficient steps to meet substantially the objectives set forth in section 7.

(b) In hiring new employees with any funds made available to it pursuant to this Act, a railroad shall accord the highest priority to furloughed maintenance-of-way and signal system maintenance employees, the second highest priority to other furloughed railroad employees, and the third highest priority to other unemployed persons who have sought work without success for more than three months.

Sec. 5. Grants to States and Regional Commissions for Specific Programs.—(a) In order to assure the implementation of an expanded nationwide program of emergency railroad roadbed, and facility repair and rehabilitation, the Secretary is authorized until December 31, 1976 to provide financial assistance in the form of grants to States, political subdivisions or combinations thereof, the Appalachian Regional Commission, or Regional Action Planning Commissions established pursuant to title V of the Public Works and Economic Development Act (42 U.S.C. 3161) for a rehabilitation program involving a facility within the categories set out in section 6 of this Act. In reviewing the applications for financial assistance under this section, the Secretary shall consider:

(1) The extent to which the proposed project meets the objectives set out in section 6 of this Act;

(2) How the proposal contributes to a regionally balanced rail rehabilitation effort;

(3) The severity of unemployment in the affected area and the impact that the proposed project is likely to have on that unemployment; and

(4) The coordination of the proposed project with other government transportation priorities such as the elimination of grade crossings and other safety problems, the enhancement and improvement of rail passenger service, the modernization of facilities, including electrification; and other such priorities.

(b) There is hereby established an Advisory Commission to assist the States, political subdivisions, and regional commissions in identifying eligible roadbeds and facilites, and in formulating and submitting appropriate grant applications. The Advisory Commission shall consist of the Secretary, or his designee; the Director of the Rail Services Planning Office of the Interstate Commerce Commission, or his designee, the Chairman of the United States Railway Association, or his designee; and the Chief of Engineers of the U.S. Army Corps of Engineers, or his designee. The purpose of the Advisory Commission shall be to facilitate decisionmaking and to expedite the allocation of funds to facilitate employment and improve rail transportation.

Sec. 6. Categories of Eligible Facilities.—The following roadbeds and facilities are priority categories for purposes of section 4 and are eligible for grants under section 5: Roadbeds and facilities which—

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(1) have been included in the preliminary system plan or any subsequent plan developed by the United States Railway Association and reviewed by Congress to be administered by the Consolidated Rail Corporation, a Consolidated Facilities Corporation, or any corporation established pursuant to Public Law 93-236, as amended:

(2) are used in a substantial way in a rail commuter passenger service;

(3) are utilized by the National Railroad Passenger Corporation pursuant to the Rail Passenger Service Act for providing rail passenger service;

(4) are subject to track usage of at least five million gross ton-miles per mile or road per year, and which are determined by the Secretary to be useful and desirable for present and future rail service needs on a national or regional basis;

(5) have been identified to the Secretary by any State, political subdivisions or combination thereof, or regional commission as useful and desirable for present or anticipated transportation needs, if the Secretary concurs in such identification; or

(6) are in such condition, as a consequence of deterioration or because of the method of original construction, that they constitute a significant risk to public health or safety.

SEC. 7. OBJECTIVES.—The objectives which are referred to in sections 4 and 5 are as follows:

(a) the roadbeds and facilities must contribute significantly to essential national or regional transportation needs and must be consistent with established national and/or regional policy;

(b) the proposed project must be capable of completion within twelve months after the date of approval by the Secretary;

(c) the application must contain a sufficient showing by, or on behalf of any railroad which will be affected by the project involved, that the Federal funds made available or granted will not be used to replace, or as a substitute, for any other money which such railroad would have been reasonably expected to utilize for roadbed or facility rehabilitation or maintenance in the absence of this section;

(d) the proposal should maximize the chances for the permanent employment of the individuals hired for the project involved; and

(e) the Secretary shall consider the competitive position of any railroad involved as compared with other railroads in the approval of a project.

SEC. 8. MATERIALS AND EQUIPMENT ASSISTANCE.—To the extent necessary to carry out railroad roadbed and facility repair, rehabilitation, and improvement work in connection with the increase in the number of maintenance-of-way employees pursuant to section 4, or in connection with the carrying out of a specified program granted financial assistance pursuant to section 5, the Secretary may provide financial assistance, in accordance with this section, for assistance to be expended solely for the acquisition of materials or equipment necessary or appropriate for implementing or carrying out a repair, rehabilitation, or improvement program or project receiving or approved to receive Federal financial assistance pursuant to section 4 or 5. Financial assistance under this section shall not be made available until the Secretary receives adequate and binding assurances that such financial assistance will not be used, directly or indirectly, as a substitute for financial resources which would otherwise have been expended for such purpose by the railroad.' Financial assistance under this subsection may be provided by the Secretary in the form of (1) loans by the United States bearing no obligation to pay interest or an obligation to pay interest at a market or a lower-than-market rate; (2) guarantees by the United States of the payment of the principal amount of, and the periodic interest obligation on, loans; or (3) grants, with or without conditions. In the case of a grant under this subsection, which adds, or may add, value to the rail properties or other assets of a railroad other than a Government corporation, the Secretary shall require that adequate and binding assurances be made for recompensating the Federal Government for any such value added, through a mechanism such as reduced user fees for rail passenger service operated by the National Railroad Passenger Corporation; deduction of such value added from the amount of any compensation otherwise owed, or which may be owed to, such a railroad by the Federal Government of Government created corporation in the event of any transfer of assets from such railroad to a Government agency or to a corporation established by a Government agency or corporation to administer certain railroad facilities; or direct repayment of the amount of such value added, and through such interim protection as is appropriate to secure the interest of the Federal Government without jeopardizing the financial structure of the railroad involved, such as a position as a junior lien creditor.

SEC. 9. LABOR PROTECTION.—Railroad receiving Federal financial assistance under this Act shall take such action as may be necessary to insure that all laborers and mechanics employed by railroads, contractors, and subcontractors in the performance of work done with the aid of such financial assistance shall be paid wages at rates not less than those prevailing on similar work in the locality, as determined in accordance with the Davis-Bacon Act (40 U.S.C. 267 (a)). No contract or agreement for the performance of work receiving Federal financial assistance shall be entered into under this section without first obtaining adequate assurances that required labor standards shall be maintained in the performance of such work. Wage rates provided for in collective bargaining agreements negotiated under, and pursuant to, the Railway Labor Act shall be considered to be in compliance with the Davis-Bacon Act.

SEC. 10. MISCELLANEOUS.—(a) The Secretary may issue regulations to the extent necessary to administer the provisions of this Act, and may modify such regulations as required, in accordance with the provisions of section 553 of title 5, United States Code. The Secretary shall issue regulations with respect to the manner and form for applying, and the authorized terms and conditions for financial assistance pursuant to section 8; such regulations shall be protective of the interests of the United States.

(b) Each recipient of Federal financial assistance under this Act, directly or indirectly, regardless of form, shall maintain such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program or project in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after the completion of such program or project, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary of the Comptroller General, may be related to or pertinent to any such Federal financial assistance.

(c) The Secretary is authorized to conduct, or to cause to be conducted, cost and benefit assessment studies of various programs and projects receiving Federal financial assistance under this Act and of proposed such programs, to the extent necessary to assure that funds appropriated for purposes of this Act are expended in the manner most cost-beneficial to the people of the United States, except that this provision may not be applied in any way which is likely to delay reduction in unemployment.

SEC. 11. AUTHORIZATIONS FOR APPROPRIATIONS.—(a) For the purposes of this Act, there are authorized to be appropriated, not to exceed $600,000,000 to be used by the Secretary for providing financial assistance pursuant to sections 4 and 5, of which not more than $7,000,000 shall be available to the Secretary for administrative expenses in implementing this Act, such sums to remain available until expended.

(b) For the purposes of this Act, there are authorized to be appropriated, not to exceed $100,000,000 to be used by the Secretary for providing financial assistance pursuant to section 8, such sums to remain available until expended.

IN SUPPORT OF GRANTING ASYLUM TO SOUTH VIETNAMESE REFUGEES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, it is appalling that Americans in any substantial number should be objecting to providing asylum for those Vietnamese who are fortunate enough to have escaped from South Vietnam and who fled because of their fear that they would be the subjects of reprisal by the Provisional Revolutionary Government and the North Vietnam Communist governments. No matter whether one was in support of our military involvement in Vietnam or opposed as I have been, we have a moral obligation to provide assistance to those Vietnamese fortunate enough to escape, considering the fact that it was we, our country, that was in part responsible for extending their agony.

The United States notwithstanding the inequities that exist domestically and the mistakes that we have made in foreign policy, still sets an example for the rest of the world, particularly in its treatment of refugees. From the beginning of our history we as a country have opened our doors to the oppressed of the world to a far greater degree than any other country.

That tradition must continue notwithstanding our domestic economic problems. And the truth is that the 150,000 Vietnamese refugees who were evacuated from Vietnam are less than one-half of our annual number of immigrants. It is with pride that we can point to our humanitarian efforts in providing asylum for Cuban refugees, Hungarian refugees, Czech refugees, and Soviet Union refugees. We can do no less for the South Vietnamese. Two splendid editorials which appeared in today's New York Daily News and the New York Times on this subject are appended:

[From the Daily News, Monday, May 5, 1975]

WELCOME THE REFUGEES

There is grumbling—with racial overtones—that the 100,000 Vietnamese refugees will put an added burden on the taxpayer and steal jobs from Americans.

We don't agree in any way, shape or form. These selfish, short-sighted complaints are

unworthy of our shining tradition of compassion, and are inaccurate to boot.

Many of the refugees have relatives already in the U.S. who will help look after them. They will be dispersed so that no section of the country will bear a disproportionate burden.

Probably only 20,000 of them will be looking for jobs. A surprisingly high percentage of these are middle and upper-class professionals we can well use—lawyers, doctors, college teachers.

In welcoming them, we are carrying out our splendid tradition of offering refuge to the homeless and the tempest-tossed.

We succored victims of famine and revolution in the 18th and 19th Centuries—they were our ancestors. We gave haven to those who suffered the Nazi pogroms, those who fled Red tyranny in Hungary and Cuba.

America can easily absorb this wave of immigration and thus reinvigorate herself as each wave in the past invigorated her.

Most of all, we will be fulfilling our destiny, the destiny that Emma Lazarus so hauntingly described in her inscription for the Statue of Liberty:

> A mighty woman with a torch, whose flame
> Is the imprisoned lightning, and her name
> Mother of exiles.

[From the New York Times, May 5, 1975]

WE HAVE NO CHOICE

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to 150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnam tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a minuscule fraction of the labor force (certainly not more than one-tenth of 1 percent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, yesterday I attended a breakfast held by the Association of Jewish Antipoverty Workers. The purpose of the breakfast was to alert the legislators in New York to the fact that the Jewish elderly in the city of New York are not receiving their fair share of poverty funds made available by the Federal Government to deal with poverty because of the restrictions placed on the distribution of those funds by Federal law. There are two major restrictions which impact and in some cases deny assistance to those in poverty, not only Jews but a whole host of other identifiable groups. One of these artificial restrictions allocates and directs programed funds only to people living in designated poverty areas. The effect is that those who are poverty stricken and not living in a particular part of the city, perhaps being even more deserving in individual cases than others living in such designated areas, are denied funding.

A second artificial restriction is to limit certain funding programs to specified groups those classified as black, Spanish surname, Oriental, American Indian, Aleuts, and Eskimos. The effect of such designation is to leave without equal opportunity for assistance the more than 120 other national or ethnic groups, such as Italo-American, Ukrainian American, Irish American, and Jewish American to name a few, as second class citizens insofar as Federal poverty programs are concerned. How does one justify to a poverty stricken Italo-American living in Carnarsie or a Ukrainian American living on First Avenue, that he or she is not eligible for Federal poverty assistance when others perhaps less poverty stricken are?

In December 1973, when I served on the Banking and Currency Committee, I sought to end what I consider to be a discriminatory practice which effectively denied direct loans to any otherwise eligible applicant if he or she were not in one of the six designated groups. I was able to muster support in the Small Business Subcommittee on which I sat to provide in the SBA legislation language which would bar discrimination based on race, creed, color, religion, sex, or national origin. The vote in subcommittee was 9 to 0 with two members voting "present," in support of my amendment. However, that vote was reversed in the full committee by a vote of 30 to 2 so that the SBA legislation now continues to allow this discriminatory practice of limiting funding to the six designated groups in certain programs.

Most recently our colleague JAMES SCHEUER sought to impose comparable antidiscriminatory language, not related to poverty, in an amendment to the health manpower bill, H.R. 5546. His amendment would have prohibited medical schools receiving funds under the bill from according a preference in admissions to applicants based on race. He too won in subcommittee by a unanimous voice vote but the amendment was rejected in the full Interstate and Foreign Commerce Committee by a vote of 18 to 10.

Those of us who oppose quotas and preferential treatment support affirmative action programs and do not find them inconsistent with our opposition to reverse discrimination. We believe that everyone—the poor, the uneducated, and those who have heretofore suffered discrimination—should be sought out and alerted to the programs that are available and provided with an opportunity to increase and enhance their skills so as to place them on a par with others to apply to all Federal and private programs that may be available; but when they apply the criteria should be based on poverty or merit or both but never on the basis of race, religion, creed, national origin, color, or sex.

Mr. Speaker, this issue is one that must be addressed directly. Notwithstanding the attacks that will be made on those who seek to take it on, those who are opposed to discrimination in any form must oppose preferential treatment based on the factors of race, creed, color, religion, sex, or national origin. To permit discrimination in favor of anyone because of his or her being within one of these classifications is, in fact, reverse discrimination. And we must not flinch from our obligation to oppose discrimination whether it be direct or reverse.

I think our colleagues will be interested in the appended statement delivered at yesterday's seminar.

SUGGESTED REMARKS FOR PRESIDENT JEROME M. BECKER, METROPOLITAN NEW YORK COORDINATING COUNCIL ON JEWISH POVERTY

Jewish poverty has been with us for many years, at least since the mass waves of Jewish immigration prior to the outbreak of World War I. But it is only within this decade that reports of massive deprivation of hundreds of thousands of Jewish poor here in New York City shocked the composure of the Jewish community and shattered forever the myth of Jewish affluence. Of course it is a fact that many Jews, through hard work and determination, were able to succeed in business and the professions, move to suburbia, and climb the socio-economic ladder of success. But in this exodus, many were left behind . . . the old, the sick . . . who could not leave the ghetto and who now subsist in conditions of squalor and poverty throughout the city of New York.

Yes, Jewish poverty exists in vast numbers here in New York City. This issue is a major social concern of our community and it requires an immediate and effective response from all levels of government.

To meet the pressing needs of the Jewish poor the Metropolitan New York Coordinating Council on Jewish Poverty was formed late in 1972 to serve as the advocate of the communal needs of New York's Jewish poor and to act as the interlocking bridge between funding bodies and the agencies providing direct services and community action programs.

The formation of the coordinating council represented a historic "first" in the history of the American Jewish Community. For, as our name implies, we are a coalition organization representing the New York sections of major national Jewish organizations, citywide Jewish service agencies, and the grass roots leadership of the local and boro-wide Jewish community councils. They run the gamut from the so-called secular establishment groups . . . ADL, AJ Committee, AJ Congress . . . To the religious bodies . . . Agudath Israel, OU, Young Israel, United Synagogue, New York Federation of reform synagogues . . . to community councils in all the five boros. At present we have 43 member organizations with applications pending that will bring us close to the 50 mark (Bensonhuhst, Brighton, Pelham Parkway). These organizations, as you will note, reflect a diversity of ideologies. On some issues they are adjudicating with each other in the courts. But all sit together as equal partners under the umbrella of the coordinating council in a united effort to serve the poor, promote community cooperation, and relieve community tensions.

The scope of the efforts of the coordinating council is as broad as the extent of the problem of Jewish poverty itself. A study conducted by our organization just last year disclosed that 357,100 Jews . . . or one out of every five Jews living in New York City today . . . was a potential welfare risk. To deal with the multiple dimensions of this problem, the coordinating council has been mandated to:

1. Provide awareness of the existence and extent of poverty in the Jewish community and of governmental and nongovernmental programs aimed at dealing with poverty.

2. To inform the Jewish community of the rights and opportunities provided by programs for the relief of poverty.

3. To cooperate with governmental and non-governmental organizations for improvements in crime prevention, the expansion of housing, community services, and similar areas of concern.

4. To promote and assist in the establishment of local Jewish community councils.

What are some of the problems of the Jewish poor? First and foremost we are dealing with an aging population. Today one out of every nine Jews in this country is over 65 years of age. Before the end of the century this ratio will be one out of six. Thus, more so than any other group, the Jewish community is confronted with the multi-faceted problems on an aging population . . . declining health and increased need for medical care facilities, subsisting on limited, fixed incomes (the aged are most adversely affected by the current depression/inflation), and the entire issue of decent and dignified institutionalized care for an increasing segment of the population.

In addition to the problems of the aged, somewhere between 30–35 per-cent of Jews who are poor are young people. This group comprise single, unrelated people or families, many wtih young children, some headed by a single parent. For this group of poor Jews studies have disclosed that inadequate education and vocational training were important factors. Half of these people had less than eleven years of schooling, and one in five had less than an eighth grade education.

Besides the elderly, the young, and the unemployed, there are also the ill, the emotionally disturbed, and the troubled, much as exist in any other ethnic or religious group, who generally go unnoticed and ignored by the general population.

Moreover, the orthodox and chassidic communities represent a distinctive situation with regard to poverty. For these groupings the key element is the special demands which Jewish ritual makes . . . the need to buy kosher and glatt kosher food, the imperative to provide a day school education for their children, the biblical injunction to support synagogues and yeshivos through the practice of tithing, etc. In addition, the chassidic community has a built-in resistance to secular education, particularly at the high school and college levels. Few chassidim have a college degree, and therefore . . . when combined with their religious strictures against working on the Sabbath and Jewish holidays and their distinctive attire . . . mitigate against their ability to compete in the job market. On religious grounds, the orthodox and chassidic communities are opposed to birth control and tend to have large families. One of the studies to which I referred at the outset, prepared by Ann G. Wolfe for the American Jewish Committee, indicated that the median family size in Williamsburg, a strong chassidic enclave, was 6.3 children as compared with an overall average of 2 children for all Jewish families.

As Jewish leadership began to study the numerous facets of this problem it became evident that a cooperative, coordinated community activity was essential to enable Jews, as a community, to relate to government to insure that vital and necessary services would be available for the Jewish poor. With an initial grant from the Federation of Jewish Philanthropies, a city-wide agency was formed to coordinate organizational activities in behalf of the Jewish poor. Thus the coordinating council was born.

As our activity crystallized and as numerous organizations united under our banner, governmental agencies began to recognize the vitality and validity of this effort and to relate positively to the needs of the Jewish poor. In the winter of 1972–73, the coordinating council received an initial grant of $250,000 from the New York City Human Resources Administration to aid the Jewish poor. Thus the coordinating council became recognized as a major spokesman on issues of Jewish poverty and the communal advocate of Jewish poverty concerns vis-a-vis governmental agencies.

Since its inception, the coordinating council has concentrated upon coordinating organizational activities and communal problems as well as developing and strengthening of Jewish community councils. With its initial HRA grant the coordinating council funded two local Jewish community councils in neighborhoods with large concentrations of Jewish poor, the lower East Side in Manhattan and the concourse area of the Bronx. At a bit later in the program the president of the East Side Council will speak in greater detail about the activities of his council. So I'll simply indicate at this juncture that these councils are actively involved in providing a variety of community action and individual services under our aegis. They are involved in such programs as information and referral, housing, block security, day care centers, youth corps jobs, lunch programs, communal meals, medicare, medicaid, SSI, welfare, food stamps, reduced fare cards to mention but a few highlights.

As our funding from HRA increased, as we received a two-year funding commitment from Federal OEO through CDA-CAP, the coordinating council funded, supervised, and coordinated similar programs, albeit on smaller scale, throughout the City of New York in such neighborhoods as: Boro Park, Brighton, Coney Island, Crown Heights, Queens, Rockaway Peninsula, Rugby-East Flatbush, and Washington Heights-Inwood.

The paths have not been ever smooth. As a result of an internal dispute between the City of New York and the OEO as to the intended disposition of the $6.2 million in funds from which the coordinating council received its expansion-permitting commitment, Federal funding ceased as of December 31, 1974. This has led to a reduction of staff and resultant curtailment of activities at the eight smaller councils throughout the city. Ladies and gentlemen, at a time when the number and needs of the Jewish poor are increasing daily, I submit to you that such a situation can not be tolerated. It represents an unconscionable deprivation of the rights of the city's third largest poverty population. In behalf of all our 43 member organizations, I urge your understanding and support of programs that will enable us to sustain and strengthen our citywide efforts in behalf of the Jewish poor.

HOME HEALTH CARE—PART XI

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 84 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators FRANK MOSS and FRANK CHURCH, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, HUGH SCOTT, Senate minority leader, and Senators WILLIAMS, DOMENICI, and TUNNEY.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the RECORD several times a week by experts and lay persons commenting on the legislation.

This is the 11th in the series:

[Editorial by Peter Kohler, editorial director, WCBS–TV, New York, Apr. 5, 1975]

HOME HEALTH CARE

The Towers Nursing Home in upper Manhattan has become a symbol of scandalous and shoddy care for the nation's elderly, but it also has prodded government to seek better alternatives to nursing home care.

Well, there is an alternative that you can see working in New York City. This program enables sick, old people to be cared for in their own homes instead of nursing homes. To see how it works, we accompanied a home health care team from Saint Vincent's Hospital, which runs the program. The team, a doctor, nurse and social worker, visited 101-year-old Winifred McGuire at her Chelsea apartment. There Dr. Phillip Brickner, who started the program, examined the patient. Then a nurse checked her blood pressure. The team saw to it that she was getting necessary homemaking service, since Mrs. McGuire needs someone to cook, clean and shop for her.

Next they visited with 82-year-old Sophie Warnick, who told us what she thought of the program: "Imagine if I got to a home. Who would have to pay? The city, the state, the Federal. It costs much less and it's so much more comfortable at home."

A program like this one works. But obstacles such as irregular and limited benefits under Medicaid and Medicare prevent more people from taking advantage of home health visits. But under legislation recently introduced by Rep. Ed Koch and Sen. Frank Moss of Utah, home health care would be easier to find and easier to pay for. By amending the Medicaid and Medicare laws, the Home Health Care Act of 1975 would allow hospitals to get paid for their home services; and see to it that a broad range of services is more readily available—including cooking, shopping and transportation. The full package of benefits for an elderly person could cost less than half of what it costs to keep him in a nursing home, according to Rep. Koch.

We think the Koch-Moss bill is a step in the right direction. Alternatives to nursing homes should be encouraged, and people should have a choice—a choice about the way they want to live out their lives.

A BILL TO ENCOURAGE MANUFACTURING PLANTS TO REMAIN IN ESTABLISHED COMMUNITIES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, many of us have been concerned for some years with the problem of industrial plant relocations, sometimes referred to as runaway plants.

The problem becomes particularly acute in times of economic recession, such as we are now experiencing, when a corporation with plants scattered around the country of varying ages and degrees of efficiency finds it necessary to curtail its manufacturing operations. Invariably, it will restrict or shut down production at its highest cost plant. Usually, this will be an older plant which is less efficient than newer plants built in other parts of the country.

Very often such plant closings result in a permanent loss of jobs and a loss of economic and tax base to the community in which they are located. My own community of Akron, Ohio, has recently experienced the loss of several thousand jobs through just such a process.

As long as we wish to gain the fruits of a free enterprise system, we must, of course, permit industry to have the flexibility it needs in order to remain competitive. Competition is the great regulator, without which the free enterprise system would become oppressive and, in the long run, impossible. This does not mean, however, that we should not consider possible legislative steps to protect established communities from the kind of losses that result from plant relocations.

H.R. 76, introduced by Mr. FORD of Michigan, with a number of cosponsors including myself, attempts to come to grips with this problem. It would require prenotification to affected employees in communities by business concerns planning to move to other areas, would provide assistance to employees, business concerns, and communities affected by such relocations and, under certain circumstances, would curtail various Federal benefits where such relocations are found to have been unjustified.

I am gratified that the distinguished chairman of the Subcommittee on Labor Standards, the Honorable JOHN DENT, will be holding hearings on this subject in Akron on Friday of this week. I believe this will provide the subcommittee with an opportunity to hear from representatives of labor, management, and the community at large with respect to the problems involved in recent plant relocations now in progress or in prospect in the Akron area.

I am concerned, however, that our legislative approaches not be limited to efforts to repair damage after the fact but also provide positive incentives to encourage industry to remain in established communities and thereby protect the tremendous investment that those communities have in the homes and businesses of their residents and the public facilities which are supported in large part by the communities' industrial base. To this end, I have today introduced a bill, the Investment Tax Credit Act of 1975, which would provide an additional investment credit of 5 percent for new machinery and equipment installed in old plants to enable them to compete effectively with other plants. My bill would also apply to such investments in new plants within 10 miles of such an older plant or new plants located in metropolitan areas having an unemployment rate which has exceeded the national average unemployment rate by 2 percent or more for at least 1 year.

Of course since this bill deals with internal revenue taxation, it must be referred to the Ways and Means Committee. I would hope, however, that it would also be referred sequentially to the Education and Labor Committee, in order that it may be considered in connection with their review of this problem. It seems to me to be particularly appropriate, since the bill is aimed primarily at solving a problem in the field of labor-management relations.

Mr. Speaker, I recognize that the proposed legislation which has been introduced on this subject is far from perfect and may turn out, after further examination, not to provide fruitful answers to this problem. However, it seems to me that these bills are at least a beginning toward a Federal effort to help meet the problem, an effort which is long overdue and which is certainly worth pursuing.

H.R. 6681

A bill to amend the Internal Revenue Code of 1954 to discourage the relocation of manufacturing plants by providing an additional investment credit for machinery placed in the service in existing manufacturing plants or in nearby areas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Investment Tax Credit Act of 1975".

SEC. 2. (a) Subsection (c) of section 46 of the Internal Revenue Code of 1954 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(4) Machinery and equipment placed in service on existing manufacturing plants or in nearby areas.—

"(A) In the case of section 38 property which is qualified machinery and equipment, the amount of the qualified investment shall be 150 percent of the amount determined under paragraph (1).

"(B) For purposes of this paragraph, the term 'qualified machinery and equipment' means any machinery or equipment which is placed in service by the taxpayer on or in connection with a qualified manufacturing facility.

"(C) For purposes of this paragraph, the term 'qualified manufacturing facility' means any plant or facility which is used by the taxpayer in a trade or business of manufacturing or producing goods and—

"(i) which is, on the date of the enactment of the Investment Tax Credit Act of 1975, owned by the taxpayer and used by him in such a trade or business, has been so owned and used by him for ten or more calendar years, and without such new machinery and equipment will be unable to compete effectively with other plants or facilities manufacturing or producing such goods;

"(ii) which is located within ten miles of a plant facility described in clause (i); or

"(iii) which is located in a metropolitan area in which the Secretary of Labor has determined that for a period of at least one year immediately prior to the date on which such machinery or equipment was ordered by the taxpayer for installation in such plant or facility, the unemployment rate for such metropolitan area exceeded the national average unemployment rate by 2 percent or more on a seasonally adjusted basis.

such term does not include any plant or facility used predominantly in a trade or business described in paragraph (3)(B).

"(D) For purposes of this paragraph—

"(i) members of the same affiliated group of corporations (as defined in section 1504 (a)) which file a consolidated return for the first taxable year ending after the date of the enactment of the Investment Tax Credit Act of 1975 and for each taxable year thereafter shall be treated as one taxpayer, and

"(ii) assets acquired by the taxpayer after the date of the enactment of the Investment Tax Credit Act of 1975 in a transaction to which section 381(a) applies shall be treated as not owned by the taxpayer on such date."

(b)(1) Subsection (a) of section 47 of such Code (relating to certain dispositions, etc., of section 38 property) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) PROPERTY CEASES TO BE QUALIFIED MACHINERY AND EQUIPMENT.—If during any taxable year any section 38 property taken into account as qualified machinery and equipment (as defined in section 46(c)(4)(B)) in determining qualified investment ceases to be used on or in connection with a qualified manufacturing facility (as defined in section 46(c)(4)(C)), then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from not treating such property, for purposes of determining qualified investment, as qualified machinery and equipment (after giving due regard to the period before such change in use). If the application of this paragraph to any property is followed by the application of paragraph (1) to such property, proper adjustment shall be made in applying paragraph (1)."

(2) Paragraph (5) of such subsection (a) (as redesignated by paragraph (1)) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (4)".

(3) Paragraph (6)(B) of such subsection (a) is amended by striking out "paragraph (4)" and inserting in lieu thereof "paragraph (5)".

SEC. 3. (a) The amendments made by section 2(a) of this Act shall apply to property—

(1) which is acquired by the taxpayer on or after the date of the enactment of this Act; or

(2) the construction reconstruction, or erection of which is completed by the taxpayer on or after such date, except that there shall be taken into account only the portion of the basis which is properly attributable to construction, reconstruction, or erection on or after such date.

(b) The amendments made by section 2(b) of this Act shall apply to taxable years ending after the date of the enactment of this Act.

A SAD DAY FOR THE UNITED STATES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I think it would be helpful, in light of the current debate in U.S. policy over Cuba to include in the RECORD the thoughtful column by John S. Knight of the Knight Newspapers, which appeared in the March 9, 1975, issue of the Miami Herald on this important subject, entitled "A Sad Day for United States in Shift on Cuba." I, therefore, include the editorial immediately following these remarks:

UMI

A SAD DAY FOR UNITED STATES IN THE SHIFT ON CUBA

Are you old enough to recall the overthrow in 1959 of President Batista's government in Cuba, and the accession of dictator Fidel Castro?

Or the decision by the United States in 1961 to sever diplomatic and consular relations with Cuba? And the ill-fated Bay of Pigs invasion by Cuban exiles who were deceived into believing they were being supported by U.S. air power?

There was also the missile crisis of October 1962, in which President John F. Kennedy won the showdown with Russian Premier Khrushchev but left a defiant Castro and a large number of Soviet military personnel in Cuba.

It was President Kennedy's announced policy at that time to "isolate the virus of communism." By the end of 1963, Soviet personnel in Cuba had been reduced to about 5,000. In the same year, the Castro regime cut off the water supply to the U.S. naval base at Guantanamo. The United States retaliated by dismissing all Cubans employed who did not spend their dollar earnings on the base.

Meanwhile President Kennedy, in an impassioned speech accepting the flag of Brigade 2506 at Miami's Orange Bowl, assured Cuban Bay of Pigs veterans that "this flag will be returned to this brigade in a free Havana."

REALISM

Today, and three presidents later, U.S. policy toward Cuba is making a dramatic shift which is largely unnoticed by all but the Cuban refugees in the United States.

President Ford said recently in Florida that our Cuba policy today "is the same as it has been, which is that if Cuba will reevaluate and give us some indication of a change in its policy toward the United States, then we will certainly take another look, but thus far there is no indication of Mr. Castro's change of heart. And so we think it is in our best interest to continue the policies that are in effect at the present time."

Yet it is not Cuba's Castro who is doing the reevaluation, but the U.S. government, assorted politicians and a growing segment of the North American press.

For instance, Sen. Edward M. Kennedy, the late President's brother, is calling for realism in our relations with Cuba. Two other U.S. senators, Jacob K. Javits of New York and Claiborne Pell of Rhode Island, have visited Fidel Castro and are convinced the time has come to kiss and make up.

Secretary of State Henry Kissinger says the Ford administration is ready to move in a "new direction" in its relationship with Cuba and will support efforts within the Organization of American States to lift the 10-year-old embargo against the island nation.

PLURALITY

The Los Angeles Times has proclaimed that "the time has come for the United States to give new direction to its policy toward Cuba." The Times seems motivated by the aid that would flow to Litton Industries of California if the United States and Cuba enjoyed normal relations.

The Detroit Free Press believes that "American interests will be better served by trade and travel between Cuba and the rest of the hemisphere, including the U.S. itself." But do Cubans have enough good hard currency to buy the new cars being produced in Detroit?

Or, do we loan them the money

The Miami News among its other reasons for softening the U.S. hard line toward Cuba, mentions that a lowering of the U.S.-Cuba barrier would "have a salutary economic effect on South Florida, historically a major port for Cuban travelers and freight."

A Harris survey relates that Americans support, by a 50 to 24 per cent plurality, the reestablishment of diplomatic relations with Cuba.

A majority of those Americans who favor normalization of trade relations with Cuba are clearly influenced by the anticipated flow of dollars resulting from the sale of our manufactured products.

The only conclusion that can be drawn is that North Americans are influenced more by money than principle. Whereas Fidel Castro was once a dirty word in this country, he will now be acceptable if American firms can profit from the deal.

HUMILIATION

So Mr. Kissinger, much of the U.S. press and a plurality of Americans are ready to make the shift. Better to make a buck than to be stuffy about the past, they say in the Harris poll.

Admittedly, the doctrine of recognition does not necessarily mean approval of the country so recognized. Yet we now seem about to appear in the humiliating position of beseeching the ineffable Castro to please sit down and do business with us.

Instead, Fidel chooses to play the waiting game until such time as he can further humiliate the United States, once known as "the Colossus of the North."

Perhaps one day, he will even be good enough to offer the President of the United States "a pure Havana cigar."

DR. MANOLO REYES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, at a time when some are proposing that the United States change its policy and embrace in friendship the bloody hand of the Communist Castro, it would do well for us to remember the threat to our security that he is. Castro is a puppet dictator of the Soviet Union.

One courageous opponent of Communism who has consistently helped to focus attention on this fact is the Honorable Dr. Manolo Reyes, Latin American news editor of Miami's WTJV-TV.

For more than 10 years, Dr. Reyes has received valuable information smuggled out of Cuba by a valiant and still-unexposed underground. He has done this despite the danger present to his own life.

Mr. Speaker, Virginia Prewett, a distinguished columnist for the North American Newspaper Alliance, recently wrote a profile of Dr. Reyes. I commend to my colleagues and interested Americans the text of that article about this most courageous American:

The U.S. State Department has signalled its willingness for other New World governments to lift the hemisphere boycott against Fidel Castro's Cuba. But on Feb. 19, the Inter-American Defense College of Fort McNair, D.C., for the first time heard an anti-Castro Cuban exile examine Cuba's present-day military role. The Fort McNair institution, like our National War College also located there, operates under the Pentagon's wing. The unprecedented look at Cuba symbolizes a growing Pentagon concern about Latin America.

In a three-hour, illustrated lecture, Manolo Reyes, Latin American news editor of Miami's TV-WTJV, revealed that not all is rosy within Castro's military establishment. Scores of high-ranking U.S. and Latin American officers who are faculty and students at the hemisphere defense college also heard how Russia uses Cuban ports and airfields as forward bases for its military forces. The Inter-American Defense College is attended by Latin American officers who rank as lieutenant-colonels or colonels upon appointment by their respective governments. Many become generals, cabinet ministers and even presidents of their countries.

For over a decade Manolo Reyes has been the Miami receiving terminal for hardcore intelligence smuggled out of Cuba by a still-unexposed underground. His information has proved so reliable that he has been called to Washington eleven times in the past five years as an expert witness. He has appeared before Senate and House committee, the Inter-American Defense Board and the Organization of American State Security Committee, among others.

For his Feb. 19 appearance Reyes prepared a unique, up-to-the-minute report on Fidel Castro's military. Propaganda for fifteen years has drilled anti-Americanism into Castro's younger officers, he confirmed. But the presence of many Soviet troops and military technicians—estimated by Reyes at over 20,000—is causing friction with the young Cuban officers, who see these foreigners as too much in control of their professional futures.

As illustration, Reyes told of a dispute between a Russian and a young Cuban at the Managua base in Havana Province that ended in the Cuban's arrest. This provoked a near-rebellion at the important base. To minimize such trouble between Russians and Cubans the former are kept in separate camps. The younger Cubans resent this as preferential treatment for the foreigners.

Reyes presented in his lecture many photographs of Cuban airfields with Soviet bombers parked on their tarmacs and of Cuban ports, especially that at Cienfuegos, in use by Soviet naval vessels. He reported that three-quarters of the large Bay of Cienfuegos is restricted to all Cubans, a fact heartily resented by many Cuban officers.

His illustrative material included authenticating photographs, taken on specific dates, to show how Russia is using Cuba as a forward military base. The material included the following examples:

When NATO exercises were being held in the Atlantic in September 1973, two big Soviet TU-95 bombers took off from a Cuban base, flew up the U.S. coast to about Norfolk, Va. and then veered out to sea toward the NATO exercise area. Fighter planes from the USS *Saratoga* took off toward them as they approached and they turned away—to fly back to Cuban bases.

In March 1973, the "Yuri Gargarin", mother ship of Russia "meteorological" or spy fleet operating in New World waters, appeared in Brazil's territorial waters just when Brazil was about to launch its first space rocket from a point nearby. Brazilian military planes chased the ship away. Five days later it was photographed in a Castro port.

Reyes also presented photos of Soviet Echo II submarines, bearing 750-mile Shaddock missiles, in Cuban ports.

Reyes is today one of the last of the Cuban exiles making public exposures of what goes on in Cuba—"the last of the Mohicans", he calls himself. To avoid risks of being hijacked to Cuba, he spends forty-four hours on trains with his wife and usually at his own expense, in order to appear for a few hours as a witness at Washington hearings.

Always non-political and not a part of any exile faction, Reyes is constantly threatened with death for his exposures of Castro. When a "death list" of Cuban exiles was circulated in Miami by a shadow organization that claimed to have assassinated the militant Cuban, Hose de la Torriente, in April 1974, Reyes' name was third on the list.

During the summer of 1974, police slept guard day and night in his Miami home and police cars prowled his neighborhood to thwart the anonymous assassins. Reyes cheerfully accepts these risks, as do the rest of his family. "My wife said, 'You've made the hit parade' when we had the police guard," says Reyes. "But I'm not going to stop."

PLANS TO MOVE FORWARD ON AUDIT LEGISLATION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, with the economy in its worst shape since the days of the depression, it is essential that the Congress shore up—in all ways—its role in economic policymaking and its oversight functions involving the economic agencies.

That is why H.R. 4316 and related legislation is so important to this Congress. These bills—which are being sponsored by 109 Members of the House of Representatives—require a full-scale top-to-bottom audit of the Federal Reserve System by the General Accounting Office. This is major economic legislation which will give the Congress its first real insight into the massive machinery of the world's single most powerful economic agency—the Federal Reserve System.

Mr. Speaker, it is our hope that this legislation—without weakening amendments—will be ready for floor action in the very near future. We will be winding up hearings in the Domestic Monetary Policy Subcommittee of the Banking, Currency and Housing Committee and I am hopeful of an overwhelmingly favorable vote as this moves through the committee.

For some weeks, I have attempted to obtain the testimony of Dr. Arthur Burns, the Chairman of the Federal Reserve Board, in the belief that he was the most qualified and most knowledgeable on the matters which we now seek to audit. We have also sought his testimony because he has invariably insisted that he was the sole spokesman for the Federal Reserve and because of the intense lobbying campaign which he initiated directed against the audit legislation in the last Congress.

It is still my opinion that we would have a better record—a more complete record—if the good Dr. Burns had come forth and willingly testified. But he pleads all sorts of excuses.

Normally I would continue to pursue this issue—and I am convinced that eventually we would be able to secure his testimony—but I am very interested in seeing this audit legislation go forward promptly. I think economic conditions call for speedy action and Dr. Burns' "cat and mouse" game on his availability as a witness is at the moment serving only to delay the eventual resolution on the bill. I think it is unwise—under these particular circumstances—to allow Dr. Burns' delaying tactics to continue.

So that we can expedite these hearings and so that the House may work its will on the audit legislation, I am scheduling testimony by George Mitchell, the Vice Chairman of the Federal Reserve Board, for 10 a.m., Thursday, before the Domestic Monetary Policy Subcommittee. This is not as acceptable as the testimony from the Chairman of the Federal Reserve, but it does allow us to move the bill forward. That is the No. 1 item on the agenda and under these circumstances we will accept Governor Mitchell.

Mr. Speaker, few people understand the enormity of the Federal Reserve's operations. The volume of transactions is startling. The Federal Reserve handles more than 35 billion pieces of paper annually and the transactions in which the Federal Reserve is involved exceed $24 trillion. There is no governmental agency anywhere in the world that handles a volume of transactions anywhere close to this magnitude. Yet, all of this goes unaudited and will continue to do so unless we pass H.R. 4316.

Mr. Speaker, few people realize that the Federal Reserve today holds almost 20 percent of the national debt. This is unbelievable. A whopping 20 percent of the national debt which is not even audited.

This is tied up in nearly $87 billion of Government securities in the portfolio of the Federal Open Market Committee in the New York Federal Reserve Bank. These are bonds—government bonds—which have been paid for once and they should be canceled. But the Federal Reserve does not cancel these bonds—that have been paid for—but they continue to hold them in the portfolio and this portfolio is growing by leaps and bounds.

These bonds should be cancelled and should be subtracted from the national debt and we should stop counting the interest charges on these bonds in our budgetary process. By reducing the national debt, we would have more leeway in our fiscal policies to do the things that we ought to be doing.

Why is the Federal Reserve holding onto bonds that have been paid for once? It provides them the means by which they can thumb their noses at the Congress and the American people. These bonds allow the Federal Reserve to escape that all-important congressional review—the appropriations process.

The Federal Reserve draws almost 66 billion annually on these bonds—98 percent of its income—and out of this huge slush fund comes the financing for the far-flung operations of the Federal Reserve. They expend this money freely without even the slightest congressional check anywhere.

We do not audit the funds and we do not require even the most simplistic appropriations review.

Mr. Speaker, I think an audit of the Federal Reserve by the General Accounting Office will let out many of these facts in stark terms. The audit will give the Congress and the American people a real look at the operations and policies of what is certainly the most undemocratic and non-responsive agency anywhere in the free world.

Once again, Mr. Speaker, I hope that the Congress moves this legislation rapidly and that it passes by large margins so that the Federal Reserve will fully understand that the Congress plans to exercise its oversight functions concerning monetary policies and the monetary agency. An audit is already many decades late—we cannot afford to delay further, particularly in view of our current economic crisis.

PERSONAL EXPLANATION

(Mr. HUGHES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUGHES. Mr. Speaker, today I was unable to be present during the RECORD votes on H.R. 1244 and H.R. 5158 due to official business. If I had been present, I would have voted "yea" to H.R. 1244, rollcall No. 176, Presidential Protection Assistance Act and also voted "yea" to H.R. 5158, rollcall No. 177, Bikini Atoll payments.

CONFERENCE REPORT ON H.R. 25

Mr. UDALL submitted the following conference report and statement on the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes (pursuant to an order of the House of May 1, 1975):

CONFERENCE REPORT (H. REPT. No. 94-189)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1975".

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TITLE I—STATEMENT OF FINDINGS AND POLICY

FINDINGS

SEC. 101. The Congress finds and declares that—

(a) extraction of coal and other minerals from the earth can be accomplished by various methods of mining, including surface mining;

(b) coal mining operations presently contribute significantly to the Nation's energy requirements; surface coal mining constitutes one method of extraction of the resource; the overwhelming percentage of the Nation's coal reserves can only be extracted by underground mining methods, and it is, therefore, essential to the national interest to insure the existence of an expanding and economically healthy underground coal mining industry;

(c) many surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural, and forestry purposes, by causing erosion and landslides, by contributing to floods, by polluting the water, by destroying fish and wildlife habitats, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property, by degrading the quality of life in local communities, and by counteracting governmental programs and efforts to conserve soil, water, and other natural resources;

(d) surface mining and reclamation technology are now developed so that effective and reasonable regulation of surface coal mining operations by the States and by the Federal Government in accordance with the requirements of this Act is an appropriate and necessary means to minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations;

(e) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

(f) there are a substantial number of acres of land throughout major regions of the United States disturbed by surface and underground coal mining, on which little or no reclamation was conducted, and the impacts from these unreclaimed lands impose social and economic costs on residents in nearby and adjoining areas as well as continuing to impair environmental quality;

(g) while there is a need to regulate surface mining operations for minerals other than coal, more data and analyses are needed to serve as a basis for effective and reasonable regulation of such operations;

(h) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner; and

(i) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to protect society and the environment from the adverse effects of surface coal mining operations and surface impacts of underground coal mining operations;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(c) assure that surface mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that surface coal mining operations are so conducted as to protect the environment;

(e) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(f) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided and strike a balance between protection of the environment and agricultural productivity and the Nation's need for coal as an essential source of energy;

(g) assist the States in developing and implementing a program to achieve the purposes of this Act;

(h) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public;

(i) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act;

(j) encourage of the full utilization of coal resources through the development and application of underground extraction technologies;

(k) provide a means for development of the data and analyses necessary to establish effective and reasonable regulation of surface mining operations for other minerals;

(l) stimulate, sponsor, provide for and/or supplement present programs for the conduct of research investigations, experiments, and demonstrations, in the exploration, extraction, processing, development, and production of minerals and the training of mineral engineers and scientists in the fields of mining, minerals resources, and technology, and the establishment of an appropriate research and training center in various States; and

(m) wherever necessary, exercise the full reach of Federal constitutional powers to insure the protection of the public interest through effective control of surface coal mining operations.

TITLE II—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 201. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall report directly to the Secretary and who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. The Director shall have the responsibilities provided under subsection (c) of this section and those duties and responsibilities relating to the functions of the office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer the provisions of this Act. No legal authority, program, or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources or regulating the health and safety of miners under provisions of the Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742), shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed material as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve ordera and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(3) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in title V of this Act;

(4) administer the program for the purchase and reclamation of abandoned and unreclaimed mined areas pursuant to title IV of this Act;

(5) administer the surface mining and reclamation research and demonstration project authority provided for in this Act;

(6) consult with other agencies of the Federal Government having expertise in the control and reclamation of surface mining operations and assist States, local governments, and other eligible agencies in the coordination of such programs;

(7) maintain a continuing study of surface mining and reclamation operations in the United States;

(8) develop and maintain an Information and Data Center on Surface Coal Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(9) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of the Act and, at the same time, reflect local requirements and local environmental and agricultural conditions;

(10) assist the States in developing objective scientific criteria and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of surface coal mining pursuant to section 522;

(11) monitor all Federal and State research programs dealing with coal extraction and use and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating adverse environmental and social impacts; and

(12) perform such other duties as may be provided by law and relate to the purposes of this Act.

(d) The Director shall not use either permanently or temporarily any person charged with responsibility of inspecting coal mines under the Federal Coal Mine Health and Safety Act of 1969, unless he finds and publishes such findings in the Federal Register, that such activities would not interfere with such inspections under the 1969 Act.

(e) The Office shall be considered an independent Federal regulatory agency for the purposes of sections 3502 and 3512 of title 44 of the United States Code.

(f) No employee of the Office or any other Federal employee performing any function or duty under this Act shall have a direct or indirect financial interest in underground or surface coal mining operations. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Director shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this subsection will be monitored and enforced, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this subsection.

TITLE III—STATE MINING AND MINERAL RESOURCES AND RESEARCH INSTITUTES

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

SEC. 301. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1975, $300,000 for fiscal year 1976, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, or center (hereinafter referred to as "institute") at one public college or university in the State, which has in existence at the time of enactment of this title a school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction or which establishes such a school of mines, or division, or department subsequent to the enactment of this title and which school of mines, or division or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction wherein education and research in the minerals engineering fields are being carried out and wherein at least four fulltime permanent faculty members are employed: *Provided*, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction, said advisory committee may allocate the State's allotment to one private college or university which it determines to have an eligible school of mines, or division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to: exploration; the extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other institutes.

RESEARCH FUNDS TO INSTITUTES

SEC. 302. (a) There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $15,000,000 in fiscal year 1975, said sum increased by $2,000,000 each fiscal year thereafter for six years, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses for purposes of:

(1) specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes, and

(2) research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project.

(c) The Secretary shall,. insofar as it is practicable, utilize the facilities of institutes designated in section 301 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, and on the basis of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

(d) No grant shall be made under subsection (a) of this section except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

(e) No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

FUNDING CRITERIA

SEC. 303. (a) Sums available to institutes under the terms of sections 301 and 302 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to

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the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provision of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title shall be available for expenses for research, investigations, experiments, and training conducted under authority of this title. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

Sec. 304. (a) The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 303(a) have been met as to each institute and State.

(c) The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reasons therefor.

AUTONOMY

Sec. 305. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

MISCELLANEOUS PROVISIONS

Sec. 306. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work.

(d) No research, demonstration, or experiment shall be carried out under this Act by an institute financed by grants under this Act unless all uses, products, processes, patents, and other developments resulting therefrom with such exception or limitation, if any, as the Secretary may find necessary in the public interest, be available promptly to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent. There are authorized to be appropriated such sums as are necessary for the printing and publishing of the results of activities carried out by institutes under the provisions of this Act and for administrative planning and direction, but such appropriations shall not exceed $1,000,000 in any fiscal year.

CENTER FOR CATALOGING

Sec. 307. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of Government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

Sec. 308. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research;

(b) identification and elimination of duplication and overlap between two or more agency programs;

(c) identification of technical needs in various mining and mineral resources research categories;

(d) recommendations with respect to allocation of technical effort among Federal agencies;

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort; and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

Sec. 309. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS–18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5 of the United States Code, be fully reimbursed for travel, subsistence, and related expenses.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED MINE RECLAMATION FUND

Sec. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) the reclamation fees levied under subsection (d) of this section.

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 405, administration of the fund and enforcement and collection of the fee as specified in subsection (d), acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 406, and for use under section 404, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Secretary of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(d) All operators of coal mining operations subject to the provisions of this Act shall pay to the Secretary of the Interior, for deposit in the fund, a reclamation fee of thirty-five cents per ton of coal produced by surface coal mining and fifteen cents per ton of coal produced by underground mining or 10 per centum of the value of the coal at the mine, as determined by the Secretary, whichever is less, except that this reclamation fee for lignite coal shall be at a rate of 5 per centum of the value of the coal at the mine, or 35 cents per ton, whichever is less. Such fee shall be paid no later than 30 days after the end of each calendar quarter occurring after the date of enactment of this Act, beginning with the first calendar quarter (or part thereof) occurring after such date of enactment and ending ten years after the date of enactment of this Act unless extended by an Act of Congress.

(e) The geographic allocation of expenditures from the fund shall reflect both the area from which the revenue was derived as well as the program needs for the funds. Fifty per centum of the funds collected annually in any State or Indian reservation shall be expended in that State or Indian reservation by the Secretary to accomplish the purposes of this title after receiving and considering the recommendations of the Governor of that State or the head of the governing body of that tribe having jurisdiction over that reservation, as the case may be: *Provided, however*, That if such funds have not been expended within three years after being paid into the fund, they shall be available for expenditure in any area. The balance of funds collected on an annual basis may be expended in any area at the discretion of the Secretary in order to meet the purposes of this title.

OBJECTIVES OF FUND

Sec. 402. The primary objective for the obligation of funds is the reclamation of areas affected by previous mining; but other objectives shall reflect the following priorities in the order stated:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use;

(d) the improvement of lands and water to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

Sec. 403. The only lands eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

RECLAMATION OF RURAL LANDS

Sec. 404. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years, with landowners (including owners of water rights), residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, and agricultural productivity of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land use and conservation treatment set forth in the agreement. Grants made under this section, depending on the income-producing potential of the land after reclaiming, shall provide up to 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than one hundred twenty acres of land occupied by such owner including water rights owners, resident or tenant, or on not more than one hundred twenty acres of land which has been purchased jointly by such landowners including water rights owners, residents, or tenants under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement; except the Secretary may reduce the matching cost share where he determines that (1) the main benefits to be derived from the project are related to improving off-site water quality, off-site esthetic values, or other off-site benefits, and (2) the matching share requirement would place a burden on the landowner which would probably prevent him from participating in the program.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

Sec. 405. (a) (1) The Congress declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(3) For the purposes of this section, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation awarded by a jury to such person. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health, or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(4) For the purposes of this section, when the Secretary takes action to acquire an in-

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terest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the fund.

(5) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to transfer such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal or State department or agency which can assist him in the development or implementation of the reclamation program required under this title.

(7) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in their unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the funds.

(8) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such other regulations as he may promulgate to insure that such lands are put to proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(9) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(10) The Secretary shall utilize all available data and information on reclamation needs and measures, including the data and information developed by the Corps of Engineers in conducting the National Strip Mine Study authorized by section 233 of the Flood Control Act of 1970. In connection therewith the Secretary may call on the Secretary of the Army, acting through the Chief of Engineers, to assist him in conducting, operating, or managing reclamation facilities and projects, including demonstration facilities and projects, conducted by the Secretary pursuant to this section.

(b)(1) The Secretary is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided*, That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Secretary determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Secretary may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

(4) The Secretary may make expenditures to carry out the purpose of this subsection, without regard to the provisions of section 403, in any area experiencing a rapid development of its coal resources which the Secretary has determined does not have essential public facilities.

FILLING VOIDS AND SEALING TUNNELS

SEC. 406. (a) The Congress declares that voids, and open and abandoned tunnels, shafts, and entryways resulting from any previous mining operation, constitute a hazard to the public health or safety and that surface impacts of any underground or surface mining operation may degrade the environment. The Secretary, at the request of the Governor of any state, or the Chairman of any tribe, is authorized to fill such voids, seal such abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the Secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment.

(b) Funds available for use in carrying out the purpose of this Section shall be limited to those funds which must be expended in the respective states or Indian reservations under the provisions of Section 401(e).

(c) The Secretary may make expenditures and carry out the purposes of this Section without regard to provisions of Section 403 in such states or Indian reservations where requests are made by the governor or tribal chairman and only after all reclamation with respect to abandoned coal lands or coal development impacts have been met, except for those reclamation projects relating to the protection of the public health or safety.

(d) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(e) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 407. Not later than January 1, 1976, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TRANSFER OF FUNDS

SEC. 408. The Secretary of the Interior may transfer funds to other appropriate Federal agencies, in order to carry out the reclamation activities authorized by this title.

TITLE V—CONTROL OF THE ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

ENVIRONMENTAL PROTECTION STANDARDS

SEC. 501. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions of title V and establishing procedures and requirements for preparation, submission, and approval of State programs and development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and States and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.); and

(C) held at least one public hearing on the proposed regulations. The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

INITIAL REGULATORY PROCEDURES

SEC. 502. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State unless such person has obtained a permit from the State's regulatory authority.

(b) All surface coal mining operations on lands on which such operations are regulated by a State which commence operations pursuant to a permit issued on or after the date of enactment of this Act shall comply, and such permits shall contain terms requiring compliance with, the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19) and 515(d) of this Act.

(c) On and after one hundred and thirty-five days from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated to a State which are in operation pursuant to a permit issued before the date of enactment of this Act shall comply with the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act, with respect to lands from which overburden and the coal seam being mined have not been removed.

(d) Upon the request of the permit applicant or permittee subsequent to a written finding by the regulatory authority and under the conditions and procedures set forth in subsection 515(c), the regulatory authority may grant variances from the requirement to restore to approximate original contour set forth in subsections 515(b)(3) and 515(d).

(e) Not later than twenty months from the date of enactment of this Act, all operators of surface coal mines in expectation of operating such mines after the date of approval of a State program, or the implementation of a Federal program, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process such applications and grant or deny a permit within six months after the date of approval of the State program, but in no case later than thirty months from the date of enactment of this Act.

(f) No later than one hundred and thirty-five days from the date of enactment of this Act, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been approved pursuant to this Act or until a Federal program has been implemented pursuant to this Act. The enforcement program shall—

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsections (b) and (c) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provision of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in violation of subsections (b) and (c) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 712 shall be available to the Secretary prior to the approval of a State program pursuant to this Act to reimburse the States for conducting those inspections in which the standards of this Act are enforced and for the administration of this section.

(g) Following the final disapproval of a State program, and prior to promulgation of a Federal program or a Federal lands program pursuant to this Act, including judicial review of such a program, existing surface coal mining operations may continue surface mining operations pursuant to the provisions of section 502 of this Act.

STATE PROGRAMS

SEC. 503. (a) Each State in which there is or may be conducted surface coal mining operations, and which wishes to assume exclusive jurisdiction over the regulation of surface coal mining and reclamation operations, except as provided in section 521 and title IV of this Act, shall submit to the Secretary, by the end of the eighteen-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspensions, revocations, and withholding of permits, and the issuance of cease-and-desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of areas as unsuitable for surface coal mining in accordance with section 522;

(6) establishment, for the purposes of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof. The Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

(d) For the purposes of this section and section 504, the inability of a State to take any action the purpose of which is to prepare, submit, or enforce a State program, or any portion thereof, because the action is enjoined by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under titles IV and VII of this Act or in the imposition of a Federal program. Regulations of the surface coal mining and reclamation operations covered or to be covered by the State program subject to the injunction shall be conducted by the State pursuant to section 502 of this Act, until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of sections 503 and 504 shall again be fully applicable.

FEDERAL PROGRAMS

SEC. 504. (a) The Secretary shall prepare and, subject to the provisions of this section, promulgate and implement a Federal program for a State no later than thirty months after the date of enactement of this Act if such State—

(1) fails to submit a State program covering surface coal mining and reclamation operations by the end of the eighteen-month period beginning on the date of enactment of this Act;

(2) fails to resubmit an acceptable State program within sixty days of disapproval of a proposed State program: *Provided*, That the Secretary shall not implement a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) fails to implement, enforce, or maintain its approved State program as provided for in this Act.

If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months. Promulgation and implementation of a Federal program vests the

Secretary with exclusive jurisdiction for the regulation and control of surface coal mining and reclamation operations taking place on lands within any State not in compliance with this Act. After promulgation and implementation of a Federal program the Secretary shall be the regulatory authority. If a Federal program is implemented for a State, subsections 522 (a), (c), and (d) shall not apply for a period of one year following the date of such implementation. In promulgating and implementing a Federal program for a particular State the Secretary shall take into consideration the nature of that State's terrain, climate, biological, chemical, and other relevant physical conditions.

(b) In the event that a State has a State program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 521, of that part of the State program not being enforced by such State.

(c) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing in the affected State.

(d) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines any permit to have been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(e) A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 503(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 503(a), (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine that the requirements of this Act and the approved State program are not violated. If the State regulatory authority determines any permit to have been granted contrary to the requirements of this Act or the approved State program, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of this Act or approved State program.

(g) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface mining and reclamation operations subject to this Act shall, insofar as they interfere with the achievement of the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program.

(h) Any Federal program shall include a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operation.

STATE LAWS

SEC. 505. (a) No State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation issued pursuant thereto, except insofar as such State law or regulation is inconsistent with the provisions of this Act.

(b) Any provision of any State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, which provides for more stringent land use and environmental controls and regulations of surface coal mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto shall not be construed to be inconsistent with this Act. Any provision of any State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, which provides for the control and regulation of surface mining and reclamation operations for which no provision is contained in this Act shall not be construed to be inconsistent with this Act.

(c) Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

PERMITS

SEC. 506. (a) On and after six months from the date on which a State program is approved by the Secretary, pursuant to section 503 of this Act, or on and after six months from the date on which the Secretary has promulgated a Federal program for a State not having a State program pursuant to section 504 of this Act, no person shall engage in or carry out on lands within a State any surface coal mining operations unless such person has first obtained a permit issued by such State pursuant to an approved State program or by the Secretary pursuant to a Federal program; except a person conducting surface coal mining operations under a permit from the State regulatory authority, issued in accordance with the provisions of section 502 of this Act, may conduct such operations beyond such period if an application for a permit has been filed in accordance with the provisions of this Act, but the initial administrative decision has not been rendered.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: *Provided*, That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining and reclamation operations covered by such permit within three years of the issuance of the permit, provided that with respect to coal to be mined for use in a synthetic fuel facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel facility is initiated.

(d)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written findings by the regulatory authority that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface coal mining and reclamation operation is in full compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 509; and

(E) any additional revised or updated information required by the regulatory authority has been provided. Prior to the approval of any extension of permit the regulatory authority shall provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for revision of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this Act.

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this Act. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 507. (a) Each application for a surface coal mining and reclamation permit pursuant to an aproved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The regulatory authority may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of record of any leasehold interest in the property; (D) any purchaser of record of the property under a real estate contract; (E) the operator if he is a person different from the applicant; and (F) if any of these are business entities other than a single proprietor, the names and addresses of the principals, officers, and resident agent;

(2) the names and addresses of the owners of record of all surface and subsurface areas within five hundred feet of any part of the permit area;

(3) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which subsequent to 1960 has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved;

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks, and which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) evidence of the applicant's legal right to enter and commence surface mining operations on the area affected;

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(12) when requested by the regulatory authority, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) an accurate map or plan to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or larger, including all manmade features and significant known archeological sites existing on the date of application. Such a map or plan shall among other things specified by the regulatory authority show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross-section maps or plans of the land to be affected including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist (when specific subsurface information is deemed essential and requested by the regulatory authority), or other qualified personnel at State universities showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; the nature of the stratum immediately beneath the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or refuse areas and topsoil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(16) information pertaining to coal seams, test borings, or core samplings as required by this section shall be made available to any person with an interest which is or may be adversely affected: *Provided*, That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(d) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a reclamation plan which shall meet the requirements of this Act.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

RECLAMATION PLAN REQUIREMENTS

SEC. 508. (a) Each reclamation plan submitted as part of a permit application pursuant to any approved State program or a Federal program under the provisions of this Act shall include, in the degree of detail necessary to demonstrate that reclamation required by the State or Federal program can be accomplished, a statement of:

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) the condition of the land to be covered by the permit prior to any mining including:

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining; and

(B) the capability of the land prior to any mining to support a variety of uses giving consideration to soil and foundation characteristics, topography, and vegetative cover;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the reclaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any State and local governments or agencies thereof which would have to approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 515;

(6) the steps to be taken to comply with applicable air and water quality laws and regulations and any applicable health and safety standards;

(7) the consideration which has been given to developing the reclamation plan in a manner consistent with local, physical environmental, and climatological conditions and current mining and reclamation technologies;

(8) the consideration which has been given to insuring the maximum practicable recovery of the mineral resource;

(9) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(10) the consideration which has been given to making the surface mining and reclamation operations consistent with applicable State and local land use plans and programs;

(11) all lands, interests in lands, or options on such interests held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(12) the results of test borings which the applicant has made at the area to be covered by the permit, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided*, That information about the mineral shall be withheld by the regulatory authority if the applicant so requests;

(13) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of (A) the quantity and quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process, and (B) the rights of present users to such water; and

(14) such other requirements as the regulatory authority shall prescribe by regulation.

(b) Any information required by this section which is not on public file pursuant to State law shall be held in confidence by the regulatory authority.

PERFORMANCE BONDS

SEC. 509. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and fur-

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nished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, and conditional upon faithful performance of all the requirements of this Act and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority on the basis of at least two independent estimates. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture and in no case shall the bond be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 515.

The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The regulatory authority may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the regulatory authority the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond such amount.

(d) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(e) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the regulatory authority from time to time as affected land acreages are increased or decreased or where the cost of future reclamation obviously changes.

PERMIT APPROVAL OR DENIAL

SEC. 510. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 513, the regulatory authority shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision, or renewal application shall be approved unless the application affirmatively demonstrates and the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that—

(1) all the requirements of this Act and the State or Federal program have been complied with;

(2) the applicant has demonstrated that reclamation as required by this Act and the State or Federal program can be accomplished under the reclamation plan contained in the permit application;

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 507(b) has been made and the proposed operation thereof has been designed to prevent significant irreparable offsite damage to hydrologic balance;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 522 of this Act or is not within an area under study for such designation in an administrative proceeding commenced pursuant to section 522(a)(4)(D) or section 522(c) (unless in such an area as to which an administrative proceeding has commenced pursuant to section 522(a)(4)(D) of this Act, the operator making the permit application demonstrates that, prior to the date of enactment of this Act, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit); and

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of irrigated, flood irrigated or naturally subirrigated hay meadows or other crop lands (excluding undeveloped range lands), where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

REVISION OF PERMITS

SEC. 511. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the regulatory authority for a revision of the permit.

(2) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised Reclamation Plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That any revisions which propose a substantial change in the intended future use of the land or significant alterations in the Reclamation Plan shall, at a minimum be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act shall be made without the written approval of the regulatory authority.

(c) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

COAL EXPLORATION PERMITS

SEC. 512. (a) Each State program or Federal program shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under a permit issued by the regulatory authority.

(b) Each application for a coal exploration permit pursuant to an approved State or Federal program under the provisions of this Act shall be accompanied by a fee established by the regulatory authority. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The application and supporting technical data shall be submitted in a manner satisfactory to the regulatory authority and shall include a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things—

(1) a general description of the existing environment;

(2) the location of the area of exploration by either metes or bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(3) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(4) the location of all surface bodies of water, if not shown on the topographical map;

(5) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be plotted on the topographical map;

(6) the estimated time of exploration;

(7) the ownership of the surface land to be explored;

(8) a statement describing the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(9) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(10) such other information as the regulatory authority may require.

(c) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(d) If an applicant is denied a coal exploration permit under this Act, or if the regulatory authority fails to act within a reasonable time, then the applicant may

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seek relief under the appropriate administrative procedures.

(e) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this Act without first having obtained a permit to explore from the appropriate regulatory authority or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of section 518.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 513. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particulary described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 514. (a) If a public hearing has been held pursuant to section 513(b), the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 513(b), the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 515. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(3) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this Act): *Provided, however*, That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden, and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further*, That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic-materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which has which is best able to support vegetation;

(7) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations, and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area;

(8) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) fill all auger holes with an impervious and noncombustible material in order to prevent drainage;

(10) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) replacing the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where such supply has been affected by contamination, diminution or interruption proximately resulting from mining;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the regulatory authority may prescribe;

(11) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(12) refrain from surface coal mining within five hundred feet from active and abandoned underground mines in order to prevent break-throughs and to protect health or safety of miners: *Provided*, That the regulatory authority shall permit an operator to mine closer to an abandoned underground mine: *Provided*, That this does not create hazards to the health and safety of miners; or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards and such mining shall be consistent with the provisions of the Act;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid forming materials, toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters or sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the regulatory authority, which shall include provisions to—

(A) provide adequate advance written notice by publication and/or posting of the planned blasting schedule to local governments and to residents who might be affected by the use of such explosives and maintain for a period of at least two years a log of the magnitudes and times of blasts; and

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations;

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property: *Provided*, That the regulatory authority may permit the retention after mining of certain access roads where consistent with State and local land use plans and programs and where necessary may permit a limited exception to the restoration of approximate original contour for that purpose;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective and permanent vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use *Provided further*, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exception to the provisions of paragraph (19) above; and

(21) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this Act, taking into consideration the physical, climatological, and other characteristics of the site, and to insure the maximum practicable recovery of the mineral resources.

(c)(1) Each State program may and each Federal program shall include procedures pursuant to which the regulatory authority may permit variances for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a variance from the requirement to restore to approximate original contour set forth in subsection 515(b)(3) or 515(d) of this section may be granted for the surface mining of coal where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subsection (c)(4)(A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial (including commercial agricultural), residential or public facility (including recreational facilities) development is proposed for the postmining use of the affected land, the regulatory authority may grant a variance for a surface mining operation of the nature described in subsection (c)(2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements of section 515(b)(3) are granted;

(C) the applicant presents specific plans for the proposed postmining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed development;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability; drainage. and configuration necessary for the intended use of the site;

(D) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(E) the regulatory authority provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the regulatory agency, in its discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(F) a public hearing is held in the locality of the proposed surface coal mining operation prior to the grant of any permit including a variance; and

(G) all other requirements of this Act will be met.

(4) In granting any variance pursuant to this subsection the regulatory authority shall require that—

(A) the toe of the lowest coal seam mined and the overburden associated with it are retained in place as a barrier to slides and erosion;

(B) the reclaimed area is stable;

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural water-courses;

(E) all other requirements of this Act will be met.

(5) The regulatory authority shall promulgate specific regulations to govern the granting of variances in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however*, That the provisions of this subsection (d) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraphs 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation granted a variance under subsection 515(c) may be permanently stored at such offsite spoil storage areas as the regulatory authority shall designate and for the purposes of this Act such areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the enivornmental protection standards of this section; *Provided, however*, That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(e) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in Section 515(b)(13) and Section 516(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 516. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under section 501 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and maintain the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided*, That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent practicable return of mine and processing waste, tailings, and any other waste incident to the mining operation, to the mine workings or excavations;

(4) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not pollute surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to Sec. 515(e), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments.

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 515 of this title for such effects which result from surface coal mining operations: *Provided*, That the Secretary may make such modications in the requirements imposed by this subparagraph as are deemed necessary by the Secretary due to the differences between surface and underground coal mining.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and

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adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of title V of this Act relating to State and Federal programs, permits, bonds, inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permits application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 501 of this Act.

INSPECTIONS AND MONITORING

SEC. 517. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon or through any surface coal mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the regulatory authority shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrances to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No employee of the State regulatory authority performing any function or duty under this Act shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one (1) year, or by both. The Secretary shall (1) within 60 days after enactment of this Act, publish in the Federal Register, in accordance with 5 U.S.C. 553, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary and such State regulatory authority, including appropirate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on actions taken and not taken during the preceding year under this subsection.

PENALTIES

SEC. 518. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 521, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing, where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein required that the penalty be paid. When appropriate, the Secretary shall consolidate such hearings with other proceedings under section 521 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in this section, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of 6 per centum or at the prevailing Department of the Treasury borrowing rate, whichever is greater, shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 526 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 525 of this Act or fails or refuses to comply with any order issued under section 525 or section 526 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or Federal enforcement of a State program pursuant to section 521 of this Act or fails or refuses to comply with any order issued under section 521 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 519. (a) The permittee may file a request with the regulatory authority for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the operator shall submit a copy of an advertisement placed on five successive days in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type and the approximate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the regulatory authority shall within a reasonable time conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.

(c) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area;

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the regulatory authority shall retain that amount of bond for the revegetation area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified for operator responsibility in section 515 of reestablishing revegetation. No part of the bond or deposit shall be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining and as set forth in the permit.

(3) When the operator has completed successfully all surface coal mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 515:

Provided, however, That no bond shall be fully released until all reclamation requirements of this Act are fully met.

(d) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release.

(e) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality twice a week for two consecutive weeks.

(g) For the purpose of such hearing the regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

CITIZEN SUITS

SEC. 520. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

(1) aganst any person including—

(A) the United States,

(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulations promulgated thereunder, or order issued by the regulatory authority,

(C) any other person who is alleged to be in violation of any rule, regulation, order, or permit issued pursuant to this Act; or

(2) against the Secretary or the appropriate State regulatory authority to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary or the appropriate State regulatory authority to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate State regulatory authority.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary or the State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act, or any rule, regulation, order, or permit issued pursuant to this Act, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, or to the appropriate State regulatory authority, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation to this Act or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, or the State regulatory authority, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief (including relief against the Secretary or the appropriate State regulatory authority).

(f) Any resident of the United States who is injured in any manner through the failure of any operator to comply with any rule regulation, order, or permit issued pursuant to this Act may bring an action for damages (including attorney fees) in an appropriate United States district court.

ENFORCEMENT

SEC. 521. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed

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to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502, or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time but not more than ninety days for the abatement of the violation.

If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502 or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the Secretary or his authorized representative shall forthwith suspend or revoke the permit.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representatives in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedures, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

(d) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the enforcement provisions thereof shall, at a minimum, incorporate sanctions no less stringent than these set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 522. (a)(1) To be eligible to assume primary regulatory authority pursuant to section 503, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraph (2) and (3) of this subsection but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) Upon petition pursuant to subsection (c) of this section, the State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not feasible.

(3) Upon petition pursuant to subsection (c) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for surface coal mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section, and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to September 1, 1974.

(b) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: *Provided, however,* That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 504, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resource of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(e) Subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this Act shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest except surface operations and impacts incident to an underground coal mine;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the regulatory authority and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected; or

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

FEDERAL LANDS

SEC. 523. (a) No later than six months after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided,* That except as provided in section 710 the provisions of this Act shall not be applicable to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question. Where Federal lands in a State with an approved State program are involved, the Federal lands program shall, at a minimum, include the requirements of the approved State program.

(b) The requirements of this Act and the Federal lands programs shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this Act and the regulations issued pursuant to this Act.

(c) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface coal mining and reclamation operations.

(d) Except as specifically provided in subsection (c) this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on the Federal lands.

(e) The Secretary shall develop a program to assure that with respect to the granting of permits, leases, or contracts for coal owned by the United States, that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 524. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this Act shall comply with the provisions of title V.

REVIEW BY SECRETARY

SEC. 525. (a)(1) A permittee issued a notice or order by the Secretary pursuant to the provisions of subparagraphs (a)(2) and (3) of section 521 of this title, or pursuant to a Federal program or the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of subparagraph (a)(2) or (3) of section 521 of this title, the Secretary shall issue the written decision within thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by a United States district court pursuant to subparagraph (c) of section 526 of this title.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 521 of this title, a Federal program or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: *Provided,* That where the applicant requests relief from an order for cessation of coal mining and reclamation operations issued pursuant to subparagraph (a)(2) or (a)(3) of section 521 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 521, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

JUDICIAL REVIEW

SEC. 526. (a)(1) Any action of the Secretary to approve or disapprove a State program or to prepare and promulgate a Federal program pursuant to this Act shall be subject to judicial review only by the appropriate Unted States Court of Appeals upon the filing in such court within sixty days

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from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the Secretary, and the Attorney General and thereupon the Secretary shall certify, and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States district court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedures. In the case of a proceeding to review an order or decision issued by the Secretary under the penalty section of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 520.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, including an order or decision issued pursuant to subparagraph (c) of section 525 of this title pertaining to any order issued under subparagraph (a)(2) or (a)(3) of section 521 of this title for cessation of coal mining and reclamation operations, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety and cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by the court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 520.

SPECIAL BITUMINOUS COAL MINES

SEC. 527. The regulatory authority is authorized to and shall issue separate regulations for those special bituminous coal surface mines located west of the one hundredth meridan west longitude which meet the following criteria:

(a) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(b) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal, and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

(c) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(d) the amount of material removed is large in proportion to the surface area disturbed;

(e) there is no practicable alternative method of mining the coal involved;

(f) there is no practicable method to reclaim the land in the manner required by this Act; and

(g) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and, because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of this title.

Such alternative regulations shall pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regrading to the approximate original contour and shall specify that remaining highwalls are stable. All other performance standards in this title shall apply to such mines.

SURFACE MINING OPERATIONS NOT SUBJECT TO THIS ACT

SEC. 528. The provisions of this Act shall not apply to any of the following activities:

(1) the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; and

(2) the extraction of coal for commercial purposes where the surface mining operation affects two acres or less.

ANTHRACITE COAL MINES

SEC. 529. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of sections 515 and 516. Provisions of sections 509 and 519 are applicable except for specified bond limits and period of revegetation responsibility. All other provisions of this Act apply and the regulation issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect: *Provided, however,* That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above-cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

TITLE VI—DESIGNATION OF LANDS UNSUITABLE FOR NONCOAL MINING

DESIGNATION PROCEDURES

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if (1) such area consists of Federal land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain, or (2) such area consists of Federal land where mining operations would have an adverse impact on lands used primarily for residential or related purposes.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and finding with reasons therefor upon the matter of their petition. In any instance where a Governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however,* That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary. The Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary designates an area of Federal lands as unsuitable for all or certain types of mining operations for minerals and materials other than coal pursuant to this section he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting from such designation, would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States district court for the district in which the pertinent area is located.

TITLE VII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 701. For the purposes of this Act—

(1) "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(3) "Office" means the Office of Surface Mining, Reclamation, and Enforcement established pursuant to title II;

(4) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(5) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site; *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 512 of this Act; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities;

(6) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this Act;

(7) "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands;

(8) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands;

(9) "Indian lands" means all lands, including mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by any Indian tribe;

(10) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(11) "State program" means a program established by a State pursuant to section 503 to regulate surface coal mining and reclamation operations, on lands within such State in accord with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(12) "Federal program" means a program established by the Secretary pursuant to section 504 to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act;

(13) "Federal lands program" means a program established by the Secretary pursuant to section 523 to regulate surface coal mining and reclamation operations on Federal lands;

(14) "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 508;

(15) "State regulatory authority" means the department or agency in each State which has primary responsibility at the State level for administering this Act;

(16) "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering this Act under a Federal program;

(17) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(18) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program;

(19) "permit applicant" or "applicant" means a person applying for a permit;

(20) "permittee" means a person holding a permit;

(21) "fund" means the Abandoned Mine Reclamation Fund established pursuant to section 401;

(22) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form;

(23) "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 515(b)(8) of this Act;

(24) "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(25) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 509 of this Act and shall be readily identifiable by appropriate markers on the site;

(26) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(27) "alluvial valley floors" means the unconsolidated stream laid deposits holding streams where water availability is sufficient for subirrigation of flood irrigation agricultural activities;

(28) "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

OTHER FEDERAL LAWS

SEC. 702. (a) Nothing in this Act shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175) the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661–666c).

(b) Nothing in this Act shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with Secretary and the States in carrying out the provisions of this Act.

(d) Approval of the State programs, pursuant to section 503(b), promulgation of Federal programs, pursuant to section 504, and implementation of the Federal lands programs, pursuant to section 523 of this Act, shall constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be

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given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 to title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein and his findings in an order requiring the party committting the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatenesd with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 704. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

GRANTS TO THE STATES

SEC. 705. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 40 per centum of the total costs incurred during the third and fourth years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

ANNUAL REPORT

SEC. 706. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

SEVERABILITY

SEC. 707. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ALASKA SURFACE COAL MINE STUDY

SEC. 708. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an in-depth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this Act.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this Act.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this Act, whichever comes first, the Secretary is authorized to suspend the applicability of any provision of this Act, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this Act if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise his suspension authority only after he has (1) published a notice of proposed suspension in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed suspension in Alaska.

(e) There is hereby authorized to be appropriated for the purpose of this section $250,000.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

SEC. 709. (a) The Chairman of the Council on Environmental Quality is directed to contract with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this Act can be met by such technology and the costs involved;

(2) identify areas where the requirements of this Act cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this Act which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this Act; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial post-mining land use for areas affected by surface and open-pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this Act: *Provided*, That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this Act: *Provided further*, that with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this Act.

(c) There are hereby authorized to be appropriated for the purpose of this section $500,000.

INDIAN LANDS

SEC. 710. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purpose of this Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface mining of coal on Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1976.

(c) On and after one hundred and thirty-five days from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(d) On and after thirty months from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 507, 508, 509, 510, 515, 516, 517, and 519 of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this Act, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands

existing on the date of enactment of this Act, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 715(a) shall be reserved for this purpose.

EXPERIMENTAL PRACTICES

SEC. 711. In order to encourage advances in mining and reclamation practices, the regulatory authority may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 515 and 516 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operation is no larger than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

AUTHORIZATION OF APPROPRIATIONS

SEC. 712. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums; and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 502, 552, 405(b)(3), and 710 contract authority is granted to the Secretary of the Interior for the sum of $10,000,000 to become available immediately upon enactment of this Act and $10,000,000 for each of the two succeeding fiscal years.

(b) For administrative and other purposes of this Act, except as otherwise provided for in this Act, authorization is provided for the sum of $10,000,000 for the fiscal year ending June 30, 1975, for each of the two succeeding fiscal years the sums of $20,000,000 and $30,000,000 for each fiscal year thereafter.

RESEARCH AND DEMONSTRATION PROJECTS OF ALTERNATIVE COAL MINING TECHNOLOGIES

SEC. 713. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of, research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep seams; and

(2) safety and health in the application of such technologies methods and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts with and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $35,000,000 for each fiscal year beginning with the fiscal year 1976, and for each year thereafter for the next four years.

(d) At least 60 days before any funds are obligated for any research studies, surveys, experiments or demonstration projects to be conducted or financed under this Act in any fiscal year, the Secretary in consultation with the Administrator of the Energy Research and Development Administration and the heads of other Federal agencies having the authority to conduct or finance such projects, shall determine and publish such determinations in the Federal Register that such projects are not being conducted or financed by any other Federal agency. On March 1 of each calendar year, the Secretary shall report to the Congress on the research studies, surveys, experiments or demonstration projects, conducted or financed under this Act, including, but not limited to, a statement of the nature and purpose of each project, the Federal cost thereof, the identity and affiliation of the persons engaged in such projects, the expected completion date of the projects and the relationship of the projects to other such projects of a similar nature.

(e) Subject to the patent provisions of section 306(d) of this Act, all information and data resulting from any research studies, surveys, experiments, or demonstration projects conducted or financed under this Act shall be promptly made available to the public.

SURFACE OWNER PROTECTION

SEC. 714. (a) The provisions and procedures specified in this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of Federal coal deposits, the Secretary shall, in his discretion but, to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract,

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water or other improvements;

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations; and

(5) such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of the tenure of the ownership: *Provided*, That such additional reasonable amount of compensation may not exceed the value of the losses and costs as established pursuant to this subsection and in paragraphs (1) through (4) above, or one hundred dollars ($100.00) per acre, whichever is less.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the Consumer Price Index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under section 519, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch until to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of this subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each two-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this sec-

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tion. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of Federal coal to meet national energy needs and on receipt of fair market value for Federal coal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half time the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in subsections 518(b), 518(c), 518(d), and 518(e) of this Act.

(n) Any Federal coal lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issuance of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such surface owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

(o) The provisions of this section shall become effective on February 1, 1976. Until February 1, 1976, the Secretary shall not lease any coal deposits owned by the United States under land the surface rights to which are not owned by the United States, unless the Secretary has in his possession a document which demonstrates the acquiescence prior to February 27, 1975, of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface coal mining methods.

FEDERAL LESSEE PROTECTION

Sec. 715. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu thereof;

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this Act.

ALASKA COAL

Sec. 716. Nothing in this Act shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act, provided that such surface coal mining operations meet the requirements of the Act.

WATER RIGHTS

Sec. 717. Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

That the House recede from its disagreement to the amendment of the Senate to the title and agree to the same.

Morris K. Udall,
Patsy T. Mink,
Joseph P. Vigorito,
John Melcher,
Teno Roncalio,
John F. Seiberling,
M. Robert Carr,
Joe Skubitz,
Philip E. Ruppe,
Managers on the Part of the House.

Henry M. Jackson,
Lee Metcalf,
J. Bennett Johnston, Jr.,
Floyd K. Haskell,
Clifford P. Hansen,
Managers on the Part of the Senate.

Joint Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, submit this joint statement in explanation of the effect of the language agreed upon by the managers and recommended in the accompanying conference report.

INTRODUCTION

The Surface Mining and Reclamation Act of 1975, was introduced early in the 94th Congress in both the House (H.R. 25) and the Senate (S. 7). Both bills were identical to the conference report on S. 425 which was pocket vetoed by the President last December. There were 67 differences between the House bill and the Senate amendment. Only a few of these were significant. A general overview of the structure and content of the House bill, the Senate amendment and the conference report together with a brief discussion of major provisions and specific comments on some provisions follows.

OVERVIEW

Title I sets forth the findings and purposes of the legislation, which were melded by the conferees.

Title II establishes an Office of Surface Mining Reclamation and Enforcement within the Department of the Interior and delineates the duties of its Director. The House bill also contained additional provisions to insure greater independence for the Office within the Department, and prohibited conflicts of interest on the part of employees of the Office. The Senate receded and accepted these provisions with some minor modifications requested by the Department of the Interior.

Title III establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities. These institutes are to train qualified personnel in mine-related fields, and conduct research related to mining technology. The Senate amendment had less stringent qualification requirements for these institutes than the House bill. The Senate receded.

Title IV of both the House bill and the Senate amendment established a fund and a program for the reclamation of abandoned or "orphaned" mined lands, and for the relief of areas that will be impacted by the rapid development of mining.

All coal mining operators are to be assessed a fee on each ton of coal produced for deposit in the reclamation fund. The House bill provided for (1) a fee of 10 percent of the value of the coal or not to exceed 10 cents per ton on underground mined coal and 35 cents per ton on surface mined coal; (2) a 5 percent of value limitation on the fee for lignite; (3) delayed payment of the fee; (4) an adjustment clause tied to the cost of living; and (5) an offset of payments to the fund against payment of state severance taxes. The Senate amendment provided the same fee for surface mined coal and a 25 cents per ton fee for underground mined coal, but no other comparable provisions. The conferees agreed on a 15 cents per ton fee for underground-mined coal, the Senate receded on the 5 percent limitation on lignite and the House receded on its other provisions.

The Senate amendment provided explicitly for consultation with the Corps of Engineers in the reclamation program. The House receded on this point.

With regard to aid to impacted areas, H.R. 25 expanded coverage of the program to all energy resource developments, and not just coal mining. The Senate amendment expanded the program of filling and sealing mine shafts and voids to cover all types of mining but otherwise limited the use of the fund to coal mining impacts. The conferees agreed on the Senate approach with some modifications giving the Governor of each State an opportunity to use the fund for reclamation of lands affected by non-coal mining, but only after all coal mine impacts had been treated.

Title V contains the most critical portions of the two measures: the procedures and the environmental standards for the regulation of coal surface mining and reclamation. These requirements are quite detailed, but although there were a number of minor differences between the House bill and the Senate amendment, there were actually only five major differences.

(1) The House bill contained an outright ban on mining on alluvial valley floors west of the 100th meridian west longitude. The Senate amendment prohibited mining on such alluvial valley floors only when this would have a substantial adverse effect on croplands or haylands significant to the practice of farming or ranching. The House receded from its outright ban, and compromise language was accepted that modified the language in the Senate amendment. This compromise language clarified the intent of the conferees to protect potential as well as on-going farming and ranching operations.

(2) The House bill required the Corps of Engineers to supervise the disposal of all mine wastes and impoundment construction. The Senate amendment left this responsibility with the Secretary of the Interior. The conferees agreed to a compromise requiring the Corps to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement.

(3) The House bill contained a conflict-of-interest provision not in the Senate amendment. The Senate receded.

(4) During the Secretary's review of Federal lands for areas unsuitable for mining, the Senate amendment expressly allows permits to be granted on a case-by-case basis. H.R. 25 did not contain a similar provision. The Senate language is included in the conference report.

(5) The Senate amendment required expedited decisionmaking by the regulatory authority in the case of cessation orders. The House bill did not contain a similar provision. The House receded.

Title VI of the House bill provided a three-

option program for the regulation of surface coal mining on lands held in trust for Indian tribes. The Senate amendment contained a section requiring a study to develop, in consultation with the Indian tribes, legislation for surface mining regulation that would recognize the special jurisdictional status of Indian lands. In the interim, however, mining on Indian lands would still be subject to the environmental standards of the bill. The House receded.

Title VII of the House bill and Title VI of the Senate amendment provided for the designation of areas of Federal lands unsuitable for non-coal mining. The conferees adopted the language of the Senate amendment.

Title VIII of the House bill and Title VII of the Senate amendment contain administrative and miscellaneous provisions.

The Senate amendment contained two provisions designed to cushion adverse employment impacts that might result from the implementation of the Act. The House bill contained neither provision. Both were opposed by the Administration. The Senate receded in both instances.

MAJOR PROVISIONS

Abandoned mined land reclamation

The conference report provides for a program to reclaim previously mined lands that were abandoned without being adequately restored, and which now constitute either serious danger to public health and safety, pollute waterways by sedimentation or acidity, or, at the very least are an ignominous blight in historic mining areas. The program covers restoration on both public and private lands.

Funding for this program is derived largely from a reclamation fee to be levied on every ton of coal mined: 35 cents per ton for surface-mined coal, 15 cents per ton for underground mined coal, or 10 percent of the value of the coal, whichever is less; except that the fee will not exceed 5 percent of the value for lignite. The differential fees were adopted recognizing the differing costs and values of the various coals, and to prevent an undue economic burden on the lower grades of coal. Fifty percent of the fees collected in any one state are to be expended in that State for the purposes of reclamation or alleviating the impacts of coal development in the area.

While the primary focus of the fund in the program is the reclamation of orphan lands, the conference report also provides that, in areas where there is relatively little damage from past coal mining, the State's share of the reclamation fee revenues may be used for other purposes; namely, filling voids and sealing tunnels from non-coal mining operations, and for building an adequate infrastructure of public facilities to support the housing and population increases which will accompany the anticipated rapidly burgeoning coal mining industry.

Surface mining and reclamation standards

The informational and environmental requirements set forth in Title V are the most vital provisions of the conference report The purpose of the bill is to end the present environmental degradation from the exploration for coal, surface coal mining and the surface impacts of underground mining, and to prevent future degradation. To this end the conference report sets forth a series of minimum uniform requirements for all such operations on both Federal and State lands. These standards deal with four basic issues: preplanning, mining practices, post-mining reclamation, and the protection of water resources. The first requires that an operator applying for a permit has done, among other things, certain research regarding adjacent land uses, the characteristics of the coal and the overburden, and hydrologic conditions. He must include in his application the planned methodology and timetable for the operation in a reclamation plan. The second set of requirements provide that mining methods be used which will minimize or obviate environmental damage or injuries to public health and safety. These include restrictions on the placement of overburden, blasting regulations, water pollution control requirements, and waste disposal standards. The third group of standards regard reclamation and restoration of the mined land to its pre-mined condition. These requirements include backfilling and regrading to approximate original contour, restoration of water quality and quantity, revegatation to pre-mining conditions and elimination of erosion and sedimentation. Protection of water resources is further discussed below.

Virtually all of the specific standards set forth in the conference report are already required in one or more of the several States regulating surface coal mining. Nonetheless, it was felt that some minimum uniform floor had to be established for the protection of the environment at a time when the growth of surface coal mining is projected to double over the next decade, often in environmentally delicate areas.

It is the understanding of the conferees that certain States may wish to impose more stringent requirements than those minimum standards set forth in the report. Some States in fact are already contemplating such measures, a move which is specifically sanctioned in this bill.

Protection of water resources

Surface coal mining operations can have a significant impact on the hydrologic balance of the mined area and its environs. Some of the more significant damages to water resources which may occur from surface coal mining are: increased sedimentation, dissolved solids, and erosion, increased salinity and mineralization of affected waters, acid mine drainage, altered drainage patterns, altered stream flow, including increased flooding, destruction of aquifers, draw down or loss of ground water supplies, disturbance of downstream hydrologic balances, and, particularly in arid and semi-arid areas, disruption of the essential hydrologic functions of alluvial valley floors which are essential to other, primarily agricultural, land uses.

The legislative history in the Committee Reports on protection of water resources is particularly pertinent to the provisions in the conference report.

The conferees recognize that total prevention of all these adverse hydrologic effects from mining is impossible and thus the conference report sets attainable standards to minimize such damages, protect the hydrologic balance of impacted areas and protect the rights of persons whose water rights are affected by mining operations. Accordingly, provisions directed toward the protection of essential hydrologic functions were included in the following sections of the conference report: (1) mining permit application requirements, (2) permit approval or denial criteria, (3) specific environmental standards, (4) monitoring requirements, (5) compensation requirements for decrease in water availability to other users, and (6) special requirements for mining operations on or affecting alluvial valley floors west of the 100th meridian. Of these provisions, probably the most critical environmentally are those related to the protection of the essential hydrologic functions of alluvial valley floors in arid and semi-arid regions.

These alluvial valley floors in the West are frequently underlain with rich coal deposits. However, they also provide the only natural irrigation for haylands and croplands essential to farming and ranching operations. Unless the essential hydrologic functions of these alluvial valley floors are preserved, farming and ranching operations could suffer serious damage, and the use of these areas for future and potential farming and ranching would be precluded. Since rapid expansion of surface coal mining is projected for the West, the protection of scarce water resources and alluvial valley floors during and after mining is essential if we are to maintain the vital agricultural productivity of these areas.

Therefore, the conference report allows the issuance of a permit for surface coal mining only if the regulatory authority finds that the operation would not have a substantial adverse effect on alluvial valley floors significant to the practice of farming or ranching. These areas protected by this provision are very small. For example, the Department of the Interior estimates that approximately 97.3 percent of the total agricultural land in the Powder River Basin is undeveloped range land, which is expressly excluded from the restriction of Section 510(b)(5).

Surface coal mining on Indian lands

The conferees recognize that there are special jurisdictional problems with respect to the regulation of mining on Indian lands, and a lack of consensus on this issue among the various Indian tribes. For this reason, the conference report provides for a study to be completed by 1976, to determine the appropriate program for regulating surface coal mines on lands held in trust for Indian tribes.

In the interim, however, the tribes are not left without environmental protection from mining operations on their lands. The Act requires that all leases on Indian lands include certain performance standards at least as stringent as those in the Act.

Furthermore, it is entirely within the discretion of Indian tribes, bands or groups to enter into leases for mining on Indian trust lands with the approval of the Secretary of the Interior. It is also entirely within their discretion to refuse to grant leases. Although all leases, whether negotiated or advertised for bids, must be approved by the Secretary, his approval is always subsequent to the agreement between the parties, after the landowner and the lessee have reached an agreement on all conditions and actually signed the lease.

COMMENTS ON SPECIFIC PROVISIONS

Section 402.—Objectives of the abandoned mine reclamation fund

Although this section sets forth five priorities for the use of the abandoned mine reclamation fund, the conferees have clarified the language to indicate that the primary objective of the fund is the reclamation of abandoned lands affected by coal mining, and that relief of areas impacted by rapid coal development and reclamation of non-coal mined lands are subsidiary to that goal.

Section 405(a).—Land acquisition for reclamation program

The Secretary of the Interior is authorized in this section to acquire any necessary interest in lands in order to carry out the reclamation program authorized in Title IV. Interests may include various forms and are to be sufficient to assure that the purposes of reclamation are achieved and that the post-reclaimed land use does not contravene the reclamation itself. Under some circumstances easements might be obtained for reclamation purposes. Presumably the acquisition of easements would be less costly than the acquisition of the land in fee simple. Such easements should, of course, include provisions to assure maintenance of the reclamation.

Section 405(b)(4).—Public facilities in areas of rapid coal development

The conference report provides funds for essential public facilities only in areas impacted by coal development (including coal conversion plants if located in the coal mining area). This includes those essential public facilities necessary to accommodate the development and provides that such facilities be necessary to meet the needs specified in the subsection. It should be noted that the existence of essential facilities is not the sole test, but facility capacity must also be considered. Inadequacy or insufficient capacity of essential facilities can be as limiting as the actual lack of such facilities.

Section 406(a).—Filling voids and sealing tunnels

This subsection permits the use of the abandoned mined land reclamation fund for filling voids and sealing tunnels created by any mining operation. It is however, the clear intent of the conferees that non-coal mined lands be reclaimed only after all lands affected by coal mining have been reclaimed or impacts of rapid coal mining expansion have been relieved.

Section 508.—Revegetation

The conferees agree that a reasonable interpretation of the revegetation standards would necessitate that the mining and reclamation plan include a demonstration that the necessary seeds are or will be available when needed to achieve revegetation. It is expected that the regulations governing State and Federal programs which are to be issued by the Secretary would so specify.

The conferees intend that revegetation is required in all instances in accordance with the basic standard in section 515(b)(19). Thus if the native premining vegetation is sparse due to climatic or other natural conditions, then such conditions would be controlling in the reclamation standard.

Section 510(b)(3).—Assessment of mine impact on hydrologic balance

As part of the mining application and permit approval process, both the House bill and the Senate amendment provided that no application shall be approved unless the application affirmatively demonstrates and the regulatory finds in writing that an assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance has been made. The House bill further specified that the proposed mining operation has been designed to prevent irreparable off-site impact to the hydrologic balance while the Senate amendment specified that the mining operation be designed to prevent to the maximum extent possible using best available technology irreparable off-site impacts to the hydrologic balance.

The conferees resolved the difference in the language pertaining to the design of the particular mining operation by requiring that the proposed operation be designed to prevent significant irreparable off-site damage to the hydrologic balance, including damage to alluvial valley floors.

Section 515(b)(1)—Maximization of coal utilization and conservation

It is the intent of the conferees in this subsection that coal will be mined in such a manner to assure maximum recovery of the resource during the course of any given mining operation. It is also their intent, that any surface mining operation be conducted so that it will not preclude future underground mining operations on that site.

Section 510(b)(5).—Permit approval and denial for mining operations on alluvial valley floors

The House bill contained an outright ban of surface mining on alluvial valley floors west of the one hundredth meridian west longitude. The Senate amendment specified that a permit or portion thereof should not be approved if the proposed mining operation would have a substantial adverse effect on crop lands or hay lands overlying alluvial valley floors where such crop lands or hay lands are significant to ranching and farming operations.

The conferees resolved these differences in virtually the same way as resolved in S. 425. The Conference Report stipulates that part or all of the mining operation is to be denied if it would have a substantial adverse effect on alluvial valley floors where farming can be practiced in the form of irrigated or naturally subirrigated hay meadows or other crop lands where such alluvial valley floors are significant to the practice of farming or ranching operations. The resolution also stipulated that this provision covered potential farming or ranching operations if those operations were significant and economically feasible. Undeveloped range lands are excluded in each instance.

There has been considerable discussion on the potential geographical extent of this provision. For example, estimates have ranged up to nearly 50 percent, of the land over the strippable coal in the Powder River Basin being included under this provision. The conferees strongly disagree with such interpretations noting that specific investigations of representative portions of the Powder River Basin in the Gillette area, indicate that only 5 percent or so of the lands containing strippable coal deposits appeared to be alluvial valley floors. It should also be noted that the Department of the Interior advised the conferees that 97 percent of the agricultural land in the Powder River Basin is undeveloped range land, and therefore excluded from the application of this provision.

While both of these estimates are based on sample data, it is recognized that the amount of land affected in an area might well be higher and the total proportion of land affected in the entire Powder River Basin may also be higher. However, this data strongly suggests that the estimates of large scale geographic impacts of this provision are erroneous, not only in the Powder River Basin but also in other pertinent areas west of the 100th meridian.

Section 515(b)(9).—Filling auger holes

This subsection has been misconstrued by some to mean that the entire length of an auger hole must be backfilled to satisfy this requirement. This is clearly not the intent of the conferees. It is intended only that auger holes be sealed, as tunnels and entryways must be sealed, to prevent drainage and protect public health and safety.

Section 515(b)(10)(F).—Preserving hydrology of alluvial valley floors

The House bill specified that hydrologic integrity of alluvial valley floors must be preserved throughout the mining and reclamation operation.

The Senate amendment specified that it was necessary to do so to the maximum extent possible using the best available technology.

The conferees agreed that the essential hydrologic functions of alluvial valley floors in the arid and semi-arid areas of the country must be preserved throughout the mining and reclamation process.

The conferees adopted this stringent standard because ranching and farming operations must have bottom lands where hay or crops can be grown. Because of the low annual precipitation in the West dependable areas for hay production are only those alluvial valley floors that can be irrigated by flood water spreading, diversion from stream flow, or by natural subirrigation. Some of the characteristics of alluvial valley floors which are essential for agricultural uses include: (1) sufficient runoff to allow for flood water irrigation each year; (2) development of flood plain and low terraces where water can be spread easily without significant mechanical alteration of the surface; and (3) shallow ground water where subirrigation is used, and therefore requires a minimum of valley floor dissection so that ground water is not drained.

The conferees used the term "essential hydrologic functions" to assure that these functions would be preserved while providing the opportunity to the mining industry to mine if they can reconstitute in the reclamation process these critical areas. The areas involved are those limited sites where natural subirrigation occurs above strippable coal and where sufficient water is available for flood irrigation and diversion from streams.

The essential hydrologic functions are the inherent properties of alluvial valley floors controlling the availability of water under a wide range of natural conditions. Such properties include for instance: interaction between ground and surface water; varying degrees of permeability throughout the deposit; infiltration rates; flow direction and gradients; capability of accumulating, holding and releasing water through drought and seasonal cycles; stability with respect to storm or flood runoff conditions; and maintaining quality of water available to the agricultural uses.

Alluvial valley floors do not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation and windblown deposits.

Section 515(b)(13).—Mine Waste Disposal

In order to assure that mine waste impoundments used for the disposal of liquid or solid waste material from coal mines are constructed or have been constructed so as to safeguard the health and welfare of downstream populations, the conferees adopted new language giving to the Army Corps of Engineers a role in determining the standards for construction, modification and abandonment of these impoundments.

Authority for the issuance of regulations and inspections of impoundments rests with the Secretary of Interior; however, such regulations should be developed by the Chief of Engineers. It is the intent of the conferees that the safety, engineering and design standards of the Corps of Engineers will apply, through the rules and regulations of the Secretary, to such structures and waste disposal banks which may serve as temporary or permanent impoundments. However, it is not the intent that the Chief of Engineers must therefore monitor or sign off on every such structure. That duty belongs to the Secretary of Interior, who may utilize appropriate skilled personnel from other Federal agencies as provided for in Title II. Concurrence of the Chief of Engineers is intended to also include his approval of the system of inspection and his participation in the training of inspectors to bring about competent and adequate enforcement of the standards.

All aspects of surveillance which do not require the actual physical inspection of individual sites would properly fall within the purview of the Chief of Engineers. Thus, the Corps' experience and expertise in the area of design, construction, maintenance, etc. which were utilized for carrying out the Congressionally authorized surveys of mine waste embankments in West Virginia following the disastrous failure of the mine waste impoundments on Buffalo Creek, is to be applied in order to prevent similar accidents in the future. In so doing, however, an unnecessary duplication of effort by two Federal agencies and the costly drain upon available manpower is to be avoided.

Section 515(d)(1).—Placement of spoil on the downslope

This subsection allows spoil from the initial cut of a steep slope mining operation to be placed on a limited and specified area of the downslope, under certain restricted conditions. The provision applies only to new mines. It applies only to the first block or short linear cut necessary to join initial access to the coal (in most instances no more than one hundred feet). The permittee must demonstrate that the soil or spoil material will not slide, erode, etc. Permanent placement of such spoil under these limiting conditions was permitted to balance the stated needs of the industry and environmental protection. The conferees were aware that initial cut spoil can be disposed of in many other ways including use of construction of haul roads or placed on less steep slope disposal areas identified in approved plan including previously mined lands not reclaimed to approximate original contour.

Section 519(c)(2).—Bond release for water pollution control

After successful backfilling, regrading of the mined area the 60% of the operator's performance bond may be released. Release of a subsequent portion of the bond depends upon successful completion of revegetation and offsite siltation control. The adequacy of siltation control is to be gauged against natural levels of suspended solids as measured prior to mining, for it is the intent of the conferees that, after mining and reclamation there be no offsite degradation of water quality.

The Secretary will set the standards for measurement of suspended solid contributions. These must recognize the vast differences from region to region among major and small streams, year-round and intermittent streams, and natural variations in stream flow from year-to-year. The Secretary should also consider the availability or lack of availability of historic data.

Section 520(a).—Citizen suits

Subsection (a) assures that no operator can be sued *under this section* if he is operating in compliance with all regulations, orders, and an approved permit, even though the regulatory authority or the Secretary has failed to properly implement the Act. In such cases, the suit must be brought against the regulatory authority. The only exception to this provision occurs if the operator is itself a government agency or instrumentality, such as the Tennessee Valley Authority.

This subsection, however, in no way grants or is intended to grant immunity to an operator from any action brought by any individual under any existing statute or common law. All private rights under contract, tort, or property law are preserved. This intent is clearly reaffirmed and reiterated in subsection 520(e) of the conference report.

Section 522(b).—Review of Federal lands

In agreeing that the Secretary may permit surface coal mining on Federal lands prior to completion of his mandatory review of the unsuitability of areas for surface mining operations, the conferees intended that in addition to evaluating the permit application under the standards of the Act, the Secretary shall also make a determination if the area should be designated as unsuitable for surface mining and if the area is unsuitable, the Secretary should deny the permit.

Section 522(e).—Designation of areas unsuitable for mining

This subsection prohibits surface coal mining on lands within the boundaries of national forests, *subject to valid existing rights.* It is not the intent, therefore, nor is it the effect of this provision to preclude surface coal mining on private inholdings within the national forests.

The language "subject to valid existing rights" in Section 522(e) is intended to make clear that the prohibition of strip mining on the national forests is subject to previous state court interpretation of valid existing rights. For example, in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of U.S. vs. Polino (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage or custom at the time and place where the contract is to be executed and must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

Section 529.—Anthracite coal mines

This section authorizes the Secretary, at his discretion, to promulgate certain special regulations for anthracite coal mines already regulated by a state program with standards at least as stringent as those provided in this Act. This authorization, however, applies only to the environmental standards set forth in sections 515 and 516, and portions of the bonding and bond release provisions set forth in Sections 509 and 519. All other provisions of the Act and regulations issued pursuant thereto including the reclamation fee imposed by Title IV apply to anthracite mines in the same manner as for all other coal mines.

Section 701(9).—Definition of Indian lands

In defining Indian lands, the conferees were aware of certain jurisdictional problems concerning the status of these lands. The conference report limits the definition to lands within the external boundaries of a Federal Indian reservation and to all other lands, including mineral interests, held in trust by the Federal government for any Indian tribe. This language is not intended to change any existing jurisdiction which the states may have over such lands.

Section 702 (d).—Environmental impact statement

This Subsection provides that certain enumerated actions taken pursuant to the Act shall constitute major Federal actions significantly affecting the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332 (NEPA), i.e. that such actions will require the preparation of an Environmental Impact Statement.

The Section is not intended as a limitstion or modification of NEPA but, to the contrary, the provision is viewed as being consistent with that Act. The Conferees believe that, properly interpreted and applied, the operation of NEPT will not result in any delay in the implementation of the various regulatory provisions of this environmental regulatory legislation including those actions which must be accomplished in a relatively short time period such as the establishment of the Federal Enforcement Program within 135 days after enactment.

Section 716.—Alaska coal

This provision applies to those lands which, as a result of the Alaska Statehood Act or the Alaska Native Claims Settlement Act, were conveyed from Federal to state or private ownership. Its purpose is to assure that nothing in this Act—particularly the provisions of Section 714—shall be construed as changing existing property rights with respect to lands so conveyed. The provision applies to any coal conveyed out of Federal ownership under these two laws regardless of its current relationship.

RELATIONSHIP OF H.R. 25 TO PRESIDENT FORD'S RECOMMENDED CHANGES

On February 6, President Ford transmitted to Congress the Administration's proposed surface coal mining bill. In his transmittal letter the President set out the 8 "critical" and 19 "important" differences between the Administration's proposal and the Conference Report on S. 425, 93d Congress.

H.R. 25 and the Senate amendment thereto each adopted some of the President's recommendations. The conference committee considered the President's views very carefully during its deliberations. Eight changes recommended by the President are adopted in the conference report. The conference report also contains language designed to meet another six of the objections raised by the President.

The President's recommendations (in the order they appear in his February 6 letter) are set out below together with an indication of the relationship of the conference report to them.

Critical changes

1. *Citizen suits. Administration Recommendation:* "S. 425 would allow citizen suits against any person for a 'violation of the provisions of this Act'. * * * Citizen suits are retained in the Administration bill, but are modified * * * to provide for suits against (1) the regulatory agency to enforce the act, and (2) mine operators where violations of regulations or permits are alleged."

Conference Report—Section 520: Modifies language to meet Administration objection.

2. *Stream siltation. Administration Recommendation:* "S. 425 would prohibit increased stream siltation—a requirement which would be extremely difficult or impossible to meet and thus could preclude mining activities. In the Administration's bill, this prohibition is modifield to require the maximum practicable limitation on siltation."

Conference Report—Section 515(b)(11)(B): Clarifies language so as to avoid interpretation feared by Administration.

3. *Hydrologic disturbances. Administration Recommendation:* "S. 425 would establish absolute requirements to preserve the hydrologic integrity of alluvial valley floors—and prevent offsite hydrologic disturbances. * * * In the Administration's bill, this provision is modified to require that any such disturbances be prevented to the maximum extent practicable so that there will be a balance between environmental protection and the need for coal production."

Conference Report—Section 515(b)(10)(F): Modifies language to avoid "absolute requirements" objected to by Administration.

4. *Ambiguous terms. Administration Recommendation:* "In the case of S. 425, there is great potential for court interpretations of ambiguous provisions which could lead to unnecessary or unanticipated adverse production impact. The Administration's bill provides explicit authority for the Secretary to define ambiguous terms so as to clarify the regulatory process and minimize delays due to litigation."

Conference Report: Does not adopt Administration recommendation.

5. *Abandoned land reclamation fund. Administration Recommendation:* "S. 425 would establish a tax of 25¢ per ton for underground mined coal and 35¢ per ton for surface mined coal to create a fund for reclaiming previously mined lands that have been abandoned without being reclaimed, and for other purposes. * * * The Administration bill would set the tax at 10¢ per ton for all coal * * * which would be ample."

"Under S. 425 funds accrued from the tax on coal could be used by the Federal government (1) for financing construction of roads, utilities, and public buildings on reclaimed mined lands, and (2) for distribution to States to finance roads, utilities and public buildings in any area where coal mining activity is expanding. * * * The Administration bill does not provide authority for funding facilities."

Conference Report—Section 401(d): Reduces reclamation fee on underground mined coal to 15c per ton. Does not restrict the scope of the program.

6. *Impoundments. Administration Recommendations:* S. 425 could prohibit or unduly restrict the use of most new or existing impoundments, even though constructed to adequate safety standards. In the Adminis-

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tration's bill, the provisions on location of impoundments have been modified to permit their use where safety standards are met.

Conference Report—Section 515(b)(13): Provides that Corps of Engineers will set location standards for impoundments, and thus eliminates language objected to by Administration.

7. *National forests. Administration Recommendation:* "S. 425 would prohibit mining in the national forests—a prohibition which is inconsistent with multiple use principles and which could unnecessarily lock up 7 billion tons of coal reserves. * * * In the Administration bill, this provision is modified to permit the Agriculture Secretary to waive the restriction in specific areas when multiple resource analysis indicates that such mining would be in the public interest."

Conference Report—Section 522(e)(2): Does not adopt Administration recommendations.

8. *Special unemployment provisions. Administration Recommendation:* "The unemployment provision of S. 425(1) would cause unfair discrimination among classes of unemployed persons, (2) would be difficult to administer, and (3) would set unacceptable precedents including unlimited benefit terms, and weak labor force attachment requirements. This provision of S. 425 is inconsistent with Public Law 93-567 and Public Law 93-572 which were signed into law on December 31, 1974, and which significantly broaden and lengthen general unemployment assistance. The Administration's bill does not include a special unemployment provision."

Conference Report: Adopt Administration recommendation.

"Other important changes"

1. *Antidegradation. Administration Recommendation:* "S. 425 contains a provision which, if literally interpreted by the courts, could lead to a non-degradation standard similar to that experienced with the Clean Air Act. * * * Changes are included in the Administration bill to overcome this problem."

Conference Report—Section 102(a): Adopts Administration recommendation.

2. *Reclamation fund. Administration Recommendation:* "S. 425 would authorize the use of funds to assist private landowners in reclaiming their lands mined in past years. Such a program would result in windfall gains to the private landowners who would maintain title to their lands while having them reclaimed at Federal expense. The Administration bill deletes this provision."

Conference Report—Section 404: Does not adopt Administration recommendation.

3. *Interim program timing. Administration Recommendation:* "Under S. 425, mining operations could be forced to close down simply because the regulatory authority had not completed action on a mining permit, through no fault of the operator. The Administration bill modifies the timing requirements of the interim program to minimize unnecessary delays and production losses."

Conference Report—Sections 504 and 506: Includes provisions designed to eliminate possibility of shutdown.

4. *Federal Preemption Administration Recommendation:* "The Federal interim program role provided in S. 425 could (1) lead to unnecessary Federal preemption, displacement or duplication of State regulatory activities, and (2) discourage States from assuming an active permanent regulatory role. * * * In the Administration bill, this requirement is revised to limit the Federal enforcement role during the interim program to situations where a violation creates an imminent danger to public health and safety or significant environmental harm."

Conference Report—Section 502: Does not adopt Administration recommendation.

5. *Surface owner consent. Administration Recommendation:* "The requirement in S. 425 for surface owner's consent would substantially modify existing law by transferring to the surface owner coal rights that presently reside with the Federal government. S. 425 would give the surface owner the right to "veto" the mining of Federally owned coal or possibly enable him to realize a substantial windfall. In addition, S. 425 leaves unclear the rights of prospectors under existing law. The Administration is opposed to any provision which could (1) result in a lock up of coal reserves through surface owner veto or (2) lead to windfalls. In the Administration's bill surface owner and prospector rights would continue as provided in existing law."

Conference Report—Section 714: Does not adopt Administration recommendation.

6. *Federal lands. Administration Recommendation:* "S. 425 would set an undesirable precedent by providing for State control over mining of Federally owned coal on Federal lands. In the Administration's bill, Federal regulations governing such activities would not be preempted by State regulations."

Conference Report—Section 523: Does not adopt Administration recommendation.

7. *Research centers. Administration Recommendation:* "S. 425 would provide additional funding authorization for mining research centers through a formula grant program for existing schools of mining. This provision establishes an unnecessary new spending program, duplicates existing authorities for conduct of research, and could fragment existing research efforts already supported by the Federal government. The provision is deleted in the Administration bill."

Conference Report—Title III: Does not adopt Administration recommendation.

8. *Prohibition on mining in alluvial valley floors. Administration Recommendation:* "S. 425 would extend the prohibition on surface mining involving alluvial valley floors to areas that have the potential for farming or ranching. This is an unnecessary prohibition which could close some existing mines and which would lock up significant coal reserves. In the Administration's bill reclamation of such areas would be required, making the prohibition unnecessary."

Conference Report—Section 510(b)(5): Modifies this provision to make it more precise.

9. *Potential moratorium on issuing mining permits. Administration Recommendation:* "S. 425 provides for (1) a ban on the mining of lands under study for designation as unsuitable for coal mining, and (2) an automatic ban whenever such a study is requested by anyone. The Administration's bill modifies these provisions to insure expeditious consideration of proposals for designating lands unsuitable for surface coal mining and to insure that the requirement for review of Federal lands will not trigger such a ban."

Conference Report—Section 522: Modifies this provision to require expeditious administrative action on designations so as to avoid any moratorium.

10. *Hydrologic data. Administration Recommendation:* "Under S. 425, an applicant would have to provide hydrologic data even where the data are already available—a potentially serious and unnecessary workload for small miners. The Administration's bill authorizes the regulatory authority to waive the requirement, in whole or in part, when the data are already available."

Conference Report—Section 507(b)(11): Does not adopt Administration recommendation.

11. *Variances, Administration Recommendations:* "S. 425 would not give the regulatory authority adequate flexibility to grant variances from the lengthy and detailed performance specifications. The Administration bill would allow limited variances—with strict environmental safeguards—to achieve specific post-mining land uses and to accommodate equipment shortages during the interim program."

Conference Report—Section 515(c): Does not adopt Administration recommendation.

12. *Permit fee. Administration Recommendation:* "The requirement in S. 425 for payment of the mining fee before operations begin could impose a large 'front end' cost which could unnecessarily prevent some mine opening or force some operators out of business. In the Administration's bill, the regulatory authority would have the authority to extend the fee over several years."

Conference Report—Section 507(a): Adopts Administration recommendation.

13. *Preferential contracting. Administration Recommendation:* "S. 425 would require that special preference be given to reclamation contracts to operators who lose their jobs because of the bill. Such hiring should be based solely on an operators reclamation capability. The provision does not appear in the Administration's bill."

Conference Report—Adopts Administration recommendation.

14. *Any Class of buyer, Administration Recommendations:* "S. 425 would require that lessees of Federal coal not refuse to sell coal to any class of buyer. This could interfere unnecessarily with both planned and existing coal mining operations, particularly integrated facilities. This provision is not included in the Administration's bill."

Conference Report—Section 528(e): Modifies language to accommodate Administration concerning.

15. *Contract authority, Administration Recommendation:* "S. 425 would provide contract authority rather than authorizing appropriations for Federal costs in administering the legislation. This is unnecessary and inconsistent with the thrust of the Congressional Budget Reform and Impoundment Control Act. In the Administration's bill, such costs would be financed through appropriations."

Conference Report—Section 712(a): Does not adopt Administration recommendation.

16. *Indian lands, Administration Recommendation:* "S. 425 could be construed to require the Secretary of the Interior to regulate coal mining on non-Federal Indian lands. In the Administration bill the definition of Indian lands is modified to eliminate this possibility."

Conference Report—Section 701(9): Adopts Administration recommendation.

17. *Interest charge. Administration Recommendations:* "S. 425 would not provide a reasonable level of interest charged on unpaid penalties. The Administration's bill provides for an interest charge based on Treasury rates so as to assure a sufficient incentive for prompt payment of penalties."

Conference Report—Section 518(d): Adopts Administration recommendation.

18. *Prohibition on mining within 500 feet of an active mine.* "This prohibition in S. 425 would unnecessarily restrict recovery of substantial coal resources even when mining of the areas would be the best possible use of the areas involved. Under the Administration's bill, mining would be allowed in such areas as long as it can be done safely."

Conference Report—Section 515(b)(12): Does not adopt Administration recommendation.

19. *Haul roads. Recommendation:* "Requirements of S. 425 could preclude some mine operators from moving their coal to market by preventing the connection of haul roads to public roads. The Administration's bill would modify this provision."

Conference Report—Section 522(e)(4): Adopts Administration recommendation.

Morris K. Udall,
Patsy T. Mink,
Joseph P. Vigorito,
John Melcher,
Teno Roncalio,
John F. Seiberling,
M. Robert Carr,
Joe Skubitz,
Philip E. Ruppe,
Managers on the Part of the House.
Henry M. Jackson,
Lee Metcalf,
J. Bennett Johnston, Jr.,
Floyd K. Haskell,
Clifford P. Hansen,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. Chisholm (at the request of Mr. O'Neill), for today and Tuesday, May 6, 1975, on account of illness.

Mr. Ford of Michigan (at the request of Mr. O'Neill), for today on account of illness in family.

Mr. Helstoski (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Matsunaga (at the request of Mr. O'Neill), for today, on account of official business.

Mrs. Mink (at the request of Mr. O'Neill), for this week, on account of official business.

Mr. Rangel (at his own request), for Monday, Tuesday, Wednesday, and Thursday, of this week on account of death in the family.

Mr. Rinaldo (at the request of Mr. Rhodes), for May 5, 6, and 7, 1975, on account of official business as a delegate to the U.N. International Law of the Sea Conference at Geneva.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Hechler of West Virginia, for 15 minutes, today, and to include extraneous matter.

Mr. Randall, for 15 minutes, today, and to include extraneous matter.

(And the following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Conlan, for 15 minutes, today.

(The following Members (at the request of Mr. Howe), to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Wirth, for 5 minutes, today.
Mr. Danielson, for 10 minutes, today.
Mr. Phillip Burton, for 5 minutes, today.
Mr. Stokes, for 5 minutes, today.
Mr. Cornell, for 5 minutes, today.
Mr. Bedell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, remarks on conference report on Vietnam evacuation to appear in permanent Record.

Mr. McCormack, and to include extraneous matter.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous matter:)

Mr. Andrews of North Dakota.
Mr. Biester.
Mr. Winn.
Mr. Buchanan.
Mr. Ashbrook in two instances.
Mr. Del Clawson.
Mr. Conable in three instances.
Mr. Steiger of Wisconsin.
Mr. Lent.
Mr. Shuster.
Mr. Hagedorn in five instances.
Mr. Frenzel in five instances.
Mr. Guyer.
Mr. Conte.
Mr. Anderson of Illinois in four instances.
Mr. Kasten.
Mr. Collins of Texas in two instances.
Mr. Findley.
Mr. Kemp.
Mr. Wylie.

(The following Members (at the request of Mr. Howe) and to revise and extend their remarks:)

Mr. Annunzio in six instances.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Richmond.
Mr. Fraser.
Mr. Dodd.
Mr. Lloyd of California.
Mr. Rangel in 10 instances.
Mr. Dingell in two instances.
Mr. Stokes.
Mr. Phillip Burton.
Mr. Danielson in five instances.
Mr. Bingham in 10 instances.
Mr. Koch.
Mr. Minish in two instances.
Mr. Downing.
Mr. Nowak.
Mr. Addabbo.
Mr. McDonald of Georgia in five instances.
Mr. Karth.
Mr. Roybal.
Mr. Cornell in five instances.
Mr. Harrington.
Mr. Drinan.
Mr. Brademas in seven instances.
Mr. Dominick V. Daniels.
Mr. Harris.
Mr. Hébert.
Mr. Rees.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

ADJOURNMENT

Mr. HOWE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 6, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

915. A letter from the President of the United States, transmitting proposed budget amendments for the Civil Service Commission for fiscal year 1976 and for the transition period July 1 through September 30, 1976 (H. Doc. No. 94–126); to the Committee on Appropriations and ordered to be printed.

916. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Perishable Agricultural Commodities Act; to the Committee on Agriculture.

917. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the U.S. gifts or devices of real and personal property for the benefit of the National Arboretum; to the Committee on Agriculture.

918. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Railroad Retirement Board for "Limitation on Salaries and Expenses," has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation for fiscal year 1975, pursuant to section 3679(e)(2) of the Revised Statutes [31 U.S.C. 665(e)(2)]; to the Committee on Appropriations.

919. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the U.S. Commission on Civil Rights and the Small Business Administration for "Salaries and Expenses," have been apportioned on a basis which indicates a necessity for supplemental appropriations for fiscal year 1975, pursuant to section 3679(e)(2) of the Revised Statutes [31 U.S.C. 665(e)(2)]; to the Committee on Appropriations.

920. A letter from the Deputy Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of the lands in the Llano Unit, Rio Arriba Division, San Juan-Chama project, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

921. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize officers of flag rank to serve in the Medical Service Corps in the Navy, and for other purposes; to the Committee on Armed Services.

922. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected

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Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared; to the Committee on Armed Services.

923. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

924. A letter from the Director, Defense Civil Preparedness Agency; transmitting a report on Federal financial assistance to States for civil defense equipment and facilities during the quarter ended March 31, 1975, pursuant to section 201(i) of the Federal Civil Defense Act of 1950, as amended [50 U.S.C. App. 2281(i)]; to the Committee on Armed Services.

925. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed cost accounting standard entitled "Part 411—Accounting Acquisition Costs of Material," pursuant to section 719(h)(3) of the Defense Production Act, as amended; to the Committee on Banking, Currency and Housing.

926. A letter from the Chairman, Student Loan Marketing Association, transmitting the second annual report of the Association, covering calendar year 1974, pursuant to section 439(n) of the Higher Education Act of 1965, as amended (86 Stat. 269); to the Committee on Education and Labor.

927. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the President's Committee on Mental Retardation entitled "MR '72, Islands of Excellence," pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–127); to the Committee on Government Operations and ordered to be printed.

928. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Citizens' Advisory Committee on Environmental Quality dated October 1973, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–128); to the Committee on Government Operations and ordered to be printed.

929. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the reports of the Board of Visitors to the U.S. Naval Academy dated April 12, 1973, and December 12, 1973, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–129); to the Committee on Government Operations and ordered to be printed.

930. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the reports of the Board of Visitors to the U.S. Naval Academy dated April 25, 1974, and December 5, 1974, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–130); to the Committee on Government Operations and ordered to be printed.

931. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Rapidex, Inc., Gloucester, Mass., for a research project entitled "Development of the Rapidex Continuous Spiral Drill and Blast Tunneler Phase III," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

932. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of proposed contract with the Colorado School of Mines Research Institute, Golden, Colo., for a research project entitled "Heap Leaching Studies on Uranium Ores," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

933. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of proposed contract with Scientific Energy Systems Corp., Watertown, Mass., for a research project entitled "Demonstration of a Steam Powered Face Haulage Vehicle," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

934. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Hydronautics, Inc., Laurel, Md., for a research project entitled "Development of a Coal Cutter Using Cavitating Water Jets," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

935. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the University of Idaho, Moscow, Idaho, for a research project entitled "Seepage Through Partially Saturated Shale Wastes," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

936. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Arthur D. Little, Inc., Cambridge, Mass., for a research project entitled "Known Volume Air Sampling Pump," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

937. A letter from the Deputy Under Secretary of the Interior, withdrawing the proposed plan for the use and distribution of the judgment funds awarded to the Stillaguamish Tribe of Indians in docket No. 207 before the Indian Claims Commission, previously submitted pursant to section 2(a) of Public Law 93–134; to the Committee on Interior and Insular Affairs.

938. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on foreign assistance obligations for Cambodia, Vietnam, and Laos during the third quarter of fiscal year 1974, pursuant to section 655(f) of the Foreign Assistance Act of 1961, as amended, and sections 38(e) and 40(f) of the Foreign Assistance Act of 1974, respectively; to the Committee on International Relations.

939. A letter from the Chairman, Railroad Retirement Board, transmitting the annual report of the Board for fiscal year 1974, pursuant to section 10(b)4 of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

940. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

941. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by Congress; to the Committee on Public Works and Transportation.

942. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the temporary unemployment benefits programs, and for other purposes; to the Committee on Ways and Means.

Received From the Comptroller General

943. A letter from the Assistant Comptroller General of the United States, transmitting a report on the release of budget authority for the Federal-Aid Highway Program, the deferral of which was reported by the President (D75–17) and disapproved by the Senate; to the Committee on Appropriations.

944. A letter from the Comptroller General of the United States, transmitting a report on inefficient management of F–14 spare parts by the Department of the Navy; jointly, to the Committees on Government Operations and Armed Services.

945. A letter from the Comptroller General of the United States, transmitting a report on public hazards from unsatisfactory medical diagnostic products (Food and Drug Administration, Department of Health, Education, and Welfare); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

946. A letter from the Comptroller General of the United States, transmitting a report on the need for disclosing contractual and financial arrangements between hospitals and members of their governing boards and hospitals and their medical specialists (Department of Health, Education, and Welfare); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on May 1, 1975, the following conference report was filed on May 2, 1975]

Mr. UDALL: Committee of Conference. Conference report on H.R. 25 (Rept. No. 94–189). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. Hicks, Mr. John L. Burton, and Mr. Tsongas):

H.R. 6650. A bill to establish the Cabinet Committee for Asian American Affairs, and for other purposes; to the Committee on Government Operations.

By Mr. ANDERSON of California (for himself, Mr. Hechler of West Virginia, Mr. Beard of Rhode Island, Mr. Charles Wilson of Texas, Mr. Studds, Mr. Moss, Mr. Harrington, Mr. Winn, Mr. McCloskey, Mr. Whitehurst, Mr. Bob Wilson, Mr. Steelman, Mr. Horton, Mr. Edwards of California, Mr. Rodino, Mrs. Schroeder, Mr. Biaggi, Mr. Frenzel, Mr. Bell, Mr. McClory, Mrs. Meyner, Ms. Holtzman, and Mr. Tsongas):

H.R. 6651. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDERSON of Illinois:

H.R. 6652. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. ANDREWS of North Dakota:

H.R. 6653. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential resource development; to the Committee on Interior and Insular Affairs.

By Mr. BEDELL:

H.R. 6654. A bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. BIESTER (for himself and Mr. Lagomarsino):

H.R. 6655. A bill to amend title 38 of the United States Code in order to remove all limitations on the aggregate period for which a person may receive assistance under two or more of the veterans' educational assistance laws; to the Committee on Veterans' Affairs.

By Mr. BROOMFIELD:

H.R. 6656. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. BROOMFIELD (for himself, Mr. Hutchinson, and Mr. Fish):

H.R. 6657. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 6658. A bill to amend section 414 of the Housing and Urban Development Act of 1969; to the Committee on Banking, Currency and Housing.

Mr. CORNELL (for himself, and Mr. Baucus):

H.R. 6659. A bill to provide public financing of primary and general elections for the Senate and the House of Representatives; to the Committee on House Administration.

By Mr. DAN DANIEL (for himself and Mr. Stephens):

H.R. 6660. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the first $300 of interest received by individuals on certain savings deposits, and to exclude from gross income interest received by certain banking institutions from certain residential mortgages; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Ms. Holtzman, and Mr. Roe):

H.R. 6661. A bill to prohibit actions by U.S. exporters which have the purpose or effect of supporting restrictive trade practices or boycotts imposed against countries friendly to the United States by other foreign countries; to the Committee on International Relations.

By Mr. DRINAN (for himself and Mr. Stokes):

H.R. 6662. A bill to amend the Impoundment Control Act of 1974 to provide that no recission of budget authority proposed by the President shall take effect unless and until the Congress has passed a bill incorporating such recission; to the Committee on Rules.

By Mrs. FENWICK (for herself, Mr. Wirth, Ms. Schroeder, Mr. Mollohan, Mr. Scheuer, Mr. Edwards of California, Mr. Thompson, Mr. Florio, Mr. McClory, Mr. Lent, Mr. Goodling, Mr. Krebs, Mr. Harrington, Mr. Maguire, Mr. Seiberling, Mr. Cochran, Mr. D'Amours, and Mr. Vander Jagt):

H.R. 6663. A bill to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. FINDLEY:

H.R. 6664. A bill to prohibit the banning of lead shot for hunting; to the Committee on Merchant Marine and Fisheries.

By Mr. HASTINGS:

H.R. 6665. A bill to amend section 402 of the Regional Rail Reorganization Act of 1973 with respect to the percentage of the Federal share of rail service continuation subsidies; to the Committee on Interstate and Foreign Commerce.

By Mr. HENDERSON (for himself, Mr. Andrews of North Carolina, Mr. Broyhill, Mr. Fountain, Mr. Hefner, Mr. Jones of North Carolina, Mr. Martin, Mr. Neal, Mr. Preyer, Mr. Rose, and Mr. Taylor of North Carolina):

H.R. 6666. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Ms. Abzug, Mr. Brown of California, Mr. Brodhead, Mr. Phillip Burton, Mr. Carr, Mr. Corman, Mr. Downey, Mr. Pepper, Mr. Reuss, Mr. Rose, Mr. Scheuer, Mr. Solarz, Mr. Traxler, and Mr. Wirth):

H.R. 6667. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 6668. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Allen Camp unit, Pit River division. Central Valley project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of California (for himself, Mr. Lujan, and Mr. Don H. Clausen):

H.R. 6669. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of California (for himself and Mr. Don H. Clausen):

H.R. 6670. A bill to authorize the Secretary of Agriculture to permit the use of lands of the forest reserves created from public domain for commercial outdoor recreation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 6671. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of potential water resource developments in the upper Canadian River Basin; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Ohio:

H.R. 6672. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. NEDZI (for himself, Mr. Thompson, Mr. Brademas, Mrs. Boggs, Mr. Mollohan, and Mr. Frenzel):

H.R. 6673. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. PRICE:

H.R. 6674. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services.

By Mr. QUIE:

H.R. 6675. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. REUSS (for himself, Mr. Patman, Mr. Barrett, Mrs. Sullivan, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Minish, Mr. Annunzio, Mr. Rees, Mr. Hanley, Mr. Mitchell of Maryland, Mr. Fauntroy, Mr. Neal, Mr. Patterson of California, Mr. Blanchard, Mr. Ford of Tennessee, Mr. LaFalce, Mrs. Spellman, Mr. AuCoin, Mr. Tsongas, Mr. Hayes of Indiana, Mr. Hannaford, and Mr. Evans of Indiana):

H.R. 6676. A bill to maximize the availability of credit for national priority uses; to the Committee on Banking, Currency and Housing.

By Mr. RICHMOND (for himself, Mr. Miller of California, Mr. Blouin, Mr. Hall, Mr. Simon, Mr. Hawkins, Mr. Conyers, Mr. Bingham, Mr. Hannaford, Mr. Dellums, Mr. Rangel, Mr. Roe, Mr. Harrington, Mr. Ottinger, Mrs. Meyner, Mr. Fraser, Mr. Koch, Mr. Mikva, Mr. Rosenthal, Mr. Ford of Tennessee):

H.R. 6677. A bill making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1975, to provide additional funds for youth summer employment programs pursuant to the Comprehensive Employment and Training Act of 1973; to the Committee on Appropriations.

By Mr. ROSE:

H.R. 6678. A bill to amend section 503(b) of the Rural Development Act of 1972; to the Committee on Agriculture.

By Mr. ROYBAL (for himself, Mr. Anderson of California, Mr. Ginn, Mr. Howard, Mr. Jones of Alabama, Mr. Mineta, Mr. Roe, Mr. Roncalio, and Mr. James V. Stanton):

H.R. 6679. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. RUSSO:

H.R. 6680. A bill making an appropriation to the Secretary of the Army for the fiscal year ending June 30, 1976, and the transitional period ending September 30, 1976, to clear the main channel of the Little Calumet River, Ill., from its confluence with the Calumet-Sag channel eastward to the Indiana State line, of fallen trees, roots, and other debris and objects; to the Committee on Appropriations.

By Mr. SEIBERLING:

H.R. 6681. A bill to amend the Internal Revenue Code of 1954 to discourage the relocation of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby areas; to the Committee on Ways and Means.

By Mr. STOKES:

H.R. 6682. A bill to amend the National Housing Act to extend the time period during which certain homeowners may apply for compensation for defects under section 518 (b) of such act; to the Committee on Banking, Currency and Housing.

By Mr. STRATTON (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6683. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. VAN DEERLIN (for himself, Mr. Metcalfe, Mr. McCollister, and Mr. Rinaldo):

H.R. 6684. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private label food product shall not be deemed unlawful per se; to the Committee on Interstate and Foreign Commerce.

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By Mr. VANIK (for himself, Mr. Bonker, Mr. Brown of California, Mr. Carney, Mr. Dent, Mr. Downey, Mr. Hicks, Mr. Howe, Mr. Long of Maryland, Mr. Mitchell of Maryland, Mr. Neal, Mr. O'Hara, Mr. Rosenthal, Mr. Ryan, Mr. Scheuer, Ms. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Studds, and Mr. Zeferetti):

H.R. 6685. A bill to make changes in the treatment of foreign income, to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. Gude, Ms. Holtzman, and Mrs. Spellman):

H.R. 6686. A bill to provide for the recycling of used oil, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. EDWARDS of Alabama (for himself and Mr. Robinson):

H.J. Res. 428. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.J. Res. 429. Joint resolution to authorize and request the President to proclaim October 1975 as Hobby Month; to the Committee on Post Office and Civil Service.

By Mr. TAYLOR of Missouri:

H.J. Res. 430. Joint resolution to provide for the designation of the month of May 1975 as Older Americans Month; to the Committee on Post Office and Civil Service.

By Mr. GUYER (for himself, Mr. Kindness, Mr. Latta, Mr. Kemp, and Mr. Heinz):

H. Con. Res. 264. Concurrent resolution expressing the sense of Congress that the President should call upon the United Nations to assist in the resettlement of South Vietnamese refugees; to the Committee on International Relations.

By Mr. LUJAN:

H. Con. Res. 265. Concurrent resolution expressing the sense of the Congress with respect to International Women's Year; to the Committee on Post Office and Civil Service.

By Mr. SIKES:

H. Con. Res. 266. Concurrent resolution expressing the sense of the Congress that the embargo of Cuba not be lifted as long as Cuba is under Communist control; to the Committee on International Relations.

By Mr. WHALEN:

H. Con. Res. 267. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. BIESTER (for himself, Mr. Randall, and Mr. Kelly):

H. Res. 440. Resolution to establish a John W. McCormack, Sr., intern program; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

120. By the Speaker: Memorial of the Legislature of the State of New York, relative to the relocation of Benet Weapons Laboratory; to the Committee on Armed Services.

121. Also, memorial of the Legislature of the Territory of Guam, relative to South Vietnamese refugees; to the Committee on International Relations.

122. Also, memorial of the Legislature of the State of Montana, relative to the transportation of agricultural commodities; to the Committee on Interstate and Foreign Commerce.

123. Also, memorial of the Legislature of the State of Oklahoma, relative to the use of natural gas for irrigation purposes; to the Committee on Interstate and Foreign Commerce.

124. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to an emergency session of Congress to deal with unemployment; to the Committee on the Judiciary.

125. Also, memorial of the Legislature of the State of California, relative to development of waterborne commerce; to the Committee on Public Works and Transportation.

126. Also, memorial of the House of Representatives of the State of Hawaii, relative to social security inequities; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FRENZEL introduced a bill (H.R. 6687) for the relief of Doo Hoon Park, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

118. The SPEAKER presented a petition of Leslie H. Baker, Jr., Fort Worth, Tex., relative to tax treatment of capital transfers; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mr. MOSS:

On page 16, after line 4 insert the following:

"TITLE III

"Sec. 301. No Federal employee performing any function or duty under this Act or 10 U.S.C. 7420–7438 shall have a direct or indirect financial interest in any firm or business engaged in the production, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of oil or gas or other petroleum product. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Secretary of the Interior and the Secretary of the Navy, as appropriate, shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this section, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this section."

H.R. 5919

By Mr. MOSS:

On page 10, after line 4 insert the following:

"Sec. 3. No Federal employee performing any function or duty under this Act or 10 U.S.C. 7420–7436 shall have a direct or indirect financial interest in any firm or business engaged in the production, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of oil or gas or other petroleum product. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Secretary of the Navy shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this section, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this section."

EXTENSIONS OF REMARKS

THE LOW END, ARTHUR

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CONABLE. Mr. Speaker, many of us are concerned that our fight to overcome recession and high unemployment not regenerate the kind of inflation that would rob economic recovery of its hope for better times. This feeling was expressed this morning in an editorial in the Wall Street Journal. I hope my colleagues will muse over this message and the historic perspective it gives about the exaggeration our policies can bring to the speed and amplitude of cyclical change. I include the editorial in the Record at this point:

[From the Wall Street Journal, May 5, 1975]

THE LOW END, ARTHUR

If the Federal Reserve System can hold money growth to the low end of 5% to 7.5% target Chairman Arthur Burns announced Thursday, there is a good chance the economy can come out of this recession without the new boom-and-bust cycle so widely feared. The upper end of the target range already introduces the risk, and it also must be said that bleak reality suggests that Mr. Burns will be lucky to keep within his range at all.

The public announcement of targets has long been resisted by the Fed, but Mr. Burns yielded to congressional pressure in disclosing his present intentions, subject to reconsideration, for the year ending next March. We think the precedent is entirely salutary, and ought to help focus public debate on the question of what kind of recovery we want. Perhaps it will even help Congress understand that the deficits its spending creates have a great deal to do with whether Mr. Burns can hit his target.

What kind of recovery do we want? In suggesting that Mr. Burns' targets are too low, Senator Proxmire had in mind a recovery directed at curing unemployment as quickly and rapidly as possible, and hang everything else. In particular, this line of reasoning goes, inflation is no problem until we reach full employment. Presumably its adherents further believe that fiscal and monetary policy should go full speed ahead until that point is reached, and then pick the magic moment to switch to inflation-fighting, or at least to deftly fade from recession-fighting to inflation-fighting in a "soft landing."

This is the kind of thinking that has got us where we are. Surely it is not too much to ask economic policy to look more than a year or so in advance, or to recognize that our real problem is not simply unemployment or simply inflation, but a cycle in which each feeds the other. Over the last decade, the amplitude of this cycle has been increasing with each peak and trough, and this may be our last chance to contain it without breaking the system.

The current recession, after all, was chiefly caused by inflation, which cut the real purchasing power of consumers and disguised an excessive inventory accumulation. The inflation, in turn, was caused chiefly by overly expansive monetary and fiscal policies designed to cure "sticky" unemployment. Since the inflation was especially virulent, so the present unemployment is especially large. Another policy overreaction will mean still larger inflation and a still larger and possibly devastating correction.

Present policy needs urgently to be aimed not at the present phase of the cycle but at the cycle itself. In the case of monetary policy, this mesns getting on a growth path that can be sustained without reintroducing infiaction. As Chairman Burns said, his target range already reflects a decision to "err on the side of ease." In the best possible case—with perfect knowledge, wisdom and timing—money growth of 7.5% between now and early 1976 just conceivably might be absorbed without retriggering the cycle. Barely conceivable, since it is gradually becoming clear that we operate not in a closed economic system but in a world-wide one we understand only imperfectly. Given the real state of wisdom and knowledge, a 5% target is far more realistic.

This is likely to mean, admittedly, a slower recovery and more lingering unemployment than might be possible under Senator Proxmire's recommendations. We would not want to underestimate the psychic costs of unemployment, but the economic costs to unemployed individuals have been greatly reduced. Witness that even with the depth of the current downturn, personal income has held steady despite the fall in wages and salaries. Surely this kind of cost is preferable to the risks of a larger and larger collapse.

Monetary policy is the best measure of whether a new round of inflation will result, but it does not operate in a vacuum. In particular, the deficits Congress seems likely to run this year or next are likely to present Mr. Burns with the alternatives of abandoning his money growth targets or allowing a credit crunch when private loan demand starts to pick up. If he is to pursue a steady monetary policy, we also need a more restrained fiscal policy.

In the end, we are being swept along our dangerous cycle not so much by economic forces but by political ones. Whatever Mr. Burns announces, we are unlikely to get off the cycle until there is an understanding not only at the Fed but in Congress and the nation that in order to avoid new errors we now need to pay the price of past ones.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HARRIS. Mr. Speaker, I would like to share with my colleagues the statement of Mr. R. B. Hutton, general president of the Virginia Postal Workers Union, on revising the Hatch Act. His statement is most helpful because it offers the perspective of postal employees, who would be covered by H.R. 3000, and he relates how he successfully held local office while being "hatched." Mr. Hutton represented 3,700 Virginia postal workers at the April 14 hearing in Annandale, Va., of the House Subcommittee on Employee Political Rights and Intergovernmental Programs. His statement follows:

REMARKS BY R. B. HUTTON

Mr. Chairman and Members of the Committee: For the record, I am R. B. "Penny" Hutton, General President of the Virginia Postal Workers Union (AFL–CIO). I am very pleased to appear before the Committee this evening with Research, Education and Legislative Director M. Lee Watkins, Virginia Postal Workers Union (AFL–CIO), General President Ernest Blevins, Northern Virginia Area Local, Merrifield, Virginia, Mary E. Webster of Alexandria, Virginia, and Katherine Haynes, of Merrifield, Virginia, members of the Northern Virginia Area Local, of the Virginia Postal Workers Union (AFL–CIO).

We speak in behalf of more than 3,700 Virginia Postal Workers that are affiliated with the American Postal Workers Union (AFL–CIO).

This statement reflects the unanimous position of each member concerning Employee Political Rights and Intergovernmental Programs.

We thank the Chairman and Members of this Sub-Committee for giving the Virginia Postal Workers Union an opportunity to express our views on H.R. 3000. We appear here today to advise this Committee of our support of the pending legislation, H.R. 3000, introduced by the Honorable William L. Clay of Missouri.

As federal employees we resent our second-class status as citizens and we are not afraid to pursue our rights to political action or exercise it regardless of what party may be in power. The Hatch Act as it now stands takes away the most precious civil right ever devised by a free society—the right to participate in the action and passion of our times. It is a form of repressive overkill, and flouts the deepest traditions of political activism in America. Here in Virginia where our rights as first class citizens was born and as we are about to embark on the Bicentennial of these freedoms and rights, the Hatch Act as it now stands causes us to waive our constitutional rights.

There are those that have said, "If federal employees were given the right to freely engage in politics, they would be on shaky ground." Let me use myself as an example. I ran and was elected to Council of my home town—Elkton, Virginia, by the largest percentage of votes of all other candidates. It did not hinder my career. After serving my term I was asked to help rewrite the ordinances for the Town of Elkton. I have been asked and have served on several committees upon request of the Town. This I was able to because it does not have a partisan form of government. But the Hatch Act as it now stands has prevented me from accepting the offers and the opportunity to further participate in my community form of government. This personal experience is shared by many federal and postal employees. It is evidence of fact that we hold only a second-class status in the due process of political-freedom and deepest traditions of America.

Mr. Chairman and Members of the Committee, thank you for permitting us to make this statement in support of H.R. 3000 on behalf of the Virginia Postal Workers Union (AFL-CIO) and we are willing to respond to questions that the Members of the Committee may care to ask.

THE BICENTENNIAL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WOLFF. Mr. Speaker, my home area of Long Island, N.Y., was the scene of one of the Revolutionary War's major battles, and troops from the island marched with George Washington from shaky beginnings exactly 200 years ago, to the final triumph 6 years later.

But, as with the case in all of the original States, the American War for Independence was based on not only the troops who endured those 6 long years of war, but also the men, women, and children who stayed at home to grow the food and manufacture the materials of war which enabled the struggle to continue.

And all the while, the greatest minds of the 18th century—Thomas Jefferson, Benjamin Franklin, James Madison—were even then laying the intellectual groundwork for what would become the American enlightenment through the Constitution and Bill of Rights, which have served us so well for so long.

The Bicentennial celebrations should thus reflect not simply the undeniable military courage of our forefathers, but also their intellectual commitment to founding on this land a nation "conceived in liberty, and dedicated to the proposition that all men are created equal," as that great patriot of 100 years ago, Abraham Lincoln, noted in a few words the world will never forget.

Mr. Speaker, as we proceed through the year, the pace of Bicentennial activities will quicken. I feel that it is only proper for us to mark our great Nation's 200th birthday. It is a time for us to look back to our traditions and the ideals our Founding Fathers fought for. It is a time to assess our Nation today. And it is a time for us to look to our Nation's future.

Our Bicentennial activities should appeal to all. We should have parades and gaity, and we should have discussions and reflection.

I am happy to announce that April 20 marked the beginning of official Bicentennial activities in my home district on Long Island, N.Y. The American Revolution Bicentennial Parade coursed through Greater Roslyn, ending in Roslyn Park. This parade, the largest ever held in Roslyn, was certainly enjoyed by spectators and partcipants alike.

Mr. Speaker, if this parade is an example of the quality of all future Bicentennial events, I can assure my colleagues that we can look forward to a most enjoyable year.

At this time, I would like to credit the individuals who helped make this parade the success it was.

Ann Croce, chairman; Art Fleming, M.C.; Father Michael Reid, invocation; Mayor William Fleischer, invocation; Jerry Graziano, National Anthem; Mayor Elias Spielman, placing of Bicentennial flag; Roy Moger, welcome address; Deputy Mayor Kathy Gerardi, introduction of dignitaries; County Executive Caso, remarks; Supervisor Michael Tul-

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ly, remarks; Rabbi Norman Kahan, benediction; Mr. and Mrs. Wm. Kattkee, Colonial Dancers; Jerry Korobow, guitar music; Roslyn High School Kickers; Lynn Jacobsen, 76 Trombones; The Spirit of '76 Fife and Drum; Carol and Floyd York of the Roslyn Savings Bank.

Of course, there are many other individuals and groups that gave behind-the-scenes assistance. These people are also richly deserving of a note of thanks.

CHARLS E. WALKER ON REFORM OF THE FEDERAL RESERVE

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BIESTER. Mr. Speaker, Dr. Charls E. Walker is an economist whose views deserve widespread consideration. As a former Deputy Secretary of the Treasury and now as a private consultant, Charlie Walker speaks and writes with a keen grasp of economic theory and political reality. In the New York Times of Sunday, May 4, he discusses possible changes in the Federal Reserve System in light of past developments in our monetary structure and in light of constitutional tensions between the Congress and the executive branch. Feeling certain that his views will be of interest to numerous Members, I submit the article for the RECORD:

FED FACES CONGRESS IN THE MOOD FOR REFORM

(By Charls E. Walker)

Events in the months ahead could lead quickly to the first significant changes in the decision-making process for monetary policy since the nineteen-thirties. This would result from either of two extremes—aborted recovery or an early return to sky-high inflation, either of which might be blamed on the Federal Reserve System. In the first instance, monetary policy would be viewed as too tight; in the second, too easy.

Recent rapid growth in the money supply has encouraged some monetarists to conclude at least tentatively, that the Fed will not starve the economy for funds.

And if this growth falls back to a sustainable rate by late spring or summer, Fed chairman Arthur F. Burns and his colleagues may well have successfully walked a difficult economic and political tightrope.

But all that is certain now is that failure—or what is perceived to be failure—would not be forgiven by the public or Congress, with early legislation to change Fed powers a strong probability.

Even if the Fed comes through this difficult period with flying colors, Congress still may enact within the relatively near future—in this Congress or the next—to "modernize" the Fed.

After all, attitudes change and so should institutions. Moreover, assuming the economy does not fall apart, it's much better to reform monetary institutions when financial seas are relatively calm rather than turbulent.

Although the Fed was created as a result of the Panic of 1907, the legislation was not passed until six years later and was based at least in part on recommendations of a blue-ribbon study commission established after the panic because it was clear that the United States badly needed a central bank.

"Reform" legislation in 1935, on the other hand, enacted relatively quickly following the financial crisis of 1933, was not especially well thought out. In fact, the "reform" was confined primarily to removing the Secretary of the Treasury from the seven-member Federal Reserve Board and creating the 12-member Federal Open Market Committee as the reserve system's central policymaking group.

These actions strengthened the Fed's "independence within Government." But as financial reform, they pale in comparison with other legislation of that era including the creation of Federal Deposit Insurance, prohibition of payment of interest on bank demand deposits and adoption of controls over interst on time and savings accounts ("Regulation Q," which has grown into anti-consumer price control mechanism), separation of commercial and investment banking, and enactment of sweeping securities market legislation (including creation of the Securities and Exchange Commission).

Now, in the nineteen-seventies, if the Fed is indeed "re-modeled," what changes is Congress likely to make?

It may well conclude that the Federal Reserve Board is too big and should be reduced to five members at most and preferably three.

Indeed, a respectable case can be made for a board of one—a "president" of the central bank as is the fashion in most other free industrial nations. However, given the attitudes in the country concerning concentration of power, the one-man approach would probably attract little Congressional support.

Some observers believe that Congress would given an incoming President the right to select the board's chairman from among its members; chairmen now serve four year terms which do not necessarily coincide with the Presidential term. But such action is unlikely.

Congress realizes that all too frequently the President may be from one party and the Congress controlled by the other. This realization coupled with the inherent conflicts between the legislative and executive branches (frequently even when one party controls both), would give many Congressmen second thoughts on permitting a new President to name a new chairman.

Congress is likely to increase the power of the chairman with respect to budget and staff. Under existing statutes, the chairman in effect has no more authority than any other board member—but he is held responsible for policy by both Congress and the public.

Congress may also decide to strip the 12 district Federal Reserve banks and their president of policy-making powers.

This would mean that a district bank, which is technically run by a board of directors of which two-thirds are elected by privately owned commercial banks, could not initiate changes in the Federal Reserve discount rate (the interest charged for loans to member banks). Since all such changes have to be ratified by the Federal Reserve Board under existing law, this "reform" would be of relatively little importance.

Removal of Fed presidents from the Federal Open Market Committee, the most powerful policy-making body in the system, would however, be of great importance.

In weighing any such change, Congress should recognize that, on balance, the presidents of the reserve banks have met their policy responsibilities honorably and well and, in some instances, exerted highly constructive impacts at critical junctures. (The high calibre of these men was underscored by last week's announcement that former Treasury Under Secretary Paul A. Volcker, a brilliant man of the highest integrity, would head the New York bank).

In early 1951, under pressure from President Harry Truman, a majority of the Federal Reserve Board voted to continue the inflationary policy of pegging prices of Government bonds, but the full 12-member F.O.M.C. (the seven reserve board members plus five bank presidents) voted to the contrary.

This courageous stand, with support from Congress through the Joint Economic Committee, restored a flexible monetary policy as a means of stabilizing economic activity. Combined with the sensible fiscal policies, it contributed to good economic policy in the early nineteen-fifties.

That's not all. A single Federal Reserve Bank (St. Louis) through perseverance and the quality of its work, exerted considerable influence on the Fed's Washington policymakers and staff to bring money supply back into the center of policy determination.

In addition, the district banks have developed a highly effective economic intelligence system. As a result of direct and frequent contacts with thousands of businesses and banks throughout the country, the district presidents can bring to monthly F.O.M.C. meetings the best and latest information on what's really going on in the economy, sometimes weeks or even months ahead of official data.

Despite the positive contributions of Federal Reserve banks and their presidents over the years, centralization of policy authority in the Federal Reserve Board is probably inevitable.

While district bank boards almost invariably consist of outstanding citizens, none are appointed by officials directly responsible to the voter and, as noted above, a majority is in fact elected by bankers. The directors in turn appoint the bank's president (although in recent years the Federal Reserve Board in Washington has frequently exercised its veto power in this respect).

Clearly, both in 1913 and 1935 legislation aimed at creating and maintaining a "private public" central banking system in the United States. A system of this type, although acceptable to Congress and the people then, is not likely to be acceptable for long given the political attitudes of the seventies.

In short, sooner or later Congress is likely to insist that all monetary policymakers be full-time, fully sworn Federal officials, appointed by the President of the United States and confirmed by the Senate—as is true of the Federal Reserve Board now.

The simplest way to do this is, as noted, to place all such powers with a reconstituted Federal Reserve Board.

If so, the key question for Congress is how to retain the expertise and regional leadership role of the district banks and presidents while at the same time centralizing policy authority in the Federal Reserve Board.

One approach might be to require the board to meet with the bank presidents at least monthly and receive their advice. The board would be expected to give full consideration to the views of the presidents and to include in the policy record, now required by statute, the presidents' recommendations and the reason the board agreed with, modified, or rejected the advice.

Who will be the Fed's master, Congress or the executive branch?

Notwithstanding the fact that the Constitution grants Congress the power to "coin money [and] regulate the value thereof," such authority could be delegated to the President. In the current arrangement, the Fed is said to be independent within Government and responsible only to Congress. Any significant increase in the power of the White House over monetary policy is doubtful.

Congress, as noted, has legal "control" of the Fed and probably wants to keep it that way. Moreover, many Congressmen recognize that there is an inherent conflict of interest involved in expanding executive authority over monetary policy.

This because the President's authority would doubtless be delegated at least partially to the Secretary of the Treasury, who is responsible for managing the public debt as efficiently as possible.

As de facto if not titular chief of monetary policy, the Treasury Secretary would have considerable power that could be used, through money creation, to bring down interest rates for at least temporary periods.

This is not to say that any given secretary would do so; but it is to say that an inherent conflict exists and is in fact the fundamental rationale for the existing system.

Stated more vividly, "coin-clipping" as practiced by sovereigns (diluting the real value of gold or silver coins by clipping the edges) may be ancient history. But to establish a monetary framework which tempts a President or his chief financial officer to engage in what is essentially modern "coin-clipping" is of dubious wisdom.

Recently, less has been heard about Presidential control of the Fed and rather more about a tighter rein on the part of Congress—with the most popular recommendation to the effect that Congress should, through law, dictate the "rate" of monetary growth.

But Congress should count to 10 many times over before intervening in the day-to-day operation of the central bank.

Resolutions such as the one passed recently—in essence calling on the Fed to "do a good job" and to report more frequently on its intentions—do no real harm and may be constructive in reminding the Fed officials not to become too cloistered in their ivory tower on Constitution Avenue.

Indeed, the welcome disclosure last Thursday by Chairman Arthur F. Burns of the Fed's future targets for monetary growth was a case in point.

But the late House Speaker Sam Rayburn told this writer some 15 years ago that Congress would meddle in monetary policy only at its peril. To Mr. Sam, any attempt by Congress to "run" the central bank was a no-win proposition for politicians.

The timing and final outcome of changes in the structure of the Federal Reserve system are impossible to predict. The best bet is that the changes will come within a few years or much more quickly, if the economy falls into deeper recession or we return to galloping inflation.

Also a good bet is that Congress is likely to maintain the Fed's so-called independence within Government but, ignoring Mr. Sam's advice to some extent, at the same time tighten somewhat the linkage between the central bank and the national legislature.

A first step in this direction could well be legislation authorizing the investigative arm of Congress, the General Accounting Office, to audit the administrative expenses—but not the policy decisions—of the Fed for the first time.

BILL BONSELL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. LENT. Mr. Speaker, like so many of my colleagues, I want to pay tribute to the minority doorkeeper, Bill Bonsell, who has retired from his position, effective May 1.

Bill has held his position for two decades, which is longer than most of us have served in the House. In the years which I have been here, I have come to respect Bill's ability, and have relied upon his expertise numerous times.

I want to take this opportunity to wish Bill health and happiness in his retirement. He can leave with the assurance that his 29 years of service to the House of Representatives has done great credit to this institution.

PARADE MAGAZINE REPORTS ON THE CHILD AND FAMILY SERVICES BILL

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, the distinguished senior Senator from Minnesota, and I are cosponsors, together with a substantial number of other Members of the House and Senate of both parties, of the child and family services bill, a measure aimed at improving services for children and their families in the United States.

I was therefore pleased to see in the April 29, 1975, issue of "Parade" magazine an article describing this proposal, and I insert the article at this point in the RECORD:

OFFSPRING OF WORKING MOTHERS

(By Lloyd Shearer)

Children in the United States are becoming an unattended lot.

According to a Labor Department study, Children of Working Mothers, "Almost 27 million children in the U.S.—42 percent of those under age 18—had mothers who were working or seeking work in March, 1974. About one out of every four of these children (6.1 million) were below regular school age and probably required some kind of care in their working mother's absence."

Approximately 33 percent of all mothers with children under 3 years of age are now working outside the home. In 1964, 22 percent of all mothers with children under 3 worked outside the home.

Recent studies have indicated that most children of working mothers are cared for in their own homes, many by non-relatives. Consequently, children with working mothers do not always receive proper family care. The results are distressing.

Forty percent of all young children in the U.S. are not immunized against childhood diseases.

At least 10 million children in the U.S. receive no health care at all.

Over 4 million children have limited or no English-speaking ability. Only a handful of them are enrolled in bilingual programs.

Each year an estimated 200,000 children are struck by handicaps that could have been prevented if they and their mothers had received early health care.

There are today 7 million handicapped children in the U.S. under age 16, including over a million handicapped preschool children.

There are only a million spaces available in licensed day care programs for the 3 million preschool children whose mothers work.

Sen. Walter Mondale (D., Minn.) and Rep. John Brademas(D., Ind.) are authors of the Child and Family Services Act of 1975, a bill that would financially assist states and localities to upgrade and expand their family services. Such a measure would cover health services, screening for handicaps, prenatal services for mothers, in-home and center-based day care—both part- and full-time—and health and nutritional programs.

The answer for unattended children, says Carmen R. Maymi, director of the Women's Bureau of the U.S. Labor Department, is quality day care.

"It is pointless to argue about whether or not mothers should work," says Ms. Maymi. "The fact is that more and more women with children are entering the work force—most of us work because of economic reasons.

"However, the employment of mothers is not the only reason many children need day care. Illness or death of the mother, mental or physical handicaps, emotional disturbances, poor family relationships, and poor living conditions are other factors. But the major demand for day care facilities stems from the employment of mothers outside of the home."

JOHN C. DRISCOLL RETIRES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DODD. Mr. Speaker, on April 30, 1975, John C. Driscoll, a veteran of 38 years of State service, retired from his position as industrial agent with the Connecticut Department of Commerce—CDC.

John, who is widely known and respected throughout the State of Connecticut, has worked closely with elected officials and industrial developers, particularly in eastern Connecticut which comprises the Second Congressional District. He is credited with having assisted the location of many important industries in eastern Connecticut towns.

Coworkers and associates all agree John is tops—"a professional's professional."

A Vermont native, John went to work for the State of Connecticut in 1937 at the State employment office in Danielson, where he still resides. He became manager there before joining the then State development commission in 1955.

As an agent for the development commission, and later for the CDC which superceded it in 1973, John covered the United States and parts of Canada seeking out prospective companies interested in relocating to Connecticut. While maintaining close touch with these prospects, he worked to make sure CDC services were made available where they were most needed in Connecticut.

Friends in eastern Connecticut and throughout the State will greatly miss John's guidance in the industrial development field. We will all miss his dedication and perseverance.

I would like to join with all John's

friends in wishing both John and his lovely wife Anita peaceful, healthful, happy retirement days.

POLISH CONSTITUTION DAY

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, May 3 marked the anniversary of the adoption of the great Polish Constitution of 1791—a benchmark in the struggle of men to form governments guided by the consent of the governed.

The 3rd of May Constitution reflects the ideals of freedom and independence that 10 million Americans of Polish ancestry cherish and want to retain for their homeland.

The proud spirit of the Polish people and their love of liberty can never be crushed—though many cruel oppressors have tried to break that spirit. Today, as 184 years ago, the nationalistic spirit and the Christian faith of the Polish people remains strong and resolute.

America owes a great debt to Poland. She gave us brilliant military leaders in our time of need, and she gave us sons and daughters who worked hard to help build this country and make it the greatest and strongest Nation on the face of the Earth.

Great patriotism, willingness to tackle hard work and see it through to completion, and devotion to principles of honesty and loyalty are unique qualities that typify Polish Americans. These qualities reflect traditions of the homeland—and they have helped to make the American character richer and fuller.

These qualities are deeply imbued in the many fine Polish American citizens of the 14th Congressional District. I am very proud of outstanding record of community involvement that has been compiled by my Polish American constituents. I am continually impressed with their great patriotism, loyalty, and ability to take on formidable challenges.

I share with my Polish American friends the hope that Poland will one day be able to join the family of free nations. I hope that my colleagues will join with me in reflecting on the courage of the valiant Polish people who so richly deserve to walk in the sunlight of liberty. One hundred and eight-four years ago the Polish people proclaimed the principle of human freedom and of human dignity and respect for the rights of the individual when they adopted the new Constitution that we honor here today. That principle and that spirit lives on in Poland today.

The people of Poland have not been forgotten. They are remembered today in this House, and they are remembered in the hearts of 10 million Polish Americans who hope and pray for the day that Poland will be free. I join these 10 million Americans in this hope and in this prayer.

"INVESTING IN CHILDREN AND FAMILIES," AN ADDRESS BY WILBUR J. COHEN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, one of the most widely respected leaders in American life is the distinguished former Secretary of Health, Education, and Welfare, Wilbur J. Cohen, now dean of the School of Education of the University of Michigan.

Dean Cohen was honored with the 1974 Citation Awárd of the Merrill-Palmer Institute in Detroit, Mich., in recognition of his contributions to the field of human development.

I insert at this point in the RECORD remarks made by Dean Cohen during a recent address at the institute.

These remarks follow:

INVESTING IN CHILDREN AND FAMILIES

I wish to discuss the bill recently introduced in Congress which is called the Child and Family Services Act of 1975. The bill was introduced in the Senate by Sen. Mondale (S. 626), and in the House by Rep. John Brademas. Some 27 Senators and over 80 members of the House of Representatives are sponsoring this legislation.

I urge each of you to request your Senator or Representative to send you a copy of the bill and to read the *Congressional Record* of February 7 (pp. 2778–2793) which contains a summary and explanation of the bill.

The Mondale-Brademas bill, if enacted into law, would permit agencies such as the Merrill-Palmer Institute and other public and private non-profit agencies to develop and implement innovative and constructive child and family service programs. The bill specifically authorizes financial assistance for "pre-service and inservice education and training for professional and paraprofessional personnel, including parents and volunteers, especially education and training for career development and advancement [Section 102 (b) (4)]."

In addition, there is specific authority in the bill for the Secretary of HEW to assist in training of personnel (Title IV), in research and demonstration projects (Title III) and in evaluation of the services (Section 206).

I believe the Mondale-Brademas bill with appropriate modifications would be an important step in redirecting our educational priorities to early childhood and to family responsibilities.

While I favor additional federal and state support for the improvement of our elementary and secondary educational system, I believe that we will get substantial returns out of each additional dollar we put into early childhood and family services.

I want to also make the observation and prediction that the Congress will soon enact some legislation in the direction of national health insurance. Whatever the scope of the program Congress decides on, I strongly favor inclusion of comprehensive health and medical services—preventive, diagnostic and curative—to all children under the age of six, and pre-natal and post-natal services for mothers, with comprehensive family planning services. For these mothers and children there should be no deductibles, no coinsurance, no exclusions.

I would then phase-in coverage to children under age 12 in a year or two, and then to children up to age 18. This would be a realistic and practical way to make progress taking into account both fiscal and administrative factors.

A comprehensive national health insurance program for mothers and children along with a program for strengthening child and family services would be an investment in our nation's future.

It would be an investment in improving the quality of life.

Once education was considered a privilege; not a right. Good health was considered a responsibility of the individual, not a right secured by the community. And a minimum income was limited to those who worked and for those who couldn't work, welfare was considered a gratuity.

Today, education, good health, and the assurance of a minimum income for all individuals and families is considered by many to be a right to be guaranteed by law. Once this was discussed only in books dealing with Utopia. Today, the revolution in our ideas about rights and guarantees is fast crowding in on the long-held concepts of the differentiation between individuals and community responsibility.

The next decade is destined to be that period in this century when many long-emerging trends come to a convergence in institutional changes. Health services, education and income to all become a right, not a privilege; a right grounded in human and community responsibility and not a handout or gratuity—or part of a policy of "noblesse oblige."

To assure these rights and responsibilities will involve a considerable investment, yet one that we must and can make if we are to assure that the basic components of human dignity and well-being are to be provided to all citizens of our country.

MAY IS BETTER HEARING AND SPEECH MONTH

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDREWS of North Dakota. Mr. Speaker, I would like to call attention to my colleagues that May is "Better Hearing and Speech Month" and professionals working in speech pathology and audiology in my State of North Dakota and over all the Nation make a special effort to focus public attention to a problem that afflicts hundreds of thousands of people.

Deficiencies in hearing—especially among young children—often go unnoticed even by teachers and these children fall behind in their early education through no fault of their own.

Most speech afflictions can be substantially corrected either by surgery or proper therapy by professionals.

Only those who are actually afflicted by hearing and speech deficiencies know the agony or suffer the social and often the economic loss of such impairment.

I am proud to note that my State is listed among the leaders in the Nation in carrying on intensive programs to help those suffering from hearing and speech impairments. I join with these dedicated professionals in calling to the public's attention that these afflicted people need your continued aid and, especially, your understanding.

TAXATION WITHOUT REPRESENTATION—1976 STYLE

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. SHUSTER. Mr. Speaker, we Americans are prone to proudly proclaim our fidelity to the battle cry of our 200-year-old revolution—"no taxation without representation."

Representation is the mainspring of our political system. Government without representation is unthinkable for Americans. It is the minimum test we apply to foreign governments to determine legitimacy. We condemn when "free elections" are not held, and we condone much else when they are.

If representation is our mainspring, then taxation is the critical mechanism controlled by that mainspring. Since the barons wrested the right to tax from King John at Runnymede in 1215, no power on Earth has been more highly prized or jealously guarded.

Taxation without representation so offended free men on both sides of the Atlantic that they were willing to fight and die to remove such a curse.

Indeed, our ancestors held that they were not free so long as they were taxed without their consent.

Today, however, forgetting the passions of our forefathers, Congress has slid into the foulest form of fiscal sin.

Several years ago Congress, with its insatiable lust for spending, but lacking the courage to tax American voters to pay for its fiscal orgies, hit upon a perfidious scheme of fleecing the most silent, least protected of all Americans. The scheme was christened "deficit spending" and is the one style that becomes more stylish each year. Spend now and lay the burden on future generations. Confer largesse upon your subjects and receive their adulation. As the pirates of old plundered distant shores and divided the booty among their followers, present-day pirates distribute gifts from the future treasure chest of young and yet unborn Americans.

In 1976, these modern, more sophisticated budget buccaneers will bless their constituents with over $70 billion in "gifts" from the future generation. Little matter that no one could ask the future generation if they want to be saddled with that debt. Nor were they consulted in the past as a $600 billion burden was accumulating on their backs.

The interest alone on that debt will approach $50 billion a year, every year of their lives.

Is this not taxation without representation? Of course, it is—taxation without representation, 1976 style. The main difference between the calumny of 200 years ago and today is simply geographical versus chronological distance.

Considering the results of Parliament's oppression on the colonies, it would appear much safer to inflict injustice on the unborn. Surely, somewhere across America our social conscience is stirring over the immorality of burdening our children by our greed. We are trading their tomorrows for our todays. Will our posterity view any more kindly the taxation without representation visited upon them than did our forefathers?

Shall our legacy to our children be a government which robs from the future to gratify the present?

TAX REFORMS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. MICHEL. Mr. Speaker, the subject of the recession and all of its accompanying problems have been uppermost in our minds. I have been attempting, not only through insertions here in the RECORD, but also in my remarks on the floor, to draw attention to some of our long-range problems in this area as well as our short-range considerations. If we are to experience reasonably full employment in a peacetime economy, then we have got to be readjusting our sights and broadening our vision and doing something constructive here in the Congress for the long haul. We are going to be dealing shortly, I hope, with the overall problem of energy needs and requirements and we are going to have to deal with revisions in the tax code. The subject of capital formation, putting together the kind of resources that put people back to work has been overly simplified by too many Members here in this Congress.

While home recently I asked my good friend, Mr. William L. Naumann, chairman of the Board of Caterpillar Tractor Co. for his comments with respect to the so-called tax reforms as they affect his company and he has responded with a very interesting letter that I believe deserves the attention of every thoughtful Member of the Congress. I am inserting the full context of the letter in the RECORD:

CATERPILLAR TRACTOR CO.,
Peoria, Ill., April 15, 1975.

HON. ROBERT H. MICHEL,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR BOB: You expressed an interest in Caterpillar's comments regarding so-called "tax reforms" that (1) may be harmful to Caterpillar's business or (2) would be beneficial to the Company and the economy in general—tax reforms currently proposed as well as previous proposals already enacted.

One of Caterpillar's major concerns is that of capital formation in the U.S., accentuated by the heavy inflation this country has been experiencing recently and the prospects of huge deficits in the federal budget. As you indicated in your remarks at the Peoria Kiwanis Club meeting earlier this month, if the government finances its deficit by borrowing, it drains capital from the private sector, and this results in unemployment. If the government finances the deficit by printing more money, it adds to inflationary pressures and causes capital goods to become more expensive.

The capital formation problem is widely recognized by business and more recently by some in government. On April 1 a study released by two U.S. Treasury Department staff economists indicates the U.S. ranking in real economic growth is among the lowest of the industrialized countries because a relatively low share of its output is being allocated to investment. According to the study this lag in U.S. investment over the past thirteen years has contributed to relatively lower rates of advance of productivity and national output which, in turn, has slowed the advance in living standards of U.S. workers and has limited job opportunities.

In the April 2 issue of the Wall Street Journal the Chase Bank indicated that over the next ten years this country will need $4.1 trillion for building and rebuilding its industrial capacity and that, unless something is done, there will be only $2.6 trillion available for this purpose. The bank concluded that, "The highest priority of our economy right now should lie in the nurture and stimulation of capital formation. Because *everything* the American people need and want grows out of that."

Caterpillar's concern was expressed in its 1974 Annual Report, wherein it was stated that there are four matters of concern to the Company—energy, inflation, exchange rates, and capital formation—which are interwoven and which should not be treated separately. Inflation, for example, has made it extremely difficult for corporations to form capital through retained earnings and depreciation in order to provide for future growth. It was suggested that government policies that are conducive to capital formation and investment are necessary if the United States is to achieve its required economic growth. Tax legislation, of course, is of utmost importance to companies like Caterpillar as it has a distinct bearing on a company's ability to generate sufficient internal funds to finance increased growth and employment through its impact on earnings.

Some time ago the Machinery and Allied Products Institute published a paper entitled "Inflation and Profits" written by their economic consultant, George Terborgh, which showed—among other things—the adjusted earnings of nonfinancial corporations from January 1965 through the third quarter 1974. From these figures it can be determined that aftertax profits of U.S. nonfinancial corporations, after adjusting for the increases in cost of equipment and inventories to their replacement levels, dropped from $36 billion in 1965 to an estimated $24 billion in 1974 and down to $16 billion in constant dollars. This points out the apparent inadequacy of depreciation allowances in providing the funds necessary to pay for the higher replacement costs of plants and equipment. So, we would encourage government depreciation or capital cost recovery policies that would permit companies to recover their capital costs on a more realistic basis, as do many of the industrialized countries of the world.

In commenting on the recent U.S. Treasury study I mentioned earlier, Secretary Simon indicated in his press conference that Treasury proposals to be announced later this year will be far reaching and will be designed to encourage savings and capital formation. This is encouraging; however little will come of it unless we can convince Congress that tax and other policies that will provide more profits for business and encourage individual savings are necessary and that the ultimate result will be an increase in the number of jobs available and a higher standard of living for all citizens.

The recent increase in the investment tax credit is a step in the right direction, of course, but we would urge that it be made permanent. Some have stated that the most

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direct and simple way to stimulate expansion, employment and, ultimately, tax revenues would be through a reduction in the corporate tax rate. If this were at all feasible politically—which I doubt with the present Congress—Caterpillar would most certainly support it.

Another major area of concern to Caterpillar, which involves capital formation indirectly is a renewed movement by Congress toward (1) the immediate taxation of earnings of foreign subsidiaries of U.S. companies regardless of whether funds are repatriated as dividends, and (2) the elimination of the foreign tax credit which offsets taxes paid in foreign countries against U.S. taxes payable.

This movement began with the Revenue Act of 1962 which created the concept of "Subpart F" income. Caterpillar opposed those provisions then and still does. Taxation of a foreign subsidiary's earnings prior to distribution is not justified for many reasons, among which are:

1. A foreign investment is not like a domestic investment and should not pay the same taxes. A domestic investment receives all the services and complete protection of the U.S. Government. A foreign investment does not, and it is subject to the risks of less stable economies, foreign exchange, war, insurrection, and even confiscation.

2. Many foreign companies with which U.S. businesses compete receive this tax treatment from their home governments, and U.S. business should not be hampered with an additional cost which erodes its competitiveness.

3. U.S. businesses, as a general rule, do not invest overseas for reasons of tax savings. Caterpillar, for example, has adequately demonstrated that it invested overseas only to effectively compete in foreign markets, and that such investments have, in fact, created additional U.S. jobs and have substantially contributed to the U.S. balance of payments.

Furthermore, the long-run objective of an investment overseas is always to return the maximum dividend to the U.S. For example. Caterpillar presently has three foreign manufacturing subsidiaries that are remitting *all* of their current earnings as dividends.

If foreign subsidiaries of U.S. companies are required to pay U.S. income tax on their earnings regardless of whether they are remitted, and if certain of Caterpillar's subsidiaries need their earnings overseas for necessary growth, we obviously would keep the earnings there and pay the tax out of U.S. funds. This, of course, would necessitate our borrowing in the open market to provide the funds with which to pay the tax. This would put further pressure on our capital base, and we would find ourselves in competition with the U.S. Government for such funds. In other words, we would pay the Government and then compete with it for the replacement funds required.

Historically, the concept of paying taxes on earnings only when remitted as dividends is well established. For example, the millions of shareholders in U.S. corporations are not taxed on earnings of their companies unless, and until they receive a dividend. And this is true even if the company is closely held, provided there are no unreasonable accumulation of earnings. If the government is concerned that U.S. companies are accumulating vast amounts of funds abroad through subsidiaries in order to avoid U.S. taxes, it could encourage repatriation by providing a preferential tax rate on dividends or by imposing an unreasonable accumulation of earnings tax if the subsidiary accumulated earnings in excess of the reasonable needs of its foreign business. Actually, a good case can be made for exempting foreign source income from taxation in the home country entirely, and this method is used by a number of countries. Therefore, we think that the repeal of the minimum distribution provisions in the Tax Reduction Act of 1975 was a step in the wrong direction.

The foreign tax credit is of equal concern to us. If Congress saw fit to eliminate it, Caterpillar would be placed at a serious disadvantage with its foreign competitors. If we could not offset the taxes we pay on income earned abroad against our U.S. tax bill, the effective rate of tax we would have to pay on the pre-tax earnings of our foreign subsidiaries would be exorbitantly high. For example, assuming full taxability by the U.S. and assuming the foreign tax would be allowed as a deduction for U.S. tax purposes, the effective rate on the earnings of Caterpillar's subsidiaries in the following countries would be as follows:

Combined United States and foreign tax rate

For earnings in:	*Percent*
Australia	76
Belgium	78
Brazil	73
Canada	78
France	78
Great Britain	75
Hong Kong	56
India	83
Japan	76
Mexico	69
Singapore	69
South Africa	74
Switzerland	58

As you can see, if our competitors in the foreign countries involved are paying taxes at a considerably lower rate, we would be at a serious disadvantage.

We urge that the business community be given an opportunity to participate in and respond to any further tax reform proposals that may be forthcoming this year and that careful consideration be given to the principal concerns that I have mentioned—

(1) First, we must have tax legislation that encourages capital formation; that is, personal savings of individuals and the retained earnings of corporations. These are the only two sources of capital, and capital is extremely short in the U.S. to provide the necessary growth in jobs.

(2) Second, U.S. corporations, such as Caterpillar, must not be hindered in their efforts to effectively compete in world markets. As you know, Caterpillar is a large exporter and has made investments outside the U.S. only to protect markets that could no longer be reached through exports. We have increased our exports to every country in which we have made an investment, and that has created additional jobs in the U.S. We hope, therefore, that tax legislation will preserve the ability of U.S. businesses to be competitive in world markets. As investment is necessary to protect overseas markets and, therefore, U.S. jobs, we do not believe that tax provisions such as taxation of unremitted earnings and elimination of the foreign credit should be supported by Congress.

Sincerely yours,

BILL.

PRESIDENTIAL RECRIMINATIONS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HARRINGTON. Mr. Speaker, I was deeply offended Thursday by President Ford's reaction to our defeat of the conference report on the Vietnam aid and evacuation bill. In suggesting that our action violated the "values we share as a nation of immigrants," he made either the cheapest or the most simple-minded charge to have come from the White House this year.

Did Mr. Ford deliberately choose to confuse this issue in the minds of the American people? Or did he somehow fail to grasp the fact that entire sections of this measure were rendered irrelevant by the completion of the Vietnam evacuation?

In either case his remarks were a sorry performance for a President who has told us almost daily that recriminations over Vietnam must be ended.

Surely the President must know that he no longer needs the troop authority that H.R. 6096 would have provided. Surely he knows that the Congress has been more than generous in its provision of aid to the South Vietnamese and has every intention of providing responsibly for the present flood of refugees once the dimensions of their need become clear. It is the duty of the Executive at this point to assess that need and promptly report to the Congress. It does not serve the interests of anyone for the President to suggest that his former colleagues have lost sight of the message symbolized in the Statue of Liberty.

LEGISLATION TO CONTROL SHORELINE EROSION OF THE GREAT LAKES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. KASTEN. Mr. Speaker, I have introduced legislation, H.R. 6297, to permit increased diversions from Lake Michigan through the Chicago Sanitary and Ship Canal during periods of high water levels of the Great Lakes. Great Lakes water levels have been extremely high for several years now. Shoreline property in Wisconsin and all around the Great Lakes has suffered constant erosion from increased frequency of flooding from storms. We have looked very hard for ways to help alleviate the situation. Increased diversion at Chicago is the one measure that can be easily and immediately implemented. We realize that the overall effect would not be that great, but at least it would be of some help.

Many Great Lakes residents eagerly awaited completion of the International Joint Commission study on the regulation of Great Lakes water levels which was released last year. They were disappointed, however, as its only positive recommendation was for action which had already been taken and for some further study. The report did not even consider the possibility of increased diversion through the sanitary and ship canal.

This legislation contains carefully drafted provisions to protect interests downstream on the Illinois Waterway when they are having flood problems and around the Great Lakes when levels go down again, as I hope they must. Congress twice enacted similar legislation in the 1950's, but both times it was vetoed because of vague concerns of other Great Lakes areas. The legislation which I have introduced has been supported by Members from all around the Great Lakes. Everyone's interests seem to be adequately considered.

Mr. Speaker, I see no reason to delay on this timely effort to relieve beleaguered Great Lakes shoreline property owners. This legislation was examined last year and all problems worked out. If enacted quickly, it could provide some measures of relief hopefully for less than a year and then when levels decrease again the diversion rate can be returned to the present rate.

MILTON FRIEDMAN DISCUSSES TWO ECONOMIC FALLACIES: THAT TAX CUTS ARE AN EFFECTIVE CURE FOR RECESSION AND THAT DECONTROL OF THE PRICE OF GAS AND OIL WILL MEAN HIGHER COSTS TO THE CONSUMERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. KEMP. Mr. Speaker, Prof. Milton Friedman has zeroed in on two very commonly held misconceptions about the consequences of economic policy.

One proposition—which is false—is that tax cuts alone are an effective cure for recession. The other—equally false—is that decontrol of the price of "old" oil would mean a higher price for gasoline and fuel oil to final consumers.

These two economic propositions affect current policy, yet they are both wrong. And, they arise from one basic source: emphasis being placed on only the visible and short-run effects of policies to the neglect of the invisible side effects, yet often more important and long-term effects.

I think the importance of these two propositions—in that they are widely held in the Congress and country as a whole—warrants a careful reexamination. Dr. Friedman, a former president of the American Economic Association, presents such a reexamination. We ought to think long and hard about what he has said and its implications for our future legislative action.

The analysis, which appeared in this week's edition of Newsweek, follows:

TWO ECONOMIC FALLACIES

(By Milton Friedman)

This column is about two economic propositions affecting current policy that are wrong yet are treated as self-evident truisms in essentially all public discussion.

One proposition is that tax cuts are an effective cure for recession. The other proposition is that decontrol of the price of "old" oil would mean a higher price of gasoline and fuel oil to final consumers. The wide acceptance of both propositions result from the basic source of most economic fallacies: emphasis on the *visible* effects of policies to the neglect of the *invisible*, yet often more important, effects.

TAX CUTS AND RECESSION

Both opponents and proponents of the recent massive tax cut agreed that it would stimulate the economy. Opposition was solely to its size, based on the fear that large deficits would produce future inflation. Since its passage, the only doubts about its effectiveness that I have read were, "Would it work fast enough?"

The visible effect of the tax cut is that taxpayers have more funds to spend. They may not spend all, but they will certainly spend some, which raises demand for goods and services, and so is clearly expansionary.

But this is far from the whole effect. Taxpayers have more but the government has less. If government cuts its spending, that would offset extra spending by taxpayers. If government continues spending at the same rate—or, more realistically, increases spending at the same time that taxes are reduced—it must finance the part of its spending corresponding to the reduction in taxes by either borrowing from the public or creating new money through the Federal Reserve.

Suppose it borrows. Then the people who lend to the government have less to spend or to lend to others. In the first instance, this cancels the effect of the extra amount available to taxpayers. To take an extreme case which case which brings this out sharply: suppose taxpayers used all of their tax cut to buy government bonds. The direct effect of the tax cut would then be merely that taxpayers held government bonds instead of receipts for taxes paid! Indeed, even that difference is partly illusory: by borrowing, the government has saddled each of us with an obligation to pay taxes in the future to pay the interest on the new borrowing (or to pay back the principal). The bonds that the taxpayers hold can be regarded as advance receipts for future taxes!

In practice, taxpayers will not lend all of the reduction in their taxes to the government. Government will have to borrow the rest at the expense of other borrowers: the government gets the funds instead of builders of houses, factories, and the like. Spending by taxpayers on consumption is higher, but spending on private capital formation is lower; more employment in the consumption sector, less in the investment sector.

Where is there any stimulus to the economy in this? Only at a more subtle level. Government can crowd out other borrowers only by forcing up the interest rate; the higher interest rate will make it more expensive to hold cash; additional spending by the public in an attempt to reduce cash balances will provide a net stimulus; but this is a once-for-all effect on total spending that empirical evidence suggests is minor.

If reduced tax receipts are replaced by the printing press or the accountant's pen—that is, by creating new money—the situation is different. Taxpayers benefiting from the tax cut spend more, and nobody else need spend less to enable government to continue spending. The catch is that this is like burning down the barn to roast the pig. The quantity of money can be increased without a tax reduction, and often has been, by Federal Reserve purchase of outstanding government securities. Such a monetary increase will have essentially the same effects—though perhaps with some minor differences in timing—as a monetary increase to replace tax receipts. Nonetheless, insofar as a tax cut does lead the Fed to increase the quantity of money more rapidly than it would otherwise have done, the cut is expansionary.

The emperor is naked. Yet I must confess that I favor tax cuts—not as a cure for recession but for a very different reason. Our basic long-term need is to stop the explosive growth in government spending. I am persuaded that the only effective way to do so is by cutting taxes—at any time for any excuse in any way. The reason is that government will spend whatever the tax system raises plus a good deal more—but not an indefinite amount more. The most effective way to force each of us to economize is to reduce our income. The restraint is less rigid on government, but it is there and seems to be the only one we have.

So hail the tax cut—but let's do it for the right reason.

OIL PRICES

The price of so-called "old oil"—mostly that part of the oil produced from domestic wells which does not exceed in amount the pre-crisis level of output—has been fixed at $5.25 a barrel, while "new oil" and imported oil have been selling for more than twice as much. Elimination of the price ceiling as proposed by President Ford has been treated by opponent and proponent alike as a measure that would raise the price of gasoline and fuel oil to the consumer. The dispute has only been about how much the price rise would be and whether the gain from the price rise is worth the cost.

Again, this is a fallacy, and again, it arises from looking at *visible* effects alone. The quoted price of "old oil" would unquestionably rise, which appears to raise the cost of gasoline, and—here comes the fallacy—therefore its price. But surely, the rise in the price of old oil would also give producers an incentive to produce more oil. How can more oil be produced yet the final price of petroleum products be higher?

Everyone who has wanted to buy gasoline and fuel oil has been able to do so—at least since the long lines of early 1974. There has been no rationing. The price has been clearing the market. Would people buy more at a higher price than at a lower price? Obviously not. The higher output would inevitably mean a *lower* price to final consumers, not a higher price.

How can the higher price to producers be reconciled with the lower price to consumers? The answer is straightforward. The right to buy from the original producers at the ceiling price has been valuable. Whoever has had that right has received an extra return therefrom. In principle, the consumer has been supposed to receive the benefit; in practice, it has been absorbed at some intermediate stage. Ending the ceiling price would eliminate this artifical wedge between the return to the initial producer and the price paid by the final consumer.

Bad economics makes bad policy. Ending the ceiling price on oil (and also natural gas) would benefit both the consumer and primary producer and would be the most effective step that we could take to hasten the end of the oil cartel.

COME HOME AMERICA?

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I was distressed to read in yesterday's Washington Post that a Member of the other body has suggested that "90 percent of the Vietnamese refugees would be better off going back to their own land." Mr. Speaker, I consider such remarks a direct slap in the face of the Statue of Liberty and the great American tradition which is enunciated on a tablet inside the statue's pedestal:

> Give me your tired, your poor, your huddled masses, yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tossed, to me, I lift my lamp beside the golden door.

UMI

It is a perverse distortion of our tradition of providing a haven for the refugees from tyrannical regimes to now suggest that they would be better off living under communism. It is especially ironic on the eve of our own American Revolution Bicentennial that this "Nation of immigrants" should be thinking in terms of turning its back on those fleeing persecution and seeking freedom. I cannot believe that on the very eve of our 200th year of independence the vast majority of Americans will embrace this rejection of the very principles on which this Nation was founded. Apparently the slogan "Come Home America" has now been changed by its author to read, "Stay Away From America."

$22 BILLION AND NO INFLATION?

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CONABLE. Mr. Speaker, last year Congress devised two new procedures to give itself a handle on fiscal policy. This was necessary because legislating is by nature a piecemeal process—one bill is considered at a time. The aggregate fiscal impact of these individually enacted measures seldom becomes fully evident until the final summing up at the end of a Congress.

One of these two new procedures, of course, was the Congressional Budget Act, a measure intended to force us to do the summing up before, as well as after, the enactment of each session's legislation. The first concurrent resolution on the budget which we are debating today is the first test of this new procedure, and frankly I am disappointed at the apparent unwillingness of Congress to use this new fiscal tool.

It is doubly disappointing, therefore, to see that the other new procedure is not working as intended either. Last autumn, when the House reformed its committees and their procedures, a requirement was added that each committee report on a bill contain a statement of the expected inflationary impact of that measure.

Since then, each committee has dutifully included an inflationary impact statement in every report. And without exception, the reported bill was expected to have little or no inflationary impact. We should have expected that no committee would admit to reporting inflationary measures. What we didn't know last fall was that the recession would provide such a handy excuse for voting out inflationary spending proposals.

Mr. Speaker, I added up the additional Federal spending, beyond the President's proposed substantial deficit, of just 11 bills passed by the House so far in the 94th Congress, and they came to over $22 billion. As is our custom, we considered these measures one at a time, each on its own greater or lesser merits. I voted for several of them myself.

But our committees, incredibly, have told us that this $22 billion in added Federal borrowing will have no inflationary impact. The voters will not be gulled into believing this, and neither should the Congress allow itself to pretend that these bills will not set off another round of inflation if this abuse of our fiscal situation continues. If we are going to keep on voting for inflationary measures because we favor their desirable features, then we must, first, admit what we are doing and, second, keep the fiscal situation under control by giving up other, less desirable programs.

Many years ago, Congress imposed a debt ceiling as a device to control spending, and it did not work. The two new fiscal tools added by Congress last year will not work either unless we truly want them to, and until we are willing to use them to discipline our votes on spending measures.

It should be evident by now that no amount of tinkering with legislative procedures, processes, or machinery can produce a sound fiscal policy if the Democratically-controlled Congress spends us back into another round of inflation. So far the actions of the Democrat majority in the 94th Congress have made a mockery of our so-called reforms, and this will continue to be the case until both sides of the aisle share a conscious desire to control Federal spending, no matter how attractive individual measures may seem when we vote on them.

The table below lists 11 measures passed by the House so far this year, their estimated cost beyond the President's proposed budget, and the "inflation impact statement" that accompanied each one:

Inflationary Impact Statement

H.R. 1589

(Suspension of Food Stamp Regulations (P.L. 94–4).)

Pursuant to clause 2(l)(4), Rule XI of the Rules of the House of Representatives the Committee estimates that enactment of H.R. 1589 will have no inflationary impact on prices and costs in the operation of the national economy. The bill requires no new appropriations. Further, testimony before the Committee indicated its enactment would have a beneficial impact on the economy of all States.

In Alabama, for example, according to witnesses, over $22 million a year would be pulled out of the economy if the USDA proposed regulations were to go into effect. Over $10 million a year would be lost in Arkansas. The figures for some other States are as follows:

[In millions of dollars]

California	$84.0
Florida	35.6
Georgia	26.8
Illinois	53.3
Indiana	12.3
Iowa	6.7
Kentucky	27.4
Louisiana	33.9
Minnesota	10.0
Mississippi	23.0
Montana	2.2
New York	65.2
North Carolina	21.6
Ohio	50.7
South Carolina	24.0
Tennessee	21.8
Texas	69.9
Virginia	13.2
Washington	15.0

Losses to State economies of this magnitude can only mean loss of revenues to local businesses, and more workers laid off as a result. Consequently, the Administration's plan to raise food stamp prices would both be devastating to the elderly, the unemployed, and other poor—and it would also aggrevate our current economic difficulties. (H. Rept. 94–2), (p. 8.)

Amount of added Federal borrowing: $650,000,000 to $1,000,000,000.

H.R. 2051

Amount of added Federal borrowing: $347,000,000.

(Regional Rail Reorganization Act Amendments (P.L. 94–5).)

The reported bill provides a total of $347 million in additional financial assistance to ensure the continued operation of Penn Central and other railroads in reorganization in the Midwest and Northeast, pending the implementation of the Final System Plan pursuant to the Regional Rail Reorganization Act of 1973 (the "Act"). The $347 million includes $197 million in grant authority under Section 213 of the Act, and $150 in loan authority under section 215. These amounts increase the total authorizations in these two sections to $282 million under section 213, and $300 million under section 215.

The financial assistance provided under sections 213 and 215 of the Act has no direct inflationary impact. The assistance that is provided under these sections represents normal day to day funds that the railroads in reorganization have to spend in order to be able to continue the provision of essential rail services. This includes expenditures for such requirements as payrolls, fuel, utilities, and interline settlements with other railroads—which have to be made to keep the railroads going.

A failure to provide the necessary financial assistance to keep the railroads in reorganization in operation would have a crippling effect on the economy of the country, already weakened by a severe downturn. Based on an earlier study by the Department of Transportation, a close down of the Penn Central alone would result in a 5.2 percent decrease in the rate of economic activity in the Northeast, and a 4 percent decrease for the rest of the country. Potentially, there would be a 2.7 percent decrease in the gross National Product after only two months of cessation of services, and unemployment would rise by 3 percent.

The program under which the additional assistance is to be provided under the Act has been designed to provide the necessary assistance at the least cost to the taxpayer while maximizing the benefits to the restructured rail system which is to be developed pursuant to the Act. (H. Rept. 94–7, p. 13–14.)

H.R. 2166

(Tax Reduction Act of 1975 (P.L. 94–12).)

The committee states that the Tax Reduction Act of 1975 is not expected to have a significant inflationary impact on prices or on costs of the operation of the national economy. Any inflationary impact that might arise from decreased funds being available for borrowing by others is conjectural at the present time and can be offset by appropriate monetary policy. In a recession of the current seriousness the inflationary impact is not the major consideration (H. Rept. 94–19, p. 82.)

Amount of added Federal borrowing: $7,100,000,000.

H.R. 3260

(Second Budget Recission Bill (P.L. 94–14).)

The Committee estimates that the enactment of this bill will have no inflationary impact on prices and costs in the operation of the national economy and possibly could contribute toward a lessening of the inflationary pressures. Rescission of the funds proposed in this bill will mean that expenditures of $87,770,000 in fiscal year 1975 and

$25,002,900 in fiscal year 1976 will not be made.

A summary table on rescissions follows which shows the items that are recommended for rescission and those items that the Committee is not recommending for rescission and for which funds are to be made available at the end of the 45 day time period (which, in the case of the rescissions dealt with in this report, is February 28, 1975). (H. Rept. 94–17, p. 4.)

Amount of added Federal borrowing: $706,000,000.

H.R. 4075

(Third Budget Rescission Bill (P.L. 94–15).)

The Committee estimates that the enactment of this bill will have no inflationary impact on prices and costs in the operation of the national economy. Rescission of the funds proposed in this bill will mean that expenditures of $2,740,000 in fiscal year 1975 and $3,440,000 in fiscal year 1976 will not be made. (H. Rept. 94–26, p. 2.)

Amount of added Federal borrowing: $2,491,000,000.

H.R. 4222

(School Lunch and Child Nutrition Act Amendments of 1975 (passed House 4/28/75).)

The Committee estimates that this legislation's positive impact on economic recovery and employment would substantially outweigh any inflationary impact.

The increased participation in the school lunch program resulting from the enactment of H.R. 4222 would have significant *anti-inflationary* effect. As was stated in the USDA's comprehensive study on the Child Nutrition program—July 1974—the economies of scale brought about by increased school lunch participation should *decrease* the total cost of preparing each school lunch by about 3¢ per lunch ($100,000,000 on an annual basis). Moreover, the Committee feels that money spent on providing a school lunch would be more *efficiently* spent than a similar amount expended by individual families for meals brought to school.

The increase in school lunch participation will also serve to stimulate the agricultural economy by increasing demand for food commodities used in the preparation of the lunches.

New jobs would be created. It is estimated by the American School Food Service Association that up to 50,000 additional employees would be needed to carry out the expanded program in schools.

At a time when all costs are escalating, school lunch costs and, in turn, school lunch prices, are no exception. Families are hard pressed to stretch their budgets to meet the growing demands placed upon them. The rolling back of the price of a lunch to each child would result in an average saving of $36 per year per child, which the family can use to meet other living expenses. This extra money would flow back into the economy at a time when it is especially needed—particularly at state and local levels. (H. Rept. 94–68, p. 19.)

Amount of added Federal borrowing: $750,000,000.

H.R. 4296

(Emergency Price Support for 1975 Crops (sent to President).)

The Committee estimates that enactment of H.R. 4296 may have minor inflationary impact on consumer prices and costs of cotton and dairy products; nonetheless, the Committee is convinced that this is more than offset by other beneficial effects of the legislation on the national economy and, in fact, is essential to offset recessionary forces attacking rural America.

There is no indication that provisions of H.R. 4296 relative to wheat, feed grains and soybeans will have any inflationary effect whatsoever. The Department has indicated that they do not anticipate any additional deficiency payments or loan costs for these programs in 1975. Further, present market prices are in excess of the target prices established by H.R. 4296, therefore, indicating that these provisions will have no effect on the cost to the consumer.

There is some indication, however, that the cotton provisions and the milk provisions may have some effect both in exposure to the Treasury and in cost to the consumer. Certain other factors, however, must be considered in both instances. For instance, with respect to cotton, domestic textile mills are now processing cotton that was purchased from the 1973 and 1974 crops at substantially higher prices than current prices. Even if the 40 cent loan rate results in a gradual lifting of market prices over the next six months, cotton from the 1975 crops is likely to be cheaper than current mill inventories. Thus, as mills exhaust these stocks and begin processing lower-priced 1975 crop cotton, consumers could be expected to benefit from price adjustments throughout the entire textile industry. Indeed, the wholesale prices of many textile products have already begun to decline.

A loan at 40 cents may, under some circumstances, be considered anti-inflationary. The loan can be used to secure temporary production financing under depressed conditions such as we have today, when many producers may otherwise be forced away from cotton because of inadequate credit. For this reason, it is possible that if the 1975 loan remains at 34.27 cents, too little cotton might be produced and result in prices far higher than would come from a 40 cent loan. Another "boom and bust" cycle would be ruinous for cotton growers and their markets, and would ignite new inflation for consumers.

The Committee recognizes that there will be some increase in the cost of dairy products to the consumer if this bill is enacted. The Administration provided an estimate of increases of 8 cents per gallon for milk, 10 cents per pound for cheese, and 20 cents per pound for butter. However, the USDA estimates regarding consumer price increases are misleading because they are based on an increase in support levels from $7.24 to $8.19 per hundredweight which will not occur until the end of 1975. In actuality, H.R. 4296 provides for immediate adjustment of support levels to 85 percent of parity with quarterly adjustments. Should this legislation be enacted by April 1 the support level would then be increased to $7.90. The formula for partly adjustment includes allowances for increase in the general index of all prices. Thus projected inflation over the course of the coming year is responsible in large measure for the expected price increases. (H. Rept. 94–54, p. 8–10.)

Amount of added Federal borrowing: $470,000,000.

H.R. 4481

(Emergency Employment Appropriations, 1975 (in Conference).)

The Committee estimates that enactment of this bill will have little overall inflationary impact on the operation of the national economy, given current economic conditions.

However, if the economy recovers faster than projected, then continued spending at the high levels proposed in this bill could generate inflationary pressures.

The bill will cause additional Federal spending totalling $5,931,006,000 and shall create over 900,000 jobs.

Presently, there are serious downturns in the economy and in certain industries throughout the Nation. To the extent that this bill generates economic activity in these areas of the economy and stimulates further economic growth, inflation should not be the result.

The bill does not directly impact on food and fuel, two areas which have had the highest rates of inflation; although, indirectly there will be some impact. The inflationary impact of this will be offset, however, by the real economic growth that this bill produces.

Federal spending by definition is not necessarily inflationary. The inflationary impact only occurs when funds are being spent in areas for which demand exceeds supply. That does not appear to be the case in the instance of this bill. (H. Rept. 94–52, p. 8.)

Amount of added Federal borrowing: $5,931,000,000+.

H.R. 4485

(Emergency Middle-Income Housing Act of 1975 (passed House 3/21/75).)

There can be no question that with the unemployment rate existing in the construction and related industries, with the excess capacity that exists within the construction industry generally, and with the recession both in terms of employment and output that exists throughout the economy in general, that this legislation will in no way have an inflationary impact on prices or costs in the operation of the national economy, unite to the contrary, this legislation, if enacted into law and funded, should, in part, have the effect of moving our economy in those hardest of hit areas from an economic position of substantial recession along the road of economic recovery. (H. Rept. 94–64, p. 9–11.)

Amount of added Federal borrowing: $1,500,000,000.

H.R. 5398

(Emergency Homeowners' Relief Act (passed House 4/14/75).)

H.R. 5398 could have little or no inflationary impact upon the national economy or the homebuilding industry. It would provide loans to enable distressed homeowners to retain their equity in existing assets. Thus, it would not add directly to effective demand for new goods and services, although it would release some funds that might otherwise be used in a desperate attempt by homeowners to retain possession of their homes. The main economic consequences are likely to be:

1. Enabling a number of homeowners to retain ownership of their properties by incurring a new debt;
2. Preventing the destabilization of certain local housing markets, with potentially serious declines in housing values and construction activity;
3. Easing a liquidity squeeze on some lending institutions with substantial holdings of delinquent mortgages. (H. Rept. 94–124, p. 6–7.)

Amount of added Federal borrowing: $500,000,000.

H.R. 5901

Educational Appropriations, 1976 (passed House 4/16/75).

The Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

The total amount recommended in the bill exceeds the budget request by $661 million; however the increase relates to programs and activities which the budget proposes to reduce *below* the anticipated funding level for fiscal year 1975. The recommended increase over the budget occurs primarily in the impact aid and student aid programs (supplemental opportunity grants and direct student loans) where the budget proposes cutbacks or terminations. The Committee's recommendations would not create a demand for additional goods or services, but, in general would merely serve to maintain the present level of output. (H. Rept. 94–142, p. 25.)

Amount of added Federal borrowing: $1,395,056,000.

Grand total: $21,840,056,000 to $22,190,056,000.

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"HARD WORKING CONGRESS"—CHARLS E. WALKER

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, Charls E. Walker is the able and respected former Deputy Secretary of the Treasury.

Dr. Walker is presently author of a periodical, Washington Economic Report.

I believe that Members of the House will read with some interest the following paragraphs from Dr. Walker's report of April 16, 1975, in which he comments on what he describes as a "hard working Congress":

> HARD WORKING CONGRESS
>
> Those observers in press and public who criticize the 94th Congress for its liberal schedule of recesses are off base. For the fact is that Congress has come up with a very impressive list of enacted or near-enacted bills in a relatively short time. This is not to say that all of the legislation is necessarily good legislation, and some already has been—as other bills will be—vetoed by GRF. But, good, bad, or indifferent, the length of the legislative list is impressive.
>
> The passed (or soon-to-be-passed) list of bills includes: (1) A 60-day postponement of the President's administrative action placing a fee on oil imports (vetoed by GRF, but set aside when returned to Congress after the President promised to delay the last two stages of the 3-step increase); (2) A huge anti-recessionary reduction in Federal income taxes on individuals and corporations, almost $25 billion in the aggregate; (3) Legislation to control strip-mining, very similar to that which GRF "pocket-vetoed" last year, but which we believe he'll sign this year; (4) Emergency financial aid to keep the Northeast railroads running, pending Congressional action on the proposal of the United States Railway Association (established in the Regional Rail Reorganization Act of 1973) to revive the rail system in that area; (5) Major agricultural legislation, which might well be vetoed; and (6) Speedy, although largely negative, Congressional actions on Presidential requests for budget rescissions and deferrals to keep the deficit under control.
>
> That's not all. The House Ways and Means Committee is working hard on energy legislation, and some of its new subcommittees (none existed until this year) have set up shop and are moving ahead. Major securities legislation has cleared both the House and Senate Banking Committees. Significant emergency housing bills have cleared the same committees, but their fate is less clear now that the Tax Reduction Act is providing a shot-in-the-arm for housing through a special credit for purchases of new homes. In addition, there is growing optimism that the lower short-term interest rates have led to huge flows of funds back into thrift institutions, the major mortgage lenders, will lead to an early upturn in housing.
>
> As noted above, the speed with which the new House and Senate Budget Committees have organized, staffed, got down to hard work, and issued reports is impressive. And not to be overlooked is the tidal wave of "reform" that swept the House of Representatives as the Democratic Caucus flexed its muscles and overturned three senior committee chairmen. While we are concerned about the ultimate impact of legislating through caucus, we do have to give its leaders high marks for achieving what they set out to do.
>
> Recesses notwithstanding, there has, for good or bad, been plenty of action in Congress. The other side of the coin is that individual members have more frequent opportunities to get back home for an "eyeball-to-eyeball" discussion with their constituents—which, when you come to think of it is not all that bad an idea in a participatory democracy.

INTERNATIONAL WOMEN'S YEAR

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BINGHAM. Mr. Speaker, on January 29, I introduced House Concurrent Resolution 76 in support of International Women's Year. This resolution was introduced in the 93d Congress as well. International Women's Year is now one-quarter over, and Congress has yet to act. This inaction is in sad contrast to the activities of various other governmental entities. Former President Nixon issued a proclamation calling for an intensification of national efforts to advance the status of women, and President Ford has named a Commission to coordinate American programs for International Women's Year. This Commission, known as the National Commission on the Observance of International Women's Year, is studying the effectiveness of existing Government organizations in dealing with women's problems, women in politics, child development, health, violence, the enforcement of antidiscrimination laws, the media in relation to women, and the equal rights amendment.

The Labor Department has begun a special effort to recruit women in six cities across the country for apprenticeships in nontraditional occupations in observation of International Women's Year. The Senate last year amended the Foreign Assistance Act to provide for foreign aid to be administered with particular attention given to programs which integrate women into the national economies of foreign countries. In addition, numerous States, foreign countries, and private citizens' groups are pursuing activities in recognition of International Women's Year.

The year 1975 has been set aside by the United Nations as a year to reevaluate the increasing role of women in society and to upgrade their participation at all levels. Equality, development, and peace are the three themes of International Women's Year. This is a logical linkage, for without equality, adequate progress in economic, social, and political development can never be achieved, and failing such progress, there are diminished chances for peace.

Women still encounter many obstacles as they attempt to exercise their full human rights. The United Nations has been committed to the principle of equality for all people since its founding, but the gulf between acceptance and implementation of this principle by member States remains very wide. Women have yet to achieve equal legal status in various areas. Women are still denied promotion in many fields. The number of women in policy-making positions in all branches of government remains pitifully small. We have laws on the books dealing with sex discrimination; it is time to see that these statutes are enforced. Eradication of discrimination on the grounds of sex is not only a question of human rights and social justice, but it is also essential to development and peace. We can no longer afford the waste of human resources exacted by preventing the integration of women into modern society.

International Women's Year aims at equality, but not without obligation. Men and women must work in partnership, with women accepting responsibilities as well as privileges. In this respect, International Women's Year is a human rights movement, and should be supported by all of us.

I hope the Committee on International Relations will take early and favorable action on this commemorative resolution. Congressional endorsement of International Women's Year can help make 1975 a year for significant advances in the political, social, economic, and cultural positions of women and not just a ceremonial occasion devoid of practical meaning.

AMERICA, OUR HERITAGE

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WINN. Mr. Speaker, at this time, I would like to draw the attention of my colleagues to an essay, "America, Our Heritage," written by Miss Susan Greenbaum, a student at Briarwood School in Shawnee Mission, Kans. Susan's essay was submitted in a statewide PTA Citizenship Essay Contest for fith and sixth graders. I found her essay very timely, and would like to insert it in the RECORD at this time:

> AMERICA—OUR HERITAGE
>
> (By Susan Greenbaum)
>
> "Oh say can you see
> By the dawn's early light
> What so proudly we hailed
> At the twilight's last gleaming . . ."
>
> These were the words of Francis Scott Key as he watched the blazing War of 1812. He was one of many patriots who helped in making our country great.
>
> On July 4, 1976, we will be celebrating the Bicentennial. Columbus discovered America in 1492 but America didn't win independence until 1776. Thomas Jefferson wrote the Declaration of Independence. Just like a person, America is going through the stages of life.
>
> To me, America is like a great big home, with many brothers and sisters, all free to live as they want. Free to practice their own religion, to receive an education, and freedom of speech. This freedom was made possible by many people, contributing to the country in their own way and time
>
> George Washington, Abraham Lincoln, Harriet Tubman, Eleanor Roosevelt were a few of the people who played a part in this country's heritage. Because of many people, I have special privileges—choosing the books I want to read, and to vote when I'm old enough. These things make me realize that the United States truly is "the land of the free, and the home of the brave."

REV. EDWARD C. HERR

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. GUYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: On Tuesday, October 4, 1966, one of this country's finest Christian leaders—Rev. Edward C. Herr, of Lima, Ohio—was the guest minister here in Washington, and gave the prayer for the U.S. House of Representatives.

At that time Reverend Herr was Chairman of the Human Relations Commission. Looking back in the CONGRESSIONAL RECORD, I discovered that his most impressive prayer contained these supplications:

> May we beg Your help, Our Father, for help and guidance in bringing about that peace which the world cannot give.
>
> Knowing that peace must rest in justice and the liberty of all mankind, make us realize that we cannot tolerate some, to remain inferior to others. May Your demands for justice, O God, be turned into mercy, and may You bring mankind back to the peace for which it longs. Amen.

Mr. Speaker, that prayer was given nearly 9 years ago. That same man, now a monsignor in my district, gave another prayer in Lima, Ohio, at an event, prelude to our Nation's 200th birthday.

The event was on April 25 and the occasion was a musical presentation of "George M" given by the senior class of the Lima Central Catholic High School. This most timely curtain-raiser for the beginning observance of our Bicentennial Celebration, was under the direction of Monsignor Herr, who also is principal of the school.

I was struck by the parallel timeliness of both prayers, and want to include in the RECORD, this most recent prayer by this eminent man. The prayer text is as follows:

> Our Father, today we begin in Limaland a celebration of our nation's Bicentennial.
>
> Help us to restore a pride in our nation's history and to strive to right the wrongs which have grown into our established laws, customs, and culture.
>
> Encourage us to resolve to make our God-given rights of Freedom for all to be actually enjoyed not only by the majority but by the minority—many of whom today are impoverished, alienated and misunderstood.
>
> Help us to bring to actuality our country's 200-year boast of equality and justice for all regardless of race, sex, creed, and economic resources.
>
> Help our youth—many of whom are disillusioned and suffering a credibility gap—to realize that the Stars and Stripes is still a Grand Old Flag under which to live, and that it still represents the greatest ideal yet conceived in this, your world. Amen.

In these critical days when the whole world longs for peace and human rights, these words seem most appropriate not only for the people of Limaland, but for our entire Nation as we prepare to celebrate our 200th birthday. It is my personal hope that God will also prepare us for whatever He has prepared for us.

IS KISSINGER OBSOLETE?

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DRINAN. Mr. Speaker, the termination of our torturous 25-year involvement in the affairs of Indochina suggests the need to reassess American objectives and American tactics of foreign policy. An incisive article by Richard Barnet, published in the Boston Globe of April 27, 1975, analyzes recent diplomatic setbacks suffered by the United States in the context of Secretary of State Kissinger's personal approach to foreign policy. Mr. Barnet suggests that the concept of America's proper role in world affairs, which underlies Kissinger's actions as Secretary of State, is both misguided and obsolete. Mr. Barnet goes on to suggest the foundations of a new, more rational American foreign policy for the future.

Richard Barnet is codirector of the Institute for Policy Studies and coauthor of the recent book "Global Reach: The Power of the Multinational Corporations." I commend this illuminating article to all of my colleagues:

> IS KISSINGER OBSOLETE?—HIS DOVE OF PEACE HAS FLOWN THE COOP
>
> (By Richard J. Barnet)
>
> Three years ago, Richard Nixon campaigned for the Presidency on the prestige of diplomatic miracle-worker Henry Kissinger and his proclamation of a "generation of peace."
>
> Today, the vaunted "structure of peace" is a shambles.
>
> "Peace with honor" in Indochina is ending in a rout. Extended shuttle diplomacy has left the Mideast as explosive as ever. The world economy is out of control. The nuclear arms race is at a new and more dangerous stage, with nuclear weapons widely available.
>
> What can we conclude from these setbacks for American policy which have grown to the point where calls are heard for Kissinger to resign?
>
> Foreign policy failures under Kissinger have occurred because of obsolete analysis, obsolete style, and obsolete goals.
>
> They are personal failures for Kissinger simply because he has personified American foreign policy for five years and thus cannot disclaim responsibility for the disasters while accepting praises for the successes. The failures are not his alone; they transcend Henry Kissinger, and we will learn nothing from the present crisis if we do not concentrate our attention on the policies as well as the man.
>
> It is ironic that Kissinger should have failed because of an out-of-date analysis of the world scene, because no American diplomat has revised the official world view so rapidly and so radically. In 1971, Kissinger and Mr. Nixon recognized the Russian revolution of 1917 and the Chinese revolution of 1949. The acceptance of communist regimes over this huge land mass was a major shift of policy. Up to that time, US policy was designed to keep those regimes off balance through external pressure and to bring about internal changes considered desirable for American interests.
>
> Kissinger recognized that the Soviet Union and China were not seedbeds of world revolution, but status quo powers that would give limited support to US objectives if they were incorporated into our "structure of peace," in which they had a "stake."
>
> Indeed, Kissinger saw granting legitimacy to established revolutions in Moscow and Peking as an essential strategy for stamping out revolutionary struggles elsewhere. The detente with Russia and China made it safe to mine the harbor of Haiphong, rain bombs on Hanoi and threaten our Vietnamese adversaries with complete destruction. The new, "businesslike" relationship with the Soviet Union made it possible to develop a "destabilization" campaign in Chile without fear of confrontation with the Russians in the Western hemisphere.
>
> Kissinger revised the traditional American idea that Communism was monolithic and opened the way to exploitation of the Sino-Soviet dispute, which State Dept. and Pentagon die-hards had been unable to assimilate into their ideological model of world politics. Kissinger took a more relaxed view of insurgencies around the globe; in a world of detente, they were easier to contain.
>
> A critical component of the new counterinsurgency strategy was a change in rhetoric. Since the days of John Foster Dulles, the slogan of American foreign policy had been "peace with justice." Kissinger recognized that missionary claims backfire when the public sees regimes in Saigon, Rio, Athens and elsewhere torturing, imprisoning and shooting their own people. He substituted the more modest goal of "stability" and peace for the more grandiose goals of the Lyndon Johnson era.
>
> "Vietnamization," the "Nixon doctrine," and the "low profile" intervention were designed to convince Americans that American supremacy could be maintained at far less cost and less sacrifice than in the days when John Kennedy declared the United States to be "the watchman on the ramparts of world freedom" and Lyndon Johnson proclaimed Americans to be "guardians at the gate." All of these changes brought American policy into closer alignment with the real world.
>
> But in one essential respect the policy was hopelessly obsolete on the day it was put into effect. The Kissinger "structure of peace" assumes that any world problem can be managed if the right five people get together. It is a 19th Century view of world politics based on the assumption that when princes and potentates meet, they can deliver their subjects. Politics thus is simplified because the most obstreperous forces are excluded from the process of settlement.
>
> In Vietnam, the United States refused to negotiate with the North Vietnamese and the Provisional Revolutionary Government for a genuine political settlement and backed up Thieu in his refusal to deal with the forces that had the political and military advantage. Once it became clear that Thieu had ruled out the option of political settlement, it was only a question of time before the PRG, backed by Hanoi, would resort again to force. It was wholly unrealistic to think that a "settlement" that left all the political issues unresolved was "stable."
>
> Just as Kissinger failed to recognize that powerful political forces that have been fighting for 30 years to reorganize Vietnamese society would not accept a sham "peace" based on a status quo, so in the Middle East he tried to simplify the negotiating process by removing the principal problem, in this case the Palestinians. But the heart of the problem is the Palestine Liberation Organization, which at a minimum has the power to upset any settlement arrived at by the sovereign states in the area.

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This is the era of "monkey wrench politics." Terrorism and kidnaping are the weapons of the weak for making their presence felt. Practitioners of the politics of desperation excluded from Kissinger's structure may be unable to change the status quo by force, but they can insure that the status quo will not be pleasant. Kissinger has failed to understand how fragile the international state system is and how deep are the wellsprings of radical nationalism. This is not the comfortable world of Metternich, when a few self-appointed world restorers could cut a deal for the rest of mankind.

Kissinger's style has turned out to be as obsolete as his analysis. His personal diplomacy depended critically upon the liberal use of threat, flattery, puffery, and deception.

The importance of threat in diplomacy is discussed at length in his professorial writings. The Christmas bombing of Hanoi, the bombing of population centers, the invasion of Cambodia, all vigorously supported by Kissinger despite public hints to the contrary, were essential parts of the negotiating "track" part of the offer that could not be refused. Only when the adversary is convinced that the United States has the "will" to use its vast power, Kissinger has said, will he accede to America's demands.

The trouble with this approach, law and morals aside, is that Henry Kissinger does not yet embody the American will. The American people do not appear as ready as he to brandish bombs with the ferocity and regularity necessary to keep the rest of the world in line, possibly because they know instinctively that it can no longer be done.

Threats do work short-term miracles sometimes. But a diplomacy of threat is expressive. It must be paid for in trust, and it is this essential asset that Kissinger has squandered. The Vietnam "peace" and the Mideast negotiations broke down partly because the parties no longer trusted the architect.

The principal credibility problem stems from the basic incompatibility of the Kissinger structure of peace with the democratic process. Modern-day Metternichs can put up with democratic debate and participation no better than could the 19th Century prince.

Secrecy is inherent in this form of diplomacy. Bombing Cambodia or unseating an elected leader and killing him must be done in secret for the simple reason that if such operations were known they might not be permitted.

Diplomatic miracles are best accomplished through shuttle diplomacy in which the various parties are told at different times and places slightly different things. Thus, Kissinger assured Thieu, according to his own account, that the Congress would indefinitely appropriate necessary aid for his tottering government, but neglected to tell Congress at the time that he had made this totally unauthorized commitment in its name. The Kissinger interpretation of the Paris accords appears to be different depending upon whether he is talking to the North Vietnamese, the South Vietnamese or the U.S. Congress.

Such a diplomatic style can produce dazzling results for a short time, but it cannot produce a durable structure of peace. Today, neither the Israelis nor the Egyptians, neither the North Vietnamese nor the South Vietnamese, believe him. Nor do a growing number of those in Congress.

Finally, the fundamental goals of Kissinger's policy are obsolete. Unlike the analysis and the style, which are to a great extent personal creations, his goals are inherited. They are the same objectives that have guided American policy for generations.

The United States—6 percent of the world's population, consumer of 30 percent to 60 percent of its resources—is determined to make the world safe for America as it is. "Security" is defined as maintaining the political status quo around the world, actively suppressing revolutionary change where possible and holding on to the present global economic order. "Stability" is to be achieved by the reckless shipment of billions of dollars of arms to the Saudi Arabians, Iranians, and other pillars of Kissinger's collapsing structure of peace.

The present crisis is not a time for personal recrimination against the American winner who has lost his crown, but the reexamination of our fundamental purposes as a nation. We cannot make the world conform to the American will. The question is whether we can change America so we can live at peace in the new world that is coming into being.

Specifically, we need to change our consumption habits so as to become less dependent upon foreign resources. A less wasteful US economy is a prerequisite for a noninterventionist foreign policy. A noninterventionist foreign policy is a prerequisite for peace. The United States is unable to act as peacekeeper of the world, and our misguided efforts to play that role actually add to the turmoil across the planet while depleting our own society.

We should end all covert action abroad. Assassinating foreign leaders, stealing mail, bugging telephones, organizing strikes, subsidizing newspapers and so forth cannot, in today's world, make the United States stronger, safer, or more respected. Such activities are inherently uncontrollable and should be abolished before they further corrupt our own society. Helping the Lon Nols and the Thieus maintain themselves in power against their own peoples is a losing game, but one the United States continues to play all over the world.

The United States has been consistently on the wrong side in the former colonial world, opposing the forces committed to the structural changes needed for survival in poor countries. The United States should not be on any side, but should welcome any experiment, whatever the guiding ideology, that confronts poverty, illiteracy, mass unemployment and disease in the Third World. We do not have the answers and we should encourage a variety of approaches by making it clear that we will not oppose them.

We can recover our economic health and spirit only by demilitarizing our economy. We have sacrificed the real basis of security—which is the development of a strong American community—for the spurious security of redundant missiles. The fiscal problems of this country are undermining the security of Americans far faster than anything the Russians could do to us, and they can not be solved without major cuts in the military budget.

In a world where reasonably well-educated college students can make an atomic bomb and many countries will have them, the only hope of security is disarmament and the development of an international climate in which everyone has a stake in the structure of peace. But unlike the Kissinger model, that structure will have to be based on justice.

"CORNBREAD, EARL, AND ME"

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. REES. Mr. Speaker, we are all aware that motion pictures "speak" a universal language which contributes greatly to understanding among all people. And in these days of heavy criticism directed against certain types of motion pictures which stress sensationalism and base human values, I wish to bring to the attention of this body a motion picture entitled "Cornbread, Earl, and Me," which deserves great commendation as an outstanding example of the cinematic arts.

Of special attention and merit is the fact that while this motion picture is backgrounded by life in a black ghetto of a large city, it portrays with great human dignity and drama the hopes, the aspirations, and the warm family values of a black community.

Starring in this most entertaining motion picture are such outstanding black artists as Moses Gunn, Rosalind Cash, Bernie Casey, Madge Sinclair, Lawrence Fishburne III, and Stack Pierce. Of additional interest, another star is Keith Wilkes, the former UCLA All-American basketball star who was just voted the National Basketball Association's coveted Rookie of the Year Award for his outstanding play with the professional Golden State Warriors basketball team.

This significant motion picture was produced, written, and directed by two picturemakers of creative talent: Joe Manduke was the producer and director, and Leonard Lamensdorf wrote the compelling screenplay and was the executive producer. American International Pictures, headed by Samuel Z. Arkoff, will release this film May 21 throughout the country.

In my opinion a motion picture should serve the dual purpose of entertaining its audiences and at the same time giving it a worthwhile experience it can remember. "Cornbread, Earl, and Me" is such an experience—and I believe that the example it sets should be an inspiration to other picturemakers in the motion picture industry—and it is deserving of the full support of the Nation's theater owners. "Cornbread, Earl, and Me" is a film which should be seen by the full spectrum of the total American community—men, women, and children of every level of our society. Joe Manduke, Leonard Lamensdorf, and American International Pictures are most deserving of the highest commendation of this legislative body.

KING CAUCUS RULES IN DARKNESS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FRENZEL. Mr. Speaker, the editorial determination that King Caucus needs a large dose of sunshine is growing. Today's Washington Star editorial carries the same message: Open up!

The editorial follows:

REFORM FOR THE REFORMERS

Reformers usually tend to think of reform as something that someone else should do rather than themselves. But members of the Democratic Caucus, the group that pushed so many reforms on the House of Representatives this year, are going to be hard put to ignore requests that it institute a major reform of itself—to wit, that it open its meetings to the public.

Members of the Republican Conference put the Democrats on the spot the other day

by voting to hold their meetings in the open and challenging their Democratic counterparts to do the same. To ascribe the Republican action to a real belief in the public's right to know probably is assigning it a loftier motive than it deserves. The Republicans know full well that their own Conference is a rather weak and ineffectual thing and therefore it probably doesn't matter much whether its meetings are open or closed. On the other hand, the Democratic Caucus has developed into a powerful unit, and the Republicans undoubtedly feel that its power might be diluted if it had to operate in public view, where the votes of individual members could not be hidden.

But whatever the motives of the Republicans were, the fact is that meetings of the Democratic Caucus ought to be open. If the Democratic majority—which really means the House, because of the overwhelming number of Democrats among its membership—is going to be bound by directives from the Caucus or be under pressure to conform to "sense of the Caucus" resolutions, the public has a right to know who voted in the Caucus to set the policies.

It makes little sense to open committee meetings—a reform that was urged upon the House by the Caucus—when the Caucus can, in effect, dictate not only committee but House policy at secret sessions. We might add that a number of Democrats, as well as the Republicans, are bothered by this state of affairs.

If the Democratic reformers are truly dedicated to reform, they will see that Caucus meetings are opened to the sunshine—and the glare—of public view.

YOUR COUNTRY NEEDS YOU - - - TH

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WYLIE. Mr. Speaker, Miss Deborah Bolon, a senior at Dublin High School, Dublin, Ohio, and a constituent of mine, is the recipient of the annual U.S. Government award presented by the Washington-Perry Township Women's Republican Club. I feel the essay which won Miss Bolon the award deserves public dissemination and I recommend it to all as food for thought.

YOUR COUNTRY NEEDS YOU - - - TH

Our country is growing older. The days since our country's birth have numbered and stretched into years. As we near our bicentennial we should reflect on our past years. Who has run our country all of these years? Who were the people who held our political offices? Who were the people who farmed our fields and worked in our factories? It was our young people, our youth. It wasn't a royal family in political control or serfs and servants in the common class. It was the youth of each generation since the signing of the Declaration of Independence who developed their own ideas and applied them to further the advancement of our country socially and politically. In many countries the youth are suppressed in fear that their ideas may prove superior to those of the ruling government and cause an uprise against their rule. Our youth are free to express their ideas; therefore, many ideas have been made public that in other countries might have been suppressed. We have picked from all of the ideas through the years and used the best of them. With young ideas being picked continuously, our country, in a sense, is the essence of youth.

In more recent years, many of our young people have taken it upon themselves to care for their country in different ways. One of the ways they have shown concern is by starting and carrying on many environmental and ecological organizations. Groups that work for the protection of endangered species and the conservation of natural resources show that they care about their country's physical beauty as well as its political aspects. No one wants to see streams of industrial waste and birdless skies of smog. We would like to preserve our young country for our children to see. We couldn't call our country young if it started getting wrinkles around the corners of its eyes.

Other ways our youth have shown that they care for our country is through volunteering their services to charitable organizations. They solicit funds for various associations such as the Heart Fund, The American Cancer Society, and Easter Seals. Some help in campaigns and drives for political candidates. A great many still volunteer in our armed forces even though there is no draft and we are largely at peace. Concern for their country's welfare draws them to these duties and dedication keeps them at their best.

A great future lies ahead for our country if we build for it now. That is where the youth of today comes in. If the youth of today follows in the same direction as the youth of yesterday, our country will achieve even greater success in the world. We need our youth to work on present dangerous problems. Problems that will be detrimental to the world as well as our country if allowed to go unsolved. I feel that our country has done a great deal to improve on problems in pollution and poverty. We still need to put in tremendous effort to vanquish war and bring about world peace before we complete our share. We will need all of the people we can muster to join in the work. The young at heart are needed as well as the physically young. So, come on people! Your country needs you - - - th!

TRIBUTE TO A FRIEND

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HARRINGTON. Mr. Speaker, not too long ago, a young man from my constituency passed away, the victim of leukemia. Andrew N. Trembley was 17 years old, and, as the Boston Globe story said, he had everything to live for. He was a fine baseball player, now his teammates on the Marblehead High School team wear black arm bands as a remembrance to him. The following story, which appeared in the April 23 Marblehead Messenger, only begins to tell of this young man. Written by a close friend, it is a tribute richly deserved.

The text of the article follows:

TRIBUTE TO A FRIEND

(By Ernie Piper)

(NOTE.—The following is written by the former sports editor of The Messenger about his friend, Andrew N. Trembley, 17, 132 Lafayette St. who died last week of leukemia. Editor's Note.)

Standing at the side of the empty hole in the ground at Hamilton Cemetery Monday morning, I was horribly confused. Everything up to that point I had been able to accept—the death of my friend, the wake, the tears, the somber faces and the relating of memories. But that empty hole—deep cold, and starkly real—was not a part of my plans at all. I think at the back of my mind I had fully expected to place the body of Andy Trembley over the hole, cover the coffin with flowers, have the priest say some prayers, and then pick him up again and take him home like nothing had changed.

Unfortunately, we did leave him, and things had changed. Andy Trembley, my friend, had been attacked by a vicious disease and dragged to his death.

Eyes surrounded the grave while the priest talked into the wind—eyes that would not look up, eyes that cried, eyes that flashed with anger, eyes that reflected bitterness, eyes that stared helplessly, eyes swollen and sore with grief, eyes looking away from other eyes.

My eyes smiled. They looked up amidst all this grief and smiled inexplicitly. I suppose I should have felt guilty about my happy feelings, but I didn't because each time I thought of Andy I wanted to smile.

Here was a kid who knew he was going to die, and even though he fought like hell to stay alive, he was willing to accept it. Even though he had had his guts kicked out and his meaningful life cut off, he told me before he died that he had nothing to complain about.

"Look at the kids who were born crippled or retarded," he told some of us one day, "and I've had 17 years of good health and good life. I've got nothing to complain about."

A shy, painfully mature guy who was often misunderstood, Trem, even in his last days when it was difficult for him to write, started to write a letter to the people with whom we stayed in Florida over vacation. ". . . As you might know, I have developed a serious illness, he wrote in a cramped, hurried hand unlike his normally clear, meticulous writing, "and haven't felt quite up to writing, but I had to thank you for your hospitality and kindness . . ."

Am I becoming maudlin when I write of his thoughtfulness, responsibility, and carefully hidden emotions? Maybe. But that won't stop me from smiling. I'm not really all that religious, I don't know what happens after death, so I'm not sure I have all kinds of faith in an afterlife. Maybe he didn't either. But he faced his illness and imminent death with a relaxed candor and fierce courage that I hope I might have some day.

When a plant drops one of its fruits, the fruit dies. It dries up and decomposes and eventually disappears, but it leaves behind thousands of seeds to make new plants. Nature has arranged things so that a fruit must die if it is to leave behind new life.

I hope that the many qualities that made Andy Trembley my friend will take root and grow in those he left behind.

"OF MEN AND WOMEN" AND THE FAIRNESS DOCTRINE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, Dr. John Howard, president of Rockford College which is in my district, has filed a fairness doctrine complaint with the Federal Communications Commission, alleging that the NBC documentary, "Of Men and Women," aired on January 9, 1975, was controversial and that the network failed to make a fair and balanced presentation on issues dealing with sex, marriage, and other men-women relationships. Dr. Howard had originally written a letter to NBC Board Chairman Julian Goodman requesting that the network provide equal time and prominence to a successor show presenting the man-woman relationship in an altogether different frame of reference. Dr. Howard reports that he received a "trite form letter" in response, rejecting his request.

At the heart of Dr. Howard's complaint is the contention that the NBC documentary was presented from an "amoral" frame of reference, "implying that sexual liberation, as that phrase is currently understood, is neither right nor wrong, and that while marriage may be appropriate for those who choose it, it is not preferable to any other sexual liaison." In his letter to the FCC, Dr. Howard calls attention to the fact that—

> Television is an "influential educative force in our society and that current television programming has, I believe, become the greatest single obstacle confronting those parents, churches and educational institutions that try to transmit moral, ethical and spiritual values to the young.

Mr. Speaker, while I did not see the documentary in question, judging from the mail I have received in support of Dr. Howard's position his case would seem to have considerable merit. At this point in the RECORD I insert Dr. Howard's column from the Rockford College Report and his letter to the FCC:

[From the Rockford (Ill.) College Report]

WHERE WE STAND

(By Dr. John A. Howard)

Responding to the extensive advance publicity, I spent three hours on the evening of January 9th watching NBC's Special on the subject of "Women and Men." It was a dreary presentation of scenes and songs, interviews and commentary primarily about sexual liberation as practiced by people ranging from teenagers to senior citizens. It seemed to me that the entire program was presented in an amoral frame of reference, implying that there is no good and no bad, no right and no wrong in sexual matters, and that a lasting marriage may be all right for those who choose to commit themselves to it, but it isn't preferable to any other arrangement.

Toward the end of the show, commentator Tom Snyder said that the program was not simply a reflection of his views and co-commentator Barbara Walters', but had been approved by experts.

My first reaction was "What a total waste of time!" However, the program would not go out of mind. The more I thought about it, the more it seemed to me that anyone who cares about civilized living should not permit such a show to go unchallenged. The fundamental difference between a cluster of barbarians and a humane society is that the citizens of the latter have learned to control their passions and to sacrifice short-term gratifications for long-term goals of greater importance.

It is sufficiently distressing that a large portion of the entertainment offered nowadays on television is off-color, immoral, violent and/or sensational. To go the next step and present such a wholly lopsided view of man-woman relations and claim a quasi-scientific validity for it is going too far. If there is any hope that today's young people will lead a life in the pattern of a stable family with a genuine concern for the upbringing of their children and a commitment to the ideal of marital fidelity, then there must be models for them to observe and follow, and there must be reassurance that the sacrifices made to achieve such a goal bring important satisfactions and fulfillment in life.

The few such models offered on television, for example "The Little House on the Prairie," stand out in lonely isolation like the "house conservative" that some colleges and universities hire "for balance on the faculty." And the impact is about as great.

Well, I wrote a letter to Julian Goodman, NBC's Board Chairman, stating my belief that the Fairness Doctrine obliged his network to provide equal time and equal prominence for a successor show presenting the man-woman relationship in an altogether different frame of reference. You can imagine the trite form letter which came back. Thanks for sending your views. Our Specials always draw both praise and blame. You must be aware how many programs we offer that poses another view, etc.

My letter to Mr. Goodman was reported in the press. I don't think you can imagine the letters that came to me as a result. With one cryptic exception, all of them expressed their concurrence with the hope that NBC would provide another show. Coming from clergymen and laborers, housewives and corporate executives, there was a common theme of frustration that television is pouring a stream of unwanted tasteless programming into their homes. Parents who set some standards of decency are placed in an eternal conflict with their children about television viewing. One person said his living room had been hijacked. Many people feel helpless, victimized by television programming, and don't know what to do about it.

I doubt if anyone begins to understand the level of frustration which is building up.

A friend has made inquiry of a former member of the Federal Communications Commission, and has reported that the Fairness Doctrine does apply to general issues as well as to political matters. Certainly we have enough to do without prolonging this tilt with a windmill. However, the inexorable power of television to demoralize and corrupt the people is perhaps the most difficult obstacle which faces parents and churches and colleges that aspire to transmit high moral and ethical standards to the young. I do not think conscientious citizens can remain inactive while this baleful influence multiplies itself.

ROCKFORD COLLEGE,
Rockford, Ill., March 7, 1975.

Mr. VINCENT MULLINS,
Secretary, Federal Communications Commission, Washington, D.C.

DEAR MR. MULLINS: I wish to register a formal Fairness Doctrine complaint against the National Broadcasting Company television network. On January 9, 1975, NBC broadcast a program entitled "Of Men and Women", devoted to the relationships between the sexes, concentrating heavily on the sexual aspects of those relationships. The entire frame of reference in which the subject matter was treated was an amoral one, implying that sexual liberation, as that phrase is currently understood, is neither right nor wrong, and that while marriage may be appropriate for those who choose it, it is not preferable to any other sexual liaison.

This subject matter falls clearly into a highly controversial and critical important social issue. It should be noted that the title is a neutral one. I do not recall that the advance publicity identified the program as a presentation of sexual liberation or avant garde thinking about sexual relationships. Despite the fact that the subject matter was controversial, the program included no evident attempt to provide balancing viewpoints.

In my view, the extent of the program's promotion, the extraordinary pre-emption of three consecutive hours of prime viewing time, and the quasi-educational format concluding with an assertion that the content of the show had been approved by experts, place this show in a unique category which has not been and cannot be properly offset by occasional interviews and entertainment programs which give voice to some opposing views. Indeed, it has been reported that the January 9 show attracted the largest viewing audience among television documentaries.

I suggest that the Fairness Doctrine was enacted to apply to such a situation, and that under the Doctrine, NBC has an obligation to provide a successor program utilizing prime viewing time to attend to the man-woman relationship within a moral frame of reference.

It is understandable that the television industry has many considerations to take into account in determining the nature of its programming, but the time is upon us when one particular consideration, which has not seemed to be of much concern to the industry, must be brought into proper perspective and be given the attention it deserves.

There is a popular supposition that whst people read and encounter in the various informational and entertainment media has little effect upon their views and their conduct. That is simply not true. Irving Kristol makes the point in an essay, published in the recent anthology entitled, *Where Do You Draw The Line?*

"After all, if you believe that no one was ever corrupted by a book, you have also to believe that no one was ever improved by a book (or a play or a movie). You have to believe, in other words, that all art is morally trivial and that, consequently, all education is morally irrelevant. No one, not even a university professor, really believes that."

Education does have consequences, and education is not confined to formal programs of study. It has been suggested that television has surpassed parents, schools and churches as the most influential educative force in our society. That conjecture may well be true. Even if television has not yet reached that degree of influence, current television programming has, I believe, become the greatest single obstacle confronting those parents, churches and educational institutions that try to transmit moral, ethical and spiritual values to the young.

The primary difference between a cluster of barbarians and a civilized society is that the individuals in the former group are governed by their impulses and their passions, whereas the individuals in the latter group are restrained in their conduct, foregoing short-term gratification for more important long-term objectives. Man is not inclined by nature to refrain from responding to impulse. It is only through a combination of many helpful forces which include public laws, moral and ethical codes, religious precepts, social pressure and trained consciences that the fabric of civilized living can be protected.

The young need to encounter admirable examples of people who live in a civilized fashion if they are going to live civilized and fulfilling lives of their own. Such models may be real people, living or dead, and they may also be fictional characters in books, films and television.

The examples presented in the three hours on January 9 seemed to illustrate Oscar Wilde's dictum that the best way to get rid of temptation is to yield to it. That is not the formula for anything but frustration and unhappiness. It is true that there is a significant number of people enthusiastic about sexual liberation, and the number seems to be growing. It is likely that that number is increasing in part as a result of the general character of the programs presented nowadays on television. To the extent that conjecture is correct, any attempt to justify the presentation of a one-sided view of sexual mores on the basis of a growing audience sympathetic to that view would be a self-serving evasion of the issues here presented.

I formally request the members of the Federal Communications Commission to

ponder the probable consequences for society of the January 9 program, in the hope that the Commissioners will judge that the NBC television network has an obligation to present a successor program oriented toward contrary views and given equal prominence.

The enclosed copies of correspondence will make it clear that NBC has been directly solicited for such a program and has denied the request. In the letter of response, NBC refers to other programs which presumably provide "balance." I obviously have no way to review these programs to confirm or disprove NBC's assertion. I am aware of no program which had a comparable impact with regard to quantity of advance publicity and dedication of prime time. The correspondence will also make it clear that I am not asking to be involved in the preparation or presentation of the balancing program.

Thus, I respectfully request the Commission to investigate the NBC television special, "Of Men and Women" and other programs proffered by NBC, to determine in fact whether the network's presentation of this important controversial issue has indeed been fair and balanced.

If it would be helpful for the Commission to have a list of responsible scholars who might be called on to supplement the arguments presented in this complaint, I would be glad to supply such a list.

Sincerely yours,
JOHN A. HOWARD,
President.

CLEVELAND JEWELER LARRY ROBINSON—BUSINESS AND CIVIC LEADER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. STOKES. Mr. Speaker, I would like to acquaint my colleagues with the unique success story of one of Cleveland's most prominent and most respected businessmen, Mr. Larry Robinson. President of the 14-store J. B. Robinson Co., Mr. Robinson heads Ohio's largest jewelry chain. Just 2 years ago there were only six J. B. Robinson stores. Today there are 14 with another 10 planned. Larry Robinson has achieved this overwhelming success through a combination of product, price, and marketing savvy that has won the admiration of the entire business community as well as the appreciation of the general public who benefit from Robinson's low-profit philosophy.

Larry Robinson learned how to build his remarkable jewelry empire during his days as a teacher and researcher at Harvard Graduate School of Business, where he earned his doctorate in retailing. He has combined this excellent training with a sense of civic pride and civic responsibility to become more than a great businessman, but also one of our town's most enthusiastic supporters and an untiring worker for the benefit of the community.

To further acquaint my colleagues with his remarkable story, I submit this article about Larry Robinson from a recent issue of "Jeweler's Circular Keystone."

The article follows:

MR. ROBINSON TILLS A PEOPLE GARDEN

"People Power" is alive and well at J. B. Robinson Company. Owner Larry Robinson calls it the secret weapon that pushed his Cleveland-based jewelery chain from 3 to 13 stores in less than four years.

People Power starts with the traditional suggestion box, which produces a welter of ideas for streamlining and strengthening the still growing firm. Even the newest employe has a regular chance to offer suggestions for improving the company's operation.

Robinson explains how the unique suggestion system works:

"Once every few weeks a representative from each store comes to Cleveland for a policy development session, in which everyone gives his views on what the company should be doing.

"We rotate the attendees. One session it will be the managers; the next, assistant managers. Then, we'll invite other people with high potential and, next, a group of our newest people.

"We freely solicit recommendations and we get them," he explained. "The result is an average of 20 excellent suggestions per meeting which are put into effect within two weeks.

"We operate on a highly democratic basis. Every one of our 150 employes has a role similar to that of an owner," Robinson told JC–K.

SUGGESTIONS GET ACTION

A typical sampling of the suggestions and their disposition was contained in a recent two-page report entitled "Suggestions Follow-Up."

Suggestion: "Use shadow box displays in new stores." Disposition: "Conveyed to our designer. He will do."

Suggestion: "Provide monthly store sales quotas sooner." Disposition: "Fine. Will be out at least a week earlier."

Suggestion: "Central bookkeeping for Columbus stores." Disposition: "Columbus stores should experiment and decide."

Suggestion: "Revise invoice handling system." Disposition: "Being prepared."

Suggestion: "Order men's medallions and bracelets." Disposition: "Now coming in."

Robinson carries the employe suggestion system beyond the regularly scheduled meetings. Each manager's *daily* report form carries space for him to make recommendations. And every week, the dark-haired president gets a "Dear Larry" letter from each employe spelling out what merchandise he or she would like to see stocked as well as other suggestions.

BUILDING STAFF LOYALTY

Robinson knows a strong and loyal staff will be vital to the firm's future growth. He'll open three more stores this fall and is negotiating leases for several more to open early in '75. "Our plans call for doubling our size within the next three years," he says confidently.

So Robinson sees to it that his success also provides incredible financial and advancement opportunities for dozens of aggressive employes. "One young man advanced from stock boy to vice president in just a few years," Robinson told JC–K. "And it will happen over and over again in the coming years." The 44-year-old owner boasts proudly that his top management team includes one 27-year-old vice president and another barely 30.

"Some of our people have very deservedly tripled their incomes in the last four years," Robinson smiles. "We're so grateful and appreciative for the performance of our people that we have given them virtually every fringe benefit available, including free life insurance, health and accident income maintenance, profit sharing and pension plans."

Robinson points out that, with the combination of high salaries, strong fringe benefits and rapid promotions, "turnover is virtually non-existent.

"We now have a steady stream of people beating a path to our doorstep wanting to join our company," Robinson beams. "They want the opportunity for rapid advancement with and in a management team that genuinely works together."

TRAINING FOR THE FUTURE

Wherever Robinson expands, he will always have a strong nucleus of highly trained executives and sales personnel ready to man his tastefully decorated jewelry establishments.

Calling upon his days as a teacher and researcher at the Harvard Graduate School of Business, where he obtained his doctorate in retailing, Robinson has instituted what must be one of the most aggressive training programs of any firm in the jewelry business.

Robinson offers any employe with the interest and stamina his own Certified Jeweler's Program which leads to a diploma. And those who complete the course, rightly deserve the title.

The diamond portion of the course, for example, goes deeply into all aspects of diamond grading, the geological history of diamonds, diamond mining and diamond distribution. Employe students gain far more than a glib explanation of the four "Cs."

Similar courses are given in precious metals, colored stones and watches. Besides the months of classroom training on company time, individual home reading and study programs are recommended. Finally, the student faces a battery of written examinations as well as an intensive oral exam by a board of top J. B. Robinson employes.

But whether they enroll in the Certified Jeweler's program or not, virtually every Robinson employe spends almost five hours per week in some form of training session.

Some of the classes are held in the stores; others in classrooms at Cleveland State University, where Robinson, himself, takes to the lectern. Employes gain a working knowledge of:

The technology of diamonds, colored stones, precious metals and watches.

Ways of pleasing customers and understanding what they want.

Company organization and policy.

The training program makes heavy use of role playing, in which employes act out various situations that can and do arise in jewelry store operations. A series of jewelry store case histories written by Robinson, is also studied and discussed. Training with video tape will begin soon.

The managers also study human relations, administrative problems, accounting and finance. Moreover, managers and other executives meet weekly for lunch and spend four or five hours discussing general and specific company problems and goals.

Robinson also has a training program for jewelry artisans. Trainees work with master jewelers as apprentices, then are assigned to a store. That way, Robinson can offer custom design as well as an immense selection of finished goods. "Whatever the customer wants, we can supply it."

It's also apparent that whenever Larry Robinson wants to open another store—which is pretty often these days—he's got trained and eager staff ready to move in and take over.

He grows his own.

TAX CREDITS AND ALLOWANCES ACT OF 1975

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CORNELL. Mr. Speaker, the Tax Credits and Allowances Act of 1975, which I have introduced to replace aid

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to families with dependent children—AFDC—and food stamps, and to aid persons now excluded from Federal cash aid, is designed to make work both profitable and necessary. It seeks to build upon earnings and other private income, not to substitute for them. Hence, its income guarantee levels are below the poverty line, yet it does not cut off eligibility when wages reach the poverty line.

The bill provides Federal income floors of $4,300 yearly for a two-parent family of four, $3,775 for a single-parent family of four—compared with the Census Bureau's 1974 poverty index of $5,040 for a nonfarm family of four; $3,100 for a married couple, and $1,100 for a single adult. In each case these figures include a $225 per person rebatable tax credit, which would be available to all Americans, rich and poor. The balance of the income guarantee is a cash grant for the poor only, known as ABLE—allowance for basic living expenses. Both the tax credit and the ABLE grants would be administered by the Internal Revenue Service.

Although the measure would not guarantee families and individuals against poverty, nor assure anyone an "adequate" income, its income supplements would enable most persons and families with low earnings to escape from poverty. This is because ABLE grants, in order to encourage self-help, would be reduced only fractionally by earnings, by 50 percent of each earned dollar, net of social security payroll taxes—by 47 percent of each gross earned dollar subject to payroll taxes. As a result, virtually all two-parent families of four with gross earnings under $7,230 per year would be eligible for ABLE cash grants to supplement their wages, as would single-parent families of four with gross earnings below $6,115 and single adults with earnings below $2,970.

The tax credit-ABLE plan evolved from the comprehensive 3-year study of public welfare conducted by the Subcommittee on Fiscal Policy of the Joint Economic Committee under direction of former Representative Martha W. Griffiths. It is tailored, point by point, to eliminate or minimize the defects documented by that study, including work disincentives of the overall welfare "system," penalties for family stability, inequities of coverage and benefits, and administrative chaos.

The committee study found that national average AFDC, food stamp benefits, and housing benefits potentially available to a nonworking welfare mother with three children exceeded median women's wages by about 10 percent. It found that by going to work full time, most jobless mothers of three who received both AFDC cash and food stamps could increase their family's discretionary income by no more than 25 cents per wage dollar. Cuts in the AFDC grant and the food stamp bonus, plus taxes and work expenses, would consume 75 cents per dollar. In contrast, the ABLE beneficiary will gain 47 cents, less expenses, per earned dollar—and a special earnings deduction will help to offset expenses of working single parents and of two-earner ABLE families.

The Census Bureau has reported that in 1973, 62 percent of the Nation's poor families had some earnings. If the Tax Credits and Allowances Act had been in operation then, virtually all of these 2,987,000 working poor families would have been freed from poverty.

LOCAL GOVERNMENTS CONSIDER REFUGEE AID NEEDS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of California. Mr. Speaker, local government officials of the State, counties, and cities in California are getting concerned about what the Federal Government is going to do regarding the costs of helping the Vietnamese immigrants.

They all express a humanitarian concern for the people, but point out that the cost of supporting the program should not be saddled on the backs of local taxpayers—that it is the responsibility of the Federal Government.

I am attaching a letter from Mr. Joe Pollard, legislative consultant for the Los Angeles County Board of Supervisors making some early suggestions as to what Federal legislation should be enacted on the refugee program.

The letter follows:

BOARD OF SUPERVISORS,
COUNTY OF LOS ANGELES,
Washington, D.C., May 2, 1975.

Hon. GLENN ANDERSON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: As you requested attached you will find some suggested recommendations in regard to the Vietnamese Refugee Program legislation.

I hope you will be able to pass this legislation. We feel it will be urgently needed.

Sincerely,

JOSEPH M. POLLARD,
Legislative Consultant.

The following list contains our "off the top of our heads thoughts" as to what federal legislation should provide for in regard to the Vietnamese Refugee Program:

(1) Vietnamese family groups should be aided at the standard of assistance established for AFDC recipients.

(2) Adult refugees without children should be aided at the standard of assistance established for SSI/SSP recipients.

(3) The Repatriate Program should be funded to provide assistance to American repatriates returning from Viet Nam.

(4) Federal funds should be provided to cover 100% of the aid costs of the program.

(5) All administrative costs should be directly charged to the Vietnamese Refugee Program and be 100% federal funds.

(6) The total costs of any social services provided Vietnamese Refugees should be charged against the Vietnamese Refugee Program.

(a) The types of services to be provided should not be limited.

(b) There should be provisions for training the refugees, especially in English.

(7) The funds provided for the program should not be set up as a closed-end appropriation.

(8) Federal funds should be provided for emergency housing, food, clothing, medical needs, etc.

(9) Federal funds should be provided for relocating Vietnamese refugees if they wish to leave the area.

(10) If the counties cannot directly charge administrative costs to the Vietnamese Refugee Program, it should be spelled out that they are allowed to allocate overhead costs.

(11) There should be a hold harmless clause included so that counties cannot be claim cut if they, in good faith, aid a person who subsequently proves not to be a bona fide Vietnamese Refugee.

(12) Counties should be allowed to utilize Eligibility Workers or whatever staff they feel necessary to administer the program and the costs of this staff as well as support staff should be fully chargeable to the Vietnamese Refugee Program.

(13) The counties should be allowed to determine the appropriate caseload size based on experience. The caseload size should not be arbitrarily dictated by the Federal Government.

If this is not acceptable, the caseload size should definitely not exceed that established for the AFDC Program.

(14) Counties should be allowed to establish job training or job search requirements based on the local economic situation.

(15) Any special training required by staff working with the Vietnamese Refugee Program should be fully reimbursed from the Vietnamese Refugee fund.

(16) Any corollary costs of the program such as interpreters should be fully reimbursed from the Vietnamese Refugee fund.

(17) More resettlement areas should be established, but no more than one should be established in any given state.

(18) Vietnamese professionals such as physicians, etc., should be allowed to take professional examinations in their own language and if they pass, they should be licensed and allowed to practice in the United States.

(19) Funds should be provided to build additional housing for the Vietnamese Refugees.

(20) Perhaps W.P.A. type programs should be established for the refugees.

BILL TO PERMIT LEAD SHOT FOR HUNTING

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FINDLEY. Mr. Speaker, the U.S. Fish and Wildlife Service, Department of the Interior, has been considering for some time a ban on the use of lead shot in the hunting of migratory waterfowl. The Fish and Wildlife Service contends that lead shot from shotshells fired over waters where ducks feed is ingested by bottom feeding ducks and that lead poisoning and death of the ducks is the usual result. The Service proposed a ban on lead shot and issued a draft environmental statement as required by law in preparation for the banning of lead shot.

My study confirms that there is, indeed, a serious problem for our waterfowl in the use of lead shot in some heavily hunted areas of the Nation. Study of lead poisoning is insufficient to warrant an immediate ban on lead shot. Some of the evidence cited by the Service dates back 35 years. Later studies appear to be based on limited findings in limited areas of the United States.

Possible toxic side effects of substitute shot metals are not reported fully. And, most importantly, the effectiveness and efficiency of lead substitute shot over lead shot remain as nagging doubts about the wisdom of a lead shot ban. Lead is the most effective and efficient shot metal for waterfowl hunting. There can be no doubt about this point.

Yet the Fish and Wildlife Service, in its belief that lead poisoning in ducks is a national crisis, would ban lead shot. It would substitute steel shot which, by all tests available to date, cripples ducks to the extent that more ducks would be lost than if lead shot were used. The Service noted in a 1973 viewpoint that steel shot was "about as effective in bagging ducks as the lead shot loads commonly used by duck hunters" but that "at longer ranges (over 40 yards), it (steel shot) will be less effective." As if to remedy this admission, the Service report continues that, therefore, "the shotgun is, and should be treated as a short-range weapon." Yet as most duck hunters along the Illinois and Mississippi Rivers know, a great percentage of ducks are bagged at ranges greater than that suggested by the Fish and Wildlife Service.

It is clear that ingestion of lead shot by ducks is a problem. There is doubt, however, that the problem is nationwide or even fly-way wide. It is clear that steel shot is less effective and efficient when compared to lead shot. There is great doubt that the wholesale forced substitution of steel shot for lead shot will accomplish any saving of waterfowl life.

Indeed, the imposition of the proposed ban might easily be counterproductive to saving waterfowl and be another example of unwise, unjust, and costly governmental overreaction to a problem that can be solved through adequate research and development.

The Fish and Wildlife Service, recognizing the defects in its intended ban, has commissioned the Illinois Natural History Survey in 1975 to conduct an expanded toxicity study of combined lead-iron—sintered—shot. Such a combination intended to achieve more efficiency than the steel-only shot, but not the toxicity of lead-only shot. The Service has stated that the results will be known by late spring and implies that it will act in imposing a ban on lead shot when the data is obtained.

It is unreasonable to assume that such short-term limited studies can point to permanent solutions. And, it is unreasonable for the Service to seek a nationwide ban on lead shot when its use may be a problem only in certain areas of the Nation.

For these reasons, I am today introducing legislation which will prevent the U.S. Fish and Wildlife Service from imposing a lead-shot ban before July 1, 1977. By that time, adequate testing of lead-shot substitutes will have been completed and the technology developed to produce an adequate lead-shot substitute. Further, it is hoped that the Fish and Wildlife Service will have studied the lead poisoning problem sufficiently to determine the problem areas in the Nation, and will be able to apply remedies to the affected areas and not nationwide in an indiscriminate manner.

This seems a far more reasonable approach. Text of bill follows:

H.R. 6664

To prohibit the banning of lead shot for hunting

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior or any other officer or employee of the United States is hereby expressly prohibited, at anytime prior to July 1, 1977, from issuing, promulgating, publishing, or carrying out any order banning the use of lead shot for the otherwise lawful hunting of waterfowl.

U.S. AID WASTED ON INDIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ASHBROOK. Mr. Speaker, American taxpayers cannot understand why the United States treats India so generously. We continue to pour billions of dollars and tons of food into that nation. For our money we get no gratitude and few results.

Since 1951 the United States has given India about $8 billion. Yet, in the words of syndicated columnist Henry J. Taylor, Indian leader Indira Gandhi "shrugs off our American taxpayers' vast aid to India as if it were a cigar butt to be kicked around on the floor."

Gandhi and other government officials seem to take delight in heaping abuse on the United States. Strident anti-American comments abound. Typical is India's reaction to the Communist conquest of Cambodia and South Vietnam. The Indian Foreign Minister hailed the American setback as "a gratifying vindication" of India's foreign policy.

Also typical is Gandhi's statement that she could not lift the nation's state of emergency, which allows the government to detain labor agitators, students, and dissidents for months without trial. Why? Because India was facing a threat from the sea, a reference to the proposed U.S. naval base in Diego Garcia, an archipelago in the Indian Ocean. Can anyone really believe that the United States poses a military threat to India?

Not only has our $8 billion gone unappreciated, it has produced few results. Taylor points out that—

> India's economy remains in collapse. Nothing, but nothing America's taxpayers have done can get it moving. It's like trying to push a truck uphill with a rope . . . In the 28 years since India's independence, India has been stricken by more poverty, disease and despair than ever before in its history. And the chief reason is the corrupt and unproductive rule of India's politicians, including Mrs. Gandhi.

Mr. Speaker, it is time to end this foreign aid giveaway. U.S. aid is wasted on India.

Following is the text of Taylor's article which appeared in the April 2 edition of the Columbus Citizen-Journal:

INDIA'S SINS OPEN DOOR TO COMMUNISM

(By Henry J. Taylor)

The American ambassador to India, William B. Saxbe, correctly stated in New Delhi: "Good relations must be two-way. After 27 years of American efforts, the gap is still there."

He is dealing with an impossible prime minister, Indira Gandhi. Mrs. Gandhi is said to start her day by standing on her head, yoga-fashion, and Ambassador Saxbe is sure to find that the impossible lady views the United States from this position the rest of the day.

India's leader is one of those tiresome, self-righteous people who give you moral lectures at the drop of a hat. Morality? What Mrs. Gandhi says is one thing, what she means is another and what she does is a third.

Mrs. Gandhi gave her Congress Party its spinning-wheel symbol. She said she did this "to stress the importance of simplicity and love." Yet she shrugs off our American taxpayers' vast aid to India as if it were a cigar butt to be kicked around on the floor. The last time I talked with Mrs. Gandhi was at a White House dinner given in her honor. She did so even then. And India's ambassador T. N. Kaul echoes this arrogance and effrontery in Washington.

We suffering American taxpayers have given a colossal $8 billion absolutely free to India since 1951 and a total $10 billion to date. In fact, we have given more aid to India than to any nation in the world. Actually, we've given nearly as much as we spent on the Marshall Plan which saved Western Europe.

Yet India's economy remains in collapse. Nothing, but nothing America's taxpayers have done can get it moving. It's like trying to push a truck uphill with a rope.

Ambassador Saxbe could no more get Mrs. Gandhi to admit it than get her to eat an Eskimo's boot, but an estimated 70 per cent of the population remains illiterate—so illiterate that Mrs. Gandhi's own Congress Party stations sacred cows at the polling places to show voters that a pair of yoken bullocks is the party's marker.

Since 1954 we have spent $12 billion on our "Food for Peace" program alone—immense amounts going to India. An estimated 80 per cent of the children there suffer from malnutrition, yet India's own food production has declined.

The decline is clearly due to Indian government's cut in the agricultural portion of India's national budget—along with incredibly poor planning.

India's fertilizer plants are running at less than 60 percent of capacity. The country is blessed with some of the world's largest salt deposits. Yet India imports much salt from Michigan. Grain surpluses bless some regions. Yet these surpluses are not relieving famine in other regions, because of immense snafus in India's distributing system.

The poverty is unbelievable. Yet on May 18, 1974, India test-fired underground in the Rajasthan desert, west of New Delhi, its first atomic explosion.

Despite all the ghastly poverty and human suffering, Mrs. Gandhi authorized $173 million for this—another indication of how much the big Indian cares for the little Indian in India. And Ambassador Saxbe learned that Mrs. Gandhi intends to spend an additional $315 million on nuclear developments in the coming four years.

Mrs. Gandhi claims that India doesn't intend to develop nuclear weapons but it is obvious that the United States and the rest of the world does not believe her.

India fought three wars against Pakistan in 27 years. In the 1971 war India dismembered Pakistan and then recognized Bangladesh (East Pakistan) as a separate nation. India did not even release the 93,000 Pakistani prisoners until August 1973. India brutally invaded Gao and still holds it.

And so it goes in this country where Mrs. Gandhi hypocritically preaches "love." Violence and death are commonplace. Revolution now lives in the coffee houses. In the 28 years since India's independence, India has been stricken by more poverty, disease and despair than ever before in its history. And the chief reason is the corrupt and unproductive rule of India's politicians, including Mrs. Gandhi.

Their sins have brought communism to the doorstep of the entire nation.

"LET'S DISARM THE CRIMINAL"

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I again insert into the CONGRESSIONAL RECORD remarks of a distinguished American law enforcement officer, the Honorable Johannes F. Spreen, sheriff of Oakland County, regarding lawlessness, crime and criminal firearms misuse. The remarks were made by Sheriff Spreen before the Michigan State Senate Judiciary Committee in Lansing on March 12, 1975.

It is hoped that in this time of great concern over crime and criminal wrongdoing now abounding in our land those concerned with the proper answer to this desperate problem will read and give careful and sympathetic consideration to the thoughts of the distinguished American who urges punishment of criminals as opposed to stripping law-abiding citizens of their firearms.

In its consideration of legislation on matters of this sort the Congress must certainly heed the thoughts of responsible and concerned citizens like Sheriff Spreen if we are to come forward with an appropriate and intelligent response to the problems besetting this Nation. Sheriff Spreen's statement follows:

LET'S DISARM THE CRIMINAL

Good morning! I'm happy to have the opportunity to address this honorable assembly on the subject of gun control legislation.

In 1938 J. Edgar Hoover spoke to the Detroit Economic Club. His subject was "Lawlessness as a National Menace." A few days ago, Clarence Kelley, the current director of the F.B.I. addressed the same body on that very same topic, asking the question, "Can Crime Be Conquered?" Sad, isn't it, that after 37 years the problem still exists, but to an even greater degree? Something MUST be done, and NOW, so that 37 years from now in the year 2012, we will not be asking, "Can crime be conquered?"

I speak to you today not only as a county sheriff but as a police educator, with 37 years of police study and experience, having opened my first police textbooks the same year J. Edgar Hoover was in Detroit.

Citizens are being murdered daily in their own homes and businesses and on the streets and police who respond to aid them are laying their lives on the line constantly.

I have seen the distressing toll in robberies, burglaries, rapes . . . citizens frightened and killed . . . policemen hurt and shot. I have had the heart-breaking experience over and over again of attending their funerals. In the past ten years alone a thousand law enforcement officers have been killed, and 70 percent by individuals using handguns. The fact is that policemen walk and work on the fingertips of death.

There is no reason why this massacre—this uneven battle—should continue.

The time for action is now.

Four years ago in May, 1971, I wrote a newspaper column calling for an additional jail sentence for the carrying of a gun when it is used in the commission of certain crimes. I recommended five years mandated by law with NO probation, NO parole, NO early release, and NO good time.

I believe the judiciary of Michigan still should have discretion over punishment for the crime itself, but no discretion on the charge of using a gun to commit it, if he is convicted by a jury of his peers. I believe these "peers" are sick and tired of this nonsense.

We must do something about handgun control, but there is a vital difference between gun control and gun prohibition. We do not want to make criminals out of people who buy or have guns out of fear to protect their loved ones, themselves, or their homes. We are not going to accomplish anything by trying to ban all handguns, since gun prohibition will not get the gun away from the criminal.

Some persons are supporting a drive to prohibit bullets. Their slogan, "You need a bullet like you need a hole in the head," is commendable, but naive. I assure you that the potential killer, killer-burglar, killer-robber, killer-rapist will have his gun and get the bullets, too!

We know that police cannot protect every person in his own home. We do not have the money or the manpower. We are losing the battle in the streets. Yet, we must do something—something better than we have done in the past.

Let us start by getting at the real problem. Let us get at the criminal who brings and uses a gun when he commits a crime. This is gun control. Later, we can address the problem of too many handguns possessed by too many citizens. That problem may alleviate itself, if we solve the other problem first.

We need to punish the criminal, not the law-abiding citizen. There is a difference between a person who buys a gun to protect his loved ones and someone who is out to commit a crime with an instrument of death.

Certainly, the bum who uses a gun should not be allowed to thumb his nose at society. Let us remove these potential killers from the scene. If a five-year term went into effect, they would go away to prison say on July 4, 1976, and know that they would not be out again until July 4, 1981. Maybe, then, our good citizens on our nation's 200th anniversary will have a little freedom to pursue their happiness in these United States of America.

And if these hoodlums are convicted a second time of using a gun in the commission of these crimes, the mandatory sentence should be doubled or tripled. The third time we should throw away the key!

Just recently several state legislators have proposed a two-year mandatory sentence for the use of a gun in a felony. While I still would like to see a stiffer sentence (five years), I definitely support their proposal. It would be good for Michigan to lead the nation with such enlightened legislation. We should congratulate their efforts.

The criminals, no doubt, always will be able to get a gun, and of course, the bullets for it, but if this legislation is passed, they will think twice before bringing a loaded gun with them when they go out to rob, burgle, and rape.

The "professional" burglar of old would never have brought a gun with him. He had a "certain pride in his craft." He wasn't a mean killer. But who do we have committing these crimes today? About three-fourths are recidivists—a small core who are committing the majority of the crimes over and over again. And half of all serious crimes are committed by kids. Far more than half are drug addicts who are hopped up. Most of all, these people use guns. A gun should not be in such hands—hands which represent people who could care less, or are immature or are crazed, hopped up by drugs, and whose fingertips could snuff out the life of a citizen or policeman.

The smart criminal is one who is "jail smart." He wheels and deals, delaying and adjourning the trial, using and abusing our criminal justice system, while the victim lies in the hospital or the morgue.

Let's stop playing games! Or if we MUST play games, let's change some of the rules.

We citizens must get smart now, so that we leave our children a better day 37 years from now.

I would be remiss, if I did not lend my voice in support of these good legislative proposals. Let's send out a strong message to the bums and punks, and potential killers everywhere, and put some fear into their hearts. Let us save our good citizens and save our police.

Let's do it NOW, HERE in Michigan!

Honorable Senators, I have spoken before you today for myself and also for the Oakland County Sheriff's Department. In addition I bring a letter of endorsement for the Bill from the South Oakland Chiefs of Police and I believe that there is not a police chief or a sheriff in this country who would not agree that something must be done about the use of guns while committing a crime.

Let us leave a better legacy for the future . . . Let us show that the law can work for society . . . Let us show that society can work the law. And Michigan can lead the way.

Let us leave the gun-carrying burglar, robber, and rapist to his "peers" on the jury. Let him know that if he "does the crime, he'll do the time."

Thank you.

VVAW/WSO: REVOLUTIONARY INFIGHTING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. McDONALD of Georgia. Mr. Speaker, although the Vietnam Veterans Against the War-Winter Soldier Organization—VVAW/WSO—was formed by the Communist Party, U.S.A. as an offshoot of its Veterans for Peace front, VVAW/WSO quickly attracted a melange of anarchists, ad hoc Marxist-Leninists, and alienated New Left revolutionaries who were united primarily by their hatred of all things American.

Involved in many violent street confrontations with police during "peace" demonstrations, in which VVAW members often acted as "goon squads" for the antiwar activists, VVAW/WSO became a target for colonization by the Maoist Communist Revolutionary Union during 1973. Early in 1974, the disciplined RU cadres effected a takeover of the VVAW/WSO national office and many regional chapters.

Faction fighting has now surfaced among the radical veterans. In California, an antirevolutionary union faction has expelled the entire membership of the northern California chapters and of one southern California chapter. The anti-RU group also fired Jeanne Friedman, the regional coordinator, and "laid out a process by which northern California people—with the exception of the leadership—could 'join' VVAW/WSO after a 'trial period.' "

Despite strident appeals for help from the Anti-Imperialist Caucus, as the expelled RU faction is called, the VVAW/WSO national office has been unable to provide any assistance.

In a general appeal to the national VVAW/WSO membership for help, Ms. Friedman protested:

> It amounts to 5 chapters expelling 10; 50 people expelling 150 and the Regional leadership they elected. We have not even been notified in writing of any of this.

She continued stating that this "is a situation that puts other organizations we work with in a difficult position, and that makes us look internally incompetent."

Another factional dispute has come to the forefront in Ohio. On April 10, 1975, VVAW/WSO's Ohio regional coordinator, Jerry Kosmaric, resigned. Two weeks later, he too mailed out a general letter giving his reason. Mr. Kosmaric's views, as a VVAW/WSO organizer committed to building a "fighting" mass veterans movement against "U.S. imperialism," provide interesting insights into the activities of the RU within VVAW/WSO.

For the information of my colleagues concerned with the groups attempting to subvert the U.S. Armed Forces, I submit extensive excerpts from his letter. I have edited some of his more scatological phrases.

The excerpts follow:

EXCERPTS OF LETTER FROM JERRY KOSMARIC

"In my years as regional coordinator I have seen much change. Since the July demonstration in Washington my main job was trying to hold the region together and build at the same time. The main factor, in my opinion, that started this alienation on the part of the membership was the booklet, Build the Anti-Imperialist Veterans Movement, published and distributed by the Revolutionary Union (RU). From that point to the present, this region has all but fell apart. The Dayton chapter has been lowered to that of an organizing contact; the Cleveland chapter is on paper only; the Athens chapter is alienated and disillusioned; and finally, the Columbus chapter voted unanimously to withdraw from VVAW/WSO. Why did this happen? Who is to blame? It is my opinion that much of the blame rests on the RU, the national office of VVAW/WSO, and to a lesser extent regional leadership.

It is important to look at those months between the July demo and the St. Louis NSCM. First off, RU participation in this organization didn't just 'fall out of the sky'! RU members didn't wake up one morning and want to join VVAW/WSO. It had to be a conscious decision on the part of RU leadership. Although I have no way of 'proving' this, it is my firm belief that this is fact. Disciplined pre-party members don't do what they want to do. Also, participation was not isolated to one area; rather, every part of the country was affected. What this now means, that instead of individual communists in the organization (who I have learned a great deal from and still respect very much) VVAW/WSO had a bloc of communists with the same line. What ensued from this point on was enough to make me question the very character of this 'new' organization. People were building up more hate for opposing lines and the people that put them forward than they did for the common enemy. Unity, solidarity, and fighting the enemy came second—first we 'had to rid the organization of these incorrect lines.' From the beginning I played the part of referee in this region—even to the point of defending RU cadre in this organization. I was criticized for 'fence sitting.' But as more and more people left—good, honest hard working people—I started to question my role as regional leadership. It came to the point where the tone and character of the organization had changed, and I was not a part of that, nor would I be in the future.

To the RU: You always claim to be 'for the masses' and for 'the working class.' Don't you know that many people in the organization have that very background and present day status? If so, why don't you listen to them? Are you above criticism? It seems to me that your definition of 'the masses' is either (1) anyone who agrees with you, or (2) someone that doesn't know of you. All opposition is not part of the 'masses.' You're always so defensive concerning your lines—never willing to really struggle with people. You listen to your books—your theory. But as we all know—books don't make history, people do. And when a lot of people tell you you're f__ing up, listen to them. You will instantly read any criticism in a defensive manner and use your interpretation of Marxism-Leninism to not accept it. It's important that you understand exactly where people are at. I admire and respect your dedication and self-sacrifice; those are the qualities of a good communist. But also, 'they do not set up any sectarian principles of their own to shape and mould the proletarian movement.' (Manifesto of the Communist Party) And don't you see, that's exactly what you're trying to do with VVAW/WSO. Either we're a fighting anti-imperialist veterans movement or we're nothing (or any number of other terms ranging from reformist to blood sucking agents of the bourgeoisie!) You have, in the course of this struggle, alienated a lot of people. I think you're ——— up—and that is heavy political criticism."

Perhaps this letter will provide additional evidence for those persons who have expressed disbelief in the fact of the Revolutionary Union takeover of VVAW/WSO.

While no doubt the internal squabbles are impairing the effectiveness of VVAW/WSO's new organizing drive directed at the National Guard and Army Reserves which I referred to in my Extensions of Remarks on March 24, 1975, page 8463 the disciplined cadres of the Revolutionary Union remain targeted toward that disruptive goal.

VVAW/WSO remains a threat to the internal security of the United States and should be the subject of a thorough investigation as such.

"WHAT FOLLOWS VIETNAM?" AN ARTICLE BY ARTHUR SCHLESINGER, JR.

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD a most thoughtful essay, "What Follows Vietnam?" by Arthur Schlesinger, Jr.

The article which was published in the Wall Street Journal of May 5, 1975, follows:

WHAT FOLLOWS VIETNAM?

(By Arthur Schlesinger, Jr.)

A miserable war has come to a miserable conclusion. Now we must consider what the Indochina episode has done to the position of the United States in the world.

The Ford administration argues, or at least began by arguing, that the downfall of the Saigon government is a grave and fateful defeat for the United States, and that our failure to go the last mile with General Thieu is proof that no ally should trust us in the future. Even though the administration, in its zigzags of the last fortnight, has somewhat backed away from these arresting propositions, they will be heard again, especially (as Vice President Rockefeller has candidly said) during the 1976 campaign. They are entitled to discussion on their merits. But what is initially peculiar is the masochistic relish with which our government for a couple of crucial weeks demanded that the rest of the world look on the United States as a feeble, undependable and perfidious nation.

Thus the President of the United States felt it urgent to proclaim to the planet that the "present tragic situation in South Vietnam would not have occurred" had the United States only carried out "its commitment" to Saigon. The Secretary of State of the United States talked of the deliberate destruction of an ally and wondered whether any foreign state could believe in America again. The Secretary of Defense of the United States condemned our aid to South Vietnam as "niggardly." What a band of patriots! When has any government ever conducted such a strange campaign against its own country? One does not recall Khrushchev, for example, after he took his missiles out of Cuba, explaining to the world that he had betrayed his commitments and deserted an ally; nor de Gaulle when he gave up in Algeria.

Of course, if these things were true, a strong case could be made for saying them. But have we, for example, really proved to the rest of the world that no ally can hereafter trust the United States? If 50,000 American dead, $150 billion, inflation and recession in the domestic economy were not enough in President Ford's eyes to prove our fidelity to alleged commitments to Saigon, one can only conclude that he feels—or felt when he spoke in this vein—that we were committed to guarantee the Saigon regime in perpetuity.

A PRODIGIOUS FANTASY?

It is hard to believe that our President was "absolutely convinced," as he claimed to the American Society of Newspaper Editors on April 16, that, if Congress only voted $722 million more in military aid, "the South Vietnamese could stabilize the military situation." His protege General Thieu certainly did not believe that. "I have told the Americans," he had said 12 days earlier, "that we need at least $1.5 billion *per year* to defend the entire territory of South Vietnam." President Ford's contention that further military aid to Thieu's army in 1975 could accomplish what half a million American troops on the ground had failed to accomplish in 1968 is surely one of the more prodigious fantsasies of the decade. A wiser President might have noted the extraordinary things the United States has done over the last dozen years to preserve South Vietnam from communism and have concluded that, as President Kennedy said in 1963, "In the final analysis, it is their war. They are the ones who have to win or lose it."

Nor is it any more probable that this need be taken as a fateful American defeat—unless, of course, our leaders succeed in convincing the rest of the world that this is the case. Most of the world had long since come to regard our intervention in Vietnam as senseless and mistaken. Does the Ford administration seriously believe that other countries would have respected us more if we had persisted in a foolish and futile policy? The decision to withdraw from an exposed and vunlerable position and to establish ourselves on a defensible line is rather more likely to increase than to reduce the confid-

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ence of other governments in our leadership. I do not know anyone who has argued that the Soviet Union destroyed its influences and credibility by pulling its missiles out of Cuba, or France by leaving Algeria.

Fortunately, despite the administration's clamor, most countries will note that our fundamental sources of power, as Henry Brandon of the London Sunday Times recently put it, remain intact. One doubts whether in the long run other states will be unduly impressed by President Ford's bizarre exercise in national masochism. Life will go on, even without President Thieu. I remember President Kennedy saying during the Bay of Pigs, "What is prestige? Is it the shadow of power or the substance of power?" He had no doubt that it was the substance of power. The American failure to attain unattainable ends in Indochina will not greatly affect the substance of power. This is surely the point the President, the Secretary of State and the Secretary of Defense should have been making during the last fortnight instead of insisting to the world that America was an unreliable friend on the road back to isolationism.

This isolationist theory is not only gratuitously damaging to our world position; it is quite false. The idea that, if we decline to go the last mile in Vietnam, we have turned isolationist is ridiculous. The choice is not between fighting everywhere and fighting nowhere. The choice is between a policy of globalism, according to which our interests are omnipresent everywhere on the planet, and a policy of responsible internationalism founded on a realistic view of the national interest. This choice expresses what has been the latent division in the internationalist camp since Pearl Harbor—the division, in essence, between the messianists and the realists.

Vietnam brought that division into the open. Our great champions of realism in foreign affairs—Walter Lippmann, Hans Morgenthau, George Kennan, Reinhold Niebuhr—were entirely consistent in favoring American participation in the Second World War and in opposing the Americanization of the war in Vietnam. In the first case, American vital interests were clearly involved. German victory would have produced a direct threat to the security of the United States. In the second case, American vital interests were clearly not involved. North Vietnamese victory will not produce a direct threat to the security of the United States.

The argument that it would was founded in assumptions derived from another age—from the age of Stalin, when communism was a relatively unitary and coordinated international movement serving as an arm of the Soviet Union. But nationalism has long since undermined the old Stalinist empire. The victory of Hanoi, as we now belatedly understand, will not mean an automatic extension of Soviet power—or, for that matter, of Chinese power. It will simply mean the enlargement of a national Communist state which will continue to respond to national motives and may even want American support to reduce its dependence on Moscow and Peking. The result will unquestionably be tough for the people of South Vietnam. But it is beyond our power to do for the people of South Vietnam what they do not seem inclined to do for themselves. No country can dedicate itself to world salvation without destroying its own integrity and safety.

George Washington long ago called it "a maxim founded on the universal experience of mankind, that no nation is to be trusted farther than it is bound by its interest." Any nation that acts beyond its interest is likely to become a bull elephant in the world, incalculable, destructive, leaving ruin in its path. Any government that makes "commitments" beyond the national interest is a menace not only to the world but to its own citizens.

THE PRESENT DANGER

The great danger now—a real danger considering the highly emotional state of our leaders—is that we will try to throw our weight around somewhere else on the theory that this will show we have not been intimidated by defeat in Vietnam. Again, the shadow of power; not the substance of power. For our real power remains unaltered. We have just as many nuclear weapons, just as strong an army, navy and air force, just as strong (or weak) a national economy. Withdrawal from Vietnam, among other things, will permit us at last to concentrate our concern on really essential allies and interests. A wise national leadership would tell the world that the legacy of Indochina is, not the defeat of the United States and the loss of American credibility, but the rejection of a hopeless policy of indiscriminate, illegitimate and sentimental world-saving and the return to earlier ideas of realistic and responsible internationalism.

This would mean a reexamination of the whole process of commitment and a repudiation of the Ford administration's recent argument that a President can secretly make "moral" commitments that supersede the legal commitments required by the American Constitution. It would mean, I trust, relentless skepticism about any thought on foreign policy emanating from the Pentagon. Richard J. Levine's devastating piece in this newspaper on April 23 began, "Rarely has a Defense Secretary been so probably and consistently wrong as James Schlesinger was in his public statements about the Vietnam war last month." The piece was especially disheartening because the military in 1975 repeated every military misjudgment with which the American people have been drearily familiar since 1961 and before. How many times do we have to be taught this particular lesson?

American foreign policy after Vietnam will not become mindlessly isolationist. It will, however, begin to bear a clear and demonstrable relationship to the primary interests of the United States. Secondary interests certainly exist, but secondary interests call for secondary, not primary, involvement. The Indochina folly, one trusts, will banish forever the dreams of glory, the illusions of American omniscience and omnipotence, the fantasies of universal responsibility and universal control, that have led to such shameful and atrocious results. If we had national leadership with a sense of history, we would now be rejoicing that, having finally freed ourselves from an unnecessary and disastrous obsession, we can start to play a role in the world consistent with our character as a people and our dignity as a democratic republic.

URBAN PUBLIC TRANSPORTATION SUFFERS LOSS IN 1974

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FRENZEL. Mr. Speaker, recently released figures show that our urban public transportation systems suffered operating losses totaling nearly $1.3 billion in 1974. This amounts to an astonishing 72 percent increase over the preceding year.

Last year during the debate on the mass transit bill I innocently predicted that at the then current rate of deficit increases, we would witness the first billion dollar plus operating deficit during 1975. It turns out we actually soared past the billion dollar mark in half the time I anticipated it would take.

The operating deficit curve for our transit systems continues to bend upward and unless we begin to address this problem immediately the financial drain on Federal, State, and local money will soon become an intolerable burden. The transit agency in my area of Minneapolis-St. Paul just voted to request Federal funds to help cover its anticipated $6.5 million deficit for 1975 and the same sorts of decisions are being made in cities all across the country. By enacting the operating subsidy provisions last year we have opened up a Pandora's box which if allowed to continue will drive our transit spending straight through the roof.

If we project recent operating deficit experience out over the next few years the results are absolutely staggering. Table 1 shows what is likely to happen. The first column of figures is based on an assumption of a 36-percent annual increase. This figure represents the average annual percentage increase in deficits for the period 1970–73. The second column assumes a 47-percent annual increase which is the average percentage increase for the years 1972–74. I am afraid to add a third column, because I do not want to make assumptions at last year's 72-percent rate of increase.

The table follows:

TABLE 1.—PROJECTED TRANSIT DEFICITS

	36 percent annual increase (billions)	47 percent annual increase (billions)
1975	1.73	1.87
1976	2.35	2.75
1977	3.20	4.04
1978	4.35	5.94
1979	5.91	8.73
1980	8.04	12.83

These projections may turn out to be overly optimistic. They do not take account of the huge deficits that will be generated once the capital intensive fixed rail systems currently planned or under construction in Washington, Baltimore, Atlanta, and Miami go into operation. It has been estimated for example that the interest charges alone on the capital investment for the Washington Metro will average $1 ride.

These huge deficits and the $5 billion Federal investment in transit over the past 10 years could more easily be justified if it were possible to see some significant growth in transit ridership. Unfortunately there is no silver lining to be found in the transit ridership statistics. As the data in table 2 indicates, transit ridership slid from 23 billion rides just after World War II to 7 billion in 1974. A study recently released by the Federal Energy Administration states that transit today accounts for only about 2 percent of the total urban passenger travel despite the multibillion dollar Federal expenditures

During the 1973–74 period there were some slight gains in ridership, but the early returns for 1975 indicate even this modest rate of growth has all but disappeared. The FEA reports that what few

additional riders have been attracted often come not from the ranks of automobile drivers but rather from people who formerly walked, rode in car pools or did not previously make the trip. It is difficult to avoid the conclusion that our Federal effort to encourage a more balanced transportation system has been a monumental bust.

The table follows:

TABLE 2.—TRANSIT PERFORMANCE INDICATORS

	Millions		
	Transit ridership	Operating deficits	UMTA expenditures
1945	23,254		
1950	17,246		
1960	9,395		
1961	8,883		
1962	8,695		0.2
1963	8,400	0.9	19.3
1964	8,328	12.4	4.3
1965	8,235	10.6	59.8
1966	8,083	37.1	112.0
1967	8,172	66.6	133.1
1968	8,019	161.1	131.1
1969	7,803	220.5	173.3
1970	7,332	288.2	160.0
1971	6,847	411.4	334.1
1972	6,567	513.1	604.0
1973	6,660	738.5	978.0
1974	7,002	1,271.3	985.5
1975			[1] 1,445.0
1976			[1] 1,724.2

[1] Estimated.

It is an understatement to suggest that we have yet to figure out a way to make transit a viable alternative in the marketplace. This year's business-as-usual 1.7 billion UMTA budget request reflects little understanding of the challenge, and surely it presents no new initiatives capable of turning the situation around. It contains the same old losing formula—hundreds of millions of dollars for the deployment of obsolete technologies and peanuts for the development of new transit alternatives that hold at least some hope of lifting us out of the morass currently enveloping our transit operations.

Unless Federal transit programs become far more performance oriented, ridership will continue to stagnate and the operating deficits will grow increasingly unmanageable. Hopefully the upcoming hearings on the UMTA budget will serve to illuminate some of these issues and begin to lay a foundation for new directions in our urban transportation programs.

CINCO DE MAYO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of California. Mr. Speaker, today the people of Mexico, as well as millions of people of Mexican ancestry throughout the world, will celebrate the 113th anniversary of one of freedom's greatest challenges—the battle of Puebla on "Cinco de Mayo," 1862.

This victorious battle, fought by a small but courageous band of Mexican patriots, thwarted the efforts of a massive, highly skilled French force, led by Napoleon III, who intended to conquer Mexico City and set up their own empire. Despite overwhelming odds, a courageous Mexican Army, under the direction of Gen. Ignacio Zaragoza, drove the French back into the sea from the village of Puebla, thus sustaining Mexican control of Mexico City.

Although the French later captured Mexico City and set up a short-lived monarchy, the battle of Puebla stands as a victory of human spirit and military valor to the Mexican people.

This historic episode is one of significance to all the world, especially those of us in the United States, and particularly those of us in California, as our history is rich in the culture and tradition of the Mexican people.

In California, schools, cities, and organizations will be observing "Cinco de Mayo" as a gesture of solidarity with and affection for the people whose heritage is a part of our own. For to the extent that California has a heritage, a culture, and a tradition, that heritage is inextricably bound up with the people of Mexico. And in celebrating Cinco de Mayo, we honor not merely a gracious tradition and a great blow struck for human freedom in the past; we honor the present, and hopefully the future as well. Indeed, we honor ourselves, for we Californians began as Mexicans and part of that heritage remains with us in the names of our cities and streets, our history, our music, our literature, and our customs.

I am gratified that in California's 32d Congressional District, which I am pleased to represent, various events have been planned to celebrate Cinco de Mayo.

Phineas Banning High School, one of Los Angeles' oldest institutions and one enriched by Mexican-American endeavors through the years, will commemorate Cinco de Mayo with 2 days of festivities. Junipero Serra High School, a school named for the first and most famous of the Spanish missionaries in "Alta" California, is arranging numerous activities in remembrance of that historic day in 1862.

Los Angeles Harbor College will hold a flag-raising ceremony, simulating the same event which occurred following the French vacation of Mexico City in 1866. Other activities are scheduled for Harbor College, and California State College Dominguez Hills, which will engage in 3 days of activity.

Organizations such as the Mexican-American Civic Organization and the Harbor City chapter of the Association of Mexican-American Educators will also observe this occasion. Both of these fine organizations will hold a combination Cinco de Mayo celebration and scholarship fund-raising drive on May 5 to benefit those who might not have the resources available to obtain a quality education.

In the city of Long Beach, numerous events will be held. Among these are the Long Beach area chapter of Mexican-American Educators' annual Cinco de Mayo celebration. Also, the Long Beach Commission on Economic Opportunity observed Cinco de Mayo last Friday at Bixby Park in Long Beach where over 600 children and senior citizens gathered.

Mr. Speaker, I am pleased to observe the growing recognition this date is etching in America, especially among young people, and I am hopeful and confident that it will continue to do so.

Cinco de Mayo symbolizes a day upon which courage and love of their homeland enabled Mexicans to triumph over troops of a foreign power. I am sure our colleagues join me and our Mexican friends in paying tribute to the valor and patriotism of those who fought and died on Cinco de Mayo, 1862, and further join me in congratulating these great people on their celebration of Cinco de Mayo, 1975.

BUFFALO MOURNS DEATH OF FORMER MAYOR SEDITA

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. NOWAK. Mr. Speaker, the city of Buffalo, N.Y., was saddened last Friday by the death of one of its most distinguished citizens, former Mayor Frank A. Sedita. His career of public service at the local, State, and Federal levels spanned nearly four decades, including his election to a record three 4-year terms as mayor of Buffalo. He also served as a Buffalo city court judge, U.S. Customs collector in Buffalo, and most recently as a member of the New York State Crime Victims' Compensation Board.

Mayor Sedita's contributions to the betterment of the Greater Buffalo community ranged from spearheading an ambitious urban renewal program, to being a prime mover behind successful efforts to attract professional football, basketball, and hockey teams to our area. However, he perhaps will be remembered most for the personal warmth and tireless dedication he brought to all the positions he held. When he was forced to resign as mayor in 1973 for health reasons, one local newspaper commented that Mayor Sedita literally wore himself out serving his constituents.

Illustrative of the community esteem for Frank Sedita are the following articles respectively from Saturday's Buffalo Evening News and Buffalo Courier Express, which cite the feelings of Buffalo civic leaders and citizens for this superb public servant:

Ex Mayor Sedita Eulogized as Man of the People Who Devoted His Life To Building a Better City

Flags flew at half staff on city and county buildings today amid a cascade of tributes to former Mayor Frank A. Sedita from national, state and local leaders.

Vice President Rockefeller, who as governor of New York named Mr. Sedita to the State Crime Victims Compensation Board, called the former mayor "a man of the people."

Gov. Carey said Mr. Sedita had served Buffalo and Erie County with "skill and dedication for some four decades."

Mr. Sedita, who would have celebrated his 68th birthday June 20, died Friday after a lengthy illness.

"I am deeply saddened to learn of the passing of my friend Frank Sedita," said Vice President Rockefeller. "Without question, Frank was a man of the people whose leadership, integrity and concern for his fellow man won him the respect and esteem of everyone who had the privilege of knowing him."

Mr. Rockefeller said that while Mr. Sedita will be missed, he will not be forgotten.

"He leaves behind not only a distinguished career and a record on which to build, but the fine example of a true American."

Gov. Carey, who said he was saddened by Mr. Sedita's death, noted the former mayor's "gift for the personal touch and a sense of humor that earned him a special place in the hearts of his fellow New Yorkers."

Mayor Makowski, who succeeded Mr. Sedita as the city's chief executive, declared that no mayor had worked harder or contributed more to the city.

"Mayor Sedita's great love for Buffalo spurred him to unceasing efforts to make this a better city," said Mr. Makowski.

"He devoted his entire life to serving the people of Western New York. He served well in extremely difficult times, and we all owe him him a debt of gratitude. And Frank Sedita inspired many young men and women to enter government service." Mayor Makowski added:

"Frank Sedita was a mayor of all the people—he involved residents from all sections of our municipality in the management of the city. As a member of the Common Council and as deputy mayor, I am honored that I had an opportunity to work closely with Mayor Sedita.

"He often encouraged me to serve the people of Buffalo. During my tenure as mayor, I have been strengthened by his counsel."

County Executive Regan said Mr. Sedita was one of Erie County's most distinguished citizens.

"He courageously fought for his beliefs and made many contributions to the quality of life in our community. I visited him recently and he questioned me closely on various county and civic projects.

"I extend to Mrs. Sedita and members of his family the deep sympathy of the citizens of Erie County."

Joseph F. Crangle, Democratic leader and a close personal friend and political associate of Mr. Sedita, called the late mayor "the best of the best."

With the death of Mr. Sedita, "Buffalo has lost the father of modern Buffalo, a father who knew and understood the past of our city, but was relentless in fulfilling its great future," Mr. Crangle stated.

"He was the best of the best. He was what we all hope others will say of us, 'a good man.' "

Thomas M. MacKinnon, Erie County Republican chairman, said Mr. Sedita's memory would be "respected by us all," adding:

"I am convinced Mayor Sedita did his best, as he saw it, for the City of Buffalo. During the period he served as mayor, Buffalo went through its most difficult times."

Other tributes to the late Mr. Sedita came from:

Rep. Jack F. Kemp (R., Hamburg)—Frank Sedita dedicated his life to serving his community and his country. We are the better for his contributions and saddened at his death.

Rep. Henry J. Nowak (D., Buffalo)—His loss will be felt greatly not only by his family and friends but also by the countless citizens of our community who benefited from his distinguished multi-faceted career of public service and civic improvement.

Rep. John J. LaFalce (D., Tonawanda)—Frank Sedita was a unique human being. He had a great mind which could penetrate the nub of a problem, he was a captivating man with an unparalleled wit. He was a reconciler of diverse groups, be they rich or poor, black or white, educated or uneducated.

Richard J. Keane (D., Buffalo), chairman of the County Legislature—He was a great judge in his time and a mayor who could get it done at a time when other cities faced insurmountable problems. He was the mayor of all the people.

Bishop Edward D. Head, Catholic Diocese of Buffalo—He has served his city well as a distinguished jurist and competent mayor. We pray that God will bless his wife and children with comfort and consolation at this time of sorrow.

Bishop Harold B. Robinson, Episcopal Diocese of Western New York—Mayor Sedita's many contributions to the City of Buffalo, as well as to the entire Western New York area, will for many years serve as a fitting memorial and testimony of his great gift of leadership. Our community is better because of the insight and compassion of this man who was not only mayor, but friend and neighbor. We have lived and worked with him in the past. We mourn the loss of him today. We will remember him in the future.

Dr. Martin L. Goldberg, rabbi of Temple Beth Zion—We of the Jewish community feel a personal loss in the death of Frank Sedita. His public career as judge and mayor was marked by a deep sense of compassion for his fellow citizens of all creeds.

The Rev. Elijah H. Echols, interim executive director, Buffalo Area Council of Churches—In the loss of Frank Sedita, Buffalo has lost a very fine citizen who did much to make Buffalo have the right to be called the "City of Good Neighbors." He was a man who earned and deserved the respect of everyone who came to know him.

Leslie G. Arries, Jr., chairman of the Buffalo Area Chamber of Commerce—On behalf of the Chamber, which had a long and co-operative association with Frank Sedita, we feel his death is a loss of governmental expertise to the area and a genuine personal loss because he was a fine man.

George L. Wessel, president, Buffalo AFL-CIO Council—I feel he was always a great man and a real asset to the City of Buffalo. In our dealings with him as mayor, I found him to be the type of person who was honest. He called a spade a spade, and if he could help you, he would tell you, and if he couldn't he would tell you that, too. His death is a serious loss to the citizens of the Buffalo area.

"Lost a Great Man," Sad Citizens Here Agree, "A Fine Man Who Worked for His Community"

(By Louise Leiker)

While waiting for a fare, Vito Vacanti eased back in his taxi cab, trying to find the right words to describe the sense of loss he felt upon hearing of the death of former Buffalo Mayor Frank Sedita.

"We've lost a great man," Vacanti, of 140 Niagara St., somberly reflected.

"Not only am I sorry about his death. I'm sorry for the whole city of Buffalo. He was a fine man, a man who worked strictly for his community."

Vacanti was one of a number of people who expressed deep sorrow when questioned about the former mayor's death, almost all of them blurting out an immediate, "He was a good mayor."

"What I remember most about him was the way he worked to make Buffalo a beautiful community. I don't think we ever had a mayor as community-minded as he was," Vacanti said.

Mrs. Joan Muraco, a receptionist, was told about the former mayor's death by a reporter.

After a silent moment she said:

"He seemed to understand the problems of the average citizen so well.

"Mayor Sedita always struck me as a great humanitarian," said Mrs. Muraco, of 20 Oehman Blvd., Cheektowaga, "He did so much for the working man."

As she teased the hair of a customer, Miss Mary Rigby, a 22-year-old hairdresser, admitted she is too young to remember all that Frank Sedita did as mayor.

But she did have one encounter with Mr. Sedita that served to symbolize the type of man he was.

"As a child, I'd go trick-and-treating to his house at Halloween," said Miss Rigby, of 250 Grant St. "One Halloween he invited us all in to sit in his living room.

"He made me feel very special. He seemed like such a nice guy."

Mr. Sedita was also a "nice guy" in the eyes of Ptlm. Robert Reiman.

"He was never too big a man to stop and say hello," Ptlm. Rieman, of 11 Willink Ave., said.

Miss Sophie Szwajda, taking a short break from waiting on tables, said she's always been a great admirer of the former mayor.

"I feel very sad that he's dead," said Miss Szwajda, of 2462 William St.

"To me, he was a brilliant mayor and a wonderful person. He did much for the people of his city, including the people of Polish ancestry."

With a sweeping gesture Angelo Carcaterro a gas station attendant, exclaimed:

"Just take a look around this city, look at the way it was built up when Mayor Sedita was in office."

With a shake of his head he added, "He's done so much for the city, it's hard to pinpoint any specific little thing he's done."

"I am very sorry he passed away," said Carcaterro of 2894 Harlem Rd., Cheektowaga.

Truck driver Ray Bogardus of 469 Breckinridge St. prides himself on "living right around the block from Frank Sedita."

"The parks were really in bad shape before his administration, and I think he did a lot to fix them up," Bogardus said. "He had a tough job, and I think he did quite a bit for the city.

"And he was a very nice looking man," he added.

Mrs. Maeolya Shegog feels the late former mayor did much to help people in her neighborhood.

"Actually he did a lot for all the people," said Mrs. Shegog, a housewife who lives at 194 Glenny Dr. "I knew he was quite up in age and had some operations. Yet when I heard people talking about it in the store, I couldn't believe it."

Thomas Albarella, filling station owner, feels Mr. Sedita "was the best Buffalo ever had."

"He did a good job building up the city, especially the streets," said Albarella, of 14 Allen St., Blasdell.

Truck driver Edward Paige of 2[illegible] Cedar St. noted:

"You may hear a few complaints, but all in all Mayor Sedita was a good mayor."

WHAT DO WE EXPECT OF THE MILITARY?

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, I believe that Members of Congress will read with great interest the following article, "What Do We Expect of the Military?" by Philip L. Geyelin, editor of the editorial page of the Washington Post, in which the article was published on May 5, 1975.

Mr. Geyelin's article is adapted from an address given at a symposium on officer responsibilities at the Command and General Staff College, Fort Leavenworth.

The article follows:

What Do We Expect of the Military?

(By Philip L. Geyelin)

I have been asked to answer the question: What is it that those of us in the civilian world, in and out of government and however intimately or remotely involved in the political process, expect of you who have taken military service as your career?

The short answer is, quite a lot—and often, almost certainly, too much. For example, we expect you:

to defend us from foreign enemies and in fact from any threats to our national security as this may be defined, not by you, but by political leaders;

to maintain order during disturbances at home—without trampling upon civil liberties;

to be quite precise about your needs—even though the dangers you are charged with defending us against may change drastically from time to time;

to design experimental weapons and give us firm estimates of their cost and to deliver them to your units at no higher cost than you originally estimated;

to advise the President and other civilian leaders about the military implications of this or that foreign policy question, even though you do not participate as an equal partner in the making of that policy; and when an ill-conceived policy gets us into a war that cannot be won under the rules of engagement that have been imposed upon you, we expect you to win it anyway;

to be scrupulously truthful about your needs, however, they may be altered by unpredictable events, and also to be scrupulously honest about your battle reports and never mind how much aid and comfort adverse reporting might give to an enemy.

If some of these expectations seem to you to have particular application to the long and tragic Vietnam struggle now ended, the fact is that there is no better example than Vietnam of a war in which too much was asked of the military by civilians who were unprepared to take the risk of doing nothing and equally unprepared for the risks that would have been involved in moving in a conclusive and decisive way.

An even larger lesson, however, is that the war, and the manner in which it was waged, asked too much, not only of the military but of the process of government of which the military is an essential element and a vital arm. For what was asked of military and civilian leaders alike was that they lend themselves to a kind of continuing, calculated deception—a conspiracy in restraint of candor required by the very nature of this new concept of limited war. The name of the game was "graduated response" to enemy initiatives. The objective was to convey by incremental increases in the application of military force an impression of limitless American will power and staying power. This, it was believed, would persuade the North Vietnamese and their supporters that their cause was hopeless. And so, the theory went, they would soon stop doing what they were doing and leave their neighbors alone—in Secretary of State Dean Rusk's familiar litany.

What this means in practical terms, however, was that military progress reports were very nearly required to report progress. Civilian leaders, for their part, were encouraged to conceal military setbacks—or escalation—from their own people in order not to alarm the public or generate the sort of divisive debate that might undercut the impression of a united resolve that we were trying to project to the enemy.

Well, it didn't work—because it was by its nature unworkable. And the reason it was unworkable, in my view, was that we were all expecting too much of each other. Civilian leaders in the executive were asking too much of the military and also too much of the Congress and the public and the press.

They were asking Congress to suspend free debate and blindly vote for resolutions and for appropriations in support of a war that nobody was prepared to declare. They were asking the public to pay the taxes for it and to send their sons, without saying how long it would last or how big it would get or even admitting that it was getting big without anybody knowing it. And they were asking the press not to question their official accounts of their conduct of the war.

You in the military were asking us in the press to accept your body counts and your estimates of enemy forces and your warnings of enemy intentions on faith, even though, to be blunt about it, they were not always reliable.

And we in the press, of course, were asking you to tell us about your plans and future operations and force levels and deployments, because we were not formally at war, and there was no censorship—even though you knew that this information could help the enemy.

I don't want to labor the point or refight the war. But I think it is important for us to recognize that the question we are asking ourselves has no easy answer out of our recent experience. For our recent experience is almost a case history of our system gone wrong, of a sustained distortion and straining of healthy adversary relationships between us all—between the relevant branches of government, between civilian and military, between government and the people, and between government and the press. There is at least the glimmer of an answer, however, growing out of our recent experience, and it is that each of us is going to have to not only ask less of each other, but also try harder to understand each other.

Accordingly, what I would put high on my list of what civilians expect of professional officers in the armed services is simply that you understand the rights and prerogatives of the public and the press in our society.

Yours is a society which, by necessity, indeed almost by definition, depends on strict discipline, tight security and firm, not to say unquestioning, support for policies and directives issued by higher authority. But the larger American society operates under no such constraints. The right to question, to debate, to dissent, to demonstrate lawfully, is inherent. No government policy is sacrosanct. It is not disloyal or even necessarily destructive to disagree openly and as forcefully as possible with the word of the authorities. On the contrary, that is the way we conduct our government; that is the essence of a free society.

And when we think about the problem of preserving this free society, it is necessary for all of us to remember that there is more than one way to destroy it. It can be destroyed from without by hostile adversaries against which you are charged with defending us. But our fundamental freedoms—our national security, if you will—can also be threatened from within, when in the very name of national security we resort to "plumbers" and "enemies lists" and unconstitutional invasions of privacy in order to suppress public discussion and debate about a war in which the public has a vital stake. In this respect it is perhaps worth recalling the point that Arnold Toynbee makes in his study of civilization: of the 16 great civilizations that have been destroyed over the centuries, every one was destroyed from within—from the corruption of fundamental institutions and the slow erosion of fundamental values. The most that any outside power did was to administer the coup de grace.

I'm sure that you know that. But I also sense that sometimes you find our fundamental freedoms inconvenient, that you often feel that they work contrary to your purposes, and that there are times, and the Vietnam war is a notable example, when you believe it would be in the urgent interest of national security to suspend these processes and liberties.

The origins of your Vietnam dilemma, of course, did not lie with you. The origins began with your civilian superiors who were consistently unwilling to be honest with Congress and with the public about a policy that was ill-founded and failing.

Nevertheless, the fact remains that too much was expected of the American body politic, with all that term implies, by the military establishment during the course of the war. You expected the press and the Congress not to inquire too deeply into the course of a war that was taking a heavy toll in casualties and in material resources without showing any promise of coming to an end. You expected the public to retain its confidence in policies and strategies that depended on their success on a high measure of demonstrable dissembling and deception. And you measured the performance of both the press and the Congress in terms of a "patriotic" willingness to support whatever the government proposed even though it is inherent in our system to question whether what's good for the country at any given time is what a particular politician or cabinet head or President proclaims to be good.

We live, in fact, a difficult and delicate system of checks and balances, which may in extreme crises oblige a newspaper reporter to report something that others will believe is harmful to the national interest, and may also require an Army officer or a government official to go against the official line. We have, I think, recently undergone two such extreme crises in our affairs: Vietnam and Watergate. To work our way back to that careful balance by which we manage our affairs may well require all of us to re-examine and re-define what it is we can reasonably expect of each other as military officers, private citizens, civilian leaders, politicians, and members of the press.

THE THREAT OF NUCLEAR ENERGY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. RICHMOND. Mr. Speaker, the safeguards necessary for a plutonium economy would result in legislation that would destroy the Bill of Rights just as the A-bomb destroyed Hiroshima, and therefore, I urge Congress to impose a 5-year moratorium on the development of the fast breeder reactor.

In testimony before the Energy and Environment Subcommittee of the House Committee on Interior and Insular Affairs, I recommended that there be an immediate 5-year moratorium on nuclear construction. The construction of these facilities is a threat to the civil liberties of all Americans and residents of the United States. A plutonium economy is a means of upping the ante for terrorist and blackmail activity to a level where it

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begins to threaten the very functions of our society and free political system.

I reported to the committee that I have requested that Attorney General Edward Levi and the Justice Department undertake a comprehensive study of the law enforcement implications mandated by the widespread use and transport of our nuclear material, before it becomes a commonplace part of our country's trade and commerce. Congress this session has finally taken steps to limit the eavesdropping cloak and dagger methods of the CIA and FBI. I question whether the adoption of a plutonium economy means a return to the pre-Watergate era of constant surveillance and illegal Federal involvement in all aspects of our lives.

Therefore, I urge the Congress and the Energy Research and Development Administration to exhaust other possible safe and sound energy alternatives such as solar, tidal, the purification of fossil fuel, and energy conservation.

A copy of my testimony before the subcommittee follows:

Testimony of Congressman Fred Richmond Before the House Committee on Interior and Insular Affairs Subcommittee on Energy and the Environment, Tuesday April 29, 1975

Mr. Chairman, Fellow Members of Congress, I would like to take this opportunity to commend Congressman Udall and the other members of the Energy and Environment Subcommittee of the Committee on Interior and Insular Affairs for their foresight and determination in exploring the complex issues surrounding the direction of our nation's policy.

Public debate on the directions of our nuclear policy is necessary; the decisions you make will not only have broad ramifications on our nation's overall energy policy, but on the safety and well-being of generations to come.

This afternoon, however, I would like the committee to move away from the technical aspects of nuclear power for a few minutes. Instead, I would like you to consider what effects a national energy development policy, which relies primarily on nuclear power would have on the social and political foundations of our nation. There are some important questions that are not measured in BTU's or ERG's, but are questions of judgment on what the quality of life in America should be.

What alternatives to energy development are eliminated once the decision is made to allocate billions of dollars to nuclear power?

Whom is our national energy policy to benefit—the consumer or the large power utilities?

Where does the Energy Research and Development Administration propose to store deadly radioactive nuclear wastes whose toxicity lasts longer than all of recorded history?

Has anyone asked the American people if they want to sacrifice many of our valued civil liberties in order to safeguard the nation's nuclear fuel?

And how does the fast breeder reactor and the accompanying plutonium economy effect the type of society we want for our children and grandchildren?

Basically, the issue as I see it revolves around the questions of how much a large scale nuclear program, which may not be necessary, will cost the citizens of this nation in terms of their safety, health and freedom.

As the members of the committee already know, there are currently 56 nuclear reactors in the United States which utilize uranium 235 as their fuel. Each of these reactors produces an average of 600 pounds of plutonium per year.

Plutonium is a man-made element capable of sustaining a nuclear chain reaction and is the substance from which the first nuclear weapons were made. In addition to its destructive potential, plutonium is the most carcinogenic substance known to man. According to the Union of Concerned Scientists, one millionth of a gram of plutonium can cause lung cancer. In fact, scientists have estimated that if evenly distributed among the world's population, one would need only two pounds of plutonium to contaminate each of us with a lethal dosage.

Only a month ago, along with my colleague from Wisconsin, Les Aspin, I revealed that two shipments of 110 pounds of powered plutonium had been flown into New York's Kennedy Airport by cargo from a European reprocessing plant, driven through New York highways, across the 59th Street Bridge, through the streets of Manhattan up to the George Washington Bridge over to New Jersey and into Pennsylvania for recycling near Pittsburgh at the Cheswick Plant of Westinghouse. The powered plutonium is to be processed into plutonium rods for use in a nuclear reactor in Italy. These shipments were closely scrutinized by Federal, City and State law enforcement officials.

The health hazards created by these flights has aroused public outrage. The possibility of a plane crash in or near the New York area or, in fact, near any metropolitan area, with powered plutonium released into the atmosphere frightens me and should frighten you.

In this case, despite all precautions, the shipment was turned back at the Throgs Neck Bridge because the proper clearance was not made and the Port Authority police who are in charge of security at New York's airports were not notified of the shipments until after they arrived.

Nothing happened, however, these two foul ups point out how fallable human beings are. The only trouble is: if the plutonium economy is to work safely, the human beings working with the substance will have to become devine. One mistake is one to many.

Congressman Aspin and myself have requested that the Nuclear Regulatory Commission prohibit the air shipment of any more plutonium into or out of this nation's airports. The response we received was less than satisfactoryy. While the N.R.C. assured us that the Commissioners would review all pending shipment licenses, they refused to ban any more air shipments despite their obvious hazards. The reason is quite simple. They can't. If we are to proceed as planned with our nuclear economy, the shipment of plutonium will have to become as commonplace as the flights Members of Congress make to visit their constituents.

Currently, about 10% of our nation's power is supplied by nuclear reactors. And the nuclear track record is there for everyone to examine. Nuclear reactors operate at less than 60% of capacity and are subject to constant breakdowns, leaks, accidents, pollution, radioactive exposure to the workers, malfunctions and even the loss of fissionable material. According to the American Physical Society in a report released yesterday, so far there is not reason for substantial short range concern, however the prospects for the future are dubious as these nuclear plants proliferate.

Now, the nuclear industry along with the Nuclear Regulatory Commission and Energy Research and Development Administration are coming before the Congress with a proposal to increase our nuclear power capacity through widespread utilization of plutonium in the Liquid Metal Fast Breeder Reactor of the LMFBR.

The LMFBR has already cost the taxpayers two billion dollars and if approved, will cost an additional $6.8 billion dollars before the first commercial facility is in operation. Right now, it is subject to more cost overruns than the B–1 Bomber Program.

The LMFBR wil breed more plutonium than it uses, therefore eliminating the need for new fuel. That sounds great until you remember what plutonium is.

Imagine for a moment if a proposal came before the Congress to utilize encephalities virus as fuel to power electric plants which could light the entire city of Chicago. And, that some viral fuel would be transported in and around the country for reprocessing and used a sa fuel in viral plant in Texas, Massachuetts, Georgia and California. The Congressional reaction to uc ha "pie in the sky" plan would be immediate rejection because of the catastrophic consequences surrounding any mishap or accident. And Gentlemen, I submit that the LMFBR and plutonium fuel it will generate is more dangerous than any virus known to man.

We must also consider the security safeguards mandated by a plutonium economy. Remember, if you will, Congress' reaction in the '60's to terrorists' hijacking of airplanes. Each weekend, as Members of Congress, we are reminded of the massive law enforcement response to this threat to public safety. Everyone, including every member of this committee, is subject to a thorough search before entering an airplane.

Now project yourselves not too many years into the future where, if the nuclear community, the power companies and the scientists at ERDA have their way; plutonium shipments have become commonplace. We would be less than honest if Congress did not respond with strong legislation to the projected danger of hijacking or other terrorists' activity against the widespread plutonium shipments.

Who is going to call the bluff of a small commando group which has commandeered a plutonium shipment and threatens to explode a crude nuclear bomb they created with their cache or disperse the plutonium powder over New York City unless their ransom is paid? Or, what is more likely given the nature of human institutions is the following: What do you think would the reaction of Congress be to the situation I just described if it happened because Congress refused to fund the security aspect of a plutonium economy adequately despite cries from the nuclear industry that it was necessary. Then, in reaction to such an incident, began to legislate under a threat of nuclear blackmail. I believe that the legislation that would emerge from such a process would do the same thing to the Bill of Rights as the A-bomb did to Hiroshima.

A plutonium economy is a means of upping the ante for terrorist and blackmail activity to a level where it begins to threaten the very foundations of our society and free political system.

This may seem far-fetched, but a 1972 GAO report found that a man in only a matter of minutes equipped with an adjustable pocket wrench and a strong arm could break the protective barriers at two nuclear plants undetected. AEC acted in 1973 against much industry opposition, to require more stringent security at all nuclear plants, but that is only the beginning.

Last April in a report to the AEC by a group of consultants, a proposal was submitted for the creation of a Special Task Force to assure the safe transport of nuclear materials, to coordinate with the Department of Defense, and which would include special equipment and trained personnel. Moreover, the study recommended the use of timely and indepth intelligence which may involve electronic and other means of surveillance, but whose purpose would be to infiltrate political terrorists' groups. The

consultants called for the AEC to establish a continued and strong liaison with the FMI, CIA, NSA and other appropriate agencies to assure that such safeguards are taken.

Current projections of people who will have to be involved in handling, storage and processing of plutonium fuel run as high as two million. Does that mean we permit the Federal government to compile dossiers on two million more families?

What effect does the widespread transport of plutonium over our nation's highways have on interstate commerce? Will all cars travelling on Pennsylvania Turnpike be searched because a plutonium shipment is en route? Will a nuclear police Task Force start maintaining dossiers on nuclear power critics such as the one already being kept by the police in the state of Texas?

Congress this session has finally taken steps to limit the eavesdropping, cloak and dagger methods of the CIA and FBI. Does the adoption of a plutonium economy mean a return to the pre-watergate era of constant surveillance and illegal federal involvement in all aspects of our lives?

Because of the constitutional issues raised by the proposed plutonium economy, I have recently requested that Attorney General Edward Levi and the Justice Department undertake a comprehensive study of the law enforcement implications of the safeguards mandated by the widespread use and transport of nuclear material before it becomes a commonplace part of our country's trade and commerce.

The uncertainties surrounding our nuclear program are numerous and will undoubtedly be documented this week during the hearings of the Subcommittee. Just yesterday, the Federal Environmental Protection Agency suggested a 4 to 12 year delay be implemented in the development of the fast breeder reactor and stated that sufficient evidence exists to warrant a reexamination of the timing of the breeder reactors.

I would like to lend my voice to those calling for a five-year moratorium on the development of nuclear power and in particular the allocation of any more funds for the fast breeder.

In the interim, ERDA and the Congress must exhaust other possible energy alternatives. Energy conservation measures can be taken to result in a saving of close to 20 percent of our nation's annual energy demand.

Solar energy technology which is on the verge of a major breakthrough offers fantastic possibilities for development. It has been estimated that solar units can take over 70% of the energy necessary to heat our water and homes and may indeed be the long term solution electrical power demand. Tidal energy, the harnessing of the power of the seas, is a fascinating concept from which we may be able to reap huge dividends.

The purification of fossil fuel, ensuring that coal mining is safe and environmentally sound should be given top priority. Currently, our nation contains one-half of the world's coal reserves. We can and we must develop the technology to properly mine and burn the coal. The answer lies in allocating enough research and development funds for our vast coal reserves.

These energy alternatives, and yet some not even conceived, would be needlessly sacrificed, unless the Congress stands fast and rejects the nuclear industry's demands for increased appropriations and development.

The stakes are too high, the alternative too promising for this nation to place all its eggs in one basket. We cannot afford to leap head long into a nuclear technology if there is even the remotest chance it will lead to the loss of our valued civil liberties, and the potential destruction of our civilization. Especially, when we may not have to. That's why I would urge this Committee to go slow on nuclear energy and urge the expenditure of energy R & D Appropriations on other safer, more environmentally sound energy alternatives.

Several continually asked questions concerning the dangers of nuclear energy have been addressed very informatively by Mr. Warren H. Donnelly, who is the Senior Specialist in the Environmental Policy Divsion of the Library of Congress. He clearly points out the dangers involved by the hasty decision making process by the Environmental Research and Development Association.

Question 1. If plutonium oxide is available in sufficient amount, how would one go about making a bomb?

The principle requirements for a nuclear bomb are design information, fissionable materials (enriched uranium or plutonium) in sufficient amount to form a critical mass, conventional explosives and access to the materials and facilities of a good machine shop and an electrics shop. Access to chemical processing might also be required, depending upon the chemical form of the fissionable material the designer wishes to use.

Question 2. Where would one get information on how to do it?

Specific design information on manufacture of small nuclear devices is not available in the unclassified literature. So a person or group wishing to make a bomb would have to read, study and learn the general theory of fission, the properties of fissionable materials, and general information that has been published about design and manufacture of nuclear weapons; and attempt their own design.

Question 3. How easily is such information obtained?

Much of the general information is to be found in the published literature. This information can be readily obtained by persons who know how to use scientific and technical publications. Specific information is not to be found in the published literature or in public libraries but only in the classified and protected information systems of the Energy Research and Development Administration. This information is available only to persons who hold appropriate security clearances and who also have a need-to-know related to their official duties. Access to such information could be had only by successful theft or espionage.

Question 4. How easy is it to hide the building of a bomb?

The physical hiding of the building of a bomb would not be difficult for the scale of operations would be small. However, if the would-be bombmakers wish to test their device, the difficulties of concealment become obvious because a test of any consequence would release detectable amounts of radioactive materials, while the blast from the test would attract attention in most places. Also the bomb-makers would run the risk of accidental critical assemblies in their handling of nuclear materials. Such an accident could easily release enough radiation to kill persons nearby, and death from radiation exposure would be difficult to conceal. The would-be makers would also run risks of information leaks from nosy neighbors.

Question 5. How big, dirty, destructive could the bomb be?

At the very best, a bomb made by a clandestine group would be comparatively small as such devices go, probably smaller in output than the bombs exploded over Hiroshima and Nagasaki in 1945. On the other hand, even a few kilotons energy release would be enough to destroy a large building and its inhabitants. The radioactive release from explosion of such a bomb would be comparatively light. People quickly returned to the sites of Nagasaki and Hiroshima. It would be, in my opinion, very unlikely for a clandestine group to successfully make a thermonuclear device or a so-called dirty H-bomb (a thermonuclear device jacketed in uranium.)

Question 6. How long would it take to build a bomb?

There is no single answer. It would all depend upon the knowledge of the conspirators and their access to materials and facilities. If one assumes the conspirators had as a member an experienced bomb designer, could quickly steal highly enriched uranium or plutonium, were not caught, and had immediate access to secure shop facilities, then a device might be produced within a year or less. However, if the group were inexperienced and without immediate access to materials and facilities, then I would expect an effort lasting well over a year.

Question 7. What would the cost be?

I have no way of estimating the cost of such a venture. Aside from the nuclear materials, other materials probably would not cost more than a few thousand dollars, but costs of getting shop facilities, information, etc., would probably be appreciable, as would also be costs of maintaining the clandestine organization during the time needed.

THE 14TH ANNUAL CONVENTION OF THE NON COMMISSIONED OFFICERS

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DOWNING. Mr. Speaker, on April 3–4 last, I was extremely privileged to have attended the 14th Annual International Convention of the Non Commissioned Officers Association of the United States of America—NCOA. On the final evening, the assembly honored me by awarding me their 1974 L. Mendel Rivers Award for Legislative Action.

That same evening the NCOA also paid homage to Mr. George Jessel, the Toastmaster General of the United States. He was presented the NCOA's annual Bob Hope Award for exemplary and voluntary services to American GI's.

What particularly caught my attention during the 2 days I spent with the NCO's and petty officers of our Nation's Armed Forces was their dedication to God, country, and corps. I was impressed with their knowledge of world events and their concern for the future of these United States.

Most of the delegates were still on active duty. They ranged from senior noncommissioned and petty officers to the newly promoted to the NCO and petty officer grades. Their mix was typical of the great American "melting pot" and their purpose for joining together in the NCOA was clearly evident. They wished to express themselves so that their desires would be made known to the Nation's Commander in Chief, the Members of Congress, and to their fellow Americans.

I have been requested to insert the 1975 NCOA legislative goals, as adopted by that assembly, in the Congressional Record so that my colleagues may have the opportunity to review each and every one of them. I do so with pride, and particularly call attention to the resolution (L.R. No. 1) that states the renewed pledge of the noncommissioned and petty officers corps to "defend our Nation against all enemies whomsoever."

This is typical of our career military enlisted members. They are dedicated and devoted. They are loyal, but most

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of all, determined to keep this Nation defensively second to none.

As an honorary member and as a recipient of its coveted legislative award, I salute the NCOA and urge my colleagues to never forget that our noncommissioned and petty officers deserve special thanks for a job well done, and most of all, a renewal of our pledge to return their loyalty through our support in these hallowed Halls of Congress.

The NCOA 1975 legislative resolutions follow:

1975 LEGISLATIVE RESOLUTIONS

NCOA CREED

"It is with the conception and full understanding that many things of great need and importance can be accomplished in unity and cooperation, but otherwise impossible, that the members of the Non Commissioned Officers Association of the United States of America have agreed to join their efforts and strength to work together for the well-being of the individual, the group, and for the greatest benefit of our beloved Nation."

PREAMBLE

The major events highlighted in the 1974 Legislative Goals are still with us as we turn to the new year. To date little if anything has been resolved to relieve the Nation's concern with national and foreign affairs. The United States continues to be affected by:

1. "Detente" agreements with the Soviet Union that have yet no viable substance, arms control and mutual force reductions that are not effectively materializing, the Soviet's preoccupation in building its armed forces to a superior level of strength, and growing Soviet influence in oil-rich Arab nations;

2. The Middle East and Indochina exigencies, the questionable status of alliances with some NATO countries, the proposed "give-away" of the Panama Canal, and unstable political and economical problems in Central and South America;

3. The energy shortage, inflation, and recession;

4. The increasing pressure to reduce the defense budget, the threat of becoming a second-rate military power, the cuts in active duty military, reserve, and Guard forces, the continued efforts to stabilize the Department of Defense's civilian manpower strength by substituting civilians for military billets, the slow deterioration of morale and discipline in the All-Volunteer Force, and the refusal of Congress to repeal, revoke, or change existing laws that flagrantly discriminate against enlisted military members; and

5. The impairment of the Nation's internal and international security elements, the increased liberal views of many elected and appointed officials in federal and state bureaucracies, and the need for strong, dedicated, and active leadership in the Executive, Legislative, and Judicial branches of the federal government.

It is therefore the intent of the delegates assembled at the 14th Annual International Convention of the Non Commissioned Officers Association of the United States of America (NCOA) to voice their anxiety for the State of the Nation. On behalf of the total membership of more than 170,000 Noncommissioned and Petty Officers of the Army, Navy, Marine Corps, Air Force, and Coast Guard, the majority of which are serving in the active Armed Forces of the United States, the general assembly adopts the following legislative goals for 1975.

L.R. No. 1—To memorialize the President of the United States and our Commander in Chief, the Congress, and our fellow citizens that the Noncommissioned and Petty Officers Corps of the Armed Forces has been and is principally concerned with the welfare of our beloved Nation and its defense posture. We have dedicated our lives to serving our country in war and peace. Many of us were maimed and many of us killed in the Nation's struggles for independence and continued existence in a world beset with strife.

We have trained the citizen and professional soldiers, officers and enlisted. We have taught them how to fight, how to maim, how to kill, and even how to survive. We have led them into jungles, mountains, deserts, oceans, swamps, and into the skies. We have cursed them, cuffed them, protected them, cared for them, and yes, even loved them. We have taken them into combat, encouraged them to fight to the bitter end. We have watched them bloodied and battered continue to charge the enemy in face of overwhelming odds. We have seen them maimed and dead.

We watched them as they were buried in some foreign land or at sea. We have seen them go home, many never to walk again, and we have taken their replacements and started the cycle all over again.

Yet we have stayed on—dedicated to God, Country, and Corps, and loyal to the symbol of man's freedom—the Flag of these United States. As long as it waves, as long as there are professional Noncommissioned and Petty Officers in the U.S. Armed Forces, and as long as the Supreme Commander allows us to prevail, our Corps shall stand ready to serve our beloved Nation. We renew our pledge to dedicate our lives to protect the Constitution of the United States, and to serve as loyal Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen.

But as we serve, we shall not forget those who went before: the Noncommissioned and Petty Officers whose brave deeds are enshrined in the memories of nearly 200 years of recorded history. What they sacrificed, what they gave in blood, sweat, and tears is their bequest. We will do all in our power to protect that heritage, to provide for the well-being of the military community, and to defend our Nation against all enemies whomsoever.

L.R. No. 2—To memorialize the President of the United States and Congress to proceed with utmost care in establishing further detente, arms control, and mutual force reductions with the Soviet Union and Communist China. That until such a time that the U.S.S.R. displays truthfulness and honest efforts to balance arms control and force reductions, the United States will maintain a superior defense posture.

That the United States will honor its military commitments to all friendly nations, and that the United States will insist that coalliances shall be equally honored by others, and that our Nation will refuse to relinquish sovereignty over the Panama Canal or to recognize the present Cuban regime as the official government of the oppressed citizens of Cuba.

That the United States will not reduce the U.S. Armed Forces below 1975 military end strengths, and will maintain a Guard and reserve force of not less than 1 million military members. In this sense, the Department of Defense will be directed to cease "civilianizing" military billets on the pretense that to do so is a savings in funded costs.

That the United States Navy will be authorized sufficient appropriations to expand facilities at Diego Garcia in the Indian Ocean, and will be instructed to retain the Guantanamo Bay (Cuba) Naval Base.

That the U.S. Army will be authorized its goal of 16 combat divisions; that the Marine Corps will be authorized sufficient appropriations for training its forces in "every clime and place"; that the Navy will be provided funds to repair and overhaul or replace all existing ships as may be appropriate so that they may be combat ready; that the Air Force will have sufficient military personnel and equipment to keep our planes flying; and that the Coast Guard will be prepared to fulfill its present mission and be ready to join the other Armed Forces in the event of a national emergency.

L.R. No. 3—To memorialize the President of the United States and Congress to repeal, revoke, or change existing laws to correct discriminate provisions that fail to give equal protection under the law to enlisted military members, particularly those of the regular component.

L.R. No. 4—To memorialize the President of the United States and Congress to enact measures in behalf of retired military personnel that will provide recomputation of retired military pay based on January 1, 1972 military pay scales (as sponsored by the Honorable Bob Wilson, M.C., and the Honorable Vance Hartke, U.S.S., in the 93rd and/or 94th Congresses); recomputation of retired pay to reflect later active duty; full retention preference credit in civil service employment; an extension of the period from one to three years a member has to select a home for the purpose of travel and transportation allowances; amendments to the Survivors Benefit Plan; increased appropriations and services under the CHAMPUS program; expanded medical and dental care in available military facilities; amendments to the Dual Compensation Act; and other benefits necessary for the well-being of the retired military community, their dependents and survivors.

L.R. No. 5—To memorialize the President of the United States and Congress to authorize military commissaries to continue operating under the present system of government subsidies, and that either H. Con. Res. 142, sponsored by the Honorable Mark W. Hannaford, M.C., or H.R. 3363, sponsored by the Honorable G. William Whitehurst, M.C., be enacted into law to ensure that such commissary stores are not required to reimburse the Treasury of the United States, or that patrons of the stores are not required to pay additional surcharges for any such direct costs.

L.R. No. 6—To memorialize the President of the United States and Congress to *oppose changes to the present military retirement system* as now proposed by the Department of Defense; to oppose any and all attempts to further deteriorate the pay, allowances, and benefits presently made available to military personnel, their dependents and survivors; to oppose changes in the present method of allowing enlisted personnel to accrue and accept payments for unused leave; to repeal the present garnishment provision in law as pertaining to alimony judgments that do not include child support; and to oppose limitations on pay increases for government workers and military personnel, under any status, that will not equally limit all wage and price increases for the Nation as a whole.

L.R. No. 7—To memorialize the President of the United States and Congress to review, repeal, revoke, or change all "Status of Force" agreements that do not provide adequate protection and economic indiscrimination for military personnel serving in foreign nations.

L.R. No. 8—To memorialize the President of the United States and Congress to review and strengthen our internal and international security agencies and empower them to concentrate on the protection of the United States from within and without. That the House Committee on Internal Security be recognized as a separate and independent committee; that the Federal Bureau of Investigation be increased in size to investigate, apprehend, and successfully prosecute those who advocate the overthrow or moral decay of the United States and its citizens; and that the Central Intelligence Agency be permitted to carry on its primary duty of

gathering foreign intelligence for the protection of the United States and its citizens.

L.R. No. 9—To memorialize the President of the United States and Congress that patriotism and United States history be made a mandatory subject for all children being educated in U.S. controlled public schools; that oaths of allegiance shall be mandatory for any U.S. citizen requesting a passport; that prayers be allowed in public schools; that all questionable textbooks using profane language or containing pornographic descriptions be banned from public schools; and that proper respect shall be paid to the United States Flag and to the National Anthem.

L.R. No. 10—To memorialize the President of the United States and Congress to provide increased incentives for the procurement and retention of all reserve and National Guard forces; to strengthen these forces and enhance their readiness in order that on short notices, they will be able to adequately augment the regular Armed Forces during any domestic or national emergency; and to appropriate sufficient funds to enhance the retention of the professional NCOs and Petty Officers, so that the reserve and National Guard forces can retain the experience, leadership, and dedication that are needed to maintain that strength.

L.R. No. 11—To memorialize the President of the United States and Congress to continue positive efforts to provide adequate compensation and pension rates, independent medical and hospital care, education and training programs, employment and preference rights programs, and others that will be of benefit to the well-being of the Nation's deserving veterans, their dependents and survivors, and that the Non Commissioned Officers Association continuea to support legislation that will change Veterans' Day back to November 11 of each year.

L.R. No. 12—To authorize the International Headquarters Legislative Committee, on the advice and recommendation of the Director of Legislative Affairs, to petition the International Board of Directors to support or oppose any legislative proposals that may affect part or all of the membership in the Non Commissioned Officers Association.

That on the approval of the International Board of Directors, the Association's President will direct the National Capital Office to take the necessary action to memorialize the President of the United States and Congress of the Association's position.

The above resolutions were adopted this 4th Day of April, 1975, at Houston, Texas.

THE RIGHT OF THE PEOPLE TO BE SECURE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CLAY. Mr. Speaker, with great sadness, I have arrived at the conclusion that our society's notion of the specific freedoms embodied in the fourth and sixth amendments to the U.S. Constitution has been progressively undermined by the frightening power of overzealous Federal agents armed with the latest electronic surveillance devices. Stories of the unbridled employment of telephone taps and lazer transmitters disguised by fresh coats of paint should instruct us that we are slowly losing our fourth amendment "right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures . . ." Indeed, it appears now certain that the grim promise of 1984 is something more than the decades of old hyperbole of civil libertarians.

Mr. Speaker, the sixth amendment guarantees that "the accused shall enjoy the right to . . . be informed of the nature and cause of the accusation; to be confronted with the witnesses against him." I have always believed that our Government's most fundamental obligations were: first, to guarantee the application of the letter of the law; and second, to insure wherever possible the protection of its spirit. Mr. Speaker, I am personal witness to how little the spirit of the sixth amendment has come to mean. For although I have not formally been accused, I have indeed been publicly charged with acts for which there can be no supporting evidence or witnesses. And all the while I, a U.S. Congressman, have no other recourse but to watch helplessly as my reputation undergoes relentless assault.

Mr. Speaker, on March 13, Howard B. Woods of KSD–TV, St. Louis, gave a telling commentary on the erosion of our system of liberties. I insert in the RECORD at this point an excerpt from his commentary:

COMMENTARY, HOWARD B. WOODS

A jovial policeman, lounged in a barbershop telling of a chance social acquaintance in a bar who gave him the wrong name. He copied her license number, returned to the station house and after pushing the computer button, he bragged that he learned everything he wanted to know about the unsuspecting woman.

We now know that the F.B.I. taped a party involving the late Martin Luther King and subsequently mailed the tape to Mrs. King.

A Federal grand jury probes a former governor for three years and produces a four-count indictment of a prominent civic leader after one month of his testimony. And the U.S. Attorney inserts the name of a U.S. Congressman in a legal brief, involving an alleged narcotics deal and then leaves the matter hanging in incriminating limbo.

We are in no position to judge the cases of civic leader Don Lasater or Congressman Clay—and that is essential to the issue.

Does government, with all of its computerized tools of surveillance have unlimited control over the lives, careers and reputations of all of us?

The privacy of that chance associate of that officer, bandied about in the barbershop, is as precious as the reputations of King, Lasater or Clay. And if government is permitted to function without a sense of utmost responsibility, it becomes a travesty on our celebration of the 200th founding of this country.

MAY 1 BRIEFING ON THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. McCORMACK. Mr. Speaker, Dr. E. Linn Draper, professor, the University of Texas, briefed the Joint Committee's Ad Hoc Subcommittee on the breeder reactor program on the subject of the various types of reactors presently in use or under development. He presented an excellent overview of nuclear reactor design including operating principles and safety features. Key aspects are summarized below.

The production of electricity is basically through the heating of water to produce steam which in turn drives a turbine-generator which produces electricity. The principle difference between a conventional or fossil fueled plant and a nuclear plant is in the heat source to produce the steam. Heat in the nuclear reactor results from splitting U–235 atoms. The rate at which heat is produced is determined by the number of atoms being split—or undergonig the fissioning process. The rate of fissioning in the reactor is governed by control rods. Should one wish to essentially stop the fissioning process, the control rods are simply inserted into the reactor core.

Dr. Draper presented pictures and explained the different types of nuclear reactor. The boiling water reactor, or BWR operates at approximately 1,000 pounds pressure at approximately 550° F. The steam produced in the reactor directly drives the turbine which turns the generator. The reactor vessel for the BWR is 80 feet high, 40 feet in diameter, and approximately 5 inches thick. This reactor type is manufactured by the General Electric Co.

The pressurized water reactor operates at 2,000 pounds and between 500–600° F. Since water under these conditions does not boil, the heated water is passed through a heat exchanger which transfers the heat to water in a second loop. This loop operates at lower pressure and, therefore, boiling of water does occur. The steam produced drives the turbine. The PWR vessel is 40 feet high, 20 feet in diameter, and approximately 9 inches thick. This concept is marketed by Westinghouse Electric Corp.; Combustion Engineering, Inc.; and the Babcock and Wilcox Co.

The high temperature gas reactor, developed by General Atomic Co., uses helium as the primary coolant and operates at 1,400° F. This higher temperature allows a higher thermal efficiency for the HTGR of about 40 percent compared to 32 percent for water reactors.

The characteristics of the breeder reactor were described. One basic aspect of the breeder reactor, which would be cooled by liquid sodium, is that it would allow a factor of 60 increase in the use of uranium over that of the present water reactors.

Dr. Draper presented the safety considerations that are involved in reactor design. The "defense-in-depth" approach covers:

First, detailed engineering design to assure reactors are operated safely under normal conditions and for anticipated operational malfunctions. A stringent quality assurance program is undertaken at all phases of design and construction.

Second, engineered safety features are included in the design of a reactor to assure control of the fission process and adequate heat removal under postulated off-normal conditions. It was pointed out

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that this was the normal approach that any kind of plant in any industry would take during design, construction, and operation. For the reactor industry, however, a third step is taken, namely the use of a design basis accident—DBA. A low probability severe event is postulated as the DBA; the reactor is required to be designed to withstand such an accident in a safe manner. To assure this defense-in-depth is carried out fully, each reactor must go through a rigorous licensing review process. This process includes a positive finding to be made by the Nuclear Regulatory Commission prior to plant construction and prior to plant operation. Public hearings are required in the construction permit review and are offered and may be held at the operating license stage.

Dr. Draper also provided perspective as to the potential risk to the public as a consequence of the operation of nuclear reactors. Included in this discussion, reference was made to the AEC safety study made by Dr. Norman Rasmussen of MIT. Dr. Draper noted the extremely low risk posed by reactor operations especially when compared to risks that society commonly accepts.

Mr. George F. Quinn, an expert in the area of uranium enrichment, presented an excellent review of the uranium enrichment process. It was shown that only 0.7 percent of natural uranium is present in the form of the fissionable isotope U-235, and that most types of nuclear power reactors require fuel with a higher percentage of this material. For example, light water reactors—the prevalent type in the United States—require fuels of 2 to 4 percent enrichment in U-235, and high temperature gas-cooled reactors, which are coming into commercial usage, require fully enriched—93 percent—uranium. Therefore, an enrichment process is required to support the nuclear industry.

It was shown that in a typical enrichment arrangement the feed material—0.7 percent U-235—is transformed into a product containing 4 percent U-235, leaving a "tails" material assaying 0.2 percent U-235. In this process, approximately 70 percent of the U-235 in the feed stream is recovered as product. A higher percentage could be recovered, but the process would then become more costly. On the other hand, one could operate an enrichment process yielding a higher tails assay and, therefore, requiring less "separative work" and lower cost. However, in this case a greater amount of uranium feed would be needed to produce the same amount of useful product, and one must, therefore, balance economics versus resource availability and enrichment plant capabilities in deciding which enrichment approach to employ. It was noted that in either case, the stockpiled tails—whether 0.2 or 0.3 percent in U-235 assay—could eventually be used as fuel in breeder reactors.

The gaseous diffusion process was identified as the most economic process employed on a production scale to date. A description of this process was presented, and its operating principles described. The need for multiple enrichment stages to reach a desired enrichment level was pointed out. Finally, the locations of the three existing gaseous diffusion plants in the United States—Oak Ridge, Tenn.; Portsmouth, Ohio; and Paducah, Ky.—were noted, and a brief discussion provided of the cascade improvement program and the cascade uprating program, which would lead to a 60-percent increase in separative work capacity. These improvements require substantial capital funds but only a moderate increase in electricity consumption.

Alternative enrichment process such as gas centrifuge and laser isotope separation, and the subject of plutonium recycle were not discussed for reasons of available time, but additional information on these matters has been made available to the subcommittee.

THE ART OF COMMUNICATION

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BUCHANAN. Mr. Speaker, at a point in history when the United States is facing many challenges around the world and in the United Nations, we are fortunate to have as our ambassador to the United Nations a man of the caliber of John Scali.

A man of warmth, humor, and a keen sense of that which is in the best interests of the United States, John Scali has represented this country with dignity and honor in situations which would have challenged the abilities of even a superman.

His great personal courage has been of substantial benefit to the United States throughout his career, first as a journalist and, for the last 3 years as our permanent representative to the U.N.

During the October war of 1973, when not only the Middle East but the entire world was brought to the brink of confrontation, John Scali was a strong voice of reason.

As a member of the U.S. delegation to the U.N. during the 28th General Assembly and the sixth special session, it was my privilege to work with John Scali as he sought to espouse our goals of world peace and development.

John Scali has been the right man for the United States at the United Nations in a critical time in the organization's history. When confrontation could have cost our country dearly, he was a mediator and a voice of reason. When strength was needed, John Scali could and did provide it. He is a diplomat in the true sense of the word, having often achieved victory from the brink of defeat.

The task of representing the United States in the United Nations is not an easy one, but John Scali has met this obligation in a manner which has brought great credit to our Nation.

Recently it was my privilege to attend and participate in an Art of Communications Conference in the city of Birmingham, Ala., keynoted by Ambassador Scali. During the conference, sponsored by the University of Alabama's School of Communication in conjunction with our annual Festival of Arts in Birmingham, Ambassador Scali offered much insight into the United Nations as it stands today and the United States' role in that often misunderstood body. I commend his remarks to my colleagues:

THE UNITED NATIONS AND THE ART OF COMMUNICATIONS

As a lifetime worker in the field of communications, I was delighted to receive an invitation to participate in this Conference on the Art of Communication. For nearly thirty years, first as a newspaperman, then as a wire service reporter and finally as a television journalist, I have tried to master this art. It has been as an Ambassador during the past two and a half years, however, that I have faced my greatest challenges as a communicator.

I came to the United Nations expecting to find it an organization awash with words, debates, reports and resolutions. Instead I found a fundamental gap in communications which was blocking meaningful negotiations on some of the most critical issues of our time.

This is not to say the United Nations is a mausoleum of silence. Indeed there is some justice in the criticism that the United Nations talks too much and does too little. Unhappily, many of the words are all too familiar. Daily one can find a surplus of stale slogans and pointless polemics. It is this very excess of rhetoric which more than anything reveals the depth of misunderstanding among the United Nations members and masks the absence of real communication between them.

Those of you who were around in the early years of the United Nations will recall the then familiar exchanges between the Soviet and American representatives. These men seemed to speak at, rather than to, each other. They often used the same words, but conveyed diametrically opposed concepts. These debates contributed little to East-West understanding and seldom led to agreement. In helping to confine these exchanges to words rather than blows, the United Nations performed an invaluable service, but it continued to fall far short of the vision of its founders.

Today the nations of East and West remain philosophically far apart, but our dialogue has become much more fruitful. Our domestic philosophy and institutions remain unreconciled and our international behavior competitive, but we have greatly improved our ability to communicate. Based upon our better understanding, we have even achieved a measure of agreement on some issues.

When I came to the United Nations, I believed that detente could open new doors to cooperation within that organization. In acting as it did to halt the fighting in the Middle East in 1973 and in Cyprus in 1974, the United Nations fulfilled my hopes. These are major achievements. In other areas, however, I have been seriously disappointed at its inability to move ahead.

The United Nations has failed to realize fully the potentials of detente because the old obstacles imbedded in the East-West confrontation have been largely replaced by new obstacles, arising out of a new confrontation. Once again the representatives of member nations have seemed to talk at, rather than to, one another. Once again they use the same words to express different concepts. This time, however, it is the representatives of North and South, rather than those of East and West, who engage in what sometimes resembles a dialogue of the deaf. This time it is a confrontation between the nations of Africa, Asia, and Latin America on the one hand and those of the industrialized

states on the other, which blocks progress at the United Nations.

My initial reaction to the Third World's rhetorical campaign at the United Nations was, I suppose, very similar to that of most Americans. I was shocked at its intemperance, annoyed at its often unjust criticism of our country and surprised at its apparent irrelevance to many of the real issues before us.

Why, I asked myself, did the themes of colonialism and imperialism so monopolize attention? Surely the speakers did not seriously envisage a resurgence of these now largely historic evils. Why, I wondered, were relations between the developed and the developing states constantly posed in the most confrontational terms? Surely neither group could achieve its goals without the cooperation of the other. Why, finally, were the United States and other Western nations so violently denounced? Surely those who were attacking us had benefited from our friendship in the past and would have use for it in the future.

Gradually it became clear that the representatives of the Third World were trying to adapt old rhetoric to fit new circumstances. They were attempting to rely on the old tactics and slogans they used in their fight for political independence to help them achieve their new goal: economic equality. Having defeated colonialism, the Third World was rushing to battle with what they choose to call "neocolonialism".

Undoubtedly these two campaigns are in some ways analogous. Like so many analogies, however, this one conceals as many differences as it illuminates similarities. In an interdependent world, political freedom may come from the barrel of a gun, but economic progress can only be achieved cooperatively. Thus we are in a period where some Third World leaders are employing the tactics of confrontation to a situation which demands cooperation by men and women of goodwill and wisdom in all corners of the world.

By resorting to familiar and stirring rhetoric these Third World leaders have, I must admit, achieved a surface unity and have succeeded in dramatizing their demands. At the same time, however, they have created unnecessary opposition and dangerous alarm within the industrialized nations, even among those of us who recognize the legitimacy of some of their claims.

One cannot exempt the industrialized world from all blame. We, too, have contributed to the current confrontation by not responding sufficiently to the claims of the developing nations when they were made less stridently. Many of us in our islands of affluence failed to recognize the magnitude of the changes necessary to close the widening gap between the rich nations and the poor.

The first step in moving the nations of North and South from confrontation to cooperation is improved communication. Before we can hope to devise common solutions to our difficulties, we must agree on a common definition of the problems and a common approach to their resolution.

In his first inaugural address, President Nixon asked his countrymen to lower their voices. "In these difficult years," he said, "America has suffered from a fever of words; from inflated rhetoric that promises more than it can deliver; from angry rhetoric that fans discontents into hatreds; from bombastic rhetoric that postures instead of persuading.

"We cannot learn from one another," President Nixon said, "until we stop shouting at one another—until we speak quietly enough so that our words can be heard as well as our voices."

I believe this thoughtful plea for calm and rational debate to be as applicable to the United Nations of today as it was to the America of 1969. I am sure that the "straight talk among friends" which President Ford has called for, and has initiated, will be as welcomed by our friends abroad as has been here at home. Straight talk means honest communication.

In recent months both sides have taken a few tentative steps toward rational debate and greater understanding. On December 6, I went before the United Nations General Assembly to express our Government's concern with certain of that body's recent actions. I deplored its decisions to invite Yasir Arafat, to suspend South Africa and to adopt a one-sided resolution on the economic rights and duties of states. I said that each of these actions was, in our opinion, unwise and unreasonable. Taken together, I continued, they constituted a trend which could only undermine support for the United Nations in our country and force us to review our attitude toward that organization.

A number of speakers supported the views I had expressed. Many others did not. In the lengthy debate which followed my statement, however, the Assembly was able to lay out with new clarity and unusual moderation the basic issues facing the United Nations. The Assembly largely succeeded in defining the limits of agreement within the United Nations and the extent of disagreement. In so doing, it established the ground work which will be essential to any eventual narrowing of our differences.

The preparatory conference on energy and related subjects, held last month in Paris, achieved a similarly limited but useful result. This meeting failed to agree on the agenda for an energy conference. However, the representatives of the industrialized nations, the Third World, and the oil exporters did achieve a better understanding of each other's goals and negotiating positions.

Unfortunately, such progress toward better understanding should provide us with only small comfort. Communications is a prerequisite to agreement, but compromise is its essence. To date I have seen many signs of improving communication, but very few hints of any will to compromise.

The desire of Third World leaders to free their peoples from a cycle of poverty and despair is commendable. Their conviction that fundamental changes in the international economic system will be necessary to achieve this goal is understandable. Only their decision to use the rhetoric and tactics of confrontation in pursuing their objective is regrettable.

In particular I question the wisdom of their use of the United Nations as an instrument for imposing solutions which are clearly one-sided. I fear that the Third World's possession of a large majority in the General Assembly has tempted them to try to legislate what they should be negotiating—their vision of a new international economic order.

Americans, too, have often been deceived by the United Nations' superficial similarity to a national government, where the will of the majority has the force of law. We, too, have on occasion forgotten that the United Nations' purpose, as is stated in the Charter, is to harmonize the actions of its member states, not to regulate them. After 30 years of experience, however, one must admit that the United Nations has always proved an exceptionally poor instrument for coercion but an exceptionally good one for conciliation.

The true test of the United Nations will come only when its members turn from confrontation to serious negotiations. But if its members do not act with more deliberate speed, the United Nations may never be given this opportunity. Each day we delay introduces greater rigidity into the positions of both the industrialized and developing nations. Already the Third World has begun to escalate its calls for unilateral economic action. Already the industrialized nations have begun to build their defenses against the threat of economic dislocation.

In the field of military spending, we have seen over the years how each investment generates a counter-investment, making it more expensive to maintain the balance of power and more difficult to reverse the escalation. It is entirely possible that the world community will soon embark on this unfortunate cycle in the economic area as well.

Already the industrial nations are being forced to make major investments to create a defense against economic pressure. Already we are moving toward a world economy of producer and consumer cartels, closed trading systems, boycotts, stockpiles and retaliatory trading restrictions. Once we have built these expensive defenses, I assure you that it will become virtually impossible to negotiate their abolition.

If the world community is to prevent such an economic armaments race, it must reject the counsel of all those who seek confrontation for its own sake. We must not allow our course to be determined by nations or leaders who seek ideological, political, or economic profit from the world's current economic ills. Those of us who live in the industrialized world must recognize that only common solutions will allow us to maintain our economic growth and national vigor. Those who live in the developing nations must realize that if the world community fails to agree on steps to expand world production and trade, they will grow steadily poorer, while we in the industrialized states will grow less able and less inclined to help them.

Two hundred years ago the leaders of the thirteen American colonies were driven to unity by the knowledge that if they did not hang together, they would all hang separately. Today the international community is faced with a similar imperative. Either we work together to create a new and more just world economic order, or together we will face the consequence of our failure.

America still produces one-third of the world's wealth. Obviously we have to play a major part in designing any new international order. To do so, our nation will have to demonstrate the will to promote change, the vision to mold a new world, and the flexibility to accommodate the views of others. This is a great deal to ask of a country which is itself experiencing serious economic problems, massive unemployment and unacceptable inflation. This is a great deal to demand of a society still recovering from the shocks of domestic and international turmoil. Yet if we are not prepared to lead the way, who will?

Our first step must be to narrow still further the communications gap within the international community. We must continue to discuss our differences objectively, frankly and without rancor. We must also move quickly to find areas where compromise is presently possible, while we agree to disagree, as amicably as possible, on issues not yet ripe for settlement. Finally we must devise new initiatives with which to break the present deadlocks and permit stalled negotiations to get moving again.

Time is not on our side. Already relations between developed and developing nations have begun to take on an ideological rigidity which reinforces the existing economic division. Already the rhetorical confrontation between the Third World and the industrialized states is becoming formalized and institutionalized to suit the preconceptions of ideologies rather than the real needs of people.

In the years since World War II the nations of the West have gradually come to accept the division between themselves and the Communist nations of the East as a more or less permanent feature of international life—to be accommodated and ameliorated but not

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fundamentally altered. I fear that we are now fast approaching the time when the industralized world will similarly come to view the gap between rich nations and poor nations as an immutable fact of life, to be adjusted to and eased, but not fundamentally altered.

There may be those who would take comfort in the simplicity and logic of such a world divided. There may be leaders who believe that their power rests on the maintenance of the international tension which results from such a division. There may be pessimists who simply do not believe that the gap between rich nations and poor can ever be bridged. I am not one of these.

I believe that there is still time for the world community to halt its rush toward permanent division. I know that the American people are committed to seeking cooperative solutions to our international problems. I am confident that if we take the first step, others will join us. Together, I believe that we can restore a sense of unity in the United Nations and a sense of shared purpose to its deliberations.

LETTER TO THE PRESIDENT

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WOLFF. Mr. Speaker, recently, I received a letter from Mr. James T. Housewright, international president of the Retail Clerks International Association. I found his comments worthy of wider circulation and I would like to insert his letter into the RECORD.

The letter follows:

RETAIL CLERKS INTERNATIONAL
ASSOCIATION,
April 23, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Your newly directed reassessment of U.S. policy in the Middle East is one of the most unsettling foreign relations pronouncements in recent years.

While continued analysis and review of all U.S. policies is an obvious necessity, the pointed, publicized reassessment following the recent, hopefully temporary, failure of the negotiations initiated by our State Department between Egypt and Israel, appears to be more a signal of change and a manifestation of pique, than a calm, quiet, critical reexamination.

At a time when you express anxiety concerning the perception of America's will and commitment throughout the world, any hint that the U.S. may weaken its support of Israel, support which has been extended uncompromisingly for more than twenty-five years, only contributes further to misinterpretations of American intentions.

Since the fact of reassessment has already been broadcast, it would be foolish to urge reconsideration. However, it is not too late, within the context of reassessment, to reiterate forcefully our resolve to stand by this staunch ally and to continue providing her with the means to ensure her own defense. The pointed call for a reassessment of U.S. Middle Eastern policy should not be allowed to be interpreted as a weakening of our fundamental commitment to the people of Israel.

Israel is a democratic government. Her people are totally committed to the defense of their country. U.S. assistance is well used and deeply appreciated, and no request for U.S. military intervention has been made. Under these circumstances and, particularly, in recognition and understanding of modern history, our deep rooted commitment to provide Israel with the means to defend herself must be fulfilled.

Recent polls of the American public demonstrate clearly that, despite the recent setbacks in Southeast Asia and the omnipresent threat of an Arab oil embargo, the American people are determined to stand by Israel, our only democratic and reliable ally in the Middle East. It would be ironic indeed if, while you are so concerned about the appearance and reality of U.S. steadfastness to its commitments, your Administration were itself to allow one of our deepest, most principled, and most justifiable commitments to be eroded.

Unquestionably, all sides in the Middle East will have to make concessions if a durable peace is to be attained, but the sine qua non of a lasting peace consistent with U.S. principles and historic policies, is the formal recognition of the existence, integrity and independence of the State of Israel. An essential first step toward achieving this recognition is a declaration of non-belligerency by all sides so that meaningful discussions concerning territory and other difficult issues can commence.

What a disgrace it would be if the U.S. were to alter its position and to seek to pressure Israel, by implicit or explicit threats of reduced support, to make concessions which would weaken her defenses without reliable guarantees of her security. And if, as many assume, such pressure were motivated by the politics of oil, our perfidy would be infamous.

Mr. President, we call upon you now to reiterate U.S. intentions to continue providing Israel with the wherewithal to defend herself. We call upon you to reaffirm U.S. support of a secure and independent Israel as an indispensable premise to any Middle East settlement.

We too, recognize that many serious problems exist in the Middle East, not the least of which is the development of a lasting and acceptable solution to the Palestinian refugee situation. But, again, the right of the Israelis to live as a free and independent people must be a non-negotiable condition of any just settlement and must be recognized as such by all sides.

Respectfully yours,
JAMES T. HOUSEWRIGHT,
International President.

CINCO DE MAYO

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. LLOYD of California. Mr. Speaker, today, Cinco de Mayo, or May 5, is a very significant day for those of us who are close to the culture and history of Mexico, both in proximity to the border and in our hearts. This day, in Mexico and in many communities in the United States, we celebrate a great Mexican victory over the French in 1862.

I would like to bring attention to one such celebration this past Saturday, May 3, in my 35th District, in the city of Ontario, Calif. Here, a group of outstanding, public-minded citizens from many communities gathered in a beautiful parade and fiesta.

What was being celebrated was a long and proud heritage that was being threatened by the French under Napolean III. After gaining freedom from Spanish control in 1822, Mexico experienced many difficulties, and European nations looked at Mexico for selfish gain.

Britain, Spain, and France entered into a joint action which took the form of occupation of Vera Cruz. Spain and Great Britain withdrew, however, leaving France alone to pursue its greedy scheme.

Six thousand French soldiers left Vera Cruz for Mexico City to what they thought was sure victory. Their confidence was unwarranted, however, because of a small band of Mexican patriots stationed at Puebla, a strategically located town halfway between Vera Cruz and Mexico City.

The great Mexican leader, Ignacio Zaragosa, and his greatly outnumbered force, drove the French invaders back to the coast. Eventually, the French regrouped and captured Mexico. But it never won the allegiance of Mexico's people. The United States, at the conclusion of our Civil War, refused to recognize the despot Maximillian who was placed on the Mexican throne by France, and eventually, the foreign regime was expelled from Mexico.

The final victory in 1867 was made possible by the courage shown on Cinco de Mayo at Puebla.

Those of us who come from areas rich in the tradition of Mexico are proud of this day, a day which represents freedom, courage, and independence. In that spirit, I would like to extend greetings and warmest best wishes to Mexico and the many fine persons of Mexican descent who have settled in the United States.

MAJ. GEN. THOMAS A. LANE—STORY OF A PATRIOT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on April 23, 1975, the press reported the death of retired Maj. Gen. Thomas A. Lane. It had been my privilege to know General Lane and his gracious wife for only a short time before he died. However, to the citizenry of this Washington, D.C., area and to the Nation's conservatives at large, he was truly a giant. He led the parade in so many conservative and patriotic causes that perhaps everyone assumed he would go on forever and always be available to lead good Americans. But, now he is gone and those of us who believe in a strong and free America will miss him sorely. For the edification of my colleagues, I am including the very complete obituary as printed in the Washington Post of April 23, 1975. The item follows:

THOMAS A. LANE, EX-D.C. COMMISSIONER, DIES

(By Jean R. Hailey)

Retired Army Maj. Gen. Thomas A. Lane, 68, engineer commissioner for the District of Columbia from 1954 to 1957, died of cancer Sunday at Walter Reed Hospital.

After his retirement from military service in 1962, he returned to the Washington area, where he had lived since, devoting most of his time to writing.

Unlike some Army officers, who found assignment to the governing three-man D.C. Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto.

He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure here. He was outspoken and didn't hesitate to step on a few toes. As a result, he was considered one of the most controversial commissioners the District had had in many years.

At the same time, his sincerity and ability were not questioned. He started as a friendly commissioner and never lost that touch.

Even before he took the job of engineer commissioner on Dec. 10, 1954, the then Col. Lane visited the District Building, shaking hands.

"I'm Col. Lane. We'll probably be talking to each other a lot," he said to secretaries, department heads and aides. He kept his word.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers.

The primary responsibility of the latter was to direct the city's highway planning and public works program.

Col. Lane, who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy in both these areas.

There was a running feud with the old Capital Transit Co. and a prolonged transit strike in 1955. Pro and con arguments were of long standing on whether to build another bridge across the Potomac River or to tunnel underneath it.

A planned 10-year public works program was having difficulty getting off the ground.

Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

He was a vigorous advocate of the District's right to build highways and other public works with minimum of participation by the federal government. This put him at frequent odds with federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District schools.

He minced no words when he said that many pupils, primarily those who attended segregated Negro schools before the court-ordered desegregation in 1954, were lagging behind standards for their grades.

Gen. Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Many of the things he advocated, including the bridge and improved school programs, came to pass.

The transit strike was ended shortly after he became commissioner. Some years later, the city's streetcars were phased out and public transportation was entirely by bus, which he favored.

The Southwest area was redeveloped. A 15-member citizen's review committee was established to push public works.

He considered District representation in Congress and home rule vital to the city's welfare.

When he left office in July, 1957, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all times."

Gen. Lane was born in Revere, Mass., and graduated from West Point in 1928, ranking third in a class of 261.

In 1929, he was assigned to an engineer battalion at Ft. Belvoir and went with the unit to Nicaragua, where it was on canal survey duty until 1931.

Returning to this country, he attended Massachusetts Institute of Technology, receiving a bachelor's degree in civil engineering.

He returned to Ft. Belvoir to attend the engineer school in 1932–33, and then was assigned to the Memphis district of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Ft. Belvoir in 1935, Gen. Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and in 1941–42 served with the 30th Engineer Topographic Battalion at Ft. Belvoir. He trained Army aviation engineer battalions on airfield construction then went to the Southwest Pacific with the headquarters engineer staff.

There he supervised construction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with the Occupation Forces in 1945, then came back to Washington to serve on a Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the logistics division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new construction program for that island, and came back to Washington to attend the National War College.

Prior to his appointment as District Commissioner, he was assistant to the chief of engineers for policy planning in Washington and engineer of Army field forces at Ft. Monroe, Va.

Gen. Lane became commander of Ft. Leonard Wood, Missouri, one of the Army's basic training centers, after his assignment as commissioner here, and was promoted to major general.

His final assignment before retirement from the military on July 1, 1962, was that of president of the Mississippi River Commission. He received an Oak Leaf Cluster to his Distinguished Service Medal.

He became a syndicated columnist on public affairs and served as a military analyst. From 1965 through 1969, he was president of Americans for Constitutional Action.

He was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

Gen. Lane had written a number of books, including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam" and "The Breakdown of the Old Politics."

He was a member of the American Society of Civil Engineers and an honorary member of the Washington Society of Engineers.

He is survived by his wife, Jean Lane, of the home, 6157 Kellogg Dr., McLean; a daughter, Julie Rasmussen, of Friendly, Md.; a son Army Capt. Thomas Lane of Ft. Rucker, Ala.; two brothers, Jeremiah Lane, of Fairfax, and retired Army Gen. John Lane, of Falls Church; two sisters, Julia Walsh and Mary Lane, of Roslindale, Mass., and four grandchildren.

The family suggests that expressions of sympathy be in the form of contribution to the Catholic Relief Services for Vietnam Refugees.

MINNESOTA WATER—CLUE TO THE UNKNOWN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FRASER. Mr. Speaker, if there is one environmental issue on which we can all agree, it is the need for basic information. We must have more knowledge about the ecological relationships on which our survival depends.

In this connection, I would like to call the attention of my colleagues to the recent establishment of the Freshwater Biological Institute. Located on a beautiful, 30-acre tract between Wayzata and Spring Park, Minn., and overlooking Lake Minnetonka, the new research complex is the first in North America dedicated exclusively to fundamental research on fresh water.

Minnesota, with its more than 15,000 freshwater lakes, is proud to welcome this "environmental Mayo Clinic." Its unique collective approach should soon produce important results, not only for freshwater ecology, but for medicine, agriculture, land management, recreation, and industry.

Mr. Speaker, the story of the Freshwater Biological Institute is told by Dale Jester in the April 8, 1975 issue of Exclusively Yours Minnesota. The text of the article, "Minnesota Water—Clue to the Unknown," follows:

MINNESOTA WATER—CLUE TO THE UNKNOWN

(By Dale Jester)

It's precious, expendable and essential for all life, but almost nothing is known of its mysteries. No one science is dedicated to its marvels, nor has a single discovery yielded a clue to its complex nature. Yet it exists everywhere, nourishing and beautiful, even in the world of a child. Fresh water.

But a dream of three Lake Minnetonka businessmen, translated in just six years from vision to reality, is beginning to fill the huge gaps of human knowledge about a freshwater universe containing millions of life systems. These men, Richard G. Gray Sr., Hibbert M. Hill and Carrol Crawford, have seen their idea take shape in a 2.5 million dollar building and already partially staffed by a high powered scientific team.

The Freshwater Biological Institute, located on a 30 acre tract between Wayzata and Spring Park, overlooking Lake Minnetonka, houses complete facilities for investigation and research, including 18 major laboratories, 32 offices, a two-story library and seminar rooms.

It is the only institution in North America dedicated to fundamental research on fresh water.

The director is a 36 year-old biochemist from England, Dr. John Wood, formerly a full professor at the University of Illinois, a post he held for ten years.

Dr. Wood is the man who discovered the mercury chain build-up in fish, that deadly reaction which triggered deaths of hundreds of Japanese a few years ago. As a consequence of the isolation and definition of this health hazard, Wood gained international fame.

He visualizes his job here as chief administrator and team member of an environmental Mayo Clinic, which will revolutionize the science of ecology, not only by its discoveries, but by the unique collective approach of many experts coordinating separate

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finds into a cohesive whole. Thanks to the invention of computers, calculations and conclusions which formerly took years, can be completed in hours and stored for retrieval by other scientists.

This dynamic—and to some, eye boggling—concept was defined further recently by Dr. Joseph Rossillon, who was hired a short time ago as director of the parent Freshwater Biological Foundation.

Dr. Rossillon, whose own academic field is communication, explained, "Scientists necessarily are reductionists, that is, they reduce everything to the molecular level and study it at that point. Somehow, individual research must be linked at the molecular level to the work of others. By continuing to gather and relate discoveries, a whole picture can begin to evolve."

By way of illustration, Rossillon described the projected team make-up which will include six major scientific areas, each headed by its own resident expert. Of the six, only two—Dr. Wood and German nuclear physicist Dr. Eckhert Munck—are currently at the institute. A third, microbiologist Dr. Ronald Crawford, begins work July 1, 1975.

Jobs to be filled within two years include a geochemist, specializing in sedimentology of fresh water basins; two limnologists who will gather specimens and instruct others to find the "why" of the phenomena they have isolated; a toxicologist who will study accumulations of poisons; and an expert in kinetics, the science dealing with the motion of masses.

A ten year agreement with the Karlolinska Institute, part of the University of Stockholm, Sweden, will exchange talent and information. Swedish limnologist, Dr. Arne Jernelov, will commute across the ocean as coordinator.

Separately and jointly, scientists will delve into such enigmas as the chemical make-up of like beds, the life cycles of fresh water invertebrates, the cause and ultimate disposal of toxins and perhaps most significant of all, the mystery of how nitrogen gets into food chains and how it can be controlled.

"Here is the water, a living thing," says Rossillon. "We'll break everything down to its lowest common denominator and study the effects, links and reactions, and then try to work our way back again. It's not a matter of answers. We're going back now to find out the questions."

The results, he believes, will have enormous impact, not only for ecologic purists, but in agriculture, medicine, recreation, land management and industry—everything, in fact, significant for human welfare.

This giant sized view of the future FWBI is a long way from the first proposal, daring enough, of Gray, Crawford and Hill. Practical men, busy already in their business and civic lives, the three had envisioned simply a means to study and protect Lake Minnetonka, and perhaps to extend the research to other Minnesota fresh water.

Back in 1968, the plan was simple. The Lake Minnetonka men would incorporate as a nonprofit, tax-exempt group; they would raise enough money to build a structure, buy the land, and they would provide another 1.5 million dollars for equipment and staff salaries to launch the institute. At that point, the whole package would be handed over to the University of Minnesota as a free and clear gift. The job of the founders would be completed.

Essential was the cooperation and accord of the University of Minnesota. Early in 1968, Gray and Hill began discussions with Dr. Alan J. Brook who was then professor of botany and head of the department of ecology at the University. Soon talks included Dr. Richard Caldecott, dean of the College of Biology. Several months later, the group received a letter from University President Malcom Moos, giving formal approval and indicating the gift would be accepted.

Richard Gray Sr., the most publically visible of the three founders, is president of Zero-Max Industries and an amateur scientist. As Dick Gray, he's known to many readers for his folksy nature column published weekly by Sun Newspapers. Hill, a retired Northern States Power executive and civil engineer, and Crawford, a newspaper publisher, tend to let the dynamic and articulate Gray act as spokesman for the project.

And spokesman he is. From the beginning, the persuasive powers of Dick Gray induced a distinguished group of men to serve on the foundation's board. They, in turn, conjured a magician's money bag to finance the four million dollar goal.

A list of donors shows the most prestigious foundations and corporations within Minnesota: the Bush Foundation, $400,000; Hill Family Foundation, $140,000; General Mills, $125,000; E. A. Bean Foundation, $150,000; Mrs. E. M. Pennock, $250,000; Baker Foundation, $130,000 and Northern States Power, $75,000, are just a few of the many with a sizeable stake in the FWBI.

In retrospect, the concept of Gray, Crawford and Hill worked with astonishing ease. What they didn't foresee was the explosion of their idea into the present view of an ongoing foundation, tending to the world's need for fresh water research with the FWBI merely the first of many accomplishments. The Freshwater Biological Foundation and the Freshwater Biological Institute are separate entities and, as Dr. Rossillon noted, "The cord will be cut very soon."

Just how soon may depend on the Minnesota State Legislature. A request for appropriations to cover staff salaries and maintenance costs must be approved before the University can accept the gift. In the meantime, it leases the building from the foundation for one dollar a year.

Designed by architect Elizabeth Close, of Close Associates, Inc., the facility is a warm, human-oriented structure of wood and brick, with flexible laboratory space and numerous lounges strategically located to encourage conversation and dialogue. The library is linked by computer to the University library 28 miles away. Furnishings are simple, comfortable and good-looking, with colors chosen to denote function as well as to please the eye. Masses of east facing glass look toward rolling fields and marshland easing down to the shore of the lake.

The original goal of four million dollars almost has been reached, and soon the FWBI will be set free from its parent to function as a new and marvelous adjunct to the University. The facility will draw scholars from all over the world, and as a solid base of knowledge builds, the state itself can bask in the reflected glory of an internationally famous institution.

Meanwhile the foundation turns restless eyes beyond the parameters of Lake Minnetonka, beyond Minnesota with its 15.292 freshwater lakes, to a world-wide arena of need. Another 15 million dollars is its tentative goal. The 22 member board will scan the Florida Everglades, the rivers of Sweden or the by-waters of Texas, funding grants and sparking research in an effort to find and document an ordered life predicated on fresh water.

The prospect is staggering. But, like the dream that launched the institute, the challenge matches the energies and hopes of men, who as inhabitants of a shrinking globe, must solve the mysteries of fresh water for sheer survival.

MARINE MILITARY ACADEMY OF HARLINGEN, TEX.

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HÉBERT. Mr. Speaker, the Marine Military Academy under the supervision of Maj. Gen. George S. Bowman, Jr., USMC, retired, is doing an outstanding job in educating young Americans for the responsibilities of citizenship.

Kenneth G. Slocum, writing for the Wall Street Journal of April 30, 1975, under dateline of the academy's hometown of Harlingen, Tex., relates an interesting account of this distinctive institution. For the edification of my colleagues I am inserting Mr. Slocum's article:

[From the Wall Street Journal, Apr. 30, 1975]

AW RIGHT, YOU GUYS, NO MORE KID STUFF! FALL IN OR SHIP OUT

(By Kenneth G. Slocum)

HARLINGEN, TEX.—Dawn is still an hour away, and a cold wind whistles through the palm trees as Roy Phillips and a squad of 20 swathed in U.S. Marine sweatsuits jog in cadence past a military barracks into the darkness.

It's reminiscent of a Marine boot camp, and with good reason. Although Roy is only 13 years old and 99 pounds, he is a student in the nation's only Marine-oriented college-preparatory school. And the onetime Air Force installation again echoes with the bawling orders of burly former Marine drill instructors seasoned by Parris Island, Vietnam and the like.

The Marine Military Academy, which has little official connection with the Marine Corps besides an annual Marine inspection, occupies 142 acres of white, low-slung buildings fringed with South Texas palms and the hibiscus plants abundant here in the Rio-Grande Valley. The academy, for grades seven through 12, is noteworthy for more than being the only prep school patterned after the Marine Corps.

Founded in 1965, it has made steady gains in enrollment at a time when the number of military academies in the nation has plummeted to fewer than 50 from nearly triple that number after World War II. And, while most schools and the military services are relaxing discipline and regimen, this academy is drawing the restrictions on its 180 cadets even tighter.

NO SUGAR COATING

"We aren't tough just to be tough," says Maj. Gen. George S. Bowman, Jr. (Ret.), the academy superintendent, whose uniform bears seven rows of service ribbons. "Life isn't getting any less competitive, and we think it's a mistake to give young people a sugar-coated experience."

There isn't much that's sugar-coated about the Marine Military Academy. From reveille at six until taps at ten, the weekday is filled with classes, drill, calisthenics and barracks duties, and the average cadet has only about 30 minutes of free time. Execpt for those on the B-average honor roll, cadets study weekday evenings under supervision. George Kalas, a 12-year-old from Houston, says as he quickly straightens his cot, "Time is tight around here."

So is discipline. Recently, a cadet, frustrated by a Spanish test, crumpled the exam paper and silently dropped it into the wastebasket. Called before the military command, he was formally admonished and required to apologize to the instructor in front of the dean. An older cadet, viewed as highly promising, was dismissed for drinking intoxicants on the campus. As a civilian visitor strolls a dormitory hall, cadets brace at attention against the corridor like waves slapping a seawall.

Corporal punishment is prohibited, but the imposing hulk and less-than-dulcet tones of a uniformed drill instructor are usually adequate to command respect. Sgt. Billy Cook, a bull-necked six-foot-three-inch veteran whose 23 years in the corps include three as a drill instructor at Parris Island, says, "When a boy does something wrong, I grab the emblem on his sleeve and say, 'Men die for that emblem—how dare you disgrace it?' I've seen 18-year-olds break down and cry."

CARDINAL OFFENSES

Although the use of alcohol and illicit drugs on campus is usually punished by immediate dismissal, nothing is viewed with greater contempt than cheating, lying or stealing. "Dishonesty is like pregnancy," Gen. Bowman says, "There's no such thing as a little bit."

The academy emphasizes, "We aren't a haven for misfits," and about 10% of students aren't invited back each year, for reasons ranging from failing grades to inability to adjust. Another 5% drop out on their own. One dropout, David M. Digby II, 15, of San Antonio, says, "It was just like a machine. I'm glad I left."

While military discipline is an end in itself, its main purpose here is to further education. "Properly used, the military structure produces outstanding results in education and leadership," Marine Col. H. W. Card Jr. (Ret.), the commandant, insists.

Other staff members maintain that the academic regimen here rivals the best civilian curriculum. Richard S. Hockaday, chairman of the academy's science department, formerly held a similar position at Polytechnic School in Pasadena, Calif., an accelerated institution for above-average children through high school. He says, "We teach the same program here—same books, same courses."

FULL-TIME INDOCTRINATION

Tutors help those who have difficulty keeping pace with the rugged academic program, and the 10% or so on the "deficiency" list are also required to study extra hours on Saturday. "We're got them 24 hours a day, working on their minds, their bodies and their morals," Col. Card says.

Reactions to this Spartan life vary among the cadets, who are allowed to go into town to see the outside world only on Saturday afternoons and Sundays. "You can't say you like it—it hurts. But I like what it has done for me," says 17-year-old senior Frank Colunga of San Antonio, who has been here four years. Cadet Colunga, son of a postal clerk, plans to be a doctor.

The most common advantages cited by cadets are the small classes, personalized instruction and pressurized courses. "Back in Albany (N.Y.), classes were 30 to 40; here, the biggest are 17 or 18," says Brian Mogul, 14, who plans to join the Marines eventually. (Only about 25% of the graduates plan military careers after college, and 98% of all graduates go on to college.)

SELF-DISCIPLINE

Three-year veteran Bruce Schmitt, a 19-year-old senior from Las Fresnos, Texas, who has been accepted by Texas A&M University, says, "The biggest single thing the academy has taught me is self-discipline—that even though I don't like to do something, if it's better for me, I do it—like getting up in the morning."

Students are primarily middle-class. Some 44% of the students came from Texas, 38% from 25 other states and 18% are from abroad, mostly Mexicans and sons of Americans working outside the country. Tuition, room and board costs $3,000 for a school year, and total cost reaches about $3,500.

For most, of course, it's their first stay away from home, which assures a psychological impact. It's also a revealing experience for the hard-bitten former Marines on the staff. Says Sgt. Cook, 43, who was bayoneted through the neck and imprisoned by the Chinese in North Korea before escaping and who was later severely wounded in Vietnam, "The Chinese poured ice water on me naked at 20 below zero and I toughed it. But these kids can present me with a trophy with their names on it and I'll cry like a baby."

FEA COMMITTEE ENDORSES STRIP MINE BILL

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mrs. MINK. Mr. Speaker, the Ford administration has taken a dim view of the Surface Mining Control and Reclamation Act of 1975 primarily because of the supposed impact of this bill on coal production and on jobs. President Ford pocket vetoed a similar bill in December and submitted, through Frank Zarb, Administrator of the Federal Energy Administration, a list of objections to the bill, which is now due for consideration by the House, following agreement by the conference committee on April 29.

The President's reservations have received careful and thorough consideration both in committee and in conference. Six of the eight "critical" objections were adopted in one way or another. Of the 19 "noncritical" but important changes requested by the President, over half were incorporated into the bill in some form. Nonetheless, reports that the President intends to veto the bill persist.

Mr. Speaker, the bill which has been hammered out in conference is a strong, workable piece of legislation. The country badly needs more coal, as we are all constantly reminded, but we need over the long run to protect our land and water resources, and particularly our rural areas where essential food and fiber are produced. The conference report bill, in my estimation, will accomplish this dual purpose. It deserves the unstinted support of all my colleagues in the House who wish to put an end to the years of disruptive debate and turmoil over strip mining, by bringing about the orderly and equitable development of the coal industry.

It is therefore most timely to have the endorsement of the Federal Energy Administration Consumer Affairs Special Impact Advisory Committee, which in the following resolution categorically denies that the surface mine bill will cause the severe adverse impacts which its detractors claim, and calls upon President Ford to sign the bill when it reaches the White House. I sincerely trust Mr. Ford will take heed.

I submit the following:

FEA CONSUMER AFFAIRS/SPECIAL IMPACT ADVISORY COMMITTEE RESOLUTION PASSED APRIL 17, 1975

The Consumer Affairs/Special Impact Advisory Committee of FEA asks Mr. Frank Zarb and President Ford's other energy advisors to urge him to sign the newly revised strip-mining bill that will soon be sent to him by Congress.

The Committee believes that national uniform standards for reclaiming mined land is an important first step in protecting our resources as we seek to solve the energy crisis. The present bill has been debated for over four years in Congress and all sides to the question have been heard.

This Committee believes the present bill will:

1. give significant protection to mined land and adjacent forests and water.
2. not limit unduly our coal production,
3. give long needed protection to owners of coal land,
4. not cause jobs to be lost, but will, in fact, create new jobs in strip-mining reclamation.

We believe the fact that the present bill has been endorsed by parts of the coal industry, the United Mine Workers, environmental organizations, farmers, and a variety of other concerned organizations shows that the pending bill is in the national interest.

We therefore urge FEA to endorse the bill and also urge President Ford to sign this bill.

NEW APPROACHES NEEDED ON UNEMPLOYMENT PROBLEM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ASHBROOK. Mr. Speaker, unemployment in the United States is a serious national problem. The jobless rate is at the highest level since the great depression in the 1930's.

Not unexpectedly, the liberal politicians have offered their usual solution to the problem. The Federal Government should spend billions of dollars on creating public service jobs.

I reject this approach for two reasons. First, it is inflationary. Second, past experience has shown that the creation of public service jobs does not revitalize our free enterprise system.

It is time that the Congress came up with some better methods of attacking the unemployment problem. One approach I would like to put forward is that of Milton Stewart, president of the National Small Business Association.

Stewart proposes a "job creation credit" that would make it possible for small businesses to hire up to two new employees each. Stewart estimates that the tax credit method would create 500,000 jobs almost immediately.

With improving business, these would be permanent jobs. Contrast this with the temporary nature of public service jobs. It would help to revive the economy without the high risk of inflation.

Mr. Speaker, I urge my colleagues to give serious thought to the "job creation credit" proposal which is discussed in the following article by John Chamberlain:

WHY NOT TAX CREDITS FOR HIRING NEW EMPLOYES?

(By John Chamberlain)

The idea of spending billions on creating "public service" jobs to sop up unemployment is something out of the 1930s. It has a ritualistic ring. It is inflationary—and it won't work now to revive the enterprise system any more than it did in Franklin Roosevelt's time, when the New Dealers had to wait for World War II to bail out the economy.

Why do we always exhibit such barrenness when it comes to thinking up ways of fighting off depression? We haven't learned anything in 130 years.

The French in the 1840s were sure that "national workshops" would get them out of their troubles. It was a fallacious idea then. Governments don't know markets. "National workshops" and "public service" jobs simply eat up capital without giving the people the goods and services they want.

It isn't that there aren't better ideas around. Milton Stewart, the newly elected president of the Washington-based National Small Business Association, has been trying to get Congress to enact a "job creation credit" that would make it easy for thousands of small businesses to hire up to two new employes each.

As things stand now, only businesses that are in the market for machinery are in line to benefit from standard investment tax credits. This leaves thousands of service-type businesses out in the cold. But if these little fellows who do not buy "hardware" were to get deductions for hiring new hands they would, as one of them put it to Stewart, "be crazy not to" add to their payroll.

Stewart, who used to work for Averell Harriman in New York state, is a reformer who has lost his zeal for New Deal type ritualism. "Public sector" expansionism leaves him cold. He thinks that tax credits designed to put people to work in small private business would create some 500,000 jobs in short order. And, with improving business, they would be continuing jobs. After all, 50 per cent of the jobs in America are in small enterprisea.

The National Small Business Association's feeling that it would take just a little by way of a tax concession to create much higher small business employment is borne out by a survey made by the National Federation of Independent Business, Inc., which maintains its home office not in Washington but in San Mateo, Calif.

In February, 81 per cent of the polled Federation respondents said they intended to hang on to their present employes. This was slightly better than the December figure of 79.6 per cent. Among the 19 per cent who reported plans for changing their working force, 13.2 per cent said they intended to take on more workers. The most job opportunities by region seem to be in the Mountain states, where 17.8 per cent report they intend to hire more people. The New England states and the automotive country of the upper Middle West were the least optimistic about hiring in the near future.

If, for the most part, small businesses are not in a job-cutting mood, the time would seem to be psychologically ripe for the sort of thing Stewart is trying to get Congress to do.

He calls his "job creation credit" idea "seat belt" legislation for small business. It is especially needed, he says, at a time when the Federal Reserve Board, which concentrates on slamming on the brakes to restrain the "big business juggernaut," hardly seems to notice that "its small business passenger" is "half-way through the windshield."

Another way of enabling small business to hire more people would be to reduce the paperwork required by both federal and state bureaucracies. Sen. Thomas McIntyre of New Hampshire says that forms and reports, most of them needless, cost small business some $18 billion a year. A lot of people could be kept at work if $18 billion were cleared to move into more constructive jobs than paper-pushing.

VIETNAM—DID IT KILL OFF ECONOMIC TRANQUILITY?

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, yesterday's New York Times carried an insightful and penetrating analysis of our economic situation during the past decade.

I commend Edwin Dale's piece to all of my colleagues for their thoughtful review:

VIETNAM—DID IT KILL OFF ECONOMIC TRANQUILITY?

(By Edwin L. Dale, Jr.)

WASHINGTON.—How much did Vietnam, which for all practical purposes ended financially with just a whisper last Tuesday, wreck the fairly tranquil prosperity of the American economy?

Regardless of the cause, the post-Korean War tranquility is gone. With the economy not yet even starting up from its present deep recession, such divergent sources as Michael Evans of Chase Econometrics and Alan Greenspan of the President's Council of Economic Advisers are already warning of the possibility, even likelihood, of renewed double-digit inflation and double-digit interest rates in 1976 or 1977, to be followed by a recession even more severe than the present one.

Hardly anyone is really confident any more, from Arthur F. Burns to Arthur Okun, from David Rockefeller to George Meany. That is not to say there has been a mass abandonment of hope. But there has been a profound change, especially if one looks to July, 1965, the month when President Johnson first sent American troops in force to Vietnam.

Bonds and mortgages then were yielding about 6 per cent. Stocks tended to rise fairly steadily and predictably along with corporate earnings. Unemployment was moderate. Prices were rising at a rate of only about 1.5 per cent a year, and wages were gaining at about 4 per cent. Business investment was strong. The dollar was at the center of a world economy with stable exchange rates. Troubles, by today's measure, were tiny.

Was it Vietnam that destroyed all this, or was it going to be destroyed anyway?

No one can be certain of the answer to that question. Robert Triffin, for example, began to argue well before the Vietnam war that the international monetary system was almost bound to break down. Frederick von Hayek was as convinced then as he is now that modern Keynesian economics was bound in the end to lead to serious unemployment, by way of inflation. Arthur Burns, then out of government, was warning in early 1965 that inflation was becoming a danger again. And yet. . . .

It is hard to avoid the conclusion that there was some cause and effect—that the awful national disaster of Vietnam, as it finally turned out to be, was a big reason for our loss of economic, as well as many other kinds of, tranquility.

The early facts are not really in dispute. The economic troubles began with the failure of the Johnson Administration in 1966 to pay for the war by raising taxes—a big contrast with the prompt increase in taxes by the Truman Administration and Congress in 1951 soon after the beginning of the Korean war. Whether Congress would have gone along with a "responsible" Administration fiscal policy in 1966 we shall never know, but in any case the President chose not to try it. He did not even disclose accurately until near the end of that year how much the war was costing.

It may seem a century ago now, but the fact is that the first serious mortgage credit crunch—the first major "disintermediation" in which the funds drained out of savings banks and saving and loan associations—was in 1966, as the Federal Reserve System sought to slow the incipient inflation associated with the war, and interest rates rose.

The inflation rate that year, measured by the consumer price index, was only 3.4 per cent. But it was the beginning.

The nation has been in "stop-go" policies ever since. Would we have had them—and a chronic inflation problem—even without the war? Perhaps. The explosion of Federal Government spending stemming from "uncontrollable" outlays—social security plus the growth of new social programs aimed at solving domestic problems of all kinds, together with a corresponding Congressional reluctance to raise taxes—apparently was coming in any event, and it was likely to cause problems. The war itself peaked as a purely economic drain with the $30-billion spent in 1968 and never was big enough to overwhelm the economy.

It is also true that, whatever happened in the beginning, the end of involvement in Vietnam will not restore the old tranquil prosperity. By the end, total Government spending in Southeast Asia for all purposes was running at a rate of only about $1.5-billion? a year in a total national budget of $320-billion. Economically, the war had become negligible. Last week, on the day before the final evacuation, the House of Representatives voted to add nearly that much more to the budget by a series of obscure amendments to domestic child nutrition programs.

It is no wonder that the war ended financially in a whisper—the dollar hardly moved on the foreign exchange markets, and the stock market dawdled.

The economy's troubles, present and prospective remain unchanged. And yet, despite all the "might have beens," the one thing we can know is that the end of tranquility for the American economy coincided with the beginning of significant involvement of this nation in Vietnam.

OWN A PIECE OF THE WILDERNESS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CONTE. Mr. Speaker, very soon, the House will be asked to vote further funding for the Dickey-Lincoln hydroelectric dam project in northern Maine. I remain vehemently opposed to this project and will be fighting it every step of the way.

An excellent article in the May edition of New England Outdoors by Janice Snow gives a concise history of the project and puts its pros and cons on balance. I commend the article to my colleagues and at this point I insert the article into the RECORD:

OWN A PIECE OF THE WILDERNESS

July 31, 1985, Dickey Lincoln Lakes, Maine.—Once a woodland stream frequented only by husky loggers and rugged outdoorsmen, Dickey-Lincoln Lake now supports a leisure community where thousands of people enjoy the new man-made lakea environment of scenic Northern Maine. Chalet-style condominiums grace the shore lines. Tanned water skiers skim across the placid lake behind fiberglass boats. Only the hum of the outboard motors, the laughing of children scaling the massive concrete flood control dikes and the casual cocktail conversation of proud new homeowners breaks the woodland quiet.

An enlarged, relocated highway speeds vacationers from one scenic fun spot to another, from leisure home living to lively nightspots, from cozy campsites to convenient shopping areas. Docking facilities for pleasure boat enthusiasts and sportsfishermen dot the shore line. Ample stocks of plump yellow perch replace the more elusive brook trout of the past. Campsites, fully equipped with trailer and T.V. hookups, enable those with limited time and money to join the leisure class.

A wonder of modern technology has converted this once sleepy North Woods into a tourist mecca. The eleventh largest dam in the world has pumped tourist dollars into the once-economically depressed area. 725,000 kilowatts of "clean" power wheels across great transmission lines 150 miles to Augusta and points south. Dickey-Lincoln hydroelectricity powers Boston's air conditioners, TV's and industrial machines during peak demand periods.

Just a six hour drive from Boston on the newly constructed interstate link from Augusta to Dickey along Route 95 replaces the formerly arduous trek over old winding logging roads. The activity at Dickey-Lincoln Lake has just begun. Plans are underway to complete within ten years a new pumped storage facility and a secluded, quiet, nuclear power station to continue to meet New England's growing demand for power while serving New England's growing recreational needs.

WILDERNESS BE DAMNED

(By Janice Snow)

A real estate developer's fantasy? Perhaps, but plans for altering the Northern Maine Wilderness have been on and off the drawing boards since 1956, when the International Joint Committee (I.J.C.), a United States-Canada body set up in 1919 to settle questions involving the St. John River Basin, began to study the possibility of harnessing the power of the great Passamaquoddy ("Quoddy") Bay tides to supply Maine and New Brunswick's electrical needs. Three years and three million dollars later, the I.J.C. concluded that due to enormous variations in the size and the occurrence of the tides, a tidal power project could supply large amounts of power only a few hours per day. They suggested the addition of a steady power facility (a 300,000 kilowatt dam at Rankin Rapids in the St. John, just downstream from the Allagash River) to supply continuous or "base" power needs. The 400,000 kilowatt tidal plant at "Quoddy" would provide the short bursts of power ("peaking power") needed during periods of greatest electrical demand. The $687.7 million price tag (figured at two and seven-eighths percent interest), $532 million of that for the tidal plant, appeared less economical in 1959 than other energy alternatives, so the project was tabled.

The project was revived in 1961 by the Department of the Interior, which concluded that a slightly altered scheme would prove both commercially and technologically feasible. Due to increased electrical usage during the late afternoon, the project could prove more economical than private power sources by generating peaking power only to all of New England and New Brunswick. The tidal plant capacity would be increased one million kilowatts and the dam (now moved upstream to Dickey to avoid flooding the Allagash Wilderness) increased to 700,000 kilowatts. Although this 1964 report noted that the government could produce the same amount of power more cheaply by steam plants, nuclear plants or pumped storage plants, these alternatives were rejected as they would not produce the "non-power benefits of recreation and development", i.e., man-made lakes. Furthermore, according to the report, the Upper St. John River was being "wasted", flowing "unharnessed" into the sea.

By 1965 the decrease in the price of private power made the "Quoddy" tidal plant too expensive, but according to the Department of the Interior, the Dickey and Lincoln dams were still economical. Congress funded a House Public Works Subcommittee Study but voted down further construction plans in 1967.

In an attempt to revive Maine's sagging economy, Maine Congressman Hathaway in 1971 introduced a scaled down hydroelectric plan consisting of two 100,000 k.w. dams to supply base power to Maine and possibly irrigation for Aroostook County. This bill was defeated and the Dickey project lay dormant until the Great Energy Crisis in late 1973.

With the Arab embargo of oil, private utilities which had previously been openly opposed to the Dickey Lincoln project softened their stance. When Arab oil rose to $12 a barrel, an expensive hydroelectric dam no longer seemed so far-fetched, particularly at the deflated costs figured at a legal but unrealistically low government borrowing rate.

Skyrocketing electric bills, fears of an abrupt end to the air-conditioned, frost-free, two-cars-in-every-garage life style, a depressed Main economy, hunger for a slice of Congressional pork, and devastating floods along the Saint John in 1974 and 1975, has converted many skeptics into supporters of the dam project. In 1965, twenty out of twenty-five New England Congressmen voted against Dickey Lincoln. In 1974, all but four voted in favor. $700,000 was appropriated for still another review of the project's feasibility. But for the first time, as a result of the 1969 Natural Environmental Policy Act, the "environmental impact" of the project has to be considered. A report by the Natural Water Resources Study Coordinating Committee, directed by the Army Corps of Engineers (the designers and proponents of the project) summarizes the essence of the present controversy. The Upper Saint John region is the "only remaining large wilderness area in the North Atlantic Region" and it is "the last reservoir site in New England with large hydro-electric potential." Which do we choose, dams or wilderness? Many issues remain unclear. Few objective and informed sources exist. Some facts are not disputed. It is in the interpretation of these facts that the answer, or rather, the priorities lie!

The project will inundate approximately 150 square miles of the Great Maine Woods, including 64 miles of the St. John, 23 miles of the Big Black River, several smaller rivers, numerous streams and some Canadian territory. Two-thirds of the Upper St. John (much of the lower St. John lies in Canadian territory) would be flooded, leaving only one significant free-flowing river in northern Maine—the Allagash.

Opponents of the project decry the loss of what the Federal Government Interagency Committee in 1955 declared should be preserved due to its "unique upland wilderness character, outstanding scenic and geological features, mountain peaks, lakes, forests, and marshlands."

Proponents claim the 86,000 acre lake at Dickey will provide more access to wilderness areas, support more and varied uses and thus shore up the Maine economy as well as generating needed electricity. The Army Corps of Engineers 1974 Report presents the Dickey Lake as "complementing" the Allagash and "alleviating the present heavy use of the Allagash." One may wonder how replacing one wilderness riverway with a resort designed to attract thousands of additional visitors will reduce the number of people seeking solace along the one remaining wilderness riverway.

Miles of natural cold water brook trout fisheries will disappear. The new lakes, warmer in temperature, will be stocked with the more common yellow perch. The breeding areas of ducks (2,800 acres), moose and deer (17,600 acres) will be eliminated. One report claims that 1,800 of the 2,200 deer to be displaced could be relocated if additional land were purchased and good management techniques implemented. This plan is not part of any existing proposal.

Many citizens of Northern Maine seem willing to trade off a large chunk of pristine wilderness for the promise of more jobs and fewer floods. The Army Corps estimates an annual income of one and a quarter million dollars in tourist revenues and new construction. Critics claim the drawdown of the lake water from natural fluctuations and energy production will leave an unsightly ring of mud and ooze (particularly in early spring and fall) discouraging lake use. The Corps claims these mud flats will be of significant size only in March, when the ring will be concealed by snow.

The Army Corps of Engineers estimates that $891,000 in redevelopment money will pour into Maine during each of the projected seven years of construction. Translated "redevelopment" is the money paid to laborers on the project. Of the total labor force employed on the project, estimated between two and three thousand workers, only about one-third will be drawn from the local population near the project areas. These will be primarily unskilled workers, earning the lowest wages. Skilled and semi-skilled labor will be imported, probably from Canada. The impact of between 1500 and 2500 transient, seasonal workers on the social structure of the small French Catholic town has not been seriously considered.

Although 95% of the project benefits, according to the Corps, are power benefits, many Fort Kent and St. Francis residents favor the project primarily for its flood control benefits. Ironically, the huge Dickey dam alone would pose an additional flood threat. The smaller Lincoln-School Dam and Reservoir are designed to control the Dickey's flow and thus reduce the flood threat to downstream towns. A single, one million dollar dike would significantly reduce flooding at Fort Kent according to an Army Corps report, but Fort Kent city fathers have been unwilling to donate the necessary land. Five dikes will be required to prevent the new reservoirs from spilling over into adjacent watersheds. Even area residents who attribute increased flood damage to lumber company overcutting in the St. John watershed turn to the Dickey project for relief because they see no chance of breaking the lumber lobby's hold on the Maine legislature. Removal of remaining flood retarding trees from the one hundred and fifty square miles of reservoir bottom may in fact increase the flood hazard over the seven to ten year construction period, some critics contend.

Is the upper St. John Basin a valuable enough hydro-site to merit such an expendi-

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ture of energy, capital, and natural resources? An ideal river to harness for power according to Geology Professor Floyd F. Cunningham, author of 1001 Questions & Answers About Water Resources, has high elevation and contains a large volume of swiftly moving water with limited fluctuations in volume. The upper St. John varies from flood levels in late spring to a trickle in late summer and early fall. To produce large amounts of power at such a small stream requires an enormous volume of water storage at a high elevation.

To produce 725,000 kilowatts at Dickey will require a 335 foot high wall of earth, concrete and stone over two miles in length. The earth fill will come from the banks of the river, but some six hundred thousand cubic yards of stone facing must be obtained elsewhere. The best site, according to Chief Engineer John Leslie and Dickey Project Manager Richard Reardon of the Army Corps of Engineers, is the Deboulie Mountain range, an outstanding scenic and recreational area. The Corps, aware of adverse reactions to the Deboulie site, claims to have two as yet unnamed, alternative sites.

The 65 million cubic yards of earth fill, taken along 57 miles of the St. John to fill the stone and aggregate dam will make the Dickey Dam the sixth largest in the United States, and the eleventh largest in the world, exceeding in volume the 1.2 billion dollar Aswan Dam. Transporting the dam fill and facing will consume millions of gallons of fuel.

Although the Dickey Dam rates 11th in volume, it will not make the World Almanac's list of the 46 most powerful dams. Number 46, the Sir Adam Beck in Canada (1.2 million k.w.), exceeds projected Dickey capacity by 50 per cent.

The Dickey dam will produce 725,000 k.w. of "installed electrical capacity" (the greatest amount of power available at any one time). Due to the limited and irregular volume of water supplied by the St. John, the dam can only produce electricity an average of two to three hours per day, a "firm power" or steady capacity of only 100,000 k.w. The much smaller Lincoln School Dam (85 feet high and 1600 feet long), a flood control and power facility with an installed capacity of 70,000 k.w., (one-tenth the power of Dickey) will generate a total "firm power" capacity of 35,000 k.w. (one-third the "firm power" of Dickey) as it may be operated an average of 12 hours per day. Together the Dickey and Lincoln dams will generate 1.2 billion kilowatts per year, increasing New England's total electrical output in the 1980's by seven-tenths of one per cent. This is only 13 percent of the total power produced by the less expensive Maine Yankee power plant at Wiscasset.

The Army Corps of Engineers 1974 Report "envisions the marketing of 725,000 k.w. of Dickey Lincoln School Lakes output as peaking power to the Boston area." 150 miles of transmission lines will cut across the Maine Wilderness to Southern Maine where the Army Corps hopes to tie into existing, private transmission lines. If such a tie-in of transmission lines will be necessary.

When the power finally arrives in Boston, less the 10 percent loss in transmission, who will get it? The Department of Interior, which markets the power, per authority of the Flood Control Act of 1944, must give preference to public and cooperative interests. Since Boston is supplied entirely by private power companies, the limited, Dickey-Lincoln power would go first to the smaller, outlying municipal plants. Chief Engineer Leslie predicts some collaboration between public and private power interests, but he admits that no decision is likely to be made on marketing or transmission lines before Congress must vote final approval of the entire project.

Financing plans are equally ill-defined. The revised, July 1974 project costs vary from a low, Army Corps of Engineers figure of $419.3 million for dam construction, plus $140.3 million for transmission lines. A "legal," but unrealistically low interest rate of three and one-quarter percent was used to compute these totals. Currently the government's lowest borrowing rate is five and seven-eighths percent.

The Friends of the St. John, a coalition of environmental groups, actively opposed to the Dickey project, estimates the actual project cost somewhere between $800 million and one billion dollars, based on the escalation of construction costs and current borrowing rates. The Maine economy and all New England power users will benefit according to the Army Corps of Engineers. According to opponents of the project, the contractors and the Army Corps will benefit at the expense of taxpayers, the environment, and the state of Maine which will be subject to a boom and bust economy inundated with out of state labor.

Why invest so much capital, labor and energy in so few kilowatts? According to Mr. Leslie the project is justified by its ability to produce large amounts of power when demand is greatest, (two to three hours per day in winter and five to seven hours per day in summer). As a "peaking" facility Dickey Lincoln will generate 10 percent of New England's estimated peaking power demand in 1985.

UNITED STATES RETRIEVED ITS REPUTATION BY SOUTHEAST ASIA WITHDRAWAL

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. KARTH. Mr. Speaker, America's soul-searching over our withdrawal from Vietnam, after our tragic loss of 57,000 dead, 303,000 wounded, and 900 still missing, will doubtless continue for months to come.

Whether that soul-searching on two basic questions—whether we should have entered Southeast Asia with force in the first place and whether we should have remained in Indochina after 12 years with greater commitments of men and resources—will be healthy or divisive we cannot know today.

But one thing we have known with certainly during the last 6 years of that heartbreaking war: Public opinion polls without exception, and some of our congressional elections, have shown that the American people were overwhelmingly in favor of our withdrawal from Indochina and a stop to the seemingly endless bloodshed and waste of precious American resources.

As one of the first Members of Congress to avocate the end of our involvement in Vietnam and Cambodia, I feel that the largely majority sentiment reflected in the polls and the elections gives us the opportunity for a new national unity and purpose.

Our Nation now has a fresh chance to concentrate on the solution of our domestic problems and to reassert a benign leadership throughout the democratic world.

The question of whether American involvement in Indochina and finally our withdrawal were actions of "honor" is discusssed with thoughtfulness and insight in an editorial published in the St. Paul Dispatch on April 30 which I would like to submit for inclusion in the RECORD.

I warmly agree with one of the editorial's principal conclusions:

> America retrieved its international reputation by getting out of the Vietnamese sinkhole.

The editorial follows:

The "Honor" Argument

Silly arguments and lopsided logic are endemic in Washington town, but seldom has a zanier argument been heard from that quarter than the current one about the loss of American honor in Vietnam. Even the President has joined the chorus, with his oddly-reasoned condemnation of Congress for not emulating the Chinese and Soviet Communists, who so nobly "kept their word" to supply their Vietnamese allies.

To hear right-wing senators and syndicated columnists tell it, no other country is ever again going to believe the word of the United States government because Congress would not send more arms to South Vietnam. Where were these people when the word from abroad was that the United States was lame-brained for fighting in Southeast Asia? Where were they when foreigners (including some heads of government) were making it plain they considered America's honor was being besmirched by our being IN Vietnam? (This, of course, is not even to raise the question of just how additional military "aid" could possibly have done the South Vietnamese any good, anyway.)

America retrieved its international reputation by getting out of the Vietnamese sinkhole. Our honor, something some Americans worry about to a manic degree, might not have been questioned if Congress had been persuaded to vote eleventh-hour arms aid, but our national sanity probably would have been. When the United States finally withdrew its forces from Vietnam, millions of Americans, along with most of the rest of the world, figured this country was finally showing real signs of maturity. We didn't say so, but it looked as if we had finally come around to admitting we had goofed. In any case, we were cutting our losses and getting out of an impossible situation—something every other major country in the world had done many times before without worrying that it was about to slip into second-power status or lose the respect of the world.

It is a continuing mystery, incidentally, why Americans are so preoccupied with what the rest of the world thinks of them. Or, as is so often the case, with what they think the rest of the world might think about them. We are the most self-conscious nation history has recorded, and most of the criticism we imagine to have come from abroad we have manufactured ourselves.

The President said the war was over, for us. Obviously, however, the self-recriminations weren't. Some of them, of course, are fabricated for domestic political purposes—in the hope "blame" for the downfall of South Vietnam can be made into an issue in the '76 election. But much of the self-flagellation is a manifestation of a perverse American habit. Is it, as the psychiatrists might put it, evidence of some kind of deep sense of insecurity?

Whatever; one hopes that by the time we have reached our two hundredth birthday we will have come closer to grips with international reality and stopped assessing all to ourselves, especially when no blame is due.

CAMPAIGN TROUBLE AHEAD, THANKS TO REFORM LAW

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DEL CLAWSON. Mr. Speaker, this morning's Los Angeles Times contains a colums which I believe deserves the attention of all Members of the House and Senate and the public at large. It illustrates how misleading legislative titles and descriptions can be in practice. At this point in the RECORD I include the column by David S. Broder:

Campaign Trouble Ahead, Thanks to Reform Law

(By David S. Broder)

SAN FRANCISCO.—If the U.S. Supreme Court later this year finds substantial parts of the Federal Campaign Finance Reform Act of 1974 unconstitutional, as many lawyers think likely, the country is going to face some serious problems in the 1976 campaign.

Those problems and their possible remedies were one topic of discussion at a meeting here a week ago, sponsored by the American Bar Assn. As in the previous report on this subject (Times Editorial Pages, April 30), the views stated here are those of one participant only, and do not, as they saying goes, necessarily reflect those of others, or of the sponsoring organization.

The 1974 law has four major parts: strict disclosure requirements on the sources and uses of campaign cash, with a new enforcement agency; limits on individual and organizational contributions to federal campaigns; limits on overall spending for the House, the Senate and for President; and a provision of public funds for presidential candidates in the major parties who meet certain conditions.

All four areas are under challenge in a suit filed by politicians of the left and right, who charge discrimination against themselves, and by organizations concerned with the Frst Amendment limitations implicit in the act.

Depending on which provisions survive and which are tossed out by the courts, the rules of the game for 1976 campaign financing will be distorted.

If the public financing provisions are killed, for example, but the contribution and spending limits survive, presidential candidates may be strapped for the minimum cash needed to conduct an effective campaign. If public financing survives without spending limits, however, Treasury funds could contribute to a dollar battle that would make the excesses of 1972 seem modest.

There are just two of the possible perplexities that will confront Congress and the country on the eve of the 1976 campaign, if the case reaches the Supreme Court this autumn as expected.

Rather than scramble for an unsatisfactory remedy at that point, it would seem advisable to begin now to rethink the principles of campaign finance reform and face up to some of the issues that Congress so assiduously avoided last year in its rush to enact something it could label a "post-Watergate reform."

The weekend meeting here suggested several principles that deserve to be kept in mind in the almost inevitable reconstruction job:

—First, the direct role of the federal government should be kept as small as possible. We ignore at our peril the fact that, historically, the worst threat to freedom has come from the power of the state, not the influence of private interests. If, in trying to reduce the influence of private-interest money, we give government officials the power to decide who can compete effectively for public office, we risk something far worse than Watergate.

—A second principle, closely related, is that voluntarism should be encouraged, not barred, in our politics, including voluntary campaign gifts. Taken together, these two principles suggest that rather than the completely public-financed general election campaigns for the White House that this new law provides, public funds should be a minor part of the finance mix, if used at all.

—Third, in distributing funds, the government should be as neutral as possible. That principle, too, is violated in the existing law, which treats big contributors better than minor parties, and presidential contenders entirely differently from congressional candidates.

One solution would be for the government to provide certain "neutral" services, such as free mailings, for all candidates for federal office. Another would be for the allocation of public funds to be made by someone other than the government itself.

A mixed commission, including the leaders of the political parties, who are left in the cold by the existing law, would have a greater interest in maintaining political competition, through the use of public money, than would incumbent officeholders.

Another possibility, though an expensive and cumbersome one, would be to go to a voucher system, in which individual voters could distribute their government campaign contribution chips as they choose.

A system built on such principles, if linked to a law with strict and effective disclosure requirements, reasonable limits on private constributions and a waiver of the futile and undesirable effort to put a ceiling on campaign spending, might bring us closer to the goals of equity and stability, of competitiveness and openness, in our political system.

HOUSE OF REPRESENTATIVES—*Tuesday, May 6, 1975*

The House met at 12 o'clock noon.

Rev. John S. Farrar, First Baptist Church, Culpeper, Va., offered the following prayer:

O Lord Jesus Christ, we now join hearts to express a need for Thy presence and strength. Enter our human experience today: So to cleanse our hearts, to instruct our minds, and to direct our paths. Grant Thy grace to the end that we shall be men and women of true character, free from pretense and sham. In facing the issues before us today, enable us to reason and act as responsible representatives and to make decisions that advance the dignity of man. O Lord, save us from idle words and intemperate attitudes. In the name of Him who came to set men free, we do our work and to Him we yield our lives. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 25) entitled "An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 218. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

THE REVEREND JOHN S. FARRAR

(Mr. ROBINSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ROBINSON. Mr. Speaker, the opening prayer was offered today by the Reverend John S. Farrar, pastor of the First Baptist Church of Culpeper, Va.

It is a privilege to introduce Mr. Farrar to the House as a valued constituent of the Seventh Congressional District of Virginia, and I am grateful to Dr. Latch, our Chaplain, for his welcome of this energetic and dedicated clergyman.

My colleagues of North Carolina and Kentucky will be interested, particularly, in these few highlights of Mr. Farrar's career of Christian service:

He received his degree in Christian literature from Wake Forest University and then went on to graduate from Southern Baptist Theological Seminary, Louisville, Ky.

Prior to coming to Culpeper, Mr. Farrar served the South Side Baptist Church, Louisville, the New Hope Baptist Church, Earl, N.C., and the First Baptist Church, Boiling Springs, N.C. While in Boiling Springs, he also served as chaplain of Gardner-Webb College there and as assistant athletic coach.

In Culpeper, Mr. Farrar does not keep to his own pulpit and study. He is active in the life of the community and has engaged himself in numerous civic pursuits.

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He has ranged forth to assist small rural churches as guest minister during revivals.

He is a man of good humor. I can recall a photograph printed on the front page of the Culpeper Star-Exponent early last year. Good-naturedly ludicrous in female garb, Mr. Farrar was caught by the cameraman while taking part in a comic skit during the annual sweetheart banquet of his church.

Earlier this year, Mr. Farrar was invited to offer the opening prayer at a session of the Virginia House of Delegates. I am sure that legislative body—and this—have benefited from the sincerity of his prayers.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. Without objection, a call of the House is ordered.

There was no objection.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 179]

Abzug
Ambro
Barrett
Beard, Tenn.
Bergland
Burke, Calif.
Butler
Chisholm
Clay
Conyers
Derwinski
Diggs
Dingell
Dodd
Drinan
Eshleman
Evins, Tenn.
Ford, Mich.
Giaimo
Gonzalez
Hastings
Hébert
Heckler, Mass.
Hinshaw
Jarman
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Mink
Mitchell, Md.
Mollohan
Moore
Mosher
Pritchard
Rangel
Rinaldo
Risenhoover
Rodino
Rostenkowski
Scheuer
Shriver
Smith, Nebr.
Stanton, James V.
Teague
Udall
Wilson, Charles H., Calif.
Yatron

The SPEAKER. On this rollcall 380 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HON. SHIRLEY N. PETTIS

Mr. RHODES. Mr. Speaker, I ask unanimous consent that the gentlewoman from California, Mrs. SHIRLEY N. PETTIS, be permitted to take the oath of office today. Her certificate of election has not arrived, but there is no contest and no question has been raised with regard to her election.

The SPEAKER. Is there objection to the request of the gentleman from Arizona.

There was no objection.

Mrs. PETTIS appeared at the bar of the House and took the oath of office.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

RAUL ALVAREZ RODRIQUEZ

The Clerk called the bill (H.R. 1387) for the relief of Raul Alvarez Rodriquez.

There being no objection, the Clerk read the bill, as follows:

H.R. 1387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Raul Alvarez Rodriquez may be classified as a child within the meaning of section 101(b)(1)(F) of the Act and a petition filed in his behalf by Maria Francisca Rodriguez-Hernandez, a citizen of the United States, may be approved pursuant to section 204 of the Act and the provisions of section 245(c) of the Act shall not apply in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUADALUPE VILLEGAS-CANTU

The Clerk called the bill (H.R. 1388) for the relief of Guadalupe Villegas-Cantu.

There being no objection, the Clerk read the bill, as follows:

H.R. 1388

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Guadalupe Villegas-Cantu shall be held and considered to have been lawfully admitted to the United States for permanent residence on November 26, 1948, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACINTA ROQUE GONZALEZ LOPEZ

The Clerk called the bill (H.R. 1393) for the relief of Jacinta Roque Gonzalez Lopez.

There being no objection, the Clerk read the bill, as follows:

H.R. 1393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jacinta Roque Gonzalez Lopez may be classified as a Child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. Joseph J. Armstrong, a citizen of the United States, pursuant to section 204 of the Act and the provision of section 245(c) of the Act shall not apply in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in the administration of the Immigration and Nationality Act, Jacinta Roque Armstrong-Perez may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Joseph J. Armstrong, a citizen of the United States and a lawfully resident alien, respectively, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Jacinta Roque Armstrong-Perez."

A motion to reconsider was laid on the table.

JOSEPH HOFFMAN

The Clerk called the bill (H.R. 1408) for the relief of Joseph Hoffman.

There being no objection, the Clerk read the bill, as follows:

H.R. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Joseph Hoffman may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Bernard and Rose Hoffman, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEVE P. REESE

The Clerk called the bill (H.R. 1510) for the relief of Steve P. Reese.

There being no objection, the Clerk read the bill, as follows:

H.R. 1510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Steve P. Reese may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mervin J. Reese, citizen of the United States, pursuant to section 204 of the Act and the provisions of section 245(c) shall be inapplicable in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VICTOR HENRIQUE CARLOS GIBSON

The Clerk called the bill (H.R. 1553) for the relief of Victor Henrique Carlos Gibson.

There being no objection, the Clerk read the bill, as follows:

H.R. 1553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(22) of the Immigration and Nationality Act, Victor Henrique Carlos Gibson may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *Provided further,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENDRIKA KOENDERS LYNE

The Clerk called the bill (H.R. 1556) for the relief of Hendrika Koenders Lyne.

There being no objection, the Clerk read the bill, as follows:

H.R. 1556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hendrika Koenders Lyne shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLOTEMIA MABANAG BARENG AND BASTIANA LILIAN MABANAG BARENG

The Clerk called the bill ((H.R. 1757) for the relief of Plotemia Mabanag Bareng and Bastiana Lilian Mabanag Bareng.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MARIA GILDA JIMINEZ-ALCALA

The Clerk called the bill (H.R. 2119) for the relief of Maria Gilda Jiminez-Alcala.

There being no objection, the Clerk read the bill, as follows:

H.R. 2119

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Maria Gilda Jiminez-Alcala (Maria Jilda Haro) shall be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon filing of a petition in her behalf by Angelina Haro a citizen of the United States pursuant to section 204 of the Act, and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 4, strike out the names "Maria Gilda Jiminez-Alcala (Ma:ia Jilda Haro)" and substitute the name "Maria Gilda Haro".

On page 1, beginning on line 6, after the words "of the Act," strike out the remainder of line 6, and the language on line 7 through the words "of the United States" and substitute in lieu thereof the following: "upon approval of a petition filed in her behalf by Angelina Haro and Anastacio Haro-Cardenas, a citizen of the United States and a lawfully resident alien, respectively".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Maria Gilda Haro."

A motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

CONGRATULATIONS TO MRS. PETTIS ON HER ELECTION TO CONGRESS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SCHULZE. Mr. Speaker, let me take this opportunity to congratulate Mrs. PETTIS on her election to Congress and, as president of the 94th Republican Club, to welcome her to our ranks. There have been two special elections since last November, and Republicans have won both of them. We are batting 1,000 percent.

Of our freshman Republican class, there are Representatives from the North, South, East, and now we have a Representative of the Western United States.

Our class is composed of Members of varying backgrounds and experience, but I venture to say that none is comparable to that of our newest Representative. She has been involved in the political and legislative process for nearly 10 years and has, during that time, developed associations and expertise that would be hard for any of us to match.

I speak for all of us in the 94th Republican Club in welcoming Mrs. PETTIS to our ranks, and I look forward to a long association with her in working to achieve the goals of our party and our Nation. The people of the 37th Congressional District of California have chosen well, and I am sure that Representative PETTIS' contribution will be great.

PERMISSION FOR SUBCOMMITTEE ON MANPOWER, COMPENSATION, HEALTH AND SAFETY TO SIT TOMORROW DURING PROCEEDINGS OF THE HOUSE

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Manpower, Compensation, Health and Safety be permitted to sit tomorrow, May 7, during consideration of legislation on the floor of the House.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DEATHS OF FORMER SENATOR KENNETH KEATING AND JOSEPH CARDINAL MINDSZENTY

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, I take this occasion to announce to the House of Representatives that it is my intention to take a special order next Tuesday afternoon following the regular business in order to pay tribute to my good friend and colleague, who passed away yesterday and who was a close personal friend of the Members of this House, Ken Keating, who served for so many years in this House.

Mr. Speaker this is the second consecutive day on which has fallen to me the sad duty of announcing to my colleagues the death of a man who has meant a great deal to this Nation. This morning Josef Cardinal Mindszenty passed away in Vienna, Austria, at the age of 83. Cardinal Mindszenty was more than a martyr to freedom, and much more than a spiritual leader. He was, and continues to be after his death, the symbol of unity and freedom for the Hungarian Nation and its people. Cardinal Mindszenty is sorely missed by the thousands of Hungarian refugees who were welcomed to our Nation 19 years ago in the wake of the 1956 revolution against Soviet tyranny. I know that those Members of this House who had the privilege of meeting the Cardinal 1 year ago this week here at the Capitol will miss him as well. He is a man whose memory will be preserved in the annals of freedom forever.

WELCOME TO NEW CONGRESSWOMAN SHIRLEY PETTIS

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, the gravity of our responsibility, the burden of our task calls upon each of us to carry our share of the load in this body. I am often amazed that under the stress, the politics, or the pressure of this body that cooperation is the result, a helping hand

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is the spirit, and lasting friendships are built.

We all strive to do our best for the people we represent.

And in that framework, Mr. Speaker, I must observe that the quality of the laws we enact is greatly determined by the quality of men and women who are elected.

Mr. Speaker, we are indeed fortunate, in that regard, that the people of the 37th Congressional District have sent SHIRLEY N. PETTIS to represent them here.

I join with my colleagues in welcoming her and wishing her well in her efforts.

PROVIDING FOR CONSIDERATION OF H.R. 4510, FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 410 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 410

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4510) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations. After general debate, which shall be confined to the bill and hall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York (Mr. DELANEY) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 410 provides for an open rule with 1 hour of general debate on H.R. 4510, a bill amending the Foreign Service Buildings Act of 1926.

H.R. 4510 transfers authority between geographic areas in order that supplemental appropriations may be obtained to complete the Property Exchange Agreement of February 4, 1975 between the United States and Egypt. H.R. 4510 does not provide for an authorization and there will be no new costs incurred as a result of the enactment of this bill.

H.R. 4510 transfers a total of $6,915,000 from the African, American Republics, European, and East Asia accounts to the Near East and South Asia accounts.

Mr. Speaker, H.R. 4510 was reported from the Committee on International Relations with a unanimous vote. I urge the adoption of House Resolution 410 in order that we may discuss, debate, and pass H.R. 4510.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for 1 hour of general debate on H.R. 4510, the Foreign Service Buildings Act amendments. The bill will be open to all germane amendments.

The primary purpose of H.R. 4510 is to transfer authority between geographic areas so that supplemental appropriations may be obtained to complete the property exchange agreement of February 4, 1975, between the United States and Egypt.

The capital account used to cover the acquisition of properties at present has an unused balance of $7,046,000. However, the amount available for use in the Near East and South Asia is only $86,000. This bill would transfer existing authorization from other regions to the Near East and South Asia.

Mr. Speaker, there is no new cost to this legislation since it only transfers existing authorizations.

Mr. Speaker, I urge adoption of this rule.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5810, FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 411 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 411

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5810) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York (Mr. DELANEY) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 411 provides for an open rule with 1 hour of general debate on H.R. 5810, a bill to amend the Foreign Service Buildings Act of 1926.

H.R. 5810 authorizes a total of $94,685,000, with $23,085,000 being allocated for capital improvements and $71,600,000 for operating expenses. The funds are to be used for the purchase, construction, major alteration, and long-term leasing of buildings overseas that are necessary for the operations of the Department of State and certain other Federal agencies. The areas covered in the bill include Africa, the American Republics, Europe, East Asia, South Asia, and the Near East.

Also included in the authorization is $3,745,00 for facilities for the United States Information Agency and $420,000 for facilities for agricultural and defense attaché housing.

Mr. Speaker, I urge the adoption of House Resolution 411 in order that we may debate and discuss H.R. 5810.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously explained, House Resolution 411 provides for the consideration of H.R. 5810, the Foreign Service Buildings Act amendments. This

Mr. Speaker, as previously explained, House Resolution 411 provides for the consideration of H.R. 5810, the Foreign Service Buildings Act amendments. This rule provides for 1 hour of general debate and that the bill shall be open to all germane amendments.

The bill provides a total authorization of $94,685,000; $23,085,000 for the capital account covering the acquisition of properties and $71,600,000 for the operating account covering maintenance, operation and alteration of properties, for fiscal 1976 and 1977.

Mr. Speaker, I urge the adoption of this rule and the bill.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO PROVIDE FOR ADDITIONAL STAFF ASSISTANCE FOR THE LEADERSHIP

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 413 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 413

Resolved, That (a) subject to the provisions of subsection (b), effective March 1, 1975, there shall be two additional employees in the office of the Speaker of the House of Representatives and one additional employee in the office of the minority floor leader.

(b) The annual rate of compensation for the individuals employed under subsection (a) shall not exceed the annual rate of basic pay of level IV of the Executive Schedule of section 5316 of title 5, United States Code, and until otherwise provided by law such compensation shall be paid from the contingent fund of the House.

SEC. 2. That (a) subject to the provisions of subsection (b), effective March 1, 1975, there shall be one additional employee in the office of the majority floor leader, the minority floor leader, the Democratic caucus, and the Republican conference of the House of Representatives.

(b) The annual rate of compensation for any individual employed under subsection

(a) shall not exceed the annual rate of basic pay of level V of the Executive Schedule of section 5316 of title 5, United States Code, and until otherwise provided by law such compensation shall be paid from the contingent fund of the House.

SEC. 3. Effective March 1, 1975, there shall be paid out of the contingent fund of the House of Representatives a lump sum amount for salaries and expenses for the offices of each of the following officials or organizations of the House of Representatives the following per annum amounts: the office of the Speaker, $30,000; the majority whip, $50,000; and the minority whip, $50,000; and for clerical assistance in the offices of the Democratic caucus, $30,000; and the Republican conference, $30,000; and the amounts provided herein, together with amounts otherwise authorized, shall be the authorized amounts until otherwise provided by law.

SEC. 4. Effective March 1, 1975, the two statutory clerk positions authorized by Public Law 89–545, dated August 27, 1966, in the office of the minority floor leader are hereby abolished, and the lump sum amount for salaries and expenses for the office of the minority floor leader shall be increased by $45,494.89 to equal that of the majority floor leader; and such increased amount shall be paid from the contingent fund of the House of Representatives until otherwise provided by law.

SEC. 5. The provision of this resolution shall continue in effect until otherwise provided by law.

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I believe that I should explain briefly what the resolution pertains to, as I am sure the gentleman from Maryland (Mr. BAUMAN) was about to ask that question.

Mr. Speaker, House Resolution 413 provides for equal funding of an equal number of statutory positions in the office of the majority leader, the minority leader, and the whips' office.

I might say further that this resolution also provides that the Speaker shall be brought up to the standard number of statutory positions, so as not to be inferior to that of the office of the majority leader and minority leader, as it has been in the past.

The resolution also gives very limited support to the chairman of the Democratic Caucus and the chairman of the Republican Conference in clerical help.

Mr. BAUMAN. Mr. Speaker, would the gentleman from Ohio yield for a question?

Mr. HAYS of Ohio. Yes, I would be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. These positions will be paid at the level of $36,000 a year in each instance, the top pay?

Mr. HAYS of Ohio. That would be the maximum pay. Not all of the positions would be at that statutory level, I might say to the gentleman from Maryland.

Mr. BAUMAN. How many persons at that level does each of these offices have, for instance, the Democratic Caucus?

Mr. HAYS of Ohio. The Democratic Caucus and the Republican Conference have none.

Mr. BAUMAN. They have none paid at that level?

Mr. HAYS of Ohio. That is right. This would give them one level V position each and a $30,000 allowance for all of the expenses, including stenographic, paper, ink, whatever.

Mr. BAUMAN. What would that bring the total staff number to in the Democratic Caucus?

Mr. HAYS of Ohio. That would really depend. They would have one person. My judgment is they would have one person plus one clerical person, certainly not more than two. One cannot get more than two at $30,000 and have any money left over for paper clips, stationery, and so on. It would give them a total of $66,000 and one level V position, which would use up $30,000.

Mr. BAUMAN. The same would be granted to the Republican Conference?

Mr. HAYS of Ohio. Yes, sir.

Mr. BAUMAN. Considering the total of these four different offices involved, did the committee in any way come up with a cost figure of additional space or clerical help that might be necessary?

Mr. HAYS of Ohio. I can just tell the gentleman what we did in the way of bodies, and if he wants me to, I will run over it: Two additional positions at level IV for the Speaker's office, and level IV carries a salary of $38,000; in the majority leader's office, one additional level V position. That carries a salary of $36,000; in the minority leader's office, one position at level IV actually, and one position at level V, and a lump-sum allowance of $45,495, which would seem that we gave the minority leader more than we did the majority leader, but we abolished two positions at a lower level in the majority leader's office, so that his office and the minority leader's office are equal.

To the majority whip and the minority whip we gave a lump-sum allowance of $50,000, each to be used to hire whatever people they need at whatever salary they determine.

Mr. BAUMAN. The total cost of the resolution would be what?

Mr. HAYS of Ohio. The total cost of the resolution is $468,680.

Mr. BAUMAN. About a half million dollars altogether?

Mr. HAYS of Ohio. Yes.

Mr. BAUMAN. I thank the gentleman for his explanation.

Mr. HAYS of Ohio. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. HAYS of Ohio. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4510) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4510, with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Ohio (Mr. HAYS) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will try to be brief about this. This bill does not cost the taxpayers anything. It is a bill which permits the transferral of funds within the Buildings Division of the Department of State. Actually, in the long run it will save money because instead of spending dollars, although for bookkeeping purposes we have to transfer these funds, the total effect of the bill will be in the Arab Republic of Egypt, and we will use American-owned local currencies for the purpose of the bill. What we have to do, of course, is buy those currencies from the Department of the Treasury, so it is really a bookkeeping transaction. Dollars that have already been appropriated will be transferred to the Treasury, and the Treasury will release the currency of the United Arab Republic.

A little history is in order. This really is brought about by the transfer, which was called in the paper a gift.

It was not a gift of the American Embassy residential property in Cairo, which we bought and never fixed up and used. The United Arab Republic demolished the building and they are building a new presidential residence on the site. President Sadat made it clear he was willing to exchange property of equal value with the United States for that so-called gift at the time of President Nixon's visit.

The Deputy Under Secretary of State for Foreign Buildings and I visited in Cairo a couple of days and looked at property selected and approved the selection in principle. The exchange was negotiated and I believe we got value received in a very equitable amount for our property and we are gaining in return several pieces of property which we will find useful in addition to those properties for which we must pay a small amount of money to the United Arab Republic. I think it was a good deal for us and I think it was a good deal for them. I am satisfied we could not find another use for this local currency and it is acquiring property we need for property which we could not use.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I notice in both reports dealing with this legislation under the title, "Inflationary Impact," the committee makes the statement—

> The funds spent on land and buildings by the United States in foreign countries is

> an investment. In the past considerable profits have been realized by the United States from the sale of such property.

The committee is to be commended for that. But can the gentleman tell us how much was made on the transaction involving buildings in Vietnam and Cambodia in the last 2 weeks?

Mr. HAYS of Ohio. The gentleman is making a ridiculous request.

Mr. BAUMAN. I am serious.

Mr. HAYS of Ohio. The gentleman is not serious at all. The gentleman and I both know it, but if the gentleman wants to get specific about places where we did make money I will talk about it, but I will not engage in exercises in idiocy.

Mr. BAUMAN. The gentleman is aptly qualified to judge idiocy.

Mr. HAYS of Ohio. And the gentleman has a great deal of dealings with people who deal in that too.

Mr. BUCHANAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 4510 provides a reallocation of authority between geographic areas to provide primarily for the purchase and renovation of certain properties in Cairo as a part of the Property Exchange Agreement between the United States and Egypt.

In my opinion, the Cairo properties are a good investment, as is the whole Foreign Service buildings program. It was pointed out in the subcommittee hearings that since 1926, the Department has spent $292.2 million for land, construction, and improved properties. With major and minor improvements, there is a total investment of $344.7 million. Yet, the estimated value of these properties is now between $1.5 and $2 billion.

I urge approval of H.R. 4510.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, I thank the gentleman for yielding.

I wonder if I could direct a question to the gentleman from Ohio (Mr. Hays). First of all, I think the gentleman has done an admirable job in the stewardship of these properties, having served with the gentleman on the committee in this last session.

I would like to have the gentleman give a statement as to how we came out with the 1 acre of ground we sold off the Embassy property in Tokyo.

Mr. HAYS of Ohio. If the gentleman will yield, I do not have on the top of my head what we paid for it but it was about $1 million. The General Accounting Office criticized the committee and the Building Division for not selling it 10 years ago. The committee told the Buildings Division not to sell it until the Division got a signal from the committee. We decided about a year and a half ago that the real estate market probably was near its peak. We suggested they advertise and they did accept sealed bids, and for that piece of property we got $55 million plus 4 years free occupancy while we are building a new building. Incidentally, the new property will cost $10 million.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I regret that I was unable to phrase my question in a manner acceptable to the gentleman from Ohio; but I was honestly soliciting information about the amount of money we lost in buildings in two instances, South Vietnam and Cambodia. This must have been an appreciable loss to the State Department. I wonder if the gentleman could respond.

Mr. BUCHANAN. Yes. We will provide that information. I am advised that we had invested in property in South Vietnam under the foreign service buildings program approximately $5.1 million. There was no U.S. Government-owned property under the foreign service buildings program in Cambodia. I will say to the gentleman that I do not know if we have disposed of the Saigon properties. We might offer them to former President Thieu for $70 million in gold.

Mr. BAUMAN. An interesting solution.

Mr. HAYS of Ohio. Mr. Chairman, I have no further requests for time.

Mr. BUCHANAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 4 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295) is further amended—

(1) in subparagraph (1)(A), by striking out "$2,190,000" and inserting in lieu thereof "$850,000";

(2) in subparagraph (1)(B), by striking out "$375,000" and inserting in lieu thereof "$240,000";

(3) in subparagraph (1)(C), by striking out "$4,780,000" and inserting in lieu thereof "$682,000";

(4) in subparagraph (1)(D), by striking out "$2,585,000" and inserting in lieu thereof "$1,243,000"; and

(5) in subparagraph (1)(E), by striking out "$3,518,000" and inserting in lieu thereof "$10,433,000".

Mr. HAYS of Ohio (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there any amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Danielson, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4510) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 2, not voting 42, as follows:

[Roll No. 180]

YEAS—389

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds

Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—2

Goodling
Jacobs

NOT VOTING—42

Brown, Calif.
Butler
Chisholm
Clausen, Don H.
Conyers
Dickinson
Dodd
Esch
Ford, Mich.
Gibbons
Gonzalez
Hastings
Heckler, Mass.
Hinshaw
Jones, Ala.
Jones, Okla.
Landrum
Lent
McKinney
Madden
Milford
Mink
Mollohan
Moore
Mosher
Pritchard
Rangel
Rhodes
Rinaldo
Rodino
Rostenkowski
Roybal
Sebelius
Shriver
Stanton, J. William
Stanton, James V.
Teague
Ullman
Van Deerlin
Vander Jagt
Wiggins
Yatron

So the bill was passed.

The Clerk announced the following pairs:

Mr. Madden with Mr. Jones of Alabama.
Mr. Roybal with Mr. Butler.
Mr. Rostenkowski with Mr. Gibbons.
Mr. Teague with Mr. Landrum.
Mr. Rodino with Mr. Milford.
Mr. Van Deerlin with Mr. Don H. Clausen.
Mr. Rangel with Mr. Hastings.
Mr. Ford of Michigan with Mr. Dickinson.
Mrs. Chisholm with Mr. Brown of California.
Mr. Dodd with Mr. Esch.
Mrs. Mink with Mrs. Heckler of Massachusetts.
Mr. Mollohan with Mr. Lent.
Mr. Jones of Oklahoma with Mr. Moore.
Mr. James V. Stanton with Mr. Mosher.
Mr. Ullman with Mr. Hinshaw.
Mr. Yatron with Mr. Rinaldo.
Mr. Conyers with Mr. Gonzalez.
Mr. Wiggins with Mr. Shriver.
Mr. Vander Jagt with Mr. Sebelius.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. HAYS of Ohio. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5810) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. Hays).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5810), with Mr. Danielson in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Ohio (Mr. Hays) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. Buchanan) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. Hays).

Mr. HAYS of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 5810 is the biannual authorization act for the Department of State's foreign buildings.

The State Department currently maintains 270 posts abroad which encompass:

Two hundred and thirty-five office buildings; 198 residences for Ambassadors and other principal officials; 395 residences for other officers and attachés; 226 other single or duplex residential buildings—an aggregate of 1,905 apartments—and 183 other buildings such as warehouses and garages.

The above represents a capitalization of $344.7 million. This bill will result in increases in additional appropriations of $8,340,000 in fiscal 1976, and $5,460,000 in fiscal 1977 for the operating account. This account in local currencies will show a $230,000 increase in fiscal 1976, and a $460,000 increase in fiscal 1977. The bill will result in an additional appropriation in capital account of $13,925,000 for fiscal 1977. It must be noted that no requests for additional appropriations in this account were made by the Department of State for fiscal 1975 and fiscal 1976. In local currencies in capital account there will be an increase of $5,485,000 in fiscal 1976 and a reduction of $4,310,000 in fiscal 1977.

The bill authorizes $51,730,000 to be appropriated for the purchase, construction, major alteration, and long-term leasing of buildings overseas that are necessary for the operations of the Department of State and certain other Federal agencies. The Office of Foreign Buildings Operations of the Department of State administers them, and some other housing needs for other Government agencies, and for military attachés abroad.

As a matter of fact, Mr. Chairman, a good deal of the costs that will be in the capital account for new buildings will be from foreign currencies and the dollar amount, as one can see in the report, is rather small.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, on page 6 of the committee report accompanying the bill H.R. 5810, and I might add that the same language was found in the report accompanying H.R. 4510 the bill that we just passed, the inflationary impact statement indicates that expenditures in foreign countries to implement Foreign Service buildings are "in the nature of an investment," and "in the past, considerble profits to the United States have been realized from the subsequent sale of such property."

Mr. Chairman, that statement is rather like a breath of spring; I like it. My question is: Does the gentleman from Ohio know generally how much money has been invested under this program, and what the dollar amount of "considerable profits" means? In other words, how much have we realized in profits from this program?

Mr. HAYS of Ohio. Mr. Chairman, the amount invested over the years is roughly $344,700,000, as I said earlier. The present appraisals, and they are not this year's appraisals, but some of them go back several years—and I am sure the value has increased—the present appraisal is approximately $1.5 billion for the property we own. So we have had an appreciation in their value.

Let me point out to the gentleman from Ohio that if I had my way, and the committee had its way, and we could persuade the Bureau of the Budget not to be pennywise and pound foolish, that we would be building more buildings rather than fewer.

I would like to give the gentleman from Ohio an example. In some of the newly emerging African nations we are renting buildings where we are paying in 4 years what it would cost us to build an equivalent building. We are paying 25 percent each year of the cost of the building.

Also I had an experience a few years ago in one of the Latin American countries where I found that the United States Government had negotiated a lease on a building belonging to a brewery. This was a 24-story, brand-new building, and we had leased 16 floors of this building for 5 years, and where we were going to pay this company more than the building cost. In other words, for the use of two-thirds of the building we are paying in 5 years more than they invested in the building.

I raised an awful fuss about it, and as a result we got some money approved by the Bureau of the Budget. We got it appropriated. We built a building down there which we figured will have a life of a minimum of 50 years for the amount of money we are paying for rental for 5 years. In other words, we cut our investment down, the annual cost, divided by 10.

What I have tried to get these people at the Bureau of the Budget to do is

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to release some of these funds for building and reduce the rental outlays that we are paying all around the world. They are terrific.

Mr. WYLIE. Will the gentleman yield further?

Mr. HAYS of Ohio. Yes.

Mr. WYLIE. I think it is commendable that the United States has been able to show a considerable profit from this program, but what disposition is made of these "considerable profits" after they have been realized from the sale of Department of State real property?

Mr. HAYS of Ohio. Sometimes they go directly into the Treasury, and I am sure they do not make a very big splash there, and sometimes we get the Bureau of the Budget to allow the Department to retain them and to use them for capital improvements. That is what I would like to see them do all the time, especially over the next 3 or 4 years, because in the past the thing would have been almost self-sustaining, and more so if they would have allowed that to happen.

Mr. WYLIE. Will the gentleman yield further?

Mr. HAYS of Ohio. Surely.

Mr. WYLIE. I cannot reconcile the figures in the bill and in the report on page 2 where it indicates that the authorization levels sought by this bill are $23,085,000 for the capital program and $71,600,000 for operating expenses; and then it says:

> The bill authorizes $51,730,000 to be appropriated for the purchase, constructions, . . .

The gentleman has indicated a little earlier that the bill authorizes appropriations in the amount of $13 million for capital improvements.

Mr. HAYS of Ohio. I think I can explain this. It is a rather complicated system of bookkeeping. These authorizations for capital programs are expenses sometimes out of dollar accounts, because we cannot always get local currency, and sometimes out of local currency accounts. The operating budget, of course, is what we have to pay for rent, repairs, and things of that kind. That is why we have two figures there. But, again, we will pay a good part of this out of local currency, and we cannot break it down in the report because actually it is carried on the books of government as a dollar expenditure.

What happens, for example, is as in the bill just passed where in Egypt we will pay the Egyptians in Egyptian pounds, but it has to be carried in a dollar transfer because over in the Department of the Treasury they make the Department of State give them dollars out of their appropriations, and then they release pounds. The dollars never leave the United States, but it is carried on the books as a dollar expense.

Mr. WYLIE. I think I understand what the gentleman is saying. Will the gentleman tell me, then, exactly how much new money is authorized to be appropriated in American dollars?

Mr. HAYS of Ohio. The amount in American dollars, as nearly as we can anticipate—and, again, I say to the gentleman, sometimes we cannot give certain items in local currency. For example, on plumbing, if one builds a new building, most of the plumbing equipment comes from this country, most of the telephone equipment comes from this country, the switchboard, and so on, and as near as we can tell, it will be about $23,085,000 to be appropriated for 1976 and 1977 in the dollar account.

Mr. WYLIE. I thank the gentleman for his explanation.

Mr. BUCHANAN. Mr. Chairman, I yield myself whatever time I may consume.

Mr. Chairman, I rise in strong support of H.R. 5810 which amends the Foreign Service Buildings Act.

The distinguished subcommittee chairman, the gentleman from Ohio (Mr. Hays), has already reviewed the basic details of the legislation. However, I would like to emphasize that this program, under his leadership not only has compiled a record of efficient management of properties located at 270 posts around the world, but has actually made money for the United States through farsighted investment in land and buildings.

H.R. 5810 would provide a 2-year authorization for fiscal years 1976 and 1977. A total of $23,085,000 is recommended for the capital program and $71,600,000 for operating expenses during the 2-year period.

As the committee report noted, the Office of Foreign Buildings Operations of the Department of State administers the office requirements and some of the housing needs of other civilian government agencies and of military attachés abroad. As a result, the sums contained in this bill are intended to meet the requirements of many agencies other than the Department of State.

Mr. Chairman, this program not only serves our government agencies in an effective manner overseas, it also makes money for the taxpayers. I urge its approval.

Mr. HAYS of Ohio. Mr. Chairman, I yield myself 1 additional minute.

I think I would be remiss if I did not say just a word of commendation for the Deputy Assistant Secretary, Mr. Ralston, and his staff in the Foreign Buildings Division, who really bird dog this problem all the time and try to see that the taxpayers get a real break in the way they manage the operation. I think they deserve a word of commendation from me. I know their operation intimately.

Mr. BUCHANAN. Mr. Chairman, if the gentleman will yield, I think the committee would be unanimous in that word of commendation.

Mr. HAYS of Ohio. I thank the gentleman.

Mr. BUCHANAN. Mr. Chairman, I have no further requests for time.

Mr. HAYS of Ohio. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295), is amended—

(1) by redesignating subsection (h) as subsection (i) and by inserting immediately after subsection (b) the following new subsection:

"(h) In addition to amounts authorized before the date of enactment of this subsection, there is authorized to be appropriated to the Secretary of State—

"(1) for acquisition by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums—

"(A) for use in Africa, not to exceed $865,000 for the fiscal year 1977;

"(B) for use in the American Republics, not to exceed $2,450,000 for the fiscal year 1977;

"(C) for use in Europe, not to exceed $6,725,000 for fiscal year 1977;

"(D) for use in East Asia, not to exceed $875,000 for the fiscal year 1977;

"(E) for use in the Near East and South Asia, not to exceed $8,005,000, of which not to exceed $3,985,000 may be appropriated for the fiscal year 1976;

"(F) for facilities for the United States Information Agency, not to exceed $3,745,000, of which not to exceed $2,800,000 may be appropriated for the fiscal year 1976; and

"(G) for facilities for agricultural and defense attaché housing, not to exceed $420,000 for the fiscal year 1977; and

"(2) for use to carry out the other purposes of this Act for fiscal years 1976 and 1977, $71,600,000, of which not to exceed $32,840,000 may be appropriated for fiscal year 1976."; and

(2) by striking out paragraph (2) of subsection (i) as so redesignated by paragraph (1) of this Act and inserting in lieu thereof the following new paragraph:

"(2) Not to exceed 10 per centum of the funds authorized by any subparagraph under paragraph (1) of subsections (d), (f), (g), and (h) of this section may be used for any of the purposes for which funds are authorized under any other subparagraph of any of such paragraph (1).".

Mr. HAYS of Ohio (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. There being no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Danielson, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5810) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, pursuant to House Resolution 411, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FREY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 9, not voting 32, as follows:

[Roll No. 181]

YEAS—392

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
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Moore
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Pritchard
Rangel
Rinaldo
Rodino
Rogers
Rostenkowski
Roybal
Shriver
Skubitz
Sullivan
Teague
Vander Jagt
Yatron

So the bill was passed.

The Clerk announced the following pairs:

Mr. Flynt with Mr. Teague.
Mr. Ford of Michigan with Mr. Milford.
Mrs. Mink with Mr. Vander Jagt.
Mr. Roybal with Mr. Skubitz.
Mrs. Sullivan with Mr. Lent.
Mr. Rostenkowski with Mr. Hastings.
Mr. Rogers with Mr. Rinaldo.
Mr. Rodino with Mr. Hagedorn.
Mr. Madden with Mr. Moore.
Mrs. Chisholm with Mr. Gonzalez.
Mr. Brown of California with Mr. Mosher.
Mr. Conyers with Mr. Yatron.
Mr. Dodd with Mr. Hinshaw.
Mr. Mollohan with Mr. Michel.
Mr. Rangel with Mr. Landrum.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. BURLESON of Texas. Mr. Speaker, I am not recorded on rollcall No. 177. I was present and I did vote aye as my statement indicates.

EMERGENCY LIVESTOCK CREDIT

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 419 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 419

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against section 1(g) of said substitute for failure to comply with the provisions of clause 5, rule XXI and against section 2 of said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Texas (Mr. Young) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. Latta), a member of the Committee on Rules, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 419 provides an open rule with 1 hour of general debate for consideration of S. 1236, a bill to amend the Emergency Livestock Credit Act of 1974. The rule provides that the committee amendment in the nature of a substitute shall be considered as an original bill for the purpose of amendment and waives points of order in two instances:

First. Points of order against section 1(g) of the substitute are waived for failure to comply with the provisions of clause 5, rule XXI, the rule prohibiting appropriations in a legislative bill. Section 1(g) provides for a transfer of funds which could be considered a violation of this rule; and

Second. Points of order are also waived against section 2 of the substitute for failure to comply with the provisions of clause 7, rule XVI, the germaneness rule. Section 2 amends the Consolidated Farm and Rural Development Act and may not be germane to the original committee bill.

The main purpose of S. 1236 is to assist in meeting the critical credit needs of the livestock producers of the Nation.

The bill amends the Emergency Livestock Credit Act of 1974, as follows:

First. The Secretary is permitted to use the Federal Financing Bank as a service agency to provide a secondary market for the guaranteed portions of emergency livestock loans;

Second. The amount of principal and interest that the Secretary may guarantee is increased from 80 to 90 percent;

Third. The period of time for loan repayment is extended from the current not more than 3 years, with a renewal of 2 additional years, to a period not in excess of 7 years;

Fourth. The termination date of the act is extended to December 31, 1976;

Fifth. The discretionary authority of the Secretary is broadened as to the amount and kind of collateral he may accept to protect the Government's interests; and

Sixth. The amount of guaranteed loans is changed from a total of $250,000 to a "line of credit" of $250,000.

Mr. Speaker, I urge the adoption of House Resolution 419 in order that S. 1236 may be considered.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for 1 hour of general debate on S. 1236, emergency livestock credit, and that the bill shall be open to all germane amendments under the 5-minute rule. In order to preserve the normal amending process, the rule makes the committee substitute in order as an original bill for the purpose of amendment.

Mr. Speaker, this rule contains two waivers of points of order. First, points of order are waived against section 1(g) of the committee substitute for failure to comply with clause 5, rule XXI, which is the rule that prohibits appropriations on a legislative bill. And, second, points of order are waived against section 2 of the committee substitute for failure to comply with the provisions of clause 7, rule XVI, which is the rule on germaneness.

The purpose of S. 1236 is to extend and amend the Emergency Livestock Credit Act, enacted on July 25, 1974. The act expires on July 25, 1975, unless the Secretary of Agriculture extends it 6 months under his discretionary authority.

S. 1236 increases the amount of principal and interest that the Secretary may guarantee from 80 to 90 percent.

This bill changes the time for loan repayment—from not more than 3 years with a renewal of not more than 2 additional years—to a period not in excess of 7 years.

The bill also changes the amount of loans which may be guaranteed from total loans not to exceed $250,000 to a line of credit not to exceed $250,000.

Mr. Speaker, the committee report states that since this is a relatively new guaranteed loan program, it is not possible to state what the losses by reason of default will be, and that administrative expenses cannot be determined at this time.

I urge the adoption of the rule and the passage of the bill.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding.

I want to state that when the bill came up nearly 8 months ago, it did call for $2 billion of credit for the cattle producers. After approximately 8 months, of the $2 billion, less than $250 million have been utilized.

I am going to offer an amendment on this bill reducing the amount of our commitment from $2 billion to $1 billion. Considering the economic condition of our country today I do not feel that we should commit $1 billion more than I believe we need.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BERGLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota (Mr. BERGLAND).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill S. 1236, with Mr. MEEDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota (Mr. BERGLAND) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before you, S. 1236, as amended, is a relatively simple and noncontroversial piece of legislation.

The bill as reported by the committee—

First. Amends the Emergency Livestock Credit Act of 1974 as follows:

Permits the Secretary to use the Federal Financing Bank as a service agency to provide a secondary market for the guaranteed portions of emergency livestock loans. The purposes of it is to extend the availability of credit under this loan program;

Increases the amount of principal and interest that the Secretary may guarantee from 80 to 90 percent;

Changes the period of time for loan repayment from not more than 3 years, with a renewal of not more than 2 additional years—to a period not in excess of 7 years;

Changes the amount of loans which may be guaranteed under this act from total loans not to exceed $250,000 to a "line of credit," or total principal balance, not to exceed $250,000;

Extends the termination date of the act from July 25, 1975—plus a 6-month extension beyond that at the discretion of the Secretary—to December 31, 1976, and provides that the amendments contained in this bill shall take effect on enactment;

Broadens the authority of the Secretary, if he wishes to exercise his discretion in the matter, as to the amount and kind of collateral he may accept as adequate to protect the Government's interests;

Permits the Secretary to utilize the agricultural credit insurance fund to pay the administrative expenses involved in carrying out the loan program authorized by the act; and

Adds a requirement that the Secretary shall report to the Senate and House Agriculture Committees annually with respect to the effectiveness of the act, and delineates certain information to be included in such report.

Second. Amends section 31[illegible] of the Consolidated Farm and Rural Development Act by providing that if two or more loans are consolidated and renewed, the renewal period shall be computed from the due date of the most recent loan that was obtained by the borrower.

The Department of Agriculture supports the substance of all of the amendments to the Emergency Livestock Credit Act of 1974 as they appear in S. 1236, as amended. The Department has some problems with section [illegible] of the amended version of the bill as reported by the Agriculture Committee which relate principally to form rather than substance.

In addition, the Treasury Department officials have no objection to provisions in the bill as they relate to the Federal Financing Bank.

The need for this legislation arose since enactment of the Livestock Credit Act of 1974 on July 25, 1974. Livestock prices have dropped even further than the point they had reached in mid-1974, and the financial stress on producers is now as great as if not greater than it was when the Livestock Credit Act of 1974 was passed.

Based on the testimony of representatives of the Agriculture Department, the cattle level in March 1975 is running at a near record level as a result of a 7-year growth period, while the food grain supplies are some 20 percent, and roughage supplies are some 10 percent, smaller than last winter. The slaughter of cattle has been at record levels since January, largely because of the inability of farmers to carry their cattle through the winter. Even so, departmental spokesmen expect the cattle inventory to remain at record levels; but, despite this, they do not expect cattlemen to be "in a clear-cut profit position for the rest of this year." There has been some recent improvement in fed cattle prices since

cattle are now out on pastures and ranges. However, we have a record cow herd and most likely will have another record calf crop this year. The only relief that can help the cow-calf operators, that form the very foundation of the beef industry, is an increased demand for their product—feeder cattle. Basically such a turnaround will require higher prices for feeder cattle and lower feed costs.

In this deteriorating market we have seen the inventory value of cattle reduced by nearly 50 percent in recent months. The loss of equity and the expectation of a longer period of nonprofit operations calls for, if not demands, some liberalization of credit conditions for livestock producers through amendments to the Emergency Livestock Credit Act.

The extension of the Emergency Livestock Credit Act by Congress should serve as clear evidence to the financial community, especially rural bankers, of a commitment by the Government to a strong and viable livestock industry. The extension also comes at a time when the usefulness of the program to the cattle farmers and ranchers is being reflected in increased loan activity. For instance, Mr. Irwin, Assistant Secretary for Rural Development, testified that as of March 7, 1975, there were 1,811 borrowers that had $218.1 million in loans under the emergency livestock loan program. More recent figures from the Department, a mere 2 weeks later—March 21, 1975—indicate that there are 1,492 borrowers and $232.5 million in loans.

Given the testimony before the subcommittee that the economic plight of the cattle producers will undoubtedly continue through the year, the amendment of the Emergency Livestock Credit Act to permit repayments of loans in periods up to 7 years, in lieu of 3 years—with up to a 2-year renewal—will provide the Secretary with flexibility to provide farmers and ranchers emergency loans with a repayment schedule that allows the farmers to get on as sound a financial footing as possible before they are required to pay off the loans.

The amendment in the bill providing a "line of credit" to livestock farmers and ranchers up to $250,00C will, in the opinion of the committee, eliminate a certain amount of redtape and provide both the lender and the borrower with much needed flexibility in this program. The Department records indicate that as of January 1, 1975, 70 percent of the borrowers and 78 percent of the money loaned under the emergency livestock loan program involved the beef cattle business. Also, the testimony in the hearings indicated that the average loans to beef producers were running about $136,000. It makes sense to place these loans on a line-of-credit basis, where farmers and ranchers are constantly culling their herds and subsequently adding to them, such that where portions of loans are curtailed that borrowers need not go through the needless and time-consuming procedures of taking out new loans. Rural banks have traditionally handled their loans with implement dealers and others on this basis and, for purposes of efficient administration and flexibility, it appears advisable to place this program on a line-of-credit basis. The limit of $250,000, which Congress approved when it passed the Emergency Act in 1974, remains intact in this bill.

In order to strengthen the bill at the suggestion of the Department of Agriculture, at the proper time I plan to introduce an amendment to provide greater flexibility in secondary financing of loans made under this act.

No formal estimate of costs has been received from the Department of Agriculture. However, all loans are to be guaranteed; and, therefore, no direct costs to the Treasury are anticipated at this time. It should also be noted that the act will terminate December 31, 1976.

It is estimated that there will be no direct costs added to the administration of this program for fiscal year 1975. Moreover, it is not expected that the Secretary will incur any losses by reason of defaults on loans in fiscal year 1975. The Department was unable to estimate losses for future years, inasmuch as the emergency livestock loan program has not been in existence long enough to provide it with a basis for making loss estimates.

Mr. Chairman, I urge adoption of S. 1236.

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the need for this amendment to the Emergency Livestock Credit Act of 1974 arises because: First, the operating experience with the act since its enactment demonstrates certain deficiencies which are corrected in this bill: second, rural banks are provided a method of selling the guaranteed portions of the livestock loans in a secondary market so as to permit the banks to meet the other credit demands placed on them; third, certain practical problems have arisen under the act, such as those involving the reduction or curtailment of loans where cattle herds are culled and sales result in a decline in the amount of collateral. The line-of-credit provision in this bill will improve on this situation and place livestock ranchers in loan positions with rural bankers such as implement and farm feed dealers have traditionally had over the years; and fourth, the cattle inventory as of March 1975, is at a 7-year high despite a large slaughter rate since January of this year, and industry spokesmen expect cattle inventories to remain at record levels at least through 1975. Thus, the credit needs of livestock producers, contemplated in the enactment in July, 1974, of the Emergency Livestock Act of 1974, will continue if not be increased.

This bill as reported by the committee is largely, if not totally, without controversy, and I urge your support and favorable vote to effect its passage by the House.

I yield 5 minutes to the ranking minority member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I rise in support of S. 1236.

This bill will bring some needed changes in the Livestock Loan Act of 1974, which I also supported when it was before the House.

That act was designed to provide credit assistance to hard pressed livestock producers through a guaranteed loan program under which 80 percent of the risk of loss by private lenders was backed by the Federal Government. The total line of credit provided by that law was $2 billion, and its life was limited to the period ending July 25, 1975, with the Secretary having the option to extend the program for an additional 6 months. Under the act individual loans were limited to $250,000 each, and the repayment period was limited to 3 years with a 2-year extension.

After that legislation was signed into law, there was considerable delay in implementing the program and until recently it has not begun to bring the needed help to our livestock producers. At the time of the hearings on this bill, for example, there had been only 1,811 loans totaling $218 million. More recent figures show 1,942 borrowers and a total line of credit of $232.5 million, with loans now being processed at the rate of approximately $7 million per week.

In spite of the recent pickup of activity, the program still is only operating at about one-tenth of its total authorized level.

Thus, when the committee held hearings on this legislation, we sought ways to improve the existing law so as to make the program more effective while still protecting the Government from assuming the risk of bad loans.

In the course of its consideration of S. 1236, the committee improved the mechanics for the Federal Financing Bank to participate in a secondary mortgage market for these loans; it increased the Federal guarantee from 80 percent of loss to 90 percent of interest and principal; it extended the repayment period from a total of 5 years to 7 years; it kept the $250,000 loan ceiling, but allowed it to become a line of credit; it extended the life of the program to December 31, 1976; it permitted the Agricultural Credit Insurance Fund—ACIF—to pay needed administrative costs of the program; and it provided for a comprehensive report from the U.S. Department of Agriculture on the effectiveness of the program.

At the same time the committee rejected efforts to make the Government accept worthless securities as collateral for loans guaranteed by the program and gave the Secretary the clear discretionary authority in section 4 of the act as amended to protect the Government's interest as determined by the Secretary. Additional new language is included to permit, but not mandate that any depreciated security held by a borrower can be considered by the Secretary, but the acceptance of such securities is still the prerogative of the Secretary. I am confident that I reflect the view of the committee in saying that none of us wants the Government to underwrite loans that cannot in the judgment of the Secretary be repaid and that all

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loans guaranteed under the act carry the reasonable prospect of being repaid prior to the Federal cover being issued on them.

Therefore, Mr. Chairman, I believe the committee has worked out a good bill. It is a bill that is supported by the administration. It is a bill which is supported by the livestock industry and the agricultural community. It is a bill that deserves to be enacted into law, and it is needed to help in the production of livestock throughout the Nation.

Mr. BERGLAND. Mr. Chairman, I have no further requests for time, but I reserve the balance of my time.

Mr. MADIGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Chairman, I rise in support of the legislation and generally endorse its objective and provisions. However, I believe it is important to clarify one key point, that of the limitation figure. The $250,000 limit provided in the existing law and continued in this proposed legislation is not realistic for many farm circumstances and has caused only limited use of the program. The other body has provided, with my assistance and encouragement, a limit of $500,000. I have attempted to have the same figure provided in this version before the House. However, it was not possible to gain USDA approval of this figure in timely enough fashion to get it included in this bill. I, nevertheless, have secured tacit consent from key USDA officials that they will not oppose a compromise in conference of the same limit as exists with the Small Business Administration loans—$350,000. This, I have found to be satisfactory with concerned agricultural interests. I will not attempt amendment of this legislation today in hopes that the conferees will understand the need for the $350,000 limitation and act accordingly. In this way will the combined family farm organization be able to utilize this program and the needs of agriculture be properly served.

Thank you, Mr. Chairman.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, as many of the Members will recall, it was nearly a year ago, actually in July of 1974, we had this bill on the floor. At that time by a vote of 210 to 204 this bill was passed. Now in the time that has elapsed since the loan program has been in effect, as we know, the producers have utilized less than $250 million of the $2 billion that was authorized.

It is my feeling at this time that if truly the emergency still exists——

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, did the gentleman say that the producers have only utilized $250 million?

Mr. PEYSER. That is correct.

Mr. JOHNSON of Colorado. The figure is correct, but the implication in the statement of the gentleman was they had not applied for more than that. As a matter of fact they have made applications for more, but because the language is restrictive in the bill, they have not been able to get their loans.

Mr. PEYSER. Part of what the gentleman is saying is true. The point I am making is that with the new legislation proposed today and in view of the economic situations in this country today, I am going to offer an amendment at the proper time that will reduce the $2 billion as proposed in this legislation to $1 billion. I feel this is perfectly reasonable at this time. If we see that the program and the need is so great that that $1 billion is used up, I think that then we can again reevaluate this program.

This is a bill that could move in and out of this committee very rapidly. There is no real problem here in bringing it out to the floor again, but I think we should not be in effect extending a line of credit at this time with the economic situations we are being faced with to the tune of $2 billion.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. Yes, I would be happy to yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I would like to correct what may have been a slip of the tongue. The bill does not change the authorized $2 billion limit. I think the gentleman suggested we amended that section, but we do not.

May I ask the gentleman a question. If the amendment of the gentleman were adopted, would the gentleman support the bill?

Mr. PEYSER. I did not mean to infer this was $2 billion additional requested in this legislation; however, if the $1 billion cut is accepted at this time and passed by the House, I would then, due to the previous action of the House, support this legislation.

Mr. BERGLAND. I thank the gentleman.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, I would like to ask a question of the chairman of the subcommittee, the gentleman from Minnesota (Mr. BERGLAND).

Mr. Chairman, I realize that the main purpose of this bill is to provide relief, in the form of guaranteed loans, to a great number of the Nation's farmers and ranchers who have been severely effected by our present economic problems.

But I would draw the House's attention to a situation in Michigan in which many ranchers are being forced out of business but for reasons other than pure economics, and I would welcome the gentleman's comments on whether they can expect to possibly benefit from this legislation.

In late 1973 and 1974, thousands of head of cattle, sheep, and swine were contaminated when the chemical polybrominated biphenyl, commonly known as PBB, was accidently added to their feed mixture. The Federal Food and Drug Administration established the tolerance level at three-tenths parts per million, and thousands of animals having a higher concentrate were destroyed. The owners of these animals are being compensated for their losses through an arrangement with the insurance companies for the feed producer and distributor.

However, animals tested and found to have PBB in their systems, but below the three-tenths per million level, have suffered severe physical effects. Cows abort; others lose weight despite normal feeding; other give no milk. Obviously something is wrong with these animals and it seems to be traced to the PBB. The owners do not know what to do—if they destroy them, they will not receive compensation but they are afraid to sell them on the market. So they are caught in a bind with no exit.

This legislation, I believe, will provide some assistance to those people. I believe at present there must be $1 of collateral put up for every dollar of guaranteed loan. This bill, and specifically the one provision which broadens the authority of the Secretary of Agriculture as to the amount and kind of collateral he may accept as adequate to protect the Government's interest, will provide some relief to the Michigan ranchers and livestock farmers. Many of them will undoubtedly have problems in obtaining operating funds for some considerable time; however, the emergency loan program which we amend today, could enable them to continue their operations in the meantime.

I would like to ask the gentleman, is it his understanding that this type of loan program would be available to the farmers whose livestock has suffered from PBB?

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield, I will say that the gentleman from Michigan has discussed this matter with me. It is, of course, unfortunate that many of his producers were caught in circumstances certainly not of their own doing.

In discussing his problem with members of committee and the Department of Agriculture, the authorities who will be called upon to administer this, I am assured that this authority, if amended, will extend to those unfortunate producers of livestock in the gentleman's territory. Therefore, the answer is yes, it will benefit them.

Mr. RUPPE. I thank the gentleman for his comment, and certainly for his consideration.

Mr. PICKLE. Mr. Chairman, I rise in support of S. 1236, the Emergency Livestock Credit Act. It is obvious that the Emergency Livestock Act of 1974, which we passed last summer, has not aided the beleaguered industry to the extent that we hoped it would. As of March 21, 1975, only 1,942 borrowers had taken out loans totaling $232 million of the $2 billion available.

The livestock industry in Texas is encountering serious difficulties. In recent years, Texas had been the No. 1 beef-producing State. But recent figures indicate that Texas has 1,076,000 head in feedlots, a drop of 54 percent from 1974 totals. During February, Texans placed 134,000 animals on feed—a reduction of 47 percent from the previous year.

These figures make it abundantly clear that livestock producers are in a critical

situation. There is a great disparity between the price the cattle producer receives and the price the consumer pays in the supermarket.

I recently polled my constituents and among the survey, I found this response very revealing. Only 1 percent of those replying to my questionnaire felt that the farmer or rancher was the cause of higher prices.

This industry is vital to our economic health of America. I urge support of S. 1236.

While the committee bill increases from 80 to 90 percent the amount of principle and interest that the Secretary may guarantee on loans, I think, under these very difficult times, that the guarantee should be 100 percent. Under the present law, the local banker just cannot participate in these loans, and the rancher cannot get much help at the 80 percent loss level. Consequently, not many loans were made. The bill we passed was not effective. Not many ranchers or farmers have been able to take part in the program.

I wish the committee had gone to a 100 percent level of loan guarantee, but the 90 percent is much better than the present law. I fully realize some might say that 100 percent would be a "bankers bailout" but I don't agree. It would give immediate and realistic help to farmers and ranchers and we need to help them now.

The bill is a definite improvement, but I wish it had gone further.

Mr. TRAXLER. Mr. Chairman, I would like to commend Chairman FOLEY and other members of the Committee on Agriculture for the truly excellent job they have done in reporting to the House an improved and extended Emergency Livestock Credit Act. The improvements in this program will make these emergency loans available to more farmers who badly need this support. This bill has my complete and total support.

This program, of course, is not a giveaway program but rather a guaranteed loan to enable those livestock producers who suffer from economic or other disasters beyond their control to temporarily finance their operations in order to stay in business. Extension and improvement of this act reaffirms the strong commitment of this Congress to a viable and healthy agricultural industry in America.

It is not the intent of this Congress to bail out individuals or businesses who suffer economically due to their own bad judgment or mismanagement. On the other hand, a great deal of the setbacks affecting members of the livestock industry were due to circumstances entirely beyond their control. An emergency loan program like this is designed to permit farmers to remain in business under such adverse conditions to insure a continued supply of agricultural products to the American consumer at reasonable prices.

For example, in my own State of Michigan a number of dairy herds were contaminated by a fire retardant called "PBB" due to errors in mixing feed last year. Although the negligent parties may ultimately have to compensate the victims as a result of legal actions, in the meantime many farmers have had to destroy their herds and try to rebuild their businesses. The availability of these emergency guaranteed loans would make it a whole lot easier for them to stay in business during a crisis like this.

Mr. Chairman, this revised and improved Emergency Livestock Credit Act will be the shot in the arm for the livestock and dairy industries and it has my complete support. This bill demonstrates once again the commitment to American agriculture that we have in this Congress.

Mr. BERGLAND. Mr. Chairman, I have no further requests for time.

Mr. MADIGAN. Mr. Chairman, I have no further requests for time.

The **CHAIRMAN.** Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Emergency Livestock Credit Act of 1974 is amended as follows:

(a) Subsection (b) of section 2 of said Act is amended by striking everything following the word *"Provided"* and inserting in lieu thereof "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.".

(b) Subsection (c) of section 2 of said Act is amended by striking everything after the word "Secretary" and inserting "to guarantee more than 90 per centum of the principal and interest on said loan.".

(c) Subsection (f) of section 2 of said Act is amended to read: "Loans guaranteed under this Act may be payable over a period of time as determined by the Secretary, but not to exceed seven years.".

(d) Subsection (a)(3) of section 3 of said Act is amended by deleting everything after the words "Provided, That" and inserting in lieu thereof "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed $250,000;".

(e) Section 8 of said Act is amended to read as follows: "The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate on December 31, 1976.".

(f) Section 4 of said Act is amended to read as follows: "Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided,* That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.".

(g) Section 5 of said Act is amended by adding a new sentence at the end thereof stating, "Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act.".

(h) Said Act is amended by adding at the end thereof the following new section 11:

"SEC. 11. The Secretary shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate on or within one year of the date of the enactment of this section and annually thereafter with respect to the effectiveness of this Act. The Secretary shall be required but not limited to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef."

SEC. 2. Section 316 of the Consolidated Farm and Rural Development Act is amended by striking the period at the end of the first sentence and inserting after the words "additional years" the following: "except that if two or more loans are consolidated the renewal period shall be computed from the due date of the most recent loan.".

Mr. BERGLAND (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The **CHAIRMAN.** Are there amendments?

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 4, line 21, after the word "adding" strike the phrase "a new sentence at the end thereof stating," and insert in lieu thereof the following: "deleting the figure '$2,000,000,000', and inserting in lieu thereof '$1,000,000,000', and by adding a new sentence at the end thereof stating,".

Mr. PEYSER. Mr. Chairman, this is the amendment that we have just spoken of.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, we have examined the amendment offered by the gentleman from New York (Mr. PEYSER). While it is true that $2 billion was authorized by law a year ago, only $300 million, or thereabouts, is committed now under the loan program. It is probable that not more than $1 billion would be committed under this authority. And so, while I have not spoken to all of the members of the committee on the Democratic side of the aisle, I have spoken to a number and, in my point of view, the amendment would be acceptable.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for that indication.

I do not know if the gentleman on the Republican side has as yet reached that conclusion. It would be my hope that we would take this step. I think it shows a good intent of the Congress to take the steps necessary for the cattle producer and at the same time to be aware of some of the necessary economies our country is facing today.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be happy to yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

I have no objection to the amendment.

Mr. PEYSER. I am pleased that this

amendment has the support of both sides of the aisle. It is important that we take this step today. But cutting $1 billion from this program, we will not in any way affect the loan program, but we will reduce by a billion dollars the amount that the Treasury will have to borrow this year. That is certainly a very significant amount of money. It represents an awareness on the part of the Members that we must be aware of the size of the Federal deficit and structure our priorities accordingly. This amendment will cut the Federal deficit by $1 billion without hampering the operation of the program, and I hope that all the Members will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Peyser).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BERGLAND

Mr. BERGLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Bergland: Strike out subsection (g), section 1, page 4, line 21 through page 5, line 2, and insert in lieu thereof the following:
>
> "(g) Section 5 of said Act is amended by adding the following language: 'Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act. The Secretary in his discretion is authorized to use the funds from the Agriculture Credit Insurance Fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to amendments to this Act and to pay such expenses and fees incident to such purchases.'."

Mr. BERGLAND. Mr. Chairman, this amendment merely adds one additional sentence to the language amending section 5 of the Emergency Livestock Credit Act of 1974.

Section 2 of the Emergency Livestock Act is amended in this bill so as to permit the Secretary to use the Federal Financing Bank as a service agency to provide a secondary market for the guaranteed portions of emergency livestock loans.

When the committee considered the bill, it was thought that the language amending section 2 was giving the Secretary a second option for permitting the sale of the guaranteed portion of livestock loans in the secondary market through the Federal Financing Bank. However, subsequent to the committee reporting the bill, as amended, Agriculture Department representatives—mainly its Office of General Counsel—reached the conclusion that the additional sentence, which this amendment would add to section 5 of the act, was needed to permit the Secretary to purchase from lenders or holders—mainly rural bankers—the guaranteed portion of the livestock loans. The Secretary could, if this amendment were adopted adding the additional sentence, use the Federal Financing Bank as the vehicle for obtaining secondary financing.

For those who may wish to have a more detailed explanation, I offer you the following:

FmHA considers that there are two options available for the secondary approved financing of the emergency livestock loans.

Under either option regulations would provide for split notes to evidence the indebtedness. One or more notes would be for the guaranteed portion of the loan, and it is anticipated this would be held by the original lender. The original lender is responsible for all servicing including loan collection and distribution of both principal and interest payments, delinquency action, and liquidation should that be required.

Under the first option, FmHA would not be involved in the secondary market. The original lender would sell the guaranteed portion of a loan in the private market. The guaranteed portion of the loan would remain fully guaranteed to the secondary holder. By guaranteeing principal and interest as would be permitted by S. 1236, rather than a percentage of loss as is the case under existing law, a debt instrument is available resulting in a marketable security for the original lender. The original lender could sell the guaranteed portion at whatever discount mutually agreed upon between him and the secondary holder, or the FmHA could make purchases from original lender or the holder of such paper based on such terms and conditions as provided in regulations issued by the agency.

Under the second option, the secondary market could be provided or assisted by FmHA. The original lender or holder could sell the guaranteed portion of such loans as were made under this act to the FmHA, under such terms and conditions as would be determined by the Secretary. The FmHA would form a pool of these notes. It would then issue certificates of beneficial ownership which would subsequently be sold to the Federal Financing Bank. The FmHA would accept payment of principal and interest during the term of such loan from the lender in the same manner as a private secondary holder.

The language in the amendment provides full discretionary authority to the Secretary and to the agency—FmHA—with regard to its activity as a secondary holder and authorizes him to establish such discount rates, terms and conditions which he deems appropriate. It is anticipated that the agency would have the option to engage or not to engage in secondary marketing-type activities and that the degree of activity could be adjusted through the use of varied discount rates in the offer to purchase the guaranteed portion of such notes. This would provide the agency sufficient latitude to be responsive to changing economic, market, and policy conditions.

It makes great sense to me to insure that his second option is available for the sale of these livestock loans in the secondary market. The Agriculture Department endorses this language. My colleague, Mr. Madigan, on the other side of the aisle endorses it. I endorse it as does Chairman Foley. And, were this language to have been submitted to the committee, I am sure it would have been added there for the committee believed at the time it considered this matter that it was achieving the result of a two-option secondary market.

Representatives of the Department of Agriculture have assured the committee that there is no additional direct cost to the Government in the event that this amendment is adopted.

I submit that this is a noncontroversial amendment, and I strongly urge its adoption.

Mr. GILMAN. Mr. Chairman, I rise in support of this Emergency Farm Credit measure and of the amendment proposed by the gentleman from Minnesota (Mr. Bergland).

I am sympathetic to the farm problems recited by my colleague from Minnesota since the vegetable growers in my congressional district, the 26th Congressional District of the State of New York, have also been suffering, since Hurricane Agnes of 1972, primarily due to a lack of adequate financing available under existing statutes and under the present regulations of the Farm Home Administration.

Many of the vegetable growers in my district own large type family farms. Because they have suffered a disaster and because their indebtedness exceeds the unrealistic $300,000 limitation on indebtedness imposed by the Department of Agriculture, they have nowhere to turn in order to maintain their farms.

I commend the gentleman from Minnesota and his committee for their concern for helping our Nation's farmers by bringing forth this measure. The gentleman's committee is presently studying a measure to extend disaster relief and long-term loans for larger-type family farms. I urge the gentleman and his subcommittee to act just as expeditiously and favorably on that disaster loan legislation so that we can help the larger farmers throughout our Nation meet the problems and obligations arising out of natural disasters.

Without prompt legislative assistance, we may very well lose a substantial segment of our farm economy.

Mr. Chairman, I urge my colleagues not only to support this measure but to join my efforts to improve our disaster farm loan programs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. Bergland).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Jeffords: Strike out commencing on page 5, line 22, immediately after the word "following:" everything through page 6, lines 1 and 2, and insert in lieu thereof the following: "except that, at the request of the borrower and subject to the approval of the Secretary such loans may be consolidated once, without reference to whether they may have been renewed, and scheduled for payment over a period not to exceed 10 years. If loans are consolidated the maturity period shall be computed from the date of the consolidation, and the amount of unpaid principal of the prior loans so consolidated shall not create a new charge against any loan levels as authorized by the Congress."

Mr. JEFFORDS. Mr. Chairman, as mentioned by the gentleman from Minnesota (Mr. Bergland) in earlier debate, the administration raised questions on the wording of section 2. This amendment is offered to remove that concern and to clarify the language of section 2 of the Senate bill, S. 1236, so that it better represents the original intent. The intent is to allow the FmHA to consolidate and amortize subsequent repayment of farm operating loans over a period of not to exceed 10 years from the date of consolidation.

This would not only be to the benefit of the borrower, it would help the FmHA to solve their administrative difficulties by eliminating much of the loan backlog.

The original language ties the payment period to the due date of the most recent loan. The present language thus may or may not be of benefit in individual cases depending upon the loan dates. By using a 10-year repayment period from the date of consolidation, we will have terms which would benefit the most borrowers.

My amendment also eliminates the problem in the original language which might have charged the consolidated total against the loan levels for the year of consolidation, even though this loan total had already been charged against previous years' ceilings. My amendment says that no new charge for the unpaid principal of prior loans would be made against any congressionally authorized loan levels.

This amendment was worked out with the cooperation of the appropriate committees, and the administration.

I urge its adoption.

Mr. BERGLAND. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Vermont (Mr. Jeffords).

Mr. Chairman, the gentleman from Vermont has discussed this amendment with me, and other Members on this side of the aisle. The amendment does not alter the substance of the committee's action, it merely clarifies it, and it is an improvement, in our opinion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. Jeffords).

The amendment was agreed to.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would merely like to take this time so as to ask the sponsors of the bill, for the record, what they consider to be temporary.

When the bill was passed the floor manager said that the proposed legislation would act as a temporary Government guaranteed loan program to aid livestock producers who would otherwise not have access to the temporary emergency financing, to see them through this hardship period.

Mr. Chairman, I wonder if there could be some indication as to "temporary."

I notice the bill says December 31, 1976, which, of course, shoves it ahead almost a year and a half from the original date that was anticipated.

I wonder if the gentleman from Minnesota could shed some light on this particular point that I think many of us are wondering about, insofar as the temporary program gradually becomes a permanent program.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I will be glad to yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, the Emergency Livestock Credit Act was enacted on July 25 of 1974 to terminate 9-years after passage with up to a 6-month extension at the discretion of the Secretary of Agriculture. This amendment would extend the authority of this act to December 31, 1976.

At the time we considered the original proposal back in June and July of last year, it was anticipated that the financial crunch being visited upon the livestock producers would be temporary in nature, and that within a year and a half we would have overcome this slump in our economy with respect to animal agriculture, and that the producers would be able once again to go on with their production. But unfortunately we misjudged the market. The market has continued to be off, and as a consequence that we thought it necessary to go along with this insurance authority for one additional year. We have placed a cutoff on December 31, 1976, and the question as to whether or not this would be considered for extension beyond that time, I presume, could not be answered until we know more fully what happens in the livestock industry.

Mr. ASHBROOK. I thank the gentleman for that appraisal, which I feel is accurate and candid.

I think the point would still be raised and questioned by the gentleman from Ohio, and that is the use of the word "temporary" and the use of the word "emergency"—how often something temporary in a time of emergency becomes permanent in a time that is not an emergency. I would merely raise that question at this point. I assume a year from now we will be looking back upon this debate, again questioning whether it is a hardship period and whether the emergency continues.

I thank the gentleman for his response.

Mr. ASHBROOK. Mr. Chairman, I am always somewhat reluctant to establish a new Federal program. Once such a program is started it seems to develop a life all of its own. No matter what happens or how many years may pass it just goes on and on and on.

Unfortunately S. 1236 seems to be another example of what I am talking about. On July 16, 1974, the House adopted the Emergency Livestock Credit Act. I emphasize the use of the word "emergency" in the title of this legislation. The floor manager of the bill told us:

> The proposed legislation would establish a *temporary* Government-guaranteed loan program to aid livestock producers who would otherwise not have access to *temporary emergency* financing to see them through this hardship period. (Emphasis added.)

Well, the majority of the House apparently bought this argument. The bill finally adopted provided for a loan guarantee authority of 1 year and repayment of the loan within 3 years, with a renewal of not more than 2 additional years.

It is now more than 9 months later and it looks like this "temporary emergency" is still with us. In fact, we are being asked to extend the termination date of the act from July 25, 1975, to December 31, 1976. We are also being asked to change the time for loan repayment from 3 years to 7 years.

Where will this stop? It looks to me like the Federal Government may soon be in the business of permanently subsidizing the livestock industries. This is a far cry from the temporary duration on which the bill was originally sold.

I urge my colleagues to vote against an extension of this act. Let us not make a temporary Federal program into a permanent one.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Brown of Michigan: On page 3 following line 14 insert a new subsection as follows:
>
> (a) Subsection (a) of Section 2 of said act is amended by striking the period at the end of said subsection and inserting after the word "turkeys" the following: "including dairy cattle raised and maintained for the primary purpose of marketing dairy products"; and redesignate the following subsections accordingly.

Mr. BROWN of Michigan. Mr. Chairman, the reason that I offer this amendment has been already brought to the attention of the committee by my colleague, the gentleman from Michigan (Mr. Ruppe). Last year when the original legislation was enacted, I had a colloquy on the floor with our former member, the gentleman from Iowa, (Mr. Mayne). At that time I thought we had clearly established legislative history that this legislation, this loan guarantee program, would be applicable and would be available to dairy farmers in Michigan who had suffered substantial economic loss due to the contaminated feed problem, the so-called PBB problem.

However, since that time it has been brought to my attention many times that a different intrepretation has been made of the law by the Farmers Home Administration with respect to loans to these dairy farmers. Technically, if we read the language of the bill of last year, I suppose such an argument could be made. Let me refer to that language and read it over with the Members.

The language in section 2(a) says:

> The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production—

and then follow the key words—

> —for the purpose of breeding, raising, fattening, or marketing livestock.

Then further on in that same subsection the sentence appears:

> For purposes of this act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

Then if we drop down to Section 3, subsection (2), referring to the conditions under which the Secretary may guarantee loans, it says:

> The loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan ap-

plicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock.

It is clear that dairy farmers are primarily interested in the production of dairy products. They do not raise their dairy cattle primarily for the purpose of breeding, raising, fattening, or marketing of livestock. So to make certain that the ambiguity in the law is cleared up, I offer this amendment to become part of the law, even though I think that our colloquies of the past and of today by the gentleman from Michigan, Mr. Ruppe, should have clarified the Congress intention insofar as this language is concerned. I trust that it will be acceptable by both my colleagues on the majority side and the minority side.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Mr. Chairman, the amendment offered by the distinguished gentleman from Michigan (Mr. Brown), certainly is acceptable to me. The earlier colloquy, I think, between the gentlemen from Michigan (Mr. Ruppe) and the distinguished gentleman from Minnesota (Mr. Bergland) clearly establishes that the legislative history permits dairy farmers to participate in this program.

It would further be my understanding that those dairy farmers in the State of Michigan who had the misfortune to have their cattle involved in the so-called PBB contamination could participate in this program as well. That is my understanding and the gentleman's amendment I think just simply fortifies that position.

Mr. BROWN of Michigan. I thank the gentleman for his comments.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Minnesota (Mr. Bergland).

Mr. BERGLAND. Mr. Chairman, the gentleman has discussed this proposition with us and he has correctly quoted the law. At the time the law was enacted we intended that the dairymen should be covered. His amendment does not broaden the bill. It merely clarifies it. We would have no objection.

Mr. BROWN of Michigan. I thank the gentleman.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Michigan (Mr. Ruppe).

Mr. RUPPE. Mr. Chairman, I thank the gentleman for offering this amendment. I think it covers the same thrust I and my colleague, the gentleman from Michigan, reached a few moments ago, but certainly we would be happy to have it in the legislation. It too could be practically of benefit to those farmers who have had this problem thrust on them through the PBB problem. Those farmers who have had less than three-tenths parts per million just would not get any type of financial assistance to replenish their herd and they would no longer be productive without the amendment offered by my colleague. I thank him for it.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the distinguished chairman of the subcommittee a question or two.

On July 16, 1974, the House very narrowly passed a bill entitled the "Emergency Livestock Credit Act of 1974" by a vote of 210 to 204. At that time the Secretary of Agriculture, and I think the administration generally, was opposed to the bill on the ground that it was special interest legislation and favored only one segment of agriculture.

I understand the administration has changed its position, or at least the Secretary of Agriculture has indicated that he has no objection to this bill which is before us today, although it is more liberal in certain of its aspects, more liberal certainty in the loan guarantee provision which goes from 80 percent to 90 percent of the amount of the guarantee.

The gentleman from Iowa who was just in the well said this is a soft loan bill, and, indeed, it is. A lender would not hesitate to give a loan where 80 or 90 percent of the loan value is guaranteed. But, can the gentleman tell me if he knows why the apparent change in the position of the Secretary of Agriculture? I thought the Secretary of Agriculture and the administration made sense in their position back on July 16, 1974. I wonder if the gentleman could explain to me why I should change my "nay" vote then to an "aye" vote today?

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield?

Mr. WYLIE. I am glad to yield to the gentleman.

Mr. BERGLAND. I cannot speak for the Secretary in these matters, but I do know when we held public hearings, the Department of Agriculture was represented by Assistant Secretary William W. Erwin, FmHA Administrator Frank Elliot, and other important authorities who spoke in favor of the amendments encompassed in this bill. I do not know what has caused the Department to change its position and endorse the extension of the amendments we have recommended. Perhaps the gentleman from Illinois could be more specific than I.

Mr. WYLIE. Mr. Chairman, I yield to the gentleman from Illinois (Mr. Madigan).

Mr. MADIGAN. Mr. Chairman, the only observation I could make would be the Secretary's position at that point in time in 1974 probably reflected the position of the then President of the United States. Since that time we have had a new President, who is on record as a Member of Congress as having supported this kind of legislation.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for his answer. That change did not occur to me.

Could it be the fact that we have had some experience under the Emergency Livestock Credit Act of 1974? What has been the experience? I think the gentleman from Minnesota said earlier that there have been some loans made pursuant to the Emergency Livestock Act of 1974 and thus there have been no defaults under the repayment program.

Mr. BERGLAND. If the gentleman will yield, so that I may respond, as of the 30th day of April, 1975, there were 2,360 producers who had loans guaranteed under this authority in amounts aggregating $277,856,160.

As the gentleman is aware, this program does not entail any interest subsidies. The moneys are provided by the private market. This bill would facilitate the loan program, particularly in the area providing secondary markets so that these instruments can be merchandised through the Federal Financing Bank which should improve bank liquidity.

Smaller banks are frequently limited to the extent to which they have access to major lines of credit. While there are some who wonder why there had not been more activity than this $277 million, in testimony presented to the subcommittee, we were convinced that the changes we recommended will enable the program to work more effectively and will, in fact, be able to provide credit to those who very badly need it but have been denied it for a variety of reasons.

Mr. WYLIE. Mr. Chairman, what the gentleman is saying is that he expects that there will be no defaults on these loans, or at least not any considerable number of defaults, so that the Federal Government will really not have to pay off the lenders.

I understand the money will come from the private sector, but if there is a default on a loan, the U.S. Congress will have to appropriate taxpayers' money to make up any loan default up to 90 percent of the loan. Is that not correct?

Mr. BERGLAND. If the gentleman will yield further, he is, of course, correct. However, in the Farmers Home Administration and its predecessor agencies, which have been in existence since the early 1930's, the loss ratio in insured and guaranteed direct loan program is less than 1 percent of the amount of credit extended. Succeeding Secretaries of Agriculture and administrators have done a reasonably good job in seeing to it that the loans are provided to those where there is a reasonable chance of repayment. I think the record speaks for itself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Brown).

The amendment was agreed to.

Mr. SEBELIUS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to compliment the chairman of the subcommittee, the gentleman from Minnesota (Mr. Bergland), and the gentleman from Illinois (Mr. Madigan) for their fine work in taking amendments to the original bill, which we passed by the narrowest vote last year, as pointed out by the gentleman from Ohio, and with the proposed improvements make it a more viable bill. I think the amendments we have here are very good amendments.

My original feelings, when we had the first bill, were very skeptical. The American livestock industry has never asked for any kind of extra help, but they got themselves caught in a combination of Government interventions and circumstances.

Two years ago, the House tried to roll back prices. Then, we had a beef boycott by some ill-advised ladies. Then, we had some real ill-advised action on behalf of the administration in leaving the price freeze on beef to the point where it created a very abnormal situation, and the price of cattle started down. Then, we had the trucker strike the following January because of Government intervention, which again interfered in what would have been a normal situation.

By Government interference with the basic law of supply and demand the American livestock industry was pushed to a point where many have to get some extra help or go broke. I think the committee has responded to it. These are good amendments.

Mr. Chairman, the original Livestock Credit Act was to rescue livestock producers from bankruptcy as a result of the livestock market collapse produced in part by ill-conceived and discriminatory price controls. The original act has helped some stockmen to weather the storm but after 9 months it is apparent that the bill's objectives have not been realized.

The amendments in this bill provide a secondary market for the guaranteed portions of these loans to maintain liquidity in our rural banks, increase the loan guarantee to 90 percent, stretches out the repayment period to 7 years, and authorizes a $250,000 line of credit.

The livestock market has recovered dramatically in recent days. This is largely the result of decreased feeding as a result of the unprecedented decline in market prices and liquidation of producer holdings. To provide the necessary production to stabilize these markets at profitable levels, we need to provide the capital for the cattlemen and livestock producers who are unable to get the necessary funds to stay in business or expand production to capacity.

This bill will hopefully satisfy the credit need of destitute livestock producers and stabilize production. In short, this bill is in the interest of producers and consumers and I urge my colleagues to join me in supporting its passage.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I represent a great feed grain area where hundreds of thousands of cattle have been fed in recent months and years. The legislation we passed last year was of practically no benefit to the great majority of those who had sustained severe losses as a result of the drop in prices in the beef market.

I assume that we all agree that it is in the best interest of the consumer that we have a large scale feeding industry in the United States.

This is good from the standpoint of the consumer, who needs the beef, and it is good from the standpoint of the farmer, who needs to sell the grain to fatten the beef.

Many people in my general area of northwest Texas have gone into bankruptcy and many others have lost large sums of money as a result of the catastrophic situation which has confronted the livestock industry for the past year or so. But many of those who have lost these large sums of money have not been eligible for assistance under this act because of certain administrative requirements as to what constitutes a bona fide farmer or rancher. Therefore, many bona fide farmers who might place large numbers of cattle in feedlots, but who do not earn 50 percent of their income from their livestock operation or spend 50 percent of their time in livestock production have not been eligible for loan assistance.

I realize the Federal Government does not have the capacity or the responsibility to bail out everybody who is in trouble, but if we are trying to promote the continued vitality of the livestock industry I feel we should make sure that the loan program covers all bona fide farmers and ranchers and this includes those who might keep their cattle confined in feedyards as well as in pastures.

Mr. Chairman, I would like to ask the distinguished chairman of the subcommittee, the gentleman from Minnesota, a few questions, if I might.

Mr. Chairman, does the gentleman feel that as a result of the hearings the committee has done the best it could do to be helpful to the farming and cattle industry in the bill which he has presented in the House today?

I well understand that the Department of Agriculture has opposed the expansion of this program to help a lot of people who are in the situation that many of the people in my district find themselves. Does this bill represent the limit of what can be done?

I feel it to be my responsibility to express the voice of many of my people in regard to the extraordinarily difficult situation in which many of the cattle feeders have found themselves.

What is the general reaction of the gentleman from Minnesota, to the problem which I have presented?

Mr. BERGLAND. Mr. Chairman, if the distinguished chairman of the Committee on Appropriations will yield, I might respond.

The subcommittee, in its consideration, met jointly with the Subcommittee on Livestock and Grains, as chaired by the distinguished gentleman from Texas (Mr. Poage), and we received many recommendations as to how the program might be improved to make it more effective for those who do need some financial support. It had been recommended that we increase the loan limit from the current limitation of $250,000 to up to $500,000. The subcommittee felt that if we went that high we could exhaust the credit authority, and instead of going to that alternative, suggested to amend the law to go to the full $250,000 line of credit.

One of the problems was that the livestock producer might apply for a loan and pay off the loan in a matter of 2 weeks, and if he were to go back in the livestock business, which is customary in the gentleman's part of the United States, he might reapply.

Under these conditions, the producer will have up to a $250,000 line of credit at all times. He will always have that guarantee, provided all other requirements are met so far as the proper repayment of the loan, as determined by the Secretary of Agriculture.

Mr. MAHON. Mr. Chairman, I thank the gentleman. I commend the committee for undertaking to make the program we approved last year more effective, and I am sure there has been some liberalization here that will help some peole, but I must say that I am disappointed that it will probably not be of great assistance to some areas of the country including my own.

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield, I might point out that in the State of Texas there had been 463 such loans approved, carrying $53 million, and it is in that State where I think we have seen more activity than any other State in the Union, for the reason that the gentleman has cited so eloquently.

Mr. MAHON. I thank the gentleman for his efforts to be helpful.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Meeds, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, pursuant to House Resolution 419, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the Senate bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JOHNSON of Colorado. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 42, not voting 28, as follows:

[Roll No. 182]

YEAS—363

Abdnor
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.

Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.

Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Riegle
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schneebeli

Schroeder
Schulze
Sebelius
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.

Stephens
Stokes
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler

Waxman
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wright
Wylie
Yates
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

NAYS—42

Abzug
Adams
Ambro
Anderson, Calif.
Badillo
Biaggi
Bingham
Delaney
Dellums
Downey
Drinan
du Pont
Fascell
Gradison

Gude
Harrington
Harris
Hechler, W. Va.
Holtzman
Jacobs
Koch
Lehman
Long, Md.
McDonald
Maguire
Miller, Calif.
Miller, Ohio
Richmond
Rosenthal

Satterfield
Scheuer
Seiberling
Shuster
Solarz
Stanton, James V.
Stratton
Vanik
Whalen
Wolff
Wydler
Young, Fla.
Zeferetti

NOT VOTING—28

Boland
Chisholm
Conlan
Dodd
Ford, Mich.
Gonzalez
Hinshaw
Jarman
Jones, Ala.
Landrum

Lent
Madden
Metcalfe
Mink
Mollohan
Moore
Mosher
Patman
Pritchard
Rangel

Rinaldo
Rose
Roybal
Shriver
Sullivan
Teague
Thompson
Yatron

So the Senate bill was passed.

The Clerk announced the following pairs:

Mr. Madden with Mr. Patman.
Mr. Roybal with Mr. Jones of Alabama.
Mrs. Chisholm with Mr. Gonzalez.
Mr. Boland with Mr. Landrum.
Mr. Dodd with Mr. Metcalfe.
Mr. Rangel with Mr. Rinaldo.
Mr. Mollohan with Mr. Conlan.
Mr. Thompson with Mr. Lent.
Mr. Yatron with Mr. Jarman.
Mrs. Mink with Mr. Hinshaw.
Mr. Ford of Michigan with Mr. Moore.
Mr. Teague with Mr. Mosher.
Mr. Rose with Mrs. Sullivan.

The result of the vote was announced as above recorded.

The title was amended so as to read: "To amend the Emergency Livestock Credit Act of 1974 and Section 316 of the Consolidated Farm and Rural Development Act."

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on April 30, 1975, the President approved and signed a bill of the House of the following title:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

GENERAL LEAVE

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed (S. 1236).

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

APPOINTMENT OF CONFEREES ON CONCURRENT RESOLUTION ON THE BUDGET—HOUSE CONCURRENT RESOLUTION 218

Mr. ADAMS. Mr. Speaker, pursuant to clause 1 of rule XX and by direction of the Committee on the Budget, I move to take from the Speaker's table the concurrent resolution on the budget, House Concurrent Resolution 218, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. ADAMS).

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. ADAMS, WRIGHT, ASHLEY, GIAIMO, SMITH of Iowa, O'HARA, GIBBONS, MITCHELL of Maryland, DERRICK, LATTA, BROYHILL, HASTINGS, and CONABLE.

CHANGE IN LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I take this time to announce the program for the balance of the week since we have had some changes.

On Wednesday we will consider H.R. 25, the Surface Mining Control and Reclamation Act conference report, which will be followed by two bills that were on the schedule last week; H.R. 4114, the National Health Service Corps amendments, and the bill H.R. 4115, the Nurse Training Act. Both bills will be considered under open rules with 1 hour of debate each.

On Thursday we will consider H.R. 6209, prohibiting variable rate mortgages by Federal savings and loan associations.

We have put off the vote on the veto of the farm bill until next Tuesday and we have also postponed voting on H.R. 4035, review of decontrol of petroleum prices. It has been lifted from the calendar this week.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, I understand I am not recorded on rollcall No. 177, H.R. 5158, providing an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands.

I attempted to vote and I had cast a vote, but evidently I was not recorded.

I ask that the RECORD show that had I been recorded, I would have voted "aye."

REPORT ON U.S. LAWS AND REGULATIONS GOVERNING NUCLEAR EXPORTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–131)

The SPEAKER laid before the House the following message from the Presi-President of the United States; which was read and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy and ordered to be printed:

To the Congress of the United States:

In accordance with Section 14 of Public Law 93–500, the "Export Administration Amendments of 1974", I am forwarding to the Congress a report on U.S. laws and regulations governing nuclear exports and on domestic and international safeguards. This report considers the effectiveness of such laws and safeguards in preventing the diversion of nuclear capabilities to nonpeaceful purposes.

I have concluded that current laws provide ample authority to control the export and reexport of nuclear-related material, equipment and technology. Nevertheless, existing policies and regulations are constantly being reexamined and changed as appropriate. Domestic safeguards are under continuing review for the purpose of making them even more effective. The international safeguard system will detect and thus help to deter efforts to divert such materials by other nations.

As the volume of material and the nature of facilities grow in the world, commensurate increases and improvements in the international safeguarding system will be needed. The United States is encouraging the strengthening of international safeguards by aiding and supporting IAEA safeguard development efforts. It is also seeking to enhance physical security through the adoption of an international convention. The U.S. is taking the lead in advocating in-depth physical protection measures necessary to preclude terrorist groups from capturing such material or conducting sabotage activities.

I wish to assure Congress that the prevention of the proliferation of nuclear weapons or the acquisition of nuclear explosive materials for possible nonpeaceful uses is a priority concern in my Administration. Whatever efforts are needed to allow the U.S. and other countries to enjoy the benefits of nuclear power, without fear, will be taken by the Government of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *May 6, 1975.*

APPOINTMENT AS MEMBERS OF AD HOC COMMITTEE ON OUTER CONTINENTAL SHELF

The SPEAKER. Pursuant to the provisions of rule X, clause 5(c) and without objection, the Chair appoints as additional members of the Ad Hoc Committee on the Outer Continental Shelf, established by House Resolution 412, the following Members: The gentleman from California (Mr. MILLER), the gentleman from Texas (Mr. DE LA GARZA), and the gentleman from California (Mr. WIGGINS).

There was no objection.

APPOINTMENT AS MEMBERS OF ADVISORY COMMITTEE OF THE WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

The SPEAKER. Pursuant to the provisions of section 1(e), Public Law 93–568, the Chair appoints as Members of the Advisory Committee of the White House Conference on Library and Information Services the following Member on the part of the House: The gentleman from Michigan (Mr. FORD); and the following members from private life: Mr. Gene Shalit, New York City, N.Y.; Mrs. Allie Beth Martin, Tulsa, Okla.; Mrs. Jeanne Hurley Simon, Carbondale, Ill.; and Mr. Michael A. McCarroll, Lexington, Mass.

OIL SHALE: SOCIAL SERVICE SUBSIDIES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute, to revise and extend her remarks, and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, the economic questions regarding oil shale development extend beyond energy supply and demand questions.

Our Nation's largest deposits of oil shale are located in regions lacking heavy industry and large populations. The economies of these areas of Colorado, Utah, and Wyoming are historically based in agriculture. As is now unfortunately the case with many of the country's farm areas, the economies of these regions are weak.

On first thought, oil shale development might be considered beneficial to these areas. However, there are important considerations, which counter the benefits of development. They must be considered. Someone must pay for them.

Because the oil shale regions consist of farms and small communities an influx of people and industry would have greater impact than the same situation presents elsewhere. There are not questions of expanding existing social services. There are questions of the creation of social services—for instance, sewage treatment, hospitals, schools, recreational facilities, police and fire service—from the barest facilities which now exist. Compounding the immediate need for such services is the time lag between the need for social services and the appearance of revenues to meet the need. Compounding the needs and the time lag is the boom and bust character of oil shale development: a large number of workers would be needed to put up the processing plants. After construction is completed, however, their jobs would be extinct. They either move elsewhere or remain unemployed. The income they contribute to the regional economy vanishes but amortizing the bonds which were needed to create services for them remain for a good time to come.

Mr. Speaker, there are Federal programs which could aid oil shale development. We could with careful planning help create from whole cloth a new industrial region for this Nation. On the other hand, such service is going to cost this Nation an as yet undetermined fortune. I believe this must be added when we calculate what the price of a barrel of shale oil would cost. The Federal Government has no business building company towns for the oil shale industry.

A POLICEMAN'S VIEW ON CRIME

(Mr. GAYDOS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, Mayor DeRoy is a Pittsburgh police inspector and therefore a frontline authority on the causes of the crime which plagues the Nation. I want to state here my agreement with what he has to say on the subject.

Asked at a recent meeting on the crime problem whether more police were needed in his district, Inspector DeRoy declared:

> If we had 3,000 police officers, it wouldn't matter.

He explained why by asking these rhetorical questions:

> What difference does it make how many arrests they make, how many convictions they get, if the criminal is not sent to jail?

Inspector DeRoy cited, as an example, that a policeman working out of his station frequently arrests prisoners who have been let out of the penitentiary on weekend passes and furloughs. They have used the liberty to commit new crimes.

Similar reports have come to my attention from other police authorities—reports of how a criminal sometimes is freed and on the streets again almost as quickly as an arresting officer gets back from testifying against him in court. Crime records are filled with repeaters in a condition which has become a national scandal. Still we do little about it.

The answer to burgeoning crime, as I have said many times, is in getting tougher courts which are willing to hand down sentences sure enough and heavy enough to protect the public from the criminal and to serve as a warning to others.

Most Americans, so menaced now that they are afraid to walk the city streets at night, have had enough of the sociological nonsense that rehabilitation of the criminal and not punishment should be the No. 1 objective of our criminal court system. We have tried that and it has not worked. The result has been the greatest crime spree in our history.

I join with Inspector DeRoy in his insistence that jail should again be used as a deterrent, that criminals must be punished without exception, and that soft courts and plea bargaining together do great injury to the public safety. I am glad President Ford has added his weight to this side of the crime argument, calling for mandatory prison terms in crimes of violence.

FORCED RETIREMENT IS WRONG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 5 minutes.

Mr. RANDALL. Mr. Speaker, the recently released results of a nationwide survey conducted by pollster Louis Harris clearly shows that more than one-third of the Nation's more than 21 million elderly say they were forced to retire, but make it clear they would have liked to continue working. Of the people surveyed who do hiring and firing for business, 87 percent admitted that employers discriminate against the aged. The poll revealed 37 percent disagree with the policy of mandatory retirement because of age. The survey was commissioned by the National Council on Aging and was based on interviews with 4,254 persons. National political surveys are generally made on a sample of about 1,600 persons, which means that this survey is much more reliable and contains greater in-depth value than the ordinary poll.

Other findings of the survey are presently being studied by our new Select Committee on Aging which it is my privilege to chair. We regard this analysis as part of our overall responsibilities assigned under House Rule X, clause 6(g).

Mr. Speaker, the issue of forced retirement and the findings of the Harris survey is the subject of an editorial which appeared in the current issue of the American Association of Retired Persons' May 1975 News Bulletin. The AARP observes that:

> We are convinced that mandatory retirement is morally and economically wrong.

As Chairman of the Select Committee on Aging I wholeheartedly concur with this view and support efforts being made to abolish the statutory age limit of 65 in the Age Discrimination and Employment Act of 1967. I hope we may be able to include age as a protected category under title VII of the Civil Rights Act of 1964, and to prohibit the inclusion of a mandatory retirement age in any employment agreement or contract.

Mr. Speaker, for the information of my colleagues I read into the RECORD the editorial as it appeared in the AARP News Bulletin for May 1975:

FORCED RETIREMENT IS WRONG!

"Nobody should be forced to retire because of age if he or she wants to continue working and is still able to do a good job."

That was the public consensus revealed by opinion pollster Louis Harris in his major in-depth study of attitudes on aging conducted last year. It is also your Association's steadfast position on mandatory retirement.

Our nation has made great strides in recent years toward eliminating discrimination based upon race, religion and sex. Yet practices and attitudes that would bring howls of protest were they to be directed toward minority groups or women are accepted as "fair treatment" of the nation's nearly 22 million older citizens.

Imagine the outcry if a person was arbitrarily fired simply because he or she was black, or if a woman was refused a job because "her place is in the home." But in 1975, millions of Americans are treated this way—and are expected to accept such treatment—merely because of their chronological age.

There are those who claim that mandatory retirement is an American "tradition." They are wrong. Prior to the turn of the century, more than two-thirds of men age 65 and older were actively participants in the nation's labor force. As recently as 1920, 58 per cent of the men in this age group were actively employed.

Others believe that persons of a certain arbitrary age are no longer able to work effectively and efficiently. They too, are wrong. A massive body of sicentific and governmental research has shown again and again that older workers are as good or better in work performance, punctuality and attitude than their younger colleagues.

We are convinced that mandatory retirement is morally and economically wrong. We have become involved in recent months in testing the Constitutionality of mandatory retirement in the courts.

At the same time, we are urging Congress to: abolish the statutory age limit of 65 in the Age Discrimination and Employment Act of 1967; include age as a protected category under Title VII of the Civil Rights Act of 1964; and prohibit the inclusion of a mandatory retirement age in any employment agreement or contract.

In this effort, we face powerful opposition from both labor and business. Organized labor, despite its justifiable anguish over the present high rate of unemployment, continues to support the forced retirement of union members and other workers at an arbitrary age. Management apparently prefers to use the blanket policy of mandatory retirement so that it can avoid the difficulty of case-by-case personnel decisions.

But surely the solution to the nation's unemployment problems lies in the creation of new jobs, not in the perpetuation of existing barriers to employment. And surely, as the Supreme Court so eloquently warned last year in striking down arbitrary requirements for maternity leave for teachers (*Lafleur vs. Cleveland Board of Education*), "Administrative convenience alone is insufficient to make valid what is otherwise a violation of law."

Your Association believes that "ageism" is no less an evil in our free society than "racism" or 'sexism" and must be fought just as forcefully.

CONGRESSIONAL REVIEW OF NATIONAL SCIENCE FOUNDATION GRANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 20 minutes.

Mr. BAUMAN. Mr. Speaker, since the House of Representatives approved my amendment to the National Science Foundation authorization bill, H.R. ----, on April 9, requiring a 30-day congressional review period for NSF grants, there has been a great deal of lobbying actively directed toward the other body, which is now considering the bill. I testified before the Senate Special Subcommittee on the NSF, chaired by Senator EDWARD KENNEDY on April 21, and I will include excerpts from my testimony at the conclusion of this statement. Numerous scientific and technical groups, most of them opposed to the amendment, have instituted letter-writing or lobbying campaigns directed at Members of the other body.

The great majority of letters I have received from all across the country have been in strong support of my amendment. A number of these communications have come from members of the scientific community, several of whom have had direct experience with NSF grants, either as applicants or as recipients. For instance, a professor of biology in Wisconsin wrote:

> Your response to the NSF budget proposal is commendable. Perhaps this seems a strange response to your effort of curtailment of some activities coming from one who might benefit from NSF funding . . . there are to many who . . . think that the exercise of their freedoms is more valid than exercise of responsibility.

A professor and chairman of his department at a large midwestern State university has written:

> The scientific community seems to lack sufficient understanding of the responsibilities of Congress. Members of Congress are entrusted with the responsibility to account for the expenditure of public monies. There is no justifiable reason why the scientific community should be immune to this accountability. Congress has every right to review Federal expenditures as closely as they feel is necessary to serve the public interest.

The same professor went on to call attacks against my amendment, "an appeal to emotionalism."

The director of a large research laboratory in New York wrote:

> Few except perhaps those who are deeply committed to the present insularity of an elitist science can disagree with your effort to infuse research with more responsiveness. Most would also hope that the present lack of accountability in science could be rectified.

A Ph. D. from New Jersey wrote disagreeing that my amendment stifles academic freedom. He said:

> Freedom is essential to our way of life, but one man's freedom should never infringe and take away another man's freedom. I don't believe this is a book burning. I believe it is a book reading and responsible awareness.

I must admit that the letters that I have received in opposition, most of them from individuals within the scientific community who, I am sure, are well motivated, contain an amazing feeling of superiority on the part of the writers. Thus, a gentleman from Baltimore offers the opinion that the amendment "would constitute unwarranted censorship and a nonprofessional judgment of work that Congress cannot begin to understand technically." Two research scientists in New York say that—

> Few of us believe that Congress is equipped or informed enough to make rational judgments on the present or future worth of any research proposal.

Perhaps one of the better, and more typical comments, came from an assistant medical professor in New York who said the amendment "is an illiterate, anti-intellectual practice and it is an insult to the serious academic and scientific community."

Mr. Speaker, I think it is unfortunate that the Congress finds it is necessary to consider curbing NSF and its present grant procedure, but our responsibility is to the people we represent and not to those who may be inconvenienced by congressional review.

Earlier this week the Senate Special NSF Subcommittee reported out the NSF authorization, without my congressional review amendment although the committee did recommend that NSF provide Congress more complete information than is now the case. If the full Labor and Public Welfare Committee does not add it, my amendment will have to be offered to the NSF authorization from the floor of the other body. For the benefit of those who may have to consider this amendment again, whether in the other body or during a conference, I would like to take this time to clarify a few misunderstandings which have arisen with regard to this amendment.

As I mentioned in my testimony before the Senate subcommittee, the amendment is a simple legislative veto, a procedure we often use. It does not constitute censorship, but an exercise of our responsibility to provide stewardship of taxpayers' money. I believe we have sufficient expertise available to do an intelligent review of NSF grants, and the NSF already summarizes, in what are supposed to be public documents, the kind of justification material which the amendment requires.

However, I would like to address myself to a contention I have heard many times, that the House amendment would place an impossible administrative burden on Members of Congress.

If the amendment becomes law, it will not require congressional review, it will simply permit it, and provide Congress with sufficient information to do the job intelligently. How much work would be involved, for the Science and Technology Committee or for individual Members who chose to take an interest in these grants? The total of 14,000 grants per year breaks down to a little over 1,000 per month, or 50 to 60 per working day. The material provided would probably be a description, plus four or five paragraphs of explanatory material. The effort required to review this material for a staff member would be about the same amount as is involved in a thorough review of the CONGRESSIONAL RECORD each day. Those few grants which seemed to raise questions might require additional followup. This hardly seems to pose an insuperable burden.

Another possibility for help in evaluating these grants has occurred to several Members. I have had calls from several professors in Maryland who have volunteered to lend their specialized expertise to assist me in this evaluation process. I am sure that many other Members could count on help from faculties and from independent or private laboratories in their districts. This would not only bring in scientific judgment which is independent of the NSF grantmaking procedure, but it would offer Members a valuable opportunity to improve their liaison with the academic community, putting them in touch with developments and trends aside from the NSF procedures.

These suggestions augment the expertise which we have available to us on the staffs of the Science and Technology Committee and other committees, as well as the GAO and the Office of Technology Assessment. Certainly not every Member would have to become deeply involved in this review procedure in order for it to be effective. But some of us would do so, and that would provide the kind of effective oversight which is the purpose of the amendment.

One other question has arisen which seems to require a response. In debate on this question I and other Members have had occasion to mention grants other than those made by NSF. The fact that other Federal agencies have made grants which deserve some well-placed questions in no way weakens the case for more effective congressional oversight of NSF. But it has provided opponents of the amendment with a rhetorical tool to attack the amendment.

One grant in particular has been the subject of some discussion. I refer to a grant to study the perspiration smell of Australian aborigines. According to a GAO study the $70,000 spent for this purpose was part of a study by the National Institutes of Health studying man under conditions of stress, which included studies of Eskimos in Alaska.

Opponents of the amendment have referred us to what is apparently a separate study, conducted by the Army, at a cost of some $46,000, designed to help American soldiers cope with stress situations in Vietnam.

That may well have been a worthwhile study. But the fact that it was undertaken at all, in light of the similar NIH study, simply reinforces my point, that there is, at least on the face of it, a serious problem of overlapping authority and duplication of effort among the many agencies of the Federal Government which make grants for various kinds of research. In order to improve coordination of grants we need more complete information and the authority to do something about them before taxpayers' money is committed.

Mr. Speaker, rarely have I seen such a virulent reaction from a specialized group, or should I say a special interest group, as I have seen in response to my amendment. Many professional scientific journals have published articles attacking my amendment. Much of the argument has been emotional and unreasoning, a most unscientific approach to any matter. I hope that the other body and this House will continue to support this amendment as a valid means of exercising our responsibility to our constituents. If the byproduct of this entire debate is to make NSF more cautious in its research grants, that will be all to the good. I am heartened by the statement by Dr. H. Guyford Stever, NSF Director, who while he disagrees with my amendment said:

> Obviously, it would be quite a different way to operate the government. I am sure people could adjust to it.

That is the modest intention of my amendment to the NSF authorization.

Mr. Speaker, I submit that if we are to be responsible in our stewardship of taxpayers' money, and if we are serious about our intention to take back some of the authority and responsibility which we have delegated to the executive branch over the years, my amendment to the National Science Foundation is a modest and logical step in that direction. Failure to retain it in a final version will be a signal to many that many in Congress prefer to remain in the position of freelance critics, using the mistakes of executive branch agencies as the source of an occasional easy headline, rather than serious stewards of the Federal budget.

The statement follows:

STATEMENT OF REPRESENTATIVE ROBERT E. BAUMAN OF MARYLAND, SENATE SPECIAL SUBCOMMITTEE ON THE NATIONAL SCIENCE FOUNDATION, APRIL 21, 1975

Mr. Chairman, Members of the Subcommittee, Ladies and Gentlemen. I appreciate this opportunity to appear before your subcommittee in order to explain an amendment to H.R. 4723, the National Science Foundation authorization, which I offered and the House of Representatives accepted on April 9, 1975.

My amendment to the $755 million NSF authorization simply requires the NSF to transmit periodically a message to both Houses of Congress, at least every thirty days, containing (1) a list of grants proposed by the NSF and, (2) information bearing upon these grants with particular reference to the manner in which the national interest will be served by the approval of these grants. The grants shall be effective after thirty calendar days of continuous session of Congress unless either House adopts a resolution disapproving all or any number of grants.

What this amendment amounts to is the use of the legislative veto for Executive Branch action—a common practice of Congress dating back many years. During the 93rd Congress we inserted the legislative veto into various laws no less than twenty-two times—most notably in the Budget Impoundment and Control Act of 1974 and the War Powers Act.

The desirability of a legislative veto for the NSF, which simply allows for a more broad-based system of oversight, goes far deeper than the fact that some NSF grants have provided easy copy for some journalists on slow news days or quick headlines for certain Members of Congress who want to reinforce their image as the taxpayer's friend.

The real issue here is Congress' stewardship of the taxpayers' money. John Stuart Mill once said that "the proper office of a representative assembly is to watch and control the government." The last few decades have seen a growth in the dominance of the Executive Branch of government which most Members of Congress have publicly deplored. We have recently taken a number of actions, including the twenty-two acts I have cited, to improve our ability to control the Executive Branch, in line with our position as the most direct representatives which the people have in government.

The National Science Foundation is neither the best nor the worst agency in the government in terms of accountability to Congress. The NSF has been criticized for, among other things, advocacy of controversial curricula in public schools, and it has sometimes been slow to respond to Congressional inquiries concerning the justification for some of its programs. Indeed, our colleague from Arizona, Mr. Conlan, had to fight for three months in order to obtain the full information which my amendment proposes that we get as a matter of course. As I will illustrate, this information already is compiled as a matter of standard procedure by NSF, and theoretically, is readily available to any citizen by virtue of its status as a public document.

At a time when the Nation is facing a budget deficit between $75 and $100 billion, the NSF will be distributing hundreds of millions of dollars with very little control over the manner or objectives of such grant-making. In fact, the very nature of NSF's role easily lends itself to abuse unless Congress is willing to watch closely its activities.

The real issue, then, is how willing the Congress is to validate in action its stated desire to improve its oversight function, and

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become truly responsible and accountable to the people who have elected us. Our common practice, when we get a letter from an outraged constituent concerning some grant which seems frivolous or unwise, has been to respond that "some faceless bureaucrat did it; it's out of my hands." My amendment places the responsibility for these expenditures of tax money right where it belongs—in the U.S. Congress. If we are to regain respectability in the eyes of the people—and most public opinion polls show that Congress is held in low esteem indeed—we must begin accepting this responsibility and exercising it in a more aggressive and judicious manner.

Since my amendment passed the House it has been subjected to various criticisms, some based on a misreading of the language of the amendment, and some, I believe, purposely misstating just what my amendment would accomplish. I would like to respond to some of these criticisms and then accept any questions which Members of this panel might have.

1. The amendment would impose impossible administrative burdens on the NSF.

The NSF already provides Congress with a daily notification of grants approved. Prior notification would merely require that the effective date of the grant be postponed for thirty calendar days. The NSF also currently uses two forms, Form 4 and Form 9, which explain the purpose of each grant in non-technical terms. It is my understanding of NSF procedure that these forms are completed and placed in the file for each grant. The information contained in these forms could be provided to Congress and fulfill the requirement for justification of the grants which my amendment includes.

2. Congress does not have the expertise to evaluate these grants.

In the last several years Members' staff have increased dramatically, as have Committee staffs. Congress has the GAO and the Office of Technology Assessment available to help it evaluate difficult or technical programs, and each committee has technical experts on its staff. In practical terms, the effort required to assess these grants would be roughly comparable to having one staff member study the Congressional Record daily and note and followup on grants which seem to require more attention. Indeed, it would be a confession of our own intellectual bankruptcy if the elected representatives of the people lack the judgment as to how tax monies are to be spent.

3. The amendment would place Congress in the position of a censor.

The issue is not censorship but choice. If somebody insists on using the word "censorship", I must insist that the NSF presently exercises a degree of censorship. NSF receives more applications than it makes grants. It must exercise choice as to how its budget is to be allocated to best serve the national interest. My amendment simply allows Congress, which has the ultimate responsibility for stewardship of the taxpayers' money, to review those choices. A side-effect of this procedure, incidentally, would be to insulate NSF from headline-seeking critics by giving it an additional perspective from which to judge sensitive or controversial grants.

4. Rather than instituting this "cumbersome" procedure, the best approach to controlling NSF is to cut the budget.

I am not unsympathetic to this approach. However, there are two problems. The first is that I see little serious effort to cut budgets or control spending by this Congress. Neither Budget Committee of the two Houses has recommended a cut in the NSF budget. Obviously, a more sophisticated tool is required. In addition, effective oversight of an increasingly complicated Executive Branch calls for something more subtle than wielding a big Budget axe whenever a program stirs up controversy. Surely Congress is capable of devising such tools, and of devising the different tools which may be required for different agencies. My amendment may not be the only possible approach. But it is a start.

5. This amendment would undermine the NSF's peer review system in the academic community.

The peer review system has been criticized in the academic community for cronyism and showing a preference for large, "prestige" institutions to the detriment of smaller colleges and junioir colleges. The important point to note is that it is impossible for anyone outside the system to evaluate this system because it is totally secret. Not even the administrator of the NSF knows how many people are in it or who they are.

I can respect the need for confidentiality in these sensitive matters regarding the awarding of grants and evaluation of peers. But is should be obvious that such a secret system does not address the purpose of my amendment, which is protection of the interests of the taxpayers who are, willingly or not, funding these inquiries. The peer review system provides a tool for evaluating scientific competence and ability to carry out proposed studies. My amendment provides a method for protecting the interests of taxpayers and seeing to it that their money is not wasted. If these two purposea are in conflict, then I submit that a thorough investigation of the peer review system is in order.

Lastly, Mr. Chairman, there should be no great surprise at the direction which this amendment takes. The Congress is free to delegate its powers on many matters, as it has done to the NSF in its original statute. Just as we have the power to delegate, we can do so with certain stipulated conditions, and as I have pointed out, this is done quite frequently. As the noted constitutional expert, Professor Edwin S. Corwin, has said, "If the Secretary of Agriculture may be delegated powers, the exercise of which is subject to a referendum vote of producers from time to time", then why should not the Congress have the same right to review matters, such as NSF grants. Although the Congress from time to time is questioned as to its powers to delegate, at the very least Congress may not abdicate its power. One way to maintain the line between delegating and abdicating is the use of the Legislative veto and to argue otherwise is an affront to common sense in my opinion.

LEGISLATION INTRODUCED TO PROVIDE POWER TO JUNEAU, ALASKA, RESIDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing in a bill that would allow the Secretary of the Interior to waive the reimbursable costs for certain repairs and the relocation of the Salisbury Ridge section of the 138-kv transmission line from the Snettisham Hydroelectric project in southcastern Alaska.

The Snettisham project has been beset by problems from the very beginning, and even though it has been in operation over a year, the city of Juneau has yet to receive uninterrupted power. The original transmission line was poorly engineered, and consequently was subject to severe wind and ice damage. Upon reconsideration the Corps of Engineers determined that to prevent further damage, the entire Salisbury Ridge section has to be rerouted.

When originally authorized the project cost estimate was $43 million, yet due to inflation, numerous natural disasters, construction delays, and contract problems, the final cost of the project has more than doubled. To add on the cost of relocating the new transmission line to the reimbursable costs, as required by the Snettisham Authorization Act, is an injustice to the users, and the city of Juneau.

I urge the House Public Works Committee to act expeditiously to favorably report this bill, so badly needed by the residents of Juneau.

Mr. Speaker, I include the bill at this point as follows:

H.R. 6749

A bill to authorize the Secretary of the Interior to waive recovery of certain costs for extraordinary wind and ice damage to certain facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204(b) of the Act of October 23, 1962 (76 Stat. 1173, 1174), is amended by changing the period at the end of the second sentence to a colon and adding "*Provided*, That the Secretary of the Interior, in determining reimbursable costs, shall not include the costs of replacing and relocating the original Salisbury Ridge section of the 138-kilovolt transmission line.".

COMMUNIST BLOODBATHS: THE MEDIA LOOKS THE OTHER WAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, the American left and the TV-media apparatus has now embarked on what I believe to be one of the most significant propaganda crusades in recent history—underplaying the brutal bloodbaths of Communist takeovers and hailing the conquering tyrants as an "improvement" over their former regimes. This blatant rewriting of history overlooks the clear, tragic, and barbarian record of communism in dealing with conquered peoples throughout the world. The New York Times has taken an early lead in the propaganda mill with such dishonest reporting as Sydney Schanberg's April 13, 1975, lead article, the headline of which proclaimed: "Indochina Without Americans; For Most, a Better Life," and Fox Butterfield's piece which sets the tone in blazing heading in their April 27, 1975 edition, "Communist Rule Will Be Disciplined, Moralistic."

It is hard to blame these reporters for their poor reporting since the Times has had a clear line in the past 25 years which has peddled reporting ranging from a soft to an approving approach. Who can forget their Herbert Matthews articles on good old Fidel Castro in the late 1950's?

Their news morgues must contain the same clips and records of former and present Communist astrocities as are available to you and me—why don't they use them? Consider this brief summation of recent Communist genocide and criminal brutality which they conveniently overlook:

In the Soviet Union, the most conservative estimate of people killed by the Reds during the various purges which followed the revolution is in excess of 20 million.

In Communist China, at least 30 million people were slaughtered in political liquidation campaigns from 1949 to 1958.

In Tibet, one of the most horrendous genocides was inflicted on a small nation resulting in the extermination of 300,000.

In North Vietnam, to solidify their hold, at least 50,000 countrymen were executed in the land reform programs of the 1950's.

In South Vietnam, civilian victims of Communist terror from 1957 through 1971 is over 36,000.

Reports from Cambodia and Vietnam right now—repeat, right now—indicate executions and a reign of terror as a part of Communist takeover.

The records do not stop there. The staggering loss of life extends to Eastern Europe and Cuba which are detailed later in these remarks. It is this broad picture that liberal reporters overlook in their effort to rewrite history sympathetically to Communist butchers.

Having read thousands of articles over the past 25 years on the subject to communism and having become accustomed to the managed news and brainwashing technique of the left, I did not think I could ever read an article which would top them all. The Schanberg article clearly does top them all. It is the most dishonest, propagandistic article on communism I have ever seen. In it he says "it will be nice when Americans get out of the killing business in Indochina" and "it is difficult to imagine how their lives could be anything but better with the Americans gone."

His anti-American posturing is bad enough but he arrogantly ignores the operating principles of communism to mislead his readers by fiat out referring to their brutality and murder as—quote—abnormal behavior—unquote, clearly implying this is isolated and not to be confused with their expected actions. Note his entire quote:

> Wars nourish brutality and sadism, and sometimes certain people are executed by the victors but it would be tendentious to forecast *such abnormal behavior* as a national policy under a Communist government once the war is over.

This might be tendentious from his biased point of view, Mr. Speaker, but any objective study of Communist tactics, past and present, will belie his assertion. What normally happens is twofold: First, their executions, reeducation programs, concentration camps, repressions are done outside of the coverage of TV cameras and the sight of reporters like Schanberg who does not want to admit they happen anyway; second, a silence, a cold-blooded calm comes over the country whose borders are sealed, whose communications with the rest of the world are curtailed.

The result of this is that suppliant reporters like Schanberg will call this silence "peace."

Mr. Speaker, I cite here just some of the record of communism which has been normal—not abnormal. While it always can be hoped the Communists will turn from their bloodthirsty ways, it is irresponsible to rewrite history in this way, especially when they have their anti-American knives whetted so sharply. Schanberg alludes to the hopes that the "more gentle and flexible Khymer character" will be reflected in a Cambodian Communist government, rather than the rigid outlook of Peking or Hanoi.

"Some critics of American policy in Indochina have gone so far as to predict that the peninsula will become a virtual paradise once the Americans have gone," he observes, while not really countering these gratuitous pro-Communist remarks with a cold, realistic appraisal of what has been their historical pattern and might very well happen.

This effort of the American left to rewrite history in a way which is favorable to communism is not new. It requires, however, that those of us not blinded by détente, accommodation with our enemies or liberal myopia on world communism must see to it that the record is set straight.

ATROCITIES IN VIETNAM AND CAMBODIA

The present tragic events now unfolding in Cambodia and South Vietnam raise ominous signs once again of the prospects of a Communist-style bloodbath in Southeast Asia. It is urgent that the on-going controversy over the fact or fiction of bloodbaths not be allowed to place in jeopardy the lives of those marked for extinction by the North Vietnamese, the Vietcong, and the Kymer Rouge.

The liberal press and those apologists who blindly belittle the possibility of large-scale reprisals against the South Vietnamese and Cambodians, whose only crime was their quest for freedom, must not be permitted to forget the mass slaughter at Hue or Dak Son or the estimated 36,000 civilians killed by Communist terrorists between 1957 and 1971. Those are recent history. The liberal, of course, sneers, that the Stalinist purges or even the Chinese mass executions of the early fifties is no longer their policy.

Nor should they be permitted with impunity to ignore or explain away the staggering elimination of literally millions of human beings by the Soviet Union and Red China, whose vicious Communist ideology is used to rationalize such wholesale butchery in the name of "the revolution."

Those who have been pushing détente, East-West trade, cultural relations, and other American-Soviet exchanges must be reminded that such policies aided and abetted the same Kremlin whose war materiel, in the hands of the Vietnamese Communist troops, directly contributed to the loss of over 50,000 American lives and made the present tragedy in Vietnam possible.

Unclassified telegrams from our Embassy in Saigon in the last several months have described the brutal, cold-blooded killing of innocent South Vietnamese civilians, law enforcement personnel, South Vietnamese Government officials and employees and captured South Vietnamese soldiers, as told by refugees from the occupied areas. As the United States lost over 50,000 American lives in Vietnam helping to defend South Vietnam against such Communist violence and terror, I am introducing legislation to establish a select House Committee to investigate and report to the House all accounts of executions, abductions, willful woundings and other denials of basic human rights in Southeast Asia by all Communist forces against civilians, military, police and government personnel and others of the countries of Southeast Asia, the United States and other countries.

A recent State Department telegram from Saigon describes the killing of about 300 South Vietnam Government employees and police, as related by an eyewitness to a Saigon police captain. Families of the victims were led out of town by several guards and explosions in their midst, presumably mortars, killed some and wounded others before the panicked crowd ran into the woods.

Another telegram dispatched from the U.S. Mission in Saigon recently read:

> According to refugees that had witnessed several executions carried out by VC local forces and infrastructure, on outskirts of Danang GVN policemen were beheaded and groups of soldiers tied together and killed with grenades. Based on their observations, refugees said that it appeared that VC local forces were systematically liquidating GVN security personnel. They added that regular NVA forces did not appear to be participating in the executions.

State Department telegram No. 2492 reads in part:

> We have received report from GVN official who had interviewed number National police escapees from MR–1 who was hiding near his home when place was pointed out to Communists by National policeman who was being detained by Communists. Official was pulled from his hiding place and executed on spot. When his mother complained that her son had done nothing to deserve execution, mother was executed by Communist soldier who fired single pistol shot into her head.

Another recent State Department telegram alleges further brutalities:

> The monks in a Ban Me Thuot pagoda were accused of helping people hide from the "PRG" (they had in fact sheltered and fed a number of escaped) and were led to the marketplace in Ban Me Thuot, the day after the fighting stopped. Several thousand other people were also assembled there. All were told to sit down.

The telegram continues:

> Then local "PRG" cadre walked through the crowd, pointing out GVN (Government of Viet Nam) employees and police known to them. About 300, according to the monk, were selected and taken off to one side. The presiding cadre delivered a lengthy harangue, accusing them of being American lackeys and spies, and enemies of the people. They were all shot and killed.

In his letter of April 18, 1975, to selected Members of Congress, President George Meany of the AFL–CIO provided still other accounts of Communist barbarism. The information, received by phone from Saigon on April 18, 1975, is a rough account from the CVT, South Vietnam's confederation of labor. Mr. Meany noted that—

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> As in the case of every other Communist takeover in every other country, the free trade union movement is an early and specially-targeted victim.

The cases cited by the CVT are as follows:

> In Quang Tin, they rounded up all of the police force. Some were shot out of hand. With others, they drove nails through their heels, wired them together and led them off to the jungle. That was the last seen of them. Some of the military were also treated in the same way.
>
> In Danang, CVT officers were arrested, required to turn over all of their records. The CVT members of the transportation workers (lambretta drivers, etc.) were pressed into driving supplies to the front. This report was received from a CVT man who escaped and was barely coherent.
>
> At Ban Me Thuot, one of the CVT people escaped from there. The population of the town was assembled and divided into different categories. All of the leading citizens were taken away and have not been seen since. The males between 16 and 22 were drafted into the military forces and sent directly into combat. Each family was redesignated and put into a peoples' union to mobilize a labor force and were subject to "people's justice." The former union officials were put on a non-subsistence ration.
>
> In Binh Long, the plantation workers' representative was shot and others were arrested.
>
> In Binh Duong, the president of the CVT local was arrested and one of the CVT cadre was shot.
>
> In Quang Ngai, the president of the CVT provincial council was arrested.
>
> In Quang Tin, the secretary general of the CVT provincial council was arrested, together with all other members of the council. They have not been seen since the fall of Danang.
>
> In Pleiku, both of the CVT provincial representatives were arrested.
>
> In Kontum, the provincial council was captured and has not been seen or heard of since.
>
> In Hue, the president of the provincial council was arrested, and the CVT has no details of what has happened.
>
> In Dalat, the same situation prevails.
>
> In Nahtrang, the president of the railway workers' union, who is also the vice president of the CVT council and leader of the workers' party, was sought out and arrested and the CVT has no further word of his whereabouts or fate.

On Saturday, April 19, the Washington Post ran a front-page treatment of the current controversy over whether a bloodbath will ensue in South Vietnam if the North Vietnamese and the Vietcong take over all of Vietnam. The Post item, actuallv two separate articles, was headlined: "Bloodbath, A Theory Becomes a Fear."

One excerpt from the article by Michael Getler and Marilyn Berger reads:

> And, if historical patterns are a guide, many officials believe it will take many more months for an actual "bloodbath" in the south to unfold if it is going to happen.

Well, I have news for the officials mentioned above—it has happened in South Vietnam, starting back in 1957.

In its very useful compendium, "The Human Cost of Communism in Vietnam," issued by the Senate Internal Security Subcommittee in 1972, the total civilian victims of Communist terror in South Vietnam from 1957 through November 1971 amounted to 36,181 killed and 53,758 abducted. This did not include the estimated 10,000 civilians who lost their lives during the 1968 Tet offensive or the more than 3,000 civilians disinterred from the graves at Hue, or the estimated 2,000 killed during the second phase of the Hue massacre.

While some may argue over the semantics of the term "bloodbath"—how many does one have to murder and in what period of time? The sad case of Hue certainly qualifies. Some bodies were mutilated and others were found in conditions indicating that death had been caused by being buried alive. Among those found were Mr. Tran Dien, a Senator in South Vietnam's National Assembly, four officials of the Vietnam Nationalist Party, hamlet chiefs and their wives, teachers, shopkeepers, students, and children. The victims also included two French priests and three German doctors from the Hue University Medical School.

Survivors told of the Vietcong's summary trials, torture and condemnation of civilians—including women and schoolboys—on such charges as being a "reactionary" or "opposing the revolution."

A father of nine was buried alive because he had a son in the South Vietnamese Army. Some were forced to dig their own graves, and many who were called by Vietcong agents to attend a political education meeting were never seen again by their families. A Buddhist monk at the Tang Quang Tu Pagoda reported overhearing Vietcong execution parties working each night during the first 2 weeks of February 1968.

Although the massacre at Dak Son did not approach the magnitude of the Hue bloodbath, pictures of Dak Son babies killed at pointblank range by flamethrowers—such pictures were in the past available for the asking from the Defense Department—convey the unbelievable depravity of Communist terror.

Dak Son, a hamlet of 2,000 Montagnard people consisting of mostly unarmed women and children and defended by a small militia, was attacked by the Vietcong with machinegun, mortar, and rocket fire—and 60 flamethrowers. The militiamen were surrounded and isolated, and for the rest of the night ignored by the marauders. The Vietcong were not intent on a military victory but on a cold-blooded, monumental massacre of the Dak Son inhabitants. Houses and inhabitants were set afire by the Vietcong along with everything in sight: trees, fences, gardens, chickens, grain from the annual harvest. Structures that withstood the fiery attack were leveled by grenades. According to the above-cited Senate report, all told, 252 of the unarmed Montagnards had been murdered and another 100 kidnaped; 500 were missing, either dead or fled into the hills. The victims were almost all women and children. The dead adults were covered with scorched mats and blankets salvaged from the ashes, the bodies of the babies were laid in bamboo baskets. One man lost 13 members of his family.

While the case of Dak Son was exceedingly brutal, many other villages suffered essentially the same fate. As early as January 1967 the U.S. News & World Report was pointing out that the Communists themselves were claiming 7,559 hamlets destroyed by them from 1961 to 1965. As this weekly stated in its January 16, 1967 issue:

> Every form of murder weapon is used. Mines on highways take a heavy toll. Forty-eight farm workers on the way to harvest rice, died in a bus that struck a mine near Tuy Hoa last February 14, Twenty-six civilians died in a mined bus in Kien Tuong Province on January 18, 1966.
>
> Dynamite killed 27 South Vietnamese, 12 Americans, 2 Filipinos, 1 Frenchman and 1 German in a Saigon restaurant on June 25, 1965.
>
> A bomb alongside the U.S. Embassy in downtown Saigon killed 18 civilians and injured a hundred others.
>
> Hand grenades—four of them—were thrown into a village theater near Can Tho in the Mekong Delta. Result: 108 people killed of wounded. Of the dead, 24 were women and children. Says a U.S. official: "This was a typical Viet Cong act of terror. It bore no relation to any military actions.

In the March 8, 1967, issue of the Chicago Tribune, there appeared an article by Chesly Manly entitled "Vietcong Amass Murder Total of 25,000 Civilians." The lead paragraph read:

> Propaganda as a weapon of war probably has never been as effective as it is in the Viet Nam war. There is world-wide agitation to stop the bombing in North Viet Nam, because some civilians are unavoidably killed, whereas callous indifference to the planned and systematic slaughter of civilians by the Communists in South Viet Nam is almost equally universal.

To be sure, efforts were made by publications such as the U.S. News & World Report, the Reader's Digest, the National Observer, the Chicago Tribune, and others to publicize the hard-to-believe brutality of the Vietnamese Communists. John Hubbell's article in the Reader's Digest of several years ago entitled "The Blood-Red Hands of Ho Chi Minh" is another fine example of attempts by some journalistic sources to tell the world of the latest of communism's "historical patterns"—to quote the Post article—in the area of human slaughter. To all of us here in the United States who treasure our right and freedom to vote, this excerpt from Mr. Hubbell's article, concerning a VC warning to those who dared to go to the polls in an upcoming election, is difficult to envision:

> The V.C. delivered a similar warning to the residents of a hamlet not far from Danang. All were herded before the home of their chief. While they and the chief's pregnant wife and four children were forced to look on, the chief's tongue was cut out. Then his genital organs were sliced off and sewn inside his bloody mouth. As he died, the V.C. went to work on his wife, slashing open her womb. Then, the nine-year-old son: a bamboo lance was rammed through one ear and out the other. Two more of the chief's children were murdered the same way. The V.C. did not harm the five-year-old daughter—not physically; they simply left her crying, holding her dead mother's hand.

Gen. Lewis W. Walt, who commanded Marine Corps forces in Vietnam, had this to say about the Hubbell article:

> This article accurately depicts the true nature of the enemy in South Vietnam. I saw the little boy with his hands cut off. I have seen heads impaled on stakes, and disemboweled bodies.
>
> I learned early in my two years of duty alongside the South Vietnamese forces, that in South Vietnam, fighting and working the communist terrorism described in this article is no mere accident of war but a program of systematic butchery. This deliberate and brutal assault against the grassroots citizenry is one reason why we who have responded to South Vietnam's call for assistance believe devoutly that our efforts to save this nation are worthwhile, necessary and important.

If one finds it hard to believe General Walt's claim of systematic butchery, read a similar account told by the late Dr. Tom Dooley who helped half a million Vietnamese refugees escape North Vietnamese Communist terror in 1954. Dr. Dooley, recounting how a teacher in the village of Haiduong was accused of teaching religion to seven of his pupils, stated in his book, "Deliver Us From Evil":

> Now two Viet Minh guards went to each child and one of them firmly grasped the head between his hands. The other then rammed a wooden chopped chopstick into each ear. He jammed it in with all his force. The stick split the ear canal and tore the ear drum. The shrieking of the children was heard all over the village.
>
> Both ears were stabbed in this fashion. The children screamed and wrestled and suffered horribly. Since their hands were tied behind them, they could not pull the wood out of their ears. They shook their heads and squirmed about, trying to make the sticks fall out. Finally they were able to dislodge them by scraping their heads against the ground.

And the teacher, whose unforgiveable crime was the conducting of classes in religion, Dr. Dooley continued:

> As for the teacher, he must be prevented from teaching again. Having been forced to witness the atrocity performed on his pupils, he endured a more horrible one himself. One soldier held his head while another grasped the victim's tongue with a crude pair of pliers and pulled it far out. A third guard cut off the tip of the teacher's tongue with his bayonet. Blood spurted into the man's mouth and gushed from his nostrils onto the ground. He could not scream; blood ran into his throat. When the soldiers let him loose he fell to the ground vomiting blood; the scent of blood was all over the courtyard.

Is it any wonder that waves of refugees streamed south recently to escape the Communist hordes in view of their long established record of brutality and terror, only too well known to the South Vietnamese.

James Cary, writing in the June 19, 1969, issue of the Copley News Service, gives a chilling idea of what would happen if the Vietnamese Communists took over South Vietnam, based on the Hue massacre:

> Nationality, occupation or political background was no protection. Scores of Buddhists in Hue's strong, anti-government resistance movement were slaughtered. So too were American and German civilians, French priests, South Vietnamese Government officials, anyone with relatives in the South Vietnamese army, village chiefs, political leaders, anyone who worked for the Americans, and particularly anyone who was known for his opposition to the Viet Cong.

Current reports from Saigon confirm only too well the accuracy of this oft-repeated Communist formula.

CAMBODIA AND LAOS

The traditional use of terror was, and is, being experienced in Cambodia and Laos also.

In 1972, the House Internal Security Committee—this Committee was abolished by the House by a parliamentary slight-of-hand without a direct up-or-down vote on January 14 of this year—heard two witnesses then serving with AID in connection with the committee's continuing series of hearings on the theory and practice of communism. One of the witnesses, Dr. Charles Louis Weldon, was one of a number of U.S. citizens who, in conjunction with refugees from Russia, Czechoslovakia, Cuba, East Germany, et cetera, sought to help the Committee to update information on present conditions under Communist regimes.

In describing the bloodbath at Phu Nong for members of the committee, Dr. Weldon broke down at one point, saying—

> I am sorry, but these are—I feel rather foolish, but these are, these were good friends of mine.

The Phu Nong incident involved Laotians fleeing from the Pathet Lao and North Vietnamese forces. As Dr. Weldon describes it—

> The main body of this group slept in a little high mountain valley and bivouacked there. During the night the enemy spotted them and just about dawn, as it started to break light, the enemy opened up on this group of people with mortars and automatic weapons, and so forth, and they killed probably around 1,500 or 1,600 of them; they just slaughtered them.

Sydney Schanberg, writing in the New York Times of March 2, 1975, exposed Communist cruelty and terror in Cambodia. His article, titled "The 'Enemy' is Red, Cruel and, After 5 Years, Little Known," is the Vietnam experience repeated all over again. This article contrasts with repeated efforts of the Times to downplay Communist atrocities. Even in their managed news policy, the New York Times occasionally allows segments of the truth about the Reds to surface.

Schanberg wrote:

> On various fronts, they have burned whole villages, murdered unarmed peasants and even sometimes mutilated bodies.

Newspaper headlines alone tell the all-too-familiar story of Communist butchery, in this case the victim being Cambodia. The Emergency Committee for a Free Vietnam, to show the similarities of Communist terror in Vietnam and Cambodia, issued selected examples of Communist atrocities in Cambodia from 1967 to 1975. Some of the news headlines read: "Cambodia Says Reds Executed 300 Villagers"; "Murder of 200 by Reds Reported in Cambodia"; "Monk Says North Executed Villagers."

Donald Kirk, writing in the July 14, 1974, issue of the Chicago Tribune, states in his article, "Khmer Rouge's Bloody War on Trapped Villagers":

> You can hardly believe the depth of the cruelty of the Khmer Rouge—Cambodian Communists—until you talk to those who escaped from Khmer Rouge control.
>
> "They killed people by beating them and shooting them," says Meak Sam Hon, chief of a village whose inhabitants fled from the Khmer Rouge. "They said people were enemy agents and led them to the woods and shot them."
>
> "Sometimes they killed one member of a family as an example," said a 50-year-old woman named Un Chumn, "or they killed whole families. They led people to the forests in chains for executions. They put five people at a time in graves. People had to dig their own graves."

These accounts certainly lend credence to the April 20, 1975, news item in the Washington Star-News which began:

> Cambodian refugees in Thailand said yesterday that Khmer Rouge forces executed 43 former government soldiers after taking control of a provincial town, and the Communist radio said most top leaders of the fallen government who remained in Phnom Penh had been beheaded.

A past master in bloodbath refinements, in addition to the Soviet Union, is, of course, Red China. We are again indebted to the Senate Internal Security Subcommittee for its appraisal of the loss of life in China since the Communists took over in 1949. The subcommittee, in its publication, "The Human Cost of Communism in China," presents an analysis of the Chinese bloodbath by a lifetime student and one of this country's foremost authorities on China, Prof. Richard L. Walker, now director of the Institute of International Studies at the University of South Carolina. Professor Walker, after a thorough study of the brutalities of Mao Tse-tung and his fellow bandits since 1949, estimates that from the time of the first civil war (1927–36) until today communism in China has cost a minimum of 34 million lives and that the total may run as high as 64 million lives.

Professor Walker estimates, for instance, that the number of deaths from the political liquidation campaigns (1949–58) range from 15 to 30 million; deaths accruing from the "Great Leap Forward" and the communes ranged from 1 to 2 million; deaths in forced labor camps and frontier development ranged from 15 to 25 million.

Life magazine, in its January 19, 1953, issue, gave an excellent illustration of Red Chinese inhumanity toward their fellow Chinese countrymen. Graphically displayed in a series of photos was the trial and execution of Huang Chin-chi and 30 other "despotic landlords." These pictures, actually taken by a Communist photographer, were smuggled into Hong Kong by a Chinese defector.

An eyewitness to the beheading of 13 Chinese students, Rev. Raymond de Jaegher, can attest to the inhuman nature of the Chinese Communists. In his book, "The Enemy Within," Father de Jaegher tells how a whole village was assembled, including the young schoolchildren, to witness the execution of 13 students from the anti-Communist school in Chang Ts'un:

> Moving as quick as light from right to left as we watched him, the swordsman went down the line, beheading each kneeling student with one swift stroke, moving from one to the next without ever looking to see the clean efficiency of his blow.

Speaking of the young children—in this case they were pale, disturbed and some were vomiting—who were forced to witness these executions, Father de Jaegher observed:

> After this I often saw children forced to witness executions. The first time they were horror-stricken and emotionally disturbed, often sick at their stomach as these children were. The second time they were less disturbed, and the third time many of them watched the grisly show with keen interest.

This was but one of the many experiences the clergyman endured under Communist rule. Chapter X of his book is entitled "Communist Tortures" and details various fiendish methods employed by the Chinese Reds against innocent Chinese victims.

TIBET

The slaughter of thousands of Tibetans can be laid at the doorstep of the same Chinese Reds. The International Commission of Jurists has branded this systematic annihilation of Tibetan life as "genocide." Three times, according to a Time magazine article of September 13, 1968, the United Nations has censured Peking for "violating fundamental human rights and freedom." In the same article it is estimated than 300,000 of Tibet's 1,300,000 people have been exterminated, many by savage methods, since the first Peking general moved into Lhasa's Palace of the Gods in 1950.

As in the case of China and other countries, the cold impersonality of statistics is diffused by specific experiences which illustrate not only the extent but the viciousness of Communist conquest.

Lowell Thomas, the famous author, newsman and world traveler, has been for many years intimately associated with the affairs of Tibet. He and his son, Lowell, Jr., were the sixth and seventh Americans ever to visit Tibet in 1949. Since that time he has devoted much time in helping the Tibetan refugees who have fled from Red Chinese persecution.

His recounting of Communist brutalities in Tibet which appeared in the December 1960 issue of Reader's Digest, has a familiar ring when matched with the experiences of Reverend de Jaehger. Citing such methods as burning, crucifixion, drownings, and burial alive, Mr. Thomas described the fate of two lamas at the Litang Monastery:

> At the Litang monastery they compelled villagers to witness a fiendish test: Whether lamas could save their own lives. Two lamas, Nori Gen and No-Sog Gen were brought out and shot—but not fatally. Then boiling water poured over Nori Gen and he was strangled. No-Sog Gen was stoned and finally felled with an ax. The helplessness of the lamas was, according to the Communists, proof that they could not help others.

KOREA

The all-too-familiar pattern of brutalities against innocent and defenseless civilians was again repeated in Korea. Defense Department photos illustrate how many Korean civilians joined the long list of Communist victims. But, for the first time, American citizens fell victim to Communist savagery.

At the very beginning of the war, when stories of Communist atrocities were brought to the attention of Gen. Douglas MacArthur, he set up a commission to record these excesses for future reference. In December 1953, a subcommittee of the Senate Government Operations Committee held 3 days of hearings, receiving testimony from 29 witnesses, of whom 23 were American servicemen who were either actual survivors or eyewitnesses of Communist war atrocities. Testimony was also heard from Gen. Matthew Ridgway, Chief of Staff, U.S. Army, and other former Army field officers in Korea, and from officials of the War Crimes Division. Affidavits, statements, photographs and other official records were introduced in evidence to corroborate testimony of the various witnesses.

The annual report of that committee for the year 1953 had this to say:

> It was established that American war prisoners were either willfully murdered at the time of capture or shortly following capture, or were beaten, starved and tortured; molested, displayed and humiliated by and before civilians, and/or forced to march long distances without benefit of adequate food, water, shelter, clothing or medical care, to Communist prison camps, and there to experience further acts of inhuman indignities.

The committee found that the abuses committed against American servicemen were not just the spontaneous excesses of individuals during wartime:

> It was determined that the sickening and inhuman treatment of American prisoners was a result of a distinct and calculated pattern of physical and mental torture perpetrated on a Communist command level to indoctrinate, humiliate and exterminate American and Allied war prisoners.

Concerning the fate of American POW's during the Korean war, the committee observed that—

> The total number of American prisoners who were repatriated as a result of Little Switch and Big Switch was 3,508, while the conservative estimate of the War Crimes Division in Korea for fatalities, as a result of war crimes against American prisoners, was 5,639. Thus, approximately two-thirds of American servicemen, who were taken prisoner, died from scts of barbarianism, which was part of a conscious policy of the North Korean and Chinese Communist governments.

The similarity between the killing of American servicemen in Korea and the tragic fate of the Katyn Forest massacre victims was noted by a select committee of the House which thoroughly investigated Katyn in the early 1950's:

> This committee noted the striking similarity between crimes committed against the Poles at Katyn and those being inflicted on American and other United Nations troops in Korea. Communist tactica being used in Korea are identical to those followed at Katyn.

THEORY AND PRACTICE OF COMMUNIST BLOODBATHS

The purpose of the infamous Communist bloodbath is to liquidate, or at a very minimum intimidate, present or future opposition to a Communist takeover or control of a nation state. Bloodbathing one's opposition is as ingrained, as integral an element to Marxist-Leninist governments as the system of checks and balances is to the American form of government.

U.S.S.R.-LENIN PERIOD

Authors Alexander Dalin and George Breslauer wrote in "Political Terror in Communist Systems" that—

> After a Communist regime seizes central power, it tends to resort to political terror as part of an effort to consolidate its position. At this stage terror serves first to assure the survival of the revolutionary regime and second to extend and tighten its control. Its primary functions here are the elimination of pre-revolutionary and other active adversaries by means of other than open combat and the deterrence of hostile acts by potential enemies.

In discussing the "takeover stage" the authors revealed the following candid but callous passage of a dialog with Lenin:

> LENIN. Do you really believe that we can be victorious without the cruelest revolutionary terror?
>
> I. N. STEINBERG. Then why do we bother with a Commissariat of Justice? Let's call it frankly the Commissariat for Social Extermination and be done with it!
>
> LENIN. Well put . . . that's exactly what it should be . . . But we can't say that.

When the subject of Communist bloodbaths is reviewed one thinks, primarily of the wholesale slaughter perpetrated by Joseph Stalin. However, the Soviet dictator was merely following the traditions established by his predecessor Vladimer Lenin whose infant regime conducted the first official purge of its political enemies by a Communist state.

Aleksandri Solzhenitsyn in his renowned work, "The Gulag Archipelago," stated that when Kerensky's anti-Communist government replaced that of the czar in 1917, it abolished capital punishment except in the army and in the front-line areas for the crimes of murder, rape, assault, and pillage which was widespread at that time. Lenin's Bolsheviks immediately jumped upon this exception and their propaganda slogans demanded the elimination of all capital punishment. Then, in October 1917, Lenin successfully engineered his takeover of the Kerensky government and by June of 1918 had fully restored capital punishment. How did the Kremlin rationalize this inconsistency? It merely gave its developing bloodletting another name or, as Solzhenitsyn observed:

> Thus the death penalty was rechristened "the supreme measure"—no longer a "punishment" but a means of social defense.

He stated that in the 20 central provinces of Russia during a period of 16 months—June 1918 to October 1919—more than 16,000 persons were shot:

> In all our centuries, . . . had there ever been a period of such cruelties and so much killing as during the post-October Civil War?

And yet more periods of the very same cruelties were yet to come.

U.S.S.R.-STALIN PERIOD

Those who doubt that Communist conquest and prolonged or extended bloodbaths are synonymous should read the extensive work, "The Great Terror," by the British authority on the U.S.S.R., Robert Conquest, dealing with the Soviet purges of the thirties. In 197[illegible], Mr. Conquest was requested to assess in a systematic manner the total human cost of

Soviet communism. The resulting study, "The Human Cost of Soviet Communism," issued by the Senate Internal Security Subcommittee, estimates that well over 20 million human beings were executed or killed in other ways by the Soviet Communist authorities since the revolution. Mr. Conquest points out that this is a conservative estimate, which is almost certainly too low and that the real figure might well be 50 percent greater than this.

Mr. Conquest's breakdown of the alarming figure given above for the Stalin period is as follows:

> Taking the conservative figure of an average over the period 1936–50 inclusive, of an 8 million population of the camp (concentration camp) add a 10-percent death rate per annum, we get a total casualty figure of 12 million dead. To this we must add a million for the executions of the period, certainly a low estimate. Then there are the casualties of the pre-Yezhov era of Stalin's rule 1930–36: This includes as its component the 3½ million who perished in the collectivization itself, plus the similar number sent to the camps where virtually all died in the following years; again minimal estimates. Thus we get a figure of 20 million dead, which is almost certainly too low, and might require an increase of 50 percent or so, of the debit balance of the Stalin regime for 23 years.

UKRAINE

Although Soviet persecution of the people of the Ukraine was prolonged and brutal, the case of the bloodbath at Vinnitsa was especially shocking. In its summary report of 1954, the House Select Committee on Communist Aggression stated:

> One of the most prolonged periods of terror and mass executions carried out by the Communists occurred in Ukraine in what is called the Vinnitsa region. An estimated 10,000 persons were executed during 1937–1938 in Vinnitsa and buried in 38 mass graves.

The report continues:

> This was only 1 of 19 similar episodes carried out during that period in various regions of Ukraine, according to witnesses. It is estimated that more than 200,000 persons were executed in a single year. Eyewitness testimony revealed that this mass murder was committed because the Ukrainians refused to submit and acknowledge Communist rule over their country.

A resident of the community of Vinnitsa, Mr. Petro Pavlovych, testified before the House Committee on Un-American Activities in 1959 on the Vinnitsa massacre. In addition to his tragic testimony, he displayed pictures of the bodies taken by a Ukrainian commission which investigated this atrocity of which he was a member. The pictures and testimony appear in part 2 of the series "Crimes of Khrushchev" issued by HCUA.

The elimination of native anti-Communist adversaries in a given target country may be as effectively conducted indirectly as it may be directly. Actually, in some instances, this strategem can be more efficient particularly if one's enemy does the liquidating of one's anti-Communist opponents because both deplete their resources simultaneously at no cost to the ultimate beneficiary, as the following examples demonstrate.

SLOVAKIA

During World War II the Slovaks rose up against their oppressors, the Nazis and their collaborators, and this rebellion was in keeping with the "Christmas agreement" of 1943 which called for the restoration of Czechoslovakia in "close collaboration with the Soviet Union." However, the U.S.S.R. had no intention of collaborating with the anti-Nazi partisans whom it had encouraged to revolt and who in fact did revolt in August 1944. Advancing Soviet military forces were nearby the area of rebellion in the Slovak mountains when suddenly they came to a halt, a contrived halt which just somehow stretched into a 3-month delay and conveniently happened to span the period of the uprising—or just long enough for six German divisions to move in and crush the Slovak insurgents.

Moscow even sacrificed its own Slovakian Communist partisan allies in order to force the entire underground apparatus to expose itself to superior German military might on the expectation that Soviet army divisions would soon be fighting at its side.

Those whom the Nazis failed to kill were liquidated by the Soviets or by Slovak Communists. Dr. Joseph Pauco, a Slovak journalist, testified before the House Select Committee on Communist Aggression on this insidious form of Communist bloodbathing:

> The Soviets' school of partisans were parachuted in the Spring of 1944 in Slovakia, in the mountains of Slovakia, and then in August 1944 they organized a so-called uprising against the Slovak Government, and they shot hundreds and thousands of Slovaks of anti-Communist patriots. . . . All the people who declined to collaborate with the Communist leaders in 1944 were shot. . . . Many innocent people, farmers, workers, priests . . . some congressmen, were shot by the Communists. They were shot by the Soviets, by the Soviets' partisans and by the collaborators in Slovakia.

Dr. Pauco testified that within 3 months 50,000 were shot and several thousand more were sent by the NKVD to Siberian concentration camps and to the mines in Dumbas (Siberia). During these hearings, Mr. Philip A. Hrobak, president of the Slovak League of America, also testified that by 1945, the Slovaks had been completely abandoned by the United Nations who were not at all interested in their fate. Slovakia was wantonly destroyed, he stated.

> The Communist-dominated National Front Government wasted no time in Slovakia. The Slovak National Council, a 50-50 coalition of Communist and Lettrich Democrats nationalized churches, ecclesiastical schools and institutions, confiscated properties, set up concentration camps and "peoples" courts to mete out "justice" to all who opposed the regime, that is, Benes (Eduard Benes, Pres. of Czechoslovakia), the Communists and the USSR.
>
> A wave of ruthless, brutal persecution of all anti-Communist elements ensued. Over 130,000 were placed under arrest, tens of thousands were deported, disenfranchised and dispossessed, and hundreds murdered.

POLAND

The U.S.S.R. also utilized its German enemy, in a similar fashion to that of Slovakia, in eradicating the former's future opponents in Poland in 1944. However, prior to that time it had made a notable start.

Poland was partitioned in accordance with the Nazi-Soviet agreement of September 28, 1939—the infamous "Ribbentrop-Molotov Pact." The U.S.S.R. annexed its portion of Poland, forced citizenship upon its inhabitants, and then subjected the Poles to conscription, religious persecution, arrests, executions, and mass deportation.

Between 1939 and 1941, the number of Polish citizens deported to Russia was estimated at 1,692,000 including 230,000 POW's taken in September–October 1939, according to the "Handbook of Communism" edited by Joseph M. Bochenski and Gerhart Niemeyer. The conditions to which they were subjected were so appalling that the mortality rate was about 70 percent. Excluding war casualties, it was estimated that 1,000,000 Polish citizens disappeared as a result of the deportations to the U.S.S.R. during this period.

Among the POW's captured were 15,000 Polish officers, the cream of Polish youth and the future leadership of Poland. They were placed in three camps in Russia: 4,500 in Kozielski; 3,900 in Starobielski; and 6,500 in Ostashkov.

On April 13, 1943, during World War II, the German radio broadcast the announcement that they had discovered in the Smolensk region of the U.S.S.R. mass graves containing the bodies of Polish officers who they charged, had been shot and buried by their Soviet captors. The Soviets, in turn, countercharged that the Nazis had executed the prisoners in 1941 after their forces had occupied the area. To this the Nazis replied by inviting an International Commission consisting of medical specialists from 12 countries, and a separate nine-man commission of the Polish Red Cross, to conduct an on-the-spot investigation. The members of the commission had complete freedom of movement and all told examined some 1,000 bodies before signing the report. The outcome of the investigation was that the Nazi charge was substantially accepted by the International Commission and by the Polish Red Cross Commission. Several years later a select committee of the House of Representatives, chaired by Congressman RAY MADDEN, verified that this brutal slaughter had indeed been committed by the Soviets.

As stated, the Katyn Forest massacre involved a total of approximately 15,000 Polish POW's, of whom 8,300 to 8,400 were officers. Most of these were reservists, including numerous doctors—approximately 800—engineers, lawyers, and specialists in various areas. Of the 15,000 men, about 4,440 were actually found at Katyn. The 1972 report of the Senate Judiciary's Internal Security Subcommittee, titled "Communist Treatment of Prisoners of War," states:

> The bodies discovered in the Katyn Forest left some 11,000 Polish POW's unaccounted for. No trace has ever been found of them. All that is known for certain is that they were moved out of their camps at the same time as the POW's who wound up in the mass graves of Katyn. It is believed by Polish nationals who have investigated the fate of their wartime POW's that many, if not all, were placed on barges and drowned in the White Sea.

UMI

Without exception all the victims who were discovered were shot through the back of the head, an almost official Russian form of liquidation—and now popular among many other Communist elements. The victims' hands were tied behind their backs with rope made in the USSR.

The actual murders were performed by the Peoples' Commissariat of Internal Affairs—the infamous Soviet NKVD.

As if Poland had not suffered enough, she was yet to undergo more calamity in August 1944 in a fashion similar to that of Slovakia during the same month whereby Moscow schemed, at no expense to itself, in utilizing the services of her present enemy, Germany, to crush her Polish ally but potentially future opponent.

As the Soviet armies rapidly closed on Warsaw, Radio Moscow began broadcasting incessantly for an armed uprising by the Polish underground against the German occupation forces in the capital city. But unlike the coordinated action between the Allied armies and the Paris underground in the liberation of the French capital, in Poland that never came to pass. When, at the Kremlin's urging, the Polish resistance fighters surfaced in fulfillment of their responsibilities in what they had assumed to be a two-pronged attack on the German forces, the advancing Soviet armies under Marshall Rokossovsky came to an abrupt halt at the city's gates.

For 63 days the Poles fought in anticipation of Soviet military assistance which never materialized. Meanwhile, German infantry and armored divisions were called up to reinforce the German garrison and razed the city at Hitler's order. More than 250,000 Poles, including 40,000 active members of the underground, died in this cleverly calculated, Soviet-inspired, premature uprising—just as the Kremlin had planned. That this was no accident on Moscow's part was proven only a few weeks later in Czechoslovakia when the Soviet armies suddenly stopped and failed to assist the insurgents after having called them forth for the overthrow of the German forces.

RUMANIA

Soviet takeover tactics in Rumania facilitated by the former's troops of "liberation" who had entered a country which had already withdrawn from the war and had joined the Allied armies, was typical of the U.S.S.R.'s methods in the other satellites. The natural resistence by Rumanian farmers to the phoney Communist "agrarian reform" program gave the Soviet occupation forces the needed excuse to exercise its techniques of banishment and slave labor

It was estimated that at least 250,000 persons were picked up and placed in concentration camps. During one night in March, 1949, 17,000 families were evicted from their homes. Additionally, 230,000 Rumanian POW's were kept in Russia in labor camps following the war.

In the territories of Bessarabia and Bukovina, which had been annexed by Russia as provided by her deal with the Nazis in August 1939, 850,000 Rumanian citizens were deported between the years 1940–41, and after 1944. Also, in 1944–45, about 80,000 Moldavians, including political types, functionaries, officers, specialists, and students were sent to the U.S.S.R.

All together, about 1,267,000 Rumanians were deported to slave labor camps in the Soviet Union where they worked under the most inhumane conditions until death freed them mercifully from their captors.

There were 40 concentration camps in Rumania and at least 5 camps in Russia where other Rumanians were held. And Rumania herself represented a countrywide prison in which only reliable Communists were allowed to leave on Communist business.

THE BALTIC STATES

Immediately after the annexation of the Baltic States in 1940, the Soviets began to resort to mass deportation, executions and colonization in an attempt to break the ingrained opposition to Russian rule. The NKVD or secret police, moving in the wake of the Soviet armies, purged the Baltic nations of those elements and classes of society which Lenin and Stalin had worked so extensively to liquidate in the USSR for over 20 years.

The NKVD were well prepared for its task. In Lithuania, for example, thanks to the plantation of a large number of its agents and other subversives—under cover of the mutual assistance pact of October 1937 between Russia and Lithuania—the NKVD worked jointly with the Lithuanian Communist Party in preparation of a 14-point classification of categories who would be the prime subjects for extermination and deportation.

On November 28, 1940, the Lithuanian People's Commissar for the Interior issued an order about the negligence in the accounting system concerning "anti-Soviet and socially alien elements." The 14 categories encompassed, in effect, the "alien elements" who composed the entire Lithuanian establishment from both the public and private sectors of Lithuanian life. They were:

1. Members of Russian pre-revolutionary political parties (refugees);
2. Members of Lithuanian contemporary political parties (Christian Democrats, Nationalists, University Students who were members of Student organizations);
3. Members of the State Police, Gendarmerie, and Prison-Wardens;
4. Officers of the former Tsarist Army, and other anti-Bolshevik Armies of 1918–20;
5. Officers and Military Judges of the Polish and Lithuanian Armies;
6. Volunteers to all non-Bolshevik Armies;
7. Persons removed from the Communist Party;
8. Refugees, political Emigres re-Emigres, and Smugglers;
9. Citizens of Foreign States representatives of Foreign firms, etc.;
10. Persons who had traveled abroad; who were in contact with representatives of Foreign powers;
11. Officials of Lithuanian Ministries;
12. The Red Cross staff and refugees from Poland;
13. Persons active in local religious organizations; clergymen and secretaries, and "active members of religious communities;"
14. Aristocrats, Industrialists, Hotel and Restaurant proprietors.

The purge was carried out under the direct orders of Gen. Ivan Serov, then Deputy Commissar of the Soviet Union. However, the Soviet purge in the Baltic States had not been entirely completed when Germany attacked Russia in June 1941. Thus it was speeded up, and in one night, June 14, the most massive manhunt in history took place. Thirty thousand Lithuanians were seized and deported to the U.S.S.R. that evening. Additionally, in Estonia, about 10,000 persons were arrested and sent in cattle-cars to the same destination. Finally, in Latvia 15,600 prisoners, including 1,877 schoolchildren were herded to northern Siberia. Most of these people died but a few escaped and gave testimony which is now part of the public record on Soviet genocide.

During the 1940–41 occupation of the Baltic nations the overall losses through death by deportation were: Lithuania, 65,000; Latvia, 62,000; and Estonia, 61,000. The Soviet armies retreated shortly after these deportations but returned later to reestablish control over the area and to launch a second and even greater wave of purges during the period 1944–45.

In Latvia, at least 290,000 underwent the tragedy of forcible expulsion. In Estonia, nearly 100,000 attempted to escape in small boats the approaching Red Army in the fall of 1944. Later, in 1949, 30,000 to 40,000 persons were sent to slave labor camps. During the purges of the forties, it was estimated that about 150,000 Estonians were dispatched to the subarctic regions of Siberia. There were several mass purges in Lithuania during the forties, but the largest took place in 1948–49 when about 10 percent of Lithuania's entire population was forcibly removed. This represented principally the leaders of the peasant population who had stanchly resisted the collectivization of their farms.

ALBANIA

Once in power in 1944, the Albanian Communist government used every means to consolidate itself. Many opponents were brought before the people's courts to be judged as "war criminals" or "enemies of the people." Meanwhile the government did not neglect its drive against the remaining elements of the anti-Communist guerrilla forces which had little chance of success because the new Communist state was surrounded by other supporting Communist countries—evidence that the "domino theory," as evidenced in Eastern Europe, had its practical side. In short, the supply or escape routes for anti-Communist freedom fighters were sealed off at the borders.

Testimony before the House Select Committee revealed that since 1944 over 16,000 people have perished in some 40 political prisons and concentration camps. During the first 10 years of its terrifying existence, some [illegible]0,000 Albanians have populated Albania's political prisons.

BULGARIA

The invasion of Bulgaria by the Soviet army and the simultaneously staged coup by the Fatherland Front turned control of over 7,000,000 Bulgarians to the Communists in September 1944. Hence the fact was once again confirmed that communism succeeds only when subversion from within is wedded to—or at least betrothed to—outside military power.

The people's courts, established in October 1944, began sentencing almost every prominent Bulgarian politician, officer, civil servant, judge, teacher, journalist, businessman and clergyman—in short, all potential opponents of their regime. Official Communist statistics reveal that during the first 6 months the courts tried 11,667 persons of whom 2,850 were executed. By the spring of 1945 most of the nation's leadership had been eliminated.

Then came the turn of the Communist "allies" in the Fatherland Front during the fall of 1945. Included were those who had deluded themselves into believing that they could collaborate in political or governmental coalitions with the Communists.

All possible obstacles were placed in the way of the Communists' opposition who were arrested and maltreated and whose constituents were terrorized by different methods, especially in the smaller towns and villages. The single-ticket Communist Fatherland Front handily won an absolute majority.

For a country which harps so extensively on noninterference in the internal affairs of other countries, the USSR has no peers in toppling governments. In January 1946, Vishinsky came from Moscow and intimidated the Bulgarian opposition leaders to rejoin the Government on Communist terms in order to create the impression of a broadly representative government. Nikola Petkov, former Vice President of the Council of Ministers in the former coalition of the Fatherland Front, refused.

According to the House Select Committee on Communist Aggression, an angry Vishinsky, who personally ousted governments in Eastern Europe as fast as he could dictate the draft of an ultimatum, told Petkov that he had no right to disobey "instructions coming from Stalin himself." To this Petkov calmly replied that he was a Bulgarian political leader and could not accept instructions from any foreign power.

Thus the persecution of the opposition increased and then was extended to the returning Bulgarian soldiers in 1946. Officers were dismissed and then arrested. When they revolted, their uprising was crushed. Many were beaten and others leaped from their prison windows to escape their torturers. The leaderless Bulgarian Army was then taken over by 3,000 Soviet officers.

The wave of terror increased just before the elections of 1946. A few days before the polls opened, 34 opposition candidates and 58 representatives of the opposition on the election committees were either killed or imprisoned.

The religious leaders of the Bulgarian Eastern Orthodox Church were also persecuted. High-ranking dignitaries of the church were either imprisoned or liquidated and reportedly the number of priests in labor camps exceeded 250. Churches, monasteries, and other religious institutions became objects of sacrilege. Seminaries were closed and the people placed under constant pressure not to attend church services.

With but slight variation, the above Communist measures were vigorously invoked throughout the entire Central-Eastern region between the Baltic and the Mediterranean Seas. Moreover, the figures cited are very conservative because they span only the early years of the Communist takeover period.

HUNGARY

In the public mind, the major bloodletting period by the Communists is generally assigned to the mid-forties and early fifties. However, the harbinger of the terror to be visited on the States of Central-Eastern Europe appeared 25-years earlier in Hungary, in 1919, when the Communist Bela Kun regime succeeded in creating a Soviet Hungary. Although of short duration, the terror and disruption lasted for 4 months and was the reason that Communism never secured a foothold in Hungary during the decades which followed or until the Red Army rammed it down Hungary's throat.

After World War II, the Soviets occupied Hungary which had been an ally of Germany and squeezed the political, social, and cultural life out of the country by means of economic strangulation. The Red Army stripped her bare of livestock, food supplies, all means of transportation and industrial equipment. Private homes, public warehouses, stores, Government agencies, banks, and even foreign legations received the same barbarous treatment.

Tens of thousands of men, women, and children were deported to the U.S.S.R. Britain and the United States protested periodically, but to no avail because the Allied Control Commission, of which they were both members, was chaired by Soviet Marshall Klementy Voroshilov who formally acted in the name of the ACC. Moreover, he had the military muscle to back up his brutal measures. Meanwhile, the Western Allies were discharging their soldiers as rapidly as possible.

In effect, Voroshilov was systematically sabotaging the Hungarian Government then administered by the anti-Communist Smallholders Party which was forced to discharge any and all government officials unacceptable to the Kremlin. Similarly, all so-called "undemocratic elements," that is, anti-Communist persons, in the civil service, private industry, and the professions were purged.

As more spurious confessions—secured by forgery or torture—made their appearances, more non-Communist Hungarians failed to make theirs, and thus many disappeared into the bottomless pit reserved for such recalcitrant "trouble-makers." Finally, the Government's leadership "confessed" to a trumped up conspiracy against the state. In 1949, following the election of a single list of candidates contrived by the Communists, Hungary too passed behind the Iron Curtain.

But the bloodbaths suffered during the initial Communist takeover were not the only instances of bloodletting suffered by the peoples in the Communist-dominated nations. As a direct consequence of exploitation, Hungary exploded in 1956.

Hungarian writers demanded, during the summer, "the most complete, the most unrestricted freedom that is possible between men who live in society—to believe in Almighty God—to think in a non-Marxist way."

On October 6, 200,000 citizens marched defiantly past the coffins of former Hungarian leaders who were purged by the Communists in 1949 and whose bodies were being reburied in Budapest. Two weeks later, on October 19, 3,000 students voted to leave the Young Communist League and organize an independent organization. On October 24, 200,000 workers joined 25,000 students and demanded free and secret elections, genuine trade unions, and the removal of the Soviet Army.

After some hesitation, attributable, one might surmise, to the shock in Moscow of a worker's revolt taking place in a so-called "Workers' Paradise," and to the vacillation by Western governments, particularly the United States, the Kremlin made its move.

The two Soviet army divisions stationed in Hungary soon received support from a dozen more, tank-led divisions which rushed to the beleagured country and brutally quashed the uprising and the Hungarian freedom fighters.

Indian diplomats on the scene reported that about 25,000 Hungarians were killed. Another 125,000 fled to Austria, a figure which rose to 193,000 by April 1957. We all know of the hundreds of thousands of Hungarians who came to our country immediately after the 1956 revolt and its subsequent bloodbath which they escaped.

GREECE

The tragedy of Communist bloodletting was not always restricted to a complete takeover of a nation-state. Greece experienced a near-miss, an aborted takeover thanks to the resolve of the Allies, particularly Great Britain, in 1946. However the indigenous Communists supported by fellow Communists from Yugoslavia, Albania, and Bulgaria revengefully laid waste what territory was available to them.

They executed over 3,500 civilians, made refugees of 700,000 persons by destroying 11,000 homes and by looting 7,000 villages—and in a parting shot—abducted 28,000 youngsters, ages 5 to 8, for indoctrination purposes in the Soviet bloc. Hanoi, it should not be forgotten, employed the same kidnaping tactics in 1954 following the partition of Vietnam, when they removed children in large numbers from South Vietnam to the North where they would become the future cadre for the Vietcong.

CUBA

Regardless of the factors of time or clime, Communist bloodbathing is similar wherever it may be found. Ten years after the fall of China, and 15 years after that of Eastern Europe, Cuba's turn came.

After having been in power but 2

UMI

months, Castro boasted in February 1959 that 300 persons had been executed. Conservatively it is estimated that approximately 10,000 Cubans had been liquidated. Many of the executions were conducted in typical Communist, Katyn-style fashion. Who can forget the Castro circus-type public trials in the old Roman coliseum style slaughter of the Christians. No effort at due process was considered. The accused were excoriated in public trial, sentenced and executed summarily. Movies documented the slit-trench scene with the condemned getting their last cigarette and then being machinegunned into their open graves. Bear in mind this was not in the deep and dark past of world communism but in recent years.

The story of Cuba, as with that of the other 13 Communist nations—updated now to 14 with the recent fall of Cambodia—is best told in the figures of its freedom-seeking refugees. Today about 800,000 Cuban refugees reside in the United States, while worldwide, the toll reaches almost 1,000,000.

In his book, "The Viet Cong Strategy of Terror," Douglas Pike predicted that if the Communists won decisively in South Vietnam they would clear out the foreign newsmen and a curtain of ignorance would descend. In this way, states Pike, the Communists in Vietnam would create a silence and the world would call it peace.

On a broader scale, in Russia, Red China—wherever communism reigns—the Communists create the silence of the grave, and a decaying, shrinking free world calls it peace.

CONCLUSION

Mr. Speaker, it is indeed sad to recount Communist brutality and inhumanity. It is sickening, however, to see the effort of those who, on the one hand, detract from our Nation's exemplary overall record while at the same time gushing in their adulation of Ho Chi Minh and the Communists who sweep through Southeast Asia.

I am reminded of a television panel program a few years ago when a minister who belonged to virtually every Communist front in existence at that time was asked about the sordid record of Communist concentration camps. In righteous indignation, he replied:

> Those are not concentration camps. They are personal rehabilitation centers and they have done those people a world of good.

A line is a line. If you follow it long enough it seems almost true. Those who consciously and unconsciously promote the illusion of détente and a self-serving rewriting of the history of Communist brutality follow the same tactics and the same role. The facts are otherwise. Take this letter of warning 2 weeks ago from Andrei Sakharov and Igor Shafarevich in Moscow. Sakharov, a physicist, is well known in the West as an outspoken dissident for individual liberties in the Soviet Union. Shafarevich is a mathematician and a member of the Soviet Academy of Sciences. Their reputations are well established. Here is what they wrote:

> We want to draw world attention to recent events in our country that stir our great discontent.
>
> Through the last year, attempts to defend that modest degree of freedom that had been considered to be achieved were given a decisive rebuff here. For instance: The pursuit of Catholics in Lithuania, the trials of Baptists, the purges of legal, uncensored publications such as "Veche," as well as anonymous magazines such as "Chronicle of Current Events" and "Chronicle of Lithuanian Catholic Church," trials in Armenia, long terms of exile for Jews who participated in demonstrations for the right to emigrate to Israel and for writer Anatoly Marchenko. The systematic character of these actions stirs our fears that it is only the beginning of a widely planned campaign.
>
> In connection with that, purges against the Soviet group of Amnesty International—which defends political prisoners—are particularly symptomatic. One of its members—Sergei Kovalow—was arrested, its secretary Andrei Tverdokhlebov's apartment was searched. Its chairman, Valentin Turchin, was fired.
>
> Finally, on April 18, organs of state security arrested Tverdokhlebov and a member of the group in Kiev, Mikola Rudenko. At the same time apartments of Turchin and Vladimer Albrecht were searched. All documents concerning Amnesty International were taken.
>
> We appeal to all those who are not indifferent to the struggle for justice and humanism with the call to help courageous and honest people, particularly the arrested members of Amnesty International. Their fates can be changed with support of world public opinion. Only a wide public campaign of defense can be successful.
>
> ANDREI SAKHAROV.
> IGOR SHAFAREVICH.
>
> MOSCOW.

Mr. Speaker, this did not happen years ago. This is happening today. The Communist tactic has not mellowed; it has not changed. Their brutal repression, whether of the more subtle type these Russians cite or the record of murder and atrocities which are a part of the same package they put into effect everywhere, goes on without interruption. Why do so many in our country, particularly in the news media, look the other way?

RESTORATION OF ANDREW JOHNSON HOME IN GREENEVILLE, TENN.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. QUILLEN) is recognized for 15 minutes.

Mr. QUILLEN. Mr. Speaker, it is most appropriate on the eve of our Nation's Bicentennial that the Congress complete the full story of Andrew Johnson's life in Greeneville, Tenn., by finishing the restoration of the home he lived in from 1838 until 1851 as part of the Andrew Johnson National Historic Site.

I think you will agree the events in the life of the 17th President of our United States illustrate so well that a man, no matter how humble his origin or environment, can make his way even to the Presidency.

Andrew Johnson's words and actions reveal his steadfast belief in democracy and the American way of life. Ever mindful of his own humble background and the struggle it involved, he respected the will of the people. Typical of his championship of the common man were his efforts, as Governor of Tennessee, to broaden the scope of public education, and as Congressman, to secure the passage of a homestead bill.

His success was achieved in the face of great adversity from the very beginning. His early life was marked by the hardships of extreme poverty. He was only 4 when his father died and it was necessary that he assume his share of the family's support instead of going to school. Apprenticed to a tailor, he soon decided to go into business for himself and moved with his family to Tennessee in 1826. The next year, when he was 18, he married Eliza McCardle, embarking upon a devoted companionship destined to have a profound effect upon his career, enduring throughout a long succession of triumphs and heartbreaks.

Even as a simple tailor, Andrew Johnson was anxious for an education and employed young men to assist Eliza in reading to him as he worked in his shop. Although it was not possible for him to enroll full-time in college studies, he walked 4 miles each week to take part in a debating society associated with the old Greeneville College, later to become Tusculum, and it was this experience which laid the groundwork for the brilliant oratorical gifts he was to possess in later years.

He was first elected to public office as an alderman in Greeneville in 1829 as the champion of the workingman. In 1831 he became mayor. From there Johnson served as State representative. State senator, and in 1843, he began the first of five consecutive terms as U.S. Congressman from the First District of Tennessee. In 1853, he served the first of his two terms as Governor, and as the stormy clouds of war gathered on our country's horizon in 1857, Andrew Johnson was elected to the U.S. Senate.

A devout believer in our Constitution and the right of the Federal Government to execute laws within State borders, Johnson stood firmly on the side of the Union as the War Between the States that pitted brother against brother broke out across the Nation—a personal following of some 13,000 "Andy Johnson Democrats" from his home State entered the Union Army as volunteers.

It was after much of Tennessee had been recovered by the Union Army that President Lincoln appointed Andrew Johnson Military Governor of Tennessee and he made the hazardous train trip to Nashville, spat upon and heckled by his fellow Tennesseans he loved so much. While serving the Union in this thankless position, Johnson, according to historians, was once accosted by a young woman who swore to someday dance on his grave; and Andrew Johnson, in all his greatness and humility, forgave her and stayed her execution.

In 1864, Andrew Johnson was chosen as Vice President of the United States, and succeeded to the Presidency upon Lincoln's assassination to continue the tremendous postwar programs and reconstruction that his predecessor had only just begun. It is unfortunate the Congress

was then controlled by the radical Republicans who favored a much harsher treatment of the Confederacy and the struggle which was consummated in impeachment began between the executive and legislative branches of the Government.

The Tenure of Office Act which Andrew Johnson held to be unconstitutional brought about the final confrontation. The impeachment trial of the 17th President of the United States was held in the Senate from March until May 1868—and when the votes were tallied, it was found the vote of the courageous Senator from Kansas, Edmund G. Ross, a Republican and opponent of Johnson, but a fair and just man, saved the Presidency.

It is interesting to note in retrospect that the Supreme Court declared unconstitutional the Tenure of Office Act in 1926.

Andrew Johnson became the only ex-President to return to the Nation's Capital as a Senator and in his last speech delivered in that Chamber he said:

> Let peace and prosperity be restored to the land. May God bless this people; may God save the Constitution.

Andrew Johnson was a man robbed of the appreciation he so richly deserved in life. It was not until death that the young woman who once promised to dance on his grave came instead to mourn, her tears falling softly on the petals of the floral offering she carried to place there in his memory.

It was by act of the 74th Congress in 1935 that the Andrew Johnson National Monument was established. In time, the monument grew to include his tailor shop, the home he occupied during his later years, and his gravesite.

In 1963, I introduced a bill to change the name of the monument to the Andrew Johnson National Historic Site and to authorize the purchase and restoration of the home Johnson knew as a young tailor raising his family. According to land records maintained in Geeneville, Johnson purchased this residence in the 1830's, added an addition sometime later, and then sold it after his election to Congress. This measure became law in December of 1963.

I call upon you for approval of H.R. 5147, which I introduced earlier this year, to increase the appropriation for the Andrew Johnson National Historic Site by $200,000, and thus facilitate the complete restoration of Andrew Johnson's early home in Greeneville.

It is time our Nation completed the portrayal of Andrew Johnson's life there. We owe him a tremendous debt and perhaps this will in some small way make up for the heartbreak he suffered during the years we were unable to recognize the greatness of his love for our country.

LAFAYETTE LAKE PROJECT: PART I

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 30 minutes.

Mr. FITHIAN. Mr. Speaker, on Wednesday, April 30, I had the distinct pleasure of testifying before the Appropriation's Subcommittee on Public Works, chaired by our distinguished colleague, JOE EVINS of Tennessee.

The Lafayette Lake project is an extremely important program that will provide much needed flood control and recreational benefits. In addition, it will create necessary water resources for the future and stimulate economic growth in the greater Lafayette area. These advantages are certainly needed for Tippecanoe County, which is the fastest growing metropolitan area in the State of Indiana.

For nearly 18 years, the community has been divided and disrupted by indecision about the project. Having made the decision to proceed on the project, we can now go forth in an orderly manner to develop Lafayette Lake in ways that benefit the entire community.

I want to take this opportunity to place these remarks in the CONGRESSIONAL RECORD for the benefit of my colleagues in the House. The statement is as follows:

TESTIMONY OF REPRESENTATIVE FLOYD J. FITHIAN

Mr. Chairman, I am appearing here this afternoon to urge this committee to include funds for the Lafayette Lake Project in the FY 1976 and 1976 Transition Quarter U.S. Army Corps of Engineers general construction appropriations. As indicated in the attached letter, the Corps of Engineers has stated that its capability on the project for FY 1976 is $300,000 and $500,000 for the 1976 Transition Quarter.

The Lafayette Lake Project was authorized under Section 204 of Public Law 89–298, the Flood Control Act of 1965, as part of the Wabash River Basin Comprehensive Plan for the development of water and related land resources in the area. Funds for the Project were appropriated for FY 1966 to initiate Advanced Engineering and Design Studies which were continued through FY 1970 when Congressional appropriations for additional planning and initiation of land acquisition were impounded. With the exception of $75,000 released for additional environmental assessment, the funds appropriated for additional planning and land acquisition have remained in statutory reserve.

Following passage of the Congressional Budget and Impoundment Act of 1974, Presidential Deferral No. D–75–1 set aside the remaining $108,000 for the Lafayette Lake Project. It should be noted that the Lafayette Lake Project is the only Corps of Engineers Project for which funds remain in a deferred status for the current fiscal year. Since the environmental study mentioned as the justification for the deferral (see the Federal Register, Vol. 39, Number 185, September 23, 1974, p. 34230) has been completed and reviewed by the Corps of Engineers, there should be no reason for further administrative delays. The deferral expires on June 30, 1975, after which time orderly planning for the project may resume.

Planning for the project had reached an advanced stage at the time funds for the project were impounded. Both a General Design Memorandum and an Environmental Study were under way and were completed in 1971. But following passage of PL 92–500 it became evident that certification of water quality storage provisions in the project could not be expected from the Environmental Protection Agency. As a result of PL 92–500 it will be necessary to reformulate the project as presented in the old General Design Memorandum to eliminate water storage. Such re-formulation will also effect the planned recreational development and may effect the lands required for the project. As a result, restudy and additional coordination will be required to develop a project which will be acceptable in today's environment.

Planning for the project will, however, be speeded by the completion of the earlier studies and the Stanley Consultants environmental study, authorized in 1973 and completed last December. Much of the data from these reports will be able to be used in the project re-formulation.

Timely appropriations for the Lafayette Lake project will help answer important questions which have confronted the community for many years. Nearly 18 years have gone by since the project was first considered and 10 years have passed since it was authorized. Long term fiscal and recreational planning for the rapidly growing Lafayette area have been disrupted, the Wabash River Basin Comprehensive Plan for flood control and water resource development has been delayed, and the lack even at this late date of a final plan for the project has forced area citizens to base their judgments and future plans on dated and incomplete information. But the most unfortunate victims of delays in the project have been the residents of the Wildcat valley who still, after 18 years of uncertainty, have no way of knowing exactly which land will be required for the project. Until funding for the project is resumed and new General Design Memorandum and Environmental Impact Statements are approved, these problems will continue to be a source of disruption and confusion in the Greater Lafayette area.

The Lafayette Lake Project is planned as a multi-purpose project designed to provide flood control and recreational benefits. Both are sorely needed by the Greater Lafayette area.

Although the Wabash, like most rivers, does not cause damaging floods every year, it does overflow its banks with alarming regularity. The worst recorded flood occured on March 26, 1913, when the river depth reached 32.9 feet at Lafayette—nearly 22 feet above the "flood stage" of 11 feet at Lafayette. Other devastating floods occurred on:

	Feet
March 19, 1943	28.4
June 14, 1958	26.2
February 27, 1936	25.5
January 6, 1950	25.4
February 12, 1959	25.3
January 16, 1930	24.1
March 6, 1953	22.6
April 30, 1959	22.4
January 30, 1962	21.9

The untold human suffering and devastating damage to homes, property, and crops caused by these and other less spectacular floods present a compelling argument for effective flood control measures. The limitations of nonstructural alternatives for flood control in the area which have been recognized by the Corps of Engineers and the State of Indiana necessitate the construction of a reservoir to accomplish this goal.

Construction of the Salamonie, Mississinewa, and Huntington reservoirs along tributaries of the Wabash have substantially reduced the threat of flooding at Lafayette. Construction of Lafayette Lake would further reduce flood crests at Lafayette by nearly two feet and would help complete the comprehensive plan for flood control in the Wabash Valley. Low flow augmentation during periods of low rainfall would help maintain the Wabash as a viable stream near Lafayette, providing yet another benefit to the community.

Although the Greater Lafayette area is in most respects a healthy and complete community, existing recreational facilities in and around the community are woefully inadequite to meet the needs of its residents.

Greater Lafayette is the fastest growing metropolitan area in the State of Indiana and the home of Purdue University. The need for recreation here, particularly water related recreation, is critical. The Indiana Department of Natural Resources estimates that the seven county area immediately surrounding Greater Lafayette currently needs over 4,000 additional acres for boating, 1,600 acres for fishing, and 19 acres for swimming to adequately meet existing outdoor recreation demands by the public. The Tippecanoe County Park Board and the Tippecanoe County Area Plan Commission estimate that outdoor recreation facilities of nearly every type in the county are inadequate to meet current needs. Their studies too indicate a particular shortage of water related sport facilities for swimming, fishing, and boating. More importantly, demand for facilities for every type of outdoor recreation activity is expected to double within our lifetimes.

The most practical location for recreational devolpment in the county is the Wildcat Valley near Lafayette. Despite zoning restrictions on new construction in the area and long-standing proposals for the construction of Lafayette Lake, urban sprawl from the city of Lafayette will, within a few years threaten to take over the valley, according to a recent environmental study.

Although local conservationists and the County Park Board have made admirable attempts to plan for non-reservoir recreational uses of the valley, inherent deficiencies in certain types of water recreation facilities, land acquisition funding problems, and the need for a structural flood control facility in the valley have made their proposals unfeasible.

Construction of the Lafayette Lake, however, will permanently set this area aside for recreational uses and will come closest to meeting all future recreational needs of the community and the surrounding counties. A full range of recreational opportunities, including picnicking, camping, hiking, swimming, boating, fishing, and horseback riding are anticipated.

Construction of the lake would have an enormously beneficial impact on the economy of the Greater Lafayette area. Unemployment in the area has taken a sharp upward swing, as in most other parts of the country. An increase in construction related jobs and the multiplier effect of money spent on the project will help boost the local economy at a time in which our current recession appears to be deepening. Studies of similar projects indicate a sharp rise in local income immediately following land acquisition and general economic growth following completion of the project.

Several months ago I sponsored three days of open public meetings in Lafayette to gather further information on the project before making a final decision on what action should be taken. At these meetings most of those who spoke against the project never denied that there would be recreational and flood control benefits. Those who spoke in favor of the project agreed that environmental impact and landowners rights were important considerations. And concerned citizens on both sides of the issue agreed that it was important to resolve the reservoir question quickly. After the meetings and a careful re-evaluation of the best available information on the project, I concluded that on the balance the advantages of the project outweigh the disadvantages.

The Lafayette Lake Project has also gained considerable support on the state and local level. The State of Indiana, the City of Lafayette, the City of West Lafayette, and the Wabash Valley Interstate Commission have indicated their firm support for the project. Congressman John Myers, a distinguished member of this committee who represents the 7th Congressional District of Indiana, has indicated his strong support for the project and for the Wabash River Basin Comprehensive Plan.

It is my understanding that some of my constituents who oppose the project, including many landowners in the area who are rightly concerned over the disposition of their land, have requested time to testify before this committee. As one who once lived in the area to be taken by the project, I can understand their concern. Their constitutional right to just compensation for their property can and must be upheld.

I urge the Committee to insert the following statement in its official report that accompanies the present appropriation bill. This statement is as follows:

"Within the funds provided for the construction of Lafayette Lake, the Corps is directed to acquire only such land as is necessary for the completion of the project and should make every effort to make their assessments and payments for land in an expeditious manner."

But I speak today in support of the project for less vocal people in my district who recognize the benefits the Lake will provide, including the working people of the Lafayette area unable to make a special trip to Washington. For their sake, the sake of the Greater Lafayette area, and for the sake of our children's future, I urge the Committee to include the full capability amounts for Lafayette Lake in the Army Corps of Engineers construction appropriation now being considered.

Department of the Army,
Office of the Chief of Engineers,
Washington, D.C. April 28, 1975.

Hon. Floyd Fithian,
House of Representatives,
Washington, D.C.

Dear Mr. Fithian: This is in response to your letter of 25 April 1975 requesting the Corps of Engineers Fiscal Year 1976 and 1976 Transition Quarter capabilities on the Lafayette Lake project in Indiana.

Our revised capability for Fiscal Year 1976 is $300,000 and $500,000 for the 1976 Transition Quarter. These revised amounts are conditional upon release of the $100,000 now in the President's deferral program not later than 1 July 1975. It should be emphasized that these capabilities were developed considering the project by itself without regard to the Corps overall program capability, fiscal constraints, or the Administration's assessment of appropriate national priorities for Federal investments.

With regard to your question on the funds currently deferred, the Corps could utilize $35,000 during the remainder of Fiscal Year 1975. These funds would be used to resume planning on the project. The remaining funds would be used to continue planning during Fiscal Year 1976.

Assuming release of the funds in deferral and Appropriation of the capability amounts for Fiscal Year 1976 and the 1976 Transition Quarter, we anticipate that land acquisition could commence during the 1976 Transition Quarter.

Sincerely yours,

Early J. Rush III,
Colonel, Corps of Engineers, Assistant Director of Civil Works, Upper Mississippi.

Mr. Speaker, three representatives from the Greater Lafayette area recently appeared before the Appropriations' Subcommittee on Public Works, chaired by our distinguished colleague Joe Evins of Tennessee.

These three representatives were: Mr. James R. Williamson, president of the Greater Lafayette Chamber of Commerce and former mayor of West Lafayette, Mayor James F. Riehle, city of Lafayette, and Mayor Joseph S. Dienhart, city of West Lafayette. Mayor Dienhart did not appear in person.

Mr. Williamson analyzed the need for additional water resources and discussed the economic impact that Lafayette Lake would have on the Greater Lafayette Area. Mayor Riehle explained the problems caused by flooding in Lafayette and in the Wabash River Valley. In his written statement, Mayor Dienhart stressed the recreational values of Lafayette Lake to the eight county regions surrounding Tippecanoe County.

I greatly appreciated the fact that these representatives took the time out of their busy schedules to come to Washington to state their sincere belief that Lafayette Lake should be rapidly developed. I have included their statements in the Congressional Record for the mutual benefit of my colleagues in the House:

Statement of James R. Williamson

I am James R. Williamson, president of the Greater Lafayette Chamber of Commerce and former mayor of West Lafayette. I am here to urge you to approve the necessary funds for construction of Lafayette Lake. Funds invested for the construction of the lake is a capital investment that will be returned many times to our community, our region, our State, and the Nation. The merits of the Lafayette Lake project are more than flood control, recreation, water supply, fish and wildlife—it is a necessary ingredient for the economic, agricultural, and community development of the future.

Studies of other lakes show that much of the capital infused into the community from construction wages and land purchases is invested back into the lake area's taxing bodies. Townships and counties where these lakes have been built have increased in taxable evaluation after construction. The additional tax base created outside Lafayette Lake's associated lands will result in lower taxes for the local taxpayer.

Recreational expenditures will be increased in the Lafayette community and the project area through an expansion and broadening of the local business base. Construction of the lake will present a net gain in income of approximately $200.00 per acre through recreational income over farmland income.

During construction, the local economy will receive economic benefits from the inflow of capital for wages, services, and materials used for the project. There will be jobs for construction workers which will enable them to pay taxes rather than be on the unemployment rolls.

After construction, it is estimated that there will be 2,000 jobs created in the labor market, providing many opportunities for our young people of high school and college age.

The lake will provide the necessary recharge of water supply requirements to sustain and allow for orderly growth of our community in the immediate future. Without the lake it is projected that by 2020 it will be impossible to supply the water requirements of the community and the region. The lake will supply the necessary water needs and will improve the quality for consumption.

Without downstream recharge, which will be supplied and guaranteed by the lake, the future of the community and the region could be in dire trouble. There is reason to believe that during times of critical low flow that without recharge from a reservoir like Lafayette Lake, we can't even sustain the present needs for water supply.

Lafayette Lake will be a beautiful lake providing a reservoir system to prevent disasterous floods, year round recreational opportunities, a habitat for wildlife and the assurance of adequate future water supply.

It has been much too long since the original approval of this project—we believe that immediate action in funding this project is not only deserved, but the only action this committee can take if it is to give fair and just treatment to the community and the property owners who have suffered most because the project has been delayed.

Statement of Mayor Lanes F. Riehle

I want to thank Chairman Evins and the members of the House Appropriations Subcommittee on Public Works, for the opportunity to submit a statement in support of construction of Lafayette Lake.

The primary purpose and justification for construction of Lafayette Lake, is to control flooding along the Wabash River as it passes through the State of Indiana. Control of flooding of the Wabash River has been desired and discussed for many years, but little had been done until construction of the reservoir system began approximately 20 years ago. The loss of life, property, crops, livestock, and public and private investment, because of flooding of the Wabash River, has been well documented in the history of Indiana.

In order to control flooding of the Wabash River, the river itself could be dammed and controlled, or the tributaries to the Wabash River could be dammed and controlled, to dam the river itself, would require a project of huge magnitude, and in all probability, would not be as beneficial as other alternatives.

The alternative of controlling the tributaries to the Wabash River is more logical, and will provide more public use of both the Wabash River, and the water of the tributaries themselves. Lafayette Lake is part of a system of reservoirs, some of which have been completed and in operation, and have already demonstrated their effectiveness in controlling flooding on the Wabash, I sincerely believe that the Lafayette Lake reservoir, when combined with other completed and proposed reservoirs, will effectively control flooding of the Wabash River as it passes throughout the great State of Indiana.

A benefit of the reservoir that is not often mentioned, is that of water conservation. Water is a most necessary national resource, and because of its abundance in northwest Indiana, is not often considered for conservation. However, this abundance is not enjoyed in some parts of the United States, and even this past summer, parts of Indiana experienced a critical shortage of water. Should we not consider conservation of water an important benefit and justification for construction of Lafayette Lake? . . . I think we should, even though our supply in this part of the country is seemingly inexhaustible. An available source and supply of water for future municipal, industrial and agricultural uses should not be overlooked when considering the benefits of Lafayette Lake.

When the entire system of reservoirs is completed and in operation, the flow of the Wabash River can be stabilized and less subjected to rapid rises and flooding, and the other extreme during extended periods of drought, that of extremely low flow, will be controlled. A stable flow of water, would enhance the recreational uses along the entire length of the Wabash River. The lake itself would provide excellent recreational opportunities to the public, and would be a great boost to tourism in our community. Boating, camping and fishing facilities should be provided, as well as, other activities normally associated with large bodies of water.

Development of marsh lands and wildlife habitat, to attract migratory fowl and animals, should be incorporated in the final plans, as well as, hiking trails, cover for small game, and areas for hunting. The opportunities for outdoor recreational development are only limited by our imagination, and each idea submitted by the public should be carefully considered with the goal of developing the best possible facility for the benefit of the greatest number of people.

The lake would be a great economic benefit to the greater Lafayette area. Sales of recreational equipment, the construction of homes and cottages, and the increase of activity in various associated businesses should increase employment opportunities, and broaden the tax base in our community.

The common council of the city of Lafayette, has adopted two resolutions supporting the construction of Lafayette Lake since it was first proposed. The first resolution was adopted in 1964 by a vote of seven for, and one against. The second resolution was adopted in 1973 by a vote of five for, two against, and one abstention. There is wide support for the construction of the lake in the city of Lafayette and Tippecanoe County.

In conclusion, Mr. Chairman, Lafayette Lake will effectively control flooding, it will conserve and store water for future agriculture, municipal and industrial uses, it will broaden the tax base and economic activities of the greater Lafayette area, and it will provide for expanded recreational opportunities and provide habitat for fish and wildlife.

I want to once again thank the subcommittee for the opportunity to testify, and respectfully recommend that funds be appropriated for the construction of Lafayette Lake.

Statement of Mayor Joseph S. Deinhart

For almost 50 years of my life I have devoted myself to the improvement of the quality of life for my fellow citizens—first in the field of athletics and then in the workings of government.

The focus of my work for 43 years was on recreation, both as a student athlete and high school and college coach and athletic director. I have long felt that recreational pursuits are vital to our health and growth as individuals.

It is with great pride, then, that, as mayor, I am able to look at our parks system in West Lafayette and see an outstanding complex of places where people can go for fun and play, or to simply stroll and hike. The versatility of our system is evident in our community's recreation inventory: Happy Hollow Park for families, George Lommel Park devoted primarily to children, Mascouten Park for picnics, Topawinga Park along the river side, an outdoor swimming pool, an indoor swimming pool, Tommy Johnson tot-lot park.

But despite such quantity and quality, our community doesn't have the overall recreation situation it should have. While West Lafayette has only 22,500 people, Purdue University has another 26,000 students. In short, as our community grows and our people's recreational time increases, our facilities—as good as they are—continue to experience a greater burden.

What is vitally needed—and not just for West Lafayette and Purdue University, but an entire 8-county region—is a wide-ranging outdoors facility that provides recreational pursuits that are not readily available today.

Lafayette Lake would be such a facility, providing the water and nature needs pursued by more and more people these days. In the 8-county area that includes West Lafayette, these needs simply don't exist. I cannot stress enough the importance of outdoor recreation.

I make all these statements as a former football and basketball player at Notre Dame from 1922 to 1925, a former Cathedral High School (Indianapolis) coach for 10 years, a former St. Joseph's College coach and athletic director for five years and former coach and assistant athletic director at Purdue from 1945 to 1971. I also say these things as a proud member of the Indiana Basketball Hall of Fame.

And I say these things as the mayor of a vital Central Indiana city which is growing and will continue to grow—particularly if, in the near future, it is blessed with the kind of recreational facility the Lafayette Lake will be.

AMERICANS SHOULD WELCOME VIETNAMESE REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Rodino) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, it is my firm conviction that all citizens should welcome the unfortunate Vietnamese refugees who have left their homeland.

The tradition of our Nation has always been to offer a haven to those fleeing oppression and danger. We willingly accepted thousands of displaced persons after World War II, and we granted asylum without question to the Hungarian, Cuban, and Czech refugees. We now gladly open our doors to any Soviet Jews who wish to enter the United States.

There will of course be many problems involved in resettling these refugees from Southeast Asia, particularly during this difficult time for our economy. But, as President Kennedy so eloquently stated:

> We are a nation of immigrants.

Throughout our history immigrants—those seeking a better life or joining relatives, or refugees from repression—have helped build America and they continue to make outstanding contributions to our country.

Mr. Speaker, today the suffering victims of the bitter tragedy in Southeast Asia seek asylum and the chance to rebuild their shattered lives in freedom. They deserve this opportunity. The American people should not hesitate to welcome them with compassion, understanding and help. It is a responsibility we bear not only to the Vietnamese refugees but also to our Nation's heritage and our cherished tradition of humanity.

REMARKS OF DR. KENNETH D. KAUNDA, PRESIDENT OF REPUBLIC OF ZAMBIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Diggs) is recognized for 10 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful consideration of my colleagues the following remarks by His Excellency Dr. Kenneth D. Kaunda, President of the Republic of Zambia, at a White House dinner given in his honor on April 19, 1975:

> Mr. President, Mrs. Ford, Brothers and Sisters, I first want to express my deep appreciation and gratitude for inviting me to visit Washington, D.C. I also thank you, the Government and the people of the United States for their warm welcome and kind hospitality given to my wife and I and the entire Zambian delegation.

We are happy to be in Washington, D.C. It is a very brief visit, but since we come for specific objectives, it is not the duration that matters, but the results. So far, we have done a lot. We find we have a lot in common on vital issues affecting mankind. Our discussions have been characterized by a spirit of frankness and cordiality. This spirit coupled by the definition of areas of urgent action should move the U.S. and Africa closer towards the attainment of our common objectives.

We come to America with a clear purpose. We simply want to be understood. We seek American understanding of Africa's objectives and America's fullest support in the attainment of these objectives.

The relations between Zambia and the U.S. cause me no concern because they are cordial although there is room for improvement through more sound co-operation.

What gives Zambia and Africa great cause for concern is America's policy towards Africa or is it the lack of it—which, of course, can mean the same thing. For I have been told of U.N. tricks in which an abstention in a vote can be a vote for or against. A no-policy position may not be a neutral position, indicative of passive posture, but a deliberate act of policy to support the status quo or to influence events in one direction or the other at a particular time. We have in recent years been most anxious about the nature and degree of the United States participation in building conditions for genuine peace based on human equality, human dignity, freedom and justice for all particularly in southern Africa.

You will forgive us, Mr. President for our candour if we reaffirmed, on this occasion, our dismay at the fact that America has not fulfilled our expectations.

Our dismay arises from a number of factors. We are agreed that peace is central to all human endeavours. Our struggle for independence was designed to build peace, and, thank God, our people have enjoyed internal peace. We are agreed that we must help strengthen peace wherever it is threatened.

There has been no peace in southern Africa for a very long time even if there was no war as such. The absence of war does not necessarily mean peace. Peace is something much deeper than that. The threat of escalation of violence is now real. It is our duty to avoid such an escalation. We want to build peace in place of violence, racial harmony in place of disharmony, prosperity in place of economic stagnation, security in place of insecurity now digging every family everyday.

To build genuine peace in southern Africa, we must recognise with honesty the *root causes* of the existing conflict.

First: Colonialism in Rhodesia and Namibia. The existence of a rebel regime in Rhodesia has since compounded that problem.

Second: Apartheid and racial domination in South Africa. Over the last few years, a number of catalytic factors have given strength to these forces of evil. External economic and strategic interests have nourished colonial and apartheid regimes.

Realism and moral conscience dictate that those who believe in peace must join hands in promoting conditions for peace. We cannot declare our commitment to peace and yet strengthen forces which stand in the way to the attainment of that peace.

The era of colonialism has ended. Apartheid cannot endure the test of time. Our obligation is that these evil systems end peacefully. To achieve our aim, we need America's total commitment to action consistent with that aim.

So far, American policy let alone action has been low keyed. This has given psychological comfort to the forces of evil.

We become even more dismayed when the current posture of America toward Africa is set against the background of her historic performance in late 50's and early 60's. We cannot but recall:

America that did not wait for and march in step with colonial powers but rather boldly marched ahead with the colonial peoples in their struggle to fulfill their aspirations.

An America undaunted by the strong forces of reaction against the wind of change, whose nationals helped teach the colonial settlers about the evils of racial discrimination.

An America whose Assistant Secretary for Africa Affairs "Soapy" Williams, could be slaped in the face by a white reactionary on our soil and yet, undaunted still smile, still stand by American principles of freedom, justice and national independence based on majority rule. Yes, the reactionaries hated Americans for "spoiling the natives," for helping to dismantle colonialism.

What has happened to that America? Have the principles changed? The aspirations of the oppressed have not changed. In desperation their anger has exploded their patience. Their resolve to fight if peaceful negotiations are impossible is borne out by history. So their struggle has now received the baptism of fire, victories in Mozambique and Angola have given them added inspiration. Africa has no reason not to support the liberation movements.

Can America still end only with declaration of support for the principles of freedom and racial justice? This will not be enough. Southern Africa is poised for a dangerous armed conflict. Peace is at stake. The conflict with disastrous consequences can be averted but there is not much time. Urgent action is required.

At this time, America cannot realistically wait and see what administering powers will do or to pledge to support their efforts when none are in plan. America must heed the call of the oppressed. America, once an apostle in decolonisation, must not be a mere discipline of those which promise but never perform and thus give strength to evils of colonialism and apartheid.

If we want peace we must end the era of inertia—in Rhodesia and Namibia and vigorously work for ending apartheid. America must now be in the vanguard of democratic revolution in southern Africa. This is not the first time we make this appeal. It is Africa's constant plea.

Now Africa has taken an unequivocal stand on decolonisation. We do not want to fight a war to win freedom and full national independence in southern Africa. Africa wants to achieve these objectives by peaceful means, i.e. through negotiations. Our declaration to give high priority to peaceful methods to resolve the current crisis is a conscious decision. We feel it to be our moral duty to avoid bloodshed where we can. We are determined to fulfill this obligation but not at any price, not at the price of freedom and justice. No.

Africa has made it clear that if the road to peaceful change is closed by the stone walls of racial bigotry and force of arms by minority regimes then we are equally duty-bound to take the inescapable alternative. The oppressed people have a right to answer force with force and Africa and all her friends in the world will support them. Liberation movements fought fascist Portugal. We supported them. They won. Now we must turn to Rhodesia and Namibia.

Can America stand and be counted in implementing the Dar-es-Salaam strategy adopted by Africa. In Dar-es-Salaam early this month Africa reaffirmed its commitment to a peaceful solution to the crisis in southern Africa as a first priority. Our strategy opens even new doors to peaceful change if those caught up in the crisis seek honourable exit. Here is a chance in a century to achieve peace based on human equality and human dignity without further violence.

We call upon America to support our efforts in achieving majority rule in Rhodesia and Namibia immediately, and the ending of apartheid in South Africa. If we are committed to peace, then let us join hands in building peace by removing factors underlying the current crisis.

If the oppressed peoples fail to achieve these noble ends by peaceful means we call upon America, not to give any support to the oppressors. Even now we call upon America to desist from direct and indirect support to minority regimes. For this puts America in direct conflict with the interests of Africa i.e. peace, deeply rooted in human dignity and equality and freedom without discrimination.

We have recently demonstrated our readiness to make peaceful change possible in Mozambique and Angola. We are equally committed to assist the oppressed if they should convince us that the road to peaceful change is closed and armed struggle is the only alternative.

The rebels in Rhodesia, assisted by South African troops have committed some of the worst atrocities on the continent. Africa cannot allow them to continue and we urge America not to allow them to continue. Victory for the majority is a matter of time. Let us, therefore, make it as painless as possible to those who have dominated their fellowmen for years.

Mr. President, we wish America to understand our aims and objectives. We are not fighting whites, we are fighting an evil and brutal system. On this there must be no compromise. America should also understand our strategy. We want to achieve our objectives by peaceful methods first and foremost. Africa is ready to try this approach with patience and exhaust all possible tactics. For peace is too precious for all of us, but our patience and the patience of the oppressed has its limits.

Mr. President, we are here only for a short time. We have no other mission except to take the opportunity of the visit to put Africa's stand. We want to avoid confrontation, but let us not be pushed into it.

Once again on behalf of my wife and my compatriots and indeed on my own behalf I thank you for this warm welcome and hospitality. This is indeed a memorable visit, memorable because it has been fruitful and it coincides with the launching, only yesterday, of your bicentenary celebrations. We congratulate the people of the United States for their anti-colonialist struggle of their founding fathers.

Finally, I take the opportunity of inviting you, Mr. President and Mrs. Ford, to pay a visit to Zambia. We will be happy to receive you in our country at anytime convenient to you.

I now invite you ladies and gentlemen to join me and my wife in this toast:

To the President and Mrs. Ford.

PROVIDING GREATER PROTECTION FOR LIVESTOCK PRODUCERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I am today introducing legislation which will provide livestock producers with greater protection against financial disaster should a packing house go bankrupt.

At present, livestock producers have little protection against this eventuality. Once a feeder delivers his livestock to a packer, he has no assurance that he will be able to secure payment should the packer subsequently declare bankruptcy. The result is that many livestock producers are playing a dangerous game of chance with their livelihoods.

This fact became painfully clear last January when American Beef Packers, Inc., one of the largest meat packing operations in the Nation, filed for bankruptcy. The repercussions of this event were desolating and far-reaching. More than 4,000 workers lost their jobs, and hundreds of livestock producers from as far west as Colorado and to as far south as Texas faced financial ruin as a result of the collapse of American Beef, Inc. This disaster came with devastating suddenness. Livestock producers had no warning and were left holding a bundle of worthless checks for their cattle and hogs. It has been estimated that American Beef owes some $18 million to livestock producers alone.

The legislation I am introducing today will not help those producers who were victimized by the fall of American Beef, Inc. It will, however, help provide protection in the future against similar catastrophes.

The bill is identical to the measure introduced in the Senate by Senators Clark and Curtis. It grants the Secretary the authority to require that packers be bonded and that they pay producers by certified check and, in some cases, in cash. It also gives livestock producers preferred status in recovering debts from bankrupt packers. At present, producers are treated no differently than any other creditor, even though their continued livelihood may well depend on payment owed them by a packing house for a recent sale. This bill would give them priority over other creditors in the distribution of a bankrupt packer's assets.

In addition to its bonding and debt recovery provisions, the legislation also: grants the Secretary of Agriculture authority to require all packing houses to guarantee payments to producers through the use of certified checks or the establishment of custodial accounts, and prohibits insolvent packers from continuing to operate unless they pay producers in cash; permits injured persons to seek damages for the first time through the Packers and Stockyards Administration from packers who have violated Federal statutes, and establishes new penalties for packers who do not quickly satisfy judgments made against them; and lessens the amount of proof needed to determine violations of Federal statutes, and allows the Secretary of Agriculture to seek injunctions against violators.

In my view, it is imperative that the Congress take action to provide livestock producers with a greater degree of protection against packer bankruptcies. Although it cannot prevent such occurrences, this legislation will do much to diminish the possibility of packer bankruptcies in the future, and will help reduce their impact on producers when and if they do occur. I hope that the Congress will proceed with timely consideration of this very serious problem.

The text of the bill follows:

H.R. 6690

A bill to amend the Packers and Stockyards Act, 1921, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act, 1921 (42 Stat. 159; 7 U.S.C. 181–229) is amended as follows;

(1) Section 2(a) is amended by—

(A) striking out the word "and" at the end of paragraph (5);

(B) redesignating paragraph (6) as paragraph (10);

(C) inserting after paragraph (5) the following new paragraphs:

"(6) The term 'poultry' means chickens, turkeys, geese, ducks, and other domesticated fowl, whether live or dead;

"(7) The term 'poultry products' means all edible or unmanufactured inedible products and byproducts of the poultry slaughtering and processing industry derived in whole or in part from poultry, and including slaughtered poultry;

"(8) The term 'edible' means intended for use as human food;

"(9) The term 'insolvent' means current liabilities exceed current assets; and"; and

(D) adding at the end of paragraph (10), as redesignated by clause (B) of this paragraph, a new sentence as follows: "The term 'commerce' also includes any business activity wholly within a State if any person subject to this Act transacts any business activity within the meaning of the term 'commerce' as defined in the preceding sentence.".

(2) Section 201 (7 U.S.C. 191) is amended to read as follows:

"Sec. 201. When used in this Act, the term 'packer' means any person engaged in the business of—

"(1) buying or otherwise acquiring in commerce livestock or poultry for purposes of slaughter,

"(2) manufacturing, processing, or preparing in any manner meats, meat food products, or edible poultry products, for sale or shipment in commerce, or

"(3) buying or otherwise acquiring or selling or otherwise marketing meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products, in commerce, on a commission basis or otherwise, either on his own account or as the employee or agent of the vendor or purchaser.

Nothing in this section shall be construed to affect the jurisdiction of the Federal Trade Commission with respect to retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products as provided in section 406 of this Act.".

(3) Section 202 (7 U.S.C. 192) is amended by—

(A) striking out "or any live poultry dealer or handler" wherever it appears in such section;

(B) redesignating subdivision (f) as subdivision (g);

(C) redesignating subdivision (g) as subdivision (h) and striking out "or (e)" and inserting in lieu thereof "(e), or (f)"; and

(D) inserting after subdivision (e) a new subdivision (f) as follows:

"(f) Purchase any article while insolvent without paying cash at the time of purchase.".

(4) Section 308 and 309 (7 U.S.C. 209, 210) are repealed.

(5) Sections 401 and 403 (7 U.S.C. 221, 223) are amended by striking out "or any live poultry dealer or handler" wherever such term appears therein.

(6) Title IV is further amended by redesignating section 408 (7 U.S.C. 229) as section 415, and by adding after section 407 (7 U.S.C. 228) the following new sections:

"Sec. 408. The Secretary may require reasonable bonds from market agencies, dealers, and packers in such manner and under such rules and regulations as he may prescribe to secure the performance of their obligations with respect to transactions involving livestock or poultry.

"Sec. 409. Whenever the Secretary determines, after opportunity for a hearing, that any registrant is insolvent or has violated any of the provisions of this Act or any rule, regulation, or order issued thereunder, he may by order suspend the registrant for a reasonable specified period and, if the violation is flagrant or repeated, he may by order revoke the registration of the offender. Such order shall take effect within such reasonable time, not less than five days, as is prescribed in the order, unless suspended or modified or set aside by the Secretary or a court of competent jurisdiction. Any person who carries on any business in violation of a suspension or revocation order under this Act shall be subject to the penalty and enforcement provisions of this Act relating to violation of an order of the Secretary. If a registrant who has been suspended, by an order issued under this Act, for a period of ninety days or less shall permit any other person to engage in any business for which registration is required under this Act at the place of business of the suspended registrant during such period, the suspended registrant shall be deemed to fail to obey such order.

"Sec. 410. The Secretary may summarily order, without a hearing and without regard to chapter 5 of title 5, United States Code, any person subject to the provisions of this Act to pay a seller of livestock or poultry by certified check or to establish a custodial account if the Secretary has reason to believe that such action is necessary to protect vendees.

"Sec. 411. (a) Any person who violates any provision of this Act or any rule, regulation, or order issued thereunder shall be liable to the person injured thereby for the full amount of damages sustained in consequence of such violation.

"(b) Such liability may be enforced either (1) by complaint to the Secretary as provided in section 412, or (2) by suit in any district court of the United States of competent jurisdiction; but this section shall not in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this Act are in addition to such remedies.

"Sec. 412. (a) Any person complaining of anything done or omitted to be done by any person subject to this Act (hereinafter in this section referred to as the 'dependant') in violation of any provision of this Act or any rule, regulation, or order issued thereunder may, at any time within one hundred and twenty days after the cause of action accrues, apply to the Secretary by complaint which shall briefly state the facts, whereupon the Secretary shall forward a copy of the complaint to the defendant, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be specified by the Secretary. If the defendant within the time specified makes reparation for the injury alleged to have been done he shall be relieved of liability to the complainant only for the particular violation complained of. If the defendant does not satisfy the complaint within the time specified, or there appears to be any reasonable ground for investigating the complaint, it shall be the duty of the Secretary to investigate the matters complained of in such manner and by such means as he deems proper.

"(b) The Secretary, at the request of the livestock commissioner, board of agriculture, or other agency of a State or territory of the United States, having jurisdiction over stockyards in such State or territory, shall investigate any complaint forwarded by such agency in like manner and with the same authority and powers as in the case of a complaint made under subdivision (a).

"(c) The Secretary may at any time institute an inquiry on his own motion, in any case and as to any matter or thing concerning which a complaint is authorized to be made to or before the Secretary, by any provision of this title, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act. The Secretary shall have the same power and authority to proceed with any inquiry instituted upon his own motion as though he had been appealed to by petition, including the power to make and enforce any order or orders in the case or relating to the matter or thing concerning which the inquiry is had, except orders for the payment of money.

"(d) No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

"(e) If after hearing on a complaint the Secretary determines that the complainant is entitled to an award of damages, the Secretary shall make an order directing the defendant to pay to the complainant the sum to which he is entitled on or before a day named.

"(f) In the case of any complaint in which the amount claimed as damages does not exceed the sum of $3,000 an oral hearing need not be held and proof in support of the complaint and in support of the defendant's answer may be supplied in the form of depositions or verified statements of fact unless the Secretary directs that an oral hearing be held.

"(g) If the defendant does not comply with an order of the Secretary for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may within one year of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the defendant, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Secretary in the premises. Such suit in the district court shall proceed in all respects like other civil suits for damages except that the findings and orders of the Secretary shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of the costs of the suit.

"(h) Any party adversely affected by the entry by the Secretary of an order granting or denying reparation may, within thirty days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which the hearing was held. In cases handled without oral hearing in accordance with subsection (f) or in which oral hearing has been waived by agreement of the parties, appeal may be to the district court of the United States for the district in which any defendant resides, is found, or transacts business. Such appeal shall be perfected by the filing with the clerk of such court a notice of appeal, together with a petition in duplicate which shall recite the prior proceedings before the Secretary and shall state the grounds upon which appellant relies to defeat the right of any adverse party to recover, or to establish his own right to recover, the damages claimed, with proof of service thereof upon each adverse party. Such an appeal by an appellant who has been ordered by the Secretary to pay a reparation award shall not be effective unless, within thirty days from and after the date of the Secretary's order, the appellant also files with the clerk a bond in the amount of 130 per centum of the amount of the reparation awarded, conditioned upon the payment of any money judgment entered by the court against the appellant, plus interest and costs, including a reasonable attorney's fee for the appellee, if the appellee shall prevail. Such bond shall be in the form of cash, negotiable securities having a market value at least equivalent to the amount of bond prescribed, or the undertaking of a surety company approved by the court. The clerk of the court shall immediately forward a copy of the petition to the Secretary, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Secretary. Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima facie evidence of the facts therein stated. An appellee shall not be liable for costs in said court and, if he prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs.

"(i) Unless a defendant who is registered under this Act, and against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, the defendant shall be suspended automatically as a registrant under the Act at the expiration of such five-day period until he shows to the satisfaction of the Secretary that the amount specified in the order has been paid, with interest thereon to date of payment. If an appeal is taken by such a defendant and the judgment of the court is adverse to the appellant, or if the appeal is dismissed, unless the defendant within five days after the date of such judgment or dismissal makes payment as required by the order, he shall be suspended automatically as a registrant until he shows to the satisfaction of the Secretary that payment has been made, with interest thereon to date of payment. If such a judgment is stayed by a court of competent jurisdiction, the suspension shall become effective five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue until the defendant shows to the satisfaction of the Secretary that he has made such payment, with such interest.

"(j) Unless any defendant not covered by subsection (i), against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, such defendant shall be liable to a penalty of $500 per day for each day, after said five days, in which he engages in any business subject to this Act, until such defendant shows to the satisfaction of the Secretary that the amount specified in the order, with interest to date of payment, has been paid, which penalty shall accrue to the United States and may be recovered in a civil action brought by the United States. If an appeal is taken by such defendant, said penalty shall not begin to accrue until five days after judgment by the court adverse to the defendant, or dismissal of the appeal. If such a judgment is stayed by a court of competent jurisdiction, the penalty shall become applicable beginning five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue to be applicable until such payment, with interest, has been made.

"Sec. 413. Whenever it shall appear to the Secretary that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order issued thereunder, the Secretary shall notify the Attorney General who shall bring an action in the appropriate district court of the United States or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such person from engaging in operations subject to this Act or to enjoin such person from engaging in operations subject to this Act except under conditions that will protect vendors, consignors, and other person affected by such operations, until the complaint under this Act is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective within the meaning of this Act or is set aside on appellate review, and such courts shall have jurisdiction to entertain such actions. Upon a proper showing, the court shall issue a temporary restraining order, or preliminary injunction, without bond. Attorneys employed by the Secretary may, with the approval of the Attorney General, appear in the United States district court representing the Secretary in any action seeking such a temporary restraining order or injunction. Upon application of the Attorney General, the district courts of the United States and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding any person to comply with the provisions of this Act or any rule, regulation, or order issued thereunder, including the requirement that such person take such action as is necessary to remove the danger of violation of this Act or any such rule, regulation, or order. Any action under this section may be brought in the district wherein the defendant resides, is found, or transacts business or in the district where the act or practice occurred, is occurring, or is about to occur, and process in such cases may be served in the same manner as provided in section 9(f) of the Federal Trade Commission Act (15 U.S.C. 45).

"Sec. 414. Debts of a bankrupt that are owing for the purchase of livestock or poultry shall have priority in accordance with clause (5) of subdivision a of section 64 of the Bankruptcy Act (11 U.S.C. 104(a)(5)) if, at the time such debts were incurred, the bankrupt was a packer, market agency, or dealer subject to this Act.".

(7) Title V is repealed.

Sec. 2. The proviso contained in the paragraph entitled "Packers and Stockyards Act" under the heading "MARKETING SERVICE", in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1944, and for other purposes", approved July 12, 1943 (57 Stat. 422; 7 U.S.C. 204), is repealed.

Sec. 3. The amendments made by this Act shall become effective on the first day of the second calendar month following the month in which this Act is enacted.

SOCIAL SECURITY DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, yesterday's announcement by the trustees of the social security funds that there is an anticipated deficit of $3 billion between collections and payments for this year and, under current financing, the reserve would be exhausted by 1981, is alarming to me and most Americans—notwithstanding assurances by Social Security Commsisioner James B. Cardwell that we should not be alarmed.

It should be a matter of the highest priority for Congress to begin to do something about this problem now and not wait until the crisis is upon us and emergency measures and ill-considered reactions are required.

It was for this reason that I introduced House Joint Resolution 291 on March 6, 1975, and reintroduced it as House Joint Resolution 402 with 18 cosponsors on April 17, 1975. These bills would call for a National Commission on Social Security and would provide the means for making legislative changes in a system that obviously needs to be redesigned to meet the needs of the future. We do not need any more "bandaid and mercurochrome" approaches. We need a new comprehensive approach. It is unacceptable merely to propose increasing the taxable wage base upon which social security taxes are levied or to increase the already-too-high rate of payroll tax. Social security payroll tax is a regressive tax to begin with, and its bite out of the average person's paycheck is already oppressive.

Most Americans know that something fundamental has to be changed in our approach to the social security programs. Today 10 people have to pay into the program in order to support every 3 recipients, and we are told that by the year 2030 it will require two people working to support each beneficiary. How long will it be before the ratio of workers to beneficiaries is 1 to 1?

Our retired citizens, survivor-beneficiaries, and disabled persons, who are now receiving benfits, are worried. Congress must give them reassurance that the benefits which they have paid for and which they must have and need will continue to be available. This is our responsibility.

Persons approaching retirement need to be assured that their anticipations and plans based on social security benefits are not being jeopardized. This is our responsibility.

Young Americans need to be assured that the system to which they will be contributing to for many years makes sense and is not merely a costly ripoff. That is our responsibility.

As I said at the time I introduced House Joint Resolution 291:

> We have a national commitment to a retirement, disability, and survivor benefit program. We cannot allow that commitment to flounder, because the existing delivery system has become unsuited to our current and future needs. Our mission is not to destroy but to create; not to provide expensive cosmetic treatments to the patient, but rather to find a cure that will provide true security for all citizens in need of an affordable and realistic program for retired citizens and for the families in which the wage earner has died or has become disabled.

Mr. Speaker, I urge this Congress to act swiftly on my bills or on similar legislation so that all Americans, however they may be affected by social security, can take heart that Congress is concerned and willing to deal with this vital problem. For us to do less would be inexcusable.

PANAMA CANAL QUESTION: ENVIRONMENTALISTS OPPOSE SEA-LEVEL DESIGN AND SUPPORT MAJOR MODERNIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, as many Members of the Congress will recall, the report of the sea-level canal study panel under Public Law 88–609, approved September 22, 1964, was submitted on December 1, 1970, to the President with numerous copies to the Congress and elsewhere. This report, against the views that respected marine biologists who have studied the dangers to ocean animal and plant life consider would be involved, recommended the construction of a so-called sea-level canal in territory of the Republic of Panama about 10 miles west of the existing canal at an initially estimated cost of $2,880,000,000. This estimate did not include either the cost of acquiring a right-of-way or that for a huge indemnity to Panama and thus is highly unrealistic and misleading.

It is important to recall that the former executive director of the sea-level panel study, in a public statement on March 4, 1971, at a "Smithsonian Symposium on Biological Hazards of a Sea-Level Canal at Panama," made the following assertions here summarized:

First. That the sea-level study under Public Law 88–609 originated with the State Department after the 1964 Panamanian mob assaults on the Canal Zone.

Second. That the main purpose of the sea-level proposal was to secure "better treaty relationships" with Panama.

Third. That if these objectives are not obtained the project is not warranted, that it is eonomically justified, and that it "may never be constructed."

Fourth. That the study panel recognized that a "sea-level" canal would be "ecologically dangerous."

Fifth. That the decision to construct such type of canal would be a "political" one.

Mr. Speaker, to such revealing comments as these, I would ask that if a sea-level project is not operationally, engineeringly, geologically, diplomatically, and ecologically sound how could any political decision for it possibly be a wise one—see CONGRESSIONAL RECORD, volume 117, part 6, March 24, 1971, page 7839.

Leading environmental organizations have now had time to study authoritative writings on the biological hazards involved in any canal of sea-level design and to form some very definite conclusions as set forth in a telegram on April 8, 1975, to the President. In that message, 10 of these organizations opposed any sea-level provision in a new treaty, stated that they would oppose any convention that contains such provisions, and urged the President to instruct the Secretary of State to cease all negotiations for a sea-level provision as part of any treaty with Panama.

The indicated organizations pointed out that a sea-level canal at Panama is not even necessary and support the major modernization of the existing canal under current treaty provisions as this could be done without hazard to marine ecosystems and, I may add, with every assurance of success and without treaty involvement. Such support added to that of the American Legion, Veterans of Foreign Wars, the D.A.R. and S.A.R., and many other civic, ecological, fraternal and patriotic organizations shows the necessity for a canal policy based upon commonsense and not one directed toward the predetermined objectives of small governmental, industrial, and financial groups.

The indicated telegram was the subject of a press release on April 14, 1975. Because of their significance in the overall canal equation, I quote both as parts of my remarks:

ENVIRONMENTALISTS OPPOSE PANAMA SEA-LEVEL CANAL

WASHINGTON, D.C., April 14.—Ten national and international environmental organizations have urged President Ford to call a halt to the State Department's attempts to negotiate an option to build a new Sea-level Panama Canal. In a telegram to the President, the groups said, "We will oppose any treaty with Panama that authorizes or allows the construction of a new Sea-level Canal."

Environmentalists' concern is based on the findings of marine scientists. A prestigious National Academy of Sciences panel in 1970 cited "grave potential dangers" that could result from the project as a consequence of the intermixture of now-separate biological systems in the tropical Caribbean Sea and Pacific Ocean. There is no intermixing at present because marine organisms cannot survive in the existing lock-type Panama Canal, which contains only freshwater.

The National Academy of Sciences panel referred to the Sea-level Canal as "a gigantic natural experiment. Its consequences are unforeseeable." Among the possible results, the panel said, could be a decline in shrimp or fin fisheries.

The 10 environmental organizations criticized the State Department for injecting the Sea-level Canal issue into the current treaty negotiations with Panama, which center on questions of sovereignty and administration of the present canal. "Neither the Congress nor the several relevant agencies in the Executive Branch have approved a Sea-level Canal or even seriously considered the matter. The State Department has never been authorized to negotiate for a treaty provision on the Sea-level Canal," they told the President. "It would be premature and reckless to enter a new treaty with Panama that would authorize or permit construction of a Sea-level Canal."

APRIL 8, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: Recent reports on the State Department's negotiations with Panama concerning the interoceanic canal indicate that a serious environmental issue is involved. The negotiators for the United States are seeking a provision in a new treaty that would grant the United States a long-term option to build a new interocean Sea-level Canal.

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The State Department has said: "The United States seeks twenty-five year options: (a) to add a third lane of locks to the present canal and (b) to build a new sea level canal."

Conservation and environmental organizations strongly oppose a Panama Sea-level Canal and regard a treaty provision of this kind as prejudicial to the thorough, rational consideration of the issue. Neither the Congress nor the several relevant agencies in the Executive Branch have approved it or even seriously considered the matter. The State Department has never been authorized to negotiate for a treaty provision on the Sea-level Canal.

There are important reasons for our concern. Marine scientists have repeatedly warned against a Panama Sea-level Canal, on grounds that a canal of this design would eliminate the present freshwater barrier to intermixture of the two distinct ecosystems on either side of the Isthmus of Panama. The result could be tremendous damage to the fish and other marine organisms of both the Atlantic and Pacific Oceans, with consequent impact on the large human populations that depend on the seas in this part of the world.

A National Academy of Sciences Panel on the Sea-level Canal warned of "grave potential dangers" that could result from such a project. The panel said:

"Joining two oceans with a sea-level canal is a gigantic natural experiment. Its consequences are unforeseeable. To forego the relevant biological research prior to and during the construction of a new canal would be like preparing to put a man on the moon and neglecting to ask him to make scientific observations and collect samples. A new canal will affect the animal and plant life of the two oceans, but what these effects are cannot be determined unless the nature of the differences between the biota and ecosystems of the two oceans are first carefully established through years of intensive research."

Advocates of the Sea-level Canal claim there is a technological solution to this problem, but no solution has yet been proposed in sufficient detail to allow evaluation of its effectiveness. All the proponents have to offer is vague promises.

The Panama Sea-level Canal is not even necessary. An alternative modernization project, on which more than $171 million has already been spent by the federal government, would greatly increase the capacity of the present Panama Canal without hazard to marine ecosystems. This project was designed in the Panama Canal organization as a result of World War II experience and was approved by President Franklin D. Roosevelt as a postwar project. It can be carried to completion under provisions of the existing treaties with Panama.

The undersigned organizations believe it would be premature and reckless to enter a new treaty with Panama that would authorize or permit construction of a Sea-level Canal. A Sea-level Canal provision in a treaty would not only prejudice later consideration of the merits of the project, but it would also lead Panama to expect the United States to build a new canal, even though no decision has yet been made on it by this country.

Consequently, we will oppose any treaty with Panama that authorizes or allows the construction of a new Sea-level Canal. We urge you to instruct the Secretary of State to cease all negotiations for a Sea-level Canal provision as part of any treaty with Panama.

SIGNED

John W. Grandy IV, Executive Vice President, Defenders of Wildlife.

Peter Harnik, Coordinator, Environmental Action, Inc.

Brent Blackwelder, Washington Representative, Environmental Policy Center.

Douglas W. Scott, Northwest Representative, Federation of Western Outdoor Clubs.

David R. Brower, President, Friends of the Earth.

Lewis Regenstein, Executive Vice President, The Fund for Animals, Inc.

David S. Claflin, President, International Society for the Protection of Animals.

T. Destry Jarvis, Administrative Assistant, National Parks and Conservation Assn.

Stewart M. Brandborg, Executive Director, The Wilderness Society.

Godfrey A. Rockefeller, Executive Director, World Wildlife Fund.

THE FACES OF HUNGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, last summer a reporter and photographer from the Chicago Tribune—William Mullen and Ovie Carter—toured the famine-ravaged regions of Africa and India. They returned with a six-part series for the Tribune entitled "The Faces of Hunger." Its words and pictures presented one of the most powerful and sensitive pieces of journalism I have ever seen.

Ovie Carter's photographs and William Mullen's words presented an image of poverty and starvation that I will not soon forget.

Yesterday, Mr. Carter and Mr. Mullen were awarded jointly the Pulitzer Prize for international reporting. It was one of the few times in the prize's history that a reporter-photographer team has been awarded a Pulitzer. Yet, I can think of no two men who deserved this award more.

At the time "The Faces of Hunger" ran in the Tribune, I inserted each article in the CONGRESSIONAL RECORD with the hope that they would move the Congress toward some action in solving the problems of worldwide hunger. At that time, I also introduced a resolution calling upon the Congress to express its concern for this terrible problem. At the beginning of this Congress, I reintroduced that resolution, House Resolution 38. I regret to say that the Congress has yet to act upon it.

The Members of this House will remember that the world food shortage was a highly publicized issue last fall. Television specials were done on the subject, a conference was held in Rome to discuss the world's food supply. They will also remember that the drought in the Sahel region of Africa was at its height and literally millions of people were in immediate danger of starving to death.

In the months since, much of the immediate pressure for action has died down. There have been no more television specials. The immediate crisis in the Sahel has passed. The people there have reached a level of bare subsistence. They are still dying, but more slowly now. The World Food Conference has, for the most part, been forgotten. Our own economic problems and the recent foreign policy disaster in Southeast Asia have taken our minds off the world's food crisis.

Nothing of what has happened since last fall, however, has alleviated that crisis. It is still very much with us. We are still on the brink of world-wide disaster.

Grain stockpiles are so low that a major crop failure in any part of the world will again cause unbelievable suffering through much of Asia and Africa. In the long term, this earth is still rapidly approaching the time when we will have too many people and not enough food to feed them.

Let us have no illusions. The food crisis toward which we are heading will transcend political borders and it will transcend ideology.

The United States is in a unique position to work toward a solution to this problem.

Despite the rhetoric of past weeks, I do not agree that our position in the world community must be based upon either neo-isolationism or massive military strength. The lesson we should all learn from Vietnam is that while we cannot intimidate foreign countries into becoming safe for democracy neither can we withdraw from the world community.

What we must do now is to realize that the only truly healthy relationship between nations is a cooperative one. The world is not so easily divided as being Communist or free. A growing part of the world is truly nonalined. Its interest is not in being swallowed up by great-power politics, its interest is in economic and social development.

A joint international effort to deal with the world's food shortage is a vital step toward this kind of real cooperation. It is an effort that, sooner or later, we will have to undertake.

There is no reason on this earth why we cannot begin to take those necessary steps today.

There is no reason why we in this House cannot begin to show some real concern for this problem.

I hope that the 94th Congress will act soon on the legislation necessary to meet the needs so graphically depicted by William Mullen and Ovie Carter for the Chicago Tribune.

THE 1975 POLISH CONSTITUTION DAY PARADE IN CHICAGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on Saturday, May 3, 1975, the 184th anniversary of the first democratic Constitution of Poland, the Polish National Alliance sponsored Chicago's annual Constitution Day parade and it was my pleasure and honor to be on the reviewing stand at this event.

Mayor Richard J. Daley served as honorary grand marshal of the parade. Also on the reviewing stand were the great president of the Polish National Alliance, Aloysius A. Mazewski; the distinguished vice president, Helen M. Szymanowicz; His Excellency Bishop Alfred Abramowicz; Mitchell Kobelinski, Director of the Export-Import Bank; Congressman DAN

ROSTENKOWSKI, Congressman ED DERWINSKI; Alderman Roman Pucinski; Alderman Casey Laskowski; County Clerk Stanley Kusper; Chester P. Majewski, member of the sanitary district; Judge Francis Lorenz of the appellate court; Judge Eugene Wachowski and Judge Edward Plusdrak of the circuit court. And Connie Szerszen and Bob Lewandowski were the announcers for the parade.

The parade down State Street consisted of thousands of marchers and over 150 bands, marching units, and floats, along with dignitaries representing business, labor, politics, and civic organizations too numerous to mention. Over a quarter of a million Chicagoans lined both sides of State Street in the rain for over 3 hours to commemorate the heroic struggle of the Polish people to uphold the principles of freedom in the 1791 Constitution.

After the invocation by Bishop Abramowicz, Senator BIRCH BAYH, of our neighboring State of Indiana, delivered an outstanding commemorative address on the long struggle by the Polish people for individual liberty and self-determination as a nation. He also outlined the many contributions that the Polish people have made to America's freedom, and emphasized that all of us as Americans must keep the torch of freedom aloft as an inspiration to the people of the world and in memory of those throughout history who have sacrificed for the ideals of liberty.

The drafting and adoption of the Constitution of 1791 by patriotic Polish leaders marked a turning point in the history of that country. By that significant document the Poles effected a peaceful change in the structure of their government without resorting to the bloody and violent measures which characterized the French Revolution. By adopting a progressive and popular Constitution they led their countrymen from the feudal ways of the Middle Ages to the concepts of individual liberty and responsibility which characterized the American Constitution of 1776.

That Constitution contained many provisions which still retain their validity today. By these provisions the authority of the monarch was sharply curtailed, and ministerial responsibility was established. The intricate and obstructive features of the old system were eliminated. The upper chamber lost some of its preponderant powers and the second chamber, the elective representative body of the nation, was vested with genuine legislative authority. Economic barriers between the nobility and the bourgeoisie were drastically lowered.

The townsmen recovered their judicial autonomy and gain a number of political rights, especially that of admission to many of the higher offices. The peasantry was taken under the protection of the law and religious toleration was established. The constitution abolished the worst abuses from which Poland had been suffering for centuries. Through the abolition of the most pressing political evils of the old regime, and by granting increased freedom action to the middle and lower classes, the Constitution of 1791 marked a great advance over all previous attempts at reform in Poland.

Unfortunately, before the Poles had any chance to enjoy the benefits of this Constitution their homeland was divided among the autocrats of Austria, Prussia, and Russia. Having thus lost their sovereign existence and national independence, Poles became subjects of the alien governments in their homeland, and for more than 120 years they lived under oppressive foreign regimes. Then, toward the end of the First World War, when they witnessed the defeat and disintegration of the government which occupied their country, they joyfully seized upon the opportunity and regained their national freedom. And the birth of the Republic of Poland in 1918 signified also the resurgence of the spirit embodied in the Polish Constitution of 1791.

On the anniversary observance of Polish Constitution Day it is impossible to omit a reference to today's Poland, which is a far cry from what all patriotic and liberty-loving Poles had hoped it to be. They had dreamed, prayed, and worked for a liberated, free, and independent Poland. We all know that since the treacherous rape of their country at the end of the last war these Poles have not known freedom there.

Despite all of the outrages suffered by the heroic Polish people at the hands of their Communist oppressors, these dauntless souls cling to their noble ideals as outlined in the Constitution of 1791. I was proud to join, with Americans of Polish heritage in my own City of Chicago at the parade and commemorative ceremonies on May 3, in expressing support for the strong and unwavering desire of the Polish people that Poland once again be free to decide its own national destiny.

GROUNDBREAKING CEREMONIES FOR THE F. EDWARD HÉBERT MEMORIAL LIBRARY

(Mrs. BOGGS asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. BOGGS. Mr. Speaker, on April 23, 1975 we in New Orleans had the great honor of hosting President Ford who was with us on the occasion of the groundbreaking ceremonies for the F. Edward Hébert Memorial Library.

Since the dean of the Louisiana delegation commands the respect and highest esteem of his colleagues in the House, I include the remarks made by President Ford in behalf of his friend and former colleague Congressman HÉBERT in today's RECORD.

REMARKS OF THE PRESIDENT AT THE GROUNDBREAKING CEREMONIES FOR THE F. EDWARD HÉBERT LIBRARY

Thank you very much, my close and dear friend, your Congressman, Eddie Hébert.

Mrs. Hébert, Governor Edwards, Lt. Governor Fitzmorris, Senator Johnston, my former colleagues in the House of Representatives, Lindy Boggs and Dave Treen, Mayor Landrieu, Bishop Hannan, distinguished guests, ladies and gentlemen:

I don't believe that I have ever had a more complimentary introduction. And I hope and trust, Eddie, that what you have said I can live up to. It certainly is what we, as a people, must do. And to the extent that I can, you can be assured that I will try to the maximum.

I am here in the great area of New Orleans. It is a privilege and a pleasure for me to participate in the groundbreaking ceremony for the Hébert Library.

There are few men in the United States Congress that I have known longer or respected more than the man that all of us honor here on this occasion today.

Eddie Hébert and I have many views in common. We have had some areas of disagreement, but the main relationship that I have had with your great Congressman is the personal one. And that personal relationship has meant a great deal to me over the time that we have known one another.

I compliment all of you in this great part of our country for showing the superb judgment in seeing to it that you are represented by Eddie Hébert.

Eddie Hébert was a legislative veteran when I entered the Congress in January of 1949. Eddie Hébert is a leading member of the Congress today, 26 years after I first met him, and 34 years after he first entered the Congress of the United States.

But we are not paying tribute today to Eddie Hébert because of his stamina and Eddie's power, remarkable as those attributes are, we are here today because of the service Eddie Hébert has rendered to all of you and many before you and hopefully many that will follow you.

He has rendered an unbelievable service on behalf of his people, his State, and his country.

Now, even though Eddie and I have served on different sides of the political aisle in the House of Representatives, I have especially respected his total dedication to a stronger America. I guess so many of us feel very close to Eddie Hébert and I especially, and let me tell you a story if I might.

When I was the Republican Leader in the House of Representatives, Eddie Hébert, a very staunch Democrat, was sent an invitation to a Republican leadership breakfast by mistake. Well. Eddie had enough of that wonderful sense of humor to let that one go by. He didn't say a word. He just sent the invitation back to me with a clipping of an ad for cigarettes and it said, "I would rather fight than switch." (Laughter)

I worked with Eddie for more than a quarter of a century as a colleague and now as President and I can plainly and categorically tell you that one of the reasons America is strong, free, and secure as a Nation is because of men like Eddie Hébert in the Congress of the United States.

Congressman Hérbert's skill as a negotiator is well known in Washington. The tangible evidence of it is apparent here in the great State of Louisiana.

Eddie Hébert is such a great negotiator that if he had arranged the Louisiana Purchase, not only would he have purchased that huge amount of land for only $15 million, but I have the feeling that Eddie would have gotten some green stamps, too. (Laughter)

You know, of course, that Eddie was one of the outstanding crusading newspaper people in Louisiana prior to his service in the Congress. He had a reputation as an individual who was hard working in that field of journalism, and a nose for news, and was highly recognized in his profession.

But, Eddie has a slight credibility gap, as I discovered in reading his biography. It goes back to 1940, during his first campaign. Eddie said, if elected, he would serve only one term. He said he was just taking a sabbatical from his newspaper occupation.

I think it is fair to say that even if he has extended his sabbatical a few extra years —32, to be exact—Eddie has paid his dues both as a journalist and a Congressman.

It seems highly appropriate to me that his literally thousands and thousands of friends here in New Orleans and elsewhere would pay tribute to his record and to him as a person by the establishment of this library.

I consider it a great privilege and a very high honor to participate. There is no finer way, in my judgment, to make Congressman Hébert's record indelible in this community than to have this building and its contents in this wonderful place in this area.

Of course, Eddie's best monument will be his achievements, his own record as a public servant, but the mementoes in this building, in this library, will help to tell the story of those great achievements, will help to keep them alive for the generations to follow.

It occurs to me that everything I have said so far reeks a little too much of the past, of a story that is already ended, and that is not the way his friends, and particularly myself, feel about Eddie Hébert.

We honor him today, not only for what he has achieved, but for what he continues to achieve. He is a courageous, untiring patriot, and on a personal basis I think a great guy.

May he keep serving his country. May he keep serving his country, warming all our hearts for many, many long years to come.

If I may, may I add a personal note. May Eddie's wonderful sense of humor stay with us, too, lightening the burdens when things seem heaviest, and reminding us all that in serious times—and we have some serious times right now—we must never lose our gift of laughter.

Another quality which Eddie possesses was once described by Robert E. Lee, in very simple and very moving words. "Duty," said Lee, "is the sublimest word in our language. Do your duty in all things. You cannot do more; should never wish to do less."

Eddie Hébert lives by that code. I have never known him to do any less than his very best.

Louisiana is a better State and America is a better country because of our friend, Eddie Hébert.

I am proud. I cherish the many times I have been with him on the floor of the House, in meetings concerning our national security. I cherish that relationship and the opportunity to have served with him.

As I said earlier, I am even prouder to call him my friend, and I think this is really the feeling that all of us have here today, and we are fortunate to be sharing with one another.

Thank you very, very much.

IS THIS ANOTHER AMERICAN CAPITULATION?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, during the last days of the free Republic of Vietnam, more than 100 aircraft were flown by Vietnamese pilots to American bases in Thailand. The planes had been provided to the South Vietnamese forces by the United States. There has been a demand by the Communist conquerors of Saigon for the return of the aircraft. The Thai Government properly decided they are the property of the United States. Now it has been stated that the United States may leave some of these planes in Thailand where they could be handed over to the North Vietnamese. If this is confirmed, it is another demonstration of the kind of ineptness which has reduced American prestige to one of its lowest points in history. These aircraft represent a considerable investment to the U.S. taxpayer. All of them are needed in our own inventory. With or without Thai concurrence, they should be returned promptly to this country. It is hoped that the State Department will show backbone in dealing with such matters of foreign policy.

The U.S. Armed Forces showed a flash of America's oldtime greatness in the way that they carried out orders of the President to evacuate Americans in Cambodia and Saigon who otherwise would have been trapped. The courage and ability with which our forces carried out this mission demonstrates that we still possess spirit and determination.

I hope the State Department will read this message carefully and consider its implications when they are tempted to yield to future irresponsible demands from other governments.

We need no more capitulations by America.

Mr. BAFALIS. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I am pleased to yield to my distinguished colleague from Florida.

Mr. BAFALIS. I commend the gentleman for his remarks and wish to associate myself with them. If this report, as outlined by Mr. SIKES, is confirmed it would be unconscionable for the State Department to make such a concession which could lead to Communist acquisition of aircraft paid for by the American taxpayers.

The time has certainly come for our Nation to assert itself—not again given in to the wishes or demands of the Communist aggressors in Southeast Asia.

HIGH PRAISE IS DUE AMERICAN SERVICE PERSONNEL FOR THE EVACUATION OF U.S. AND OTHER PERSONNEL FROM SAIGON

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the professionalism and courage of American service personnel during the evacuation of South Vietnam deserves the highest praise from all in this Nation.

Under extremely dangerous circumstances, American service men and women performed their duties of safeguarding American lives in a manner which is above reproach. Sadly, four marines lost their lives during this mission, two when a Communist rocket fell in the evacuee compound, and two when their rescue helicopter crashed.

Although fully armed, U.S. service personnel operated under strict orders. They were not to do any shooting except to defend themselves and their charges. This is a most difficult role for anyone who has the responsibility for the lives of others. To stand and wait, as they did, for someone to fire at them demanded the highest level of courage and training.

To the credit of everyone involved, no incidents occurred which will mar the record of this outstanding achievement. More than 1,700 Americans and others were safely removed from the reach of those who would slaughter them. This feat was possible only because Americans were willing to risk their lives in the performance of their duties.

Secretary of Defense James Schlesinger sent a message to the members of the Armed Forces of the United States at that time and it eloquently says what each of us must have felt as we watched the progress of the evacuation. I insert the Secretary's statement in the RECORD at this point.

MESSAGE

As the last withdrawal of Americans from Vietnam takes place, it is my special responsibility to address to you, the men and women of our Armed Forces, a few words of appreciation on behalf of the American people.

For many of you, the tragedy of Southeast Asia is more than a distant and abstract event. You have fought there; you have lost comrades there; you have suffered there. In this hour of pain and reflection you may feel that your efforts and sacrifices have gone for naught.

That is not the case. When the passions have muted and the history is written, Americans will recall that their Armed Forces served them well. Under circumstances more difficult than ever before faced by our military services, you accomplished the mission assigned to you by higher authority. In combat you were victorious and you left the field with honor.

Though you have done all that was asked of you, it will be stated that the war itself was futile. In some sense, such may be said of any national effort that ultimately fails. Yet our involvement was not purposeless. It was intended to assist a small nation to preserve its independence in the face of external attack and to provide at least a reasonable chance to survive. That Vietnam succumbed to powerful external forces vitiates neither the explicit purpose behind our involvement—nor the impulse of generosity toward those under attack that has long infused American policy.

Your record of duty performed under difficult conditions remains unmatched. I salute you for it. Beyond any question you are entitled to the nation's respect, admiration, and gratitude.

FINANCIAL STATEMENT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today I am placing in the RECORD a statement of my net worth and family income—a practice I have followed during my previous years in Congress and while I was chairman of the Illinois Ethics Board.

No one needs to know the details of a private citizen's income. But the numerous cases over the years of conflicts of interest and favoritism in government have convinced me that public officials must be willing to live in a financial fishbowl if they want to receive the public's trust and confidence.

Net worth statement of Congressman Abner J. Mikva as of May 1, 1975

Home at 1015 Sheridan Road, Evanston, Ill.:	
Purchase price and improvements	$80,000
Less mortgage at Exchange National Bank	43,000
Equity	37,000
Cash in banks:	
American National Bank	500
South Shore National Bank	1,000
Total	1,500
Equity in pension funds:	
State of Illinois	5,000
U.S. Congress	15,000
Total	20,000
Stocks and bonds:	
Ero Mfg. Co., 2,600 shares	5,000
U.S. Gypsum, 50 shares	1,000
State of Israel Bonds, purchase price	5,000
Executive house debenture	400
Unarco, 500 shares	5,000
American Airlines debentures	4,500
Total	20,900
Cars, furniture, miscellaneous	10,000
Total net worth	89,400

Family income statement of Abner J. Mikva for 1974

Law partnership income, Abner J. Mikva	$61,774.00
Income from estate of mother, Zoe W. Mikva	179.62
Salary from Evanston School District, Zoe W. Mikva	7,115.35
Dividends (including from estate)	1,180.38
Interest income (including from estate)	1,086.89
Honorariums and writing fees	1,025.00
Losses on sale of stock	−716.97
Total income	71,644.27
Less dividend exclusion	200.00
Less tax deductible expenses, personal exemptions, and deductions	26,116.36
Net taxable income	45,327.91

Income taxes paid: U.S. (joint return), $15,115.43; Illinois (joint return) $1,546.92.

COALITION FOR A DEMOCRATIC MAJORITY SUGGESTS RALLYING AMERICA TO INCREASE DEFENSE CAPABILITIES, BOTH NUCLEAR AND CONVENTIONAL

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, in view of the numerous requests the Armed Services Committee has had for copies of the Coalition for a Democratic Majority's statement entitled "For an Adequate Defense," I include it at this point in the RECORD.

FOR AN ADEQUATE DEFENSE

(The second statement by the Foreign Policy Task Force of the Coalition for a Democratic Majority)

COALITION FOR A DEMOCRATIC MAJORITY

Foreign Policy Task Force

Eugene V. Rostow, Chairman, Professor, Yale Law School, Former Undersecretary of State.

Task Force Members

Eugenie Anderson*, former U.S. Ambassador to Denmark.

Joseph H. Cople.

William A. Douglas, Director of Education, American Institute for Free Labor Development.

Henry Fowler*, partner, Goldman, Sachs, former Secretary of the Treasury.

David Friedman.

Stephen P. Gilbert, Consultant, Strategic Studies Center, Stanford Research Institute.

Roy Godson,* Director, Georgetown University International Labor Program, Secretary to the CDM Foreign Policy Task Force.

Ernest Green,* Director, Recruitment-Training Placement, Inc.

K. Scott Gudgeon, junior fellow, New York University Center for Strategic Studies.

Abraham Halpern.

Don Irwin,* Mayor, Norwalk, Connecticut.

Fred Isquith, attorney, New York.

Jeane J. Kirkpatrick,* Professor, Georgetown University.

Robert James Maddox,* Professor, Penn State University.

Max M. Kampelman, attorney; former Counsel to Vice-President Hubert H. Humphrey.

Norman Podhoretz,* Editor, "Commentary".

Penn Kemble, Executive Director, CDM.

Clifford H. Pruefer, Captain, U.S. Navy (Retired).

Lucian W. Pye,* Professor, MIT.

John P. Roche,* Professor, Fletcher School of Law and Diplomacy, Tufts University; former Special Assistant to President Lyndon B. Johnson.

Peter J. Rosenblatt, attorney; former special consultant to Senator Edmund S. Muskie.

Leonard S. Sandweiss, attorney, New York.

Paul Seabury,* Professor, The University of California at Berkeley.

Albert Shanker,* President, American Federation of Teachers, AFL–CIO.

D. Bruce Shine, attorney; member, Democratic National Committee (Tennessee).

Milan Skacel, President, United States-Latin America Chamber of Commerce.

George C. Sponsler,* President, International Planning Management Corporation.

John Thomas.

W. Stull Holt,* Professor (Emeritus), University of Washington.

J. C. Turner,* Secretary-Treasury, Int'l. Union of Operating Engineers, AFL–CIO.

Robert E. Ward,* Professor, Stanford University.

While members of the Task Force share the basic point of view expressed in its statements, not all members necessarily concur with every specific detail or proposal in these statements.

The affiliations of the Task Force members are listed above for purposes of identification only.

PREFACE

That party politics should stop at the water's edge is one of the finest principles of American public life. The Coalition for a Democratic Majority will abide by that principle in the statements and studies of its Foreign Policy Task Force, and the statements on foreign policy which its Board of Directors will issue from time to time. The rule does not mean that the policies and actions of the government in the field of foreign affairs should be above criticism. It does require that foreign policy problems be discussed in terms of their wisdom and efficacy in promoting the national interest, not the interests of either political party.

Since the time of President Franklin D. Roosevelt, at least, the foreign policy of the United States has been presented and debated as a national problem, not a party problem. As the shadow of war deepened, President Roosevelt's cabinet included Secretary of War Stimson and Secretary of the Navy Knox. Senator Vandenberg cooperated fully with President Truman, as Senator Johnson did with President Eisenhower. The foreign policy we have pursued for more than thirty years has been developed and supported by a steadfast bipartisan coalition. We approach our problem in the spirit of that experience.

STATEMENT NO. 2—FOR AN ADEQUATE DEFENSE

As they did in the Truman years, liberals and Democrats must again take the lead in rallying America to increase our defense capabilities, both nuclear and conventional. The defense budget recently proposed by the Ford Administration would at best keep our defense posture constant. We believe this static policy is not enough, in view of the nature of Soviet policy and the massive regular increases in Soviet military programs, which show no signs of abating. We therefore recommend an increase in our defense capacity, especially for the Navy, for research and development, and for ready conventional forces.

We have reached this disagreeable conclusion reluctantly. We share the general anxiety about the world's mounting stockpile of military weapons. We too would infinitely prefer our tax dollars to be spent for domestic social and economic needs, which must be met in any case if the nation is to remain strong and healthy. We share the mood of the nation in the aftermath of our tragic Vietnam experience, and the nostalgic yearning for the isolation of the nineteenth century which so many Americans feel in their reaction against the turbulent condition of world politics.

These feelings and concerns have tended to obscure the inexorable facts. We are dismayed by the drift toward military vulnerability and political timidity in which the nation seems to be caught up. At one level, every American knows that the nineteenth century is over, and that isolation is not an available option for American foreign policy today. If there had ever been serious doubt on that score, the oil crisis which began in 1971 or 1972 should put it to rest. Unless we set a new and responsible course, the next two years may see the military balance shift decisively towards the Soviet Union and its allies; an irreversible deterioration of our alliance network; and the conquest or destruction of many small nations whose existence we and others have guaranteed—among them the embattled state of Israel, which came into existence in reliance on international promises which must be kept.

In the first statement of our Task Force, *The Quest for Detente*, issued on July 31, 1974, we concluded that "our basic security position is strong, if we understand it as it is, and undertake to do what is required to sustain it. Our fundamental national interest in world politics is to achieve and maintain a balance of power which could effectively deter general war. On the foundation of such an equilibrium, we could hope in time to build a system of peace, faithful to the principles of the United Nations Charter.

"The logic of nuclear weapons, and the threat of Soviet power and policy, have forced China, Japan, Western Europe and many other countries to realize that their security interests and those of the United States are indivisible. If the United States consolidates its rapprochment with China; if it achieves once again a relationship of complete and cordial solidarity with our European and our Pacific allies; and if, with our allies, we do what is required to deter Soviet nuclear and conventional power, we should be able to carry out a foreign policy capable of preventing war, while also pressing forward politically in the endless quest for the vindication of decency.

"If, on the other hand, we allow ourselves to be deceived by the myth of detente, reduce our military strength, and permit our alliances to erode, we may well suffer irreversible defeats, which could imperil the safety of democracy in America."

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* Denotes a member of the Policy Drafting Committee.

UMI

The course of events since last summer has fully confirmed this judgment. Soviet policy and economic disequilibrium continue to press Western Europe, Japan, China, and the United States together, as they grope for programs that could assure their security and prosperity.

But the foundation of American and allied foreign policy is still weak, because public opinion—its source—remains uncertain. In our first statement, we said that President Nixon had abused the standard of ethical responsibility which could govern the discourse between the President and the American people by claiming "too much in explaining the state of Soviet-American relations." President Ford has not yet liberated himself or his administration from the soothing and ambiguous vocabulary President Nixon used in talking about this subject. This is less characteristic of the Administration's statements on our defense posture than is the case in its treatment of other foreign policy problems; it remains true, however, that the full gravity of our defense problems, and the full magnitude of our defense needs, have not been adequately presented to the American people.

The triumph and the agony of Watergate will have been in vain unless the President and his associates trust the people, and explain the situation to them exactly as it is. The Ford Administration has not yet taken this indispensable first step into the post-Nixon era.

II

The nation is in great danger. Our danger is increasing every day. The Soviet Union continues to pursue a policy of expansion that threatens our vital interests in Europe, the Middle East, and other parts of the world. It pursues its goals directly and through proxies, by exploiting and exacerbating local tensions and situations of conflict. This is the essence of the tragic situation in the Middle East, where for twenty years, the Soviet Union has played on Arab hostility to the existence of Israel, and on other conflicts and rivalries in the area, to stir up and to prolong an endless cycle of war and other violence, which can be sustained only by Soviet arms and political influence.

The strategic goal of Soviet policy in the Middle East is to outflank NATO from the South. This perception of the Middle Eastern conflict is not yet fully understood by American public opinion. Our alliance with Western Europe is absolutely essential to the balance of power on which the primordial safety of the United States rests. On this proposition, there is nearly complete unanimity in the United States. But the larger part of public opinion is not yet fully conscious of the fact that Middle Eastern conflicts are not isolated regional problems, but are integral to the defense of NATO. The Middle East is of fundamental geo-political importance to the security of Europe.

For twenty years, the Soviets have pursued a strategy of enveloping NATO. They have exploited Arab hostility to the existence of Israel as an important weapon of that strategy. The Arab-Israeli conflict is not, of course, the only arrow in their quiver. As the Soviets say, they "push at every open door." They have tried to take advantage of every political and military opportunity that served their purposes, if it did not involve excessive risk or cost. Thus they have probed in Iceland and Norway, and participated in many conflicts among Arab states. They are now moving on a large scale in Portugal. They have a naval base in Conakry, and have explored possibilities in many other places on the marches of Europe.

By playing on the Arab-Israeli conflict, and other issues, the Soviets have made considerable progress in the Middle East, from Iraq and Aden to Algeria. And their investment in that effort is by now considerable. They have supplied Arab states with billions of dollars worth of arms and economic aid. And their technical assistance, especially in the military sphere, has often become participatory. If the Soviet Union were to achieve domination of the Mediterranean, North Africa and the Middle East, it would outflank the NATO defenses in Central Europe, and threaten Europe from its soft underbelly, as President Pompidou once remarked. It has been painfully obvious since October, 1973, that hegemonial control of the oil, the space, and the mass of the region by the Soviet Union would carry with it dominion over Western Europe as well. NATO would be dismantled. The United States would have to leave Europe and the Mediterranean. Europe would be reduced to the status of Finland, at best—a major supplier of technology and consumer goods to the Soviet Union, and a political eunuch.

The Soviets are well advanced in their campaign to control the Middle East and the Mediterranean basin. The achievement of this goal would decisively tip the worldwide military balance in favor of the Soviet Union and its allies, and would leave us isolated in a bitter, hostile, and disillusioned world. In such a world, we, the Europeans, and the Japanese would be "allowed" to supply the Soviet Union—on favorable credit terms—with the technology and consumer goods needed to assure her military domination, and to keep her people quiet.

The Soviet Union's expansionist foreign policy is backed by a military building program which has no peacetime parallel in world affairs.

Thus far, however—in public, at least—our government continues to talk about "detente". There have been increases in the Japanese and in some European defense budgets during the last few years. Our own military budget has been swollen by inflation, and by the pay increases needed to produce a volunteer military service. Manpower costs, including those for pay and benefits, have taken an ever-increasing share of available funds, leaving less and less for weapons procurement and deployment, particularly in the non-strategic, i.e., that of general purpose forces. As a result, our defense budget measured in constant dollars has been declining steadily. In terms of real defense capability, the United States is in many respects pursuing a course of unilateral disarmament, especially with regard to the Navy and other conventional forces. We are now spending a smaller fraction of our GNP on defense than has been the case for more than twenty years. Defense spending now takes only 26 cents of every federal tax dollar, compared to 45 cents in 1964 and 57 cents in 1956. In the face of the Soviet military build-up, and Soviet foreign policy, our defense budget is an invitation to disaster.

The best diplomatic signal the United States could give the world now would be a sharp increase in our defense programs, going beyond the programs recommended in Secretary Schlesinger's recent message to the Congress. It is the first responsibility of the Ninety-Fourth Congress, controlled by large Democratic majorities, to provide for the common defense.

The Democratic Party is called by special traditions and responsibilities to take national leadership in meeting these momentous challenges. Democratic leaders—Truman, Marshall, and Acheson—established the policy of international alliances and military capability which have prevented a general war for more than two decades. Presidents Eisenhower, Kennedy, and Johnson built on that foundation, and sustained the policy on which its rests. More recently, in the aftermath of our painful experience in Vietnam, strong voices, particularly in the Democratic Party, have spoken out against this policy, which the state of the world since 1945 has required of us in order to protect our purely national interests in world politics. The current mood, which some have called neo-isolationist, has become so prevalent that a poll of newly-elected Democratic congressmen suggests that some thirty to forty of them may favor further reductions in our military capabilities—enough to affect the outcome of many important Congressional votes related to defense.

We are confident that these views will fade when our party leaders confront the reality of our international and military situation. We are convinced that when they face the facts, conscious of their responsibility, they will reaffirm our nation's interest in maintaining the balance of world military power as the indispensable predicate of our national safety. If we fail to uphold this balance, we Democrats could not escape our share of the responsibility for greatly increasing the prospects of political despotism and eventual war.

III

Why have we reached the painful conclusion that the nation's safety requires an increase in our defense capabilities, both nuclear and especially conventional?

The basic reason has already been stated in general terms: Soviet foreign policy is still expansionist. It seeks to take advantage of every opportunity which does not involve unacceptable risks. Moreover, Soviet policy is fuelled by a military build-up which is growing at a rate of over 5% each year, in real terms, while our real expenditure for defense is declining, and has already fallen to the lowest point since the period just before the Korean war.

It follows, we believe, that we should build up our military capabilities in order to deter further aggression and preserve the possibility of peace. We shall now examine this proposition in detail. Our purpose here is to offer a cold look at the relative military capacities of the United States and the Soviet Union, and to suggest some programs and policies which should avert a catastrophic military imbalance. In the nature of Soviet policy, such an imbalance might invite the Soviets to risk disastrous military or quasi-military adventures, like that of the Middle Eastern war of October, 1973, but on an even larger scale.

We should start by making two positions unmistakably clear:

First, we favor continuing the patient quest for conditions of true and reciprocal detente with the Soviet Union—the quest which has been a central purpose of American foreign policy since the time of President Franklin Roosevelt. The hope for a true detente with the Soviet Union—based on an end of the arms race, respect for human rights, and mutual obedience to the rules of the United Nations Charter—must not be allowed to die.

Secondly, we favor—and we strongly favor—any and all kinds of disarmament negotiations with the Soviet Union, and any other negotiations that might lead to the mutual limitation and, more importantly, the eventual reduction of armaments. Our delegates to the Strategic Arms Limitation Talks (SALT) and to the negotiations on Mutual and Balanced Force Reductions (MBFR) should patiently and persistently advance the most sweeping proposals for cuts in military spending, weaponry, and the number of men under arms. But our negotiators should insist on truly balanced and clearly enforceable steps, which would give no advantage to either side. Arms limitation agreements must not involve one-sided concessions on our part, whether made in the sincere but naive hope that the Soviets would follow our example, or to prolong false hopes that we have entered a "new generation of peace."

In thinking about military capacities, we should distinguish the problems of the so-called "strategic forces," a term which is

now used to identify our capacity to meet nuclear threats to ourselves or to our allies, from those of "conventional"—or general purpose—forces, which include the full range of forces from ground troops to tactical nuclear weapons.

Strategic forces—an uncertain equation

It has been the goal of our nuclear policy to prevent the use or the threatened use of nuclear weapons in world politics. The first objective of the American strategic forces is to deter a Soviet nuclear attack, either on this country or on its allies. To deter attack, our weapons must be sufficiently strong, numerous, and well-placed to "ride out" any attack by the Soviet Union, and then to retaliate with such force that the Soviets could not hope to gain by initiating a first strike, no matter how great the stakes that might tempt them to consider it. Our "second strike capability" must be clear beyond the faintest shadow of a doubt. The cruel logic of nuclear deterrence requires us to maintain a strategic capability so great that if deterrence should fail, despite all our efforts, we still have the capacity for an appropriate response.

In a world of changing technology, the tactics and the arithmetic of second strike capability keep changing. But the underlying concept is simple. Second-strike capability is not only a matter of throw-weight and the numbers of ground-based, air-based, and submarine-based launchers on each side. The key issue is and will remain whether the Soviets can have any reasonable expectation of being able to destroy so large a number of our weapons by a first strike as to create doubt about our second strike capacity or our willingness to respond to a nuclear attack as necessary.

The basic flaw of the Ford-Brezhnev "agreement in principle," or "agreement to make an agreement," announced at Vladivostok, is in precisely this area. Quite apart from its other weaknesses, which we discuss in context below, it gives no assurance on the key question: will our second strike capability be maintained? The answer to that question does not depend on the number of launchers, or on the number of missiles that can be "MIRVed,"—the two issues dealt with at Vladivostok—but on the number, yield, capacity, accuracy and range of the warheads themselves, however launched. The Soviet missiles that can be equipped with MIRVs have 3 to 6 times the payload of American missiles that can be so equipped. The result could be an ominous Soviet advantage in strategic warheads, and therefore uncertainty about the American second strike capability.

Soviet strategic forces have been growing dramatically during the past decade, and this growth has continued unabated since the SALT I agreements of May, 1972. The agreements foreseen at Vladivostok show little or no promise of slowing down this cancerous rate of growth.

In the Interim Agreement of Limitation of Strategic Offensive Arms, the United States accepted numerical inferiority in ICBMs and SLBMs on the basis of two principal arguments:

(1) We then retained technical superiority and a very respectable number of warheads—many on missiles armed with Multiple Indedependently Targeted Re-entry Vehicles (MIRVs), which permit one missile to carry multiple payloads. We also had an advantage in bomber payloads not covered by the agreements. These advantages offset the Soviet advantage in missile launchers and "throw-weight."

(2) The Interim SALT Agreement halted the upward momentum of the Soviet programs at a time when we were not expanding our own programs, partly because we would not get the consent of the Congress to do so.

But in the two-and-a-half years since SALT I, the Soviets have surged into the development of four new missile systems and have repeatedly tested new multiple warheads and MIRVs. As a result, they now threaten to overcome the American technological lead and re-entry vehicle (RV) advantage. The new Soviet missiles, described below, have considerably greater payloads than those they appear destined to replace, so that the U.S. superiority in numbers of warheads could become a gross inferiority in a few years. Moreover, the Soviets have started production of a new bomber, the BACKFIRE, with a refueling capability and other characteristics that give it a potential for offsetting our current advantage in strategic bombers. Finally, there are persistent public reports that the Soviets are building new missile silos in excess of the numbers permitted in the Interim SALT Agreement; that they are testing new radar of a kind used in ABM systems (prohibited in the 1972 ABM Treaty); that they are using concealment ("interfering with national means of verification"—prohibited in the 1972 Agreements); and that they are continuing the development of mobile ICBMs. (The U.S. stated unilaterally in 1972 that deployment of mobile land-based ICBMs would be considered a violation of the spirit of the Interim SALT Agreement).

An early view of the requirements of deterrence held that we must have adequate forces to wreak "Assured Destruction" on the Soviet Union after its worst possible "out-of-the-blue" attack on our strategic forces, i.e., we needed a retaliatory capacity capable of destroying so large a proportion of the population and industrial plants in their cities that no prize would be worth the punishment they would take in return for striking first. If both sides have this capacity, we thought neither would ever dare to attack. The balance of terror would become stable—the "two scorpions in the bottle" would both live, because neither could survive if it attacked the other.

This doctrine of "Mutual Assured Destruction" has been called by its acronym, MAD, because it leaves no alternative to Armageddon if either side miscalculates and deterrence fails. But recent advances in the accuracy and numbers of strategic weapons have made it clear that this doctrine, dubious even in its heyday, is now obsolete. The Soviets will soon be able to launch a first strike that spares our cities but destroys a substantial portion of our strategic and conventional military forces. After such an attack, it would be repugnant—and of doubtful utility—to respond by wiping out Soviet population centers. Moreover, if the Soviets should use only a portion of their growing strategic forces in such a first strike against military targets, they would retain the capacity to wreak havoc on our people should we respond with a retaliatory attack on their cities. Soviet leaders might be willing in some circumstances to gamble with the lives of their people by launching a first strike against our military, but would we respond to such an attack by massacring the Soviet population—especially when our own people were in effect hostages to the possibility of a second Soviet nuclear attack? We would surely be reluctant to launch a spasm of nuclear bombs on Soviet cities if the Soviets were to attack our military forces in a selective, probing fashion. And we would be at least as reluctant to respond with an attack on the Soviet population if the Soviets were to launch their first strike against our allies, since to do so would insure the destruction of our own cities without doing anything to rescue those of our allies. Besides, as other nations acquire the bomb, there are not just two scorpions in the proverbial bottle, but several.

In response to this grisly predicament, the Secretary of Defense now proposes to give our forces a greater range of options for meeting the variety of offensive possibilities the Soviets are now developing. We need not only the capability for a massive counterattack on enemy cities, but also the capability selectively to counterattack enemy military targets. This must include the capacity to destroy "hard" targets, such as hardened missile silos, without expending all our forces. And we must be able to do this with a minimum of damage to nearby civilian populations. These developments are indispensable both to strengthen deterrence, and to provide more rational alternatives if deterrence fails.

The increasingly limited support provided for our strategic forces makes it most difficult for us to mount such a program of flexible deterrence in the face of rapidly improving and expanding Soviet forces. What is needed to restore the balance, and, paradoxically, to reduce the possibility of Mutual Assured Destruction?

Let us start with missiles. As we have already noted, the Soviets have four new ICBM systems in the testing stage, while we have none. They have developed the SS-X-16, which is even bigger than the giant SS-9: the SS-X-17 and SS-X-19, medium sized liquid-fueled missiles, which have three to five times the throw weight of the deployed SS-11s; and the SS-16, which is in the light solid-fueled SS-13 class. If these systems replace the 1610 Soviet ICBMs permitted under the Interim SALT Agreement, they will increase total Soviet throw weight by 67 to 100 percent. All but the SS-X-16 have already been tested with multiple or MIRVed payloads. They could carry an estimated 7,000 one-to-two megaton warheads—many times the yield of our MIRV warheads.

It would only take 300 of the SS-X-18 missiles, which could legitimately replace SS-9s under the Interim Agreement, to pose a formidable threat to our 1054 ICBM force, even, the Secretary of Defense says, after the projected program for upgrading the hardness of our missile silos is completed. There would then remain 1,310 Soviet ICBMs with more than 5,000 reentry vehicles to threaten other U.S. targets, including other hard targets. And if the SS-X-16 is deployed in the mobile version believed to be under development, we could not even rely on verification of the permitted numbers.

When we turn to nuclear-missile-launching submarines, we find that the Interim Agreement permits the Soviets up to 62 submarines with 950 launchers, against 44 and 710, respectively, for the United States. The Soviets had argued that because they had shorter-range missiles than the U.S., and lacked the forward submarine bases that we have in Scotland and Spain, they required greater numbers to maintain comparable on-station forces. (We also regarded our multiple-warheaded Polaris and MIRVed Poseidon missiles as an offsetting technological advantage.) But since SALT I the Soviets have tested versions of their SS-N-6 submarine-launched missiles with multiple warheads and have tested also the SS-N-8 at ranges in excess of 4500 miles (considerably more than the Poseidon range and in the class of our future TRIDENT I missile, still far from flight testing). A 4500-mile Soviet missile could reach any U.S. target when launched from a submarine still in or near the ports of Murmansk and Petropavlovsk. Clearly, the imbalance of the Interim Agreement is becoming greater at sea as well as on land. The Soviet submarines provide a force which the Soviets could readily hold in reserve to deter any response we might consider in the event of an attack on our military forces. And our problems of locating and observing submarines will be increasingly complicated by the existence of nuclear submarines in the hands of other nations.

In the air, the Soviets are deploying a

supersonic medium bomber, the BACKFIRE, which they could adapt to strategic missions and deploy in much greater numbers. These bombers are not included in the Vladivostok Summit guidelines, and strategic bombers are not yet included in any SALT agreement. Pending such an agreement, and in view of the Soviet superiority in missiles permitted under the present Interim Agreement, we should not permit them to overtake us in bombers.

The B–1 bomber, the projected replacement for the aging B–52, is designed, among other things, to have a greater capacity to survive a Soviet SLBM attack. It would play an important role in diversifying our strategic forces, greatly complicating any Soviet plans for attaining first strike capability, and improving our ability to achieve a resilient and flexible deterrent force. It would force the Soviets to continue to maintain their expensive air defenses. Pending an agreement that equitably and verifiably limits bombers, the B–1 is indispensable to help maintain the balance of strategic forces through the eighties. Research and development for the B–1 should not be further delayed.

While the Soviets build toward superiority in strategic forces, spending annually about twice as much on them as we do, we have unilaterally frozen the level of our strategic forces. Moreover, we have denied ourselves qualitative improvements that are within reach and are needed to implement our developing strategic doctrine. Our strategic budget has been declining, both in constant dollars and as a percent of the total defense budget. We must be willing to spend enough to keep up the momentum of the B–1 and TRIDENT programs until equitable and verifiable SALT agreements are reached. We need to accelerate research and development for increased missile accuracy, so that our missiles—small targets—can acquire the capability of destroying hard targets.

This is essential if we are to continue to be able to counterattack selected military targets—a necessity under the new strategic doctrine. We should also step up research and development on larger and more versatile missiles, as permitted under the Interim Agreement. These are needed to match the strong Soviet missile development program. Research and development must go forward on both ABM and ways of penetrating ABM, and must be stepped up to find ways of protecting our vulnerable satellites. We should devote much more effort to development of the NARWAHL, a new strategic submarine that is potentially much cheaper, albeit smaller and of lower performance, than the TRIDENT. (The NARWAHL currently receives only $16 million for design studies.) We urge as well the careful study of more radical solutions, such as the important proposal that we place more emphasis on ballistic missile submarines as our principal deterrent. Obviously, we cannot and should not stop doing research on successor systems. If the SALT talks fail to produce fair agreements, we shall need them.

All of these steps, and probably others, will be needed if, in the face of the Soviet capabilities, we are to insure, as we say we will, that no American President should ever have to choose between capitulating to threats to vital American interests or destroying the Soviet—and American—people. The steps proposed above are modest by comparison to the massive Soviet effort to win strategic superiority. They go substantially beyond the proposals of President Ford and Secretary Schlesinger which, in our judgment, are insufficient for dealing with the threats posed by Soviet advances in strategic weaponry.

Unfortunately, the Vladivostok understanding reached last year between President Ford and Secretary Brezhnev offers no promise of lessening the burden of strategic defense. On the contrary, it could well accelerate the arms race and further complicate the negotiating problem of maintaining second strike capability. It provides a poor and unproductive basis for further negotiations, precisely because it represents a wrong and unnecessary concession to Soviet demands for higher levels of strategic arms, rather than requiring much needed arms cutbacks on both sides.

By allowing each side 2400 strategic vehicles, regardless of size, the Vladivostok Agreement freezes the great missile throw-weight advantage of the Soviet. Thus it gives the illusion but not the substance of equality. If the final agreement attempts to ameliorate this by permitting the replacement of missiles and silos with larger ones, it will invite an arms race of unprecedented, and world-threatening proportions. Moreover, the limit of 1320 for the number of missiles that may be "MIRVed" will further spur an arm race, given the Soviet throw-weight advantage and their catch-up in MIRV technology.

These high numbers of MIRVed missiles will also present especially difficult verification problems. It is particularly unsettling that they carry a real threat of a first-strike capability against fixed ICBMs—a capability that would not necessarily be reached at the same time by each country. The Soviet advantage in throw-weights and yields might well offset the eroding U.S. lead in MIRV and accuracy technology, so that the Soviets might reach a high fixed-ICBM kill capability first.

In short, the Vladivostok formula could well spur, not cap, the arms race, and its codification in a treaty or ten-year interim agreement would make subsequent arms reduction agreements less, not more, likely.

While SALT and the MBFR negotiations continue, and Congress reviews the Ford-Brezhnev guidelines, we must take the hard and costly measures to insure that, should they fail, we will be adequately prepared to meet the mounting military threats to ourselves and our allies. Action of this kind can only encourage the success of these negotiations.

The Secretary of State has asked rhetorically, "What in the name of God is superiority? What do you do with it? How do you use it?" The Soviets can answer this question. They are squeezing their economy and their people for the sake of military superiority because they are convinced that it has meaning today. It offers them the credible possibility of being able to make or to threaten selected strategic attacks against our military and our allies. Even more important in their eyes, it provides them with a great psychological and political advantage in the coercive diplomacy of blackmail they have practiced for more than thirty years, and continue to practice unabated, despite their indulgence in the political rhetoric of "detente". We should not rest peace and liberty on the possibility that Mr. Kissinger—talented as he is—can talk the Soviet leaders out of their convictions, or out of acting on them in a disastrous experiment to discover whether or not they are valid.

IV

Conventional forces

While the problems of nuclear balance are difficult, maintaining an adequate U.S. military potential in the non-nuclear field is our greatest immediate challenge. Thus far, nuclear stalemate has given the Soviets the opportunity to inspire conventional wars and proxy wars—an opportunity which has become nearly a license with the decline since Korea of the will of the Western allies to insist on the enforcement of the United Nations Charter. The policy of deterrence must apply at the conventional as well as the nuclear level. The experiences of the Arab-Israeli war of October, 1973, and subsequent hostilities, and the prospects that conventional war may again break out in the Middle East, in Europe, or in Asia—all should cause us grave concern about the adequacy and morale of our general purpose forces.

The Soviets provided their Arab allies with vast quantities of highly sophisticated conventional equipment before the Yom Kippur war. These included effective anti-tank and SAM anti-aircraft missiles, new model tanks and other armored vehicles, and SCUD ground-to-ground missiles. Much of this equipment remains in Arab hands, and the Soviets have massively re-armed the Syrians during the past year—bringing the quantity and quality of Syrian arms well above the levels of 1973. It is widely predicted that Soviet-Egyptian rapport—if it was ever really frayed—will soon revive, and that the vast Soviet arsenal will again pour out conventional weapons, parts and ammunition for the Egyptian armies, which have in any event received some Soviet supplies throughout the period since October, 1973.

We cannot provide our Israeli allies with the arms to counteract this Soviet supply without either denuding our forces in Europe and at home or substantially increasing our manufacture of conventional arms. Our predicament is not caused only by the Middle East conflict. Both military and political trends are undercutting our capacity to defend Europe. Without new efforts by the U.S. and its NATO allies, NATO forces may deteriorate before long into a mere skirmish line—a "military museum," as General Steinhoff remarked—in comparison with the Warsaw pact armies, which are mounting an ominous potential for a blitzkrieg attack across Germany to the English Channel.

Security plans in relation to the Soviet Union necessarily depend on capabilities, not on misty and uncertain estimates of intention. Whether such an attack ever occurs will depend in large part not only on political and strategic developments throughout the world, but on NATO's steady capacity to resist. What can be said now, with certainty, is that the Soviet posture with respect to Europe goes far beyond the conceivable limits of "defense".

A comparison of American and Soviet conventional military potential is a somber exercise. The Soviet Union has half-again as many men under arms as the United States: 3.4 million to 2.2 million. Some military analysts believe the ratio is more like two-to-one, if one allows for the large numbers of paramilitary personnel in border guard, internal security and other units not officially included in the Soviet armed forces, and the high ratio of support to combat troops in all American formations. Direct comparisons are here even more difficult than in the strategic case, and there are great uncertainties about equipment, logistics, training, and readiness. But we know that the Soviet and Warsaw pact armies are heavily equipped with tanks and artillery. The Soviet Union alone is estimated to have four times as many tanks as the United States (and five times the annual production rate, even after the projected U.S. step-up in 1975), three times as many artillery tubes and twice as many heavy mortars. While total numbers of Soviet tactical aircraft exceed those of the U.S. by about 40 percent, they are believe to be producing such aircraft at double the U.S. rate. And their air defenses are not only far greater in their home (strategic) deployment but also in mobile or transportable systems (both missiles and artillery).

At sea, the Soviets have moved rapidly from a coastal defense to a "blue water" navy, with almost as many surface combat ships as the United States, and over three times as many submarines (other than ballistic missile submarines). Here again, their building programs are far, far greater than our own. Their surface ships tend to be smaller, but emphasize speed and intense firepower and they have been dramatically increasing their at-sea activity rates. They are ahead of the U.S. in surface-to-surface antiship missiles, and have nuclear antiship missiles, which we do not. In a direct conflict, these weapons could take a heavy toll of our fleet at the outset. The Soviets are behind us in endurance and in their ability to resupply their navy while it is under way. In aircraft carriers, with fifteen in service, the U.S. still enjoys a virtual monopoly, but the Soviets now have a program under way which has already produced one carrier and soon will produce another. They possess a formidable attack submarine fleet, although the U.S. currently has far greater antisubmarine resources and capabilities.

Clearly, our conventional military resources are in many important respects inferior to those of our principal potential adversary. And our programs for revitalizing and restoring these resources are so modest that we are falling further and further behind, rather than catching up. Are we, then, maintaining a prudent deterrent against aggression? Are we taking undue risks? Can we handle likely contingencies?

Let us ask these questions first about the defense of Western Europe itself. Obviously, the strategic position of the United States would change profoundly—and nearly fatally—if Western Europe should come under Soviet control. The Warsaw Pact and NATO have substantially equal manpower—roughly 900,000 troops—in central Europe, a front of primary concern. But the Pact has almost twice as many divisions and a much higher "teeth-to-tail" ratio—more tanks and firepower, less logistical support. The Soviet forces and doctrine appear to be designed for massed attack on a narrow front—blitzkrieg "shock" tactics against a sector of the NATO defenses, which are thinly spread over the whole front. They aim at quick breakthrough and a short war. The NATO forces are geared to a long-sustained defensive effort, with some quick reinforcements airlifted from the U.S., but the bulk coming by sealift. (This would require first the winning of a protracted battle for the Atlantic sealanes, against the growing Soviet submarine and surface fleet.) Political and moral strictures preclude an offensive military strategy on our part, a limitation that offers the Soviets some important advantages. The air forces at the front are roughly equal, but if the Soviets achieve surprise and knock out many airfields at the outset, NATO might have great difficulty in providing an adequate air defense. We have one program underway to redress this risk: building concrete aircraft shelters, which the Soviets did in response to lessons of the Six-Day War in 1967, and which NATO should have done much more quickly.

There are, of course, claims that NATO could mount an impressive defense. To us, such claims appear dubious. Prudence dictates much more vigorous action to correct the deficiencies both of hardware and of strategic doctrine. There is considerable feeling, particularly in Europe, that the risks are not great: that the Soviets are inhibited by fear of a second front in the East; by the "nuclear umbrella"; by their interest in winning control of an intact European industrial base by political means; by the unreliability of their satellites in Eastern Europe; and so on. But the Soviets are steadily building up their forces facing Europe. They have shown no real interest in negotiating MBFR—Mutual Balanced Force Reductions—and they keep up the pressures on Europe in many ways. They have suppressed dissension within the Warsaw Pact. And they continue to pursue their Middle Eastern policy, which, as we have remarked, has always been directed not against Israel alone, but first and primarily against Europe and NATO. Indeed, the Chinese now say that the United States has successfully deterred a Soviet attack on China, and that the threat of a Soviet attack in Western Europe is great, and is growing.

Today, the Europeans must look to American tactical nuclear weapons to deter a conventional Soviet attack. We currently have seven thousand tactical nuclear weapons in Europe, but we must remember that the Soviets have 3500 nuclear weapons of their own. Theirs are believed to be larger than ours, on the average. If NATO's conventional defenses did not contain a Soviet attack, the Soviets would be able to overrun at least a portion of the American weapons. NATO field commanders might not get the Presidential release to use them in time. The Soviets would have the initiative, which could well prove decisive: they might, for example, start with a nuclear attack on our nuclear weapons, airfields, and other military installations. American "victory" then, if achievable at all, would at best save a devastated Europe.

Yet we cannot unilaterally withdraw the tactical nuclear weapons from Europe, and leave the Europeans feeling completely vulnerable to the Soviets, lacking the assurance these weapons provide of our seriousness about European defense. Nor is there any present prospect for a verifiable bilateral withdrawal of Soviet and U.S. tactical nuclear arms from Europe. The only realistic option is to redress and maintain a genuine balance of conventional forces in the European theatre. Nor can we look at Europe in isolation. The great risk is not of an "out-of-the-blue" Soviet attack on Europe, but rather that the Soviets might attack Europe during a deep crisis involving conflict in the Mideast or elsewhere. When there is no deep crisis, there are always less risky ways for the Soviets to attempt to obtain their objectives; it is when we are engaged elsewhere, or when they are frustrated and under pressure, perhaps both internally and abroad, that attack may appear to be the only way to secure their interests, and the risks may look acceptable, or at least unavoidable.

This brings up the question of what depth of conventional force levels we should seek to maintain. During most of the sixties, it was assumed by policymakers that major wars were conceivable, and not wholly improbable, in both Europe and the Far East, and lesser contingencies were possible virtually everywhere else. In planning jargon, the General Purpose Forces were to be adequate for "two and one-half wars." Since China's rapprochement with us, our planners have shifted from a "two and one-half war" strategy to a "one and one-half war" strategy. While there is some justification for this shift—the Soviets may well fear a two-front war involving both NATO and the Chinese—we should guard against the facile assumption that China has become a reliable ally. She is still a potentially dangerous totalitarian state, subject to the drastic shifts in policy which characterize the governments of narrow elites. The Soviets are surely making great efforts to reverse the American orientation of Mao's policy, and will intensify these efforts when he dies. Therefore we must carefully scrutinize the adequacy of our deterrent (and readiness) for the "one and one-half war" contingency, and the adequacy of the concept itself.

But one need not make a final judgment on such complex problems of strategy to realize that our conventional forces are at present spread very thin. The Secretary of Defense has said that we faced an empirical test of our conventional preparedness in the Middle East conflict of October, 1973, and that we met the test "smartly and efficiently." Our impressions are less sanguine. We seriously depleted our stocks of modern weapons in Germany to supply the Israelis; our airlift depended on a single staging base in the Azores, which Portugal may now deny us; and the only credible deterrent we could pose to the prospect that Soviet troops would intervene on behalf of the Arabs was our worldwide nuclear alert. This, remember, was only "one-half" of a war, not "one-and-a-half" wars. To say that our performance does not inspire confidence is to be generous indeed.

It is apparent that we and our allies must increase our conventional defense capabilities in order to counter the rising pressure of Soviet policy, felt in many areas of the world vital to our security. Soviet general purposes forces are increasing steadily in strength and mobility, backed by formidable sea power and air-lift capacity. The Soviets continue to arm and supply client states, and to foment proxy wars which have proved extremely difficult to contain. We need to increase our research and development on antitank, antiaircraft, and antiship weapons; on battlefield surveillance and targetting capabilities, especially for night and bad weather conditions; and on more flexible and rapid command control capabilities. We need to build up our stocks of vehicles, weapons, and ammunition, both for deterrence, and to make certain that our War Material Reserve will not be dangerously depleted by crisis requirements like the October, 1973, airlift and sealift which helped save Israel. We need to build and arm ships to revitalize our dwindling Navy before it can be successfully challenged by the growing power of the Soviet fleet. We need to increase our capabilities for both tactical and strategic mobility and air resupply. Above all, we need larger well-trained mobile ready forces.

None of these needs is met by the programs recently proposed by the Ford Administration.

These conventional requirements, plus the strategic needs we have already noted, could cost eight to ten billion dollars in the Fiscal Year 1976, at present prices, beyond the amounts requested by the Ford Administration. Exactly how much more these additional capabilities would cost will depend not only on the calculations of experts, but on how much could be saved by potential economies in other parts of the budget. The struggle to eliminate waste in the defense budget is and should always be a prime concern of good management. Of course we favor such efforts. Our thesis here simply is that the needs must be met, at the lowest possible overall cost.

The Ford Administration has proposed an $8 billion increase in defense spending for the Fiscal Year 1976:—less than a 10% increase in a year in which it forecasts a 10% increase in the price of defense goods and services. In short, the Administration proposes what could be a static or constant level of defense effort on the most optimistic possible assumptions—if everything proceeds according to plan, and prices do not rise more than 10%.

This is simply not good enough as the framework for an adequate defense program. We cannot afford to fall behind in efforts essential to the stability of the balance of power, and therefore to the safety of the nation.

Current defense spending takes the lowest proportion of our current output, the lowest percentage of our GNP, since the days before Korea. Even more significant, we have over eight percent unemployment, and vast unused plant capacity. If we should spend an additional $10 billion for defense—two-thirds of one percent of our current GNP—we would still have ample unused resources which could be devoted to producing additional output for new social programs, and

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to stimulate private capital formation and consumption through tax cuts. In the present state of the economy we do not face a "guns or butter" choice. If it is well-managed, the American economy can provide the defense we need and much more "butter" as well—more education, medical research, pollution control, new energy capacities, and more of the other things we urgently need.

Of course, as a matter of principle, defense efforts should never be based on what we can "afford." They are not luxuries, optional programs to be dropped in times of difficulty. We can never afford not to do what has to be done to assure the safety of our people, our national interests, and our democratic institutions.

Conclusion

In our Statement last July on "The Quest for Détente," we commented that "the Soviet Union does not even pretend that it is carrying out its obligations under the Indochina accords of 1973." The significance of that judgment, which the Administration did not challange in its response to our statement, is now more obvious that it was eight months ago, with the bleak news of intense combat in South Vietnam and Cambodia.

The news is bleak also in the other main theatre of active conflict, the Middle East. The Soviets continue to arm the Arab states for offensive war, and to support the Palestinian terrorist and political groups which are desperately seeking to prevent a political settlement between Israel and her neighbors.

When John F. Kennedy was a student in London, during the middle thirties, he wrote a book, "While England Slept." We and our allies are in a mood of somnabulism similar to that which paralyzed France, Britain, and the United States during that strange period. If we and our allies had been able to wake up then, World War II, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today. To do so requires us to face the world as it is, and to act calmly, responsibly, and effectively in order to protect our interests in its evolution.

Some contend that we cannot afford a larger defense budget, and that the present budget is full of fat, luxury, and expenditure for obsolete weapons. We have been careful here not to propose specific figures for the cost of the programs recommended in this statement, beyond indicating the order of magnitude they imply. Perhaps all that the Secretary of Defense wishes to do, and all that we propose to add to his program, can be obtained for less than the budget he has proposed. We are sure that there are economies that can be discovered. And we support research and modernization that might reduce the vast cost of the defense establishment.

But long experience has made us skeptical of easy promises to eliminate spending "fat", worthy as that goal is. The effort should continue to be made, of course. Our thesis is simply that our strength should be enhanced, through the programs suggested here, at the lowest possible cost.

We are also convinced that we can afford both the programs essential to our defense, and those essential to our domestic well-being, if we adopt sound policies for ending the recession and reviving economic growth, and if scarce resources, such as energy, are widely used. A progressive economic policy should make it possible for us to do whatever the national defense requires, in an economic environment which restores both full employment and price stability.

We shall not pursue these issues in this paper. (They are thoroughly discussed in the Economic Policy Task Force of CDM which was recently issued.) We have prepared this document on the assumption, which we believe to be absolutely sound, that Americans will spend, and do, whatever is needed to assure safety and prosperity of the nation. The problems we have sought to address are the kind of international challenges the nation faces, and the kind of defense program the national safety requires to deal with them.

Our answer is sober, but not pessimistic. We believe that we must stop drifting, and stop distracting ourselves with sentimental, guilty, or foolhardy excuses for neglecting our responsibility to provide for the common defense. That responsibility is shared by every official of the Executive branch, every member of Congress, and every citizen. We appeal to them all, from the President and the Secretary of State to the proverbial man and woman on the street, to look at the evidence directly and soberly. We face choices like those the nation faced in the heroic administration of Harry Truman, whose achievements are generally applauded today.

The nation—and the world—owe an immense debt of gratitude to the two generations of leaders of both parties who confronted, and met, the troubles of their times. The nation must come together once again, to deal with the challenges now before us.

The will of the people cannot be mobilized unless the President and the Secretary of State address these issues with words and deeds adquate to their gravity. Nor can a broad and bipartisan consensus emerge unless the Democratic Party faces the facts with equal discipline and equal responsibility.

The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to undertake that discussion and debate.

Thus far, that resolve has been the missing factor in the politics of national defense. It is the key factor. We appeal for its revival—

Thus far, that resolve has been the missing factor in the politics of national defense. It is the key factor. We appeal for its revival—a revival of will and of responsibility.

The nation can no longer afford the luxury of political evasion and party politics on the life-and-death issues of foreign policy and national defense.

PLANT A PALM DAY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in early 1974 my wife, Mildred, one of the vice chairmen of the Beautification Committee of the city of Miami, proposed to the committee and to the public that in order to make up, as far as possible, for the great loss of the coconut palm in the Greater Miami area—a tree which has meant so much to the beauty of that area and is so characteristic of it—that people who loved our palms and wanted them to remain one of the beautiful symbols of our area should plant a palm to replace, as far as possible, those which are lost by the lethal yellowing which has destroyed so many.

Mrs. Rose Gordon, one of the distinguished members of the Miami City Commission, recommended Mrs. Pepper's idea to the Miami City Commission. The distinguished Mayor of Miami, Hon. Maurice Ferre, and the members of the City Commission of Miami adopted the idea and set aside a day called Mildred Pepper Plant a Palm Day when the city of Miami would encourage its citizens to plant a new palm. The first Mildred Pepper Plant a Palm Day was commemorated in Bay Front Park in December of 1973, when the city of Miami provided 300 sprouting coconuts and showed the people how to plant them. This occasion stimulated many of the beauty-loving citizens of Miami and the Greater Miami area to plant a new palm.

On March 14 of this year the second annual "Mildred Pepper Plant a Palm Day" was commemorated under the direction of the City of Miami Committee on Ecology and Beautification, under the chairmanship of a very distinguished local businessman and a man dedicated to the beauty of the Miami area, Hon. E. Albert Pallot. On this occasion, held again in Bayfront Park, many citizens gathered. A talented, local citizen wrote a poem on Plant a Palm Day emphasizing the significance of such a program and dedicated it to Mrs. Pepper. Mr. Speaker, I think this poem beautifully expresses the sentiment of this significant program of trying to keep Miami a city of palms and I include Mr. Gene Griener's poem in the RECORD following my remarks:

PLANT A PALM DAY

(By Gene Griener)

If every citizen of Dade
would plant a palm, it could be made
as our defense to fight the blight
killing our palms each day and night.

We grieve their loss when each one dies,
these graceful palms kissing our skies
for they are sentries of our land
guarding—protecting surf and sand.

Why nature should destroy each palm
cannot be found in any psalm
for each tree is a gift from God
to grace our land—to bless our sod.

Regardless what the cause might be
we must restore palm's dignity
so future youth of Dade can share
these seedlings we now plant with prayer.

SECOND LOOK NEEDED AT HOUSING PLANS

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, one of the problems with much of the "emergency" legislation that the House has enacted in the past few months is the lack of a close look at the effects. In particular, this holds true for legislation enacted in the housing field. A recent editorial hits the nail on the head with regard to this problem and I would like to share these thoughts with my colleagues:

[From the Minneapolis Tribune, Apr. 28, 1975]

EDITORIAL

Congressional concern for homeowners, builders and buyers is overwhelming, which is also the right adjective to describe the intricacies of legislation already enacted or well on its way to becoming law. The 5-percent tax credit, up to $2,000, for purchase of a new home is part of the recently signed tax-cut bill. Bills called the Emergency

Middle-Income Housing Act of 1975 and the Emergency Homeowners Relief Act have passed the House. Similar but not quite identical measures were combined into one bill approved Thursday by the Senate. So a conference committee now has to resolve differences and will, we hope, consolidate, alter and eliminate some provisions.

Conceived in haste, the tax credit—better described as the home-buyer's windfall—may have contained the seeds of its own destruction. It was designed to spur the sale of new houses, helping builders stuck with expensive inventories. To prevent profiteering, Congress included a requirement that an eligible house be sold with a certification that the price is the lowest at which the property has ever been offered. Since carrying costs accumulate (interest alone on an unsold house can run several thousand dollars a year), builders understandably show little enthusiasm for the program.

The middle-income housing bill passed by the House is an interest-subsidy program with considerable appeal at the moment and adverse implications for the future. The intent—to make housing available to more people—has merit, as does the bill's anti-recessionary potential. But its provisions for continuing subsidies, in some cases over the entire life of a 30-year loan, build in another mandatory federal expenditure extending far into the future. That may be appropriate in some instances. But a subsidy program spread as widely as it is by this legislation seems to us to carry undesirable consequences for federal budgets in later years. An addition to the Senate version answers that problem to some extent, but in an equally questionable way: an option to provide a $1,000 grant to a home-owner for a down payment.

The homeowners-relief bill is designed to help unemployed workers meet their mortgage payments. That is a purpose few would oppose (the bill passed the House this month 321 to 21), but there are questions about the means by which it would be accomplished. The idea is to permit federal loans up to $250 a month, over a maximum of two years, to an unemployed homeowner. The Senate raised those figures to $300 a month over three years. Thus the recipient borrows at up to 8-percent interest to make monthly mortgage payments that include interest. It isn't frivolous to ask what happens if in the future borrowers have trouble repaying federal loans used to make housing-loan payments. Is there then a new loan program to help repay loans provided to make mortgage-loan payments?

Prompt housing assistance is necessary. But the quantity and variety of programs that Congress seems bent on producing are such that the whole subject needs a second look.

DEPARTMENT OF DEFENSE RECRUITING RESULTS FOR MARCH, FISCAL YEAR 1975

(Mrs. SCHROEDER asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, I would like to put in the RECORD at this point the recruiting results for March 1975, as provided by the gentleman from Virginia (Mr. DAN DANIEL):

Preliminary figures have been provided to me showing that the total strength of the four Military Services at the end of February 1975, was about 2,144,000. The total was 99+% of their February target of 2,148,000. Strengths by Service are compared with their June 1975 objectives as shown in the FY 1976 Budget Request in the table below:

ACTIVE MILITARY STRENGTHS

[In thousands]

	February 1975 (preliminary)	June 1975 (objective)
Army	779	785
Navy	545	536
Marine Corps	197	196
Air Force	623	612
Total	2,144	2,129

The total of 26,300 men and women recruited in March was 101% of the total objective of 26,100. Through the first three quarters of Fiscal Year 1975 the four Military Services have recruited a total of about 345,500 men and women, or 101% of their objective of 340,700. This total is about 11% above the number recruited in the first three quarters of Fiscal Year 1974.

ENLISTED ACCESSIONS—ALL SOURCES (TO NEAREST 100)

	March 1975			1st 3 quarters	
Service	Objective	Actual	Percent	Fiscal year 1974	Fiscal year 1975
Army	9,800	9,800	100	142,600	157,200
Navy	5,800	5,900	102	72,700	83,200
Marine Corps	4,500	4,600	102	39,100	47,500
Air Force	6,000	6,100	101	57,200	57,700
Total DOD	26,100	26,300	101	311,600	345,500

In March, 98% of all non-prior service enlistees were in Mental Categories I–III, the average and above average mental groups. Of the March non-prior service enlistees, 74% were high school graduates and 9% or 2,300 were women. Black enlistments accounted for about 13% of the March enlistments.

The total selected reserve strengths declined slightly during February:

SELECTED RESERVE STRENGTHS

[In thousands]

	End strengths		Average strengths	
	February 1975 (Preliminary)	January 1975 (actual)	Fiscal year 1975 through February	Fiscal year 1975 appropriated
Army National Guard—	393.0	392.6	393.4	400.0
Army Reserve	228.8	228.2	230.6	225.0
Naval Reserve	106.1	106.8	109.9	111.9
Marine Corps Reserve	32.7	32.9	32.1	36.7
Air National Guard	94.1	94.0	93.8.	95.0
Air Force Reserve	46.8	46.0	45.7	51.3
Total DOD	901.4	900.5	905.5	919.9

LEGISLATION TO AMEND FRANKING PRIVILEGE PERIOD BEFORE AN ELECTION

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, I am today introducing an amendment to title 39 of the United States Code to provide for an increase from 28 to 90 days in the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such an individual is a candidate in the election.

It is surely time for such a change. The right of Members to use the franking privilege begins with the history of this Nation. The first franking privilege resolution was enacted on November 8, 1775, nearly 200 years ago. Since that time few significant changes have been made in it. The reasons underlying the franking concept are fundamentally sound. The free transmission of letters on Government business is directly connected to the well-being of the people because of the nature of the legislative function. The frank is an important tool in the process of informing the citizenry of the actions of their Government.

It is clear, however, that the present franking statute can be the subject of confusion and, in some cases, abuse. The language of the law is sufficiently vague that it is possible to send many items by franked mail which were not intended by Congress, and it is possible to use the frank to political advantage in ways that were clearly not intended by the Congress. As a first step in trying to make the franking regulations clearer and more specific and to remove the possibility of political misuse, I am introducing my amendment to push back the date before an election beyond which franked mass mailings cannot be sent. Increasing the time period from 28 to 90 days certainly does not impose an unfair burden on incumbents, rather it reduces an advantage incumbents have long had over challengers, and removes the mass mailing issue from the realm of political suspicion.

HOLES IN SPACE

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, astronomers and many others of us who follow that science, are intrigued by the possibility that a new satellite to be launched by the United States will provide additional information about the "black holes" in space—the collapsing stars.

In addition, I am proud that the satellite's precise control and command systems, as well as the power system, were designed and developed by constituents at the Johns Hopkins University Applied Physics Laboratory, Silver Spring.

An announcement from the laboratory says:

A complex package of control, power, and command systems capable of pointing X-ray cameras and detectors to very precise points in space, spinning a satellite up or down, or even holding the spacecraft—and its sensors—relatively stationary has been developed as the "service module" of the new experiments which the National Aeronautics and Space Administration will launch no earlier than May 7, 1975.

The overall spacecraft of the Goddard Space Flight Center of the National Aeronautics and Space Administration called SAS–C—small astronomy satellite—will be launched from a manmade platform in the Indian Ocean off the coast of Kenya. The scientific experiments which will seek out more evidence of "black holes" in space and map far more precisely than ever before the X-ray sources, as well as study the variations in their intensity, are provided by the Massachusetts Institute of Technology.

Black holes in space are eternally collapsing stars of condensed matter so massive and compact that no radiation can escape their gravitational fields. Some scientists believe that matter falling into black holes should exhibit extremely brief and intense pulses of X-rays. SAS–C is especially equipped to search for such pulses of X-rays.

The spacecraft, which will carry the experiments and provide support of functioning systems and experiments, was designed and developed by the Johns Hopkins University Applied Physics Laboratory. Mr. Henry B. Riblet is the APL Project Engineer for the SAS program. Dr. Richard B. Kershner has overall supervision as the head of the Applied Physics Laboratory's Space Department.

HOME HEALTH CARE CORRESPONDENCE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have found overwhelming support for my legislation designed to provide home health care for the elderly. But, there has been some criticism particularly from those who see it as a threat to the nursing home industry. My legislation would not put the nursing home industry out of business because there would still be many who need the range of services provided by a nursing home. It would, of course, reduce the number of people in nursing homes by enabling some to stay home.

The legislation was recently attacked by Mr. Ronald Schwartz, the editor of Washington Report on Long Term Care, a McGraw Hill publication concerned with long term care. Mr. Schwartz made certain allegations in a page long editorial which were premised on misinformation. While I welcome criticism of the bill, I ask that my critics know the facts and not to misstate them.

By letter of April 14, I responded to Mr. Schwartz' editorial. Unfortunately, Mr. Schwartz refused to reprint my response in his newsletter. Therefore, I am placing the entire correspondence, including Mr. Schwartz' original editorial, in the RECORD so that those concerned with this subject may read it.

The documents follow:

WASHINGTON REPORT ON LONG TERM CARE

New York Congressman Finds Long Term Care Issues Inviting . . . Utilization Review Requirements Now Set for July 1 . . . SNF Pharmacy Guidelines Drafted by MSA . . . Some Life Safety Code Provisions Questioned in HEW Fire Tests

DEAR READER: It was about a year ago that Rep. Edward Koch (D-N.Y.) became interested in long term care issues. Then, he was piqued by the reclassification of some 200 skilled nursing home patients to lower levels of care. They were transferred to two Intermediate Care Facilities outside his district (see LTC 2–8–74).

Since then, Koch has been firing a barrage of criticisms at the Department of HEW's Medicare and Medicaid long term care policies, or lack thereof. Especially since disclosures of New York City nursing home abuses in recent months, the Manhattan member has become the most vocal critic of federal policies in the House.

However, Koch is on the Appropriations Committee, which although an important committee, does not directly handle legislation he is concerned about, namely Medicaid fraud and alternatives to institutional care. This also means that rather than rely on professional committee staff to research and prepare his speeches, he must use a small personal staff which one day could be dealing with pithy issues and the next day could be chasing a constituent's complaint against the government.

One example of hurry-up research was contained in a March 11 speech in which Koch stated that a "recent HEW study" estimates that between 14 and 24 percent of the Nation's nursing home patients could be maintained at home. Long term care tried to obtain a copy of the report, but an aide even refused to cite its title. Upon further inquiry, elsewhere, it was learned that the figure was derived from a 1969 nursing homes' survey of HEW's National Center for Health Statistics. But the survey merely indicated that many skilled patients could be at lower levels of care, perhaps still institutionalized.

It may be that Koch is overstating the case in order to get Congressional action on much needed home health care. He would not be the first to employ such a tactic. The new House Select Committee on Aging, which received staff funds this week, should bring attention to the issues.—THE EDITORS.

NATIONAL COUNCIL FOR HOMEMAKER-HOME HEALTH AIDE SERVICES, INC., *April 2, 1975.*

MR. RONALD SCHWARTZ,
Editor, Washington Report on Long Term Care, National Press Building, Washington, D.C.

DEAR MR. SCHWARTZ: In a letter to the reader in the March 28th, 1975 Washington Report on Long-Term Care, you suggest Representative Edward Koch did not properly substantiate his statement that between 14 and 24 percent of the Nation's nursing home patients could be maintained at home. The enclosed pages 11 and 12 from a report of a survey of the literature on *Costs of Homemaker-Home Health Aide and Alternative Forms of Service* published recently by the National Council for Homemaker-Home Health Aide Services, contain references to several report which support Mr. Koch's figures or indicate they are conservative.

The issue of inappropriate placements is also handled at length in *Report of the Governor's Commission on Nursing Homes* from Maryland. A major point in that report indicates that persons placed in homes offering more care than they need may prevent those for whom such care would be appropriate from obtaining it.

Sincerely,

NANCY ROBINSON, D.S.W.,
Director, Approval Program.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 14, 1975.

THE EDITORS,
Washington Report on Long Term Care, National Press Building, Washington, D.C.

DEAR EDITORS: I found your report of March 28th on my home health care legislation a shocking piece of journalism. First, you were inaccurate. Second, you not only overstated your case, something you accused me of, but you were actually misleading. I am not sure whether this is the product of poor staff work, or simply the product of an harnessed bias.

First, on the matter of the transferral of some 200 skilled nursing home patients to lower care facilities. What I was angry about was that the patients were being transferred to facilities where the cost of care was to be *more* even though the level of care less. They were also being transferred, at a callously rapid manner, from Greenwich Village where most had lived their adult lives, to Coney Island. Again, all of this so the government could pay *more* for their care. The transfer resulted in two deaths and is now being investigated by the New York State Moreland Commission.

You attempted to discredit the facts I have advanced in support of my legislation by belittling by staff—a cheap shot indeed. A number of studies by government, academic and professional groups have substantiated my figures. The HEW study has been updated and the figures of 14 to 25% of the nursing home population not needing institutionalization remains. Indeed the Levinson Gerontological Policy Institute estimates that "anywhere between 15 and 40% of the populations of proprietary nursing homes may require—or could benefit from—such supplemental care (referring to home care) in lieu of institutionalization depending upon the admission policy(ies) of these homes." Also, I believe you have received a letter from the National Council for Homemaker-Home Health Aid Services setting forth information that substantiates my figures. If anything, the studies show I have understated the percentages.

It is interesting that you did not offer any figures of your own to rebut mine.

The final sling was in your statement that a member of my staff refused to cite the title of the HEW study. At the time of our call he did not know the title, but offered to find out what it was for you if you could not get the desired information from the Department of HEW. There was no cloak of secrecy around the study, and I am surprised that if you called the Department of HEW you did not learn that the study had been updated since 1969.

In reading your piece, all I could wonder was whose interests do the editors represent? I would like to know this, and I request that you reprint this letter in full in your next report.

Sincerely,

EDWARD I. KOCH.

NATIONAL COUNCIL FOR HOMEMAKER-HOME HEALTH AIDE SERVICES, INC.,
April 17, 1975.

MR. RONALD SCHWARTZ,
Washington Report on Long Term Care, 437 National Press Building, Washington, D.C.

DEAR MR. SCHWARTZ: Thank you for your letter of April 16th. I appreciate the time and thought you gave to the subject at issue and found your basic premises to be sound.

The two Urban Institute working papers by Bill Pollak are included in the annotated bibliography of our Costs of Homemaker-Home Health Aide and Alternative Forms of Service, page 47. I have had several telephone chats with Mr. Pollak, and sent him an analysis of the working paper, to which you refer in your letter, in 1973. A copy of the analysis is enclosed.

We, too, are vitally interested in the 222 projects and hope they will provide helpful data.

Sincerely,

NANCY ROBINSON, D.S.W.,
Director, Approval Program.

WASHINGTON REPORT ON
LONG TERM CARE,
April 16, 1975.

DR. NANCY ROBINSON,
Director, Approval Program, National Council for Homemaker-Home Health Aide Services, Inc., New York, N.Y.

DEAR DR. ROBINSON: I appreciate your taking the time to send me your views concerning the item of March 28. I would also like to thank you for enclosing the material which would tend to substantiate the conclusion of Congressman Edward Koch that from 14 to 24 percent of our nursing home patients should not be in institutions and could be maintained at home.

I believe that many of us have been erroneously perpetuating two ideas in the long term care area. One, touched on in my March 28 column, is that too many people (over 1 million) are in nursing homes and that about 25 percent of them could be cared for at home. Congressman Koch, of course, was stating this view. The other thesis is that cost savings could be realized if these individuals in nursing homes could either receive home health or home health aide services.

In both cases, though, we may be guilty of generalizing from studies which have specific conclusions. On the first point, I would have to agree—there is evidence to support that some institutionalized individuals could be maintained at home. But as I stated in my column, this view is often confused with studies which show that patients are not classified at levels of care commensurate with their needs. Generally this is so because our Medicare and Medicaid programs have built in incentives for "overcare."

So, yes, I will concede that there are patients in nursing homes who should not be there. But there are patients in hospitals for stays longer than they need be. Also, there are individuals at home receiving no care at all who, because our health care system is designed for the old and the sick, are receiving neither the institutional nor the home health and home care services they need. A true utilization of our health care system, then, might not decrease the size of our total nursing home population—and might even result in an increase. According to the Maryland Governor's Commission on Nursing Homes study, home health care would not reduce the number of patients in nursing homes but could be used to decrease the size of the nursing homes' waiting lists. Indeed, this is a problem, as the National Center for Health Statistics pointed out in its 1973 survey of nursing homes that 77 percent of all homes maintained waiting lists (HRA publication 75–1120, p. 4).

On the subject of costs, Congressman Koch and others in Congress have stated that home health is always less expensive than institutional care. He has said that every study he has seen supports this view. Here again, a thesis has been formed by generalizing from studies which apply to specific situations. The Medicare study he placed into the Congressional Record on March 18 compares home health to care in a hospital and in an extended care facility. On March 11 he placed a study into the Record which basically compared a home maintenance plan to "nursing home care" (no level specified). One of the best comparative cost studies I have seen has not been cited by anyone—that done by the Urban Institute in March 1973. The conclusion is that some levels of home health care could be more expensive than moderate to lower levels of care in an Intermediate Care Facility. More data is needed, however, and unfortunately the Department of HEW has lagged miserably in getting projects underway that should yield this information (January 17 issue enclosed).

In my taking issue with Congressman Koch, I hope it does not sound as if I am nitpicking over facts. The facts that we have on a concept, though, determine how a program is designed in legislation. For example, Congressman Koch has specified in his home health bill that no individual under Medicare or Medicaid will receive more home health care benefits than he or she would have were they institutionalized. I suppose this provision is based on the premise that home health care is always cheaper than institutionalized care. One can imagine the limit in effect, where some government official in a welfare office punches a group of figures onto a calculator and then tells an elderly person: "Sorry, your home health benefits total up to more than those if you were in an institution—so you must go into a nursing home or else lose all your benefits."

Home health and home maintenance care must not be sold to Congress on two unsubstantiated premises—that it will reduce the total population in nursing homes and that it will save us gobs of money. It should be sold for reasons that individuals must receive care to match their needs, and that care should be provided in a variety of settings which include home health and home maintenance.

Sincerely,

RONALD SCHWARTZ.

WASHINGTON REPORT ON
LONG TERM CARE,
April 23, 1975.

Representative EDWARD I. KOCH,
1134 Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Mr. Brazda has asked that I respond to your letter of April 16. I believe you have received a copy of the April 17 response that was sent to me by the National Council for Homemaker-Home Health Aide Services. In reply to my April 16 letter to the organization, a copy of which you also received, Dr. Nancy Robinson has written: "I appreciate the time and thought you gave to the subject at issue and found your basic premises to be sound." May I suggest that you, too, read closely my April 16 letter.

In answer to your question of why I could not include in my March 28 article figures to rebut yours, one of the limitations of my front page essay is that whatever I have to say must fit into 31 lines. If you are familiar with my newsletter, you know that I do not say something which cannot be substantiated through information or data.

Indeed, your accusation of poor staff work on my part missed the mark. I have no staff, which is one of the reasons I know the limitations of the information that I have. For example, I would never call a study a "recent study" if I did not have the study or did not know its title and date. Sooner or later someone, simply out of a desire for knowledge, will want to obtain a copy. By coincidence, a staff member from the American Association of Homes for the Aged (which represents nonprofit homes) came up to me after the column appeared and said that she had an experience very similar to mine in attempting to gain a copy of the recent study mentioned in your speech.

Yes, I did contact HEW after Bob Weiner of your staff refused to cite the title of the report or provide me with any information from which I could obtain it. I am not going to name sources, but the HEW official who had supplied the information to Mr. Weiner said it was extrapolated from two charts in the 1969 study of the National Center for Health Statistics: "Charges for Care and Sources of Payment for Residents in Nursing Homes." I would rather not belabor this incident any longer, what Mr. Weiner said to me or what I said to him. I don't think it serves a purpose to match recollections.

What I would suggest is that your staff more critically analyze the information coming across its desk, despite the well-intentioned goals of the organization supplying the data. There is a wealth of statements and information on long term care issues, but a paucity of good data. I believe we should have had this data years ago, or at least now. My enclosed January 17 newsletter describes HEW's problem in getting Section 222 experiments underway.

The reason I raised the point, in my March 28 column, of your concern over the transfer of 200 skilled nursing home patients is that the issue had national impact, stretching beyond the confines of the 18th District of New York. Both Senators Moss and Percy had expressed concern that thousands of nursing home patients, in a number of states, might be callously reclassified and thus transferred to facilities providing lower levels of care. I am at a loss to explain your statement that the care would cost more. Although I am not doubting your report, generally the reason states were moving toward reclassification was to save Medicaid money.

Lastly, I must decline your request to print your letter. Because we do not have the space of a daily newspaper, we have no "letters to the editor" section. That does not mean, however, that long term care is doctrinaire to the point of ignoring comments. Nobody is perfect, and I rely on my readers in many cases to point out errors when they occur.

Frankly, I resent the tone of your letter, especially the inquisitorial request to tell you: "Whose interest do the editors represent?" In answer to that question, and at the risk of sounding corny, long term care represents the truth (as best as it can be ascertained). I am enclosing some issues which I think indicate that I play no favorites. Most important, in each story there is a purpose: to tell the reader what he or she would have not been able to learn either through the newspapers or their organizations' newsletters.

Sincerely,

RONALD SCHWARTZ.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 7, 1975.

MR. RONALD SCHWARTZ,
Editor, Washington Report on Long Term Care, 437 National Press Building, Washington, D.C.

DEAR MR. SCHWARTZ: Your April 23rd letter does you little credit. I am taking the time to point out your continuing inaccuracies.

First, it is interesting to note that, although you choose to quote a portion of Dr. Robinson's latest letter to you, you do not acknowledge her substantiation in her April 2 letter of my figures of 14 to 25% of the nursing home population not needing institutionalization and her statement that these figures, far from being inflated, may actually be conservative. Neither do you adequately rebut in either your letter to Dr. Robinson or your letter to me, the figures cited in the updated HEW study and the Levinson Gerontological Policy Institute to which I referred in my April 14 letter to you. These figures clearly support my position.

Of the greatest concern to me is your basic misunderstanding of my legislation and my statements regarding it. I have never maintained that home health care is *always* less expensive than institutional care. In fact, that is the reason that my bill provides that in no event shall a patient be entitled to home health care reimbursement exceeding the cost of institutionalization—a procedure which the study contracted by HEW and released on January 3, 1975 says is feasible. That study says, "It is possible to structure each of the above (alternatives including comprehensive home care) so that expenditure rates could achieve that required in the local area for ICF care at a maximum." Under the definitions of my bill, institutional care includes skilled nursing facilities. I believe that home health services should be reimbursable up to SNF level.

Your denigrating my reference to the HEW report as a "recent study" is not understandable. I know of few government extensive studies that one could be working with in 1975 that could be any more recent than one issued in January, 1975. In addition, I am suprised that you were unable to obtain a copy of this report, which my office received simply by calling the agency and had advised you to do likewise.

Again I want to indicate my upset at your refusal to permit an editorial reply on my part to an editorial on your part which contained gross factual errors and an obvious bias. I am also happy to report to you that the legislation is gaining support each and every day that goes by and at the present time there are 85 House co-sponsors. Because I think your erroneous material which was undoubtedly read by many interested in the field should be rebutted and since you won't permit the rebuttal to appear in your magazine, I have decided to place our correspondence in the Congressional Record so that those interested may have an opportunity at least in this case to read both sides of the issue.

Sincerely,

Edward I. Koch.

ALL THAT NATURAL GAS WAS JUST HOT AIR

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, we should pursue all feasible energy alternatives but nuclear stimulation of natural gas is not one that can be considered feasible, economically or in energy tradeoffs.

I have long and repeatedly questioned the wisdom of pouring money into the Plowshare program and in particular nuclear stimulation of natural gas trapped in deep rock formations. We have been made promises of the availability of trillions of cubic feet of natural gas through the detonations of nuclear devices, and now as noted in the following article, the projections and enticing arguments for nuclear stimulation have been overestimated. I think my colleagues will find the following of interest, and particularly the remarks by the project scientist for Rio Blanco, John Tolman.

Hydraulic fracturing, the use of dynamite and other conventional uses have been encouraged instead of wasteful nuclear detonations.

Plowshare only plows up more opposition to all nuclear activity including power generation, which is another reason it should stay ended.

[From the Wyoming State Tribune, Cheyenne, Wyo., Apr. 29, 1975]

Hydraulic Fracturing Starts at Rio Blanco

Meeker, Colo.—Despite pessimism of a project scientist, the government Monday said it will pump more than a quarter-million gallons of water and sand underground to try and increase production of natural gas in western Colorado.

The Energy Research and Development Administration said the hydraulic fracturing will occur today, 30 miles southwest of Meeker. The agency said the technique was being used as an alternative to nuclear blasts detonated in 1973.

"The hydraulic fracturing will involve perforating the well casing between 7,770 and 7,784 feet deep and then pumping under high pressure approximately 235,000 gallons of condensate and water mixed with 878,000 pounds of sand," the agency said.

According to the ERDA, scientists hoped the pressure from the water and sand would force an increase in the volume of natural gas flowing through the well.

In May, 1973, scientists exploded three 30-kiloton nuclear devices more than a mile beneath the ground to free natural gas locked in rock. The explosions, called Project Rio Blanco, formed three separate chambers rather than the one cavern expected.

Last week, project scientist John Tolman said faulty estimates of natural gas available ended hopes of recovering more than 100 trillion cubic feet of natural gas. Tolman said the gas was not present in estimated quantities.

"If these conditions are found throughout the whole basin, then it is highly unlikely that any technology, atomic explosives or even massive hydraulic fracturing will ever produce the gas economically," he said.

THE U.S. LIVESTOCK INDUSTRY: HOPEFULLY ON THE WAY BACK

(Mr. LEGGETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, I recently went back to my district to speak to some of my cattlemen. I don't mind telling you, the trip was not all pleasant. The beef cattle industry is hurting. I was as optimistic before these people as I felt I realistically could be, and a large part of my optimism was based on the expectation that this bill, which had just been ordered to be reported from the Committee on Agriculture, would soon pass the House. I believe in this bill, and believe it will go a long way toward helping the beef cattle industry out of the hole it is in. My remarks to the cattlemen of Colusa County, Calif. follows:

The U.S. Livestock Industry: Hopefully on the Way Back

Well, here we are, at the end of a 25-year growth cycle for cattle producers. For a year and a half now beef producers have been taking it in the neck. Farm prices have dropped, retail prices have risen, farm costs have gone out of sight, and a lot of our friends have gone out of business. For 25 years the beef industry in the United States generally has enjoyed a growth period, thanks to massive increases in feed production and rising consumer demand. Cattle herds have grown by leaps and bounds in this country, encouraged by bountiful supplies of feed grains, especially corn and sorghum, for which few alternative demands were made. As long as weather continued to be favorable, and seed, fertilizer and farm chemicals were relatively inexpensive, grain production was adequate to supply heavy feeding operations.

In the period from 1952 to 1972 the percentage of grain-fed beef cattle of all beef cattle marketed rose from 48 to 78 percent. Producers were able to put cattle on lots earlier, and by 1972 cattle were fed 55 percent more grain per head than they were in 1950. However, a beef cattle industry based on intensive grain feeding and reacting with too much enthusiasm to consumer demand has proved critically vulnerable to conditions which began to surface in the early 1970s.

Even though most cattle producers expect cyclical price depressions as herds build, the events of the past three years were unexpected and have proved devastating.

Widespread drought in Eastern Europe, Australia, Asia and Africa in 1972 and 1973 caused sharp crop failures and placed a demand on United States' wheat and feed grain stocks that brought them to their lowest level in 20 years and predicted their possible exhaustion in the 1973–74 marketing year. Excessive foreign sales of soybeans and resulting domestic shortages and record high prices prompted a temporary embargo in June 1973.

There were other unexpected events which contributed to the serious situation. Failure of the 1973 Peruvian anchovy catch aggravated an already tight world market for protein feeds and oilseeds. Whereas in the past, crop failures in the Soviet Union were handled by cutting back domestic use, the latest failure brought the Russians to the United States for massive purchases of wheat and corn. Immediately after the sale to the Soviet Union, U.S. domestic prices sky-rocketed.

By early 1974, beef producers began to feel the effects of tight U.S. and world grain supplies, high input prices, and depressed markets. During the first two quarters of the year, slaughter cattle prices dropped from a high of nearly $50 per hundredweight to below $35 per hundredweight.

At the beginning of the year the industry's foundation had already been weakened by consumer boycotts in 1972, a price freeze in 1973, and steadily rising feed costs. Even with the clouds of fuel and fertilizer shortages hanging overhead, things didn't look too bad at the first of the year. First quarter fed cattle prices were strong, averaging around $50 a hundredweight, and crop projections were optimistic.

Then it happened. It began to look as if corn and sorghum crops were going to get the short end of the weather stick. That meant that feed supplies were going to get even tighter and prices were going to go still higher. Already, by November 1973, a hundred pounds of beef concentrate had reached $7.66 from $5.40 the year before. Incidentally, by November 1974 it reached an average of $8.80. Suddenly, the cattle held back after the price freeze had ended in 1973 looked like an expensive liability. Feeders felt forced to unload heavy slaughter supplies and did so even at rock-bottom prices. Prices for choice steers fell to $36 by mid-June and cattlemen were in real trouble. Severe financial losses hit the livestock industry like the plague. Cattlemen closed out; some farmers panicked and disposed of their animals before market. Costs overtook prices at a rapid clip, and cattlemen were forced into a corner.

While many of the factors affecting the cattle industry were out of the cattlemen's hands, like world crop failures, consumer boycotts, truck strikes and the like, an overbuilding of herds is one of the major problems facing the industry now. January 1, 1975 figures show the number of cattle and calves on farms and ranches at 131.8 million head, up by 10 million from January 1973 figures. And even though the pace may slacken, we are looking now at the potential for a very large calf crop in 1975.

What happens to an inventory like that when corn is no longer going for a dollar a bushel, and soybeans at $2.80 are a faint memory? Something has to give, and you folks know better than anyone else in the world that something has. In late 1973, all through 1974, and continuing into this year, depressed prices for steers, and high prices for feed are forcing feeders to cut back operations. Cattle on feed in the 23 major feeding states on the first of January 1975 was down 26 percent from a year earlier, and 31 percent from January 1, 1973. Financial losses suffered by feeders have continued to restrict the flow of feeder cattle into feedlots. Placements during January in the seven major feeding States were down 42 percent from a year earlier. Marketing of cattle from feedlots in the seven States exceeded placements, further drawing down inventories. These States reported just over 6 million cattle in feed on February 1. That is 37 percent fewer than a year ago.

We are witnessing more placement of heavier cattle on feed for shorter periods in an attempt to increase the turnover rate on the lots. For example, in January fed cattle marketings from the reporting States were down only 13 pecent from a year earlier, even though inventories were down 32 percent at the beginning of the month. U.S.D.A. economists predict this kind of pattern to continue through the rest of this year.

Despite contracting lot operations, consumers are certainly not without meat in the market. Last year cattlemen did some very heavy culling. Commercial cow slaughter is estimated to have reached almost 7.5 million head in 1974. That represented a 20 percent increase from the year before, and the largest cow slaughter since 1966. Federal inspection reports showed weekly slaughter for January 1975 averaging near 725,000 head.

U.S.D.A. reports commercial cattle slaughter in January totalling 3.5 million head, up 14 percent from a year earlier. This was the largest number for any January on record, and, as for previous months, the increase was in cows and nonfed steers and heifers. Fed cattle in January made up less than 60 percent of the supply. Cow slaughter was up 30 percent from the same period in 1974.

Now we are facing nationwide consumer resistance to high-priced food items. Beef prices at the retail level have relaxed somewhat in recent months, but the nation's economic situation is shaky, and we cannot be really sure what consumers will be doing in the months to come.

The Department of Agriculture expects that the recent high slaughter rates will ease somewhat as cattle begin to move onto grass and pasture. Feedlot placements might also start taking some of the younger cattle that otherwise would be moving to slaughter. This could strengthen cattle prices, and meat-animal prices in general. The latest Livestock Situation report issued by the Department of Agriculture says that fed cattle prices could reach the mid-$40's during the second quarter. The optimists in the crowd can also look to several other factors. Smaller pork supplies this spring and summer may help strengthen beef prices somewhat, and feed prices which are already easing, may become more and more favorable as the year wears in. Feed costs have fallen substantially in the past few months as large grain plantings are expected and export demand has declined slightly. May futures prices for corn, soybeans and wheat are all down significantly from the season's high points. If you are a grain farmer, this situation is making you very unhappy, but if you feed cattle, there is a ray of hope.

So here we are. Things are really rough. And on top of the catastrophes of the past 3 years, the cattle industry is having to endure attacks from well-meaning, but poorly informed citizens who want to cut back beef production and consumption. Every day we hear people who feel that grain fed beef is a costly luxury; that the eight pounds of grain it takes to produce a pound of meat is wasteful. They want to make all the grain available to hungry nations. Certainly, no cattlemen I ever met would deprive the world's hungry of food. But let's set the record straight.

That line about eight pounds of grain has really made the rounds. Unfortunately, it's incorrect. We don't use grain during the entire feeding cycle. We use it to finish. And so, when you average things out, it turns out that we use about two to three pounds of grain per pound of meat. That's quite a difference.

The idea that we could export the grain to hungry nations is very nice, on paper. But it won't scrub. Most of the hungry people of the world do not eat food corn or sorghum. Most of our corn acreage is not adaptable to rice production, and much wouldn't be easily converted to wheat.

Furthermore, such a complete turnabout would certainly spell doom for the grain farmers of this country. If we did not feed our livestock with the grain we produce, our surpluses would be totally unmanageable. We couldn't begin to sell all that grain in this country, and there is serious doubt that we could export that much more than we are now. It would be folly to think about such a complete shift in policy and practice.

There are other lines of attack. It's a common belief that retail beef prices are too high. Well, if they are, no producers are getting rich from them. We don't have time here today to discuss marketing margins and profits for middlemen. But if we did, and if we went into the subject thoroughly, we might well find some of the answers to the current wide margins between farm and retail prices.

Okay, so here we are: under attack from market forces beyond our control, and under attack from consumer groups who don't understand livestock production. I would like to turn, for a couple of minutes to present efforts in Congress to help cattlemen combat some of these attacks.

I trust you're familiar with the Livestock Credit Program established last year. As you know, it is set to expire in July. Why so soon? Well, when the legislation was before Congress we recognized the severity of the producer's situation, but we didn't expect a continued deterioration. We needed an emergency bill, and we got it. But since then, we had another short crop, and the economy has continued to decline. So now, we are considering legislation that would extend the program and give some extra weight to some of the original provisions.

The Senate passed such legislation (S. 1236) in March. The bill would extend the loan provisions through the end of 1976 and would permit secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank. Further, the measure would raise the guarantee from 80 percent to 90 percent of principle and interest and would provide a longer repayment period under that existing program. Producers would be aided under the bill by 7-year terms with the provisions for a 3-year extension. The bill would also increase the individual loan limit to $500,000.

On March 21st the bill went to the House Committee on Agriculture, and just before I left to come here, the Committee reported it out. Many of the Senate-approved provisions appear in the reported bill; 90 percent guarantees; 7-year repayment periods; secondary financing; and extension of the program through the end of 1976. The House measure would permit a borrower to maintain a line of credit up to $250,000 rather than having to take a lump sum, as under the existing program. We can expect final House action, and shortly thereafter, Conference action, on this legislation quite soon.

Other pending legislation of particular interest to cattle producers is the emergency farm bill which is now in Conference. Both the House and Senate versions would raise target prices and loans levels for feed grains to encourage farmers to produce bumper crops. That, of course, would be a blessing for feeders. The Senate version also contains a 90-day total ban on beef and beef product imports. What will happen to that provision is not yet certain. However, there does seem to be a favorable turn in the import situation shaping up.

The U.S.D.A. feels now that voluntary holdbacks by countries shipping beef to the United States may make it possible for us to avoid imposing import quotas in 1975. Agreements are now being worked out by the State Department with Australia and other major suppliers. Last December Secretary Butz estimated beef imports subject to our 1964 import law at 1,180,000,000 pounds. The second quarter estimate is still below the figure that would necessitate imposition of quotas.

The Senate has scheduled mid-April hearings on legislation to assist cattle producers to establish, finance and carry out a coordinated program of research, producer and consumer education, and promotion, to improve markets of beef. The House Agriculture Committee expects to hold its hearings on this bill shortly after the Senate finishes. By the way, Chairman Foley is a principal sponsor of the legislation.

Also expected to come under careful scrutiny is a proposal to provide more than a billion dollars worth of government-purchased beef for foreign and domestic food assistance programs. The thought behind the bill is to reduce our oversized cattle inventory at the same time we provide good protein to hungry people.

Things have been hard on you. It looks right now as though they will continue rough for a while longer. Yet, I would hate to sound as if I didn't see any bright lights on the horizon. Because I do. Farm prices may not be back where you want them yet, but there has been an increase in the past two months. Feed prices are dropping, and if we have a normal crop year, they will fall still farther by the end of the year as supplies are healthier. It looks now as though we may have some relief from imports this year without having to impose import quotas. And I think you can draw comfort from the efforts of Congress to help see you through this difficult time without more losses.

I welcome your ideas and suggestions, and I thank you for this fine opportunity to speak with you.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Ford of Michigan (at the request of Mr. O'Neill), for today, on account of illness in family.

Mr. Thompson, for May 6, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Randall, for 15 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous matter:)

Mr. Bauman, for 20 minutes, today.

Mr. Shuster, for 5 minutes, today.

Mr. Horton, for 60 minutes, on May 13.

Mr. Young of Alaska, for 5 minutes, today.

Mr. Ashbrook, for 30 minutes, today.
Mr. Quillen, for 15 minutes, today.

(The following Members (at the request of Mr. Bonker) to revise and extend their remarks and include extraneous material:)

Mr. Fithian, for 30 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Rodino, for 15 minutes, today.
Mr. Diggs, for 10 minutes, today.
Mr. Bedell, for 5 minutes, today.
Mr. Levitas, for 5 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Metcalfe, for 10 minutes, today.
Mr. Addabbo, for 5 minutes, today.
Mrs. Spellman, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Patten, for 30 minutes, May 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Price, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,529.

(The following Members (at the request of Mr. Myers of Pennsylvania), and to include extraneous matter:)

Mr. Conable in two instances.
Mr. Archer in two instances.
Mr. Steelman.
Mr. Myers of Pennsylvania.
Mr. Brown of Ohio in three instances.
Mr. Gilman in two instances.
Mr. McCloskey.
Mr. Coughlin.
Mr. Findley.
Mr. Frenzel in two instances.
Mr. Gradison.
Mr. McClory.
Mr. Symms in two instances.
Mr. Peyser.
Mr. Ruppe.
Mr. Fish.
Mr. Kindness.
Mr. Kemp in two instances.

(The following Members (at the request of Mr. Bonker) and to include extraneous matter:)

Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Minish.
Mr. St Germain.
Mr. Rodino.
Mr. Metcalfe.
Mr. Diggs in two instances.
Mr. Rogers in five instances.
Mr. McDonald of Georgia in five instances.
Mr. Mathis in two instances.
Mr. Roybal.
Mr. Zeferetti.
Mr. Stark in five instances.
Mr. Edwards of California.
Mr. Aspin in 10 instances.
Mr. Risenhoover.
Mr. Won Pat.
Mr. Simon.
Mrs. Spellman in three instances.
Mr. Nix.
Mr. Byron.

ADJOURNMENT

Mr. BONKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3:17 p.m.) the House adjourned until tomorrow, Wednesday, May 7, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

947. A letter from the President of the United States, transmitting proposed budget amendments for the International Trade Commission for fiscal year 1976 and for the transition period July 1 through September 30, 1976 (H. Doc. No. 94–132); to the Committee on Appropriations and ordered to be printed.

948. A letter from the President of the United States, transmitting reductions in fiscal year 1975 supplemental requests for Indochina and additional supplemental appropriations requests for assistance to Indochina refugees (H. Doc. No. 94–133); to the Committee on Appropriations and ordered to be printed.

949. A letter from the President of the United States, transmitting a draft of proposed legislation to enable the United States to render assistance to or on behalf of certain migrants and refugees (H. Doc. No. 94–134); to the Committee on the Judiciary and ordered to be printed.

950. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain lethal chemical agents; to the Committee on Armed Services.

951. A letter from the Secretary of Labor, transmitting the first biennial report on the continuing study of means to prevent curtailment of employment opportunities for manpower groups with historically high incidences of unemployment, pursuant to section 4(d)(3) of the Fair Labor Standards Act, as amended (88 Stat. 74); to the Committee on Education and Labor.

952. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the date for submission of the report on the statistical survey of the runaway youth population; to the Committee on Education and Labor.

953. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations governing State right-to-read grants, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Commission on Education and Labor.

954. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–17, that it is important to the security of the United States to use Indochina postwar reconstruction funds to finance the evacuation of South Vietnamese and other foreign nationals from South Vietnam, pursuant to section 634(d) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

955. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of February 28, 1975, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

956. A letter from the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 1975 annual report of the Board, pursuant to section 201(c) of the Social Security Act, as amended (H. Doc. No. 94–135); to the Committee on Ways and Means and ordered to be printed.

957. A letter from the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting the 1975 annual report of the Board, pursuant to section 1817(b) of the Social Security Act, as amended (H. Doc. No. 94–136); to the Committee on Ways and Means and ordered to be printed.

958. A letter from the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting the 1975 annual report of the Board, pursuant to section 1841 (b) of the Social Security Act, as amended (H. Doc. No. 94–137); jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce, and ordered to be printed.

Received From the Comptroller General

959. A letter from the Comptroller General of the United States, transmitting a report on the Department of Agriculture's evaluation of the medical benefits of the nutritional assistance provided to participants in the special supplemental food program for women, infants, and children; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SCHROEDER: Committee on Post Office and Civil Service. House Joint Resolution 92. Joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent; with amendment (Rept. No. 94–190). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BADILLO (for himself, Mr. Anderson of California, Mr. Beard of Rhode Island, Mr. Bell, Ms. Boggs, Mr. Phillip Burton, Ms. Chisholm, Ms. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Danielson, Mr. Drinan, Mr. Edwards of California, Mr. Fraser, Mr. Hawkins, Mr. Helstoski, Ms. Holtzman, Mr. Mazzoli, Mr. Metcalfe, Ms. Meyner, Mr. Nix, Mr. Pattison of New York, Mr. Roybal, Mr. Stokes, and Mr. Waxman):

H.R. 6688. A bill to amend title 18 of the United States Code to provide rules for the treatment of prisoners in Federal correctional institutions; to the Committee on the Judiciary.

By Mr. BADILLO (for himself, Ms. Abzug, Mr. Brown of California, Mr. Clay, Mr. Dellums, Mr. Fauntroy, Mr. Harrington, Mr. Koch, Mr. Murphy of New York, Mr. Rosenthal, Mr. Stark, Ms. Schroeder, and Mr. Solarz):

H.R. 6669. A bill to amend title 18 of the United States Code to provide rules for the treatment of prisoners in Federal correctional institutions; to the Committee on the Judiciary.

By Mr. BEDELL:

H.R. 6690. A bill to amend the Packers and Stockyards Act, 1921, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes; to the Committee on Agriculture.

By Mr. BIAGGI:

H.R. 6691. A bill to amend title XIX of the Social Security Act to provide that an individual who is unable to care for his or her personal needs without assistance shall be eligible as a disabled person (even though employable) for the services of a home health aide under the applicable State plan approved under such title; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS:

H.R. 6692. A bill to authorize appropriations for the period July 1, 1976 through September 30, 1976; to the Committee on Government Operations.

By Mr. BROOMFIELD:

H.R. 6693. A bill to repeal the Military Selective Service Act; to the Committee on Armed Services.

By Mr. CORMAN (by request):

H.R. 6694. A bill to provide for hospitals to allow the biological father to attend the birth of his child if the woman consents; to the Committee on Interstate and Foreign Commerce.

By Mr. COTTER (for himself, Mr. Boland, Mr. Dodd, Mr. Giaimo, Mr. Harrington, Mr. Moffett, Mr. McKinney, Mr. Roe, Mr. St Germain, Mr. Sarasin, Mr. Thompson and Mr. Traxler):

H.R. 6695. A bill to amend the Regional Rail Reorganization Act of 1973 with respect to the Federal share of rail service continuation subsidies, and to provide that funds available for such subsidies may be used for the acquisition and modernization of rail property; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN:

H.R. 6696. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates; to the Committee on Interstate and Foreign Commerce.

H.R. 6697. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; to the Committee on the Judiciary.

By Mr. FULTON (for himself and Mr. Vander Jagt):

H.R. 6698. A bill to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for U.S. citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case; to the Committee on Ways and Means.

By Mr. FULTON (for himself and Mr. Perkins):

H.R. 6699. A bill to amend titles XVIII and XIX of the Social Security Act to provide an optional, simplified method of reimbursement for physicians' services under the medicare and medicaid programs for each State on the basis of a fee schedule, uniform throughout such State, and to authorize reimbursement to participating physicians in the full fee schedule amounts (with collection of the applicable deductibles and coinsurance from patients becoming the responsibility of the Federal program); jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 6700. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GIAIMO:

H.R. 6701. A bill to prohibit the banning of lead shot for hunting; to the Committee on Merchant Marine and Fisheries.

By Mr. GUDE:

H.R. 6702. A bill to amend title 39, United States Code, to increase to 90 days the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such Member or Member-elect is a candidate in such election; to the Committee on Post Office and Civil Service.

H.R. 6703. A bill to amend title 38 of the United States Code relating to condominium home loans; to the Committee on Veterans' Affairs.

By Mr. HANNAFORD:

H.R. 6704. A bill to amend title II of the Social Security Act to reduce from 20 to 5 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Waxman, Mrs. Spellman, Ms. Burke of California, and Mr. Stokes):

H.R. 6705. A bill to amend the Older Americans Act of 1965 to provide relief for older Americans who own or rent their homes; to the Committee on Education and Labor.

By Mr. HENDERSON (for himself, Mr. Derwinski, Mr. Steed, Mr. Miller of Ohio, Mr. Jenrette, Mr. Solarz, Mr. Hanley, and Mr. Taylor of Missouri):

H.R. 6706. A bill to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEMP:

H.R. 6707. A bill to amend the Surplus Property Act of 1944 to allow the Administrator of General Services to convey or dispose of to any State, political subdivision, municipality, or public district, without monetary consideration to the United States, surplus real or personal property which is essential, suitable, or desirable for the development, improvement, operation, maintenance, or use of a public port; to the Committee on Government Operations.

H.R. 6708. A bill to authorize Federal financial assistance for the operation and maintenance of the Theodore Roosevelt Inaugural National Historic Site in Buffalo, N.Y.; to the Committee on Interior and Insular Affairs.

By Mr. LEGGETT:

H.R. 6709. A bill to terminate the authority of the President to suspend the Davis-Bacon Act; to the Committee on Education and Labor.

H.R. 6710. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. LITTON (for himself and Mr. Weaver):

H.R. 6711. A bill to amend the Forest Pest Control Act of June 25, 1947; to the Committee on Agriculture.

By Mr. LITTON (for himself, Mr. Baldus, Mr. Patterson of California, Mr. Martin, Mr. Kasten, Mr. Burke of Massachusetts, Mr. Lent, Mr. Vander Jagt, Mr. Breaux, Mr. LaFalce, Mr. Dingell, Mr. Clancy, Mr. Crane, Mr. Spence, Mr. Talcott, Mr. Pike, Mr. Murphy of New York, Mr. Hicks, Mr. Risenhoover, Mr. Harris, Mr. Stokes, Mr. Gaydos, Mr. Gradison, Mr. Ashley, and Mr. Chappell):

H.R. 6712. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. LITTON (for himself, Mr. Fraser, Ms. Chisholm, Mr. Goldwater, Mr. Levitas, Mr. AuCoin, Mr. Green, Mr. Anderson of California, Mr. Hubbard, Mr. Beard of Rhode Island, Mr. Pattison of New York, Mr. McEwen, Mr. Moss, Mr. Hall, Mr. Beard of Tennessee, Mr. Lloyd of California, Mr. Hughes, Mr. Matsunaga, Mr. Stuckey, Mr. Dan Daniel, Mr. McClory, Mr. Metcalfe, Mr. Jacobs, Mr. Annunzio, and Mr. Conable):

H.R. 6713. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection on of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. LITTON (for himself, Ms. Spellman, Mr. Esch, Mr. Hagedorn, Mr. Miller of California, Mr. Henderson, Mr. Tsongas, and Mr. Rooney):

H.R. 6714. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. LOTT:

H.R. 6715. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. MACDONALD:

H.R. 6716. A bill making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1975, to provide additional funds for youth summer employment programs pursuant to the Comprehensive Employment and Training Act of 1973; to the Committee on Appropriations.

By Mr. MATHIS (for himself, Mr. Ginn, and Mr. Stuckey):

H.R. 6717. A bill to authorize the lease and transfer of tobacco from marketing quotas to farms in contiguous counties within the same State; to the Committee on Agriculture.

By Mr. MATSUNAGA:

H.R. 6718. A bill to amend chapter 73 of title 10, United States Code, to provide that no reduction shall be made in the retired or retainer pay of any person who elects to provide an annuity under the survivor benefit plan during any full month in which there is no beneficiary eligible to receive such annuity; to the Committee on Armed Services.

H.R. 6719. A bill to amend title 10 of the United States Code relating to retention in active status of certain officers; to the Committee on Armed Services.

By Mr. MINISH:

H.R. 6720. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to

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protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. MINK (for herself, Mr. Ruppe, Mr. Bingham, Mr. Eckhardt, Mr. Howe, Mr. Seiberling, Mr. Steelman, Mr. Udall, and Mr. Vigorito):

H.R. 6721. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURTHA:

H.R. 6722. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that volunteers in foster grandparent programs may furnish supportive services to mentally retarded individuals regardless of the age of such individuals; to the Committee on Education and Labor.

By Mr. NIX:

H.R. 6723. A bill to amend the Fair Labor Standards Act of 1938 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. OBEY:

H.R. 6724. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. OBEY (for himself, Mr. Meeds, Mr. Bingham, Mr. Roe, Mr. Florio, Mr. Simon, Mr. Mikva, Mr. Hannaford, Mr. Hughes, Mr. Hawkins, Mr. Litton, and Mr. Brown of Michigan):

H.R. 6725. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. PATTERSON of California:

H.R. 6726. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a central liquidity facility for Federal and State credit unions; and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. PATTISON of New York (for himself, Mr. Emery, Mr. Koch, Mr. Lent, and Mr. Thone):

H.R. 6727. A bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations, or fills in or on certain navigable waters; to the Committee on Public Works and Transportation.

By Mrs. PETTIS:

H.R. 6728. A bill to provide for the establishment of the National Conservation Area of the California Desert and to provide for the immediate and future protection, development, and administration of such public lands; to the Committee on Interior and Insular Affairs.

By Mr. REES:

H.R. 6729. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to make home mortgage loans with variable interest rates except in special circumstances; to the Committee on Banking, Currency and Housing.

By Mr. RIEGLE (for himself, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Hannaford, Mr. Harrington, Mr. Mitchell of Maryland, Mr. O'Hara, Mr. Rosenthal, Mr. Roybal, Mr. Won Pat, and Mr. Blanchard):

H.R. 6730. A bill to increase the amount of the weekly benefits payable under the Federal-State extended unemployment compensation program and the emergency unemployment compensation program and to remove the limitations on the number of weeks of unemployment compensation under the emergency unemployment compensation program; to the Committee on Ways and Means.

By Mr. RISENHOOVER (for himself, Mr. Steed, Mr. Jones of Oklahoma, Mr. English, and Mr. Jarman):

H.R. 6731. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. RODINO (for himself, Mr. Drinan, Mr. Dodd, Mr. Pattison of New York, Mr. Moorhead of California, Mr. Blanchard, and Mr. Minish):

H.R. 6732. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 6733. A bill to amend the Federal Unemployment Tax Act to provide a 5-year moratorium on application of the penalty imposed (through a reduction in the credit allowed employers against the Federal unemployment tax) by existing law on States which have failed to make timely repayment of certain advances made to the State's unemployment account; to the Committee on Ways and Means.

By Mr. ST GERMAIN (for himself, Mrs. Boggs, Mr. Cotter, and Mrs. Spellman):

H.R. 6734. A bill to authorize the Secretary of the Interior to establish national parks or national recreation areas in those States which presently do not have a national park or national recreation area; to the Committee on Interior and Insular Affairs.

By Mr. SARASIN:

H.R. 6735. A bill to amend the Occupational Safety and Health Act of 1970 to provide loans to certain local governments required to comply with occupational safety and health standards under State plans approved by the Secretary of Labor; to the Committee on Education and Labor.

Ms. SCHROEDER:

H.R. 6736. A bill to amend title 38, United States Code, in order to entitle veterans to 45 months of educational assistance for all educational programs under chapter 34 of this title; to the Committee on Veterans' Affairs.

By Mr. SEIBERLING (for himself, Mr. Badillo, Mr. Baldus, Mr. Bergland, Mrs. Burke of California, Mr. Dellums, Mr. de Lugo, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Ford of Tennessee, Mr. Hanley, Mr. Hannaford, Mr. Harrington, and Mr. Hicks):

H.R. 6737. A bill to establish grants for research endeavors for the purpose of assisting in the development and utilization of new and improved methods of food and fertilizer production; to the Committee on Agriculture.

By Mr. SEIBERLING (for himself, Mr. Jenrette, Mr. Krebs, Mr. Long of Maryland, Mr. Matsunaga, Mr. Metcalfe, Mrs. Mink, Mr. Neal, Mr. Ottinger, Mr. Riegle, Mr. Rosenthal, Mr. Ryan, Mr. Sarbanes, Mr. Tsongas, Mr. Weaver, and Mr. Won Pat):

H.R. 6738. A bill to establish grants for research endeavors for the purpose of assisting in the development and utilization of new and improved methods of food and fertilizer production; to the Committee on Agriculture.

By Mr. SEIBERLING (for himself, Mr. Anderson of Illinois, Mr. Mazzoli, Mr. Studds, and Mr. Young of Georgia):

H.R. 6739. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. SKUBITZ:

H.R. 6740. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 to provide that, for purposes of payments under section 411 in respect of the death of any miner whose death occurred before the date of enactment of such act, there shall be an irrebuttable presumption that his death was due to pneumoconiosis or that at the time of his death he was totally disabled by pneumoconiosis, if such miner was employed for 25 years in one or more underground coal mines; to the Committee on Education and Labor.

H.R. 6741. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit for amounts paid for prosthetic devices; to the Committee on Ways and Means.

By Mrs. SPELLMAN (for herself, Mr. Moss, Mr. Hicks Mr. Gilman, Mr. Harrington, Mr. Charles Wilson of Texas, Mr. Patterson of California, Mr. Ryan, and Mr. Mitchell of Maryland):

H.R. 6742. A bill to establish a Federal Housing Bank to purchase mortgages from the Federal National Mortgage Association and the Federal Home Loan Bank System having rates of interest no higher than 6 percent, to refinance mortgages of families stricken by unemployment, to provide emergency mortgage relief, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN (for herself, Mr. Rodino, Mr. Hanley, Mr. Mitchell of Maryland, Mr. Wolff, Mr. Metcalfe, Mr. Solarz, Mrs. Keys, Mr. Forsythe, Mr. Stokes, Mr. Pattison of New York, Mr. Fauntroy, Mr. Scheuer, and Mrs. Chisholm):

H.R. 6743. A bill to assist low-income households in purchasing and installing energy conservation improvements; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN (for herself, Mr. Dingell, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Brown of California, Mr. Carr, Mr. Downey, Mr. Ford of Tennessee, Mr. Leggett, Mr. Bedell, Mr. Krebs, Ms. Abzug, Mr. Weaver, Mr. Moakley, Mr. Stark, Mr. Tsongas, Mr. Pattison of New York, Mr. Stokes, Ms. Schroeder, Mr. Baucus, Mr. Miller of California, and Mr. Gude):

H.R. 6744. A bill providing for the review of executive agreements; to the Committee on International Relations.

By Mr. STEIGER of Arizona:

H.R. 6745. A bill to authorize the licensing of Hualapai Dam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON (for himself and Mr. Peyser):

H.R. 6746. A bill limiting the power of the Army Corps of Engineers to determine the navigability of certain waters located wholly within the limits of one State; jointly to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. TREEN:

H.R. 6747. A bill to amend the Clean Air Act to provide a postponement of certain motor vehicle emission standards and to provide for certain related studies and reports, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES WILSON of Texas:

H.R. 6748. A bill to recognize benefits to the United States from the construction of the Toledo Bend Dam and Reservoir project and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from charges for the use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Tex.; to the Committee on Agriculture.

By Mr. YOUNG of Alaska:

H.R. 6749. A bill to authorize the Secretary of the Interior to waive recovery of certain costs for extraordinary wind and ice damage to certain facilities; to the Committee on Public Works and Transportation.

By Mr. FAUNTROY (for himself, Ms. Abzug, Mr. Adams, Mr. Annunzio, Mr. Aspin, Mr. AuCoin, Mr. Badillo, Mr. Barrett, Mr. Benitez, Mr. Bingham, Mr. Blouin, Mrs. Boggs, Mr. Bolling, Mr. Brademas, Mr. Breaux, Mr. Breckinridge, Mr. Brinkley, Mr. Brodhead, Mr. Brown of California, Mr. Burke of Massachusetts, and Mrs. Burke of California.

H.J. Res. 431. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. John L. Burton, Mr. Phillip Burton, Mr. Carr, Mr. Clay, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Cornell, Mr. D'Amours, Mr. Davis, Mr. Dellums, Mr. de Lugo, Mr. Dent, Mr. Derrick, Mr. Drinan, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Fisher, Mr. Ford of Tennessee, and Mr. Ford of Michigan):

H.J. Res. 432. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Fraser, Mr. Fulton, Mr. Gonzalez, Mr. Green, Mr. Hall, Mr. Hamilton, Mr. Harrington, Mr. Harris, Mr. Hawkins, Mr. Hayes of Indiana, Mr. Hechler of West Virginia, Mr. Hicks, Miss Holtzman, Mr. Hubbard, Mr. Hughes, Mr. Jacobs, Mr. Jenrette, Mr. Kastenmeier, Ms. Keys, Mr. Krebs, Mr. Levitas, Mr. Long of Louisiana, and Mr. Madden):

H.J. Res. 433. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Maguire, Mr. Mathis, Mr. Matsunaga, Mr. Metcalfe, Mr. Mikva, Mr. Mineta, Mr. Minish, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Moorhead, of Pennsylvania, Mr. Murphy of Illinois, Mr. Nix, Mr. O'Neill, Mr. Ottinger, Mr. Patten, Mr. Patterson, of California, and Mr. Pattison of New York):

H.J. Res. 434. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Pepper, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Richmond, Mr. Reigle, Mr. Rose, Mr. Roybal, Mr. Scheuer, Mrs. Schroeder, Mr. Seiberling, Mr. Sharp, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Thompson, Mr. Tsongas, Mr. Waxman, Mr. Weaver, and Mr. Wirth):

H.J. Res. 435. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Won Pat, and Mr. Young of Georgia):

H.J. Res. 436. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself and Mr. Fascell):

H.J. Res. 437. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. GUDE (for himself, Mr. McKinney, and Mr. Cohen):

H.J. Res. 438. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself and Mr. Downey):

H.J. Res. 439. Joint resolution to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or any refined petroleum product without congressional authority, to prohibit the President from using section 232(b) of the Trade Expansion Act of 1962 or any other provision of law to establish such minimum prices without congressional authority, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. MATSUNAGA:

H.J. Res. 440. Joint resolution to authorize the President to proclaim February 16 as Bataan-Corregidor Day; to the Committee on Post Office and Civil Service.

By Mr. PICKLE:

H.J. Res. 441. Joint resolution to authorize the President to proclaim the third week in October each year as National Screen Printing Week and to proclaim Tuesday of such week as National Screen Printing Day; to the Committee on Post Office and Civil Service.

By Mr. WON PAT (for himself and Mr. de Lugo):

H.J. Res. 442. Joint resolution proposing an amendment to the Constitution to provide for the participation of Guam and the Virgin Islands in the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 443. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. DRINAN:

H. Con. Res. 268. Concurrent resolution condemning the killing of whales; to the Committee on International Relations.

By Mr. FRENZEL (for himself, Mr. Bergland, Mr. Fraser, Mr. Hagedorn, Mr. Karth, Mr. Nolan, Mr. Oberstar, and Mr. Quie):

H. Res. 441. Resolution requesting the President to establish a task force on the missing in action and their families; to the Committee on Armed Services.

By Mr. STARK (for himself, Mr. Bell, Mr. Carr, Mr. Chappell, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Fauntroy, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Holland, Ms. Holtzman, Mrs. Meyner, Mr. Mezvinsky, Mr. Ottinger, Mr. Pattison of New York, Mr. Rangel, Mr. Simon, Mr. Studds, Mr. Traxler, Mr. Waxman and Mr. Weaver):

H. Res. 442. Resolution providing for additional staff members for certain Members of the House of Representatives, whose duties shall relate to certain legislative responsibilities of such Members, and for other purposes; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

127. By the Speaker: Memorial of the Legislature of the State of North Carolina, relative to the status of American citizens missing in action in Indochina; to the Committee on Armed Services.

128. Also, memorial of the Legislature of the State of California, relative to timber resources; jointly to the Committees on Agriculture, and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 6750. A bill for the relief of Daryl L. Mahoney; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 6751. A bill for the relief of Raul Joaquin Bendana; to the Committee on the Judiciary.

H.R. 6752. A bill for the relief of Rose Cedeno; to the Committee on the Judiciary.

H.R. 6753. A bill for the relief of Ngar Shing Lee; to the Committee on the Judiciary.

By Mr. MURPHY of Illinois:

H.R. 6754. A bill to permit the vessel *Manatra II* to be inspected, licensed and operated as a passenger-carrying vessel, and for other purposes; to the Committee on Merchant Marine and Fisheries.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of April 24, 1975 (page 11836):

H.R. 5001. March 17, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make direct low-interest loans to assist homeowners and other owners of residential structures in purchasing and installing more effective insulation and heating equipment.

H.R. 5002. March 17, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to prohibit pipeline companies engaged in the transportation of oil from transporting any oil through its pipelines if that company has an interest in such oil.

H.R. 5003. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax certain amounts paid or accrued by the taxpayer during the taxable year as qualified insulation and heating improvement expenses.

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H.R. 5004. March 17, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary authority to a carrier by railroad to operate the properties of a railroad which such carrier is seeking to acquire by merger or consolidation pending the final determination of the Commission on the carrier's application for merger or consolidation.

H.R. 5005. March 17, 1975. Ways and Means. Extends the Emergency Petroleum Allocation Act of 1973 for five years. Directs the President to restrict imports of petroleum reserve.

Establishes an Energy Conservation and Conversion Trust Fund. Imposes taxes on certain motor fuels and on automobiles based on fuel mileage efficiency. Authorizes expenditures of such revenues for development of new energy technologies and for mass transportation.

Imposes a tax on windfall profits from crude oil and natural gas exploration. Revises tax treatment for certain domestic and foreign oil and gas production and for certain industrial uses of energy.

H.R. 5006. March 17, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5007. March 17, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congres has acted on a bill effecting such rescission.

H.R. 5008. March 17, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service by supervisory organizations and the Service be submitted to an arbitration board.

H.R. 5009. March 17, 1975. Ways and Means. Amends the Tariff Schedules of the United States to suspend the duty on typewriter parts for three years.

H.R. 5010. March 17, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire lands for establishment of the City of Rocks National Monument in Idaho.

H.R. 5011. March 17, 1975. Banking, Currency and Housing. Makes it unlawful for any person to sell, act as an agent in the sale of, or make mortgage credit available for the purchase of, a dwelling for occupancy by not more than four families without disclosing to the purchaser any substantial defects in the dwelling.

H.R. 5012. March 17, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 5013. March 17, 1975. Education and Labor. Authorizes the Commissioner of Education to establish a National Clearinghouse on Gifted and Talented Children and Youth to disseminate to the public information pertaining to the education of gifted youth. Authorizes the Commissioner to make grants for (1) the initiation and improvement by the States of programs for gifted youth; (2) the training of personnel to educate gifted youth; (3) training of leadership personnel in the field; and (4) the initiation of research and demonstration projects for the education of gifted youth.

H.R. 5014. March 17, 1975. Education and Labor. Amends the definition of employee under the Fair Labor Standards Act to exclude certain volunteer firefighters.

H.R. 5015. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow any loan origination fee, loan placement fee, loan processing fee, points, premium, or other fee paid or accrued by the seller of any real property to be treated as interest paid or accrued on indebtedness of the seller.

H.R. 5016. March 17, 1975. Education and Labor. Amends the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically disabled because of such disability.

H.R. 5017. March 17, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation to conduct studies regarding airport development. Permits the Secretary to make grants from the Airport and Airway Trust Fund for airport development projects and system planning. Sets forth procedures for the distribution of such funds, and requirements for project approval. Allows conveyance of certain Federal lands by the Secretary for such projects.

H.R. 5018. March 17, 1975. Armed Services. Prohibits any department or agency of the United States from expending funds for the development, production or procurement of any lethal chemical warfare agent or delivery system. Creates a limited exception to this proscription for certain Defense Department research.

H.R. 5019. March 17, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5020. March 17, 1975. Veterans' Affairs. Extends the entitlement of veterans to educational assistance from thirty-six months to forty-five months.

H.R. 5021. March 17, 1975. Judiciary. Incorporates the Pearl Harbor Survivors Association.

H.R. 5022. March 17, 1975. Judiciary. Makes any period of time spent by a civilian as a prisoner-of-war creditable service for the purpose of establishing entitlement to Social Security, Railroad Retirement, and Civil Service Retirement benefits, and for the purpose of computing Armed Forces retired pay.

H.R. 5023. March 17, 1975. Post Office and Civil Service. Prohibits collective-bargaining agreements between the Postal Service and Postal Service employee labor organizations from containing any provision which would preclude Postal Service employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. Entitles such representatives to be present during any proceeding upon such grievance or adverse action.

H.R. 5024. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income pensions or annuities received by policemen or firemen or their dependents or survivors, for services performed in the employ of a Federal, State or local government.

H.R. 5025. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to require repayment by the Secretary of the Treasury of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 5026. March 17, 1975. Ways and Means.

Amends the Social Security Act by allowing services performed by ministers to constitute employment for the purpose of Old-Age, Survivors, and Disability Insurance.

Amends the Internal Revenue Code of 1954 by allowing ministers and employing organizations to elect to treat the services performed by ministers as employment.

H.R. 5027. March 17, 1975. Interstate and Foreign Commerce.

Creates a Federal Energy Commission to regulate rates and charges for energy resource products. Prohibits persons engaged in commerce in the business of refining energy products to acquire an interest in energy resource product extraction, energy pipeline, or energy marketing assets.

Directs the Attorney General and the Federal Trade Commission to independently examine the relationship of those engaged in one or more branches of the energy industry.

H.R. 5028. March 17, 1975. Banking, Currency and Housing. Authorizes the Federal Deposit Insurance Corporation to terminate the insurance of any bank which fails to pay the Federal funds interest rate on all tax and loan accounts maintained at such bank.

H.R. 5029. March 17, 1975. Interstate and Foreign Commerce. Amends the Railroad Unemployment Insurance Act to increase the rate of employee benefits under the Act.

H.R. 5030. March 17, 1975. Public Works and Transportation. Directs the heads of executive branch departments, agencies and instrumentalities who have jurisdiction for public works programs and projects to reduce or eliminate any procedural requirements, including but not limited to time, hearing, reporting and publication requirements, when such action would appreciably speed up the initiation or completion of such programs and projects.

H.R. 5031. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to disallow certain tax incentives where there is a plant closing in a high unemployment area, or where certain corporations are liquidating, selling stocks and assets, or reorganizing.

H.R. 5032. March 17, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to prohibit the abandonment of rail service where the National Railroad Passenger Corporation determines such service to be a public convenience and necessity.

H.R. 5033. March 17, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 5034. March 17, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5035. March 17, 1975. Post Office and Civil Service. Authorizes State officers or agencies having initial responsibility for the apportionment of Congressional districts to submit a plan identifying the areas for which specific population figures are desired to the Secretary of Commerce.

Requires such plans to be developed in accordance with criteria established by the Secretary, and to be submitted two years prior to the taking of the decennial census.

Directs the Secretary to assist States in revising plans not conforming to established criteria. Grants the Secretary final authority for determining the geographic format of such plans.

Requires the expeditious transmission of desired population figures to each State.

H.R. 5036. March 17, 1975. Interior and Insular Affairs. Designates certain lands in the Shenandoah National Park in Virginia as wilderness.

H.R. 5037. March 17, 1975. Public Works and Transportation. Amends the River and Harbor Act of 1960 to increase the maximum permissible allotment for construction of small river and harbor improvement projects at a single locality.

H.R. 5038. March 17, 1975. Judiciary. Authorizes the issuance of immigrant visas to aliens and family members who are natives

of the Philippines and who served in the United States Armed Forces during World War II. Permits such aliens currently in the United States on a nonimmigrant visa to have their status adjusted to that of an alien lawfully admitted for permanent residence.

H.R. 5039. March 17, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service between supervisory organizations and the Service be submitted to an arbitration board.

H.R. 5040. March 17, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 5041. March 17, 1975. Education and Labor. Requires that all contracts and bid specifications entered into by the United States for the production or processing of motion picture films contain a provision specifying the minimum monetary wages and fringe benefits to be paid personnel engaged in the performance of the contract.

H.R. 5042. March 17, 1975. Education and Labor. Stipulates that certain strikes at the site of a construction project are not prohibited as an unfair labor practice under the National Labor Relations Act.

H.R. 5043. March 17, 1975. Judiciary. Merchant Marine and Fisheries. Interior and Insular Affairs. Science and Technology. Revises the Outer Continental Shelf Lands Act to establish a policy for the development and management of oil and natural gas in the Outer Continental Shelf designed to protect the marine and coastal environment.

Directs the Secretary of the Interior to establish a comprehensive exploratory program to develop potential oil and gas leases. Directs the National Oceanic and Atmospheric Administration to assume lead responsibility in preparation of environmental impact statements. Revises bidding and lease administration procedures. Authorizes the Secretary of Transportation to report on pipeline safety and operation on Federal lands and in the Outer Continental Shelf.

H.R. 5044. March 17, 1975. Government Operations. Prohibits Federal agencies from purchasing, hiring, leasing, operating or maintaining limousines, and from employing chauffeurs to operate such limousines, except for certain designated Federal officers.

H.R. 5045. March 17, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

H.R. 5046. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to report to the Joint Committee on Internal Revenue Taxation the specific criteria and procedures used to audit returns and to report certain information regarding audits completed in the previous twelve months.

H.R. 5047. March 17, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to review and modify curtailment plans submitted by natural gas pipelines. Authorizes the Commission to direct transfers of available supplies of natural gas in order to meet regional needs.

H.R. 5048. March 17, 1975. Interstate and Foreign Commerce. Creates the National Power Grid Corporation to operate a national power grid system to supply electric power through regional bulk power supply corporations. Authorizes research and development in the area of electric power generation and transmission, with priority given to environmental protection and land use research.

Transfers certain existing Federal power facilities to the national grid system. Defines rights, powers, and duties of national and regional corporations and employees. Requires compliance with environmental standards.

H.R. 5049. March 17, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to make grants for the establishment and operation of home health services and for the purpose of initiating, developing, and maintaining programs for the training of professional and paraprofessional personnel to provide home health services.

H.R. 5050. March 17, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services under the Medicare program of the Social Security Act.

H.R. 5051. March 17, 1975. Judiciary. Confers jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim against the United States.

H.R. 5052. March 17, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 5053. March 17, 1975. Judiciary. Specifies the tax treatment of a certain individual under the Internal Revenue Code.

H.R. 5054. March 18, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior employer, for their dependent spouse, and for their dependent children. Directs the Secretary of Health, Education, and Welfare to enter into contracts with carriers who will provide such insurance benefits.

H.R. 5055. March 18, 1975. Armed Services. Decreases the number of years which an individual who becomes a member of an armed force is required to serve.

H.R. 5056. March 18, 1975. Rules. Declares that the House of Representatives of the 95th Congress and each succeeding Congress shall consider and adopt the rules of its proceedings. Specifies the procedure for such consideration and adoption.

H.R. 5057. March 18, 1975. Rules. Declares that the House of Representatives of the 95th Congress and each succeeding Congress shall consider and adopt the rules of its proceedings. Specifies the procedure for such consideration and adoption.

H.R. 5058. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to increase the investment credit and the additional first-year depreciation allowance, and to revise the inventory adjustment for certain small businesses.

H.R. 5059. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to increase the investment credit and the additional first-year depreciation allowance, and to revise the inventory adjustment for certain small businesses.

H.R. 5060. March 18, 1975. Banking, Currency and Housing. Authorizes and directs the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of distressed homeowners.

H.R. 5061. March 18, 1975. Post Office and Civil Service. Prohibits collective-bargaining agreements between the Postal Service and Postal Service employee labor organizations from containing any provision which would preclude Postal Service employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. Entitles such representatives to be present during any proceedings upon such grievance or adverse action.

H.R. 5062. March 18, 1975. Science and Technology. Directs the Administrator of the Energy Research and Development Administration to initiate and carry out a research, development, and demonstration program designed to achieve the commercial utilization of magnetohydrodynamic energy in the United States by the mid-1980's.

H.R. 5063. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the veterans of the Spanish-American War.

H.R. 5064. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the veterans of World War II.

H.R. 5065. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the veterans of World War I.

H.R. 5066. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the first enlisted women in the United States Armed Forces.

H.R. 5067. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish a national cemetery in Broward county, Florida.

H.R. 5068. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to release from liability any veteran who conveys residential property securing a guaranteed, insured, or direct loan from the Veterans' Administration, without receiving a release from liability with respect to such loan, where the Administrator determines that such property was conveyed in a bona fide transaction to a transferee who, by contract, assumed full liability for the balance of the loan.

H.R. 5069. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5070. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a pension to eligible veterans of World War I. Proscribes payment to any veterans whose income exceeds the maximum allowable annual income.

H.R. 5071. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to authorize the treatment of two or more banks which are members of the same affiliated group as one bank for the period of affiliation with respect to any fund of which any of the member banks is trustee or two or more of the member banks are co-trustees.

H.R. 5072. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to allow a credit against taxes for certain amounts deposited by a taxpayer in an educational savings plan for himself or a dependent to pay the expenses of postsecondary education.

H.R. 5073. March 18, 1975. Agriculture. Amend the Food Stamp Act of 1964 by making individuals who are engaged in a labor strike ineligible for food coupons.

H.R. 5074. March 18, 1975. Agriculture. Amends the Food Stamp Act of 1964 by making individuals who are engaged in a labor strike ineligible for food coupons.

H.R. 5075. March 18, 1975. Government Operations. Requires that meetings of Federal agencies be open to the public except as stipulated in this Act. Requires that edited transcripts of all meetings be made available to the public. Prohibits ex parte communications during on-the-record agency meetings.

H.R. 5076. March 18, 1975. Interstate and Foreign Commerce. Prohibits the United States Consumer Product Safety Commission from making a ruling or order that restricts the manufacture or sale of firearms, firearm ammunition, or components of firearm ammunition, including blackpowder or gunpowder.

H.R. 5077. March 18, 1975. Public Works and Transportation. Allows the transfer of certain unused purchaser credit in Forest Service timber sales contracts involving road construction to meet other obligations in the same National Forest.

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H.R. 5078. March 18, 1975. Education and Labor. Establishes a National Clearinghouse on Exceptional Children to disseminate to the public information pertaining to the education of exceptional children.

Authorizes the Commissioner of Education to make grants to the States for the purpose of initiating, expanding and improving educational services to exceptional children in conformance with a State plan. Authorizes training grants for personnel working in exceptional child education and grants for research and demonstration programs relating to the education of exceptional children.

H.R. 5079. March 18, 1975. Ways and Means. Requires that expenditures by the Federal Government shall not exceed its revenues except in time of war or national emergency.

Establishes a schedule for systematic reduction of the public debt.

H.R. 5080. March 18, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits.

H.R. 5081. March 18, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits.

H.R. 5082. March 18, 1975. Ways and Means. Amends the Trade Act of 1974 to remove Western Hemisphere countries from the class of countries excluded from the generalized system of preferences established by the Act because of participation in action with an arrangement of foreign countries which has the effect of withholding supplies of vital commodity resources from international trade or of raising the price of such commodities to an unreasonable level.

H.R. 5083. March 18, 1975. Post Office and Civil Service. Prohibits the Postal Service from requiring the installation of mailboxes at the curb line of residential property in any locality if the governing authority of such locality prohibits such installation.

H.R. 5084. March 18, 1975. Interstate and Foreign Commerce. Prohibits the introduction of nonreturnable beverage containers in interstate commerce. Authorizes the Administrator of the Environmental Protection Agency to establish such regulations as are necessary for the purpose of this Act.

H.R. 5085. March 18, 1975. Ways and Means. Amends the Internal Revenue Code by imposing an excise tax or floor stocks tax, based on the fuel efficiency rate determined by the Environmental Protection Agency, on every passenger automobile sold by the manufacturer or every automobile held by a dealer for sale on a tax increase day. Directs the Secretary of the Treasury to make a payment to purchasers of new passenger automobiles manufactured in the United States with high fuel efficiency rates. Requires automobile dealer disclosure of the fuel efficiency rate and resultant tax on each automobile. Prohibits manufacturers' adjustments causing lower fuel efficiency rates.

H.R. 5086. March 18, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act by imposing penalties for the robbery or attempted robbery of narcotics or other controlled substances from a retail pharmacy.

H.R. 5087. March 18, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 by repealing that section declaring that funds received by units of local government under the Act may be used only for certain priority expenditures, and by revising and extending the amount of appropriations authorized under the Act.

H.R. 5088. March 18, 1975. Public Works and Transportation. Allows the Secretary of Transportation to permit States to prepare the detailed environmental impact statement on Federal aid highway projects proposed by the State which is required by the National Environmental Policy Act.

H.R. 5089. March 18, 1975. Merchant Marine and Fisheries. Establishes a fishery zone contiguous with the territorial sea of the United States having a limit of two hundred miles beyond the inner limit of the territorial sea.

H.R. 5090. March 18, 1975. Interior and Insular Affairs. Establishes criteria whereby the Secretary of the Interior shall distribute the funds appropriated to pay an Indian Claims Commission judgment to members of the Cowlitz Tribe of Indians.

H.R. 5091. March 18, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 5092. March 18, 1975. Banking, Currency and Housing. Authorizes the establishment of escrow accounts in connection with federally related mortgage loans, under certain conditions. Requires that interest be paid on such accounts. Regulates the requirement of advance deposits in escrow accounts.

H.R. 5093. March 18, 1975. Veterans' Affairs. Prohibits the Administrator of Veterans' Affairs from readjusting the schedule of ratings of veterans' disabilities without prior notification to both Houses of Congress.

H.R. 5094. March 18, 1975. Veterans' Affairs. Creates a presumption, for the purpose of granting peacetime disability compensation, that in the case of any veteran who served for twenty-four or more months, a chronic disease becoming manifest to the degree of 10 percent or more within one year from the date of separation from such service shall be considered to have been incurred in or aggravated by such service, unless there is affirmative evidence to the contrary.

H.R. 5095. March 18, 1975. Veterans' Affairs. Enables the Administrator of Veterans' Affairs to authorize, for any veteran requiring nursing home care, direct admission for such care at the expense of the United States to any public or private institution not under the jurisdiction of the Administrator which furnishes nursing home care.

H.R. 5096. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a clothing allowance of $300 per year to each veteran who, because of a disability compensable by the Veterans' Administration, wears a prosthetic appliance or appliances which the Administrator determines tends to wear out or tear the clothing of such veteran.

H.R. 5097. March 18, 1975. Veterans' Affairs. Allows the Administrator of Veterans' Affairs to furnish such medical services as he finds reasonably necessary to any person who is in receipt of certain veterans' pensions, or who, but for the receipt of retired pay would be in receipt of such pension.

H.R. 5098. March 18, 1975. Veterans' Affairs. Increases the amount of veterans' benefits for burial and funeral expenses that the Administrator of Veterans' Affairs may pay in the case of a veteran with a service-connected disability or that he must pay in the case of an eligible veteran who dies in a Veterans' Administration facility.

H.R. 5099. March 18, 1975. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs, when issuing a commitment to guarantee a proposed home mortgage loan, to issue, upon request by the lender-mortgagee, a non-assignable commitment to purchase the completed loan from such lender-mortgagee.

H.R. 5100. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to increase or decrease, on an annual basis and in an amount equal to the percentage by which the Bureau of Labor Statistics' Consumer Price Index increases or decreases, the monthly monetary rates for compensation, dependency and indemnity compensation, pension, subsistence allowance, educational assistance allowance, and special training allowance benefits. Increases, under the same procedure, the pension payable under the Veterans' Pension Act of 1959.

H.R. 5101. March 18, 1975. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs to insure that during the twenty-four month period after the discharge of a veteran, such veteran will have available to him employment, the salary for which is not less than the lower of his highest rate of pay in the Armed Forces, his highest civilian pay, or the prevailing rate of pay for equivalent employment.

H.R. 5102. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to designate metropolitan areas, as well as suburban and rural areas, as housing credit shortage areas, for the purposes of extending mortgage credit by the Veterans' Administration to eligible veterans.

H.R. 5103. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to make direct loans to veterans for the purchase of homes, in an amount not to exceed the original principal amount limitation of $25,000.

H.R. 5104. March 18, 1975. Veterans' Affairs. Authorizes the guarantee of not more than 75 percent of a loan to a veteran for the purchase of business property. Places a ceiling of $30,000 on guaranty entitlement available to a veteran for the purchase of business property.

H.R. 5105. March 18, 1975. Veterans' Affairs. Provides mustering-out payments to certain members of the Armed Forces who are discharged or released from active duty under honorable conditions.

H.R. 5106. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5107. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5108. March 18, 1975. Veterans' Affairs. Entitles Vietnam era veterans to home, farm, and business loans, and to all benefits available to veterans of World War II and the Korean Conflict.

Extinguishes veterans' entitlement to certain loans and the insurance thereof after ten years from the date of a veteran's separation from active service.

Establishes a Vietnam era Veterans' Life Insurance program for eligible veterans discharged or released under conditions other than dishonorable.

H.R. 5109. March 18, 1975. Veterans' Affairs. Require the Administrator of Veterans' Affairs to pay pension benefits to each veteran who served in the active military, naval, or air service at any time during World War I and who is otherwise not eligible for pension or to the widow and children of such veteran.

H.R. 5110. March 18, 1975. Veterans' Affairs. Entitles veterans of the Mexican border period or of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 5111. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a pension, at the rate of $100 per month, to the widow of each person awarded a Medal of Honor posthumously.

H.R. 5112. March 18, 1975. Veterans' Affairs. Allows the widow of a veteran to remarry after age 60 without losing her veterans' dependency and indemnity compensation.

H.R. 5113. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to determine the amount of time spent by physicians and dentists in obtaining the degree of doctor for the purposes of crediting any physician or dentists, employed by the Veterans' Administration for twenty or more years, with such period of time as service for the purposes of retirement.

H.R. 5114. March 18, 1975. Veterans' Affairs. Includes apprenticeships and on the job training programs within the category of a veterans' course which does not lead to a standard college degree and for which the Veterans' Administration will make no payments for any day of absence in excess of thirty days in a twelve-month period, not counting as absences regular scheduled vacations and holidays.

H.R. 5115. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to reimburse any eligible veteran, enrolled in a full-time or part-time course of education or training, for costs incurred by such veteran for tuition, fees, and supplies required for the successful pursuit and completion of the course of education or training in which such veteran is enrolled.

H.R. 5116. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to furnish any veteran who has an alcoholism, drug dependence or alcohol or drug abuse disability with special medical treatment and rehabilitative services, and to seek out and counsel toward rehabilitation and treatment all veterans, especially Vietnam era veterans, eligible for treatment and rehabilitative services. Extends treatment and rehabilitative services on a voluntary basis to active members of the Armed Forces within the last 90 days of their tour of duty.

H.R. 5117. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay for any emergency hospital care and medical services provided to any veteran by a private hospital if the Administrator finds that such care was related to an adjudicated service-connected disability, that no government facilities were reasonably available, and that delay in receiving such care would have endangered the veteran's health and life.

H.R. 5118. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to permit a veteran, who is not a patient in a Veterans' Administration facility, to determine the means whereby such veteran shall be supplied with, or reimbursed for, such drugs or medicines as he may require.

H.R. 5119. March 18, 1975. Veterans' Affairs. Grants four years of creditable service, for the purposes of the Civil Service Retirement Act, to physicians and dentists who have served not less than ten years in the Department of Medicine and Surgery of the Veterans' Administration. Authorizes a one year leave for study in their speciality to physicians, dentists, or nurses in such Department.

Authorizes leave with three-fourths of regular pay to employees of such Department who are seeking a master's degree in hospital administration.

H.R. 5120. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay an additional educational assistance allowance to veterans' wives or widows who are pursuing additional secondary school training to qualify for admission to an appropriate educational institution.

H.R. 5121. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay an additional educational assistance allowance in an amount representing the cost of a veterans' tuition in excess of $419 for ordinary school year, but such payment shall not exceed $600 for an ordinary school year.

H.R. 5122. March 18, 1975. Veterans' Affairs. Authorizes eligible veterans pursuing a program of education on a full-time basis to elect to receive increased monthly payments and have their period of entitlement reduced proportionately.

H.R. 5123. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to reimburse any eligible Vietnam veteran, enrolled in a full-time or part-time course of education or training, for costs incurred by such veteran for tuition, fees, and supplies required for the successful pursuit and completion of the course of education or training in which such veteran is enrolled.

H.R. 5124. March 18, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 5125. March 18, 1975. Post Office and Civil Service. Authorizes any person to submit a proposal to the Director of the Office of Management and Budget requesting that a particular period be established as a national observance. Directs the Director to review such proposals, and to recommend to the President the issuance of a proclamation designating such period as a national observance if such proposals meet certain specified criteria.

H.R. 5126. March 18, 1975. Interstate and Foreign Affairs. Prohibits, under the Federal Trade Commission Act, any retailer from repricing any consumer commodity with a higher price once a price is affixed to such commodity.

H.R. 5127. March 18, 1975. Interstate and Foreign Commerce. Prohibits, under the Federal Trade Commission Act, any retailer from repricing any consumer commodity with a higher price once a price is affixed to such commodity.

H.R. 5128. March 18, 1975. Government Operations. Amends the Privacy Act of 1974 by eliminating various exemptions now contained in the Act and by revising the provision dealing with an individual's right to request corrections in files pertaining to him.

H.R. 5129. March 18, 1975. Government Operations. Amends the Privacy Act of 1974 by eliminating various exemptions now contained in the Act and by revising the provision dealing with an individual's right to request corrections in files pertaining to him.

H.R. 5130. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp commemorating the life and work of Enrico Fermi.

H.R. 5131. March 18, 1975. Ways and Means. Amends the Internal Revenue code to authorize real property to be valued for estate tax purposes at its value as farmland, woodland, or open land rather than at its fair market value.

H.R. 5132. March 18, 1975. Judiciary. Requires the registration of all firearms. Sets forth specifications for handguns which must be met before the Secretary of the Treasury may approve the handgun for sale.

H.R. 5133. March 18, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5134. March 18, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5135. March 18, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5136. March 18, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to transfer to the jurisdiction of the Secretary of the Army certain land in Maryland under the jurisdiction of the Director of the National Park Service.

H.R. 5137. March 18, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to transfer to the jurisdiction of the Secretary of the Army certain land in Maryland under the jurisdiction of the Director of the National Park Service.

Declares all right and jurisdiction in such land to be forever relinquished to the State of Maryland upon conveyance of such land by the Secretary of the Army to the Montgomery County government and acceptance thereof.

H.R. 5138. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5139. March 18, 1975. Veterans' Affairs. Specifies that recipents of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5140. March 18, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that every public bill or resolution introduced in either House of Congress contain an estimate of the average cost for each taxpaying family if the bill or resolution were enacted into law. Requires the Director of the Congressional Budget Office to keep tabulations on the average cost to each taxpaying family of the bills passed during each session and directs that the tabulations be printed in the Congressional Record.

H.R. 5141. March 18, 1975. Judiciary. Incorporates the United States Submarine Veterans of World War II.

H.R. 5142. March 18, 1975. Banking, Currency and Housing. Repeals the Council on Wage and Price Stability Act.

H.R. 5143. March 18, 1975. House Administration. Amends the Legislative Reorganization Act of 1970 by directing officers of the House of Representatives to prepare and conduct seminars for freshmen Members of Congress. Authorizes freshmen Members to employ an interim staff during the period beginning on the day such freshman is declared elected and the first day of the regular session of Congress.

H.R. 5144. March 18, 1975. Judiciary. Decreases to sixteen the minimum age at which a person may file a naturalization petition on his own behalf.

H.R. 5145. March 18, 1975. Ways and Means. Amends the Social Security Act by guaranteeing a minimum annual income to the elderly.

H.R. 5146. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to authorize a farmer receiving disaster payments under the Agricultural Act of 1949 to include such proceeds in the following taxable year if he establishes that, under the cash receipts and disbursements method of accounting, income from such crops would

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have been reported in a following taxable year.

H.R. 5147. March 18, 1975. Interior and Insular Affairs. Increases the appropriation authorization for the Andrew Johnson National Historic Site in Tennessee.

H.R. 5148. March 18, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 5149. March 18, 1975. Ways and Means. Replaces the Supplementary Security Income program with a completely federally funded and administered program of guaranteed minimum annual income for the aged, blind and disabled under the Social Security Act.

Revises eligibility requirements for coverage and benefits, and the method of calculating the primary insurance and monthly benefit amounts under the Old-Age, Survivors, and Disability Insurance program.

Revises eligibility requirements for coverage and benefits under the Medicare program and items and services covered by Medicare.

Authorizes the Secretary of Health, Education, and Welfare to formulate and administer a food allowance program for certain elderly persons.

H.R. 5150. March 18, 1975. Interstate and Foreign Commerce. Requires major corporations to file with the Federal Trade Commission cost justifications of price increases which would result from compliance with Federal regulatory requirements.

H.R. 5151. March 18, 1975. Interstate and Foreign Commerce. Requires major corporations to file with the Federal Trade Commission cost justifications of price increases which would result from compliance with Federal regulatory requirements.

H.R. 5152. March 18, 1975. Government Operations. Amends the Freedom of Information Act to stipulate that Federal employees who disclose information which is required by law to be disclosed by agencies may not be subject on account of such disclosure to discipline through dismissal, demotion, transfer, or other adverse personnel action.

H.R. 5153. March 18, 1975. Armed Services. Prohibits any change in the status of a member of the Armed Forces who was classified missing during service in Southeast Asia until there has been full compliance with the Paris Peace Accord of January 1973, and the President has determined that all reasonable actions have been taken to account for such members and reported such finding to the Congress.

Directs the Senate Committee on Armed Services and the House Committee on Armed Services to study the method whereby the status of a member of the Armed Forces is changed from missing to dead.

H.R. 5154. March 18, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for expenses incurred in securing reinstatement of certain Social Security benefits.

H.R. 5155. March 18, 1975. Merchant Marine and Fisheries. Directs the Commandant of the Coast Guard to document a certain vessel to engage in the American fisheries.

H.R. 5156. March 18, 1975. Judiciary. Directs the Commissioner of Patents to issue a certain patent.

H.R. 5157. March 19, 1975. Government Operations. Transfers to the Comptroller General of the United States the duties of the Director of the Bureau of the Budget in the area of coordination of Federal reporting services. Require the Internal Revenue Service to make requested information available to other Federal agencies.

Requires the Comptroller General to establish within the General Accounting Office a unit to review Internal Revenue Service forms and to make recommendations for the revision and simplification of such forms.

H.R. 5158. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to make an ex gratia payment to the people in Bikini Atoll of the Trust Territory of the Pacific Islands.

H.R. 5159. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to prohibit the requirement of an indirect source emission review as part of an implementation plan under the Act.

H.R. 5160. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to allow an investment tax credit of 15 percent for certain livestock packing operations when 65 percent of the livestock processed and packaged by such operation is grown within the State where the operation is located.

H.R. 5161. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to create a special rule for taxpayers on the accrual method of accounting to allow such taxpayers to not include in gross income for the taxable year the income attributable to the sale of any magazine which is returned not later than the 15th day of the third month after the close of the taxable year, or to the sale of any magazine for display purposes.

H.R. 5162. March 19, 1975. International Relations. Amends the Mutual Security Act of 1954 to require review by the House of Representatives and the Committee on Foreign Relations of the Senate, of an approved applications for licenses to export arms, ammunition, or implements of war, before such licenses may be issued except when the President states that an emergency exists which requires the granting of such license in the interests of national security.

H.R. 5163. March 19, 1975. Education and Labor. Establishes an Office of Career Guidance and Counseling in the United States Office of Education.

Establishes a National Advisory Council on Career Guidance and Counseling to advise the Secretary of Health, Education, and Welfare, and Commissioner of Education on the administration of this Act.

Directs the Council to assess the status of school and nonschool career guidance in the United States.

Authorizes the Commission to grant funds to States for approved counseling programs and related equipment, to contract with educational agencies for the training of guidance personnel, and to demonstrate new, and evaluate existing, guidance techniques.

H.R. 5164. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for each ton of post-consumer waste paper processed in the United States by the taxpayer during the taxable year into new commercially marketable pulp, paper, paperboard, or other similar products.

H.R. 5165. March 19, 1975. Interstate and Foreign Commerce. Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to authorize a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior employer, for their dependent spouse, and for their dependent children. Directs the Secretary of Health, Education, and Welfare to enter into contracts with insurance carriers who will provide such insurance benefits.

H.R. 5166. March 19, 1975. House Administration. Directs certain legislative officers to enter into agreements with Virginia, Maryland and the District of Columbia to withhold State or District of Columbia income taxes of each Member of Congress or specified employees subject to such income tax, and who voluntarily agrees to such withholding.

Authorizes the Committee on House Administration to review such agreements.

H.R. 5167. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to limit the business deduction for air travel expenses to no more than the cost of the normal tourist class fare for such transportation.

H.R. 5168. March 19, 1975. Judiciary. Makes officially recognized or designated members of a legally organized volunteer fire department, ambulance team, or rescue squad not employed by the United States who are killed or totally disabled in the line of duty eligible for Federal civil service death and disability compensation.

H.R. 5169. March 19, 1975. Armed Services. Directs the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense.

H.R. 5170. March 19, 1975. Interstate and Foreign Commerce. Requires processors of any food, drug, device, or cosmetic to develop and maintain recall and removal systems adequate to enable effective removal from the market of any article which fails to comply with the requirements of the Federal Food, Drug, and Cosmetic Act. Authorizes the Secretary of Health, Education, and Welfare to issue recall or removal orders or to notify the public where it is determined that there is a sufficient risk to the public health and the measures taken by the processor are inadequate to remedy the problem.

H.R. 5171. March 19, 1975. Interstate and Foreign Commerce. Requires processors of any food, drug, device, or cosmetic to develop and maintain recall and removal systems adequate to enable effective removal from the market of any article which fails to comply with the requirements of the Federal Food, Drug, and Cosmetic Act. Authorizes the Secretary of Health, Education, and Welfare to issue recall or removal orders or to notify the public where it is determined that there is a sufficient risk to the public health and the measures taken by the processor are inadequate to remedy the problem.

H.R. 5172. March 19, 1975. Interior and Insular Affairs. Science and Technology. Establishes a National Energy and Conservation Corporation to undertake programs of exploration, development, and production of public land and tideland oil, natural gas, oil shale, and coal resources. Directs the Corporation to administer programs consistent with objectives of land use planning, conservation, and environmental protection.

H.R. 5173. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

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Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5177. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5178. March 19, 1975. Banking, Currency and Housing. Declares a moratorium on increases in rents, utilities and related costs for tenants in federally assisted rental housing, except under certain circumstances.

H.R. 5179. March 19, 1975. Veterans' Affairs. Increases the rates of wartime disability compensation and survivors dependency and indemnity compensation payable by the Administrator of Veterans' Affairs to disabled veterans and their dependents, or to the widows of veterans.

H.R. 5180. March 19, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 5181. March 19, 1975. Education and Labor. Amends the Education Amendments of 1974 to delay and extend the effective dates of various programs under the Act. Revises the entitlement criteria to be used by the Commissioner of Education if sufficient sums are not appropriated by Congress to pay in full the amounts all local educational units are entitled to receive. Sets forth a formula for determining the amount local educational agencies are entitled to for programs for handicapped children.

H.R. 5182. March 19, 1975. Post Office and Civil Service. Directs the Secretary of Commerce to periodically conduct an interim adjustment survey to determine the number of individuals not counted by the most recent decennial census.

Requires Federal agencies to use the date obtained in such interim adjustment surveys in the administration of any Federal program which allocates assistance on the basis of population.

H.R. 5183. March 19, 1975. Interstate and Foreign Commerce. Establishes, within the Department of Health, Education, and Welfare, a Medical Injury Compensation Insurance Administration through which the Secretary of Health, Education, and Welfare shall establish and implement a program of no-fault medical malpractice insurance for licensed health professionals and licensed health care institutions. Requires any patient to waive any tort actions with respect to the injury for which no-fault benefits are claimed. Directs the Secretary of Health, Education, and Welfare to develop, within two years, standards for the licensure of health professionals.

H.R. 5184. March 19, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to offer reinsurance to any insurer or pool against liability for damages arising from medical malpractice. Directs the Secretary to conduct a comprehensive study of the problems that arise from medical malpractice litigation.

H.R. 5185. March 19, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to establish and implement a program of national medical malpractice insurance. Allows a State to establish a program for arbitration of medical malpractice claims, if such program conforms to the requirements of this Act.

H.R. 5186. March 19, 1975. Interstate and Foreign Commerce. Prohibits the United States Consumer Product Safety Commission from making a ruling or order that restricts the manufacture or sale of firearms, firearm ammunition, or components of firearm ammunition, including blackpowder or gunpowder.

H.R. 5187. March 19, 1975. Judiciary. Confers United States citizenship on certain Vietnamese children fathered by United States citizens. Requires the Department of State to expedite the adoption of such children.

H.R. 5188. March 19, 1975. Judiciary. Confers United States citizenship on certain Vietnamese children fathered by United States citizens. Requires the Department of State to expedite the adoption of such children.

H.R. 5189. March 19, 1975. Ways and Means. Amends the estate tax provisions of the Internal Revenue Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 5190. March 19, 1975. Public Works and Transportation. Amends the Appalachian Regional Revelopment Act of 1965 to designate certain cities in Virginia as within the Appalachian Region.

H.R. 5191. March 19, 1975. Post Office and Civil Service. Redesignates Veterans' Days as November 11.

H.R. 5192. March 19, 1975. Interior and Insular Affairs. Authorizes additional appropriations for the continuance of civil government for the Trust Territory of the Pacific Islands.

H.R. 5193. March 19, 1975. Interior and Insular Affairs. Enlarges the Redwood National Park in California to include additional lands.

H.R. 5194. March 19, 1975. Public Works and Transportation. Amends the Federal-Aid Highway Act of 1973 to authorize the financing of parkways from the Highway Trust Fund. Specifies that parkways so funded shall be managed solely for passenger car travel, scenic and recreational use.

H.R. 5195. March 19, 1975. Education and Labor. Amends the Age Discrimination in Employment Act to make its prohibitions applicable to all individuals over age forty.

H.R. 5196. March 19, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 5197. March 19, 1975. Merchant Marine and Fisheries. Authorizes the owner of a certain vessel to employ foreign citizens as crew members for service as fish processors and fishermen, under certain conditions.

H.R. 5198. March 19, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

H.R. 5199. March 19, 1975. Judiciary. Eliminates the antitrust exemption for certain resale price maintenance (fair trade) agreements under the Sherman Act and the Federal Trade Commission Act.

H.R. 5200. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income any gain resulting from a lottery conducted by an agency of a State acting under authority of State law.

H.R. 5201. March 19, 1975. Interstate and Foreign Commerce. Ways and Means. Amends the Clean Air Act to postpone certain motor vehicle emission standards and to establish interim motor vehicle emission standards for hydrocarbons and carbon monoxide.

Amends the Internal Revenue Code of 1954 to impose an excise tax on passenger automobiles based on fuel efficiency. Uses the fuel consumption rate as a basis for applicability of certain motor vehicle emission standards under the Clean Air Act.

H.R. 5202. March 19, 1975. Science and Technology. Declares a national policy and scheme of priorities for scientific and technological development.

Creates a Council of Advisors on Science and Technology in the Executive Office of the President. Establishes a program of continuing education in science and engineering through the National Science Foundation.

Includes provisions for Federal assistance to State science and technology programs.

H.R. 5203. March 19, 1975. Veterans' Affairs. Specifies that recipients of veterans pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5204. March 19, 1975. Ways and Means. Amends the Internal Revenue Code of 1954 to eliminate the percentage depletion allowance and the option to deduct intangible drilling and development costs for any oil or gas well located outside the United States. Eliminates foreign tax credit for any income derived from any such well.

H.R. 5205. March 19, 1975. Ways and Means. Revises the tax rates for old-age, survivors and disability insurance and hospital insurance under the Internal Revenue Code of 1954. Raises the ceiling on income taxable for old-age, survivors and disability insurance under the Social Security Act and Internal Revenue Code of 1954. Provides that one-third of the cost of the old-age, survivors and disability insurance program be borne by the Federal Government.

H.R. 5206. March 19, 1975. Armed Services. Authorizes recomputation of retired pay for members and former members of the Armed Forces who are 60 years of age or older or who are retired because of a physical disability.

H.R. 5207. March 19, 1975. Veterans' Affairs. Extends non-service-connected disability pensions to veterans who served for any period of time during World War I.

H.R. 5208. March 19, 1975. Veterans' Affairs. Entitles veterans of the Mexican border period or of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 5209. March 19, 1975. Armed Services. Authorizes additional appropriations for military family housing for fiscal year 1975.

H.R. 5210. March 19, 1975. Armed Services. Authorizes the Secretaries of the Army, Navy, Air Force, and Defense to establish or develop certain military installations and facilities. Authorizes the Secretary of Defense to acquire or construct military family housing.

H.R. 5211. March 19, 1975. Judiciary. Amends the Clayton Act to prohibit any corporation or association from (1) controlling more than one type of energy-producing mineral and (2) engaging in more than one aspect of the petroleum and natural gas industry. Prohibits any individual from serving as a director of more than one company engaged in energy resource production, refining, transportation or marketing.

H.R. 5212. March 19, 1975. Judiciary. Amends the Clayton Act to prohibit any corporation or association from (1) controlling more than one type of energy-producing mineral and (2) engaging in more than one aspect of the petroleum and natural gas industry. Prohibits any individual from serving as a director of more than one company engaged in energy resource production, refining, transportation or marketing.

H.R. 5213. March 19, 1975. Judiciary. Amends the Clayton Act to prohibit any corporation or association from (1) controlling more than one type of energy-producing mineral and (2) engaging in more than one aspect of the petroleum and natural gas industry. Prohibits any individual from serving as a director of more than one company engaged in energy resource production, refining, transportation or marketing.

H.R. 5214. March 19, 1975. Banking, Currency and Housing. Amends the Housing Act

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of 1964 to allow the Secretary of Housing and Urban Development to raise interest rates on residential rehabilitation loans under certain circumstances. Alters the funding procedures for such loans by (1) authorizing the Secretary of Housing and Urban Development to issue interest-bearing notes or other obligations to the Secretary of the Treasury, and (2) setting forth an appropriation formula. States priorities for the administration of such rehabilitation loan program. Extends the termination date of such program to September 30, 1978.

H.R. 5215. March 19, 1975. Interior and Insular Affairs. Authorizes an appropriation to the Secretary of the Interior for an ex gratia payment to persons who possess rights in Bikini Atoll in the Marshall Islands.

H.R. 5216. March 19, 1975. Interior and Insular Affairs. Authorizes appropriations for fiscal years 1975, 1976, and 1977 for the continuance of civil government for the Trust Territory of the Pacific Islands.

Authorizes appropriations to aid in the transition of the Mariana Islands District to a new commonwealth status as a territory of the United States. Prohibits the obligation or expenditure of such appropriations until a final agreement between the Marianas Political Status Commission and the United States has been signed.

H.R. 5217. March 19, 1975. Merchant Marine and Fisheries. Authorizes appropriations for the Coast Guard through fiscal year 1977.

H.R. 5218. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to define the term "indirect source".

Sets forth criteria to be adhered to by the Administrator of the Environmental Protection Agency in approving State air quality implementation plans and in modifying ambient air quality primary standards.

H.R. 5219. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to impose certain procedural requirements with regard to notice of public hearing and public access to information prior to approval of a State implementation plan by the Administrator of the Environmental Protection Agency.

H.R. 5220. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to direct the Administrator of the Environmental Protection Agency to revise certain air pollutant standards based on recent scientific evidence. Authorizes the Administrator to establish emission charges for certain air pollutants where promulgation of national standards is impracticable.

Requires that certain stationary sources of air pollutants install and operate continuous air pollution monitoring instruments.

Authorizes extensions of transportation control deadlines upon application to the Administrator. Authorizes the Secretary of Labor to pay unemployment compensation and temporary mortgage and rental to an individual who is unemployed as a result of enforcement of air pollution standards.

H.R. 5221. March 19, 1975. Interstate and Foreign Commerce. Authorizes financial assistance by the Secretary of Transportation to carriers by rail for wages of persons employed to improve and maintain their rights-of-way and structures. Sets forth regulations for such employment projects.

H.R. 5222. March 19, 1975. Judiciary. Interior and Insular Affairs. Amends the Outer Continental Shelf Lands Act to allow interstate compacts establishing continental shelf oil and gas leasing interstate advisory boards. Directs the Secretary of the Interior to consult with any such boards on proposed actions relating to leasing on the Outer Continental Shelf.

H.R. 5223. March 19, 1975. Education and Labor. Amends the Vocational Education Act of 1963 by authorizing additional appropriations and extensions for current programs under the Act.

H.R. 5224. March 19, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to develop land use plans for the natural resource lands administered through the Bureau of Land Management, except the Outer Continental Shelf.

Establishes criteria for the conveyance and acquisition of natural resource lands.

Authorizes the Secretary of the Interior to grant rights-of-way through natural resource lands for transportation or other facilities in the public interest. Repeals existing law relating to the disposal of natural resource lands.

H.R. 5225. March 19, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5226. March 19, 1975. Armed Services. Authorizes the President to appoint a certain member of the United States Air Force Reserve to the grade of brigadier general.

H.R. 5227. March 19, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 5228. March 19, 1975. District of Columbia. Creates a body corporate in the District of Columbia by the name of Daughters of Union Veterans of the Civil War, 1861–1865.

H.R. 5229. March 20, 1975. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants through the Economic Development Administration for local public works projects.

H.R. 5230. March 20, 1975. Post Office and Civil Service. Expands the prohibition against solicitation and receipt of political recommendations for employment in the Federal competitive service to include solicitations of elected State government officials and officials of political parties and other organizations. Specifies circumstances under which the use by Federal employees of a recommendation made by such an individual is permitted.

H.R. 5231. March 20, 1975. Agriculture. Amends the Consolidated Farm and Rural Development Act to direct the Secretary of Agriculture to give preference in granting farm purchase and improvement loans to nonowner-operators of a farm or to owner-operators who do not rely on the farm for their principal source of income. Authorizes the Secretary to make or insure loans to such nonowner-operators and sets limits for the amount of such loans. Stipulates explicit repayment terms for nonowner-operators of farms who receive loans under the Act.

H.R. 5232. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to increase the Federal estate tax exemption.

H.R. 5233. March 20, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to promulgate standards and formulate an inspection program for skilled nursing homes and intermediate and long-term care facilities participating in the Medicaid program. Sets forth guarantees and rights of patients in such facilities.

H.R. 5234. March 20, 1975. Education and Labor. Establishes accreditation criteria to be observed by public or private associations and agencies which accredit post-secondary educational institutions and upon which the Federal Government relies in determining whether to grant Federal educational funding.

H.R. 5235. March 20, 1975. Agriculture. Stipulates that loans made by the Secretary of Agriculture, under the Emergency Livestock Credit Act of 1974, (1) may be guaranteed in an amount up to 90 percent of the principal and interest; (2) shall be for the period reasonably required by the needs of the borrower, but not exceeding an original term of seven years; and (3) shall not exceed a total principal balance outstanding at any one time, for any borrower, of $250,000.

H.R. 5236. March 20, 1975. Interstate and Foreign Commerce. Establishes the Office of Rural Health within the Department of Health, Education, and Welfare to award grants, and to make contracts, loans, and loan guarantees for projects to examine existing models of rural health care delivery and to assist in the study, planning, development, experimentation, and demonstration of rural health care delivery models.

H.R. 5237. March 20, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for use of a firearm in the commission of a felony.

H.R. 5238. March 20, 1975. Education and Labor. Establishes in the Office of the Secretary of Health, Education, and Welfare an Office of Youth Camp Safety. Requires that Federal youth camp safety standards be developed and enforced.

H.R. 5239. March 20, 1975. Education and Labor. Authorizes appropriations for fiscal year 1976 for carrying out certain provisions of the Comprehensive Employment and Training Act of 1973.

H.R. 5240. March 20, 1975. Education and Labor. Authorizes the Commissioner of Education to make grants for the construction of public elementary and secondary schools to local educational agencies which serve substantial numbers of children from low-income families.

H.R. 5241. March 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire additional lands for the Indiana Dunes National Lakeshore.

H.R. 5242. March 20, 1975. Agriculture. Prohibits all importation of honeybees and honeybee semen except by the United States Department of Agriculture for experimental or scientific purposes or from countries determined by the Secretary of Agriculture to be free from diseases or parasites harmful to honeybees and to have in operation adequate precautions to protect against the importation of honeybees from other countries where harmful honeybee diseases or parasites exist.

H.R. 5243. March 20, 1975. Ways and Means. Interstate and Foreign Commerce. Directs the Secretary of the Treasury to determine the dollar amount of petroleum which may be imported annually. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic refiners.

H.R. 5244. March 20, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Secretary of Transportation to make financial assistance available to qualified applicants for the purpose of providing employment for unemployed or underemployed persons in jobs maintaining or rebuilding railroad rights-of-way, during times of high unemployment.

H.R. 5245. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to require repayment by the Secretary of the Treasury of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 5246. March 20, 1975. Judiciary. Prohibits certain forms of economic coercion based on religion, race, national origin, sex, support for any foreign government or dealing with or in any foreign country.

H.R. 5247. March 20, 1975. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants through the Economic Development Administration for local public works projects.

H.R. 5248. March 20, 1975. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants through the Economic Development Administration for local public works projects.

H.R. 5249. March 20, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress,

and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5250. March 20, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5251. March 20, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5252. March 20, 1975. Armed Services. Revises the method of computing years of service for the purpose of determining a reservist's entitlement to Armed Forces retired pay.

H.R. 5253. March 20, 1975. Armed Service. Revises the method of computing years of service for the purpose of determining a reservist's entitlement to Armed Forces retired pay.

H.R. 5254. March 20, 1975. Armed Services. Directs the Secretary of Defense to establish regional boards to review military discharges and dismissals.

Prohibits the inclusion on discharge certificates of any information pertaining to whether a former member should be accepted for reenlistment. Directs the Secretary of each military department to issue new discharge certificates to individuals whose original certificates contained such prohibited information.

H.R. 5255. March 20, 1975. Post Office and Civil Service. Allows a civil officer or employee of the Federal Government to receive concurrently compensation for disability related to a civilian work injury and retired pay for a different disability incurred during service in the Armed Forces.

H.R. 5256. March 20, 1975. Veterans' Affairs. Enables an individual to utilize any entitlement to war orphans' educational assistance before entering upon active duty with the Armed Forces, whereupon the regular entitlement to veterans' educational assistance shall accrue.

H.R. 5257. March 20, 1975. Post Office and Civil Service. Allows certain retired officers and employees of the Federal Government, receiving a reduced annuity under the Civil Service Retirement Act, to apply for recomputation and retroactive payment of such annuity.

H.R. 5258. March 20, 1975. Merchant Marine and Fisheries. Establishes the limit of the United States fishery zone at two hundred miles from the inner limit of the territorial sea.

Extends the jurisdiction of the U.S. over fish which originate in United States inland waters to wherever such fish range in the oceans except that jurisdiction does not extend into the fishery or territorial waters of another country.

H.R. 5259. March 20, 1975. Ways and Means. Revises the eligibility requirements for disability benefits and the disability freeze under the Social Security Act by extending eligibility to individuals with 40 quarters of coverage regardless of when they were earned.

H.R. 5260. March 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5261. March 20, 1975. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to authorize the Secretary of Commerce to provide funds to the Federal Cochairmen of the economic development regions established under the Act for grants for meeting the social, economic, and environmental impacts of natural resource development, significant changes in Federal Government policies or regulations, or significant shifts in employment opportunities.

H.R. 5262. March 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5263. March 20, 1975. Education and Labor. Directs the Bureau of Labor Statistics to prepare a monthly Consumer Price Index for the Elderly. Directs the Secretaries of Health, Education, and Welfare, Defense, and State; the Chairmen of the Civil Service Commission, Board of Directors of the Tennessee Valley Authority, and Board of Governors of the Federal Reserve System; the Director of the Central Intelligence Agency; and the Commissioner of the District of Columbia to study and investigate any legislative and administrative action necessary for utilizing such an index in the administration of certain retirement programs.

H.R. 5264. March 20, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to carry out a program to develop information and educational materials relating to vitiligo. Authorizes the Secretary to make grants and enter into contracts with public and nonprofit private entities for projects for research and training in the diagnosis, treatment, and control of vitiligo.

H.R. 5265. March 20, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to carry out a program to develop information and educational materials relating to vitiligo. Authorizes the Secretary to make grants and enter into contracts with public and nonprofit private entities for projects for research and training in the diagnosis, treatment, and control of vitiligo.

H.R. 5266. March 20, 1975. Agriculture. Prohibits the Secretary of Agriculture, when promulgating rules, orders, and regulations under the Agricultural Marketing Act of 1946, from making any changes in the grade designations or specifications for grades in the standards for slaughter cattle or carcass beef which has the effect of raising the grade of any cattle or carcass beef.

H.R. 5267. March 20, 1975. Ways and Means. Amends the Internal Revenue Code by increasing the Federal estate tax exemption.

H.R. 5268. March 20, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 5269. March 20, 1975. Post Office and Civil Service. Requires that certain financial information be included in any mailed solicitation for charitable contributions. Requires that the Postal Service be furnished by the solicitors with the necessary documents to verify the information enclosed with charitable solicitations.

H.R. 5270. March 20, 1975. Public Works and Transportation. Authorizes the construction of an auxiliary navigation channel to modify the McClellan-Kerr Arkansas River navigation system in Oklahoma.

H.R. 5271. March 20, 1975. Judiciary. Amends the Voting Rights Act of 1965 by increasing to twenty years the time period during which a declaratory judgment that no voting test or device has been used to abridge the right to vote on account of race or color may not issue in a case brought by a State or local political subdivision.

Stipulates that no citizen shall be denied. because of his failure to comply with any test or device, the right to vote in any Federal, State, or local election.

H.R. 5272. March 20, 1975. Interstate and Foreign Commerce. Authorizes appropriations for fiscal years 1976 and 1977 for purposes of the Noise Control Act of 1972.

H.R. 5273. March 20, 1975. Judiciary. Amends the Immigration and Nationality Act to grant alien children adopted by unmarried United States citizens the same immigrant status as alien children adopted by married United States citizens.

H.R. 5274. March 20, 1975. Agriculture. Authorizes the Secretary of Agriculture to pay compensation for beef cattle, dairy cattle, swine, poultry, eggs, milk, and dairy products at a fair market value to producers who are advised that their animals or products cannot be marketed because such animals or products contain residues of Polybrominated Biphenyl, unless such producer willfully failed to follow procedures prescribed for the use of such substance.

H.R. 5275. Ways and Means. Amends the Internal Revenue Code to allow tax exempt industrial development bonds to be issued to finance recycling facilities.

H.R. 5276. March 20, 1975. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance provisions of the Social Security Act by (1) authorizing the replacement of lost, stolen or undelivered benefit checks; and (2) revising the procedure for making administrative determinations of entitlement to benefits.

H.R. 5277. March 20, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the school breakfast program: (3) revise guidelines for the administration of various programs under the Acts; and (4) redefine terms used in the Acts.

H.R. 5278. March 20. 1975. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to provide that daylight saving time shall begin on the last Monday of May and end on the first Monday of September.

H.R. 5279. March 20, 1975. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to prohibit the President from increasing the price of certain crude oil by more than one dollar per barrel per year.

H.R. 5280. March 20, 1975. Ways and Means. Amends the Social Security Act to establish a Special Advisory Council on Social Security Financing to study replacing the present system of financing Old-Age, Survivors, and Disability Insurance with one in which benefits are paid from accrued interest.

H.R. 5281. March 20, 1975. Armed Services. Directs the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense.

H.R. 5282. March 20, 1975. Veterans' Affairs. Allows the widow of a veteran to remarry after age 60 without losing her veterans' dependency and indemnity compensation.

H.R. 5283. March 20, 1975. Education and Labor. Amends the Black Lung Benefits Act by defining work in certain coke oven areas as employment of a miner in an underground coal mine. Creates a rebuttable presumption after 25 years and an irrebuttable presumption after 35 years of employment in underground coal mines that a miner is totally disabled due to pnuemoconiosis, or that he was totally disabled at the time of his death or his death was due to pneumoconiosis. Amends certain procedural aspects of the Federal Coal Mine Health and Safety Act of 1969.

H.R. 5284. March 20, 1975. Ways and Means. Amends the Social Security Act to prohibit termination of widows, widower's or parent's insurance benefits if the recipient remarries.

H.R. 5285. March 20, 1975. Banking, Currency, and Housing. Establishes the Federal Housing Administration as an independent Federal agency. Stipulates that standard risk programs under the National Housing Act shall be administered by such agency.

H.R. 5286. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to authorize real property to be valued for estate tax purposes at its value as farmland, woodland, or open land rather than at its fair market value.

H.R. 5287. March 20, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to allow the Administrator of the Environmental Protection Agency to accept State certification as discharging his responsibilities under certain provisions for the development and construction of adequate waste treatment facilities

H.R. 5288. March 20, 1975. Ways and Means. Directs the Secretary of the Treasury to conduct a study of how inflation has increased the Federal income tax liabilities of certain individuals.

H.R. 5289. March 20, 1975. Ways and Means. Interstate and Foreign Commerce. Directs the Secretary of the Treasury to determine the dollar amount of petroleum which may be imported annually. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic refiners.

H.R. 5290. March 20, 1975. Judiciary. Amends the Immigration and Nationality Act to permit the adoption of more than two alien children by a United States citizen.

H.R. 5291. March 20, 1975. Banking, Currency and Housing. Ways and Means. Regulates certain interest-bearing deposit accounts under the Banking Act, the Federal Reserve Act, the Federal Deposit Insurance Act, the Federal Home Loan Bank Act, and the National Housing Act. Specifies reserve, credit, and investment regulations under the Federal Reserve Act, the Home Owner's Loan Act, and the Federal Home Loan Bank Act. Regulates the functions of Federal thrift institutions under the Home Owners' Loan Act and the National Housing Act. Amends the Federal Credit Union Act to expand the functions of such institutions. Establishes the National Credit Union Administration Discount Fund to meet liquidity problems of credit unions.

H.R. 5292. March 20, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for the use of a firearm to commit certain felonies.

H.R. 5293. March 20, 1975. Rules. Amends the Congressional Budget Act of 1974 (1) to provide that Federal revenues and outlays shall not exceed Federal revenue and budget outlay limits, with specified exceptions, and (2) to require that, when they are introduced, all bills or joint resolutions contain a "fiscal note" disclosing the fiscal impact of the bill on Government finances.

H.R. 5294. March 20, 1975. Rules. Amends the Congressional Budget Act of 1974 (1) to require that Federal revenues and outlays not exceed Federal revenue and budget outlay limits with specified exceptions, and (2) to require that when they are introduced, all bills or joint resolutions shall contain a "fiscal note" disclosing the fiscal impact of the bill on Government finances.

H.R. 5295. March 20, 1975. Agriculture. Revises the eligibility requirements for food coupons under the Food Stamp Act of 1964 to exclude individuals who receive one-half of their income from an individual who is not eligible for food coupons.

H.R. 5296. March 20, 1975. Education and Labor. Amends the Higher Education Act of 1965 to require that institutions of higher education and vocational schools, in order to be eligible for purposes of federally assisted student loans, establish a policy of tuition refunds for students who withdraw.

H.R. 5297. March 20, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by authorizing the Administrator of the Small Business Administration to render onsite construction and advice to certain small business employers to assist such employers in complying with the health and safety standards of the Act.

H.R. 5298. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to impose an excise tax on every passenger automobile sold by the manufacturer whose fuel consumption falls below a stipulated fuel economy standard.

Directs the Secretary of Transportation to establish test procedures for determining the fuel consumption rate for each new automobile subject to this tax.

H.R. 5299. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to report to the Joint Committee on Internal Revenue Taxation the specific criteria and procedures used to audit returns and to report certain information regarding audits completed in the previous twelve months.

H.R. 5300. March 20, 1975. Public Works and Transportation. Establishes within the General Services Administration a police force to be known as the Federal Protective Service, to enforce laws and regulations in public buildings and other areas under the jurisdiction of the General Services Administration,

H.R. 5301. March 20, 1975. Banking, Currency and Housing. Repeals the provisions of the Flood Disaster Protection Act of 1973 which require communities and individuals in flood prone areas to participate in the national flood insurance program in order to be eligible for Federal financial assistance.

H.R. 5302. March 20, 1975. Government Operations. Establishes the Office of Inspector General in the Department of Health, Education, and Welfare, for the purpose of investigating any program administered by such department.

H.R. 5303. March 20, 1975. Government Operations. Establishes in the Department of Health, Education, and Welfare the Office of Inspector General to investigate each program which is administered by the Department. Stipulates that the Inspector General shall be appointed by the President, by and with the advice and consent of the Senate.

H.R. 5304. March 20, 1975. Banking, Currency and Housing. Establishes a Federal Housing Bank (1) to purchase certain mortgages from the Federal Mortgage Association and the Federal Home Bank System, (2) to refinance certain mortgages of families stricken by unemployment, and (3) to provide emergency mortgage relief.

H.R. 5305. March 20, 1975. Armed Services Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which a former member was separated. Specifies conditions under which an enlisted member may be granted an other than honorable discharge. Directs the Secretary of each armed force, after consultation with the Administrator of Veterans' Affairs, to establish regional discharge review boards.

H.R. 5306. March 20, 1975. Armed Services. Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which a former member was separated. Specifies conditions under which an enlisted member may be granted an other than honorable discharge. Directs the Secretary of each armed force, after consultation with the Administrator of Veterans' Affairs, to establish regional discharge review boards.

H.R. 5307. March 20, 1975. Armed Services. Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which a former member was separated. Specifies conditions under which an enlisted member may be granted an other than honorable discharge. Directs the Secretary of each armed force, after consultation with the Administrator of Veterans Affairs, to establish discharge review boards.

H.R. 5308. March 20, 1975. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to direct the President to establish a ceiling price of seven dollars per barrel for crude oil produced in the United States. Extends mandatory allocation authority under the Emergency Petroleum Allocation Act of 1973 through June 30, 1981.

H.R. 5309. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to impose a tax upon every passenger automobile sold by the manufacturer, producer, or importer and based on its fuel consumption rate.

Requires the Administrator of the Environmental Protection Agency to determine the fuel consumption rate of all automobiles taxable under this Act, and to make this information available to the public and the Secretary of the Treasury.

H.R. 5310. March 20, 1975. Judiciary. Relieves a certain individual of liability to the United States for a specified sum representing a loss of funds by such individual while a cashier for the United States Public Health Hospital.

H.R. 5311. March 20, 1975. Judiciary. Authorizes claimants to certain lands in Los Angeles County, California, to submit their claims to the United States Court of Claims for adjudication. Specifies the laws under which such claims are to be decided and the disposition of such claims if it is decided they are valid.

H.R. 5312. March 21, 1975. Veterans' Affairs. Extends hospital and medical care to certain persons who served, during World War I or World War II in foreign armed forces that were allies of the United States.

H.R. 5313. March 21, 1975. Banking, Currency and Housing. Amends the Export-Import Bank Act of 1945 and the Trade Reform Act of 1974 to remove certain limitations on credits to be made available for export sales of American goods to the Union of Soviet Socialist Republics.

H.R. 5314. March 21, 1975. Judiciary. Makes it unlawful to refuse to deal with or otherwise discriminate against any person on the grounds of that person's religion when such dealings affect commerce among the States or with foreign nations.

H.R. 5315. March 21, 1975. House Administration. Makes it unlawful (1) to engage in election campaign espionage; (2) to use campaign funds to aid in commission of any offense against the United States or any State and (3) for any campaign employee to withhold information concerning violations of this Act or the Federal Election Campaign Act from the political candidate or political committee chairman for whom he works.

H.R. 5316. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction of the expenses for medical care of a legally adopted child of the taxpayer and of the child's natural mother, in connection with the child's birth, if such expenses are paid by the taxpayer pursuant to an agreement, entered into before the child's birth, between the taxpayer and the child's natural mother.

H.R. 5317. March 21, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congress has acted on a bill effecting such rescission.

H.R. 5318. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit the deduction of expenses for attendance at a business convention outside the United States.

H.R. 5319. March 21, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to prohibit the Federal Trade Commission from requiring any person, partnership, or corporation to file line of business information with the Commission.

H.R. 5320. March 21, 1975. Public Works and Transportation. Directs the Secretary of the Interior to establish and operate a ferry on Lake Franklin D. Roosevelt in Washington.

H.R. 5321. March 21, 1975. Education and Labor. Establishes a National Employment Relocation Administration in the Department of Labor. Establishes programs of Federal assistance to employees who suffer employment loss through economic dislocations, to businesses threatened with dislocation and to affected communities.

Requires prenotification to affected employees and communities of dislocation of businesses. Provides Federal assistance for job placement and retraining of employees.

H.R. 5322. March 21, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 5323. March 21, 1975. Post Office and Civil Service. Establishes a 1-cent postage rate for postal cards and post cards.

H.R. 5324. March 21, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to release the names of present or former personnel of the armed services and their dependents to various service organizations recognized by the Secretary for the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

H.R. 5325. March 21, 1975. Post Office and Civil Service. Redesignates Veterans' Day as November 11.

H.R. 5326. March 21, 1975. Education and Labor. Ways and Means. Amends the Employees Retirement Income Security Act of 1974 by requiring that all private pension plans have the effect of a qualified joint and survivor annuity.

Revises the requirements for a qualified trust under the Internal Revenue Code of 1954 to conform to such amendment.

H.R. 5327. March 21, 1975. House Administration. Reserves a site in the District of Columbia for the future public uses of the Smithsonian Institution.

H.R. 5328. March 21, 1975. House Administration. Authorizes the regents of the Smithsonian Institution to prepare plans for museum support facilities for the care and study of the national collections. Requires such support facilities to be located on federally owned land within the metropolitan area of Washington, D.C.

Authorizes any Federal agency to transfer land under its jurisdiction to the Smithsonian Institution, without reimbursement.

H.R. 5329. March 21, 1975. Education and Labor. Authorizes the Secretary of Labor to grant, under certain circumstances, a limited waiver of the child labor provisions of the Fair Labor Standards Act of 1938 to employers desiring to hire children for the purpose of harvesting crops.

H.R. 5330. March 21, 1975. Post Office and Civil Service. Redesignates Veterans' Day as November 11.

H.R. 5331. March 21, 1975. Banking, Currency, and Housing. Amends the Bank Holding Act of 1956 (1) to require faster action by the Federal Reserve Board and the Comptroller of the Currency or State banking supervisory authorities on applications by bank holding companies for the acquisition of bank holding companies under emergency conditions or when such bank or company is failing, than is taken on applications for acquisition of sound banks; and (2) to authorize bank holding companies to acquire out of State banks or bankholding companies in emergency situations to prevent the failure of such banks or companies.

H.R. 5332. March 21, 1975. Public Works and Transportation. Amends the Disaster Relief Act of 1974 to permit the proceeds of loans made under the Act to be used to construct protective measures to prevent future property damage.

H.R. 5333. March 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by allowing the Secretary of Health, Education, and Welfare to establish a State as one area for which a Professional Standards Review Organization may be designated.

H.R. 5334. March 21, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 5335. March 21, 1975. Education and Labor. Excludes patients residing in and employed by certain State hospitals and institutions from coverage under the Fair Labor Standards Act.

H.R. 5336. March 21, 1975. Judiciary. Prohibits the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering or entertainment. Makes it unlawful to participate in preparatory activities for a fight between two or more dogs.

H.R. 5337. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to require a repayment of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 5338. March 21, 1975. Judiciary. Requires establishment of a system for the redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 5339. March 21, 1975. Judiciary. Amends the Immigration and Nationality Act to make it unlawful for persons to knowingly employ or refer for employment aliens who have not been lawfully admitted to the United States for permanent residence. Directs the Immigration and Naturalization Service to increase its staff.

H.R. 5340. March 21, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to prohibit the application of a per se rule of illegality under the antitrust laws in the case of certain market allocation agreements made as part of a contract for the distribution or sale of trademarked private label food products.

H.R. 5341. March 21, 1975. Agriculture. Transfers all functions of the Secretary of Agriculture under the Food Stamp Act of 1964 to the Secretary of Health, Education, and Welfare.

H.R. 5342. March 21, 1975. Post Office and Civil Service. Reduces retirement benefits for Members of Congress who remain in office after attaining 70 years of age.

H.R. 5343. March 21, 1975. Interior and Insular Affairs. Authorizes additional appropriations for the continuance of civil government for the Trust Territory of the Pacific Islands. Authorizes appropriations to aid in the transition of the Mariana Islands District to the status of a U.S. territory.

H.R. 5344. March 21, 1975. Ways and Means. Amends the Social Security Act by eliminating the waiting period for entitlement to Medicare benefits on the basis of disability.

H.R. 5345. March 21, 1975. Judiciary. Amends the Copyright Act of 1909 to extend exclusive rights with respect to copyrighted sound recordings to include performance in public for profit. Establishes a system of compulsory licensing and royalties for public performance of sound recordings.

H.R. 5346. March 21, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congress has acted on a bill effecting such rescission.

H.R. 5347. March 21, 1975. Education and Labor. Amends the Higher Education Act of 1965 to (1) extend appropriations for various student financial aid programs for postsecondary education; (2) change the level of appropriations for the programs; (3) revise standards for eligibility under such programs; (4) change the criteria to be utilized for the allotment of money to States for State Student Incentives; (5) require institutions of higher education to establish a tuition refund policy in order to be eligible for assistance under this Act; and (6) include veterans in the special programs for disadvantaged students.

H.R. 5348. March 21, 1975. Ways and Means. Amends the Internal Revenue Code of 1954 by allowing an individual who is 65 years of age or older to elect to exempt his income from Social Security taxes.

Amends the Social Security Act by redefining employment and self-employment to exclude service performed by an individual who is 65 years of age or older who has elected to exempt the income derived from such service from Social Security taxes.

H.R. 5349. March 21, 1975. Ways and Means Interstate and Foreign Commerce. Exempts, temporarily, certain rural hospitals from the professional standards review, utilization review, and utilization control requirements imposed by the Social Security Act on hospitals participating in the Medicare, Medicaid, and Maternal and Child Health Services programs.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of utilization review and utilization control for rural hospitals

H.R. 5350. March 21, 1975. Post Office and Civil Service. Requires notice to be given by the heads of executive agencies to the Congress of certain proposed actions affecting Federal civilian employment.

H.R. 5351. March 21, 1975. Agriculture. Defines the terms "intermediate handler" and "common carrier", under the Animal Welfare Act of 1970. Prohibits the delivery of transportation (1) of all animals without an accompanying certificate of sound health issued by a certified veterinarian; (2) of certain animals if they are less than eight weeks old; and (3) of any animal whose cost or whose cost of transportation is to be paid upon delivery to the consignee. Prohibits any person from knowingly sponsoring or attending a dog or animal fighting venture.

H.R. 5352. March 21, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 5353. March 21, 1975. Rules. Amends the Congressional Budget Act of 1974(1) to require that Federal revenues and outlays not exceed Federal revenue and budget outlay limits with specified exceptions, (2) to require that when they are introduced, all bills or joint resolutions shall contain a "fiscal note" disclosing the fiscal impact of the bill on Government finances.

H.R. 5354. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to allow the determination of excludability of any disability pension payment to an individual to be made without regard to whether or not such individual has reached retirement age.

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H.R. 5355. March 21, 1975. Education and Labor. Amends the national School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the School Breakfast Program and the Special Supplemental Food Program; (3) authorize the Secretary of Agriculture to make grants for Food Service Programs in institutions providing day care; (4) revise guidelines for the administration of various programs under the Acts; (5) redefine terms used in the Acts; and (6) authorize funding for nonfood assistance for the Summer Food Program and the Special Food Service Program.

H.R: 5356. March 21, 1975. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay pension benefits to each veteran who served in the active military, naval, or air service at any time during World War I and who is otherwise not eligible for pension or to the widow and children of such veteran.

H.R. 5357. March 21, 1975. Interstate and Foreign Commerce. Amends the International Travel Act to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

H.R. 5358. March 21, 1975. Interstate and Foreign Commerce. Authorizes additional appropriations under the Federal Railroad Safety Act and the Hazardous Materials Transportation Act.

H.R. 5359. March 21, 1975. Interstate and Foreign Commerce. Empowers the Attorney General, the Secretary of tSate, and the Secretary of Health, Education, and Welfare to execute the obligations of the United States under the international treaty entitled the "Convention of Psychotropic Substances" which is designed to establish suitable controls over manufacture, distribution, transfer, and use of certain psychotropic substances. Stipulates that the Comprehensive Drug Abuse Prevention and Control Act of 1970 is the appropriate framework for control of psychotropic substances.

H.R. 5360. March 21, 1975. Interstate and Foreign Commerce. Amends the War Claims Act of 1948 to increase detention benefits for American civilian internees in Southeast Asia.

H.R. 5361. March 21, 1975. Interstate and Foreign Commerce. Authorizes appropriations for the Consumer Product Safety Commission through September 30, 1978. Amends various jurisdictional, administrative, and technical provisions of the Poison Prevention Packaging Act, the Federal Hazardous Substances Act, and the Consumer Product Safety Act.

H.R. 5362. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 5363. March 21, 1975. Armed Services. Requires that certain proceeds from the disposition of lands within the naval petroleum reserves be made available to States where such lands are located.

H.R. 5364. March 21, 1975. Armed Services. Authorizes the President to appoint a certain member of the U.S. Navy Reserves Retired to the grade of rear admiral.

H.R. 5365. March 21, 1975. Post Office and Civil Service. Authorizes the allowance of creditable service for civil service retirement purposes to individuals for service with certain international organizations.

H.R. 5366. March 22, 1975. Ways and Means. **Redefines "income" for the purposes of determining eligibility for, and the amount of Old-Age, Survivors, and Disability Insurance benefits under the Social Security Act. Increases the amount of outside income which an individual may receive without a reduction in Old-Age, Survivors and Disability Insurance benefits.**

H.R. 5367. March 22, 1975. Ways and Means. Amends the Internal Revenue Code to disallow certain tax incentives where there is a plant closing in a high unemployment area or where certain corporations are liquidating, selling stocks and assets or reorganizing.

H.R. 5368. March 24, 1975. Ways and Means. Excludes from gross income a limited amount of income representing the excess of the net long-term capital gain for the year over the net short-term capital loss from the sale or exchange of a security for taxpayers other than a corporation.

H.R. 5369. March 24, 1975. Ways and Means. Excludes general and cost-of-living increases in Old-Age, Survivors and Disability Insurance benefits under the Social Security Act from income for the purpose of determining an individual's eligibility for any federally funded State program.

H.R. 5370. March 24, 1975. Education and Labor. Directs the Comptroller General of the United States to conduct a study of the provisions of State unemployment compensation laws relating to availability for work or refusal to accept work to determine whether such provisions are effective in preventing individuals who refuse to accept suitable offers of employment from receiving unemployment compensation.

H.R. 5371. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to increase the Federal estate tax exemption.

H.R. 5372. March 24, 1975. Agriculture. Directs the Commodity Futures Trading Commission to establish and maintain a program designed to regulate the activities of brokers who engaged in forward contracting for agricultural crops by requiring the registration of such brokers with the Commission.

H.R. 5373. March 24, 1975. Post Office and Civil Service. Prohibits any employee of an executive agency from requesting or receiving from Federal officials or employees anything of value for political purposes. Allows any such employee to make voluntary contributions to political campaigns. Permits employees of Federal executive agencies or the District of Columbia government to participate in political management or in political campaigns.

H.R. 5374. March 24, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 5375. March 24, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 5376. March 24, 1975. Ways and Means. Includes the services of clinical psychologists under the coverage of the Medicare supplementary medical insurance program of the Social Security Act.

H.R. 5377. March 24, 1975. Ways and Means. Includes the services of clinical psychologists under the coverage of the Medicare supplementary medical insurance program of the Social Security Act.

H.R. 5378. March 24, 1975. Judiciary. Amends the Sherman Act by declaring unlawful any agreement between a labor organization and an employer whereby such employer agrees to boycott any product which is distributed in interstate or foreign commerce.

H.R. 5379. March 24, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for the use of a firearm or a cutting or stabbing weapon to commit a felony or the carrying of such weapons during the commission of a felony

H.R. 5380. March 24, 1975. Banking, Currency and Housing. Authorizes and directs the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of distressed homeowners.

H.R. 5381. March 24, 1975. Interstate and Foreign Commerce. Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to authorize a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior employer, for their dependent spouse, and for their dependent children. Directs the Secretary to enter into contracts with insurance carriers who will provide such insurance benefits.

H.R. 5382. March 24, 1975. Banking, Currency and Housing. Establishes the Homeowners Loan Corporation and authorizes such Corporation to issue bonds.

Establishes the Corporation to acquire mortgages and other liens secured by real estate in exchange for its bonds in any quarter during which the foreclosure rate reaches a predetermined level.

Authorizes the Corporation to exchange advances to a homeowner whose mortgagor will not accept the Corporations bonds.

Authorizes the Corporation to exchange bonds and advance cash to recover property lost through foreclosure within two years prior to such exchange or advance.

H.R. 5383. March 24, 1975. Government Operations. Prohibits Federal agencies from purchasing, hiring, leasing, operating or maintaining limousines, and from employing chauffeurs to operate such limousines, except for certain designated Federal officers.

H.R. 5384. March 24, 1975. Interstate and Foreign Commerce. Phohibits the United States Consumer Product Safety Commission from making a ruling or order that restricts the manufacture or sale of firearms, firearm ammunition, or components of firearm ammunition, including blackpowder or gunpowder.

H.R. 5385. March 24, 1975. Government Operations. Prohibits Federal agencies from purchasing, leasing, or maintaining motor vehicles or employing chauffeurs to operate such motor vehicles except for certain designated Federal officials and as permitted by this Act.

H.R. 5386. March 24, 1975. Education and Labor. Amends the National School Lunch Act to continue the special food service program for children through September 30, 1975.

H.R. 5387. March 24, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to make the Director of the National Institute for Occupational Safety and Health directly responsible to the Assistant Secretary for Health of the Department of Health, Education, and Welfare.

H.R. 5388. March 24, 1975. Merchant Marine and Fisheries. Directs the Secretary of Commerce to require that a minimum percentage of United States oil imports be carried on privately-owned United States flag commercial vessels.

H.R. 5389. March 24, 1975. Judiciary. Amends the Immigration and Nationality Act to make it unlawful to knowingly hire or refer for employment an alien not lawfully admitted to the United States.

Directs that the Immigration and Naturalization Service shall increase its staff.

Requires that employees of the Department of Health, Education, and Welfare disclose to the Immigration Service the names of illegal aliens who are receiving assistance under the Social Security Act.

H.R. 5390. March 24, 1975. Ways and Means. Interstate and Foreign Commerce. Exempts, temporarily, certain rural hospitals from the professional standards review, utilization review, and utilization control requirements imposed by the Social Security Act on hospitals participating in the Medicare, Medicaid, and Maternal and Child Health Services programs.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of utilization review and utilization control for rural hospitals.

H.R. 5391. March 24, 1975. Veterans' Affairs. Requires that certain increases in monthly Social Security or railroad retirement benefits be disregarded by the Administrator of Veterans' Affairs when determining a person's annual income for the purpose of determining the veterans' pension payable to that person.

H.R. 5392. March 24, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to make modifications in contract obligations in connection with the Mirage Flats irrigation project.

H.R. 5393. March 24, 1975. Post Office and Civil Service. Designates the birthday of Susan B. Anthony as a legal public holiday.

H.R. 5394. March 24, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to study the feasibility of establishing the Hells Canyon National Recreation Area in Idaho and Oregon.

H.R. 5395. March 24, 1975. Interstate and Foreign Commerce. Prohibits the licensing of hydroelectric projects on a certain segment of the Middle Snake River between Idaho and Oregon and Washington, at any time before September 30, 1978.

H.R. 5396. March 24, 1975. Ways and Means.

Amends the Internal Revenue Code to repeal the excise tax on trucks, buses, and tractors, and parts and accessories for such vehicles.

H.R. 5397. March 24, 1975. Post Office and Civil Service. Entitles a Federal employee who is separated from the Civil Service after completing 30 years of civil service work to an annuity regardless of age.

H.R. 5398. March 24, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of homeowners who are temporarily unable to make their mortgage payments because of current adverse economic conditions.

Requires the Secretary to report to Congress on the state of the home mortgage market in the United States.

H.R. 5399. March 24, 1975. Interstate and Foreign Commerce. Authorizes and directs the Secretary of Transportation to make a loan of $100,000,000 to the Chicago, Rock Island, and Pacific Railroad Company.

H.R. 5400. March 24, 1975. Post Office and Civil Service. Directs the Postmaster general to issue a special postage stamp commemorating the life and work of Doctor Enrico Fermi.

H.R. 5401. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to authorize a deduction by an employee from the income tax for the cost of a uniform or other clothing that is specifically required by a labor union as a condition of membership in such union.

H.R. 5402. March 24, 1975. Armed Services. Directs the Secretary of each military department to reestablish the excess leave program for legal study for certain commissioned officers.

H.R. 5403. March 24, 1975. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 5404. March 24, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 5405. March 24, 1975. Merchant Marine and Fisheries. Amends the Merchant Marine Act by permitting cargo vessels to carry more than sixteen passengers when emergency situations arise.

H.R. 5406. March 24, 1975. Atomic Energy. Directs the Office of Technology Assessment to conduct a comprehensive study of the nuclear fuel cycle.

H.R. 5407. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rate as married individuals filing jointly.

H.R. 5408. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to allow a tax deduction for taxes paid during the taxable year for social security, for railroad retirement programs, and for mandatory retirement contributions by Federal officers and employees.

H.R. 5409. March 24, 1975. Post Office and Civil Service. Redesignates Veterans' Day as November 11.

H.R. 5410. March 24, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

H.R. 5411. March 24, 1975. Armed Services. Entitles optometry, podiatry and veterinary officers on active duty in the Army, Navy, Air Force and Public Health Service to special pay on the same basis as medical and dental officers. Revises the special pay structure for such officers.

H.R. 5412. March 24, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to clarify procedures for consideration of applications for renewal of broadcast licenses. Extends the maximum time of license and license renewal for the operation of any class of station from three to five years.

H.R. 5413. March 24, 1975. Armed Services. Prohibits the production or procurement by any agency of the United States of any delivery system designed to disseminate any binary-type chemical warfare agent.

H.R. 5414. March 24, 1975. Armed Services. Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which the member was discharged or released from active duty. Stipulates that any individual discharged from the Armed Forces is eligible for appropriate military and veterans' benefits.

H.R. 5415. March 24, 1975. Veterans' Affairs. Precludes the denial of veterans' benefits to any veteran unless such veteran was discharged or released from active service with a dishonorable discharge.

H.R. 5416. March 24, 1975. Government Operations. Authorizes additional payments by the Federal government to counties in which there is located a national forest or a national grassland.

H.R. 5417. March 25, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt from market allocation agreements made as part of a licensing contract for the manufacture, distribution or sale of trademarked foods.

H.R. 5418. March 24, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct, operate, and maintain the Cedar Rapids Division of the Pick-Sloan Missouri Basin program in Nebraska.

H.R. 5419. March 24, 1975. Merchant Marine and Fisheries. Requires the Secretary of the department in which the Coast Guard is operating to cause a certain vessel to be documented as a vessel of the United States to engage in the coastwide trade.

H.R. 5420. March 24, 1975. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 5421. March 24, 1975. Judiciary. Specifies the treatment of a certain individual under the Immigration and Nationality Act.

H.R. 5422. March 25, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to revise the eligibility criteria for units of local government to become "prime sponsors" for purposes of the Act.

H.R. 5423. March 25, 1975. Interstate and Foreign Commerce. Directs the Secretary of Transportation to establish and enforce fuel economy standards for classes of new motor vehicles. Requires automobile manufacturers and dealers to affix labels disclosing fuel economy information. Requires disclosure of such information in advertisements for new motor vehicles.

H.R. 5424. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to impose a tax on new automobiles, based on the rate of fuel consumption.

Directs the Secretary of Transportation under the Automobile Information Disclosure Act to determine the fuel consumption rate for all automobile models, to determine a universal fuel consumption standard, to develop a program for more efficient automobile engines, and to report to Congress on needed legislation.

H.R. 5425. March 25, 1975. Education and Labor. Repeals the Davis-Bacon Act.

H.R. 5426. March 25, 1975. Interstate and Foreign Commerce. Authorizes and directs the Secretary of Transportation to make a loan of $100,000,000 to the Chicago, Rock Island, and Pacific Railroad Company.

H.R. 5427. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to increase the Federal tax exemption.

H.R. 5428. March 25, 1975. Interstate and Foreign Commerce. Establishes, within the Department of Health, Education, and Welfare, a Health Education Administration for the purpose of studying and investigating the status, benefits, and methods of dissemination of health education and information and to make grants to public or nonprofit private entities for the purpose of developing or evaluating specific educational and informational techniques for the dissemination of health information.

H.R. 5429. March 25, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to establish regulations relating to the use of painful, sublethal animal traps for trapping and capturing mammals and birds on all Federal lands. Prohibits the sale, shipment, transport, or carriage of any unapproved trap or of any hide, skin, or feathers taken from a mammal or bird which has been captured by an unapproved trap. Requires once daily inspection of approved traps on Federal lands.

H.R. 5430. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to require an automatic cost-of-living adjustment in the income tax rates, the amount of standard deduction personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States.

H.R. 5431. March 25, 1975. International Relations. Declares it the sense of Congress that there should be a Deputy Secretary for the Americas in the Department of State.

H.R. 5432. March 25, 1975. Post Office and Civil Service. Prohibits Members of Congress from using the franking privilege for mass mailings during certain periods before elections.

H.R. 5433. March 25, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to suspend motor vehicle emissions controls in all parts of the United States except for certain designated air quality control regions.

Prohibits the Administrator of the Environmental Protection Agency and the States from enforcing motor vehicle emissions control standards in areas outside designated regions during the suspension period.

H.R. 5434. March 25, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5435. March 25, 1975. Agriculture. Amends the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to make loans for crop losses. Specifies the interest and repayment period for such loans.

H.R. 5436. March 25, 1975. Ways and Means. Amends the Tariff Schedules of the United States to suspend temporarily the duty on the importation of silver nitrate.

H.R. 5437. March 25, 1975. Judiciary. Prohibits the required use of polygraph tests in certain employment situations. Prohibits employment-related reprisals based on an individual's refusal to take a polygraph test.

H.R. 5438. March 25, 1975. Judiciary. Prohibits the required use of polygraph tests in certain employment situations. Prohibits employment-related reprisals based on an individual's refusal to take a polygraph test.

H.R. 5439. March 25, 1975. Education and Labor. Sets forth measures to prevent the interruption of normal shipping between the west coast and Hawaii, Guam, American Samoa, and the Trust Territory of the Pacific during a labor dispute in the west coast longshore or maritime industries.

H.R. 5440. March 25, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt from the antitrust laws certain market allocation agreements made as part of a licensing contract for the manufacture, distribution or sale of trademarked foods.

H.R. 5441. March 25, 1975. Agriculture. Authorizes the Secretary of Agriculture to make grants to cities to pay up to 100 percent of the cost of trees and shrubs to be planted under the cities' forestry programs, including programs of cities which provide for the planting of trees on private land.

H.R. 5442. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow retired volunteer firemen, or their survivors, to receive pensions or annuities for service without incurring any income tax liability for such pensions or annuities.

H.R. 5443. March 25, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 5444. March 25, 1975. Education and Labor. Amends the National School Lunch Act to continue the special food service program for children through September 30, 1975.

H.R. 5445. March 25, 1975. Public Works and Transportation. Authorizes the Secretary of the Army to modify the Kaw Dam and Reservoir project in Oklahoma in order to construct and relocate a loop road.

H.R. 5446. March 25, 1975. Merchant Marine and Fisheries. Requires the Secretary of the department in which the Coast Guard is operating to administer and enforce the Convention on the International Regulations for Preventing Collisions at Sea, 1972. Imposes penalties for violation of the Convention.

H.R. 5447. March 25, 1975. Merchant Marine and Fisheries. Increases and extends appropriations for the National Advisory Committee on Oceans and Atmosphere.

H.R. 5448. March 25, 1975. Ways and Means. Entitles individuals who reside in certain public institutions to supplemental security income benefits under the Social Security Act.

H.R. 5449. March 25, 1975. Science and Technology. Authorizes the administrator of the National Aeronautics and Space Administration to conduct a comprehensive research and development program on the forecasting, detecting and monitoring of serious short-term weather phenomena.

Requires the Administrator to plan for and establish an Office of Short-Term Weather Phenomena within the Office of Earth Observations.

H.R. 5450. March 25, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to make grants, loans and loan guarantees to the government of Guam to assist in the construction of educational, sewer, and water facilities.

H.R. 5451. March 25, 1975. Post Office and Civil Service. Authorizes Federal agencies to establish a temporary flexible scheduling program for employees. Stipulates that such flexible scheduling shall be reviewed by the Civil Service Commission and shall become permanent unless disapproved by either House of Congress.

H.R. 5452. March 25, 1975. Judiciary. Amends the Civil Rights Act of 1964 to prohibit discrimination on the basis of affectional or sexual preference.

H.R. 5453. March 25, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 5454. March 25, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to stipulate that taxes received by certain special districts which are not units of local government but which perform municipal services within cities and other units of local government shall be included in the tax effort of such cities and other units, for purposes of determining the amount of assistance to which such city or unit of local government is entitled under the Act.

H.R. 5455. March 25, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act to make the Federal share of a rail service continuation subsidy 90 percent and the State share 10 percent.

H.R. 5456. March 25, 1975. Science and Technology. Directs the Administrator of Energy Research and Development to establish a program of research and development of industrial energy conserving technologies. Authorizes financial assistance in the form of grants and loans for the development and demonstration of such technologies, with special attention to be given to stimulation of depressed industrial areas.

H.R. 5457. March 25, 1975. International Relations. Authorizes appropriations to the Department of State for payment by the United States of its share of the expenses of the United Nations peacekeeping forces in the Middle East notwithstanding existing limitations on contributions to the United Nations.

H.R. 5458. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Prohibits the importation of petroleum into the United States after October 1, 1975 except in accordance with this Act. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic refiners.

H.R. 5459. March 25, 1975. Post Office and Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 5460. March 25, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make loans to homeowners and builders to assist them in purchasing and installing solar heating or solar heating and cooling equipment and directs the Secretary to provide individuals with all current information on such equipment upon request.

Defines the types of equipment qualifying for inclusion under the Act.

Directs the Energy Research and Development Administration to (1) establish procedures for inspecting and evaluating solar heating and cooling equipment, (2) review new equipment as developed, and (4) periodically review certifications of such equipment for validity.

H.R. 5461. March 25, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to revise provisions with respect to liability for spills of hazardous substances which are determined to be not removable.

H.R. 5462. March 25, 1975. District of Columbia. Directs the Superior Court of the District of Columbia to amend existing rule 71A(h) of the Rules of the Superior Court to conform to rule 71A(h) of the Federal Rules of Civil Procedure to allow the appointment of a commission to determine the issue of compensation arising in condemnation proceedings.

H.R. 5463. March 25, 1975. Interstate and Foreign Commerce. Establishes the Office of Rural Health within the Department of Health, Education, and Welfare to award grants, and to make contracts, loans, and loan guarantees for projects to examine existing models of rural health care delivery and to assist in the study, planning, development, experimentation, and demonstration of rural health care delivery models.

H.R. 5464. March 25, 1975. Education and Labor. Extends for one year the authorization for emergency public service jobs under the Comprehensive Employment and Training Act of 1973.

H.R. 5465. March 25, 1975. Post Office and Civil Service. Creates a Federal employment preference for certain employees of the Bureau of Indian Affairs of the Department of the Interior and employees of the Indian Health Service of the Department of Health, Education, and Welfare.

H.R. 5466. March 25, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to make grants to States, upon approval of their applications, to assist them in establishing, expanding, or improving veterans cemeteries owned by the State; to pay an amount equal to one-half of the cost of interment for each eligible person and the cost of perpetual care maintenance; and to pay the cost of transportation of a deceased veteran's body for burial in a national cemetery.

H.R. 5467. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act. Establishes a Home Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 5468. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 5469. March 25, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.
cies.

H.R. 5470. March 25, 1975. Science and Technology. Establishes a program of electric vehicle research and development in the Energy Research and Development Administration. Authorizes the introduction of electric vehicles into fleets used by Federal agencies.

H.R. 5471. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated as concentrated industries in accordance with guidelines established by this Act.

H.R. 5472. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated as concentrated industries in accordance with guidelines established by this Act.

H.R. 5473. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated a concentrated industries in accordance with guidelines established by this Act.

H.R. 5474. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated as concentrated industries in accordance with guidelines established by this Act.

H.R. 5475. March 25, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to require consideration of total environmental, social, and economic impact. Includes provisions to allow individual sources to petition the Administrator of the Environmental protection Agency for variances where environmental benefits do not justify economic and social costs imposed by environmental controls.

H.R. 5476. March 25, 1975. Judiciary. Requires establishment of a system for the redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 5477. March 25, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5478. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 5479. March 25, 1975. Banking, Currency and Housing. Authorizes and directs the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of distressed homeowners.

H.R. 5480. March 25, 1975. Ways and Means. Stipulates that the pension or social insurance system of the Trust Territory of the Pacific Islands meets the requirements for an exception to the prohibition contained in the Social Security Act against paying Old-Age, Survivors, and Disability Insurance benefits to certain non-United States nationals residing outside the United States.

H.R. 5481. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 5482. March 25, 1975. Armed Services. Prohibits the production or procurement by any agency of the United States of any delivery system designed to disseminate any binary-type chemical warfare agent.

H.R. 5483. March 25, 1975. Judiciary. Establishes the Hudson River Compact Commission. Authorizes the Commission to negotiate a compact relating to the preservation and continued use of the lands and waters of the Hudson riverway.

H.R. 5484. March 25, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt from the antitrust laws certain market allocation agreements made as part of a licensing contract for the manufacture, distribution or sale of trademarked soft drink products.

H.R. 5485. March 25, 1975. Interior and Insular Affairs. Authorizes the Secretary of Agriculture and the Secretary of the Interior to establish objectives and policies for proposed plans for water yield improvement in certain States. Authorizes grants and loans to assist in the implementation of approved plans in six Southwestern States.

H.R. 5486. March 25, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the School Breakfast Program and the Special Supplementary Food Program; (3) authorize the Secretary of Agriculture to make grants for Food Service Programs in institutions providing day care; (4) revise guidelines for the administration of various programs under the Acts; (5) redefine terms used in the Acts; and (6) authorize funding for nonfood assistance for the Summer Food Program and the Special Food Service Program.

H.R. 5487. March 25, 1975. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to require States to develop waste management and resource recovery programs. Establishes minimum Federal criteria for such programs and authorizes the Administrator of the Environmental Protection Agency to approve or modify such plans.

Authorizes grants to the States to assist in the development of such waste control programs.

H.R. 5488. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to subject Federal land banks, Federal land bank associations, and Federal intermediate credit banks to the same taxes imposed on corporations.

H.R. 5489. March 25, 1975. International Relations. Requires the President to transmit all executive agreements to the Senate. Provides that such agreements shall become effective sixty days after transmitted unless the Senate passes a resolution of disapproval.

H.R. 5490. March 25, 1975. Education and Labor. Directs the National Institute of Education to develop curricula concerning the destruction of the European Jewish community by Nazi Germany prior to and during World War II for dissemination to elementary and secondary schools.

H.R. 5491. March 25, 1975. Interstate and Foreign Commerce. Prohibits or restricts the ownership or control by foreign interests of certain issuers of securities, corporations, real estate, or natural resources deemed to be vital to the economic security and national defense of the United States. Establishes the National Foreign Investment Control Commission to supervise and regulate foreign investments in domestic interests.

H.R. 5492. March 25, 1975. Ways and Means. Amends the Social Security Act by allowing an eligible individual to receive both an old-age or disability insurance benefit and a survivors insurance benefit under the Old-Age, Survivors, and Disability Insurance program.

H.R. 5493. March 25, 1975. Agriculture. Authorizes the Secretary of Agriculture, under the Packers and Stockyards Act of 1921, to require insolvent packers to cease and desist from operating and to grant or deny reparations to complainants who are charged with violations under such Act. Grants priority in an insolvency proceeding to debts owed for the purchase of livestock.

H.R. 5494. March 25, 1975. Atomic Energy. Creates as a corporate entity the National Power Resources Authority. Empowers the Corporation to issue bonds, to enter into agreements, and to exercise the power of eminent domain in order to assist in the design, construction, and operation of additional nuclear power facilities.

H.R. 5495. March 25, 1975. Public Works and Transportation. Directs the Secretary of Transportation to enter into such arrangements as may be necessary to carry out a demonstration project in Arkansas for the relocation of railroad lines for the purpose of eliminating highway railroad grade crossings.

H.R. 5496. March 25, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 5497. March 25, 1975. Post Office and Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 5498. March 25, 1975. Armed Services. Prohibits Survivor Benefit Plan deductions for a spouse's annuity from Armed Forces retired pay during those periods when a retiree is not married.

H.R. 5499. March 25, 1975. Judiciary. Amends the Immigration and Nationality Act by revising the criteria under which the Attorney General may adjust the status of certain aliens to that of lawfully admitted.

Makes it unlawful to knowingly hire an alien not lawfully admitted into the United States. Requires that employees of the Department of Health, Education, and Welfare disclose the names of illegal aliens who are receiving assistance under the Social Security Act.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

119. By the SPEAKER: Petition of the Virginia Synod, Lutheran Church in America, Roanoke, Va., relative to assistance to evacuees from Southeast Asia; to the Committee on International Relations.

120. Also, petition of the city council, Boston, Mass., relative to Federal funding for the reconstruction of railroad tracks; to the Committee on Interstate and Foreign Commerce.

SENATE—*Tuesday, May 6, 1975*

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, in the hushed silence of this moment we gratefully remember before Thee Thy servant Kenneth B. Keating. We thank Thee for his diplomatic skill, his high service as Congressman, Senator, soldier, and jurist. We thank Thee for his kindness, his humor, his dignity, his courtesy, and his eloquence. In the sacred memory of a great and good life lead us to a deeper dedication of service to this Nation and our fellowman.

We pray now for inner resources, that we may be strong within. We ask not for easy lives, but for adequate lives. We ask not to be free from storms, but to build our lives on foundations that will not fail. Be with us this day and all our days.

We pray in His name who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 6, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HATHAWAY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, May 5, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VIETNAMESE REFUGEES

Mr. HUGH SCOTT. Mr. President, every now and then an idea comes along that is so appalling as to shock the conscience, so devoid of reality as to cause one to wonder in some awe as to its origins.

A statement was made yesterday of that kind in a proposal that 90 percent of the Vietnamese refugees be sent home. I had not thought the day would come when we would make that kind of statement. I regret that it was made. It shows a complete absence of understanding of the situation.

The statement says:

> The administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land.

Nearly 700,000 Vietnamese left North Vietnam at one point walking to escape oppression. Those Vietnamese who poured into American planes and aboard American ships, who went into ships of other nations and of their own, who escaped and were received in this country, were not the product of an administration's choice, this administration's choice, to evacuate them as a substitute for accommodation. They left because they were afraid for their lives. They left because they did not want to be killed. Any governmental attempt to send them back would be a people-killing measure and an official sanction by this Government of murder in the first degree.

Now, this is not the way the statement is phrased. It is phrased that they go back if they want to.

To characterize that as other than silly would be kind. In the first place, Ambassador Brown has stated and informed me this morning again that any South Vietnamese who wish to return may do so. They are being asked at the resettlement locations if they wish to return. Their answer is noted in writing.

So far 45 of the 125,000—45 people—have asked to be returned. They were the 45 who were swept into the planes by Thailand soldiery, and whose families are still in Vietnam. Those 45 will be returned.

The people who make these suggestions are also the people who listened to Madame Binh, as other Senators will recall, asserting that nothing will happen to these people.

Well, 2,000 buried in mass graves in Hue will give the lie to that; thousands and thousands of others killed will give the lie to that; the 55,000 executed by Ho Chi Minh in a 4-year period from 1954 onward will give the lie to that; the 80 Cambodian officers above the rank of lieutenant, and their wives, who were recently killed in Cambodia, will give the lie to that.

We read of a horse who won the Derby recently named Foolish Pleasure. I do not know what foolish pleasure can be had from these foolish suggestions, but I hope that Congress and the American people will reject out of hand this kind of foolish approach. There is no pleasure to be had in it, foolish or otherwise.

There is no need for legislation providing for the use of American ships and planes to return any refugees. One plane will take the 45 back. Others can go if they wish.

There are only 35,000 heads of families in this group, and that is the resettlement problem; 125,000 can be taken care of if placement is found for these 35,000 heads of families.

Sixty percent of these refugees are children. When have the American people ever turned their backs on helpless children? What American can look into the face of these children and say, "I will send you back at the risk of death and destruction of your entire future"?

What American can deny the right of a child to live in this country and the right of children to be taken care of? What American could deny the actions of the voluntary agencies that have committed themselves to these programs?

No, Mr. President, this kind of talk shocks the conscience; it is foolish. It ought to be reconsidered.

To make such a statement, in my opinion, is a misfortune. I am sorry it was made. I do not think it will have any more impact than that of a marshmallow on a feather bed, and its chance of passage is about the same as that of a celluloid dog chasing an asbestos cat through hell.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Illinois (Mr. PERCY) is recognized for not to exceed 15 minutes.

VIETNAM REFUGEES

Mr. PERCY. Mr. President, first, I should like to respond to our distinguished minority leader. I think a great deal of what he has said is accurate. This is a Nation of compassion, of understanding and, certainly, we are not going to turn our backs on those who need our help.

I think, however, we have a situation where we have to be discriminating, and where we have to recognize that our degree of responsibility varies in the individual cases.

I think we have a tremendous responsibility to the dependents of Americans whom we have brought out. I would hope those with whom they are being reunited would assume a degree of responsibility now for their care and not just turn to the Federal Government.

We have a tremendous responsibility to those Vietnamese employees of the U.S. Embassy and agencies who worked throughout South Vietnam and closely identified with the United States, whose lives may have been in danger.

There, I think we shall not shirk our responsibility. I would hope, as we offer opportunity to those who wish to return to South Vietnam, that we would also offer an opportunity to those who would like to return to Asia and who would prefer to live there.

I would hope we would turn to countries in Asia where they could live in relative freedom, and I would hope that they also would open their doors to the Vietnamese.

Certainly, I do not feel the same sense of responsibility to the small number who have profited from the war, who made enough money from the war to hire a boat and somehow scramble aboard a U.S. naval vessel.

AMBASSADOR KENNETH KEATING

Mr. PERCY. Mr. President, I am deeply saddened at the passing of Ambassador Kenneth B. Keating. I have long treasured his friendship and admired his public service.

Ken Keating's long and distinguished public career was that of a dedicated and accomplished politician-statesman. He also served his country with distinction in World War I and World War II and received numerous decorations for these duties.

As a Congressman who rose to ranking minority member of the House Judiciary Committee, Ken Keating made a lasting legislative contribution. He will long be remembered for his unceasing efforts to assure equal rights and opportunities for all Americans. Ken Keating went on to represent the State of New York in the U.S. Senate. Here he continued the fight for equality and justice, and was well respected for his strong character and widely popular for his good humor.

After his congressional career and additional service to the people of New York as an associate justice of the New York Court of Appeals, Ken Keating continued his public career as an ambassador, first to India and then to Israel. In both posts he served during difficult times and showed the skill, patience, and dignity of a true diplomat.

I had the pleasure of visiting Ken Keating on numerous occasions during his diplomatic career, both in New Delhi and Tel Aviv. He always showed great insight into the problems and challenges of international relations and I was especially impressed by the depth of his sensitivity toward the people of the host countries. At all times he demonstrated understanding and compassion for their problems.

Ken Keating's last assignment in Tel Aviv was especially challenging. He represented our country there during a crucial period of U.S. relations with the State of Israel and all Middle Eastern nations, and his expertise and advice was most valuable. He was totally dedicated to the cause of peace in the Middle East. His contribution will long be remembered.

Mr. President, I can think of no more fitting tribute to Ken Keating than a renewal of our effort to help bring a just and lasting peace to the Middle East. He lived every day in tireless pursuit of this goal. As we continue our effort to help achieve peace in the Middle East, let us not forget the fine work and joyous spirit of Ken Keating. Our thoughts and our prayers today are with his family, his wife, Mary, and his daughter, Judith.

CUBA: A TIME TO END THE EMBARGO

Mr. PERCY. Mr. President, last fall, September 20, 1974, to be exact, the United States and the other members of the Permanent Council of the Organization of American States voted unanimously to review the economic and political sanctions imposed on Cuba a decade ago.

I welcomed that decision, as did many of my colleagues. I regarded the OAS action as the promising first step toward the normalization of relations within the hemisphere, in general, and between the United States and Cuba, in particular.

The time was ripe: Détente had become the watchword of American foreign policy; relations with the Soviet Union had been improved substantially; and we had successfully reopened the door to China.

Cuba was the logical next step. The economic and political isolation of Cuba, initiated unilaterally by the United States, was never successful despite the fact that 14 OAS nations subsequently joined us and agreed formally to the isolation of the Castro government. In retrospect, the policy backfired; instead of bringing down the Castro regime, it helped to unify the Cuban people in support of their revolutionary leaders. Moreover, it served to increase Cuba's dependency on the Soviet Union and the Communist bloc in general. And, not surprisingly, by the fall of 1974, several OAS members had revised their own policy to isolate Cuba and had restored full diplomatic relations.

All of these considerations led to the encouraging decision of last September to review the sanctions issue. The unanimous vote in favor provided additional encouragement that the policy of isolating Cuba was all but at an end.

Since then, however, progress in the OAS on normalizing relations has been most noticeable by its absence. Somewhat late in the game, the United States announced a "hands-off" policy and our Latin friends, left more or less to their own devices, have been unable to carry the ball on their own.

These were the results—disappointing to say the last—of the Quito Conference held last November. The two-thirds vote required to modify the sanctions failed to materialize, despite earlier assurances to the contrary. After the ballots were tallied, the sponsors of the resolution discovered they were two votes shy of the required two-thirds—12 voted in favor; 3 voted against; and 6 abstained, including the United States.

The next round on the sanctions issue is schedule to take place here in Washington during the OAS General Assembly meeting, which begins May 8. In an effort to overcome the two-thirds rule, it is likely that a move will be made to modify it so that the sanctions can be eliminated by a simple majority vote. This procedural move itself will require a two-thirds vote, but there is a better than 50–50 chance it will be approved.

Mr. President, regardless of what happens on the sanctions issue at the OAS meeting, it is obvious that the time has arrived for the United States to lift its economic embargo against Cuba.

I recommend this course of action despite the appealing argument that as a member of the OAS the United States should support the OAS position. In principle, I agree wholeheartedly, but—in the case of the sanctions issue—this argument is nothing more than a smokescreen:

Sometime before the 1964 OAS sanctions were imposed, the United States had acted unilaterally and had imposed its own sanctions;

Ten OAS members have full diplomatic and trade relations with Cuba;

Worldwide, 80 countries now conduct normal relations with the Castro government; and

The United States itself has, on a selective basis, authorized subsidiaries of U.S. firms to export to Cuba.

Mr. President, even if the sanctions policy was not a mistake initially, the passage of time and intervening events have made it so. The United States, having played such an active role in initiating the sanctions, must accept some responsibility for removing them.

Our own economic embargo against Cuba is the proper place to start. Lifting the embargo will both hasten the normalization process throughout the hemisphere and allow us to initiate meaningful bilateral discussions on a number of major issues including American citizens in jail in Cuba, reunification of families, political prisoners, and expropriated property.

On the normalization issue, Secretary Kissinger recently stated there is "no virtue in perpetual antagonism between the United States and Cuba." Given the issues outstanding between the two governments, I am convinced there is more to be gained by ending the antagonism between us than by continuing it. Lifting our economic embargo now would be the right step in the right direction at the right time.

LEGALIZED ABORTION

Mr. PERCY. Mr. President, I rise today to reaffirm my support for the Supreme Court ruling of January 22, 1973, that assured American women the right to a legal abortion in the first months of pregnancy.

As my colleagues and constituents know, my position on this issue is based on my belief that the decision to terminate a pregnancy in its early stages should remain between a woman and her

UMI

physician, with as little Government interference as possible. Yet legal abortion has also resulted in advantageous social benefits.

The number of women admitted to hospitals for postabortion treatment has declined. In one San Francisco hospital, such cases decreased by 68 percent in 2 years following abortion reform. Abortion complication cases in one Los Angeles facility declined by 88 percent in 1 year. And statistics from 10 New York City hospitals indicate a 52-percent drop in abortion complications in the first 3 years of legalized abortion.

The citizens of my home State of Illinois have benefitted in a number of ways from the Supreme Court ruling. Since the 1973 ruling, there has been a decline in abortion-related maternal deaths. Last year was the first year in which Illinois did not have a single death of this kind recorded. The availability of legal abortion has allowed nearly all abortions to be performed in the first trimester. Ninety-seven percent of Illinois abortions in 1974 were performed in the first 12 weeks of pregnancy. Only 37, less than one-tenth of 1 percent, of the more than 50,000 legal abortions were performed after 20 weeks of pregnancy.

The availability of legalized abortion has also saved Illinois citizens millions of tax dollars. The Illinois Medicaid program estimates that 10,800 abortions for medically indigent women are paid for by medicaid in 1 year. At $180 per abortion, nearly $2 million of public money is spent for medicaid abortions for 1 year. If those 10,800 pregnancies were brought to term rather than terminated, however, each woman would receive $1,000 worth of prenatal care and delivery services. In addition, mother and child would receive an average of $3,750 for 1 year of welfare payments. Instead of spending $2 million for abortion services, Illinois would spend $51 million for the birth and first year of welfare care alone. If 10,800 new welfare recipients remained on the rolls for 18 years, the cost would be $121.5 billion.

I know that many people feel that the issue of cost-effectiveness has no appropriate place in a discussion involving a basic moral issue as sensitive and personal as abortion. I would point out to those people that the funds saved by not forcing women to bear children they do not want and cannot afford to care for can be used to improve the lives not only of welfare families but of all Americans who benefit from the wide range of publicly subsidized programs, including education, medical research, and health care.

Many Illinoians expressed their opposition to my stance on the abortion issues when I originally formulated it years ago, and some opposition was particularly bitter. Public understanding has been growing however, and it may well be that the majority of my constituents now support the Supreme Court ruling. In 1973, polls in the 2d, 6th, 10th, 14th and 20th Congressional Districts in Illinois found that 52 percent, 72 percent, 72 percent, 60 percent, and 53 percent, respectively, agreed with the ruling. In the 19th District, 76 percent of the men and 67 percent of the women responding also supported the Court's decision. A poll in the 11th District in 1974 showed that 53 percent do not favor amending the Constitution to overturn the Supreme Court ruling, although an earlier poll of the district showed no clear majority view. At the same time, 57 percent of those responding in the Fourth District agreed with the ruling. In the 22d District, 42 percent supported the ruling while 32 percent did not.

Only three of the Illinois polls of which I am aware did not show a clear majority or plurality of support for the Supreme Court ruling. One was the early 11th District poll, one a poll of the 17th District where 59 percent of those responding indicated a desire for States to determine abortion laws, and one in the Third District where 51 percent disapproved the Court decision.

Many of those people who oppose legal abortion hold what I believe is an unrealistically optimistic view of the effects of overturning the Supreme Court ruling. Most of the people who have expressed to me their opposition to legal abortion oppose not just abortion late in pregnancy, not just abortion for "inconvenient" pregnancies, not just abortion paid for by tax dollars. They generally oppose all abortion except when necessary to save the life of the woman. In seeking to amend the Constitution, they seek to prevent virtually all abortions. The evidence, however, indicates that the constitutional amendment they desire would not prevent the practice of abortion in this country; it would simply make abortions more difficult to obtain, more expensive, and more dangerous to the women who would demand them.

The illegality of abortion does not deter those who seek abortion. Before the 1973 Supreme Court ruling overturned restrictive State laws, an estimated 1 million American women annually had abortions, the vast majority of them illegally. In Italy, where there are only one-quarter as many women as in the United States, some groups believe that as many as 3 million women have abortions each year, in spite of religious and, until recently, strict legal prohibitions.

Women who have abortions do not do so, because they prefer abortion to contraception. They do so because of contraceptive failure, because of lack of knowledge, because of rape, or, in some instances, because of badly deformed fetuses. Until fail-safe contraceptive methods are available to all women desiring them, until family planning information is available to all women of childbearing age, until science prevents malformed fetuses, until rapes no longer occur, millions of women will continue to have abortions whether or not they are safe and whether or not they are legal. Prohibiting legal abortion in this country would not halt the practice of abortion as so many would hope. It would simply drive it underground once more, making law breakers of millions of American women and back-alley abortionists of many members of the medical profession.

I have listened carefully to the views of those who oppose legal abortion, and I am impressed by their depth of feeling and utter sincerity. I know that they believe firmly that abortion is murder and that legal abortion will lead to the moral decay of our society because of spreading disrespect and unconcern for the value and dignity of human life.

While I understand that point of view, I respectfully disagree with it. Those who oppose abortion frequently think and speak in terms of "innocent babies" and "unborn children" when in actuality they are talking about zygotes or embryos or fetuses. To call a fetus a baby or a child is no more accurate than calling an acorn an oak tree. To label as murder the removal of tissue the size of a walnut from a woman's body is also in my judgment incorrect. Individuals who mistakenly use such terminology and who display pictures of late term fetuses elicit an emotional but misguided response. Such approaches are not at all helpful in what should be a rational and studied discussion of the issues.

I can also understand the concern of many people who believe that public acceptance of legal abortion will lead to a lack of respect for the lives of the handicapped, the elderly, the unproductive. I believe this view too is unfounded. In my experience, I have found individuals who support legal abortion to be for the most part sensitive, highly moral, and most respectful of human life. Nearly all people have the God-given instinct for the preservation of their own kind and are, therefore, protective of human life. As long as the morality of abortion remains an individual decision, I believe it will not contribute to the moral decay of this Nation. Governments and institutions are not thought of as having morals or sensitivity. Usually their "instinct" is to protect their own power structures. If their function were to protect humanity, there would be no war. They protect their own self-interests which do not always coincide with the interests of humankind in general. Individuals protect morality and humanity. If a general disrespect for human life or for all but perfect specimens of humanity were to become a reality in this country, it would not be because individuals had the power to make personal moral choices but because those individuals had given away their right to make such choices and decisions to an amoral, insensitive, impersonal Government.

There is one other issue to which I would like to address myself today. As I have said, I know how deeply many devoted and dedicated people oppose abortion. I know that if they could assure that abortions were performed only in a small number of very special cases that they would probably do so. I do not believe, however, that the majority of people in this country want to make nearly all abortion illegal, and I do not believe that the proposed constitutional amendments will be accepted. But I do feel, and very strongly, that the immense talents and efforts of those people who now spend so much of their time and money seeking to overturn the Supreme Court ruling are needed for other social welfare work.

I would like to suggest some alternative activities for antiabortion groups which would be of great benefit to our society. The Pekin, Ill., Right to Life Organization has adopted an attitude and a program that I would highly recommend to others. This group states:

> Most women seek abortions because they are in social or economic difficulties. To merely oppose abortion and do no more is not only useless, but frankly immoral. Anyone active in the pro-life movement should be equally as active in a wide variety of social actions. Correcting social injustice is a most important aspect of the entire abortion problem.

I agree that to be for or against legalized abortion is not enough. We all must work to eliminate the widespread need and demand for abortion that currently exists in this country. The Pekin Right to Life group has endorsed a number of projects which I would like to endorse as well, not only for antiabortion groups, but for any group or individual interested in improving human and social welfare. They are:

First. Promote responsible marriage and parenthood education, utilizing an indepth approach to the challenges of marriage.

Second. Make available acceptable family planning techniques to those who desire them.

Third. Provide immediate psychological, legal, and religious counseling for those with unwanted pregnancies.

Fourth. Establish homes for unwed mothers that will allow them to work during pregnancy.

Fifth. Encourage further development of adoptive agencies.

Sixth. Encourage child-care centers.

Seventh. Encourage employers to reinstate employees after maternity leaves.

Mr. President, if as much energy and expense were devoted to correcting the social ills that frequently result in unwanted pregnancies as is currently expended on overturning the Supreme Court ruling and limiting in other ways the availability of legal abortion, I believe that the number of legal abortions could be dramatically and effectively reduced.

Abortion is a reality of life which I believe Americans are capable of handling with sensitivity and maturity. The Supreme Court has given us a framework within which we can and should function with clear conscience.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, the time to be charged to the time of Mr. JAVITS.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

KENNETH B. KEATING

Mr. JAVITS. Mr. President, yesterday this body lost a most distinguished former Member, my colleague, Ambassador, and then Senator, Kenneth Keating of New York. He ended a most distinguished career of a highly patriotic New Yorker.

Few men have been permitted so broad a range of public service as Congressman, Senator, judge of our New York State Court of Appeals, and Ambassador as Senator Keating.

Particularly, his service in Israel for the United States was a source of security and reassurance to Israel's people and millions of Americans who are devoted to its mission in the world. It was a proper capstone of a great career, and the Nation has every reason to be proud of the performance of its son, Kenneth Keating.

The personal loss I feel at the passing of so close a friend and long-time colleague is immeasurable.

I take consolation, as his many, many friends may take consolation, in the quality of the life he led and the high public service to our country for which he was responsible.

Mr. President, I ask unanimous consent that various obituaries and other notices be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

KENNETH KEATING, 74, DIES; U.S. AMBASSADOR TO ISRAEL

(By Edward O'Neill)

U.S. Ambassador to Israel Kenneth B. Keating, 74, died in the Harkness Pavilion of Columbia-Presbyterian Hospital at 11:15 a.m. yesterday. He had entered the hospital on April 15 after having a heart attack.

Keating, who served in two world wars, entered World War I as an enlisted man; he emerged from World War II as a much-decorated brigadier general. He was a six-term upstate congressman from 1946 to 1958, when he bowed to pressure from party leaders to run as an underdog candidate for the U.S. Senate against Manhattan District Attorney Frank S. Hogan. An upset winner, he held that office for only one term, then lost the post to ex-U.S. Attorney General Robert F. Kennedy in the 1964 Johnson landslide.

AMBASSADOR TO INDIA

Later elected as an associate judge of the New York State Court of Appeals, he was appointed Ambassador to India by President Nixon in 1969. In 1973, he was named Ambassador to Israel.

Keating had his heart attack shortly after being recalled here last month by President Ford, along with other mideast U.S. ambassadors, for a reappraisal of U.S. policies in that area following the failure of Secretary of State Henry Kissinger's air shuttle diplomacy to bring about a settlement of the Arab-Israel conflict.

PRESSURE FROM EISENHOWER

Ruddy-faced, silver-haired Kenneth Barnard Keating, who would have celebrated his 75th birthday on May 18, was dragged, kicking and screaming, on to the national scene in 1958 when he reluctantly agreed to accept the Republican nomination for U.S. Senator after heavy pressure from President Eisenhower, Vice President Nixon and Gov. Rockefeller.

Up to that time an effective, but relatively unknown upstate Congressman, Keating made the run as a big underdog in what was thought to be a Democratic year. However, he won an upset victory by only 81,000 votes as a result of a sharp split in the Democratic Party over the asserted "boss-dictated" nomination of his opponent, Manhattan District Attorney Frank S. Hogan.

Although Keating quickly established himself in the Senate as an outspoken expert on national and international affairs, he was destined to serve only one term when his political career collided with the national ambitions of former Attorney General Robert F. Kennedy.

After a spirited campaign which drew national attention, Kennedy benefitted from the 1964 Johnson landslide and defeated Keating by 750,000 votes, although he ran far behind the Johnson vote total in New York State.

In 1965, Keating was tapped by the GOP to run for associate judge of the New York State Court of Appeals—the state's highest court—won and held that post until 1969 when President Nixon appointed him ambassador to India.

Keating was named Ambassador to Israel in 1973, a much-heralded move since he was known as a warm friend of that nation throughout his public life.

Keating had his heart attack on April 15 after being called back to the United States with other mideast U.S. ambassadors to participate in President Ford's reassessment of American policies in the area following the breakdown of Secretary of State Henry Kissinger's shuttle peace efforts.

Keating was born in Lima, N.Y., on May 18, 1900.

Keating's wife of 40 years, the former Louise De Puy, died in 1968. They had a daughter, Judith, who is now married and living in New Jersey with Keating's two grandchildren. In June 1974, Keating was wed a second time, to Mary Pitcairn, a widow.

TRIBUTE FROM KISSINGER

Secretary of State Henry Kissinger led the series of tributes that followed the announcement of Keating's death. Kissinger said in Washington, "This country has lost a great public servant and a fine human being."

Sen. Jacob K. Javits, who served with Keating in the Senate, called the ambassador's death "a great personal loss."

Gov. Carey issued this statement: "The passing of Kenneth Keating is a great sadness, ending a brilliant career."

Mayor Beame said, "I am deeply saddened by the passing of Ambassador Keating."

KEATING DIES AT 74; ENVOY, EX-SENATOR

(By Alden Whitman)

Kenneth B. Keating, Ambassador to Israel, former United States Senator from New York and Ambassador to India, died here yesterday at the Harkness Pavilion of the Columbia-Presbyterian Medical Center. He was 74 years old.

The cause of death was not given, but Mr. Keating, who returned from Israel last month to participate in President Ford's reassessment of Mideast policy, was admitted

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to the hospital April 17 after suffering what was described as a minor heart attack.

Mr. Keating came to diplomacy from Republican politics. The one-time Rochester lawyer served one term in the Senate, from 1959 to 1965, when he lost his re-election bid to Robert F. Kennedy. Previously, he had sat for 12 years in the House of Representatives.

Paying tribute yesterday to Mr. Keating, President Ford called him "an outstanding public servant and an old and valued friend."

"Seldom has one man led a more versatile and more useful public life," Mr. Ford said.

Vice President Rockefeller said that he had "lost a dear friend" and "our nation has lost a great American."

Governor Carey, who served with Mr. Keating in Congress, described the Ambassador as "a warm, delightful person whose great asset was personal, namely his rapport with people."

In another tribute, Secretary of State Kissinger termed Mr. Keating "a great public servant and a fine human being." And the Israeli Ambassador to Washington, Simcha Dinitiz, expressed the sorrow of his Government.

A man of hail-fellow joviality who loved public office and the camaraderie that went with it, Mr. Keating ran a lively embassy in Israel. He entertained frequently and had a constant stream of house guests in his residence in the Tel Aviv suburb of Herzliya.

But he never established a great rapport with the Israeli Government or people. Government officials were said to be skeptical of the quality of his reporting to Washington, and their skepticism, they felt, was borne out when Mr. Kissinger arrived in Israel this spring apparently misinformed on exactly how far domestic politics would permit the Israelis to go in reaching an interim agreement with Egypt on the Sinai.

Mr. Keating attended the marathon negotiating sessions between Mr. Kissinger and the Israelis, usually as a silent observer. During these talks, according to an American correspondent, some tensions appeared to develop between the Secretary and the Ambassador. As a result, it was said, there was a considerable strain between the State Department and the Embassy and the Embassy and the Israeli Government.

No one, however, faulted Mr. Keating as an enthusiastic Ambassador. Affable and active socially, he was often seen at parties in Tel Aviv and Jerusalem. He told friends that the one thing he feared most at his age was idleness, and it was for that reason he had eagerly accepted the ambassadorship when President Nixon offered it after Mr. Keating's return after four years in India.

DROPPED TO LOW POINT

Mr. Keating's years in India were less strained until the last few months of his tenure, when the Nixon Administration "tilted" toward Pakistan in the Bangladesh conflict. United States-Indian relations dropped to a low point in late 1971, when India won the two-week war, which resulted in the transformation of Pakistan's eastern wing into the independent state of Bangladesh.

Substantial American economic aid to India was suspended, and some of New Delhi's ill feeling inevitably rubbed off on Mr. Keating. He was known, however, to have regretted the White House policy and to have urged a more positive approach to India.

Previously, Mr. Keating had charmed the Indians, while raising the eyebrows of more traditional diplomats. One of his unorthodoxies was to call his guests to dinner with a police whistle; another was to barnstorm the country in an embassy Convair, shaking hands, making speeches, holding news conferences.

The fund of goodwill that he accumulated permitted him to be critical of an Indian decision to close five American cultural centers. His no-nonsense remarks raised few hackles because Mr. Keating had, when he was posted to India, expressed support for Prime Minister Indira Gandhi's socialist policies.

"I go to them [the Indians] as a friend and they know that," he once remarked.

After resigning his New Delhi post in mid-1972, Mr. Keating returned to the United States to campaign for the re-election of President Nixon.

In his Senate career, Mr. Keating continued many of the concerns that had engaged him in the House. He served on the Judiciary Committee and the Joint Congressional Committee on Immigration. And he won a round against President Kennedy by being among the first to publicly assert that the Soviet Union was moving missile equipment into Cuba, early in 1962.

A product of upstate New York, Kenneth Barnard Keating was born May 8, 1900, in the village of Lima in Livingston County. He attended the local schools and received his A.B. degree from the University of Rochester at the age of 19. He taught Latin for a year in the Rochester high school and then enrolled in the Harvard Law School, taking his degree in 1923.

ADROIT TRIAL LAWYER

Mr. Keating developed a lucrative legal practice in Rochester, winning a reputation as an adroit trial lawyer. Although he might have sat out World War II because of his age, he insisted on joining the Army. He was commissioned a colonel and served for three years in the China-Burma-India Theater, winning the Legion of Merit with Oak Leaf Cluster, three battle stars and the Order of the British Empire. He left the armed forces as a brigadier general in the Army Reserve.

Returning to Rochester, Mr. Keating was elected to the House in 1946 as a moderate Republican and served on the Judiciary Committee. An irrepressible joiner and, some said, an irrepressible public speaker, he rather quickly became known outside the confines of his district. He repeatedly made news by inviting high-level Government officials to be guests on a semimonthly Sunday television program he put together.

Shrewdly courting both conservatives and liberal voters, Mr. Keating opposed, on the one hand, what he called "socialistic" Federal spending while taking credit, on the other hand, for millions of dollars of defense contracts for his district. He voted for the Truman Doctrine and the Marshall Plan and sponsored a civil rights bill. He also opposed recognition of "Red China," crusaded for the right of the Federal Bureau of Investigation to wiretap "gangsters" and "traitors," wanted passports restricted and proposed legislation nullifying the Supreme Court decisions in a number of civil liberties cases involving criminal justice.

In the field of civil rights for blacks, however, Mr. Keating was generally regarded as liberal and progressive. He was a strong defender of the Supreme Court's desegregation decisions at a time when many of his House colleagues were waffling on the issue.

Running for the Senate in 1958 against the late Frank Hogan, the Democratic nominee, Mr. Keating seemed to many to be a candidate straight from Central Casting. Standing 5 feet 9 inches with military erectness, he had a striking silvery mane, beetling eye-brows, pink cheeks and stemwinder oratorical flourishes. Even though he was not chiseled in marble, he was an obvious model for a sculptor:

Despite union opposition (Mr. Keating had voted conservatively on trade union bills, labor leaders said) he won election without much trouble.

A PROLIFIC SPEAKER

As a Senator, Mr. Keating was a prolific speaker. One tally showed that in 1962 he gave a speech every two days, quite apart from his remarks in the Senate. He continued his conservative-liberal approach to issues, and was a vigorous critic of President Kennedy's Cuban policies.

He said he believed Mr. Kennedy was complacent about Soviet military help to Cuba, and warned of a missile build-up. After the crisis of 1962, which Mr. Keating had seen approaching, he argued that the President had retreated from a strong anti-Castro attitude.

Popular moods shifted in the mid-nineteen-sixties, and Mr. Keating was a man out of his times when he opposed Robert Kennedy for the Senate in 1964. Old-fashioned oratory, membership in scores of fraternal organizations and a sterling record of anti-Communism no longer sufficed to attract votes, especially from Mr. Kennedy, who centered his campaign on urban issues. Mr. Keating lost by 800,000 votes.

He joined the New York law firm of Royall, Koegel & Rogers, and then in 1965 he was elected to the Court of Appeals, New York's highest. He was nearing retirement in 1969 when President Nixon appointed him as envoy to India.

Mr. Keating's first wife, the former Louise Dupuy, died in 1968. Last June he married Mary Pitcairn Davis, a widow, whose husband had been Mr. Keating's classmate at Harvard.

A daughter by his first marriage, Judith K. Howe of Short Hills, N.J., also survives.

AMBASSADOR, SENATOR, JUDGE—KENNETH B. KEATING DIES AT 74

(By Jean R. Halley)

Kenneth B. Keating, 74, U.S. ambassador to Israel, former U.S. ambassador to India and former U.S. senator from New York, died yesterday in New York.

He had been admitted to the Harkness Pavilion Hospital of the Columbia Presbyterian Medical Center April 17 after he was stricken with what was described at the time as "the mildest form of a heart attack."

Ambassador Keating, who had served in Israel since August, 1973, suffered the attack at the hospital while visiting his daughter, Judith K. Howe, who had undergone minor surgery.

He had been recalled to this country last month to participate in talks on the reassessment of American policy in the Middle East.

Ambassador Keating was a popular figure in Israel.

While serving as ambassador to India from 1969 to 1972, Ambassador Keating was equally popular in that country, while relations between India and this country worsened steadily.

Actually, Ambassador Keating was at odds with the Nixon Administration over its policies toward India and Pakistan during the war in Bangladesh in 1971, when this country opposed the Bangladesh independence movement, while India supported the Bangladesh rebels in their attempt to separate from Pakistan.

A year later, however, Ambassador Keating left his post in India to work for the re-election of former President Nixon.

He said then that he felt Mr. Nixon wanted to improve relations between the two countries and also that he was impressed by the diplomatic initiatives that Mr. Nixon had taken with China and the Soviet Union.

Ambassador Keating, considered a liberal Republican, had served New York as a U.S. representative for 12 years, beginning in 1946. During the last two years, he was ranking Republican member of the House Judiciary Committee.

In 1958, although reluctant, he was persuaded to run for the Senate on an underdog ticket headed by now Vice President Nelson A. Rockefeller, who was seeking New York's governorship. Both won upset victories.

Ambassador Keating's service in Congress ended in 1964, when he was defeated for re-

election to his Senate seat by the late Robert F. Kennedy.

He waged what was probably one of the hardest campaigns in his political career, but he took a calculated chance. He withheld support of Sen. Barry Goldwater of Arizona, a conservative running for president on the Republican ticket, and waged his own campaign independent of the national ticket.

During his years in Congress, Ambassador Keating, who had been told more than once that he truly looked like a senator, had been a champion of civil rights, immigration and congressional reform, draft law revisions, crime and narcotics legislation, and a GOP version of health care for the aged under Social Security.

He became best known, however, for his criticism of the Kennedy Administration's handling of the 1962 Cuban arms buildup and subsequent missile crisis.

In a Senate speech on Aug. 31, 1962, he said that Russian ships had landed 1,200 troops in Cuba earlier that month.

In another Senate speech on Oct. 10, 1962, the then Sen. Keating said that construction had already begun on at least six sites in Cuba for launching of intermediate tactical missiles, which could reach either the Panama Canal or the U.S. heartland.

Twelve days later, President John F. Kennedy admitted in a nationwide television address that Russian missiles had been detected in Cuba and declared the quarantine that resulted in the eventual removal of the missiles.

Ambassador Keating never revealed the sources of the information he had received.

In the following statement, President Ford said of Ambassador Keating:

"Ken Keating was an outstanding public servant and an old and valued friend . . . With the conclusion of his congressional years, Ken began another distinguished career, this time as a diplomat, ably representing America as ambassador to both India and Israel . . .

"As U.S. representative to Tel Aviv for the past two years, Ambassador Keating has played a key role in the formulation and execution of our policies in the Middle East. He was known by both Americans and Israelis for his statesmanship, his gentle grace and his commitment to peace."

Yesterday, Israeli Ambassador Simcha Dinitz, in a cable to Ambassador Keating's wife in New York, expressed his country's deep sorrow and described Ambassador Keating as a distinguished servant of his country.

Vice President Rockefeller issued the following statement:

"Our nation has lost a great American. I have lost a dear friend.

"With courage in wartime, with effectiveness in both the House and Senate, with justice on the bench of the highest court of New York State, with diplomatic acumen in India and Israel, Ambassador Keating served this nation and its people brilliantly and tirelessly. His death at this time is a particular loss because of the key role he had been playing in the search for peace in the Middle East"

Secretary of State Henry Kissinger praised Ambassador Keating as a "valued colleague in search for peace in the Middle East. This country has lost a great public servant."

Sen. Jacob K. Javits (R-N.Y.), who had worked closely with Ambassador Keating in the Senate, said:

"The most distinguished career of a highly patriotic New Yorker has ended. Few men have been permitted so broad a range of public service—congressman, senator, judge and ambassador. His service in Israel for the United States was a source of security and reassurance to Israel's people and to millions of Americans."

"He was a man of good humor, good intent, who conducted himself with dignity," said Senate Majority Leader Mike Mansfield (D-Mont.).

Born in Lima, N.Y., Ambassador Keating was a graduate of Genesee Wesleyan Seminary in Lima and of the University of Rochester. He received his law degree from Harvard and began practicing law in Rochester in 1923, maintaining that practice until 1949.

After his defeat for re-election to the Senate and until his appointment to the diplomatic post in India, Ambassador Keating served as an associate justice of the New York Court of Appeals

He was a veteran of both World Wars, serving with the Army as a sergeant in World War I and being recalled to duty as a major in World War II.

He saw duty in the China-Burma-India theater, received numerous decorations including the Legion of Merit with Oak Leaf Cluster and the Order of the British Empire, and received a reserve brigadier general's commission in 1948.

Ambassador Keating, who held honorary degrees from 12 colleges and universities, was a member of numerous organizations, including the American and New York Bar Associations, the American Legion, Veterans of Foreign Wars, Reserve Officers Association, Kiwanis and the Masons.

In addition to his daughter, of Short Hills, N.J., he is survived by his second wife, the former Mary Pitcairn Davis, whom he married last June.

THE INDOCHINA RESETTLEMENT AND HUMANITARIAN ASSISTANCE ACT—S. 1639

Mr. JAVITS. Mr. President, I have the honor today, with the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Minnesota (Mr. HUMPHREY) to introduce proposed legislation to provide humanitarian and resettlement assistance for Vietnamese and Cambodian refugees.

Mr. President, we are playing out the final moments of a great American and international tragedy that encompasses the destruction of the hopes and aspirations of the millions of Vietnamese and Cambodians for the future of their countries and of freedom. These men and women fought on behalf of a social and political system with which the U.S. Government was allied. They committed their own lives and fortunes to a struggle which our Government identified also as its own. They had every right to assume that within the limits of our policy the American people would stand with them, no matter what the outcome of the 30 years of devastation and war that tore apart the fabric of life all across Indochina, and was responsible for such deep division in our own country.

I believe, Mr. President, that the American people will stand with the survivors of that tragic struggle to give those who chose to leave their homelands our support and assistance, as they attempt to make new lives in a country that has always welcomed the destitute, the unfortunate, and the honest victims of political and social overturn in danger of their lives.

The headlines, Mr. President, that tell the story—"Wide Hostilities Found as First Exiles Arrive"—can be taken only as initial reaction of some among us who point to our recessionary economy as a reason for turning away from those who fought in alliance beside us. I do not believe that after mature reflection, the great majority of the American people will permit their fears to override the tradition of generosity and welcome to regugees that has made this country the beacon of freedom for the 200 years of its life. When that beacon of freedom and welcome is extinguished, the United States will have come close to losing its very reason for being in the first place among nations.

Most of the American people have been immigrants—a great many of them have been refugees. In the course of our own adult lives, the United States has opened its doors to 450,000 displaced persons in the aftermath of World War II—to over 30,000 men and women who fought for freedom in the Hungarian Revolution—to 675,000 Cubans who refused to live under the Castro regime—and nearly 200,000 who chose to leave Eastern Europe for the United States in the early 1950's.

In other words, Mr. President, we have created 1,135,000 new Americans in the 30 years since the end of World War II. They have enriched our national spirit. They have added new and vigorous strains to the national character, and their successors, who have already given so much of themselves in a cause we adopted as our own, will do the very same.

I believe that these last tragic moments, in which 140.000 Vietnamese and Cambodians have fled their homelands to seek safety on our shores, can be the beginning of a great renewal of the American spirit. Mr. President, the American people will want to make Americans out of former allies—to ennoble the record of the over 50,000 soldiers and sailors and marines who gave their lives at the call of our Nation.

It is true that we suffer serious unemployment. It is true also that we wish to wipe away the memories of the long and tragic Vietnamese conflict which has ended in what must be called defeat. It is true that Americans are not used to defeat and that some among us are almost compelled to turn away from former allies because they are a symbol of that loss. But I believe, Mr. President, that most of us are ready to face the realities of the past—to accept its sobering implications—and to face and accept, with grace and strength, the responsibilities of the struggle and its awful conclusion. That goes for those of us who voted yea or nay. We have a collective responsibility. I believe that only by so doing can we rekindle the spirit of candor and the commitment to human dignity that has sparked the American dream into the reality of a great nation and a free people.

In that hope and expectation, I ask the Members of Congress to consider legislation that will provide such sums as may be necessary to see to it that the Vietnamese and Cambodians who need its quality and who wish to resettle in the United States are provided with the essentials of life: housing, food, clothing, job training, and education, and the other bare essentials that will enable them to be absorbed into the American system as productive and happy citizens of their new land. We can never replace the things which they have lost; but we can offer them hope for a future in which all of us can take comfort and pride. We owe it to them, to ourselves, to the United States.

Therefore, Mr. President, on behalf of myself and the Senator from Rhode Island (Mr. Pell), I send a bill to the desk for appropriate reference.

I state to my colleagues that great care has gone into the preparation of this bill, in an effort to deal with such questions as clearance, repatriation, and so forth. But the important point is that we are doing what needs to be done in the dignity and humanity which characterize America.

Mr. President, I ask unanimous consent that the names of the Senator from Connecticut (Mr. Ribicoff) and the Senator from Minnesota (Mr. Humphrey) be added as cosponsors of this bill, if it is agreeable to the Senator from Rhode Island.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield the remainder of my time to the Senator from Rhode Island.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I am proud to join the distinguished senior Senator from New York (Mr. Javits) in presenting legislation to provide assistance to the thousands of refugees from South Vietnam and Cambodia.

There are two basic justifications for this humanitarian legislation:

First. Providing assistance is the right thing to do.

Second. Providing assistance is a necessity.

We are not dealing here with a theoretical, abstract proposition. We are dealing with tens of thousands of refugees who actually exist. They are human beings who must find new homes in new lands and build new lives. It is not a theoretical question of whether these refugees should have fled their homeland—the reality is that they have. Now—today, tomorrow, and the next day—they must eat, they must have shelter, and they must be resettled. That is why I say the assistance provided by this legislation is a necessity—it recognizes reality. Denying assistance to these refugees will not make the refugees or their problems magically disappear.

This legislation also is the right thing to do. If we have any remaining obligation in Southeast Asia, it is to the refugees from that area. Much as we might like to forget it, the fact is that the United States intervened massively in the struggle in Vietnam in support of the Vietnamese Government. In the course of that intervention, tens of thousands of Vietnamese became closely associated with the United States and its Vietnamese policies and operations. That association placed many of them in the extreme hazard when the Saigon Government collapsed.

President Ford is asking Congress to provide explicit authority for assistance to these refugees who have had to flee their nation. I strongly support President Ford in that request.

With few exceptions, the refugees are persons who fled, not to seek a job or economic advancement abroad, but because they were justifiably afraid they would be killed if they remained in Vietnam.

I propose this legislation to aid Vietnamese refugees as one who long opposed both Democratic and Republican administrations in the U.S. intervention in the disastrous Vietnamese civil war.

I have long proposed that the United States phase out its involvement in Vietnam. And, in 1969, I recognized and stated publicly that the ultimate result might well be a Communist regime in all of Vietnam. I said then that we should face and accept the prospect and the responsibility of providing assistance to thousands of potential refugees from South Vietnam. I believe I was right 6 years ago. And although I opposed U.S. military intervention in Vietnam, I continue to believe today that we have a responsibility to these refugees.

Our Nation committed an estimated $150 billion to the cause of preserving a divided Vietnam, with a non-Communist South Vietnam. I would think that those who supported billions of dollars for U.S. military intervention on behalf of Vietnam would also now support humanitarian assistance for refugees from that area. And I would think that those who, like myself, opposed our military intervention would recognize the obligation our Nation has to provide refugee assistance.

Indeed, after years of division among the American people over nearly every aspect of our policy in Southeast Asia, I would hope that the American people would come together and find a unity of purpose in seeking to write a final, humane chapter to the tragic epic of Vietnam.

There are several additional points which I believe need emphasis in regard to this legislation.

We have heard it suggested that many of the refugees, having fled in an initial panic, would now be better off if they returned to their homeland instead of seeking settlement in another country.

I believe that any of the Vietnamese refugees who decide to return to Vietnam should not only be permitted, but encouraged to do so. However, such a decision must be voluntary and under no circumstances should the United States be a party to any forced repatriation of South Vietnamese refugees.

Second, I am aware that a small minority of these displaced persons may be unprincipled opportunists who are seeking to advance themselves in the midst of tragedy. There undoubtedly are, among the thousands of refugees, some of whose association with the United States in interrogation and penal work we are not proud. But I know, too, that if we seek to exclude such persons from our assistance we will be punishing many tens of thousands of genuinely helpless persons who need and deserve our succor at this time.

I am deeply aware of the cultural and economic problems that so many of these refugees will face in the United States and, for that reason, I am glad that this legislation includes an authorization of funds for transportation of these refugees to other nations to which they might wish to emigrate. Moreover, the lot of a refugee is not a happy one.

Finally, I believe we must confront squarely the argument that we have too many problems here in the United States to contemplate receiving these refugees, or providing assistance to them. I know full well the political force of these arguments. In my own State of Rhode Island, unemployment has now risen to 16.2 percent, and many Rhode Islanders themselves face economic hardship and uncertainty.

It would certainly have been more convenient if this final Vietnamese tragedy had come at a time of economic prosperity in the United States. But history is not arranged to our convenience, and the test of history is how well a nation and a people fulfill their obligations in times of adversity.

I am confident that our American economy will recover its vigor and strength. I hope that when economic prosperity has been regained, we can look back with pride, and not shame or regret, at our treatment of the refugees from Southeast Asia.

As we in the United States enter into the observance of our Bicentennial, it might be well for us to consider how another great world power, Great Britain, handled the refugee problem caused by our own Revolutionary War.

As the American colonies declared their independence and revolted against colonial rule, the British Government realized that it had an obligation to those thousands of residents in the colonies who were loyalists, who opposed the movement for independence, and who, consequently, were subject to prosecution.

The British Government did not turn its back on the Loyalist residents of the colonies, but provided them transportation, land grants, and assistance in building new lives in Canada.

For the English, the American Revolution was not a proud time in the history of Britain, but the British could well be proud that in that time of adversity they did not abandon their Loyalist friends.

The United States is not an empire, and South Vietnam was not our colony, but our obligation to the South Vietnamese is similar. I hope very much that our assistance to the South Vietnamese refugees will be one part of our South Vietnamese involvement that we can in future years look back on with pride.

Mr. TOWER. Will the Senator yield for a question?

Mr. PELL. Certainly.

Mr. TOWER. I commend the Senator on his statement and wish to observe, in connection with what he said about history not being kind enough to allow this to happen in a time of relative prosperity, that during the depths of the depression, we received tens of thousands of immigrants annually into this country at a time when privation and unemployment were in a much worse state than they are now. I like to think that now, with an even larger population and a less severe recession than we had at that time, we shall not turn our backs on our moral and humanitarian responsibilities. I believe this country is big enough, flexible enough, and resilient enough that we can absorb the relatively small number of people that will be thrust on the labor force. It is estimated that perhaps only 35,000 of these people are heads of households. A lot of them are women and children. So it would not occur to me that the impact on the job market will be that great.

Too, I might point out that probably the quality of these refugees is higher than we might be accustomed to ordinarily in these situations, because many of them are people who are trained in various skills or professions. Therefore, in some areas where jobs may be going begging, there might be opportunities for these people.

Mr. PELL. I agree with the Senator from Texas and thank him for his intervention.

I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. Morgan). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day an order was entered providing that the Senate convene at 11 a.m. tomorrow.)

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

NUCLEAR EXPORTS AND DOMESTIC AND INTERNATIONAL SAFEGUARDS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Hathaway) laid before the Senate a message from the President of the United States transmitting a report on U.S. laws and regulations governing nuclear exports and on domestic and international safeguards, which, with the accompanying report, was referred, by unanimous consent, jointly to the Joint Committee on Atomic Energy and the Committee on Banking, Housing and Urban Affairs.

The message is as follows:

To the Congress of the United States:

In accordance with Section 14 of Public Law 93–500, the "Export Administration Amendments of 1974", I am forwarding to the Congress a report on U.S. laws and regulations governing nuclear exports and on domestic and international safeguards. This report considers the effectiveness of such laws and safeguards in preventing the diversion of nuclear capabilities to nonpeaceful purposes.

I have concluded that current laws provide ample authority to control the export and reexport of nuclear-related material, equipment and technology. Nevertheless, existing policies and regulations, are constantly being reexamined and changed as appropriate. Domestic safeguards are under continuing review for the purpose of making them even more effective. The international safeguard system will detect and thus help to deter efforts to divert such materials by other nations.

As the volume of material and the nature of facilities grow in the world, commensurate increases and improvements in the international safeguarding system will be needed. The United States is encouraging the strengthening of international safeguards by aiding and supporting IAEA safeguard development efforts. It is also seeking to enhance physical security through the adoption of an international convention. The U.S. is taking the lead in advocating in-depth physical protection measures necessary to preclude terrorist groups from capturing such material or conducting sabotage activities.

I wish to assure Congress that the prevention of the proliferation of nuclear weapons or the acquisition of nuclear explosive materials for possible nonpeaceful uses is a priority concern in my Administration. Whatever efforts are needed to allow the U.S. and other countries to enjoy the benefits of nuclear power, without fear, will be taken by the Government of the United States.

Gerald R. Ford.

The White House, *May 6, 1975.*

Mr. PASTORE subsequently said: Mr. President, I ask unanimous consent that a message from the President of the United States relative to the export of nuclear materials be referred jointly to the Joint Committee on Atomic Energy and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 1244. An act to establish procedures and regulations for certain protective services provided by the U.S. Secret Service;

H.R. 5158. An act to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands; and

H.R. 5405. An act to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than 16 passengers when emergency situations arise.

The message also announced that the House passed the bill (S. 326) to amend section 2 of the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, with an amendment in which it requests the concurrence of the Senate.

At 4:10 p.m, a message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the resolution (H. Con. Res. 218) entitled "Concurcurent resolution setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976"; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Adams, Mr. Wright, Mr. Ashley, Mr. Giaimo, Mr. Smith of Iowa, Mr. O'Hara, Mr. Gibbons, Mr. Mitchell of Maryland, Mr. Derrick, Mr. Latta, Mr. Broyhill, Mr. Hastings, and Mr. Conable were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Hathaway) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE SECRETARY OF COMMERCE

A letter from the Acting Secretary of Commerce transmitting, pursuant to law, the final report on the National Commission on Fire Prevention and Control (with an accompanying report); to the Committee on Commerce.

REPORT OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, an interim report in response to the requirement set forth in Section 405(a)(1) of the Rehabilitation Act of 1973 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND DISABILITY INSURANCE TRUST FUNDS

A letter from the board of trustees of the Federal old-age and survivors insurance and disability insurance trust funds transmitting, pursuant to law, the annual report of the board for the year 1975 (with an accompanying report); to the Committee on Finance.

REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL HOSPITAL INSURANCE TRUST FUND

A letter from the board of trustees Federal hospital insurance trust fund transmitting, pursuant to law, the annual report of

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the board for 1975 (with an accompanying report); to the Committee on Finance.

Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund

A letter from the board of trustees of the Federal supplementary medical insurance trust fund transmitting, pursuant to law, the annual report of the board for the year 1975 (with an accompanying report); to the Committee on Finance.

Proposed Amendment to a Concession Contract

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed amendment to a concession contract on the South Rim of Grand Canyon National Park, Arizona (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to extend the date for submission of the report on the statistical survey of the runaway youth population (with accompanying papers); to the Committee on the Judiciary.

Report of the Railroad Retirement Board

A letter from the Chairman of the Railroad Retirement Board transmitting, pursuant to law, the annual report of the Board for the fiscal year ended June 30, 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Student Loan Marketing Association

A letter from the Chairman of the Student Loan Marketing Association transmitting, pursuant to law, the annual report of the Association for the fiscal year ending December 31, 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

Regulations of the Department of Health, Education, and Welfare

A letter from the Executive Secretary of the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document entitled "Right To Read State Grants; Final Regulations" (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Postmaster General

A letter from the Postmaster General transmitting a draft of proposed legislation to preserve the present method of computing the compensation of rural letter carriers (with accompanying papers); to the Committee on Post Office and Civil Service.

A Resolution of the National Academy of Sciences

A letter from the president of the National Academy of Sciences transmitting a copy of a resolution adopted by the Academy (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Office of Management and Budget

Four letters from the Deputy Director of the Office of Management and Budget, each transmitting, pursuant to law, a report as follows: one, "Report of the Board of Visitors to the United States Naval Academy" April 12, 1973 and December 12, 1973; two, "Report of the Board of Visitors to the United States Naval Academy" April 25, 1974, and December 5, 1974; three, a report with respect to the recommendations contained in the report entitled "MR '72, Islands of Excellence" issued in 1973; and, four, a report with respect to the recommendations contained in the report entitled "Report to the President and to the Council on Environmental Quality" October 1973 (with accompanying reports); to the Committee on Government Operations.

Reports of the Comptroller General

Two letters from the Comptroller General of the United States, each transmitting, pursuant to law, a report, one entitled "A Proposal for Disclosure of Contractual and Financial Arrangements Between Hospitals and Members of Their Governing Boards and Hospitals and Their Medical Specialists"; and "Public Hazards from Unsatisfactory Medical Diagnostic Products" (with accompanying reports); to the Committee on Government Operations.

Proposed Research Projects of the Department of the Interior

Six letters from the Deputy Assistant Secretary of the Interior each transmitting, pursuant to law, a copy of a proposed contract for research projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Federal Energy Administration

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report with respect to any change in market shares for petroleum products (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation By The Department of the Army

A letter from the Secretary of the Army transmitting a draft of proposed legislation to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by Congress (with accompanying papers); to the Committee on Public Works.

Proposed Construction Contracts For the Naval and Marine Corps Reserve

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing) transmitting, pursuant to law, a list of five construction projects proposed to be undertaken for the Naval and Marine Corps Reserve (with accompanying papers); to the Committee on Armed Services.

Proposed Supplemental Appropriations for the Department of Agriculture—(S. Doc. 94–49)

A communication from the President of the United States transmitting a proposed supplemental appropriation in the amount of $889,815,000 and an amendment to a request for supplemental appropriations in the amount of $100,233,000 for the Department of Agriculture for the fiscal year 1975 (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Proposed Legislation by the Department of Agriculture

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum (with accompanying papers); to the Committee on Agriculture and Forestry.

A letter from the Secretary of Agriculture transmitting a draft of proposed legislation to amendment the Perishable Agricultural Commodities Act relating to the licensing requirements of the law (with accompanying papers); to the Committee on Agriculture and Forestry.

Proposed Standards of the Cost Accounting Standards Board

A letter from the Chairman of the Cost Accounting Standards Board transmitting, pursuant to law, a copy of certain proposed standards, rules, and regulations promulgated by the Board (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Report of the National Railroad Passenger Corporation

A letter from the vice president of the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the operations of the Corporation for the month of January 1975 (with an accompanying report); to the Committee on Commerce.

Supplemental Appropriations for the Commission on Civil Rights and the Small Business Administration

A letter from the Deputy Director of the Office of Management and Budget reporting, pursuant to law, that certain appropriations for the fiscal year 1975 for the Commission on Civil Rights and the Small Business Administration have been apportioned on a basis which indicates a necessity for supplemental appropriations; to the Committee on Appropriations.

Proposed Legislation by the President

A communication from the President of the United States transmitting a draft of proposed legislation authorizing the provision of relief and relocation assistance to refugees from South Vietnam and Cambodia (with accompanying papers); to the Committee on Foreign Relations.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Hathaway):

House Joint Resolution No. 6 of the Legislature of the Senate of Montana; to the Committee on Finance:

"House Joint Resolution No. 6

"A joint resolution of the Senate and the House of Representatives of the State of Montana petitioning the United States Congress to review the social laws for the purpose of eliminating sexual discrimination from the social security system

"Whereas, when the United States Congress enacted the first Social Security Act in 1935, one of the assumptions then current was that very few married women held employment outside the home, and

"Whereas, section 202 (q) of the Social Security Act, now codified, as amended, at 42 U.S. Code section 402(q), reduces a woman's social security entitlements under various circumstances involving her marital status and bearing no relationship to her contributions into the social security fund, and

"Whereas, now that the United States Congress has adopted and presented to the states an Equal Rights amendment to the national constitution, the Congress should in the same spirit eliminate from the social security statutes any discriminatory classifications based upon sex.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the United States Congress should study the social security laws, and prepare amendments thereto, designed to eliminate any discrimination based upon sex or upon the assumption that most women cannot or do not combine marriage with gainful employment.

"Be it further resolved, That the Secretary of State transmit copies of this resolution as petitions to the Senate and House of Representatives of the United States, and to the Montana Congressional delegation."

House Joint Resolution No. 32 adopted by the Legislature of the State of Montana; to the Committee on Commerce:

"House Joint Resolution No. 32

"A joint resolution of the Senate and the House of Representatives of the State of Montana in support of and endorsing the proposed legislative changes contained in United States Senate bill No. 3910.

"Whereas, the economic prosperity and welfare of the United States agricultural community requires a viable transportation system, and

"Whereas, an agricultural product national transportation policy governing railroad pricing policy will be in the public interest, and

"Whereas, legislative changes in the Interstate Commerce Act have been introduced into Congress, intended to implement and maintain equality for shippers of agricultural commodities.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That this joint august body hereby endorses and supports the provisions of United States Senate bill No. 3910 entitled 'The Agricultural and Rural Commodities Transportation Act of 1974'.

"Be it further resolved, that a copy of this resolution be forwarded to the United States Senate and House of Representatives."

Senate Joint Resolution No. 15 adopted by the Legislature of the State of California; to the Committee on Appropriations:

"Senate Joint Resolution No. 15—Relative to Development of Waterborne Commerce

"Whereas, The Secretary of the Army, acting through the Chief of Engineers, is currently authorized to cooperate with any state in the preparation of comprehensive plans for development, utilization and conservation of water, waterborne commerce, and related resources by Section 22(a) of the Water Resources Development Act of 1974, Public Law 93–251; and

"Whereas, A comprehensive program for the analysis of commodity flow to, and through, our state by means of maritime commerce and industry will assist the Governor, the Legislature, and various State of California agencies in reviewing and updating the California Transportation Plan and the California Coastal Zone Conservation Plan; and

"Whereas, The State of California can establish a five-year program, with these moneys, to aid and assist the State of California's maritime commerce and industry with a comprehensive commodity flow analysis; and

"Whereas, The services provided by the Secretary of the Army, acting through the Chief of Engineers, will have a statewide benefit to California's utilization of water resources, waterborne commerce, and maritime industry; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to appropriate funds to the Secretary of the Army for the expenditure by the Chief of Engineers, through the South Pacific Division of the Corps of Engineers, to provide a comprehensive program of commodity flow analysis for waterborne commerce and the maritime industry in California in cooperation with the State of California; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Secretary of the Army, and to each Senator and Representative from California in the Congress of the United States."

Joint Resolution No. 64 adopted by the Legislature of the State of New York; to the Committee on Armed Services:

"Joint Resolution No. 64

"Joint Resolution of the Legislature of the State of New York memorializing the President and the Congress to refrain from relocating the Benet Weapons Laboratory presently located in Watervliet, Albany County

"Whereas, the Benet Weapons Laboratory at the Watervliet Arsenal, Watervliet, New York, is an important asset to the defense of this nation; and

"Whereas, Several hundred skilled employees work at the Benet Weapons Laboratory at the Watervliet Arsenal; and

"Whereas, The relocation of the Benet Weapons Laboratory to another state would result in the loss of jobs and the loss of commerce in New York State; now, therefore, be it

"Resolved, That the Legislature of the State of New York hereby memorialize the President and the Congress of the United States to refrain from relocating the Benet Weapons Laboratory; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives and to each member of the Congress of the United States from the State of New York."

House Joint Resolution No. 65 adopted by the Legislature of the State of Montana; to the Committee on the Judiciary:

"House Joint Resolution No. 65

"A joint resolution of the Senate and the House of Representatives of the State of Montana declaring the Montana State legislature's unalterable opposition to registration and confiscation of firearms

"Whereas, the right of an individual to keep and bear arms is fundamental to the preservation of freedom and is guaranteed by the Constitution of the United States, and

"Whereas, firearms are, always have been, and always will be very much a part of the way of life in the great state of Montana, and

"Whereas, the private ownership of firearms, including handguns, is the last line of defense against the criminal element, and

"Whereas, the report of the National Advisory Commission on Criminal Justice Standards and Goals, issued in August, 1973, advocates, among other things, the confiscation of all privately owned handguns, and

"Whereas, the people of Montana having seen that federal firearm registration is leading us closer to federal confiscation of firearms.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Legislature of the state of Montana go on record as being unalterably opposed to registration and confiscation of firearms in general.

"Be it further resolved, that a copy of this Joint Resolution be sent to the President of the United States, to the Vice-President of the United States, and to Montana's Senators and Representatives in Congress."

House Memorial 2002 adopted by the House of Representatives of the State of Arizona; to the Committee on the Judiciary:

"House Memorial 2002

"A memorial urging the President and the Congress of the United States to oppose any handgun control proposals for Federal legislation

"Whereas, defense of one's person against assault by another is a natural right recognized by every generation; and

"Whereas, every individual's right to the possession of adequate weapons for his defense or the defense of his home and family is essential to the protection of this natural right; and

"Whereas, the Bill of Rights of the Constitution of the United States and Article 2, Section 26 of the Constitution of the State of Arizona guarantee to its citizens the right to keep and bear arms; and

"Whereas, the handgun is the most effective weapon for self-defense, and its mere possession frequently is sufficient to repel an invader or attacker; and

"Whereas crime statistics only cover the use of firearms in crimes, and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes; and

"Whereas, such legislation would deny a citizen the right to obtain weapons for self-defense, but would not prevent the acquisition of weapons by criminals or their misuse by criminals; and

"Whereas, there are adequate laws now on the books to punish criminals for the misuse of firearms in crimes if properly enforced. Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"1. That the President and the Congress of the United States take those steps necessary for the proper enforcement and judicial punishment of criminals, rather than consider legislation to curtail the right of honest citizens to acquire weapons for sport or self-defense.

"2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation."

A resolution relating to certain policies of the Soviet Union adopted by the Senate of the State of New Jersey; to the Committee on Foreign Relations:

"Senate Resolution

"Whereas, The basic human right to freedom of movement across national boundaries is declared and established in international law under the Universal Declaration of Human Rights, adopted by the United Nations in 1948, which states in Article 13, "Everyone has the right to leave any country, including his own, and to return to his own country"; and,

"Whereas, The Union of Soviet Socialist Republics, in spite of having publicly endorsed the aforesaid Declaration, continually violates the terms of Article 13 and abrogates the basic human right aforesaid; and,

"Whereas, The USSR has maintained a policy of systematically harassing and oppressing those of its citizens—particularly those of the Jewish faith—who have shown interest in emigration; and,

"Whereas, A notable victim of the said policy of harassment and oppression is Dr. Mikhail Stern, a noted endocrinologist, who, for the sole offense of consenting to the departure of his grown sons from the Soviet Union, has been sentenced to eight years in prison after a trial which was a mockery of justice; and,

"Whereas, Doctor Stern's son, August Stern is in attendance at the present session of the Senate; now, therefore,

"*Be It Resolved by the Senate of the State of New Jersey:*

"That this House hereby condemns the Soviet Union's oppressive policies denying the fundamental freedom of movement for all people, and urges that said policy be reversed and that all such political prisoners as Doctor Stern be released; and,

"*Be It Further Resolved,* That this House hereby memorializes the President and the Congress of the United States to maintain a policy in support of freedom of movement for all peoples and in opposition to all such policies of oppression and discrimination as are exemplified by the Soviet Union; and,

"*Be It Further Resolved,* That the President extend the welcome of the Senate to August Stern, together with privileges of the floor, and that a duly authenticated copy of this resolution, signed by the President and attested by the Secretary, be presented to Mr. Stern; and,

"*Be It Further Resolved,* That duly authenticated copies of this resolution, signed by the President and attested by the Secretary, be transmitted to the President of the United States, to the Vice President of the United States and the Speaker of the House of Representatives, and to each of the members of Congress elected from this State."

Thirty-one resolutions from the National Wildlife Federation, as follows:

Resolution No. 1, relating to major conservation issues, 1975; to the Committee on Interior and Insular Affairs.

Resolution No. 17, relating to natural gas transmission in Alaska; to the Committee on Interior and Insular Affairs.

Resolution No. 13, expressing sorrow at recent deaths of conservation leaders; ordered to lie on the table.

Resolution No. 29, relating to observance of National Wildlife Week, 1975; to the Committee on the Judiciary.

Resolution No. 23, relating to preservation of agricultural lands; to the Committee on Agriculture and Forestry.

Resolution No. 15, relating to timber management policies of the U.S. Forest Service; to the Committee on Agriculture and Forestry.

Resolution No. 28, relating to funding for Dickey-Lincoln Project; to the Committee on Public Works.

Resolution No. 24, relating to federal and state highway lighting; to the Committee on Public Works.

Resolution No. 12, relating to treatment plant construction and land use; to the Committee on Public works.

Resolution No. 11, relating to solid waste management; to the Committee on Public Works.

Resolution No. 4; relating to flood plain management; to the Committee on Public Works.

Resolution No. 3, relating to the environment and the economy; to the Committee on Public Works.

Resolution No. 14, relating to financing of wildlife refuge acquisition program; to the Committee on Commerce.

Resolution No. 10, relating to killing of porpoises; to the Committee on Commerce.

Resolution No. 8, relating to environmental hazards and the burden of proof; to the Committee on Commerce.

Resolution No. 7, relating to weather modification; to the Committee on Commerce.

Resolution No. 6, relating to roadside zoos or menageries; to the Committee on Commerce.

Resolution No. 5, relating to marine sanctuaries; to Committee on Commerce.

Resolution No. 30, relating to native rights to fish and wildlife; to the Committee on Interior and Insular Affairs.

Resolution No. 27, relating to Idaho primitive area; to the Committee on Interior and Insular Affairs.

Resolution No. 26, relating to management of wild horses and burros; to the Committee on Interior and Insular Affairs.

Resolution No. 25, relating to Tulana Farms land disposal; to the Committee on Interior and Insular Affairs.

Resolution No. 22, relating to protection of Yellowstone River; to the Committee on Interior and Insular Affairs.

Resolution No. 21, relating to wilderness of Charles M. Russell Game Range; to the Committee on Interior and Insular Affairs.

Resolution No. 20, relating to establishment of Red Deserve Game Range; to the Committee on Interior and Insular Affairs.

Resolution No. 19, relating to management of wildlife; to the Committee on Interior and Insular Affairs.

Resolution No. 18, relating to conversion from the use of lead shot; to the Committee on Interior and Insular Affairs.

Resolution No. 16, relating to land withdrawals in Alaska; to the Committee on Interior and Insular Affairs.

Resolution No 9, relating to national conservation public service program; to the Committee on Interior and Insular Affairs.

Resolution No. 2, relating to establishing a national energy policy; to the Committee on Interior and Insular Affairs.

Resolution No. 31, relating to desert land entries; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Common Council of the City of Cohoes, New York, regarding the proposed relocation of Research and Development at the Watervliet Arsenal out of New York State; to the Committee on Armed Services.

A petition from the Statewide Committees Opposing Regional Plan Areas from Springfield, Missouri, seeking a redress of grievances; to the Committee on Government Operations.

A petition from two citizens of the State of Illinois seeking a redress of grievances; to the Committee on Government Operations.

A petition from a citizen of Terra Haute, Indiana, seeking a redress of grievances; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, with an amendment:

S. 598. A bill to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes (Rept. No. 94–104) (Referred to the Committee on Interior and Insular Affairs).

Mr. PASTORE. Mr. President, I am filing S. 598, as amended, a bill to authorize appropriations to the Energy Research and Development Administration, and the report of the Joint Committee on Atomic Energy on the nuclear authorizations portions of S. 598.

The PRESIDING OFFICER. The report will be received and printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy:

Alfred D. Starbird, of Virginia, to be an Assistant Administrator of Energy Research and Development.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to agree to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Lt. Gen. Louis H. Wilson, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a period of 4 years. I ask that the nomination be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 5156. An act to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

H.R. 5405. An act to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than 16 passengers when emergency situations arise; to the Committee on Commerce.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 1244, to establish procedures and regulations for certain protective services provided by the U.S. Secret Service, received from the House of Representatives earlier in the day, be considered as having been read twice and referred to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS (for himself, Mr. Pell, Mr. Ribicoff, and Mr. Humphrey):

S. 1639. A bill to provide resettlement and humanitarian assistance to refugees from Indochina. Referred to the Committee on Foreign Relations.

By Mr. JOHNSTON (for himself, Mr. Cranston, and Mr. Tunney):

S. 1640. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOLE (by request):

S. 1641. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility to carry out the national interest or humanitarian objectives of that Act;

S. 1642. A bill to amend the Commodity Futures Trading Commission Act of 1974;

S. 1643. A bill to further amend the Agricultural Marketing Act of 1946;

S. 1644. A bill to authorize certain payments to States from National Forest receipts during the period July 1, 1976, through September 30, 1976, and for other purposes;

S. 1645. A bill to establish improved programs for the benefit of producers and consumers of rice;

S. 1646. A bill to establish an improved program for the benefit of producers and consumers of extra long staple cotton;

S. 1647. A bill to amend the Federal Crop Insurance Act, and for other purposes;

S. 1648. A bill to amend section 1114 of Title 18 of the United States Code to include officers and employees of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions;

S. 1649. A bill to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; and

S. 1650. A bill to amend the Perishable Agricultural Commodities Act, 1930. Referred to the Committee on Agriculture and Forestry.

By Mr. TALMADGE:

S. 1651. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research. Referred to the Committee on Agriculture and Forestry.

By Mr. STONE (for himself and Mr. McClure):

S. 1652. A bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency. Referred to the Committee on Finance.

By Mr. SCHWEIKER:

S. 1653. A bill for the relief of Sun Yang Kim and Sun Mi Kim. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 1654. A bill to amend the Agricultural Trade Development and Assistance Act of 1954. Referred to the Committee on Agriculture and Forestry.

By Mr. TUNNEY:

S. 1655. A bill to create a national Commission on the Olympic Games to review the question of United States participation in the Olympic games and to evaluate and formulate recommendations concerning such participation. Referred to the Committee on Commerce; and, if and when reported by that committee, to the Committee on Foreign Relations, by unanimous consent.

By Mr. CANNON:

S. 1656. A bill to assist the States to provide additional facilities for research in agriculture and forestry at State agricultural experiment stations, land grant colleges and cooperating forestry research institutions funded under Public Law 87–788. Referred to the Committee on Agriculture and Forestry.

By Mr. HUGH SCOTT:

S. 1657. A bill to amend the National Portrait Gallery Act to redefine "portraiture." Referred to the Committee on Rules and Administration.

By Mr. HARTKE (for himself and Mr. Bayh):

S. 1658. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

By Mr. PHILIP A. HART (for himself and Mr. Griffin):

S. 1659. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission Docket numbered 40–K, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 1660. A bill to amend the National Capital Transportation Act of 1969 to authorize an additional Federal contribution toward the effectuation of a transit development program for the National Capital Region, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. SPARKMAN (for himself, Mr. Case, Mr. Hugh Scott, and Mr. Griffin):

S. 1661. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees. Referred to the Committee on Foreign Relations.

By Mr. ALLEN (for himself, Mr. Bellmon, Mr. Clark, Mr. Curtis, Mr. Dole, Mr. Eastland, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Leahy, Mr. McGovern, Mr. Stone, Mr. Talmadge, and Mr. Young):

S. 1662. A bill to amend the Food Stamp Act of 1964. Referred to the Committee on Agriculture and Forestry.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 1663. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia. Referred to the Committee on Foreign Relations.

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Philip A. Hart, Mr. Humphrey, Mr. Inouye, Mr. McGee, Mr. McGovern, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Hugh Scott, Mr. Stevenson, Mr. Williams, Mr. Randolph, Mr. Magnuson, and Mr. Schweiker):

S. 1664. A bill to amend the Lead Based Paint Poisoning Prevention Act. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY (for himself, Mr. Stafford, and Mr. Philip A. Hart):

S. 1665. A bill to provide for financial assistance to public intervenors in nuclear licensing proceedings. Referred to the Joint Committee on Atomic Energy.

By Mr. BROOKE (for himself, Mr. Hugh Scott, and Mr. Weicker):

S. 1666. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates. Referred to the Committee on Commerce.

By Mr. BENTSEN:

S. 1667. A bill to prohibit the person holding the position of Secretary of State from holding simultaneously the position of Assistant to the President for National Security Affairs. Referred to the Committee on Government Operations.

By Mr. HATFIELD:

S. 1668. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 in order to broaden and emphasize the humanitarian purposes of such Act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. INOUYE:

S. 1669. A bill to amend title 10 of the United States Code relating to retention in active status of certain officers. Referred to the Committee on Armed Services.

By Mr. HATFIELD:

S. 1670. A bill to amend section 8 of the Watershed Protection and Flood Prevention Act to increase the amount that may be made available under such section for a single plan for works of improvement. Referred to the Committee on Agriculture and Forestry.

S. 1671. A bill to amend the Bankhead-Jones Farm Tenant Act to increase the amount of any loan for which funds may be appropriated without prior approval of such loan by the appropriate committees. Referred to the Committee on Agriculture and Forestry.

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Brooke, Mr. Cranston, Mr. Eagleton, Mr. Philip A. Hart, Mr. Humphrey, Mr. Ribicoff, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Mathias, Mr. Mondale, and Mr. Tunney):

S.J. Res. 80. A joint resolution proposing an amendment to the Constitution of the United States granting representation in the Congress to the District of Columbia. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. Pell, Mr. Ribicoff, and Mr. Humphrey):

S. 1639. A bill to provide resettlement and humanitarian assistance to refugees from Indochina. Referred to the Committee on Foreign Relations.

(The remarks by Mr. Javits and Mr. Pell on the introduction of the above bill are printed earlier in the Record.)

By Mr. JOHNSTON (for himself, Mr. Cranston, and Mr. Tunney):

S. 1640. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JOHNSTON. Mr. President, I am sending to the desk for appropriate reference legislation to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California, and for other purposes.

This legislation proposes a new direction in our national commitment to preserve and protect our natural heritage for the benefit of the American people. The traditional approaches have all been basically one-sided. Either State or local governments, occasionally with Federal financial support, have acted or the entire burden has been placed on the Federal Government. Only rarely have all levels of government, joined in exercising their authorities and expertise. This legislation mandates just such a joint effort.

Overreliance on the Federal Government or sole reliance on State and local governments threatens both our national heritage and local resources. Increasingly, the Federal Government is being asked to step in and preserve urban open space land, because local governments are unwilling or unable to act. Local governments, on the other hand, are beset by a multitude of critical urban demands and are hard pressed to devote needed resources to major recreation and conservation projects.

What is needed is a Federal commitment to assist State and local units of government which are willing to make the difficult land-use decisions which must be made if our urban areas are not to strangle on their own growth.

The decisions to call a halt to unplanned and haphazard development and to pursue open space and recreation rather than an increased tax base are

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hard ones to make. But if we are to avoid the mistakes of the past, we must begin to act at all levels of government to preserve what remains and recover what we have lost.

This is not to say that our conservation and recreation history has been one solely of defeats. The victories which have been won in preserving something of our heritage are impressive: Redwoods, Everglades, the Grand Canyon, and other units of the national park system. But the price has been high.

If there were no inflation, no land price escalation, and no new additions to the national park system, at current rates of funding it would take 10 years to complete the present backlog of land acquisition for presently authorized units of the national park system. For natural forest areas the prospect is even bleaker. Current estimates for land acquisition for forest areas are approximately $1.4 billion. The total Federal recreation land acquisition backlog for the Bureau of Land Management, the Fish and Wildlife Service, the Forest Service and the National Park Service is in excess of $2½ billion. That over $2½ billion backlog, however, is dwarfed by the over $40 billion short-term needs of States and localities.

The Land and Water Conservation Fund was created to provide a source of funding for Federal recreation land acquisition and for a matching grant program of assistance to States. Almost from its inception, the funds resources have been outdistanced by the demands on it. At present, $300 million a year is covered into the fund. The $70 million which annually is allocated to the National Park Service is not enough to even match inflation and land price escalation, much less to cut into the backlog.

During the last Congress, the Senate passed S. 3839, legislation which I introduced to increase the level of the Land and Water Conservation Fund. That legislation was and is critically needed, but it is not the entire answer. The pressures on our national and local park and recreation areas is intense and the day may soon be upon us when we will have to restrict visitation to places which we preserved for the people.

Overcrowding in Yosemite by people trying to escape our cities threatens to destroy one of the first areas the Federal Government sought to protect. In an era when the threat of rationing restricts our ability to travel, when unemployment spreads through our cities, when the poor and even the middle class find the soaring costs of essential products curtailing their available income, when urban sprawl and ill-advised development gnaws away at our remaining open space, where are our urban residents to go for recreation?

It is imperative if we are to provide a decent environment for our children and future generations that all levels of government fully exercise their authorities. Too often States have sought the easy approach of Federal action rather than making the hard decisions themselves. The lack of not just planning for land use but the hard day-to-day promulgation and enforcement of land use regulations has brought us this situation.

Our urban history, with some notable exceptions, has been a history of lost opportunities. Opportunities to intelligently plan for growth and development while preserving open space and recreation have been mislaid, and only when the cities cry out from their own excesses have acted.

Large metropolitan centers are prodigious users of land and water resources. These centers, with all their power and wealth, lay an imperious hand on woodlands and watersheds drawing them out of earlier uses and transforming them into building lots, streets, shopping centers, schoolyards, throughways, and airports. This process of subjugation of resources to metropolitan use has not followed any planned sequence or orderly procedure. Consequently, the resulting patterns of resource utilization are not likely always to provide efficient satisfaction of the needs for outdoor recreation generated in a metropolitan society.

In a 1930 report to a citizens committee, the outdoor recreation portrait of Los Angeles was already grim:

> The facts are so complicated that condensed statistical comparisons without personal knowledge of local conditions, can be very misleading. But when the situation in the Los Angeles region is measured carefully and patiently by the crude but common sense method of comparison with experience elsewhere, four conclusions become unmistakably clear:
>
> 1. There is a serious shortage of park-system facilities in this region, even for the present population.
>
> 2. There has been a serious lack of increase of such facilities in comparison with the rapid increase of population.
>
> 3. These shortages seem quite unreasonable considering the agreeable climate, the economic prosperity, and the exceptionally favorable social conditions here.
>
> 4. They appear not only unreasonable but positively reprehensible, because of the very close and direct influence of agreeable living conditions on the continued health of the people and the prosperity of the community.

The problems of uncontrolled and ill-planned growth in Los Angeles are well known. Four corners, Navajo, Mojave—the entire Southwest powerplant complex is a result directly or indirectly of the growth and hunger of Los Angeles. Unable to survive with any more pollution, powerplants are built in New Mexico to provide power to Los Angeles.

Air quality is by far the most critical form of pollution in the Los Angeles region. Levels of air pollution are most severe over the northern half of the Los Angeles basin. Fresh air to dilute this zone comes in off the Pacific over the length of the Santa Monicas. Further contamination of this airshed will result in even worse smog conditions over the cities at the eastern end of the range. It is not just a question of recreation, but almost of survival to protect this area.

With a resident population of approximately 10 million and annual visitation of approximately 8 million, existing recreational resources for the Los Angeles area are overcrowded and inadequate. The Santa Monica Mountains may well offer the last chance for the region.

Over the years the forces of nature and man have left their marks on the proposed recreation area. The result is a rich heritage of micro and macro environments, varied land forms, spectacular geological formations, areas of great natural beauty, fossils from earlier epochs, and the artifacts and inhabitations of Indian, Hispanic and early California cultures. As tangible links to the past, these phenomena offer an enrichment of present day living. Though hardy enough to survive the aging forces of nature, many are easily disrupted or destroyed by man's heavyhandedness.

While the State of California has made great strides in land-use planning at both the State and local level, the forces of uncontrolled development are strong. The county of Los Angeles recently set a precedent by negotiating one of the largest open space easements in the United States for 41,000 acres on Santa Catalina Island, but this victory may be short lived.

With this legislation I propose an increased commitment by the Federal Government to explore new policies and programs to improve the quality of life for the American people. To preserve and improve the environment of our urban areas will require new initiatives in the areas of historic preservation and restoration of our cities, acquisition and protection of open spaces, development of intelligent zoning and land use, and improvement of our transportation systems.

There is a great deal of work which still lies before us. We must be willing to commit our resources to the task and we, Federal, State, local, and private, must commit our resources and energies to the task.

What I propose in this legislation is a joint effort to formulate and implement a land-use plan for the Santa Monica area.

In brief this legislation provides for the creation of a planning commission for the Santa Monica Mountains and seashore. The commission will be composed of members recommended by the Governor and the chief executive officers of the local units of government which have jurisdiction over the area. The commission is directed to formulate a land use plan for the area. The plan is to be as detailed as possible. It must identify areas for development of recreational facilities, for preservation, and for compatible public or private uses. It must specifically provide for the preservation of and public access to beaches and coastal uplands, undeveloped inland stream drainage basins, and existing park roads and scenic corridors.

The plan must be approved by the Secretary of the Interior who is authorized to assist the commission upon request. Upon approval of the plan, the Federal Government will commit $50 million to help implement the plan.

Mr. President, this legislation is the product of extensive discussions. It may not be the final answer, but it does point the way whereby all levels of Government can combine their resources, expertise, and authorities for the benefit of the people.

I ask unanimous consent to have printed in the RECORD at this point a section-by-section analysis of the legislation together with the text of the bill. I invite the attention of my colleagues, and I welcome any comments or suggestions on how we can meet the recreational crisis which confronts us.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, The Congress finds that, (a) there are significant scenic, recreational, educational, scientific, natural, and public health values provided by the Santa Monica Mountains and adjacent coastline area, (b) there is a national interest in protecting and preserving those values for the residents of and visitors to the area, (c) the primary responsibility for the provision of recreational, educational, and scientific opportunities, the preservation of scenic and natural areas, and the safeguarding of the health of the public who live, work, and play in or visit the area rests with the State of California and the various local units of government having jurisdiction over the area, (d) in recognition of the multi-State and national significance of some of the recreational values, the Federal government has an interest in the management of the resources and should assist the State of California and its local units of Government in fulfilling their responsibilities, (e) the State of California and its local units of government have authority to prevent or minimize adverse uses of the Santa Monica Mountains and adjacent coastline area and can, to a great extent, protect the health, safety and general welfare by the use of its authorities.

SEC. 2. The purposes of this Act are (1) to provide for the preservation of the outstanding natural features and open undeveloped land and water resources of the Santa Monica Mountains and nearby seashore areas in California, (2) to assure the protection of the public health by preserving the airshed of the Region, and (3) to provide adequate outdoor recreation facilities and opportunities for the people of the Los Angeles metropolitan area.

SEC. 3. There is hereby established the Santa Monica Mountains and Seashore Urban Recreation Area (hereinafter referred to as the "recreation area"). The boundaries of the recreation area shall be those generally depicted as "Study Area Boundary" on the maps comprising Appendix B of the report prepared by the Pacific Southwest Region of the Bureau of Outdoor Recreation, Department of Interior, published in 1973, entitled "Santa Monica Mountains Study", which shall be on file and available for public inspection in the offices of the Department of Interior, Washington, D.C. The boundaries of the recreation area may be revised from time to time by the commission established in Section 4 of this Act in the same manner as set forth herein for preparation and approval of land use plans except that the total area within the recreation area may not exceed 205,000 acres.

SEC. 4. PLANNING COMMISSION.—Within one year of the date of enactment of this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall establish a planning commission for the recreation area (hereinafter referred to as the "Commission").

SEC. 5. The Commission shall be composed of not more than twelve members appointed by the Secretary from recommendations submitted to him by the Governor of the State of California and the chief executive officers of such local units of government, including counties and municipalities, which have jurisdiction over the recreation area: *Provided,* That the Secretary shall insure a balance in representation between State and local jurisdictions and appropriate representation from jurisdictions having major responsibilities in the region. The Secretary shall designate a member of the Commission to serve as Chairman.

SEC. 6. The function of the Commission shall be to develop a plan for the development (if any) and use of the land and water resources of the recreation area.

SEC. 7. The plan shall include, but need not be limited to:

(a) an identification of specific areas which are suitable for (1) the development of public recreational facilities; (2) preservation of significant natural, cultural, or historical values, including areas which because of their local, regional, or other ecological importance, should be preserved in their natural state; and (3) public or private uses which are compatible with and which would not significantly impair the scenic, natural, recreational, educational, and scientific values present in the area and which would not have a significant adverse effect on the air quality of the Los Angeles-Santa Monica area;

(b) provision for the preservation of and public access to beaches and coastal uplands, undeveloped inland stream drainage basins, and existing park roads and scenic corridors;

(c) a specific land use program to be implemented which may include the use of the constitutional authority of the State to regulate the use of land and water; other noncompensatory land use regulations which may be appropriate; compensatory land use regulations; tax incentives; acquisition of fee or less than fee interests in land and/or waters; or any combination of land use methods which the Commission deems will best accomplish the purposes of this Act; and

(d) the identification of the units of State or local government which will be responsible for implementing the program: *Provided,* That the plan may not propose an expenditure of Federal funds greater than $50,000,000 exclusive of funds available under other Federal programs including, but not limited to, section 701 of the Housing Act of 1954, as amended, the Land and Water Conservation Fund Act, and the Historic Preservation Act of 1966.

SEC. 8. The Secretary and the heads of other Federal agencies shall cooperate with the Commission in the formulation of the plan upon the request of the Commission and to the extent of available funds.

SEC. 9. (a) Members of the Commission who are employees of a State or local government shall serve without additional compensation as such. All other members shall receive $100 per diem when actually engaged in the performance of the duties of the Commission.

(b) The Secretary shall reimburse all Commission members for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Commission.

(c) Financial and administrative services (including those related to payment of compensation, budgeting, accounting, financial reporting, personnel, and procurement) shall be provided by the Department from the funds appropriated to carry out the provisions of this Act.

(d) The Commission shall have the power to appoint and fix the compensation of such additional personnel and such temporary and intermittent services as may be necessary to carry out the duties, without regard to the provisions of the civil service laws and the Classification Act of 1949, and it shall have the power to hold hearings and administer oaths.

(e) The Commission shall act by affirmative vote of a majority thereof. Vacancies shall be filled in the same manner as the original appointment.

SEC. 10. (a) The Commission shall submit its plan to the Secretary who shall, within one hundred and eighty days of the day it is submitted to him, either approve or disapprove the plan.

(b) The Secretary shall approve the plan if he finds that (1) the Commission has afforded adequate opportunity in the metropolitan area for public comment on the plan, and such comment was received and considered in the plan or revision as presented to him; (2) the State and local units of government identified in the plan as responsible for implementing its provisions have the necessary legislative authority to carry it out, and the chief executive officers of the State and local units of government have indicated their intention to utilize such authority in implementation of the plan in accordance with the program established by the Commission; (3) the plan, if implemented, would preserve significant natural or historical values and provide increased outdoor recreation opportunities for persons residing in the urban areas; and (4) implementation of the plan would not have a serious adverse impact on the air quality of the Los Angeles-Santa Monica region. Prior to making his finding on the air quality impact of the plan, the Secretary shall consult with the Administrator of the Environmental Protection Agency.

(c) If the Secretary disapproves the plan or revision he shall advise the Commission of the reasons therefor together with his recommendations for revision. The plan, following its disapproval, may be resubmitted to the Secretary for his approval in the discretion of the Commission.

(d) Upon approval of the plan, the Secretary shall publish a notice thereof in the Federal Register and shall transmit copies of the plan together with his comments to the President of the Senate and the Speaker of the House of Representatives.

(e) No revision to an approved plan may be made without the approval of the Secretary. The Secretary shall either approve or disapprove a proposed revision within one hundred and eighty days from the date on which it is submitted to him. Whenever the Secretary approves a revision, he shall publish notice thereof in the Federal Register.

SEC. 11. (a) Upon approval of the plan, the Secretary shall make grants in the total amount of $50,000,000 to the State or local units of government identified in the approved plan for the recreation area as having responsibility for implementing its provisions. Such grants shall be made upon application of such State or local units of government, shall be supplemental to any other Federal financial assistance for any purpose, and shall be subject to such reasonable terms and conditions as the Secretary deems necessary to effectuate the purposes of this Act.

SEC. 12. There is hereby established a special account in the Treasury of the United States for the purpose of holding monies to be used for grants, pursuant to Section 11 of this Act, to the State or local units of government. There shall be covered into such special accounts, $50,000,000 from revenue due and payable to the United States under the Outer Continental Shelf Lands Act (67 Stat. 462) as amended and/or under the Act of June 4, 1920 (41 Stat. 813) as amended, which would be otherwise credited to miscellaneous receipts of the Treasury. Monies covered into the account shall be used only for grants made pursuant to Section 11 of this Act and shall be available for expenditure only when appropriated therefor.

SEC. 13. APPROPRIATIONS.—There are authorized to be appropriated to defray the expenses of the Commission established pursuant to Section 3, including salaries and other expenses incident to the preparation or revision of a land-use program, such sums annually as may be necessary, and for grants to the State and local units of government to implement a land use program approved pursuant to Section 10 of this Act, $50,000,000 from the special account created in Section 12 of this Act.

SECTION-BY-SECTION ANALYSIS

Sec. 1: *Findings*. The section sets forth the Congressional findings that the Santa Monica Mountains and adjacent coastline area possess significant scenic, recreational, educational, scientific, natural, and public health values. The section recognizes the national interest in the protection and preservation of the area and that the primary responsibility for the preservation lies with the State of California and its local units of government. The section declares that the Federal Government, due to the national interest, should assist the State and local units of government which have important authorities which can be exercised to preserve the area.

Sec. 2. *Purpose*. This section provides that the purpose of the Act is to preserve the outstanding natural features and open space of the area, to preserve the public health from contamination of the airshed, and to provide outdoor recreational opportunities for the citizens of and visitors to the area.

Sec. 3. This section establishes the Santa Monica Mountains and Seashore Urban Recreation Area to encompass not more than 205,000 acres.

Sec. 4. This section provides that the Secretary of the Interior shall establish a planning commission for the area within one year from the date of enactment of the Act.

Sec. 5. This section sets forth the procedure for selection of the members of the Commission. Since the Act contemplates that the State and local units of government will fully exercise their land use authorities, each governmental entity with jurisdiction over the area will submit nominees to the Secretary for selection. The Secretary must insure a balance between State and local jurisdiction representatives in the final Commission composition. The Secretary will designate one member to serve as Chairman.

Sec. 6. This section provides that the sole function of the Commission is to develop a land use plan for the area.

Sec. 7. This section details the minimum requirements for the land use plan.

Subsection (a) provides that the plan must inventory and identify areas which are suitable for the development of public recreational facilities and for the preservation of significant natural, cultural, or historical values. Areas which should remain in their primitive, wild state are also to be identified. Of critical importance is the requirement that the plan identify those public and private uses, and the extent of those uses, which are compatible with and which would not impose the values for which the area is to be preserved, and most importantly, would not have a significant adverse effect on the air quality of the area.

Subsection (b) provides that the plan should insure public access to the beaches and the coastal uplands which provide the most intensive recreational opportunities. Public access to undeveloped inland stream drainage basins and existing park roads and scenic corridors must also be provided for.

Subsections (c) and (d) provide that a detailed and specific land use program must be developed and the units of government which would have the responsibility for implementing the program are to be identified. The Commission should explore the various non-compensatory and compensatory land use restrictions which are available to the various jurisdictions represented on the Commission. The only restriction placed on the content of the program is that it may not contemplate the expenditure of more than $50,000,000 in direct Federal grants. This restriction, however, does not include grants or assistance available under other Federal programs such as the Land and Water Conservation Fund.

Sec. 8. This section provides that the Secretary and the heads of other Federal agencies shall cooperate with the Commission in the formulation of the plan upon the request of the Commission within available funding. It is important that agencies such as the Environmental Protection Agency and other agencies make their expertise available to the Commission.

Sec. 9. This section provides the general management authorities for the Commission. It provides for the compensation of Commission members, financial and administrative services, the appointment and compensation of consultants and other personnel, and that actions shall be by affirmative vote of a majority of the Commission.

Sec. 10. This section provides that the Secretary of the Interior shall either approve or disapprove the final plan within 180 days from the date it is submitted to him by the Commission. The Secretary must find that the Commission afforded adequate opportunity for public comment on the plan and considered any comments, that the units of government which have the responsibility for implementing the land use program have the necessary authority and are willing to exercise that authority, that the plan will achieve the objectives of preservation and provision of recreational opportunity, and that implementation of the plan will not have a serious adverse impact on air quality. The Secretary is required to consult with the Administration of EPA prior to making any finding on air quality.

If the Secretary disapproves the plan he must advise the Commission of his reasons and his recommendations for revision. If he approves the plan, he is directed to publish notice thereof in the Federal Register and transmit copies to both Houses of Congress.

The section provides that no revision in the plan may be made without the Secretary's approval.

Sec. 11. This section provides that upon approval of the plan, the Secretary is to make grants totalling $50,000,000 to the State or local units of government which were identified in the plan as having the responsibility for implementing the land use program. The grants are supplemental to any other Federal financial assistance and may be used to implement the program. The governmental unit may use the funds to offset any tax loss, to compensate landowners should a taking or purchase be necessary, for the development of recreational facilities, or for whatever purpose such governmental unit deems appropriate.

Sec. 12. This section creates a special account in the United States Treasury to hold the grant monies. Funds for the grants will be derived from revenues due and payable the United States under the Outer Continental Shelf Lands Act and/or the Mineral Leasing Act of 1920. The sum of $50,000,000 is to be covered into this special account and may be used only for grants pursuant to Section 11.

Sec. 13. This section authorizes the appropriation of such sums as may be needed for the work of the Commission and the $50,000,000 in the special account for grants.

Mr. CRANSTON. Mr. President, I am pleased to cosponsor this bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California.

I want to express my deep appreciation to Senator BENNETT JOHNSTON for the great interest he has shown in the preservation of this urban recreation area.

Last year Senator JOHNSTON held hearings both in Los Angeles and Washington, D.C., on a proposal Senator JOHN TUNNEY and I offered to establish a Santa Monica Mountains and Seashore Urban National Park under the Department of Interior.

Senator JOHNSTON has now drafted a bill which provides an alternative approach to saving the mountains.

Rather than direct Federal acquisition, Senator JOHNSTON is proposing Federal grant assistance to the State of California and the local governments so that they may preserve the Santa Monica Mountains.

I believe this is a workable concept and a first step in developing a program in which the Federal, State, and local governments can cooperate to protect the Santa Monicas.

While I continue to support direct Federal acquisition and management of the park, I recognize the problem of cost and the backlog of authorized parks under the Land and Water Conservation Fund.

Senator JOHNSTON's bill is both realistic and fiscally responsible, though I realize some amendments in the bill may be necessary. For example, I believe the provision for the Planning Commission needs to be strengthened in order to insure participation of the public at large as well as representative of State and local government.

While there has been considerable difference of opinion about the proper role of the Federal Government in protecting the Santa Monica Mountains and seashore, there is little controversy over the desirability of preserving the region.

The Santa Monica Mountains and seashore comprise over 200,000 acres of undeveloped land stretching from the beaches of Santa Monica Bay eastward to the coastal mountain ranges of Los Angeles and Ventura Counties.

The area can provide such needed open space and urban parkland to the 10 million residents of the Los Angeles Basin and the many thousands of Americans from all over the country who visit southern California each year.

The Santa Monica Mountains also have been recognized as an important buffer against continuing urban sprawl, as an airshed, a refuge from urban pressures, and a resource for scientific studies.

Because of the continuing pressures of urban development in the Santa Monica Mountains, I hope hearings can be held on the various Santa Monica Park bills in the very near future.

Mr. President, for more than 2 years this issue has been before the Senate. It is time to find a workable solution—one that enjoys the broadest possible support—so that the Santa Monica Mountains and Seashore Park can at last become a reality.

Mr. TUNNEY. Mr. President, on February 19, 1975, Senator CRANSTON and I introduced S. 759, a bill to establish the Santa Monica Mountains and Seashore Urban National Park in California. In

the House, Congressmen BELL, CORMAN, and REES introduced identical legislation, H.R. 3201, which now has 19 additional cosponsors. I continue to feel that this legislation is the way to proceed to insure maximum protection for the proposed park area.

Senator J. BENNETT JOHNSTON, chairman of the Senate Interior Subcommittee on Parks and Recreation, is today introducing alternative legislation which I feel should also be considered at hearings. Senator JOHNSTON has spent considerable time studying this matter and feels that his approach would also protect the area.

Time is of the essence and hearings should be held as quickly as possible on both these proposals and legislation acted upon by the Senate this year. Hearings will certainly air the differences in the two approaches and I am hopeful that a combination of the best of the two bills can be passed by the Senate in the near future.

Mr. President, the Santa Monica Mountains and seashore are an integral part of the identity of the Los Angeles basin. The need to protect this region, by creation of a national park, is urgent. Never before in America has such a large, concentrated population suffered from such a scarcity of recreational resources. Although 10 million people live in metropolitan Los Angeles, they have less open space for public recreational and cultural uses than any other major city in the United States, including New York. This imbalance is intensified by the great yearly influx of visitors to the area—over 8 million annually in southern California. The strain on existing recreational resources is near the breaking point. Beaches are overcrowded, camping for hundreds of miles around require reservations long in advance, tens of thousands are turned away on many weekends. A county park in the Santa Monica Mountains is a case in point: Its facilities were consistently so overused that officials were forced to close the area to overnight campers.

The resource at stake in the area is unique. It is the only example of a Mediterranean climate in North America—with all the plant and animal life indigenous to that particular climate. Sage, sumac, and yucca cover the hillsides.

There are deer, coyote, bobcat, raccoon, rabbit, fox, grey squirrel, and quail. Marsh and water birds frequent the coastal area.

Mr. President I believe enactment of a Santa Monica Mountains and Seashore Urban National Park bill is the only way to protect this valuable resource and I urge the committee to schedule early hearings on both bills.

By Mr. DOLE (by request):

S. 1641. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility to carry out the national interest or humanitarian objectives of that act;

S. 1642. A bill to amend the Commodity Futures Trading Commission Act of 1974;

S. 1643. A bill to further amend the Agricultural Marketing Act of 1946;

S. 1644. A bill to authorize certain payments to States from National Forest receipts during the period July 1, 1976, through September 30, 1976, and for other purposes;

S. 1645. A bill to establish improved programs for the benefit of producers and consumers of rice;

S. 1646. A bill to establish an improved program for the benefit of producers and consumers of extra long staple cotton;

S. 1647. A bill to amend the Federal Crop Insurance Act, and for other purposes;

S. 1648. A bill to amend section 1114 of title 18 of the United States Code to include officers and employees of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions;

S. 1649. A bill to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; and

S. 1650. A bill to amend the Perishable Agricultural Commodities Act, 1930. Referred to the Committee on Agriculture and Forestry.

Mr. DOLE. Mr. President, at the request of the administration, I am today introducing several bills which would make changes in existing law.

As my colleagues know, the various departments and agencies of the Federal Government develop legislative proposals which they seek to have considered by the Congress in furtherance of the programs they administer.

Often these measures are minor or technical in nature: However, they are often quite controversial. Today, as a courtesy to the administration, I am offering several such proposals for referral to committee and appropriate consideration.

Just as my colleagues may be expected to reserve final judgement on these proposals until after committee investigation, hearings, and consideration, so do I reserve judgment. I introduce these bills today, which have been forwarded by the administration, because I believe that we in the Congress who expect the departments and agencies to implement faithfully and efficiently the laws we pass, owe them the courtesy of considering their suggestions for changes and improvements in the law.

Mr. President, I ask unanimous consent that a summary of the bills prepared by the staff of the Committee on Agriculture and Forestry be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STAFF EXPLANATION OF ADMINISTRATION REQUEST BILLS

PUBLIC LAW 480

S. 1641 would permit the Secretary of Agriculture to waive the availability criteria for commodities which may be disposed of under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) if he determines that some part of the exportable supply should be used to carry out the national interest or humanitarian objectives of the Act.

COMMODITY FUTURES TRADING COMMISSION ACT OF 1974

S. 1642 would delete the requirement in the Commodity Futures Trading Commission Act of 1974 (1) for concurrent submission of the Commission's budget requests to the Congress and to the President (or the Office of Management and Budget); (2) for concurrent submission of the Commission's legislative recommendations, or testimony, or comments on legislation to the Congress and to the President (or the Office of Management and Budget); and (3) for Senate confirmation of the Commission's Executive Director, who is not a Presidential appointee, but rather an appointee of the Commission.

INSPECTION OR GRADING UNDER THE AGRICULTURAL MARKETING ACT OF 1946

S. 1643 would prohibit any person from knowingly representing that any agricultural product has been officially inspected or graded pursuant to the Agricultural Marketing Act of 1946 unless the product has been so graded or inspected.

NATIONAL FOREST RECEIPTS FOR SCHOOLS AND ROADS AND TRAILS

S. 1644 provides that National Forest receipts earned during the transition period of July 1, 1976, through September 30, 1976, between the end of fiscal year 1976 and the beginning of fiscal year 1977 will be available for distribution for public schools and roads and trails in accordance with the formula and manner specified in existing law.

TARGET PRICE PROGRAM FOR RICE

S. 1645 would authorize a target price program for the 1976 and 1977 crops of rice. The bill (1) suspends the present acreage allotment, marketing quota, and price support programs for the 1976 and 1977 crops of rice; (2) provides for target prices, loans, freedom to plant, deficiency payments, and set-aside provisions similar to the programs established for upland cotton and grains in the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86); and (3) authorizes the Secretary of Agriculture to establish and carry out through private, local, State and federal agencies, rice production, storage, processing and marketing research programs.

TARGET PRICE PROGRAM FOR EXTRA LONG STAPLE COTTON

S. 1646 would authorize a target price program for the 1976 and 1977 crops of extra long staple cotton. The bill would shift the present extra long staple cotton program to a program similar to the programs established for upland cotton and grains in the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86).

FEDERAL CROP INSURANCE ACT

S. 1647 would authorize the Federal Crop Insurance Corporation to offer crop insurance on a Nationwide basis for feed grains, cotton, and wheat. The bill would repeal the existing disaster payment provisions for those crops which are contained in the Agricultural Act of 1949.

PROTECTION FOR USDA PLANT AND ANIMAL INSPECTORS

S. 1648 would afford plant and animal inspectors of the U.S. Department of Agriculture the same protection from physical assault and death in the line of duty that officers and employees of numerous other Federal agencies now have when performing similar duties. The bill also extends such protection to other officers and employees of the Department (including investigators of the Office of Investigation and of the Forest Service) whose duties expose them to the possibility of physical assault and death.

AUTHORITY TO ACCEPT GIFTS OR DEVISES OF PROPERTY FOR THE BENEFIT OF THE NATIONAL ARBORETUM

S. 1649 would authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

PERISHABLE AGRICULTURAL COMMODITIES ACT

S. 1650 would amend the Perishable Agricultural Commodities Act to permit the Secretary of Agriculture to set the license fee for applicants at the level he determines necessary to finance adequately the administration of the Act. The basic objective of the Act is to establish a code of fair trading practices in the marketing of fresh and frozen fruits and vegetables and enforcement of contracts for marketing such commodities. Under existing law, the maximum license fee is $100 per year.

By Mr. TALMADGE:

S. 1651. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research. Referred to the Committee on Agriculture and Forestry.

Mr. TALMADGE. Mr. President, I am introducing today a bill that has already received considerable study and attention by the Congress.

This bill, the Animal Health Research Act, was passed by the Congress in 1974. However, in one of his first acts upon assuming the Presidency, President Ford vetoed this legislation.

I can understand the President's reluctance to sign any new spending program. However, I think that the record shows a tremendous need for increased veterinary research, particularly in view of the demonstrated need to improve productivity and efficiency in the livestock industry.

The livestock sector of our agricultural economy has gone through a difficult economic crisis during the last two years. The value of U.S. livestock and poultry exceeds $35 billion. The estimated annual loss of over $3.6 billion worth of livestock from animal diseases and parasites is intolerable.

The Subcommittee on Agricultural Research and General Legislation of the Senate Agriculture Committee conducted hearings on the Animal Health Research Act on September 27, 1973. The witnesses who appeared before the subcommittee documented substantial unmet need for increased Federal assistance for animal health research. Assistant Secretary of Agriculture Robert W. Long testified that animal diseases are costly and persistent. He quoted the 1972 Terry Report of the National Academy of Sciences, which estimated that losses on all animals run as high as 15 to 20 percent.

Under questioning by a subcommittee member, a representative of the American Veterinary Medical Association indicated that a properly funded program for animal health research could cut in half our present annual losses of livestock and poultry.

In this time of economic recession and persistent inflation, the Congress must weigh carefully the value of any new spending program. However, we must not blindly refuse to authorize any new spending program, no matter how meritorious, simply because we are already spending too much in other areas. We must evaluate every new program authorization in terms of national priorities and in terms of whether it will be a wise and prudent investment of taxpayers' dollars. I believe the Animal Health Research Act meets these tests.

The purpose of this legislation is to place increased emphasis on, and provide added funding for, animal health research within the structure of our Federal-State university veterinary medical institutions and agricultural experiment stations.

The specific objectives of the legislation include:

First, improving the health and productivity of fresh water fish and shellfish, domestic livestock, poultry, and other income producing animals;

Second, preventing disease epidemics;

Third, minimizing losses due to sicknesses and diseases, and transportation and handling of livestock and poultry;

Fourth, protecting human health through control of animal diseases transmissible to humans;

Fifth, improving the health of companion animals; and

Sixth, improving methods of controlling the birth of predators and other animals.

The recipients of Federal grants under this legislation would be the colleges of veterinary medicine, or at institutions where there are no colleges of veterinary medicine, the State agricultural experiment stations conducting animal health research.

Mr. President, the total grants that would be authorized under this bill are $47 million. I think that even if this bill were fully funded, it would be a small investment when compared to the $3.6 billion in losses due to animal diseases and parasites that we suffer each year. As I have pointed out, about half of these losses could be avoided with proper research activities. Currently, the Department of Agriculture invests only $23.4 million in animal health research. This is far too small when we consider that the livestock industry exceeds $35 billion.

Mr. President, I hope that the Congress can again give thorough consideration to the Animal Health Research Act and that the President will look more favorably on this legislation this year.

By Mr. STONE (for himself and Mr. McCLURE):

S. 1652. A bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency. Referred to the Committee on Finance.

LIMITING TAXPAYER LIABILITY FOR UNDERPAYMENT OF TAXES DUE TO INTERNAL REVENUE SERVICE ERROR

Mr. STONE. Mr. President, on behalf of the Senator from Idaho (Mr. McCLURE) and myself, I am today introducing a bill which would protect taxpayers from interest penalties on income tax deficiencies when the taxpayer's income tax return was prepared by the Internal Revenue Service. This legislation would prevent taxpayers from being held responsible for mistakes made by taxpayer service representatives of the Internal Revenue Service in preparing taxpayer returns.

The need for this legislation is illustrated by a survey recently made by a House Ways and Means Subcommittee indicating that incorrect advice was given by Internal Revenue Service agents at least 25 percent of the time in response to inquiries about specific tax matters. I understand that Commissioner of Internal Revenue Service Donald Alexander is concerned about this problem and is working to improve the situation.

Mr. President, I introduce this legislation not to discourage the Internal Revenue Service from continuing to provide the excellent and most helpful assistance it has been providing to millions of taxpayers every year. Rather, I introduce this bill to make certain that mistakes made by employees of the Government do not have the effect of penalizing taxpayers who want to take advantage of the taxpayer assistance program of Internal Revenue Service. Indeed, I believe the enactment of this bill will result in greater use of the Internal Revenue Service's taxpayer assistance program because of its assurance that no taxpayer will suffer from good-faith reliance on Internal Revenue Service advice.

It is important to understand that this bill relieves the taxpayer of interest liability for unpaid taxes only to the extent that the taxpayer's return is actually prepared by an Internal Revenue Service representative and the taxpayer does not fail to provide information concerning his tax situation to Internal Revenue employees in the preparation of the tax return. The bill would not relieve the taxpayer of his obligation to pay any additional taxes he might owe to the Federal Government.

Mr. President, I ask unanimous consent that the complete text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6601(c) of the Internal Revenue Code of 1954 (relating to suspension of interest in certain income, estate, gift, and chapter 42 or 43 tax cases) is amended by adding at the end thereof the following new sentence: "In the case of an income tax deficiency, if the return was prepared by a taxpayer service representative of the Internal Revenue Service acting under the program established by the Secretary or his delegate to provide assistance to taxpayers in the preparation of income tax returns, and if the deficiency did not result from a failure by the taxpayer to provide information to the taxpayer service representative who prepared his return, or from a willful misrepresentation of information by the taxpayer, interest shall not be imposed on such deficiency for any period

beginning before the 30th day after the date of notice and demand by the Secretary or his delegate for payment of the deficiency.".

SEC. 2. The amendment made by this section applies to returns filed for taxable years beginning after the date of enactment of this Act.

By Mr. HUMPHREY:

S. 1654. A bill to amend the Agricultural Trade Development and Assistance Act of 1954. Referred to the Committee on Agriculture and Forestry.

HUMPHREY PROPOSES MAJOR REVISION OF U.S. FOOD ASSISTANCE

Mr. HUMPHREY. Mr. President, as our food for peace program enters its third decade, I believe that it is time to take a fresh look at our foreign food assistance policies. I think that we must look at the situation and assumptions upon which the Agricultural Trade Development and Assistance Act, Public Law 480, was based when it was constructed in 1954, and revised in 1966, and apply these against the situation and requirements of today.

Today, I am introducing legislation which provides for the most comprehensive restructuring of our food for peace program since it was enacted over 20 years ago. This bill is offered as a concrete initiative to begin discussion on new directions and as a follow-up to the World Food Conference.

The bill I am introducing today is the compilation of ideas, experience, and suggestions I have received as a result of numerous hearings and personal contacts over the past few years.

This bill addresses four basic areas: First, clarification of food for peace program objectives and priorities; second, stabilization of humanitarian food assistance levels and the necessity for long-term supply planning; third, strengthened linkage between food aid and agricultural development; and fourth, establishment of effective disaster relief provisions.

CLARIFICATION OF OBJECTIVES AND PRIORITIES

Until the recent tight supply situation, there did not seem to be significant competition for available commodities between the four objectives of the program: surplus disposal, market development, complement to foreign policy, and humanitarian assistance. However, over the past 2 years, there has been considerable conflict over whether priority should be given to humanitarian food assistance or to foreign policy uses of available Public Law 480 commodities.

During fiscal year 1974, over 66 percent of title I, or almost half of the commodities shipped under Public Law 480, went to Cambodia and Vietnam. Had not the 30-percent limitations on the political uses of food aid been enacted, the administration was planning to ship up to two-thirds of the program to Southeast Asia, the Middle East or to other countries such as Chile with which the Department of State had made special foreign policy commitments.

Significantly, humanitarian food assistance does not seem to conflict with the surplus disposal and market development objectives of the program. It is generally the case that when supplies are tight, humanitarian need is the greatest and market development/surplus disposal requirements the least, and vice-versa.

To deal with the conflict between humanitarian and foreign policy uses, the proposed amendment to section 2 would modify the statement of policy to insure that the foreign policy uses of Public Law 480 are not inconsistent with the humanitarian objectives of the act.

Also, proposed amendments to title IV would provide for a base level volume commitment to humanitarian programs and an ordering of priorities in the distribution of food supplies available for distribution under the act. Public Law 480 commodities would be programed first, for disaster relief, then established title II programs, next to agricultural assistance programs under the new title III, and finally for market development, foreign policy uses and surplus disposal under title I.

Such a reordering of priorities would in no way deny the utility of any of the original objectives but simply establish a mechanism to adjust the distribution of agricultural commodities on the basis of general commodity availability and current needs.

LONG-TERM PLANNING AND STABILIZATION OF FOOD ASSISTANCE

The fluctuations in commodities available for shipment under Public Law 480 have had a very disruptive impact on the long-term benefits of food aid. Food shipments have varied from an average of 9 million metric tons annually during the period of 1969–72, to 3.3 million metric tons in fiscal year 1974. Uncertain supply conditions make long-term program planning and coordination with program agency staffs, the local counterpart agencies' personnel, the host country government, local volunteers and food recipients difficult or impossible.

The proposed amendments to section 201, 301, and 401 would provide for a stable volume commitment to ongoing and humanitarian programs.

Each of these amendments provides for a 5-year base level volume commitment for humanitarian programs. If necessary, the Secretary of Agriculture can use the flexibility of CCC borrowing authority to maintain those commitments and spread reimbursement of the CCC over a longer period of time.

STRENGTHENING THE LINKAGE BETWEEN FOOD AID AND AGRICULTURAL DEVELOPMENT

Reflecting the priority coming out of the World Food Conference to assist the developing world to increase their own food production, an entirely new title III is proposed. This title would program the proceeds—generated from the sale of food commodities—for agricultural development under a 5-year plan, developed by the recipient nation.

Countries taking steps to use resources made available under Public Law 480, to develop their agricultural sector, would be eligible under title III for concessional terms similar to those presently provided under development loans of other foreign assistance programs.

Thereby, there would be an incentive for food deficit countries to direct more resources to increase their food production. Public Law 480 would be an effective vehicle for dealing with the long-term, as well as the short-term, problem of food availability.

Countries choosing to participate in a 5-year agricultural assistance program would develop a plan providing for the specific use of the proceeds from sales of Public Law 480 commodities. For the part of our Government, we would assure these countries a stable volume of commodities over the 5-year period. And we would credit, against the loan repayment, funds programed for agricultural development as we have done previously under section 104.

There also would be specific safeguards against the accumulation of large currency balances, and comprehensive reporting requirements.

Past efforts to strengthen the self-help dimension within Public Law 480 have been largely ineffective. Self-help provisions are routinely written into title I agreements with little monitoring of their actual implementation or integration into a comprehensive development plan. An "agricultural assistance program" would provide a way of encouraging greater attention to agricultural development and to the integration of resources available for such development into a medium to long-term development strategy.

DISASTER RELIEF PROGRAM

A major problem impairing the long-term benefits of food assistance is the disruptive drain of food commodities from ongoing program efforts in order to meet emergency and disaster relief needs. Not only does it require reallocation of resources within the country struck with such a disaster, but it also requires the United States to reallocate supplies between nations to meet the food emergency.

Often when massive emergencies strike, a large portion of the commodities available for food assistance may have already been allocated. A more orderly and effective means of meeting such emergencies would be to have in place a logistical scheme for distributing food relief without draining away commodities servicing ongoing programs.

The proposed title V would provide the legislative authority to accomplish all of these objectives. A minimum of 1 million metric tons would be set aside annually for disaster relief.

Because, such stocks would be purchased early in the year, production planning could take these needs into account. In addition, we could program costs by making purchases when commodity prices are most favorable rather than being forced into the market late in a crop year.

INTEGRITY OF ORIGINAL OBJECTIVES MAINTAINED

In my revision of Public Law 480, I have tried to maintain the strength and intent of all four original objectives of the act.

The changes would in no way interfere with the market development/surplus disposal objectives which have been so important to the development of foreign markets for U.S. farm production, and

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for reducing the costs to the American taxpayer of maintaining stable commodity supplies and prices despite surplus production. Title I would still be available for these purposes, and the terms of title I would be strengthened, and while still significantly concessional, would reflect more closely today's commercial credit terms. This would make the program more self-supporting and would potentially make more funds available to allow a larger volume of commodities to be used for each of the purposes of the program.

Similarly, Public Law 480 would continue to serve as an important complement to our foreign policy. The strategic importance of using our advantage in food production to assist other countries is an essential component of a sound foreign policy. The revisions would not encumber such objectives but would assure the continued programing of commodities for such uses.

It should be clear that my proposals do not entail increased Federal expenditures. The purpose of my initiative is more effective application of those resources already available for use in our food for peace program.

BLUE RIBBON PANEL OF FOOD AID

I am convinced that there is room for imagination and foresight as we begin to shape our food assistance policies to fit the needs of the coming decades.

I intend this bill to be a starting point—a vehicle within which to review all aspects of our Public Law 480 program. In this regard, I am calling together a panel of experts involved in various dimensions of national and international food policy.

This panel may choose to use my bill and other legislative proposals as a starting point. They may decide to begin anew. The objective of this effort is to review our foreign food assistance programs and make recommendations on legislative changes to meet today's needs with today's resources.

Working together with the Administration and others who are involved in food aid and agricultural development, we can insure that our food assistance policies and programs are responsive to the needs and requirements of a changing world.

Public Law 480 is a proven program. It is a model for what food aid can and should do throughout the world. Yet, I think we can do better. I think that we can get much more out of our food for peace program, and without increasing its cost. Using those resources already available for food assistance, we can go much further in addressing the present and future need.

Progress is an active, not a passive term. I have offered a vehicle to discuss constructive improvements in our food assistance policies. I now invite others to pick up on this initiative and help us to meet the challenges of increasing food security around the world.

We must reshape our food assistance priorities to avoid confusion, conflict, and contradiction.

We must strengthen the self-help provisions of our food assistance programs to insure that our resources are being used as effectively and efficiently as possible to help developing nations help themselves.

We must assure a continued and stable flow of our food resources for humanitarian programs and disaster relief.

The solution to the world food problem, I am convinced, lies in the political will to act. This is the task ahead. Let us go forward.

Mr. President, I ask unanimous consent that two tables describing the proposed legislative changes to Public Law 480, and the text of the bill to amend the Agricultural Trade Development and Assistance Act of 1954, be included in the RECORD.

There being no objection, the tables and bill were ordered to be printed in the RECORD, as follows:

PROPOSED LEGISLATIVE CHANGES TO PUBLIC LAW 480—SUPPLY STABILIZATION AND ALLOCATION OF AVAILABLE SUPPLIES

[In decreasing order of priority]

Direct food aid grants	Established programs, disaster relief.
Humanitarian:	
Highly concessional sales	Transfer of resources for agricultural development.
Surplus disposal	Moderately.
Foreign policy	Concessional.
Market development	Credit terms.

NOTES

First priority in the allocation of available supplies would be for humanitarian programs. As commodity availability increases, market development, foreign and surplus disposal would absorb available supplies.

Volume of humanitarian component remains reasonably stable. The annual volume programed for primarily humanitarian uses is adjusted every 5 yrs.

CCC borrowing authority is drawn upon to maintain the target volume for humanitarian programs in times of tight supply and high commodity prices. Level of appropriation remains fairly constant and is used to reimburse CCC in times of abundant commodity supplies and lower prices.

PROPOSED LEGISLATIVE CHANGES TO PUBLIC LAW 480—COMPARISON WITH EXISTING LEGISLATION

Legislation	Purpose of title	Criteria for allocation	Credit terms	Means of distribution	Long-term planning and monitoring provisions
Title I:					
Existing	Surplus disposal; market development; humanitarian food aid; complement to foreign policy.	Commodity availability; foreign policy leverage; marketing opportunities; humanitarian need.	20–40 yr loans at 2–3 percent (terms of development loans under the Foreign Assistance Act of 1961).	Commercial market channels	Few planning requirements or monitoring facilities subsequent to issuance of purchase authorization.
Proposed	Strictly humanitarian aid would be placed under the authority of other titles.	Same except that humanitarian needs generally met through other titles.	Terms linked to minimum cost of borrowing to the U.S. Government (approximately 6 percent) and for period of 5 yr.	Unchanged	Unchanged.
Title II:					
Existing	Direct food aid through established programs; disaster relief.	Needs of established programs; to meet emergency requirements; availability of commodity.	Grant	Through voluntary agencies, the world food program, or recipient country governments directly to needy.	Few monitoring or planning requirements.
Proposed	Same except that disaster relief separated into title V.	Same except that disaster relief provisions transferred to title V.	Unchanged	Unchanged	Multiyear supply commitments to facilitate long-term planning.
Title III:					
Existing	Barter for strategic materials. (functions previously transferred.				
Proposed	Transfer of resources in the form of surplus agricultural commodities to raise funds for ag development.	Interest of developing country; ability of such country to benefit.	10 yr at 2–3 percent	Commercial market channels proceeds of sales used for agricultural development.	Multiyear supply commitments to facilitate long-term planning; requires 5 yr ag development plan; yearly reports.
Title V:					
Existing	No comparable provision				
Proposed	Disaster relief	Humanitarian food needs necessitated by disaster.	Grant	U.S. and multilateral relief agencies.	Administrator responsibilities contingency plans for disaster relief.

S. 1654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691–1736d) is amended as follows:

(1) Section 2 (7 U.S.C. 1691) is amended by striking out the matter following the last semicolon and inserting in lieu thereof the following: "and to use such agricultural productivity to promote in other ways the foreign policy of the United States to the extent that such use is not inconsistent with the humanitarian purposes of this Act."

(2) Section 102 (7 U.S.C. 1702) is amended by striking out the colon after the word "Corporation" and all that follows through the end of the section and inserting in lieu thereof a comma and the following: "but such corporation may not finance the sale and export of agricultural commodities under this Act for any exporter or to any country if the sale and export of such commodities would, in any way, be inimical to the interests of the United States."

(3) Section 103 (b) (7 U.S.C. 1703 (b)) is amended to read as follows:

"(b) take steps to assure that, insofar as possible, all sales under this title are for dollars (or to the extent that sales for dollars under the terms applicable to such sales is not possible, sale for foreign currencies on credit terms no less favorable to the United States than the minimum cost of funds to the United States Treasury, calculated on the basis of a current rate of exchange and on terms which permit conversion to dollars at the exchange rate applicable to the agreement), except where he determines that foreign currencies of a specific amount are needed in the case of any foreign country for uses specified in section 104 or title III, the agreement for credit sales to such country shall (A) provide for the expenditure of such currencies over a period not in excess of 30 months, if the expenditure of such currencies is not to be administered by an agency of the United States, in the case of one or more purposes under section 401, or (B) specify the specific uses for which such currencies may be used in carrying out an agricultural assistance program under title III. Such payment may be considered as an advance payment of the earliest installments."

(4) Section 103 (c) amended by striking out the semicolon at the end of such section and inserting in lieu thereof the following: "or act as a disincentive to agricultural production in the recipient country;".

(5) Section 103 (d) is amended to read as follows:

"(d) enter into sales agreements with those countries which he determines are friendly to the United States and which lack the internal resources to purchase commodities on a normal commercial basis. In carrying out this provision, the President shall publish not later than March 31 of each year a list of the nations eligible to enter into sales agreements under this Act;".

(6) Section 103(e) (7 U.S.C. 1703(e)) is amended by inserting immediately after "Corporation" a comma and the following: "that free and open competition is assured in contracting for goods and services of United States and foreign companies under this title.".

(7) Section 103(j) (U.S.C. 1703(j) is repealed.

(8) Section 103(k) is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(9) Section 103(l) is repealed.

(10) Section 103 is further amended by striking out "and" at the end of subsection (p); by striking out the period at the end of subsection (q) and inserting in lieu thereof a semicolon and the word "and"; and by adding at the end of such section a new subsection as follows:

"(r) obtain commitments from purchasing countries that appropriate steps will be taken to assure that the neediest individuals in such countries will have reasonable access to all or part of the agricultural commodities made available to such countries under this Act."

(11) Section 104(c) (7 U.S.C. 1704(c)) is amended to read as follows:

"(c) To purchase or contract to purchase commodities for strategic food reserves, including the facilities for handling, storage, and distribution of such reserves, for the purpose of providing market stabilization and emergency relief food reserves;".

(12) Section 104(e) is amended to read as follows:

"(e) For making loans to United States or developing country private business firms (including cooperatives) engaged in activities to improve the economic welfare of the developing country or to increase utilization of agricultural commodities of the United States, but only to the extent that such loans are not inconsistent with the economic objectives of the developing country concerned. Detailed proposals describing the specific uses of funds and the benefits to the United States and the developing countries involved shall accompany any request for funds under this provision. The President shall designate an appropriate Federal agency to administer this provision which shall make annual reports to the Congress on the specific uses of funds under this out subsection (i).

(13) Section 104 is amended by striking subsection (i).

(14) Section 104 is further amended by striking out the word "and" at the end of subsection (j); by striking out the period at the end of subsection (k) and inserting in lieu thereof a semicolon and the word "and"; and by adding at the end of such section a new subsection as follows:

"(l) For grants to cooperating organizations under title II of this Act to assist such organizations in the expansion of the distribution of food to the neediest individuals in countries which receive food assistance under such title II."

(15) Section 106 (7 U.S.C. 1706) is amended to read as follows:

"SEC. 106. Payment by any friendly country for commodities shall be on terms as favorable to the United States as the economy of such country will permit. Payment for such commodities shall be in dollars and on such others terms and conditions as the President may prescribe, but in no event shall the rate of interest be less than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the sale and adjusted to the nearest one-eight of 1 per centum less one-half of 1 per centum. The terms applicable to such sales to any country shall not be for a period of time greater than that normally extended by the Commodity Credit Corporation or five years from date of delivery of the agricultural commodities made available under agreements pursuant to this title, whichever period is longer, unless the President demonstrates to the Congress that such terms would create undue economic hardship to the recipient country. In any case in which more favorable terms are extended to any country the President shall promptly notify the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives of such terms and the justification therefor. In no case shall the terms be less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended."

(16) Section 109 (7 U.S.C. 1709) is repealed.

(17) The first sentence of section 201 is amended by inserting "to support maternal and child health programs;" immediately after "friendly developing areas;".

(18) Section 201 (7 U.S.C. 1721) is further amended by inserting "(a)" after "Sec. 201.", and by adding a new subsection as follows:

"(b) Consistent with the provisions of section 401 of this Act and not later than March 31, 1976, the President shall determine and announce the quantity by type of food commodities by class or type including specially blended fortified and high-nutritional foods which shall be made available under this title during each of the subsequent five fiscal years."

(19) Section 202 (7 U.S.C. 1722) is amended by deleting the third sentence.

(20) The second sentence of section 204 (7 U.S.C. 1724) is amended by inserting "make dollar grants to, or to" immediately after $7,500,000 annually to".

(21) Title II is further amended by adding at the end thereof a new section as follows:

"SEC. 206. There is hereby authorized to be expended from the funds made available under this title in any fiscal year a sum not to exceed $2,000,000 to fund experimental programs utilizing commodities not currently programed under this Act, or for applying or demonstrating new techniques for distribution of food under this title.".

(22) Title III is amended to read as follows:

"TITLE III

"SEC. 301. Whenever the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development and the government of a developing country, determines that such country could usefully benefit from the sale of United States agricultural commodities (including processed and blended foods) within such country by generating funds for agricultural development and improving food distribution within such country, the Secretary may designate such country as eligible for an 'Agricultural Assistance Program'. The criteria for designating any country for an Agricultural Assistance Program shall be determined solely on the basis of (1) the humanitarian need for external resources to improve the marketing, distribution, and storage system of such country and the need to increase the access of the neediest individuals of such country to available food supplies and to increase the productivity of the small farmer of such country; (2) the overall level of the economic development of each country; (3) the ability of such country to utilize effectively the resources made available by the sale of food commodities under this section for the purposes specified in clause (1); (4) the impact of food assistance under this title on domestic food production of such country; (5) the political will of such country to take steps to meet the above objectives; and (6) the extent to which such country has successfully implemented past agreements, if any, under this section.

"SEC. 302. (a) A county designated as eligible and wishing to participate in an Agricultural Assistance Program shall formulate a five-year agricultural development plan with the assistance of the Agency for International Development and other appropriate U.S. and international agencies. Such plan shall emphasize and provide for making farm production equipment and facilities available to farmers; credit on reasonable terms and conditions for small farmers; and farm extension and technical information services designed to improve the marketing, storage, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer. Such plan shall have as its overall objective to increase the access of the poorest majority in the participating country to an adequate nutritious and stable food supply. Such plan shall also provide for participation, insofar as possible, at both the regional and local levels, and shall be designed so as to reach the majority of farmers.

"(b) The five year agricultural development plan of any country shall specify an annual volume of food commodities to be procured under concessional arrangement pursuant to this title, and specific amounts and uses of proceeds resulting from the sale of commodities supplied under this title.

"(c) The five year agricultural plan shall be integrated with other forms of bilateral and multilateral development assistance, including assistance made available under any other title of this Act.

"SEC. 303. Whenever an agricultural development plan for any country has been approved by the Secretary of Agriculture, the Commodity Credit Corporation is authorized to furnish credit to the participating country for the purchase of a specific annual volume of agricultural commodities to be delivered over a five year period at terms no less favorable to the United States than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section.

"SEC. 304. Funds generated from the sale of agricultural commodities by any participating country under this title shall be held in a special account to be disbursed for the specific uses described in the approved five year agricultural development plan of such country, or for uses specified in sections 104 and 406. The amount of funds disbursed for such purposes shall be considered as an advance payment of the earliest installments of the loan obligation to the Commodity Credit Corporation unless the amount of the disbursements for such purposes creates an outstanding balance in the special accounts established above which cannot be disbursed, within a period of two calendar years (1) through normal program operations budgeted for the agricultural development plan of the participating country, or (2) for uses described in sections 104 and 406. In either such case no more payments may be credited against the loan obligation to the Commodity Credit Corporation until such outstanding balance is reduced.

"Sec. 305. Not less than 5 nor more than 10 percentum of the funds made available for carrying out Agricultural Assistance Programs under this title shall be used for administration purposes, including reimbursement for salaries and fees of officials of the Agency for International Development and for professional consultants.

"Sec. 306. Not more than one year after the signing of an agreement with any country under this title and each year thereafter for the period of the agreement, the government of the participating country with the assistance of the Agency for International Development shall submit a comprehensive report to the Secretary of Agriculture on the activities under the Agricultural Assistance Program for such country, including a specific accounting for funds generated, their specific uses, and the outstanding balances at the end of the most recent fiscal year. Such annual report may also include recommendations for modification and improvement in the uses of funds under the agricultural development plan of such country."

(23) Section 401 (7 U.S.C. 1731) is amended by inserting "(a)" immediately after "Sec. 401.", by striking out the second sentence, and by adding the following new subsections:

"(b) Not later than March 31, 1976, the Secretary of Agriculture shall announce an annual volume of food commodities to be made available for humanitarian food assistance under this Act for each of the five fiscal years following the fiscal year in which the announcement is made. The volume for each such fiscal year shall be not less than 60 percentum of the average annual volume of food assistance made available under this Act for the previous five years. Such a commitment should reflect the volume necessary to continue established programs under title II, agricultural assistance programs under title III, and such volume as is required to bring contingency reserves for disaster relief up to one million metric tons. The Secretary shall use loan repayments, Commodity Credit Corporation financing, and funds appropriated for such purpose to maintain the volume of food shipments for humanitarian programs within 10 percentum of the announced volume, except that the total credit exposure of the Commodity Credit Corporation shall not exceed $1 billion for activities under this program. Funds appropriated to reimburse the Commodity Credit Corporation may be budgeted over a five year period. In arriving at any decision under any other provision of law affecting agricultural production, the Secretary shall take into account the minimum volume of food needed to fulfill the humanitarian requirements provided for in this Act.

"(c) No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity, except that if the President determines that any part of the exportable supply should be used to carry out the humanitarian objectives of this Act, he may allocate any such portion of such supply for distribution under this Act and such distribution shall be made in the following order of priority: (1) disaster relief, (2) established programs under title II, (3) agreements under title III, and (4) other humanitarian food assistance programs.

"(d) In order to minimize the costs of assuring a stable volume of food commodities to carry out the provisions of titles I and II of this Act, the Secretary of Agriculture shall utilize, to the maximum extent practicable, forward purchases and government held inventories of food commodities.

(24) The first sentence of section 407 (7 U.S.C. 1736a) is amended to read as follows: "There is hereby established an Advisory Committee composed of the Secretary of State, or his designee, the Secretary of the Treasury, or his designee, the Secretary of Agriculture, or his designee, the Director of the Office of Management and Budget, or his designee, the Administrator of the Agency for International Development, or his designee, two members of the Committee on Agriculture and Forestry of the Senate, two members of the Committee on Agriculture of the House of Representatives, two members of the Committee on Foreign Relations of the Senate and two members of the Committee on International Relations of the House of Representatives, one member of each such committee to be designated by the chairman of such committee and one member of each such committee to be designated by the ranking minority member of such committee."

(25) Section 409 (7 U.S.C. 1736c) is amended by striking out "December 31, 1977" and inserting in lieu thereof "December 31, 1982".

(26) Title IV is amended by adding at the end thereof the following new sections:

"Sec. 412. (a) Not later than March 31 of each year, the Secretary of Agriculture shall submit to the appropriate committees of the Congress (1) a global assessment of food needs for the coming fiscal year specifying expected food grain deficits in aggregate, and by individual countries accounting for the major shortfalls, and the cost and probable means of covering such deficits, such assessment to be updated on a quarterly basis; and (2) a projection of the total value and volume by type of commodities to be programed under the provisions of this Act and a projected allocation, by country and by program, for the next fiscal year.

(b) Not less than 10 days after the end of each calendar month, the Secretary of Agriculture shall submit to the appropriate committees of the Congress a report entitled, "Monthly Summary of Activity Under P. L. 480". Such report shall indicate with respect to each title of this Act, and on a country by country basis, the total volume and value of commodities (1) expected to be allocated for the current fiscal year, (2) to be made available under agreements signed as of the end of the last calendar month, and (3) to be shipped as of the end of the last calendar month.

"Sec. 413. (a) Disposition of agricultural commodities under title II or title III of this Act shall be executed in such a manner as to complement economic assistance efforts carried out under (1) the Foreign Assistance Act of 1961, (2) the auspices of the International Bank for Reconstruction and Development, (3) the Food and Agriculture Organization of the United Nations, (4) the World Food Program, and (5) other multilateral institutions.

"(b) In his annual report submitted to the Congress pursuant to section 408, the President shall indicate by major recipient countries the relationship of food assistance under this Act to other foreign assistance efforts carried out by the United States.

"Sec. 414. Notwithstanding any other provision of this Act, the President shall terminate all assistance under this Act to any country if he determines that food commodities made available to such country under this Act are being used by such country for personal or partisan political purposes.

"Sec. 415. In any case in which another country has agricultural commodities which it is willing to exchange on an equitable basis for agricultural commodities which the United States has in surplus and such exchange would assist the United States to meet the needs of humanitarian programs under this Act, the Secretary of Agriculture is authorized, after notifying the appropriate committees of the Congress, to enter into an agreement with such country for an exchange of such commodities. Whenever the Secretary exchanges any quantity of agricultural commodities under authority of this section, he shall receive commodities of equivalent market value in return.

"Sec. 416. (a) There is established an advisory group to be known as the Food Assistance Advisory Group. Such group shall be composed of fourteen members to be appointed by the President as follows:

"(1) four members from private voluntary organizations;

"(2) two members from the World Food Program of the United Nations;

"(3) four members from United States industry or producer organizations engaged in the processing, handling, or distributing of food assistance under this title; and

"(4) four members from academic or nonprofit institutions who have special experience or expertise in the field of foreign food assistance.

"(b) Seven of the members first appointed to the Food Assistance Advisory Group shall be appointed for a term of one year and seven shall be appointed for a term of one year and seven shall be appointed for a term of two years. Thereafter all appointments shall be for a term of two years.

"(c) The chairman of the Food Assistance Advisory Group shall be appointed by the President.

"(d) Meetings of the Food Assistance Advisory Group shall be at the call of the Chairman."

(27) At the end of the Act add a new title as follows:

"TITLE V

"Sec. 501. (a) Not later than March 30 of each year, the Secretary of Agriculture shall announce a minimum quantity of food commodities that will be available for foreign emergency and disaster relief during the next fiscal year and the quantity of food commodities to be purchased by the Commodity Credit Corporation during the next crop year necessary to bring food stocks held by the Commodity Credit Corporation for such purpose up to the announced level. In no event shall the quantity be less than one million metric tons of cereals equivalent. The quantity of food commodities announced by the Secretary under this subsection shall be known as the 'Foreign Emergency and Disaster Relief Reserve.' In making his decision on the quantity of food commodities to be held for foreign emergency and disaster relief, the Secretary shall take into consideration current world cereal stocks and production estimates, both worldwide and in countries vulnerable to wide production fluctuations.

"(b) Dispersal of stocks from the Foreign Emergency and Disaster Relief Reserve shall be made on behalf of a foreign country only when the Secretary of Agriculture, in consultation with the Administrator of the

Agency for International Development, determines that a hurricane, tornado, storm, flood, tidal wave, earthquake, volcanic eruption, landslide, snowslide, drought, military conflict, or other catastrophe renders the availability of food supplies in such country to a level insufficient to meet the minimal requirements necessary to avoid widespread starvation and human suffering.

"(c) In order to assure the timely dispersal of the food supplies drawn from the Foreign Emergency and Disaster Relief Reserve, the President may order the facilities of the armed forces of the United States or any other department or agency of the United States to be used in the distribution of supplies made available under this Act.

"(d) In carrying out the provisions of this title, the President may draw upon funds made available pursuant to section 104(d) of this Act.

"Sec. 502. The Administrator for International Development shall formulate contingency plans for providing disaster relief to foreign nations under this Act. Such plans shall include provision for the transportation and distribution of food and other supplies to the victims of disaster and for the integration of relief efforts under this Act with international relief efforts. The Administrator shall continually update and improve such contingency disaster relief plans."

By Mr. TUNNEY:

S. 1655. A bill to create a national Commission on the Olympic Games to review the question of United States participation in the Olympic Games and to evaluate and formulate recommendations concerning such participation. Referred to the Committee on Commerce; and, if and when reported by that committee, to the Committee on Foreign Relations, by unanimous consent.

Mr. TUNNEY. Mr. President, today I am introducing a bill which would create a National Commission on the Olympic Games.

Following the 1972 Summer Games in Munich, I introduced a bill to create such a commission. This bill, and a subsequent version introduced last year, passed overwhelmingly in the Senate but, unfortunately, were never acted upon by the House. Up to now, I held off reintroducing this much-needed legislation in this Congress because the administration indicated it would create an Olympic Commission by Executive order. More than 4 months have passed. Though the White House has issued repeated "assurances" of imminent action, a commission still has not been named. We can wait no longer.

The 1976 Winter Games are less than a year away. If we fail to act now, the opportunity for significant reform for the 1976 U.S. Olympic team will be lost. Further hearings are not necessary. The need for this commission already has been clearly demonstrated. Delay no longer is permissible. I call on the Senate and the House of Representatives to act rapidly to pass this legislation and rejuvenate our Olympic effort.

At Munich, the Olympic ideal of peace and friendship through sporting competition was permanently bloodstained by the assassination of the 11 Israeli athletes. It was further marred by administrative bungling, inflexibility, and petty nationalism. Our own athletes were hamstrung by inefficiencies, and they, and athletes from around the world, were unfairly treated by officials who were clearly more interested in politics than in fair and impartial judging of the various competitions.

Many have called for the abolition of the games. I remain steadfast in the belief that we can achieve the Olympic ideal. But we must not allow the memory of Munich to fade. Indeed, the recollection of those tragic events should strengthen our resolve to insure that future Olympics will more nearly approach that ideal, and that the U.S. effort is the best we can produce, both as a country and individually.

Certainly, the time, energy and efforts of the individual competitors, in many cases amounting to a virtual lifetime of work, should not be wasted, corrupted and overshadowed by events irrelevant to the competition itself.

The proposed Olympic Commission would be composed of nine members appointed by the President. It would review all facets of U.S. participation in the Olympics and make recommendations to the President and to Congress concerning the future of our Olympic effort. If continued participation is recmended, the Commission is to formulate specific proposals governing such participation.

Specific factors are to be considered in the formulation of the Commission's proposals. It is to evaluate the role of the U.S. Olympic Committee—USOC—in international sports and in administration of the U.S. Olympic program. The Commission is further instructed to consider the objectives of the Olympics, the administration of the games, policies concerning selection and development of Olympic participants, and arrangements which will protect the best interests of the athletes in training for, traveling to and competing in the games.

The Commission is given powers to appoint a staff and fix its compensation, to procure services, to hold hearings, and to request records and other information from governmental and private organizations.

The membership of the Commission would be limited by allowing not more than two past or present officers or directors of the USOC or any other national sports group to serve as members. This will insure that a majority of the Commission will be able objectively to consider all conflicting criticisms and viewpoints of our previous Olympic efforts, and to make meaningful recommendations without preconceptions about particular alternatives. Further, at least two of the members would be athletes who participated at the 1972 Olympic games. This will guarantee input from the athletes, the essence of our Olympic effort.

It is my hope that the President will appoint members from various groups in the field of amateur sports, including athletes, coaches and administrators, as well as members of the general public who have shown a particular interest in the Olympics or amateur sports. I believe that there should be at least one member with a legal background who can deal with the many legal intricacies involved in Olympic issues. Such breadth and diversity of membership would go a long way in guaranteeing that the Commission's deliberations would be successful.

The bill provides for an appropriation from general revenues. Cost of this Commission should not exceed $750,000. The pay of the members of the Commission is set at $100 a day in addition to reimbursement for expenses incurred.

I would like to elaborate briefly on the specific factors to be considered. The first and most important would be a thorough evaluation of the structure and policies of the USOC. The USOC is presently charged with exclusive jurisdiction over all matters relating to the Olympics in the United States by the terms of its Federal charter. Much of the criticism of the U.S. effort in past Olympics has centered on the role of the USOC.

Many organizations, such as the recently formed Committee for a Better Olympics, have committed themselves to seeking restructuring of the USOC.

Indeed, the USOC itself has taken some steps toward internal reorganization. Recently it appointed several well-known Olympic athletes to its board of directors and executive board. Such self-corrective action is a commendable step toward the broad reform required to improve our Olympic program. More sweeping action is needed and this must come from a representative and independent commission.

The Commission is also directed to review the selection process of athletes, coaches, and officials for the Olympic team. The selection process has been marred in the past by jurisdictional disputes, political factors, and personal friendships. If we are to compete in the Olympics, we must commit ourselves to selection of the best athletes, coaches, and officials. Anything else is a betrayal of the competitors and the American public, which regards the Olympic team as its national representative.

Development and training programs for athletes must also be considered. The haphazard approach of the past is clearly inadequate. The efforts of the vast millions of our young people in amateur sports all too often pale before the concerted efforts of other nations to develop and train their athletes. We ask too much of our athletes if we ask them alone to sacrifice time, employment opportunities, and families to train for Olympic competition.

The Commission should further consider arrangements for training and participation in the Olympics by those selected to compete. Athletes should not be subjected to administrative harassment and inflexibility as they have been too many times in the past.

Finally, we must review areas over which the United States does not have direct control. A good example is the conduct of awards ceremonies, which has been criticized for excessive nationalism. The International Olympic Committee controls this and many other policies. Although the United States cannot uni-

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laterally change such policies, we can make a comprehensive evaluation and framework for future action by American representatives within the IOC.

It is essential that Congress take immediate action on the Olympic question. I have, therefore, proposed a 4-month deadline for the Commission's report to Congress and the President. In the limited time still available, I submit that my proposal provides the most effective means to generate a comprehensive and reasonable evaluation of our Olympic program.

The Olympic ideal was eloquently summarized by U.S. Olympian Ken Moore in the September 18, 1972, issue of Sports Illustrated:

> In Mexico and here the village had been a refuge, admittedly imperfect, from a larger, seedier world in which individuals and governments refused to adhere to any human code. For two weeks every four years we direct our kind of fanaticism into the essentially absurd activities of running and swimming and being beautiful on a balance team. Yet, even in the rage of competition, we keep from hurting each other.

That ideal was severely damaged in Munich. We can resurrect it if we act now. If we delay, we risk further deterioration and possible destruction of the Olympics as a means of promoting that ideal. We risk further national discord over the conduct of our Olympic program. And most important, we risk further waste of the dedicated efforts of those who take part in the Olympic games.

We cannot afford further delay. Reports of renewed conflict between the AAU and the NCAA, this time over participation on the track team that is to represent this country in Red China later this spring, demonstrate the need for immediate action. If we do not act, we can count on this rivalry to hamstring our efforts to prepare for the 1976 games. The creation of this National Olympic Commission is the first and most effective step which we can take to reform our Olympic program. I strongly urge the Senate to take that step by passing this bill.

Mr. President, I ask unanimous consent that the bill I introduce today under the title "National Olympic Commission Act of 1975" be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Olympic Commission Act of 1975".

Sec. 2. The Congress hereby finds and declares that—

(1) serious problems have arisen in the conduct of the Olympic games, both summer and winter, which have led to widespread and continuing criticism of certain aspects of the games and the manner in which the United States administers its preparation for and participation in the games;

(2) the participation of the United States in the Olympic games has a substantial effect on commerce between the United States and other nations, and such participation involves many issues relating to the area of amateur sports which have a substantial and continuing effect on interstate commerce, such as jurisdiction over various areas of amateur sports and training and development of amateur athletes;

(3) an evaluation is required of the form of organization and the means by which the United States can participate most effectively in the Olympic games and provide leadership in accomplishing action to assure that future games will be organized and conducted in a manner which will contribute to the achievement of the high ideals of the games and promote international friendship and good will through athletic competition between individuals; and

(4) the establishment of a National Commission on the Olympic Games would provide an effective means of determining constructive action toward accomplishing these goals and preparing specific legislative proposals which would command broad public support.

Sec. 3. There is hereby established a National Commission on the Olympic Games (hereinafter referred to as "the Commission").

Sec. 4. The Commission shall be composed of nine members, including not less than two amateur athletes who competed in the 1972 Olympic games as representatives of the United States, who shall be appointed by the President of the United States. In designating the members, the President shall give appropriate consideration to the representation of women and minority groups within the United States. No more than two members of the Commission may be or at any time have been officers or directors of the United States Olympic Committee, or of any national athletic association, federation, or union.

Sec. 5. The President shall designate a Chairman from among the members of the Commission. Any vacancy on the Commission shall not affect its powers and shall be promptly filled.

Sec. 6. The Commission shall review the participation of the United States in the Olympic games, and, if it recommends that such participation should be continued, shall also recommend the form of organization by means of which the United States should participate in the Olympic movement and shall present specific proposals for any legislation required to implement its recommendations. In formulating its legislative recommendations, the Commission shall take into account—

(1) the objectives of the modern Olympic movement and the extent to which those objectives are being met;

(2) the manner in which the Olympic games are administered, with particular attention to the views of those who participate in those games as athletes, coaches, officials, or otherwise, or who have attended such games in any other capacity;

(3) the role which the United States Olympic Committee has played in international sports and the manner in which the United States' participation in the Olympic games has been organized and administered by that Committee;

(4) the policies which would assure the selection on a fair and equitable basis of the best-qualified athletes, coaches, managers, trainers, and other officials and which would provide the maximum opportunity for persons to develop their athletic skills and participate in international athletic competition; and

(5) the arrangements which will best protect the interests of the individual athletes during the period of their training for, travel to, and participation in the games.

Sec. 7. The Commission shall submit to the President and Congress a final report of its findings and recommendations not later than August 31, 1975, or 120 days after all of the members of the Commission have been appointed, whichever is later.

Sec. 8. Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals; and

(3) hold such hearings, sit and act at such times and places, and administer such oaths, as the Commission or any subcommittee or any three of the members thereof may deem advisable.

Sec. 9. Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this title. The Commission is further authorized to request from any public or private organization or agency and from the United States Olympic Committee any information deemed necessary to carry out its functions.

Sec. 10. Five members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

Sec. 11. Members of the Commission shall receive $100 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

Sec. 12. There is authorized to be appropriated to carry out the purpose of this Act, the sum of $750,000 to remain available until expended.

Sec. 13. The Commission shall cease to exist thirty days after the submission of its final report.

Mr. TUNNEY subsequently said: Mr. President, I ask unanimous consent that the bill I introduced earlier in the day to create a National Commission on the Olympic Games be referred to the Committee on Commerce, and upon being reported, if favorably reported by that committee, that it be referred to the Committee on Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. CANNON:

S. 1656. A bill to assist the States to provide additional facilities for research in agriculture and forestry at State agricultural experiment stations, land-grant colleges, and cooperating forestry research institutions funded under Public Law 87-788. Referred to the Committee on Agriculture and Forestry.

Mr. CANNON. Mr. President, I introduce for appropriate reference a bill to revise the formula for allocation of funds to assist in construction at State university experiment stations and to extend participation in the program to land-grant colleges and Tuskegee Institute.

This program of assistance has not been funded since 1972 because the present distribution formula has been found to be inequitable and unworkable. Nevada and other States with small populations derive a maximum of only $7,152 per $1 million appropriated for the program. In today's economy, this simply is not enough to make the program worthwhile.

The efforts of our agriculture research scientists contribute significantly to our Nation's ability to meet its food and fiber requirements. Many scientists of the Department of Agriculture are housed in State facilities and contribute over 40 percent of the science man-years of these institutions. Yet during the period 1963 through 1972, Federal funding of such facilities was less than one-eighth the amount provided to similar Federal laboratories. The cooperative nature of Federal-State research demands that the Federal Government meet its fair share of the cost of facilities. Additionally, Federal standards for housing animals used for research activities requires the modernization of many of these facilities. These goals cannot be met under the present formula.

I hope the Senate will have an opportunity to consider this matter expeditiously.

By Mr. HUGH SCOTT:

S. 1657. A bill to amend the National Portrait Gallery Act to redefine "portraiture." Referred to the Committee on Rules and Administration.

Mr. HUGH SCOTT. Mr. President, the National Portrait Gallery Act of 1962 defines portraiture as "painted or sculpted likenesses." The original bill approved by the Board of Regents of the Smithsonian Institution in January 1961, and introduced by former Senator Clinton P. Anderson in February 1961, had defined portraiture as "portraits and reproductions thereof made by any means or processes, whether invented or developed heretofore or hereafter." The more restrictive language that became part of the final legislation was submitted by the Senate committee at the request of the Librarian of Congress who argued that the National Portrait Gallery would otherwise enter into competition with the Library of Congress in the collecting of prints and photographs.

It has become increasingly clear over the years that the National Portrait Gallery cannot fully perform its legislated functions, either in exhibition or in research, under the existing restriction. More than half of our national history has occurred since the invention of photography. Many Americans who should be represented in our National Portrait Gallery are best portrayed by photographs, and some are portrayed only by photographs. As a center for the study of history through portraiture, the Gallery requires photographic and printed reproductions of portraits in all media not in its own collection.

Given the very restricted area in which the Portrait Gallery would collect and display prints, photographs, films, and other likenesses, competition with the collections of the Library of Congress would be minimal. Indeed, I am confident that sensible cooperative arrangements between the Library and the Gallery can be worked out.

No other Smithsonian museum is prevented by law from collecting prints and photographs in its areas of specialization; it is difficult to imagine that any of them could operate effectively if it were so limited. I urge the adoption of my bill.

By Mr. HARTKE (for himself and Mr. Bayh):

S. 1658. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

Mr. HARTKE. Mr. President, I introduce, on behalf of myself and Senator Bayh, a bill which will enable the State of Indiana to embark upon a program to build highways which will give the people of our State access to public recreation areas.

With the assistance or the Federal Government, several reservoirs have been constructed in Indiana. Although these reservoirs afford Hoosiers with an unparalleled opportunity for recreation and an enjoyment of nature, the road system prevents all but a handful of the State's residents from taking advantage of that opoprtunity.

The legislation I introduce today will open up these recreational areas to the people of Indiana. It enables the State of Indiana to return $1,936,894 which it had received from the Federal Government in the form of highway assistance. That money was used to pay approximately 2 percent of the cost of the East-West toll road—Interstate 80/90—in Indiana. The repayment of that money will enable the State of Indiana to enter into an agreement with the Indiana Toll Road Commission—which operates the East-West toll road—to finance the construction of minitoll roads which will permit access to reservoir recreation areas. If that money were not repaid, the conditions which were attached to it by the Federal Government would prohibit the State from entering into an agreement with the toll road commission.

Mr. President, the Federal Government made it possible for these reservoirs to be constructed in Indiana knowing that they would create useful public recreation facilities. But there are no public roads to reach the reservoirs at the present time. The bill Senator Bayh and I have introduced today makes it possible for the reservoirs to achieve their full recreational potential and is in keeping with the Federal public works program which built the reservoirs.

The only solution to this dilemma is the bill which we introduce today. Indiana does not have the money to build these new highways out of its general revenues, and the State presently gets about 40 cents back in Federal highway aid for every dollar it contributes to the highway trust fund.

This bill will enable Indiana to create a pool of highway toll revenues to help finance the construction of the minitoll roads. Its concept has twice been endorsed by the Indiana State Legislature, and it has received the official support of the Indiana Toll Road Commission and Gov. Otis R. Bowen.

I urge the Public Works Committee to give this legislation its early and favorable consideration.

Mr. BAYH. Mr. President, at the specific request of the Governor of Indiana, I join my senior colleague (Mr. Hartke) in introducing this legislation to permit the State of Indiana to return to the Federal Government approximately $1.9 million in highway assistance received some years ago from the Department of Transportation. The purpose of the proposed payback is to free the State from contracts entered into when it received these funds for interchanges with the East-West toll road in northern Indiana.

Wide support for this proposal has been expressed in Indiana. Enabling legislation has been enacted twice by the Indiana State Legislature. As I said, the proposal has the strong support of Indiana's distinguished Governor, Otis R. Bowen. I ask unanimous consent to include in the Record at the conclusion of my remarks a letter I received from Governor Bowen on this issue last year in which he endorsed the legislation we are introducing today. In addition, companion legislation has been introduced in the House of Representatives by all 11 Indiana Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. Mr. President, as explained to my office by State representatives, the legislation is desired by the State so that it might embark on a new road building program, at the State level, for so-called "minitoll roads" which would provide citizen access to large reservoirs. We are in the remarkable situation in which access to reservoirs, built with public funds and offering valuable recreational opportunities, is severely limited because of the lack of highway funds. The problem has been worsened in the past by the impoundment of Federal highway assistance. However, I am pleased to have taken a leadership role, as chairman of the Transportation Appropriations Subcommittee, in overturning the deferral of Federal-aid highway funds.

To help meet the need for access roads to reservoirs in Indiana the State would like to create a central pool of toll road revenues. However, this cannot be done unless it is free from its prior commitment to the Department of Transportation regarding future collections on the East-West toll road. And the only way this can be accomplished is to pass the legislation we are introducing today to permit the State to return these funds to the Federal Government.

Mr. President, this is a straightforward case of giving the State of Indiana the option to decide at the State level how it can best meet the local highway needs of its citizens. It may be said fairly that this legislation does not involve any substantive change in Federal highway policy, but merely responds to a specific problem in a single State. Since this is an issue about which the State

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government feels strongly I see no reason why the Congress should not respect the wishes of the State of Indiana. I hope this simple and unique measure can receive speedy, affirmative action.

EXHIBIT 1

OFFICE OF THE GOVERNOR,
Indianapolis, Ind., June 17, 1974.

Hon. BIRCH BAYH,
363 Old Senate Office Building,
Washington, D.C.

DEAR BIRCH: In an effort to move forward on one of Indiana's high priority highway programs, Don Newman, our Indiana liaison, and Richard A. Boehning, Chairman of the Indiana State Highway Commission, have been working with you and the rest of our Congressional delegation on proposed legislation which would allow Indiana to implement the mini-toll road concept. The mini-toll program received Indiana legislative approval some years ago and was updated in the recent 1974 session of the Indiana General Assembly. One of the problems in the financing of any such mini-toll road involves certain provisions in three contracts which were executed by the Indiana State Highway Commission, the Indiana Toll Road Commission and the federal government many years ago. The proposed legislation would abrogate these three contracts and allow Indiana to proceed with the program. This Congressional action would be similar to that successfully initiated by other states in similar circumstances.

I have been informed that Don Newman has furnished you with information concerning the technicalities of the program and of the legislation. I certainly endorse the legislation and urge that you use your best efforts in seeking its passage as soon as possible so that Indiana can move forward in implementing its mini-toll program.

Kindest personal regards,

OTIS R. BOWEN, M.D.,
Governor.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon repayment by the State of Indiana to the Treasurer of the United States of the sum of $1,936,894 which is the amount of Federal-aid highway funds received for the construction of the following interchanges with the east-west toll road (Interstate 80/90) in northern Indiana:

(1) the interchange in Interstate Route 69 with such toll road in Steuben County, Indiana;

(2) the interchange of Interstate Route 80 with such toll road in Lake County, Indiana;

(3) the interchange of Interstate Route 65 with such toll road in Lake County, Indiana;

then such east-west toll road (Interstate Route 80/90) in northern Indiana shall be free of all restrictions with respect to the imposition and collection of tolls or other charges thereon or for the use thereof contained in title 23, United States Code, or in any regulation or agreement thereunder. The amount to be repaid shall be deposited to the credit of the appropriation for "Federal Aid Highway (Trust Fund)." Such repayment shall be credited to the unprogramed balance of the Federal-aid highway funds of the same class last apportioned to the State of Indiana. The amount so credited shall be in addition to all other funds then apportioned to such State and shall be available for expenditure in accordance with the provisions of title 23, United States Code. Any agreement heretofore entered into by the head of any department, agency, or instrumentality of the United States, the Indiana Toll Road Commission, and the State of Indiana, acting by and through the Indiana State Highway Commission, which is inconsistent with this Act, is hereby abrogated to the extent of such inconsistency.

By Mr. PHILIP A. HART (for himself and Mr. GRIFFIN):

S. 1659. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission Docket numbered 40–K, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. PHILIP A. HART. Mr. President, on October 21, 1968, the Grand River Band of Ottawa Indians received a favorable judgment from the Indian Claims Commission.

The funds awarded in that judgment have yet to be distributed. The primary reason for this delay has been a controversy surrounding the determination of entitlement to these funds. These people need this money now.

Therefore, on behalf of Senator GRIFFIN and myself, I am introducing a bill that establishes, among other criteria, distribution entitlement to these people who oppose Grand River Ottawa blood of the degree of one-fourth or more. It is my hope that this bill can receive prompt attention from the appropriate committee.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection the bill was ordered to be printed in the RECORD, as follows:

S. 1659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the funds appropriated by the Act of October 21, 1968 (82 Stat. 1190, 1198), to pay a judgment to the Grand River Band of Ottawa Indians in Indian Claims Commission docket numbered 40–K, together with any interest thereon, after payment of attorney fees and litigation expenses and expenses of the Grand River Band of Ottawas Descendants Committee and such expenses as may be necessary in effecting the provisions of this Act, shall be distributed as provided herein.

SEC. 2. The Secretary of the Interior shall prepare a roll of all persons of Grand River Band of Ottawa Indian blood who meet the following requirements for eligibility: (a) they were born on or prior to and were living on the date of this Act; and (b) their name or the name of a lineal ancestor from whom they claim eligibility appears as a Grand River Ottawa or the Ottawa and Chippewa Tribe of Michigan, Durant Roll of 1908, approved by the Secretary of the Interior February 18, 1910, or on any available census rolls or other records acceptable to the Secretary of the Interior; (c) who possess Grand River Ottawa Indian blood of the degree of one-fourth or more; and (d) are citizens of the United States: *Provided,* no person shall be eligible to have his name placed on the roll who at the same time is an enrolled member of any tribe other than the Grand River Band of Ottawa Indians or the Ottawa and Chippewa Tribe of Michigan.

SEC. 3. Applications for enrollment must be filed with the Great Lakes Agency of the Bureau of Indian Affairs at Ashland, Wisconsin, in the manner and within the time limits prescribed for that purpose. The determination of the Secretary of the Interior regarding the eligibility of an applicant shall be final.

SEC. 4. The judgment funds shall be distributed per capita to the persons whose names appear on the roll prepared in accordance with section 2 of this Act.

SEC. 5. Sums payable to adult living enrollees or to adult heirs or legatees of deceased enrollees shall be paid directly to such persons. Sums payable to enrollees or their heirs or legatees who are less than eighteen years of age or who are under legal disability shall be paid in accordance with such procedures, including the establishment of trusts, as the Secretary of the Interior determines appropriate to protect the best interests of such persons.

SEC. 6. None of the funds distributed per capita or held in trust under the provisions of this Act shall be subject to Federal or State income taxes, and the per capita payments shall not be considered as income or resources when determining the extent of eligibility for assistance under the Social Security Act.

SEC. 7. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

By Mr. BEALL:

S. 1660. A bill to amend the National Capital Transportation Act of 1969 to authorize an additional Federal contribution toward the effectuation of a transit development program for the National Capital Region, and for other purposes. Referred to the Committee on the District of Columbia.

Mr. BEALL. Mr. President, I am today introducing the National Capital Transportation Act of 1975.

This legislation is designed to insure that the Washington-Metropolitan Area MetroRail System will be completed in a timely fashion and it will be of a scope which will make it an economically viable rapid transit system.

The legislation will accomplish this goal by applying the current Federal/State rapid transit cost-sharing formula of 80 percent Federal/20 percent local funding, which was enacted into National policy as of July, 1973, to the Washington-Metropolitan Area MetroRail System. At the present time, Metro is funded at a cost-sharing ratio of two-thirds Federal/one-third local, and this legislation would bring the system into line with our other mass transit commitments throughout the country.

I do not have to remind my colleagues of the terrible inflationary cycle which has gripped the construction industry in the last several months. Because of inflation and other situations, costs for construction of the MetroRail System have skyrocketed by $1,477 million. This increase has brought the estimated cost for the completion of the system from $2,977 million to $4,454 million.

In July 1973, the Congress enacted legislation increasing the funding formula for mass transit projects from the two-thirds to one-third to an 80 to 20 ratio. The National Capital Transportation Act of 1975 would apply that formula to the Metro System retroactive to that date. By doing so, we will increase the Federal share by $1,257 million as

well as requiring local governments to increase their level of funding from $721 million to $856 million.

In order to finance this increased funding, the bill would permit the Federal Government to authorize WMATA to sell 40-year bonds with debt service paid by the Federal Government. This method would provide WMATA with the flexibility in obtaining funds and would have minimal impact on the budget. In fact, the average annual budgeted Federal outlay would amount to $88 million for principal and interest. However, the tax recapture of at least 25 percent through the use of taxable bonds would result in a net increase of $74 million.

The bonding format is one possible way of financing this additional expenditure. Certainly there are other ways, but I believe we must rapidly explore all the alternatives and make sure that this money is provided in a rapid fashion so that planning for the entire Metro System can move forward.

To understand the importance of this proposal, I would like to discuss for a moment what would happen if this additional money is not made available.

Instead of having a system of 98 miles and 86 stations, the MetroRail System would be reduced to a system of 47.7 miles and 48 stations. To reduce the system would require an additional 300 lane miles of freeway to meet the growing transportation needs of the Washington metropolitan area, and vast parking facilities would have to be constructed at the terminus of the truncated system in order to handle the great number of cars which would be necessary to even get to our Metro System.

Further, service to much of the suburban area and to critical areas of low-income within the District of Columbia would be either completely eliminated or substantially curtailed. In Virginia, service to Fairfax County, other than just beyond its boundary to Huntington, Fairfax City, and Falls Church would be entirely eliminated and service to Alexandria and Arlington curtailed.

In Maryland, only 1 of 4 lines into Prince George's County would be built and the 2 lines into Montgomery County would be sharply cut back. Two lines within the District serving the Shaw and Columbia Heights areas and Anacostia would be eliminated, adversely affecting these areas and the Federal employment in Suitland.

In addition to the seriously reduced effectiveness, the region would be left with unusable construction projects, substantially underway, in the amount of $140.7 million and unusable design projects in the amount of $22.7 million, which translates into about $470 million worth of construction, all of which would be lost effort.

In terms of revenue effect, the 38 stations eliminated by this reduction in the system have been estimated by the year 1990 to have a daily usage of 600,000 patrons—380,000 of these could be expected to continue to use mass transit, mainly MetroBus, and 220,000 would be lost to transit representing a 26 percent reduction in ridership and a 35 percent reduction in revenue. The MetroBus fleet would have to be increased by 980 buses to accommodate the additional bus ridership.

The loss to transit through truncation of the system would result in 150,000 daily additional automobile trips. Coupled with the additional buses required, highway usage would increase air pollution and the use of gasoline and diesel fuel. The region would thus find it less possible and more costly to meet the clean air standards mandated by the Envrionmental Protection Agency. Further, the Environmental Protection Agency is even now establishing rules to further limit the vehicle miles traveled, which will also serve to increase the use of mass transit.

I also fear that unless we complete the entire system, the unique nature of the Interstate Compact which has come about to develop mass transportation policies on a regional basis will be severely strained. Inasmuch as the schedule of construction was designed to maximize the revenue input and minimize cost escalation, the system was broken into a series of operation phases. As a result, failure to complete the system substantially as planned would create serious inequities. Such a prospect could be expected to generate litigation requiring fulfillment of contract or appropriate financial adjustment and place a devastating strain on the Compact, especially considering the fact that the authority has no independent resources to meet such problems.

If the system is not completed, it can be argued that the District of Columbia would receive the lion's share of benefits at the expense of both Maryland and Virginia. In any event, the final adjudication of the matter will come only after extensive and prolonged litigation, which certainly does not help either the mass transit problems of the region or overall regional cooperation.

Mr. President, the MetroRail System, if it is to achieve the goals in pursuit of which the Federal Government and the eight local governments of the area have joined in partnership, must be completed. If we do not complete the entire system, we will be saddled with a rapid transit system which has no chance of economic viability, and which will waste the billions of dollars which has already been invested in the project. Therefore, I urge the Congress to take swift action on this legislation.

Mr. President, I ask unanimous consent that an article from the March 1975 issue of the Constructor magazine, which details the promise and some of the problems of the MetroRail System, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

METRO, WASHINGTON'S BEDEVILED SUBWAY

(By Eric Bolton)

After nearly 50 years of talk and two decades of specific public and private efforts, supporters of Washington, D.C.'s 98-mile, rapid rail transit system will finally have something tangible to celebrate this August when Phase I of the massive, four-phase project—4.8 miles of line and six stations serving the downtown area—is officially slated to open, three years behind schedule.

Given the labyrinth of difficulties and delays that have plagued Metro construction since ground was first broken December 9, 1969, just the completion of Phase I alone, which roughly accounts for half the downtown distributor service, is being heralded as a victory of no small proportions.

According to the Washington Metropolitan Area Transit Authority (WMATA), an interstate compact agency charged with overall responsibility for the design, construction and operation of Metro, current planning calls for the entire system to be in operation by 1981.

When completed, Metro will serve two of Maryland's most populous suburban counties, Montgomery and Prince Georges, as well as five independent county and urban jurisdictions in Northern Virginia in addition to the city of Washington.

Total trackage for the system will include 42 miles of surface track, much of that utilizing existing railroad right-of-ways, and 48 miles of track below grade, and eight miles on aerial structure connecting a total of 86 stations, 53 of which will be subsurface.

While the final quarter-mile sections of continuously-welded rail are being installed, sans crossties, on the concrete trackbeds of the Phase I section, simultaneous work on Phases II and III is continuing, with a total of 40 Metro stations and 40.4 miles of line presently under construction. Another 25 stations and 30 miles of line are in the final design stages.

Phase II, known in Metro circles as the bicentennial phase, was scheduled to be operational by May 1976, but the completion date has been pushed back to later in the year, hopefully still in time to help handle the more than 20 million visitors expected to visit Washington during the Bicentennial Year.

Phase II will extend the downtown distributor service dramatically, connecting the city's residential northwest area and the Robert F. Kennedy Memorial Stadium and the National Guard Armory in the southwest section with that complex of government buildings downtown known as the Federal Triangle and the Capitol area.

In suburban Virginia, Phase II will provide the first commuter feeder service to become operational, connecting National Airport and the Pentagon with the downtown area via a twin-bore, 4000-foot, double track, horseshoe rock tunnel under the Potomac River at Georgetown.

One of the thorniest problems facing Metro right from the beginning has been the rising cost of the project. When construction first began in 1969, the total price tag for the entire system was estimated at about $2.5 billion. By January 1975, the original estimate had been revised upward to $4.5 billion with no assurances from anyone that is the final dollar figure.

Principal villains vying for top honors in the scenario of rising costs include double-digit inflation, material shortages and construction delays caused by strikes or strike threats from ironworkers, rodmen and stonemasons; by holdups in planning decisions regarding routing and funding by some local jurisdictions; by complaints from minority contractors that they were being excluded from meaningful participation in the project; and by a recent court decision requiring that extensive environmental studies of alternatives routes be made.

According to the WMATA, as of December 1974, the total number of active construction contracts and other contractual agreements totaled 470, representing financial commitments and obligations approaching $1.5 billion. Of these 470 active contracts, 67 have been let for line and station work involving structural and finishing contracts while another 23 stage contracts are also currently active. This contractual and financial breakdown does not include 126 contracts and

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agreements already completed, mostly in conjunction with Phase I, which account for additional financial outlays of $146.4 million. All told, about $2.1 billion have been obligated or committed since construction began, covering 596 active and completed contracts and contractual agreements.

DREAMS TURN INTO PROBLEMS

Crystal-ballers at WMATA estimate that when and if Metro is finally completed, some 730 prime contracts will have been let while sub and sub-subcontracts will number in the thousands.

In terms of manpower, Metro has become one of the area's major employers. More than 8000 workers have been employed by the more than 70 prime contractors and numerous subcontractors to date, while general consultants and other consulting firms accounted for an additional 1768 employees working on Metro. Also, the more than 5000 WMATA staff members are actively engaged in Metro affairs on a daily basis.

But with Phase I nearing completion and work on Phase II and III accelerating, more and more of Metro's affairs are turning into problems.

Strictly speaking, of course, Metro's rapid rail facilities are only a part—albeit an extremely important part—of a totally revamped transportation system for the entire region which includes improvements in bus, taxi and automobile transportation. As part of its multimodule approach to improving the area's public transportation, the WMATA, in early 1973, acquired the operating assets of the four private bus companies previously serving the Nation's Capital and environs. By year-end 1973, Metrobus had carried 110 million passengers to and from work with much of that service on exclusive bus lanes, marking the first time in its history Washington has publicly owned and operated its own bus transit system. Nevertheless, to most Washingtonians, Metro means rapid rail, and area interest and attention have been focused underground.

Actually, rail transit is not new to Washington at all. Until the early 1960s, the city boasted one of the nation's, and the world's, finest streetcar systems. In 1962, however, at congressional insistence, the last of Washington's streetcars headed for the dismantling sheds in favor of private bus transportation.

The city's first experience with rail transit pointed out some unique problems involved in bringing any kind of rail transit to the Nation's Capital. Congress, for example, prohibited overhead wires in downtown Washington as being a detraction from the beauty and inspiration of the city's numerous public buildings and monuments.

As a result of the congressional ban, an underground conduit system was constructed. This concept, imported from Budapest, Hungary, was highly unusual for American cities and the system has been installed in only one other U.S. city—New York.

Underground conduit or not, however, Congress felt that streetcars were unsuited esthetically and functionally to the growing National Capital region and created the National Capital Transportation Agency in 1960 to bring the latest in transportation technology to the area.

In creating the NCTA, a temporary federal agency which was replaced by the independent WMATA in 1967, Congress clearly indicated its support for an improved area-wide transportation system as ". . . essential to the continued and effective performance of the functions of the government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital. . . ."

Funded steadily by Congress, the NCTA submitted plans for an 83-mile, rapid rail system to be constructed in conjunction with improvements in highways, bus and taxi facilities throughout the region. In 1965, Congress approved the heart of the system—25 miles of rail line—and appropriated $100 million in federal funds and $50 million in District of Columbia funds to initiate construction.

But it was not until 1967 when Virginia, Maryland and the District of Columbia joined together to form the WMATA, a congressionally approved, interstate agency charged with coordinating inter-regional cooperation, that real progress was made. Initally, that progress was both real and rapid.

After more than a dozen public hearings, the following year, 1968, saw the eight independent political jurisdictions Metro will serve in Washington, Maryland and Virginia approving the Adopted Regional System, a sort of interregional Declaration of Independence from traffic congestion. On paper, the ADS mapped out specific routes and outlined a cost-sharing plan on a two-thirds federal, one-third local basis.

In 1969, Congress continued its support of Metro in the form of legislation signed into law by former President Richard M. Nixon authorizing $1.1 billion in federal funds to be spent over a 10-year period.

As agreed upon by the participating political jurisdictions, Metro will operate on its own exclusive right-of-way through the area, including 38.3 miles and 43 stations in Washington, 29.4 miles and 22 stations in Maryland and 30.3 miles and 21 stations in Virginia.

To fully integrate rapid rail transit facilities with other transportation systems in the area, "park'n'ride, bus'n'ride and kiss'n'ride" coordination is being planned to provide better neighborhood, cross-city and cross-county service.

Under the "park'n'ride" concept, some 27,000 parking spaces will be built at stations to enable commuters to park their cars and take Metro to and from work. 'Kiss'n'ride" facilities will offer auto lanes and short-term parking for husbands and wives to drop off and pick up their spouses at many stations. In addition, coordinated Metrobus service with direct platform or entrance connections will complete full integration of bus, auto and rail transit capabilities.

On paper, then, bringing the nation's, and possibly the world's, most modern rapid rail facility to the auto-dominated Washington area and the civic cooperation the plan initially engendered appeared to be a hallmark chapter in the long history of public works projects undertaken in this country.

But somewhere between the drawing board and the construction site, the unfortunate realities of inflation, fuel and material shortages and construction delays caused by a host of political and social forces had begun to threaten the entire project.

Not surprisingly, the most serious difficulty facing Metro is the problem of financing the project in the face of inflation. Just how much inflation has affected Metro can be seen in the rising costs of construction materials.

To date, approximately two million cubic yards of concrete have been poured, but the cost of ready-mix concrete is up approximately 150 percent compared to January 1969 prices.

THE INFLATION SPIRAL

More than 150,000 tons of structural and reinforcing steel have gone into Metro construction to date (excluding steel tracking), but the WMATA estimates that structural steel has risen nearly 200 percent in the past five years, with reinforcing steel bars costing 225 percent more than when construction began.

Although in recent months the price of Douglas fir timber decking has declined steadily, the more than 20 million board of feet of timber used by contractors so far is up by about 185 percent over the January 1969 price.

As costs continue their upward spiral, some jurisdictions are becoming hard pressed to come up with increasing dollar volumes to meet their cost quotas and commitments. In Northern Virginia, for example, Fairfax County's board of supervisors recently proposed a 1 percent increase in the county sales tax to meet the burden of increasing Metro costs.

However, the need for additional funds had become so acute that at the annual year-end meeting at Airlie, Va., in December, transit officials came up with some alternative finance proposals.

The most dramatic request to come from the Airlie conference is a proposal that federal aid to Metro construction increase from the present two-thirds to 80 percent, with the remaining 20 percent to come from the regional jurisdictions.

In addition, the conference suggested that additional revenue would come from the sale of more federally-guaranteed bonds with debt service provided by the federal government. Congress had already approved a federal guarantee of $1.2 billion in Metro revenue bonds in 1972.

As if to add insult to the inflationary injuries, some of the civic and public cooperation that characterized Metro's early days seems to have taken a more parochial course. Despite the initial ADS agreement which mapped out specific rail routes and station locations throughout the area, some regional jurisdictions held up final planning decisions for as long as two years.

Most damning of all, however, have been some environmental and commercial lawsuits resulting in unfavorable and costly court decisions.

One such suit, brought before the U.S. District Court of the District of Columbia by two displaced commercial tenants in downtown Washington, resulted in a court decision requiring the WMATA to conduct what are essentially precondemnation hearings before such properties can be acquired.

In another court decision some residents in Washington's residential northwest section brought suit against Metro for failure to comply with the National Environmental Policy Act which requires environmental impact studies be made and statements issued on any federal action that might have an impact on the environment.

Although the WMATA is not a federal agency, the U.S. Court of Appeals for the District of Columbia agreed with a lower court decision in favor of the complainants and ordered the WMATA to conduct environmental impact studies on alternative routes not yet under construction.

IMPACT OF COURT DECISION

According to one Metro official, that decision will require a literal "reinvention of the wheel" in terms of future route and station planning.

Another problem which threatened to stall Metro progress, particularly in Phase II and III, were complaints by minority contractors that they were being excluded from meaningful participation in Metro construction. D.C. transit board members had requested that minority contractors and other small firms, many from the local area, receive a minimum 30 percent share of all contracts.

The dispute was settled following a recent transit board meeting which set goals but not quotas, calling for 10 percent minority participation in structural work and 20 percent in finishing work. According to Metro officials, the compromise arrangement is a landmark program in the nation's heavy construction industry and will channel at

least $123 million in contracts to minority-owned contractors.

While political, social and economic factors conspire to add months and many dollars to Metro's original cost and schedule estimates, transit officials hope that the completion of Phase I will reexcite area interest in seeing the ambitious project through to completion.

Just how ambitious the project is can be defined by the number of superlatives that can be applied to virtually every aspect of the system.

Underground stations will be 600 feet long and generally 64 feet wide utilizing side or central train platforms. Endorsed by the Washington Commission on Fine Arts, the substations will reflect the city's classic architectural theme underground. Stations will consist of cast-in-place concrete sidewalls and arches soaring to a maximum 35 feet. All stations throughout the system will be fairly uniform in design, featuring free-standing mezzanines and station platforms which will be unencumbered by columns and other free-standing supports.

The mezzanines and platforms are separated from station sidewalls by about three feet of space with a precast concrete parapet extending along edges nearest the wall. This design not only provides an open, airy look but also discourages graffiti artists and other would-be vandals.

All stations will encompass the ultimate in patron convenience and comfort, including escalators from street entrances to mezzanines and from mezzanines to train platforms. Additionally, controlled entry elevators for the handicapped will be located at each substation.

Above-grade stations will be constructed of architectural concrete with 600-foot platforms partially covered by concrete gull wing canopies. All stations will have information and administration kiosks, indirect lighting, automatic fare collection utilizing magnetic fare cards and a variety of auxiliary rooms.

Elaborate measures have been taken to insure that unpleasant ride sensations and train noise are either reduced or eliminated. The rail gauge is smaller than normal, more than a quarter-inch closer together, to reduce train sway while below grade, and aerial track will be padded with a three-quarter-inch-thick synthetic rubber cushion between the continuously welded steel rail and the concrete trackbed. Where extra quiet conditions are called for, trains will ride on a "floating slab" which will introduce additional synthetic rubber or fiberglass padding between the concrete trackbed and the tunnel base.

Metro tunnels will be single-track and double-track horseshoe in rock (using shotcrete or cast-in-place concrete), single-track bore in earth, and some mixed-face, double-track horseshoe. Single-track tunnel bores will normally provide 16 feet 6 inches finished inside diameter.

Deepest station in the system is the bi-level Rosslyn station in Virginia which measures 129 vertical feet cut in rock (260 feet linear) including the normal 30-degree slant. Most downtown construction consists of cut and cover work involving single-track and double-track box sections.

Arched ceilings in the substations will be coffered, reminiscent of the soaring vaulted Roman domes. The recessed coffers vary in depth from about three-quarters of an inch on sidewalls to as much as 2 feet 6 inches at the top of the arch.

Achieving the progressively recessed coffered effect efficiently called for some ingenious form work. An arch form consisting of a series of inverted fiberglass tub pans were devised to be bolted to the sidewall and arch forms. Once the form jumbo is in place, ranging anywhere from 122 to 168 pans, a section of the arch measuring 106 feet from side to side and 66 feet long can be made in two weeks.

Initially, it was thought each individual pan had to be removed separately, but utilizing a radial knuckle system the entire arch form can be collapsed without piecemeal destruction. The form is assembled in three sections and hinged so that the direction of the withdrawal can be varied, with the side plates swinging inward and up and the crown plate lowering so stripping can be completed.

DESPITE THE PROBLEMS

And so Metro construction continues, threatened not so much by the engineering and construction challenges provided by the system's location on a geographical fall line and the varying subterranean conditions thus encountered, but, rather, by financial and political considerations.

Everyday, area residents are regaled with press accounts of the latest developments in rising costs and lingering delays that may eventually force the system to be cut back considerably. But as one area newspaper put it, "It is simply unthinkable that reckless politics could succeed . . . in sending this project to an early grave."

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 1663. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia. Referred to the Committee on Foreign Relations.

Mr. TUNNEY. Mr. President, I am introducing, on behalf of Senator Cranston and myself, a bill which would amend the Migration and Refugee Assistance Act of 1962 to authorize the expenditure of such sums as may be appropriated for relief of Vietnamese and Cambodian refugees in the United States.

The Migration and Refugee Assistance Act of 1962 was enacted to provide authorization for such appropriations as "from time to time may be necessary" to aid in the relief and resettlement of Cuban refugees in the United States. It permitted the President of the United States to designate certain other groups as refugees eligible for assistance under its provisions as well. Besides authorizing direct refugee relief, it also allowed expenditures for assistance to State and local agencies in their efforts to aid displaced persons.

Unfortunately, the act covered only Cubans and other persons from Western Hemisphere countries. Hence its provisions would be inapplicable under current circumstances to Vietnamese and Cambodians. Today, relief and resettlement of these two groups is a major task facing officials at both the Federal and State level and it is imperative that the act be amended to include Vietnamese and Cambodians as eligible recipients of such aid.

Other provisions of my amendment would include requirements for due consultation with States and local governments and agencies who might be involved in relief projects and periodic progress reports to the Congress. Mr. President, if State and local governments are going to be called upon to participate in the refugee relief effort, then they must be given an opportunity to voice their feelings and opinions on the way the program is to be conducted. Clearly, the success or failure of the program depends ultimately upon a coherent policy based on close cooperation and consultation among officials at all levels of government.

In conclusion, I believe that there will be difficult days ahead both for the refugees themselves and the American people who will have to bear the financial burden of their resettlement. But the American people have always met such challenges with a vigorous determination to make the best of a difficult situation. I am certain that this will be no different today. While every effort must be made tc minimize the impact of this influx on economically hard-hit areas, it is my sincere hope that the Indochinese who have been forced from their nations by threat of death will be accepted into the American community with all the hospitality and consideration shown so often in the past to other refugees.

I encourage all of my colleagues to join with Senator Cranston and myself in supporting this legislation.

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Philip A. Hart, Mr. Humphrey, Mr. Inouye, Mr. McGee, Mr. McGovern, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Hugh Scott, Mr. Stevenson, Mr. Williams, Mr. Randolph, Mr. Magnuson, and Mr. Schweiker):

S. 1664. A bill to amend the Lead-Based Paint Poisoning Prevention Act. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am pleased to introduce, together, with the bipartisan support of 18 of my colleagues, the 1975 amendments to the Lead-Based Paint Poisoning Prevention Act of 1971 (Public Law 91–695). This act had a three-pronged purpose. First, to establish programs to detect children suffering from lead paint poisoning; second, to eliminate the causes of lead paint poisoning; and third, to establish research programs to study the extent of the problem and to suggest ways of combatting it. Under the provisions of this act, the Secretary of Health, Education, and Welfare is authorized to make grants to State and to local units for the development of programs to identify and treat lead poisoned victims while the Secretary of the Department of Housing and Urban Development is authorized to conduct research to determine the best ways to eliminate lead paints from the surfaces of children's homes.

Since 1971, when the Federal attack on lead poisoning began, 850,000 children in the United States have been screened for lead based paint poisoning.

When I first introduced legislation to combat this crippling disease 6 years ago, experts believed the effects of lead based paint poisoning touched only a fraction of the children that have subsequently been found to be potentially subject to lead poisoning.

Studies launched and statistics compiled since that time show that there are at least 2½ million children that are presently in danger of being lead poisoned. This includes children under 5 years of age from families living in poor.

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dilapidated housing in our Nation's inner-cities. But results from the studies and programs that have been launched since that time show that many more youngsters have been exposed to the hazards of lead based paint poisoning.

From these efforts, medical authorities determined that lead based paint poisoning in children is caused not only by peeling paint chips from the walls of deteriorating housing in our Nation's big cities, but harmful quantities of lead were also found in cooking utensils, toys, pencils, and in a variety of implements that are readily available to children.

For that reason, I introduced amendments to the Lead-Based Paint Poisoning Prevention Act in 1973 to provide protection from these sources of lead paint poisoning.

That package of amendments also increased the ceiling on Federal grants for lead poisoning programs from 75 to 90 percent to increase the accessibility to Federal assistance for communities around the Nation to combat this crippling malady. In addition, those amendments prohibited the use of lead paint on any residential structure constructed or rehabilitated by the Federal Government or with any Federal assistance.

The original act, Public Law 91-695, defined lead based paint as "any paint containing more than 1 percentum lead by weight in the total nonvolatile content of liquid paints or in the dried film of paint already applied." When the problems of lead paint poisoning were first addressed by federally supported programs, it was not unusual to find a reading of 40 percent or even 50 percent of lead imbedded in the paints applied to those homes that had been constructed prior to World War II. Those same homes had become the inner-city slum dwellings of the sixties and the seventies, and thus, provided fertile ground for our children to be subject to the hazards of lead based paint poisoning.

Health authorities realized it was important not only to identify high concentrations of lead in the bodies of little children they examined, but that it was equally important to establish levels to measure dangerous concentrations of lead in newly applied paints. For, the experience from earlier years suggests that reductions in lead contained in paints applied to walls today, can reduce the incidence of poisoning in tomorrow's children.

Thus, the 1973 Lead Poisoning Amendments directed the chairman of the Consumer product Safety Commission to determine whether new levels of lead in paint intended for use on interior residential surfaces should be set at 0.5 or 0.06 percent lead by weight, or at some level in between these two limits.

Last December, the Chairman of the Consumer Products Safety Commission, in his report to the Congress described a safe level of lead in paint as "a level where we have reasonable assurance, with expected exposures, of the absence of serious toxic effects." Having thus defined a safe level the report determined that one-half of 1 percent lead in paint is safe for us. In so ruling, the CPSC report all but ignored the recommendations of the Assistant Secretary of Health for HEW and of the Director of the Environmental Health Service Division of the Center for Disease Control. Both of them strongly emphasized that they did not feel, based on their studies and research, that 0.5-percent level was safe.

Spokesmen for the paint industry applauded the CPSC's decision. Consumer and medical organizations insisted on the level of 0.06 percent on the belief that even one-half of 1 percent of lead by weight in paint is too hazardous a level when absorbed into the blood stream of a young child.

I am impressed by those who believe that only through immediate action can we expect to control the intake of dangerous lead particles. The most direct way to accomplish that goal is by imposing strict controls on the amount of lead added to paints. We should begin now to limit the content of lead in paints to no more than 0.06 percent for those paints used on interior residential surfaces.

Many paint manufacturers already produce paint with 0.06 percent lead with no discernible difference either in quality or in cost. This low level will minimize the risk to children from the intake of lead and benefit not only today's children, but also future generations of children who may be needlessly exposed to lead covered wall surfaces.

The surest way to protect young children from the hazards of lead based paint poisoning is to eliminate lead entirely from the paint that youngsters may ingest. On that point, everyone is agreed. While the body can absorb and dispose of a certain amount of lead, once the capacity is reached it can cause extensive damage. And young children are much more vulnerable than adults, to the dangers of lead based paint poisoning. Lead is present not only in paint, but also in our water, in the atmosphere and in the soil where many children play. Lead pollution is an ever increasing environmental hazard. Consequently, this amendment provides for the reduction of the amount of lead allowed in paint to 0.06 percent by weight to reduce that environmental hazard.

My bill also provides for support of Federal programs that can begin to delead homes in which young children have been found to be suffering from high blood lead levels. One of the main health problems with a lead poisoned child is that once he has been treated, he is often returned to the same conditions that caused his illness in the first place. In order for a child's deleading treatment to be effective, the lead must be removed from the walls in his residence. Unfortunately, this is rarely done principally because of the cost involved. Many times parents or landlords are unable to bear the economic burden of deleading the houses.

Therefore, this legislation provides for funding direct local programs for the elimination of lead in such homes. Under my amendment, priority would go to removing the hazard in children who have been diagnosed to have an elevated body lead burden.

This legislation authorizes $85 million for fiscal year 1976; $95 million for fiscal year 1977 and $105 million for fiscal year 1978. This money is needed if we are to continue our commitment to eliminate the threat of lead poisoning for our Nation's children. In the years since the passage of the Lead Based Paint Poisoning Prevention Act, appropriations for the act have been restricted to a bare minimum. We must continue Federal support of the vital health projects that have already been launched under this law. At the same time, officials who have worked in this field, insist that the lead must be removed from the homes of those children who have been identified as sufferers of lead based paint poisoning. These amendments are specifically designed to do that.

I intend, therefore, to work diligently for funds that can support essential health programs to extend full treatment for lead based paint poisoning to those young sufferers. Once a child has been found with too much lead in his body and has been referred to medical authorities for treatment, his medical care cannot be completed until the source of the illness has been removed. That is why we must seek funds for deleading.

There are many elements in our daily environment that are hazardous to our health. Some of them we do not presently know how to control. But the control of excessive lead is readily understood. I believe it is essential to take every step available and feasible to reach that goal.

In introducing this legislation, the main objective is to provide maximum protection to the children of our Nation.

By Mr. KENNEDY (for himself, Mr. STAFFORD, and Mr. PHILIP A. HART):

S. 1665. A bill to provide for financial assistance to public intervenors in nuclear licensing proceedings. Referred to the Joint Committee on Atomic Energy.

PUBLIC INTERVENORS ASSISTANCE ACT

Mr. KENNEDY. Mr. President, I am introducing as separate legislation with Senator ROBERT STAFFORD and Senator PHILIP HART a measure to authorize the payment of legal and technical expert fees for public interest intervenors in nuclear power licensing proceedings.

Last session, the Senate adopted this measure as an amendment I introduced with Senator STAFFORD to the Energy Reorganization Act of 1975. It would have provided for the financing of eligible parties to nuclear licensing proceedings where there was a showing of financial need and where the intervention contributes to the hearing process.

Unfortunately, it was deleted from the conference report. However, the report expressed the view that—

> There is nothing in the Atomic Energy Act, as amended, which would preclude the Commission from reimbursing parties where it deems it necessary.

The Commission, while taking into consideration this statement, the Comptroller General's ruling in a similar matter affecting the Federal Trade Commission and a 1974 district court decision—*West Michigan Environmental Action Council* v. *AEC*, W.D. Mich. No. G-5873, June 19, 1974—still refused to provide such assistance in three recent cases involving requests for financial assistance from intervenors. This decision came even though the Commission indicated that—

> We are tentatively inclined to the conclusion that such authority exists.

However, the Commission would not make a final determination of the matter and argued instead that the new Nuclear Regulatory Commission should consider the matter anew in a separate rulemaking proceeding.

Unfortunately, there has been no indication of the NRC's acknowledgment of existing authority to institute payment of fees nor any rulemaking procedure to implement such authority. The FTC, on the other hand, has nearly completed its new regulations to implement a similar law approved by the previous Congress directly authorizing intervenor financial aid.

For that reason, I believe that if we are committed to the principle of public participation in the regulatory agency decisionmaking process, it is essential that the Congress take early action on this measure.

The benefit of full public participation in licensing decisions seems evident. The former Nuclear Safety and Licensing Appellate chairman, Alan Rosenthal, has testified to the positive contributions of public intervenors in the regulatory process. If we provide the opportunity in the law and in regulations for public participation where criteria of eligibility are met, then we should be sure the opportunity is not illusory. If the eligible intervenor is indigent, and there is evidence that it will contribute to the proceedings, then I think the public interest is served by insuring that their lack of funds does not deny them the opportunity to fully participate.

This legislation contemplates two stages of eligibility: First, the Nuclear Regulatory Commission will have its distinct eligibility criteria for becoming a party to a licensing proceeding, as the Atomic Energy Commission did under title 10 CFR section 2.714; Second, the bill would require a twofold standard before any eligibility for financial assistance would be reached; First, demonstrated financial need such that otherwise the eligible party could not participate, and second, the satisfactory demonstration that the participation of the intervenor contributes to the development of facts, issues and arguments relevant to the proceedings.

In addition, as to the cost involved, the bill specifies that the NRC will establish a ceiling for each proceeding. Intervenors eligible for financial assistance would have to share whatever funds the NRC had established as the ceiling for those proceedings. The effect, rather than to delay or stretch out proceedings, would be for intervenors to more frequently consolidate and narrow their interventions. The intervenors would be limited by that amount. And from previous AEC experience, that amount is not anticipated to be a major expenditure even over the entire 3-year trial period contemplated by the legislation.

I believe that the end result of having public interest intervenors with access to adequate legal and technical experts will be final decisions more in the public interest and more acceptable to the public.

It was thus, the conclusion of the Nuclear Safety and Licensing Appellate Board in its River Bend decision, ALAB-183, that—

> Public participation in licensing proceedings not only can provide valuable assistance to the adjudicatory process but on frequent occasions demonstrably has done so . . . many of the substantial safety and environmental issues which have received the scrutiny of licensing boards and appeal boards were raised in the first instance by an intervenor.

Lee White, former member of the Federal Power Commission, has written:

> As a former regulator, I believed then, and I believe equally strongly today, that the adversary process is essential to the regulator process, but to be effective, the advocacy must be equally good from all view points. To me, this means the ability to bring into any contested issue the sicentific, technical, economic and legal skills essential to presenting the strongest possible case. I assume every regulator would feel that his or her job would be more effective if there were assurance of a strong presentation by citizen groups as well as by industry groups.

This bill seeks to provide that assurance.

I want to emphasize that on July 17, 1974, the Atomic Safety and Licensing Board in a New York prelicensing conference recommended strongly to all prospective intervenors that they obtain legal counsel. Clearly, the licensing board recognized the value of having adequate legal representation for all parties at the proceedings, through aiding in consolidating interventions, removing duplication and overlapping and ultimately shortening the length of the proceedings.

In addition, there has been strong support, evident both in the Senate Government Operations Committee hearings last session and in testimony before the Joint Atomic Energy Committee of the need for technical assistance for financially limited citizen intervenors.

Although there are several examples of citizen groups which, because of inadequate funding, have been unable to participate, let me cite a single case. Consolidated Intervenors in California intervened in the case involving nuclear reactors in San Onofre, Calif. After an initial hearing, the issue of the adequacy of their opportunity to present information was taken to an appellate panel. The panel ruled in favor of the intervenors, citing the substantial nature of the issues the intervenors were raising. The panel ordered another hearing. Despite the existence of issues which the AEC appellate board considered to be sufficient for an additional hearing, they are unlikely to be presented since the intervenor group has insufficient funds with which to proceed.

This is only one example of the rationable underlying this bill. Substantial issues affecting the health and safety of the public will not be pursued in certain cases since intervenors may be unable to finance the presentation of those issues. I do not believe the public interest is served in this situation.

To summarize the provisions of this bill: First, regarding eligibility, public financing is to be available to responsible parties who demonstrate financial need and who can establish that their participation has or is reasonably likely to help develop facts, issues, and arguments relevant to the regulatory proceeding.

Second, the Commission will also establish a maximum amount to be allocated to each hearing. This will do more than place a check on the upper limit on expenditures. It will also encourage consolidation of groups and the nonduplicative presentation of opposing viewpoints on all relevant issues.

Third, judgments as to funding will be made by the Commission and if that judgment is appealed, the bill specifically provides that the decision could not be a basis for reversing the substantive licensing decision.

Finally, the bill will provide only a 3-year authority to permit the Congress the opportunity to review the practices and results of the payment of intervenor costs.

Mr. President, this bill was endorsed last year by the section on individual rights and responsibilities of the American Bar Association, the National Wildlife Federation, the Environmental Defense Fund, the Sierra Club, Friends of the Earth, Environmental Action, the Environment Policy Center, the National Resources Defense Counsel, and Public Citizens, Inc.

I am hopeful that there can be early action on this matter by the Congress this session.

Mr. President, I am looking forward to enactment of this legislation so that we may continue the vitally needed assault upon the problems of childhood lead poisoning.

I ask unanimous consent that my bill amending this law be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Intervenors Assistance Act".

SEC. 2. The Atomic Energy Act of 1954 (42 U.S.C. 2011) is amended by adding after section 192 the following new section:

"PUBLIC INTERVENORS; COSTS AND FEES

"SEC. 193. (a) With respect to any hearing held pursuant to section 189a or any other agency proceeding for the granting, suspending, revoking, or amendment of any license or construction permit or application to transfer control, or any agency proceeding for the issuance or modification of rules and regulations dealing with the activities of licenses, the Commission shall, upon request, reimburse eligible parties for the cost of participation, including reasonable attorneys' fees, of any party in any related hearing or agency proceeding. The amount paid, if any,

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shall be determined after consideration of the following eligibility factors:

"(1) The extent to which the participation of the party contributed to the development of facts, issues, and arguments relevant to the hearing or proceeding.

"(2) The ability of the party to pay its own expenses.

"(b) The Commission shall establish a maximum amount to be allocated to each hearing or agency proceeding and shall apportion that amount among the parties seeking reimbursement of costs based upon the factors enumerated in subsection (a). The maximum amount established pursuant to this subsection shall be established and adjusted from time to time by the Commission with regard to the following factors:

"(1) The actual costs of public participation in the hearing or proceeding based upon a nonduplicative presentation of opposing viewpoints on all relevant issues.

"(2) The cost of participation in the hearing or proceeding of the Commission's staff and applicants of the Commission.

"(c) In order to facilitate public participation, the Commission shall, wherever possible, make a determination of a party's eligibility for reimbursement pursuant to subsection (a)(2) of this section prior to the commencement of a hearing or proceeding.

"(d) Payment of costs under this section shall be made within 90 days of the date on which a final decision or order disposing of essentially all of the matters involved in the hearing or proceeding is issued by the Commission, except that if a party establishes that—

"(1) its ability to participate in the hearing or proceeding will be severely impaired by the failure to receive funds prior to conclusion of the hearing or proceeding; and

"(2) there is reasonable likelihood that its participation will help develop facts, issues, and arguments relevant to the hearing or proceeding,

then the Commission shall make from time to time (but at least quarterly) advance payments to permit the party to participate or to continue to participate meaningfully in the hearing or proceeding with regard to the maximum amount payable for costs of the subject hearing or proceeding and the possible requests for reimbursement of costs of other parties.

"(e) In the case of any judicial review arising out of an appeal of a decision reached in a hearing or agency proceeding before the Commission, the court may order the Commission to reimburse a party for all costs incurred in the course of such judicial review, including reasonable attorney's fees, if such party meets the requirements of subsection (a).

"(f) The provisions of this section shall become effective upon the adoption by the Commission of such regulations as are deemed necessary for implementation or upon the expiration of 90 days after the date of enactment of this section, whichever first occurs. This section shall apply to all hearings, agency proceedings, and judicial proceedings in which final decisions or orders disposing of essentially all of the issues involved in the hearing or proceeding or final orders or courts have not been issued by the Commission or court prior to the date of enactment of this section and to all hearings, agency proceedings, and judicial proceedings commenced after such date of enactment. In the case of any judicial proceedings pending when this section is enacted, the reimbursement of costs provided for in this paragraph shall apply only to costs referred to in subsection (e) and not to costs of the hearing or proceeding being reviewed.

"(g) Nothing in this section shall diminish any right which any party may have to collect any costs, including attorneys' fees, under any other provision of law.

"(h) The authority to make payments under this section shall not apply to any proceedings arising out of such hearings or proceedings, if the hearings or proceedings commence later than 3 years after the date of enactment of this section.

"(i)(1) Any decision made by the Commission pursuant to this section shall be reviewable to the same extent as any other Commission decision, except that no stay may be issued based upon any alleged violation of this section and no court order determining that the provisions of this section have been violated shall, solely as a result of that determination, require a reversal of the Commission's decision with respect to any other issue.

"(2) Any determination pursuant to subsection (c) or (d) of this section shall be a final and appealable order within the meaning of section 2342 of title 28, United States Code, if the Commission determines that the party is not financially able or

"(i) the party has the ability to pay its own costs and therefore is not eligible for reimbursement, or

"(ii) the party, although not financially able to participate meaningfully in the hearing or proceeding, is nonetheless not entitled to the relief requested.

"(j) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

By Mr. BROOKE (for himself, Mr. Hugh Scott, and Mr. Weicker):

S. 1666. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates. Referred to the Committee on Commerce.

THE ELECTRIC UTILITIES RATE REFORM ACT OF 1975

Mr. BROOKE. Mr. President, it must be apparent to all of us in the Congress that few of the energy problems facing us today are as acute as the issue of consumers' electric bills and the related financial problems of the utility industry. Households in every part of the Nation have seen their electric bills skyrocket in the last 18 months. Regulatory commissions are besieged on the one hand by the utilities who are clamoring for relief and rate increases, and, on the other hand, by the public which is calling for a halt to these price increases.

In Massachusetts, we pay the second highest electric bills in the entire Nation. Even more disturbing is the fact that, while everyone in the United States is seeing an alarming rise in their electric utility costs, our rates in Massachusetts are increasing annually at twice the average national rate of change. Even in the face of the rate increases our residents have already been forced to pay, we have rate increase applications pending before the Massachusetts Department of Public Utilities totaling nearly $130 million. On a per capita basis, these proposed increases are as high as or higher than those pending anywhere in the Nation.

Although many believe our energy-related problems in New England to be unique, they really are not. Everywhere utilities are in trouble; everywhere energy costs are high now and are going to get higher. New England may currently be suffering some competitive disadvantage because of our heavy reliance on foreign oil, but our problems of today are everyone else's problems of tomorrow.

It is time that the Congress take a long, hard look at what is causing these price increases and what Federal assistance and Federal standards can do to help. This is our responsibility not simply because beleaguered constituents are coming to us for help, but also because the development of a national electric pricing policy is part of a rational Federal energy policy.

For one thing, much of our electric power is generated from our precious supplies of oil and coal whose future lies mainly in the hands of this Congress. Thus, decisions affecting our national supply of fuels have direct consequences on the cost and amount of electricity the Nation can produce. More important, the nature and quality of our electric power resources are major variables in the Nation's energy supply in the next 50 years. With many analysts predicting that, by the turn of the century, more than half our energy will be in the form of electric power, intelligent planning decisions must be made at the Federal level at once to guide the development of our precious resources in the future. Our State and local public utility commissions must be given explicit standards of fairness and efficiency as they regulate the utility industry.

As part of President Ford's effort to develop a national energy policy, he has proposed legislation to alleviate some of the short-range problems of supplying electric power. However, the evolution of systematic policies regarding electricity is a responsibility the legislative branch must share with the executive. Toward this end, I am introducing, with Senators Hugh Scott of Pennsylvania and Weicker, the Electric Utility Rate Reform Act of 1975.

This proposal is a result of taking a long hard look at the causes of the high prices for electricity and the options for providing legislative remedy. Let me say quite frankly at the outset that this is no panacea. If I knew a quick, easy way to solve the problem of electric costs, I would be proposing it; but I do not; now I believe, does anyone else.

The problem lies with the three major factors underlying rate increases. Simply put, these are: plant operating cost fuel costs, which we all know have soared, and fixed costs. Fixed costs represent a major part of the problem. They include the cost of capital which has been rising as old, 5 percent bonds mature and are replaced by bonds with yields of 10.5 percent and up. Utilities will have $20 billion of capital construction expenditures this year and will need to borrow enough to cover at least $100 billion more in building programs by 1980. Fixed costs also include materials and skilled labor whose prices are still inflating at double-digit rates.

But it is important to realize that utilities are committed to the present pattern of fixed costs because they have priced their service according to obsolete principles. One has to understand how rate structures appropriate to high-growth periods of the 1950's and early 1960's have created a wasteful demand for more and more expensive capital growth. When today's rate systems were established, it was in an environment of bargain capital and low-cost energy. The addition of plant capacity at the margin to accommodate extra usage had real economies of scale. As a result, rate structures with "declining block" pricing were established. Under this system, the price of electricity goes down, in steps, the more electricity a customer consumes. This provides an incentive to consume rather than conserve, and customers trying to use less power are penalized by having to pay a higher rate per kilowatt hour.

To add to the impact of such rate structures, utilities are permitted, under current regulatory policy, to use promotional rate designs for special markets, like hot water heating and "all-electric residential." Regulators have not dealt with the fact that if a utility generates its electricity by burning oil, it will consume two to three times more oil to heat the house electrically than if that oil were used to heat the house directly. This is particularly important to us New Englanders because we depend so heavily on oil to heat our homes and need to assure an adequate, long term supply.

To summarize, rate designs have rewarded use of power, not conservation of our energy resources and, as a consequence, they have encouraged the construction of heavy capital facilities which are now imposing so high a cost on every American family. Electric generating capacity must be built to accommodate the most intensive possible peak-period demand and then provide a substantial margin of "spare" capacity for safety. In the United States today, the average utilization of generating capacity is 49 percent. What this means to you and me is that half the figure charged to us for plant costs goes for a generator that is just sitting there idle in case someone wants some extra power.

Our regulated utilities' pricing system has failed to perform the important role price usually plays in the marketplace. It is not signalling to the buyer of energy what costs his or her incremental use of electricity are imposing on the system. Even though a customer carelessly using a lot of power during peak-load periods is both forcing the generating station to use its least efficient combustion turbines to meet the spurt of demand and forcing the leaders of the utilities to plan for expensive new plants, no extra charge is billed against him. The result of this is that in the last 10 years, demand for peak-period power has grown much faster than the overall demand for power. This is compounding the problem of costly growth. Our proposed legislation sets a simple standard for all rate structures: Users will pay for the true cost of service they consume.

By charging users the actual, incurred costs of customer services, operating capacity, fuel and additional capacity, rate structures can build in incentives for general conservation and for shifting use to off-peak hours. The FEA has estimated that as much as $120 billion in capacity that would otherwise be built and charged on fuel bills can be made unnecessary by peak-load pricing structures. Seen another way, this represents a potential saving of 500,000 barrels of oil a day.

Certainly there is a need for expansion of our energy resources, and we will have to build many new plants for the last quarter of this century. But what we do not need is a system of energy pricing which forces us to squander our valuable resources.

The legislation I introduce has other provisions that can help reduce costs as well. For example, utilities cannot recover the cost of advertising which encourages further wasteful use of energy. Also, public utility commissions must act on utility rate requests within a 10-month period, thus affording our private utilities some measure of predictability in their planning.

Finally, it seeks to regularize procedures for the fuel adjustment charges which so burden all consumers of power. In 1974 the rate increase due to fuel charges was $6.5 billion in this Nation. That is over four times as great as the previous year's increase attributable to fuel costs. In spite of several well publicized incidents involving outright fraud in utility fuel transactions, most States require little or no disclosure of fuel bills from their utilities. In order to provide some mechanism to check on potential fraud or mismanagement, this legislation requires utilities to give notice of changes in their fuel charges and present full documentation, with respect to their fuel-buying, at public hearings.

None of these reforms is an ultimate solution to the problems of electric costs. Energy costs of all kinds are going to remain high. Several other strategies could be combined with cost of service pricing. Among the proposals are direct subsidies from taxes, tax relief for private utilities and public ownership of powerplants. But I do not think any of these is as useful or workable a first step toward ultimate reform as the establishment of a rational pricing scheme.

In the long run, I firmly believe we must make a radical reexamination of our system for regulating the price structures of certain industries in this country. I suspect that the methods devised in earlier years for the computation of equitable returns on investment for a variety of basic services are now penalizing both consumers and producers and are creating improper allocations of vital national resources. But we cannot wait for the study and litigation such fundamental reform entails. We must move quickly to change our rate structures so customers and utilities can afford to pay for meeting our long-range national needs for electricity.

Mr. HUGH SCOTT. Mr. President, the massive rise in utility rates is undoubtedly one of the hardest blows that the energy crisis has dealt the consumer. I have received dozens of letters complaining of the hardship the new electricity prices cause, and I have no doubt my colleagues have had many similar letters from their constituents. Unfortunately, Congress would have a problem directly reducing the price of utilities, but it can ensure that each consumer pays a price which reflects the real cost of the power he uses.

Our present pricing system encourages extravagant consumption by large users who benefit from promotional discounts such as the "declining block rate." Under this system the more you use, the less you pay. In the past, such rates reflected the trend of industry costs which were declining: by promoting increased use they gave the companies more income. But this rate structure is no longer appropriate.

The present trend in the utility industry is an enormous increase in demand, which in turn necessitates costly expansion of power plants. Higher prices affecting all customers come from the wasteful habits of a few. The bill I am introducing today with Senators Brooke and Weicker would flatten out these promotional rates and thus reduce demand, conserve energy and help keep prices down. It would do away with a situation in which the small domestic consumer pays for the extravagance of some industries and owners of luxurious homes.

My bill also tackles another fundamental problem facing the utility industry—that of uneven demand. Electricity demand fluctuates by season and even by the hour. The demand for electricity peaks in early evening and hot months. The utilities have to be prepared to accommodate this "peak load" demand, even though the equipment required is not used at any other time. The power produced to meet this peak demand is very costly but in most instances today's prices make no distinction between loads that add to this peak and require extra capacity to be built, and those that are offpeak and do not. Some plants are built solely for use during peak periods. If pricing provided incentives for conumers to use less electricity at peak periods these plants would not be needed. My bill specifically directs the State utility commissions to alter the way they set rates to a system of peak pricing.

It obviously makes sense to price electricity to encourage conservation. My legislation will eliminate the incentive for indifferent and wasteful consumption. It should improve standards of efficiency in air-conditioning and insulation. Peak load pricing will help to correct the unjust "Catch 22" effect experienced by those consumers who conscientiously try to conserve electricity and are rewarded with higher prices caused by the reduction in use on an overbuilt system designed to meet peak demand. If the rate system had been designed to discourage peak use and wasteful use the utilities need never have overexpanded their capacity and the consumer who saves electricity would have saved money as well.

Today, the Nation is being urged on all sides to conserve energy. In spite of this, electricity is still being sold in a way that encourages greater consumption. My bill would substitute as a system designed to encourage more frugal use of electricity. It will benefit the consumer because it insures that the costs of generating electricity are borne by those who cause them. The average householder's bill will probably decline slightly as a result. In the long run, peak load pricing will not only restrain utility prices, but by reducing the number of new powerplants required it will also help protect the environment. I urge my colleagues to support this and I hope it will receive speedy consideration by the Congress.

Mr. WEICKER. Mr. President, I am today introducing, along with my distinguished colleagues, Senator Brooke and Senator Hugh Scott, the "Electric Utilities Rate Reform Act of 1975," legislation to totally revamp utility rate structures.

Mr. President, the State of Connecticut is but one of the many experiencing skyrocketing utility costs and fuel adjustment clauses. However, since utilities in New England depend heavily on imported oil to generate electricity, Connecticut is particularly vulnerable to escalating utility fuel costs which translate into sharply higher monthly bills for each consumer.

Presently, as fuel prices escalate, utilities automatically pass on these increased energy costs to consumers under the controversial fuel adjustment clauses on monthly electric bills. This passthrough procedure is automatic and these very substantial fuel adjustment clauses are only rebatable at some later date if determined by the State utility commission to have been unwarranted.

This automatic passthrough provision of the utility rate structure has a number of obvious drawbacks. First, since it is automatic, there is no reason for the utility to seek to improve its efficiency to hold down generating costs. Also, there is little incentive for the utility to "shop around" to contract for the cheapest fuel available, since higher fuel prices are simply passed on to the consumer.

In particular, the lack of prior review of automatic fuel adjustment clauses can hardly be justified at a time when consumers as well as utilities are struggling to survive under inflated costs.

For these reasons, this legislation would prohibit the arbitrary assessment of fuel adjustment costs without prior public hearings to justify the increased charges. Through these public proceedings, a utility would be required to show: First, that it "continually manages fuel purchases, uses, and generating facilities prudently and efficiently"; and second, that it distributes fuel costs and charges consistent with "cost of service" standards established under the bill.

Under "cost of service" pricing, utility rate schedules would be revised to reflect actual costs of serving each customer. Under present rate structures, utilities charge a uniform rate per kilowatt hour over the day, even though production costs vary substantially between so-called peak periods and off-peak periods of electrical consumption.

During peak periods, normally the early morning and early evening hours, heavy demand is placed on electrical generating facilities. For this reason, these facilities must be designed and built to meet peak demand, even though this capacity may be up to 50 percent idle during much of the rest of the day, in off-peak hours. In addition, in many cases, utilities must operate inefficient, fuel-expensive gas turbines for very short periods to meet the highest peak of consumption.

Therefore, because current consumption patterns require electric generating facilities to meet the heavy peak-load demand,. the average consumer ends up paying for substantial idle capacity during the off-peak period.

In order to provide electrical power more efficiently, utilities must encourage customers to change their consumption patterns. The legislation we propose would mandate—on the basis of "cost of service" standards—lower off-peak rates to induce customers to shift their power needs from peak-load periods.

Under restructured rates the consumer would pay a realistic higher rate for more expensive peak power, and a lower rate for consumption on off-peak hours. That is, the consumer pays for what he uses, and is rewarded for what he saves.

As the demand curve for energy consumption tends to "flatten out" over the day, utilities should be able to operate with greater efficiency, and better forecast future demand.

The legislation would further end the current practice of charging large users, such as industrial customers, progressively lower per kilowatt hour rates. Again, such arrangements merely encourage consumption, no matter how wasteful or inefficient, and effectively discourage conservation.

Mr. President, I submit that this comprehensive rate reform package is an important step toward rationalization of the utility industry. There will of course be other proposals in this area, but what is needed now is positive action to bring back some sanity to soaring utility costs.

I should note that the Federal Energy Administration—FEA—has recently announced $1.2 million in grants to six public utilities to test more efficient methods of producing electricity. Among those chosen as participants in the FEA program, designed to consider such reforms as variable rates as means of promoting conservation and holding down consumer electric bills is the Connecticut Public Utilities Commission.

While I am encouraged by FEA's interest in these issues, I would suggest that this Nation cannot afford to wait three years or more for test results. I therefore urge my colleagues to carefully consider the legislation I have introduced today, and other alternatives that will be formulated, in order that the Congress might move expeditiously toward comprehensive utility rate reform.

Mr. President, I ask unanimous consent that the text of the Electric Utilities Rate Reform Act of 1975 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Utilities Rate Reform Act of 1975".

FINDINGS

Sec. 2. The Congress hereby finds that:

(a) the continued generation and transmission of an adequate supply of electrical energy is critical to the Nation's defense, a sound and stable economy and the general health and welfare of the people of the United States;

(b) rapid changes in the economic environment of the electric utility industry call for adaptation by the regulatory authorities in their rate-making practices which influence total revenues and, therefore, the return on capital of electric utilities;

(c) present utility pricing practices and local regulatory rate-making practices often result in a disproportionate distribution of the costs of generating and transmitting electricity among different classes of customers;

(d) the disproportionate distribution of costs in electric rate schedules often results in some classes of customers paying less than the full cost of the service they receive, including the cost of capacity needed reliably to meet their demand during peak-load periods, and thereby encourages wasteful use of energy;

(e) sales below actual cost of service encourage excessive consumption of electrical energy and unnecessary construction of electricity generating facilities at a time when the Nation gravely needs to conserve its energy resources;

(f) the unnecessary construction of generating capacity by the electric utility industry is creating burdens on the financial markets which will be difficult to meet;

(g) the capital inadequacy of the electric utility industry has impaired its ability to finance conversion of generating facilities from oil to coal and to invest in equipment necessary to limit adverse environmental effects of energy production;

(h) shortages and unreliable supplies of electricity caused by the financial problems of the utilities now exist or are imminent and jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailments of vital public services; and

(i) existing rates and rate bases are significant elements in the present and future generation, transmission, and conservation of electricity, and affect interstate commerce.

PURPOSES

Sec. 3. The purposes of this Act are:

(a) to establish minimum standards of electric ratemaking in order that the actual costs of generating and transmitting electricity are equitably distributed among all customer classes;

(b) to insure that all electric utility customers are charged prices which are proportionate to the actual cost of the service they receive;

(c) to encourage the conservation of electricity by all users;

(d) to avoid the construction of unnecessary electricity generating facilities;

(e) to restore the electric utility industry to financial soundness and reliability of service; and

(f) to affirm and maintain the power of regulatory authorities to regulate the sale, generation, and transmission of electricity, including the specific application of the principles of regulation in individual cases, subject to the provisions of this Act.

DEFINITIONS

Sec. 4. As used in this Act—

(a) "corporation" includes any corporation, joint stock company, partnership, association, business trust, organized group of persons whether incorporated or not, receiver or receivers, trustee or trustees;

(b) "fuel adjustment clause" means that part of a rate schedule for sales of electric power which reflect changes in the fuel component per kilowatt-hour of delivered energy cost;

(c) "longrun incremental costs" means those costs which utilities will incur in adding generating capacity necessary to meet additional demand for electricity;

(d) "peak-load periods" means annual, seasonal, and diurnal periods of time in which the consumption of electricity exceeds the average consumption of electricity for such periods of time;

(e) "rate base" means the value established by a regulatory authority upon which a utility is permitted to earn a specified rate of return;

(f) "regulated public utility" or "utility" means a corporation which is engaged in the business of furnishing or sale of electric power if rates for such furnishing or sale have been established or are subject to approval by a regulatory authority; and

(g) "regulatory authority" means any agency of a State, the District of Columbia, or a territory or possession of the United States, or political subdivision thereof, or any agency of the United States which has jurisdiction to establish or regulate rates or charges for the sale of electric power.

STANDARDS FOR COST OF SERVICE PRICING

Sec. 5. Regulatory authorities shall implement and maintain rate schedules which distribute costs to customer classes in accordance with the costs these classes impose on utilities by their consumption patterns. To meet this requirement:

(a) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity to different customer classes at different prices only to the extent that such prices reflect documented differences in the actual costs of service to such customer classes;

(b) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity during peak-load periods at prices higher than prices for the sale of electricity during off-peak-load periods, provided that such prices are documented by differences in the actual costs of service during such periods; and

(c) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity at prices which reflect the long-run incremental costs of service so as to distribute all such costs proportionately among customer classes to the degree their consumption patterns are responsible for such costs, provided that such cost differences are documented.

RATES FOR CUSTOMERS USING SMALL AMOUNTS OF POWER

Sec. 6. Nothing in this Act shall prohibit any utility from establishing or maintaining rates for electric power at less than cost to customers using no more than 300 kilowatt hours per month for the purpose of alleviating the burden of high electricity prices to low-income households.

STANDARDS FOR TREATMENT OF PROMOTIONAL AND ADVERTISING EXPENSES

Sec. 7. No regulatory authority, for ratemaking purposes, may allow recoupment of promotional and advertising expenses, unless such expenses finance efforts encouraging the conservation of electricity or the shifting of the consumption of electricity from peak load periods to off-peak load periods.

STANDARDS FOR TREATMENT OF FUEL ADJUSTMENT CLAUSES

Sec. 8. No regulatory authority may allow or otherwise make lawful, as part of any rate schedule, a fuel adjustment clause permitting monthly changes in the utility's lawful rate equal to the changes in the cost to the utility of generating fuels, including all applicable taxes, tariffs, or similar charges without:

(a) requiring prior notice of the changed cost of fuel and the adjusted rate before any rate change can be implemented;

(b) public proceeding to establish that the utility continually manages fuel purchases, uses, and generating facilities prudently and efficiently;

(c) such rate adjustments distributing fuel costs and charges consistently with the standards established in section 5 of this Act; and

(d) reserving the power to subsequently determine that the adjusted rates or parts thereof are unlawful and subject to refund.

STANDARDS FOR EXPEDITING THE RATEMAKING PROCESS

Sec. 9. (a) No regulatory authority may suspend or otherwise defer the operation of a utility's rate schedule properly filed with it and defer the use of the rate, charge, classification, or service established by such schedule for a period longer than ten months from the date such schedule accompanied by all required supporting documentation is filed, or ten months beyond the time when it would otherwise go into effect, whichever is later. The proposed change or rate, charge, classification, or service shall go into effect, upon motion of the utility, at the end of such period and shall continue in effect until the proceeding on the proposed change has been concluded and a final order issued approving or otherwise disposing of the proposed change.

(b) In the case of a proposed increased rate or charge, the regulatory authority shall, by order, in a manner to be determined by the regulatory authority, require the interested utility to keep accurate account of all amounts received by reason of such increase, and upon completion of the final determination on the rate schedule, shall by further order require, in a manner to be determined by the regulatory authority, such utility to adjust the lawful rate or to refund, with interest, such portion of such increased rates or charges as by its decision shall be found unlawful.

(c) For purposes of this Section, any rate schedule properly filed and pending with a regulatory authority prior to the effective date of this Act shall be deemed to be filed as of the effective date of this Act.

EFFECTIVE DATES

Sec. 10. (a) This Act shall be effective upon enactment, with the exception, however, of section 5 hereof, which shall become effective after 540 days following such date of enactment.

(b) The Federal Power Commission shall report to the Congress by the last day of each succeeding year after the effective date of this Act describing in detail the measures undertaken by the regulatory authorities to comply with the provisions of this Act.

SEVERABILITY

Sec. 11. If any provision of this Act or the applicability thereof to any entity or circumstances is held invalid, the remainder of this Act and the application of such provision to other entities or circumstances shall not be affected thereby.

FINANCIAL ASSISTANCE TO NON-FEDERAL REGULATORY AUTHORITIES

Sec. 12. (a) The Federal Power Commission is authorized to make grants to non-Federal regulatory authorities, in accordance with regulations established by the Commission, in such amounts as are necessary to compensate such authorities for additional costs incurred in complying with the provisions of this Act.

(b) There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this section.

By Mr. BENTSEN:

S. 1667. A bill to prohibit the person holding the position of Secretary of State from holding simultaneously the position of Assistant to the President for National Security Affairs. Referred to the Committee on Government Operations.

Mr. BENTSEN. Mr. President, I am certain that many of my colleagues in this body share my grave concern over the present status of U.S. foreign policy. I believe it would not be an overstatement to describe our Nation's foreign policy as a shambles. And the prospects for improvement are dim unless major changes are carried out in both the concepts on which our foreign policy is based and the tactics used in carrying out that policy.

I am a strong supporter of détente and I will support further steps to strengthen détente. But the world is a sphere, not a triangle. A foreign policy predicated on great power relationships alone is increasingly irrelevant and ignores the emergence of a new international and political order.

We cannot expect to build a structure of world peace on a special relationship with either China or the Soviet Union, or both, while neglecting our traditional allies and our potential allies. There are many new actors on the world scene today whose roles are becoming major. We neglect them at our own risk.

The major themes of international politics today are less and less determined by great power relationships—and increasingly defined by such issues as energy, food and raw material shortages, worldwide inflation, recession and unemployment, the population explosion, disorder in the international monetary area, and abuse of the world's oceans and environment.

We live in an increasingly complex world with new challenges for the United States to face, but this administration's conceptual approach to foreign policy is inadequate to respond to these challenges. And so is the process by which our foreign policy decisions are made. That process has become dangerously constricted and convoluted with an undemocratic emphasis on secret diplomacy, personal negotiations, and one-man authoritarianism.

Never before has the foreign policy machinery of this country been so concentrated in the hands of one person—one person who wears two official hats and unofficially wears a third: that of roving ambassador. It is time to restructure the foreign policy decisionmaking apparatus in this country.

I am today introducing legislation to begin that jom. I am seeking to prohibit future Secretaries of State from serving as the President's National Security Advisor, Executive Secretary of the National Security Council or any other position directing or controlling the National Security Council.

I view this as an important first step to diversify and strengthen the process by which the foreign policy of this country is developed.

With the lack of a real consensus in this country on the goals of our foreign policy, on our tactics, on the role of the United States in the new international political and economic order, we need a duferent kind of policymaking structure than we now have. We need a structure that will expand the range of policy options being presented to the President rather than narrow them, a structure which will improve our ability to deal with crisis in the future, a structure which is more consistent with our democratic form of Government.

There are many who believe that Secretary of State Kissinger is an able and brilliant man but who also believe that his serving as both Secretary of State and National Security Advisor to the President dangerously centralizes power in the hands of one man. I count myself among that group. I believe that there should be more balance in our decision-making process.

During my study of what I believe are a number of structural reforms which should be effected in our foreign policy-making process I seriously considered having this bill apply to the incumbent Secretary of State. However, I am advised that serious questions of unconstitutionality surround the Congress' authority to remove officers of the executive branch except through the impeachment process. Consequently, I have drafted my bill to apply to future Secretaries of State, although I would hope that the President will heed the desire expressed in this legislation that Secretary Kissinger should resign one of his official hats.

I was struck recently by an article in the New York Times by John Hersey, who described several days he spent with President Ford.

In the article, Mr. Hersey pointed out that a sizable group of aides and Cabinet Officers met regularly with the President to debate, discuss and advise him as he shapes domestic policy.

But on foreign policy questions, the President meets with the Secretary of State alone. Just the two of them. No outside views. No differing perspectives.

Mr. Hersey wrote:

> In the formulation of settled policy, this President, who had a minimal exposure to foreign affairs before he came to office, hears, I am told, only one voice, and a mercurial voice it is, Henry Kissinger's."

He continued:

> Yes, this is the most alarming thought I have had all week.

Mr. President, this thought alarms me too. And I am hopeful that this body will give swift approval to my proposed legislation so we can begin correcting this situation.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no person who holds the position of Secretary of State may at the time he is holding such position also hold the position of Assistant to the President for National Security Affairs, Executive Secretary of the National Security Council, or any other position supervising, directing or controlling the staff of the National Security Council.

(b) This Act shall apply with respect to any individual who is appointed to the position of Secretary of State on or after the date of enactment of this Act.

(c) It is the sense of the Congress that the provisions of this Act should be applied with respect to the person who holds the position of Secretary of State on the date of enactment of this Act.

By Mr. HATFIELD:

S. 1668. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 in order to broaden and emphasize the humanitarian purposes of such act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

AMENDING PUBLIC LAW 480

Mr. HATFIELD. Mr. President, I am introducing legislation to bring the operations of the Public Law 480 program into greater conformance with its popular title, "Food for Peace." When the law was written in 1954, it was designed to serve several purposes, and it has done so reasonably well. In this time of global food emergency we need to sharpen the focus of the program so that it is devoted entirely to providing food aid and agricultural assistance to people in need. I do not necessarily deny the validity of the other original purposes of Public Law 480, such as market development or surplus disposal. I simply argue that these projects should be undertaken under different authority.

The bill I am introducing today is a bare-bones approach. It amends the act in order to remove from it purposes, programs, and restrictions which I believe to be inappropriate to the primary task of helping feed the world's hungry. It is by no means a final solution, but is only intended to become part of a basis for discussion in the development of a new food-for-peace program in keeping with the needs of today.

Briefly, the legislation I am introducing would: First, expand and emphasize the purpose of Public Law 480 for the provision of food aid to people in need; second, exclude nonfood commodities from shipment under the act; third, remove anticipated exports for dollars from availability criteria in section 401; fourth, insure that food aid and agreements established under the act do not disrupt the usual marketings of the recipient nations' agricultural commodities as well as those of the United States; fifth, repeal the prohibition on Public Law 480 aid to countries that trade with North Vietnam or Cuba; and sixth, remove the restriction in section 103 on title I sales to the United Arab Republic.

These are the basics. More needs to be done in emphasizing and amplifying the good parts of Public Law 480 rather than just excising the bad. With the amendments I am proposing, we will have the skeletal framework on which to build a healthy and humanitarian food aid program.

To further explicate the purposes of this legislation, I ask unanimous consent that my February 18 testimony to the Senate Agriculture Committee on amending Public Law 480 be printed in the Record, along with the text of the bill.

There being no objection, the statement and bill were ordered to be printed in the Record, as follows:

Testimony of Senator Mark O. Hatfield, Senate Agriculture and Forestry Committee, February 18, 1975

Mr. Chairman, the Food for Peace program has been operating fairly quietly and fairly effectively for twenty years. It is the only government program we have that is specifically designed to help feed the world's hungry. There is no doubt that it has made a difference.

In the past two years, the manifold ramifications of a global food shortage have gradually dawned upon us. In November, the U.S. delegation supported a resolution of the World Food Conference pledging an end to world hunger by 1985. If we mean what we say, the inadequacies of the P.L. 480 program become apparent in light of the immensity of the task.

The purposes for which it was created in 1954 do not fit the circumstances of today. Our Food for Peace program does not always ship food, and it does not always serve peace. It is frequently motivated more by a desire to create new demand for American agricultural commodities than a desire to meet needs for food that already exist. It often responds to political requirements more quickly than it does to the basic requirements of existence. The magnitude of today's problems and the prospects for the future demand that we do more than make incremental alterations of P.L. 480. I believe substantive changes must be made.

For several of us here, the most recent argument about what P.L. 480 is and what it should become has been over the political use of food aid. The 1974 shipment to Southeast Asia of half the aid in P.L. 480 aroused the Congress to restrict the political uses of food aid. First, Congress declared that no more than 10% of P.L. 480 aid could be sent to any one country. Then in the language and legislative history of the Foreign Assistance Act of 1974 (P.L. 93–559), we clearly stated that no more than 30% of Title I concessional food aid can be directed to countries not identified by the United Nations as "most seriously affected" by the world food shortage. Despite that clear expression of intent, the Administration attempted to exclude aid to Southeast Asia from the limitation. When that failed, it was decided that the restriction, which specified "concessional food aid," did not cover shipments of cotton and tobacco, which will be used to boost political aid. But at least in the process we managed to have funds for P.L. 480 increased to $1.4 billion.

This skirmish should prompt us to make some changes in the intent and extent of Food for Peace.

First, political considerations should be completely excluded from decisions about allocating P.L. 480 aid. When the law was written, world hunger was not so critical (or we were not so aware of it) and Cold War mentality demanded that we exclude certain countries from our assistance programs despite their needs. Now global hunger is all too evident, and détente has blurred distinctions between "them" and "us."

It should always have been so, but now it is imperative that our food aid be directed to those in need, not those who think we need for the accomplishment of some grand foreign policy strategy. We must not refuse aid to starving people who do not agree with our scheme of world order. On the other hand, we should not ship food to foreign countries because they happen to be our allies and regardless of their food need. Nor should food be allocated on the basis of what natural resources the recipient countries control and how they could use that control as an economic weapon.

These are all real problems for our foreign policy, and must be dealt with. But P.L. 480 should not be the tool. Therefore, I recommend that for at least as long as the world food shortage continues all Food for Peace aid be directed only to those countries that require and request assistance to feed their people, regardless of their or our political inclinations. At least for the immediate future, I suggest that we use the United Nation's list of those nations "most seriously affeced" by the world food crisis to determine what countries should receive P.L. 480 aid. As of January 24, that list included 32 countries with a total food deficit of 4.74 million tons, 3.2 million tons of which was attributable to India, Bangladesh, Pakistan, and Sri Lanka. I might add that South Vietnam and Egypt are not on the list. Cambodia and Laos are.

For similar reasons, I recommend that the Act be amended to excise the portion that establishes the creation of export markets as one of the purposes of the program. U.S. agricultural exports have quintupled since passage of P.L. 480, and export markets are well established around the world. Food shortages continuing indefinitely into the future will assure sustained high export levels. P.L. 480 need not be used, therefore, to stimulate exports. So long as the world food crisis continues, the sole purpose of Food for Peace should be feeding people.

In keeping with that purpose, I recommend the Act be amended to remove cotton, tobacco, and all non-food commodities from the program. In FY72 we shipped tobacco and cotton with an estimated market value of $114 million under Title I of P.L. 480. In FY73 the amount rose to $126 million in estimated market value. This came to a total of slightly less than half the estimated market value of wheat and flour ($505 million) for the two fiscal years 1972 and 1973. (Data from Agricultural Statistics, 1974 published by USDA).

The shipment of tobacco under the Food for Peace program is particularly disturbing to me. I was astounded to learn last year that our government, which has found that cigarette smoking is hazardous to health, and has placed restrictions on all advertising of tobacco, then uses taxpayers' money to buy tobacco, store it, and ship it to other countries, giving low interest loans to support its purchase. Like many citizens, I had no idea this was being done in the name of "Food for Peace." It makes a mockery of the entire program. How much food rich in protein could have been grown on the land that provides all this tobacco?

A better case can perhaps be made for cotton. At least it can be made into clothing and provide one of the necessities of life. Here again, however, we confuse the public by sending a non-food item overseas under the guise of Food for Peace. More importantly, we expend funds that could be used for food.

I realize that P.L. 480 purchases of tobacco and cotton help subsidize the production of these commodities. I do not want to debate the question of agricultural subsidies here—it may be that these subsidies are quite legitimate. If we wish to continue them, so be it. But they do not belong in the P.L. 480 program. Again, if we present this program to the American people as "Food for Peace," it should be exactly that.

While I do not believe the production of tobacco and cotton should be subsidized through P.L. 480, I do think we have an obligation to use the program to support the price of food products. Cynics might say that I make this suggestion because Oregon produces no tobacco or cotton but a good deal of wheat, for example. But I have a different reason. The government of the United States has committed itself to the effort to end world hunger by 1985 and has called upon the American farmer to achieve maximum production in order to meet that goal. We not only have an obligation to aid foreign countries in need we also have an obligation to protect the price of farm products when the American farmer responds to the call for all-out production with record harvests. If we do not, we will again have land lying fallow in the United States while millions go hungry abroad.

Therefore, I recommend that this Committee make it quite clear to the American agricultural community that P.L. 480 purchases of food will be increased to meet the food aid need and to protect the producer from the price-deflating effects of a surplus the commercial markets cannot handle.

In a similar vein, I recommend that P.L. 480 be amended so that the establishment of food aid levels will not be dependent upon commercial considerations. Presently P.L. 480 levels are set only after allowances have been made for domestic needs, commercial exports, and carryover stocks. While I agree with the first and last of those criteria. I believe commercial exports should not take precedence over Food for Peace aid.

The countries that are most seriously affected by the world food shortage do not have the money to meet their food requirements by purchases on the commercial market. As a consequence, most of our exports have gone to developed nations such as Russia, China, Taiwan, and Korea. Food should be sent where it is needed most first, and then any remaining surplus can be sold for export. Again, P.L. 480 purchases can be used to support prices against the effect of any decline in commercial exports.

All of these recommended amendments to P.L. 480 attempt to establish what I believe to be an appropriate balance of economic, political, and humanitarian concerns. Obviously, I believe that the last of these should be first, and that economic and political considerations should always be subservient to human needs. Even if all my suggestions should become law, the Food for Peace program would still be a football to be kicked back and forth between the State Department's foreign policy makers and the Agriculture Department's farm economists. That is one reason why I will be introducing legislation to create an Office of Food Administration headed by a Food Administrator appointed by the President with the consent of the Senate.

I have discussed this proposal on other occasions, most recently at the December 18, 1974, hearings of the Select Committee on Nutrition and Human Needs, so I will not go into it in detail here. Suffice it to say that it is patterned after the Office of Food Administration created by President Wilson and run by Herbert Hoover during and after World War I. It is intended to insulate the Food for Peace program from bureaucratic infighting, and ensure that food aid is allocated on the basis of human needs rather than political or economic interests. Furthermore, the Food Administrator would coordinate all government and private food aid efforts to enhance their effectiveness. I expect to introduce this legislation later this week. Your support is welcome.

The Food for Peace program has always had a great deal of potential for alleviating suffering around the world. In this time of global food shortages it is absolutely crucial that the potential be fully realized. I believe the changes I have recommended can help us accomplish that goal.

S. 1668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended by striking out "to expand international trade; to develop and expand export markets for United States agricultural commodities;".

Sec. 2. Section 102 of such Act (7 U.S.C. 1702) is amended by striking out the colon preceding the first proviso and all that follows down to but not including the period at the end of such section.

Sec. 3. (a) Section 103 (c) of such Act (7 U.S.C. 1703 (c)) is amended by inserting "and of the recipient nation" immediately after "United States".

(b) Section 103 (d) of such Act (7 U.S.C. 1703 (d)) is amended by striking out the comma after the word "government" in clause (2) and all that follows down through the period in the third complete sentence of such section (which ends with the words "United Arab Republic under title I of this Act") and inserting in lieu thereof a period.

Sec. 4. (a) Section 104 (b) of such Act (7 U.S.C. 1704 (b)) is amended by striking out "not less than the equivalent of 5 per centum" and inserting in lieu thereof "not more than the equivalent of 5 per centum".

(b) Section 104 (c) of such Act (7 U.S.C. 1704 (c)) is repealed.

Sec. 5. Section 107 (a) of such Act (7 U.S.C. 1707 (a)) is amended by striking out the first sentence and that portion of the second sentence which reads: "In furtherance of this policy, the" and inserting in lieu thereof "The".

Sec. 6. Section 202 of such Act (7 U.S.C. 1722) is amended by striking out the last sentence thereof.

Sec. 7. The first sentence of section 204 of such Act (7 U.S.C. 1724) is amended to read as follows: "There are authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for all costs incurred by such corporation in connection with programs of assistance carried out under this title (including the Corporation's investment in commodities made available)."

Sec. 8. (a) The first sentence of section 401 of such Act (7 U.S.C. 1731) is amended by striking out "commercial exports,".

(b) The second sentence of section 401 of such Act is amended by striking out "adequate carryover, and anticipated exports for dollars" and inserting in lieu thereof "and adequate carryover".

Sec. 9. The proviso contained in the first sentence of section 402 of such Act (7 U.S.C. 1732) is amended by striking out "beverages, and for the purposes of title II of this Act, tobacco or products thereof" and inserting in lieu thereof "beverages or non-food commodities or products thereof".

Sec. 10. Such Act is further amended by adding at the end thereof a new section as follows:

"Sec. 412. Notwithstanding any other provision of this Act, no agricultural commodities may be made available to any foreign country under title I or III of this Act which is not, at the time, a country designated by the United Nations as 'Most Seriously Affected' by economic crisis unless, at the time such commodities are made aavilable, food needs of all countries designated as 'Most Seriously Affected' have been adequately met."

By Mr. HATFIELD:

S. 1670. A bill to amend section 8 of the Watershed Protection and Flood Prevention Act to increase the amount that may be made available under such section for a single plan for works of improvement. Referred to the Committee on Agriculture and Forestry.

S. 1671. A bill to amend the Bankhead-Jones Farm Tenant Act to increase the amount of any loan for which funds may be appropriated without prior approval of such loan by the appropriate committees. Referred to the Committee on Agriculture and Forestry.

Mr. HATFIELD. Mr. President, section 8 of the Watershed Protection and Flood Prevention Act, an act commonly known as Public Law 566, established a ceiling of $5 million on loans by the Farmers Home Administration to the local sponsors and participants in small watershed projects undertaken with the assistance of the Soil Conservation Service. This loan ceiling has been at the level of $5

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million since the passage of the act in 1954. Since that time, inflation has cut the purchasing power of $5 million nearly in half—to $2.25 million as of March 1975.

Obviously this means that a number of small watershed projects around the country that could not only be preventing flood damage, conserving resources, and providing recreation areas, but also providing vitally needed jobs, have been shelved because of a lack of funding. Raising the FmHA loan ceiling to $10 million will simply counteract the effects of inflation on the small watershed program and give an impetus to employment.

This matter of inadequate FmHA loan levels for small watershed projects was first called to my attention by constituents in Oregon experiencing funding problems with a particular project, but I am sure there are many other projects around the country that are having similar problems and would benefit greatly from an increase in the loan ceiling from $5 million to $10 million.

The first bill I am introducing would authorize this increase.

The second piece of legislation is similar to the first, in that it authorizes an increase in FmHA loan limitations for loans made under the Bankhead-Jones Farm Tenant Act for resource conservation and development projects conducted with the assistance of the Soil Conservation Service. The loan ceiling is now at $250,000, and has been at that level since 1962. My bill would raise the ceiling to the more realistic level of $1 million, allowing projects now stymied for lack of funds to get under way, providing jobs for unemployed Americans.

I urge my colleagues to support this legislation, and would appreciate hearing from them about projects in their own States which could proceed where these loan limitations increased.

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Brooke, Mr. Cranston, Mr. Eagleton, Mr. Philip A. Hart, Mr. Humphrey, Mr. Ribicoff, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Mathias, Mr. Mondale, and Mr. Tunney):

S.J. Res. 80. A point resolution proposing an amendment to the Constitution of the United States granting representation in the Congress to the District of Columbia. Referred to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, I am pleased to introduce a resolution to amend the Constitution to provide full voting representation in the Congress for the District of Columbia. This vital measure for guaranteeing the constitutional rights of the citizens in our Nation's capital has the bipartisan support of 13 Senators: Mr. Bayh, Mr. Brooke, Mr. Cranston, Mr. Eagleton, Mr. Philip A. Hart, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Mathias, Mr. Mondale, Mr. Ribicoff, and Mr. Tunney.

The purpose of the resolution is to amend the Constitution of the United States to provide full voting representation in the Congress for the District of Columbia—two Senators and proportional representation in the House based upon the District's population.

There is no difference between the proposal I am offering today and the one I first introduced 5 years ago, to give full voting representation in Congress to the people of the District of Columbia.

The amendment contains six principal provisions:

First. Citizens of the District of Columbia would elect two Senators and the number of Representatives in Congress, probably two, to which the District would be entitled on the basis of population;

Second. Each Senator or Representative would be required to be a resident of the District of Columbia;

Third. Each Senator or Representative would possess the same qualifications as to age and citizenship and have the same rights, privileges and obligations as other Senators or Representatives;

Fourth. A vacancy in the representation of the District of Columbia in the Senate or the House of Representatives would be filled by a special election by the voters of the District;

Fifth. The amendment would have no effect on the provisions in the 23d amendment for determining the number of electors for President and Vice President to be appointed for the District; and

Sixth. Congress would have the power to implement the amendment by appropriate legislation.

To some people, the attempt to achieve full voting representation in Congress appears to be futile or unnecessary.

On two previous occasions, I introduced proposals for D.C. representation that were not approved by the Senate.

Over two-thirds of the Senate voted in 1971 to table my motion to add the D.C. provisions to the amendment extending the voting age to 18 years old.

Again, after introducing the amendment in 1973, no Senate action took place on the D.C. proposal.

I am concerned that the right for every American citizen to be fully and equitably represented in the U.S. Congress is a right that cannot be abridged. The residents of Washington, D.C., are regarded as full citizens of the United States, for every purpose. But they do not have a voice equal to other Americans in the Federal legislature that affects their lives in so many ways and in so many matters.

No one has yet made it clear why the 200-year-old anticolonialist mandate for "government by the people" should exclude the people who live on the doorstep of the Federal Capital. During 1971, 68 Senators voted against consideration of the D.C. proposal. And 23 Senators voted for its consideration. Since that time the residents of the District of Columbia have elected a nonvoting delegate to the Congress who has been the city's most effective advocate for full congressional representation. Indeed, when the Congress approved a nonvoting congressional delegate for the District of Columbia, for many people that move signaled the beginning of the campaign for full representation. The nonvoting delegate is an interim measure that can sustain the momentum to achieve full voting representation. The Honorable Walter Fauntroy has used his exceptional skills to insure that the struggle for congressional representation will not recede.

Walter Fauntroy has already introduced legislation in the House to provide for full representation in the Congress for the District of Columbia. I intend to work diligently with my colleagues in the Senate to insure that this worthy goal will not be overlooked by the Senate during the 94th Congress.

At least three compelling reasons explain why full voting representation in Congress for the District of Columbia is needed.

First, full voting representation in Congress is an act of simple justice. The people of the District are required to fulfill all the obligations of American citizenship. They are taxed for hundreds of millions of dollars and their sons are drafted for our Armed Forces. But D.C. citizens have no voice in shaping the laws by which they are governed.

When the 23d amendment to the Constitution was adopted in 1961, D.C. residents were for the first time eligible to vote for President and Vice President. There is no reasonable justification therefore to permit them to vote for their President, but not for their own representatives in Congress.

Second, this proposal can assure that D.C. residents are represented by elected officials whose foremost concern is the interest of those who elected them.

The District of Columbia has required the attention of two full congressional committees, whose members are too often obliged to put their work on national legislation ahead of their work on District legislation.

Full congressional representation for the District of Columbia cannot be expected to end participation by Members of Congress on the Senate and House District Committees. But it is reasonable to assume that Senators and Representatives from the States would have more time to devote their attention to their own constituents and would not also be assigned the responsibility of the detailed local work of a District Committee. To deny District citizens a voice and a vote in the Congress is not only to deny 723,000 people their rightful representation in the Senate or the House. At least in part, it is also to deny more than 60 million people in 11 different States the full attention of their own Senators and Representatives. These are the people represented by the 12 Senators and 34 Representatives serving on the Senate and House Committees on the District of Columbia.

Third, fair and equal participation of every citizen is the most basic right of all—the right to vote—has been emphasized by many major national events of the past decade. The Civil Rights Act, the Voting Rights Act, abolition of the poll tax, the 18-year-old vote are some of the great steps made toward full justice that the Constitution offers to every

American. As we approach the Nation's Bicentennial, clearly the principle of representative government should be firmly established in the Nation's Capital. But in Washington, democracy is weakest where it should be strongest.

Visitors to this city from other nations of the world and visitors from across the United States who will be searching for their proud symbols of democracy during the Nation's 200th birthday celebration, will find that here in their Capital City the symbol of freedom is shamefully lacking.

Washington, D.C., is a city of 723,000 people. It has a population greater than that of seven States. Bicentennial visitors to the District of Columbia from those States are represented in Congress by 14 Senators and 9 Representatives. Yet, the people of Washington do not enjoy their rightful share of representation in the Congress. From the following table, it is clear the people of the District of Columbia have not enjoyed comparable representation as that realized by the people from the Nation's smallest States:

[Population July 1, 1974 estimates, U.S. Census]

No Senator, no representatives, one non-voting Delegate:	
District of Columbia	723,000
Two Senators, two Representatives:	
South Dakota	682,000
North Dakota	637,000
Two Senators, one Representative:	
Delaware	573,000
Nevada	573,000
Vermont	470,000
Wyoming	359,000
Alaska	337,000

As our Nation struggles through the difficult period of recrimination at the close of the war in Indochina, perhaps it is fitting that we seize upon the concern in this national mood to establish full justice for the citizens in our Nation's Capital.

For, Washington, D.C., stands in sharp contrast to other capital cities of the world—Canberra, Australia; New Delhi, India; Vienna, Austria; Bonn, West Germany, Berne, Switzerland; Moscow, Russia; Buenos Aires, Argentina; Mexico City, Mexico; and in Caracus, Venezula—citizens in these major world capitals are not denied representation in their national legislatures.

Surely the United States can also affirm that the citizens of our grand Capital City deserve the dignity and respect of representation in their national legislature. And this is an appropriate time—both because of the Bicentennial and because this is a period of national reassessment—this is an appropriate time to seek full representation in the Congress for citizens of Washington, D.C.

Finally, Mr. President, I believe that this is an excellent opportunity to gain the goal we seek because of the cooperative spirit of determination from Senator Birch Bayh, chairman of the Senate Subcommittee on Constitutional Amendments, and from other Senators who share our view on the importance of congressional representation for the District of Columbia.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 120

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 120, the reduced postage rates to Members of Congress legislation.

S. 123

At the request of Mr. Inouye, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 123, a bill to amend the Social Security Act.

S. 454

At the request of Mr. Chiles, the Senator from Florida (Mr. Stone) and the Senator from Oklahoma (Mr. Bartlett) were added as cosponsors of S. 454, a bill to amend the Occupational Safety and Health Act of 1970.

S. 472

At the request of Mr. Javits, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 472, the Full Employment and Job Development Act of 1975.

S. 829

At the request of Mr. Fong, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 829, a bill to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65.

S. 1009

At the request of Mr. Stone, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 1009, a bill to amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor.

S. 1281

At the request of Mr. Proxmire, the Senator from Illinois (Mr. Stevenson) was added as a cosponsor of S. 1281, a bill to improve public understanding of the role of depository institutions in home financing.

S. 1421

At the request of Mr. Schweiker, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 1421, a bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain discriminatory practices in the pricing of fuels and other forms of energy, including electricity.

S. 1447

At the request of Mr. Stevenson, the Senator from Illinois (Mr. Percy) and the Senator from New York (Mr. Javits) were added as cosponsors of S. 1447, the Federal Handgun Control Act of 1975.

S. 1618

At the request of Mr. Hugh Scott, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 1618, the American Folklife bill; and at his own request, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 1618, supra.

SENATE RESOLUTION 20

At the request of Mr. Kennedy, the Senator from Colorado (Mr. Gary W. Hart), the Senator from Nevada (Mr. Laxalt), the Senator from Vermont (Mr. Leahy), the Senator from Kansas (Mr. Pearson), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of Senate Resolution 20, relating to the Vladivostok Agreement and strategic arms control.

SENATE RESOLUTION 122

At the request of Mr. Hathaway, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of Senate Resolution 122, a resolution expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country.

SENATE JOINT RESOLUTION 65

At the request of Mr. Inouye, the Senator from Florida (Mr. Chiles) and the Senator from New Jersey (Mr. Williams) were added as cosponsors of Senate Joint Resolution 65, to authorize and request the President to call a White House Conference on Women in 1976.

SENATE JOINT RESOLUTION 69

At the request of Mr. Domenici, the Senator from Delaware (Mr. Roth) was added as a cosponsor of Senate Joint Resolution 69, a joint resolution relating to obtaining a full and accurate accounting for members of the U.S. Armed Forces missing in action in Southeast Asia and U.S. contributions to the United Nations.

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. Randolph, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of the concurrent resolution (S. Con. Res. 11) to express as a national policy that all citizens have the right to live and work in a barrier-free environment.

AMENDMENTS SUBMITTED FOR PRINTING

NATURAL GAS REGULATORY ACT OF 1975—S. 692

AMENDMENT NO. 395

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. TUNNEY submitted an amendment intended to be proposed by him to the bill (S. 692) to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes.

ANTITRUST IMPROVEMENTS ACT OF 1975—S. 1284

AMENDMENT NO. 396

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. BAYH submitted an amendment intended to be proposed by him to the bill (S. 1284) to improve and facilitate the expeditious and effective enforcement of the antitrust laws.

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Mr. BAYH. Mr. President, I am today submitting an amendment to S. 1284, the Antitrust Improvements Act of 1975, which Senators Philip A. Hart and Hugh Scott introduced earlier in this Congress. The amendment is in two parts. Section 3A would extend the Sherman Act's remedies and penalties to any criminal or fraudulent action taken with an intent to exclude others from engaging in business. Section 3B would permit the United States to recover from corporations violating the Sherman Act up to 20 percent of the revenues received from the sale of products related to the violation.

EXCLUSIONARY PRACTICES

Section 3A of my amendment would extend the Sherman Act's remedies and penalties to all criminal or fraudulent actions that are intentionally taken to exclude others from the marketplace. This type of predatory conduct would be actionable regardless of whether the victims' business constitutes any specific line of commerce or relevant market, and regardless of whether the party engaging in this unreasonable and anticompetitive conduct achieves, comes near to achieving, or even could achieve, a true economic "monopoly" position by its action. No longer would a "dangerous probability of success" have to be proven as to these actions.

This amendment is necessary because of some recent court decisions. These have taken the position that the present Sherman Act provisions do not penalize attempts at monopolization, or other efforts to exclude others from the marketplace—no matter how pernicious the conduct—unless it can be established that there exists a specific market segment which the defendant was seeking to capture, which can be defined in terms of costly economic surveys as to cross-elasticity of demand and supply, and like data, and that the defendant, had it fully carried out its intended actions, could have succeeded in capturing a "monopoly" of that market segment. This view is exemplified in the recent case *Acme Precision Products, Inc.*, v. *American Alloys Corp.*, 484 F. 2d 1237 (8th Cir. 1973). The better view, however, endorsed by my proposal, is expressed in *Lessig* v. *Tidewater Oil* Co., 327 F. 2d 459 (9th Cir.), certiorari denied. 377 U.S. 993 (1964), and has been supported by the Department of Justice as *amicus curiae* in *Highland Dairy, Inc.*, v. *The Kroger* Co., May 26, 1969.

Competition is the lifeblood of our Nation. All efforts to remove or destroy or exclude competitors are antagonistic to our Nation's heritage. As the late Mr. Justice Black once observed, monopoly should "not be tolerated merely because the victim is just one merchant whose business is so small that his destruction makes little difference to the economy," for predatory conduct which tends to create monopoly conditions should be suppressed whether "the tendency is a creeping one" or "one that proceeds at full gallop," *Klor's, Inc.*, v. *Broadway-Hale Stores, Inc.*, 359 U.S. 207, 213–14 (1959). See also *International Salt Co.* v. *United States*, 332 U.S. 392, 396 (1947). Whether exclusionary actions are taken by a firm that becomes or could become a monopolist, or by a firm that would never achieve or come dangerously close to achieving full monopoly power, the conduct and effect on the competitor aimed at is the same and should come under the scrutiny and remedies of our antitrust laws.

CIVIL PENALTIES

Mr. President, monopolists today can engage in anticompetitive conduct and still not risk effective prosecution by our Government. For this reason, I am proposing a new section 3B to supplement the Sherman Antitrust Act's penalties by permitting the Attorney General to sue corporate violators of that act for civil penalties.

Our present law permits the Government to bring three types of suits against Sherman Act violators: Criminal actions, suits seeking injunctions, and suits seeking single damages for actual injuries sustained. Often, it may be considered inappropriate to bring a criminal action for the activity complained of, even though it may be highly antisocial, anticompetitive, and criminal. This may be because the conduct has never been held previously to be a violation of the act, or because it is not a recognized "per se" violation. In such a circumstance, it may be unlikely that a jury or court would convict the violator, and a judgment of acquittal cannot be appealed to a higher court. If it were a civil case, however, the Government could take an appeal to correct what may have been an erroneous decision at the trial court level.

Similarly, there are other cases in which the Government would not find it appropriate to bring an injunctive suit. The violator may have discontinued and abandoned its anticompetitive conduct, after the Government brought the matter to light, so that there is nothing necessary to enjoin. Moreover, it is often the case that the Government itself does not suffer actual damages, and thus would not sue for them, although the damage to the general public may be significant.

There is therefore often a crack between present civil and criminal remedies, into which the conduct falls. It is too late to bring an ordinary civil case in equity, but not yet a clear enough occasion of illegality for a criminal case. Yet the corporation may have profited handsomely from the illegal acts.

The civil penalty provision I propose would correct these problems by permitting the Government to sue the violator for up to 20 percent of the revenues it gained from sales of the restrained product or services, and which thus directly relate to its anticompetitive behavior. Each violation of the Sherman Act would then be met by an appropriate remedy that would afford the necessary relief. No longer would the Government's hands be tied when it seeks to prosecute these violations of our antitrust laws.

Further reasons compel the addition of the proposed provision. The fines that our present law provides, even as recently raised to a $1 million maximum, are not always enough to act as a deterrent to this brand of crime. To the corporations that drive out of business those who wish to compete with them, and to those that take hundreds of millions of dollars from our pocketbooks by monopolistically controlling the prices we pay, even the maximum fine we now provide is just a license fee, which they may pay for the privilege of violating our laws and can treat as a cost of doing business. Nor is the threat of a damage suit by an injured party sufficient to deter this behavior. Treble damage suits were provided in 1914 by the original Clayton Act; yet violations of our antitrust laws have continued unabated. Largely, this is because damages in a civil suit need to be proven with precision, after lengthy, expensive, and burdensome litigation that the injured party often lacks the stamina or capital to endure. Furthermore, the present damage provisions do not compensate the general public for the higher prices it paid and continues to pay, and the general injury to competition it suffered and continues to suffer.

Under our present system of remedies and penalties, corporations can still gain economically by violating the law. The maximum amount by which the last Congress increased the fines that corporations must pay for violating our antitrust laws is minute in comparison to the profits which corporations can make by violating those laws. Yet, this is the only major change in penalties for corporations we have provided in over 85 years of continuing monopolistic practices. Plainly, our present remedies and penalties are insufficient.

My proposal would add more teeth to our antitrust laws. Our Government's hands will no longer be tied. At the same time, recovery of up to 20 percent of the violator's ill-gained revenues will make it far less likely than at present that the violator will still gain economically by committing anticompetitive and predatory acts. By providing the Attorney General as the one to enforce this additional remedy we will assure a strong litigating arm for the public, and assure that the public's damage is compensated.

For justice to be done, our Government must be a strong enforcer of the laws, and the profits that the violator takes from the public must, at the very least, be returned to the public.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENTS NOS. 308 AND 309

At the request of Mr. Abourezk, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of amendments Nos. 308 and 309, intended to be proposed to the bill (S. 663) to provide supplemental assistance to Cambodia.

AMENDMENT NO. 342

At the request of Mr. Weicker, the Senator from Alabama (Mr. Allen), the Senator from Nebraska (Mr. Curtis), the Senator from Kansas (Mr. Dole), the Senator from Arizona (Mr. Fannin), the Senator from Utah (Mr. Garn), the Senator from Wyoming (Mr. Hansen),

the Senator from Oregon (Mr. Hatfield), the Senator from North Carolina (Mr. Helms), the Senator from Nebraska (Mr. Hruska), the Senator from Nevada (Mr. Laxalt), the Senator from Idaho (Mr. McClure), the Senator from Ohio (Mr. Taft), the Senator from South Carolina (Mr. Thurmond), and the Senator from Texas (Mr. Tower) were added as cosponsors of amendment No. 342 intended to be proposed to the bill (S. 200), the Consumer Protection Act of 1975.

NOTICE OF HEARING

Mr. HUMPHREY. Mr. President, on May 22 the Subcommittee on Foreign Agricultural Policy will hold a hearing on S. 1354, a bill introduced by Senator Dole which would permit foreign countries to hold reserve stocks of agricultural commodities in the United States that would not be subject to export controls. This hearing will begin at 10 a.m. in room 324 of the Russell Senate Office Building. Testimony will be heard from administration officials and a limited number of public witnesses.

ADDITIONAL STATEMENTS

S. 200: A THREAT TO THE AMERICAN FARMER

Mr. McCLURE. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Nebraska (Mr. Curtis), and the material attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Curtis

The American agricultural industry produces approximately $200 billion in food and fiber for the U.S. consumer annually. For this reason, the impact of the proposed ACA (S. 200) on the industry is of immense importance to the country.

Those proponents of this consumer fraud, S. 200, would further extend the fraud by having us believe that S. 200 does not have an impact on the farmer.

Mr. President, the facts are that nothing—nothing could be further from the truth.

On April 14 of this year, I received a letter from Mr. Kenneth D. Naden, President of the National Council of Farmer Cooperatives. The National Council is not the representative of huge farm production, but rather the average working American farmer.

The National Council has a membership in excess of 3,100,000 with a nationwide network of more than 6,800 cooperatives in all 50 States. These cooperatives are farmer-owned and operated, providing their members with a wide range of marketing and farm supply services. During the 1972–73 marketing year, these 3.1 million farmer-owners provided goods and services valued at more than $30 billion..

Therefore, Mr. President, the comments of Mr. Naden represent a significant segment of the "grass roots" farm interests.

Mr. Naden says, "Few pieces of legislation to come before the U.S. Congress threaten the efficient production, processing and distribution of this nation's critical food and fiber supply as does S. 200. If allowed to become law, this legislation could cause havoc with production of our food and fiber, its orderly marketing, and the stability of its pricing structure. We urgently ask your support in protecting American agriculture and the U.S. food industry from the provisions of such ill-conceived legislation."

He adds, "But if Congress sees fit to enact S. 200 to create a new Agency for Consumer Advocacy, then it must assume much of the consequences of a bureaucracy that could:

a. Disrupt emergency food aid to foreign nations through the beneficial P. L. 480 food assistance programs, and thus seriously affect U.S. foreign policy;

b. Suspend or otherwise disrupt the orderly processes of Federal marketing orders that exist to even out the distribution—and thus the prices—of milk, fruits, and vegetables to market;

c. Embargo the export of U.S. agricultural commodities to foreign customers, thus reducing markets for U.S. farmers, adding to the critical balance of payments deficit, and disrupting long-standing contracts with buyers around the world;

d. Burden and negate the contractual arrangements of UEDA's commodity procurement and distribution program that provides food for the nation's School Lunch project;

e. Damage the orderly marketing and price surveillance activities provided to U.S. livestock producers by the Packers and Stockyards Administration;

f. Boost operating costs, administrative delays, and tax revenue needs of the Food Stamp program;

g. Delay beyond critical deadline dates USDA price support and Commodity Credit Corporation food supply programs and inventory control operations;

h. Negate and render ineffective the food inspection services and responsibilities of USDA in protecting the consumer public;

i. Duplicate and complicate the federal channels of responsibility for consumer protection and representation."

Finally Mr. Naden states, "More than 200 programs and proceedings of the U.S. Department of Agriculture can be determined to be 'in the consumer's interest,' and thus open to unwelcome intrusion by ACA-appointed consumer advocates. Delays, appeals, and litigatory proceedings by these consumer advocates would not be unique in their occurrence at USDA. But they would be unique in the damage they could do to the nation's food and fiber programs.

"Perishable commodities cannot wait weeks and months for appeals to be heard. Farmers' pricing and commodity programs cannot be delayed beyond the start-up date for cropping operations. Weekly release of foodstuffs through marketing orders cannot be stopped without serious disruption in supply and pricing to consumers."

Mr. President, I recently shared a platform here in Washington with Mr. Radph Nader, the singular most active spokesman outside of Congress for this super bureaucracy. During the question and answer period a representative of the National Grange who represents an equally important segment of the agricultural industry, voiced equally strong opposition to S. 200.

The American Farm Bureau Federation has also voiced strong opposition to S. 200 on behalf of the American farmer (consumer). The American Farm Bureau Federation represents a membership of 2,393,731 families in 44 states and Puerto Rico. The Farm Bureau in their February 24, 1975 testimony on S. 200 before the Senate Committee on Government Operations stated that they are opposed to the ACA "on the basis that it is wrong in concept and wrong in principle." They go on to say, "The thing we fear most is that this bill is a clear danger to the most unique institution we have in our society—as free a market as there is on earth. Properly circumscribed and policed, the market has and will serve us well. The tools to provide needed regulation are already in place. Congressional oversight will do more than a new bureau to cure their shortcomings."

Let no one be fooled, Mr. President. If S. 200 ever becomes law, America's agricultural industry will be severely adversely impacted and consequently so will the American consumer.

It is my hope, Mr. President, that this fraud on the American consumer, S. 200, will never become law.

I ask unanimous consent that Mr. Kenneth D. Naden's letter to me dated April 24, 1975 and the testimony of the American Farm Bureau Federation be printed in the Record and I sincerely hope my colleagues will read carefully this analysis of S. 200.

The material ordered to be printed in the Record is as follows:

National Council
of Farmer Cooperatives,
Washington, D.C., April 14, 1975.

Hon. Carl T. Curtis,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

Dear Senator Curtis: The National Council of Farmer Cooperatives, on behalf of its member farmer-owned cooperatives across the nation, is alarmed at the potentially far-reaching consequences of S. 200, the Agency for Consumer Advocacy Bill.

Few pieces of legislation to come before the U.S. Congress threaten the efficient production, processing and distribution of this nation's critical food and fiber supply as does S. 200. If allowed to become law, this legislation could cause havoc with production of our food and fiber, its orderly marketing, and the stability of its pricing structure. We urgently ask your support in protecting American agriculture and the U.S. food industry from the provisions of such ill-conceived legislation.

Citizens intimately familiar with the statutory responsibilities of existing state and federal regulatory agencies of government agree that machinery already exists to adequately protect the American consumer.

But if Congress sees fit to enact S. 200 to create a new Agency for Consumer Advocacy, then it must assume much of the consequences of a bureaucracy that could:

(a) Disrupt emergency food aid to foreign nations through the beneficial P.L. 480 food assistance programs, and thus seriously affect U.S. foreign policy;

(b) Suspend or otherwise disrupt the orderly processes of Federal marketing orders that exist to even out the distribution—and thus the prices—of milk, fruits, and vegetables to market;

(c) Embargo the export of U.S. agricultural commodities to foreign customers, thus reducing markets for U.S. farmers, adding to the critical balance of payments deficit, and disrupting long-standing contracts with buyers around the world;

(d) Burden and negate the contractual arrangements of USDA's commodity procurement and distribution program that provides food for the nation's School Lunch project;

(e) Damage the orderly marketing and price surveillance activities provided to U.S. livestock producers by the Packers and Stockyards Administration;

(f) Boost operating costs, administrative delays, and tax revenue needs of the Food Stamp program;

(g) Delay beyond critical deadline dates USDA price support and Commodity Credit Corporation food supply programs and inventory control operations;

(h) Negate and render ineffective the food inspection services and responsibilities of USDA in protecting the consuming public;

(i) Duplicate and complicate the federal channels of responsibility for consumer protection and representation.

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More than 200 programs and proceedings of the U.S. Department of Agriculture can be determined to be "in the consumer's interest," and thus open to unwelcome intrusion by ACA-appointed consumer advocates. Delays, appeals, and litigatory proceedings by these consumer advocates would not be unique in their occurrence at USDA. But they would be unique in the damage they could do to the nation's food and fiber programs. Perishable commodities cannot wait weeks and months for appeals to be heard. Farmers' pricing and commodity programs cannot be delayed beyond the start-up date for cropping operations. Weekly release of foodstuffs through marketing orders cannot be stopped without serious disruption in supply and pricing to consumers.

American agriculture is unique, and it must be treated as such under legislation as far-reaching as S. 200. The Congress cannot afford to harness American farmers with still another burden in their struggle to produce food and fiber for U.S. and world markets. We sincerely hope that you will convey our concern to your colleagues in the Senate on this crucial matter.

Thank you kindly.

Sincerely,

KENNETH D. NADEN.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BEFORE THE SENATE GOVERNMENT OPERATIONS COMMITTEE

(Presented by John Datt, Director, Congressional Relations, and Fred Poole, Assistant Director, Congressional Relations, Feb. 24, 1975)

Farm Bureau is the largest general farm organization in the United States with a membership of 2,393,731 families in 49 states and Puerto Rico. It is a voluntary, nongovernmental organization, representing farmers who produce virtually every agricultural commodity that is produced on a commercial basis in this country.

Farm Bureau policies are developed through study, discussion, and decision by majority vote at community, county, state, and national meetings. Our statement today is based on the following policy adopted by the voting delegates of the member State Farm Bureaus at our 1975 annual meeting in New Orleans early last month:

"Government standards of quality, safety, health, and labeling have a role in the marketplace.

"However, we do not believe the government can protect every consumer in each of his transactions without infringing upon his personal freedom.

"Therefore we oppose the establishment of any consumer agency or council having other than advisory powers."

In the past our organization has opposed the creation of a Consumer Protection Agency—now referred to as the Agency for Consumer Advocacy (ACA)—the basis that it is wrong in concept and wrong in principle.

We will not take time today to elaborate upon these two points, but we reaffirm them.

We need not now repeat the arguments well made in the past that the "consumer" is not an identifiable or homogeneous group. This is the flaw in the concept of a government agency to represent consumers. Those who have not grasped this essential fact probably cannot be convinced in the few minutes we shall take here today.

This Agency for Consumer Advocacy will, in our view, lead inevitably to unilateral government decisions on many matters which are better left to the marketplace. Moreover, it is a mechanism which lends itself to government control of the economy.

Despite its assertions of consumer protection the proposed ACA Act is, in fact, quite wide of that mark. It is instead a design for government agency chaos.

It proposes agency vs. agency confrontations with final resolution of differences to be made in the federal courts, if need be.

Necessarily, we look with keenest interest upon the impact such legislation would have on the agency with which agriculture has the most dealings, the USDA. This department has long administered the programs, regulations, practices, and government corporations that affect American agriculture. It is here that the American farmer would meet the Administrator of the Agency for Consumer Advocacy.

From all that has been said in the past, and all that we can understand today, prices would be the first target of any ACA created by the Congress. This is in the nature of things.

Agriculture's peculiar sensitivity to this matter lies not just in the turmoil of the current beef situation which has its roots in the price freeze of two years ago. Rather it comes from the nature of the farming business itself, and what is the most overlooked feature of its market situation. The nature of the farming business is that it deals almost entirely in futures. So one might say, does all business. The difference lies in this: Farming is a productive process that once begun, cannot be shut down. From seed to crop and birth to finished animal farm production is a continuing progression. It begins with a production cost against an uncertain quantity of production, to be sold at an uncertain future price. And this is a sale that in many cases must be made within time limits. It can be deferred only in some cases.

In the case of most producers, and certainly farmers, hoped-for prices set the level of production. The American farmer can produce only when and what he perceives will return him his costs and a profit. Overhang his markets with artificial imponderables affecting prices and his problems are compounded.

The farmer has long lived with expensive and only marginally successful attempts of the Congress and the USDA to improve his "price" situation. He now sees the ACA proposal as another government mechanism almost certain to influence his price structure, but in the opposite direction.

Thus, he is concerned over the enormous grant of powers in this bill for another agency to intercede at the policy and operating levels of the USDA, and there are more than 150 activities carried on by the USDA into which an ACA could intervene.

And finally, there is the matter of the power of such an agency to appeal to the federal courts for changes in decisions with which it did not agree.

We see all of this as a certain expansion of what is rapidly becoming a quagmire of administrative law and procedure, which inevitably lends itself to more and more delay and uncertainty along with increased expenditures of time and resources. The process can be manipulated. Law, procedures, and bureaucracy can, in this fashion, become ends in themselves.

All this comes at a time when the whole area of regulation and regulating agencies are coming into sharp question. Plans to conduct staff studies in this area are before the Congress at this moment and the idea of a commission to examine regulatory efficacy and efficiency has been presented in several bills. While this question is under active consideration, involving as it does the future structure of our government, the pending proposal to establish a superagency with the independence and broad authority contained in S. 200, seems to us a study in contradictions.

If the answer is that regulation has not served us well, and if some agencies have failed to discharge their obligations, then the creation of still another layer of regulating authority, another party, if you will, is not a truly credible alternative or choice.

S. 200 may well not serve the consumer and it may very well do great harm to government.

Though the farmer is set forth with particularity as a consumer in S. 200, Sec. 5(14), we must say we felt the definition in S. 707 last year included the farmer as a consumer.

In our opinion the language of Section 16 (b) does not constitute an exemption although it appears under that title. This, however, is of small concern. We would not in any case favor an agricultural exemption. Our observations over the years have been that exemptions granted, can as easily be withdrawn.

However, if S. 200 is to be considered a consumer protection bill, then all aspects of government regulations affecting production, preparation for marketing, and marketing should be accessible to the ACA. If that indeed be the case, then the exemption afforded labor in the bill is not understandable, and we oppose it.

We see repeated claims, in the stated needs for this bill by its supporters, that this or that agency, such as the CAP, ICC, or FDA has defaulted on its mission and the consumer has been injured. Others refer to injury-causing products, deceptive advertising, packaging, and so forth.

Our question in this case comes in two parts. How much expertise will there have to be in the ACA to make it effective in its intervention into the proceedings of these other agencies? Will it have to have the technical competence of the CAB, ICC, the FDA, and the Consumer Product Safety Commission and scores of other agencies in order adequately to protect the consumer as these agencies allegedly have not?

Secondly, is it not too much to expect that one more agency—reducing no one knows how much of our future government operations to adversary proceedings—will provide all the better results and consumer protection that the existing agencies allegedly have not? We doubt that there is that much magic in an expanded adversary process. An ACA will not always be right. It may agree with the regulatory body in vital mistakes. And it can make its own mistakes. In short, an agency created to correct the errors of others is hardly certain to improve the product of government regulatory activities.

This we think is a fundamental misunderstanding by the enthusiasts of more bureaucracy. Bureaus are composed of humans and as such capable of, and victims of, human error. None will be perfect. We do not contend that the marketplace is perfect. Our concern is that in trying to cure the market of imperfections we may create a worse evil.

Government can be carried to excess and an over-large bureaucracy may be the clearest expression of that excess.

We in the U.S. have perhaps created the greatest bureaucracy in all history. And the questions about it are being raised more loudly each day.

The thing we fear most is that this bill is a clear danger to the most unique institution we have in our society—as free a market as there is on earth. Properly circumscribed and policed, the market has and will serve us well. The tools to provide needed regulation are already in place. Congressional oversight will do more than a new bureau to cure their shortcomings.

IN SEARCH OF MODERATE EGYPTIANS

Mr. CHURCH. Mr. President, the charge has been raised of late that negotiations in the Middle East have broken

down because of Israeli intransigence and not because of the Arab side. The Arab side has moderated, we are told.

But is that true?

According to an article in the May issue of Commentary magazine by Joan Peters, the belief in growing moderation in Egypt is more a wish than a fact. Ms. Peters finds little sign of moderation in that nation despite a search for it which included interviews with Egyptians in every walk of life and Egyptians of diverse philosophical views.

In seeking peace in the Middle East, the world must deal with facts rather than wishes. Mr. President, this article deserves careful reading. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN SEARCH OF MODERATE EGYPTIANS

(By Joan Peters)

The recent breakdown of Secretary of State Kissinger's step-by-step negotiations in the Middle East was immediately followed by what seems to have been a carefully planned if private effort on the part of American officials to blame the failure of the mission on Israeli "intransigence" and lack of "flexibility." Implied in this view, which was attributed to both President Ford and Secretary Kissinger, and quickly made its way into newspapers and radio and television reporting, is the notion that on the Egyptian side, a new willingness has been shown to deal with Israel as an established fact and to take steps that might eventually lead to normal relations between the two countries—a process now allegedly jeopardized by Israel's "stubbornness." The Egyptians, in other words, according to this scenario, have changed; they no longer demand the destruction or disappearance of Israel; they have become moderate, while Israel has become inflexible and belligerent.

Even before the fighting ended in the 1973 war, reports had begun to circulate in the West about the new "reasonableness" in Egypt. Many Arabists argued that the restoration of Arab pride on the battlefield would permit Egypt to reach a peace with Israel. After the cease-fire, when Egyptians met Israelis for disengagement negotiations at Kilometer 101 in the Sinai; they did so in the presence of a Finnish UN observer force and to the acclamation of an army of nine hundred journalists. These hopeful beginnings were accompanied by a new kind of rhetoric emanating from Egyptian officialdom in which the old bellicosity and threats of throwing Israel into the sea were replaced by announcements of a readiness and a desire for peace.

For this change of rhetoric President Sadat was hailed by *Time* and *Newsweek* as "that most moderate of Arab leaders"; recently Egypt has been seen as synonymous with moderation. Editorials in the New York *Times* and other important newspapers around the country have seen "clear signs that Egypt . . . has already come around to accepting the desirability of coexistence with Israel." The *Time's* Henry Tanner, just four months after the October war, reported with elation that he had seen a book on self-taught Hebrew in a Cairo display-window, an "illustration of the psychological and political transformation that Cairo has undergone since the war under Anwar el-Sadat's Presidency." Tanner in his reports from Cairo has consistently stressed what he sees as the "psychological trend in the Arab world toward accepting the existence of Israel." In a piece headed, "Why Egypt's No Threat Now," the syndicated columnist Rowland Evans spoke of Sadat's "no-war policy" and cited the example of Egypt's "vast investment" in the reconstruction of cities on the Suez Canal. Sadat, according to Evans, was "trying hard," as the lone voice of "moderation," to reach for a settlement with Israel. Thomas Ross of the Chicago *Sun-Times* Washington bureau reported that if Israel cooperated in the "delivery of the Sinai passes and oil fields," Sadat would "negotiate for a full peace . . . at Geneva." Jesse Zel Lurie wrote in the *New Leader* that he, as editor of *Hadassah* magazine, could talk politics openly with an Egyptian in the Cairo Hilton coffee shop: "Under Nasser, such a meeting would have been reported to Egyptian secret police." In the New York *Times Magazine,* Trudy Rubin indicated that, although some Egyptians could not be "friendly" with Israelis, at least not in this generation, the Egyptians she met "are tired of this war and willing to accept Israel's existence as the price for getting out of the quagmire and on with their living."

Recently I went to Cairo on journalistic assignment. Before setting out, I immersed myself in the literature attesting to the positive change in Egyptian attitudes toward Israel, including an essay in these pages by Nadav Safran, "Conversations in Cairo" (December 1974). To my amazement, once in Egypt I found virtually no evidence of such a change, although I interviewed as representative a cross-section of Egyptians as I could find—government officials, writers, academics, scientists, demographers, doctors, architects, engineers, housewives, shopkeepers, studente, soldiers, salesmen, cab drivers, waiters, women's-rights activists, secretaries, carpenters, travel agents; Communists, leftists, nationalists, and right-wing conservatives. The consensus that emerged from these interviews, so far from conforming to the current Western perception of Egypt, seemed rather to suggest its opposite. Vehement anti-Israeli—and, what is more, anti-Jewish—sentiments continue to be the norm in Egypt, and are characteristic of government officials at the highest levels no less than of the man in the street.

I had applied for a visa at the Egyptian embassy in Washington, which entailed a short interview. "Which side are you on?" The side of peace, of course. Had I ever been to Israel? I had. Was the Byzantine coin I wore as a ring a religious symbol? No. The aide took my passport and a couple of articles I'd written on the Middle East conflict, and told me my visa would be ready the next morning. The pasport was clean—I'd just had it renewed; he laughed as he leafed through it, commenting that many journalists seemed to feel the need of a passport without an Israeli visa in it. He insisted it made no difference, although I'd been told the contrary by at least half-a-dozen writers, some of whom had made unsuccessful attempts to get to Egypt with an Israeli-stamped passport. The next morning I got the visa and my articles were returned, with a word of welcome from the aide who said Egypt made no demand that I see things from her side, only that I be fair and balanced. The foreign ministry in Cairo had been called regarding my arrival, and would do everything possible to assist me.

MONDAY

Thanks to the friend of a friend, I had a room confirmed and waiting for me at the Cairo Hilton—which, I found upon arrival, I could have sold for four figures, so crowded was the hotel. Through mutual contacts I called Dr. Maksoud,* an engineer, and was graciously invited to lunch. Dr. Maksoud is engaged in the redevelopment of the port town of Ismailia. Over vermouth apertif, spaghetti and filet mignon, and demitasse, the Maksoud family conversed about politics. Dr. Maksoud denounced Leninism as counter to the Muslim and Christian religions, and vigorously disavowed leftists of all sorts. Yet his daughter Zenab, an architect, had spent four years in Cuba, "studying." Zenab and her fiancé, a physics professor at Cairo's American University, seemed indifferent to the discussion—they giggled a great deal—until suddenly Zenab began to speak fiercely about Israeli stubbornness. "They won't deal with the Arabs. Every initiative the Arabs have made has been refused by Israel." Her financé joined in, "They want more land—and more land. The Palestinians want their land back—they were expelled by Israel." Mrs. Maksoud began hesitantly, "The Jews were also expelled from Egypt in 1956 . . ." but her entire family broke in at once, "They left—they weren't expelled—50 to 60 per cent of Egypt's economy was in Jewish hands before '48—there was a Jew finance minister." Why should Jews have a separate state, they wanted to know. "We're not anti-Semitic, but why should not Israel accept to live together with Palestinians?" As for peace, they derided the idea that Sadat could come to terms with Israel. In fact, no President who made peace with Israel would "last a day," they explained.

THURSDAY

Tahsin Basheer, President Sadat's press spokesman, had agreed to squeeze in an interview. The French foreign minister would be arriving within the next few hours, the Shah of Iran was due soon, and the phones were ringing incessantly. But Basheer plunged doggedly if listlessly into a statement he'd no doubt repeated many times before. Suspicion in the "Arab mind" toward the Zionists had existed since the 1947 partition plan in the United Natins. The "Zionists wanted the partition as a first stage toward taking the whole coutry." The "Arab reaction was . . . not to divide the country. Even today this is the PLO solution, a secular country like America, where each man—irrespective of religion—can have the same rights." Basheer vigorously defended the PLO position, although he admitted after some urging that Yasir Arafat did mean to "replace Israel as it now exists." His conversation was peppered with slurs; he called the Israeli army "Hitlerian" and Prime Minister Rabin a terrorist.

Basheer supplied the phone numbers of some Egyptians he suggested I see during my stay. One was Chalad Mohadeen, formerly known as "the Red Major" for his early Communst activities (others in Cairo told me he is still a Communist). Mohadeen heads a movement called the "Egyptian Peace Committee," which is "fully supported" as a semi-official arm of the Egyptian government and holds frequent international conferences. The EPC is dedicated to the fight against "British, French, American . . . imperialism and colonialism." As a Marxist, Mohadeen says he fears "economic domination by the Israelis," but the real reason the Egyptian Peace Committee is "against the political foundation of Israel" is "racial difference"—namely, the fact that "Judaism is the official religion of the country." That Islam, as I pointed out, is constitutionally designated the official religion of Egypt and practically every other Arab state, he summarily dismissed: "So long the 'Law of Return' . . . considers all Jews as world citizens in Israel," the Peace Committee will be against the Jewish state. "If any other Arab tells you that he is not against Israel he is a liar," Mohadeen exclaimed.

Arafat, according to Mohadeen, is "a moderate man," and to the Arab world the

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*All names used here are fictitious, except those of officials or public figures. Most interviews were recorded on tape.

UMI

Palestinians are "something great." "The United States, the Soviet Union, every country in the world is afraid of the movement." As for the Russians, "good relations with the Soviet Union are one of the main political cards for all Arabs" and of paramount importance to "the policy of the peace movement. American "circles who benefit from the production of arms and from the cold war" are creating barriers to détente. American support of Soviet Jewish emigration naturally causes suspicion on the part of the Soviets; the U.S. has no right to interfere with the internal "sentiments" of the Soviet Union. Doesn't this run against the Arab objection to Israel's Law of Return, I asked? Mohadeen evaded the question addressing himself instead to the issue of anti-Semitism. There was no anti-Jewish in Egypt, he asserted, but because of the "situation in Israel," Egyptians no longer make a distinction between "the Jew, Israel, and Zionism."

SATURDAY

I became acquainted with Ismail, a brigadier general who had accompanied General Gamassy to Kilometer 101 for the signing of the cease-fire accords with Israel's General Yariv, whom he knew well. We met at the home of Jean, an American friend of mine now living in Egypt. At our first meeting Ismail declared that he felt like an Israeli, he knew so many of them from Kilometer 101. He loved Israel, and declared, "I know my people—no talk about war—we want to deal with Israel. We have other problems: illiteracy, development." Here at last was the moderation I had heard so much about in the United States.

In subsequent meetings, however, Ismail's warm feeling for Israel cooled noticeably. His description of the Israeli military grew less amicable. General Yariv's "Britishness." General BarLev's "Russianness," a joke when he first reminisced about them, later came to seem offensive to Ismail. He explained that "Egypt couldn't accept European Jews—so harsh. In another generation Sadat says he will make peace. Sabras are different, softer . . . more Arab. After all, Arab Jews are Arabs. In another generation. . . ." We were eating at pizzaria in the Hilton (Ismail's choice) as he expounded the virtues of "kindly Arafat, gentle Arafat." He knew Arafat well, he said. He contrasted Arafat's proposed "Palestine" to Israel, that "land of religious fanatics." He worked himself into a fury as he spoke, then just as suddenly the rage passed and he was grinning again. I went to make a phone call. When I returned, Ismail was chatting affably with a couple from Damascus. The man was a doctor who headed the Syrian Red Crescent, the equivalent of the Red Cross. He advised me that if I wanted a visa for Syria, "you must say you are very pro-Arab."

THURSDAY MORNING

I was invited to wait in the luxurious and palatial main headquarters of the Egyptian foreign ministry while my arrival was announced. Then I was ushered in for a taped interview I'd labored for ten days to achieve with Ismail Fahmy, Egypt's Foreign Minister. As I sipped good Turkish coffee from a china demitasse, Fahmy amiably lit my chain of cigarettes and answered my questions with angry, accusatory questions of his own; by the end of the interview he was shouting.

Israel's demand for a declaration of nonbelligerency was the first topic of discussion. Egypt, Fahmy asserted, could not consider Israel's request for formal assurances that Egypt would not attack her. "Non belligerency is a political and legal status. It does not come automatically. Nonbelligerency means permanent peace." Fahmy said Israel had "more responsibilities" than Egypt—he came close to saying that Egypt accepted no obligations or responsibilities toward Israel whatsoever—and he denigrated nonbelligerency as a "fallacy."

To Fahmy's mind, Geneva was the place where all these questions should be worked out, but Israel did not want to go. We discussed the then current justification for the "step-by-step" approach of the U.S. State Department as a substitute for Geneva. Fahmy indicated an acceptance of this approach only if it led "quickly" to Israel's "complete withdrawal from all Arab lands occupied in '67—and at the same time the recognition of the political rights of the Palestinians." I brought up Fahmy's recent public pronouncement, that either the Jewish state must be replaced by the "democratic secular state" demanded by Arafat or the state of Israel must move back, not to the 1967 borders but to the 1947 borders. Fahmy saw no inconsistency here. "The 1967 border is our own international border. If *we* [Egypt] go back to the '67 borders, and on the Syrian front, and as far as Jerusalem is concerned, that does not solve the Palestinian problem. . . . Besides," he pointed out, "the 1947 [UN partition] resolution does provide for an Israeli-Jewish state."

The best solution of all, Fahmy stated, was one which "both Israel and Palestinians accept, peaceful coexistence and two states—one Palestianian state with clear-cut borders, and a Jewish state." The locale, Fahmy said, would be "formalized through a long process of negotiations." Egypt would go along "if it is a good compromise, which gives everybody his own rights."[1]

Israel's fear that retreat to the 1967 borders would be dangerous struck Fahmy as irrelevant; Israel's absolute certainty that the 1947 borders would be suicidal Fahmy dismissed as unreasonable. And "if the Israelis would like to be unreasonable, we are in a better situation to be unreasonable and to react as such." If only Israel would let the Arabs live in peace, the Arabs would cause no problems, Fahmy said, even though "we have suffered here during the last twenty-six or twenty-seven years from the very existence or intrusion of Israel." His voice rose several decibels as he continued, punctuating every word by pounding his fist on the desk, "*They will go to Geneva sooner or later.* Nobody can run from this—*even the Israelis!* And the Palestinians *will participate in Geneva and this is a must!*".

I raised the issue of the public statement by Fahmy that any settlement of the Middle East conflict would have to include a fifty-year ban on further immigration to Israel. He said he was "appalled" at the negative reaction to this demand, because "really it is pacifist." If more Jews come to Israel, "we will have an explosion—at my expense, Syrian expense, Jordanian expense, Iraqi expense, Lebanese expense." Fahmy urged me to "go and find the big map in the Knesset"; I would be shocked by Israel's plans for expansion. As national policy, he assured me, the Israelis intend to take all the land from the "Euphrates to the Nile. Israel is against human rights, against our civilization, against international order."

Then Fahmy launched a tirade against the Americans. He denounced the "embezzlement" and "blackmail" perpetrated by the "Jewish lobby," and asserted that the U.S. had lost its "freedom of action" in the world. The supply of American arms to Israel was both evil and futile. For "Who will survive at the very end? The three million [Israelis] or the 150 million [Arabs]?" Fahmy refused to discuss the Soviet role in Egypt in any context—the provision and installation of missiles at the Suez Canal in 1971, the sending of thousands of technicians, the massive supplies of Soviet arms and materiel used by the Arabs in 1967 and 1973, the furnishing of troops from North Korea, North Vietnam, and Cuba to fight on the Arab side, and so forth. Whenever I mentioned the Soviets, Fahmy attacked the U.S. or Israel, feigning incredulity that I presumed to bring up a matter so irrelevant to our discussion.

In closing Fahmy offered me a word of caution: if I wrote the truth about what I saw in the Middle East, *they* would never leave me alone, *they* would be after me, I would lose my job. Who? "The Jewish lobby in your country. I guarantee you . . . you will lose your job. *I am warning you!* I'm afraid for your future." As we parted I asked Fahmy what he would say if he were talking to the Israel Foreign Minister. Through gritted teeth Fahmy answered that the Israelis must "respect international order, be realistic, abandon personal ambitions. Egypt will take what Israel offers but there will be no peace on that basis. But this is the right moment for peace," he concluded. "And they are playing with *fire!*"

THURSDAY AFTERNOON

I was sitting in the office of Khayam, the government press-information officer, along with another press attaché by the name of Maher. A man poked his head into the office. He was slight, with aquiline features above a disorderly beard, and he seemed uncertain whether he'd been sent to the right place. Maher recognized the bearded fellow and warmly introduced him as Swartz, a writer from France. Swartz seemed amazed at the chance meeting, reciprocated the greeting, and then answered Khayam's routine questions about affiliation and made his interview requests. Maher promised to do "anything we can" to assist Swartz and walked him out of the office arm in arm, only to return a moment later and address a barrage at Khayam in Arabic; the words "Swartz" and "Yehud," repeated frequently, were all I could recognize. The Frenchman was Jewish. As Maher spoke, Khayam reacted at first with surprise, then, enraged, he quickly passed on Maher's revelations by phone to someone else, crumpled the calling card Swartz had left behind and furiously flung the tiny wad into the wastebasket.

SATURDAY

The drive out of Cairo to the Egyptian front lines east of the Suez Canal began about an hour behind schedule. Gamel, a member of the "President's Staff" who had been appointed to accompany me, was quiet, answering my questions perfunctorily and tersely. About half an hour out of the city the broad expanse of the Sinai began to resemble a lunar landscape, with the Adaka mountain range spread out in the distance. We passed soldiers directing trucks into fueling stations, areas of bivouac, billboards advertising cigarettes in Arabic and English. As we got nearer to Suez, tanks began to appear.

We crossed the Suez Canal, scene of the all-important "crossing" that nearly every Egyptian proudly proclaims as the "glorious victory of the October war." (What happened

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[1] This idea is similar to that outlined by Mohammed Heykal, formerly the acknowledged spokesman of Egypt's leadership as editor of the influential newspaper *Al Ahram*. In 1971, Heykal called for a change of rhetoric—no more threats of throwing Isreal into the sea—and a new political strategy aimed at reducing Israel to indefensible borders and pushing her into diplomatic and economic isolation. He predicted that "total withdrawal" would "pass sentence on the entire state of Israel." Last year, Sadat replaced Heykal with another editor, but Heykal is again surfacing as a political influence via private briefings with Sadat. Heykal has also recently published an article in the New York *Times*, and in a featured interview in *Newsweek* has declared that the "1947 partition" is Israel's "only" alternative to Arafat's "greater Palestine."

after the crossing is yet unknown or unimportant in Egypt.) The water was still. Our car stopped and we were joined by a Third Army major and a motorcycle escort, complete with screaming siren.

As we drove alongside the Israeli-built wall of sand, I asked Gamel and the major how well the Israelis had fought in the last war, and they laughed. "Egyptian soldiers can fight under *any* circumstances, without air power," while Israelis "need all security, and surrender when they have no cover. Egyptians fight to die. Israelis want to save their lives." Gamel described the Israeli shelters as "comfortable, with ice-water, a kind of luxury Egyptian soldiers don't have." Translating for the major, Gamel continued, "Egyptian soldiers can fight without eating or drinking." This brought to mind the food and water passed by the Israelis to the surrounded Egyptian Third Army—how did the major and Gamel feel about that memorable exchange (which I, though I did not say so, had witnessed and photographed)? They both exploded with laughter, looking at me as though I'd put my foot in my mouth. Calming down, Gamel finally explained, "There was no such thing—the Third Army had enough supplies for another month. Those supplies were only for Suez City civilians. It was the Third Army that surrounded the Israelis—the Third Army was *never* surrounded!"

We went through the rubble in Suez City, decimated target of battles dating back to the time of the British. Despite some reconstruction activity and a sprinkling of people recently planted there, Suez still looked like a ghost town. Osman Ahmad Osman, Egypt's Minister for Reconstruction, had told a group of visiting editors last summer that Egypt would drop reconstruction if the "peace" offered by Israel did not totally satisfy Egyptian demands. Did Gamel and the major agree with this position? Would the present efforts to rebuild prove as meaningless as those at the time of the 1970–71 War of Attrition? Gamel brusquely replied that the major didn't discuss political matters. Then the major and the motorcycle escort left us, and Gamel spent the two-hour drive back to Cairo justifying his claim that the Israelis had never surrounded the Third Army. He even drew a map for me, to prove his point.

SUNDAY AFTERNOON

I was concluding a luncheon interview concerning the population explosion with Samira, one of Cairo's leading demographic experts. She'd been recommended by a mutual friend in the States, and her name had been mentioned often in Cairo as someone I must meet if I were interested in learning about Egypt's attempts to deal with the staggering swell of its birthrate. Samira spoke English fluently and seemed typical of a new breed of Egyptian women—charming, with well-groomed good looks, dynamic—qualities that men in Egypt labeled "aggressveness." Here was a truly intelligent, reasonable woman, and I was dumbfounded when she abruptly launched into a bitter attack against Jews and the United States, in that order. She had, she said, no time for "people who don't see the issues the right way"; she was fed up with talk about the "Holocaust" and Israel's historical rights. The Holocaust was a "German thing we don't have time for." As Samira saw it, "Israel has no right to exist." It is composed of "religious fanatics, colonial people, all wanderers." Senator Fulbright, who had put things in "proper perspective," had in her view been deprived of his place in the Senate not because he lost an election but because he would not accept a "payoff" from the Jews. Suddenly, as though the outburst had never taken place, the furious intensity disappeared. She flashed a dazzling smile, promised to deliver the data and statistics I needed, offered a warm handshake, and hurried back to work.

MONDAY EVENING

A festive cocktail party at Ma'adi, an affluent, scrubbed suburb of Cairo, in the home of Bill, an expatriate from Michigan. Bill has been working in press relations at Cairo's American University. It was a fascinating mixed bag—dozens of guests, most of whom were Egyptian or American. A lovely woman talked about her job—she was called a "television news editor," but all the news was censored before she saw it. Hamdi, a law professor, was anxious to know what reactions I'd formed to his country, and to the "conflict," and suggested we adjourn the discussion to a small restaurant he knew in Cairo.

The restaurant was a small, inconspicuous storefront with appetizing cooking odors and trays of tehina, taamea, flatbread, and other Arab specialties displayed delicatessen style in a showcase. Hamdi ordered prudently—we could always get more, he assured the waiter—then he began to talk excitedly about Israel and the Jews. Israel was ruining the economies of many African countries that were ostensibly the recipients of her foreign aid—Tanzania and Ethiopia, for instance; these countries were being turned into Israeli "satellites." Israel was taking over everywhere. "It is bad for world progress, not in the interests of the Middle East or of the West to have a Jewish state." I said that her so-called "African satellites" consistently voted against Israel in the United Nations and had in fact cut off diplomatic ties to the Jewish state, becoming *de facto* puppets of the Soviet-Arab bloc. Hamdi brushed me aside. I obviously did not understand Jewish imperialism. "Egyptian Jews ruled my country here before Israel was a state. Jews would be ruling *me* if it weren't for the Middle East conflict."

TUESDAY

I had arranged to meet Ali, a law professor who I had been assured was "well-informed, a man of the regime," a former politician—and of "common sense." Ali apologized profusely for the paralyzing traffic that had made him late. I asked if he could arrange an informal gathering of students—young people—and he promised to try.

The meeting with Professor Ali's group was held after hours, in one of the offices of an old and somewhat deteriorated enclosed-court building which Ali told me had once been the grand meeting place of Egypt's aristocrats. Unfortunately Ali could not remain at the meeting but he introduced me to his friend, and settled me in. Dr. Amin, a lawyer and former member of the foreign ministry, rose from behind his desk to greet me; he was a tall, powerfully built, well-dressed man with silver hair and mustache, and a deep reverberating voice. There were only two young people, he apologized—a young man who studied at Cairo University, and Dr. Amin's secretary, a girl about nineteen. The other guests included a well turned-out woman lawyer in her thirties, a balding former judge, and a fortyish "engineer-businessman." Comfortably ensconced in couches and chairs around Dr. Amin's desk, they exchanged a few reserved, awkward remarks, taking the official line on the "conflict" and the prospects for "peace." But by the end of thirty minutes Dr. Amin and his guests were passionately reacting to one another—never in dispute, but in corroboration of their common position. Except for the retired judge's occasional angry lapse into French, everyone spoke English, often all at once.

The only reason for Israel's existence, the group agreed, was to "make trouble all over the world." But Israel was fated to "fade out, disappear," because "there is no real reason for it to exist." As soon as Israel became "secure"—which meant shrinking to the size of a "very small state" with "no political activities" and few resources—the world would forget about it. They expressed exasperation at America's rejection of Arafat's "secular state." Was it so impossible to accept the dissolution of the Jewish state? Dr. Amin quoted long passages from a 1970 *Foreign Affairs* article by Nahum Goldmann—he said he knew it by heart. According to Dr. Amin, Goldmann proved that Zionism was based on fallacious premises. The Palestinians *would* have their land, and the Egyptians would get back the Sinai, which they'd held for "six thousand years"—even if it took "a hundred wars to get it." They seemed genuinely unaware that the Sinai had come into Egypt's possesison only after World War I.

The world has "no time for religious fanatics," they went on. Israel is "finished" because it "does no good to anybody." "The Jews dominate England, France, the United States. Once upon a time a madman started persecuting the Jews . . . maybe he had a grudge against them. Maybe it was justified?" In fact, the Bible itself—they purported to know it well—told of incest and social diseases that Jews "like Abraham" had brought to Egypt. Jews had always "asked for trouble" and made a "show." "When Shakespeare wrote his Shylock, he drew him well." "Shylock is the universal Jew of all time, all place . . . not just Israel." "You see, the Jews want their pound of flesh."

They passionately defended PLO terrorism—"What should matter is to kill as many Jews—as many Israelis—as they can." "The terrorist attempts are never successful because the boys are not really destructive, they don't want to be barbarians, they don't have it in their blood, not like the Irish." "They are peaceful people, not like the cold-blooded Jews." It was "the difference between Shylock and Mohammed—the Jews are Shylock all over . . . not a peace-loving people." "Even when the Arabs were in domination of the world, they were never bloodthirsty; always peaceful, loving, and idealistic." "Most of the time," they affirmed, acts of Palestinian terrorism "are really maneuvered by the Jews themselves, by Israel." It is "more than just coincidence," they believed, that "every time the Jews . . . antagonize world opinion, the Arab commandos do something that arouses sympathy for the Jews." The Munich massacre of Israeli Olympic players had been "maneuvered by Israel." "They [the Jews] are very clever."

"Maybe the United States will force Israel into accepting a settlement," they suggested. "That's why Egyptians spend so much hard hope on the United States, not on idealistic grounds." The Arabs were all "very anxious" for a settlement, but Israel "would never sign to any borders whatsoever, because once the borders are settled. Israel won't exist any more. They know that and we know it better!"

Everyone was laughing now, but the tension seemed unrelieved. I forced a smile, mumbled something about the lateness of the hour—we'd been "discussing" for almost three hours—and thanked them for their kind cooperation. All assured me they had had "a very good time," and hoped I'd "take their good ideas" back home with me, and "do good work." It was very important to "do good work," because "Jews dominate mass communications." "There is no place for Arab voices to express their opinion in Europe or the United States."

We may ask, then: what does "moderate" mean in the present Middle East context? To describe the Egyptian position as "moderate" implies an attitude of reconciliation to peaceful coexistence with Israel. I found no such attitude. To all the people I spoke with (not one of whom could fairly be called an "extremist" within the spectrum of Egyptian political opinion), the position we call "moderate" does not mean reconciliation, but merely an acceptance of the withdrawal of Israeli troops to the pre-June 1967 borders, with no compensatory concession from the Arab side in the form of recognition. To many Egyptians, indeed, it means more, or perhaps I should say less: first, an Israeli withdrawal to the 1967 borders, and then a further push back to the lines envisioned in the 1947 partition plan, accompanied by the establishment of a Palestinian state: this, for instance, is the position of Mohammed Heykal and of Egyptian Foreign Minister Ismail Fahmy. That from such truncated borders the Arabs hope that Israel will in time shrink, through war or some other means of attrition, to absolutely nothing, is the unspoken but clear implication of this position. It is often said that there is on the Arab side today a *de facto* recognition of Israel's existence, a recognition that Israel is a "fact," a Minsiter Fahmy called it in his conversation with me; but what Fahmy quite clearly conveyed was that to many Arabs Israel's "existence" means only the existence of an intrusion in the Arab world, called Israel, that must in time be eliminated.[2]

The use, or misuse, of the term "moderate" to describe the Egyptian position is not merely a matter of semantics; it alters psychological attitudes on a large scale. If one is a "moderate," his statements are treated as reasonable; conversely, any refusal by the opponent of a "moderate" to accede to his proposals is regarded as intransigence. To have attained the status of the "moderate" party is a major propaganda achievement. And the advantages accruing to the Arab cause from the widespread positive interpretation of it in the West are considerable—to Israel's virtually complete political isolation in the world there is now added a badge of moral opprobrium, for her alleged failure to respond to a proffer of peace. "Moderation," in other words, is a successful "line" to pursue.[3]

But does it conform to reality? So far Egypt has merely accepted whatever concessions could be extracted in negotiations from Israel, without offering any commitment to permanent peace in return. When, in Secretary Kissinger's last mission to the Middle East, some more concrete gesture in that direction was demanded by Israel, the Egyptians refused and the talks broke down. If further pressure does not induce resumption of private talks through some third party, the next act of the drama will be played at Geneva. But the fundamental question, as yet unanswered, remains the same: does Egypt's present policy portend a realistic shift toward genuine peace with Israel, or does she still envision Israel's eventual destruction—"peace" without Israel? As long as Egypt is evasive on this question, talk of a moderation in her position obscures reality and distorts the truth; the failure to correct such distortions can have the gravest of consequences.

MAKING OUR PUBLIC BUILDINGS PUBLIC

Mr. McCLURE. Mr. President, on May 19, the Senate Subcommittee on Buildings and Grounds will conduct a hearing on S. 865, the Public Buildings Cooperative Use Act of 1975.

This is legislation that seeks to make the Federal Government a better neighbor. It is a bill to encourage greater use of existing Federal buildings and to allow the Government to purchase older buildings and to renovate them as Federal office space, where practical.

I congratulate the distinguished ranking Republican on the subcommittee (Mr. Buckley) for his development of the bill.

The bill, I would note, is cosponsored by the chairman of the full Committee (Mr. Randolph), the chairman of the subcommittee (Mr. Morgan), and the ranking Republican on the full committee (Mr. Baker).

As a member of the subcommittee, I look forward to the hearings on this legislation.

Mr. President, the Christian Science Monitor in its issue of April 25, ran a most interesting column discussing and analyzing this legislation. Mr. Marlin, the column's author, calls this enlightened legislation. It is the product of the intelligence and vision of an enlightened and resourceful legislator. We should all applaud this contribution by Senator Buckley. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article ordered to be printed in the Record, as follows:

[From the Christian Science Monitor, Apr. 25, 1975]

UNCLE SAM'S GENERAL STORE

(By William Marlin)

WASHINGTON.—Uncle Sam has built thousands of public buildings. At least they are called public buildings—post offices, picnic shelters in the national parks, court houses, the regional headquarters for myriad agencies, military barracks, mints, weather stations.

The thing is, most public buildings, especially those plonked down in the center of our cities, are stand-offish in physical scale and downright unneighborly in relation to the ongoing life of the communities around them.

With all the character of a shoulder-high banking counter, except for the assembly-line symbolism of bald eagles, flags and agency emblems, the entrance areas of these buildings convey a cold-shoulder message: Stay away unless you have business here.

That is no way to house the services of a government which is supposed to be of, by and for the people. Perhaps, as E. M. Forster, the English writer, once suggested, we should yell out at least two cheers for democracy—and insist on at least two uses for the public buildings which we pay for.

Early next month, the Senate Committee on Public Works begins hearings on the Public Buildings Cooperative Use Act of 1975 (S. 865), introduced in late February by James Buckley (R) of New York with the cosponsorship of Jennings Randolph (D) of West Virginia, Howard Baker (R) of Tennessee, and Robert Morgan (D) of North Carolina. This is called, in capital parlance, bipartisan support, and here is why S. 865 deserves it.

This bill would conserve money, conserve jobs, and conserve the salutary scale and identity of important urban districts. Why else, it might be asked, would a conservative like Mr. Buckley come out for it?

For the first time, multiple uses, meshing of public and private functions, would be encouraged so that, in ground-floor areas, commercial, cultural, educational and recreational activities could add a vital dimension, for employees and visitors alike, to the presence of government on our streets

If a court room and an IRS office can coexist in the same building, why can't a court room and concert hall? If a post office and a Secret Service headquarters can function within a couple hundred feet of each other, why can't a post office and a shopping concourse? Why should the only evidence of life and laughter around a public building be the splashing of a fountain, or the palaver of people brown-bagging lunch, or some lonely sculpture abstracting the isolation of the buildings it is meant to enhance? Mr. Buckley's bill would unbend existing law so that the needs of government can be accommodated along with the public's.

A second provision of S. 865 would encourage the adaptation and reuse of worthy, well-built existing buildings which, dovetailed with the multiple-use measure, would bring the public into closer proximity, on a daily basis, with the evidence of America's incredibly rich architectural heritage.

The bill thus gives cultural values a chance to break even with economic ones. Older buildings, for example, use considerably less energy than do many new ones and, don't forget, it takes a whopping lot of energy to tear down an old building and then replace it.

Another dividend pertains to America's unemployment lines. In case you were wondering what preserving old structures has to do with putting bread and butter on the table, it might be useful to point out, as the General Services Administration did in February, that a million dollars for repairing and improving an existing federal building produces five times as many jobs as does the construction of some spanking new slab.

The Public Buildings Cooperative Use Act may seem somewhat peripheral to many Americans during these perilous days, but it embodies the essence of the relationship between people and government. By engaging a wider spectrum of activity, not for just eight hours a day but into our evenings too, and by making good use of the buildings we already have, this bill would have a beautiful bearing on the way our downtowns look from now on, and on the way we think about and use the resources of government.

Given this enlightened legislation, Uncle Sam's public buildings should have a lot in store—the kind of store which many would welcome the chance to mind.

THE MINORITY WE WILL ALL JOIN

Mr. CHURCH. Mr. President, the remarkable Margaret Kuhn, convenor of the Gray Panthers organization, is a robust person who fights false stereotypes with words and with facts. But perhaps most of all she debunks these stereotypes with the vitality of her own life. Her dedication should give pause to anyone inclined to routinely regard the aged as timid, feeble, or over the hill.

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[2] It may be noted in this connection that Egypt's ambassador to the United States, Asraf Ghorbal, in an interview conducted in Argentina and published in *Marchar* earlier this year, declared that "extermination of Judaism in the Middle East is the point of departure for the process of liberation" of the Arab peoples. "It is our irrevocable decision to destroy Judaism," the ambassador asserted, "as our friends in the United States, Russia, and this country [Argentina] have promised."

[3] Upon returning from the Middle East I found that a widely hailed series on public television in this country, *Arabs and Israelis*, had made much of Arab willingness, especially Egyptian willingness, to coexist with Israel in peace; the series sponsor expressed hope of using the power of television to "magnify the moderate." But in fact the producer of this series, Professor Roger Fisher of Harvard, is reported to have admitted that he edited out of filmed conversation the remark made by a highly respected Palestinian from Jerusalem, "There isn't a *single* Arab who recognizes the Jewish state," because it did not conform to the picture he wishes to present of Arab sentiment.

Margaret Kuhn also strikes to the heart of what should be our concern when she notes that the senior minority is the one we are all hoping to join one day. If we lack the decency to end our indifference, then we must at least be intelligent enough to see our own eventual self-interest.

To anyone who believes that the fires of indignation burn low in old age, I refer them to her remarks a year ago at Washington Cathedral. Her words are worth our attention. Mr. President, I ask unanimous consent that the text of her speech be printed in the Record.

There being no objection, the text of the speech was ordered to be printed in the Record, as follows:

[Washington Cathedral, May 26, 1974]

SPECIAL SERVICES HONORING OLDER PEOPLE

(Guest speaker: Ms. Margaret Kuhn, Convenor, Gray Panthers, a coalition of old and young)

It's an honor and an awesome responsibility to participate in this Evensong worship and to reflect with you in the beauty and quiet of this place and this hour about the meaning of life, our own personal lives and the lives of nearly 21,000,000 old people now living in the United States. We do our reflecting about age in a new age, an age of liberation and self-determination; when the powerless people of the world are struggling for empowerment, selfhood, dignity and freedom. The continuing struggles of black people, Indians, Chicanos, Puerto Ricans, Asians, against racism and the emerging struggles of women of all races against the domination of men and sexism; and the struggles of third world peoples against economic and political tyranny are all of a piece. And the efforts of the radical old people joined with those of radical young people to conquer ageism and all forms of discrimination solely on the basis of age now join in the revolutions that have gone before.

Now our struggles against ageism are different from the others—because we are all aging. The youngest of you here this afternoon and the oldest of you have something in common: age. There is no escaping it. Our efforts, therefore, have a universalizing force that other revolutions have lacked. None of us can escape this power. It has an enormous potential for our society that we've barely begun to glimpse.

This afternoon we celebrate the gift of life, and examine our own special calling as the elders of our society to live it fully, responsibly, involved in the lives of others as long as life—a spark of life—remains. Now life itself as we know is precarious and precious, fragile, finite. Yet it is our Creator's plan that it must be lived abundantly, expanded, poured out in advocacy for others, in service for others, and in the work for the common good. So we affirm this afternoon what we the elders must do to consider age not as a disaster or some incurable disease—but as a time of fulfillment and integrity, the flowering and the maturing of all of life.

Now this requires the liberation of each of us from our own fears and self-hate; it requires liberation from the kind of degrading and devaluing of our experience that society has conditioned us to feel. Our silly deceptions and lies about how old we are have no place. An acceptance of ourselves as liberated oldsters involves accepting our age—our oldness, our middle years, our youth; with grace and honesty—and the building of sturdy recycled egos—not wasted lives but recycled egos, to face the physical impairments of age with a new understanding of what is involved in the refreshment of the spirit and mind. So that we become until the end of life—the very closure of life—maturing, developing growing adults, not wrinkled babies. To rejoice in our years, to think of our gray hair and our many wrinkles, which I have indeed as you can see, as badges of honor and distinction rather than as things to hide, makes life quite new even at my age—68, going on 69.

To use our experience, to value our skills and the judgment and wisdom that come with age requires a new concept and a new role for ourselves. These can be briefly spelled out and left to you to elaborate. We refuse to abide by the limits which society has placed upon us; a sophisticated, arrogant, affluent, technological society devalues persons at every level. It makes the young and old "waste-people," and this we fight against. Our wasteful technological society has defined the age of 65, or even 55 or 60, as the cut-off date for power—for status and place. And we have in our own inner being incorporated the sterotypes that society has dumped on us—indeed, to such a degree that we are brain-damaged by these stereotypes. So our challenge today is to look beyond those defined limits that society has set and to be what we can be—and what we should be—as the elders of the tribe.

There are two things about growing old that make me feel glad, and I pass them on to you, that you may take comfort from them, too. One: if you have kept abreast of the times, if you have kept reading and growing and acquiring new knowledge, you have the right to speak your mind and be heard. The second great thing about getting old is that if you are lucky you will have survived much of your opposition. You can look around, and the people who tried to put you down at any earlier age aren't there.

Now, to take these new roles as elders of the tribe, we ought to be the advocates of those who are oppressed, we ought to be the social critics of a society that has lost its capacity to be human, and to remind the people—the people in high places who determine how our society shall be run—of their common humanity, which they have forgotten. We could take risks. We could be sent on dangerous missions because we have nothing to lose. Nobody is going to take away my pension. It isn't very much. I am not going to lose my Social Security benefits. They are crumbs from the rich and affluent table. These legal benefits are mine and they give me a place at the table where decisions are made.

We are the risk-takers. We are the innovators, we are the developers of new models. We are trying the future on for size. That is our role. And I give great acclaim, and I rejoice in the innovative ways of life that your church, this Diocese, is attempting to build; a new community that unites the old and the young and puts an end to the old paternalism that has too long marked retirement communities that have been developed even under the auspices of churches and synagogues which ought to know better.

Our churches, our synagogues have been acculturated and they too have been defined by the founders of society and so there are old and dying congregations—so-called "dying congregations" that are made up principally of old people—who consider themselves "at the end." And indeed, the governing body of a particular religious group considers them "at the end of the line."

But if the churches and synagogues and all religious groups in this great country of ours could assess anew the rich human resources that are present in the lives of the old people who worship in these congregations, there could be a force so renewing, so cleansing and so invigorating that it would make the Reformation pale, in contrast. Such is our potential power!

To proclaim humanity to a society that has become inhuman, we gain strength from our weakness. There are groups of deaf people, hearing-impaired people of New York and Baltimore, who joined in a massive effort to assess the way in which hearing aids were sold in the United States to hearing-impaired persons. To remind those people who are making profits—enormous profits—from our infirmities required a lot of whistle-blowing by the people who were deaf and who could—out of their own weakness and infirmity, be the social critics of a society that has lost its way.

Next month, when the American Medical Association meets in Chicago, with all of its grandeur, there will be a group of radicalized, wrinkled old folks joined with some radicalized concerned compassionate young folks who will challenge the AMA. The AMA is sick, and we propose to dispatch an ambulance to care for it. It may be a terminal illness, who can say? The Medical Committee for Human Rights, the Sisters of Mercy, the Dominican Sisters of Detroit, the Order of Nuns from Canada, and assorted Methodists, Jews, Presbyterians and Baptists will be joining in this reminder of the AMA of what it must do for positive mental and physical health. Using our infirmaties, our chronic diseases, our arthritic hands and knees, to change a health delivery system so it will benefit all Americans.

We see old age as a time of freedom and fulfillment. We see old age as a time of integrity when all the experiences of life can be lived together in one whole flowering of existence. It's well that we could do this because so much of our society is sick and parts of it are moribund, parts of it dead. They are dead in jobs. They are dying daily. There are dead-end marriages. There are dead-end politics—I'll not go further. But along with this death comes new life; and we the radical oldsters choose life!

There are many signs of hope and renewal all around us. The fact that there are so many concerned and compassionate young people standing with us is an extraordinary surprise. New movements that proclaim social justice of various kinds are popping up tiny green shoots in places of sadness and injustice.

These are signs of life and renewal—God working great purposes out. Now, it just could be that the Almighty God has a great surprise for us. God, in her majesty—or his majesty, however you look at our Creator—just might be using us old folks in our infirmities, our weaknesses, the people in our society who are closest to death to point to new life and a human, just society which is our legacy, and an act of faith for those who come after us.

INFLATION—A POLITICAL, RATHER THAN AN ECONOMIC, PROBLEM

Mr. GRIFFIN. Mr. President, recently, the Economic Club of Detroit was addressed by David L. Babson, an investment counselor of Boston.

On the basis of very disturbing but persuasive facts, Mr. Babson reaches the conclusion that inflation is a political, rather than an economic, problem.

I believe his analysis merits the attention of a wider audience and, accordingly, I ask that a copy of his speech, as it appeared in the April 27, 1975, edition of the Detroit Sunday News, be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

UMI

[From the Detroit Sunday News, Apr. 27, 1975]

INFLATION'S CLOUT STRIKES ALL OUR LIVES

(By David L. Babson)

Everyone is encouraged to see the rate of inflation cooling down.

The rise in the consumer price index has already slowed by a third, while the wholesale price index is actually going down.

But because things look better at the moment, it doesn't mean inflation's back is broken.

For years, economists and politicians have been kidding us—and themselves—about inflation. They've blamed it on one fleeting event after another and have told us that after each of these problems disappeared it would go back to its old historic rate.

But instead, each new wave of inflation comes up higher—and stays higher—on the beach. Inflation is—and will continue to be—by all odds the number one force affecting the social, political and economic trends of our lifetimes.

The superinflation of 1973–74 stemmed from two causes:

1. The sudden coming together of commodity shortages, crop failures and the oil embargo.

2. The piling of this extra inflation on top of the chronic wage-push, government spend-borrow-and-tax inflation that has been gaining momentum year after year.

Today's depression is obviously washing out some of the temporary inflation induced by the shortages. But the fundamental, hard-core forces behind inflation—far from being lessened—are more powerful right now than ever before.

In fact, the biggest difficulty with inflation may well be that so few people understand that it's a political—and not an economic—problem.

I don't think the public has had much help in gaining an insight into the reason why inflation has become a chronic, self-perpetuating problem. John Q. Public gets every reason under the sun tossed at him by the professors, the politicians and the press, except the ones which are at the root of the problem. The five that I would name are:

1. The inordinate growth of government spending, which, since the mid-1960's, has climbed at a pace two-thirds faster than the expansion of the tax-supporting private economy.

2. Lopsided taxation policies, which hold down the rate of national savings and investment, and, thereby, impede the flow of capital into productive channels.

3. A spreading regulatory network, which impairs the long-range ability of industry to cut costs and raise efficiency.

4. The upward ratchet effect in the rate of pay increases, which leads to a progressively widening gap between labor costs and output per man hour.

5. The above four causes of inflation stem from a common root: the widespread lack of understanding about how our system works.

As a result, Congress, the media and many segments of the public continually place more demands on the economy than it has the capacity to deliver.

I think it is worth noting that at the end of World War II—in 1945—the U.S. wholesale price index was virtually no higher than it had been when George Washington was President.

For nearly all of those 150 years—with very limited government interference, regulation or expenditures—the United States had enjoyed stable prices, except for the brief self-correcting ups and downs of war periods. Yet, our economy had grown rapidly and inflation was not a familiar way of life. I mention this because it belies the widely accepted notion of recent times that you cannot have growth without inflation.

Even during the explosive economic growth of the first two decades after World War II, the wholesale price index rose at only 3 percent annually. It was not until the mid-1960's—when the Great Society launched the nation on the road to a full-fledged welfare state—that inflation really took off.

And it's amazing how far down this road we've traveled in just the last 10 years. Let's take a quick look.

Since 1965, our population has increased by 10 percent. But the number of people receiving social welfare payments has grown at least six times faster. The federal welfare burden has more than quadrupled—from less than $40 billion to over $160 billion. In the early 1960's, the government was running about 200 separate social welfare programs. Today there are over 1,100 bearing on almost every aspect of daily life.

The growth of these programs over the last decade has been responsible for almost two-thirds of the increase in total federal outlays and for nearly one-half the increase in spending at all levels of government.

As a people we love euphemisms. We refer to food stamps, welfare, medicaid, Social Security and the like as "transfer payments." This euphemism discourages public debate about the real issue: How far can we go in shifting our economic resources from producers to the nonproducers—from those who are pulling the wagon to those who are riding in it?

As Congress continuously passes laws that give more and more people a free ride, private initiatives are weakened progressively. Meanwhile, the public sector looms bigger and bigger in the economy.

A decade ago, total government spending was 35 percent as large as the private, tax-supporting economy. Today it is 55 percent as big and gaining ground rapidly.

As a nation it took us almost 200 years—until the early 1960's—for our federal budget to cross the $100 billion mark for the first time. Now—only a dozen years later—we have a third $100 billion but we are fast approaching the $400 billion mark.

The trends are going on in our state and local governments. In Massachusetts our budget passed $500 million in the early 1960's. It's now $3 billion with a current deficit of another half-billion.

Within my adult lifetime a presidential candidate made this ringing charge:

"Too many nations have been wrecked on the rocks of loose fiscal policy. I charge this administration with the most reckless spending in history."

That speech was made in October, 1932, by Franklin Roosevelt. The total federal budget—not the deficit—was $3 billion then. Next year's deficit will approach $100 billion. And we aren't that much bigger a country now than we were then—our population, for example, hasn't even doubled.

Unfortunately, whenever we talk about billions, it's hard to grasp their significance, but Fig. 1 (below) illustrates the huge growth in government spending.

Now you will say this huge growth and projected growth is absurd—that the rate must slow down. My reply is: Can you offer just one reason or one bit of evidence why you think it will? Actually, the rate for the last several years has been 12 percent and for this year it is 15 percent.

Some of you might still think Congress won't allow all this spending and inflation to occur—that it will do something about the problem. Well, Congress has already done something. It has linked over half of all federal welfare payments to the future advance in the consumer price index.

How this works out for Social Security benefits, for example, is shown in Fig. 2.

It assumes that the cost of living will increase at an average rate of only 3 percent annually and wage rates at 5 percent over the next 25 years, which may suggest I'm a dreamer.

On this basis, the maximum benefit will go from the current $5,900 per year to almost $25,000 in the year 2000. And the top tax required to support just this one social program will increase from this year's $1,600 for each worker to more than $6,000.

In his State of the Union message, President Ford laid it on the line. He pointed out that 75 percent of federal expenses are mandated by programs enacted by previous Congresses—that unless the automatic built-in increases in these programs are altered there is no prospect of bringing runaway federal spending under control.

What are the chances Congress will do so? In view of its record, I'd put them right smack on zero. In the last 45 years, only two Congresses have held down spending—the last one to do so was 20 years ago. Since then the ratio of voters who receive regular government checks to voters who pay taxes has really ballooned.

Today, 50 million adults—nearly all nonworkers—get at least one monthly check from Uncle Sam. Another 15 million are public employes. These 65 million compare with 69 million private job-holders. So there's nearly one voter on the public payroll for each private employe who is supporting it.

To finance the soaring federal deficits, the U.S. Treasury sops up a larger and larger share of the funds available for all borrowers. This makes it progressively more difficult for the private economy to obtain the capital it needs to finance its growth and to create the 1.3 million new jobs needed each year to make room for the young people who will be entering the labor force during the next decade.

Back when the projected 1975 deficit was $10 or $20 billion less than the current estimates, Treasury Secretary William Simon pointed out that public financing would absorb 30 percent of all the new bond capital available this year, leaving only 20 percent for the private economy, compared with 40 percent last year when long-term financing wasn't very easy.

As things look now, the federal deficits in calendar 1975, '76 and '77 will swell the nation's debt total by $200 billion.

As the growing burden of debt outruns the economy, its quality goes downhill. For example, the interest charges paid today by manufacturing companies eat up 25 percent of their available pretax income, against 8 percent in 1960 and 3 percent in 1950. By 1980, the debt total will cross the $5 billion mark. So inflation makes debt grow faster, which, in turn, makes inflation grow faster.

And just as inflation and debt go hand in hand, so do inflation and anti-business sentiment.

There is a steady drumbeat of demands for new controls, new investigations, new regulations, new business taxes, new threats of government intervention. The result is to discourage the public from investing its savings in the billions upon billions of new bonds and stocks which must be sold to finance increased productive capacity. This, in turn, holds back the growth of employment and output and brings about still more inflation.

Rising costs and prices provide a made-to-order environment for the political demagogs. They scream for the government to control this and take over that. And the more areas the bureaucrats get into, the worse things get.

In the continuing debate over the role of profits in our society, few good comparisons have ever been developed of the respective benefits we all receive from a private vs. public operation. This is partly because there aren't many areas of the economy which are dominated by a profit-motivated organization on the one hand, and a publicly operated one on the other. But the communications field is.

So it is interesting to see how we, as consumers and as taxpayers, have fared at the hands of our two dominant communications systems.

The cumulative figures since 1932 show that the Bell System has put $55 billion into the coffers, while the post office has drained almost $23 billion out.

Well, we could go on and on, but the basic point is that now inflation is a political rather than an economic problem. And because it is, it is hard to foresee how it can be solved under our present system of government.

Now, what are the implications of all this for investors? Here are some of my thoughts for what they may be worth:

1. Few people—only some very nimble and lucky speculators—are able to profit from inflation. So your basic objective should be to see how well you can conserve your assets—not to see how fast you can make them grow.

2. Inflation creates deflation. Every inflation in history has finally resulted in deflation and/or a lower standard of living. I doubt if anyone can say with conviction when the breakup of our inflation will come or what form it will take. But it is apparent the economy is becoming progressively more uncertain and unstable. So the most important thing for the investor to do is to diversify his assets.

3. Long-term debt instruments with fixed rates are destroyed by inflation. Most people would be out of their minds to buy and hold a large number of long-term bonds. Over the last 25-50 years they have been a disaster in every country—and in ours, too.

4. Not only does inflation bring about uncertainties and instability but it also creates a shortage of liquid assets. So, investors should keep a good portion of their capital in a three-to-five-year, rollover portfolio of short-term notes and bonds.

5. Common stocks, although far from a perfect hedge, have fared the best in most other countries. However, many industries are very vulnerable during a high rate of inflation, and their stocks offer a poor hedge. So the investor must be very selective in seeking the shares of companies which have the best inflation-resistant characteristics.

6. There's real estate, but that's a whole subject in itself. It's not my field, and my comment on it would be of no value to anyone.

7. Gold has come to the fore. If I were very wealthy, and I would get some peace of mind from doing it, I'd put a little money into gold coins as disaster insurance, hoping it would turn out to be a mistake.

8. There are the more esoteric hedges against inflation—art, stamps, rare coins, antiques and the like. If you enjoy collecting and owning these things, that's fine as a hobby. By definition they aren't an investment. They're hard to protect and you can't eat them.

LABOR SUPPORTS SPACE SHUTTLE DEVELOPMENT

Mr. MOSS. Mr. President, I would like to announce today that I have received communications from three very important labor organizations reinforcing their position in support of NASA's Space Shuttle program.

Two years ago, when I first became chairman of the Aeronautical and Space Sciences Committee, I solicited labor's views on this program and was gratified to learn of their wholehearted support for this program.

What is their principal interest here; is it jobs? Certainly it is. The Space Shuttle program is now employing about 31,000 people in 47 States, a figure which will rise to more than 50,000 in 2 years. In these times when unemployment is at more than 8 percent and likely to go to 10 percent or higher, these figures should not be taken lightly.

Today's jobs, of course, are not the only reason labor supports the Shuttle. Floyd Smith, president of the International Association of Machinists and Aerospace Workers says:

> [W]hat makes the Space Shuttle unique is that it stimulates growth and will be putting entirely new industries in place here on earth and in earth orbit. We can see the promising beginnings of these industries now in communications, weather forecasting, navigation, oceanography, and earth resources detection, management and protection. Their continued development and expansion is dependent on the future of the Shuttle—we cannot put space to work for us until we can get there reliably and relatively inexpensively.
>
> New industries, of course, breed new jobs. Moreover, the high technology advances that are coming from the Shuttle's development now, and which will flow from its future uses, are already filtering into the commercial sector. This spells "productivity," our most effective inflation fighter.

The idea here, of course, is that advanced R. & D. such as the Space Shuttle, not only provides current jobs, but, by increasing productivity, reduces inflation, and creates more jobs in more industries in the future.

Mr. President, I ask unanimous consent that these three letters, from the IAM, AFL–CIO, and the UAW be printed in the RECORD, and I strongly urge all Senators to consider the impact of the Space Shuttle program on the overall employment situation in this country.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 1, 1975.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the International Association of Machinists and Aerospace Workers, I appreciate this opportunity to express our support for S. 573, providing for the continued funding of the Space Shuttle program.

Two years ago I communicated to this Committee the IAM's wholehearted support for the shuttle project. Since then, NASA seems to have cleared the major technological hurdles. The technicians are well along in cutting metal on the prototype spacecraft. From my vantage point it appears that the only question about the Space Shuttle's success is Congress' willingness to continue funding it.

I can understand why the Congress and our citizens would want to look more carefully at all federal programs, including the Space Shuttle, in this time of economic recession. Let me assure you that the interests of the trade union which I represent lie with the health of the economy as a whole, and not with the aerospace industry alone. Our members are employed in a wide range of industries, and they work in every city and almost every town in America. As the overall economy goes, so goes the IAM.

Nevertheless, I am confident that the Space Shuttle Program is the kind of government spending that we must continue, and even expand, if we are to get this nation back on its feet today and for the longer term.

For instance, there are 31,000 jobs in 47 states directly involved in the Shuttle program, and multiplier effects bring the total to about 100,000 jobs.

Two years from now 50,000 meaningful, productive jobs will depend directly on the Shuttle. In fact 85 percent of NASA's overall budget is spent on manpower and only 15 percent for materials. Few, if any, industries can match that.

Yet, what makes the Space Shuttle unique is that it stimulates growth and will be putting entirely new industries in place here on earth and in earth orbit. We can see the promising beginnings of these industries now in communications, weather forecasting, navigation, oceanography, and earth resources detection, management and protection. Their continued development and expansion is dependent on the future of the Shuttle—we cannot put space to work for us until we can get there reliably and relatively inexpensively.

New industries, of course, breed new jobs. Moreover, the high technology advances that are coming from the Shuttle's development now, and which will flow from its future uses, are already filtering into the commercial sector. This spells "productivity," our most effective inflation fighter.

Furthermore, these technological advancements will be incorporated into aerospace products sold throughout the *world*. In my opinion, our balance of payments deficit can be traced directly to faltering federal support of basic research and development. Aerospace is one of the very few areas where we have the edge in world trade. We must fight to keep it.

Consequently, I support the Space Shuttle not only because it provides more jobs for the dollar in the aerospace industry and widespread secondary employment in related industries, but because it is an investment in technology that will stimulate the kind of productivity we need to combat inflation, to kindle economic growth, and to reverse our balance of payments difficulties.

Obviously, the IAM would oppose any proposal to slow or stop the Shuttle. To sanction the slowing or dismantlement of the Space Shuttle program in the face of its unique economic attractions would bode ill for the future of this nation as a technological leader.

Your continued support for this valuable program is vital.

Sincerely yours,

FLOYD E. SMITH,
International President.

APRIL 2, 1975.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, Dirksen Office Building, Washington, D.C.

DEAR SENATOR MOSS: You will recall that President Leonard Woodcock appeared before your Committee on April 4, 1973 and testified in support of funding for the Space Shuttle.

During his remarks, he said: "In the coming decade of space exploration, however, we must make every effort to reduce the enormous costs of space flight and to relate our space activities to the problems we face here on earth. This is precisely why we believe the Space Shuttle should be approved."

I am happy to restate UAW's support for this project and I hope that adequate funding will be approved.

Sincerely,

JACK BEIDLER,
Legislative Director.

APRIL 24, 1975.

Hon. FRANK E. MOSS,
Chairman, Senate Aeronautical and Space Science Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The AFL–CIO Executive Council in February 1972 approved a resolution in support of congressional ap-

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propriations for the development of the Space Shuttle.

Since that time we have seen that the progress made by NASA has proven that the resolution in support of the Space Shuttle was correct.

In this year of great unemployment we are now, more than ever before, in continued support for the Space Shuttle. We are aware of the many benefits in communications, medicine and meteorology that this program will bring. Further, in 1975 it will give help to the economy that is urgently required. It will also give to America what it needs most, JOBS.

At a time when the United States prestige world wide is on the downside we should be increasing our endeavors in the field in which we are the undoubted leaders.

In view of all that the Space Shuttle means to the people of the United States, we most earnestly recommend that the committee continue its support.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

IN THE FOOTSTEPS OF FAISAL

Mr. McCLURE. Mr. President, the continued stability of Saudi Arabia is a matter of deep concern to the United States. It is reassuring, therefore, to witness the political and social strength which has been demonstrated in recent weeks by that nation's new leaders. In both domestic and foreign affairs, King Khalid and Crown Prince Fahd have shown the leadership necessary to prevent the vacuum which some had feared would appear in the gulf region.

An article in the Washington Post dated April 29, 1975, and written by Columnist Joseph Kraft, gives us an excellent description of the conditions in Saudi Arabia and the relationships with world concerns. Of particular significance is Mr. Kraft's statement that "it makes no sense to put off movement toward a settlement between Israel and the Arabs on the theory that division and squabbling will weaken the Arabs and make life easier for Israel in the near future." With this position, I am in complete agreement.

Mr. President, I ask unanimous consent that Mr. Kraft's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN THE FOOTSTEPS OF FAISAL

RIYADH—A month after the assassination of King Faisal the widespread fears about Saudi Arabia have been almost completely dissipated. The regime of King Khalid and Crown Prince Fahd is governing with authority in both domestic and foreign affairs.

Growth through high oil production is being pushed vigorously at home while in foreign policy the Saudis continue to play a lead role in fostering consensus among the Arab states. Which means the moment is ripe for all parties to drive toward a settlement between Israel and the Arab states.

Perhaps the best sign of the smooth transition is the attitude of the royal family itself toward the assassination and its aftermath. The other day three young princes gave full accounts of how the family prevailed upon Khalid to be king. They told the story of how the new king insisted that Prince Fahd be designated as his heir—and in effect the strong man of the regime.

I asked them how Saudi Arabia was able to maintain political stability and social order at a time when there was turmoil in the rest of the Arab world, and a rapid move here from a traditional to a modern economy. The answer was that faith in Islam was one binding force in this country, the royal family itself was another. The princes claimed the family was so extended as to be practically a representative body.

"Why do you even suppose the murder of King Faisal was a mark of instability in Saudi Arabia?" one of the princes asked heatedly. "We didn't say the United States was unstable when John Kennedy was shot in the middle of Dallas."

The self-confidence of the new Saudi regime probably finds its most cogent evidence in oil policy. Many of the older and more conservative members of the royal family—and not a few young economists in the finance ministry and the central planning agency—argue that Saudi Arabia should cut back oil production from the present 6.5 million barrels a day level to about 3 million barrels daily.

They claim the lower figure would permit harmonious development of the country. They argue the present production figure yields revenues which the country cannot spend or invest fruitfully. The upshot, they say, is inflation, waste, corruption and a rate of growth which strains the social order.

But that cautious view has been rejected more decisively by the new Saudi regime than it was by King Faisal himself. Aramco, the dominant oil company here, is being encouraged to expand capacity, which should reach over 11 million barrels a day by the end of this year. The huge revenues are to be creamed off for a new five-year plan (estimated to cost about $150 billion) which probably represents the most ambitious commitment to development ever made by a single country.

Precisely because the Saudis are betting heavily on the future, their foreign policy is primarily aimed at curbing dissension in Arab ranks. The Saudis want, at all costs, to avoid turbulent events which force them to choose between Arab loyalties and close economic ties to the United States.

Though lacking the prestige of King Faisal, Prince Fahd has been no less forward in trying to promote Arab harmony. The mini-summit meetings he held here with Presidents Anwar Sadat and Hefaz Assad last week ended a period of bitter feuding between Egypt and Syria.

The Saudi oil minister, Ahmed Zaki Yamani, dashed to Baghdad and Damascus last Saturday to patch up relations between Iraq and Syria. Earlier the Saudis had tried a hand at smoothing matters between King Hussein of Jordan and Yasser Arafat of the Palestine Liberation Organization. The visit of the Shah of Iran here this week provides an occasion for coordinating oil policy among the leading producers and for confirming the detente that now governs relations among the states bordering the Persian Gulf.

The success of the new Saudi regime in carrying on in the footsteps of King Faisal makes it practically certain that the Arab world is not going to sink into confusion and chaos. This country's vast financial resources, plus its interest in moderate leadership, should sustain Sadat in Egypt, Assad in Syria, Hussein in Jordan and Arafat in the PLO.

So it makes no sense to put off movement toward a settlement between Israel and the Arabs on the theory that division and squabbling will weaken the Arabs and make life easier for Israel in the near future. On the contrary, the optimum time for settlement is now while the Arabs are ready to swallow terms which they might find unacceptable later when their power and cohesion have grown even greater.

SENATOR SYMINGTON RE NUCLEAR PROLIFERATION

Mr. CLARK. Mr. President, yesterday's New York Times carried an excellent article on the increasing dangers of nuclear proliferation, written by the Senator from Missouri (Mr. SYMINGTON). Senator SYMINGTON, who serves on both the Senate Armed Services and Foreign Relations Committees, and on the Joint Atomic Energy Committee, certainly stands as Congress leading expert on nuclear proliferation. The timely suggestions he presents in this article require the immediate attention of the Senate and the Nation.

Mr. President, I ask unanimous consent that Senator SYMINGTON's article, entitled "Mushrooms for Dinner," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUSHROOMS FOR DINNER

(By Stuart Symington)

WASHINGTON.—On April 2, the news media reported that an Argentine legislator had introduced a bill calling for his Government to develop nuclear weapons. This was a clear indication of the pressures on a growing number of governments to "go nuclear."

The possibility that nuclear weapons may soon be in the hands of many more governments—as well as terrorist or criminal groups—is one of the gravest security issues facing the United States.

Our nuclear forces, upon which we place our main reliance to deter any major would-be aggressor, were not planned to protect us in a world in which nuclear-armed groups abound. But such a world is now close on the horizon.

Economic costs and technical restraints are no longer decisive factors in preventing other countries or nongovernmental groups from acquiring various types of nuclear explosive devices.

Furthermore, respected nuclear physicists tell us that between 100,000 and one million people throughout the world now have the basic information necessary to assemble nuclear weapons.

Today more than 50 countries have nuclear reactors. Not including the five nuclear powers—the United States, Soviet Union, Britain, China and France—as well as India, which recently exploded an atomic device, about 30 countries currently possess weapons quantities of plutonium that could be used in a bomb development program.

Enough plutonium has already been produced in the nuclear plants of these 30 countries to build some 9,000 nuclear weapons, each with the same destructive power as the bomb dropped on Hiroshima. And five years from now that number is projected to reach 50,000.

Moreover, half of these same 30 countries, plus two of the nuclear powers (France and China), have refused to ratify the 1970 Treaty on the Non-Proliferation of Nuclear Weapons, which forbids the acquisition or distribution of nuclear explosive devices.

Growing worldwide diffusion of nuclear technology and fuel also increases the opportunity for theft and usage by terrorist and criminal groups. We should be especially concerned with the possibility of piracy of nuclear materials in transport, or in a foreign country where security measures might not be as effective as in the United States.

It is not inconceivable that an international black market in stolen nuclear materials—possibly complete nuclear weapons—could develop.

What can be done to prevent the cancer of nuclear weapons from spreading throughout the world? Here are some suggestions:

When the parties to the non-proliferation treaty meet in Geneva next month to review its operation, the Ford Administration should avail itself of this key opportunity to help shape policies necessary to gain additional membership in the treaty and strengthen its safeguards.

In order to tighten control over nuclear materials, countries supplying nuclear fuel should carry out a comprehensive plan for the enrichment, reprocessing and/or leasing of world fissionable materials, and should not supply any nuclear materials to nations that have not agreed to accept International Atomic Energy Agency safeguards on all their nuclear programs.

The International Atomic Energy Agency should be empowered to develop and supervise security arrangements designed to protect nuclear materials from theft. At a minimum, the agency could exercise periodic surveillance over nationally-operated security systems.

Until such adequate safeguards and security arrangements have been developed, nations supplying nuclear materials should put a freeze on the further reprocessing of plutonium.

To discourage non-nuclear nations from embarking upon nuclear weapons programs, the nuclear powers should make a concerted effort both to put an end to their own arms race and to provide security assurances to non-nuclear states that nuclear weapons will not be used against them. At a minimum, the former effort would require the United States and the Soviet Union to negotiate various types of reductions in nuclear weapons.

We must learn to handle the growing danger of this nuclear proliferation before it handles us.

MISCONCEPTIONS ABOUT CATTLE AND GRAIN

Mr. DOMENICI. Mr. President, the cattle industry today is facing many problems. The cattle producer is confronted with depressed markets, increased feed costs and a substantial increase in foreign imports. The cattlemen are experiencing, like many industries in the United States today, marked increases in their costs of production while at the same time prices for their products have been declining.

In March, Secretary of Agriculture Earl Butz estimated 1975 imports of meat subject to the meat import law at 1.18 billion pounds. This estimate is 30 million pounds higher than the estimate announced on December 31, but just below the quantity required to trigger imposition of import quotas under the law.

The cattle industry has suffered serious financial difficulties for the past 2 years. In 1974, total industry operating losses amounted to $5 billion. Depressed prices reduced the inventory value of the Nation's cattle herd, in a single year, from $41 billion to $21 billion—an incredible drop of 48 percent.

As if these problems were not enough, the world food shortage has prompted frequent comments that have been detrimental to the cattle industry. These comments, from Government spokesmen, national commentators and even in recent Food Day commercials, have contained strong implications that the livestock industry is responsible for a food shortage, which in actuality, has been brought on by a wide diversity of problems.

One of the most unfortunate of these remarks has been a call for "meatless days" and an implication that if Americans ate one less hamburger per week, we would save millions of tons of grain to feed the world's hungry.

The facts show, however, that much of the hamburger we eat is produced from nonfed beef, either raised domestically or imported. These are cattle which have been fed no grain whatsoever. In addition, much of this nonfed beef would have no market, and a considerable amount of our Nation's forage would be wasted, if it were not for its use in hamburger and sausage products.

I certainly do not mean to discourage the American citizen's participation in efforts to alleviate hunger in other parts of the world. I do believe, however, that their efforts can and should be directed to more productive channels.

The various voluntary agencies dealing with the food shortage have made it quite clear the most productive and needed aid our people can contribute is cash. Milton Lounsberry with the CARE organization, has stated that with $2 they can serve 12 children a daily bowl of high protein porridge for a month and that with $10 they can serve 3,600 children a cup of protein enriched breakfast or lunch beverage.

Mr. President, I ask unanimous consent that this article by Nadine Broznan, "Best Food Crisis Aid Is Cash," from the November 29 issue of the Washington Star-News be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BEST FOOD CRISIS AID IS CASH

(By Nadine Broznan)

What can you do to help in the world food crisis?

The answer, repeated over and over by officials of government and voluntary agencies, is give money to those organizations with the expertise and connections to channel it effectively to the malnourished.

Although it may appear that countless church and secular groups are tumbling over one another in efforts to help, the chances are that they will all funnel their proceeds to a handful of major agencies.

And the individual dollar does help. "Do you know what $2 can do?" asked Milton Lounsberry, of the CARE staff.

"Two dollars can serve 12 children a daily bowl of high protein porridge for a month," he said. "Ten dollars can serve 3,600 children a cup of protein enriched breakfast or lunch beverage, and $100 buys a ton of food. For every dollar," he said, "we can provide $6 worth of aid."

Bulk purchases and government grants and commodity allocations are among the factors that help charities stretch the dollar.

Such long established agencies as CARE, Catholic Relief Services and Church World Service, as well as newer organizations such as AFRICARE, agree that it's cash, not cans, that help. In fact, CARE no longer sends CARE packages overseas, although it does feed as many as 22 million people in 36 countries a year.

"The money given to us goes so much further than would equivalent value in food," said an official of Catholic Relief Services. The foreign aid arm of the Roman Catholic Church in this country, it feeds about 20 million people in 75 countries and conducts development and assistance programs in 55.

It also is one of the four agencies through which the federal government distributes its Food For Peace funds (the others are Church World Service, Lutheran World Relief and CARE).

Packing and shipping costs, it was explained, make food donations prohibitive. "We couldn't possibly handle a contribution of less than a carload of wheat," said Melvin B. Myers, director of the material resources program for Church World Services, the overseas relief, rehabilitation and development coalition of the major Protestant denominations.

Then there's also the matter of local taste. "We might think something is yummy that the people of Mali wouldn't give to the animals," said a staff member at the American Council of Voluntary Agencies for Foreign Service.

In addition to the question of how best to be generous, there also is the matter of how that donation will be used: for immediate relief to the hungry or long-range development of local self-sufficiency.

"The American public is always great on emergencies," observed the council of voluntary agencies spokesman, "but the ongoing development assistance is of greater importance."

"We will get to the point that, if the developing countries don't increase the capacity to produce for themselves, there won't even be the shipping facilities to send them the amount of food they will need," she said.

"If someone gets his bowl of rice for one day, that helps for one day, but what is he going to do for the rest of his life?" asked Carrie Levenson of Oxfam-America, sponsor of the fast that last week had 250,000 Americans forego eating for a day.

"We do short-term relief, but our primary interest is in long-term development," she added citing projects in water storage construction and livestock replacement.

Similarly, AFRICARE, an agency founded three years ago to promote agricultural development, health and maternal and child care in rural Africa, is heavily involved in well construction in five of the six countries of the Sahel, the drought-stricken sub-Sahara region of West Africa. The agency has also just completed a feasibility study for the creation of a combination agriculture and livestock ranch in Niger.

Although AFRICARE does little if any direct provision of food, "we do such things as help the vehicle get to the village or give the village an ox to help it grow food," said Dr. Joseph C. Kennedy, director of international programs.

Mr. DOMENICI. Mr. President, the role of the ruminant animal in agriculture has not been thoroughly recognized by the general public nor has it been publicized by the mass media. A recent publication, entitled "The Importance of Beef Cattle in Converting Forage and Other Biological Materials Into Protein Food for Humans," contains the following passage which helps to illuminate the function of the ruminant animal:

Cattle and other ruminant animals (like sheep and goats) have four "stomachs", including the rumen. The ruminant animal is unique in that it is capable of converting fibrous plant materials—including grass, forage and crop by-products and residues—into human food. The rumen is a "fermentation vat" which can digest cellulose and can produce protein and other nutrients from materials which are indigestible or inedible by man or other single-stomach animals (like poultry and swine). This is

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Nature's way of taking otherwise wasted energy and other nutrients and converting them into highly nutritious foods like beef and milk.

The rumen contains vast armies of microbes which digest and mobilize nutrients for the cow to assimilate. Some digest cellulose; others make vitamins; others produce digestible protein for the cow from non-protein nitrogen in the diet. This fermentation vat can digest not only plant roughage but also wastes from the processing of grains, vegetables and other plants products for human food use.

We should note that there are far greater tonnages of biological materials in the world (like grasses, leaves and crop residues) which the ruminant can and must convert for man's use than there are materials which man can consume directly.

Even when the role of the ruminant animal is understood, there are still many questions and issues concerning the present and future status of the livestock industry that must be discussed. Some of these issues include feed conversion, the difference between feed grains and food grains, the role of forage in cattle production, changes in beef grading, per capita consumption of beef, and the value of animal by-products.

The American National Cattlemen's Association has prepared an excellent series of questions and answers which address these important issues, and Dr. Ed Uvacek of Texas A. & M. University has written an illuminating article on the health aspects of beef consumption.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the ANCA, Dec. 18, 1974]

THE ROLE OF CATTLE AND GRAIN IN FEEDING THE WORLD

QUESTIONS AND ANSWERS

Q. It has been suggested that people in the United States reduce their consumption of meat (including beef) in order to provide more grain for direct human consumption—including consumption by the hungry and starving overseas. Would this help alleviate the problem?

A. A reduction in meat consumption would not automatically make available to other countries additional grain for human use.

We already export 75% of our wheat crop and 57% of our rice. These are food grains, which are not consumed by livestock to any extent. Cutting back on meat would not make any more food grain available.

The corn and other feed grains which we produce are used overseas as well as in the U.S. largely for livestock and poultry production. Use of feed grains as human food is limited by custom and tradition as well as economic and other factors.

Over the long term, we may be able to export more grain for human use, but "meatless days" are not a solution to today's problem.

Q. But couldn't much of the feedstuffs now consumed by livestock and poultry be used by humans?

A. Animals and man compete for food to a far lesser extent than most persons realize. Only about one-third of all of the feedstuffs consumed by livestock and poultry in the U.S. are in the form of grain. By far most of that grain is feed grain (like field corn, grain sorghum, barley and oats), which is in little demand for human use. In fact, that is why it is called feed grain. Very little food grain (wheat and rice) is fed to livestock.

Feed for beef cattle consists almost entirely of (1) rough, fibrous materials (like forage and grasses) which man can't eat, and (2) feed grains which most people won't eat.

There are far more tons of plant material in the world which man can't eat than there are tons of materials which he can eat. The only way to convert these non-food plant materials into human food is to make them available to livestock.

Q. How much of these fibrous materials do cattle eat?

A. More than three-fourths of all of the feed units used in beef cattle production come from forage, grass and various by-products—materials which would go to waste if it weren't for cattle.

The millions of tons of by-products consumed by cattle come from the processing of grains, vegetables, nuts, oilseeds, sugar beets, fiber and other commodities for human use. If it weren't for livestock, these by-products would present a huge disposal problem. Also, the by-product values provided by livestock use result in lower costs of the processed foods than otherwise would be the case.

Q. Why is it that cattle can use these fibrous materials?

A. It's because they are ruminant (four-stomach) animals. They have the unique capability to convert things like grass, hay, silage, crop residues (stems and stalks) and grain milling by-products into high-protein foods like meat or milk. Single-stomach animals like hogs, poultry and man himself cannot or will not eat these things.

Q. Where does all of this grass and forage come from? Couldn't we replace it with grain and other crops which humans could eat directly?

A. Out of the 2.2 billion acres of land in the United States, only about 15% is used for crop production. More than 80% of all of the land in this country cannot be used to grow crops. If it isn't already occupied by people or forests, it's too rough, too dry or too infertile to grow grain and other crops.

However, about half of this non-crop land (or almost 900 million acres) does grow grass which can be converted into food by grazing animals like cattle and sheep. Without these ruminant animals, we would have no way to produce food from the renewable resources available on 40% of our land.

We also should note that it takes ½ calorie of fossil fuel—an exhaustible resource—to produce 1 calorie of food energy from cultivated crops. Cattle, of course, do not require fuel to harvest the grass from grazing land, and to recover the energy which is stored in grass each year.

Q. It often is said that cattle need 8 to 10 or even 20 pounds of grain to produce a pound of beef. Is that correct?

A. If cattle ate nothing but grain, such statements would make some sense. However, less than 25% of total beef cattle feed needs have been in the form of grain, and that percentage is declining.

Mother cows on the range eat virtually no grain. Prior to entering the feedlot, cattle being grown for market receive little or no grain.

Feeder cattle usually are not placed on feed containing grain until they weigh at least 600 pounds. They are then fed to a market weight averaging 1,050 pounds. To produce a pound of gain in the feedlot may require 9 pounds of feed, including roughage and by-products as well as grain. No more than about two-thirds of the ration may be grain. Thus, 6 pounds of grain might be used to produce each of the 400 pounds of weight gain added in the feedlot. However, when we consider the total market weight of this grain-fed animal, the amount of grain used per pound of animal is usually less than 3 pounds.

Even on the basis of beef as processed, cut and wrapped at the supermarket (rather than on the basis of live weight), it usually requires less than 6 pounds of grain to produce a pound of grain-fed beef. Depending on the area, weight of feeder cattle entering the feedlot and the particular feeding program, it may take as little as 3 or 4 pounds of grain per pound of saleable beef.

Furthermore, we should note that, at this time, about 40% of all cattle marketed are non-fed cattle—including cows and other cattle which have received little or no grain. This reduces the average amount of grain per pound of beef even more.

Q. If cattle can eat so much roughage and by-products, why is grain used at all?

A. The grain that is used results in better quality beef, a more even supply through year-round feedlot feeding, and a greater over-all volume of beef.

Until fairly recently, feed grains were in very large supply and relatively cheap. It often was more efficient and less expensive to obtain feed energy from grain than from roughage. Also, the use of grain hastens the growth of the animal, making more beef available to consumers and making possible the marketing of younger animals, with more desirable meat.

The faster growth obtained through feedlot finishing makes use of grain less inefficient than it would appear to be on the surface. If we had to rely entirely on grass for our beef, we would have the added costs involved with a longer total growing period, less overall efficiency in conversion of feed to meat, and added non-feed costs of production.

In addition, both experience and consumer research have shown that most people prefer grain-fed beef because it is more tender, flavorful and palatable than so-called grass-fed beef. At least some grain feeding is necessary with most cattle to produce the marbling (small flecks of fat in the muscle tissue) which is desired. It is only realistic to acknowledge that most Americans eat for enjoyment as well as sustenance.

Q. But aren't we wasting a lot of food energy and protein when we feed grain to cattle?

A. Animal scientists point out that, with the beef production techniques that are now common, it is easily possible to recover at least as many human food calories from animal foods as the animals ate of cereal grains and oilseed meals that could have been consumed by humans. And, of course, the improvement in nutritional quality and palatability of human diets is tremendous when the feed is converted to meat or milk.

Also, even at the level of grain feeding recently practiced in the U.S., beef and dairy cows normally return as much protein in milk and meat products as is supplied in the corn and other grains and the by-product oilseed meals used in feeding the animals.

As pointed out above, most of cattle's energy and protein needs come from forage and by-products, and not from grain. That is why we still can obtain meat and milk protein and energy which are equal in amount to that supplied by the grain and oilseed meals.

Q. More specifically, how do the amounts and availability of protein from grain versus beef compare?

A. A university animal scientist provided this example in analyzing whether we should feed corn or milo to humans directly, or process it through a feeder steer and eat the beef:

A ton of corn or milo (grain sorghum) contains 8% protein, or 160 pounds. On the other hand, the same 2,000 pounds of grain will finish a 650-pound feeder steer to a Choice grade finish weight of 1,056 pounds. The liveweight steer yields 660 pounds of carcass beef, containing 17% protein. The yield of beef protein then is 112 pounds.

Compare the two amounts of protein in this particular example—160 and 112 pounds—and it appears that the nod is tipped heavily in favor of the cereal form. However, it's necessary to compare net protein utilization by the human body.

Out of the total 160 total pounds of cereal protein in a ton of feed grain, only 90 pounds of actual protein are available for utilization by the human body. Because of superior content of amino acids (the building blocks of protein), a greater percentage of the beef protein can be used by humans. In fact, the amount available to humans is 90 pounds—the same as for the ton of grain.

"Thus," said the scientist, "it's a stand-off. Given a choice, I'd rather eat beef."

Question. Can less grain be used in feeding cattle?

A. Yes, we can use and are using less, simply because there is now less feed grain available for feeding and because of the current economics of feeding. The current trend is for cattle to stay on grass and forage longer and to go into feedlots at heavier weights and to be fed for shorter periods of time. It is still possible with such a system to produce quality grain-fed steaks and roasts.

For example, suppose that a steer gets to about 800 pounds before he enters the feedlot and that he is fed for only about 100 days, on a ration containing 50% grain. This would mean only about 2.3 pounds of grain per pound of saleable beef.

Because of the great versatility of the ruminant animal, it may be possible to reduce grain use even more, to produce quality beef with less grain per pound of meat than is used in pork or poultry production.

In total, even now, much more corn is fed to hogs and poultry than is fed to beef cattle.

Thus, it can be seen that it is not in any sense correct to say that 10 or more pounds of grain are needed to produce a pound of beef.

Also, of course, there is no real comparison between the nutritional value of meat (with its high content of completely balanced protein, plus large amounts of essential vitamins and minerals), and the nutritional value of grain (with its "empty" calories).

Q. Assuming use of some grain to feed cattle can be fairly efficient, isn't it still relatively more efficient to use feed grains to produce poultry meat or pork?

A. Here again, there is misunderstanding. In the first place, as noted above, a considerable amount of beef is produced with no grain at all. In the case of fed beef, the amount of grain used depends on the weight of the animal and the type of feeding program. The amount of grain fed per pound of beef might range from around 6 pounds down to 2 pounds or even less.

For all types of animals, the ration includes ingredients (such as by-products) other than grain. However, it takes about 2 pounds of grain to produce a pound of saleable chicken broiler meat; for turkeys, producers use at least 3 pounds of grain to produce a pound of meat; and it takes about 5 pounds of grain to produce a pound of ready-to-cook pork.

Q. It has been said that, if we ate one less hamburger per week, we would have millions of tons of grain for possible human use.

A. This is one of those statements based on mis-information. For one thing, much of the hamburger we eat is produced from non-fed beef, either domestic or imported—from cattle which have had no grain whatsoever.

Much of this non-fed beef would have no market, and a considerable amount of forage would be wasted, if it weren't for use in hamburger and sausage products.

Q. Couldn't more of our feed grains be used for human feeding?

A. Probably there could be some additional use for humans, but the use still would be limited because of the physical and nutritional characteristics of the grain, because of food customs, and because of inadequate processing facilities.

For example, even when grain sorghum has been given away, some persons in foreign countries have refused to eat it.

Less than 10% of our total domestic supply of feed grains goes into food and industrial (starch and alcohol production) use.

Of all of the large amount of feed grain exported, only 10 to 15% is for food and industrial use. Just as in the United States, feed grain shipped overseas goes largely for feeding of livestock and poultry.

Some corn is used for food purposes, primarily in Latin America. However, feed grain is not used as human food to much extent in most nations where people face famine. Wheat and rice are used to a far greater extent.

Most of the corn produced in the United States has been bred and grown specifically for domestic animal feeding and export. It is high in energy but low in other nutrients. Much of it is hard and flinty, which makes for better handling, and it is not so useful for food. Also, most of our yellow corn is No. 2 grade and lower, and much of it could not be used as is in foods for humans.

Even when we had large surpluses of corn and other feed grains, little of these grains was used for food, either overseas or in this country.

To make more use of corn for food, the direction of plant breeding efforts—including increasing the protein content—should be changed.

Q. Let's assume that more people overseas could find ways, or be persuaded, to use more feed grain as human food. Wouldn't it help to cut back on meat consumption in this country, to have "meatless days?"

A. If we were to use less feed grain for animals in this country, our exports for feed use no doubt would increase. This is because of the increasing world demand for feed grain. The grain still would not become available to the hungry and starving unless the countries needing it, the U.S. taxpayers or charitable organizations would buy the feed grain and see that it was used for human food. Grain farmers obviously could not produce the grain and then give it away. Someone would have to pay for it at the going market price.

It is increased livestock production, both here and overseas, which created a market for feed grains and stimulated the production. If livestock numbers were cut back sharply, and corn producers had to wait around for their corn to move into human stomachs, most of them would be out of business. We wouldn't even have the corn and other feed grains whose use is sometimes debated.

All feed grain producers remember the years they overproduced their markets, and relatively little of this surplus grain moved into direct human consumption. Therefore, any artificial reduction in animal production would simply reduce the farmer's incentive to produce feed grain.

Q. If feed grains aren't likely to find much demand for human food, why can't we cut back sharply on livestock production and shift a lot of our corn acreage to food grains like wheat?

A. This also is a lot easier said than done. Yields of corn per acre in the main corn producing area are much larger than wheat yields—in fact, two or three times greater. The corn farmer in no way could afford to switch use of his high-price land from corn to wheat and still stay in business.

As an illustration of the fact that use of corn in cattle feeding is not so inefficient as some persons say, consider this: One analysis, based on average yields, shows that the use of an acre of corn in a feedlot ration winds up as 1,810 pounds of dressed beef, compared with 1,530 pounds of white flour from an acre of wheat. Thus, the combination of corn and otherwise wasted roughage results in more food per acre, with greater nutritional value and eating satisfaction, than we may be able to get from other crops.

Also, a superficial consideration of man versus animal in use of grain overlooks the importance of beef cattle production to the total agricultural and business economy of the United States.

Agriculture is by far the nation's biggest industry—with assets equal to about three-fifths of the assets of all corporations in the United States. The cattle industry, with a fourth of all cash receipts from farm marketings, is the largest segment of U.S. agriculture.

About 1.8 million farmers produce cattle either full or part time. To cut out cattle production would adversely affect the entire economy, virtually destroy some communities, and cause tremendous unemployment.

Not only farmers and ranchers but hundreds of thousands of workers who store, transport, process and merchandise meat would be hurt. For example, the meat and poultry processing industries alone employ 302,000 workers and have a payroll of $2.5 billion. There also are hundreds of thousands of persons engaged in supplying feed, machinery, trucks, fertilizer and other goods and services for cattlemen.

Even a reduction of ½ pound in weekly per capita beef consumption would cause staggering economic effects. And, needless to say, the U.S. economy is already suffering from excessive unemployment.

Q. If we shouldn't artificially try to cut back on beef consumption, what can we do to help feed the hungry?

A. Over the longer term, the only real solution to the world's food problem is more population control and greater production of food grains and other crops in the countries where it is needed.

What the world needs is more total food—including livestock products—not less. That means more meat, milk and eggs as well as more grain, vegetables and other foods.

And that is one reason why ruminant animals like beef cattle are so important. They can convert forage and otherwise wasted plant materials into human food. We should take more advantage of this capability and produce more beef and milk.

Gradually, too, it may be possible to produce more corn and other feed grains of a type which is more suitable for direct human consumption.

If we can increase grass and forage production on lands not suited for grain, we can probably get to a point where cattle obtain at least 85% of their feed units from forage. This would free more feed grain for use by monogastric animals like chickens and hogs as well as humans, where feasible.

Q. It was indicated that less feed grain could be used in cattle production. Is this occurring now?

A. Yes, reduced supplies of feed grains for domestic use and extremely high prices are dictating use of less grain per animal on feed. Even with reduced exports, the small 1974 crops means that the supply of feed grain available for cattle in the 1974–75 marketing year could be down by 25% or more. This alone is bringing changes in feeding programs and is altering the proportion of fed and non-fed beef.

One development which can help reduce further the need for grain is the proposed change in government beef grading standards. Grain will still be needed to produce quality fed beef, but the amount of grain can be reduced through proposed modifications of the grading system. There also will be a reduction in production of excess trimmable fat.

Q. How can more grain or other food be provided on at least a short term basis for people overseas?

A. More effective than "meatless days" in getting grain to the hungry would be donations to charitable organizations, or payment of taxes to governmental agencies, which are engaged in purchasing and transporting food grains and other foods from the "have" to the "have not" countries. Simply eating meat in fewer days won't automatically get more food grain to other countries.

At the moment, feed grain is in short supply, while beef is in surplus. As a result, some persons are proposing that our government buy and ship canned beef (from non-grain-fed cattle) to people who are badly in need of the balanced protein and other nutrients which meat contains.

Meanwhile, we must recognize the continued importance of animal proteins in this country. Ruminant animals alone (including beef and dairy cattle) provide more than half of our total protein, plus other essential nutrients.

The Food and Agriculture Organization of the United Nations says that the world's diet needs animal protein in amounts up to one-third of total protein requirements. This group also supports livestock production as one important way to use otherwise wasted land and inedible by-products or grains and other crops.

We also should note that the by-products of animal production are not without value. They include such things as vital medicines (like insulin for the millions of diabetics), leather, wool, glue, photo film, candles and fine china—plus fertilizer and feed products.

Instead of Too Much Beef, We May Not Be Eating Enough

(By Ed Uvacek)

Texas A&M Unversity

Recently, a well-known consumer magazine, discussed the issue of buying beef. One of its sections dealt with how much beef is enough for health. In this, they referred to the American Heart Assn.'s recommendation that a 3½ ounce serving of beef per day is adequate for most Americans. They then quoted the popular beef consumption level of 116 pounds per person, the record high of 1972, and thus implied that we all eat too much beef. Let's examine that conclusion because it seems to be a quite common one today.

Assuming that we accept these two statistics as actual fact (and there are some doubts on that), they may still be compared if they are realistically understood.

The 3½ ounces of beef means—a serving of that amount of cooked beef per day per person would be sufficient from the standpoint of protein needs. Such servings of beef each day, however, add up to a total of 78.75 pounds of cooked beef in one year. (3½ ounces times 360 days, divided by 16 ounces equals 78.75 pounds of cooked beef per year).

The 116 pounds of beef consumption in 1972 means—that there was produced in the U.S. an average of 116 pounds of carcass beef for each person in that year. This does not indicate the amount each person actually ate but it indicates the amount available. Beyond that, the 116 pounds of carcass beef would yield only about 81 pounds of boneless retail beef cuts, since about 30 percent of a carcass is lost in the form of cutting loss, bones, and fat.

Since the first figure is on a cooked beef basis and the second is raw beef, we must also adjust one or the other to make them comparable. Typical cooking reduces the weight of beef another 25 percent.

On the basis of the adjustment, therefore, 116 pounds of carcass beef, the record high level of 1972, then, would give us only 61 pounds of cooked beef per year. (116 pounds minus 30 percent equals retail cuts, minus another 25 percent equals the amount of cooked beef).

Americans, then, on the average, actually only consumed about 61 pounds of beef in 1972—that's 18 pounds of beef less than recommended by the American Heart Assn. diet for good health. Remember also that the 1973 production level provided about 10 pounds of carcass beef per person less than that 1972 record high, and this year may even be lower.

It's easy to see that even with the figures, the consumer group and health faddists like to quote—the truth is really quite different than their conclusions. We really are not eating too much beef in this country. Actually, we may not be eating enough.

Eat more beef!!

BERNARD H. RIDDER, SR.

Mr. MONDALE. Mr. President, a man who made a great contribution to Minnesota and to journalism there and around the country died yesterday. He was Bernard H. Ridder, Sr., chairman emeritus of Ridder Publications, Inc.

Mr. Ridder lived a full and contributive life that spanned 92 years of quickly changing and historic events. He was a New Yorker by birth, but, fortunately for Minnesota, he moved to St. Paul in 1938 as publisher of the St. Paul Pioneer Press and Dispatch. The mark he left on that city and on our State has been matched by few men.

Many tributes will be made to Bernard Ridder in the coming weeks. But I would like to share some that have already been made, and the rich details of his life, with you and my colleagues.

Mr. President, I ask unanimous consent that an editorial in today's Pioneer Press, as well as obituaries that appeared in that paper and the New York Times, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Bernard H. Ridder, Sr.

Bernard H. Ridder lived a little less than his long life in St. Paul, but few men have been so intimately identified with a city's life and spirit as he was with St. Paul's. In this city the creed he lived by and the cultural and intellectual interests he pursued found ready acceptance. If he was a St. Paulite by transplant, he discovered the soil and climate here rich and receptive and he added to it his own gifts which for more than a generation have enriched the community.

He was the inheritor of a family and ethnic tradition of ambition, hard work and responsibility and in this his personal life fit the pattern of the city he came to in 1938. His grandfather was an immigrant from Westphalia, in Germany; his father, who founded the Ridder newspaper enterprise, began his career in journalism as a messenger boy on Horace Greeley's New York Tribune. A good deal later, his father took over a floundering German-language daily, the New York Staats-Zeitung. It was on this soon flourishing newspaper that Bernard Ridder and his brothers, Joseph and Victor, learned their profession.

The ties with the European heritage remained close. Bernard Ridder for many years made annual trips to that continent as correspondent and as a skilled photographer. The files of these newspapers bulge with dispatches which reflect the insights and invaluable personal contacts he had developed all over western Europe; his first-hand accounts of the travail and resurgence of Germany after World War II are particularly valuable. He and his wife, Agnes Kennedy Ridder, also took thousands of pictures of Europe's art and historical treasures, and these they generously and enthusiastically shared with Minnesotans, who saw them at their clubs and churches and social groups.

He shared, too, other enthusiasms: a talent for horticulture reflected in the colorful abundance of his home garden on Lincoln Avenue; a love of and an aptitude for creating poetry; an appreciation of the deep religious commitment of the community, which found expression in, among other things, sponsorship of an annual Christmas pageant which became a well-attended civic event. The St. Paul Women's Institute, which for years brought speakers and musical artists of wide reputation to St. Paul, was a valued Ridder contribution to a richer cultural ambience.

Bernard H. Ridder Sr., long presided over a publishing enterprise which grew to be one of the nation's largest and most influential. His home and his heart, however, were in St. Paul. Here he found values which complemented his own, and which his life and work here have enhanced.

B. H. Ridder Funeral Friday

Funeral services for Bernard H. Ridder, 92, chairman emeritus of Ridder Publications, will be held at 10 a.m. Friday at St. Luke's Catholic Church, Summit Avenue and Lexington Parkway, with burial in Calvary Cemetery.

Mr. Ridder died about noon Monday in St. Mary's Hospital, West Palm Beach, Fla.

Mr. Ridder, who resided at 1033 Lincoln Ave., was the last survivor of the three sons of Herman Ridder, founder of the New York German language newspaper Staats-Zeitung & Herold.

He came to St. Paul from New York in 1938 as publisher of the St. Paul Pioneer Press and Dispatch, which the Ridder family, including his late brothers Joseph and Victor, purchased in 1927. He remained publisher until 1952, when he became president.

Mr. Ridder, who presided over these newspapers for 37 years, was primarily a journalist.

He knew the complete operation but he had a special interest in the newsroom, an interest he never lost.

He called the Dispatch city desk late in 1974 to report that his neighborhood bank had just been robbed. He was delighted that he had called in ahead of the police reporter. He was more than delighted when he received a $10 check in the mail for having furnished the tip.

Besides being a journalist-publisher Mr. Ridder was the father of four sons, all of whom became publishers.

But he was also a gifted photographer who toted his heavy equipmnt through European art galleries and historical buildings on his long vacations abroad.

He was a gardener who turned the grounds around his home at 1033 Lincoln Ave. into a spring paradise. He had great beds of tulips in every color and shape blooming against a backdrop of flowering apple trees and purple lilacs.

Until recent years, he walked around his garden admiring the flowers, often giving a visitor an escorted tour. Thousands of persons stopped there to get a sight and smell of spring.

When the tulip bulbs were dug up in the fall, Mr. Ridder divided some of the extra bulbs among a dozen or so paper sacks and carried them downtown to give to employees. So Mr. Ridder's tulips bloom in many a St. Paul area garden now.

He was always a well-tailored and well-shod man. He had a weakness for colorful silk ties with matching handkerchiefs, which he had made for many years by a St. Paul

seamstress. These accessories gave him a jaunty, youthful look.

A world traveler, he could talk about his adventures without being a bore. And he had adventures in Paris and Rome and London. He sought out journalists in the great cities and interviewed them about the state of the world. The pieces he wrote were informative analyses.

He also wrote and mailed back witty comments on hotels, dinners, and friends met abroad. His wife, Agnes, helped him carry the paraphernalia that photographers must have. She wrote a weekly article from the capitals of the world.

Mr. Ridder was also a poet. He was a superb raconteur and an excellent bridge player.

He was always impressed with his accumulation of years and made no secret of his age. One day when he was probably 85 years old, he was riding up to the fourth floor of the newspaper building when some solicitous soul said, "And how are you Mr. Ridder?"

"I'm fine," he replied. "If I weren't at my age I'd be dead."

Another time, half seriously, he said: "If I had known that I was going to live this long, I'd have taken better care of myself."

His longevity was no strain on anyone but Mr. Ridder. In recent years his eyesight had declined, which restricted him somewhat. But he could still build pun on pun with the best of them.

Bernard Ridder, Publisher, Dead

West Palm Beach, Fla., May 5.—Bernard H. Ridder, chairman emeritus of Ridder Publications, Inc., died today at St. Mary's Hospital here. He was 92 years old.

Mr. Ridder's organization owned or had a substantial interest early last year in 19 daily newspapers in 10 states. Late last year, Ridder Publications merged with Knight Newspapers, Inc., to form Knight-Ridder Newspapers, Inc., a 35-newspaper group with publications in 17 states.

Mr. Ridder was the last of three surviving sons of Herman Ridder, founder of the New York German-language newspaper Staats-Zeitung und Herold. He joined that paper in 1905, after studies at Columbia University and in Germany.

Mr. Ridder became president of the Staats-Herold Corporation in 1915 when he and his brothers, Joseph and Victor, inherited the paper. In 1927, the three purchased The New York Journal of Commerce and The St. Paul Dispatch and The Pioneer Press. In 1938, he became publisher of The Dispatch and The Pioneer Press, serving until 1952, when he was named president.

Mr. Ridder had also been chairman of Northwest Publications, Inc., a division of Ridder Publications. In 1973, he was named chairman emeritus of Ridder.

Survivors include his widow, Agnes Kennedy Ridder; 3 sons, Bernard H. Jr., Joseph B. and Daniel; 11 grandchildren and 12 great-grandchildren.

Daniel Ridder is a vice president of Knight-Ridder and publisher of The Long Beach (Calif.) Independent and The Press Telegram. Joseph Ridder is publisher of The San Jose (Calif.) Mercury and The News. Bernard Ridder Jr. is president of Ridder Publications and vice chairman of the board of Knight-Ridder.

Confronted Nazi Spokesman

In 1933, a few months after the Nazi regime came to power in Germany, one Heinz Spanknoebel appeared in The Staats-Herold office here and showed Victor Ridder letters from the German Labor Front and the chief of the foreign division of the Nazi party, which, he told Mr. Ridder, gave the newcomer "authority to assume power over the German-language press in the United States." His first order, Mr. Ridder testified in a 1943 proceeding to void the citizenship of Nazis in this country, was to stop publishing "your pro-Jewish articles."

As Mr. Ridder was explaining he would do no such thing, his brother Bernard walked in, was shown the letters and immediately said, "All I can tell you, Spanknoebel, is to get the hell out and stay out."

The Nazi representative caused turmoil among Americans of German descent and continued to attack the Ridders until he left the country a few months later.

THE CHICAGO DEFENDER

Mr. PERCY. Mr. President, the Chicago Daily Defender is celebrating its 70th anniversary. Over the years the paper has become one of the most respected black publications. The Society of Professional Journalists, Sigma Delta Chi, has named the publication "a historic site in journalism" and praised the Defender for having "consistently and vigorously championed the needs of black America."

I would like to take this opportunity to congratulate the Defender on its long history of journalistic excellence. The following editorial, published in the Defender on its 70th anniversary, clearly reflects the paper's high standards and goals. I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Abbott and History

In celebrating its 70th anniversary, the Chicago Defender finds satisfaction in the unfailing pursuit of its program for betterment of the black citizenry in the context of a progressive democratic society. While never unmindful of its obligation to the nation, the Defender has always felt that its primary responsibility was to black America and to the lingering struggle for justice and equality. Seventy years in the life of any publication are not mere pebbles on the seashores of history.

The Defender has been able to withstand the pounding waves of national crises in times of war, and the jolting impact of economic imbalance in peacetime. And despite perennial changes in the national economy, despite unpredictable political variations of the two-party system, the Chicago Defender goes on, never missing a single day of publication. Its pages match the turbulent events of our history in its swift pace and intensity.

This newspaper is the fulfillment of a dream that its founder, Robert S. Abbott, had when he brought forth the nation's greatest defender of the civil and constitutional rights of black citizens since the emancipation of the slaves in 1863.

Abbott fought with unflagging zeal to hold America to its commitments and to keep American democracy from the aura of fairy tale. Though a crusader of indomitable resolve and perseverance, he was never disheartened and never once entertained the ugly impulses of retribution and revenge. The issues to which he consecrated much of his energy were, in some quarters, thought to be fulminations of an incurable visionary. But times and events have vindicated Abbott's visionary outlook.

Such issues as black representation on the President's cabinet, on the U.S. Supreme Court, and Police and Fire Departments, were in the opinion of many, too far removed from reality to be considered attainable. Today, all of them have come to pass. It was Abbott's fearless crusade against segregation that finally ignited the spark that years later blew open the iron door to civil rights. His prophecy that "American Race Prejudice Must Be Destroyed," is finding fulfillment in the school desegregation mandate, in integration in the armed forces, in FEPC, in churches, in colleges and universities, in such sports as football, baseball, basketball, in the Olympic games where the color line has been virtually obliterated.

What was thought to be an impossible dream 70 years ago, has taken on the flesh and blood of a living reality today. Stinging like a gadfly the conscience of America, Abbott succeeded in awakening the nation to its moral responsibility to a world that is still spilling blood in the struggle for justice, freedom and equality for all mankind.

For 70 years the Chicago Defender has been in the front line of the battle for black recognition. Even though the nation continues to be enmeshed in a web of caution over the political and economic outlook, the Defender has kept in step with the rhythm of history. The heat of the battle has not wilted its will or dimmed its vision of an eventually just and equitable American society. It is keeping faith with its commitment to the cause of justice, thus fulfilling the destiny that was marked out by its founder. Abbott had a sense of history, a vision of the future and the impulse to move mountains. He left footprints deep enough to withstand the erosion of time.

AMERICA AND THE WORLD FOOD CRISIS

Mr. HUMPHREY. Mr. President, I recently had the privilege to participate in a food conference at Bemidji State College. The purpose of this conference was to try to stimulate discussion about the world food situation.

I pointed out some of the basic issues underlying the world food situation and the main steps which should be taken to deal with the problem. I suggested that there are at least three main related issues: First, food aid for the needy nations; second, expanding food production and slowing population growth; and third, establishing a realistic U.S. food and agricultural policy.

Obviously, our food aid can be of great assistance in meeting hunger in the short run, but longer range steps to increase world food production are also needed. And a sensible national food and agricultural policy on the part of the United States would be a major step forward in expanding production in the United States.

I indicated that it made little sense to encourage our farmers to cut back from production when the world needs their great productivity.

I also indicated some of the ideas or initiatives which I had proposed to increase food production, such as developing an improved world agricultural information system; expanding the role of our land-grant universities to increase food production in developing countries; improving our research efforts; focusing our foreign assistance more directly on food production, nutrition, health, family planning and education; establishing domestic and international food reserves; and programing a reasonable quantity of food aid to meet humanitarian needs each year.

While this list is not exhaustive, it

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does address some of the main issues regarding the world food crisis.

Mr. President, I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY

I am happy to participate in your food conference here at Bemidji. There is no topic that is more urgent or timely.

You are to be commended on this undertaking which, as I understand it, is designed to educate and stimulate discussion. There has been an overwhelming interest in this topic on the part of church, civic and educational groups.

Your group, and others like it, can play a central role in helping our nation to face up to the importance of dealing with this issue.

We do not know precisely how many people are hungry or suffer from malnutrition. Poor people often are not counted, and governments find it embarrassing to admit they have starving people.

However, it is generally reported that today some 500 million people suffer from starvation or malnutrition throughout the world. And it also is estimated that about 10 percent of the American people now face malnutrition or starvation.

There was a record world production of 1.1 billion metric tons of cereal grain in 1971. Dr. Norman Borlaug has said that this would amount to a highway of cereal grains 55 feet wide and 6 feet deep, built around the world at the Equator. And this production was required to feed current world populations.

However, just to keep pace with population growth—some 76 million more people each year—without doing anything to improve peoples' diets, we must add another 24 million metric tons of cereal grain annually to this record production of 1971.

Meanwhile, there can be no decline in present food production, as there was last year, resulting in a world food crisis.

In other words, just to keep even, we must build another Trans-Global highway of cereal grains at the rate of 580 miles every year, according to Dr. Borlaug.

But meanwhile, each year we have to rebuild completely the first highway.

Harsh statistics like these should shame our conscience and inspire us to act without delay out of a simple, deep sense of compassion.

As the world's chief food surplus nation—supplying half of the food moving in international channels—the United States cannot hang back and wait for others to act.

We need to face at least three main food related issues. They are:

(1) Food aid for the needy nations;

(2) Expanding food production and slowing population growth; and

(3) Establishing a realistic U.S. food and agricultural policy.

FOOD AID FOR NEEDY NATIONS

The United States has been extremely generous with its food aid, providing more than $25 billion in food assistance over the last 20 years. However, much of this food was supplied because we had more than we could use.

The test comes now when our reserves are low. Will we be prepared to share when our supplies are tight? Can organizations such as yours provide the spark to help our government respond to the hunger of needy nations?

At the World Food Conference, which I attended in Rome last November, it was clear that the Administration wanted to avoid any major increased food aid commitments.

While we had provided nine million tons of food as recently as 1972, our volume of assistance last year dropped to 3.3 million tons.

I, and other members of the Congressional delegation, felt that our food aid should be increased by a million tons to encourage other nations to respond.

This request was rejected on the grounds that such an increase would be inflationary. In spite of this announcement, our government leaders conceded at Rome that we already were programming this year's food aid at around the 4.3 million ton level.

After a further delay of around two and a half months, our food aid level finally was announced at 5.5 million tons.

EXPANDING FOOD PRODUCTION AND SLOWING POPULATION GROWTH

Because of these delays in determining our food aid levels, I introduced a resolution calling for the establishment of a Food Coordinator to be located in the White House.

The Coordinator would give priority attention, not only to food aid, but also to efforts to increase food production in the developing world.

There is little doubt that food production can be increased significantly in the developing countries. This was one of the main conclusions of the World Food Conference. But to increase production, a greater priority must be given to land reform, increased fertilizer production, research to help the small farmer and increased credit.

Above all, a greater emphasis must be placed on increasing agricultural production. The priority in many developing countries has been on building up industry, while neglecting investments in food production.

Last year I and others revised our foreign aid legislation to place primary emphasis on agricultural production: health and family planning; and education training.

We need to push ahead in implementing this program. The developing countries are in many cases facing population growth rates of over 3 percent per year. This will mean a doubling of their populations in one generation, or by the end of this century.

The countries with high population growth rates are the ones most vulnerable in terms of their food supplies.

A renewed interest has surfaced in recent years concerning Thomas Malthus, who, in 1793, predicted that man would breed himself into a corner of misery by increasing his numbers beyond his ability to feed himself.

While his ideas have been subject to occasional debate, the advances of sciences and the general belief that the world's natural resources were unlimited, resulted in their being given little serious attention.

But now we will need to consider such predictions more carefully, although I do not share the gloom and doom conclusions of some experts.

We need a solid, long-range development effort which recognizes that there are no easy, short-term solutions to the food and population problems.

Our food aid can help in crisis situations and buy time until longer range programs get going.

ESTABLISHING A NATIONAL FOOD AND AGRICULTURAL POLICY

At the same time, we must begin to develop a U.S. National Food and Agricultural Policy which is relevant to today's needs.

What we do about developing a food policy is, of course, critical to the rest of the world.

The prices our farmers receive dropped by about twelve percent last year, while their production costs went up by nearly twenty percent.

Since the government has asked the farmer to produce to the limit, it should share some of the risk, Why should farmers face ruin and bankruptcy because of good weather and bumper crops?

It seems unbelievable to me that we allow over three thousand Minnesota dairy farmers to be driven out of production, and all in one year.

Our livestock producers have been losing as much as $200 per head now for the last two years. And the situation keeps getting worse.

And now our grain farmers are facing a very uncertain future.

It seems rather ironic to me that at a time when the world food reserves are at their lowest point in twenty-five years, we treat our farmers as if they were of little account.

Farmers are asked to produce bumper crops. But when they do, prices drop through the floor. A crop of 2.2 billion bushels of wheat or 6.5 billion bushels of corn would ruin many farmers because today's target prices and loan levels are so low as to be a mockery.

If we continue to ride the roller coaster with our farm prices, we not only will ruin our markets, but also those in the developing countries.

If our grain prices drop sharply this year because of a good harvest, we will face the likely prospect of having outside nations raiding our markets. This would assure that our valuable food supplies would go to other countries at rock bottom prices.

What we need is a policy which first takes into account the needs of both our farmers and our consumers.

And at the same time, that policy needs to recognize the influence which we have on other nation's food supplies.

In the past, we have been beset by surplus production. Today the outlook is uncertain, but the chances are that we will have continuing scarcity.

Our policy must be prepared for occasional years of surplus as well as the likely food shortages. And that is why a reserve program is so important.

We need a program which will enable the government to make purchases and support the market when there is excess production. At the same time, firm rules are required so that any reserves held by the government are not used to depress prices.

A reserve can give some stability to our markets and meet export and disaster requirements. Reserves held exclusively by trading companies cannot be relied upon to meet national needs.

I have recommended that the government hold a very modest level of reserves. We owe this to our consumers and our farmers who are the main users of grains. It also is needed for our own national defense.

We have reserves of guns and weapons. Our banks have monetary reserves as required by law, but we have no strategic food reserves.

Why should we be so foolish as to be willing to sell off all we have to anyone who comes along with money in hand?

A reserve program can be devised to give our consumers some assurance of adequate supplies of food. And a reserve can be utilized to keep farm prices at reasonable levels when there is excess production.

In an era where food is likely to be in short supply, we need to treat it as the scarce and valuable commodity that it is.

Beyond these three key areas which I have developed, we need to look for new ideas and approaches. And we need your help in coming up with new ideas.

We also must follow up on the work of the World Food Conference. While there have been many critics of the conference, it did focus the world's attention on food and hunger.

The Foreign Agricultural Policy Subcommittee, which I chair, will be holding a series of hearings over the coming months to look particularly at progress since the World Food Conference and the programming of our food aid.

I have suggested a number of ideas to increase the world's food supply including:

(1) Developing an improved world agricultural information system;

(2) Expanding the role of our Land Grant Institutions to increase food production in the developing countries;

(3) Expanding our research effort in the areas of better seeds, weather trends, and tropical agriculture;

(4) Focusing our foreign assistance more directly on food production, nutrition, health, family planning, and education;

(5) Establishing domestic and international food reserve programs; and

(6) Budgeting each year a reasonable quantity of food aid to meet humanitarian needs.

How we respond to the challenge of world hunger may well mean life or death for millions of people around the world.

We need your words of guidance and counsel so that this power is used wisely. And you need to make certain that you are heard.

These critical decisions should not be made with only our national interests in mind.

In the words of Albert Schweitzer, "You don't live in a world all alone. Your brothers are here, too."

We all need to keep these thoughtful words in mind as we struggle to find solutions to the problem of world hunger.

I urge you to lend your strength to this important effort.

OUR NATION'S HANDICAPPED

Mr. DOMENICI. Mr. President, I would like to take this opportunity to share with my colleagues a very insightful article concerning the neglect we have allowed to take place with regard to our Nation's handicapped. The essay is authored by Kathy MacLennan of my home State of New Mexico. I am proud to point out that her essay, "Full Employment Opportunity: Does It Exist for the Handicapped?" won first place in a contest sponsored by the Governor's Committee on Employment of the Handicapped in New Mexico. Miss MacLennan is a senior at Highland High School in Albuquerque.

In her essay, Miss MacLennan discusses the need to break down old barriers which impede handicapped citizens from obtaining jobs and leading useful and productive lives. She points out the need to improve the rehabilitation process for the handicapped. Without full rehabilitation, the handicapped will continue to be excluded from equal job opportunity. She further cites that rehabilitation is a more desirable alternative to institutionalizing handicapped persons who could be contributing to society. However, the trend has been the contrary.

I ask unanimous consent to have printed in the RECORD the full text of Miss MacLennan's award winning essay.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

FULL EMPLOYMENT OPPORTUNITY: DOES IT EXIST FOR THE HANDICAPPED?

(By Kathy MacLennan)

Handicapped persons are employable, although full use of this vast potential is not being realized due to barriers within the disabled and society. A handicap is defined as "The cumulative result of the obstacles interposed between the individual and his maximum function level."[1] The first obstacle a handicapped person encounters on his way to a satisfying life is his own attitude. Once past this adjustment, he approaches the snags of society: attitude and architectural barriers. His final task is that of obtaining and keeping a fulfilling and well-paying job.

The first step toward employment in the rehabilitation process is the acceptance of the limitations that have been incurred due to the physical handicap. Often, the individual's self-esteem has been lost and he feels superfluous in an active society. A switch must occur in his thinking: he must realize and believe in what can be done instead of what cannot be done. When this adjustment has been made, the individual has a great motivation to use his remaining capabilities to construct as near a normal life as possible.

The attitude of society toward disabled persons is another stumbling block in the path of the handicapped individual. Society does not expect normality from the handicapped. Many people associate a physical handicap with mental deficiency and they feel that since something is wrong with the body, the mind must also be affected. For this reason, the general public is fearful of the handicapped. As "disabled" is not what is usually associated with "normal," much of the population prefers to wash its hands of the entire matter.

Architectural barriers often impede the progress of handicapped individuals. Only recently has a law been passed stating that all new public buildings must be accessible to wheelchairs. Therefore, unless some civic-minded individual or group sees that the situation is corrected, most older buildings and facilities are virtually inaccessible to the handicapped populace. Sidewalks, elevators, bathroom facilities, curbs, water fountains, and parking spaces are among the things which must be modified to meet the needs of the disabled. Airplanes, buses, taxis, and all forms of public transportation must be made available to the disabled at the same cost as to the able-bodied.

Most handicapped people will choose careers to fit their remaining capabilities. The Division of Vocational Rehabilitation (DVR), a state- and federally-funded organization, aids in achieving this goal. DVR provides and/or pays for training for its clients, whether the training be in a university or in a vocational program. James Aquini, a DVR counselor, stated that it costs society more in tax dollars to institutionalize an individual than to rehabilitate him and send him back into society. Employment of the handicapped person increases the productivity of the money spent on his vocational rehabilitation.

Many trained individuals, however, became "rehabilitation triumphs and social failures," in other words, they are successfully trained individuals who cannot find jobs. Employers have many reasons for not hiring the handicapped. An employer wants to give no preferential treatment to a disabled employee. He thinks that a handicapped individual will take advantage of his situation by taking extra sick leave. He feels that this individual will not be as reliable as an able-bodied person. He is also concerned with increased insurance rates. In actuality, the disabled person does not want preferential treatment. He does not want to handicap himself further by being a sloppy or unreliable worker. As for insurance rates, they are determined by the type of work the employees are engaged in, and the past accident record of the company, not the type of workers employed.

Our society today cares for the basic needs of the handicapped with welfare and social security, but completely ignores one essential need that is common to all human beings; the desire to be useful. Disabled individuals are people in their own right, and deserve all of the considerations that are given to able-bodied persons. Handicapped persons do not want sympathy, but they must have empathy. Full equal employment opportunity does not exist at this time. Equality is a give-and-take process. Both society and the disabled must work together to overcome the barriers placed in the way of equality in order to attain full employment opportunities for the handicapped. Such equality can exist in the future only if we are all willing to tear down the barriers of the past.

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MARY McGRORY

Mr. PHILIP A. HART. Mr. President, yesterday the Pulitzer Prize for commentary was awarded to Mary McGrory. She was cited for her "trenchant commentary over more than 20 years as a reporter and columnist in the Nation's Capital." Today her column in the Washington Star demonstrates the wisdom of the Pulitzer Prize committee. Because she works such magic with words my brevity is to avoid as far as possible comparison. The message is as sincere as it is brief. Congratulations from your constant admirers at the Hart house on the deserved honor. I ask unanimous consent that the column in today's Star be printed.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SO WHAT HAPPENED, AMERICA?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary

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[1] U.S. Department of Health, Education, and Welfare, *An Introduction to the Vocational Rehabilitation Process*, (United States of America: U.S. Government Printing Office, 1967) p. 10.

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travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question we have all avoided What kind of people are we?

The response has been roughly what it was when we were confronted with the My Lai massacre. It is no. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

SENATOR SAM NUNN ON ENERGY AND PRODUCTIVITY

Mr. PERCY. Mr. President, I would like to call to the attention of the Senate a speech by our colleague Senator Sam Nunn relating to energy and productivity. Senator Nunn's speech was the keynote address of the 1975 Joint Engineering Legislative Forum, held recently in Washington.

In his speech Senator Nunn addresses two problems to which I also give great importance: energy conservation and productivity.

With regard to energy, Senator Nunn described his recent efforts as acting chairman of the Government Operations Committee. I share his call for national leadership on the conservation issue: that the administration and Congress should cease assessing blame for this delay in policymaking—they should explain the need to conserve, not criticize each other for not agreeing on how to do it. While we are now in the fortunate position of importing less oil because of our economic downturn, and thus are putting some pressure on the oil cartel, we must now accelerate our efforts to agree on a meaningful energy conservation program in order to be prepared for the new energy demands our economy will make as it rebound to renewed growth.

The same need for policy leadership is present in the field of productivity. Senator Nunn and I have introduced bills to create for America a National Center for Productivity and Quality of Working Life. This center would play a role similar to that which centers play in Japan and Europe. Its purpose would be, as Senator Nunn states—

> To inject some positive national leadership into the field of productivity and the quality of working life. It will encourage productivity growth and improved quality of working life consistent with the needs of the economy, the environment, and the needs, rights and best interests of management and the work force.

I commend the Senator on his statement. It has been a privilege to work with him on this legislation, which is now redrafted and near to markup by our committee. Because of my work on this issue through the years, he knows that I intend to work very hard for enactment of this measure, which has administration support.

I ask unanimous consent that the text of Senator Nunn's keynote address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Keynote Address by Senator Sam Nunn at the 1975 Joint Engineering Legislative Forum—Inflation and Productivity: The Need for Effective National Leadership

I appreciate the opportunity to address this joint engineering forum. In reading your program, I notice that you have had outstanding speakers on many of the areas of prime importance to our Nation today.

I always envy engineers, after attending Georgia Tech and not having enough vision to pass mechanical drawing.

Engineers have played a significant role during the 200 year history of our Nation, and particularly in the last thirty years. Many people today seem to blame technology for supposedly creating many of the problems in our country.

That may be partially true, but technology also has created the highest standard of living in the world; and technology must be relied on by our Nation to play a leading role in energy and productivity. Your work during the next few years will be even more important than during the last thirty years because many technological innovations are going to be absolutely essential if we are going to successfully solve our many economic and resources problems.

Members of your professional groups have made contributions in two important areas which I have been working on. First, they testified on national productivity and quality of working life hearings before the Senate Government Operations Committee last December. Most recently, they testified before my oversight subcommittee's hearings on energy conservation which were held last week. As the acting chairman of both of these hearings, I appreciate your advice and assistance.

This morning, I would like to briefly discuss the present inflation and recession problems our Nation is experiencing; the energy problems that we face; our declining national productivity, and the inter-relationship between these serious national problems.

As we all know, our economy is faced with a double-barrel illness—inflation coupled with recession. The difficulty in dealing with this situation has been magnified by the fact that the medicine for one of the illnesses is the poison for the other.

There are many causes of inflation, but I would have to place the following four at the top of my list:

(1) First, the 400 percent increase in the price of crude oil over a short period of time;

(2) Second, our food dilemma. When I came to the United States Senate two and one-half years ago, the U.S. food situation was one of surpluses. Our Nation was properly concerned with the dilemma of how to continue adequate food production without having our farmers' great productivity drive the price of farm products so low that many would face bankruptcy.

In two short years, our food problem has completely reversed, we are now struggling to increase production in order to accommodate foreign demands—our humanitarian commitment to nations who cannot produce sufficient food; and, at the same time, to prevent such large exports of agricultural products so as to cause continued inflation to the housewife here at home.

(3) Third, the continued pattern of deficit spending over a period of years. This accumulation of deficits—including years where the economy was over-heated and where we should have had at least small surpluses—has added to our inflationary problems. It has provided such a major momentum in terms of overall Federal budget totals that reversing spending programs is a difficult proposition at best.

(4) The fourth problem has been the decline in productivity which I will discuss in a moment.

Perhaps the most important of all the factors has been the energy problem. Certainly, over the past two years, the price of imported crude oil has created the most intensive inflationary pressures in our economy.

I remember well speaking about our energy needs to the Georgia Association of Broadcasters in 1973. At that time I expressed

alarm over our increasing dependency on crude oil imports.

I had considerable doubt that our country would be able to pay the projected 1980 bill for imported crude which, at the 1973 rate, was estimated to be $18 billion. This pre-embargo rate for 1980 represented a 300 percent increase over the 1972 level.

Of course, we are now faced this year—not in 1980—of importing almost $27 billion of crude oil. This price increase has been an economic shock of major magnitude.

Our Nation must embark on a major effort to develop alternate sources of energy. Let's consider for a moment the time required to develop these alternate sources. Offshore drilling has a lead time of six years from the beginning of any drilling to production. Coal production takes approximately five years from the beginning of any new coal mine. Of course, construction of a nuclear energy plant takes approximately eight years to bring power on line. The Alaskan pipe line will not deliver oil until 1978, and our promising sources of more exotic energy—geothermal and solar energy—will not be available in substantial amounts before 1985 at the earliest.

If we're going to put any degree of pressure in the next two years on the oil producers and the OPEC cartel, and protect the value of the dollar, we aren't going to do it with alternative energy sources. We have to do it through conservation.

Productivity increases can take place only with a view toward energy conservation.

Waste is our best immediately available new domestic source of saving on imported crude oil, and we haven't even scratched the surface as fas as conservation is concerned.

Conservation is undoubtedly our most potent weapon in dealing with our balance of payments problem while simultaneously placing pressure on OPEC.

One of the few good signs of our recession is that declining energy consumption is beginning to create surpluses which are, in turn, putting pressure on the OPEC nations.

However, as the Nation recovers from the recession—hopefully in the summer or fall—increased production and consumption will cause the surpluses now in existence to dry up, forcing us to become even more dependent than we are now on the OPEC nations and their monopoly.

At this time, the Federal Government is considering varying ways of approaching the Nation's overal conservation effort.

The President has proposed a tax on crude oil.

The House Ways and Means Committee is discussing a gasoline tax which would escalate over a period of years.

The other committee proposals, including the ad hoc committee, center on an allocation program to cut back on our imported crude oil. There are also suggestions to begin to tax automobiles with poor gas mileage.

Some form of these proposals may emerge in the coming weeks, but all of them have one thing in common—they are going to significantly damage certain segments of our economy and certain portions of our population.

The paradox I find is that we have not even begun to utilize our existing technology and knowledge to fully implement voluntary programs of energy conservation. We also have failed to provide tax incentives for Americans to utilize the existing technology to start implementing large energy savings.

Last week, as chairman of the Government Operations Subcommittee on Oversight Procedures, I conducted three days of hearings on the conservation efforts on the Federal Government. The committee also heard testimony on the conservation practices of private enterprise. Your association was also kind enough to testify.

During these hearings, information was disclosed which was literally astounding to me. Witnesses testified that millions of barrels of crude oil imports could be saved in the next two years to five years with the proper utilization of existing technology and a coordinated national effort.

Some of these examples are:

(1) The General Services Administration is confident that they can save 30 percent on every existing Federal building, and 50 percent on every new Federal building. One of the interesting suggestions made was that tax incentives be given for partial reimbursement to owners of existing buildings who seek professional assistance to cut energy usage.

Rich's and Lockheed have both undertaken a tremendous energy saving program that is conserving by the use of computers to reduce the peak load. This is savings thousands of dollars per year and has proved to be self-amortizing in less than one year.

I am informed that these savings do not just apply to large buildings; they can apply to every commercial building in the country to some degree.

In addition, there are other methods that can be utilized—radial tires—lighter autos—better installation—energy efficient appliances.

The biggest obstacle to overcome in all of these methods of conservation is the lack of leadership and coordination from a national level. I will be submitting a formal report to the Government Operations Committee on these hearings and my recommendations.

The Energy Research and Development Administration has been charged with the responsibility of coordinating conservation efforts throughout the Federal Government. In fairness to this organization, they have just undertaken this mission, and need to be given more time to consolidate their efforts.

Coordination with businessmen, labor leaders, private enterprise, local, State and Federal governmental units is vital to the success of Project Independence.

Rather than spending valuable time assessing blame for this delay in policymaking, President Ford and the leaders of Congress should go on national television and spell out the dimensions of our energy problem. They should explain the need to conserve, not criticize each other for not agreeing on how to do it. Perhaps then the American people will then understand that just because we don't have gasoline linea, we still do have a serious energy problem that requires immediate and effective conservation efforts by each and every one of us. Engineers must play a vital role in this regard.

THE PROBLEM OF PRODUCTIVITY

Unfortunately, energy is not the only area in which we lack an effective national policy. Another is our nation's falling productivity.

For about 20 years after World War II, the United States maintained an average productivity growth rate of nearly 3 percent annually. This growth rate contributed greatly to our becoming the world's foremost economic power. Since 1965, however, our growth rate has averaged 1.7 percent a year—30 percent less than the preceding post-war average.

This decline in productivity growth rate has tremendous implications for our future material wealth and for our political and economic position in the world. For as our rate has slipped, the productivity growth rate in the other western industrialized countries has increased. Even discounting the fact that Japan and the countries of Western Europe started from a war-ravaged base 30 years ago, they have far outstripped us in terms of productivity growth.

The productivity growth in Japan and Western Europe is ironic, for many of these countries have well-established, government-supported productivity centers or other organizations whose mission is to promote productivity growth. These centers were an outgrowth of American insistence that they be created in countries receiving U.S. reconstruction aid after World War II.

The recession has caused total industrial output in the U.S. to decrease steadily. Last month it fell one percent. Back in January it fell 3.6 percent, the steepest one-month drop since 1937. With total production decreasing as a result of the recession, it is difficult to focus attention on the overall decline in productivity growth, which must be considered on a long-range basis.

Economists are not in total agreement about the reasons for our declining productivity growth, but the lack of capital investment in new plants and equipment is one of the prime reasons. Certainly, the attitude of the American people toward productivity and work habits is also an important ingredient. There is no doubt that this historically positive attitude has gradually eroded, especially when compared with some of our principal competitors. Of course, the energy embargo has also created a decline that would not have been present under normal pressures.

Another important ingredient is a trend away from manufacturing toward a more service oriented society. The service industries have not kept pace with manufacturing's rate of productivity.

In its simpliest term, growth and productivity mean that American businessmen make more money; their employees make more money; and there is more money that can be invested in new plants, equipment, and technological innovations. It all adds up to more real income for the American people.

The decline in productivity growth in recent years has meant less money available for capital. In addition, new federal capital intensive programs such as environmental pollution control, OSHA, and others, make this squeeze more intensive. Realistically, reversing the decline in the productivity growth rate will be very difficult.

In addition, as we have already discussed, the artificially high prices now being charged by the oil producing cartel will make this difficult job even more tedious for several major reasons.

First, these prices create world inefficiency since, for example, it takes more resources to bring oil to New York from Alaska than it does from the Middle East.

Second, there is a large drain of capital from the American economy which could have been used for the development of new technology and capital investment.

If we are to continue to increase our standard of living in real terms as opposed to inflationary dollars; and, if we are to maintain our position in the world trade market, our productivity must increase more rapidly.

Frankly speaking, no legislative or presidential proposal can reverse our decline in productivity growth. Only coordinated action by our leaders in business and labor, and by each individual American can do the job.

What we can do, however—and the legislation I have introduced attempts to do this—is to place the spotlight on this problem and bring it to the level of a top national priority. Hopefully, then our nation can begin to work together from the governmental level, from the business level and from the employee level to address this long-term and fundamentally essential problem.

THE NEED FOR EFFECTIVE LEADERSHIP

We have an existing national commission on productivity, but we lack a clear national policy to stimulate productivity growth. The commission has been in existence for nearly four years, but it never has been properly funded, nor given adequate authority, or a guarantee of life past the next fiscal year. Its statutory life runs out on June 30, 1975.

While the National Commission on Productivity has made some contributions, it just has not been enough. Its staff has managed to perform even with serious funding problems.

Despite the good work done by the productivity centers in Japan and the western European countries, we still do not have an effective productivity effort in America. We do not have a productivity center, nor do we have a national productivity policy.

I have had an opportunity to explore these deficiencies as a member of the Senate Committee on Government Operations. Last December, I served as acting chairman of the committee for the purpose of conducting hearings on national productivity and quality of work. Last month we conducted more hearings, this time dealing specifically with bills introduced by Senator Charles H. Percy and myself, along with a number of other senators.

Our bills are S. 937 and S. 765. Senator Percy and I are now drafting a substitute for these bills, based on the contributions of many persons, including several engineers who represent your professional associations.

The purpose of our combined legislation will be to inject some positive national leadership into the fields of productivity and this quality of working life.

It will establish a national policy which will encourage productivity growth and improved quality of working life consistent with the needs of the economy, the environment and the needs, rights and best interests of management and the work force.

This policy will have the federal government draw on the resources of the private sector and state and local governments. The federal government will help provide financial and technical assistance to stimulate productivity growth. In addition, it will require that all federal laws, rules and regulations be reviewed and interpreted to give full force and effect to the productivity goals of the nation.

The measure will create a national center for productivity and quality of working life on productivity. The center will operate under a director, who will be under the supervision of an eleven-man board of directors appointed by the President.

The center will be responsible for administering a grant and contract program to fund research and development activities, demonstration projects, and state and local productivity centers.

In addition, it will coordinate the internal productivity efforts of the federal agencies, who in turn will be required to review all their laws, rules and regulations to determine their impact on productivity. Each agency also will be directed to encourage and support productivity efforts in the private sector.

Senator Percy and I intend for the national center for productivity to be a small agency whose main function will be to assist other agencies, state and local governments, universities, and private organizations to increase our national productivity growth. Neither of us want another cumbersome federal bureaucracy that will defeat its own purpose.

Our bill provides for the authorization of $10 million for the center for the next fiscal year, with an increase to $20 million for each of the next two years. The center itself will be authorized for five years, but it must come back to Congress after three years for more funding. I believe this will increase the chances of the center's answering responsibility to the desires of Congress.

Once the center is created and in full operation, I hope that it will make substantial progress in reversing the trend of declining productivity growth.

In the final analysis, American technology, capital investment, businessmen and the labor force will determine our productivity. Government can and should put our house in order and help provide leadership in this important area.

The solution to these problems will not be easy, nor will they be found overnight. But they must be found.

Engineers have played a vital role in the development of America, and you can play an even more important role in solving our very pressing national problems. We in the Congress do need your help. Only with this help can all of us expect to find the caliber and degree of national leadership that we so desperately need.

EXPECTED WEATHER PATTERNS AND 1975 CROP PROSPECTS

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to an article in the April issue of Commodities magazine entitled, "Commodities Talks With Gordon Barnes."

Mr. Gordon Barnes is a meteorologist, and the purpose of the interview was to determine what the weather prospects were for the 1975 growing season. The interview was extremely informative, and Mr. Barnes indicated a great deal about how he examines weather patterns.

He also indicated his belief that during the 1975 growing season we would have even more widespread drought than in 1974. And he offered his view that there would again be a drought in 1976.

Mr. President, I would like to call these words to the attention of my colleagues and the Department of Agriculture as it makes its crop estimates for the 1975 season. Last year the Department treated us to an overdose of optimism, and it was not until late in the growing season that we began to obtain more realistic figures based on the conditions that our farmers and the business people were experiencing first-hand. We should learn from that lesson and keep a very careful eye on the weather during this growing season. The Department also should make a greater effort to integrate weather trends in its long-range forecasts.

At this time, with our reserves at an all-time low, we would be in serious trouble if we had another year of drought. On the other hand, bumper harvest would create problems in terms of sharply reduced prices, since we have reduced our livestock herd, and we have no policy to deal with surplus production.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Commodities Talk With Gordon Barnes

(The following interview with meteorologist Gordon Barnes was conducted on February 13, 1975. The interviewer was Daniel C. Ruck, Senior Editor for Commodities Magazine).

Commodities. Let me ask you an off-the-wall question first, and then we'll get down to the serious stuff. What's the weather going to be like on July 4, 1975?

Barnes. Um, I have to look that up in my charts. I never carry a long-range forecast around in my head. Because it's very tempting to give a quick answer, and very easy to give the wrong one. There are certain highlights of the upcoming year for various parts of the country, and because those highlights are going to be very important to the economy of the country—those I remember. For example, the drought we had last year was just a "tease" compared to what is coming up in the next couple of years. It'll spread farther northward and westward this year; and, of course, that means that far more agricultural acreage will be affected this year than in 1974.

Commodities. That's a pretty controversial statement.

Barnes. I know. It goes dead against what the USDA is currently saying in their projected crop estimates for this year. But, then, they're at a disadvantage because they don't know what the weather patterns are going to be for the coming year. They realize they can't obtain long-range forecasts from the National Weather Service, and the weather service is the first to admit it.

Commodities. They don't even try to forecast long range?

Barnes. They have an experimental program. In addition to their 5-day and 30-day outlooks, they have a seasonal outlook they've tried. Last year it was fairly good. But this year they've had some problems. And the USDA hasn't come to me for any forecasts yet.

Commodities. Maybe when the people at USDA read this they'll change their ways.

Barnes. I was invited by a member of the USDA last year to participate in a symposium . . . to discuss long-range forecasting techniques. They asked what my fee would be for a one- or two-day conference. I submitted it to them. However, I also made it very clear that I didn't want to go to Washington to sit down and argue with other meteorologists over whether or not long-range weather forecasting can be done. I'm doing it. And not only am I doing it, but my track record is good.

Commodities. Then, you saw the drought coming last year?

Barnes. Well, I was not the first to predict it. It was first predicted back in the 1950s by two other famous meteorologists, one of whom taught me a technique of long-range forecasting in 1966. He said to watch for this, and watch for that. I did, and things began to fall into place. The drought had to come. You know, if you go back in history and reduce all the complex factors to their simplest terms, you can learn an awful lot about the weather. For example, let's take our plains states. You'll find that ever since the white man has occupied the plains states, there has been a drought every 20 to 25 years. There was a small one in the Fifties. Prior to that was a big one in the Thirties. Before that was one in the 'Teens. And I just read something the other day that made me wonder whether or not someone else had gotten ahold of one of my charts, where I took it all the way back to the 1890s.

Commodities. Are there reliable weather data that far back?

Barnes. No . . . that's part of the problem. But, when we have droughts in the agricultural plains states in the United States, you find severe winters in Britain. That correlation verified my theory, except that I couldn't fit in 1890. Then, at a seminar last year I made a statement that I did not have complete confidence in my data for 1890, because who was out there then besides a few Indians and Matt Dillon? A lady said during the break that she had just finished reading a book that said one of the worst winters in history had hit England in 1891 and '92.

Commodities. And this further verified your theory?

Barnes. Yes. I had not had time to research English weather records relating back to the 1890s. The point is, weather is not

as irrational as some people say. For example, USDA said last year that the 1974 drought was just one of those random years of unusual weather. I don't believe that.

Commodities. I have talked to another weather forecaster who voiced the same opinion; that it was a "singularity," a freak, so to speak; that the chances of its happening again this year were one in 50.

Barnes. Tell him to call me, and I'll put $1,000 down to his $50,000.

Commodities. You obviously have a great deal of confidence in your forecast. How do you arrive at your conclusions?

Barnes. The first question you have to ask is . . . what really is a drought? I prefer to use analysis of all weather conditions affecting the crop, from its inception to the end. Are weather conditions going to be favorable for planting? Will the farmers be able to get the corn in by the 10th of June? If they switch from corn to soybeans because of the weather, will they be able to get all the soybeans in by July the 4th? During the pollination period, which is from about the third week of July to the middle of August, prolonged periods of high temperatures and high winds decrease not only the pollination process but also the quality of the crop. And then all you need on top of all that adversity is an early freeze, and there go your crops. We had all three last year. What's going to happen this year? The only thing I am willing to say publicly at this time is that the prolonged period of high temperatures and lack of rain will be longer than last year.

Commodities. Will the heat be as severe as last year?

Barnes. There's no question of that.

Commodities. How about subsoil moisture?

Barnes. During the montha of July and August there will be no moisture at all, to speak of. Remember, when you talk of moisture you have to rule out thunderstorms. A thunderstorm, first of all, is a hit-or-miss kind of thing. It can hit one farm and miss 35 around it. And there's always the possibility of crop damage, particularly at the end of a hot spell, when thunderstorms are more violent. There's a greater potential for high winds and hail, which are going to wipe out certain types of crops. A thunderstorm on Tuesday and then another thunderstorm 10 days later does not help a crop. You need prolonged periods of precipitation, whether it be light or moderate, to make a crop grow and give you good soil. And it just isn't going to be there.

Commodities. Isn't it true that the drought last year was centered mostly in Iowa?

Barnes. It was in Nebraska, Iowa, parts of South Dakota, and parts of Kansas.

Commodities. And you think this year it is going to spread further?

Barnes. It will spread further northward and westward. As far as the Dakotas, Montana, and Canada.

Commodities. So, for the corn and soybean belt, it's not going to be that serious?

Barnes. Sure it is. Because it got hit last year, and that same area will get hit again. The only corn areas not affected by drought were Illinois, Indiana, and Ohio. But they had other problems. Everyone caught an early freeze. No one escaped that. They also had poor planting conditions in the spring, and there will be poor planting conditions again this spring—but not for as long a period of time last year.

Commodities. By "poor" do you mean wet?

Barnes. Right.

Commodities. Will this be widespread over the whole growing belt?

Barnes. Yes—what I would call the lower Midwest, the Ohio Valley area. Lots of rain at planting time.

Commodities. And the drought will still come earlier, then?

Barnes. I wouldn't say it is going to come earlier, but it will last for a longer period of time.

Commodities. In the Southeast and the Southwest, what do you see there?

Barnes. The Southeast will be wet through the spring season, and then they'll have a fairly normal summer. The Southwest I really haven't looked into.

Commodities. How about Texas?

Barnes. They should have a longer period of drought than a lot of other states in the Great Plains, and they're off to a poor start already. Their grassland range now is in below-average condition, and I don't see any improvement coming in the next few months.

Commodities. How will fieldwork conditions be in the North this spring?

Barnes. They'll have delays in planting.

Commodities. It seems to me farmers always have trouble around planting time. That's all they talk about in the springtime. You know the old farm joke, "Can't dance, and it's too wet to plow . . ."

Barnes. Well, I think that if farmers know they're going to have another spring like the last one, it'll mean nothing but frustration. Farmers like to have lots of rain, but spread evenly over a long period of time. If it comes too fast and furious, like it did last year—and like it's going to again this year—it just causes delay. And that means replanting, more fertilizer, more time, more fuel.

Commodities. Have you looked into the fall? Are we going to have the triple whammy again? A bad spring, drought, and then early frosts?

Barnes. I haven't looked that closely at the fall, because if we're going into a bad situation, all that's going to do is add to it. You're not going to have a good crop because of the long drought in July and August. That's the important thing. As for frost, let me say this: It will arrive before the normal frost dates.

Commodities. To recap for a minute, you seem to be exempting Illinois and Indiana pretty much from drought problems this year.

Barnes. Yes, I'm saving them for next year.

Commodities. What about the next year?

Barnes. There will also be a similarity between 1975 and 1976.

Commodities. So, we're in for two years of bad weather?

Barnes. Yes. Including last year, we're going to have three years of whatever-you-want-to-call-it . . . "unusual" weather. And by "unusual" I don't mean unpredictable. There's a big diference. I don't believe this is just one of those random things. There's too much evidence to point the other way. I believe in cyclical patterns. Every 22 years (give or take a couple of years) we've had drought in the agricultural plains states in the U.S. At the same time, the frequency of hurricanes—tropical storms—increases along the Eastern Seaboard of the U.S. In 1974, we had storms coming up the coast that we hadn't seen for 10 or 12 years. Drought conditions in the plains states in the U.S. also coincide with floods in northern India and Bangladesh. You get severe winters in the United Kingdom, as I mentioned earlier. These are not all random events. I have not completed my study of them, but I have enough information now relating solar or sunspot activity to catastrophic weather events around the world to convince me there is one hell of a correlation. It's there, and it can be used to forecast.

Commodities. You mean your work is based on a study of sunspots?

Barnes. That's part of it. As far as this drought is concerned, it's also going back to research the weather patterns we had in the 1930s and 1950s, and finding that weather patterns now are very similar. Except that we are now in a period of quiet sunspot years, and weather becomes more extreme during those years.

Commodities. I knew sunspots affected the weather on earth, but I thought the more sunspots there were the greater effect they would have.

Barnes. It's not necessarily the number of sunspots, but the intensity of sunspots in relationship to where they fall from the sun. For example, sunspots from just south of the sun's equator usually provide us with the extremes in weather. And, from what I've seen so far—at least up until three or four months ago—activity has been increasing south of the sun's equator, which is what has been giving us our abnormal weather.

Commodities. Another forecaster told me he wasn't able to forecast last year's drought because there wasn't the cold trend in the Pacific Northwest, which would prevent storms from blowing in from the Pacific across the Midwest. And he doesn't see it developing this year, either.

Barnes. I don't take into consideration analogies of that type when preparing my forecasts. I am a student of the Cal-Tech weather "types," which were developed by the meteorological department there during the 1930s and 1940s, when Dr. Irving Krick headed that department. He's a fantastic man. He's responsible for my success, there's no question about it. He took the "types" theory and developed and refined it, and found that in the 1950s he was able to project years into the future with it. He found that weather moved across the 48 contiguous states in six-day cycles.

Now, that doesn't mean that it takes six days for a storm to travel from Seattle to New York. What it means is that all the weather patterns associated with a particular type—both surface and aloft, the whole system—take six days to come across the country. In the winter some of them move a little faster, and in the summer a little slower, so he just averaged it out to six days. He catalogued all these types and gave them symbols: A, B, C, D, EH, EM, EL, and so on.

He was then able to predict that weather starting on a particular day would be a certain type, and merely go to his book and look up, for example, what an EM winter does to Boise, Idaho; New York City; New Orleans, Louisiana; or, Tampa, Florida. If you don't understand what went into that book, if you don't believe in his technique, you're lost. I believe in it. I've seen it work. I can use it. But if I were to give one page of that book to any five other meteorologists—just as it is, without any information on how the maps were put together—and say to them, "Make me up forecasts based on these maps," the chances of their preparing a forecast similar to mine are very, very slim because they don't know what went into the book.

Commodities. Your theories are based on past histroy, then. Do you look for similar weather cycles?

Barnes. No. That's called an "analogue." Dr. Krick's forecasts are based on history, but projected into the future. For example, a particular weather "type" occurs X number of times after a certain one. So, if you have this one to start with, this one will follow, followed by this one and followed by that one.

Commodities. You mean that if you have a wet spring a dry summer will follow . . . that sort of thing?

Barnes. No. That has nothing to do with it. We're talking about six-day weather patterns. An E is followed sometimes by a B North, and sometimes by an A; his computer has calculated these probabilities. Then you take the book and interpret the forecast for those types. After you've done your interpretation, you ask yourself, "When did we last have a weather type like this,

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at this time of the year?" And then you look back and see what happened.

Commodities. So, what Dr. Krick has done is predict the weather into the future *ad infinitum*, saying these weather "types" follow one another across the country in a predictable pattern, and that these patterns make up cycles, and that the cycles repeat themselves over and over. All you have to do is identify a certain type, and then interpret, in terms of weather, what the appearance of that particular type portends for a particular region, and you have your forecast. Knowing the pattern these types follow in their appearance is what allows you to make forecasts far into the future. Is that correct?

Barnes. Right.

Commodities. What have you done beyond what you learned from Dr. Krick?

Barnes. Each observer adds something of himself to the equation. Everyone interprets the maps a little bit differently. Remember, they are for "ideal" conditions, and conditions are rarely ideal.

Commodities. And the work with sunspots? Is that something you learned with Dr. Krick, too?

Barnes. No, that's work I've done with someone else. We started in 1969.

Commodities. And, you're finished now?

Barnes. We're not through a complete cycle yet. The cycles run 11 years.

Commodities. How many people did Dr. Krick teach to use his system?

Barnes. I don't know. I don't think there are half a dozen of us using it commercially, the way I am, in the country.

Commodities. For the record, why are other forecasters saying the chances of a repeat of last year's weather are one in 50?

Barnes. There are probably a lot of reasons for it. The most important is that there are not that many forecasters who have been delving into long-range forecasting for very long. I'm fortunate to have been associated with a group which has the techniques. I don't know the methods being used by others, the same as they don't know the methods we're using. When you have a technique that works, you don't talk about it. There are many in the profession who say that people like myself should publish their work so it can be verified. But, does Macy's tell Gimbel's their secrets? Of course not. And I'm not going to tell mine.

Commodities. Getting back to the drought question, there's another aspect of it we haven't talked about yet, and that is what the effect will be on cattle. There are seven-per-cent more cattle on grass than there were a year ago.

Barnes. You've also got a lack of grassland, particularly in the Texas area. You see that report every week.

Commodities. Well, the speculation is that if we have a hot, dry summer those cattle will be forced to slaughter, because rangeland conditions will be poor and feed prices will be going up. On the other hand, average weather might result in those cattle remaining on the range. Do you think range conditions are going to be that good?

Barnes. I'm afraid not. This spring they'll be fairly good, but I don't see that condition continuing into the summer. This summer could be as bad, if not worse, than last year. I've had people call me for forecasts in the last two or three months regarding that same concern—not so much for spring and summer, but for the winter, particularly in Texas and Oklahoma, the Panhandle region.

Commodities. You mean next winter?

Barnes. No, this past winter. What we're going through right now. They asked whether or not they should buy cattle in the Texas Panhandle area January 1 of this year. The question was, would they be able to get them up to 1100 pounds by April 1? I look at it strictly from a weather point of view, of course. And, my own personal opinion is you'd be better off at a blackjack table at Las Vegas. At least at the blackjack table you've got two cards in your hand. I mean, I would personally feel more confident in wheat . . . corn . . . soybeans. There you're dealing with Mother Nature. There are a lot of factors that go into cattle prices that have very little to do with weather.

Commodities. Well, you get people involved in the grains, too. They decide what they'll plant and when. . . .

Barnes. That's true. But, you have to remember that once it is planted, or the attempt is made to plant, the weather is going to make or break that particular commodity.

Commodities. Okay, let's move on to something you can plant. What about the cotton situation? What will the weather be like when the farmers in the Southeast and the Delta regions go to plant their cotton?

Barnes. They'll have problems planting. But once it's planted, particularly from Louisiana east, it will be in pretty good shape. Texas will have problems.

Commodities. You see excessive rainfall?

Barnes. Yes—rainfall, thunderstorms, tornadoes. Spring is a tough time for the Gulf Coast. Another thing you have to take into consideration is the condition of the planting land, particularly if you have a lot of snow up to the north, through the Ohio and Mississippi rivers. When you get down close to the Delta region, you have flood possibilities. I can't forecast if there's going to be flooding, but I can forecast the *potential* for flooding. Take the northeastern U.S. Many people are happy that New England has had a pretty good snowfall from around the third week of January on. The skiers are ecstatic. They're finally having a good season after three years of virtual disaster. But I look at it from another point of view. What about the spring run-off? Suppose, God forbid, you have heavy snow cover combined with a rapid warming trend and heavy rainfall. What follows are floods, loss of homes, and maybe the loss of tobacco land down through the Connecticut River valley and other parts of New England. So, while some people enjoy all of this, there are other ramifications. The same is true with cotton. How much snow will there be in the Ohio Valley when the melting starts? Will there be the combination of melting and heavy rain? What will be the status of the river downstream? Those answers I don't have. That is something you have to go back to short-range forecasting for.

Commodities. You have an idea how much snow there's going to be in the northern states?

Barnes. I have a pretty good idea. But, then you get into a situation where you have two or three days of 35- or 40-degree temperatures and some of it melts. That you can't forecast long-range. You have a hell of a time forecasting it the day before. There are limitations to what a long-range forecaster can do, and that's one of them. We can just give a general opinion of what we expect is going to happen, and set up certain criteria for everyone to be looking for.

Commodities. You've told us the type of forecasting you do, and I think everyone's familiar with the type they get on the evening news. What other kinds of weather forecasts are there?

Barnes. You can buy several kinds of forecast services. You can buy a forecast service that tells you what's going to happen today, tonight, tomorrow, and a couple days ahead. You can buy a forecast service for a month in advance, with a general outlook of what's going to happen beyond that. There are some people in weather-forecasting who are able to pinpoint certain dates for major events. They also can extend it out several months ahead. There's one thing I'd like to mention about this business. You have to be enthusiastic about your product. I believe in my product. I believe that when my forecast is wrong, God has slapped me on the knuckles and said, "Let's slow down. I'll teach you a certain amount about this show I'm running, but you're not going to know everything."

Commodities. What does your service cost?

Barnes. It depends. If you have a situation where, say, in the agricultural or plains states for a corn or wheat crop . . . for someone who wants to buy a service for the planting, growing, and harvesting seasons, which is about six- or seven-month period. In that case, long-range, plus monitoring and consultation would run a minimum of $50,000.

Commodities. What should a commodity speculator look for this spring? Are there any telltale signs the ordinary man on the street could identify?

Barnes. I don't like to give advice on that for this reason: It can be misinterpreted. And this is particularly true since this magazine is read by others than professional forecasters. I would hate to say, "Buy Maine potatoes," or "You should go long wheat." Other events can take place, non-weather events can take place, non-weather events, and they can hurt. My barber keeps saying to me, "Should I buy a couple of contracts of potatoes?" And I say to him, "You know, Joe, I'm not going to tell you what to do." However, when it comes to professional organizations or commodity groups it's different. But, here again, I don't tell them *what* to do. I say, "Here is the weather forecast. Here is how I think the weather is going to affect these crops."

Commodities. Do you do world forecasts?

Barnes. Not forecasts, no. I have not had any requests for them. I have had requests for world weather information, though, and on April 1 I'm going to be in a position to give detailed information every day for just about every place in the world.

Commodities. Well, you've certainly given us a whale of a good story. Thank you.

Barnes. Not at all. It's been my pleasure.

INFLATION-IN-RECESSION

Mr. ABOUREZK. Mr. President, one hears lately that our phenomenal inflation is due to the price charged for imported oil. But the nature of this inflation-in-recession cannot be explained simply by scapegoating, by blaming the cost on imports alone. It is the organization and structure of the American economy to which we must look to for an explanation. Part of this structure involves the domination of markets by a few firms in many industries. These respond neither to the laws of supply and demand, nor to general market tendencies.

A description of the role of these companies in the current inflation was given at a Council on Wage and Price Stability conference on April 14, by Gardiner C. Means, an economist. Means' statement showed that almost half the current inflation is traceable to price increases in concentrated industries—industries in which four companies do at least one-fourth of the business. I ask unanimous consent that the relevant portion of Mr. Means' statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Administrative Inflation and Recession in 1974–75

Next we must ask: to what extent has administrative inflation contributed to the current inflation?

As we all know, this particular inflation is a highly complex affair. It is easy to point to the oil cartel and its inflationary effect as higher fuel prices work their way through the economy. It is easy to point to the increased cost of imported raw materials. We cannot point to demand inflation because demand has been declining. We cannot point to a wage-push inflation because real wage rates have been going down faster than real productivity. And while farm prices rose sharply in the two years prior to 1974, they have been falling during the last year. This leaves us with the oil cartel and imports as the most obvious sources. Did administrative inflation also contribute significantly?

In order to throw light on this question, I have prepared a chart showing four indexes—farm products, fuel and related products, a weighted index for six concentrated industry groups and a weighted index of two competitive industry groups. Together these four indexes include nearly 70 percent of the total weight of the BLS wholesale price index. Excluded are foods, chemicals, furniture and household durables and miscellaneous which tend to be mixtures of competitive and concentrated industries. The index for lumber and wood products was also omitted because it reflects special problems of the housing industry. It shows even more marked cyclical behavior than the competitive industries that are included.

What is of immediate importance is the behavior in the last year of the indexes for the concentrated industry groups and the competitive groups. The former index has forged ahead, rising 23 percent since the first quarter of 1974, while the competitive industry index is hardly higher than a year ago. Farm prices have also fallen in that year as have the prices of lumber and wood products. Thus in that year, we have been having inflation from the oil cartel and from the rise in the concentrated industry prices, but a net decline in the competitive industries. I believe that an intensive study of the inflation in recession of the past twelve months would show that something like a half of the wholesale price rise should be attributed to the direct and indirect effects of the oil cartel and most of the rest to administrative inflation. The price effect of the oil cartel is in the nature of a one-shot effect such as occurs when a competitive industry is monopolized. In the absence of government efforts to raise the price of gasoline and other oil products, we could expect the inflation effect of the cartel to reach a plateau. But the forces making for administrative inflation in the concentrated industries appear likely to continue. The steady 4.7 percent rise of the price index for the concentrated industries from the time that government dropped all price restraints at the beginning of 1969 to the price freeze of August 1971 was more than cut in half during Phases I and II. But under Phases III and IV it was renewed at an accelerating rate. With no restraint over prices in the concentrated industries we are likely to have continued strong single-digit inflation in a large part of industry whether we have a continued stagnation, a deepening depression or a recovery restricted by inflation.

AUTHORITY OF THE PRESIDENT TO USE THE ARMED FORCES IN DEFENSE OF AMERICAN LIVES, LIBERTY, AND PROPERTY

Mr. GOLDWATER. Mr. President, on more than one occasion during the recent Senate consideration of the supporting legislation which President Ford requested in order to demonstrate national unity in the evacuation of American citizens and endangered Vietnamese from South Vietnam, there has been inserted in the Record a memorandum which is cited as authority for the proposition that the President lacks authority to use the Armed Forces to evacuate citizens of South Vietnam from that country under hostile conditions or in a situation where hostilities are likely. In my opinion, the President was wise to request the participation by Congress in a military operation which is of great importance to this Nation and its credibility around the world, but I want to correct the erroneous arguments that have been presented in Congress, during our lengthy and incomplete deliberation on the evacuation matter, to the effect that the President lacked authority to carry out the operation upon his own initiative.

In the first place, I am not entirely sure that the memorandum which is addressed to this question actually contradicts the view that the President has the independent power under the Constitution to use the Armed Forces of the United States to evacuate from South Vietnam citizens of South Vietnam in the process of bringing Americans out of the area. The paper recognizes that practice may over the years raise a presumption that a constitutional power exists and it implicitly finds that Presidents have engaged in a constitutional course of action which "has been characterized by uses of the Armed Forces connected with and required for the protection of an immediate, identifiable interest of the United States, as in the case of citizens of the United States or members of the Armed Forces threatened by hostilities."

That is exactly the situation that was recently at hand in South Vietnam. The President took under his own hands the protection of an immediate, identifiable interest of the United States, the evacuation of American citizens whose lives and safety were endangered. In connection with the withdrawal of Americans, the President also provided for the evacuation of many South Vietnamese as well. The one was tied to the other.

The memo may stand for no more than the conclusion that the President may not, on his separate authority, constitutionally use the Armed Forces to evacuate foreign nationals in hostile situations where this is the sole and distinct purpose of the operation. For example, the paper does not expressly state that the President may not authorize the evacuation of the South Vietnamese spouses of Americans at the same time as these Americans are withdrawn.

In any event, the memorandum is addressed to a narrow legal point and does not meet the constitutional points which I have been raising in support of the President's defense functions during the current proceedings and while we were acting on the war powers resolution.

In summary of the constitutional position which I have taken, I will insert today in the Record a legal brief which contains a thorough discussion of the issues involved. This paper sets forth the basis for the President's separate constitutional authority to use the Armed Forces in defense of American lives, liberty, and property. It is not answered by the brief conclusions stated in the memorandum prepared for the Senate Committee on Foreign Relations for the following reasons:

First. The memorandum does not cite one judicial decision in support of its conclusions.

Two. The memorandum does not distinguish or explain seven Supreme Court decisions which may point to judicial endorsement of a broad view of the President's warmaking authority.

Third. The memorandum fails to discuss two Supreme Court cases which have upheld the President's independent exercise of a constitutional power based upon long years of practice, even though such practice had often been the subject of congressional criticism in the past.

Fourth. The memorandum does not examine the sources of the President's constitutional war powers which are raised on behalf of Presidential action.

Fifth. The memorandum fails to cite any source of power for Congress to regulate or limit the independent powers of the President.

Sixth. The memorandum fails to discuss the possibility of a conflict between the exercise by the President of his constitutionally independent power and a statute of Congress which purports to restrict or prohibit such exercise of power.

Seventh. The memorandum fails to devote one word to the intent of the Founding Fathers of the Constitution, as determined from a study of original 18th century materials.

Eighth. The memorandum fails to discuss the distinction between an "offensive" and a "defensive" war.

Ninth. The memorandum does not address itself to any of the several writings by constitutional authorities which conclude that the President occupies an entirely independent position in regard to use of the Armed Forces as a means of defending the vital interests of the United States.

Mr. President, I ask unanimous consent that a legal brief which does discuss the varied issues presented by the war powers subject and sets forth numerous citations to cases and both primary and secondary source materials be printed in the Record.

There being no objection, the brief was ordered to be printed in the Record, as follows:

Constitutional Authority of the President to Use the Armed Forces in Defense of American Lives, Liberty, and Property

(By J. Terry Emerson, Counsel to Senator Barry Goldwater)

I. SCOPE OF AUTHORITY OF PRESIDENT

The President has extensive and independent Constitutional powers to use the Armed Forces abroad in defense of United States' citizens, United States' property, and important national interests related to the Constitutional guarantees of the liberties and safety of the United States and its citizens.

The President may use force or the threat of force for these defensive purposes without a declaration of war and without policy restriction by Congress, even if such action in-

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volves a risk of introducing American forces into hostilities.

The kinds of defensive responses the President may take upon his own authority include, but is not limited to, the direct protection of United States citizens abroad, the evacuation of United States citizens from crisis areas, the protection of American commerce in international waters or airspace, and the defense or rescue of foreign citizens or interests whose welfare is directly tied to the durable safety of the United States and its citizens.

II. PRECEDENTS

For the first 184 years of our Republic, the Constitution has been interpreted as to permit United States Presidents to take defensive actions in response to, or anticipation of, foreign dangers to our citizens, property or security.

As early as 1798, John Adams unilaterally issued an order allowing American merchant vessels to arm without the approval of Congress, for defense against attacks by French war ships. 8 Annals of Congress 1271. This was questioned in the legislature on the grounds that if the President could take the measures which he had taken, "He, and not Congress, had the power of making war." 8 Annals of Congress 1324.

The Congress debated the matter extensively, but rejected any legislation that would regulate the President's action. The House also defeated amendments which proposed to limit the manner in which the President could employ an enlarged naval force Congress established. (See votes at 8 Annals of Congress 1459, 1462, 1521.) From the printed debate in the House of Representatives, it is clear that Congress distinguished between offensive and defensive military measures, recognizing that the President can take proper actions for the defense of the country, without restriction by Congress and without a declaration of war. 8 Annals of Congress 1325, 1330.

The Speaker of the House, Mr. Dayton, argued that the President, as Commander-in-Chief, was the official "whom the Constitution has made exclusively the judge of employing the armed vessels of the United States wherever he thought the common defense and general welfare required." 8 Annals of Congress 1410, 1454–55.

The President was also supported by Congressman Sewall, who ridiculed the idea that, "Our citizens going without the territory of the United States are to be no longer objects of our attention" and "were to be abandoned to the elements or to the hostility of mankind, wherever they went." 8 Annals of Congress 1457–58.

This view of the President's primary responsibility for the public safety has been followed by nearly every President since. Only three years later Thomas Jefferson sent into the Mediterranean, on his authority, a squadron of four ships with instructions that should hostilities be commenced by the Barbary powers before its arrival, "this force will be immediately employed in the defense and protection of our commerce. . . ." His orders provided that pirate attacks against our shipping will be "repelled and punished." It was only after actual fighting had erupted that Jefferson came to Congress for support. II *American State Papers, Class I, Foreign Relations*, at 347–48.

An erroneous conception has grown up that Jefferson did not authorize the use of force before obtaining Congressional concurrence, but his actual instructions prove that Jefferson on his own directed force to be employed to repel and punish attacks upon our private commercial ships. It is only because the Naval Commander on the scene was hesitant to take vigorous measures that more serious battles did not occur than actually did prior to subsequent Congressional collaboration in the matter.

Even President Buchanan, cited in a recent report by the Senate Committee on Foreign Relations as acknowledging the war power of Congress, risked a confrontation with Great Britain by ordering, upon his own authority, a naval force "to protect all vessels of the United States on the high seas from search or detention by the vessels of war of any other nation." A conflict was avoided at the last moment when Great Britain abandoned, under this pressure, her claim to the right of boarding and searching our merchant vessels. Berdahl, C., *War Powers of the Executive in the United States*, at 51 (1921).

Prior to our official entry into World War II, President Roosevelt, without consulting Congress, sent troops to occupy Greenland and Iceland and ordered United States warships to protect the British lifeline in the Atlantic. He believed that a Congress which had extended the draft in the same year by barely a single vote could not be counted upon to authorize these actions at the time they were needed. (See testimony of Arthur Schlesinger, Jr., *Hearings on War Powers Legislation Before the Subcommittee on National Security Policy and Scientific Developments of the House Committee on Foreign Affairs*, 93d Congress, 1st Session, at 167 (1973).)

American marines evacuated United States citizens from Communist-encircled Shanghai in 1949; from the Tachen Islands of China in 1954 and 1955; from Alexandria, Egypt, during the 1956 Suez crisis; from the Congo in 1964; and from the Dominican Republic in 1965. Thousands of foreign citizens were brought out as well, in connection with these operations.

According to a documented study by the office of Senator Goldwater, Presidents have so deployed troops into crisis areas and used force or the threat of force for defensive purposes, on more than two hundred occasions since the founding of the Republic without any prior declaration of war. These events show a consistent and growing practice by which Presidents have responded to foreign threats with the force they believed was necessary, and technologically available, in the particular moment of history. (See Emerson, J. Terry. *War Powers Legislation*, 74 W. Va. L. Rev. 53, 367 (1972), Appendix A, as reprinted with supplementary data in *Hearings on War Powers Legislation, supra*, at 328).

Although these measures have been reviewed and debated in Congress many times, not once before the 1970's had Congress approved any legislative proposals to halt or prohibit any such defensive action. (See discussion of several such debates in Congress set forth in Goldwater, *The President's Ability to Protect America's Freedoms—The Warmaking Powers*, 1971 Law and the Social Order, at 426–429.)

III. CONSTITUTIONAL SIGNIFICANCE OF PRECEDENTS

Usage was decisive in resolving an early separation of powers issue between two of the three great branches of government. In 1802, the Congress enacted a Judiciary Act which continued the former practice of the Justices riding circuit. Chief Justice Marshall promptly wrote letters to the Associate Justices stating that he doubted the constitutionality of this provision upon the ground that the Constitution required separate appointments for holding circuit court. He suggested the possibility that his colleagues refuse to carry the law into effect. Yet with such a serious cloud of doubt over Congress' authority to require additional judicial duties of the Justices, especially without specific commissions to do so, the "Marshal Court" subsequently decided the issue on the principle of usage during the previous 15 years: "To this objection, which is of recent date, it is sufficient to observe, that practice and acquiescence under it for a period of several years, commencing with the organization of the judicial system, affords an irresistible answer, and has indeed fixed the construction." *Stuart v. Laird*, 1 Cranch 309 (1803); L. Baker, *John Marshall*, at 378–381. (Marshall did not participate.)

Usage has also been accepted by the Supreme Court on at least two occasions as a basis for rejecting Congressional attempts to reverse its earlier ideas of Executive authority.

In *United States v. Midwest Oil Co.*, 236 U.S. 459, 473 (1915), the Court approved the validity of a long continued practice of the President to withdraw public land from private acquisition even though this conflicted with a statute by Congress which made such lands free and open to occupation and purchase.

That practice fixed the construction, the Court explained "is not reasoning in a circle but the basis of a wise and quieting rule that in determining the meaning of a statute or *the existence of a power*, weight shall be given to the usage itself—even when the validity of the practice is the subject of investigation." *Id.*, at 472, 573. (emphasis added)

A decade later the Court again relied on usage as a basis for rejecting Congressional control over the Presidency. In holding that Congress could not alter 73 years of prior practice and start setting conditions on the removal by the President of executive officers, even though such practice had often been the subject of bitter controversy in the past, the Court ruled:

"Nor can we concur . . . that when Congress, after full consideration and with the acquiescence and long practice of all the branches of the Government, has established the construction of the Constitution, it may by its mere subsequent legislation reverse such construction. It is not given power by itself thus to amend the Constitution." *Myers v. United States*, 272 U.S. 52, 152, 17 (1926).

These two cases closely parallel debate over the military command powers. Here there are over a hundred years of practice in which Presidents have reacted on their own initiative to any crisis which they believed might present an unacceptable threat to the national safety. Many Presidents have been questioned from the floor of both Houses for taking these strong military actions. But Congress has never once before the 1970's passed a law prohibiting, or ordering a halt to, any of these conflicts. Congress cannot now, after full consideration and acquiescence for almost two centuries, reverse the construction of the Constitution which has become so firmly set.

This concept does not give an unrestrained power to the President to do anything he wants. The President cannot conduct a war of aggression. He cannot bully another country with threats of armed action simply because we do not like its tariff policies or the way it governs its internal affairs. His Constitutional power of independent action is limited to the defense of our country, its citizens, and its freedoms; but he may act whenever and wherever in his judgment a danger exists, imminently or prospectively, which he believes compels a response on our part.

IV. CONSTITUTIONAL SOURCE OF PRESIDENT'S POWERS

But the President need not rely upon practice to establish his authority. The basic source of his power rests in the Constitution itself.

First, the opening sentence of Article II of the Constitution reads: "The Executive power shall be vested in a President of the United States of America." This is not a passive grant, but includes the traditional power of protecting the national safety that has been historically recognized by the law of nations as a right of the Executive.

For example, an edition of Vattell widely circulated among leaders of the American Revolution by Benjamin Franklin, states the rule that the Executive ought "to watch for the nation, and take care to preserve it . . . and to secure it, as far as possible, against everything that threatens its safety or its happiness. Hence all the rights which a nation derives from its obligation to preserve and protect itself . . . reside in the [Executive.]" Vattell, *The Law of Nations*, at 14, 15 (1863 reprint).

Second, the President is "the sole organ of the nation in its external relations, and its sole representative with foreign nations." At least six sitting members of the Supreme Court have accepted this description of Executive power by John Marshall and interpreted it to mean that the President has "*primary* responsibility for the conduct of foreign affairs." (Marshall's quote, while a Member of the House of Representatives, is cited approvingly in *United States v. Curtiss-Wright Export Corp.*, 299 U.S. 304, 319, 320 (1936).)

Justice Stewart, joined by Justice White, state the Constitution endows the President with "a large degree of *unshared* power in the conduct of foreign affairs and the maintenance of our national defense. . . ." *New York Times Co. v. United States*, 403 U.S. 713, 729 (1971). (emphasis added)

Justice Blackmun states: "Article II of the great document vests in the Executive Branch primary power over the conduct of foreign affairs and places in that branch the responsibility for the Nation's safety." *Id.*, at 761.

Justice Thurgood Marshall adds "it is beyond cavil that the President has broad powers by virtue of his primary responsibility for the conduct of our foreign affairs and his position as Commander-in-Chief," *Id.*, at 741.

Chief Justice Burger, joining Justices Harlan and Blackmun, describes executive power as one of "Constitutional primacy in the field of foreign affairs. . . ." *Id.*, at 756.

Justice Rehnquist, joined by Chief Justice Burger and Justice White, speak of "The primacy of the Executive in the conduct of foreign relations" and "the lead role of the Executive in foreign policy," in *First National City Bank v. Banco Nacional De Cuba*, 406 U.S. 759, 767 (1972).

Third, section 2 of Article II designates the President as "Commander-in-Chief." This power has been traditionally defined to encompass "the conduct of all military operations in time of peace and of war, embracing control of the disposition of troops, the direction of vessels of war and the planning and execution of campaigns . . ."

The quoted description is by Professor Quincy Wright, one of the foremost authorities of this century on the law of nations. Wright, *Validity of the Proposed Reservations to the Peace Treaty*, 20 Colum L. Rev. 121, 134 (1920).

Also see *United States* v. *Sweeney* in which the Supreme Court states that "the Commander in Chief power confers upon the President such *supreme* and *undivided* command as would be necessary to the prosecution of a successful war." 157 U.S. 281, 284 (1895). (emphasis added)

Contrary to assertions that the Commander-in-Chief power has been cited only recently as a functional base for the President's authority to use force "in such manner as, in his judgment, the public good . . . might require," this view was specifically argued and accepted by votes in Congress as early as 1798. (See debates in House of Representatives, 8 Annals of Congress 1269, 1410, 1445, 1447–48, 1451, 1454–55, 1457–58, 1477, 1521.

Fourth, section 3 of Article II vests with the President the duty and right to "take care that the laws be faithfully executed." The Supreme Court has construed this power to include enforcement not only of statutes and treaties, but also of "the rights, duties and obligations growing out of the Constitution itself, our international relations, and all the protection implied by the nature of the government under the Constitution." *In re Neagle*, 135 U.S. 1, 64 (1889).

V. INTENT OF THE FOUNDING FATHERS

However much the Founding Fathers may have wished to avoid foreign troubles, they recognized that the nation cannot be safe if its defensive capabilities are shackled by unrealistic rules. It must be remembered that the Framers had witnessed at firsthand the inefficiency of the Continental Congress in the management of military affairs during the War of Independence. Of the fifty-five framers who attended the Constitutional Convention, no less than thirty had performed military duty in the Revolution.

These Framers knew that at the time of the American Revolution Congress had possessed the powers both of an executive and legislature, jointly. They knew that the directives of Congress had interfered with Washington's operations and very nearly caused disaster.

For example, a prominent military historian writes:

"The amount of harm, caused by the unwise military control usurped by Congress, can only be measured in terms of the appalling sufferings of the American soldiers at Valley Forge. . . ." T. Frothingham, *Washington, Commander in Chief*, at 234 (1930). Also, see Dr. David Watson, *The Constitution of the United States*, at 912 (1910).

The Framers also held fresh memories of Shays Rebellion, in which Governor Bowdoin of Massachusetts had been required to single-handedly call out the militia and raise an army to restore order, before the reluctant and divided legislature could be moved to action. (See M. Starkey, *A Little Rebellion*, at 49, 186 (1955). See also Governor Bowdoin's explanation to the legislature of the necessity for "speedy and vigorous measures" pursuant to the independent powers vested in him by the Constitution of the Commonwealth reprinted in "Boston Gazette" of February 5, 1787.)

The Founding Fathers also had before them the example of recently established State Constitutions, such as that of Massachusetts, which conferred far broader defense powers upon the State Executives than had the earlier Charters adopted in the immediate aftermath of the Revolution. Eight Constitutions had been completed in the year of independence and two royal charters had been adopted in the same year as the basis of government. The following year was marked by the adoption of three more Constitutions. These Charters generally provided for a weak Executive. (See Poore, *The Federal and State Constitutions, Colonial Charters and other Organic Laws of the United States*, Parts I and II.

But in the following decade of the 1780's, two of the original thirteen States, Massachusetts and New Hampshire, turned away from these principles and framed new Constitutions which alloted strong military defense powers to the Executive. The fact that the last two Constitutions promulgated in the Revolutionary period vested the greatest military powers with the Executive of all the thirteen State Charters provides additional evidence of the trend in political thinking that was gaining acceptance by the date of the Constitutional Convention of 1787.

Experience had by then established the truth of the position that nothing short of conferring an independent power in the Chief Executive for defense of the Nation's safety will secure to the country a rational prospect of escaping the loss of its freedoms. Thus, the Framers designated the President to be Commander-in-Chief.

In the words of Charles Evans Hughes:

"The prosecution of war demands in the highest degree the promptness, directness and unity of action in military operations which alone can proceed from the executive. This exclusive power to command the army and navy and thus direct and control campaigns exhibits not autocracy but democracy fighting effectively through its chosen instruments and in accordance with the established organic law." Hughes, *War Powers Under the Constitution*, 85 Cent. L.J. 206 (1917).

Those who would dwell upon the concern of the Founders with a King would do well to study the fear of our forefathers with an unregulated Congress. James Wilson instructed his law class in 1790 that "[t]o control the power and conduct of the legislature by an overruling constitution, was an improvement in the science and practice of government reserved to the American States." *Wilson's Works, Vol. III*, Lorenzo Press, Phila., 1804, P. 292.

See also Jefferson's portrayal, quoted in the Federalist 48, of Congressional government as the equivalent of "despotic government."

In Jefferson's words: "It will be no alleviation that these powers will be exercised by a plurality of hands, and not by a single one. One hundred and seventy-three despots would surely be as oppressive as one."

Consistent with this theme is the remarkable study of history published by John Adams in 1787, which was much circulated at the Constitutional Convention and undoubtedly contributed to the opinions of the members. This work, Volume I of *A Defense of the Constitutions of Government of the United States of America*, argued:

"If there is one certain truth to be collected from the history of all ages, it is this; that the people's rights and liberties, and the democratical mixture in a constitution, can never be preserved without a strong executive, or, in other words, without separating the executive from the legislative power." (See pages 275–76, 290 (1851 reprint of edition of 1787).)

If the Framers, contrary to this concern with vesting excessive power in the legislature and contrary to their recognition of the inadequacies of the legislature in deliberating upon and conducting defensive war, meant to provide Congress with the entire panoply of war powers—the sole power to decide when to employ the Armed Forces, the power to compel a halt to any military activity already begun, the power to define or limit the geographical areas where the forces shall be deployed and even to set numerical ceilings upon deployments in specified areas—they certainly had a perfect model before them in the Articles of Confederation. Article IX of the Confederation conferred upon the Continental Congress the "exclusive right and power of determining on peace and war."

The fact the Constitutional Convention turned away from this clear-cut language, voting *not* to give Congress the power to make "peace" and changing the power of "determining on" war to the mere power "to declare" war, is conclusive evidence that the Framers intended the legislative branch to have less authority over military matters than it possessed under the Articles, not the same extent of powers and certainly not the all-inclusive, superior powers claimed for it as authority to enact the War Powers Resolution.

Another contemporary model the Framers could have followed, but did not, was Article 26 of the South Carolina Constitution of 1776, which specifically restrained the governor by prescribing that the "Commander-in-Chief" shall have no power to make

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war or peace, or enter into any final treaty, without the consent of the general assembly." In other words, if the Framers meant to make the Executive no more than the "agent" of the legislature in matters of military affairs, why did they not say so in clear words of the kind they had available for use?

VI. THE POWERS OF CONGRESS DISTINGUISHED

In the famous book which first formulated the war powers of this country, William Whiting wrote:

"Congress may effectually control the military power by refusing to vote supplies, or to raise troops, and by impeachment of the President; but for the military movements and measures essential to overcome the enemy—for the general conduct of the war—the President is responsible to and controlled by no other department of government." W. Whiting, *The War Powers of the President* 82 (2d ed. 1862).

Whiting added that the Constitution "does not prescribe any territorial limits, within the United States, to which his military operations shall be restricted." *Id.* at 83.

Dr. John Pomeroy, then Dean of the University of New York Law School, emphatically rejected the idea that "the disposition and management of the land and naval forces would be in the hands of Congress. . . ." "The Policy of the Constitution is very different," Pomeroy instructs. The Legislature may "furnish the requisite supplies of money and materials" and "authorize the raising of men" but "all direct management of warlike operations . . . are as much beyond the jurisdiction of the legislature, as they are beyond that of any assemblage of private citizens." J. Pomeroy, *An Introduction to the Constitutional Law of the United States* 288, 289 (1870).

Professor Clarence Berdahl, who published a comprehensive study of the Executive's war powers in 1921, squarely tackled this issue. He concluded:

"Although there has been some contention that Congress, by virtue of its power to declare war and to provide for the support of the armed forces, is a superior body, and the President, as Commander-in-Chief, is 'but the Executive arm . . . in every detail and particular, subject to the commands of the lawmaking power,' practically all authorities agree that the President, as Commander-in-Chief, occupies an entirely independent position, having powers that are exclusively his, subject to no restriction or control by either the legislative or judicial departments." C. Berdahl, *War Powers of the Executive in the United States* 116, 117 (1921).

Professor Willoughby, author of a famous multi-volume study on Constitutional law, agreed with this position. He wrote that the power of the President to commit troops outside the country "as a means of preserving or advancing the foreign interests or relations of the United States" is a "discretionary right constitutionally vested in him, and, therefore, not subject to congressional control." 3 W. Willoughby, *The Constitutional Law of the United States* 1567 (2d ed. 1929).

Congress has great powers over military matters. It controls the size and the strength of the Armed Forces and the amounts and kinds of materials with which we can wage war. Congress can provide or refuse a multitude of emergency powers involving foreign trade and strategic materials. Congress can approve or reject treaties or area resolutions having defense implications. Ultimately, the impeachment power is available if a President should commit an irresponsible abuse of a Constitutional discretion.

But once Congress has made its decisions of how many men shall be enlisted, or what arms constructed, the President may station those forces and send out those arms to such parts of the world as he determines appropriate in the national defense. The Constitution gives the President the authority to protect American rights and interests abroad and Congress cannot by mere legislation redefine the allotment of powers made by the Framers.

VII. THE DECLARATION OF WAR POWER IS NOT THE EXCLUSIVE WAY THE UNITED STATES CAN WAGE WAR

The idea that the only way this nation can go to or wage war is by a declaration is a myth. The vast majority of wars are begun without any declaration. This was as well known to the Founding Fathers as it is to us today.

In the 87 years preceding the Constitutional Convention, 38 wars were held in the Western World and only one of them was preceded by a declaration. Maurice, *Hostilities Without Declaration of War* 12–27 (1883). That the Founders knew of this condition is proven by Hamilton's statement in the Federalist No. 25 that declarations of war were already in disuse in the Eighteenth Century.

The Founding Fathers also recognized what was then a well-known distinction in the law of nations between an "offensive" and a "defensive" war. By the law of nations a declaration of war is *not* required for "defensive" war. Vattel, *The Law of Nations,* at 303 (1863 reprint of 1767–1775 edition); Grotius, *On the Law of War and Peace,* at 184 (1925 reprint of edition of 1646); Wolff, *The Law of Nations,* 314, 368 (1934 reprint of edition of 1764).

Thus, there is no question that when the Constitutional Convention narrowed the authority of Congress by substituting "declare" for "make" in the declaration of war clause, the Framers understood that there had been and might continue to be many instances in which hostilities would occur with no declaration. To argue that no defensive military operations can begin without a declaration by Congress is to ignore the historical setting in which the Constitution was drafted.

VIII. CONGRESS CANNOT PASS LAWS UNDER THE "NECESSARY AND PROPER CLAUSE" WHICH USURP THE PRESIDENT'S POWER AS COMMANDER IN CHIEF

Congress cannot restrain Presidential defensive operations under the guise of the "necessary and proper" clause of Article I. As Whiting counseled President Lincoln, Congress is "bound to pass such laws as will *aid* him" in carrying into execution his military powers. Thus, Congressional measures under the "necessary and proper" clause must be supplementary to and in aid of the functions of the President as Commander in Chief; they cannot restrict his exercise of those functions.

That this is the correct interpretation of the Constitution is clear from the decision of the Supreme Court in *Myers v. United States,* 272 U.S. 52 (1926), where the Court held that Congress could not limit the President's discretion of removal of executive officers even though Congress itself created those offices. Chief Justice Taft, writing for the Court, emphasized that Congress cannot vary the exercise of the President's separate power. This, he said, "would be a delegation by the [Constitutional] Convention to Congress of the function of defining the primary boundaries of another of the three great divisions of government." *Id.,* at 127.

The Court also took a restrictive view of the necessary and proper clause in *Kinsella v. Singleton,* 361 U.S. 234, 247 (1960). Here it held the Clause "is not a grant of power," but merely removes uncertainty that Congress may implement the powers *otherwise* vested by the Constitution.

Neither can Congress use its power of the purse to legislate policy restrictions over the conduct of the President's defense powers. This would be placing "the keys of the Treasury and the command of the army into the same hands," something that Madison rejected in the Federalist No. 37 as being "particularly dangerous" and therefore unintended by the Constitutional Convention.

Thus, legislative measures such as the War Powers Resolution, are not Constitutionally binding on the President. In the words of the Department of State: "It is the Department's opinion that Section 2(c) [of the Resolution] does not constitute a legally binding definition of the President's Constitutional power as Commander-in-Chief. . . .

"There are, of course, fundamental questions whether such legislation could, even if so intended, limit the Constitutional authority of the President." Letter of Marshall Wright, Assistant Secretary of State for Congressional Relations, to Senator Thomas Eagleton, dated Nov. 30, 1973.

IX. NO DECISION OF THE SUPREME COURT HAS EVER ORDERED THE PRESIDENT TO HALT ANY ONGOING MILITARY ACTION

There is very little case law on point. But the Supreme Court has never directed any President to stop an ongoing defense operation. When Supreme Court Justice William Douglas ordered a stop to the American bombing of Cambodia in August of 1973 the eight other members of the Court promptly overturned his decision.

Three early decisions that are sometimes cited in connection with the powers of Congress arose out of captures of ships during the undeclared Naval War of 1798 to 1800 between the United States and France. But these cases squarely involved the power of Congress "to make Rules concerning Captures on Land and Water," and did not turn on the respective roles of Congress and the President in the defense of the Nation and its vital interests. *Bas* v. *Tingy,* 4 U.S. 36 (1800); *Talbot* v. *Seeman,* 5 U.S. 1 (1801); and *Little* v. *Barreme,* 6 U.S. 170 (1804).

Another case cited in support of Congressional restrictions on the President's use of force is *Ex parte Milligan,* in which the Court held that neither Congress nor the President could impose martial law in a State which had been loyal to the Union during the Civil War. This case in no way restricts the authority of the President to use troops abroad in defense of American interests.

In fact, a concurring opinion by Chief Justice Chase joined by three Justices, states that Congress cannot interfere "with the command of the forces and the conduct of campaigns. That power and duty belong to the President as commander-in-chief." 71 U.S. 2, 139 (1866). (emphasis added)

A remaining decision relied upon by advocates of Congressional supremacy over the employment of the Armed Forces is the "Steel Seizure" case which arose out of President Truman's attempted takeover of the nation's major steel mills. Though the Court held, six to three, the President lacked authority on his own to take possession of private property, it is plain the Court's majority treated the case as a domestic issue far removed from matters of military action in a theater of war. *Youngstown Sheet & Tube Co.* v. *Sawyer.* 343 U.S. 579, 587 (1952).

Justice Jackson appears to have expressed the mood of the Court aptly when he wrote:

"We should not use this occasion to 'circumscribe,' much less to contract, the lawful role of the President as Commander-in-Chief. I should indulge the widest latitude of interpretation to sustain his exclusive function to command the instruments of national force, at least when turned against the outside world for the security of our society." *Id.,* at 645.

Accordingly, the "Steel Seizure" case has no relevance to the use of United States troops outside the country for the protection of American interests. The issue in that case was not the President's authority to conduct defensive actions, but the scope of his power

over a clearly domestic matter—labor management relations.

On the other hand, occasional cases have pointed to judicial endorsement of the President's war-making authority. The following cases are pertinent:

(1) The *Prize Cases,* a Civil War case involving the legality of President Lincoln's blockade against the Confederacy, which was decided upon the ground that the President, acting alone, possessed a right to take military action "on the principles of international law, as known and acknowledged among civilized States." 67 U.S. 635, 671 (1863).

(2) *In re Neagle,* 135 U.S. 1, 64 (1889), in which the Court recognizes a power of the President to uphold "the rights, duties and obligations growing out of the Constitution itself, our international relations, and all the protection implied by the nature of the government under the Constitution."

(3) *United States v. Sweeney,* 157 U.S. 281, 284 (1895), in which the Court states that "the Commander in Chief power confers upon the President such *supreme* and *undivided* command as would be necessary to the prosecution of a successful war." (emphasis added)

(4) *Swain v. United States,* 28 Ct. Cl. 173, 221, aff'd., 165 U.S. 553 (1897), in which the High Court affirmed a holding by the Court of Claims that: "Congress cannot in the disguise of 'rules for the government' of the Army impair the authority of the President as Commander-in-Chief."

(5) *The Slaughter-House Cases,* 83 U.S. 36, 79 (1872), in which the Court recognized the right of a citizen abroad "to demand the care and protection of the Federal Government over his life, liberty, and property."

(6) *United States v. Curtiss-Wright Export Corp.,* 299 U.S. 304 319–20 (1936), in which the Court embraced the doctrine of "inherent" powers of the Executive in the conduct of foreign affairs.

(7) *Johnson v. Eisentrager,* 339 U.S. 763, 789 (1950), in which the Court stated: "Certainly, it is not the function of the Judiciary to entertain private litigation—even by a citizen—which challenges the legality, the wisdom, or the propriety of the Commander-in-Chief in sending our armed forces abroad or to any particular region . . . The issue tendered . . . involves a challenge to the conduct of diplomatic and foreign affairs, for which the President is exclusively responsible."

U.S. CORPORATE BRIBES OVERSEAS

Mr. CLARK. Mr. President, I would to bring to the attention of the Senate an interesting and informative article from yesterday's New York Times. The article, by Michael Jensen, concludes that bribes and political payoffs by U.S. multinational corporations have become a way of life overseas. These payments, usually illegal under the local law, are defended by American businessmen as "necessary" for doing business in foreign countries.

The U.S. Government cannot condone these practices. When they come to light—as they do eventually—they seriously tarnish not only the reputation of the company involved, but that of U.S. corporations generally and the United States itself.

Once they become an accepted part of doing business overseas, such payoffs are difficult to confine to the foreign activities of U.S. corporations. Indeed, the article notes that one of the most pervasive forms of bribery has been the payments to the directors of U.S. military clubs and post exchanges in the Far East and Europe.

The argument is often made that, if an American business refuses to participate in such payoffs, its customers will go elsewhere. But as Commissioner Irving Pollack of the SEC points out, any American company which finds itself losing business in this way can say: "You know, we were offered it, but we did not take it because they wanted us to put $5 million into a Swiss bank account."

As the article notes, the Subcommittee on Multinational Corporations has begun a full investigation of this question to consider whether legislation is necessary. The subject is of general interest to all Senators, and I ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Company Payoffs Way of Life Overseas—Such Activities Are Often Sanctioned by Washington

(By Michael C. Jensen)

American companies doing business abroad are spending hundreds of millions of dollars each year for agents' fees, commissions and outright payoffs to foreign officials.

The payments range from $5 bribes for customs agents and other minor officials to multi-million-dollar rake-offs on defense contracts. Sometimes even heads of state are involved.

The practice of funneling cash into the hands of government officials or their representatives is long-standing and is defended by many businessmen as the only way they can compete effectively abroad. Indeed, some such payments are officially sanctioned by the United States Government.

Nevertheless, the practice is coming under increased scrutiny in the United States, spurred by disclosures that the United Brands Company, based in New York, paid more than $2-million in bribes to officials in Honduras and Europe.

INQUIRY STARTED

The Senate Foreign Relations subcommittee on multinational corporations has begun a full inquiry into the United Brands case.

It is also looking into expenditures by the Northrup Corporation, which paid out more than $30-million in agents' fees and commissions, much of it for overseas sales, from 1971 to 1973.

The Gulf Oil Company's disbursements of more than $4-million overseas, most of it reportedly to a single unidentified country, is also being investigated.

Until now, most of the Government attention to corporate bribery has come from the Securities and Exchange Commission, which is responsible for insuring adequate disclosure of corporate activities to shareholders. The current investigations are an outgrowth of the Watergate prosecutions of illegal campaign contributions.

The Internal Revenue Service, which is concerned with the proper handling of foreign transactions for tax purposes, also is looking into some of the foreign situations.

QUESTION OF LAW

It is apparently not a violation of United States law for an American corporation to bribe foreign officials. Such action may be illegal in the host country, but bribery laws are seldom enforced in many parts of the world.

Few American businessmen will discuss their companies' payoff practices openly, although some agreed to interviews with news reporters with the understanding that they not be identified.

Some of the most blatant cases of bribery have become public, however, and a few have spawned major scandals overseas.

In the United Brands case, for example Eli M. Black, the chief executive of the company, committed suicide shortly before the company's overseas bribes became known publicly. The ensuing scandal also resulted in the overthrow of the chief of state of Honduras, Gen. Oswaldo Lopez Arellano.

GULF TESTIMONY

In other cases, there is almost certain to be a growing furor as further details become known. For example, the reported testimony of Bob R. Dorsey, chairman of the Gulf Oil Corporation, about cash "contributions" abroad is being studied by the S.E.C.

Mr. Dorsey and other Gulf officials reportedly told the S.E.C. that foreign politicians had forced them to pay large amounts of cash in order to stay in business.

While some commissions and agents' fees are nothing more than thinly disguised bribes, others are said to be legitimate payments to local representatives overseas, designed to cut through red tape.

The Defense Department authorizes defense contractors to pay "reasonable" agents' fees as part of their "cost of sales" and to pass these costs along to the Pentagon when it acts as the middleman in arms contracts.

PATTERN OF FEES

In an advisory memorandum issued to several defense contractor associations last summer, the Defense Security Assistance Agency said United States arms manufacturers selling major systems usually limited their standard agents' fees to 4 to 6 per cent of the selling price. It added, however, that on less expensive equipment the percentage sometimes exceeded 25 per cent.

Some Middle Easterners have gotten rich on such fees. Persian Gulf sources say that Adnan M. Khashoggi, a Saudi Arabian businessman who has an international string of industrial and financial ventures, including a bank in California, made his initial capital as the Sadui agent for Raytheon Hawk missiles and Lockheed aircraft bought by Saudi Arabia.

Mr. Khashoggi's connection is said to be his friendship with Prince Sultan, the Saudi Defense Minister, and his commissions were said to run to $10-million to $20-million.

A VEXING REGION

American executives says the Middle East is one of the world's most vexing regions as far as doing business is concerned. An illustration of the problems they face there was contained in a limited-circulation Defense Department memorandum entitled "Agents' Fees in the Middle East."

"There is the classic example," the memo said, "of a new vice president of a United States firm who, after reviewing agents' fees, decided that a local Middle East agent's contract could be canceled. All that the company had in the country at that time was a continuous but lucrative servicing contract that had been negotiated many years ago.

"Within 48 hours after the agent had been canceled all local work permits of the company's employes were withdrawn. Needless to say, the agent was reinstated immediately."

In another case cited by the memorandum, two American companies in a North African country were competing for a contract. As the competition became keener, one of the contractors found it almost impossible to obtain visas for its sales personnel and was thus prevented from making a sales presentation. The reason? The influence of a competitive agent, the memo said.

One agent admitted, the memo said, that three members of his country's national assembly were on retainer fees to provide "inner circle intelligence" and to promote his principal's products.

It also said influence was not always bought with cash. "It can include the rent-free use of a villa in France or a flat in London, along with car and servants. Sometimes the government official is a silent partner in the agency or other business completely divorced from his normal activities."

Although the most dramatic instances of corruption are those involving millions of dollars, a far more widespread type of bribery takes place at a much lower level. It is variously called baksheesh, la mordita or dash, depending on whether it is offered in the Middle East, Latin America or Africa.

One businessman in Africa said in an interview: "In countries like Nigeria and Zaire, you have to pay small bribes, called 'dash,' to get anything done. It's part of the price of visas, getting customs clearance on materials—even getting your suitcase in the instance of Nigeria."

In other parts of the world, the pressures take a different form. For example, one type of harassment for American companies in the Philippines is the stream of requests for donations for charities from government and military officials or members of their families. Such requests, invariably granted, sometimes run to more than $100,000.

POLITICAL REQUESTS

In Italy, on the other hand, requests are more likely be for contributions to political parties.

An executive of a United States-controlled multinational electronics group, who insisted on anonymity, said: "To do business in Italy, as in other European countries, you have to render all sorts of favors, including outright bribery.

"It's up to your ingenuity to disguise such practices in reports to your board and in financial statements. You send lavish gifts to key people and their wives. You have your own workers install costly appliances in their seaside villas free of charge. You hire their relatives and protégés if you have staff vacancies. Sometimes cool cash changes hands.

"Don't expect company headquarters to give you any instructions on how to handle such situations," he continued. "You are completely on your own—just keep the sales performance going up."

Although many Americans profess astonishment and sometimes disgust at reports of bribery and under-the-table gratuities offered abroad, such practices are also widespread in this country.

Gifts, some of them lavish, often are pressed on officials with purchasing responsibilities in the United States, and a number of corporate contributions to political campaigns were uncovered during the Watergate investigations.

Furthermore, American companies are quick to point out that overseas competitors also employ such methods, making it more difficult to resist the pressures.

For example, the president of a French-based company in international transport won contracts from a foreign ministry official by seeing that he found his way to one of the exclusive and illegal brothels of Paris. He said he clinched the contract by giving the official's wife a high-speed, electric sewing machine from Switzerland.

GASOLINE COUPONS

In another case, still in the French courts, Guy Schneider, president of a public works company called Ermest, confessed that he had bribed public officials with gasoline coupons, paid holidays at a winter sports retreat and special funds placed at their disposal to win civic contracts.

Faced with such an atmosphere, some American companies say they have no choice but to compete on equal terms. In India, for example, there are about 40 American companies, and it is widely believed that many of them deal with "liaison officers" who in turn bribe Indian officials.

These companies make donations to political parties, spend money to maintain lobbies inside the Government and in Parliament and provide other inducements such as liquor supplies, entertainment in luxury hotels and hospitality outside India when officials are traveling.

In many countries, corruption in the military is widespread, particularly where officers are poorly paid and have major responsibilities.

Corruption surfaced in the Brazilian Army's quartermaster corps in 1973 when an investigation was ordered into allegations that a dozen high Army officers had received kickbacks from civilian contractors who supplied food and equipment. Some sources said the bribes totaled as much as $[illegible] million.

American officials who deal with high military officers abroad confirm such stories.

A former Defense Department official said in an interview that the general in charge of procurement for one Persian Gulf country insisted on siphoning 15 percent "off the top" of all defense contracts except those negotiated with the United States military.

LITTLE BLACK BOOK

"When foreign countries try to sell the general, he has a little black book," the former official said. "If they give a quote on a price, he'll look at the book and say, 'Ah, the U.S. price is such-and-such.' Then, if there's something in it for him, he might consider giving them a contract. Otherwise he insists on going for our military sales."

The importance that American companies attach to employing local representatives was vividly demonstrated by the International Telephone and Telegraph Corporation in mid-1971 after Salvadore Allende Gossens, a Marxist who was opposed by I.T.T., was elected President of Chile.

Confronted with a hostile regime and anxious to protect its telephone properties, I.T.T. moved quickly to foster better relations. In a memo to P. J. Dunleavy, who is now president of I.T.T., J. W. Guilfoyle, another I.T.T. executive, related what had been done to try to improve matters for the company

MEETING ARRANGED

He said that two I.T.T. officials were meeting with a Dr. Schaulson, "the consultant I obtained on our last trip," to determine the outcome of Dr. Schaulson's discussions with **President Allende.**

"Schaulson is a lawyer and a former politician," Mr. Guilfoyle wrote, "and is considered friendly with Allende and, as a Christian Democrat, is not committed to the U.P. [Allende's party]."

Later, despite the hiring of Dr. Schaulson, Chile expropriated the telephone company, and I.T.T. was subsequently compensated by a United States Government agency which insures overseas investments.

I.T.T., in response to a query, confirmed that it had hired a Chilean legal consultant but declined to confirm that it was a Dr. Schaulson. The company said it had hired the consultant on the advice of its Chilean outside counsel.

In the Northrop case, a private report written by the accounting firm of Ernst & Ernst disclosed that Northrop made more than $9-million worth of consultants' payments in 1971, then $7.8-million in 1972 and $12.9-million more in 1973. The report pointed out that the big aircraft manufacturer employed 400 to 500 consultants and agents in the 1971–73 period.

The S.E.C. is looking into these overseas disbursements, which it says were made "without adequate records of controls." The commission also says there was no indication whether services provided in exchange for the $30-million were "commensurate with the amounts paid."

One internal Northrop memorandum included in the Ernst & Ernst report was from James Allen, a former Northrop executive, to Thomas V. Jones, Northrop's chief executive. In the memo, Mr. Allen described attempts by the company to sell its P–530 aircraft to the Netherlands, and he told of his discussions with William Savy, a European consultant.

CONTENTS OF MEMO

The Allen memo said: "Depending upon developments in the Netherlands and the situation in France, he [Mr. Savy] anticipates that commitments of a substantial nature may have to be made and made soon.

"He said that he did not like to go ahead even preliminarily unless he is covered by adequate funds . . . He suggested we send an advance of $60,000 to him at Euradvice, in Basel, to cover the Netherlands operation and an equivalent amount to him directly to cover the more sensitive French operation."

Another instance of high-level dealings between Americans and foreign officials took place in Kenya. This invoved John Saul, United States geologist who attempted to develop a ruby mine in Tsavo National Park.

Mr. Saul and his partner, Elliott Miller, gave a 51 per cent interest in the mine to a group of Kenya politicians, including the country's vice president, Daniel Arap Moi.

However, the two Americans were expelled from Kenya when they resisted pressures to take in more partners. A new claim on the mine was subsequently filed by a Greek entrepreneur who is a business partner of the wife of Kenya's President, Joma Kenyatta.

One of the most dramatic instances of corruption and bribery abroad involved military clubs and post exchanges in the Far East and Europe.

The Senate Permanent Subcommittee on Investigations reported in late 1971 that military personnel, both uniformed and civilian, stole and received kickbacks and gratuities with the "complicity" of vendors, brokers and salesmen.

"Many American brokers and salesmen representing large American firms were reminiscent of camp followers of former times moving with United States troops from Korea to Vietnam to West Germany," the committee reported.

"They used every corrupting device—gifts, bribes, kickbacks, free housing, entertainment, sex—to persuade PX and club personnel to buy their goods."

One such "camp follower," the committee said, was William J. Crum.

LUXURIOUS VILLA

A typical example of Mr. Crum's methods, the committee said, "was his providing a luxurious villa in 1965 to the principal procurement executives of the Army Air Force Exchange System. Not only did he place them in his debt in this fashion, but he bragged about it to officials of James Beam Distillers and Carling Brewery, whom he represented as a broker in Vietnam."

"People have said what can we do," said Irving Pollack, a S.E.C. commissioner. "They say, 'It's overseas, and we can't do business in a country without paying off. If we don't do it, the customer will go to the Japanese, or the Germans or someone else, and they will pay off.'

"The only answer I can see is if the contract goes to the Japanese or the Germans, the Americans should speak up and say, 'You know, we were offered it, but we didn't take it because they wanted us to put $5-million into a Swiss bank account.'"

EPA SAYS FAA DRAFT ENVIRONMENTAL IMPACT STATEMENT IS INSUFFICIENT

Mr. PROXMIRE. Mr. President, a letter from the Administrator of the Environmental Protection Agency to Hon. JOHN W. WYDLER has recently come to my attention. The correspondence supports my conclusion that the Federal Aviation Administration draft environmental impact statement on the Anglo-French Concorde is deficient, especially in regard to the impact of the vibrations attributable to the Concorde.

I ask unanimous consent that a portion of the EPA letter to Congressman JOHN W. WYDLER, relating to the insufficiency of the FAA impact statement, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> Although we have not completed our analysis, at this point we do not believe that sufficient information is presented in the Draft EIS to conclude that the projected Concorde operations at J.F.K. and Dulles Airports will have an insignificant impact on private and public dwellings and the well-being of the people who will be exposed to this additional noise intrusion. A more comprehensive analysis of the vibration effects of Concorde operations should be presented by the FAA together with a more realistic presentation of the cumulative noise exposures the public can expect.

Mr. PROXMIRE. Mr. President, instead of detailing the potential danger posed by the low-frequency noise, instead of assessing the secondary impacts on individual health and the likelihood of damage to public and private property, the impact statement says only that the impact of this noise is "dependent upon the number of flight operations. The more flights by Concorde, the greater the impact."

As I said in my statement to the FAA on April 14, these truisms are of little value to anyone.

Mr. President, I join the Environmental Protection Agency in requesting a more comprehensive analysis of the potential environmental effects of the Concorde supersonic aircraft.

THE ROLE OF FARM COOPERATIVES

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to a thoughtful article by Prof. Thomas A. Brewer of Pennsylvania State University entitled, "Farmer Cooperatives: The Struggle for Market Power," which was reprinted by the Washington State Cooperative Extension Service.

A central point of this article is that cooperatives have made a substantial contribution to farm income and the public interest. They enable farmers to obtain a more equitable share of the market and manage their operations more effectively.

By providing a history of farm cooperatives and related legislative activity, Dr. Brewer demonstrates the need for an organization effort by farmers and answers the Administration's charge that cooperatives are too large and powerful. The Administration continually focuses on the size of various farm cooperatives while ignoring an important factor which separates cooperatives from other large agribusiness corporations.

Dr. Brewer articulately makes this distinction, stating that:

> A cooperative differs from other forms of business not in the rules for success but in how gains from that success are distributed.

I have always supported the right of our Nation's farmers to organize for marketing purposes. This is central in our economy today if our farmers are to have an opportunity to get a fair return. They won legislative permission to organize with the passage of the Capper-Volstead Act and have formed numerous associations in the years since its enactment. Cooperatives should be regarded as an appropriate and legitimate exercise of economic power.

This article provides some perceptive commentary on farmer cooperatives which should be kept in mind by the Members of this body.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMER COOPERATIVES: THE STRUGGLE FOR MARKET POWER

(By Thomas A. Brewer)

Individual farmers are at a disadvantage in buying farm supplies or selling farm products. They have relatively little economic power compared to those they must deal with. Farmers acting together in cooperatives have been able to gain much of the economic power associated with size. Cooperatives operate for the benefit of their member-owners. If you, as a cooperative member, are dissatisfied with your organization you should ask yourself, "Do I have any ideas which might improve it and if so have I passed them on to directors and managers who might implement them?" Cooperative members have a responsibility to understand their organizations' problems and to help solve them.

There are only a few Washington farmers who do not regularly do business with one or more of the cooperatives in the state. Cooperative businesses in Washington provide farmers with farm inputs ranging from pesticides, fertilizer, gasoline, and artificial insemination services on the one hand to short- and long-term credit on the other. In addition, cooperatives play major roles in the marketing of nearly all farm products produced in Washington.

MEMBERS' VIEWPOINTS DIFFER

In recent months a few cooperatives have been under fire for various shortcomings and some have been accused of illegal activities. In some cases support from farmers—the people who can gain most from strong cooperatives—is not very great. Some appear to have little appreciation for the important role cooperatives play or how they can contribute to the success of their individual farm businesses. Some cooperative members believe their organizations have become too large to function as they should. Most farmer-members, however, recognize the importance of cooperatives even though they may not think about them very often. If farmers do need cooperatives to give them sufficient economic power and thus prevent their exploitation in the marketplace, then farmer-members must work to keep them viable, thriving organizations. If they don't, there is always the risk that they'll lose their effectiveness through neglect. Power once lost may be difficult to regain.

EARLY FARMER COOPERATIVES

The economic forces which lead 19th and early 20th century farmers to form cooperatives may provide producer-members with a framework for evaluating the importance of their present organizations. Dairy processing cooperatives were the earliest type of farmer cooperative organized in the United States. Farmers had been making butter and cheese in their own homes and trading with local merchants and other farmers. They saw the development of distant markets without any means for serving them. By pooling their home-produced products and standardizing the production process they could penetrate these markets. It was a natural step to move from home processing and cooperative selling to cooperative processing and selling. Centralized processing was more efficient and it improved product marketability because a more consistent quality could be obtained.

Early cooperatives had one thing in common. Farmers pooled resources and their farm products to do a job which they as individuals couldn't do. The gaining of market power to insure an equitable sharing of market returns was not then a primary reason for forming cooperatives.

The situation changed during the last thirty-five years of the 19th century. The westward movement had opened up vast new areas of agricultural land. The devastation of the South's economy and its society during the Civil War encouraged many to move to the West. A big influx of European immigrants with agrarian interests led to even more people settling and establishing farms in the Plains states.

Railroads were given grants of land to build transcontinental rail lines. Once built, railroad executives were anxious to haul freight and passengers. They also wanted to achieve returns on their land holdings. As a result, they encouraged migration westward which added to the increased agricultural production. Homesteading opportunities also contributed to the growth in agriculture's productive capacity.

These factors inevitably lead to oversupply of many agricultural commodities. Much of the excessively large harvest was located far from consumers, and farmers were dependent upon others to market their products. Many felt that railroads, elevator operators, brokers, and speculators were making too much money and returning too little to the farmer. Farmers who had started business and purchased farms during the war-inflated price years of the 1860s were trying to pay off these debts with drastically reduced farm-product prices. Overproduction had created a buyer's market and farmers wre not organized to minimize its effects. Grains, for instance, were sold at harvest time to country elevators or terminal warehouses. Many of these were owned by the railroads. Rail rates were set by railroads without public regulation. Farmers took what was offered by buyers or left the grain on the farm where the lack of storage facilities or money to build them caused it to spoil. If farmers were to receive more equitable treatment in the marketplace they would have to take over some of the marketing functions themselves. During the 1870s and through the rest of the century, many cooperative county elevators were organized giving farmers an alternative to selling at harvest. They had gained some market power, but still had a long way to go to achieve equity. During this period, cooperative emphasis changed from horizontal integration to forward or vertical integration. Since that time many cooperatives have had as a major goal the gaining of sufficient market power to assure farmer-members equitable economic treatment.

During the latter part of the 19th century the rural viewpoint was politically dominant in most states and at the federal level. Many economic conditions which were creating problems for farmers were blamed on developments such as the growth and abuse of the economic power wielded by railroads and others. Toward the end of the century mergers of steel companies and firms in other basic industries concerned much of the public. Various political movements developed. Legislation was proposed and adopted to slow the concentration and prevent some of the abuses from recurring. Interestingly enough, labor felt much the same as agriculture about these giants of industry. While farmers were forming cooperatives and general farm organizations to combat or gain equality with them, labor was organizing unions. The anti-trust laws left marketing cooperatives unsure of their legal status, and made formation of labor unions almost impossible. Federal legislation affecting cooperatives and labor unions was for the most part identical during the period from 1390 to the early 1920s. From that time each received special legislative attention. Farmer cooperatives and labor unions were attempting to correct what they believed were economic injustices for their members. To be effective, each group had to unite. The anti-trust laws were opposed to the uniting of business firms to gain economic power. It took over 30 years of legislation and court actions to differentiate between combinations of farmers or laborers and those of business firms.

EVOLUTION OF ANTITRUST LAWS

The historical developments of the anti-trust laws makes clearer the status of Farmer Marketing Cooperatives with respect to these laws.

The public at large was becoming alarmed at the centralization of economic power via mergers and consolidations and the control of large business firms over the economic welfare of so many people. In 1890 Congress passed the Sherman Anti-Trust Act. It states in part, "Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations is declared to be illegal." No special note was taken of cooperatives or labor unions.

When the act was under consideration the following amendment was offered and defeated and thus does not appear in the enacted law. "Provided, that this act shall not be construed to apply to any arrangements, agreements or combinations between laborers made with a view of lessening the number of hours of their labor or of increasing their wages nor to any arrangement, agreement, associations or combinations among persons engaged in horticulture or agriculture made with the view of enhancing the price of their own agricultural or horticultural products." Even at this early date some members of Congress were recognizing a difference between combinations of business firms and combinations of farmers or laborers.

Failure to include this amendment allowed employers to frustrate the efforts of labor to form unions. Employers were backed in such actions by the courts. Attempts to organize employees were held to be conspiracies in restraint of trade. The courts freely provided restraining orders to prevent continuance of organizing efforts. Organization of farmers to do business cooperatively was not thwarted to the same degree that labor unions were.

Nevertheless, as larger and larger producer marketing and bargaining associations were formed, the question of how the Sherman Act might apply to such associations gained the attention of agricultural leaders.

The Clayton Act of 1914 answered the question of whether or not combinations of laborers or farmers could be held to be illegal combinations. Section 6 of the act reads as follows: "The labor of a human being is not a commodity or article of commerce. Nothing contained in the anti-trust laws shall be construed to forbid the existence and operation of labor, agricultural or horticultural organizations, instituted for the purposes of mutual help and not having capital stock or conducted for profit or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objectives thereof; nor shall such organizations or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the anti-trust laws."

Labor unions could now organize—but employers responded by forcing employees to sign a contract stating they wouldn't join a union. These were the famed "Yellow Dog" contracts which persisted until the Norris-La Guardia Act made them unenforceable. Labor unions seeking new members found that many had signed this type of contract and thus couldn't join a union. If the union persisted in its organizational efforts with those who had contractually agreed to not join a union it could be charged with "inducing breach of contract." In such cases courts would issue restraining orders forbidding continuance.

Under the Clayton Act, cooperatives did not gain much more than freedom to organize. The following quotation from an opinion by the U.S. Supreme Court helps clarify what Section 6 of the Clayton Act did for farmer cooperatives. The language of that section "shows no more than a purpose to allow farmers to act together in cooperative associations without the associations as such being held or construed to be illegal combinations or conspiracies in restraint of trade under the anti-trust laws as they otherwise might have been." Farmers and laborers were free to organize but it was unclear what activities, if any, they could legally engage in. The law stated they could engage in legitimate activities but didn't explain which of many possible activities were legitimate and which were illegitimate. Labor unions did not get legislative relief from the injunction which generally made union organizational efforts and activities ineffective until the Norris-La Guardia Act was passed in the early 1930s. The Wagner Act in 1935 further enhanced union opportunities for development and growth.

Farmer cooperatives did not have to wait that long. The Capper-Volstead Act of 1922 is the primary federal act which establishes the status of farmer marketing cooperatives with respect to the anti-trust laws. Before the Capper-Volstead Act it was not clear whether or not farmers combining to form marketing cooperatives were at the same time, violating the anti-trust laws. The Capper-Volstead Act authorizes and sanctions the elimination of competition among independent farmers.

It should be observed that the law does not permit cooperatives to operate in ways or indulge in activities which would be illegal for noncooperative forms of business. In a sense, all the legislative and court battles were fought to allow farmers and laborers to achieve organizational parity with noncooperative forms of business organizations. The laws do not allow cooperatives to operate any differently than other forms of business.

THE CAPPER-VOLSTEAD ACT

The act reads in part: "Be it enacted . . . that persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut or fruit growers may act together in associations . . . in collectively processing, preparing for market, handling and marketing in interstate and foreign commerce, such products of persons so engaged. Such associations may have marketing agencies in common; and such associations and their members may make the necessary contracts and agreements to effect such purposes:

Provided . . . that such associations are operated for the mutual benefit of the members thereof, . . ." It further requires that no member be allowed more than one vote because of the amount of stock or membership capital he may own or, that the association not pay dividends on stock or membership capital at a rate greater than 8 percent per annum if voting on number of shares of stock or volume of business is permitted. In addition it is required that every association not deal in the products of nonmembers to such an extent that the value of nonmember products is greater than the value of those handled for members.

The act permits cooperatives to finance their operations with capital stock. Section 2 of the act states that the U.S. Secretary of Agriculture, if he has reason to believe that any association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any agricultural product is unduly enhanced, can serve a complaint on the alleged offender and initiate an inquiry into the matter. If, after hearing the evidence, he believes the allegations are true, he may issue a cease and desist order to the cooperative. The cooperative has access to the courts for modification of possible set-aside of the order. The Secretary of Agriculture can petition the court to enforce his order. The Department of Justice enforces the order or its modified version. Cooperatives were given no special privileges under this law. It simply allowed one group of independent businessmen (farmers) to act collectively in marketing without fear of prosecution under the anti-trust statutes so long as those combinations do not violate the laws as they apply to actions of other business organizations.

Farmers won legislative permission to organize for marketing purposes without fear of being prosecuted under the anti-trust laws. They were now free to make their weight felt in the marketplace and obtain more equitable treatment for farmers.

When one remembers that the legislative posture of the country during the late 1800s and thru the 1920s was inclined toward the rural point of view, it is surprising the battle was so long and difficult. One can wonder whether or not today's Congress, with its more urban views, would pass such legislation. The legislation was difficult to achieve but it may be even more difficult to keep. Without it the opportunities afforded farmers to achieve economic equality in the marketplace would be seriously hampered. Labor appears to be better organized to protect the legislative gains they have achieved.

IS SIZE REALLY AN ISSUE?

As early cooperatives organized and took their initial steps into the marketing or farm-supply businesses, they tended to organize on a community basis. Each member of the cooperative knew everyone else and the business, being fairly simple, was easy enough to keep track of. As farmers found it more and more advantageous to increase their involvement in the marketing process and become involved in processing, storing, and distributing consumer products it became necessary for them to develop a larger farm base. They needed a greater volume of agricultural products if they were to penetrate mass markets and do it efficiently. They needed more capital to build facilities and develop markets. In some cases two or more local cooperatives federated to perform these functions and raise the required capital. Some chose other routes. As cooperatives became larger, the frontiers of cooperative decision making became more remote and less well understood by individual cooperative members. Some cooperatives have done an excellent job of keeping members informed and helping them participate in the decision-making process. Others must work on this important area. Some members feel alienated from their cooperatives and feel that they are as unimportant to them as they would be to a large corporation. Size can create such problems.

Nevertheless when hearing farmers say "XYZ Cooperative is too big now; It isn't a cooperative anymore," one can only wonder whether or not they are simply reflecting a nostalgic longing for the past. Do these farmers want their cooperatives to give up the market power they have attained, or the backward integration to secure control of supplies which may go all the way back to the oil wells and fertilizer deposits in some cases? Upon serious reflection most would probably not want to give up those gains which size has made possible. But they still must feel that they are a part of the organization and an important part they are.

Six cooperatives are now included among Fortune Magazine's 500 largest businesses, based upon annual sales. None are very high on that list, but more are on the list than were there ten years ago. Several organizations with which farmers and farmer cooperatives deal are much higher on the list. Does this mean cooperatives are too big? Does it mean they are not yet big enough? Farmers should evaluate their cooperative's size on the basis of whether or not it is large enough to do the job they expect of it and not on the basis of some irrelevant ranking. Bigger cooperatives mean greater economic power. Bigger cooperatives also require better direction from their boards and better management.

SUCCESS OF A FARMER COOPERATIVE

The successfulness of a cooperative depends upon the same factors as any other business. Sound plans aimed at meeting real demands of those they sell to; efficient operations; adequate financing; carefully thought out procedures and policies spelled out and monitored by a well-trained board of directors and translated into action by strong competent management will go a long way toward assuring success. A cooperative differs from other forms of business not in the rules for success but in how the gains from that success are distributed.

Cooperatives and other types of businesses occasionally fail. Failure usually occurs because of a lack of one or more of the ingredients in the above recipe. The business in trouble may have had the problem for years without its surfacing, but eventually such deficiencies come to the forefront. As competition gets more and more intense each of the ingredients gets more critical. A cooperative can be no stronger than its board of directors which in turn can be no stronger than the members who elect them.

Every farmer should ask himself: "If I don't like the way my cooperative operates do I have any ideas of how it could be improved and if so what am I doing to make them known to those in a position to put them into action?"

THE FAIRNESS DOCTRINE OF THE COMMUNICATIONS ACT

Mr. HUDDLESTON. Mr. President, on April 28, 1975, I had the honor of testifying before the Subcommittee on Communications of the Committee on Commerce, which was holding hearings on S2, S1178, and S608. I compliment the subcommittee members and its chairman, the distinguished Senator from Rhode Island (Mr. PASTORE), on the thorough and fair manner in which they conducted the hearings.

My testimony before the subcommittee was confined primarily to the issue of whether or not the fairness doctrine should be repealed. The doctrine simply requires that broadcasters present contrasting views on controversial topics of public importance. The need for this guarantee has been clearly demonstrated over the many years it has been in effect and the constitutionality of the doctrine has been upheld by the Supreme Court.

Broadcast frequencies are a scarce resource in that they are not available to all who wish to exercise their first amendment rights over the airwaves. Because the use of the airwaves must be regulated and restricted it is vitally important that a duty be imposed upon the limited few who receive licenses to utilize this precious resource in the best interest of the general public rather than merely promoting their own personal points of view. It is my firm belief that it would not be in the best interest of the public or the broadcasting industry to make the fortunate few who are eligible to secure a license the sole custodians of our first amendment rights as they apply to radio and television.

I ask unanimous consent that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WALTER D. HUDDLESTON BEFORE THE SENATE COMMERCE COMMITTEE'S SUBCOMMITTEE ON COMMUNICATIONS, APRIL 28, 1975

Mr. Chairman, I am pleased to appear before the Senate Commerce Committee's Subcommittee on Communications which presently is holding hearings on S. 2 and S. 1178 which would overturn the "fairness doctrine" as it applies to federally licensed broadcasting stations. I am testifying before this subcommittee today for two primary reasons. First, as a Senator, I am concerned that the elimination of the fairness doctrine may deprive the public of the broad spectrum of ideas, concepts and information that is vital to the successful operation of any democracy. And, secondly, I would like to share with the members of this subcommittee my firsthand knowledge of the doctrine which I acquired during the twenty years that I owned and managed broadcasting stations in Kentucky. My long experience in the broadcasting industry has permitted me to observe closely the operation of the fairness doctrine from a point of view that is not accessible to many. Hopefully, my comments will lend some balance to the testimony of some detractors of the doctrine who have never dealt with it on a day-to-day basis and, therefore, are unfamiliar with its practical application.

The fairness doctrine has been a viable part of our communications laws for many years and is well founded in both statutory and case law. I believe that it is important to know the history of the doctrine in order to understand how its development meets specific needs of the American people while complimenting and enhancing our first amendment rights.

Before 1927 the Federal Government adopted a laissez-faire policy in regard to the broadcasting industry. Private broadcasters were left to regulate themselves with each broadcaster deciding when, where and how to broadcast. The result was chaos. Frequencies often overlapped and broadcast interference was a common part of almost every program.

A series of National Radio Conferences recognized the need to bring some order to the chaotic conditions by imposing some type of control. The result was a resolution calling for regulation of the broadcasting industry by the Federal Government. With this resolution and knowledge of the existing chaotic conditions as impetus, the Congress established the Federal Radio Commission in 1927 to allocate frequencies among competing applicants in a manner consistent with public convenience, interest and necessity. Thus, the concept of public trustee of the airways was established on the basis of clear and convincing need.

From this authority the Commission developed the two-fold duty of broadcasters which has become known as the fairness doctrine. In the *Report on Editorializing by Broadcast Licensees*, 13 FCC 1246 (1949) this duty was described as requiring the broadcaster to give adequate coverage to public issues and such coverage must be fair in that it accurately reflects opposing views. The basic fairness concept was consistently supported and upheld by case law and later ratified by the Congress.

In 1959, Congress amended Section 315 of the Communications Act to state specifically that broadcasters had an obligation under the act "to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance." It was clearly evident to Congress, after seeing the chaos of self-regulation and reviewing the operation of the industry under the *two-fold duty* imposed by the Commission, that the fairness obligation should be formally recognized and restated in the statute.

The validity of the fairness doctrine has been upheld by the courts on numerous occasions. In 1969, the Supreme Court, which is the ultimate voice on the constitutionality of our laws, reviewed the issue of the doctrine and spoke out forcefully in its defense. The court in the case of *Red Lion Broadcasting Co. Inc.*, v. *FCC* 395 U.S. 367 (1969), held that the FCC had the authority to enforce the doctrine and that the doctrine did *not* violate the First Amendment of the Constitution. The court stated in this historic decision that:

"It does not violate the First Amendment to treat licensees given the privilege of using scarce radio frequencies as proxies for the entire community, obligated to give suitable time and attention to matters of great public concern. To condition the granting or renewal of licenses on a willingness to present representative community views on controversial issues is consistent with the ends and purposes of those constitutional provisions forbidding the abridgment of freedom of speech and freedom of the press. Congress need not stand idly by and permit those with licenses to ignore the problems which beset the people or to exclude from the airways anything but their own views of fundamental questions. The statute, long administrative practice, and cases are to this effect."

The Supreme Court could not have been clearer or more unequivocal in its holding and, as we all know, this case still stands as controlling law.

In recent weeks the Red Lion case has come under attack because of allegations made by Mr. Fred Friendly in an article written for the *New York Times*. According to Mr. Friendly, the Kennedy and Johnson Administrations carried on organized and covert campaigns to harrass unsympathetic radio commentators by demanding that they present opposing views as required by the fairness doctrine. Mr. Fred Cook, the principal figure in the case, was a participant in the White House efforts to discourage the broadcasts.

For the fairness doctrine to be used by some politicians for their own political ends is most distressing and discouraging. But, we should not be stampeded into hasty and unwise actions by these allegations. Just because a particular statute allegedly has been utilized in an unethical manner not originally intended by its framers does not mean that the law is basically unsound or has not dealt effectively with the problem it was designed to cope with.

The vitally important point to bear in

mind is that the basic principles which underlie the fairness doctrine are still as sound and applicable as they were over forty years ago. Admittedly, the doctrine has not worked perfectly, but I fear that the alternative proposed—its termination—would leave our first amendment rights in far greater jeopardy than they presently are.

Let me turn for a moment to the underlying philosophy of the fairness doctrine which is based simply on the allocation of a scarce resource; consistent with the interest, convenience and necessity of the public which, after all, owns the airwaves. When we experimented with self-regulation in the 1920's, it became abundantly evident that a referee was needed to assign specific frequencies for transmissions. The referee became the federal government and to it fell the responsibility of deciding which applicant received a license to broadcast. Since there were more applicants than available frequencies, many who wished to have the privilege of exercising their first amendment rights over the airwaves were denied this right by the referee. This arrangement forced the referee to devise a system whereby the licensee could not monopolize this scarce resource by only presenting views that the licensee adheres to or which are profitable to the licensee. The court in the Red Lion case found nothing objectionable with this arrangement and so stated on page 38.9:

"As far as the First Amendment is concerned those who are licensed stand no better than those to whom licenses are refused. A license permits broadcasting, but the licensee has no constitutional right to be the one who holds the license or to monopolize a radio frequency to the exclusion of his fellow citizens. There is nothing in the First Amendment which prevents the Government from requiring a licensee to share his frequency with others and to conduct himself as a proxy or fiduciary with obligations to present those views and voices which are representative of his community and which would otherwise, by necessity, be barred from the airwaves."

The key word in this paragraph is fiduciary—or one who holds something of value in trust for another. A fiduciary is bound not to misuse that which he holds in trust or to use it for any other than the stated reason.

Furthermore, implicit in the right to express oneself freely is the right of others to hear those views. If the referee is required to limit the number of broadcasters, others have been denied by this action their right to hear the ideas of those refused licenses, and there arises a duty to provide a means whereby opposing or competing views can be presented. As the court in the Red Lion case stated, ". . . it is the right of the viewers and listeners, not the right of the broadcaster, which is paramount." In order to protect this paramount right, the trust of the airwaves must be administered fairly and equitably for all.

The argument has been made that the fairness doctrine, as administered by the FCC, has a "chilling" effect on creative programming and actually inhibits the initiation of more discussion programs or aggressive news coverage. As the argument goes, this constitutes an abridgement of the First Amendment rights of those who hold a broadcast license and engage in broadcast journalism.

In response to these contentions, let me say that my experience as a broadcaster and my personal knowledge of the operating policies of many stations lead me to believe that no substantial inhibition has resulted from the application of the fairness doctrine. If the doctrine has served as an inhibitor, and, again, I say that I do not believe that it has, it certainly would be a sad commentary on those who have received a license to use the public's airwaves on a pledge to operate in the public's "interest convenience and necessity."

I believe that for every instance in which First Amendment rights might have been inhibited or restricted by the doctrine there are numerous instances where these rights have been vastly extended because of it.

The value of guaranteeing the presentation of opposing viewpoints and of extending the opportunity to be heard to other voices far outweigh, in my judgment, any additional burden there might be imposed upon the broadcaster in complying with the regulations. The burden imposed by the doctrine is not onerous and does not stand in the way of broadcasters who really want to engage in creative programming. I believe the allegations that the FCC's enforcement of the fairness doctrine and other communications regulations pose a pervasive threat to licensees are greatly exaggerated.

The FCC does not attempt to substitute its judgment for that of the licensee. The standard used by the Commission is one of reasonableness and good faith. The FCC states in its publication the *Fairness Doctrine and Public Interest Standards* that:

Our rulings are not based on a determination of whether we believe that the licensee has acted wisely or whether we would have proceeded as he did. Rather, we limit our inquiry to a determination of whether, in the light of all of the facts and circumstances presented, it is apparent that the licensee has acted in an arbitrary or unreasonable fashion.

The statistics involving fairness doctrine complaints and violations do not support the contention that it is a suppressive statute which stifles controversial programming. During 1973 and 1974 the FCC received approximately 4300 complaints under the fairness doctrine. Of these, 97 percent (4150) were dismissed without requiring the licensee to respond at all. In the remaining 150 cases the complaints were forwarded to the broadcasters for their comment. 88 percent of these were resolved favorably by the licensee without any further government involvement. In only 19 cases did the complaint result in either a letter of admonition (11 cases) or a fine (8 cases).

In only two cases have stations lost their licenses because of fairness violations. Both of these cases involved situations where the licensee was explicitly advised of fairness complaints and requested to reexamine their policies. These figures certainly do not support the allegation that the FCC is a super editor peering over the shoulder of every broadcaster.

In a recent article in T.V. Guide, Senator Proxmire attempted to promote anti-fairness sympathy by claiming that the 7 FCC Commissioners decide what is heard or seen on radio and T.V. I find this point of view somewhat misleading and simplistic. The statement implies that the commissioners exercise some form of censorship over program content which is not true. Section 326, Title 47 of the U.S. Code specifically provides that the Commission does not have the power of censorship nor the authority to interfere with the freedom of speech. Under the authority of the fairness doctrine the Commission can not change, alter or delete program content; it can only require that divergent points of view be aired when a controversial topic is the subject of a program.

The case of *Miami Herald v. Tornillo*, 418 U.S. 241 (1974) has been heralded by those who fault the fairness doctrine as proof positive that the Supreme Court would overturn their previous decision in the Red Lion case if given the opportunity.

As you know, the Miami Herald refused to print a candidate's reply to editorials critical of the candidate in compliance with a State statute and the court held that the State law violated the First Amendment's guarantee of a free press. I strongly agree with the Constitutional provisions guaranteeing a free press and concur in the court's staunch upholding of that right.

But, I do not believe you can compare the Miami Herald case with the Red Lion case. One is readily distinguishable from the other on the basis that each involves a completely different type of media—one a newspaper and a broadcasting station. The Supreme Court also recognized this difference and applies different standards to each:

"Although broadcasting is clearly a medium affected by a First Amendment interest * * * differences of news media justify differences in the First Amendment Standards applied to them. (*Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 386 (1969)."

The fact that the printed media is not licensed by the Federal Government while broadcasting stations are, and the fact that no person is prohibited by regulations from printing a newspaper or magazine, while all but a relative handful of citizens are prohibited from owning and operating a broadcasting station cannot be ignored in applying the provisions of the First Amendment.

I think it is important to remember that the First Amendment to our Constitution guarantees both freedom of speech and freedom of the press. In the great media of broadcasting these two rights may conflict and in order to extend the former to all citizens it is necessary to regulate the latter which is only available to a select few.

I do not believe that it would be consistent with the Constitution, or in the best interest of our country or the broadcasting industry to make the fortunate few who are able to secure a license the sole custodians of these precious rights as they apply to radio and television.

Mr. Chairman, at this time, perhaps more than any other in our history, it is imperative that the American people be able to hear and consider a wide variety of ideas and viewpoints. The legislation before this subcommittee regarding the fairness doctrine would, in my judgment, substantially reduce the opportunity for our citizens to participate in full discussion of the major issues of the day. For this reason I urge that the subcommittee reject the pending measures as they apply to the fairness doctrine.

S. 608 is another important bill presently being considered by these hearings. The bill introduced by Senator Pastore and of which I am happy to be a cosponsor, would modify the "equal time requirement" found in Section 315 of the Communications Act. This section, as amended, presently requires that a broadcaster who permits the use of his broadcasting facilities by a legally qualified candidate for any public office must allow all other such candidates for that office equal opportunities for use of the broadcasting station. S. 608 would exempt broadcasters from this equal time requirement only in regard to legally qualified candidates for the offices of President and Vice President of the United States.

As the 1976 election year rapidly approaches, the need for this legislation becomes increasingly apparent. There are a multitude of confusing issues which confront us today and it is imperative that the American people be given every opportunity to hear the leading candidates for the two highest offices in the land discuss and debate these issues. I believe that to fail to assure this opportunity would be a dereliction of our duty to promote the broadest dissemination of information during a campaign.

In the past, broadcasters have been unwilling to appropriate time to the leading candidates because to do so would require that they also give equal time to the numerous minor candidates who are attracted to the Presidential race. There are few of us who would not agree that the burden imposed upon the broadcasters by these minor candidates would be excessive and the benefits derived from granting them equal time would be minimal. On the other hand, the loss to the nation from being deprived the opportunity to hear the major candidates state and defend their positions on the pressing issues of the day would be considerable. The temporary suspension in 1960 undoubtably resulted in a remarkable political exercise that is worth repeating again and again.

During this time of spiraling inflation, rising costs are a significant concern to all of us including the candidates for the offices of President and Vice President. This legislation will have the effect of reducing the astronomical costs that are associated with the Presidential campaign because broadcasters stand ready to offer substantial amounts of air time for debate and discussion to the major candidates if relieved from the requirements of Section 315.

There are some who believe that supporting a modification of the equal time provision is somewhat inconsistent with opposing the repeal of the fairness doctrine. However, I view the problems as being separate and distinguishable. First, the equal time requirement is much narrower in scope in that it only applies to political broadcasts where the candidate appears, whereas the fairness doctrine comes into play on a broader spectrum when candidates are not a part of the programming. Second, there is a positive duty imposed by the doctrine upon broadcasters to cover controversial issues and to afford reasonable opportunity for opposing views, but under the equal time requirement it is specifically provided that there is no obligation imposed on a licensee to allow the use of its station by any candidate. Thus broadcasters are free to close their doors to candidates where they believe that there would be unreasonable demands for time if opened for Presidential candidates. Third, S. 608 is a careful fine tuning of the equal time provision which would retain the requirement substantially as it exists now while eliminating what is viewed as an unreasonable and counterproductive aspect of it. With this piece of proposed legislation we have attempted to identify the major problems associated with the equal time requirement and to deal with those specific problems rather than terminate the entire provision as has been proposed for the fairness doctrine.

The need for the modification provided by S. 608 is evident and I respectfully urge that the bill be favorably reported in order that the Congress may consider it in time for the American electorate to reap the full benefits of it during the upcoming Presidential election in 1976.

THE GENOCIDE CONVENTION AND AMERICAN TRADITION

Mr. PROXMIRE. Mr. President, ever since the founding of this country, a belief in human rights has been a driving force in our history. The Constitution itself is based on a belief in human dignity.

The American dream of rights for all the people caught the imagination of mankind. By the millions, men and women from all over the globe came to this land to gain those rights which they were denied in their native lands.

In this century we have seen the expansion of the American tradition of human rights. From something confined to our own shores it has grown to an international ideal. At the end of the First World War, President Wilson sought to make certain human rights a part of the final settlement. At the end of World War II, the United States supported the establishment of the United Nations. Part of the purpose of this international organization was to secure and guard our precious rights.

Mr. President, we must not reject this longstanding tradition. The quest for human rights has been an indispensable pare of our national heritage.

To fail to ratify the United Nations Genocide Convention, which has as its sole purpose the protection of the rights of men and women everywhere, is nothing less than a denial of the spirit of this Nation. Once again I urge the Senate to act now to approve the Genocide Convention.

TRIBUTE TO JOHN BLATNIK

Mr. HUMPHREY. Mr. President, recently I was privileged to participate in a major event in Duluth, Minn., honoring former Representative John Blatnik who served the Eighth District with great distinction for 14 consecutive terms prior to his recent retirement.

John Blatnik set the standard for Congressmen in hard legislative work and constant service to his constituents. His major legislative accomplishments include outstanding contributions to the economy and environmental protection of northeastern Minnesota and the entire Nation.

Above all, however, it has been my privilege to have known John as a close friend. And I am honored to have had the opportunity to express my sincere commendation to this great man and his fine family.

Mr. President, I ask unanimous consent that my remarks of tribute to John Blatnik, as prepared for delivery, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY: AN EVENING WITH DANNY THOMAS, JOHN BLATNIK, AND THEIR FRIENDS

I am proud to be here this evening as a friend of Danny Thomas and John Blatnik, in a tribute to the finest Congressman Minnesota has ever known.

No one could be in better company, than to be with these two men who, although they are in different professions, have so much in common.

In their own ways, each has worked to better and to nurture the lives of our fellow citizens.

Danny Thomas is known throughout the world for the laughter and the tears and the joy he has brought to millions.

And for thousands of children, Danny's work on behalf of St. Jude's Children's Hospital has meant the gift of life.

His entertainment, his compassion, and his charity, make him a very special man, and I'm honored to be here with him tonight.

As a former colleague, as a liberal, as a Minnesotan, I could praise John Blatnik for many things. Principally, I thank him for his friendship. Muriel and I value greatly the hours we've spent with John and his lovely wife Gisela. John's character and strength are well reflected in his family.

I know John Blatnik to be a man of uncommon honor, decency and compassion. I share my respect for him with thousands of Minnesotans and those who worked with him in Washington for over a quarter of a century. His sense of justice and understanding of the practical needs of his constituents served him well throughout his years in public office. His legislative record stands as a monument to the work he did on their behalf.

John was not always so highly regarded. In the post World War II days of 1946, in his first campaign for the Congress, there were those who called him a communist, a radical, and a socialist. They charged that if he were elected he would be a menace to our country and that he would destroy our economic system.

But they were wrong—dead wrong.

John's long legislative record has clearly shown him to be a chief architect of a strong economy and an enduring democracy.

At the time, he had served a brief five years in the Minnesota State Senate. Yet, he had already begun to legislate a bright future for northeastern Minnesota.

He knew the mainstay of the area's economy, its iron mining industry, was coming to a close. He knew that those who would remain on the iron range were destined to live in poverty—in despair.

As a member of the state legislature, he had authored the now-famous Minnesota Taconite Tax Law, which was the first basic legislation to stimulate the mining and processing of taconite ore in Minnesota. He understood then that taconite held the key to economic progress in Minnesota.

During the war John Blatnik had spent three and one half years in the Air Corps Intelligence Branch and the Office of Strategic Services. He served for 8 months overseas in Italy and Northern Yugoslavia. For 8 months he was behind enemy lines gathering information and rescuing American airmen forced down behind enemy lines.

Therefore, there could be no question of John's absolute commitment to the principles of democracy, and his critics' charges were reduced to nonsense.

Yes, John made many "radical" speeches for that time. He talked about programs for people—he clearly saw their needs for housing, for health care, and for economic development.

But he was also a chief fighter for political reform, battling for a strong Democratic-Farmer-Labor Party that would be responsible to the people, and with communist and other selfish interests cleaned out.

And so it was that in 1946 we cleaned up the DFL Party, and John Blatnik became our first representative in Washington in a stunning victory for the state's progressive movement.

This young Congressman had accomplished what had never been done before—he had taken the paper coalition of two fiercely independent, uniquely Minnesotan political parties, the Democratic Party and the Farmer-Labor Party, and made that coalition work. I followed on that new ground broken by John Blatnik. And I have been privileged to be part of the most successful political party in this state's history.

So ask a friend of John Blatnik what he means to progressive politics in Minnesota—ask a DFLer.

Some people forget what it was like to be a Democrat and to be in Congress in those early days. I don't. And certainly John Blatnik doesn't.

Many times I've heard him explain the formal procedure for putting the midwest Democratic Congressional Caucus on record in his first years in Washington. And it's fair to say, he was as powerful in that group as he was to be many years later as Chairman of the Public Works Committee. He held the swing vote, in fact, the only vote. John Blatnik could hold those caucuses in a phone booth. He was the only midwest Democrat

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in the Congress. He was Chairman, Secretary and the membership itself.

But more importantly, John Blatnik, alone, spoke for the interests and the needs of midwestern progressives, liberals and Democrats, and I want to say with all sincerity, that we were well represented.

During his years in Congress, John Blatnik got his share of headlines and editorials. But he never set out to make a name for himself. Instead, his constituents received his priority attention.

The needs of this vast eighth district always came first. Perhaps that is one of the reasons they returned him to office for 14 consecutive terms by landslide margins.

There is a center for mentally retarded children in Chisholm, and it has served hundreds of people, because John Blatnik cared enough to see that the federal government took a special interest in some very special children.

So ask a friend of John Blatnik what he has done for those in our society with special needs—ask a parent of a mentally retarded child.

The federal government's water pollution standards, enforcement policies and funding since 1956 have been the work of John Blatnik. The water treatment centers in this district, the laws under which Reserve Mining's dumping of tailings are being challenged, the funds which hopefully will help them construct an on-land site, all grew out of the deep concern and consistent action John Blatnik brought to the Congress on behalf of a cleaner environment.

The national water quality laboratory here in Duluth exists today because John knew the necessity of hard data and constant experimentation if we were to solve our environmental problems.

So ask a friend of John Blatnik if he cares about clean water and clean air—ask an environmentalist.

John Blatnik has always been an active man. He likes the outdoors. He enjoys nature. The Voyageurs National Park was established under legislation he authored. The Grand Portage National Monument and the protection of the Boundary Water Canoe Area are Blatnik accomplishments.

So ask a friend of John Blatnik if he cares about the protection of our treasured national parks and forests and waterways—ask a conservationist.

The year-round open harbor of Duluth, the St. Lawrence Seaway as we know it today, the new highways and the industrial parks—each represents an effort by John Blatnik to build a strong, viable economy in northeastern Minnesota.

Perhaps one of the most important victories in John's struggle to bring jobs to this region of the country took place in 1964. The Minnesota Legislature had acted to place a constitutional amendment on the ballot—the taconite amendment—in order to insure the development of this area's taconite industry.

This was a hard-fought issue within the DFL Party, and one might argue that a Congressman should stay out of this "state" fight—but not John Blatnik. No, the passage of this amendment was the culmination of the work he began in the 40's.

John campaigned across the length and breadth of this state. He took the message of northeastern Minnesota to the metropolitan areas, the farming communities and the small towns throughout the state.

Although I couldn't campaign side by side with him that year, I did join with him in full support of the amendment. It passed—and today, new plants are being constructed and thousands of Minnesotans are employed by the growing taconite industry.

So ask a friend of John Blatnik if he understands the importance of jobs and industry and economic growth—ask any of the thousands of union workers right here in Duluth or on the Range.

John Blatnik served this district so well because he took the time and made it his personal work to stay in touch, to know what the communities needed and what kind of service the people were getting.

A former aide of John's once told me about the night they were leaving a meeting at the Cloquet Labor Temple and had to drive up on the Range for an early morning meeting. As they left the hall, they noticed a sleet storm was beginning. As they got outside of town, the storm got worse, and for a while they were unable to make it up a hill. John got out and pushed and soon they were on their way.

The aide, who had been on these midwinter trips for many years, asked John what in the world they had done to deserve being caught in the worst sleet storm of the season that year. John simply told his aide that when you're out every night of the year, you are bound to be out on the night of the worst storm.

And that's the way it was for John Blatnik—without doubt one of the hardest working men I have ever known to serve in the Congress.

His constituents loved him, and he was so well respected in Congress because he is a tough, proud man—a fierce partisan for what he believes, and a man who does not rest until he has completed his task.

As a young man, John Blatnik was part of a new breed of politicians. He advocated the kind of politics that stand for economic and social justice, genuine concern for the problems of working men and women, farmers, small businessmen, and the opportunity for each individual to pursue his talents to the fullest.

His record is one of tremendous accomplishment. His word has always been good. His talk—always straight. His politics—always principled.

The name "Blatnik" has meant confidence and leadership to two generations of Minnesotans.

His compassion, his sense of duty, and his concern mark an admirable record of assistance to those in our society with special needs.

His early and sustained record as a conservationists and as an environmentalist, mean that future generations will enjoy the scenic splendor of this land he loves.

His untiring efforts to bring a new industry—taconite—to northern Minnesota will help assure a prosperous economy.

John Blatnik's work stands as an example for his Party, his state and his nation.

He is a man of uncommon strength and vision. He is a teacher and a politician and a statesman. I have always been proud to stand with him and will continue to regard it as a privilege to call him a friend.

PROLIFERATION OF NUCLEAR WEAPONS

Mr. GARY W. HART. Mr. President, the nations of the world have made a very poor record in respect to controlling the proliferation of nuclear weapons and the threats to the peace that uncoordinated international policies and slipshod security measures encourage. Only a few days ago the press carried reports that Libya was seeking to purchase an atomic bomb for use against Israel. Congress has also been concerned about the vulnerability of our own nuclear weapons which are scattered all over the world and are poorly protected from theft by determined terrorists. We also know that weapons-grade plutonium is transported around the United States without guards and in ordinary trucks.

But it is more than a casual attitude toward nuclear weapons and carelessness in their handling that should concern us. We also have a responsibility to tighten international controls so as to limit nuclear proliferation. Our distinguished colleague, the Senator from Missouri (Mr. SYMINGTON), has clearly outlined the options the Congress should be considering in an article in the May 5 edition of the New York Times. I am particularly struck by how many measures can be taken almost immediately by the United States; but perhaps the most important is an acceptance by our country and the Soviet Union that we must do something about our bilateral arms race if we expect the world to follow our example. I ask unanimous consent that Senator SYMINGTON's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 5, 1975]

MUSHROOMS FOR DINNER

(By Stuart Symington)

WASHINGTON.—On April 2, the news media reported that an Argentine legislator had introduced a bill calling for his Government to develop nuclear weapons. This was a clear indication of the pressures on a growing number of governments to "go nuclear."

The possibility that nuclear weapons may soon be in the hands of many more governments—as well as terrorist or criminal groups—is one of the gravest security issues facing the United States.

Our nuclear forces, upon which we place our main reliance to deter any major would-be aggressor, were not planned to protect us in a world in which nuclear-armed groups abound. But such a world is now close on the horizon.

Economic costs and technical restraints are no longer decisive factors in preventing other countries or nongovernmental groups from acquiring various types of nuclear explosive devices.

Furthermore, respected nuclear physicists tell us that between 100,000 and one million people throughout the world now have the basic information necessary to assemble nuclear weapons.

Today more than 50 countries have nuclear reactors. Not including the five nuclear powers—the United States, Soviet Union, Britain, China and France—as well as India, which recently exploded an atomic device, about 30 countries currently possess weapons quantities of plutonium that could be used in a bomb development program.

Enough plutonium has already been produced in the nuclear plants of these 30 countries to build some 9,000 nuclear weapons, each with the same destructive power as the bomb dropped on Hiroshima. And five years from now that number is projected to reach 50,000.

Moreover, half of these same 30 countries, plus two of the nuclear powers (France and China), have refused to ratify the 1970 Treaty on the Non-Proliferation of Nuclear Weapons, which forbids the acquisition or distribution of nuclear explosive devices.

Growing worldwide diffusion of nuclear technology and fuel also increases the opportunity for theft and usage by terrorist and criminal groups. We should be especially concerned with the possibility of piracy of nuclear materials in transport, or in a foreign country where security measures might not be as effective as in the United States.

It is not inconceivable that an international black market in stolen nuclear materials—possibly complete nuclear weapons—could develop.

What can be done to prevent the cancer of nuclear weapons from spreading throughout the world? Here are some suggestions:

When the parties to the non-proliferation treaty meet in Geneva next month to review its operation, the Ford Administration should avail itself of this key opportunity to help shape policies necessary to gain additional membership in the treaty and strengthen its safeguards.

In order to tighten control over nuclear materials, countries supplying nuclear fuel should carry out a comprehensive plan for the enrichment, reprocessing and/or leasing of world fissionable materials, and should not supply any nuclear materials to nations that have not agreed to accept International Atomic Energy Agency safeguards on all their nuclear programs.

The International Atomic Energy Agency should be empowered to develop and supervise security arrangements designed to protect nuclear materials from theft. At a minimum, the agency could exercise periodic surveillance over nationally-operated security systems.

Until such adequate safeguards and security arrangements have been developed, nations supplying nuclear materials should put a freeze on the further reprocessing of plutonium.

To discourage non-nuclear nations from embarking upon nuclear weapons programs, the nuclear powers should make a concerted effort both to put an end to their own arms race and to provide security assurances to non-nuclear states that nuclear weapons will not be used against them. At a minimum, the former effort would require the United States and the Soviet Union to negotiate various types of reductions in nuclear weapons.

We must learn to handle the growing danger of this nuclear proliferation before it handles us.

AMERICAN FOLKLIFE PRESERVATION ACT—S. 1618

Mr. HUDDLESTON. Mr. President, I am pleased to join in cosponsoring the American Folklife Preservation Act, which was introduced last week.

This bill would establish an American Folklife Center in the Library of Congress with a broad mandate to collect, document, and publish available folk material such as folk music, manuscripts, documents, books, photographs, and other graphic materials which portray our folk culture. The bill also directs the Center to undertake the dissemination, exhibition, and performance of American folklife. The rich variety and depth of our folk heritage is certain to provide endless hours of educational enjoyment and entertainment. Programs utilizing folk singing, craft demonstrations, storytelling, exhibitions, lectures, ethnographic films, and traditional dance and drama would become available for all to appreciate.

The soul of a nation can be perceived in the culture of its people and ours is a rich, full, and varied culture that has been shaped and influenced by the uniqueness of our geography and the diversity of the ethnic backgrounds of our people. Our national heritage is an important and integral part of our lives and must be preserved and protected just as any other thing of value. To fully understand ourselves as a nation, we must understand our past attitudes and beliefs which helped shape us into a great country.

The United States is steeped in a wondrous variety of folklife and, as we approach our 200th birthday, it is highly appropriate that the Nation as a whole undertake to formally collect and preserve its many aspects. For years, various groups and organizations have worked diligently to keep these threads to the past alive and meaningful for our children. This bill, should it be approved, will provide additional assistance in this important and necessary task.

The diversity of American folklife is astounding, but this only serves to emphasize that we need a central organization to coordinate and lead the tremendous effort that is required. It truly will be a monumental task but one, I assure you, that will reward us many times over when we enjoy the product of these efforts. I urge the Senate to approve this bill before we lose more of our folk culture to the dim memories of the past.

FIRST URBAN CENTER TO SERVE NATIVE AMERICANS IS DEDICATED IN MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, on May 4 I was honored to participate in the dedication of the Minneapolis Regional Native American Center. This is the first facility in America designed to serve native Americans living in an urban area. But the scope of its numerous programs will also definitely have a regional perspective, reaching out to Indians of the several tribes in Minnesota as well as neighboring States. This excellently designed center will offer a varied program of recreation opportunities, social and manpower training services, and important education and library facilities. It is a center in which native Americans of Minnesota can justly take great pride.

In remarks prepared for delivery at the dedication ceremony, I emphasized the importance of establishing an action agenda in Washington and across the Nation to work toward assuring the rights of justice and the opportunities of freedom for native American people. I underscored the serious problems confronting native Americans—high unemployment, inadequate housing, poor health care, limited education opportunities. Fundamentally, Congress should give priority to Federal programs which stress self-help, self-development, and self-determination of native Americans.

Mr. President, I ask unanimous consent that my prepared remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY: DEDICATION OF MINNEAPOLIS REGIONAL NATIVE AMERICAN CENTER

This is a memorable day. It marks the beginning of American Indian Week in the state of Minnesota. And today marks the beginning—the dedication—of this new Minneapolis Regional Native American Center.

I think it is very important to note that this building is named the Minneapolis Regional Native American Center.

I commend Mr. Don Cook, the Chairman of the Board, Mr. Irv Sargeant, the Director of this center, and all the board and staff members who have worked so hard to make this Native American Center a reality. I commend you for your vision in selecting the name Regional Native American Center for this location.

This title says "welcome," not only to the Indian people in the greater region. It says welcome to our many Indian brothers in our sister city of St. Paul, as well as to our Indian brethren in the 7 Chippewa and the 4 Sioux reservations of Minnesota.

As a regional center, it welcomes the Native Americans from our neighboring states as well.

This beautiful center shows vision in many other ways. Besides being a fine building—well constructed and functional—it shows vision in the design of interior space, to handle the varied activities that are planned.

The excellent gymnasium facilities will provide many, many hours of fun and competitive sports, not only for our young people in this urban area, but also for many adults and, as I understand, for visiting Native American teams from around the state.

In addition to recreation, this facility will offer vitally needed social services to our Native American population. Services to be provided here under one roof include legal aid, family and children's service, Hennepin County Welfare service, and Indian Health service. It will also headquarter the manpower training program to assist Native Americans in obtaining jobs.

But there is more. The educational facilities of this building are remarkable. There will be here a museum, a photo gallery, a marvelous library, open to all for research on the great heritage of our Native Americans. The library not only will be filled with books and microfilms, but also will have valuable audiovisual equipment and many other works. A gallery will feature Native American works of art by artists of all tribal nations and will include traditional, contemporary and protest art.

These facilities will assist Native American youngsters to learn about their heritage and will offer adults vital education opportunities. Moreover, non-Indian people in the area, school children as well as adults, can come to learn the rich history and major contributions of the first Americans.

This Center is unique. It is unique in that the planning and designing was done with a great deal of consultation and input from the Native American community of Minneapolis. It is unique in that it is the first center of its type in this entire nation in an urban area.

It is unique in that it once again shows to these United States that we here in Minnesota can get together, can cooperate as citizens, as minority groups, as government at all levels—city, county, state and federal—and can put together this nation's first urban Native American Center.

But it is mainly the dedication, the conviction, the idealism, and the vision of the Native American population of this city, that are to be most highly commended.

It is fitting that this Center should open now, during America's Bicentennial. For the past month and for the remainder of this year and extended to July 4, 1976, America will be celebrating its 200th year as a nation. Today, across this land in many towns and villages throughout America, various celebrations are planned in honor of that Bicentennial year.

But we as Americans—all of us—must seriously re-evaluate and examine this Bicentennial celebration. We in Congress, those of you who are officials in state and local governments, all of us who are citizens of America must use this year of the Bicentennial to examine and re-evaluate.

Certainly, it is a year of celebration—the celebration of independence and democracy.

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But if we are truly to rededicate ourselves to the wise, constructive use of these hard-won gifts and opportunities of political freedom, then a first priority on our agenda should be to work toward assuring the rights of justice and the opportunities of freedom for Native American people.

There is no longer any need to spell out the record of countless ways in which America's progress has been established at a great cost to Native Americans. The heavy costs they have borne—the loss of property, of self-sustaining economy, of human dignity and freedom, of life itself—in the course of America's drive toward its "Manifest Destiny," are now well known and fixed upon our conscience.

The time has come for government and the people to respond to the urgent petition for a redress of grievances that has been put forward, patiently and responsibly, for years by Native Americans.

There can be only one answer to this petition: To assure to every Native American his just and God-given right to self-determination, as a full and equal citizen of the United States.

When I served as Vice President of the United States, many federal programs were initiated to address the plight of Native Americans in areas of housing, health, education and job training.

But the Native American deserves a chance to develop further his talents and share fully in the future of our Nation.

There are about 800,000 Native Americans in America today. This includes Aleutians and Eskimos in Alaska.

Native Americans are taking more leadership and initiative in solving their problems. But they need to have more opportunities to make their own plans and decisions in programs affecting their daily lives.

Yes, we have made progress. The number of scholarships to Native Americans from the federal government for higher education has risen significantly—from 139 in 1950, to 12,438 in 1972.

But there is much more that can and must be done.

The median education of the Native American is 9.8 years, compared to 12.1 years for the general population.

Only one third of Indian children graduate from high school. The general population figure is 52.3 percent.

Life expectancy is 5 years less for a Native American than for the general population.

One out of every four Native Americans lives in overcrowded housing. Compare this to one out of twelve for the general population.

And more than one-fourth of Native Americans live in housing which lacks plumbing.

Economically, unemployment rates are painfully higher for Native Americans.

Their median income is far below the national average.

In this year of the Bicentennial we must erase the old attitudes of paternalism toward Native Americans. We in the Congress must support federal programs which stress self-help, self-development and self-determination.

We must continue to work to bring the standard of living for Native Americans to equal that of the country as a whole.

We must equip those Indians who choose to live in cities with the necessary skills to live in equality and dignity.

This Regional Center is a good start toward achieving these goals at the grass-roots level, where there is first-hand knowledge of the job that needs to be done. And it can become a model for the nation of what can and must be accomplished.

The Declaration of Independence, which proclaimed America's independence, states that all men are created equal with certain God-given and unalienable rights, including life, liberty and the pursuit of happiness.

Our forefathers established a government to secure these rights. This is what the whole Bicentennial is about. It is about a revolution for human dignity and decency.

Let us now, therefore, dedicate ourselves to guaranteeing these rights for all our people.

KENNETH B. KEATING

Mr. SCHWEIKER. Mr. President, I would like to join my colleagues in paying tribute to a distinguished American, Kenneth B. Keating.

For 18 years, Ken Keating represented the people of New York with distinction in the Congress, serving in both the House of Representatives and the Senate. From the early days of the post-World War II period, through the fifties and sixties, Ken Keating was an effective spokesman for effective policies that served the people, and for reforms to make Government work better. He demonstrated the highest qualites of integrity and forthrightness, and always worked to help achieve greater respect for human dignity, and the rights of all citizens.

In addition to his outstanding congressional service, Ken Keating has served the Nation abroad as an Ambassador, to India for 3 years, and for the past 2 years, to Israel. He has earned the respect of the people of these two nations for his dignity, and high regard for their interests as well as those of the Nation he served.

Congressman, Senator, Ambassador and judge; Ken Keating had a remarkable career of personal integrity, of leadership, and of service to his country. His counsel and his wisdom will be sorely missed.

KENNETH B. KEATING

Mr. McGEE. Mr. President, death has robbed the family of, the friends of, the country and the free world of former Congressman and Senator Kenneth B. Keating. Mr. Keating most recently served as our ambassador to Israel. The passing of people, because there is never an explanation given, will always remain a sort of mystery, but Mr. Keating's contributions to others still living is no mystery.

He was a mixture of practical idealism and wit. His goals of a free society, not only for the American people he represented in the House of Representatives and the Senate, but for the societies which have not realized the freedoms of this Nation, never wavered. He faced tough assignments in India and Israel. He qualified for those ambassadorships by facing tough assignments representing his State of New York in Congress and living up to the responsibilities cast upon an elected and demanded public official. Keneth B. Keating was a success in life. Each man and woman in this land has a responsibility. Mr. Keating carried that out and more—succeeding because he gave it his all to the end.

Through death, we are able to fully realize the good things about men and it is the time, hopefully not too late, to speak about those things before the passing is forgotten.

Praise from the Nation and the world and the deepest sympathies go out to the family.

May his soul rest in peace.

HUMAN RIGHTS IN THE PHILIPPINES

Mr. HARTKE. Mr. President, during recent months there has been increasing concern among many Members of Congress over the continued abrogation of human and civil rights under the marital law regime in the Philippines. Attention was first focused upon the Philippine situation last November, when two of the most prominent political prisoners entered upon a hunger strike protesting the detention of more than 5,000 Filipinos for periods of more than 2 years without proper charges, without trials, and often without the opportunity to consult with counsel. These two men, Eugenio Lopez, Jr., the noted Philippine publisher and television executive, and Sergio Osmena III, son of the last opposition presidential candidate, have become symbols of the continued repressive nature of the administration of President Ferdinand Marcos. Lopez and Osmena ended their hunger strike on the promise that political prisoners, including themselves, would be released. While some political prisoners have been freed, over 3,500, including Lopez and Osmena, continue to be political prisoners.

I am informed that approximately 40 Members of Congress, from both Houses, have raised questions or launched protests about the specific cases of Lopez and Osmena, and many of these protests—including my own—expressed concern in regard to the basic negation of human rights under Philippine martial law. The congressional concern is only a reflection of the growing international attention to limitations on liberty in the Philippines. On March 2, 1975, Parade magazine, in an article entitled "Extortion in High Places," pointed out that the detention of Lopez had all the implications of extortion of the Lopez family to force them not only to keep quiet politically but to assign under onerous terms much of their assets to friends, supporters, and relatives of President Marcos.

On March 1, 1975, the London Economist pointed out that Lopez and Osmena "may be seen as hostages to deter their self-exiled fathers from action." On March 11, 1975, the prestigious International Press Institute renewed its protest to President Marcos in regard to the continued detention of Lopez. There have also been complaints concerning various aspects of martial law from religious leaders both within and without the Philippines, from Amnesty International—the organization particularly concerned with the existence of political prisoners—and from numerous Philippine exiles.

None of the responses of the Philippine Government to Members of Congress can obscure the following facts:

First. That more than 3,500 Filipinos remain in jail, for periods up to 2½ years without being presented with specific charges, without trial and without access to counsel. The Philippine Government has recently claimed that Lopez and Osmena were involved in plots to assassinate Marcos, but no step has been taken toward holding a trial. The numerous political prisoners include not only Lopez and Osmena but Philippine Senator Benigno Aquino and many others who at one time or another have voiced opposition to martial law conditions.

Second. That the Philippine judiciary remains under the thumb of the executive branch by the simple expedient of requiring all Philippine judges to submit undated resignations to the President. Furthermore, the writ of habeas corpus has been in suspension for more than 2½ years. It would be difficult to see how any trial could be conducted in regard to any matter of concern to the Philippine President in an open and fair manner under these conditions. The integrated bar of the Philippines and all Philippine Catholic bishops have protested this situation.

Third. That at the time of the advent of martial law in September 1972, all publications and media, except a handful favorable to the President, were shut down. From time to time new publications and radio and television stations were allowed to operate, but in every case, the operation was in the hands of friends and relatives of the President. This situation in regard to lack of freedom of press and media is exemplified by the fact that ABS–CBN, the largest television and radio network in the Philippines owned by Eugenio Lopez, Jr., and his family, was turned over to a small radio network (KBS) which had been a supporter of the President. This was accomplished in part by forcing a lease of some facilities upon ABS–CBN without any consideration for such a lease stated. No compensation has been paid for the lease. Many others of the ABS–CBN stations were merely turned over to KBS with the assistance of the military. The two leading Philippine newspapers, the Manila Times and the Manila Chronicle, were shut down, and the facilities of the Manila Chronicle, published by Lopez, had its facilities "leased" to a newspaper favorable to the President. Lease payments for such printing facilities have been sporadic.

Fourth. That President Marcos continues to rule long after the expiration of his legal term on the basis of a series of referendums in which the people are asked to vote yes or no in regard to his continued rule. His government reports overwhelming support in these votes, but the opportunity for opposition to voice its objections in the last referendum, for example, was limited to a few days without access to the media. President Marcos refuses to convene the interim assembly provided for in the 1973 Philippine Constitution which could pave the way for elections. There seems no end in view to his continued dictatorship and the present negation of human and civil rights in the Philippines.

No matter how much Americans may abhor these repressive conditions, it is not our proper role to interfere with the internal workings of a foreign government, including the Philippines, with which the United States has had such long historic ties. However, the Philippines is presently scheduled to receive more than $25 million in military aid under the Foreign Assistance Act of 1974. If the conditions which have been described are not ameliorated in the near future, I do not see how Congress in good conscience can give this military aid to the Marcos administration, which will use this very assistance to enforce its abrogation of human rights and civil liberties. I am informed that the State Department has brought the provisions of section 502(b) of the Foreign Assistance Act to the attention of the Philippine Government.

I believe that when we adopted section 502(b) last year it was intended that it be invoked in a situation such as faces the people of the Philippines. Section 502(b) states:

> It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty and the security of the person.

For 2½ years under the imposition of martial law in the Philippines there has been a consistent pattern of flagrant denials of the right to liberty and the security of the person, there has been prolonged detention without charges, there has been degrading treatment and punishment, and there has been a system developed to maintain the present regime without a return to even the semblance of democratic institutions. I ask Congress to call upon the President to terminate military assistance to the Philipipine government. If the President does not do so, I urge that Congress strike the military assistance to the Philippines from the budget for fiscal year 1975–76. I believe the American people will overwhelmingly support such action, for the purpose of military aid is to provide for the security of the United States and not to further the abrogation of the human values which we hold dear.

AFTER INDOCHINA

Mr. KENNEDY. Mr. President, last week, a gathering of Washington Asian specialists was addressed by Mr. Raul Manglapus, a senior associate at the Carnegie Endowment for International Peace in New York, on the subject of American foreign policy "After Indochina." Dr. Manglapus, a former Senator and Foreign Minister of the Philippines, is now president of the Movement for a Free Philippines.

As an Asian, a distinguished scholar, and a former political figure with extensive experience in the difficulties and pressures of the regional politics of South East Asia, his thoughts and suggestions concerning the future directions of American policy in the region are particularly valuable at the present time. I ask unanimous consent that the text of his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AFTER INDOCHINA

In the last few years two outstanding factors appear to have influenced the unique configuration of your policy in Southeast Asia. One is that the nuclear stalemate. The other is the democratic character of your society which permits popular opposition to reverse the thrust of foreign policy. These two factors have compelled you to withdraw to more realistic perimeters from the old rhetorical and, if you will, romantic dimensions which were once predicted for the "American Century". America, since the days of Woodrow Wilson, has travelled the course from "Savior of World Democracy" to "Liberator from Fascism" to "Leader of the Free World". Freedom and democracy are today seldom heard from the lips of the Secretary of State. The current byword is stability.

As one deeply and personally concerned over freedom and democracy in my country, I should perhaps be expected to lament this. But I say so be it. Let us strip policy of rhetoric. Let us bare our naked interests. Then perhaps we might come down to lasting solutions.

It is the strategic Thieu withdrawal, now apparently turned into a rout, that quite symbolically will occasion the American retreat to reality. Whether all of us concerned can somehow extract a happier future out of this tragedy, or whether this American retreat will itself turn into an eventual diplomatic rout will depend largely, I submit, on the boldness and creativity with which U.S. policy makers will assess for themselves the full implications of this debacle.

Stripped now of its rhetoric, we could discover that, after all, your policy in its objectives differs little from those of other nations. You are, as all nations are, out to protect your national interests. All your foreign activities, including your foreign aid, must be viewed in the light of this supreme objective. To defend your territorial integrity and to continue enjoying the highest standard of living in the world, you must deploy your resources, first, for military security, and second, for the preservation and growth of your economic interests abroad.

Essentially, the main military threats to your territorial integrity remain the same—the two Communist giants, the Soviet Union and China.

To meet these threats, you appear to be striving (1) to preserve the nuclear balance, (2) to bring your defenses as close as possible to the doorsteps of your potential aggressors and (3) to keep third countries from coming under their ideological, economic or military influence.

In Europe, a reunited Western Christendom with its cultural homogeneity provided you with a ready access to Russia's doorstep. You attempted to duplicate NATO in Southeast Asia. It was my privilege to sit as Secretary-General at the Manila Conference of 1954 at which a singularly heterogeneous and almost artificial gathering of eight nations, only three of them truly Asian, met to draft and sign the treaty that brought SEATO to life. SEATO was born in the conviction, now proven to be a tragic illusion, that Communism could be stopped in any given country by supporting a government, any government, that declared itself anti-communist, regardless of the character of its relationship with its people.

In NATO, it happened that all members (except later, Portgual) were democracies. In Asia it was not so. Most of the working Asian democracies—India, Ceylon, later Malaysia—refused to join. Of the participants, only the Philippines was a fully operative democracy. Pakistan was still operating under an interim constitution and Thailand was in one of its spells of military rule.

Thailand has just returned to democracy

not by SEATO or American intervention but by shedding of Thai blood in the streets of Bangkok. I was told by Thais of several persuasions and ages in Bangkok last February that, if their army were tempted to take over again, the soldiers "would have to kill many more people".

A determined democratic Thailand, in spite of initial difficulties to which I was witness, is displaying a stability that should disqualify it from the list of unsteady dominoes. Elsewhere in Asia, it is the working democracies—India, Ceylon, Malaysia—that cause no worry among the domino watchers. They may require grain and economic aid—but for them there is no need to alert the U.S. Marines.

A policy of containment by military alliance which disregards the extent of the popular base of the member governments can not succeed. It would seem today that it is the stability that comes with popular government that stops communism and saves American blood and money. Right wing dictatorships are brittle and will collapse before the advance of an organized ideological force. If the dictatorship lasts long enough, as in Portugal, it drives large numbers of people to the other extreme. When at last the dictatorship collapses, a return to democracy is difficult since it is the Communist party that emerges the best organized political movement, even if it may command the outright allegiance of a small minority.

The policy of "he who is not with us is against us" has driven nations like neutralist India into the arms of the Soviet Union. Neutralism, one of the original sins of the 1950s, could be turned into a virtue if a recognition is made of the automatic contribution that a country, simply by maintaining itself as a stable democracy, can make to the cause of American security and world peace.

It is easy to dismiss as a perilous invitation to intervention the suggestion that for the sake of security and stability the United States go back, this time more realistically, to its original commitment to democracy. But one could just as easily fall into false piety if one were to deny that, precisely for the sake of that security and that stability, a great power like the United States has in some form to intervene in the lives of other nations.

You need not force a country to turn democratic. You need only, in most cases, to allow it to return to democracy. You need only to resist what appears to be your current driving impulse, in spite of the lessons of Greece, Portugal and now Indochina, to support dictators in the name of stability, and incidentally, of profits.

Asia's dictators are nervous over the collapse in Indochina. Marcos in the Philippines is the first of the lot to play on the fears of the American public in the wake of the collapse. He needs your support for his dictatorship and he realizes that in this crisis U.S. attitudes could swerve either way depending on how successfully the dictators play their cards. He has called for a revision of Philippine-American military agreements. At the same time, Mrs. Marcos has her picture taken, as *The New York Times* puts it, at the right time and in the right place, to show that she can embrace Mao as firmly as the Maoists on Luzon, and the controlled Manila press makes it clear that Soviet advances are now welcome. All this would sound like welcome *realpolitik* were it not a brazen attempt to extort continued American military support for this brittle regime and did it not go against the grain of the fundamental instincts of the Filipino people.

If the feint to the Communist powers does not work, Marcos thinks he still has his ace. He has declared open house to American investment in the hope that if the American people reject him, the American investors may not. For it has been his successful propaganda thus far that all American investment in the Philippines would have been thrown out had he not instituted his dictatorship.

I have documentation with me that establishes what I mean by the brittleness of the Marcos dictatorship. Continued military support from the United States will prolong the life of the dictatorship, but it cannot postpone forever a final reckoning with the people. More and more Filipinos are realizing the role which American arms are playing in the repression of their rights. It would be best to speed that reckoning so that less, or perhaps no, blood will be shed and goodwill for America is conserved.

When democracy returns to the Philippines it is possible, depending on the forthcoming attitudes of the United States toward the dictatorship, that, as in Thailand, there could be a demand for U.S. military withdrawal from our territory while continuing our military alliance. But if this improbable event should happen, you could remain strong in the regard of the people. There could be less profits for investors from abroad—more of the healthy nationalism recognized as essential to development by former Secretary of State William Rogers. But in the long run it will be a healthier relationship and a bigger market for your industry.

Unlike the Atlantic front, in the Pacific you need not base yourselves in Asian nations to bring your military presence to the doorsteps of the Soviet Union and China. While you might be withdrawing from the Asian mainland, your policy in the Pacific islands is the reverse. Your entrenchment there will soon be formalized with the incorporation of most of the islands into U.S. territory. Even if you should withdraw into Fortress America, it would be a fairly extended fortress indeed. More important, the real Fortress America will be in the hearts of the people, in their refusal, even as neutrals, to run to the embrace of your rivals, in their acceptance of you as partners for their development in freedom.

I am not cynical about American freedom because I am enjoying it even as I speak here today. And I am thankful for it. In this Bicentennial year it might be time to think of recapturing some of the original luster of that freedom which once shone in reflection in the eyes of many Asians and Filipinos. Today, in the fight for freedom in the Philippines, one no longer hears quotations from Jefferson or Lincoln. In the far South, they quote the Koran; in some hills, Mao Tse Tung; and in the plains and cities of the majority, the Christian theology of liberation.

If democracy has become a difficult, perhaps even an abrasive, shibboleth, you might turn to something less controversial—like the Universal Declaration of Human Rights, which is, after all, the inventory of democratic rights. It has been signed by most governments and you yourselves have invoked it for Soviet Jewry. Why distinguish between a detained Soviet Jew and Benigno Aquino, Jr., who is today on the twenty-second day of his hunger strike in protest against a regime which has destroyed those rights which his American Jesuit teachers taught him to be sacred?

A commitment to human rights is not incompatible in the larger measure with your military and economic interests. Will it, as some have suggested, take a revolution in America to drive you to this commitment? Perhaps. But as Jean Francois Revel has said in Without Marx or Jesus, the only true social revolution in the world can happen in America and it has already begun. All that may be needed now is for that revolution to catch up with your foreign policy. Without your realizing it, you may have in your hands the power to make that begin to happen today.

MUSKIE'S VICTORY

Mr. FANNIN. Mr. President, as one who voted against the Senate Budget Committee's proposed budget resolution for fiscal 1976 as a "blueprint for economic disaster" and in favor of the alternative resolution introduced by Senator BUCKLEY, I wish to call the attention of my colleagues to an editorial which appeared in the Wall Street Journal of May 5.

This brief article sums up the feelings of uncertainty and disappointment I had as I studied the $365 billion Federal spending level and almost $70 billion planned deficit recommended by Senator MUSKIE and his committee and approved by this body.

Senators BUCKLEY, McCLURE, and BROCK proposed instead to set total budget outlays for the next fiscal year at $340 billion, with a deficit at $34.7 billion. Unfortunately the Senate decided that an additional $25 billion would be needed to get us out of the recession, at a time when many economists and business indicators tell us that we are already coming out of our economic difficulties.

The Buckley substitute was defeated, and the Budget Committee won the day. Many of us wonder, however, whether we can safely and for long sustain such huge red-ink budgets. Or will such spending and deficits in fact threaten our country's recovery, rekindle the fires of inflation and increase interest rates, and so cause a severe credit crisis for industry and a loss of jobs for workers? Can we even count on the authorizing committees to stay within these target spending levels, or will the Members be tempted to seek even more funds for their favorite special programs?

We shall soon know the answers to these questions. We shall soon determine if the Congress can practice self-restraint and if the new budgetary process will really produce positive results.

Mr. President, I ask unanimous consent that the full text of the Wall Street Journal editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MUSKIE'S VICTORY

Senator Muskie's success in beating off an attempt by Senator Buckley to halve the budget deficit projected by the Senate for fiscal 1976 has been described as a "victory" for the Maine Democrat.

And indeed the head of the Senate's new Budget Committee displayed a sure hand. The Buckley proposal, he said, would lop $100 billion off the GNP and raise unemployment to 12%. Senator Beall, a Maryland Republican, offered his own assurances that the economy can afford a $70 billion deficit.

No doubt we should all be thankful that we have Senators with so much self-assurance about the economic outlook, particularly when men who know a great deal about economics are crouching in fear before the prospect of such huge federal deficits. And the precision of Mr. Muskie's numbers on what a $35 billion smaller deficit would or would not do is absolutely astounding.

As a result of such coolness under fire, Senator Muskie has another victory and Senator Buckley has suffered defeat. But to paraphrase the ancient Pyrrhus, a few more such Muskie victories and we may all be undone.

KENT STATE: 5 YEARS LATER

Mr. KENNEDY. Mr. President, we pause in a mood of somber reflection upon a national tragedy which occurred 5 years ago as a small group of national guardsmen halted a noontime campus demonstration against America's involvement in the invasion of Cambodia. Power and lawlessness ran riot. Four young people died attempting to give a message of peace and hope for the future of our country.

For the parents of the victims, that day 5 years ago was a time of grief and anger. Their pain lingers on today as they continue to search for the truth in their efforts to learn how and why their children were killed, maimed, and injured. This month may well mark the beginning of the final phase of that quest. The complex civil litigation stemming from the fatal shootings at long last goes to trial in Ohio. A Federal judge and a jury will hear their longstanding arguments against a Governor, two Guard generals, numerous officers, and other members of the State's militia who were present at the scene of the killings.

For 5 years these parents have suffered one setback after another in their tireless determination to get this case into a courtroom where the merits of their charges might be tested according to judicial procedures, rather than in the streets where divided public opinion has held sway for so long. It is there, in that forum, that they believe the myths and innuendos surrounding the Kent State tragedy may be dispelled and some elements of justice finally reached.

After all those years, the only official verdict on what happened and why is that of the Scranton Commission's 1970 conclusion that the gunfire was "unnecessary, unwarranted, and inexcusable."

Had these parents, along with the strangers who came to their aid, not responded to the awesome challenge those killings posed for the American conscience, we would know far less than we now do—and, Kent State would never have become the symbol of the tragedy that lies inherent in lawless action. I admire them for believing in America's basic principles of freedom, responsibility, and justice. What they and their dedicated friends have done during the past 5 years is so appropriately embodied in these words that were spoken by Attorney General Robert Kennedy:

> Laws can embody standards; governments can enforce laws—but the final task is not a task for government. It is a task for each and every one of us. Every time we turn our heads the other way when we see the law flouted—when we tolerate what we know to be wrong—when we close our eyes and ears to the corrupt because we are too busy, or too frightened—when we fail to speak up and speak out—we strike a below against freedom and decency and justice.

Now, however, we are simply remembering that four young Americans—two girls and two boys—were shot to death by fellow Americans during a peaceful protest demonstration. Since then, tens of thousands of Cambodians have perished as the consequence of a military venture that so many Kent State student openly opposed.

We remember a grief-stricken father asking his fellow countrymen, "Have we come to such a state in this country that a young girl has to be shot because she disagrees with the actions of her government?" Sunday, on that campus, thousands of citizens gathered together to remember what happened, and, by their presence, answered that lingering question with a resounding no. Throughout the night, young people stood silent vigil at the markers where the four students fell, and in so doing they have once again silently demonstrated their, and our, renewed commitment to the proposition that our government at every level shall itself obey those laws it is pledged to enforce.

TAX CREDITS FOR AUTO PURCHASES

Mr. HARTKE. Mr. President, on January 28, I introduced two bills to give tax credits to people who purchase homes and cars A modified version of the tax credit for home purchasers was adopted as a part of the Tax Reduction. Some of the criticism that has been directed at the housing tax credit since its adoption makes me wish my original bill had been put into law rather than the modification. However, I am glad the concept was adopted, and evidence is abundant that the tax credit is working.

I think it is time we also acted on my bill to give tax credits to people who buy new, domestically produced automobiles. U.S. automobile production in April was at the highest rate so far this year, but it was also a 14-year low point for auto production in the month of April. While the rest of the economy is suffering the destructive, demeaning, and demoralizing effects of a deep recession, the auto industry is in a depression. There are tens of thousands of automobile workers who have been out of work for over a year. Last month, nearly 180,000 auto workers, and countless thousands more of workers in supply industries, still were not working.

We are also losing ground to foreign production. Yesterday's Wall Street Journal reported that imported cars now capture 21 percent of the U.S. auto market. While total sales in this country are declining rapidly, sales of imports are growing. Sales of domestically produced automobiles last month were down 20 percent from the already depressed level a year earlier, but sales of imported cars were up 10 to 15 percent.

We cannot allow these circumstances to continue. The American economy will not recover from recession until the automobile industry recovers. And auto sales are not recovering. We need a program of selective fiscal policy to stimulate those industries which are the most depressed, have the greatest effect on the American economy, and employ the most workers. For this reason, I urge immediate action on my bill, S. 452, to give tax credits to people who purchase new, domestically produced automobiles.

LET'S PREPARE TO DEAL WITH THE VICTORS

Mr. HATHAWAY. Mr. President, last Saturday the Kennebec Journal, located in my State's capitol city, Augusta, carried an editorial titled: "Let's Prepare To Deal With the Victors."

This editorial supported President Ford's comment that the surrender of the South Vietnamese Government and the evacuation of Americans from South Vietnam ends a chapter in the American experience. But this paper carried that thought forward, without reservations, and with full respect toward human values and ideals, in calling for an American helping hand toward the war-weary Vietnamese citizens.

The paper's position is a bold one, for it not only calls upon the American citizen to end this chapter of involvement but to end this chapter on a note of concern. The editorial integrity of the Kennebec Journal is to be commended for taking this position.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LET'S PREPARE TO DEAL WITH THE VICTORS

The surrender of the South Vietnamese government to the Viet Cong and the evacuation of remaining Americans from Saigon ends; as President Ford rightly noted, "a chapter in the American experience." But the end of the chapter does not mean that the United States may reasonably close the entire book on Southeast Asia.

The end of America's physical presence in South Vietnam and Cambodia as well must now be replaced by the temperate involvement of American diplomacy and humanitarianism. As a practical course the United States must now ready itself to deal realistically with the new Communist governments in Saigon and Phnom Penh. The collapse of American-supported governments in the two nations does not mean the fall of the two countries themselves.

How easily diplomatic relations may be restored with the new governments will depend in large part on the American mood. If we should mistakenly assume the new governments are publicly unsupported and exist only through military might we will be badly under-estimating the popular support of both the Viet Cong and the Khmer Rouge.

In addition, the new American diplomatic presence should devote itself to the broad humanitarian cause of safely resettling thousands upon thousands of refugees who became victims of the wars. The need for humanitarian aid to the area is not diminished solely because governments the United States supported have failed and fallen.

In short, the area now holds the promise of peace and tranquility for the first time in years under governments that appear to pose no direct threat to America. The framers and shapers of United States foreign policy in Southeast Asia should reflect that awareness in developing new relationships there.

FOREIGN ASSISTANCE

Mr. INOUYE. Mr. President, 30 days after enactment of annual appropriations, section 653 of the Foreign Assistance Act requires the agencies concerned to submit to Congress revised country allocations of foreign assistance based on the levels appropriated.

Such reports are now available for certain programs carried on by the Agency for International Development, the military assistance program, and the international narcotics program.

I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT SECTION 653 REPORT, PROGRAM ALLOCATIONS—FISCAL YEAR 1975

[In thousands of dollars]

Country or other programs	Total program	Food and nutrition	Population planning and health	Education and human resources development	Selected development problems	Selected countries and organizations	Security supporting assistance	Indochina postwar reconstruction	Contingency fund	Famine/disaster assistance	International organizations and programs	Other appropriations
Africa—Total	115,000	50,400	16,000	14,900	22,700	[illegible],000						10,000
Ethiopia	8,057	838	6,500	719								
Ghana	2,288	535	1,086	522	145							
Kenya	16,030	15,442	479	109								
Liberia	12,078	5,500	1,957	570	4,051							
Nigeria	6,719	3,596	544	2,579								
Rwanda	705	705										
Tanzania	14,876	14,361	515									
Zaire	1,597	1,267	330									
Central West Regional	21,207	1,552	2,130	420	16,865	240						
East Africa Regional	985	410		575								
Southern Africa Regional	4,816	2,676	215	1,925								
Africa Regional	15,642	3,518	2,244	7,481	1,639	760						
Portugese Territories	10,000											10,000
Cape Verde Islands	(5,000)											(5,000)
Mozambique, Guinea-Bissau and Angola	(5,000)											(5,000)
Countries that receive self-help funds:												
Botswana	34				34							
Burundi	60				60							
Cameroon	59				59							
CAR	75				75							
Chad	35				35							
Dahomey	124		50		74							
Gabon	25				25							
Gambia	20				20							
Guinea	10				10							
Ivory Coast	40				40							
Lesotho	63		3		60							
Malagasy	3				3							
Malawi	43		3		40							
Mali	40		5		35							
Mauritania	40				40							
Mauritius	34		15		19							
Niger	58		3		55							
Rwanda	81		32		49							
Senegal	49				49							
Seychelles	10				10							
Sierra Leone	63				63							
Swaziland	55				55							
Togo	80				80							
Upper Volta	84				84							
Zambia	13		3		10							
Zaire	16				16							
Undistributed	186		186									
Total	1,400		300		1,100							
Latin America	197,600	109,900	14,900	35,200	23,900	13,[illegible]00						
Bolivia	19,891	17,970	603	1,277	40							
Brazil	3,320	80		3,240								
Chile	20,529	20,285		149	95							
Colombia	13,511	7,900	276		5,335							
Costa Rica	629	280	349									
Dominican Republic	5,419	320	5,054		45							
Ecuador	1,756	350	446	910	50							
El Salvador	1,427	515	660	117	135							
Guatemala	9,130	1,024	600	7,462	44							
Guyana	1,025			1,000	25							
Haiti	3,598	1,745	1,732		121							
Honduras	25,298	18,090	528	1,516	5,164							
Jamaica	381		329	2	50							
Nicaragua	25,090	14,260	511	113	10,206							
Panama	6,084	5,080	366	608	30							
Paraguay	6,525	5,677	400	407	41							
Peru	1,610	665	102	565	278							
Uruguay	7,735	7,413		297	24							
Venezuela	20			20								
Regional Office of Central America Programs	6,354	5,316		470	568							
Caribbean Regional	7,375			7,300	75							
Latin America Regional	17,194	2,930	2,943	9,747	1,574							
Org. of American States	13,700					13,[illegible]00						
East Asia	518,296	86,100	19,239	11,400	2,100	1,[illegible]00	157	398,300				
Indonesia	44,001	37,400	4,901	1,700								
Korea	20,358	6,858	5,560	5,840	2,100							
Philippines	44,993	39,171	5,615	50			157					
Thailand	4,280	2,071	1,309	900								
Cambodia	98,000							[1] 98,000				
Laos	26,098		498					25,600				
Vietnam	266,027		1,327					264,700				
Regional	7,539	600	29	2,910		1,[illegible]00		3,000				
Multilateral Agencies	7,000							7,000				

Footnotes at end of table.

AGENCY FOR INTERNATIONAL DEVELOPMENT SECTION 653 REPORT, PROGRAM ALLOCATIONS—FISCAL YEAR 1975—Continued

[In thousands of dollars]

Country or other programs	Total program	Food and nutrition	Population planning and health	Education and human resources development	Selected development problems	Selected countries and organizations	Security supporting assistance	Indochina postwar reconstruction	Contingency fund	Famine/disaster assistance	International organizations and programs	Other appropriations
Near East and South Asia	1,023,726	129,800	47,639	10,400	3,200	500	665,100		1,800	27,987		137,300
Afghanistan	15,245	8,300	1,603	2,992	2,350							
Bahrain	600						600					
Bangladesh	67,709	60,000	1,972		450					2,987		[2] 2,300
Cyprus	25,000									25,000		
Egypt	251,800						250,000		1,800			
Israel	344,500						324,500					[3] 20,000
Jordan	77,500						77,500					
Malta	9,500						9,500					
Morocco	9,498	9,050	448									
Nepal	2,434	1,068	991	375								
Pakistan	67,322	40,948	25,902	472								
Portugal	15,000											15,000
Spain	3,000						3,000					
Sri Lanka	8,000	8,000										
Syria	25,000											[3] 25,000
Tunisia	2,301	1,093	1,030	178								
Turkey	774	207		567								
Yemen	14,521	381	13,717	250	173							
Regional	9,022	753	1,976	5,566	227	500						
Middle East Special Requirements Fund (undistributed)	75,000											75,000
Multilateral Programs	176,755	14,755	18,000				4,800				125,000	14,200
U.N. Development Programs	77,897										77,897	
U.N. Disaster Relief Organization	750										750	
U.N. Children's Fund	17,000										17,000	
Intl. Atomic Energy Agency Operational Fund	2,500										2,500	
World Meteorological Org. Vol. Assist. Pro	1,500										1,500	
U.N. Food and Agri. Org. World Food Pro	1,500										1,500	
U.N. Inst. for Trng. and Res	400										400	
Intl. Secretariat for Vol. Service	60										60	
U.N. Relief and Works Agency	23,200										[5] 23,200	
U.N. Fund for Southern Africans	50										50	
World Heritage Fund	143										143	
U.N. Environment Pro. Fund	5,000											5,000
U.N. Fund for Population Activities	18,000		18,000									
U.N. Forces in Cyprus	4,800						4,800					
Indus Basin Loans	200											200
Indus Basin Grants	9,000											9,000
International Agriculture Research Centers	14,755	14,755										
Undistributed Famine or Disaster Relief	7,013									7,013		
Total Assistance to Foreign Foreign Countries and International Organizations[6]	2,038,390	390,955	115,778	71,900	51,900	16,200	670,057	398,300	1,800	35,000	125,000	161,500

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[1] The Operational Year Budget was prepared prior to recent military eve nts in Cambodia. Agency records indicate obligations through Mar. 31, 1975 total $82,153,000.

[2] Refugee Relief (Bangladesh).

[3] Prototype Desalting Plant.

[4] Middle East Special Requirements Fund.

[5] In addition, $6,000,000 is earmarked in the Middle East Special Requirements Fund and $10,000,000 was made available by Public Law 93-570.

[6] Excludes operating expenses, certain centrally funded programs and American Schools and Hospitals Abroad.

International Narcotics Control Program—Fiscal year 1975

[In thousands of U.S. dollars]

I. Country programs:

Latin America

Argentina	120
Bolivia	577
Brazil	244
Chile	41
Colombia	561
Ecuador	527
Jamaica	750
Mexico	11,605
Paraguay	16
Peru	200
Uruguay	27
Venezuela	56
Total	14,724

East Asia

Burma	623
Indonesia	74
Laos	924
Philippines	356
Thailand	4,822
	6,799

Near East and South Asia

Lebanon	5
Pakistan	123
Jordan	162
	290
Total country programs	21,813

II. International organizations:

U.N. Fund for Drug Abuse Control	5,000
CENTO	8
Colombo Plan	159
INTERPOL	135
Total international organizations	5,302

III. Inter-regional program

Training	4,945

IV. Program development and support	816
Total program	32,876

Country allocations of grant military assistance for fiscal year 1975

[In millions of dollars]

European Region:

Austria	0.024
Finland	.024
Portugal	.960
Spain	1.600
Turkey	16.253
Regional	.040

Near East and South Asian Region:

Afghanistan	0.220
India	.100
Jordan	59.852
Lebanon	.135
Morocco	.850
Nepal	.035
Pakistan	.280

Saudi Arabia	.054
Sri Lanka	.015
Tunisia	2.200
Regional	.075
East Asian Region:	
Republic of China	0.415
Indonesia	15.835
Khmer Republic	[1]180.285
Korea	82.600
Laos	27.475
Malaysia	.285
Philippines	21.000
Thailand	30.000
Regional	.465
African Region:	
Ethiopia	12.500
Ghana	0.070
Kenya	.035
Liberia	.100
Senegal	.035
Zaire	.300
Regional	.060
Latin American Region:	
Argentina	0.100
Bolivia	3.137
Brazil	.875
Chile	.665
Colombia	.700
Dominican Republic	1.085
Ecuador	.400
El Salvador	1.190
Guatemala	.645
Haiti	.028
Honduras	1.190
Mexico	.210
Nicaragua	1.087
Panama	.540
Paraguay	.990
Peru	.905
Uruguay	1.482
Venezuela	.720
Regional	.385

*This sum does not include the value of military assistance to the Khmer Republic furnished under Section 506, FAA, as amended.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

THE PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, S. 409, which the clerk will state.

The assistant legislative clerk read as follows:

> A bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I ask unanimous consent that the following members of the staff of the Committee on Banking, Housing and Urban Development be allowed the privilege of the floor during the debate and rollcalls on this matter, if we have any rollcalls: Ken McLean, Bob Weintraub, Steve Paradise, Tony Cluff, Jerry Buckley, John Bennison, Tommy Brooks, and Dan Wall.

Mr. KENNEDY. Mr. President, will the Senator also include Mr. Carey Parker?

Mr. PROXMIRE. And Mr. Carey Parker, of Senator Kennedy's staff.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. MUSKIE. Mr. President, Senate consideration today of S. 409, an extension of the Council on Wage and Price Stability, gives us the opportunity to reexamine the adequacy of the Council's present authority. The question of a Federal institutional response to inflation has divided the Senate for many months.

I hope we can resolve the issue today in favor of a monitoring agency with the authority and capability to forecast potential economic problem areas and help plan long-term policy to guard against inflation.

I think a short review of Senate action on inflation monitoriny would be useful.

My colleagues will recall that in April of last year, just before the expiration of the Economic Stabilization Act, the Democratic Caucus accepted a proposal by Senators STEVENSON, JOHNSTON and I, and 18 others to establish an agency to continue authority to monitor and enforce decontrol commitments and to monitor inflation generally. Indeed, the Caucus expanded our proposal to include standby control authority.

On the floor, our proposal was divided, and the portion which provided standby control authority was tabled. The provision to continue inflation and decontrol commitment monitoring authority of the Cost of Living Council was tentatively adopted by the Senate, but was effectively killed a week later.

It was extremely unfortunate that an irresistible momentum toward complete and abrupt decontrol of the economy built up as a result of the dislocations which developed under the Nixon administration's helter-skelter imposition of phases and freezes. In the months which followed the expiration of the Economic Stabilization Act, double-digit inflation continued unchecked. The Consumer Price Index increased at an annual rate of 12.6 percent over those months. The annual rate of increase in the Wholesale Price Index was 44 percent in July, and more than 55 percent at a compound annual rate, promising more consumer price inflation ahead.

Finally, President Nixon did ask last summer for authority to monitor wage-and-price increases. His proposal called for the establishment of a new agency to address the lack of an institutional focus in the Federal Government's fight against inflation. But the agency to be established by the proposal was viewed by many as inadequate to deal with our complex inflation problems.

So, Senators STEVENSON, JOHNSTON, JAVITS, PROXMIRE, and I proposed a substitute. Our proposal would have granted sufficient authority and resources to the new agency to enable it to make its efforts effective and useful for alerting us to short-term inflation and shortage problems, and help us evaluate long-term inflationary trends and their causes in order to fashion long-term anti-inflation policies. Further, our proposal would have vested the agency with authority to delay for 45 days price-and-wage increases with "significant inflationary impact" and to extend the delay for an additional 45 days to avoid "significant injury to the economy as a whole."

That proposal was tabled by the Senate, partly because some Senators feared it was a first step toward the reimposition of controls, and partly because there was significant pressure to accommodate President Ford with a bill he had endorsed in his first speech to the Congress as President. Therefore, the Congress enacted, without substantial change, the administration proposal for a Council on Wage and Price Stability without the authority or the resources to adequately perform the functions for which it was established.

Having twice fought unsuccessfully last year to maintain some more meaningful Federal response to inflation than the Council on Wage and Price Stability has been able to provide, I have followed the introduction and consideration of S. 409 with interest.

As originally introduced by Senators PROXMIRE and STEVENSON, the bill would have granted new authorities to the Council, similar to those which I proposed with Senators STEVENSON, JOHNSTON, and many others when we considered legislation creating the Council last August. The major differences between our earlier proposal and S. 409 as originally introduced were that S. 409 proposed more limited information-gathering power and would have granted the Council authority to control the price of "new" and "old" domestic oil.

The committee conducted [illegible] days of hearings, and heard from industry, labor, and consumer groups. Industry and labor opposed the bill, fearing a return to wage-and-price controls. Consumer groups, on the other hand, such as the National Retired Teachers Association and the American Association of Retired Persons, gave qualified support to the bill.

As I understand it, the committee was unable to agree on additional authorities for the Council, and it chose simply to extend the existing authorities and to grant an administration budget request for a modest increase in funding.

Our experience with the Council as currently structured gives us empirical evidence on which to judge its effectiveness. Mr. President, I think most of us here would agree that the Council has been a useful Federal response to the problem of inflation, but the Council has been handicapped by minimal information-gathering powers and resources too scanty to provide the in-depth analysis of inflation we should have to intelligently respond to the problems of inflation and its causes.

The Director of the Council, Dr. Rees, has conceded that he needs subpena power, and the administration's fiscal year 1976 budget recognizes the need for increased resources, though it does not go as far as I would like. The Council on Wage and Price Stability, because of its limited authority and resources, has been able to do little more than collect data and issue periodic reports on what has happened in the past. It is essential that it perform the more useful function of forecasting price and wage policy decisions to come, in both the public and private sectors. To do this, the Council must have additional information-gathering authority, as well as increased funding to more adequately fulfill its role as watchdog against inflation.

Mr. President, the basic purpose of the Council on Wage and Price Stability is to provide a distinct institutional focus for Federal action on inflation.

This agency must collect and analyze economic data so that it can forecast inflationary and shortage problems. Conventional economic data, such as that collected by the Bureau of Labor Statistics and the Commerce Department, are most often historical by nature, telling us what kinds of inflation and shortages we have experienced in the recent past, but not what we can expect in the future. Only under the Cost of Living Council was there adequate "forecasting-type" data, such as: Wage rates by locality in the construction industry; fertilizer prices, production capacity, import and export data; projected demand data on health; and data on the ability to substitute one raw material for another. Only with the expansion of the Council will the Federal Government have the capacity to perform this important data collection and analysis function.

Mr. President, an anti-inflation agency with teeth is needed to take positive action, short of wage-and-price controls, to avoid inflation and shortages in specific economic sectors. No other conventional agency now performs these kinds of functions, such as: Establishing communications among government, management, and labor in particular sectors; calling attention, publicly and privately, to the need for voluntary restraints in selected instances; and the promotion of planning to avoid shortages which might have a ripple effect on the rest of the economy.

None of these functions are now the mission of any other agency. The only other executive branch body with the potential economic overview to perform these functions is the Council of Economic Advisers—and its permanent staff of 46—including both professional and clerical positions—is far too small to allow it to assume this mission.

Only by providing the Council with the tools and resources necessary to do a meaningful job can we have sufficient warning of special short-term inflation and shortage problems we might face in the months ahead, and assurance that there will be an adequate study of the long-term inflation problems our Nation faces.

Finally, Mr. President, I would like to point out that the psychology of having a monitoring agency, even though it has no standby control authority, is at least marginally helpful to the economy. A watchdog on inflation is better than providing no attention at all. And no one will ask for higher wages, and higher prices, merely because this agency exists. But its activities could help promote a responsible attitude toward inflation on the part of business, labor, the administration, and the public at large.

By giving the Council authority and funds to better meet its broad mandate, the Senate would be taking a positive step to meet the inflationary dangers of the months ahead.

Therefore, I was disappointed that the Banking Committee could agree to no more than a simple extension of authorities, and a modest increase in funding to the Council. Naturally, however, I am gratified that most of the amendments which will be offered to this bill parallel portions of the proposals which I have sponsored previously, and I will support such efforts.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the name of the Senator from Maine (Mr. HATHAWAY) be added as a cosponsor of amendment No. 379.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to amendment No. 379 of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I intend to call up three amendments to S. 409, the Council on Wage and Price Stability Extension Act.

The first amendment, No. 379, will set the expiration date for the Council's authority at June 30, 1976, rather than September 30, 1977, as in S. 409. I believe it would be unwise at this time to set the 1977 date, which might result in Congress ignoring inflation for the next 2 years. The Council is the Nation's first line of defense against inflation. Therefore, the Senate and House of Representatives should consider the Council's authority on at least a yearly basis, to insure that anti-inflation policy is on the right track. The favorable recent CPI figures are no grounds for complacency. We must take every responsible step to guarantee that inflation is not rekindled. Now is the time to set a realistic anti-inflation policy in place.

The second amendment, No. 390, is designed to enhance the status of the Council by raising the position of Director from level IV—$38,000 annual salary—to level III—$40,000 annual salary—of the executive schedule, and by requiring Senate confirmation of future Directors.

The third amendment, No. 380, would provide a modest increase in the number of staff personnel for the Council. Under the current act, the Council is authorized to employ five persons in the GS–16 to GS–18 category. The amendment would add three new positions, and would instruct the Council to give preference in filling the new positions to persons who are specialists in various sectors of the economy. The first 8 months of the Council's work—particularly its price-monitoring activities in steel, aluminum, metal cans, rubber tires, industrial chemicals, sugar, and bakery products—demonstrate the value of a sector-by-sector approach. The amendment will encourage the Council to continue and expand this role. If Congress intends the Council to be a watchdog against inflation, we must give the Council the resources with which to watch. My hope is that in its ongoing role, the Council will vigorously pursue its sector-by-sector approach, and will attract and develop a highly professional staff with the ability and experience to establish a comprehensive and fully effective anti-inflation policy.

Mr. President, the success of the original wage-price guideposts and other measures initiated in 1962 was due in part to the fact that they were launched long before serious excess demand pressure appeared in the economy. For the same reason, we should start now to build an effective anti-inflation policy. After the inflationary binge of recent years, we cannot afford to let inflation take hold again before we act.

In general, the amendments I propose are designed to build on the constructive role the Council on Wage and Price Stability has played in its early operation, by enabling the Council to obtain the additional resources and direction it needs from Congress to provide a genuinely effective defense against inflation.

The purpose of the amendments is to encourage a sector-by-sector approach to the problem of inflation. One of the most important lessons of our experience with wage and price controls in recent years is that the various sectors of the economy have different problems and different needs, and that inflation in these sectors has different causes and different symptoms.

The advantage of the sector-by-sector approach is that it targets anti-inflation policy on individual areas of the economy where inflation is a serious problem. It encourages the development of programs tailored to meet the specific needs of each sector, with full regard for structural, supply, and other problems of the sector and for local industry and practice.

Under a sector-by-sector approach, for example, price increases that reflect excessive market power in a sector rather than competitive economic forces would be discouraged. Pay increases that might be justified by productivity gains in one sector might be unjustified in another sector in the absence of such gains. In these and other ways, the sector approach allows anti-inflation policy to deal with the unique characteristics of inflation, wherever it is found.

Inflation today is largely a sectorial problems. As the following Bureau of Labor Statistics tables indicate, the 1973 inflation was highly sectoral, with the primary concentration in food and fuel.

WHOLESALE PRICE INDEX

[In percent]

	April 1973 to April 1974	March 1974 to March 1975
All items	18.8	12.5
Contribution of major groups to WPI change:[1]		
Fuels and related products	29.4	17.0
Farm products	19.9	(−)14.0
Processed foods and feeds	12.6	12.0
Metal and metal products	16.3	21.0
Chemicals and allied products	6.6	18.0
Textile products and apparel	4.8	(−)1.0
Machinery and equipment	5.2	19.0
Pulp, paper and allied products	5.0	8.0
Lumber and wood	1.6	(−)3.0
Other	8.6	21.0
Total	100.0	100.0

[1] Figures may not add to totals because of rounding.

CONSUMER PRICE INDEX

[In percent]

	March 1973 to March 1974	March 1974 to March 1975
All items	10.2	10.3
Contribution of major groups to CPI change:[1]		
Food at home	33.8	6.7
Food away from home	6.3	11.5
All energy	17.8	8.8
Household services less rent	16.5	13.9
Medical services	4.0	14.4
Rent	2.3	5.5
Apparel commodities	4.8	5.9
Durables	5.5	14.3
Nondurables	5.3	8.5
Other services	3.7	9.1
Total	100.0	100.0

[1] Figures may not add to totals because of rounding.

To a substantial extent, in contrast to the primary sector inflation of 1973, inflation in 1974 was downstream sector inflation, as the soaring cost of food and energy rippled through other sectors of the economy.

By adopting a sector-by-sector approach to inflation, the Council on Wage and Price Stability can adjust to such developments. It can work closely with parties in key sectors to expose the specific causes of inflation in the sector. It can encourage specific solutions to specific inflation problems. But such a result can be achieved only if the Council has adequate resources and expertise and experience to undertake the task.

Perhaps the most successful example of the success of a sector approach in recent years was the work of the Construction Industry Stabilization Committee, under the leadership of John Dunlop, now Secretary of Labor. Working closely with industry and labor, and adopting an approach tailored to specific situations, the committee was able to reduce the size of first year wage settlements in newly negotiated construction agreements from 17 percent in 1970, to 11 percent in 1971, to 5.9 percent in 1972, and to 5.4 percent in 1973. And it reduced work stoppages from 33 percent of all agreements in 1970 to less than 5 percent in 1973.

The sector approach will also encourage economic policy to steer clear of the misguided tendency to fix a single price or wage standard on the economy. As the Labor-Management Advisory Committee to the Cost of Living Council stated in February 1973, in issuing a unanimous statement on economic stabilization policy:

> The parties to collective bargaining agreements should address themselves both to short-term and longer run structural problems which they confront in their industries, localities and particular economic environments. Collective bargaining is pre-eminently a method of problem solving through negotiations. No single standard or wage settlement can be equally applicable at one time to all parties in an economy so large, decentralized and dynamic.

As simple and appealing as a freeze of uniform price and wage guideline might be at this time, it should be opposed as we would oppose the suggestion that everyone wear a size 10 shoe.

Now, we have our best chance in perhaps a decade to do something about the inflation that has been endemic in our economy in recent years. As the current consumer price index figures make clear, the worst of the recent bout of inflation now seems behind us. At last, we can multiply the monthly inflation rate by 12 and come out with an annual rate of inflation that yields a tolerable result. It is even safe to hope that, with a wise policy for the future, double digit inflation may be an aberration of the past.

But the success of the fight against inflation has been achieved at a serious cost. And that cost is America's sixth and worst recession since World War II. Unemployment is now a [illegible].9 percent across the Nation. Many experts have predicted it will surpass 9 percent before the recovery takes hold. Such levels of unemployment are unacceptable. They bring intolerable hardship to millions of citizens and their families, especially the poor and the lower income groups, while the economy runs hundreds of billions of dollars a year below its real capacity.

In the name of fighting the double-digit inflation of recent years, the administration and the Federal Reserve carried out a policy which put the economy through the wringer and which has been the principal cause of the severe recession we are now enduring.

But the recession that is now working its harsh medicine on the economy has also brought inflation down from the height of recent months. Now, therefore, the time is ripe to establish an anti-inflation policy for the future. We cannot afford to be lulled into complacency by one good CPI result.

We must also be aware of the international dimensions of inflation. With the notable exception of West Germany, as the following table illustrates, double-digit inflation has been a worldwide problem, and its solution will require greater cooperation among nations and a greater understanding of the consequence that actions in our Nation may have for inflation in other nations in the international community.

INFLATION RATES—COMPARISON OF LATEST 12-MO INCREASE WITH THE 12-MO PERIOD FROM JUNE 30, 1973 TO JUNE 30, 1974

[In percent]

	Latest	June 1973 to June 1974
United States	10.3 (March)	11.0
Canada	11.3 (March)	10.9
Japan	14.0 (March)	24.0
West Germany	5.9 (December)	6.5
Great Britain	21.2 (March)	17.0
Italy	20.3 (March)	17.5
France	15.2 (December)	14.0
Australia	16.0 (January)	15.0

What we need is a policy to keep inflation under control, by giving us adequate early warning signals when particular sectors of the economy begin to overheat. We need a policy that enables appropriate countervailing measures to be adopted before an emerging problem of inflation in one sector becomes a crisis for the whole economy. The key to that approach can be the Council on Wage and Price Stability.

The choice is not between "do nothing" and "do too much." The alternatives are not a hands-off policy or mandatory wage and price controls.

If all we do is curse the deficit and cut the budget, our anti-inflation policy will fail again, and we will condemn the economy to future rounds of inflation and recession that have so badly scarred the country in the recent past. The last thing the economy needs is another recession to fight the next inflation.

There is a middle ground, and now is the time to adopt it, before inflation gains a new foothold and before more drastic remedies are demanded or imposed. By endowing the Council on Wage and Price Stability with modest additional resources to monitor inflation in important sectors of the economy we will build on the Council's strength. We will give it the resources it needs to develop an effective and scrupulously even-handed anti-inflation policy—fair to business, labor, and agriculture alike—a policy whose hallmark will be a spirit of voluntary cooperation among groups in every sector of the economy, as they work together to reach the goal of permanent peacetime price and wage stability.

There is an additional advantage to beginning a vigorous anti-inflation policy now. It will enable us to achieve a faster recovery from the recession than may otherwise be possible or desirable. In fact, the danger of doing nothing is obvious—at the first breath of new inflation, the administration and the Federal Reserve are likely to abandon the fight against recession or stretch out the recovery, with the result that the country will be put through a lengthy and unnecessary period of slow recovery and chronic unemployment and slack capacity.

It does not have to be that way. In Albert Rees as Director of the Council on Wage and Price Stability and John Dunlop as Secretary of Labor, we have two outstanding public servants, who, I believe, can make a voluntary anti-inflation policy work. All they need is the tools to do the job and the encouragement of Congress to undertake the task.

We all agree that our three most critical economic problems are inflation, recession, and energy.

In the tax cut bill, Congress has begun to deal effectively with the recession. Major energy legislation is rapidly nearing completion in both the House and Senate. Now, in S. 409, we have the chance to act against inflation. As we renew the authority of the Council on Wage and Price Stability, we have an excellent opportunity to address the problems of inflation by launching a workable and responsible anti-inflation policy.

Let no one doubt the challenge we face. If we do nothing, if we allow inflation to burst forth again, then we can look ahead to yet another boom-and-burst cycle of the economy, and once again we may find ourselves in the position of fighting inflation with recession.

"We must not fight recessionary problems with inflationary cures," President Ford told the New York Society of Security Analysts earlier this year. True, but we also must not fight inflationary problems with recessionary cures.

Inflation is a serious problem. Its solution is going to strain our most enlightened economists and policymakers. But we cannot afford to ignore the challenge. We cannot afford to do nothing in the foolish hope that inflation has gone away.

Let us build a firm base now for noninflationary prosperity in the future. Let us get on with the job of developing effective remedies to end inflation, without resorting to the time-dishonored tactic of ravaging the economy in the process. If we have learned anything from our present economic troubles, let it be the lesson that this is the last time we will have to suffer because of the dangerous myth that a scorched Earth policy of recession is the Nation's only answer to inflation.

Mr. President, in connection with amendment No. 379, which is the pending business, I have had an opportunity to talk with the Senator from Wisconsin (Mr. Proxmire), the floor manager of the bill and chairman of the committee, as well as with the ranking minority member of the committee about this amendment.

It is a simple amendment, but I think an important one.

This bill provides for Congress to consider the Council again 2 years hence. This amendment would move the expiration date forward to June 30, 1976, in offering this amendment it is certainly my intention that there will be an extension of the Council's authority beyond 1976.

This amendment would permit Congress to review the problems of inflation next year, and to consider the steps that have been taken by the Council in fulfilling its anti-inflation responsibilities. It would give Congress an opportunity to determine whether additional powers are necessary for the Council at that time to carry out these responsibilities. It would give Congress, a greater opportunity to exercise its judgment and oversight on this vital area of economic policy.

Congress has already shown willingness to spend a great deal of time in considering tax cut legislation. Committees of Congress are spending a good deal of time now on issues relating to energy.

Quite clearly, the responsibilities of this Council, must be one of our most important concerns as we address ourselves to economic policy in this country. I think it would be wise for Congress to review anti-inflation policy next year.

As I mentioned we are heartened by the Consumer Price Index figures for March. But I do not think we can relax our guard. It is extremely unlikely that inflation has disappeared for any significant or prolonged period of time. Our task is to be prepared to deal with it when it begins to revive.

The purpose of this amendment is to give Congress an opportunity to review this program again next year.

Finally, let me say that I realize a year-by-year extension may involve some administrative difficultes in obtaining high quality staff, if it appears that the extension will go only from year to year.

I want to make it very clear that I expect this Council will continue to function for a number of years, at least for the immediate future. It is the purpose of this amendment to give Congress and its committees, which under Senator Proxmire and others have been real watchdogs on the issue of inflation, an opportunity to exercise some additional judgment and oversight.

So I hope the amendment will be accepted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PROXMIRE. I enthusiastically support the amendment of the Senator from Massachusetts. I think if there is one area in all of our public life which is uncertain, it is the economic area, particularly with respect to price levels. At the beginning of 1974, the entire economic profession, virtually, predicted that inflation would ease up at the end of 1974, and they were all wrong. They completely missed that.

We have had a constant lack of ability to predict what is going to happen to prices in this country. We have also had considerable disagreement as to the causes of inflation. This Wage-Price Monitoring Board is the only agency in our Government, really, which has the full-time job of working to stop inflation. This is their responsibility, and their entire responsibility.

In view of the way things change, and the very strong likelihood that we are going to have an entirely different kind of situation, hopefully far better, in a year or so, but possibly much worse—at any rate, different than we can foresee now—I think the Kennedy amendment makes a great deal of sense, and I am very glad to support it.

I also wish to underline what the Senator from Massachusetts has said about the importance of providing continuity in this agency. It is a small agency, with a relatively small budget, and an enormous responsibility in Government: to try to prevent inflationary actions. For that reason, it is necessary to have people of relatively high quality who can be assured of continuity of their jobs. So I join with the sponsor of the amendment in saying that it is certainly my intention that the Wage-Price Monitoring Board shall continue for at least a couple of years, because, though we cannot predict accurately, we know we are going to have this problem for some years to come.

So, in supporting the Kennedy amendment, which would limit the life of the agency to June 30, 1976, I want to make it clear that I think it will continue, in all likelihood, beyond that date.

Mr. TOWER. Mr. President, I would prefer to retain the date of September 30, 1977, rather than substitute June 30, 1976, first for the reason that the distinguished Senator from Massachusetts has already cited: the inability to recruit quality personnel for the Council for a short period of time. I think quality people would like to expect some kind of longevity in terms of their jobs, some kind of job security.

The second reason why I prefer the 1977 date is that June 30, 1976, comes up at a time at which the political climate is likely to be very hot indeed, and I would dislike seeing the Council becoming a political football and subject to some of the temptations to demagoguery on the part of people on both sides of the issue.

But I can count, Mr. President, and I recognize that there is substantial sentiment for this amendment, so I shall not oppose it.

I would suggest to my friend from Massachusetts that he modify his amendment so that in S. 409 as reported on page 8, line 18, after "1976" a period is inserted, and the words "not to" in that line, line 19, line 20, and line 21, are struck. That provides for the out year funding, and I do not think the Senator wants to include that authorization in there if, indeed, the terminal date is to be June 30 of 1976.

Mr. KENNEDY. That seems satisfactory. Does the language the Senator wants to strike deal with funding beyond 1976?

Mr. TOWER. The language I suggested striking provided for the authorization for funding for the quarter that follows June 30 next year, and then the year following that until September 30. It is just a technical correction.

Mr. KENNEDY. The only point I would make is that I would not object to continuing the authorization as an indication that it is really our intention to have a continuation of the program, but with an opportunity to review the Council's activities next year.

I do have strong feelings about it.

The real purpose of my amendment is to give Congress and the committees a chance to review anti-inflation policy next year.

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Mr. PROXMIRE. As I understand the suggestion of the Senator from Texas, he is suggesting really what is kind of a technical change.

Mr. TOWER. Yes.

Mr. PROXMIRE. On page 8, what the Kennedy amendment does in its present form is simply to strike the September 30, 1977, date and substitute June 30, 1976, but it does not touch the additional authorization that is $2 million for the fiscal year ending June 30, 1977. As I understand, the Senator from Texas would simply perfect it.

Mr. TOWER. That is correct. It conforms to our usual procedure. I do not know of any time that we authorize appropriations beyond the time we authorize or the authorization itself. It is something of an unusual procedure.

Mr. KENNEDY. The change is acceptable to me, Mr. President, and I move to modify my amendment in that way.

The **PRESIDING OFFICER.** The amendment is so modified. Will the Senator please send his modification to the desk.

The amendment, as modified, is as follows:

On page 8, line 23, strike out "September 30, 1977" and insert in lieu thereof "June 30, 1976".

On page 8, line 17, after "1975," add "and".

On page 8, line 18, strike the comma after "1976" and insert in lieu thereof a period, and strike all language beginning with the word "not" down through line 21.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Massachusetts, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 390

Mr. KENNEDY. Mr. President, I call up my amendment No. 390 and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendment No. 390.

The amendment is as follows:

At the end of the Act, add the following new section:

SEC. . (a) The first sentence of section 2(c) of the Council on Wage and Price Stability Act is amended by adding "by and with the advice and consent of the Senate" after the word "President".

(b) Section 2(c) of such Act is further amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(c) The amendment made by subsection (a) of this section shall take effect immediately after the individual holding the office of Director of the Council on Wage and Price Stability on the date of the enactment of this Act ceases to hold that office. The amendment made by subsection (b) of this section shall take effect on the date of the enactment of this Act.

Mr. KENNEDY. Mr. President, this amendment would do two things. It would provide for the confirmation of future directors of the Council, and it would raise the position of directors from level IV to level III in the executive pay schedule.

The purpose of this amendment is to enhance the position of the director of the Council and bestow the kind of prestige and standing which this important position rightfully deserves.

At the present time there are some 59 positions at level III in the Federal Government, including a variety of agency heads and undersecretaries, as well as members of the Federal Reserve Board of Governors. Level IV has some 97 positions, which include many assistant secretaries, members of other agencies, and a number of general counsels and senior staff positions.

In addition, the requirement for Senate confirmation of future directors is desirable to permit the Banking Committee and the Senate to give specific consideration to the qualifications and abilities of any new designee for this position.

The confirmation requirement would not apply to Mr. Albert Rees, the incumbent director, who I believe has done an outstanding job in fulfilling the responsibilities of this office. But this shift to level III would take place immediately, so that Mr. Rees could obtain its benefit. Unfortunately, we hear that in the late summer or early fall, Mr. Rees may be leaving the Council. We are going to find it extremely difficult to replace him. Perhaps the increase of the level from level IV to III may provide some additional incentives, even though we will be hard-pressed to replace his talents, his energy and his industry in fulfilling his responsibility.

It does seem to me to be desirable to enhance the status Council and give it the kind of prestige it deserves. I am hopeful that this amendment will be accepted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PROXMIRE. Mr. President, I think this is a very important amendment because the head of this agency is the person who, more than any other, is responsible for conducting and administering the anti-inflation program.

There is a strong difference of opinion between this Congress and this President on an anti-inflation policy, and there would be whether we had a Democratic President and a Democratic Congress or otherwise. There always will be differences.

This is such a vital part of our domestic economy that I think it is most important that we have a clear, emphatic congressional input.

We all know from our experience in the Senate that our ability to confirm nominees is a very important aspect of affecting a policy.

The nomination of Governor Hathaway is now being considered by the Committee on Interior and Insular Affairs. It is no secret that the hearings will have a profound effect on the kind of environment policy this country follows in the next few years. I am not just saying whether Governor Hathaway is approved or not approved, but in the course of that particular hearing the position that Governor Hathaway takes, the understanding that Congress has of his position, is significant.

In the same way, it seems to me, when Mr. Rees leaves—and I would agree with Senator KENNEDY he has done an excellent job—when he leaves, it seems to me we should have the man who would succeed him before us, we should know what his policies are, what he intends to do about inflation. We should be able to apprise him of our views, and we should be able to get commitments perhaps under some circumstances from him.

Without the Kennedy amendment, we will not be in a position to do any of that.

For these reasons, I think it is an important amendment, and I am very happy to support it.

Mr. TOWER. Mr. President, I am perfectly prepared to accept the amendment of the Senator from Massachusetts. I am informed the administration supports it and, for the reasons cited by the Senator from Wisconsin and others, I think it is meritorious. Therefore, for the minority, I am prepared to accept the amendment.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

AMENDMENT NO. 380

Mr. KENNEDY. Mr. President, I call up my amendment No. 380 and ask for its immediate consideration.

The **PRESIDING OFFICER.** The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment No. 380.

The amendment is as follows:

At the end of the bill, adding the following new section:

SEC. . (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

Mr. KENNEDY. Mr. President, this amendment would provide three new senior staff positions at grade levels 16 to 18 for the Council. It would require that the Council give preference in this hiring to experts in various sectors of the economy. My expectation is that the positions would be filled in the so-called Wage and Price Monitoring Office of the Council.

It is my understanding now that five supergrades are authorized for the Council, and that they are divided among the Deputy Director, a General Counsel, a Public Affairs and Congressional Relations Office, an Office on Government Operations and Research, and Wage and Price Monitoring Office.

The purpose of the amendment is to give the Council modest additional staff in the area of its most critical functions, the monitoring of inflation in the private

sector. My hope is that the Council will use this authority to continue and expand its sector-by-sector approach to anti-inflation policy.

The spirit behind this amendment, Mr. President, is to try to create in this important area the kind of senior staff capacity which I think both the Federal Reserve and the Council of Economic Advisers have developed. I hope that the Council will be able to obtain senior economists, willing to take the time and effort to devote their energies to the kind of specialized responsibility which is so important if the Council is to be successful.

Although the administration itself has not specifically requested increases in this particular area, I believe Mr. REES indicated during the hearings that a modest increase would be acceptable. I have taken the opportunity to talk with others who have followed the functions and workings of the Council over the past 8 months, including some distinguished economists, and almost uniformly they agree that this additional assistance would be valuable and helpful.

What we are talking about is incidental in terms of the actual outlay of resources. In terms of providing Congress and the American public with information on the problem of inflation, the additional expenditures can easily be justified.

Mr. PROXMIRE. Will the Senator yield?

Mr. KENNEDY. I yield to the Senator.

Mr. PROXMIRE. I have mixed feelings about this amendment. I instinctively and automatically oppose any increase. The Federal Government is much too big. We should reduce the size. It is far too burdensome.

There is no question in my mind that under almost all circumstances when an agency does not specifically request an increase and the Budget Bureau does not approve it, Congress should not go ahead and increase it.

I do think this is one of those very rare exceptions. The No. 1 problem in this country, according to every poll I have seen today—not last year or last month, but today, when unemployment is high as it is—is not unemployment. In the view of most people, it is overwhelmingly inflation. That is the No. 1 problem.

Now, this agency—the only agency we have in Government that has exclusive responsibility, the fundamental responsibility, to combat inflation—consists of only about 25 professionals. Twelve of those professionals are concerned with the activities of the Federal Government, the inflationary activities of the Federal Government, and that leaves only about 12 or 13 professionals for the entire gamut of our private complicated economy.

I can understand how we could have as many as 100 or 200 people studying the steel industry alone, or studying the utility industry, or studying any number of other areas that would be under the jurisdiction of this agency. However, I think it is unnecessary to do that.

It is necessary, however, to have the most competent professional experts to man the position Senator KENNEDY is proposing here because what they can do is get details, and to do that, have the research done by the Commerce Department, by the Council of Economic Advisers, by the Treasury, by the Federal Reserve, the Labor Department, Agriculture Department, Housing and Urban Development, and the various regulatory agencies.

A great number of people can provide information, but we have to have the experts in the position to ask for it, to be able to analyze and understand it, and that takes a high degree of competence and what the Senator from Massachusetts (Mr. KENNEDY) is providing by what is a very modest amendment.

The Senator is only asking, I understand, for an increase in three positions. He is not asking 400,000. He is asking for only three people, so that we can have this additional capability in coping with the No. 1 economic problem in the minds of the overwhelming majority of the American people.

For that reason, I think this amendment does deserve support and I intend to vote for it.

Mr. TOWER. Mr. President, I should like to make a little legislative history here and I would like to ask for the attention of the Senator from Massachusetts.

Does the Senator comprehend that these experts could be in the field of labor and labor markets when he says various sectors of the economy? Could this include labor markets as well?

Mr. KENNEDY. They certainly could. But any fair review of areas in need of attention in anti-inflation policy would not be targeted primarily on wages, since wages have not been the cause of our recent severe inflation.

So far, the major investigations of the Council have been restrospective. It has investigated the large steel and sugar price increases effectively, but on an after-the-fact basis. What I am trying to do is provide some additional resources for the Council to do its job prospective, so it can look into the barn before the horse is stolen.

I hope they will be free to analyze various sectors of the economy, and will not be prohibited from getting into any area.

Mr. TOWER. I just wanted to make that point that they would not be proscribed from putting a labor economist on that could do what the Senator suggests: make prognoses on the impact on labor markets.

Mr. KENNEDY. That is correct. But I want to make it exceedingly clear to the Senator from Texas that the functions and workings of this Council have to be scrupulously even handed between business and labor. I think that is what all of us desire and want, and that certainly would be my intention in proposing this amendment.

Mr. TOWER. I would not disagree with the Senator from Massachusetts on that.

With that, Mr. President, I am prepared to agree to the amendment offered by the Senator from Massachusetts.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I would like to thank both the Senator from Wisconsin and the Senator from Texas for their support for these particular amendments.

I yield the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

AMENDMENT NO. 392

Mr. CHURCH. Mr. President, I call up my amendment No. 392 and ask for its immediate consideration.

The **PRESIDING OFFICER.** The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH), for himself and others, proposes an amendment No. 392.

The amendment is as follows:

On page 8, after line 23, insert the following new section:

SEC. 2. Section 5 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new sentence: "Nothing in this Act shall be construed to authorize or permit the Council to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security cost-of-living benefit increases authorized under existing law, it being the sense of the Congress that no such ceiling be imposed.".

Mr. CHURCH. Mr. President, the purpose of this amendment is to express the sense of Congress that no ceiling on social security cost-of-living increases be imposed. My amendment would also make it clear that the Council on Wage and Price Stability does not have any authority to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security.

This measure is also sponsored by Senators KENNEDY, WILLIAMS, MONDALE, CLARK, and RANDOLPH.

In his state of the Union message last January, President Ford called for a 5-percent ceiling for the July automatic adjustment.

As the author of the cost-of-living provision, I was deeply disturbed by this recommendation to thrust the elderly into the front ranks as inflation fighters.

The automatic escalator provision was designed to make social security inflation proof and to protect older Americans from the uncertainties of the political process.

President Ford's proposal, however, strikes at the very heart of this principle.

At a time when the elderly need help in fighting inflation, the President wants to place an arbitrary limit on social security increases due to them by law.

Social security beneficiaries are scheduled to receive an 8-percent across-the-board increase in July under the existing cost-of-living formula.

But if the administration's proposal should become law, the purchasing power of 31 million social security beneficiaries would be slashed by $2.1 billion.

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On an individual basis the administration's recommendation would have the following impact:

Average monthly benefits for retired couples are now scheduled to increase from $314 to $341 in July. But the administration's 5-percent ceiling would cut back benefits to $331, or $10 less per month.

Retired workers would be similarly affected. Average benefits would rise from $184 to $200 under the 8-percent cost-of-living increase. But their monthly payments would be $194 under the administration's proposal, or $6 less per month to spend on food, medicine, and other essentials.

Aged widows would also receive, on the average, $5 less each month to pay for everyday necessities.

For these reasons, I introduced legislation in January to express congressional opposition to any reduction in the social security cost-of-living adjustment. This measure would also nullify the proposed 5-percent lid for the supplemental security income program, since the SSI automatic escalator provision is pegged to the social security cost-of-living mechanism.

I was joined in this legislation by Senators KENNEDY, MONDALE, WILLIAMS, CLARK, and RANDOLPH. My resolution, I am pleased to say, received strong bipartisan support. All in all, 54 Senators—a clear majority—sponsored this measure.

The amendment that I introduce now is similar to Senate Concurrent Resolution 2.

The need for favorable action on this amendment is all the more compelling now.

Secretary of Health, Education, and Welfare Caspar Weinberger announced on April 25 that social security beneficiaries and SSI recipients are due an 8-percent cost-of-living increase in July. But he coupled the announcement with a renewed plea to limit the raise to 5 percent.

This amendment is also needed to place the administration on notice that the Congress will not be a silent partner to this ill-conceived recommendation.

Moreover, it can help preserve the rights of the elderly under existing law.

The automatic escalator was designed to protect the aged from inflation. Democrats and Republicans joined me in fighting for this goal.

President Ford's proposal, however, would completely undermine this objective.

I share the President's zeal to reduce unnecessary Federal spending in connection with the general effort to temper inflation. Quite clearly, there are numerous areas where spending can and should be trimmed. And I have supported such efforts.

But all of the possibilities to reduce the budget—and tighter spending controls are certainly needed—the administration could not have selected a more inappropriate target than the elderly to bear this burden.

For these reasons, I urge the adoption of this amendment.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. CHURCH. I yield.

Mr. TOWER. Do I correctly understand that the Senator's amendment would prohibit a recommendation issuing from the Council but would not prohibit an observation in the context of some sort of prognosis on future economic impact of various aspects of what goes cn in the economy?

Mr. CHURCH. Yes. The Senator is correct. The amendment simply provides as follows:

> Nothing in this act shall be construed to authorize or permit the Council to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security cost of living benefit increases authorized under existing law . . .

It seems to me that Congress has spoken in this area. It has adopted a policy and written it into law. The policy is that beneficiaries under the social security program will be entitled to automatic increases in their benefits based upon the cost of living.

Inasmuch as Congress has fixed the policy, I see no reason why the council should engage in recommendations that would change that policy. But observations concerning the overall economic situation or the place that social security fits in the general picture would not be prohibited by the amendment.

Mr. TOWER. With that understanding, then. Originally, I did not fully understand the amendment of the Senator from Idaho. I thought for a moment that it proscribed any mention at all and referred to an economic projection of some sort by the Council. This is one important aspect that cannot be ignored.

Therefore, with that understanding, although I am not wildly enthusiastic about the amendment of the Senator from Idaho, I will not oppose it.

Mr. CHURCH. I thank the Senator from Texas.

The purpose of the amendment is not to muzzle the Council. It is simply to put the Council on notice that Congress has established a policy in this field, and it will be up to Congress to change that policy if a change is considered necessary.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. PROXMIRE. Mr. President, although we did not have hearings on this amendment, and it is not really explicitly germane, I suppose, in a sense, to the bill before the Senate, I support the amendment. Senator CHURCH deserves a great deal of credit for offering it.

I have been back in my State a great deal lately, and I have found that the older people are concerned about whether they are going to get the 5 percent that the President favors or the 8 percent that Congress favors. There is great uncertainty in the country.

As I understand it, in order for the President's will to prevail and for the amount to be reduced from 8 percent to 5 percent, there has to be an action on the part of Congress—which is what Senator CHURCH is preventing today—his amendment will make it clear that the people of this country on social security will get their 8-percent increase.

Mr. President, there is no way I can see that this particular kind of increase will be inflationary. I realize that it is a whale of a lot of money, but let us recognize the situation we are in. Right now, we have 8.9 percent unemployment. We are operating far below our potential. We are operating at 65 to 70 percent of our capacity in manufacturing. There is every indication that unemployment will go to 9 percent or above by June 30. That is the time when this increase would be received.

This would not increase the payroll of the Federal Government. It would not establish a permanent program that would affect the economy in late 1975, let alone 1976, 1977, or 1978. The overwhelming majority of these people will have to spend that money, because it is a matter of survival. It will enable them to keep pace with the cost of living.

Since it is not inflationary, and since it serves the useful purpose of making absolutely clear to the people of this country that they will receive their 8 percent—30 million people are on social security—I think it is a most useful amendment, and I am happy to support it.

Mr. CHURCH. I thank the Senator. His remarks are extremely pertinent. He is one of the most knowledgeable Members of the Senate on economic matters.

I concur completely with the Senator's observation that one of the best ways to get money out to the people who need it and will spend it is simply to adhere to the automatic cost-of-living escalator device that Congress has already made part of the social security law.

Just a few weeks ago, we undertook to authorize sizable tax rebates, in the hope of stimulating an economic recovery. We have also endorsed larger public works projects for the same purpose.

I think there is no more efficacious way of getting money into the pockets of people who need it and who will spend it than the cost-of-living provision under the social security system. Moreover, this measure can have a stimulative effect on the economy and help to turn around our recession.

The second objective of this amendment is to express the sense of Congress that this device should not be revised. This measure puts the President on notice that Congress simply is in disagreement with his recommendation that cost-of-living benefits to social security beneficiaries should be limited to 5 percent this year.

For this reason, Mr. President, I hope that the Senate will adopt the amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. PROXMIRE. I think it would be very helpful to have a rollcall vote, because a rollcall would make it absolutely clear how the Senate stood. If the Church amendment is adopted by a rollcall vote in the Senate, then I think there can be no question in anybody's mind that we are not going to turn around between now and June 30 and adopt the President's proposal of only a 5-percent increase in social security.

For that reason, I hope we can get

enough Senators in the Chamber so that we can have the yeas and nays.

Mr. TOWER. Mr. President, we could go ahead and expedite this business by adopting the amendment by a voice vote, but sometimes we have to have some political rollcall votes around here. There is no question that this amendment will be accepted overwhelmingly.

I think it is fine to want to embarrass the President from time to time, and perhaps I have been a party to that, myself. But I really see no need for a rollcall vote, when this amendment could be adopted expeditiously by a voice vote. If we have to make a little politics here, I suppose we had better take the time away from further consideration of the people's business to have a rollcall, and I will certainly second the request for the yeas and nays.

Mr. PROXMIRE. I say to the Senator from Texas that I do not intend to embarrass the President of the United States, but he has asked for a 5-percent increase in social security. Spokesmen of the administration have reiterated that over and over. Literally millions and millions of people in this country think the President may prevail. This vote will clear it up. It will be a very useful way of doing it. Without a rollcall, there is no way. It could always be said that there was a voice vote; that only a few Senators were in the Chamber; and that if there had been a rollcall vote, the President would have prevailed.

Mr. CHURCH. Mr. President, I concur in the statement of the distinguished Senator from Wisconsin, and I ask for the yeas and nays.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, so that we can get a sufficient number of Senators in the Chamber to have the yeas and nays.

The PRESIDING OFFICER (Mr. FORD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that two tables that have been prepared be printed in the RECORD following my remarks in support of the amendment.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FISCAL 1976 COSTS OF 8 PERCENT AND 5 PERCENT INCREASES

	Social security	Supplemental security income
8 percent	$5,500,000,000	$180,000,000
5 percent	3,400,000,000	95,000,000
Difference	2,100,000,000	85,000,000

MONTHLY SOCIAL SECURITY BENEFITS: IMPACT OF PRESIDENT FORD'S 5 PERCENT CEILING AND THE 8 PERCENT COST-OF-LIVING ADJUSTMENT AS AUTHORIZED BY LAW (PUBLIC LAW 93-233)

	Present law rate (June 1975)	President Ford's 5 percent ceiling	8 percent increase authorized under cost-of-living formula
Maximum benefit for worker retiring in 1975 at age 65	$316.30	$332.10	$341.70
Minimum benefit for worker retiring at age 65	93.80	98.50	101.40
Average benefit, retired worker alone	184.00	194.00	200.00
Average benefit, retired couple both receiving benefits	314.00	331.00	341.00
Average benefit, aged widow	178.00	188.00	193.00
Average benefit, all disabled workers	207.00	218.00	224.00
Average benefit, mother and 2 children	439.00	461.00	474.00

Note: Projected cost of 8 percent cost-of-living increase for fiscal 1976: $5,500,000,000.

SEVENTY MILLION AMERICANS MAY EXPERIENCE THE DIRECT EFFECTS OF UNEMPLOYMENT IN 1975

Mr. HUMPHREY. Mr. President, when the President presented his economic report to the Congress, the unemployment rate was 8.2 percent; in April unemployment rose to 8.9 percent. In spite of the fact that unemployment today is higher than it has been since the Great Depression, the administration has consistently minimized its severity and has failed to propose a program designed to restore full employment.

How can unemployment be the focus of administration policy when the President of the United States says:

> Unemployment is the biggest concern of the 8.2 percent of American workers temporarily out of work. But inflation is the universal enemy of 100 percent of our people in America today.

I take issue with the President. The 8 million or more workers who are unemployed today represent only a fraction of those who will directly suffer the effects of unemployment during 1975. If our past experience is any guide, the number of people who will be unemployed at some time during the year or who live in a household with an unemployed worker will total over 70 million in 1975.

During the last recession year, 1971, when the monthly unemployment rate averaged 5.9 percent, 16.3 percent of the work force experienced a spell of unemployment sometime during the year. If a similar relationship hold in 1975, almost 25 percent of the U.S. labor force will suffer unemployment at some time during 1975. This means 24 million workers and their families could be affected—or a total of over 70 million persons. These are the numbers the President and his advisers should be studying—that one-third of the population will be directly affected by unemployment this year. Millions of others, the underemployed, the part-time employed, and businessmen, will suffer indirectly, through shorter work hours, smaller take-home pay, and lower sales and profits.

This week Congress for the first time has been concretely expressing its own economic program through action on concurrent budget resolutions. These resolutions reflect Congress rejection of the incredibly slow path which the administration recommended back to full employment. Yet the economy has fallen so far and so quickly during this recession, that even the congressional program implies unemployment rates above 7 percent throughout next year.

The Federal budget does not operate in a vacuum. Even if the outlays recommended by Congress take place, the strength of our economic recovery vitally depends on the cooperation of the Federal Reserve in supporting budget policy. In testimony before the Joint Economic Committee last week, Franco Modigliani reiterated that—

> Congress has cut taxes not for the purpose of having no deficit; not for the purpose of crowding out things; not for the purpose of raising interest rates, but for the explicit purpose of expanding real and money income. Real and money income cannot expand properly unless money supply grows with it. Therefore, if the Federal Reserve is to respect the will of the Congress it must make sure that in the initial phase, as the tax cut has its effect on aggregate demand, interest rates are kept constant and the money supply is increased as needed to maintain interest rates constant.

I maintain that in his testimony before the Senate Banking Committee last week, Arthur Burns expressed his intention not to respect the will of Congress. According to Dr. Burns, the Fed will aim in the next year to increase the money supply between 5 and 7½ percent. It has been the almost unanimous opinion of economists, business and labor leaders testifying before the Joint Economic Committee that the money supply should expand at least between 8 and 10 percent, and perhaps as much as 12 percent, during the year if the economy is to be restored to a path of sustainable growth. Without such support from the Federal Reserve, we could well experience again the short-lived recovery of 1958. Congress has and will provide stimulus to economic growth in the form of a tax cut and higher Government spending. But, as in 1958, the Federal Reserve apparently intends to restrain the forces of recovery that have already been set in motion.

By law, the Federal Reserve is a creature of the Congress. Yet in the policy expressed by Arthur Burns last week, it is clear that the Fed expects to follow its own independent economic program. Today's Congress is more aware than ever of the crucial supportive role that the Fed must play, and it will not permit it to abort a still tenuous recovery.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall vote which has been ordered on the amendment by Mr. CHURCH occur today at the hour of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 394

Mr. DOLE. Mr. President, I call up my amendment No. 394, as modified, and ask for its immediate consideration.

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The PRESIDING OFFICER. Does the Senator ask unanimous consent that the pending matter be set aside?

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Idaho be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment of the Senator from Kansas.

The legislative clerk proceeded to read the amendment, as modified.

Mr. DOLE. I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

INFLATIONARY IMPACT STATEMENT ACT

Section 1. Short Title.—That this Act may be cited as the "Inflationary Impact Statement Act of 1975".

Sec. 2. Findings.—The Congress finds that—

(1) inflation is one of the principal economic problems facing Americans;

(2) Federal programs and expenditures which Congress authorize have a significant impact on the economy and can play a major role in contributing to inflation;

(3) it is imperative that Congress, in keeping with its unique responsibility for balancing the possible adverse effects of programs it considers against the beneficial aspects of the same, be informed in advance of the impact on inflation of any legislative proposal to come before it for action.

Sec. 3. Inflationary Impact Statements.—(a) Section 403 of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and";

(3) by inserting after paragraph (2) the following new paragraph:

"(3) an inflationary impact statement relative to such bill or resolution covering the fiscal year in which it is to become effective and each of the four fiscal years following such fiscal year. As used in this paragraph, the term 'inflationary impact statement' means an estimate, to the extent practicable, of the probable impact of a particular bill or resolution on the aggregate rate of inflation and the cost of goods and services to be affected by its enactment. Such estimate shall be based on the amount of new budget authority contained in such bill or resolution, as well as the new budget authority at specified projected levels assumed to be authorized by subsequent legislation, unless, with respect to any fiscal year for which an estimate is required, the Director determines that it is improbable that outlays will occur."; and

(4) by striking out "estimate and comparison" in the last sentence and inserting in lieu thereof "estimate, comparison, and statement".

(b) The provisions of subsection (a) are enacted by the Congress as an exercise of its rulemaking power as provided by section 904 (a) of the Congressional Budget Act of 1974.

Mr. DOLE. Mr. President, as I indicated in my remarks yesterday on page S7371 of the Record, this amendment incorporates the language of S. 15—a bill I introduced on the first day of this session.

It would, briefly, place on the Congressional Budget Office a requirement very similar to that sought to be established for the Wage and Price Stability Council through an amendment offered by the distinguished floor manager Mr. Proxmire and the Senator from Minnesota (Mr. Humphrey).

That is, it would call for the Congressional Budget Office to prepare "Inflationary Impact Statements" in connection with any legislation reported for consideration by a House or Senate committee. The House already has such a concept built into its rules, but there is no official stipulation as a matter of law.

Since we are today discussing the purpose and objectives of the Council on Wage and Price Stability, it seems entirely appropriate that we should address ourselves to its primary responsibility—that of reviewing the probable inflationary impact of governmental programs and policies. Moreover, we should seek to assist the Council in reaching its specified objectives by ourselves reviewing, in advance, the probable inflationary impact of legislative proposals on which we must vote.

Certainly, a thorough evaluation of such statements as I am recommending would not only complement the activities of the Wage and Price Stability Council, but would also enable us to directly analyze and share responsibility for the long-run fiscal consequences of any new governmental spending program which we enact. The time to begin that assessment is now—while inflation is at least at a comparative manageable level.

Because this amendment is rather basic in its thrust—and completely understandable in its need—I would hope that the committee might accept it as a welcome and noncontroversial addition to S. 409. While, admittedly, it has not yet been the subject of special hearings, I hasten to point out that we are all familiar with inflation and its impact—and can easily recognize the benefit to be derived from the added information contained in an analytical statement in both.

Therefore, I think it would be prudent as well as advisable to proceed with action which would impose on ourselves the requirement for preparation of these inflationary impact statements. It has been nearly 8 months now since I first introduced the principle—and almost that long since the President asked the Congress to formally endorse it—so one can hardly say we should put it off any longer in favor of further deliberation.

Mr. President, before inviting the response of the distinguished committee chairman (Mr. Proxmire) on this amendment. I would like to ask unanimous consent that the Senator from Ohio (Mr. Taft) be designated as a principal cosponsor. I also wish to reiterate from my statement yesterday that Senators Buckley, Fannin, Thurmond, Hansen, Young, Curtis, Garn, Domenici, McClellan, Laxalt, Bartlett, Helms, Proxmire, and Goldwater have previously indicated their support of its merits through cosponsorship of the original bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. PROXMIRE. Mr. President, I am in a rather difficult position on this matter. I was not an original cosponsor of this amendment. But I do favor the idea very strongly. I think it is one of the most important and significant actions to be taken to cope with inflation.

There is not any question that the Federal Government, and by our legislation especially Congress, is strongly responsible for the kind of inflation we are suffering now and may be responsible for a far worse inflation in the future.

All this amendment would do would be to give us notice of the effect of legislation on prices, or the expected effect, and it would use the Congressional Budget Office, which has a very strong and large staff, to do the job.

The reason I am in a difficult position on this amendment is that the chairman of the Budget Committee was informed that I would like to oppose the amendment—I do not know how he got that information; it was a mistake that he was told that—in part, on the grounds that I do not favor the enactment without hearing or consideration by the Committee on Government Operations. I think the chairman of the Budget Committee should know about it. After all, it is his staff that is going to have to do this work. It is going to take a tremendous amount of time and effort. He may need a larger staff to do that.

But I cannot think of money better spent for the economy than in this way, and in view of the fact that I have taken the consistent position that I favor this amendment—in fact I proposed it more than a year ago—I do not see how I can possibly oppose the amendment now. I find I must support it, and I will support it. I intend to vote for it, and I hope that the committee can accept the amendment.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. DOLE. In response to the Senator's concern over the additional burden which the requirements of this amendment might place on the staff of the Budget Committee, I would like to point out that it actually only contemplates another delegation of responsibility to the Congressional Budget Office—and not to the committee itself.

The Senator from Kansas is a member of the Budget Committee and is fully aware of the workload carried by its staff in complying with existing provisions of the Congressional Budget Act. But while I agree that the chairman of the committee should know about this new function, I want to stress that the extra involvement from his standpoint would be limited to reading and commenting on the Congressional Budget Office findings—once the bill in question is brought to the floor.

Mr. PROXMIRE. That is very helpful. Can the Senator give me an estimate as to the amount of man-hours that he thinks this might require? Does he have any notion of the burden this would impose on the Congressional Budget Office?

Mr. DOLE. No, not with any degree of certainty, and of course, it would depend on the particular legislation being considered.

I can say, however, that section 403 of the Budget Act already requires a two-step cost analysis to be performed by the Congressional Budget Office, and my amendment would simply add a third. Thus the number of man-hours should not be substantial, and in any event, would be time well spent.

The Congressional Budget Office is currently in the process of "staffing up," and once this is completed and they are ready to go—which I assume will be in the next few months—they will be required to submit this estimate of costs to the appropriate committee.

They are also required by paragraph (2) of section 403 to include a comparison of their own projections with those of the administration and the committee having jurisdiction. So again, this amendment would simply add a third feature to their report—that of an inflationary impact statement relative to the bill or resolution in question covering the fiscal year in which it is to become effective and each of the 4 fiscal years following.

The purpose of such a statement would, of course, be to let both ourselves and the public know what economic impact would likely result from a bill introduced by the Senator from Wisconsin, or one proposed by the Senator from Kansas. So I really believe it would be a worthwhile and productive undertaking, consistent with requirements already in the law.

Mr. PROXMIRE. On page 2, line 21 of the Senator's amendment the phrase "to the extent practicable" appears, and the sentence reads as follows:

> As used in this paragraph, the term "inflationary impact statement" means an estimate, to the extent practicable, of the probable impact of a particular bill or resolution on the aggregate rate of inflation.

Who determines the extent practicable, the Congressional Budget Office?

Mr. DOLE. The Senator is correct. It is implicit in the entire section that the Director of the Congressional Budget Office will necessarily have that discretion.

Mr. PROXMIRE. I strongly favor the amendment. The only real concern I have now is that whether or not this will be regularly communicated in a conspicuous way so Members of Congress will know. I think we have had some provisions in the past in the law that require that there will be information as to the fiscal impact of legislation, and I introduced legislation last year that would require a fiscal note to be put on the front of every bill that would tell us what the legislation would cost that year and the ensuing 5 years.

Perhaps it would not be practical to put the inflationary impact statement in that position, but I would hope that it would be given as conspicuous a position as possible so that it is not covered up in any way, and we are all fully aware of the inflationary effect of what we are voting on.

Mr. DOLE. It is the intent and understanding of the Senator from Kansas that such a statement would be required to accompany every report on a bill or resolution coming out of a committee, except for appropriations. That is already set out in the relevant portion of the law I am proposing to amend.

In that way, information on the inflationary impact over a 5-year period would be right there before us and the public. It seems to me, then, that we would be on notice, and then on record as voting for or against after knowing what the consequences will be.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator, and I think it is a very good and useful amendment. We should have adopted it long ago. Had we done so we probably would not be suffering from the kind of inflation we have been suffering during the last 2 years, and for that reason I am happy to support the Senator's amendment.

Mr. TAFT. Mr. President, I am pleased to join the Senator from Kansas (Mr. Dole) as a cosponsor of his amendment identical to S. 15, the Inflationary Impact Statement Act of 1975.

This legislation is a combination of separate bills which the Senator from Kansas and I introduced in the last Congress. We combined our efforts and those of the bills' cosponsors to introduce this legislation on the first legislative day of the 94th Congress, because it is crucial that Congress evaluate the total cost rather than simply the budget cost of legislative proposals. This legislation will foster those types of evaluations.

Basically, S. 15 and the amendment would require the new Congressional Budget Office to supply the Congress with an estimate of the impact on the aggregate rate of inflation and the cost of goods and services affected for 5 fiscal years, of any legislation which is reported by congressional committees for further congressional consideration. In my view, the enactment of this requirement would be a great advance over the important step forward this congress took when it imposed a similar reporting requirement for projected actual Federal budget costs of legislative proposals in the Congressional Budget Act of 1974.

In last year's economic summits and debate on the inflation problem, it has been emphasized that Government programs are often considerably more costly to consumers than their direct cost in terms of Government funding. For example, the expense of just completing required paperwork for the Government has been estimated to be $50 billion per year. Government safety and antipollution standards have added $320 to the cost of a new car over the last 4 years; milege requirements which would bring about a 30 to 40 percent improvement in miles per gallon would add another $200 to $400 to the price of a new car by 1980. The use of tariffs and import quotas to protect domestic industries costs consumers $10 billion per year in higher prices. When the medicare and medicaid programs were put into effect, the additional pressure on hospital services helped increase the inflation rate from about 8 percent per year to around 12 to 15 percent.

All too often, these types of Government-induced inflation escape adequate legislative attention because they do not show up in the Federal budget. Congress clearly should decide whether such programs or requirements are worthwhile only after facing up to their total inflationary impact.

In recognition of this problem, President Ford recently announced that future new Government regulations would carry an inflation impact statement. However, the imposition of that requirement at the regulation stage is only part of the battle. It is probably even more important that overall impact on inflation be considered fully at the time the Congress shapes the basic legislation which determines the structure of the Government's programs. Thus, I feel that President Ford was on target when he urged Congress several months ago to pass legislation such as this amendment promptly. I am hopeful that the 94th Congress will fulfill that responsibility.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Ford). There is no time limitation.

The question is on agreeing to the amendment (No. 394) of the Senator from Kansas.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:45 P.M.

Mr. PROXMIRE. Mr. President, I move that the Senate stand in recess until 1:45 p.m. today.

The motion was agreed to, and at 12:30 p.m., the Senate recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Culver).

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. TAFT. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill add the following new section:

Sec. . Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related develop-

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ments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment."

The PRESIDING OFFICER. The Senator from Ohio is advised that the amendment is not in order at this time due to the fact that there is another amendment pending. However, it could be made in order upon a unanimous-consent request.

Mr. TAFT. Mr. President, I suggest the absence of a quorum at this time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Would it be in order at this time to ask that the amendment which I have just introduced and which is pending at the desk be made the order of business after the vote on the Church amendment at 2 o'clock?

The PRESIDING OFFICER. That would be in order if agreed to by unanimous consent.

Mr. TAFT. Mr. President, I ask unanimous consent that my amendment which is pending at the desk be made the order of business immediately after the vote on the Church amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 2 o'clock having arrived, pursuant to the previous order, the question is on agreeing to the amendment of the Senator from Idaho (Mr. CHURCH). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Wyoming (Mr. HANSEN) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 76, nays 13, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—76

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—13

Baker
Fannin
Garn
Goldwater
Griffin
Helms
Hruska
Laxalt
McClure
Percy
Scott,
  William L.
Stevens
Tower

NOT VOTING—10

Buckley
Bumpers
Curtis
Eastland
Gravel
Hansen
Mathias
McGovern
Metcalf
Sparkman

So Mr. CHURCH's amendment was agreed to.

The PRESIDING OFFICER. (Mr. PACKWOOD). Under the previous order, the Chair lays before the Senate the amendment of the Senator from Ohio (Mr. TAFT), which the clerk will state.

The legislative clerk read as follows:

The Senator from Ohio (Mr. TAFT) proposes an amendment, at the end of the bill, to add a new section.

Mr. TAFT's amendment is as follows:

At the end of the bill add the following new section:

SEC. —. Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment."

Mr. TAFT. Mr. President, the amendment before the Senate is very simple. It requires the Federal Energy Administration to include, in its quarterly energy information reports, information on pricing and related developments in the coal industry and other major energy industries not subject to Federal price regulation. It also requires an assessment and report as soon as practicable on the relationship between these price-related developments and national energy policies, including any recommendations the Administrator of FEA may wish to make.

Largely because both crude oil and natural gas prices have been subject to a degree of Federal price controls, prices in these industries have been carefully monitored. Exhaustive analyses have been done concerning the relationship of these prices to our national energy policy and goals. Unfortunately, probably because it is a major energy source not subject to any such controls, to a large extent the coal industry and pricing developments within it have escaped this scrutiny. The drastic recent price increases in that industry, resulting partly from the artificially high OPEC oil prices, are a good indication that this lack of attention has not been warranted.

I feel it is about time we remedied this situation. Because of the abundance of coal in America, particularly in Ohio and other States of the Midwest, it is bound to play a major continuing role in the national energy picture and expanded production is crucial. As we try to assess what actions and policies are desirable in the energy field, it is important that we understand what is happening to coal prices. Regular and continuing analyses are particularly important in view of major complicating factors, such as the effect of any strip mining legislation.

But there is another reason, more pressing at the moment, why we must correct this situation immediately. Consumers from my State and many others are beset by staggering increases in their electricity bills. They want to know what is happening and why, and they deserve answers.

This amendment will promote a new understanding of the electric utility situation. Electric utilities now account for about 70 percent of the coal market. Almost 40 percent of the electricity generated in the United States in 1973 was based on coal. Obviously, the average increase between September 1973 and September 1974 of almost 200 percent in coal spot market prices and about 45 percent in contract prices could have a direct relationship to many consumers' skyrocketing electricity bills. They deserve a continuing monitoring of coal prices, and an analyses now to assess and evaluate the price increases which have already occurred.

This amendment does not try to bias in any way the recommendations FEA may make after it reviews the coal price situation. It is designed solely to correct the present lack of attention to coal pricing developments, relative to prices in the energy industries subjected to direct Government controls.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PROXMIRE. As I understand this amendment by the distinguished Senator from Ohio, what it does is correct an omission in previously enacted legislation, in that it simply requires, particularly with respect to coal, but also to other fuels that might also have been omitted, we have the benefit of information which is made available; and also the Senator is calling on the Wage-Price Council to make a study?

Mr. TAFT. It is the FEA that is required to make the study and assessment involved.

Mr. PROXMIRE. The FEA, I see.

Has the Senator from Ohio discussed this with the Interior Committee?

Mr. TAFT. The amendment has been discussed with both sides on the Committee on Interior and Insular Affairs. They have no objection to it, and I think would go along with the amendment.

Mr. FORD. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. TAFT. If the Senator from Wisconsin has completed his questions, I am glad to yield to the Senator from Kentucky.

Mr. FORD. Will the Senator explain to me again what this amendment would do to the price of coal?

Mr. TAFT. I would advise the Senator that it will not do anything to the price of coal. It does not put any controls on the price of coal in any way. What it does is to require the FEA in its quarterly report on other energy sources to report as to what is happening with regard to the supply and the price of coal, and assess price developments from the standpoint of national energy policy.

Mr. PROXMIRE. As I understand it, this is simply an informational amendment requiring that when FEA makes its quarterly reports to include coal and other fuels; is that correct?

Mr. TAFT. The Senator is correct in his understanding. The FEA would have to report on price trends in these industries and to make an assessment of price developments.

Mr. PROXMIRE. It does not provide any limitation on the price of coal?

Mr. TAFT. There is no limitation at all. As I made clear, there is no bias at all as to what direction the FEA might recommend, or what it thinks might be done about the situation.

Mr. PROXMIRE. Mr. President, I think this is a useful amendment. It gives information we otherwise would not have, and I congratulate the Senator from Ohio on offering the amendment.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield to the Senator from Texas.

Mr. TOWER. This is not suggesting a bias toward price controls?

Mr. TAFT. It certainly is not. The Senator is correct. I think that such a bias might be very unfortunate.

Mr. TOWER. As a matter of fact, it could suggest that perhaps the price increases might be desirable as an incentive for greater production and for reintroduction of more capital to reinvest in the energy business; is that possible?

Mr TAFT. The Senator is absolutely correct; the problem of the finding of the capital to put into the coal business would have to be addressed by FEA. It costs millions and millions of dollars to open the new mines we are going to have to open in the next few years. I think public information on all such price-related matters is extremely important, and I think it is also important that those who pay additional utility bills have the information on which they can judge whether the utility rate increases that result from the increases in the price of coal are justified.

Mr. TOWER. Yes.

Mr. TAFT. I think it will help both consumers and the regulatory agencies around the country

Mr. TOWER. I thank the Senator from Ohio, and on that basis I have no objection to the amendment.

Mr. TAFT. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio (Mr. TAFT).

The amendment was agreed to.

Mr. STEVENSON. Mr. President, I have an amendment at the desk which I call up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end thereof insert the following:

That section 2 of the Council on Wage and Price Stability Act is further amended by adding at the end thereof the following:

"(g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpoenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents relating to wages, prices, costs, profits, and productivity by product line, or by such other categories as the Council may prescribe to carry out the purposes of this Act, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council."

Mr. STEVENSON. Mr. President, I offer this amendment on behalf of myself, also the Senator from Minnesota (Mr. HUMPHREY) and the Senator from New York (Mr. JAVITS). The purpose of this amendment is to confer subpena and information-gathering authority on the council. Such authority is essential if the council is to do an effective job.

The Council on Wage and Price Stability was created to identify the causes of inflation, expose inflationary behavior to public scrutiny, and temper irresponsible wage and price increases. To fulfill its mandate, the Council is required to review and analyze economic concentration, anticompetitive practices, and the inflationary impact of governmental policies and programs.

It is required to work with labor and management in sectors of the economy having special economic problems in order to improve the structure of collective bargaining as well as to improve the performance of those sectors in restraining prices. The Council is required to improve wage and price data bases in order to improve collective bargaining and encourage price restraint. It is required to conduct public hearings in order to provide public scrutiny of inflationary problems. And it is required to monitor the economy as a whole by acquiring reports on wages, costs, productivity, prices, sales, profits, imports, and exports.

This is a monumental task requiring a high degree of accurate information. But the Council's ability to acquire such information is seriously impaired by the lack of compulsory process. When met with a refusal to supply information essential to fulfillment of its statutory responsibilities, the Council is without remedy. The result is to undermine the Council's effectiveness in carrying out its mandate.

Our amendment would rectify this defect by empowering the Council to compel disclosure of the information it needs to do an effective job. Its Chairman, Dr. Rees, now acknowledges the need for subpena power. Specifically, the amendment would authorize the Council to require periodic reports and to subpena information and witnesses when necessary to carry out the purposes of the Wage and Price Stability Act. It would convey no new substantive authority. Instead, it would give the Council the minimum necessary tools to fulfill its existing responsibilities.

Mr. President, for those reasons, I urge its adoption by the Senate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. STEVENSON. Mr. President, I happily yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I do hope the managers of this bill will see fit to accept this amendment. It is, I think, long overdue. It will, as the distinguished Senator from Illinois has so well pointed out, strengthen the stability of the Council, and it will give Congress information that it will need from time to time.

The Joint Economic Committee has from time to time recommended this very amendment, after hearings. Dr. Rees appeared before the Joint Economic Committee and, under cross-examination from members of the committee, recognized the helpfulness of this particular proposal.

I am very pleased to join with the Senator from Illinois in its sponsorship, and trust it will be adopted.

Mr. STEVENSON. Mr. President, I thank the Senator for his comments and I am glad he made the additional point. With this power, the Council can make available information to Congress as well as itself in the execution of its responsibilities.

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Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I also support the amendment of the distinguished Senator from Illinois. I think this is a necessary amendment.

The bill as it was originally drafted contained this provision. We took it out in committee, and one of the reasons why we took it out is that we took out the part to which this was specifically attached.

We provided for a product line disclosure, and we recognized that would not survive in committee, and probably would not survive on the floor, so we have not offered it.

However, we questioned Dr. Rees when he appeared before the committee on this particular amendment the Senator is now offering in the event we did not have that product line disclosure and this was the reaction of Dr. Rees. I quote from page 21 of the hearings:

> I would have very little objection to a subpena power provision if it were combined with our present disclosure provision. Under those circumstances I would think that we would not have to use it very often. It would not be our intention to use it very often, but there might be occasions when we would find it useful.

So that is a mild kind of approval but, considering the very strong opposition there had been to the previous part of the bill, it seems to me that this is something we can provide.

Furthermore, Mr. President, if we want a commission that is not going to be a namby-pamby commission that can be pushed around, and can do something about inflation—which is the No. 1 economic problem in the minds of most Americans, according to every poll I have seen—we need to have the muscle on the part of the Wage-Price Board to secure information even when businesses and unions do not want to release it, do not want to disclose it.

As Dr. Rees said, they would use it sparingly, they would use it rarely. They have been a very temperate board, but there are occasions, he said, when they could find it useful. It seems to me we would make a mistake if we did not provide the board with that kind of power.

Earlier today, I think the Senators ought to realize, we limited the life of this commission so that it expires on June 30, 1976. It will last for only a year. So that in the event the Senate has second thoughts on this, in the event this power is abused, we can then change it at that time.

I might point out, Mr. President, that every standing committee of the U.S. Senate and the House has subpena powers. We have the powers; we find them useful. We use them sparingly but when we do use them we often find it is necessary, and without them we would not get information which is essential to the public's business.

So for all these reasons, Mr. President, I am happy to support the Senator from Illinois, and I congratulate him on offering the amendment. It does strengthen the bill substantially.

Mr. STEVENSON. I thank the Senator from Wisconsin, Mr. President.

I would like to add that, following his testimony before the Banking Committee to which the Senator from Wisconsin referred, Dr. Rees strengthened his statement in support of subpena powers. His subsequent experience within the Council indicated the need for subpena powers. He said that the Council, in the course of its investigation of the sugar industry, was unable to obtain the information it sought; in the case of the steel industry it received cooperation from about two-thirds of the firms, but it received very little information from the other third. Based on such experience, such frustration in the exercise of its inflation-fighting responsibility, it is my understanding that the Director of the Council on Wage and Price Stability now strongly supports such subpena powers and, in my own opinion, without such power the Council is little more than a charade.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois (Mr. STEVENSON).

Mr. TOWER. Mr. President, I oppose this amendment. This amendment would authorize the council to issue subpenas to obtain information from private sources or require periodic documents and reports relating to wages, prices, costs, profits, productivity by product line or any other categories deemed appropriate.

This amendment was considered, but not agreed to, by the members of the Banking Committee in considering the original version of S. 409. I believe it is fair to say that it was not included in the bill reported from the committee because it: First, represents a substantial broadening of the Council's power; second, the usefulness of a product line data is highly controversial and questionable; and third, the requirement for documentation and recordkeeping would impose an unnecessary and unjustifiable burden on the private sector of the economy.

The authorization for the Council to issue subpenas and required recordkeeping is the first step back toward the type of mandatory controls program in effect from 1971 to 1974. Although the information which the council would obtain through these means would not be subject to public disclosure, it would lead eventually to pressure for such information being disclosed to the public.

Once such information was disclosed, there would be pressures for requiring the Council to take action in cases where wage or price increases may appear unjustifiably large.

The requirement that such information be made available along product lines is particularly worrisome. This authority would require businesses to disclose to the Council their pricing data for individual product lines. The committee heard expert testimony from a number of witnesses who questioned the usefulness of such information. For example, Robert Mautz, certified public accountant and partner of Ernst & Ernst, testified that there are no generally accepted accounting principles yet established to provide guidance and to assure some degree of uniformity, reliability, and comparability in the preparation and presentation of line of business reports. The Financial Accounting Standards Board, the independent authoritative body established within the private sector to establish financial accounting standards, has been studying this issue for some time now and is expected to reach a decision on proposed financial accounting standards relating to line of business reporting in the near future. In the absence of such standards, widely diverse methods of accounting will mean that the usefulness and understandability of such data will be largely destroyed.

The entire issue of product line reporting is now receiving a great deal of attention because of a Federal Trade Commission order calling on 345 large firms to file specified line of business information with the FTC under stated conditions of confidentiality. At the present time the FTC is in litigation in two district courts over this very issue.

A major problem is the start-up costs for line of business reports. The Federal Trade Commission, on the one hand, has stated its belief that the cost of obtaining line-of-business data from the Nation's largest 345 corporations will be modest in relationship to the substantial benefits which will result. However, it has been estimated that the total initial cost of the first report from these 345 companies will be about $190 million. As Murray L. Weidenbaum has noted in a study of Government-mandated price increases:

> This may be a "modest" sum from the viewpoint of the government, but it is a substantial overhead cost to the companies involved and ultimately will be passed on, in good measure, to the consumer.

I ask unanimous consent to have printed in the RECORD a table showing the estimated start-up costs for FTC line-of-business reports. For the 25 companies shown in that table, the estimated cost would total more than $13½ million.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED START-UP COSTS FOR FTC LINE-OF-BUSINESS REPORTS

[In thousands]

Company	Estimated mean start-up costs
American Metal Climax	$75
Anaconda	1,000
Combustion Engineering	100
Crown Zellerbach	100
Deere	1,000
Dow Chemical	400
DuPont	500
Ex-cell-o	350
Exxon	1,000
General Instrument	100
Inland Steel	100
Lear Siegler	400
McGraw-Hill	45
Mobil	500
Nabisco	100
Northrop	300
Outboard Marine	100
R. J. Reynolds	1,000
Singer	500
Standard Oil, California	800
Union Carbide	1,100
U.S. Steel	2,000
Varian Associates	63
Westinghouse	2,000
Westvaco	75
Total	13,708
Mean	548

SOURCE.—U.S. Congress, Senate, Subcommittee on Budgeting, Management, and Expenditures of the Committee on Government Operations, *Hearings on Corporate Disclosure*, 93d Congress, 2d session (1974), p. 922.

Mr. TOWER. Mr. President, this leads me to the final concern which I have regarding this amendment, and that is, the unnecessary and unjustifiable burden which it would place on the private sector. In view of the questionable nature of the information which would be received, I have serious doubts that the benefits of such information will outweigh the costs. Perhaps the amendment's author can provide me with some idea of what this information may mean in terms of dollar benefits.

I recognize that Dr. Rees, Director of the Council on Wage and Price Stability, testified before the Banking Committee that he had no objection as such to a periodic reporting requirement on a product line basis, providing the Council were permitted to aggregate such data and to reveal the resulting totals to the public. In spite of this, I remain convinced that subpena power and authority to require recordbreaking would give new direction and meaning to the Council's authority and in the end would result in the Council on Wage and Price Stability ultimately becoming the Cost of Living Council in everything but name.

Mr. President, let us make no mistake. If we have rejected in the committee, we have rejected on the Senate floor the idea of mandatory wage and price controls.

This is a means of going back to wage and price controls through the back door and I think that this amendment, if adopted, will set up an anticipatory reaction throughout the business community which is precisely the thing we do not want.

As a matter of fact, having laid wage and price control to rest last year, I wish we had not even taken it up this year because I fear it has already had an anticipatory effect.

Maybe we have forgotten what a disaster wage and price controls were, but they were a disaster. Wage and price controls created inequities, distortions, dislocations, anomalies, and shortages that helped bring about the economic phenomenon we see in the United States today.

Nobody wants to return to wage and price controls. Business does not want to return to them, labor does not want to return to them, agriculture does not want to return to them; nobody wants to return to wage and price controls.

Obviously a few people in Congress would like to return to them. But it seems to me that once having been burned by wage and price controls we should have learned a lesson from very recent history that we should not move back in the direction toward a program that failed, and perhaps had a great deal to do with the present inflation-recession phenomenon we find ourselves in.

So make no mistake. This is a backdoor approach to wage and price controls, and I fervently hope that the amendment will be rejected. If it is not rejected, I shall recommend to the administration that the bill be vetoed because I do not think that the value of the Council on Wage and Price Stability—and it has functioned well and I think has done some valuable work—and the benefits that are derived from the existence of that organization exercising its present authority outweigh the evil that would be wrought by the acceptance and the passage of this amendment, and the passage of the act with this amendment included therein.

I fervently hope that the Senate will reject this amendment.

Mr. PROXMIRE. Will the Senator yield?

Mr. TOWER. I yield the floor.

Mr. PROXMIRE. Mr. President, my good friend from Texas has just used a howitzer to kill a fly. He is talking about a return to wage and price controls.

Nobody, as far as I know, on the committee or in the Senate wants to return to wage and price controls. I voted against them in 1970.

I certainly think what the Senator has said about wage and price controls is largely correct. I support that.

This is not a return to wage and price controls in any way, shape, or form.

Furthermore, Mr. President, all the Stevenson amendment would do would be to provide that the Wage and Price Review Board has the authority to issue subpenas, the authority to require periodic reports and not the authority, and it is very clear they would not have the authority, to make this product line information public.

All they would be able to do is get this information for analytical purposes to determine whether or not there was the basis for discussion and negotiations with a particular firm to try to hold down prices that would be, in their view, considered to be inflationary.

I call the attention of the Senate to page 18 in the report, in the hearing record, and to the testimony by Mr. REES when he said:

> As a practical matter, subpoena power may not make a significant contribution to the Council's monitoring activities because of the long time necessary to compel compliance should a firm choose to fight a subpoena. On the other hand, subpoena power could produce more prompt or more complete voluntary submission of data, since the firms or organizations from whom information is requested will know that it could be subpoenaed if necessary.

So that all this is a fly swatter in the closet, not a shotgun, in the event that this information is not forthcoming.

This, as we know, is a wage and price board which has been extraordinarily moderate and modest in their demeanor and in their attitude. We have had testimony from Dr. Rees that he would not use this very often. We have the record of his performance in office.

On the other hand, it seems to me that the consumers of this country need all the assurances they can get that we do have a wage-price monitoring board that is doing something, that is keeping track of this inflationary situation, and that is in a position to report to the people of the United States on what is going on and what the inflationary forces in the economy are.

Mr. BROCK. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Tennessee.

Mr. BROCK. I am a little surprised at the Senator's statement. I appreciate the fact that we have this benign little old agency down there that is trying to do good for everybody and does not want to do anybody harm. That is a marvelous thing. Maybe it is not typical of all Federal agencies. But the problem is not that they would abuse the subpoena power with this directive. When we pass a law, we pass a law that applies to an agency and its authority, period. I do not know who the next director will be.

We go back to the good old saying, are we a government of laws or a government of men? We pass laws based upon their merit and based upon the quality of the individual who will implement that law.

Mr. PROXMIRE. Will the Senator yield?

Mr. BROCK. Yes.

Mr. PROXMIRE. I think the Senator makes an excellent point. He is absolutely correct. We should tailor these laws so that if we have any kind of an administration down there that, as a consequence, would be adverse to the public there would be a remedy. I think that is the case with the Stevenson amendment.

There is no question in my mind about the principal fears which the business community has, and I understand those fears very well, that if product line information is made public their competitors might gain, they might be put at an international competitive disadvantage, that all kinds of disadvantages might or might not develop. This has been their argument. But no argument was made at any time in the hearings, and I think I was at every hearing we have had and I have read the Record carefully, that this council, any council, since they are prohibited by law from disclosing this information, would be in a position to abuse business or adversely affect their competitive position.

Mr. BROCK. Let us go to the second point. The Senator says that all they want is this information so that they can discuss this information.

Mr. PROXMIRE. And analyze it.

Mr. BROCK. What do they want to analyze it for?

Mr. PROXMIRE. The reason they want to analyze the information, of course, is so that they will be in a position to make the proper recommendations.

Mr. BROCK. Make recommendations to whom and what for?

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Mr. PROXMIRE. I will read to the Senator from Tennessee what is intended. On the basis of the information they get and without disclosing the product line information, they can then conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy. That is their mandate under the law. That does not, in any sense, mean that they are empowered—in fact, they are prohibited by law—to disclose product line information. So the main concern of business is protected.

Mr. BROCK. I am not so worried about disclosure of product line information. I am not so worried about any dot and tittle that they come up with on a particular report. I am worried about the report itself, and what it implies.

Let me just take the Senator through a hypothetical case. We have a company with 10 product lines. They come in and says, "Well, look here. You have 28 percent profit on this particular line. You are really gouging the public. That is too much. You do not need that much."

Does the Senator honestly think they will criticize the company for having a loss on another product line? Will they single out the 28 percent profit and maybe hold public hearings on that in order to put the screws on that company?

Mr. PROXMIRE. I would agree with the Senator from Tennessee that the concern by business about product line revelation is not very well based, if that is what he is saying. However, what I am saying is that these trained economists, these experts who serve on the Wage-Price Monitoring Board, will be in a position to understand. There may be full justification for a very high profit on some lines.

Mr. BROCK. They never seem to understand that, though.

Mr. PROXMIRE. This would not be made public. There would be no basis for it to be exploited either by demagogues or by competition. But it would be useful to the agency to see that in the event that there is a situation where a firm is charging a wholly unjustified price because of certain advantages they may have, that then they may move in to discuss it with them, to find out why, and perhaps to negotiate a reduction in price.

Mr. BROCK. So, in effect, that is getting back to controls, is it not?

Mr. PROXMIRE. No.

Mr. BROCK. Is that not what the Senator from Texas was just saying? The only purpose the Senator has cited to me is to get some information so they can go back to the company and crack down on them. There is not any other single purpose for product line reports.

Mr. PROXMIRE. If the Senator from Tennessee is saying that we should not have legislation on the books, we should not have a law on the books, to try to hold down unjustified price increases, I disagree. The whole purpose of the act is to do that. To do that means that you have to step in and crack down once in awhile.

If a firm does what the steel industry did the year before last, if they increase their prices 45 percent, we should have a wage-price monitoring board in a position to move in and raise the devil about it, complain about it and try to negotiate a lower increase. If the Senator calls that controls, so be it. But it does not provide for any mandatory power on the part of the Government to fix prices at any particular level.

Mr. TOWER. Will the Senator yield?

Mr. BROCK. If I might just ask the forbearance of the Senator from Texas, one of the reasons I have such huge respect for the Senator from Wisconsin is that he is not only articulate but also honest and totally forthright in debate. We now have the issue. It is a matter of control or noncontrol. That is the purpose and the effect of an increase in authority in this agency. The Senator says to the Senator from Tennessee that he does not want any controls. The Senator knows I do not believe in controls. I never have. I will do anything in my power to oppose controls over the American people.

Mr. PROXMIRE. If the Senator will yield, the law on the books now does provide for a council on wage and price stability. The purpose of that law is to hold down price increases that are not justified. It is not simply to make a statement on inflation.

Mr. BROCK. If the Senator will wait, we did not grant that agency one iota of statutory authority to hold down prices. The Senator knows that.

Mr. PROXMIRE. That is correct, not to hold down prices in terms of fixing prices. But in terms of negotiating, in terms of public disclosure—some of the public disclosure, as I pointed out, is limited—in the area that is not prohibited, I think they have a very valuable and useful function. If that function had been used in the past, we could have avoided much of the inflation we have suffered. If the Senator wants to call "controls" any action on the part of the Federal Government that discourages price increases, then he is entitled to that view. In my view, that is not a control because it does not affect the price.

Mr. BROCK. I just do not believe there is any GS–8 or above in Washington who is competent to say what is a warranted price level. I think the American housewife and the American consumer can say that, but I do not believe there will ever be anyone here who can make the decisions for 220 million Americans.

Mr. PROXMIRE. The Senator from Wisconsin is not disputing that.

I am saying that this Council will do their best to let this information become public, as much as they can. There is some of it, as I say, that is limited. Then this will have a salutary effect on pricing policy on the part of business. We have found again and again that business does react to intelligent, informed, moderate expression by government.

When President Ford criticized an increase in prices by General Motors shortly after he came into office, General Motors reduced, in part, their price increase. That was not price controls, in my view. That is the kind of action which the Council on Wage-Price Stability will conduct in a quiet way. They have been successful in persuading some industries to reduce their prices, in antifreeze and other areas.

Mr. BROCK. Even businessmen learn their lesson after being rousted out by the FBI and being kicked in the head by by wage and price controls. They learn. They learn that we can stick it to them if we want to. That is why this sort of an amendment is so dangerous. It creates a clear indication of inching right back into that same process where the Government rather than the marketplace, rather than the American people, determines our economic enterprise system. That is counterproductive. It leads to an inflation psychology, it leads to anticipatory raises in prices, and it leads to controls. That is the most atypical thing we can do in terms of preserving our system.

Mr. PROXMIRE. The Senator from Tennessee is arguing very ably. He has great ability and great knowledge in this area. He served on this committee for several years. What the Senator is really driving at is that we repeal the act, that we do not pass the bill, that we let the law expire. I think this is a respectable argument on that side.

Mr. BROCK. I would be delighted to proceed in that direction.

Mr. PROXMIRE. Very good. Now we really know what the distinguished Senator's objective is. He objects to the whole act.

Mr. BROCK. Absolutely. I have not been hiding that under a bushel.

Mr. PROXMIRE. The Senator can vote no, whether the Stevenson amendment is adopted or not.

Mr. BROCK. I do not want to make the act worse. We have a little bad now. Let us not make it even worse.

Mr. TOWER. Mr. President, one thing that should be pointed out now is that this product line information is useless, because there are no accepted principles that assure any degree of unanimity, reliability, or comparability in the preparation and presentation of line of business reports. We have had expert witnesses testify to that effect.

Another aspect of this matter is that, in an effort to hold down costs and prices to the consumer, we are going to impose a big, additional paper burden on industry, which is going to cost millions of dollars, and that cost is going to be passed along to the consumer in the form of higher prices. That is what it means.

Every time we empower the bureaucracy to require something more of business, we require business to take on an additional overhead cost, and that cost is passed along to the consumer. Congress should look at the cost impact of things that we require of the business community. Some of these things standing alone are meritorious. But I was amazed to find, on the Commitee on Armed Services, when we were looking into the cost overruns of shipbuilding, that 2.5 percent of the increase on naval vessels was a result of required compliance with the Occupational Safety and Health Act alone.

There are many instances in which we legislate increased cost to business, and it is passed along to the consumer,

and it is legislation that has not been submitted to a plebescite of the consumers in this country. They may not even know about it. It may be legislation that represents a small constituency interest that is highly vocal and highly influential in Congress.

I submit that what we are doing here is legislating an additional cost to the total overheard of doing business, and that cost is going to be passed along to the American consumer.

So far as wage and price controls are concerned, do not believe for 1 minute that once subpenaed information is made available, there will not be pressure for disclosure; and disclosure will lead to pressure for action to prevent what might appear to be unjustifiable wage and price increases.

We are moving back to wage and price controls, through the back door. I repeat: Business does not want them. Labor does not want them. Agriculture does not want them. I do not know of many sophisticated economists in this country who suggest a return to wage and price controls. But we are going to create the expectation that this is precisely the direction in which we are headed if this amendment is adopted.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Tennessee.

Mr. BROCK. Does the Senator have any figures on the amount of money the American consumers spend in order to pay more for products which cost more because of unnecessary reports required by the Federal Government?

Mr. TOWER. We do not really have such a figure, but it is up in the millions. I do not have the precise figure on that. It is a figure we should have.

I might note that some of the most useful work that the Council on Wage and Price Stabilization is doing is in looking into the matter of how much we are legislating additional costs that are in turn impacting on prices and impacting on inflation and impacting on the consumer's pocketbook.

Mr. BROCK. One of the more interesting arguments that is made any time we have more regulations, more reports, is that it does not cost anything to the taxpayers. People are taxpayers and people are consumers, and consumers are taxpayers. How do you separate one from the other? The fact is that when they are required to pay a higher price for the product, it costs something. It may not cost anything through their taxes. It costs something in the product they buy.

The Senator mentioned 2.5 percent on the ships we buy, as a result of the requirements of OSHA. That is more conservative than some figures I have heard.

Time and time and time again, when we have had hearings in the Select Committee on Small Business, people have begged us to stop burdening them with paperwork, mandatory paperwork, with which they simply cannot afford to comply. We have heard from companies that spend a huge percentage of their time on this, time that they could spend in productivity, in producing a product, time they could use in service to their consumers.

These reports are not going to be published. They have no purpose in fact. They do not do any good for the commission; they do not do any good for the company; they do not do any good for the consumer. For whom do they do anything? For the GS–8's who will have to be hired in that department to read the darn things. That is ridiculous. We are going to put a burden on the American people to justify hiring a few thousand more Federal employees to read a report that does not go anywhere and serves no useful purpose. I just do not understand the logic of this kind of amendment.

Mr. GARN. Mr. President, as a member of the Committee on Banking, Housing, and Urban Affairs, I would not have agreed to report this bill if it had not been cleaned of the types of amendments that were in the original bill.

The Senator from Texas has outlined the matter very well. He is not saying that this is going back to wage and price controls. He says it is a step toward them, and it is. It is the old situation of the camel's nose under the tent, of going back to the most disastrous period we have had in this country with respect to government interfering and trying to dictate wage and price controls.

I think we are missing the point here. The distinguished chairman of the committee, the Senator from Wisconsin, I know shares the same concerns I do about inflation, but I believe we are looking in the wrong direction. There is an antibusiness attitude in Congress. There is a tendency to try to blame someone else for the problems of inflation in this country, and I submit that the No. 1 cause of inflation is government.

Last week, the Senate approved a budget report with a proposed deficit of $67.5 billion. The House of Representatives approved a larger figure, in excess of $70 billion. I submit that both Houses of Congress are going to be wrong, because it will be much larger than that. It will be $75 billion, at a minimum; perhaps as high as $100 billion, as we continue to cut taxes, with money we do not have, and as we continue to approve bills in this Chamber without even knowing what the price tag is, and committing the taxpayers of this country to pay for them 15, 20, and 25 years into the future.

The No. 1 cause of inflation is government. Through a combination of deficit spending and rules and regulations, as the Senator from Tennessee has pointed out, we impose additional burdens on business which must be tagged onto the consumer's bill. The Senator from Tennessee is absolutely correct: There is no difference between a taxpayer and a consumer. It does not matter whether you pay for it in taxes or in increased prices.

Perhaps I would agree to the Cost of Living Council having subpena power, if they had the subpena power to call in Congress and hold us responsible for the irresponsibility of the spending spree we have been on—$100 billion in deficits in the last few years. They are going to have $150 billion of deficits this year and next year.

I submit that Congress is looking for the cause of inflation outside of Congress, and it should take a better look inside. When we stop this irresponsible spending and when we quit deficit financing to the tune of $75 billion a year, perhaps we will start to see prices coming down. Until then, I cannot support an amendment that places an additional burden on business and attempts to make business the scapegoat for the economic problems of this country.

Mr. HUMPHREY. Mr. President, obviously, the amendment which has been offered by the able Senator from Illinois and myself and the Senator from New York (Mr. JAVITS) is somewhat controversial, and it should be, because what it seeks to do is to give the appropriate agency of Government some of the powers it needs if it is going to do its job.

In other words, unless we are establishing a sort of facade here of administrative organizations, we ought to give the Council on Wage and Price Stability the subpena power that the Director of that Council has agreed to, that he could use and that would be helpful. I regret that I do not have the transcript of the hearing before the Joint Economic Committee, but I repeat here, and the membership of that committee knows it to be a fact, that Dr. Rees in those hearings recognized that the subpena power could be helpful. I do not believe it will be abused and, as has been said here by the distinguished chairman managing this bill, the authorization for the continuation of the Council on Wage and Price Stability is until June 30, 1978. I cannot imagine that this administration, that seems to be very pro-business, is going to use the subpena power to club American business over the head. It will be difficult enough to get them to use it when it ought to be used, much less to abuse it.

Finally, let me say that, insofar as Congress being held accountable, that is what elections are for. I am going to be up before the electorate of the State of Minnesota next year. I have not the slightest doubt that there will be people who will remind that electorate that the junior Senator from Minnesota voted for a number of spending bills, and I shall be there to take them on. Make no mistake about it: I shall be there to defend my vote for the agricultural bill. And I shall be there to point out what this administration is doing to our farmers, too, with their penny-pinching tactics. And I shall be there to talk about my vote for public service employment. I shall defend every vote and I shall be willing to be held accountable by the electorate. That is what elections are all about.

But who holds the Council on Wage and Price Stability accountable? Only the Congress of the United States. If we are going to hold them accountable, they have to have the tools to do their job.

Mr. PROXMIRE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. I think the Senator has put his finger on excatly what is the point here. There is something repeti-

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tive and automatic about the opposition that has arisen: They make an automatic speech on every issue, regardless of the pertinence of the speech we always hear it. Now they indicate that the Stevenson amendment would be some kind of burden on the taxpayer, would create a bigger bureaucracy. The fact is it will not add one single position, or one person; it will not cost a single penny. All it will do is permit an agency that is in existence to do a better job. That is all the Senator from Illinois and the Senator from Minnesota are contending for. They want to make it effective, they want the money it costs to bring a return.

Mr. HUMPHREY. We are only seeking the same power for the Council on Wage and Price Stability that every committee of Congress has, as has been said here.

Mr. President, I recognize the validity of the argument that has been made by some of our colleagues on the other side, and, I hope, on this side, that Government actions sometimes do impose increased costs. In fact, I have an amendment to a bill which I offered, to S. 1169, introduced on March 12, known as the Economic Impact Act of 1975. The purpose of that amendment was to require every Government agency, once it imposed rules and regulations and once Congress authorized that agency to take certain actions, that that particular agency or the Office of Management and Budget must file with Congress an economic impact statement. But I am happy to say that the President of the United States saw fit recently to take action to require the agencies under his control to prepare inflationary impact statements. These statements are to accompany all major decisions made which impact on the rate of inflation.

I also took this up with this distinguished chairman of the Committee on Commerce (Senator Magnuson). Senator Magnuson wrote to me noting his intention to immediately press on the regulatory bodies the need to assess the inflationary effects of their decisions. Senator Magnuson said in part:

> I intend to question each of the agencies as it appears before the Commerce Committee on the specific steps the agency has taken to analyze the inflationary impact of its actions. I believe strong Congressional oversight of the agencies will be the most productive way of achieving the objective we both share.

I commend Senator Magnuson for this action. It is a timely and necessary interim step to take while the major but lengthy process of regulatory reform is undertaken by Congress. I hope that this, along with the matching actions of the President, will minimize regulatory inflation.

Mr. President, I introduced last year and reintroduced this year a resolution to set up a special select commission to look into these regulatory agencies to see if they were doing their job. It is my judgment that the legislative committees, with their oversight function, can do that and do it very well. Now, with the regulation of President Ford, with the commitment that we have from the Chairman of the Committee on Commerce, with the work that is being undertaken by the Committee on Government Operations, with the studies to be made by the Joint Economic Committee on the impact of the regulatory agencies upon price structure—and they do have an impact, make no mistake about it—I think we are closer to getting a handle on this.

I said to one of my colleagues earlier today that I took a look at our little private family business and found out how much the Occupational Safety Act was placing on one little private enterprise. It was a substantial sum of money. So there are reasons we should know about these things.

I appeal to my two very dear friends on the other side of the aisle who are standing there, looking at me, waiting to get on me. I just want them to know that the Stevenson amendment, the one that I have been privileged to cosponsor, does not have as its objective to add an additional burden. It does not have as its objective to bring increased inflation. It may very well decrease inflation.

We have done some work in terms of the difference between what the farmer gets and what we pay at the supermarket. I am happy to say that it has had some effect. Yet may I say, most respectfully, to my colleagues, because I knew that that material was sensitive that was subpenaed, that material has not been used to cause one single supermarket any embarrassment. I believe that when we have material that is related to an industry that is in a competitive position, we have special responsibilities for the security of that information. I, for one, would not want to see that violated. I believe we can be trusted. If we can be trusted here in Congress—after all, we do have to get a headline here now and then—cannot we trust our own Council on Wage and Price Stability? Dr. Rees is not running for anything that I have heard of of late. I do not believe he is going to go out and exploit this. But I do not think we ought to hold Dr. Rees, head of the Council on Wages and Price Stability, responsible for certain actions that this Congress has mandated to him and not give him some of the authority that he reasonably ought to have.

I think the only question here is, as we develop the legislative history on this particular amendment, what we really want out of it—and I do not believe there is any disagreement as to what we really want out of it.

Mr. STEVENSON. Will the Senator yield?

Mr. GARN. Will the Senator yield?

Mr. HUMPHREY. I yield first to my esteemed friend from Illinois, and then I shall come to those who are joining us in just a moment.

Mr. STEVENSON. I thank the Senator. He said that this possibly could decrease inflation. I ask the Senator if he recalls the case of the mysteriously quadrupled sugar prices which took place over a period of about 1 year, without any significant changes in either the supply or the demand of sugar? The price quadrupled and then, mysteriously and perhaps by no coincidence, they began to come down at about the very moment that the Council on Wage and Price Stability began to take a look at the sugar industry.

Mr. HUMPHREY. I recall it very well. As the Senator from Illinois has said, there was no economic reason at all for what happened in terms of the price going up. There was really no economic reason for it when it came down. But there was another reason; namely, that somebody did not want to get caught, not with his hand in the cookie jar, but hands and feet both. They were all in there, literally exploiting the market.

Mr. STEVENSON. Far from anticipatory price increases, in that case prices began to come down, and according to the Director of Council on Wage and Price Stability what was done in that securities case might be sufficient authority to be done in other cases.

I am sure the Senator is aware, and I want to make sure the Senator from Utah is aware, that this Council also has the authority and the responsibility for monitoring of the public sector, the Government sector, the actions of governmental agencies as well as the actions of business.

In fact, I came across a study of the Council on Wage and Price Stability the other day which ought to be made public. It, too, could perhaps prevent inflation. This was a study conducted for the Council on Wage and Price Stability, that agency had undertaken to monitor the President's proposed energy program, and the study concluded that in addition to the recessionary consequences of the President's own energy program the effect of that program on wholesale and consumer price indexes within a year or at most 2 would be 4 percent. In other words, his own program would increase the present rate of inflation by some 3 or 4 percent. But while such information might be of more value to us in Congress, it might be of far more value to other agencies of government, perhaps including the President of the United States.

Mr. HUMPHREY. I agree with the Senator. It can be helpful. Everything depends on how it is administered, there is no doubt about that.

But my earlier point was that I believe that by the discussions of the distinguished Senator from Wisconsin (Mr. Proxmire), who is managing this bill, and the discussion of this amendment by the author of this amendment and its cosponsors, plus those who have interrogated and questioned the amendment, we have established a legislative history here as to what this amendment's purpose is, and it is my judgment that it surely would be of a beneficial effect at least modestly to the Wage Price Stability Council, and I hope we can adopt it.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes, of course.

Mr. BROCK. I, first of all, would like to take the positive side of the argument a minute and commend the Senator for his efforts with regard to Government-created inflation. I thoroughly agree with the Senator.

I might add to the list of things that are being done by the Joint Economic Committee, the Commerce Committee and others, that in our Government Operations Committee we have just brought out the Agency for Consumer Advocacy bill, S. 200.

Mr. HUMPHREY. Yes.

Mr. BROCK. That bill contains an amendment which I offered, which I think has been cosponsored by the Senator from Florida (Mr. Chiles), the Senator from Georgia (Mr. Nunn), the Senator from Connecticut (Mr. Ribicoff), the Senator from Illinois (Mr. Percy), and the Senator from New York (Mr. Javits), all of whom have responsibility for it, which would require a cost-benefit analysis of proposed regulations on the part of independent as well as executive agencies to demonstrate that what we do in government is in fact of ultimate and net benefit to the American people, and I could not think of any more important project for Congress to undertake this year than to pursue that to fruition.

Mr. HUMPHREY. I support the Senator in that effort. I think this is highly desirable.

As I recall, a year ago we were both talking about the necessity of legislative oversight.

Mr. BROCK. That is correct.

Mr. HUMPHREY. That was on all measures Congress passes.

Mr. BROCK. I just wanted to pay my respects to the Senator because he has been a strong advocate in this area, and there is nothing of greater interest to the American people than protection from our own Government in some of these actions, and there is no possible way we can justify refusing to justify our actions when we say the corporations should justify theirs. What is the difference? We placed people in a position where they have to pay.

The problem I have with the amendment offered by the Senator from Illinois, as the original sponsor, is that, first I do not see it having any positive effect. I do not see that there is any advantage to it.

I do see costs, and I cannot accept the statement that it does not cost anybody anything. When work is done people have to put effort into that, and there is a cost involved. It may not cost the taxpayer, I say to the Senator from Illinois, but it does cost the consumer.

Companies do not pay for things; people do, and people have to buy the products that are produced by those companies.

We had some testimony before the Senate Select Committee on Small Business, and we had testimony from a small corporation—I think it was the Graymills Corp.—on the list of forms they are required to fill out every year. There are 40 different Government forms.

Mr. President, I ask unanimous consent to have printed in the Record at this point, a list of forms, some of which are filled out several times a year. These forms are required by the Government on the part of this small company with basically 100 employees, and who knows how much that costs the company and the people who buy his products and the employees who earn its wages.

There being no objection, the list was ordered to be printed in the Record, as follows:

The Stevenson amendment would authorize periodic reports from the private sector on wages, prices, profits and other indicators of economic activity. This would be in addition to all of the other paperwork which is required by the Federal government already.

To illustrate the problem of paperwork, on corporations, one small corporation has compiled a list of forty different government forms which it is required to fill out. Some are filled out several times a year, others are filled out for each of the firms employees.

The list compiled by the Graymills Corporation is as follows:

GOVERNMENT FORMS REQUIRED OF GRAYMILLS CORPORATION

Agency, form or subdivision, and form number:

FEDERAL

Department of Commerce, Census of Manufacturers, MC–35M.

Office of Equal Employment Opportunity, Employer Information Report EEO–I, 265–41.

Federal Trade Commission, Division of Financial Statistics, MG–1.

Department of Labor, Log of Occupational Injuries and Illnesses, 100.

Department of Labor, Supplementary Record of Occupational Injuries and Illnesses, 101.

Department of Labor, Summary—Occupational Injuries and Illnesses, 102.

Department of Labor, Wage Developments in Manufacturing, BLS 2675b.

Department of Labor, Employee Welfare or Pension Benefit Plan Description, D–1.

Department of Labor, Employee Welfare or Pension Benefit Plan Description Amendment, D–1A.

Department of Labor, Employee Welfare or Pension Benefit Plan Annual Report, D–2.

Department of Labor, Information on Employee Welfare or Pension Benefit Plan Covering Fewer than 100 Participants, D–3.

Department of Treasury, Federal Tax Deposits—Withheld Income and FICA taxes, 501.

Department of Treasury, Unemployment Taxes, 508.

Department of Treasury, Employer's Annual Federal Unemployment Tax Return, 940.

Department of Treasury, Employee's Withholding Exemption Certificate, W–4.

Department of Treasury, Reconciliation of Income Tax Withheld from Wages, W—3.

Department of Treasury, Report of Wages Payable Under the Federal Insurance Contributions Act, 941a.

Department of Treasury, Return of Employee's Trust Exemption from Tax, 990–P.

Department of Treasury, U.S. Information Return for the Calendar Year 1971, 1099.

STATE OF ILLINOIS

Industrial Commission, Application for Adjustment, of Claim—Notice of Disputed Claims and Memorandum of Names and Addresses, None.

Industrial Commission, Employer's Report of Compensable Injury, None.

Industrial Commission, Memorandum of Names and Addresses for Service of Notices, None.

Industrial Commission, Notice of Filing Claim, 77.

Industrial Commission, Report of Accident, C174.

Employment Service, DOL–BES Form, None.

Division of Unemployment Compensation, Notice of Possible Ineligibility, UC (Ill.) Ben-22.

Division of Unemployment Compensation, Employer's Contribution Report, UC–3D.

Department of Revenue, Retailers' Occupation Tax, Use Tax, County, Municipal Service Occupation and Service Use Tax Return, RR–1A.

Department of Revenue, Employee's Illinois Withholding Exemption Certificate, II–W–4.

Department of Revenue, Monthly State Income Tax Payment Form, II–501.

Department of Revenue, Application for Renewal of Resale Certificate Number, RR–4904.

STATE OF CALIFORNIA

Department of Business Taxes, State, Local, and District Sales and Use Tax Return, BT 401C.

STATE OF NEW JERSEY

Division of Taxation, Resale Certificate. SF–3.

Division of Taxation, Blanket Exemption Certificate, 1788 AC.

CITY OF CHICAGO

Commission on Human Relations, Contractor Employment Practices Report, None.

Metropolitan Sanitary District, Industrial Waste Surcharge Certified Statement, FI–235.

Metropolitan Sanitary District, Report of Exemption Claim or Estimate of Liability for Surcharge, FI–236.

Metropolitan Sanitary District, Computation of Initial Estimate of Liability for Surcharge, FI–236A.

CITY OF LOS ANGELES

Department of Building and Safety, Application and Agreement for Testing Electrical Equipment, B&S E–147.

Department of Building and Safety, Application for Approval Labels, B&S R9.

Source: U.S. Senate, Subcommittee on Government Regulation of the Select Committee on Small Business, *Hearings on the Federal Papework Burden*, 93d Congress, 1st session (1973), Part 1, pp. 124–28.

Mr. BROCK. I do not know how you can put a figure on this cost, but I know it is enormous, and to me we have to somehow, some day, face up to the cost that Government imposes, not on corporations—let us quit talking about business—but on people. People pay taxes, and they are the ones who will ultimately suffer as a result of our unwillingness to face up to the ultimate costs of our actions here.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

REGULATORY AGENCY INFLATION IMPACT STATEMENT

Mr. HUMPHREY. Mr. President, even as inflation moderates due to our recession, we hear dire warnings that inflation will start anew next year. These warnings should not be ignored.

The increase granted by Congress in the investment tax credit is one solution to this anticipated inflation. By encouraging capacity expansion, it enables a larger quantity of goods to be produced as demand rises—thereby delaying, if not preventing, inflation as economic activity picks up.

It is now appropriate for Congress to address sources of inflation outside the area of the private markets—inflation due to congressional or executive branch actions.

For two centuries, Congress and the Federal regulatory agencies have made far-reaching decisions largely within an economic impact vacuum. In evaluating proposed legislation, or rules and regulations, attention has been given in most cases, only to the likely impact on short-run Government costs, on the budget and on the industry or sector directly affected. We frequently have had situations in which the probable impact on prices, of import controls or of regulations governing transportation rates, for example, was ignored.

The fact is that Congress and the Federal regulatory agencies should make a comprehensive evaluation of the likely economic impact prior to making significant decisions. The regulatory authorities now receive economic evaluations pertaining largely, if not only, to the specific industry involved.

Most public policy decisions that seriously affect the economy require each decisionmaker to do a mental balancing act. Unless the total economic impact is estimated, as best as possible, and made available, it is unlikely that the proper balance will be struck.

President Ford has recently taken action to require agencies under his control to prepare "inflationary impact statements." These statements are to accompany all major decisions made which impact on the rate of inflation.

The Senate Commerce and Government Operations Committees are reviewing the role of the independent regulatory agencies and inflation currently as one component of their joint study to determine the economic impact of regulation. To my mind a thorough review and reform of the regulatory process is the only way to effectively achieve a balance in regulatory decisions between narrow industry interests and the broader concerns for holding the line on prices.

I note also that the much needed Consumer Protection Agency bill has been reported by the Senate Government Operations Committee with a provision requiring regulatory agencies to evaluate the economic aspects of proposed actions. I am alarmed that this provision will be lost should the bill be vetoed—and the veto not overridden by both Houses of Congress.

It is, I am sure, with this possibility partly in mind that Senator MAGNUSON wrote to me earlier today, noting his intention to immediately press on regulatory bodies the need to assess the inflationary effects of their decisions. Senator MAGNUSON, in part, noted:

> I intend to question each of the agencies as it appears before the Commerce Committee on the specific steps the agency has taken to analyze the inflationary impact of its actions. I believe strong Congressional oversight of the agencies will be the most productive way of achieving the objective we both share.

I commend Senator MAGNUSON for this action. It is a timely and necessary interim step to take while the major but lengthy process of regulatory reform is pursued by the Congress. And it is my hope that this step, along with the matching efforts of President Ford, will effectively minimize regulatory inflation.

Again I thank the distinguished Senator from Tennessee for placing in the RECORD this type of material that shows what an independent business, or any other kind of a business has to go through, with the innumerable government regulations and forms that have to be filled out. They do get more every year, I recognize this, and somewhere along the line somebody somewhere in Congress ought to take the time to try to find a way to see if we cannot minimize this because it has become a very serious burden. I do not deny it one bit. It is not only a burden, sometimes it is outrage.

Mr. BROCK. Yes; it is.

Mr. HUMPHREY. And for people that do not have all the facilities at their command, as a large corporation has, it becomes a very, very time-consuming—which in turn indeed is a cost-making—burden upon the individual and the business, which as well, of course, is passed on to the consumer.

But again I think the subpena power that is asked for here is not going to be burdensome. I will not say, however, that it would not require time on the part of the company. It may very well.

At the time the Federal Energy Agency looked into some of the overcharges on oil and some of the petroleum products they did use subpena power. They had to use it and they did get it, and it saved the Government millions of dollars. In fact, right now they are still in some kind of negotiation or lawsuit—I have forgotten which it is—with companies that supply the Government with petroleum materials.

Mr. BROCK. That was where the Government had that product under price controls. We do not in this instance.

Mr. HUMPHREY. That is correct, but they used the powers that they had, the subpena powers, to get that information

Mr. BROCK. Right.

Mr. HUMPHREY. It may be an exaggerated case, and I do not think it is a traditional or normal case, as the Senator has indicated, because of the price control regulations, but again I do believe that the sensible use of this particular proposal, and I repeat sensible use, would not be injurious. It could be helpful, and it is, as I understand, a part of the bill that only extends for another year.

Mr. GARN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes, I yield.

Mr. GARN. I suppose I am speaking more, as I said a few minutes ago, to the former mayor of Minneapolis as the former mayor of Salt Lake City.

Mr. HUMPHREY. It was the best job I ever had.

Mr. GARN. There are many days I agree and wish I were back.

When the distinguished Senator from Minnesota was a mayor of Minneapolis I doubt very much if the Senator had the interference and the governmental control in his life as a mayor that I did until December 1974.

The Senator was talking about the cost of Government and the inflationary impact on the regulatory agencies. The point that I was trying to make very strongly is the impact of Congress.

Now, who is watching Congress? The people are [illegible]s.

Mr. HUMPHREY. I will say.

Mr. GARN. The people are watching. But are they informed enough to see the results of our actions? I want to give a specific example.

Mr. HUMPHREY. If the Senator will permit me just for a minute, day after day I look up here and see these intelligent, these perceptive, these articulate, these gifted, talented journalists, and do they inform the public.

Mr. TOWER. Oh, come on.

Mr. HUMPHREY. Oh, do they inform them.

I will tell you, the mail comes flooding in. They really inform them.

Sometimes in some ways, though not too obviously, through journalism there is some misinformation that gets out. But I think they are relatively well informed.

Mr. GARN. Let me give the Senator a specific example.

Last year the Congress of the United States passed some amendments to the Fair Labor Standards Act, despite the fact that the representatives of the 15,000 cities, including the president of the National League of Cities, Tom Bradley, and the first vice president, Jay Garn, the mayor of Salt Lake City, came back and unanimously opposed that imposition on the cities of this country.

I think that is a pretty large group, representatives of 15,000 cities, but we were ignored.

We told this Congress the economic impact it would have on our cities, so it is not just the regulatory agencies asking Congress to investigate inflation. It is like asking the arsonist to investigate the cause of the fire, because they pass these bills even though we told this Congress—I personally appeared as a mayor before a Senate committee—and do you know what happened to the people of Salt Lake City because of that act? And $3.5 million had to be put into my budget, my last budget, as mayor because of an act of Congress.

Where do I get that money from? I either raise local taxes or I come back here for a handout.

Tom Bradley testified it would cost the citizens of Los Angeles $32 million a year. That one act alone of Congress is going to cost over the next 5 years local taxpayers across this country in those 15,000 cities hundreds and hundreds of millions of dollars, with no increase in services.

What I am specifically referring to is most of our firemen do not want to go to 40-hour workweeks. They do not want to be taken off their 24-on and 24-off schedule; they do not want to be paid time and a half for their overtime when they are in their sleeping periods.

Our seasonal employees did not like the requirements of Congress that they must take time and a half compensatory time off during the week in which the overtime was incurred or the following week.

Now, this happened time and time and time again, and for many days I did not really feel like the mayor of Salt Lake City, but just the local manager for the Federal Government, with the GSA the Senator from Tennessee was talking about telling me how to run my city. Yet I was that elected official accountable to the voters, as the Senator says, but being forced by a bureaucracy enforcing acts created by Congress.

Do not kid yourself that what Congress does is a great inflationary impact only to business. I commend the Senator, too, for working on the regulatory agencies. My point simply is that somebody has got to start watching Congress and the impact of our actions on business and local governments.

I think everyone in this Chamber is starting to realize how the Governors feel, how the county commissioners feel, and how the mayors feel, and I believe that the only way we are going to start getting at the heart of inflation is when we control our own spending, when we are aware of the economic impact our actions in Congress have on business and, more importantly, at least at this point, after only 4 months being away from my capacity as mayor of a city, on the local government officials of this country, and it does not matter to a taxpayer whether it is a Federal tax or a local tax.

If I have got to collect $3.5 million more in Salt Lake City, they do not really care whether it went to me or came back here. They are being taxed; their prices are going up, and that is all they know. That is the point I wanted to make.

But just one other quick point to the Senator from Illinois: Sugar prices did start to go down. I would not attribute that to the fact that the Cost of Living Council started looking into them. The Senator may or may not be aware that there happened to be a large antitrust suit in which sugar companies in my area of the country, a large part of the West, were found guilty of price-fixing about that time, and I would suggest that that antitrust action on the part of the Justice Department had some effect on sugar prices starting to go down.

Mr. STEVENSON. Mr. President, I am prepared to vote on this amendment.

Mr. TOWER. Mr. President, one thing we have not touched on, as I noted earlier, is that this is going to add to the cost of doing business, and it is going to require a massive amount of new paperwork on the part of business and labor.

One thing we have, perhaps sometimes overlooked in terms of legislative cost, the legislation from which flows regulations requiring compliance to Federal fiats, is that a lot of money that corporations would otherwise invest in expanded capacity and productivity is going into compliance with Federal regulations.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. TOWER. I shall yield in just a moment.

One of the things that is critical now with Government, which in the aggregate in this country, is already occupying 60 percent of the debt market, and increased deficits threatening further Government intrusion into the debt market, is that we are forcing more capital into bringing companies into compliance with Federal regulations and Federal standards.

There is no question now but what we are going to add to the cost of doing business through more paperwork.

I would like to note testimony by the Office of Management and Budget before the House Committee on Government Operations in the 93d Congress. This testimony indicated that the United States Office of Management and Budget estimates the burden imposed on American businesses by the Federal Government increased by 50 percent between December 1967 and June 1974. Major new programs, occupational safety and health activities, medicare and medicaid, environmental protection regulations, equal employment opportunity compliance, were the principal sources of the increase.

I am not saying that some of these things standing alone are not meritorious. Some of them are. But the fact of the matter is they were not submitted for a plebiscite of the American people as to whether or not they wanted these additional things, that they are going to have to pay for them.

The sources of major increases in reporting burden on American business between December 1967 and June 1974 in terms of millions of man-hours are as follows: Occupational safety and health a 4.6-percent increase; social security, mainly in medicare and medicaid, an increase of 2.7 percent; manpower programs 1.3 percent; equal employment opportunity 1.1 percent; aircraft and airport regulations 1 percent; housing production mortgage guaranty programs 0.9 percent; foreign trade documentation 0.7 percent; environmental protection 0.6 percent; employment statistics 0.6 percent; adding up to a total increase of 13.5 percent in millions of man-hours to carry this additional burden imposed on American business.

Do not tell me that does not contribute to inflation. Do not tell me that does not contribute or eat into capital recovery or capital formation. It does.

Mr. President, this must be taken into consideration when we legislate. We do not know what additional paperwork burden this is going to place on American corporations in terms of costs and man-hours and in costs of money, but it is money that is going to come out of the consumer's pocket one way or the other.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The hour is late and I hope we can vote in a very few minutes. But I just cannot resist pointing out the Senator has made an excellent speech, and I would like to support everything he said, except it has no application to this bill at all.

There is no possibility that the Council on Wage and Price Stability is going to subpena the records of 5 million American businesses or 500,000 or 5,000 or 500 or a hundred. In fact, I would be astounded if they subpenaed five companies.

The committees of Congress have had the subpena power for years, and we rarely use it. Usually we go 3, 4, 5, or 6 years before we do use it.

The head of the Council on Wage and Price Stability indicated his attitude when he said:

> Subpena power could produce more prompt or more complete voluntary submission of data since the firms, organizations from whom information is requested will know that it could be subpenaed, if necessary.

That is what this is all about. The subpena power is not going to be used to require any more paperwork, any significant additional paperwork, on the part of any firm, really. It simply gives the Council on Wage and Price Stability the authority to get the information they have to have to do the job.

Mr. President, I hope we can have a vote within the next few minutes because we have debated this for more than an hour.

Mr. TOWER. Mr. President, the Senator from Wisconsin contended the arguments I have made have no relevance to this bill.

This bill will ultimately require additional paperwork. It will require the kind of recordkeeping on product line information for which there is no uniform standard at all. It is going to bring pressures to bear once this information is acquired for the information to be disclosed and that, ultimately, brings pressure to do something about prices.

The fact of the matter is, Mr. President, this is simply a back-door approach to wage and price control, going back to it again, and if we oppose wage and price controls we should defeat this amendment.

Let us get back into the paperwork business for 1 more minute. The Office of Management and Budget estimates that in 1973 industry spent a total of 145 million man-hours answering Federal questionnaires. Now, at $10 an hour, that comes to $1,450,000,000.

Mr. President, we keep on imposing more and more paperwork burdens on business. This amendment will do that, it will have that effect. Beyond that, the fact it is a back-door approach to wage and price controls makes it an odious amendment. Mr. President, I hope it will be defeated.

If there is no further debate on the matter, I intend to move to table at an appropriate point, but I do not want to shut anybody off from the opportunity to talk.

Mr. STEVENSON. Mr. President, I am prepared to vote. There are just one or two points I would like to make first.

This is not a back-door approach to wage and price controls. It has nothing to do with wage and price controls.

These arguments remind me a little of the man who did not turn the hose on his burning house because his water bill was already too high.

It is obvious that in some sectors, in some industries, a free market is not working to produce reasonable prices.

The demand for steel goes down, the cost of some of the components of the production of steel, like the cost of ferrous scrap, goes down and the cost of steel goes up.

The cost of sugar quadrupled in the space of a year with no significant changes in either the supply or demand worldwide of sugar.

This is a modest proposal. My amendment is intended simply to help the Cost of Living Council do its job, and that job is to make the free enterprise system work and work without controls.

If we do not take such moderate steps as this to end administered rigged pricing, the American public is sometime going to demand the reimposition of wage and price controls, and that I, as well as the Senator from Wisconsin and

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the other proponents, as well as the opponents of this measure, want to prevent.

There is no reason to be concerned about abuse of this authority. The council would use it wisely. As Dr. Rees has indicated, it would be used sparingly and any information that was obtained by the council pursuant to its use of the powers conferred on it by this amendment would be protected by the Freedom of Information Act.

With that, Mr. President, I am prepared to vote.

Mr. TOWER. Mr. President, I just want to say that I am sure the amendment is well intentioned and well motivated, and all that I have said should be construed as an opinion on my part to the contrary.

But I think in spite of the good intentions that the ultimate result of this is going to be undesirable and will impact unfavorably on our economy.

Therefore, Mr. President, I move to table the amendment of the Senator from Illinois.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), the Senator from Alabama (Mr. SPARKMAN), the Senator from North Carolina (Mr. MORGAN), and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Wyoming (Mr. HANSEN) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 41, nays 47, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—41

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd, Harry F., Jr.
Cannon
Cranston
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hatfield
Helms
Hruska
Laxalt
Long
Magnuson
McClure
Nunn
Packwood
Percy
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—47

Abourezk
Bayh
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Stevenson
Symington
Tunney

NOT VOTING—11

Biden
Buckley
Curtis
Eastland
Gravel
Hansen
Mathias
McGovern
Metcalf
Morgan
Sparkman

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment of the Senator from Illinois.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. PASTORE. Mr. President, I have a resolution which will not take long. Will the Senator yield?

Mr. TOWER. Mr. President, I am delighted to yield to the Senator from Rhode Island, provided that I am recognized at the completion of his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPREAD OF NUCLEAR WEAPONS

Mr. PASTORE. Mr. President, I send to the desk a resolution, which has been cleared on the other side of the aisle, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 146

Whereas the spread of nuclear weapons poses an increasing threat to the peace and security of all nations; and

Whereas the maintenance of international stability and security would be greatly weakened, if not made impossible, in a world of many nuclear powers; and

Whereas it is essential that all nations of the world work urgently toward improving safeguards against the diversion of nuclear materials from peaceful to weapons use; and

Whereas the Non-Proliferation Treaty serves to deter the further spread of nuclear weapons; and

Whereas, pursuant to Article VIII of that Treaty, a Conference of parties commenced yesterday in Geneva to review the operation of the Treaty with a view to assuring that its purposes and provisions are being realized; and

Whereas the President of the United States, in his message to the Conference, has stated "nuclear energy can and should promote the fortunes of nations assembled at this conference. But its destructive potential can and must be contained:" Therefore be it

Resolved, That the Senate of the United States—

Endorses the purpose of the Conference as stated in Article VIII of the Non-Proliferation Treaty; and

Commends the President's commitment to furthering the objectives of this Treaty.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WILLIAM L. SCOTT. Mr. President, is the Senator going to explain this matter to us?

Mr. PASTORE. The resolution is self-explanatory.

This is the fifth anniversary of the Non-Proliferation Treaty. The Senate of the United States enacted a resolution in 1966—Senate Resolution 179—by a vote of 84 to 0, in support of such an instrument for the nonproliferation of nuclear weapons. This year is the fifth anniversary of the Non-Proliferation Treaty, and a meeting is being held in Geneva by the nations that signed the Treaty. That is all it amounts to.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. PASTORE. Mr. President, today the Conference of those who have signed the Non-Proliferation Treaty begins in Geneva. The purpose of this meeting as called for in article VIII of the Treaty is to assure that the purposes of the NPT are being properly carried out. In this connection, I am introducing a resolution which would put the Senate of the United States on record once again as strongly supporting efforts to halt the further spread of nuclear weapons.

In 1966, when the United States was attempting to negotiate this treaty, I submitted Senate Resolution 179 in which:

> The Senate commends the President's serious and urgent efforts to negotiate international agreements limiting the spread of nuclear weapons and supports the principle of additional efforts by the President which are appropriate and necessary in the interest of peace for the solution of nuclear proliferation problems.

On May 17, 1966, this resolution was approved unanimously by the Senate by a vote of 84 to 0.

Today there are 91 countries which have ratified this treaty and 17 additional nations that have signed but have not yet ratified. The treaty obligates nonnuclear parties not to acquire nuclear weapons and nuclear parties not to facilitate the acquisition of nuclear weapons by others. It also obligates the nuclear weapons parties to cooperate with other parties in the peaceful uses of nuclear energy.

As this reexamination of the NPT begins, I believe we are faced with an even greater crisis over the spread of nuclear weapons than we faced in 1966. The danger of proliferation is greater today because rapidly advancing technology and expanding peaceful nuclear applications, such as power reactors, threaten to put technology at the disposal of an increasing number of other countries which could be used to develop nuclear weapons.

The explosion of a nuclear device by India, which is not a signatory to the Non-Proliferation Treaty, directed new

attention to the problem. It is clearly impossible for a nonnuclear weapon nation to develop a capability to conduct nuclear explosions for peaceful purposes without, in the process, acquiring a device which could be used as a nuclear weapon. The fissionable material used in the Indian explosive device was plutonium accumulated from the operation of a nuclear power plant obtained through an agreement with Canada which predated the stringent safeguards currently advocated by Canada.

Today there are thousands of nuclear weapons under the control of the United States and the Soviet Union. We must take steps mutually to reduce the number of these weapons.

Four other nations possess smaller quantities of nuclear weapons which also must be reduced.

While we struggle to lessen the dangers of nuclear war by seeking ways and means of eliminating existing stockpiles of nuclear weapons, we also face the vitally important task of keeping additional nations from joining the deadly race to achieve a nuclear weapons capability.

We must not fail to reduce the world's existing stock of nuclear weapons—and we must not fail to halt the spread of nuclear weapons. If we fail, we invite nuclear disaster.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 146), with its preamble, was agreed to.

DETERMINATION OF THE CONGRESSIONAL BUDGET

Mr. MUSKIE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 218.

The PRESIDING OFFICER (Mr. PACKWOOD) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976 and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MUSKIE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. MUSKIE, MAGNUSON, MOSS, MONDALE, HOLLINGS, CRANSTON, BELLMON, DOLE, BEALL, and DOMENICI conferees on the part of the Senate.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. TOWER. Mr. President, I know that some people who may agree in substantial measure with the amendment offered by the Senator from Illinois still have some reservations about the requirement of periodic reports on records kept by product line.

As I noted in my earlier discussion, the committee heard expert testimony from a number of witnesses who questioned the usefulness of this information. Robert Mautz, a certified public accountant and a partner of Ernst & Ernst, testified that there are no generally accepted accounting principles yet established to provide guidance and to assure some degree of unanimity, reliability, and comparability in the preparation and presentation of line-of-business reports.

I know, too, that there is great apprehension on the part of business of the disclosure of product-line information. It is a legitimate concern, and it is a concern that my friends who have supported the amendment have admitted to.

Although there is no provision for public disclosure in this amendment, I fear that there may be pressure to disclose this information once it becomes available. I am hopeful that the Senator from Illinois will accept an amendment to his amendment and delete that portion that requires or that could result in requirement of product line reporting. I therefore propose an amendment to the amendment offered by the Senator from Illinois: On the line beginning with "productivity", after the word "productivity" delete "by product line or by such other categories as the Council may prescribe".

I propose an amendment to delete that section of his amendment. The relevant part of the amendment would then read: read:

> (g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpoenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents relating to wages, prices, costs, profits, and productivity to carry out the purposes of this Act, and to administer oaths.

It simply eliminates the requirement of product line reporting, which I think business has a legitimate fear of because it could be disclosed, and, too, it would not be useful information. It is a complete lack of any generally accepted accounting principles that provide guidelines that assure uniformity or reliability or comparability.

I first ask my friend from Illinois if he will accept that amendment and I hope that he will.

Mr. STEVENSON. Mr. President, this is a modest proposal to begin with, to give the Council on Wage and Price Stability some power with which to perform its responsibility. That responsibility requires it to obtain information about price and wage decisions. The amendment gives the Council for that purpose the authority to require periodic reports or, by the issuance of subpenas, relevant books, papers, and other documents, and productivity by product line or by such other categories as the Council may prescribe.

The reason for that last provision, which the Senator from Texas proposes to eliminate, is purely and simply that many companies have many different product lines. It avails the Council very little to obtain information about its aggregate prices or profits or costs when the decision may be with respect to a single product.

In order to enable this Council to carry out its responsibility effectively and also fairly, and in a way that does not unnecessarily burden industry, it is, I believe, important to permit the Council to request with some selectivity the relevant information.

For that reason, I have to oppose this amendment, and for the further reason that I think that we can trust the Council, as an agency of the administration, President Ford, to use its authority wisely, discreetly and expertly and in a way, as the director has already promised, that will not interfere with any legitimate interests and rights of business.

Mr. PROXMIRE. Will the Senator yield?

Mr. STEVENSON. I gladly yield to the Senator from Wisconsin.

Mr. PROXMIRE. Is it not true that the amendment as drafted, permitting the Council to subpena documents relating to productivity by product line, enables them to make a rifle shot so that they go in and get only that information which is relevant to what may seem to be very inflationary behavior in a particular area? For example, we have washing machines. We have Maytag Co. That is all they make. We have General Electric, which has 100 or 200 other products. The only way we can determine the impact of General Electric, which has a much bigger share of the market in washing machines than Maytag, is to subpena that particular product record from GE. Otherwise, we are being very discriminatory against a small business compared to a gigantic business.

If the Council subpenaed all of the records of General Electric, they would be in a position where they could not really make a fair analysis. They would not get the useful information. It would serve a far less effective purpose than if they could go in by product line.

Mr. STEVENSON. The Senator is correct. This authority, especially in the hands of this Council, would be a benefit to business. Without it, the Council might be under a duty to go on a fishing expedition, to subpena all of the records, and in a cumbersome, burdensome process, both for itself and the business, seek to get the information about the pricing of the particular washing machine.

Mr. PROXMIRE. Is it not also true that the only real objection that business had to product line information was in the original bill, that I introduced, that provided for public disclosure, and therefore their competition would know what their profits were and what their costs were and so forth? That is not in

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the amendment of the Senator from Illinois at all. This information would have to be kept discreet. It could not be disclosed publicly. It would be only used for analysis and for enabling the Council on Wage and Price Stability to do its job, to get a handle on what the inflationary situation is in that industry, and then to move in and negotiate and see if they could get a reasonable reduction in price if the price increase were not justified.

Mr. STEVENSON. The Senator is correct again. That provision requiring public disclosure is not a part of my amendment or of the bill which we were considering. Without linkage between the two—the authority on the one hand to compel information on product lines and the public disclosure on the other—I would think that provision now, which permits the rifle shot, would be of benefit to the businesses that are affected, as well as to the Council on Wage and Price Stability. The only objections that I can recall to this provision came up, as the Senator indicated earlier, in conjunction with public disclosure provisions, which are absent now from the bill and from the amendment.

Mr. PROXMIRE. I thank the Senator. I agree with him in opposing the amendment offered by the Senator from Texas, although I recognize that he does have very strong objection to the product line approach. I just do not see, personally, how we can take that out without, in effect, gutting the Stevenson amendment.

Mr. TOWER. Mr. President, I call up my amendment to the amendment of the Senator from Illinois and ask that it be stated.

The PRESIDING OFFICER (WILLIAM L. SCOTT). The amendment will be stated.

The legislative clerk read as follows:

Delete the words in the proposed amendment: "by product line, or by such other categories as the council may prescribe."

Mr. TOWER. Mr. President, while we have enough souls aboard, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The years and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas to the amendment of the Senator from Illinois. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), the Senator from North Carolina (Mr. MORGAN), the Senator from Indiana (Mr. BAYH), and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) would vote "nay".

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Nebraska (Mr. CURTIS) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 38, nays 51, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—38

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd, Harry F., Jr.
Chiles
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
McClure
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Young

NAYS—51

Abourezk
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Weicker
Williams

NOT VOTING—11

Bayh
Biden
Buckley
Curtis
Eastland
Gravel
Mathias
McGovern
Metcalf
Morgan

So Mr. TOWER'S amendment was rejected.

Mr. STEVENSON. Mr. President, on the amendment which I have offered——

The PRESIDING OFFICER. The Senate will be in order, please. The Senator cannot be heard.

Mr. STEVENSON. Mr. President, on the amendment which I have offered I am fully prepared to put it to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois (putting the question).

The Chair is in doubt.

Those in favor of the amendment will stand.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. HUGH SCOTT. I anounce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 49, nays 39, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—49

Abourezk
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Stafford
Stevenson
Symington
Tunney
Williams

NAYS—39

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd, Harry F., Jr.
Cannon
Cranston
Dole
Domenici
Fannin
Fong
Ford
Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Laxalt
Long
McClellan
McClure
Packwood
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—11

Bayh
Biden
Buckley
Curtis
Eastland
Gravel
Griffin
Mathias
McGovern
Metcalf
Morgan

So Mr. STEVENSON'S amendment was agreed to.

Mr. STEVENSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

VISIT TO THE SENATE BY MEMBERS OF THE GOVERNMENT OF THE REPUBLIC OF KOREA

Mr. SPARKMAN. Mr. President, we are honored by several of our friends from the Republic of Korea. I should like to read their names.

With us are the Honorable Il Kwon Chung, Speaker of the National Assembly of Korea; His Excellency Pyong-Choon Hahm, Ambassador of Korea; the Honorable Kyung Soon Chang, a member of Parliament; the Honorable Woon Kap Chung, a member of Parliament; the Honorable Yeo Tark Kim, a member of Parliament, and the Honorable Hon Dong Hwang, a member of Parliament.

I would like to ask our guests to stand so that Senators may see them.

[Applause.]

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate stand in recess for 3 minutes so that Members might meet our friends from the Republic of Korea.

There being no objection, the Senate, at 4:56 p.m. recessed until 4:59 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PACKWOOD).

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. BEALL. Mr. President, I call up my amendment which is at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill, insert the following: Truth in Spending Act.

The amendment is as follows:

At the end of the bill, insert the following:

TRUTH IN SPENDING ACT

SECTION 1. SHORT TITLE.—That this Act may be cited as the "Truth in Spending Act of 1975".

SEC. 2. Title IV of the Congressional Budget Act of 1974 (Public Law 93–344) is amended by adding at the end thereof the following new section:

"ESTIMATES OF COSTS TO EACH TAXPAYING FAMILY OF LEGISLATIVE PROPOSALS

"SEC. 405. (a) (1) Any bill or resolution of a public character introduced in the House of Representatives or the Senate, and the report on any such bill or resolution reported by any committee of the either House, shall contain an estimate of the average cost for each taxpaying family, if that bill or resolution were to be enacted into law. Such estimates shall be determined by multiplying the total amount of funds of the United States Government expected to be obligated in carrying out such bill or resolution by the percentage of the total Federal corporate and individual income taxes attributable to individuals and by dividing such product by the number of taxpaying families for the year immediately preceding the year in which the bill or resolution is introduced or reported, as the case may be. In the case of an introduced bill or resolution, such estimates shall be contained in a note following the text of the bill or resolution.

"(2) It shall not be in order to receive or consider any bill or resolution referred to in paragraph (1) of this subsection unless the provisions of such paragraph have been satisfied.

"(b) At the end of any week during which either House of the Congress has been in session for at least one day, the Director of the Congressional Budget Office shall tabulate the amount of authorization of budget authority contained in each bill or resolution passed by each House during such week, the average cost for each taxpaying family for each bill or resolution passed by each House during such week, and the total amount of authorizations of budget authority contained in, and the total average cost for each taxpaying family for, all bills and resolutions passed by each House from the first day of that session of Congress through the week for which the tabulation is made. Each such tabulation shall be printed in that issue of the Congressional Record which is first published after the tabulation for that week is completed.

"(c) For purposes of this section, the number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family of the United States, rounded to the nearest five hundred thousand, on the basis of the most recent satisfactory data available from the Department of Commerce for the year immediately preceding the year in which the bill or joint resolution is introduced or reported, as the case may be.".

SEC. 3. The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of such Act (as added by this Act) in the same manner as if such section were included in such Act at the time of its enactment.

Mr. BEALL. Mr. President, this amendment is similar to a bill I introduced earlier in the year, entitled the Truth in Spending Act of 1975.

For the edification of my colleagues, I think I can assure them that this amendment probably has so much merit and that merit will be so readily identifiable by the managers of the bill that they might be willing to accept it in a period of 5 minutes. Therefore, we should be able to dispose of the matter rather handily.

We recently established procedures that are going to streamline the methods used by Congress in fulfilling the constitutional responsibility of appropriating money for the operation of the Federal Government. We have created the Congressional Budget Office and Budget Committee, and we have established new procedures under the Congressional Budget and Impoundment Act of 1974.

I think it is becoming readily apparent to all of us that the taxpayers or consumers of Government services in this country are extremely concerned about the cost of their Government. They are concerned about the fact that those of us in public office do not too broadly advertise the benefits of programs proposed in Washington and rarely inform the taxpayer-consumer of what these programs are going to cost them in the way of additional burden on their pocketbook, in the form of new taxes or in the form of paying the inflationary cost of the growing Federal deficit.

In this age of candor, it is incumbent upon us to be totally candid with the American public. I hope the managers of the bill agree that this approach has some merit and agree to adopt this proposal as an amendment to the bill under consideration, so that we can inform the taxpayers of America what each bill coming through Congress is costing them in the way of additional taxes.

Mr. President, this measure provides that all public bills and resolutions introduced in the Congress, and the reports of bills and resolutions by congressional committees, shall include an estimate of the average cost per taxpaying family. This cost would be calculated by dividing the total cost of the bill or resolution by the number of taxpaying families.

Second, the proposal directs the new Congressional Office of the Budget to tabulate the total cost per taxpaying family separately for the authorizations and appropriations measures passed each week and a running year to date total. This would be printed each week in the CONGRESSIONAL RECORD.

I first advanced this proposal as part of S. 758, the Congressional Budget Control and Oversight Improvement Act, which I introduced on February 5, 1973. S. 758 was one of the major budget bills which resulted in enactment of Public Law 93–344, the Congressional Budget Act of 1974—legislation which some have called the most significant budget reform measure in the Congress in a half century. I was pleased to have been named to the Budget Committee, established under the act, and I am hopeful that the committee will enable the Congress to deal with budgetary matters and determine priorities in a more responsible and disciplined manner. Certainly, the Congress passed its first test in approving the first concurrent resolution of the budget.

Millions and billions are not sums easily comprehended, even in these inflationary times. Johnny Carson and Ed McMahon on the February 6 "Tonight Show," were discussing the President's fiscal year 1976 budget of $349.3 billion and the difficulty for the average American to imagine, let alone understand, the meaning of these staggering sums.

My proposal seeks to bring these astronomical figures down to earth. It will do this by providing an estimate of what each bill or proposal costs each taxpaying family. What this means is that in addition to taking the credit and heralding the benefits of proposals, Members of Congress must also apprise the electorate, in terms they will understand, of the program costs to their family. The taxpayer will then be able to balance the promised benefits of the program against the tax burdens.

Mr. President, I am deeply concerned regarding the growing tax bite taken by government at all levels. More than 37 cents out of each dollar generated in the Nation goes to taxes—Federal, State, and local. This is a record tax burden, 40 percent heavier than three decades ago and up nearly 20 percent in the last decade.

The Joint Economic Committee in their recent report "Inflation and the Consumer 1974," found that—

> Higher tax payments outstripped all other price increases in the consumer budget in 1974 . . . While food prices rose 11.9%, housing 13.5%, personal income and social security taxes rose twice as fast.

While all consumers suffered a dramatic loss of disposable income, the study revealed that middle- and low-income individuals were hardest hit. I ask unanimous consent that a recent article by Mr. George Will entitled "The Largest Tax Increase: Taxes" be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. BEALL. While admittedly this program is gimmick-like, I feel it will have

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a useful purpose. The late Senator Ellender in 1971 tried to help the public comprehend the colossal size of the national debt which then stood at nearly $400 billion. In this interesting and colorful speech Senator Ellender said:

> If every member of the United States Senate counted two one-dollar bills every second of every minute of every hour of every day of every week, it would take approximately 64 years to count $400 billion. If the Senators worked the standard work year (8 hours per day for 260 days a year) taking no coffee breaks, or holidays or vacations, it would take them 267 years to accomplish the same count. At its current capacity, it would take the Bureau of Printing and Engraving about 171 years to print 400 billion one-dollar bills. Four hundred billion dollars in one-dollar bills would fill about 3,456 railway boxcars, making a train almost 36 miles long. The 400 one-dollar bills stacked on top of each other would reach about 27,095 miles, or 4.5 trips from New York to Los Angeles. Placed end to end, that many bills would make a path, 160 bills or 35 feet wide, to the moon.

The $400 billion debt of which Senator Ellender spoke is now $538.5 billion and the Senate recently raised the limit to $531 billion. The President had requested a debt ceiling of $604 billion and it is expected that later this year Congress will have to again raise the debt ceiling. Using a debt of $600 billion and updating Senator Ellender's colorful illustrations, we would now find—

That if every Senator counted two $1 bills every second of every minute of every hour of every day of every week, it would now take 96 years to count the debt rather than 64 years in 1971;

That if all Senators worked only the standard work week, it would take them 400 years to count the $600 billion debt rather than 267 years in 1971;

That the Bureau of Engraving and Printing would take 256 years to print $600 billion worth of $1 bills, rather than 171 years in 1971;

That Senator Ellender carrying the debt in $1 bills would have to add 1,719 boxcars to his 3,456 boxcars in order to carry the increased debt and would stretch for 56 miles rather than 36;

That the bills stacked on top of each other would reach about 40,643 miles or about 6¾ round trips from New York to Los Angeles rather than 27,095 miles and 4.5 round trips in 1971.

While citizens may have difficulty in comprehending billions, they will readily understand the cost per taxpaying family. This proposal should make Members of Congress more cost conscious and think harder and more realistically regarding the authorization and appropriations levels of the proposals a Member introduced. The authorization levels that Congress has been approving are often unrealistic. As Elliot Richardson, when he was Secretary of the Department of Health, Education, and Welfare observed:

> Historically, one set of committees in the House and Senate creates programs and another set actually provides the money for them. The political incentives for a member of an authorizing committee is to pass bills with big price tags—and much publicity—to show he cares about solving problems. Such an incentive does not apply to members of appropriating committees. Time after time the figures on the price tag are higher than anything the executive branch can in good conscience request, and higher than anything that appropriations committees are willing to provide.
>
> There results, then an "Authorization-Appropriations gap"—a gap which has grown by $3 billion in the last year alone and is now over $13 million. For the public, the authorization-appropriation process has become, in a sense, a shell game. Hopes are raised by attention to the authorization hoopla, only to be dashed by the less flamboyant hand of the appropriations process.

The Wall Street Journal in a 1972 editorial stated:

> Any procedural reform that encouraged the Congress to be aware of the overall effect of their individual actions would have substantial benefits for us all. . . . It would be a healthy discipline for Congress to ask each sponsor of a spending bill to also say how the money is to be raised since a government that is running a $40 billion deficit obviously doesn't have spare cash lying around.

I might add that with the deficit now estimated to run anywhere from $52 billion to $70 billion, that it is even clearer that we do not in the words of the Journal editorial, "have any spare cash lying around."

Mr. President, last year the Tax Foundation, a nonprofit group which follows Government budgetary and fiscal matters, pointed out that the average American would spend 2 hours and 38 minutes out of every workday to pay his Federal, State, and local taxes. The average taxpayer last year worked until May 1 in order to earn enough to pay his 1974 taxes. In other words the taxpayer in effect worked from January to May for the Government.

I have not seen Tax Foundation figures for this year, but undoubtedly the average taxpayer is working longer days for the Government. Thus, the burden is getting heavier. My measure will make us more mindful of this burden and help assure that Congress does not, as one commentator charged, manage "to divorce the joys of spending from the misery of taxing."

Mr. President, many taxpayers are feeling the pinch and Government is a principal culprit. Mr. President, the Evening and Sunday Times of Cumberland, Md., last December editorialized in favor of a proposal, such as I am advancing, saying:

> What the average taxpayer in this country needs is a handy pocket scale that would translate big government into manageable terms. . . . Bringing the "stupendosities" casually tossed about in Washington down to human size might help to achieve firmer control over the politicians by those who make it all possible—the taxpayers.

To illustrate how the concept would operate, the Library of Congress and my staff have calculated the cost per taxpaying family of some of the authorization and appropriation bills enacted in the last Congress and also two measures, S. 281, a bill to aid the bankrupt Penn Central, passed on January 28, 1975, and S. 7, the Surface Mining Control and Reclamation Act, approved March 12, 1975, by the Senate. From this table and examining last year's authorization acts, the Housing and Community Development Act, Public Law 93–383, authorizes $2.5 billion the first year and a 3-year total of $16.4 billion. Translating these sums in terms the taxpayer can understand, as my proposal would do, one finds the estimated first year cost per taxpaying family comes to $40.78, and a total cost of $268.02 over the 3-year life of the measure.

Similarly, the Education Amendments of 1974 authorizes $7.2 billion for the initial year, or $117.55 per taxpaying family, and a total of $28.9 billion, or $473.82 per taxpaying family over a 4-year period.

For this year, the Regional Rail Reorganization Act recently cleared by the Congress cost $347 million or $5.69 per taxpaying family.

Looking at the appropriation acts, we find the costs vary from $82.1 billion, or $1,345.84 per taxpaying family for defense to $543 million, or $8.90 per taxpaying family for energy research and development.

In recent years, the Congress has enacted various laws to better inform the consumer, such as the truth in banking, truth in lending, and other consumer legislation. This bill might be viewed as truth in legislating or as I have titled the bill, the Truth in Spending Act.

I plan to have, at least on a trial basis, tabulated the cost per taxpaying family of the various bills in this session.. In summary, I believe this proposal will be good for the Congress—it will make us aware of the estimated cost to taxpayers—and good for the taxpayer—it will make him or her aware of the costs as well as the benefits of programs.

Mr. President, I ask unanimous consent to have printed in the RECORD a series of tables calculating the cost per taxpaying family of several bills recently passed by Congress.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

93D CONGRESS—A. SELECTED AUTHORIZATIONS

Bill	1975		1976		1977		1978		1979		1980		Total	
	Authorization [1]	CPTF [2]	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF
Housing and community development, Public Law 93-383	2,500,000,000	40.98	5,450,000,000	89.34	8,400,000,000	137.70							16,350,000,000	268.02
Urban mass transit, Public Law 93-503	300,000,000	4.91	500,000,000	8.20	650,000,000	10.65	775,000,000	12.70	850,000,000	13.93	900,000,000	14.75	3,975,000,000	65.14
Elementary and secondary education amendments, Public Law 93-269	7,171,000,000	117.55	8,263,000,000	135.46	6,719,000,000	110.14	6,751,000,000	110.67					28,904,000,000	473.82
Foreign aid, Public Law 93-559	2,679,000,000	44.21											2,679,000,000	44.21
Foreign trade, Public Law 93-618	[3] 460,000,000	7.54											460,000,000	7.54
Legal services, Public Law 93-355	90,000,000	1.47											90,000,000	1.47

Footnotes at end of table.

[1] Authorization figures are rounded off to the nearest million.

[2] CPTF is the cost per taxpaying family, determined by dividing the total cost of the legislation by the number of taxpaying families. The number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family in the United States, rounded to the nearest 500,000. (61,000,000 taxpayers.)

[3] Estimated cost.

B. APPROPRIATIONS

Bill	Appropriations	CPTF
Labor/HEW Public Law 93-517	33,045,856,000	$541.74
1st supplemental, Labor/HEW, Public Law 93——	8,659,352,078	141.95
Transportation and related agencies, Public Law 93-391	2,406,899,000	39.45
State Department, Justice, Commerce, Judiciary, 93-433	5,290,175,000	86.72
Housing and Urban Development, Space, Science, Veterans and independent agencies, Public Law 93-414	5,199,721,000	85.24
Defense, Public Law 93-437	82,096,000,000	1,345.84
Legislative, Public Law 93-371	718,440,000	11.78
2d supplemental, Labor/HEW, Public Law 93-554 chapter 4	5,840,542,000	95.74
Energy Research and Development, Public Law 93-322	543,166,000	8.90
Public Works, Public Law 93-393	4,505,472,000	73.86
Agriculture, environmental and consumer protection, Public Law 93——	13,389,851,000	219.50
Treasury, Postal Service, Public Law 93-381	5,561,169,000	91.17
Interior, Public Law 93-404	2,070,137,000	33.94

94TH CONG.—A. SELECTED AUTHORIZATION MEASURES

Bill	1975		1976		1977		1978		1979		1980		Total	
	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF
Regional Railroad Reorganization Act (S. 281 as passed by the Senate Feb. 28, 1975)	347,000,000	4.04											347,000,000	4.04
Surface Mining Control and Reclamation Act of 1975 (as passed by the Senate Mar. 12, 1975)	10,200,000	.12	85,300,000	1.03	85,400,000	1.03	65,400,000	0.79	65,400,000	0.79	65,400,000	0.79	377,100,000	4.55

EXHIBIT 1

[From the Washington Post, Feb. 14, 1975]

THE LARGEST INCREASE: TAXES

(By George F. Will)

Hubert Humphrey is amazed. Releasing a report on "Inflation and the Consumer in 1974," he exclaims: "Amazingly, the biggest increases in the middle-income family's budget resulted from higher social security and income tax payments."

The report was prepared by the staff of the Joint Economic Committee of Congress, of which Humphrey is chairman. The report obviously comes as a startling intrusion of the outer world on the inner peace of Humphrey. It says:

"While food prices rose 11.9 per cent, housing 13.5 per cent and transportation 14.3 per cent, personal income and social security taxes rose twice as fast. For the family at the intermediate income level of $14,466, social security taxes rose 21.6 per cent in 1974, from $647 in 1973 to $787 in 1974. Personal income taxes rose even more—by 26.5 per cent. The family at the intermediate budget level would pay $2,033 in federal, state and local income taxes in 1974 compared to only $1,607 in 1973—an increase of $426—even though its real standard of living remained the same."

The less wealthy you are, the more inflation hurts your tax position by devaluing the standard deduction and exemptions. The report gives this example:

"An average four-person family with an income of $13,000 in 1973 took the standard deduction and paid $1,391 in federal income taxes. Its disposable, after-tax income was $11,609. Let us assume that this family's income rose 8 per cent in 1974 (per capita personal income rose 8.3 per cent from third quarter 1973 to third quarter 1974) to $14,040. This family would be liable for $1,609 in federal income taxes and its after-tax income would be $12,431. This means that family's after-tax income in dollar terms has risen by 7 per cent. The higher taxes that resulted from the diminished value of the standard deduction and the exemption actually increased the tax burden on this family from 10.7 per cent of income to 11.5 per cent.

"In real terms, of course, this family's real after-tax income has fallen as a result of higher taxes and inflation. Measured in 1973 dollars, its 1974 disposable income of $12,431 is actually worth only $10,939. Therefore, even though the family's income rose by 8 per cent during 1974, its purchasing power has dropped 6 per cent.

"Even if this family's income had risen by the rate of inflation, 12 per cent, its after-tax purchasing power would have declined 3 per cent from 1973 to 1974."

The perverse effect of inflation on the tax system is responsible for this American "first": We are in the first recession in which the overall tax burden on individuals and families has increased.

In a normal recession—economic decline without inflation—the tax system operates, at least a little bit, as a counter-cyclical device. As incomes decline, the tax bite becomes smaller.

But when a virulent inflation accompanies recession, the tax system reinforces rather than counters the downward recessionary trend. The tax bite grows, cutting real disposable income just when the economy needs the stimulation of consumer demand.

So while waiting for the mailman to bring your tax rebate check this spring, ponder the examples cited above.

The House Ways and Means Committee favors rebates ranging from about $100 to a maximum of $200. That news must have been received with, shall we say, muted jubilation by the family that in 1974 earned $14,466 and paid an extra $140 just in social security taxes.

Remember that the family the Humphrey report describes as "at the intermediate budget level" paid $426 more in federal, state and local income taxes in 1974 than in 1973. Its rebate may be a quarter of that sum.

And remember the family that earned $13,000 in 1973 and $14,040 in 1974. Perhaps they will get a rebate of $149.20, which would be one-tenth of the $1,492 they, in effect, lost in real disposable income between 1973 and 1974.

Government is a font from which blessings—like rebates of our own money—flow. Inflation, too, flows from government.

Government giveth and government taketh away, and it does a lot more of the latter than of the former. So Humphrey should not be amazed if the public, once it has those rebate checks in hand, still feels filleted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. PROXMIRE. I like the title of this amendment very much—Truth in Spending. It is the kind of title that should make the amendment attractive. But I have some problems with it. I am inclined to support the amendment. I like the idea behind it very much. I have several difficulties with it.

One difficulty is that it seems to indicate that we would have a report on any spending bill and its cost that could be allocated to individual taxes. But how about a tax reduction bill that would provide a privilege to certain kinds of taxpayers? For example, what about a real estate bill that would give a big benefit of many hundreds of millions of dollars to a particular industry? That is a tax expenditure of a kind that would mean a higher burden on the other taxpayers.

Mr. BEALL. It would, indeed. As I think the Senator knows, Congress pays too little attention to tax expenditures. I hope that one of the high priority items for consideration by the Budget Committee will be to put expenditures in their proper perspective.

Mr. PROXMIRE. Would this amendment require us, when such amendments were offered on the floor of the Senate or came out of committee, to have that information as it would affect the individual taxpayer?

Mr. BEALL. This amendment could be interpreted as requiring that. It suggests that we provide the cost per taxpaying family. Obviously, if we are reducing taxes for a particular segment of our economy and it is going to require others to pick up some additional cost of Government, that would be a cost imposed on the individual taxpayer.

Mr. PROXMIRE. Suppose we add, about two-thirds of the way down the page, after "in carrying out such bill or resolution," the following phrase: "or the total amount of reduced tax revenues as the case may be"?

Mr. BEALL. I have no objection to that.

Mr. President, I ask unanimous consent that the amendment be modified accordingly.

The PRESIDING OFFICER. (Mr. LEAHY). The Senator has a right to modify the amendment, and the amendment is so modified.

The modified amendment is as follows:

At the end of the bill, inserting the following:

TRUTH IN SPENDING ACT

SECTION 1. Short Title—That this Act may be cited as the "Truth in Spending Act of 1975".

SEC. 2. Title IV of the Congressional Budget Act of 1974 (Public Law 93–344) is amended by adding at the end thereof the following new section:

"ESTIMATES OF COSTS TO EACH TAXPAYING FAMILY OF LEGISLATIVE PROPOSALS

"SEC. 405. (a) (1) Any bill or resolution of a public character introduced in the House of Representatives or the Senate, and the report on any such bill or resolution reported by any committee of the either House, shall contain an estimate of the average cost for each taxpaying family, if that bill or resolution were to be enacted into law. Such estimates shall be determined by multiplying the total amount of funds of the United States Government expected to be obligated in carrying out such bill or resolution or the total amount of reduced tax revenues as the case may be by the percentage of the total Federal corporate and individual income taxes attributable to individuals and by dividing such product by the number of taxpaying families for the year immediately preceding the year in which the bill or resolution is introduced or reported, as the case may be. In the case of an introduced bill or resolution, such estimates shall be contained in a note following the text of the bill or resolution.

"(2) It shall not be in order to receive or consider any bill or resolution referred to in paragraph (1) of this subsection unless the provisions of such paragraph have been satisfied.

"(b) At the end of any week during which either House of the Congress has been in session for at least one day, the Director of the Congressional Budget Office shall tabulate the amount of authorization of budget authority contained in each bill or resolution passed by each House during such week, the average cost for each taxpaying family for each bill or resolution passed by each House during such week, and the total amount of authorizations of budget authority contained in, and the total average cost for each taxpaying family for, all bills and resolutions passed by each House from the first day of that session of Congress through the week for which the tabulation is made. Each such tabulation shall be printed in that issue of the Congressional Record which is first published after the tabulation for that week is completed.

"(c) For purposes of this section, the number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family of the United States, rounded to the nearest five hundred thousand, on the basis of the most recent satisfactory data available from the Department of Commerce for the year immediately preceding the year in which the bill or joint resolution is introduced or reported, as the case may be.".

SEC. 3. The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of such Act (as added by this Act) in the same manner as if such section were included in such Act at the time of its enactment.

Mr. PROXMIRE. I have one other problem. The way in which the Senator has this amendment phrased indicates that that part of an expenditure or a tax reduction which would be borne by the individual taxpayers would be reported. In my view, the individual taxpayer ultimately is the person who pays for everything, whether they are corporation income taxes or excise taxes or whatever.

It seems to me that the Senator could simplify the amendment by providing, rather than the complicated percentage the Senator suggests, that we take the cost of the proposal, divide it by the number of families, and indicate that this is the average cost per family for the bill. This would mean that there would be a bigger showing than if we allocated the amount subject to the individual income tax. The individual taxpayer pays the corporate income tax. He pays everything, ultimately.

Mr. BEALL. I say to the Senator from Wisconsin that when we started on this, we started at that point. It was my fear that we really were not making ourselves altogether clear; because, erroneously, most American taxpayers feel that a cost that might be attributed to a corporation or an additional cost imposed on a corporation does not affect the taxpayer, when taxes paid by corporations come out of the consuming pocket.

I thought we were relating directly to the individual taxpaying family if we deducted those other taxes and the proportion of expenses that might be attributed to the other taxes and divided the remaining cost by the taxpaying families and came up with the cost of the remainder. This gave them an idea of what it was costing them as individual taxpayers.

Mr. PROXMIRE. Mr. President, I have discussed this matter with the Senator from Maryland. I feel that in the event the conferees decided to modify this amendment in order to attribute the full cost of a bill to the individual taxpayer, they would be free to do so without violating the amendment of the Senator from Maryland. I understand that he agrees to that.

Mr. BEALL. I have no objection to such an amendment. That is where I started originally.

Mr. PROXMIRE. It is my understanding that the House is very unlikely to have this provision in its bill. Therefore, with the understanding that we would have the freedom to do so——

Mr. BEALL. The Senator has a great deal of freedom to move, because the House does not have that.

Mr. PROXMIRE. With that in mind, I have no objection to the amendment.

Mr. TOWER. Mr. President, I praise the Senator from Maryland for his innovativeness, his ingenuity, and the initiative he has taken in this matter. I believe it reflects the sentiment that is probably shared by a majority of the taxpayers of this country and proposes to do what they can and should expect us to do.

On behalf of the minority, I am delighted to say that the amendment has our support, and I commend it to the Senate.

Mr. BEALL. I appreciate the remarks of the Senator from Texas. He has been so generous in his comments that I will not impose upon the Senate any longer.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. ROTH. Mr. President, more than a year ago, as the mandatory wage and price controls program expired, I proposed the establishment of a National Commission on Inflation to monitor the economy and to hold public hearings on large wage and price increases. I further proposed that the Inflation Commission be made up of representatives of all segments of the economy and work for a national policy to restrain inflation. Dr. Arthur Burns, the Chairman of the Federal Reserve System, and Dr. John Dunlop, the present Secretary of Labor, both endorsed my proposal.

Last August, after repeated urging in my behalf and with the inflation rate running at 11 percent, the President endorsed my idea to establish an inflation council in the form of the Council on Wage and Price Stability.

The legislation before the Senate today would extend the life of the Council and provide for a slight increase in its staff capabilities. And although I had previously urged that the Council be given the authority to delay large price and wage increases for up to 60 days, I will accept the Banking Committee's recommendation that this provision not be included in this legislation. The inflationary pressures in the economy have

begun to decline in recent months, but if I detect an upsurging in wholesale and consumer prices, I will not hesitate to renew my call for this proposal.

I believe in view of the powers given the Council, it has been doing a commendable job of fulfilling its mandate to monitor the economy and identify inflationary pressures.

In the past 6 months, it has reviewed industrial capacity, demand and the productivity of the private sectors. It has conducted hearings on the wage and price patterns of a number of selected industries, and it has commented on the inflationary impact of various Federal regulatory proposals.

But despite these successes, I believe that the Council has failed to identify one of the main sources of inflationary pressures in the economy—the Congress.

The years of deficit spending created the inflationary pressures that pumped up the economy until it exploded and collapsed into today's recession. And now Congress is trying to spend its way out of the recession at the risk of renewing even greater inflationary pressures.

I believe that the inflation Council should turn its attentions to the Congress, and begin to monitor and comment on the irresponsible and inflationary actions of Congress.

All too often, Congress has enacted well-intentioned politically appealing legislation only to discover that the added costs have put a tremendous inflationary pressure on the economy.

I am deeply disturbed about the impact of recession and the rising unemployment rate, but if Congress continues to try to spend our economy out of this recession, the resulting inflation will lead us into an even greater recession and mass unemployment.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), the Senator North Carolina (Mr. MORGAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. SCOTT of Pennsylvania. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 67, nays 20, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—67

Abourezk
Baker
Beall
Bentsen
Brooke
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Williams

NAYS—20

Allen
Bartlett
Bellmon
Brock
Cannon
Fannin
Garn
Goldwater
Hansen
Hatfield
Helms
Hollings
Hruska
McClure
Packwood
Scott, William L.
Thurmond
Tower
Weicker
Young

NOT VOTING—12

Bayh
Biden
Buckley
Curtis
Eastland
Gravel
Griffin
Mathias
McGovern
Metcalf
Morgan
Tunney

So the bill (S. 409) was passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—COUNCIL ON WAGE AND PRICE STABILITY

SEC. 101. The Council on Wage and Price Stability Act is amended by striking out sections 6 and 7 and inserting in lieu thereof the following:

"SEC. 6. There are hereby authorized to be appropriated to carry out the purposes of this Act not to exceed $1,000,000 for the fiscal year ending June 30, 1975, and not to exceed $1,600,000 for the fiscal year ending June 30, 1976.

"SEC. 7. The authority granted by this Act terminates on June 30, 1976.".

SEC. 102. Section 2 of the Council on Wage and Price Stability Act is further amended by adding at the end thereof the following:

"(g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpoenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents relating to wages, prices, costs, profits, and productivity by product line, or by such other categories as the Council may prescribe to carry out the purposes of this Act, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council.".

Sec. 103. (a) The first sentence of section 2(c) of the Council on Wage and Price Stability Act is amended by adding "by and with the advice and consent of the Senate" after the word "President".

(b) Section 2(c) of such Act is further amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(c) The amendment made by subsection (a) of this section shall take effect immediately after the individual holding the office of Director of the Council on Wage and Price Stability on the date of the enactment of this Act ceases to hold that office. The amendment made by subsection (b) of this section shall take effect on the date of the enactment of this Act.

Sec. 104. (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

SEC. 105. Section 5 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new sentence: "Nothing in this Act shall be construed to authorize or permit the Council to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security cost-of-living benefit increases authorized under existing law, it being the sense of the Congress that no such ceiling be imposed.".

TITLE II—INFLATIONARY IMPACT STATEMENT ACT

SEC. 201. SHORT TITLE.—That this Act may be cited as the "Inflationary Impact Statement Act of 1975".

SEC. 202. FINDINGS.—The Congress finds that—

(1) inflation is one of the principal economic problems facing Americans;

(2) Federal programs and expenditures which Congress authorize have a significant impact on the economy and can play a major role in contributing to inflation;

(3) it is imperative that Congress, in keeping with its unique responsibility for balancing the possible adverse effects of programs it considers against the beneficial aspects of the same, be informed in advance of the impact on inflation of any legislative proposal to come before it for action.

SEC. 203. INFLATIONARY IMPACT STATEMENTS.—(a) Section 403 of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and";

(3) by inserting after paragraph (2) the following new paragraph:

"(3) an inflationary impact statement relative to such bill or resolution covering the fiscal year in which it is to become effective and each of the four fiscal years following such fiscal year. As used in this paragraph, the term "inflationary impact statement' means an estimate, to the extent practicable, of the probable impact of a particular bill or resolution on the aggregate rate of inflation and the cost of goods and services to be affected by its enactment. Such estimate shall be based on the amount of new budget authority contained in such bill or resolution, as well as the new budget authority at specified projected levels assumed to be authorized by subsequent legislation, unless, with respect to any fiscal year for which an estimate is required, the Director determines that it is improbable that outlays will occur."; and

(4) by striking out "estimate and comparison" in the last sentence and inserting in lieu thereof "estimate, comparison, and statement".

(b) The provisions of subsection (a) are enacted by the Congress as an excercise of its rulemaking power as provided by section 904(a) of the Congressional Budget Act of 1974.

TITLE III—TRUTH IN SPENDING ACT

SEC. 301. SHORT TITLE.—That this Act may be cited as the "Truth in Spending Act of 1975".

SEC. 302. Title IV of the Congressional Budget Act of 1974 (Public Law 93–344) is amended by adding at the end thereof the following new section:

"ESTIMATES OF COSTS TO EACH TAXPAYING FAMILY OF LEGISLATIVE PROPOSALS

"SEC. 405. (a) (1) Any bill or resolution of a public character introduced in the House of Representatives or the Senate, and the report on any such bill or resolution reported by any committee of the either House, shall contain an estimate of the average cost for each taxpaying family, if that bill or resolution were to be enacted into law. Such estimates shall be determined by multiplying the total amount of funds of the United States Government expected to be obligated in carrying out such bill or resolution or the total amount of reduced tax revenues as the case may be by the percentage of the total Federal corporate and individual income taxes attributable to individuals and by dividing such product by the number of taxpaying families for the year immediately preceding the year in which the bill or resolution is introduced or reported, as the case may be. In the case of an introduced bill or resolution, such estimates shall be contained in a note following the text of the bill or resolution.

"(2) It shall not be in order to receive or consider any bill or resolution referred to in paragraph (1) of this subsection unless the provisions of such paragraph have been satisfied.

"(b) At the end of any week during which either House of the Congress has been in session for at least one day, the Director of the Congressional Budget Office shall tabulate the amount of authorization of budget authority contained in each bill or resolution passed by each House during such week, the average cost for each taxpaying family for each bill or resolution passed by each House during such week, and the total amount of authorizations of budget authority contained in, and the total average cost for each taxpaying family for, all bills and resolutions passed by each House from the first day of that session of Congress through the week for which the tabulation is made. Each such tabulation shall be printed in that issue of the Congressional Record which is first published after the tabulation for that week is completed.

"(c) For purposes of this section, the number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family of the United States, rounded to the nearest five hundred thousand, on the basis of the most recent satisfactory data available from the Department of Commerce for the year immediately preceding the year in which the bill or joint resolution is introduced or reported, as the case may be.".

SEC. 303. The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of such Act (as added by this Act) in the same manner as if such section were included in such Act at the time of its enactment.

TITLE IV—ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT

SEC. 401. Section 11(c) (2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.".

The title was amended so as to read: "A bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.".

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical changes in the engrossment of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I ask unanimous consent that 500 copies of the bill as passed be printed for the use of the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS HARRY F. BYRD, JR., HELMS, STONE, AND STENNIS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees be recognized under the standing order on tomorrow the following Senators be recognized, each for not to exceed 15 minutes, and in the order stated:

Mr. HARRY F. BYRD, JR., Mr. HELMS, Mr. STONE, and Mr. STENNIS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF EXECUTIVE NOMINATIONS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the conclusion of the orders for recognition of Senators on tomorrow, the Senate go into executive session and proceed to the consideration of nominations on the Executive Calendar, beginning with Calendar No. 69, message No. 120.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of the nominations tomorrow, the Senate return to legislative session and that the Senate resume its consideration of the Consumer Protection Agency legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW, 10:30 A.M. ON THURSDAY, 9 A.M. ON FRIDAY AND 12 NOON ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the Senate convene tomorrow at 11 a.m. rather than 10:30 a.m. as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in recess until the hour of 10:30 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business on Thursday, it stand in recess until the hour of 9 o'clock a.m. Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday, it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER (Mr. LEAHY). Under the previous order, S. 409 having been disposed of, the Senate will proceed to the consideration of S. 200 which the clerk will state.

The legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations, with amendments, as follows:

On page 2, in line 1, after the semicolon insert: that regulations have been adopted and statutes have been enacted by the Federal Government without first securing available information as to the estimated costs and benefits of such regulations and statutes;

On page 2, in line 11, after the period, insert: Federal programs which fail to provide benefits that are commensurate with the costs thereof may be a factor in the economic problems of the United States.

On page 4, at the end of line 4, strike out "and".

On page 4, in line 6, change the period to a semicolon and insert:

and

(G) providing of estimates of the costs and benefits of programs and activities established by Federal Government regulations and legislation.

(4) It is the purpose of section 24 of this Act to establish a means for estimating in advance the costs and benefits of Federal legislation or rules that have substantial economic impact, in order to determine which Government programs entail unreasonable or excessive costs.

On page 4, at the beginning of line 15, strike out "(4)" and insert "(5)".

On page 14, in line 4, strike out "provide" and insert "provides".

On page 16, after the period at the end of line 5, insert:

When the Administrator initiates a judicial proceeding arising out of a Federal agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons why he did not so intervene or otherwise participate in such proceeding or activity, for the court's consideration in connection with whether the initiation of such proceeding would impede the interests of justice.

On page 18, at the end of line 1, strike out "with" and insert "with, providing information to, or providing assistance requested by any".

On page 20, at the end of line 23, strike out "or the complaint is unsigned,".

On page 20, at the end of line 26, change the period to a semicolon and insert:

(4) no unsigned complaint shall be placed in the public document room.

On page 23, at the end of line 25, insert "consumer fraud or".

On page 24, in line 10, after "person" strike out "that (A)" and insert "that,".

On page 24, in line 14, after "average" insert "annual".

On page 24, in line 17, strike out "loss), and (B) has had over the preceding two years an average number of full time employees not in excess of twenty-five." and insert "loss)."

On page 28, in line 14, strike out "No officer or employee of the Agency shall disclose to the public or to any State or local agency" and insert:

"Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by any officer or employee of the Agency.

On page 28, beginning with line 19, strike out:

(1) any information (other than complaints published pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b) (4) of title 5, United States Code, obtained from a person and privileged or confidential unless the Administrator determines that the release of such information is necessary to protect health or safety; or

On page 29, at the beginning of line 3, strike out "(2)" and insert "(b) No officer or employee of the Agency shall disclose to the public or to any State or local agency".

On page 29, at the beginning of line 14, strike out "(b)" and insert "(c)".

On page 29, in line 15, after "information" insert "by the Administrator".

On page 30, in line 1, strike out "11(a) (2)" and insert "11(b)".

On page 31, at the beginning of line 1, strike out "(c)" and insert "(d)".

On page 31, in line 6, after "subsection" strike out "(a) (2)" and insert "(b)".

On page 36, in line 20, after the comma, strike out "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

On page 39, beginning with line 3, insert:

(5) For the purposes of this section, the term "small business" shall have the same meaning as provided in section 10(a) (4) of this Act.

On page 39, in line 8, after "Act" insert a comma and "except section 24,".

On page 44, beginning with line 12, insert:

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 24. (a) In furtherance of the purpose and policy of section 2(b) (4) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extentions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be first published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93–637, (88 Stat. 2193; 15 U.S.C. 57a (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 14 of this Act, the following definitions

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shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency of the sible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section for the fiscal years 1976, 1977, and 1978.

On page 51, in line 24, after "Sec." strike out "24" and insert "25".

On page 51, in line 24, after "This", strike out "Act" and insert "Act, other than section 24 of this Act,".

On page 52, in line 11, after "Sec." strike out "25" and insert "26".

AUTHORITY FOR WINFRED O. CRAFT, JR., TO TESTIFY AS A WITNESS

Mr. FANNIN. Mr. President, I send to the desk a resolution relating to a subpena directed to Winfred O. Craft, Jr., deputy minority counsel of the Senate Interior and Insular Affairs Committee, and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

Mr. FANNIN. The resolution relates to a subpena directed to Winfred O. Craft, Jr., deputy minority counsel of the Senate Interior and Insular Affairs Committee. It is a civil subpena from the U.S. District Court for the District of Columbia in the case of R. O. Goad, et al., Plaintiff, versus Senator HENRY M. JACKSON, et al., Defendant, Civil Action No. 75–595.

Mr. President, the resolution provides that Winfred O. Craft, Jr., is authorized to appear at the time and place before the court named in such subpena, and that Winfred O. Craft, Jr., in response to such subpena, may testify to any matter determined by the court to be material and relevant in the case stated.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution, Senate Resolution 147, was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas a subpena issued on application of R. O. Goard et al., plaintiff, in the case of R. O. Goad et al., v. Senator Henry M. Jackson et al., (No. 75–595), addressed to and served upon Winfred O. Craft, Jr., an employee on the staff of the Senate Interior and Insular Affairs Committee, directs him to appear and testify before the United States District Court for the District of Columbia, on May 7, 1975, at 10:00 a.m.: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence in the possession and under the control of the Senate of the United States can, by the mandate of process of ordinary courts of justice, be taken from such possession or control but by its permission.

SEC. 2. By the privilege of the Senate and by rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents, papers, or evidence but by order of the Senate, and information secured by Senate staff employees pursuant to their official duties as employees of the Senate may not be revealed without the consent of the Senate.

SEC. 3. When it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that testimony of an employee of the Senate is needful for use in any court of justice or before any judge or legal officer for the promotion of justice and that such testimony may involve documents, papers, or evidence related thereto under the control of or in the possession of the Senate, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 4. Winfred O. Craft, Jr., an employee on the staff of the Senate Interior and Insular Affairs Committee, is authorized to appear at the time and place and before the court named in such subpena; but shall not take with him any papers, documents, or evidence on file in his office, under his control, or in his possession as an employee on that staff and of the Senate.

SEC. 5. Winfred O. Craft, Jr., in response to such subpena may testify to any matter determined by the court to be material and relevant in the case of R. O. Goad et al., v. Senator Henry M. Jackson et al.

SEC. 6. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at the hour of 11 a.m. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. HARRY F. BYRD, Jr., Mr. HELMS, Mr. STONE, and Mr. STENNIS.

At the conclusion of the aforementioned orders, the Senate will go into executive session and will take up the nominations on the Executive Calendar.

The first nomination to be considered will be that of William C. Harrop to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea. Other nominations on the calendar as of now will be considered and, as far as I know at this time, there will be no debate on any of them, with the except of the nomination of Mr. William C. Harrop.

Upon the conclusion of action on nominations, the Senate will return to legislative session and will then resume consideration of S. 200, a bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes. Rollcall votes may occur on amendments thereto on tomorrow. There may be a rollcall vote on the nomination of Mr. Harrop. I am in no position to state it at this time.

Conference reports, being privileged matters, may be called up any time, and rollcall votes may occur thereon. Other matters cleared for action by tomorrow may also be called up during the day.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 5:32 p.m. the Senate recessed until tomorrow, Wednesday, May 7, 1975, at 11 a.m.

EXTENSIONS OF REMARKS

NATIONAL HOBBY MONTH

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. SPELLMAN. Mr. Speaker, as you grow ever closer to America's celebration of its Bicentennial celebration, it is especially appropriate that we give special recognition to the millions of hobbyists across the Nation whose model planes and ships remind us of great events in America's colorful history and whose creative expression through various arts and crafts and other types of hobbies exemplify so well the individualistic and creative spirit of America's early pioneers. That is why I am so pleased that my colleague, Congressman ROYBAL, has introduced House Joint Resolution 276, which would establish October 1975, as National Hobby Month.

The celebration of National Hobby Month is more important than simply as part of the Bicentennial celebration. For hobbies have contributed to a multitude of facets of American life, especially in the role they have played in improving the quality of our Nation's school systems. For example in 1971, the Hobby Industry Association of America, representing some 2,000 manufacturers, wholesalers and retailers of hobby products, launched the "Delta Dart Study Project," which made available to the Nation's elementary and secondary school systems a unique balsa wood airplane model kit, designed especially for the program by an expert from the Academy of Model Aeronautics. The kit provided a detailed outline of instruction for the assembling of the model airplane—which had the capability of actual flight.

The program was conducted nationally in 1973 and 1974, with more than 5,000 classes, grade levels 3 to 12, and was sponsored by a number of groups, such as the Education Sections of the Civil Air Patrol and the Federal Aviation Administration, the National Aerospace Education Council, and the National Association of State Aviation officials. All "Delta Dart" models were donated by the Hobby Industry Association of America.

The program has received wide praise for its educational benefits and the high interest and enthusiasm evidenced by participating students, who through the program were exposed to a wide variety of disciplines, such as mathematics, geometry, general and aerospace science, industrial arts and social studies. The following are excerpts from reports of teachers and comments of students who participated in the program:

> A learning tool for new mathematics and physics concepts.
>
> Improves reading habits.
>
> An aid to teach measuring, calculating, analyzing.
>
> Provides new vocabulary.
>
> Promotes verbal communication.
>
> Increases attention span.
>
> Teaches that following directions gives better results.
>
> Develops better hand, eye, mind coordination.
>
> Raises achievement levels, especially of non-confident, low achievers.
>
> Teaches acceptance of failures as well as successes.
>
> Subtly teaches the importance of thinking before acting.
>
> The procedure is self-motivating.
>
> Reduces absenteeism.
>
> Creates excitement beyond standard textbook teaching.
>
> Develops group common interest, cooperation and self-discipline.
>
> Motivates students to consider career possibilities and the requirements to achieve specific goals.
>
> Develops interaction and better communication between student and teacher.
>
> The sense of personal achievement results in better classroom attitude and a greater desire to learn in all areas.
>
> Girls who never before built a model kit did exemplary work and expressed their interest in the model learning method.

Other types of model kit programs have been introduced such as a transportation unit currently in use in the Sacramento School District with support from California and Federal agencies. Expressions of interest and involvement have also been forthcoming from the Department of Health, Education, and Welfare.

Might I also point out that hobbies make a vital contribution to American life in ways that are difficult to measure. How does one measure the value of a hobby for the senior citizen who finds satisfaction in working with his hands, or the handicapped person who can find creative outlets through hobbies? In a time of high pressure and overtension, hobbies provide valuable opportunities for enjoyment of leisure time and creative expression.

Thus, it is essential that this type of contribution to our educational system and many other constructive aspects of hobbies be given recognition, and I deeply hope that the Congress will see fit to establish in the near future National Hobby Month for October 1975.

A TRIBUTE TO DR. RAY W. RAGSDALE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of California. Mr. Speaker, on June 29, 1975, Dr. Ray W. Ragsdale, a Methodist preacher at the First Church of Torrance, Calif., will be retiring from the ministry after 41 years of faithful service.

Consequently, at this time I feel it would be most appropriate to commemorate this important event.

Dr. Ragsdale's personal career is a most distinguished one. Born in Washington, Ind., on August 22, 1909, he delivered his first sermon at the age of 18. He received his local preacher's license in the same year.

Dr. Ragsdale attended De Pauw University where he received a B.A. degree in June 1931. He also was the recipient of scholar-athlete honors in the same year. In September 1931, he entered the Boston University School of Theology and received his S.T.B. degree, in absentia, June 1934.

On August 9, 1931, Dr. Ragsdale married Eleanor Mahon Hughes, of Mount Carmel, Ill., in Greencastle, Ind. They were blessed with two beautiful children: Judith Elaine Ragsdale, born in Flagstaff, Ariz., on July 17, 1936; and Russell Hughes Ragsdale, born in Fullerton, Calif., on November 19, 1944.

Dr. Ragsdale has always been an effective fundraiser for the various religious institutions that he has been connected with. He raised funds to build the sanctuary for the Community Methodist Church of Holbrook, Ariz., and the administrative wing of the Westwood Community Methodist Church. He also raised funds to liquidate the debt on the Federated Church of Flagstaff, and the First Methodist Church of Fullerton, Calif.

In 1951, Dr. Ragsdale received the honorary degree of doctor of divinity from the University of the Pacific. He received the same degree 4 years later from De Pauw University.

Dr. Ragsdale's elected and appointed leadership role is too long to list here. However, to cite just a few, he served as a trustee for the University Religious at UCLA, and as the president of the Southern California School of Theology Corp.

He was listed in Who's Who in America in 1956, 1958, 1960, 1962, 1972, and 1974. He also was listed in Contemporary Authors in 1974. He has been an active contributor to Zion's Herald magazine, as well as other religious publications.

From 1963 to 1971 he was chairman of the board of the Saturday Evening Forum of Tucson, Ariz. And in 1972 he was a delegate to the Western Jurisdictional Conference of the United Methodist Church. Dr. Ragsdale also later founded the Human Needs Center of Torrance, Calif.

The retirement of Dr. Ragsdale marks the fulfillment of a brilliant career of a man who has been unselfish in his dedication to religious beliefs and the betterment of local community life. I feel that we all owe him a deep personal debt that should not go unnoticed.

We all wish Dr. and Mrs. Ragsdale many years of happiness in their retirement years ahead.

AMERICAN GENEROSITY MUST NOT DIE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McCLORY. Mr. Speaker, frequently, distinguished news columnists are able to interpret our American goals and ideals more clearly and eloquently than we who represent the American people in the Congress of the United States. In Monday's Washington Star, Ernest B. Furgurson discusses an element of the American character—generosity—as being in serious jeopardy as we reflect upon the final disastrous chapter of the tragic Vietnam war. Some of the attitudes expressed regarding Vietnamese refugees, including small children and parents and other relatives of the Vietnamese wives of American servicemen, are in sharp contrast to our traditional characteristics of generosity and compassion.

Mr. Speaker, even as we rescue refugees attempting to escape in small boats, we should be reminded that our main goal, however ill-advised, was to assist, support and defend the brave and innocent people of South Vietnam against attack and subjugation. Mr. Furgurson reminds us of the friendship and consideration displayed by our military, as well as our civilian personnel throughout the long Vietnam war. It is well for us to be reminded of these acts of kindness and generosity which truly represent what is best and even typical in the American character. However, Mr. Furgurson describes this quality with some fear that it may be forgotten in this tragic hour of relief and introspection. His article follows:

[From the Washington Star, May 5, 1975]

ANOTHER WAR CASUALTY: AMERICAN GENEROSITY

(ERNEST B. FURGURSON)

The saddest casualty will be our idealism. However serious the military and political consequences of the fall of Vietnam, they are minor beside the prospect that we now will spend years accusing each other of being the villains responsible. All the strategic implications will not matter much, relatively, if we react with such cynicism that we replace our once unlimited generosity with personal and national selfishness.

When the last image of the U.S. presence is of troops battering the fingers of Vietnamese trying to climb the embassy wall to escape, it is hard for many to remember that there ever was any simple goodwill involved in our being there. There was, and even now I cannot believe it was all wasted.

I think of two civilians I met in my first days there, who in their different ways symbolized our whole long effort. One was George Gibbs, a high school principal from suburban Virginia. He was in Saigon to try to teach educational administration to a Buddhist monks' school out the Vung Tau road.

With him I entered the teachers' room there, partitioned off with tin sheeting stamped with American beer labels. He clasped his hands in front of his broad chest and bowed solemnly to the ascetic little man before us. We chatted circuitously as the tin walls vibrated to the drumming of bombs falling in the jungle. We had some perfumed tea, and as we sat I understood the earnestness of this big American, once an all-American guard at William and Mary. Then as we drove away, I also realized that the monk would go right on smiling, bowing, offering tea and administering his school as he had before.

The other civilian was Peter Hunting. He came to Vietnam in 1963 with the International Voluntary Service, a kind of religiously motivated Peace Corps that paid him about $8 a month. He worked closely and alone with teachers and officials in a hamlet near Cam Ranh Bay.

He told how one day earlier the Viet Cong came in, shot the teacher's wife in the legs, killed the hamlet chief and condemned the school as an American imperialist tool. And he told how after that he just kept on working, on the school, on a windmill pump, whatever needed doing. He said seriously, "I'll never forget the Ba Thap project because it was that hamlet that brought me the greatest single opportunity to serve."

When his two years were up, Hunting elected to stay. He was moved to the Delta, and one day in November 1965 he was driving alone toward Soc Trang when his car was ambushed. His body was found with 15 bullet holes in it. He was 24 when he died.

Yes, I know that while they tried their way, many more Americans were saying it with bombs, but most of those thought it was right and necessary. Men in uniform were being gentle, too. I remember the Special Forces squad that put on a puppet show to entice peasants to get cholera shots; the doctors and nurses at Pleiku, working to find a shot for the resistant falciparum malaria; the Marines who played Santa Claus at the leper colony; the senior adviser who organized an airlift of Christmas gifts from home.

Clumsy, almost all of it. Unsubtle. Old-fashioned, too reminiscent of World War II. But seriously well-meant, against the odds of success. The same can be said of what we set out to do there on the larger scale.

Now there is the chance that in bitterness we will abandon our idealism because it got us into such a painful experience. I hope not.

The first opportunity we have to show it remains in the way we treat the Vietnamese who believed in us, and have now turned to America.

H.R. 50: YOUNG COMMUNIST SUPPORT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McDONALD of Georgia. Mr. Speaker, for several months the Communist Party, U.S.A.—CPUSA—has been promoting the "virtues" of H.R. 50 as a major step toward full socialism in this country.

I outlined the development of CPUSA's organizing drive to take advantage of the current economic down-cycle in my Extension of Remarks on April 16, 1975, pages 10436–10439. At that time I quoted the YWILL national chairman, James Steele, as admitting that the league is "helping to buid youth support for the Hawkins full employment bill—H.R. 50—and formulating proposals to strengthen it." Steele also reported that YWLL had created its own front, Youth United for Jobs, to implement this campaign.

The YWLL/YUJ agitational campaign has apparently had some success to the extent of being invited to present testimony on behalf of H.R. 50 before the House Subcommittee on Equal Opportunities.

On April 2, 1975, the CPUSA newspaper, Daily World, carried a report on YWLL testimony before the subcommittee. It is noted that the YWLL leader presented himself to my colleagues as representing Youth United for Jobs, rather than in his true colors as a leader of the Communist Party youth organization.

I include the Daily World account of the testimony for the information of my colleagues as an indicator of the current CPUSA line:

HEARING TOLD OF DETROIT'S 135,000 JOBLESS TEENAGERS

(By William Allan)

DETROIT.—Some 135,000 young people under the age of 20 will be without a job in this city this summer and most have no hope of getting one, a youth panel told a Congressional hearing here last week. The hearing was held March 25 before the House Sub-Committee on Equal Opportunities on the Hawkins Bill, H.R. 50.

The youth panel was made up of Doug Likkel, organization secretary of the Young Workers Liberation League (YWLL); Ms. Julie Chennault, NAACP Youth Council and Ms. Brenda Love, Detroit Youth Council. Likkel spoke representing Youth United For Jobs, a multi-racial organization composed of youth who are unemployed, church youth groups and young trade unionists. Likkel is a member of UAW Ford Local 600, River Rouge plant.

PROTEST MADE

The youth panel protested to Rep. Augustus Hawkins (D-Calif.), chairman of the hearing, and Rep. John Conyers (D-Mich.), that the youth panel had been pushed to the end of the hearing.

At the end of the testimony by the three youth leaders, both Congressmen praised the presentation and information as well as the concrete proposals, especially those made by Likkel.

Ms. Love said that 175,000 school-aged Detroit youth will be unemployed by June, 1975.

"Only 40,000 are eligible to enter aummer programs under the Comprehensive Employment and Training Act guidelines," she said. "That leaves an estimated 135,000 without jobs of any kind."

BILL NEEDED

She pointed out that with over 300,000 adults unemployed in the Metropolitan Detroit area, this is all the more reason for immediate passage of H.R. 50, "The Equal Opportunity and Full Employment Act."

Ms. Chennault, the NAACP youth leader, urged action by the Congressmen to get passage of the bill, because of the desperate plight of Detroit jobless youth, most of whom are Black. Mayor Coleman Young, who had testified earlier, repeated that more than 100,000 youth in Detroit proper are "out of school, out of jobs, and out of luck"—and this must be given top priority.

Doug Likkel, a tall young auto worker, who has been laid off from the Ford Rouge plant, where he had been active in the union's unemployed council, gave some of the most telling testimony the committee had heard.

BILL NEEDS IMPROVEMENT

Likkel said that while the Youth United for Jobs group supported the overall thrust of the Hawkins Bill, for the government to provide full employment for people out of work, he felt the bill should be strengthened. He cited the need to provide jobs for all those unemployed within a period of a year after its passage, especially because of high joblessness among Black and other nationally oppressed people and youth.

Because of monopoly institutional racism, the unemployment rate for Black, Chicano, Puerto Rican, Native American and Asian teenagers is nearly 42 percent officially and is

actually even higher in some ghettos and barrios," he said.

"If the present trend continues," he went on, "it will be a matter of months before two out of every five young people will be out of work, with two out of every three Black youth being out of a job. Racism is being used to pit white working people against black, to prevent a solid united movement of black and white youth and all youth to fight against unemployment and its consequences."

OFFERS PROPOSALS

Likkel listed a number of proposals for legislation for creating jobs for youth, besides the passage of the Hawkins Bill. They are:

- Need for a recognition of how deep unemployment is among youth, and especially those sectora where unemployment is permanent and high, such as among Black, Chicano, Puerto Rican, Native American and Asian youth and amongst Vietnam veterans.
- Putting youth to work within one year after passage of H.R. 50; guarantees that youth will be counted amongst the jobless and, therefore, enrolled in job programs; to eliminate discrimination on the basis of race, national origin and sex.
- All jobs programs must provide wages for youth and others at trade union rates and guarantee the right of unions to organize in all aspects of such jobs. Also to provide on the job training especially for younger workers, who would get trade union rates while learning.

POLITICAL DISCRIMINATION HIT

Likkel criticized parts of the Hawkins Bill, which he said could open the door for political discrimination. Rep. Hawkins sharply disagreed with YWLL's leader, but Likkel reminded him that during the 1930s there was political discrimination around Works Progress Administration (WPA) and Civilian Works Administration (CWA) programs. Rep. Conyers supported Likkel, saying he had the right, in this period of history, to sharply raise before the subcommittee the question of political discrimination.

Said Conyers, "from the earliest days of our national history, the people holding political power have often tried to suppress legitimate dissent. The Huston plan, the 'Plumbers,' and the 'enemies' list, are just a part of what this young man is warning us about today. This travesty of justice and the denials of due process were suffered by Reverend Ben Chavis, and the Wilmington 10. If such governmental lawlessness is not checked now, it can get beyond our control. Guarding these political rights must be accompanied with guarding economic rights, the right to a job . . . The federal government is the ultimate protector of both of these rights and the people must demand, as our young friend here today does, this responsibility must be met . . ."

Rep. Hawkins then joined Rep. Conyers in agreeing that the youth panel had made a unique contribution. The testimony of Douglas Likkel and the other youth panelists went into the record in full.

ROY L. ROBERTSON

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BYRON. Mr. Speaker, last week Carroll County lost a friend and a long-time civic leader—Roy L. Robertson.

Roy Robertson served as mayor of Manchester in the late 1950's and early 1960's and at his retirement in 1969 he was a teacher at North Carroll High School. An elder of Trinity United Church of Christ he had also been a member of the Lineboro-Manchester Lions Club, the Maryland Crime Commission, the Board of the Carroll County General Hospital, the Carroll County Historical Society and a number of other community groups.

I know you join me in extending sincere sympathy to his wife and family. The unselfish civic spirit of Roy Robertson will not be forgotten.

DR. HUBERT HEFFNER

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McCLOSKEY. Mr. Speaker, the news of Dr. Hubert Heffner's death on April 1, in California, was received with sadness by his many friends in Washington, D.C., and throughout the Nation.

A well known physicist, Dr. Heffner was for 3 years—1969 to 1971—Deputy Head of the White House Office of Science and Technology. During this period OST was headed first by Dr. Lee DuBridge and later by his successor, Dr. Edward David, Science Advisers to the President. In 1972 Dr. Heffner was appointed by President Nixon to a 6-year term as a member of the National Science Board, the governing body to the NSF, on which he was serving at the time of his death.

Dr. Heffner was born in Lincolnton, N.C., in 1924. He attended Stanford University and received a B.S. degree in physics in 1947, a M.S. degree in electrical engineering in 1949, and a Ph. D. degree in electrical engineering in 1952. During 1949–51 he was an Atomic Energy Commission fellow, and from 1952 to 1954 was a member of the technical staff of Bell Telephone Laboratories where he was engaged in research on electron beam dynamics. In 1954 he returned to Stanford University as assistant professor of electrical engineering, becoming associate professor in 1957, and professor of electrical engineering and of applied physics in 1960. In 1960–61 Dr. Heffner was Scientific Liaison Officer in the London Office of Naval Research. Returning to Stanford, he served from 1963 to 1967 as associate provost and dean of research. Following the 3 years from 1969 to 1971 when he was Deputy Director of the OST, he returned to Stanford as professor of applied physics and electrical engineering. At the time of his death he was head of the department of applied physics.

Other Federal affiliations included membership on the Defense Science Board, the General Advisory Committee of the Atomic Energy Commission, and the President's Committee on the National Medal of Science. Dr. Heffner was a member of the National Academy of Sciences and its Assembly of Mathematical and Physical Sciences and a number of professional physics and engineering societies, as well as Phi Beta Kappa and Sigma Xi. He was active in international bodies also, including service on the Science Policy Working Group of the United States-U.S.S.R. Joint Commission on Scientific and Technical Cooperation. He also served as a consultant to a number of industrial concerns in California, and was the author of numerous technical articles on the subjects of electron beam focusing, noise theory, parametric amplifiers, and quantum electronics.

A memorial service for Dr. Heffner was held on April 14 at the Memorial Church on the Stanford campus. Among those attending was Dr. H. Guyford Stever, Science Adviser to President Ford, and Director of the National Science Foundation. Remarks were made by Dr. Heffner's Stanford colleagues and by Dr. Lee DuBridge, former Science Adviser to President Nixon.

Our sympathy is extended to Mrs. Heffner and to the three Heffner children.

POLISH CONSTITUTION

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MINISH. Mr. Speaker, this month we commemorate a great event in the history of Europe. On May 3, 1791 Poland adopted a constitution which clearly defined the rights of citizens and forcibly portrayed the principles of freedom and justice.

The Polish Constitution of 1791 was a remarkable document in that it took the then unprecedented step of establishing a limited monarchy and a constitutional democracy. The powers of the King were sharply curtailed, and he was to share his executive authority with a council. The nobility lost many of its privileges and its ranks were opened to the townsmen. The peasants' relations with their landlords were regulated by law, and they were not to be subjected to any arbitrary abuse of power. Religious freedom was established. The governmental machinery was opened and liberalized. This was a pioneering step forward in Eastern Europe—in no other country had such sweeping reforms taken place.

Even the later tragedies that befell Poland through invasion could not obliterate the contents and the spirit of this noble document. Through the generations, Polish leaders with the love of freedom and the welfare of their people in their hearts have gone to the Constitution of 1791 for guidance and for inspiration. Today ours is also the challenge to help perpetuate the memory of the Polish Constitution and those brave Poles who have lived by and worked for its high ideals.

The history of the Polish people in our own country provides numerous ex-

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amples of the outstanding traits which gave birth to the Constitution of 1791. Polish Generals Pulaski and Kosciusko fought valiantly beside George Washington in the Revolutionary War. They set an illustrious example which has been followed throughout our history. In every area of the United States where there are Polish-Americans their splendid influence has been felt in civic responsibility, in community development and leadership, and in the rich cultural heritage of Polish food, song, and dance.

I commend the Polish people and encourage them in the hope that their native land may soon be secure in the ideals represented by the Constitution of 1791.

ALIEF CHAMBER CHALLENGES EPA REGULATIONS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ARCHER. Mr. Speaker, the Greater Alief, Texas Chamber of Commerce recently sent to me a statement relating to EPA traffic controls in Houston. I was very impressed by the statement and felt my colleagues should have the opportunity to review their comments:

STATEMENT OF THE GREATER ALIEF, TEXAS, CHAMBER OF COMMERCE IN OPPOSITION TO ENVIRONMENTAL PROTECTION AGENCY PROPOSALS WHICH INCLUDE AN EDICT TO DESTROY OUR ECONOMY THROUGH A 75 PERCENT REDUCTION IN VEHICLE MILES

Once again, the Greater Alief Chamber of Commerce, finds it expedient and necessary to join with area thought-leaders and future planners in stopping an avalanche of stupidity launched by the Environmental Protection Agency against our people, our economy, our business, our recreational facilities, our professional activities, our daily lives, and all the operations which propel us constantly toward building a better tomorrow.

The EPA's proposal is so patently idiotic it would seem unnecessary to express opposition. Yet, the insidiousness of EPA's apparent legislated authority and power, makes it imperative that we mount to the housetops and shout loudly, and in concert, our vigorous opposition to the monstrous proposals of this moronic bureaucratic edict.

All the facts stated in the appearance of the Chamber's authorized representative at the public hearing before the EPA in Houston, Texas, July 17, 1973, are still valid. A copy is enclosed for your records.

It has become obvious that the Environmental Protection Agency, established by a paroxysm of Congress in false concern, without confirmed and validated scientific data, must be corrected, changed, restrained, or abolished.

It is the recommendation of this spokesman for the Greater Alief Chamber of Commerce that EPA be abolished in its present form, and since it appears necessary to have some governmental agency pursue the more intelligent environmental activities, needed in our modern industrial society, that such agency be established with strict guidelines, so that it cannot wander all over the map with punitive proposals.

The government should realize after many mistakes in other fields, that people cannot be protected from themselves. If two million people want to live in the greater Houston area or ten million, for that matter, and breathe the air in this area, then the government should make no effort to stop them, such as EPA is doing.

By proposing to reduce vehicle miles traveled by 75 per cent within the next two years, the government is, in effect, saying to a free people, "You cannot live where you want to live. You will live where we tell you to live." That's what EPA's edict means. There is no conceivable way in which vehicle miles traveled can be reduced by 75 per cent and the economic impetus of this area be maintained.

Have any long-range, scientific studies been carried out to determine if breathing Houston air is any more dangerous than breathing air in any other place in the nation, or in the world!

Shall the people of the Houston area be shipped to North Dakota, or some other sparsely settled state!

Shall the American automobile industry be totally devastated by bureaucratic edict!

MAY 15 MARKS ANNIVERSARY FOR STEWARDESS SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of California. Mr. Speaker, May 15, 1975, will mark the 45th anniversary of what was considered a bold and innovative step forward. On that date, in 1930, eight young nurses boarded a United Airlines flight; not as passengers, but as employees to help serve and assist the passengers.

Today, although most passengers take stewardesses for granted, it is still considered to be a glamorous and exciting profession. And it is interesting to take a look back and see the beginning of this service, when it was still a new and unproven idea.

I would like to insert the following text in the RECORD to help recall those early days of commercial aviation, and to add my own congratulations to the men and women who carry on that early tradition in the flight attendant field.

The article follows:

UNITED AIR LINES NEWS

On May 15, 1975, one of the world's most unique career fields will celebrate the 45th anniversary of its creation. It was on that date in 1930 that United Airlines put eight young nurses aboard its aircraft to serve passengers flying the 20-hour, 13-stop route between Chicago and San Francisco.

The commercial air transportation industry had begun in 1926, but it wasn't until 1930 that the idea of having women as crew members on an airplane dawned. Until that time, the co-pilot would take time from his responsibilities in the cockpit to go into the cabin to serve meals and assist passengers. Ellen Church Marshall, the first of the original eight stewardesses hired by United, recalled that there was some good business psychology behind the idea: "How is a man going to say he is afraid to fly when a woman is working on the plane? Pilots—in their big fur coats, goggles and holsters—didn't want women aboard at first; but after three or four months, they found the nurses quite helpful and passengers enjoyed having them aboard."

In 1933, an Ohio newspaper published the following report on the stewardess career: "The sky stewardess represents a unique field for women. She is the girl who goes to work at 5,000 feet above the earth, rushing through space at a rate of three miles a minute. She has been eulogized, glorified, publicized and fictionalized during her comparatively short existence. She has become the envy of stenographers in New York and farmers' daughters in Iowa. She seems to be on the way to becoming to American girlhood what policemen, pilots and cowboys are to American boyhood."

Today, some of the stereotype of the flight attendant career has vanished—worldwide aviation employs 83,000 flight attendants and about seven per cent are male stewards. Yet, the glamour, excitement and appeal of the job is still there—for every flight attendant opening, there are about 30 applicants.

We salute the thousands of men and women who chose the flight attendant career—whether it was dedicating their work to 12 passengers at 5,000 feet in 1930 or to 342 passengers at 35,000 feet in 1975.

CAPITAL PUNISHMENT IS NEEDED IN THE UNITED STATES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BIAGGI. Mr. Speaker, one of the most volatile issues being discussed in this Nation today is whether capital punishment should be restored as a tool of justice. The Congress and the Nation are awaiting the decision of the Supreme Court in the Fowler against North Carolina case which is expected to determine the constitutionality of the death penalty.

In 1972 in the landmark case, Furman against Georgia, the Supreme Court ruled on the death penalty. They struck it down but a close examination of the decision showed that it was not the penalty that was being condemned but rather the arbitrary way it was being administered. Since this decision 32 States in the Union have enacted new laws restoring capital punishment but making it for specific crimes so as to avoid the capriciousness administration which the Court objected to.

I have introduced legislation in the Congress, H.R. 2865, which will establish rational criteria for the mandatory imposition of the death penalty. I include among the several crimes for which capital punishment could be administered, the killing of law enforcement officers, terrorist bombings, and crimes committed in an especially heinous fashion. This, to my knowledge, is the only bill of its kind to be introduced in the House. It is identical to legislation which passed the Senate last year. The Congress already has indicated its support of the death penalty for certain crimes when we passed legislation last year which imposed the penalty for hijacking.

The controversy surrounding this question concerns one basic point: Is capital punishment a deterrent? I contend that capital punishment is the most effective deterrent we have not only to punish criminals, but more importantly

to deter future murderers, rapists, or bombers. Consider these facts. In the 1950's when capital punishment was still in existence, the murder rate in this Nation steadily declined bottoming out at 7,418 in 1955. By the 1960's when a gradual phaseout of the penalty began the rate increased dramatically and by 1968 the number reached 12,500. The 1970's show a continued rise and by 1972 the murder rate had jumped to 18,520. In addition the number of law enforcement officers killed in the line of duty has increased by 200 percent in the last decade with 132 alone killed in 1974.

Crime is one of this Nation's most serious problems yet we have not addressed ourselves fully to its solution. It will take bold and harsh steps, a strengthening of our criminal justice system to make it less criminal coddling and more justice oriented. We must fight the war against crime with our best weapons and I contend that capital punishment must be considered one of our primary tools.

Mr. Speaker, at this point in the RECORD, I would like to insert a provocative editorial printed in the Long Island Press and written by the nationally syndicated columnist Mike Royko. In the article he discusses the pros and cons of the issue and in the end indicates his support of the need for capital punishment. It is an excellent article and I urge my colleagues to read it as they consider their own positions on this matter of critical importance to all Americans. The article follows:

DEATH PENALTY: PRO AND CON

(By Mike Royko)

The Supreme Court will rule on a key capital punishment case this summer, and this could lead to a reversal of the court's ban on the death penalty. So once again the public debate is on.

But regardless of what the court does, or anyone says, my mind is made up on this subject.

I used to waver. For many years I jumped from one position to another.

As a kid, I felt that the death penalty was deserved by anyone who stole my bike or ran over my dog.

Later, as a young reporter, I covered an execution, got sick to my stomach, and thought it should be banned.

But as a police reporter, I talked to the families of ordinary people who had been murdered in robberies, sadistic sex crimes, or just for the hell of it, and thought that maybe the electric chair wasn't such a bad piece of furniture after all.

I listened to all the arguments pro and con, read court decisions, tried to digest the statistics of criminologists and sociologists, and became completely confused.

Then, in 1962, my mind was made up. I reached a position and I haven't wavered from it since.

A well-known mass-murderer, had been caught and brought to trial that year.

As the testimony came out, I found myself filled with loathing for the man, hoping he would be convicted and executed. In fact, I was all for doing it slowly so he would suffer.

Then I searched my soul. What good could possibly result from killing him? Would it bring his victims back?

The answer was, no, it wouldn't bring them back. But it might make the survivors of his victims feel better.

So I searched my soul further. Would it not serve society just as well to lock him up for the rest of his life? Wouldn't that isolation be a terrible punishment?

Sure it would be a terrible punishment. But as long as we were going to punish him, why not go allout and let him have the ultimate in punishments?

In another corner of my soul I encountered the question: Would his execution deter others from committing murders?

Maybe. Or maybe not. If it deterred others, great. And if it didn't deter others, we would still be rid of a loathsome creature. So how could we lose?

From another soul-cranny came the question: Didn't I revere human life?

Sure I did. But that killer obviously didn't, so let him be punished by his own cold standards.

My conscience kept twitching. Wasn't this punishment cruel and unusual, since others had committed the same kind of acts but had gone unpunished.

Possibly, and that argument is why the death penalty is now banned. Many killers were convicted, but few were executed, which made their punishment cruel and unusual. But I figured the solution wasn't to let this particular louse off the hook, but rather to execute the others, too. Then it wouldn't be all that unusual.

Just about the time I finished frisking the last nook and cranny of my soul, the verdict came in.

Guilty as charged. The penalty has to be death.

Oh, there were some technical objections as to the way he had been arrested, but they were overcome. And there was no doubt as to his guilt.

So he was given his last meal, walked to a small room, and his life was extinguished.

Just like that. One moment he was living, breathing, probably terrified. Maybe he was thinking about his plump wife and sweet-looking little son, only six years old. The next moment, he was dead forever.

That's when my harsh feelings about him were put to the test. I waited for my stomach to feel sick.

Nothing happened. I felt pretty good. As I recall, I went out and ate a pizza.

Since then, I've been in favor of capital punishment. Not only for every murder case, of course. But for those cold-blooded, remorseless, sadistic people, who kill for profit, pleasure, for the hell of it, for those who are not blinded by insanity or some overwhelming passion, but have a choice and choose to kill.

Had it been up to me, Richard Speck would be gone. So would Manson and most of his playmates. So would the guy who robbed the aged grocer and blew him apart with a shotgun as a cruel afterthought. So would the punk who did the same thing to the night counterman in a diner. Or, to the docile cabby. So would any hired killer from the Syndicate. So would the planners and doers of the Jablonski case. I'd have the electric chair going off like a pinball machine.

I can't help feeling that way now because that's how I felt in 1962 when a former SS officer named Adolph Eichmann was executed for murder.

If I believed that the killer of a grocer, a cabby, some Philippine nurses should be spared, then I'd have to be consistent and say the same in Eichmann's behalf.

I'll never be that soft in the heart. Or in the head.

MY VOTE AGAINST H.R. 5272

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. FRENZEL. Mr. Speaker, yesterday I voted against H.R. 5272, the Noise Control Act of 1972 extension. My opposing vote was made for a number of reasons.

First, the bill was brought up under suspension procedures without a chance for normal debate or normal amendment. This is a bad procedure which should not be used for important bills.

Next, this bill was about 50 percent over the budget without satisfactory explanation therefor.

Finally, EPA's attitude on industrial noise has been, in my judgment, unyielding and inflexible.

This bill obviously needs extended discussion in the Committee of the Whole, and we deserve the opportunity to engage in debate and to make regular amendments.

DECLARATION OF FREEDOM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. GILMAN. Mr. Speaker, on May 5, I met, on the steps of our Nation's Capitol, with members of the National Conference on Soviet Jewry and joined with them in endorsing a Declaration of Freedom for Soviet Jewry.

The National Conference on Soviet Jewry is a fellowship of Christians and Jews who are dedicated to the ideal that Soviet Jews have the inalienable right to emigrate to their homeland. This dedicated group works toward the goal of insuring human rights for Soviet Jews including the right to live, to work, and to worship their religion in freedom. The conference intends to circulate this declaration throughout the Nation.

I was pleased to endorse the leadership assembly's Declaration of Freedom and commend the outstanding work that the National Conference on Soviet Jewry has been doing on behalf of Soviet Jews.

This humanitarian issue, which has become more critical in recent months, has been of paramount concern throughout our Nation. The declining emigration of Jews from the Soviet Union, down from 33,461 in 1973 to 20,788 in 1974 and now down to a mere 1,200 per month, stresses the need for more vigilant dedication to the goal of protecting the human dignity and freedom of Soviet Jewry.

Last year, along with some of my colleagues in the House, I adopted a Soviet prisoner of conscience, David Chernoglaz of Leningrad, and have endeavored, in vain, to obtain information about his whereabouts and welfare. His wife, Mrs. Bronia Chernoglaz, and former Soviet prisoner, Aharon Shpilberg, visited us here in Washington a few months ago, describing to the members of the New York State congressional delegation, the harassment and persecution of those Jews seeking to leave Russia.

Shortly thereafter, 90 of my colleagues joined me in petitioning Secretary Brezhnev to live up to the promises made by the Soviet Union to start adopting a more liberal, responsible policy towards Jewish immigration. The Soviet Embassy refused to acknowledge receipt of that petition,

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shedding additional light on their shortsighted, irresponsible attitude toward this humanitarian issue.

It is essential that we maintain a strong stand in support of the Vanik-Jackson amendment, denying most-favored-nation status to the Soviet Union until that government relaxes its oppressive emigration policies. While there has been some opposition to this measure, there have been many more voices expressing continued strong support.

The Soviets insist that their policies toward the Jewish citizens of the U.S.S.R. are none of our concern, that this is an internal matter in which we should not be meddling. But freedom and the right to emigrate are the concerns of free men and women everywhere and especially here in our great Nation. The internal affairs allegation has been used to mask many a major campaign of oppression in the history of the world.

Back in 1869, President Ulysses S. Grant went to the aid of 20,000 Russian Jews facing expulsion. Over the past 100 years, 10 Presidents of the United States have intervened on behalf of Russian Jewry. In 1879, the House adopted a resolution criticizing a czarist prohibition of ownership of Russian property by Jews.

The House, in 1883, requested the administration to call upon the Soviet Union to stop its discrimination and persecution against Jews.

In 1892, the House of Representatives refused to allocate funds for food to Russia because, according to Congressman Patterson of Tennessee, the czarist regime, by its treatment of Jews, shocked the moral sensibilities of the Christian world.

In 1911, the House responded to the barbaric practices against the Jews in czarist Russia, by voting overwhelmingly, 301 to 1, to abrogate an 80-year-old Russian American Commercial Treaty.

Those of us who cherish liberty must stand up for human freedom wherever it is threatened. It is a never-ending battle.

The right of an individual to leave any country, including his own, is an internationally recognized fundamental human right, upheld by international law and affirmed in the Universal Declaration of Human Rights, and the International Convention on the Elimination of Racial Discrimination, which was ratified by the Soviet Union.

Mr. Speaker, in requesting that the text of the Declaration of Freedom be set forth in full at this point in the RECORD, I urge my colleagues to heed the pleas of the thousands of human beings who, for months and years, have been unmercifully harassed and sometimes jailed by the Soviet Union while awaiting the right to reunite with their families and while struggling for the right to seek their land of freedom.

DECLARATION OF FREEDOM

NATIONAL CONFERENCE ON SOVIET JEWRY LEADERSHIP ASSEMBLY

Two hundred years ago, the birth of these United States of America offered hope to oppressed people that basic human rights can be secured. Today, in our Bicentennial year, millions of people throughout the world continue to look to this nation for leadership. Among them are three million of our fellow Jews in the USSR.

Whereas it is the natural right of a people to perpetuate its group life and culture;

And, whereas the rights of Soviet Jews are inextricably linked to Jewish destiny;

And, whereas we have a profound obligation to Jewish history and continuity;

We therefore adopt this new Declaration of Freedom:

We reject Soviet practice which prohibits Soviet Jews from realizing their basic rights; including the Right to Leave:

We insist that the Soviet government immediately cease the coercion, intimidation, arrests and trials of Soviet Jews, who seek to emigrate to Israel;

We demand full religious and cultural opportunities for Soviet Jews, including essential Jewish institutions;

We condemn both the continuing anti-Semitic propaganda campaign which, historically, has led to violent excesses, and the discrimination and exclusion of Jews from many sectors of Soviet society. We insist upon the immediate halt to these violations of the International Convention on the Prevention of All Forms of Racial Discrimination and the Universal Declaration of Human Rights;

We urge that the plight of Soviet Jews must be kept on the agenda of every appropriate international forum, and on all levels of bi-national relations between the U.S. and the USSR, as long as restrictions are placed against Jews and there is intimidation and harassment of potential applicants for emigration;

We support the Congress of the United States which, having overwhelmingly demonstrated the will of the American people by passing legislation linking international trade to free emigration, has transformed this great human principle into law signed by the President;

We recommend that the Congress undertake a careful study of Soviet violations of human rights in the areas of restrictive emigration practices, religious persecution, and the illegal interference with international mail and telecommunications;

We appeal to the participating nations in the European Conference on Security and Cooperation to resist the dilution of efforts to protect human rights, including the free flow of ideas, information, and people;

We urge the President and the Administration to continue to articulate this nation's commitment to human rights, including the Jewish minority in the Soviet Union;

We call upon the President to intervene on behalf of the Soviet Jewish Prisoners of Conscience, whose only desire is to emigrate to Israel, in order that they may be allowed to leave;

We call upon the President to communicate to the Soviet government that, in the best American tradition, we seek an end to all discrimination and repression of Soviet Jews and that this nation's commitment to support the right of emigration is steadfast;

We take special note of those Jewish scientists and professionals, not allowed to leave and not allowed to work, and urge their American colleagues and professional associates to render all support during this period of increasing contacts with the USSR;

We note that thirty years after the end of the Second World War there is international recognition and acceptance of the fact that violations of human rights are no longer the internal affair of any one nation. International declarations recognize this principle; international law recognizes this fact.

We believe that by securing equality and freedom for the Jewish minority in the Soviet Union our nation's hope for true détente, based on moral concerns, will become a reality, and that existing tensions will be removed;

We are joined with Soviet Jews who are still struggling to achieve their goals and whose courage and heroism is an inspiration to us,

Therefore do we adopt this Declaration of Freedom with the certainty that their goals will be realized.

May 5, 1975, Washington, D.C.

TRIBUTE TO A DEDICATED TEACHER, MISS KATHERINE M. SMITH

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ST GERMAIN. Mr. Speaker, on Friday, May 9, 1975, many Rhode Islanders will gather to honor a gentle lady and a distinguished educator, Miss Katherine M. Smith, for her 50 years of selfless service to the schoolchildren of Cumberland, R.I.

Miss Smith is, in the finest sense of the phrase, "a product of the area." Cumberland born and bred, she received her own education in her native State—at the Rhode Island Normal School and later at Bryant College and Brown University.

She embarked upon her teaching career at the Central Grammar School in 1925, and in 1931 she joined the faculty of Cumberland High School. During the years of expanding the horizons of young people she always found time to participate in the work of professional, civic, and religious organizations, as well. Never seeking recognition for her efforts, Miss Smith's considerable contribution to community service and education did not go unnoticed. She was named an Outstanding Secondary Educator, and in 1973 was honored as Rhode Island's Business Educator of the Year.

On that occasion, Robert G. Condon, Cumberland's superintendent of schools said of Miss Smith:

> She is the embodiment of all we in education admire. She is loyal and rock-ribbed in her determination to seek excellence in herself, her staff and her students. She has a dignity and love of God that is manifest in all her endeavors. Duty, Honor, Country are principles in which she finds relevance, and more than this, like the popular song, "She does it her way," and her way is the best way for her teachers, her students, her school (which she loves) and finally to her boss, who appreciates her.

Now, after 50 years, Miss Smith has determined to retire. Her legacy has already been dipersed. Thousands of former students whose lives were enriched by contact with this dedicated, loyal teacher, bear her indelible mark. The personification of what a teacher should be, her influence will go on, like the pebble dropped in the pond, in ever-widening circles, to infinity.

GEN. THOMAS A. LANE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. SYMMS. Mr. Speaker, few individuals have served their country with the devotion and selfless courage of Gen. Thomas A. Lane. As an outstanding military officer and later as an author and columnist, General Lane placed the future of a nation he loved foremost in his thoughts, winning the respect and admiration of thousands of followers around the Nation and the world. His presence will be sorely missed by those of us who knew him, but his words of wisdom and authority will endure and inspire freedom loving people in the years to come.

I submit for the benefit of my colleagues the following tribute to this fine American:

GEN. THOMAS A. LANE—1906–75

(By Lee Edwards)

When Human Events columnist Thomas A. Lane died two weeks ago it came as a shock to most people. Some knew he had been in the hospital. Fewer knew he had cancer. For despite his illness, he continued his forthright column, his editing of the splendid journal *Strategic Review*, and even the writing of special articles until the very end.

Tom Lane was a soldier, a retired major general in the U.S. Army Engineers, who served his country across the world from the Panama Canal to the South Pacific during World War II under Gen. Douglas MacArthur.

He was a teacher who taught civil engineering and military history at West Point from which he graduated. He also taught at the Air University at Maxwell Air Force Base. He had a knack for putting things into historical perspective for his classes and his friends.

He was a devout Roman Catholic whose faith was central to his life. The funeral home was full the night they said the Rosary for him, and so was St. John's Church the next morning.

He was tall, erect, white-haired, and his speech still carried some of its original Boston accent. He was a man of convictions in an age of vacillations. As a soldier and an historian, he understood war as few of us do.

In an article for HUMAN EVENTS published two weeks before his death, he wrote about the war in Vietnam:

"The chief deterrent to war is the prospect that the aggressor will be defeated. Relieve the aggressor of that prospect and you encourage his aggression.

"This was the policy of the United States in Vietnam which cost the country $120 billion, 360,000 casualties and 50,000 dead."

In column, article and book, Gen. Lane argued that the war in Vietnam would only stop when one side or the other won.

And South Vietnam, he said flatly, could not win as long as the U.S. prevented it from carrying the war to North Vietnam.

The consequences of our failure to help an ally were clear to him. In a review of Sir Robert Thompson's *Peace Is Not At Hand* in the spring issue of *Strategic Review*, Tom Lane wrote:

"There can be no hope of peace for a great power which would betray a small ally. Members of Congress should learn from this book that it is for the United States that the bells toll in Vietnam."

While he was deeply concerned about Vietnam, he was more concerned about general U.S. foreign policy, which seemed to him to be based not so much on detent as on profits. He was repelled by those who used the facade of detente to pursue profits with the Soviet Union and Communist China.

In the April 24 issue of *The Wanderer*, published four days after his death, he concluded his column:

"The U.S. is today pursuing trade with our declared enemies without due regard for considerations of national security and U.S. survival.

"The drive for profits is dominating policy to the exclusion of a prudent address to the enemy. The people must demand new policy which places national security above all profit-making."

AFL–CIO head George Meany made the same point last fall in an appearance before the Senate Foreign Relations Committee, referring to "the myth that trade is the road to peace."

As a soldier who had known war, Tom Lane did not shrink from "thinking the unthinkable," and talking about it as well. After all, as he pointed out in 1968 in his book, *The War for the World*:

"War is very thinkable to conquerors. In fact, thinking about war is one of their chief preoccupations."

He urged the U.S. and the free world, first, to acknowledge that we are at war and, second, to carry the war to the enemy.

Not through the use of nuclear weapons, but for example by encouraging anti-Communist undergrounds in the Soviet Union and Communist China. He stressed that these undergrounds should be of, by and for the people of those countries—not American-dominated. Why not, he suggested, a government-in-exile for the Soviet Union? And why not, he would probablv add today, Alexander Solzhenitzyn as its chief spokesman?

In his last book, *The Breakdown of the Old Politics*, published late last year, Tom Lane said flatly: "The United States has been the victim of party politics." He called for a new political order, responsive to the people and not to special interests and a centralizing government.

He wrote: "It may well be that escape from the political paralysis imposed by the two-party system is the most urgent need of our society."

When he retired from the Army 13 years ago, Thomas A. Lane did not fade away, but undertook a new career in writing and editing which has left us a rich and lasting legacy which he would want us, not to admire, but to use to bring about a freer America and world.

PERSONAL EXPLANATION

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. PEYSER. Mr. Speaker, because of the concern with the financial status of all public officials I am again, as I have in the past, entering in the RECORD the pertinent segments of my 1974 income tax.

My total earned income for 1974 was $56,661.86—a decrease of $1,490.46 from my 1973 earnings. Of this income, $9,286.86 comes from life insurance companies on the basis of business that I had developed before I came to Congress. As the record has shown, these earnings decrease every year. I also earned $4,875 in honorariums. My Federal, State, and local income taxes totaled $15,364.94. I contributed $891.50 to various charities. Due to a change in the tax regulations, I had to report on my tax form the amount of money that was transferred to the 23d Congressional District Educational Fund. This figure was $1,000. All of this money, with the exception of $5, was spent for services to the district such as newsletters, et cetera.

As you know, with the exception of a $3,000 tax deduction from my total income, there is no compensation received for my living expenses here in Washington or for the other expenses inherent in this job. I own no tax free bonds or securities and I have filed a full report of my earnings and source of income with the Clerk of the House every year I have been in Congress.

PEOPLE HELPING PEOPLE

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, recently I called the attention of the House of Representatives to instances of how people help people in the 25th District of Pennsylvania.

In a time of high unemployment, lack of proper recreational facilities for our young, and soaring inflation, the people of Pennsylvania are reviving some of that good old time affection and concern for their fellowman.

Another example of people helping people concerns the efforts of Walter and Rosemary Lang of South Beaver Township in my congressional district. The story of the Lang's is heartwarming and is related in a recent article in the Beaver Falls News-Tribune in my district. The article follows.

DOING SOMETHING FOR SOMEONE ELSE HAS MANY REWARDS

(By Fay Cowan)

Walter and Rosemary Lang, DeHaven Road, South Beaver Township, began volunteer work because they "wanted to do something together."

And they plan to continue because they find "doing something for someone else has many rewards."

They began by helping out in organizing and directing games for teenagers at Pleasantview Homes, Beaver Falls, where there is a large concentration of young people.

Primarily, they assisted Ruth Parker, a resident, who has devoted a lot of time to trying to provide recreation for young people in the community.

In addition, the Langs have devoted considerable time to babysitting retarded children and in providing transportation for retarded adults. Enabling parents to get short breaks from the 24-hour daily task of caring for retarded children has its own compensations for the Langs, who find the children lovable and endearing.

Since the birth of their daughter, Jessica Jo, about two months ago, they have cut down on their volunteer work but plan to get back "in action" as soon as they can take their daughter with them.

In the 30 age group, Lang is an electrical engineer at Westinghouse Electric Corp., Vanport plant. His wife, a former teacher, has taught both fifth grade and business and math classes in high school.

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORTS, URBANA COLLEGE, OHIO, APRIL 25, 1975

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BROWN of Ohio. Mr. Speaker, on Friday, April 25, the Seventh District Congressional Youth Advisory Council for the school year 1974–75 met at Urbana College to make their final reports to me on legislation the members had under study during the current school year.

These students, one selected from each of the district's high schools, organized in the fall of the school year to select four legislative areas of study. The council is formed into four committees, comprising Greene County and Mad River Township of Montgomery County, Clark County, Champaign, and Logan Counties, and Marion and Union Counties. The topics chosen for study this year included: The question of sex and violence on television—Clark County; tax credits for defraying the costs of higher education—Marion-Union Counties; Federal land use planning assistance—Champaign-Logan Counties; and long-range Federal funding for public broadcasting—Greene County-Mad River Township.

After studying the subjects from December through January, including information supplied by the Library of Congress and various House and Senate committees, each of the committees held a 1-day public hearing with witnesses obtained by my office—some of whom traveled to the Seventh District from as far away as New York and Washington, D.C. Following the hearings, another round of study and drafting sessions were held by each committee, culminating in their final reports and/or draft legislation, which was discussed, debated, and voted upon by the full council during the final report session April 25.

Mr. Speaker, the 1974–75 CYAC was the fourth year that I have sponsored its work after initiating the council in 1971. I want to compliment the students for their outstanding work, not only during the current school year, but for all of those years. In at least two instances their reports and recommendations have literally changed my own position on pending or feasible legislation. This is a powerful indication to me, especially when I consider that on one of those issues—newsmens' privilege—I had previously adopted a strong position of my own, that the work of the council has been exceedingly worthwhile and effective. It has given the council members an important opportunity to make a direct impact on Government, along with a firsthand study of the legislative process, using actual legislation and issues. And to emphasize, again, it provides me with a very important source of young people's views. I am pleased to be the sponsor of such a worthwhile project.

For the value that the work of the CYAC may have to many of my colleagues, I wish to place in the RECORD the reports and draft bills submitted to me by this year's council. Following the report is a list of the members of the committee. The report on land use planning by the Champaign-Logan Counties group follows:

A REPORT ON LAND USE PLANNING PROGRAM, CHAMPAIGN-LOGAN COUNTIES

DEFINITIONS

Fiscal Year—A 12 month period in which an organization plans to use its funds.

Ad Hoc Committee—A committee with respect to a specific purpose, case, or situation.

Promulgate—To make known by public declaration; to put into effect by public announcement.

Sanction—The penalty that is specified in a law or degree; any penalty specified that acts to insure a demand or request that is in correspondence with current rules.

I. FEDERAL AUTHORITY

A. Administration of Grant-in-Aids Program: Establishes Office of Land Use Policy Administration within the Department of Interior. Direction of the Office will be appointed by the President. Duties to be assigned by the Secretary.

B. Advisory Committee: Establishes a National Advisory Board on Land Use Policy consisting of Director of Office, representatives of the Federal agencies responsible for instruction, development, assistance, and regulatory programs. Committee to contain two State representatives, two local representatives, and one regional representative. Advisory members to be selected by vote of the Board for period of two years.

C. Review of Statewide Land Use Plans or State Land Use Programs:

(1) Approval:

Bill distinguishes sharply between: a) State planning process, and b) State land use program.

Implementation of State planning process and program development is staged in three phases over the five-year period. First grants made within three years require Secretary to be satisfied, State will use grant for meeting requirements of planning process. Subsequent grants during first three years made on assurance State is expeditiously proceeding to meet requirements of planning process.

Grants after three-year period but before the end of five years, Secretary to be satisfied that State has met and is continuing to meet requirements of planning process and is expeditiously proceeding to develop a State land use program. After the first five years, Secretary will make grants only to States which meet all requirements. Annual reports are required of the States.

Federal agencies which participate in construction, development, assistance or regulatory programs and the National Advisory Board on Land Use Policy will review all grant applications and the Secretary must consider their views and recommendations.

Prior to approval, the Secretary must ascertain that EPA and HUD are satisfied that the land use program is in compliance with Federal laws pertaining to them.

(2) Disapproval:

Upon finding a State ineligible, Secretary will notify President who will establish an ad hoc hearing board consisting of a Governor, an impartial Federal official and a knowledgeable private citizen who is selected by the other two. Upon finding a state ineligible the ad-hoc hearing board will notify the Secretary and funds will be withdrawn.

D. Formulation of guidelines: President will issue guideline to all Federal agencies and States to assist in implementation of the Act. Secretary will publicly declare rules and regulations to implement the guidelines and to administer the Act.

E. Information and Data Systems: Office of Land Use Policy Administration will develop and maintain a Federal Land Use Information and Data Center with appropriate regional branches.

Office will perform a continuing study of land resources, develop standard methods for collection of data, establish procedures for effective dissemination of information, track Federal and private projects, and maintain statistical data on past and future trends in land use.

F. Other: Ad Hoc or Federal-State Joint Committees: At request of Governor or at his own discretion, Secretary may establish a joint committee consisting of Federal agency and State and local representatives to review and recommend solutions to problems relating to jurisdictional conflicts and inconsistencies.

Prior to making its recommendations, each joint committee must conduct a public hearing in the State affected. Each joint committee terminates at the end of two years.

Biennial Report on Federal State coordination: Secretary must prepare a report every two years which concerns problems of coordination between Federal and non-Federal planning, resolution of specific conflicts encountered, any unresolved problems suggested by a Governor.

Biennial Report: Secretary, with the assistance of the Advisory Board, must report every two years on the land resources, uses of land, and current and emerging land use problems.

Four Year Review: At the end of fourth FY, Secretary must submit assessment of programs and recommend amendments to Congress.

G. Authorization for Administration: Department of Interior is authorized $10 million annually for administration of the Act.

II. REGIONAL AUTHORITY

Prior consent is given to States to negotiate interstate agreements and create interstate planning entities.

The Advisory Commission on Intergovernmental Relations is mandated to conduct a review of interstate agencies and report to Congress the results of its findings in two years.

III. GRANTS TO STATES

A. Programs: No funding distinction is made between planning processes and State land and State land use programs, but compliance with the requirements for processes and programs enter in during different time stages for the granting procedure.

B. Percentage of Costs: Annual grants may be made at the rate of 66⅔% of the cost of the program for the first two years, and at the rate of 50% of the cost for the succeeding three years. Secretary will allocate funds to the State on the basis of the amount of resource base, population, growth pressure and financial need.

C. Authorization: $40 million are authorized for the first two years, and $30 million for the next three years.

IV. STATE AUTHORITY AND STATE LAND USE PLAN OR PROGRAM

A. Scope of Land Use Planning or Program: State is required to have a statewide

land use planning process and land use program by the end of the five-year period.

B. Technique of State Control: A State land use program may employ either of two methods of control: 1) implementation by local governments pursuant to State standards, along with State veto power, and 2) direct State land use planning and regulation, i.e. zoning.

State must employ its police power to prohibit inconsistent use of areas of critical environmental concern, land impacted by key facilities, regional projects, and large-scale developments.

C. Criteria for Review and Continued Funding:

(1) Content of Plan or Program:

Statewide land use planning process must include: (a) inventory of land and natural resources, (b) compilation of socio-economic and environmental data (c) projection of land needs for various uses, (d) inventory of physical data, (e) inventory of non-Federal needs and priorities concerning use of Federal lands, (f) inventory of financial resources for land use planning, (g) method for identifying large scale developments and regional projects, (h) inventory of critical environmental areas and potential areas of key facilities, (i) technical assistance and training of personnel, (j) methods of data exchange, (k) coordination of State and local programs, (l) mechanisms for public participation in planning process, and (m) interstate coordination.

State land use programs must include: (a) adequate statewide planning process, (b) protection of critical environmental areas, (c) consistency of key facility siting with land use program, (d) consistency of large scale subdivision with land use program, (e) provisions for assuring compliance with pollution standards, (f) periodic update of land use programs, (g) public participation in planning process and public dissemination of information, and (h) coordinated management of coastal zones.

(2) Administration and Performance:

State must have a land use planning agency. Planning agency must have an advisory council composed of chief elected officials of local governments.

State must provide an administrative appeals procedure for resolving conflicts. A person having a legal interest in land affected by State prohibitions or restrictions may petition the appropriate court to determine whether there has been a taking which would justify compensation.

V. COORDINATION OF FEDERAL ACTIVITIES WITH STATE PLAN

A. Compliance with State Land Use Program:

Bill distinguishes between: (1) Federal projects and activities and (2) development on Federal lands.

Federal Projects and Activities: Projects which significantly affect land use must be consistent with State land use programs except in cases of overriding national interest determined by the President. A State or local government applying for Federal assistance for projects in States eligible for land use grants must transmit views of planning agencies concerning compliance with land use program to the Federal funding agency. Federal funding agency may not fund projects inconsistent with State land use program.

Federal lands: Agencies responsible for management of Federal lands must consider State land use programs in planning and managing public lands, to the extent consistent with national policies and objectives. Any agency proposing a new program, policy or regulation for Federal lands must publish a statement showing consistencies with State land use program and explaining any inconsistencies which exist. Draft and final statements must be submitted 45 and 50 days prior to action, respectively, and a public hearing must be conducted.

B. Sanctions: None.

Following an attempt to add one amendment to the bill, to add a section containing federal sanctions against the states which failed to comply with the federal program by withholding a percentage of remaining federal funds the states would otherwise be entitled to (by a vote of 6 yeas, 26 nays) the full report was adopted by the Council by a vote of 32–6.

CHAMPAIGN AND LOGAN COUNTIES COMMITTEE MEMBERS

Mechanicsburg High School—Pat Enciso, 3972 Parkview Rd., Mechanicsburg 43044.

Triad High School—Mark Kerns, R.R. #1, North Lewisburg 43060.

Graham High School—Mark Alty, 3922 Rt. 55, Urbana 43078.

Indian Lake High School—Diane Brunner, R. R. #1, Huntsville 43324.

Benjamin Logan High School—Ernie Holycross, Box 263, Belle Center 43310.

Urbana High School—Megan Richards, Bon Air Rd., Urbana 43078.

Riverside High School—Tim Lundy, 201 N. Boggs St., DeGraff 43318.

Bellefontaine High School—Robert Barnwell, Jr., 1200 Milligan, Bellefontaine 43311.

West Liberty High School—Matt Price, 4030 Dowd's Dr., Urbana 43078.

A RESOLUTION PASSED BY THOMASVILLE, GA., CHAMBER OF COMMERCE

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MATHIS. Mr. Speaker, no one is more deeply concerned with this country's continued policy of raising our debt limitation to compensate for higher deficit spending than I am. I introduced House Joint Resolution 251 in February which would prohibit the Federal Government from spending any funds in a fiscal year which are in excess of the revenues collected the previous year. I want to share with my colleagues a resolution passed by the Chamber of Commerce in Thomasville, Ga., which supports this concept.

The resolution follows:

RESOLUTION

Whereas there is currently a need in these United States to find a practical method for the Administration and Congress to stop spending more money than we take in by taxation, except in case of a declared national emergency, and,

Whereas the State of Georgia has solved this problem by enacting a law which makes it mandatory for the Governor to balance spending by cutting on a percentage basis all departmental budgets evenly across the board to balance income created by taxes, and

Whereas S.J. Resolution 27 introduced into the 93rd Congress essentially proposes an amendment to the Constitution of the United States prohibiting aggregate expenditures of the Federal Government to exceed the net amount of its revenue in any fiscal year, except in case of a declared national emergency, and,

Whereas this Chamber of Commerce is committed and dedicated to sound, fiscal budgeting by all governmental agencies,

Be it therefore resolved that this Board direct the Governmental Affairs Committee of this Chamber of Commerce to gather petitions, write letters to all Chambers of Commerce and other business and civic groups who might support this action and relay its findings to the President of the United States, to all members of Congress and to the President of the Chamber of Commerce of the United States urging adoption and ratification at the earliest possible moment.

Adopted this seventeenth day of March 1975.

ROBERT C. SISK,
President.

REVISION OF THE HATCH ACT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ZEFERETTI. Mr. Speaker, the Federal Political Rights Act of 1975, H.R. 3000, which I have joined in cosponsoring would amend the Hatch Act by restoring to Federal civilian and Postal Service employees their right to participate in the political life of our Nation. Because of Hatch Act limitation, these citizens, numbering close to 3 million, are presently excluded from active participation of this kind. It is also important to point out that H.R. 3000, if enacted, would continue to protect these Federal employees from improper political influence and coercion.

The Hatch Act was passed in 1939 and was, at the time, a necessary and constructive piece of legislation. Since then, however, not much has been done to update its provisions in order to make it consistent with the new realities of this age. In many ways, the Hatch Act is vague. As a result, the overwhelming majority of Federal employees deliberately removes itself from any political activism so as not to take a chance of violating the law. Regrettably, this has now reached the point where this tendency among employees is doing more harm than good, for the syndrome I have described tends to infringe upon the right of freedom of speech of such Federal workers. As a result, we have a large mass of otherwise eligible people who are being systematically excluded from all meaningful political participation.

Regrettably, the Hatch Act did little to protect Federal employees from certain inroads and abuses of the political system. For example, the merit system abuses have proliferated in recent years, making this mass of workers politically responsive to a given political party. It also did not prevent unscrupulous political people of both parties from preying upon them.

As a result, Federal employees have grown exceedingly cynical about the political process while remaining withdrawn from it. No open society dependent upon political participation can afford such alienation and cynicism on the part of such a large, generally well-educated and economically stable group of people. It is critical for us to recognize this situation and allow them their political rights without compromising them politically. I feel that H.R. 3000, would, in fact, accomplish such a purpose.

Under this legislation, Federal civilian and Postal employees could contribute voluntarily to candidates for public office, and this would be their personal affair. They would also be able to express their views and participate in political management of campaigns as private citizens without any involvement of their official authority of influence. The bill also specifically defines the meaning of political management and campaigns, and includes certain specific activities, now forbidden, as possible areas of participation by Federal employees.

This legislation has commanded broad bipartisan support, indicating that there is widespread concern as well as a desire from all parts of the political spectrum to bring these people into the mainstream of the political process. I realize that some people oppose this, mainly because we are taking a chance. Yet, the political events of the last decade have convinced me that the Hatch Act desperately needs updating; in order to safeguard our institutions, we must open them wider to citizen involvement. The safety of our liberties is only as secure as the willingness of this generation of Americans to defend them. There are many Federal employees who could make constructive contributions by such involvement, and I feel we should welcome them rather than continue to exclude them.

REMARKS ON THE INTRODUCTION OF A BILL TO PERMIT THE AVERAGING OF OVERTIME PAYMENTS TO RURAL LETTER CARRIERS EMPLOYED BY THE U.S. POSTAL SERVICE

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. NIX. Mr. Speaker, one of the unintended effects of recent amendments to the Fair Labor Standards Act was the interpretation which would lead to the scrapping of a long-standing overtime pay system which was established for rural letter carriers.

Because of the variety of ways in which rural letter carriers perform their jobs, and the variety of terrain in which such work is performed, it was necessary for the Postal Service to set up a unique overtime pay system. The system was based on the averaging of overtime on a pay period basis.

However, recent administrative interpretations of the amendments to the Fair Labor Standards Act would lead to the specific hour-by-hour overtime recordkeeping required in most lines of work. This would result in chaos in rural mail delivery and endless redtape. The costs in increased paperwork would be so extravagant that any possible gain from accounting precision would be overwhelmed by redtape.

What is more, the reshuffling of the entire rural mail delivery system would be called for. The delays and confusion would be such that a whole new and expensive burden would be added to those already carried by the Postal Service.

It is my understanding that the Postal Service as well as rural letter carriers support this type of legislation.

DEREGULATION

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. RUPPE. Mr. Speaker, the issue of deregulation is being mentioned increasingly as one way of cutting down on Government spending and excessive interference in our daily lives. Recently, however, the Escanaba Daily Press, in Escanaba, Mich., carried an interesting editorial on the issue of deregulation as it could affect a rural area. I am concerned that deregulation could have an adverse effect in areas such as northern Michigan, and I believe this article will be of interest to my colleagues:

DEREGULATION?

To regulate or not to regulate, that is the question.

That phrase "regulation" is not necessarily the most popular one in the American vocabulary today. There is increasing weariness with laws that restrict and rules that prevent, and most Americans tend to chafe at bureaucratic decisions that stifle their initiative and curb their freedoms.

At the same time our increasingly complex society requires that methods be devised and utilized to protect the public in areas that are beyond individual control or influence. Thus it is the Public Service Commission regulates our utilities and attempts to ensure that there will continue to be natural gas, electricity and telephone service at justifiable costs in the future; the Federal Aviation Authority regulates airline routes and rates; the Federal Communications Commission supervises our airwaves; the Army protects us from invasion.

And thus it is that the Interstate Commerce Commission regulates, to a large degree, our public transportation system consisting mostly of the railroads and motor freight carriers.

It has done this since 1887, when it was created largely because farmers in the West had experienced discrimination and unjust pricing by the railroads that fostered development in one favored area or favored certain shippers and froze other competitors and areas out of the marketplace. The Motor Carrier Act of 1935 brought truck lines under the ICC umbrella, and for the first time their routes and rates were regulated.

In a January, 1975 report, the ICC contended that their controls on entry into the field of motor carrier transportation "have been an essential ingredient in the growth and success of our national transportation system. We emphasize again that entry control does not mean creating or maintaining monopolies. Instead, entry control means competition—but not so much of it that no one can profit or grow. Admittedly, the maintenance and acquisition of new facilities and equipment increases carriers' operating costs which are passed on to the public. This is a price which the public must pay to assure itself that goods picked up today will be delivered tomorrow, and that the carrier will still be there the next day to pick up another load."

Discussing regulation, a 1961 report to the Congress on national transportation policy noted, "There appears to be no chance of unregulated competition operating in the national interest until the Golden Rule becomes the universally accepted law of business relations."

Despite the fact that there is no visible evidence of the Golden Rule being adopted, the campaign for deregulation of the trucking industry has reached disturbing dimensions. Ironically, much of the push to deregulate trucking is coming from the government itself—the Department of Transportation and the Department of Justice—and has been embraced by apostles of both the far right and the far left in the political spectrum. The contention is that regulated routes and rates benefit only the regulated companies, to the detriment of the public.

Yet under the present rate structure, 62 per cent of the shipments handled by Clairmont Transfer, the major general commodity common carrier for the Upper Peninsular, are handled at a loss. Under regulation, the present rates are set to allow most trucking firms a five per cent return on gross revenues. That's before interest costs and taxes, making the actual net return closer to 1½ to 2 per cent. That's not exactly exorbitant.

Because of regulation by the ICC, Clairmont serves 275 shipping points in the Upper Peninsula . . . points that have, for the most part, no other method of receiving or shipping goods. The Upper Peninsula may be a large exporter of raw materials shipped in bulk form via rail or boat, but it is also a large importer of consumer goods, and most of these come by truck.

Without regulation for instance, how long would the Copper Country continue to have truck delivery, when for every 1[illegible] loads of consumer goods that they import, they export only one?

James T. Henry, executive vice president of the Eastern Central Motor Carriers Association, spoke about deregulation last month and commented, "The more important consideration, to which none of the publicity supporting deregulation addresses itself, is the effect that the various proposals will have upon communities, points and places located beyond major metropolitan areas and upon American business, both large and small, which has located its plants and facilities outside of major metropolitan areas, secure in the knowledge that adequate and reliable transportation service would be available.

"By definition, deregulation would destroy any concept of a national transportation system . . . and the 'benefits' of free competition so loudly and liberally advocated by so many who know so little about the subject, would at best flow to the large companies in the metropolitan areas, at the very painful expense of the less attractive markets scattered throughout the nation."

Simply put, much of the Upper Peninsula—indeed, much of Michigan—would have, without regulation, little to depend upon except extremely bad service and a very unfair rate system.

To quote the January ICC report once again, "Today, shippers of regulated commodities can know, with reasonable certainty, what a given shipment will cost to transport, that enough equipment will be available, that carrier systems are designated to serve both large and small shippers, and that their goods will be insured in transit. The transportation industry is the backbone of our economic system, and the principal reason it operates so satisfactorily is, we believe, because carriers can grow, secure in the knowledge that their investments will be protected from unhealthy competition as long as they continue to provide responsive, reasonably priced service to the public."

The regulatory system we now have may not be the ultimate answer, but it has helped to develop the world's finest transportation system within the framework of private investment and free enterprise.

When we talk of regulation we often forget that its function is to serve and to protect the public as well as to control the regulatee. It's the public's interest that is at stake and in the case of motor carrier deregulation, it would seem to be ill-served.

WHERE THERE IS NO VISION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. STARK. Mr. Speaker, we are all concerned with efforts to minimize the danger of a possible nuclear war between the superpowers. I have recently come across an article from the April 12 edition of the Nation by Mr. Doron Bar-Levav, a fellow of the Center for Defense Information. The article, I believe, is pertinent, and I commend it to the attention of my colleagues:

"WHERE THERE IS NO VISION"—VLADIVOSTOK ARMS RACE

(By Doron Bar-Levav)

Despite the furore over the arms accord recently concluded between the United States and the Soviet Union, one essential point has been missed. Critics as well as supporters have been arguing about force levels and costs and whether "we gave away too much to the Russians." No one, however, seems to have asked the real question: does the United States need strategic arms limitation agreements at all? The answer appears to be no.

The Vladivostok accords provide for quantitative equalization of force levels. Each side will be permitted to have 2,400 launchers—1,320 of which may be MIRVed—and there can be a free mix within both strategic forces, that is, the new agreement will allow unrestricted allocation of the 2,400 launchers among bombers, land-based Intercontinental Ballistic Missiles (ICBMs) and Submarine Launched Ballistic Missiles (SLBMs).

The United States now has 2,206 launchers, composed of 656 SLBMs, 1,054 ICBMs and 496 bombers. (Some press reports have it that the seventy-six FB–111s are *not* included but that about 200 mothballed B–52s are, for a total of about 600 bombers.) Under the new agreement, the United States will be permitted to add 194 launchers. The USSR has 2,393 launchers, the current mix being 666 SLBMs, 1,587 ICBMs and 140 bombers. Russia therefore, can build only seven more launchers, a fact which may help explain how the figure of 2,400 was derived.

The United States now has a three-to-one advantage in nuclear weapons—8,500 to 2,800. Furthermore, 820 of the American launchers are already MIRVed, while Russia may have only begun to deploy its MIRVs.

These figures show, but do not say explicitly, that both sides have more than enough firepower to lay waste the world. The United States is estimated to have 4,456 megaton equivalents of TNT stockpiled, compared to 3,847 for the Soviet Union. This works out, on a per capita basis, to 36,292 pounds of TNT targeted on every American and 36,375 pounds hanging over the head of every Russian. The figures are based on the concept of equivalent megatonnage, derived from a law of nuclear physics. Warheads larger than a megaton will produce explosions of greater than a megaton but less than the actual raw megatonnage figure. Thus a 5-megaton warhead is not five times as powerful as a 1-megaton warhead.

Both countries have too much; both, however, may be contemplating increases. As Herbert Scoville, former Deputy Director of the CIA, recently remarked, the Vladivostok agreement made the "ceiling" so high that it is, in effect, no limitation at all. Indications are that the United States will view the "ceiling" not as a maximum that need not be reached but as a "floor" for possible increases once the agreement runs out in 1985.

What is even more perplexing is the focus of attention the accords are getting in the press. Almost every article seems to develop the theme that we gave up too much and have, therefore, made ourselves more vulnerable to a Soviet first strike. That is crazy. The whole concept of first-strike capability is a reflection of the 1950s mentality when a first strike was a real option. The situation is entirely different today. Twenty years ago we had a "jump" on the USSR in nuclear development. But once both countries had reached a certain level of weapons, in absolute numbers, numerical advantages were of decreasing importance. One might characterize the last decade as the arms race of diminishing returns.

The present high level of nuclear weapons also points out that it is a country's second-strike, not its first-strike, capability that deters. Unless one side has perfected an extremely accurate delivery system, it cannot rationally contemplate a first strike even against ICBMs for fear of "missing" a few of them. Neither the United States nor the Soviet Union possesses that kind of precision today.

More important, the term first-strike capability is bandied about today in a way to reveal a complete lack of understanding as to how and why deterrence works. The purpose of the United States' Triad system (bombers, land-based missiles and submarines) and the Soviet Union's Dyad system (land-based missiles and submarines) is by diversity to assure the invulnerability of their retaliatory capabilities. Thus, even if Russia were to strike first and succeeded in destroying every missile silo (a most unlikely event), the United States could still retaliate with bombers and submarines which are, for the most part, invulnerable. Furthermore, the possession of an actual first-strike capability does not signify that it will be exploited; the United States had such a capability in the 1950s against the Soviet Union, and the United States, and perhaps the Soviet Union have it now against the People's Republic of China.

The most disturbing aspect of the Vladivostok accords is that they allow for increases instead of decreases in arms levels. The time for reduction is now, not in 1985, since the Russian missiles are old and rapidly becoming obsolete. By 1985 the Soviets will have deployed three new types of missiles and, given time and money committed to those systems, will be far less amenable to arms reductions than at present. What the United States should attempt to do, then, is exploit the fact that the Soviet Union is at a strategic juncture and persuade Moscow simply to retire old missiles rather than replace them.

Is there no utility to bilateral strategic agreements? The answer is, very little. Deterrence is mostly a psychological matter, involving perceptions and intentions. If it makes people feel better to have strategic arms limitation agreements, then by all means let there be a continued positive emphasis on them. But the United States *need not add even one missile* to its complement. Let the Soviet Union build as many weapons as it desires within the arms control agreements. There is not a single reason for trying to stay ahead or even to keep up.

Not only would the United States be saving large sums of money that could be diverted to the civilian sector, but a basis of proof would be quickly established that would demonstrate to Moscow that we are indeed truly interested in meaningful arms control. But most important, by forgoing competition in a strategic arms race, the United States would not be jeopardizing its security interests in the least. America can have the same deterrent capability with fewer arms. Enough is exactly enough.

OKLAHOMA TRADE SCHOOL IS GREAT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. RISENHOOVER. Mr. Speaker, quality education always has been a prime concern in Oklahoma. The people of the Sooner State are determined to provide the next generation with proper training and preparation for the leadership needed by our State, our Nation, and the world of the future.

Everyone knows of the academic excellence of great Oklahomans, including our own beloved Speaker, Mr. Albert. His intellect and understanding are a credit to himself, his family and Oklahoma's hard-working teachers which led to his selection as a Rhodes scholar.

My own family, including two of my brothers, have a tradition of being educators. They have caused an awareness which prompted me to choose to serve on the important Committee on Education and Labor of this body.

Another inspiring reason is the excellence of vocational-technical education in Oklahoma. In common schools, the vo-tech system and in higher education, there is respect and excellence in Oklahoma for training people for technical vocations.

This spirit, combined with the fine leadership of its remarkable staff and president, Wayne Miller, Oklahoma State Tech of Okmulgee, Okla., has gained national stature which led the Washington Star of May 2 to carry a headline under "Career Corner" which said: "Oklahoma Trade School Is Great." The writer, Joyce Lain Kennedy, called Oklahoma Tech, "the Harvard of residential vocational schools."

This article, and the success of vocational education in Oklahoma, are a tribute to the 88th Congress which passed the first Vocational Education Act of 1963, and to our great chairman of the Education and Labor Committee, Carl Perkins. Currently, the Subcommittee on Elementary, Secondary and Vocational Education is considering the equally vital H.R. 19, the Vocational Education Amendments of 1975.

The Star article, which I insert in the Record, dramatizes the interest and impact of vocational education:

OKLAHOMA TRADE SCHOOL IS GREAT

(By Joyce Lain Kennedy)

Dear Joyce: About three years ago, I read somewhere about a vocational school in Oklahoma which is similar to a college except that you learn a trade. I can't track it down—you're my last hope.—A. T., Camden, N.J.

It's Oklahoma State Tech, which is Oklahoma State University's school of technical training. This unusual school is operated similar to a state college, complete with dorms on campus, clubs, intramural sports, student center, medical facilities, and so forth. While no state should be without one, there are less than a dozen somewhat comparable institutions in the nation. Oklahoma State Tech (OST) is the Harvard of residential vocational schools. Although intended to serve Oklahoma residents, OST is open to students from any state.

Even in today's economy, its grads are having no difficulty finding jobs. Many have from eight to 10 offers. Graduates train in one of 43 different programs, ranging from automotive and heavy equipment to food services and leathercraft. Students enroll in 15-week trimesters; most programs require two years to complete.

One current emphasis at OST is on training for petro-chemical industry workers who will be employed in Oklahoma, Texas and Louisiana. Here the help-wanted signs are still out for many types of skilled workers, especially electronic technicians, drafters, machinists and mechanics. Houston and Tulsa are centers for many petro-chemical operations. Nearby, the Dallas-Fort Worth metroplex also seeks skilled employes for its aircraft production and servicing industries and for several major electronic industries located there.

Related industries in these petro-chemical states are employing accountants, data processing specialists, secretaries and construction workers, in addition to their own skilled technicians.

Why do Oklahoma State Tech grads do so well getting jobs? The answer hinges on the quality of the students' education.

Because OST is a state institution, it's partly supported by public funds. In-state students pay $211 per trimester; out-of-state students pay $381. Rates for a dorm room on campus range from $68 to $136 per trimester. Anyone over 17½, with or without a high school diploma, is admitted. Catch-up courses are available to those who need them.

For more information on this outstanding residential vocational school (also called a technical college), write to the registrar at Oklahoma State Tech, Okmulgee, Okla. 74447.

INDOCHINA REFUGEE RESETTLEMENT ASSISTANCE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday I introduced the administration's Indochina refugee assistance bill, H.R. 6652. With available funds for the evacuation program due to run out within a week, it is essential that the Congress give this legislation its immediate attention. It is estimated that over $500 million will be needed over the next 14 months to resettle up to 150,000 refugees in the United States and third countries.

Mr. Speaker, I have been disturbed and even ashamed in recent days by the reactions of some Americans, even some Members of Congress, that we should lock our doors, turn our backs and even return to Vietnam these refugees from Communist aggression and potential oppression. Have 200 years of independence from tyranny brought us to a point at which we have forgotten who we are, whence we came, and what we represent? I sincerely hope not. Has the welcoming torch of freedom held high by the Statue of Liberty—that "Mother of Exiles"—been snuffed out, condemning to eternal darkness the hopes of those who would aspire to live under freedom? I sincerely hope not.

Mr. Speaker, I would sincerely hope that this Congress will have the guts, the good sense, and the moral decency to lead American opinion in this area rather than simply follow the perceived passions of the moment, and that this leadership will be reflected in prompt consideration and enactment of the administration's humanitarian relief bill.

REQUESTING PRESIDENTIAL VOTE FOR PEOPLE OF GUAM AND VIRGIN ISLANDS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. WON PAT. Mr. Speaker, today, I have the privilege and honor of joining with my territorial colleague from the Virgin Islands, Mr. RON DE LUGO, as we introduce legislation which seeks to authorize the American citizens of Guam and the Virgin Island the right to vote in Presidential and Vice Presidential elections in the United States.

Speaking for the 100,000 Americans on Guam, I can think of no greater testimonial of our desire to draw ever closer to the American political system than the privilege of full participation in our political processes. This great country was founded on the democratic principles of liberty and equality. The American citizens of Guam take their responsibility as citizens of this great country most seriously, and fully desire to participate in our democratic system to the fullest extent. Without the ability to cast ballots in the quadriannual Presidential elections, territorial Americans are, for no practical reason, denied the opportunity to express their voice in national affairs and to perform their duty as full-fledged citizens.

In this age of increased participation in government by our citizens, there is no justification for continuing to exclude Americans in the territories their rightful role in future Presidential elections. To do so only debases our image as a democratic country, and denies the profound truth in that ancient observation by the Greek philosopher, Aristotle, that—

> If liberty and equality—are chiefly to be found in democracy, they will be best attained when all persons alike share in government to the utmost.

Two thousand years later, there is little we can add to that sage comment, except to ask that this philosophy guide our fellow Americans during their deliberations on the legislation Congressman DE LUGO and I put before you today.

To correct this inequity in the present laws, Congressman DE LUGO and I have drafted two separate measures, both designed to satisfy our ultimate goal of granting the national franchise to the people of Guam and the Virgin Islands.

Under the first bill, the present system of electing our President and Vice President would be amended to include U.S. citizens residing in the two aforementioned territories. Each territory would be allocated one delegate to the electoral college. As you know, present law permits only those qualified voters who reside within the boundaries of 1 of the 50 States to vote in Presidential elections and to choose delegates to the electoral college. Should a qualified voter move to Guam or the Virgin Islands, he loses his right to vote for our Chief Executive should he register as an island resident. Conversely, a native-born territorial American who is forbidden to vote in Presidential elections may do so providing he establishes legal residence in a State.

This measure follows the precedent established by Congress in June 1960, when it successfully proposed an amendment to the U.S. Constitution granting voters in the District of Columbia the vote in Presidential elections.

We believe that this formula is a sound one, and in view of its established role in American history, it is the path in which our constituents would be proud to follow.

However, Congressman DE LUGO and I are also cognizant of the growing support in Congress and the Nation for legislation to abolish the electoral college and replace it with a simplified popular vote system. This proposal has great merit and for this reason we have chosen to introduce another bill which would amend the Constitution by establishing both a method of direct popular election for the President and Vice President and by including the necessary language to provide for the participation of the voters in Guam and the Virgin Islands in such an electoral system. I hasten to add, that this measure should not be construed at indicating that territorial Americans are in any way displeased with the present method of selecting those who occupy the White House: rather, we wish only to indicate our desire to secure the rights for our constituents to vote in Presidential elections, regardless of whatever constitutional changes Congress may have in mind.

Both of these measures are similar to those we introduced in the 93d Congress.

Congress in its wisdom, has in recent years struck down a number of laws restricting the voting rights of Americans. We now have equal voting rights for the poor, the uneducated and for persons of all races and creeds. Why, then, should we continue to discriminate against these Americans who choose to live in the territories? For the common good of our country, the civic duties of all citizens should be equal as are the sacrifices we expect of each citizen in defense of our democratic form of government.

Since I was honored 2 years ago to take my place in this Congress as Guam's first delegate, I have often spoken of the great and undying loyalty to America possessed by the people of Guam. We have proven this loyalty on the field of battle and in our ready acceptance of our duties as Americans. In view of our proud heritage of service to this country, is it not time for Congress to support legislation removing this barrier which separates one citizen from another, to cancel out any artificial bonds which prevent all Americans, no matter where they may choose to live in our Nation, from assuming their rightful role in America's destiny?

We hope and pray that others in the Congress will agree with us and that in the months ahead, our colleagues in this Congress will give this legislation the serious consideration it so richly deserves.

Thank you.

CITIZEN IRVING

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. FINDLEY. Mr. Speaker, the Washington atmosphere at times can be heady stuff. Headline personalities become common place. The evening news often deals almost exclusively with events we ourselves experienced in at least a peripheral way.

Now and again each of us surely is caught up in the illusion that everything of importance in this land takes place within view of the U.S. Capitol building.

An obituary this week reminded me that much of Washington is frosting on the political cake—and perhaps more aptly described as froth—and that the real substance of our political system is to be found far from Capitol Hill.

It was the obituary of Don Irving, longtime chairman of the Democratic Central Committee of Pike County, Ill. As a young country editor in the years after World War II, I first observed this remarkable citizen. He worked fulltime as a politician. He was proud to be one. He was proud to be a Democrat. Was he proud. And it rubbed off. Over the years he converted his home precinct totally to democracy. It was a proud day when a Republican like myself could pick up a few votes.

He was county supervisor board chairman for years. He was a stalwart church leader all his life. He never ducked a civic responsibility. He wrote a flavorful weekly report on hometown news for the county-seat weekly. But he never wanted any recognition other than being Mr. Democrat of Pike County.

He brought zeal and fun and commitment to the humdrum business of precinct politics. He worked day and night at citizenship without thinking of it that way.

There are other Don Irvings, past and present, thank God. They are the underpinnings of our society. They do more to keep liberty alive than most of us inhaling heady stuff in Washington.

A worthy tribute to Citizen Irving, penned by my newspaper partner Allan A. Seiler, appeared in the April 30 issue of the Pike County Press, Pittsfield, Ill., as follows:

DON IRVING

To those who were his friends, and they were many, Don Irving was a rare individual.

For one thing, he was a politician of the old school. Declare your beliefs, work in their behalf, and if you win, accept the responsibility. If you lose, look to another day. We observed him in both victory and defeat. When his candidates won, he was naturally pleased and proud. When he lost, he took it in stride, without rancor.

We first met him in the fall of 1959 at a reception in Quincy for Sen. John F. Kennedy, who was then dipping his toe in the testing waters of Presidential aspirants.

At that reception we took a picture of him with Kennedy that proved to be one of his favorites (along with one he had taken of Harry Truman.) He asked us to make several reprints of the Kennedy photo and gave one to many of his friends. Later, we had the print blown up and we've had it on the front wall of our Pike Press office since we moved into our new building in January of 1973.

To us, the picture represents the essence of grassroots politics: the Presidential hopeful listening to one of his party's county chairmen. We've often thought if Presidents and Governors would listen more to these people, rather than to some of their inner guard, they might get better advice.

We remember other things. Notably, his avid interest in the St. Louis Cardinal baseball team and the Red Bird Special he'd wheel toward nearly every home game, filled with friends and other fans. He'd take his camera to the games and take pictures of his fellow fans as well as the Cardinal players from a vantage point near the playing field. Then he'd bring the pictures back to us to publish with his column.

He was likewise a loyal follower of local high school sports. He had a phenomenal memory of past Pike county athletes and athletic records, as well as earlier day local hometown baseball teams and their stars.

He was a believer in open government and the power of the people.

When we'd ask him a question, we'd always get a straight answer except on those occasions when we deliberately asked a "loaded" political question we knew he couldn't answer. (Then, all we got was a sly grin.)

One of his friends remarked Sunday, "The thing he enjoyed most was doing a favor for somebody."

Until his illness compelled him to give it up, readers of this newspaper and the Democrat-Times before that, looked forward each week to his "Chambersburg Hash" column, written under the byline of the Chief Cook and Bottle Washer.

Not everybody saw eye to eye with him on politics, but he provided nevertheless an insight into a small community and its people that was intimate, uncommon, and colorful.

Some of his expressions were pure Don Irving.

He'd salute women's birthdays by saying, "it's candle whiftin' time for the following beauties . . ." He'd report the Sunday collection at church by specifying the number of "smackers in the church cooky jar." He'd write about anniversaries by naming the men who were "smiling wide and mighty frisky as they celebrate the day they fooled their beauties into standin' still while the preacher slaped on the double harness."

Church singers he enjoyed he'd describe as "my kind of warblers." When the census taker came to his door one year, he reported that she was "a very beautiful young lady and even though it was raining, she, like the angles from heaven, had sunshine all over her map." High praise was "a clean-cut sermon that hit smack dab on the point." You knew something was good if he said it was "major league all the way."

He had little use for fancy language. His readers knew what he meant. He was one of that vanishing fraternity of Pike county writers with a style all their own. Others were John Caughlan, Jess Thompson, and Burr Swan.

So long, "old windjammer." You'll be missed.

LIQUID METAL FAST BREEDER REACTOR—LMFBR

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. LLOYD of Tennessee. Mr. Speaker, the liquid metal fast breeder reactor—LMFBR—has been supported as the highest priority energy development program for many years in the United States and has received almost equal attention abroad. It has been supported because it is the only scientifically proven technology in sight which will give us a long-range, ample source of energy; it could provide energy for thousands of years. It promises to be economical, reliable, and environmentally acceptable.

The next U.S. step toward commercialization of this concept is the construction of a demonstration-size—350 megawatts electric—breeder called the Clinch River breeder reactor—CRBR—to be located in Oak Ridge, Tenn. This demonstration reactor would, when completed in 1982, be comparable in size to the French Phenix reactor which has been operating for more than 1 year at full power and similar to British and Russian demonstration reactors of the same or smaller size.

The allegations and charges that are being made against nuclear energy and the breeder are particularly important to me and my constituents. I have taken a great interest in the CRBR because it will be built in my district. Any impact on public health and safety and on the environment would have the greatest effect in my area. Therefore, I have spoken at great length to the technical staff of the ERDA laboratory located in Oak Ridge on the breeder reactor. I wish to share with you some of the information I obtained during my discussions.

Estimated costs of the CRBR have, indeed, risen over the last few years due to inflation, the inclusion of specific development costs as a part of the capital cost of the project, a realistic reassessment of the cost of the CRBR plant itself, and unwarranted delays. However, we must remember that the costs are still just estimates on a one of a kind device for which no previous cost experience is exactly applicable. Although these costs appear to be high, they are less than the cost of 1 month's supply of imported oil—an increasingly scarce commodity that the breeders when fully developed will help to conserve.

In many respects the LMFBR may be safer than the light, water-cooled reactors now being used—there are 50 large reactors now operating in the United States. These light water reactors have an unblemished safety record: no member of the public has ever been injured or killed by an accident involving these reactors. This fact, coupled with the impressive French operation, gives me personal assurance of the safety of the LMFBR system.

Safeguarding of plutonium is certainly an important requirement. New and more stringent regulations and accountability systems are being implemented now, prior to breeder use, because the problem is one that must be carefully attended to in present reactors which also produce and use large quantities of plutonum. These new regulations most certainly will be carried over to the safeguarding of plutonium in the LMFBR after having been proven in the present generation of reactors.

Plutonium is a very hazardous material and the concerns about it are justified, but some of the claims concerning its toxicity are somewhat exaggerated. It is alleged that the toxicity of plutonium is such that virtually any exposure results in death or that exposure to a few particles carries a high probability of developing lung cancer. These allegations have not been supported by studies of plutonium workers exposed in the early 1940's or experimental animal data. Concern about unusual toxicity of particulate plutonium has been discounted by all reputable studies conducted both here and abroad. Exposure does not equal death.

The issues raised about plutonium have been considered at length in the LMFBR program environmental impact statement, soon to be sent to Congress. This impact statement at the moment is being reviewed by ERDA as a result of comments by other Federal agencies. It is my belief that the more exaggerated arguments about plutonium are unfounded; there appears to be appropriate protective systems and procedures to prevent plutonium from damaging either workers or the public.

The attacks on the authorization of funds for the LMFBR program and the CRBR, in particular, come at a very crucial time. As a member of the Subcommittee on Energy of the House Committee on Science and Technology, I have been impressed with the magnitude of the energy problem and with the long time necessary to create new or improved technology. To turn off or seriously delay the LMFBR, to slow the significant progress already made, or to deny the funds for the demonstration of one of the very few proven methods of producing amounts of abundant energy would surely be irresponsible.

A TRIBUTE TO BILL BONSELL

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. SHUSTER. Mr. Speaker, I know that my colleagues on both sides of the aisle join me in extending sincere appreciation to Bill Bonsell for his service to the Congress and best wishes to him on the occasion of his retirement as minority doorkeeper of the U.S. House of Representatives.

As a relatively new Member of this distinguished body, I regard Bill's friendship very highly and value his straightforward guidance. His expertise in the legislative process and his willingness to share that knowledge with others will be sorely missed.

I feel a very special affinity toward Bill Bonsell for he is a native of Huntingdon County, Pa., which is part of my congressional district. He and his family are highly regarded residents of central Pennsylvania and it is my sincere hope that upon his retirement, Bill and his loved ones will return to our area often.

I congratulate Bill Bonsell for his three decades of dedicated service to the Congress of the United States and I wish him the best of health and happiness in the months and years ahead.

SPENDING CEILING MUST BE ADHERED TO

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. GRADISON. Mr. Speaker, now that the Congress has debated at great length and finally adopted aggregate figures for our budget resolution, it is essential that we adhere to these limits for the coming fiscal year.

Nothing could be more damaging to our fledgling budgetary process than to casually disregard the spending ceiling we have just approved. Although I believe that the deficit finally adopted is still too large, failure to stay within its bounds will certainly impair the chances for recovery from recession without renewed inflation.

It was apparent that most of my colleagues shared my feelings that the proposed deficit is too large. The Landrum amendment which would have reduced the deficit to $66 billion was adopted 227–180. However, it was overridden by the O'Neill substitute which I believe did a clear disservice to the budget process by making reference to the funding of specific programs.

The O'Neill substitute was justified on the basis that it eliminated all caps in retirement benefit increases and Federal employee salary increases. The actual funding level of specific programs will be decided by individual committees; the budget resolution deals only in aggregate figures and as such had no power to include specific funding. The result is that the House adopted this substitute on a false premise that we were actually removing the caps. I believe all Congressmen are for full funding of those who depend on fixed pension retirement benefits for their income. The issue before us, however, is the spending limit we seek to stay within. The only actual effect the O'Neill substitute had was to increase the proposed deficit from $66 to $73 billion and for that reason I voted against it. As my colleague from Georgia (Mr. LEVITAS) has noted, we need to eliminate unnecessary spending in other areas so we can provide for the elderly. We should direct our attention to those areas and not be duped by such fallacious reasoning.

Concerning other amendments, the Reuss amendment to the O'Neill substitute pledged to close tax loopholes to increase revenues. I opposed this amendment. Although it related to tax reform there was no justification of the figure arrived at or the specific loopholes to be closed. Merely railing against tax loopholes serves no real purpose in attempting to arrive at a realistic spending limit.

Regarding other amendments, I voted against the balanced budget amendment for fiscal year 1976 because I felt it was not a realistic goal in a year of high unemployment.

Finally, I believe that the Congress must employ this budget resolution as a firm standard by which to examine spending proposals for this fiscal year. If this budget process is to be successful, the Congress must make some difficult decisions as to spending priorities. In this trial of the Budget Act of 1974, we have completed the first step; now we have to make it work.

PRESIDENT AND MILITARY MERIT COMMENDATION FOR EFFORTS IN VIETNAM EVACUATION

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. COUGHLIN. Mr. Speaker, as the curtain falls on the tragedy in Southeast Asia, I feel compelled to comment on the dark suspicions cast by some Members of this Congress on the motives of President Ford, our military leaders and, indeed, the American people.

Cynical statements and misgivings have been expressed about the use of American military personnel, the evacuation of South Vietnamese refugees, and even the movement of homeless orphans.

To the contrary, President Ford and those who planned and participated in these operations acted with resolve, restraint, efficiency, and compassion.

The evacuation of some 8,000 Americans, 55,000 Vietnamese, and hundreds of orphans by air, under the most difficult conceivable circumstances, was a massive and delicate undertaking. The fact that these operations were accomplished so quietly and with so little loss is a tribute to both President Ford and our armed services.

Surely, there were things that went awry. No one condones any individual dishonesty or chicanery that may have developed in Saigon in evacuating Americans and Vietnamese. Certainly, some children were improperly brought out.

But, for the immense logistics problem, coupled with the desperate potential for

violence, the evacuation was successful, not only in numbers but in the humanitarian sense which was its basis. I think the American people understand this.

I can well understand the plight of the President, the Secretary of State and our military commanders. Overwhelmingly, the American people wanted no more money committed as was the sentiment of the majority of the Congress.

Yet, they were faced with a situation in which a miscalculation or misjudgment could have triggered a reaction in Saigon that would have been the ultimate tragic irony—South Vietnamese fighting Americans over our withdrawal and evacuation.

I felt some of the same pressures as a member of the Appropriations Committee. As a longstanding opponent of our Indochina intervention, I opposed further military involvement or continued massive military aid.

Yet, our responsibility to those still in South Vietnam meant giving the President authority to use military personnel to assist in the evacuation. And the real possibility that South Vietnamese anger could be turned against our nationals in Saigon meant voting for limited military funds for South Vietnam even knowing that they would never be spent.

I am grieved, as a Member of the House of Representatives, that in these last several days some of my colleagues saw fit to subject this chamber to near-hysterical arguments and poisonous allegations directed at the President which will stand as a historic commentary for which they bear the responsibility. The President's actions including the successful evacuation will stand in stark contrast as documentary facts to the Chief Executive's commonsense and his own responsibility.

Many lessons can be drawn at this juncture about our Vietnam involvement. Many lessons must wait on the tide of events and the judgment of history.

I only want to pay my respects to President Ford, who inherited this tragedy, for his commonsense and decency in these last frantic days; to the Secretary of State and our military leaders for their responsible actions, and to the American people whose enduring commitment to basic humanitarian instincts is a source of pride to me and a source of wonder to others throughout the world.

BLOOD BATH CONTINUES IN CAMBODIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McDONALD of Georgia. Mr. Speaker, contrary to the testimony of certain parties such as Gareth Porter, who have been trying to sell everyone on the idea that the Communists do not indulge in blood baths, the leopard has not changed its spots. A blood bath is taking place in Cambodia, and the signs in Vietnam are that preparation is taking place for a larger blood bath in that newly conquered area. It behooves us in the Congress not to listen to these apologists for the proponents of violent Marxism. Communism has not changed. The article from the Washington Star of May 4, 1975, follows:

BLOODBATH REPORTED IN CAMBODIA

NEW YORK.—A massive bloodbath has begun in Cambodia and thousands have already been executed according to a U.S. official, Newsweek magazine reports.

Newsweek said the reports came from intercepts of Khmer Rouge radio communications picked up by U.S. intelligence. The intercepts were said to indicate that the first victims were to be all officers of the Cambodian army down to the rank of second lieutenant and their wives.

Newsweek said sources told it that intercepts of the official Khmer Rouge radio transmissions gave the orders for the executions and that field radio reports indicated they were being carried out. They quoted the sources as saying the killings were not isolated cases but part of a full-fledged campaign.

"I'm not speculating," the magazine quoted an official as saying. "I am not dealing in third hand reports. I am telling you what is being said by the Cambodians themselves in their own communications."

NATIONAL MARINE CORPS SCHOLARSHIP FOUNDATION

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. FISH. Mr. Speaker, it came as quite a surprise to discover that so few people are aware that the National Marine Corps Scholarship Foundation is devoting such a concentrated effort toward providing college scholarships to the most deserving children of members of the corps. Over the past 13 years, 350 such scholarships have been awarded.

And now a new one has been awarded in memory of Col. I. Robert Kriendler, with the first scholarship given to Michael Hammer, of Gloucester City, N.J., a junior at Rutgers University, whose father, Lt. Donald Hammer is a 20-year Marine Corps veteran. Lieutenant Hammer saw service in both Korea and Vietnam, and was wounded in action several times.

Although the foundation just recently awarded 115 scholarships to a group of 385 applicants, its directors are concerned that so few sons and daughters of Marine Corps veterans who might be eminently qualified file applications for these scholarships.

The foundation has informed me that they urgently need more applicants, and would like to make more Marines and their families aware of this extraordinary opportunity for their children.

I hope that by bringing this opportunity to the attention of my colleagues, and to all the Members of Congress through this insertion in the RECORD, that the word will be spread far and wide across the country. It is noteworthy that the first Colonel Kriendler Award for leadership and public service in connection with the foundation scholarship fund was presented to David J. Mahoney, chairman of the board of Norton Simon, Inc., a former marine who has been in the forefront of the scholarship drive.

I hope that my colleagues in both the Senate and the House will spread the word throughout their constituencies that this opportunity exists for qualified children of marine veterans.

I am attaching an address by Norton Simon board chairman, David J. Mahoney, to the Annual Leatherneck Ball and Marine Corps Scholarship Foundation Banquet.

The address by David J. Mahoney follows:

A PRECIOUS LEGACY

Thank you, Florence Kriendler, for your comments and thoughtfulness. This has moved me deeply. I am truly honored by this award and can think of no greater honor than to march at least symbolically in the company of your husband and my good friend, Bob Kriendler, Colonel, United States Marine Corps; his good friend General Cushman; and all the present and past members of the Corps here tonight.

In reflecting on what I would say this evening, I recalled the very moving eulogy by Bob's closest friend, Colonel Alex Gentleman, at Temple Emmanuel. He listed many of Bob's virtues, and the one that came through strongest was pride. Bob had deep pride—pride in you and his family—pride in his friends—pride in his accomplishments—pride in his country—pride in his university—and always, and foremost, pride in the Marine Corps that he loved so much and served so valiantly.

There is no other institution quite like the Marine Corps, which is set apart by its unique spirit and dedication to the cause of free men everywhere. None could challenge that over the broad sweep of our history, this unit must rank among the finest of all military organizations.

In California, recently, I noticed a billboard for recruiting Marines that perhaps tells the whole story. The billboard simply read—"Quality not Quantity." The Marines have always been selective and have established a camaraderie and morale that have been their trademark, and it is not an idle statement that "Once a Marine, always a Marine." The Marines believe in what they stand for and stand for what they believe—their country, their flag, their corps, their squad.

And, as the long list of Marines who have won the Medal of Honor testifies, the Marines will lay down their lives rather than let down their comrades or the causes in which they so fervently believe.

As they celebrate the 200th anniversary of their founding on November 10 of this year, Marines are as modern as today. It is a recognized military truth that their ability to strike quickly and effectively—on land, sea, or in the air, around the world—is one of the surest guarantees to the free world that it will remain a free world.

But, more important than their armament, or their historical record, are the foundations on which the Marines are built. Some of these tenets are considered, in many quarters, to be old-fashioned and outmoded; and, by some, totally obsolete.

The Marines still believe that the flag is sacred and patriotism is a virtue. Yet, these and other concepts—such as pride in their organization and in their institutions, honesty, loyalty, devotion to duty, the willingness to work hard and to give one's best efforts at all times—do not rate as high on the American philosophical scene as they once did.

This country was founded on the principle that it is admirable to be ambitious and to desire to succeed, but there are those who would have us believe that there is something a touch unsavory about success, especially when it involves material gains, security, and profits. In fact, in many quarters, the word "profit" is a dirty six-letter word. Similarly, the idea that one should do an honest day's work for an honest day's pay has come into equally low repute.

And one of the most worrisome erosions has come in the concept of leadership. When this country was young, we dreamed of becoming leaders and we encouraged and trained our men and women to become leaders, from the family level to the national level. We once made heroes of our leaders and through the esteem we showed them, and our willingness to follow them, thus encouraged others to aspire to leadership.

We should recheck our thinking to see if this is still what we believe in America. For it now seems that we use up our leaders in government, education, church, and business—no matter how qualified or deserving they may be—at an unprecedented rate. Just as we use and throw away disposable products in our homes, we quickly discard and dispose of our leaders on history's rubbish heap. To put it another way, we have introduced the concept of "planned obsolescence" to the realm of leadership.

It would naturally follow that our attitudes and thoughts regarding authority within our institutions at all levels would have changed. Scorn them, challenge them, put them down seems to be the rallying cry. We do not need leaders, we need consensus, the thinking goes. We do not need *action*, we need *activity*. The words may sound alike, but there is a big difference in their meaning. It can be said, in fact, that we have been living in the era of the *non*-hero, or even worse, the *anti*-hero. The attitude seems to be that anything having to do with authority is bad per se and should be attacked and mocked..

No one is perfect, so this is not to say that all or even the greater majority of our leaders and institutions have been worthy of total reverence or allegiance. In all fields, business, government, education, and even the military—there have been—and continue to be—failures. But it is balance that we are talking about, and our country over its two hundred years has been well served on balance by its leaders.

What is called for is a rededication to the qualities and beliefs that American organizations such as the Marines have stood for throughout their history. We hear much these days about the shortages of natural resources—oil, metals, natural gas, and so forth; but we must be more concerned by the equally serious shortage of energy factors called "inner resources," which are the beliefs and principles that determine character and action.

We know that these inner resources are renewable but not if they are allowed to atrophy. The passing of time and the acute need dictate that we must hasten a massive recycling and regeneration process to rebuild the stockpiles of these resources that have been so important to our nation's welfare. We cannot continue to exist in a climate that might best be described as "Nothingism"—a time in which too many believe in too little.

We cannot continue to wander aimlessly, goal-less, and without motivation. We cannot bring back the past—and would not want to. Yet, without being guilty of falling back into a neonostalgic lethargy, we certainly can learn from the past and take pride in what we have accomplished. We must begin to cope with the great forces that have swept our nation into its present state of confusion—the mental milling around, this shuffling of our minds as well as our feet.

In the "can do" spirit of the Marines, the time has come to dedicate ourselves to a new and vigorous, and positive Era of Reaffirmation.

Let's resolve to build, not to tear down our country or each other.

Let's look for the good and not pander to the bad, real or imaginary.

Let's stress self-discipline, not surrender to our every whim.

Let's emphasize excellence rather than settle for mediocrity.

Let's reward and recognize accomplishment, not demean it or challenge it.

Most important of all, let's be proud as individuals to lead and to seize control of our destiny.

We need more of the spirit and tradition of the Marine Corps and Bob Kriendler. Too often our military establishment has been vilified as war mongers. Douglas MacArthur said it for us all: that basically military people must hate war, for they are the ones who die fighting it. However, they must always stand ready to protect the freedom and sovereignty and rights of our nation.

In carrying out this mission, untold numbers of brave Americans—including parents of many recipients of National Marine Corps Scholarships—have died or been seriously wounded. Through their sacrifices they have passed on to their children, and to all of us, a precious legacy, which we must preserve and enhance through our own rededication to the basic principles on which America was built.

In this context, and on this occasion, we might appropriately consider one final thought: our country is described as "the land of the free and the home of the brave." At a time when we hear all too much of the gospel of defeatism and despair, we would do well to remember this: we shall remain the land of the free only as long as we stay the home of the brave.

EXTENSION OF GI BENEFITS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. SCHROEDER. Mr. Speaker, I am today introducing legislation to amend the GI bill of education by removing the restriction on the 9-month extension of veterans education benefits.

Currently, the 9-month extension is applicable only to veterans in undergraduate level programs. While this extension of eligibility for undergraduates is certainly a boost to the programs, it stops short of a full measure of needed relief. My bill would allow the 9-month extension to be applied to all educational programs under chapter 34 of title 38 of the United States Code.

I am particularly concerned with graduate students and students in professional programs who are faced with the rising cost of living and of education, and who usually find it extremely difficult to supplement their incomes with outside employment due to the demanding nature of their studies. Many of these students have been forced to discontinue their educations because their benefits have expired prior to completion of their program, and other assistance is increasingly hard to come by in this time of economic uncertainty.

If a fair and equitable solution is to be obtained, all veterans should be given the same opportunity to advance themselves and to pursue the program of their choice with as few impediments as possible. I, therefore, urge early adoption of this legislation, so that it may go into effect by the start of the 1975 fall term.

NUTRITIONAL REVENUE SHARING

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. KINDNESS. Mr. Speaker, when the Food Stamp Act was passed in 1964, several assumptions were made by its supporters that have since then slowly eroded into oblivion.

The program was designed for the poor and the hungry, for those who needed assistance in meeting the basic nutritional needs of life. But what has evolved is a system under which not only the "involuntary poor" are assisted, but also the "voluntary poor"—college students, strikers—those who, of their own choice, are on a certain income level.

It was originally thought that food stamps would be used for food. However, it has been proposed that personal hygiene items be covered by the program and a couple years ago hunting items were added for Eskimos. This has led to proposals for fuel stamps, rent stamps, and even cotton stamps.

When the program was started, stamps were to go only to immediate families of those who qualified and were to be used to purchase food which was to be prepared at home. As it now stands, drug and alcoholic clinics may use stamps to feed their patients and proposals have been put forth which would allow stamps to be cashed in at restaurants and carry-outs.

The food stamp program was initiated as a supplemental nutritional program. It was not, per se, designed to provide a complete diet. Now many people urge that the program should be a complete diet; and every six months a cost-of-living increase automatically raises the amount of support given. Earlier this year a district court judge in California ruled that a pregnant mother qualified for double stamps.

Finally, there is the ethic of outreach. The USDA has been sued repeatedly to require it to publicize the program in an attempt to attract recipients. It is now assumed by many that food stamps are a right, much the same as life, liberty, and the pursuit of happiness.

The resulting bureaucratic growth and cost of the program is nothing short of staggering. Eleven years ago there were 117 Federal employees involved in a program which cost under $31 million. Today, there are approximately [illegible],000 Federal positions and the cost is approaching $5 billion. This accounts for nearly two-thirds of USDA's budget. Currently, over 17 million people are participating in the program. What should be even more alarming to taxpayers is the Joint Economic Committee's study completed in 1974 which estimated that if current legislative trends continue, 25 percent of the U.S. population would be covered by

the food stamp program by the end of fiscal year 1976. How much would this cost and who would pay for it?

The legislation I have introduced, H.R. 6269, would replace the current program with a nutritional revenue sharing program under which the States would be allowed to design and administer their own programs. The revenue sharing program would be funded for 5 years with authorizations decreasing from $4.5 billion the first year to $1 billion during the last of the 5 years.

Not only would this reverse the current direction in which we at the Federal level are headed, but it would allow the States to develop their own nutritional programs and to establish and enforce their own standards of participation, thus better insuring that tax dollars are used to assist the truly needy and not the "voluntary poor."

The legislation provides the same basic requirements for accounting and reporting that are found in the provisions for general revenue sharing.

For too many years our answer to social and economic problems has been, directly or indirectly, to generate more and more Government involvement in our society and our economy. If we are ever going to permanently pull ourselves out of the current economic malaise, we must resist the urge to create expensive new programs which are all aimed at worthwhile goals and all have such appealing titles and all of which are paid for out of the taxpayer's pocket. And we must work to pare those programs, such as the food stamp program, which are becoming so bloated and uncontrollable as budget items.

MORE INVESTMENT FOR MORE PRODUCTION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. CONABLE. Mr. Speaker, as we endeavor to deal in Congress with the Nation's economic problems it is important that we understand what is necessary to achieve the goal of a strong, stable economy that we all desire. One of our colleagues from New York, the Honorable JACK KEMP, recently had some enlightening remarks about the importance of encouraging private investment, stimulating production, and restraining the overregulation of Government agencies which is hobbling our economic system. I am submitting a report on his remarks from the Buffalo Courier-Express newspaper, as well as a related editorial:

[From the Buffalo (N.Y.) Courier Express, Apr. 16, 1975]

KEMP CALLS INVESTMENT KEY TO ECONOMIC GAINS

(By Peter Andrews)

"One of the most incredible statistics of today's economy" said Rep. Jack Kemp recently "is the fact that well over 40 per cent of private income—corporate, business and personal—is being devoted to government at the state, federal and local level."

"When you add that to the fact that one out of every six people is working for the government at some level—a figure which has doubled in the last 12 to 14 years—you come to a point where you can see we are starting to consume in the public sector so much that we are starting to interfere with the production of wealth," he said.

"The only real way to increase the standard of living in America is to increase the amount of capital invested per capita," said the Hamburg Republican. He explained his economic views at a recent breakfast meeting with reporters at the National Press Club.

"As a nation, we are investing enough of our gross national product in new plants and machinery and equipment to upgrade our current industrial capacity. To that extent we have fallen behind our competitors in the world.

Last year we reinvested somewhere between 10 and 11 per cent of our GNP, while Japan's figure was 34 per cent, West Germany's 23 per cent, France's 24 per cent and even Britain's was higher than the United States," he said.

"In order to finance this year's deficit the Federal Reserve last month expanded the money supply at a rate of 15 per cent—and all of us who have any familiarity with economics realize that an increase in the money supply without a corresponding increase in productivity means inflation. It is not just the too many dollars in the equation, it is the too few goods that we also have to be concerned about."

"We have to stimulate savings, investment and capital formation to handle that other side of the equation—the stimulation of our economy to produce more goods."

"This is one of the great mistakes in the debate on energy—we have talked so much about conservation of energy, which is important, but there are not enough people talking about increasing production."

"It is incredible today that because of the regulatory agencies, it is against the law to lower the prices of certain services in our society—transportation for one. The strongest defense of the Civil Aeronautics Board comes from the presidents of such outfits as United Airlines who do not want World Airways and other competing firms to lower the prices on established air routes.

The CAB allows British Airways to service more domestic markets than we allow Pan American to service. The Export-Import Bank loaned Air France money at 6 percent interest because the airline wanted to buy a 707 from Seattle—because we want to stimulate exports—while Pan Am is paying 12 percent for their money. Boss Linco trucking lines in Buffalo cannot go the most direct route to Philadelphia because of the Interstate Commerce Commission.

"I am not suggesting we have a return to 18th century cutthroat competition—it is not a question of that—but these regulatory agencies should be promoting competition rather than inhibiting it. Last year the ICC made over 475.000 individual decisions as to routes and rates, what can be carried, what the profit can be etc. etc. Imagine that type of bureaucracy making a decision equal to the market place forces of competition!"

Kemp's answer to our economic problems is a program of fiscal restraint coupled with the deregulation of those agencies which are hindering free competition in the U.S.

He said estimates of what these regulations cost the consumer annually range from $20-to-$30 billion, in addition to artifically created shortages such as the natural gas shortage in Western New York. He said this was caused by the Federal Power Commission, which, since 1954, set the price of natural gas at such a low point that it stimulated consumption without stimulating production.

Today we are buying gas from Communist Algeria at four times the price of natural gas sold in interstate commerce, under the price allowed by the FPC, he continued.

I recognize there is no way the budget is going to be balanced this year for many reasons, but we ought to move to reduce the size of that deficit—it is out of control, absolutely out of control to the point where the bond market is being jeopardized and major financings are being called off. If the federal government is financing $170 billion in the 18 months, where is the money going to come from to finance the private sector?

"I think that capital formation is the most serious emergency that our country faces today. Where are we going to find the capital necessary to raise the standard of living, to make sure there is money available for the thrift institutions to loan out for mortgages, and to finance the industrial growth? There has not been a major expansion of our steel-making capacity in the United States in the last 10 years."

With that Kemp deplored the direction that many members of the Republican Party seem to be taking now—the abandonment of the basic laws of economics. "I can win as an independent," he said, "but I think the President should not give up on his programs—I think he should draw the line and fight—and I just hate to see the party drifting away from these principles."

Kemp said there were some other Republicans who felt the way he did. They are an increasingly vocal reminder to the President and the rest of the Republican party that it appears to be losing some of its original constituency.

[From the Buffalo (N.Y.) Courier Express, April 19, 1975]

RIGHT KIND OF ECONOMIC THINKING

Part of the "good news" that government economists are pointing to as sign that the "bottom has been reached"—and the upturn begun—stems from the index of industrial output. And indeed the March report, listing the smallest rate of decline since last October, was energizing: The Federal Reserve Board noted that the output of consumer goods actually rose for the first time since last summer. Still, the over-all index showed the nation's factories, mines, utilities and so forth were producing 12 per cent less than in March a year ago.

Therein lies a point: In a recent talk at the National Press Club, Rep. Jack Kemp of Hamburg said that "we are not investing enough . . . in new plants and machinery and equipment to upgrade our current industrial capacity." Kemp also noted that "one of the most incredible statistics of today's economy" is that well over 40 per cent of private income is being devoted to government at the state, federal and local levels. He further stressed that one out of every six people is working for government at some level.

We agree particularly with Kemp's comments about what some of the policies of the so-called federal regulatory agencies have done to raise (inflate) the cost of goods and services to the consuming public at large (one of the major faults spelled out previously in remarks by the chairman of the Federal Trade Commission). Unhappily, the idea of tight fiscal (budgetary) restraint seems not very popular either in Congress or the White House at the moment.

But, as Kemp suggested (and Sen. James L. Buckley made a similar budget point the other day) Congress ought to be moving to slash or curb the size of the federal deficit. It could run as high as $80-billion. And it is a runaway engine capable of yanking the whole country off on another crushing ride on the inflation-recession roller coaster. We wish there were more legislators—federal, state and county—whose economic thinking was along the main line laid out in Kemp's talk.

GEORGIA'S 1974 FARM FAMILY

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MATHIS. Mr. Speaker, I had the distinct honor of being present at the awards ceremony where Mr. and Mrs. Edward D. (Bob) Fiveash of Seminole County, Ga., were honored as being the Georgia Farm Family of the Year.

The Fiveash family epitomizes the highest ideals for which all Americans should strive. The goals they set for themselves and the attainment of those goals through perseverance, stamina, and faith in our American system should serve as an example for all Americans.

I am inserting the acceptance speech made at the awards banquet by Mrs. Fiveash for the benefit of my colleagues:

ACCEPTANCE OF AWARD—GEORGIA'S 1974 FARMERS HOME ADMINISTRATION FARM FAMILY OF THE YEAR

(By Mrs. Edward D. (Bob) Fiveash)

When we found out that the family would have to say a few words tonight, my family looked at me—and—when they did that I knew who was going to have to say these few words. And, you know, this is the first time in 25 years my family has offered to let me speak first. They said, "Mom, tonight you can have the floor all to yourself." And you know I don't mind one bit. These last two months have been so exciting for us, we'll probably be talking about it the rest of our lives.

We began farming on our own 20 years ago. Before that we sharecropped for 5 years and getting no where. So we started looking for a farm to buy. We found one and went to FmHA for a loan. They loaned us the money for the farm, and since October 25, 1954, we have been making steady progress, working for a higher standard of living for ourselves and our three children—Edward, Bobby and Sara. October 25, 1954, was a very special day in our lives; we got our new farm and also our new baby daughter, Sara, both on the same day, October 25th, 1954. We give all the credit to FmHA for our new farm—but they sure don't get any credit for our new baby daughter. Every year for the past 20 years on October 25th Sara has said, "Daddy, aren't you proud of this day, you got me and a farm all in one day." He says, "Yes, dear, I am proud." And, you know, I hope every year for the next 20 years, on October 25th she will still be saying, "Dad, aren't you proud?"

FmHA has been a major factor in our progress. When we began 20 years ago, they are the ones that stressed the fact to us to keep good records, to always know the best buy for our particular situation.

We have increased our acreage over the years from 212—to triple that amount. Planning long in advance if the land would be worth the price. Bob plans long in advance before he makes any major investment, then discusses it with the family to get everyone's ideas. We are a close family, and I pray to God every day we can stay that way. We all love farming, and we grow peanuts, corn, soybeans, cattle and hogs. The latter being my preference. I find hogs to be the most fascinating, irritating, unpredictable creatures on earth, but I love to work with them—even though sometimes they make me lose my religion. A word to you farm wives who help your husbands with their hogs—if he ever asks you to help him up an electric fence, which you need sometimes if you raise hogs, make sure you don't plug in the electric fence charger before your husband gets through working on it. If you do, you won't get spoken to for at least a week. But we have always been able to forgive and forget. We love our family and we love our farm.

Yes, I think you could say we are a Family of the Soil. We live out in our little corner of Seminole County, Georgia, The Empire State of the Southland, and we love it. It is here that my husband and I can have a richer and more complete companionship than is possible elsewhere. It is here, close to the heart of nature, that we, Partners with God, can find a greater joy in our work, because it is creative. It is here that our family relationships are closer than could be anywhere else. Yes, as a farm family, we can give ourselves toward placing agriculture on a firmer basis and make rural life what we want it to be. I think the family farm is here to stay, with proper planning and proper management and always keeping up with the latest in farming technology. I think the backbone of America's agriculture has long been the farm family. We have always looked toward the future with optimism and flexibility, and tonight we thank FmHA for giving us a start in farming. We wish to thank Mr. Reynolds and Mrs. Howard for their advice, guidance and help. These two people I know have devoted many years of hard work, helping thousands of people like us to a better way of life.

And, now, to Congressman Mathis, to Farmers Home Administration, to Mr. Reynolds and Mrs. Howard, we wish to thank you from the bottom of our hearts for this beautiful banquet, surrounded by our relatives, friends, acquaintances, and some we don't know, honoring us as 1974 State Farmers Home Administration Farm Family of the Year. We shall, as long as we live, never forget this memorable event.

GILMAN SEEKS AID FOR MUCKLAND FARMERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. GILMAN. Mr. Speaker, in Orange County of the 26th Congressional District of New York, the clock is quietly ticking away the financial solvency of a number of large family-type farms which have been struggling to overcome the disastrous results of Hurricane Agnes in 1972.

Repeated efforts by my office to intercede with the USDA for the purpose of obtaining new loans or in the alternative to refinance existing indebtedness have proved fruitless. As a result, these muckland farmers in my district face the prospect of barren fields during this planting season.

The only real hope for these farmers now lies with this body.

Mr. Speaker, in order to more fully inform my colleagues concerning this critical problem and to enlist their support, I include the following letter from one of my constituent farmers, Anthony LaScala, depicting the present deplorable state of large family-type farms in this country, in this portion of the RECORD:

GOSHEN, N.Y.,
April 7, 1975.

Congressman BEN GILMAN,
Longworth Building,
Washington, D.C.

DEAR BEN: You have on record letters that I have written pertaining to the agricultural situation which I think shows the severity of the situation.

As of this date we have absolutely no direction as pertains to financing for 1975. As I have stated previously the United States and even the world cannot afford the luxury of squandor as pertains to farmers' talents and ability to produce food. Each date we receive or see press releases on malnutrition and starvation yet we persist (society as a whole and all of Congress categorically speaking) in forcing farmers to beg on bended knees for loans in order to produce food. We are not asking for grants but only for the chance to farm by granting us loans without going through 3 years of bureaucratic red tape.

It is completely incomprehensible to me that our great country has on its books legislation whose interpretation brings farmers into a state of serfdom while at the same time removing all means to rise above it. We as a nation have shown compassion to countries which we fought a few years ago by granting them grace and forgiveness by writing off their debt (Japan, Germany), we were willing to write off tremendous debts to Russia and even today we are granting aid to the mid-east and writing off loans but when it comes to the farmers of the United States who are literally and figuratively feeding the world—we are forced to mortgage our very families in order to produce food. Even with those rules we are pleading for financial help and because of our bureaucratic laws that hinge on stupidity we find ourselves without any funds with which to operate in 1975, after going through three years of financial hell.

Our legislators who created the laws governing the U.S. Department of Agriculture either forgot all about them after their creation or paid absolutely no heed as to their intent. The people working for the Farmers Home Administration are in fear of interpreting the laws liberally or in many cases of even interpreting them at all.

This department (F.H.A.) of the U.S. Government was created with the *intent* of helping farmers in situations such as ours. The laws have been interpreted to help within certain guidelines however they were not structured to help farmers in situations such as ours of—the interpretation was not made properly.

Farmers in almost every state are working under duress, many of us have suffered draught, floods, poor prices or a combination of these. In our area, 1972 was declared a disaster area (Presidentially declared), however the enclosed document also from the U.S. Department of Agriculture shows that 1973 and 1974 were as bad if not worse. Must the President of the United States declare an area as eligible for disaster aid under a set of rules and regulations that are archaic and inflexible? Can't common sense dictate such a policy if the case justifies it?

Changes must be mandated immediately or we will lose many of our farmers. The whole Mississippi Valley shouldn't have to flood for some of the farmers to be eligible for aid; we shouldn't have to have homes floating down the Hudson or Susquehanna Rivers to be eligible for aid in our area; the farmers of Minnesota, South Dakota, and North Dakota don't have to have a complete annihilation of their corn crop by flood and draught so that some are eligible for aid. My point is clear—a disaster could mean one farmer suffering one flash flood or one hail storm. Furthermore if the local banks can't loan (bona fide farmer) money to operate then the government should assume this responsibility—the alternative is complete apathy and I can assure you that your children will pay dearly in the very near future. We in Orange County, New York have fought this battle for 3 years with numerous trips to Washington, many meetings and will in all probability end with a law suite against the U.S. Government. It would have been much easier for us to give our security to our creditors and give up farming but some of us still *believe* that enough of our Congressmen care to resolve this issue because it is a class action issue.

A few congressmen cannot do it alone, it will take many of you on both sides of the fence to resolve this problem. It must be done in a nonpartisan way without biasness and with the attitude that many honest changes are due immediately.

We are willing to meet with any member of Congress at your convenience because we are only the first of the many farmers who find ourselves in this serious financial situation and who fully understand what must be done to resolve it.

Some of us have even turned to the Arab oil nations for help which should be an insult to our nation however we have no other recourse at this time.

I am hoping that enough congressmen come to the aid of family type farms both large and small before the situation becomes so acute that it be irreversible in nature.

Very truly yours,
ANTHONY J. LA SCALA,
President, Sleepy Hollow
Produce Growers, Inc.

LEGISLATION ADOPTED BY DISTRICT OF COLUMBIA COUNCIL—JANUARY TO APRIL, 1975

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. DIGGS. Mr. Speaker, I am submitting for the CONGRESSIONAL RECORD a list and short summary of the first seven acts adopted by the new Council of the District of Columbia.

Acts 1 to 1 and 1 to 4 took effect when signed by the Mayor and are only in effect for 90 days. They were passed by a two-thirds vote under the authority of section 412(a) of Public Law 93–19o which permits the Council in an emergency to waive a second reading of a bill.

The other five acts take effect 30 legislative days after being transmitted to the Speaker and to the President of the Senate. During that period the House and Senate could veto any of those five acts by adopting a concurrent resolution. Of course, Congress also retains the power to legislate for the District of Columbia in the ordinary way on any matter, whether within or without the scope of legislative power granted to the Council of the District of Columbia.

The House Committee on the District of Columbia has copies of the committee reports of the Council accompanying these acts. I shall be happy to make such reports and additional information contained in our files available to any Member upon request.

I include the following:

ACTS OF THE DISTRICT OF COLUMBIA COUNCIL RECEIVED BY SPEAKER ALBERT THROUGH APRIL 28, 1975

Act 1–1: A 90-day Emergency Act to implement the Emergency Unemployment Compensation Act of 1974 adopted by Congress in December, 1974. It provides supplemental unemployment compensation benefits for D.C. individuals who have exhausted their titlement to regular and extend unemployment benefits.

Act 1–2: Provides $100 per day compensation to citizen members of the D.C. Zoning Commission and the Board of Zoning Adjustment. This Act, requested by Mayor Washington, would cost approximately $30,000 per year. The public officials who are members of the Zoning Commission would not receive additional compensation.

Act 1–3: Reenacts Act 1–1 as permanent law.

Act 1–4: A 90-day Emergency Act to waive for trucks and stands vending ice cream and related products the new requirement for mechanical freezing equipment and to permit them to continue to use dry ice. The regulation had been adopted by the old City Council last fall. A bill has been introduced in the Council to make this change permanent.

Act 1–5: An amendment to the Condominium Law at the request of Mayor Washington, to permit condominium projects consisting of 5 or more detached single family units rather than just as row houses. This proposal was introduced by Chairman Diggs as H.R. 9926, 93d Congress (by request), but no action was taken by the Committee.

Act 1–6: Permits the Mayor to lease space under DuPont Circle for the development of abandoned trolley car tunnels. The Mayor intends to develop a commercial retail and entertainment mall generating additional revenue to the City tax base.

Act 1–7: Repeals a 1971 law that authorized the Mayor to pay a landlord the rental allotment of a public assistance recipient who had not paid his rent for 10 days.

The 1971 law was a rider to the D.C. Revenue Act of 1971. The rider was opposed in supplemental views signed by the following Members: Gude, Fauntroy, Diggs, Dellums, Link, Fraser, McKinney and Jacobs. The Conference Committee kept the provision but required notice and hearing.

ACT ENACTED

Number	Sponsor	Title	Transmittal date [1]
1-1 [2]	Coates	To amend the District of Columbia Unemployment Compensation Act to provide for certain emergency unemployment compensation.	Jan. 23.
1-2	Tucker	To establish a rate of pay for Zoning Commission and Board of Zoning Adjustment members	Mar. 14.
1-3	Coates	To amend the District of Columbia Unemployment Compensation Act (Note: This supercedes act 1-1)	Mar. 14.
1-4 [2]	Wilson	To modify the Vending Regulation (No. 74-39) with regard to ice cream vendors	Mar. 17.
1-5	Tucker (Mayor)	To amend the Horizontal Property Act (bill No. 1-12)	Apr. 31.
1-6	Tucker (Mayor)	To authorize the Mayor to permit the use of public space under Dupont Circle (bill No. 1-14)	Apr. 1.
1-7	Tucker (Mayor)	To amend the District of Columbia Public Assistance Act of 1962 (bill No. 1-13)	Apr. 3.

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[1] Transmittal date—Except for emergency acts, acts passed by the council shall not take effect for a 30 day period (excluding Saturday, Sunday, and holidays, and any day on which either House was not in session) beginning on the day such act was transmitted by the Council to the Speaker of the House of Representatives and the President of the Senate. The act shall take effect on the day indicated unless both the House and Senate adopt a disapproving resolution.

[2] Indicates emergency legislation in effect for not more than 90 days.

LOOK WEST, MISS LIBERTY, AND SHINE YOU LIGHT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. SIMON. Mr. Speaker, the backlash which so many of us in Congress have sensed on the part of people who have reacted unfavorably to any possible assistance by this Nation to the refugees from Vietnam is a reaction which grows out of frustration, over the obvious mess from which we have just extracted ourselves in Vietnam, and out of fear, on the part of many who face uncertainty about their jobs.

There can be no compromise on moving as rapidly as possible to guarantee jobs to all Americans, but there can also be no compromise of our fundamental ideals. And those ideals compel us to help suffering mankind, particularly those to whom we have a special debt as a result or our actions in Vietnam. The question is not whether we were right or wrong in Vietnam. History can decide that. Right now the question is whether we are going to help desperate people who out of great fear have sought help in this land of freedom. I voted for that help the other day and I shall vote for it again—soon I hope.

While I do not support the President in many of his policies, in this humanitarian gesture I support him completely, and I hope that enough of us speak out quickly so that the already tarnished image of this Nation abroad is not tarnished further. The best way to take care of the image is to take care of the substance. Congress must show that we care for people, both our citizens and those who do not claim our citizenship. This is a nation that cares, and we must show it.

I was proud to read the statement of George Meany, the president of the Nation's AFL–CIO, who took the stand which all Americans of conscience should take: We want to help people. This Nation became a great nation not by being selfish and narrow but by being open and warmhearted. In that connection, the Art Buchwald column in this morning's Washington Post is worth reading, for those of my colleagues who have not read it.

The article follows:

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

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"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed, to object to that."

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens"

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, 'Welcome. We're glad you came,' most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statute of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless tempest tossed to me, I lift my lamp beside the golden door.'"

THE SEPARATION OF EDUCATION AND STATE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McDONALD of Georgia. Mr. Speaker, our system of government was founded on the belief that the power of government, which by its very nature constitutes the legalized use of coercion and force, must be limited. This was the purpose of the Constitution of the United States.

So well did the Founding Fathers understand the nature of government, that they placed certain areas of human activity entirely outside the sphere of government authority—for example, speech and religion—whereas power over any other area not specifically granted to the central government, was to be reserved to the States or to the people.

Thus while the principle of the separation of church and state was explicitly stated in the Constitution, the separation of state and many other spheres of human activity was expressly implied by the 10th amendment.

One of these areas is education. Although Federal aid to—and control of—education continues to grow, it is still unconstitutional. And well it should be: the arguments for the separation of church and state are the same arguments for the separation of education and state.

This is the subject of an excellent speech by Dr. John A. Howard, president of Rockford College, presented at the annual meeting of the American Association of Presidents of Independent Colleges and Universities on December 6, 1974, at French Lick, Ind.

I commend the speech, titled "Principles in Default," to the attention of my colleagues:

PRINCIPLES IN DEFAULT

Sometimes it is helpful when dealing with a complex and emotion-laden issue to back off from the specific points of concern and try to view the matter in the context of basic purposes and basic principles. Let me attempt such an overview with regard to the government's programs to enforce equal opportunity on the campuses.

There has been a generally accepted recognition that it would be unwise in our country to commingle the responsibilities of church and state. This principle derives from the fact that the two have separate functions to perform, and that neither should have control over the other to such an extent that force could be used to require the functions of one to accomplish the chosen purposes of the other. This separation essentially frees both to be operated according to the judgments of people selected for their competence in their respective fields. The separation has a subordinate virtue of permitting either one to use its own techniques for discouraging flagrant error on the part of the other. For example, one would expect government to prevent the burning at the stake of even the most thoroughly authenticated witches. That kind of intervention, is however, something far removed from government's prescribing the qualifications for becoming a clergyman or trying to influence the subject of the sermon or the amount of money spent for hymnals.

There is, I believe, an equally compelling need to maintain a separation of education and government, a need that derives from the same justification. Education and government have separate functions to perform. Government's work is to regulate, adjudicate, and protect the citizens in those activities which, through properly authorized procedures, have been judged to be necessary for the good of the society. Education's role is to inform and activate the intellectual and aesthetic powers of man so that he may dream, probe, invent, compare, judge, challenge and create—to the end that knowledge shall prevail over ignorance, wisdom prevail over folly, and humaneness prevail over savagery. The people who are trained and competent in government can scarcely be expected to have the expertise to make proper judgments to guide education, and vice versa. Education cannot prosper in a society if it is operated by amateurs, and neither can government.

In the case of the separation of education and government, there has been no traditional axiom comparable to the separation of church and state. I would suppose that that lacuna reflects an enduring assumption that the fundamental requirements of academic freedom have been so clear and would always be so fiercely guarded it was unthinkable that government would ever usurp the prerogatives of academic decision-making. At all events, the recognition that education needed to be free of government domination was almost universal among American educators until seventeen years ago.

In 1945, the Problems and Policies Committee of the American Council on Education, and the Educational Policies Committee of the National Education Association met in an unprecedented joint session to consider a matter of the gravest concern to both. From that meeting issued a statement of alarm. I quote the opening paragraphs:

"The first purpose of this document is to warn the American people of an insidious and ominous trend in the control and management of education in the United States.

"For more than a quarter of a century, and especially during the last decade, education in the United States, like a ship caught in a powerful tide, has drifted ever further into the dangerous waters of federal control and domination.

"This drift has continued at an accelerated pace during the war. Present signs indicate that unless it is sharply checked by an alert citizenry, it will continue even more rapidly after the war.

"It is the deliberate and reasoned judgment of the two educational commissions who join in the appeal which this document makes to the people of the United States that the trend toward the federalizing of education is one of the most dangerous of the current scene."

I ask you to remember that that warning cry emanated from the policy committees of NEA and ACE. Their fears of pressure in behalf of government funding were, of course, confirmed by events that followed. President Truman in the late forties pressed hard for legislation to provide federal aid to education. College presidents across the nation were rallied under the leadership of Carleton College's President Emeritus Donald Cowling, sending strongly worded messages to Congressman Graham Barden, Chairman of the House Subcommittee on Education.

Northwestern's President Franklyn Snyder wired Mr. Barden, "I sincerely hope that neither HR 4643 nor HR 4711 will be approved by your committee . . . The American educational system . . has been built on the principles of local autonomy and local responsibility. No need has yet arisen which justifies discarding these principles." The Very Rev. Vincent Flynn, President of St. Thomas College, wrote the Congressman, "None of our institutions in America is perfect . . We wish them all improved, but not by any means whatever . . Least of all, in my opinion, do we wish our educational system improved by means inherently dangerous. Far better for it to struggle along with its imperfections, gradually improving as its constitutents grow in wisdom, than to have it immediately raised to standards set by federal authority. The ways of freedom are often slower than those of despotism; but most Americans, I submit, still prefer freedom to any despotism, however benevolent." Florence Read, President of Spelman College, wrote, "To have permanent federal support for education on any level would, in my judgment, tend toward dictatorship by a bureaucracy which would endanger the freedom and growth of all individuals in this country. There could hardly be anything worse than an imposed system of education without regard to differences in community conditions."

And so the messages poured in from the presidents of Columbia University, Brown University, Elon College, Fulton College, Yankton College, Union College, and a host of others, and the legislation was defeated. Grinnell's President Samuel Stevens then wrote Dr. Cowling, "We may have succeeded this time in stopping this most unwise development, but I am of the opinion that unrelenting vigilance will be required. One member of the . . lobby said to me, 'You may stop us now, but we are not going to be finally denied.'"

The historic belief among educators that general governmental funding would compromise education held relatively firm until October 4, 1957. Sputnik Number One sent a chill into the hearts of all Americans with the realization that Russia had outdistanced us in space technology. As a result of that scare, even the educators were suddenly, if reluctantly, willing to grant new powers to the government, overriding the historic and well-reasoned objections to federal funding of education. The National Defense Education Act of 1958 put into being vast new programs that embraced under the label of "defense" activities that certainly stretched the meaning of the word.

The wall of principle was broken and a new era arrived. Each group began to press its case for federal subsidy. As Homer Babbidge and Robert Rosenzweig wrote in their 1962 book, *The Federal Interest in Higher Education*, "There is a kind of tacit understanding among the several organizations in American higher education that no one of them will openly object to federal benefits directed toward another group . . . Where one educational association can support legislation that will benefit another, it does; where it cannot support such legislation, it at least remains silent." Even in 1962, however, there was still a residue of concern for principles and for sound public policy that had thus far blocked legislation to subsidize building construction. Quoting again from the Babbidge Book "Another obstacle in the construction-legislation affair that offers insight into a broader problem was the fact that education assembled could not resist the instinct to speak as statesmen. That may sound cynical, but the fact of the matter is that the very same educators who attested to their need for and interest in federal assistance when they responded to the aforementioned questionnaire were those who understand their common interest by questioning its wisdom in the context of public policy. When they debated the possibility of aid to higher education. they were not content to describe their needs and the most effective manner of meeting them, instead they took on the larger issue, whether it would constitute sound public policy to meet these need . . . What the Executive Secretaries (of the national organizations) did not do was to attract attention to the issues involved. Their years in Washington had taught them what others may not have understood so clearly, that effective pursuit of one's interests often involves finding ways to avoid broader issues that serve to obstruct action, and never involves raising such issues gratuitiously."

Well, as you know, the Executive Secretaries won out. Principles and issues were subordinated to self interest. The people who still objected to federal funding were to some extent placated by protective language written into the funding legislation. Typical of this presumed safeguard was section 102 of the National Defense Education Act which states, "Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system."

Those few educators who still persisted in their concern were subject to mockery. Turning once more to Babbidge and Rosenzweig, ". . . The argument seems to suggest that no limits can be placed upon a federal-institutional relationship once begun; that a first kiss leads inexorably to the total surrender of virtue. A terribly Victorian view, to say the least. In the view of those who take this position and make this use of the federal-control issue, institutions are helpless to resist the encroachments of government. The autonomy of higher education is threatened by 'creeping' federal aid and 'insidious' federal envelopment. The lurid manner in which the inevitability of all this is described has led to its being dubbed the 'parade of horrors' argument."

Unfortunately, many of the proponents of federal funding were skilled in directing public discussions of the federal aid issue to those arguments they could turn aside with such derision. I think it may be useful to remind ourselves of some of the less publicized reasons stated by former generations of college presidents in their opposition to federal funding, and note briefly what has happened in each case.

1. Given the separation of church and state, there was a fear that as state moved into education, church would be obliged to move out. In the Maryland Case, as you may know, the State Supreme Court found that several of the colleges being subsidized by the state were so closely affiliated with their churches that it was unconstitutional to provide them with government funds. Thereafter the question became how much church did a college have to get rid of in order to receive government funding. It may have been coincidental, but shortly thereafter a number of church-related institutions reconstituted their boards of trustees, markedly diminishing the number of clergy who served as trustees. In the succeeding years, as we know, the role of religion on many campuses has diminished greatly.

2. There was a fear expressed that when education became dependent upon federal funding, the educational profession would become a political captive, forced to support whichever candidates were likely to vote for the most federal subsidy. In 1972, the NEA put major emphasis on the re-election of Senator Clayborn Pell, the federal aid enthusiast who serves as Chairman of the Senate Subcommittee on Education. After the election, Senator Pell was quoted as saying, "My election is a victory for teacher power. Before the teachers began to help me, I was a two-to-one underdog." Encouraged by their success in 1972, the NEA, I understand, worked in behalf of quite a number of "friends of education" in the 1974 elections.

One other aspect of the political captivity hazard is the question of whether educational institutions, having become dependent upon the flow of Federal money, might diminish their resistance to damaging legislation or mute their objections to inappropriate regulatory control. Certainly educator's arguments against objectionable provisions of the 1969 Tax Reform Act and other recent legislation have not achieved the intensity nor the public clamor that characterized the resistance to the disclaimer affidavit of the National Defense Education Act back in the days when Federal funds were much scarcer on the campus.

3. The fear was expressed that educational institutions might forfeit the initiative in planning their own instructional and research programs, responding to those opportunities for which federal funds were available, rather than planning their programs to fulfill their own institutional purposes according to the talents and training of their own faculties and the locally determined judgments of the needs of their students. The president of one metropolitan university stated in a speech that when it was decided to add Ph.D. programs to the university offering, the first eight programs were all in science, developed with the help of federal funding. Do you suppose that left to their own resources, the faculty would have excluded the humanities and social sciences in the initial provision of doctoral programs? Other examples of the skewing of higher education resulting from the availability of Federal funds might include the great expansion of the research function and the relative decline of the teaching function of the professors, the trend toward similarity of programs and policies among the colleges, and the preoccupation with innovation in academia.

4. Another concern that was repeatedly cited is the ever multiplying cost of sustaining the bureaucracy which processes the grants. Not only must the government provide an army of clerks, accountants, secretaries, compliance officers, supervisors and lawyers to receive the requests, judge them, issue the funds, monitor and spot check the performance of the grantee, and audit the records, but the colleges, too, must pay for personnel to keep apprised of the grant opportunities, prepare the requests, keep records on the utilization of the grants, fill out the forms required by the government, provide legal counsel, etc. If higher education is short on money nowadays, think of the enormous amount of financial resources spent on the processing of grants which might otherwise be available for productive activity.

5. The one other argument I would cite is that of direct federal control, the one so condescendingly set aside by Messrs. Babbidge and Rosenzweig. Going clear back to the National Defense Education Act, one finds even in that early legislation an instance of policy imposed on the colleges and universities which would have brought instant and forceful rejection from any self-respecting college, had it been proposed by any other source of funds. That Act, among other things, provided for the establishment and the total subsidy of language institutes at institutions of higher learning where language teachers could improve their skills. The bill provided full tuition for the students who enrolled in these institutes and, in addition, a stipend for their living expenses and for each of their dependents, but the latter benefits were only available to public school teachers. Teachers in private schools were excluded. I do not believe there is a reputable college in the country that would tolerate such a double standard in any program of its own devising. And yet scores of erstwhile honorable institutions compromised their integrity on that matter in order to obtain the language institute programs from the federal government.

As you know, the early posture of government officials insisting that they would not control education through the leverage of federal subsidies faded away in the early sixties. When several of us called on Commissioner Francis Keppel to present a recommendation for using the gift tax-credit as the best means for government to aid education, if government insisted on providing aid, the Commissioner quickly responded that such a plan was out of the question because it would "prevent us from accomplishing our social objectives." He did not elaborate on what they were, but it was apparent that he intended to use government funds to bend American education in the direction of government's purposes. By April of 1966, such comments from government officials were no longer confined to office discussions. Commissioner Harold Howe gave an address at the New Jersey Conference on Education, entitled "Who's In Charge here?" He stated, "Your state government pays only 21% of the cost of education in New Jersey. By that index, it ranks 46th in the nation. What does that mean? It means that your state has relatively little control over education . . . In spite of the fact that extending state prerogatives would diminish local freedom, I support that extension."

And now, we are faced with the ultimate in governmental usurpation of the control of education—the dictation and supervision by the federal government of policies which

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have the effect of preventing the college from appointing and promoting its faculty according to their academic competence. Through the Affirmative Action program, education is now being forced to subordinate its own proper purposes and functions to the purposes and functions of the government. The separation of education and government has now collapsed.

The grave distortions of the educational enterprise which have resulted from this regrettable circumstance are being publicly recited with increasing frequency. George Roche's book, *The Balancing Act*, presents perhaps the most comprehensive survey of the problem. On October 10, Estelle Fishbein, the Special Assistant Attorney General for the University of Maryland, presented at the annual meeting of the American Council of Education, a lawyer's view of the price paid by a university for its subjugation to Affirmative Action. Among the points she listed were, and I am paraphrasing:

1. The laws, statutes and executive orders pertaining to equal employment opportunity are so numerous and so broadly stated that legal counsel is becoming involved in institutional decision-making to an unprecedented extent.

2. The compliance officers of the government much too often seem to measure equal employment opportunity progress solely with reference to numbers. There is, after all, no government agency which is charged with measuring progress toward academic excellence. Often the government investigator is unqualified to delve int academic affairs and make a knowledgeable and reasoned judgment of the facts presented to him.

3. The legal hazards flowing from a failure to comply with these laws include the possibility of the loss of government contracts and of being named as a defendant in litigation undertaken both by members of the groups intended to be protected by the legislation and by individuals who perceive themselves to be victims of reverse discrimination.

4. In their fear of not meeting the government's requirements, institutions are bidding frantically against each other and may offer salary or rank, or both, vastly disproportionate to the candidate's credentials, just to appease the government investigators.

5. Blatantly favored treatment of a woman or a minority member is practically guaranteed to impair morale of other faculty members.

6. In their present mode of organization, the Equal Employment Opportunity Commission and the Department of Health, Education and Welfare simultaneously act in the roles of prosecutor and judge. This duality defies the most basic tenets of American judicial philosophy. Furthermore, the agencies charged with enforcing anti-discrimination laws are not neutral fact-gatherers. EEOC, for example, is frank to admit it considers itself an advocate of the complainant.

7. University administrators and faculty members who have responsibility for hiring, admit feeling intimidated with regard to personnel decisions, for in state universities the individuals responsible for hiring are personally subject to legal action seeking monetary damages in cases alleging discrimination.

8. The amount of time, money and talent that must be diverted from the adademic mission in order to deal with these maters is substantial.

If you have not seen Attorney Fishbein's paper, I urge you to study it.

Let us register on a proposed new extention of government's forthright control of education. Recently Senators Javits and Kennedy introduced legislation designed to force every fledgling doctor who graduates from a medical school that uses federal funds to begin his or her medical practice in areas designated by the government. Concerned about the unequal distribution of doctors, the proponents of the bill have judged that since the government pays for a large part of the medical training, the government has a right or an obligation to make sure that all the citizens get their proper return on that investment of their tax funds. If that rationale should prevail, then the leverage of federal subsidy will have reached beyond the campus into the working lives of the graduates, an extension of federal control far beyond the most extravagantly fearful projections of the "parade of horrors" people who were scoffed at by Babbidge and Rosenzweig.

Returning now to the matter which prompts this analysis, we have just heard a presentation by Miss Gwendolyn Gregory who has major responsibility in the Depart- of HEW for drafting the terms of the regulations governing sex discrimination under Title IX of the Education Amendments of 1972. She has reported to us what our government proposes to permit us to do and to forbid us to do with regard to hiring of our personnel, admissions, scholarships and financial aid, counselling services, physical education courses, dormitory regulations, honorary societies, athletics, and fraternities and sororities. It has been an enlightening experience to hear the representative of our government speaking with the presumption of full authority over certain aspects of our entire educational undertaking. An enlightening experience and, for college executives who believe in the separation of government and education, a frightening experience.

Well, what is the purpose of this historical review of the relationship between higher education and the government? It is to give us perspective on our response to this newest massive intervention in our proper and once discrete areas of responsibility and judgment. I suggest that we not attempt merely to negotiate a less burdensome implementation of a governmental action which is fundamentally erroneous in its concept and devastating in its consequences. This is the mistake education has so often made in the past. It is time for us to face directly and forthrightly the issue which is really at stake.

The Swiss philosopher Amiel observed, "Truth is violated by falsehood, but it is outraged by silence". Let us rescue truth from outrage. The fact is that the loss of autonomy predicted by Northwestern's President Snyder, the creation of a federal despotism predicted by St. Thomas's President Flynn, the dictatorship of a bureaucracy which threatens the freedom of all citizens predicted by Spelman's President Read have all come to pass. The National Defense Education Act ban on federal control has been nullified. The alarm expressed by the commissions of the National Education Association and the American Council on Education has been fully justified.

I suggest we request the President of the United States and the Congress to acknowledge that a terrible mistake has been made, that the provision of federal subsidy to evolved is restricting and homogenizing and higher education in the manner which has stultifying and warping the educational process to such a degree that the integrity and vitality and productivity of our educational institutions are gravely compromised. I suggest we request the Congress to declare a moratorium on any implementation of title IX, and refrain from enacting any new regulations governing higher education until a thorough and honest review can be completed which evaluates the present techniques of federal support and their actual impact upon the educational enterprise.

The separation of education and government is so absolutely essential to the well-being of a free society, that it behooves the Congress to examine the tuition voucher plan, the tax credit for gifts to educational institutions, and any other options that can be devised which would protect the integrity and the autonomy of the colleges and which might be put into operation, gradually substituting for and phasing out those programs of grants which have proved to be the basis for the governmental dominion over education.

That it should fall to our particular Association to assume the leadership in this call for a re-evaluation is most fitting, for our central purpose has consistently been to protect the independence of private colleges, and independence is clearly what is at issue. In this case, of course, it is the independence of all colleges and universities, public and private, which has been circumscribed.

Let me conclude these remarks by a reminder of another prediction which bears on our present concern, one that was directed at the private colleges. Seven years ago, Alan Pifer, President of the Carnegie Corporation, in his address at the annual meeting of the Association of American Colleges asserted, "The financing of higher education will, like the support of agriculture, more and more come to be regarded as a federal responsibility." He went on to suggest that the government should set standards of efficiency and productivity, and it should make judgments about which educational institutions are worthy of support, rather than distribute funds according to some general formula. Finally, he foresaw the ultimate elimination of any significant distinction between public and private colleges.

His first forecast is, I believe, on its way to being fulfilled. Certainly the fate of American higher education is just as regrettably vulnerable to the ebb and flow of government's purposes and judgments as is the fate of American agriculture. Whether the private colleges shall ultimately coalesce into a common glob with their public brethren, funded and directed from Washington according to Washington's judgments of each institution's merits, may well depend upon how much understanding, wisdom and courage we can summon at this meeting, and how we choose to respond to our present circumstances.

REINTRODUCTION OF PRISONER RIGHTS ACT

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BADILLO. Mr. Speaker, I have consistently supported the idea of strong, affirmative action to insure that basic human and civil rights are granted to prisoners. Because of this commitment, I have received grievances and testimony from prisoners across the country and have observed conditions in many prisons including the Tombs and Attica. I have become convinced by the evidence that one of the fundamental causes of prisoner unrest is the denial of those basic rights of human dignity and just treatment. Indeed, an analysis of prisoner grievances indicates that the major complaints of prisoners, the denial of those basic rights are nearly identical in nature from one jurisdiction to another.

Prisoners have sought to call public attention to this situation and to bring about an improvement in prison conditions. Importantly, they have also sought a mechanism for maintaining the improved conditions after public attention would insure that prisoners could redress their grievances in a peaceful and positive manner.

The bill I reintroduce today, H.R. 3200, the Prisoner Rights Act, establishes such a mechanism. The need for such a mechanism has been clearly established. It would provide a means by which acts of brutality against prisoners and other forms of unjust treatment could be ended.

The bill sets forth basic principles in the treatment of prisoners in Federal correctional institutions. The bill affirms the fact that prisoners retain all the rights and privileges of the ordinary citizen, except those expressly withdrawn by law.

In addition to declaring that prisoner rights include such things as the right to adequate meals in compliance with the religious dietary laws of the individual involved, medical care and acceptable level of sanitation, proper housing, protection against physical and psychological mistreatment, it also stipulates that Federal penal and corrections officials will be responsible for maintaining these minimum standards and taking steps to prevent inhumane treatment of inmates.

Included in the legislation are minimum rules for the treatment of prisoners placed in solitary confinement; that is, the cell must be as large as other cells in the institution; the person must receive at least 2,500 calories of food while confined; the cell must be adequately lighted during daylight hours; and the necessities of civilized existence such as a toilet, bedding, adequate clothing, and water for drinking and washing must be provided. Additionally, solitary confinement is to be solely used for the protection of the person or to protect others and should not continue beyond the duration of the emergency period, unless approved by a medical doctor.

The Prisoner Rights Act also requires that the Attorney General establish a grievance procedure for prisoners and the procedure must provide for an investigation of alleged grievances by independent investigators appointed by the Attorney General.

While I recognize that the Prisoner Rights Act may not be a panacea, it does represent an important beginning and will hopefully serve as a model for State legislative action. I am reintroducing the bill today with the following cosponsors: Hon. Bella S. Abzug, Hon. Glenn M. Anderson, Hon. Edward P. Beard, Hon. Alphonzo Bell, Hon. Lindy Boggs, Hon. George E. Brown, Jr., Hon Phillip Burton, Hon. Shirley Chisholm, Hon. William Clay, Hon. Cardiss Collins, Hon. John Conyers, Jr., Hon. James C. Corman, Hon. George E. Danielson, Hon. Ronald V. Dellums, Hon. Robert F. Drinan, Hon. Don Edwards, Hon. Walter E. Fauntroy, Hon. Donald M. Fraser, Hon. Michael Harrington, Hon. Augustus Hawkins, Hon. Henry Helstoski, Hon. Elizabeth Holtzman, Hon. Edward I. Koch, Hon. Romano L. Mazzoli, Hon. Ralph H. Metcalfe, Hon. Helen Meyner, Hon. John M. Murphy, Hon. Robert N. C. Nix, Hon. Edward W. Pattison, Hon. Benjamin S. Rosenthal, Hon. Edward R. Roybal, Hon. Fortney H. Stark, Hon. Patricia Schroeder, Hon. Louis Stokes, Hon. Stephen J. Solarz, and Hon. Henry A. Waxman.

We would appreciate your support and cosponsorship in the future.

MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday I introduced H.R. 6652, the administration's Migration and Refugee Assistance Act of 1975. This bill authorizes appropriations over a 2-year period to cover the evacuation and resettlement of Vietnamese and Cambodian refugees. While the bill provides that funds shall remain available until expended, none would be available after June 30, 1976 except those necessary for carrying out clauses (3), (4), (5), and (6) of section 2(b) of the Migration and Refugee Assistance Act of 1962 as amended. Those clauses relate to functions within the U.S., and section 3 of the bill I have introduced extends to the Vietnamese and Cambodian refugees assistance currently available to Western Hemisphere refugees; namely, assistance to State and local public agencies, transportation of refugees to other areas within the United States, and training for employment. The same financial need requirement of the 1962 act would be applicable to the new refugees.

Mr. Speaker, it is estimated by the administration that in the next 14 months $507 million will be needed to carry out a program of temporary relief, transportation, and resettlement in the United States and third countries of 150,000 Vietnamese and Cambodian refugees. The legislation which I have introduced is urgent and essential since only $98 million is available under existing authority for the evacuation program, and the Defense Department has already incurred costs of over $70 million. It is estimated that without additional funds, the U.S. Government will be able to continue the resettlement program for only 1 more week. I would therefore urge that the appropriate committees and the Congress give this legislation the emergency attention which it requires.

Mr. Speaker, I have been disturbed and even ashamed in recent days by the reaction of some Americans, even some Members of Congress, that we should lock our doors, turn our backs, and even return to Vietnam these refugees from Communist aggression and potential oppression. Have 200 years of independence from tyranny brought us to a point at which we have forgotten who we are, whence we came, and what we represent? I sincerely hope not. Has the welcoming torch of freedom held high by the Statute of Liberty—that "Mother of Exiles"—been snuffed out, condemning to eternal darkness the hopes of those who would aspire to live in the "land of the free?" I sincerely hope not.

Mr. Speaker, we have long prided ourselves on our historic tradition of being a "nation of immigrants," a "melting pot," and a haven for those fleeing persecution. Our Nation was founded by people fleeing from religious and political persecution. Following World War II this Nation welcomed some 450,000 displaced persons; between 1953 and 1956 we took in some 189,000 refugees from Eastern Europe; between 1956 and 1957 we accepted some 30,700 Hungarians; and, most recently, between 1959 and the present, we absorbed some 675,000 persons fleeing Communist Cuba. The number of Indochinese refugees is palish in comparison with some of these earlier humanitarian efforts and is but a small percent of the total number of legal immigrants who will be arriving anyway this year.

Mr. Speaker, the early reaction against welcoming these refugees has been attributed in part to our current economic situation. It is argued by some that with the Nation's unemployment nearing 9 percent, we can ill-afford to asborb these refugees into our economy—that they would be competing for scarce jobs. But, when one considers that a large number of these refugees consists of women and children and dependents of American citizens, this employment factor is minimal in impact. Moreover, the administration has announced that every effort will be made to insure that resettlement will not be concentrated in a few enclaves in the country and therefore will not result in economic hardship. And the legislation which I have introduced would make it possible for the Department of Health, Education, and Welfare to provide full reimbursement to State and local social service and health agencies for costs they may incur in providing income assistance, health maintenance, social services, and educational services to those refugees who are in need of such assistance.

It has also been suggested that the negative reaction is connected with American disgust for the war, America's involvement in it and the tragic toll it has already extracted from our society. Americans would now like to put it all behind them and forget, yet these refugees bring it all home once again as a lasting reminder. Harvard sociologist David Reisman has explained it this way:

> Americans are full of self-pity. We are all justifying our grievances by striking out at others. The national mood is poisonous and dangerous and this is one symptom—striking out at helpless refugees whose number is infinitesimal.

Mr. Speaker, while it is understandable that many Americans would like to once and for all wash their hands of Vietnam and forget, the fact remains that we cannot and should not forget an experience which has left such a deep scar on our national psyche and which could be repeated if we fail now to face up to the lessons of that experience. By the same token, the refugees are a fact of that experience—they are here, they are with us, and we must squarely confront that fact and deal with it rationally and morally. It just will not do to claim that our original involvement was immoral and therefore we have no moral obligation to its victims. That is like saying that father has no moral commitment to a child born out of wedlock because the act of conception was immoral. To a great extent, America has fathered these refugees because of their close association with us over the years. As Neil Sheehan has written in the April 22 Washington Post:

The United States has a profound moral commitment to Vietnamese who placed themselves and their families in jeopardy by taking the American side in the long war against their Communist-led countrymen . . . Precisely who was responsible for the original policy and who is to blame for the current debacle is beside the point at the moment. The end has come. The only thing that matters now is to make the U.S. exit from Vietnam as decent as possible in terms of the human obligation involved. If there is any American honor and any American credibility to be salvaged from the Vietnam venture, it lies in fulfilling that human obligation to those Vietnamese who put their faith in us.

In a similar vein, Robert Tucker has written the following in the May issue of Commentary:

The responsibility for granting asylum must be seen as a kind of litmus-paper test of the sense of obligation we feel, if not toward those who will be placed in danger for whatever reason in a new regime, then at least toward those who have compromised themselves through past association with us . . . Nor is it only a matter of simple moral obligation that is involved in the case of Vietnam; it is also a test of the racism which we have been taxed by others, and particularly in our attitudes and actions toward Asians. A refusal to make every effort to take in those Vietnamese who wish to leave and whose position has been compromised by us will confirm, as perhaps nothing else could, the charge we have so indignantly denied throughout the war.

Mr. Speaker, I would sincerely hope that this Congress will have the guts, the good sense, and the moral decency to lead American public opinion in this area rather than simply follow the perceived passions of the moment, and that this leadership will reflect in prompt consideration and enactment of the administration's humanitarian relief legislation. I, for one, am confident that the American people, upon sober reflection and with strong and responsible political leadership, will ultimately accept these new refugees in the same fine tradition in which we have welcomed so many before them.

At this point in the RECORD, Mr. Speaker, I include an editorial from the May 2 Washington Post, "The Newest Americans," and a column from the May 5 New York Times by Anthony Lewis entitled "Reminders."

[From the Washington Post, May 2, 1975]

THE NEWEST AMERICANS

The 50,000 Vietnamese evacuated by the United States, and perhaps 30,000 others who made their own way out, have already provoked controversy in the country in which most of them hope to make their homes. Some of this is the result of the haste and confusion of evacuation, some the result of bad planning or non-planning by the administration, and some the result of misunderstanding and meanness among American citizens. Unless the whole refugee situation is taken promptly into hand, a nasty pall will be cast over a valid and necessary rescue operation, and many individuals—"old" Americans as well as the "new" Americans—may be unnecessarily hurt.

It needs first to be understood that the Vietnamese are here because, in honor, the United States gave them the personal choice. They were not kidnapped; they are legitimate refugees. If some in the "high risk" category are the mandarins of Vietnam, corrupt generals, failed politicians, greedy businessmen with satchels of gold, even they do not thereby automatically lose their claim to American refuge. For like it or not, the United States did invest its political fortunes in those people. Some larger number of the newest Americans, however, can be said to be honest and conscientious Vietnamese who believed in their cause and who associated with Americans out of concern for their own country and for something other than personal gain. They deserve our special respect, however hard it may be to separate them from the others in an official way.

The problems of receiving these immigrants are considerable but hardly unmanageable. Despite a spreading contrary impression, the numbers involved are relatively small, perhaps only 12 or 15 per cent of the total of legal immigrants who would be arriving anyway and a much smaller part of the annual total of illegal immigrants. The federal government has an unarguable responsibility to assume whatever financial load falls upon both the voluntary agencies that are belatedly being called on to handle the relocation, and state and local governments that face additional costs. Given the economic slack in the country, it is altogether reasonable that the burden of care be dispersed geographically as widely and fairly as possible. This is the best way to ensure that anxieties about job competition, welfare payments or cultural assimilation do not undermine the sympathetic welcome that Americans have traditionally offered to immigrants.

It is particularly important that the Vietnamese relatives of American citizens—including *all* members of the extended families accompanying some of these relatives—be quickly admitted and settled in the United States. If this requires a change in the letter or interpretation of immigration regulations, this should be done at once. It is galling to find that the extended families of certain South Vietnamese VIPs are being processed faster in some cases than extended families related to American citizens.

Already reports have come from Guam indicating that some evacuees may wish to return to Vietnam. If life does not turn out so well in America, and especially if conditions in Vietnam turn out to be less menacing than anticipated; it would not be surprising to see some considerable number of the refugees going home. The important consideration remains, however, that any such decision must be voluntary. Though the principle was often trampled during the American years in Vietnam, that *is* the American way of doing things.

[From the New York Times, May 5, 1975]

REMINDERS

(By Anthony Lewis)

SALT LAKE CITY.—In the distance the new church office building, a characterless white shaft, loomed over the pioneer baroque of the Mormon Temple. We are talking about the Mormon values of thrift and self-reliance—essentially unchanged since Brigham Young saw the great valley and said "This is the place"—when the waitress came to take the orders for lunch.

She was a young Asian woman, delicate, wide-eyed, with a soft accented voice and a manner so timid that she seemed almost frightened. And when she was asked, it turned out that she was frightened: for her family in Saigon.

"My dad could be killed right away," she said. "He was the head of the —— Department in the Government. The Communists know everyone who worked for the Government, and they have a list of everyone who had more than $6,000 in a bank account.

"I telephoned my father four days before the Communists came to Saigon. He said the family were trying to get out. He brought all the right papers to the American Embassy, but a man there asked him for $10,000."

An American asked for the money? "Yes, I was surprised, too, but I told him to pay.

"Two days later I telephoned again, and there was no answer. It was 4 o'clock in the morning there, and no answer. I just pray that they had already left. But I have heard nothing."

Nguyen Thi Ha, as we can call her, is one of nine children, all girls. A few years ago her father's "American supervisor," as she put it, a man from Casper, Wyo., arranged for her oldest sister and her to go to a junior college in Casper. She moved to the University of Utah, where she is studying chemical engineering.

Why was she so afraid of the Communists?

"On television I saw downtown in Hanoi, and the women were all dressed the same, like in China. And an American major here, who was 12 years in Vietnam, told me the other day that in Phan Rang the Communists killed 3,000 people."

Then, in the way it so often happens in conversation with Vietnamese, she said she had family on the other side.

"I was born in Hanoi," she said, "in 1949. In 1964 the family moved South. My dad's Buddhist, my mom's Catholic, they were afraid of Communists. You know our grandparents are still in North Vietnam. We used to be able to send small cards to them, but that stopped.

"If the Communists don't kill my dad, he wouldn't want to leave. It's his country, he's worked there all his life. Here he would have to start everything from the beginning. But if they would kill him. . . ."

Her eyes blinked back tears. She said she knew a Vietnamese man in Salt Lake City whose wife had just made it out of Saigon—by paying $4,000 to someone in the American Embassy.

"People got out by friends or influence or money," she said. There was no detectable bitterness in her voice.

In Nguyen Thi Ha's story are the confusions, moral and political, that confront us Americans at the end of our Vietnam adventure. Did the deserving people get out of Saigon before the fall? Were those who got out really in danger? Might they have a better life in their own country, even under the Communists? Can they adjust in America?

Traveling across the United States, one feels doubts and resentments about the Vietnamese refugees everywhere. A Chicago Tribune headline says, "Exiles Airlift: It's Who You Know, or Are." In San Francisco a U.S. official is quoted as saying that 5,000 of the refugees may be "hired killers" from the C.I.A.'s Phoenix program. There are stories about refugees laden with gold and jewels.

Well, it is undoubtedly true that not all the refugees are sympathetic characters. Many bribed or bullied their way to the refugee camps. And, yes, the refugees are entering this country at a difficult time. But the short answer is that what happened in South Vietnam was our responsibility right down to the end, and we must bear it. William L. Colby and his colleagues enlisted those Vietnamese in the Phoenix program to kill suspected Communists among their countrymen. We built the jails and trained the jailers. And at the end it was the contemptible decision of our high officials to delay the evacuation that caused much of the disastrous confusion over who got out, and how.

Settling the refugees will cost less than we spent this fiscal year on the futile policy of sending arms to a South Vietnam that could not stand on its own. In the long run many of the refugees may want to return to Vietnam. But that must be their choice, and it can come only after a difficult transition in Saigon. For us to force the choice now would be a final American shame in Vietnam. We shall have to live with the reminders, encountered all over this country, of Nguyen Thi Ha and others like her.

REPEAL THE DAVIS-BACON ACT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ARCHER. Mr. Speaker, I have introduced legislation to repeal the Davis-Bacon Act. This law, passed in 1931 during the Great Depression, has provided that contractors on Government projects must pay the workers the prevailing wage scales in the locality of the project. It has been the practice of the Secretary of Labor to apply the union scale for wages in the closest metropolitan site of the work. The involvement of the Federal Government in this economic area has forced up local labor cost and thus the cost of entire projects.

Documented cases have demonstrated that local construction wages have been artificially inflated by the importation of nonlocal wage rates as well as the specialized work classifications on Federal and federally related projects to which the Davis-Bacon provisions apply. Since its enactment, the Davis-Bacon provisions have been added to many pieces of legislation involving Federal assistance on construction projects.

As our country faces the serious economic problems of recession and inflation, we should seek ways to reduce cost to the Federal Government. In a special study in 1971 on the construction cost on Federal and federally assisted projects, the General Accounting Office estimated that these projects could have been built for at least 15 percent less if the Davis-Bacon provisions were not in effect. Dr. Armand J. Theiblot, Jr., author of the recent study entitled "The Davis-Bacon Act" published by the Industrial Research Unit of School—University of Pennsylvania—noted that the benefits from the Davis-Bacon Act "accrue to a limited group of beneficiaries rather than to the overall economy, and that many of its aspects which were advantageous 40 years ago can no longer be claimed to be so." He added that the greatest disadvantage of the Davis-Bacon Act has been its cost—a total annual cost estimated to be $1.5 billion.

I would like to enter into the CONGRESSIONAL RECORD two articles concerning the Davis-Bacon Act. One is an article by Charles Stevenson entitled "Your Move on Inflation, Mr. President," from the Reader's Digest, April 1975. Although Mr. Stevenson urges executive action by the President to suspend the provisions of this law, he details some very enlightening examples of the inflationary impact of the Davis-Bacon Act. The second article is an editorial entitled "The Law is the Law—When Convenient," from the Engineering News Record, April 24, 1975, which describes the problem of Westchester County, N.Y., with the Davis-Bacon Act.

The articles follow:

[From Reader's Digest, April 1975]

YOUR MOVE ON INFLATION, MR. PRESIDENT

(By Charles Stevenson)

Simply by signing an executive order, President Ford could suspend an obscure but highly inflationary law that unfairly costs taxpayers billions. This law, the Davis-Bacon Act, requires minimum wages of as much as $100 a day in the 4.5-million-employe construction industry, the Nation's largest. It is thus the bellwether of our runaway inflation.

The President's Council of Economic Advisers has put itself on record as having "long favored the removal of such restrictions as the Davis-Bacon Act." Other knowledgeable critics are even more outspoken. "It is my intention to use such influence as I have to encourage repeal of this act," says Arthur F. Burns, chairman of the Federal Reserve System. Says Armand J. Thieblot, Jr., associate professor of management at the University of Maryland, "The act is anachronistic, obsolete and inflationary. It has had undesirable consequences for almost everyone except, perhaps, unionized construction labor."

Yet nothing happens—and for one reason. Over the years, a shadowy alliance of powerful labor leaders, their Congressional minions and subservient administrators have turned this law into a device for raiding the U.S. Treasury, for compelling the government to both finance and enforce AFL–CIO efforts to take over the entire $134-billion-a-year construction industry.

Davis-Bacon was enacted in 1931 to prevent itinerant contractors from importing low-wage crews from distant points to displace local workers in government construction. It directs the Secretary of Labor to set minimum-pay rates at the level of prevailing wages in the immediate area. Before a contractor can bid on a government job, he is informed by Washington what he must pay. Over the years these minimums have skyrocketed to the point where they no longer represent average rates in the area. Instead, they are almost invariably union scales, often imported from great distances. Cases like the following are all too common:

In Chittendon County, Vt., roofers make $4 an hour. There is not a single union roofer in the county. Nevertheless, the Labor Department imposed on local contractors bidding for public-housing jobs a $9.25-an-hour minimum, a rate prevalent in union-dominated Albany, N.Y., 125 miles away. Local electricians charge $5.96 an hour for their services; Washington insisted that contractors pay them $8.52. As a result, costs of government-financed projects soared from $36,000 to $82,000 in a typical case.

In Pittsburgh, a 500-unit housing project, 40 percent federally financed, was halted when the Labor Department in 1972 ruled that union wage rates had to be paid. In that area, 90 percent of all residential construction was open-shop, at 40 percent below union rates. Engineers estimated that the Labor Department rates would add $9000 per unit.

In a remote non-union section of north Georgia, the Army Corps of Engineers estimated it would cost $40.6 million for the Carters Dam flood-control project. That was before Davis-Bacon entered the picture. Thus, when one contractor volunteered a bonus for dangerous tunneling, federal officials decreed that super-wages had to be paid for all non-hazardous work as well. Rulings like this raised pay scales as much as 82 percent in just 22 months. After completion this fall, the project will have cost $106 million—a cost overrun of 157 percent.

Through the years the General Accounting Office has repeatedly detailed such distortions of the Davis-Bacon Act. With federally financed construction now running at about $40 billion a year, Davis-Bacon is costing taxpayers $1.5 billion annually. And no wonder, Congress has extended coverage of the law at least 63 times until it now applies not merely to dams, post offices and such but also to local schools and hospitals that are only partly U.S.-financed. It even affects privately sponsored cooperative apartments aided by government-guaranteed loans, and nursing homes and homes for the elderly in which government's only interest is an FHA mortgage. Moreover, the AFL-CIO has persuaded 41 states to back up the national law with "little Davis-Bacon Acts" covering state-financed construction.

Indeed, the Department of Labor has been moving in on those states which have refused to adopt such supplementary laws. For example, it insists that Vermont municipalities pay Davis-Bacon wages on any construction financed by revenue-sharing funds, money supposedly distributed by Washington without strings. Result: wages are 60 percent higher than local workers normally receive, and project costs are up 35 percent.

Further, Davis-Bacon reaches beyond kited pay scales. Labor Department officials have increased construction costs by requiring open-shop contractors to abide by union make-work and jurisdictional rules. Thus, when the Marine Corps sought bids for spray-painting some buildings, the resulting wage determination prevented this mechanization because it was out of line with local union policy.

"If a man picks up a hammer, you're guilty unless you pay him carpenter's wages," a zealous Labor Department investigator told an Iowa contractor who allowed laborers to drive some nails into a concrete form. As a result, the builder underwent 600 hours of investigation before the Department finally settled for a $512 penalty—a sum substantially below the $7287 it had attempted to collect.

Davis-Bacon has sent the cost of U.S.-subsidized housing spiraling. GAO probers who looked at federally financed public housing in four widely scattered states found that Davis-Bacon had added $24 million to the $15.6 million cost. In Oklahoma City, for example, a $5.3-million project for the city's poor contained a 20-percent, $1-million gratuity for the construction workers. Says University of Chicago economics professor Yale Brozen: "Federal subsidies are largely consumed in paying higher rates to construction workers. As a consequence, little benefit emerges for the families who are presumably to be assisted."

And Davis-Bacon inevitably spreads its evils to the free market. Near Camden, N.J., Davis-Bacon apartments must rent for $13 a month more than they should simply because the builder had to pay 63-percent higher wages than those received by workers on a conventionally financed project next door. And jobs are lost. When wage rates from Council Bluffs, Iowa, were imposed on a Methodist home planned for tiny Walnut (pop. 1000), contractors could not bring their bids within the $200,000 available, so the project was abandoned.

The 78,000-member National Association of Home Builders has called upon Congress to kill Davis-Bacon "if Congress truly wants to hold housing costs down as much as possible." But last year Congress adopted still another $11.3-billion housing program and made virtually all of it—even housing that will be leased to individual tenants by private owners—subject to Davis-Bacon costs.

Is it any wonder that inflation spins out of control? The nation's total construction bill has increased from $76.4 billion to $133.7 billion in the past nine years, and all of us have had to pay for it. To meet the ever-increasing bill, we extract more pay from our employers. They in turn have to raise prices. Then the construction workers leapfrog their demands, which the government protects with Davis-Bacon, and the spiraling continues.

By the end of 1974 the average union bricklayer across the United States collected $10.33 an hour, the average electrician, $10.25. Ironworkers in northern Arizona were up to $14.02½ an hour, bricklayers in Rockland County, N.Y., up to $13.08, and pile drivers in Niagara County, N.Y., up to $17.89.

Our economy is in such a critical situation that emergency action is imperative. There is strong support for suspension of Davis-Bacon. It comes from, among others, the University of Michigan's Paul McCracken, who served on the Council of Economic Advisers under two Presidents. Alan Greenspan, the current Council chairman, long ago found that wages on government construction are so 'rigged on what are clearly non-competitive levels" that "the only solution is to open up the forces of competition by eliminating this artificial wage-support legislation."

But reform is a long shot at best. Last September, after the Associated Builders and Contractors appealed to President Ford for action and met with top-level White House officials, this word was passed around: "Yes, we believe the law should be suspended, too—but it would be a bad political move." Following up, Albert Rees, picked by the President to head the Council on Wages and Price Stability, told the Chicago Tribune that because of Congressional opposition, the Administration would do nothing about Davis-Bacon. "We want to work on those things we think are of greatest importance and where we have the greatest chance of immediate success," he said.

Thus fortified, Secretary of Labor Peter J. Brennan, who came to this job from the presidency of both the New York City and the State Building and Construction Trades Councils, dispatched a memo to all government departments. It instructed each to do an even better job of enforcing the Davis-Bacon Act and the "rights of working people which are entrusted to our protection."

Clearly, an opportunity to attack the heart of the inflationary spiral is being allowed to slide by. But is the President willing to put himself to the acid test by suspending the Davis-Bacon Act?

[From Engineering News Record, Apr. 24, 1975]

THE LAW IS THE LAW—WHEN CONVENIENT

It's nice to see things that help people. That makes it hard to find fault with a public service job program launched by Westchester County, N.Y., to relieve high unemployment among building trades workers. The fault in the program may be its probable conflict with federal law.

Since the project is funded under legislation that incorporates the provisions of the Davis-Bacon Act, the work it provides would seem to require payment of wages at scales prevailing in the area. Westchester is paying less.

The county manpower director says the terms of the law don't apply "because of the emergency nature of the program and because all the workers have volunteered for employment." That rationale does not hold water. The Davis-Bacon Act was passed during an emergency, the Great Depression, to protect workers, including "volunteers"—whatever that word means—from exploitation at substandard wages.

Obviously Westchester County is not trying to exploit the workers hired under its program or to undermine local union wages or conditions. On the contrary, the program, established and funded under Title 6 of the federal Comprehensive Employment and Training Act, is motivated largely by humanitarianism.

Why, then, if the program is good, is it necessary to waive the requirements of the law or assume that in this case the law does not apply in order to set up a good program? Why is it that a humanitarian program runs afoul of a humanitarian law? A good law should be applicable without fear or favor. By definition, it should not cancel its own objectives through application of its detailed requirements.

A possible answer is that the Westchester program is faulty and should be restructured to avoid the conflict.

A better answer may be to repeal the act, not because of this instance or even this type of case alone, but because the Davis-Bacon apparatus—the original act, the several dozen laws extending and defining its application, and the administration of the machinery—does not now achieve the ends for which it was created. In fact, it appears to hamper achievement of those ends in some instances by pricing some workers out of the market.

A REMARKABLE MAN

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. SPELLMAN. Mr. Speaker, I would like to tell this body about a truly remarkable man, a Marylander. Mr. Simon Carmel, 36, has been selected as one of the six winners of the 1974 National Volunteer Awards sponsored by the National Center for Voluntary Action. The national volunteer awards program accords recognition to individuals and groups engaged in exceptional volunteer service to improve the quality of life of mankind.

Mr. Carmel has worked as a volunteer to open up opportunities for one of America's most neglected groups, the deaf. Deaf himself, Mr. Carmel has been a tireless organizer, promoter, administrator, fundraiser, teacher, and coach in a volunteer career that runs in interest from competitive athletics to dramatics and other entertainment activities.

Carmel, who is employed as a physical chemist at the National Bureau of Standards in Washington, was graduated from Gallaudet College in 1961. The summer after his graduation, he participated in the 9th International Summer Games for the Deaf in Helsinki, Finland, as a member of the U.S.A. deaf swimming team. For the 1965 International Summer Games, which where held in Washington, he served as the official interpreter provided by the U.S. Government for the Russian athletes.

But it is skiing that is Simon Carmen's abiding interest. After his second stint with the World Summer Games for the Deaf in 1965, he organized the idea of having a U.S. ski team, to be sponsored by the American Athletic Association for the Deaf, to participate in the World Winter Games for the Deaf. To help his idea become reality, he served as both coach and manager of that first U.S. deaf ski team.

Carmel went on from there to found the National Deaf Skiers Association, to chair the Eastern Deaf Skiers Committee of the ski organization, U.S. Eastern Amateur Ski Association, and to organize such competitions as a New England Deaf Skiers Ski Week in Waterville Valley, N.H., and the Eastern Deaf Skiers race championships at Haystack ski area in Vermont.

In 1971, Carmel was the man behind a bid by Lake Placid, N.Y., to be the host city for the Eighth World Winter Games for the Deaf to be held in 1975. The winter games had never before been held outside Europe, but the Lake Placid bid was accepted, and Carmel served as the general chairman of the Lake Placid Organizing Committee for the games. Through this competition, an estimated 300 deaf athletes from 1[illegible] countries came to the United States to participate in alpine and nordic skiing, speed and figure skating, and hockey.

In all of these activities, Simon Carmel has taken on a great promotional, organizational, and administrative responsibility. He has drawn, in a modest way, on the resources of the U.S. Ski Association—for things like mailings—but he has mostly drawn on his own resources, contributing all his annual leave to these volunteer efforts. He has presided over the selection of competitors for many of of the meets, to see that selection was done in accordance with established criteria; he has done the logistical work of getting foreign teams here, and taking American teams abroad; he has served as fundraiser for the U.S.A. deaf ski team and as publicity director for a convention of the U.S. Deaf Skiers Association.

But above all else, Simon Carmel has had the vision to see that skiing could, indeed, be an important vehicle for opening competitive athletics up to the deaf, and the drive to bring his ideas to fruition.

This can-do attitude has characterized all that he has done for the deaf. An interest in magic, for example, led him to organize the first national tournament for deaf magicians. An interest in psycholinguistics led to his current stature as one of the world's experts on sign language. And with respect to skiing, officials of the U.S. Ski Association say that the World Winter Games for the Deaf at Lake Placid would never have happened without him.

The national volunteer awards program is a nationwide program of volunteer recognition sponsored annually by the National Center for Voluntary Action—NCVA. The Program seeks to identify and focus national attention on outstanding and innovative volunteer efforts. Each year, hundreds of individuals and groups are nominated by friends, colleagues, supervisors, political and governmental leaders, educators, ministers, and others. All nominations are formalized for consistency and reviewed by NCVA to insure that all eligibility requirements are met The nominations are then sent to an independent screening organization for review by a panel representing a broad variety of volunteer backgrounds and experiences. Through this process citation winners are selected. Final selection is made by a distinguished group of judges who determine the three individual and three group winners for the year.

The national volunteer awards program was begun 26 years ago by Lane Bryant, Inc., in an attempt to spotlight the generosity, dedication, and achievement of all volunteers. The program was transferred to NCVA in 1970. The nomination and screening process for the national volunteer awards is based on Lane Bryant's many years of experience.

The national volunteer awards program is an important part of the National Center for Voluntary Action's major goal: to stimulate new responses to America's most pressing needs through the greater recognition, utilization and coordination of volunteers. Founded in 1970, NCVA is a private, nonprofit, nonpartisan organization.